

**Presentation for the Nine-Month Period
(April-December, 2015) of FY2015
【Telephone conference】**

January 29, 2016

Komatsu Ltd. Participants

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Yasuhiro Inagaki	Senior Executive Officer General Manager, Business Coordination Department

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**I. Highlights of Business Results for Nine Months
(April – December, 2015) of FY2015**

【 Sales and Profits 】

- Consolidated net sales decreased by 4.6% from the corresponding period a year ago, to JPY1,370.5 billion.
- Operating income declined by 15.0% to JPY154.6 billion, and operating income ratio decreased by 1.4 points to 11.3%.
- Net income attributable to Komatsu Ltd. declined by 11.0% to JPY103.7 billion.

Billions of yen	Apr.-Dec.,2014 ¥106.5/USD ¥140.5/EUR ¥17.2/RMB	Apr.-Dec.,2015 ¥121.7/USD ¥133.8/EUR ¥19.4/RMB	Changes	
			Increase (decrease)	% Change
Net sales	1,436.6	1,370.5	(66.1)	(4.6)%
Segment profit	181.1	146.9	(34.2)	(18.9)%
Other operating income (expenses)	0.7	7.6	+6.9	-
Operating income	181.8	154.6	(27.2)	(15.0)%
Profit ratio	12.7%	11.3%	(1.4)pts.	-
Other income (expenses)	(1.6)	(1.5)	+0.1	-
Net income before income taxes	180.2	153.1	(27.0)	(15.0)%
Net income *	116.5	103.7	(12.7)	(11.0)%

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

- Foreign exchange rates were JPY121.7 per USD, JPY133.8 per EUR, and JPY19.4 per RMB. Compared to the corresponding period a year ago, JPY depreciated against USD and RMB, while it appreciated against EUR. Meanwhile, AUD, ZAR and RUB depreciated against JPY, as compared to the corresponding period a year ago.
- For nine months of FY2015, consolidated net sales decreased by 4.6% from the corresponding period a year ago, to JPY1,370.5 billion. Operating income declined by 15.0% to JPY154.6 billion. Operating income ratio decreased by 1.4 points to 11.3%.
- Net income attributable to Komatsu Ltd. declined by 11.0% to JPY103.7 billion.

- Construction, Mining & Utility Equipment: Sales decreased by 5.1% from the corresponding period a year ago, to JPY1,219.6 billion. Segment profit dropped by 20.3% to JPY136.9 billion, and segment profit ratio also declined by 2.2 points to 11.2%.
- Industrial Machinery & Others: Sales decreased by 0.9% to JPY154.4 billion. Segment profit improved by 2.9% to JPY11.9 billion.

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

Billions of yen	Apr.-Dec.,2014		Apr.-Dec.,2015		Changes	
					Increase(decrease)	% Change
Net sales		1,436.6		1,370.5	(66.1)	(4.6)%
Construction, mining & utility equipment	[1,284.4]	1,285.6	[1,217.6]	1,219.6	[(66.7)] (66.0)	[(5.2)%] (5.1)%
Industrial machinery & others	[152.2]	155.9	[152.8]	154.4	[+0.6] (1.4)	[+0.4%] (0.9)%
Elimination		(4.9)		(3.6)	+1.3	-
Segment profit	12.6%	181.1	10.7%	146.9	(34.2)	(18.9)%
Construction, mining & utility equipment	13.4%	171.8	11.2%	136.9	(34.8)	(20.3)%
Industrial machinery & others	7.5%	11.6	7.8%	11.9	+0.3	+2.9%
Corporate & elimination		(2.2)		(2.0)	+0.2	-

Review of two segments
■ Construction, Mining and Utility Equipment

Both sales and profits declined from the corresponding period a year ago. While we capitalized on demand for construction equipment particularly in North America, our sales of mining equipment fell against the backdrop of slack demand and we faced a sharp drop in demand in China and other emerging countries.

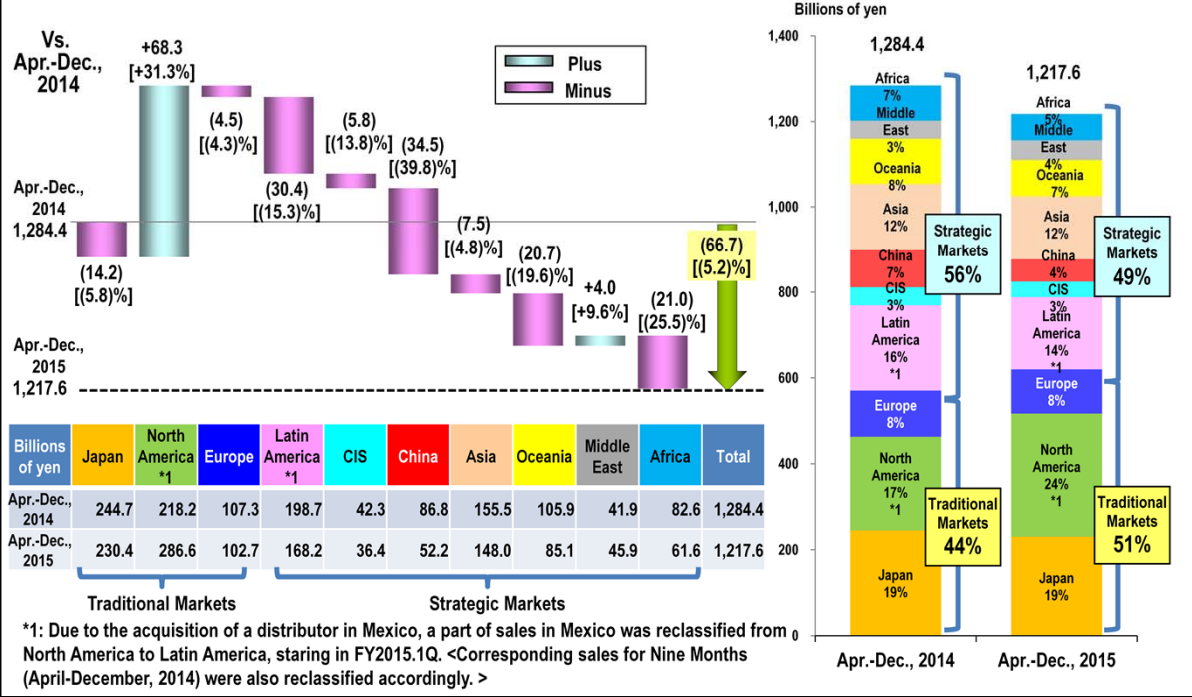
■ Industrial Machinery and Others

While Gigaphoton Inc. expanded sales, supported by stable machine utilization of the semiconductor industry, total sales decreased but segment profit increased from the corresponding period a year ago.

- In the construction, mining and utility equipment business, sales decreased by 5.1% from the corresponding period a year ago, to JPY1,219.6 billion. While we steadily capitalized on demand for construction equipment particularly in North America, total sales were impacted by reduced sales of mining equipment against the backdrop of slack demand as well as dropped demand for and sales of construction equipment in China and other emerging countries.
- Segment profit of the construction, mining and utility equipment business dropped by 20.3% to JPY136.9 billion.
- In the industrial machinery and others business, sales declined by 0.9% from the corresponding period a year ago, to JPY154.4 billion, and segment profit increased by 2.9% to JPY11.9 billion.

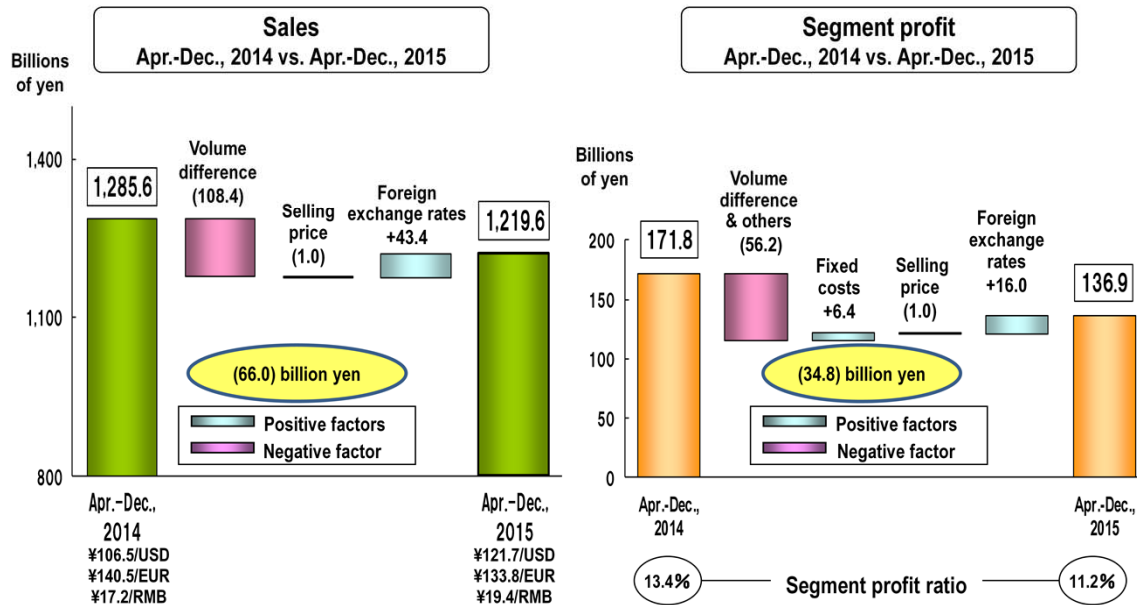
KOMATSU Construction, Mining & Utility Equipment: Sales by Region (To Outside Customers) for Nine Months of FY2015

- Sales to outside customers declined by 5.2% from the corresponding period a year ago, to JPY1,217.6 billion.
- While sales advanced in North America and the Middle East, sales dropped sharply in Strategic Markets, such as China, Latin America and Africa. As a result, the proportion of Traditional Markets increased to 51% of total sales.



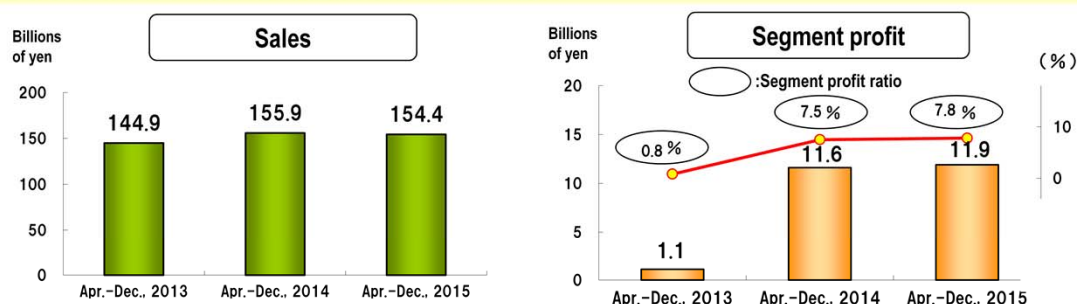
- In the construction, mining and utility equipment business, sales declined by 5.2% from the corresponding period a year ago, to JPY1,217.6 billion.
- While sales advanced in North America and the Middle East, total sales declined from the corresponding period a year ago, as impacted by dropped sales in Strategic Markets, such as China, Latin America and Africa. As a result, the proportion of Traditional Markets increased to 51%.

- Sales declined by JPY66.0 billion from the corresponding period a year ago, affected by a sharp drop in the volume of sales in Strategic Markets, such as China, Latin America and Africa, which more than offset the effects of the Japanese yen's depreciation. Segment profit also declined by JPY34.8 billion.
- Segment profit ratio decreased by 2.2 points to 11.2%.



- Sales declined by JPY66.0 billion. While we had positive factor of JPY43.4 billion in foreign exchange rates, we suffered from a sharp decline in the volume of sales resulting from dropped demand in Strategic Markets, such as China, Latin America and Africa.
- With respect to segment profit, we had positive factors, such as reduced fixed costs and the Japanese yen's depreciation, we suffered from a big decline in the volume of sales and a change in product mix. As a result, segment profit declined by JPY34.8 billion from the corresponding period a year ago.

• While Gigaphoton advanced sales, supported by stable machine utilization of the semiconductor industry, sales of presses declined. As a result, total sales decreased by 0.9% from the corresponding period a year ago, to JPY154.4 billion. Segment profit ratio was 7.8%.

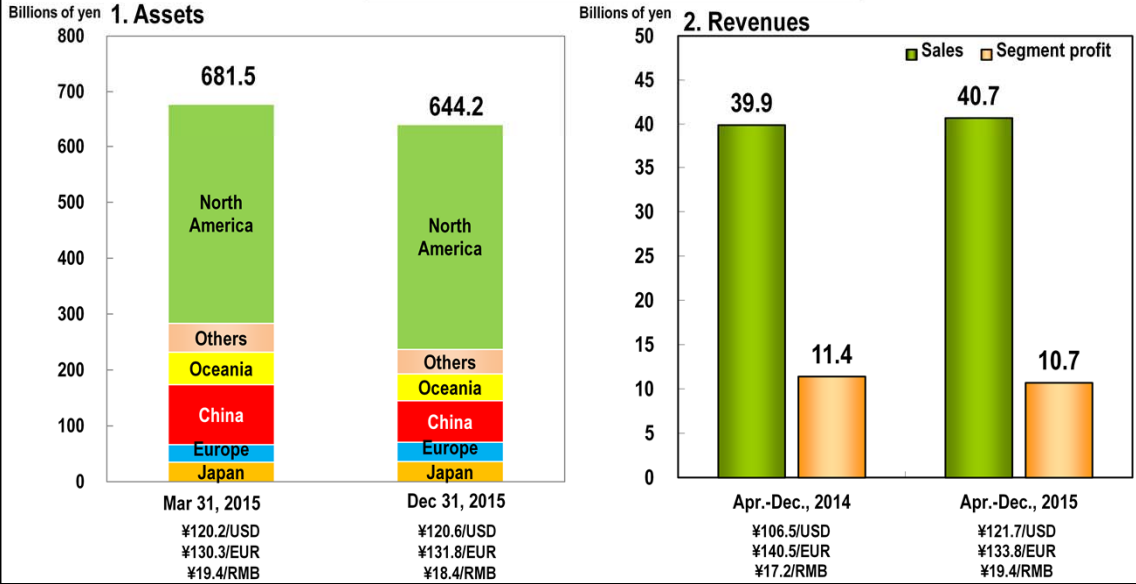


Breakdown of sales Billions of yen	Apr.-Dec., 2013	Apr.-Dec., 2014	Apr.-Dec., 2015	Changes	
				Increase (decrease)	% change
Komatsu Industries Corp., etc. [total of press and sheet-metal machines]	37.6	42.9	40.4	(2.4)	(5.6)%
Komatsu NTC Ltd. [represented by wire saws]	47.3 [2.8]	52.5 [5.8]	51.7 [6.2]	(0.7) [+0.4]	(1.5)% [+7.1%]
Others [represented by Gigaphoton] [represented by Komatsu House]	59.9 [17.2] [10.7]	60.4 [21.3] [11.3]	62.2 [24.8] [10.3]	+1.7 [+3.5] [(0.9)]	+2.9% [+16.6%] [(8.5)%]
Total	144.9	155.9	154.4	(1.4)	(0.9)%

- In the industrial machinery and others business, while Gigaphoton advanced sales, supported by stable machine utilization of the semiconductor industry, sales of presses declined. As a result, total sales decreased by 0.9% from the corresponding period a year ago, to JPY154.4 billion.
- Segment profit was JPY11.9 billion, and segment profit ratio improved slightly from the corresponding period a year ago, to 7.8%.

- Total assets decreased from the previous fiscal year-end, as the amount of new contracts declined in China, Oceania and other regions, more than offsetting increased contracts in North America.
- Sales increased from the corresponding period a year ago, mainly supported by increased assets of operating lease in North America.
- Segment profit decreased from the corresponding period a year ago, mainly affected by reduced assets in China.

Consolidated retail finance subsidiaries



- As of December 31, 2015, total assets of retail finance subsidiaries declined by JPY37.3 billion from the previous fiscal year-end, to JPY644.2 billion, affected by a declined amount of new contracts mainly in China, Oceania and other regions, more than offsetting strong business in North America. When the foreign exchange rate effect of minus JPY5.7 billion is removed, total assets decline by JPY31.6 billion.
- While Sales increased thanks mainly to increased assets of operating lease in North America, segment profit decreased from the corresponding period a year ago, due mainly to reduced assets in China.

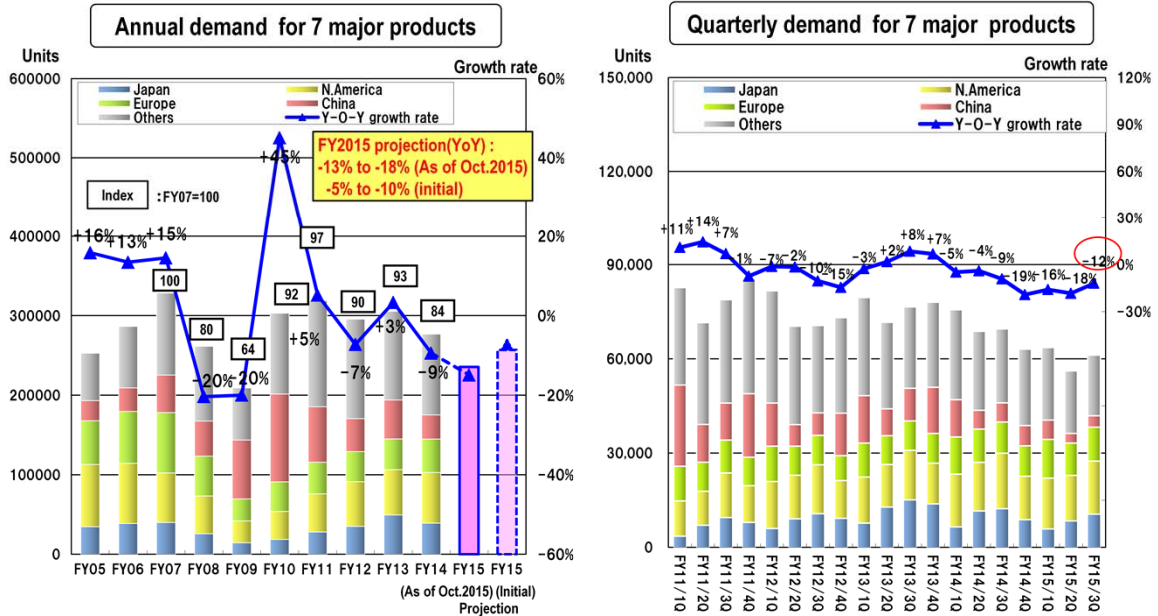
- Total assets decreased by JPY128.0 billion from the previous fiscal year-end, mainly due to reduced working capital.
- Komatsu Ltd. shareholders' equity ratio increased by 3.4 points to 58.0%. Net debt-to-equity ratio was 0.27.

Billions of yen	Mar. 31, 2015 ¥120.2/USD ¥130.3/EUR ¥19.4/RMB	Dec. 31, 2015 ¥120.6/USD ¥131.8/EUR ¥18.4/RMB	Increase (decrease)
○ : Net debt-to-equity ratio			
Cash & deposits (incl. time deposits) [a]	107.3	106.5	(0.7)
Accounts receivable (incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	900.2 <398.1>	875.2 <377.2>	(24.9) <(20.9)>
Inventories	622.8	586.6	(36.2)
Tangible fixed assets	743.9	722.5	(21.3)
Other assets	424.0	379.3	(44.7)
Total assets	2,798.4	2,670.3	(128.0)
Accounts payable	225.0	194.3	(30.7)
Interest-bearing debt [b] <Excl. those of consolidated retail finance subsidiaries>	589.1 <90.2>	530.0 <52.7>	(59.1) <(37.5)>
Other liabilities	385.6	330.3	(55.3)
Total liabilities	1,199.9	1,054.7	(145.1)
[Shareholders' equity ratio]	[54.6%]	[58.0%]	[+3.4pts.]
Komatsu Ltd. shareholders' equity	1,528.9	1,547.9	+18.9
Noncontrolling interests	69.5	67.7	(1.8)
Liabilities & Equity	2,798.4	2,670.3	(128.0)
Interest-bearing debt, net [b-a]	○ 0.32 481.8	○ 0.27 423.4	(58.4)
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ (0.00)	○ (0.04)	

- Total assets decreased by JPY128.0 billion from the previous fiscal year-end. When the foreign exchange effect of minus JPY34.7 billion is removed, total assets decrease by JPY93.3 billion.
- Inventories decreased by JPY36.2 billion from the previous fiscal year-end. When the foreign exchange effect of minus JPY12.1 billion is removed, they decline by JPY24.1 billion.
- Interest-bearing debt declined by JPY59.1 billion; however, this decline included the foreign exchange effect of minus JPY6.9 billion. On a net of cash and deposits basis, it decreased by JPY58.4 billion.
- Komatsu Ltd. shareholders' equity ratio increased by 3.4 points to 58.0%.
- Net debt-to-equity ratio was 0.27. When retail finance subsidiaries are excluded, net debt-to-equity ratio is minus 0.04, remaining at almost zero.

II. Construction and Mining Equipment: Demand and Outlook

- Global demand in 3Q FY2015 should decline by 12% from the corresponding period a year ago.
- By region, while demand was steady in some regions, such as Europe, demand in China and other emerging countries has continued to decline.

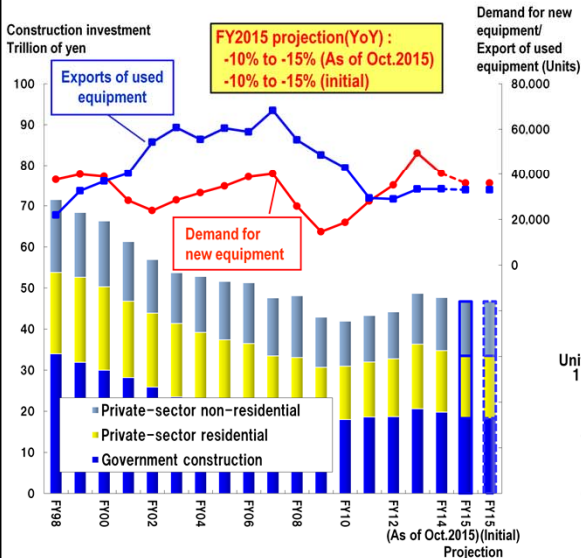


[Source]: Demand for 7 major products estimated by Komatsu

- We are estimating that global demand will have declined by 12% in the third quarter of FY2015 from the corresponding period a year ago.
- While demand has been steady in some regions, such as Europe, that in China and other emerging countries has remained sluggish.

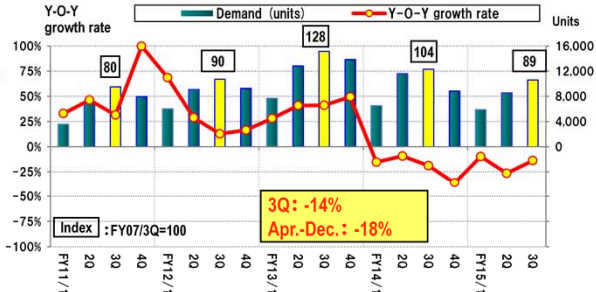
- Demand in 3Q FY2015 declined by 14% from the corresponding period a year ago.
- Demand for hydraulic excavators in rental companies has remained slack.

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

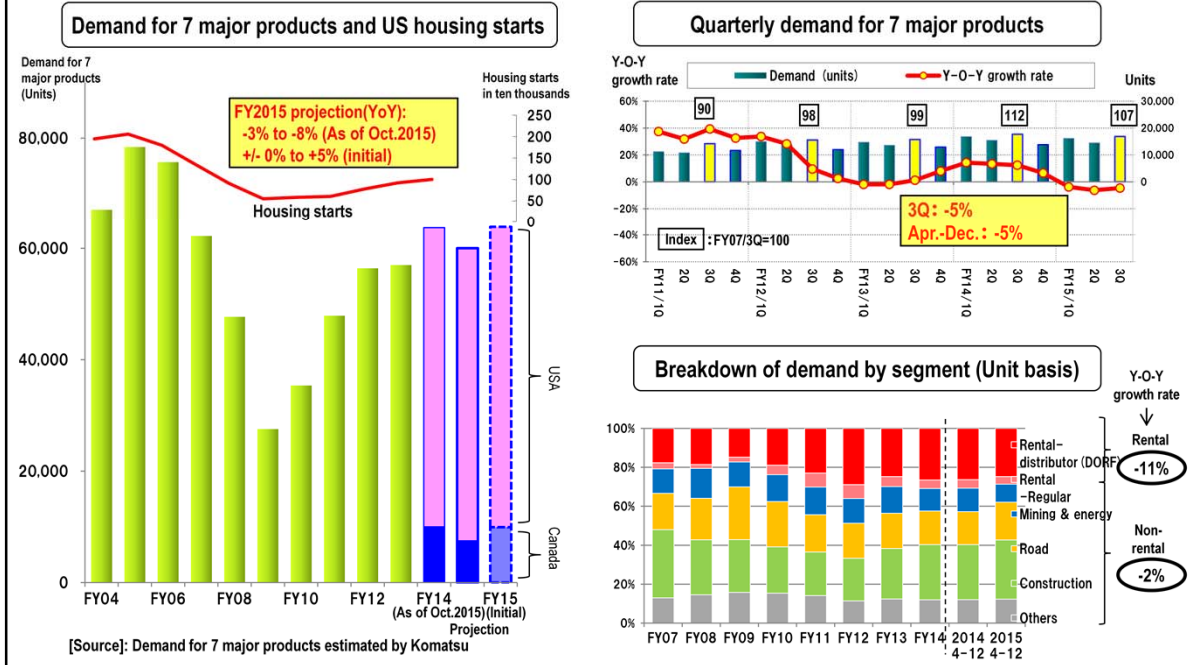


Quarterly demand for hydraulic excavators (Rental & regular uses)



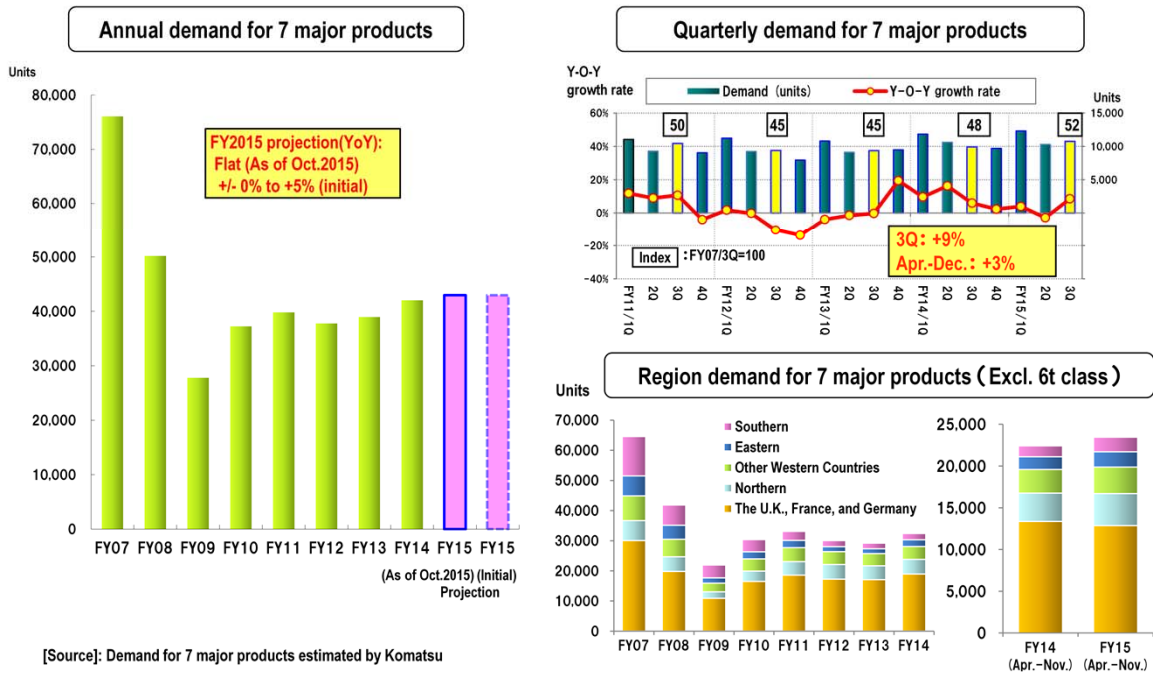
- Japanese demand declined by 14% in the third quarter of FY2015 from the corresponding period a year ago.
- With respect to hydraulic excavators, centering on 7-ton class, we continue to experience negative repercussions of temporary demand related to the new emission control regulations.

- Demand decreased by 5% in 3Q FY2015 from the corresponding period a year ago.
- While demand remains steady in residential construction and infrastructure development, such as highway construction, demand stays sluggish in the mining and energy sectors.



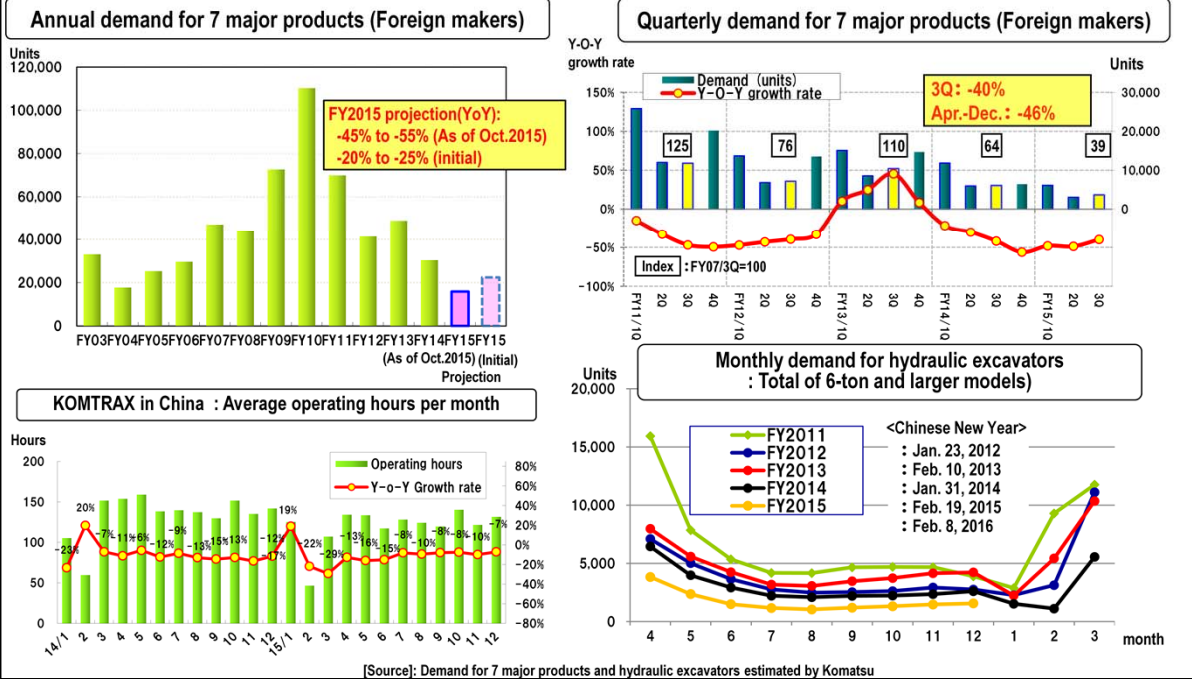
- North American demand decreased by 5% in the third quarter of FY2015 from the corresponding period a year ago.
- While demand for construction equipment remains steady in residential construction and infrastructure development, such as highway construction, demand stays slack in the mining and energy sectors. However, overall demand remains at a high level in view of the past trend.

- Demand in 3Q FY2015 should increase by 9% from the corresponding period a year ago, supported by strong demand mainly in northern, southern and eastern Europe.



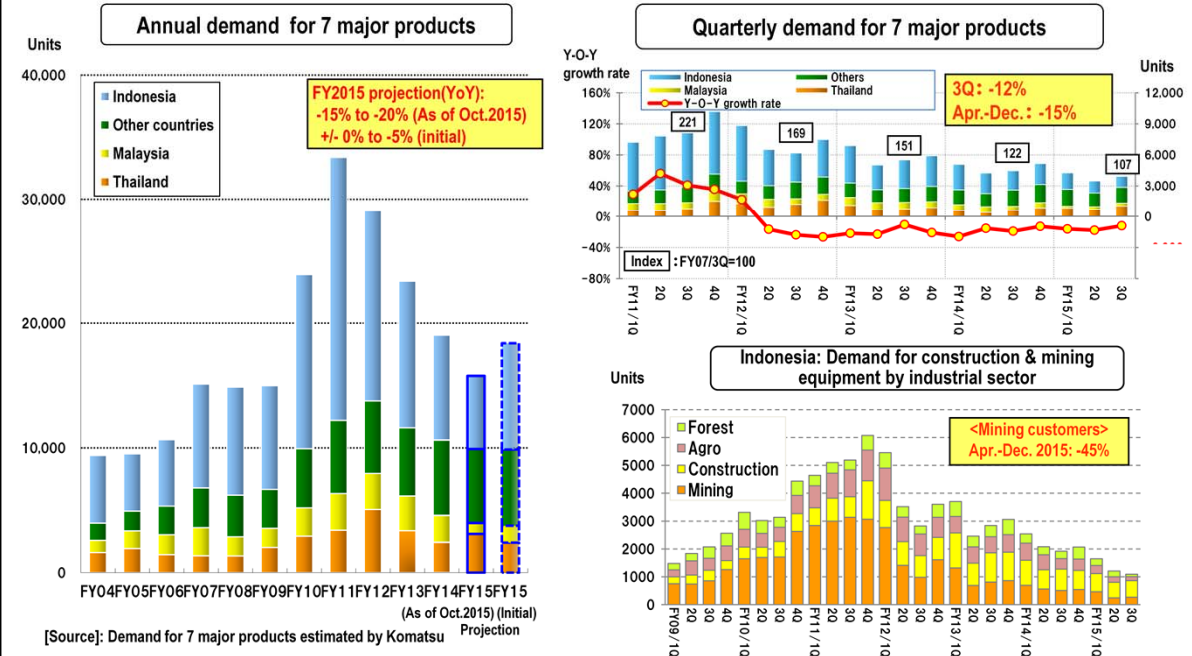
- We are estimating that European demand in the third quarter of FY2015 will have increased by 9% from the corresponding period a year ago. Demand is growing steadily mainly in northern, southern and eastern Europe.

- Demand in 3Q FY2015 dropped by 40% from the corresponding period a year ago.
- No positive effects of the Chinese government's economic stimulus measures are evident, demand continues to decline sharply.



- Chinese demand dropped by 40% in the third quarter of FY2015 from the corresponding period a year ago.
- At present, we are not observing any positive effects of the Chinese government's economic stimulus measures, such as monetary easing.

- Demand in 3Q FY2015 should decline by 12% from the corresponding period a year ago.
- While demand advanced in Thailand, it sharply fell in Indonesia, the largest market of the region, and Malaysia, affecting overall demand in the region.

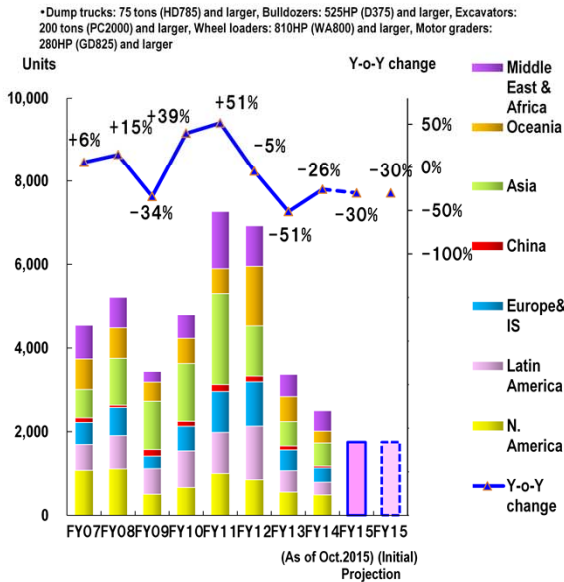


- We are estimating that Southeast Asian demand will have declined by 12% in the third quarter of FY2015 from the corresponding period a year ago. While demand advanced in Thailand, it has sharply fell in Indonesia and Malaysia.

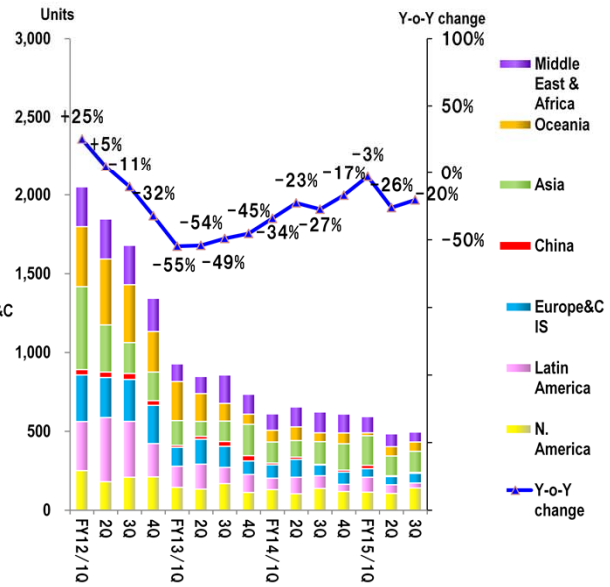
**III. Construction and Mining Equipment:
Mining Equipment, Parts and News**

• Global demand for mining equipment remained sluggish, albeit the rate of decline has become smaller, and demand in 3Q FY2015 should decline by 20% from the corresponding period a year ago.

Annual demand for mining equipment



Quarterly demand for mining equipment

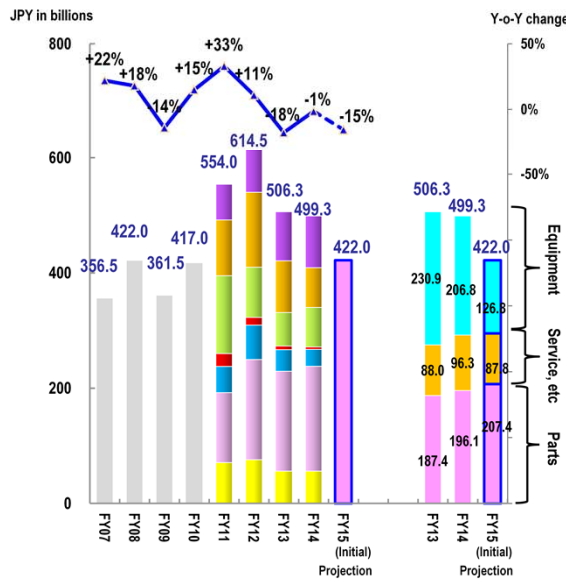


Note: Demand estimated by Komatsu

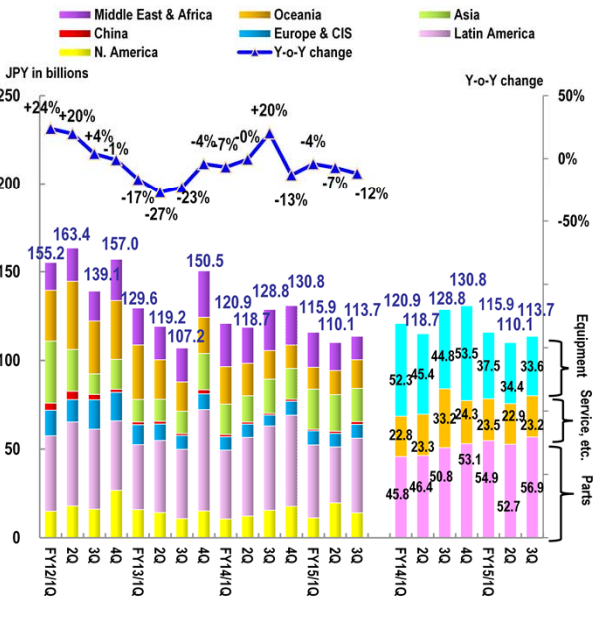
■ It appears that global demand declined by 20% in the third quarter of FY2015 from the corresponding period a year ago. Although the rate of decline has become smaller, mineral prices have remained low. In this light, we project that recovery of overall demand might happen in FY2017 or later.

- Sales of mining equipment for 3Q FY2015 declined by 12% from the corresponding period a year ago, to JPY113.7 billion, as sales of equipment per se remained slack.
- Sales of parts for 3Q FY2015 increased from the corresponding period a year ago.

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



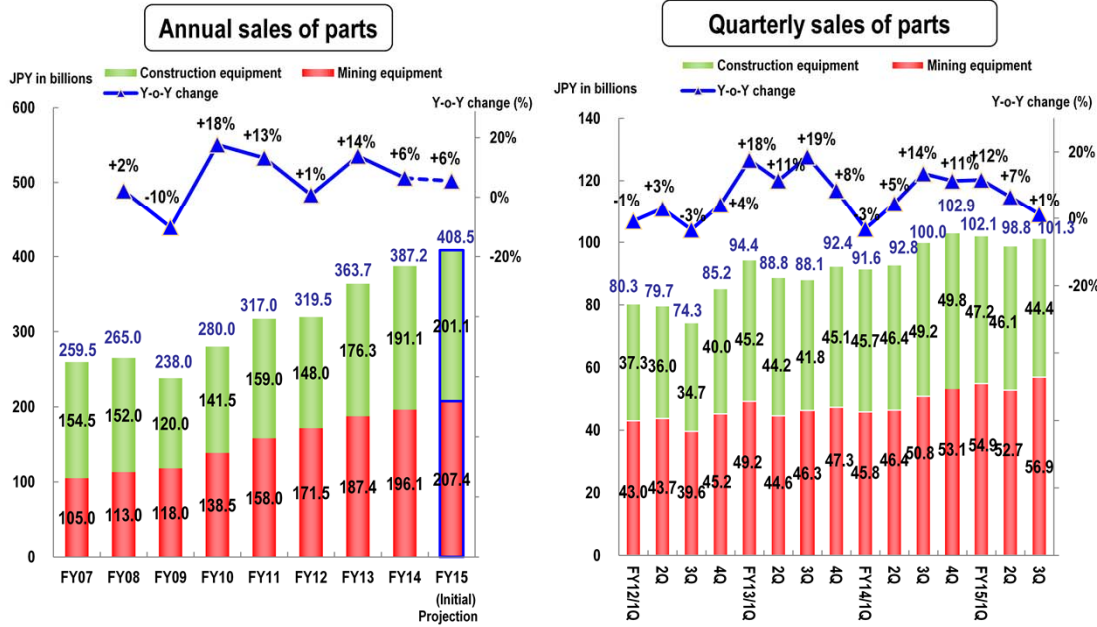
Quarterly sales of mining equipment (incl. parts and service)



■ Sales of mining equipment for the third quarter of FY2015 declined by 12% from the corresponding period a year ago, to JPY113.7 billion. As the currencies of emerging countries depreciated sharply, we weathered negative effects of foreign exchange rates. When the effects of foreign exchange rates are removed, sales would decline by 10%.

■ While sales of mining equipment per se fell considerably, sales of parts were brisk. Even when the effects of foreign exchange rates are removed, sales of parts would increase from the corresponding period a year ago.

- Sales of parts for 3Q FY2015 increased by 1% from the corresponding period a year ago, to JPY101.3 billion.
- While demand for new mining equipment was dropping, sales of parts increased steadily, recording positive growth when the effects of foreign exchange rates are removed.



- Sales of parts for the third quarter of FY2015 increased by 1% from the corresponding period a year ago, to JPY101.3 billion. When the effects of foreign exchange rates are removed, they would increase by 2%.
- With respect to sales of construction equipment parts for the third quarter of FY2015, they declined by 9% from the corresponding period a year ago, partly affected by reduced hours of operating machines at jobsites. This decline of 9% shows after the effects of foreign exchange rates were removed.
- With respect to sales of mining equipment parts for the third quarter of FY2015, while sales of new mining equipment dropped, sales of parts advanced by 13% after the effects of foreign exchange rates were removed.
- Errata
Please be advised that we correct the growth rates of three-month sales of parts after the effects of foreign exchange rates were removed for the second quarter of FY2015, when we disclosed on October 28, 2015.

	Corrected	As of October 28, 2015
All parts	-1%	-3%
Parts for construction equipment	-7%	-8%
Parts for mining equipment	5%	3%

- To strengthen training service mechanics of our distributors, we built a new Model Training Center on the premises of Komatsu-no-Mori (Komatsu Greenery Park) in Komatsu City, Ishikawa Prefecture. The Model Training Center began full-scale operation in November 2015.
- We have 19 training centers in 17 countries worldwide. We are planning to transfer know-how, which we are accumulating at the Model Training Center, to other centers, thereby accelerating the speed of supporting human resource development of our distributors around the world.

Model Training Center recreates a model environment of repair shops of distributors.



[Outline of the Model Training Center]

- Address: 1, Komatsu-no-Mori, Komatsu City, Ishikawa Prefecture, Japan
- Floor area (training building): 1,854.49 m²
- Invested: About JPY1 billion
- Main facilities:
Training areas for machine maintenance and welding as well as work safety, Classrooms, lounge, locker rooms, toilets, warehouse, etc.



Offering practical training programs, ranging from danger detection and other safety matters to high-accuracy and -efficiency maintenance and repair skills.



- We are launching HB335(LC)-3 and HB365(LC)-3 (shown here) large hybrid hydraulic excavators on February 1.
- Both models are compliant with the 2014 Off-road Vehicle Act of Japan .

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.

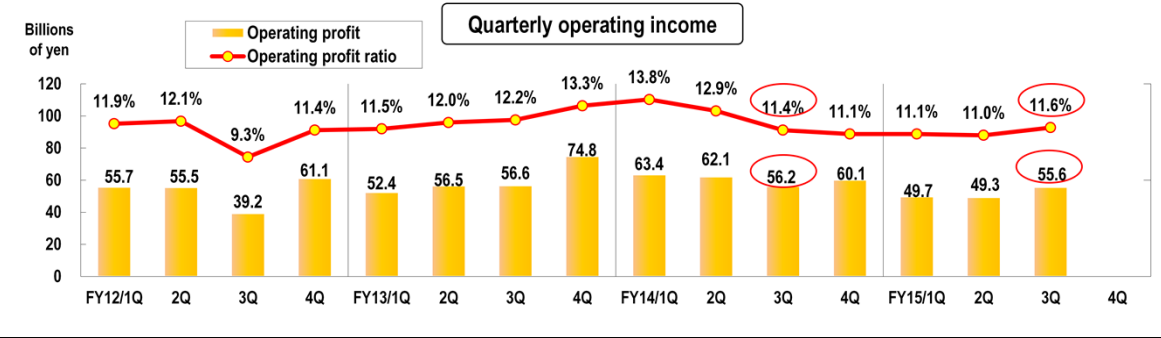
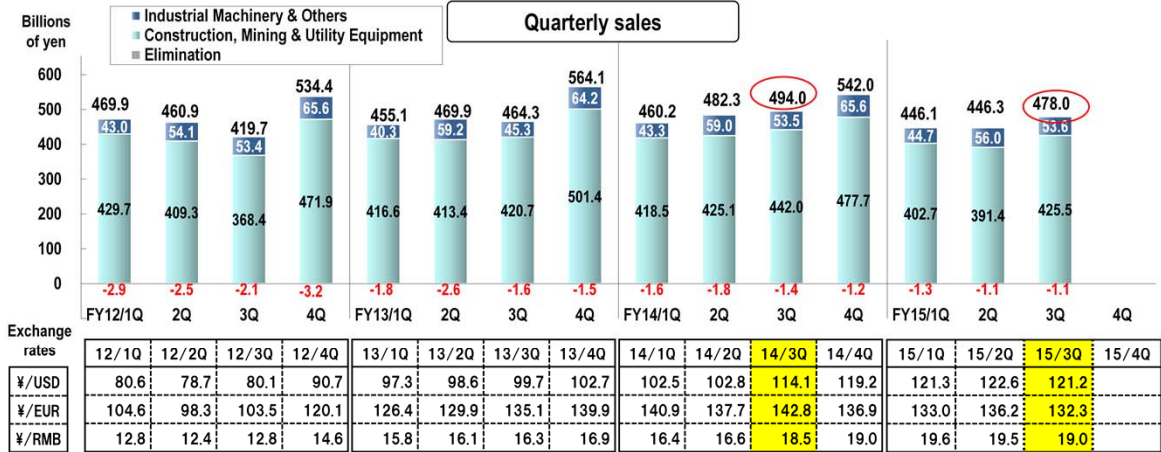
Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes 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.

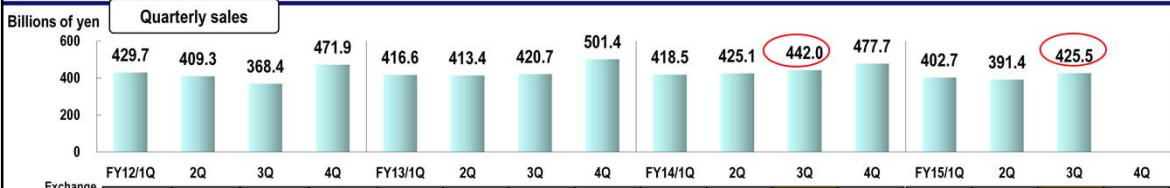
TEL: +81-3-5561-2687 FAX: +81-3-3582-8332 <http://www.komatsu.com/>

Appendix

<Appendix>
Quarterly Sales and Operating Income

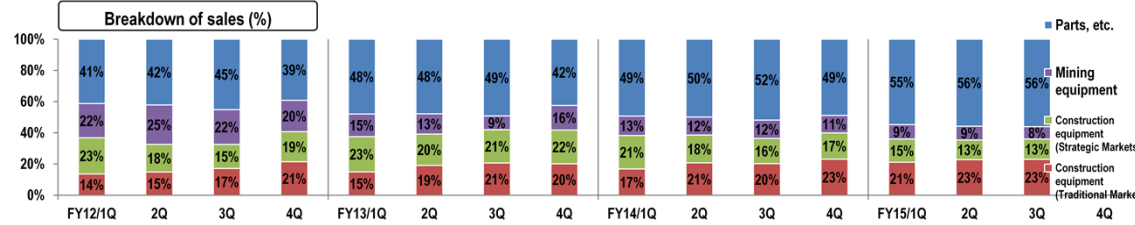
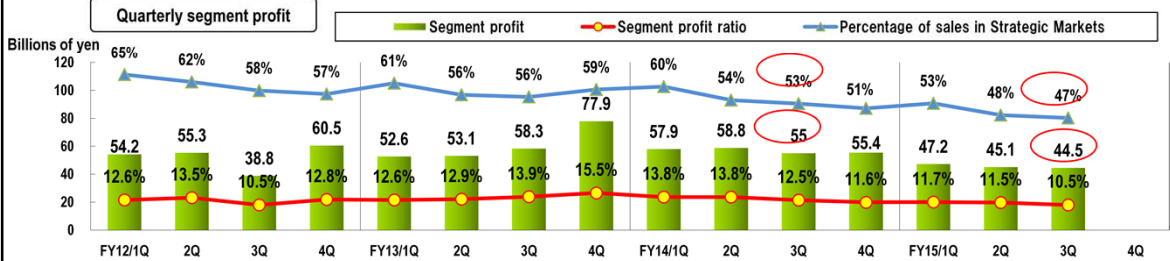


Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

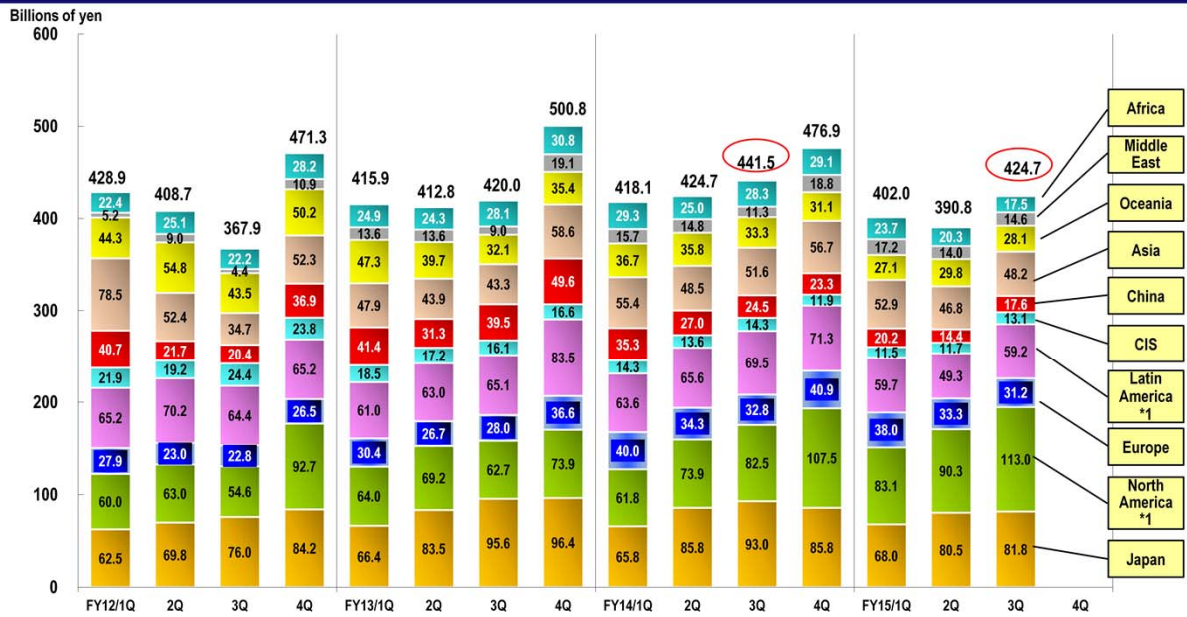


Exchange rates

	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6	121.2	
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2	132.3	
¥/RMB	12.8	12.4	12.8	14.6	15.8	16.1	16.3	16.9	16.4	16.6	18.5	19.0	19.6	19.5	19.0	

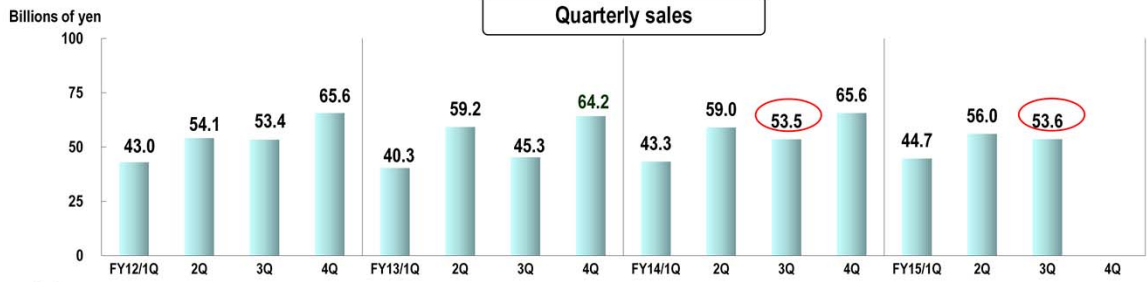


Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



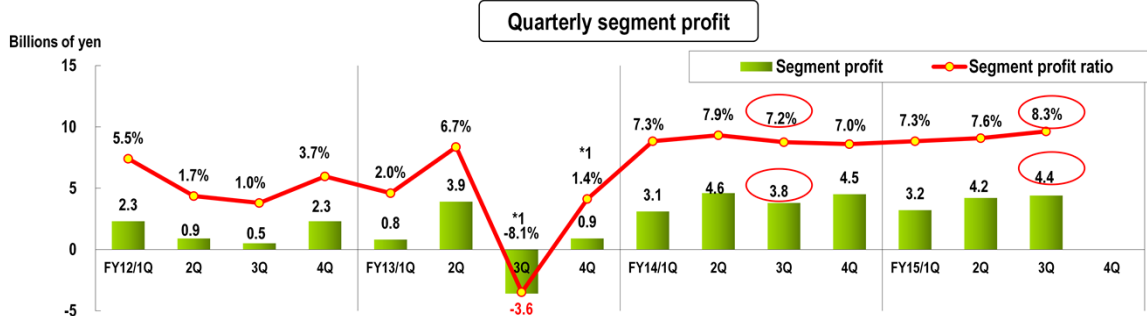
Exchange rates	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6	121.2	
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2	132.3	
¥/RMB	12.8	12.4	12.8	14.6	15.8	16.1	16.3	16.9	16.4	16.6	18.5	19.0	19.6	19.5	19.0	

*1: Due to the acquisition of a distributor in Mexico, a part of sales in Mexico was reclassified from North America to Latin America, starting in FY2015.1Q. (Corresponding sales for FY2012 were also reclassified accordingly.)



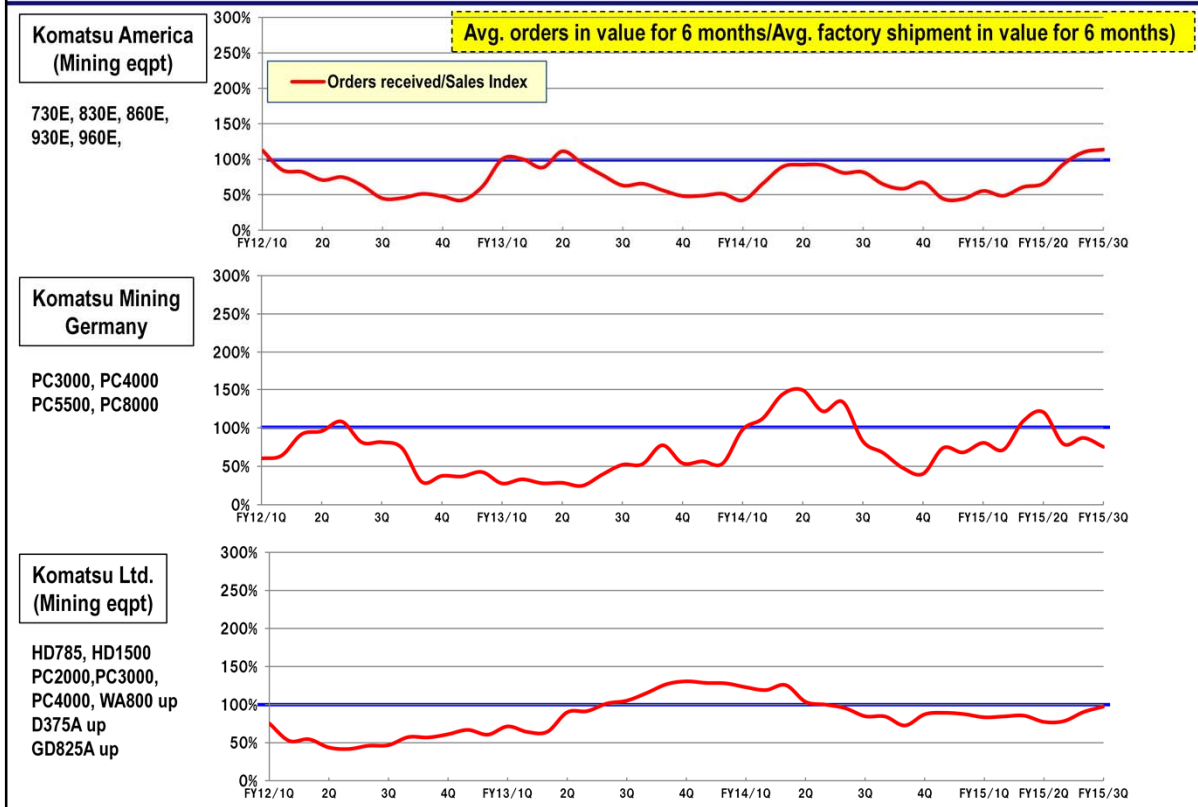
Exchange rates

	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6	121.2	
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2	132.3	
¥/RMB	12.8	12.4	12.8	14.6	15.8	16.1	16.3	16.9	16.4	16.6	18.5	19.0	19.6	19.5	19.0	

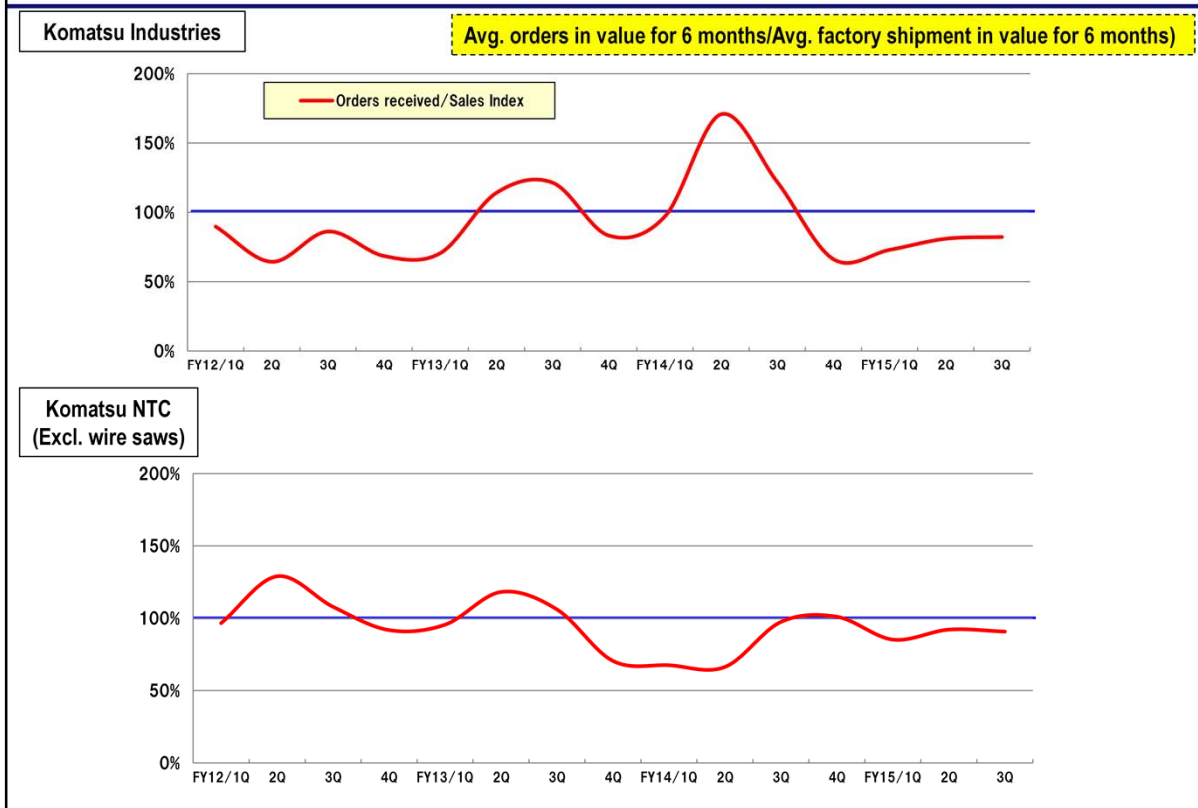


*1 Including a loss of JPY10.8 bn on Komatsu NTC's wire saw inventories (3Q: JPY-7.6 bn, and 4Q: JPY-3.2 bn)

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



- These graphs show the book-to-bill ratios of mining equipment.
- Specifically, they show the ratio of orders received for new equipment for the last six-month period divided by sales of new equipment for the same six-month period.
- Top graph shows dump trucks made by Komatsu America Corp. The ratio entered a level above 100%.
- Middle graph shows super-large hydraulic excavators made by Komatsu Mining Germany GmbH. Although orders received have remained flat, factory shipment has progressed, improving the ratio to 75%.
- Bottom graph shows other mining equipment made in Japan. Sales and orders are about in balance.



- These graphs show the book-to-bill ratios of industrial machinery. Specifically, they show the ratio of orders received for new machines for the last six-month period divided by sales of new machines for the same six-month period.
- With respect to orders received by Komatsu Industries Corp. for sheet metal and press machines, those for medium-sized and large presses in the third quarter of FY2015 were slow, and the ratio is a little over 80%.
- With respect to orders received and billed by Komatsu NTC Ltd. for products other than wire saws, the ratio is a little over 90%, reflecting orders remained slack from the automobile manufacturing industry.

【Sales and Profits】

- Consolidated net sales declined by 3.2% from the corresponding period a year ago, to JPY478.0 billion.
- Operating income decreased by 1.1% to JPY55.6 billion. Operating income ratio increased by 0.2 points to 11.6%.
- Net income attributable to Komatsu Ltd. increased by 0.3% to JPY38.6 billion.

Billions of yen	Oct.-Dec., 2014 ¥114.1/USD ¥142.8/EUR ¥18.5/RMB	Oct.-Dec., 2015 ¥121.2/USD ¥132.3/EUR ¥19.0/RMB	Changes	
			Increase (decrease)	% Change
Net sales	494.0	478.0	(16.0)	(3.2)%
Segment profit	58.5	48.5	(9.9)	(17.0)%
Other operating income (expenses)	(2.2)	7.0	+9.3	-
Operating income	56.2	55.6	(0.5)	(1.1)%
Profit ratio	11.4%	11.6%	+0.2pts.	-
Other income (expenses)	0.4	(0.3)	(0.7)	-
Net income before income taxes	56.6	55.2	(1.3)	(2.4)%
Net income *	38.5	38.6	+0.1	+0.3%

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

- Construction, Mining & Utility Equipment: Sales decreased by 3.7% from the corresponding period a year ago, to JPY425.5 billion. Segment profit declined by 19.1% to JPY44.5 billion. Segment profit ratio also declined by 2.0 points to 10.5%.
- Industrial Machinery & Others: Sales increased by 0.3% to JPY53.6 billion. Segment profit advanced by 15.8% to JPY4.4 billion.

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

Billions of yen	Oct.-Dec., 2014	Oct.-Dec., 2015	Changes	
			Increase(decrease)	% Change
Net sales	494.0	478.0	(16.0)	(3.2)%
Construction, mining & utility equipment	[441.5] 442.0	[424.7] 425.5	[(16.7)] (16.4)	[(3.8)%](3.7)%
Industrial machinery & others	[52.5] 53.5	[53.2] 53.6	[+0.6] +0.1	[+1.3%]+0.3%
Elimination	(1.4)	(1.1)	+0.2	-
Segment profit	[11.8%] 58.5	[10.2%] 48.5	(9.9)	(17.0)%
Construction, mining & utility equipment	[12.5%] 55.0	[10.5%] 44.5	(10.4)	(19.1)%
Industrial machinery & others	[7.2%] 3.8	[8.3%] 4.4	+0.6	+15.8%
Corporate & elimination	(0.4)	(0.4)	(0.0)	-

- Sales to outside customers declined by 3.8% from the corresponding period a year ago, to JPY424.7 billion.
- While sales advanced in North America, those dropped sharply in China, Latin America and some other regions. As a result, the proportion of Traditional Markets increased to 53% of total sales.

