



Komatsu Ltd.

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Date: April 26, 2024

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

**Consolidated Business Results for the Fiscal Year Ended
March 31, 2024 (U.S. GAAP)**

1. Results for the Fiscal Year Ended March 31, 2024

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

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

Millions of yen except per share amounts

	2024	2023	Changes	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	3,865,122	3,543,475	321,647	9.1%
Operating income	607,194	490,685	116,509	23.7%
Income before income taxes and equity in earnings of affiliated companies	575,663	476,434	99,229	20.8%
Net income attributable to Komatsu Ltd.	393,426	326,398	67,028	20.5%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥415.96	¥345.22	¥70.74	
Diluted	¥415.93	¥345.18	¥70.75	
Return on equity	14.1%	13.7%	0.4%	
Return on total assets	11.0%	10.3%	0.7%	
Return on sales	15.7%	13.8%	1.9%	

Notes: 1) Comprehensive income:

 2024: 670,708 millions of yen, up 50.5% from 2023

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

2) Equity in earnings of affiliated companies:

 2024: 8,273 millions of yen

 2023: 5,290 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, 2024 and 2023)

Millions of yen except per share amounts

	2024	2023
Total assets	5,636,656	4,875,847
Total equity	3,198,452	2,677,955
Komatsu Ltd. shareholders' equity	3,033,569	2,539,641
Komatsu Ltd. shareholders' equity ratio	53.8%	52.1%
Komatsu Ltd. shareholders' equity per share (Yen)	¥3,206.80	¥2,685.76

(3) Consolidated Cash Flows
(For the fiscal years ended March 31, 2024 and 2023)

Millions of yen

	2024	2023
Net cash provided by (used in) operating activities	434,778	206,474
Net cash provided by (used in) investing activities	(204,419)	(169,518)
Net cash provided by (used in) financing activities	(122,037)	(66,613)
Cash and cash equivalents, end of year	403,178	289,975

2. Dividends

(For the fiscal years ending March 31, 2025 and ended March 31, 2024 and 2023)

	2024	2023	2025 Projections
Cash dividends per share (Yen)			
Interim	72.00	64.00	83.00
Year-end	95.00	75.00	84.00
Total	167.00	139.00	167.00
Annual dividends (Millions of yen)	158,047	131,492	-
Payout ratio (Consolidated basis) (%)	40.1%	40.3%	45.5%
Dividends as percentage of equity (Consolidated basis) (%)	5.7%	5.5%	-

3. Projections for the Fiscal Year Ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

Millions of yen except per share amounts

	2025	
		Changes Increase (Decrease)
Net sales	3,861,000	(0.1%)
Operating income	557,000	(8.3%)
Income before income taxes and equity in earnings of affiliated companies	518,000	(10.0%)
Net income attributable to Komatsu Ltd.	347,000	(11.8%)
Net income attributable to Komatsu Ltd. Per share - Basic (Yen)	¥366.81	

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.

3) The Board of Directors decided at its meeting on April 26, 2024 to repurchase its shares of common stock and to cancel its shares of treasury stock. However, the "Net income attributable to Komatsu Ltd. per share" in the projection of consolidated business results does not take into account the impact. Please refer to "Subsequent Events" on page 25 for details on the repurchase and cancellation of treasury stock.

4. Others

(1) Changes in important subsidiaries during the year under review: Applicable

Addition: None

Exclusion: 1 company

Komatsu (Shandong) Construction Machinery Corp.

Note: Refer to “Changes in important subsidiaries during the Year under review” on page 21 for more details.

(2) Changes in accounting standards, procedures and presentations

1) Changes resulting from revisions in accounting standards, etc.: Applicable

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:

2024: 973,810,620 shares

2023: 973,450,930 shares

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

2024: 27,829,452 shares

2023: 27,856,631 shares

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

2024: 944,976,424 shares

2023: 944,645,124 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, 2024**(1) Non-Consolidated Financial Highlights**

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

Millions of yen except per share amounts

	2024	2023	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	1,161,966	1,144,513	17,453	1.5%
Ordinary profit	233,701	252,952	(19,251)	(7.6%)
Net income	198,449	220,050	(21,601)	(9.8%)
Net income per share (Yen)				
Basic	¥209.73	¥232.64	¥(22.91)	
Diluted	¥209.71	¥232.61	¥(22.90)	

(2) Non-Consolidated Financial Position

(As of March 31, 2024 and 2023)

Millions of yen except per share amounts

	2024	2023
Total assets	1,454,707	1,445,319
Net assets	971,992	911,381
Equity ratio (%)	66.8%	63.0%
Net assets per share (Yen)	¥1,026.91	¥963.18

Note: Shareholders' equity: 2024: 971,865 million yen 2023: 911,169 million yen

Notes:

- This report is 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, 2025” 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*”. Under this management plan for the target fiscal year ending March 31, 2025, Komatsu upholds three pillars of growth strategies: 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 a business structure that is resilient to changes in demand.

For the fiscal year under review (April 1, 2023 - March 31, 2024), the second year of the mid-term management plan, consolidated net sales totaled JPY 3,865.1 billion, an increase of 9.1% from the previous fiscal year. In the construction, mining and utility equipment business, demand for construction equipment decreased mainly in Latin America, Europe and Asia, but remained steady in North America. Demand for mining equipment remained strong against the backdrop of sustained stability in resource prices. Sales increased from the previous fiscal year, supported in part by expanded parts sales and service revenues, reflecting high machine utilization rates, especially for mining equipment, improved selling prices in most regions of the world, and the depreciation of the Japanese yen. In the industrial machinery and others business, sales increased from the previous fiscal year, mainly due to increased sales of large presses for the automobile manufacturing industry.

In terms of profits, operating income for the fiscal year under review increased by 23.7% from the previous fiscal year, to JPY 607.2 billion. This was due to improved selling prices in most regions of the world, and the Japanese yen’s depreciation, which more than offset the adverse effects of increased fixed costs and material prices. The operating income ratio increased by 1.9 percentage points to 15.7%. Income before income taxes and equity in earnings of affiliated companies increased by 20.8% to JPY 575.7 billion. Net income attributable to Komatsu Ltd. increased by 20.5% to JPY 393.4 billion.

Concerning one of the ESG management targets in its mid-term management plan, Komatsu was awarded with a position on the A-List for climate change and water security by CDP, the non-profit global environmental disclosure platform. In addition, as part of efforts to strengthen its corporate brand, Komatsu signed a multi-year sponsorship agreement with "Williams Racing" of the United Kingdom, one of the leading teams in the FIA Formula One World Championship.

	2024 USD1=JPY144.3 EUR1=JPY156.0 AUD1=JPY94.7	2023 USD1=JPY134.8 EUR1=JPY140.3 AUD1=JPY92.5	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	3,865,122	3,543,475	9.1%
Construction, Mining and Utility Equipment	3,615,182	3,296,566	9.7%
Retail Finance	103,546	85,630	20.9%
Industrial Machinery and Others	195,620	190,941	2.5%
Elimination	(49,226)	(29,662)	-
Segment profit	605,674	493,514	22.7%
Construction, Mining and Utility Equipment	573,987	443,603	29.4%
Retail Finance	24,243	27,267	(11.1%)
Industrial Machinery and Others	10,279	22,586	(54.5%)
Corporate & elimination	(2,835)	58	-
Operating income	607,194	490,685	23.7%
Income before income taxes and equity in earnings of affiliated companies	575,663	476,434	20.8%
Net income attributable to Komatsu Ltd.	393,426	326,398	20.5%

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 fiscal year under review, sales of the construction, mining and utility equipment business increased by 9.7% from the previous fiscal year, to JPY 3,615.2 billion. Segment profit increased by 29.4% to JPY 574.0 billion.

Concerning the "Accelerate growth by means of innovation" strategy, one of the growth strategies in the mid-term management plan, Komatsu increased the total number of Autonomous Haulage System (AHS) mining trucks in operation to 727 units as of March 31, 2024. During the fiscal year, in addition to expanding sales of ICT-intensive equipment, Komatsu also worked to strengthen its Smart Construction business by starting overseas sales of Smart Construction 3D Machine Guidance kits that add ICT functions such as machine guidance to conventional models. With respect to carbon neutralization of construction and mining equipment, Komatsu introduced four additional electrified construction models. A total of seven models, including these four, have been certified under Japan's Ministry of Land, Infrastructure, Transport and Tourism's newly established GX Construction Equipment Certification System.

As part of the "Maximize earnings power" strategy, Komatsu strengthened its aftermarket business by expanding extended warranties with maintenance, leveraging its strengths in in-house development and production of components and utilizing the Internet of Things (Komtrax). In addition, Komatsu launched sales of the "PC900/950" large hydraulic excavators used in quarries and mines, and the "GD955" large motor grader used for maintenance of haul routes in mine, after remodeling them.

With regard to the "Enhance corporate resilience" strategy, Komatsu continued its efforts to build a supply chain that is resilient to changes in the external environment, including the use of cross-sourcing to flexibly shift production plants and product suppliers in response to changes in the external environment, and strengthening

multi-sourcing, in which Komatsu procures parts from multiple suppliers.

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

Millions of yen

	2024	2023	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Japan	340,219	321,746	18,473	5.7%
North America	992,909	864,912	127,997	14.8%
Latin America	660,736	545,072	115,664	21.2%
Americas	1,653,645	1,409,984	243,661	17.3%
Europe	314,708	314,008	700	0.2%
CIS	66,682	120,206	(53,524)	(44.5%)
Europe & CIS	381,390	434,214	(52,824)	(12.2%)
China	70,200	79,690	(9,490)	(11.9%)
Asia*	439,380	461,613	(22,233)	(4.8%)
Oceania	369,335	316,161	53,174	16.8%
Asia* & Oceania	808,715	777,774	30,941	4.0%
Middle East	117,634	86,300	31,334	36.3%
Africa	219,575	177,015	42,560	24.0%
Middle East & Africa	337,209	263,315	73,894	28.1%
Total	3,591,378	3,286,723	304,655	9.3%

Note: *Excluding Japan and China

Komatsu's operations by region are described below.

Japan

For the fiscal year under review, demand for new equipment remained flat from the previous fiscal year. Sales increased from the previous fiscal year, mainly supported by improved selling prices.

Americas

In North America, demand for construction equipment remained steady for housing sector, as well as for the rental industry, infrastructure development, and the energy-related sector. Also against the backdrop of strong demand for mining equipment, the Japanese yen's depreciation and improved selling prices, sales increased from the previous fiscal year. In Latin America, while demand for construction equipment slowed down due mainly to economic uncertainty, that for mining equipment remained strong. Reflecting increased parts sales and service revenues of mining equipment, as well as the Japanese yen's depreciation and improved selling prices, sales increased from the previous fiscal year.

Europe and CIS

In Europe, demand for construction equipment decreased in the major markets such as Germany and the United Kingdom, as well as in Italy and other countries, as affected by high interest rates and energy prices. However, sales remained flat from the previous fiscal year, reflecting the Japanese yen's depreciation and improved selling prices. In CIS, sales decreased sharply from the previous fiscal year, as affected by the restrictions in the supply chain, as

well as the financial and economic conditions resulting from the situation in Ukraine.

China

Sales decreased from the previous fiscal year, since demand remained slack, as affected by stagnant economic activities resulting especially from the sluggish real estate market conditions.

Asia and Oceania

In Asia, demand for mining equipment in Indonesia remained steady. Meanwhile, demand for construction equipment decreased mainly in Indonesia, Thailand and Vietnam, as primarily affected by delays in the execution of public works budgets and economic uncertainty. As a result, sales decreased from the previous fiscal year. In Oceania, despite a decline for construction equipment, sales increased from the previous fiscal year, supported by steady demand for mining equipment and increased parts sales and service revenues.

Middle East and Africa

In the Middle East, demand for construction equipment remained steady, mainly supported by projects in Saudi Arabia, the United Arab Emirates and other oil-producing countries as well as post-earthquake reconstruction needs in Turkey. As a result, sales expanded sharply from the previous fiscal year. In Africa, sales increased from the previous fiscal year, supported by not only steady demand for mining and construction equipment, but also increased parts sales and service revenues.

Retail Finance

For the fiscal year under review, revenues increased by 20.9% from the previous fiscal year, to JPY 103.5 billion, reflecting increased interest rates and the Japanese yen's depreciation.

Segment profit decreased by 11.1% to JPY 24.2 billion, mainly affected by the absence of a gain on reversal of allowance for doubtful accounts which was recorded in North America for the previous fiscal year.

Industrial Machinery and Others

For the fiscal year under review, sales increased by 2.5% from the previous fiscal year, to JPY 195.6 billion, primarily supported by increased sales of presses, sheet-metal machines, and machine tools for the automobile industry, centering large presses.

Segment profit amounted to JPY 10.3 billion, a decrease of 54.5%, due mainly to reduced maintenance revenues in the excimer laser-related business, affected by a drop in demand for semiconductors worldwide.

[Projections for the Fiscal Year Ending March 31, 2025]

(From April 1, 2024 to March 31, 2025)

In the construction, mining and utility equipment business, Komatsu expects demand for mining equipment will begin to slow down in Indonesia but remain flat from the fiscal year under review in other regions. Komatsu also anticipates that demand for construction equipment will decline, because interest rates and energy prices are projected to remain high. In addition, Komatsu projects that the Japanese yen will appreciate. As a result, sales will decrease from the fiscal year under review. With respect to segment profit, although Komatsu will continue to improve selling prices, it anticipates a decrease, mainly affected by reduced volume of sales, the appreciation of the Japanese yen, and increased fixed costs.

In the retail finance business, Komatsu expects an increase in revenues, as affected by rising interest rates, but a decline in segment profit, mainly due to reduced resale profits of used equipment after leasing use.

In the industrial machinery and others business, Komatsu anticipates that both sales and segment profit will increase from the fiscal year under review, due to expected recovery of maintenance revenues of the excimer laser-related business for the semiconductor industry.

As a result, Komatsu projects a decrease in both consolidated sales and profits for the fiscal year ending March 31, 2025.

Komatsu is now considering reassessing the investment relationship within the Komatsu Group, such as bringing Latin American subsidiaries managed by a North American subsidiary under direct control of the Company. Even if such a change of investment relationship is carried out, the impact of this matter on consolidated business results for the fiscal year ending March 31, 2025 will be minimal.

As preconditions for its projection, Komatsu is assuming the foreign exchange rates will be as follows: USD1=JPY 140.0, EUR1=JPY 149.0, and AUD1=JPY 90.0.

[Projections]

Millions of yen

	2025 Projections USD1=JPY140.0 EUR1=JPY149.0 AUD1=JPY90.0	2024 Projections USD1=JPY144.3 EUR1=JPY156.0 AUD1=JPY94.7	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	3,861,000	3,865,122	(0.1%)
Construction, Mining and Utility Equipment	3,553,000	3,615,182	(1.7%)
Retail Finance	106,000	103,546	2.4%
Industrial Machinery and Others	229,000	195,620	17.1%
Elimination	(27,000)	(49,226)	-
Segment profit	585,000	605,674	(3.4%)
Construction, Mining and Utility Equipment	538,000	573,987	(6.3%)
Retail Finance	22,000	24,243	(9.3%)
Industrial Machinery and Others	28,000	10,279	172.4%
Corporate & elimination	(3,000)	(2,835)	-
Operating income	557,000	607,194	(8.3%)
Income before income taxes and equity in earnings of affiliated companies	518,000	575,663	(10.0%)
Net income attributable to Komatsu Ltd.	347,000	393,426	(11.8%)

Note: 1) Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of intersegment transactions.

2) The Board of Directors decided at its meeting on April 26, 2024 to repurchase its shares of common stock and to cancel its shares of treasury stock. However, the "Net income attributable to Komatsu Ltd. per share" in the projection of consolidated business results does not take into account the impact. Please refer to "Subsequent Events" on page 25 for details on the repurchase and cancellation of treasury stock.

(2) Financial Conditions

As of March 31, 2024, total assets increased by JPY 760.8 billion from the previous fiscal year-end, to JPY 5,636.7 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 145.6 billion from the previous fiscal year-end, to JPY 1,199.4 billion. Komatsu Ltd. shareholders' equity increased by JPY 493.9 billion from the previous fiscal year-end, to JPY 3,033.6 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 1.7 percentage points from the previous fiscal year-end, to 53.8%.

For the fiscal year under review, net cash provided by operating activities totaled JPY 434.8 billion, mainly due to net income for the period, while trade notes and accounts receivable and inventories increased. This is an increase of JPY 228.3 billion from the previous fiscal year. Net cash used in investing activities amounted to JPY 204.4 billion, an increase of JPY 34.9 billion, mainly due to the purchase of fixed assets. Net cash used in financing activities amounted to JPY 122.0 billion, (as compared to JPY 66.6 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, 2024, cash and cash equivalents totaled JPY 403.2 billion, an increase of JPY 113.2 billion from the previous fiscal year-end.

[Trends of Financial Conditions Indicators]

(Fiscal years ended March 31, 2024, 2023 and 2022)

	2024	2023	2022
Komatsu Ltd. shareholders' equity ratio (%)	53.8	52.1	51.4
Komatsu Ltd. shareholders' equity ratio at aggregate market value (%)	74.2	63.6	64.0
Years of debt redemption	2.8	5.1	3.1

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.

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 23 from the earlier projection of JPY 72 per share. As a result, the year-end cash dividend for the fiscal year under review should amount to JPY 95 per share. Annual cash dividends should total JPY 167 per share, including the interim cash dividend which has already been paid, and which shows an increase of JPY 28 per share from the previous fiscal year, ended March 31, 2023. Accordingly, the consolidated payout ratio will translate into 40.1%. This dividend amount will be proposed to the 155th ordinary general meeting of shareholders (scheduled for June 19, 2024).

Regarding the fiscal year, ending March 31, 2025, while net income is projected to decrease, the Company

plans to pay JPY 167 per share for annual cash dividends, keeping the same amount from the fiscal year under review. The consolidated payout ratio should be translated into 45.5%.

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, 2024		As of March 31, 2023	
		Ratio (%)		Ratio (%)
Current assets				
Cash and cash equivalents	¥ 403,178		¥ 289,975	
Trade notes and accounts receivable, net	1,263,542		1,111,913	
Inventories	1,438,695		1,227,208	
Other current assets	208,773		207,479	
Total current assets	3,314,188	58.8	2,836,575	58.2
Long-term trade receivables, net	688,260	12.2	569,691	11.7
Investments				
Investments in and advances to affiliated companies	67,325		52,325	
Investment securities	10,267		10,556	
Other	3,975		3,418	
Total investments	81,567	1.5	66,299	1.4
Property, plant and equipment				
- less accumulated depreciation and amortization	908,055	16.1	836,442	17.1
Operating lease right-of-use assets	69,236	1.2	61,052	1.3
Goodwill	248,393	4.4	207,060	4.2
Other intangible assets				
- less accumulated amortization	180,403	3.2	167,292	3.4
Deferred income taxes and other assets	146,554	2.6	131,436	2.7
Total	¥ 5,636,656	100.0	¥ 4,875,847	100.0

Liabilities and Equity

Millions of yen

	As of March 31, 2024		As of March 31, 2023	
		Ratio (%)		Ratio (%)
Current liabilities				
Short-term debt	¥ 440,619		¥ 310,738	
Current maturities of long-term debt	140,359		176,835	
Trade notes, bills and accounts payable	320,312		362,360	
Income taxes payable	69,638		64,495	
Current operating lease liabilities	19,603		17,878	
Other current liabilities	535,668		439,355	
Total current liabilities	1,526,199	27.1	1,371,661	28.1
Long-term liabilities				
Long-term debt	618,392		566,189	
Liability for pension and retirement benefits	87,933		90,348	
Long-term operating lease liabilities	51,441		44,913	
Deferred income taxes and other liabilities	154,239		124,781	
Total long-term liabilities	912,005	16.2	826,231	17.0
Total liabilities	2,438,204	43.3	2,197,892	45.1
Komatsu Ltd. shareholders' equity				
Common stock	70,336		69,660	
Capital surplus	136,500		135,886	
Retained earnings:				
Appropriated for legal reserve	48,979		48,508	
Unappropriated	2,367,020		2,114,789	
Accumulated other comprehensive income (loss)	459,865		219,951	
Treasury stock	(49,131)		(49,153)	
Total Komatsu Ltd. shareholders' equity	3,033,569	53.8	2,539,641	52.1
Noncontrolling interests	164,883	2.9	138,314	2.8
Total equity	3,198,452	56.7	2,677,955	54.9
Total	¥ 5,636,656	100.0	¥ 4,875,847	100.0

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

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

Consolidated Statements of Income

Millions of yen

	2024		2023	
		Ratio (%)		Ratio (%)
Net sales	¥ 3,865,122	100.0	¥ 3,543,475	100.0
Cost of sales	2,654,914	68.7	2,504,449	70.7
Selling, general and administrative expenses	604,534	15.6	545,512	15.4
Impairment loss on long-lived assets	6,108	0.2	5,521	0.2
Other operating income, net	7,628	0.2	2,692	0.1
Operating income	607,194	15.7	490,685	13.8
Other income (expenses), net				
Interest and dividend income	21,146	0.5	12,451	0.4
Interest expense	(54,506)	(1.4)	(32,371)	(0.9)
Other, net	1,829	0.0	5,669	0.2
Total	(31,531)	(0.8)	(14,251)	(0.4)
Income before income taxes and equity in earnings of affiliated companies	575,663	14.9	476,434	13.4
Income taxes	167,580	4.3	135,547	3.8
Income before equity in earnings of affiliated companies	408,083	10.6	340,887	9.6
Equity in earnings of affiliated companies	8,273	0.2	5,290	0.1
Net income	416,356	10.8	346,177	9.8
Less: Net income attributable to noncontrolling interests	22,930	0.6	19,779	0.6
Net income attributable to Komatsu Ltd.	¥ 393,426	10.2	¥ 326,398	9.2

Consolidated Statements of Comprehensive Income

Millions of yen

	2024	2023
Net income	¥ 416,356	¥ 346,177
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	251,225	96,129
Pension liability adjustments	3,979	1,407
Net unrealized holding gains (losses) on derivative instruments	(852)	1,996
Total	254,352	99,532
Comprehensive income	670,708	445,709
Less: Comprehensive income attributable to noncontrolling interests	37,368	23,250
Comprehensive income attributable to Komatsu Ltd.	¥ 633,340	¥ 422,459

(3) Consolidated Statements of Equity

(For the fiscal year ended March 31, 2024)

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, 2023	¥ 69,660	¥ 135,886	¥ 48,508	¥ 2,114,789	¥ 219,951	¥ (49,153)	¥ 2,539,641	¥ 138,314	¥ 2,677,955
Cumulative effects of Accounting Standards Update—adoption of ASU 2016-13, net of tax				(1,634)			(1,634)	(126)	(1,760)
Cash dividends				(139,090)			(139,090)	(10,653)	(149,743)
Transfer to retained earnings appropriated for legal reserve			471	(471)			-	-	-
Other changes		14					14	(20)	(6)
Net income				393,426			393,426	22,930	416,356
Other comprehensive income (loss), for the period, net of tax					239,914		239,914	14,438	254,352
Exercise of stock acquisition rights		(85)					(85)		(85)
Purchase of treasury stock						(50)	(50)		(50)
Sales of treasury stock		13				72	85		85
Restricted stock compensation*	676	672					1,348		1,348
Balance at March 31, 2024	¥ 70,336	¥ 136,500	¥ 48,979	¥ 2,367,020	¥ 459,865	¥ (49,131)	¥ 3,033,569	¥ 164,883	¥ 3,198,452

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

(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.

(4) Consolidated Statements of Cash Flows

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

Millions of yen

	2024	2023
Operating activities		
Net income	¥ 416,356	¥ 346,177
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	156,835	149,688
Deferred income taxes	(3,264)	(4,281)
Impairment loss and net loss (gain) on valuation of investment securities	1,241	(212)
Net gain on sale of fixed assets	(4,406)	(1,782)
Loss on disposal of fixed assets	4,832	3,651
Impairment loss on long-lived assets	6,108	5,521
Pension and retirement benefits, net	3,167	(827)
Changes in assets and liabilities:		
Increase in trade receivables	(94,059)	(125,709)
Increase in inventories	(66,792)	(214,520)
Increase (decrease) in trade payables	(59,156)	14,592
Increase (decrease) in income taxes payable	3,521	(4,011)
Other, net	70,395	38,187
Net cash provided by operating activities	434,778	206,474
Investing activities		
Capital expenditures	(202,947)	(183,533)
Proceeds from sale of fixed assets	24,104	19,170
Purchases of investment securities	(415)	(1,941)
Proceeds from sale of subsidiaries and businesses, net of cash disposed	14,029	15,184
Acquisition of subsidiaries and equity investees, net of cash acquired	(39,206)	(18,000)
Other, net	16	(398)
Net cash used in investing activities	(204,419)	(169,518)
Financing activities		
Proceeds from debt issued (Original maturities greater than three months)	402,193	603,003
Payment on debt (Original maturities greater than three months)	(438,276)	(637,924)
Short-term debt, net (Original maturities three months or less)	63,911	92,516
Dividends paid	(139,090)	(113,505)
Proceeds from issuance of subsidiary's shares	-	2,012
Acquisition of noncontrolling interests	(6)	(4,728)
Other, net	(10,769)	(7,987)
Net cash used in financing activities	(122,037)	(66,613)
Effect of exchange rate change on cash and cash equivalents	4,881	4,272
Net increase (decrease) in cash and cash equivalents	113,203	(25,385)
Cash and cash equivalents, beginning of year	289,975	315,360
Cash and cash equivalents, end of year	¥ 403,178	¥ 289,975

(5) Note to the Going Concern Assumption

None

(6) Basis of Consolidated Financial Statements

1) Changes in important subsidiaries during the Year under review:

Komatsu (Shandong) Construction Machinery Corp. was absorbed and merged by Komatsu Machinery Manufacturing (Shandong) Co. Ltd. as of April 1, 2023. As a result, Komatsu (Shandong) Construction Machinery Corp. was excluded from the scope of consolidation.

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

Number of consolidated subsidiaries: 208 companies

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

3) Changes resulting from revisions in accounting standards, etc.:

From the fiscal year ending March 31, 2024, Komatsu has adopted the Accounting Standards Update (“ASU”) 2016-13 “Financial Instruments —Credit Losses: Measurement of Credit Losses on Financial Instruments”. This update requires an entity to recognize credit losses for many financial assets based on current expected credit loss model instead of incurred loss model. The new model requires an entity to immediately recognize estimated credit losses expected to occur over the remaining life of the financial assets which are within the scope of this update. This update has been adopted under the modified retrospective approach through a cumulative effect adjustment to retained earnings at the beginning of the initial application period. Consequently, Komatsu reduced JPY 1,634 million as an adjustment of cumulative effect from retained earnings as of April 1, 2023.

From the fiscal year ending March 31, 2024, Komatsu has adopted ASU 2022-04 “Disclosure of Supplier Finance Program Obligations”. This update requires an entity that uses a supplier finance program in connection with the purchase of goods and services to disclose the key terms of the program, information about obligations outstanding at the end of the reporting period and a rollforward of those obligations during the reporting period. The adoption of this update had no impact on Komatsu’s financial position and results of operations.

4) Changes in other accounting policy 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, 2024)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	3,591,378	80,910	192,834	3,865,122	-	3,865,122
Intersegment	23,804	22,636	2,786	49,226	(49,226)	-
Total	3,615,182	103,546	195,620	3,914,348	(49,226)	3,865,122
Segment profit	573,987	24,243	10,279	608,509	(2,835)	605,674
Assets	3,995,612	1,330,990	249,837	5,576,439	60,217	5,636,656
Depreciation and Amortization	121,829	24,431	6,125	152,385	1,343	153,728
Capital investment	127,964	42,412	9,623	179,999	-	179,999

(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

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, logistics, and solution business

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 are as follows:

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

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
2024	436,649	1,737,985	405,178	94,252	851,711	339,347	3,865,122
2023	409,414	1,487,968	456,353	101,153	824,312	264,275	3,543,475

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, 2024 and 2023)

Millions of yen

	2024	2023
Net income attributable to Komatsu Ltd.	393,426	326,398
Net income attributable to participating securities (restricted stocks)	351	285
Net income attributable to common shareholders	393,075	326,113

Number of shares

	2024	2023
Weighted average common shares outstanding, less treasury stock	945,819,656	945,471,092
Dilutive effect of: Stock options	74,260	124,267
Weighted average number of participating securities (restricted stocks)	843,232	825,968
Weighted average diluted common shares outstanding	945,050,684	944,769,391

Yen

	2024	2023
Net income attributable to Komatsu Ltd. per share:		
Basic	415.96	345.22
Diluted	415.93	345.18

3) Subsequent Events

[Share buyback and cancellation of treasury stock]

The Company resolved at a meeting of the board of directors held on April 26, 2024 to repurchase its shares of common stock pursuant to Article 156 of the Companies Act of Japan (the “Companies Act”) as applied pursuant to Article 165, Paragraph 3 of the Companies Act. It has also resolved to cancel its shares of treasury stock pursuant to Article 178 of the Companies Act.

a) Purpose of the share buyback and cancellation of treasury stock

The Company has decided to repurchase its shares of common stock from the viewpoint of increasing its corporate value and shareholder returns taking into consideration the current capital efficiency, financial soundness, and other factors. In addition, Komatsu has decided to cancel its shares of treasury stock to be repurchased after comprehensively considering the specific use of the shares and the reasons for holding them.

b) Details of share buyback

- | | |
|---|---|
| i) Class of shares to be repurchased | Common stock |
| ii) Total number of shares to be repurchased | Up to 33 million shares
(represents up to 3.5% of the total number of outstanding shares (excluding treasury stock)) |
| iii) Total purchase price for buyback of shares | Up to 100 billion yen |
| iv) Period of buyback | April 30, 2024 to September 30, 2024 |
| v) Method of buyback | Purchase at the Tokyo Stock Exchange |

c) Details of cancellation of treasury stock

- | | |
|-------------------------------------|------------------------|
| i) Class of shares to be canceled | Common stock |
| ii) Number of shares to be canceled | all shares repurchased |
| iii) Planned date of cancellation | October 30, 2024 |

4) Others

Other notes are omitted in this release of Consolidated Business Results for the Fiscal Year Ended March 31, 2024 (U.S. GAAP), because the need for their disclosure is considered insignificant.

(end)