

FAQ : Results for the First Six-Month Period ended September 30, 2015

Q1: Please tell us about the progress of sales for the first half period of FY2015 in relation to your projection of full-year results.

A1: In the construction, mining and utility equipment segment, following the first quarter, sales and demand in the second quarter went under our projection in China, Latin America and some other regions. However, because the Japanese yen depreciated more than our projection, six-month sales were about what we had planned. In the industrial machinery and others segment, things were also what we had planned.

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

A2: Overall trend to curb new capital investment has remained unchanged, as major mineral prices have continued to drop or remain slack. We believe that we will have to wait for recovery of demand for new mining equipment in FY2017 or later.

Q3: How about current market conditions of construction equipment in China and future prospect?

A3: When we made our projection for the current fiscal year, we projected demand for seven major construction equipment would drop by 20 to 25% from FY2014. However, demand dropped by almost 50% in the first half period, remaining far below our projection. We believe a challenging environment will continue for a while.

(end)