



Business Results for FY2020 (April 1, 2020 – March 31, 2021)

Komatsu Ltd. Participants

Hiroyuki Ogawa	President and CEO
Takeshi Horikoshi	Senior Executive Officer and CFO
Masatoshi Morishita	Senior Executive Officer and General Manager of Business Coordination Department

April 30, 2021

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I . Coronavirus (COVID-19) Effects on Komatsu Group's Business

Coronavirus (COVID-19) Effects on Komatsu Group's Business

1. Effects on operations

1) Production

Current conditions

Normal operations at all plants since October 2020

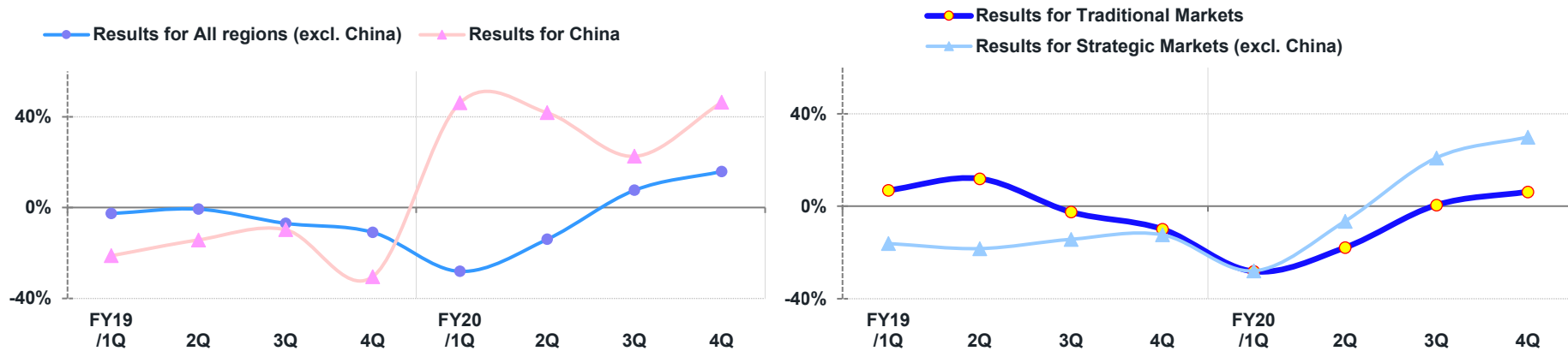
2) Sales and service

Items	Updates
Operating conditions of machines on construction sites*	Same-as-usual conditions have continued in many regions since the second quarter.
Sales	Teleworking in some regions. Regular working or working with restrictions in many regions.
Service	Regular working (in general) at parts warehouses and service workshops

* Averaged daily hours of operations based on Komtrax in major regions available on page 37

2. Demand for 7 major products

<Y-o-Y growth rate of Demand for 7 Major Products (FY2019~FY2020)>



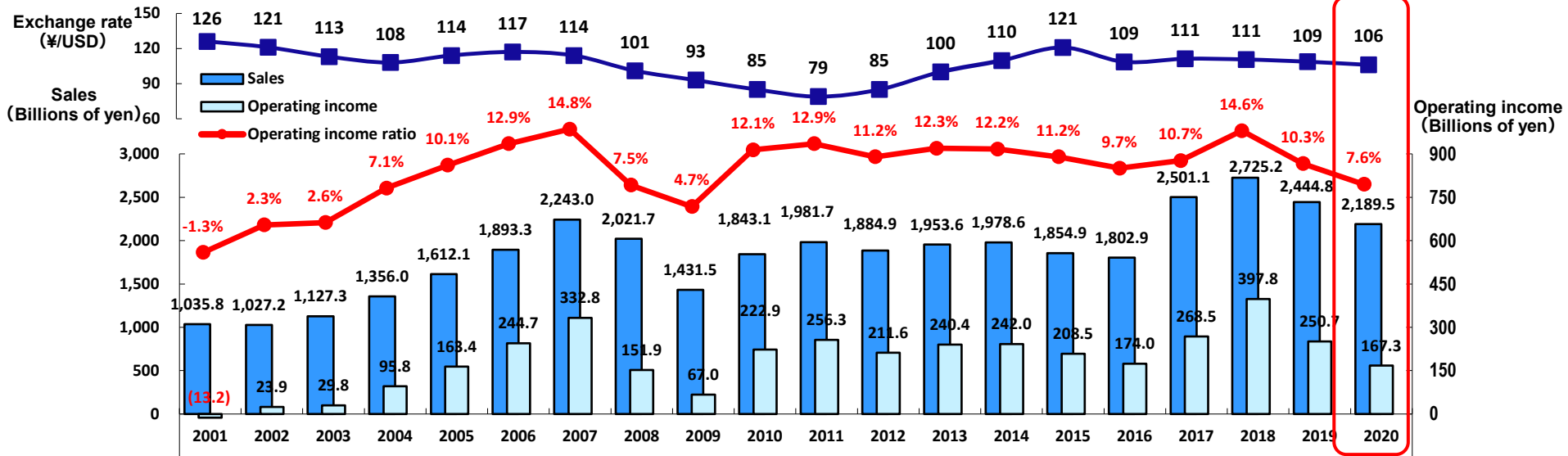
II . Progress towards Mid-Term Management Targets

Progress Made in Efforts of Focus and Tasks in FY2021 and Onward

Three strategies		Specific efforts
1. Value creation by means of innovation	Achievements in FY2020	<ul style="list-style-type: none"> • Launched “SMARTCONSTRUCTION Digital Transformation”. (Japan, North America, Europe, and Australia) • Started installation of “SMARTCONSTRUCTION Retrofit Kit” and application to mini shovels. • Achieved 352 Autonomous Haulage System (AHS) dump trucks in operation. (FY2020-end target: 330 units.) • Began joint PoC verification tests of small and medium-sized electric excavators. Announced the collaboration with Proterra of the United States. • Conducted verification tests of remote control of large Machine Control mining dozers via commercial 5G network jointly with NTT DOCOMO. • Began full-scale automated construction of dam.
	Tasks ahead	<ul style="list-style-type: none"> • Expand “SMARTCONSTRUCTION Digital Transformation” and around the world. • Develop new open platforms for mining. • Develop automation, autonomy (self-supporting), electrification, and remote control technologies.
2. Growth strategies based on business reforms	Achievements in FY2020	<ul style="list-style-type: none"> • Respond to regulations, enhance product competitiveness, and commercialize models under development, such as those designed to help us achieve Asia DANTOTSU No. 1. • Expand extended warranty with maintenance contract. • Increase models equipped with the human detection or collision detection system. • Expand the forest machinery business. (more involvement in silviculture and smart forestry) • Introduce next-generation KOMTRAX. • Develop DANTOTSU products for underground hard rock mining. • Start sales of FE25-2 and FE30-2 electric forklifts. • Komatsu NTC: Develop and launch machines to manufacture EV batteries.
	Tasks ahead	<ul style="list-style-type: none"> • Enhance market position of the underground hard rock mining equipment business. • Develop new business models which use next-generation KOMTRAX. • Continue to promote value chain reforms to achieve lifecycle product support. • Reform the industrial machinery business (expand synergy with the construction equipment business and foster growth based on core technologies).
3. Structural reforms for growth	Achievements in FY2020	<ul style="list-style-type: none"> • Achieved structural reforms of the underground soft rock business. • Selected for DX Grand Prix 2020. • Constructed a new seal ring factory in the Himi Plant 2. • Constructed a new Reman factory in South Africa.
	Tasks ahead	<ul style="list-style-type: none"> • Promote reforms by deploying ICT and IoT. • Promote structural reforms and continuous cost improvement efforts. • Promote next-generation plants and plants with zero load on natural environment and workers. • Strengthen human resource development for global business and promote diversity of human resources.

Business Results and Progress towards Mid-Term Management Targets

In FY2020 both sales and operating profit decreased, as adversely affected by declined demand under the coronavirus pandemic.



<Status of Progress Made in Management Targets>

	Targets	Year	FY2019	FY2020
		Index	Result	Result
Growth	• Growth rate above the industry's average	Sales growth rate	(10.3)%	(10.4)%
Profitability	• An industry's top-level operating income ratio	Operating profit ratio	10.3%	7.6%
Efficiency	• ROE of 10% or higher	ROE	8.6%	5.8%
Financial position	• Industry's top-level financial position.	Net debt-to-equity ratio	0.43	0.35
Shareholder return	• Keep a fair balance between investment for growth and shareholder return (incl. stock buyback), while placing main priority on investment. • Set the goal of a consolidated payout ratio of 40% or higher.	Dividend payout ratio	57.7%	48.9%
ESG	• Reduction of environmental impact: CO2 emissions: Decrease by 50% in 2030 from 2010. Renewal energy use : Increase to 50% of total energy use in 2030.	Reduction of CO2 emissions from product use	(14)%	※ (14)%
		Reduction of CO2 emissions from production	(32)%	※ (33)%
		Rate of renewable energy use	11%	※ 13%
	• Evaluation by external organizations	Selected for DJSI (World & Asia Pacific) CDP A-list (Climate Changes and Water Security)	DJSI: Selected CDP: Score of climate change: A CDP: Score of water security: A-	DJSI: Selected CDP: Score of climate change: A CDP: Score of water security: A
Retail Finance	• ROA: 1.5-2.0% • 5.0 or under for net debt-to-equity ratio	ROA	1.5%	1.2%
		Net debt-to-equity ratio	3.80	3.69

Ⅲ. Business Results for FY2020

Highlights of Business Results for the Fourth Quarter (Jan.- Mar., 2021)

- Consolidated net sales increased by 9.5% from the corresponding period a year ago, to JPY676.2 billion.
- Operating income advanced by 39.4% to JPY59.7 billion. Operating income ratio was 8.8%, up 1.9 points.
- Net income attributable to Komatsu Ltd. surged by 116.7% to JPY40.2 billion.

Billions of yen	Jan.-Mar., 2020 (A) ¥108.1/USD ¥120.0/EUR ¥15.5/RMB	Jan.-Mar., 2021 (B) ¥104.8/USD ¥127.3/EUR ¥16.2/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	617.4	676.2	+58.7	+9.5%
Segment profit	50.7	64.1	+13.3	+26.3%
Other operating income (Expenses)	(7.8)	(4.3)	+3.5	-
Operating income	42.8	59.7	+16.9	+39.4%
Profit ratio	6.9%	8.8%	+1.9pts.	-
Other income (Expenses)	(9.6)	(0.3)	+9.3	-
Income before income taxes	33.1	59.4	+26.2	+79.0%
Net income attributable to Komatsu Ltd.	18.5	40.2	+21.6	+116.7%

Segment Sales and Profits for the Fourth Quarter (Jan.- Mar., 2021)

- **Construction, Mining & Utility Equipment:** Sales increased by 7.4% from the corresponding period a year ago, to JPY594.1 billion. Segment profit advanced by 21.1% to JPY53.8 billion. Segment profit ratio improved to 9.1%, up 1.1 points.
- **Retail Finance:** Revenues decreased by 6.2% from the corresponding period a year ago, to JPY16.8 billion. Segment profit advanced by 35.2% to JPY2.3 billion.
- **Industrial Machinery & Others:** Sales increased by 36.9% from the corresponding period a year ago, to JPY69.2 billion. Segment profit climbed by 80.8% to JPY7.3 billion.

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

Billions of yen	Jan.-Mar., 2020 (A)	Jan.-Mar., 2021 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	617.4	676.2	+58.7	+9.5%
Construction, mining & utility equipment	553.1 [551.5]	594.1 [592.7]	+41.0 [+41.2]	+7.4% [+7.5%]
Retail finance	17.9 [15.7]	16.8 [14.6]	(1.1) [(1.0)]	(6.2)% [(6.7)%]
Industrial machinery & others	50.5 [50.1]	69.2 [68.7]	+18.6 [+18.5]	+36.9% [+37.0%]
Elimination	(4.3)	(4.1)	+0.2	-
Segment profit	□ 8.2% 50.7	□ 9.5% 64.1	□ +1.3pts. +13.3	+26.3%
Construction, mining & utility equipment	□ 8.0% 44.4	□ 9.1% 53.8	□ +1.1pts. +9.3	+21.1%
Retail finance	□ 9.9% 1.7	□ 14.2% 2.3	□ +4.3pts. +0.6	+35.2%
Industrial machinery & others	□ 8.0% 4.0	□ 10.6% 7.3	□ +2.6pts. +3.2	+80.8%
Corporate & elimination	0.4	0.5	+0.0	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

Sales improved, mainly supported by increased volume of sales, while being adversely affected by foreign exchange rates. Segment profit advanced, mainly due to increased volume of sales and reduced fixed costs.

■ Retail Finance:

Revenues decreased, reflecting many new contracts recorded in March 2021, the closing month. Segment profit improved, largely because of no more adverse effects of allowance for doubtful accounts related to mining accounts recorded for FY2019.

■ Industrial Machinery & Others

Both sales and segment profit improved, mainly supported by expanded sales of Excimer laser-related business on the semiconductor market.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for the Fourth Quarter (Jan.- Mar., 2021)

- Sales to outside customers increased by 7.5% from the corresponding period a year ago, to JPY592.7 billion.
- Sales improved in all regions, except for North America and Japan.
- The ratio of sales in Traditional Markets decreased to 45% of total sales.

Jan.-Mar., 2021 vs. Jan.-Mar., 2020

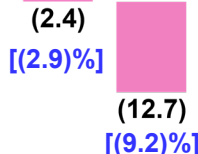
Jan.-Mar.,2021

592.7



Jan.-Mar.,2020

551.5



Effects of Foreign exchange rate: (3.1) billions of yen

Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
Jan.-Mar., 2020(a)	84.6	138.1	59.2	77.4	27.4	32.9	45.9	50.9	9.9	24.8	551.5
Jan.-Mar., 2021(b)	82.1	125.3	60.3	86.6	33.6	40.1	52.7	70.7	12.2	28.7	592.7
Change (b-a)	(2.4)	(12.7)	+1.0	+9.1	+6.2	+7.2	+6.7	+19.7	+2.3	+3.9	+41.2

Traditional Markets

Strategic Markets

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

Billions of yen

600

500

400

300

200

100

0

592.7

551.5

49%

51%

45%

55%

15%

25%

11%

14%

5%

6%

7%

9%

12%

2%

5%

15%

10%

21%

14%

0

Jan.-Mar., 2020

Jan.-Mar., 2021

Highlights of FY2020 Business Results

- Consolidated net sales decreased by 10.4% from FY2019, to JPY2,189.5 billion.
- Operating income declined by 33.3% to JPY167.3 billion. Operating income ratio was 7.6%, down 2.7 points.
- Net income attributable to Komatsu Ltd. declined by 30.9% to JPY106.2 billion.

Billions of yen	FY2019 Results (A) ¥108.7/USD ¥120.8/EUR ¥15.6/RMB	FY2020 Results (B) ¥106.0/USD ¥123.4/EUR ¥15.6/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,444.8	2,189.5	(255.3)	(10.4)%
Segment profit	255.0	172.3	(82.6)	(32.4)%
Other operating income (Expenses)	(4.3)	(5.0)	(0.6)	-
Operating income	250.7	167.3	(83.3)	(33.3)%
Profit ratio	10.3%	7.6%	(2.7)pts.	-
Other income (Expenses)	(27.5)	(4.5)	+23.0	-
Income before income taxes	223.1	162.7	(60.3)	(27.0)%
Net income attributable to Komatsu Ltd.	153.8	106.2	(47.6)	(30.9)%
ROE	8.6%	5.8%	(2.8)pts.	
Net D/E ratio	0.43	0.35	(0.08)pts.	
Cash dividends per share ※	94Yen	55Yen	(39)Yen	
Consolidated payout ratio	57.7%	48.9%		

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

Segment Sales and Profits for FY2020

- **Construction, Mining & Utility Equipment:** Sales decreased by 10.6% from FY2019, to JPY1,975.9 billion. Segment profit declined by 36.7% to JPY143.7 billion. Segment profit ratio worsened to 7.3%, down 3.0 points.
- **Retail Finance:** Revenues decreased by 6.4% from FY2019, to JPY66.3 billion. Segment profit declined by 16.6% to JPY10.5 billion.
- **Industrial Machinery & Others:** Sales decreased by 3.6% from FY2019, to JPY171.2 billion. Segment profit advanced by 19.3% to JPY16.3 billion.

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

Billions of yen	FY2019 Results (A)	FY2020 Results (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,444.8	2,189.5	(255.3)	(10.4)%
Construction, mining & utility equipment	2,211.2 [2,205.9]	1,975.9 [1,961.2]	(235.3) [(244.7)]	(10.6)% [(11.1)%]
Retail finance	70.9 [62.9]	66.3 [58.3]	(4.5) [(4.5)]	(6.4)% [(7.3)%]
Industrial machinery & others	177.5 [175.9]	171.2 [169.9]	(6.3) [(6.0)]	(3.6)% [(3.4)%]
Elimination	(14.8)	(24.0)	(9.2)	-
Segment profit	□ 10.4% 255.0	□ 7.9% 172.3	□ (2.5)pts. (82.6)	(32.4)%
Construction, mining & utility equipment	□ 10.3% 227.3	□ 7.3% 143.7	□ (3.0)pts. (83.5)	(36.7)%
Retail finance	□ 17.9% 12.6	□ 15.9% 10.5	□ (2.0)pts. (2.0)	(16.6)%
Industrial machinery & others	□ 7.7% 13.7	□ 9.5% 16.3	□ +1.8pts. +2.6	+19.3%
Corporate & elimination	1.3	1.6	+0.2	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

Sales decreased as adversely affected by reduced sales and foreign exchange rates. Segment profit declined as adversely affected by reduced volume of sales, changes in composition of sales, foreign exchange rates, and other factors.

■ Retail Finance:

Revenues decreased, mainly due to a decline in new contracts. Segment profit declined, mainly due to the adverse effects of postponement of payments and revaluation of vehicles after lease use in addition to declined sales.

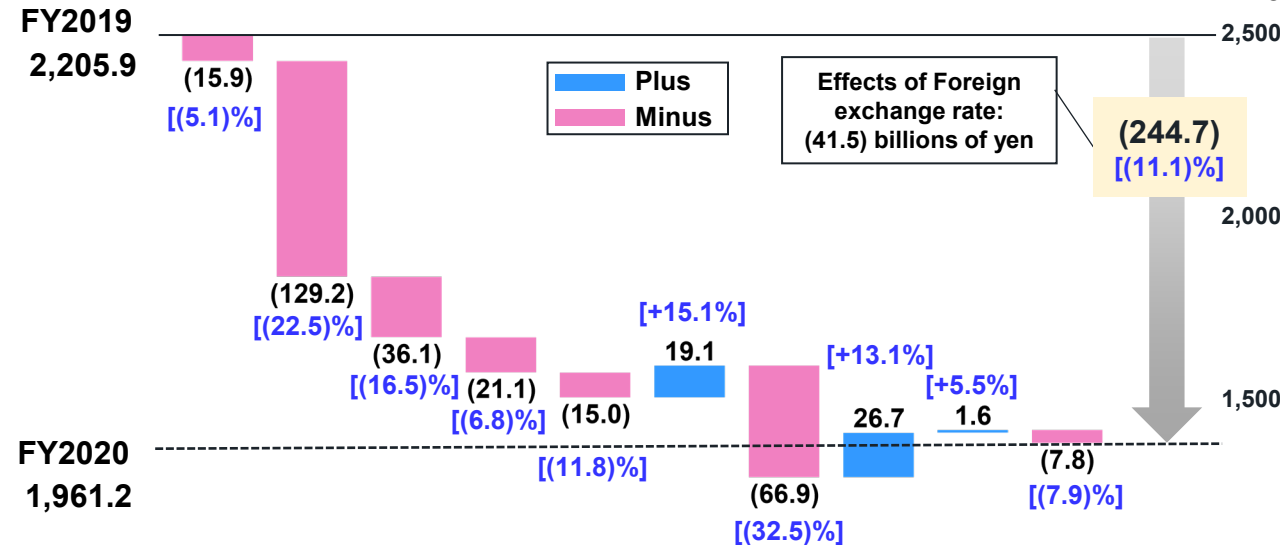
■ Industrial Machinery & Others

Sales decreased mainly due to reduced demand for presses and machine tools in the automobile manufacturing industry and delayed installation of machinery. Segment profit advanced, mainly supported by steady sales of Excimer laser-related business on the semiconductor market.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for FY2020

- Sales to outside customers decreased by 11.1% from FY2019, to JPY1,961.2 billion.
- While sales decreased in North America, Asia, and Europe, those increased in Oceania and China.
- The ratio of sales in Traditional Markets decreased to 47% of total sales.

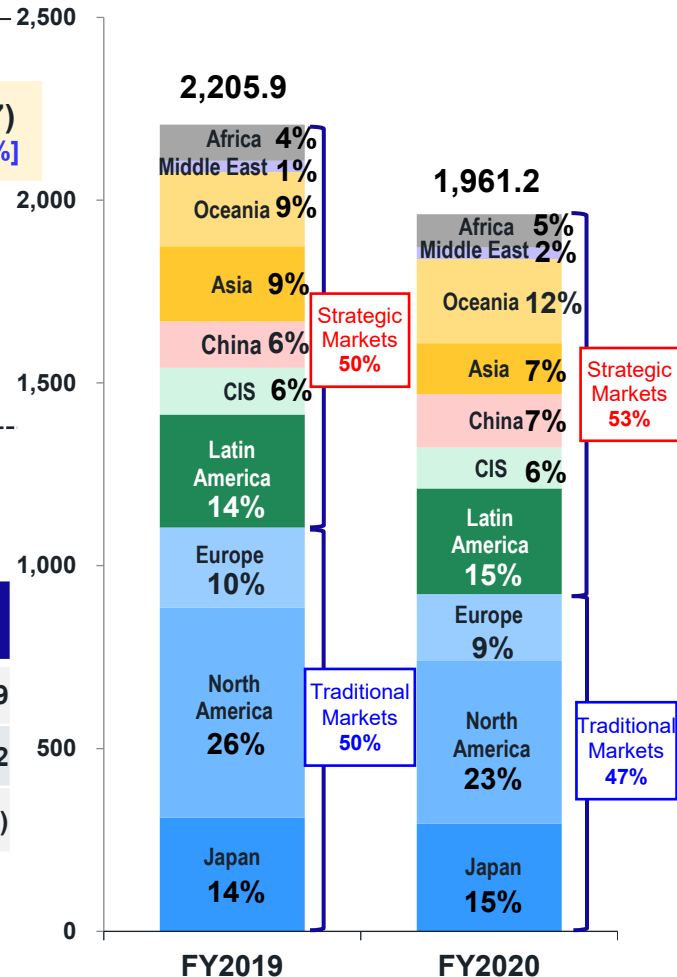
FY2019 vs. FY2020



Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2019(a)	310.8	573.5	219.7	309.2	127.4	127.0	205.7	203.3	30.6	98.2	2,205.9
FY2020(b)	294.8	444.3	183.5	288.0	112.3	146.2	138.7	230.1	32.3	90.4	1,961.2
Change (b-a)	(15.9)	(129.2)	(36.1)	(21.1)	(15.0)	+19.1	(66.9)	+26.7	+1.6	(7.8)	(244.7)

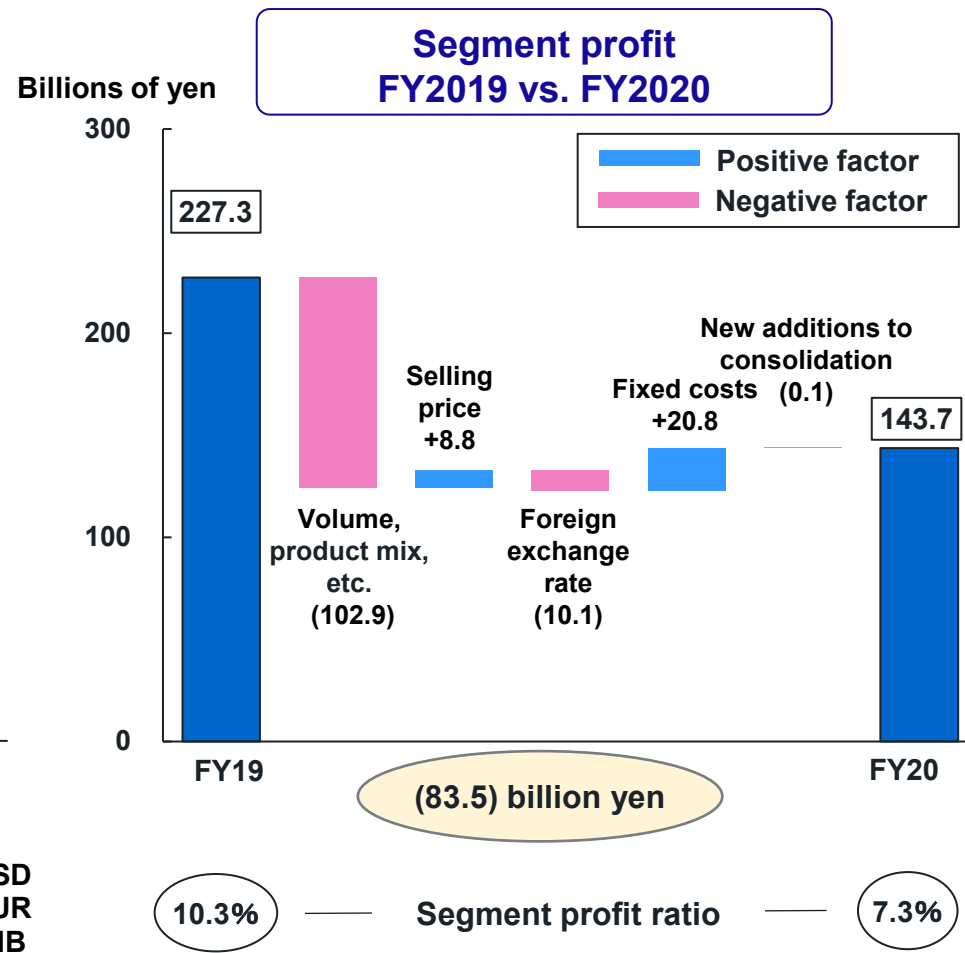
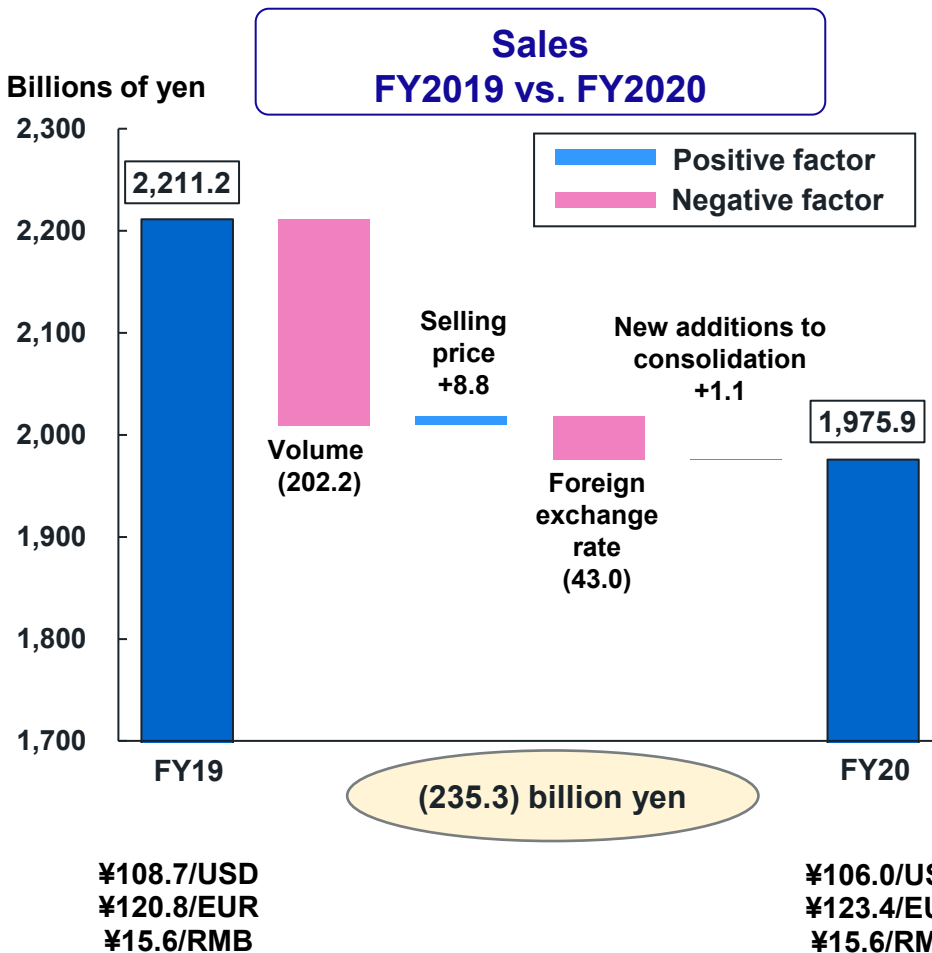
Traditional Markets Strategic Markets
 ※ Region where sales increased, when foreign exchange effects were excluded.

Billions of yen



Construction, Mining & Utility Equipment: Causes of Difference in Sales and Segment Profit for FY2020

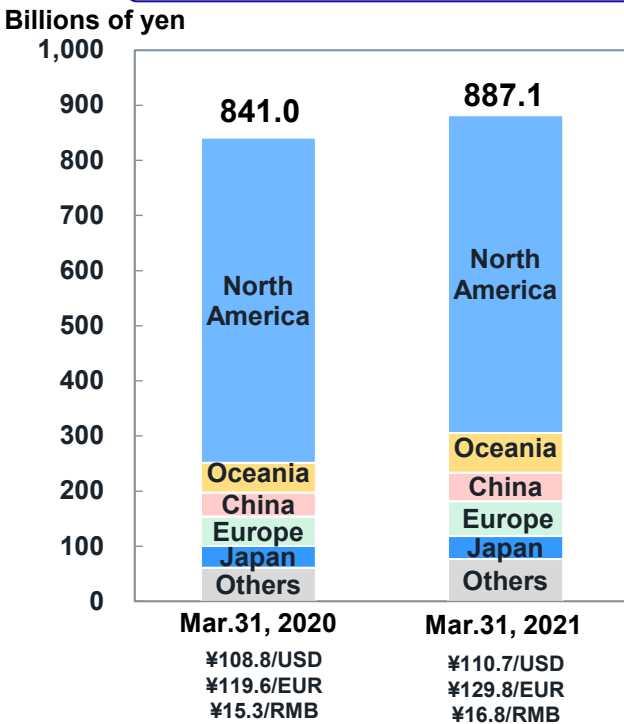
- Sales decreased by JPY235.3 billion from FY2019, as adversely affected by reduced sales volume and foreign exchange rates.
- Segment profit declined by JPY83.5 billion, although we partially absorbed the adverse effects of reduced volume of sales, changes in composition of sales, and foreign exchange rates, with reduced fixed costs.
- Segment profit ratio was 7.3%, down 3.0 points.



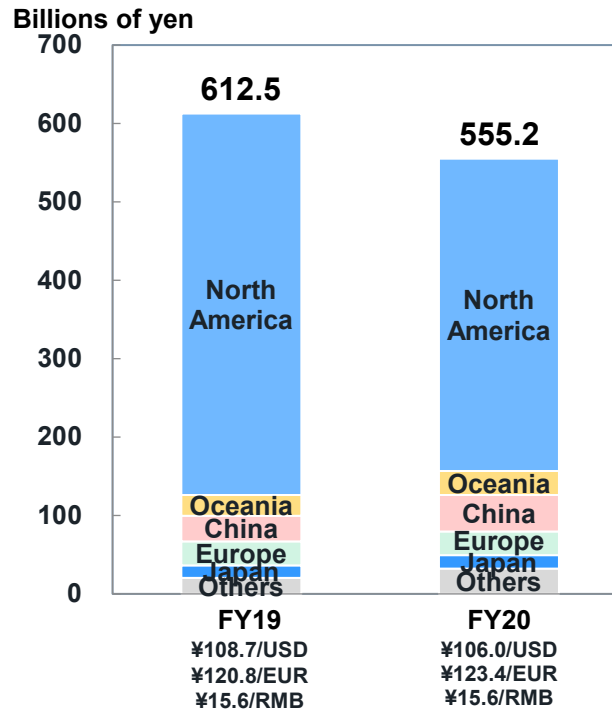
Retail Finance: Highlights for FY2020

- Assets increased from the previous fiscal year-end, as mainly affected by foreign exchange rates.
- New contracts declined mainly in North America, due to declined sales affected by the coronavirus pandemic.
- Revenues decreased due to reduced new contracts.
- Segment profit decreased, as mainly affected by postponement of payments and revaluation of vehicles after lease use in addition to declined sales.

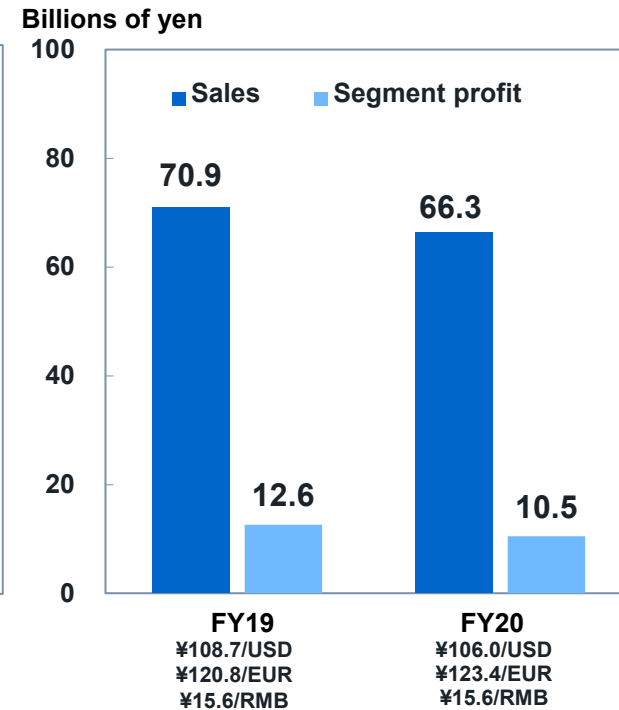
Assets
Mar.31, 2020 vs. Mar.31, 2021



New Contracts
FY2019 vs FY2020



Revenues
FY2019 vs FY2020

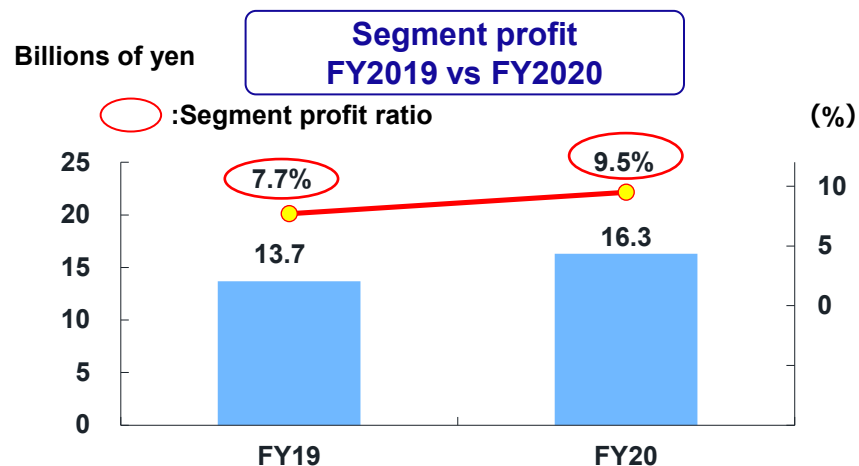
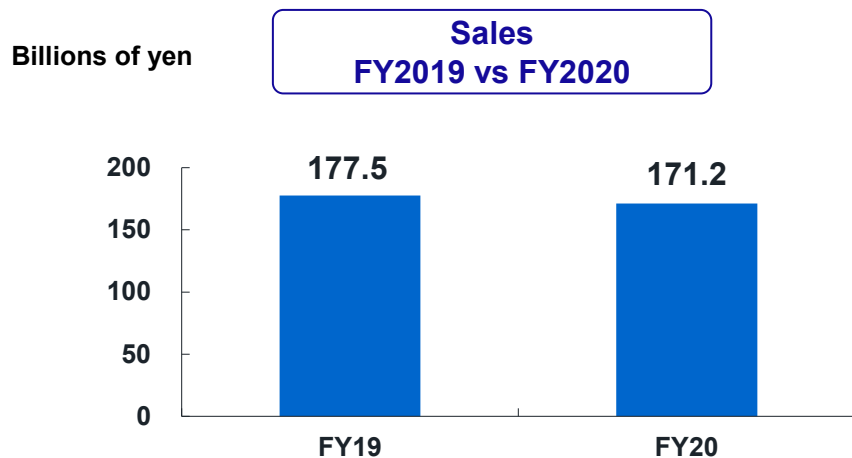


Billions of yen	2020/3E	2021/3E	Changes
Interest-bearing debt	648.0	674.7	+26.7
Interest-bearing debt, net	642.4	672.3	+29.9
Net D/E ratio	3.80	3.69	(0.11)pts.

	FY2019	FY2020	Changes
ROA	1.5%	1.2%	(0.3)%

Industrial Machinery & Others: Highlights for FY2020

- Sales decreased by 3.6% from FY2019, to JPY171.2 billion, mainly affected by reduced sales of presses and machine tools to the automobile manufacturing industry, as well as delayed installation work of machinery.
- Segment profit advanced by 19.3% to JPY16.3 billion.
- Segment profit ratio was 9.5%.



Breakdown of sales	Billions of yen	FY2019	FY2020	Changes	
				Increase (Decrease)	% Change
Komatsu Industries Corp.		55.0	50.0	(5.0)	(9.1)%
Komatsu NTC Ltd.		48.3	30.2	(18.1)	(37.4)%
Gigaphoton Inc.		35.0	41.2	+6.1	+17.5%
Others		39.0	49.7	+10.6	+27.3%
Total		177.5	171.2	(6.3)	(3.6)%

Consolidated Balance Sheets

- Total assets increased by JPY131.1 billion from the previous fiscal year-end, to JPY3,784.8 billion. Accounts receivable increased, while inventories decreased.
- Komatsu Ltd. shareholders' equity ratio increased by 2.0 percentage point, to 50.5%.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2020 ¥108.8/USD ¥119.6/EUR ¥15.3/RMB	Mar. 31, 2021 ¥110.7/USD ¥129.8/EUR ¥16.8/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	249.6	243.1	(6.5)
Accounts receivable (incl. long-term trade receivables)	1,165.3	1,267.5	+102.2
Inventories	805.3	793.8	(11.4)
Tangible fixed assets	757.6	787.3	+29.6
Other assets	675.7	692.9	+17.2
Total assets	3,653.6	3,784.8	+131.1
Accounts payable	220.1	258.3	+38.1
Interest-bearing debt [b]	1,012.3	909.9	(102.3)
Other liabilities	564.9	604.5	+39.5
Total liabilities	1,797.4	1,772.8	(24.6)
[Shareholders' equity ratio]	[48.5%]	[50.5%]	[+2.0 pts.]
Komatsu Ltd. shareholders' equity	1,771.6	1,912.2	+140.6
Non-controlling interests	84.6	99.7	+15.1
Liabilities & Equity	3,653.6	3,784.8	+131.1
Interest-bearing debt, net [b-a]	○ 0.43 762.7	○ 0.35 666.8	(95.8)
Net D/E ratio (excl. the retail finance business)	○ 0.08	○ (0.00)	

IV. Outlook of FY2021 Business Results

Outline of Projection for FY2021

- Consolidated net sales will increase by 12.8% from FY2020, to JPY2,469.0 billion.
- Operating income will increase by 34.5% to JPY225.0 billion. Operating income ratio will amount to 9.1%, up 1.5 points.
- Net income will increase by 37.4% to JPY146.0 billion.

Billions of yen	FY2020 Results (A) ¥106.0/USD ¥123.4/EUR ¥15.6/RMB	FY2021 Projection (B) ¥105.0/USD ¥124.0/EUR ¥16.0/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,189.5	2,469.0	+279.4	+12.8%
Segment profit	172.3	225.0	+52.6	+30.6%
Other operating income (Expenses)	(5.0)	0.0	+5.0	-
Operating income	167.3	225.0	+57.6	+34.5%
Profit ratio	7.6%	9.1%	+1.5pts.	-
Other income (Expenses)	(4.5)	(8.0)	(3.4)	-
Income before income taxes	162.7	217.0	+54.2	+33.3%
Net income attributable to Komatsu Ltd.	106.2	146.0	+39.7	+37.4%
ROE	5.8%	7.6%	+1.8pts.	
Cash dividends per share ※	55Yen	62Yen	+7Yen	
Consolidated payout ratio	48.9%	40.1%		

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

Projection for Segment Sales and Profit of FY2021

- Construction, mining & utility equipment: Sales will increase by 13.5% from FY2020, to JPY2,243.0 billion. Segment profit will increase by 37.7% to JPY198.0 billion. Segment profit ratio will amount to 8.8%, up 1.5 points.
- Retail finance: Revenues will increase by 2.4% to JPY68.0 billion. Segment profit will increase by 13.5% to JPY12.0 billion.
- Industrial machinery & others: Sales will increase by 2.2% to JPY175.0 billion. Segment profit will advance by 4.0% to JPY17.0 billion.

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

Billions of yen	FY2020 Results (A)	FY2021 Projection (B)	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,189.5	2,469.0	+279.4	+12.8%
Construction, mining & utility equipment	1,975.9 [1,961.2]	2,243.0 [2,235.0]	+267.0 [+273.7]	+13.5% [+14.0%]
Retail finance	66.3 [58.3]	68.0 [60.0]	+1.6 [+1.6]	+2.4% [+2.8%]
Industrial machinery & others	171.2 [169.9]	175.0 [174.0]	+3.7 [+4.0]	+2.2% [+2.4%]
Elimination	(24.0)	(17.0)	+7.0	-
Segment profit	□ 7.9% 172.3	□ 9.1% 225.0	□ +1.2pts. +52.6	+30.6%
Construction, mining & utility equipment	□ 7.3% 143.7	□ 8.8% 198.0	□ +1.5pts. +54.2	+37.7%
Retail finance	□ 15.9% 10.5	□ 17.6% 12.0	□ +1.7pts. +1.4	+13.5%
Industrial machinery & others	□ 9.5% 16.3	□ 9.7% 17.0	□ +0.2pts. +0.6	+4.0%
Corporate & elimination	1.6	(2.0)	(3.6)	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

Both sales and profit will improve, as positively affected by increased in volume of sales, selling prices, and other factors.

■ Retail Finance:

Revenues will improve, affected by increased new contracts. Segment profit will also improve by increased sales.

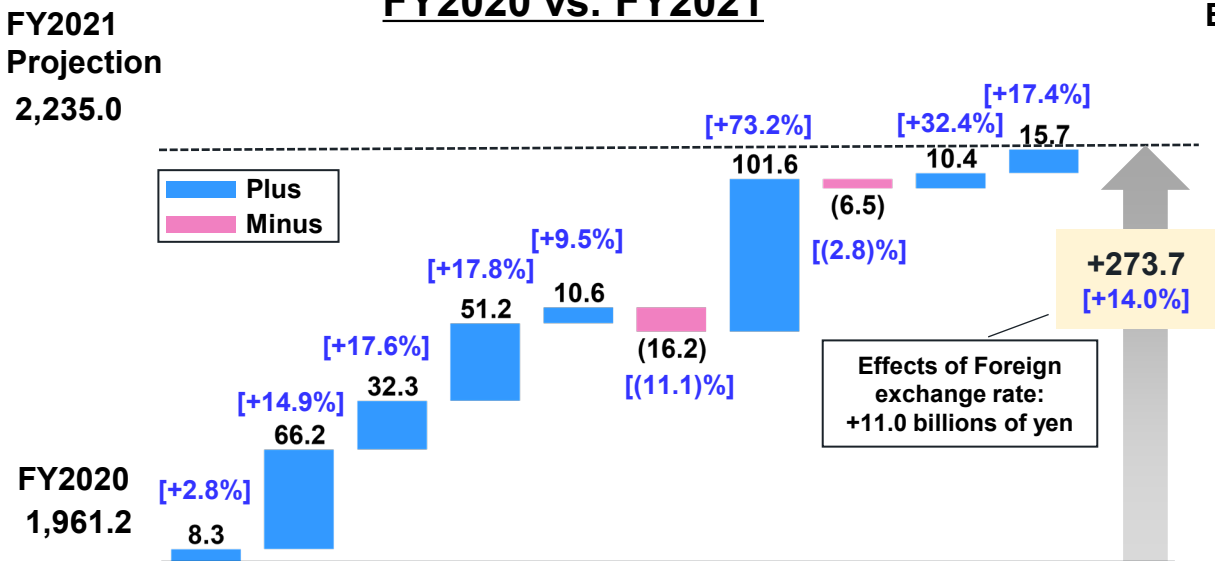
■ Industrial Machinery & Others

Both sales and profit will advance, supported by increased sales of machine tools in the automobile manufacturing industry, and Excimer laser-related business on the semiconductor market.

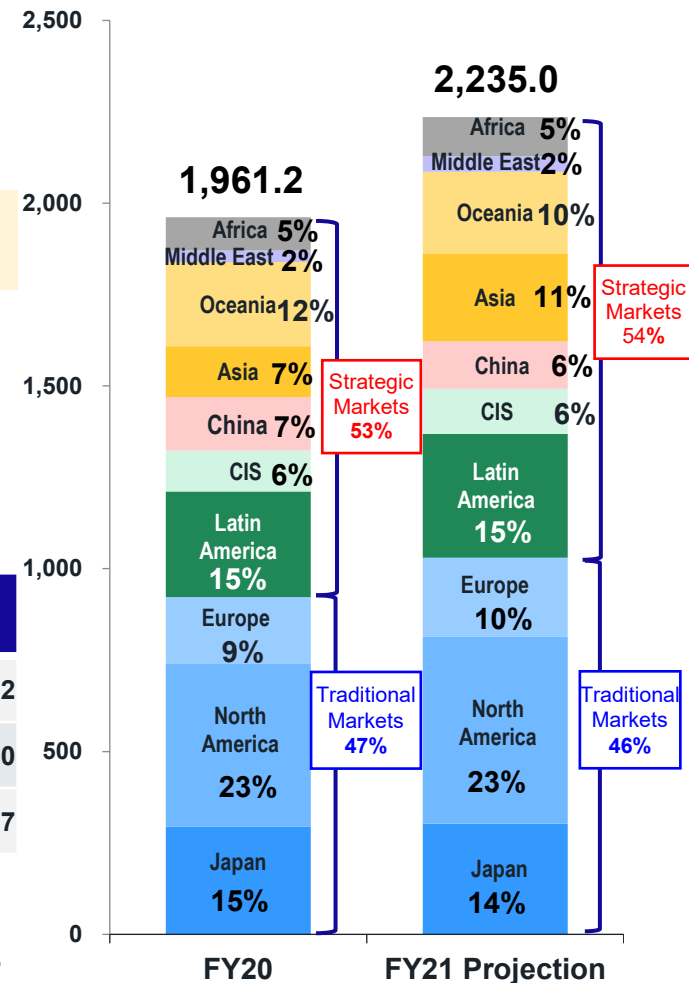
Construction, Mining & Utility Equipment : Projection for Sales by Region (To Outside Customers) for FY2021

- Sales to outside customers will increase by 14.0% from FY2020, to JPY2,235.0 billion.
- Sales will decline in all regions, except for China and Oceania.
- The proportion of Traditional Markets will decline to 46%.

FY2020 vs. FY2021



Billions of yen

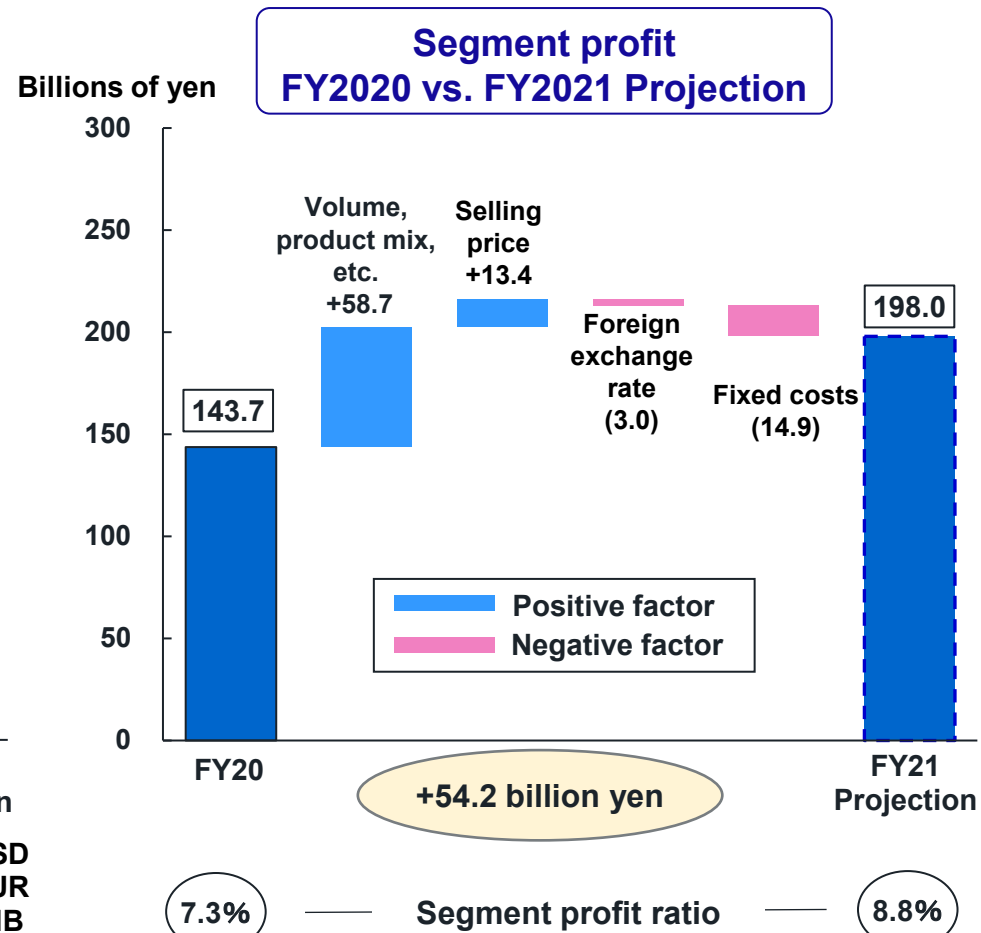
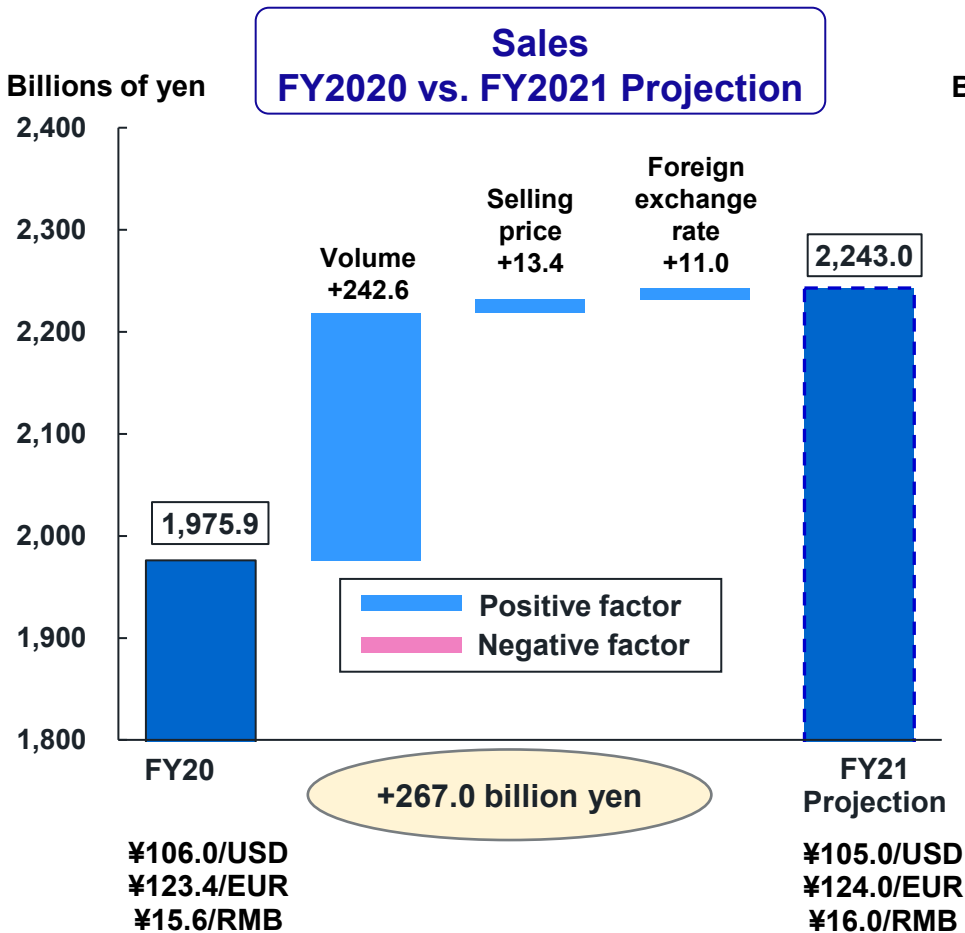


Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2020 (a)	294.8	444.3	183.5	288.0	112.3	146.2	138.7	230.1	32.3	90.4	1,961.2
FY2021 Projection (b)	303.2	510.6	215.9	339.3	123.0	130.0	240.4	223.6	42.8	106.2	2,235.0
Change (b-a)	+8.3	+66.2	+32.3	+51.2	+10.6	(16.2)	+101.6	(6.5)	+10.4	+15.7	+273.7

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

Construction, Mining & Utility Equipment: Causes of Difference in Projected Sales & Segment Profit for FY2021

- Sales will increase by JPY267.0 billion from FY2020, as positively affected by an increase in volume of sales and selling prices.
- Segment profit will advance by JPY54.2 billion from FY2020, as positively affected by an increase in volume of sales and selling prices.
- Segment profit ratio will increase to 8.8%, up 1.5 points

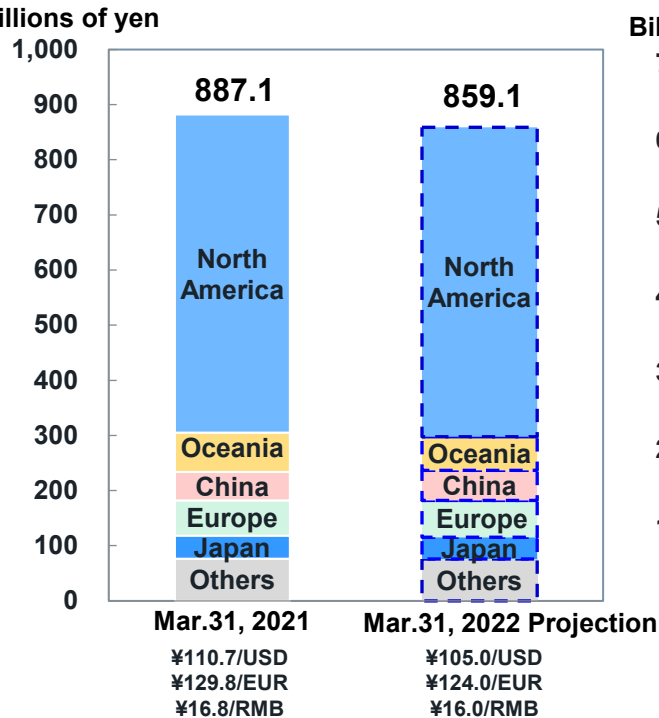


Retail Finance: Highlights for FY2021

- Assets will decrease from FY2020 year-end, as mainly affected by foreign exchange rates.
- New contracts will increase from FY2020, especially in North America and Europe, reflecting the expansion of our efforts.
- Revenues will increase from FY2020, affected by increased new contracts.
- Segment profit will increase, mainly due to an increase in revenues and no more postponement of payments allowed in FY2020.

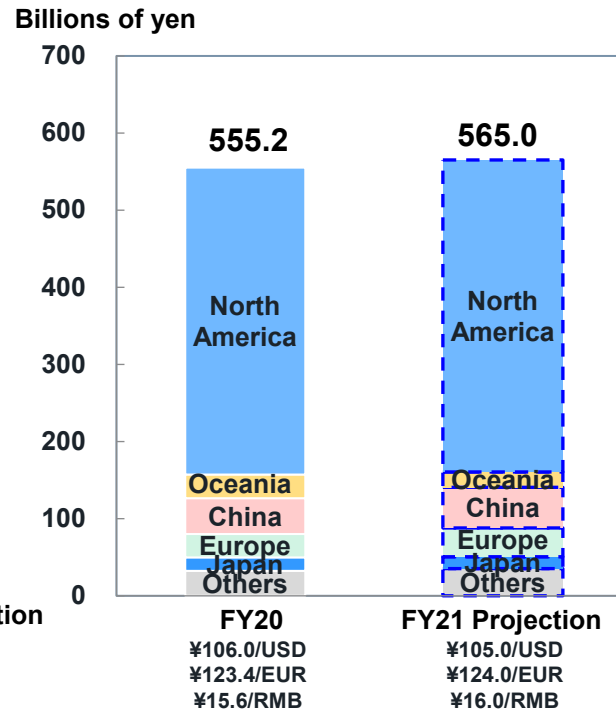
Assets

Mar.31, 2021 vs. Mar.31, 2022 Projection



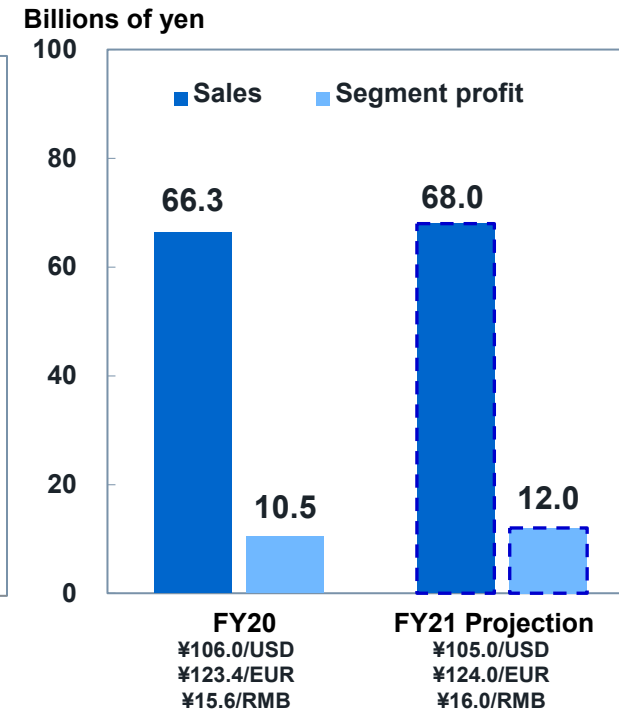
New Contracts

FY2020 vs FY2021 Projection



Revenues

FY2020 vs FY2021 Projection

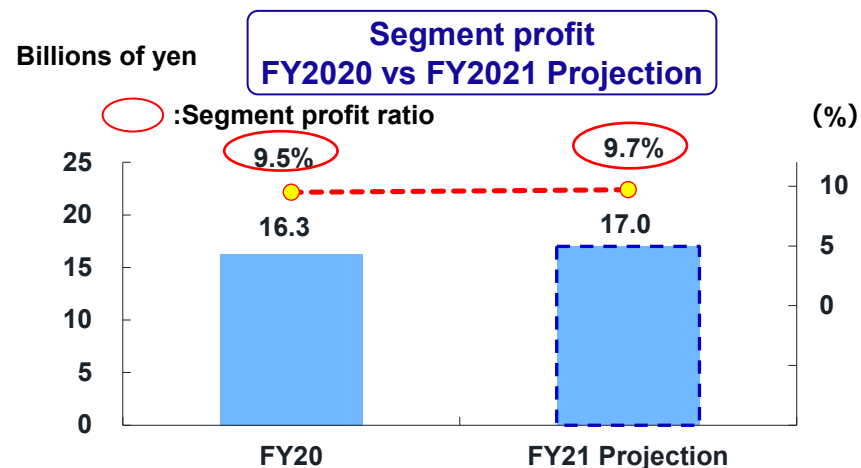
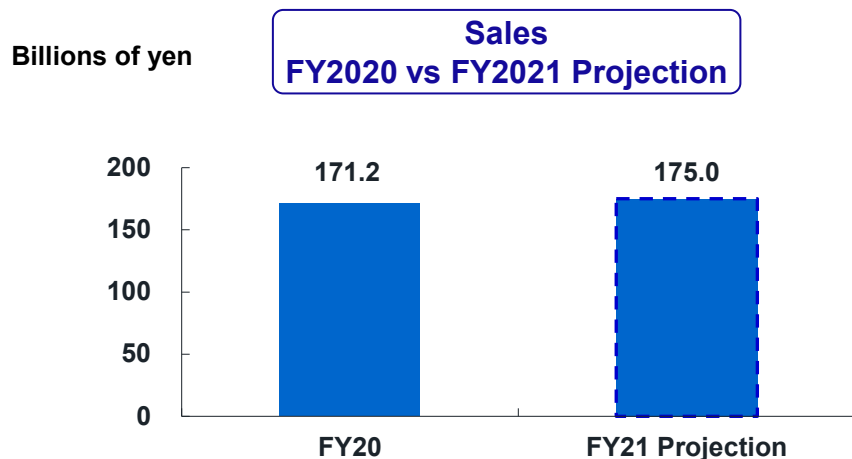


Billions of yen	2021/3E	2022/3E Projection	Changes
Interest-bearing debt	674.7	689.7	+15.0
Interest-bearing debt, net	672.3	682.5	+10.2
Net D/E ratio	3.69	3.94	+0.25pts.

	FY2020	FY2021 Projection	Changes
ROA	1.2%	1.4%	+0.2pts.

Industrial Machinery & Others: Highlights for FY2021

- Sales will increase by 2.2% from FY2020, to JPY175.0 billion, and segment profit will increase by 4.0% to JPY17.0 billion.

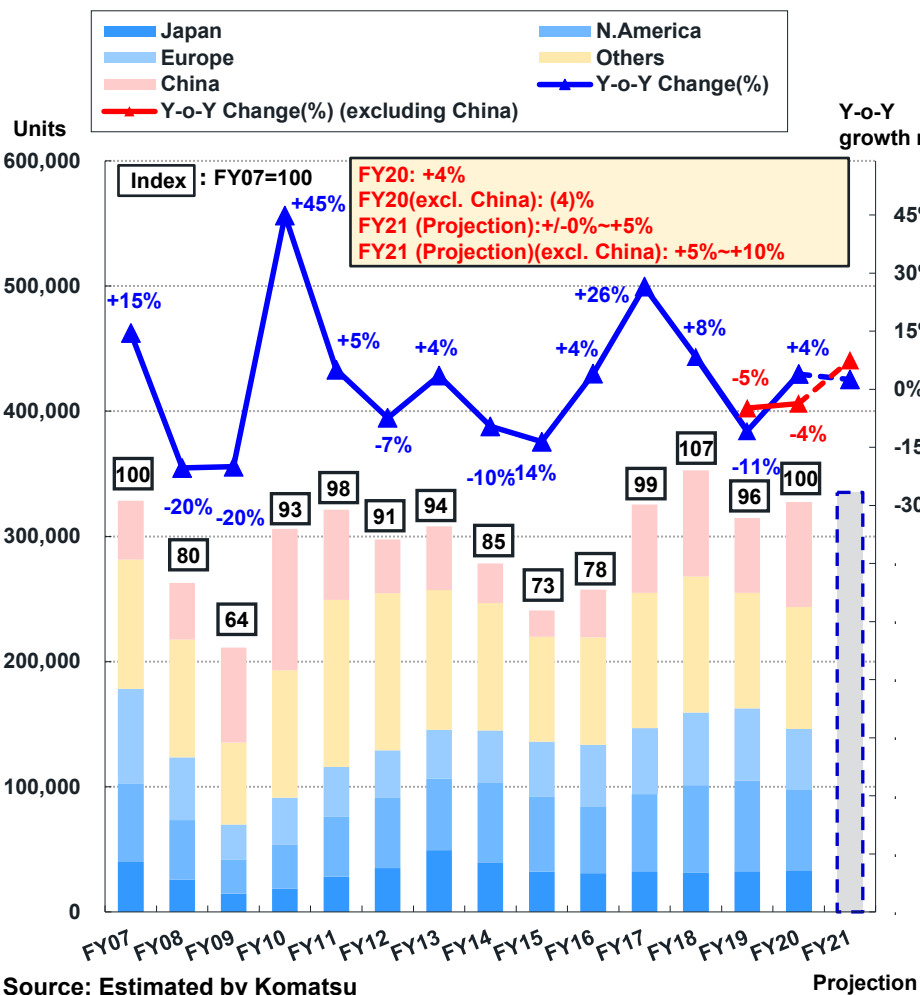


Breakdown of sales	Billions of yen	FY2020	FY2021 Projection	Changes	
				Increase (Decrease)	% Change
Komatsu Industries Corp.	50.0	48.9	(1.0)	(2.1)%	
Komatsu NTC Ltd.	30.2	41.0	+10.8	+35.8%	
Gigaphoton Inc.	41.2	44.2	+3.0	+7.4%	
Others	49.7	40.6	(9.0)	(18.2)%	
Total	171.2	175.0	+3.7	+2.2%	

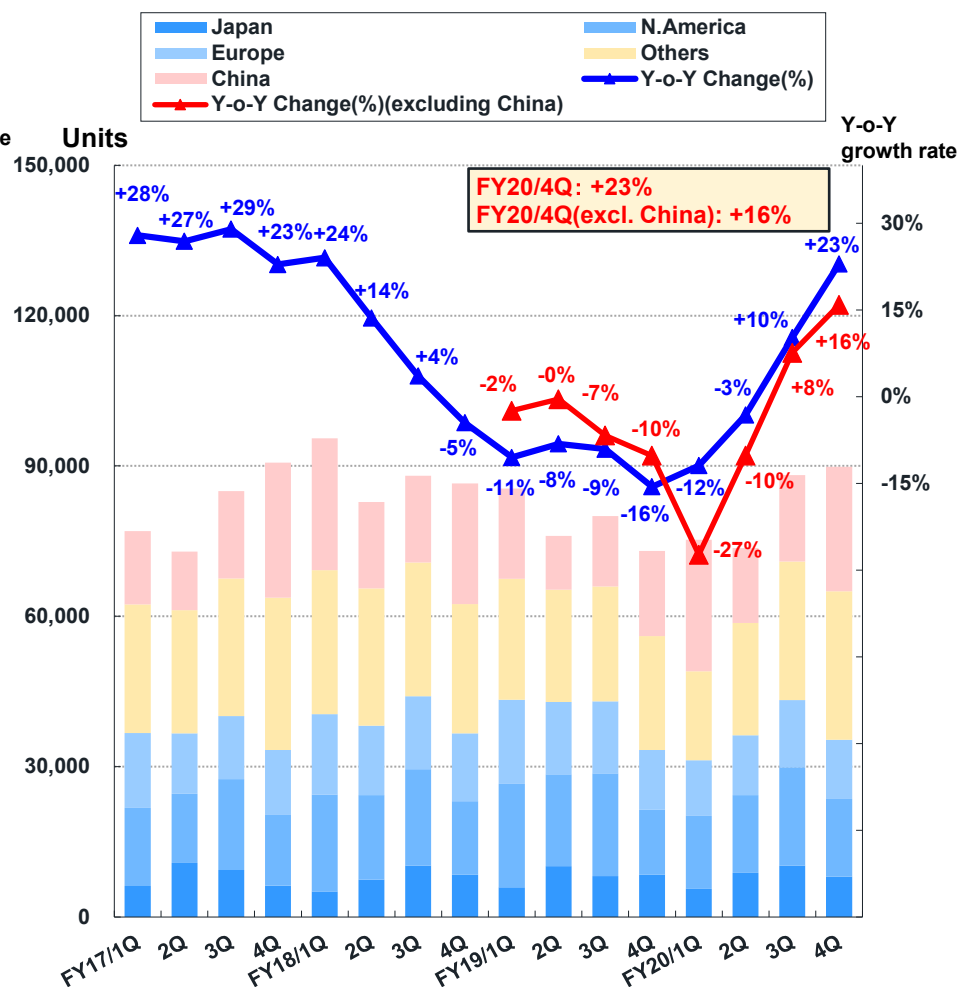
Construction, Mining & Utility Equipment: Actual and Projected Demand for 7 Major Products

- In FY2020, global demand increased by 4% from FY2019. When China is excluded, demand decreased by 4%.
- In FY2021, demand will increase between +/-0% and 5% from FY2020. When China is excluded, demand should increase between 5% and 10%.

Annual demand for 7 major products



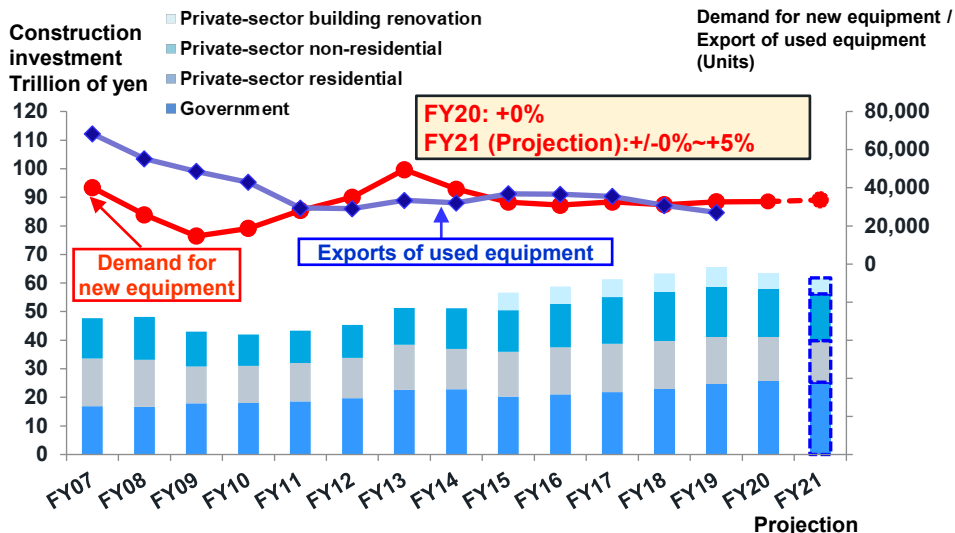
Quarterly demand for 7 major products



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

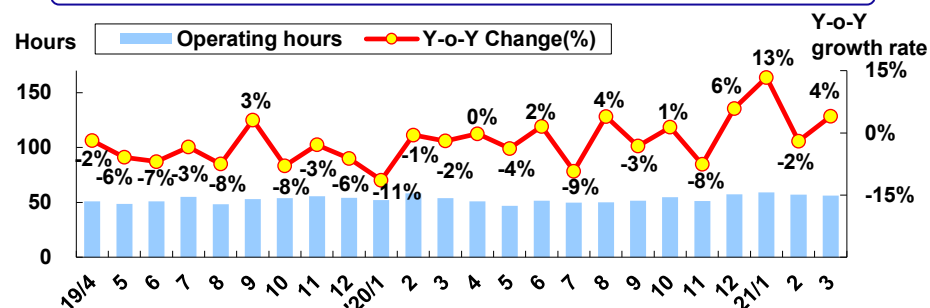
- In FY2020, demand remained flat from FY2019.
- In FY2021, demand will increase between +/-0% and 5% from FY2020.

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

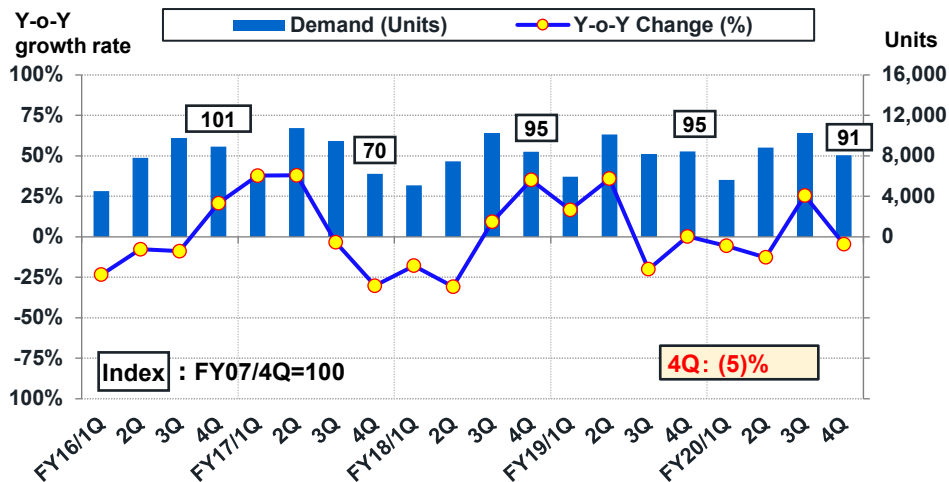


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products and No. of exported used equipment estimated by Komatsu

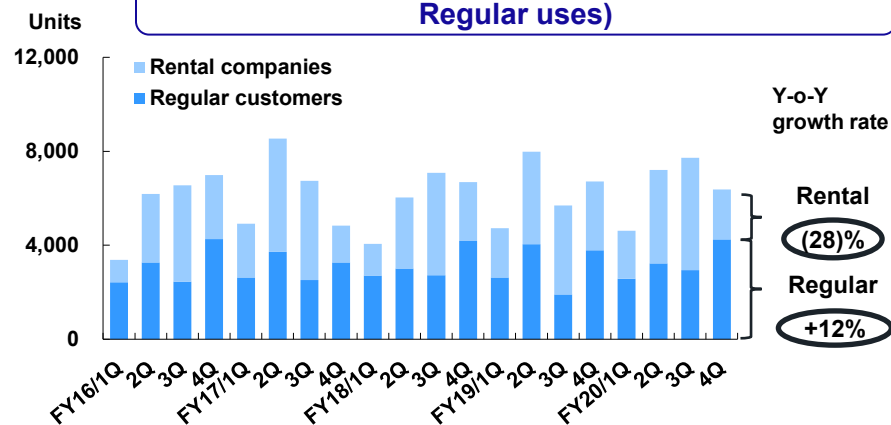
Komtrax in Japan: Average operating hours per month



Quarterly demand for 7 major products



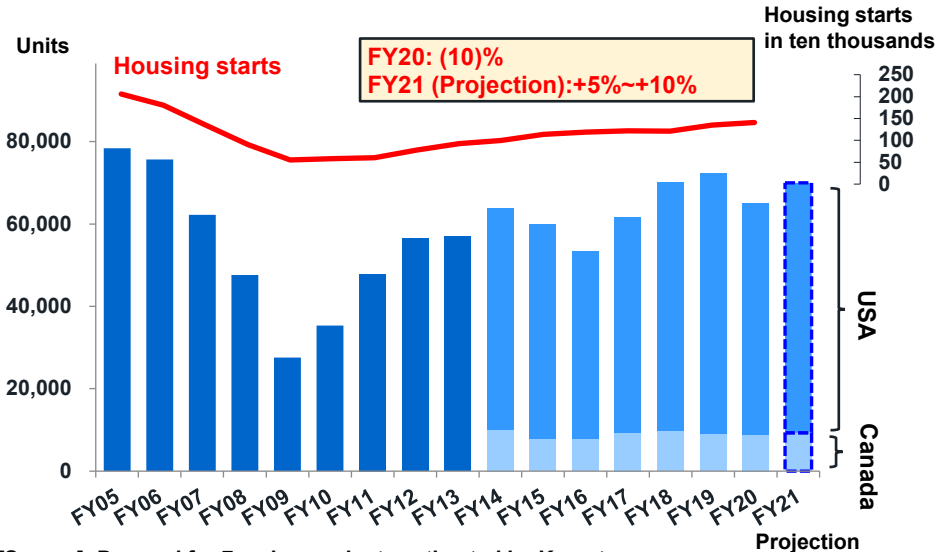
Quarterly demand for hydraulic excavators (Rental & Regular uses)



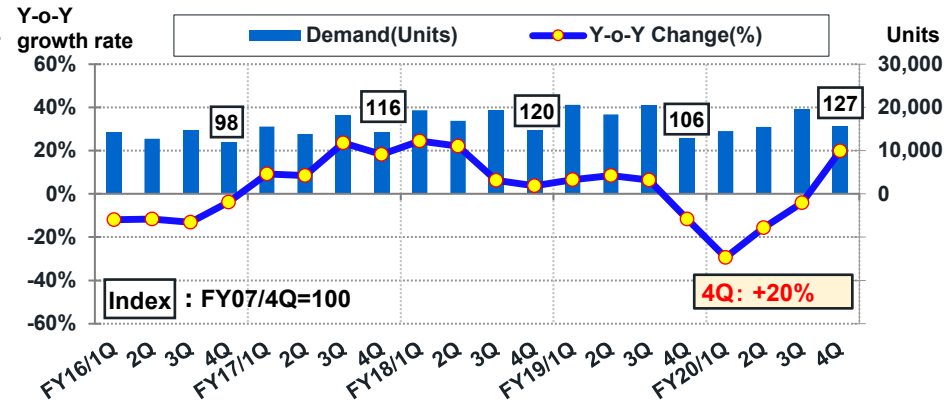
Construction, Mining & Utility Equipment : Demand in Major Markets (2) North America

- In FY2020, demand decreased by 10% from FY2019.
- In FY2021, demand will increase between 5% and 10% from FY2020.
- Demand should remain steady in the housing and non-housing sectors as well as in highways and transportation.

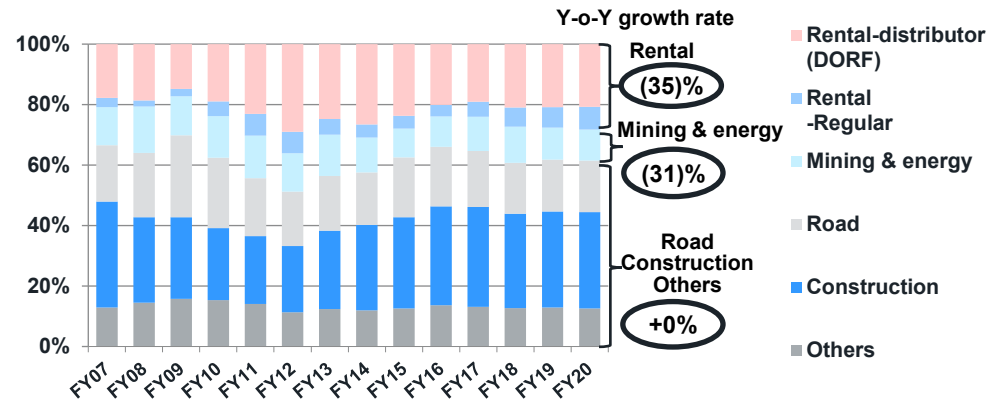
Demand for 7 major products and US housing starts



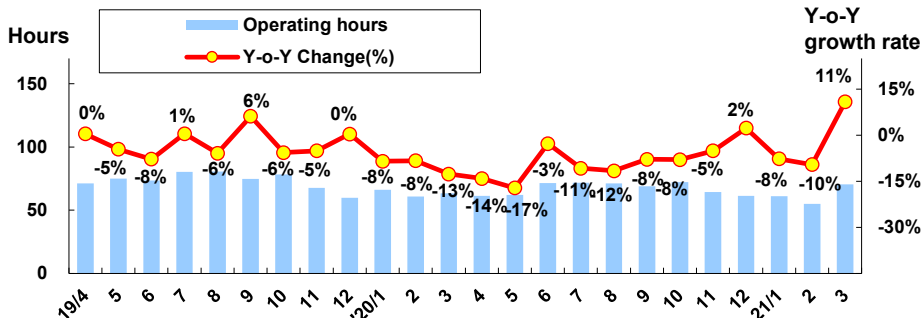
Quarterly demand for 7 major products



Breakdown of demand by segment (Unit basis)



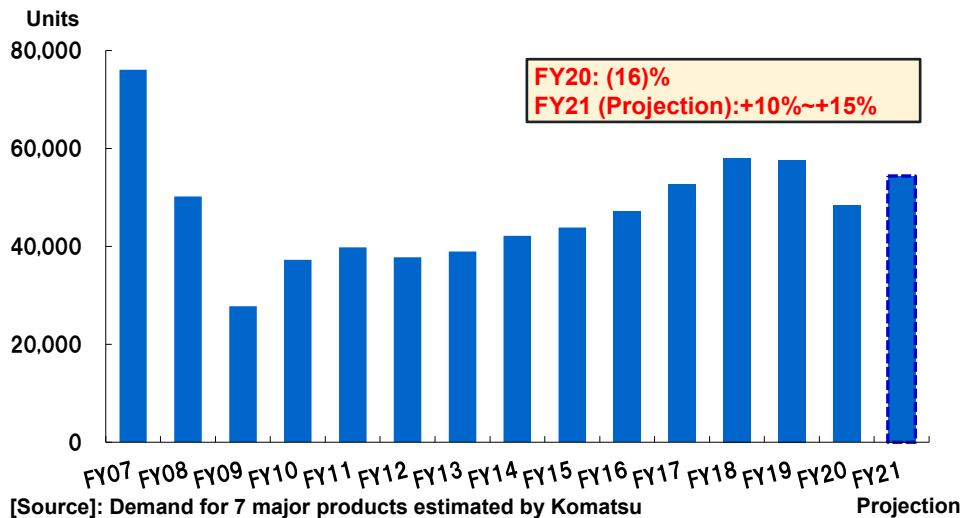
Komtrax in North America: Average operating hours per month



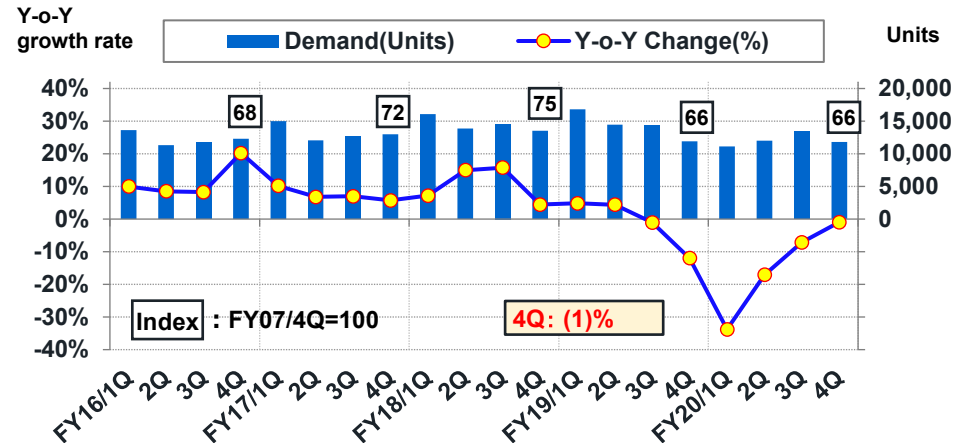
Construction, Mining & Utility Equipment : Demand in Major Markets (3) Europe

- In FY2020, demand decreased by 16% from FY2019.
- In FY2021, demand will increase between 10% and 15% from FY2020.
- Recovery of demand will continue, reflecting restarting infrastructure development projects.

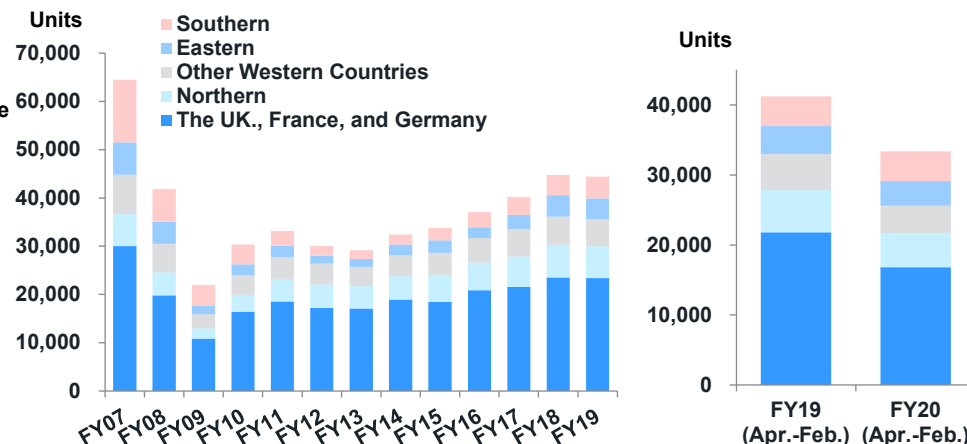
Annual demand for 7 major products



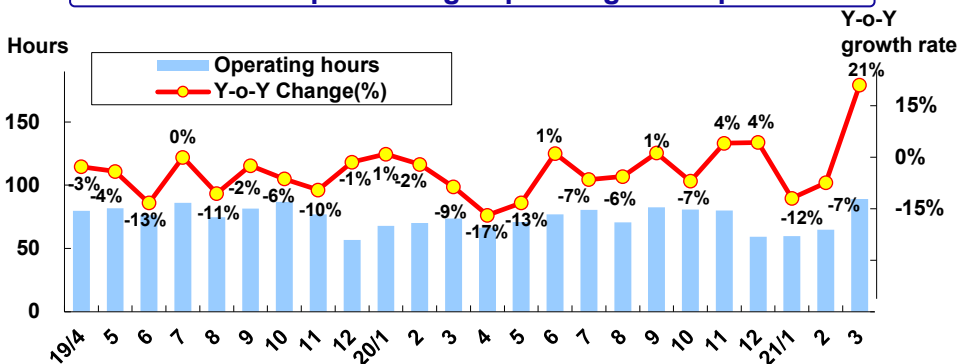
Quarterly demand for 7 major products



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



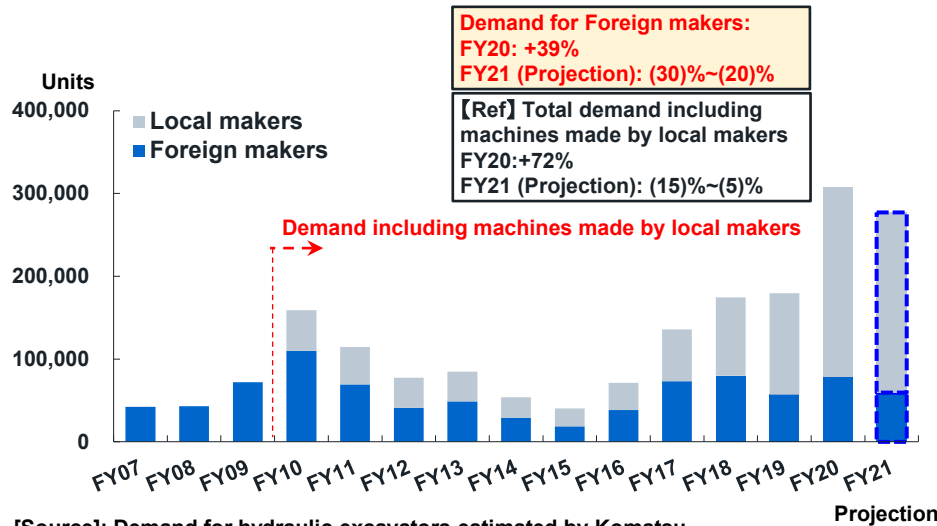
Komtrax in Europe: Average operating hours per month



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

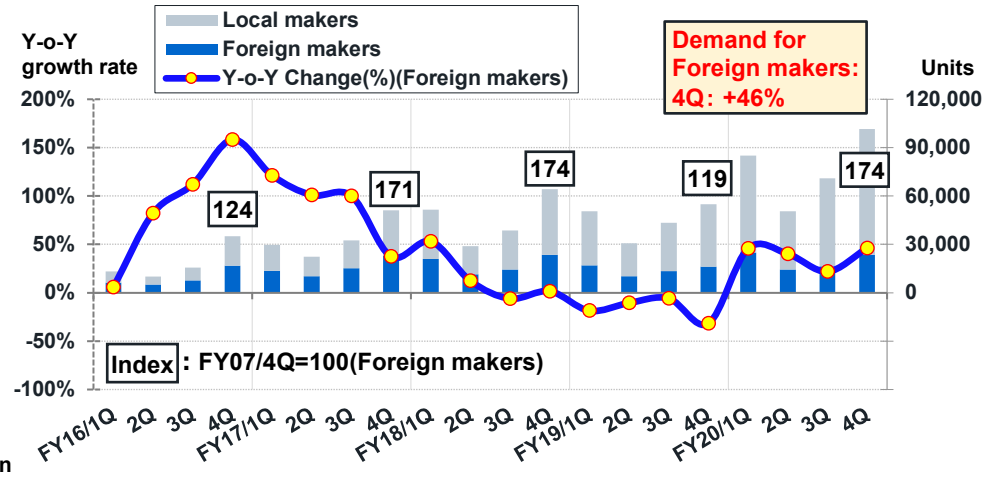
- In FY2020, demand increased by 39% from FY2019
- In FY2021, demand will decline between 20% and 30% from FY2020.
- Demand will decline, because the post-Chinese New Year sales season will not be delayed again into the following fiscal year.

Annual demand for hydraulic excavators (Excl. mini shovels)

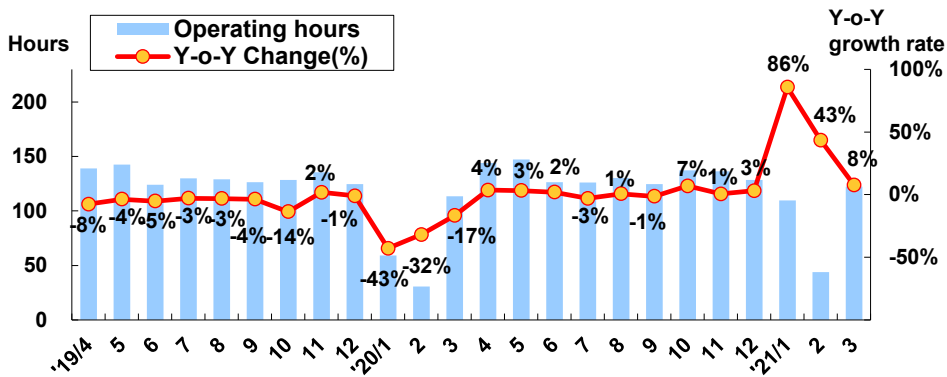


[Source]: Demand for hydraulic excavators estimated by Komatsu

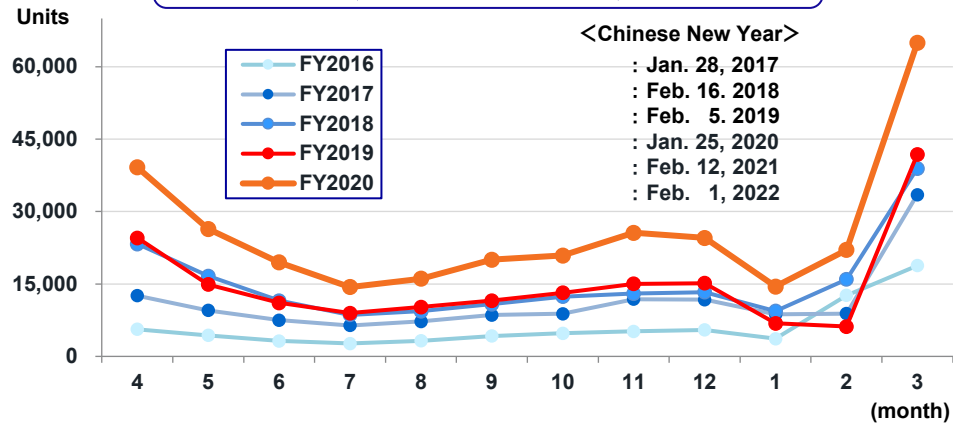
Quarterly demand for hydraulic excavators (Excl. mini shovels)



Komtrax in China : Average operating hours per month



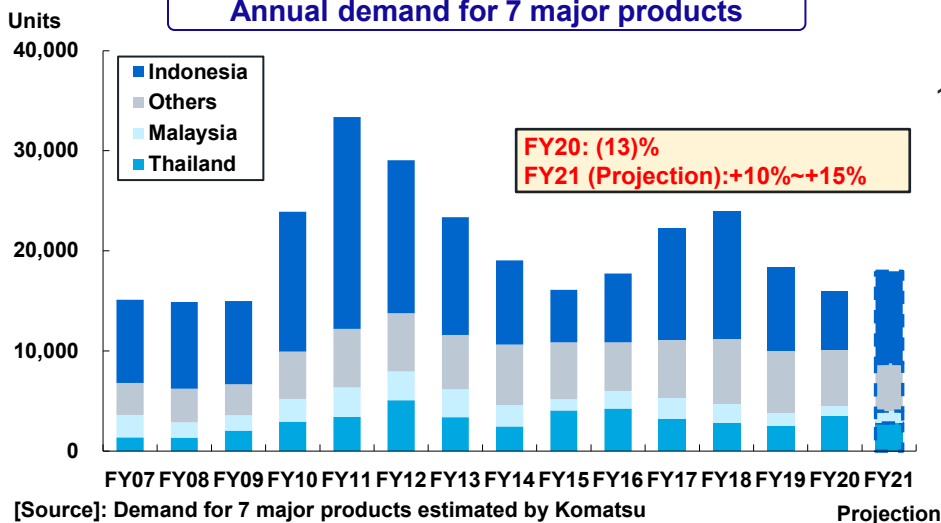
Monthly demand for hydraulic excavators : (Excl. mini shovels)



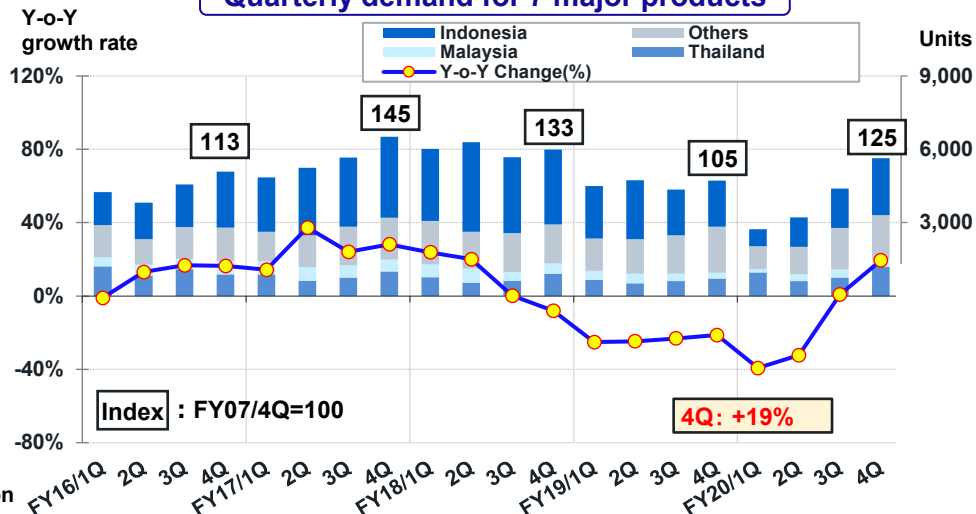
Construction, Mining & Utility Equipment : Demand in Major Markets (5) Southeast Asia

- In FY2020, demand decreased by 13% from FY2019.
- In FY2021, demand will increase between 10% and 15% from FY2020.
- Demand is recovering in Indonesia, the largest market of the region.

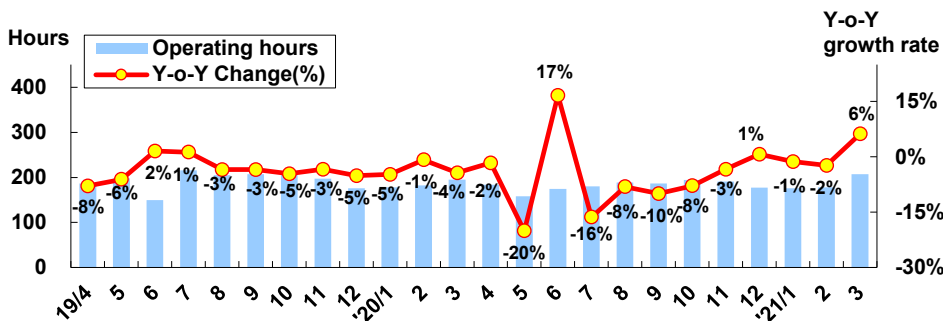
Annual demand for 7 major products



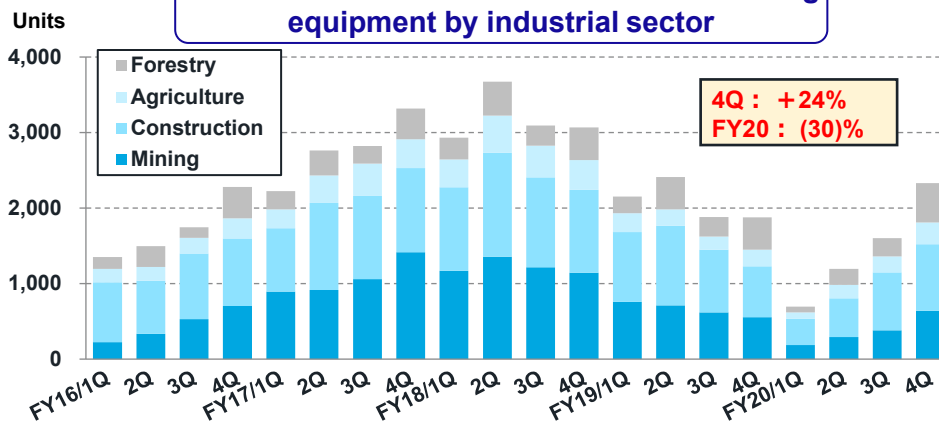
Quarterly demand for 7 major products



Komtrax in Indonesia: Average operating hours per month



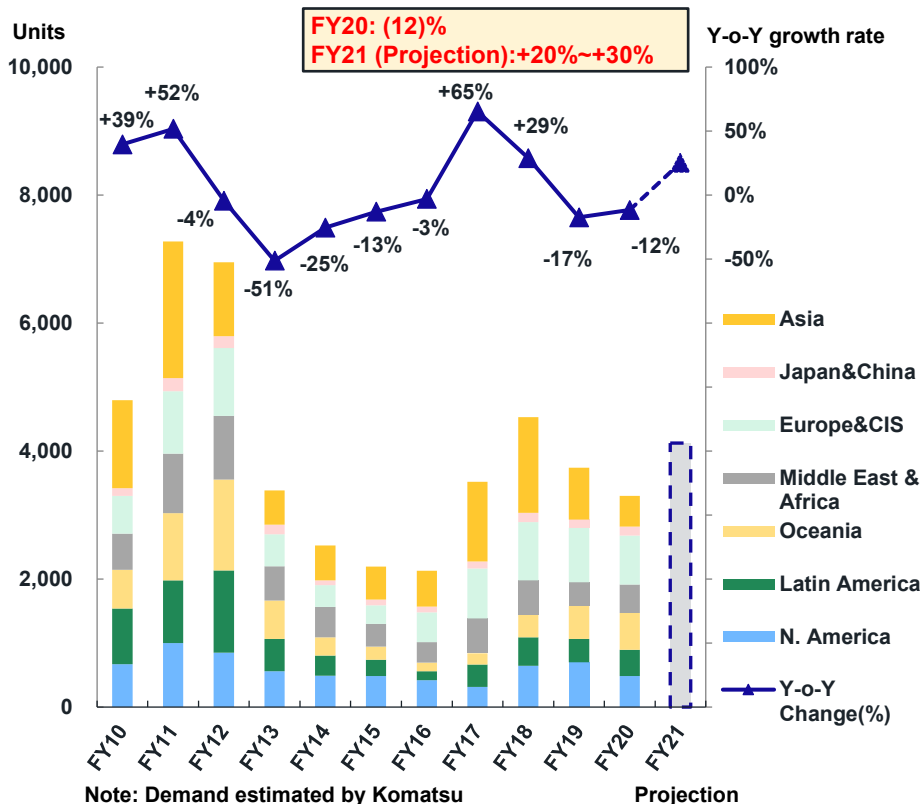
Indonesia: Demand for construction & mining equipment by industrial sector



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

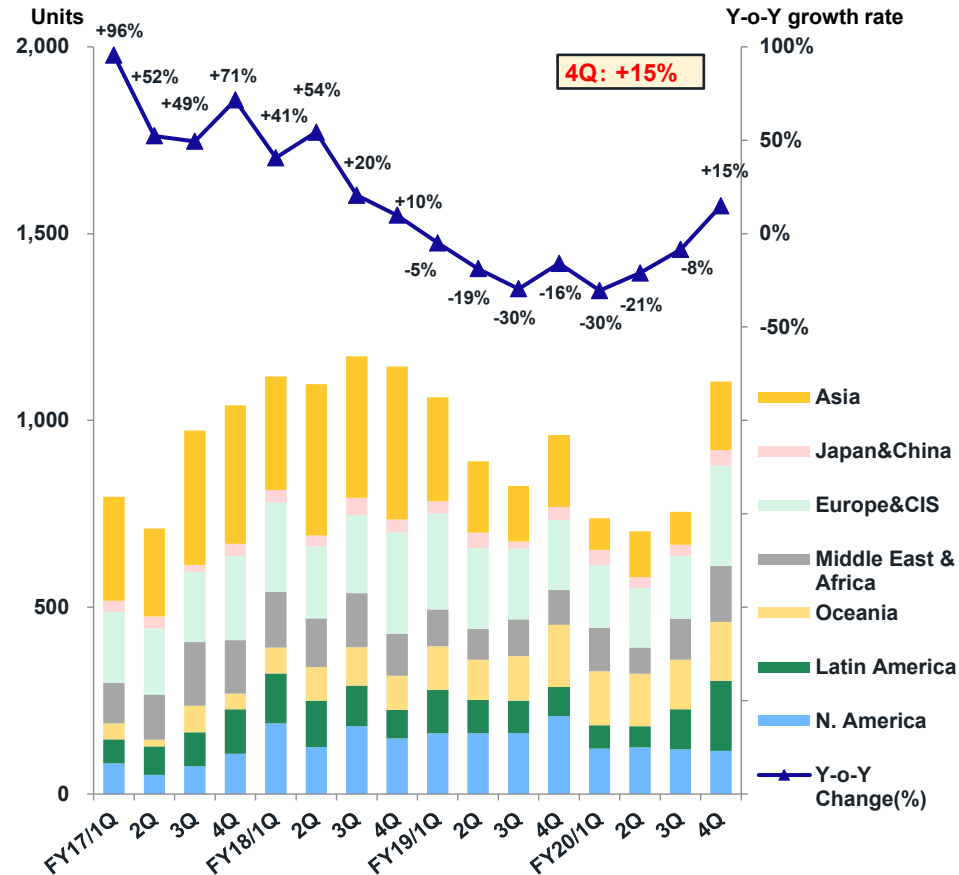
- In FY2020, demand decreased by 12% from FY2019.
- In FY2021, demand will increase between 20% and 30% from FY2020, mainly supported by growing demand in Asia and CIS.

Annual 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

Quarterly demand for mining equipment

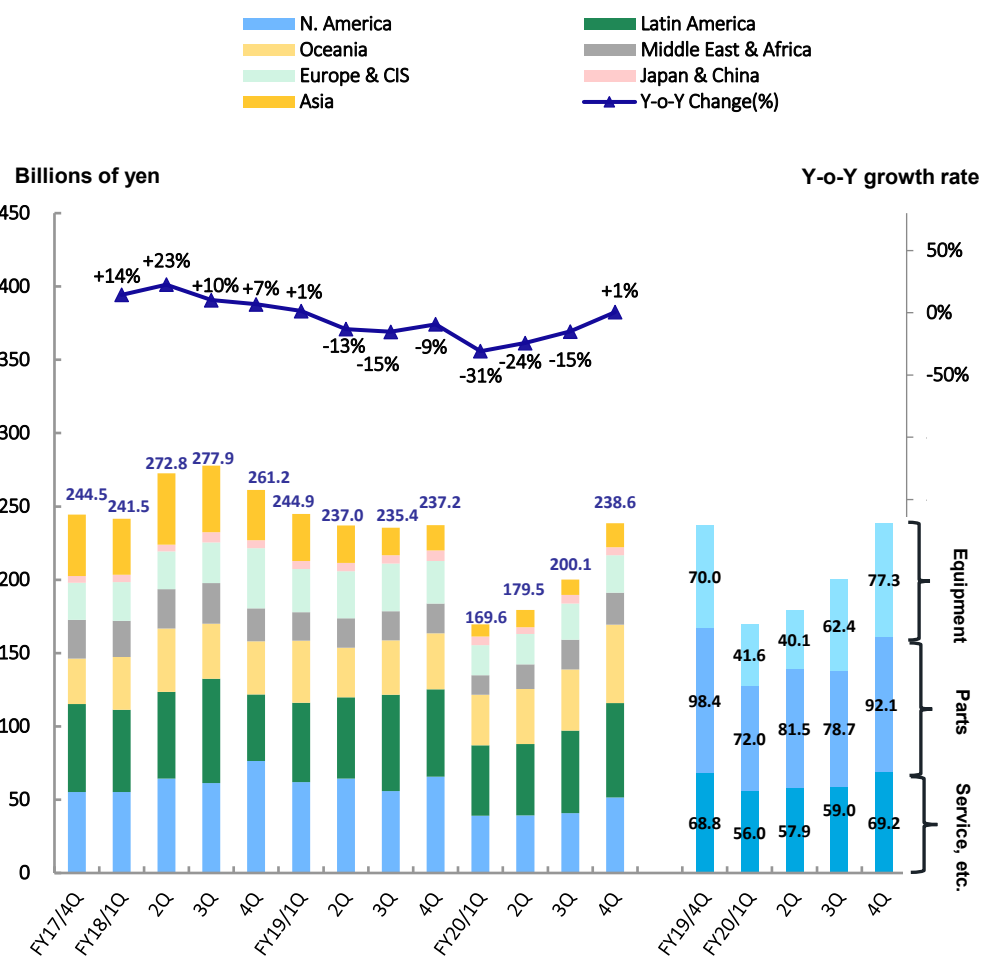
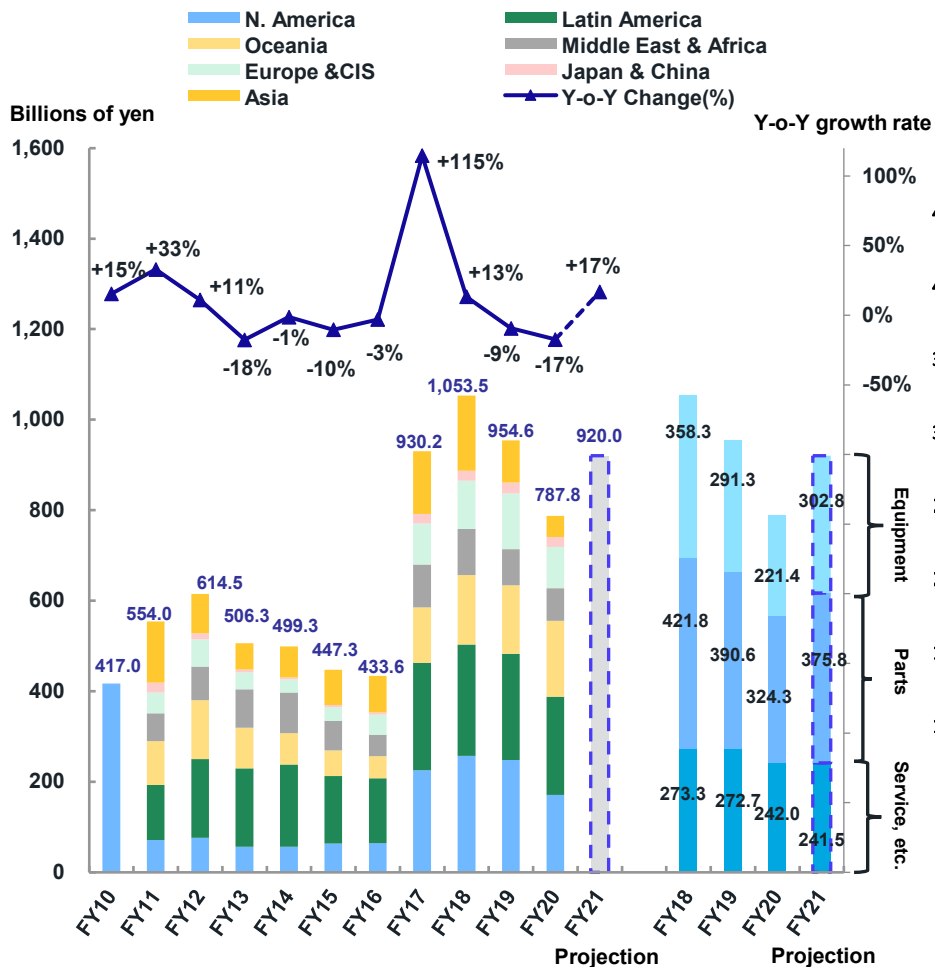


Construction, Mining & Utility Equipment : Sales of Mining Equipment

- In FY2020, sales decreased by 17% from FY2019, to JPY787.8 billion.
- In FY2021, sales will increase by 17% from FY2020, to JPY920.0 billion, as mainly supported by increasing sales in Latin America, Africa and Asia.

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

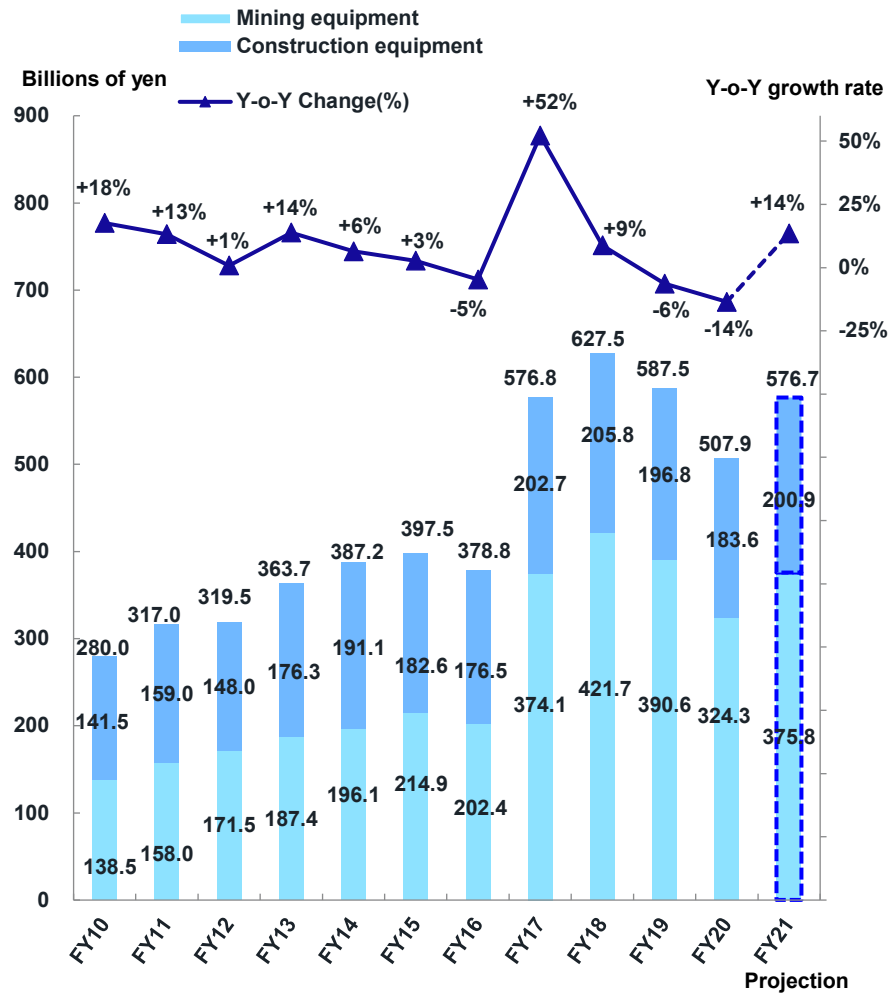
Quarterly sales of mining equipment (incl. parts and service)



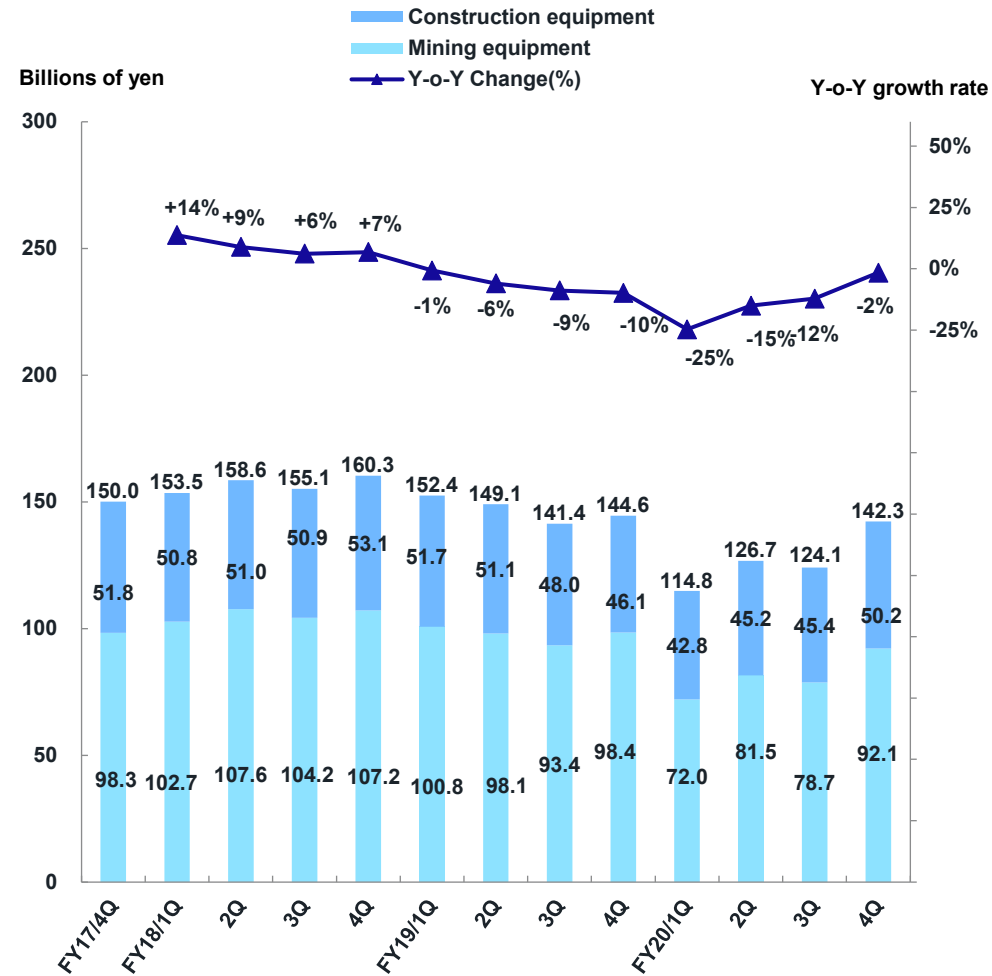
Construction, Mining & Utility Equipment : Sales of Parts

- In FY2020, sales of parts decreased by 14% from FY2019, to JPY507.9 billion.
- Sales of parts, especially for mining equipment, declined.
- For FY2021, sales will increase by 14% from FY2020, to JP576.7 billion.

Annual sales of parts



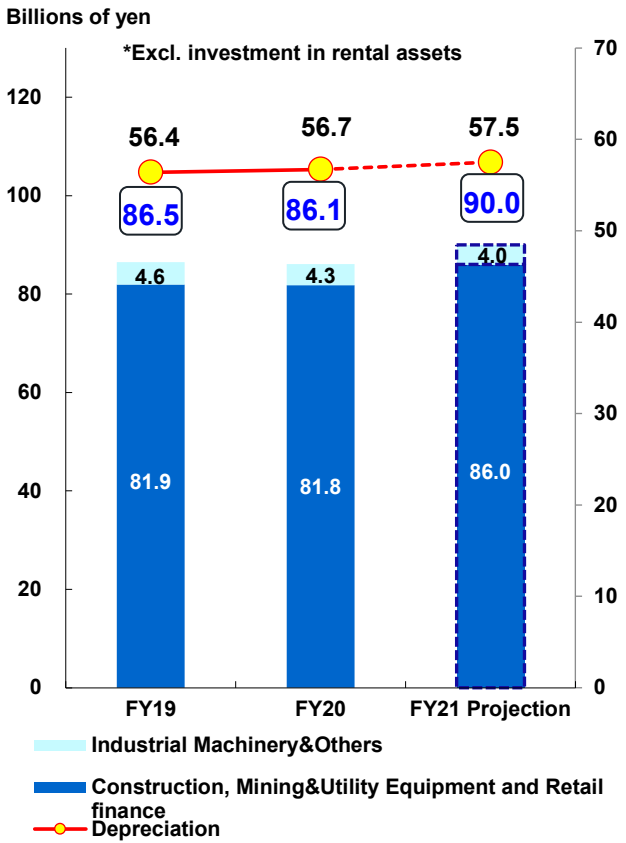
Quarterly sales of parts



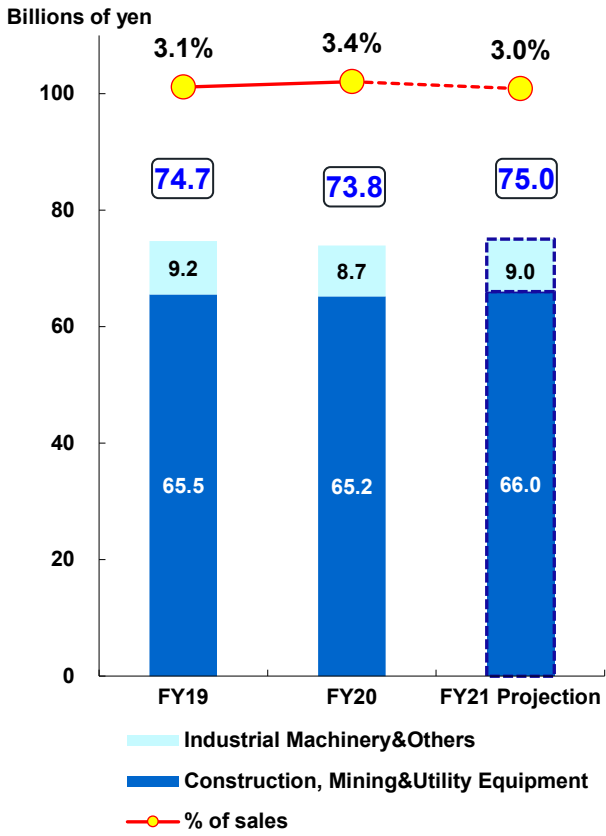
Projected Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs

- CAPEX: Will increase from FY2020, due to construction of KMC's new head office plant and investment mainly in growth areas.
- R&D expenses: Will increase from FY2020, due to investment mainly in electrification, automation, advanced construction, and reinforcement of the underground hard rock business.
- Fixed costs: Will return to the common level, reflecting no movement restrictions due to the coronavirus pandemic. However, we will suppress the level below that for FY2019 by promoting structural reforms and continuous reduction of ordinary business expenses.

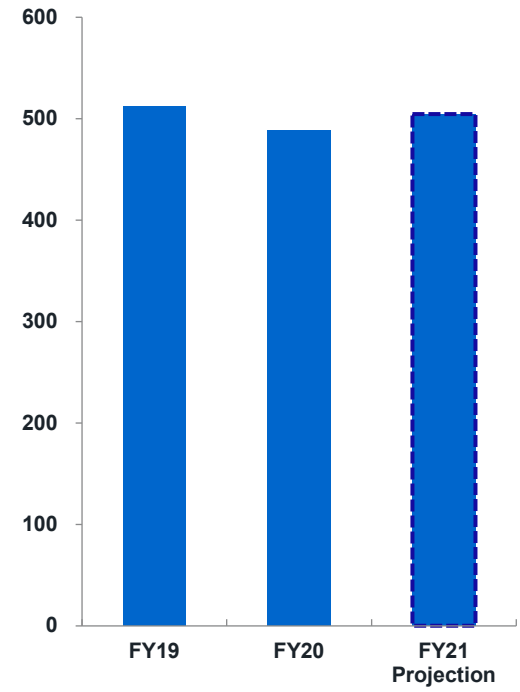
Investment in production and other facilities* and depreciation



R&D Expenses



Fixed costs

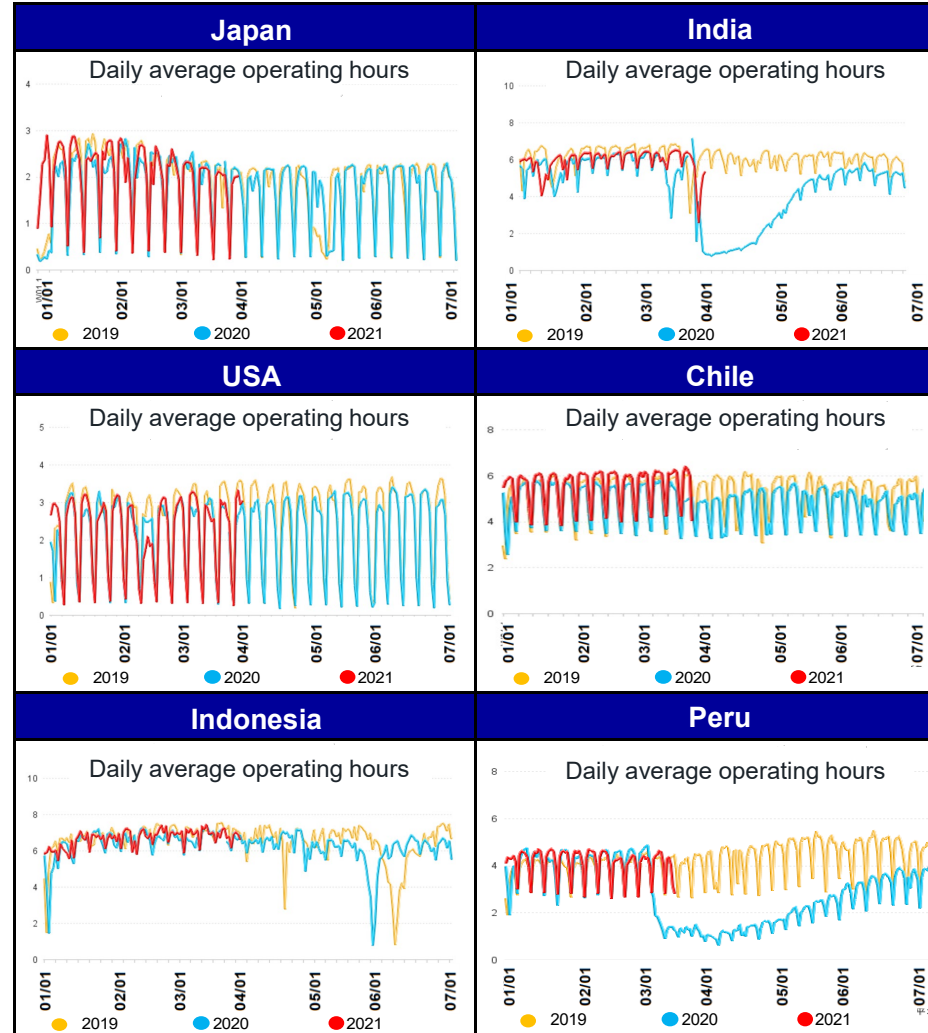
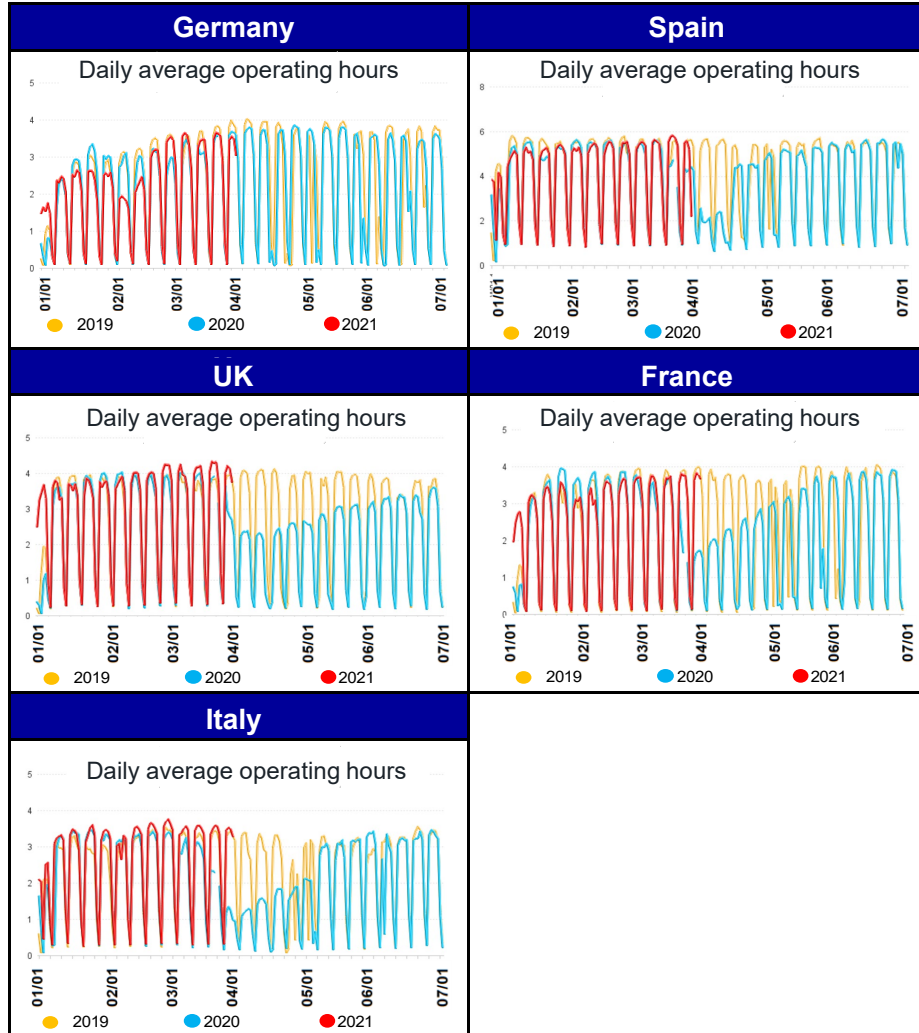


Appendix

<Appendix> Daily Komtrax data

Major European Countries

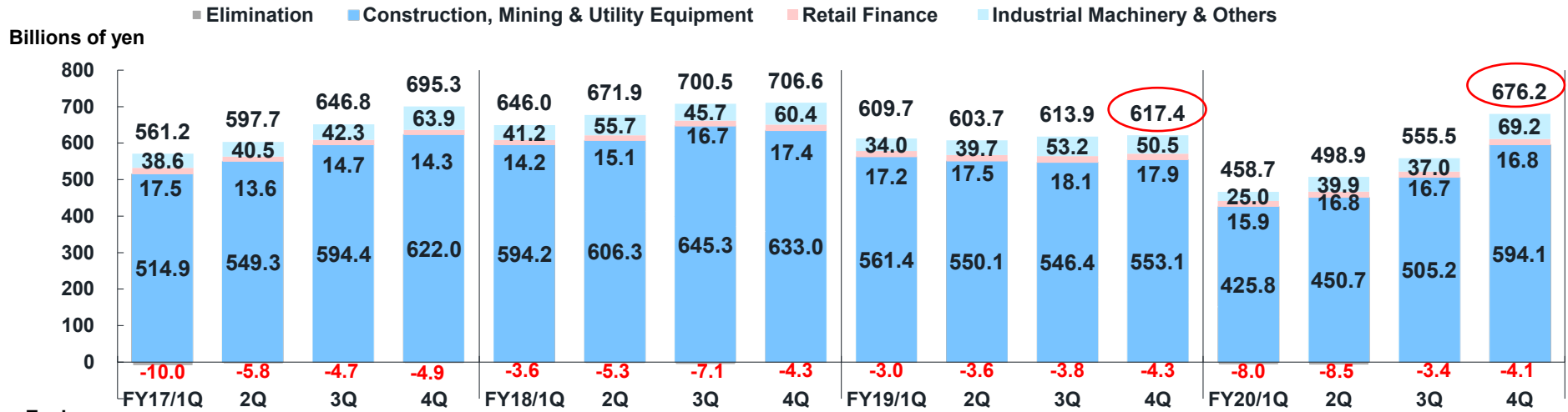
Other Regions



Daily average operating hours: Daily average hours of machine use per unit of Komtrax-installed Komatsu construction equipment .

<Appendix> Quarterly Sales and Operating Income

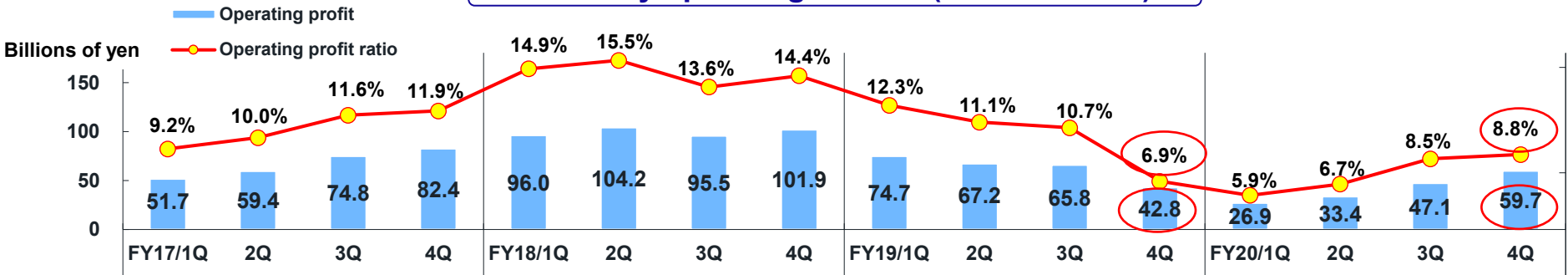
Quarterly sales (Since FY2017)



Exchange rates

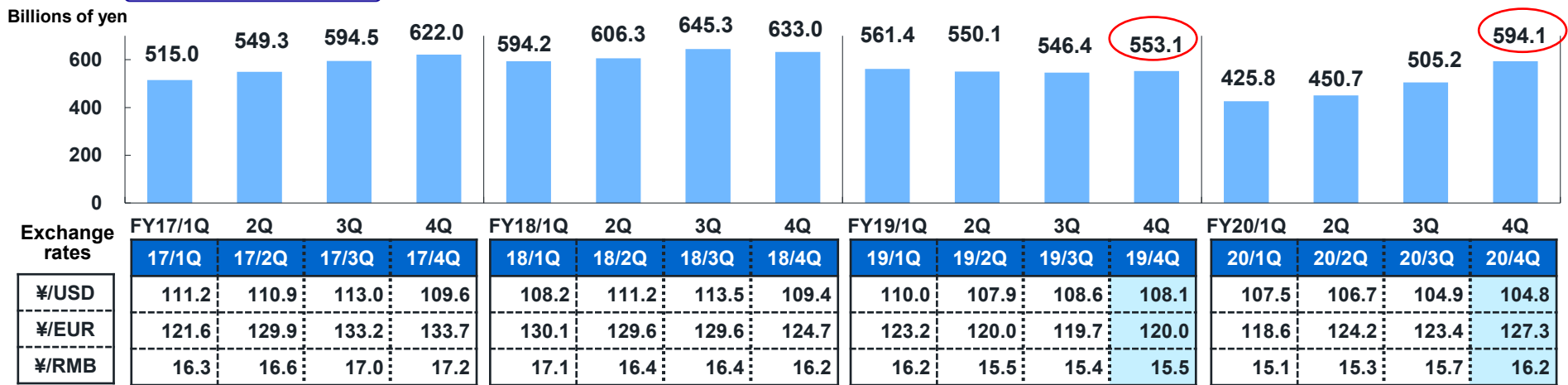
	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2

Quarterly operating income (Since FY2017)

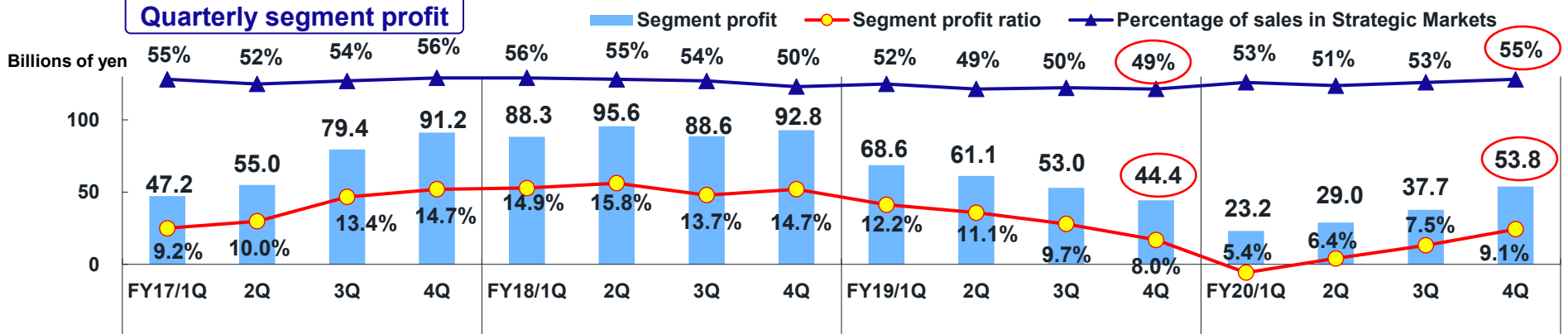


<Appendix> Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

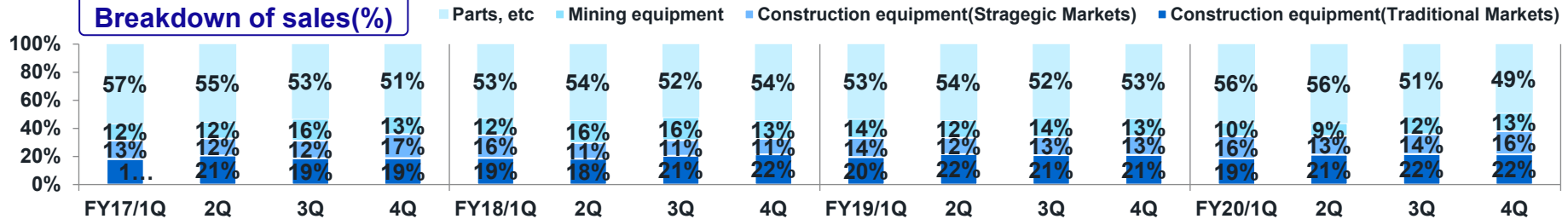
Quarterly Sales



Quarterly segment profit

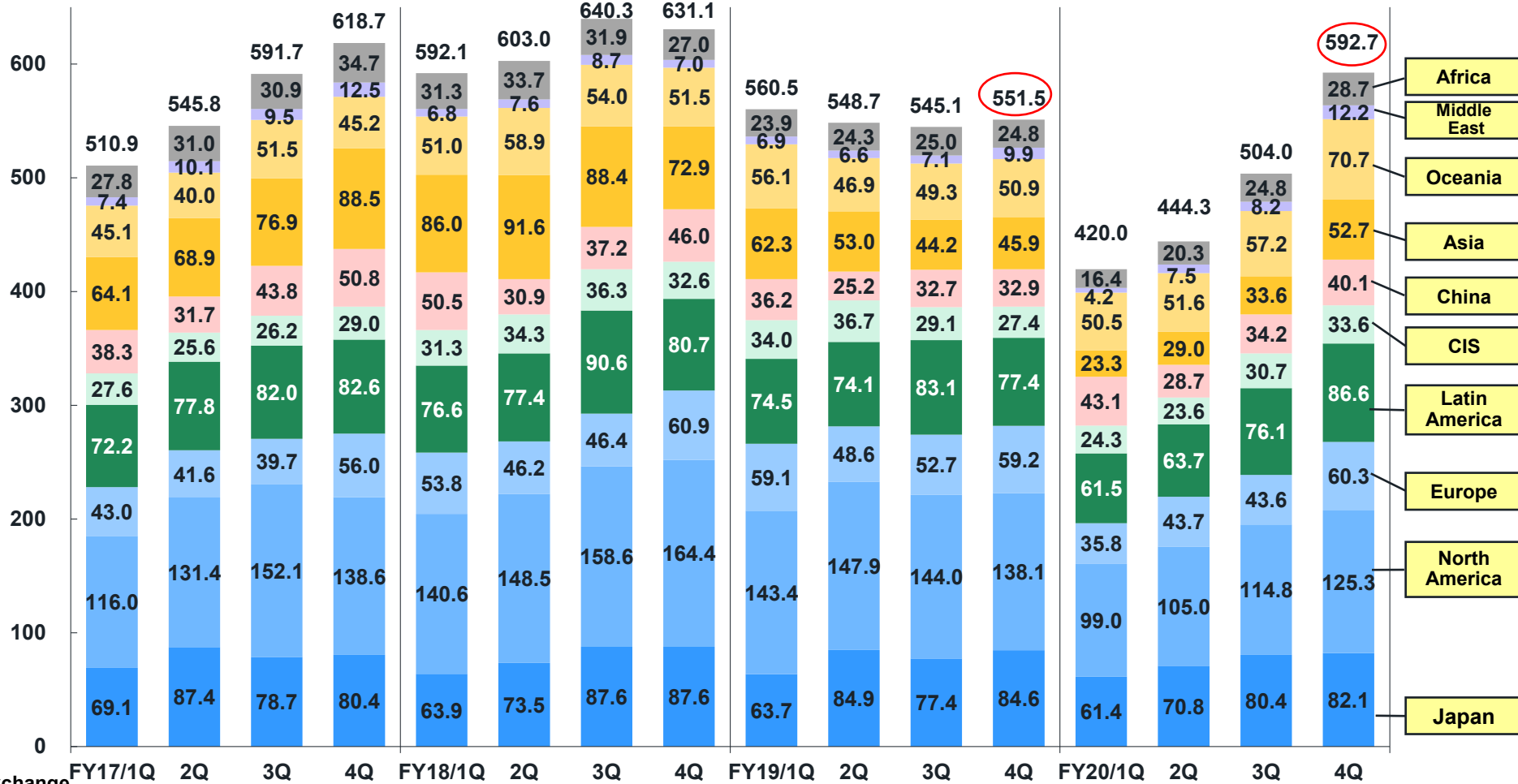


Breakdown of sales(%)



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

Billions of yen

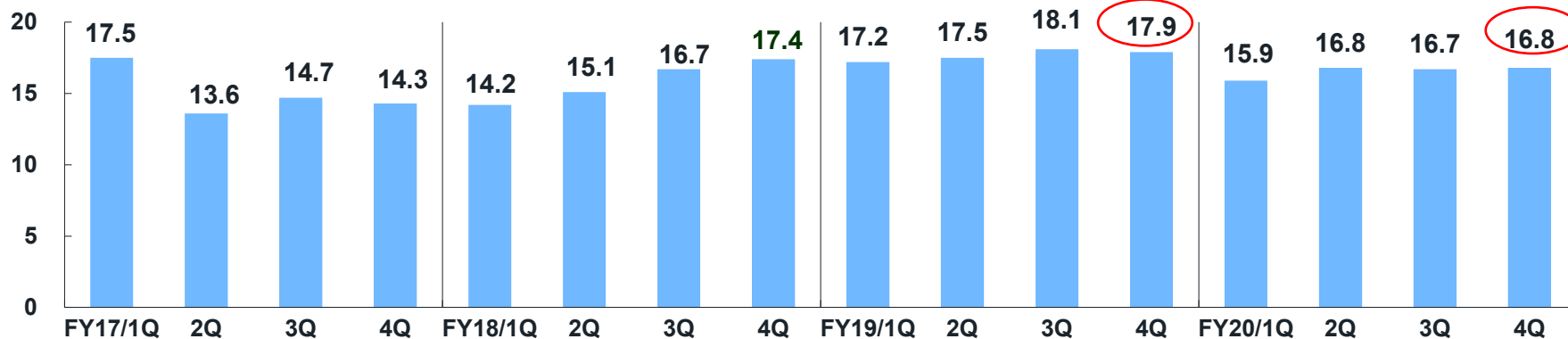


Exchange rates	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2

<Appendix> Retail Finance: Quarterly Sales and Segment Profit

Billions of yen

Quarterly Sales



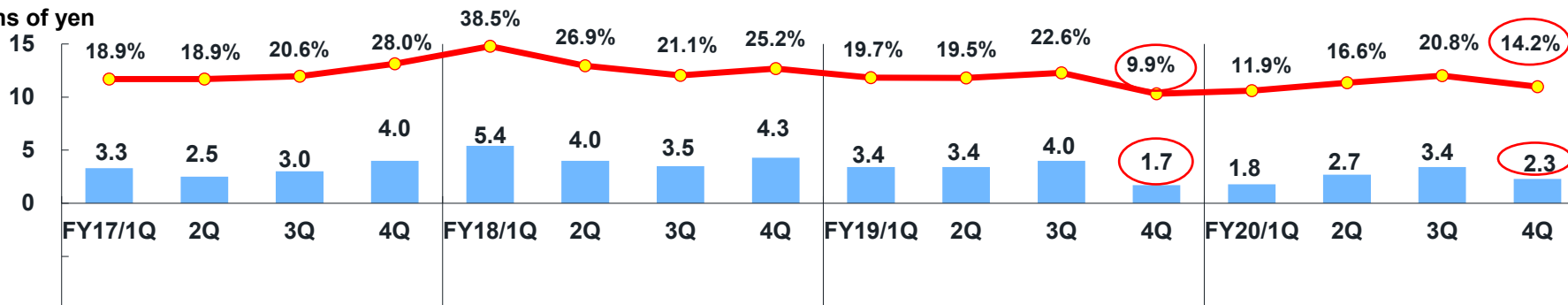
Exchange rates

	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2

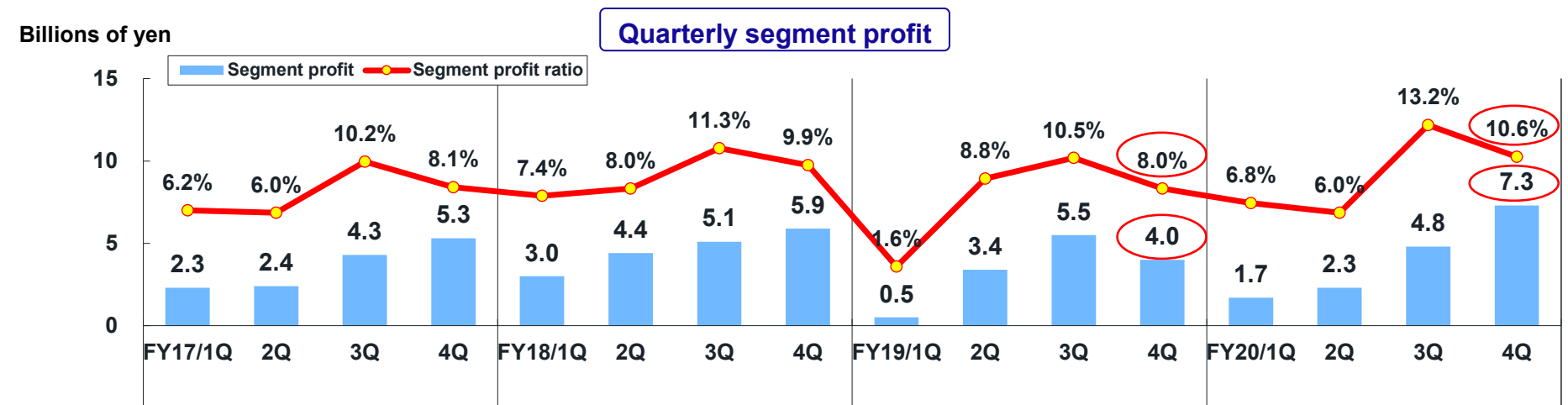
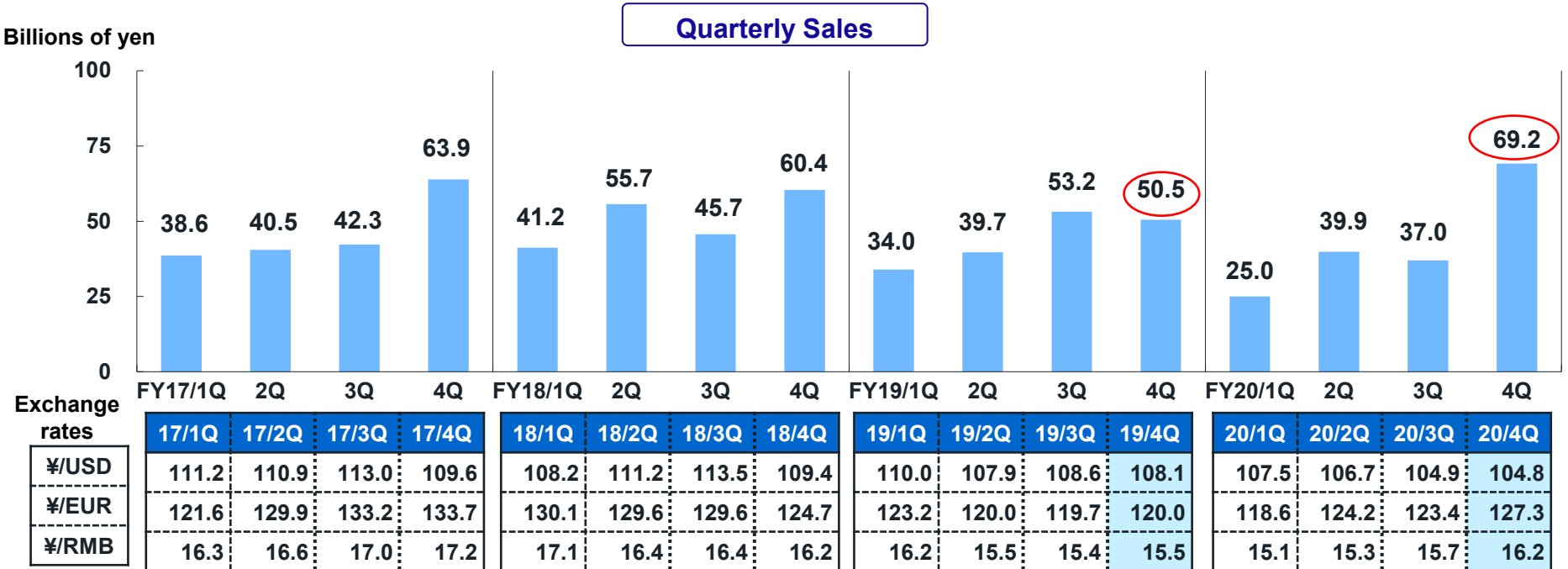
Quarterly segment profit

Billions of yen

Segment profit Segment profit ratio



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

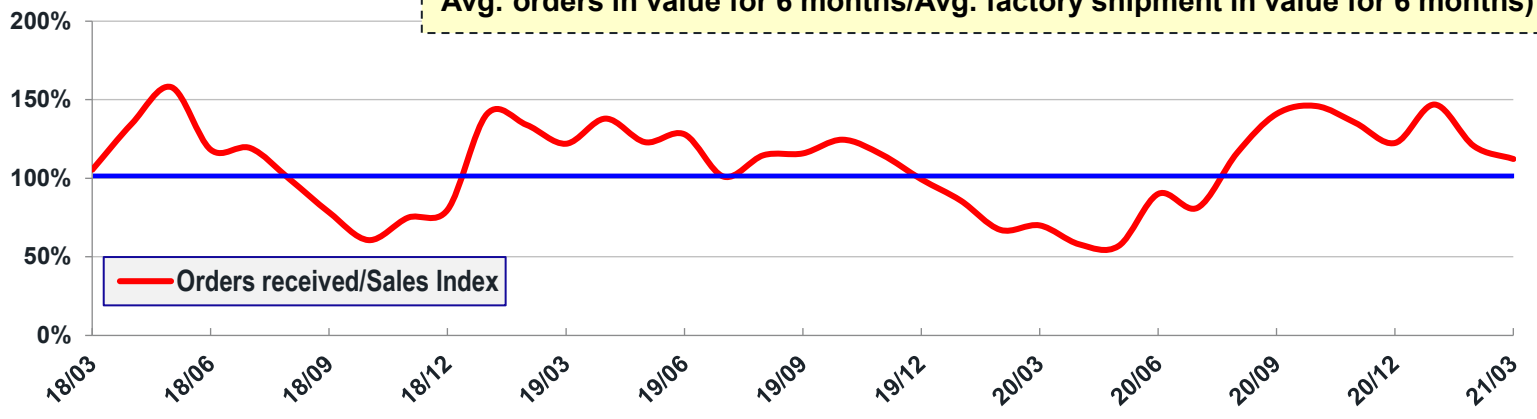


<Appendix> Book-to-Bill Ratio for Mining Equipment (6 Months)

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

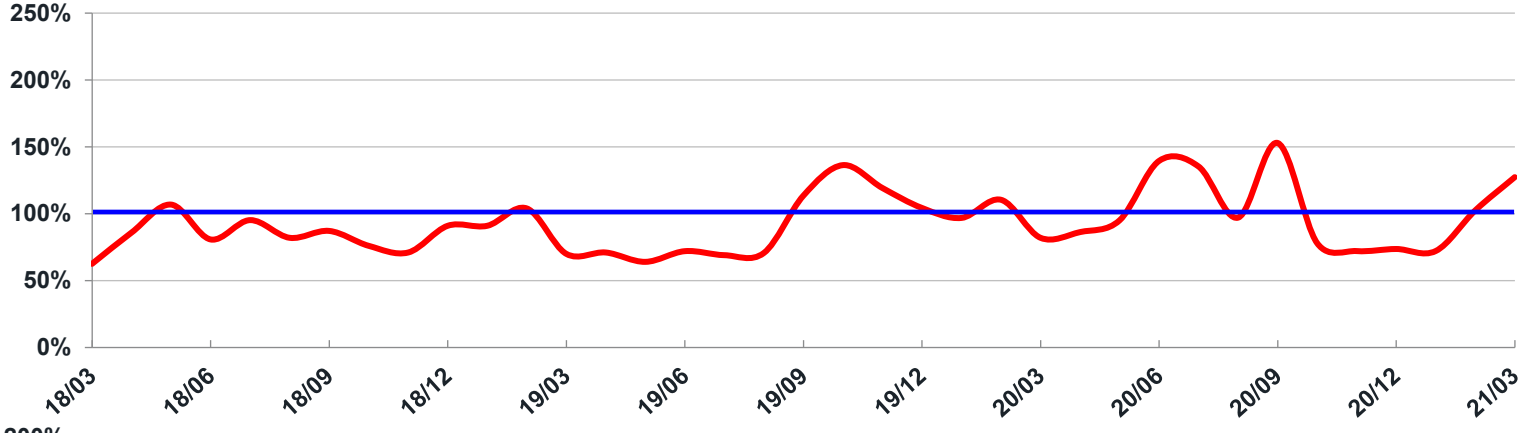
Komatsu America (Mining eqpt)

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



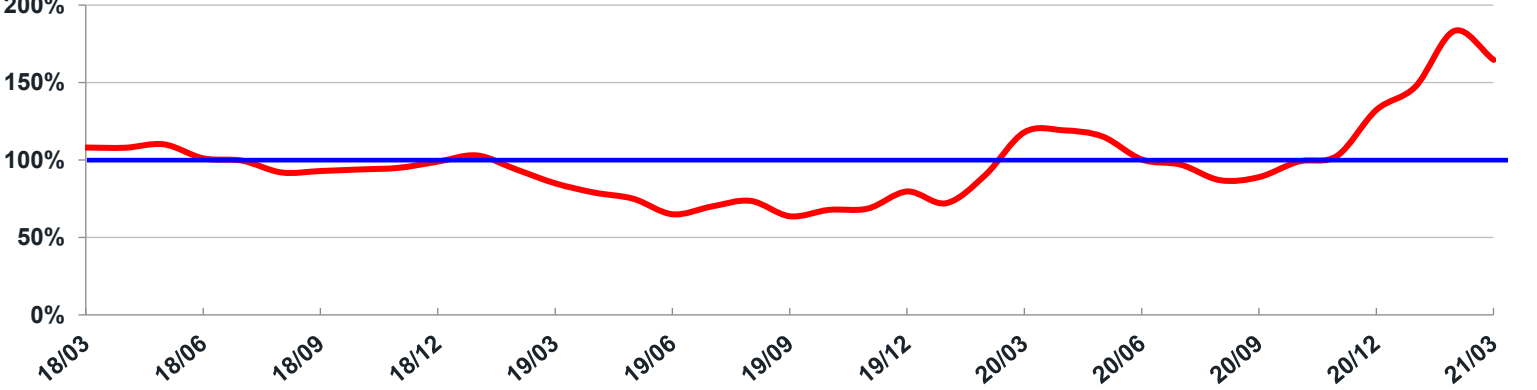
Komatsu Germany (Mining eqpt)

PC3000, PC4000
PC5500, PC7000
PC8000



Komatsu Ltd. (Mining eqpt)

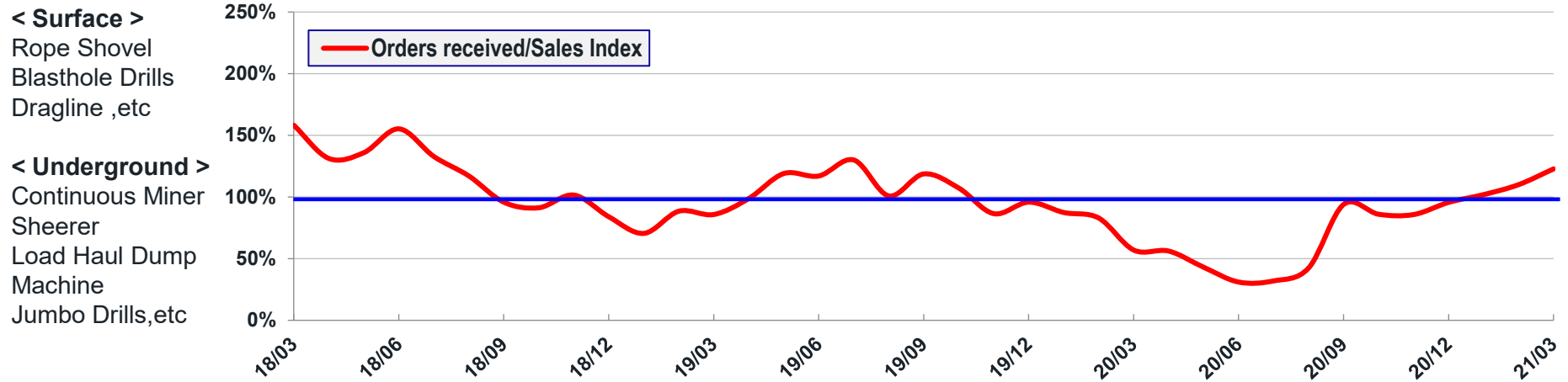
HD785, HD1500
PC2000, PC3000
PC4000
WA800 up
D375A up
GD825A up



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

KMC
(Mining eqpt)

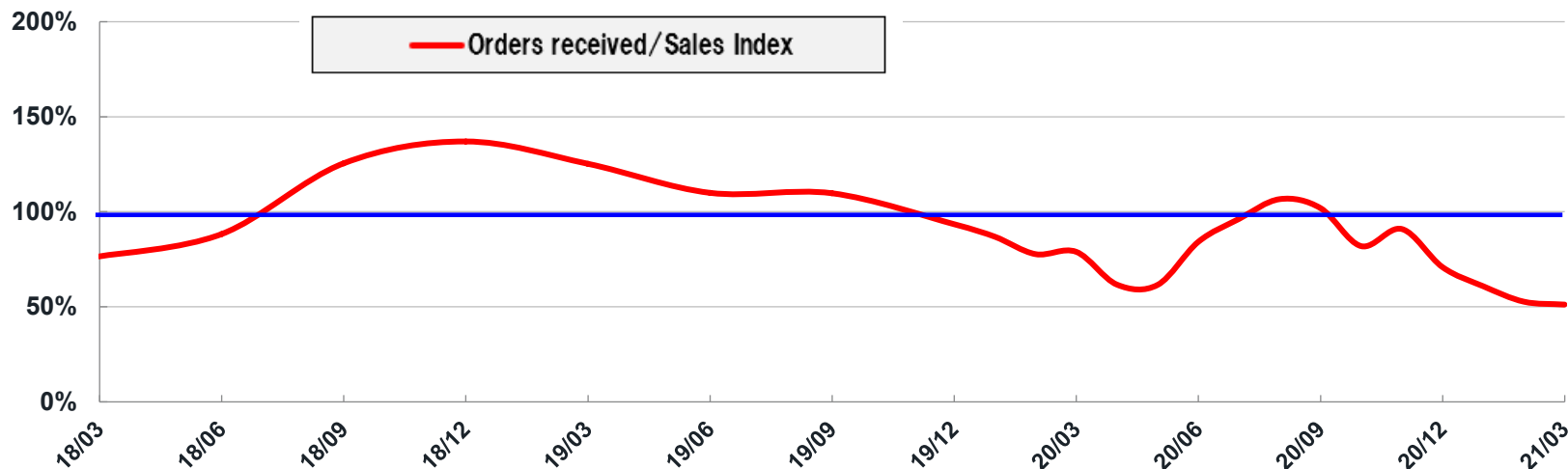
Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months



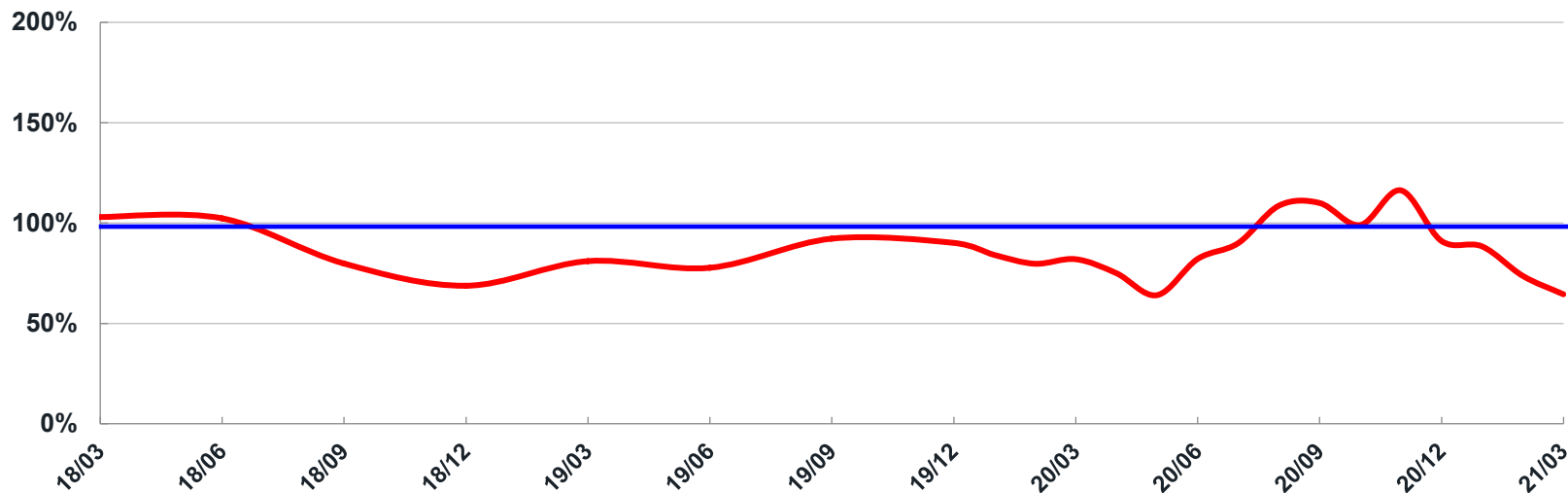
<Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries

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



Komatsu NTC



Verification tests of remotely controlling a large ICT-intensive mining bulldozer via commercial 5G network jointly with NTT DOCOMO, INC.

- In the “docomo Open House™ 2021” held online from February 4 to 7, we showed an outline of the verification tests of remotely controlling a large D375Ai-8 Machine Control bulldozer via commercial 5G network, which were jointly undertaken with NTT DOCOMO, INC.
- We succeeded in the verification tests of remotely controlling construction and mining equipment via commercial 5G network for the first time in Japan in November 2020.



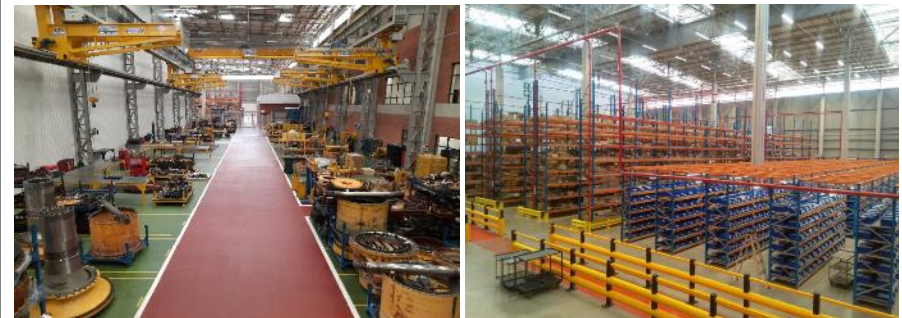
Efforts for Reduction of CO2 emissions: Electric forklifts and New Reman plant in South Africa

- Start sales of FE25-2 and FE30-2 electric forklifts.

- Reinforcement of Reman components operations
New Reman plant in South Africa



News Release on March 10, 2021



News Release on March 15, 2021

100th Anniversary-related Topics

- To enhance and disseminate our corporate brand value and express appreciation to our stakeholders who have supported us over the years, we are capitalizing on the 100th anniversary as a great opportunity for one year for communications and are going to promote the following four activities and make efforts for further sustainable growth.

1. Looking back on our history

- On May 14, we will open our Komatsu-no-mori after renewal in Komatsu City, Ishikawa Prefecture, which includes a history museum and a new display of the PC4000 super-large hydraulic excavator next to the world's largest class 930E dump truck which has attracted hot attention of visitors.



2. Showing the vision of our future

- On our 100th anniversary website, we are showing “Komatsu in 203X”, the 100th anniversary commemorative movie which depicts our desired worksite conditions in 10 to 20 years.



3. Increasing our social contributions


- On this occasion of our 100th anniversary, we have started the employee-driven social contribution, “One World One Komatsu” online platform, as Komatsu Group’s first global initiative for all employees can join.



4. Expressing appreciation to our stakeholders

- In addition to those activities 1 to 3 above, we are also going to hold 100th anniversary events to express appreciation in different regions around the world. We will update our anniversary-related activities on the 100th anniversary website.

100th anniversary website



We spent our first 100 years, solving social issues.
Now, going forward to our next 100 years.

Our 100th anniversary commemorative website welcomes your visits.

<https://komatsu-100th.com/en/>

KOMATSU 100

Creating value together

The work we do is Monozukuri, which encompasses all the teamwork needed to create and support a solution through its entire lifecycle, as well as the innovative disruption to transform a stakeholder's experience through technology. The teamwork goes beyond our group; we create value with all stakeholders including customers.

We promise our stakeholders to work together to positively support the growth needs of society, and sustainably improve our world.



Cautionary Statement

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

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

Business Coordination Department, KOMATSU LTD.

TEL: +81-3-5561-2687 FAX: +81-3-3582-8332

<http://home.komatsu/en/>