



Business Results for FY2021

(April 1, 2021 – March 31, 2022)

Komatsu Ltd. Participants

Hiroyuki Ogawa
Takeshi Horikoshi
Masatoshi Morishita

President and Chief Executive Officer
Director and Senior Executive Officer and CFO
Senior Executive Officer and
GM, Business Coordination Department

April 28, 2022

I . Business Results for FY2021 <PP3-11>

- PP4-5 : Highlights, Segment Sales and Profits for FY2021**
- PP6-7 : Construction, Mining & Utility Equipment: Results for FY2021**
- P8 : Retail Finance: Results for FY2021**
- P9 : Industrial Machinery & Others: Segment Sales and Profits for FY2021**
- P10 : Consolidated Balance Sheets**
- P11 : Review of previous Mid-term management plan (FY2019 - 2021)**

II . Projection of FY2022 Business Results <PP12-31>

- PP13-14 : Projection for FY2022 ending March 31, 2023: Outline and Segment Sales and Profit**
- PP15-16 : Construction, Mining & Utility Equipment: Projection of Segment Sales and Profit**
- P17 : Retail Finance: Projection of Assets and Revenues**
- P18 : Industrial Machinery & Others: Projection of Segment Sales and Profit**
- PP19-24 : Construction, Mining & Utility Equipment: Demand and Projection for Seven Major Products
(Global and By Region)**
- PP25-26 : Construction, Mining & Utility Equipment: Mining Equipment**
- P27 : Construction, Mining & Utility Equipment: Parts**
- P28 : Projection for Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs**

III . Mid-term management plan <PP32-51>

- PP33-51 : Mid-term management plan (FY2022 - 2024)**

Appendix <PP52-63>

- PP53-57 : Quarterly Results**
- PP58-60 : Book-to-Bill Ratio [Orders Received / Sales (6 Months)]**
- PP61-63 : Highlights, Segment Sales and Profits for the Fourth Quarter of FY2021 (Jan.-Mar., 2022)**

I . Business Results for FY2021

Highlights of Business Results for FY2021

- Consolidated net sales advanced by 28.0% from FY2020, to JPY2,802.3 billion.
- Operating profit expanded sharply by 89.5% to JPY317.0 billion. Operating profit ratio was 11.3%, up 3.7 points.
- Net income attributable to Komatsu Ltd. surged by 111.7% to JPY224.9 billion.

Billions of yen	FY2020 Results (A) ¥106.0/USD ¥123.4/EUR ¥15.6/RMB	FY2021 Results (B) ¥112.1/USD ¥130.4/EUR ¥17.5/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,189.5	2,802.3	+612.8	+28.0%
Segment profit	172.3	315.5	+143.1	+83.1%
Other operating income (Expenses)	(5.0)	1.4	+6.4	-
Operating profit	167.3	317.0	+149.6	+89.5%
Profit ratio	7.6%	11.3%	+3.7pts.	-
Other income (Expenses)	(4.5)	7.5	+12.1	-
Income before income taxes	162.7	324.5	+161.7	+99.4%
Net income attributable to Komatsu Ltd.	106.2	224.9	+118.6	+111.7%
ROE	5.8%	10.9%	+5.1pts.	
Net D/E ratio	0.35	0.28	(0.07)pts.	
Cash dividends per share ※	55Yen	96Yen	+41Yen	
Consolidated payout ratio	48.9%	40.3%		

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

Segment Sales and Profits for FY2021

- **Construction, Mining & Utility Equipment:** Sales advanced by 29.8% from FY2020, to JPY2,564.3 billion. Segment profit expanded sharply by 91.8% to JPY275.7 billion. Segment profit ratio improved to 10.8%, up 3.5 points.
- **Retail Finance:** Revenues increased by 8.2% from FY2020, to JPY71.8 billion. Segment profit advanced by 62.7% to JPY17.1 billion.
- **Industrial Machinery & Others:** Sales increased by 10.0% from FY2020, to JPY188.3 billion. Segment profit advanced by 38.3% to JPY22.5 billion.

Billions of yen		FY2020 Results (A)	FY2021 Results (B)	Changes (B-A)	
				Increase (Decrease)	Change %
Net sales		2,189.5	2,802.3	+612.8	+28.0%
	Construction, mining & utility equipment	1,975.9 [1,961.2]	2,564.3 [2,558.8]	+588.4 [+597.6]	+29.8% [+30.5%]
	Retail finance	66.3 [58.3]	71.8 [57.8]	+5.4 [(0.5)]	+8.2% [(1.0%)]
	Industrial machinery & others	171.2 [169.9]	188.3 [185.6]	+17.1 [+15.7]	+10.0% [+9.3%]
	Elimination	(24.0)	(22.3)	+1.7	-
Segment profit		7.9% 172.3	11.3% 315.5	+3.4pts. +143.1	+83.1%
	Construction, mining & utility Equipment	7.3% 143.7	10.8% 275.7	+3.5pts. +131.9	+91.8%
	Retail finance	15.9% 10.5	23.9% 17.1	+8.0pts. +6.6	+62.7%
	Industrial machinery & others	9.5% 16.3	12.0% 22.5	+2.5pts. +6.2	+38.3%
	Corporate & elimination	1.6	(0.0)	(1.6)	-

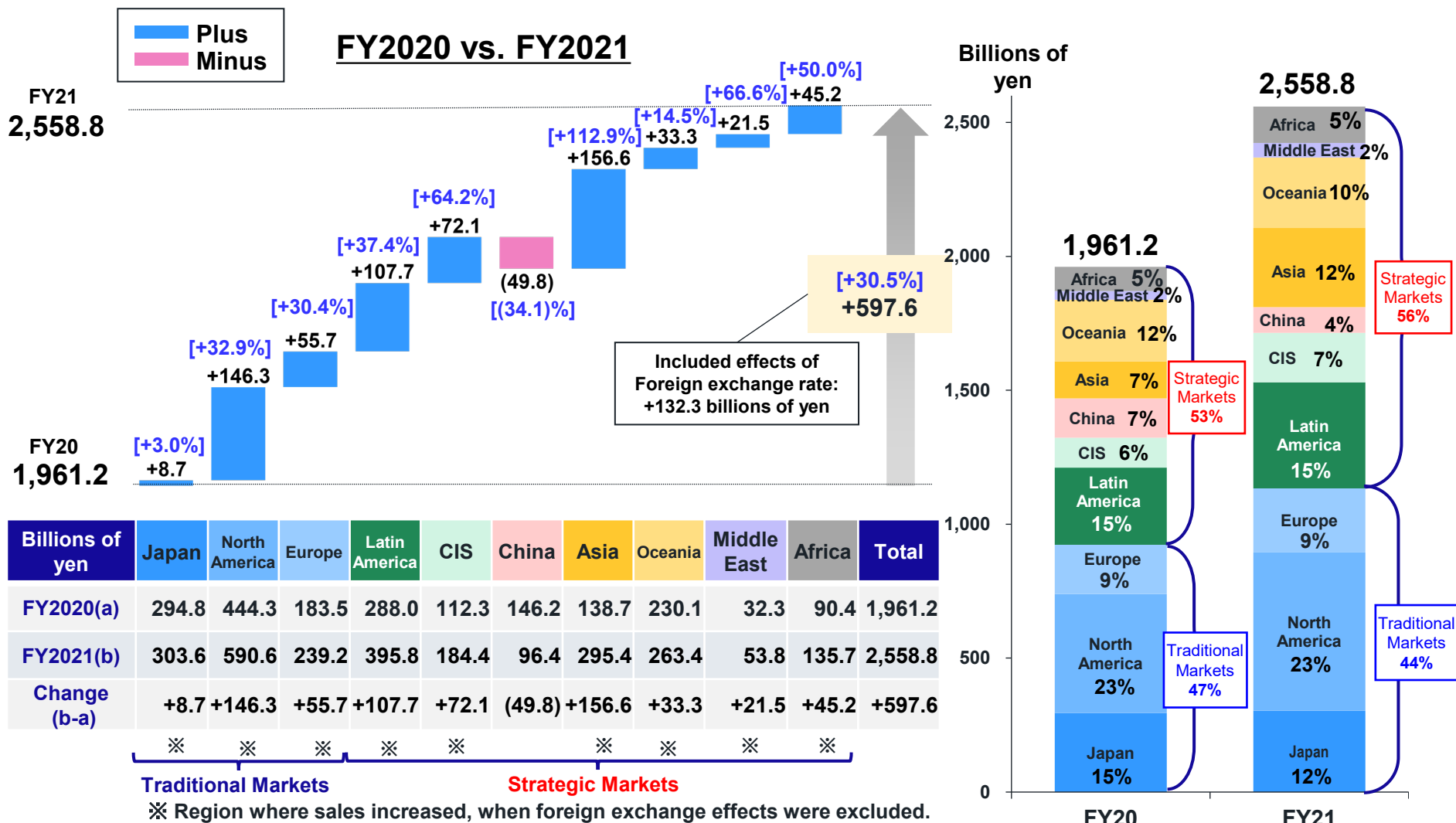
Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Sales advanced, mainly supported by increased volume of sales, positive effects of foreign exchange rates and improved selling prices. Segment profit climbed, mainly supported by increased volume of sales.
- **Retail Finance:** Revenues increased, supported by an increase in new contracts and positive effects of foreign exchange rates. Segment profit increased, mainly due to increased revenues and improved valuation of used equipment after lease use against the background of brisk market conditions.
- **Industrial Machinery & Others:** Concerning presses and machine tools for the automobile manufacturing industry, both sales and profit increased, reflecting the completion of installing machinery at overseas customers' plants. With respect to products for the semiconductor manufacturing industry, both sales and profit increased, esp. supported by excellent sales of the Excimer laser-related business.

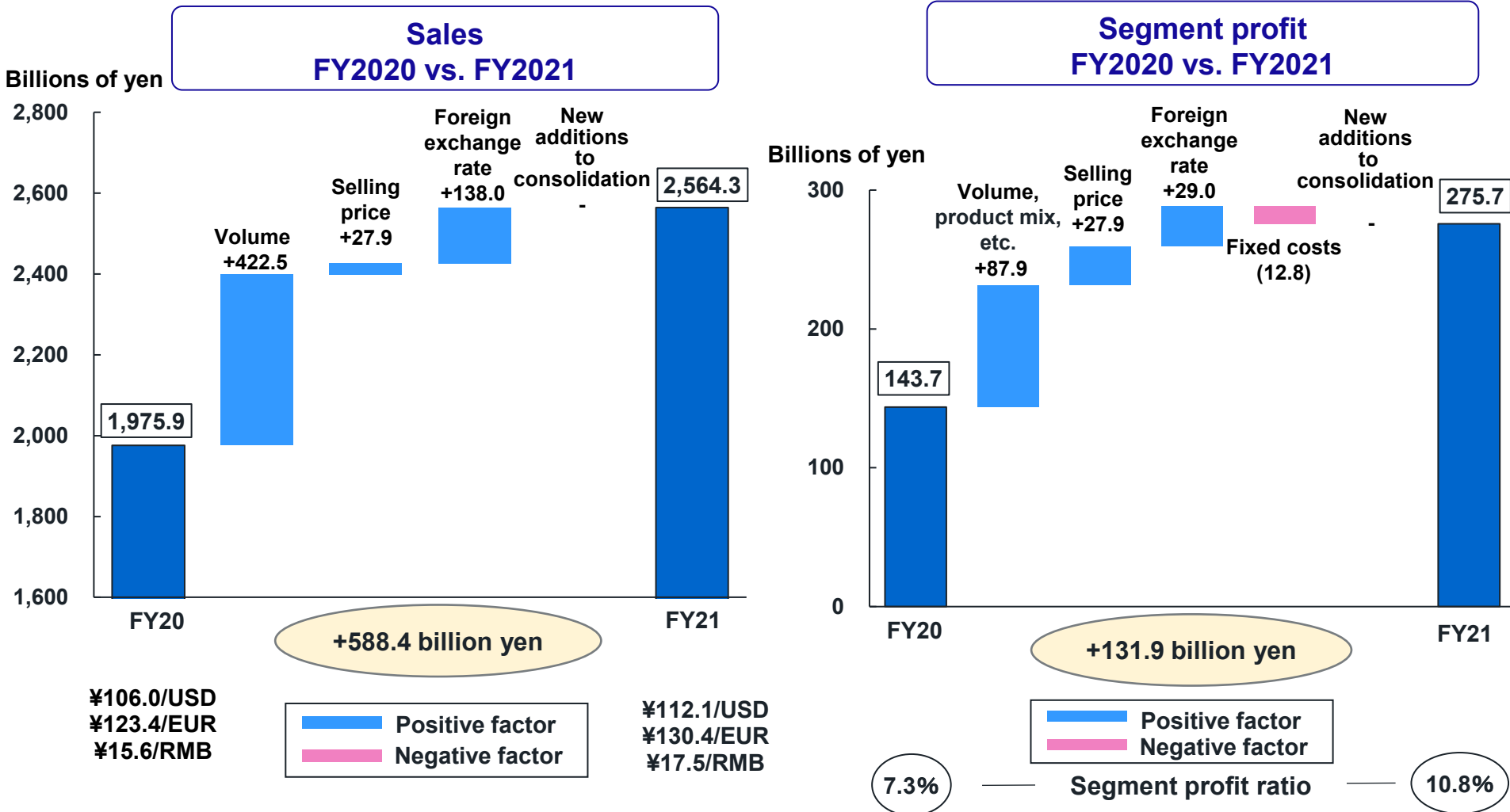
Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for FY2021

- Sales to outside customers advanced by 30.5% from FY2020, to JPY2,558.8 billion.
- Sales improved in all regions, except for China. Sales expanded sharply in Asia, North America and Latin America.
- 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 FY2021

- Sales increased by JPY588.4 billion from FY2020, mainly supported by increased volume of sales, positive effects of foreign exchange rates and improved selling prices.
- Segment profit increased by JPY131.9 billion from FY2020, reflecting increased volume of sales.
- Segment profit ratio was 10.8%, up 3.5 points from FY2020.

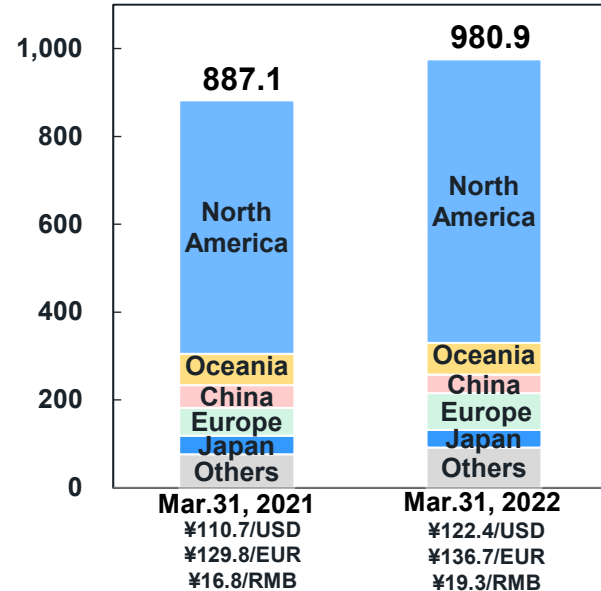


Retail Finance: Highlights for FY2021

- Assets increased from the previous fiscal year-end, as mainly affected by foreign exchange rates.
- New contracts increased by JPY156.1 billion from FY2020, supported by increased sales of the construction, mining equipment business.
- Revenues increased by JPY5.4 billion, supported by an increase in new contracts and positive effects of foreign exchange rates.
- Segment profit increased by JPY6.6 billion from FY2020, mainly due to increased revenues and improved valuation of used equipment after lease use against the background of brisk market conditions.

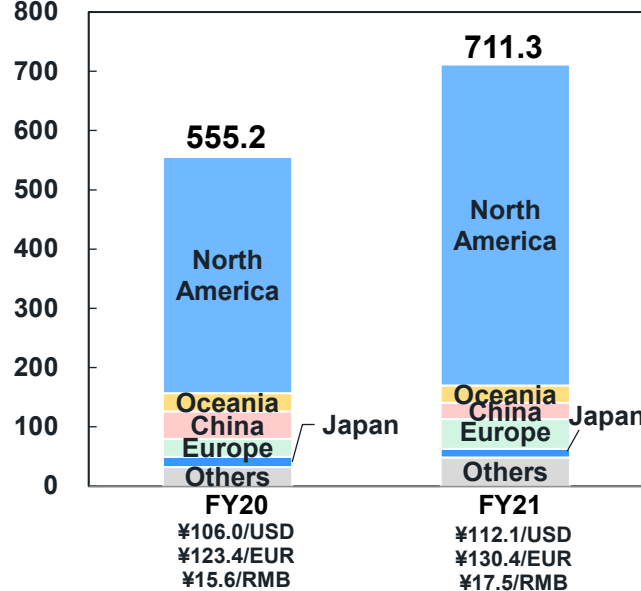
Billions of yen

Assets
Mar.31, 2021 vs. Mar.31, 2022



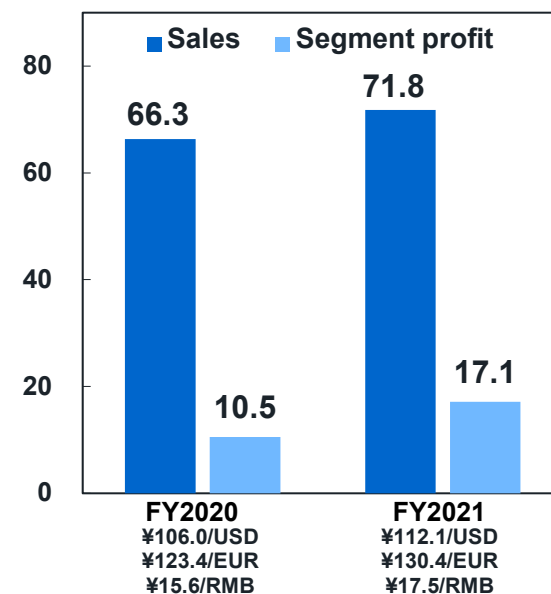
Billions of yen

New Contracts
FY2020 vs. FY2021



Billions of yen

Revenues
FY2020 vs. FY2021



Billions of yen	2021/3E	2022/3E	Changes
Interest-bearing debt	674.7	734.2	+59.5
Interest-bearing debt, net	672.3	731.4	+59.1
Net D/E ratio	3.69	3.51	(0.18)pts.

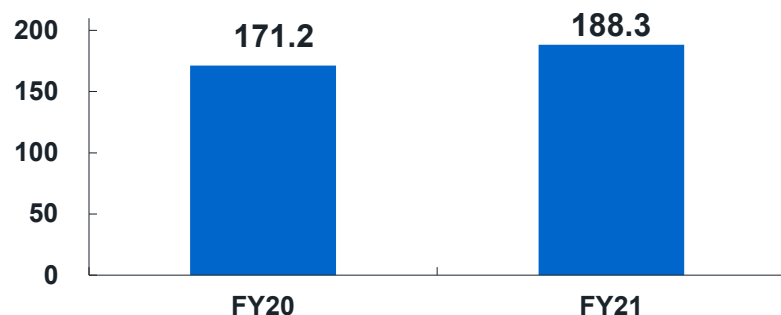
	FY2020 (A)	FY2021 (B)	Changes (B)-(A)
ROA	1.2%	1.8%	+0.6pts.

Industrial Machinery & Others: Highlights for FY2021

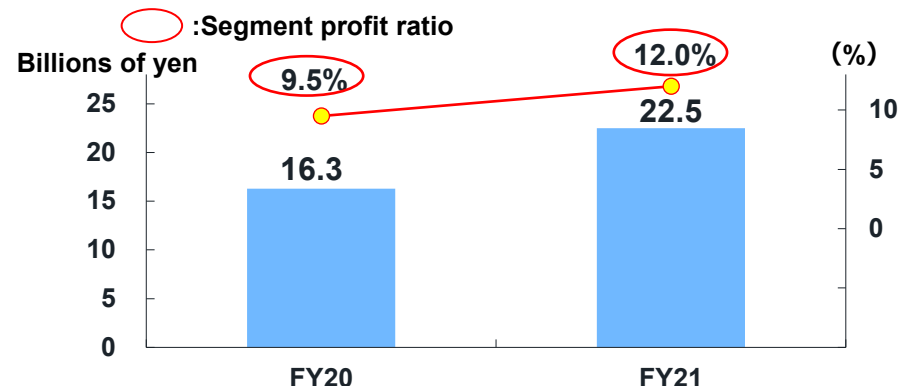
- Sales increased by 10.0% from FY2020, to JPY188.3 billion.
- Segment profit expanded by 38.3% to JPY22.5 billion.
- Presses and machine tools for the automobile manufacturing industry: Both sales and profits increased.
- Products for the semiconductor manufacturing industry: Both sales and profits increased, esp. supported by excellent sales of the Excimer laser-related business.
- Segment profit ratio was 12.0%.

Sales
FY2020 vs FY2021

Billions of yen



Segment profit
FY2020 vs FY2021



Breakdown of sales

Billions of yen	FY2020	FY2021	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	50.0	52.6	+2.6	+5.2%
Komatsu NTC Ltd.	30.2	38.0	+7.8	+25.9%
Gigaphoton Inc.	41.2	52.3	+11.0	+26.9%
Others	49.7	45.3	(4.4)	(8.9)%
Total	171.2	188.3	+17.1	+10.0%

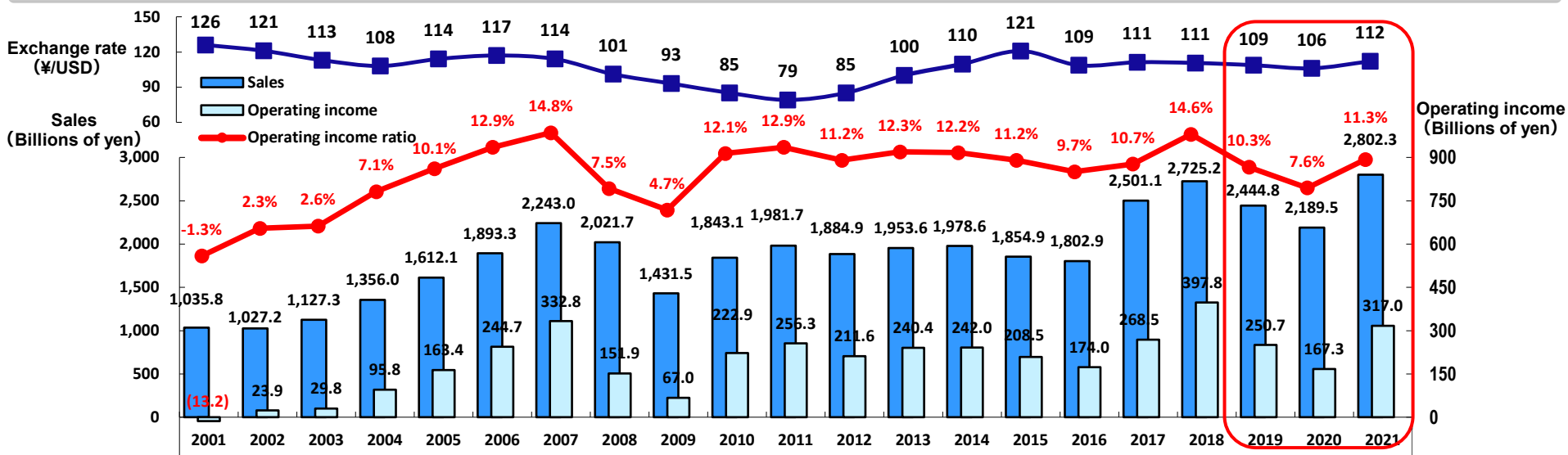
Consolidated Balance Sheets

- Total assets increased by JPY562.6 billion from the previous fiscal year-end, to JPY4,347.5 billion.
- All assets increased, as affected by foreign exchange rates. Receivables and inventories increased in tandem with growing sales of the construction, mining and utility equipment business as well as expanding production volume.
- Komatsu Ltd. shareholders' equity ratio increased by 0.9 percentage points, to 51.4%.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2021 ¥110.7/USD ¥129.8/EUR ¥16.8/RMB	Mar. 31, 2022 ¥122.4/USD ¥136.7/EUR ¥19.3/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	243.1	316.6	+73.5
Accounts receivable (incl. long-term trade receivables)	1,267.5	1,456.4	+188.8
Inventories	793.8	988.0	+194.1
Tangible fixed assets	787.3	819.7	+32.3
Other assets	692.9	766.6	+73.7
Total assets	3,784.8	4,347.5	+562.6
Accounts payable	258.3	338.9	+80.6
Interest-bearing debt [b]	909.9	947.3	+37.3
Other liabilities	604.5	704.8	+100.3
Total liabilities	1,772.8	1,991.2	+218.4
[Shareholders' equity ratio]	[50.5%]	[51.4%]	[+0.9pts.]
Komatsu Ltd. shareholders' equity	1,912.2	2,232.5	+320.2
Non-controlling interests	99.7	123.7	+24.0
Liabilities & Equity	3,784.8	4,347.5	+562.6
Interest-bearing debt, net [b-a]	○ 0.35 666.8	○ 0.28 630.7	(36.1)
Net D/E ratio (excl. the retail finance business)	○ (0.00)	○ (0.05)	

Review of previous Mid-term management plan: Business results and Progress towards Mid-term management plan

• Steadily implemented growth strategies and structural reforms despite a deteriorating external environment due to the spread of the new coronavirus and other factors. Management targets were generally achieved.



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

	Targets	Year	FY2021	FY2019-FY2021
		Index	Result	Result
Growth	• Growth rate above the industry's average	Sales growth rate	28.0%	2.4%
Profitability	• An industry's top-level operating income ratio	Operating profit ratio	11.3%	9.7%
Efficiency	• ROE of 10% or higher	ROE	10.9%	8.4%
Financial position	• Industry's top-level financial position.	Net debt-to-equity ratio	0.28	0.35
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%	49.0%
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	(19)%	(19)%
		Reduction of CO2 emissions from production	※ (36)%	※ (36)%
		Rate of renewable energy use	※ 14%	※ 14%
	• Evaluation by external organizations	Selected for DJSI (World & Asia Pacific)	DJSI: Selected	DJSI: Selected
		CDP A-list (Climate Changes and Water Security)	CDP: Score of climate change: A CDP: Score of water security: A	CDP: Score of climate change: A CDP: Score of water security: A
Retail Finance	• ROA: 1.5-2.0%	ROA	1.8%	1.5%
	• 5.0 or under for net debt-to-equity ratio	Net debt-to-equity ratio	3.51	3.67

※ Outlook for result of FY2021.

Ⅱ . Projection of FY2022 Business Results

Outline of Projection for FY2022

- Consolidated net sales will increase by 7.1% from FY2021, to JPY3,000.0 billion.
- Operating profit will increase by 9.1% to JPY346.0 billion. Operating profit ratio will amount to 11.5%, up 0.2 points.
- Net income will increase by 0.5% to JPY226.0 billion.

Billions of yen	FY2021 Results (A) ¥112.1/USD ¥130.4/EUR ¥82.7/AUD	FY2022 Projection (B) ¥118.0/USD ¥129.0/EUR ¥88.0/AUD	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,802.3	3,000.0	+197.6	+7.1%
Segment profit	315.5	349.0	+33.4	+10.6%
Other operating income (Expenses)	1.4	(3.0)	(4.4)	-
Operating profit	317.0	346.0	+28.9	+9.1%
Profit ratio	11.3%	11.5%	+0.2pts.	-
Other income (Expenses)	7.5	(12.5)	(20.0)	-
Income before income taxes	324.5	333.5	+8.9	+2.8%
Net income attributable to Komatsu Ltd.	224.9	226.0	+1.0	+0.5%
ROE	10.9%	10.0%	(0.9)pts.	
Cash dividends per share	96Yen	96Yen	+/- 0Yen	
Consolidated payout ratio	40.3%	40.2%		

Projection for Segment Sales and Profit of FY2022

- **Construction, mining & utility equipment:** Sales will increase by 8.4% from FY2021, to JPY2,779.0 billion. Segment profit will increase by 15.3% to JPY318.0 billion. Segment profit ratio will amount to 11.4%, up 0.6 points.
- **Retail finance:** Revenues will decrease by 6.8% to JPY67.0 billion. Segment profit will decrease by 9.9% to JPY15.5 billion.
- **Industrial machinery & others:** Sales will decrease by 2.8% to JPY183.0 billion. Segment profit will decrease by 11.5% to JPY20.0 billion.

Billions of yen		FY2021 Results (A)	FY2022 Projection (B)	Changes (B-A)	
				Increase (Decrease)	Change %
Net sales		2,802.3	3,000.0	+197.6	+7.1%
	Construction, mining & utility equipment	2,564.3 [2,558.8]	2,779.0 [2,767.0]	+214.6 [+208.1]	+8.4% [+8.1%]
	Retail finance	71.8 [57.8]	67.0 [53.0]	(4.8) [(4.8)]	(6.8)% [(8.3)%]
	Industrial machinery & others	188.3 [185.6]	183.0 [180.0]	(5.3) [(5.6)]	(2.8)% [(3.1)%]
	Elimination	(22.3)	(29.0)	(6.6)	-
Segment profit		11.3% 315.5	11.6% 349.0	+0.3pts. +33.4	+10.6%
	Construction, mining & utility Equipment	10.8% 275.7	11.4% 318.0	+0.6pts. +42.2	+15.3%
	Retail finance	23.9% 17.1	23.1% 15.5	(0.8)pts. (1.6)	(9.9)%
	Industrial machinery & others	12.0% 22.5	10.9% 20.0	(1.1)pts. (2.5)	(11.5)%
	Corporate & elimination	(0.0)	(4.5)	(4.4)	-

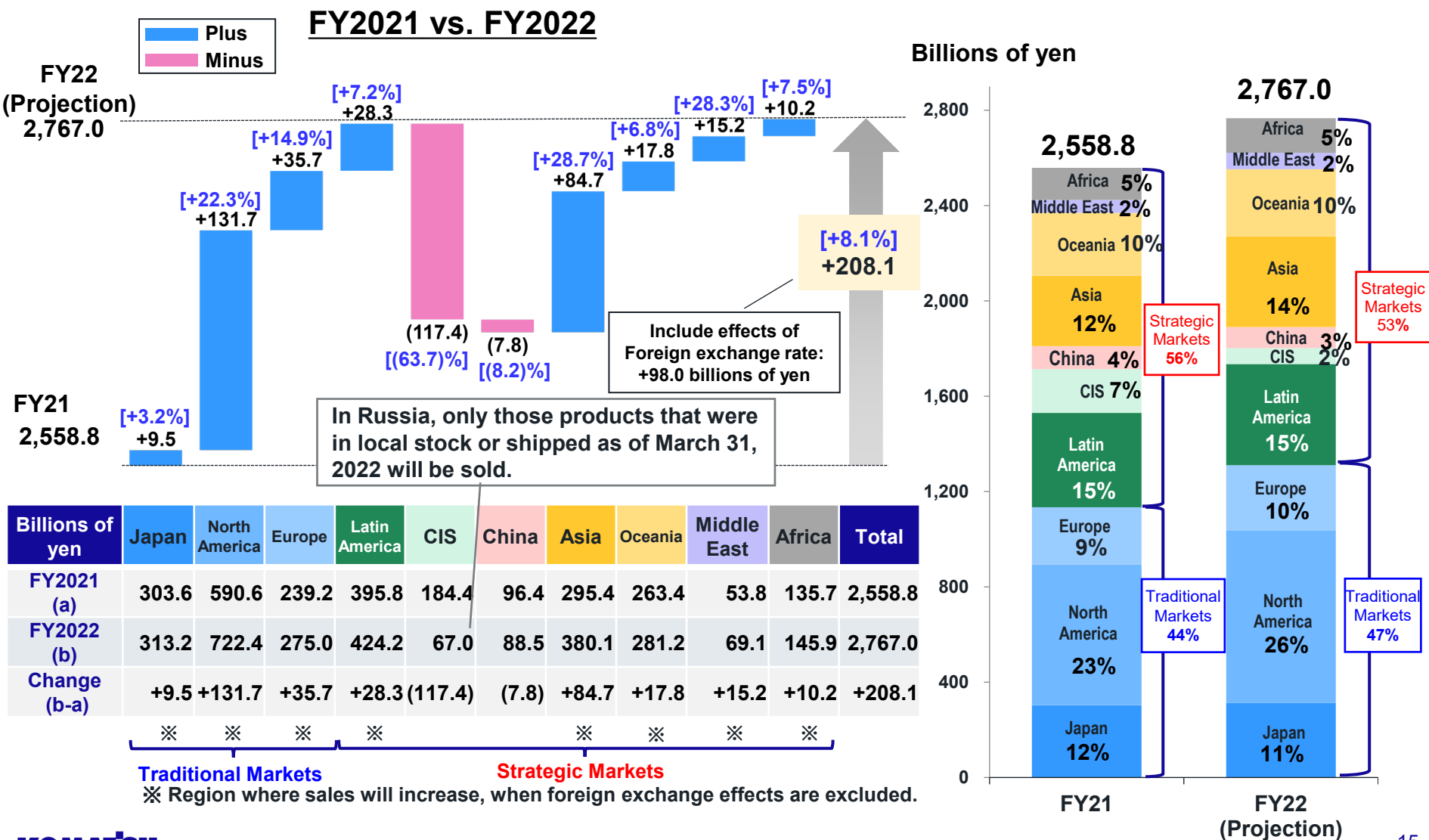
Review of three business segments

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

- **Construction, Mining & Utility Equipment** : Both sales and profit will improve, mainly supported by increased volume of sales, positive effects of foreign exchange rates and improved selling prices.
- **Retail Finance** : Both revenues and segment profit will decline due to lower sales of used equipment after the termination of leases and lower income due to the absence of the impact of improved valuation of lease-up cars in FY2021.
- **Industrial Machinery & Others** : Both sales and profit will decline due to a decrease in sales of medium- and large-size press machines for the automobile industry, while sales of Excimer laser-related products for the semiconductor market will increase.

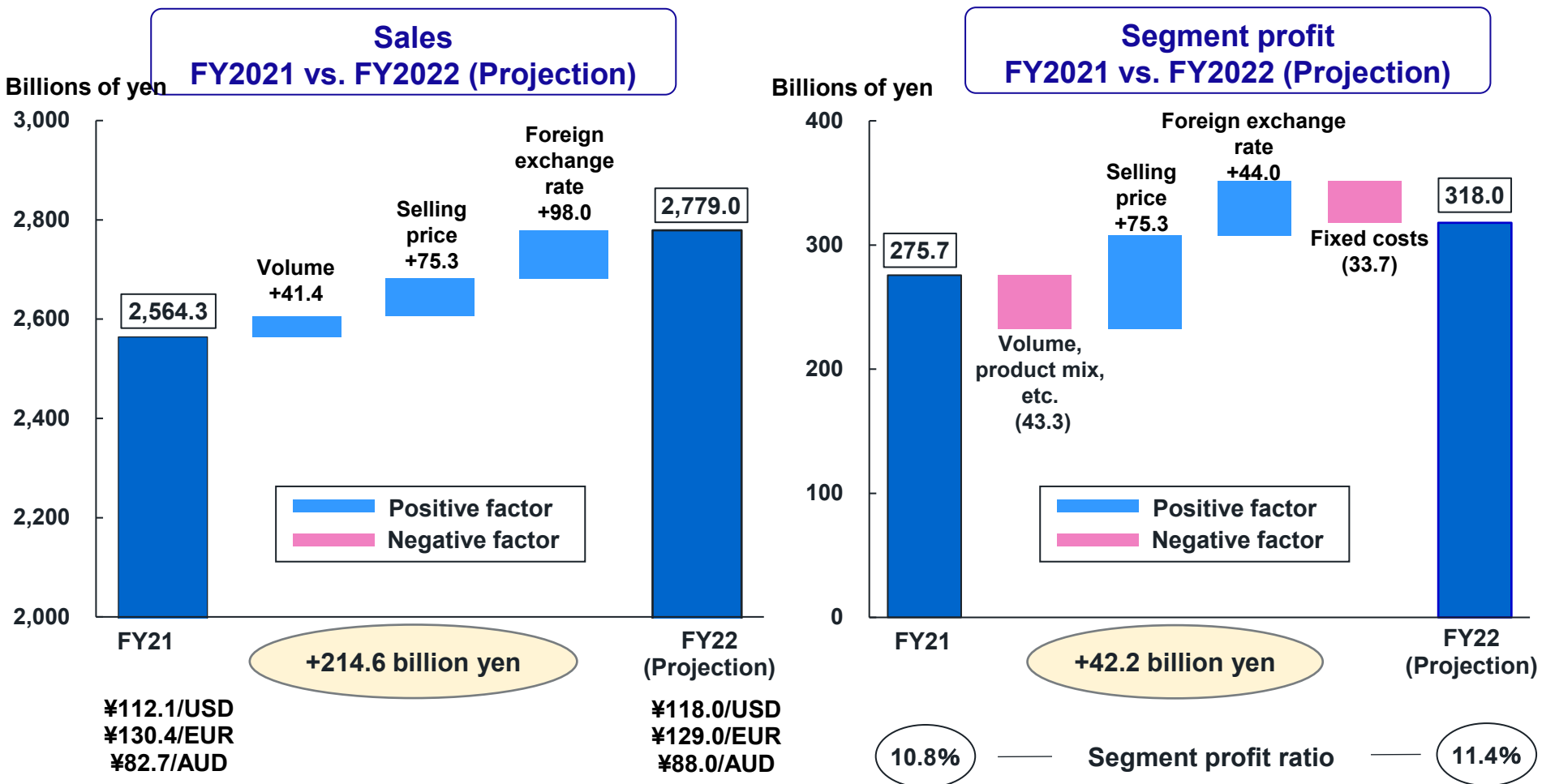
Construction, Mining & Utility Equipment : Projection for Sales by Region (To Outside Customers) for FY2022

- Sales to outside customers will increase by 8.1% from FY2021, to JPY2,767.0 billion.
- Sales will increase worldwide, centering on North America and Asia, except for CIS and China.
- The proportion of Traditional Markets will increase to 47%.



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

- Sales will increase by JPY214.6 billion from FY2021, as positively affected by an increase in volume of sales, improved selling prices and positive effects of foreign exchange rates.
- Segment profit will increase by JPY42.2 billion from FY2021, as positively affected by an increase in volume of sales, improved selling prices and positive effects of foreign exchange rates.
- Segment profit ratio will increase to 11.4%, up 0.6 points

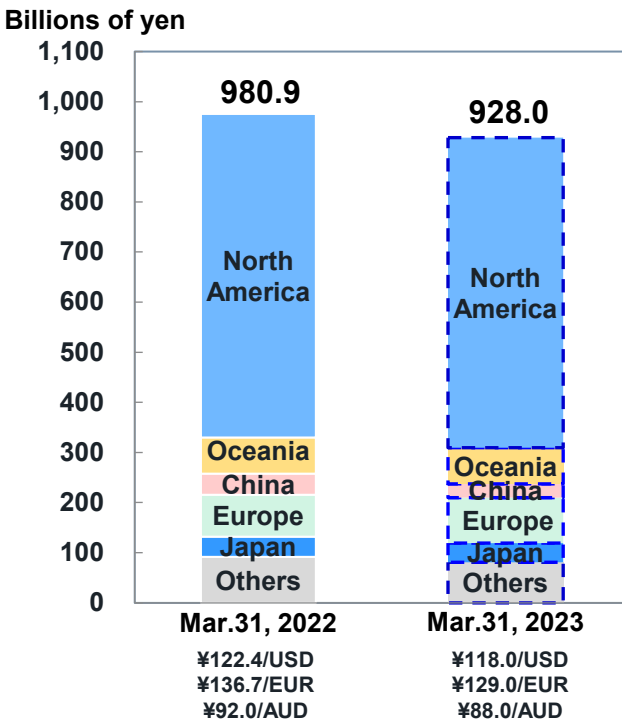


Retail Finance: Highlights for FY2022

- Assets will decrease from the previous year-end, mainly due to the impact of exchange rate differences at the end of the period.
- New contracts will increase from FY2021, mainly due to an increase in sales of the construction, mining and utility equipment business and the positive effects of foreign exchange rates.
- Revenues will decline from FY2021, mainly due to a decrease in sales of used equipment after lease use.
- Segment profit will decline, mainly due to no more positive effects of improved valuation of used equipment after lease use, which were recorded for FY2021.

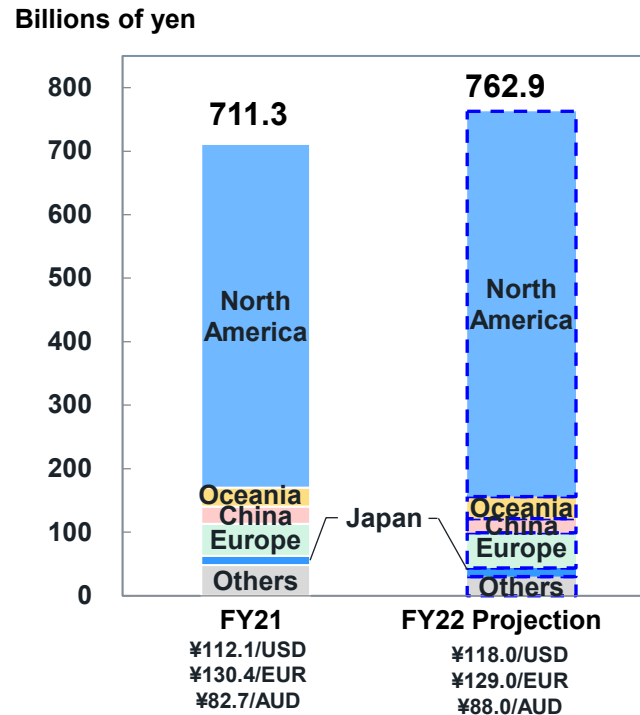
Assets

Mar.31, 2022 vs. Mar.31, 2023(Projection)



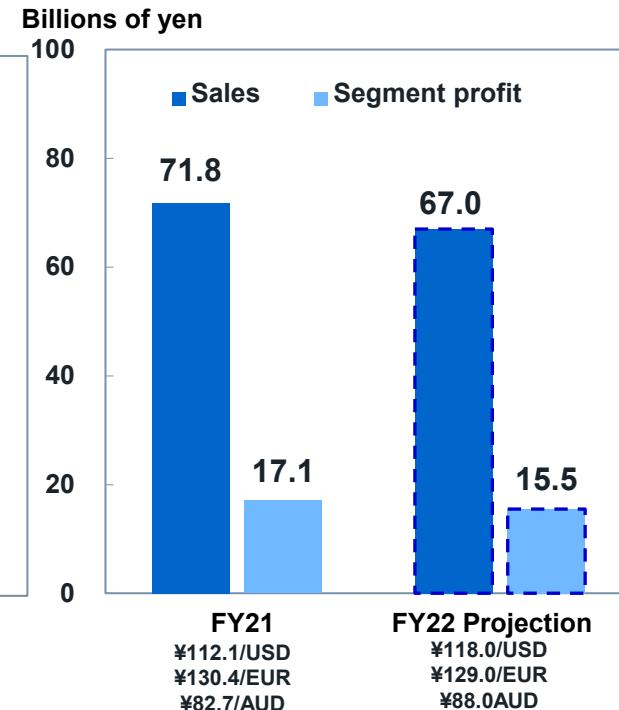
New Contracts

FY2021 vs FY2022(Projection)



Revenues

FY2021 vs FY2022(Projection)



Billions of yen	2022/3E	2023/3E(Projection)	Changes
Interest-bearing debt	734.2	720.5	(13.7)
Interest-bearing debt, net	731.4	714.0	(17.4)
Net D/E ratio	3.51	3.75	+0.24pts.

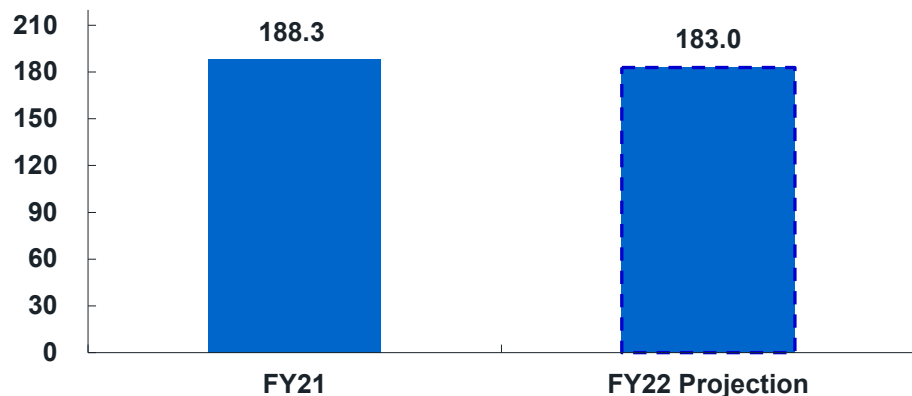
	FY2021	FY2022 (Projection)	Changes
ROA	1.8%	1.6%	(0.2)pts.

Industrial Machinery & Others: Highlights for FY2022

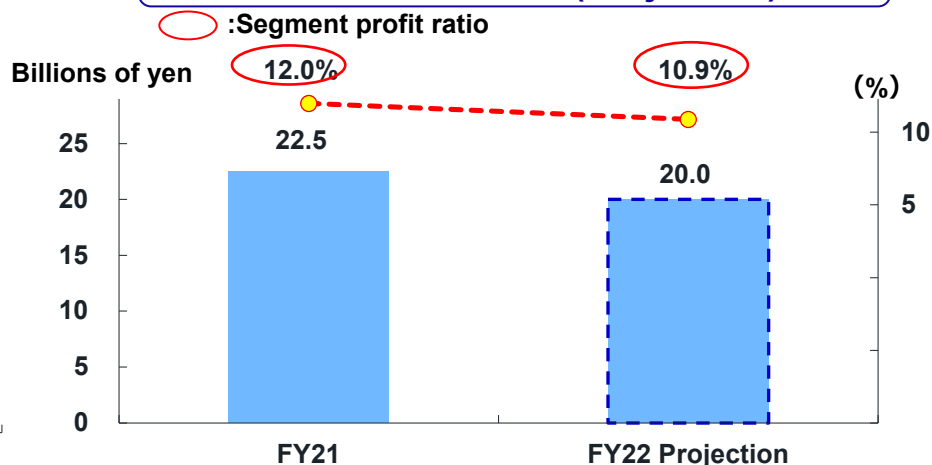
- Sales will decrease by 2.8% from FY2021, to JPY183.0 billion, and segment profit will decrease by 11.5% to JPY20.0 billion.

Sales
FY2021 vs FY2022(Projection)

Billions of yen



Segment profit
FY2021 vs FY2022(Projection)



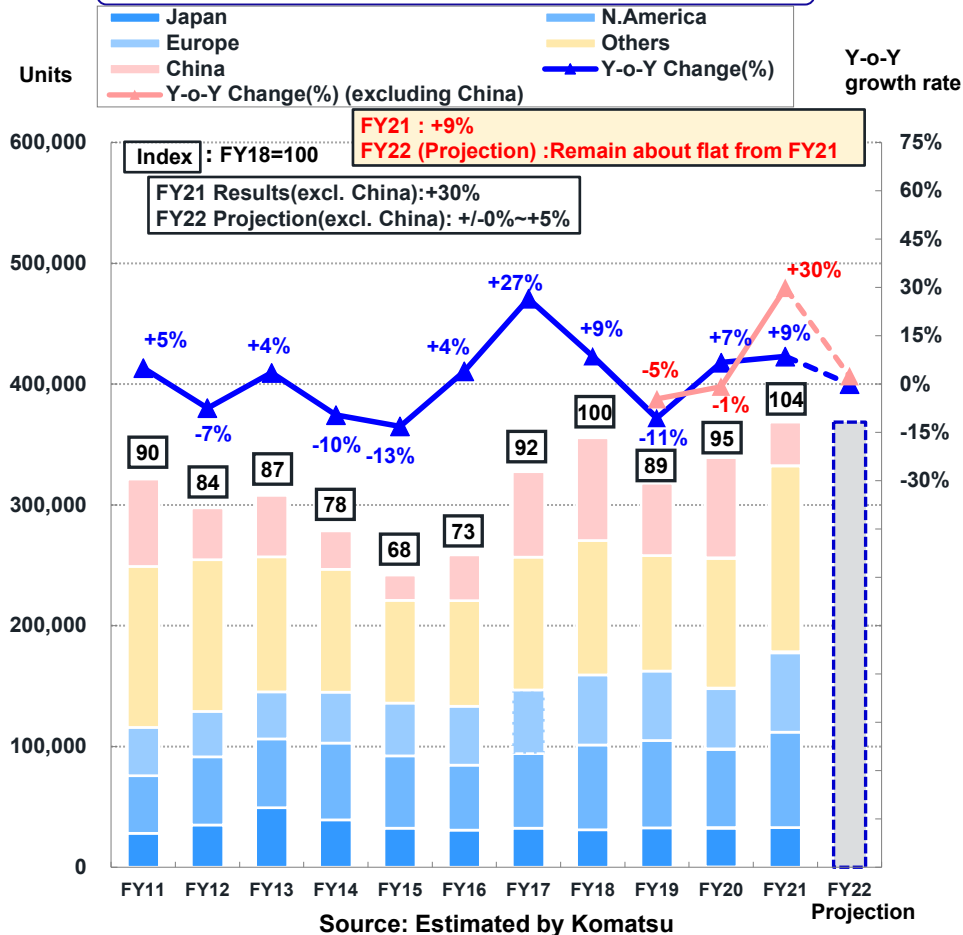
Breakdown of sales

Billions of yen	FY2021	FY2022 (Projection)	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	52.6	41.6	(10.9)	(20.8)%
Komatsu NTC Ltd.	38.0	42.0	+3.9	+10.4%
Gigaphoton Inc.	52.3	56.6	+4.2	+8.2%
Others	45.3	42.6	(2.6)	(5.8)%
Total	188.3	183.0	(5.3)	(2.8)%

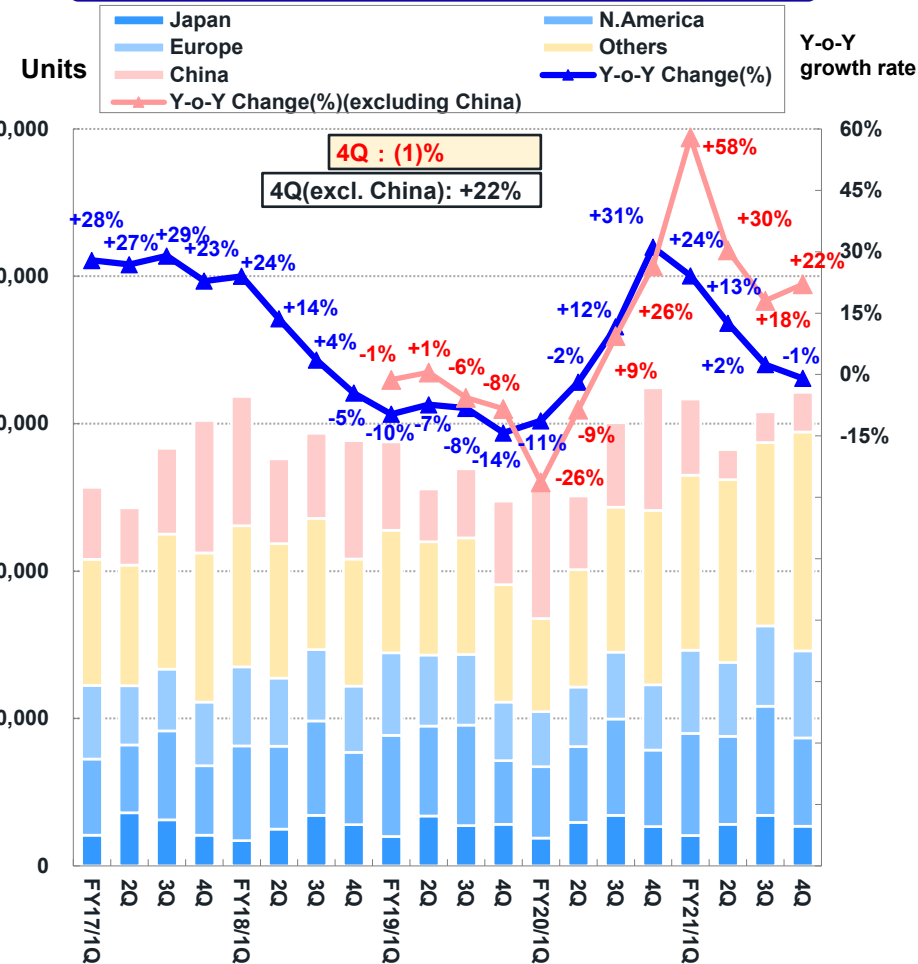
Construction, Mining & Utility Equipment: Actual and Projected Demand for 7 Major Products

- In FY2021, global demand increased by 9% from FY2020. When China is excluded, demand increased by 30%.
- In FY2022, demand will remain about flat from FY2021.
When China is excluded, demand should increase between +/- 0% and 5%.

Annual demand for 7 major products



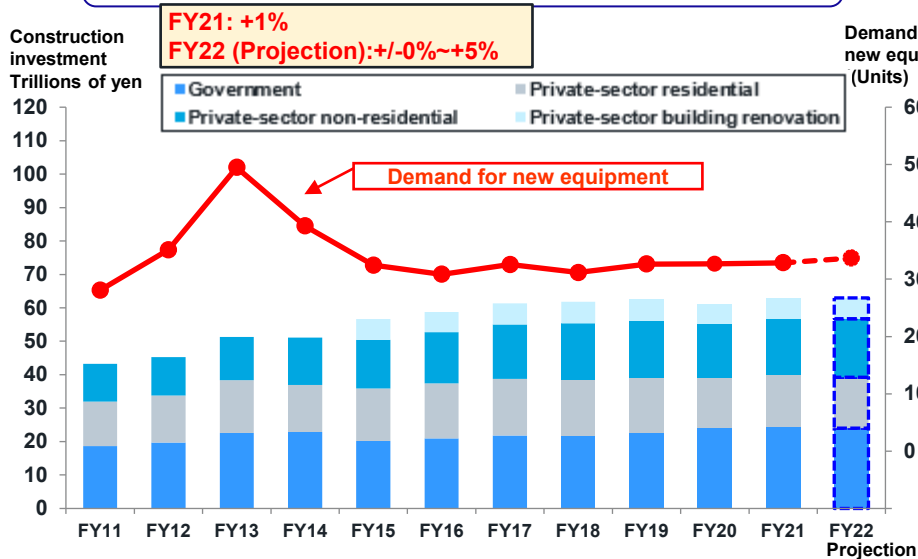
Quarterly demand for 7 major products



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

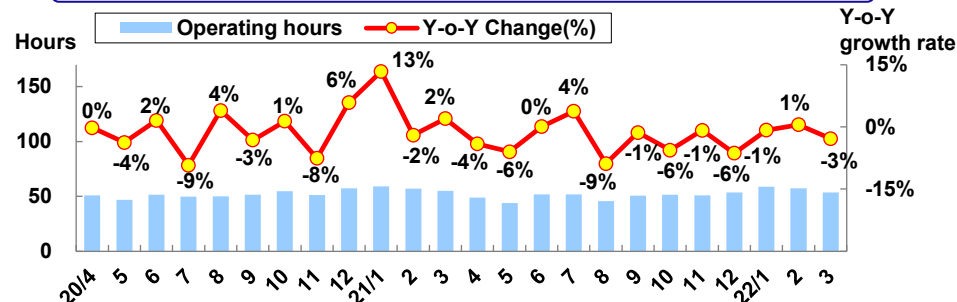
- In FY2021, demand increased by 1% from FY2020.
- Demand remained firm, supported by not only steady public works but also private-sector construction.
- In FY2022, demand will increase between +/-0% and 5% from FY2021.

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

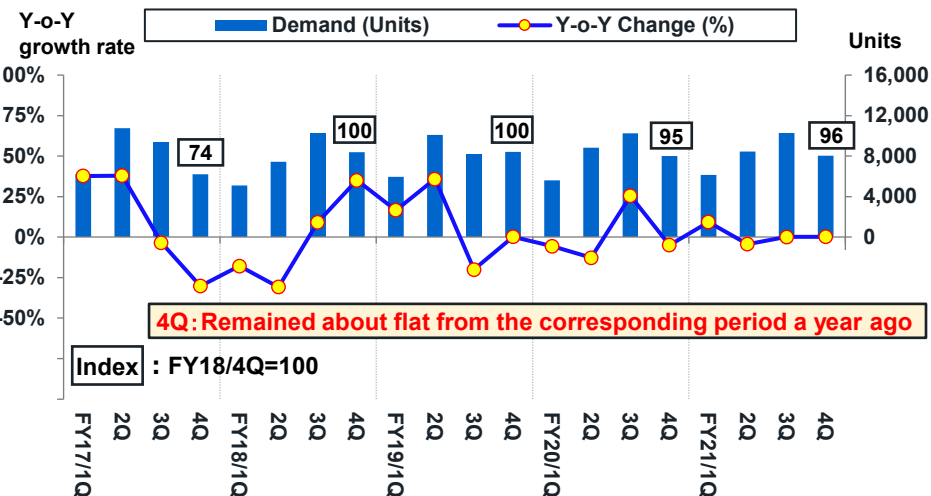


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products estimated by Komatsu

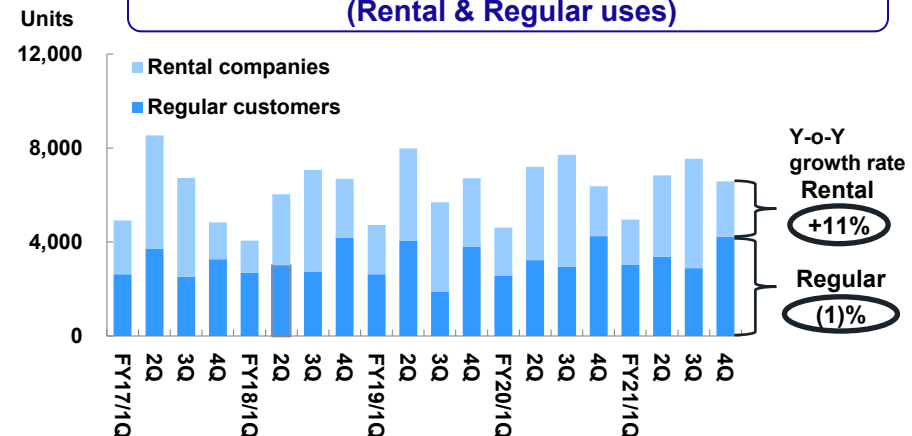
Komtrax in Japan: Average operating hours per month



Quarterly demand for 7 major products



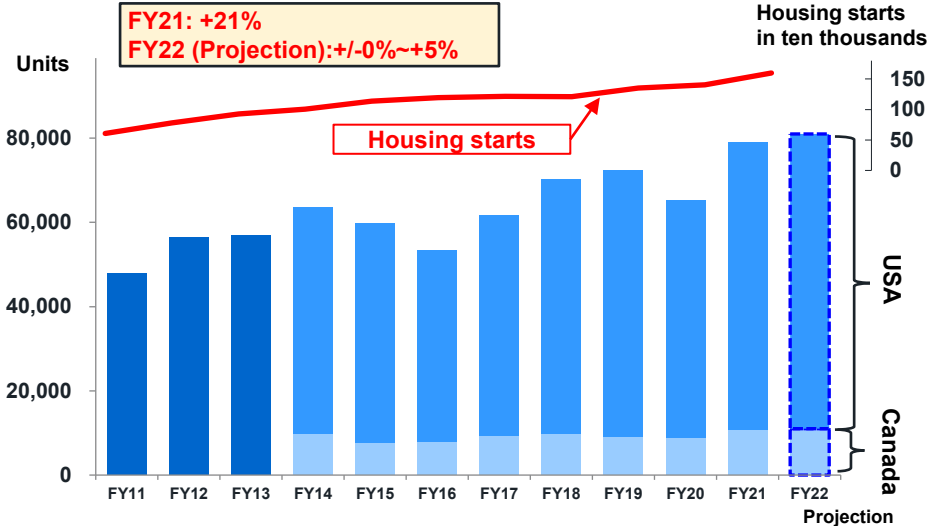
Quarterly demand for hydraulic excavators (Rental & Regular uses)



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

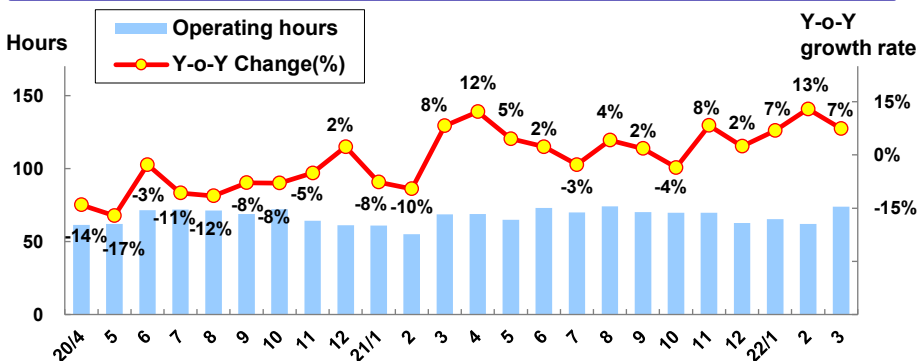
- In FY2021, demand increased by 21% from FY2020.
- Demand increased in residential and non-residential construction as well as road and traffic infrastructure. Demand for rental equipment continued to recover.
- In FY2022, demand will increase between +/-0% and 5% from FY2021.

Demand for 7 major products and US housing starts

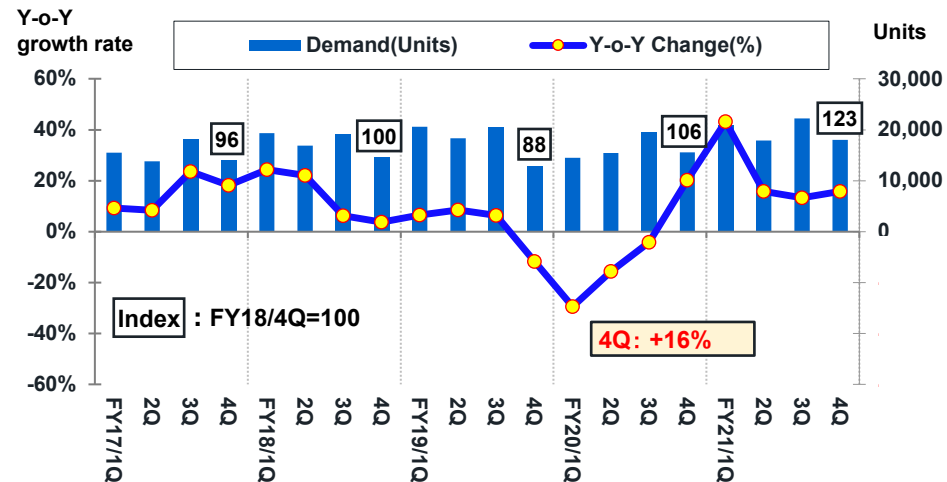


[Source]: Demand for 7 major products estimated by Komatsu

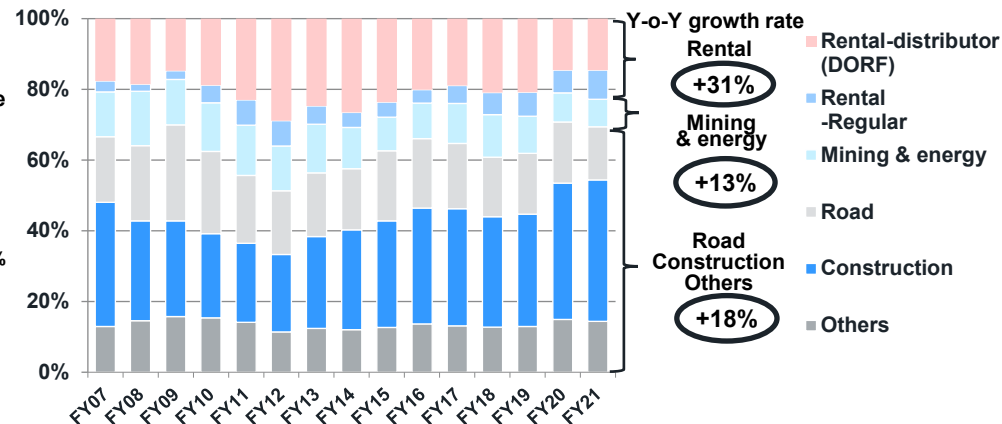
Komtrax in North America: Average operating hours per month



Quarterly demand for 7 major products



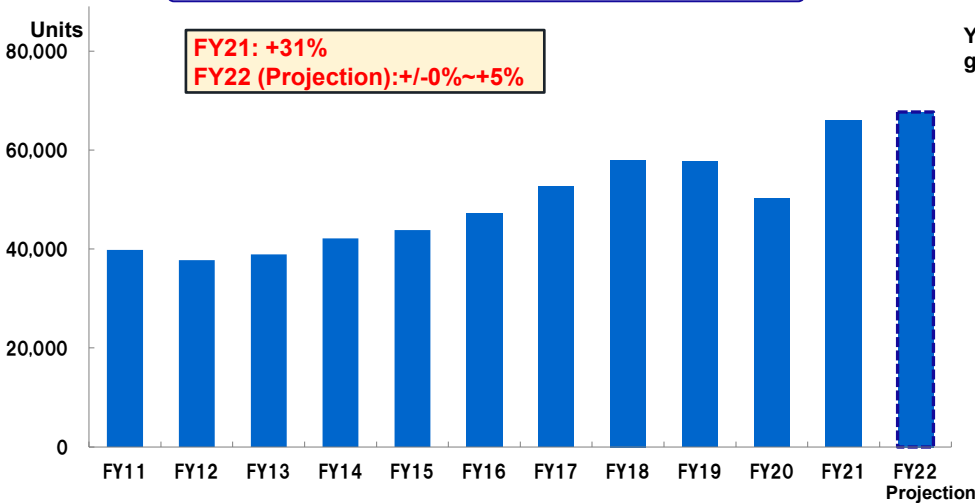
Breakdown of demand by segment (Unit basis)



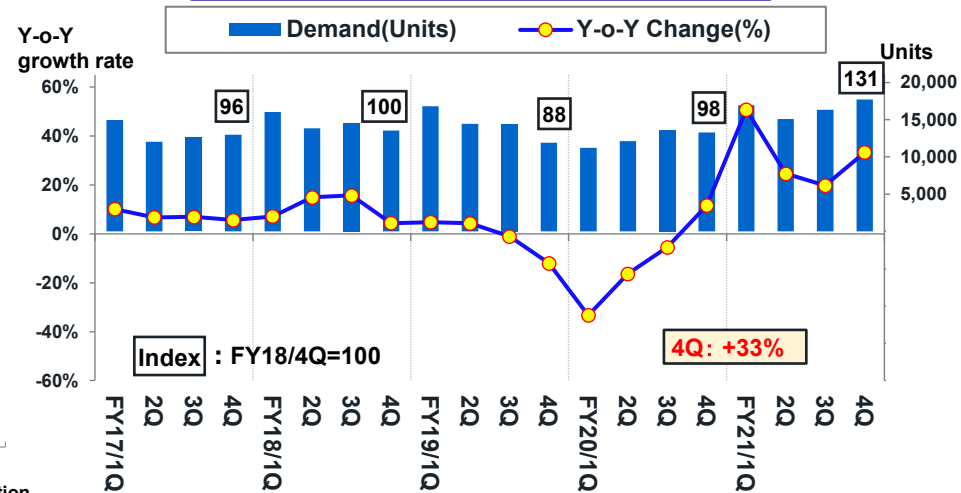
Construction, Mining & Utility Equipment : Demand in Major Markets (3) Europe

- In FY2021, demand increased by 31% from FY2020.
- Demand increased, centering on the United Kingdom, France, Germany and Italy , mainly supported by economic recovery plans.
- In FY2022, demand will increase between +/-0% and 5% from FY2021.

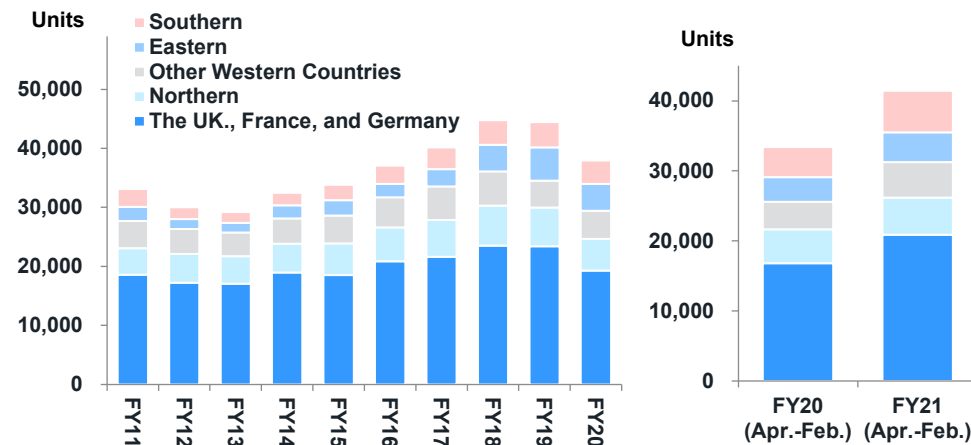
Annual demand for 7 major products



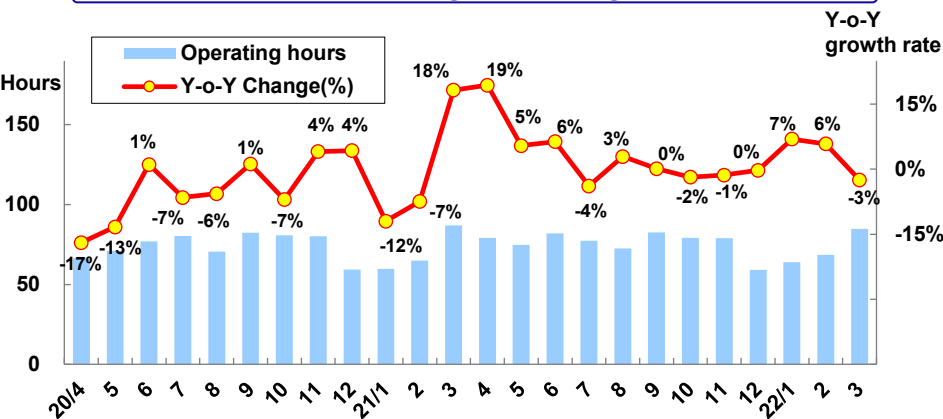
Quarterly demand for 7 major products



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



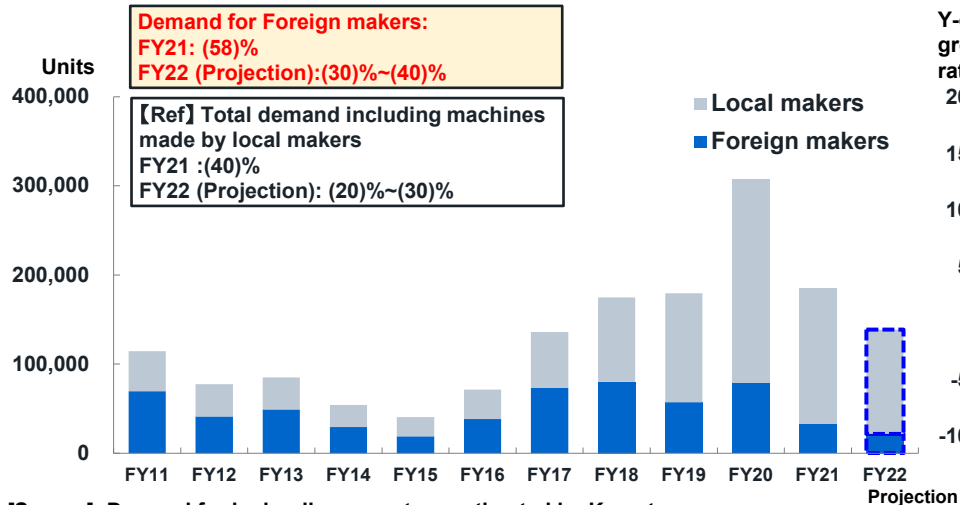
Komtrax in Europe: Average operating hours per month



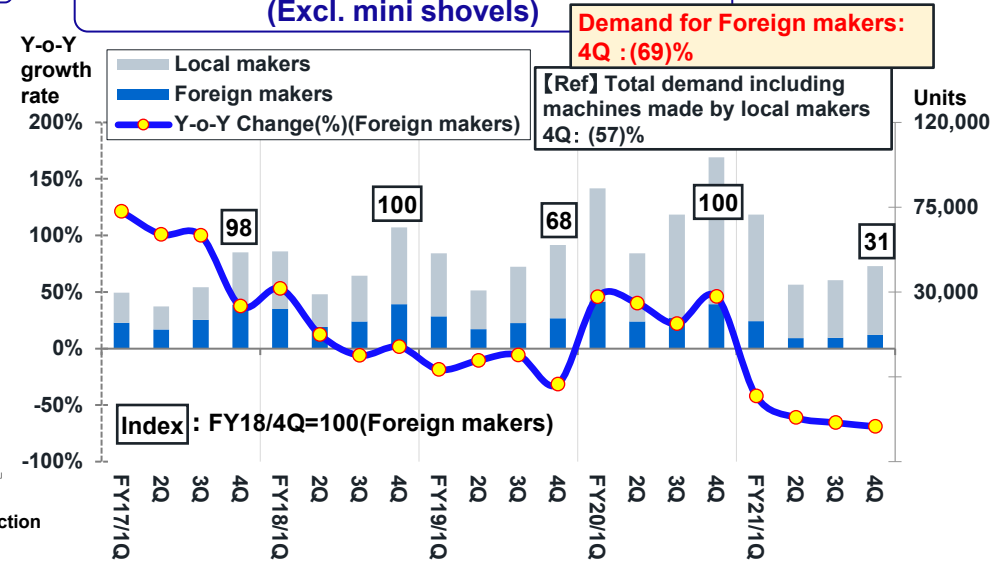
Construction, Mining & Utility Equipment : Demand in Major Markets (4) China

- In FY2021, demand decreased by 58% from FY2020.
- Demand dropped sharply, mainly due to the slack investment of infrastructure and real estate.
- In FY2022, demand will decline between 30% and 40% from FY2021.

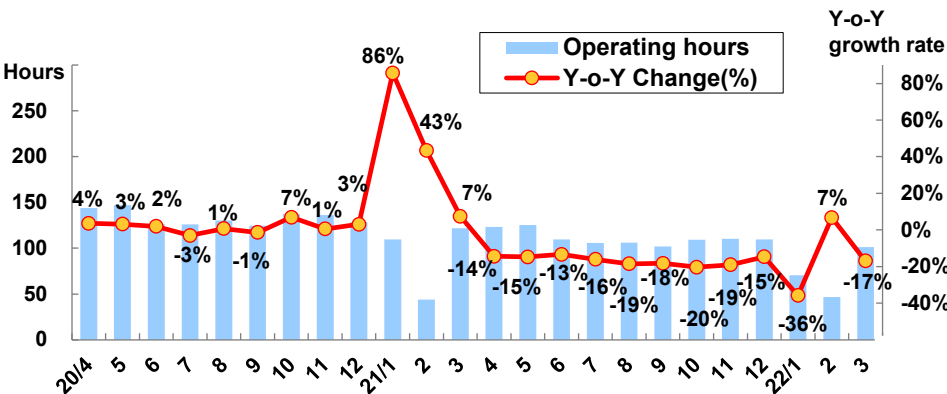
Annual demand for hydraulic excavators (Excl. mini shovels)



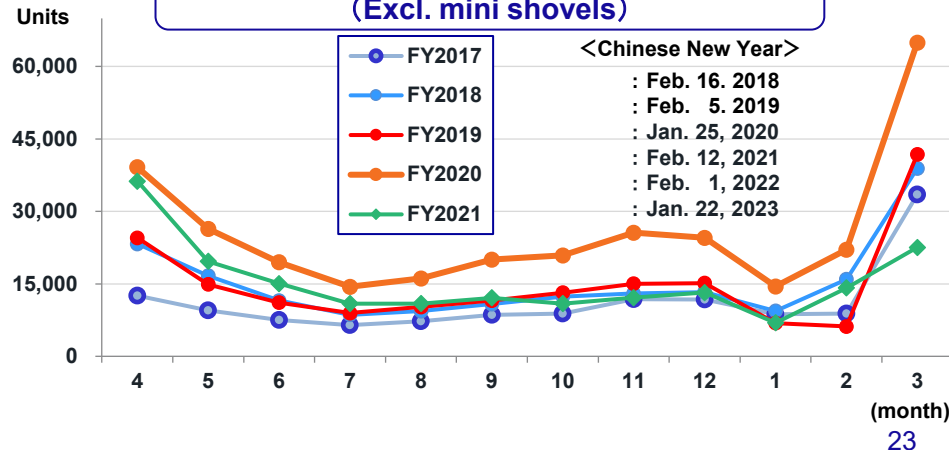
Quarterly demand for hydraulic excavators (Excl. mini shovels)



Komtrax in China : Average operating hours per month



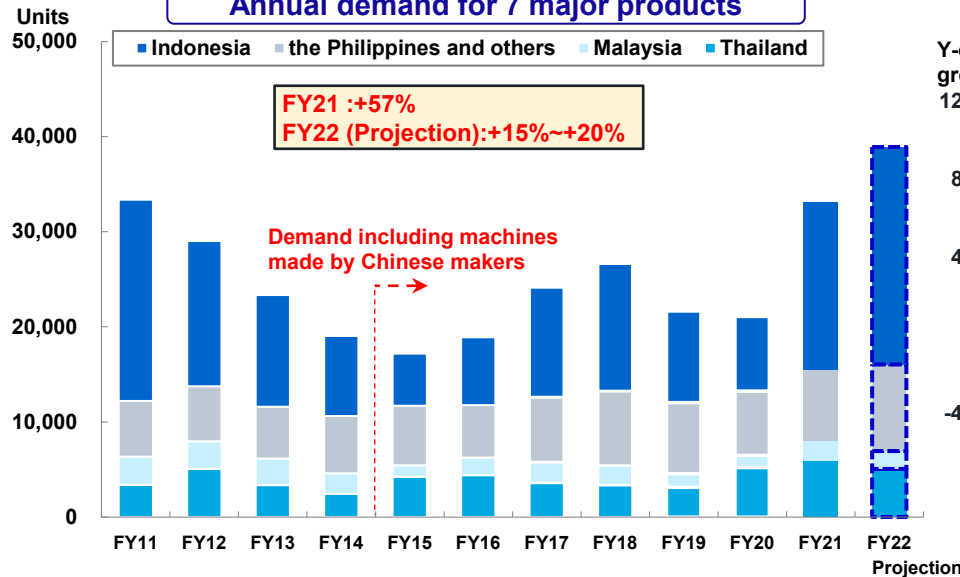
Monthly demand for hydraulic excavators : (Excl. mini shovels)



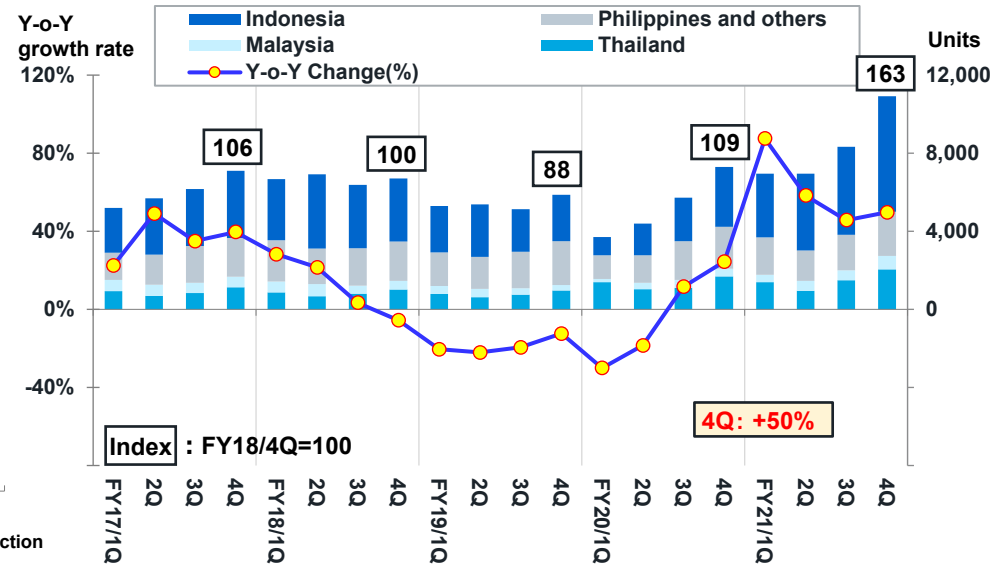
Construction, Mining & Utility Equipment : Demand in Major Markets (5) Southeast Asia

- In FY2021, demand increased by 57% from FY2020.
- Demand increased in many countries in the region, including the largest market of Indonesia, Thailand, the Philippines and Malaysia.
- In FY2022, demand will increase between 15% and 20% from FY2021.

Annual demand for 7 major products

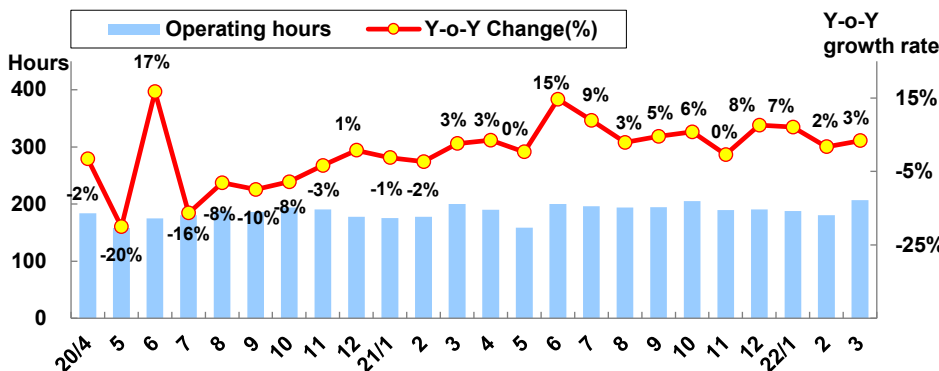


Quarterly demand for 7 major products

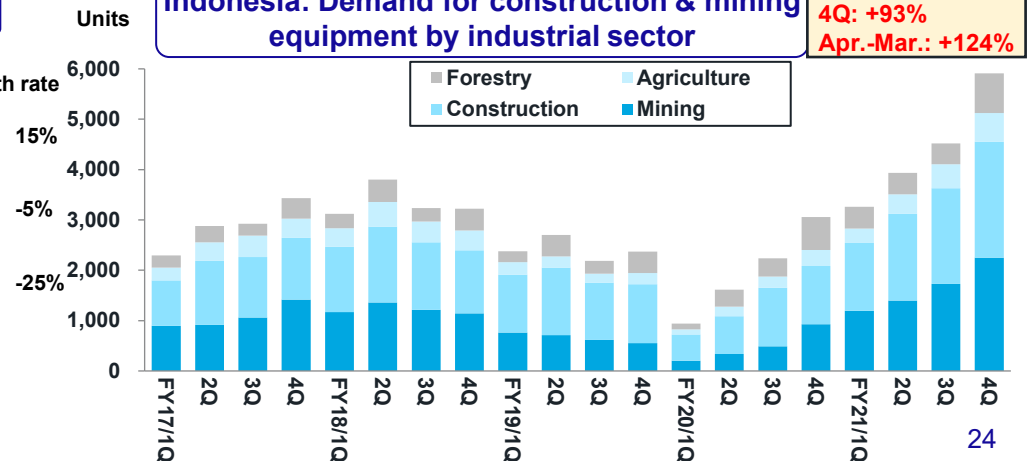


[Source]: Demand for 7 major products estimated by Komatsu

Komtrax in Indonesia: Average operating hours per month



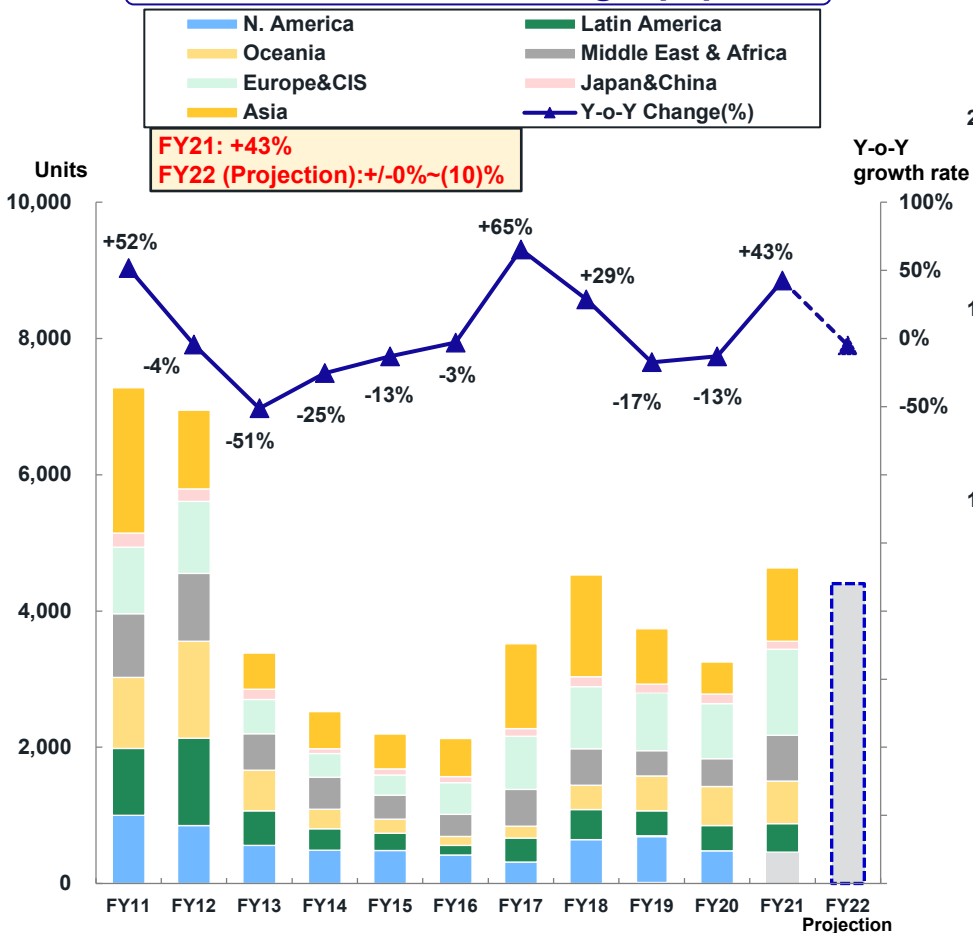
Indonesia: Demand for construction & mining equipment by industrial sector



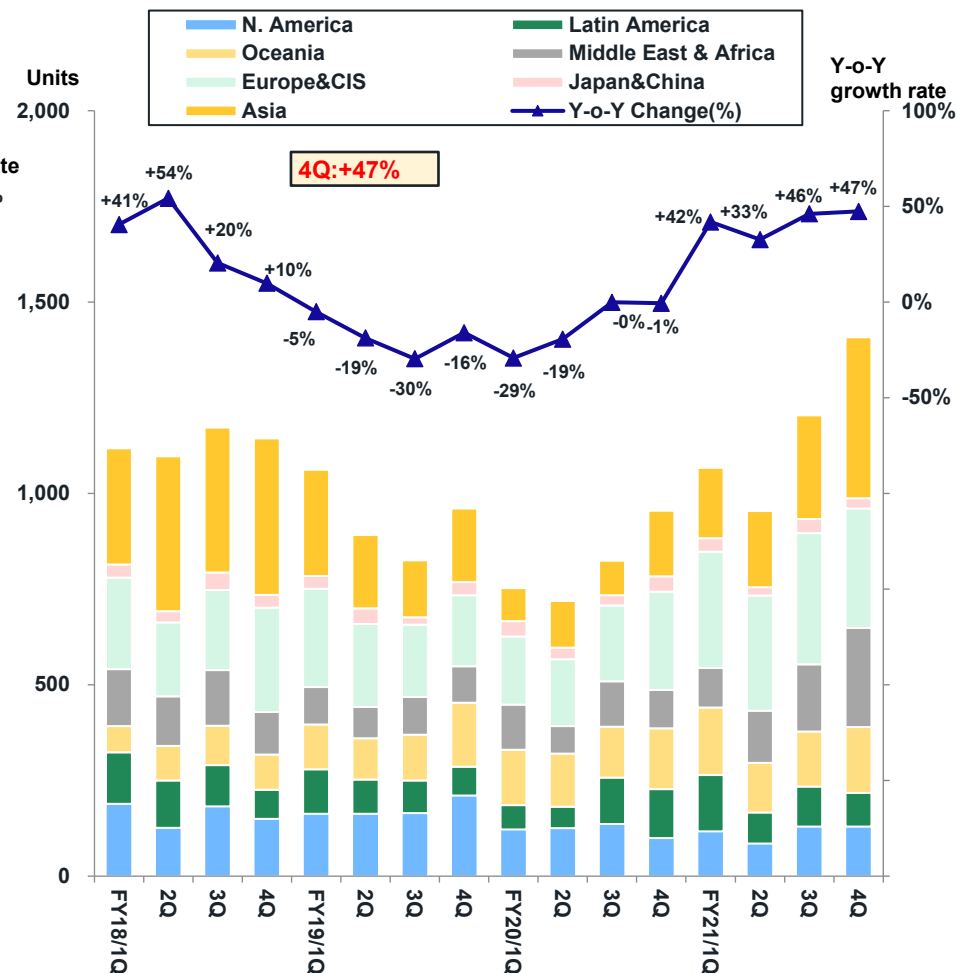
Construction, Mining & Utility Equipment : Actual and Projected Demand for Mining Equipment

- In FY2021, global demand for mining equipment advanced by 43% from FY2020.
- Demand increased, centering on Asia, CIS, Chile, and Oceania.
- In FY2022, demand will decrease by 0% to -10% from FY2021.

Annual demand for mining equipment



Quarterly demand for mining equipment



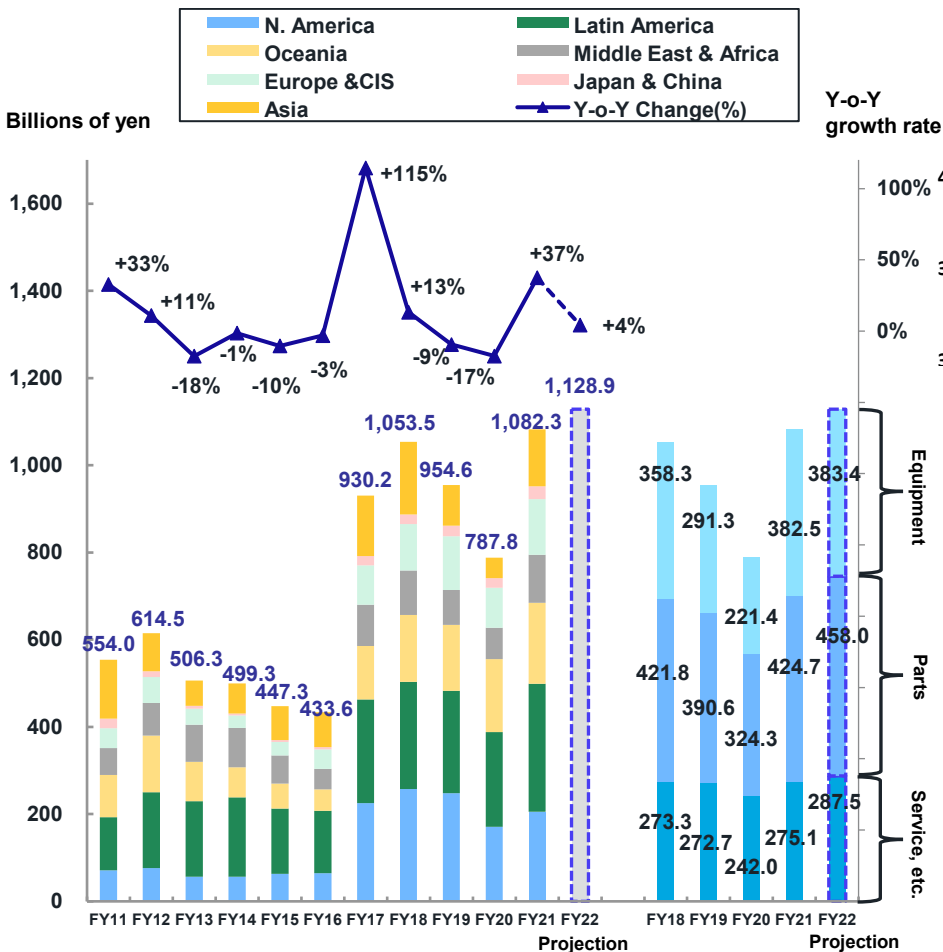
Note: Demand estimated by Komatsu

- 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

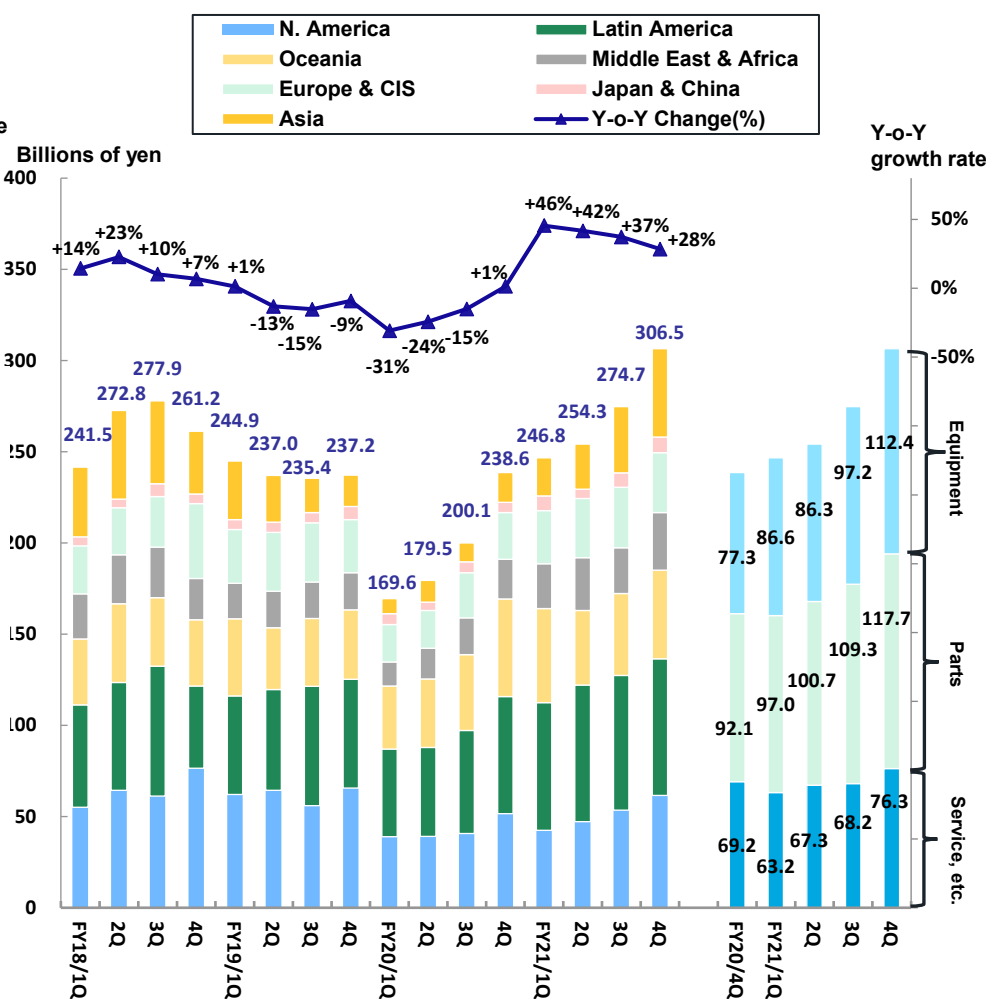
Construction, Mining & Utility Equipment : Actual and Projected Sales of Mining Equipment

- In FY2021, sales advanced by 37% from FY2020, to JPY1,082.3 billion.
- In FY2022 will increase by 4% from FY2021, to JPY1,128.9 billion.

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



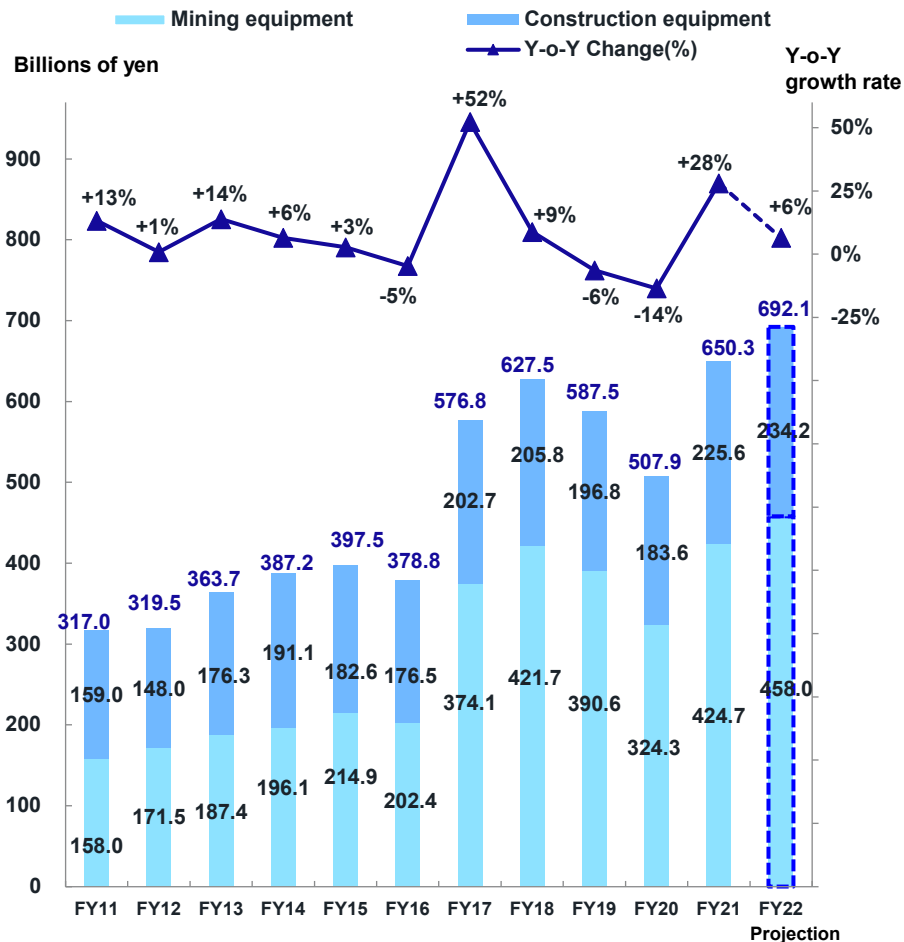
Quarterly sales of mining equipment (incl. parts and service)



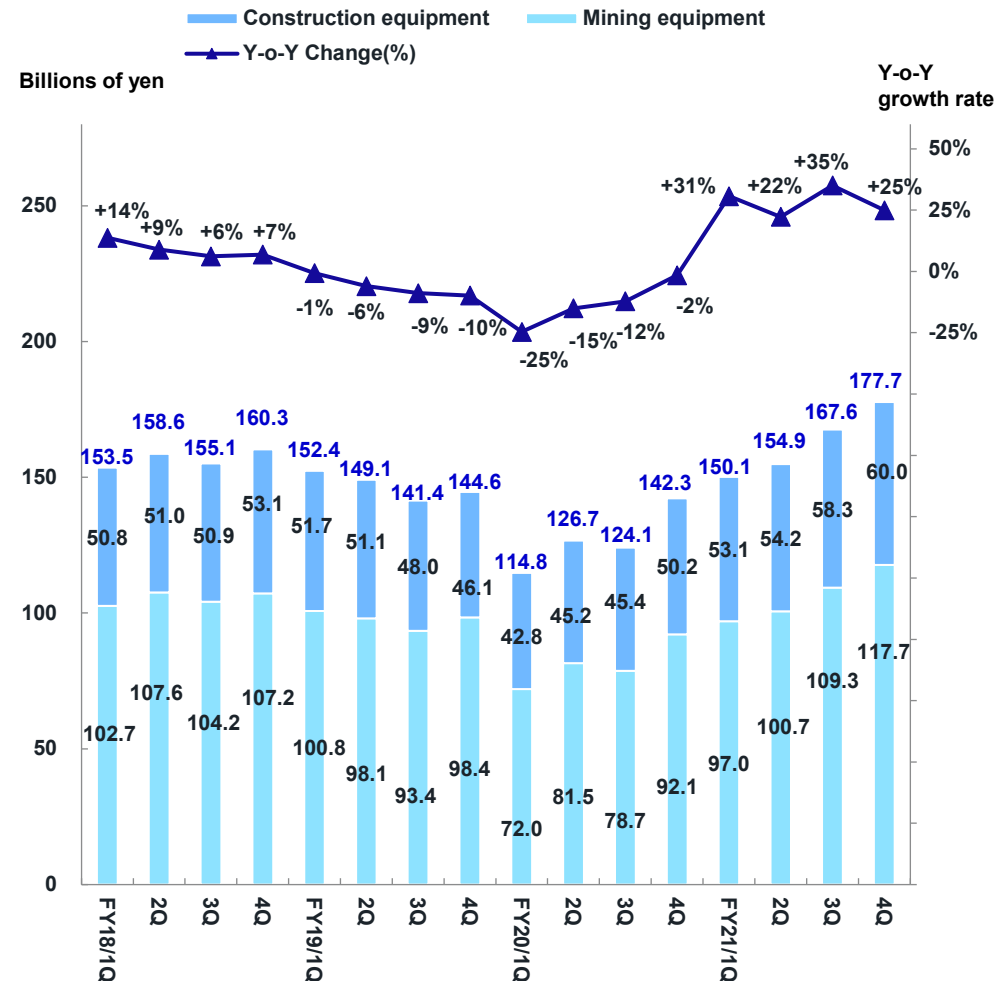
Construction, Mining & Utility Equipment : Actual and Projected Sales of Parts

- In FY2021, sales of parts increased by 28% from FY2020, to JPY650.3 billion.
- In FY2022, sales of parts will increase by 6% from FY2021, to JPY692.1 billion.

Annual sales of parts



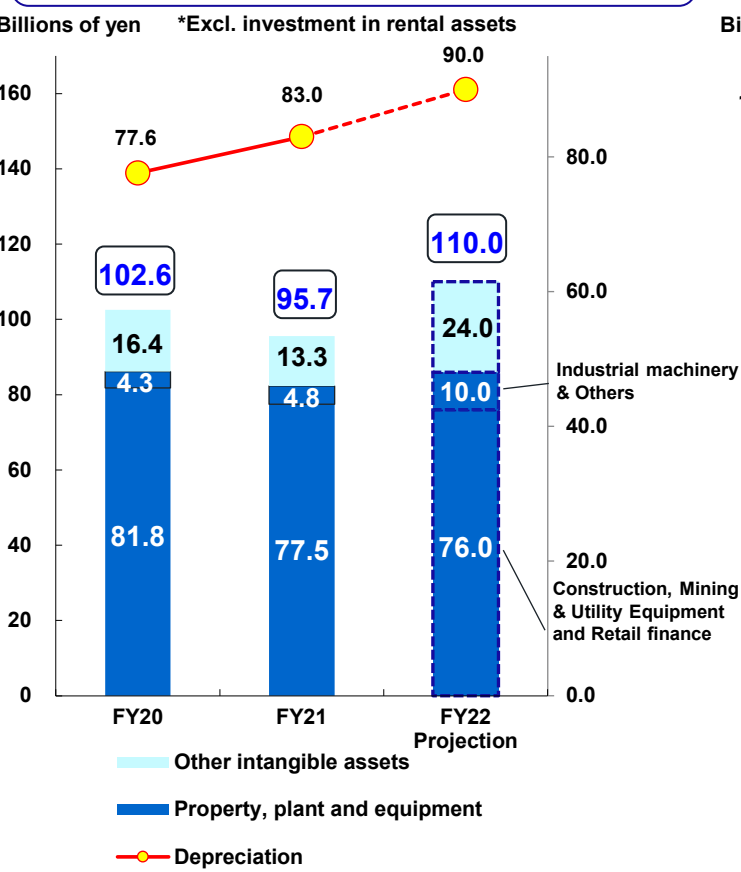
Quarterly sales of parts



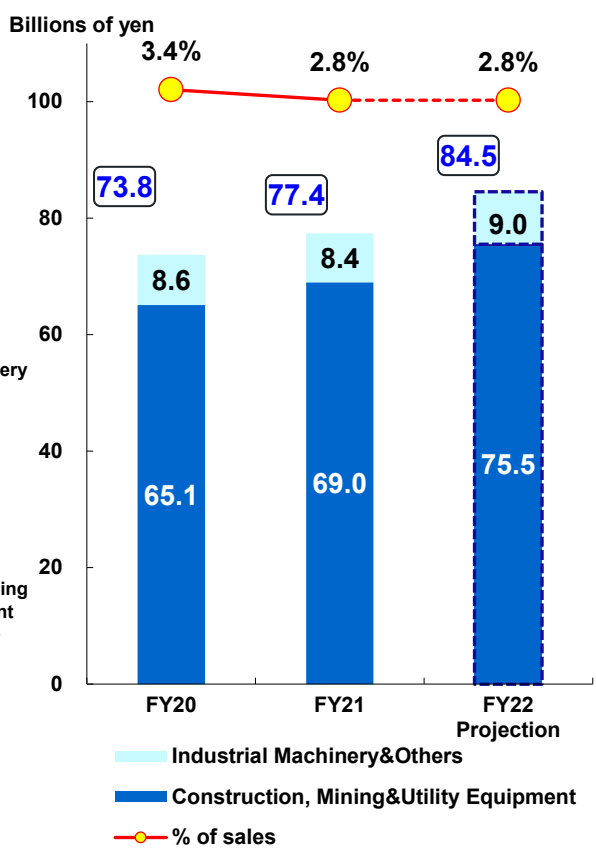
Projected Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs

- CAPEX: Will increase from FY2021, as EARTHRAIN will prepare to expand DX investment and Gigaphoton will prepare to expand production and sales.
- R&D expenses: Will increase from FY2021, due to investments in priority areas, such as electrification and automation.
- Fixed costs: Will increase from FY2021, due to higher unit labor costs resulting from inflation and investments in projects of the mid-term management plan, offsetting the incorporated benefits of structural reforms.

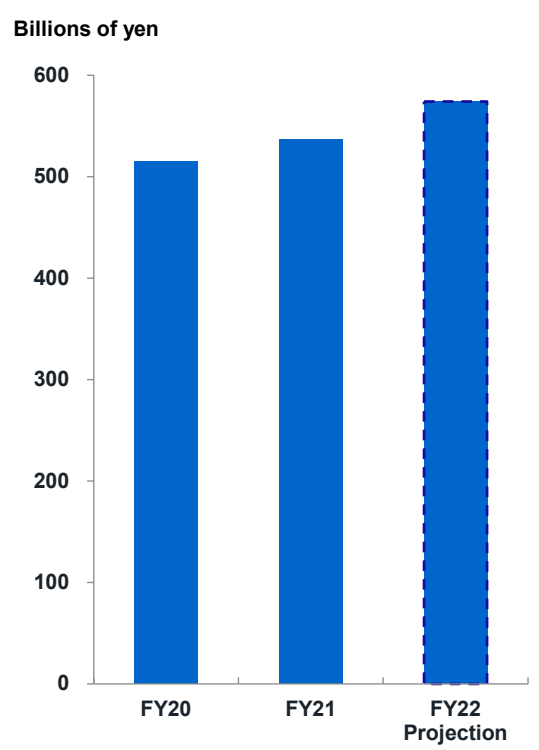
Investment* and Depreciation and amortization



R&D Expenses



Fixed costs



First electric micro excavator, PC01E-1 powered by portable and swappable mobile batteries has launched in Japan

- Komatsu has launched the PC01E-1 powered by portable and swappable mobile batteries micro excavator, developed jointly with Honda Motor Co., Ltd., as a rental model, in Japan in March this year.

(News release of Mar. 29, 2022)



Left: PC01E-1 electric micro excavator launched in Japan
Right: Honda Mobile Power Pack e:

Komatsu and Anglo American Minas-Rio form a partnership for a large ICT mining bulldozer remote control in Brazil

- Komatsu and Anglo American Minas-Rio, a major British resource group company, have signed a memorandum of understanding to carry out a trial of a large ICT mining bulldozer with remote control functionality in 2022.

(News release of Mar. 28, 2022)



Bulldozer D375A at the Minas-Rio mine in Brazil (Non-remotely)



Newly developed remote console

Futuristic jobsite

- Under the theme of “a workplace of the future as the concept“, our website introduces a fully electric mini excavator that can be remotely operated with a controller.

Not a game,
but a game changer



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.

Business Coordination Department, KOMATSU LTD.

TEL: +81-3-5561-2687 FAX: +81-3-3582-8332 <https://www.komatsu.jp/en>

Mid-Term Management Targets



Mid-term Management Plan

(FY2022 - FY2024)

DANTOTSU Value

Together, to “The Next” for sustainable growth

To the next stage for the workplace of the future

Ensuring a sustainable future for the next generation

A new chapter of value creation to the next 100 years

Hiroyuki Ogawa, President and CEO

April 28, 2022

- 1. Komatsu's purpose**
- 2. Komatsu's mid-term vision**
- 3. Mid-term management plan (FY2022-2024)**
- 4. Resolving ESG issues**
- 5. Management targets**

1. Komatsu's purpose: purpose, values, and brand promise

Our purpose

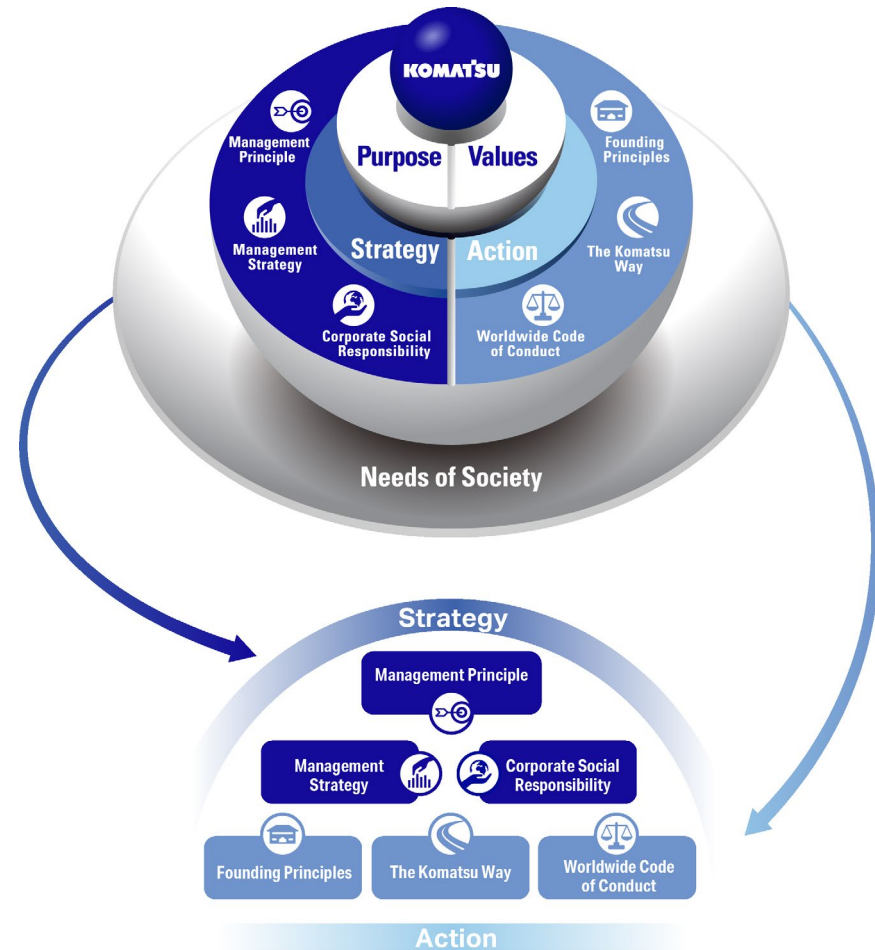
Creating value through manufacturing and technology innovation to empower a sustainable future where people, business, and our planet thrive together.

Our values

- **Ambition**
- **Perseverance**
- **Collaboration**
- **Authenticity**

Brand promise

Creating value together



1. Komatsu's purpose: Basic philosophy and strategy to achieve our purpose

Strategy

Basic philosophy to achieving our purpose

Management Principle



We will maximize the trust given to us by our stakeholders and society through a commitment to Quality and Reliability.

Strategy to execute management principle towards our purpose

Management Strategy



Through customer value creation, generate a positive cycle for resolving ESG issues and improving earnings to achieve sustainable growth.

Basic stance on contributions to society



Corporate Social Responsibility

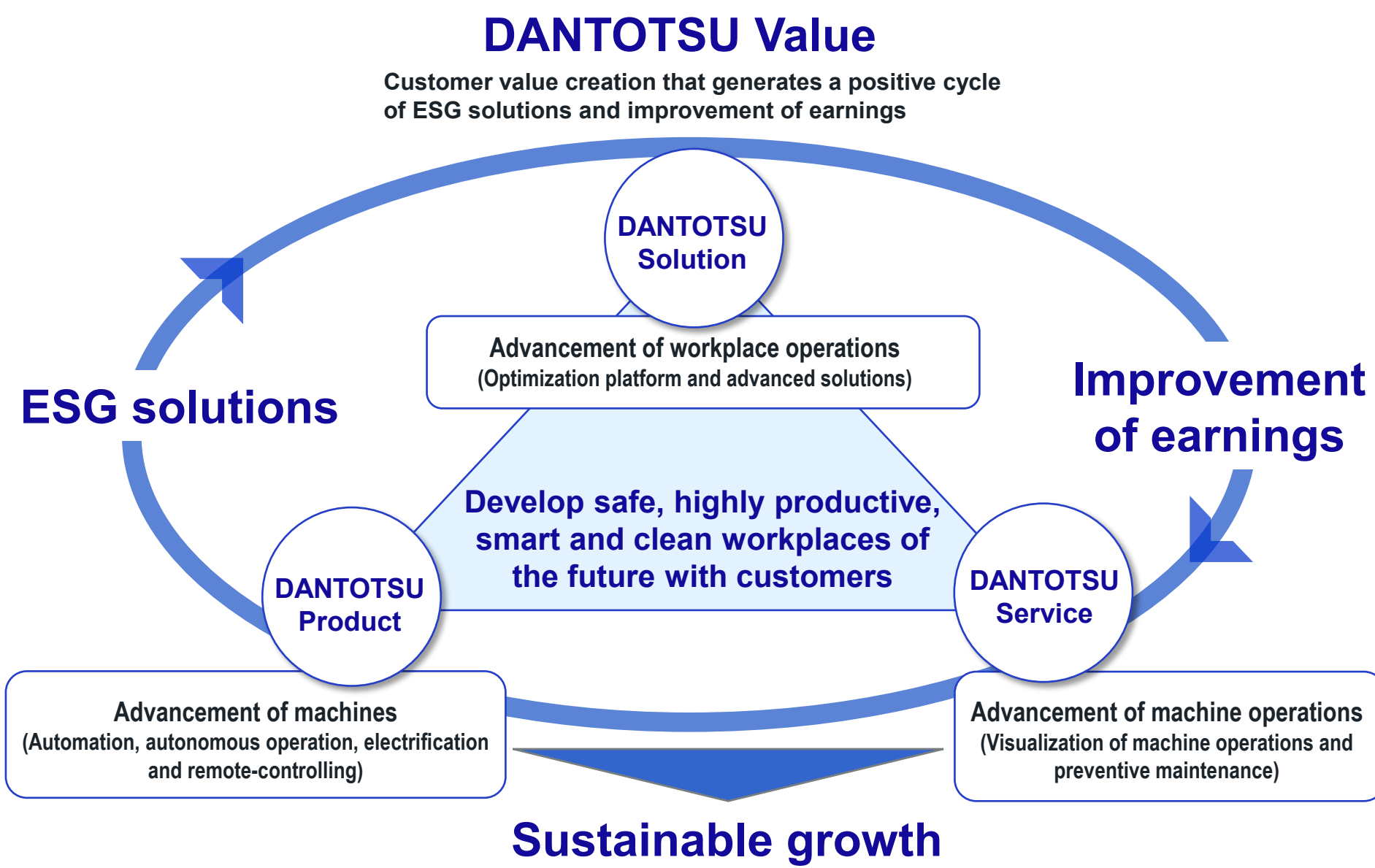
Contribute to a sustainable future by addressing ESG issues through our business activities

Business continuity guidelines for business activities

Sustainability Policy

Achieve further sustainability for both society and business growth

2. Komatsu's mid-term vision: DANTOTSU Value



2. Komatsu's mid-term vision: Workplace of the future

Develop safe, highly productive, smart and clean workplaces of the future with customers

~Digitalize workplaces around the world~

Make use of our open platform connecting data of land, people, machines and material, through partnership and advanced technology, to resolve challenges at the workplace and optimize operation

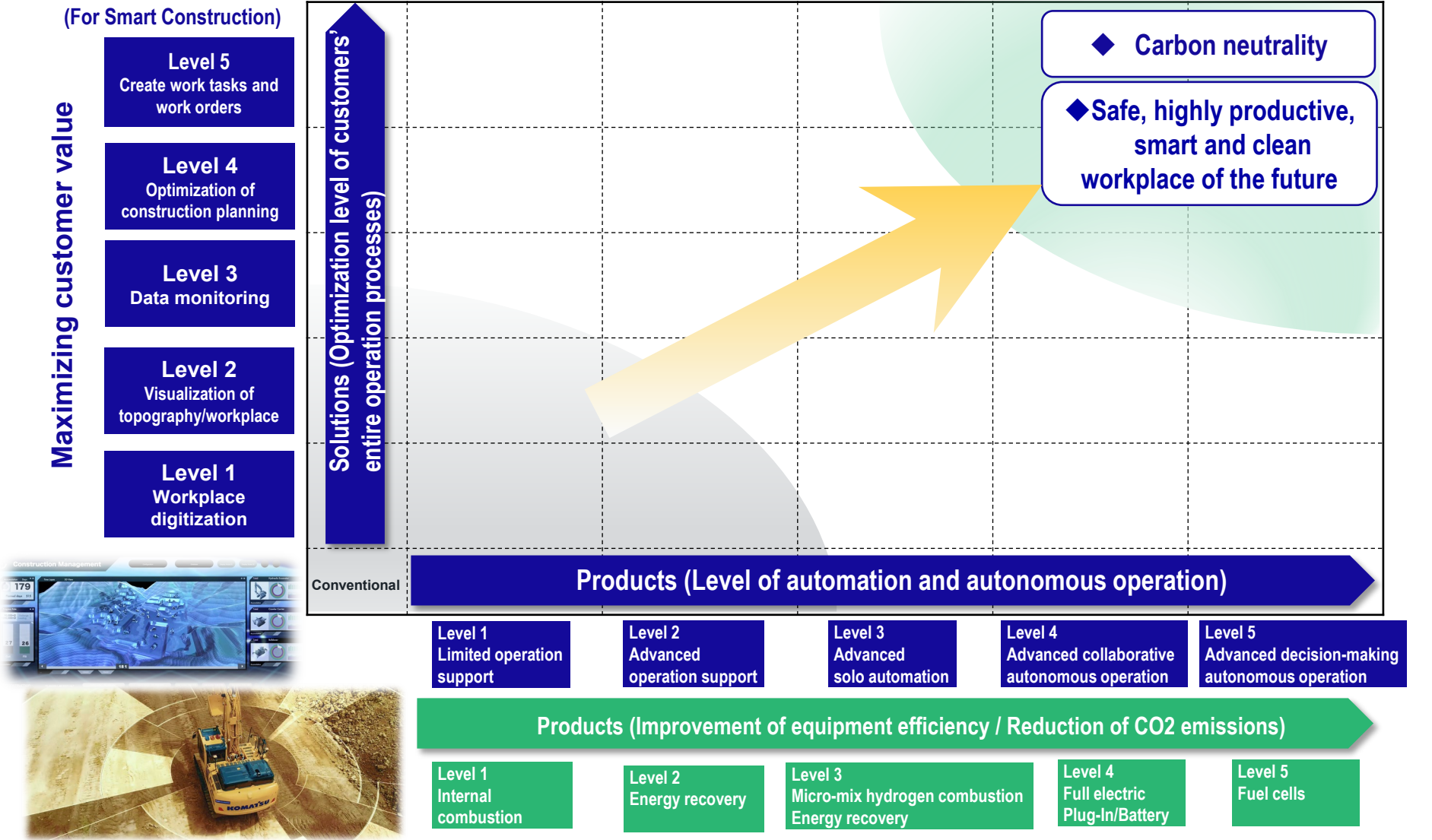


View our video here



2. Komatsu's mid-term vision: Roadmap to workplace of the future

Komatsu strives to create new customer value in solutions, provide safe, eco-friendly, and highly efficient products with a high compatibility with our solutions, and connect all customer processes through digitalization to achieve the workplace of the future and carbon neutrality.







2. Komatsu's mid-term vision: 2050 carbon neutral declaration

Looking ahead to the CO2 emission reduction target* by 2030, **we will aim for carbon neutrality by 2050 and tackle challenges to create value for a decarbonized society.**

- High efficiency through manufacturing technology innovation and a variety of product development approaches to respond to all options (expansion of technology partnerships)
- Improve efficiency through optimization of the customers' entire workplace operations and promote recycling-oriented businesses (forestry machinery and reman**)

(*CO2 emissions: Reduce by 50% from 2010 / Renewable energy use: 50% of total energy use)

Production Komatsu (Scope 1 and 2)	Development Use of products (Scope 3)	Customer workplaces
<ul style="list-style-type: none">● Energy conservation Reduce energy consumption by boosting productivity and achieving higher efficiency in manufacturing operations● Energy generation Introduce renewable energy facilities(e.g., solar, biomass)● Purchase renewable energy Purchase certified green power or carbon credits. 	<ul style="list-style-type: none">● Increase machine operation efficiency and reduce fuel consumption (Internal combustion: diesel engine)● Shift to more clean power sources<ul style="list-style-type: none">• Hybrid• Electric (battery/plug-in)• Fuel cells• Hydrogen fuel, biofuel, e-fuel internal combustion <div></div>	<ul style="list-style-type: none">● Improve efficiency through optimization of customer workplace operations<ul style="list-style-type: none">• DX Smart Construction• Open technology platform for mining● Contribution through forestry machinery business<ul style="list-style-type: none">• Mechanization during all processes of afforestation, reforestation, cultivation and felling• Smart forestry

(** Reman: remanufacturing)

2. Komatsu's mid-term vision: Product development roadmap for carbon neutrality

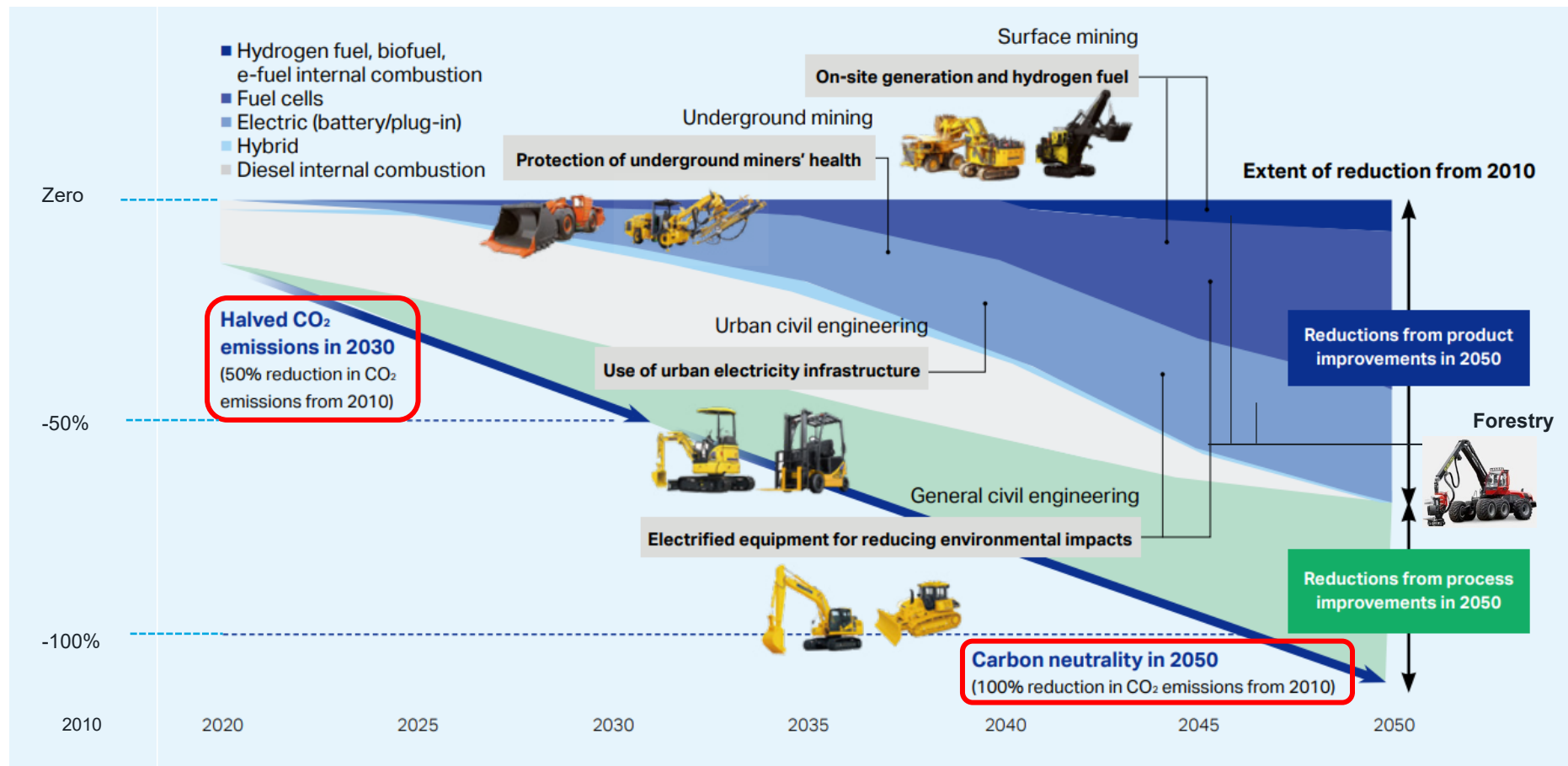
We will constantly update our product development roadmap so that we can provide customers with all options according to their environmental needs.

✓ **Reductions from product improvements :**

Reduce CO₂ emissions by increasing machine efficiency and improving low carbon levels (shift to more clean power sources).

✓ **Reductions by solutions (process improvements) :**

Reduce CO₂ emissions by optimizing and improving the efficiency of all jobs, construction, and operations at the customers' workplace.



3. Mid-term management plan (FY2022 - 2024): Changes in external environment

The external environment is undergoing intense change and uncertainty is rising.

Politics & economy

- Growing competition between US and China and economic security risks
- China: impacts of domestic policies and economic/diplomatic policies
- Growing geopolitical risks (Ukraine situation etc.)
- Unstable supply chains
- Need to increase ability to address contingencies (including infectious diseases and natural disasters)

Technologies

- Acceleration of **digital transformation (DX)**
- Advancements in leading technologies and open innovation
(automation, electrification, and remote-controlling, AI, etc.)
- Expansion of SaaS (Software as a Service)
- Evolution of Data Analytics
- Growing cybersecurity risks

Environment & energy

- Growing momentum toward climate change and **decarbonization**
(COP26: 1.5 Celsius target confirmed)
- Acceleration of **carbon neutrality**
- Shift to EVs (automobile industry)
- Water security and biodiversity conservation
- Growing green investments and rising demand for information disclosure

Society & values

- Prevalence of **diversity and inclusion**
(gender, people with disabilities, LGBTQ, etc.)
- Progress with diverse work styles
- Growing importance of employee engagement
- Rising societal demands for human rights and corporate ethics
- Strengthened governance and risk management

Building a foundation for sustainable growth is a challenge.

3. Mid-term management plan (FY2022 - 2024): Materiality at Komatsu

We recognize the four areas where Komatsu's materiality overlaps with stakeholder materiality (namely, the environment, customers, employees, and governance) as the most important areas. Those areas and their specific issues are reflected in our growth strategy.

Materiality analysis



The most important areas and specific issues identified through analysis

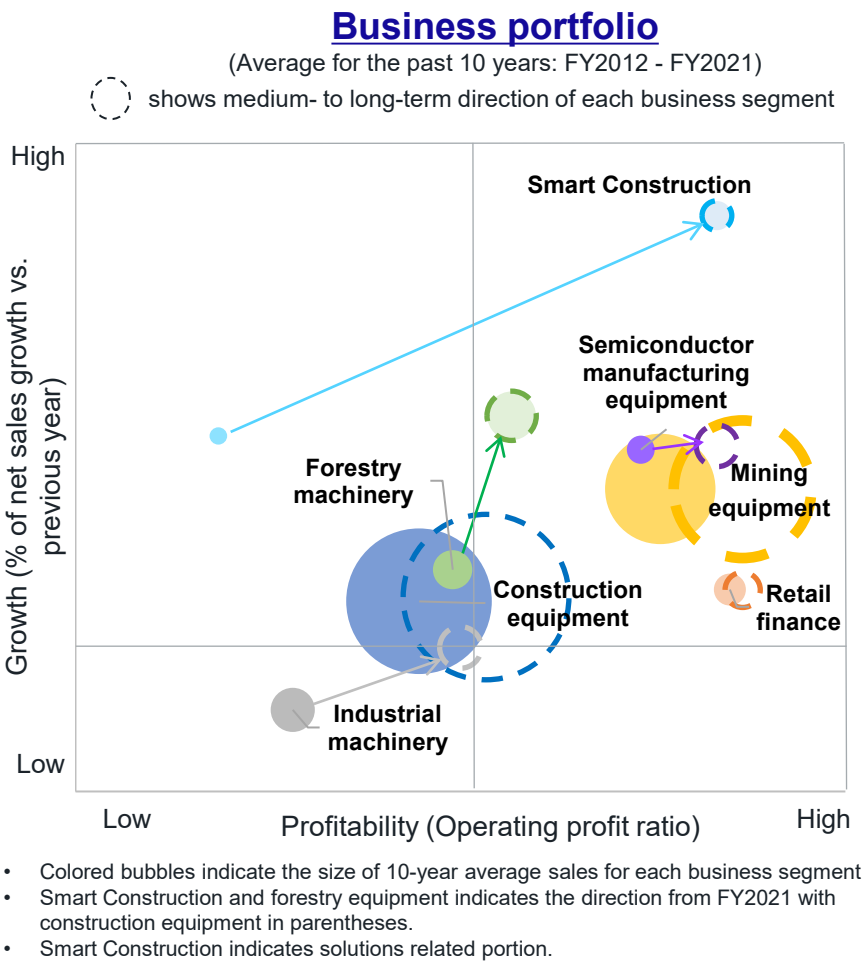
The most important areas	Specific issues
Environment	<ul style="list-style-type: none">➤ Development of low-carbon/low-emissions products, solutions and business models➤ Resource recycling and remanufacturing➤ Forest conservation through business activities➤ Reduction of energy usage and GHG emissions, etc.
Customers	<ul style="list-style-type: none">➤ Provision of solutions to customers➤ Product quality and safety
Employees	<ul style="list-style-type: none">➤ Diversity and Inclusion➤ Skills development and workplace retention➤ Employee engagement and job satisfaction➤ Occupational safety and health and wellbeing
Ethics / Governance	<ul style="list-style-type: none">➤ Corporate Governance➤ Compliance

*Materiality analysis: conducted from November 2020 to February 2021 BSR conducted interviews with 26 internal/external stakeholders (external stakeholders included institutional investors, WBCSD, WWF, BHRR, customers and suppliers, while internal stakeholders included executive leadership inside and outside of Japan)

3. Mid-term management plan (FY2022 - 2024): Business portfolio

Komatsu is now concentrating its management resources on construction and mining equipment business, retail finance business, and the industrial machinery and others business as a result of selective focus of business domains since the early 2000s.

Resources will be intensively allocated for the growth areas of construction and mining equipment business, with possible options of M&A, investments and alliances. We will also expand the value chain businesses for stable earnings, improving our ability to respond to demand volatility.

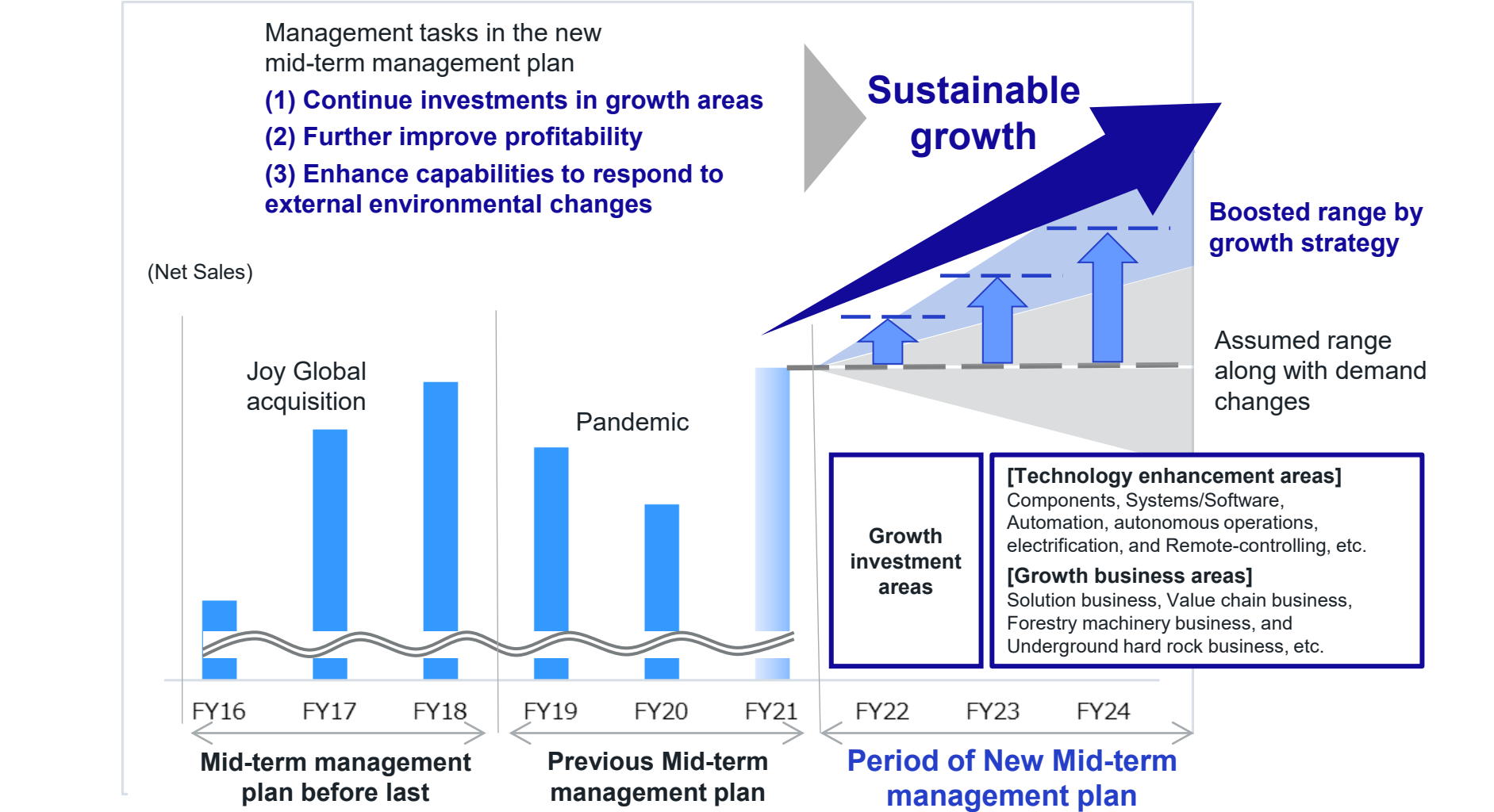


Business segments		Business direction and main issues
Construction equipment		[Strategic markets] <ul style="list-style-type: none">Aggressive strategies in growth markets (Asia and Africa)Increase sales of CE series excavators [Traditional markets] <ul style="list-style-type: none">Promote DX Smart ConstructionDevelop automation/electrification technologies and form markets [Global] <ul style="list-style-type: none">Strengthen forestry machinery business and expand smart forestryExpand value chain business (including mining)
Mining equipment		[Surface mining] <ul style="list-style-type: none">Promote open technology platformsStrengthen AHS business and develop automated and remote-controlled technologies of mining equipmentPromote development of power agnostic trucks (GHG alliance) [Underground mining] <ul style="list-style-type: none">Expand hard rock businessContinuous structural reforms in response to coal demand decrease
Retail finance		Expand coverage (regional and products) and maintain financial soundness
Industrial machinery and others	Semiconductor manufacturing equipment	Maintain and improve strong earnings structure and address speed of growth of the semiconductor market <ul style="list-style-type: none">Expand DUV light source equipment business for lithographyExpand temperature control equipment business
	Industrial machinery	Improve earnings structure and address customer changes (CASE) <ul style="list-style-type: none">Strengthen automotive battery manufacturing equipment business and expand smart line businessStrengthen after-sales service business and development of new products with new processing methods.

3. Mid-term management plan (FY2022 - 2024): Approaches to growth strategy

Demand is **expected to grow moderately** over the medium to long term, but there is always risk of demand volatility due to external environmental changes.

We will strive for **growth above the industry's average** and achievement of the industry's top-level profitability by growth strategies, **enhancing corporate resilience** against demand volatility for sustainable growth.



3. Mid-term management plan (FY2022 - 2024): 3 Pillars of growth strategies

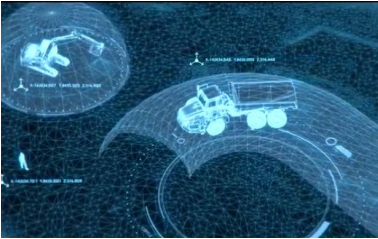


Common tasks among the three pillars

- Expand partnerships
- Promote DX in all areas

3. Mid-term management plan (FY2022 - 2024): Key initiatives of growth strategy

1. Accelerate growth by means of innovation



Create new customer values by optimizing workplaces

- Promote DX Smart Construction and its overseas expansion
- Business promotion using mining open technology platforms
- Advanced product development and market introduction with high compatibility with platforms

Tackling the challenge of crafting values (products and solutions) for carbon neutrality

- Development and market introduction of electrified machinery
- Promotion and expansion of Smart Forestry
- Plants with zero environmental impacts

2. Maximize earnings power



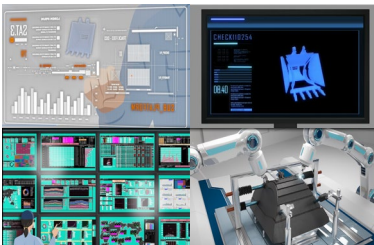
Expand presence in key emerging markets

- Strengthening of marketing strategies in Asia and Africa markets
- Expansion of forestry machinery and hard rock equipment businesses
- Expansion of aftermarket business

Further growth from evolution of value chain business

- Development of data-driven business model
- Promotion of differentiation through life cycle support business
- Expansion of reman/rebuild businesses

3. Enhance corporate resilience



Drive efficient business operations and reinforce risk management

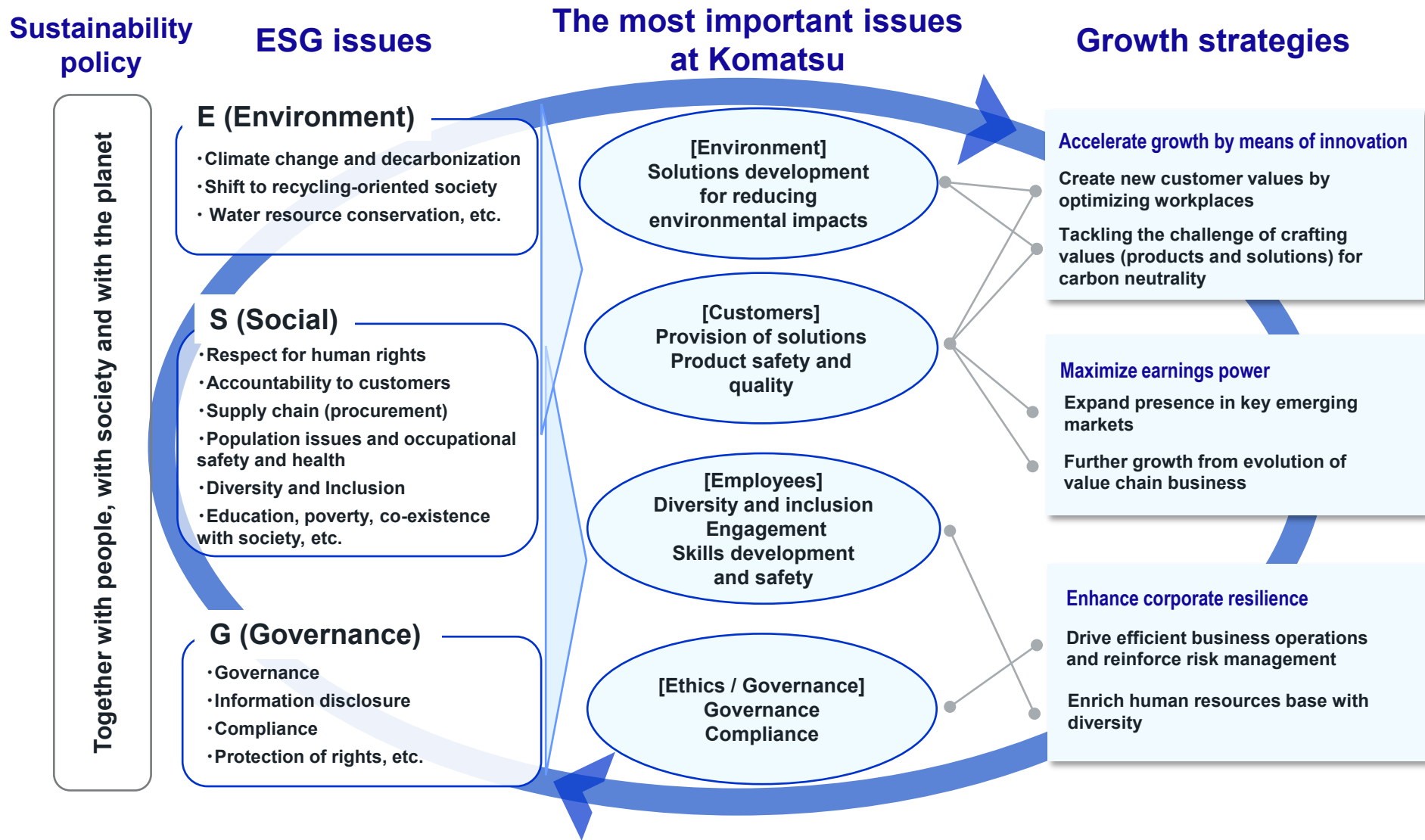
- Strengthening of production and procurement systems resistant to environmental changes (increase of multi-source ratio of parts)
- Enhancing assessment of economic security risk and preparedness
- Strengthening the corporate brand by developing a global brand strategy

Enrich human resources base with diversity

- Enhancement of diversity & inclusion
- Offering of a variety of talent development opportunities and improvement of employee engagement
- Human resources development for digital applications and open-innovation


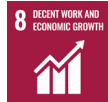












4. Resolving ESG issues: Resolve ESG issues and improve earnings through growth strategy

Based on the concept of **resolution of ESG issues through business activities**, we will create a positive cycle of resolving ESG issues and improving earnings through our growth strategy to achieve sustainable growth.



4. Resolving ESG issues: Key activity themes

Key activities for ESG solutions will be monitored by their KPIs. Details will be reported in the integrated report.

	Relationship with SDGs	Materiality	Key activity themes for resolving ESG issues (main KPI candidates)
With people	<div>  <p>5 GENDER EQUALITY</p> <p>Gender equality</p> </div> <div>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Decent work and economic growth</p> </div> <div>  <p>10 REDUCED INEQUALITIES</p> <p>Reduced inequalities</p> </div> <div>  <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Partnerships for the goals</p> </div>	<p>[Employees] [Human rights]</p> <ul style="list-style-type: none"> Diversity and Inclusion Skills development and workplace retention Employee engagement and job satisfaction Occupational safety and health and wellbeing Respect for human rights 	<p>Build workplaces that are safe and secure (occupational injury related indicator)</p> <p>Increase employee engagement (engagement survey score)</p> <p>Promote diversity and inclusion (ratio of female managers and people with disabilities)</p> <p>Develop individuals' skills and achieve business growth (develop talent in DX/AI)</p> <p>Promote human rights due diligence (disclosure of performance)</p>
With society	<div>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Industry, innovation and infrastructure</p> </div> <div>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Sustainable cities and communities</p> </div> <div>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Responsible consumption and production</p> </div> <div>  <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Partnerships for the goals</p> </div>	<p>[Customers][Ethics / Governance] [Communities]</p> <ul style="list-style-type: none"> Provision of solutions Product safety and quality Governance Compliance Contributions to local communities 	<p>Improve productivity of construction workplaces by promoting smart construction (Number of workplaces where smart construction solution is applied)</p> <p>Provision of products and solutions that enable sustainable resource development (Cumulative units of AHS dump truck)</p> <p>Solutions for improving safety and productivity at customer workplaces (technological development stages for automation, safety device, etc.)</p> <p>Building of value chain adaptable to environmental and demand changes (Aftermarket business: sales growth rate / multi-sourcing parts ratio)</p> <p>Strengthen governance and ensure thorough compliance (disclosure of performance)</p>
With the planet	<div>  <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Affordable and clean energy</p> </div> <div>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Industry, innovation and infrastructure</p> </div> <div>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Responsible consumption and production</p> </div> <div>  <p>13 CLIMATE ACTION</p> <p>Climate action</p> </div> <div>  <p>15 LIFE ON LAND</p> <p>Life on land</p> </div> <div>  <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Partnerships for the goals</p> </div>	<p>[Environment]</p> <ul style="list-style-type: none"> Development of low-carbon/low-emissions products, solutions and business models Resource recycling and remanufacturing Forest conservation through business activities Reduction of energy usage and GHG emissions 	<p>Plants with zero environmental impacts (CO2 reduction, use of renewable energy, water usage)</p> <p>Reduction of CO2 emissions at customer workplaces (CO2 reduction from products in use / Development of electrified equipment)</p> <p>Provision of solutions that support sustainable, recycling-oriented forestry business (Forestry machinery business related indicators: sales growth rate, afforestation, Smart Forestry, etc.)</p> <p>Promotion of recycling-oriented business (reman) (reman business-related indicator: sales growth rate)</p>

5. Management targets

Management targets remain growth, profitability, efficiency, financial soundness and ESG composition/details.

Challenging goal of carbon neutrality by 2050 is added in the ESG target.

Shareholder returns retain the policy to strive toward maintaining stable dividends placing priority for focused investments in growth strategies.

Item	Index	Target
Growth	Sales growth rate	Growth rate above the industry's average
Profitability	Operating profit ratio	An Industry's top-level profit ratio
Efficiency	ROE	10% or higher
Financial position	Net D/E Ratio	Industry's top-level financial position
Retail finance business	ROA	1.5% to 2.0%
	Net D/E Ratio	5 times or less
ESG	Reduction of environmental impact	<ul style="list-style-type: none"> CO2 emissions: Decrease by 50% in 2030 from 2010 Become carbon neutral by 2050 (Challenging goal)
	Evaluation by external organizations	<ul style="list-style-type: none"> Renewable energy use: Increase to 50% of total energy use in 2030 Selected for DJSI* (World & Asia Pacific) Selected for CDP** A-List (Climate Changes and Water Risk)
Shareholder return	Consolidated payout ratio	<ul style="list-style-type: none"> Keep a fair balance between investment for growth and shareholder return (incl. stock buyback), while placing main priority on growth investment. 40% or more

* Dow Jones Sustainability Indices: SRI indices generated by S&P Dow Jones of the United States and RobecoSAM of Switzerland

** International non-profit organization that advocates the reduction of greenhouse gas emissions and protection of water resources and forests by companies and governments

DANTOTSU Value

Together, to “The Next” for sustainable growth



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.

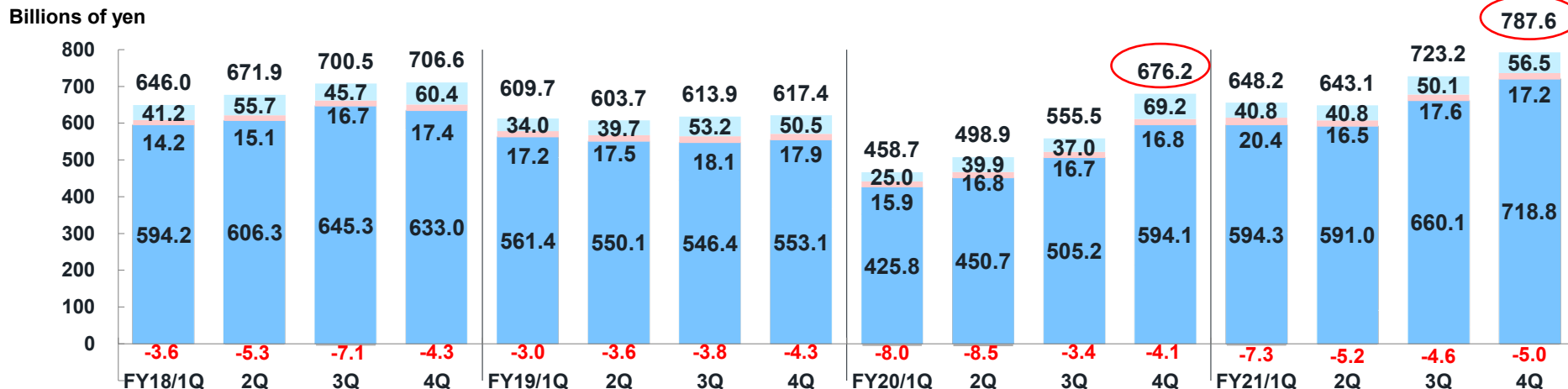
Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes 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.

Appendix

<Appendix> Quarterly Sales and Operating Profit

Quarterly sales (Since FY2018)

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

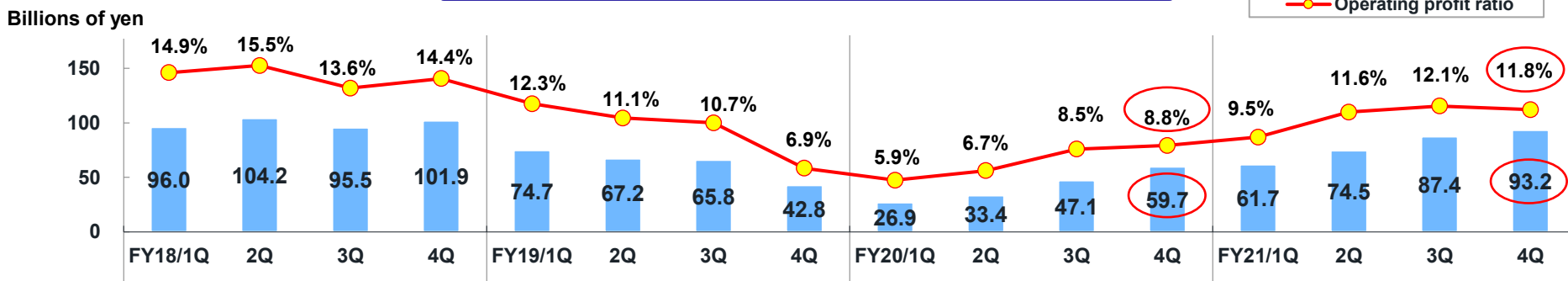


Exchange rates

	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	110.3	112.9	115.3
¥/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	130.6	129.7	129.7
¥/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	17.1	17.6	18.2

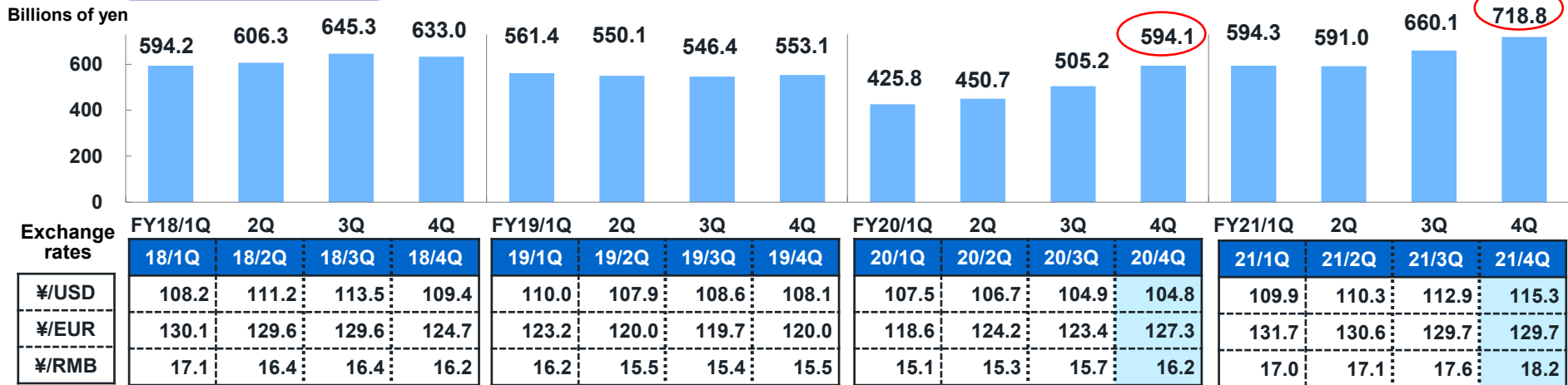
Quarterly operating profit (Since FY2018)

— Operating profit
— Operating profit ratio

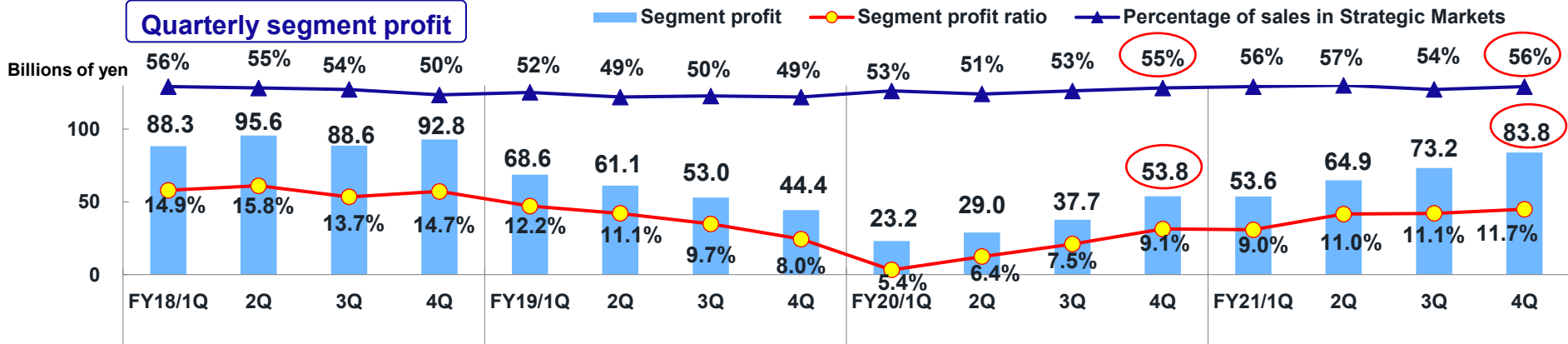


<Appendix> Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

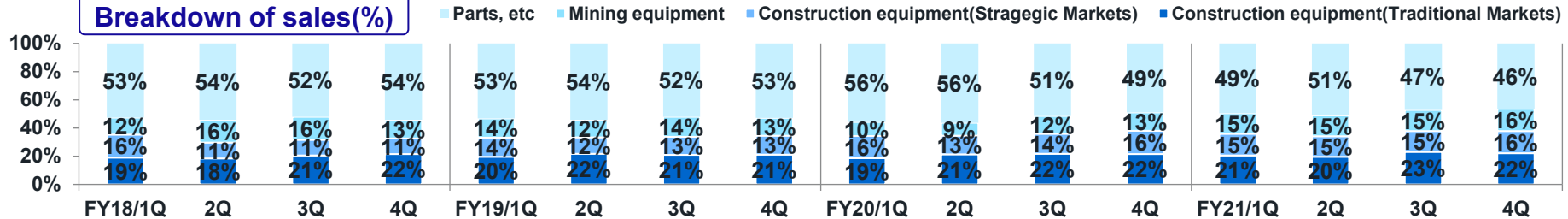
Quarterly Sales



Quarterly segment profit

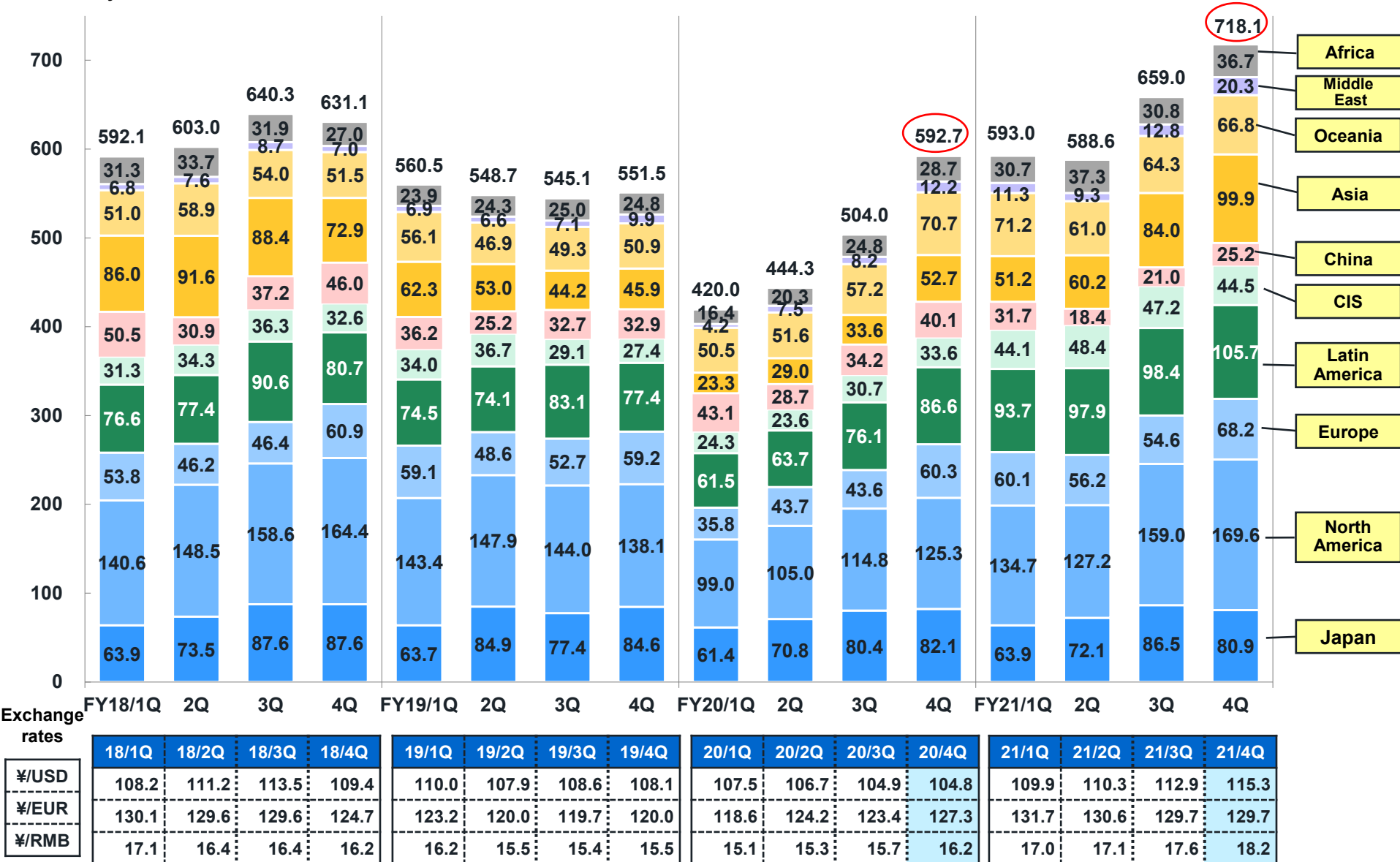


Breakdown of sales(%)



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

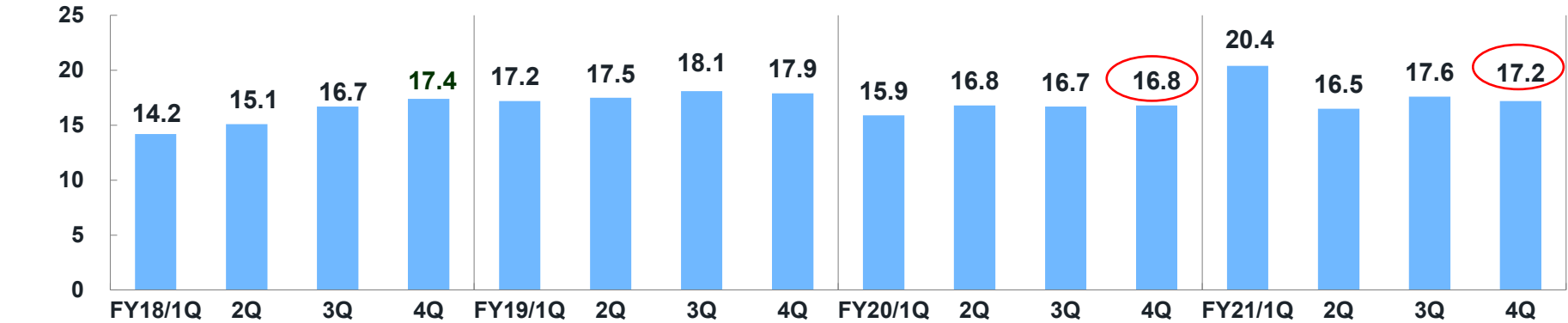
Billions of yen



<Appendix> Retail Finance: Quarterly Sales and Segment Profit

Billions of yen

Quarterly Sales

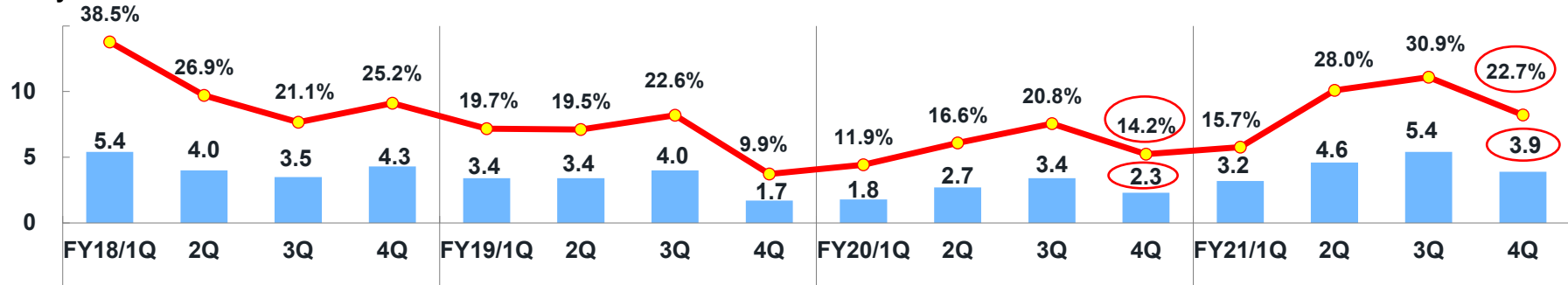


Exchange rates

	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	110.3	112.9	115.3
¥/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	130.6	129.7	129.7
¥/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	17.1	17.6	18.2

Quarterly segment profit

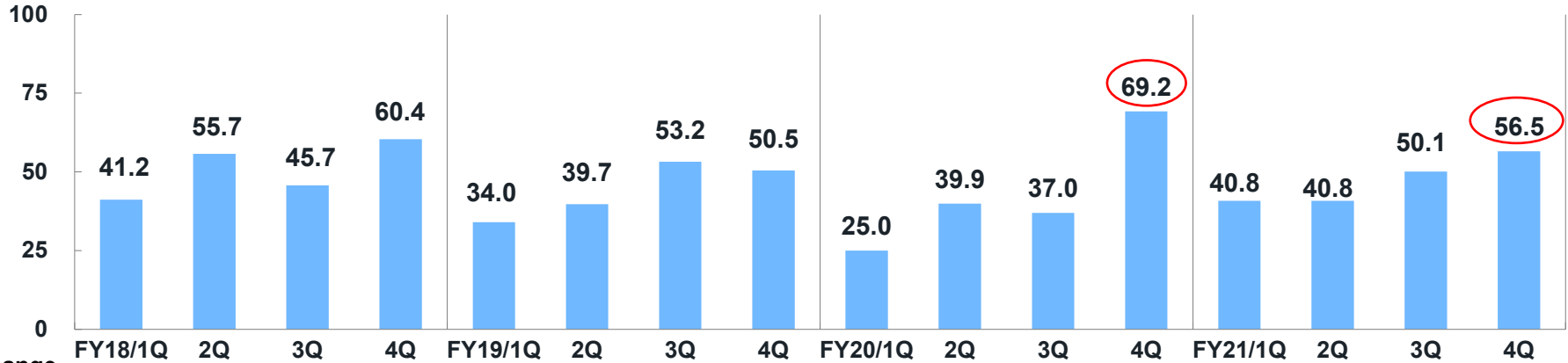
Billions of yen



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

Billions of yen

Quarterly Sales

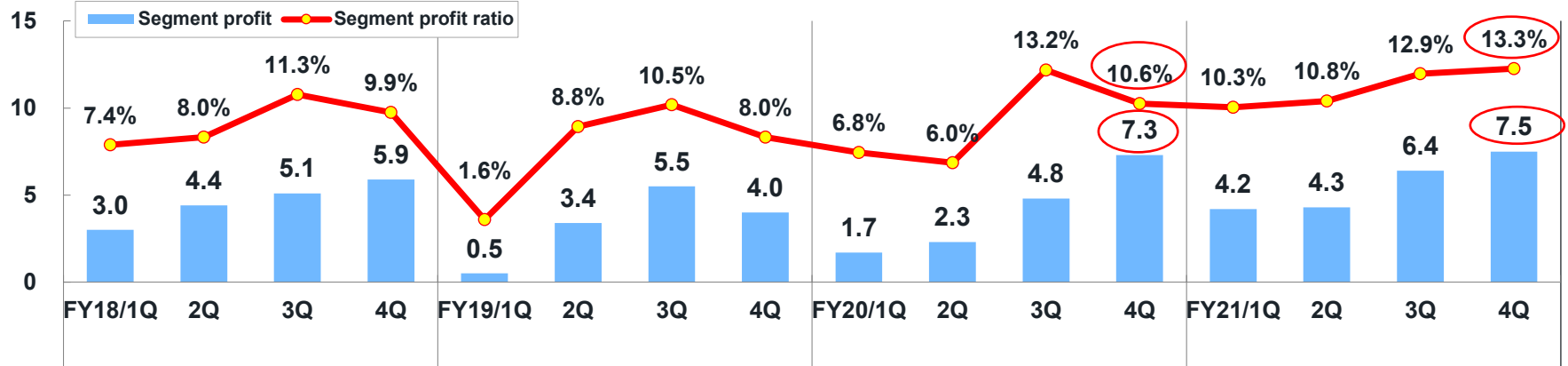


Exchange rates

	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	110.3	112.9	115.3
¥/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	130.6	129.7	129.7
¥/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	17.1	17.6	18.2

Billions of yen

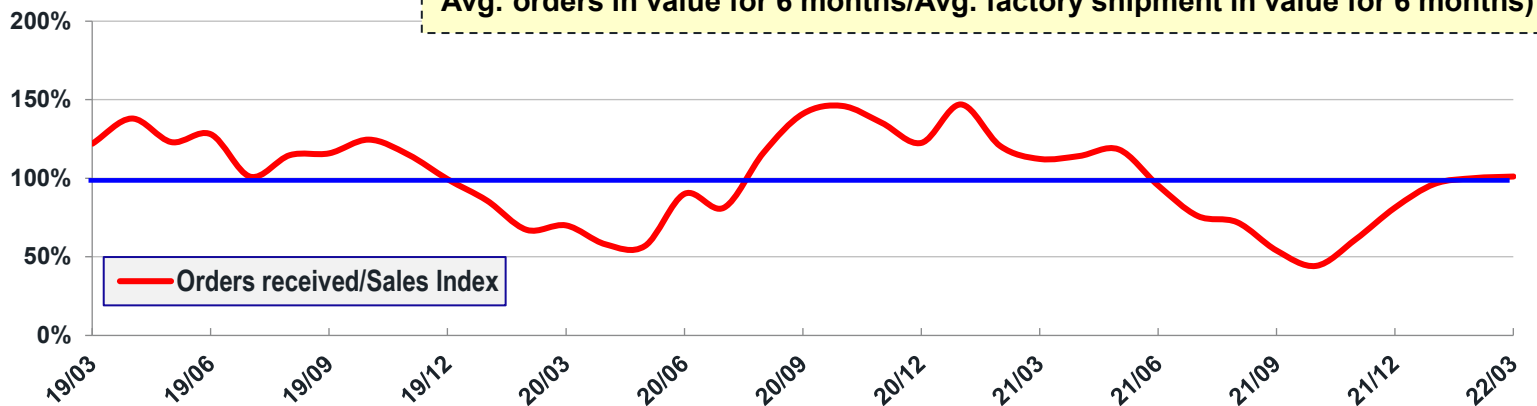
Quarterly segment profit



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

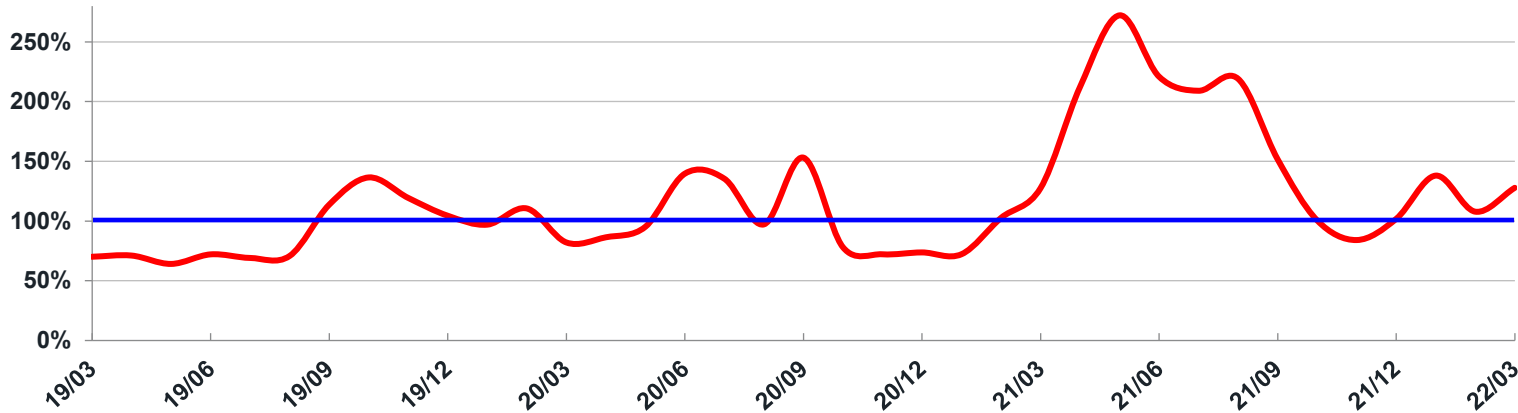
Komatsu America (Mining eqpt)

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



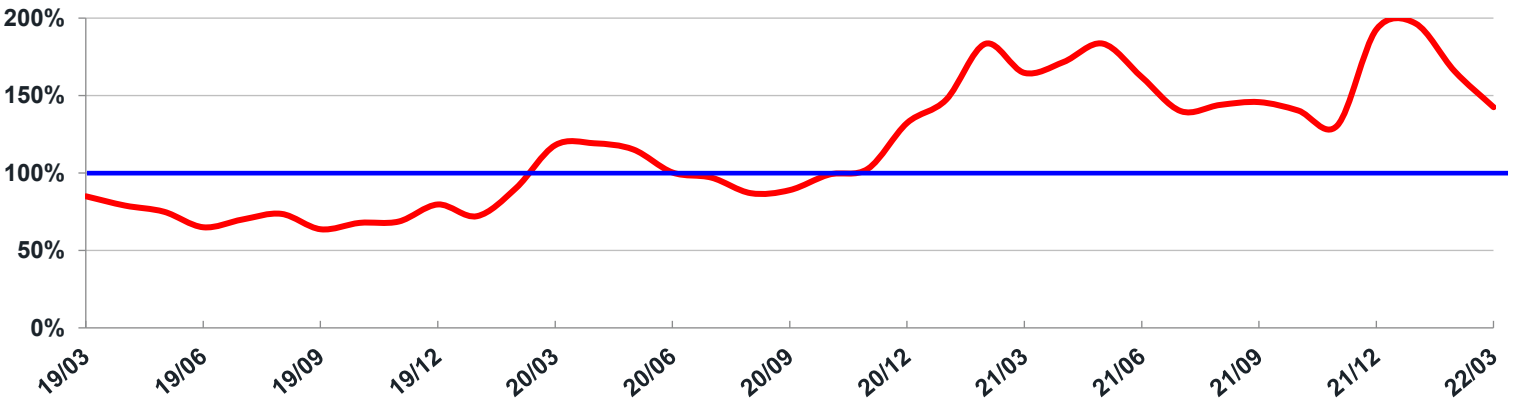
Komatsu Germany (Mining eqpt)

PC3000
PC4000
PC5500
PC7000
PC8000



Komatsu Ltd. (Mining eqpt)

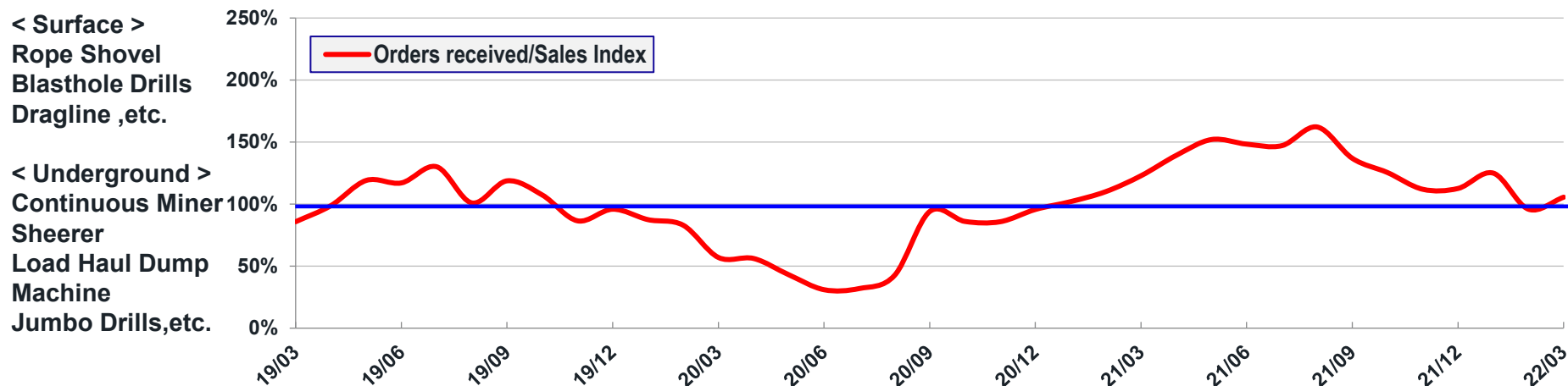
HD785, HD1500
PC2000, PC3400
PC4000
WA800 up
D375A up
GD825A up



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

KMC
(Mining eqpt)

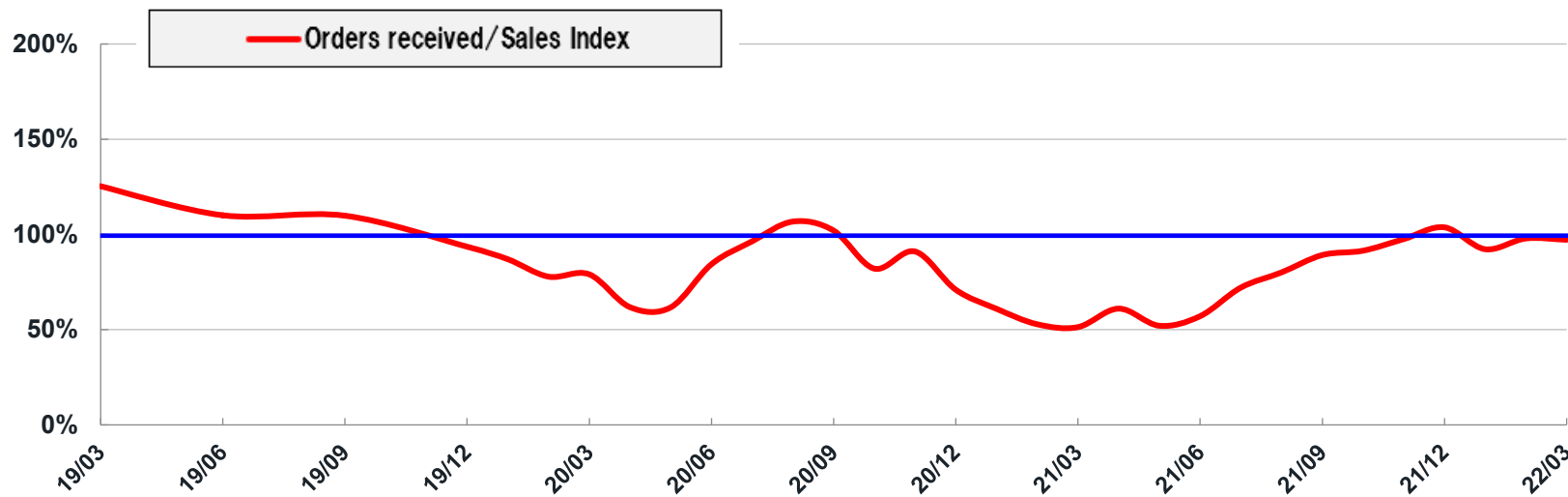
Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months)



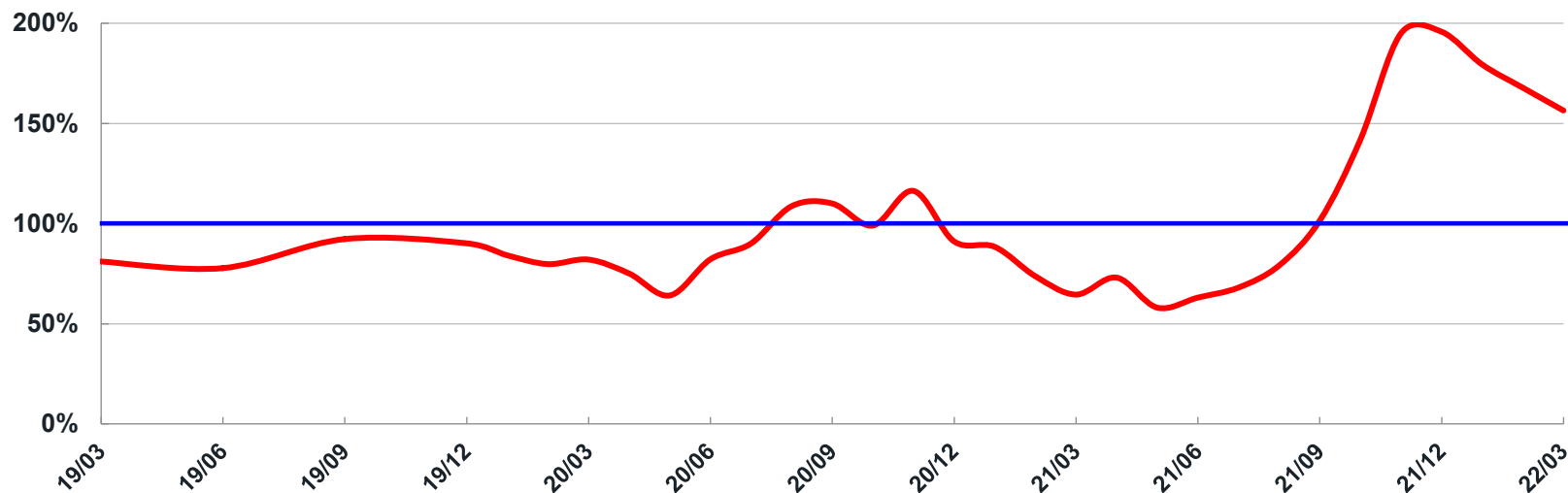
<Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries

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



Komatsu NTC



Highlights of Business Results for the Fourth Quarter (Jan.- Mar., 2022)

- Consolidated net sales increased by 16.5% from the corresponding period a year ago, to JPY787.6 billion.
- Operating profit advanced by 56.0% to JPY93.2 billion. Operating profit ratio was 11.8%, up 3.0 points.
- Net income attributable to Komatsu Ltd. advanced by 72.4% to JPY69.4 billion.

Billions of yen	Jan.-Mar.,2021 (A) ¥104.8/USD ¥127.3/EUR ¥16.2/RMB	Jan.-Mar.,2022 (B) ¥115.3/USD ¥129.7/EUR ¥18.2/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	676.2	787.6	+111.4	+16.5%
Segment profit	64.1	94.9	+30.8	+48.1%
Other operating income (Expenses)	(4.3)	(1.7)	+2.6	-
Operating profit	59.7	93.2	+33.4	+56.0%
Profit ratio	8.8%	11.8%	+3.0pts.	-
Other income (Expenses)	(0.3)	7.0	+7.3	-
Income before income taxes	59.4	100.2	+40.8	+68.7%
Net income attributable to Komatsu Ltd.	40.2	69.4	+29.1	+72.4%

Segment Sales and Profits for the Fourth Quarter (Jan.- Mar., 2022)

- **Construction, Mining & Utility Equipment:** Sales advanced by 21.0% from the corresponding period a year ago, to JPY718.8 billion. Segment profit expanded by 55.8% to JPY83.8 billion. Segment profit ratio improved to 11.7%, up 2.6 points.
- **Retail Finance:** Revenues increased by 2.4% from the corresponding period a year ago, to JPY17.2 billion. Segment profit advanced sharply by 63.3% to JPY3.9 billion.
- **Industrial Machinery & Others:** Sales decreased by 18.4% from the corresponding period a year ago, to JPY56.5 billion. Segment profit increased by 2.2% to JPY7.5 billion.

Billions of yen		Jan.-Mar., 2021 (A)	Jan.-Mar., 2022 (B)	Changes (B-A)	
				Increase (Decrease)	Change %
Net sales		676.2	787.6	+111.4	+16.5%
	Construction, mining & utility equipment	594.1 [592.7]	718.8 [718.1]	+124.6 [+125.3]	+21.0% [+21.2%]
	Retail finance	16.8 [14.6]	17.2 [14.2]	+0.3 [(0.4)]	+2.4% [(3.0)%]
	Industrial machinery & others	69.2 [68.7]	56.5 [55.2]	(12.7) [(13.4)]	(18.4)% [(19.6)%]
	Elimination	(4.1)	(5.0)	(0.8)	-
Segment profit		9.5% 64.1	12.1% 94.9	+2.6pts. +30.8	+48.1%
	Construction, mining & utility equipment	9.1% 53.8	11.7% 83.8	+2.6pts. +30.0	+55.8%
	Retail finance	14.2% 2.3	22.7% 3.9	+8.5pts. +1.5	+63.3%
	Industrial machinery & others	10.6% 7.3	13.3% 7.5	+2.7pts. +0.1	+2.2%
	Corporate & elimination	0.5	(0.3)	(0.8)	-

Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Both sales and profit advanced, mainly supported by increased volume of sales, positive effects of foreign exchange rates and improved selling prices.
- **Retail Finance:** Both revenues and segment profit increased, supported by an increase in new contracts and positive effects of foreign exchange rates.
- **Industrial Machinery & Others:** Sales decreased due to a decrease in sales of medium- and large-size press machines for the automobile manufacturing industry, while profit increased, mainly supported by an increase in the Excimer laser-related business.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for the Fourth Quarter (Jan.- Mar., 2022)

- Sales to outside customers advanced by 21.2% from the corresponding period a year ago, to JPY718.1 billion.
- Sales expanded sharply in Asia, North America, Latin America.
- The ratio of sales in Strategic Markets increased to 56% of total sales.

