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Announcement Concerning the Revision of Projected Business Results and Cash Dividend

Komatsu Ltd. (“Company”) (President and CEO: Hiroyuki Ogawa) and its consolidated subsidiaries (together “Komatsu”) have revised the projections for consolidated business results as well as cash dividend for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024), which Komatsu announced on April 28, 2023.

1. Projection for Consolidated Business Results for the Fiscal Year Ending March 31, 2024 (U.S. GAAP)

Millions of yen except per share amounts

(Amounts are rounded to the nearest million yen)

	Current projection	Earlier projection	Changes		Results for FY ended March 31, 2022
	[A]	[B]	[A-B]	[(A-B)/B]	
Net sales	3,660,000	3,382,000	278,000	8.2%	3,543,475
Operating income	548,000	491,000	57,000	11.6%	490,685
Income before income taxes and equity in earnings of affiliated companies	509,000	442,000	67,000	15.2%	476,434
Net income attributable to Komatsu Ltd.	340,000	299,000	41,000	13.7%	326,398
Net income attributable to Komatsu Ltd. per share - Basic (Yen)	359.48	316.20	-	-	345.22

Reasons for the Revision

For the first six-month period under review, both sales and profits increased due to not only increased sales centering on North and Latin Americas, but also improved selling prices and the Japanese yen's depreciation in the construction, mining and utility equipment business. In the second six-month period, Komatsu projects that demand for mining equipment will remain steady, while demand for construction equipment is expected to slow down mainly due to concerns over an economic recession caused by uncertainty in the economic outlook around the world.

In response to the Japanese yen's more-than-anticipated depreciation, Komatsu has revised the projected exchange rates, which are preconditions for the projection of full-year results (to USD 1=JPY 135, EUR 1=JPY 148, and AUD 1=JPY 88 as the average exchange rate in the second six-month period). As Komatsu projects business results to outperform its initial projection announced on April 28, 2023, it is revising projected consolidated sales and profits for the year.

With respect to average exchange rates for the full year, Komatsu estimates them as follows: USD 1=JPY 137.7, EUR 1=JPY 150.3, and AUD 1=JPY 90.3 (Initial assumption: USD 1=JPY 125.0, EUR 1=JPY 133.0 and AUD 1=JPY 83.0).

2. Revision of Projected Cash Dividend

Yen

	The entire FY ending March 31, 2024			The entire FY ended March 31, 2023
	Results	Current Projection	Earlier Projection	
First quarter period				
Second quarter period	72.00		69.00	64.00
Third quarter period				
Year-end	-	72.00	70.00	75.00
Total	-	144.00	139.00	139.00

Reasons for the Revision

Komatsu is building a sound financial position and is enhancing its competitiveness in order to increase its sustainable corporate value. Concerning cash dividends, Komatsu has the policy of continuing stable payment of dividends after comprehensively considering consolidated business results and reviewing future investment plans, cash flows and the like. Specifically, Komatsu has the policy of maintaining a consolidated payout ratio of 40% or higher.

Concerning the interim cash dividend under this basic policy, after reviewing business results for the first six-month period under review and considering future business prospects, Komatsu is planning to increase JPY 3 per share from the projection of April 28 this year, to JPY 72 per share. Similarly, with respect to the year-end cash dividend, Komatsu is also planning to increase that dividend by JPY 2 from the projection, to JPY 72 per share. As a result, Komatsu plans to pay annual cash dividends of JPY 144 per share, increase of JPY 5 per share from the previous fiscal year ended March 31, 2023. The consolidated payout ratio will become 40.1%.

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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