April 8, 2016

Summary of Consolidated Financial Results
For the Fiscal Year Ended February 29, 2016 [Japan GAAP]

Name of Company:		Takeuchi Mfg. Co., Ltd.
Stock Code:		6432
Stock Exchange Listing:		Tokyo Stock Exchange, First Section
URL:		http://www.takeuchi-mfg.co.jp/
Representative	Title:	President & Representative Director
	Name:	Akio Takeuchi
Contact Person	Title:	Director, Business Management Department
	Name:	Teruo Kamiyama
Phone:		+81-(0)268-81-1100
Date of regular general meeting of shareholders (tentative):		May 27, 2016
Date of commencement of dividend payment (tentative):		May 30, 2016
Date of securities report (tentative):		May 27, 2016
Supplementary explanatory documents:		Yes
Earnings presentation:		Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)

(1) Result of operations (Consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 2016	85,218	21.9	16,222	53.1	15,291	24.8	9,708	26.2
Fiscal year ended February 2015	69,893	30.4	10,593	138.8	12,249	89.3	7,694	66.4

Note: Comprehensive income: FY2/2016:9,472 million yen (3.3 %), FY2/2015:9,167 million yen (40.9 %)

	Net income per share	Net income per share fully diluted	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended February 2016	198.14	-	19.2	21.3	19.0
Fiscal year ended February 2015	157.04	-	18.5	20.6	15.2

(Reference) Equity in income/losses of affiliates: FY2/2016 - million yen FY2/2015 - million yen

Note: There was a 3-for-1 stock split on September 1, 2015. Net income per share is presented as if this split had taken place at the beginning of the previous fiscal year.

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2016	77,216	55,043	71.3	1,123.46
As of February 28, 2015	66,311	46,093	69.5	940.78

(Reference) Shareholders' equity As of February 29, 2016: 55,043 million yen As of February 28, 2015: 46,093 million yen

Note: There was a 3-for-1 stock split on September 1, 2015. Net assets per share are presented as if this split had taken place at the beginning of the previous fiscal year.

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended February 2016	12,275	(4,011)	(456)	20,002
Fiscal year ended February 2015	5,696	(1,035)	(576)	13,231

2. Dividends

	Dividend per share					Annual total amount	Payout ratio (Consolidated)	Dividends/ net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 2015	-	0.00	-	27.00	27.00	440	5.7	1.1
Fiscal year ended February 2016	-	0.00	-	22.00	22.00	1,077	11.1	2.1
Fiscal year ending February 2017 (estimated)	-	0.00	-	26.00	26.00		16.5	

* There was a 3-for-1 stock split on September 1, 2015. Before adjusting for this split, the dividend per share for the fiscal year ended February 2016 was 66.00 yen, which is 39 yen higher than the previous fiscal year.

3. Forecast for the fiscal year ending February 2017 (Consolidated, March 1, 2016 to February 28, 2017)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	42,700	(8.9)	7,600	(19.4)	7,100	(27.1)	4,600	(25.5)	93.89
Full year	80,500	(5.5)	12,300	(24.2)	11,800	(22.8)	7,700	(20.7)	157.16

*** Notes**

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

(2) Changes in accounting principles and estimates, and retrospective restatement
- (a) Changes due to revision of accounting standards: Yes
- (b) Changes other than in (a): None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatement: None

(Note) Please refer Application of accounting standard for retirement benefits in Changes in accounting principles on page 20.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)

As of February 29, 2016:	48,999,000	As of February 28, 2015:	48,999,000

(b) Treasury stock

As of February 29, 2016:	3,858	As of February 28, 2015:	3,627

(c) Average number of shares

Period ended February 29,2016:	48,995,264	Period ended February 28, 2015:	48,995,427

Note: There was a 3-for-1 stock split on September 1, 2015. The number of shares outstanding (common stocks) at the of the current fiscal year is presented as if this split had taken place at the beginning of the previous fiscal year

(Reference) Non-consolidated Financial Results

Financial results for the current fiscal year (March 1, 2015 – February 29, 2016)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 2016	75,733	13.7	14,422	34.2	14,813	18.3	10,287	28.5
Fiscal year ended February 2015	66,600	41.9	10,743	129.2	12,517	105.3	8,008	94.8

	Net income per share	Net income per share fully diluted
	Yen	Yen
Fiscal year ended February 2016	209.96	-
Fiscal year ended February 2015	163.45	-

Note: There was a 3-for-1 stock split on September 1, 2015. Net income per share is presented as if this split had taken place at the beginning of the previous fiscal year.

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2016	64,112	46,417	72.4	947.39
As of February 28, 2015	56,469	36,687	65.0	748.79

(Reference) Shareholders' equity As of February 29, 2016: 46,417 million yen As of February 28, 2015: 36,687 million yen

Note: There was a 3-for-1 stock split on September 1, 2015. Net assets per share are presented as if this split had taken place at the beginning of the previous fiscal year.

* Description of review procedure implementation status

The rule mandating audit procedures (under the Financial Instruments and Exchange Act) does not apply to this Summary of Financial Results. It is under the review procedure process based upon the Financial Instruments and Exchange Act at the time of disclosure of this report.

* Cautionary statement regarding forecasts of operating results and special notes

1. Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see "Outlook for fiscal year ending in February 2017" on page 3.
2. An information meeting for institutional investors and securities analysts concerning results of operations in the year ended February 29, 2016 is scheduled for April 20, 2016. Materials used at this meeting will be posted on the company's website afterward.

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1. Results of Operations

(1) Overview on consolidated business performance

(Business performance)
In the current fiscal year, the economies of the United States and Europe, which are major markets for the Takeuchi Group, were generally healthy. Growth of the U.S. economy slowed early in 2015 because of unfavorable weather. Following this brief slowdown, the U.S. economy has been recovering along with growth in consumer spending as the labor market recovered and a continuation of the rebound in housing investments. In the United Kingdom, the economy was firm as the recovery in consumer spending backed by declining unemployment continued. In other regions of Europe, although there were differences among Eurozone countries, the economy continued to recover at a moderate pace with growth supported by consumer spending as the number of jobs increased.

The sales volume of compact excavators, hydraulic excavators and track loaders increased because of heightened sales activities and an increase in demand. As a result, sales increased 21.9% from one year earlier to 85,218 million yen.

Operating income was up 53.1% to 16,222 million yen because of a higher profit margin. This was the result of a decrease in the fixed expense ratio due to sales growth and cost-cutting measures and higher yen translations of foreign currency-denominated sales due to the weaker yen. Ordinary income increased 24.8% to 15,291 million yen because of a 1,006 million yen foreign exchange loss and other items. After taxes of 5,583 million yen and other items, net income increased 26.2% to 9,708 million yen.

Geographic segment performance was as follows.

(a) Japan
Sales increased 22.4% to 31,432 million yen because of the larger number of compact excavators and hydraulic excavators for sale in Europe. Segment income increased 33.5% to 15,470 million yen mainly because of growth in sales to sales subsidiaries and a higher profit margin.

(b) United States
Sales increased 30.8% to 40,759 million yen along with growth in the sales volume of hydraulic excavators and track loaders and higher yen conversions of U.S. dollar-denominated sales as the yen weakened. Segment income was up 22.4% to 2,215 million yen.

(c) United Kingdom

Sales increased 10.1% to 9,420 million yen. Growth was the result of higher sales volume of compact excavators and an increase in yen translations of British pound-denominated sales because of the weaker yen. Segment income was down 17.8% to 375 million yen because of an increase in the price of products purchased from Japan.

(d) France

Sales decreased 1.4% to 2,893 million yen as a small increase in the sales volume of compact excavators and hydraulic excavators was offset by a decrease in yen translations of euro-denominated sales because of the euro's weakness in relation to the yen. Segment income was down 33.6% to 84 million yen.

(e) China

Sales decreased 54.6% to 712 million yen because of a decline in the sales volume of compact excavators and hydraulic excavators caused mainly by slower economic growth. There was a segment loss of 898 million yen compared with a loss of 265 million yen one year earlier.

(Outlook for fiscal year ending in February 2017)

The United States and Europe are the largest markets for the Takeuchi Group. In the United States, the outlook is for a continuation of a self-sustained economic expansion fueled mainly by domestic demand. Additionally, the U.S. housing market will probably continue to grow because of declining worries about unemployment and the slow pace of interest rate hikes. Based on this outlook, we expect U.S. sales to increase. In Europe, although the economy is expected to remain healthy with the support of internal demand, we anticipate a decline in exports because of slowing growth in emerging countries. We therefore forecast a decrease in sales in Europe. Overall, we expect growth in U.S. sales volume but a decrease in the sales volume of construction machinery for Europe. In addition, the yen is stronger in the current fiscal year than in the fiscal year that ended in February 2016. As a result, we forecast a 5.5% decrease in sales to 80,500 million yen.

The earnings forecasts are based on the outlook for no change in construction machinery sales volume and a stronger yen than in the previous fiscal year. For operating income, we expect a decrease of 24.2% to 12,300 million yen. We forecast a 22.8% decrease in ordinary income to 11,800 million yen, the result of the lower operating income and an estimated foreign exchange loss of 513 million yen, and a 20.7% decrease in profit attributable to owners of parent to 7,700 million yen.

In sum, the forecast for the fiscal year ending in February 2017 is as follows.

Sales	80,500 million yen (down 5.5% year on year)
Operating income	12,300 million yen (down 24.2%)
Ordinary income	11,800 million yen (down 22.8%)
Profit attributable to owners of parent	7,700 million yen (down 20.7%)

The exchange rate assumptions for this forecast are 107 yen to the U.S. dollar, 153 yen to the British pound, 123 yen to the euro and 16.7 yen to the yuan.

(2) Overview of financial condition

(a) Assets, liabilities and net assets

Assets were 77,216 million yen at the end of the fiscal year, 10,904 million yen more than at the end of the previous fiscal year. The main reasons were a 6,771 million yen increase in cash and deposits and a 1,867 million yen increase in buildings and structures resulting from the construction of a factory to increase output of construction machinery.

Liabilities increased 1,954 million yen to 22,172 million yen. The major changes in liabilities were a 2,449 million yen decrease in income taxes payable because of taxes paid during the fiscal year and a 4,487 million yen increase in notes and accounts payable because of growth in production volume.

Net assets increased 8,950 million yen to 55,043 million yen. This was primarily due to a 9,186 million yen increase in retained earnings resulting from net income.

(b) Cash flows

There was an increase of 6,771 million yen in cash and cash equivalents from the end of the previous fiscal year to 20,002 million yen. Major uses of cash were income taxes paid and purchase of property, plant and equipment . Cash was provided by income before income taxes and other items. The following is a summary of fiscal year cash flows.

(Operating activities)

Net cash provided by operating activities increased 6,578 million yen to 12,275 million yen. Income taxes paid increased 3,503 million yen to 7,194 million yen but income before income taxes and minority interest increased 3,039 million yen to 15,292 million yen and there was a 4,916 million yen increase in notes and accounts payable-trade compared with a decrease of 935 million yen in the previous fiscal year.

(Investing activities)

Cash used in investing activities increased 2,976 million yen to 4,011 million yen. The main reason was an increase of 2,760 million yen in purchase of property, plant and equipment to 3,665 million yen.

(Financing activities)

Cash used in financing activities decreased 119 million yen to 456 million yen. The main uses of cash were dividends paid of 440 million yen, 179 million yen more than one year earlier and others.

(Reference) Cash flow indices

	FY2012	FY2013	FY2014	FY2015	FY2016
Equity ratio (%)	56.7	59.9	70.4	69.5	71.3
Market capitalization equity ratio (%)	26.9	55.0	87.7	113.8	86.8
Cash flow to debt ratio (years)	-	-	0.0	-	-
Interest coverage ratio (times)	-	-	554.0	827.0	2,178.9

Equity ratio = Shareholders' equity/Total assets
Market capitalization equity ratio = Market capitalization/Total assets
Cash flow to debt ratio = Interest-bearing liabilities/Operating cash flows
Interest coverage ratio = Operating cash flows/Interest paid
Notes:

1. Consolidated financial data are used for all ratios.
2. Market capitalization uses the number of shares issued after deducting treasury stock.
3. Interest-bearing debt is all balance sheet liabilities on which interest is paid.
4. Operating cash flows and interest paid are the corresponding figures on the statements of cash flows.
5. No cash flow to debt ratio and interest coverage ratio are shown for the fiscal years that ended in February 2012 and 2013 because operating cash flows were negative.

(3) Fundamental policy for distributing earnings and dividends for current and next fiscal years

Distributing earnings to shareholders is one of our highest priorities. The fundamental policy is to pay a stable and consistent dividend while retaining sufficient earnings to strengthen operations and make investments for upcoming activities. Our policy is to pay a dividend only at the end of each fiscal year. For the fiscal year that ended in February 2016, based on this policy and results of operations, we plan to pay a dividend of 22 yen per share. There was a 3-for-1 stock split on September 1, 2015. Before adjusting for this split, the dividend per share for the fiscal year ended February 2016 was 66.00 yen, which is 39 yen higher than the previous fiscal year.
For the fiscal year ending in February 2017, we plan to pay a year-end dividend of 26 yen per share.

(4) Business risk factors

This section presents risk factors that may have an effect on the Takeuchi Group's results of operations, financial condition, stock price and other items.

(a) Foreign exchange rates
Foreign exchange rate movements have an effect on overseas sales, which account for more than 96% of consolidated sales. We use foreign exchange forward contracts and other measures to hedge this risk. However, foreign exchange rate movements that exceed our assumptions may have an effect on results of operations. In addition, these movements may cause a foreign exchange loss or other losses associated with yen conversions of amounts receivable and payable at the end of a fiscal year.

(b) Cost of raw materials
Steel sheets and other types of steel are the primary raw material at the Takeuchi Group. If there is a significant increase in the price of steel, we would respond by cutting costs, such as by streamlining production lines, raising prices of our products and taking other actions. However, if these measures do not produce the expected benefits or if the cost of raw materials remains high for a long time, there may be an impact on results of operations.

(c) The economy and market conditions
In the regions where we operate, construction machinery is an industry linked to economic cycles. Consequently, demand for our products is vulnerable to changes in public works expenditures, private-sector capital expenditures and other factors. Significantly, the housing construction sector accounts for a large share of the demand for our products. As a result, changes in the economy and market conditions may have an impact on results of operations.

(d) Competition
There are many manufacturers of construction machinery and competition is intense worldwide. For sales activities, the Takeuchi Group uses the superiority of its products with respect to quality, performance and other aspects. However, a competitor may develop and start selling a product that is better in terms of quality, performance or other characteristic. If this causes a drop in our market share, there may be an impact on results of operations.

(e) Receivables
To reduce risk associated with business transactions, we collect financial and other information about customers, establish credit lines based on the soundness of their operations, and manage outstanding credit. However, if a decline in the financial condition of a customer makes it difficult or impossible to receive amounts due, there may be an impact on results of operations.

(f) Recruiting and training activities
To continue to grow, the Takeuchi Group must constantly add new products. Developing these products requires strong R&D capabilities, especially the recruiting and training of people with outstanding technical skills. We also need to recruit and train skilled people who can strengthen sales and administrative operations. If we are unable to recruit a sufficient number of these people or provide the necessary training, there may be an impact on results of operations.

(g) Environmental regulations
Countries around the world are frequently enacting stricter restrictions on exhaust gas, noise levels and other items affecting the environment. The Takeuchi Group's products must comply with these regulations. R&D expenditures and new capital expenditures will probably be required for this compliance. The resulting expenses may have an impact on results of operations.

(h) Other laws and regulations
North America and Europe are the primary markets for the Takeuchi Group and our operations must comply with a large number of laws, regulations and tax systems. If we are unable to comply, there may be restrictions on our operations as well as additional expenses to achieve compliance. In addition, new or revised laws and regulations in the future may have a similar effect on our operations. Any of these events may have an impact on results of operations.

(i) Geographic concentration of manufacturing
Most manufacturing operations of the Takeuchi Group are located in the northern part of Nagano prefecture in Japan. If an earthquake, fire or other natural disaster severely damages manufacturing equipment, we may be forced to temporarily stop operations. The resulting delays in manufacturing and shipments could cause a drop in sales. If this happens, there may be an impact on results of operations.

2. The Takeuchi Group

The Takeuchi Group consists of Takeuchi Mfg. Co., Ltd. and four consolidated subsidiaries. The main business is the manufacture and sale of construction machinery. This business accounted for99.3% of sales in the fiscal year that ended in February 2016. Other businesses are primarily the manufacture and sale of agitators. The activities and positioning of Takeuchi Mfg. and its subsidiaries are as follows.

(1) Construction machinery

The Takeuchi Group manufactures and sells construction machinery. Sales are mainly outside Japan in regions other than China, with most sales in North America and Europe. There are three sales channels. First is sales to consolidated subsidiaries Takeuchi Mfg. (U.S.), Ltd., Takeuchi Mfg. (U.K.) Ltd., and Takeuchi France S.A.S., which then sell construction machinery to rental companies and dealers (see note 1). Second is direct sales by Takeuchi Mfg. to distributors, mainly in Europe (see note 2). Third is sales by Takeuchi Mfg. through trading companies to overseas distributors. Most construction machinery sold in China is manufactured by Takeuchi Qingdao Mfg. Co., Ltd., which sells its products to dealers in China. In addition, Takeuchi Mfg. produces some construction machinery under OEM agreements for manufacturers in Japan and sells some of its products in Japan.

Major products: Compact excavators, hydraulic excavators, track loaders (see note 3)

Consolidated subsidiaries

Sales:

Takeuchi Mfg. (U.S.) Ltd. (United States)

Takeuchi Mfg. (U.K.) Ltd. (United Kingdom)

Takeuchi France S.A.S. (France)

Manufacturing and sales:

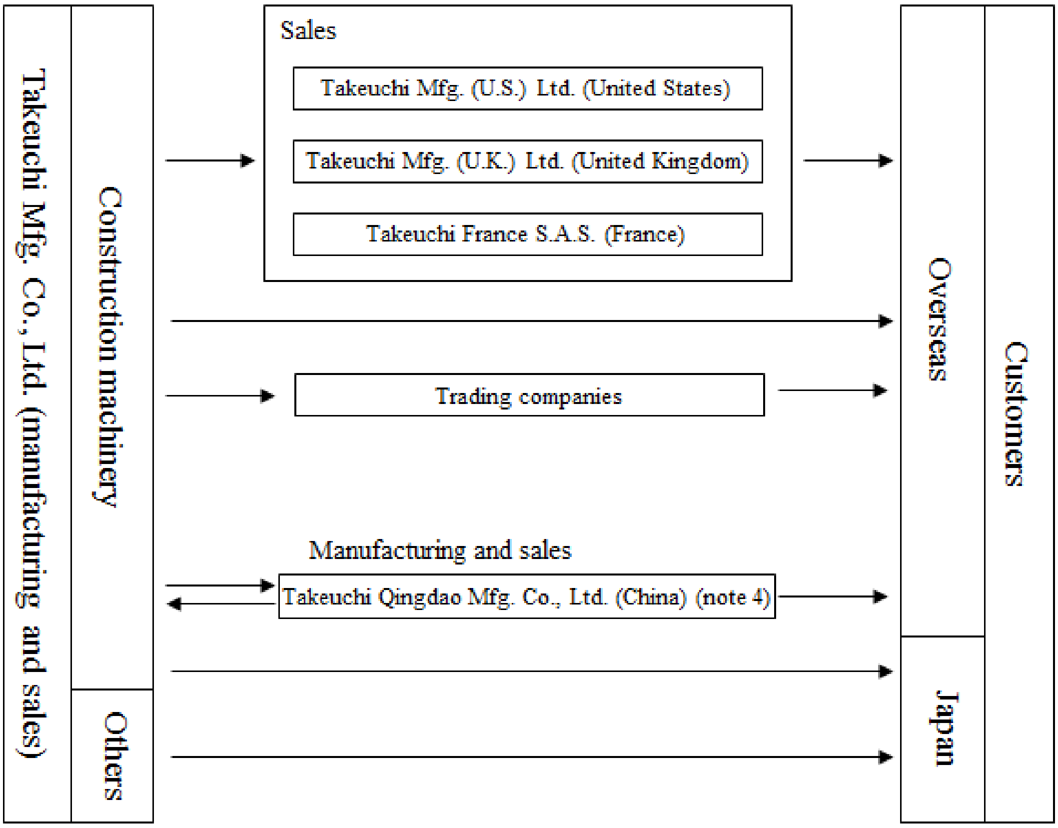
Takeuchi Qingdao Mfg. Co., Ltd. (China)

(2) Others

The main product in this category is agitators. Takeuchi Mfg. produces agitators and sells them primarily for use at waste water treatment facilities and by manufacturers of chemicals, food and other products in Japan.

Flow chart

The diagram below shows the operations of the Takeuchi Group.



Notes

1. The term dealer is used for retail companies that sell products mainly to end users.
2. The term distributor is used for companies that sell products mainly to dealers.
3. Compact excavators are defined as excavators with a weight of 0.5 tons to not more than 6 tons.
   Hydraulic excavators are defined as excavators with a weight of at least 6 tons.
   Track loaders are transport and excavation machines for use on uneven terrain.
4. The movement of products from Takeuchi Mfg. to Takeuchi Qingdao Mfg. consists of parts used by this subsidiary for manufacturing construction machinery. The movement of products from Takeuchi Qingdao Mfg. to Takeuchi Mfg. consists of parts that were made in China.

The section on related companies is omitted because there are no significant changes in the related company information presented in the most recent Securities Report (submitted May 27, 2015).

3. Management Policies

(1) Core policies

The Takeuchi Group is guided by the following Mission and Corporate Philosophy.

Our Mission

Creation	We pledge to develop need responsive products; making the most of our awareness of, and relationship with, our customers.
Challenge	We pledge to aim high and boldly take up challenges with imagination and youthful vigor.
Cooperation	We pledge to thrive in conjunction with society, cultivating a mindset based on harmony and thoughtfulness.

Business Philosophy

TAKEUCHI From World First to World Leader

- We will pursue the TAKEUCHI-way manufacturing activities while working together and sharing the spirit of Creation, Challenge and Cooperation.
- With a global perspective and sensitivity, we will provide our customers with truly reliable products and services.
- By exerting our individual abilities to the fullest, we will contribute to the creation of a society that is environment-friendly as well as comfortable and attractive.

(2) Medium and long-term strategies, targeted performance indicators and important issues

Takeuchi has started a three-year medium-term business plan ending in February 2019 that has the following central themes.

Fundamental themes of the FY16-FY18 medium-term business plan	
Advance to a new stage	
Customers first	Grow and prosper with customers
Innovation	A new age of manufacturing
Creativity	Combining creativity with actions

a) Market development and higher customer satisfaction
   i. Add more dealers and build an extensive sales network consisting of outstanding dealers.
   ii. Reinforce the global infrastructure for serving customers by strengthening the capabilities of overseas bases and increasing cooperation among group companies.
   iii. Step up operational support for dealers and distributors by using information and communication technologies to create new services and build a strong supply system of parts.

b) Manufacturing reforms
   i. Upgrade product development skills with the flexibility for creating products that match the differing needs of each market by training people who develop new products and combining experience with new industrial technologies and other expertise.
   ii. Use information technology and other methods to organize and centralize knowledge and data that are currently in many locations within the Takeuchi Group. Establish a framework for using this information in product development and manufacturing operations with the goal of improving productivity and efficiency and adding more value to products.

c) Become more cost competitive and resilient to foreign exchange rate movements
   i. Reexamine how materials and parts are purchased for constant activities aimed at cost reductions.
   ii. Increase the procurement ratio of parts from outside Japan, including from the subsidiary in China and improve the group's resilience to changes in foreign exchange rates.

d) Use a small number of people to perform tasks efficiently
   Foster a workforce of people who can identify and solve problems and examine ways to establish personnel systems that enable all employees to realize their full potential.

The medium-term business plan has the following targets for the fiscal year ending in February 2019.

	Year ending February 2019	Year ended February 2016
Sales	88.6 to 94.0 billion yen	85.2 billion yen
Operating margin	15 to 19%	19%
Assumptions	1 US dollar = 105 to 115 yen 1 British pound = 150 to 167 yen 1 Euro = 120 to 130 yen 1 Yuan = 16.5 to 18 yen	-

4. Basic stance for the selection of accounting standards

The Takeuchi Group plans to continue using Japanese accounting standards for the consolidated financial statements for the time being.

We will continue to monitor events and trends in Japan and other countries concerning the use of international accounting standards.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousand yen)

	Fiscal year ended February 2015 (As of February 28, 2015)	Fiscal year ended February 2016 (As of February 29, 2016)
ASSETS		
Current assets		
Cash and deposits	13,809,154	20,580,648
Notes and accounts receivable-trade	19,448,975	21,281,800
Merchandize and finished goods	15,769,843	15,975,039
Work in process	1,159,106	1,346,186
Raw materials and supplies	3,861,154	3,051,500
Deferred tax assets	2,881,257	2,694,113
Other	1,991,571	2,812,758
Allowance for doubtful accounts	(1,170,848)	(1,731,180)
Total current assets	57,750,215	66,010,867
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,340,902	5,208,145
Machinery, equipment and vehicles, net	980,975	1,426,868
Tools, furniture and fixtures, net	275,046	484,064
Land	2,209,326	2,178,486
Construction in progress	43,888	440,271
Total property, plant and equipment	6,850,139	9,737,835
Intangible assets	904,419	812,378
Investments and other assets		
Investment securities	205,337	152,544
Long-term loans receivable	114	203
Net defined benefit asset	313,709	214,598
Other	437,379	312,053
Allowance for doubtful accounts	(149,477)	(24,205)
Total investments and other assets	807,063	655,193
Total noncurrent assets	8,561,622	11,205,407
Total assets	66,311,838	77,216,275

(Thousand yen)

	Fiscal year ended February 2015 (As of February 28, 2015)	Fiscal year ended February 2016 (As of February 29, 2016)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	11,878,869	16,366,028
Income taxes payable	4,036,651	1,586,892
Provision for bonuses	167,501	173,813
Provision for product warranties	1,072,345	1,058,439
Other	2,313,651	1,602,333
Total current liabilities	19,469,019	20,787,507
Noncurrent liabilities		
Deferred tax liabilities	242,682	872,981
Provision for directors' retirement benefits	255,460	267,636
Provision for loss on guarantees	114,977	119,856
Other	136,038	124,293
Total noncurrent liabilities	749,158	1,384,767
Total liabilities	20,218,177	22,172,275
NET ASSETS		
Shareholder’s equity		
Capital stock	3,632,948	3,632,948
Capital surplus	3,631,665	3,631,665
Retained earnings	37,460,349	46,647,327
Treasury stock	(3,479)	(3,992)
Total shareholder’s equity	44,721,482	53,907,948
Accumulated other comprehensive income		
Valuation differences on available-for-sales securities	45,708	10,483
Foreign currency translation adjustments	1,070,493	931,161
Remeasurements of defined benefit plans	255,976	194,405
Total accumulated other comprehensive income	1,372,177	1,136,050
Total net assets	46,093,660	55,043,999
Total liabilities and net assets	66,311,838	77,216,275

(2) Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(Thousand yen)

	Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)	Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)
Net sales	69,893,577	85,218,341
Cost of sales	52,263,800	60,861,248
Gross profit	17,629,776	24,357,093
Selling, general and administrative expenses		
Haulage expenses	2,214,052	2,547,349
Provision for product warranties	653,083	495,309
Provision of allowance for doubtful accounts	(40,264)	657,755
Provision for loss on guarantees	-	13,282
Directors' compensations	202,990	251,133
Salaries and bonuses	1,388,179	1,550,104
Provision for bonuses	41,939	36,500
Retirement benefit expenses	15,431	11,549
Provision for directors' retirement benefits	10,879	12,176
Other	2,550,457	2,559,764
Total selling, general and administrative expenses	7,036,749	8,134,925
Operating income	10,593,027	16,222,167
Non-operating income		
Interest income	29,909	43,938
Dividends income	3,382	4,592
Rent income	9,642	2,266
Foreign exchange gains	1,430,491	-
Other	210,468	75,683
Total non-operating income	1,683,893	126,481
Non-operating expenses		
Interest expenses	6,399	6,247
Loss on retirement of noncurrent assets	8,336	29,639
Loss on valuation of derivatives	5,783	-
Foreign exchange losses	-	1,006,774
Other	7,004	14,196
Total non-operating expenses	27,524	1,056,857
Ordinary income	12,249,396	15,291,791

(Thousand yen)

	Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)	Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)
Extraordinary income		
Gain on sales of noncurrent assets	3,137	-
Gain on sales of investment securities	3,996	260
Total extraordinary income	7,134	260
Extraordinary loss		
Loss on sales of noncurrent assets	4,081	-
Total extraordinary loss	4,081	-
Income before income taxes and minority interests	12,252,449	15,292,051
Income taxes-current	5,590,671	4,663,764
Income taxes-deferred	(1,032,287)	920,127
Total income taxes	4,558,384	5,583,892
Income before minority interests	7,694,065	9,708,159
Net income	7,694,065	9,708,159

(Consolidated statements of comprehensive income)

(Thousand yen)

	Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)	Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)
Income (loss) before minority interests	7,694,065	9,708,159
Other comprehensive income		
Valuation difference on available-for-sale securities	33,202	(35,225)
Foreign currency translation adjustment	1,439,995	(139,332)
Remeasurements of defined benefit plans	-	(61,570)
Total other comprehensive income	1,473,197	(236,127)
Comprehensive income	9,167,263	9,472,031
Comprehensive income attributable to owners of the parent	9,167,263	9,472,031
Comprehensive income attributable to minority interests	-	-

(3) Consolidated statements of changes in net assets

Previous fiscal year (March 1, 2014 – February 28, 2015)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,632,948	3,631,665	30,027,593	(3,250)	37,288,956
Cumulative effects of changes in accounting policies					-
Restated balance	3,632,948	3,631,665	30,027,593	(3,250)	37,288,956
Changes of items during the period					
Dividends from surplus			(261,309)		(261,309)
Net income			7,694,065		7,694,065
Purchase of treasury stock				(229)	(229)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	7,432,755	(229)	7,432,526
Balance at the end of period	3,632,948	3,631,665	37,460,349	(3,479)	44,721,482

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of current period	12,506	(369,502)	-	(356,996)	36,931,960
Cumulative effects of changes in accounting policies					-
Restated balance	12,506	(369,502)	-	(356,996)	36,931,960
Changes of items during the period					
Dividends from surplus					(261,309)
Net income					7,694,065
Purchase of treasury stock					(229)
Net changes of items other than shareholders' equity	33,202	1,439,995	255,976	1,729,174	1,729,174
Total changes of items during the period	33,202	1,439,995	255,976	1,729,174	9,161,700
Balance at the end of period	45,708	1,070,493	255,976	1,372,177	46,093,660

Current fiscal year (March 1, 2015 – February 29, 2016)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,632,948	3,631,665	37,460,349	(3,479)	44,721,482
Cumulative effects of changes in accounting policies			(80,221)		(80,221)
Restated balance	3,632,948	3,631,665	37,380,127	(3,479)	44,641,260
Changes of items during the period					
Dividends from surplus			(440,958)		(440,958)
Net income			9,708,159		9,708,159
Purchase of treasury stock				(512)	(512)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	9,267,200	(512)	9,266,688
Balance at the end of period	3,632,948	3,631,665	46,647,327	(3,992)	53,907,948

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of current period	45,708	1,070,493	255,976	1,372,177	46,093,660
Cumulative effects of changes in accounting policies					(80,221)
Restated balance	45,708	1,070,493	255,976	1,372,177	46,013,438
Changes of items during the period					
Dividends from surplus					(440,958)
Net income					9,708,159
Purchase of treasury stock					(512)
Net changes of items other than shareholders' equity	(35,225)	(139,332)	(61,570)	(236,127)	(236,127)
Total changes of items during the period	(35,225)	(139,332)	(61,570)	(236,127)	9,030,560
Balance at the end of period	10,483	931,161	194,405	1,136,050	55,043,999

(4) Consolidated statements of cash flow

(Thousand yen)

	Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)	Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	12,252,449	15,292,051
Depreciation and amortization	996,054	1,092,323
Increase (decrease) in allowance for doubtful accounts	(47,855)	522,282
Increase (decrease) in provision for bonuses	16,815	6,312
Increase (decrease) in provision for product warranties	285,441	(13,252)
Increase (decrease) in provision for retirement benefits	(138,597)	-
Increase (decrease) in net defined benefit asset	82,095	(128,091)
Increase (decrease) in provision for directors' retirement benefits	10,879	12,176
Increase (decrease) in provision for loss on guarantees	8,144	13,282
Interest and dividends income	(33,292)	(48,531)
Foreign exchange losses (gains)	615,145	970,052
Interest expenses	6,399	6,247
Loss (gain) on sales of investment securities	(3,996)	(260)
Loss (gain) on valuation of investment securities	-	(240)
Loss (gain) on sales of noncurrent assets	943	787
Loss on retirement of noncurrent assets	8,336	29,639
Decrease (increase) in notes and accounts receivable-trade	158,992	(1,810,910)
Decrease (increase) in inventories	(4,141,566)	77,654
Increase (decrease) in notes and accounts payable-trade	(935,320)	4,916,608
Decrease (increase) in other assets	(636,055)	(768,822)
Increase (decrease) in other liabilities	858,961	(726,589)
Other, net	(3,146)	(16,246)
Subtotal	9,360,828	19,426,473
Interest and dividends income received	33,292	48,531
Interest expenses paid	(6,888)	(5,633)
Income taxes paid	(3,690,758)	(7,194,077)
Net cash provided by (used in) operating activities	5,696,473	12,275,293
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	16,925	(74)
Purchase of property, plant and equipment	(904,934)	(3,665,879)
Proceeds from sales of property, plant and equipment	5,755	921
Purchase of intangible assets	(134,850)	(339,526)
Purchase of investment securities	(29,980)	(19,992)
Proceeds from sales of investment securities	24,010	20,450
Payments of loans receivable	(970)	(550)
Collection of loans receivable	931	903
Other, net	(12,341)	(7,706)
Net cash provided by (used in) investing activities	(1,035,453)	(4,011,454)

(Thousand yen)

	Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)	Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(300,000)	-
Purchase of treasury stock	(229)	(512)
Cash dividends paid	(260,641)	(440,443)
Repayments of lease obligations	(15,840)	(15,778)
Net cash provided by (used in) financing activities	(576,711)	(456,734)
Effect of exchange rate change on cash and cash equivalents	7,365	(1,035,685)
Net increase (decrease) in cash and cash equivalents	4,091,674	6,771,419
Cash and cash equivalents at beginning of period	9,139,378	13,231,052
Cash and cash equivalents at end of period	13,231,052	20,002,472

(5) Notes to the consolidated financial statements

(Notes to going concern assumptions)

None

(Basis of presentation of the consolidated financial statements)

1. Scope of consolidation
   (1) Consolidated subsidiaries: 4
   Takeuchi Mfg. (U.S.) Ltd.
   Takeuchi Mfg. (U.K.) Ltd.
   Takeuchi France S.A.S.
   Takeuchi Qingdao Mfg. Co., Ltd.

   (2) Non-consolidated subsidiaries
   None

2. Scope of the equity method
   (1) Equity-method companies
   None

   (2) Non-equity-method related companies
   None

3. Fiscal year of consolidated subsidiaries

   All four consolidated subsidiaries end their fiscal years on December 31.
   Since the difference between this fiscal year and the fiscal year of Takeuchi Mfg. is not more than three months, the financial statements of these subsidiaries for their fiscal years are used for the consolidated financial statements. However, adjustments are made to the consolidation as needed for any significant transactions between January 1, 2016 and February 29, 2016.

4. Significant accounting policies
   (1) Valuation standard and method for significant assets
   (a) Securities
   Other securities
   Marketable securities
   Fair value based on the market price, etc. as of the fiscal year end (All valuation differences are added to or subtracted from net assets and the cost of securities sold is calculated by using the moving average method.)
   Non-marketable securities
   Cost method with cost determined by the moving average method

   (b) Derivatives
   Market value method

   (c) Inventories
   (i) Finished products
   Takeuchi Mfg. uses the cost method with cost determined by the gross average method (with book value reduced to reflect declines in profitability). The four overseas consolidated subsidiaries use primarily the lower of cost or market method with cost determined by the specific identification method.

   (ii) Work in process and raw materials
   Cost method with cost determined by the gross average method (with book value reduced to reflect declines in profitability)

   (iii) Supplies
   Cost method using the cost of the most recent purchase

   (2) Depreciation method for significant depreciable assets
   (a) Tangible assets (except leased assets)
   Takeuchi Mfg. uses the declining-balance method and the four overseas consolidated subsidiaries use the straight-line method in accordance with accounting standards in their respective home countries.
   However, Takeuchi Mfg. uses the straight-line method for buildings (excluding facilities attached to the building) acquired on or after April 1, 1998.
   The useful lives of principal assets are as follows:

Buildings and structures	15 to 31 years
Machinery and vehicles	7 years
Tools, furniture and fixtures	2 to 10 years

   (b) Intangible assets (except leased assets)
   Takeuchi Mfg. uses the straight-line method and the four overseas consolidated subsidiaries use the straight-line method in accordance with accounting standards in their respective home countries.
   Software for internal use is amortized using the straight-line method over the expected useful economic life (5 years).

   (c) Leased assets

For leased assets using finance leases other than where ownership is transferred, the straight-line method with no residual value is used and the lease period is the useful life. Finance leases other than where ownership is transferred that started no later than February 28, 2009 continue to be accounted for as ordinary rental transactions.

(3) Basis of significant allowances

(a) Allowance for doubtful accounts
An allowance is established based on the past rate of losses for normal receivables and on the amount that is not expected to be recovered for doubtful receivables based on examinations to determine the likelihood of receiving payments for individual receivables. The four overseas consolidated subsidiaries establish allowances equal to the amounts that are not expected to be recovered based on the likelihood of receiving payments for individual receivables.

(b) Provision for bonuses
This provision is equal to bonuses to be paid in the current year based on the expected amount of bonuses.

(c) Provision for product warranties
This provision is equal to expected expenses for product warranties after products have been sold based on expenses in the past.

(d) Provision for directors' retirement benefits
This provision is equal to benefits paid at the end of the fiscal year based on internal rules.

(e) Provision for loss on guarantees
This provision is equal to estimated losses on loan guarantees based on the financial condition and other information concerning the borrowers that received guarantees.

(4) Accounting method for retirement benefits

(a) Allocation of retirement benefit estimates to fiscal periods
When calculating retirement obligations, the straight-line attribution standard is used for the allocation of estimated retirement benefit payments to specific periods up to the end of the fiscal year that ended in February 2016.

(b) Amortization of actuarial gains and losses
For actuarial gains and losses, a proportional amount calculated using the straight-line method for a certain period (5 years) that is shorter than the average remaining service of employees in each fiscal year in which a gain or loss occurred is amortized in each year starting with the fiscal year after the year when the gain or loss occurred.

(5) Standard for yen conversions of significant foreign currency-denominated assets and liabilities
Foreign currency-denominated monetary liabilities are converted into yen at the exchange rates as of the balance sheet date and conversion differences are recognized as gains and losses.
Assets and liabilities of overseas consolidated subsidiaries are converted into yen using the exchange rates as of their balance sheet dates and income statement items are converted into yen using the average exchange rates for the applicable period. Conversion differences are included in the foreign currency translation adjustments item of net assets.

(6) Scope of cash and cash equivalents in the cash flow statement
In the statement of cash flows, cash and cash equivalents (funds) include cash, bank deposits that can be withdrawn at any time or that can be converted to cash easily, and short-term investments that mature within three months of the acquisition date and have a negligible risk of price fluctuations.

(7) Other important items concerning preparation of the consolidated financial statements
Accounting for consumption tax
Transactions subject to consumption taxes do not include these taxes.

(Changes in accounting principles)

(Application of accounting standard for retirement benefits)

Beginning at the start of the fiscal year ending on February 29, 2016, the Company is using Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015) as prescribed in paragraph 35 of this accounting standard and paragraph 67 of this guidance. As a result, the Company has revised the method for calculating retirement benefit liabilities and service cost, changed the standard for assigning expected retirement benefit payments to specific years from the straight-line attribution method to the pension payment calculation method. The method for setting the discount rate has also been changed from a method based on determining a base value for the number of years approximating to employees' average remaining service period to a method using a simple weighted average discount rate that reflects the anticipated payment period for accrued retirement benefits and the amounts to be paid in for each period.

For the application of the accounting standard for retirement benefits, in accordance with the transitional handling prescribed in paragraph 37 of this standard, the effect of the change in the method for calculating retirement benefit liabilities and service cost as of the beginning of the current fiscal year is included in retained earnings.

As a result, at the beginning of the period, net defined benefit asset decreased 118,370 thousand yen and retained earnings decreased 80,221 thousand yen. However, effects on the operating income, ordinary income and income before income taxes and minority interests, as well as net assets per share and net income per share were negligible.

(Change in presentation method)

(Consolidated balance sheet)

In previous fiscal years, deferred tax liabilities were included in "others" in noncurrent liabilities. Beginning with the fiscal year that ended in February 2016, deferred tax liabilities of 872,981 thousand yen are shown as a separate item because of the increasing monetary importance of this item.

Deferred tax liabilities were 242,682 thousand yen on February 28, 2015.

(Segment information, etc.)

Segment information

1. Summary of reportable segments

   The reportable segments of the Takeuchi Group are based on the constituent units of the group for which separate financial information is available and the Board of Directors performs periodic examinations for determining the allocation of resources and the evaluating performance.

   The manufacture and sale of construction machinery is the primary business of the Takeuchi Group. Takeuchi Mfg. operates in Japan and Takeuchi Mfg. and its subsidiaries operate in other countries. Each subsidiary is managed as an independent unit, conducting business operations based on its own regional comprehensive strategy for the products handled.

   Consequently, there are five reportable geographic segments based on manufacturing and sales operations: Japan, United States, United Kingdom, France and China

2. Method for determining sales, earnings/losses, assets, liabilities and other items for reportable segments

   The accounting method for reportable segments is the same as the Basis of Presentation of the Consolidated Financial Statements.

   Reportable segments earnings are operating income and intersegment sales and transfers are based on market prices.

3. Reportable segment sales, earnings/loss, assets, liabilities and other items

Previous fiscal year (March 1, 2014 – February 28, 2015)

(Thousand yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the consolidated statements of income (Note 2)
	Japan	USA	UK	France	China			
Net sales (of which to outside customers)	25,682,134	31,150,697	8,556,424	2,935,468	1,568,852	69,893,577	-	69,893,577
(of which inter-segment /transfer)	40,918,689	1,182	24,866	11,855	887,526	41,844,121	(41,844,121)	-
Total	66,600,824	31,151,880	8,581,291	2,947,323	2,456,378	111,737,698	(41,844,121)	69,893,577
Segment income (loss)	11,585,948	1,809,149	456,730	127,179	(265,995)	13,713,013	(3,119,985)	10,593,027
Segment assets	48,380,661	26,453,480	6,628,520	2,339,588	5,783,439	89,585,690	(23,273,851)	66,311,838
Others								
Depreciation	650,029	67,555	29,299	37,521	135,064	919,470	76,583	996,054
Increase in property, plant and equipment and intangible assets	794,971	31,909	7,602	7,625	23,883	865,993	161,446	1,027,439

Notes:

1. The adjustments are as follows.
   (1) The 3,119,985 thousand yen negative adjustment for segment income (loss) includes a 2,268,531 thousand yen deduction for intersegment transaction eliminations and an 851,454 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily selling, general and administrative expenses that do not belong to specific segments.
   (2) The23,273,851 thousand yen negative adjustment for segment assets includes a 32,837,446 thousand yen deduction for intersegment transaction eliminations and a 9,563,595 thousand yen addition for corporate assets that cannot be assigned to specific segments. Corporate assets are primarily unused funds (cash and deposits) at Takeuchi Mfg. and assets associated with administrative departments.
   (3) The depreciation adjustment of 76,583 thousand yen is corporate expenses that cannot be assigned to specific segments.
   (4) The 161,446 thousand yen adjustment for increase in property, plant and equipment and intangible assets is corporate assets that cannot be assigned to specific segments.
2. Segment income and losses are adjusted for consistency with operating income on the consolidated statement of income.

Current fiscal year (March 1, 2015 – February 29, 2016)

(Thousand yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the consolidated statements of income (Note 2)
	Japan	USA	UK	France	China			
Net sales (of which to outside customers)	31,432,027	40,759,643	9,420,602	2,893,215	712,853	85,218,341	-	85,218,341
(of which inter-segment /transfer)	44,301,225	314	59,080	26,648	1,314,180	45,701,449	(45,701,449)	-
Total	75,733,253	40,759,957	9,479,683	2,919,863	2,027,033	130,919,791	(45,701,449)	85,218,341
Segment income (loss)	15,470,164	2,215,294	375,526	84,501	(898,925)	17,246,561	(1,024,393)	16,222,167
Segment assets	44,713,023	26,787,582	5,607,466	2,452,886	3,369,736	82,930,696	(5,714,420)	77,216,275
Others								
Depreciation	633,794	81,494	31,852	37,021	153,103	937,265	155,057	1,092,323
Increase in property, plant and equipment and intangible assets	2,824,379	401,229	7,463	8,727	36,627	3,278,427	682,367	3,960,794

Notes:

1. The adjustments are as follows.
   (1) The 1,024,393 thousand yen negative adjustment for segment income (loss) includes a 22,936 thousand yen deduction for intersegment transaction eliminations and a 1,047,330 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily selling, general and administrative expenses that do not belong to specific segments.
   (2) The 5,714,420 thousand yen negative adjustment for segment assets includes a 26,490,100 thousand yen deduction for intersegment transaction eliminations and a 20,775,679 thousand yen addition for corporate assets that cannot be assigned to specific segments. Corporate assets are primarily unused funds (cash and deposits) at Takeuchi Mfg. and assets associated with administrative departments.
   (3) The depreciation adjustment of 155,057 thousand yen is corporate expenses that cannot be assigned to specific segments.
   (4) The 682,367 thousand yen adjustment for increase in property, plant and equipment and intangible assets is corporate assets that cannot be assigned to specific segments.
2. Segment income and losses are adjusted for consistency with operating income on the consolidated statement of income.

(Per share information)

Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)		Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)	
Net asset per share	940.78 yen	Net asset per share	1,123.46 yen
Net income per share	157.04 yen	Net income per share	198.14 yen

Notes:

1. Net income per share (diluted) is not presented, since there is no potential stock which has dilution effect.
2. There was a 3-for-1 stock split of common stock on September 1, 2015. Net assets per share and net income per share are presented as if this split had taken place on the beginning of the previous fiscal year.
3. The following basis is used for calculating earnings per share.

	Fiscal year ended February 2015 (March 1, 2014 – February 28, 2015)	Fiscal year ended February 2016 (March 1, 2015 – February 29, 2016)
Net income (thousand yen)	7,694,065	9,708,159
Not available to common shareholders	-	-
Available to common shareholders	7,694,065	9,708,159
Average number of shares outstanding of the period (shares)	48,995,427	48,995,264

(Subsequent events)

None