



# Business Results for FY2023 (April 1, 2023 – March 31, 2024)

**April 26, 2024**

## **Komatsu Ltd. Participants**

<b>Hiroyuki Ogawa</b>	<b>President and Representative Director CEO</b>
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<b>Takeshi Horikoshi</b>	<b>Representative Director Senior Executive Officer CFO</b>
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<b>Kiyoshi Hishinuma</b>	<b>Executive Officer GM, Business Coordination Department</b>
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# I . Business Results for FY2023

# Highlights of Business Results for FY2023

- Net sales increased by 9.1% from FY2022, to JPY3,865.1 billion.
- Operating income advanced by 23.7% to JPY607.2 billion. Operating income ratio was 15.7%, up 1.9 points.
- Net income attributable to Komatsu Ltd. advanced by 20.5% to JPY393.4 billion.

Billions of yen	FY2022 Results (A) ¥134.8=USD1 ¥140.3=EUR1 ¥92.5=AUD1	FY2023 Results (B) ¥144.3=USD1 ¥156.0=EUR1 ¥94.7=AUD1	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	3,543.5	3,865.1	+321.6	+9.1%
Segment profit	493.5	605.7	+112.2	+22.7%
Other operating income (Expenses)	(2.8)	1.5	4.3	-
Operating income	490.7	607.2	+116.5	+23.7%
Income ratio	13.8%	15.7%	+1.9 pts.	-
Other income (Expenses)	(14.3)	(31.5)	(17.3)	-
Income before income taxes	476.4	575.7	+99.2	+20.8%
Net income attributable to Komatsu Ltd.	326.4	393.4	+67.0	+20.5%
ROE	13.7%	14.1%	+0.4 pts.	
Net D/E ratio	0.30	0.26	(0.04) pts.	
Cash dividends per share	139 Yen	167 Yen	+28 Yen	
Consolidated payout ratio	40.3%	40.1%		

# Segment Sales and Profits for FY2023

- **Construction, Mining & Utility Equipment:** Sales increased by 9.7% from FY2022, to JPY3,615.2 billion. Segment profit advanced by 29.4% to JPY574.0 billion. Segment profit ratio improved to 15.9%, up 2.4 points.
- **Retail Finance:** Revenues advanced by 20.9% from FY2022, to JPY103.5 billion. Segment profit decreased by 11.1% to JPY24.2 billion.
- **Industrial Machinery & Others:** Sales increased by 2.5% from FY2022, to JPY195.6 billion. Segment profit decreased by 54.5% to JPY10.3 billion.

Billions of yen	FY2022 Results (A)	FY2023 Results (B)	Changes (B-A)	
			Increase (Decrease)	Change %
<b>Net sales</b>	3,543.5	3,865.1	+321.6	+9.1%
<b>Construction, Mining &amp; Utility Equipment</b>	3,296.6 [3,286.7]	3,615.2 [3,591.4]	+318.6 [+304.7]	+9.7% [+9.3%]
<b>Retail Finance</b>	85.6 [67.8]	103.5 [80.9]	+17.9 [+13.1]	+20.9% [+19.3%]
<b>Industrial Machinery &amp; Others</b>	190.9 [188.9]	195.6 [192.8]	+4.7 [+3.9]	+2.5% [+2.1%]
<b>Elimination</b>	(29.7)	(49.2)	(19.6)	-
<b>Segment profit</b>	<span>13.9%</span> 493.5	<span>15.7%</span> 605.7	<span>+1.8 pts.</span> +112.2	+22.7%
<b>Construction, Mining &amp; Utility Equipment</b>	<span>13.5%</span> 443.6	<span>15.9%</span> 574.0	<span>+2.4 pts.</span> +130.4	+29.4%
<b>Retail Finance</b>	<span>31.8%</span> 27.3	<span>23.4%</span> 24.2	<span>(8.4) pts.</span> (3.0)	(11.1)%
<b>Industrial Machinery &amp; Others</b>	<span>11.8%</span> 22.6	<span>5.3%</span> 10.3	<span>(6.5) pts.</span> (12.3)	(54.5)%
<b>Corporate &amp; elimination</b>	0.1	(2.8)	(2.9)	-

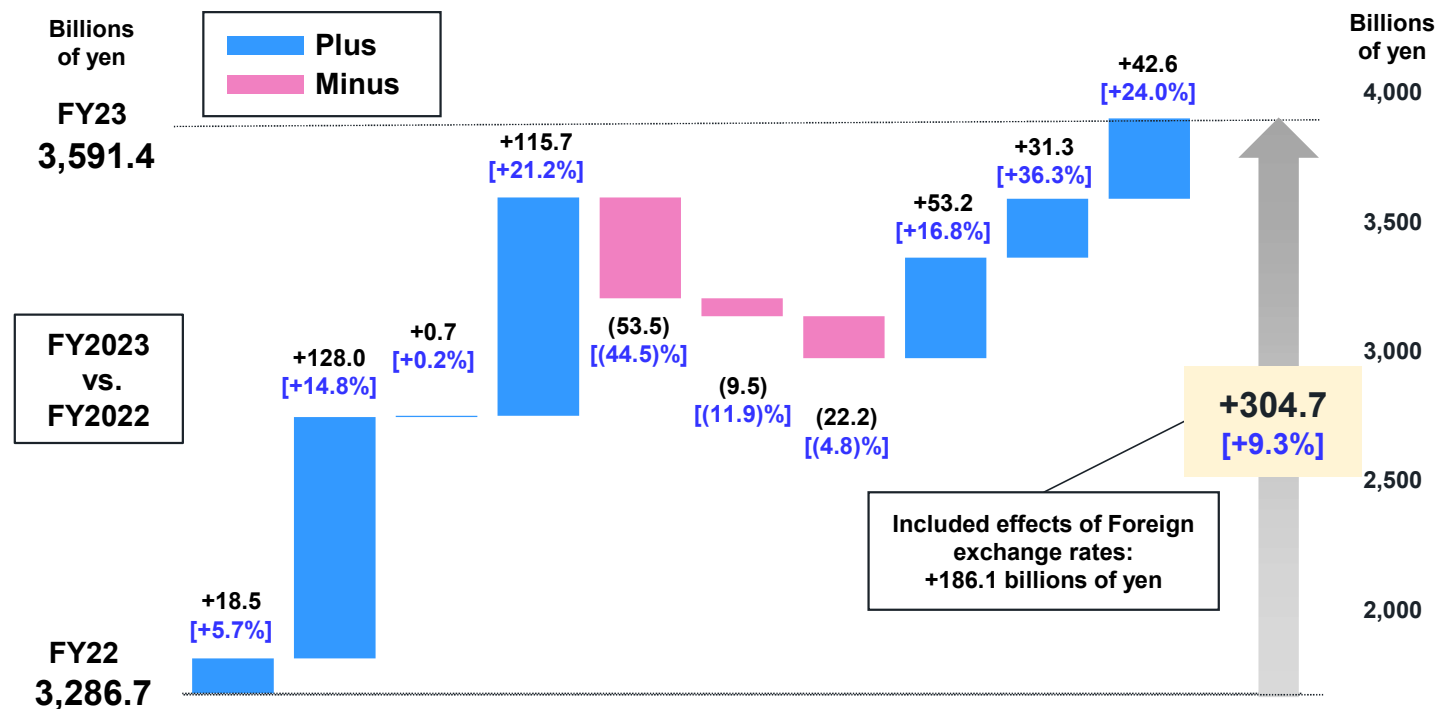
## Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Both sales and profit advanced, mainly supported by improved selling prices and the positive effects of foreign exchange rates.
- **Retail Finance:** Revenues increased, due to growing interest rates and the positive effects of foreign exchange rates. Segment profit decreased, mainly due to the absence of a gain on reversal of allowance for doubtful accounts recorded in North America for FY2022.
- **Industrial Machinery & Others:** Concerning presses, sheet-metal machines and machine tools for the automobile manufacturing industry, sales increased, due to increased sales of large presses. With respect to the business with the semiconductor manufacturing industry, segment profit decreased, mainly due to a decline in maintenance revenues, which have high margins, against the background of declining demand for semiconductors around the world.

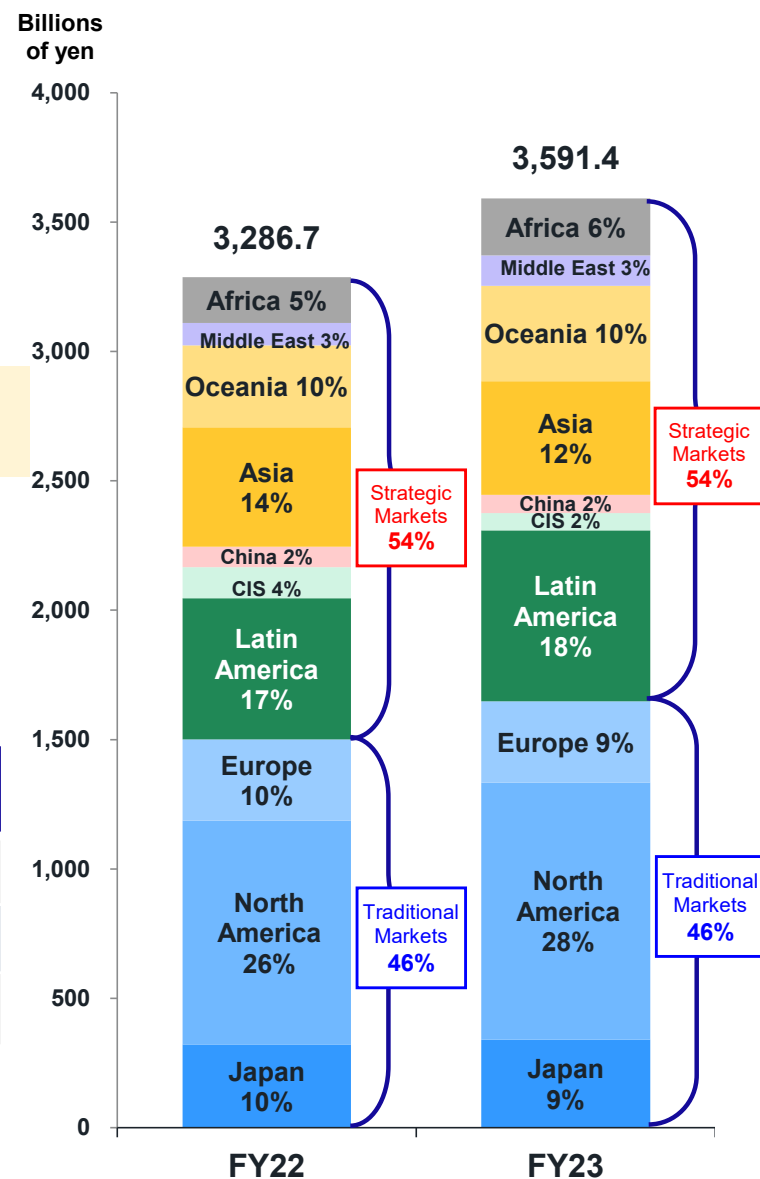
# Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for FY2023

- Sales to outside customers increased by 9.3% from FY2022, to JPY3,591.4 billion.
- Sales increased mainly in North America, Latin America and Oceania, but decreased in CIS, Asia, etc.



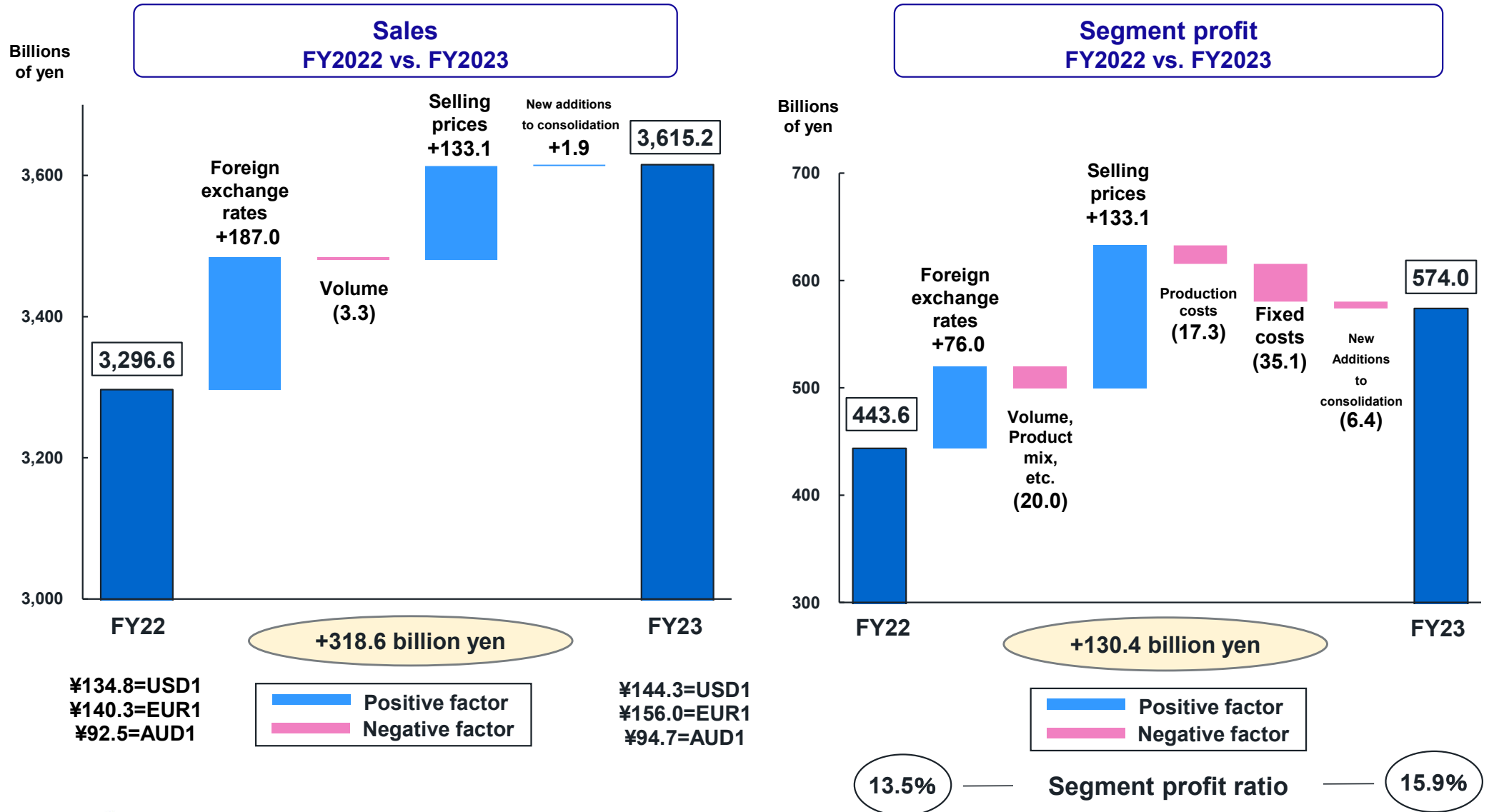
Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2022(a)	321.7	864.9	314.0	545.1	120.2	79.7	461.6	316.2	86.3	177.0	3,286.7
FY2023(b)	340.2	992.9	314.7	660.7	66.7	70.2	439.4	369.3	117.6	219.6	3,591.4
Change (b-a)	+18.5	+128.0	+0.7	+115.7	(53.5)	(9.5)	(22.2)	+53.2	+31.3	+42.6	+304.7

※ Traditional Markets: Japan, North America, Europe, Latin America  
※ Strategic Markets: CIS, China, Asia, Oceania, Middle East, Africa  
 ※ Region where sales increased, when foreign exchange effects were excluded.



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

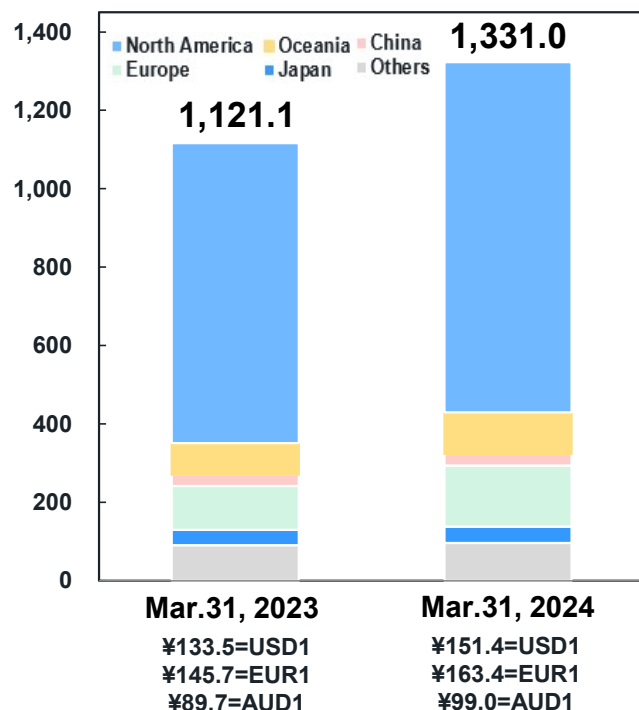
- Sales increased by JPY318.6 billion from FY2022, mainly supported by the positive effects of foreign exchange rates and improved selling prices.
- Segment profit expanded by JPY130.4 billion from FY2022, reflecting the positive effects of foreign exchange rates and selling prices, absorbing decreased volume of sales and increased production and fixed costs.
- Segment profit ratio was 15.9%, up 2.4 points from FY2022.



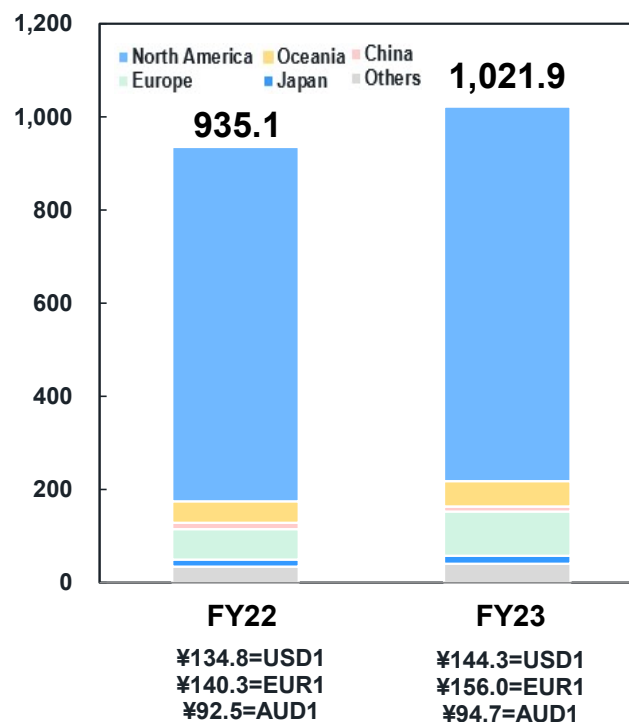
# Retail Finance : Results for FY2023

- Assets increased by JPY209.9 billion from the previous fiscal year-end, as affected by new contracts and foreign exchange rates.
- New contracts increased by JPY86.8 billion from FY2022, as mainly supported by foreign exchange rates.
- Revenues increased by JPY17.9 billion, due to the positive effects of interest rate hikes and foreign exchange rates.
- Segment profit decreased by JPY3.0 billion from FY2022, mainly due to the absence of a gain on reversal of allowance for doubtful accounts recorded in North America for FY2022.

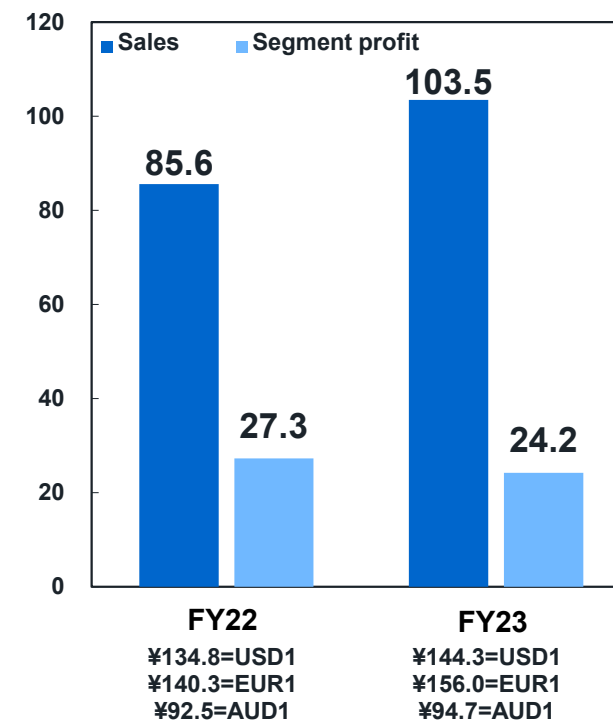
Billions of yen **Assets**  
Mar.31, 2023 vs. Mar.31, 2024



Billions of yen **New Contracts**  
FY2022 vs. FY2023



Billions of yen **Revenues**  
FY2022 vs. FY2023



Billions of yen	2023/3E	2024/3E	Changes
Interest-bearing debt	856.9	1,035.8	+178.9
Interest-bearing debt, net	845.3	1,016.0	+170.7
Net D/E ratio	3.77	4.24	+0.47 pts.

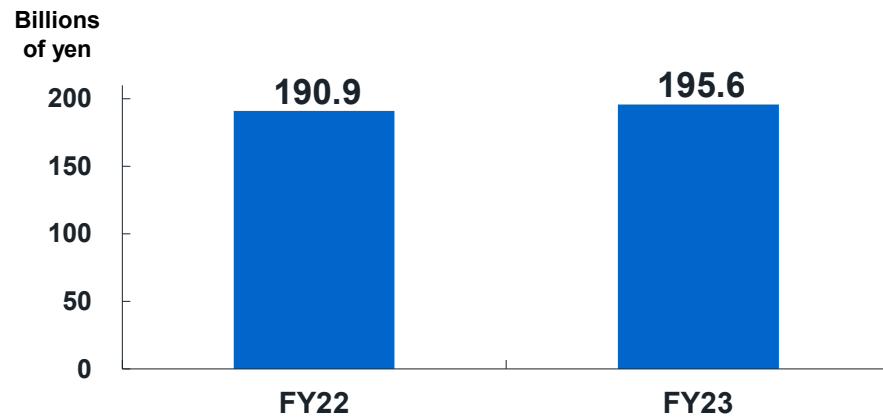
	FY2022	FY2023	Changes
ROA	2.6%	2.0%	(0.6) pts.



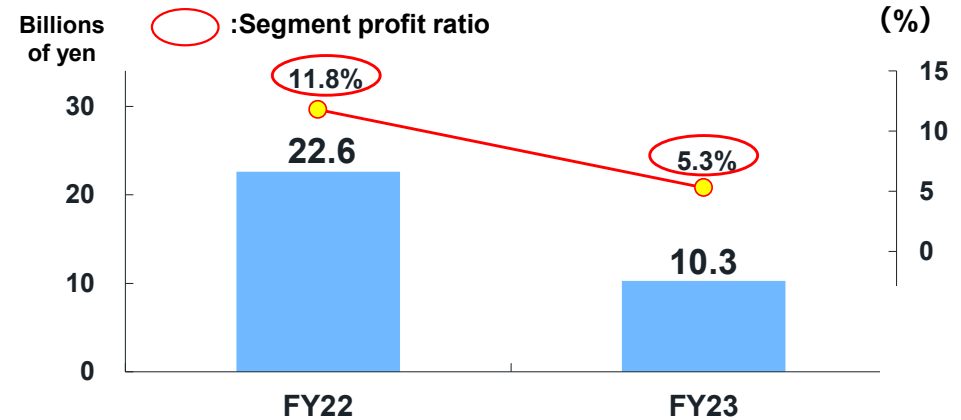
# Industrial Machinery & Others : Segment Sales and Profits for FY2023

- Sales increased by 2.5% from FY2022, to JPY195.6 billion. Segment profit decreased by 54.5% from FY2022, to JPY10.3 billion.
- Concerning presses, sheet-metal machines and machine tools for the automobile manufacturing industry, sales increased, due to increased sales of large presses.
- With respect to the business with the semiconductor manufacturing industry, segment profit decreased, mainly due to a decline in maintenance revenues, which have high margins, against the background of declining demand for semiconductors around the world.
- Segment profit ratio was 5.3%.

**Sales**  
FY2022 vs. FY2023



**Segment profit**  
FY2022 vs. FY2023



**Breakdown of sales**

Billions of yen	FY2022	FY2023	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	42.6	50.0	+7.4	+17.3%
Komatsu NTC Ltd.	42.8	41.9	(0.9)	(2.1)%
Gigaphoton Inc.	58.5	55.6	(2.9)	(5.0)%
Others	47.0	48.1	+1.1	+2.4%
<b>Total</b>	<b>190.9</b>	<b>195.6</b>	<b>+4.7</b>	<b>+2.5%</b>

# Consolidated Balance Sheets

- Total assets increased by JPY760.8 billion from the previous fiscal year-end, to JPY5,636.7 billion, as mainly affected by foreign exchange rates and working capital.
- Inventories increased mainly due to the Japanese yen's depreciation and increased demand for mining equipment and parts.
- Komatsu Ltd. shareholders' equity ratio was 53.8%, up 1.7 points.

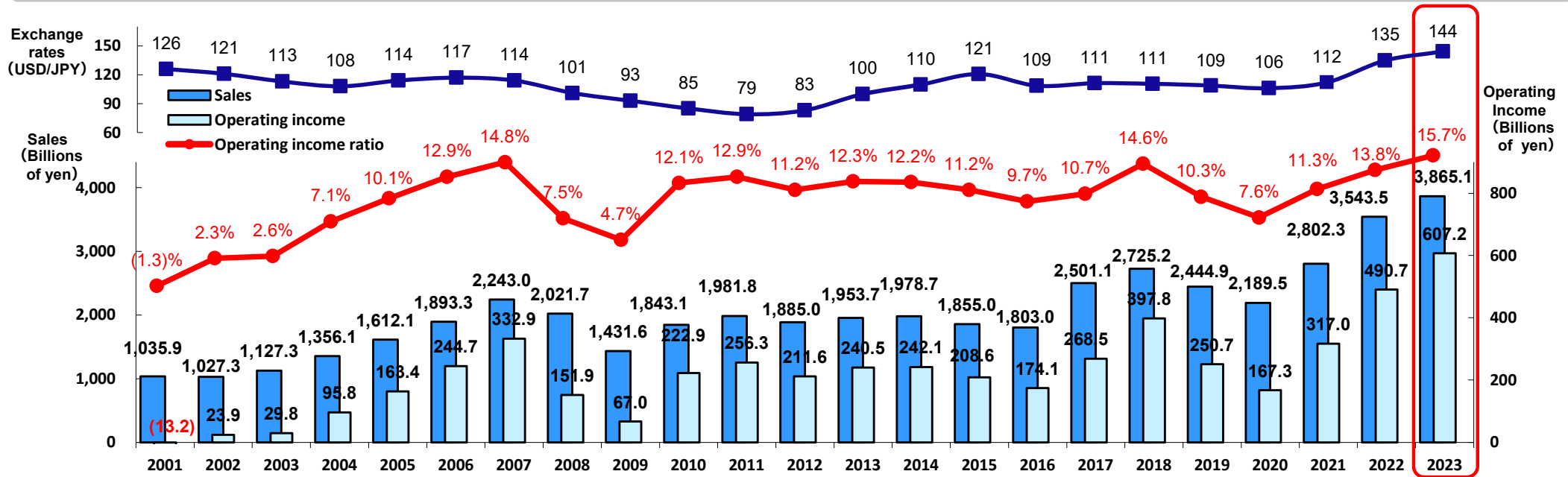
Billions of yen ○ : Net D/E ratio	Mar. 31, 2023 ¥133.5=USD1 ¥145.7=EUR1 ¥89.7=AUD1	Mar. 31, 2024 ¥151.4=USD1 ¥163.4=EUR1 ¥99.0=AUD1	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	290.0	403.2	+113.2
Accounts receivable (incl. long-term trade receivables)	1,681.6	1,951.8	+270.2
Inventories	1,227.2	1,438.7	+211.5
Tangible fixed assets	836.4	908.1	+71.6
Other assets	840.6	934.9	+94.3
<b>Total assets</b>	<b>4,875.8</b>	<b>5,636.7</b>	<b>+760.8</b>
Accounts payable	362.4	320.3	(42.0)
Interest-bearing debt [b]	1,053.8	1,199.4	+145.6
Other liabilities	781.8	918.5	+136.8
<b>Total liabilities</b>	<b>2,197.9</b>	<b>2,438.2</b>	<b>+240.3</b>
[Shareholders' equity ratio]	[52.1%]	[53.8%]	[+1.7 pts.]
Komatsu Ltd. shareholders' equity	2,539.6	3,033.6	+493.9
Non-controlling interests	138.3	164.9	+26.6
<b>Liabilities &amp; Equity</b>	<b>4,875.8</b>	<b>5,636.7</b>	<b>+760.8</b>
<b>Interest-bearing debt, net [b-a]</b>	<b>0.30</b> <b>763.8</b>	<b>0.26</b> <b>796.2</b>	<b>+32.4</b>
<b>Net D/E ratio (excl. the Retail Finance business)</b>	<b>(0.04)</b>	<b>(0.08)</b>	

# Progress Made in Mid-Term Management Plan and Tasks Ahead in FY2024 and Onward

3 major strategies		Main efforts
<b>1. Accelerate growth by means of innovation</b>	<b>FY2023 results</b>	<ul style="list-style-type: none"> <li>• <b>DX Smart Construction:</b> Expanded the number of introduction to job sites.</li> <li>• <b>Number of Autonomous Haulage System (AHS)</b> introduced to the market: Over 700 units (cumulative)</li> <li>• <b>Started commercial operations of large-scale ICT-intensive bulldozers with remote control.</b></li> <li>• <b>Introduced four models of electric construction equipment to the market.</b></li> <li>• <b>Acquired American Battery Solutions of the U.S. (battery maker).</b></li> <li>• <b>Developed a concept machine for a medium-sized hydraulic excavator equipped with a hydrogen fuel cell, and began PoC tests.</b></li> <li>• <b>Signed a collaboration agreement with General Motors of the U.S. to develop hydrogen fuel cells for our ultra-class haul truck.</b></li> </ul>
	<b>Tasks ahead in FY2024 and onward</b>	<ul style="list-style-type: none"> <li>• <b>Accelerate overseas introduction of Smart Construction.</b></li> <li>• <b>Promote business by using open technology platforms for mining.</b></li> <li>• <b>Strengthening technology development for electrification, automation, and remote-controlling.</b></li> <li>• <b>Establish the forestry management solutions business.</b></li> </ul>
<b>2. Maximize earnings power</b>	<b>FY2023 results</b>	<ul style="list-style-type: none"> <li>• <b>Expanded sales of urban civil engineering-specific hydraulic excavators (CE series), especially in Asia.</b></li> <li>• <b>Expanded the aftermarket business mainly by promoting the extended warranty program with a maintenance contract.</b></li> <li>• <b>Started the Reman business of hybrid hydraulic excavator components in Japan.</b></li> <li>• <b>Established a subsidiary in the Republic of Kazakhstan (Komatsu Central Asia LLP).</b></li> <li>• <b>Acquired iVolve of Australia (a provider of fleet management system for construction and mining equipment).</b></li> </ul>
	<b>Tasks ahead in FY2024 and onward</b>	<ul style="list-style-type: none"> <li>• <b>Strengthen product planning and development structure in strategic regions.</b></li> <li>• <b>Expand the forest machine business and the underground hard rock business.</b></li> <li>• <b>Expand the aftermarket business further.</b></li> <li>• <b>Establish and promote global expansion of the next-generation Komtrax-driven business model.</b></li> <li>• <b>Expand the reman / rebuild business.</b></li> </ul>
<b>3. Enhance corporate resilience</b>	<b>FY2023 results</b>	<ul style="list-style-type: none"> <li>• <b>Promoted cross and multi-sourcing operations.</b></li> <li>• <b>Strengthened the risk management system by introducing ERM.</b></li> <li>• <b>Signed a deal with Williams Racing (F1 team) to become the Principal Partner.</b></li> <li>• <b>Conducted a global engagement survey of employees and promoted “Diversity &amp; Inclusion”.</b></li> <li>• <b>Promoted AI and DX-related human resource development.</b></li> </ul>
	<b>Tasks ahead in FY2024 and onward</b>	<ul style="list-style-type: none"> <li>• <b>Strengthen the supply chain by promoting cross and multi-sourcing operations.</b></li> <li>• <b>Promote operational reforms through structural reforms and DX utilization.</b></li> <li>• <b>Improve risk management continuously.</b></li> <li>• <b>Develop global branding strategies.</b></li> <li>• <b>Promote talent management.</b></li> </ul>

# Business Results and Progress towards Mid-Term Management Targets

• We steadily implemented growth strategies and structural reforms. Supported by the selling price improvement and positive effect of foreign exchange rates as well, sales and operating income reached record highs. We generally achieved management targets.



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

	Targets	Index	FY2022	FY2023
			Result	Result
<b>Growth</b>	• Growth rate above the industry's average	Sales growth rate	+26.4%	+9.1%
<b>Profitability</b>	• An industry's top-level operating income ratio	Operating income ratio	13.8%	15.7%
<b>Efficiency</b>	• ROE of 10% or higher	ROE	13.7%	14.1%
<b>Financial position</b>	• Industry's top-level financial position.	Net debt-to-equity ratio	0.30	0.26
<b>Shareholder return</b>	• 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%	40.1%
<b>ESG</b>	• Reduction of environmental impact: CO2 emissions: Decrease by 50% in 2030 from 2010. Renewal energy use : Increase to 50% of total energy use in 2030.	Reduction of CO2 emissions from product use	(21)%	(22)% ※
		Reduction of CO2 emissions from production	(43)%	(50)% ※
		Rate of renewable energy use	17%	25% ※
• Evaluation by external organizations	Selected for DJSI (World & Asia Pacific)	Evaluation by external organizations	DJSI: Selected	DJSI: Selected
	CDP A-list (Climate Changes and Water Security)		CDP Score climate change: A water security: A	CDP Score climate change: A water security: A
<b>Retail Finance</b>	• ROA: 1.5-2.0%	ROA	2.6%	2.0%
	• 5.0 or under for net debt-to-equity ratio	Net debt-to-equity ratio	3.77	4.24

## **II . Projection of FY2024 Business Results**

# Outline of Projection for FY2024

- Net sales will remain about flat at JPY3,861.0 billion from FY2023.
- Operating income will decrease by 8.3% to JPY557.0 billion. Operating income ratio will amount to 14.4%, down 1.3 points.
- Net income will decrease by 11.8% to JPY347.0 billion.

Billions of yen	FY2023 Results (A) ¥144.3=USD1 ¥156.0=EUR1 ¥94.7=AUD1	FY2024 Projection (B) ¥140.0=USD1 ¥149.0=EUR1 ¥90.0=AUD1	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	3,865.1	3,861.0	(4.1)	(0.1)%
Segment profit	605.7	585.0	(20.7)	(3.4)%
Other operating income (Expenses)	1.5	(28.0)	(29.5)	-
Operating income	607.2	557.0	(50.2)	(8.3)%
Income ratio	15.7%	14.4%	(1.3) pts.	-
Other income (Expenses)	(31.5)	(39.0)	(7.5)	-
Income before income taxes	575.7	518.0	(57.7)	(10.0)%
Net income attributable to Komatsu Ltd.	393.4	347.0	(46.4)	(11.8)%
ROE	14.1%	11.7%	(2.4) pts.	
Cash dividends per share	167 Yen	167 Yen	+/- 0 Yen	
Consolidated payout ratio	40.1%	45.5%		

# Projection for Segment Sales and Profit of FY2024

- Construction, Mining & Utility Equipment: Sales will decrease by 1.7% from FY2023, to JPY3,553.0 billion. Segment profit will decrease by 6.3% to JPY538.0 billion. Segment profit ratio will amount to 15.1%, down 0.8 points.
- Retail Finance: Revenues will increase by 2.4% to JPY106.0 billion. Segment profit will decrease by 9.3% to JPY22.0 billion.
- Industrial Machinery & Others: Sales will increase by 17.1% to JPY229.0 billion. Segment profit will expand sharply by 172.4% to JPY28.0 billion.

Billions of yen	FY2023 Results (A)	FY2024 Projection (B)	Changes (B-A)	
			Increase (Decrease)	Change %
<b>Net sales</b>	3,865.1	3,861.0	(4.1)	(0.1)%
Construction, Mining & Utility Equipment	3,615.2 [3,591.4]	3,553.0 [3,548.3]	(62.2) [(43.1)]	(1.7)% [(1.2)%]
Retail Finance	103.5 [80.9]	106.0 [85.8]	+2.5 [+4.9]	+2.4% [+6.0%]
Industrial Machinery & Others	195.6 [192.8]	229.0 [226.9]	+33.4 [+34.1]	+17.1% [+17.6%]
Elimination	(49.2)	(27.0)	+22.2	-
<b>Segment profit</b>	15.7% 605.7	15.2% 585.0	(0.5 pts.) (20.7)	(3.4)%
Construction, Mining & Utility Equipment	15.9% 574.0	15.1% 538.0	(0.8 pts.) (36.0)	(6.3)%
Retail Finance	23.4% 24.2	20.8% 22.0	(2.6 pts.) (2.2)	(9.3)%
Industrial machinery & Others	5.3% 10.3	12.2% 28.0	+6.9 pts. +17.7	+172.4%
Corporate & elimination	(2.8)	(3.0)	(0.2)	-

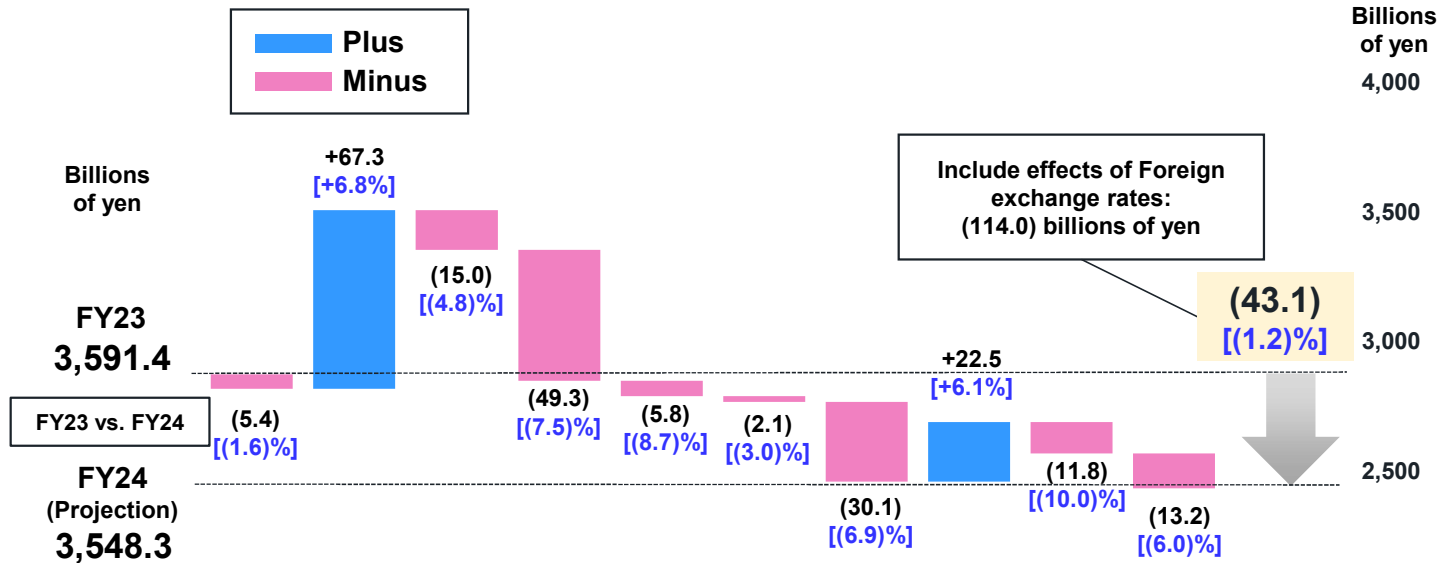
## Review of three business segments

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

- Construction, Mining & Utility Equipment** : Sales will decrease, due to the negative impact of foreign exchange rates, although improved selling prices will compensate for lower volumes resulting from a decline in demand. Segment profit will decline, as the negative impact of lower volumes, foreign exchange rates, and an increase in fixed costs and production costs will outweigh improving selling prices.
- Retail Finance** : Revenues will increase, mainly due to interest rate hikes. Segment profit will decline, mainly due to decrease the profit from the resale of used equipment by expiring lease duration.
- Industrial Machinery & Others** : Both sales and segment profit will increase due to improving sales of maintenance of the Excimer laser-related business with the semiconductor manufacturing industry.

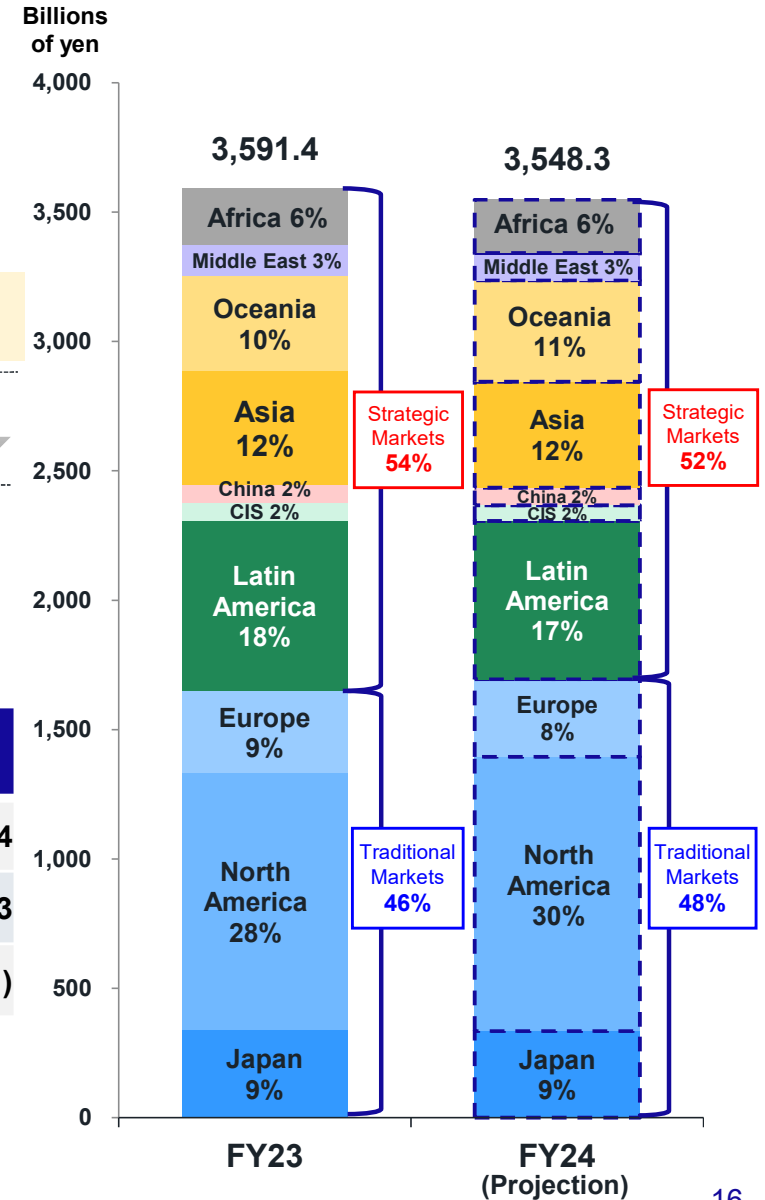
# Construction, Mining & Utility Equipment : Projection for Sales by Region (To Outside Customers) for FY2024

- Sales to outside customers will decrease by 1.2% from FY2023, to JPY3,548.3 billion.
- Sales will increase in North America and Oceania, but decrease mainly in Latin America and Asia.



Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2023 (a)	340.2	992.9	314.7	660.7	66.7	70.2	439.4	369.3	117.6	219.6	3,591.4
FY2024 (b)	334.8	1,060.2	299.7	611.4	60.9	68.1	409.2	391.9	105.8	206.4	3,548.3
Change (b-a)	(5.4)	+67.3	(15.0)	(49.3)	(5.8)	(2.1)	(30.1)	+22.5	(11.8)	(13.2)	(43.1)

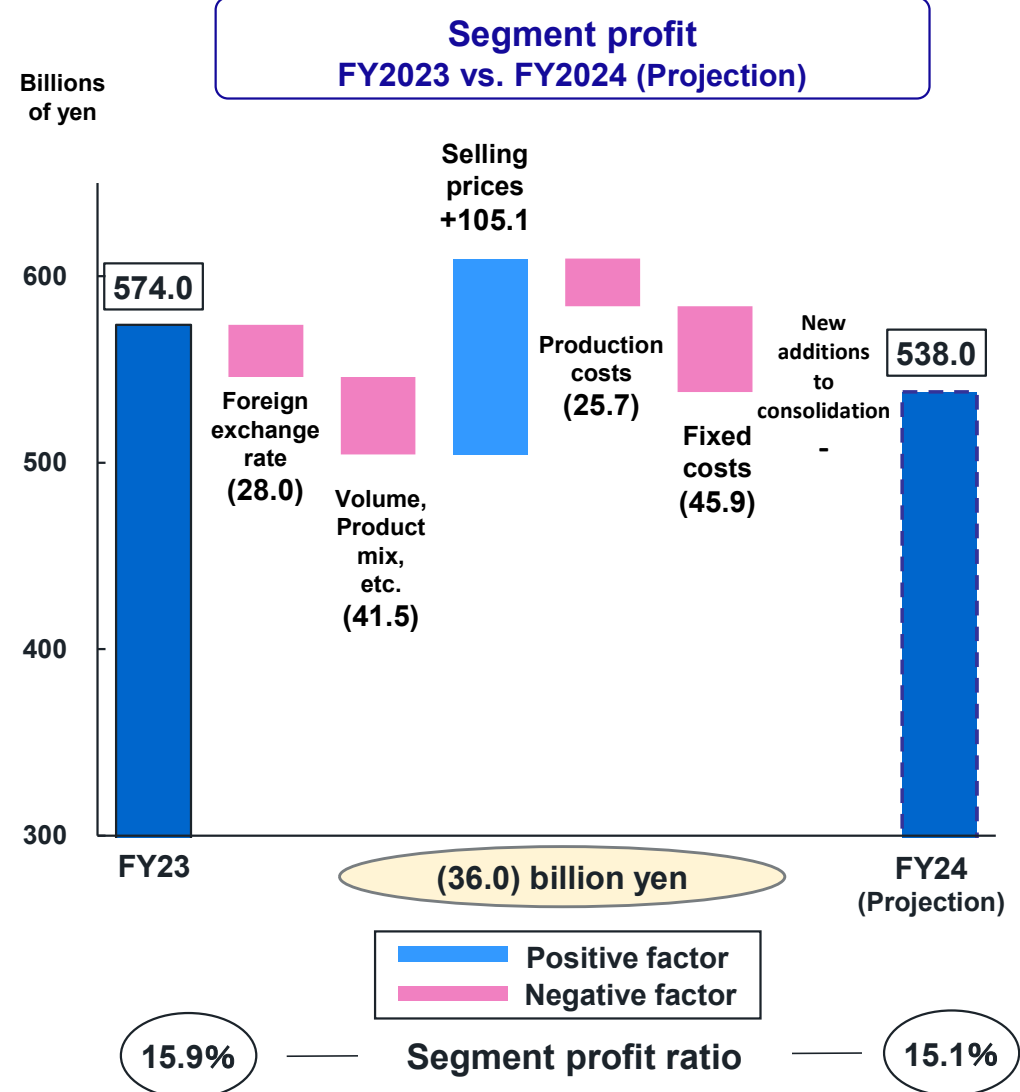
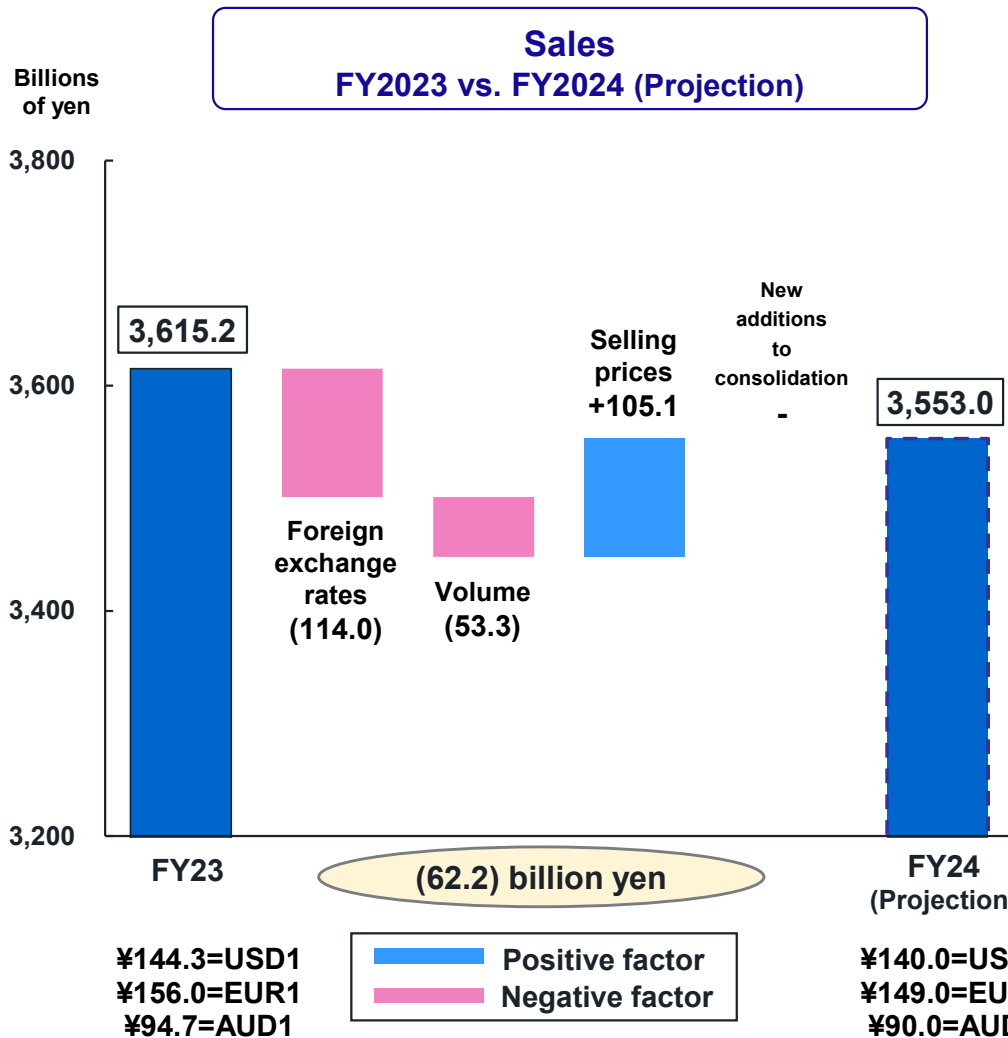
※ Traditional Markets: Japan, North America, Europe  
※ Strategic Markets: Latin America, CIS, China, Asia, Oceania, Middle East, Africa  
 ※ Region where sales increased, when foreign exchange effects were excluded.





# Construction, Mining & Utility Equipment : Causes of Difference in Projected Sales & Segment Profit for FY2024

- Sales will decrease by JPY62.2 billion from FY2023, as affected more by the negative impact of reduced sales volume and foreign exchange rates than improved selling prices.
- Segment profit will decrease by JPY36.0 billion from FY2023, although improved selling prices will partially offset the negative impact of decreased sales volume, increased costs, and foreign exchange rates.
- Segment profit ratio will decrease to 15.1%, down 0.8 points from FY2023.

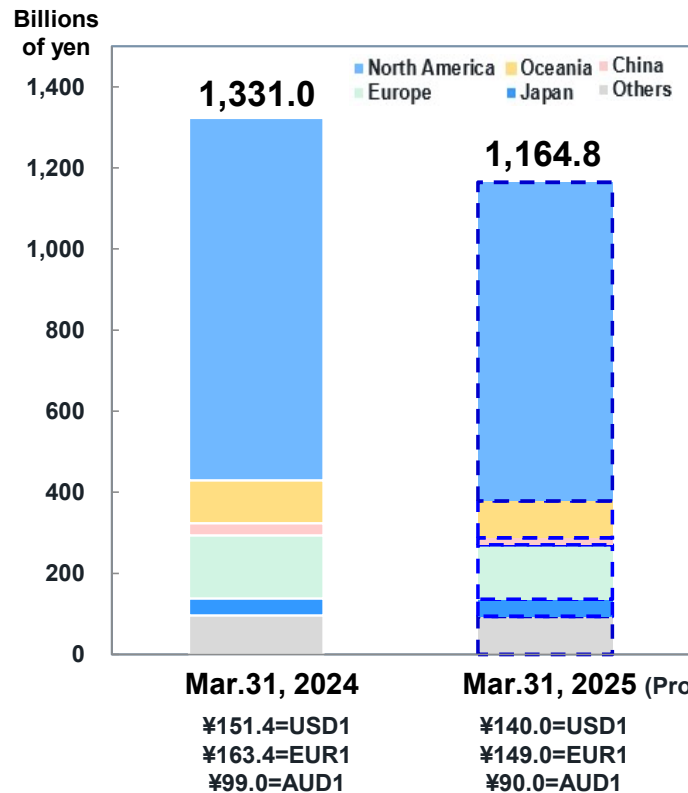


# Retail Finance : Highlights for FY2024

- Assets will decline by JPY166.2 billion from the previous year-end, due to the impact of foreign exchange rates and a decrease of new contract.
- New contracts will decrease by JPY95.6 billion from FY2023, due to the impact of foreign exchange rates and decreasing sales in the construction equipment business.
- Revenues will increase by JPY2.5 billion from FY2023, mainly due to the impact of interest rate hikes.
- Segment profit will decrease by JPY2.2 billion, mainly due to decrease the profit from the resale of used equipment by expiring lease duration.

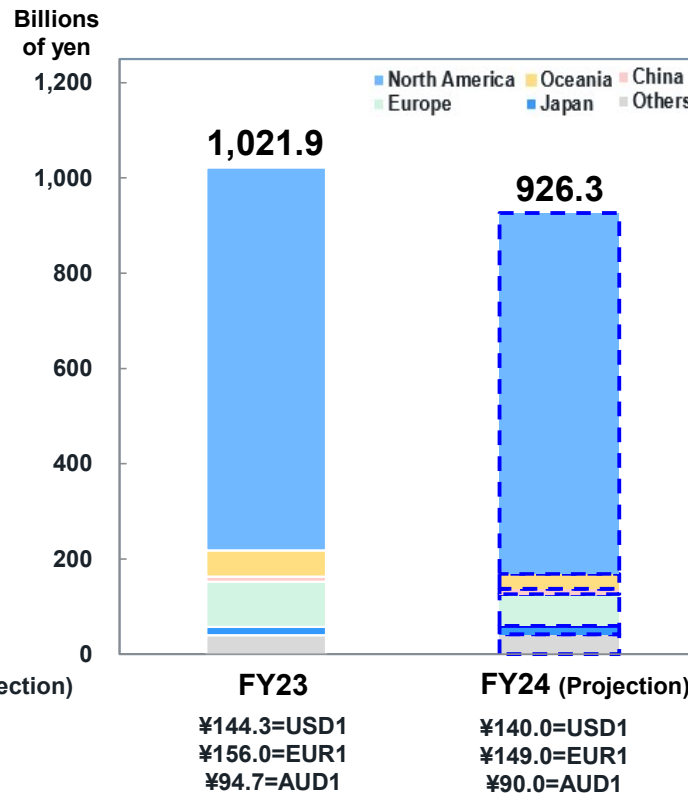
## Assets

Mar.31, 2024 vs. Mar.31, 2025 (Projection)



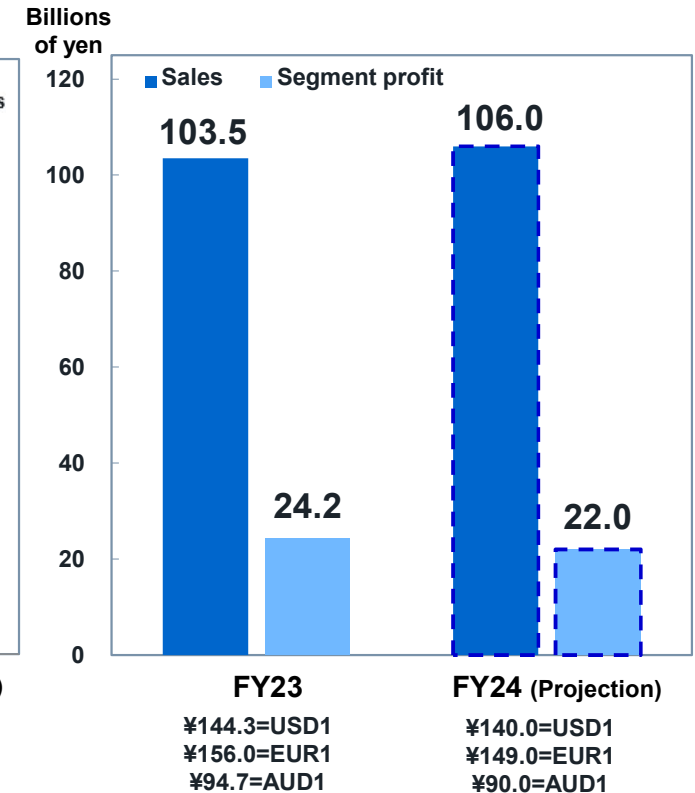
## New Contracts

FY2023 vs. FY2024 (Projection)



## Revenues

FY2023 vs. FY2024 (Projection)



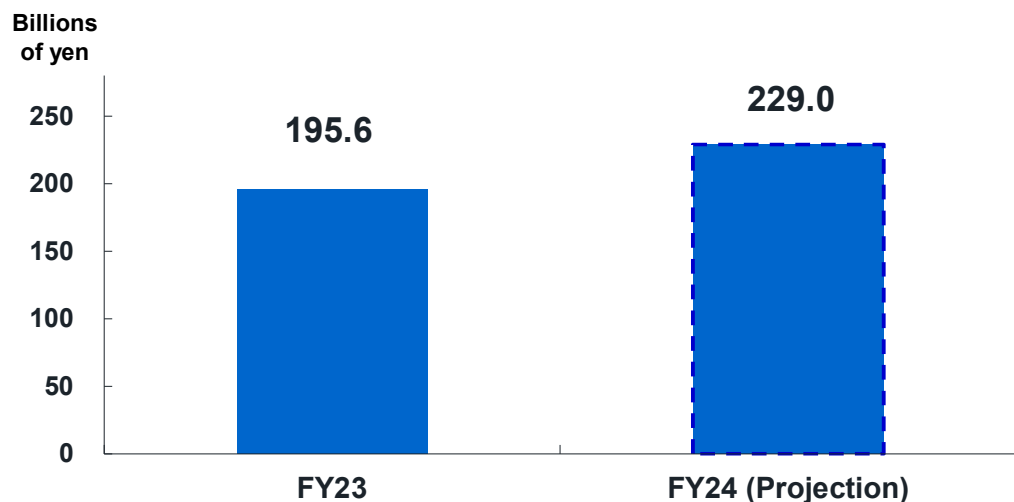
Billions of yen	2024/3E	2025/3E (Projection)	Changes
Interest-bearing debt	1,035.8	894.8	(141.0)
Interest-bearing debt, net	1,016.0	880.7	(135.3)
Net D/E ratio	4.24	3.67	(0.57) pts.

	FY2023	FY2024 (Projection)	Changes
ROA	2.0%	1.9%	(0.1) pts.

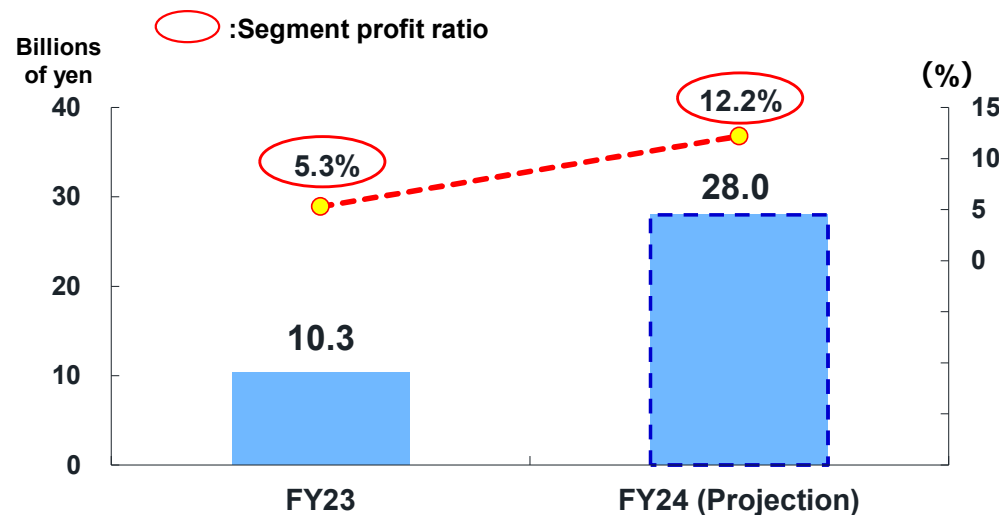
# Industrial Machinery & Others : Highlights for FY2024

- Sales will increase by 17.1% from FY2023, to JPY229.0 billion, and segment profit will expand sharply by 172.4% to JPY28.0 billion.

**Sales**  
FY2023 vs. FY2024 (Projection)



**Segment profit**  
FY2023 vs. FY2024 (Projection)



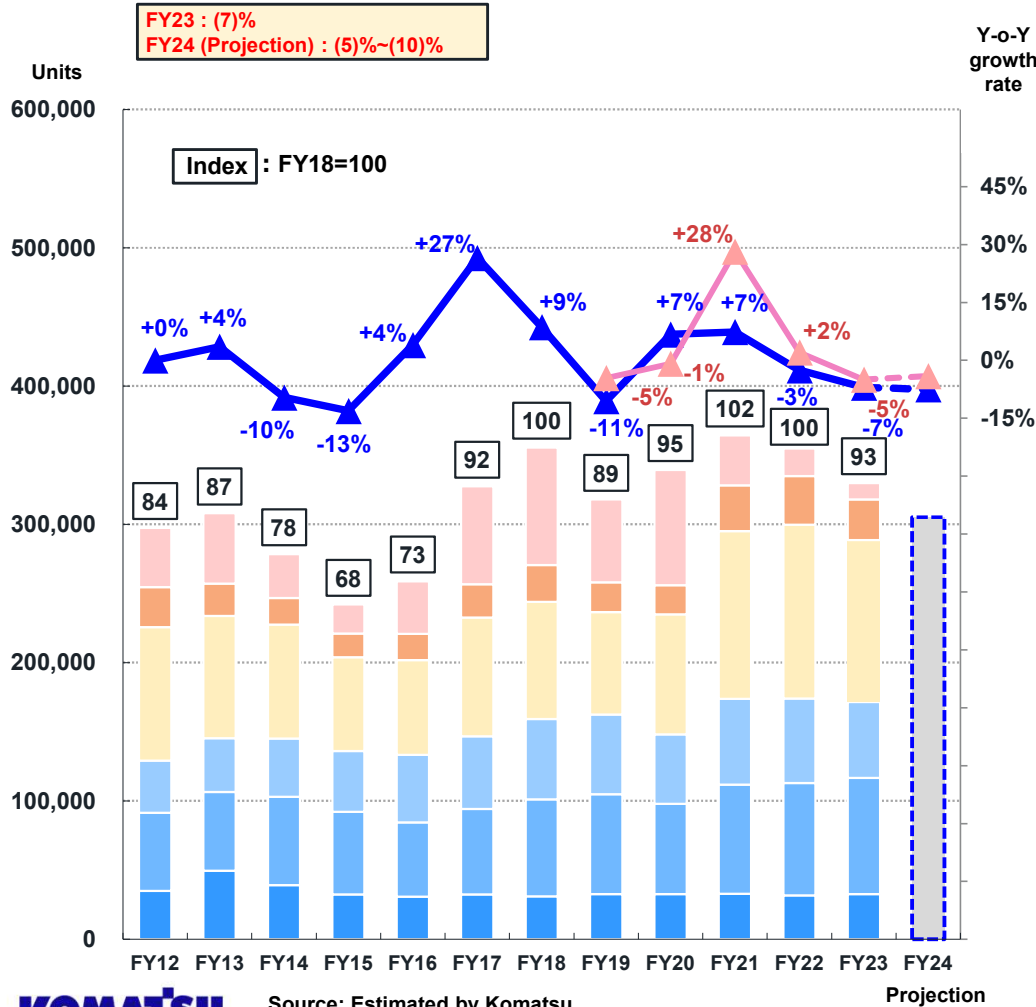
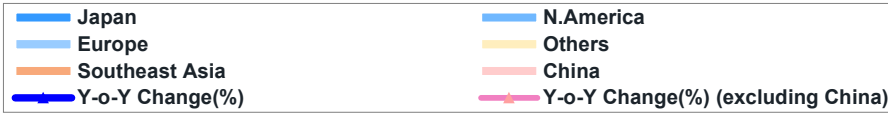
**Breakdown of sales**

Billions of yen	FY2023	FY2024 (Projection)	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	50.0	55.6	+5.6	+11.2%
Komatsu NTC Ltd.	41.9	44.9	+3.0	+7.1%
Gigaphoton Inc.	55.6	68.8	+13.2	+23.7%
Others	48.1	59.7	+11.6	+24.1%
<b>Total</b>	<b>195.6</b>	<b>229.0</b>	<b>+33.4</b>	<b>+17.1%</b>

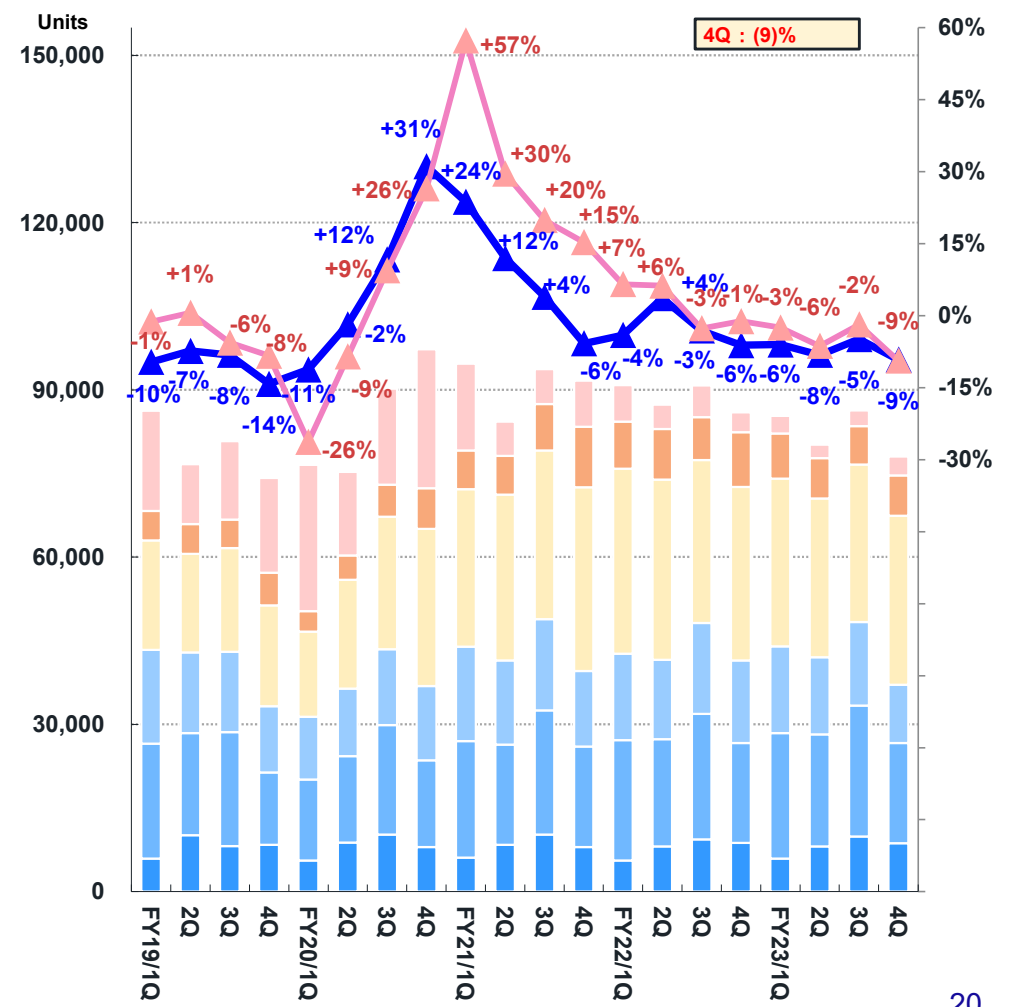
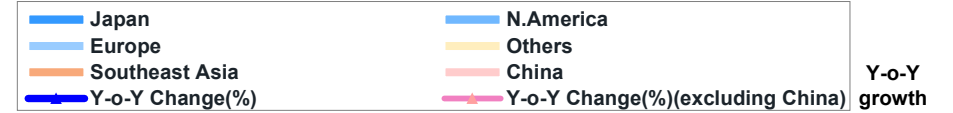
# Construction, Mining & Utility Equipment : Actual and Projected Demand for 7 Major Products

- In FY2023, global demand decreased by 7% from FY2022.
- In FY2024, demand will decrease between -5% and -10%.

## Annual demand for 7 major products



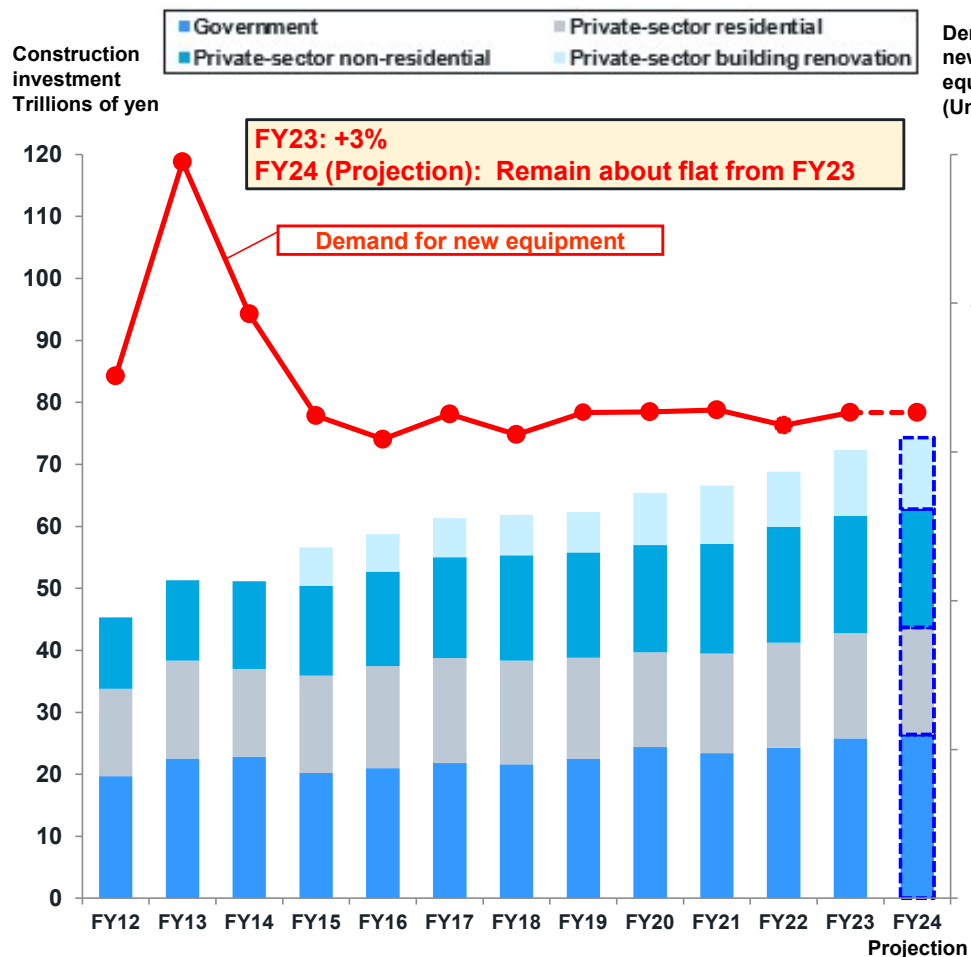
## Quarterly demand for 7 major products



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

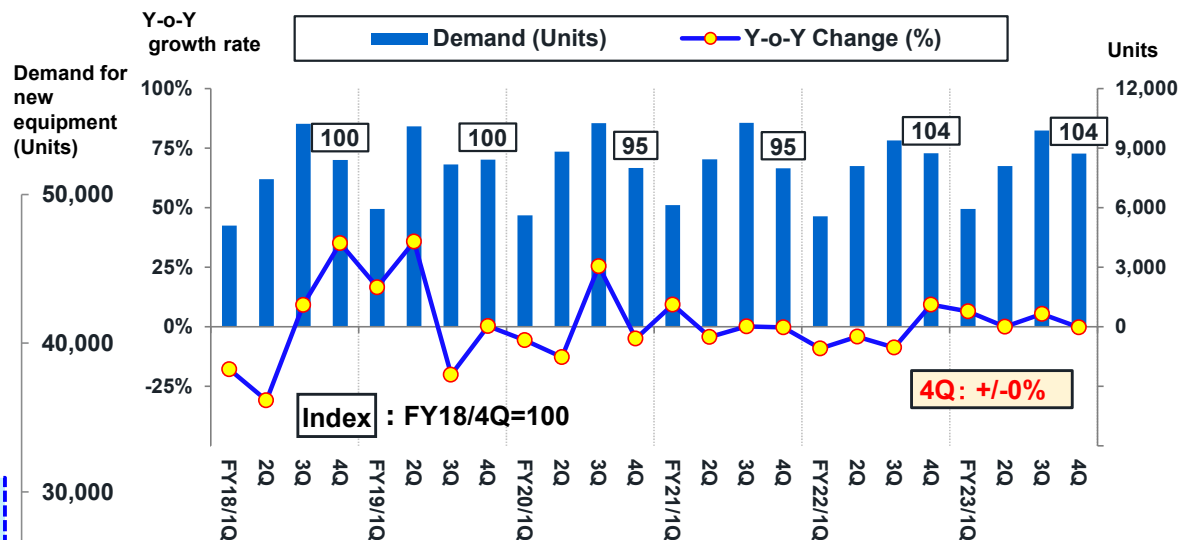
- In FY2023, demand increased by 3% from FY2022. Demand remained steady in public works and private-sector construction.
- In FY2024, demand will remain about flat from FY2023.

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

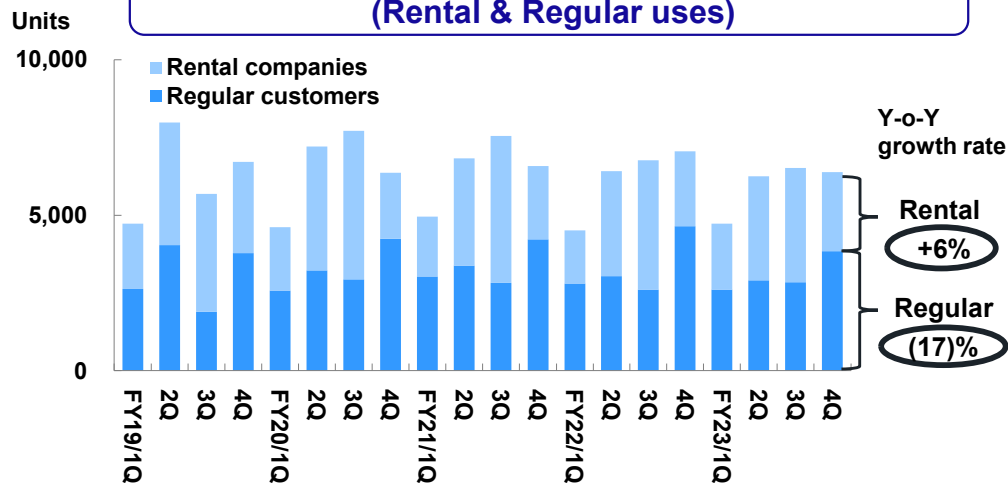


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy  
Demand for 7 major products estimated by Komatsu

## Quarterly demand for 7 major products

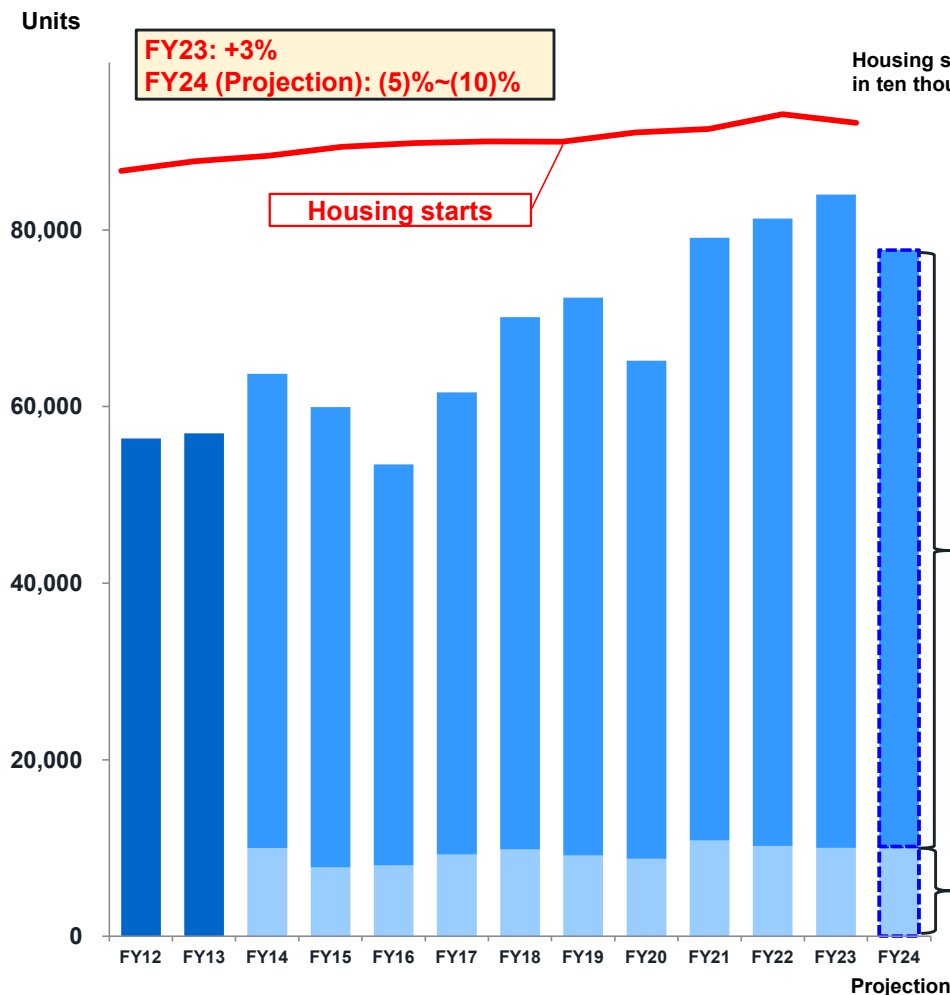


## Quarterly demand for hydraulic excavators (Rental & Regular uses)



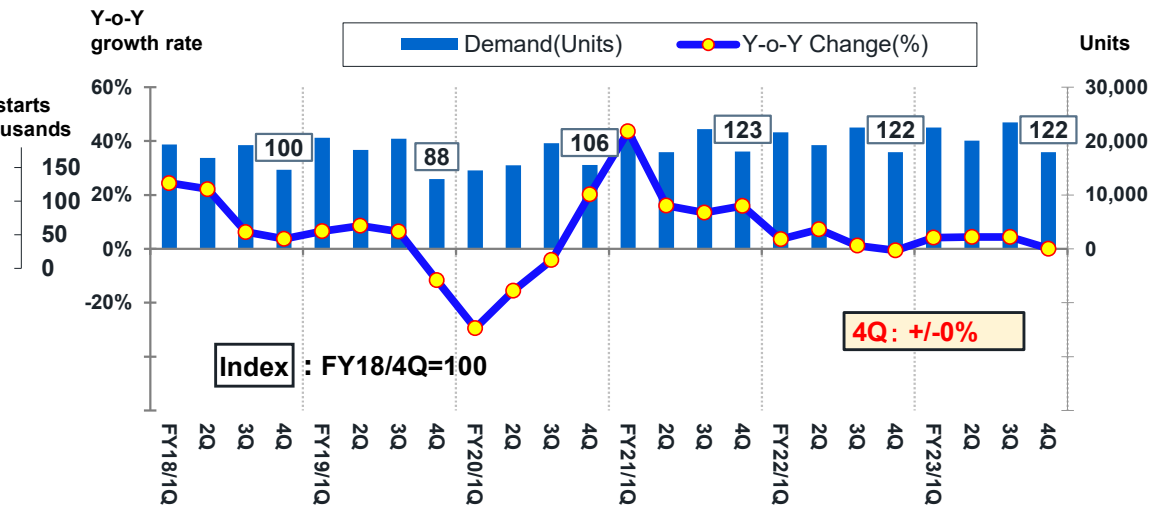
- In FY2023, demand increased by 3% from FY2022.
- Demand remained steady in the rental and energy industry, infrastructure development, and residential construction.
- In FY2024, demand will decrease between -5% and -10% from FY2023.

**Demand for 7 major products and US housing starts**

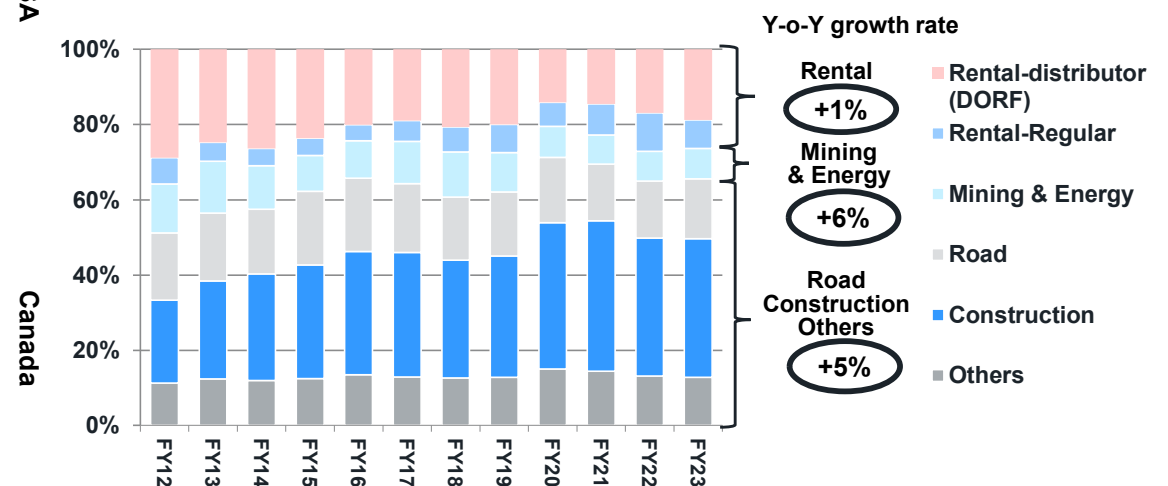


[Source]: Demand for 7 major products estimated by Komatsu

**Quarterly demand for 7 major products**



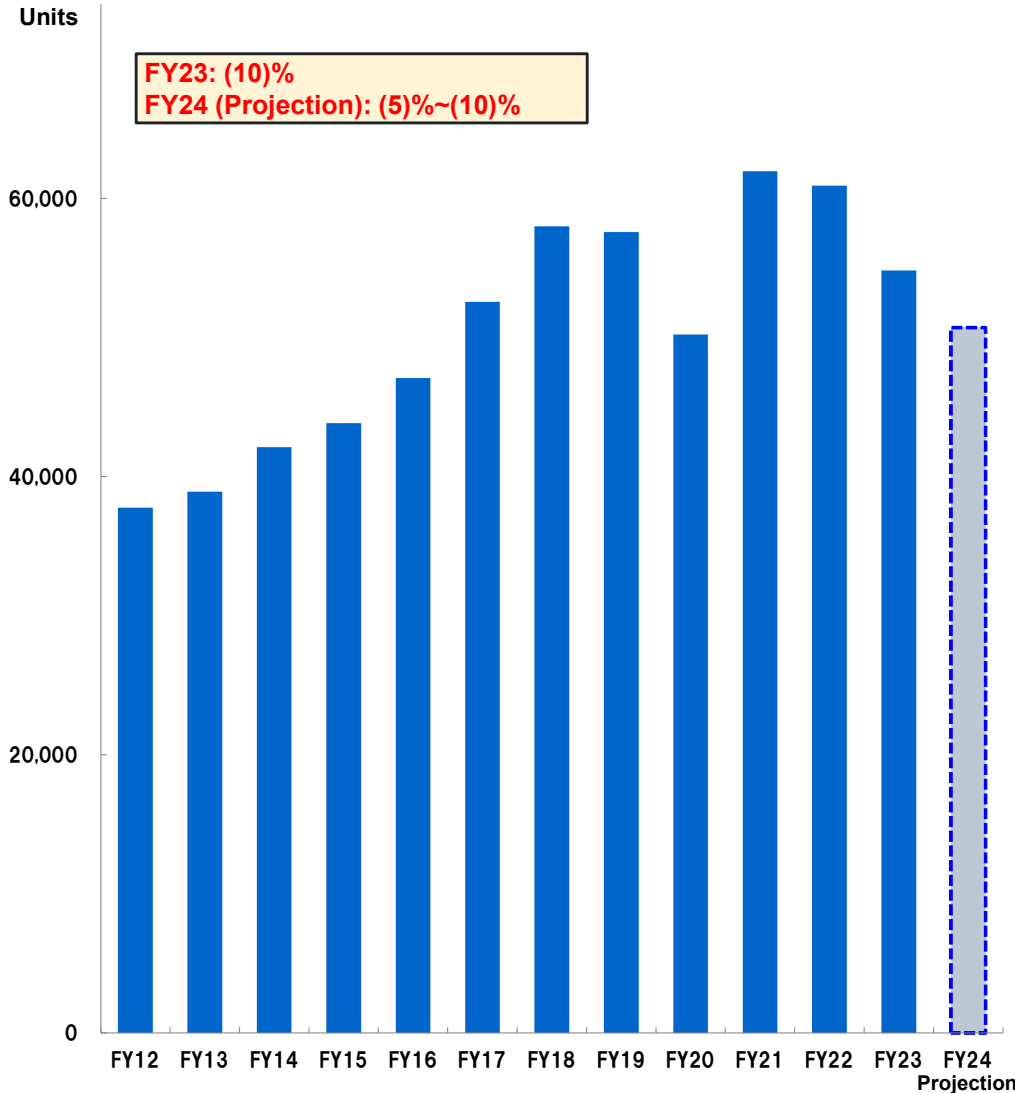
**Breakdown of demand by segment (Unit basis)**



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

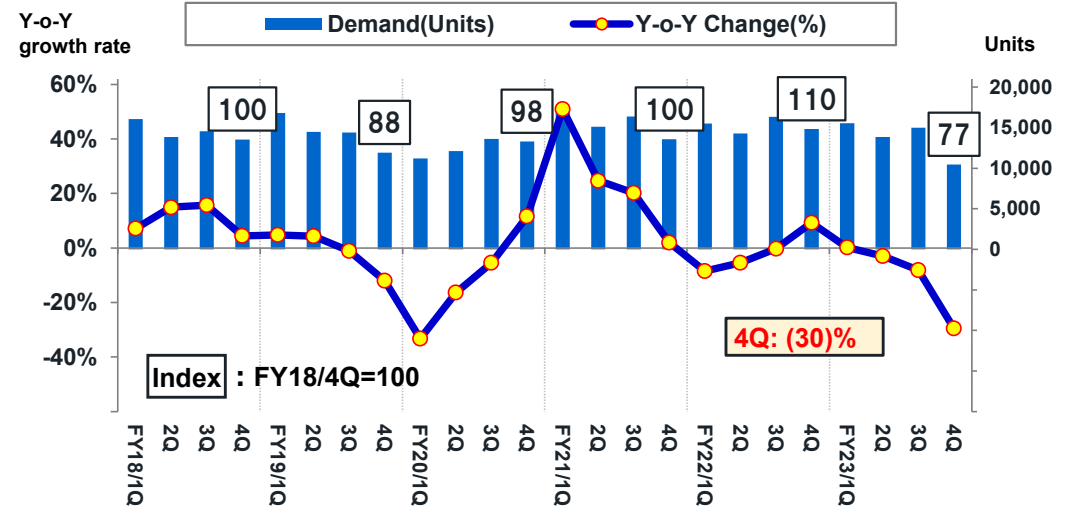
- In FY2023, demand decreased by 10% from FY2022. Demand for construction equipment decreased, centering on the United Kingdom and Germany, major European markets, and Italy, etc., as affected by interest rate hikes and high energy prices.
- In FY2024, demand will decrease between -5% and -10% from FY2023.

Annual demand for 7 major products

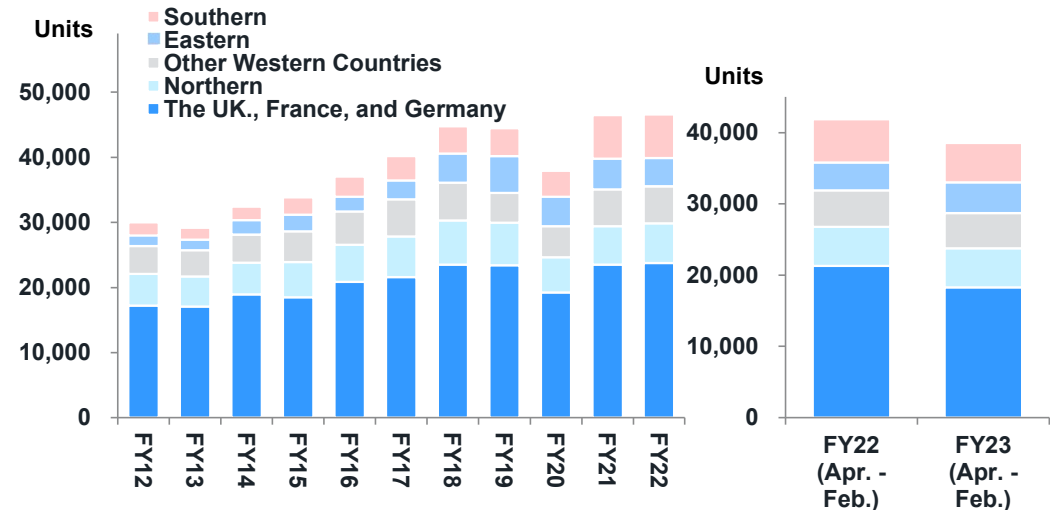


[Source]: Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products



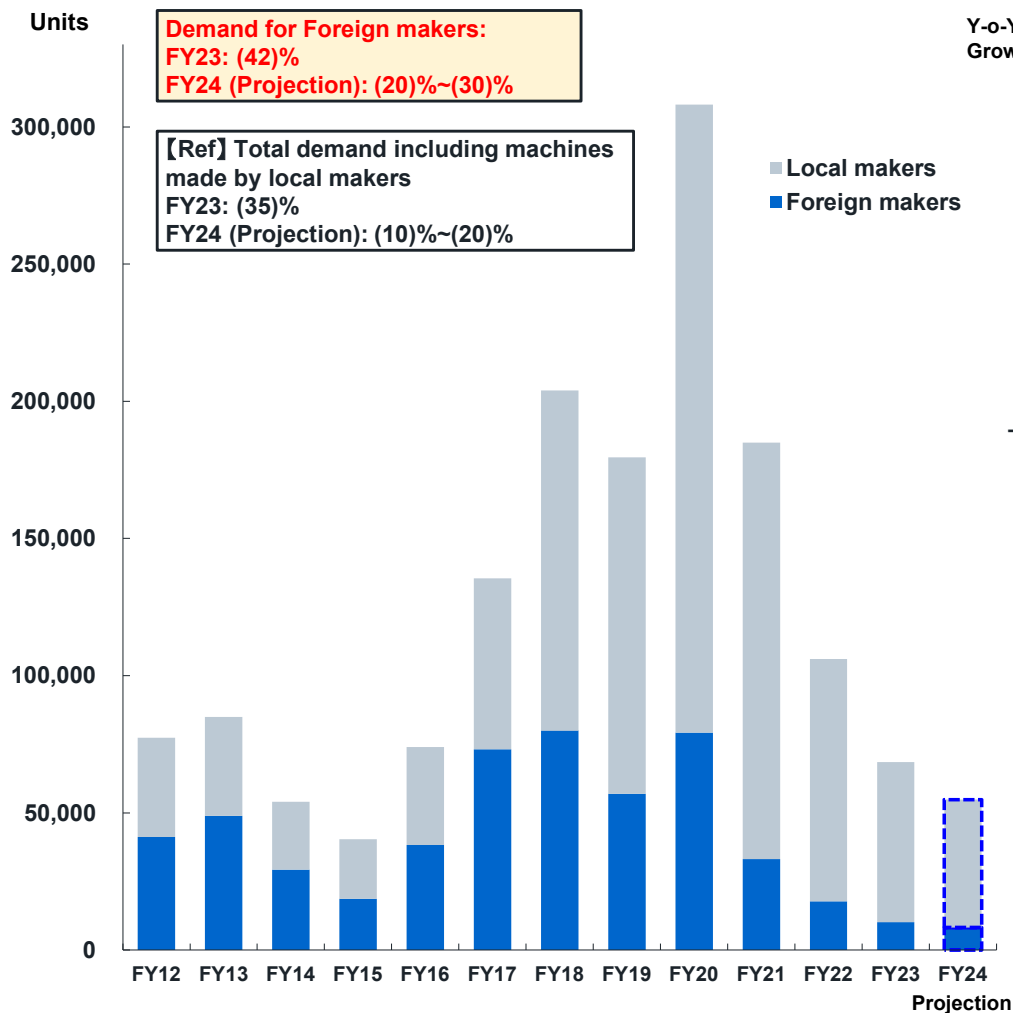
Region demand for 7 major products (Excl. 6t class)



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

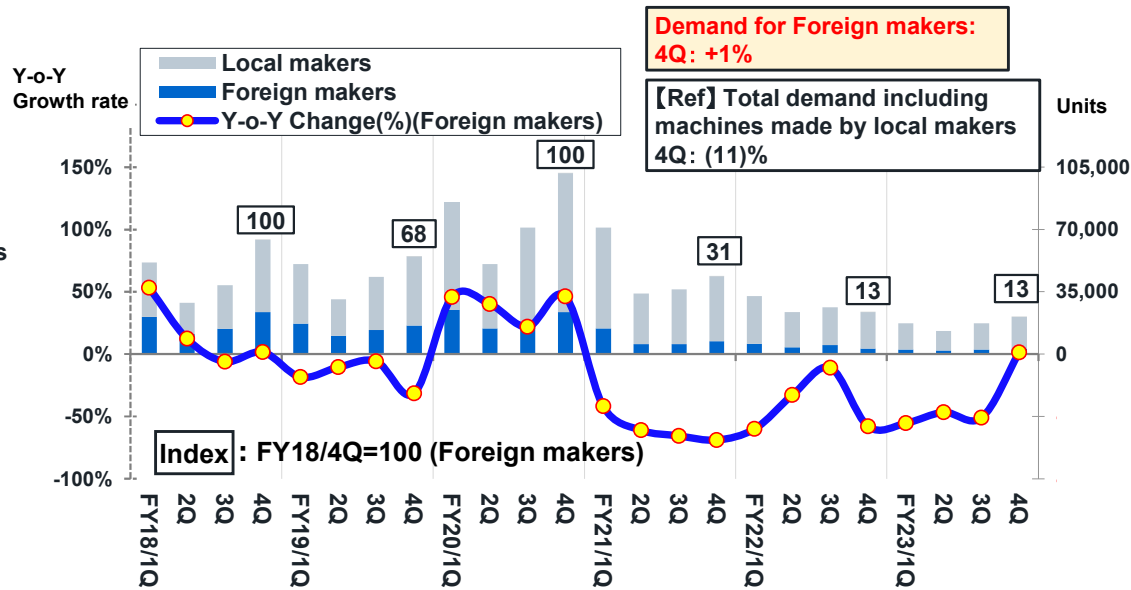
- In FY2023, demand declined by 42% from FY2022. Demand continued to plummet sharply, mainly due to stagnant economic activities, especially against sluggish real estate market conditions, etc.
- In FY2024, demand will decline between -20% and -30% from FY2023.

**Annual demand for hydraulic excavators (Excl. mini shovels)**

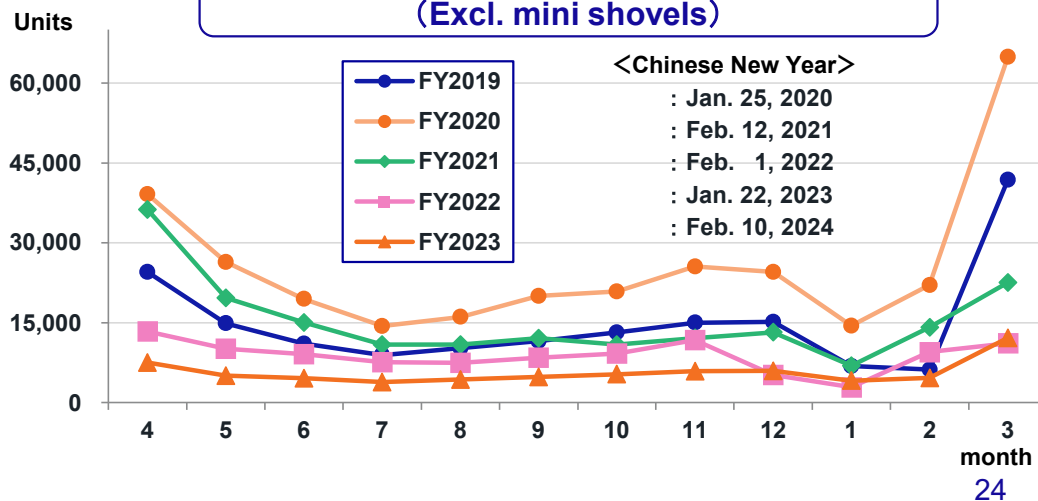


[Source]: Demand for hydraulic excavators estimated by Komatsu

**Quarterly demand for hydraulic excavators (Excl. mini shovels)**



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

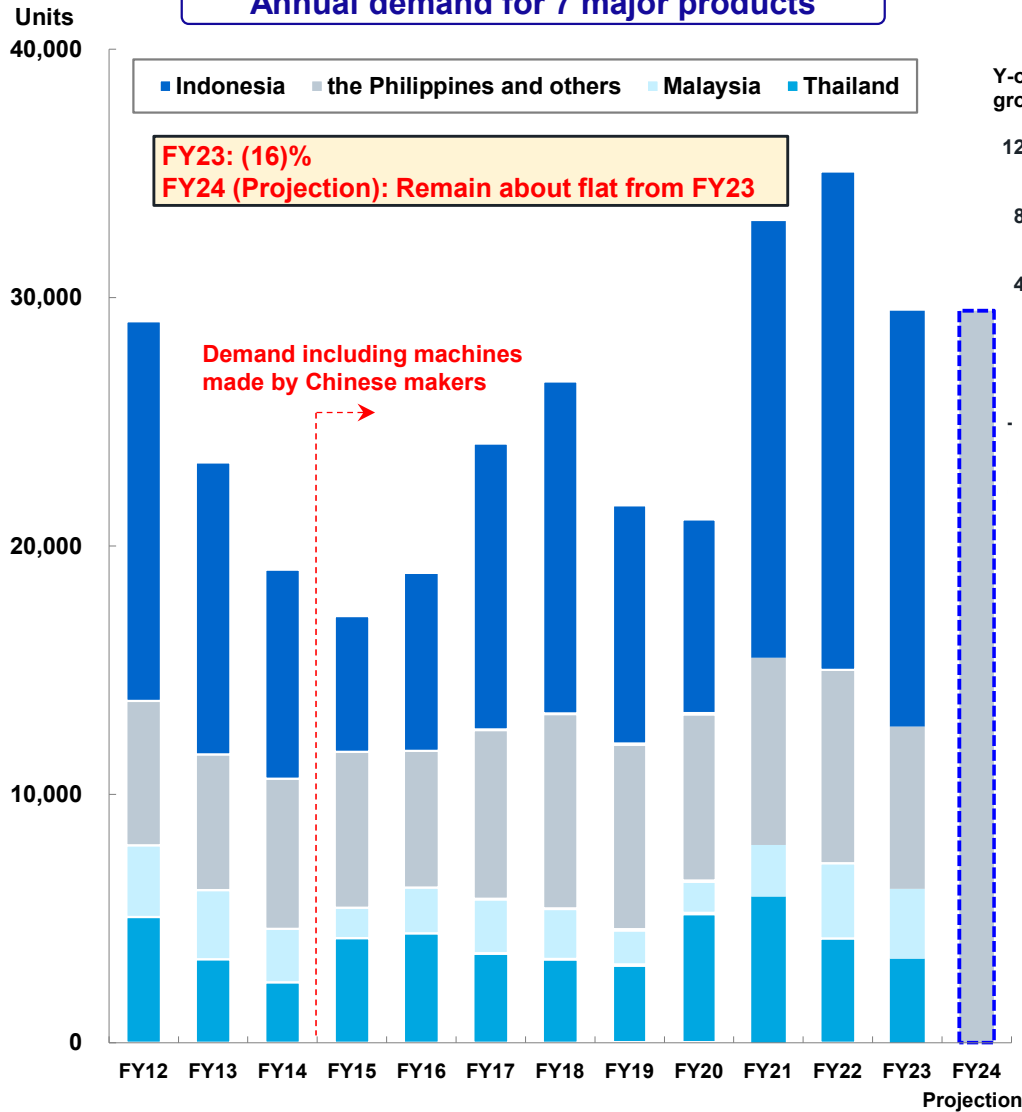




# Construction, Mining & Utility Equipment: Demand in Major Markets (5) Southeast Asia

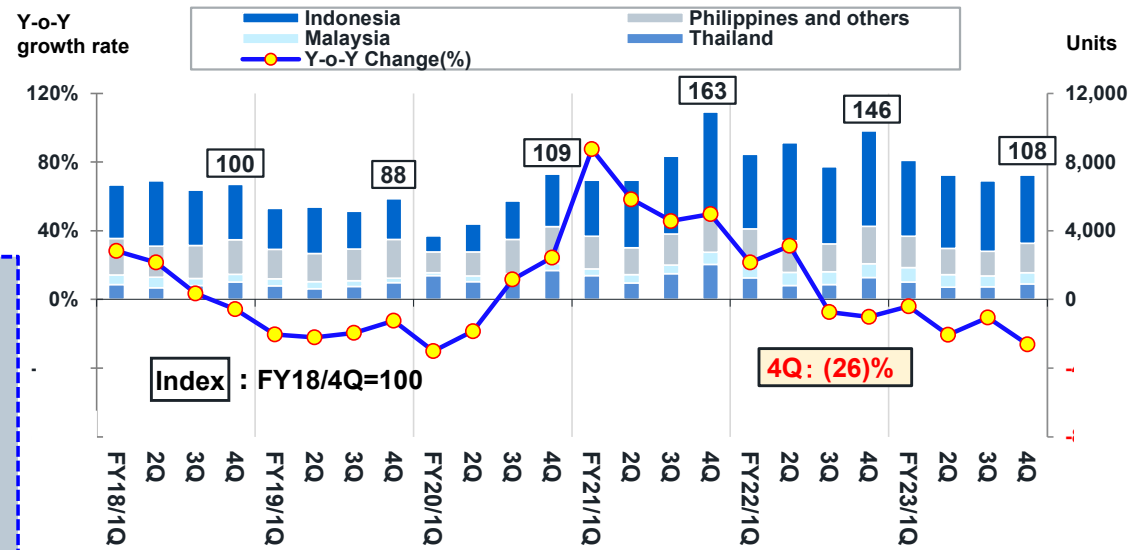
- In FY2023, demand decreased by 16% from FY2022. While demand for mining equipment remained steady in Indonesia, that for construction equipment dropped in Indonesia, Thailand, Vietnam, etc., mainly due to delayed implementation of public works budgets and unclear outlook of economy.
- In FY2024, demand will remain about flat from FY2023.

Annual demand for 7 major products

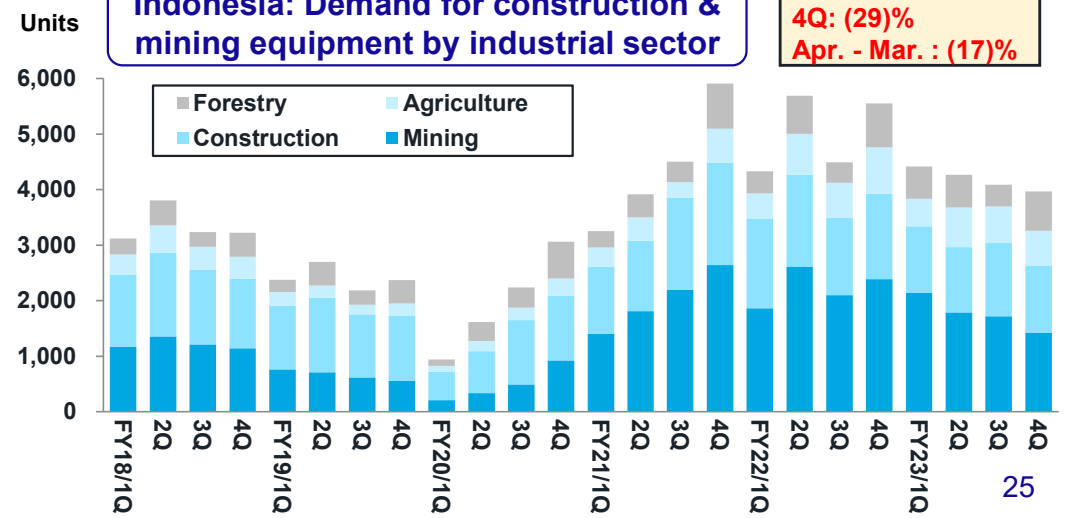


[Source]: Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products

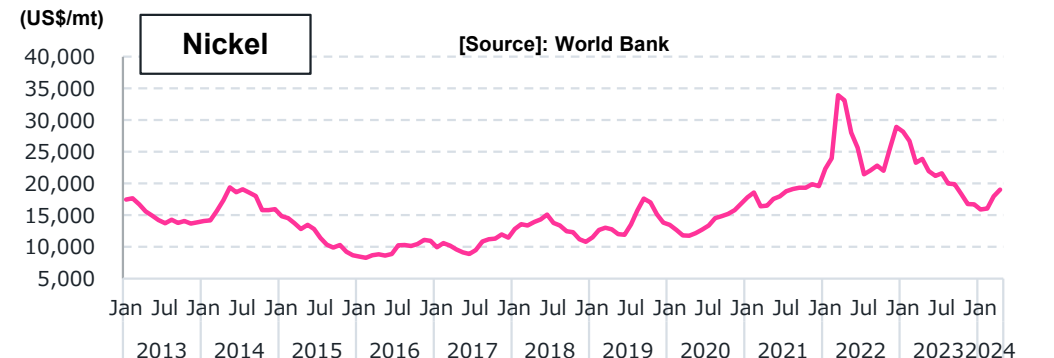
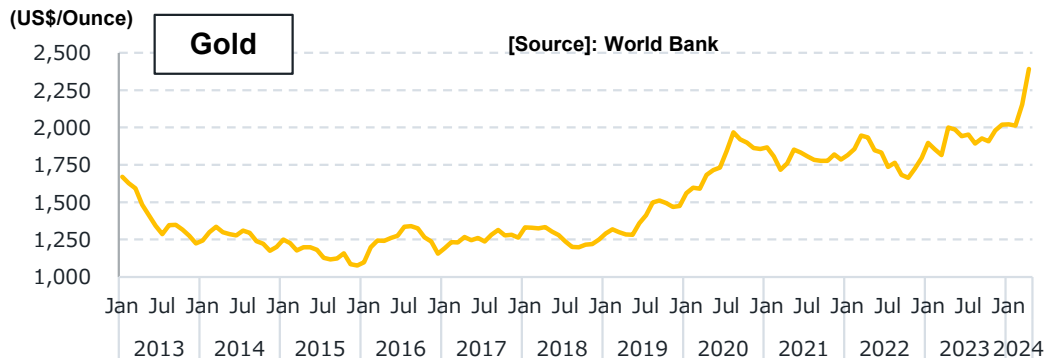
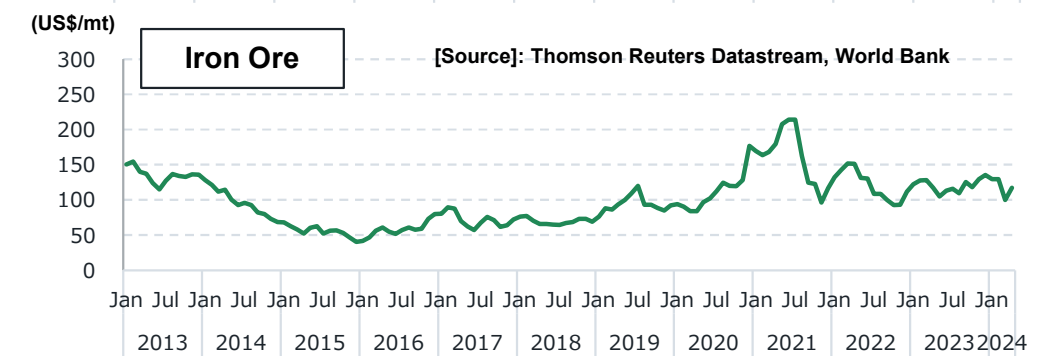
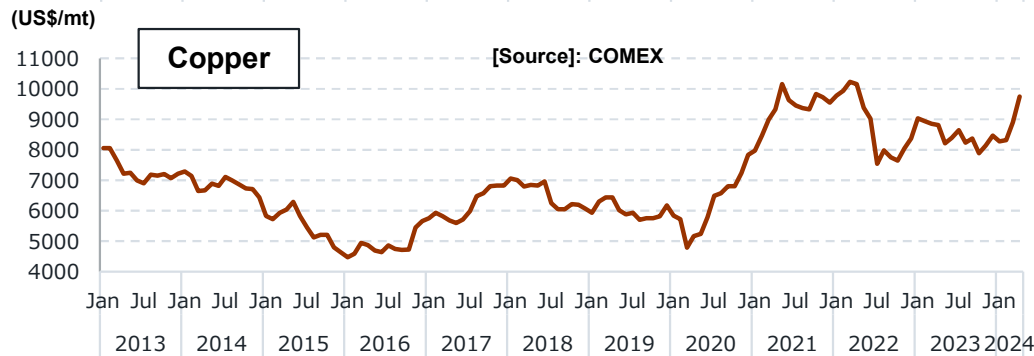
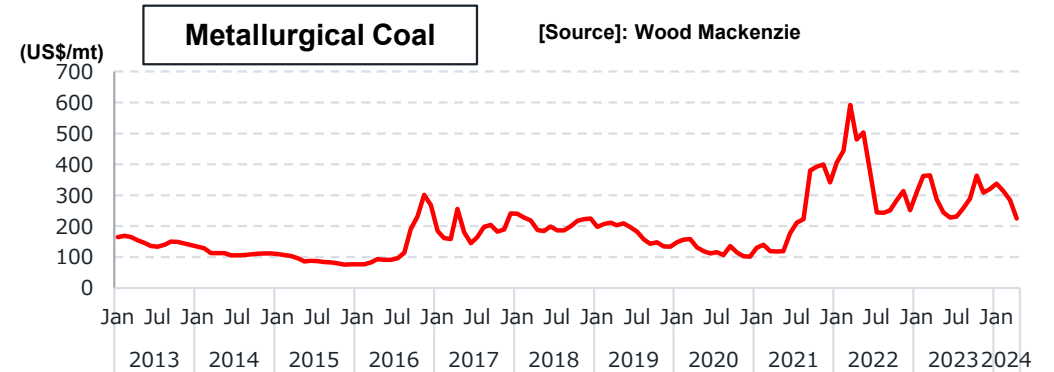
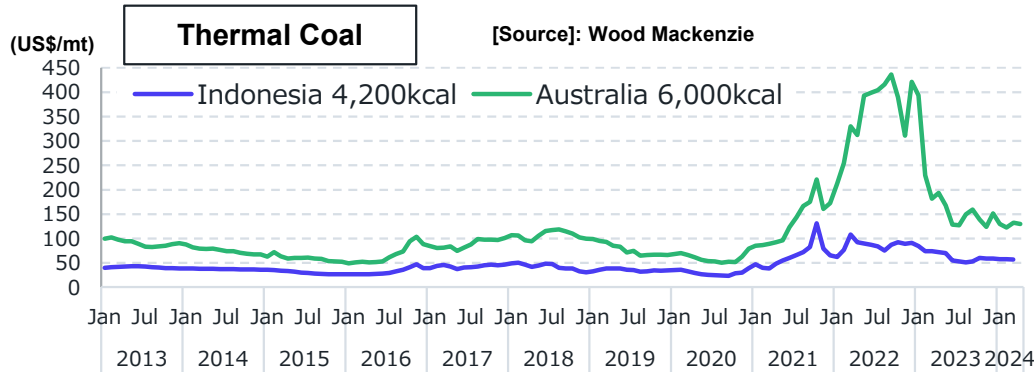


Indonesia: Demand for construction & mining equipment by industrial sector



# Construction, Mining & Utility Equipment : Market Trends and Projection for Mining Equipment

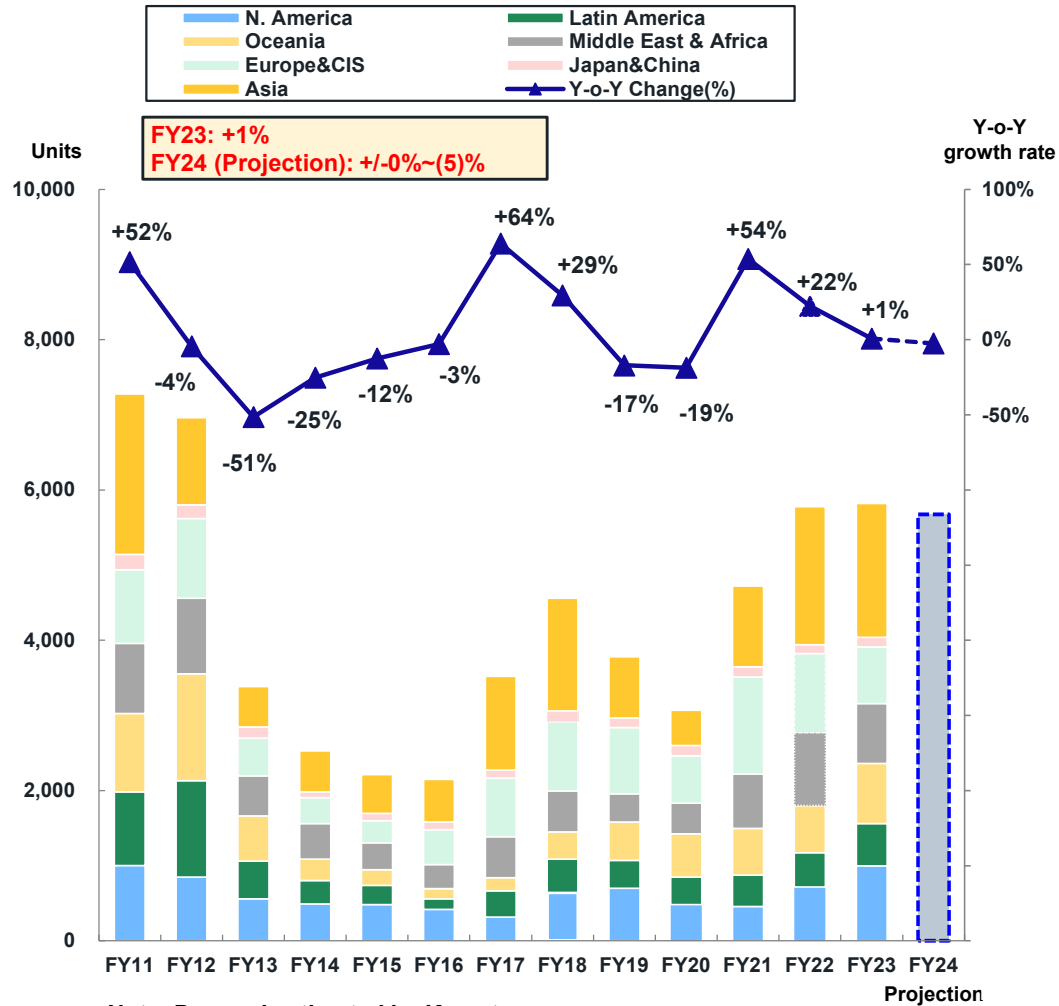
- Despite short-term fluctuations, the prices of major minerals are expected to remain at high levels over the long term.
- Thermal coal is expected to remain stable in Australia, while that in Indonesia decline moderately.
- Coking coal and iron ore are expected to decline moderately in 2024 due to declining demand in China.
- The price of copper will fluctuate due to EV growth and concerns about its future supply-demand balance. It is expected to remain at a high level in 2024.



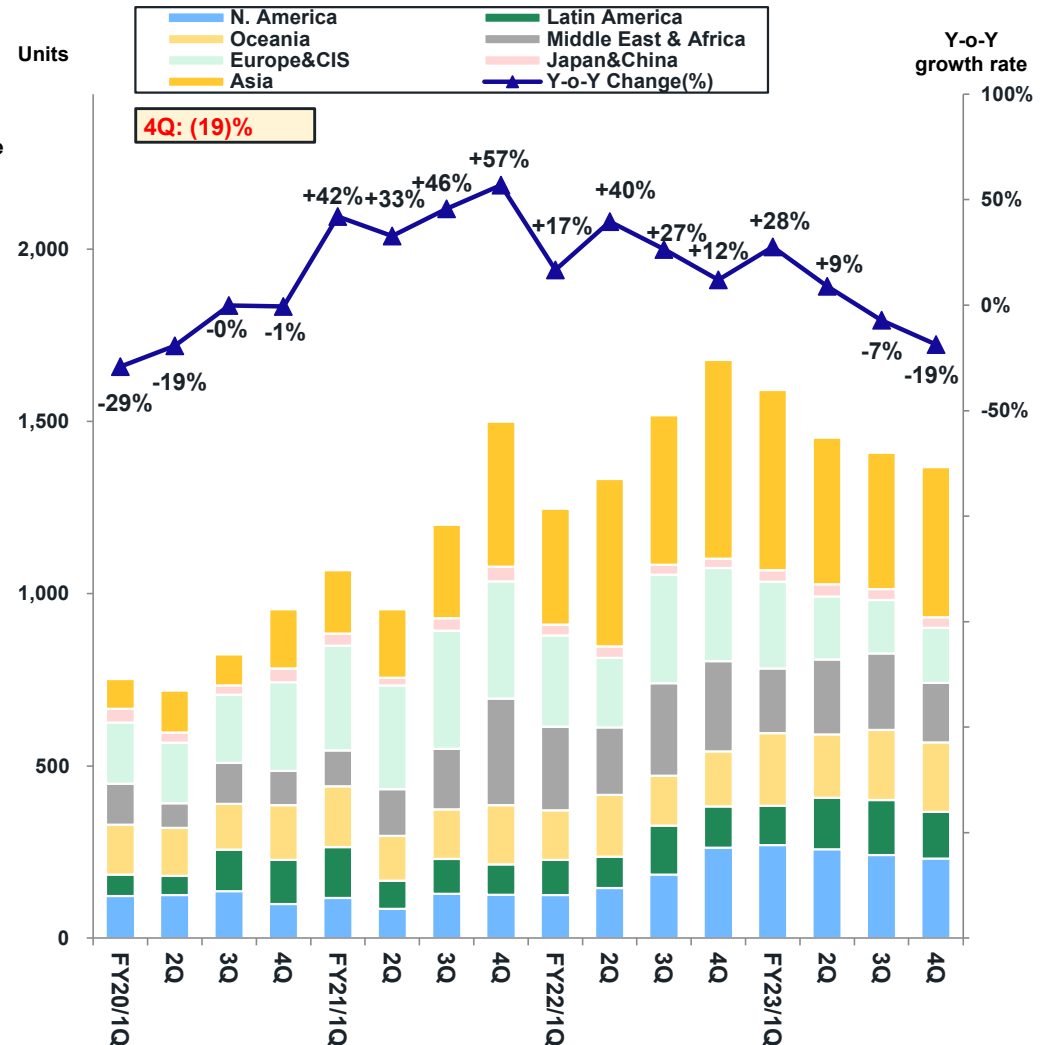
# Construction, Mining & Utility Equipment: Actual and Projected Demand for Mining Equipment

- In FY2023, global demand for mining equipment increased by 1% from FY2022.
- In FY2024, demand will decrease between +/-0% and -5% from FY2023.

## Annual demand for mining equipment



## Quarterly demand for mining equipment

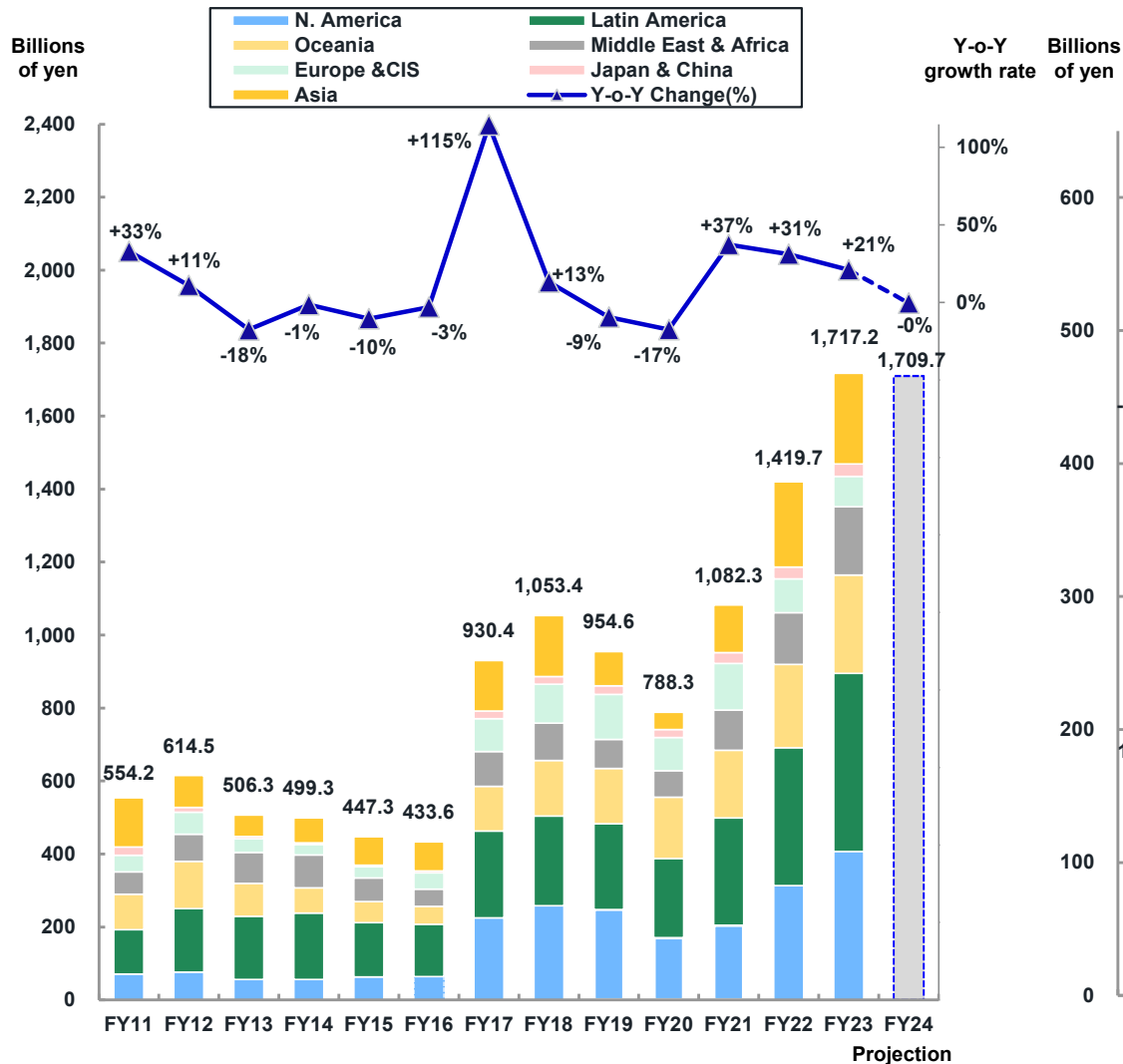


- Dump trucks: 75 tons (HD785) and larger
- Bulldozers: 525HP (D375) and larger
- Excavators: 200 tons (PC2000) and larger
- Wheel loaders (mechanical driven): 810HP (WA800) and larger
- Motor graders: 280HP (GD825) and larger

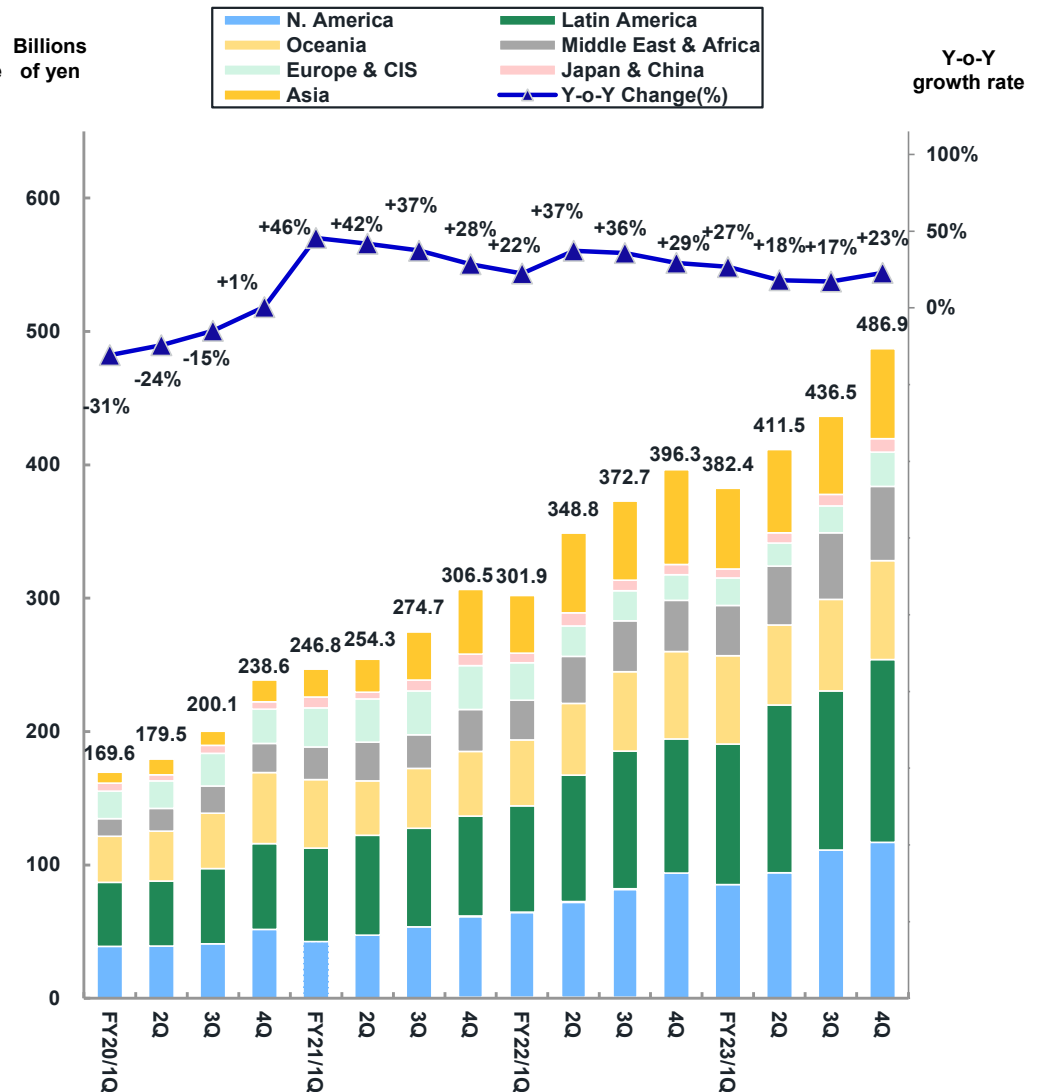
# Construction, Mining & Utility Equipment : Actual and Projected Sales of Mining Equipment (To Outside Customers)

- In FY2023, sales advanced by 21% from FY2022, to JPY1,717.2 billion.
- In FY2024, sales will flat from FY2023, to JPY1,709.7 billion.

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

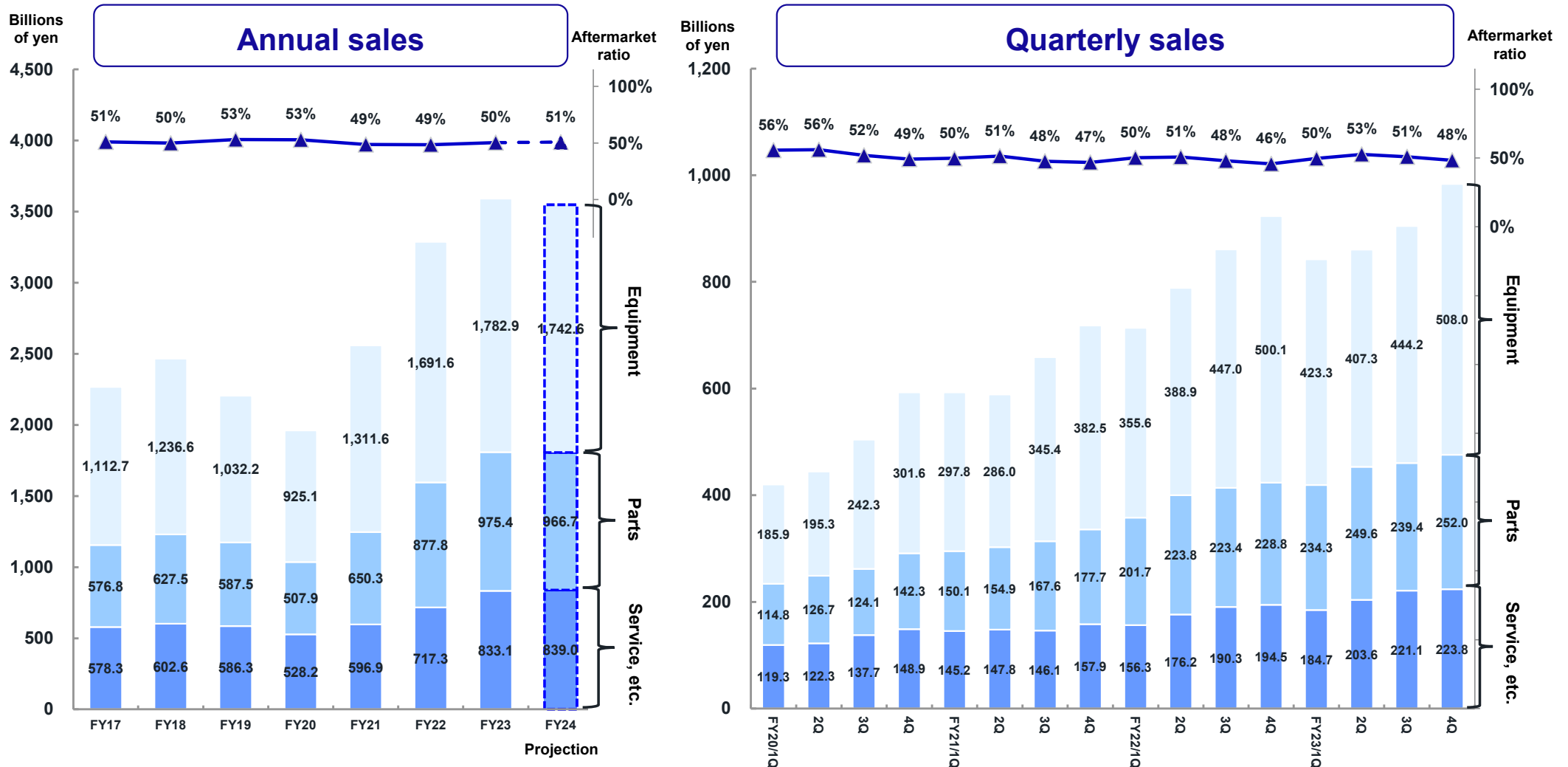


## Quarterly sales of mining equipment (incl. parts and service)



# Construction, Mining & Utility Equipment : Projection for Sales of Equipment, Parts and Service, etc. (To Outside Customers)

- In FY2023, parts sales increased by 11% from FY2022, to JPY975.4 billion, accounting for 50% of the aftermarket, including service, etc.
- In FY 2024, parts sales are expected to decrease by 1% from FY2023, to JPY966.7 billion, which will account for 51% of the aftermarket, including service, etc.

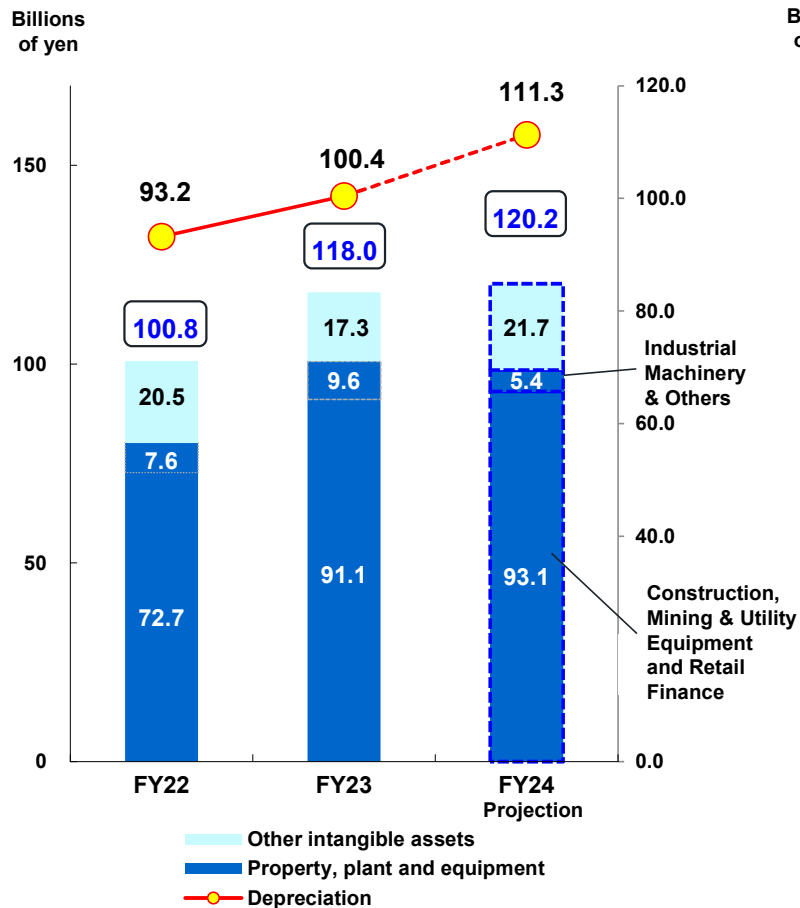


# Projected Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs

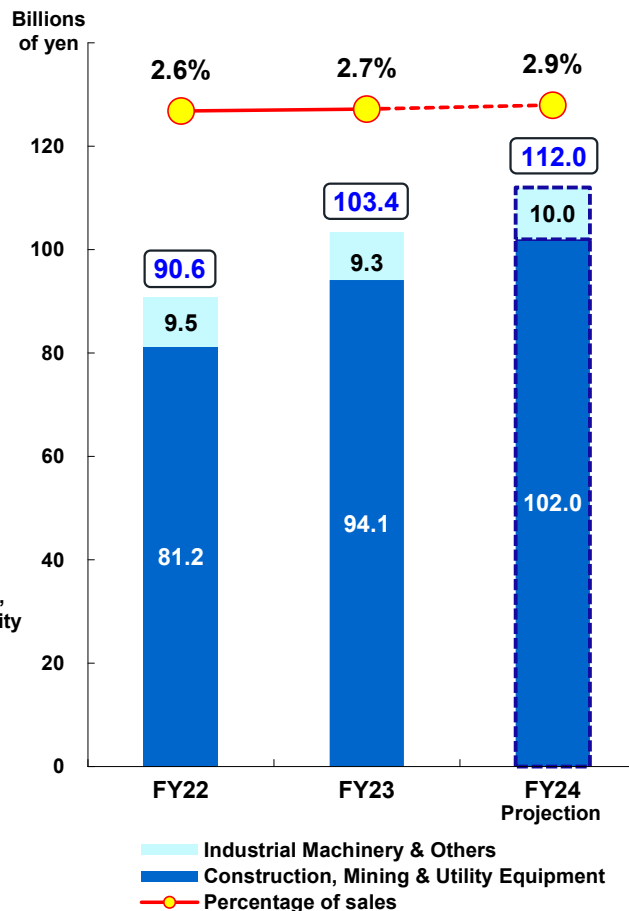
- CAPEX: Will remain about flat from FY2023, as effected by continuous investments mainly in production and sales bases and solutions business.
- R&D expenses: Will increase from FY2023, due to focused investments in priority areas, such as electrification and automation.
- Fixed costs: Will increase from FY2023, as affected by higher unit labor costs and expenses caused by inflation and investments in projects in the Mid-term management plan, more than offsetting the incorporated benefits of structural reforms.

## Capital investment\* and Depreciation and amortization

\*Excl. investment in rental assets

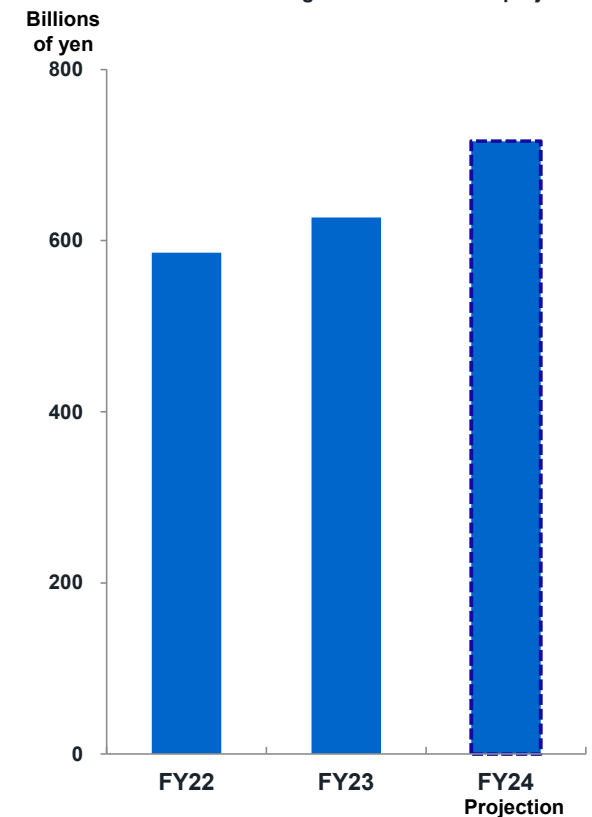


## R&D Expenses



## Fixed costs\*

\* FY22 and FY23 results are converted at the exchange rates of the FY24 projection.



# Appendix

# <Appendix> Highlights of Business Results for the Fourth Quarter (Jan. - Mar., 2024)

- Net sales increased by 6.6% from the corresponding period a year ago, to JPY1,070.1 billion.
- Operating income increased by 6.7% to JPY153.8 billion. Operating income ratio was 14.4%, up 0.1 points.
- Net income attributable to Komatsu Ltd. decreased by 5.6% to JPY89.2 billion.

Billions of yen	Jan. - Mar., 2023 (A) ¥132.4=USD1 ¥141.2=EUR1 ¥90.4=AUD1	Jan. - Mar., 2024 (B) ¥146.9=USD1 ¥159.3=EUR1 ¥97.0=AUD1	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	1,004.2	1,070.1	+65.9	+6.6%
Segment profit	147.3	154.5	+7.1	+4.8%
Other operating income (Expenses)	(3.3)	(0.7)	+2.6	-
Operating income	144.1	153.8	+9.7	+6.7%
Income ratio	14.3%	14.4%	+0.1 pts.	-
Other income (Expenses)	(7.5)	(8.4)	(0.9)	-
Income before income taxes	136.6	145.4	+8.8	+6.4%
Net income attributable to Komatsu Ltd.	94.5	89.2	(5.3)	(5.6)%



# <Appendix> Segment Sales and Profits for the Fourth Quarter (Jan. - Mar., 2024)

- **Construction, Mining & Utility Equipment:** Sales increased by 6.7% from the corresponding period a year ago, to JPY989.4 billion. Segment profit increased by 7.5% to JPY144.1 billion. Segment profit ratio improved to 14.6%, up 0.1 points.
- **Retail Finance:** Revenues increased by 30.8% from the corresponding period a year ago, to JPY28.9 billion. Segment profit decreased by 8.0% to JPY5.5 billion.
- **Industrial Machinery & Others:** Sales increased by 0.1% from the corresponding period a year ago, to JPY64.1 billion. Segment profit decreased by 33.8% to JPY4.6 billion.

Billions of yen	Jan. - Mar., 2023 (A)	Jan. - Mar., 2024 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
<b>Net sales</b>	1,004.2	1,070.1	+65.9	+6.6%
Construction, Mining & Utility Equipment	926.9 [923.5]	989.4 [983.8]	+62.5 [+60.3]	+6.7% [+6.5%]
Retail Finance	22.1 [17.2]	28.9 [22.7]	+6.8 [+5.5]	+30.8% [+31.8%]
Industrial Machinery & Others	64.1 [63.5]	64.1 [63.6]	+0.0 [+0.1]	+0.1% [+0.2%]
Elimination	(8.8)	(12.2)	(3.4)	-
<b>Segment profit</b>	14.7% 147.3	14.4% 154.5	(0.3) pts. +7.1	+4.8%
Construction, Mining & Utility Equipment	14.5% 134.1	14.6% 144.1	+0.1 pts. +10.1	+7.5%
Retail Finance	27.3% 6.0	19.2% 5.5	(8.1) pts. (0.5)	(8.0)%
Industrial Machinery & Others	10.8% 6.9	7.2% 4.6	(3.6) pts. (2.3)	(33.8)%
Corporate & elimination	0.3	0.2	(0.1)	-

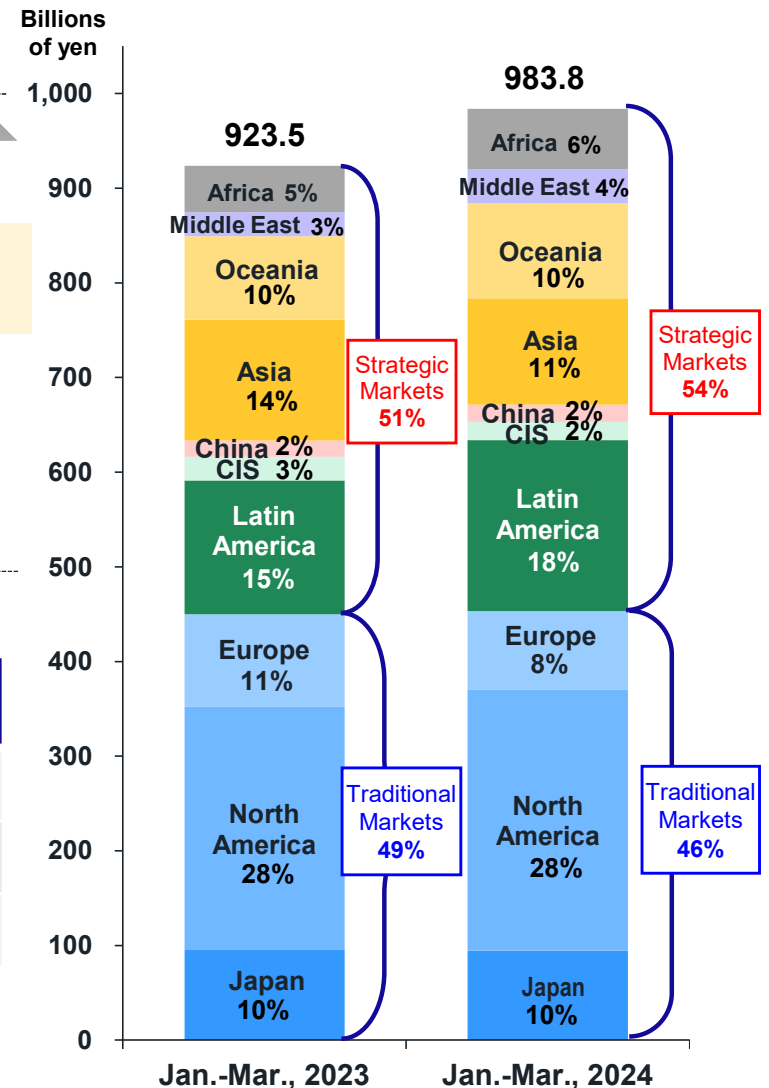
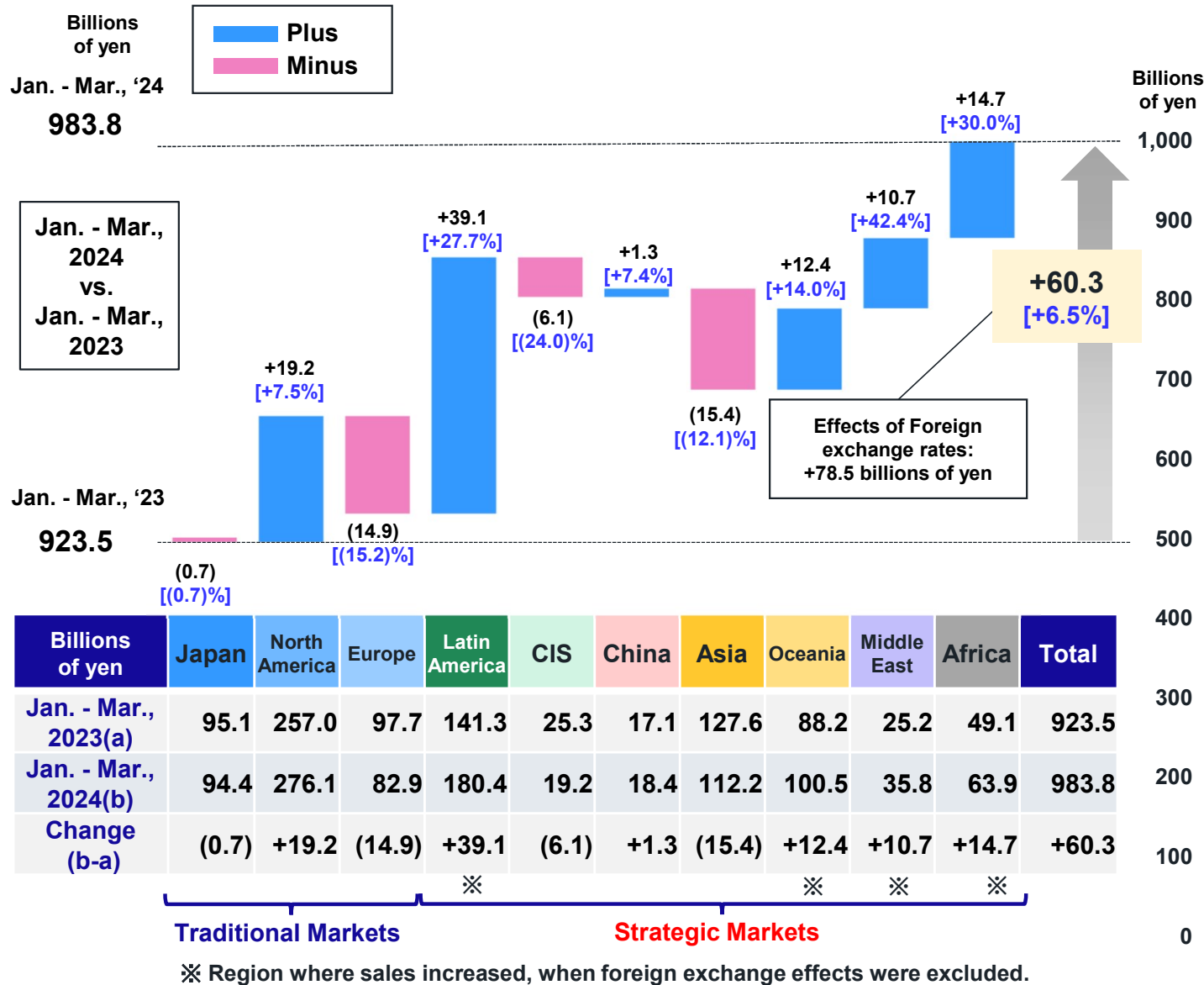
## Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Both sales and profit advanced, mainly supported by improved selling prices and the positive effects of foreign exchange rates.
- **Retail Finance:** Revenues increased, due to growing interest rates and the positive effects of foreign exchange rates. Segment profit decreased, mainly due to the absence of a gain on reversal of allowance for doubtful accounts recorded in North America for the corresponding period a year ago.
- **Industrial Machinery & Others:** Concerning presses, sheet-metal machines and machine tools for the automobile manufacturing industry, sales increased, due to increased sales of large presses. With respect to the business with the semiconductor manufacturing industry, segment profit decreased, mainly due to a decline in maintenance revenues, which have high margins, against the background of declining demand for semiconductors around the world.

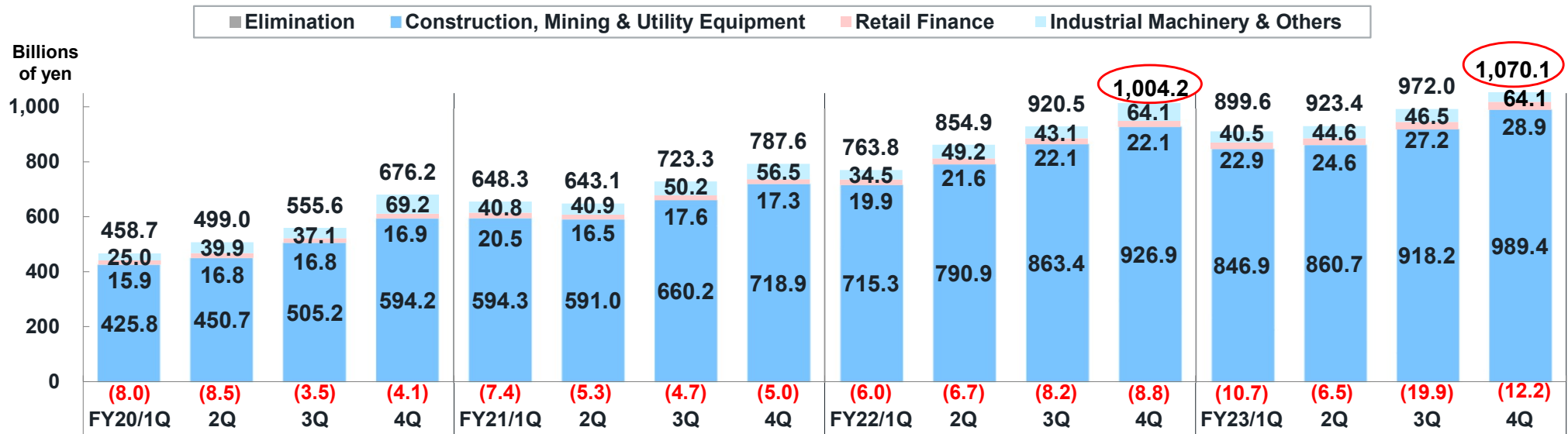
# <Appendix> Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for the Fourth Quarter (Jan. - Mar., 2024)

- Sales to outside customers increased by 6.5% from the corresponding period a year ago, to JPY983.8 billion.
- Sales increased mainly in North America, Latin America, and Oceania. Sales decreased mainly in Europe, CIS, and Asia.



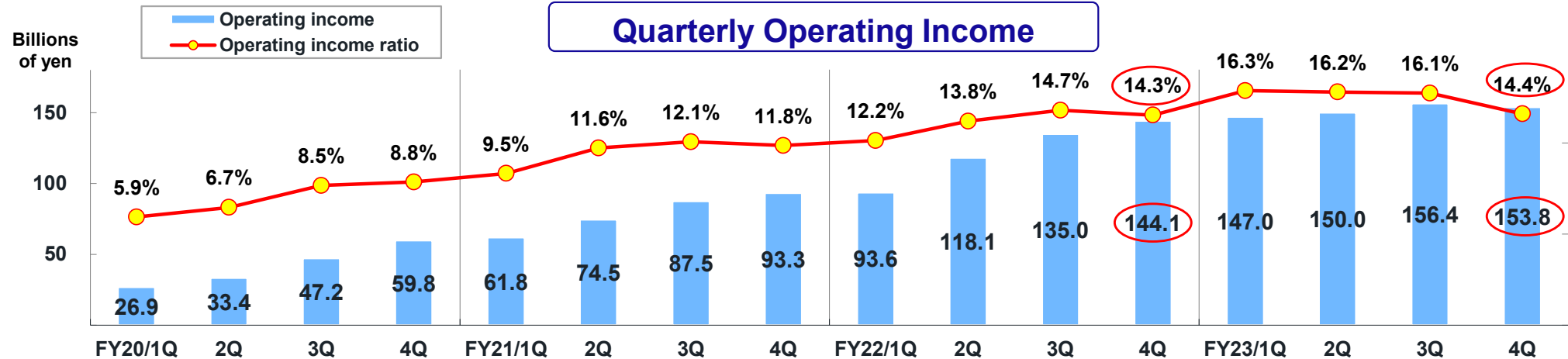
# <Appendix> Quarterly Sales and Operating Income

## Quarterly Sales



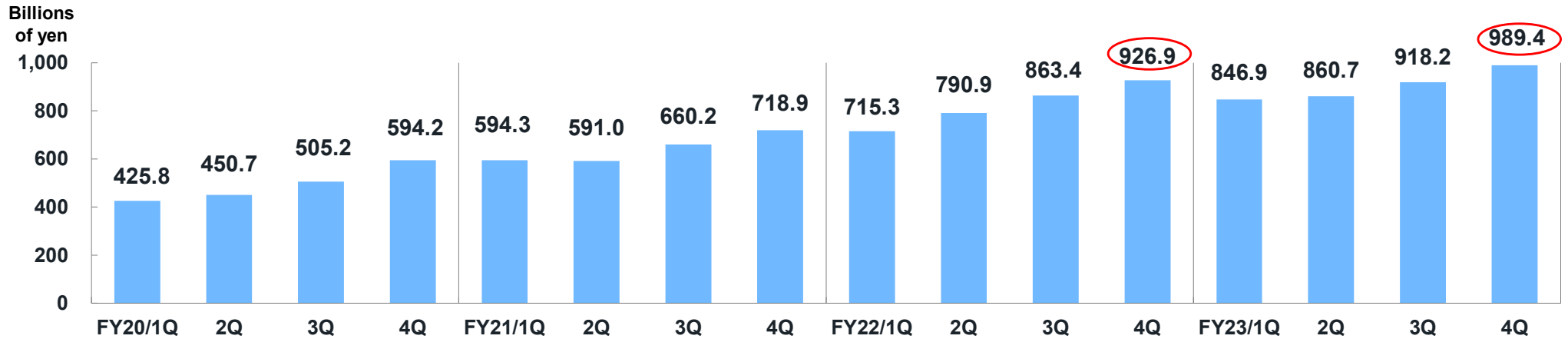
Exchange rates	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	23/2Q	23/3Q	23/4Q
USD/JPY	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4	136.4	144.2	149.7	146.9
EUR/JPY	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2	147.7	157.3	159.9	159.3
AUD/JPY	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4	89.9	95.4	96.7	97.0

## Quarterly Operating Income



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

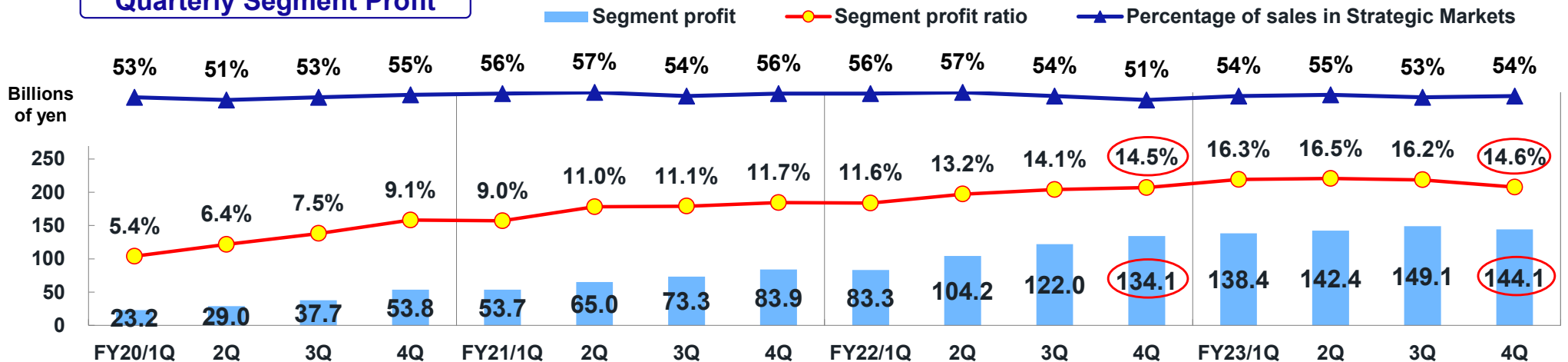
## Quarterly Sales



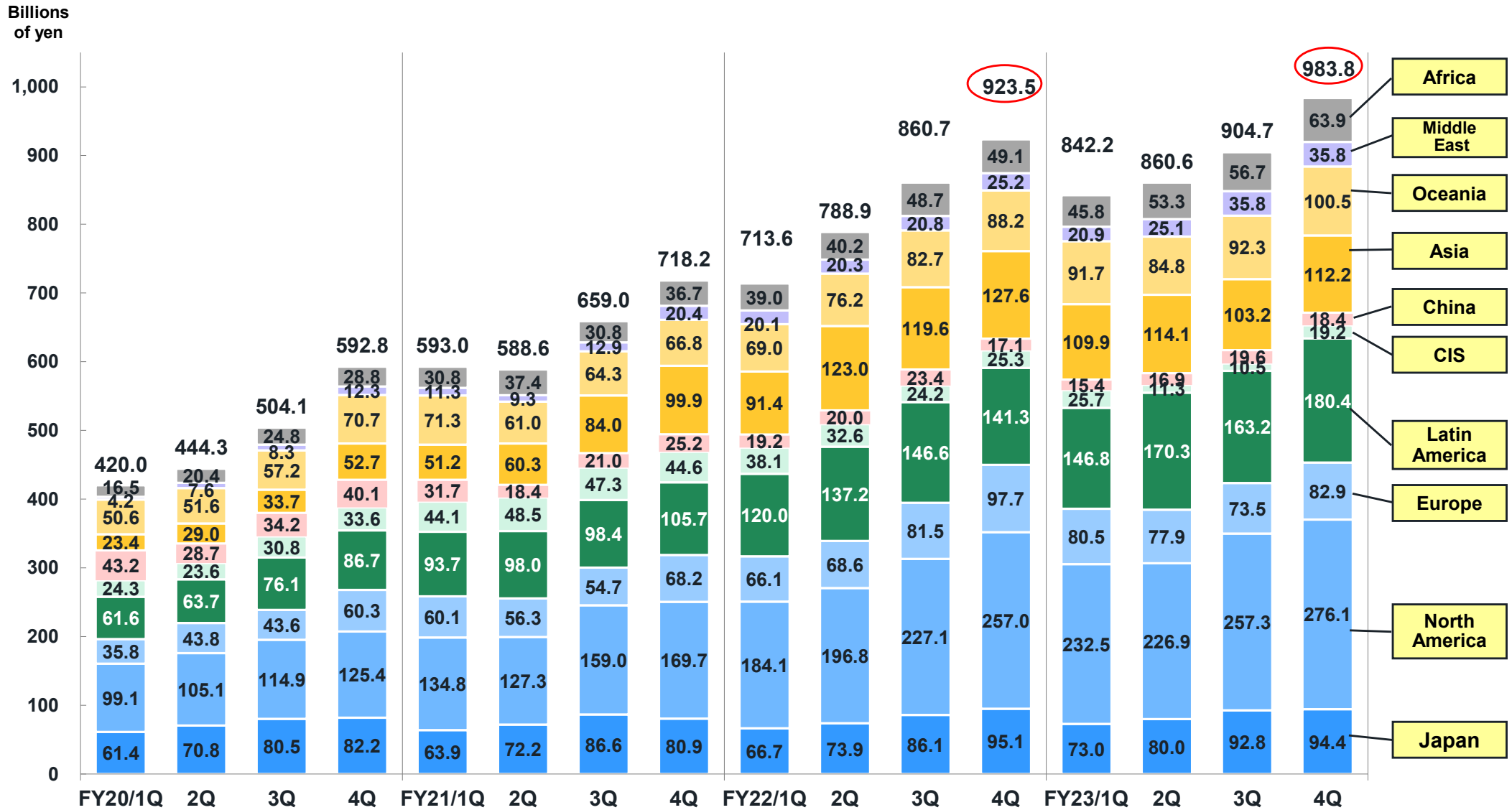
## Exchange rates

	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	23/2Q	23/3Q	23/4Q
USD/JPY	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4	136.4	144.2	149.7	146.9
EUR/JPY	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2	147.7	157.3	159.9	159.3
AUD/JPY	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4	89.9	95.4	96.7	97.0

## Quarterly Segment Profit



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

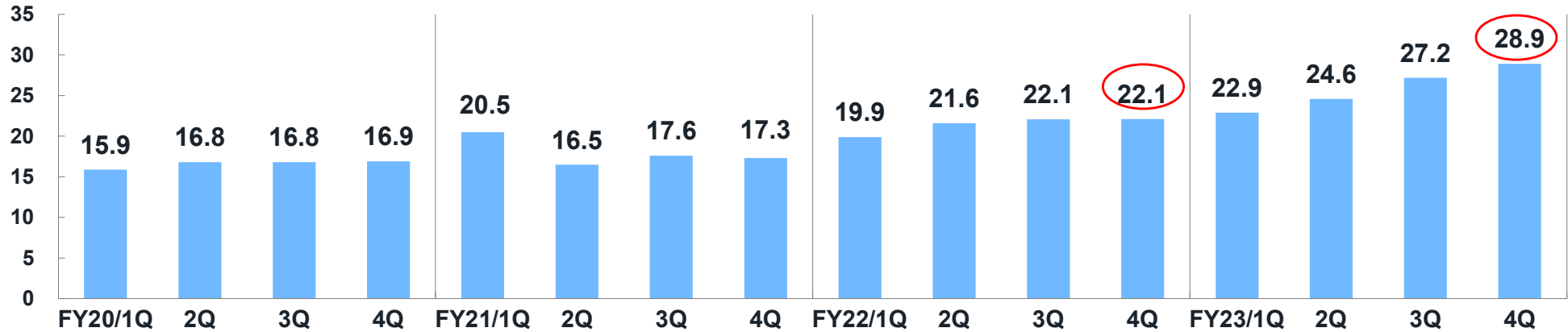


Exchange rates	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	23/2Q	23/3Q	23/4Q
USD/JPY	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4	136.4	144.2	149.7	146.9
EUR/JPY	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2	147.7	157.3	159.9	159.3
AUD/JPY	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4	89.9	95.4	96.7	97.0

# <Appendix> Retail Finance: Quarterly Sales and Segment Profit

Billions of yen

## Quarterly Sales



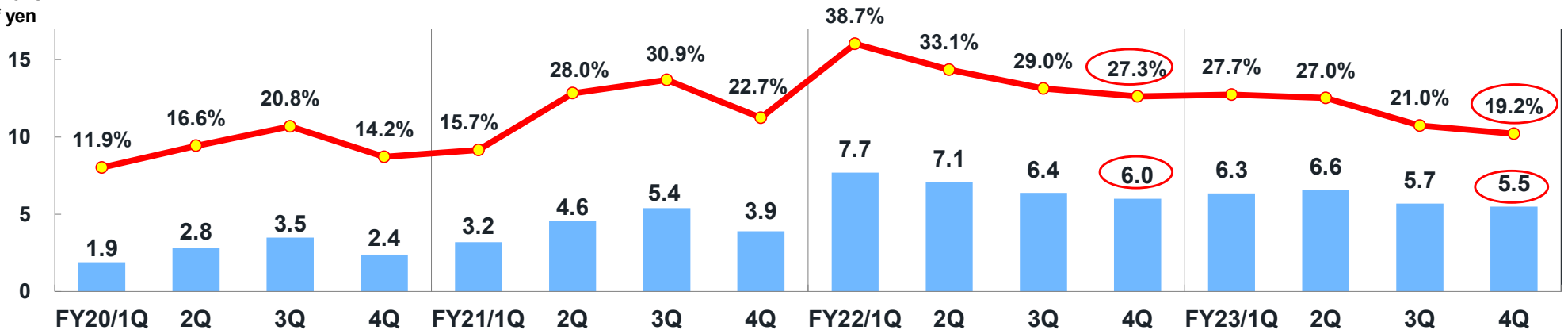
Exchange rates

	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	23/2Q	23/3Q	23/4Q
USD/JPY	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4	136.4	144.2	149.7	146.9
EUR/JPY	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2	147.7	157.3	159.9	159.3
AUD/JPY	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4	89.9	95.4	96.7	97.0

## Quarterly Segment Profit

Billions of yen

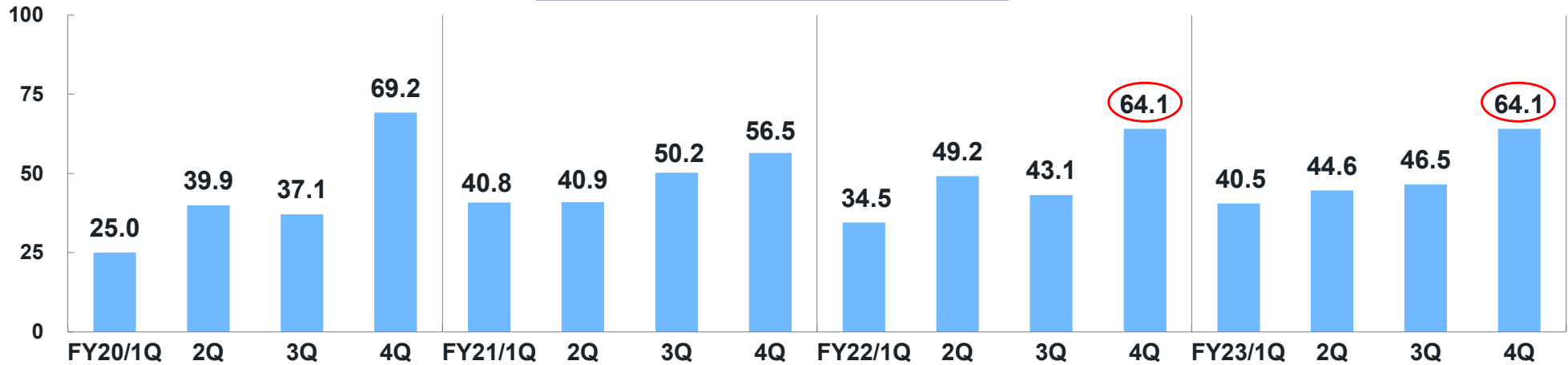
— Segment profit — Segment profit ratio



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

Billions of yen

### Quarterly Sales

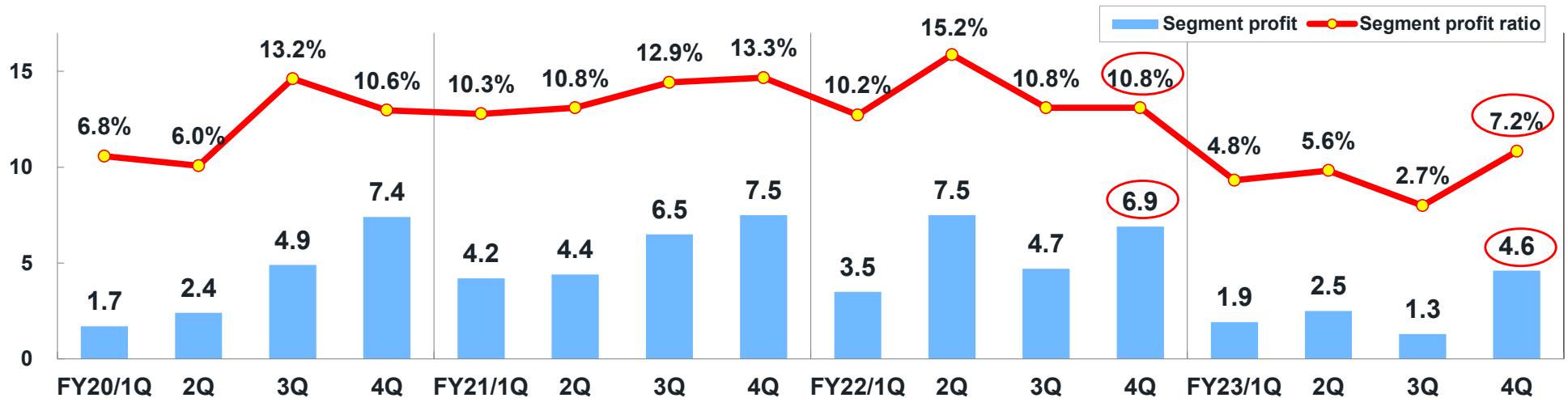


Exchange rates

	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	23/2Q	23/3Q	23/4Q
USD/JPY	107.5	106.7	104.9	104.8	109.9	110.3	112.9	115.3	127.1	136.1	143.6	132.4	136.4	144.2	149.7	146.9
EUR/JPY	118.6	124.2	123.4	127.3	131.7	130.6	129.7	129.7	136.9	139.3	144.0	141.2	147.7	157.3	159.9	159.3
AUD/JPY	69.2	76.1	75.2	80.6	84.5	81.4	82.3	82.7	92.0	93.9	93.8	90.4	89.9	95.4	96.7	97.0

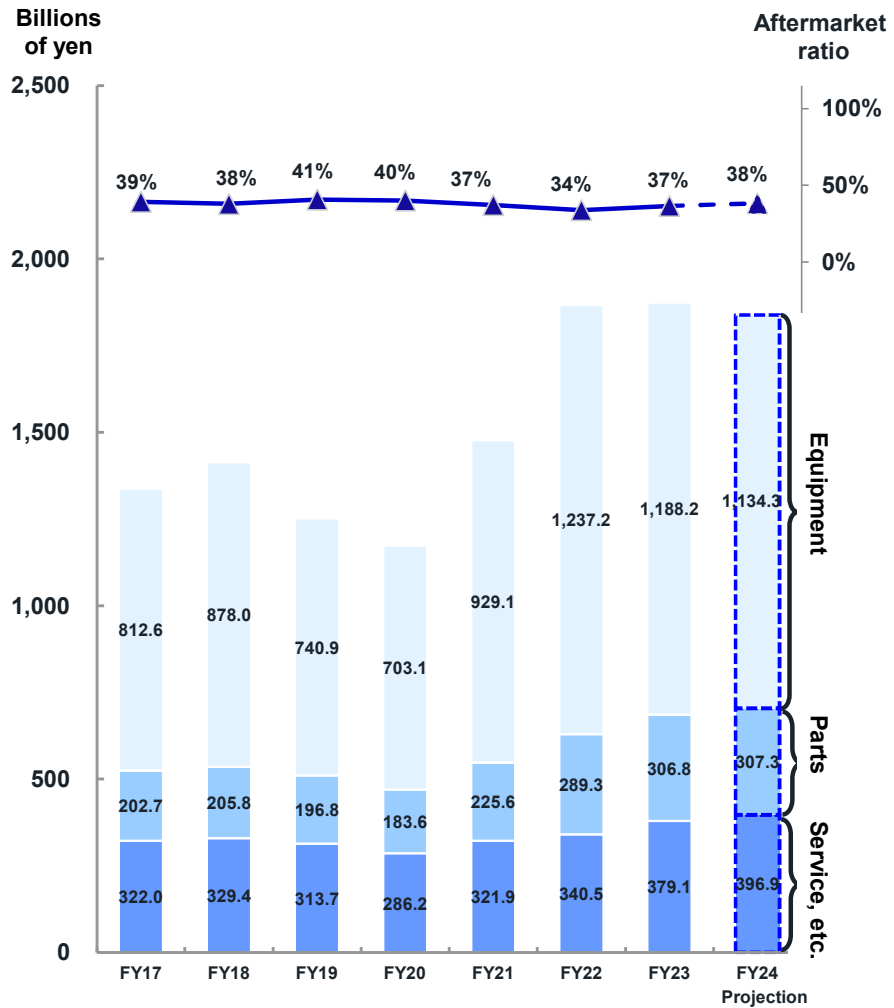
Billions of yen

### Quarterly Segment Profit

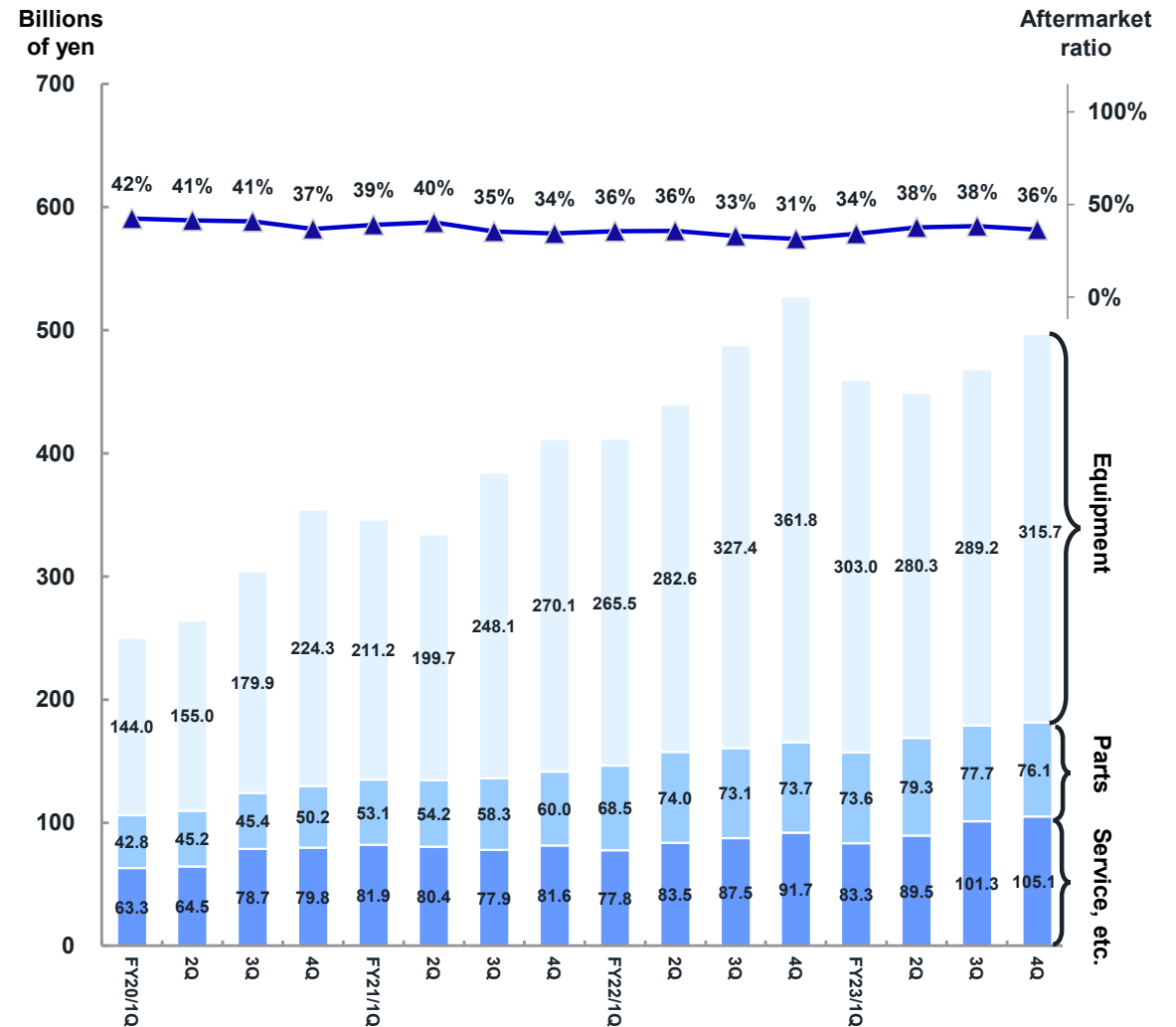


# <Appendix> Construction Equipment : Sales of Equipment, Parts & Service, etc. (To Outside Customers)

## Annual sales



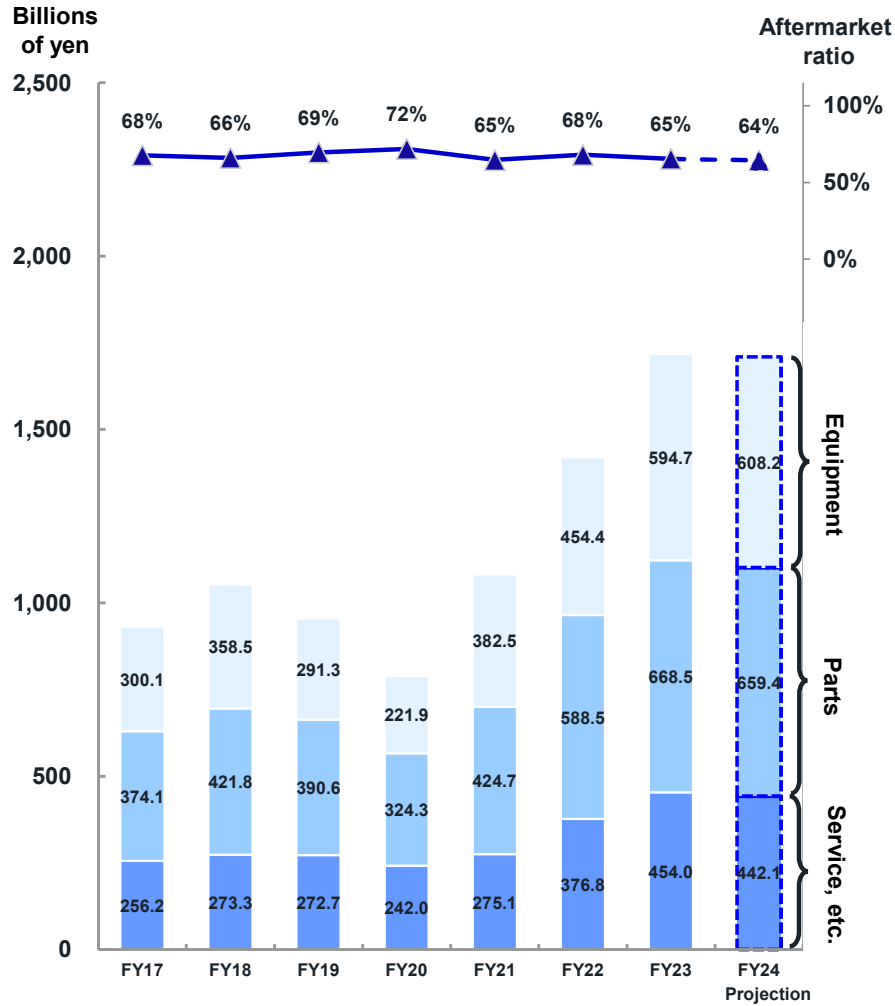
## Quarterly sales



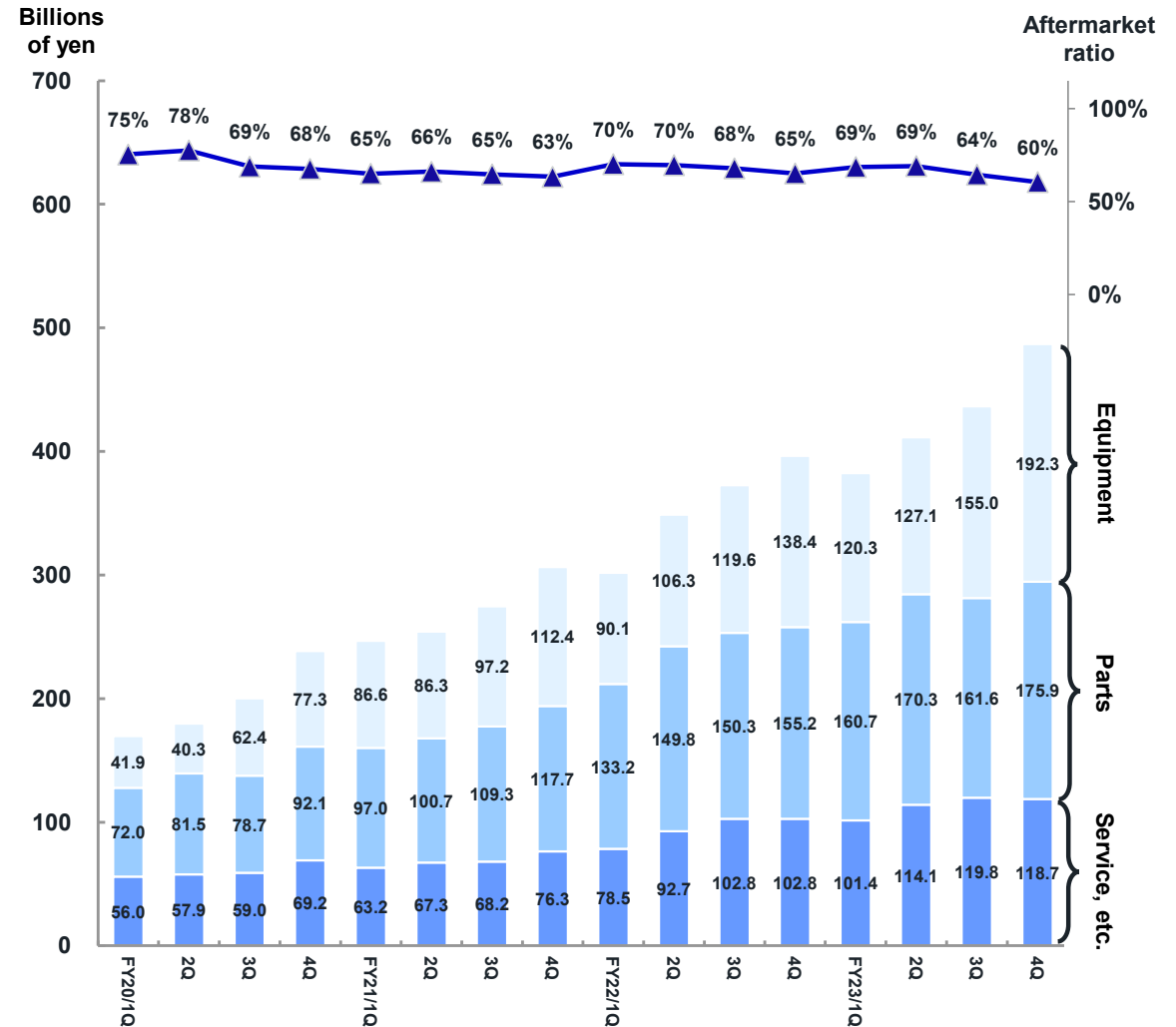


# <Appendix> Mining Equipment : Sales of Equipment, Parts & Service, etc. (To Outside Customers)

## Annual sales

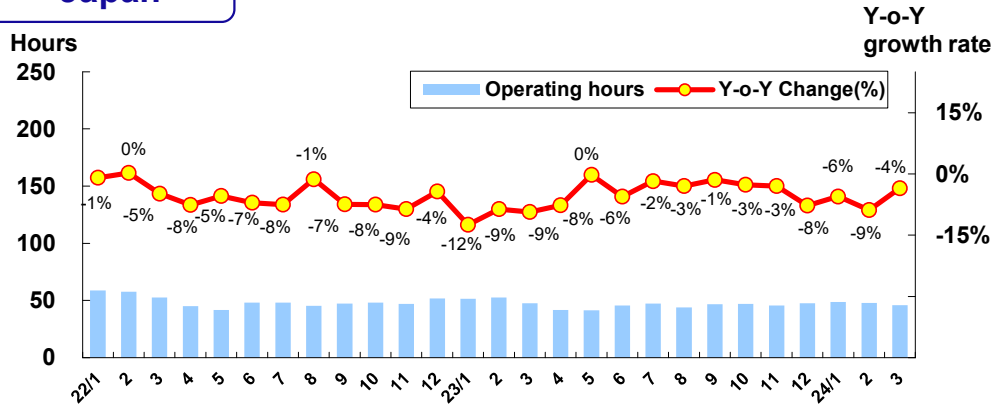


## Quarterly sales

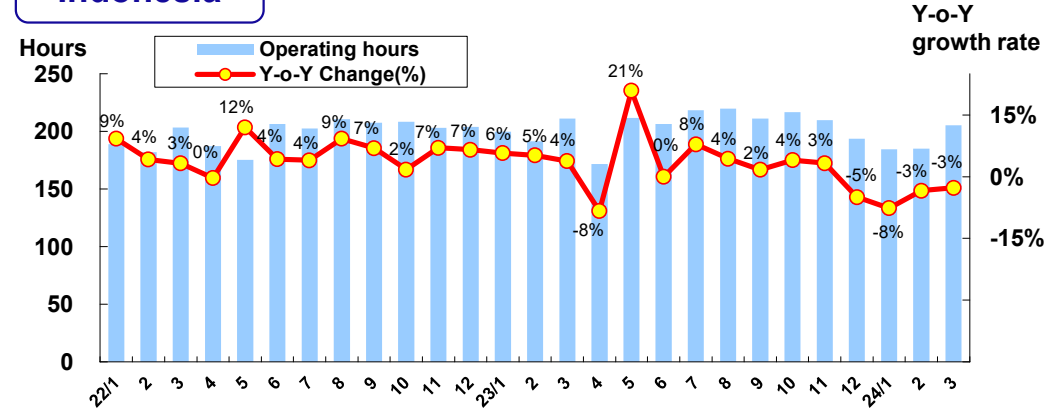


# <Appendix> Komtrax : Average Operating Hours per Month

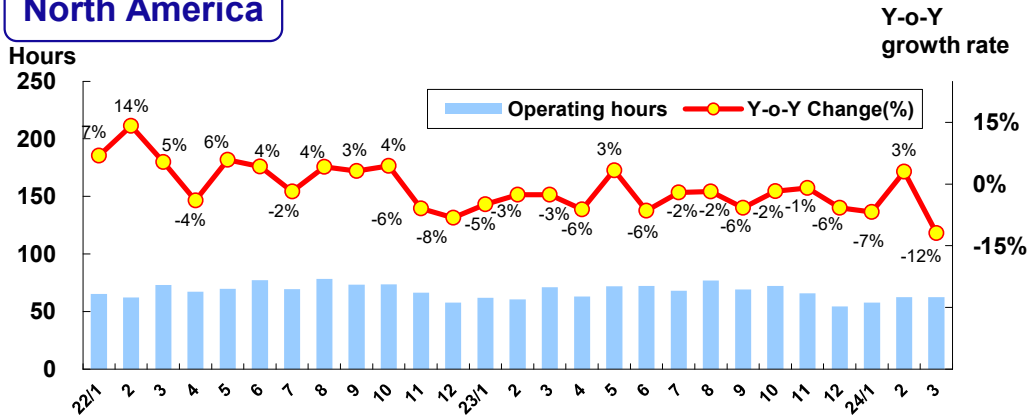
## Japan



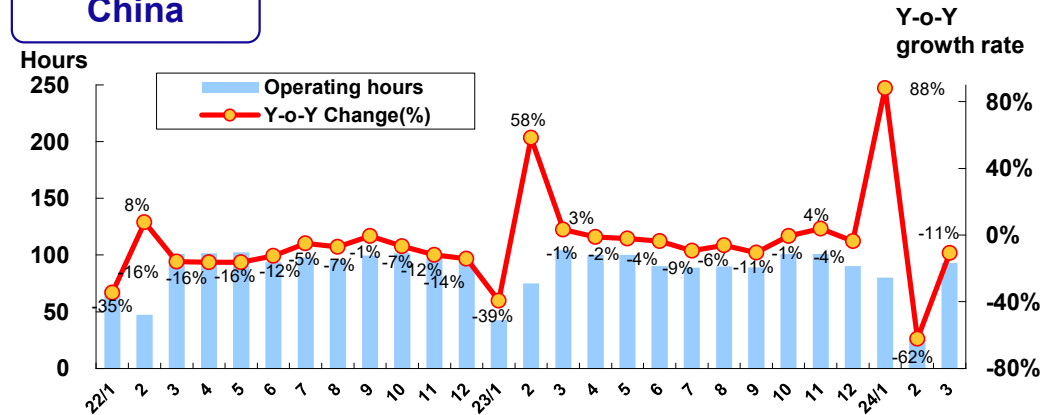
## Indonesia



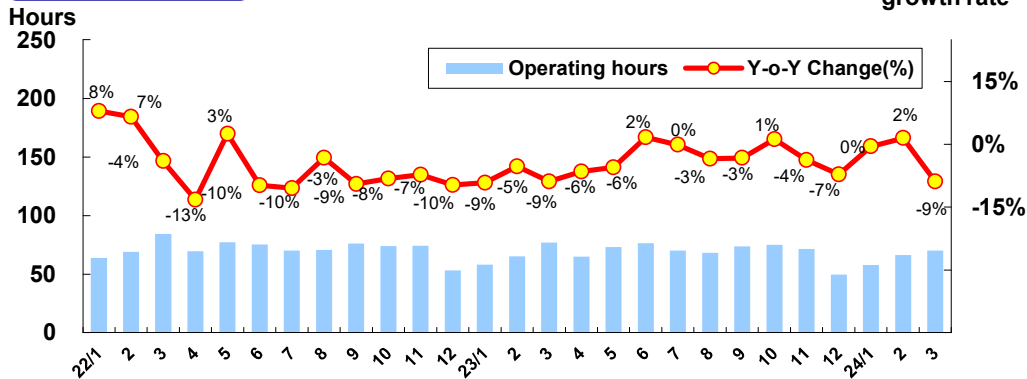
## North America



## China



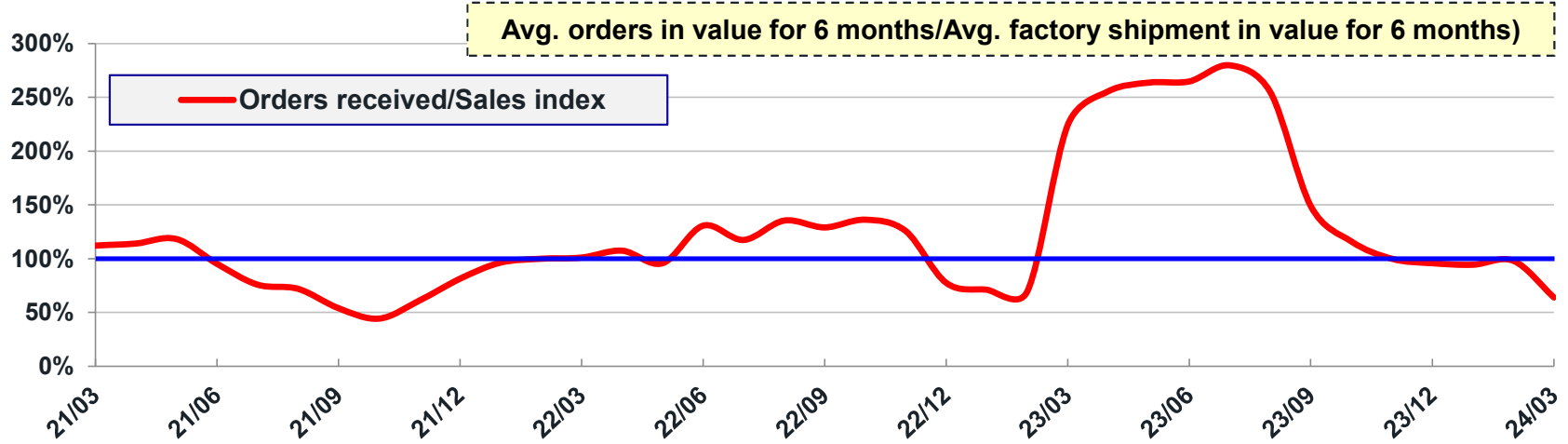
## Europe



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

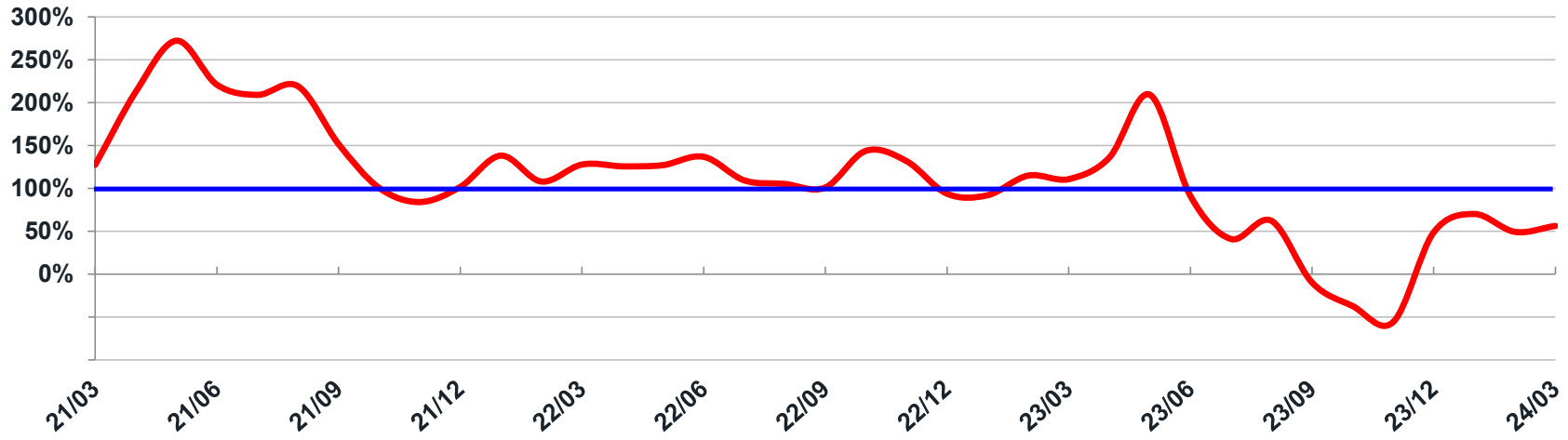
## Komatsu America (Mining eqpt.)

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



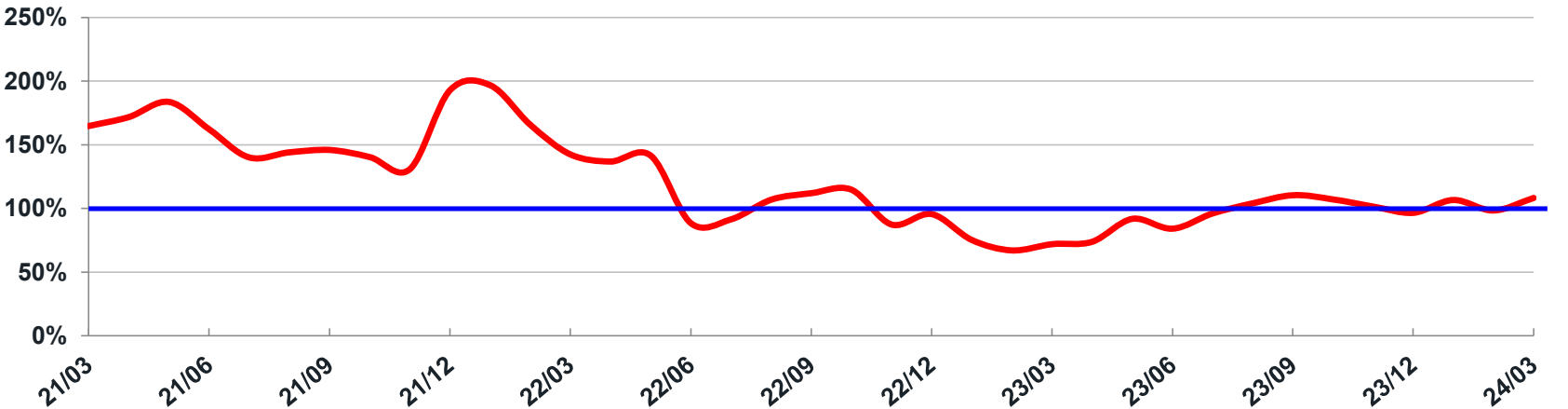
## Komatsu Germany (Mining eqpt.)

PC3000  
PC4000  
PC5500  
PC7000  
PC8000



## Komatsu Ltd. (Mining eqpt.)

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



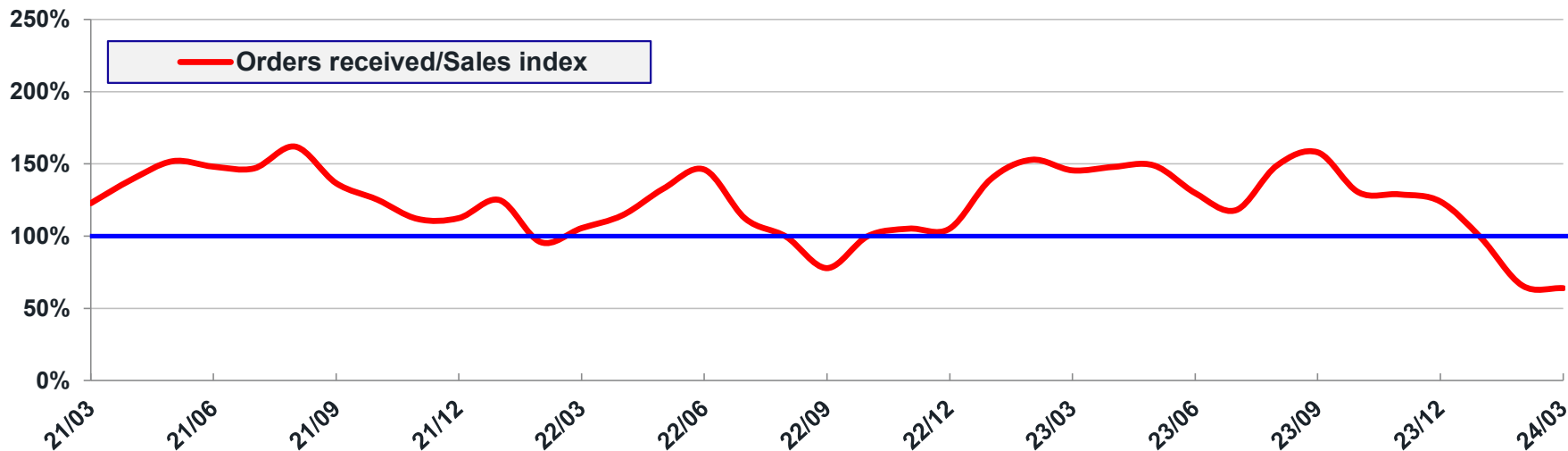
# <Appendix> Book-to-Bill Ratio for KMC Mining Equipment (6 Months)

**KMC**  
(Mining eqpt.)

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

< Surface >  
Rope Shovel  
Blasthole Drills  
Dragline, etc.

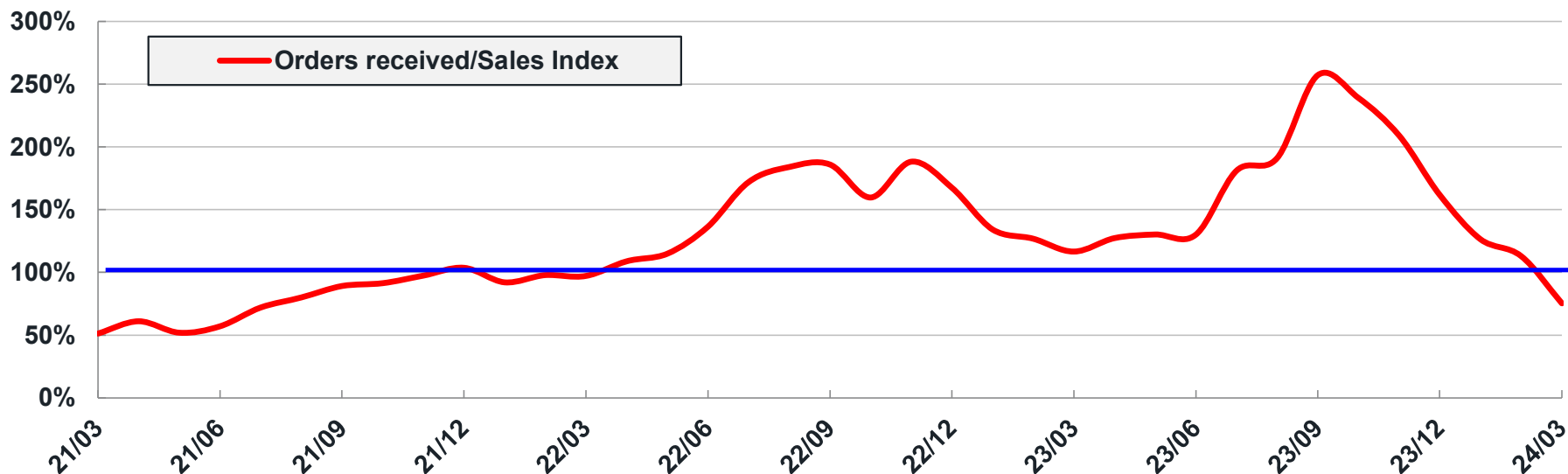
< Underground >  
Continuous Miner  
Sheerer  
Load Haul Dump  
Jumbo Drills, etc.



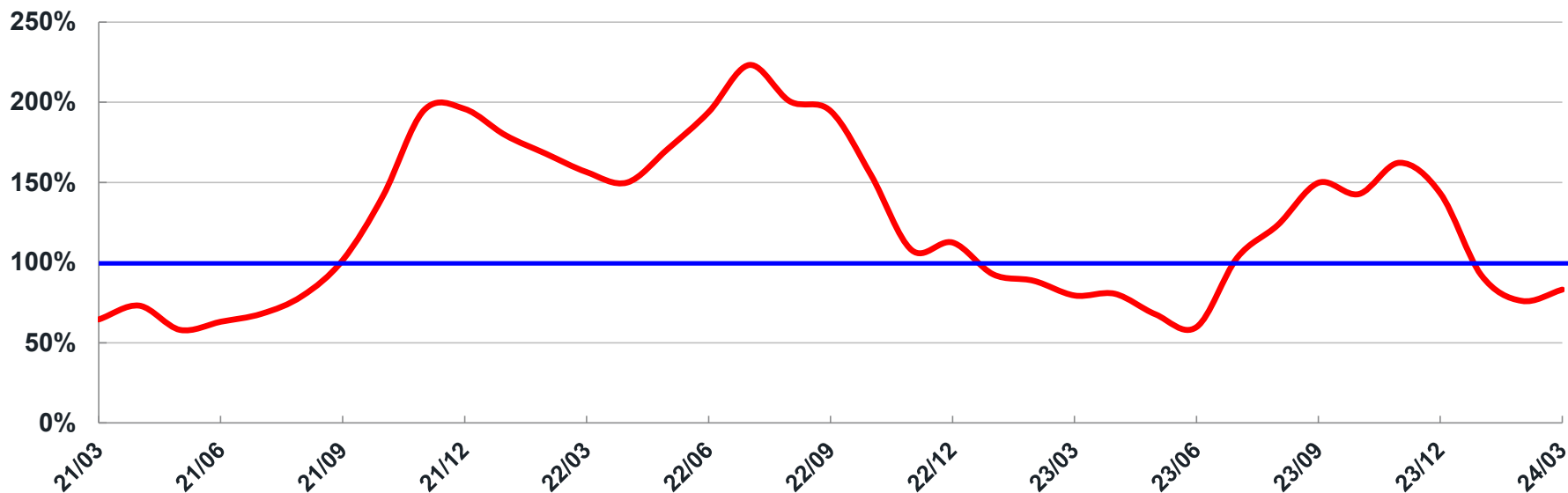
# <Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries

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



Komatsu NTC



## Komatsu and Williams Racing reignite historic partnership

- Komatsu has signed a multi-year deal with Williams Racing to become the Principal Partner of the British team from the start of the 2024 FIA Formula One World Championship season.
- This new partnership creates a foundation for cross collaboration between Williams and Komatsu into the future, and both brands will work to build on their shared history both on and off the track as they embark on a new era together.

(News release of February 06, 2024)



Komatsu's logo and branding feature prominently on the 2024 Williams Racing livery, as well as the team's overalls and kit, for the upcoming Formula One season.



**- Accelerating the realization of automation, autonomous operation, and remote control –  
700+ autonomous trucks operating worldwide with Komatsu FrontRunner system**

- The number of commercial deployments of super-large autonomous trucks with Komatsu FrontRunner Autonomous Haulage System (AHS) has surpassed 700 units (cumulative) as of February 2024, including 980E-5AT units with a 400 short ton payload, one of the world's largest hauling capacities.**

(News release of March 14, 2024)



**The 700th AHS truck was deployed at Glencore's Lomas Bayas copper mine in Chile.  
Glencore and Komatsu team celebrating AHS deployment (left), AHS truck in operation (right)**

**- Accelerating electrification of construction sites to achieve carbon neutrality -  
Developed a concept machine for a transportable hydrogen-mixed combustion  
generator to power electric mini-shovels.**

- Komatsu has developed, in cooperation with Denyo Co., Ltd., a concept machine for a power generator with hydrogen-mixed combustion engine as a power feeder for electric mini-shovels.
- Komatsu plans to conduct a proof-of-concept (PoC) test of the generator at a customer's site in the first half of FY2024.

(News release of April 23, 2024)



Concept machine for hydrogen-mixed combustion engine generator (conceptual image)

Concept machine charges an electric mini-shovel (conceptual image)





## Investor relations

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

## Mid-term Management Plan

[https://www.komatsu.jp/en/newsroom/2022/20220428\\_4](https://www.komatsu.jp/en/newsroom/2022/20220428_4)

## Komatsu Report (Integrated Report)

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

## IR-Day

<https://www.komatsu.jp/en/ir/library/results/2023>

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### 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.