



Business Results for FY2022

(April 1, 2022 – March 31, 2023)

Komatsu Ltd. Participants

Hiroyuki Ogawa

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Representative Director**

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**Director and Senior Executive Officer and CFO
Executive Officer and General Manager,
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April 28, 2023

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I . Business Results for FY2022

Highlights of Business Results for FY2022

- Consolidated net sales advanced by 26.4% from FY2021, to JPY3,543.5 billion.
- Operating profit expanded sharply by 54.8% to JPY490.7 billion. Operating profit ratio was 13.8%, up 2.5 points.
- Net income attributable to Komatsu Ltd. expanded by 45.1% to JPY326.4 billion.

Billions of yen	FY2021 Results (A) ¥112.1/USD ¥130.4/EUR ¥82.7/AUD	FY2022 Results (B) ¥134.8/USD ¥140.3/EUR ¥92.5/AUD	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,802.3	3,543.5	+741.2	+26.4%
Segment profit	315.5	493.5	+178.0	+56.4%
Other operating income (Expenses)	1.5	(2.8)	(4.3)	-
Operating profit	317.0	490.7	+173.7	+54.8%
Profit ratio	11.3%	13.8%	+2.5pts.	-
Other income (Expenses)	7.6	(14.3)	(21.8)	-
Income before income taxes	324.6	476.4	+151.9	+46.8%
Net income attributable to Komatsu Ltd.	224.9	326.4	+101.5	+45.1%
ROE	10.9%	13.7%	+2.8pts.	
Net D/E ratio	0.28	0.30	+0.02pts.	
Cash dividends per share	96Yen	139Yen	+43Yen	
Consolidated payout ratio	40.3%	40.3%		

Segment Sales and Profits for FY2022

- **Construction, Mining & Utility Equipment:** Sales advanced by 28.6% from FY2021, to JPY3,296.6 billion. Segment profit expanded sharply by 60.9% to JPY443.6 billion. Segment profit ratio improved to 13.5%, up 2.7 points.
- **Retail Finance:** Revenues increased by 19.2% from FY2021, to JPY85.6 billion. Segment profit climbed by 58.5% to JPY27.3 billion.
- **Industrial Machinery & Others:** Sales increased by 1.4% from FY2021, to JPY190.9 billion. Segment profit remained flat from FY2021, totaling JPY22.6 billion.

Billions of yen	FY2021 Results (A)	FY2022 Results (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,802.3	3,543.5	+741.2	+26.4%
Construction, Mining & Utility Equipment	2,564.4 [2,558.9]	3,296.6 [3,286.7]	+732.2 [+727.9]	+28.6% [+28.4%]
Retail Finance	71.9 [57.8]	85.6 [67.8]	+13.8 [+10.0]	+19.2% [+17.3%]
Industrial Machinery & Others	188.4 [185.7]	190.9 [188.9]	+2.6 [+3.3]	+1.4% [+1.8%]
Elimination	(22.3)	(29.7)	(7.4)	-
Segment profit	11.3% 315.5	13.9% 493.5	+2.6pts. +178.0	+56.4%
Construction, Mining & Utility Equipment	10.8% 275.8	13.5% 443.6	+2.7pts. +167.8	+60.9%
Retail Finance	23.9% 17.2	31.8% 27.3	+7.9pts. +10.1	+58.5%
Industrial Machinery & Others	12.0% 22.6	11.8% 22.6	(0.2)pts. (0.0)	(0.0)%
Corporate & elimination	(0.0)	0.1	+0.1	-

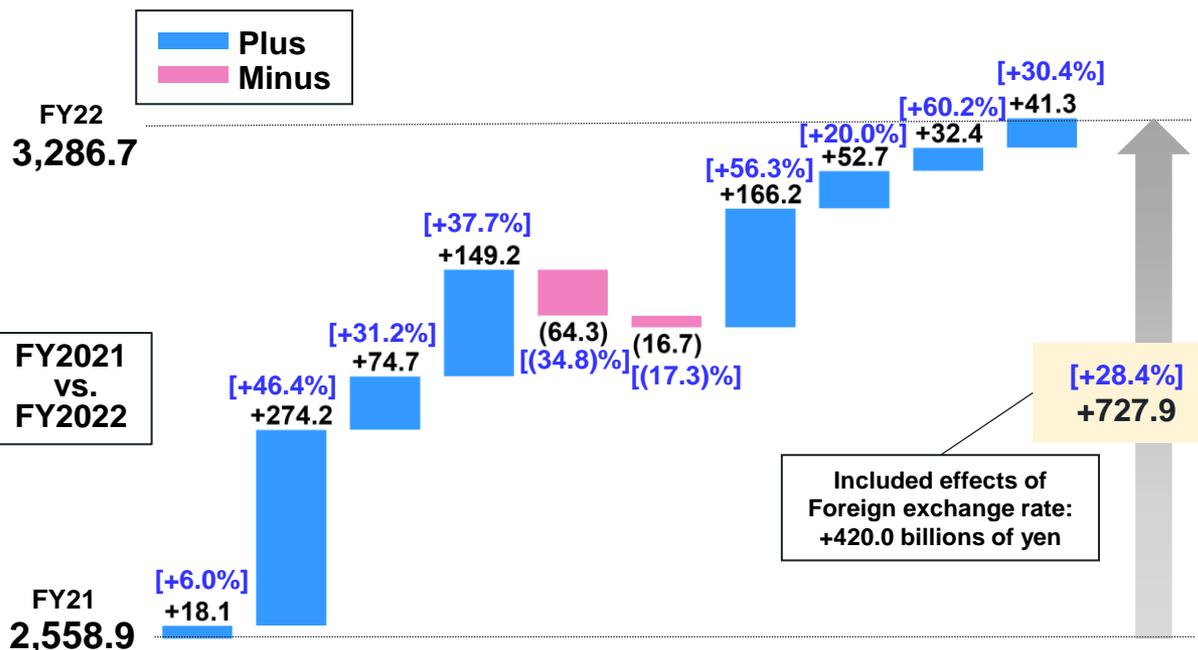
Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Both sales and segment profit increased, mainly supported by the positive effects of foreign exchange rates, increased volume of sales and improved selling prices.
- **Retail Finance:** Revenues increased, mainly supported by an increase in new contracts and the positive impact of foreign exchange rates. Segment profit increased, mainly due to decreased allowance for doubtful accounts and the positive impact of foreign exchange rates.
- **Industrial Machinery & Others:** Concerning the business with the automobile manufacturing industry, sales decreased mainly due to reduced sales of large presses. Segment profit remained flat from FY2021. With respect to the business with the semiconductor manufacturing industry, sales increased, supported by excellent sales of the Excimer laser-related business. Segment profit remained flat from FY2021 due to increased costs.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for FY2022

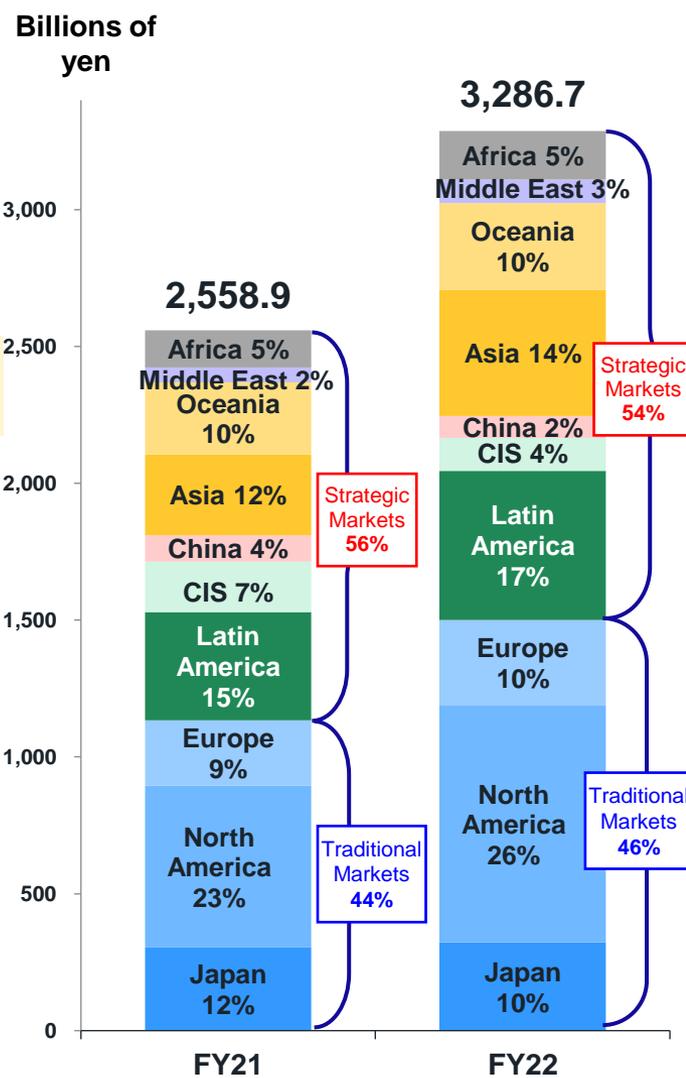
- Sales to outside customers advanced by 28.4% from FY2021, to JPY3,286.7 billion.
- Sales improved in all regions, except for CIS and China. Sales expanded sharply in North America, Asia and Latin America.
- Sales in Traditional Markets accounted for 46% of total sales, and those in Strategic Markets, 54%.



Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2021(a)	303.6	590.7	239.3	395.9	184.5	96.4	295.4	263.4	53.9	135.7	2,558.9
FY2022(b)	321.7	864.9	314.0	545.1	120.2	79.7	461.6	316.2	86.3	177.0	3,286.7
Change (b-a)	+18.1	+274.2	+74.7	+149.2	(64.3)	(16.7)	+166.2	+52.7	+32.4	+41.3	+727.9

Traditional Markets
Strategic Markets

※ Region where sales increased, when foreign exchange effects were excluded.

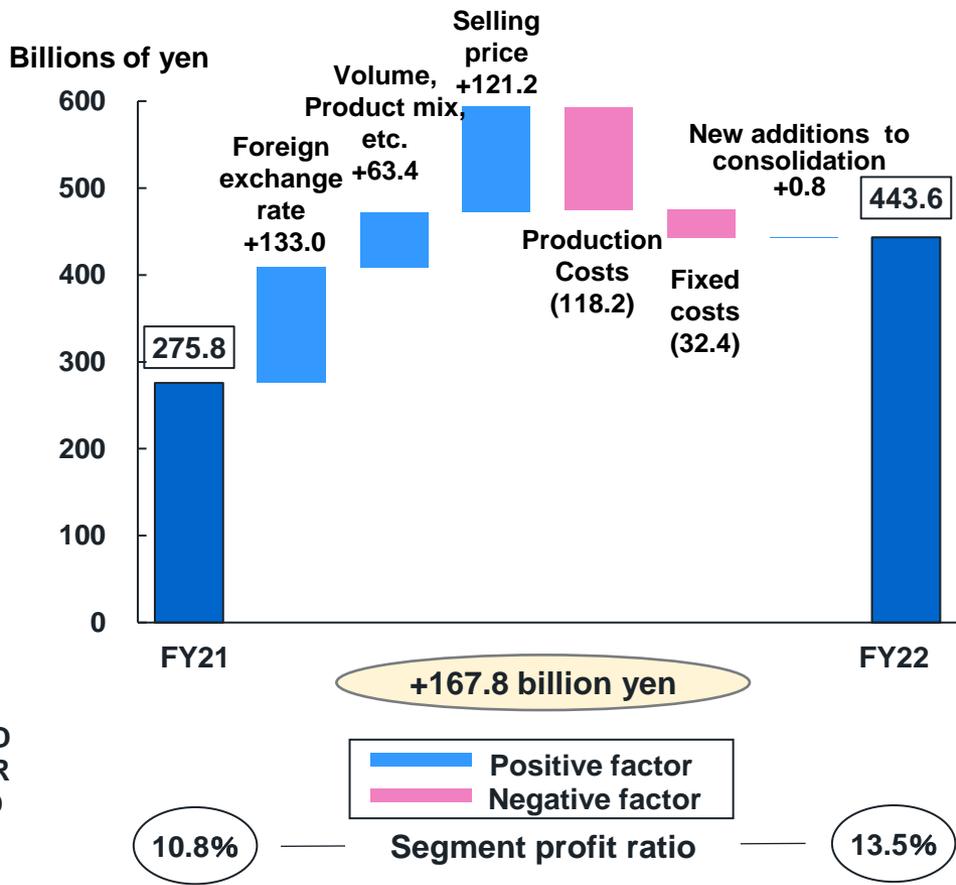
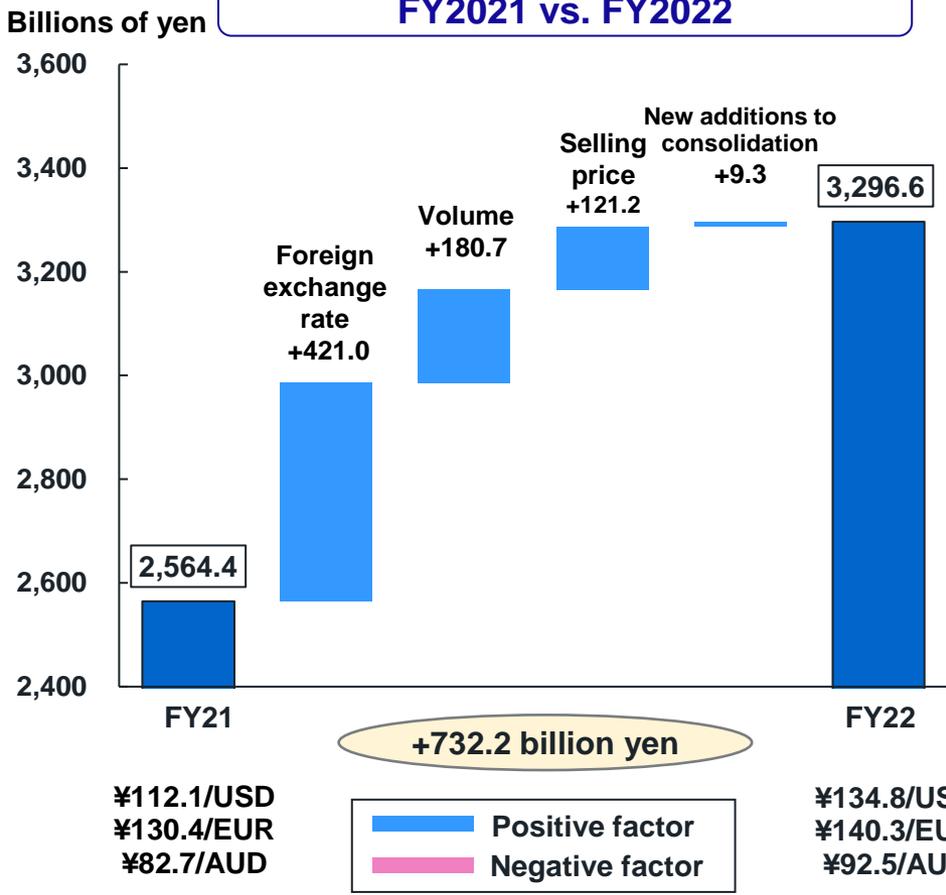


Construction, Mining & Utility Equipment : Causes of Difference in Sales and Segment Profit for FY2022

- Sales increased by JPY732.2 billion from FY2021, mainly supported by positive effects of foreign exchange rates, increased volume of sales and improved selling prices.
- Segment profit expanded by JPY167.8 billion from FY2021, reflecting positive effects of foreign exchange rates and improved selling prices.
- Segment profit ratio was 13.5%, up 2.7 points from FY2021.

Sales
FY2021 vs. FY2022

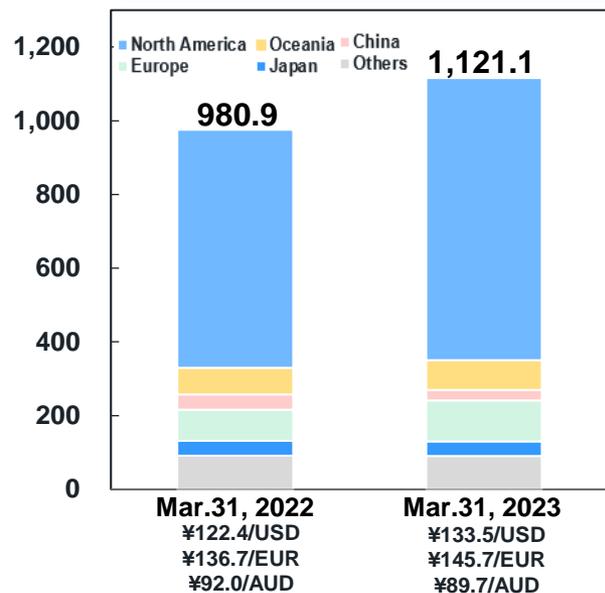
Segment profit
FY2021 vs. FY2022



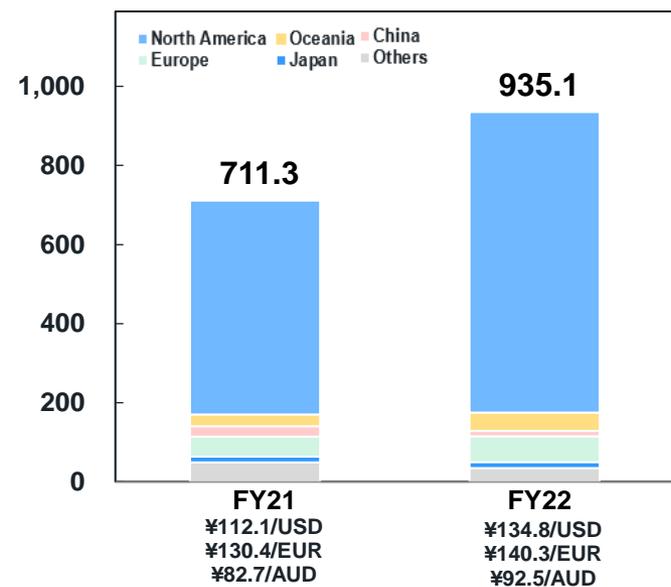
Retail Finance : Results for FY2022

- Assets increased by JPY140.2 billion from the previous fiscal year-end, as mainly affected by foreign exchange rates and an increase of new contracts.
- New contracts increased by JPY223.8 billion from FY2021, supported by foreign exchange rates and an increase of sales in the Construction, Mining and Utility Equipment business.
- Revenues increased by JPY13.8 billion, due to an increase in new contracts and positive effects of foreign exchange rates, when there were no more gains on resale of post-lease equipment as used equipment recorded for the previous fiscal year.
- Segment profit increased by JPY10.1 billion from FY2021, mainly due to decreased allowance for doubtful accounts and positive effects of foreign exchange rates.

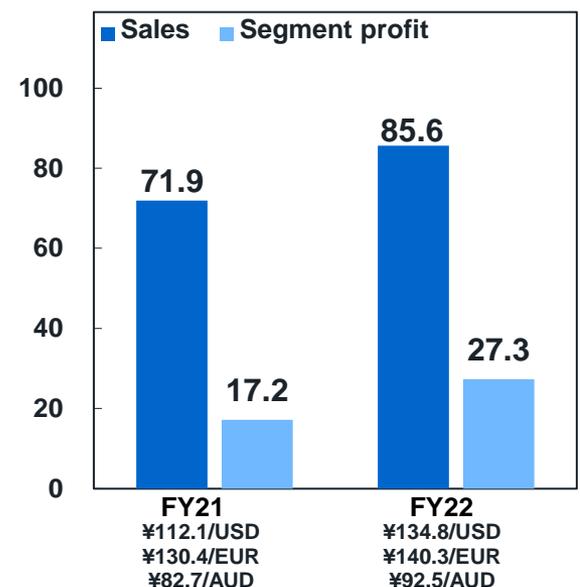
Billions of yen
Assets
Mar.31, 2022 vs. Mar.31, 2023



Billions of yen
New Contracts
FY2021 vs. FY2022



Billions of yen
Revenues
FY2021 vs. FY2022



Billions of yen	2022/3E	2023/3E	Changes
Interest-bearing debt	734.2	856.9	+122.7
Interest-bearing debt, net	731.5	845.3	+113.8
Net D/E ratio	3.51	3.77	+0.26pts.

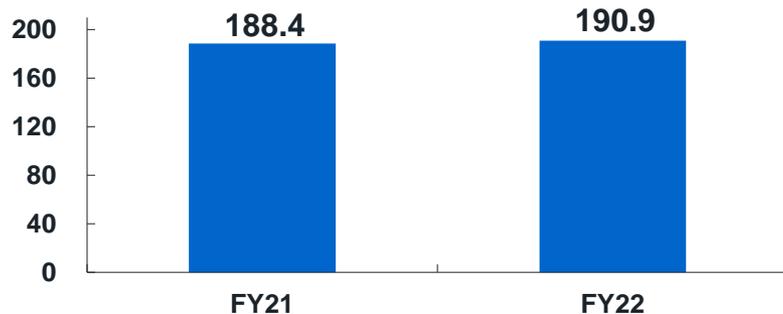
	FY2021	FY2022	Changes
ROA	1.8%	2.6%	+0.8pts.

Industrial Machinery & Others : Segment Sales and Profits for FY2022

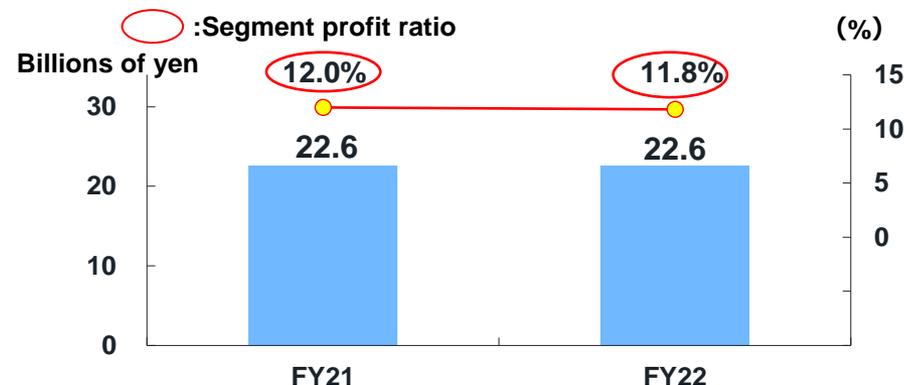
- Sales increased by 1.4% from FY2021, to JPY190.9 billion. Segment profit remained flat from FY2021, to JPY22.6 billion.
- In the business with the automobile manufacturing industry, sales decreased mainly due to reduced sales of large presses. Segment profit remained flat from FY2021. In the business with the semiconductor manufacturing industry, sales increased, supported by excellent sales of the Excimer laser-related business. Segment profit remained flat from FY2021 due to increased costs.
- Segment profit ratio was 11.8%.

Sales
FY2021 vs. FY2022

Billions of yen



Segment profit
FY2021 vs. FY2022



Breakdown of sales

Billions of yen	FY2021	FY2022	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	52.6	42.6	(10.0)	(19.1)%
Komatsu NTC Ltd.	38.1	42.8	+4.7	+12.4%
Gigaphoton Inc.	52.3	58.5	+6.2	+11.9%
Others	45.3	47.0	+1.7	+3.7%
Total	188.4	190.9	+2.6	+1.4%

Consolidated Balance Sheets

- Total assets increased by JPY528.3 billion from the previous fiscal year-end, to JPY4,875.8 billion, mainly due to an increase of inventories and trade receivables, and the impact of foreign exchange rates.
- Komatsu Ltd. shareholders' equity ratio increased by 0.7 percentage points, to 52.1%.

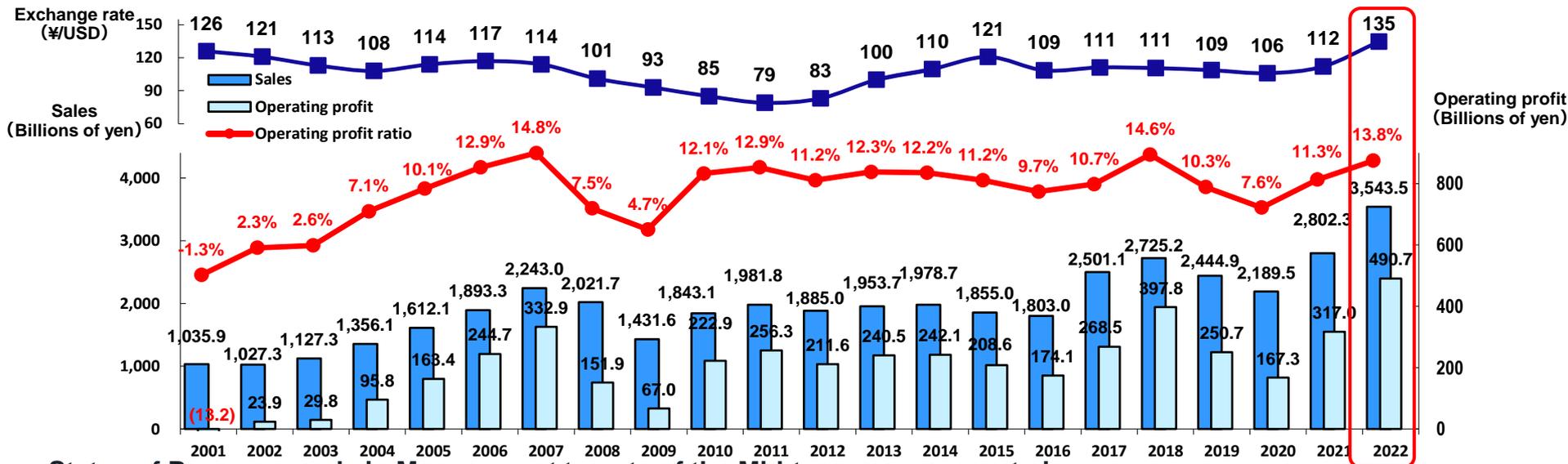
Billions of yen : Net D/E ratio	Mar. 31, 2022 ¥122.4/USD ¥136.7/EUR ¥92.0/AUD	Mar. 31, 2023 ¥133.5/USD ¥145.7/EUR ¥89.7/AUD	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	316.7	290.0	(26.7)
Accounts receivable (incl. long-term trade receivables)	1,456.4	1,681.6	+225.2
Inventories	988.0	1,227.2	+239.2
Tangible fixed assets	819.7	836.4	+16.7
Other assets	766.6	840.6	+74.0
Total assets	4,347.5	4,875.8	+528.3
Accounts payable	339.0	362.4	+23.4
Interest-bearing debt [b]	947.4	1,053.8	+106.4
Other liabilities	704.9	781.8	+76.9
Total liabilities	1,991.2	2,197.9	+206.6
[Shareholders' equity ratio]	[51.4%]	[52.1%]	[+0.7pts.]
Komatsu Ltd. shareholders' equity	2,232.5	2,539.6	+307.1
Non-controlling interests	123.8	138.3	+14.5
Liabilities & Equity	4,347.5	4,875.8	+528.3
Interest-bearing debt, net [b-a]	0.28 630.7	0.30 763.8	+133.1
Net D/E ratio (excl. the Retail Finance business)	(0.05)	(0.04)	

Progress Made in Mid-Term Management Plan and Tasks Ahead in FY2023 and Onward

3 major strategies		Main efforts
1. Accelerate growth by means of innovation	FY2022 results	<ul style="list-style-type: none"> • DX Smart Construction: Introduced new applications (SC Simulation, SC Quick 3D). • Promoted the market introduction of Autonomous Haulage System (AHS) • Began remote control and automation trials of large ICT dozers at customer's worksite. • Exhibited 20-ton electrified shovel and other machines at construction equipment trade fairs (Germany, USA) • Komatsu NTC received the first order for its automotive battery manufacturing machinery from a Japanese battery maker.
	Tasks in FY2023 and onward	<ul style="list-style-type: none"> • Accelerate overseas introduction of Smart Construction. • Conduct business by using open technology platforms for mining. • Promote full-scale market introduction of electrified construction equipment. • Establish the forestry management solutions business. • Strengthen Komatsu NTC's automotive battery manufacturing machinery business.
2. Maximize earnings power	FY2022 results	<ul style="list-style-type: none"> • Expanded sales of urban civil engineering-specific hydraulic excavators (CE series), especially in Asia. • Expanded the extended warranty with maintenance contract and enhanced the aftermarket business. • Reached agreement of conducting trials of mining TBM with Codelco of Chile. • Acquired Mine Site Technologies of Australia (underground mining solutions provider). • Decided to acquire GHH of Germany (underground mining machinery maker). • Acquired Bracke of Sweden (forestry attachment maker). • Gigaphoton began construction of new plant building (production capacity: 2.5 times).
	Tasks ahead in FY2023 and onward	<ul style="list-style-type: none"> • Promote merchandizing strategies that respond to the needs of strategic regions. • Further strengthen the forest machine business and the underground hard rock business. • Promote global expansion of the next-generation KOMTRAX-driven business model. • Strengthen the reman / rebuild business.
3. Enhance corporate resilience	FY2022 results	<ul style="list-style-type: none"> • Structural reforms of Chinese underground coal (soft rock) mining machine and construction equipment businesses • Strengthened information security by forming CSIRT. • Promoted cross and multi-sourcing operations. • Promoted "Diversity & Inclusion"-related educational efforts. • Promoted AI and DX-related human resource development.
	Tasks ahead in FY2023 and onward	<ul style="list-style-type: none"> • Strengthen the supply chain by promoting cross and multi-sourcing operations. • Continue structural reforms. • Continue operational reforms by promoting DX. • Strengthen risk management operation. • Promote global branding strategies and improvement measures for employee engagement.

Business Results and Progress towards Mid-Term Management Targets

• We steadily implemented growth strategies and structural reforms. Due in part to the impact of increased volume of sales and foreign exchange rates, sales and operating profit reached record highs. We generally achieved management targets.



<Status of Progress made in Management targets of the Mid-term management plan>

	Targets	FY2022 (1st year of Mid-term management plan)	
		Index	Result
Growth	• Growth rate above the industry's average	Sales growth rate	+26.4%
Profitability	• An industry's top-level operating profit ratio	Operating profit ratio	13.8%
Efficiency	• ROE of 10% or higher	ROE	13.7%
Financial position	• Industry's top-level financial position.	Net debt-to-equity ratio	0.30
Shareholder return	• Keep a fair balance between investment for growth and shareholder return (incl. stock buyback), while placing main priority on investment. • Set the goal of a consolidated payout ratio of 40% or higher.	Dividend payout ratio	40.3%
ESG	• Reduction of environmental impact: CO2 emissions: Decrease by 50% in 2030 from 2010. Renewal energy use : Increase to 50% of total energy use in 2030.	Reduction of CO2 emissions from product use	(21)% ※
		Reduction of CO2 emissions from production	(42)% ※
		Rate of renewable energy use	17% ※
	• Evaluation by external organizations	Selected for DJSI (World & Asia Pacific) CDP A-list (Climate Changes and Water Security)	Evaluation by external organizations
Retail Finance	• ROA: 1.5-2.0%	ROA	2.6%
	• 5.0 or under for net debt-to-equity ratio	Net debt-to-equity ratio	3.77

※ Outlook for result of FY2022.

Ⅱ . Projection of FY2023 Business Results

Outline of Projection for FY2023

- Consolidated net sales will decrease by 4.6% from FY2022, to JPY3,382.0 billion.
- Operating profit will increase by 0.1% to JPY491.0 billion. Operating profit ratio will amount to 14.5%, up 0.7 points.
- Net income will decrease by 8.4% to JPY299.0 billion.

Billions of yen	FY2022 Results (A) ¥134.8/USD ¥140.3/EUR ¥92.5/AUD	FY2023 Projection (B) ¥125.0/USD ¥133.0/EUR ¥83.0/AUD	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	3,543.5	3,382.0	(161.5)	(4.6)%
Segment profit	493.5	498.0	+4.5	+0.9%
Other operating income (Expenses)	(2.8)	(7.0)	(4.2)	-
Operating profit	490.7	491.0	+0.3	+0.1%
Profit ratio	13.8%	14.5%	+0.7pts.	-
Other income (Expenses)	(14.3)	(49.0)	(34.7)	-
Income before income taxes	476.4	442.0	(34.4)	(7.2)%
Net income attributable to Komatsu Ltd.	326.4	299.0	(27.4)	(8.4)%
ROE	13.7%	11.7%	(2.0)pts.	
Cash dividends per share	139Yen	139Yen	+/- 0Yen	
Consolidated payout ratio	40.3%	44.0%		

Projection for Segment Sales and Profit of FY2023

- Construction, Mining & Utility Equipment: Sales will decrease by 4.8% from FY2022, to JPY3,138.0 billion. Segment profit will increase by 4.4% to JPY463.0 billion. Segment profit ratio will amount to 14.8%, up 1.3 points.
- Retail Finance: Revenues will decrease by 2.5% to JPY83.5 billion. Segment profit will decrease by 37.7% to JPY17.0 billion.
- Industrial Machinery & Others: Sales will increase by 5.3% to JPY201.0 billion. Segment profit will increase by 1.8% to JPY23.0 billion.

Billions of yen	FY2022 Results (A)	FY2023 Projection (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	3,543.5	3,382.0	(161.5)	(4.6)%
Construction, Mining & Utility Equipment	3,296.6 [3,286.7]	3,138.0 [3,116.8]	(158.6) [(169.9)]	(4.8)% [(5.2)%]
Retail Finance	85.6 [67.8]	83.5 [64.5]	(2.1) [(3.3)]	(2.5)% [(4.9)%]
Industrial Machinery & Others	190.9 [188.9]	201.0 [200.7]	+10.1 [+11.8]	+5.3% [+6.2%]
Elimination	(29.7)	(40.5)	(10.8)	-
Segment profit	13.9% 493.5	14.7% 498.0	+0.8pts. +4.5	+0.9%
Construction, Mining & Utility Equipment	13.5% 443.6	14.8% 463.0	+1.3pts. +19.4	+4.4%
Retail Finance	31.8% 27.3	20.4% 17.0	(11.4)pts. (10.3)	(37.7)%
Industrial machinery & Others	11.8% 22.6	11.4% 23.0	(0.4)pts. +0.4	+1.8%
Corporate & elimination	0.1	(5.0)	(5.1)	-

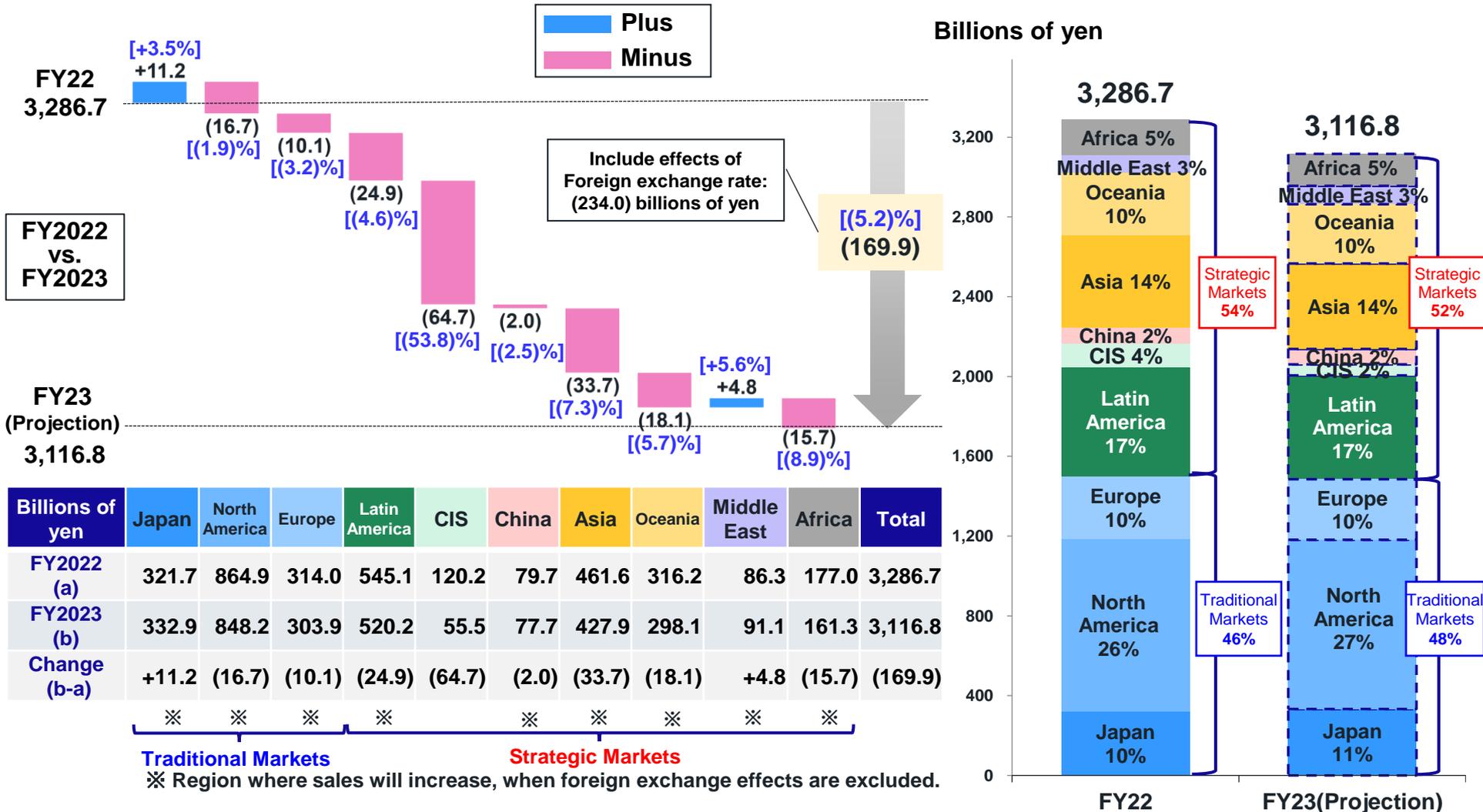
Review of three business segments

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

- Construction, Mining & Utility Equipment** : Sales will decrease, as adversely affected by foreign exchange rates and decreasing volume of sales, which will more than offset the positive effects of improving selling prices. Segment profit should increase, mainly due to the positive effects of improved selling prices, which will more than offset the negative effects of foreign exchange rates and decreased volume of sales, increased fixed costs.
- Retail Finance** : Revenues will decline, mainly due to the negative effects of exchange rates. Segment profit will decline, mainly due to the impact of foreign exchange rates and the absences of gains on reversal of allowance for doubtful accounts and gains from resale of used equipment after completion of leasing, which were recorded for FY2022.
- Industrial Machinery & Others** : Both sales and segment profit will increase due to improving sales of large presses in the business with the automobile manufacturing industry and expanding sales of the Eximer laser-related business with the semiconductor manufacturing industry.

Construction, Mining & Utility Equipment : Projection for Sales by Region (To Outside Customers) for FY2023

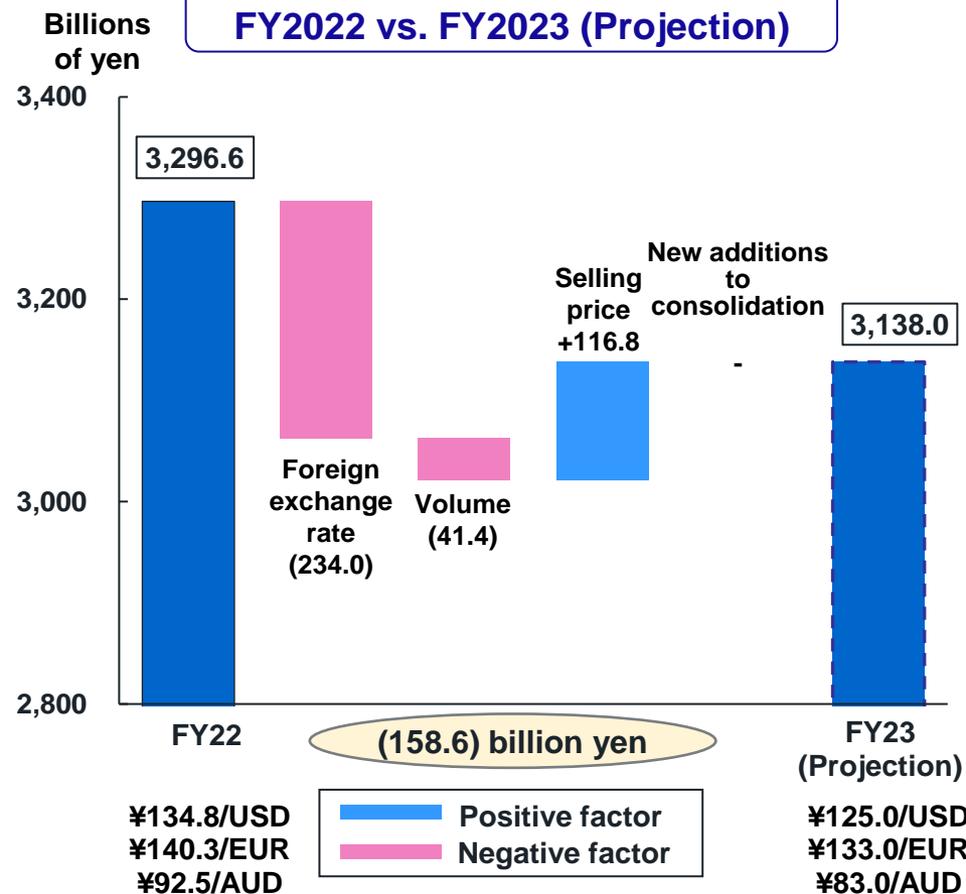
- Sales to outside customers will decrease by 5.2% from FY2022, to JPY3,116.8 billion.
- When the negative effects of JPY234.0 billion in foreign exchange rates are excluded, sales should increase in all regions except for CIS.
- Sales in Traditional Markets will account for 48% of total sales, and those in Strategic Markets, 52%.



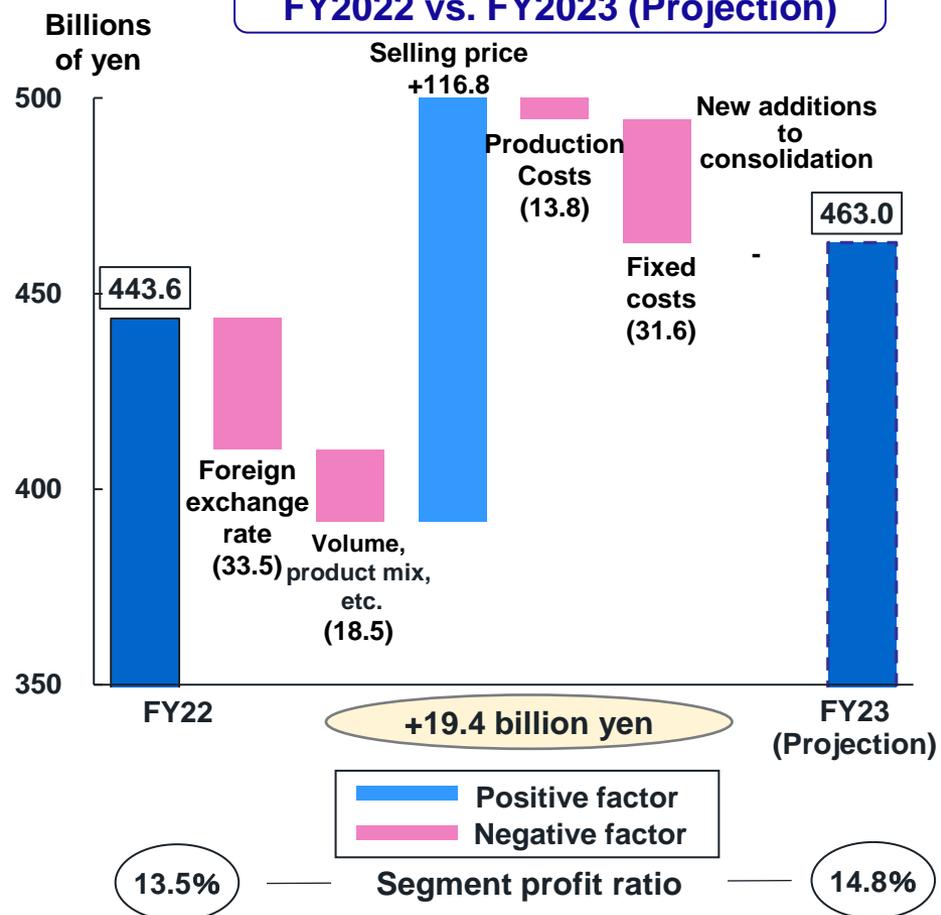
Construction, Mining & Utility Equipment : Causes of Difference in Projected Sales & Segment Profit for FY2023

- Sales will decrease by JPY158.6 billion from FY2022, as affected more by the negative impact of foreign exchange rate difference and reduced sales volume than the positive effects of selling prices.
- Segment profit will increase by JPY19.4 billion from FY2022, as the positive effects of selling prices will absorb the negative impact of foreign exchange rates and increased fixed costs in particular.
- Segment profit ratio will increase to 14.8%, up 1.3 points from FY2022.

Sales
FY2022 vs. FY2023 (Projection)



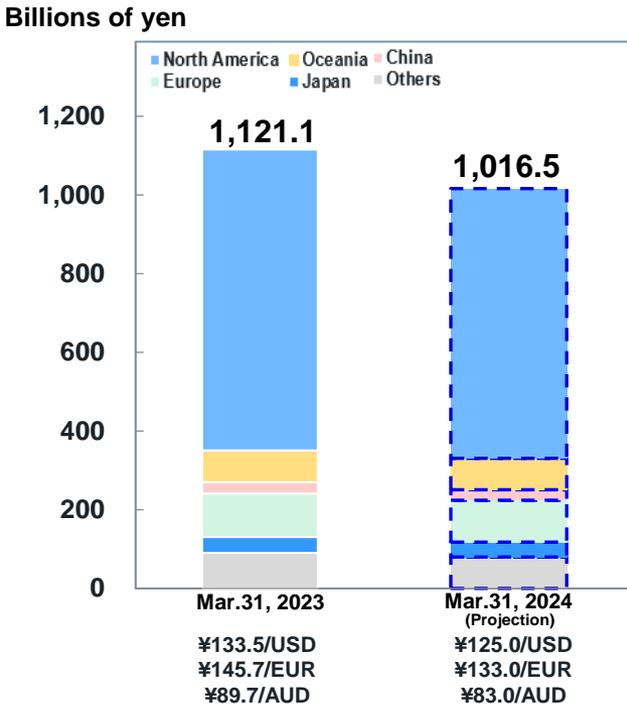
Segment profit
FY2022 vs. FY2023 (Projection)



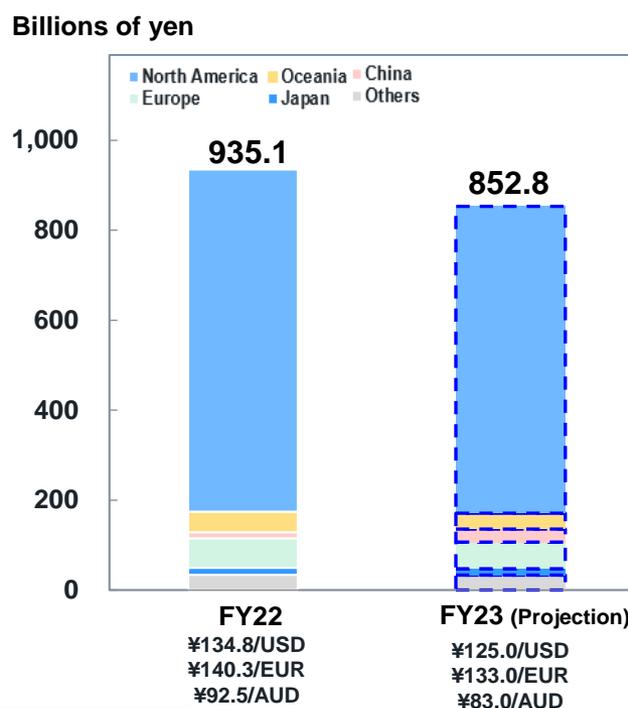
Retail Finance : Highlights for FY2023

- Assets will decline by JPY104.6 billion from the previous year-end, mainly due to the impact of foreign exchange rates.
- New contracts will decrease by JPY82.3 billion from FY2022, mainly due to the impact of foreign exchange rates.
- Revenues will decline by JPY2.1 billion from FY2022, mainly due to the impact of foreign exchange rates.
- Segment profit will decline by JPY10.3 billion, mainly due to the impact of foreign exchange rates and the absences of gains on reversal of allowance for doubtful accounts and gains from resale of used equipment after completion of leasing, which were recorded for FY2022.

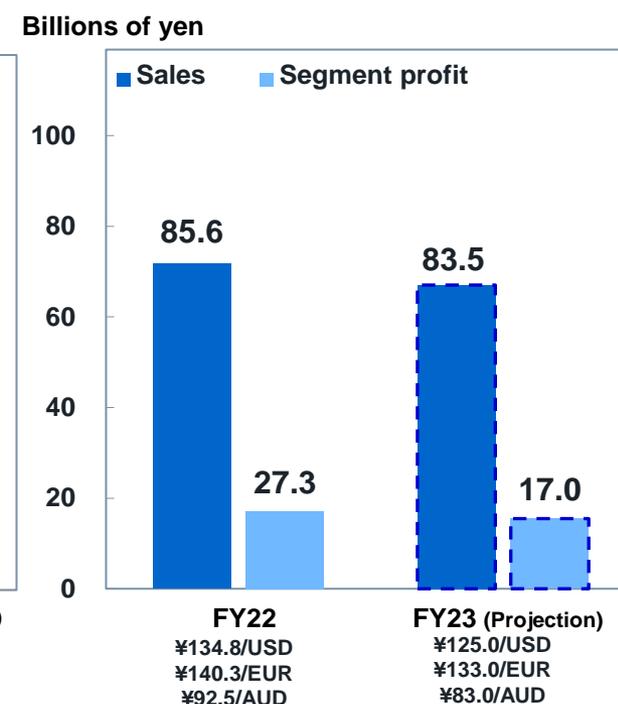
Assets
Mar.31, 2023 vs. Mar.31, 2024 (Projection)



New Contracts
FY2022 vs. FY2023 (Projection)



Revenues
FY2022 vs. FY2023 (Projection)



Billions of yen	2023/3E	2024/3E (Projection)	Changes
Interest-bearing debt	856.9	784.3	(72.6)
Interest-bearing debt, net	845.3	774.0	(71.3)
Net D/E ratio	3.77	3.49	(0.28)pts.

	FY2022	FY2023 (Projection)	Changes
ROA	2.6%	1.6%	(1.0)pt.

Industrial Machinery & Others : Highlights for FY2023

- Sales will increase by 5.3% from FY2022, to JPY201.0 billion, and segment profit will increase by 1.8% to JPY23.0 billion.

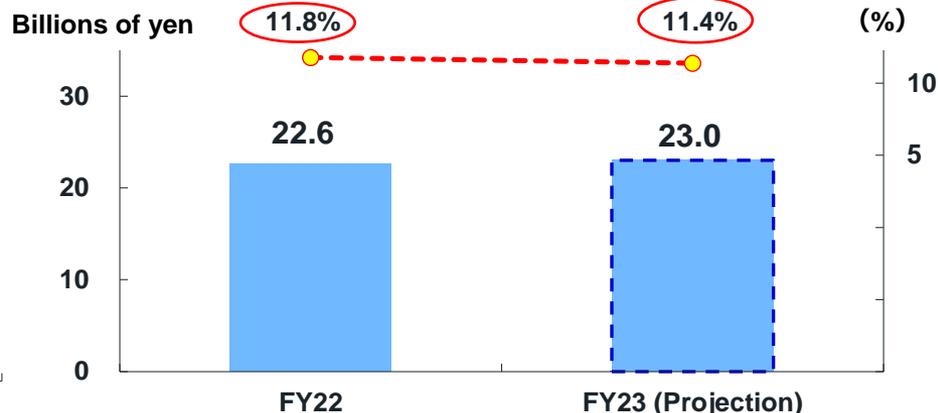
Sales
FY2022 vs. FY2023(Projection)

Billions of yen



Segment profit
FY2022 vs. FY2023(Projection)

○ :Segment profit ratio



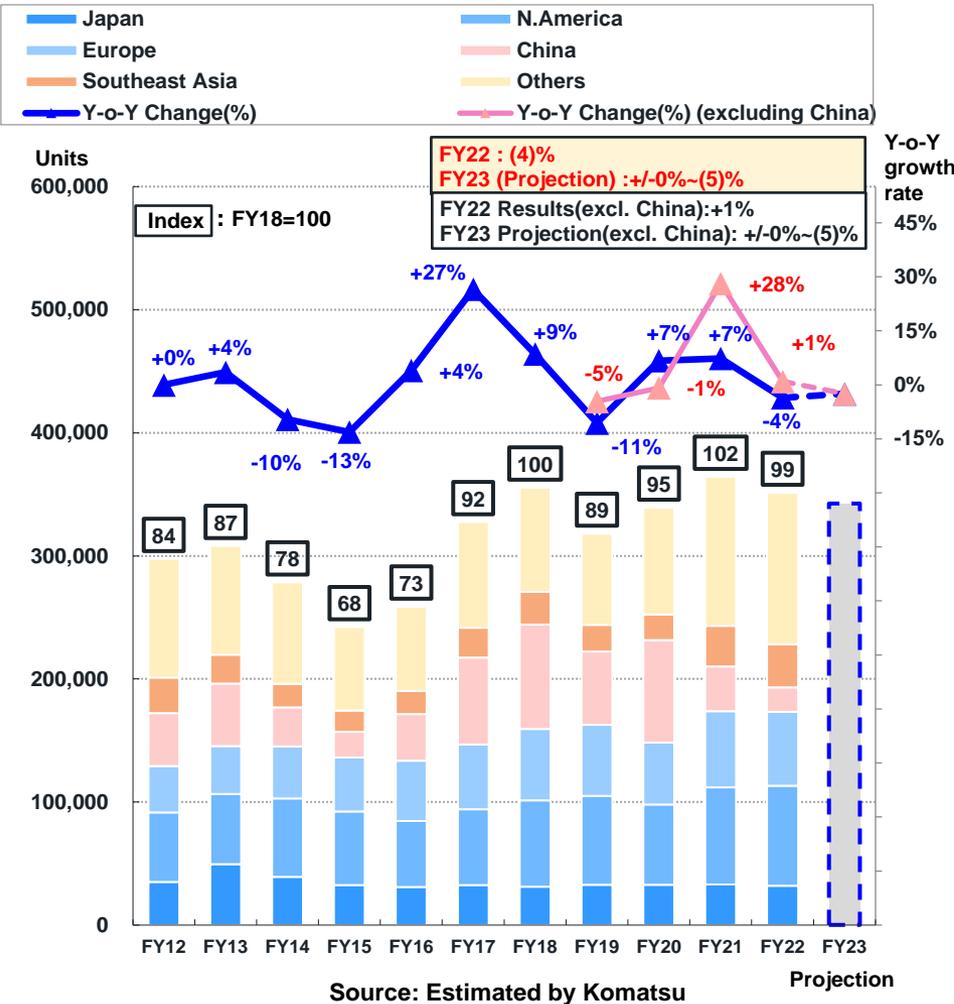
Breakdown of sales

Billions of yen	FY2022	FY2023 (Projection)	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	42.6	46.6	+4.0	+9.3%
Komatsu NTC Ltd.	42.8	42.7	(0.1)	(0.1)%
Gigaphoton Inc.	58.5	62.6	+4.0	+6.9%
Others	47.0	49.1	+2.1	+4.5%
Total	190.9	201.0	+10.1	+5.3%

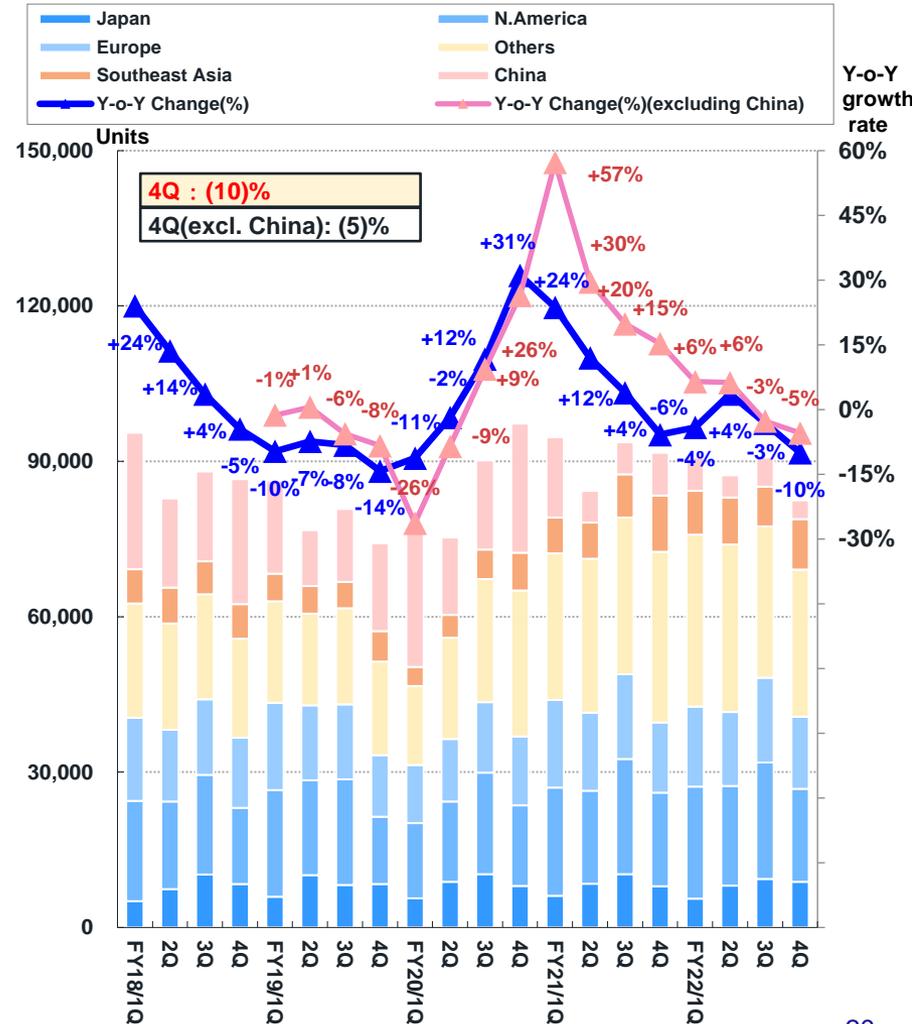
Construction, Mining & Utility Equipment : Actual and Projected Demand for 7 Major Products

- In FY2022, global demand decreased by 4% from FY2021. When China is excluded, demand increased by 1%.
- In FY2023, demand will decrease between +/-0% and -5%.
When China is excluded, demand should decrease between +/-0 % and -5%.

Annual demand for 7 major products



Quarterly demand for 7 major products



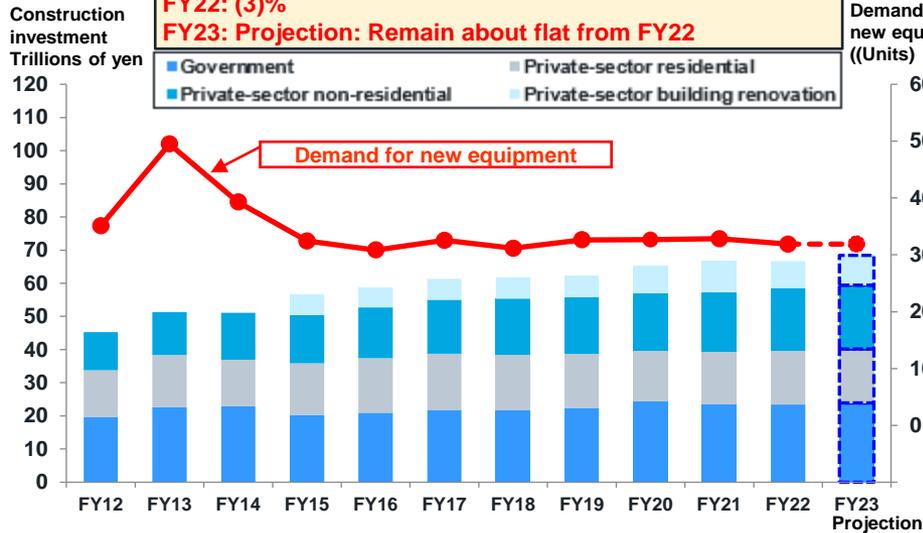
Construction, Mining & Utility Equipment : Demand in Major Markets (1) Japan

- In FY2022, demand decreased by 3% from FY2021. Demand decreased, as affected by supply delays resulting from supply chain disruptions.
- In FY2023, demand will remain about flat from FY2022.

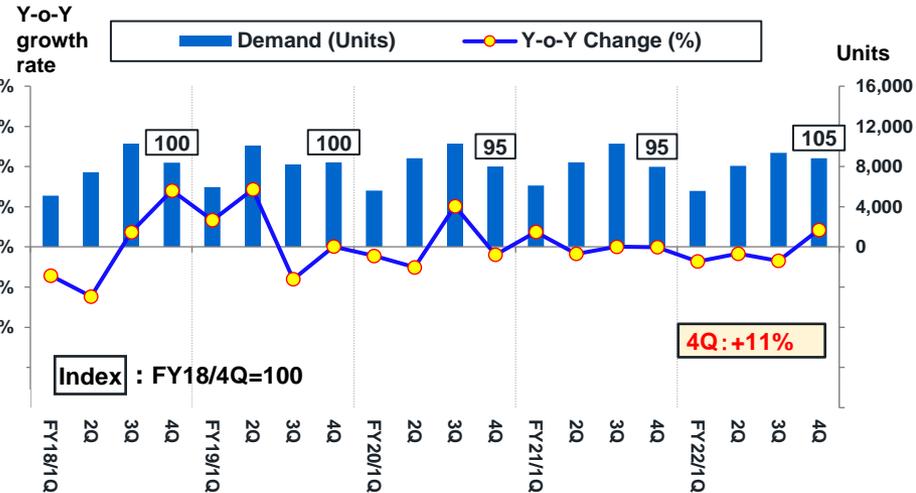
Demand for new equipment (7 major products) and construction investment

FY22: (3)%
FY23: Projection: Remain about flat from FY22

■ Government ■ Private-sector residential
 ■ Private-sector non-residential ■ Private-sector building renovation

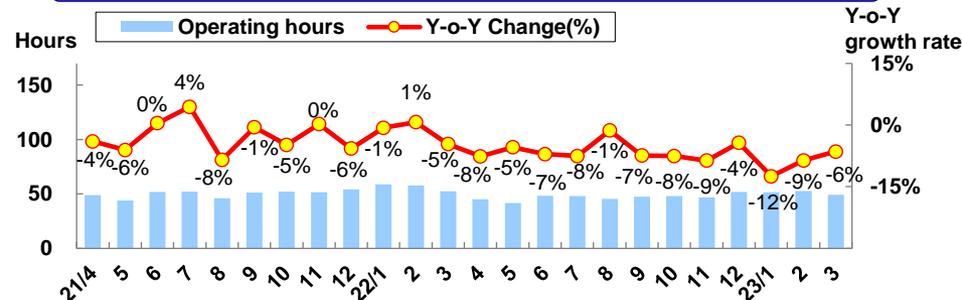


Quarterly demand for 7 major products

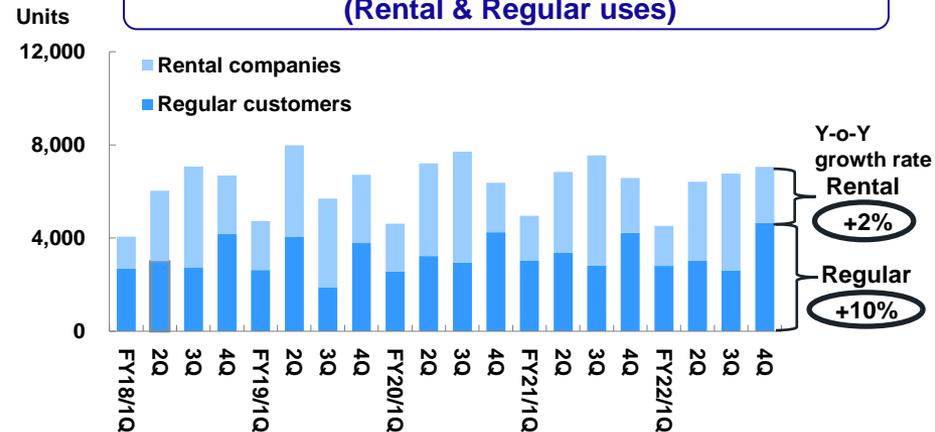


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
 Demand for 7 major products estimated by Komatsu

Komtrax in Japan: Average operating hours per month



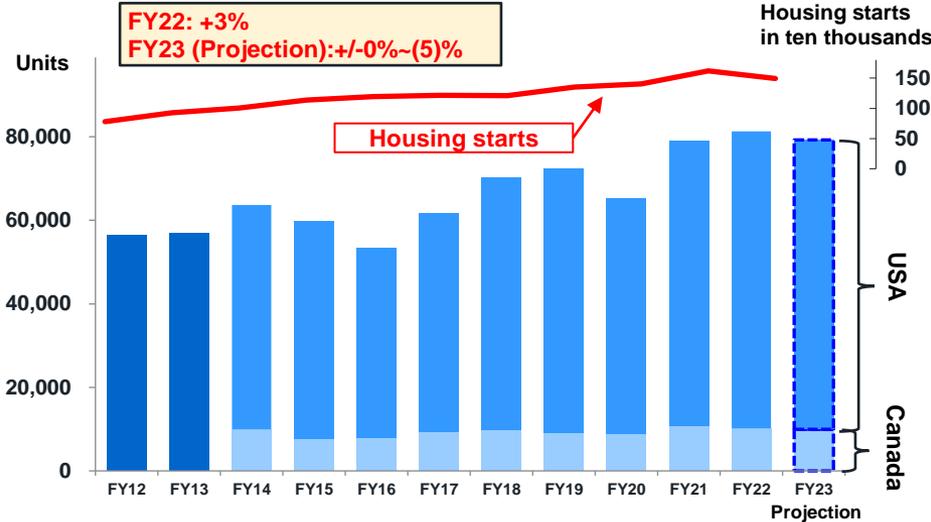
Quarterly demand for hydraulic excavators (Rental & Regular uses)



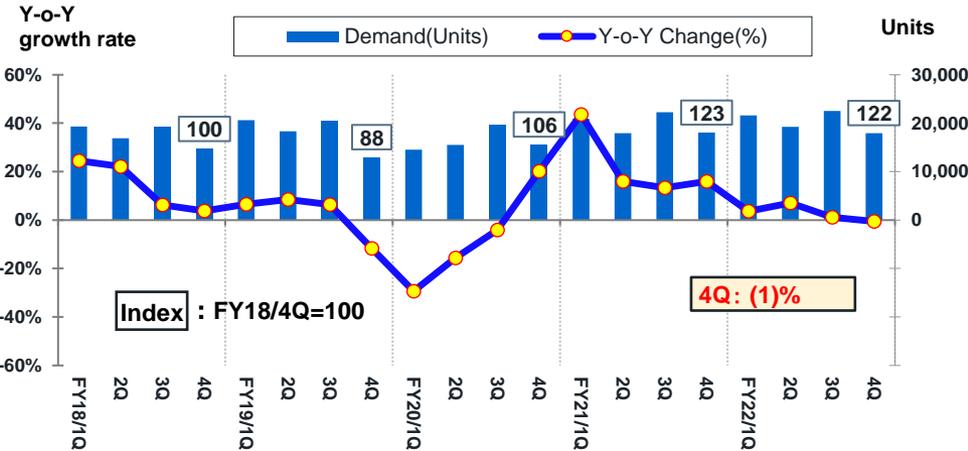
Construction, Mining & Utility Equipment : Demand in Major Markets (2) North America

- In FY2022, demand increased by 3% from FY2021.
- Demand increased in infrastructure development, the rental and energy industry. Demand in residential construction decreased.
- In FY2023, demand will decrease between +/-0% and -5% from FY2022.

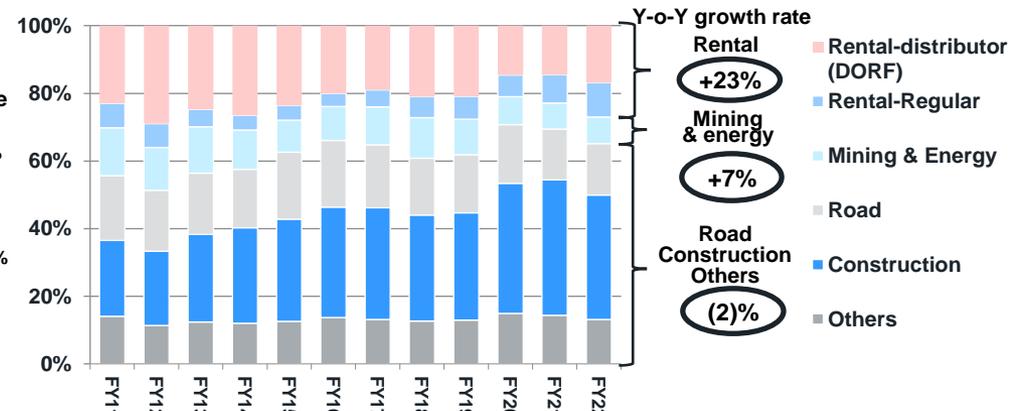
Demand for 7 major products and US housing starts



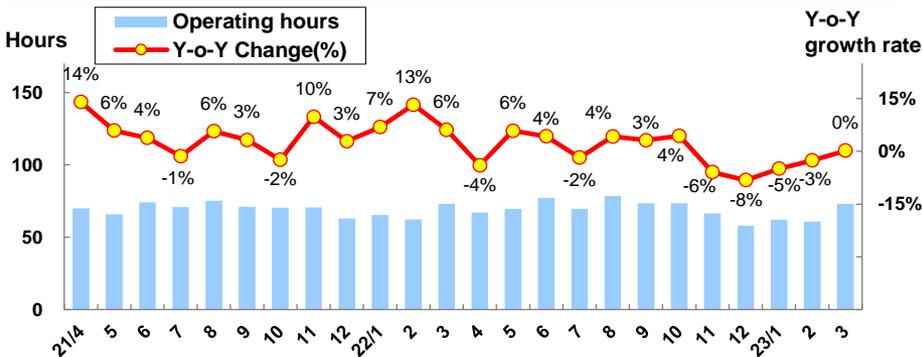
Quarterly demand for 7 major products



Breakdown of demand by segment (Unit basis)



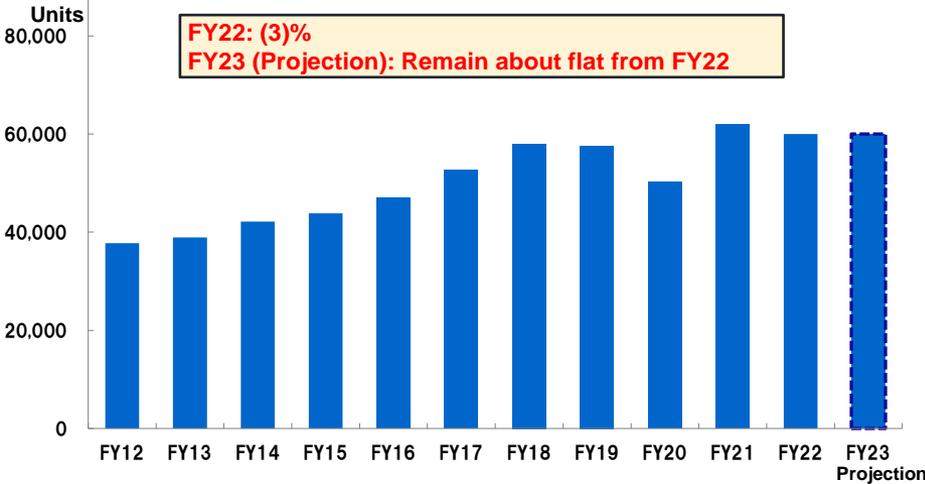
Komtrax in North America: Average operating hours per month



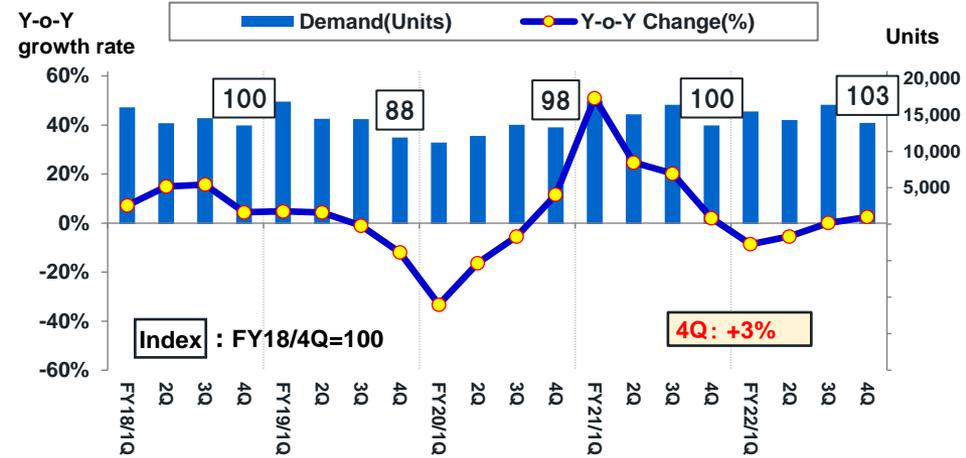
Construction, Mining & Utility Equipment : Demand in Major Markets (3) Europe

- In FY2022, demand decreased by 3% from FY2021.
- Demand decreased due to soaring energy prices and supply chain disruptions.
- In FY2023, demand will remain about flat from FY2022.

Annual demand for 7 major products

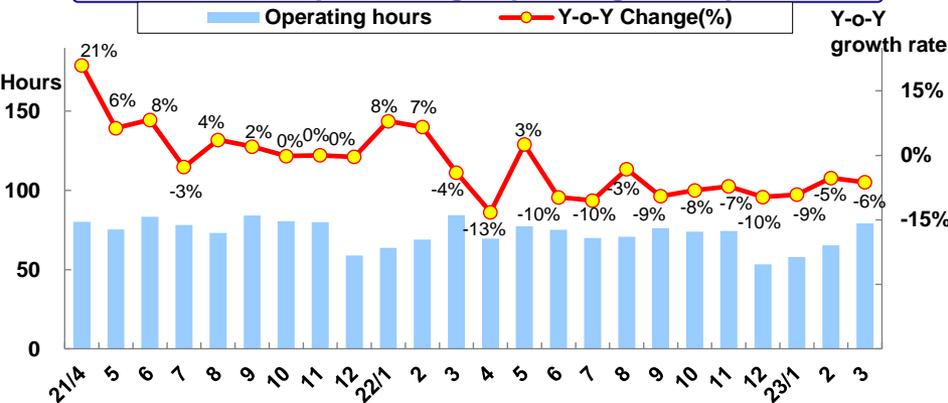


Quarterly demand for 7 major products

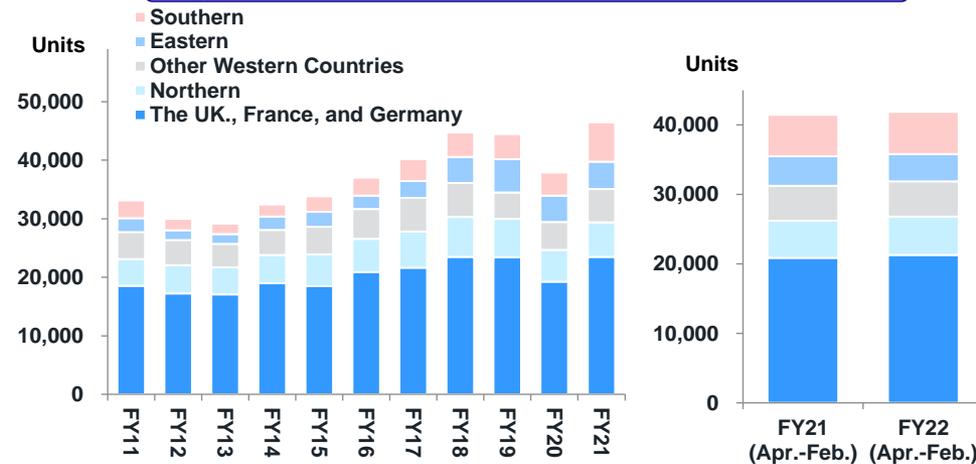


[Source]: Demand for 7 major products estimated by Komatsu

Komtrax in Europe: Average operating hours per month



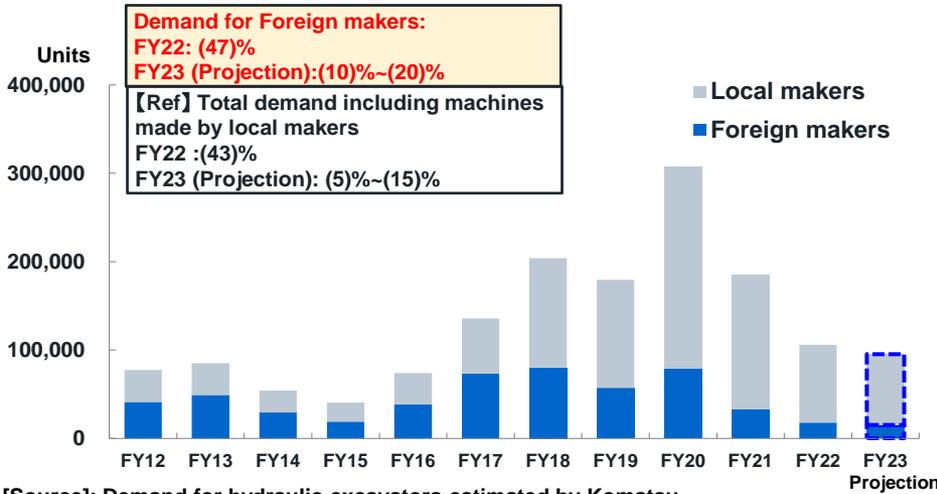
Region demand for 7 major products (Excl. 6t class)



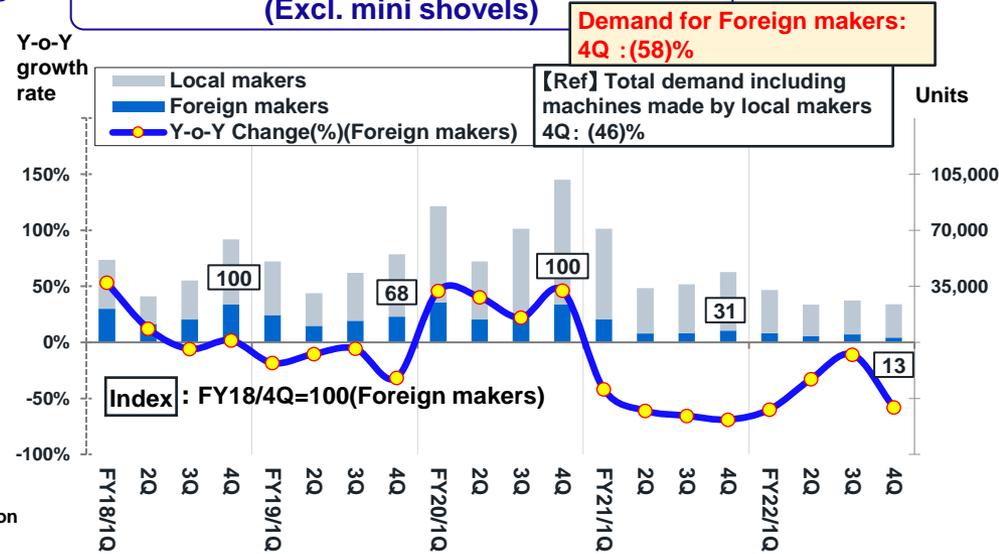
Construction, Mining & Utility Equipment : Demand in Major Markets (4) China

- In FY2022, demand decreased by 47% from FY2021.
- Demand decreased sharply, due to stagnant economic activities.
- In FY2023, demand will decline between -10% and -20% from FY2022.

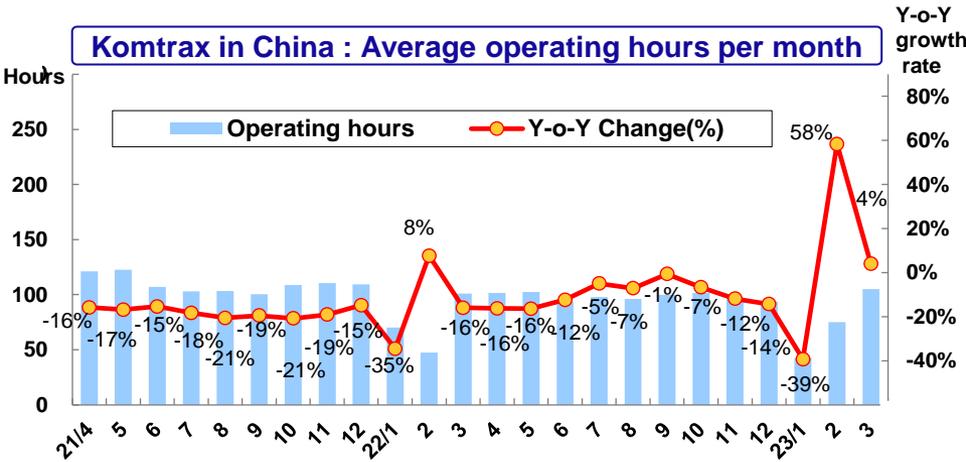
Annual demand for hydraulic excavators (Excl. mini shovels)



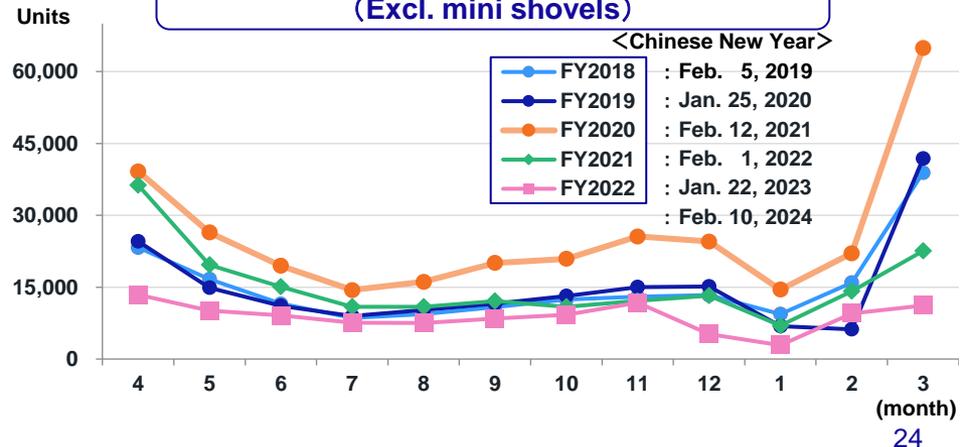
Quarterly demand for hydraulic excavators (Excl. mini shovels)



Komtrax in China : Average operating hours per month



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

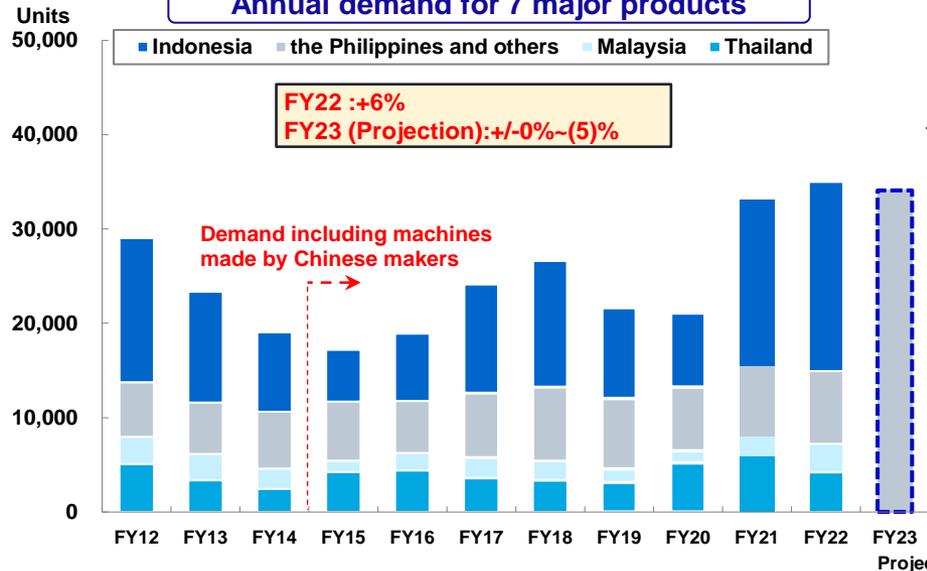


Construction, Mining & Utility Equipment :

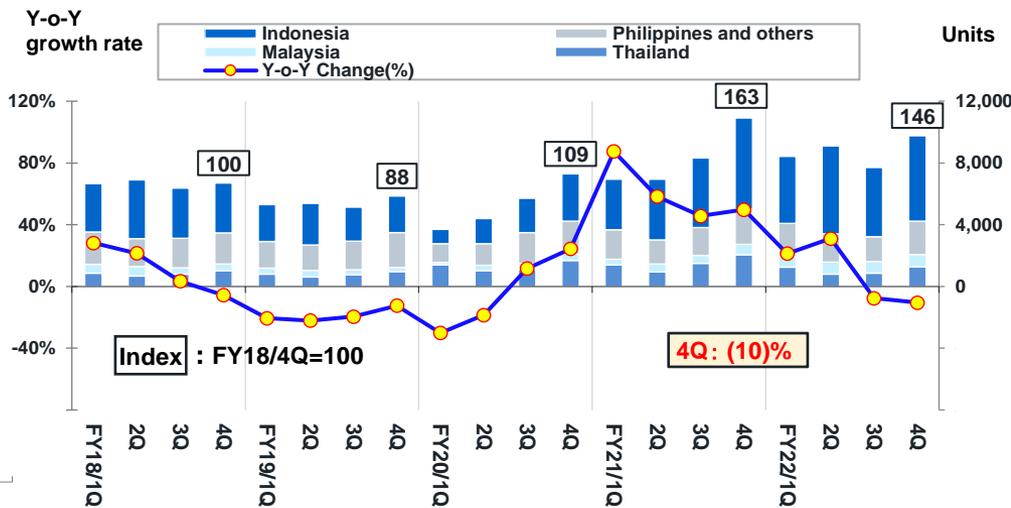
Demand in Major Markets (5) Southeast Asia

- In FY2022, demand increased by 6% from FY2021.
- Demand increased in Indonesia, the Philippines and Malaysia.
- In FY2023, demand will decrease between 0% and -5% from FY2022.

Annual demand for 7 major products

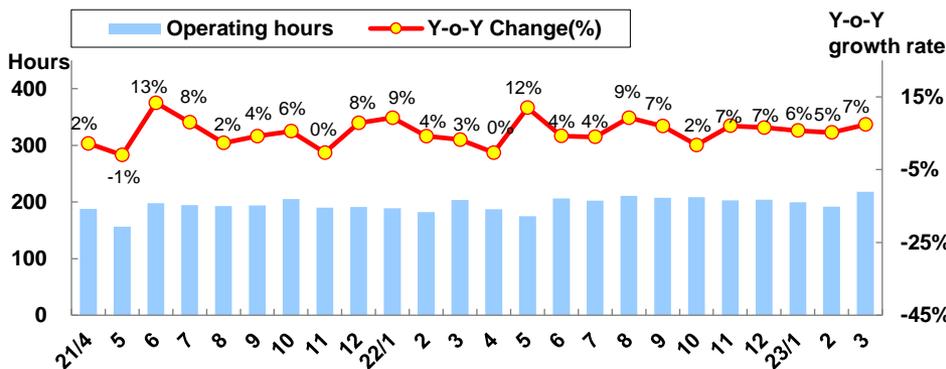


Quarterly demand for 7 major products

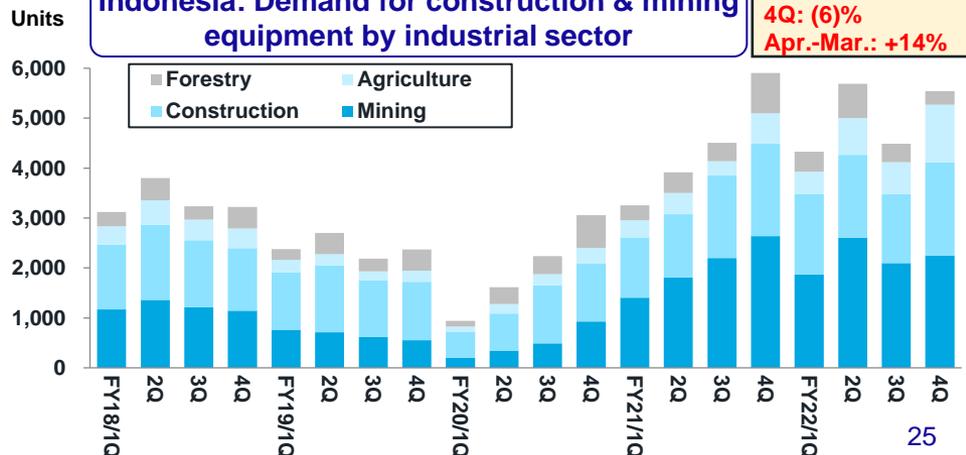


[Source]: Demand for 7 major products estimated by Komatsu

Komtrax in Indonesia: Average operating hours per month



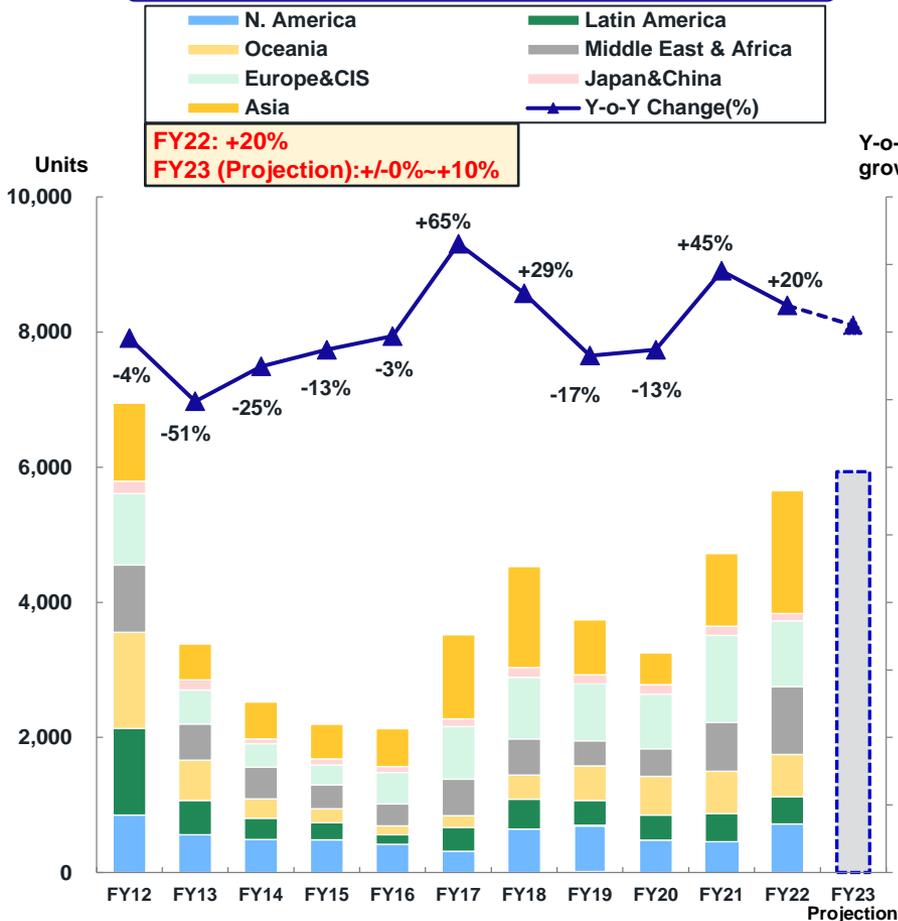
Indonesia: Demand for construction & mining equipment by industrial sector



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

- In FY2022, global demand for mining equipment increased by 20% from FY2021.
- Demand declined in CIS, while they increased sharply in Asia and North America.
- In FY2023, demand will increase by +/-0% to +10% from FY2022.

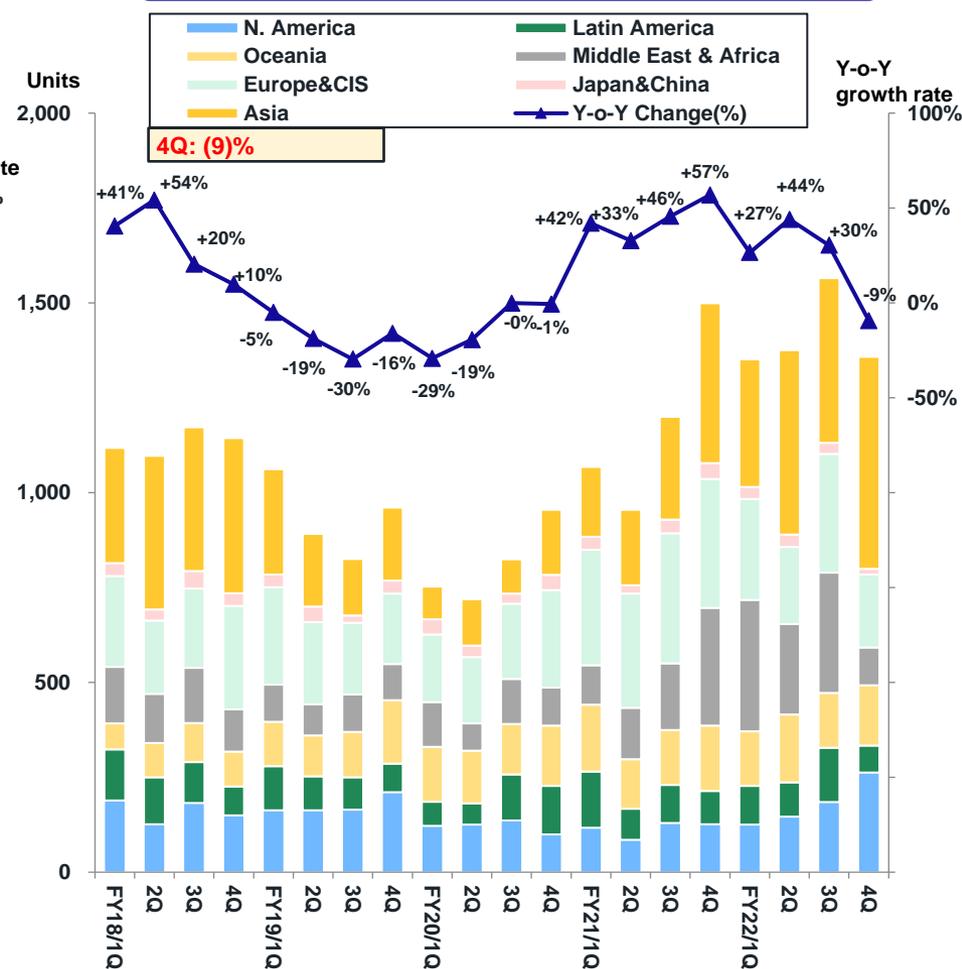
Annual demand for mining equipment



Note: Demand estimated by Komatsu

- 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

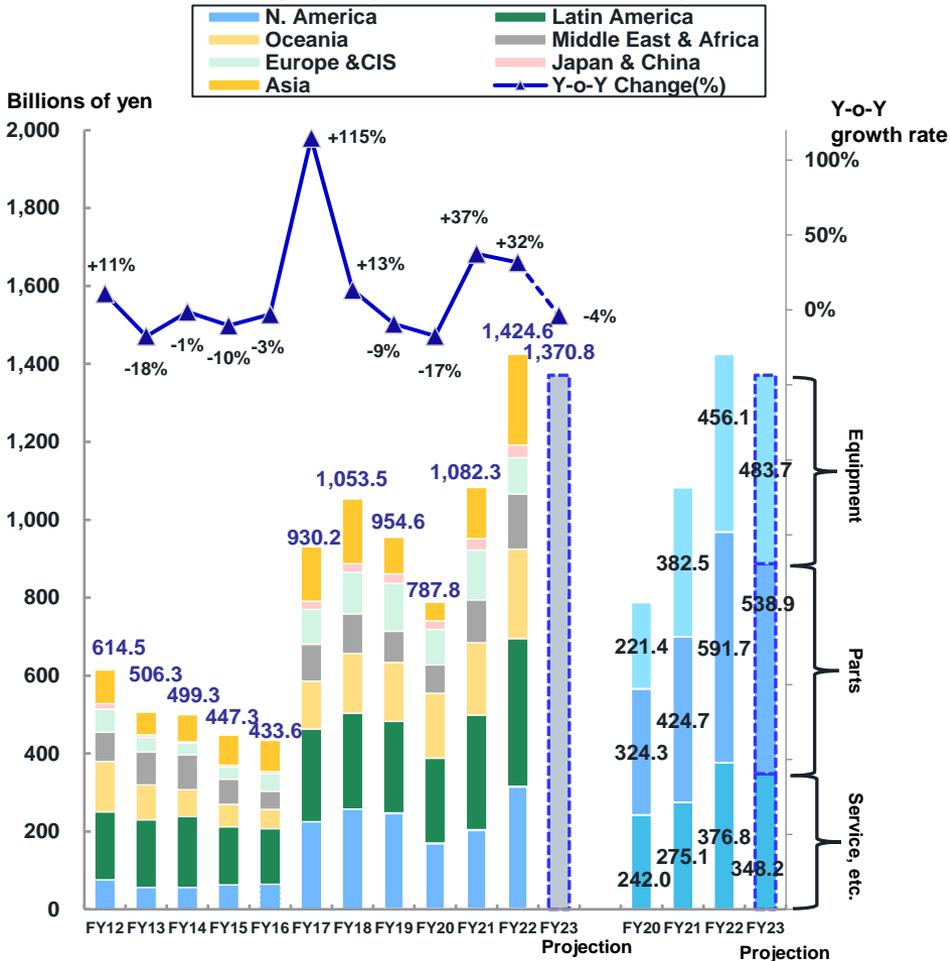
Quarterly demand for mining equipment



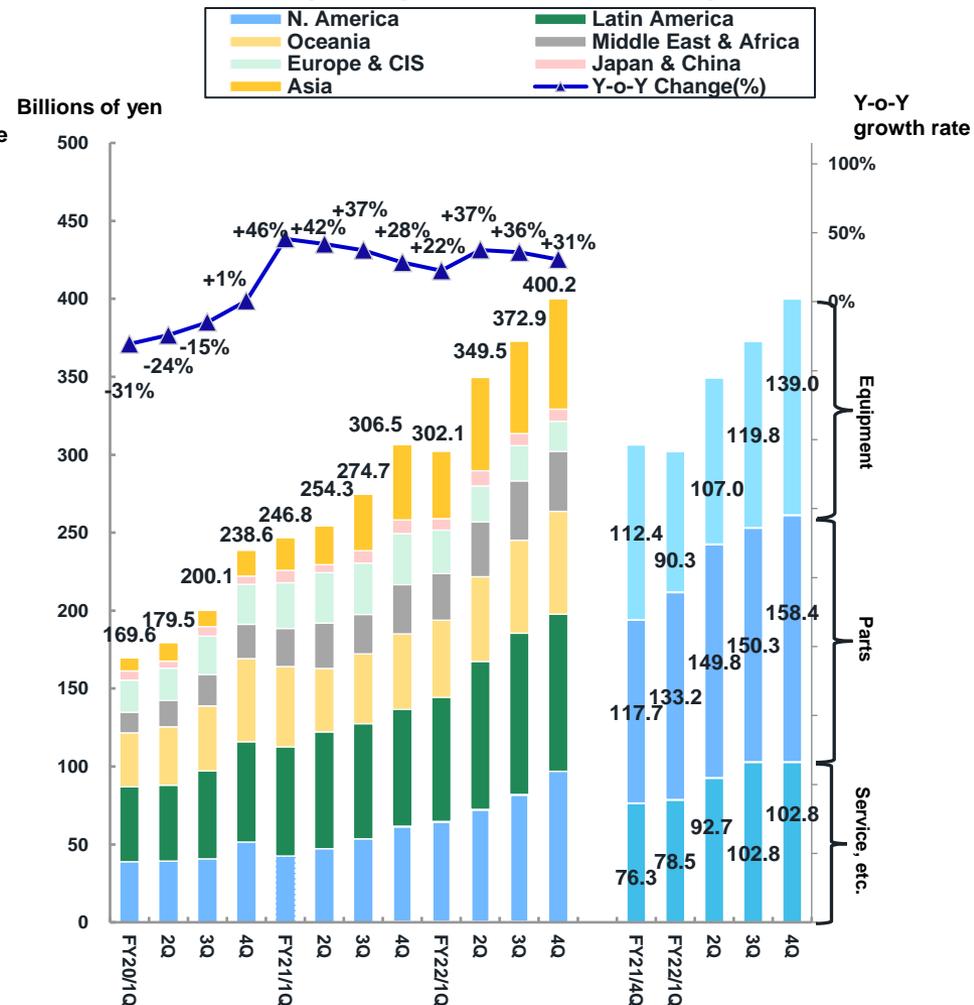
Construction, Mining & Utility Equipment : Actual and Projected Sales of Mining Equipment

- In FY2022, sales advanced by 32% from FY2021, to JPY1,424.6 billion.
- Sales declined in CIS, while they increased in Asia and North America.
- In FY2023, sales will decrease by 4% from FY2022, to JPY1,370.8 billion.

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



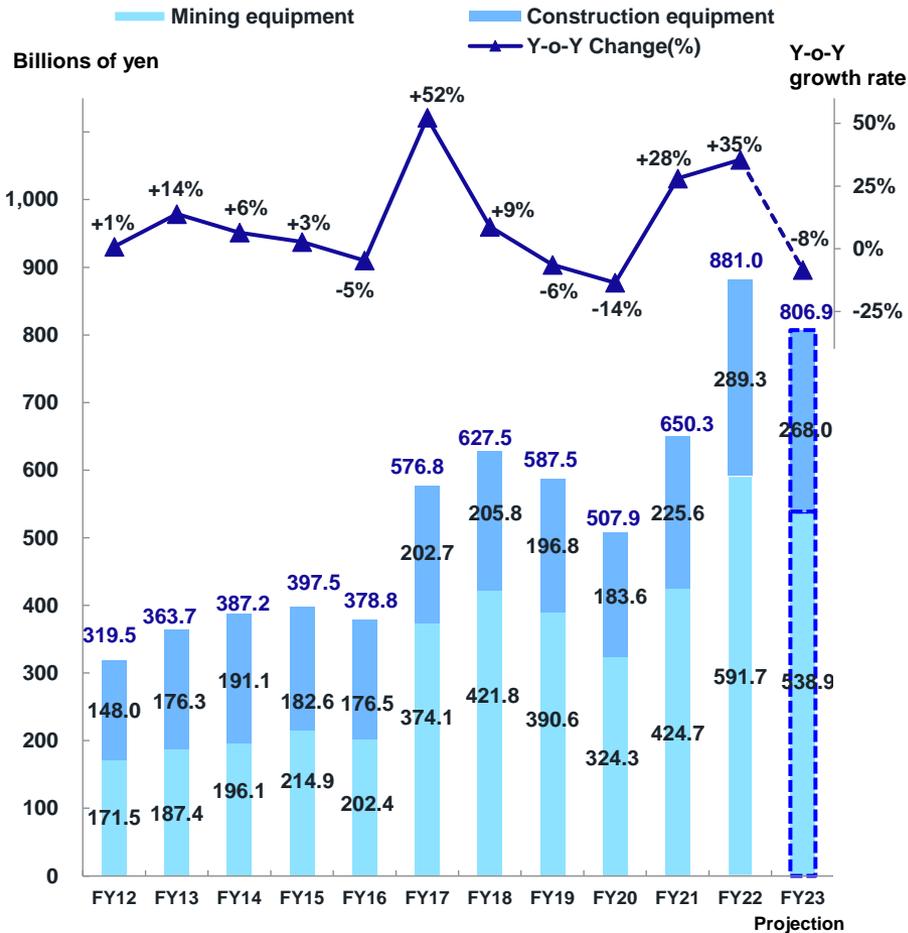
Quarterly sales of mining equipment (incl. parts and service)



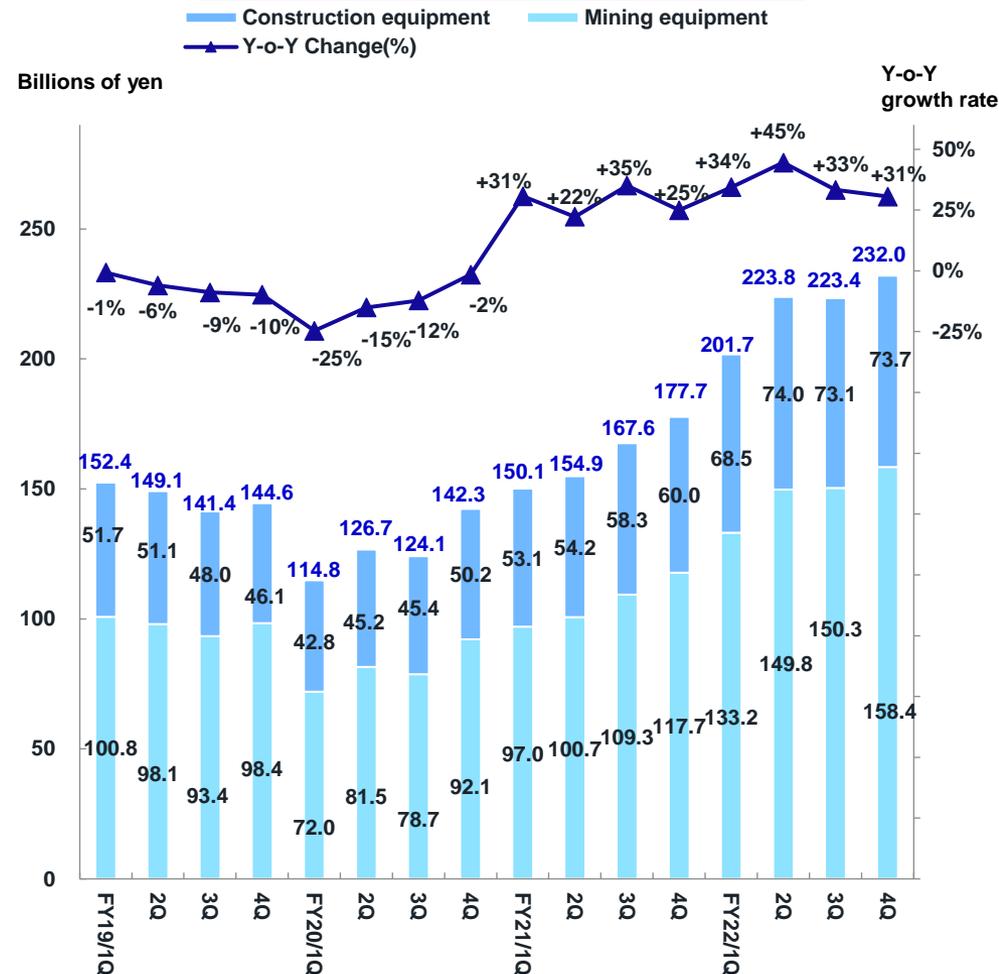
Construction, Mining & Utility Equipment : Actual and Projected Sales of Parts

- In FY2022, sales of parts increased by 35% from FY2021, to JPY881.0 billion.
- Sales increased, except for CIS and China.
- In FY2023, sales of parts will decrease by 8% from FY2022, to JPY806.9 billion.

Annual sales of parts



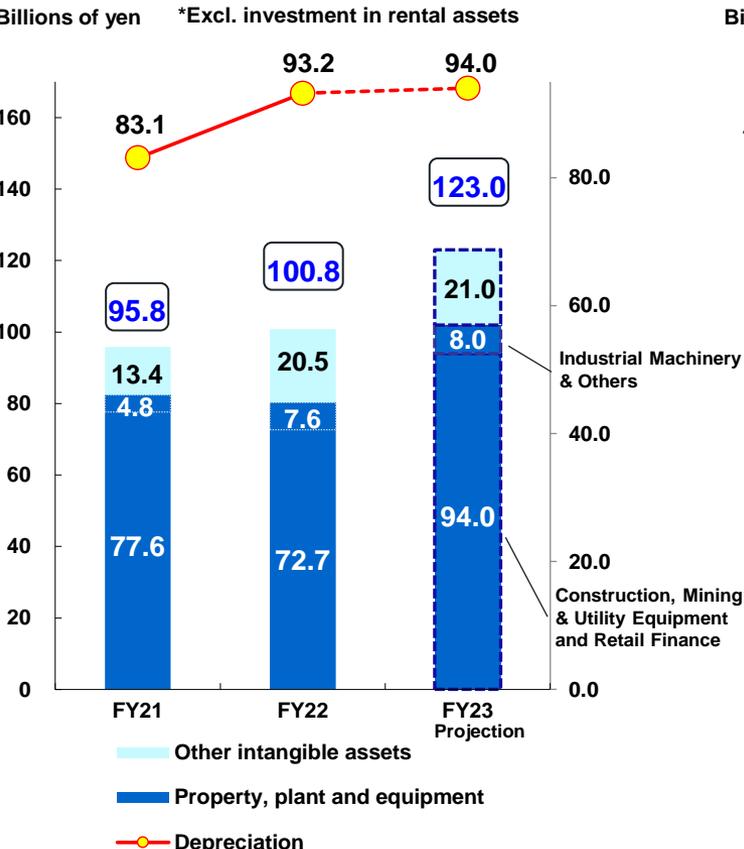
Quarterly sales of parts



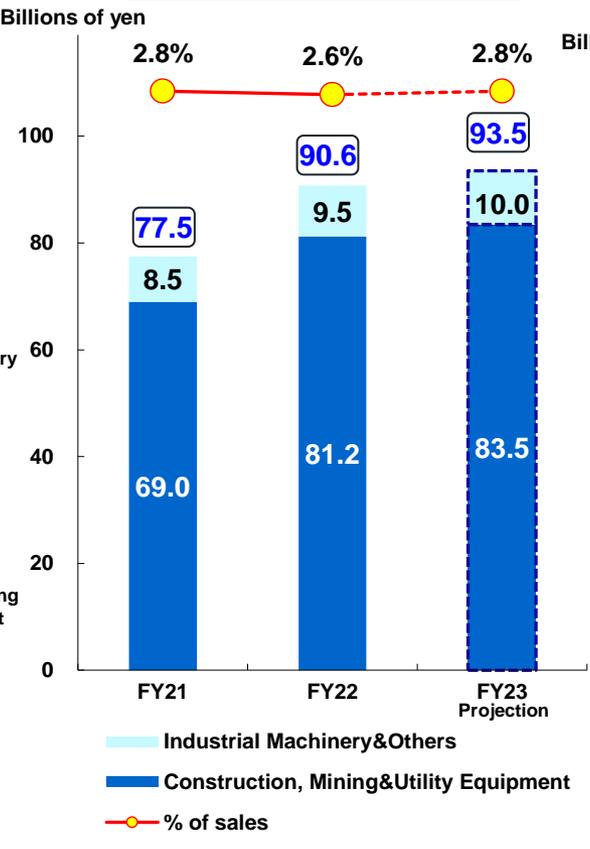
Projected Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs

- CAPEX: Will increase from FY2022, as effected by investments mainly in production and sales bases.
- R&D expenses: Will increase from FY2022, due to focused investments in priority areas, such as electrification and automation.
- Fixed costs: Will increase from FY2022, as affected by higher unit labor costs and expenses caused by inflation and investments in projects of the mid-term management plan, more than offsetting the incorporated benefits of structural reforms.

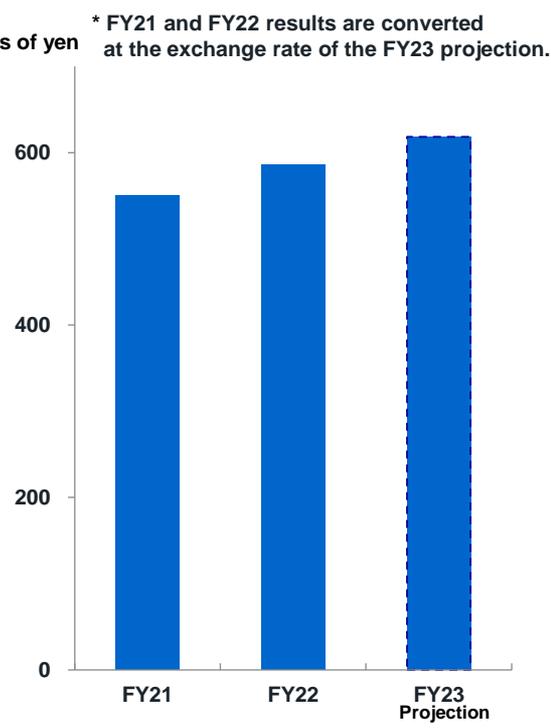
Investment* and Depreciation and amortization



R&D Expenses



Fixed costs*



Appendix

<Appendix> Highlights of Business Results for the Fourth Quarter (Jan.- Mar., 2023)

- Consolidated net sales increased sharply by 27.5% from the corresponding period a year ago, to JPY1,004.2 billion.
- Operating profit expanded by 54.5% to JPY144.1 billion. Operating profit ratio was 14.3%, up 2.5 points.
- Net income attributable to Komatsu Ltd. advanced by 36.1% to JPY94.5 billion.

Billions of yen	Jan.-Mar.,2022 (A) ¥115.3/USD ¥129.7/EUR ¥82.7/AUD	Jan.-Mar.,2023 (B) ¥132.4/USD ¥141.2/EUR ¥90.4/AUD	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	787.6	1,004.2	+216.6	+27.5%
Segment profit	95.0	147.3	+52.4	+55.1%
Other operating income (Expenses)	(1.7)	(3.3)	(1.5)	-
Operating profit	93.3	144.1	+50.8	+54.5%
Profit ratio	11.8%	14.3%	+2.5pts.	-
Other income (Expenses)	7.0	(7.5)	(14.5)	-
Income before income taxes	100.3	136.6	+36.4	+36.3%
Net income attributable to Komatsu Ltd.	69.4	94.5	+25.1	+36.1%

<Appendix> Segment Sales and Profits for the Fourth Quarter (Jan.- Mar., 2023)

- Construction, Mining & Utility Equipment: Sales advanced by 28.9% from the corresponding period a year ago, to JPY926.9 billion. Segment profit expanded by 59.8% to JPY134.1 billion. Segment profit ratio improved to 14.5%, up 2.8 points.
- Retail Finance: Revenues increased by 27.7% from the corresponding period a year ago, to JPY22.1 billion. Segment profit advanced sharply by 53.9% to JPY6.0 billion.
- Industrial Machinery & Others: Sales increased by 13.4% from the corresponding period a year ago, to JPY64.1 billion. Segment profit decreased by 7.7% to JPY6.9 billion.

Billions of yen	Jan.-Mar., 2022 (A)	Jan.-Mar., 2023 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	787.6	1,004.2	+216.6	+27.5%
Construction, Mining & Utility Equipment	718.9 [718.2]	926.9 [923.5]	+208.1 [+205.4]	+28.9% [+28.6%]
Retail Finance	17.3 [14.2]	22.1 [17.2]	+4.8 [+3.0]	+27.7% [+20.9%]
Industrial Machinery & Others	56.5 [55.2]	64.1 [63.5]	+7.6 [+8.3]	+13.4% [+15.0%]
Elimination	(5.0)	(8.8)	(3.8)	-
Segment profit	12.1% 95.0	14.7% 147.3	+2.6pts. +52.4	+55.1%
Construction, Mining & Utility Equipment	11.7% 83.9	14.5% 134.1	+2.8pts. +50.2	+59.8%
Retail Finance	22.7% 3.9	27.3% 6.0	+4.6pts. +2.1	+53.9%
Industrial Machinery & Others	13.3% 7.5	10.8% 6.9	(2.5)pts. (0.6)	(7.7)%
Corporate & elimination	(0.3)	0.3	+0.7	-

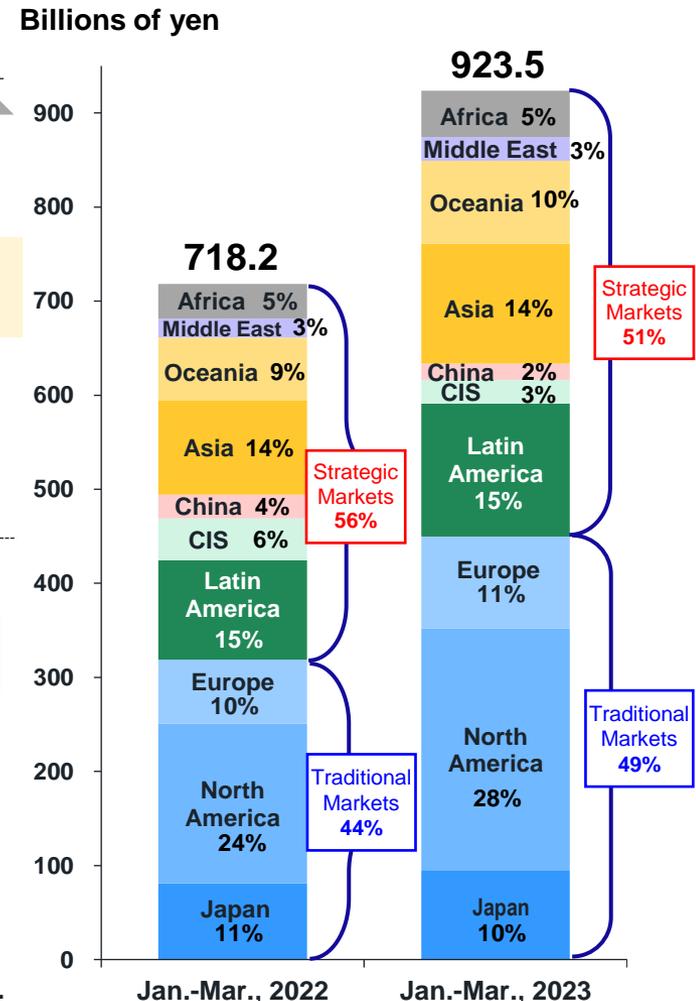
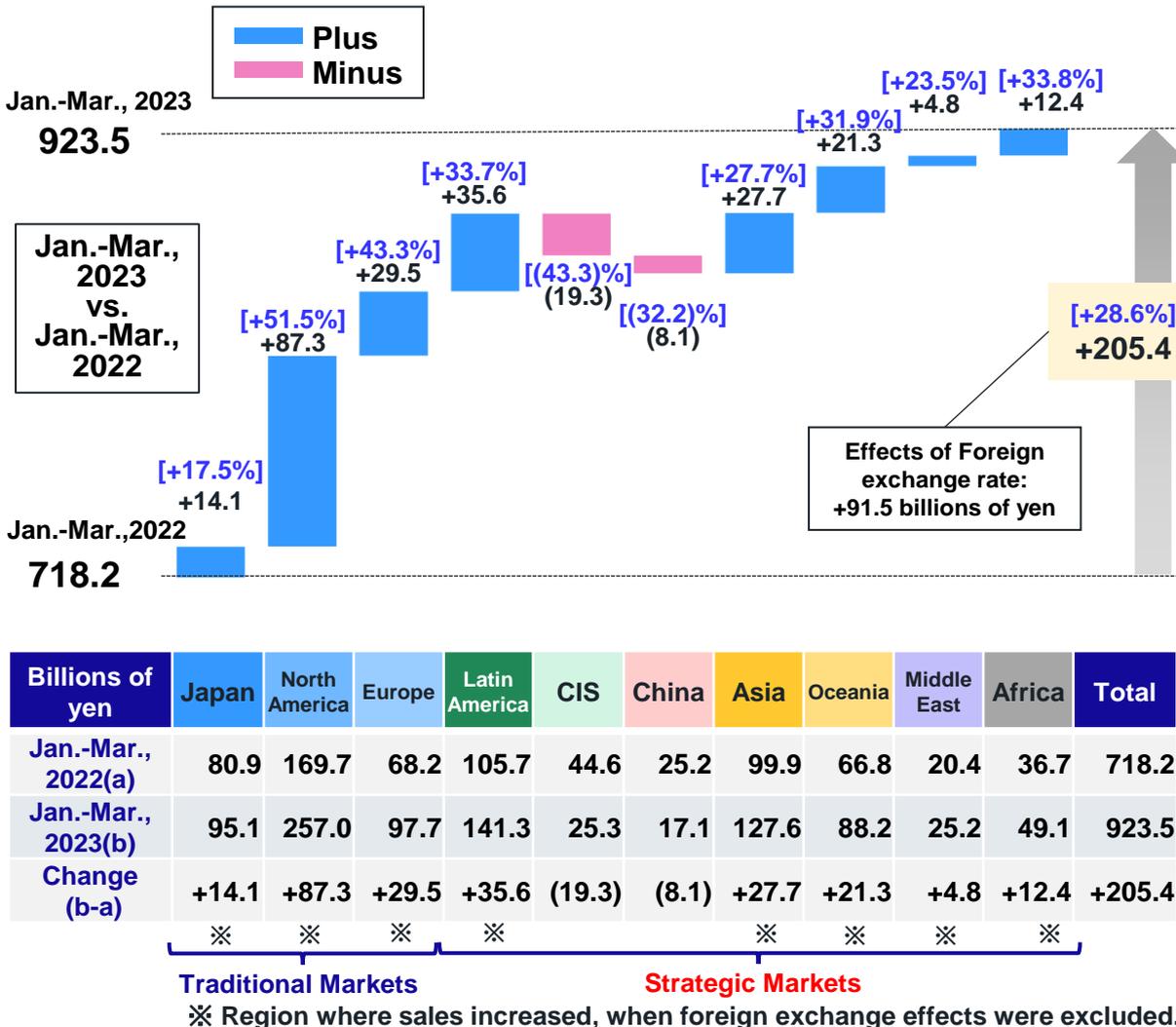
□ : Profit ratio [] : Sales after elimination of inter-segment transactions

Review of three business segments:

- **Construction, Mining & Utility Equipment:** Sales and segment profit increased, mainly supported by the positive effects of foreign exchange rates, increased volume of sales and improved selling prices.
- **Retail Finance:** Revenues and segment profit increased mainly supported by the positive effects of foreign exchange rates.
- **Industrial Machinery & Others:** Concerning the business with the automobile manufacturing industry, both sales and segment profit increased, mainly due to increased sales of large presses and machine tools. With respect to the business with the semiconductor manufacturing industry, sales increased, mainly supported by excellent sales of the Excimer laser-related business. Segment profit decreased due to increased costs.

<Appendix> Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for the Fourth Quarter (Jan.- Mar., 2023)

- Sales to outside customers advanced by 28.6% from the corresponding period a year ago, to JPY923.5 billion.
- Sales decreased in CIS and China. Sales expanded sharply in North America, Latin America, Europe and Asia.
- Sales in Traditional Markets accounted for 49% of total sales, and those in Strategic Markets, 51%.



Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
Jan.-Mar., 2022(a)	80.9	169.7	68.2	105.7	44.6	25.2	99.9	66.8	20.4	36.7	718.2
Jan.-Mar., 2023(b)	95.1	257.0	97.7	141.3	25.3	17.1	127.6	88.2	25.2	49.1	923.5
Change (b-a)	+14.1	+87.3	+29.5	+35.6	(19.3)	(8.1)	+27.7	+21.3	+4.8	+12.4	+205.4
	※	※	※	※			※	※	※	※	

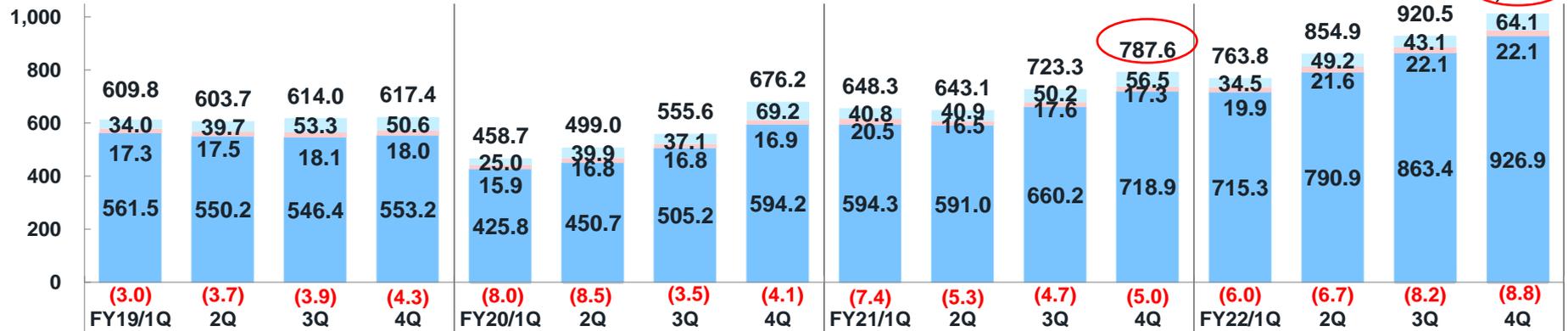
Traditional Markets Strategic Markets
 ※ Region where sales increased, when foreign exchange effects were excluded.

<Appendix> Quarterly Sales and Operating Profit

Quarterly sales

■ Elimination ■ Construction, Mining & Utility Equipment ■ Retail Finance ■ Industrial Machinery & Others

Billions of yen



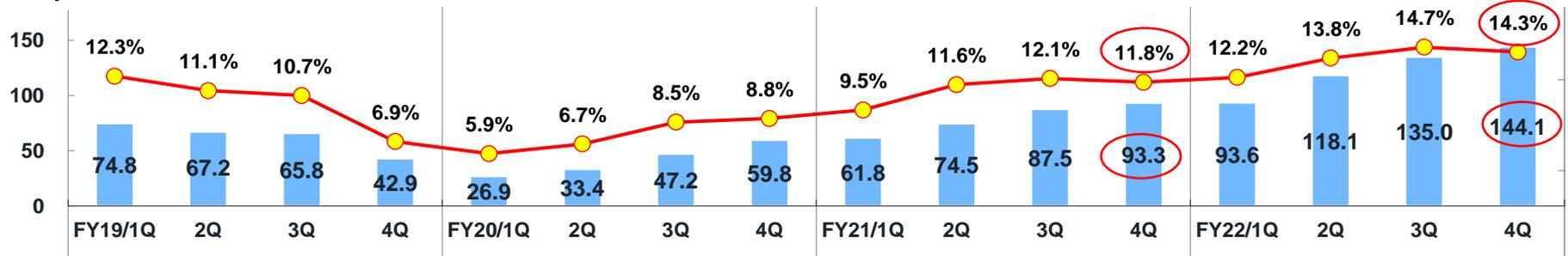
Exchange rates

	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q
¥/USD	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4
¥/EUR	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2
¥/AUD	77.2	74.0	73.9	72.6	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4

Operating profit

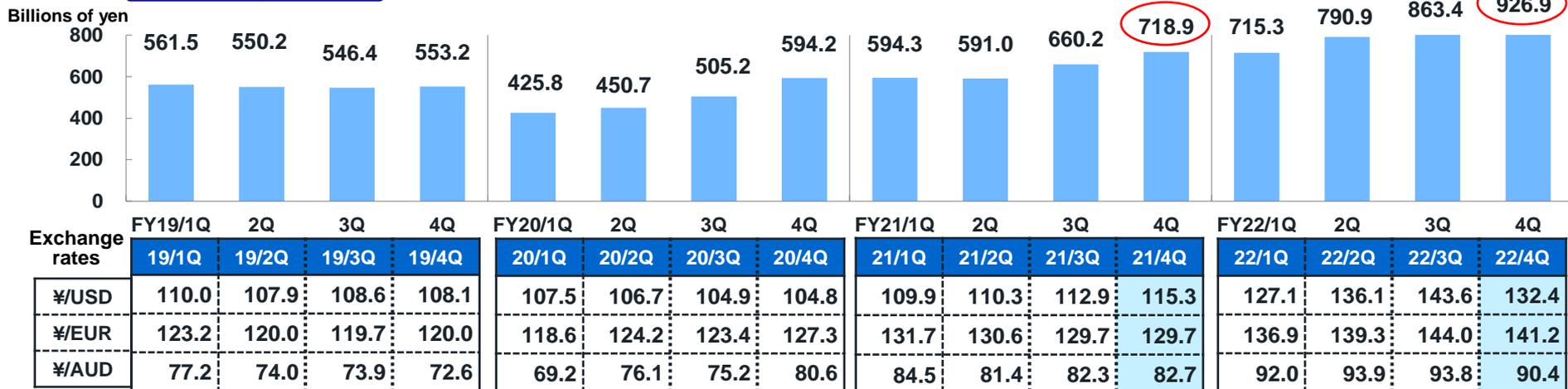
■ Operating profit
● Operating profit ratio

Billions of yen

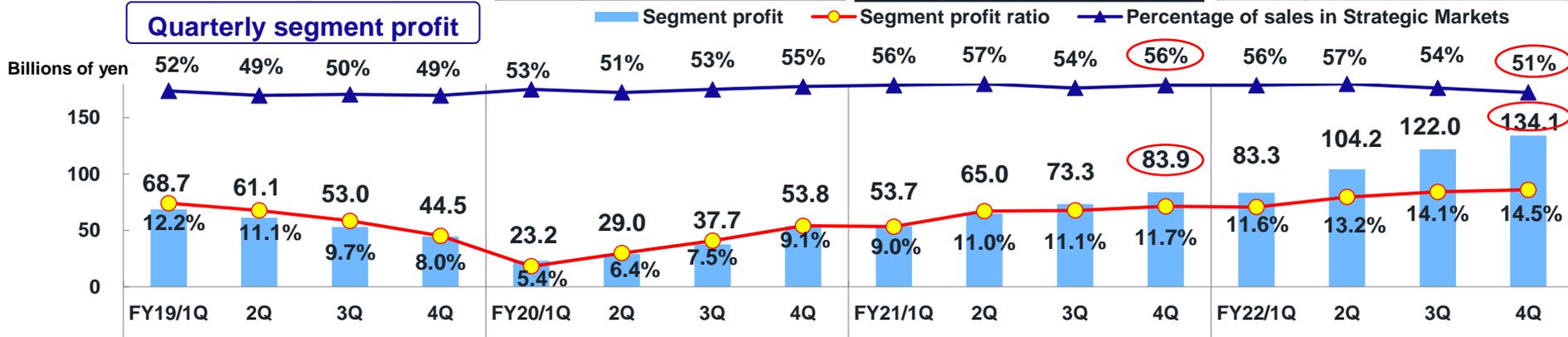


<Appendix> Construction, Mining & Utility Equipment : Quarterly Sales and Segment Profit

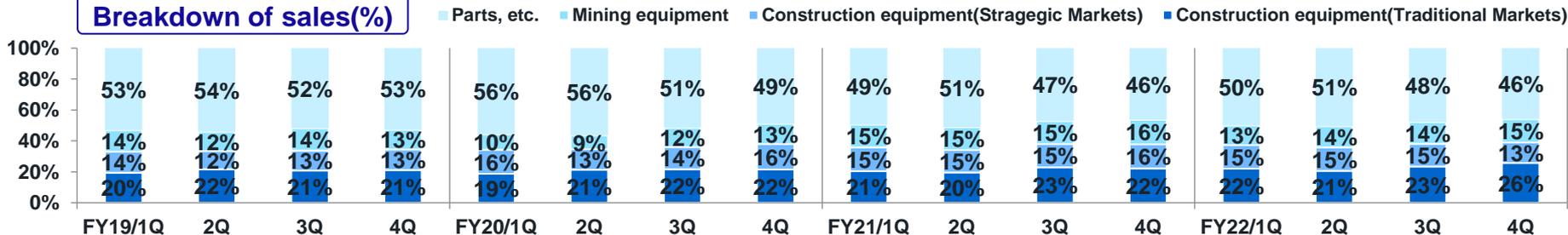
Quarterly sales



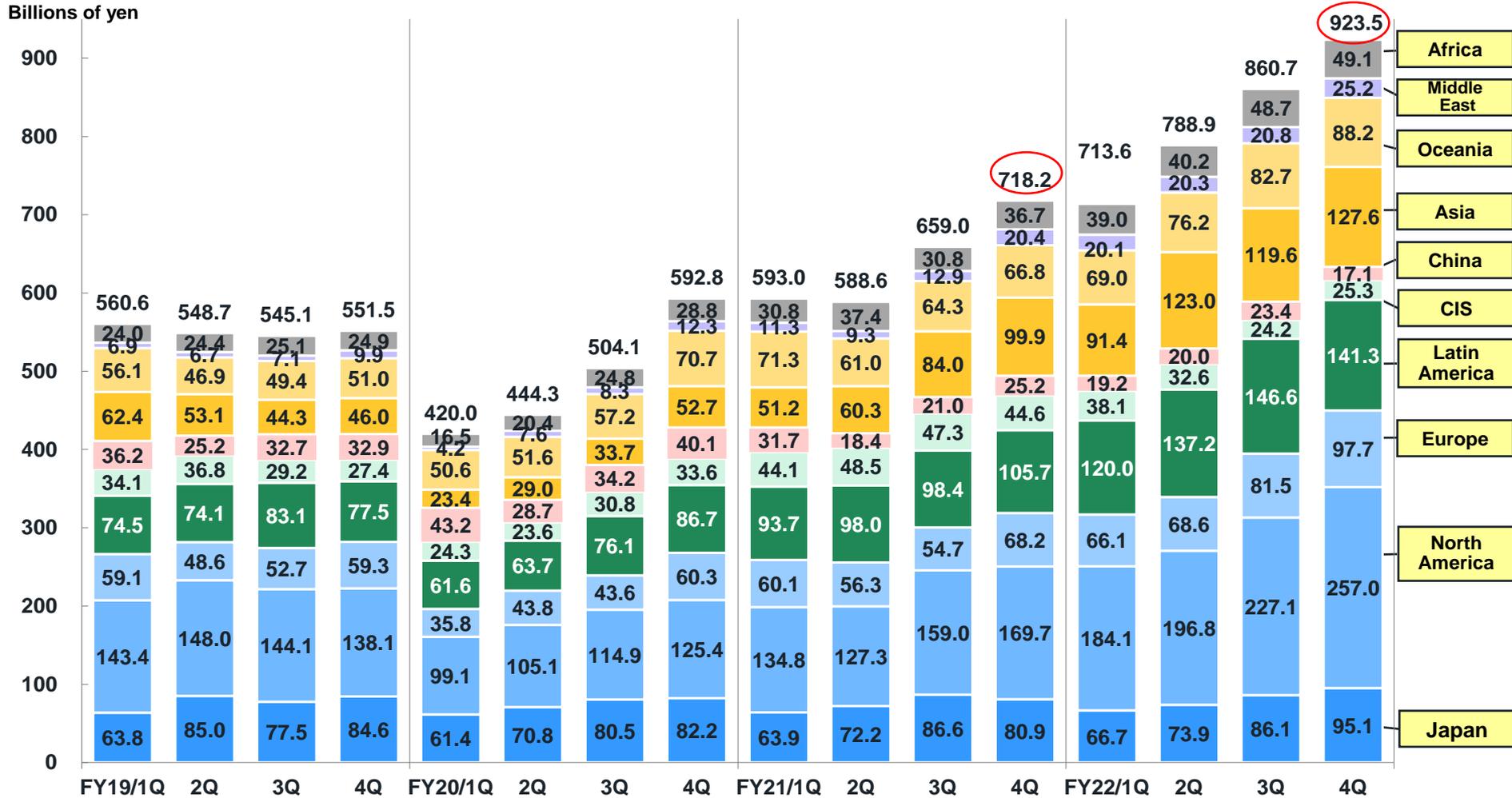
Quarterly segment profit



Breakdown of sales(%)



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

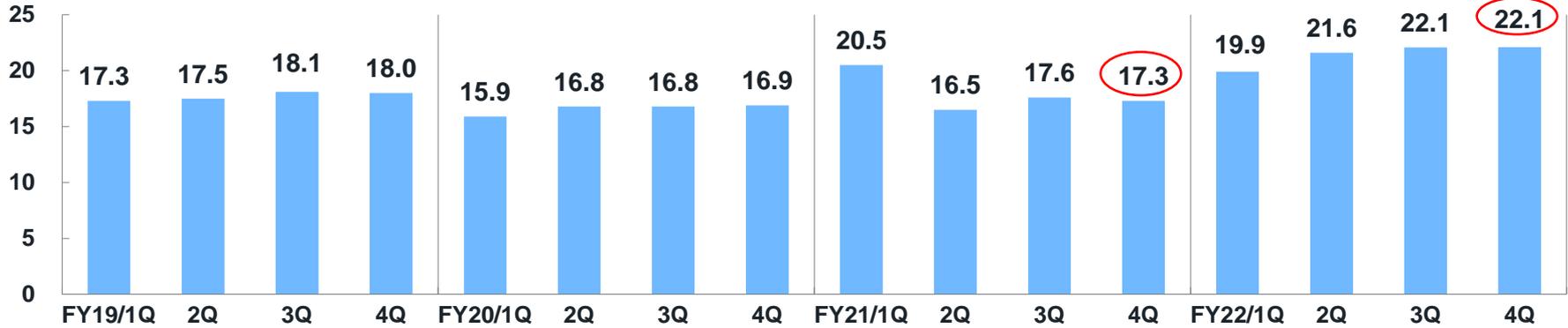


Exchange rates	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q
¥/USD	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4
¥/EUR	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2
¥/AUD	77.2	74.0	73.9	72.6	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4

<Appendix> Retail Finance : Quarterly Sales and Segment Profit

Billions of yen

Quarterly sales

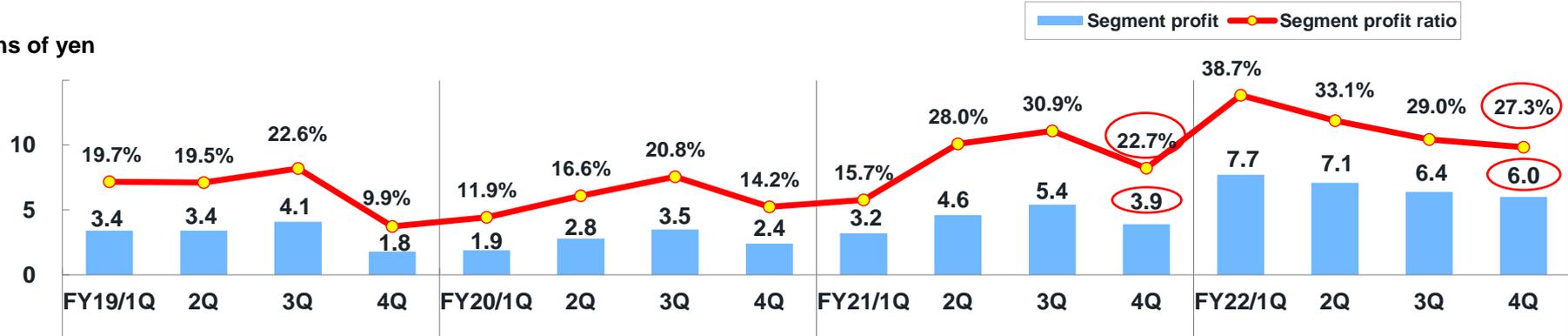


Exchange rates

	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q
¥/USD	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4
¥/EUR	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2
¥/AUD	77.2	74.0	73.9	72.6	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4

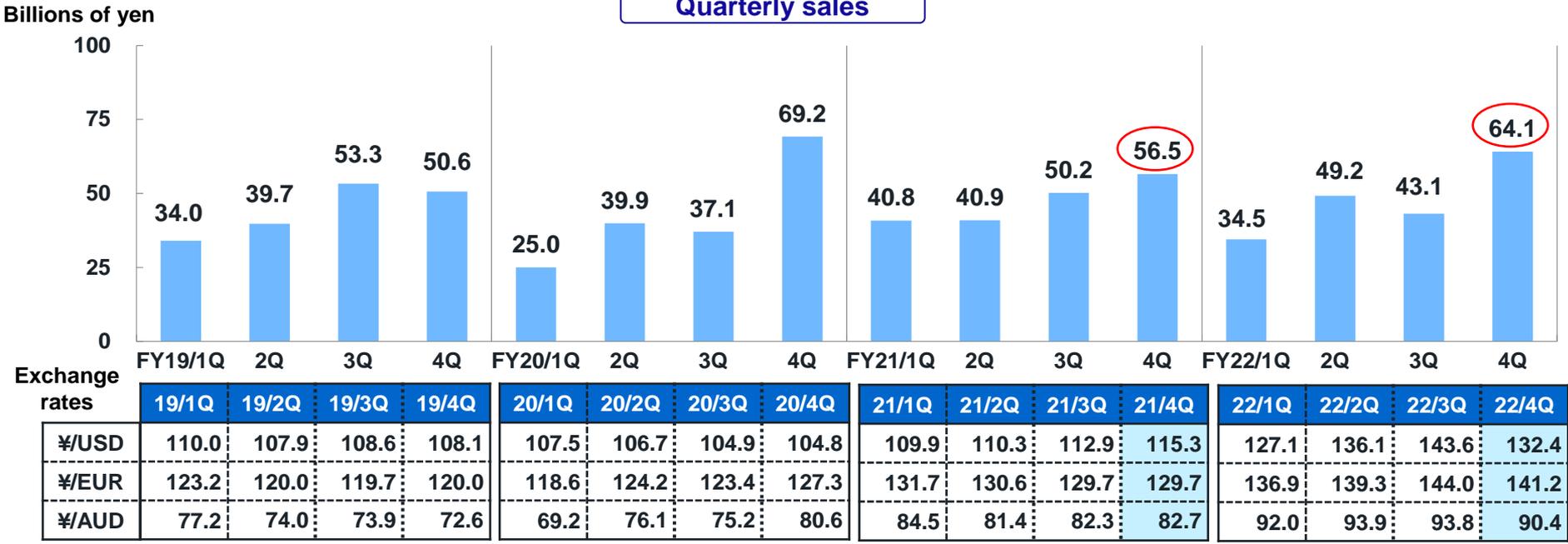
Quarterly segment profit

Billions of yen

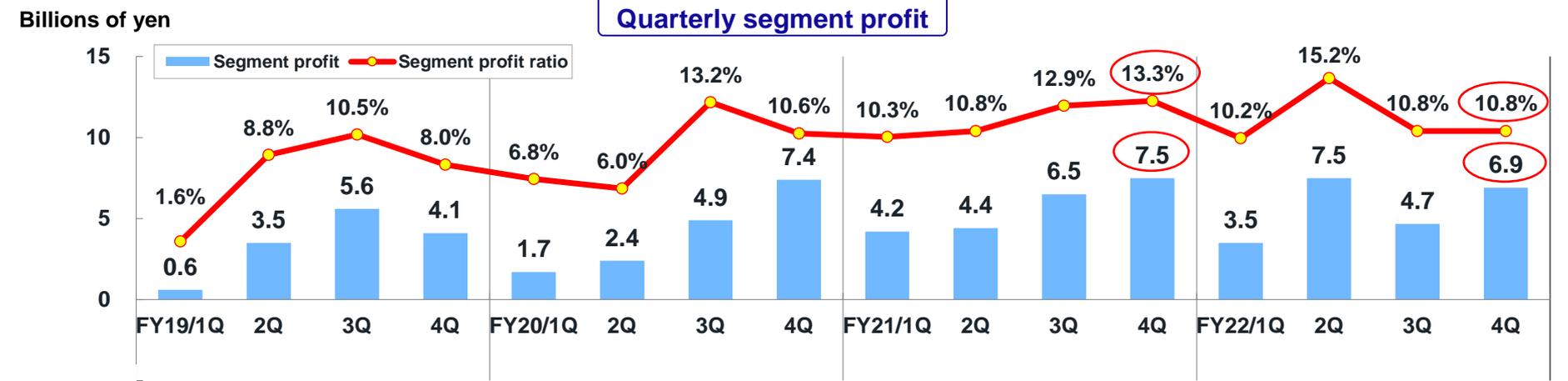


<Appendix> Industrial Machinery & Others : Quarterly Sales and Segment Profit

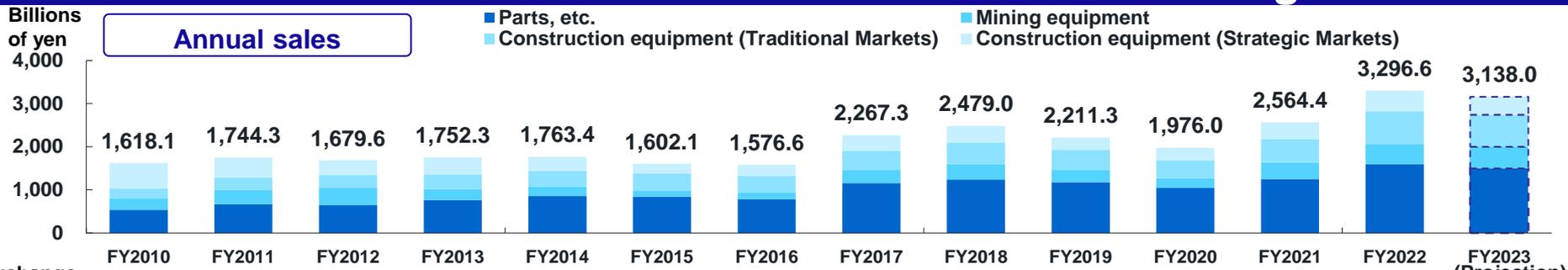
Quarterly sales



Quarterly segment profit

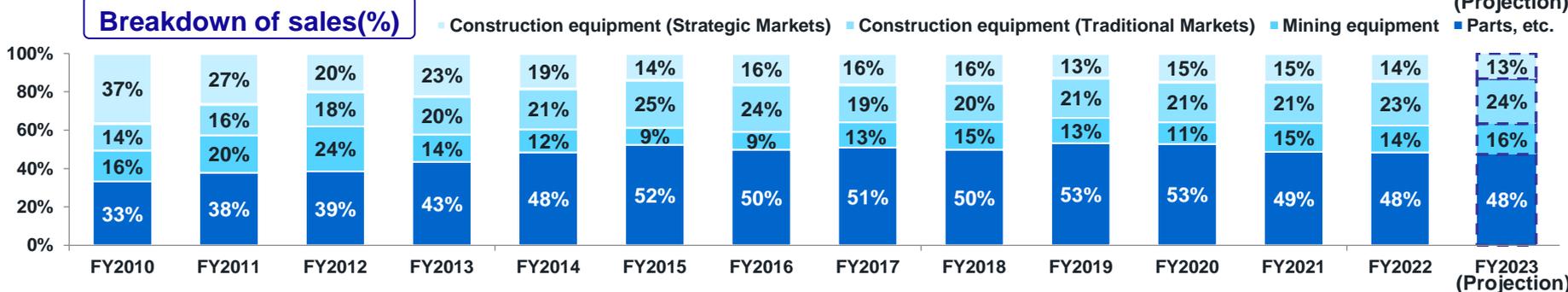
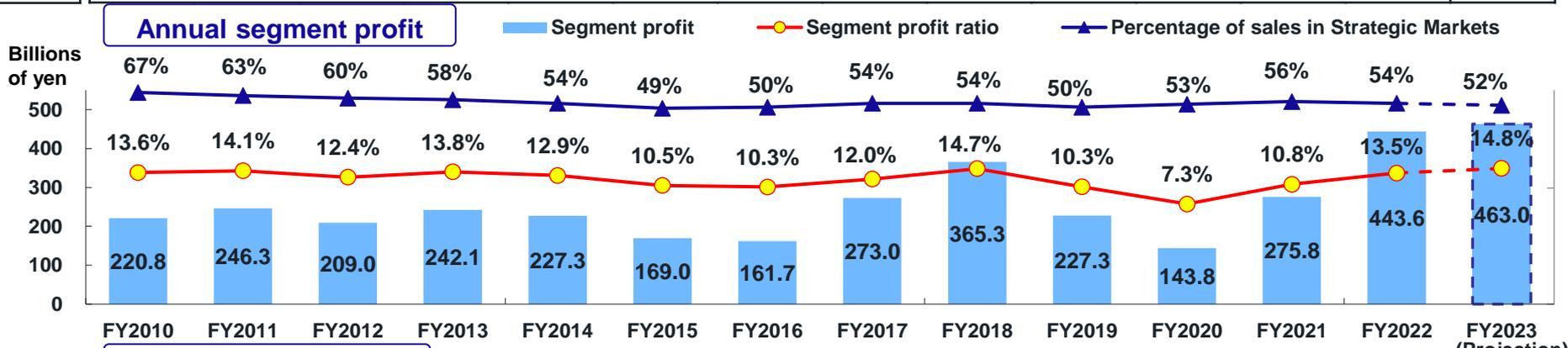


<Appendix> Construction, Mining & Utility Equipment: Annual Sales and Segment Profit

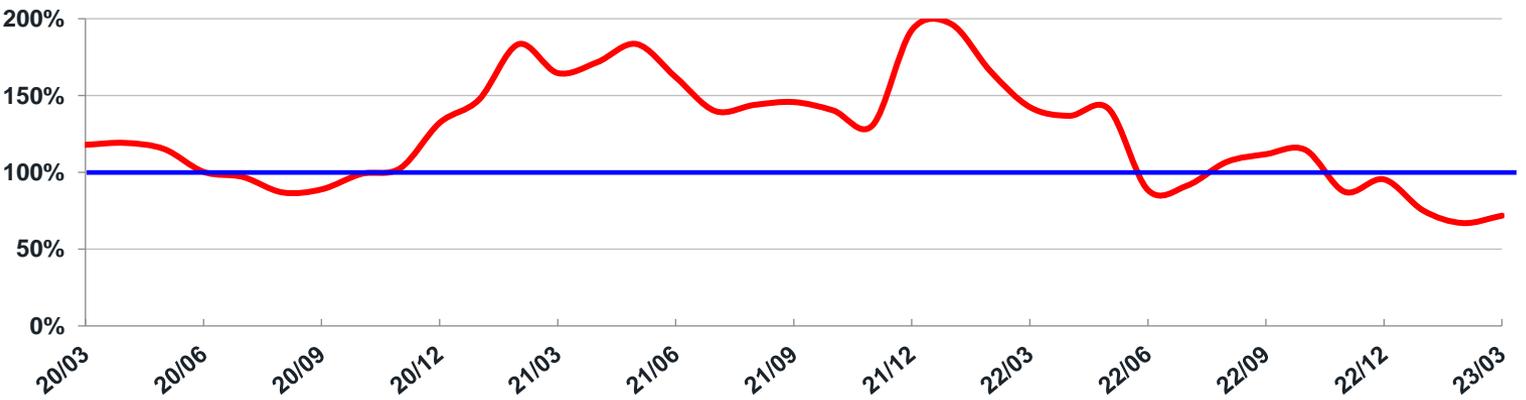
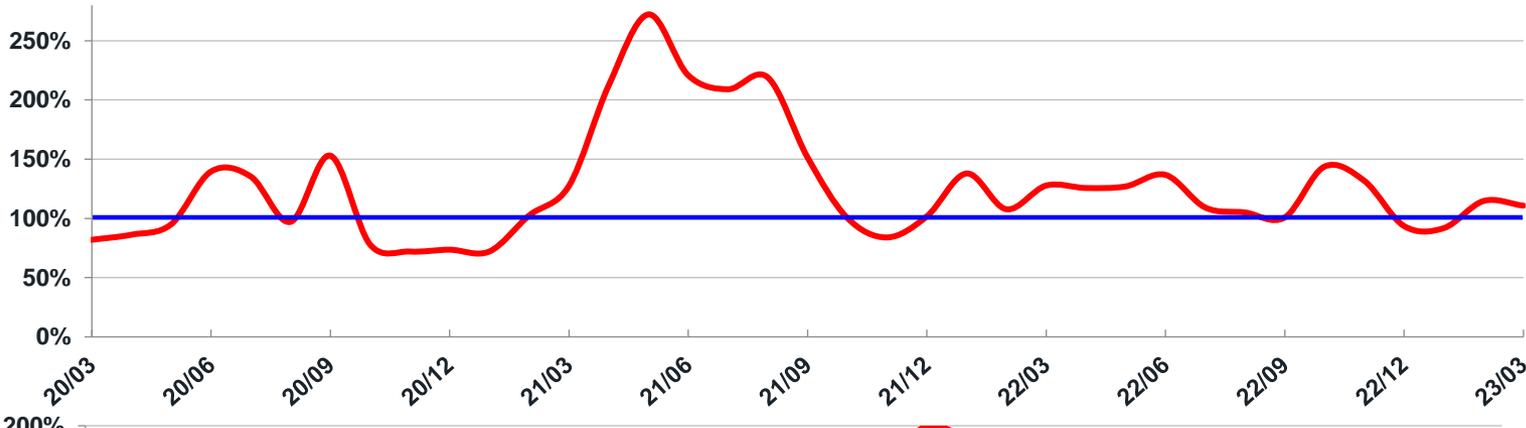
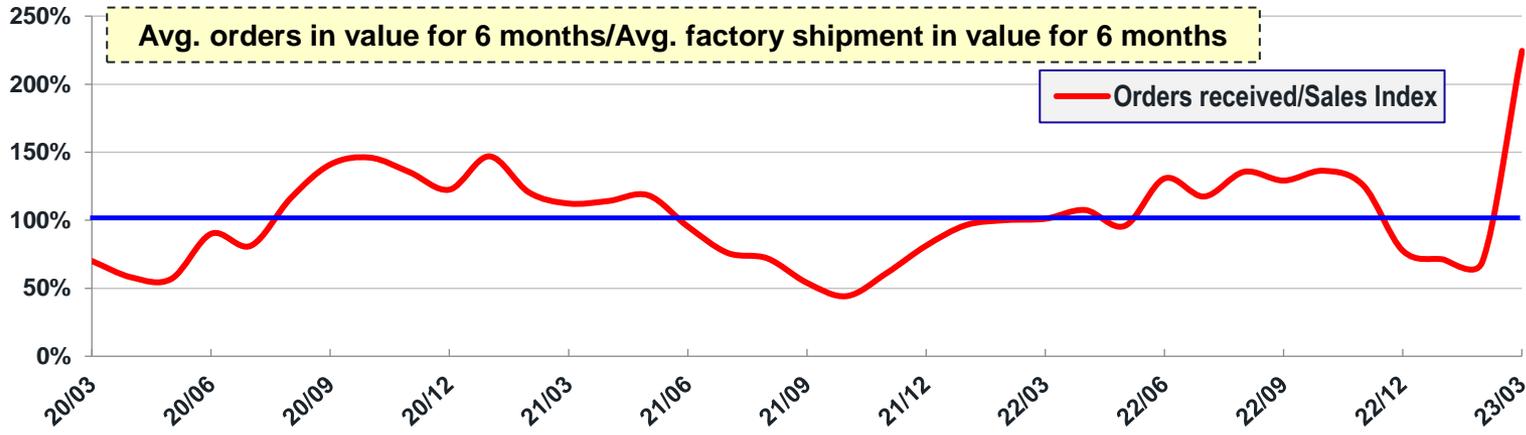


Exchange rates

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
¥/USD	85.0	79.0	82.5	99.6	109.7	120.8	108.6	111.2	110.6	108.7	106.0	112.1	134.8	125.0
¥/EUR	113.0	110.0	106.6	132.8	139.6	132.4	119.3	129.6	128.5	120.8	123.4	130.4	140.3	133.0
¥/AUD	-	-	-	-	-	-	-	-	-	-	-	82.7	92.5	83.0



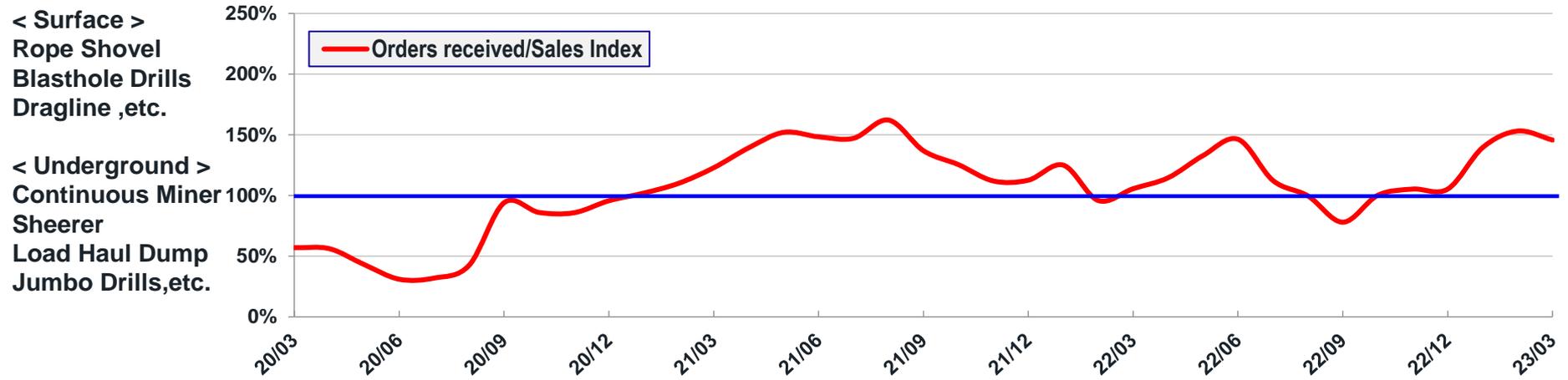
<Appendix> Book-to-Bill Ratio for Mining Equipment (6 Months)



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

KMC
(Mining eqpt)

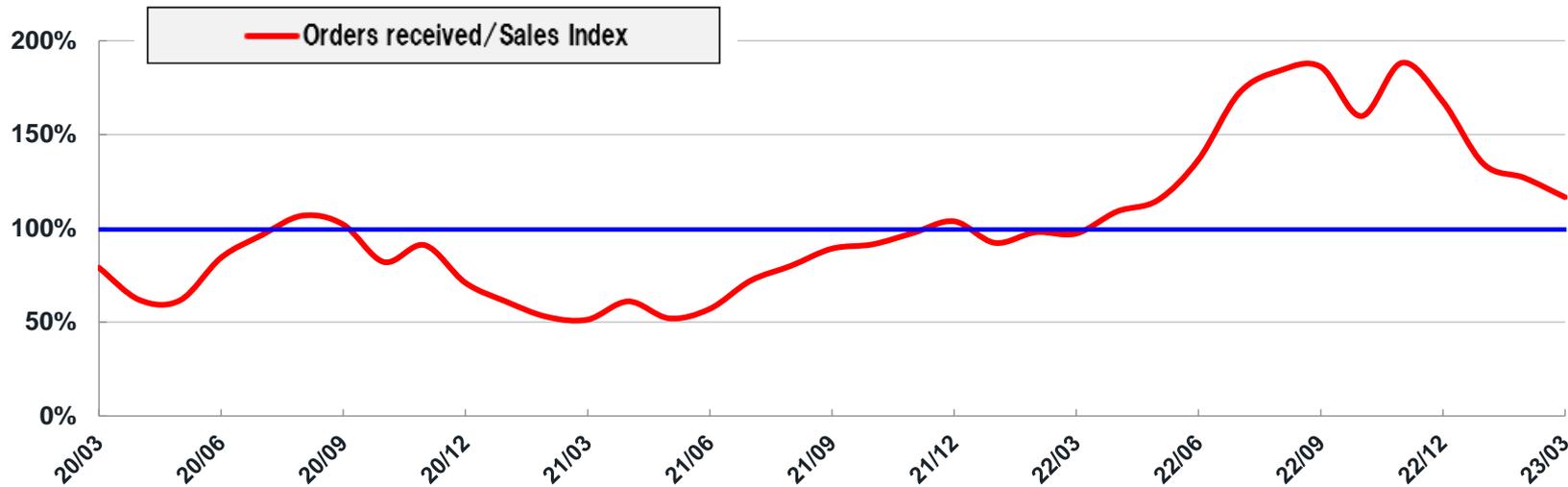
Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months



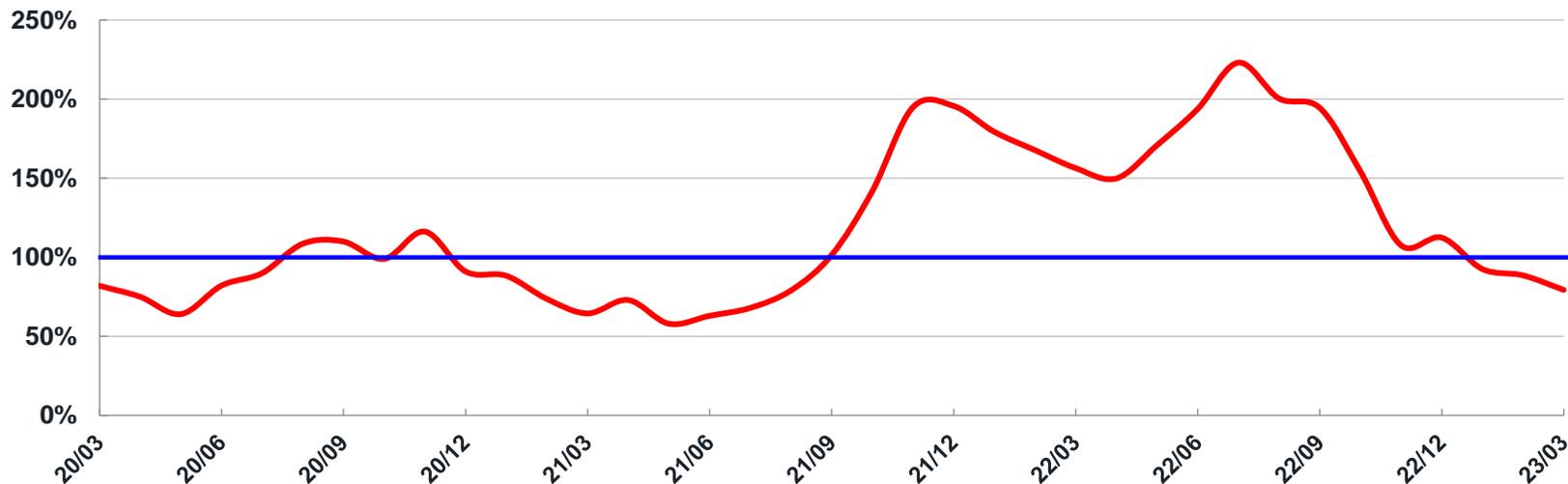
<Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries

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



Komatsu NTC



Exhited at CON/AGG 2023: Accelerating the achievement of safe, highly productive, smart and clean workplaces of the future

- We exhibited at CONEXPO-CON/AGG 2023, an international construction equipment trade show held in Las Vegas, U.S.A., for five days from March 14 to 18.
- We introduced our latest automation technologies and solutions, as well as electrification technologies that contribute to the realization of carbon neutrality. With the aim of promoting electrified construction machinery, we also exhibited for the first time a concept for a charging solution for jobsites where there is no power supply.

(News release of March 7, 2023)



Click here for booth tour →



We announced switch to HVO as factory-fill fuel. Acting now on the road to zero emissions

- We have decided to steadily switch factory-fill fuel of construction and mining equipment produced in Europe from diesel oil to hydrotreated vegetable oil (HVO).
- Starting in April 2023, we began switching to HVO at our plant in Germany and plan to extend this program to other European plants steadily. Through this program, we are advocating the environmental advantages of HVO to our customers. We also strive to help the construction and mining industries achieve carbon neutrality as a whole and help the world create a sustainable future.

(News release of April 20, 2023)



Filling a Komatsu machine with HVO as factory-fill fuel at the KGC plant in Hannover, Germany

Developed and Began Offering Remote Control System for Construction Machinery to Customers: Accelerating the achievement of safe, highly productive, smart and clean workplaces of the future

- Together with our subsidiary, EARTHRAIN, we have developed a remote control system for construction equipment, and begun offering it to customers since March 2023.
- We plan to complete on-site verification for commercial production in the first half of FY2023, and introduce the system to the market in phases to help customers improve safety and productivity at their workplaces.

(News release of April 14, 2023)



Remote control cockpit developed by EARTHRAIN

High-definition images sent from the construction equipment allow remote operation with a sense of presence, just as in the actual operator's seat, while checking the front, rear, left, right, and work equipment.



Investor relations

<https://www.komatsu.jp/en/ir>

Mid-term Management Plan

https://www.komatsu.jp/en/newsroom/2022/20220428_4

Komatsu Report (Integrated Report)

<https://www.komatsu.jp/en/ir/library/annual>

IR-Day

<https://www.komatsu.jp/en/ir/library/results/2022>

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.