Hitachi Construction Machinery Co., Ltd.

Financial Results for the First Quarter

Ended June 30, 2012

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

Consolidated Financial Results for the First Quarter Ended June 30, 2012 (Japan GAAP) (Non-audited)

July 25, 2012

Listed company: **Hitachi Construction Machinery Co., Ltd. (HCM)**
Stock exchange: Tokyo, Osaka (first section) Code number: 6305
URL http://www.hitachi-c-m.com/
Representative: Yuichi Tsujimoto, President and Chief Executive Officer
Scheduled date for submission of the Quarterly Securities Report: August 9, 2012
Scheduled date of commencement of payment of dividends: —
Supplementary materials to the quarterly financial statements have been prepared: Yes
A presentation will be held to explain the quarterly financial statements: Yes
(for institutional investors, analysts, and journalists)
U.S. accounting standards are not applied.

1. Consolidated results for the first quarter ended June 2012(April 1, 2012 to June 30, 2012)

(1) Consolidated results (Rounded off to the nearest million)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2012	200,619	14.0	13,265	61.5	7,636	(0.6)	5,343	122.7
June 30, 2011	176,038	5.2	8,215	91.0	7,682	87.7	2,399	64.8

Note: Comprehensive income June 2012: (¥2,978 million) (— %) June 2011: ¥1,853 million (— %)

	Net income per share	Net income per share (Diluted)
	Yen	Yen
June 30, 2012	25.22	25.22
June 30, 2011	11.34	11.34

Note) Percentages indicated are increases (decreases) compared with the same period of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2012	1,031,508	363,819	30.8
March 31, 2012	1,086,116	368,777	29.7

Note: Total equity June 2012: ¥317,257 million March 2012: ¥322,570 million

2. Dividends status

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2012	—	15.00	—	15.00	30.00
March 31, 2013	—				
March 31, 2013 (Projection)		20.00	—	20.00	40.00

Note: Changes involving the dividend states for the fiscal year ending March 2013: None

3. Consolidated earnings forecast for the fiscal year ending March 2013 (April 1, 2012to March 31, 2013)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2012 (Interim)	390,000	6.9	23,000	12.5	16,500	(7.5)
March 31, 2013	820,000	0.4	72,000	31.3	62,000	19.9

	Net income		Net income per share
	Millions of yen	%	Yen
September 30, 2012 (Interim)	18,500	237.5	87.34
March 31, 2013	40,000	73.6	188.84

Notes: 1) The percentages indicated show changes from the same period of the previous fiscal year.
2) Changes in consolidated earnings forecast: Yes

For the changes, please refer to “Notice of Revised Earnings Forecasts” that we announced today, July 25, 2012.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

*Notes

(1) Important changes in the scope of the consolidation during period: None

(2) Application of a special accounting method: Yes

(3) Changes in accounting policies; changes in accounting estimates; restatements

[1] Changes in the accompanying revision of accounting policies : None
[2] Changes other than those in [1] : Yes
[3] Changes in accounting estimates : Yes
[4] Restatements : None

Note) The Company and its domestic subsidiaries changed the depreciation method of tangible assets from declining-balance method to straight-line method compute from the first quarter. According to article10-5 of 'Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements', '[2] Changes other than those in [1] 'and '[3] Changes in accounting estimates' should be Yes.

Please refer to 2.Notes on Summary Information , (3) Changes in accounting policies; changes in accounting estimates; restatements on page 9.

(4) Number of shares issued (common shares)

[1] Number of shares issued (including treasury shares)
June 2012: 215,115,038 March 2012: 215,115,038
[2] Number of treasury shares at the end of the period
June 2012: 3,291,467 March 2012: 3,296,336
[3] Average number of shares during the period (cumulative for all quarters)
June 2012: 211,821,134 June 2011: 211,473,895

*Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from the quarterly review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

*Explanation on the appropriate use of results forecasts and other important items

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors could cause actual results to differ materially.

Please refer to 1.Qualitative Information concerning Consolidated Business Performance, (3) Qualitative Information concerning Consolidated Earnings Forecasts on page 8 of the attachment for conditions serving as assumptions for results forecasts.

Index of the Attachment

1. Qualitative Information concerning Consolidated Business Performance 4
   (1) Qualitative Information concerning Consolidated Financial Results 4
   (2) Qualitative Information concerning Consolidated Financial Position 7
   (3) Qualitative Information concerning Consolidated Earnings Forecasts 8
2. Notes on Summary Information 9
   (1) Important changes in the scope of the consolidation during period 9
   (2) Application of a special accounting method 9
   (3) Changes in accounting policies; changes in accounting estimates; restatements 9
3. Consolidated Financial Statements 10
   (1) Consolidated Balance Sheets 10
   (2) Consolidated Statements of Income and Comprehensive Income 12
      Consolidated Statements of Income for the First Quarter 12
      Consolidated Statements of Comprehensive Income 13
   (3) Consolidated Statements of Cash Flows 14
   (4) Notes on the Preconditions for a Going Concern 15
   (5) Segment Information 15
   (6) Notes on Significant Fluctuations in Shareholders’ Equity 15

1. Qualitative Information concerning Consolidated Business Performance

(1) Qualitative Information concerning Consolidated Financial Results

[1] Overview of Business Results

In the international economy during the consolidated first quarter under review (April 1, 2012 to June 30, 2012, hereinafter referred to as the first quarter), the US economy has been gradually recovering while expectations for the European economy have been raised that the economy will bottom out due to measures taken by individual countries against the financial crisis. However, the future direction of the international economy as a whole remained unclear due to factors including decelerated economic growth in China and India.

With respect to the market for construction machinery including hydraulic excavators, demand in China significantly decreased while demand in emerging nations such as Asia continued increasing. In the Japanese market, demand increased mainly for rentals, supported by a gradual recovery backed by rehabilitation demand.

Under these circumstances, the HCM Group expanded sales of “ZAXIS-5” series according to local specific needs, as well as in response to replacing demand in the US rental industry. Also in Japan, we captured rehabilitation demand through Hitachi Construction Machinery Japan Co., Ltd., which was established in April.

As for mining machinery, we promoted sales of dump trucks utilizing AC electric-drive systems such as ultra-large hydraulic excavators including the world’s largest size in Asia and Pacific regions, where resource development was actively undergone. Also we improved customer satisfaction by enriching post-sales services such as parts maintenance for longer operation time of mining machinery.

As a result, consolidated sales increased by 14% year-on-year to 200,619 million yen. Operating income also increased by 61% year-on-year to 13,265 million yen, supported by sales increase in service and parts mainly in mining machinery, as well as lower costs. Ordinary income decreased by 1% to 7,636 million yen, with the impact of the emerging nations’ weakened currencies such as the Indian rupee.

The following table summarizes the consolidated results for this term ended June 2012:

(100 million yen)

	June 2012 (A)	June2011 (B)	Year-on-year change	
			(A)-(B)	(A)/(B)(%)
Net sales	2,006	1,760	246	114
Operating income	133	82	51	161
Ordinary income	76	77	(0)	99
Net income	53	24	29	223

[2] Overview of Consolidated Sales by Regional Segment

Japan

Although the Japanese economy suffered from the continuous highly appreciated yen and sluggish stock prices, a resilient trend was seen, which was led by rehabilitation demand.

Demand for construction machinery has increased in accordance with the expansion of sales for the rental industry.

Responding to these circumstances, we established Hitachi Construction Machinery Japan Co., Ltd. in April 2012, which integrated the rental section and the sales service section, to promptly respond to various customer wishes such as “want to rent, buy and repair”, for improved customer satisfactions.

Consequently, net sales increased by 16 % year-on-year to 42,390 million yen.

The Americas

In the United States, economic conditions have been slowly recovering with the increase in capital expenditure, as well as recovering consumer spending.

Demand for construction machinery has increased in accordance with the continuous expansion in demand from the rental and energy industry.

Under these demand trends, we increased total sales through expanding sales of a new type of machinery that responds to emission regulation, in addition to capturing replacement demand from the rental industry.

Consequently, net sales increased by 86% year-on-year to 31,784 million yen

Europe

European economies still suffered from an economic slowdown possibility due to the expanded financial crisis.

Demand for construction machinery remained steady mainly in United Kingdom, Germany, France and Northern European countries; however, those in Southern European countries including Italy significantly dropped from the previous year and regional disparities expanded.

Under these trends, we focused on detailed dealer support including expanding sales of machines, namely hydraulic and wheeled hydraulic excavators, mini excavators, as well as wheel loaders whose lineup was expanded.

Net sales decreased by 5% year-on-year to 16,770 million yen.

Russia-CIS, Africa, and the Middle East

In Russia and the CIS, the direction of the economy remains unclear due to lower oil prices and the weakened ruble together with the unstable European situation.

Demand for construction machinery remained steady mainly for infrastructure development construction, which was related to oil and gas resource development, and mining related industry.

Under these circumstances, we further strengthened the support system for dealers through Hitachi Construction Machinery Eurasia Sales LLC. In addition, we promoted construction of a new plant in Russia, in order to introduce local production.

In Africa, we continuously expanded our market share and increased sales of parts, mainly in the mining market. Also we continued to prepare for full operation of a remanufacturing plant of parts for mining machinery for Hitachi Construction Machinery Zambia Co., Ltd. in Southern Africa.

Turning to the Middle East, we increased sales by focusing on overseas construction projects by major Turkish contractors and large order receipts from the Iraq government.

Consequently, the total net sales of Russia-CIS, Africa, and the Middle East regions increased by 47% year-on-ear to 16,521 million yen.

Asia and Oceania

While mining-related demand in Indonesia was concerned about slowdown due to coal price drop, economic conditions in Asia remained steady, backed by flood rehabilitation demand in Thailand, social infrastructure demands including subway construction in Singapore, and forest and palm oil industry growth in Indonesia and Malaysia.

Under these conditions, P.T. Hitachi Construction Machinery Indonesia started local production of a new type of hydraulic excavator responding to needs in Asian and Oceania markets, for further sales increase in local markets.

In India, economic growth slowed down with the weakened rupee due to the economic slump and unchanged interest rate policy due to inflationary pressures.

Under these trends, although Telco Construction Equipment Co., Ltd. maintained a high market share in hydraulic excavators sales, the demand for hydraulic excavators itself slowdown in market growth in India, and competition in the Indian market became fiercer.

In Australia, sales related to resources, such as mining and LNG projects remained steady.

Under these circumstances, we responded to demands for ultra-large excavators, mining dumps and small- to mid-sized construction machinery, and increased sales of parts. In New

Zealand, a new model was launched to meet brisk forestry-related demand, for further sales increase.

Consequently, net sales increased by 38% year-on-year to 69,396 million yen.

China

In China, despite pump-priming measures taken against the slowdown in the economy, such as lowering public interest rates and reserve deposit rates multiple times, the demand for construction machinery fell significantly below the previous year level.

Under these circumstances, in addition to the launch of strategy-focus machinery into the market, we introduced a parts and sales management system in full swing and enhanced collaborative relationships with dealers via close connections with Global e-Service, etc. to increase our market presence.

Consequently, net sales decreased by 45% year-on-year to 23,758 million yen.

The following table summarizes consolidated net sales by region:

Consolidated Net Sales by Geographic Area (Millions of yen)

	Current fiscal year (April 1, 2012 - June 30, 2012)		Previous fiscal year (April 1, 2011 - June 30, 2011)		Increase (Decrease)	
	Net sales	Proportion (%)	Net sales	Proportion (%)	Amount of change	% change
The Americas	31,784	15.8	17,132	9.7	14,652	85.5
Europe	16,770	8.4	17,570	10.0	(800)	(4.6)
ssia-CIS, Africa, and the Middle East	16,521	8.2	11,215	6.4	5,306	47.3
Asia and Oceania	69,396	34.6	50,166	28.5	19,230	38.3
China	23,758	11.8	43,269	24.6	(19,511)	(45.1)
Sub-total	158,229	78.9	139,352	79.2	18,877	13.5
Japan	42,390	21.1	36,686	20.8	5,704	15.5
Total	200,619	100.0	176,038	100.0	24,581	14.0

[3]Overview of Consolidated Net Sales by Business Segment

(a)Construction Machinery Business

Regarding construction-related machinery, although demand in China significantly decreased, we strove to expand the sales of “ZAXIS-5” series of hydraulic excavators, which respond to diversified local specific needs in emerging nation markets, where demand for construction machinery was high.

As for machinery for resource development, we increased orders and sales of “the EX-6 series of ultra-large hydraulic excavators”, and “electric ultra-large hydraulic excavator” series, which have an external electric supply, supported by concerns for reducing fuel costs and environmental impact.

In addition, sales and orders of dump trucks for mining realizing high driving performance using AC electric-drive systems are also steadily increasing. We are successfully acquiring orders and increasing sales of trolley assist dump trucks, which achieved significant productivity improvement as well as reducing fuel costs and environmental impact. In FY2012, the launch of EH5000AC-3 (300 ton level payload) is scheduled, and we will enrich product line-ups of dump trucks for mining. Also, we improved customer satisfaction by enhancing post-sales service of parts, for longer operation time of mining machinery.

Consequently, net sales increased by 15% year-on-year to 185,789 million yen.

(b)Industrial Vehicles Business

As for the core product, forklifts sales increased robustly in Japan, due to rehabilitation demand as a result of the East Japan Great Earthquake, led by those in Tohoku and Kanto areas. In overseas markets, sales also increased, supported by recovering demand from the floods in Thailand as well as improved economic conditions and measures taken to reconstruct agents in North America.

As to large special purpose vehicles, sales of container carriers, as well as reach stackers, used mainly for ports and terminals remained brisk in Japan. Consequently, net sales increased by 3% year-on-year to 14,830million yen.

(2) Qualitative Information concerning Consolidated Financial Position

[1] Status of Assets, Liabilities and Net Assets

(a)Assets

Current assets at the end of the first quarter amounted to 700,598 million yen, a decrease of 6.9%, or 51,706 million yen from the previous fiscal year-end. This was due mainly to a decrease of 51,538 million yen in the total of receivables (notes receivables, accounts receivables and lease receivables and investment assets).

Non-current assets declined 0.9%, or 2,902 million yen from the end of the previous fiscal year to 330,910 million yen.

As a result, total assets decreased 5.0% or 54,608 million yen from the previous fiscal year-end to 1,031,508 million yen.

(b)Liabilities

Current liabilities at the end of the first quarter amounted to 475,657 million yen, a decrease of 8.5%, or 44,395 million yen from the previous fiscal year-end. This was due mainly to a decrease in notes payable and accounts payable of 12,901 million yen and short-term loans of 15,994 million yen.

Non-current liabilities decreased 2.7%, or 5,255 million yen from the previous fiscal year-end to 192,032 million yen. This was due mainly to a decrease of 4,179 million yen in long-term loans.

As a result, total liabilities decreased 6.9%, or 49,650 million yen from the previous fiscal year-end to 667,689 million yen.

(c)Net assets

Although net income in this quarter increased significantly to 5,343 million yen, net assets including minority interests decreased by 1.3%, or 4,958 million yen form the previous fiscal year-end to 363,819 million yen. This was mainly due to the effects of dividends paid and foreign currency translation adjustment, etc.

[2] Status of Consolidated Cash Flows

Cash and cash equivalents at end of the first quarter totaled 63,661 million yen, a decrease of 17,398 million yen from the end of the previous fiscal year. Factors relating to each cash flow category were as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled 14,110 million yen, a difference of 24,115 million yen compared with the first quarter of previous fiscal year.

Factors that increased cash included net income before income taxes and minority interests in the first quarter amounting to 7,636 million yen, 8,726 million yen in depreciation and amortization, 32,779 million yen decrease in total of notes and accounts receivable. Factors that reduced cash included 22,874 million yen increase in inventory as well as 8,486 million yen of income taxes paid, etc.

(Cash Flows from Investing Activities)
Net cash used in investing activities was 13,408 million yen, an increase of 5,038 million yen compared with the first quarter of the previous fiscal year. This was due mainly to spending of 12,453 million yen in acquisitions of property, plant and equipment to enhance the production capacity.

As a result, free cash flows, the sum of cash flows from operating activities and cash flows from investing activities, amounted to an inflow of 702 million yen.

(Cash Flows from Financing Activities)
Net cash used in financing activities totaled 14,626 million yen. This was due mainly to the amount used for net repayment of 8,032 million yen in short-term and long-term loans, 3,274 million yen in interest paid, and 3,179 million yen in dividends paid, etc.

(3) Qualitative Information concerning Consolidated Earnings Forecasts

As stated in the “Announcement of share transfer of a subsidiary” dated April 20, 2012, we decided to sell off TCM Corporation to UniCarriers Corporation and acquire shares of UniCarriers Corporation. According to this decision, we projected approximately 10 billion yen of extraordinary gain for consolidated earnings forecast for the second quarter in Fiscal 2012 (from April 1 2012 to September 30 2012).

As for consolidated earnings forecast for the full term ending March 2013, demand for hydraulic excavators for the term is estimated to be 217,000 units, a decrease of 4% year-on-year or 17,000 units, reflecting factors such as deferred trend reversal timing in China and slowdown in market growth in India. Also, we will take measures against foreign exchange effects of weakened currencies in emerging markets such as the Indian rupee against the yen, by strengthening the sales system and enriching the software business (e.g., parts sales, service and sales of used equipment and remanufactured parts), in addition to lowering costs. As a result, the forecast was revised to 820 billion yen, the equivalent standard to the previous term, and forecasts for operating income, ordinary income and net income were revised to 72 billion yen (increase by 31% year-on-year), 62 billion yen (increase by 20% year-on-year) and 40 billion yen (increase by 74% year-on-year), respectively.

For details, please refer to the “Notice of Revised Earnings Forecasts” that we announced today, July 25, 2012.

2. Notes on Summary Information (Other)

(1) Important changes in the scope of consolidation during the period: None

(2) Application of special accounting method

Standard used to calculate income taxes

Tax expenses are calculated by making a reasonable estimation of the effective tax rate on income before income taxes and minority interests for the fiscal year including the first quarter after the application of deferred tax accounting and applying the estimated effective tax rate to the quarterly income before income taxes and minority interests. However, if this results in unreasonable results, we use the effective statutory tax rate.

Income tax adjustments are included in the income tax account stated in the Consolidated Statements of Income.

(3) Changes in accounting policies; changes in accounting estimates; restatements

Changes in accounting policies

(Changes in depreciation method of tangible assets)

Although the Company and its domestic subsidiaries had previously adopted the declining-balance method to compute the depreciation of tangible assets except for the buildings (excluded the annex equipment to the buildings) acquired after April 1, 1998, from the fiscal year beginning April 1, 2012, the Company and its domestic subsidiaries have changed the depreciation method and have adopted the straight -line method as a general rule.

Since the investment in construction and development of natural resources mainly in emerging nations are showing steady growth, demands for the construction machinery and mining machinery produced by HCM group's have been increasing throughout the world.

In order to fulfill these increasing demands, the medium-term management plan was issued in 2011 and the Group made a large capital expenditure for the purpose of enhancing the production capacity.

Under the medium-term management plan, the Company has started to move away from the manufacture of products in which HCM do not have technical advantages. On the other hand, the Company has started to produce high added-value and important products and components domestically (in Japan). By these efforts, the Company has established a more stable production system that is not vulnerable to the fluctuations of any particular market. So the Company and domestic subsidiaries decided to change the tangible fixed assets depreciation method to the straight-line method to reflect the actual status of the tangible assets.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	First-Quarter As of Jun. 30, 2012 (A)	Previous year-end As of Mar. 31, 2012 (B)	(A)-(B)
ASSETS			
Current assets			
Cash and bank deposits	63,971	72,803	(8,832)
Notes and accounts receivable	193,726	238,478	(44,752)
Lease receivables and investment assets	113,535	120,321	(6,786)
Merchandise and manufactured goods	196,512	186,625	9,887
Work in process	60,797	58,485	2,312
Material and supplies	21,809	23,802	(1,993)
Other	55,837	57,072	(1,235)
Less: Allowance for doubtful accounts	(5,589)	(5,282)	(307)
Total current assets	700,598	752,304	(51,706)
Non-current assets			
Property, plant and equipment			
Property held for lease (net)	43,616	43,602	14
Buildings and structures (net)	65,327	67,098	(1,771)
Machinery, equipment and vehicles (net)	53,075	51,063	2,012
Tools, furniture and fixtures (net)	4,833	4,895	(62)
Land	63,813	64,170	(357)
Construction in progress	15,890	14,032	1,858
Net property, plant and equipment	246,554	244,860	1,694
Intangible assets			
Software	19,206	19,965	(759)
Goodwill	16,530	18,144	(1,614)
Other	2,564	2,678	(114)
Total intangible assets	38,300	40,787	(2,487)
Investments and other assets			
Investments in securities	19,152	20,736	(1,584)
Other	27,639	28,152	(513)
Less: Allowance for doubtful accounts	(735)	(723)	(12)
Total investments and other assets	46,056	48,165	(2,109)
Total non-current assets	330,910	333,812	(2,902)
Total assets	1,031,508	1,086,116	(54,608)

(Rounded off to the nearest million)

(Millions of yen)

	First-Quarter As of Jun. 30, 2012 (A)	Previous year-end As of Mar. 31, 2011 (B)	(A)-(B)
LIABILITIES			
Current liabilities			
Notes and accounts payable	179,979	192,880	(12,901)
Short-term loans	192,318	208,312	(15,994)
Current portion of bonds	20,000	20,060	(60)
Income taxes payable	13,304	18,367	(5,063)
Other	70,056	80,433	(10,377)
Total current liabilities	475,657	520,052	(44,395)
Non-current liabilities			
Bonds	30,000	30,010	(10)
Long-term loans	126,343	130,522	(4,179)
Retirement and severance benefits	11,836	12,021	(185)
Other	23,853	24,734	(881)
Total non-current liabilities	192,032	197,287	(5,255)
Total liabilities	667,689	717,339	(49,650)
Net assets			
Shareholder's equity			
Common stock	81,577	81,577	0
Capital surplus	84,477	84,477	0
Retained earnings	185,894	183,728	2,166
Treasury stock	(4,087)	(4,093)	6
Total shareholders' equity	347,861	345,689	2,172
Accumulated other comprehensive income			
Net unrealized gain on securities	2,375	3,621	(1,246)
Deferred losses on hedges	845	(1,713)	2,558
Foreign currency translation adjustment	(33,824)	(25,027)	(8,797)
Total accumulated other comprehensive income	(30,604)	(23,119)	(7,485)
Subscription rights to shares	766	766	0
Minority interests	45,796	45,441	355
Total net assets	363,819	368,777	(4,958)
Total liabilities and net assets	1,031,508	1,086,116	(54,608)

(Rounded off to the nearest million)

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

Consolidated Statements of Income

	First-Quarter (Three months ended Jun. 30, 2012 (A))	First-Quarter (Three months ended Jun. 30, 2011 (B))	(A)/(B)×100 (%)
			%
Net sales	200,619	176,038	114
Cost of sales	147,894	129,500	114
Gross profit	52,725	46,538	113
Selling, general and administrative expenses			
Packing and shipping expenses	5,050	5,386	94
Employees' salaries	11,116	10,253	108
R&D expenditure	3,846	3,569	108
Other	19,448	19,115	102
Total selling, general and administrative expenses	39,460	38,323	103
Operating income	13,265	8,215	161
Non-operating income			
Interest income	670	920	73
Interest income from installment sales	48	82	59
Dividends income	147	108	136
Gain on equity in earnings of affiliated companies	147	40	368
Foreign exchange gains, net	—	144	—
Other	1,087	1,179	92
Total non-operating income	2,099	2,473	85
Non-operating expenses			
Interest expenses	3,232	2,710	119
Foreign exchange losses, net	3,603	—	—
Other	893	296	302
Total non-operating expenses	7,728	3,006	257
Ordinary income	7,636	7,682	99
Income before income taxes and minority interests	7,636	7,682	99
Total income tax	990	3,538	28
Income before minority interests	6,646	4,144	160
Minority interests	1,303	1,745	75
Net income	5,343	2,399	223

(Rounded off to the nearest million)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	First-Quarter (Three months ended Jun. 30, 2012 (A))	First-Quarter (Three months ended Jun. 30, 2011 (B))	(A)/(B)×100 (%)
			%
Income before minority interests	6,646	4,144	160
Other comprehensive income			
Net unrealized loss on securities	(1,238)	(392)	—
Deferred gains on hedges	2,561	583	439
Foreign currency translation adjustment	(11,383)	(2,669)	—
Share of other comprehensive income of companies accounted for by the equity-method	436	187	233
Total other comprehensive income	(9,624)	(2,291)	—
Comprhensive income	(2,978)	1,853	—
Comprehensive income attributable to shareholders of the Company	(2,142)	801	—
Comprehensive income attributable to minority interests	(836)	1,052	—

(Rounded off to the nearest million)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First-Quarter [Three months ended Jun. 30, 2012]	First-Quarter [Three months ended Jun. 30, 2011]
Cash flows from operating activities		
Income before income taxes and minority interests	7,636	7,682
Depreciation and amortization	8,726	9,509
Increase in allowance for doubtful accounts	534	185
Interest and dividends income	(817)	(1,028)
Interest expenses	3,232	2,710
Gains on equity earnings of affiliated companies	(147)	(40)
Decrease in notes and accounts receivable	32,779	19,116
Change in lease receivables and investment assets	1,464	(1,784)
Change in inventories	(22,874)	(34,614)
Purchase of property held for lease	(3,682)	(2,171)
Sales of property held for lease	413	420
Increase in notes and accounts payable	279	1,127
Gains on sales of property, plant and equipment	(439)	(188)
Other, net	(4,508)	(4,545)
Sub-total	22,596	(3,621)
Income taxes paid	(8,486)	(6,384)
Net cash provided by (used in) operating activities	14,110	(10,005)
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(12,453)	(4,406)
Purchase of intangible assets	(875)	(591)
Purchase of investments in securities	(4)	(700)
Interest and dividends received	982	1,027
Other, net	(1,058)	(3,700)
Net cash used in investing activities	(13,408)	(8,370)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	(5,928)	22,401
Proceeds from long-term loans	6,373	2,440
Repayments of long-term loans	(8,477)	(6,484)
Repayments of lease obligatio	(927)	(707)
Interest paid	(3,274)	(2,588)
Dividends paid to shareholders	(3,179)	(2,116)
Dividends paid to minority shareholders by subsidiaries	(641)	(818)
Proceeds from stock issuance to minority shareholders	1,491	31
Proceeds from disposal of treasury stock	6	11
Purchase of treasury stock	0	(1)
Other, net	(70)	1
Net cash provided by (used in) financing activities	(14,626)	12,170
Effect of exchange rate changes on cash and cash equivalents	(3,474)	(908)
Net decrease in cash and cash equivalents	(17,398)	(7,113)
Cash and cash equivalents at beginning of year	81,059	74,710
Cash and cash equivalents at end of period	63,661	67,597

(Rounded off to the nearest million)

(4) Notes on Preconditions for a Going Concern: None

(5) Segment Information

A. Reportable segment information

The Company's reportable segments are its structural units, for which separate financial information is available, and which are subject to periodic review by the Board of Directors in order to assist decision-making on the allocation of managerial resources and assessment of business performance. The Company has established business groups organized by product and service in headquarters, and each business group formulates comprehensive strategies and promotes business activities both domestically and overseas. Based on the business groups above, the Company is organized according to product and service segments, and the following two are the reporting segments: the construction machinery business and the industrial vehicle business. The construction machinery business produces hydraulic excavators, ultra-large excavators, wheel loaders, and crawler cranes, while the industrial vehicle business produces forklifts and skid steer loaders.

B. Information about amounts of sales and income (loss) by each reportable segment

First quarter ended June 30, 2012 (From April 1, 2012 to June 30, 2012) (Millions of yen)

	Construction machinery business	Industrial vehicles business	Total (Note)
Net sales			
Net sales to outside customers	185,789	14,830	200,619
Inter-segment sales/transfers	0	0	0
Total	185,789	14,830	200,619
Segment income	13,191	74	13,265

First quarter ended June 30, 2011 (From April 1, 2011 to June 30, 2011) (Millions of yen)

	Construction machinery business	Industrial vehicles business	Total (Note)
Net sales			
Net sales to outside customers	161,615	14,423	176,038
Inter-segment sales/transfers	0	0	0
Total	161,615	14,423	176,038
Segment income	7,913	302	8,215

Note: Segment income is in accordance with the operating income stated on the Consolidated Statements of Income.

(6) Notes on Significant Fluctuations in Shareholder's Equity: None