

Business Results for Nine Months (April-December, 2016) of FY 2016 【Telephone conference】

January 31, 2017

Presented by

| | |
|-------------------------|---|
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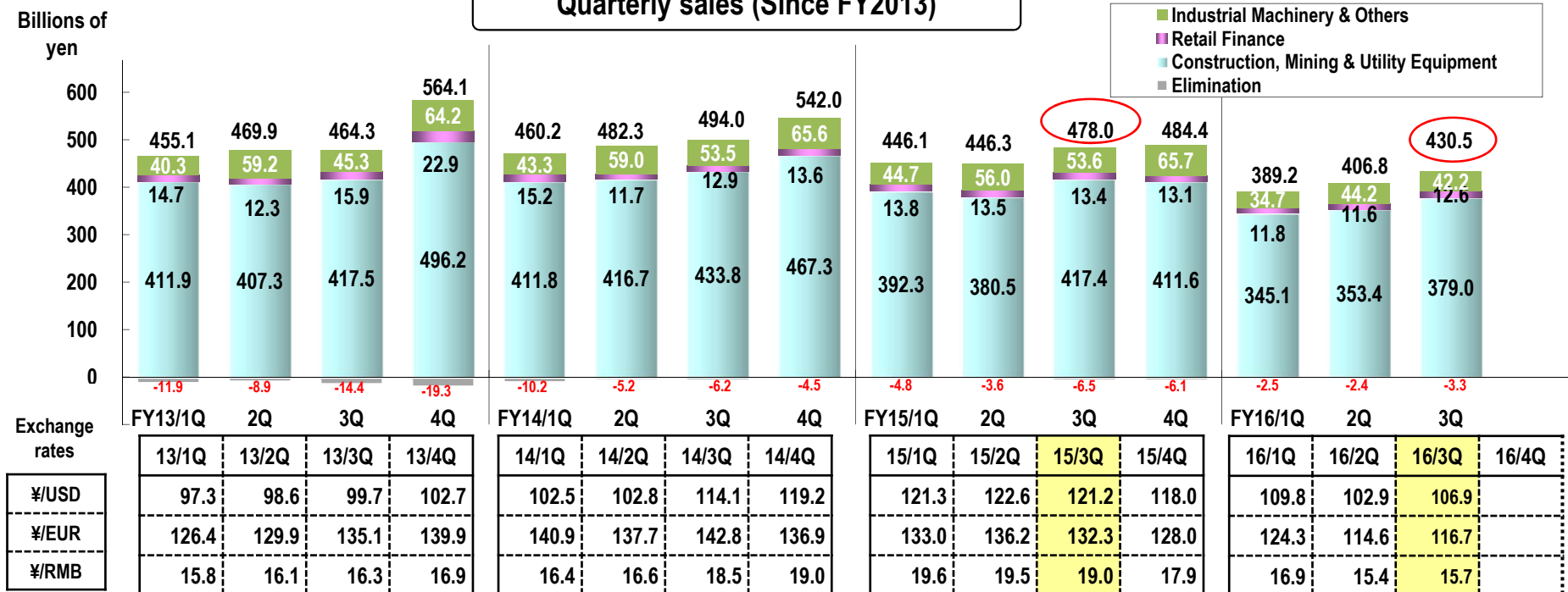
I . Business Results for Nine Months (April – December, 2016) of FY2016

- Consolidated net sales declined by 10.5% from the corresponding period a year ago, to JPY1,226.7 billion.
- Operating income dropped by 30.8% to JPY107.0 billion. Operating income ratio was 8.7%, down 2.6 percentage points.
- Net income attributable to Komatsu Ltd. dropped by 34.1% to JPY68.3 billion.

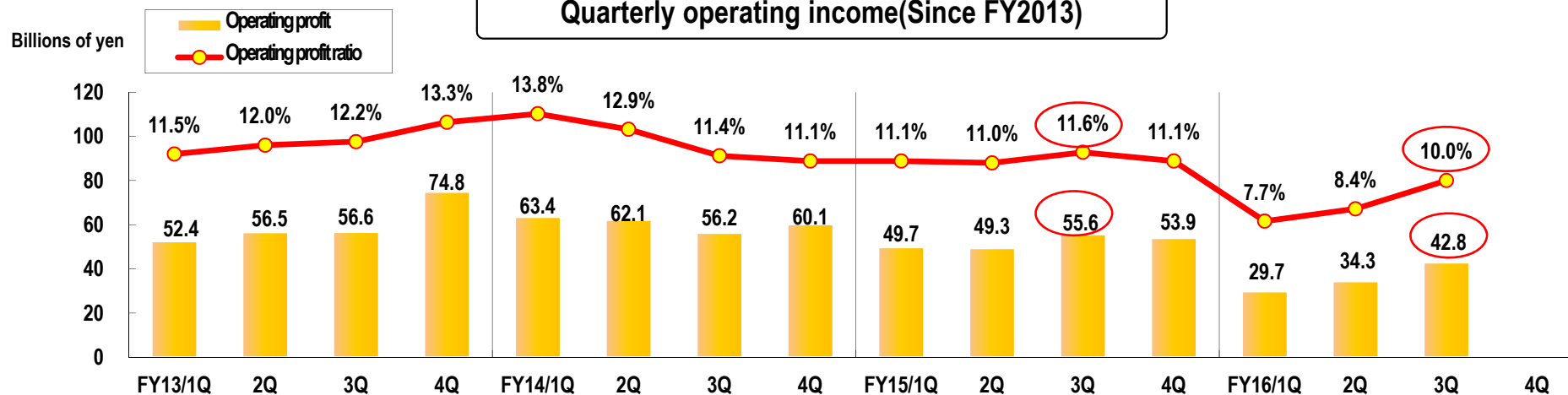
| Billions of yen | Apr.-Dec.,2015 ¥121.7/USD ¥133.8/EUR ¥19.4/RMB | Apr.-Dec.,2016 ¥106.5/USD ¥118.5/EUR ¥16.0/RMB | Changes | |
|-----------------------------------|---|---|------------------------|----------------|
| | | | Increase (decrease) | % Change |
| Net sales | 1,370.5 | 1,226.7 | (143.8) | (10.5)% |
| Segment profit | 146.9 | 107.8 | (39.1) | (26.6)% |
| Other operating income (expenses) | 7.6 | (0.8) | (8.5) | - |
| Operating income | 154.6 | 107.0 | (47.6) | (30.8)% |
| Profit ratio | 11.3% | 8.7% | (2.6)pts. | - |
| Other income (expenses) | (1.5) | (3.7) | (2.2) | - |
| Net income before income taxes | 153.1 | 103.2 | (49.9) | (32.6)% |
| Net income * | 103.7 | 68.3 | (35.4) | (34.1)% |

* Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Quarterly sales (Since FY2013)



Quarterly operating income (Since FY2013)



- **Construction, Mining & Utility Equipment:** Sales declined by 9.5% from the corresponding period a year ago, to JPY1,077.7 billion. Segment profit dropped by 22.6% to JPY96.5 billion. Segment profit ratio was 9.0%, down 1.5 percentage points.
- **Retail Finance:** Revenues declined by 11.4% to JPY36.1 billion. Segment profit dropped by 37.2% to JPY6.7 billion.
- **Industrial Machinery & Others:** Sales declined by 21.5% to JPY121.2 billion. Segment profit dropped by 46.2% to JPY6.4 billion.

% : Profit ratio [] : Sales after elimination of inter-segment transactions

| Billions of yen | Apr.-Dec.,2015 | | Apr.-Dec.,2016 | | Changes | | |
|--|----------------|---------|----------------|---------|---------------------|-------------------|---------|
| | | | | | Increase (decrease) | % Change | |
| Net sales | | 1,370.5 | | 1226.7 | (143.8) | (10.5)% | |
| Construction, mining & utility equipment | [1,179.1] | 1,190.3 | [1,071.9] | 1,077.7 | [(107.2)] (112.6) | [(9.1%)] (9.5)% | |
| Retail finance | [38.5] | 40.7 | [34.3] | 36.1 | [(4.1)] (4.6) | [(10.9%)] (11.4)% | |
| Industrial machinery & others | [152.8] | 154.4 | [120.4] | 121.2 | [(32.3)] (33.2) | [(21.2%)] (21.5)% | |
| Elimination | | (15.0) | | (8.3) | +6.6 | - | |
| Segment profit | | 10.7% | 146.9 | 8.8% | 107.8 | (39.1) | (26.6)% |
| Construction, mining & utility equipment | | 10.5% | 124.6 | 9.0% | 96.5 | (28.1) | (22.6)% |
| Retail finance | | 26.4% | 10.7 | 18.7% | 6.7 | (4.0) | (37.2)% |
| Industrial machinery & others | | 7.8% | 11.9 | 5.3% | 6.4 | (5.5) | (46.2)% |
| Corporate & elimination | | | (0.4) | | (1.9) | (1.4) | - |

Review of three business segments

■ Construction, Mining & Utility Equipment

While sales declined in some regions, such as North America and the Middle East, where demand was sluggish, they were more than offset by increased sales in China and Indonesia. However both sales and segment profit declined, mainly affected by the Japanese yen's appreciation. When the foreign exchange effects are removed, sales increased.

■ Retail Finance [Independent operating segment starting in FY2016]

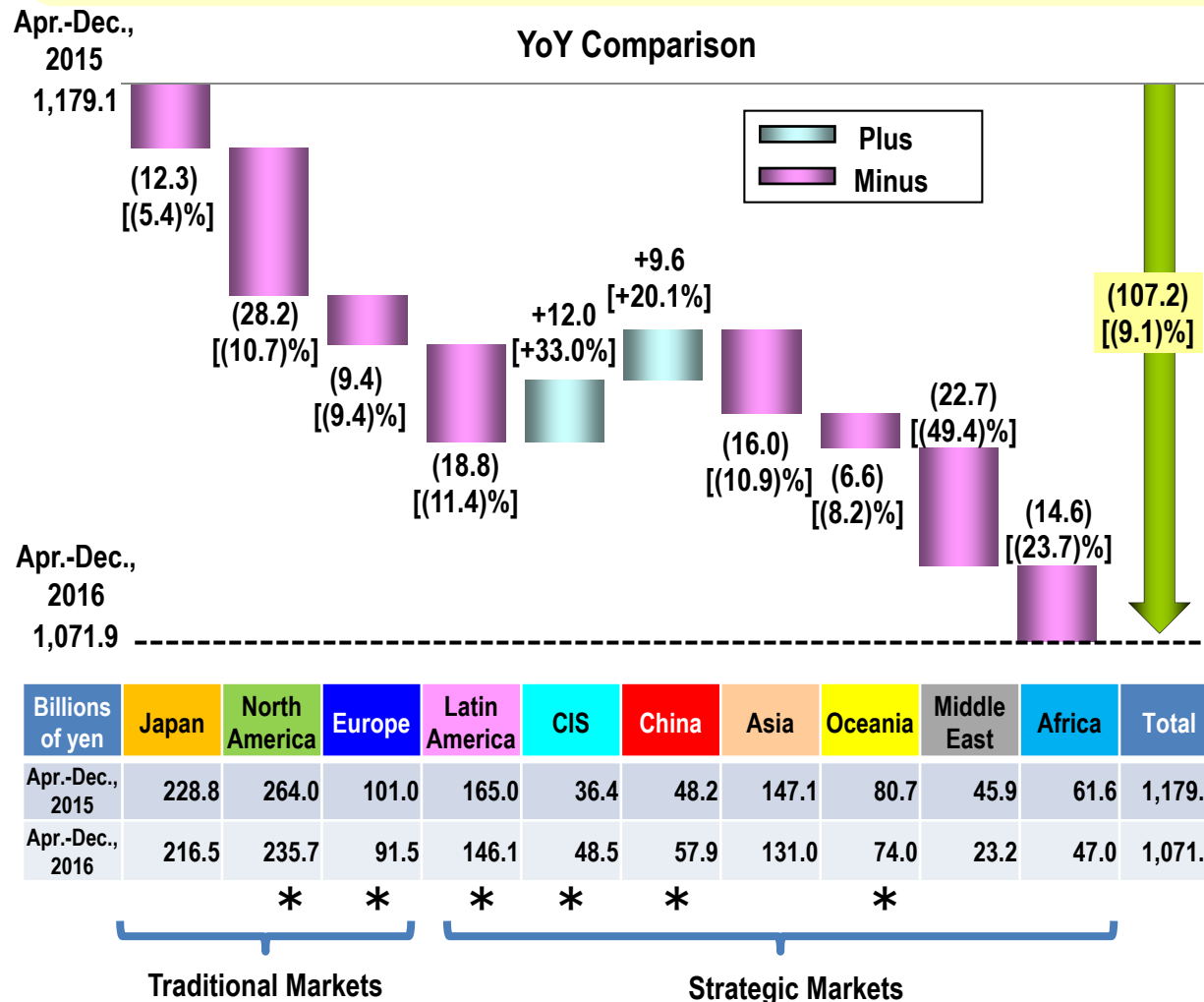
Both revenues and segment profit declined from the corresponding period a year ago, as mainly affected by the Japanese yen's appreciation and reduced assets in China, Oceania and some other regions.

■ Industrial Machinery & Others

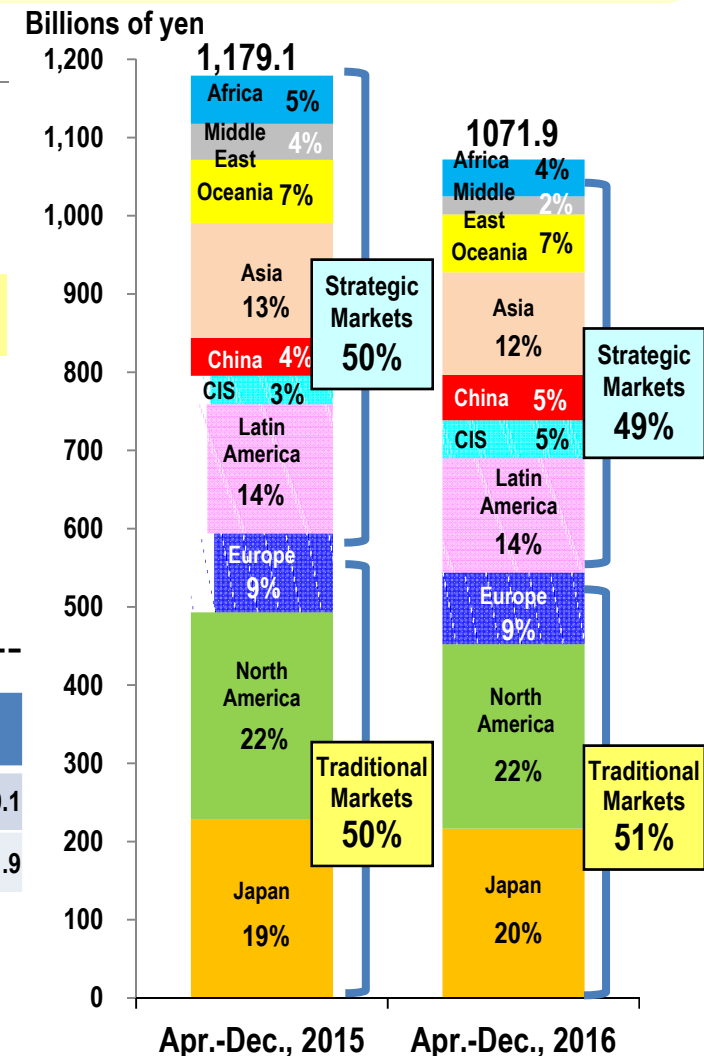
Both revenues and segment profit declined from the corresponding period a year ago, due to reduced sales of presses and machine tools to the automobile manufacturing industry and the adverse effects of former Komatsu House which was excluded from consolidated accounting*.

* Komatsu sold the shares, equivalent to 85% of total shares outstanding, of Komatsu House to Nissei Build Industries Co., Ltd. on April 28, 2016.

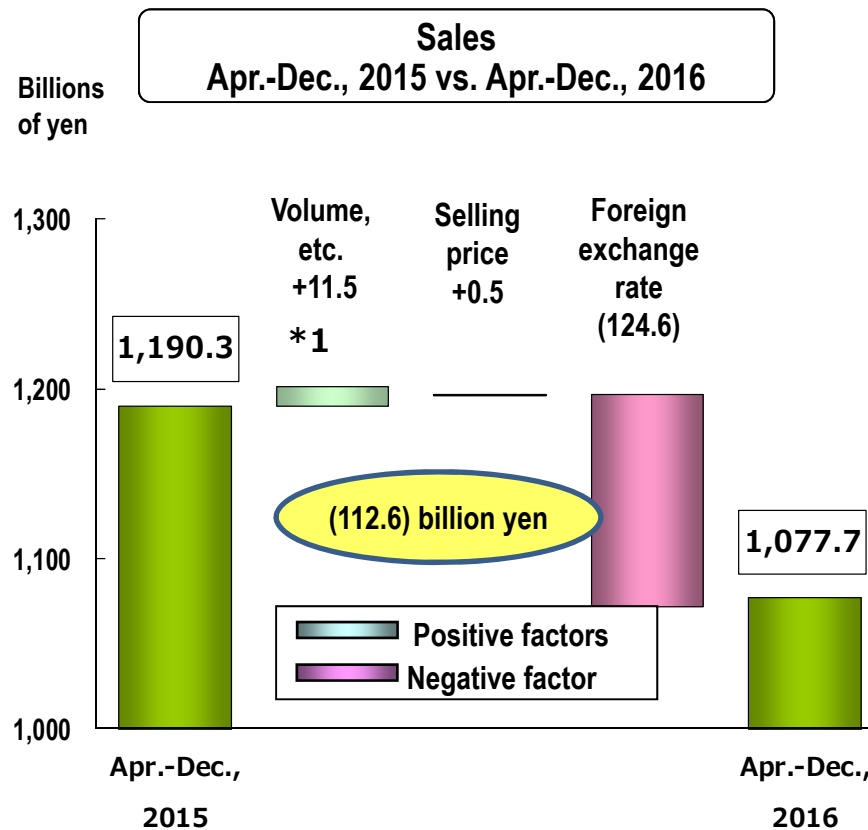
- Sales to outside customers declined by 9.1% from the corresponding period a year ago, to JPY1,071.9 billion.
- Except for CIS and China, sales declined in other regions. Sales declined sharply in Strategic Markets, such as Asia and the Middle East, which pushed the ratio of sales in Traditional Markets to 51%. However, sales were steady in many regions, when the foreign exchange effects are removed.



* Region of Plus when the foreign exchange effects are removed.



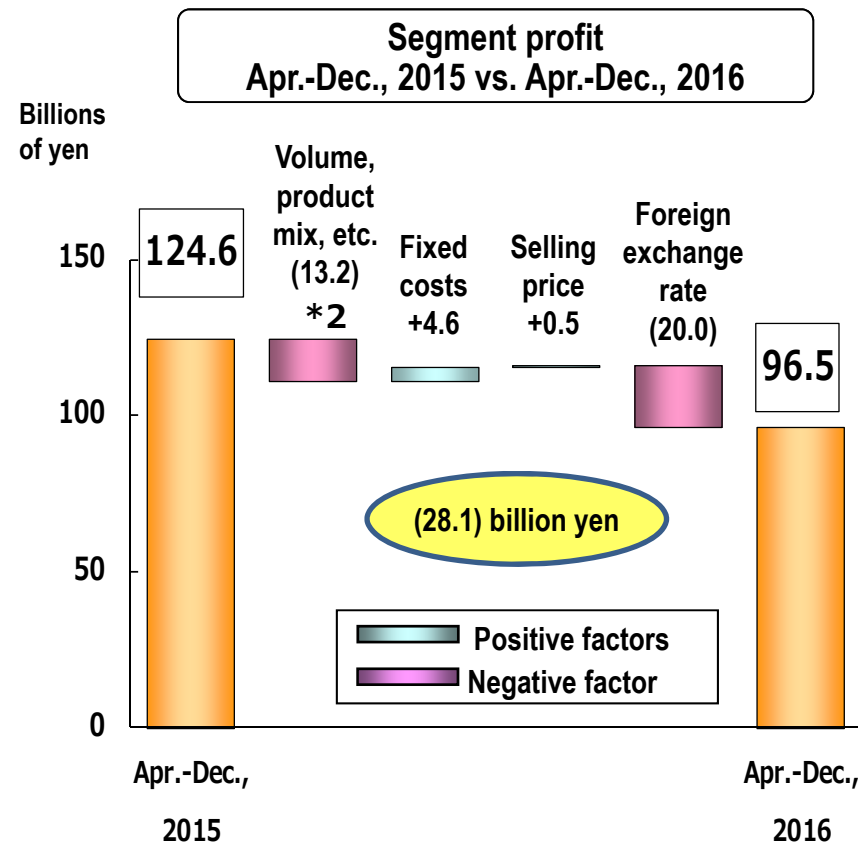
- Sales declined by JPY112.6 billion from the corresponding period a year ago, as affected by the Japanese yen's appreciation.
- Segment profit declined by JPY28.1 billion.
- Segment profit ratio degenerated to 9.0%, down 1.5 percentage points.



¥121.7/USD
¥133.8/EUR
¥19.4/RMB

¥106.5/USD
¥118.5/EUR
¥16.0/RMB

*1: Incl. new additions to consolidation



10.5%

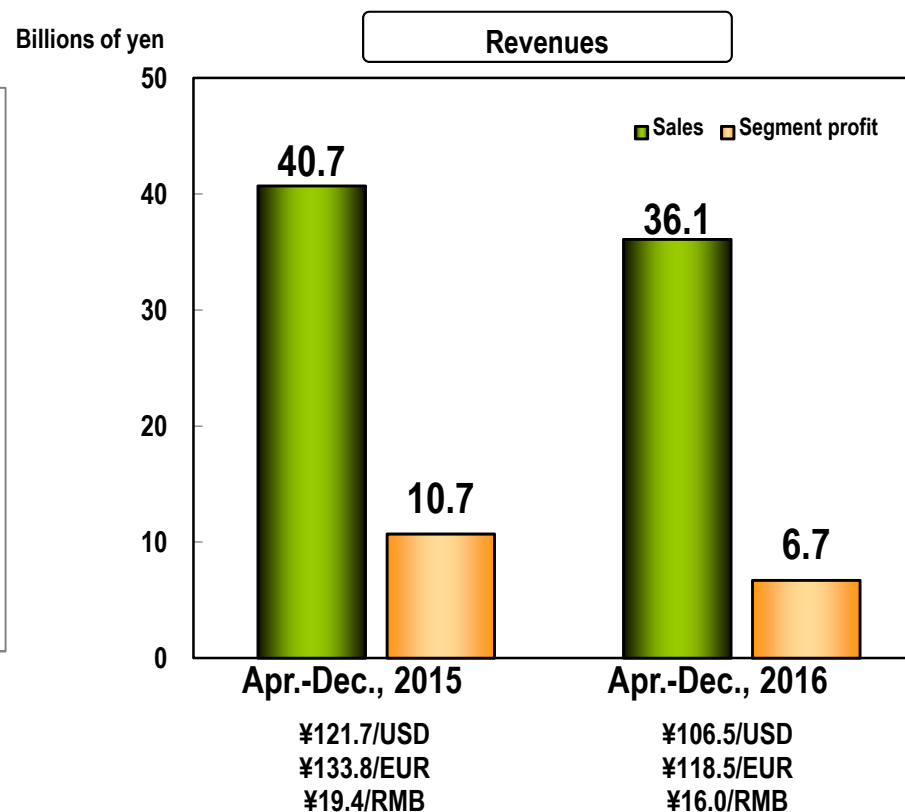
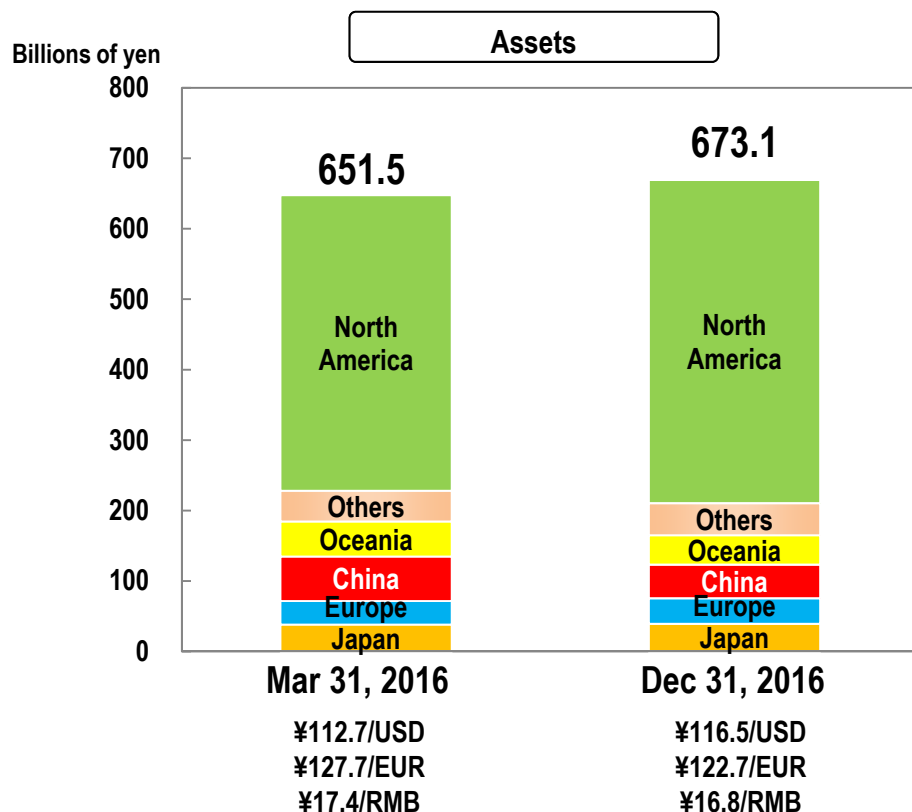
Segment profit ratio

9.0%

*2: write-off of remanufactured/ rebuilt parts, region mix, M&A cost, etc

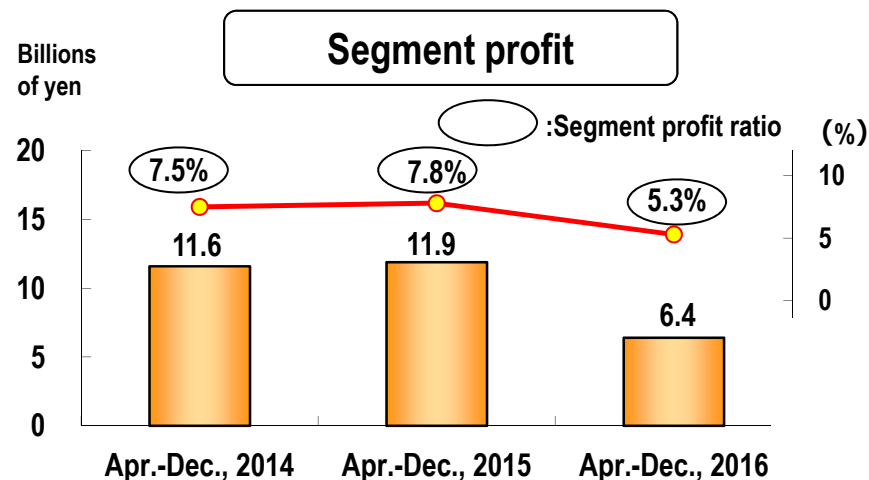
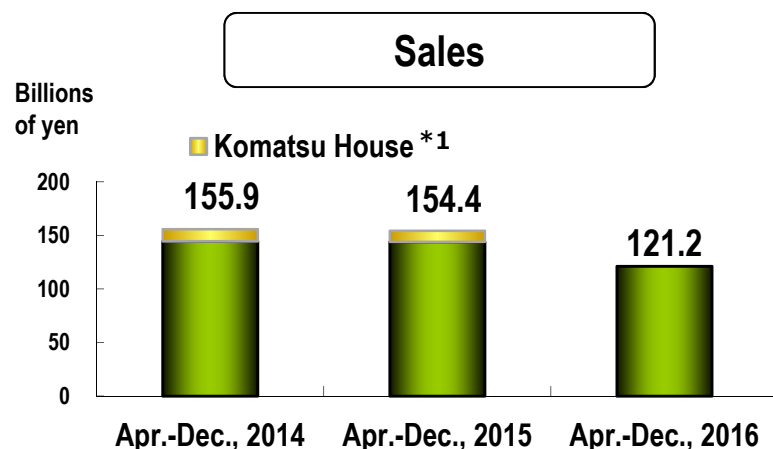
Retail Finance Business: Assets, Revenues and Segment Profit for Nine Months (April-December, 2016) of FY2016

- Assets grew by JPY21.5 billion from March 31, 2016, due to increased assets in North America and Europe, and the effects of foreign exchange rates, while they decreased in China, Oceania and some other regions.
- Revenues declined due mainly to the effects of foreign exchange rates. Segment profit declined from the corresponding period a year ago, due mainly to an additional allowance recorded for bad debt in China.



| Billions of yen | 2016/3E | 2016/12E | Changes |
|----------------------------|---------|----------|-----------|
| Interest-bearing debt | 483.5 | 506.7 | +23.2 |
| Interest-bearing debt, net | 476.6 | 502.0 | +25.4 |
| Net D/E ratio | 3.40 | 3.53 | +0.13pts. |

- Sales declined by 21.5% from the corresponding period a year ago, to JPY1,21.2 billion, due to reduced sales of presses and machine tools to the automobile manufacturing industry as well as the adverse effects of excluding former Komatsu House from consolidated accounting*. Segment profit ratio was 5.3%.



| Breakdown of sales Billions of yen | Apr.-Dec., 2014 | Apr.-Dec., 2015 | Apr.-Dec., 2016 | Changes | |
|---|-----------------|-----------------|-----------------|---------------------|---------------------|
| | | | | Increase (decrease) | % change |
| Komatsu Industries Corp., etc. [total of press and sheet-metal machines] | 42.9 | 40.4 | 36.5 | (3.9) | (9.8)% |
| Komatsu NTC Ltd. [represented by wire saws] | 52.5 [5.8] | 51.7 [6.2] | 33.5 [8.6] | (18.2) [+2.4] | (35.2)% [+39.0%] |
| Gigaphoton | 21.3 | 24.8 | 23.3 | (1.4) | (5.9)% |
| Komatsu House *1 | 11.3 | 10.3 | - | (10.3) | - |
| Others | 27.7 | 26.9 | 27.8 | +0.8 | +3.2% |
| Total | 155.9 | 154.4 | 121.2 | (33.2) | (21.5)% |

*1: Komatsu sold the shares, equivalent to 85% of total shares outstanding, of Komatsu House to Nissei Build Industries Co., Ltd. on April 28, 2016.

- Total assets grew by JPY62.9 billion from the previous fiscal year-end, due to the Japanese yen's depreciation and increased Inventories.
- Komatsu Ltd. shareholders' equity ratio was 58.0%, flat as previous fiscal year-end.

| Billions of yen | Mar. 31, 2016 ¥112.7/USD ¥127.7/EUR ¥17.4/RMB | Dec 31, 2016 ¥116.5/USD ¥122.7/EUR ¥16.8/RMB | Increase (decrease) |
|---|--|---|---------------------|
| Cash & deposits (incl. time deposits) [a] | 108.4 | 136.3 | +27.8 |
| Accounts receivable (incl. long-term trade receivables) | 875.3 | 880.9 | +5.6 |
| Inventories | 539.6 | 592.1 | +52.5 |
| Tangible fixed assets | 697.7 | 686.3 | (11.3) |
| Other assets | 393.5 | 381.8 | (11.6) |
| Total assets | 2,614.6 | 2,677.6 | +62.9 |
| Accounts payable | 205.4 | 213.2 | +7.8 |
| Interest-bearing debt [b] | 457.5 | 501.5 | +43.9 |
| Other liabilities | 363.9 | 340.3 | (23.6) |
| Total liabilities | 1,026.8 | 1,055.1 | +28.2 |
| [Shareholders' equity ratio] | [58.0%] | [58.0%] | [-] |
| Komatsu Ltd. shareholders' equity | 1,517.4 | 1,551.9 | +34.5 |
| Non-controlling interests | 70.3 | 70.5 | +0.1 |
| Liabilities & Equity | 2,614.6 | 2,677.6 | +62.9 |
| Interest-bearing debt, net [b-a] | 349.0 | 365.1 | +16.0 |
| Net D/E ratio | 0.23 | 0.24 | |

II . Outlook of FY2016 Business Results

- We will not change our projection of April 2016, concerning consolidated full-year sales and profits for FY2016.
- With respect to projected non-consolidated business results for FY2016, we have revised them.

Projected consolidated business results

| Billions of yen | FY2015 Results ¥120.8/USD ¥132.4/EUR ¥19.0/RMB | FY2016 Projection ¥105/USD ¥119/EUR ¥16.2/RMB | Y-O-Y | |
|--------------------------------------|---|--|------------------------|-------------|
| | | | Increase (decrease) | Change % |
| Net sales | 1,854.9 | 1,685.0 | (169.9) | (9.2)% |
| Segment profit | 202.0 | 155.0 | (47.0) | (23.3)% |
| Other operating income (expenses) | 6.5 | (5.0) | (11.5) | - |
| Operating income | 208.5 | 150.0 | (58.5) | (28.1)% |
| Profit ratio | 11.2% | 8.9% | (2.3)pts. | - |
| Other income (expenses) | (3.6) | (5.0) | (1.3) | - |
| Income before income taxes | 204.8 | 145.0 | (59.8) | (29.2)% |
| Net income* | 137.4 | 92.0 | (45.4) | (33.1)% |
| ROE | 9.0% | 6.2% | (2.8)pts. | |
| Cash dividends per share | 58yen | 58yen | +/- 0yen | |
| Consolidated payout ratio | 39.8% | 59.4% | | |

* Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

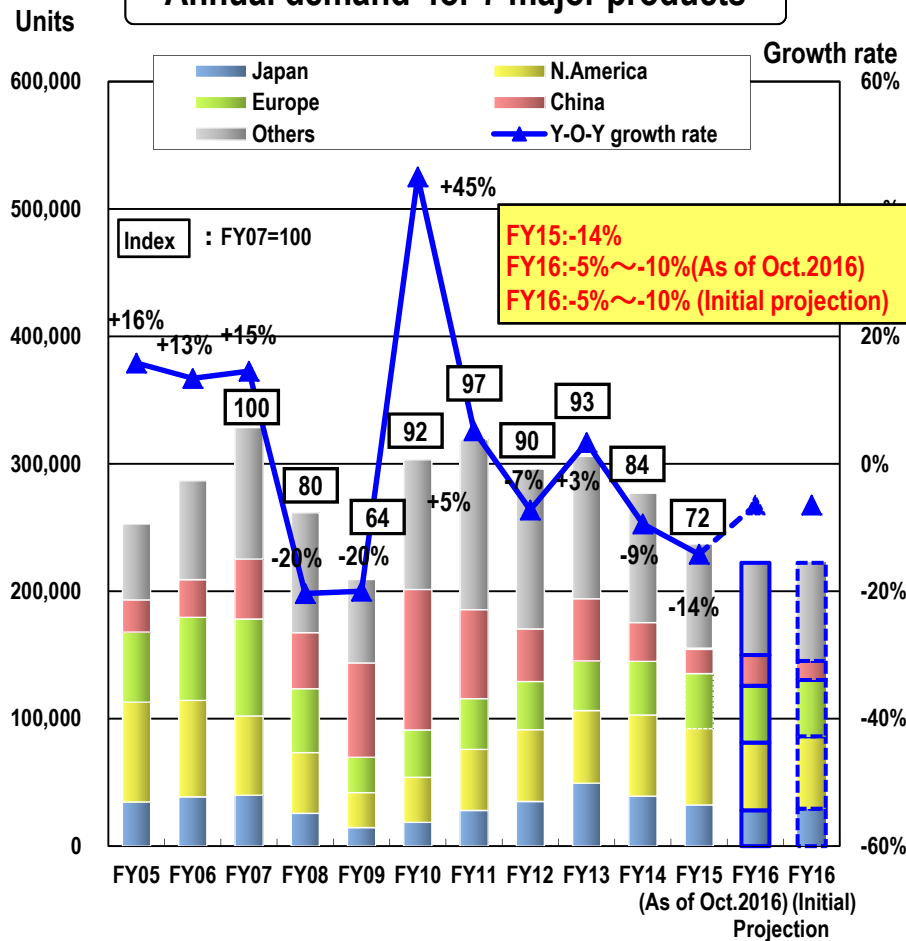
**Revision of projected
non-consolidated
business results for FY2016**

| Billion JPY | Initial projection April 2016 | Current projection January 2017 | Change | |
|-----------------|----------------------------------|------------------------------------|--------|--------|
| Net sales | 617.0 | 667.0 | +50.0 | +8.1% |
| Ordinary profit | 46.0 | 67.0 | +21.0 | +45.7% |
| Net income | 42.0 | 59.0 | +17.0 | +40.5% |

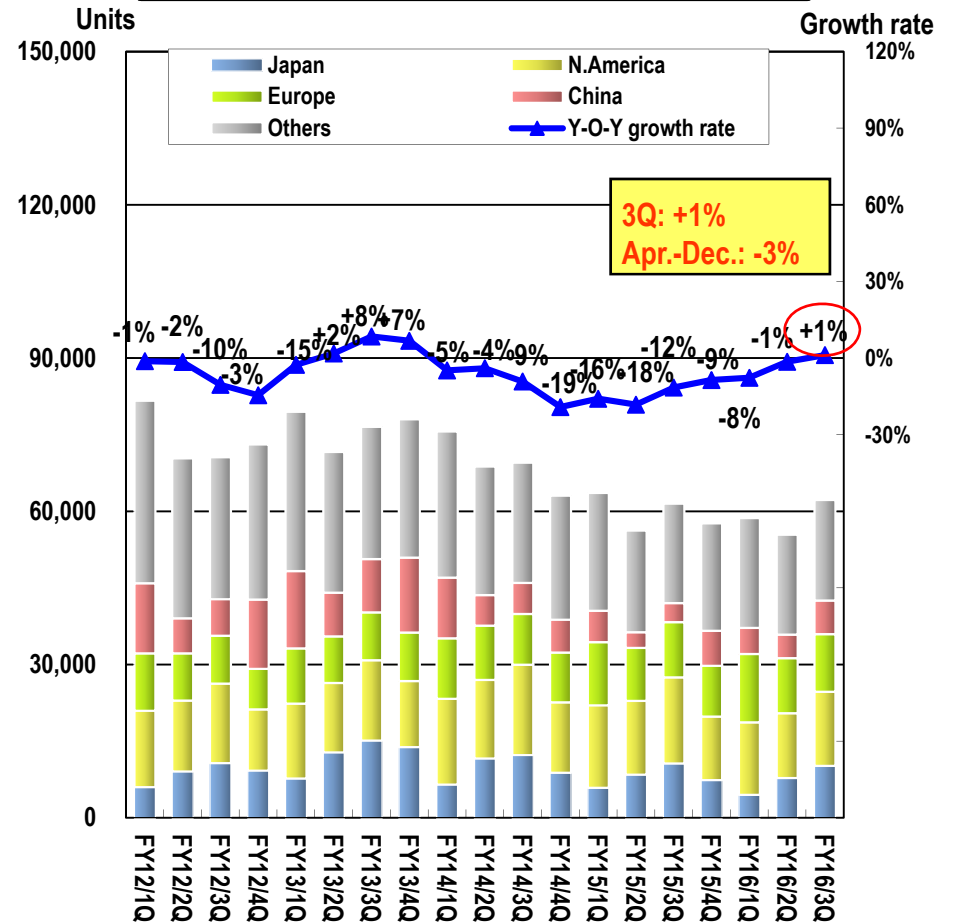
Construction and Mining Equipment: Demand and Outlook for 7 Major Products

- In the third quarter period (Oct. - Dec. 2016) of FY2016, global demand will have increased by 1% from the corresponding period a year ago.
- While demand declined in North America, the Middle East and some other regions, it upturned for growth in China, Indonesia and some other countries. As a result, demand remained about flat from the third quarter period of FY2015.
- With respect to overall full-year demand in FY2016, we make no change in our projection of April last year, albeit ups and downs are expected in some regions.

Annual demand for 7 major products



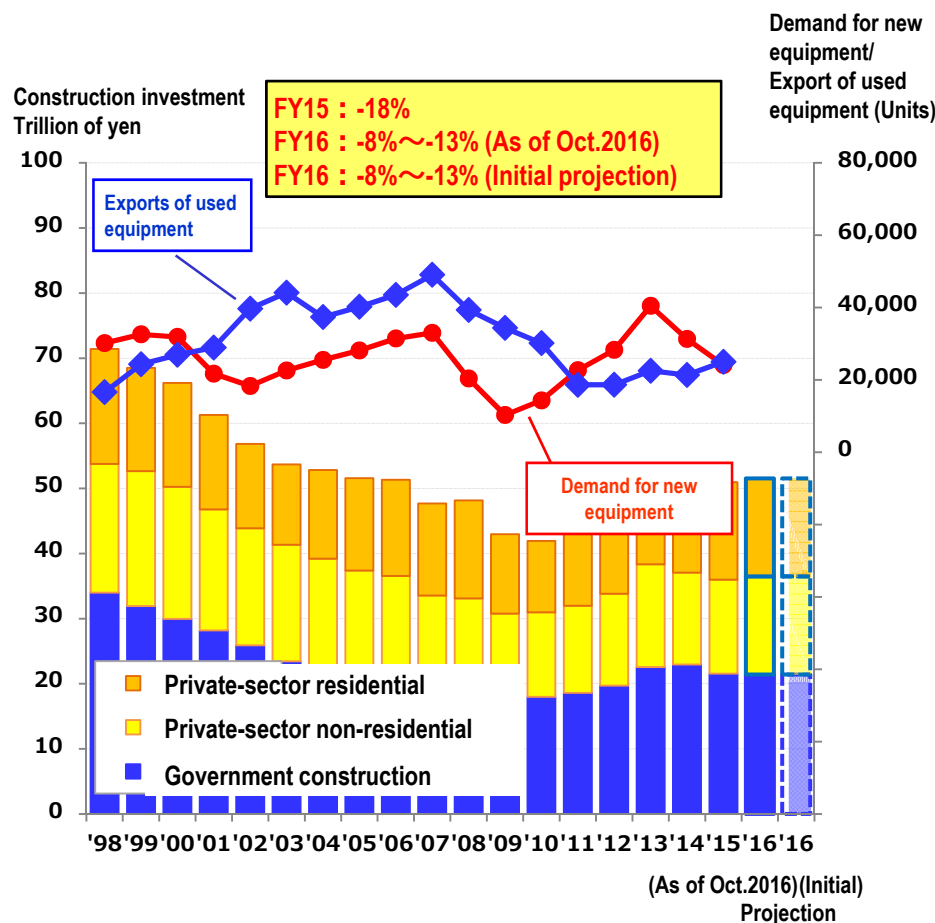
Quarterly demand for 7 major products



Note: Estimated by Komatsu

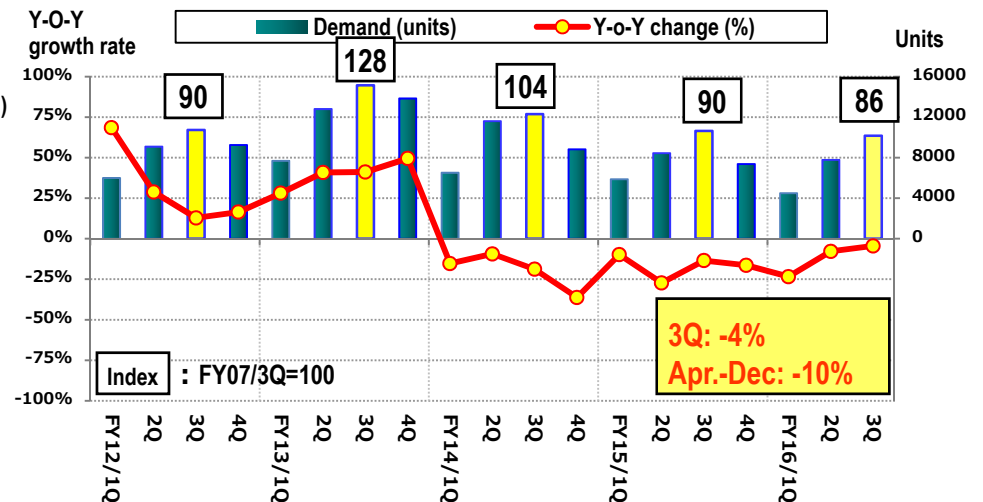
- In the third quarter period of FY2016, demand decreased by 4% from the corresponding period a year ago.
- Demand continued to be affected by reduced demand for new emission controls-compliant models which had run its course, especially among rental companies.
- With respect to full-year demand in FY2016, we make no change in our projection made in April last year.

Demand for new equipment (7 major products) and construction investment

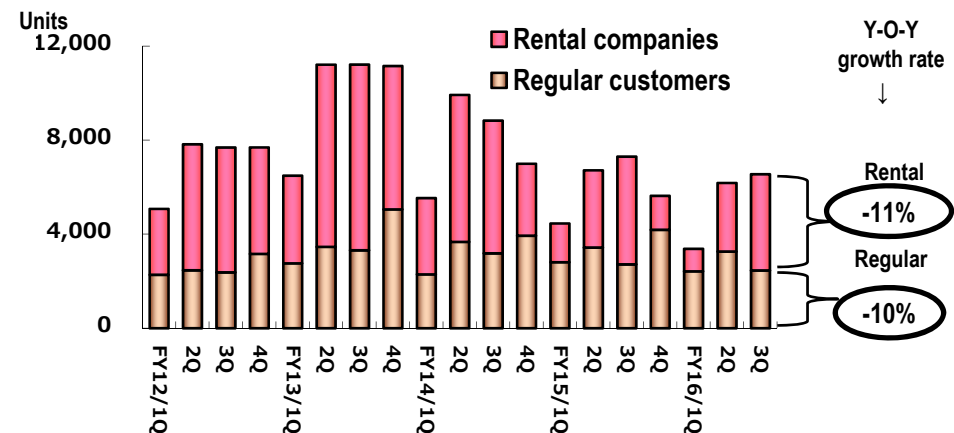


[Sources]Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
 Demand for 7 major products and No. of exported used equipment estimated by Komatsu

Quarterly demand for 7 major products

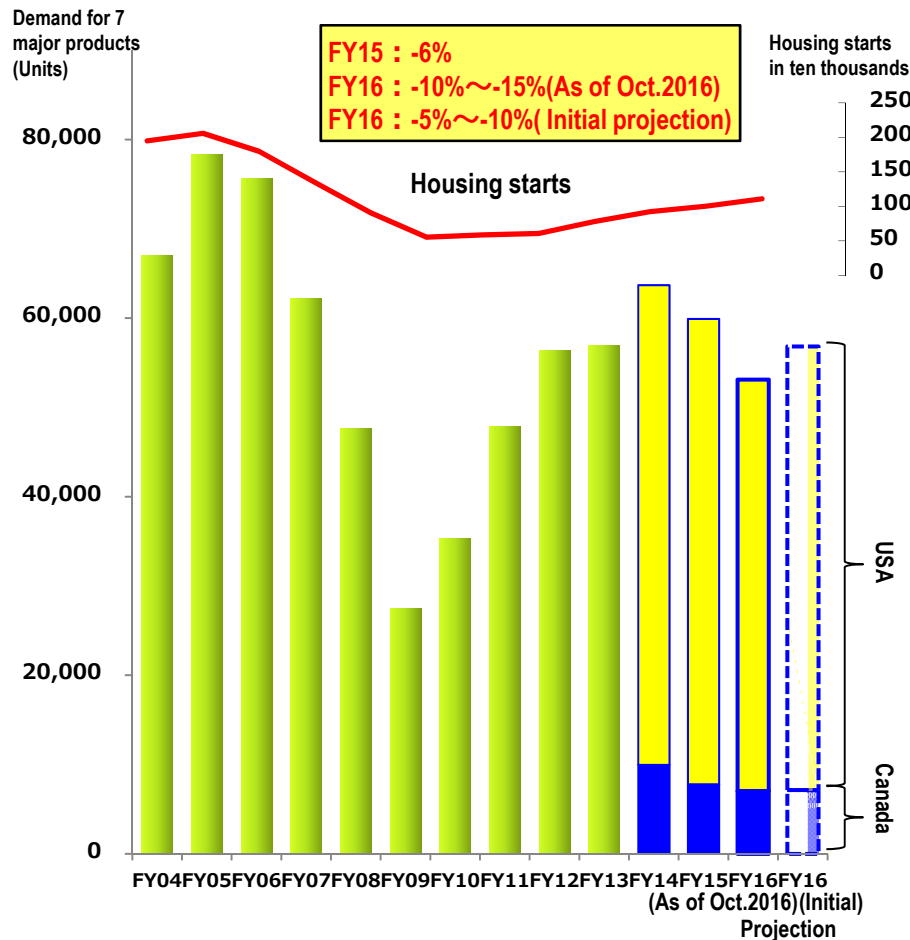


Quarterly demand for hydraulic excavators (Rental & regular uses)

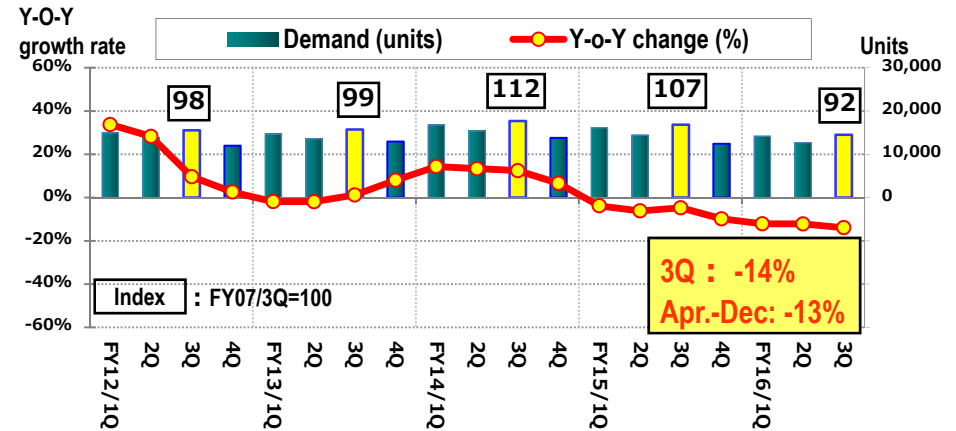


- In the third quarter period of FY2016, demand declined by 14% from the corresponding period a year ago.
- In the United States, while demand for construction equipment continued to grow steadily among general customers, demand was slack in the rental industry.
- In Canada, demand remained sluggish, especially in the energy sector.
- With respect to full-year demand in FY2016, we make no change in our projection of October last year.

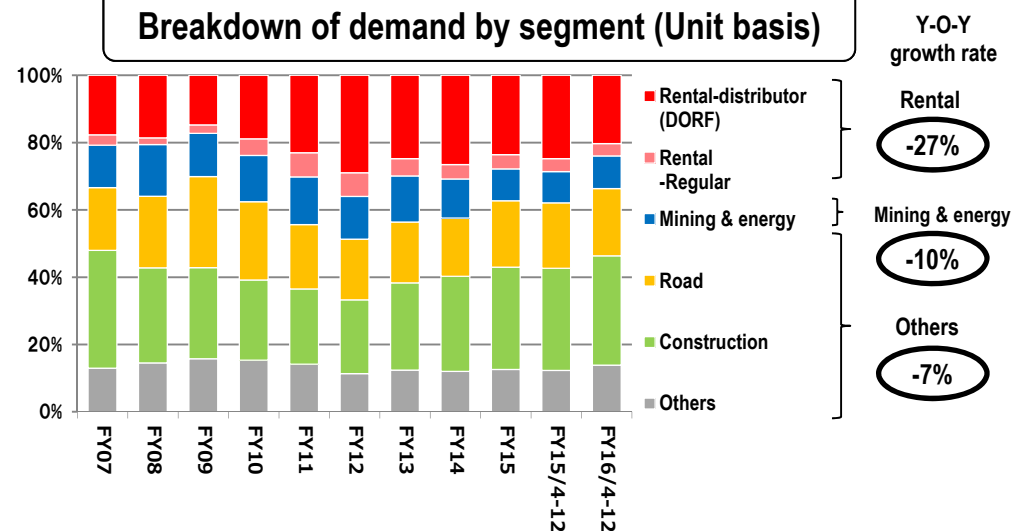
Demand for 7 major products and US housing starts



Quarterly demand for 7 major products



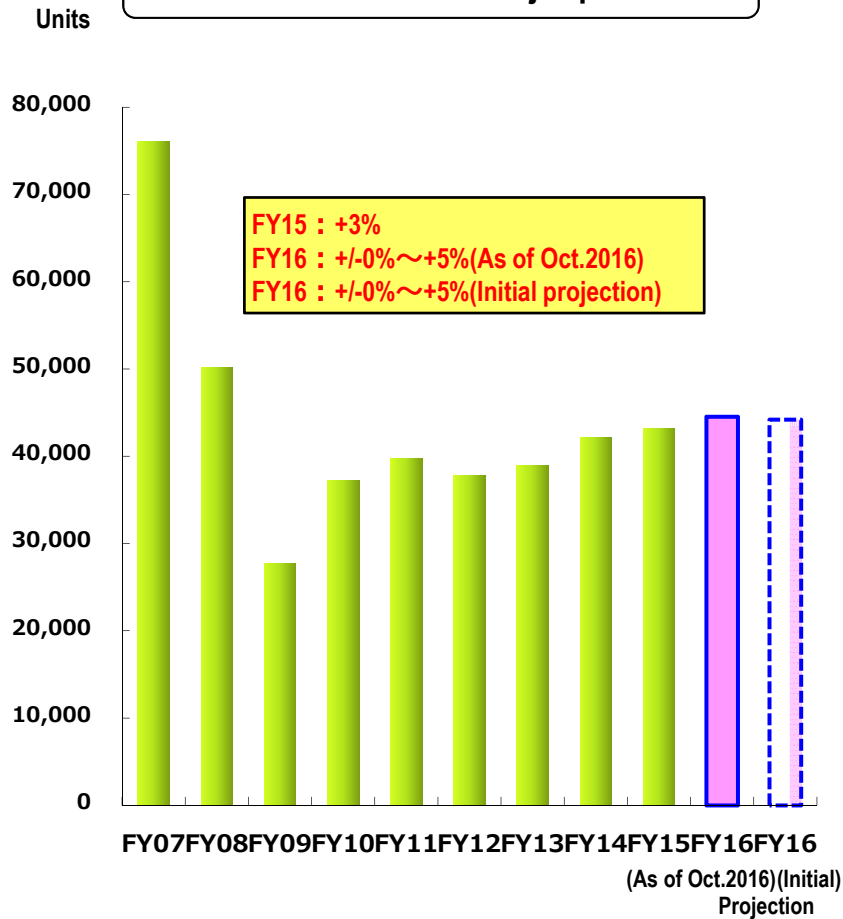
Breakdown of demand by segment (Unit basis)



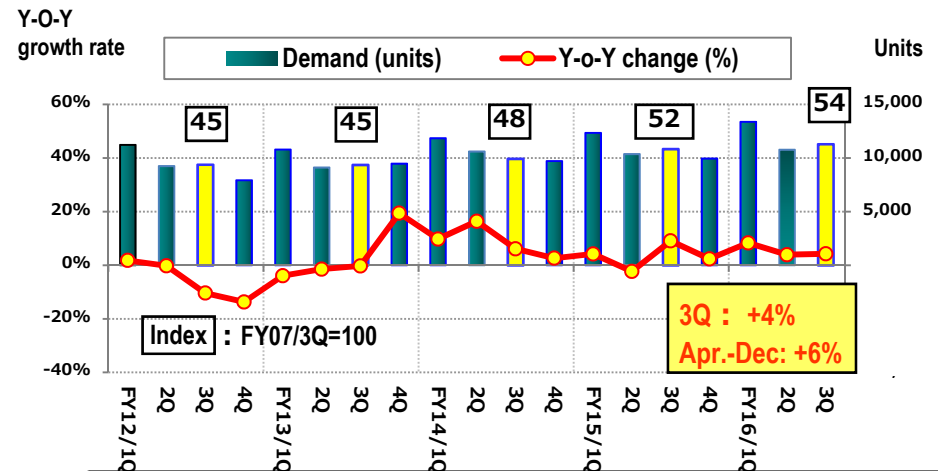
[Source]: Demand for 7 major products estimated by Komatsu

- In the third quarter period of FY2016, we project that demand will have increased by 4% from the corresponding period a year ago.
- In addition to a major market of Germany, demand increased steadily in northern and southern Europe.
- With respect to full-year demand in FY2016, we make no change in our projection of April last year.

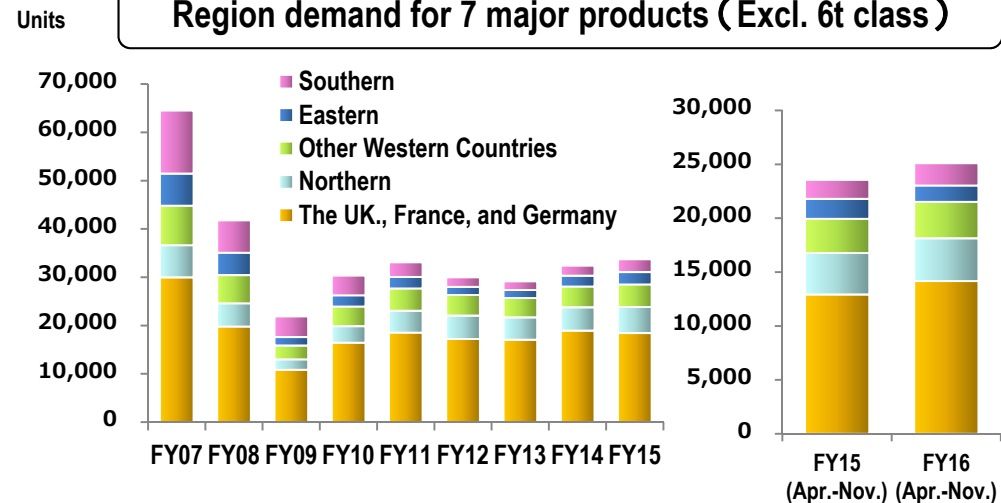
Annual demand for 7 major products



Quarterly demand for 7 major products



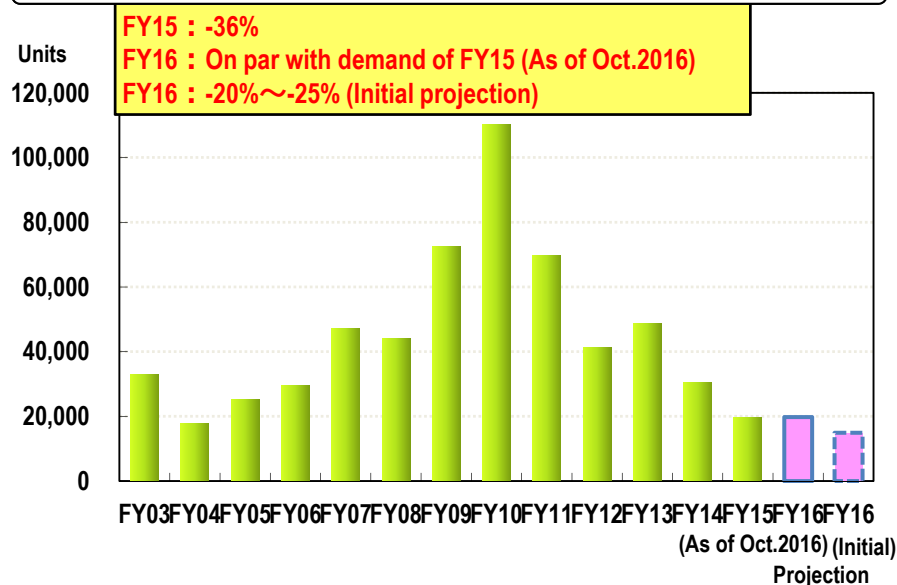
Region demand for 7 major products (Excl. 6t class)



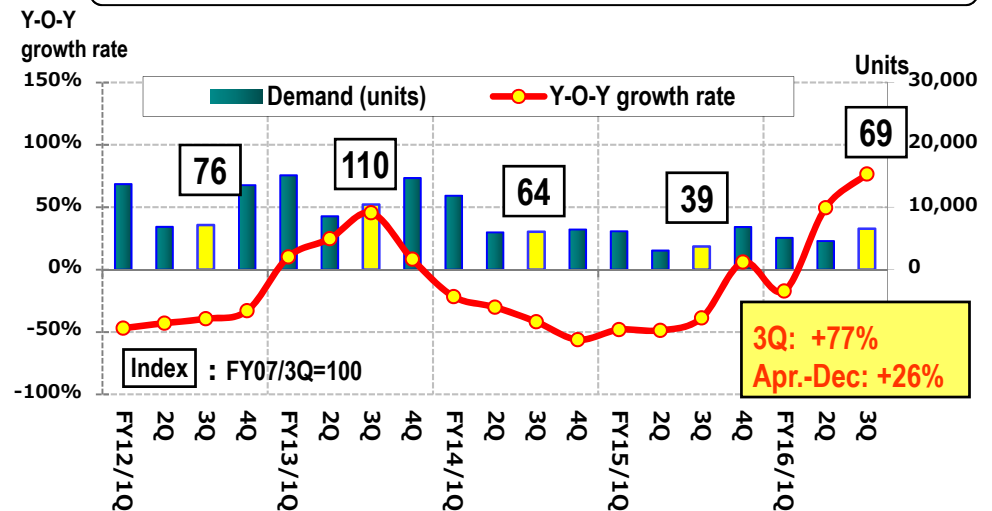
[Source]: Demand for 7 major products estimated by Komatsu

- In the third quarter period of FY2016, demand advanced by 77% from the corresponding period a year ago.
- Demand for construction equipment was driven by progress of infrastructure development nationwide.
- With respect to full-year demand in FY2016, although the demand is growing today, we make no change in our projection of October last year.

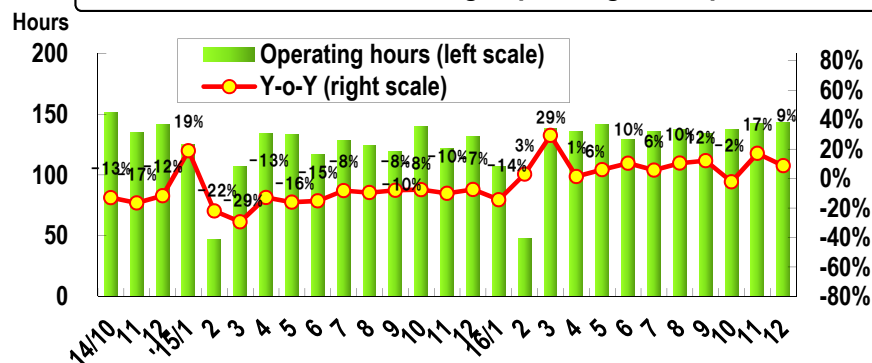
Annual demand for 7 major products (Foreign makers)



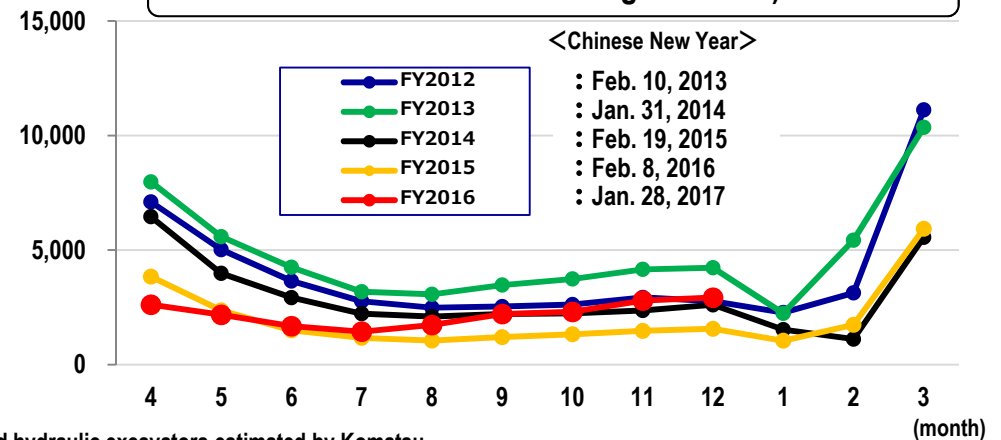
Quarterly demand for 7 major products (Foreign makers)



KOMTRAX in China : Average operating hours per month

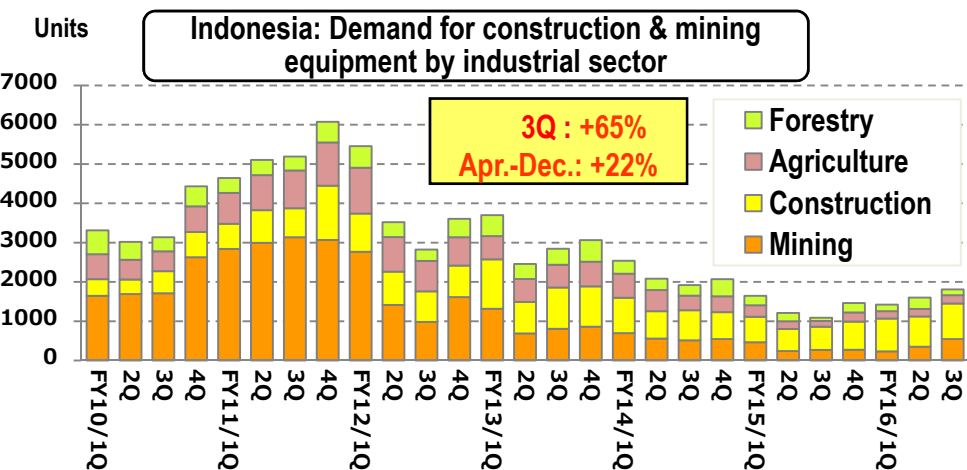
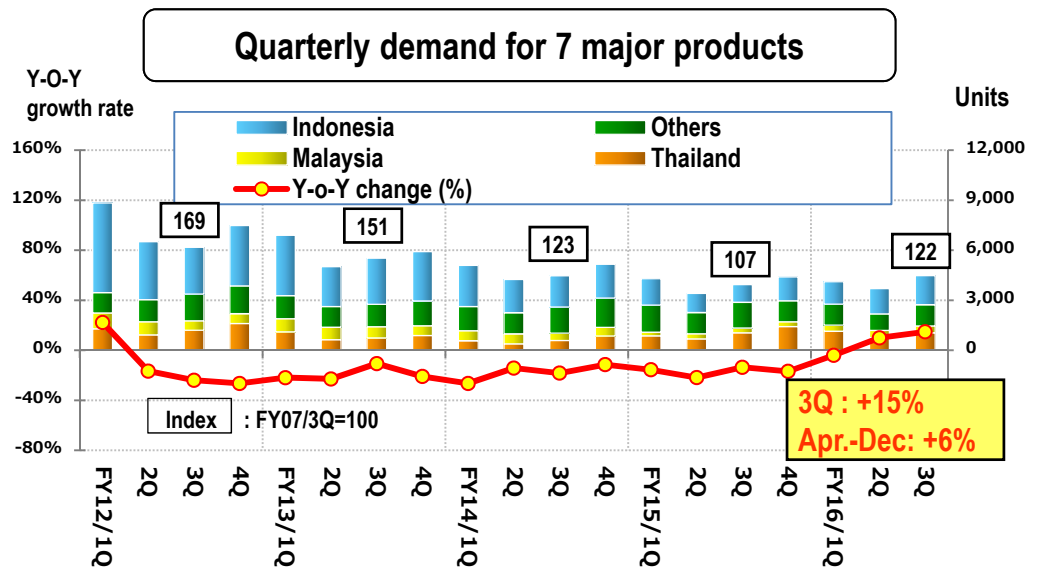
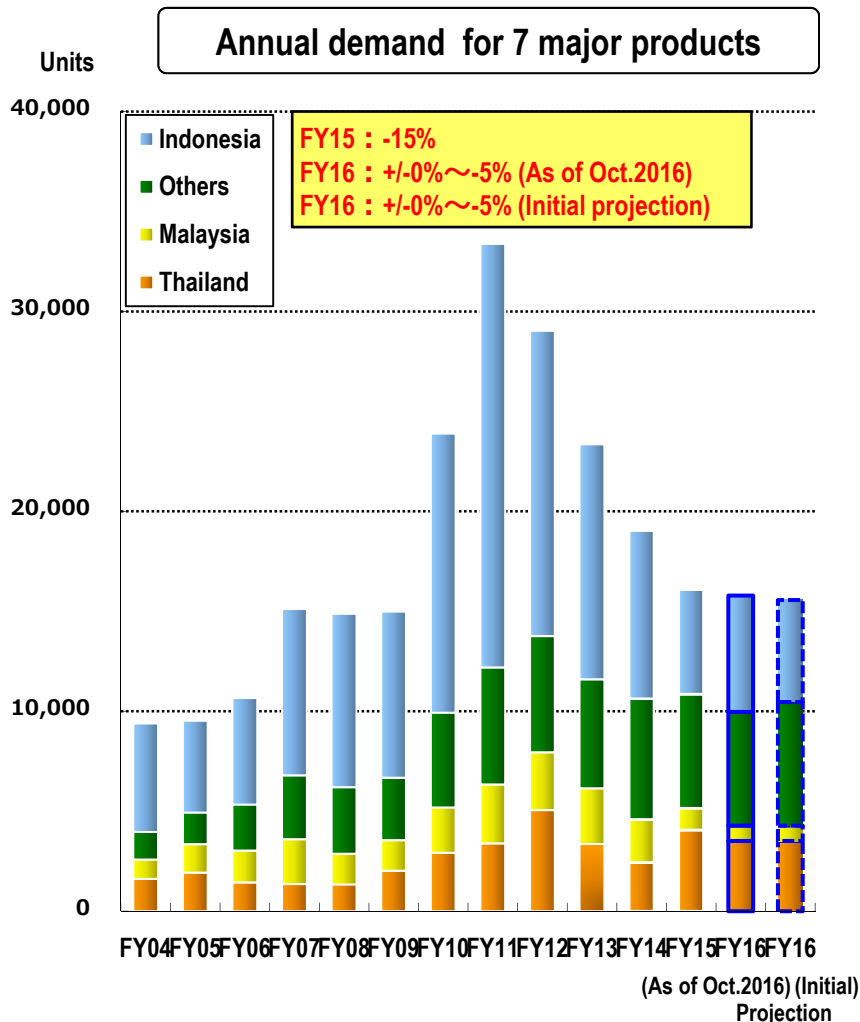


Monthly demand for hydraulic excavators : Total of 6-ton and larger models



[Source]: Demand for 7 major products and hydraulic excavators estimated by Komatsu

- In the third quarter period of FY2016, demand increased by 15% from the corresponding period a year ago.
- In Indonesia, the largest market of the region, demand in the third quarter period was steadier than our projection of April last year, and demand remained steady in Thailand and Malaysia.
- With respect to full-year demand in FY2016, we make no change in our projection of April last year.

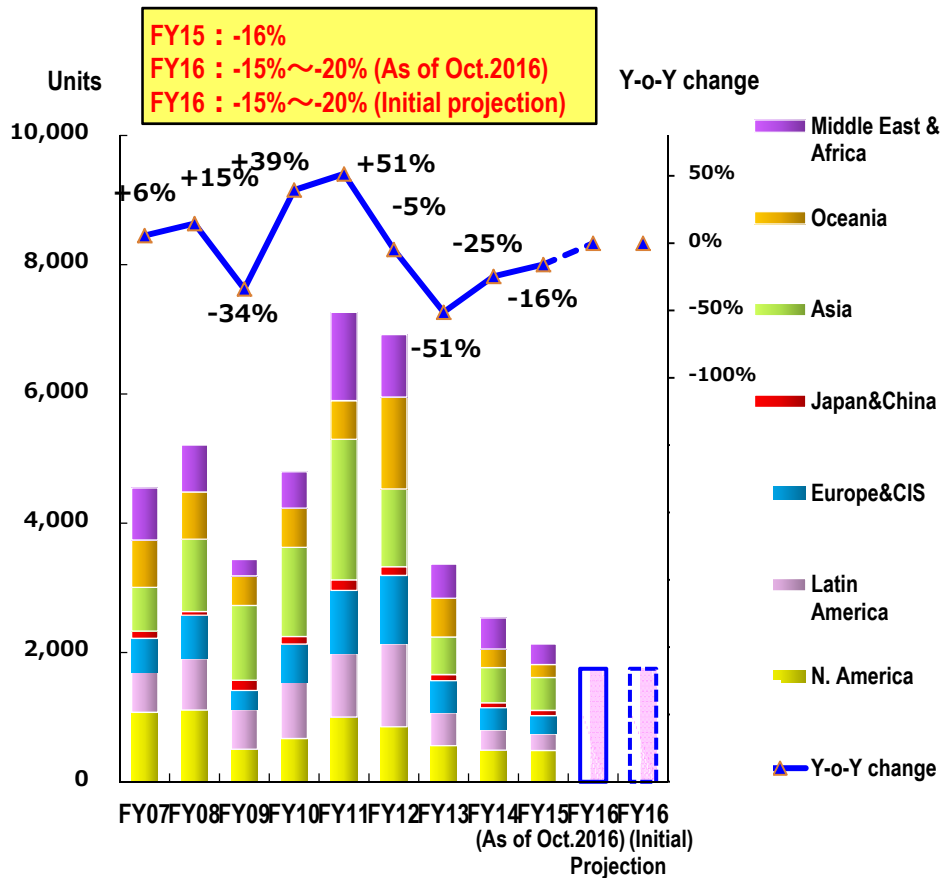


[Source]: Demand for 7 major products estimated by Komatsu

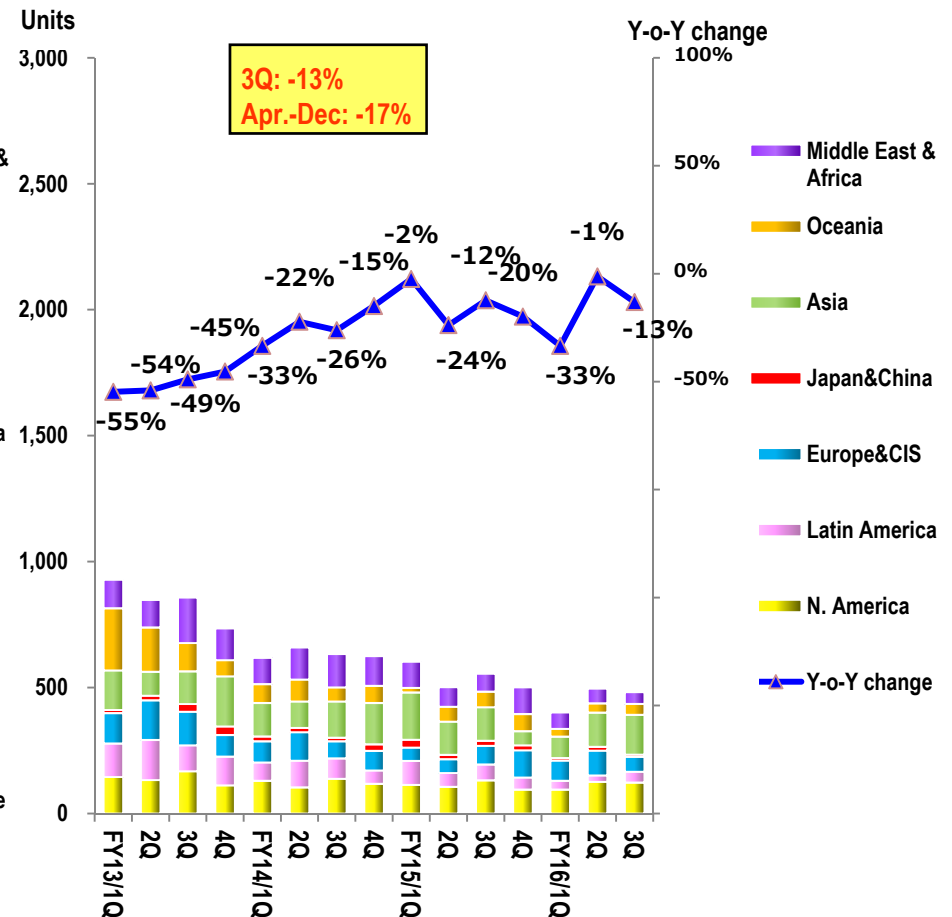
- Global demand is estimated to have declined by 13% in the third quarter period of FY2016 from the corresponding period a year ago.
- With respect to full-year demand in FY2016, we make no change in our projection of April last year.

Annual demand for mining equipment

- Dump trucks: 75 tons (HD785) and larger
- Wheel loaders: 810HP (WA800) and larger
- Bulldozers: 525HP (D375) and larger
- Motor graders: 280HP (GD825) and larger
- Excavators: 200 tons (PC2000) and larger



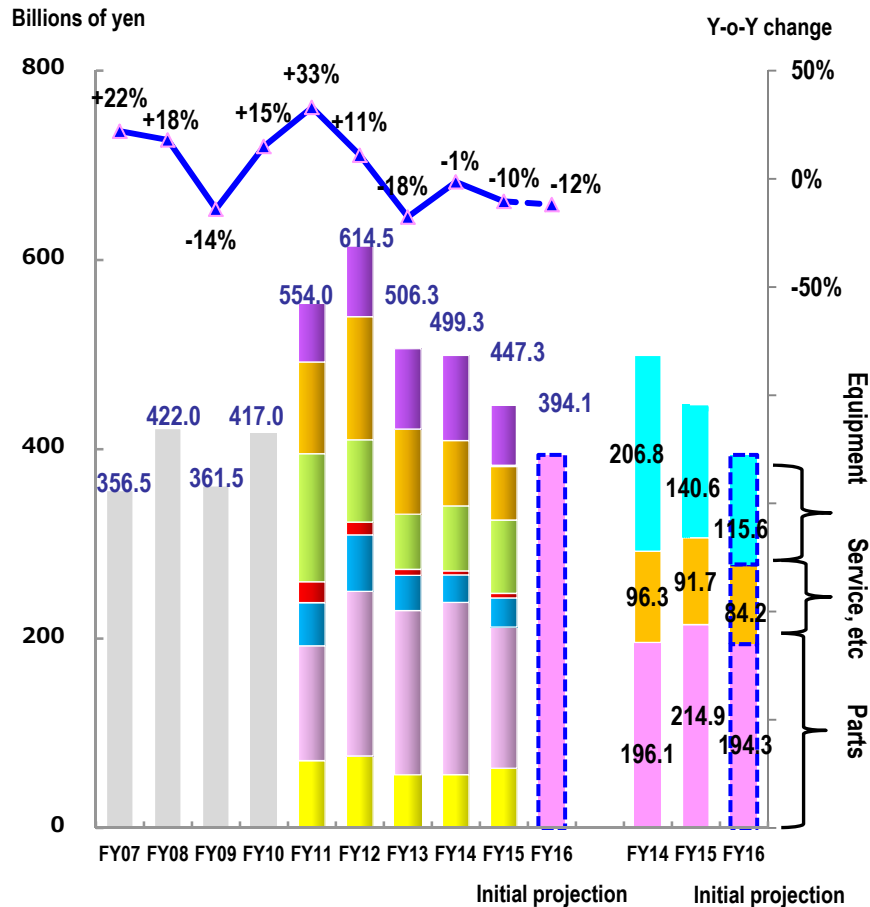
Quarterly demand for mining equipment



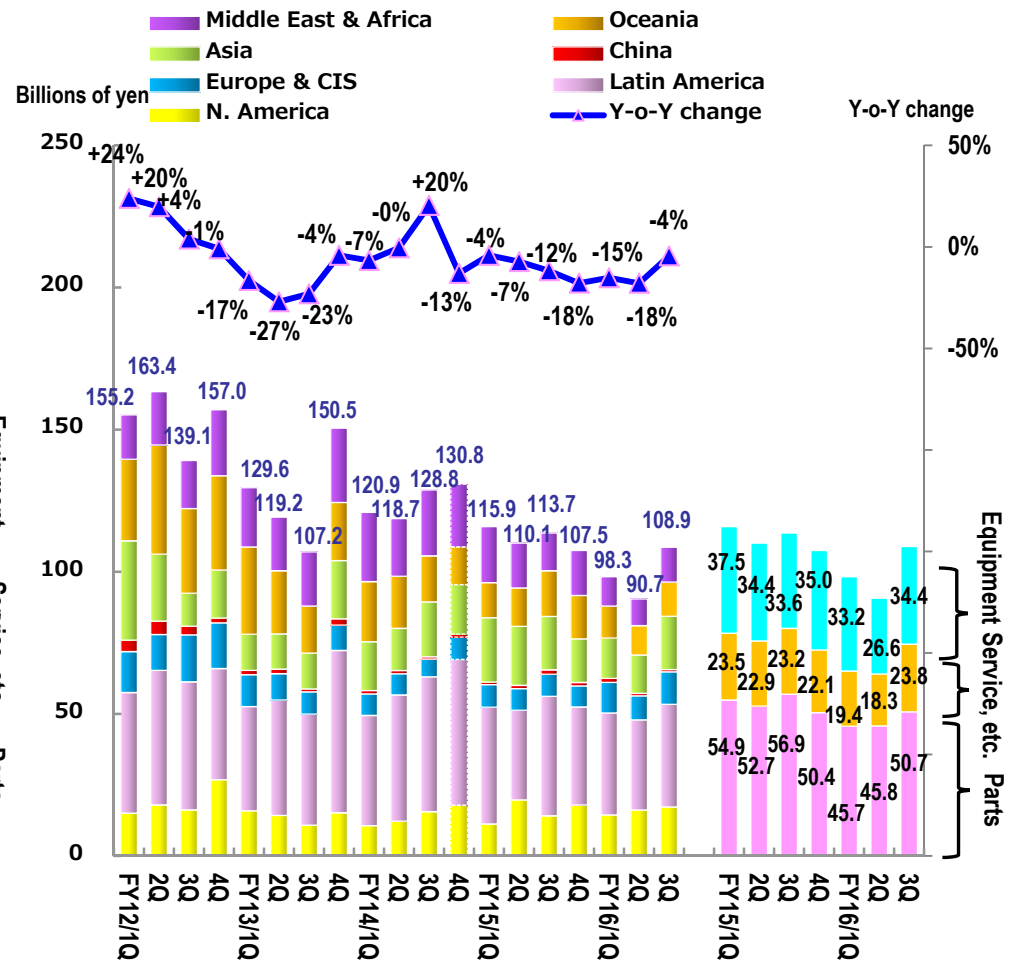
Note: Demand estimated by Komatsu

• For the third quarter period of FY2016, sales decreased by 4% from the corresponding period a year ago, to JPY108.9 billion, mainly due to the effects of the Japanese yen's appreciation.

Annual sales of mining equipment (incl. parts and service)

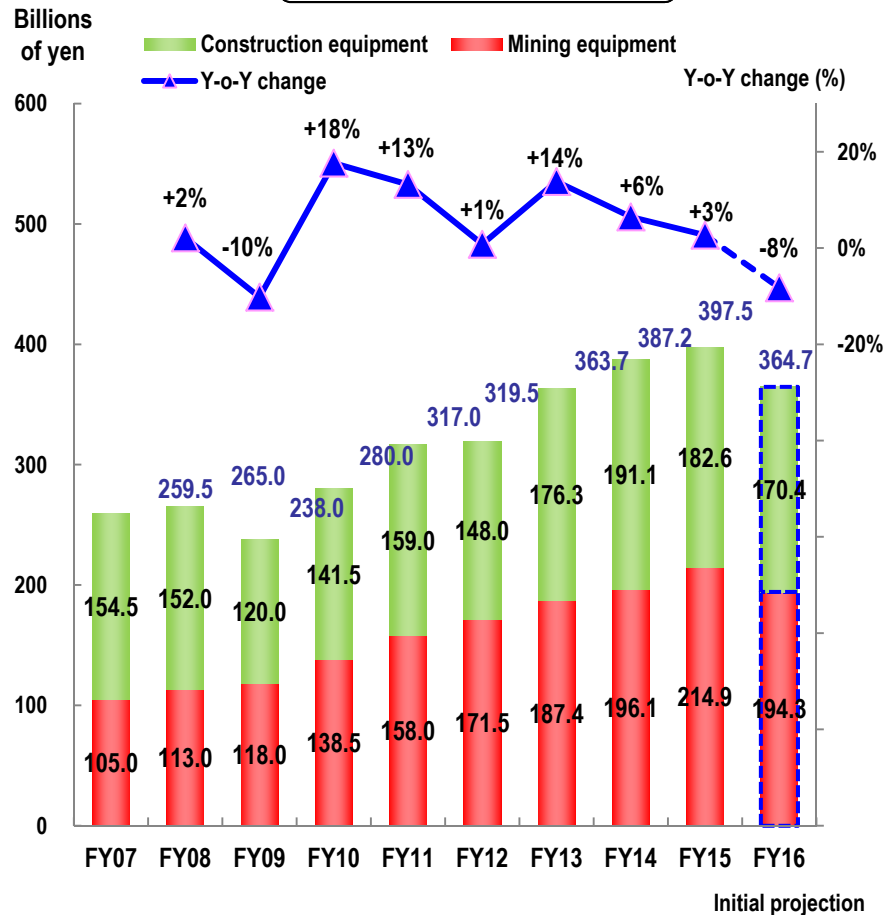


Quarterly sales of mining equipment (incl. parts and service)

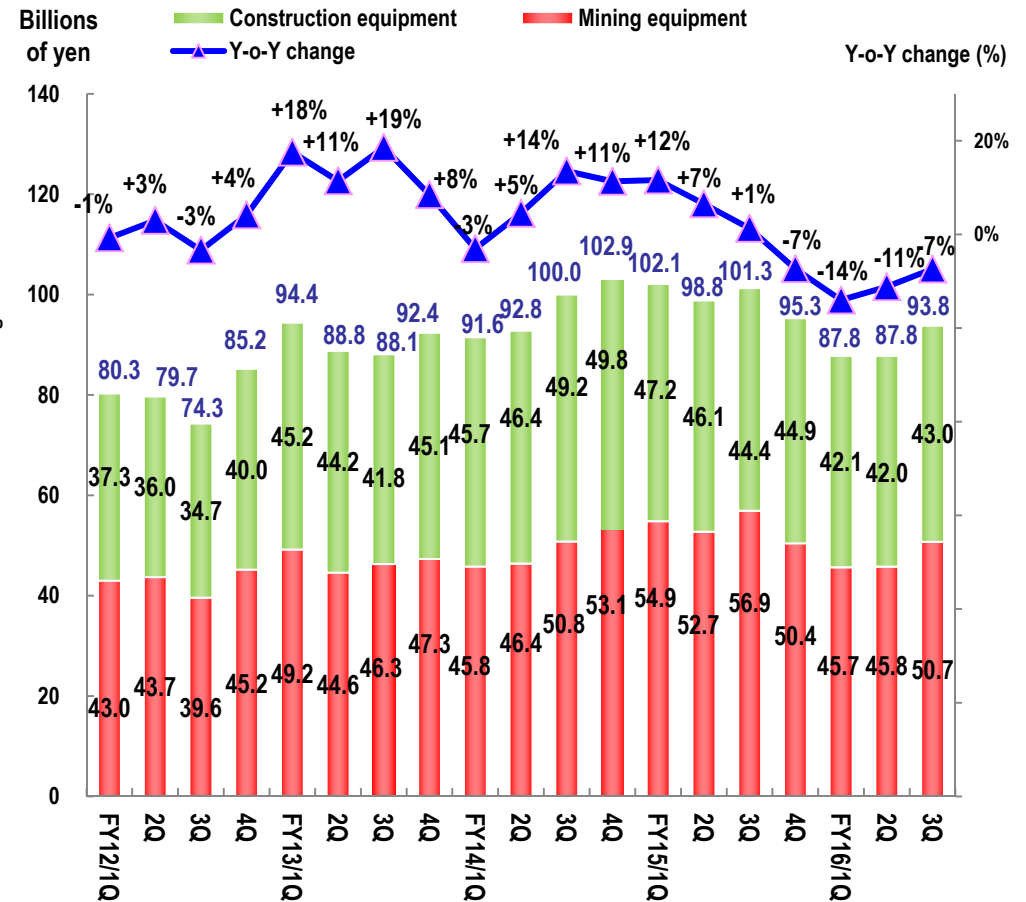


- For the third quarter period of FY2016, sales of parts declined by 7% from the corresponding period a year ago.
- Declined sales of parts were largely affected by the Japanese yen's appreciation, and when the foreign exchange effects are removed, sales remained steady.

Annual sales of parts



Quarterly sales of parts



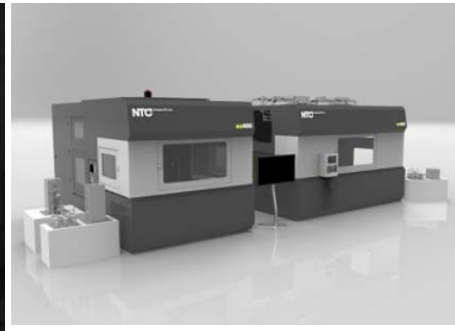
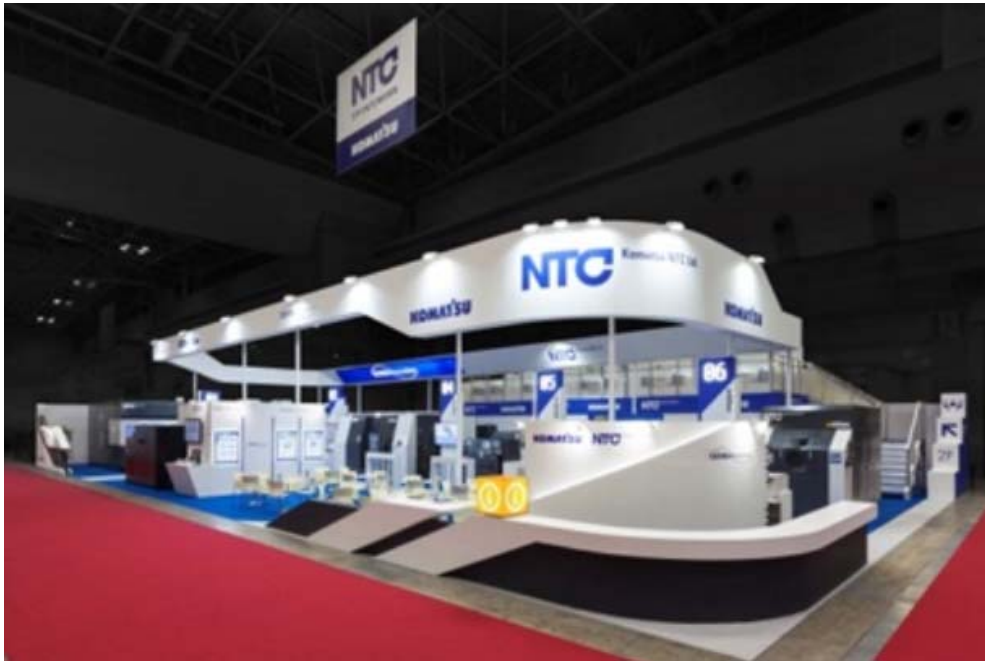
Asia Training & Demonstration Center

- Komatsu opened the Asia Training & Demonstration Center in Thailand and began training in November 2016.
- Komatsu is providing powerful support for human resource development of its distributors as part of strategies to strengthen business in Asia in the mid-range management plan which Komatsu started in the current fiscal year. Komatsu expects to receive over 2,000 trainees and customers annually.



[Outline of Asia Training & Demonstration Center]

- Address: 10/9 Moo 5, TambonTha Sa-An, Aumpheng Bang Pakong, Chachoengsao, Thailand 24130
- Ground area: 77,392 square meters
- Investment: JPY2.5 billion
- Main facilities: Workshop (for technical training of maintenance and repairs of actual products), machine demonstration and operator training area, actual products, classrooms, multi-purpose hall, viewing seats (for machine demonstration), and lounge



Next-generation machining centers, NX400 (left) and NX420 (right), achieve the consolidation of processes and high productivity.



Next-generation profile grinder, PX3560, achieve both ultra super-speed and precision machining and compactness.

• Komatsu NTC Ltd. exhibited its cutting-edge machine tools at JIMTOF 2016 (the 28th Japan International Machine Tool Fair) held at the Tokyo Big Sight in Ariake, Tokyo in November last year.

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.

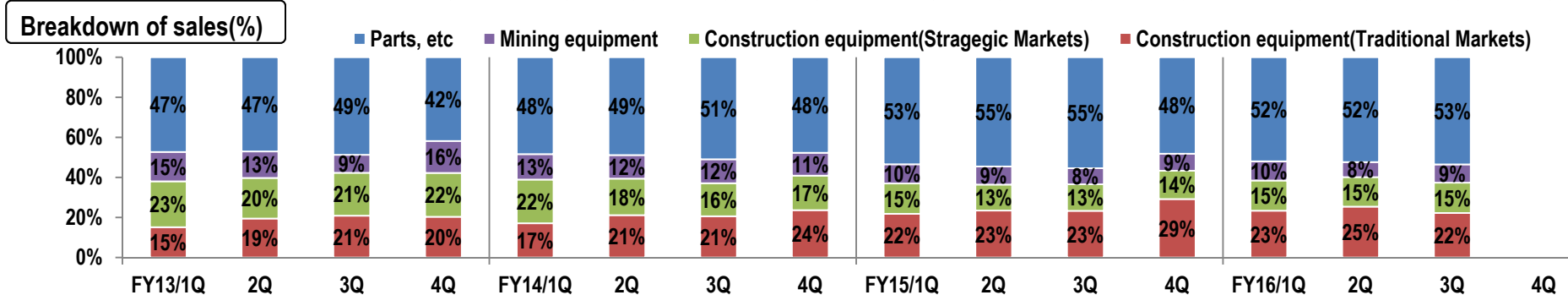
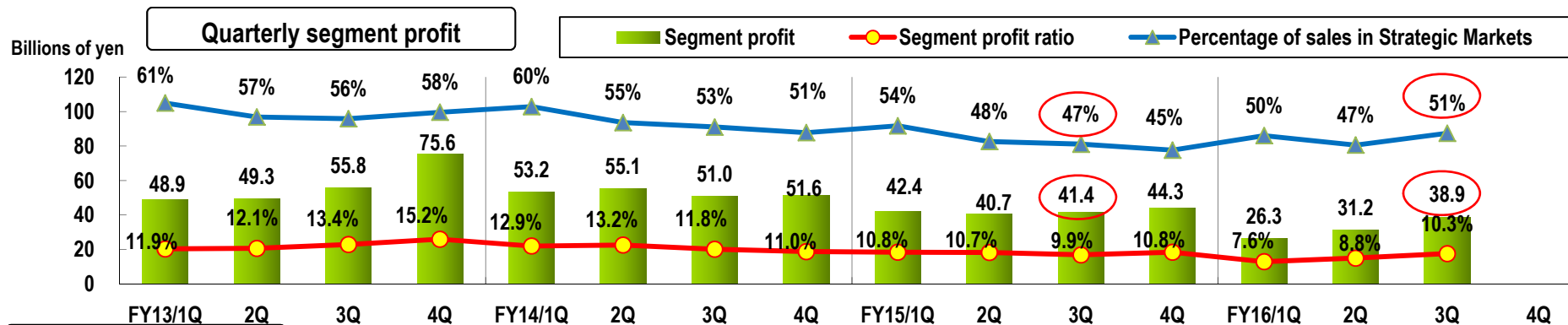
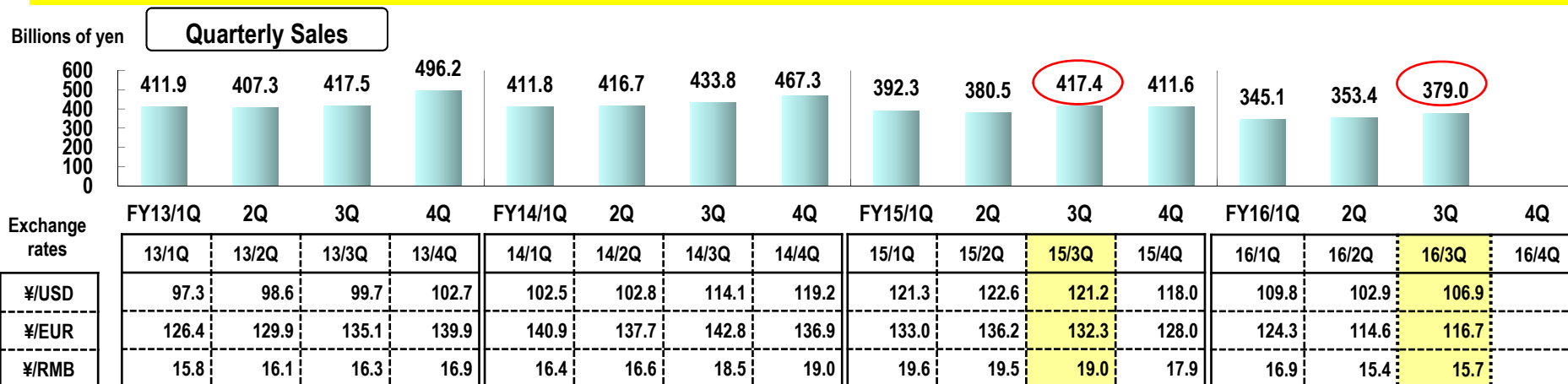
Business Coordination Department, KOMATSU LTD.

TEL: +81-3-5561-2687 FAX: +81-3-3582-8332 <http://www.komatsu.com/>

Appendix

Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

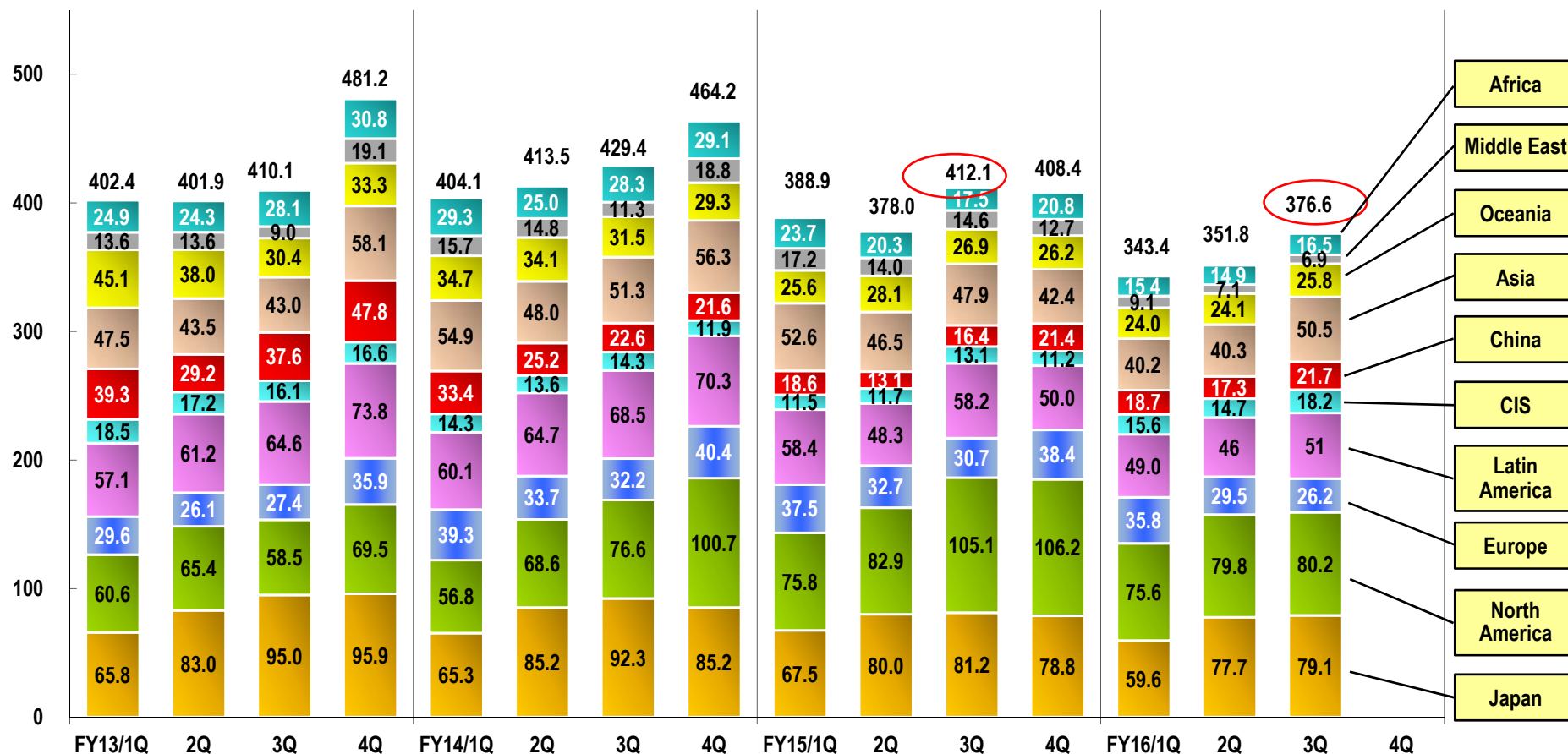
Starting in FY2016, we separate the retail finance business as an independent operating segment, whereas it was included in the construction, mining and utility equipment business up through FY2015. Accordingly, the quarterly figures below were reclassified and restated in agreement with the figure for the first quarter of FY2016.



Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region

Starting in FY2016, we separate the retail finance business as an independent operating segment, whereas it was included in the construction, mining and utility equipment business up through FY2015. Accordingly, the quarterly figures below were reclassified and restated in agreement with the figure for the first quarter of FY2016.

Billions of yen



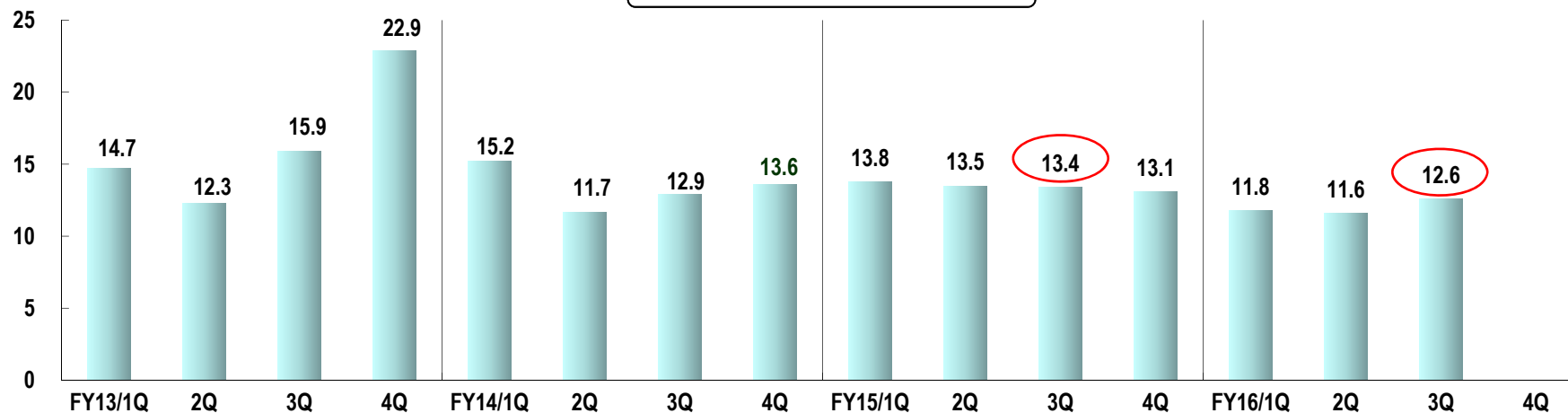
Exchange rates

| | 13/1Q | 13/2Q | 13/3Q | 13/4Q | 14/1Q | 14/2Q | 14/3Q | 14/4Q | 15/1Q | 15/2Q | 15/3Q | 15/4Q | 16/1Q | 16/2Q | 16/3Q | 16/4Q |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ¥/USD | 97.3 | 98.6 | 99.7 | 102.7 | 102.5 | 102.8 | 114.1 | 119.2 | 121.3 | 122.6 | 121.2 | 118.0 | 109.8 | 102.9 | 106.9 | |
| ¥/EUR | 126.4 | 129.9 | 135.1 | 139.9 | 140.9 | 137.7 | 142.8 | 136.9 | 133.0 | 136.2 | 132.3 | 128.0 | 124.3 | 114.6 | 116.7 | |
| ¥/RMB | 15.8 | 16.1 | 16.3 | 16.9 | 16.4 | 16.6 | 18.5 | 19.0 | 19.6 | 19.5 | 19.0 | 17.9 | 16.9 | 15.4 | 15.7 | |

Retail Finance : Quarterly Sales and Segment Profit

Billions of yen

Quarterly sales

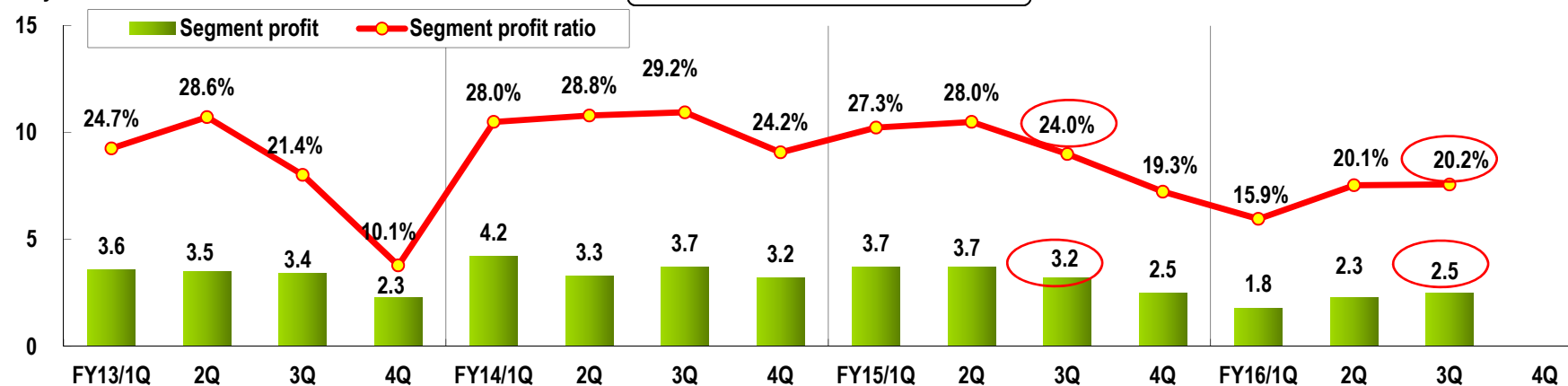


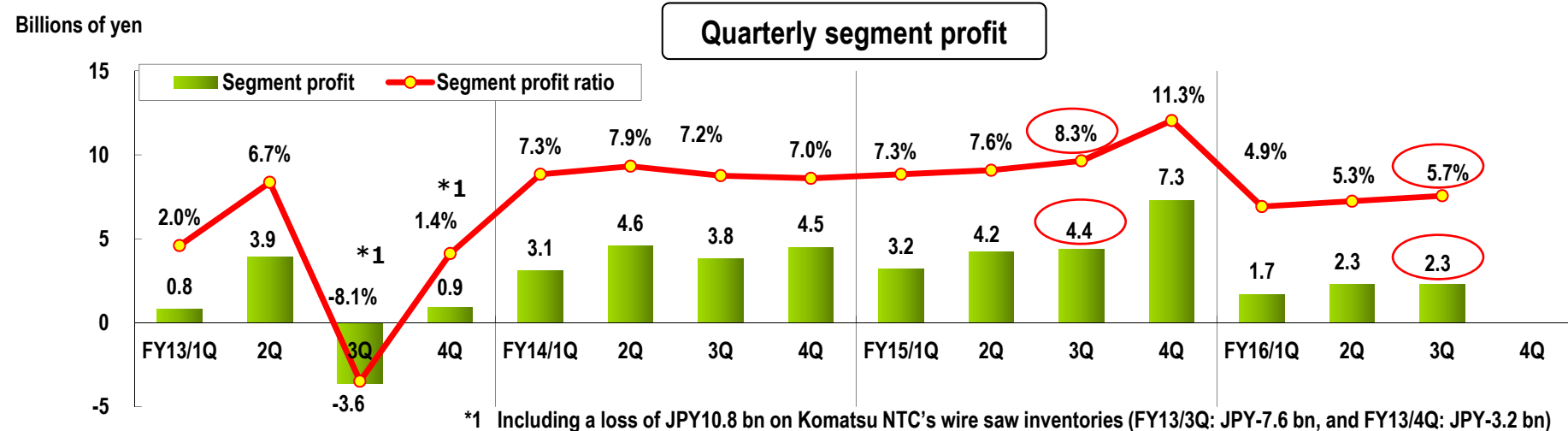
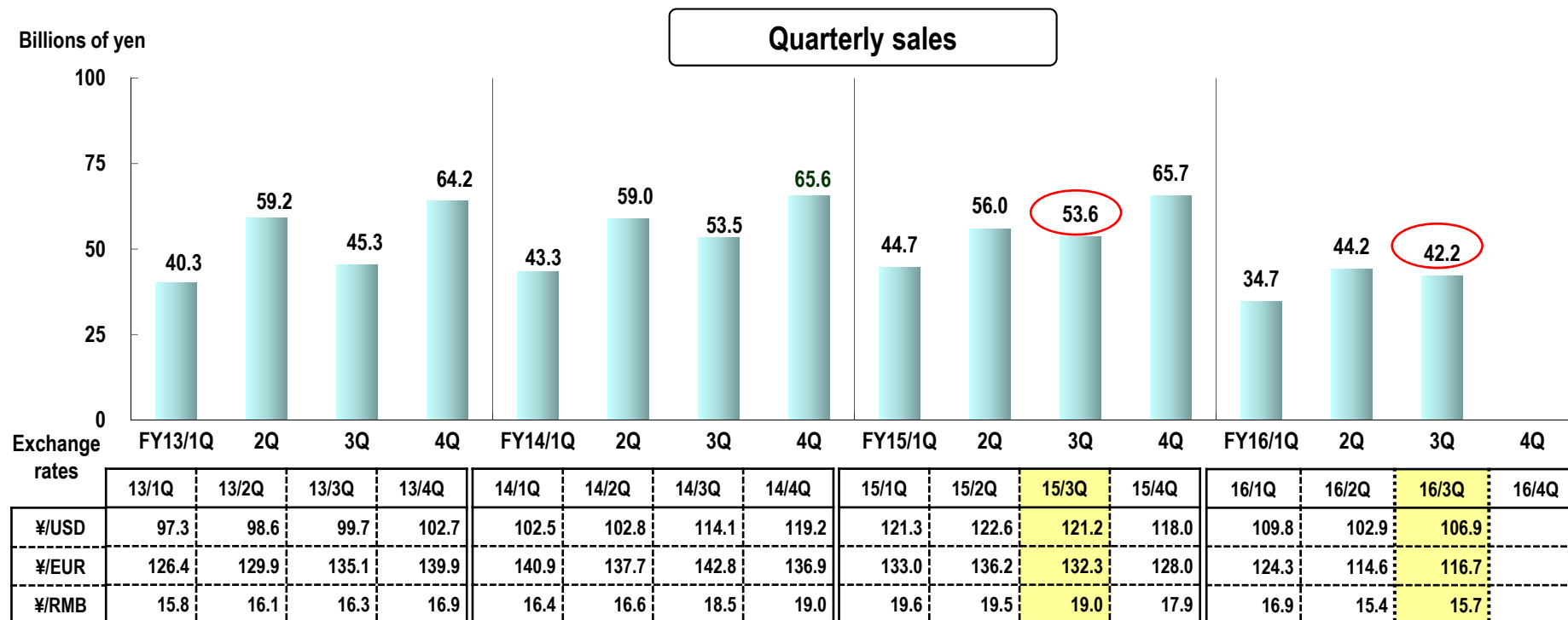
Exchange rates

| | 13/1Q | 13/2Q | 13/3Q | 13/4Q | 14/1Q | 14/2Q | 14/3Q | 14/4Q | 15/1Q | 15/2Q | 15/3Q | 15/4Q | 16/1Q | 16/2Q | 16/3Q | 16/4Q |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ¥/USD | 97.3 | 98.6 | 99.7 | 102.7 | 102.5 | 102.8 | 114.1 | 119.2 | 121.3 | 122.6 | 121.2 | 118.0 | 109.8 | 102.9 | 106.9 | |
| ¥/EUR | 126.4 | 129.9 | 135.1 | 139.9 | 140.9 | 137.7 | 142.8 | 136.9 | 133.0 | 136.2 | 132.3 | 128.0 | 124.3 | 114.6 | 116.7 | |
| ¥/RMB | 15.8 | 16.1 | 16.3 | 16.9 | 16.4 | 16.6 | 18.5 | 19.0 | 19.6 | 19.5 | 19.0 | 17.9 | 16.9 | 15.4 | 15.7 | |

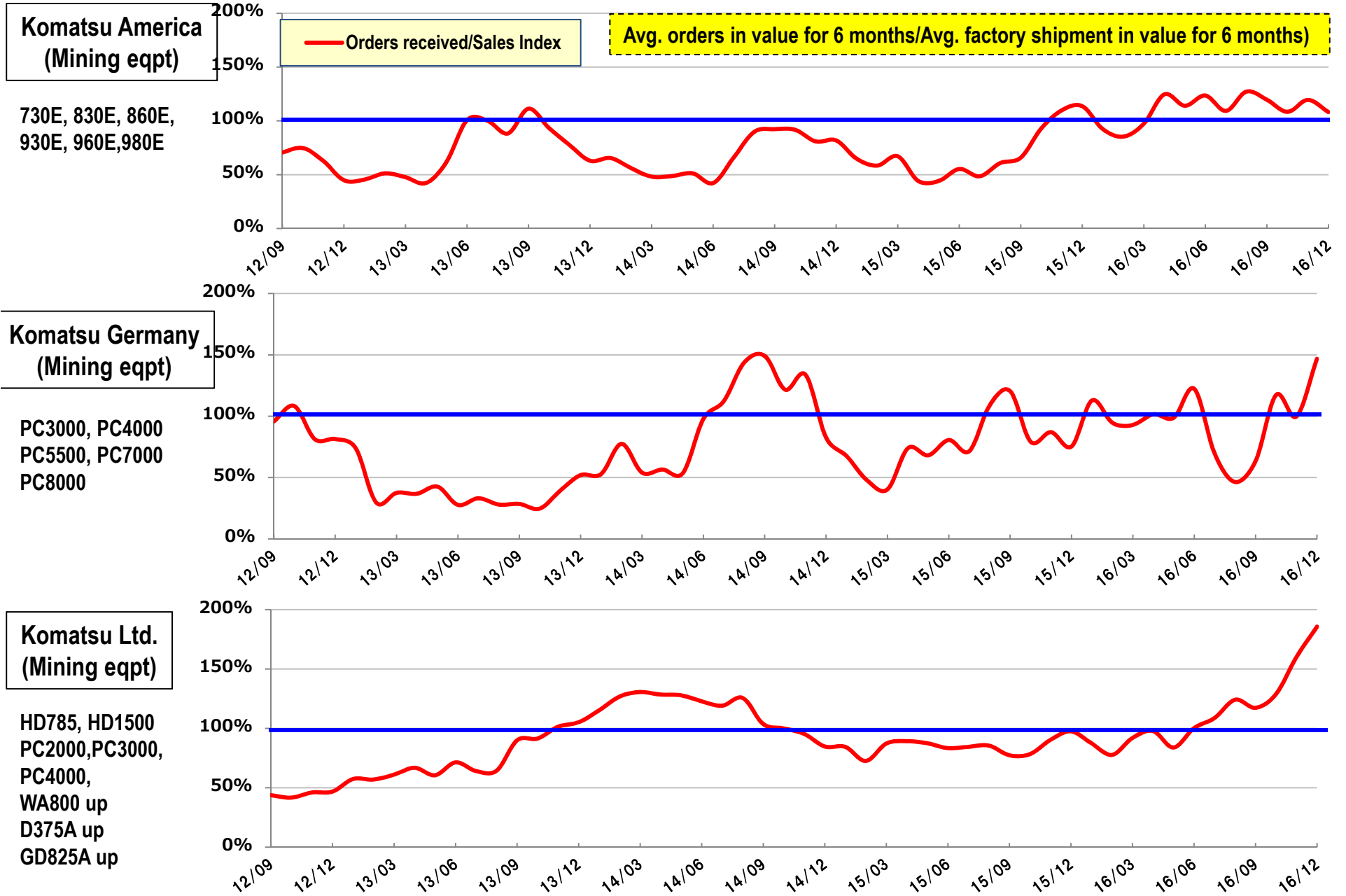
Billions of yen

Quarterly segment profit





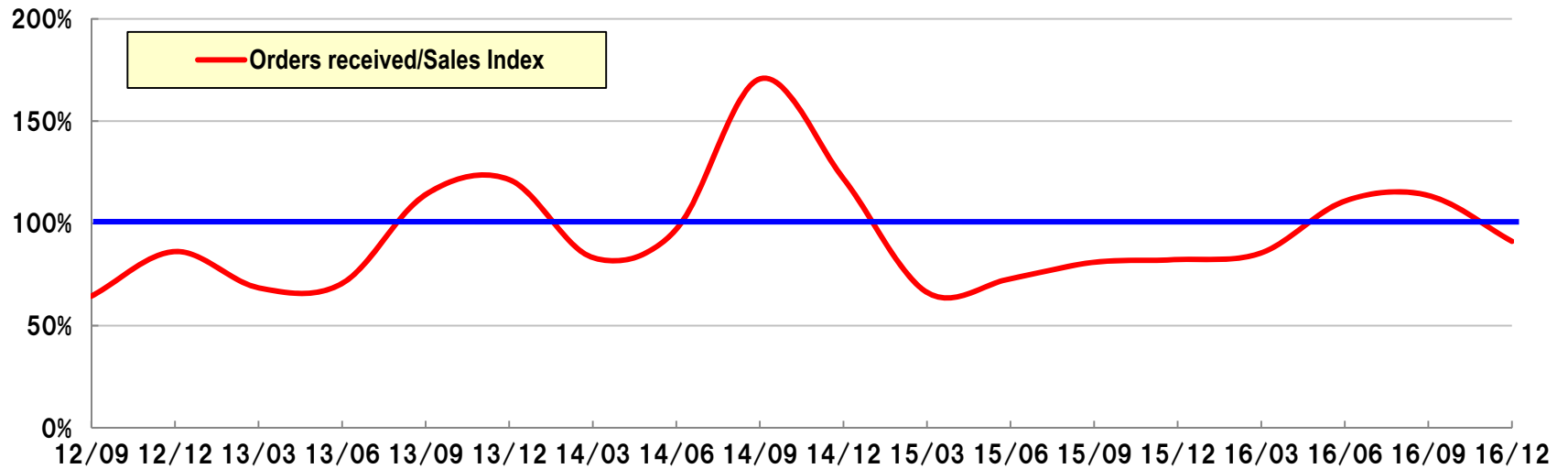
Orders Received / Sales Index for Mining Equipment (6 Months)



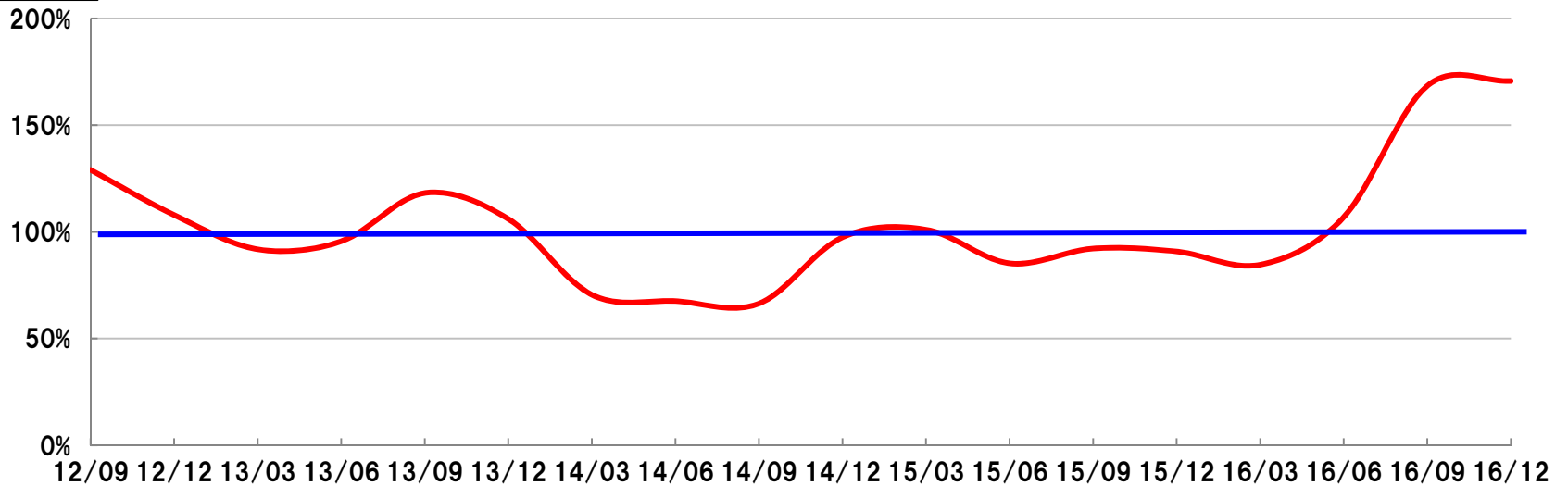
Orders Received / Sales Index for Industrial Machinery (6 Months)

Komatsu Industries

Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months



**Komatsu NTC
(Excl. wire saws)**



Overall Results for Third Quarter (October – December, 2016) of FY2016

- Consolidates net sales decreased by 9.9% from the corresponding period a year ago, to JPY430.5 billion.
- Operating income declined by 22.9% to JPY42.8 billion. Operating income ratio was 10.0%, a decline of 1.6 percentage points.
- Net income declined by 20.3% to JPY30.8 billion.

| Billions of yen | Oct.-Dec.,2015 ¥121.2/USD ¥132.3/EUR ¥19.0/RMB | Oct.-Dec.,2016 ¥106.9/USD ¥116.7/EUR ¥15.7/RMB | Changes | |
|--------------------------------------|---|---|------------------------|----------|
| | | | Increase (decrease) | % Change |
| Net sales | 478.0 | 430.5 | (47.4) | (9.9)% |
| Segment profit | 48.5 | 43.6 | (4.9) | (10.2)% |
| Other operating income (expenses) | 7.0 | (0.7) | (7.7) | - |
| Operating income | 55.6 | 42.8 | (12.7) | (22.9)% |
| Profit ratio | 11.6% | 10.0% | (1.6)pts. | - |
| Other income (expenses) | (0.3) | 2.2 | +2.6 | - |
| Net income before income taxes | 55.2 | 45.1 | (10.1) | (18.3)% |
| Net income * | 38.6 | 30.8 | (7.8) | (20.3)% |

* Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Segment Sales and Profits for Third Quarter (October – December, 2016) of FY2016

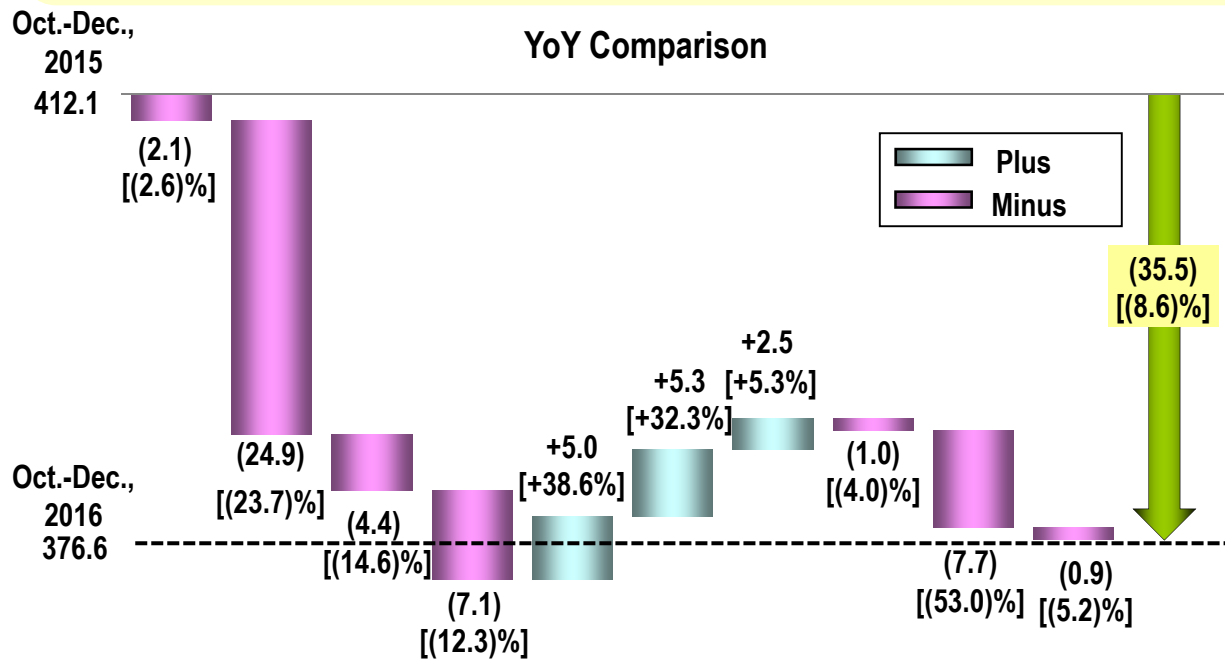
- Construction, Mining & Utility Equipment: Sales decreased by 9.2% from the corresponding period a year ago, to JPY379.0 billion. Segment profit declined by 6.1% to JPY38.9 billion. Segment profit ratio was 10.3%, an increase of 0.4 percentage points.
- Retail Finance: Sales decreased by 5.9% to JPY12.6 billion. Segment profit declined by 21.1% to JPY2.5 billion.
- Industrial Machinery & Others: Sales declined by 21.3% to JPY42.2 billion. Segment profit dropped 46.4% to JPY2.3 billion.

10.2% : Profit ratio [] : Sales after elimination of inter-segment transactions

| Billions of yen | Oct.-Dec.,2015 | | Oct.-Dec.,2016 | | Changes | |
|--|---|-------------|---|-------------|--------------------|-------------------|
| | | | | | Increase(decrease) | % Change |
| Net sales | 478.0 | | 430.5 | | (47.4) | (9.9)% |
| Construction, mining & utility equipment | [412.1] | 417.4 | [376.6] | 379.0 | [(35.5)] (38.3) | [(8.6)%] (9.2)% |
| Retail finance | [12.6] | 13.4 | [12.0] | 12.6 | [(0.6)] (0.7) | [(5.0)%] (5.9)% |
| Industrial machinery & others | [53.2] | 53.6 | [41.9] | 42.2 | [(11.2)] (11.4) | [(21.2)%] (21.3)% |
| Elimination | (6.5) | | (3.3) | | +3.2 | - |
| Segment profit | 10.2% | 48.5 | 10.1% | 43.6 | (4.9) | (10.2)% |
| Construction, mining & utility equipment | 9.9% | 41.4 | 10.3% | 38.9 | (2.5) | (6.1)% |
| Retail finance | 24.0% | 3.2 | 20.2% | 2.5 | (0.6) | (21.1)% |
| Industrial machinery & others | 8.3% | 4.4 | 5.7% | 2.3 | (2.0) | (46.4)% |
| Corporate & elimination | (0.5) | | (0.2) | | +0.2 | - |

Construction, Mining & Utility Equipment: Sales (To Outside Customers)
for Third Quarter (October – December, 2016) by Region

- Sales to outside customers by region decreased by 8.6% from the corresponding period a year ago, to JPY376.6 billion.
- Except for CIS, China and Asia, sales decreased in other regions. Sharply affected by a decline in North American sales, the ratio of Traditional Market decreased to 49%.



| Billions of yen | Japan | North America | Europe | Latin America | CIS | China | Asia | Oceania | Middle East | Africa | Total |
|-----------------|-------|---------------|--------|---------------|------|-------|------|---------|-------------|--------|-------|
| Oct.-Dec., 2015 | 81.2 | 105.1 | 30.7 | 58.2 | 13.1 | 16.4 | 47.9 | 26.9 | 14.6 | 17.5 | 412.1 |
| Oct.-Dec., 2016 | 79.1 | 80.2 | 26.2 | 51.0 | 18.2 | 21.7 | 50.5 | 25.8 | 6.9 | 16.5 | 376.6 |



* Region of Plus when the foreign exchange effects are removed.

