



Komatsu Ltd.

Sustainability Promotion Division
Corporate Communications Dept.

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

Date: April 28, 2023

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

**Consolidated Business Results for the Fiscal Year Ended
March 31, 2023 (U.S. GAAP)**

1. Results for the Fiscal Year Ended March 31, 2023

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

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

Millions of yen except per share amounts

	2023	2022	Changes	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	3,543,475	2,802,323	741,152	26.4%
Operating income	490,685	317,015	173,670	54.8%
Income before income taxes and equity in earnings of affiliated companies	476,434	324,568	151,866	46.8%
Net income attributable to Komatsu Ltd.	326,398	224,927	101,471	45.1%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥345.22	¥237.97	¥107.25	
Diluted	¥345.18	¥237.92	¥107.26	
Return on equity	13.7%	10.9%	2.8%	
Return on total assets	10.3%	8.0%	2.3%	
Return on sales	13.8%	11.3%	2.5%	

Notes: 1) Comprehensive income:

 2023: 445,709 millions of yen, up 8.3% from 2022

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

2) Equity in earnings of affiliated companies:

 2023: 5,290 millions of yen

 2022: 5,258 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, 2023 and 2022)

Millions of yen except per share amounts

	2023	2022
Total assets	4,875,847	4,347,522
Total equity	2,677,955	2,356,277
Komatsu Ltd. shareholders' equity	2,539,641	2,232,511
Komatsu Ltd. shareholders' equity ratio	52.1%	51.4%
Komatsu Ltd. shareholders' equity per share (Yen)	¥2,685.76	¥2,361.66

(3) Consolidated Cash Flows
(For the fiscal years ended March 31, 2023 and 2022)

Millions of yen

	2023	2022
Net cash provided by (used in) operating activities	206,474	300,970
Net cash provided by (used in) investing activities	(169,518)	(143,569)
Net cash provided by (used in) financing activities	(66,613)	(93,868)
Cash and cash equivalents, end of year	289,975	315,360

2. Dividends

(For the fiscal years ending March 31, 2024 and ended March 31, 2023 and 2022)

	2023	2022	2024 Projections
Cash dividends per share (Yen)			
Interim	64.00	40.00	69.00
Year-end	75.00	56.00	70.00
Total	139.00	96.00	139.00
Annual dividends (Millions of yen)	131,492	90,791	-
Payout ratio (Consolidated basis) (%)	40.3%	40.3%	44.0%
Dividends as percentage of equity (Consolidated basis) (%)	5.5%	4.4%	-

3. Projections for the Fiscal Year Ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

Millions of yen except per share amounts

	2024	
		Changes Increase (Decrease)
Net sales	3,382,000	(4.6%)
Operating income	491,000	0.1%
Income before income taxes and equity in earnings of affiliated companies	442,000	(7.2%)
Net income attributable to Komatsu Ltd.	299,000	(8.4%)
Net income attributable to Komatsu Ltd. Per share - Basic (Yen)	¥316.20	

Notes: 1) Percentages shown above represent the rates of change compared with the previous fiscal year.

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:

2023: 973,450,930 shares

2022: 973,145,800 shares

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

2023: 27,856,631 shares

2022: 27,833,236 shares

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

2023: 944,645,124 shares

2022: 944,152,659 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, 2023**(1) Non-Consolidated Financial Highlights**

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

Millions of yen except per share amounts

	2023	2022	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	1,144,513	952,247	192,266	20.2%
Ordinary profit	252,952	94,135	158,817	168.7%
Net income	220,050	78,342	141,708	180.9%
Net income per share (Yen)				
Basic	¥232.64	¥82.85	¥149.79	
Diluted	¥232.61	¥82.83	¥149.78	

(2) Non-Consolidated Financial Position

(As of March 31, 2023 and 2022)

Millions of yen except per share amounts

	2023	2022
Total assets	1,445,319	1,403,535
Net assets	911,381	801,435
Equity ratio (%)	63.0%	57.1%
Net assets per share (Yen)	¥963.18	¥847.04

Note: Shareholders' equity: 2023: 911,169 million yen 2022: 801,101 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, 2024” on page 10 of the attachment.

3. Amounts, shown in the outline of Financial Highlights of the Company, are rounded down 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”) 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 fiscal year under review (April 1, 2022 - March 31, 2023), the first year of the mid-term management plan, consolidated net sales totaled JPY 3,543.5 billion, up 26.4% from the previous fiscal year. In the construction, mining and utility equipment business, demand for mining equipment expanded, centering on North America and Asia. Komatsu worked to make its supply chain highly resilient to changes in the external environment, especially by capitalizing on cross-sourcing and strengthening multi-sourcing, and steadily capturing demand for new equipment. Sales increased from the previous fiscal year, affected by advanced parts sales and service revenues, improved selling prices in almost all regions of the world and the Japanese yen’s depreciation. In the industrial machinery and others business, while sales of large presses mainly declined among presses, sheet-metal machines and machine tools for the automobile manufacturing industry, sales made a steady gain in the Excimer laser-related business against the backdrop of expanding demand for semiconductors worldwide. As a result, sales of this business increased from the previous fiscal year.

With respect to profits for the fiscal year under review, operating income surged by 54.8% from the previous fiscal year, to JPY 490.7 billion, reflecting improved selling prices and 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 2.5 percentage points to 13.8%. Income before income taxes and equity in earnings of affiliated companies expanded by 46.8% to JPY 476.4 billion. Net income attributable to Komatsu Ltd. climbed to JPY 326.4 billion, up 45.1%.

[Consolidated Financial Highlights]

Millions of yen

	2023 USD1=JPY134.8 EUR1=JPY140.3 AUD1=JPY92.5	2022 USD1=JPY112.1 EUR1=JPY130.4 AUD1=JPY82.7	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	3,543,475	2,802,323	26.4%
Construction, Mining and Utility Equipment	3,296,566	2,564,398	28.6%
Retail Finance	85,630	71,862	19.2%
Industrial Machinery and Others	190,941	188,368	1.4%
Elimination	(29,662)	(22,305)	-
Segment profit	493,514	315,536	56.4%
Construction, Mining and Utility Equipment	443,603	275,768	60.9%
Retail Finance	27,267	17,199	58.5%
Industrial Machinery and Others	22,586	22,595	(0.0%)
Corporate & elimination	58	(26)	-
Operating income	490,685	317,015	54.8%
Income before income taxes and equity in earnings of affiliated companies	476,434	324,568	46.8%
Net income attributable to Komatsu Ltd.	326,398	224,927	45.1%

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 28.6% from the previous fiscal year, to JPY 3,296.6 billion. Segment profit surged by 60.9% to JPY 443.6 billion.

Concerning the “Accelerate growth by means of innovation” strategy, one of the 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 643 units as of March 31, 2023. Komatsu concerted efforts to advance remote control of construction equipment, developed a new system for medium-sized hydraulic excavators, and began supplying it to customers in March this year. To achieve carbon neutrality and especially, in the area of electrification of construction equipment, Komatsu promoted joint developments with its partners and focused efforts for the development and early market introduction of different models, including the “PC05E-1” electric micro excavator. At the “CONEXPO-CON/AGG 2023” international construction machinery trade fair held in March this year, Komatsu exhibited, for the first time, chargers with a battery capacity, which enable charging in environments without a power supply. Komatsu also continued R&D efforts for new power sources, such as fuel cells and hydrogen engines. At the same time, as a way of capitalizing on “bridge technology” until new technologies are developed, Komatsu promoted a shift of factory-fill fuel from diesel oil to hydrotreated vegetable oil (HVO) which is expected to achieve a substantial reduction of CO2 emissions for Komatsu equipment produced in Europe.

For the “Maximize earnings power” strategy, Komatsu promoted sales expansion of the “PC200-10M0” CE series hydraulic excavators which feature optimal specs for exclusive use in urban civil engineering work under the 2-model line strategy in Asia. Along with sales expansion in Asia, Komatsu began to launch the same models in

Latin America. Komatsu also steadily expanded the extended warranties with maintenance plans by leveraging its strength of in-house development and production of key components, thereby facilitating differentiation through the lifecycle support business.

Regarding the “Enhance corporate resilience” strategy, Komatsu stepped up its efforts to strengthen the competitiveness of its Chinese manufacturing subsidiaries as global cross-sourcing bases through rationalization by consolidating its subsidiaries, including those which Komatsu made wholly owned last year. Komatsu also worked to streamline development by integrating R&D functions for automation, autonomous operation, remote control, and other technologies in a new development building on the premises of the Shonan plant.

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

Millions of yen

	2023	2022	Changes Increase (Decrease)		
	[A]	[B]	[A-B]	[(A-B)/B]	
Japan	321,746	303,628	18,118	6.0%	
Americas	North America	864,912	590,695	274,217	46.4%
	Latin America	545,072	395,885	149,187	37.7%
Americas	1,409,984	986,580	423,404	42.9%	
Europe & CIS	Europe	314,008	239,294	74,714	31.2%
	CIS	120,206	184,483	(64,277)	(34.8%)
Europe & CIS	434,214	423,777	10,437	2.5%	
China	79,690	96,416	(16,726)	(17.3%)	
Asia* & Oceania	Asia*	461,613	295,431	166,182	56.3%
	Oceania	316,161	263,436	52,725	20.0%
Asia* & Oceania	777,774	558,867	218,907	39.2%	
Middle East & Africa	Middle East	86,300	53,874	32,426	60.2%
	Africa	177,015	135,708	41,307	30.4%
Middle East & Africa	263,315	189,582	73,733	38.9%	
Total	3,286,723	2,558,850	727,873	28.4%	

Note: *Excluding Japan and China

Komatsu’s operations by region are described below.

Japan

For the fiscal year under review, while demand for new equipment decreased from the previous fiscal year in both public works and private-sector construction, sales increased from the previous fiscal year, mainly supported by increased sales of new equipment and improved selling prices.

Americas

In North America, while demand for construction equipment decreased in the housing sector due to increasing interest rates, it remained strong in the rental industry and infrastructure development, and also continued to grow in the energy-related sector. In addition, demand for mining equipment increased. Supported also by improved selling prices and the Japanese yen’s depreciation, sales made a substantial gain from the previous fiscal year. In Latin America, while demand for construction equipment has slowed down since the third quarter, demand for

mining equipment remained steady. Reflecting increased parts sales and service revenues of mining equipment, improved selling prices and the Japanese yen's depreciation, sales climbed from the previous fiscal year.

Europe and CIS

In Europe, while the markets experienced surging energy prices, sales of construction equipment increased, centering on the major markets of Germany, the United Kingdom, and France, against the backdrop of improving supply chain conditions. Sales expanded from the previous fiscal year, mainly supported by improved selling prices. In CIS, sales dropped sharply from the previous fiscal year, as affected by the restrictions in the supply chain, as well as financial and economic conditions resulting from the situation in Ukraine.

China

Demand remained slack, as affected by stagnant economic activities resulting especially from the zero-COVID policy. Sales dropped from the previous fiscal year.

Asia and Oceania

In Asia, demand for equipment in coal and nickel mines was brisk in Indonesia, and that for construction equipment was also steady, centering on the Philippines, Vietnam, and Malaysia. As a result, sales climbed sharply from the previous fiscal year. In Oceania, demand for mining and construction equipment remained steady. Reflecting increased parts sales and service revenues and the Japanese yen's depreciation, sales increased from the previous fiscal year.

Middle East and Africa

In the Middle East, sales expanded sharply from the previous fiscal year, supported by brisk demand for construction equipment due mainly to projects in Saudi Arabia, the United Arab Emirates, and other oil-producing countries. In Africa, sales increased from the previous fiscal year, supported by increased demand for mining equipment mainly in southern Africa.

Retail Finance

For the fiscal year under review, new contracts increased, reflecting the Japanese yen's depreciation and sales growth of construction and mining equipment. Although sales of some used equipment, for which their lease agreement was cancelled, were recorded in the previous fiscal year, revenues increased by 19.2% from the previous fiscal year to JPY 85.6 billion. Segment profit climbed by 58.5% to JPY 27.3 billion, mainly supported by the Japanese yen's depreciation and a reduced allowance for doubtful accounts.

Industrial Machinery and Others

For the fiscal year under review, sales of the Excimer laser-related business remained strong, supported by expanding demand for semiconductors worldwide. With respect to presses, sheet-metal machines, and machine tools for the automobile manufacturing industry, sales of large presses declined in particular. As a result, sales increased by 1.4% from the previous fiscal year, to JPY 190.9 billion. Segment profit amounted to JPY 22.6 billion, decreased by 0.0% from the previous fiscal year.

In January this year, with the aim of improving customers' workplace quality and productivity, as well as contributing to achieving carbon neutrality, Komatsu Industries Ltd. launched the "TWCL10-1" and "TWCL08-1" fiber laser cutting machines, which have achieved the industry's first shape-cutting under water.

[Projections for the Fiscal Year Ending March 31, 2024]

(From April 1, 2023 to March 31, 2024)

In the construction, mining and utility equipment business, Komatsu expects demand for mining equipment will remain strong, centering on Asia and North America, while demand for construction equipment will slow down, partly due to rising interest rates. Based mainly on its assumption of the Japanese yen's appreciation, Komatsu anticipates a decline in sales. With respect to segment profit, Komatsu expects an increase by more than offsetting the impact of the Japanese yen's appreciation, lower sales volume and higher fixed costs with improved selling prices.

In the retail finance business, Komatsu anticipates a decrease in both sales and segment profit, mainly due to the impact of the Japanese yen's appreciation and the absences of gains on reversal of allowance for doubtful accounts and those on resale of used equipment after the termination of leases, which were recorded for the fiscal year under review.

In the industrial machinery and others business, Komatsu expects an increase in both sales and segment profit, as sales of the Excimer-laser related business for the semiconductor industry will remain steady and those of presses, sheet-metal machines, and machine tools for the automobile manufacturing industry will increase, centering on large presses.

As a result, Komatsu expects a decrease in consolidated net sales for the fiscal year ending March 31, 2024. Operating incomes is expected to flat from the fiscal year under review, mainly due to an improvement in selling prices. Komatsu anticipates a decrease in net income attributable to Komatsu Ltd., mainly due to an increase in interest expenses caused by higher interest rates.

As preconditions for its projection, Komatsu is assuming the foreign exchange rates will be as follows: USD1=JPY 125.0, EUR1=JPY 133.0, and AUD1=JPY 83.0.

[Projections]

Millions of yen

	2024 Projections USD1=JPY125.0 EUR1=JPY133.0 AUD1=JPY83.0	2023 Results USD1=JPY134.8 EUR1=JPY140.3 AUD1=JPY92.5	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	3,382,000	3,543,475	(4.6%)
Construction, Mining and Utility Equipment	3,138,000	3,296,566	(4.8%)
Retail Finance	83,500	85,630	(2.5%)
Industrial Machinery and Others	201,000	190,941	5.3%
Elimination	(40,500)	(29,662)	-
Segment profit	498,000	493,514	0.9%
Construction, Mining and Utility Equipment	463,000	443,603	4.4%
Retail Finance	17,000	27,267	(37.7%)
Industrial Machinery and Others	23,000	22,586	1.8%
Corporate & elimination	(5,000)	58	-
Operating income	491,000	490,685	0.1%
Income before income taxes and equity in earnings of affiliated companies	442,000	476,434	(7.2%)
Net income attributable to Komatsu Ltd.	299,000	326,398	(8.4%)

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, 2023, total assets increased by JPY 528.3 billion from the previous fiscal year-end, to JPY 4,875.8 billion, as mainly affected by the Japanese yen's depreciation against the U.S. dollar from the previous fiscal year-end, increased receivables and inventories. Interest-bearing debt increased by JPY 106.4 billion from the previous fiscal year-end, to JPY 1,053.8 billion. Komatsu Ltd. shareholders' equity increased by JPY 307.1 billion from the previous fiscal year-end, to JPY 2,539.6 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.7 percentage points from the previous fiscal year-end, to 52.1%.

For the fiscal year under review, net cash provided by operating activities totaled JPY 206.5 billion, mainly due to net income for the period, while trade notes and accounts receivable and inventories increased. This is a decrease of JPY 94.5 billion from the previous fiscal year. Net cash used in investing activities amounted to JPY 169.5 billion, an increase of JPY 25.9 billion, mainly due to the purchase of fixed assets. Net cash used in financing activities amounted to JPY 66.6 billion, (as compared to JPY 93.9 billion used for the previous fiscal year), mainly due to payment of cash dividends. After adding the effects of foreign exchange fluctuations to the total amount of each cash flow, as of March 31, 2023, cash and cash equivalents totaled JPY 290.0 billion, a decrease of JPY 25.4 billion from the previous fiscal year-end.

[Trends of Financial Conditions Indicators]

(Fiscal years ended March 31, 2023, 2022 and 2021)

	2023	2022	2021
Komatsu Ltd. shareholders' equity ratio (%)	52.1	51.4	50.5
Komatsu Ltd. shareholders' equity ratio at aggregate market value (%)	63.6	64.0	85.4
Years of debt redemption	5.1	3.1	2.6

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.

In the fiscal year under review, demand for mining equipment expanded, centering on North America and Asia, and parts sales and service revenues advanced. Reflecting improved selling prices in almost all regions of the world and the Japanese yen's depreciation, both sales and profits outperformed the projection of consolidated business results for the fiscal year ended March 31, 2023, which Komatsu announced on October 31, 2022.

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 11 from the earlier projection of JPY 64 per share. As a result, the year-end cash dividend for the fiscal year under review should amount to JPY 75 per share. Annual cash dividends should total JPY 139 per share, including the interim cash dividend which has already been paid,

and which shows an increase of JPY 43 per share from the previous fiscal year, ended March 31, 2022. Accordingly, the consolidated payout ratio will translate into 40.3%. This dividend amount will be proposed to the 154th ordinary general meeting of shareholders (scheduled for June 21, 2023).

Regarding the fiscal year, ending March 31, 2024, while net income is projected to decrease, the Company plans to pay JPY 139 per share, keeping the same amount from the fiscal year under review. The consolidated payout ratio should be translated into 44.0%.

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.

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, 2023		As of March 31, 2022	
		Ratio (%)		Ratio (%)
Current assets				
Cash and cash equivalents	¥ 289,975		¥ 315,360	
Time deposits	-		1,310	
Trade notes and accounts receivable, net	1,111,913		954,580	
Inventories	1,227,208		988,011	
Other current assets	207,479		162,020	
Total current assets	2,836,575	58.2	2,421,281	55.7
Long-term trade receivables, net	569,691	11.7	501,868	11.5
Investments				
Investments in and advances to affiliated companies	52,325		45,913	
Investment securities	10,556		8,377	
Other	3,418		3,493	
Total investments	66,299	1.4	57,783	1.3
Property, plant and equipment	836,442	17.1	819,749	18.9
- less accumulated depreciation and amortization				
Operating lease right-of-use assets	61,052	1.3	61,516	1.4
Goodwill	207,060	4.2	187,615	4.3
Other intangible assets	167,292	3.4	169,003	3.9
- less accumulated amortization				
Deferred income taxes and other assets	131,436	2.7	128,707	3.0
Total	¥ 4,875,847	100.0	¥ 4,347,522	100.0

Liabilities and Equity

Millions of yen

	As of March 31, 2023		As of March 31, 2022	
		Ratio (%)		Ratio (%)
Current liabilities				
Short-term debt	¥ 310,738		¥ 241,746	
Current maturities of long-term debt	176,835		276,623	
Trade notes, bills and accounts payable	362,360		338,974	
Income taxes payable	64,495		68,337	
Current operating lease liabilities	17,878		16,981	
Other current liabilities	439,355		381,360	
Total current liabilities	1,371,661	28.1	1,324,021	30.5
Long-term liabilities				
Long-term debt	566,189		429,011	
Liability for pension and retirement benefits	90,348		93,407	
Long-term operating lease liabilities	44,913		43,458	
Deferred income taxes and other liabilities	124,781		101,348	
Total long-term liabilities	826,231	17.0	667,224	15.3
Total liabilities	2,197,892	45.1	1,991,245	45.8
Komatsu Ltd. shareholders' equity				
Common stock	69,660		69,393	
Capital surplus	135,886		139,572	
Retained earnings:				
Appropriated for legal reserve	48,508		47,903	
Unappropriated	2,114,789		1,902,501	
Accumulated other comprehensive income (loss)	219,951		122,414	
Treasury stock	(49,153)		(49,272)	
Total Komatsu Ltd. shareholders' equity	2,539,641	52.1	2,232,511	51.4
Noncontrolling interests	138,314	2.8	123,766	2.8
Total equity	2,677,955	54.9	2,356,277	54.2
Total	¥ 4,875,847	100.0	¥ 4,347,522	100.0

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

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

Consolidated Statements of Income

Millions of yen

	2023		2022	
		Ratio (%)		Ratio (%)
Net sales	¥ 3,543,475	100.0	¥ 2,802,323	100.0
Cost of sales	2,504,449	70.7	2,022,747	72.2
Selling, general and administrative expenses	545,512	15.4	464,040	16.6
Impairment loss on long-lived assets	5,521	0.2	1,372	0.0
Other operating income, net	2,692	0.1	2,851	0.1
Operating income	490,685	13.8	317,015	11.3
Other income (expenses), net				
Interest and dividend income	12,451	0.4	5,332	0.2
Interest expense	(32,371)	(0.9)	(12,222)	(0.4)
Other, net	5,669	0.2	14,443	0.5
Total	(14,251)	(0.4)	7,553	0.3
Income before income taxes and equity in earnings of affiliated companies	476,434	13.4	324,568	11.6
Income taxes	135,547	3.8	92,578	3.3
Income before equity in earnings of affiliated companies	340,887	9.6	231,990	8.3
Equity in earnings of affiliated companies	5,290	0.1	5,258	0.2
Net income	346,177	9.8	237,248	8.5
Less: Net income attributable to noncontrolling interests	19,779	0.6	12,321	0.4
Net income attributable to Komatsu Ltd.	¥ 326,398	9.2	¥ 224,927	8.0

Consolidated Statements of Comprehensive Income

Millions of yen

	2023	2022
Net income	¥ 346,177	¥ 237,248
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	96,129	165,147
Pension liability adjustments	1,407	10,169
Net unrealized holding gains (losses) on derivative instruments	1,996	(1,126)
Total	99,532	174,190
Comprehensive income	445,709	411,438
Less: Comprehensive income attributable to noncontrolling interests	23,250	22,961
Comprehensive income attributable to Komatsu Ltd.	¥ 422,459	¥ 388,477

(3) Consolidated Statements of Equity

(For the fiscal year ended March 31, 2023)

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, 2022	¥ 69,393	¥ 139,572	¥ 47,903	¥ 1,902,501	¥ 122,414	¥ (49,272)	¥ 2,232,511	¥ 123,766	¥ 2,356,277
Cash dividends				(113,505)			(113,505)	(7,736)	(121,241)
Transfer to retained earnings appropriated for legal reserve			605	(605)			-		-
Other changes		(3,898)			1,476	(77)	(2,499)	(1,069)	(3,568)
Net income				326,398			326,398	19,779	346,177
Other comprehensive income (loss), for the period, net of tax					96,061		96,061	3,471	99,532
Exercise of stock acquisition rights		(122)					(122)		(122)
Purchase of treasury stock						(38)	(38)		(38)
Sales of treasury stock		69				234	303	103	406
Restricted stock compensation*	267	265					532		532
Balance at March 31, 2023	¥ 69,660	¥ 135,886	¥ 48,508	¥ 2,114,789	¥ 219,951	¥ (49,153)	¥ 2,539,641	¥ 138,314	¥ 2,677,955

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

(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
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.

(4) Consolidated Statements of Cash Flows

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

Millions of yen

	2023	2022
Operating activities		
Net income	¥ 346,177	¥ 237,248
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	149,688	136,346
Deferred income taxes	(4,281)	(7,655)
Impairment loss and net gain on valuation of investment securities, net	(212)	(737)
Net gain on sale of fixed assets	(1,782)	(3,389)
Loss on disposal of fixed assets	3,651	3,087
Impairment loss on long-lived assets	5,521	1,372
Pension and retirement benefits, net	(827)	(5,230)
Changes in assets and liabilities:		
Increase in trade receivables	(125,709)	(85,436)
Increase in inventories	(214,520)	(116,558)
Increase in trade payables	14,592	65,030
Increase (decrease) in income taxes payable	(4,011)	40,796
Other, net	38,187	36,096
Net cash provided by operating activities	206,474	300,970
Investing activities		
Capital expenditures	(183,533)	(162,956)
Proceeds from sale of fixed assets	19,170	21,927
Purchases of investment securities	(1,941)	(686)
Proceeds from sale of subsidiaries and businesses, net of cash disposed	15,184	55
Acquisition of subsidiaries and equity investees, net of cash acquired	(18,000)	(815)
Other, net	(398)	(1,094)
Net cash used in investing activities	(169,518)	(143,569)
Financing activities		
Proceeds from debt issued (Original maturities greater than three months)	603,003	443,468
Payment on debt (Original maturities greater than three months)	(637,924)	(482,208)
Short-term debt, net (Original maturities three months or less)	92,516	13,520
Dividends paid	(113,505)	(72,815)
Proceeds from issuance of subsidiary's shares	2,012	30,440
Acquisition of noncontrolling interests	(4,728)	(20,072)
Other, net	(7,987)	(6,201)
Net cash used in financing activities	(66,613)	(93,868)
Effect of exchange rate change on cash and cash equivalents	4,272	10,024
Net increase (decrease) in cash and cash equivalents	(25,385)	73,557
Cash and cash equivalents, beginning of year	315,360	241,803
Cash and cash equivalents, end of year	¥ 289,975	¥ 315,360

(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: 211 companies

Number of affiliated companies accounted for by the equity method: 40 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, 2023)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	3,286,723	67,807	188,945	3,543,475	-	3,543,475
Intersegment	9,843	17,823	1,996	29,662	(29,662)	-
Total	3,296,566	85,630	190,941	3,573,137	(29,662)	3,543,475
Segment profit	443,603	27,267	22,586	493,456	58	493,514
Assets	3,513,355	1,121,107	220,743	4,855,205	20,642	4,875,847
Depreciation and Amortization	115,693	24,842	5,943	146,478	-	146,478
Capital investment	120,447	33,543	7,573	161,563	-	161,563

(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

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, 2023 and 2022)

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
2023	409,414	1,487,968	456,353	101,153	824,312	264,275	3,543,475
2022	389,085	1,051,882	440,827	131,286	598,840	190,403	2,802,323

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, 2023 and 2022)

Millions of yen

	2023	2022
Net income attributable to Komatsu Ltd.	326,398	224,927
Net income attributable to participating securities (restricted stocks)	285	244
Net income attributable to common shareholders	326,113	224,683

Number of shares

	2023	2022
Weighted average common shares outstanding, less treasury stock	945,471,092	945,177,621
Dilutive effect of: Stock options	124,267	207,920
Weighted average number of participating securities (restricted stocks)	825,968	1,024,962
Weighted average diluted common shares outstanding	944,769,391	944,360,579

Yen

	2023	2022
Net income attributable to Komatsu Ltd. per share:		
Basic	345.22	237.97
Diluted	345.18	237.92

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, 2023(U.S. GAAP), because the need for their disclosure is considered insignificant.

(end)