



# Business Results for Three and Six Months ended September 30, 2021 【Telephone conference】

## Komatsu Ltd. Participants

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**October 28, 2021**

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# **I . Business Results for Three and Six Months ended September 30, 2021**

# Highlights for the Second 3-Month Period (Jul.-Sep.,21)

- Consolidated net sales increased by 28.9% from the corresponding period a year ago, to JPY643.1 billion.
- Operating income advanced by 123.0% to JPY74.5 billion. Operating income ratio was 11.6%, up 4.9 points.
- Net income attributable to Komatsu Ltd. surged by 148.3% to JPY52.2 billion.

Billions of yen	Jul.-Sep.,2020 (A) ¥106.7/USD ¥124.2/EUR ¥15.3/RMB	Jul.-Sep.,2021 (B) ¥110.3/USD ¥130.6/EUR ¥17.1/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	498.9	643.1	+144.1	+28.9%
Segment profit	34.1	73.9	+39.7	+116.6%
Other operating income (Expenses)	(0.6)	0.6	+1.3	-
Operating income	33.4	74.5	+41.1	+123.0%
Profit ratio	6.7%	11.6%	+4.9pts	-
Other income (Expenses)	(3.3)	0.5	+3.9	-
Income before income taxes	30.0	75.0	+45.0	+149.9%
Net income attributable to Komatsu Ltd.	21.0	52.2	+31.2	+148.3%

# Segment Sales and Profits for the Second 3-Month Period (Jul.-Sep.,21) of FY2021

- Construction, Mining & Utility Equipment: Sales increased by 31.1% from the corresponding period a year ago, to JPY591.0 billion. Segment profit advanced by 123.9% to JPY64.9 billion. Segment profit ratio improved to 11.0%, up 4.6 points.
- Retail Finance: Revenues decreased by 1.8% from the corresponding period a year ago, to JPY16.5 billion. Segment profit advanced by 66.1% to JPY4.6 billion.
- Industrial Machinery & Others: Sales increased by 2.3% from the corresponding period a year ago, to JPY40.8 billion. Segment profit climbed by 83.5% to JPY4.3 billion.

Billions of yen	Jul.-Sep., 2020 (A)	Jul.-Sep., 2021 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
<b>Net sales</b>	498.9	643.1	+144.1	+28.9%
Construction, mining & utility equipment	450.7 [444.3]	591.0 [588.6]	+140.2 [+144.3]	+31.1% [+32.5%]
Retail finance	16.8 [14.9]	16.5 [14.1]	(0.3) [(0.8)]	(1.8%) [(5.5)%]
Industrial machinery & others	39.9 [39.6]	40.8 [40.3]	+0.9 [+0.6]	+2.3% [+1.7%]
Elimination	(8.5)	(5.2)	+3.2	-
<b>Segment profit</b>	6.8% 34.1	11.5% 73.9	+4.7pts. +39.7	+116.6%
Construction, mining & utility equipment	6.4% 29.0	11.0% 64.9	+4.6pts. +35.9	+123.9%
Retail finance	16.6% 2.7	28.0% 4.6	+11.4pts. +1.8	+66.1%
Industrial machinery & others	6.0% 2.3	10.8% 4.3	+4.8pts. +2.0	+83.5%
Corporate & elimination	(0.0)	(0.0)	▲ 0.0	-

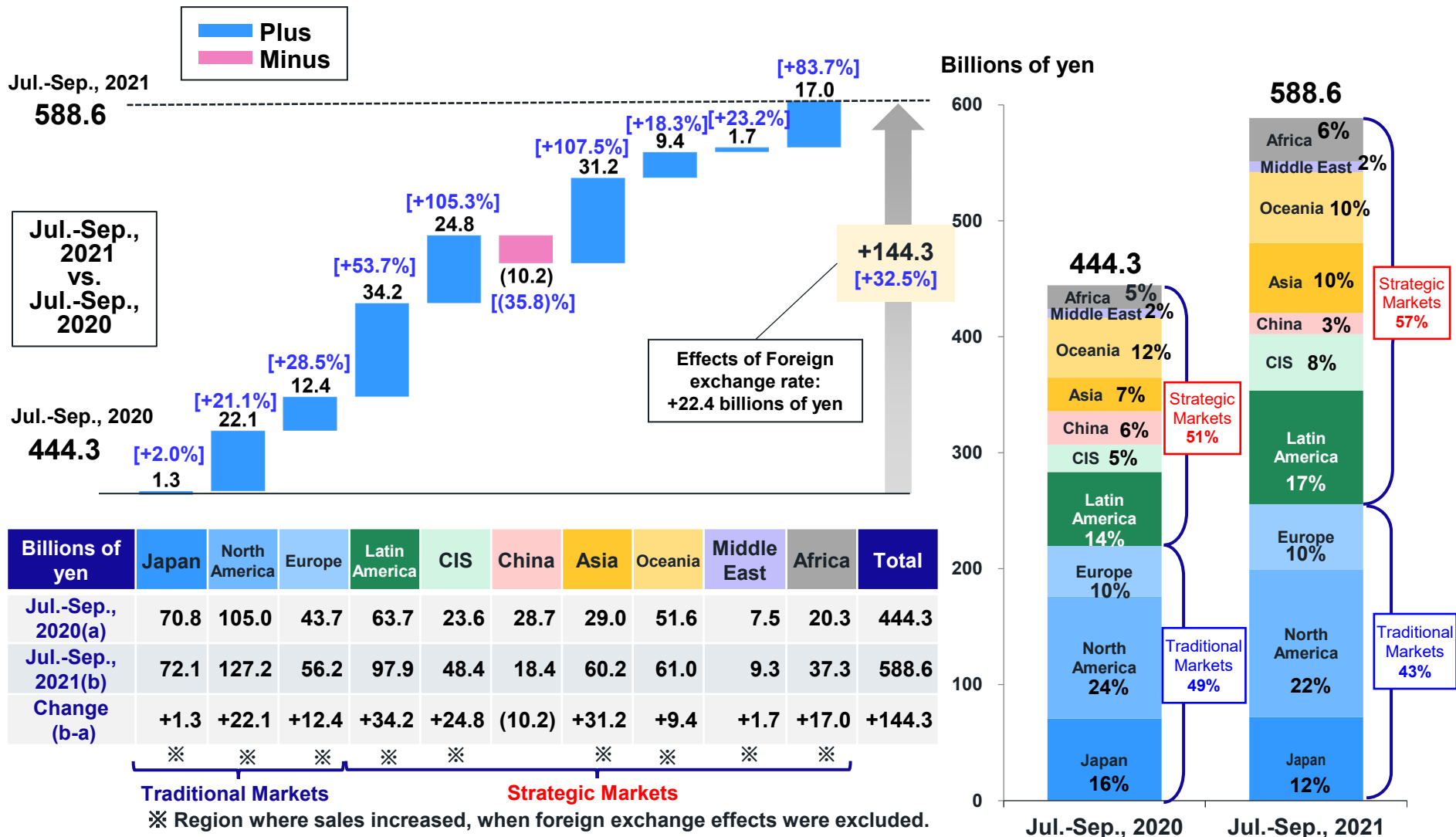
## Review of three business segments:

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

- **Construction, Mining & Utility Equipment:** Sales advanced, mainly supported by increased volume of sales and positive effects of foreign exchange rates and improved selling prices. Segment profit climbed, mainly supported by increased volume of sales.
- **Retail Finance:** Revenues decreased due mainly to declined operating leases in North America. Segment profit increased mainly due to improved evaluation of equipment after lease use.
- **Industrial Machinery & Others:** Concerning presses and machine tools for the automobile manufacturing industry, both sales and profits advanced reflecting the completion of installing machinery at overseas customers' plants. With respect to products for the semiconductor manufacturing industry, both sales and profits increased, esp. supported by excellent sales of the Excimer laser-related business.

# Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) Second 3-Month Period (Jul.-Sep.,21) of FY2021

- Sales to outside customers increased by 32.5% from the corresponding period a year ago, to JPY588.6 billion.
- Sales improved in all regions, except for China. Sales expanded sharply in Latin America, Asia, and CIS.
- The ratio of sales in Strategic Markets increased to 57% of total sales.



# Highlights for the First 6-Month Period ended September 30, 2021

- Consolidated net sales increased by 34.8% from the corresponding period a year ago, to JPY1,291.4 billion.
- Operating income advanced by 125.9% to JPY136.2 billion. Operating income ratio was 10.6%, up 4.3 points.
- Net income attributable to Komatsu Ltd. surged by 149.7% to JPY93.1 billion.

Billions of yen	Apr.-Sep.,2020 (A) ¥107.1/USD ¥121.4/EUR ¥/15.2RMB	Apr.-Sep.,2021 (B) ¥110.1/USD ¥131.1/EUR ¥17.0/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	957.7	1,291.4	+333.6	+34.8%
Segment profit	60.7	134.8	+74.0	+121.9%
Other operating income (Expenses)	(0.4)	1.4	+1.8	-
Operating income	60.3	136.2	+75.9	+125.9%
Profit ratio	6.3%	10.6%	+4.3pts.	-
Other income (Expenses)	(1.8)	0.2	+2.0	-
Income before income taxes	58.5	136.5	+77.9	+133.2%
Net income attributable to Komatsu Ltd.	37.2	93.1	+55.8	+149.7%
Cash dividends per share	18yen	40yen	+22yen	

# Segment Sales and Profits for the First 6-Month Period ended September 30, 2021

- Construction, Mining & Utility Equipment: Sales advanced by 35.2% from the corresponding period a year ago, to JPY1,185.3 billion. Segment profit advanced by 127.2% to JPY118.6 billion. Segment profit ratio improved to 10.0%, up 4.0 points.
- Retail Finance: Revenues increased by 12.9% from the corresponding period a year ago, to JPY36.9 billion. Segment profit advanced by 67.6% to JPY7.8 billion.
- Industrial Machinery & Others: Sales increased by 25.8% from the corresponding period a year ago, to JPY81.6 billion. Segment profit climbed by 109.6% to JPY8.5 billion.

Billions of yen	Apr.-Sep., 2020 (A)	Apr.-Sep., 2021 (B)	Changes (B-A)	
			Increase (Decrease)	Change %
<b>Net sales</b>	957.7	1,291.4	+333.6	+34.8%
Construction, mining & utility equipment	876.5 [864.3]	1,185.3 [1,181.6]	+308.8 [+317.3]	+35.2% [+36.7%]
Retail finance	32.7 [28.9]	36.9 [28.9]	+4.2 [(0.0)]	+12.9% [(0.1)%]
Industrial machinery & others	64.9 [64.4]	81.6 [80.8]	+16.7 [+16.3]	+25.8% [+25.4%]
Elimination	(16.5)	(12.6)	+3.8	-
<b>Segment profit</b>	6.3% 60.7	10.4% 134.8	+4.1pts. +74.0	+121.9%
Construction, mining & utility equipment	6.0% 52.2	10.0% 118.6	+4.0pts. +66.4	+127.2%
Retail finance	14.3% 4.6	21.2% 7.8	+6.9pts. +3.1	+67.6%
Industrial machinery & others	6.3% 4.1	10.5% 8.5	+4.2pts. +4.4	+109.6%
Corporate & elimination	(0.2)	(0.2)	+0.0	-

## Review of three business segments:

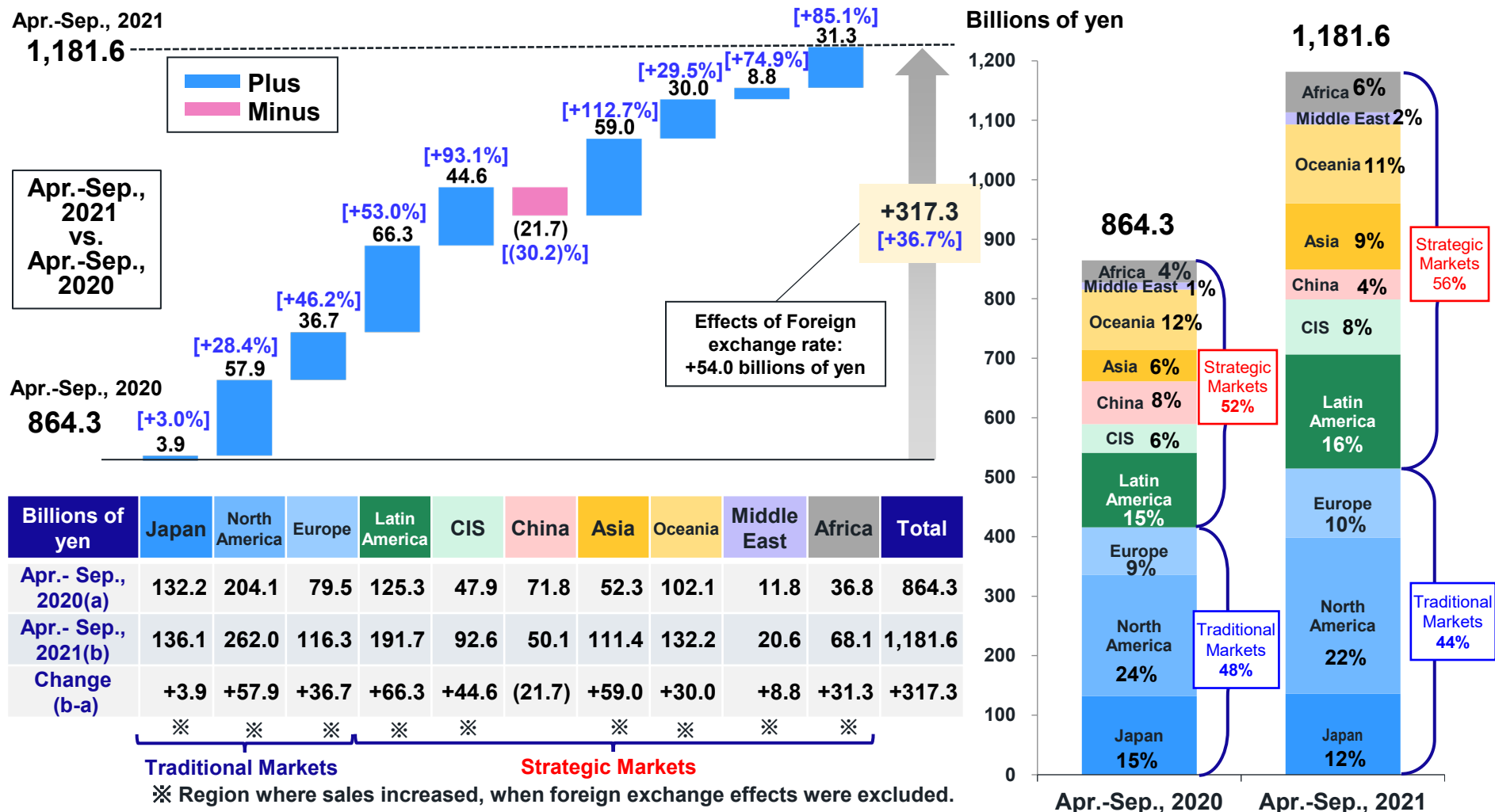
☐ % : Profit ratio [ ] : Sales after elimination of inter-segment transactions

- **Construction, Mining & Utility Equipment:** Sales advanced, mainly supported by increased volume of sales and positive effects of foreign exchange rates and improved selling prices. Segment profit climbed, mainly supported by increased volume of sales.
- **Retail Finance:** Revenues advanced, supported by an increase in new contracts resulting from expanded sales of the construction, mining & utility equipment business. Segment profit advanced, reflecting improved valuation of equipment after lease use and no more adverse effects of an extension of payments, which were implemented and recorded for the corresponding period a year ago under the COVID-19 pandemic.
- **Industrial Machinery & Others:** Concerning presses and machine tools for the automobile manufacturing industry, both sales and profits advanced, reflecting the completion of installing machinery at overseas customers' plants. With respect to products for the semiconductor manufacturing industry, both sales and profits increased, esp. supported by excellent sales of the Excimer laser-related business.



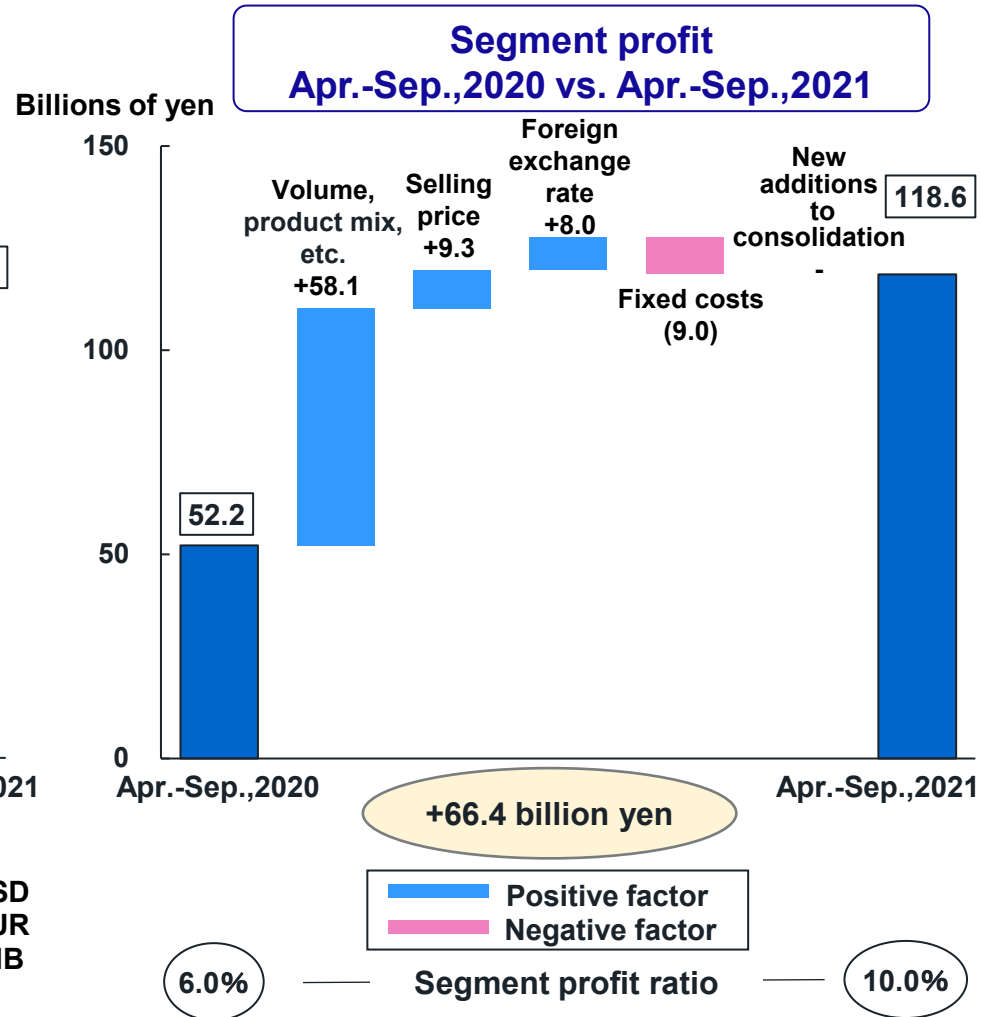
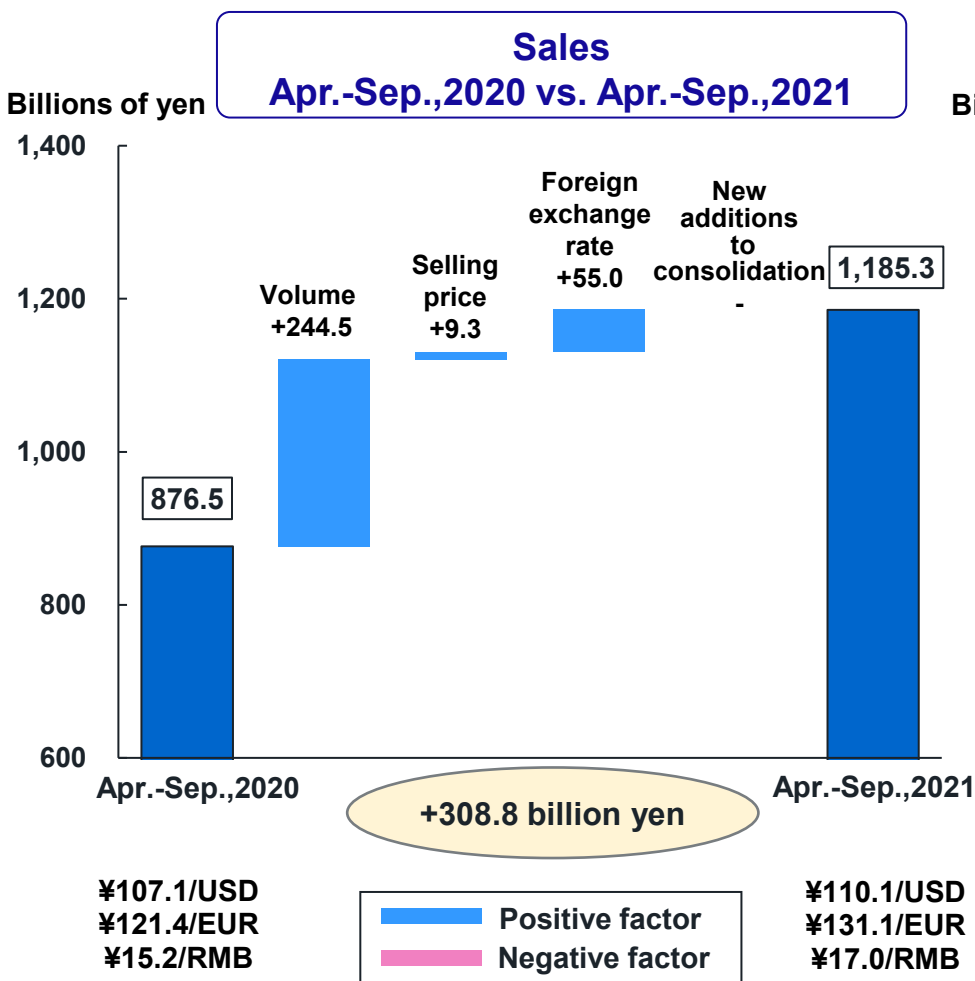
# Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) First 6-Month Period ended September 30, 2021

- Sales to outside customers advanced by 36.7% from the corresponding period a year ago, to JPY1,181.6 billion.
- Sales improved in all regions, except for China.
  - Sales expanded sharply in North America, Latin America, Asia, and CIS.
- The ratio of sales in Strategic Markets increased to 56% of total sales.



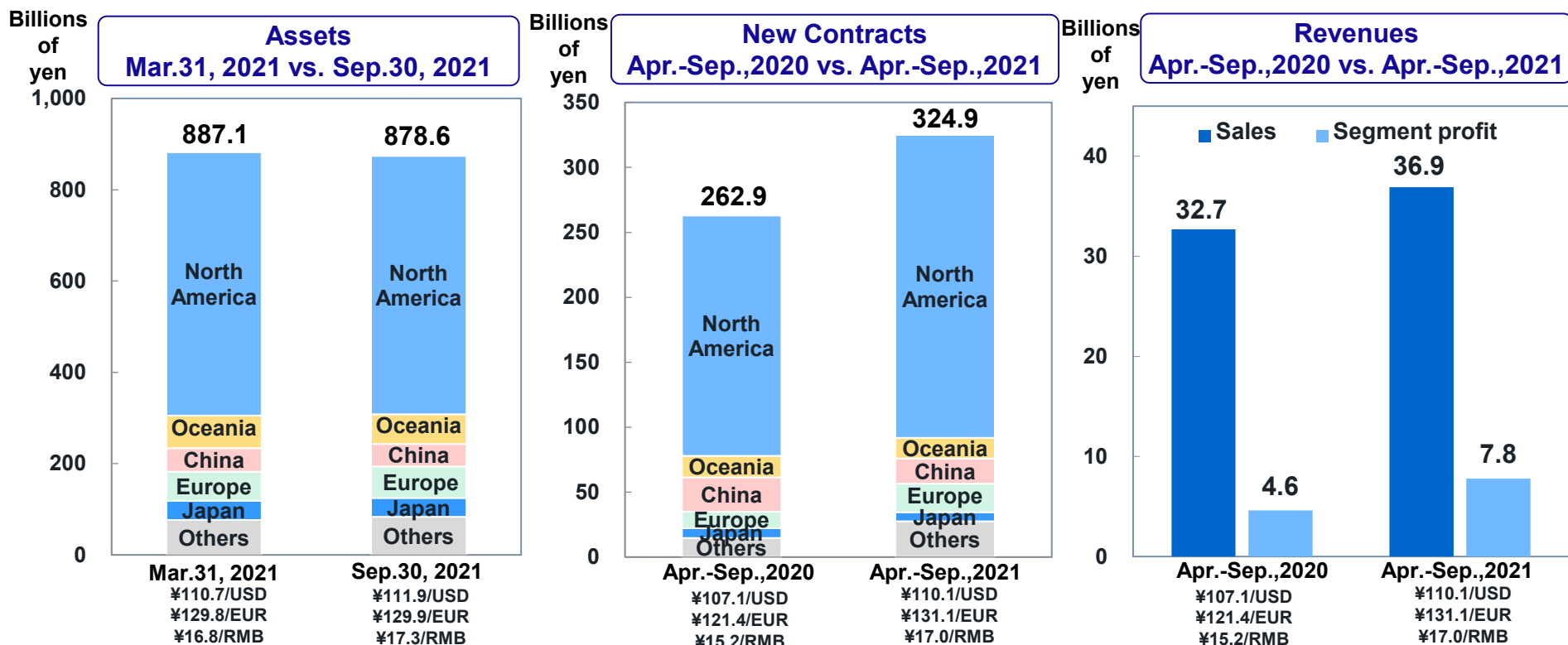
# Construction, Mining & Utility Equipment : Causes of Difference in Sales and Segment Profit for the First 6-Month Period (Apr.-Sep.,21) of FY2021

- Sales increased by JPY308.8 billion from the corresponding period a year ago, mainly supported by increased volume of sales and positive effects of foreign exchange rates and improved selling prices.
- Segment profit increased by JPY66.4 billion from the corresponding period a year ago, reflecting increased volume of sales.
- Segment profit ratio was 10.0%, up 4.0 points from the corresponding period a year ago.



# Retail Finance: Assets and Revenues for the First 6-Month Period (Apr.-Sep.,21) of FY2021

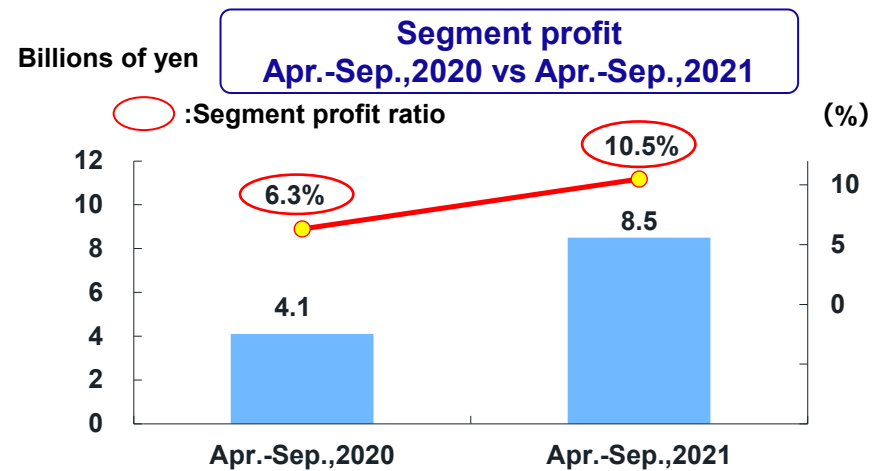
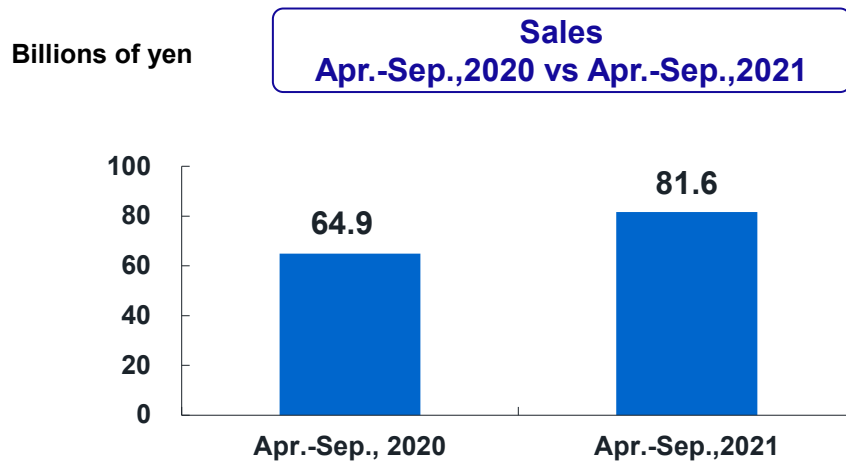
- Assets remained about flat from the previous fiscal year-end.
- New contracts increased by JPY62.0 billion from the corresponding period a year ago, supported by increased sales of the construction, mining and utility equipment business.
- Revenues increased by JPY4.2 billion, supported by an increase in new contracts.
- Segment profit increased by JPY3.1 billion, mainly due to an increase in sales and reflecting improved valuation of equipment after lease use and no more adverse effects of an extension of payments, which were implemented and recorded for the corresponding period a year ago under the COVID-19 pandemic.



Billions of yen	2021/3E	2021/9E	Changes
Interest-bearing debt	674.7	666.6	(8.1)
Interest-bearing debt, net	672.3	664.8	(7.5)
Net D/E ratio	3.69	3.55	(0.14)pts.

# Industrial Machinery & Others: Sales and Segment Profit for the First 6-Month Period (Apr.-Sep.,21) of FY2021

- Sales advanced by 25.8% from the corresponding period a year ago, to JPY81.6 billion.
- Segment profit advanced by 109.6% to JPY8.5 billion.
- Presses and machine tools for the automobile manufacturing industry: Both sales and segment increased.
- Products for the semiconductor manufacturing industry: Both sales and profits increased, esp. supported by excellent sales of the Excimer laser-related business.
- Segment profit ratio was 10.5%.



Breakdown of sales Billions of yen	Apr.-Sep., 2020	Apr.-Sep., 2021	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	16.7	26.9	+10.1	+60.7%
Komatsu NTC Ltd.	11.7	15.8	+4.1	+35.0%
Gigaphoton Inc.	18.7	24.5	+5.8	+31.0%
Others	17.7	14.3	(3.3)	(18.8%)
<b>Total</b>	<b>64.9</b>	<b>81.6</b>	<b>+16.7</b>	<b>+25.8%</b>

# Consolidated Balance Sheets

- Total assets increased by JPY68.6 billion from the previous fiscal year-end, to JPY3,853.5 billion.
- Inventories increased resulting from an increase of demand in the construction, mining and utility equipment business.
- Komatsu Ltd. shareholders' equity ratio increased by 1.3 percentage point, to 51.8%.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2021 ¥110.7/USD ¥129.8/EUR ¥16.8/RMB	Sep. 30, 2021 ¥111.9/USD ¥129.9/EUR ¥17.3/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	243.1	274.0	+30.8
Accounts receivable (incl. long-term trade receivables)	1,267.5	1,256.1	(11.4)
Inventories	793.8	849.2	+55.3
Tangible fixed assets	787.3	779.7	(7.5)
Other assets	692.9	694.3	+1.4
<b>Total assets</b>	<b>3,784.8</b>	<b>3,853.5</b>	<b>+68.6</b>
Accounts payable	258.3	268.9	+10.6
Interest-bearing debt [b]	909.9	864.5	(45.4)
Other liabilities	604.5	606.1	+1.6
<b>Total liabilities</b>	<b>1,772.8</b>	<b>1,739.6</b>	<b>(33.1)</b>
[Shareholders' equity ratio]	[50.5%]	[51.8%]	[+1.3pts.]
Komatsu Ltd. shareholders' equity	1,912.2	1,997.7	+85.4
Non-controlling interests	99.7	116.1	+16.4
<b>Liabilities &amp; Equity</b>	<b>3,784.8</b>	<b>3,853.5</b>	<b>+68.6</b>
<b>Interest-bearing debt, net [b-a]</b>	<b>○ 0.35</b> 666.8	<b>○ 0.30</b> 590.5	<b>(76.2)</b>
<b>Net D/E ratio (excl. the retail finance business)</b>	<b>○ (0.00)</b>	<b>○ (0.04)</b>	

## **II . Outlook of FY2021 Business Results**

# Outline of Projection for FY2021

- Consolidated net sales will increase by 22.5% from FY2020, to JPY2,683.0 billion (up JPY214.0 billion from the projection of April this year).
- Operating income will advance by 68.5% to JPY282.0 billion (up JPY57.0 billion from the projection of April this year).
- Annual cash dividends per share are being planned for JPY80 (up JPY18 from the projection of April this year).

Reassessed preconditions of foreign exchange rates in the second half period: USD1=JPY107, EUR1=JPY126, and RMB1=JPY16.5

Billions of yen	FY2020 Results (A) ¥106.0/USD ¥123.4/EUR ¥15.6/RMB	FY2021 Projection (B) (Current) ¥108.5/USD ¥128.6/EUR ¥16.8/RMB	FY2021 Projection (April) ¥105.0/USD ¥124.0/EUR ¥16.0/RMB	Changes (B-A)	
				Increase (Decrease)	Change %
Net sales	2,189.5	2,683.0	2,469.0	+493.4	+22.5%
Segment profit	172.3	282.0	225.0	+109.6	+63.6%
Other operating income (Expenses)	(5.0)	0.0	0.0	+5.0	-
Operating income	167.3	282.0	225.0	+114.6	+68.5%
Profit ratio	7.6%	10.5%	9.1%	+2.9pts.	-
Other income (Expenses)	(4.5)	(5.0)	(8.0)	(0.4)	-
Income before income taxes	162.7	277.0	217.0	+114.2	+70.2%
Net income attributable to Komatsu Ltd.	106.2	187.0	146.0	+80.7	+76.0%
ROE	5.8%	9.6%	7.6%	+3.8pts.	
Cash dividends per share ※	55Yen	80Yen	62Yen	+25Yen	
Consolidated payout ratio	48.9%	40.4%	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 24.0% from FY2020, to JPY2,450.0 billion. Segment profit will advance by 73.2% to JPY249.0 billion. Segment profit ratio will improve to 10.2%, up 2.9 points.
- Retail Finance: Revenues will increase by 5.4% from FY2020, to JPY 70.0billion. Segment profit will increase by 22.9% to JPY13.0 billion.
- Industrial Machinery & Others: Sales will increase by 9.8% from FY2020, to JPY188.0 billion. Segment profit will climb by 16.3% to JPY19.0 billion.

Billions of yen	FY2020 Results (A)	FY2021 Projection (B)(Current)	FY2021 Projection (April)	Changes (B-A)	
				Increase (Decrease)	Change %
<b>Net sales</b>	2,189.5	2,683.0	2,469.0	+493.4	+22.5%
Construction, mining & utility equipment	1,975.9 [1,961.2]	2,450.0 [2,435.0]	2,243.0 [2,235.0]	+474.0 [+473.7]	+24.0% [+24.2%]
Retail finance	66.3 [58.3]	70.0 [61.0]	68.0 [60.0]	+3.6 [+2.6]	+5.4% [+4.5%]
Industrial machinery & others	171.2 [169.9]	188.0 [187.0]	175.0 [174.0]	+16.7 [+1.7]	+9.8% [+10.0%]
Elimination	(24.0)	(25.0)	(1.7)	(0.9)	-
<b>Segment profit</b>	7.9% 172.3	10.5% 282.0	9.1% 225.0	+2.6pts. +109.6	+63.6%
Construction, mining & utility equipment	7.3% 143.7	10.2% 249.0	8.8% 198.0	+2.9pts. +105.2	+73.2%
Retail finance	15.9% 10.5	18.6% 13.0	17.6% 12.0	+2.7pts. +2.4	+22.9%
Industrial machinery & others	9.5% 16.3	10.1% 19.0	9.7% 17.0	+0.6pts. +2.6	+16.3%
Corporate & elimination	1.6	1.0	(2.0)	(0.6)	-

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

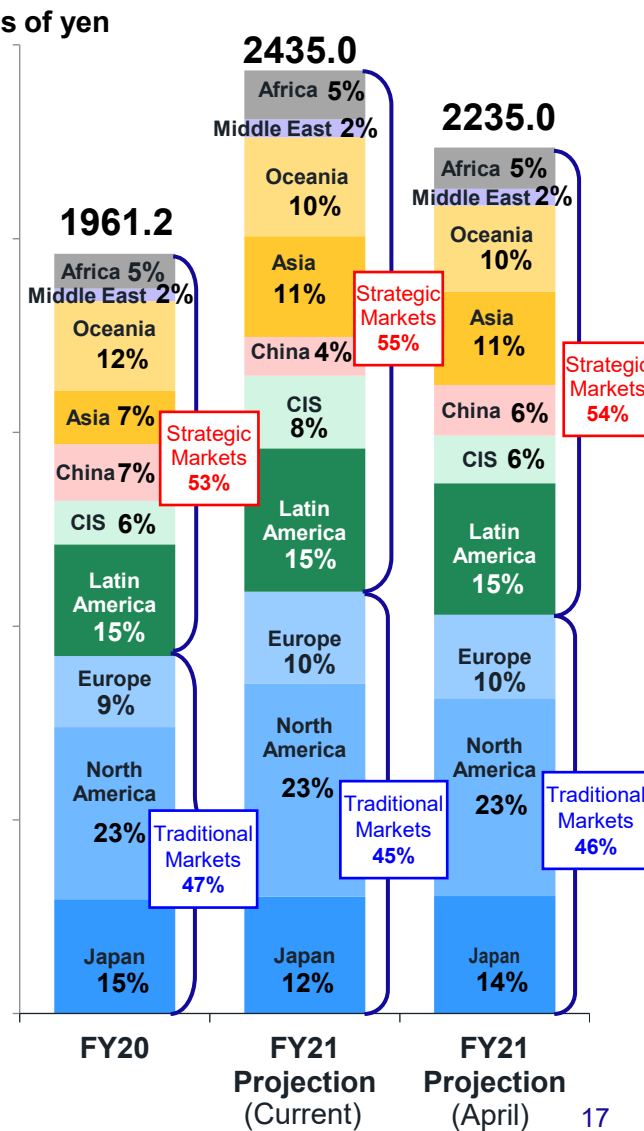
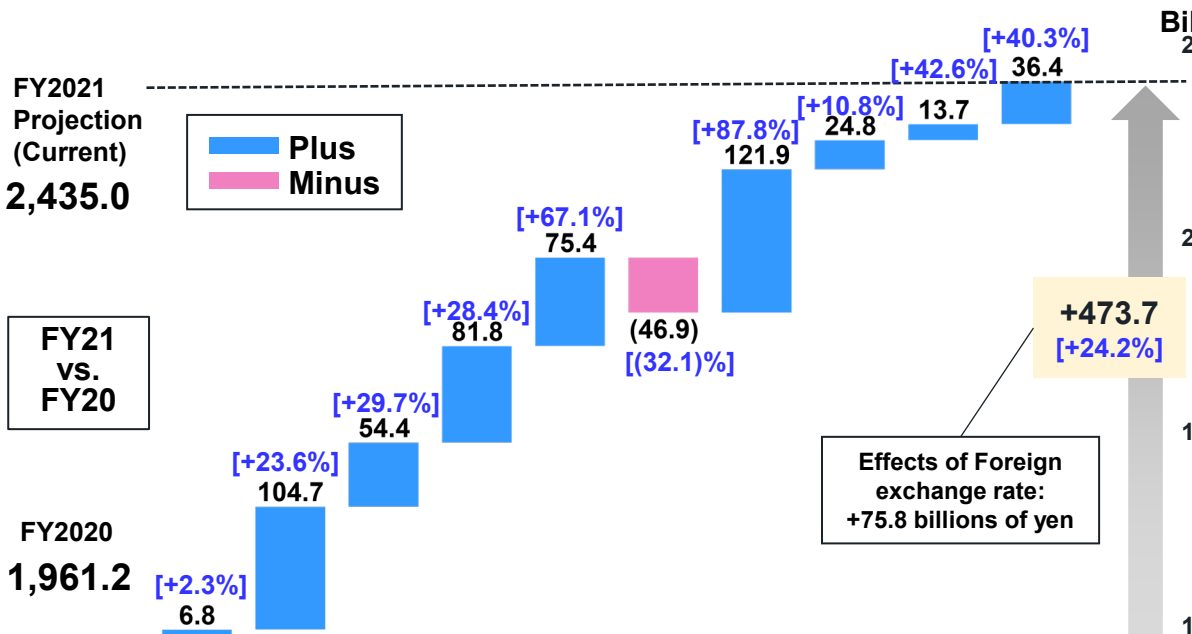
## Review of three business segments:

- **Construction, Mining & Utility Equipment:** Both sales and profit will advance, mainly supported by increased volume of sales and positive effects of foreign exchange rates and improved selling prices.
- **Retail Finance:** Revenues will improve, affected by an increase of new contracts. Segment profit will also improve by increased sales.
- **Industrial Machinery & Others:** Both sales and profit will increase, 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 of FY2021 Sales by Region (To Outside Customers)

- Full-year sales to outside customers for FY2021 should increase by 24.2% from FY2020, to JPY2,435.0 billion.
- Sales will improve in all regions, except for China. Sales should expand sharply in North America, Latin America, Asia, and CIS.
- The ratio of sales in Strategic Markets will increase to 55% of total sales.

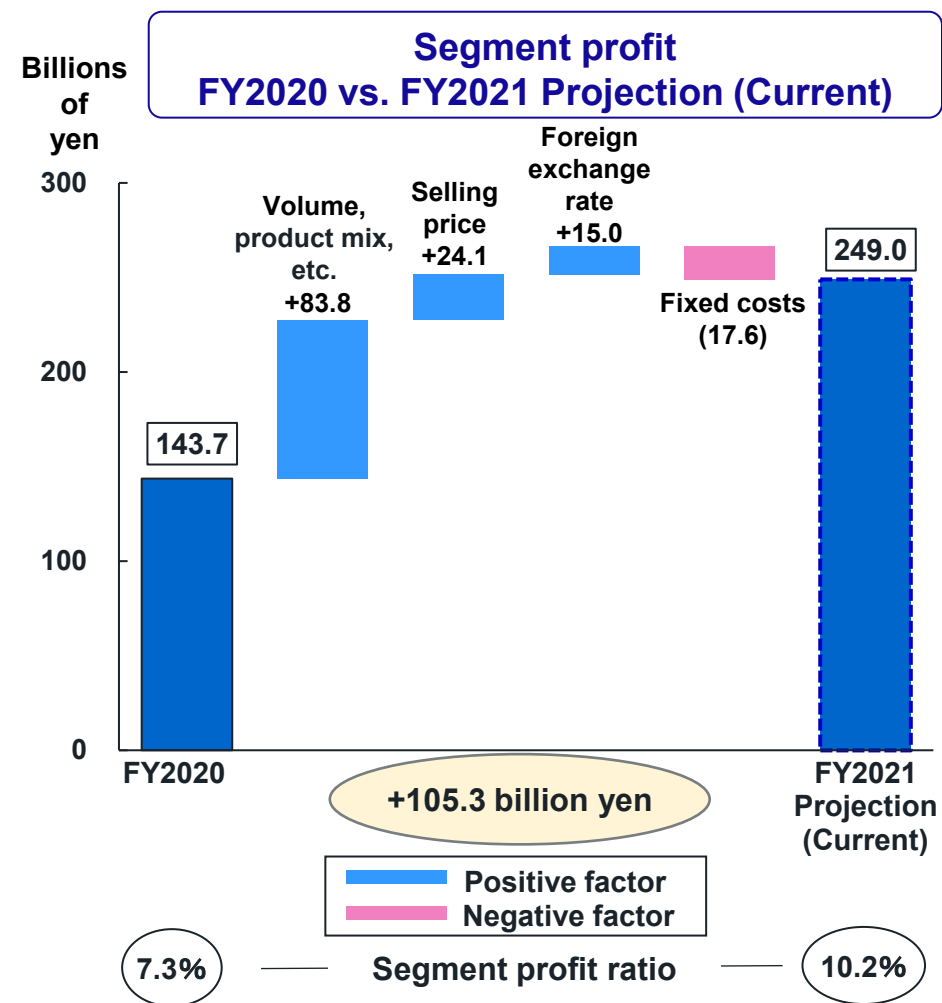
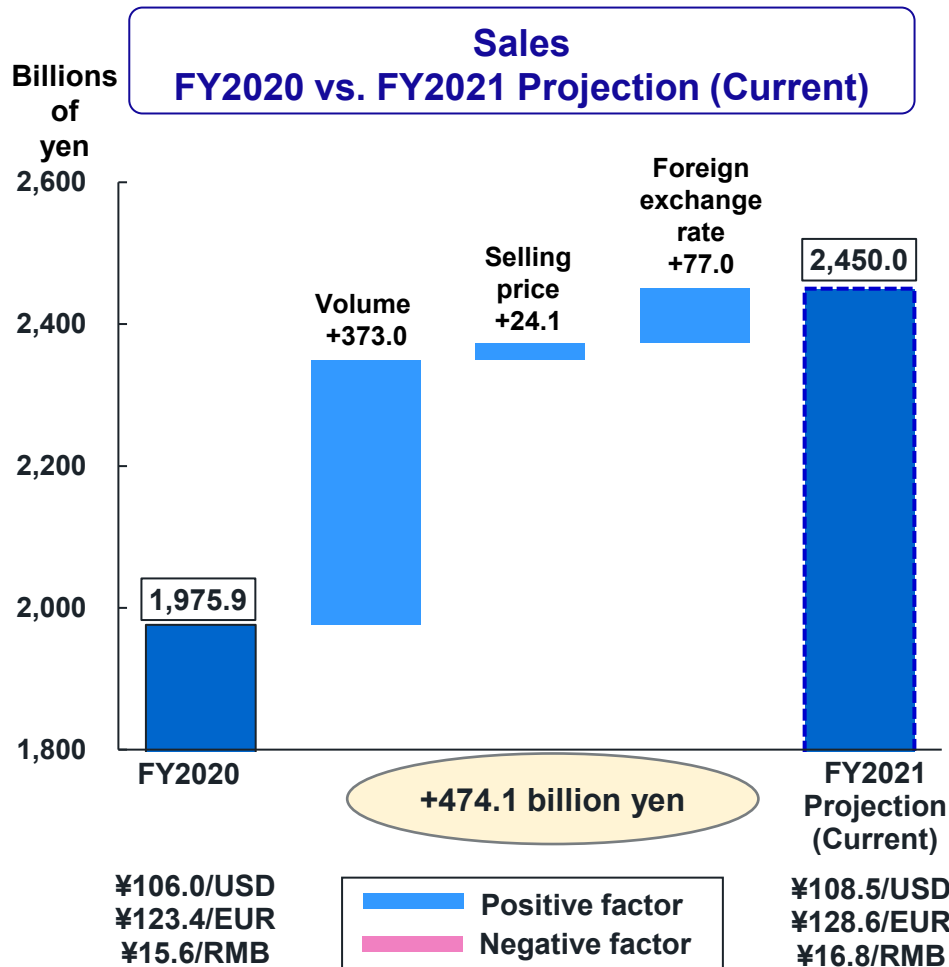


Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2020(a)	294.8	444.3	183.5	288.0	112.3	146.2	138.7	230.1	32.3	90.4	1,961.2
FY2021(b) Projection (Current)	301.7	549.1	238.0	369.9	187.8	99.3	260.7	255.0	46.1	126.9	2,435.0
Change (b-a)	+6.8	+104.7	+54.4	+81.8	+75.4	(46.9)	+121.9	+24.8	+13.7	+36.4	+473.7
	※	※	※	※	※		※	※	※	※	

**Traditional Markets** (Japan, North America, Europe, Latin America, CIS, Oceania, Middle East, Africa)  
**Strategic Markets** (China, Asia)  
 ※ Region where sales will increase, when foreign exchange effects are excluded.

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

- Sales should expand by JPY474.1 billion from FY2020, as positively affected by an increase in volume of sales, foreign exchange rates and selling prices.
- Segment profit should also expand by JPY105.3 billion from FY2020, reflecting increased volume of sales.
- Segment profit ratio will improve to 10.2%, up 2.9 points from FY2020.

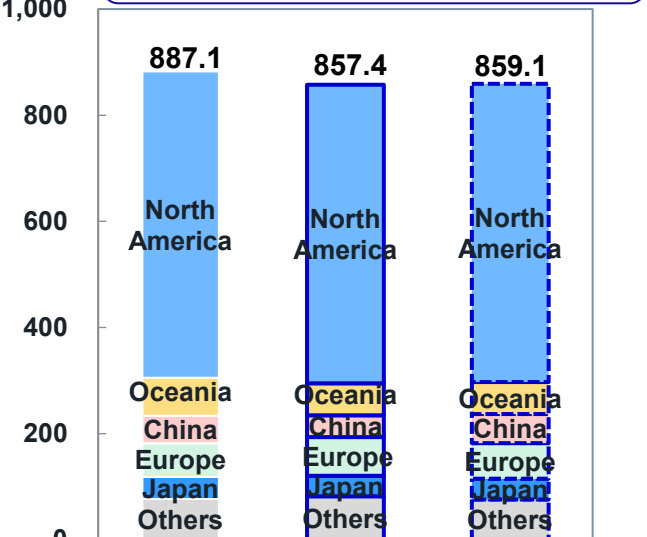


# Retail Finance: Projection for FY2021

- 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.
- Revenues will improve from FY2020, reflecting an increase in new contracts.
- Segment profit will increase, mainly due to an increase in revenues and reflecting improved evaluation of equipment after lease use and no more adverse effects of an extension of payments, which were implemented and recorded in FY2020 under the COVID-19 pandemic.

Billions of yen  
1,000

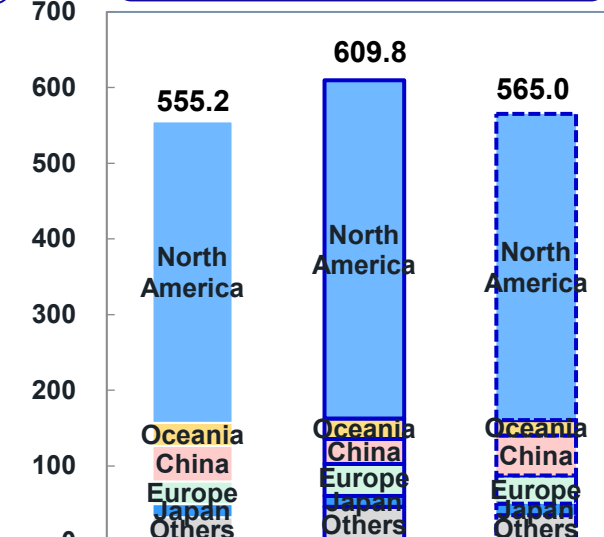
**Assets**  
Mar.31, 2021 vs.  
Mar.31, 2022 Projection (Current)



Period	USD	EUR	RMB
Mar.31, 2021	¥110.7/USD	¥129.8/EUR	¥16.8/RMB
Mar.31, 2022 Projection (Current)	¥107.0/USD	¥126.0/EUR	¥16.5/RMB
Mar.31, 2022 Projection (April)	¥105.0/USD	¥124.0/EUR	¥16.0/RMB

Billions of yen  
700

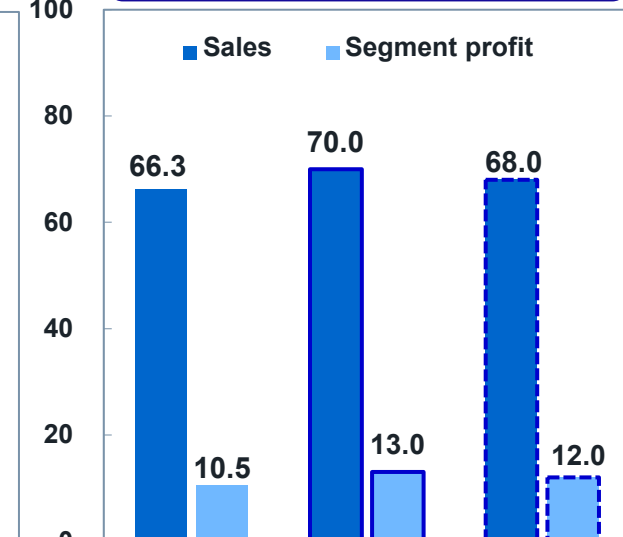
**New Contracts**  
FY2020 vs.  
FY2021 Projection (Current)



Period	USD	EUR	RMB
FY2020	¥106.0/USD	¥123.4/EUR	¥15.6/RMB
FY2021 Projection (Current)	¥108.5/USD	¥128.6/EUR	¥16.8/RMB
FY2021 Projection (April)	¥105.0/USD	¥124.0/EUR	¥16.0/RMB

Billions of yen  
100

**Revenues**  
FY2020 vs.  
FY2021 Projection (Current)



Period	USD	EUR	RMB
FY2020	¥106.0/USD	¥123.4/EUR	¥15.6/RMB
FY2021 Projection (Current)	¥108.5/USD	¥128.6/EUR	¥16.8/RMB
FY2021 Projection (April)	¥105.0/USD	¥124.0/EUR	¥16.0/RMB

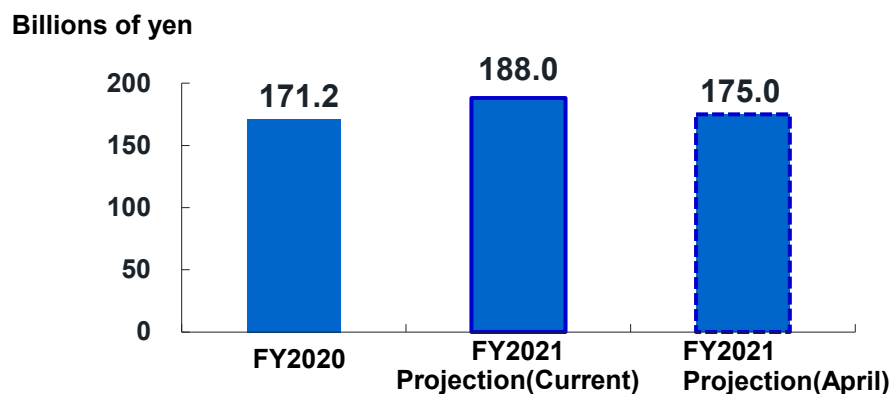
Billions of yen	2021/3E (A)	2021/3E Current Projection(B)	2021/3E April Projection	Changes (B)-(A)
Interest-bearing debt	674.7	685.8	689.7	+11.1
Interest-bearing debt, net	672.3	677.9	682.5	+5.6
Net D/E ratio	3.69	3.79	3.94	+0.10pts.

	FY2020 (A)	FY2021 Current Projection(B)	FY2021 April Projection	Changes (B)-(A)
ROA	1.2%	1.5%	1.4%	+0.3pts.

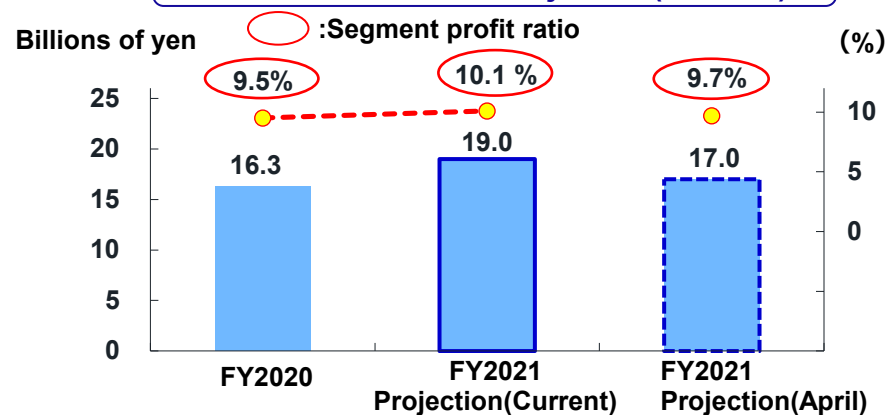
# Industrial Machinery & Others: Projection of Sales and Segment Profit for FY2021

- Sales will increase by 9.8% from FY2020, to JPY188.0 billion, and segment profit will increase by 16.3% to JPY19.0 billion.
- Both sales and segment profit will advance, supported mainly by increases in sales of machine tools for the automobile manufacturing industry and Excimer laser-related business on the semiconductor market.

**Sales**  
FY2020 vs. FY2021 Projection(Current)



**Segment profit**  
FY2020 vs. FY2021 Projection(Current)



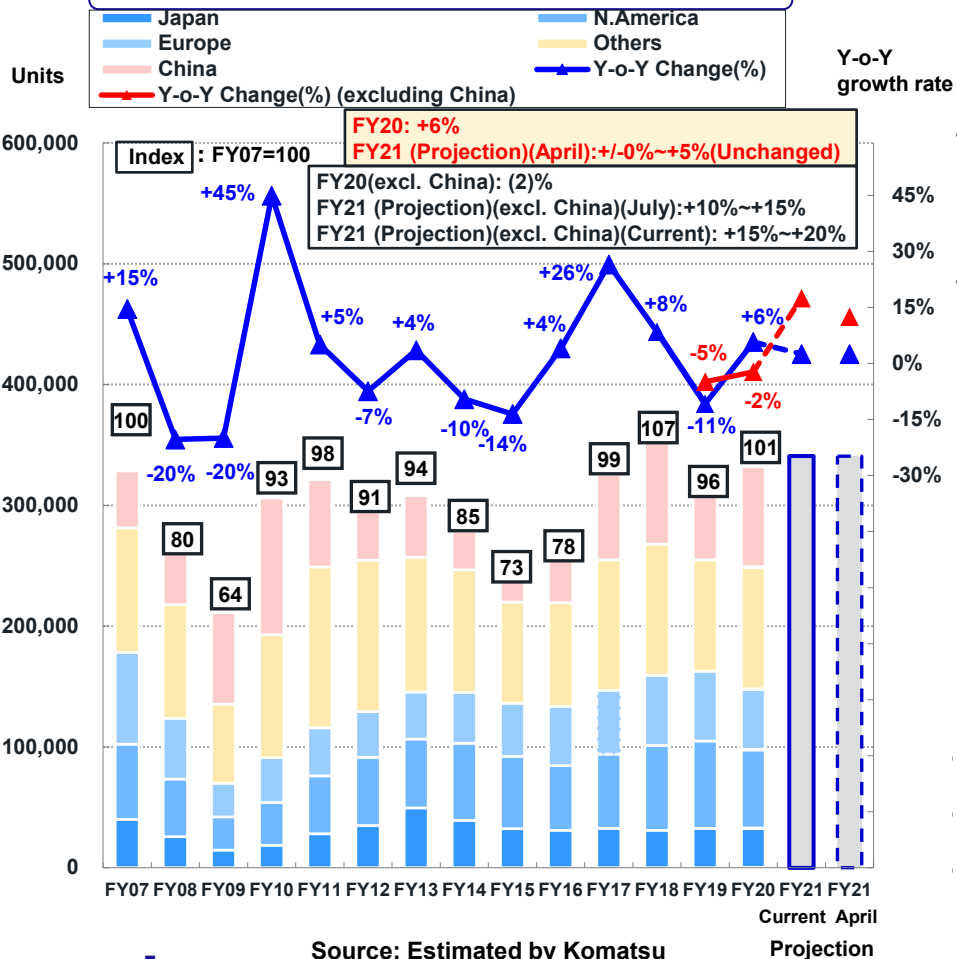
## Breakdown of sales

Billions of yen	FY2020 (A)	FY2021 Projection (Current)(B)	FY2021 Projection (April)	Changes(B-A)	
				Increase (Decrease)	Change %
Komatsu Industries Corp.	50.0	52.1	48.9	+2.1	+4.3%
Komatsu NTC Ltd.	30.2	40.9	41.0	+10.7	+35.4%
Gigaphoton Inc.	41.2	51.3	44.2	+10.1	+24.6%
Others	49.7	43.5	40.6	(6.2)	(12.5)%
<b>Total</b>	<b>171.2</b>	<b>188.0</b>	<b>175.0</b>	<b>+16.7</b>	<b>+9.8%</b>

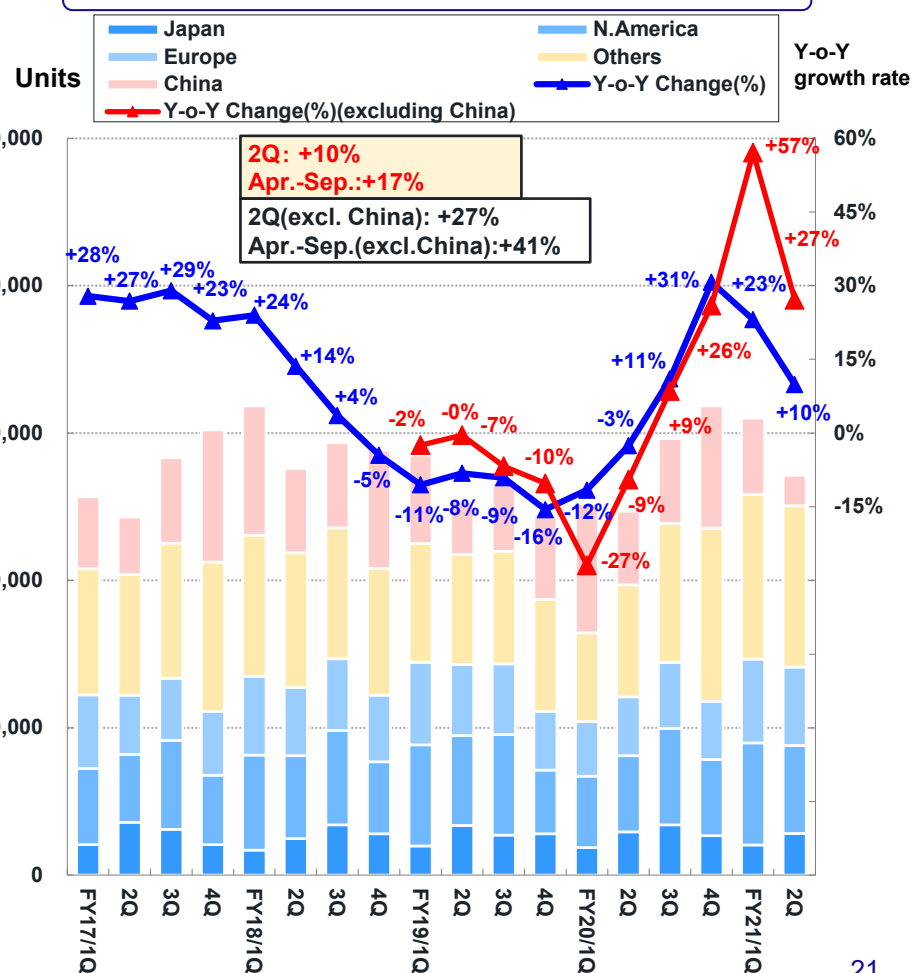
# Construction, Mining & Utility Equipment: Actual and Projected Demand for 7 Major Products

- In 2Q FY2021, global demand increased by 10% from the corresponding period a year ago. When China is excluded, demand increased by 27%.
  - In FY2021, demand will increase between +/-0% and 5% from FY2020. (Unchanged from the projection of April 2021).
  - When China is excluded, demand should increase between 15% and 20%.
- We have added the increases of demand mainly in North America, Europe, and Southeast Asia to the projection of July this year.

## Annual demand for 7 major products



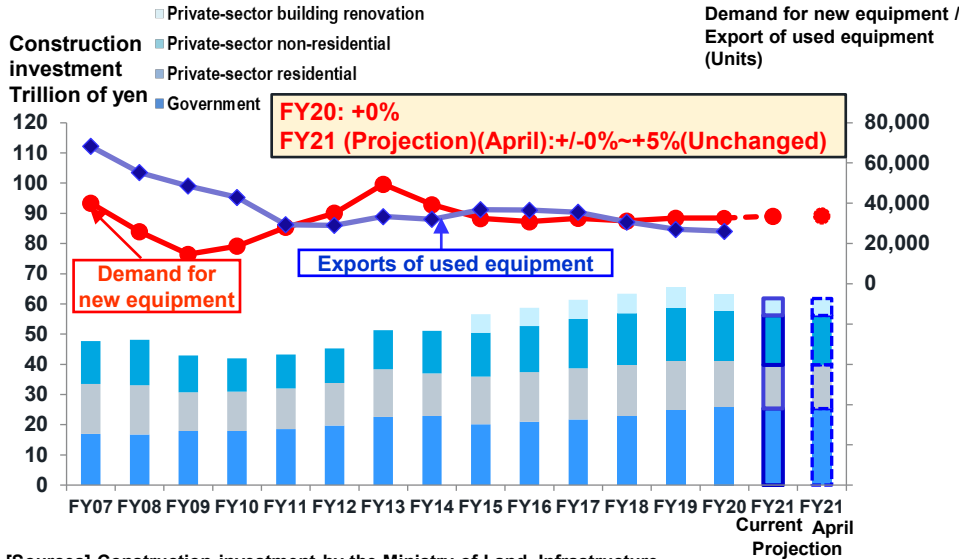
## Quarterly demand for 7 major products



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

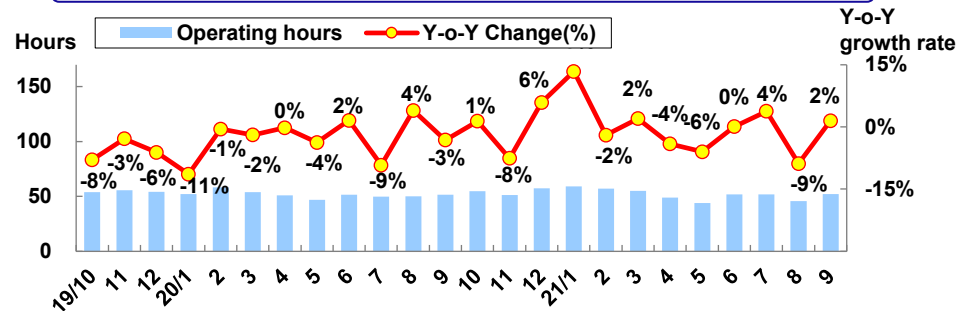
- In 2Q FY2021, demand decreased by 4% from the corresponding period a year ago.
- In FY2021, demand will increase between +/-0% and 5% from FY2020 (Unchanged from the projection of April 2021).

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

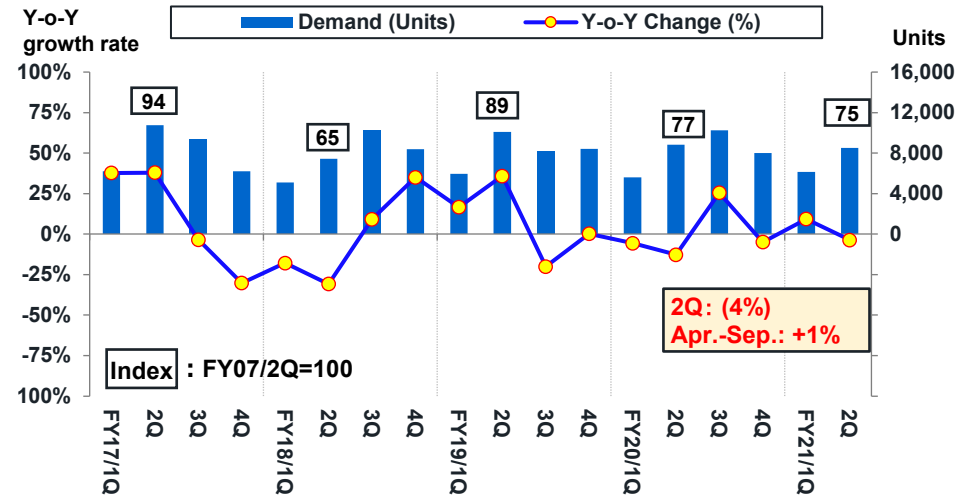


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy Demand for 7 major products and No. of exported used equipment estimated by Komatsu

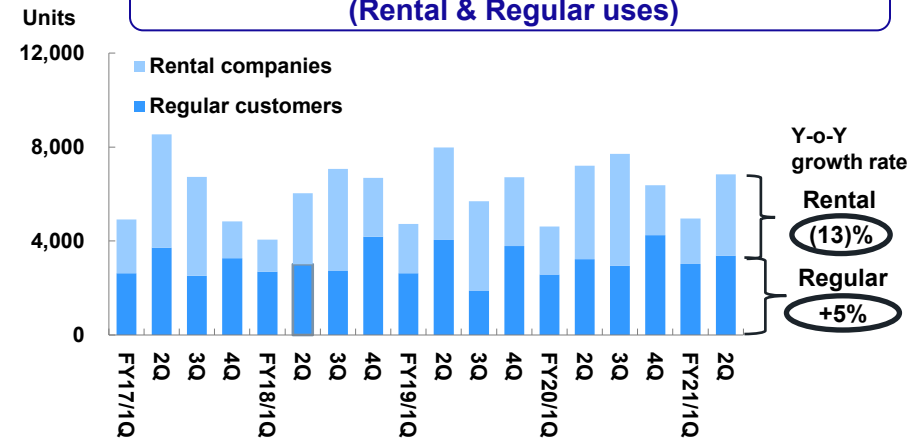
## Komtrax in Japan: Average operating hours per month



## Quarterly demand for 7 major products



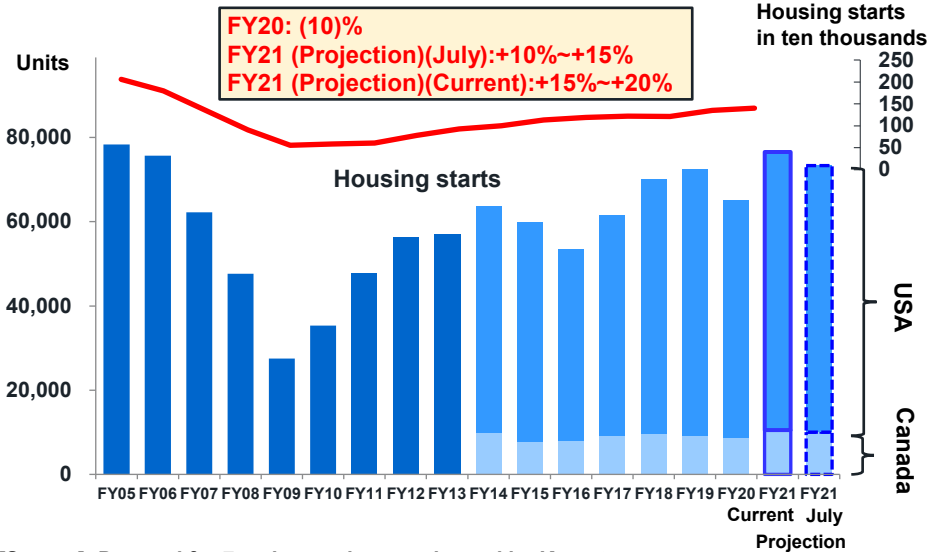
## Quarterly demand for hydraulic excavators (Rental & Regular uses)



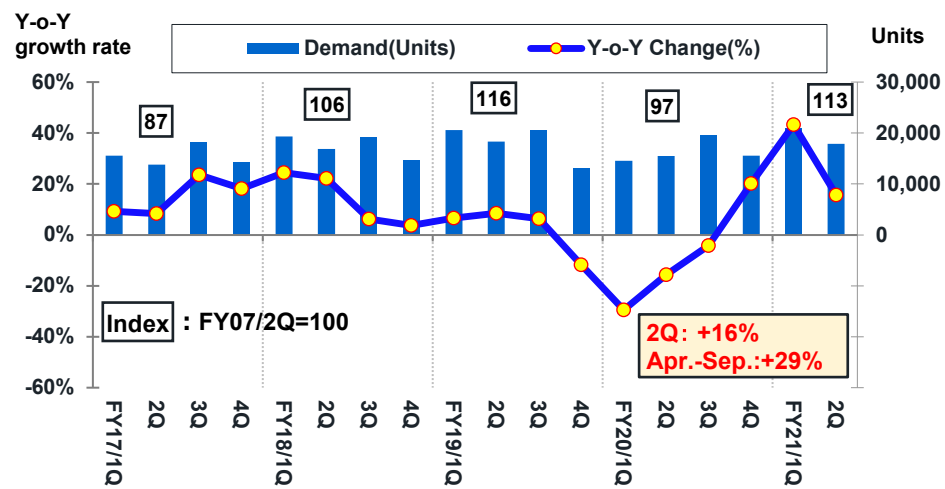
# Construction, Mining & Utility Equipment : Demand in Major Markets (2) North America

- In 2Q FY2021, demand increased by 16% from the corresponding period a year ago.
- Concerning FY2021 demand, we have revised our projection of July this year upward to +15% to +20%.
- Demand should remain steady in residential and non-residential construction as well as road and traffic infrastructure. Demand for rental equipment should continue to recover.

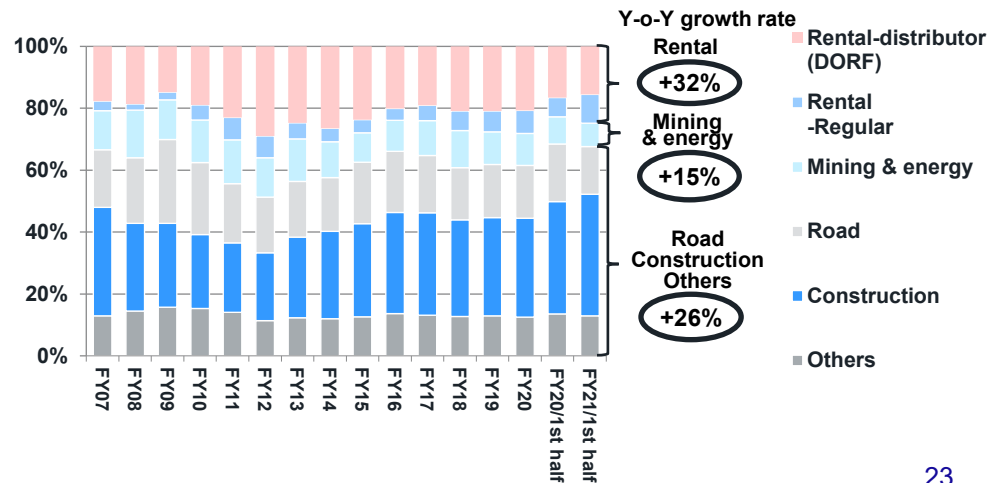
**Demand for 7 major products and US housing starts**



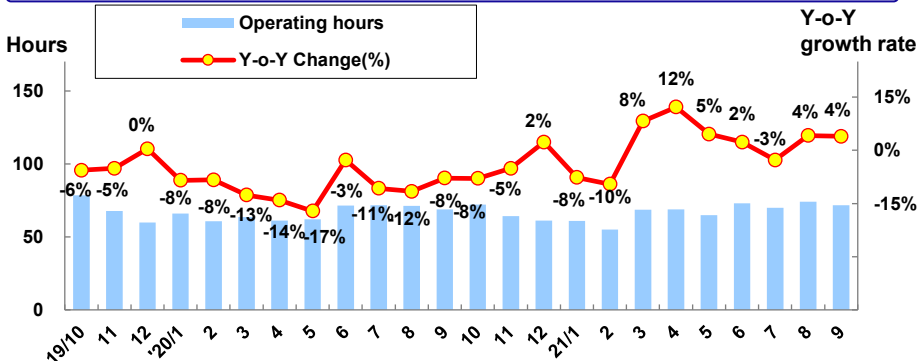
**Quarterly demand for 7 major products**



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



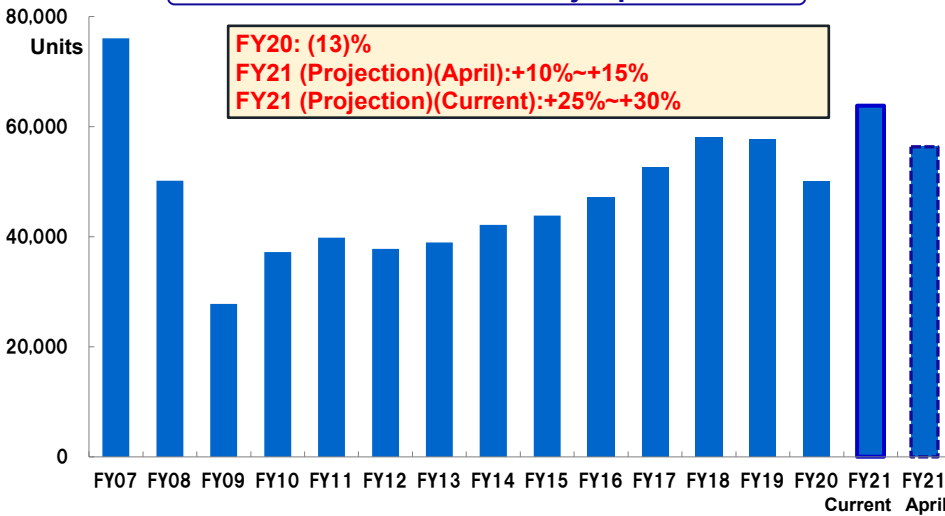
**Komtrax in North America: Average operating hours per month**



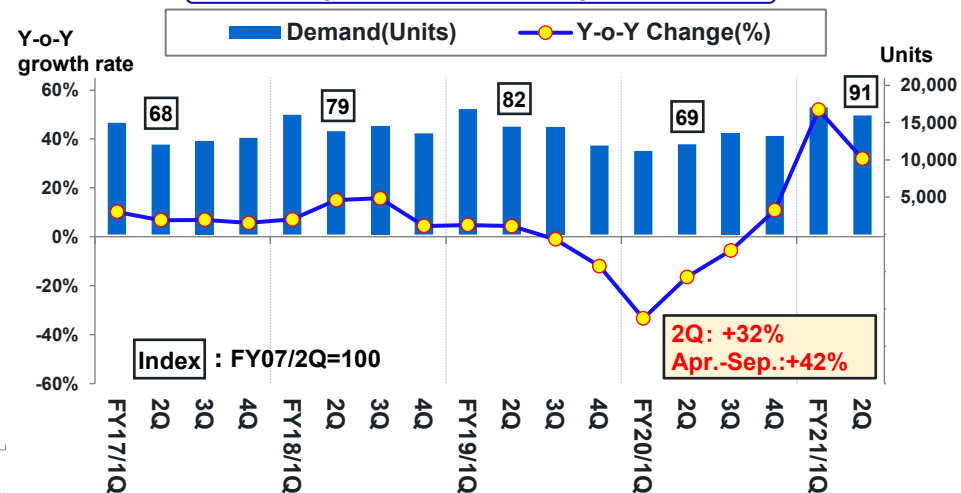
# Construction, Mining & Utility Equipment : Demand in Major Markets (3) Europe

- In 2Q FY2021, demand advanced by 32% from the corresponding period a year ago.
- Concerning FY2021 demand, we have revised our prediction of April this year upward to +25% to +30%.
- Demand should recover, centering on major markets, such as the United Kingdom, France and Germany.

Annual demand for 7 major products

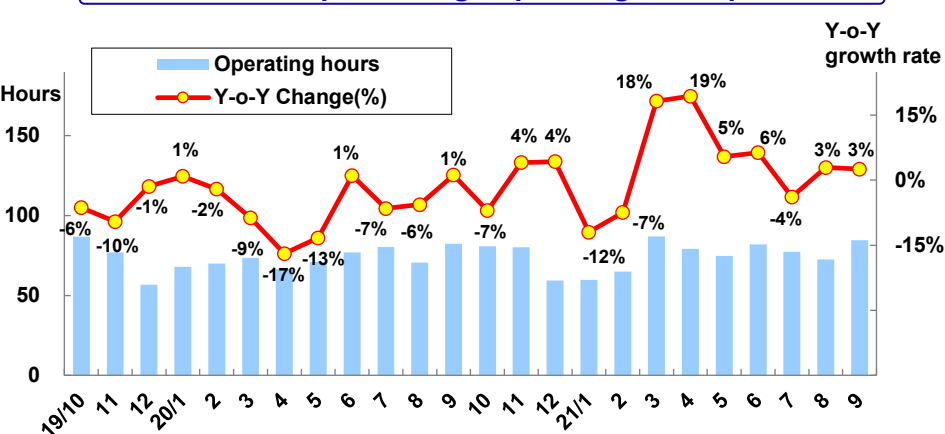


Quarterly demand for 7 major products

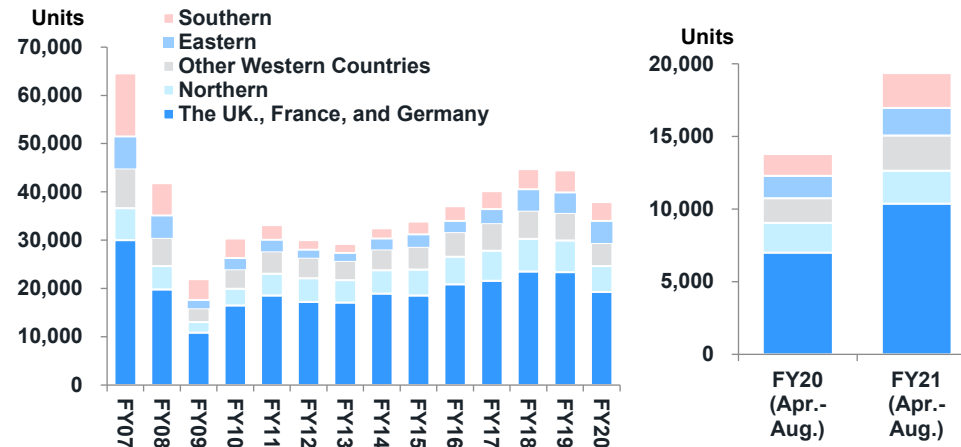


[Source]: Demand for 7 major products estimated by Komatsu

Komtrax in Europe: Average operating hours per month



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

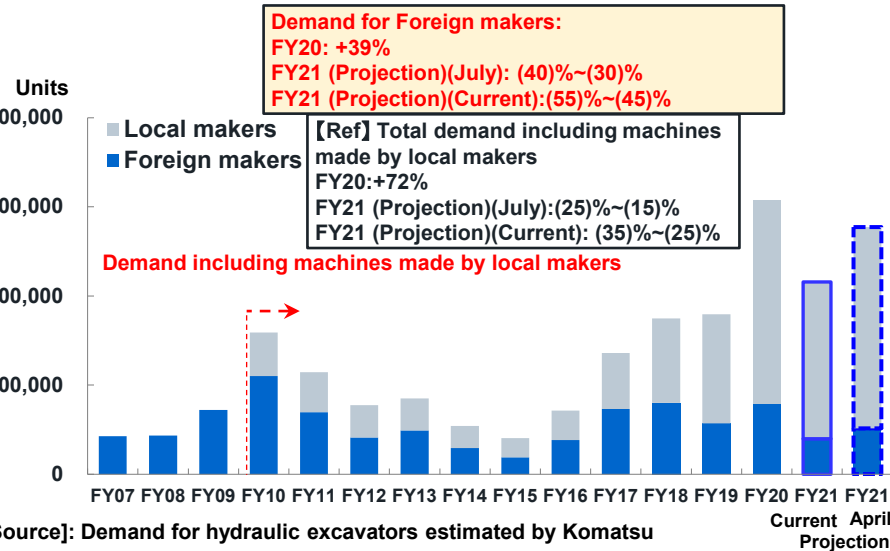




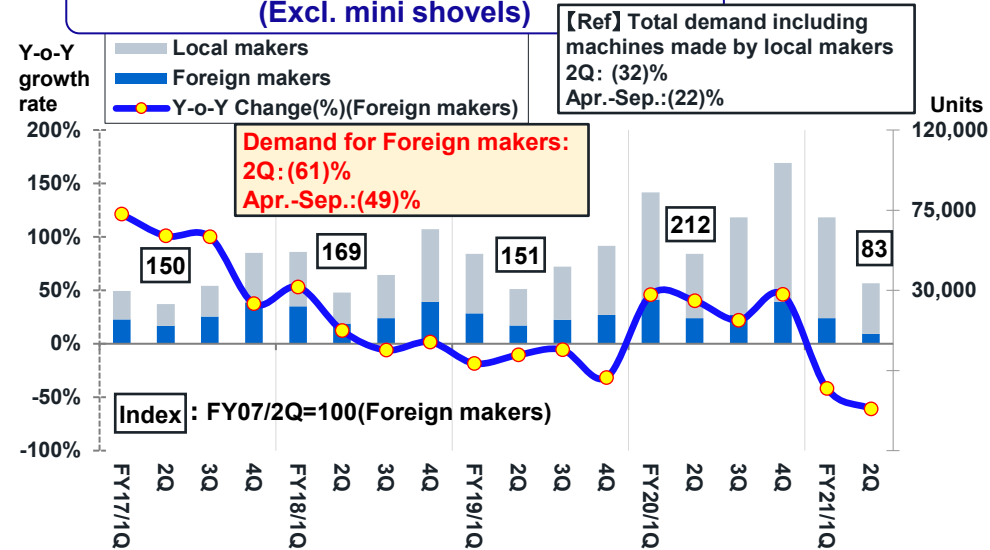
# Construction, Mining & Utility Equipment : Demand in Major Markets (4) China

- In 2Q FY2021, demand decreased by 61% from the corresponding period a year ago.
- Concerning FY2021 demand, we have revised our projection downward to -55% to -45%.
- Demand will decline from FY2020, mainly because the post-Chinese New Year sales season will not be pushed back into FY2021 for an increase of demand, and infrastructure investment will slow down.

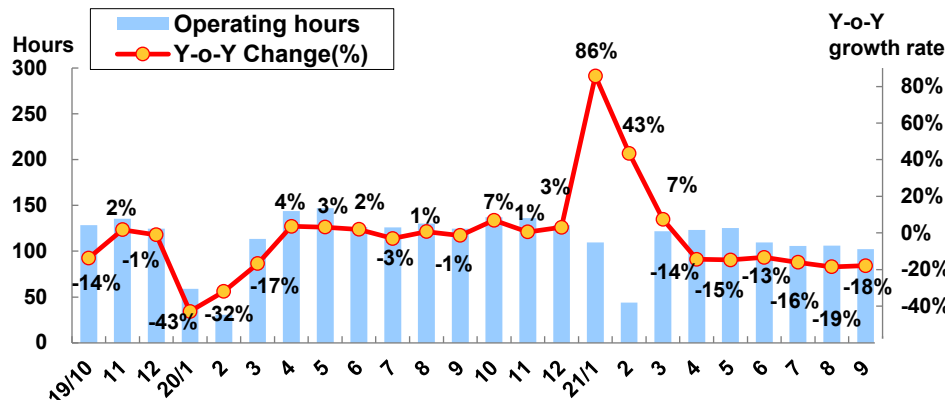
## Annual demand for hydraulic excavators (Excl. mini shovels)



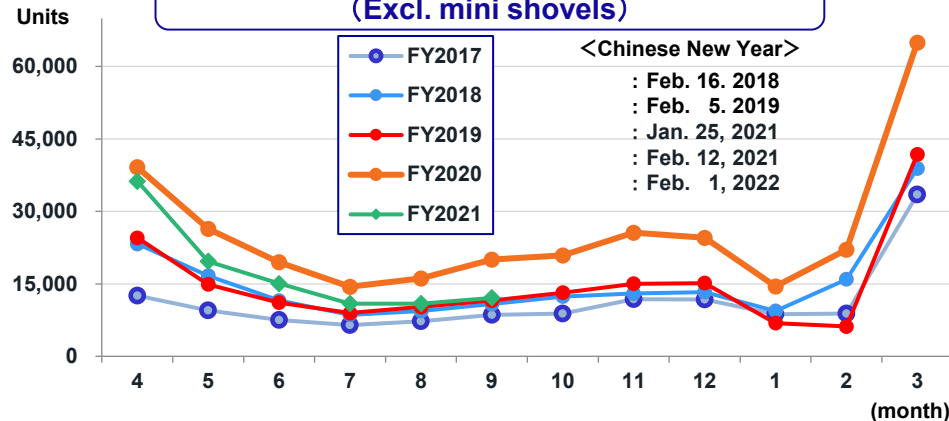
## Quarterly demand for hydraulic excavators (Excl. mini shovels)



## Komtrax in China : Average operating hours per month



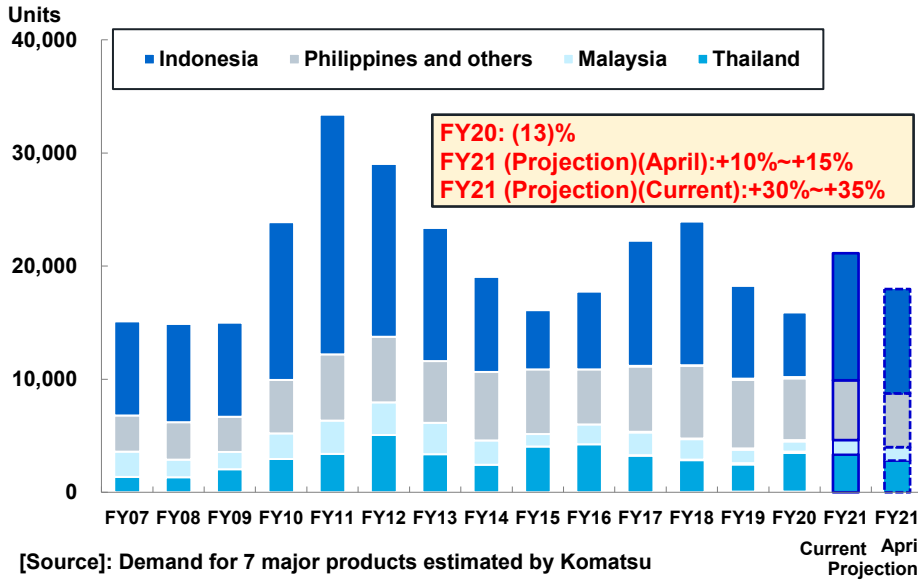
## Monthly demand for hydraulic excavators : (Excl. mini shovels)



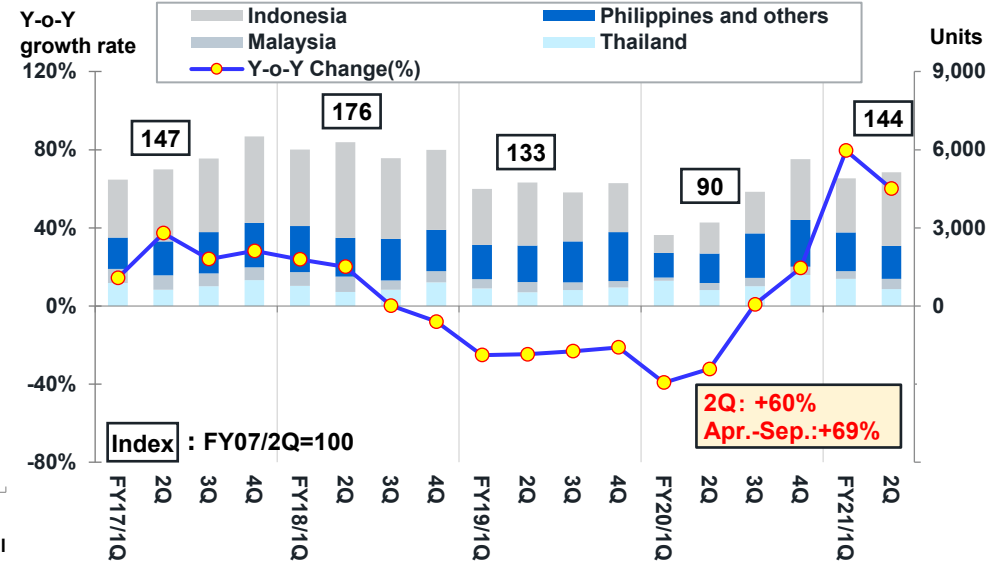
# Construction, Mining & Utility Equipment : Demand in Major Markets (5) Southeast Asia

- In 2Q FY2021, demand increased by 60% from the corresponding period a year ago.
- Concerning FY2021 demand, we have revised our prediction upward to +30% to +35%.
- Demand will recover in many countries in the region, including the largest market of Indonesia.

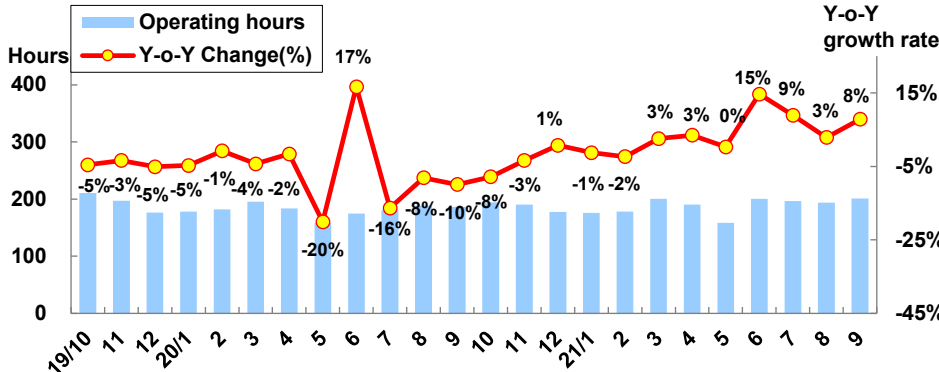
Annual demand for 7 major products



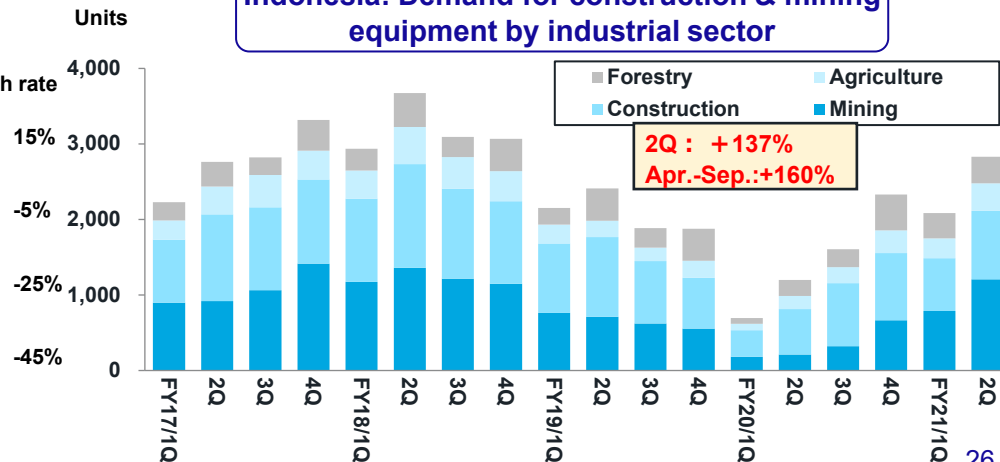
Quarterly demand for 7 major products



Komtrax in Indonesia: Average operating hours per month



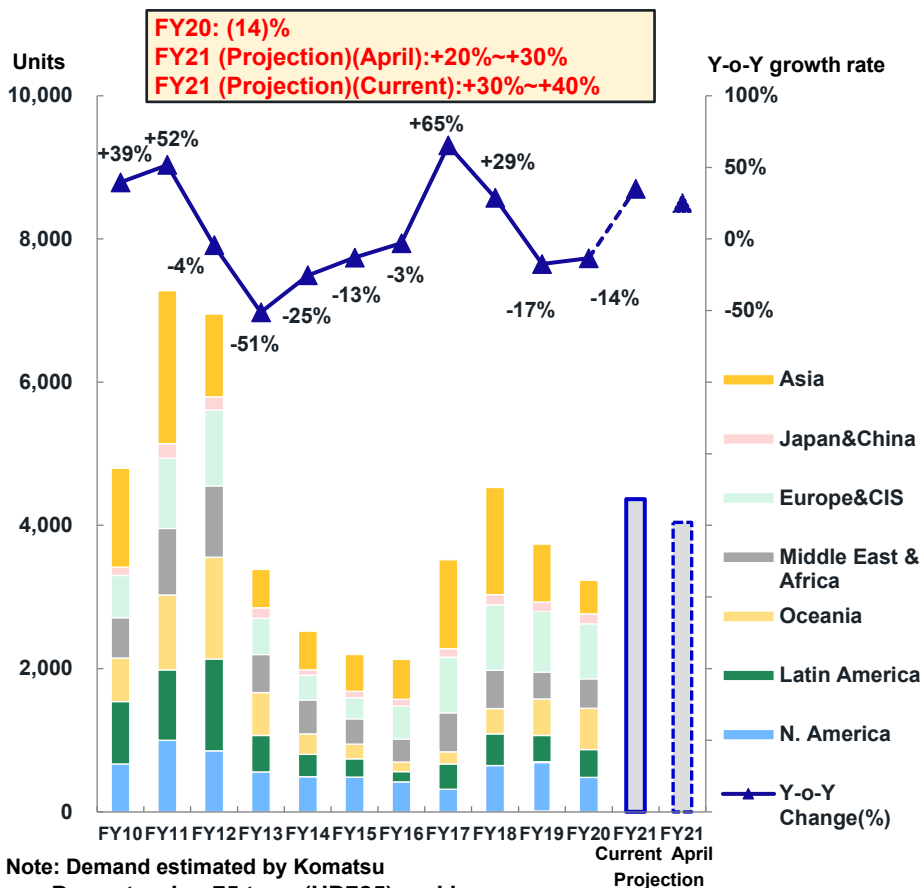
Indonesia: Demand for construction & mining equipment by industrial sector



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

- In 2Q FY2021, global demand for mining equipment advanced by 48% from the corresponding period a year ago.
- In FY2021, full-year demand should increase, centering on Oceania, Latin America, CIS, and Asia, and we have revised our prediction upward to +30% to +40%.

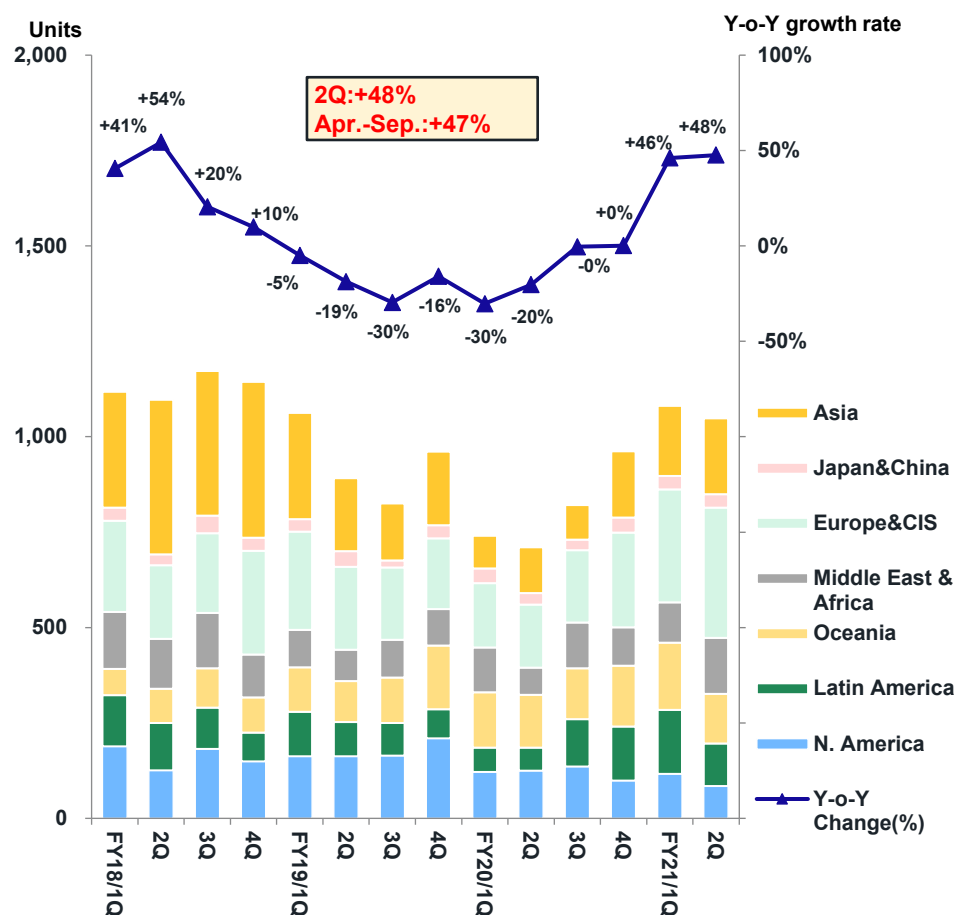
## Annual demand for mining equipment



Note: Demand estimated by Komatsu

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

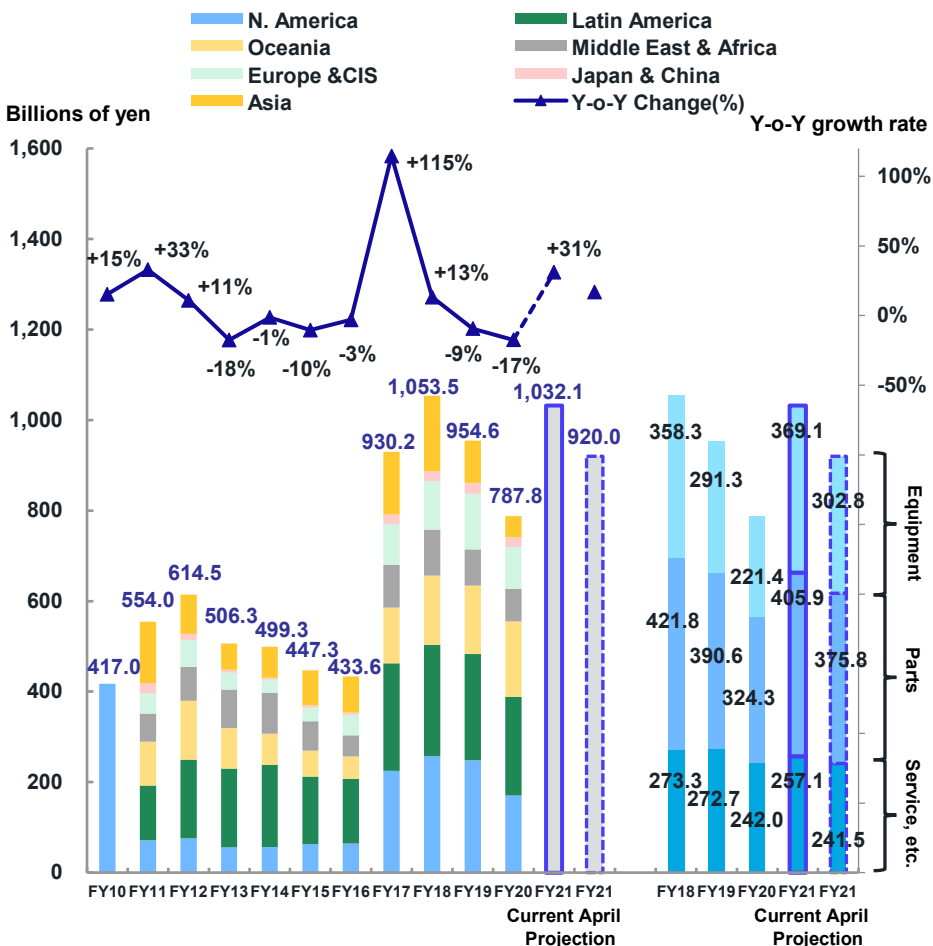
## Quarterly demand for mining equipment



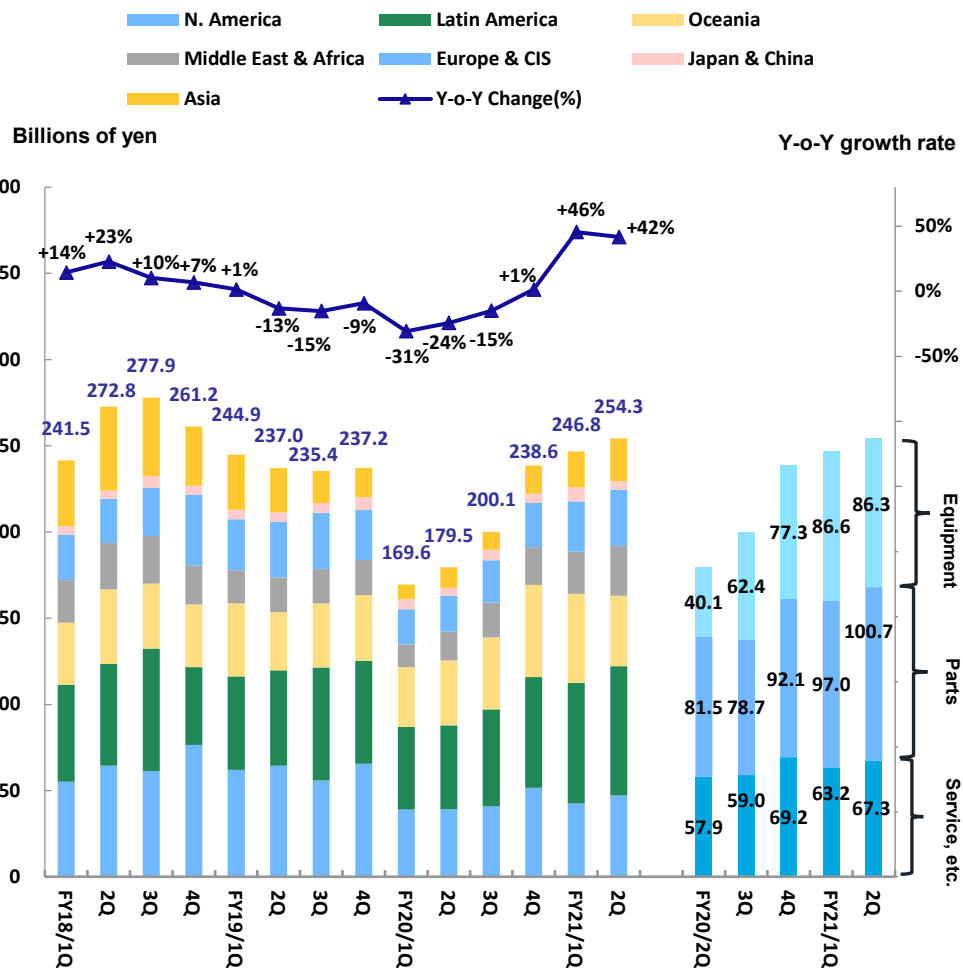
# Construction, Mining & Utility Equipment : Sales of Mining Equipment

- In 2Q FY2021, sales increased by 42% from the corresponding period a year ago, to JPY254.3 billion.
- Full-year sales for FY2021 will advance by 31% from FY2020, to JPY1,032.1 billion.
- We have revised our projection of April this year by incorporating the latest conditions, including foreign exchange effects.

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



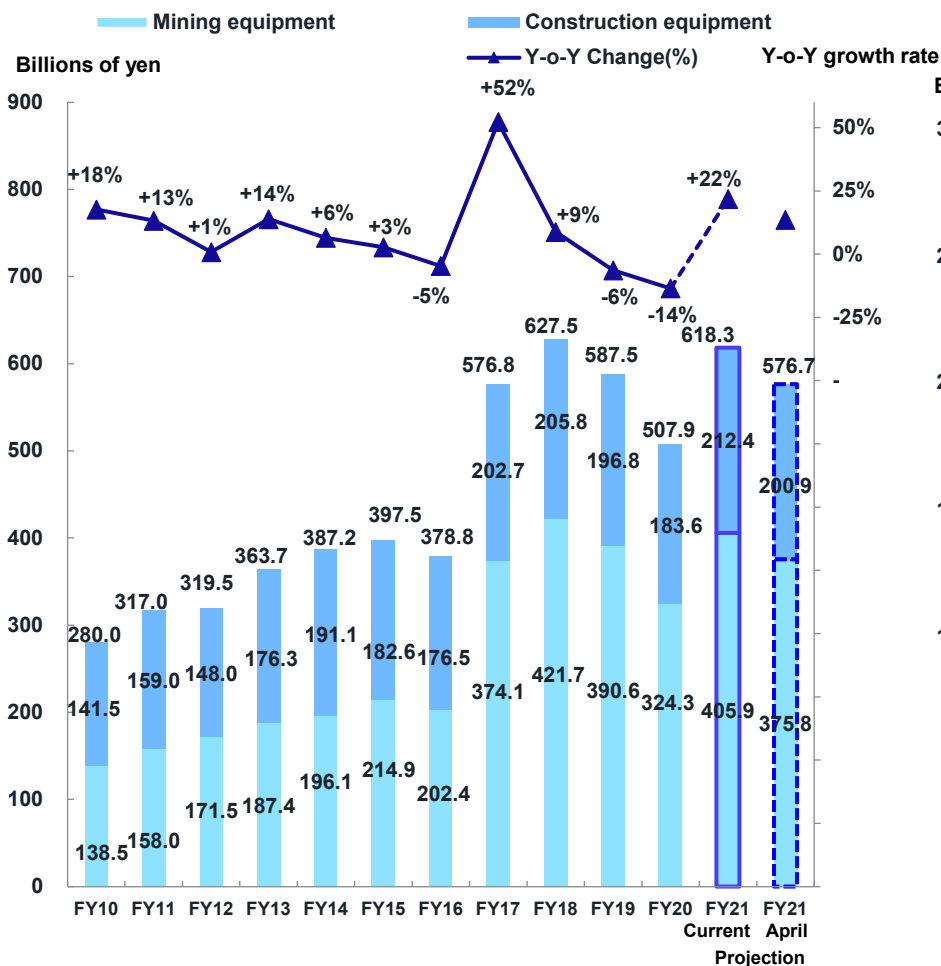
## Quarterly sales of mining equipment (incl. parts and service)



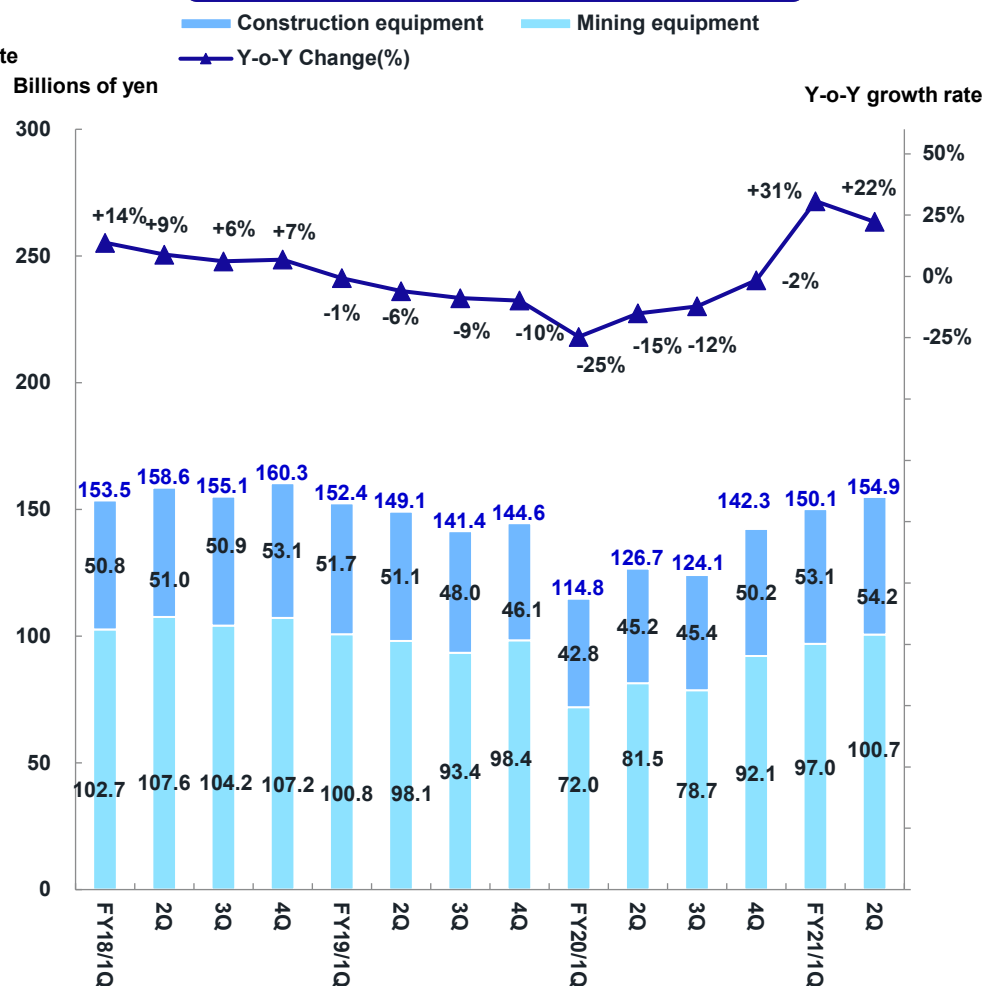
# Construction, Mining & Utility Equipment : Sales of Parts

- For 2Q FY2021, sales of parts increased by 22% from the corresponding period a year ago, to JPY154.9 billion.
- Full-year sales for FY2021 will increase by 22% from FY2020, to JPY618.3 billion.
- We have revised our projection of April this year by incorporating the latest conditions, including foreign exchange effects.

## Annual sales of parts



## Quarterly sales of parts

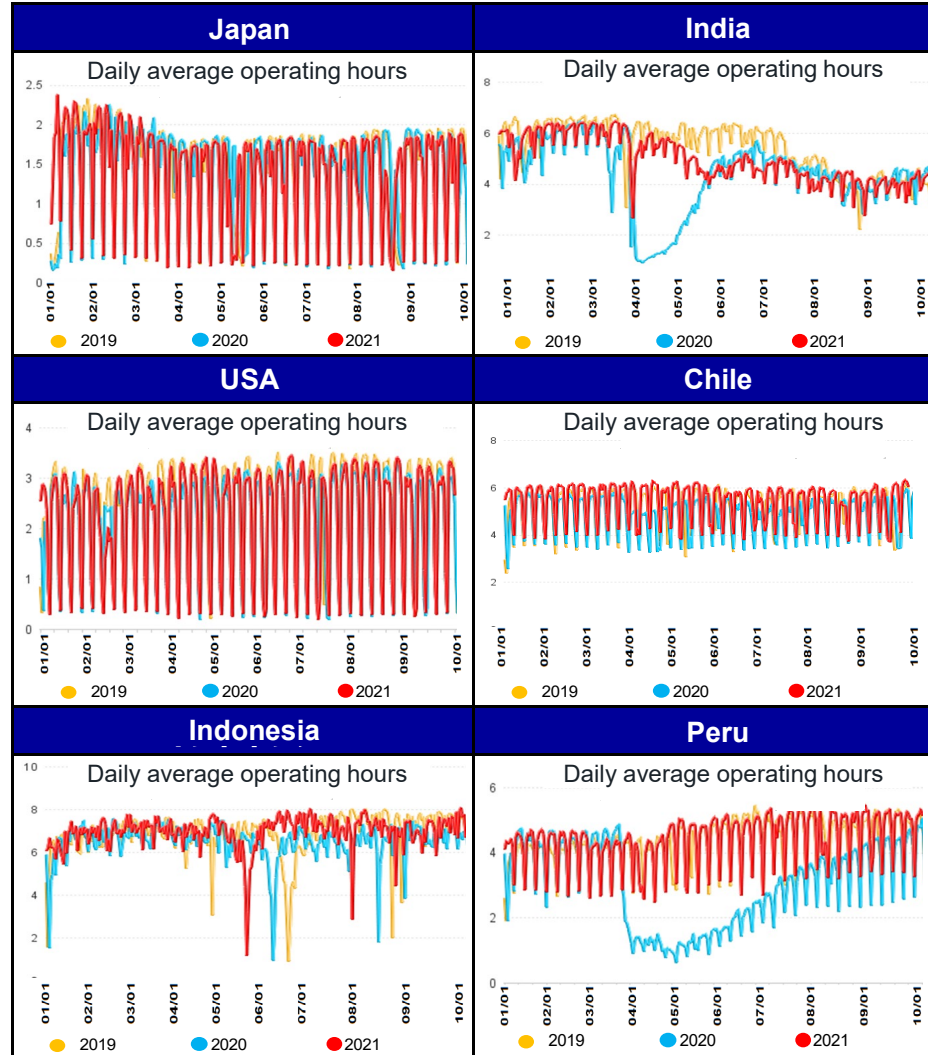
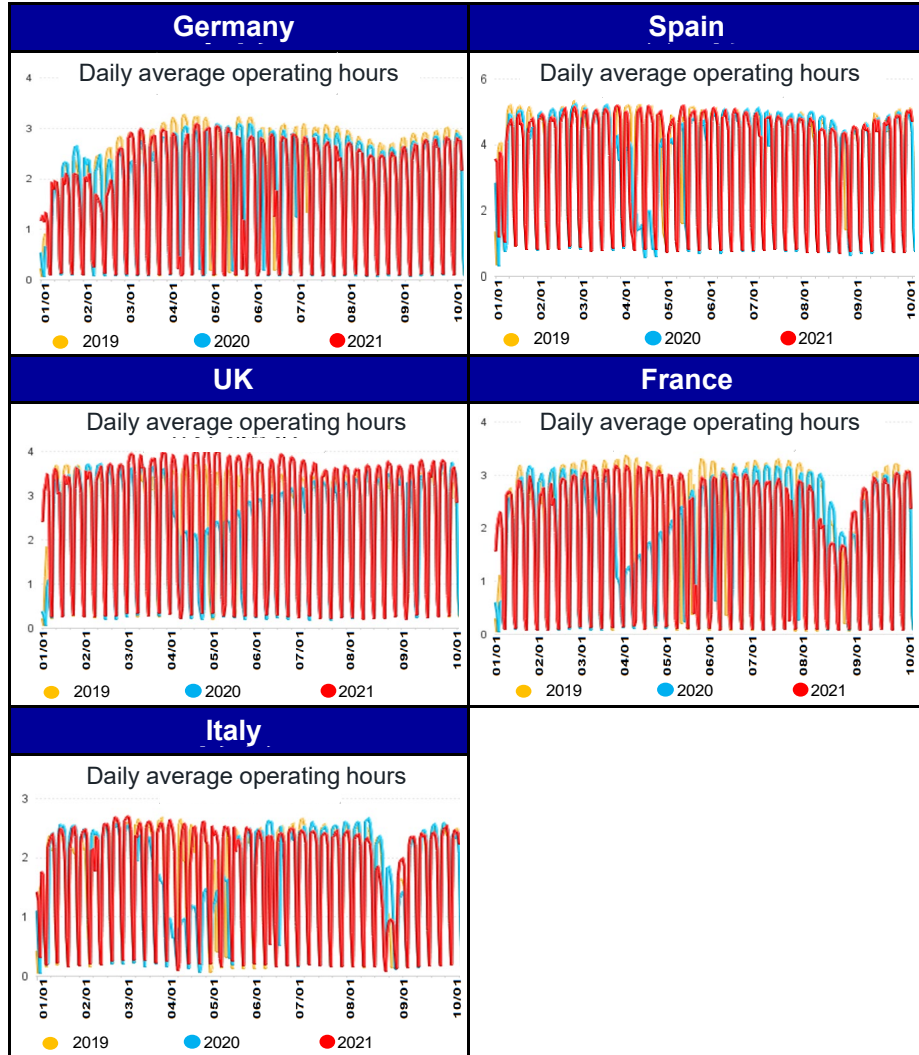


# Appendix

# <Appendix> Daily Komtrax data

## Major European Countries

## Other Regions

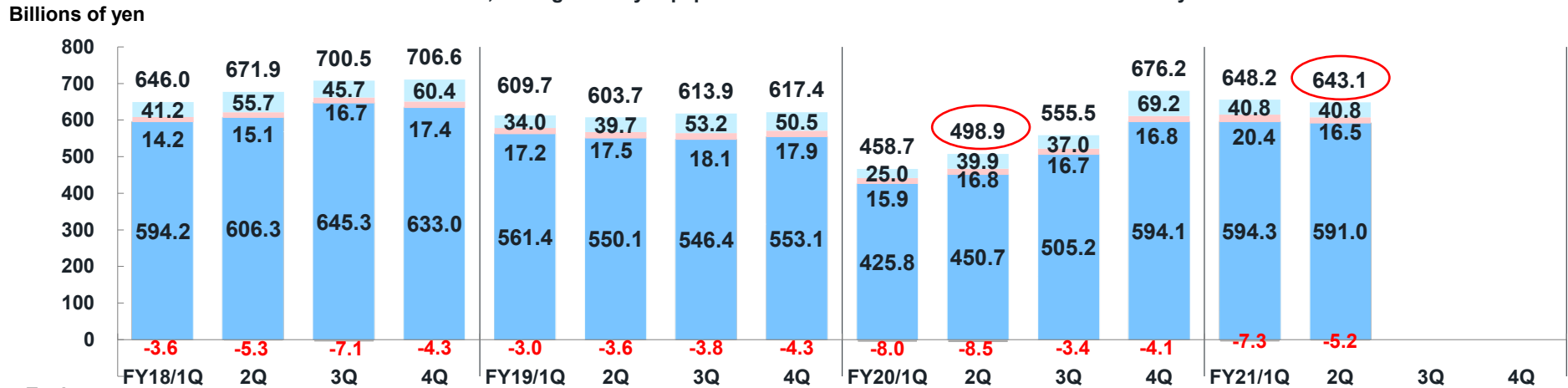


Daily average operating hours: Daily average hours of machine use per unit of Komtrax-installed Komatsu construction equipment .

# <Appendix> Quarterly Sales and Operating Income

## Quarterly sales (Since FY2018)

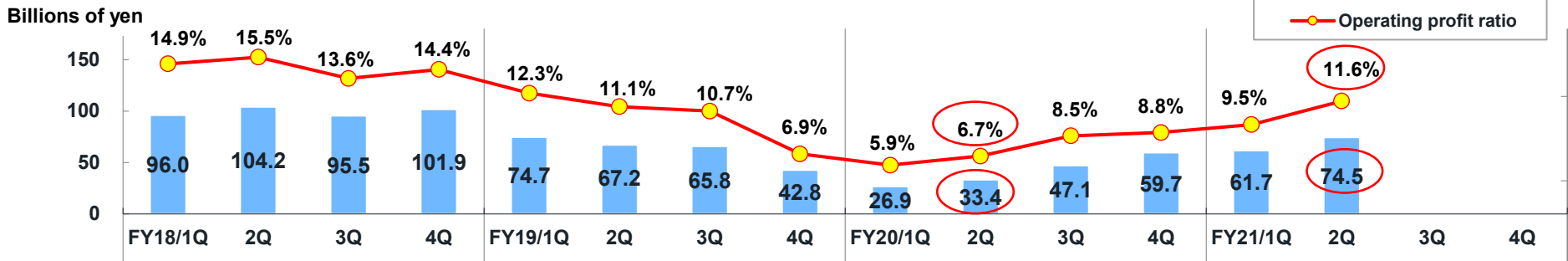
■ Elimination ■ Construction, Mining & Utility Equipment ■ Retail Finance ■ Industrial Machinery & Others



Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3		
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6		
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0	17.1		

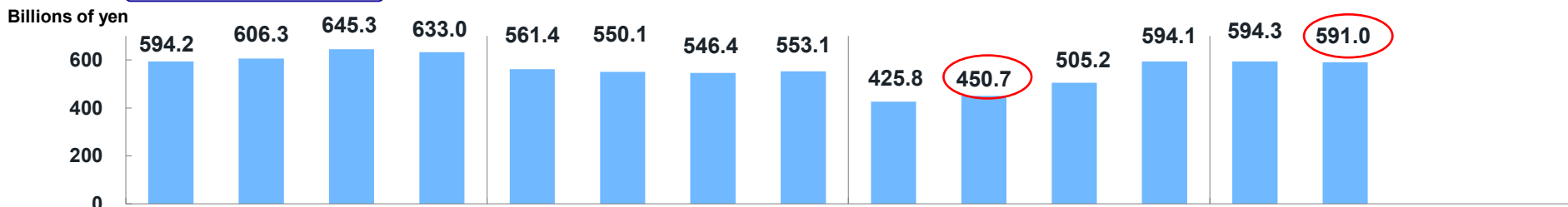
## Quarterly operating income (Since FY2018)





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

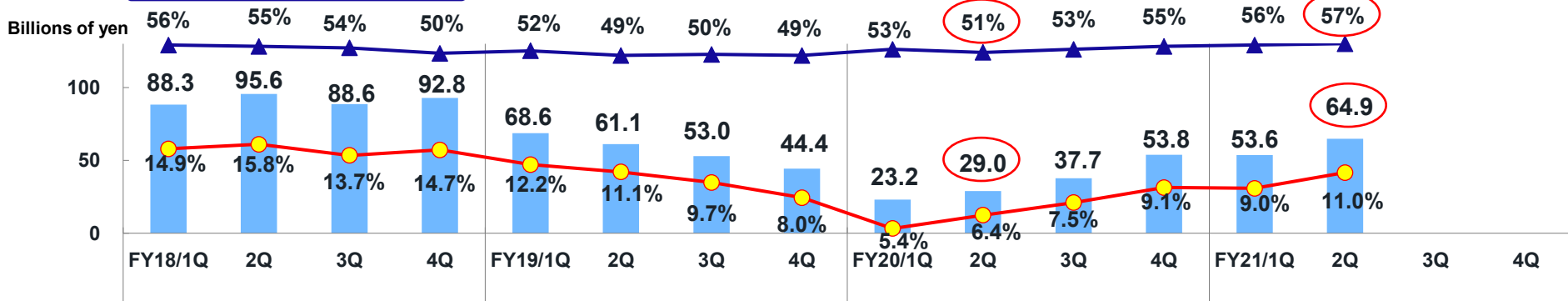
## Quarterly Sales



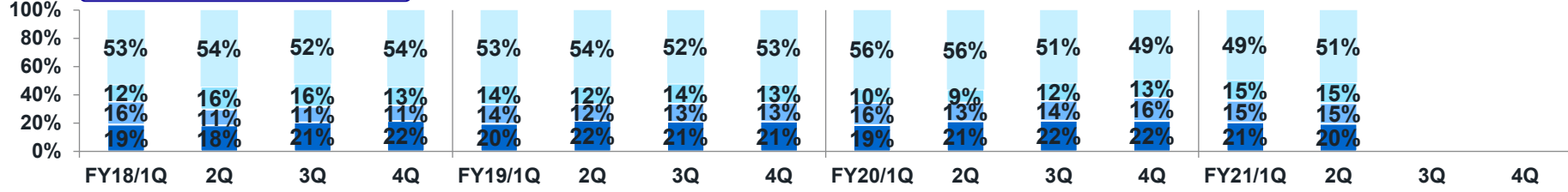
## Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3		
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6		
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0	17.1		

## Quarterly segment profit

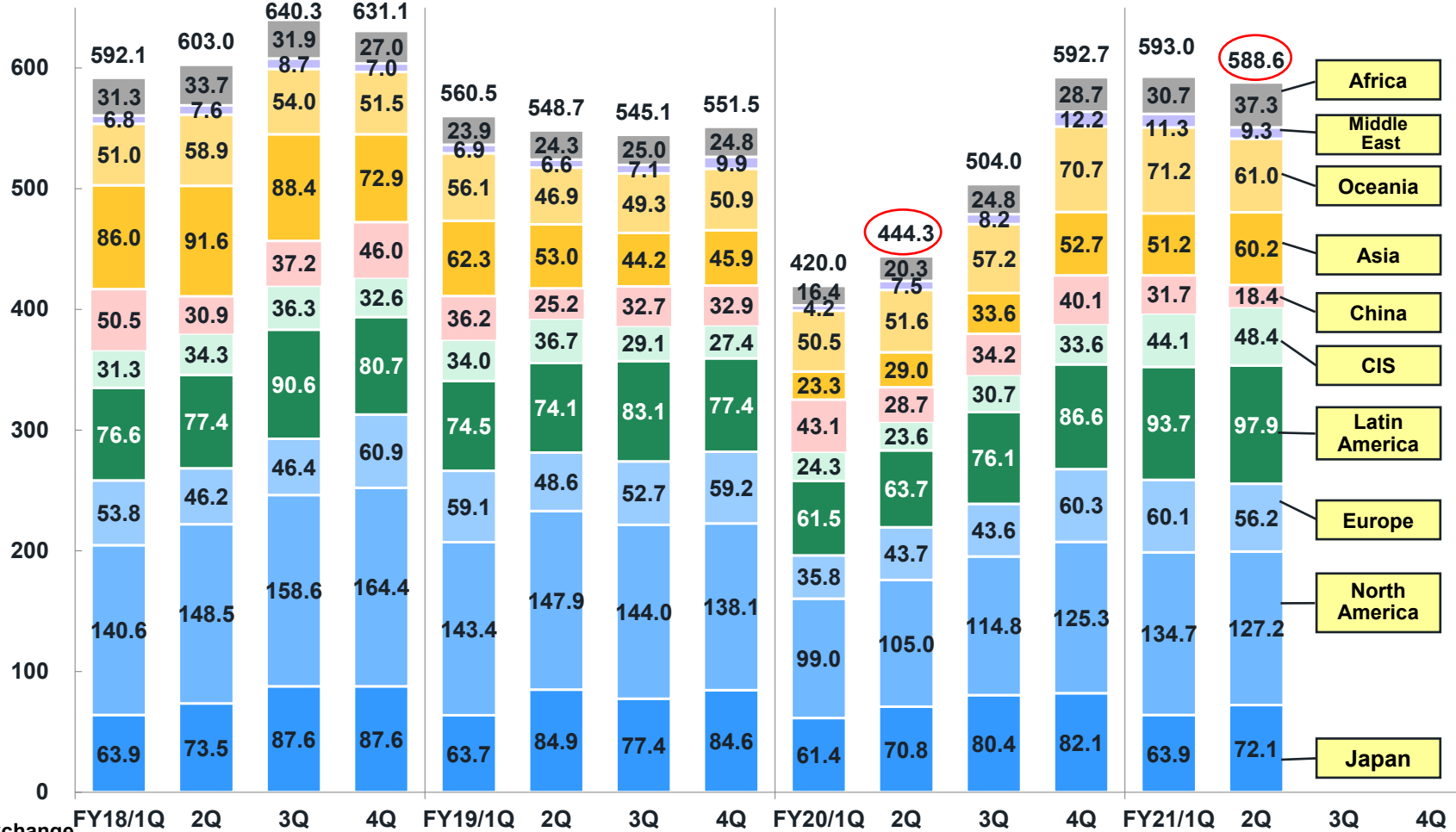


## Breakdown of sales (%)



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

Billions of yen



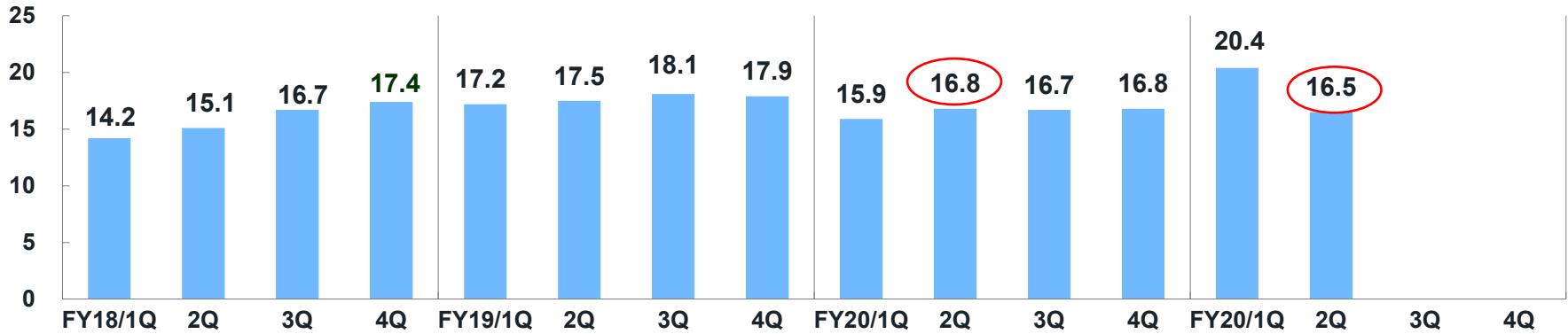
Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3		
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6		
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0	17.1		

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

Billions of yen

Quarterly Sales

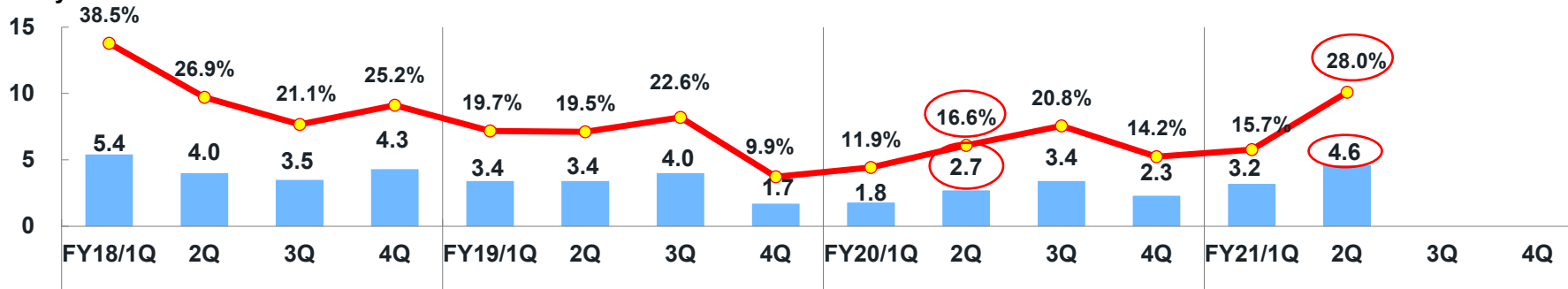


Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3		
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6		
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0	17.1		

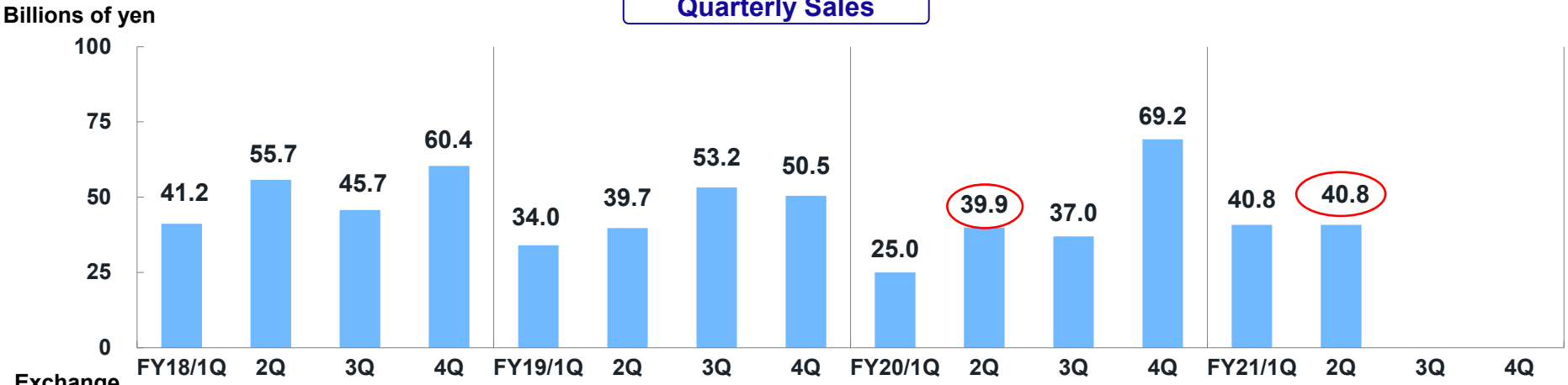
Quarterly segment profit

Billions of yen



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

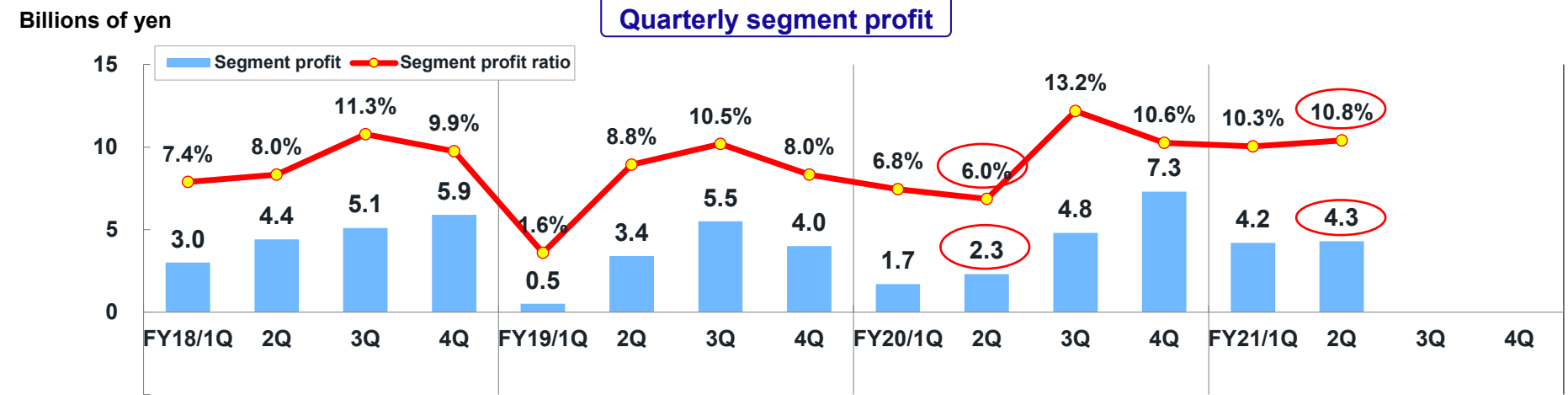
Quarterly Sales



Exchange rates

	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q	21/1Q	21/2Q	21/3Q	21/4Q
¥/USD	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5	106.7	104.9	104.8	109.9	110.3		
¥/EUR	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6	124.2	123.4	127.3	131.7	130.6		
¥/RMB	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1	15.3	15.7	16.2	17.0	17.1		

Quarterly segment profit

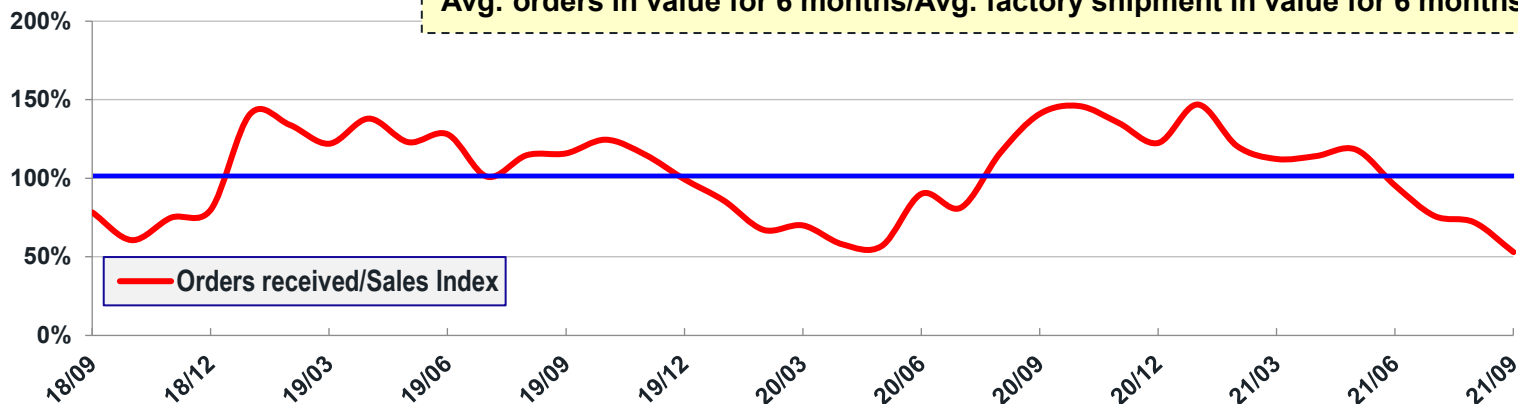


# <Appendix> Book-to-Bill Ratio for Mining Equipment (6 Months)

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

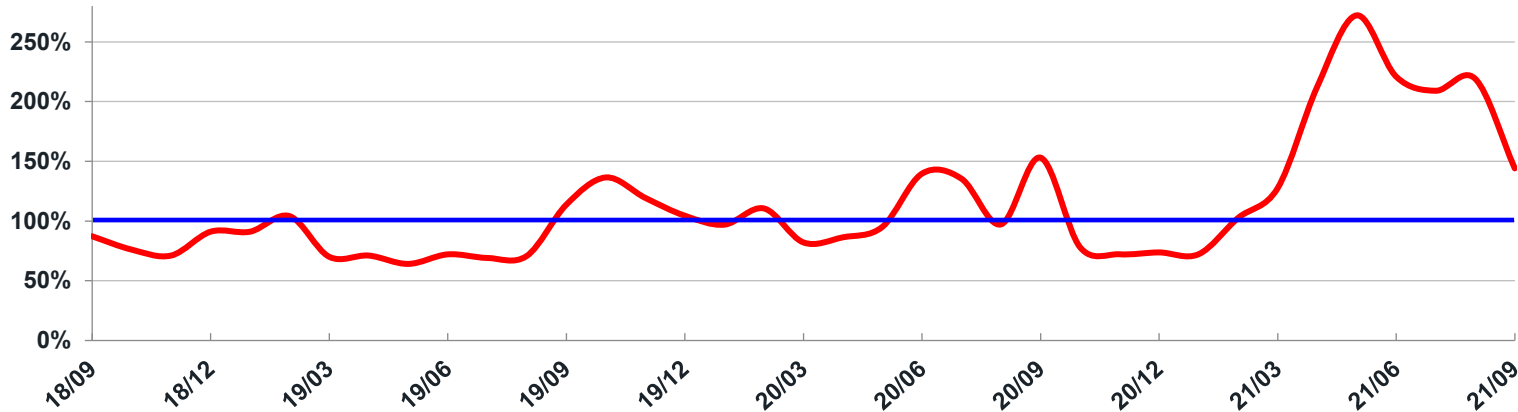
## Komatsu America (Mining eqpt)

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



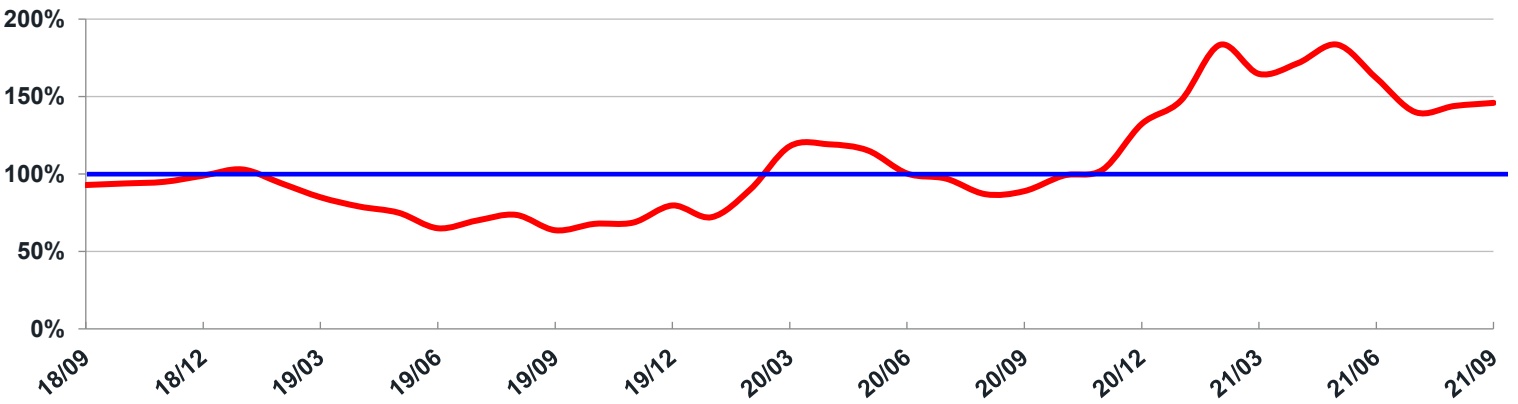
## Komatsu Germany (Mining eqpt)

PC3000, PC4000  
PC5500, PC7000  
PC8000



## Komatsu Ltd. (Mining eqpt)

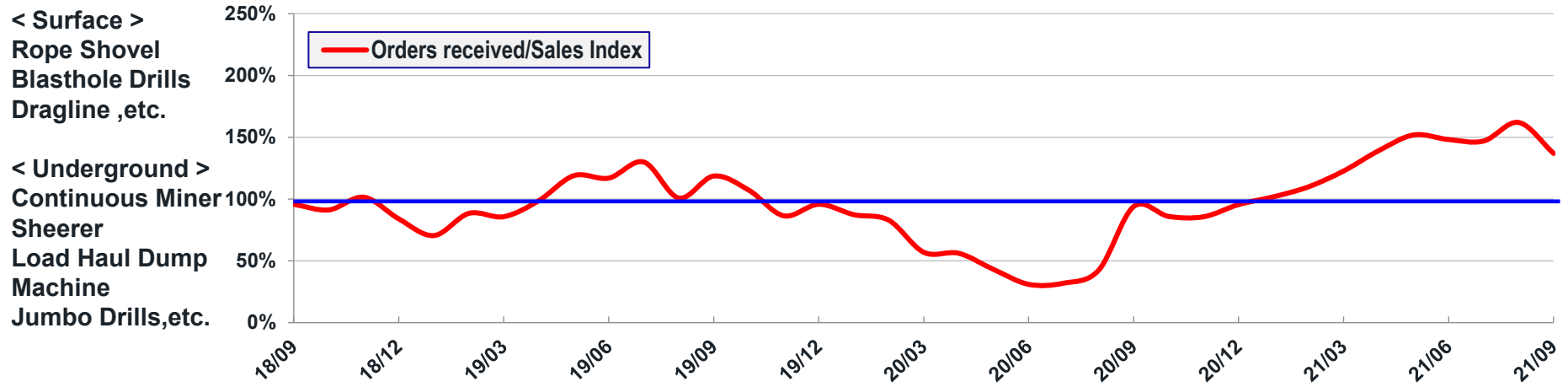
HD785, HD1500  
PC2000, PC3000  
PC4000  
WA800 up  
D375A up  
GD825A up



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

**KMC  
(Mining eqpt)**

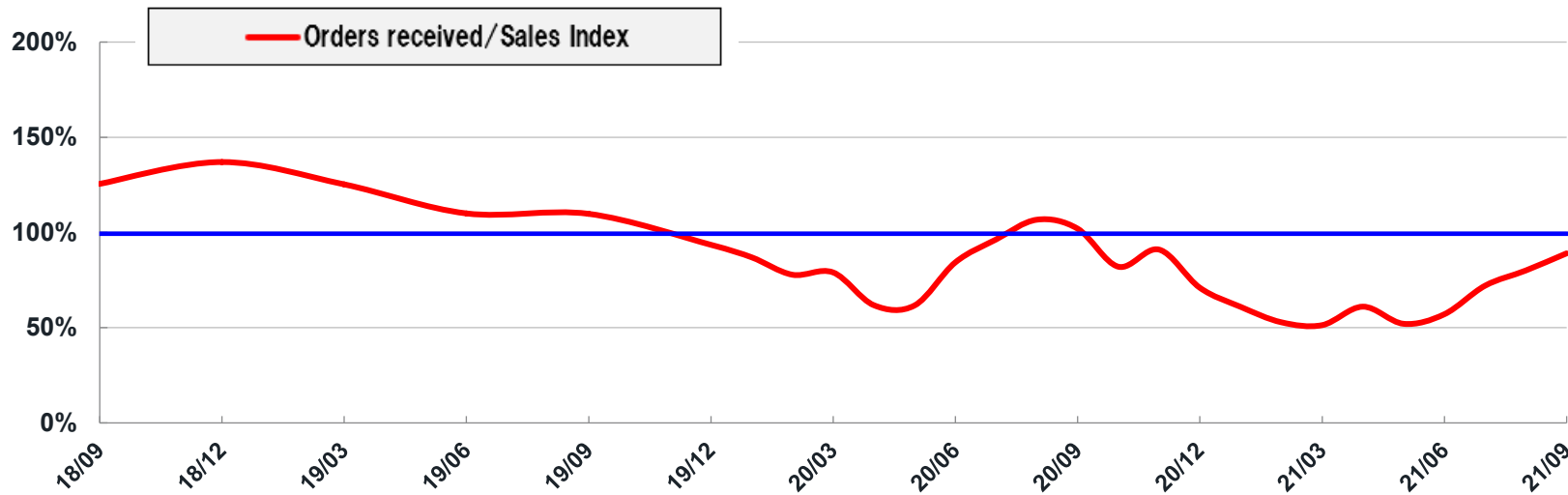
Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months



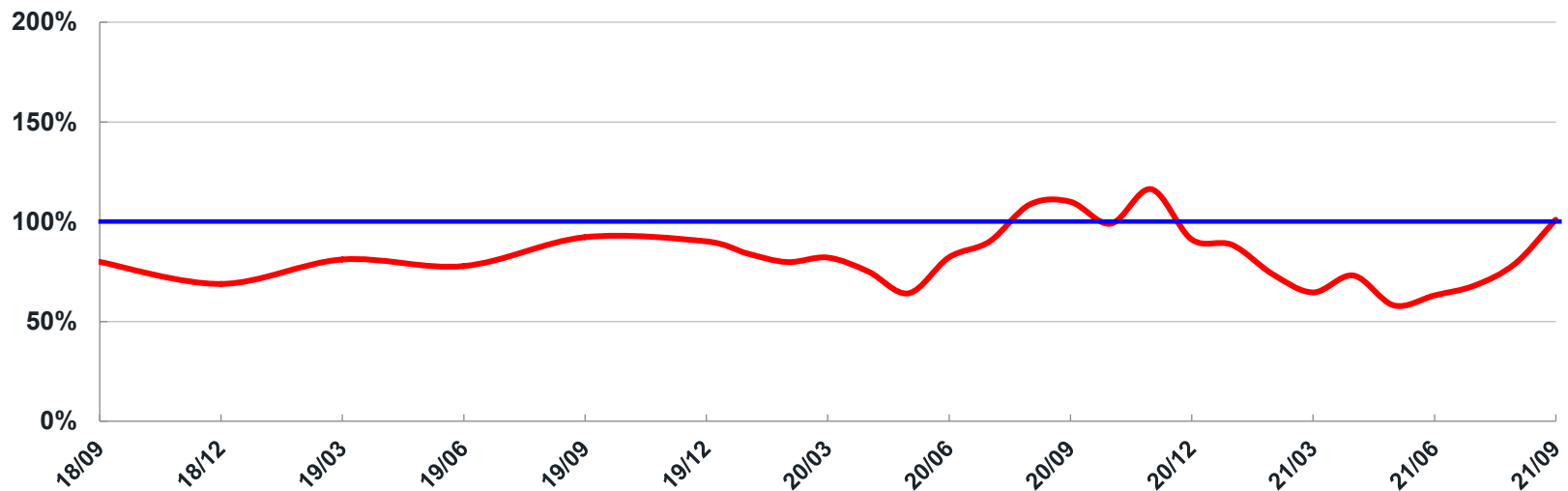
# <Appendix> Book-to-Bill Ratio for Industrial Machinery (6 Months)

## Komatsu Industries

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



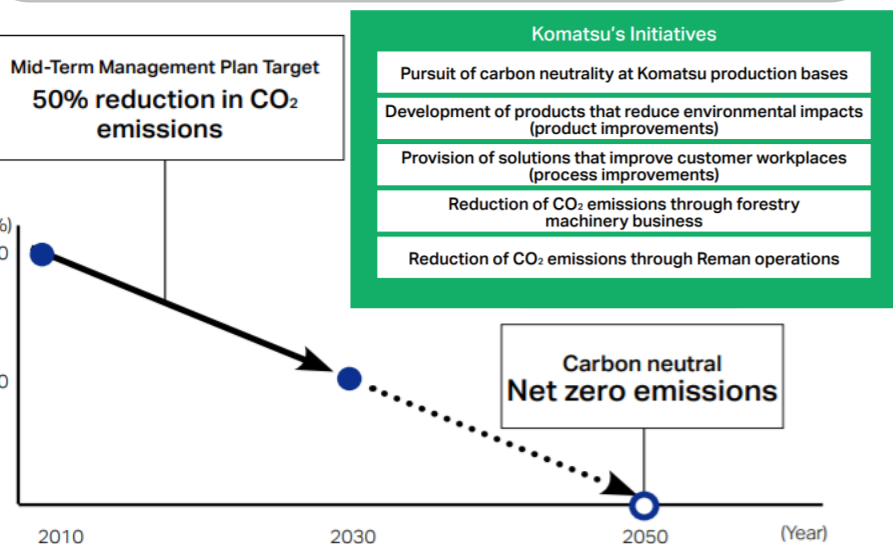
## Komatsu NTC



# Declaration to Achieve Carbon Neutrality by 2050

• In our integrated report "Komatsu Report 2021" published in September, we uphold the new long-term vision of achieving carbon neutrality, virtually zero carbon emissions, by 2050.

• Komatsu Forest (Umea, Sweden) began production at its new plant.  
• It has achieved carbon neutrality, for the first time in Komatsu's plants, through a substantial reduction of power consumption volume by adopting renewable energy supply facilities which uses sunlight and geothermal energy.



We will identify the business opportunities of carbon neutrality and linking them to Komatsu's growth strategy.



Solar panels of the new plant



Forwarder on AGV (Automated Guided Vehicle)

(News release of August 18, 2021)



## Autonomous Haulage System (AHS) in Boliden Group's Aitik copper mine in Sweden

- We are deploying our AHS in the copper mine owned by Boliden Group of Sweden. Boliden Group is a leading mining company of Europe and the Aitik copper mine is one of the largest copper mines in Europe. This is our first deployment of AHS in Europe. Current plans call for 11 units of the 930E-5 super-large dump truck for mining.

(News release of October 25, 2021)

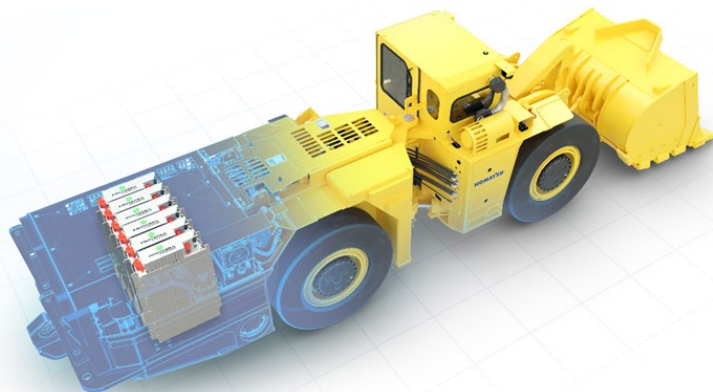


Manned super-large dump trucks operating at Aitik copper mine. (Photo by Boliden)

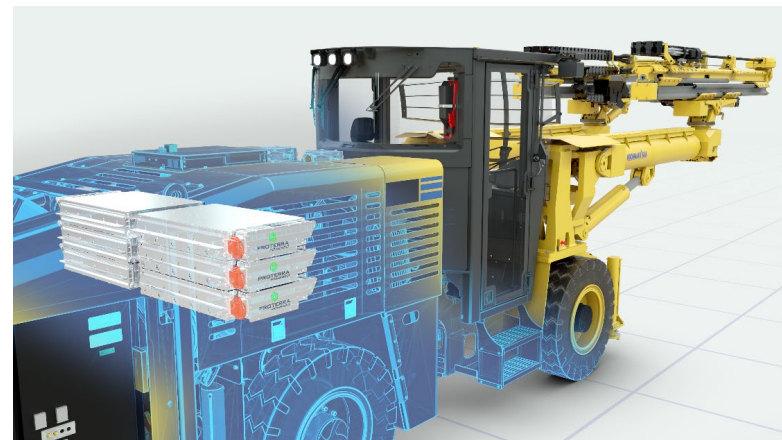
# Electrification of Underground Hard Rock Mining Machines –The Second Collaboration Project with Proterra of the United States–

- To achieve electrification of underground hard rock mining machines, we have signed the contract with Proterra of the United States to receive its lithium-ion batteries.
- We are working to electrify load haul dumps (LHDs), drills and bolters for underground hard rock mining. We complete the development of their prototypes in FY2021 and start their commercial production in FY2022.

( News release of October 27, 2021 )



LHD powered by Proterra's battery system (conceptual image)



Drill powered by Proterra's battery system (conceptual image)

## Cautionary Statement

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

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

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