



**Komatsu Ltd.**

Sustainability Promotion Division  
Corporate Communications Dept.

Tel: +81-(0)3-5561-2616

Date: October 31, 2022

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

**Consolidated Business Results for Six Months of the Fiscal Year Ending  
March 31, 2023 (U.S. GAAP)**

**1. Results for Six Months Ended September 30, 2022**

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

Millions of yen except per share amounts

	<b>Six Months ended September 30, 2022</b>	Six Months ended September 30, 2021	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	<b>1,618,735</b>	1,291,400	327,335	25.3%
Operating income	<b>211,634</b>	136,284	75,350	55.3%
Income before income taxes and equity in earnings of affiliated companies	<b>227,759</b>	136,509	91,250	66.8%
Net income attributable to Komatsu Ltd.	<b>162,568</b>	93,141	69,427	74.5%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	<b>¥171.96</b>	¥98.56	¥73.40	
Diluted	<b>¥171.94</b>	¥98.53	¥73.41	

Note: Comprehensive income for six months ended September 30, 2022 and 2021

2022: 419,188 millions of yen, up 272.0% from 2021

2021: 112,684 millions of yen, up 126.0% from 2020

(2) Consolidated Financial Position

Millions of yen except per share amounts

	<b>As of September 30, 2022</b>	As of March 31, 2022
Total assets	<b>5,002,545</b>	4,347,522
Total equity	<b>2,712,279</b>	2,356,277
Komatsu Ltd. shareholders' equity	<b>2,577,150</b>	2,232,511
Komatsu Ltd. shareholders' equity ratio	<b>51.5%</b>	51.4%
Komatsu Ltd. shareholders' equity per share (Yen)	<b>¥2,725.50</b>	¥2,361.66

## 2. Dividends

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

Yen

	The entire FY ending March 31, 2023		The entire FY ended March 31, 2022
	Results	2023 Projections	
First quarter period			
Second quarter period	64.00		40.00
Third quarter period			
Year-end		64.00	56.00
Total		128.00	96.00

Note: Changes in the latest projected cash dividend as of October 31, 2022: Applicable

## 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	3,460,000	23.5%
Operating income	440,000	38.8%
Income before income taxes and equity in earnings of affiliated companies	432,000	33.1%
Net income attributable to Komatsu Ltd.	298,000	32.5%
Net income attributable to Komatsu Ltd. per share - Basic (Yen)	¥315.19	

Notes: 1) Changes in the latest projected consolidated business results as of October 31, 2022: Applicable

2) Percentages shown above represent the rates of change compared with the corresponding period a year ago.

## 4. Others

- (1) Changes in important subsidiaries during the six-month period under review: None
- (2) Use of simplified accounting procedures and adoption of specific accounting procedures for the preparation of consolidated quarterly financial statements: None
- (3) Changes in significant accounting rules, procedures and presentation and changes in significant accounting policies and estimates
  - 1) Changes resulting from revisions in accounting standards, etc.: None
  - 2) Changes in other matters except for 1) above: None

(4) Number of common shares outstanding

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

As of September 30, 2022: 973,450,930 shares

As of March 31, 2022: 973,145,800 shares

2) The numbers of treasury stock were as follows:

As of September 30, 2022: 27,880,906 shares

As of March 31, 2022: 27,833,236 shares

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

Six months ended September 30, 2022: 944,494,949 shares

Six months ended September 30, 2021: 944,147,853 shares

**[Reference]**

**Results for Three Months ended September 30, 2022**

Millions of yen except per share amounts

	Three Months ended September 30, 2022	Three Months ended September 30, 2021	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	<b>854,927</b>	643,134	211,793	32.9%
Operating income	<b>118,072</b>	74,534	43,538	58.4%
Income before income taxes and equity in earnings of affiliated companies	<b>115,284</b>	75,055	40,229	53.6%
Net income attributable to Komatsu Ltd.	<b>82,114</b>	52,249	29,865	57.2%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	<b>¥86.85</b>	¥55.29	¥31.56	
Diluted	<b>¥86.84</b>	¥55.27	¥31.57	

## **Appendix**

### **Management Performance and Financial Conditions**

(1) Outline of Operations and Business Results .....	P.5
(2) Financial Conditions .....	P.10
(3) Projection for the Fiscal Year Ending March 31, 2023 .....	P.10
(4) Others .....	P.12

### **Consolidated Financial Statements**

(1) Consolidated Balance Sheets .....	P.13
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	P.15
(3) Consolidated Statements of Cash Flows .....	P.19
(4) Note to the Going Concern Assumption .....	P.20
(5) Business Segment Information .....	P.20
(6) Note in Case of Notable Changes in the Amount of Shareholders' Equity .....	P.22

# Management Performance and Financial Conditions

## (1) Outline of Operations and Business Results

Komatsu Ltd. (“Company”) and its consolidated subsidiaries (together “Komatsu”) embarked on the three-year, mid-term management plan, “DANTOTSU Value – *Together, to ‘The Next’ for sustainable growth*”, in April 2022 to create new values for the next 100 years. Under this management plan for the target fiscal year ending March 31, 2025, Komatsu upholds three pillars of growth strategies of 1) Accelerate growth by means of innovation, 2) Maximize earnings power, and 3) Enhance corporate resilience. Komatsu will continue to emphasize the previous plan’s sustainability management. In that plan, we work for sustainable growth through a positive cycle for improvement of earnings and ESG resolutions, thereby working to build an operational structure that is resilient to changes in demand.

For the first six-month period (April 1- September 30, 2022) of the fiscal year ending March 31, 2023, the first year of the mid-term management plan, consolidated net sales totaled JPY 1,618.7 billion, up 25.3% from the corresponding period a year ago. In the construction, mining and utility equipment business, demand for both construction and mining equipment expanded, especially in North America and Asia. While supply chain disruptions brought about some adverse effects on its production and sales, Komatsu steadily captured expanding demand for new equipment by capitalizing particularly on cross-sourcing. Reflecting increased parts sales and service revenues, as well as a substantial gain on the Japanese yen's depreciation, sales advanced from the corresponding period a year ago. In the industrial machinery and others business, sales of the Excimer laser-related business remained strong, supported by expanding demand for semiconductors worldwide. With respect to presses and sheet-metal machines for the automobile manufacturing industry, while sales of medium-sized and large presses declined, sales of this business increased from the corresponding period a year ago.

With respect to profits for the first six-month period under review, operating income surged by 55.3% from the corresponding period a year ago, to JPY 211.6 billion. Coupled with the Japanese yen's depreciation, the increase of profits was mainly due to improved selling prices in many regions in the construction, mining and utility equipment business, which more than offset the adverse effects of increased prices of materials and logistics costs. The operating income ratio improved by 2.5 percentage points to 13.1%. Income before income taxes and equity in earnings of affiliated companies expanded by 66.8% to JPY 227.8 billion. Net income attributable to Komatsu Ltd. climbed to JPY 162.6 billion, up 74.5%.

In September this year, Komatsu issued the integrated report, "Komatsu Report 2022," in which it has set new KPIs (Key Performance Indicators) for key initiatives to steadily resolve ESG issues through three pillars of its growth strategies defined in the mid-term management plan.

[Consolidated Financial Highlights]

Millions of yen

	<b>Six Months ended September 30, 2022</b> 1USD=JPY131.6 1EUR=JPY138.1 1AUD=JPY92.9	Six Months ended September 30, 2021 1USD=JPY110.1 1EUR=JPY131.1 1AUD=JPY83.0	Changes  Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	<b>1,618,735</b>	1,291,400	25.3%
Construction, Mining and Utility Equipment	<b>1,506,209</b>	1,185,363	27.1%
Retail Finance	<b>41,495</b>	36,979	12.2%
Industrial Machinery and Others	<b>83,711</b>	81,695	2.5%
Elimination	<b>(12,680)</b>	(12,637)	-
Segment profit	<b>212,751</b>	134,820	57.8%
Construction, Mining and Utility Equipment	<b>187,521</b>	118,620	58.1%
Retail Finance	<b>14,852</b>	7,845	89.3%
Industrial Machinery and Others	<b>10,980</b>	8,598	27.7%
Corporate & elimination	<b>(602)</b>	(243)	-
Operating income	<b>211,634</b>	136,284	55.3%
Income before income taxes and equity in earnings of affiliated companies	<b>227,759</b>	136,509	66.8%
Net income attributable to Komatsu Ltd.	<b>162,568</b>	93,141	74.5%

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 first six-month period under review, sales of the construction, mining and utility equipment business advanced by 27.1% from the corresponding period a year ago, to JPY 1,506.2 billion. Segment profit surged by 58.1% to JPY 187.5 billion.

Concerning the "Accelerate growth by means of innovation" strategy, one of three pillars of growth strategies in the mid-term management plan, Komatsu steadily advanced the deployment of its Autonomous Haulage System (AHS), increasing the total number of AHS mining trucks in operation to 574 units as of September 30, 2022. Concerning electrification, Komatsu promoted collaboration with its partners, including the development of a fully electric wheel loader prototype, while working on the early launch of 20-ton class electric hydraulic excavators. Komatsu has developed both machines with an eye to exhibiting them at bauma 2022, an international mining and construction equipment trade fair in October. In Japan, Komatsu embarked on sales of PC138USE-11, the second wired electric hydraulic excavator model, in August. Komatsu also unveiled FE25G-2 and FE30G-2 lithium-ion battery-powered forklifts at Logis-Tech Tokyo 2022 in September.

For the "Maximize earnings power" strategy, Komatsu worked to strengthen the value chain business, including the expansion of extended warranties with maintenance plans by taking full advantage of its in-house development and production of key components. In July, Komatsu launched sales of the PC950-11 large hydraulic excavator, by making a full-scale upgrade after 12 years of the conventional PC850-8E0 model, which has been deployed mainly in quarries. The new PC950-11 model is compliant with the emission standards of multiple countries and features outstanding improvements of work volume and fuel efficiency.

Regarding the "Enhance corporate resilience" strategy, Komatsu sold some of Komatsu Mining Corp.'s production facilities of underground soft rock business mining equipment in China as part of structural reforms, reassessing unprofitable businesses and optimizing production capacity.

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

Millions of yen

	Six Months ended September 30, 2022	Six Months ended September 30, 2021	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Japan	<b>140,591</b>	136,123	4,468	3.3%
North America	<b>380,871</b>	262,038	118,833	45.3%
Latin America	<b>257,173</b>	191,711	65,462	34.1%
Americas	<b>638,044</b>	453,749	184,295	40.6%
Europe	<b>134,748</b>	116,390	18,358	15.8%
CIS	<b>70,718</b>	92,616	(21,898)	(23.6%)
Europe & CIS	<b>205,466</b>	209,006	(3,540)	(1.7%)
China	<b>39,216</b>	50,179	(10,963)	(21.8%)
Asia*	<b>214,369</b>	111,472	102,897	92.3%
Oceania	<b>145,261</b>	132,282	12,979	9.8%
Asia* & Oceania	<b>359,630</b>	243,754	115,876	47.5%
Middle East	<b>40,354</b>	20,645	19,709	95.5%
Africa	<b>79,188</b>	68,177	11,011	16.2%
Middle East & Africa	<b>119,542</b>	88,822	30,720	34.6%
Total	<b>1,502,489</b>	1,181,633	320,856	27.2%

Note: \*Excluding Japan and China

Komatsu's operations by region are described below.

### Japan

For the first six-month period under review, sales of new equipment increased to public works and private-sector construction. As a result, sales grew from the corresponding period a year ago.

### Americas

In North America, demand for construction equipment remained strong in the housing sector, infrastructure development, and the rental industry. It also remained steady in the energy-related sector. In addition, sales of mining equipment increased and the Japanese yen depreciated, which resulted in a substantial gain of sales from the corresponding period a year ago. In Latin America, demand for construction equipment was strong, centering on Brazil. Demand for mining equipment was also steady. Sales expanded from the corresponding period a year ago, partly reflecting the Japanese yen's depreciation.

### Europe and CIS

While demand declined, centering on the major markets of Germany, the United Kingdom, and France, mainly due to supply chain disruptions and surging energy prices, sales increased in Europe from the corresponding period a year ago, especially supported by improved selling prices. In CIS, sales dropped from the corresponding period a year ago, as affected by the disruptions in the supply chain and uncertain financial and economic conditions due to the situation in Ukraine.



## **China**

Demand remained slack, as affected especially by stagnant economic activities, as well as lockdowns to prevent the re-surge of coronavirus (COVID-19) in the first three-month period. Sales dropped from the corresponding period a year ago.

## **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 Malaysia. As a result, sales climbed sharply from the corresponding period a year ago. In Oceania, demand for mining and construction equipment remained steady on par with the corresponding period a year ago. While sales of new equipment declined, parts sales and service revenues increased. As a result, sales advanced from the corresponding period a year ago, reflecting the Japanese yen's depreciation as well.

## **Middle East and Africa**

In the Middle East, sales expanded sharply from the corresponding period a year ago. This was driven by brisk demand, which was for construction equipment in Saudi Arabia, the United Arab Emirates, and other oil-producing countries. In Africa, sales increased from the corresponding period a year ago, supported by strong demand for mining and construction equipment in southern Africa.

## **Retail Finance**

For the first six-month period under review, new contracts increased, reflecting sales growth of construction and mining equipment and the Japanese yen's depreciation. Although sales of some used equipment for which their lease agreement was cancelled were recorded in the corresponding period a year ago, revenues increased by 12.2% from the corresponding period a year ago, to JPY 41.5 billion. Segment profit climbed by 89.3% to JPY 14.9 billion, mainly supported by the Japanese yen's depreciation and a reduced allowance for doubtful accounts.

## **Industrial Machinery and Others**

For the first six-month period under review, sales of the Excimer laser-related business remained strong, supported by expanding demand for semiconductors worldwide. With respect to presses and sheet-metal machines for the automobile manufacturing industry, while sales of medium-sized and large presses declined, sales increased by 2.5% from the corresponding period a year ago, to JPY 83.7 billion. Segment profit improved by 27.7% to JPY 11.0 billion.

To meet growing demand in the Excimer laser-related business, Gigaphoton Inc. has worked to expand total production capacity by 2.5 times (from FY2020) by improving productivity and building new production facility.

## **(2) Financial Conditions**

As of September 30, 2022, total assets increased by JPY 655.0 billion from the previous fiscal year-end, to JPY 5,002.5 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 223.2 billion from the previous fiscal year-end, to JPY 1,170.6 billion. Komatsu Ltd. shareholders' equity increased by JPY 344.6 billion from the previous fiscal year-end, to JPY 2,577.2 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.1 percentage point from the previous fiscal year-end, to 51.5%.

For the first six-month period under review, net cash provided in operating activities totaled JPY 25.5 billion, a decrease of JPY 131.9 billion from the corresponding period a year ago, due to net income for the period, while inventories increased. Net cash used in investing activities amounted to JPY 85.3 billion, an increase of JPY 16.0 billion, mainly due to the purchase of fixed assets. Net cash provided by financing activities amounted to JPY 45.6 billion (as compared to JPY 59.1 billion used for the corresponding period a year ago), mainly due to the issuance of commercial papers. After adding the effects of foreign exchange fluctuations to the total amount of each cash flow, as of September 30, 2022, cash and cash equivalents totaled JPY 320.8 billion, an increase of JPY 5.5 billion from the previous fiscal year-end.

## **(3) Projection for the Fiscal Year Ending March 31, 2023**

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

In the construction, mining and utility equipment business, Komatsu projects demand will remain strong in North America and Asia. While there are concerns about an economic slowdown due to rising interest rates, supply shortages caused by disruptions in the supply chain are expected to improve. Komatsu projects business results to outperform its initial projection, as Komatsu has been making good progress in the improvement of selling prices.

Concerning foreign exchange rates, which are preconditions for the projection of full-year results, Komatsu has revised the projected exchange rates (to USD 1=JPY 140, EUR 1=JPY 137 and AUD 1=JPY 89 as the average exchange rate in the second six-month period), in response to the Japanese yen's more-than-anticipated depreciation. As a result, Komatsu is revising projected consolidated sales and profits for the year, which it announced on April 28, 2022.

Komatsu estimates the average exchange rates for the full year as follows: USD 1=JPY 135.8, EUR 1=JPY 137.5 and AUD 1=JPY 91.0 (Initial assumption: USD 1=JPY 118.0, EUR 1=JPY 129.0 and AUD 1=JPY 88.0)

Projection for Consolidated Business Results for FY2022 (April 1, 2022 - March 31, 2023)

Millions of yen except per share amounts

	Current projection	Earlier projection	Changes		Results for FY ended March 31, 2022
	[A]	[B]	[A-B]	[(A-B)/B]	
Net sales	3,460,000	3,000,000	460,000	15.3%	2,802,323
Operating income	440,000	346,000	94,000	27.2%	317,015
Income before income taxes and equity in earnings of affiliated companies	432,000	333,500	98,500	29.5%	324,568
Net income attributable to Komatsu Ltd.	298,000	226,000	72,000	31.9%	224,927
Net income attributable to Komatsu Ltd. per share - Basic (Yen)	315.19	239.07	-	-	237.97

**Basic Policy for Redistribution of Profits and Dividends for the Fiscal Year under Review**

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

Concerning the interim cash dividend under this basic policy, after reviewing business results for the first six-month period under review and considering future business prospects, Komatsu is planning to increase JPY 16 per share from the projection of April 28 this year, to JPY 64 per share. Similarly, with respect to the year-end cash dividend, Komatsu is also planning to increase that dividend by JPY 16 from the projection, to JPY 64 per share. As a result, Komatsu plans to pay annual cash dividends of JPY 128 per share, increase of JPY 32 per share from the previous fiscal year ended March 31, 2022. The consolidated payout ratio will become 40.6%.

#### **(4) Others**

- 1) Changes in important subsidiaries during the six-month period under review: None
  - 2) Use of simplified accounting procedures and adoption of specific accounting procedures for the preparation of consolidated quarterly financial statements: None
  - 3) Changes in significant accounting rules, procedures and presentation and changes in significant accounting policies and estimates
    - a) Changes resulting from revisions in accounting standards, etc.: None
    - b) Changes in other matters except for a) above: None
- 

#### **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.

---

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

#### Assets

Millions of yen

	As of September 30, 2022		As of March 31, 2022	
		Ratio (%)		Ratio (%)
<b>Current assets</b>				
Cash and cash equivalents	¥ 320,824		¥ 315,360	
Time deposits	766		1,310	
Trade notes and accounts receivable, net	1,036,061		954,580	
Inventories	1,275,024		988,011	
Other current assets	200,090		162,020	
<b>Total current assets</b>	<b>2,832,765</b>	<b>56.6</b>	2,421,281	55.7
<b>Long-term trade receivables, net</b>	<b>624,102</b>	<b>12.5</b>	501,868	11.5
<b>Investments</b>				
Investments in and advances to affiliated companies	50,404		45,913	
Investment securities	10,510		8,377	
Other	3,538		3,493	
<b>Total investments</b>	<b>64,452</b>	<b>1.3</b>	57,783	1.3
<b>Property, plant and equipment</b>				
- less accumulated depreciation and amortization	868,219	17.3	819,749	18.9
<b>Operating lease right-of-use assets</b>	<b>63,192</b>	<b>1.3</b>	61,516	1.4
<b>Goodwill</b>	<b>226,313</b>	<b>4.5</b>	187,615	4.3
<b>Other intangible assets</b>				
- less accumulated amortization	180,388	3.6	169,003	3.9
<b>Deferred income taxes and other assets</b>	<b>143,114</b>	<b>2.9</b>	128,707	3.0
<b>Total</b>	<b>¥ 5,002,545</b>	<b>100.0</b>	¥ 4,347,522	100.0

## Liabilities and Equity

Millions of yen

	As of September 30, 2022		As of March 31, 2022	
		Ratio (%)		Ratio (%)
<b>Current liabilities</b>				
Short-term debt	¥ 471,588		¥ 241,746	
Current maturities of long-term debt	255,488		276,623	
Trade notes, bills and accounts payable	356,110		338,974	
Income taxes payable	53,724		68,337	
Current operating lease liabilities	17,762		16,981	
Other current liabilities	425,792		381,360	
<b>Total current liabilities</b>	<b>1,580,464</b>	<b>31.6</b>	<b>1,324,021</b>	<b>30.5</b>
<b>Long-term liabilities</b>				
Long-term debt	443,485		429,011	
Liability for pension and retirement benefits	98,929		93,407	
Long-term operating lease liabilities	46,585		43,458	
Deferred income taxes and other liabilities	120,803		101,348	
<b>Total long-term liabilities</b>	<b>709,802</b>	<b>14.2</b>	<b>667,224</b>	<b>15.3</b>
<b>Total liabilities</b>	<b>2,290,266</b>	<b>45.8</b>	<b>1,991,245</b>	<b>45.8</b>
<b>Komatsu Ltd. shareholders' equity</b>				
Common stock	69,660		69,393	
Capital surplus	135,936		139,572	
Retained earnings:				
Appropriated for legal reserve	48,081		47,903	
Unappropriated	2,011,928		1,902,501	
Accumulated other comprehensive income (loss)	360,731		122,414	
Treasury stock	(49,186)		(49,272)	
<b>Total Komatsu Ltd. shareholders' equity</b>	<b>2,577,150</b>	<b>51.5</b>	<b>2,232,511</b>	<b>51.4</b>
<b>Noncontrolling interests</b>	<b>135,129</b>	<b>2.7</b>	<b>123,766</b>	<b>2.8</b>
<b>Total equity</b>	<b>2,712,279</b>	<b>54.2</b>	<b>2,356,277</b>	<b>54.2</b>
<b>Total</b>	<b>¥ 5,002,545</b>	<b>100.0</b>	<b>¥ 4,347,522</b>	<b>100.0</b>

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

Six months ended September 30, 2022 and 2021

### Consolidated Statements of Income

Millions of yen except per share amounts

	Six Months ended September 30, 2022		Six Months ended September 30, 2021	
		Ratio (%)		Ratio (%)
Net sales	¥ 1,618,735	100.0	¥ 1,291,400	100.0
Cost of sales	1,147,450	70.9	932,561	72.2
Selling, general and administrative expenses	258,534	16.0	224,019	17.3
Other operating income (expenses), net	(1,117)	(0.1)	1,464	0.1
<b>Operating income</b>	<b>211,634</b>	<b>13.1</b>	<b>136,284</b>	<b>10.6</b>
<b>Other income (expenses), net</b>				
Interest and dividend income	5,012	0.3	2,135	0.2
Interest expense	(10,892)	(0.7)	(5,749)	(0.4)
Other, net	22,005	1.4	3,839	0.3
<b>Total other income (expenses), net</b>	<b>16,125</b>	<b>1.0</b>	<b>225</b>	<b>0.0</b>
<b>Income before income taxes and equity in earnings of affiliated companies</b>	<b>227,759</b>	<b>14.1</b>	<b>136,509</b>	<b>10.6</b>
<b>Income taxes</b>	<b>58,867</b>	<b>3.6</b>	<b>38,697</b>	<b>3.0</b>
<b>Income before equity in earnings of affiliated companies</b>	<b>168,892</b>	<b>10.4</b>	<b>97,812</b>	<b>7.6</b>
<b>Equity in earnings of affiliated companies</b>	<b>2,072</b>	<b>0.1</b>	<b>1,485</b>	<b>0.1</b>
<b>Net income</b>	<b>170,964</b>	<b>10.6</b>	<b>99,297</b>	<b>7.7</b>
<b>Less: Net income attributable to noncontrolling interests</b>	<b>8,396</b>	<b>0.5</b>	<b>6,156</b>	<b>0.5</b>
<b>Net income attributable to Komatsu Ltd.</b>	<b>¥ 162,568</b>	<b>10.0</b>	<b>¥ 93,141</b>	<b>7.2</b>
<b>Net income attributable to Komatsu Ltd. per share (Yen)</b>				
<b>Basic</b>	<b>¥ 171.96</b>		<b>¥ 98.56</b>	
<b>Diluted</b>	<b>¥ 171.94</b>		<b>¥ 98.53</b>	

## Consolidated Statements of Comprehensive Income

Millions of yen

	<b>Six Months ended September 30, 2022</b>	Six Months ended September 30, 2021
<b>Net income</b>	¥ <b>170,964</b>	¥ 99,297
<b>Other comprehensive income (loss), for the period, net of tax</b>		
Foreign currency translation adjustments	<b>247,983</b>	10,658
Pension liability adjustments	<b>279</b>	1,787
Net unrealized holding gains (losses) on derivative instruments	<b>(38)</b>	942
<b>Total other comprehensive income (loss), for the period, net of tax</b>	<b>248,224</b>	13,387
<b>Comprehensive income</b>	<b>419,188</b>	112,684
<b>Less: Comprehensive income attributable to noncontrolling interests</b>	<b>19,779</b>	5,459
<b>Comprehensive income attributable to Komatsu Ltd.</b>	¥ <b>399,409</b>	¥ 107,225



## Three months ended September 30, 2022 and 2021

### Consolidated Statements of Income

Millions of yen except per share amounts

	Three Months ended September 30, 2022		Three Months ended September 30, 2021	
		Ratio (%)		Ratio (%)
Net sales	¥ 854,927	100.0	¥ 643,134	100.0
Cost of sales	602,049	70.4	457,480	71.1
Selling, general and administrative expenses	134,495	15.7	111,746	17.4
Other operating income (expenses), net	(311)	(0.0)	626	0.1
<b>Operating income</b>	<b>118,072</b>	<b>13.8</b>	<b>74,534</b>	<b>11.6</b>
<b>Other income (expenses), net</b>				
Interest and dividend income	2,776	0.3	1,143	0.2
Interest expense	(6,220)	(0.7)	(2,782)	(0.4)
Other, net	656	0.1	2,160	0.3
<b>Total other income (expenses), net</b>	<b>(2,788)</b>	<b>(0.3)</b>	<b>521</b>	<b>0.1</b>
<b>Income before income taxes and equity in earnings of affiliated companies</b>	<b>115,284</b>	<b>13.5</b>	<b>75,055</b>	<b>11.7</b>
<b>Income taxes</b>	<b>29,352</b>	<b>3.4</b>	<b>20,667</b>	<b>3.2</b>
<b>Income before equity in earnings of affiliated companies</b>	<b>85,932</b>	<b>10.1</b>	<b>54,388</b>	<b>8.5</b>
<b>Equity in earnings of affiliated companies</b>	<b>1,027</b>	<b>0.1</b>	<b>724</b>	<b>0.1</b>
<b>Net income</b>	<b>86,959</b>	<b>10.2</b>	<b>55,112</b>	<b>8.6</b>
<b>Less: Net income attributable to noncontrolling interests</b>	<b>4,845</b>	<b>0.6</b>	<b>2,863</b>	<b>0.4</b>
<b>Net income attributable to Komatsu Ltd.</b>	<b>¥ 82,114</b>	<b>9.6</b>	<b>¥ 52,249</b>	<b>8.1</b>
<b>Net income attributable to Komatsu Ltd. per share (Yen)</b>				
<b>Basic</b>	<b>¥ 86.85</b>		<b>¥ 55.29</b>	
<b>Diluted</b>	<b>¥ 86.84</b>		<b>¥ 55.27</b>	

## Consolidated Statements of Comprehensive Income

Millions of yen

	<b>Three Months ended September 30, 2022</b>	Three Months ended September 30, 2021
<b>Net income</b>	¥ <b>86,959</b>	¥ 55,112
<b>Other comprehensive income (loss), for the period, net of tax</b>		
Foreign currency translation adjustments	<b>50,458</b>	(1,572)
Pension liability adjustments	<b>103</b>	409
Net unrealized holding gains (losses) on derivative instruments	<b>1,102</b>	81
<b>Total other comprehensive income (loss), for the period, net of tax</b>	<b>51,663</b>	(1,082)
<b>Comprehensive income</b>	<b>138,622</b>	54,030
<b>Less: Comprehensive income attributable to noncontrolling interests</b>	<b>7,813</b>	2,279
<b>Comprehensive income attributable to Komatsu Ltd.</b>	¥ <b>130,809</b>	¥ 51,751

### (3) Consolidated Statements of Cash Flows

Millions of yen

	Six Months ended September 30, 2022	Six Months ended September 30, 2021
<b>Operating activities</b>		
Net income	¥ 170,964	¥ 99,297
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	73,075	67,761
Deferred income taxes	(4,939)	(6,541)
Impairment loss and net loss (gain) on valuation of investment securities	(358)	(171)
Net loss (gain) on sale of fixed assets	(251)	(1,151)
Loss on disposal of fixed assets	1,094	1,221
Pension and retirement benefits, net	812	(3,852)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(378)	16,450
Decrease (increase) in inventories	(168,312)	(53,182)
Increase (decrease) in trade payables	(3,432)	10,196
Increase (decrease) in income taxes payable	(15,609)	10,466
Other, net	(27,131)	16,938
Net cash provided by (used in) operating activities	25,535	157,432
<b>Investing activities</b>		
Capital expenditures	(86,257)	(82,283)
Proceeds from sale of fixed assets	8,958	13,237
Proceeds from sale of investment securities	285	2
Purchases of investment securities	(1,406)	(221)
Proceeds from sale of subsidiaries and businesses, net of cash disposed	12,295	55
Acquisition of subsidiaries and equity investees, net of cash acquired	(18,000)	-
Other, net	(1,196)	(92)
Net cash provided by (used in) investing activities	(85,321)	(69,302)
<b>Financing activities</b>		
Proceeds from debt issued (Original maturities greater than three months)	301,968	211,873
Payment on debt (Original maturities greater than three months)	(338,515)	(259,517)
Short-term debt, net (Original maturities three months or less)	145,087	(328)
Dividends paid	(52,963)	(34,986)
Proceeds from issuance of subsidiary's shares	2,012	30,440
Other, net	(11,975)	(6,571)
Net cash provided by (used in) financing activities	45,614	(59,089)
<b>Effect of exchange rate change on cash and cash equivalents</b>	19,636	1,984
<b>Net increase (decrease) in cash and cash equivalents</b>	5,464	31,025
<b>Cash and cash equivalents, beginning of year</b>	315,360	241,803
<b>Cash and cash equivalents, end of period</b>	¥ 320,824	¥ 272,828

#### (4) Note to the Going Concern Assumption

None

#### (5) Business Segment Information

##### 1) Information by Operating Segments

##### Six Months ended September 30, 2022 and 2021

(For Six Months ended September 30, 2022)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	1,502,489	33,451	82,795	1,618,735	-	1,618,735
Intersegment	3,720	8,044	916	12,680	(12,680)	-
Total	1,506,209	41,495	83,711	1,631,415	(12,680)	1,618,735
Segment profit	187,521	14,852	10,980	213,353	(602)	212,751

(For Six Months ended September 30, 2021)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	1,181,633	28,906	80,861	1,291,400	-	1,291,400
Intersegment	3,730	8,073	834	12,637	(12,637)	-
Total	1,185,363	36,979	81,695	1,304,037	(12,637)	1,291,400
Segment profit	118,620	7,845	8,598	135,063	(243)	134,820

### Three Months ended September 30, 2022 and 2021

(For Three Months ended September 30, 2022)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	788,861	17,200	48,866	854,927	-	854,927
Intersegment	2,024	4,356	305	6,685	(6,685)	-
Total	790,885	21,556	49,171	861,612	(6,685)	854,927
Segment profit	104,195	7,139	7,453	118,787	(404)	118,383

(For Three Months ended September 30, 2021)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	588,624	14,149	40,361	643,134	-	643,134
Intersegment	2,392	2,377	491	5,260	(5,260)	-
Total	591,016	16,526	40,852	648,394	(5,260)	643,134
Segment profit	64,970	4,630	4,395	73,995	(87)	73,908

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.

## 2) Geographic Information

Net sales determined by customer location were as follows:

(For Six Months ended September 30, 2022 and 2021)

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
<b>FY2022</b>	<b>181,678</b>	<b>672,984</b>	<b>215,430</b>	<b>47,959</b>	<b>380,674</b>	<b>120,010</b>	<b>1,618,735</b>
FY2021	170,044	484,909	216,846	66,556	263,803	89,242	1,291,400

Note: \* Excluding Japan and China

(For Three Months ended September 30, 2022 and 2021)

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
<b>FY2022</b>	<b>99,027</b>	<b>353,955</b>	<b>106,196</b>	<b>24,838</b>	<b>210,167</b>	<b>60,744</b>	<b>854,927</b>
FY2021	89,851	242,029	108,182	25,454	130,709	46,909	643,134

Note: \* Excluding Japan and China

### (6) Note in Case of Notable Changes in the Amount of Shareholders' Equity

None

(end)