



Business Results of FY 2021 for the First 3-Month Period (April-June, 21)

【Telephone conference】

Komatsu Ltd. Participants

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July 30, 2021

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I . Business Results for the First 3-Month Period (April-June,21) of FY2021

Highlights for the First 3-Month Period (April-June,21) of FY2021

- Consolidated net sales increased by 41.3% from the corresponding period a year ago, to JPY648.2 billion.
- Operating income advanced by 129.4% to JPY61.7 billion. Operating income ratio was 9.5%, up 3.6 points.
- Net income attributable to Komatsu Ltd. surged by 151.6% to JPY40.8 billion.

Billions of yen	Apr.-Jun.,2020 (A) ¥107.5/USD ¥118.6/EUR ¥15.1/RMB	Apr.-Jun.,2021 (B) ¥109.9/USD ¥131.7/EUR ¥17.0/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	458.7	648.2	+189.5	+41.3%
Segment profit	26.6	60.9	+34.2	+128.7%
Other operating income (Expenses)	0.2	0.8	+0.5	-
Operating income	26.9	61.7	+34.8	+129.4%
Profit ratio	5.9%	9.5%	+3.6pts.	-
Other income (Expenses)	1.5	(0.2)	(1.8)	-
Income before income taxes	28.4	61.4	+32.9	+115.7%
Net income attributable to Komatsu Ltd.	16.2	40.8	+24.6	+151.6%

Segment Sales and Profits for the First 3-Month Period (April-June,21) of FY2021

- Construction, Mining & Utility Equipment: Sales advanced by 39.6% from the corresponding period a year ago, to JPY594.3 billion. Segment profit advanced by 131.3% to JPY53.6 billion. Segment profit ratio improved to 9.0%, up 3.6 points.
- Retail Finance: Revenues increased by 28.5% from the corresponding period a year ago, to JPY 20.4billion. Segment profit advanced by 69.7% to JPY3.2 billion.
- Industrial Machinery & Others: Sales increased by 63.2% from the corresponding period a year ago, to JPY40.8 billion. Segment profit climbed by 146.2% to JPY4.2 billion.

Billions of yen	Apr.-Jun., 2020 (A)	Apr.-Jun., 2021 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	458.7	648.2	+189.5	+41.3%
Construction, mining & utility equipment	425.8 [420.0]	594.3 [593.0]	+168.5 [+173.0]	+39.6% [+41.2%]
Retail finance	15.9 [13.9]	20.4 [14.7]	+4.5 [+0.8]	+28.5% [+5.8%]
Industrial machinery & others	25.0 [24.7]	40.8 [40.5]	+15.8 [+15.7]	+63.2% [+63.5%]
Elimination	(8.0)	(7.3)	+0.6	-
Segment profit	5.8% 26.6	9.4% 60.9	+3.6pts. +34.2	+128.7%
Construction, mining & utility equipment	5.4% 23.2	9.0% 53.6	+3.6pts. +30.4	+131.3%
Retail finance	11.9% 1.8	15.7% 3.2	+3.8pts. +1.3	+69.7%
Industrial machinery & others	6.8% 1.7	10.3% 4.2	+3.5pts. +2.4	+146.2%
	(0.1)	(0.1)	+0.0	-

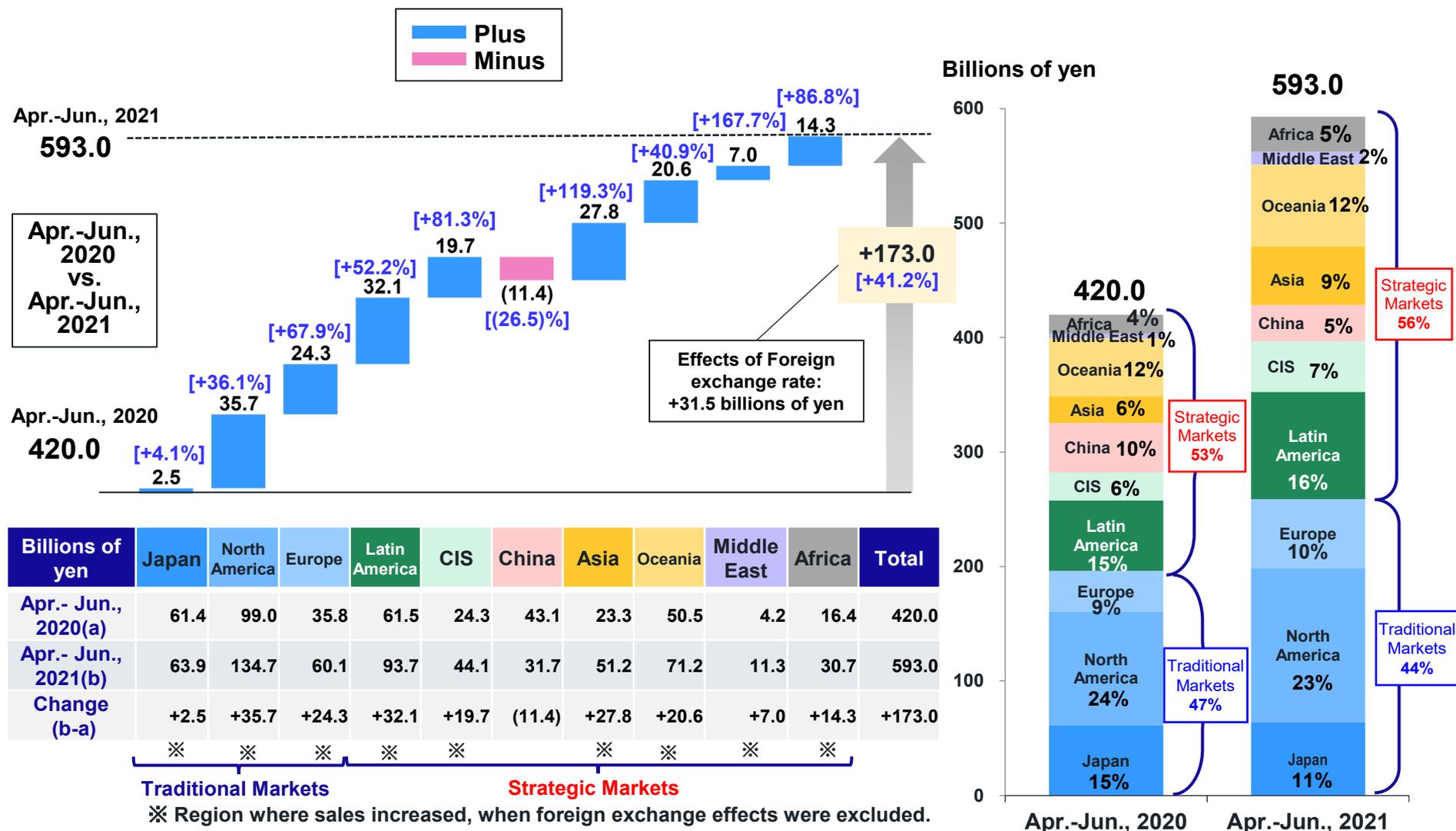
Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Sales advanced, mainly supported by increased volume of sales and positive effects of foreign exchange rates. Segment profit climbed, mainly supported by increased volume of sales.
- **Retail Finance:** Revenues advanced, supported by an increase in new contracts resulting from expanded sales of the construction, mining & utility equipment business. Segment profit advanced, reflecting no more adverse effects of an extension of payments, which were implemented and recorded for the corresponding period a year ago under the COVID-19 pandemic.
- **Industrial Machinery & Others:** Concerning presses and machine tools for the automobile manufacturing industry, both sales and profits advanced, reflecting recovering demand against the backdrop of regaining capital investment and the completion of installing machinery at overseas customers' plants. With respect to products for the semiconductor manufacturing industry, both sales and profits increased, esp. supported by excellent sales of the Excimer laser-related business.

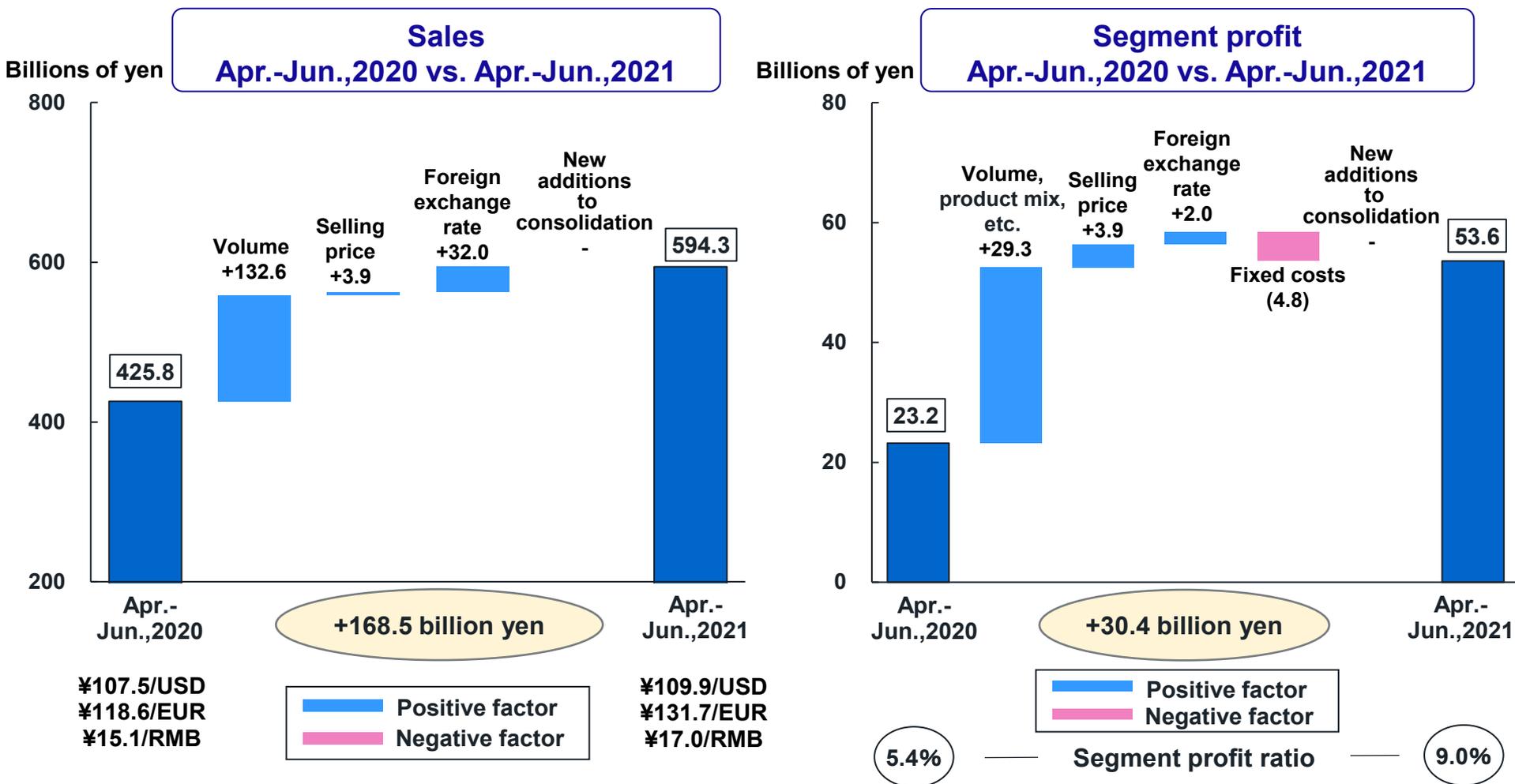
Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) First 3-Month Period (April-June,21) of FY2021

- Sales to outside customers increased by 41.2% from the corresponding period a year ago, to JPY593.0 billion.
- Sales improved in all regions, except for China.
- The ratio of sales in Strategic Markets increased to 56% of total sales.



Construction, Mining & Utility Equipment: Causes of Difference in Sales and Segment Profit for the First 3-Month Period (April-June,21) of FY2021

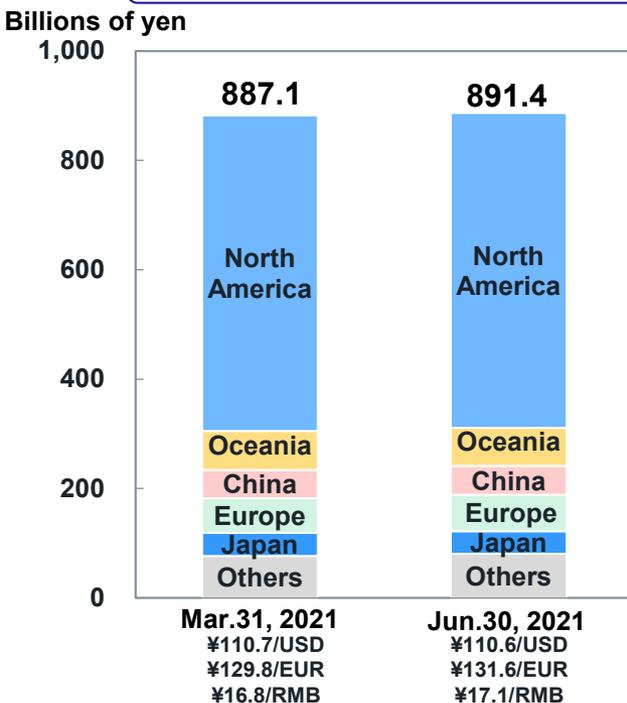
- Sales increased by JPY168.5 billion from the corresponding period a year ago, mainly supported by increased volume of sales and positive effects of foreign exchange rates.
- Segment profit increased by JPY30.4 billion from the corresponding period a year ago, reflecting increased volume of sales.
- Segment profit ratio was 9.0%, up 3.6 points from the corresponding period a year ago.



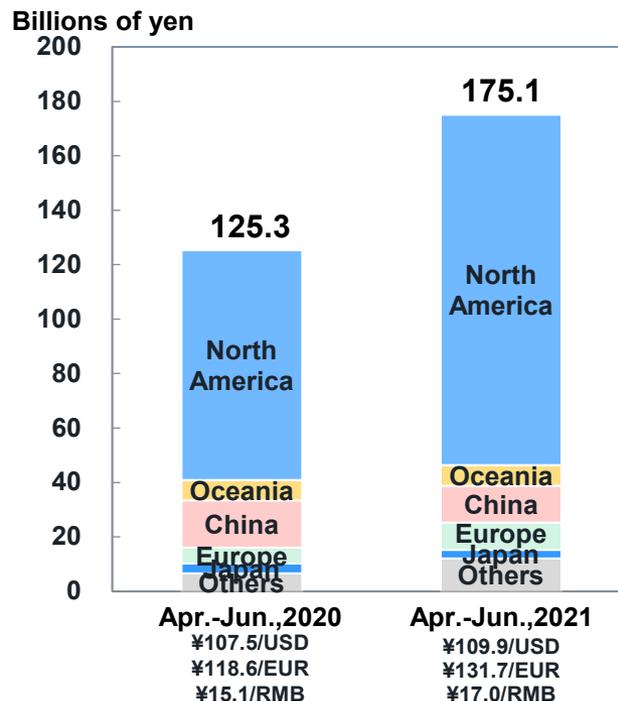
Retail Finance: Assets and Revenues for the First 3-Month Period (April-June,21) of FY2021

- Assets remained about flat from the previous fiscal year-end.
- New contracts increased by JPY49.8 billion from the corresponding period a year ago, supported by increased sales of the construction, mining and utility equipment business.
- Revenues increased by JPY4.5 billion, supported by an increase in new contracts.
- Segment profit increased by JPY1.3 billion, reflecting no more adverse effects of an extension of payments, which were implemented and recorded for the corresponding period a year ago.

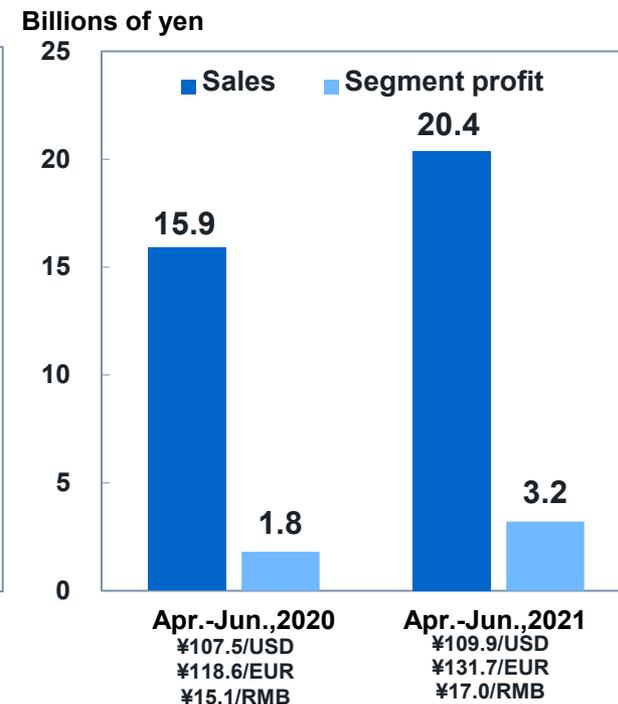
Assets
Mar.31, 2021 vs. Jun.30, 2021



New Contracts
Apr.-Jun.,2020 vs. Apr.-Jun.,2021



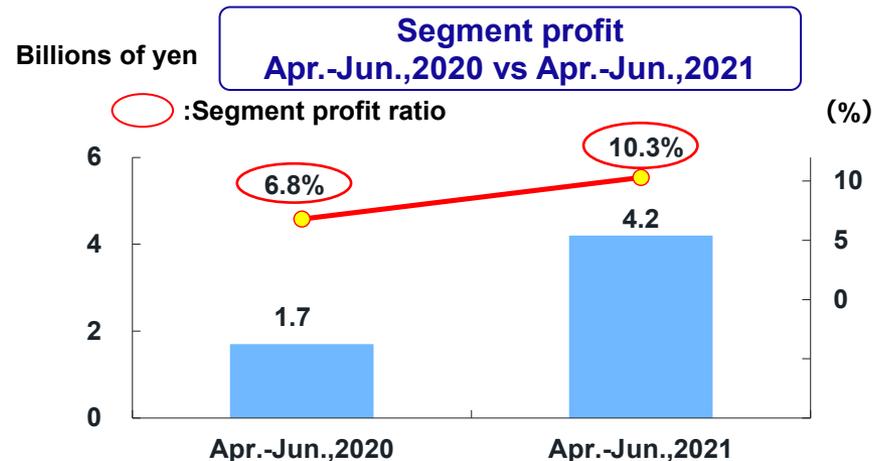
Revenues
Apr.-Jun.,2020 vs. Apr.-Jun.,2021



Billions of yen	2021/3E	2021/6E	Changes
Interest-bearing debt	674.7	683.5	+8.8
Interest-bearing debt, net	672.3	679.5	+7.2
Net D/E ratio	3.69	3.68	(0.01)pts.

Industrial Machinery & Others: Sales and Segment Profit for the First 3-Month Period (April-June,21) of FY2021

- Sales advanced by 63.2% from the corresponding period a year ago, to JPY40.8 billion.
- Segment profit advanced by 146.2% to JPY4.2 billion.
- Presses and machine tools for the automobile manufacturing industry: Both sales and profits advanced, reflecting recovering demand against the backdrop of regaining capital investment and the completion of installing machinery at overseas customers' plants.
- Products for the semiconductor manufacturing industry: Both sales and profits increased, esp. supported by excellent sales of the Excimer laser-related business.
- Segment profit ratio was 10.3%.



Breakdown of sales

Billions of yen	Apr.-Jun., 2020	Apr.-Jun., 2021	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	6.1	12.6	+6.4	+105.6%
Komatsu NTC Ltd.	4.0	6.8	+2.7	+68.6%
Gigaphoton Inc.	9.6	12.7	+3.1	+32.3%
Others	5.2	8.6	+3.4	+66.2%
Total	25.0	40.8	+15.8	+63.2%

Consolidated Balance Sheets

- Total assets increased by JPY5.5 billion from the previous fiscal year-end, to JPY3,790.3 billion.
- Inventories increased resulting from an increase of demand in the construction, mining and utility equipment business.
- Komatsu Ltd. shareholders' equity ratio increased by 0.5 percentage point, to 51.0%.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2021 ¥110.7/USD ¥129.8/EUR ¥16.8/RMB	Jun. 30, 2021 ¥110.6/USD ¥131.6/EUR ¥17.1/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	243.1	235.7	(7.3)
Accounts receivable (incl. long-term trade receivables)	1,267.5	1,261.1	(6.4)
Inventories	793.8	819.0	+25.2
Tangible fixed assets	787.3	775.6	(11.7)
Other assets	692.9	698.7	+5.8
Total assets	3,784.8	3,790.3	+5.5
Accounts payable	258.3	259.7	+1.3
Interest-bearing debt [b]	909.9	905.3	(4.6)
Other liabilities	604.5	594.2	(10.2)
Total liabilities	1,772.8	1,759.2	(13.5)
[Shareholders' equity ratio]	[50.5%]	[51.0%]	[+0.5%]
Komatsu Ltd. shareholders' equity	1,912.2	1,931.8	+19.5
Non-controlling interests	99.7	99.2	(0.4)
Liabilities & Equity	3,784.8	3,790.3	+5.5
Interest-bearing debt, net [b-a]	○ 0.35 666.8	○ 0.35 669.5	+2.6
Net D/E ratio (excl. the retail finance business)	○ (0.00)	○ (0.01)	

II . Outlook of FY2021 Business Results

Outline of Projection for FY2021

- We have not changed our projection of full-year results for FY2021.
(See below for the projection of April 2021.)

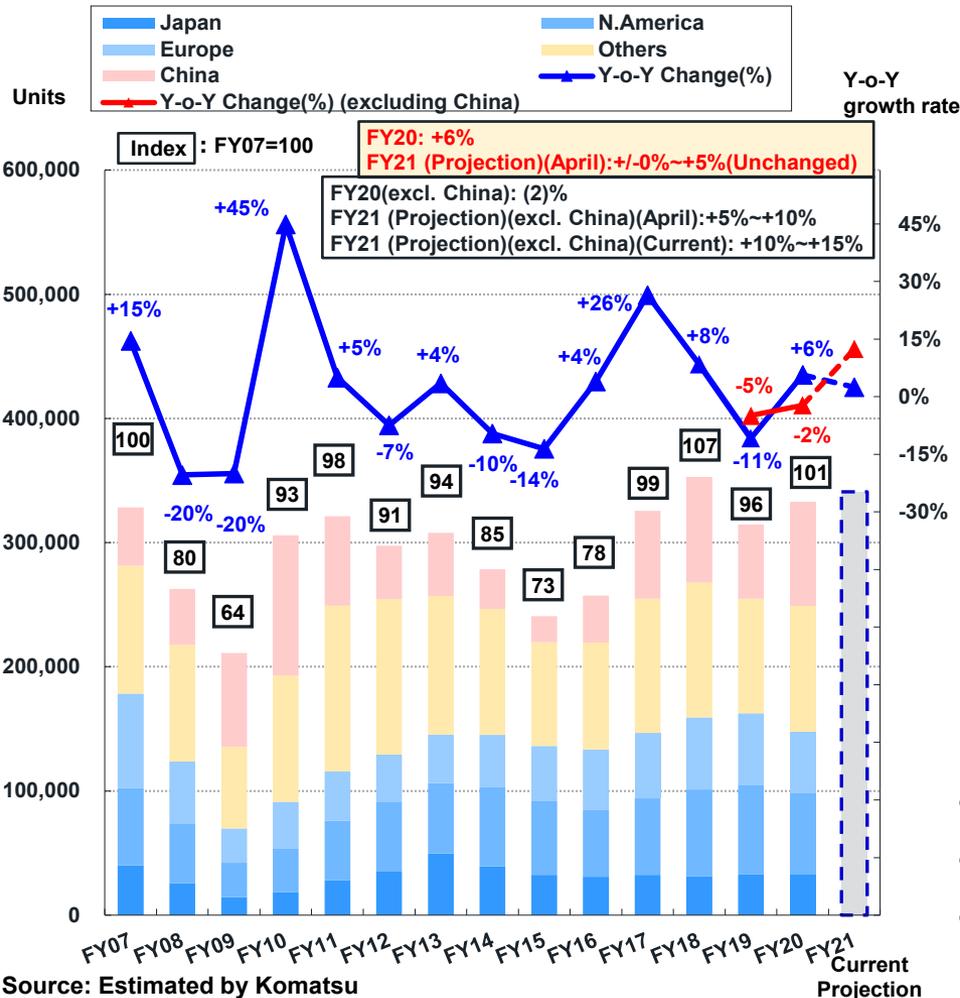
Billions of yen	FY2020 Results (A) ¥106.0/USD ¥123.4/EUR ¥15.6/RMB	FY2021 Projection (B) ¥105.0/USD ¥124.0/EUR ¥16.0/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,189.5	2,469.0	+279.4	+12.8%
Segment profit	172.3	225.0	+52.6	+30.6%
Other operating income (Expenses)	(5.0)	0.0	+5.0	-
Operating income	167.3	225.0	+57.6	+34.5%
Profit ratio	7.6%	9.1%	+1.5pts.	-
Other income (Expenses)	(4.5)	(8.0)	(3.4)	-
Income before income taxes	162.7	217.0	+54.2	+33.3%
Net income attributable to Komatsu Ltd.	106.2	146.0	+39.7	+37.4%
ROE	5.8%	7.6%	+1.8pts.	
Cash dividends per share ※	55Yen	62Yen	+7Yen	
Consolidated payout ratio	48.9%	40.1%		

※ Annual dividends per share for FY2020 include JPY 10 for the 100th anniversary commemorative dividend.

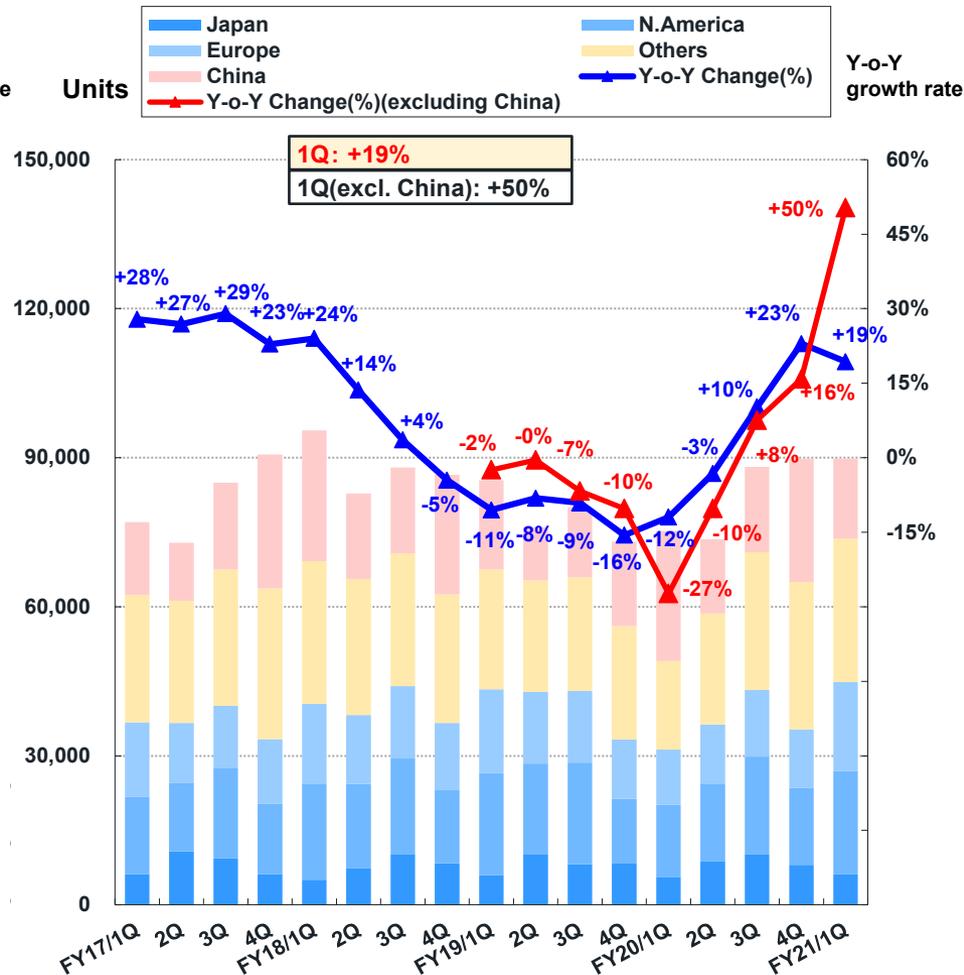
Construction, Mining & Utility Equipment: Actual and Projected Demand for 7 Major Products

- In 1Q FY2021, global demand increased by 19% from the corresponding period a year ago. When China is excluded, demand increased by 50%.
- In FY2021, demand will increase between +/-0% and 5% from FY2020. When China is excluded, demand should increase between 10% and 15%.

Annual demand for 7 major products



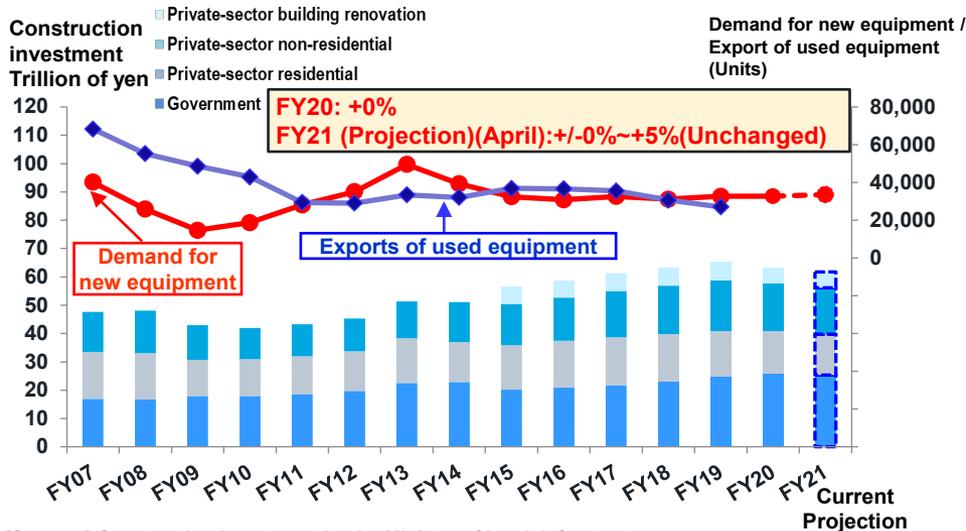
Quarterly demand for 7 major products



Construction, Mining & Utility Equipment : Demand in Major Markets (1) Japan

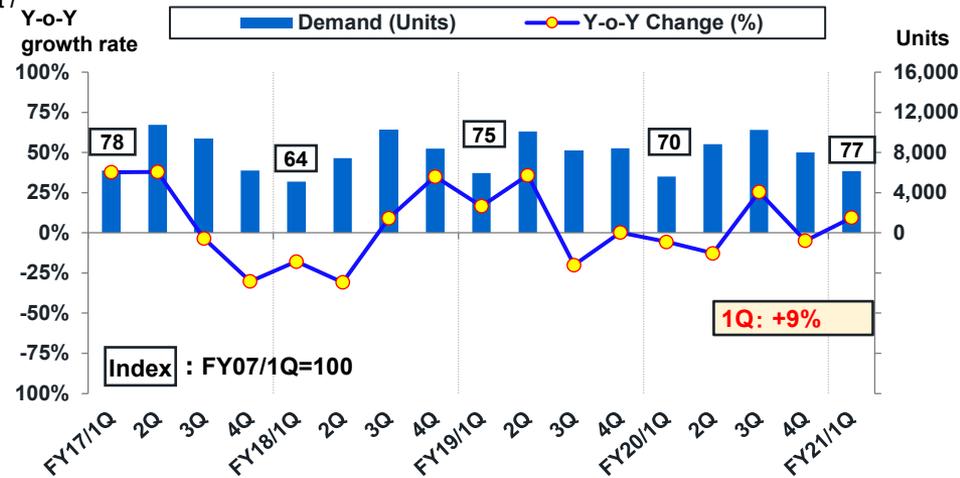
- In 1Q FY2021, demand increased by 9% from the corresponding period a year ago.
- In FY2021, demand will increase between +/-0% and 5% from FY2020 (Unchanged from the projection of April 2021).
- Demand should remain firm, against the backdrop of not only steady public works but also recovering private-sector construction.

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

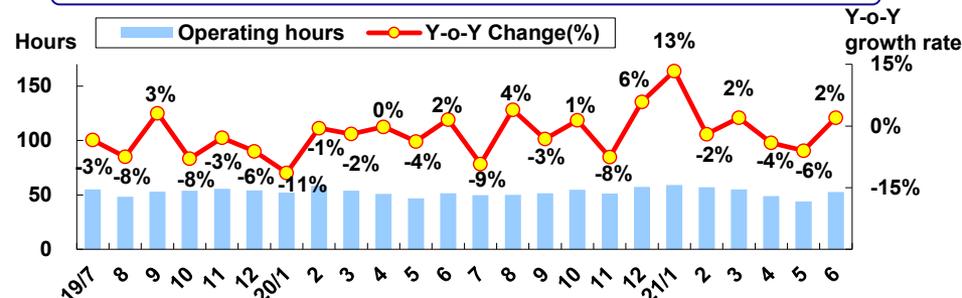


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products and No. of exported used equipment estimated by Komatsu

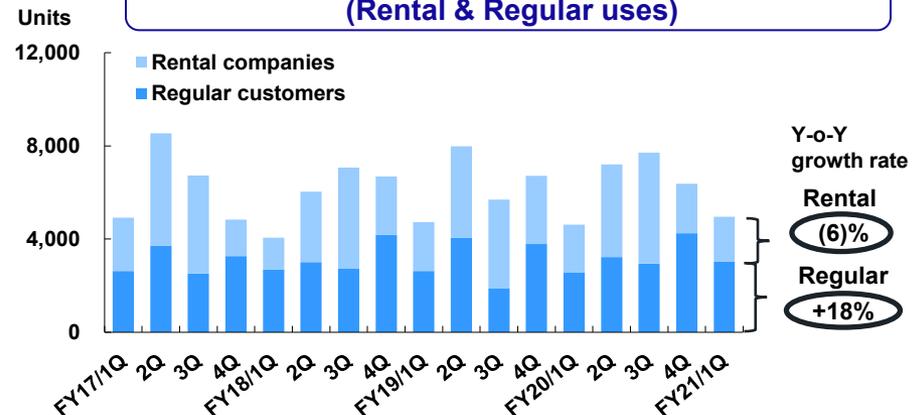
Quarterly demand for 7 major products



Komtrax in Japan: Average operating hours per month



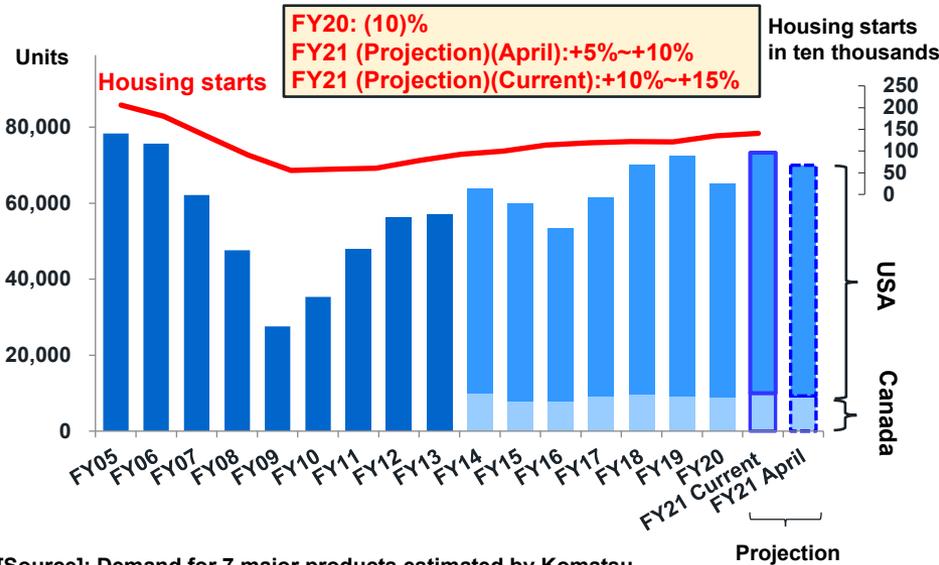
Quarterly demand for hydraulic excavators (Rental & Regular uses)



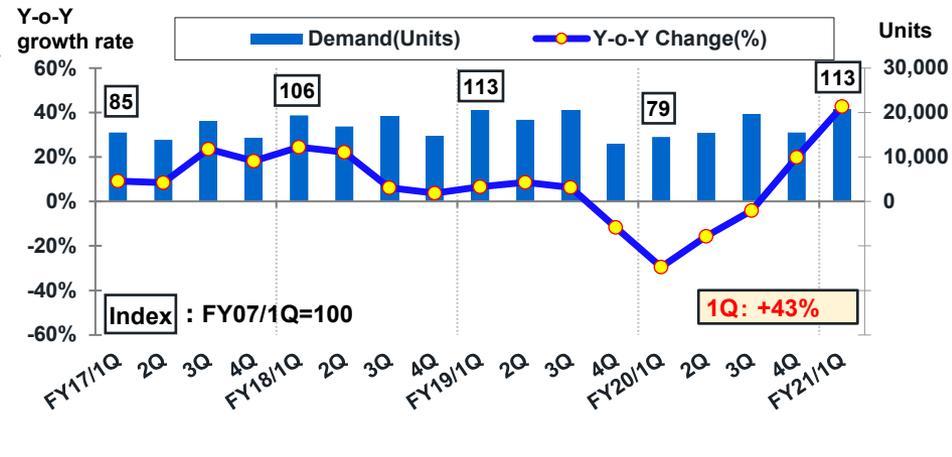
Construction, Mining & Utility Equipment : Demand in Major Markets (2) North America

- In 1Q FY2021, demand increased by 43% from the corresponding period a year ago.
- We have revised our prediction of FY2021 demand upward to +10% to +15% from FY2020.
- Demand should remain steady in residential and non-residential construction as well as road and traffic infrastructure. Demand for rental equipment is starting to recover.

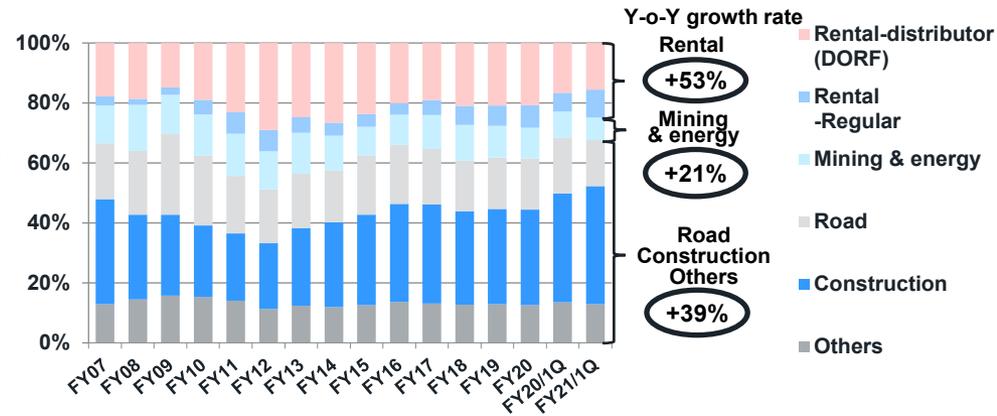
Demand for 7 major products and US housing starts



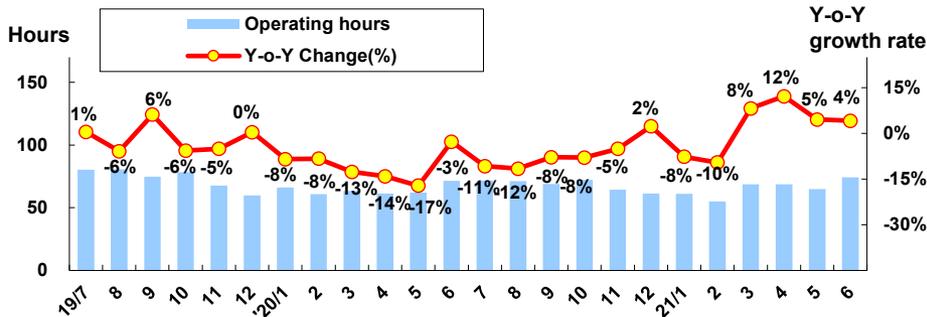
Quarterly demand for 7 major products



Breakdown of demand by segment (Unit basis)



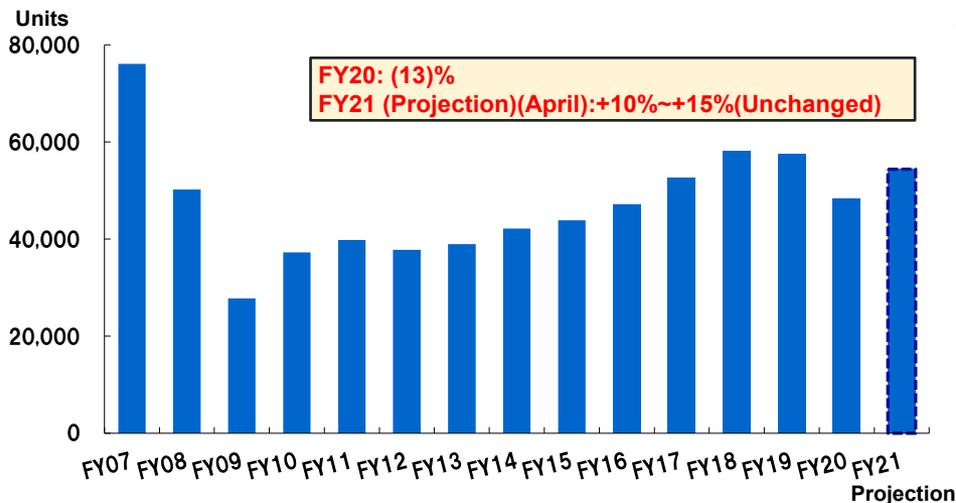
Komtrax in North America: Average operating hours per month



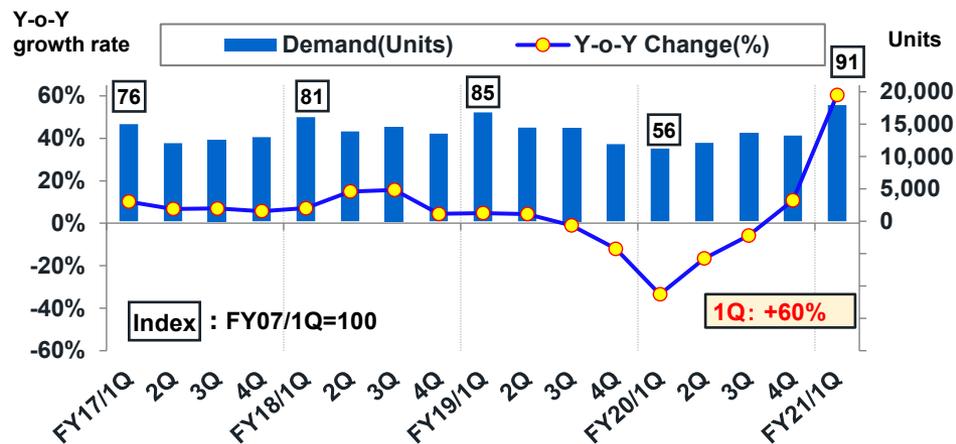
Construction, Mining & Utility Equipment : Demand in Major Markets (3) Europe

- In 1Q FY2021, demand increased by 60% from the corresponding period a year ago.
- In FY2021, demand will increase between 10% and 15% from FY2020 (Unchanged from the projection of April 2021).
- Demand should recover, centering on major markets, such as the United Kingdom, Germany, and France.

Annual demand for 7 major products

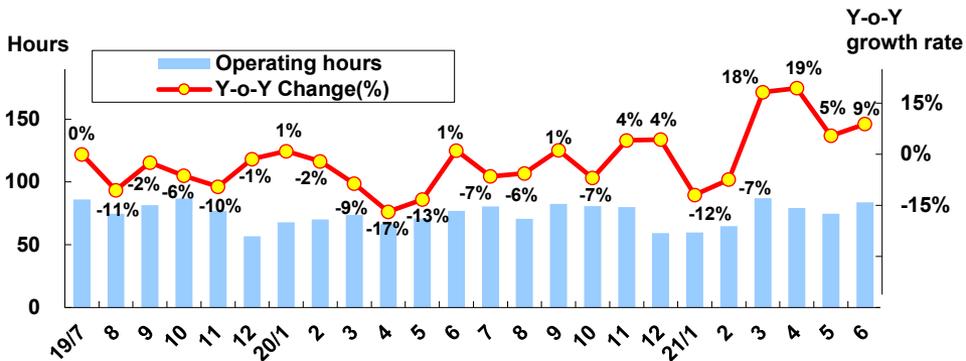


Quarterly demand for 7 major products

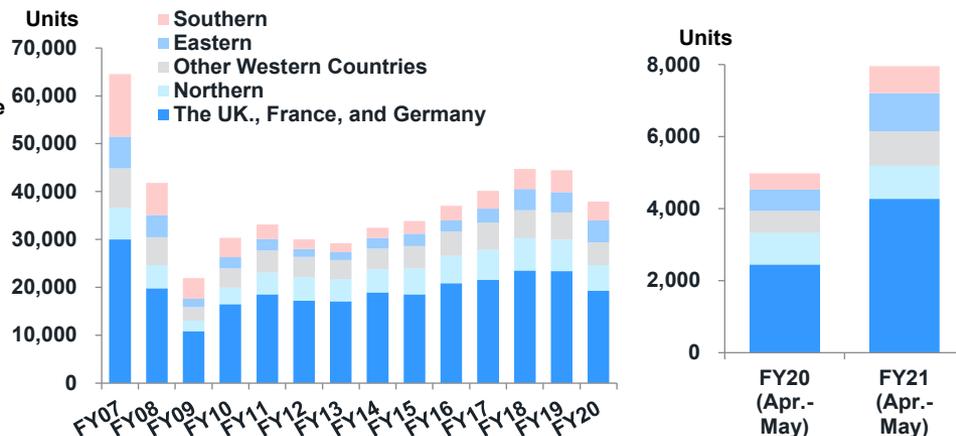


[Source]: Demand for 7 major products estimated by Komatsu

Komtrax in Europe: Average operating hours per month



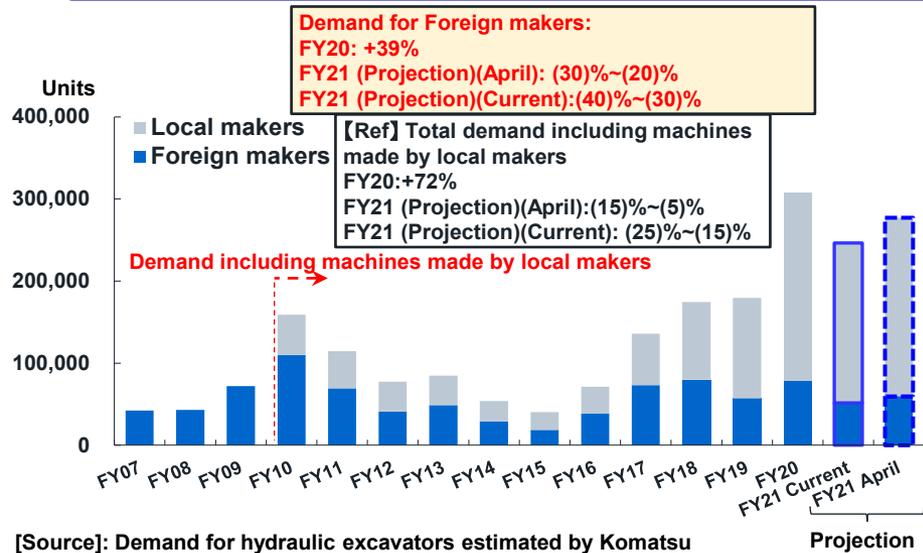
Region demand for 7 major products (Excl. 6t class)



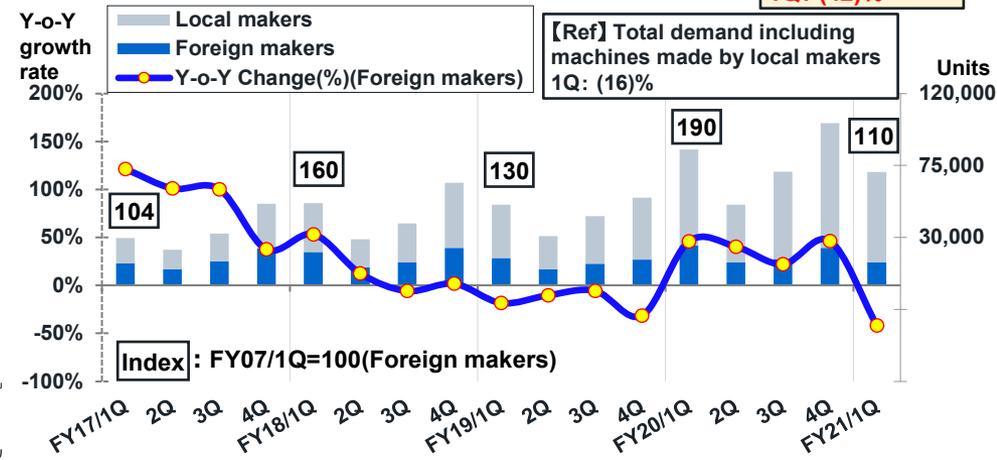
Construction, Mining & Utility Equipment : Demand in Major Markets (4) China

- In 1Q FY2021, demand decreased by 42% from the corresponding period a year ago.
- We have revised our projection of full-year demand downward to -40% to -30%.
- Demand should decline from FY2020, mainly because the post-Chinese New Year sales season will not be pushed back into FY2021 for an increase of demand, and infrastructure investment will slow down.

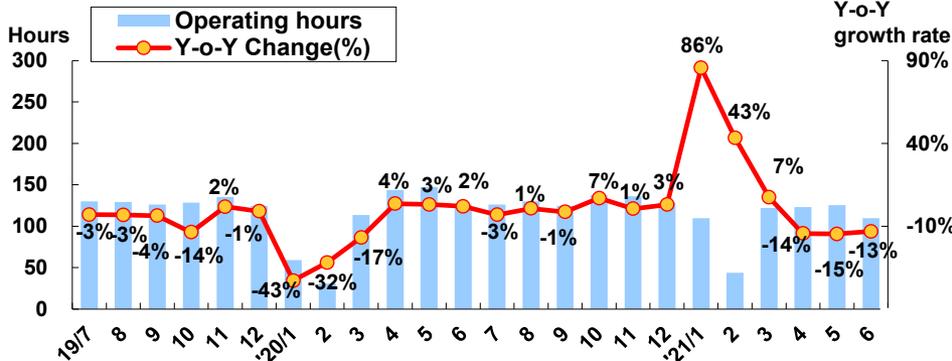
Annual demand for hydraulic excavators (Excl. mini shovels)



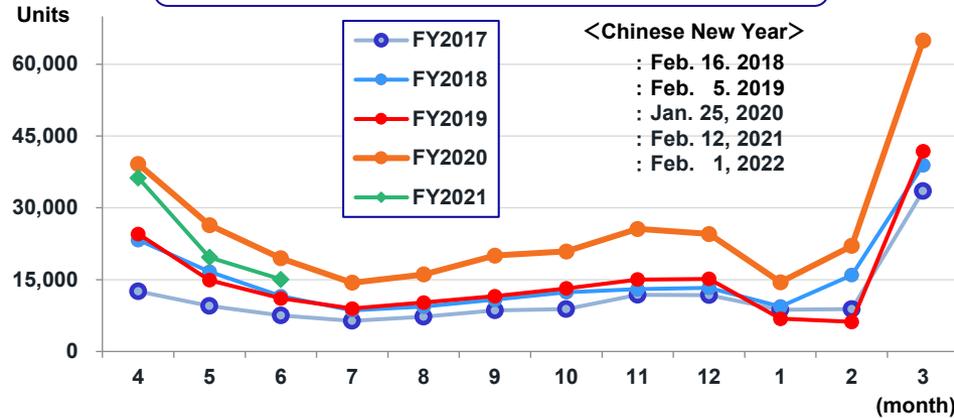
Quarterly demand for hydraulic excavators (Excl. mini shovels)



Komtrax in China : Average operating hours per month



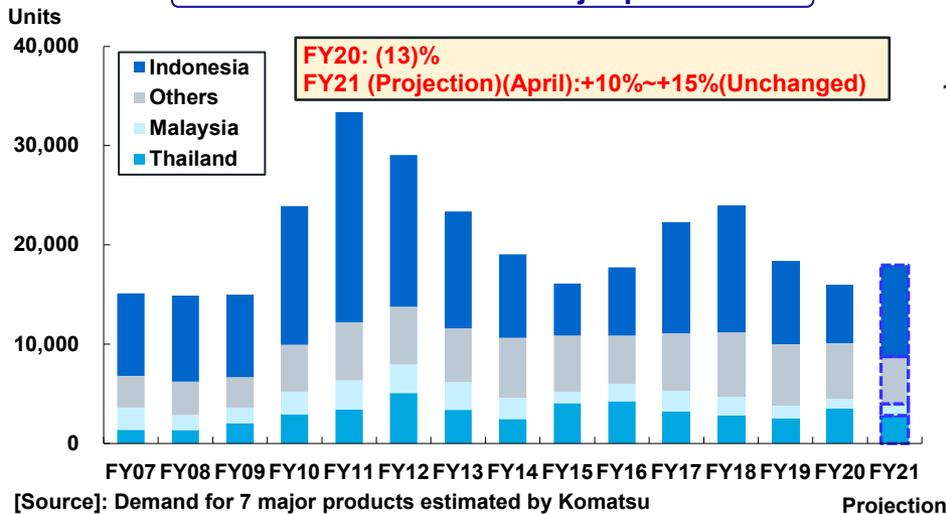
Monthly demand for hydraulic excavators : (Excl. mini shovels)



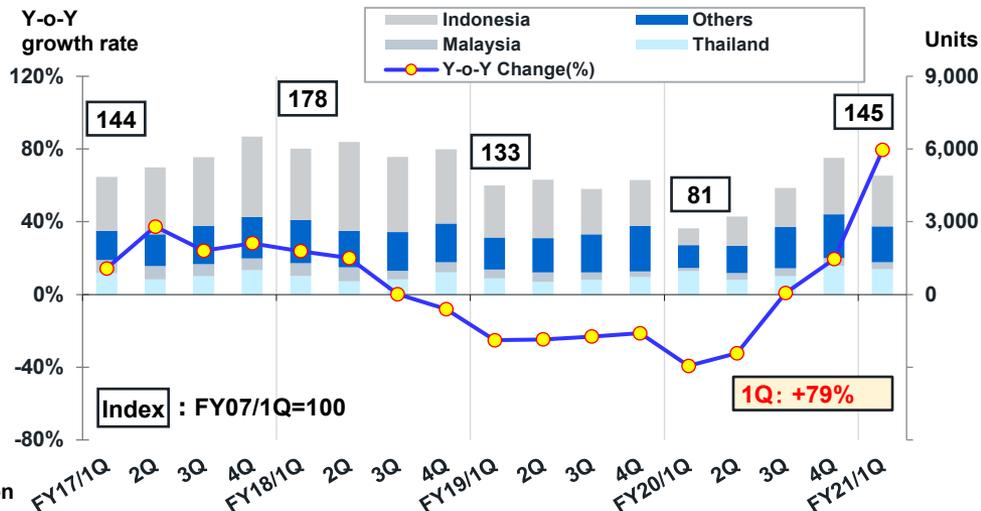
Construction, Mining & Utility Equipment : Demand in Major Markets (5) Southeast Asia

- In 1Q FY2021, demand increased by 79% from the corresponding period a year ago.
- In FY2021, demand will increase between 10% and 15% from FY2020 (Unchanged from the projection of April 2021).
- Demand will recover in many countries in the region, including the largest market of Indonesia.

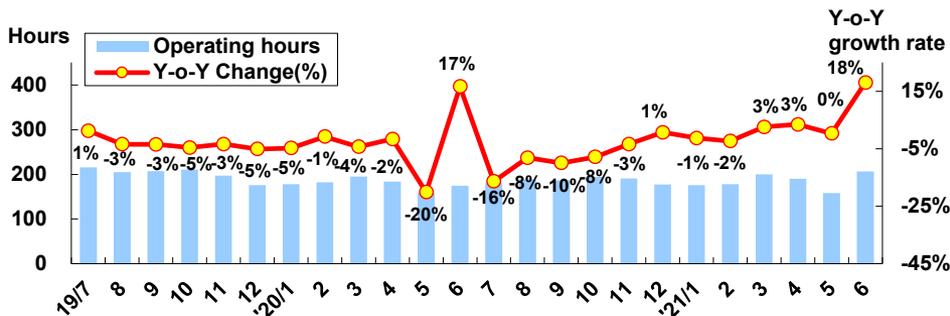
Annual demand for 7 major products



Quarterly demand for 7 major products



Komtrax in Indonesia: Average operating hours per month



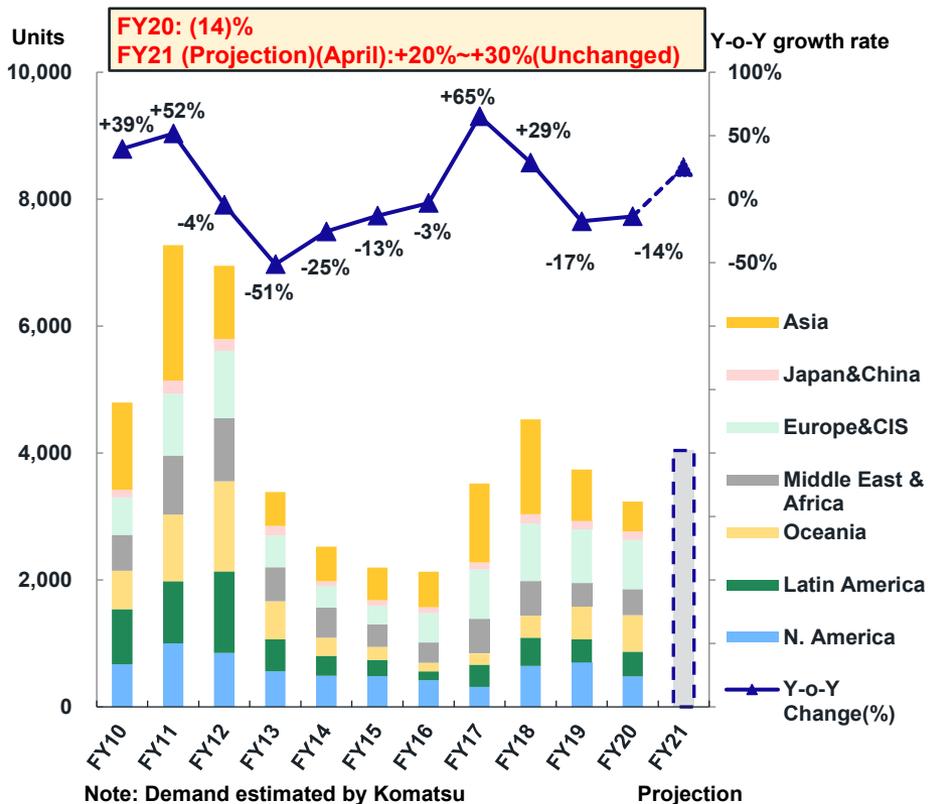
Indonesia: Demand for construction & mining equipment by industrial sector



Construction, Mining & Utility Equipment : Actual and Projected Demand for Mining Equipment

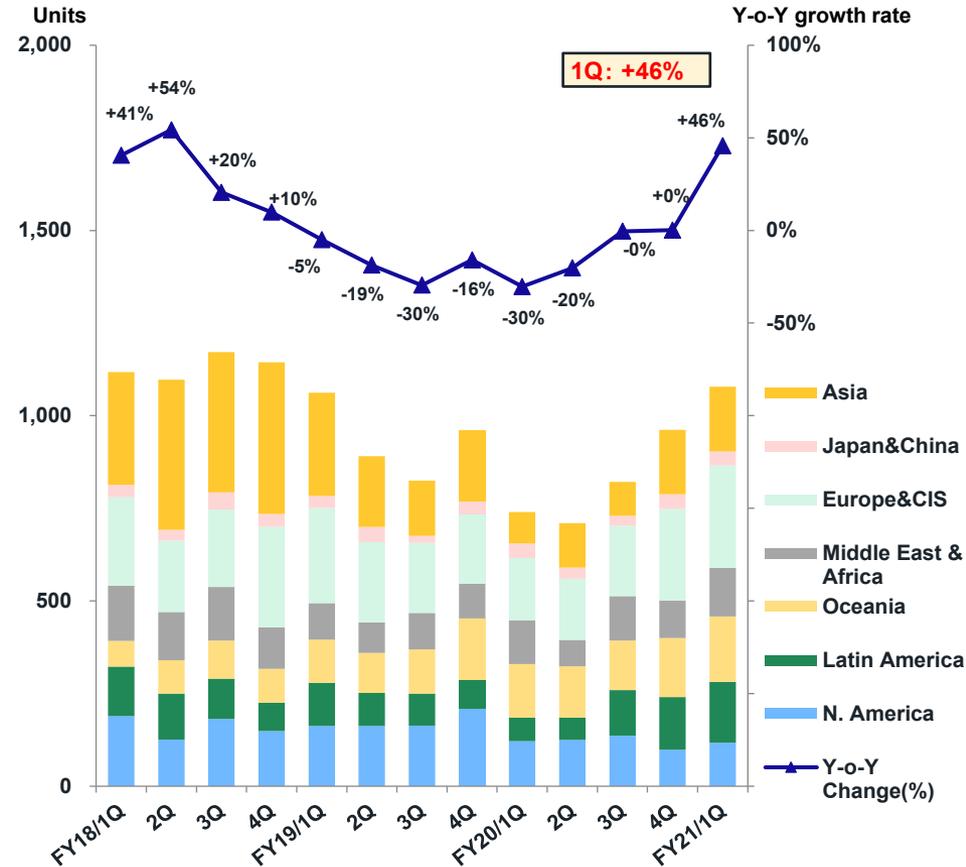
- In 1Q FY2021, global demand for mining equipment increased by 46% from the corresponding period a year ago.
- Demand will increase, centering on Oceania, Latin America, CIS, and Asia, and is projected for an increase of 20% to 30% (Unchanged from the projection of April 2021).

Annual demand for mining equipment



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

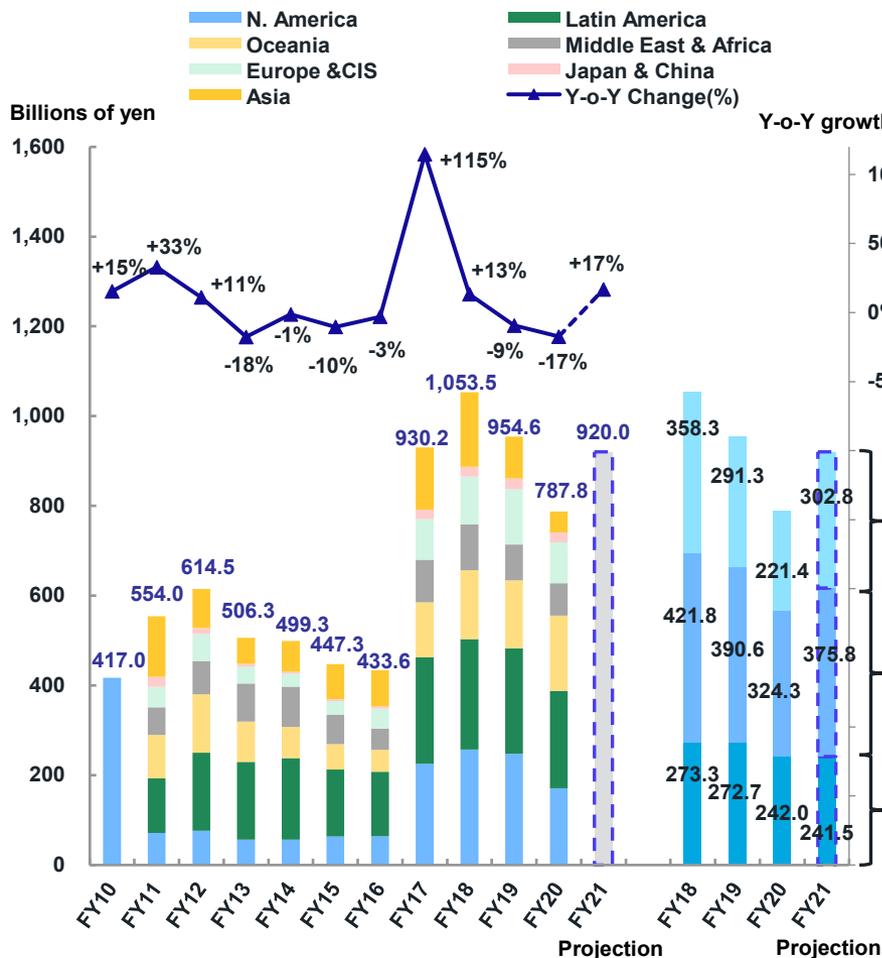
Quarterly demand for mining equipment



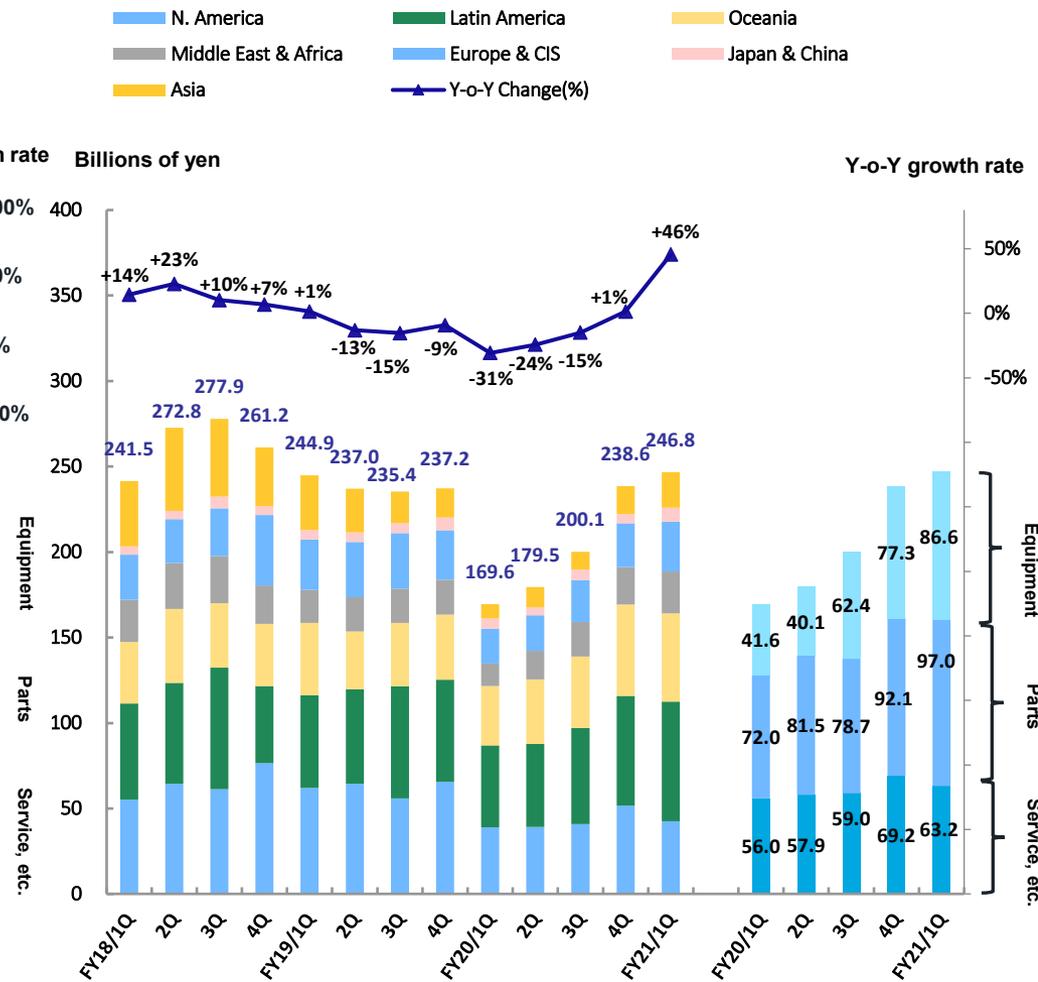
Construction, Mining & Utility Equipment : Sales of Mining Equipment

- In 1Q FY2021, sales increased by 46% from the corresponding period a year ago, to JPY246.8 billion.
- Demand should increase, centering on Oceania, Latin America, CIS, and Asia.

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



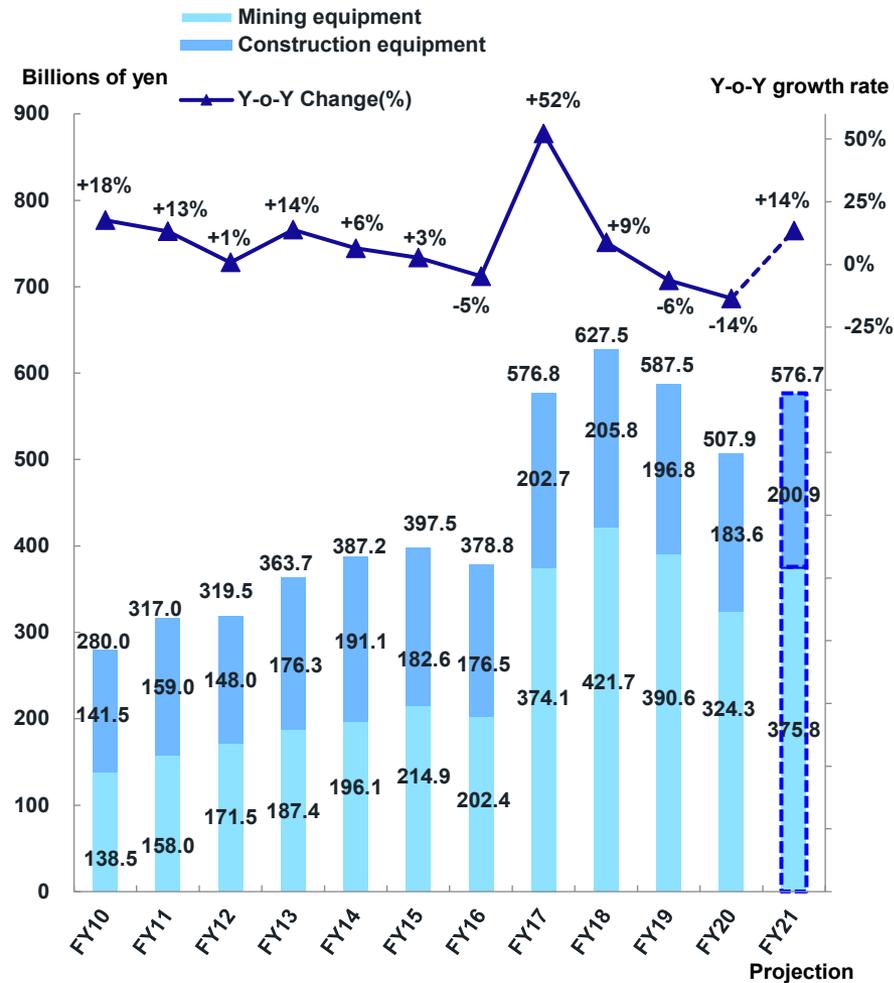
Quarterly sales of mining equipment (incl. parts and service)



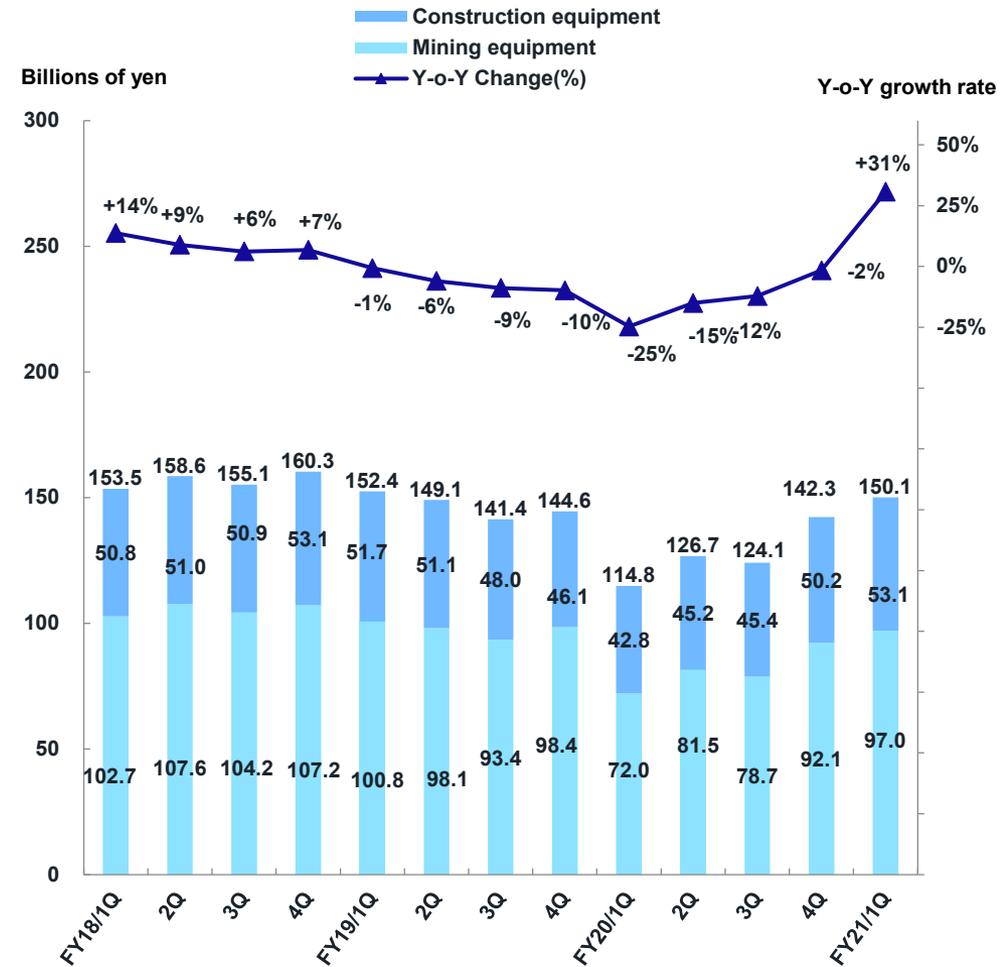
Construction, Mining & Utility Equipment : Sales of Parts

- For 1Q FY2021, sales of parts increased by 31% from the corresponding period a year ago, to JPY150.1 billion.
- Sales of parts for both construction and mining equipment will increase.

Annual sales of parts



Quarterly sales of parts

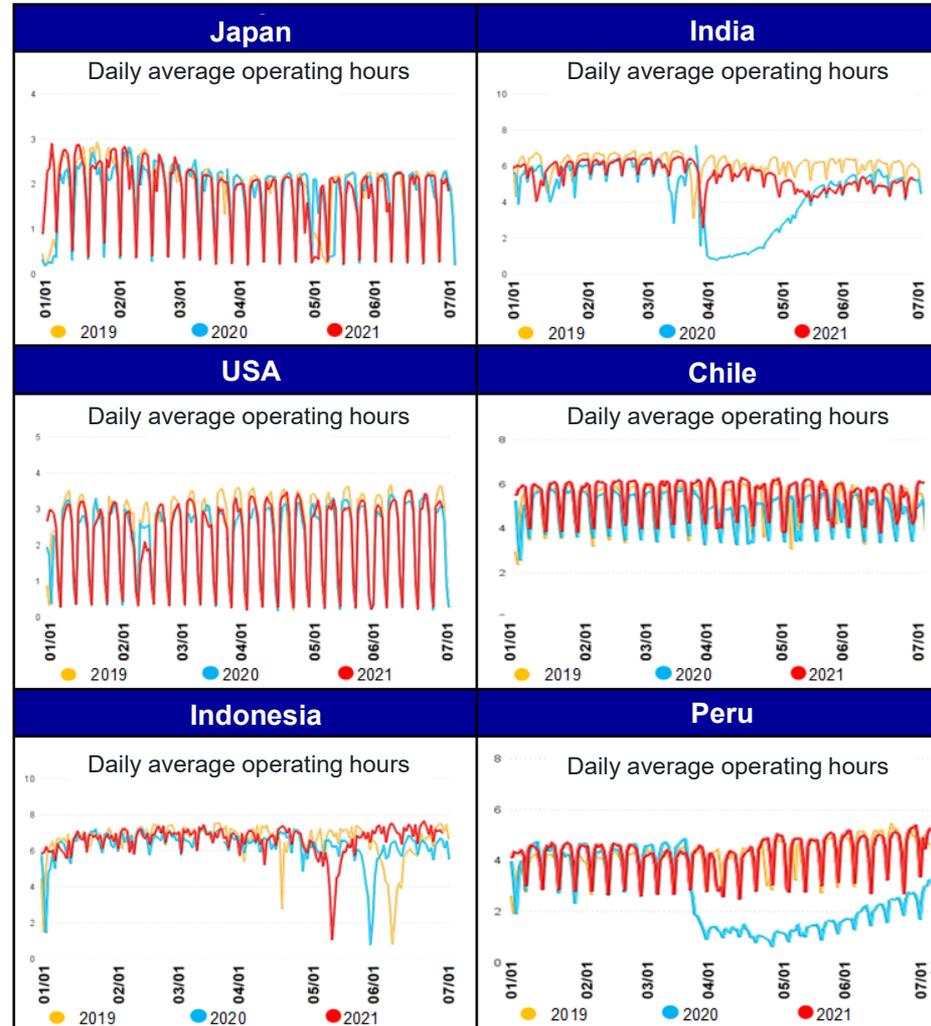
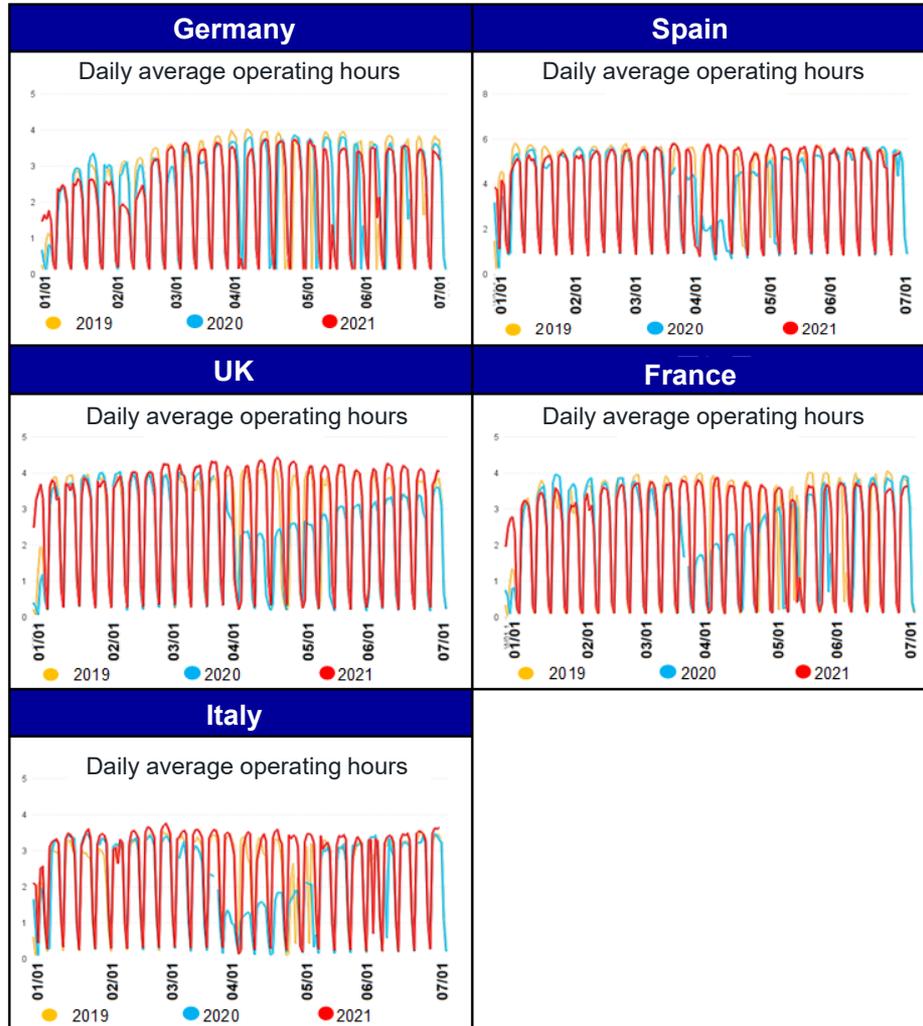


Appendix

<Appendix> Daily Komtrax data

Major European Countries

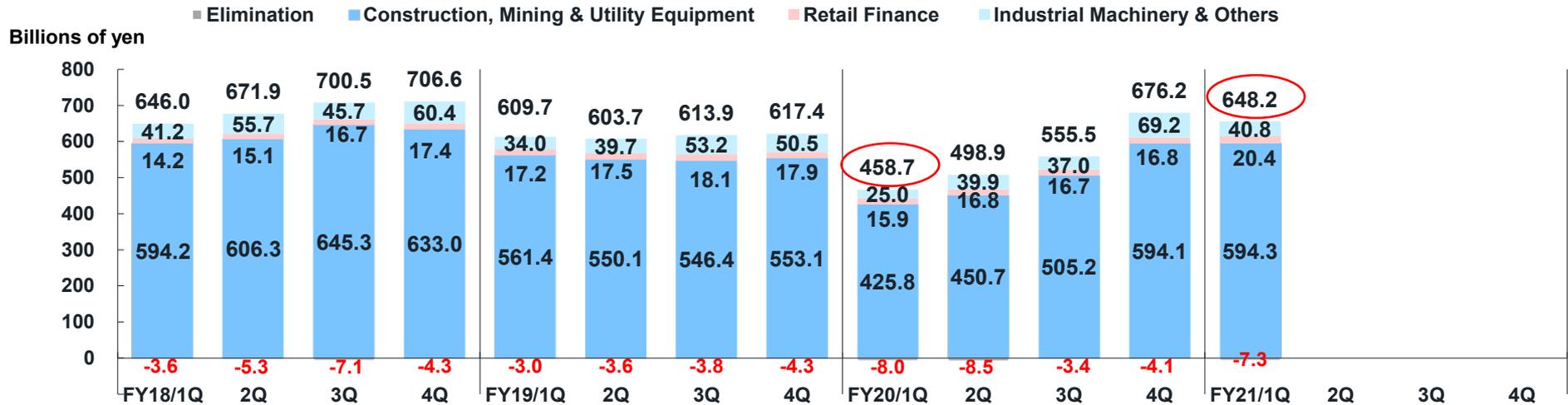
Other Regions



Daily average operating hours: Daily average hours of machine use per unit of Komtrax-installed Komatsu construction equipment .

<Appendix> Quarterly Sales and Operating Income

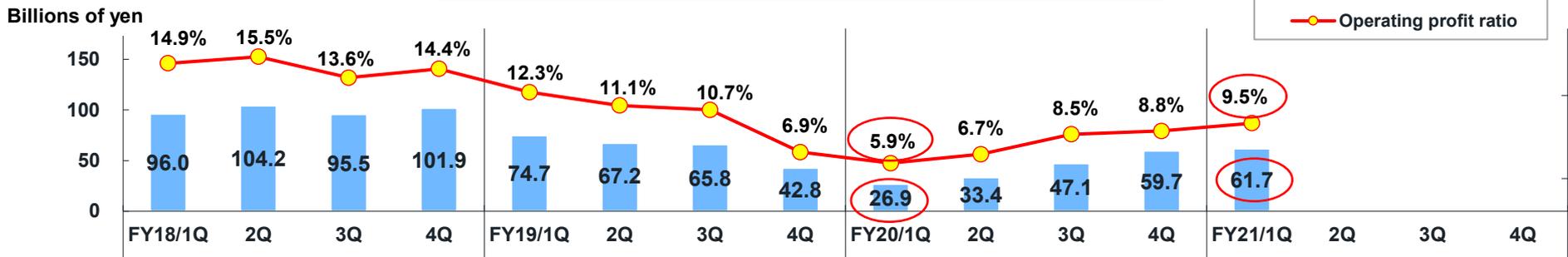
Quarterly operating income (Since FY2018)



Exchange rates

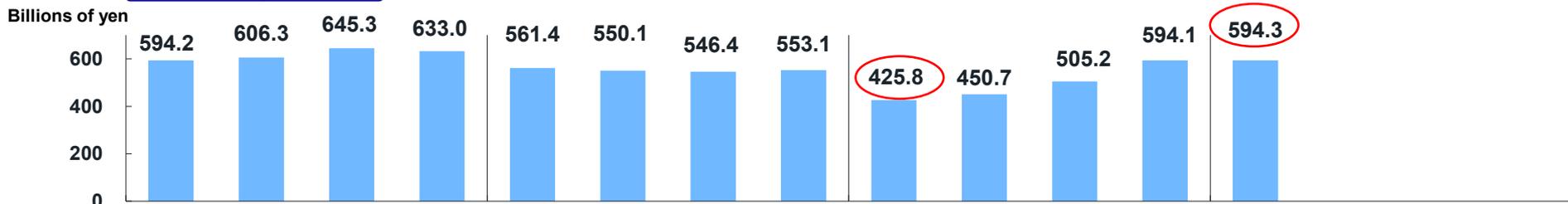
	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9			
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7			
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0			

Quarterly sales (Since FY2018)



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

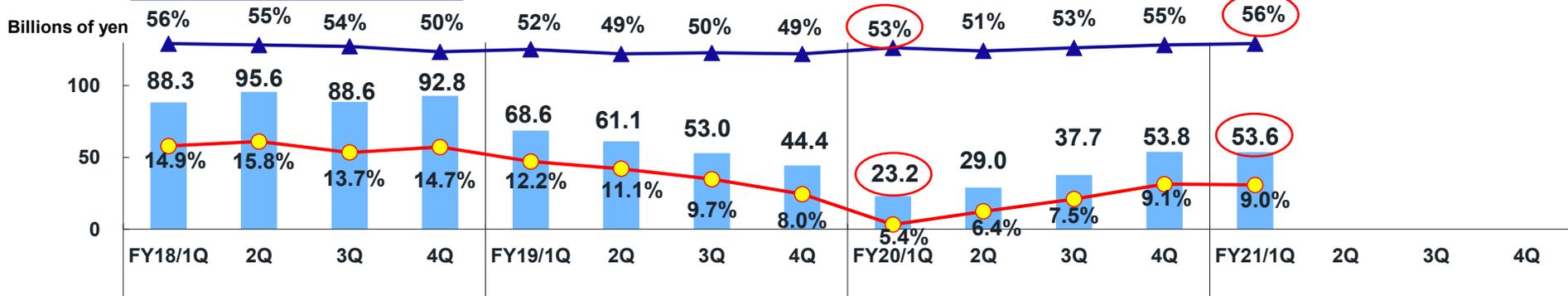
Quarterly Sales



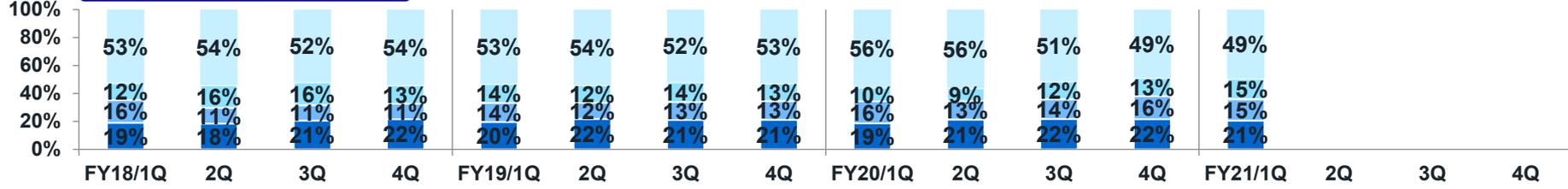
Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9			
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7			
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0			

Quarterly segment profit

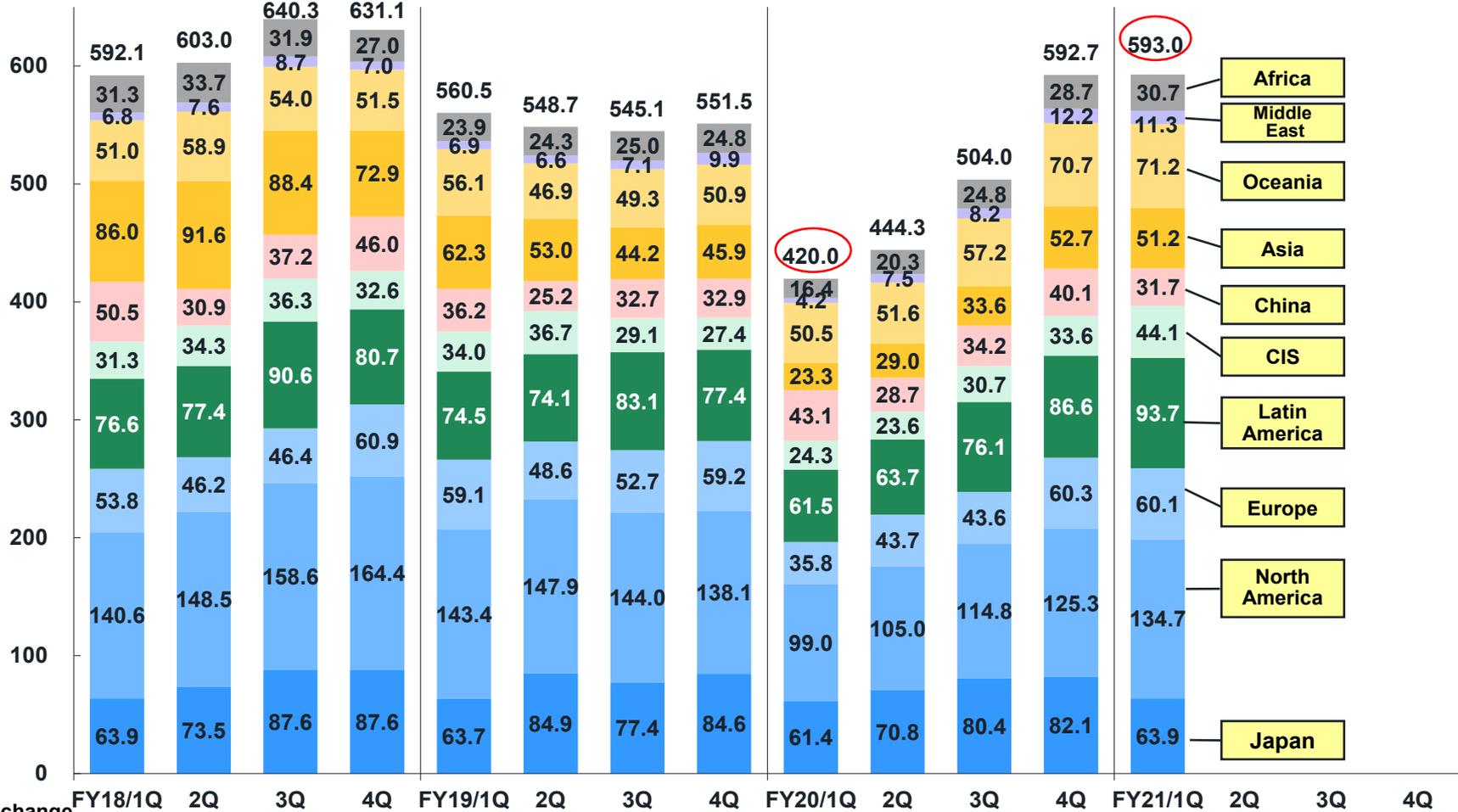


Breakdown of sales (%)



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

Billions of yen



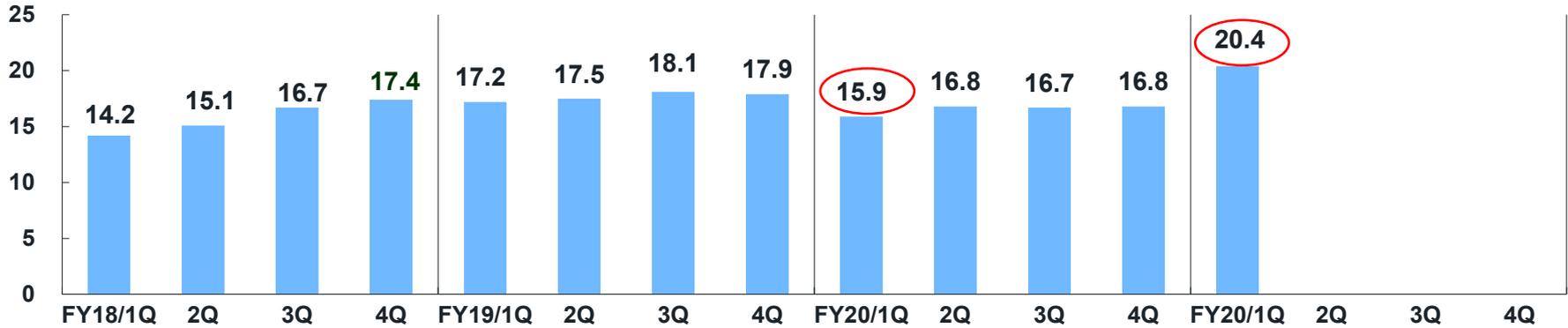
Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9			
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7			
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0			

<Appendix> Retail Finance: Quarterly Sales and Segment Profit

Billions of yen

Quarterly Sales

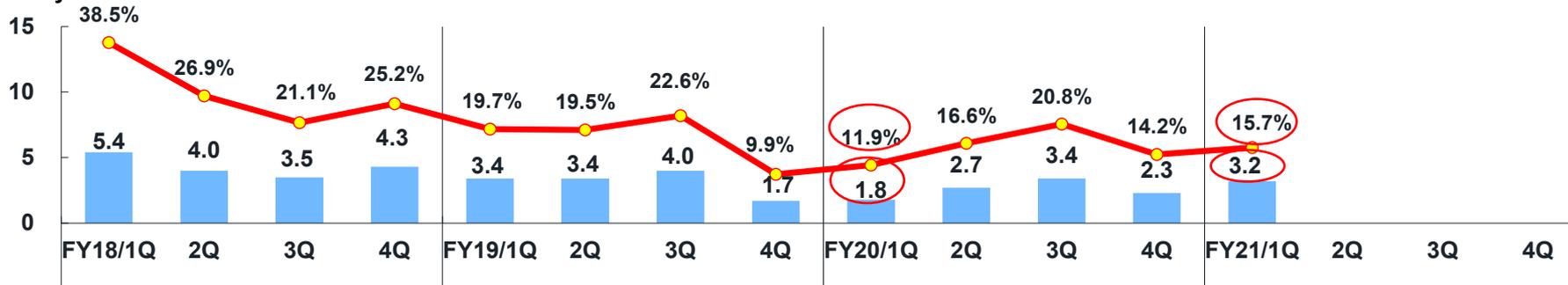


Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9			
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7			
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0			

Quarterly segment profit

Billions of yen



<Appendix> Industrial Machinery & Others: Quarterly Sales and Segment Profit

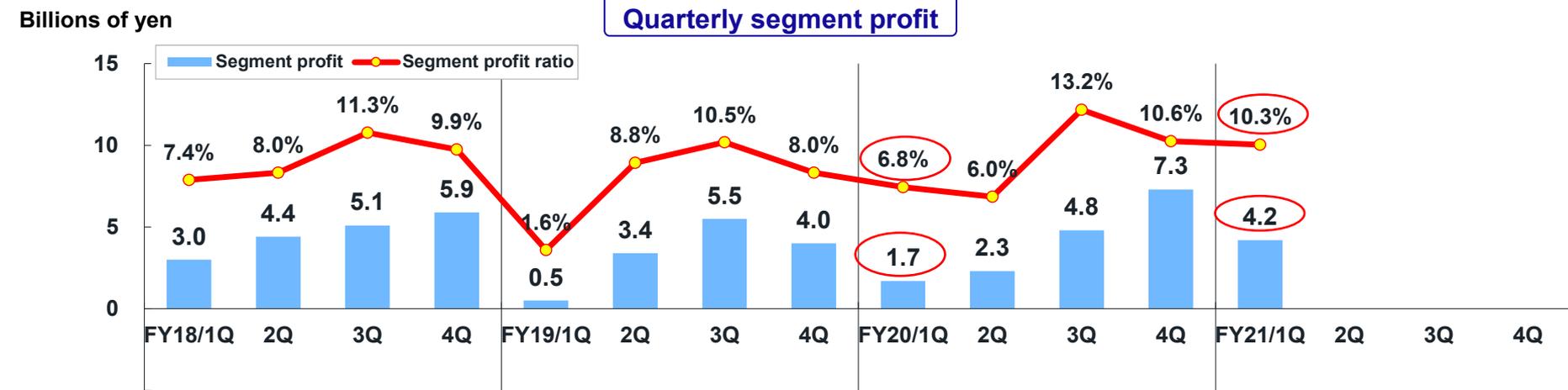
Quarterly Sales



Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9			
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7			
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0			

Quarterly segment profit

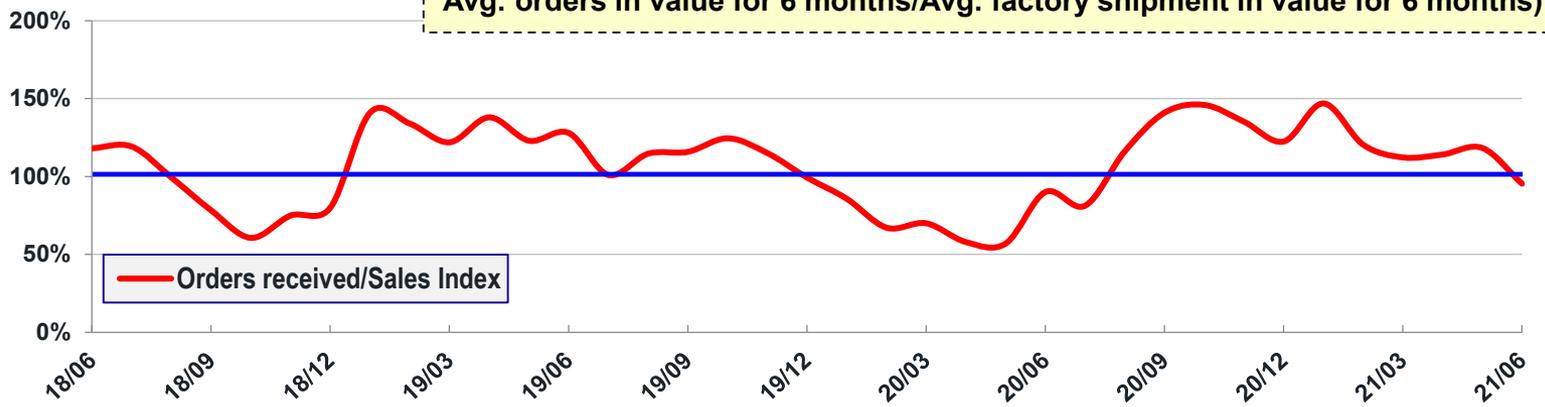


<Appendix> Book-to-Bill Ratio for Mining Equipment (6 Months)

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

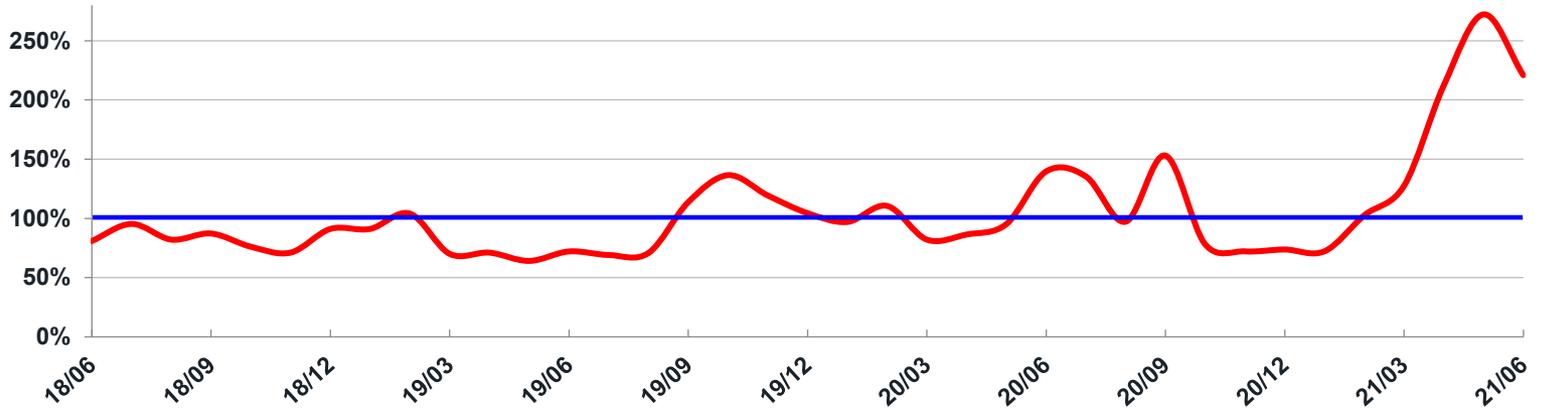
**Komatsu America
(Mining eqpt)**

730E, 830E, 860E
930E, 960E, 980E



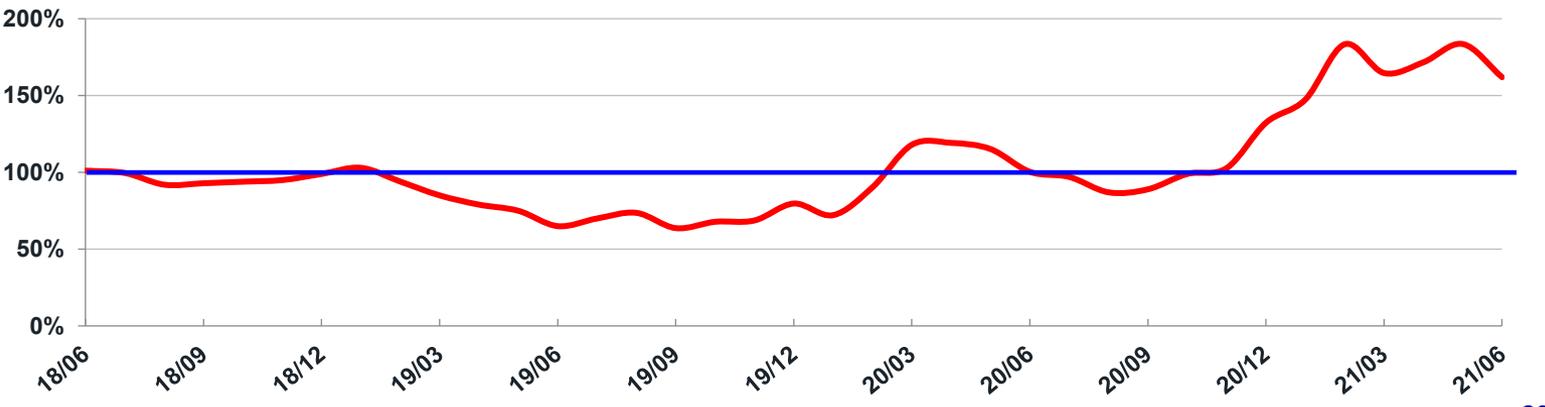
**Komatsu Germany
(Mining eqpt)**

PC3000, PC4000
PC5500, PC7000
PC8000



**Komatsu Ltd.
(Mining eqpt)**

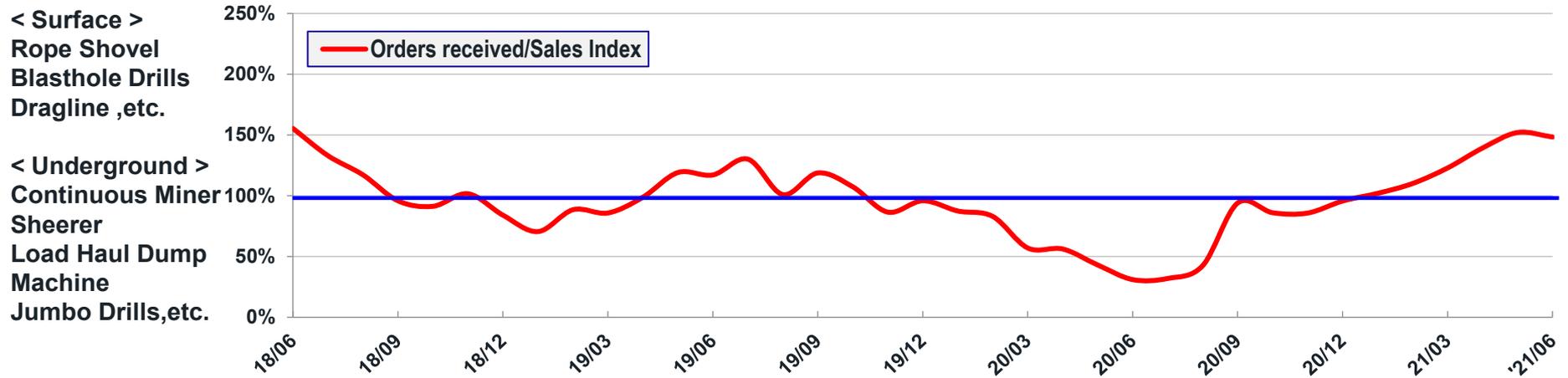
HD785, HD1500
PC2000, PC3000
PC4000
WA800 up
D375A up
GD825A up



<Appendix> Book-to-Bill Ratio for KMC Mining Equipment (6 Months)

**KMC
(Mining eqpt)**

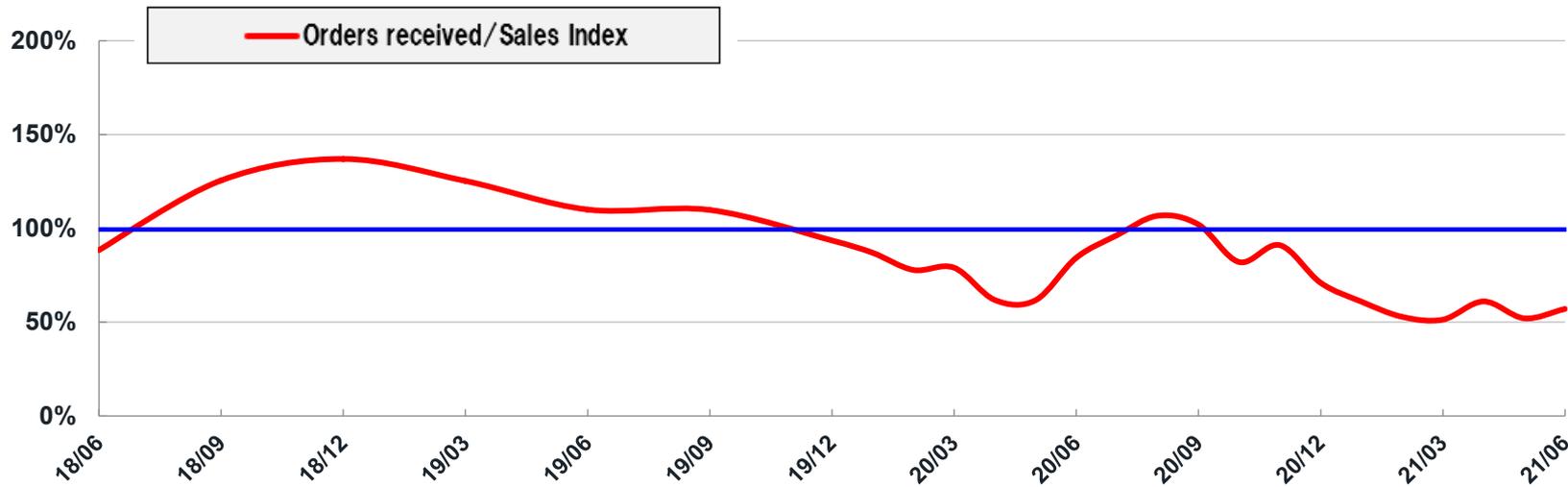
Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months



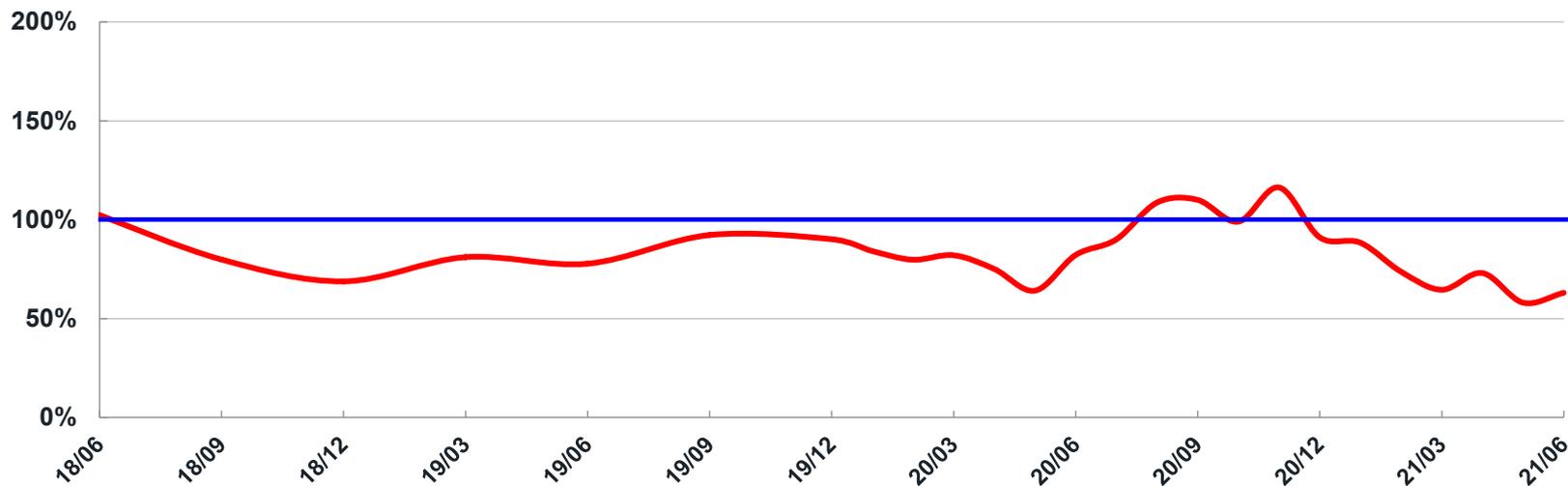
<Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries

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



Komatsu NTC



Electrification Strategy

Announced a fully electric mini excavator powered by lithium-ion battery and with no operator on board as our next concept machine.

(News release of May 13, 2021)



Honda Mobile Power Pack

Began market introduction of the PC78USE-11 hydraulic excavator in Japan, which can be plugged into a power outlet.

(News release of July 20, 2021)



Concept machine for fully electric and remotely controllable mini excavators

Komatsu and Honda will start joint development to electrify the PC01 micro shovel which uses the swappable Honda Mobile Power Pack.

(News release of June 10, 2021)



The PC78USE-11 features eco friendliness with no emissions and many hours of continuous operation

Sales of the CE series PC200-10M0 Hydraulic Excavator for Use in Southeast Asia to Start in July

- We will launch this model, starting in Indonesia and Thailand, under the 2-model line strategy in Southeast Asia, in which we also market the PC210-10M0 standard model.
- While inheriting the quality and durability of the conventional models, we have achieved better fuel economy and a lower price by optimizing its specs, exclusively for urban civil engineering work, including the use of four-cylinder engines.

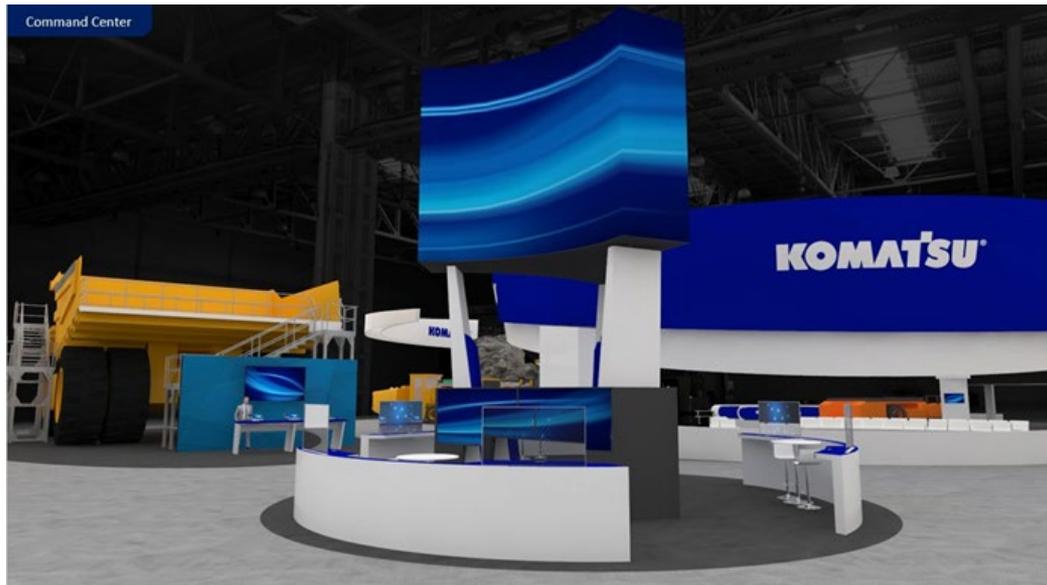
(News release of July 26, 2021)



Our Exhibition at the MINExpo in Las Vegas from September 13 to 15, 2021

- We plan to present our solutions of automation, autonomy, electrification, and remote control of mining equipment, as represented, for example, by super-large “power agnostic” mining dump trucks, and collaborative work between super-large hydraulic excavators in remote controlled and unmanned dump trucks.

(News release of July 21, 2021)



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.

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