



**Komatsu Ltd.**

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

**Consolidated Business Results for the Fiscal Year Ended  
March 31, 2022 (U.S. GAAP)**

**1. Results for the Fiscal Year Ended March 31, 2022**

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

(For the fiscal years ended March 31, 2022 and 2021)

Millions of yen except per share amounts

	2022	2021	Changes	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	<b>2,802,323</b>	2,189,512	612,811	28.0%
Operating income	<b>317,015</b>	167,328	149,687	89.5%
Income before income taxes and equity in earnings of affiliated companies	<b>324,568</b>	162,775	161,793	99.4%
Net income attributable to Komatsu Ltd.	<b>224,927</b>	106,237	118,690	111.7%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	<b>¥237.97</b>	¥112.43	¥125.54	
Diluted	<b>¥237.92</b>	¥112.39	¥125.53	
Return on equity	<b>10.9%</b>	5.8%	5.1%	
Return on total assets	<b>8.0%</b>	4.4%	3.6%	
Return on sales	<b>11.3%</b>	7.6%	3.7%	

Notes: 1) Comprehensive income:

    2022: 411,438 millions of yen, up 90.4% from 2021

    2021: 216,095 millions of yen, up 226.1% from 2020

2) Equity in earnings of affiliated companies:

    2022: 5,258 millions of yen

    2021: 2,760 millions of yen

3) Return on equity is calculated by using net income attributable to Komatsu Ltd. and total Komatsu Ltd. shareholders' equity.

4) Return on total assets is calculated by using income before income taxes and equity in earnings of affiliated companies.

5) Return on sales is calculated by using operating income.

(2) Consolidated Financial Position  
(As of March 31, 2022 and 2021)

Millions of yen except per share amounts

	2022	2021
Total assets	4,347,522	3,784,841
Total equity	2,356,277	2,012,025
Komatsu Ltd. shareholders' equity	2,232,511	1,912,297
Komatsu Ltd. shareholders' equity ratio	51.4%	50.5%
Komatsu Ltd. shareholders' equity per share (Yen)	¥2,361.66	¥2,023.34

(3) Consolidated Cash Flows  
(For the fiscal years ended March 31, 2022 and 2021)

Millions of yen

	2022	2021
Net cash provided by (used in) operating activities	300,970	354,129
Net cash provided by (used in) investing activities	(143,569)	(163,057)
Net cash provided by (used in) financing activities	(93,868)	(199,667)
Cash and cash equivalents, end of year	315,360	241,803

## 2. Dividends

(For the fiscal years ending March 31, 2023 and ended March 31, 2022 and 2021)

	2022	2021	2023 Projections
Cash dividends per share (Yen)			
Interim	40.00	18.00	48.00
Year-end	56.00	37.00	48.00
Total	96.00	55.00	96.00
Annual dividends (Millions of yen)	90,791	52,005	-
Payout ratio (Consolidated basis) (%)	40.3%	48.9%	40.2%
Dividends as percentage of equity (Consolidated basis) (%)	4.4%	2.8%	-

### 3. Projections for the Fiscal Year Ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

Millions of yen except per share amounts

	2023	
		Changes Increase (Decrease)
Net sales	3,000,000	7.1%
Operating income	346,000	9.1%
Income before income taxes and equity in earnings of affiliated companies	333,500	2.8%
Net income attributable to Komatsu Ltd.	226,000	0.5%
Net income attributable to Komatsu Ltd. Per share - Basic (Yen)	¥239.07	

Notes: 1) Percentages shown above represent the rates of change compared with the corresponding periods a year ago.

2) Refer to “Management Performance and Financial Conditions” for preconditions of the projections above and other related issues.

### 4. Others

(1) Changes in important subsidiaries during the year under review: None

(2) Changes in accounting standards, procedures and presentations

1) Changes resulting from revisions in accounting standards, etc.: None

2) Change in other matters except for 1) above: None

Note: Refer to “Changes resulting from revisions in accounting standards, etc.” on page 21 for more details.

(3) Number of common shares outstanding

1) The numbers of common shares issued (including treasury stock) as of March 31 were as follows:

2022: 973,145,800 shares

2021: 972,887,610 shares

2) The numbers of treasury stock as of March 31 were as follows:

2022: 27,833,236 shares

2021: 27,766,444 shares

3) The weighted average numbers of common shares outstanding were as follows:

2022: 944,152,659 shares

2021: 944,146,222 shares

Note: Refer to “Net Income per Share” on page 24 for the number of common shares, which was used as the basis for calculating the amount of net income attributable to Komatsu Ltd. per share.

**[Reference]****Financial Highlights of Komatsu Ltd. (“Company”)**

The following financial information is prepared based on the non-consolidated financial results of the Company in accordance with generally accepted accounting principles and practices in Japan.

**Results for the Fiscal Year Ended March 31, 2022****(1) Non-Consolidated Financial Highlights**

(For the fiscal years ended March 31, 2022 and 2021)

Millions of yen except per share amounts

	2022	2021	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	<b>952,247</b>	653,587	298,660	45.7%
Ordinary profit	<b>94,135</b>	25,055	69,080	275.7%
Net income	<b>78,342</b>	21,875	56,467	258.1%
Net income per share (Yen)				
Basic	<b>¥82.85</b>	¥23.14	¥59.71	
Diluted	<b>¥82.83</b>	¥23.13	¥59.70	

**(2) Non-Consolidated Financial Position**

(As of March 31, 2022 and 2021)

Millions of yen except per share amounts

	2022	2021
Total assets	<b>1,403,535</b>	1,332,733
Net assets	<b>801,435</b>	797,596
Equity ratio (%)	<b>57.1%</b>	59.8%
Net assets per share (Yen)	<b>¥847.04</b>	¥842.84

Note: Shareholders' equity: 2022: 801,101 million yen 2021: 796,964 million yen

**Notes:**

- Sales and profits gains reports are not subject to audit by CPA or audit firm.

- Explanations concerning the appropriate use of the forecasts for results of operations and other special matters.

1. The aforementioned forecasts, plans and projections for results of operations in this report are determined by top management of the Company to be reasonable, based on the currently available information. Please be advised that actual results may differ significantly from the forecasts, plans or projections in this report, due to a variety of changing factors. Such factors may include economic conditions and changes in demand for products in major markets, fluctuations on the foreign exchange market, and changes in regulations, accounting standards and practices in Japan and abroad.

2. Concerning the background and preconditions of the forecasts for results of operations, refer to “Projections for the Fiscal Year Ending March 31, 2023” on page 10 of the attachment.

3. Amounts, shown in the outline of Financial Highlights of the Company, are rounded to the nearest million yen.

4. The Company plans to upload the contents (voice) of Financial Results Briefing together with related materials and supplementary information to the Company's website (<https://www.komatsu.jp/en/ir>).

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# Management Performance and Financial Conditions

## (1) Outline of Operations and Business Results

Komatsu Ltd. (“Company”) and its consolidated subsidiaries (together “Komatsu”) engaged in the three-year mid-term management plan, “DANTOTSU Value - *FORWARD* Together for Sustainable Growth”, which was completed in the fiscal year ended March 31, 2022. Under the mid-term management plan, Komatsu upheld its three pillars of growth strategies of 1) value creation by means of innovation, 2) growth strategies based on business reforms, and 3) structural reforms for growth. Komatsu continued to make efforts for sustainable growth through a positive cycle of improving earnings and solving ESG issues. Komatsu steadfastly promoted efforts of focus and worked to improve the management targets of growth, profitability, efficiency, and financial position, while converging efforts for ESG index targets, including the reduction of environmental impact.

For the fiscal year under review (April 1, 2021 – March 31, 2022), the final year of the mid-term management plan, consolidated net sales totaled JPY 2,802.3 billion, up 28.0% from the previous fiscal year. In the construction, mining and utility equipment business, demand for both construction and mining equipment was strong around the world, except for China, as the adverse effects of the coronavirus (COVID-19) pandemic shrank from the previous fiscal year. Komatsu steadily captured expanding demand for new equipment by capitalizing particularly on cross-sourcing, while experiencing the adverse effects of the tight market of marine transportation and semiconductor shortage. Reflecting increased parts sales and service revenues as well, sales expanded sharply from the previous fiscal year. In the industrial machinery and others business, with respect to the businesses of presses, sheet-metal machines, and machine tools, Komatsu improved sales from the previous fiscal year, by completing installation of machinery at overseas customers’ plants, as the governments of related countries eased their regulations on economic activities. Moreover, sales of the Excimer laser-related business advanced, supported by an increase in global demand for semiconductors. As a result, sales increased from the previous fiscal year.

With respect to profits for the fiscal year under review, operating income surged by 89.5% from the previous fiscal year, to JPY 317.0 billion. This was mainly due to expanded sales volume and improved selling prices in many regions in the construction, mining and utility equipment business, as well as the Japanese yen's depreciation, which more than offset the adverse effects of increased prices of materials and logistics costs. The operating income ratio improved by 3.7 percentage points to 11.3%. Income before income taxes and equity in earnings of affiliated companies expanded sharply by 99.4% to JPY 324.5 billion. Net income attributable to Komatsu Ltd. climbed to JPY 224.9 billion, up 111.7%.

[Consolidated Financial Highlights]

Millions of yen

	2022 USD1=JPY112.1 EUR1=JPY130.4 RMB1=JPY17.5	2021 USD1=JPY106.0 EUR1=JPY123.4 RMB1=JPY15.6	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	<b>2,802,323</b>	2,189,512	28.0%
Construction, Mining and Utility Equipment	<b>2,564,398</b>	1,975,958	29.8%
Retail Finance	<b>71,862</b>	66,394	8.2%
Industrial Machinery and Others	<b>188,368</b>	171,255	10.0%
Elimination	<b>(22,305)</b>	(24,095)	-
Segment profit	<b>315,536</b>	172,339	83.1%
Construction, Mining and Utility Equipment	<b>275,768</b>	143,788	91.8%
Retail Finance	<b>17,199</b>	10,574	62.7%
Industrial Machinery and Others	<b>22,595</b>	16,342	38.3%
Corporate & elimination	<b>(26)</b>	1,635	-
Operating income	<b>317,015</b>	167,328	89.5%
Income before income taxes and equity in earnings of affiliated companies	<b>324,568</b>	162,775	99.4%
Net income attributable to Komatsu Ltd.	<b>224,927</b>	106,237	111.7%

Note: Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of intersegment transactions.

Business results by operation are described below.

### **Construction, Mining and Utility Equipment**

For the fiscal year under review, sales of the construction, mining and utility equipment business advanced by 29.8% from the previous fiscal year, to JPY 2,564.3 billion. Segment profit surged by 91.8% to JPY 275.7 billion.

With respect to the mid-term management plan, specifically, concerning the growth strategy of value creation by means of innovation, Komatsu has worked to strengthen the Autonomous Haulage System (AHS), increasing the total number of AHS mining trucks in operation to 510 units as of March 31, 2022. Komatsu has also advanced a trial of the D375Ai-8, a large ICT mining bulldozer with remote control functionality, in a customer's site in Brazil. In the area of electrification of its equipment, Komatsu launched the PC01E-1 electric micro excavator which is powered by a swappable mobile battery, as a rental model in Japan. With respect to "Smart Construction", a solutions business for construction workplaces, Komatsu has made steady progress, introducing this business model to over 19,000 construction sites to date (cumulative) in Japan.

Concerning the growth strategies based on business reforms, Komatsu has advanced efforts for its 2-model line strategy for the PC200-10M0 CE series hydraulic excavators which feature optimal specs for exclusive use in urban civil engineering work, expanding its market share in Southeast Asia. In December last year, Komatsu embarked on local production of this model at its local plant in India, and stepped up market introduction there. In Japan and Strategic Markets, Komatsu launched sales of the D475A-8R large bulldozer by incorporating cutting-edge technologies for full-scale model renewal in 15 years.

In terms of structural reforms for growth, Komatsu has decided on an absorption-type merger of Komatsu Cabtec Co., Ltd. in order to strengthen and facilitate its technology development for thin-plate parts as well as its global-scale procurement for production. In Australia, Komatsu has opened the new parts center at Komatsu

Australia Pty. Ltd. to optimize logistic operations by introducing a cutting-edge management system and to mitigate environmental impact by installing solar panels and cutting down the volume of packaged parts.

[Sales to Outside Customers of Construction, Mining and Utility Equipment by Region]

Millions of yen

	2022	2021	Changes Increase (Decrease)	
			[A]	[B]
Japan	303,628	294,890	8,738	3.0%
Americas	North America	444,366	146,329	32.9%
	Latin America	288,097	107,788	37.4%
Americas	986,580	732,463	254,117	34.7%
Europe & CIS	Europe	183,537	55,757	30.4%
	CIS	112,379	72,104	64.2%
Europe & CIS	423,777	295,916	127,861	43.2%
China	96,416	146,225	(49,809)	(34.1%)
Asia* & Oceania	Asia*	138,790	156,641	112.9%
	Oceania	230,122	33,314	14.5%
Asia* & Oceania	558,867	368,912	189,955	51.5%
Middle East & Africa	Middle East	32,338	21,536	66.6%
	Africa	90,463	45,245	50.0%
Middle East & Africa	189,582	122,801	66,781	54.4%
Total	2,558,850	1,961,207	597,643	30.5%

Note: \*Excluding Japan and China

Komatsu's operations by region are described below.

### Japan

For the fiscal year under review, demand remained steady in not only public works, but also private-sector construction. As a result, sales increased from the previous fiscal year.

### Americas

In North America, demand for construction equipment remained strong in the housing sector, infrastructure development, and the rental industry. It also upturned for recovery in the energy-related sector. In addition, sales of mining equipment increased, resulting in a substantial gain of sales from the previous fiscal year. In Latin America, demand for both construction and mining equipment was strong. Sales of mining equipment advanced mainly to copper mines in Chile, and demand for construction equipment advanced steadily, as economic activities resumed in most countries. As a result, sales expanded from the previous fiscal year.



## **Europe and CIS**

In Europe, sales continued to increase sharply from the previous fiscal year, supported by steady demand in infrastructure development, not only in the major markets of Germany, the United Kingdom, and France, but also in Italy, supported mainly by the economic stimulus measures of the governments. In CIS, demand for construction equipment was strong in infrastructure development and the energy-related sectors, and sales of mining equipment and parts were also strong, mainly in gold mines. As a result, sales surged from the previous fiscal year.

## **China**

Demand remained sluggish in the fiscal year under review, due to no positive effects of the post-Chinese New Year sales season, which they had in the previous fiscal year, as the sales season was pushed back due to the coronavirus (COVID-19) pandemic. Demand also declined due to slack infrastructure development and real estate investment. As a result, sales decreased sharply from the previous fiscal year, as partly affected by an increased share of sales made by Chinese manufacturers.

## **Asia and Oceania**

In Asia, demand for mining equipment in coal mines was brisk in Indonesia, and that for construction equipment was also strong, mainly in Indonesia, the Philippines and Thailand. As a result, sales climbed sharply from the previous fiscal year. In Oceania, sales advanced, supported by a steady demand for mining equipment in iron ore and coal mines, as well as construction equipment.

## **Middle East and Africa**

In the Middle East, sales expanded sharply from the previous fiscal year. This was driven not only by strong demand, which remained for construction equipment in Saudi Arabia, the United Arab Emirates and other oil-producing countries, but also by steady demand in Turkey. In Africa, sales advanced substantially from the previous fiscal year, as demand for mining and construction equipment remained strong in Southern Africa and other regions.

## **Retail Finance**

For the fiscal year under review, revenues increased by 8.2% from the previous fiscal year, to JPY 71.8 billion, as new contracts increased in tandem with sales growth of construction and mining equipment. Segment profit expanded sharply by 62.7% to JPY 17.1 billion, reflecting improved valuation of equipment after lease use. In addition, there were no more adverse effects of extension of payments under the coronavirus (COVID-19) pandemic, which impacted profits for the previous fiscal year.

## **Industrial Machinery and Others**

For the fiscal year under review, with respect to the businesses of presses, sheet-metal machines, and machine tools, Komatsu improved sales from the previous fiscal year, by completing installation of machinery at overseas customers' plants, as the governments of related countries eased their regulations on economic activities. Moreover, sales of the Excimer laser-related business advanced, supported by an increase in global demand for semiconductors. As a result, sales increased by 10.0% from the previous fiscal year, to JPY 188.3 billion. Segment profit climbed by 38.3% to JPY 22.5 billion.

In February 2022, Komatsu NTC Ltd. launched sales of the ComPlex5400, its newest high-precision, high-performance, 5-axis machining center designed to meet the flexible production line required, even for electric-vehicle parts.

## **[Projections for the Fiscal Year Ending March 31, 2023]**

(From April 1, 2022 to March 31, 2023)

Komatsu embarked on the new three-year mid-term management plan, “DANTOTSU Value — *Together, to ‘The Next’ for sustainable growth*”, in April this year. Under this management plan, Komatsu will strive to create new value in order to take steady steps forward to the next stage for the workplace of the future and pass on a sustainable future to the next generation. By upholding the three pillars of the growth strategy, 1) Accelerate growth by means of innovation, 2) Maximize earnings power, and 3) Enhance corporate resilience. Komatsu will continue to emphasize sustainability management in which it works for sustainable growth through a positive cycle for improvement of earnings and ESG resolutions, and build an operational structure that is resilient to demand changes.

Concerning the consolidated business results for the fiscal year ending March 31, 2023, Komatsu projects an increase in both sales and profits.

In the construction, mining and utility equipment business, Komatsu anticipates an increase in sales against the background of strong demand around the world, centering on North America and Asia, as well as the Japanese yen’s depreciation. Demand in CIS and China is estimated to decline. With respect to segment profit, Komatsu also anticipates an increase, supported by the expected expansion of sales volume, improvement of selling prices, and the Japanese yen’s depreciation, which will absorb the anticipated increase in prices of materials and logistics costs. As of today, it is impossible to predict any impacts, including supply chain confusion, in Russia due to the situation in Ukraine. Therefore, this projection is based on the assumption that Komatsu will sell products that are in local stock or already shipped there as of March 31, 2022.

In the retail finance business, Komatsu anticipates a decrease in both sales and segment profit, mainly due to declined sales of used equipment after lease use and no more benefits of improved valuation of equipment after lease use, which were recorded in the previous fiscal year.

In the industrial machinery and others business, while the Excimer laser-related business for the semiconductor market is expected to increase sales, Komatsu projects a decline in both sales and segment profit due mainly to reduced sales of medium-sized and large presses to the automobile manufacturing industry.

As preconditions for its projection, Komatsu is assuming the foreign exchange rates will be as follows: USD1=JPY 118.0, EUR1=JPY 129.0, and AUD1=JPY 88.0.

Notes: Markets as Positioned by Komatsu

Traditional Markets: Japan, North America and Europe

Strategic Markets: China, Latin America, Asia, Oceania, Africa, Middle East and CIS

[Projections]

Millions of yen

	<b>2023 Projections</b> USD1=JPY118.0 EUR1=JPY129.0 AUD1=JPY88.0	2022 Results USD1=JPY112.1 EUR1=JPY130.4 AUD1=JPY82.7	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	<b>3,000,000</b>	2,802,323	7.1%
Construction, Mining and Utility Equipment	<b>2,779,000</b>	2,564,398	8.4%
Retail Finance	<b>67,000</b>	71,862	(6.8%)
Industrial Machinery and Others	<b>183,000</b>	188,368	(2.8%)
Elimination	<b>(29,000)</b>	(22,305)	-
Segment profit	<b>349,000</b>	315,536	10.6%
Construction, Mining and Utility Equipment	<b>318,000</b>	275,768	15.3%
Retail Finance	<b>15,500</b>	17,199	(9.9%)
Industrial Machinery and Others	<b>20,000</b>	22,595	(11.5%)
Corporate & elimination	<b>(4,500)</b>	(26)	-
Operating income	<b>346,000</b>	317,015	9.1%
Income before income taxes and equity in earnings of affiliated companies	<b>333,500</b>	324,568	2.8%
Net income attributable to Komatsu Ltd.	<b>226,000</b>	224,927	0.5%

Note: Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of intersegment transactions.

## (2) Financial Conditions

As of March 31, 2022, total assets increased by JPY 562.6 billion from the previous fiscal year-end, to JPY 4,347.5 billion, as mainly affected by the Japanese yen's depreciation against the U.S. dollar from the previous fiscal year-end and an increase in inventories. Interest-bearing debt increased by JPY 37.3 billion from the previous fiscal year-end, to JPY 947.3 billion. Komatsu Ltd. shareholders' equity increased by JPY 320.2 billion from the previous fiscal year-end, to JPY 2,232.5 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.9 percentage points from the previous fiscal year-end, to 51.4%.

For the fiscal year under review, net cash provided by operating activities totaled JPY 300.9 billion, due to net income for the period, while trade notes and accounts receivable and inventories increased. This is a decrease of JPY 53.1 billion from the previous fiscal year. Net cash used in investing activities amounted to JPY 143.5 billion, a decrease of JPY 19.4 billion, mainly due to the purchase of fixed assets. Net cash used in financing activities amounted to JPY 93.8 billion, (as compared to JPY 199.6 billion used for the previous fiscal year), mainly due to the repayment of debt and payment of cash dividends. After adding the effects of foreign exchange fluctuations to the total amount of each cash flow, as of March 31, 2022, cash and cash equivalents totaled JPY 315.3 billion, an increase of JPY 73.5 billion from the previous fiscal year-end.

[Trends of Financial Conditions Indicators]

(Fiscal years ended March 31, 2022, 2021 and 2020)

	2022	2021	2020
Komatsu Ltd. shareholders' equity ratio (%)	51.4	50.5	48.5
Komatsu Ltd. shareholders' equity ratio at aggregate market value (%)	64.0	85.4	46.0
Years of debt redemption	3.1	2.6	3.4

Notes: 1) Komatsu Ltd. shareholders' equity ratio: Komatsu Ltd. shareholders' equity/Total assets

2) Komatsu Ltd. shareholders' equity ratio at aggregate market value: Aggregate market value of outstanding shares of common stock/Total assets

3) Years of debt redemption: Interest-bearing debt/Net cash provided by operating activities

## (3) Basic Policy for Redistribution of Profits and Dividends for the Fiscal Year under Review and Next Fiscal Year

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

As described earlier in this report, demand for both construction and mining equipment was strong around the worldwide, except for China, as adverse effects of the coronavirus (COVID-19) pandemic shrank from the previous fiscal year. As a result, both sales and profits for the year outperformed the projection of consolidated business results for the fiscal year ended March 31, 2022, which Komatsu announced on October 28, 2021.

Concerning cash dividends for the fiscal year under review, after considering consolidated business results for the fiscal year under review and future business prospects under its dividend policy, the Company is planning to increase the year-end common stock dividend per share by JPY 16 from the earlier projection of JPY 40 per share. As a result, year-end cash dividend for the fiscal year under review should amount to JPY 56 per share. Annual cash dividends should total JPY 96 per share, including the interim cash dividend which has already been paid, and

which shows an increase of JPY 41 per share from the previous fiscal year, ended March 31, 2021. Accordingly, the consolidated payout ratio will translate into 40.3%. This dividend amount will be proposed to the 153rd ordinary general meeting of shareholders (scheduled for June 21, 2022).

Regarding annual cash dividends for the fiscal year, ending March 31, 2023, the Company plans to pay JPY 96 per share, keeping the same amount from the fiscal year under review.

Looking ahead to the Company's dividend policy for the fiscal year ending March 31, 2025 and onward, and based on the new three-year mid-term management plan, "DANTOTSU Value – *Together, to 'The Next' for sustainable growth*", the Company has no plans to change from the policy described above.

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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.

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### **Basic Stance on Selection of Accounting Standards**

The Company has been preparing its consolidated financial statements in accordance with the U.S. GAAP since before the Japanese government enacted its "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements", pursuant to the provisions of Article 193 of the Securities and Exchange Act of Japan.

The Company is gathering information on trends in Japan and Overseas in relation to the International Financial Reporting Standards (IFRS).

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

#### Assets

Millions of yen

	As of March 31, 2022		As of March 31, 2021	
		Ratio (%)		Ratio (%)
<b>Current assets</b>				
Cash and cash equivalents	¥ 315,360		¥ 241,803	
Time deposits	1,310		1,324	
Trade notes and accounts receivable, net	954,580		820,698	
Inventories	988,011		793,852	
Other current assets	162,020		131,615	
<b>Total current assets</b>	<b>2,421,281</b>	<b>55.7</b>	<b>1,989,292</b>	<b>52.6</b>
<b>Long-term trade receivables, net</b>	<b>501,868</b>	<b>11.5</b>	<b>446,860</b>	<b>11.8</b>
<b>Investments</b>				
Investments in and advances to affiliated companies	45,913		39,286	
Investment securities	8,377		8,236	
Other	3,493		2,511	
<b>Total investments</b>	<b>57,783</b>	<b>1.3</b>	<b>50,033</b>	<b>1.3</b>
<b>Property, plant and equipment</b>				
- less accumulated depreciation and amortization	819,749	18.9	787,373	20.8
<b>Operating lease right-of-use assets</b>	<b>61,516</b>	<b>1.4</b>	<b>57,930</b>	<b>1.5</b>
<b>Goodwill</b>	<b>187,615</b>	<b>4.3</b>	<b>170,687</b>	<b>4.5</b>
<b>Other intangible assets</b>				
- less accumulated amortization	169,003	3.9	168,981	4.5
<b>Deferred income taxes and other assets</b>	<b>128,707</b>	<b>3.0</b>	<b>113,685</b>	<b>3.0</b>
<b>Total</b>	<b>¥ 4,347,522</b>	<b>100.0</b>	<b>¥ 3,784,841</b>	<b>100.0</b>

## Liabilities and Equity

Millions of yen

	As of March 31, 2022		As of March 31, 2021	
		Ratio (%)		Ratio (%)
<b>Current liabilities</b>				
Short-term debt	¥ 241,746		¥ 271,462	
Current maturities of long-term debt	276,623		98,004	
Trade notes, bills and accounts payable	338,974		258,316	
Income taxes payable	68,337		26,858	
Current operating lease liabilities	16,981		15,882	
Other current liabilities	381,360		322,347	
<b>Total current liabilities</b>	<b>1,324,021</b>	<b>30.5</b>	992,869	26.2
<b>Long-term liabilities</b>				
Long-term debt	429,011		540,517	
Liability for pension and retirement benefits	93,407		104,083	
Long-term operating lease liabilities	43,458		39,982	
Deferred income taxes and other liabilities	101,348		95,365	
<b>Total long-term liabilities</b>	<b>667,224</b>	<b>15.3</b>	779,947	20.6
<b>Total liabilities</b>	<b>1,991,245</b>	<b>45.8</b>	1,772,816	46.8
<b>Komatsu Ltd. shareholders' equity</b>				
Common stock	69,393		69,037	
Capital surplus	139,572		135,835	
Retained earnings:				
Appropriated for legal reserve	47,903		47,378	
Unappropriated	1,902,501		1,750,914	
Accumulated other comprehensive income (loss)	122,414		(42,012)	
Treasury stock	(49,272)		(48,855)	
<b>Total Komatsu Ltd. shareholders' equity</b>	<b>2,232,511</b>	<b>51.4</b>	1,912,297	50.5
<b>Noncontrolling interests</b>	<b>123,766</b>	<b>2.8</b>	99,728	2.7
<b>Total equity</b>	<b>2,356,277</b>	<b>54.2</b>	2,012,025	53.2
<b>Total</b>	<b>¥ 4,347,522</b>	<b>100.0</b>	¥ 3,784,841	100.0

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(For the fiscal years ended March 31, 2022 and 2021)

### Consolidated Statements of Income

Millions of yen

	2022		2021	
		Ratio (%)		Ratio (%)
Net sales	¥ 2,802,323	100.0	¥ 2,189,512	100.0
Cost of sales	2,022,747	72.2	1,608,457	73.5
Selling, general and administrative expenses	464,040	16.6	408,716	18.7
Impairment loss on long-lived assets	1,372	0.0	2,403	0.1
Other operating income (expenses), net	2,851	0.1	(2,608)	(0.1)
<b>Operating income</b>	<b>317,015</b>	<b>11.3</b>	<b>167,328</b>	<b>7.6</b>
<b>Other income (expenses), net</b>				
Interest and dividend income	5,332	0.2	5,293	0.2
Interest expense	(12,222)	(0.4)	(13,766)	(0.6)
Other, net	14,443	0.5	3,920	0.2
<b>Total other income (expenses), net</b>	<b>7,553</b>	<b>0.3</b>	<b>(4,553)</b>	<b>(0.2)</b>
<b>Income before income taxes and equity in earnings of affiliated companies</b>	<b>324,568</b>	<b>11.6</b>	<b>162,775</b>	<b>7.4</b>
<b>Income taxes</b>	<b>92,578</b>	<b>3.3</b>	<b>46,919</b>	<b>2.1</b>
<b>Income before equity in earnings of affiliated companies</b>	<b>231,990</b>	<b>8.3</b>	<b>115,856</b>	<b>5.3</b>
<b>Equity in earnings of affiliated companies</b>	<b>5,258</b>	<b>0.2</b>	<b>2,760</b>	<b>0.1</b>
<b>Net income</b>	<b>237,248</b>	<b>8.5</b>	<b>118,616</b>	<b>5.4</b>
<b>Less: Net income attributable to noncontrolling interests</b>	<b>12,321</b>	<b>0.4</b>	<b>12,379</b>	<b>0.6</b>
<b>Net income attributable to Komatsu Ltd.</b>	<b>¥ 224,927</b>	<b>8.0</b>	<b>¥ 106,237</b>	<b>4.9</b>



## Consolidated Statements of Comprehensive Income

Millions of yen

	2022	2021
<b>Net income</b>	¥ 237,248	¥ 118,616
<b>Other comprehensive income (loss), for the period, net of tax</b>		
Foreign currency translation adjustments	165,147	105,466
Pension liability adjustments	10,169	(7,297)
Net unrealized holding gains (losses) on derivative instruments	(1,126)	(690)
<b>Total other comprehensive income (loss), for the period, net of tax</b>	174,190	97,479
<b>Comprehensive income</b>	411,438	216,095
<b>Less: Comprehensive income attributable to noncontrolling interests</b>	22,961	21,543
<b>Comprehensive income attributable to Komatsu Ltd.</b>	¥ 388,477	¥ 194,552

### (3) Consolidated Statements of Equity

(For the fiscal year ended March 31, 2022)

Millions of yen

	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)	Treasury stock	Total Komatsu Ltd. shareholders' equity	Noncontrolling interests	Total equity
			Appropriated for legal reserve	Unappropriated					
Balance at March 31, 2021	¥ 69,037	¥ 135,835	¥ 47,378	¥ 1,750,914	¥ (42,012)	¥ (48,855)	¥ 1,912,297	¥ 99,728	¥ 2,012,025
Cash dividends				(72,815)			(72,815)	(5,983)	(78,798)
Transfer to retained earnings appropriated for legal reserve			525	(525)			-		-
Other changes		3,637			876		4,513	7,060	11,573
Net income				224,927			224,927	12,321	237,248
Other comprehensive income (loss), for the period, net of tax					163,550		163,550	10,640	174,190
Issuance and exercise of stock acquisition rights		(298)					(298)		(298)
Purchase of treasury stock						(670)	(670)		(670)
Sales of treasury stock		46				253	299		299
Restricted stock compensation*	356	352					708		708
Balance at March 31, 2022	¥ 69,393	¥ 139,572	¥ 47,903	¥ 1,902,501	¥ 122,414	¥ (49,272)	¥ 2,232,511	¥ 123,766	¥ 2,356,277

Note: \* Refer to "Net Income per Share" on page 24 for more details.

(For the fiscal year ended March 31, 2021)

Millions of yen

	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)	Treasury stock	Total Komatsu Ltd. shareholders' equity	Noncontrolling interests	Total equity
			Appropriated for legal reserve	Unappropriated					
Balance at March 31, 2020	¥ 68,689	¥ 136,459	¥ 46,813	¥ 1,699,477	¥ (130,666)	¥ (49,166)	¥ 1,771,606	¥ 84,619	¥ 1,856,225
Cash dividends				(53,878)			(53,878)	(6,108)	(59,986)
Transfer to retained earnings appropriated for legal reserve			565	(565)			-		-
Other changes		(639)		(357)	339		(657)	(326)	(983)
Net income				106,237			106,237	12,379	118,616
Other comprehensive income (loss), for the period, net of tax					88,315		88,315	9,164	97,479
Issuance and exercise of stock acquisition rights		(405)					(405)		(405)
Purchase of treasury stock						(57)	(57)		(57)
Sales of treasury stock		74				368	442		442
Restricted stock compensation*	348	346					694		694
Balance at March 31, 2021	¥ 69,037	¥ 135,835	¥ 47,378	¥ 1,750,914	¥ (42,012)	¥ (48,855)	¥ 1,912,297	¥ 99,728	¥ 2,012,025

Note: \* Refer to “Net Income per Share” on page 24 for more details.

#### (4) Consolidated Statements of Cash Flows

(For the fiscal years ended March 31, 2022 and 2021)

Millions of yen

	2022	2021
<b>Operating activities</b>		
Net income	¥ 237,248	¥ 118,616
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	136,346	133,126
Deferred income taxes	(7,655)	(5,288)
Impairment loss and net loss (gain) on valuation of investment securities	(737)	(47)
Net loss (gain) on sale of fixed assets	(3,389)	(875)
Loss on disposal of fixed assets	3,087	2,921
Impairment loss on long-lived assets	1,372	2,403
Pension and retirement benefits, net	(5,230)	(148)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(85,436)	(39,209)
Decrease (increase) in inventories	(116,558)	56,156
Increase (decrease) in trade payables	65,030	30,483
Increase (decrease) in income taxes payable	40,796	2,967
Other, net	36,096	53,024
Net cash provided by (used in) operating activities	300,970	354,129
<b>Investing activities</b>		
Capital expenditures	(162,956)	(181,548)
Proceeds from sale of fixed assets	21,927	18,332
Proceeds from sale of investment securities	242	22
Purchases of investment securities	(686)	(772)
Acquisition of subsidiaries and equity investees, net of cash acquired	(815)	(1,770)
Other, net	(1,281)	2,679
Net cash provided by (used in) investing activities	(143,569)	(163,057)
<b>Financing activities</b>		
Proceeds from debt issued (Original maturities greater than three months)	443,468	702,701
Payment on debt (Original maturities greater than three months)	(482,208)	(725,363)
Short-term debt, net (Original maturities three months or less)	13,520	(114,126)
Dividends paid	(72,815)	(53,878)
Proceeds from issuance of subsidiary's shares	30,440	-
Acquisition of noncontrolling interests	(20,072)	(2,601)
Other, net	(6,201)	(6,400)
Net cash provided by (used in) financing activities	(93,868)	(199,667)
<b>Effect of exchange rate change on cash and cash equivalents</b>	10,024	2,782
<b>Net increase (decrease) in cash and cash equivalents</b>	73,557	(5,813)
<b>Cash and cash equivalents, beginning of year</b>	241,803	247,616
<b>Cash and cash equivalents, end of year</b>	¥ 315,360	¥ 241,803

**(5) Note to the Going Concern Assumption**

None

**(6) Basis of Consolidated Financial Statements**

1) Changes in important subsidiaries during the Year under Review: None

2) The number of consolidated subsidiaries and affiliated companies accounted for by the equity method

Number of consolidated subsidiaries: 213 companies

Number of affiliated companies accounted for by the equity method: 42 companies

3) Changes resulting from revisions in accounting standards, etc.: None

4) Changes in other matters except for 3) above: None

## (7) Notes to Consolidated Financial Statements

### 1) Business Segment Information

#### < Information by Operating Segment >

(For the fiscal year ended March 31, 2022)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	2,558,850	57,809	185,664	2,802,323	-	2,802,323
Intersegment	5,548	14,053	2,704	22,305	(22,305)	-
Total	2,564,398	71,862	188,368	2,824,628	(22,305)	2,802,323
Segment profit	275,768	17,199	22,595	315,562	(26)	315,536
Assets	3,161,835	980,910	206,281	4,349,026	(1,504)	4,347,522
Depreciation and Amortization	101,702	25,590	5,964	133,256	-	133,256
Capital investment	115,371	27,559	4,832	147,762	-	147,762

(For the fiscal year ended March 31, 2021)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	1,961,207	58,377	169,928	2,189,512	-	2,189,512
Intersegment	14,751	8,017	1,327	24,095	(24,095)	-
Total	1,975,958	66,394	171,255	2,213,607	(24,095)	2,189,512
Segment profit	143,788	10,574	16,342	170,704	1,635	172,339
Assets	2,689,427	887,125	201,810	3,778,362	6,479	3,784,841
Depreciation and Amortization	93,883	30,393	6,156	130,432	-	130,432
Capital investment	117,059	41,722	4,393	163,174	-	163,174

Notes: 1) Business categories and principal products & services included in each operating segment are as follows:

#### a) Construction, Mining and Utility Equipment

Excavating equipment, loading equipment, grading & roadbed preparation equipment, hauling equipment, forestry equipment, tunneling machines, underground mining equipment, recycling equipment, industrial vehicles, other equipment, engines & components, casting products, and logistics

#### b) Retail Finance

Financing

#### c) Industrial Machinery and Others

Metal forging & stamping presses, sheet-metal machines, machine tools, defense systems, temperature-control equipment, and optical machinery

2) Transfers between segments are made at estimated arm's-length prices.

### < Geographic Information >

Net sales determined by customer location were as follows:

**(For the fiscal years ended March 31, 2022 and 2021)**

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
<b>2022</b>	<b>389,085</b>	<b>1,051,882</b>	<b>440,827</b>	<b>131,286</b>	<b>598,840</b>	<b>190,403</b>	<b>2,802,323</b>
2021	384,302	798,390	308,044	169,598	406,035	123,143	2,189,512

Note: \* Excluding Japan and China

## 2) Net Income per Share

The Company has the restricted stock compensation system (hereinafter, the “System”) for directors (other than outside directors) and employees of the Company and directors and employees of major subsidiaries. Among the new shares issued under the System, those transfer restrictions which have not been cancelled are distinguished as participating securities from common shares. Each common share and restricted stock has the same rights to net income attributable to Komatsu Ltd.

A reconciliation of the numerators and denominators of the basic and diluted net income attributable to Komatsu Ltd. per share computations is as follows:

(For the fiscal years ended March 31, 2022 and 2021)

Millions of yen

	2022	2021
Net income attributable to Komatsu Ltd.	224,927	106,237
Net income attributable to participating securities (restricted stocks)	244	85
Net income attributable to common shareholders	224,683	106,152

Number of shares

	2022	2021
Weighted average common shares outstanding, less treasury stock	945,177,621	944,905,204
Dilutive effect of: Stock options	207,920	374,987
Weighted average number of participating securities (restricted stocks)	1,024,962	758,982
Weighted average diluted common shares outstanding	944,360,579	944,521,209

Yen

	2022	2021
Net income attributable to Komatsu Ltd. per share:		
Basic	237.97	112.43
Diluted	237.92	112.39

## 3) Significant Subsequent Events

None

## 4) Others

Other notes are omitted in this release of Consolidated Business Results for the Fiscal Year Ended March 31, 2022(U.S. GAAP), because the need for their disclosure is considered insignificant.

(end)