



**Business Results for Three and
Six Months ended September 30, 2022
【Telephone conference】**

Komatsu Ltd. Participants

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October 31, 2022

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I . Business Results for Three and Six Months ended September 30, 2022

Highlights for the Second 3-Month Period (Jul.-Sep., '22)

- Consolidated net sales increased by 32.9% from the corresponding period a year ago, to JPY854.9 billion.
- Operating income advanced by 58.4% to JPY118.1 billion. Operating income ratio was 13.8%, up 2.2 points.
- Net income attributable to Komatsu Ltd. advanced by 57.2% to JPY82.1 billion.

Billions of yen	Jul.-Sep.,2021 (A) ¥110.3/USD ¥130.6/EUR ¥81.4/AUD	Jul.-Sep.,2022 (B) ¥136.1/USD ¥139.3/EUR ¥93.9/AUD	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	643.1	854.9	+211.8	+32.9%
Segment profit	73.9	118.4	+44.5	+60.2%
Other operating income (Expenses)	0.6	(0.3)	(0.9)	-
Operating income	74.5	118.1	+43.5	+58.4%
Income ratio	11.6%	13.8%	+2.2pts.	-
Other income (Expenses)	0.5	(2.8)	(3.3)	-
Income before income taxes	75.1	115.3	+40.2	+53.6%
Net income attributable to Komatsu Ltd.	52.2	82.1	+29.9	+57.2%

Segment Sales and Profits for the Second 3-Month Period (Jul.-Sep., '22) of FY2022

- Construction, Mining & Utility Equipment: Sales increased by 33.8% from the corresponding period a year ago, to JPY790.9 billion. Segment profit expanded by 60.4% to JPY104.2 billion. Segment profit ratio improved to 13.2%, up 2.2 points.
- Retail Finance: Revenues increased by 30.4% from the corresponding period a year ago, to JPY21.6 billion. Segment profit advanced by 54.2% to JPY7.1 billion.
- Industrial Machinery & Others: Sales increased by 20.4% from the corresponding period a year ago, to JPY49.2 billion. Segment profit expanded by 69.6% to JPY7.5 billion.

Billions of yen	Jul.-Sep., 2021 (A)	Jul.-Sep., 2022 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	643.1	854.9	+211.8	+32.9%
Construction, mining & utility equipment	591.0 [588.6]	790.9 [788.9]	+199.9 [+200.2]	+33.8% [+34.0%]
Retail finance	16.5 [14.1]	21.6 [17.2]	5.0 [+3.1]	+30.4% [+21.6%]
Industrial machinery & others	40.9 [40.4]	49.2 [48.9]	8.3 [+8.5]	+20.4% [+21.1%]
Elimination	(5.3)	(6.7)	(1.4)	-
Segment profit	11.5% 73.9	13.8% 118.4	+2.3 pts. +44.5	+60.2%
Construction, mining & utility equipment	11.0% 65.0	13.2% 104.2	+2.2 pts. +39.2	+60.4%
Retail finance	28.0% 4.6	33.1% 7.1	+5.1pts. +2.5	+54.2%
Industrial machinery & others	10.8% 4.4	15.2% 7.5	+4.4 pts. 3.1	+69.6%
Corporate & elimination	(0.1)	(0.4)	(0.3)	-

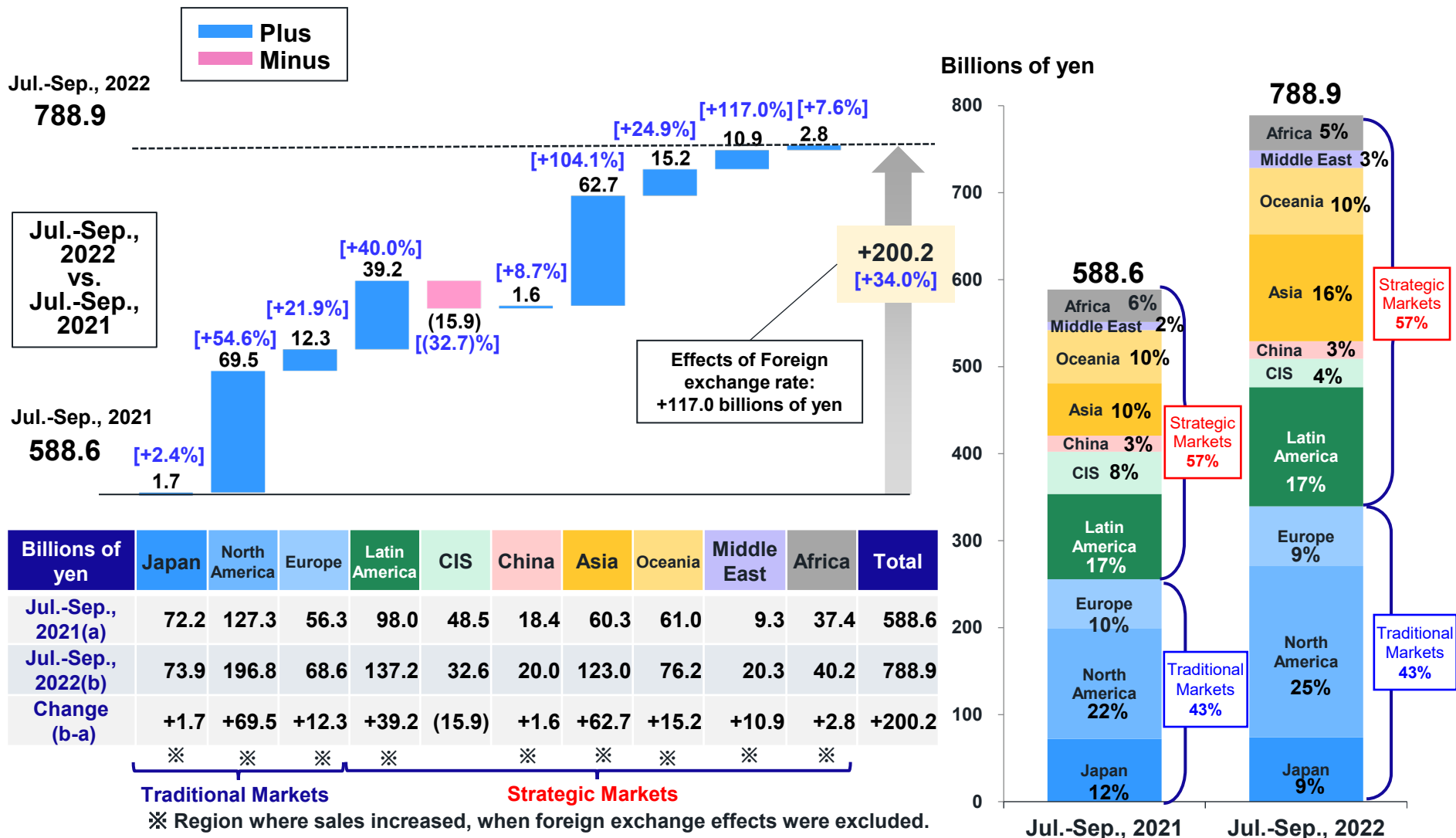
Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Sales increased, mainly supported by increased volume of sales and the positive effects of foreign exchange rates and improved selling prices. Segment profit increased sharply, mainly supported by increased volume of sales and the positive effects of foreign exchange rates and improved selling prices.
- **Retail Finance:** Revenues increased mainly supported by the positive effects of foreign exchange rates. Segment profit increased mainly due to decreased allowance for doubtful accounts.
- **Industrial Machinery & Others:** While sales of medium and large-sized presses to the automobile manufacturing industry declined, sales of the Excimer laser-related business were strong. As a result, both sales and segment profit advanced.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) Second 3-Month Period (Jul.-Sep., '22) of FY2022

- Sales to outside customers increased by 34.0% from the corresponding period a year ago, to JPY788.9 billion.
- Sales improved in all regions, except for CIS. Sales expanded sharply in North America, Asia and Latin America.
- Sales in Traditional Markets accounted for 43% of total sales, and those of Strategic Markets, 57%.



Highlights for the First 6-Month Period ended September 30, 2022

- Consolidated net sales increased by 25.3% from the corresponding period a year ago, to JPY1,618.7 billion.
- Operating income advanced by 55.3% to JPY211.6 billion. Operating income ratio was 13.1%, up 2.5 points.
- Net income attributable to Komatsu Ltd. surged by 74.5% to JPY162.6 billion.

Billions of yen	Apr.-Sep.,2021 (A) ¥110.1/USD ¥131.1/EUR ¥83.0/AUD	Apr.-Sep.,2022 (B) ¥131.6/USD ¥138.1/EUR ¥92.9/AUD	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	1,291.4	1,618.7	+327.3	+25.3%
Segment profit	134.8	212.8	+77.9	+57.8%
Other operating income (Expenses)	1.5	(1.1)	(2.6)	-
Operating income	136.3	211.6	+75.4	+55.3%
Income ratio	10.6%	13.1%	+2.5pts.	-
Other income (Expenses)	0.2	16.1	+15.9	-
Income before income taxes	136.5	227.8	+91.3	+66.8%
Net income attributable to Komatsu Ltd.	93.1	162.6	+69.4	+74.5%
Cash dividends per share	40Yen	64Yen	+24Yen	

Segment Sales and Profits for the First 6-Month Period ended September 30, 2022

- **Construction, Mining & Utility Equipment:** Sales increased by 27.1% from the corresponding period a year ago, to JPY1,506.2 billion. Segment profit advanced by 58.1% to JPY187.5 billion. Segment profit ratio improved to 12.4%, up 2.4 points.
- **Retail Finance:** Revenues increased by 12.2% from the corresponding period a year ago, to JPY41.5 billion. Segment profit expanded by 89.3% to JPY14.9 billion.
- **Industrial Machinery & Others:** Sales increased by 2.5% from the corresponding period a year ago, to JPY83.7 billion. Segment profit increased by 27.7% to JPY11.0 billion.

Billions of yen	Apr.-Sep., 2021 (A)	Apr.-Sep., 2022 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	1,291.4	1,618.7	+327.3	+25.3%
Construction, mining & utility equipment	1,185.4 [1,181.6]	1,506.2 [1,502.5]	+320.8 [+320.9]	+27.1% [+27.2%]
Retail finance	37.0 [28.9]	41.5 [33.5]	4.5 [+4.5]	+12.2% [+15.7%]
Industrial machinery & others	81.7 [80.9]	83.7 [82.8]	2.0 [+1.9]	+2.5% [+2.4%]
Elimination	(12.6)	(12.7)	(0.0)	-
Segment profit	10.4% 134.8	13.1% 212.8	+2.7 pts. +77.9	+57.8%
Construction, mining & utility equipment	10.0% 118.6	12.4% 187.5	+2.4 pts. +68.9	+58.1%
Retail finance	21.2% 7.8	35.8% 14.9	+14.6 pts. +7.0	+89.3%
Industrial machinery & others	10.5% 8.6	13.1% 11.0	+2.6 pts. +2.4	+27.7%
Corporate & elimination	(0.2)	(0.6)	(0.4)	-

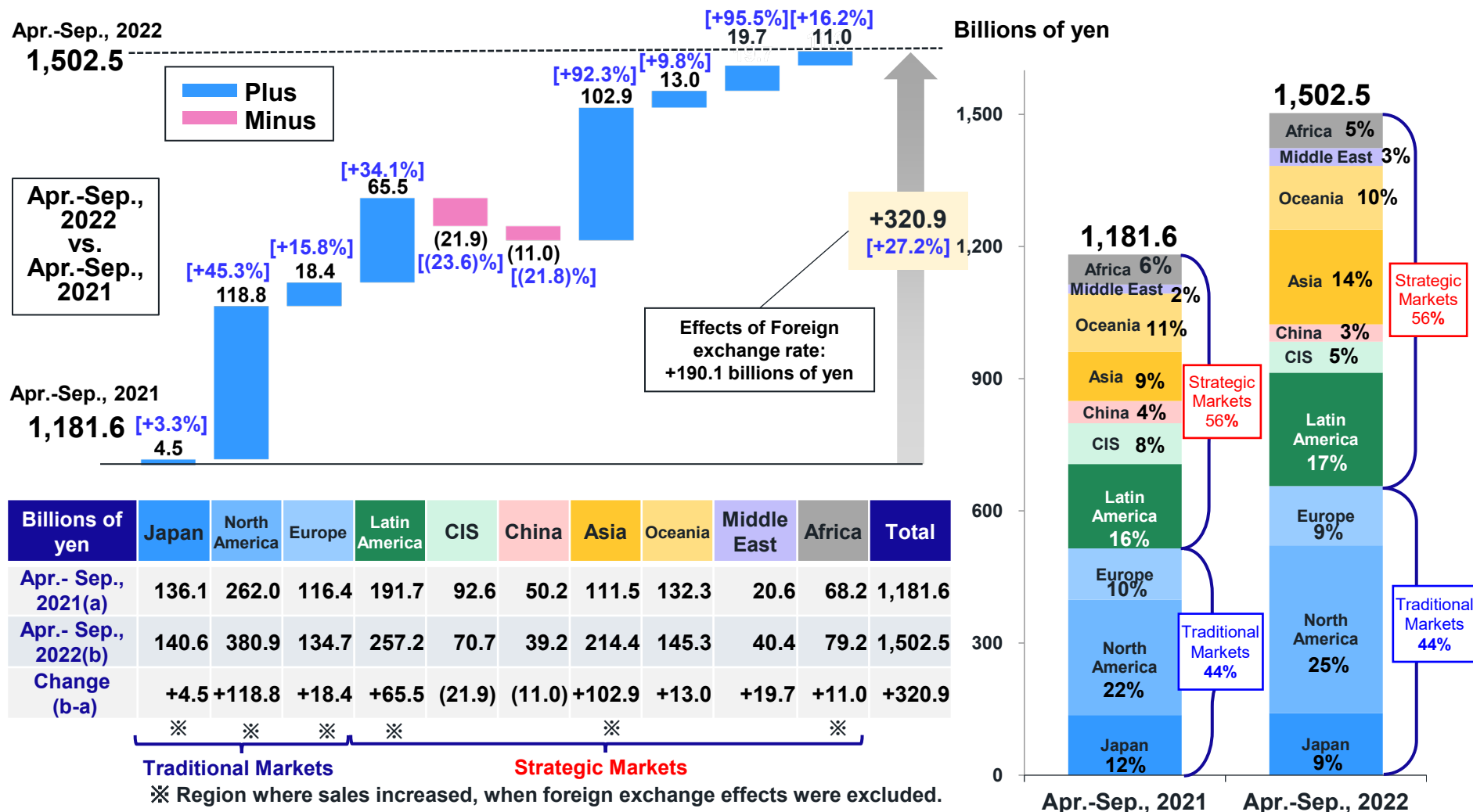
Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Sales increased, mainly supported by increased volume of sales and the positive effects of foreign exchange rates and improved selling prices. Segment profit increased sharply, mainly supported by increased volume of sales and the positive effects of foreign exchange rates and improved selling prices.
- **Retail Finance:** Revenues increased as an increase in new contracts and positively affected by foreign exchange rates, which more than offset the impact of selling some leased equipment as used equipment in the corresponding period a year ago. Segment profit increased mainly due to decreased allowance for doubtful accounts and the positive effects of foreign exchange rates.
- **Industrial Machinery & Others:** Concerning the business with the automobile manufacturing industry, sales of medium and large-sized presses declined. As a result, both sales and profits decreased. Concerning the semiconductor business, particularly because sales of the Excimer laser-related business were brisk, both sales and profits expanded.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for the First 6-Month Period ended September 30, 2022

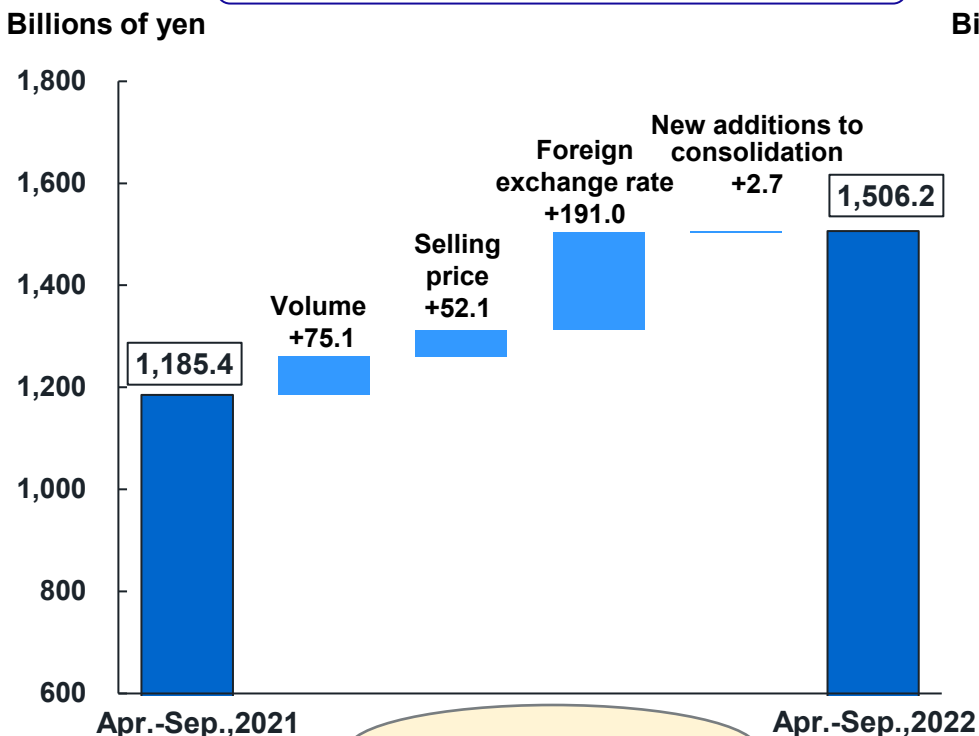
- Sales to outside customers increased by 27.2% from the corresponding period a year ago, to JPY1,502.5 billion.
- Sales improved in all regions, except for CIS and China.
Sales expanded sharply in North America, Asia and Latin America.
- Sales in Traditional Markets accounted for 44% of total sales, and those of Strategic Markets, 56%.



Construction, Mining & Utility Equipment : Causes of Difference in Sales and Segment Profit for the First 6-Month Period (Apr.-Sep., '22) of FY2022

- Sales increased by JPY320.8 billion from the corresponding period a year ago, mainly supported by increased volume of sales and the positive effects of foreign exchange rates and improved selling prices.
- Segment profit increased by JPY68.9 billion from the corresponding period a year ago, reflecting the positive effects of improved selling prices and foreign exchange rates.
- Segment profit ratio was 12.4%, up 2.4 points from the corresponding period a year ago.

Sales
Apr.-Sep.,2021 vs. Apr.-Sep.,2022

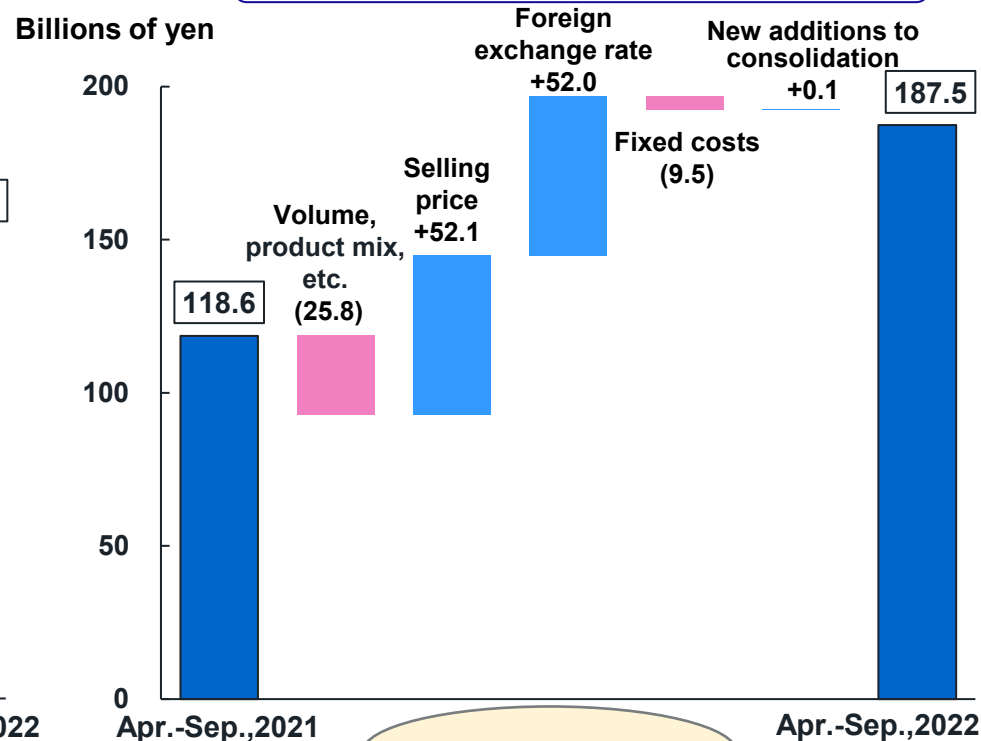


¥110.1/USD
¥131.1/EUR
¥83.0/AUD

Positive factor
Negative factor

¥131.6/USD
¥138.1/EUR
¥92.9/AUD

Segment profit
Apr.-Sep.,2021 vs. Apr.-Sep.,2022



10.0%

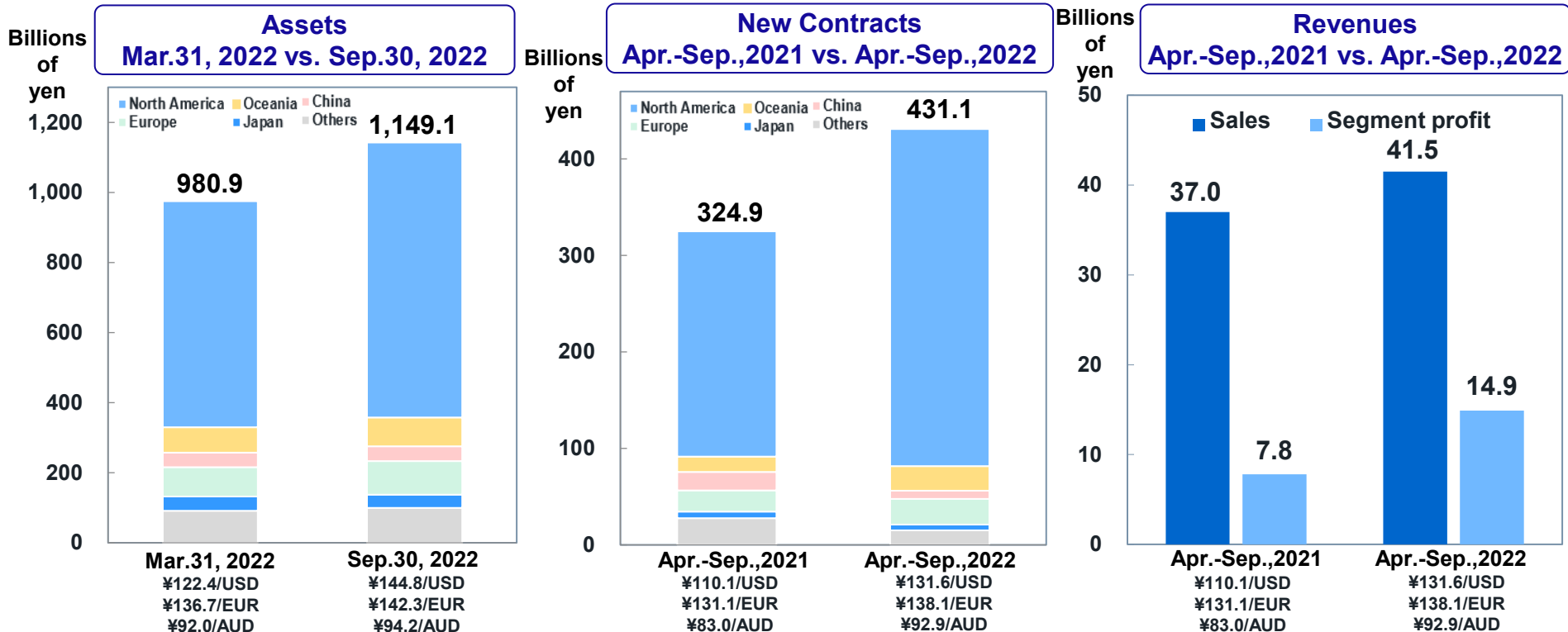
Positive factor
Negative factor

Segment profit ratio

12.4%

Retail Finance: Assets and Revenues for the First 6-Month Period (Apr.-Sep., '22) of FY2022

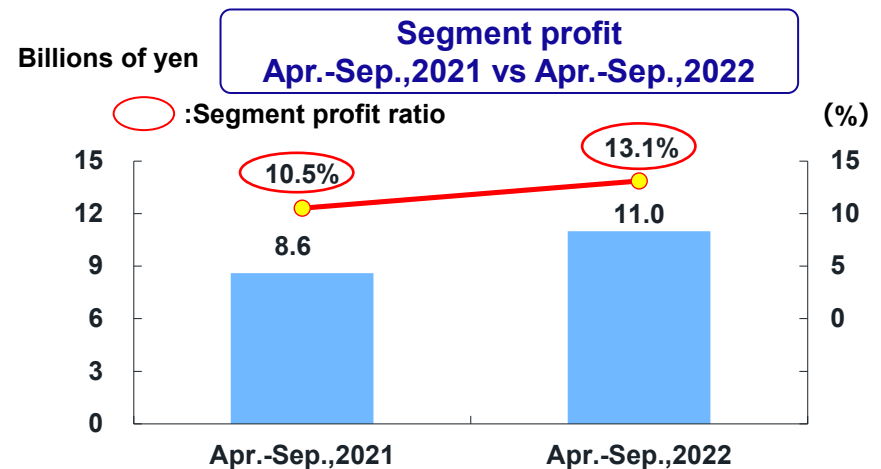
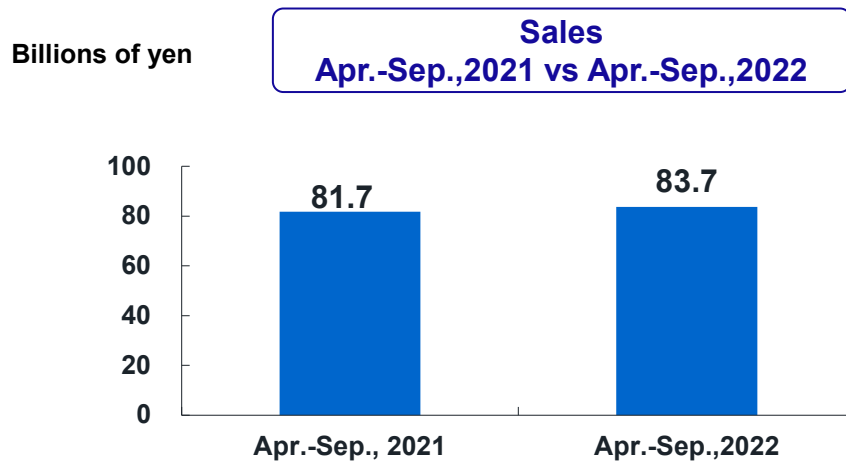
- Assets increased by JPY168.2 billion from the previous fiscal year-end, as mainly affected by foreign exchange rates.
- New contracts increased by JPY106.1 billion from the corresponding period a year ago, supported by increased sales in the construction, mining and utility equipment business.
- Revenues increased to JPY4.5 billion, due to an increase in new contracts and the positive effects of foreign exchange rates, which more than offset the impact of selling some post-lease equipment as used equipment in the corresponding period a year ago.
- Segment profit increased by JPY7.0 billion, mainly due to decreased allowance for doubtful accounts and the positive effects of foreign exchange rates.



Billions of yen	2022/3E	2022/9E	Changes
Interest-bearing debt	734.2	866.3	+132.0
Interest-bearing debt, net	731.5	852.7	+121.2
Net D/E ratio	3.51	3.49	(0.02)pts.

Industrial Machinery & Others: Sales and Segment Profit for the First 6-Month Period (Apr.-Sep., '22) of FY2022

- Sales increased by 2.5% from the corresponding period a year ago, to JPY83.7 billion.
- Segment profit increased by 27.7% to JPY11.0 billion.
- Presses and machine tools for the automobile manufacturing industry: Sales of medium and large-sized presses declined. As a result, both sales and profits decreased.
- Products for the semiconductor manufacturing industry: Sales of the Excimer laser-related business were brisk. As a result, both sales and profits expanded.
- Segment profit ratio was 13.1%.



Breakdown of sales Billions of yen	Apr.-Sep., 2021	Apr.-Sep., 2022	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	26.9	17.8	(9.1)	(33.9)%
Komatsu NTC Ltd.	15.8	16.0	+0.1	+0.8%
Gigaphoton Inc.	24.6	28.8	+4.2	+17.1%
Others	14.4	21.2	+6.8	+47.4%
Total	81.7	83.7	+2.0	+2.5%

Consolidated Balance Sheets

- Total assets increased by JPY655.0 billion from the previous fiscal year-end, to JPY5,002.5 billion, mainly due to the effects of foreign exchange rates.
- Inventories increased resulting from an increase in demand for construction, mining and utility equipment.
- Komatsu Ltd. shareholders' equity was 51.5%, up 0.1 point.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2022 ¥122.4/USD ¥136.7/EUR ¥92.0/RMB	Sep. 30, 2022 ¥144.8/USD ¥142.3/EUR ¥94.2/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	316.7	321.6	+4.9
Accounts receivable (incl. long-term trade receivables)	1,456.4	1,660.2	+203.7
Inventories	988.0	1,275.0	+287.0
Tangible fixed assets	819.7	868.2	+48.5
Other assets	766.6	877.5	+110.9
Total assets	4,347.5	5,002.5	+655.0
Accounts payable	339.0	356.1	+17.1
Interest-bearing debt [b]	947.4	1,170.6	+223.2
Other liabilities	704.9	763.6	+58.7
Total liabilities	1,991.2	2,290.3	+299.0
[Shareholders' equity ratio]	[51.4%]	[51.5%]	[+0.1pt.]
Komatsu Ltd. shareholders' equity	2,232.5	2,577.2	+344.6
Non-controlling interests	123.8	135.1	+11.4
Liabilities & Equity	4,347.5	5,002.5	+655.0
Interest-bearing debt, net [b-a]	○ 0.28 630.7	○ 0.33 849.0	+218.3
Net D/E ratio (excl. the retail finance business)	○ (0.05)	○ (0.00)	

II . Outlook of FY2022 Business Results

Outline of Projection for FY2022

- Consolidated net sales will increase by 23.5% from FY2021, to JPY3,460.0 billion (Up JPY460.0 billion from the projection of April this year).
- Operating income will advance by 38.8% to JPY440.0 billion (Up JPY94.0 billion from the projection of April this year).
- Annual cash dividends per share are being planned for JPY128 (Up JPY32 from the projection of April this year).

Reassessed preconditions of foreign exchange rates in the second half period: USD1=JPY140, EUR1=JPY137, and AUD1=JPY89.0

Billions of yen	FY2021 Results (A) ¥112.1/USD ¥130.4/EUR ¥82.7/AUD	FY2022 Projection (B) (Current) ¥135.8/USD ¥137.5/EUR ¥91.0/AUD	FY2022 Projection (April) ¥118.0/USD ¥129.0/EUR ¥88.0/AUD	Changes (B-A)	
				Increase (Decrease)	Change %
Net sales	2,802.3	3,460.0	3,000.0	+657.7	+23.5%
Segment profit	315.5	445.0	349.0	+129.5	+41.0%
Other operating income (Expenses)	1.5	(5.0)	(3.0)	(6.5)	-
Operating income	317.0	440.0	346.0	+123.0	+38.8%
Profit ratio	11.3%	12.7%	11.5%	+1.4pts.	-
Other income (Expenses)	7.6	(8.0)	(12.5)	(15.6)	-
Income before income taxes	324.6	432.0	333.5	+107.4	+33.1%
Net income attributable to Komatsu Ltd.	224.9	298.0	226.0	+73.1	+32.5%
ROE	10.9%	12.4%	10.0%	+1.5pts.	
Cash dividends per share	96Yen	128Yen	96Yen	+32Yen	
Consolidated payout ratio	40.3%	40.6%	40.2%		

Projection of Segment Sales and Profit for FY2022

- Construction, Mining & Utility Equipment: Sales will increase by 25.2% from FY2021, to JPY3,210.0 billion. Segment profit will advance by 45.8% to JPY402.0 billion. Segment profit ratio will improve to 12.5%, up 1.7 points.
- Retail Finance: Revenues will increase by 16.2% from FY2021, to JPY 83.5billion. Segment profit will advance by 45.4% to JPY25.0 billion.
- Industrial Machinery & Others: Sales will increase by 1.9% from FY2021, to JPY192.0 billion. Segment profit will increase by 1.8% to JPY23.0 billion.

Billions of yen	FY2021 Results (A)	FY2022 Projection (B)(Current)	FY2022 Projection (April)	Changes (B-A)	
				Increase (Decrease)	Change %
Net sales	2,802.3	3,460.0	3,000.0	+657.7	+23.5%
Construction, mining & utility equipment	2,564.4 [2,558.9]	3,210.0 [3,204.5]	2,779.0 [2,767.0]	+645.7 [+645.7]	+25.2% [+25.2%]
Retail finance	71.9 [57.8]	83.5 [66.5]	67.0 [53.0]	+11.6 [+8.7]	+16.2% [+15.0%]
Industrial machinery & others	188.4 [185.7]	192.0 [189.0]	183.0 [180.0]	+3.6 [+3.3]	+1.9% [+1.8%]
Elimination	(22.3)	(25.5)	(29.0)	(3.3)	-
Segment profit	11.3% 315.5	12.9% 445.0	11.6% 349.0	+1.6 pts. +129.5	+41.0%
Construction, mining & utility equipment	10.8% 275.8	12.5% 402.0	11.4% 318.0	+1.7 pts. +126.3	+45.8%
Retail finance	23.9% 17.2	29.9% 25.0	23.1% 15.5	+6.0 pts. +7.8	+45.4%
Industrial machinery & others	12.0% 22.6	12.0% 23.0	10.9% 20.0	+0.0 pts. +0.4	+1.8%
Corporate & elimination	(0.0)	(5.0)	(4.5)	(5.0)	-

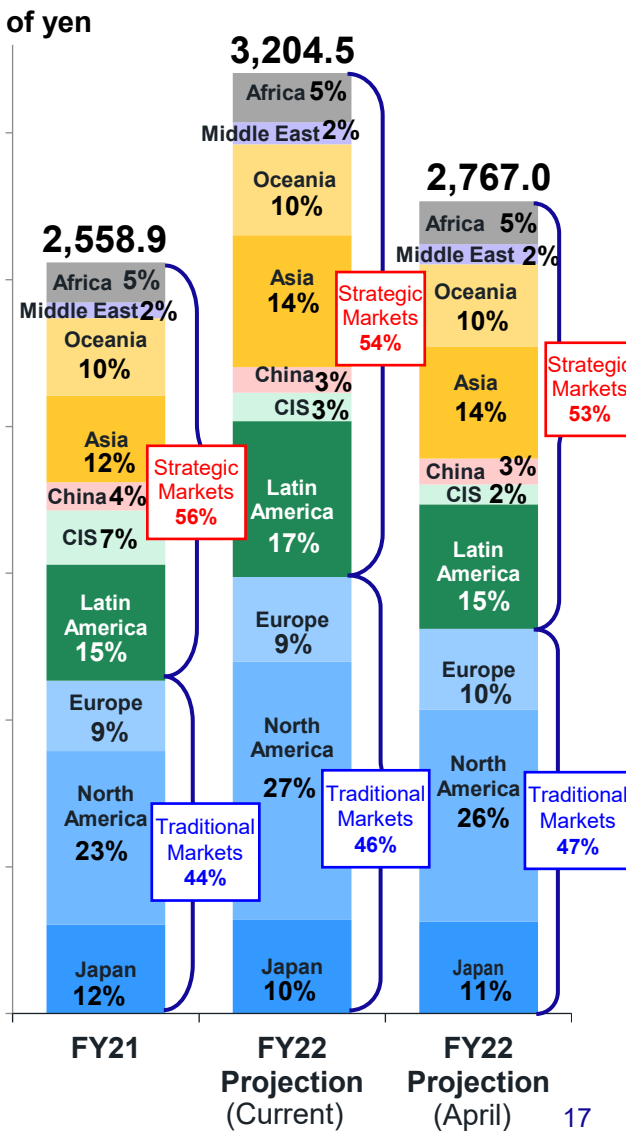
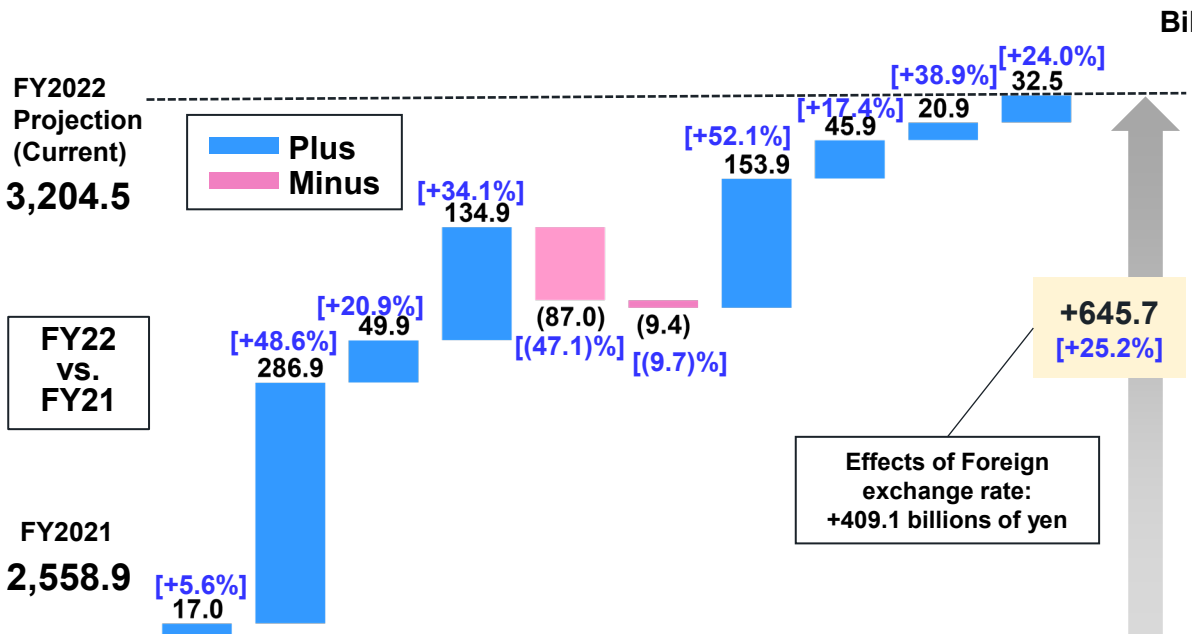
Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Sales will increase, mainly supported by increased volume of sales and the positive effects of foreign exchange rates and improved selling prices. Segment profit will increase sharply, mainly supported by increased volume of sales and the positive effects of foreign exchange rates.
- **Retail Finance:** Revenues will increase, affected by an increase of new contracts and the positive effects of foreign exchange rates. Segment profit will also increase by decreased allowance for doubtful accounts and the positive effects of foreign exchange rates.
- **Industrial Machinery & Others:** Concerning the business with the automobile industry, both sales and profits will decline, due to a decline in sales of medium-sized and large presses. Concerning the business with the semiconductor industry, both sales and profits will advance, mainly reflecting strong sales of the Excimer laser-related business.

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

- Full-year sales to outside customers for FY2022 should increase by 25.2% from FY2021, to JPY3,204.5 billion.
- Sales will improve in all regions, except for CIS and China. Sales should expand sharply in North America, Asia and Latin America.
- Sales in Traditional Markets should account for 46% of total sales, and those of Strategic Markets, 54%.

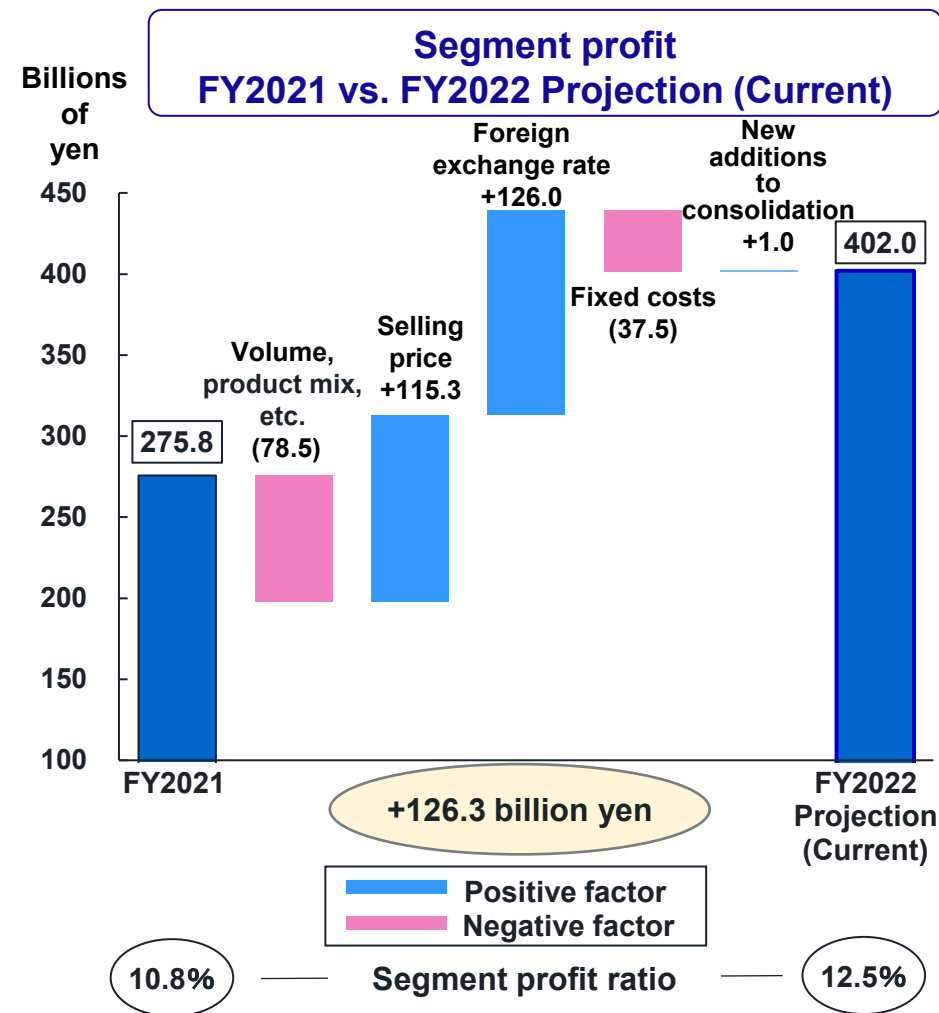
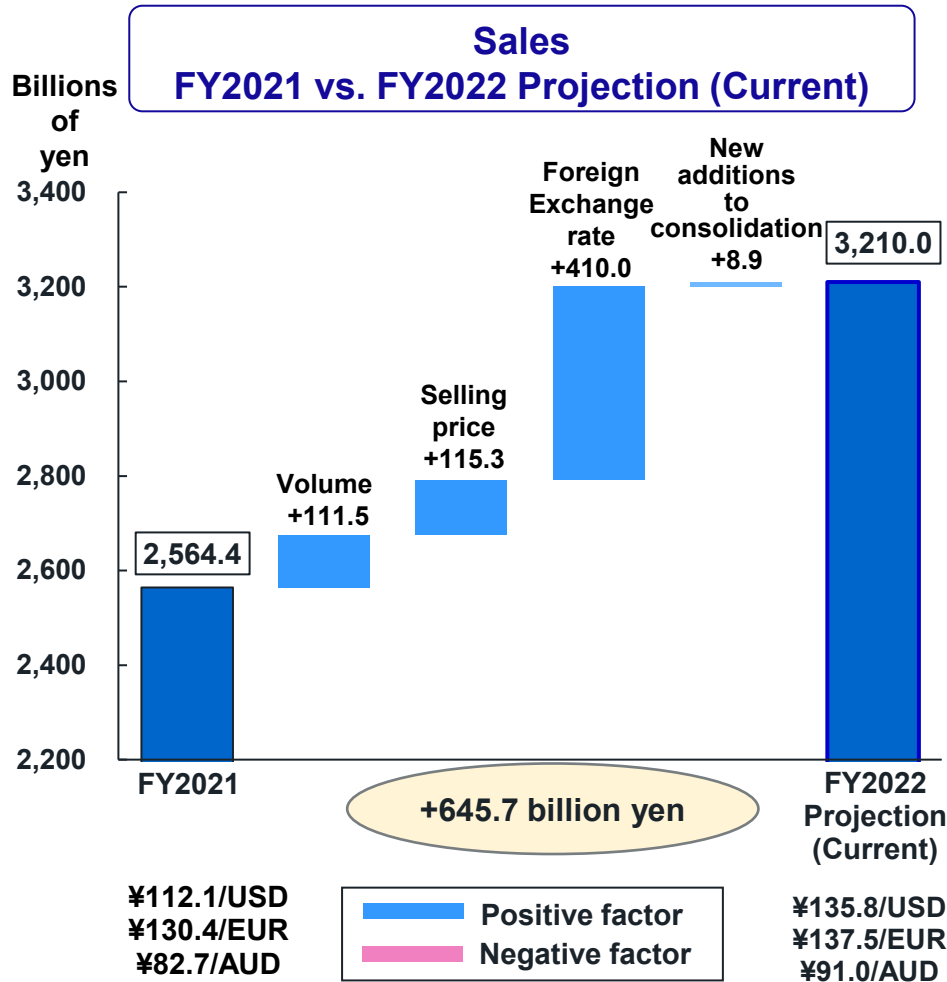


Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2021(a)	303.6	590.7	239.3	395.9	184.5	96.4	295.4	263.4	53.9	135.7	2,558.9
FY2022(b) Projection (Current)	320.7	877.6	289.2	530.8	97.5	87.0	449.4	309.4	74.8	168.2	3,204.5
Change (b-a)	+17.0	+286.9	+49.9	+134.9	(87.0)	(9.4)	+153.9	+45.9	+20.9	+32.5	+645.7

✖ Traditional Markets ✖ Strategic Markets
 ✖ Region where sales will increase, when foreign exchange effects are excluded.

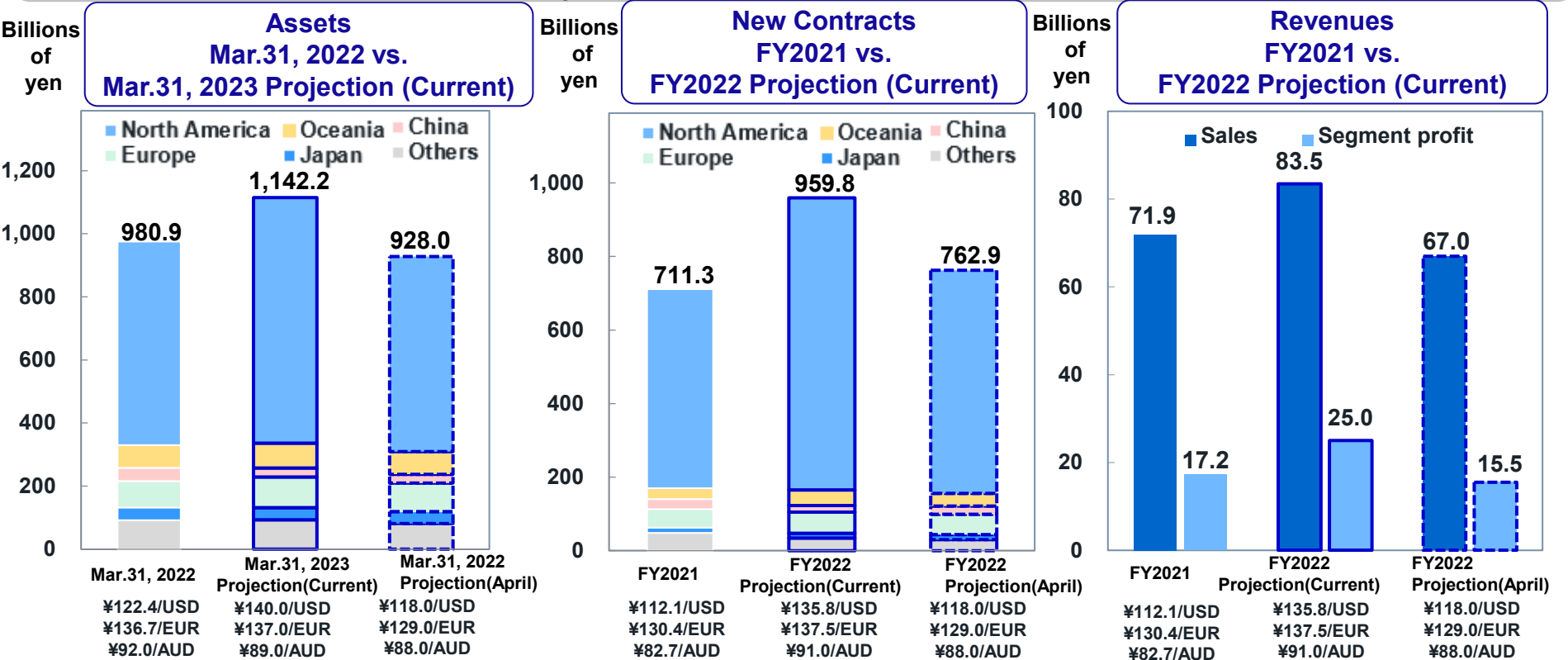
Construction, Mining & Utility Equipment: Causes of Difference in Projected Sales & Segment Profit for FY2022

- Sales should increase by JPY645.7 billion from FY2021, supported by increased volume of sales, the positive effects of improved selling prices and foreign exchange rates.
- Segment profit should advance by JPY126.3 billion from FY2021, mainly as improving selling prices should absorb increases in material and logistics costs and the positive effects of foreign exchange rates.
- Segment profit ratio will improve to 12.5%, up 1.7 points from FY2021.



Retail Finance: Projection for FY2022

- Assets will increase by JPY133.3 billion from FY2021 year-end, as mainly affected by foreign exchange rates.
- New contracts will increase by JPY248.5 billion from FY2021, affected by the effects of foreign exchange rates and an increase of sales in the construction, mining and utility equipment business.
- Revenues will improve to JPY11.6 billion from FY2021, mainly due to an increase in new contracts and the positive effects of foreign exchange rates.
- Segment profit will increase by JPY7.8 billion from the corresponding period a year ago, mainly due to decreased allowance for doubtful accounts and the positive effects of foreign exchange rates.



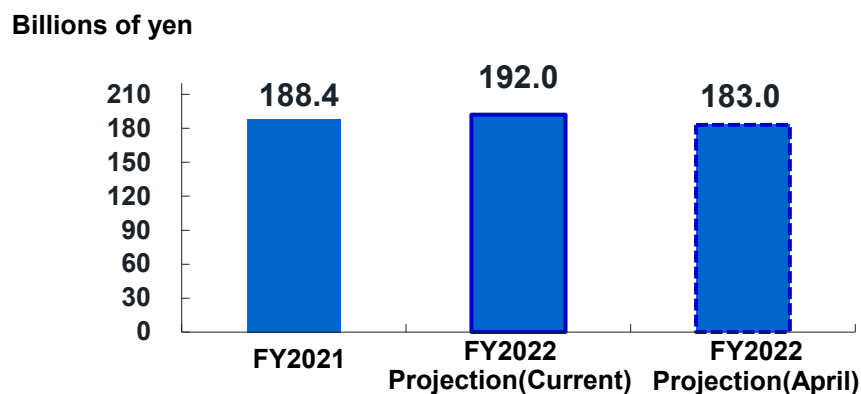
Billions of yen	2022/3E (A)	2023/3E Current Projection(B)	2023/3E April Projection	Changes (B)-(A)
Interest-bearing debt	734.2	860.4	720.5	+126.2
Interest-bearing debt, net	731.5	851.7	714.0	+120.2
Net D/E ratio	3.51	3.70	3.75	+0.19pts.

	FY2021 (A)	FY2022 Current Projection(B)	FY2022 April Projection	Changes (B)-(A)
ROA	1.8%	2.4%	1.6%	+0.6pts.

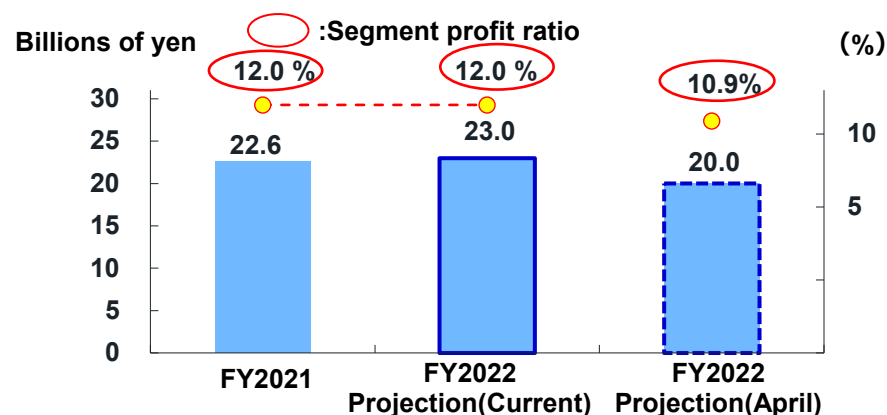
Industrial Machinery & Others: Projection of Sales and Segment Profit for FY2022

- Sales will increase by 1.9% from FY2021, to JPY192.0 billion, and segment profit will increase by 1.8% to JPY23.0 billion.
- Both sales and segment profit will increase, mainly supported by an increase in sales of the Excimer laser-related business on the semiconductor market.

Sales
FY2021 vs. FY2022 Projection(Current)



Segment profit
FY2021 vs. FY2022 Projection(Current)



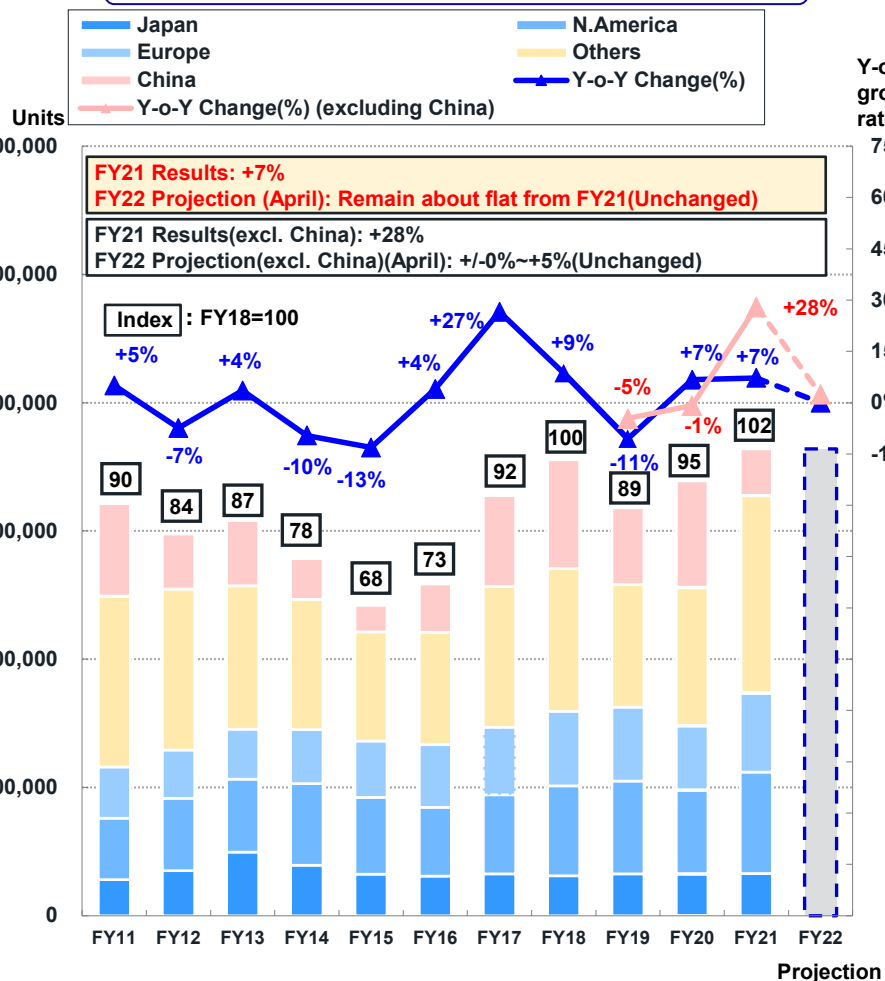
Breakdown of sales

Billions of yen	FY2021 (A)	FY2022 Projection (Current)(B)	FY2022 Projection (April)	Changes(B-A)	
				Increase (Decrease)	Change %
Komatsu Industries Corp.	52.6	42.8	41.6	(9.8)	(18.7)%
Komatsu NTC Ltd.	38.1	42.6	42.0	+4.5	+11.9%
Gigaphoton Inc.	52.3	60.9	56.6	+8.5	+16.3%
Others	45.3	45.7	42.6	+0.4	+0.9%
Total	188.4	192.0	183.0	+3.6	+1.9%

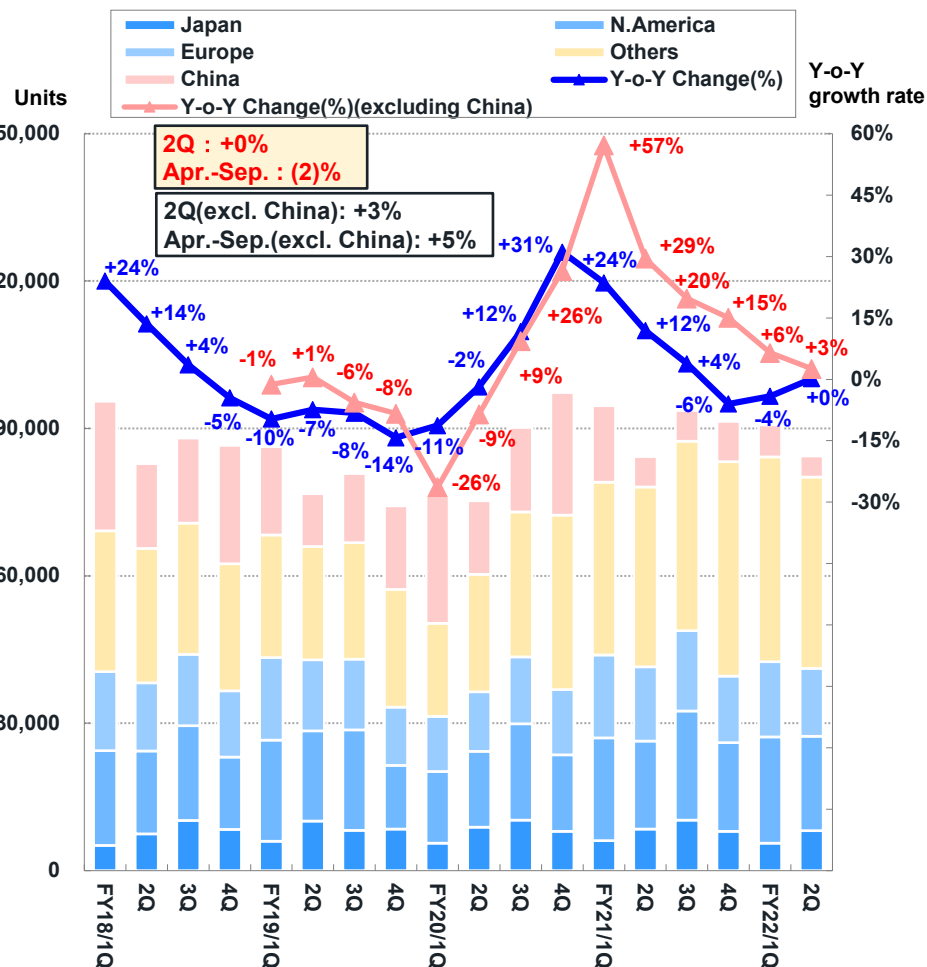
Construction, Mining & Utility Equipment: Actual and Projected Demand for 7 Major Products

- In 2Q FY2022, global demand remained about flat from FY2021. When China was excluded, demand increased by 3%.
- In FY2022, full-year demand will remain about flat from FY2021. When China is excluded, demand should increase between +/-0 % and +5% (Unchanged from the projection of April 2022).

Annual demand for 7 major products



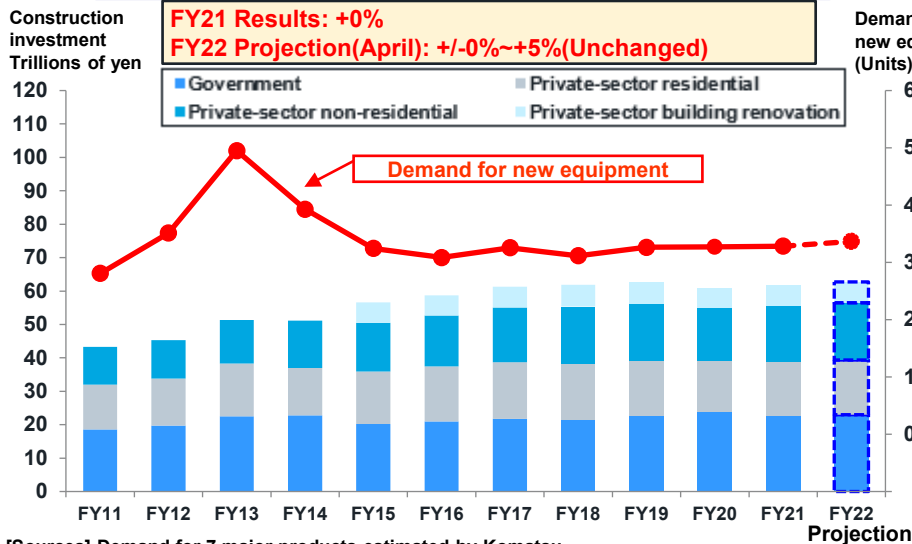
Quarterly demand for 7 major products



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

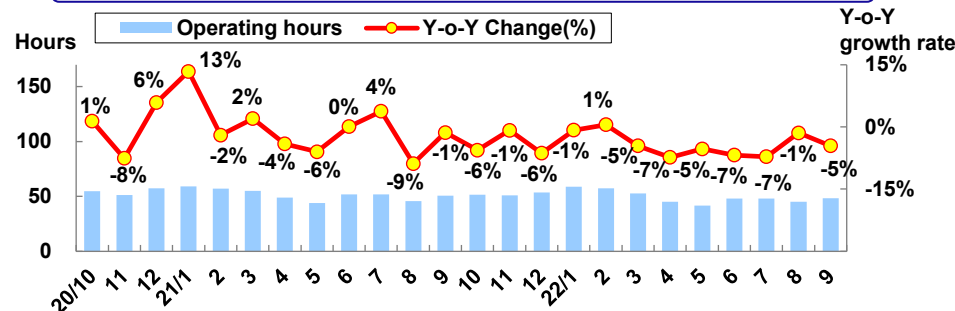
- In 2Q FY2022, demand decreased by 4% from the corresponding period a year ago.
- Demand decreased due to the stagnant supply conditions resulting from supply chain disruptions.
- In FY2022, full-year demand will increase between +/-0% and 5% from FY2021 (Unchanged from the projection of April 2022).

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

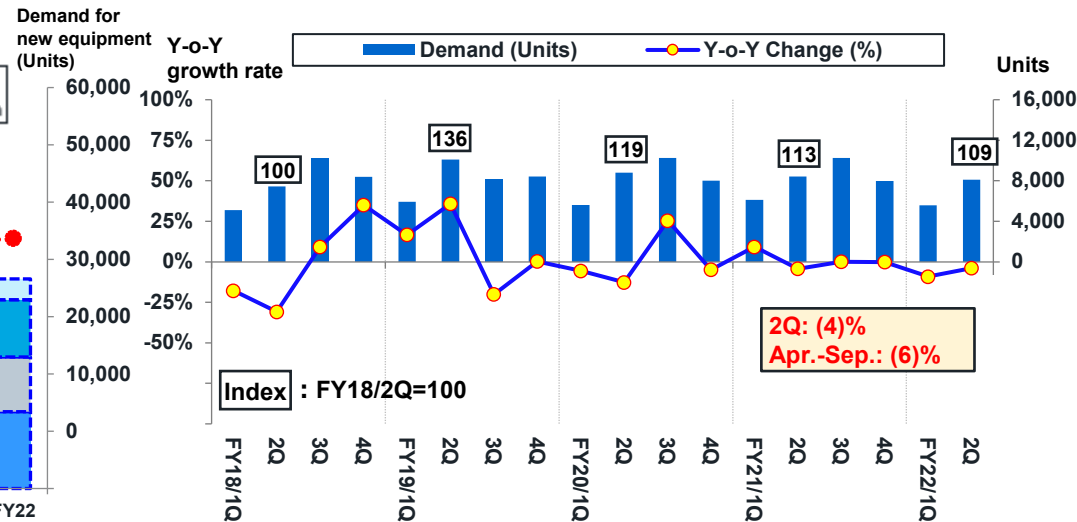


[Sources] Demand for 7 major products estimated by Komatsu
 Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy

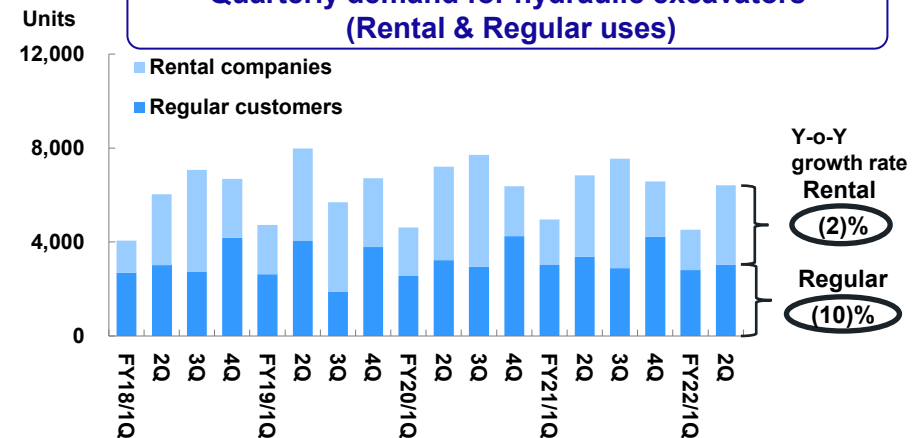
Komtrax in Japan: Average operating hours per month



Quarterly demand for 7 major products



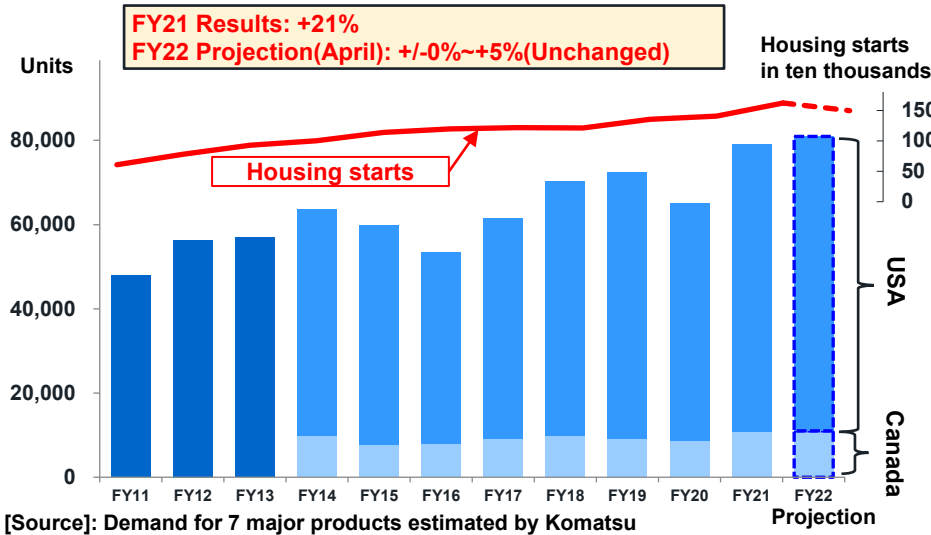
Quarterly demand for hydraulic excavators (Rental & Regular uses)



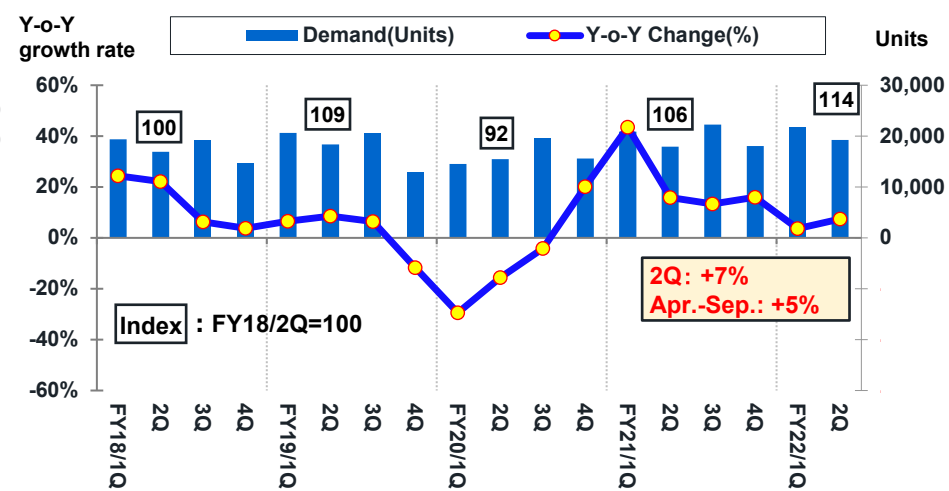
Construction, Mining & Utility Equipment : Demand in Major Markets (2) North America

- In 2Q FY2022, demand increased by 7% from the corresponding period a year ago.
- Demand remained steady in residential and non-residential construction and infrastructure. Demand also increased in energy and rental equipment.
- In FY2022, full-year demand will increase between +/-0% and +5% from FY2021 (Unchanged from the projection of April 2022).

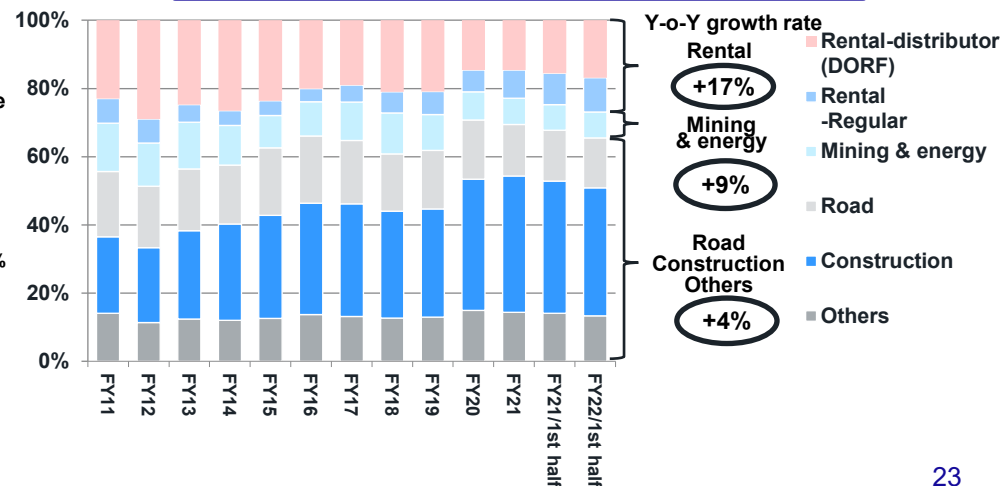
Demand for 7 major products and US housing starts



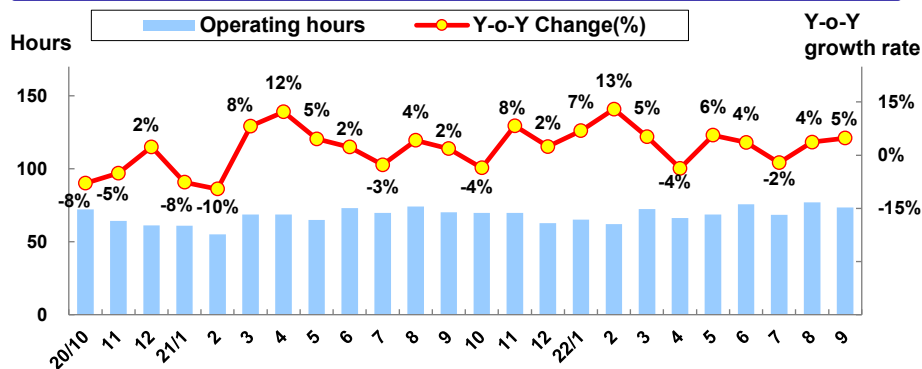
Quarterly demand for 7 major products



Breakdown of demand by segment (Unit basis)



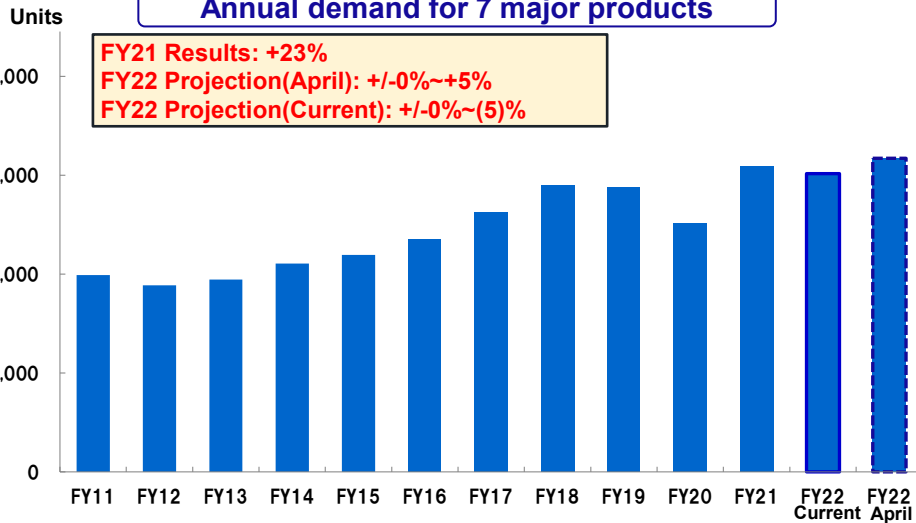
Komtrax in North America: Average operating hours per month



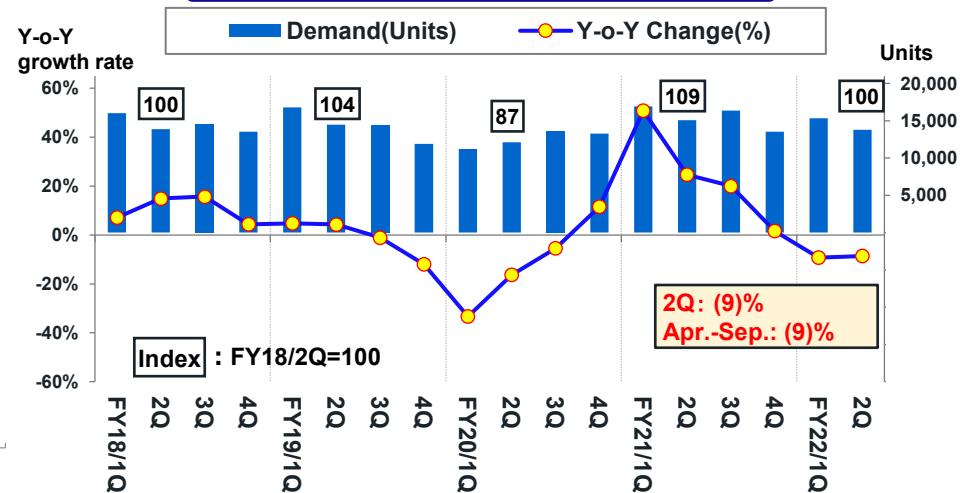
Construction, Mining & Utility Equipment : Demand in Major Markets (3) Europe

- In 2Q FY2022, demand decreased by 9% from the corresponding period a year ago.
- Demand decreased, centering on Germany, the United Kingdom, and France, due to the stagnant supply conditions resulting from supply chain disruptions.
- In FY2022, full-year demand will decline between +/-0% to -5% from FY2021 (Changed from the projection of April 2022).

Annual demand for 7 major products

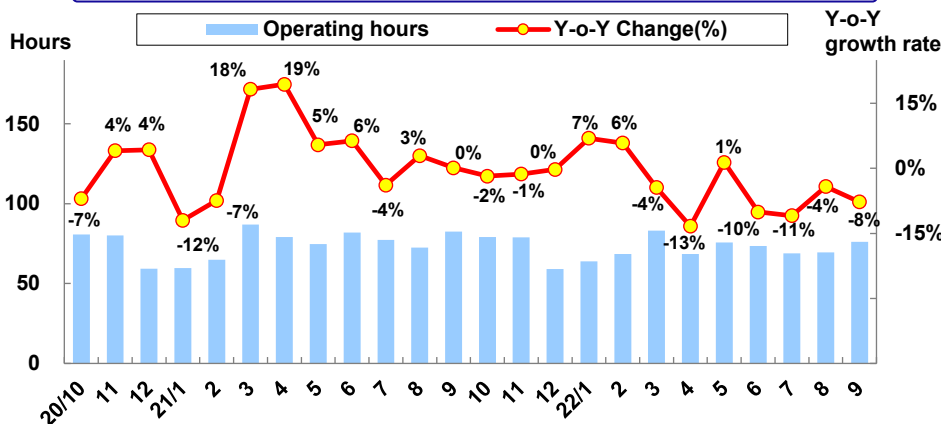


Quarterly demand for 7 major products

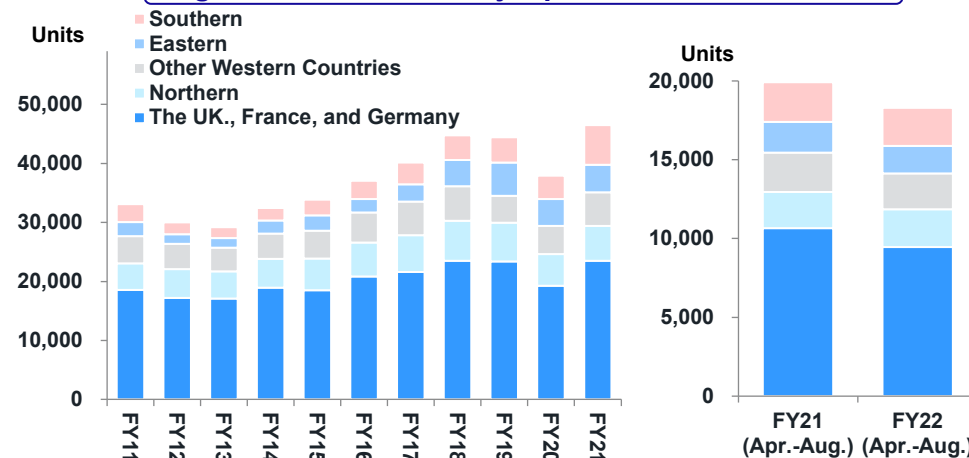


[Source]: Demand for 7 major products estimated by Komatsu

Komtrax in Europe: Average operating hours per month



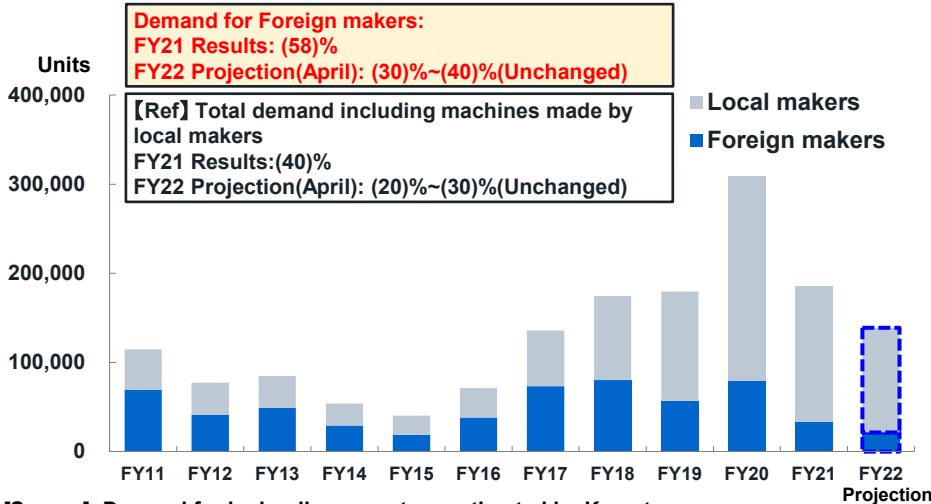
Region demand for 7 major products (Excl. 6t class)



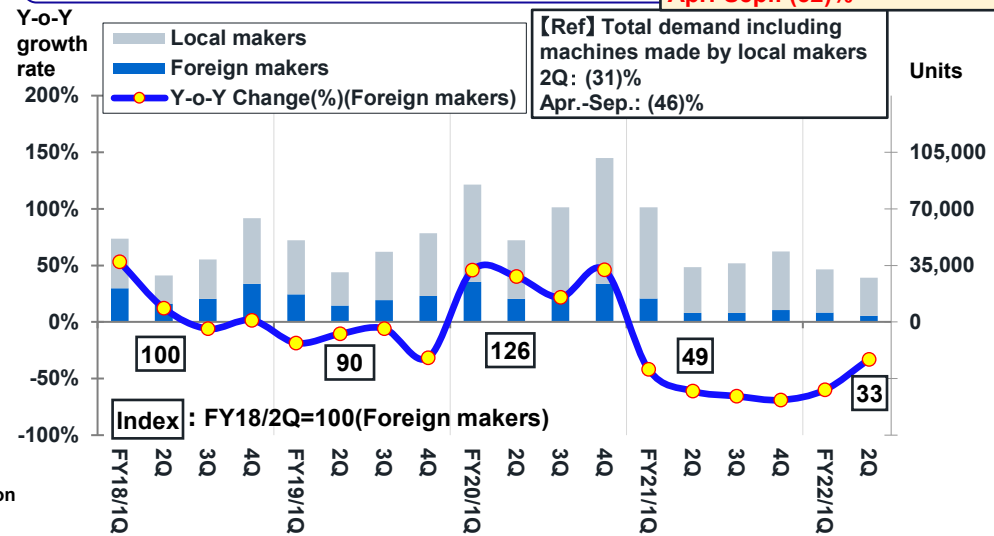
Construction, Mining & Utility Equipment : Demand in Major Markets (4) China

- In 2Q FY2022, demand decreased by 33% from the corresponding period a year ago.
- In FY2022, full-year demand will decline between 30% and 40% from FY2021 (Unchanged from the projection of April 2022).

Annual demand for hydraulic excavators (Excl. mini shovels)

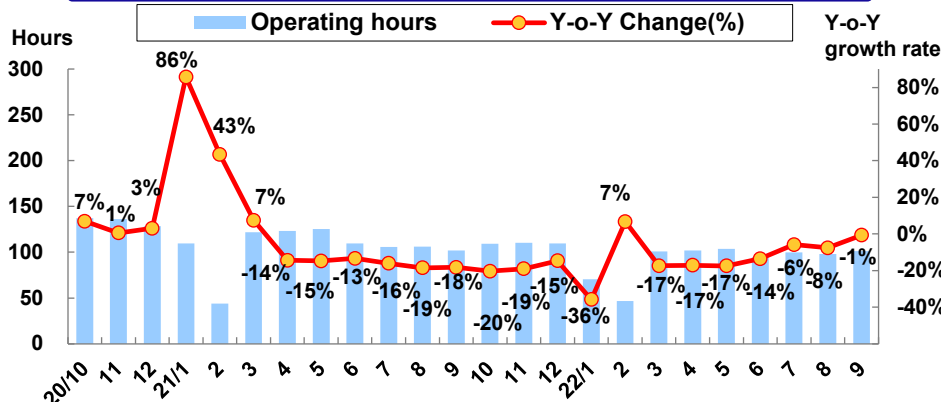


Quarterly demand for hydraulic excavators (Excl. mini shovels)

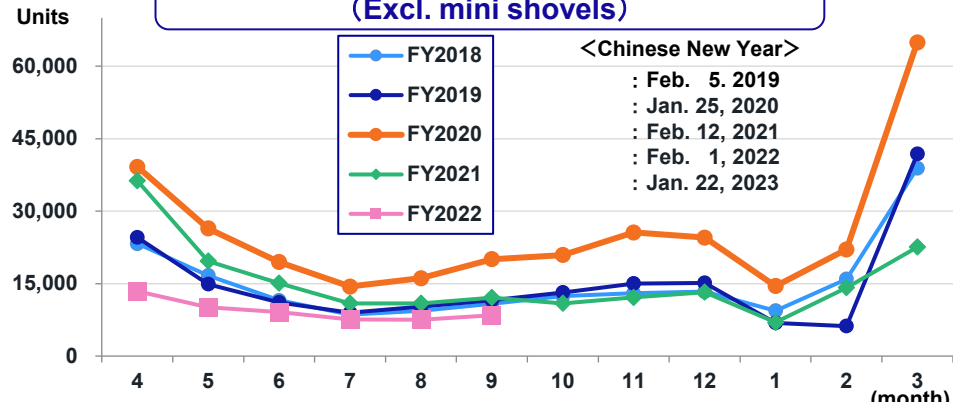


[Source]: Demand for hydraulic excavators estimated by Komatsu

Komtrax in China : Average operating hours per month



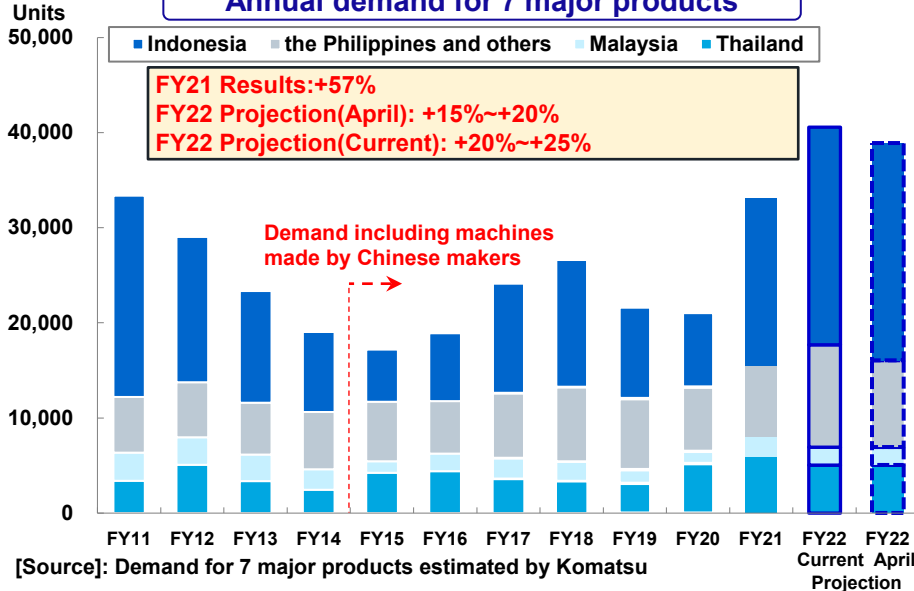
Monthly demand for hydraulic excavators : (Excl. mini shovels)



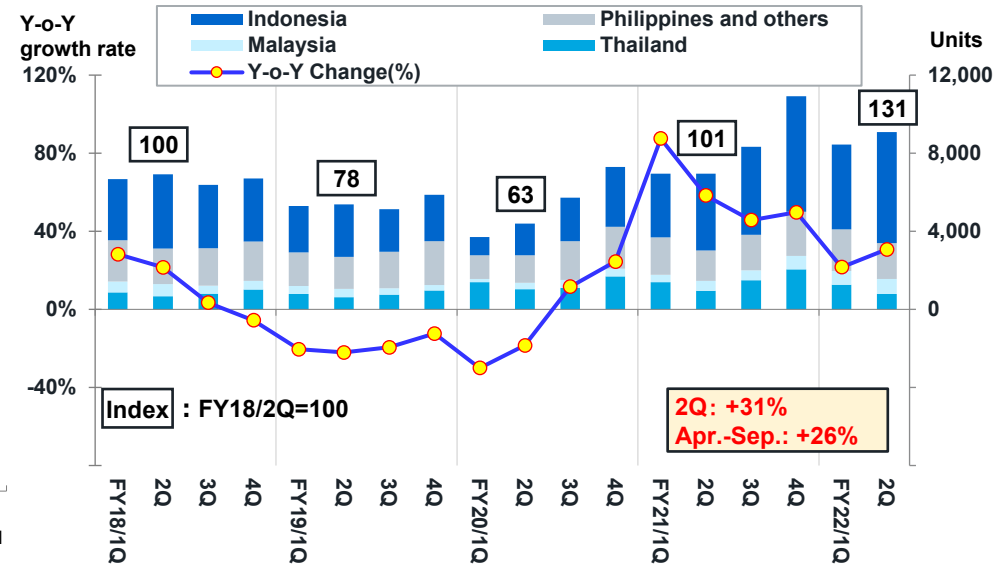
Construction, Mining & Utility Equipment : Demand in Major Markets (5) Southeast Asia

- In 2Q FY2022, demand increased by 31% from the corresponding period a year ago.
- Demand increased in Malaysia, the Philippines and some countries in the region, including the largest market of Indonesia.
- In FY2022, full-year demand will increase between +20% and +25% from FY2021 (Changed from the projection of April 2022).

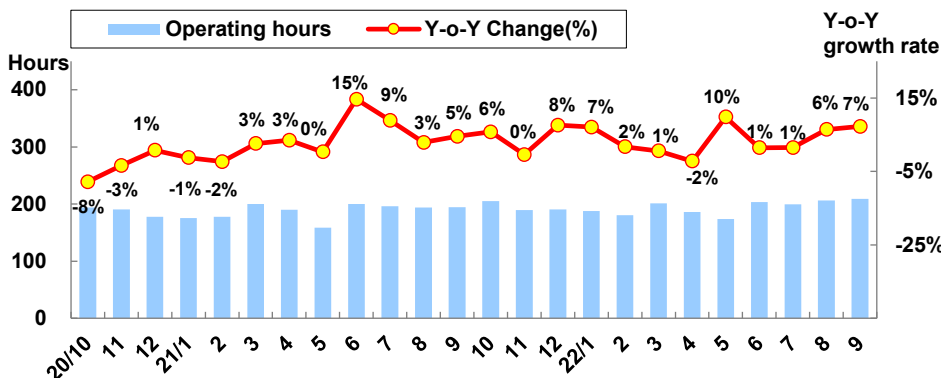
Annual demand for 7 major products



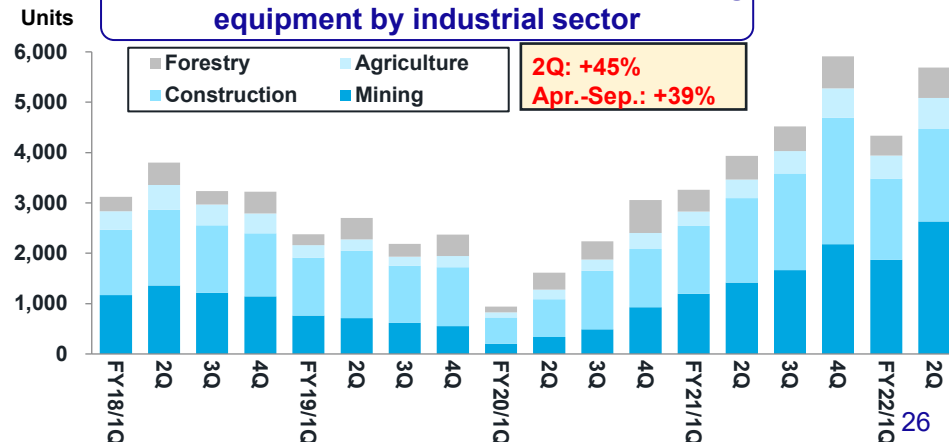
Quarterly demand for 7 major products



Komtrax in Indonesia: Average operating hours per month



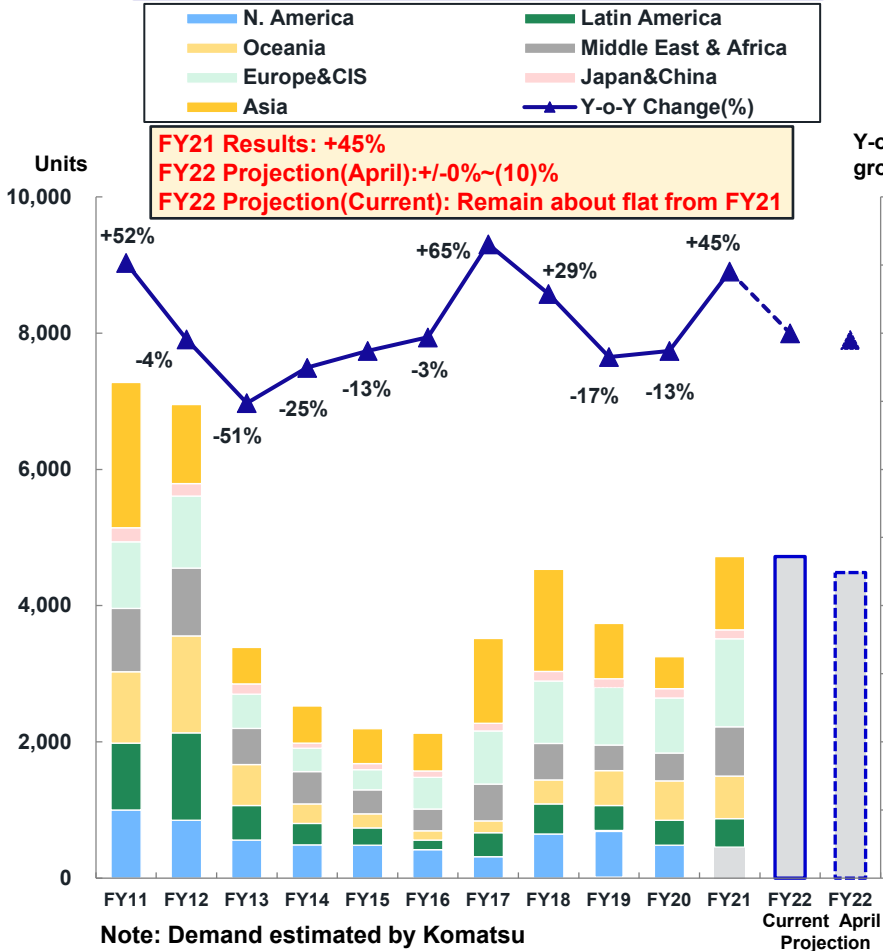
Indonesia: Demand for construction & mining equipment by industrial sector



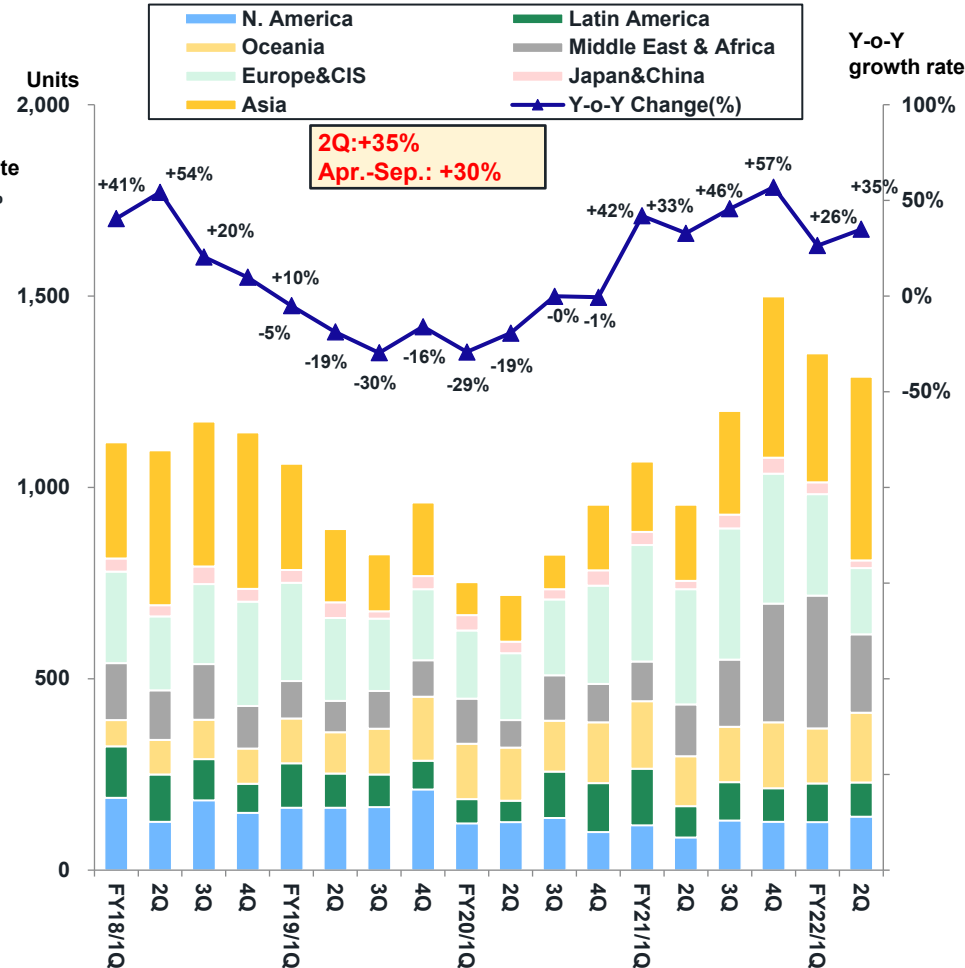
Construction, Mining & Utility Equipment : Actual and Projected Demand for Mining Equipment

- In 2Q FY2022, global demand for mining equipment advanced by 35% from the corresponding period a year ago.
- Demand expanded in Indonesia and other Asian countries, while it declined in CIS.
- In FY2022, full-year demand will remain about flat from FY2021 (Changed from the projection of April 2022).

Annual demand for mining equipment



Quarterly demand for mining equipment

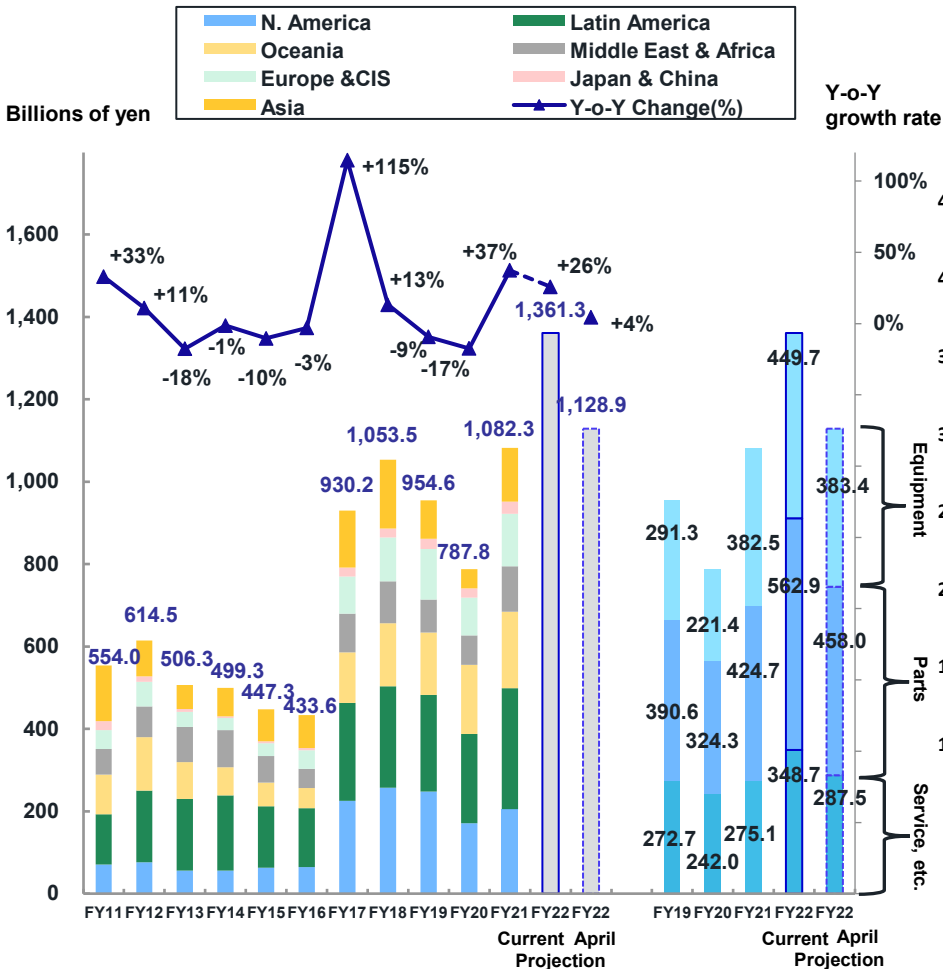


- Dump trucks: 75 tons (HD785) and larger
- Bulldozers: 525HP (D375) and larger
- Excavators: 200 tons (PC2000) and larger
- Wheel loaders (mechanical driven): 810HP (WA800) and larger
- Motor graders: 280HP (GD825) and larger

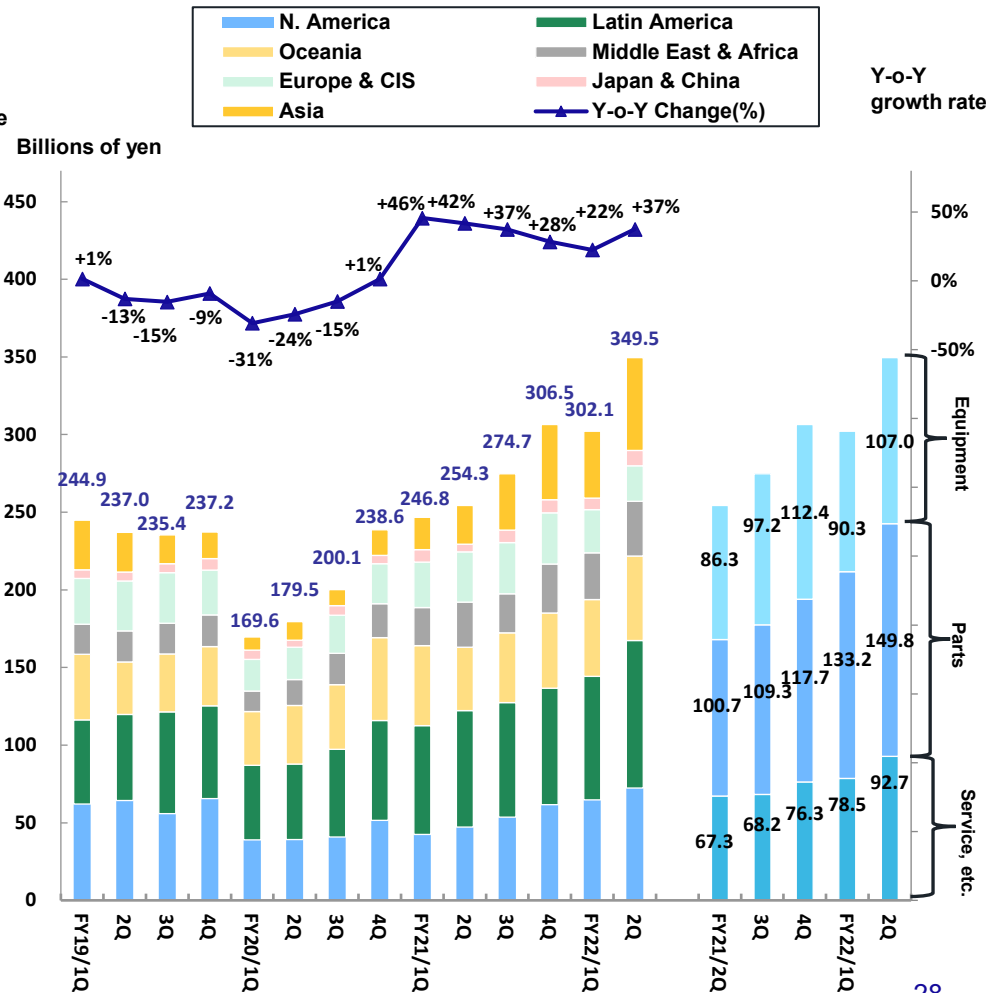
Construction, Mining & Utility Equipment : Actual and Projected Sales of Mining Equipment

- For 2Q FY2022, sales increased by 37% from the corresponding period a year ago, to JPY349.5 billion.
- Sales increased in Asia and North America, while it declined in CIS.
- For FY2022, we project full-year sales will increase by 26% from FY2021, to JPY1,361.3 billion. (Changed from the projection of April 2022).

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



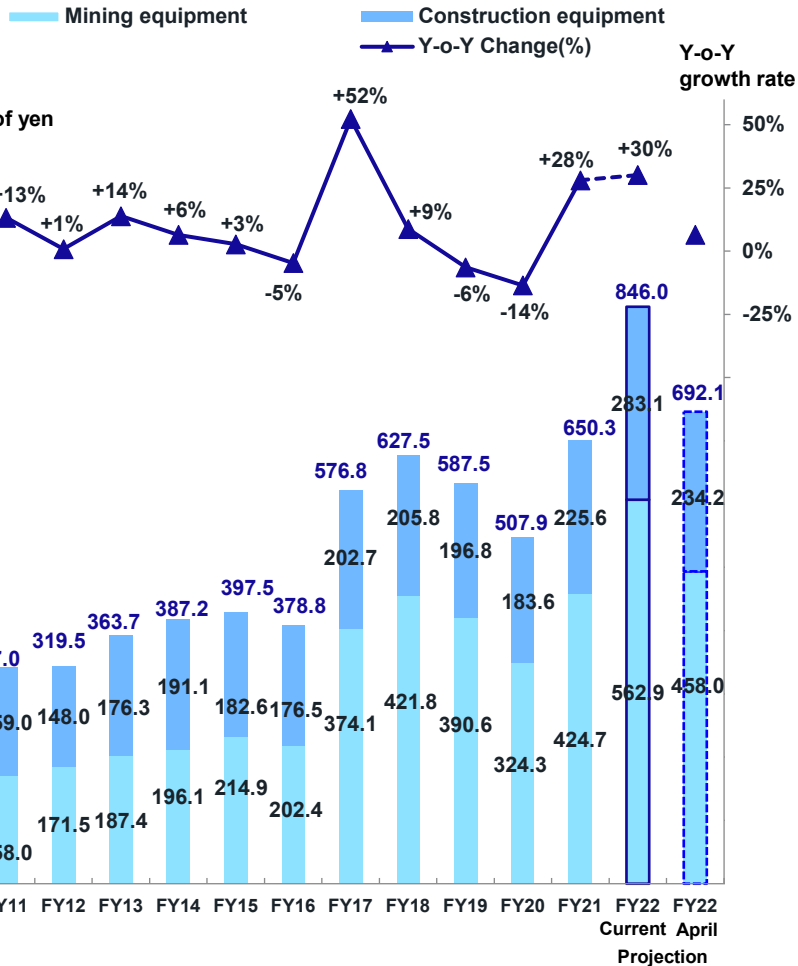
Quarterly sales of mining equipment (incl. parts and service)



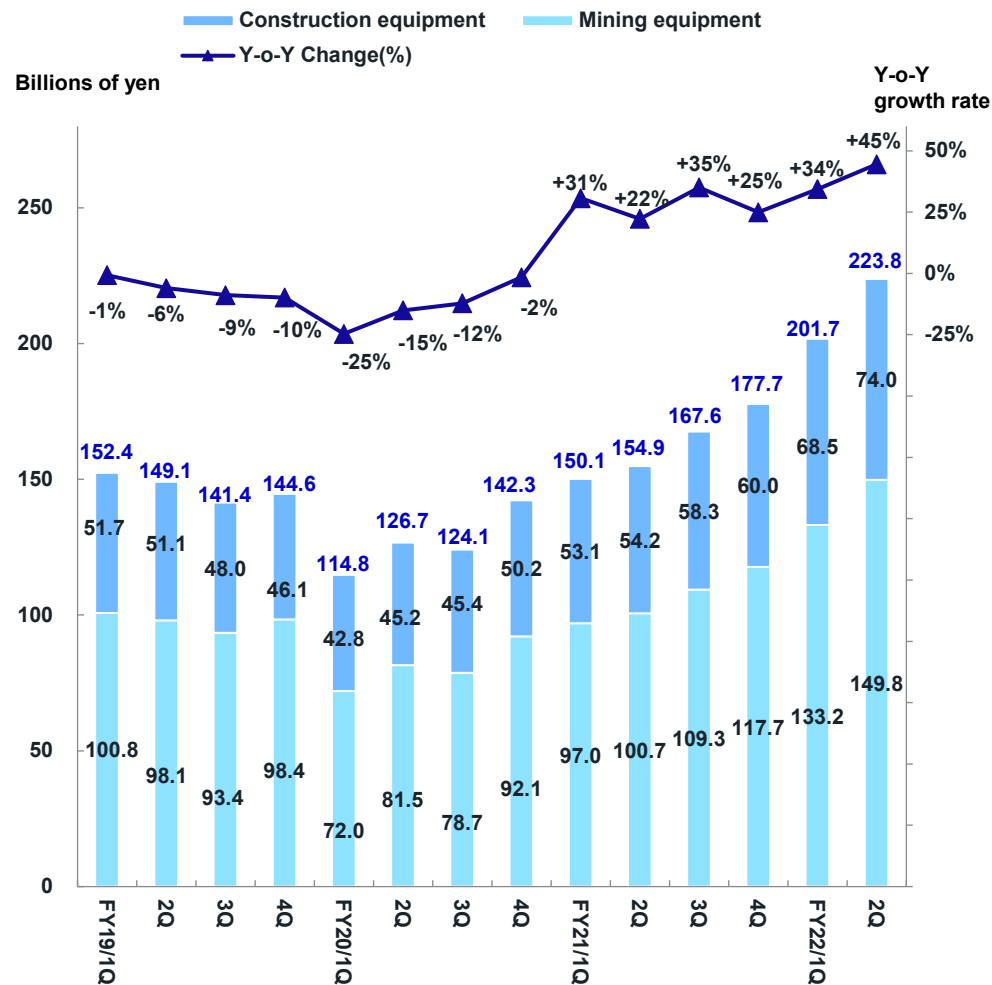
Construction, Mining & Utility Equipment : Sales of Parts

- In 2Q FY2022, sales of parts advanced by 45% from the corresponding period a year ago, to JPY223.8 billion.
- Sales increased, except for China and some regions.
- For FY2022, we project full-year sales will increase by 30% from FY2021, to JPY846.0 billion (Changed from the projection of April 2022).

Annual sales of parts



Quarterly sales of parts



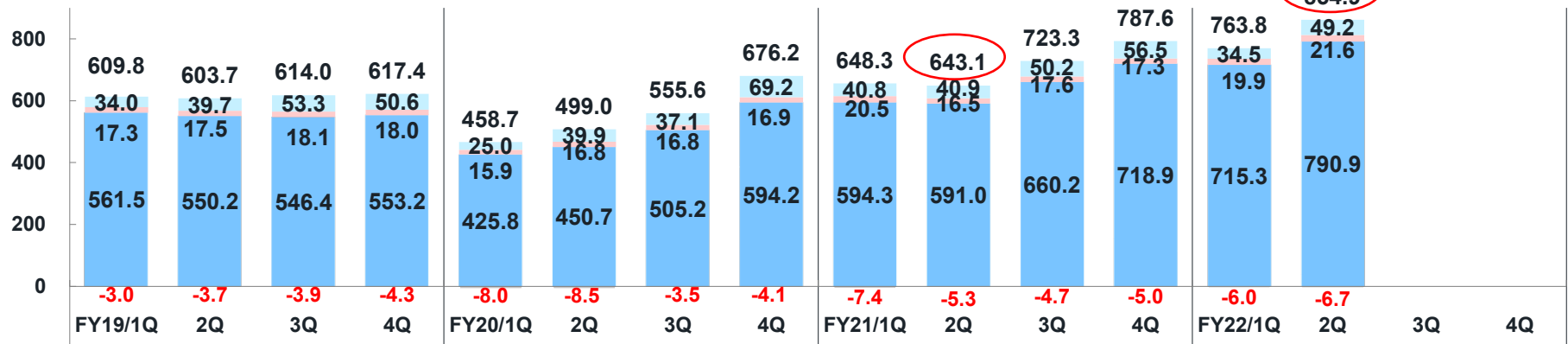
Appendix

<Appendix> Quarterly Sales and Operating Profit

Quarterly sales

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

Billions of yen



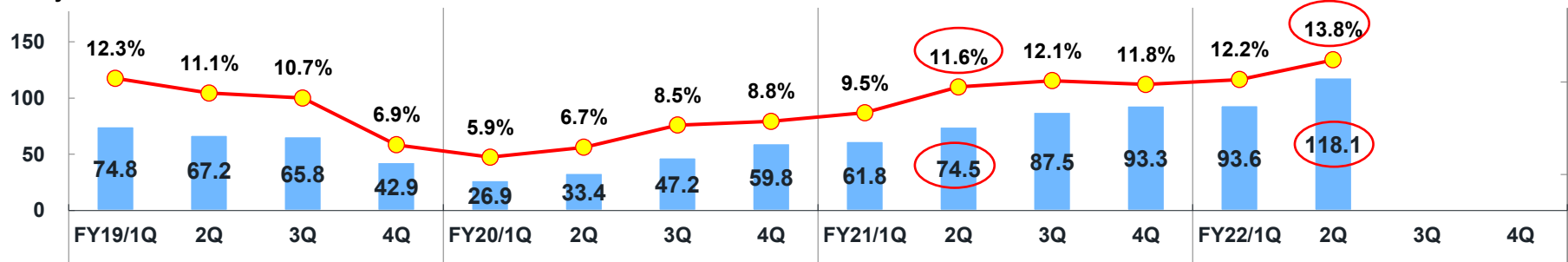
Exchange rates

	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		
¥/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		
¥/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		

Operating profit

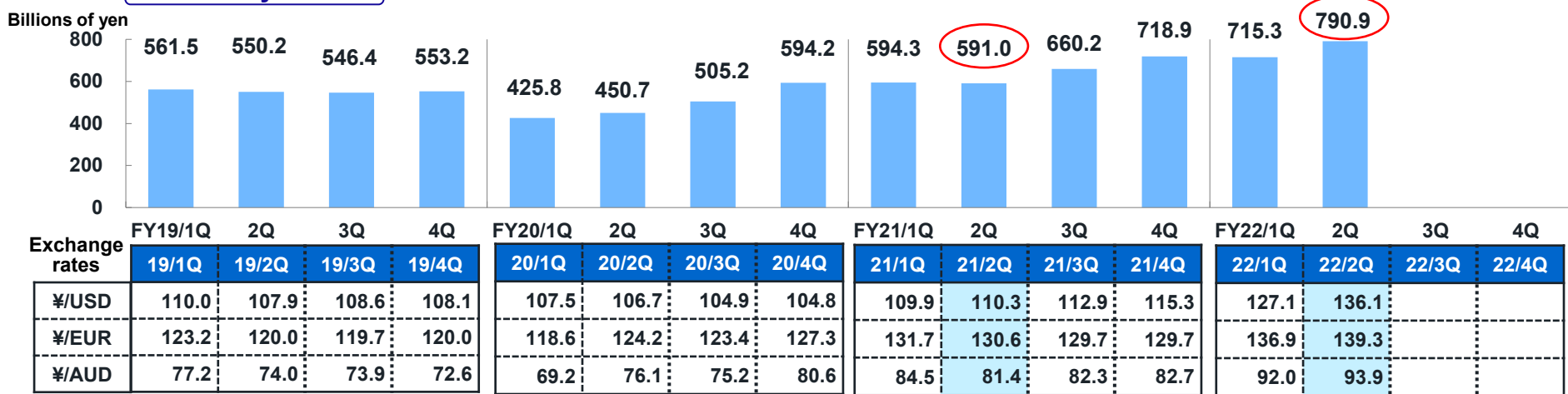
— Operating profit
● Operating profit ratio

Billions of yen

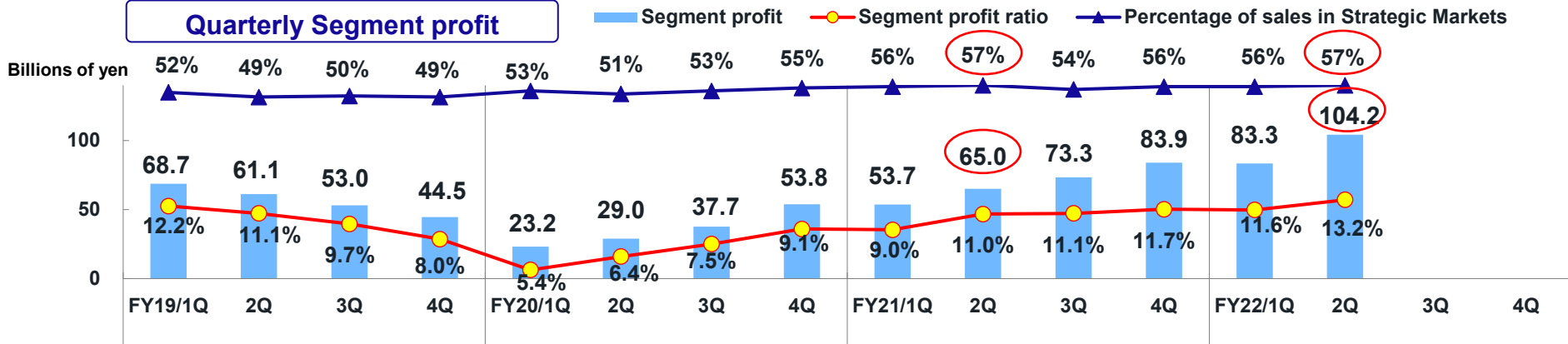


<Appendix> Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

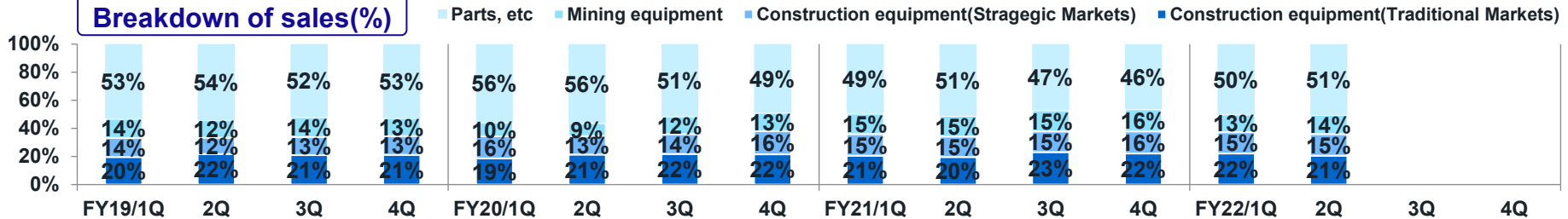
Quarterly Sales



Quarterly Segment profit

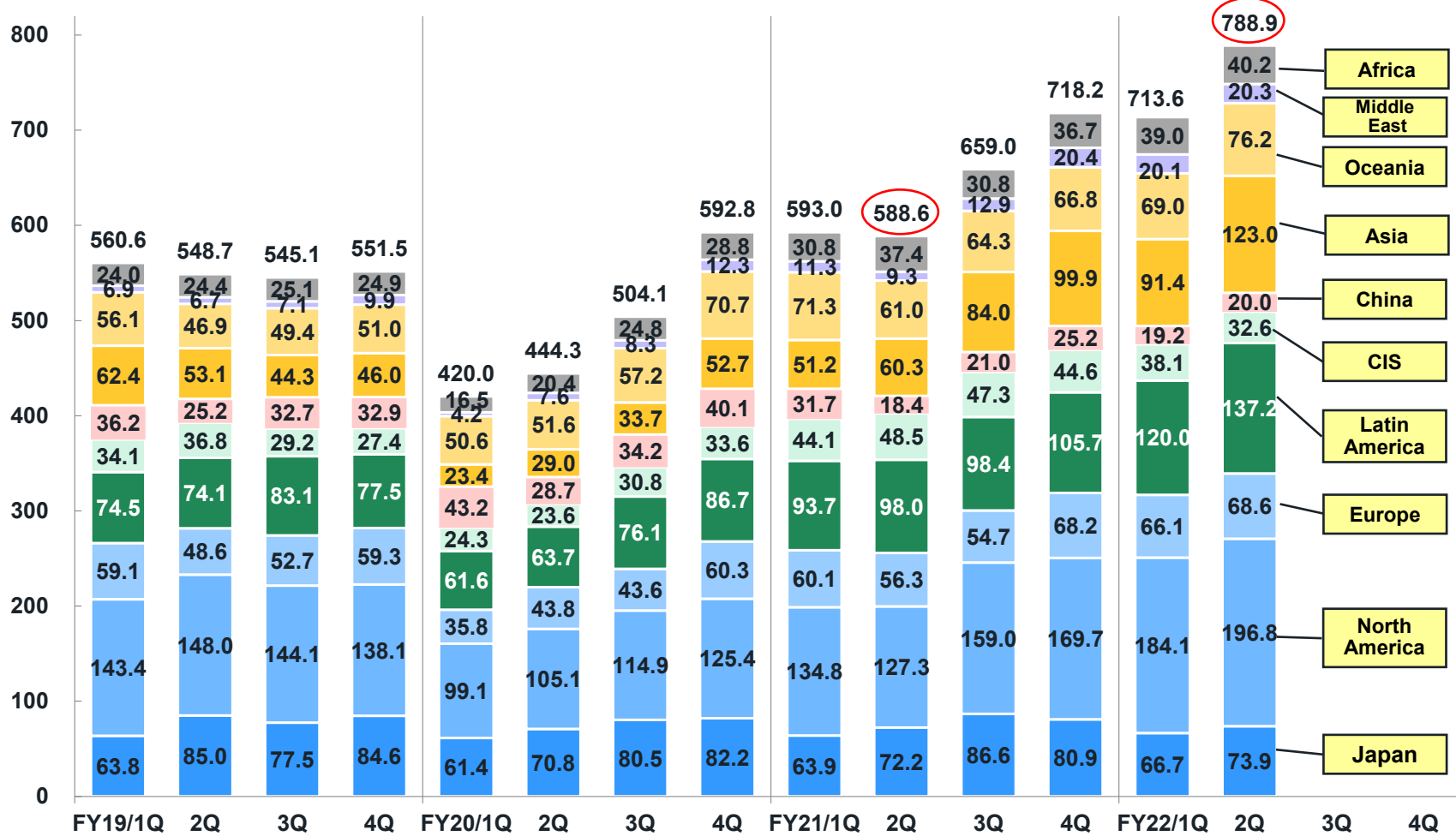


Breakdown of sales(%)



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

Billions of yen

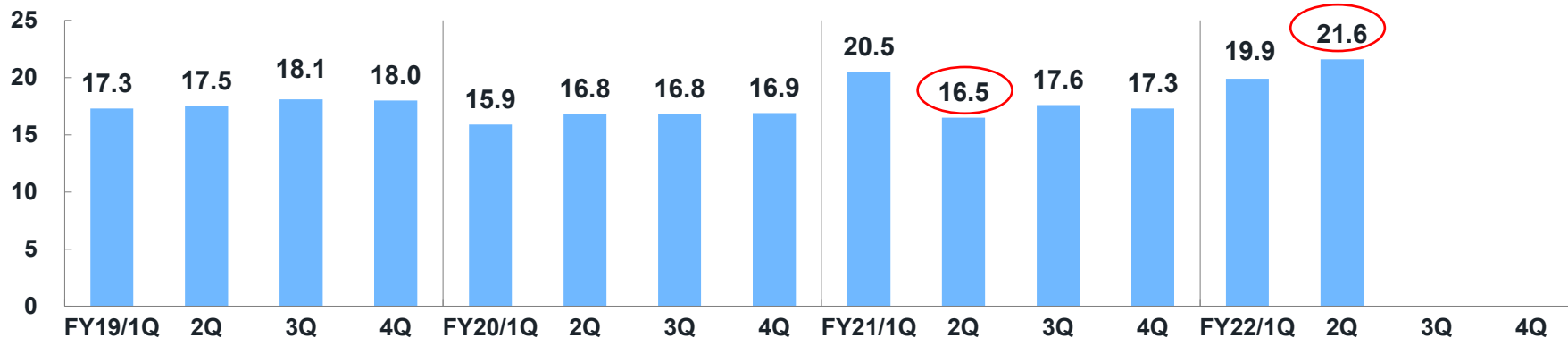


Exchange rates	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q
¥/USD	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1		
¥/EUR	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3		
¥/AUD	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		

<Appendix> Retail Finance: Quarterly Sales and Segment Profit

Billions of yen

Quarterly Sales

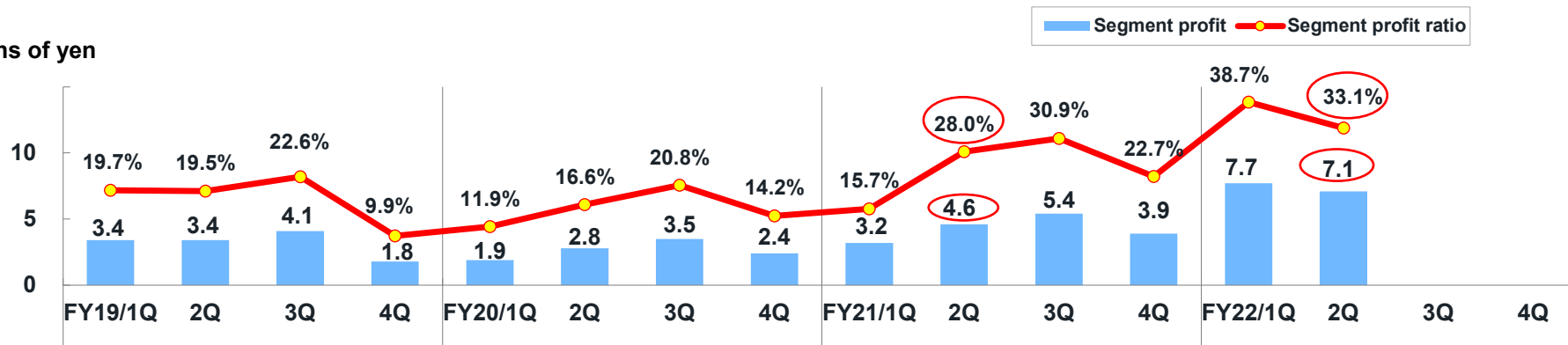


Exchange rates

	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		
¥/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		
¥/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		

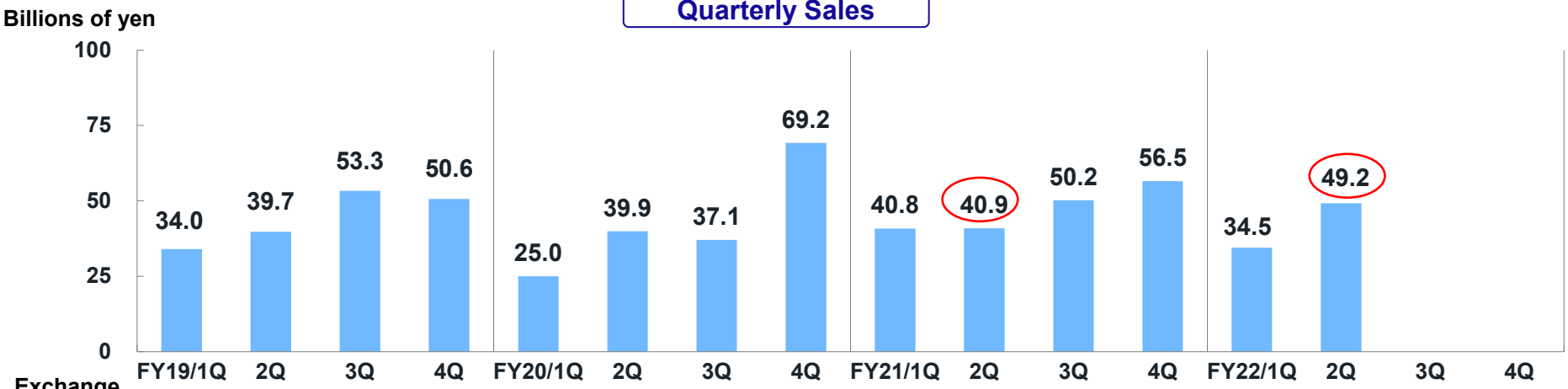
Quarterly Segment profit

Billions of yen



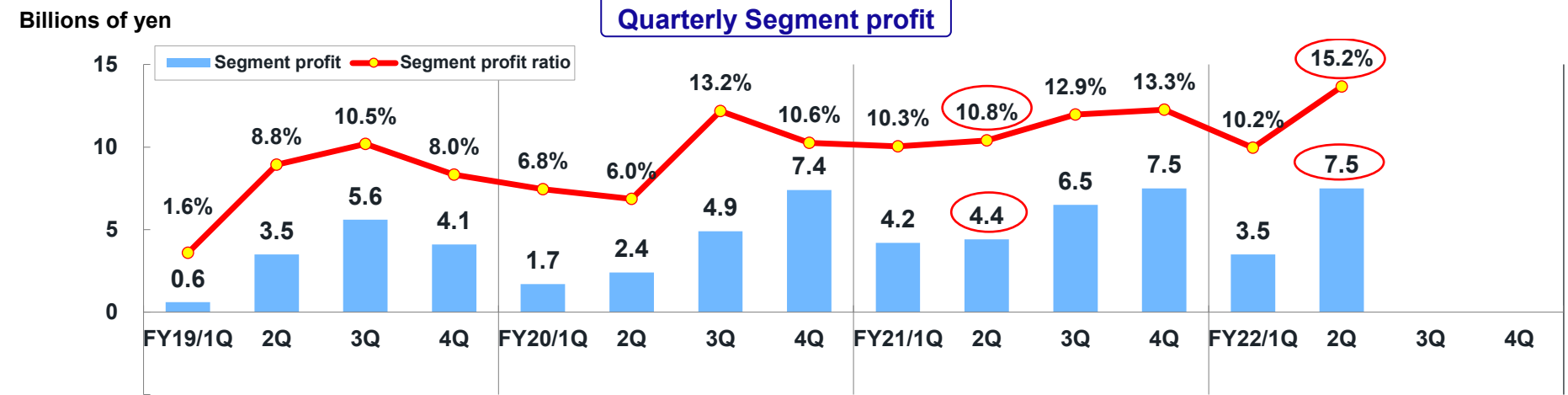
<Appendix> Industrial Machinery & Others: Quarterly Sales and Segment Profit

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		
¥/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		
¥/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		

Quarterly Segment profit

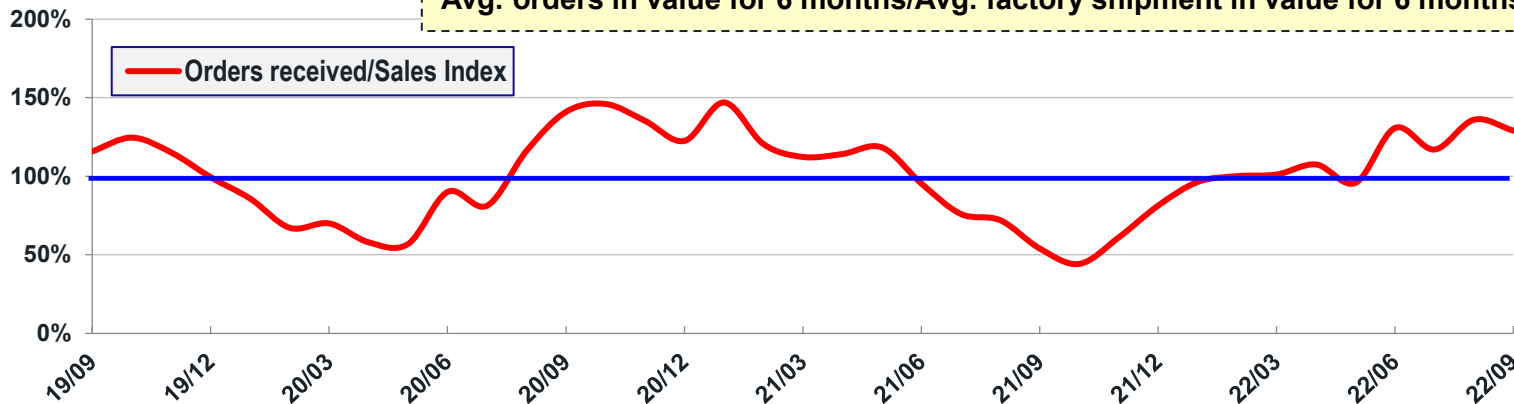


<Appendix> Book-to-Bill Ratio for Mining Equipment (6 Months)

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

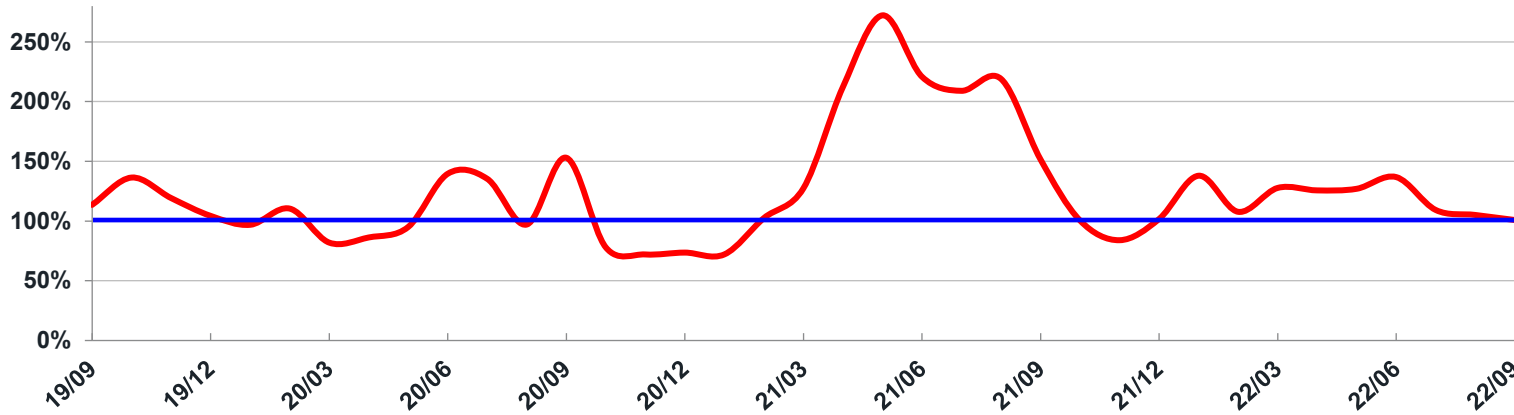
Komatsu America (Mining eqpt)

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



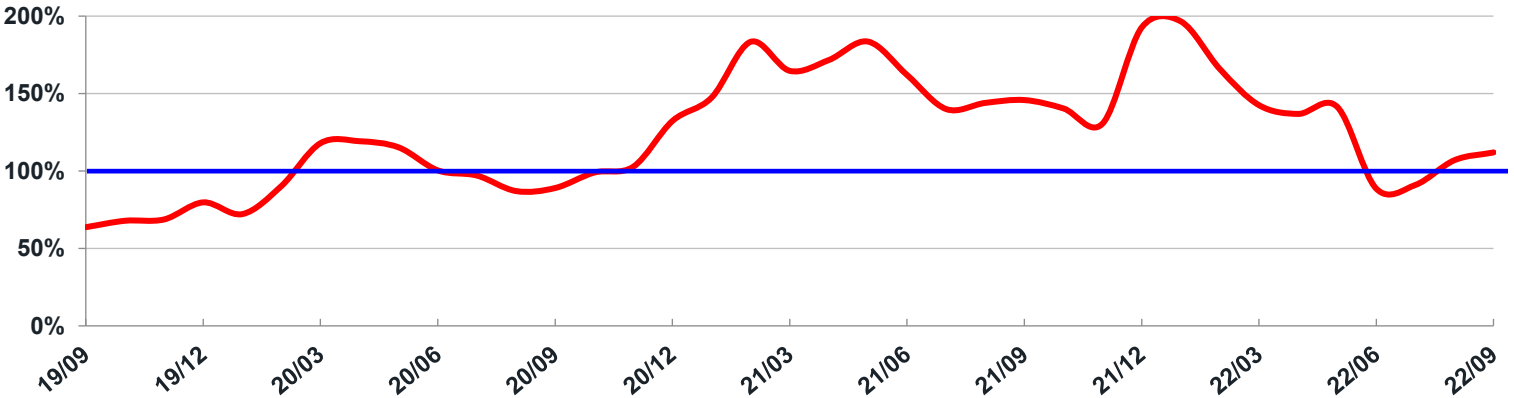
Komatsu Germany (Mining eqpt)

PC3000
PC4000
PC5500
PC7000
PC8000



Komatsu Ltd. (Mining eqpt)

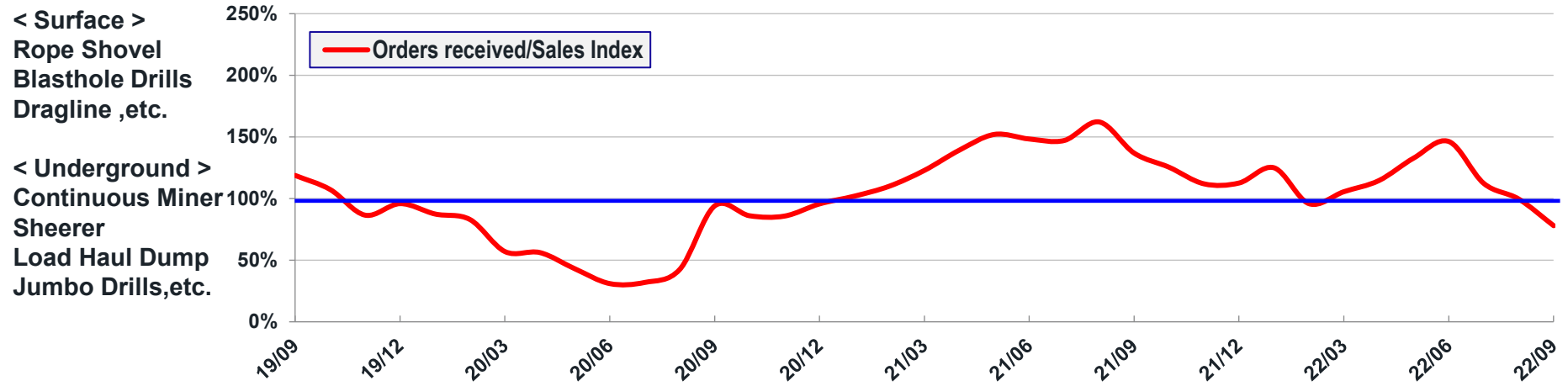
HD785, HD1500
PC2000, PC3400
PC4000
WA800 up
D375A up
GD825A up



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

KMC
(Mining eqpt)

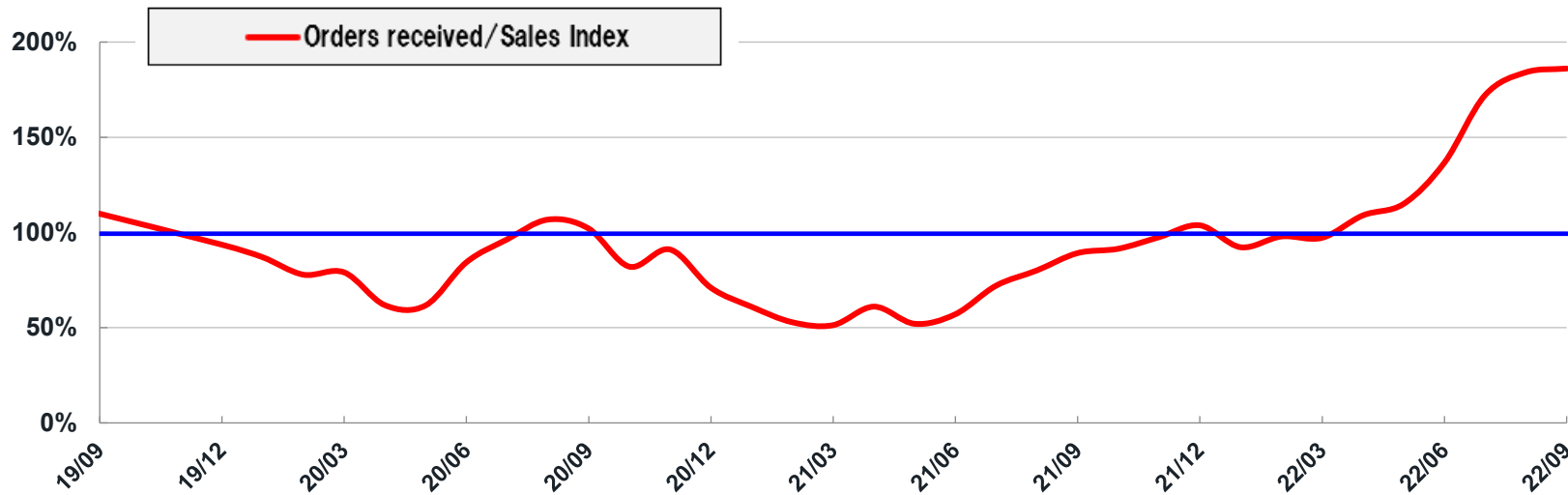
Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months



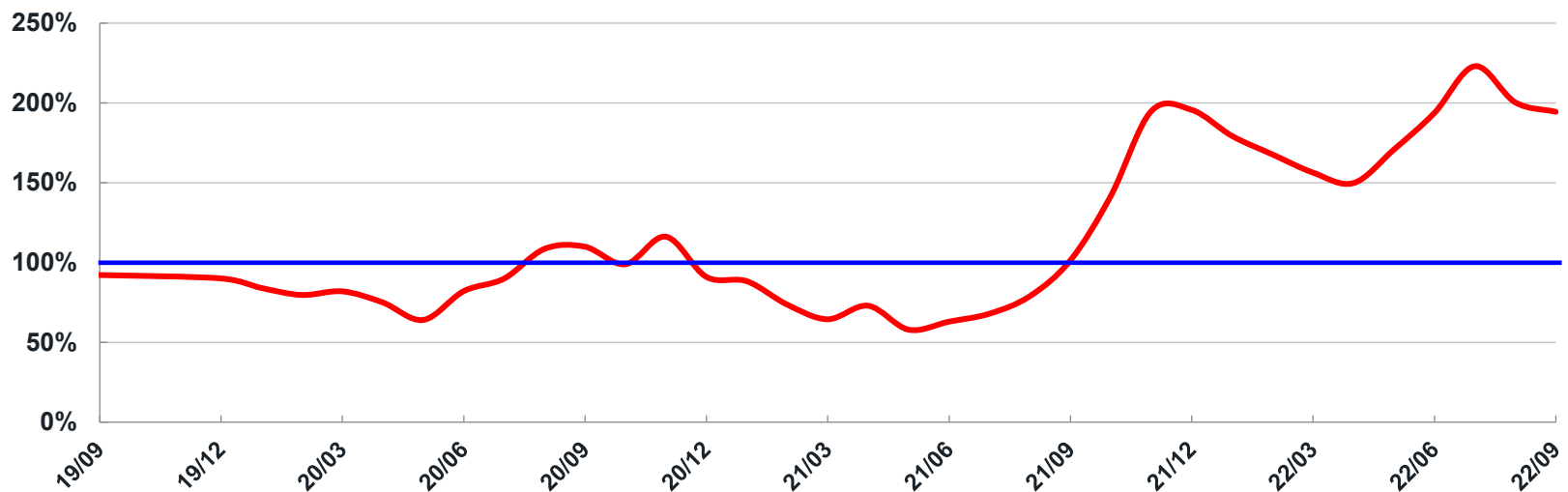
<Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries

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



Komatsu NTC



Declaration to Achieve Carbon Neutrality by 2050

- We issued the "Komatsu Report 2022- Together, to 'The Next' for sustainable growth" integrated report in September this year.
 - The report focuses on the growth strategy to create new value for the next 100 years, as set forth in the three-year (FY2022-FY2024) mid-term management plan which we announced in April this year.
- (News release of September 9, 2022)

1 Overview of Komatsu and its strengths

For more than a century since its founding in 1921, Komatsu has continued to create new value through manufacturing and technology innovation as it proceeds to supply products, services, and solutions in response to social needs.

In this section, we will introduce the management responses cultivated over the past 100 years as well as the

Message from the president



Hirooyuki Ogawa
President and Chief Executive Officer
Representative Director

2 Mid-term management plan

In April 2022, Komatsu launched DANOTSU Value – Together, to "The Next" for sustainable growth, its new mid-term management plan scheduled to conclude with FY2024, to create new value for the next 100 years. This section contains explanations of the process of formulating the new mid-term management plan along with introduction on the growth strategies for generating a positive cycle for resolving environmental, social, and governance (ESG) issues and improving earnings to

Strive to create new value
Launch of the New Mid-term Management Plan
–Together, to 'The Next'–

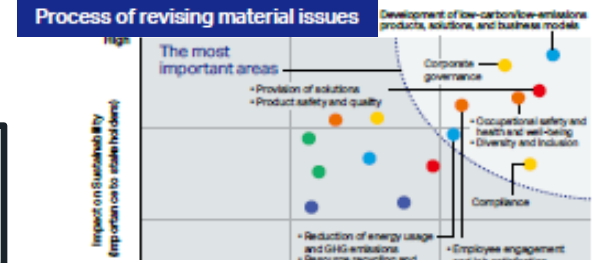
Starting point for pursuit of growth over the next 100 years celebrating 100th anniversary of founding in 2021



KOMATSU
Creating value together

Together, to "The Next" for sustainable growth

Komatsu Report 2022



3 Resolution of ESG issues through growth strategies

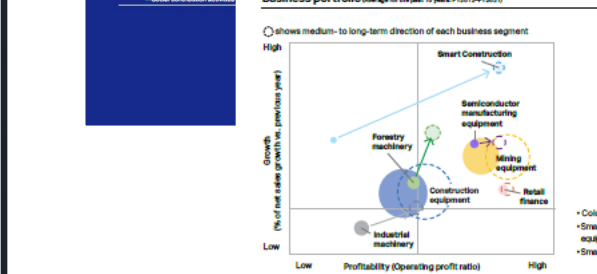
Based on its Sustainability Policy, Komatsu strives to contribute to society through its business in the next 100 years. The Company has defined six material issues: **materiality**—environment, customers, employees, ethics and governance, human rights, and communities—that were deemed to have material importance in terms of their impact on sustainability and their business importance. By addressing these material issues, we aim to generate a positive cycle for resolving ESG issues and improving sustainable growth by creating value.

Review of business portfolio

In conjunction with the establishment of its new mid-term management plan, Komatsu also conducted a review of its business portfolio. This review entailed clarifying the medium- to long-term directives and issues for business segments and reflecting these in the priority initiatives of the mid-term management plan.

Business portfolio (average for the past 10 years: FY2012-FY2021)

Shows medium- to long-term direction of each business segment



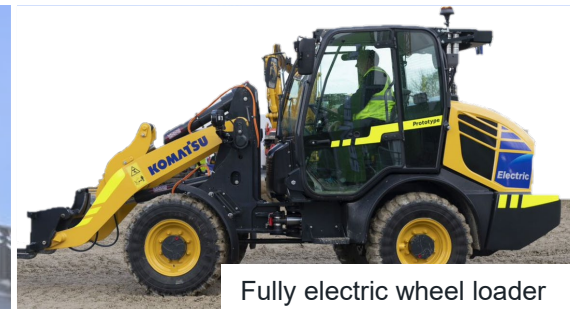
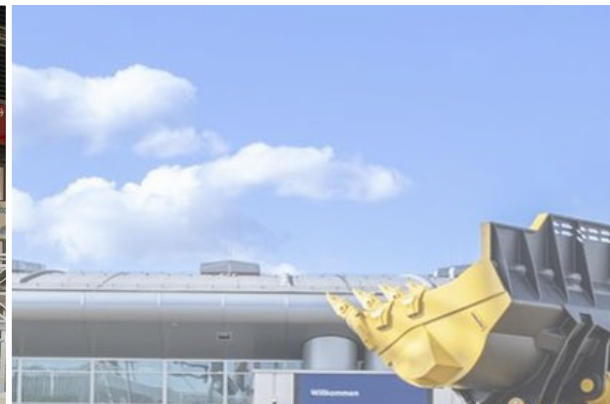
Komatsu exhibits at the bauma 2022 international fair

- We exhibited at the "bauma 2022" international construction machinery trade fair in Munich, Germany.
- We introduced our latest products, services, and solutions, including construction and mining equipment that utilizes technologies and know-how cultivated over many years to realize safe, highly productive, smart, and clean future work sites.

(News release of September 22, 2022)



Demonstration of electric hydraulic excavator was conducted.



Fully electric wheel loader



Experience digital solutions of Smart Construction and simulator demonstrations, and more.

Komatsu Issues Sustainability-Linked Bonds (USD-Denominated Senior Unsecured Straight Bonds)

- We have issued Sustainability-Linked Bonds (USD-Denominated Senior Unsecured Straight Bonds).
- By issuing the first foreign currency-denominated sustainability-linked bond by a Japanese company, we intend to accelerate sustainability management aimed at achieving sustainable growth.

(News release of September 30, 2022)

Issuer	Komatsu Finance America Inc.
Guarantor	Komatsu Ltd.
Issuance Amount	USD 600 million
KPI/SPT(*)	<p>SPT1.1: 45% reduction of the Scope 1+2 CO2 emissions (Intensity) (KPI1) from production by March 31, 2025 from 2010 baseline</p> <p>SPT2.1: 24% reduction of the Scope 3 CO2 emissions (Intensity) (KPI2) from use of products by March 31, 2025 from 2010 baseline</p>



Cautionary Statement

The announcement set forth herein contains forward-looking statements which reflect management's current views with respect to certain future events, including expected financial position, operating results, and business strategies. These statements can be identified by the use of terms such as "will," "believes," "should," "projects" and similar terms and expressions that identify future events or expectations. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes in exchange rates or the impact of increased competition; unanticipated cost or delays encountered in achieving the Company's objectives with respect to globalized product sourcing and new Information Technology tools; uncertainties as to the results of the Company's research and development efforts and its ability to access and protect certain intellectual property rights; and, the impact of regulatory changes and accounting principles and practices.

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