

**Presentation for the Nine-Month Period
(April-December, 2015) of FY2015
【Telephone conference】**

January 29, 2016

Komatsu Ltd. Participants

Mikio Fujitsuka	Director and Senior Executive Officer, CFO
Yasuhiro Inagaki	Senior Executive Officer General Manager, Business Coordination Department

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**I. Highlights of Business Results for Nine Months
(April – December, 2015) of FY2015**

【Sales and Profits】

- Consolidated net sales decreased by 4.6% from the corresponding period a year ago, to JPY1,370.5 billion.
- Operating income declined by 15.0% to JPY154.6 billion, and operating income ratio decreased by 1.4 points to 11.3%.
- Net income attributable to Komatsu Ltd. declined by 11.0% to JPY103.7 billion.

Billions of yen	Apr.-Dec.,2014 ¥106.5/USD ¥140.5/EUR ¥17.2/RMB	Apr.-Dec.,2015 ¥121.7/USD ¥133.8/EUR ¥19.4/RMB	Changes	
			Increase (decrease)	% Change
Net sales	1,436.6	1,370.5	(66.1)	(4.6)%
Segment profit	181.1	146.9	(34.2)	(18.9)%
Other operating income (expenses)	0.7	7.6	+6.9	-
Operating income	181.8	154.6	(27.2)	(15.0)%
Profit ratio	12.7%	11.3%	(1.4)pts.	-
Other income (expenses)	(1.6)	(1.5)	+0.1	-
Net income before income taxes	180.2	153.1	(27.0)	(15.0)%
Net income *	116.5	103.7	(12.7)	(11.0)%

* Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

- **Construction, Mining & Utility Equipment:** Sales decreased by 5.1% from the corresponding period a year ago, to JPY1,219.6 billion. Segment profit dropped by 20.3% to JPY136.9 billion, and segment profit ratio also declined by 2.2 points to 11.2%.
- **Industrial Machinery & Others:** Sales decreased by 0.9% to JPY154.4 billion. Segment profit improved by 2.9% to JPY11.9 billion.

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

Billions of yen	Apr.-Dec.,2014	Apr.-Dec.,2015	Changes	
			Increase(decrease)	% Change
Net sales	1,436.6	1,370.5	(66.1)	(4.6)%
Construction, mining & utility equipment Industrial machinery & others	[1,284.4] 1,285.6 [152.2] 155.9	[1,217.6] 1,219.6 [152.8] 154.4	[(66.7)] (66.0) [+0.6] (1.4)	[(5.2)%] (5.1)% [+0.4%] (0.9)%
Elimination	(4.9)	(3.6)	+1.3	-
Segment profit	12.6% 181.1	10.7% 146.9	(34.2)	(18.9)%
Construction, mining & utility equipment Industrial machinery & others	13.4% 171.8 7.5% 11.6	11.2% 136.9 7.8% 11.9	(34.8) +0.3	(20.3)% +2.9%
Corporate & elimination	(2.2)	(2.0)	+0.2	-

Review of two segments

■ Construction, Mining and Utility Equipment

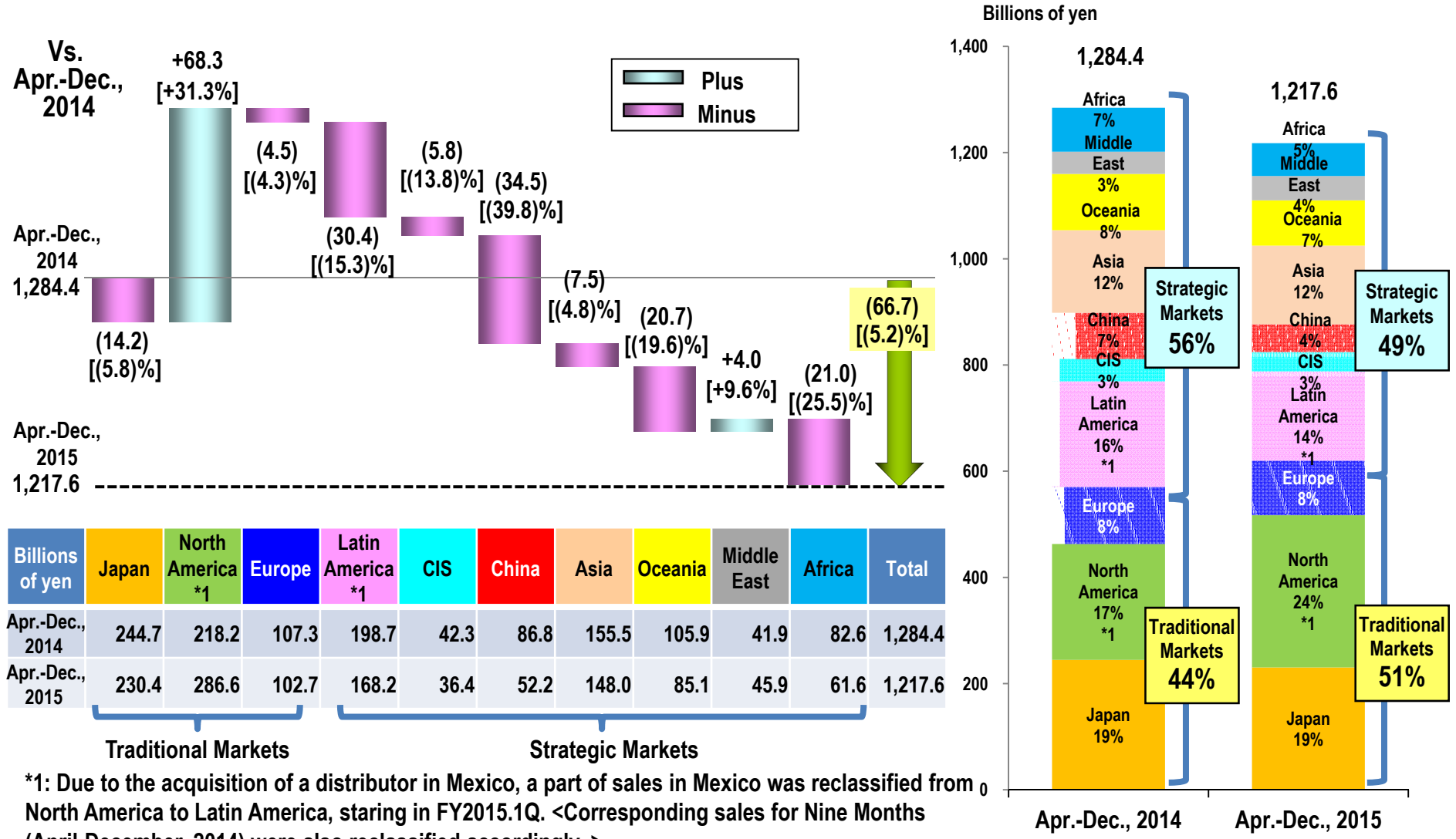
Both sales and profits declined from the corresponding period a year ago. While we capitalized on demand for construction equipment particularly in North America, our sales of mining equipment fell against the backdrop of slack demand and we faced a sharp drop in demand in China and other emerging countries.

■ Industrial Machinery and Others

While Gigaphoton Inc. expanded sales, supported by stable machine utilization of the semiconductor industry, total sales decreased but segment profit increased from the corresponding period a year ago.

KOMATSU Construction, Mining & Utility Equipment: Sales by Region (To Outside Customers) for Nine Months of FY2015

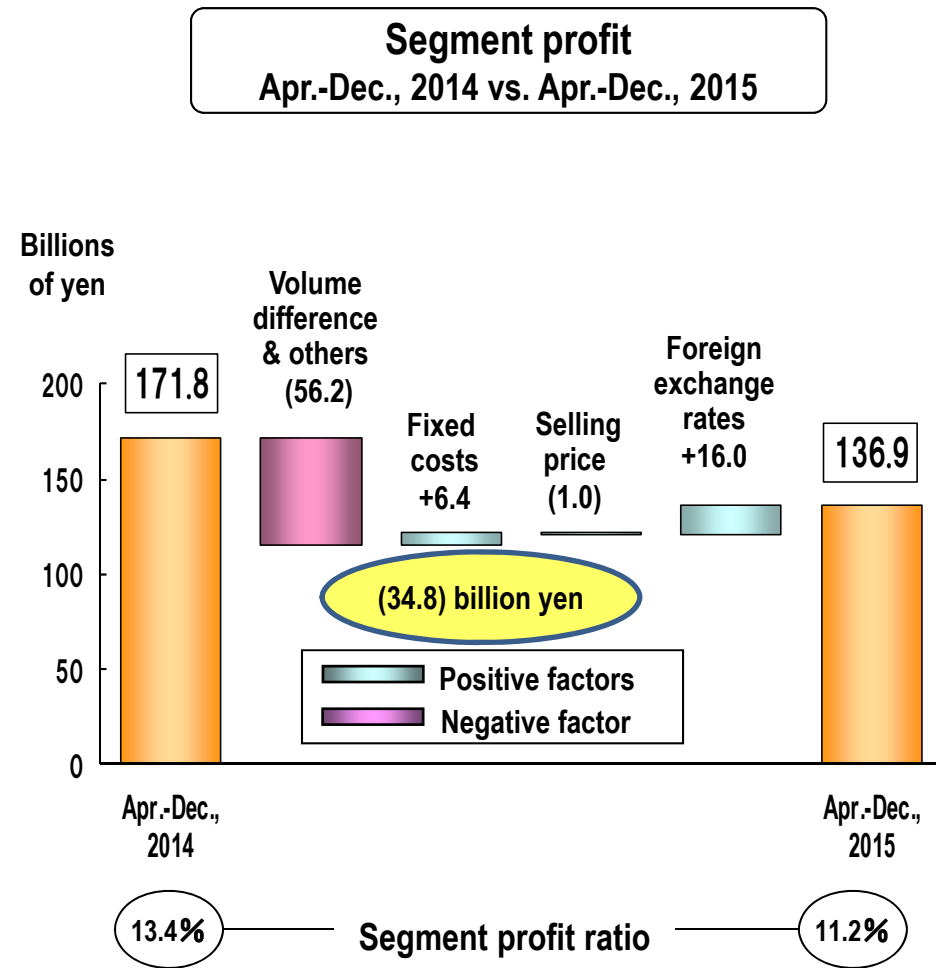
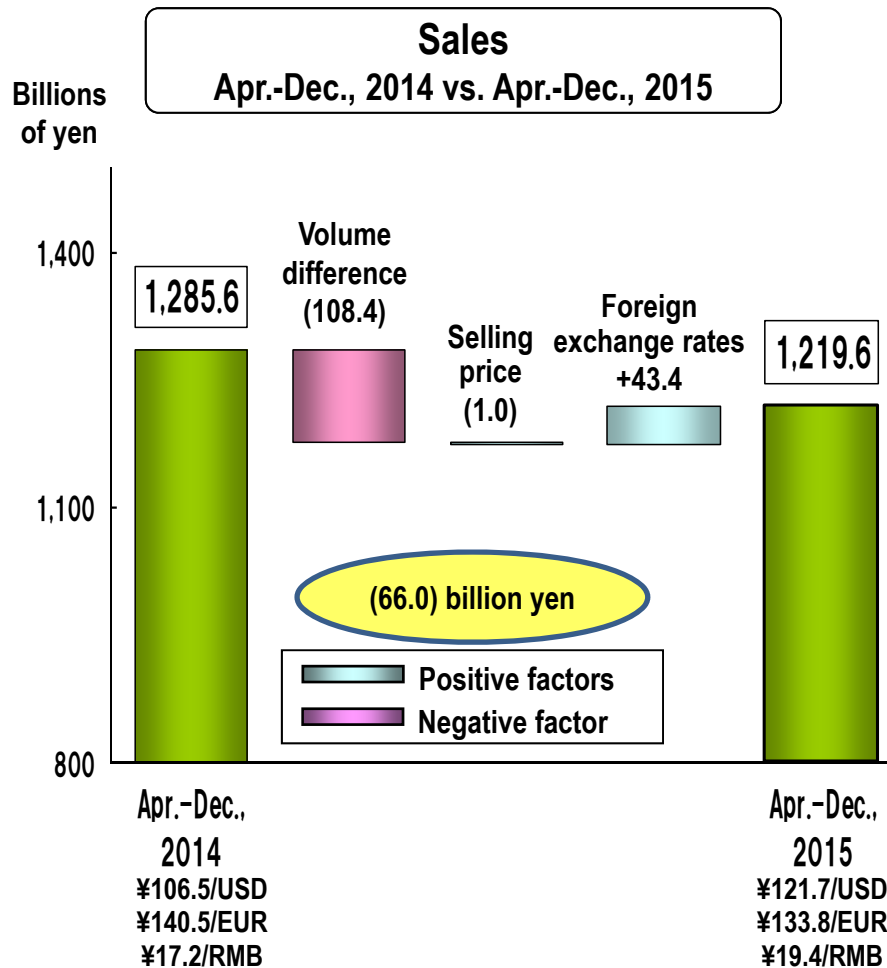
- Sales to outside customers declined by 5.2% from the corresponding period a year ago, to JPY1,217.6 billion.
- While sales advanced in North America and the Middle East, sales dropped sharply in Strategic Markets, such as China, Latin America and Africa. As a result, the proportion of Traditional Markets increased to 51% of total sales.



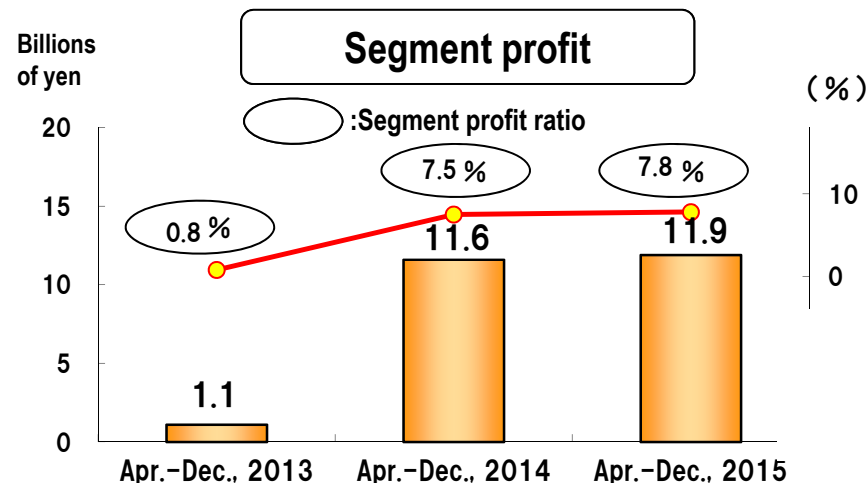
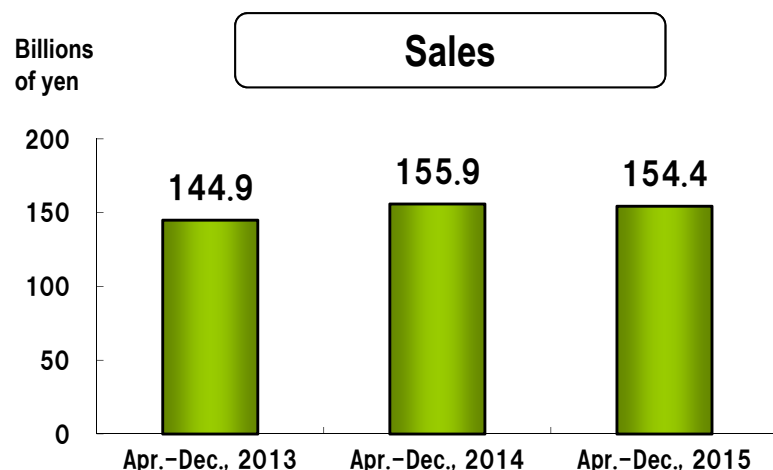
*1: Due to the acquisition of a distributor in Mexico, a part of sales in Mexico was reclassified from North America to Latin America, starting in FY2015.1Q. <Corresponding sales for Nine Months (April-December, 2014) were also reclassified accordingly. >

KOMATSU Construction, Mining & Utility Equipment: Causes of Difference in Sales and Segment Profit for Nine Months (April -- December) of FY2015

- Sales declined by JPY66.0 billion from the corresponding period a year ago, affected by a sharp drop in the volume of sales in Strategic Markets, such as China, Latin America and Africa, which more than offset the effects of the Japanese yen's depreciation. Segment profit also declined by JPY34.8 billion.
- Segment profit ratio decreased by 2.2 points to 11.2%.



- While Gigaphoton advanced sales, supported by stable machine utilization of the semiconductor industry, sales of presses declined. As a result, total sales decreased by 0.9% from the corresponding period a year ago, to JPY154.4 billion. Segment profit ratio was 7.8%.

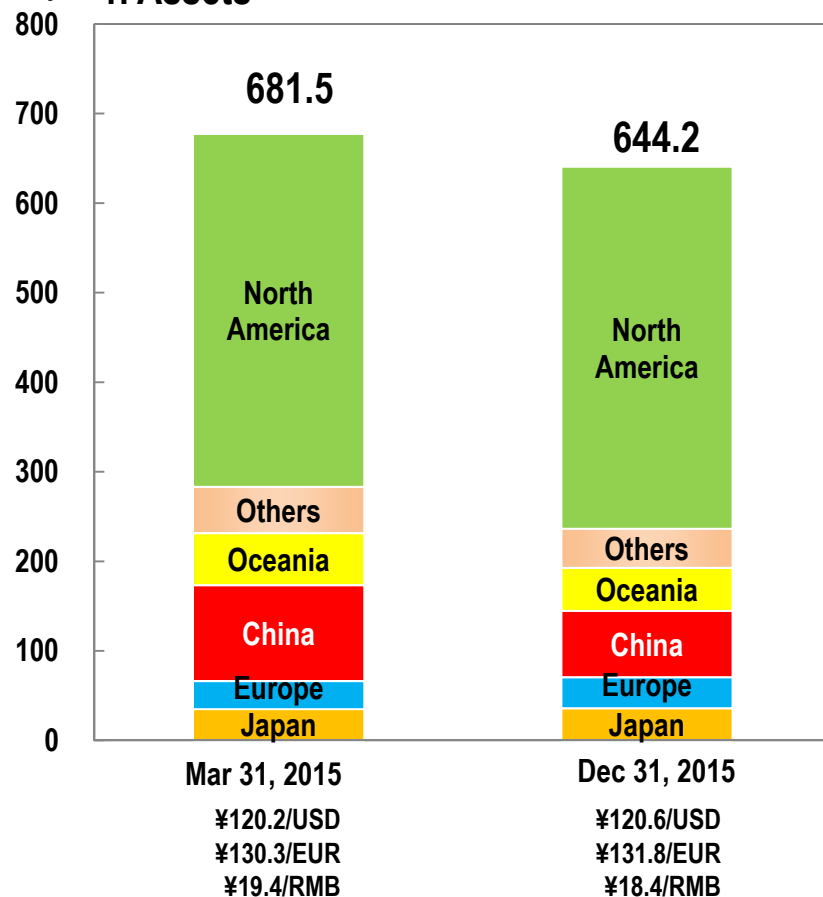

Breakdown of sales

Billions of yen	Apr.-Dec., 2013	Apr.-Dec., 2014	Apr.-Dec., 2015	Changes	
				Increase (decrease)	% change
Komatsu Industries Corp., etc. [total of press and sheet-metal machines]	37.6	42.9	40.4	(2.4)	(5.6)%
Komatsu NTC Ltd. [represented by wire saws]	47.3 [2.8]	52.5 [5.8]	51.7 [6.2]	(0.7) [+0.4]	(1.5)% [+7.1%]
Others [represented by Gigaphoton] [represented by Komatsu House]	59.9 [17.2] [10.7]	60.4 [21.3] [11.3]	62.2 [24.8] [10.3]	+1.7 [+3.5] [(0.9)]	+2.9% [+16.6%] [(8.5)%]
Total	144.9	155.9	154.4	(1.4)	(0.9)%

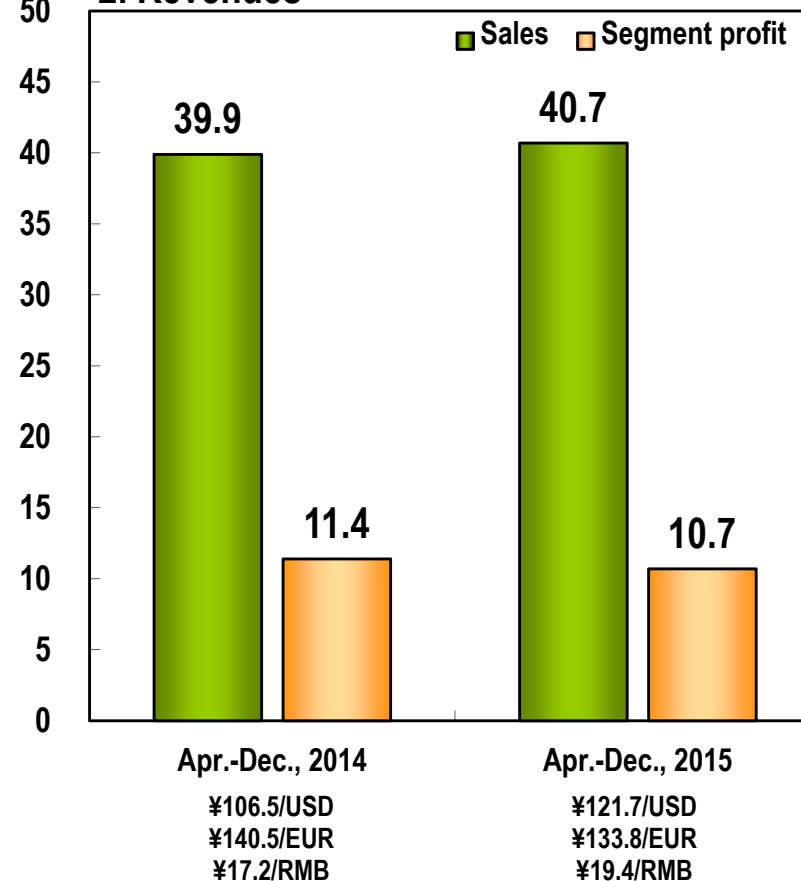
- Total assets decreased from the previous fiscal year-end, as the amount of new contracts declined in China, Oceania and other regions, more than offsetting increased contracts in North America.
- Sales increased from the corresponding period a year ago, mainly supported by increased assets of operating lease in North America.
- Segment profit decreased from the corresponding period a year ago, mainly affected by reduced assets in China.

Consolidated retail finance subsidiaries

Billions of yen **1. Assets**



Billions of yen **2. Revenues**



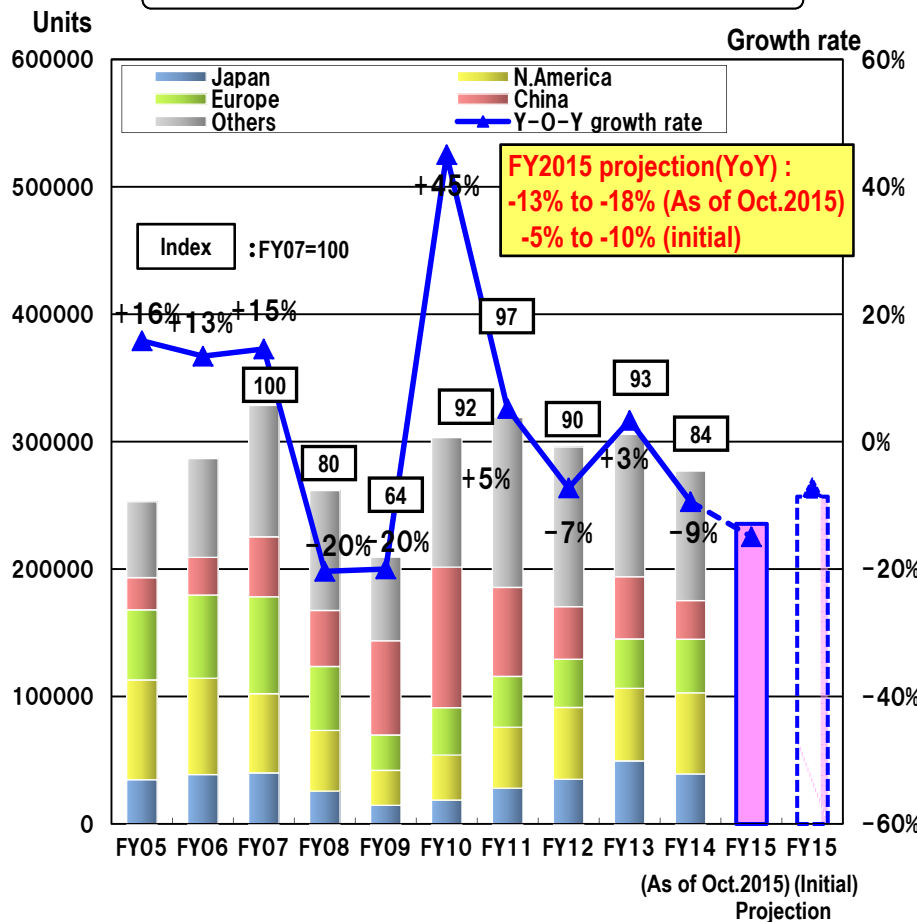
- Total assets decreased by JPY128.0 billion from the previous fiscal year-end, mainly due to reduced working capital.
- Komatsu Ltd. shareholders' equity ratio increased by 3.4 points to 58.0%. Net debt-to-equity ratio was 0.27.

Billions of yen	Mar. 31, 2015 ¥120.2/USD ¥130.3/EUR ¥19.4/RMB	Dec. 31, 2015 ¥120.6/USD ¥131.8/EUR ¥18.4/RMB	Increase (decrease)
○ : Net debt-to-equity ratio			
Cash & deposits (incl. time deposits) [a]	107.3	106.5	(0.7)
Accounts receivable (incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	900.2 <398.1>	875.2 <377.2>	(24.9) <(20.9)>
Inventories	622.8	586.6	(36.2)
Tangible fixed assets	743.9	722.5	(21.3)
Other assets	424.0	379.3	(44.7)
Total assets	2,798.4	2,670.3	(128.0)
Accounts payable	225.0	194.3	(30.7)
Interest-bearing debt [b] <Excl. those of consolidated retail finance subsidiaries>	589.1 <90.2>	530.0 <52.7>	(59.1) <(37.5)>
Other liabilities	385.6	330.3	(55.3)
Total liabilities	1,199.9	1,054.7	(145.1)
[Shareholders' equity ratio]	[54.6%]	[58.0%]	[+3.4pts.]
Komatsu Ltd. shareholders' equity	1,528.9	1,547.9	+18.9
Noncontrolling interests	69.5	67.7	(1.8)
Liabilities & Equity	2,798.4	2,670.3	(128.0)
Interest-bearing debt, net [b-a]	○ 0.32 481.8	○ 0.27 423.4	(58.4)
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ (0.00)	○ (0.04)	

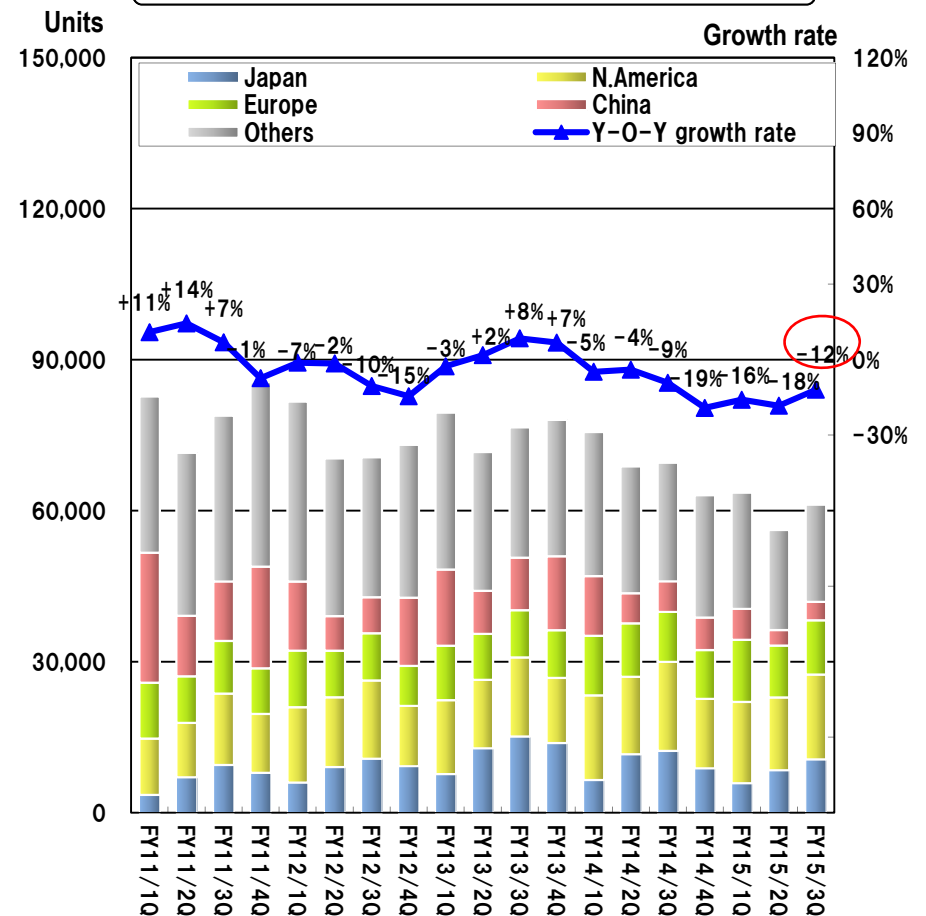
II. Construction and Mining Equipment: Demand and Outlook

- Global demand in 3Q FY2015 should decline by 12% from the corresponding period a year ago.
- By region, while demand was steady in some regions, such as Europe, demand in China and other emerging countries has continued to decline.

Annual demand for 7 major products



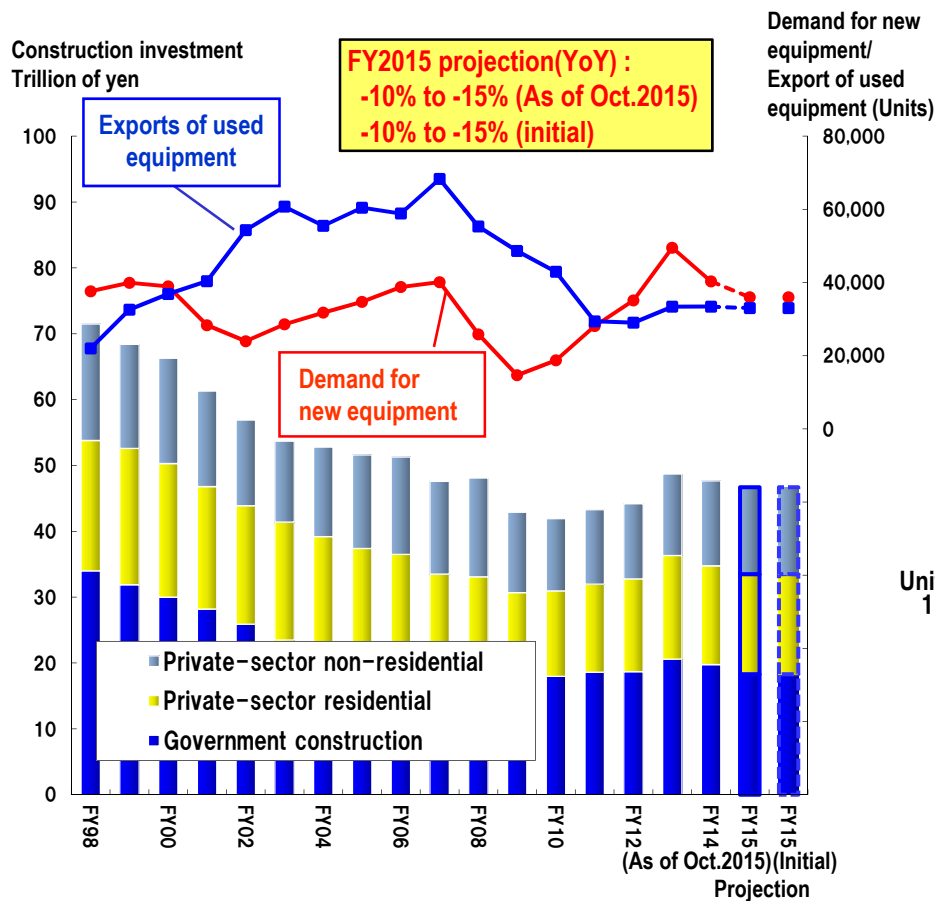
Quarterly demand for 7 major products



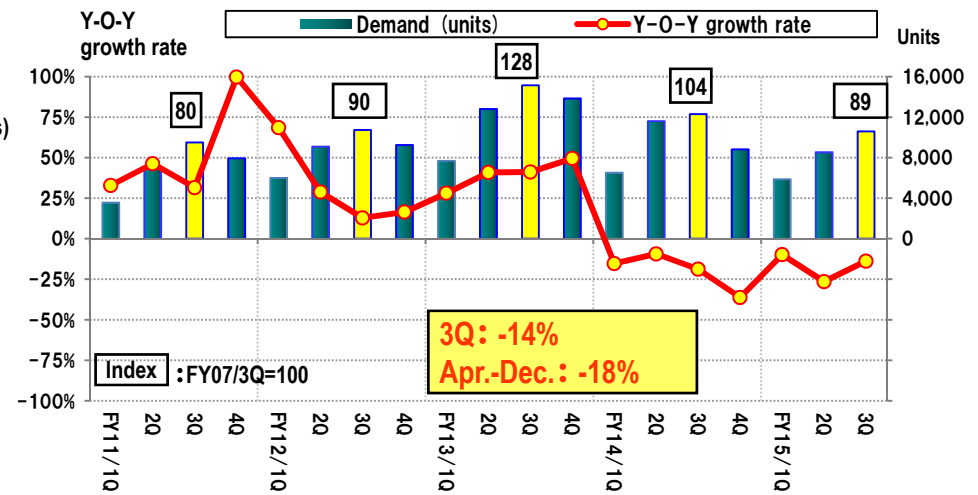
[Source]: Demand for 7 major products estimated by Komatsu

- Demand in 3Q FY2015 declined by 14% from the corresponding period a year ago.
- Demand for hydraulic excavators in rental companies has remained slack.

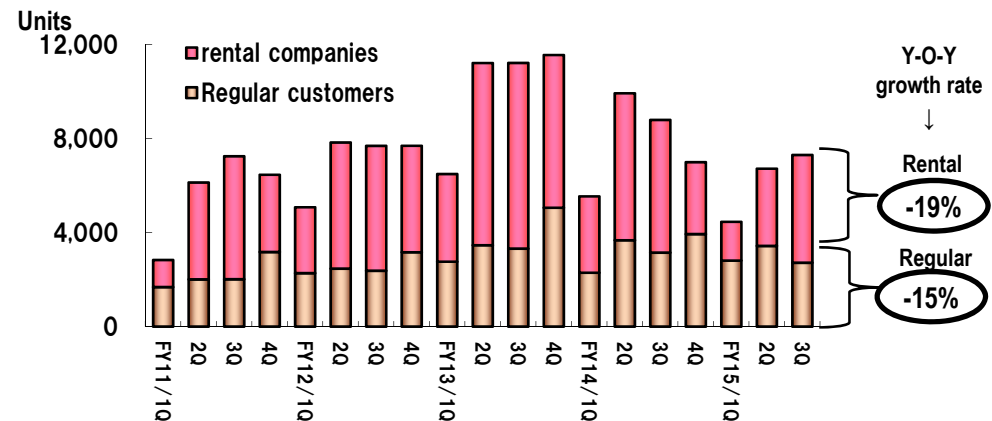
Demand for new equipment (7 major products) and construction investment



Quarterly demand for 7 major products



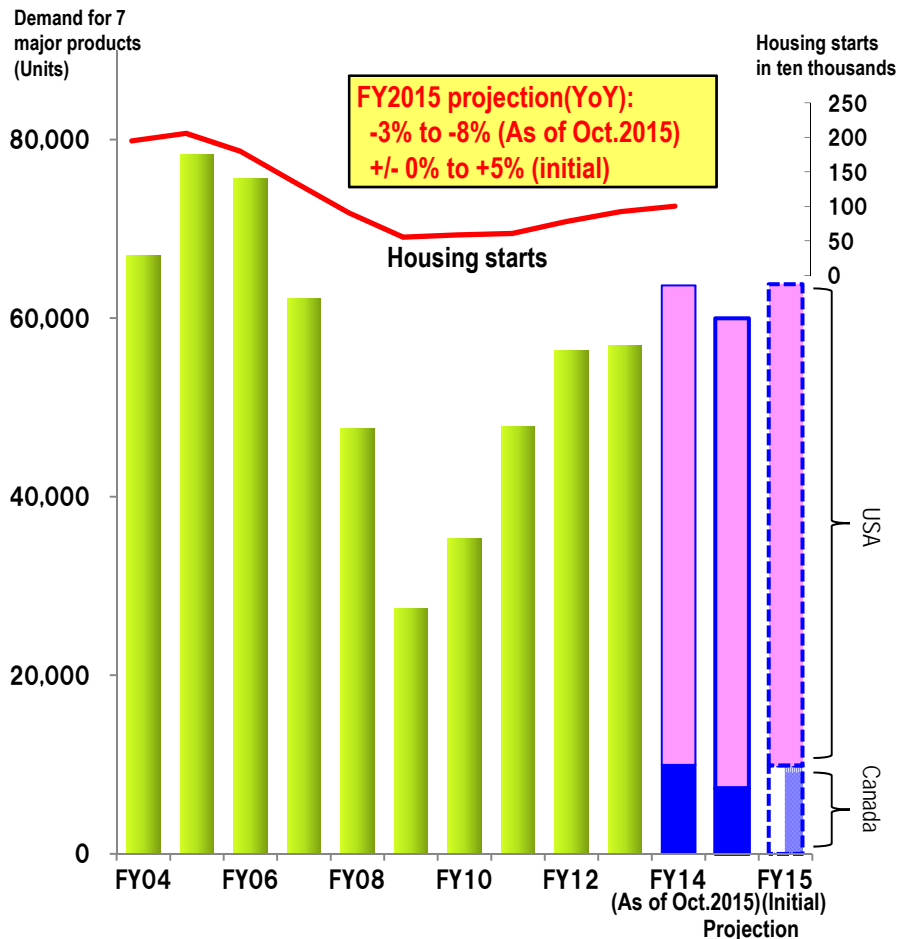
Quarterly demand for hydraulic excavators (Rental & regular uses)



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

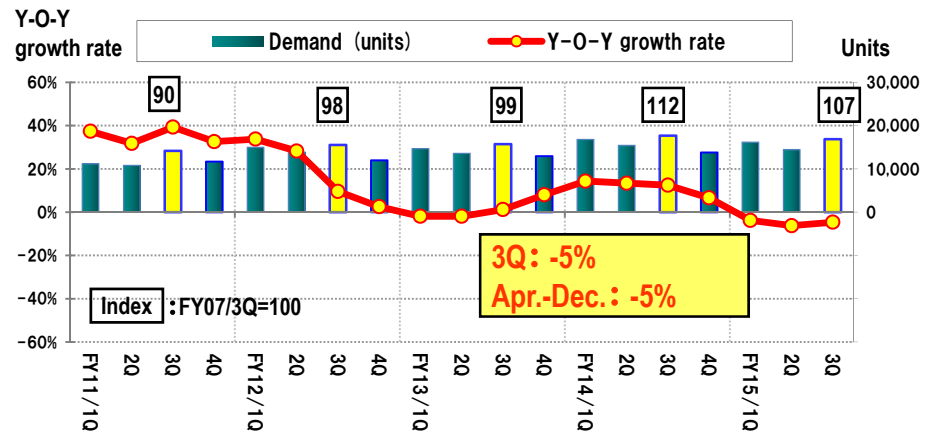
- Demand decreased by 5% in 3Q FY2015 from the corresponding period a year ago.
- While demand remains steady in residential construction and infrastructure development, such as highway construction, demand stays sluggish in the mining and energy sectors.

Demand for 7 major products and US housing starts

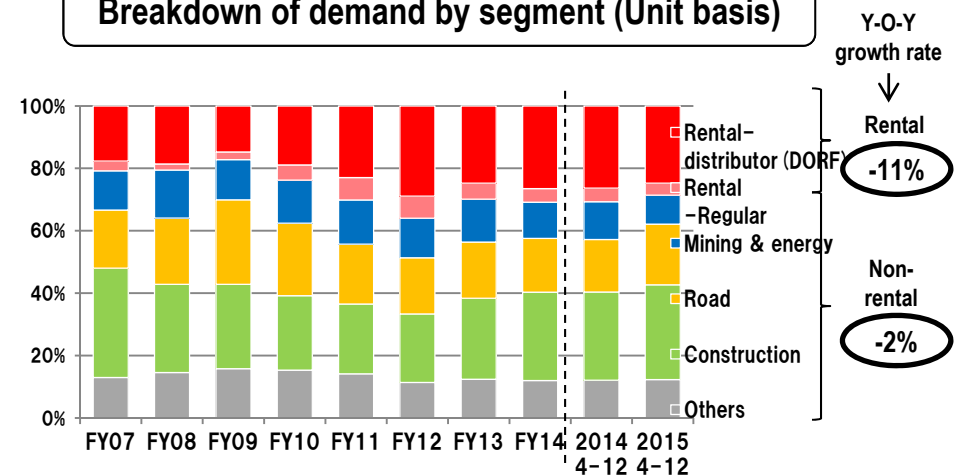


[Source]: Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products

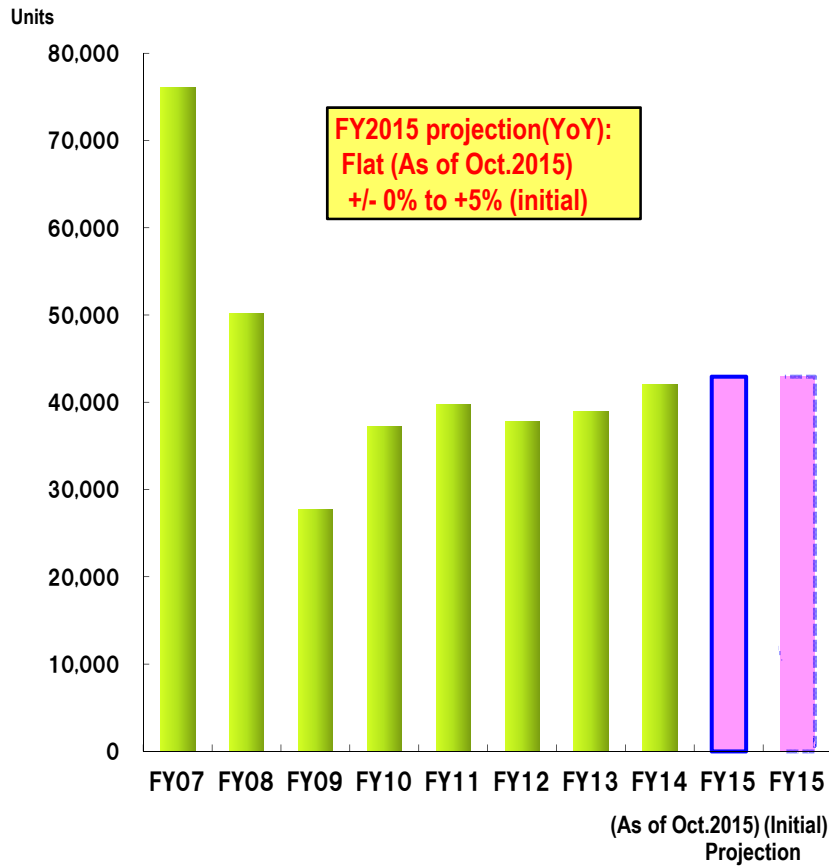


Breakdown of demand by segment (Unit basis)

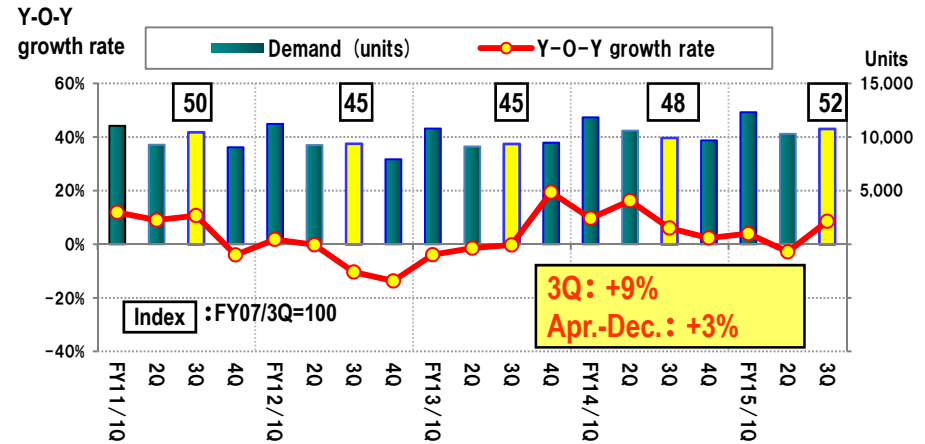


- Demand in 3Q FY2015 should increase by 9% from the corresponding period a year ago, supported by strong demand mainly in northern, southern and eastern Europe.

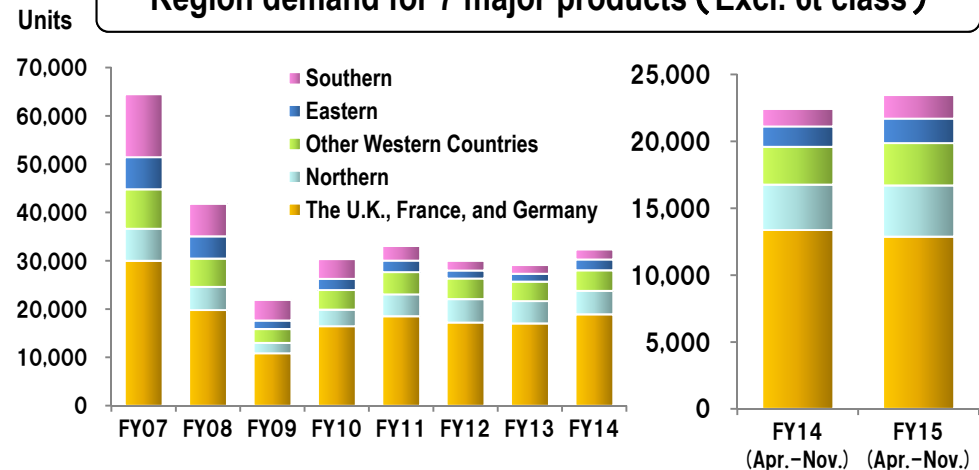
Annual demand for 7 major products



Quarterly demand for 7 major products



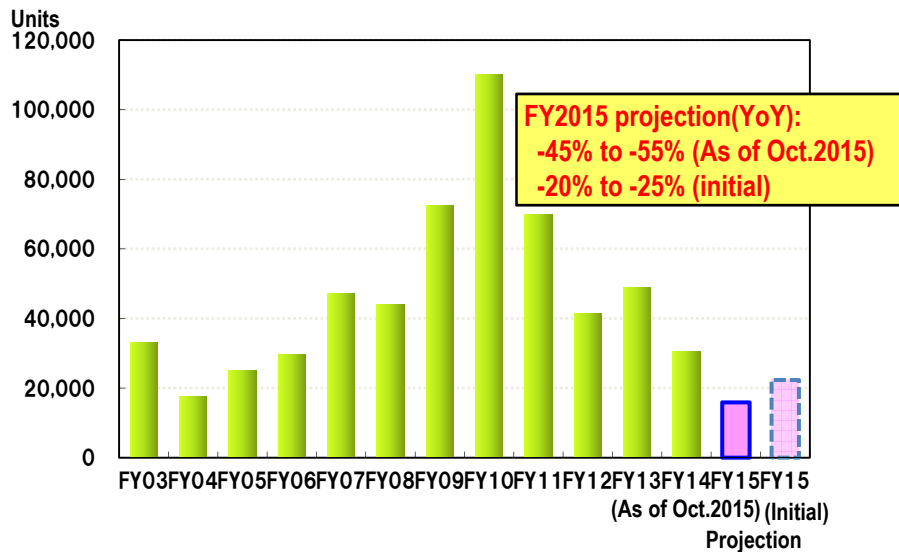
Region demand for 7 major products (Excl. 6t class)



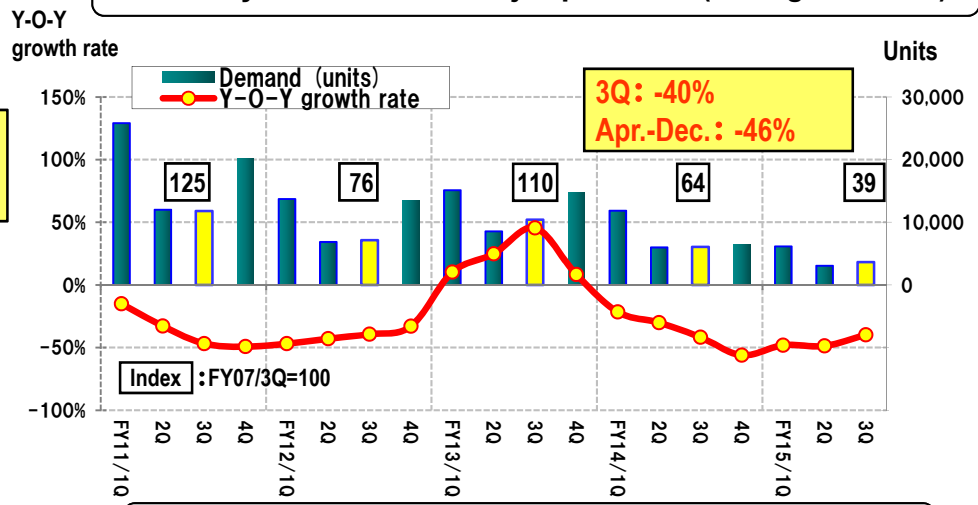
[Source]: Demand for 7 major products estimated by Komatsu

- Demand in 3Q FY2015 dropped by 40% from the corresponding period a year ago.
- No positive effects of the Chinese government's economic stimulus measures are evident, demand continues to decline sharply.

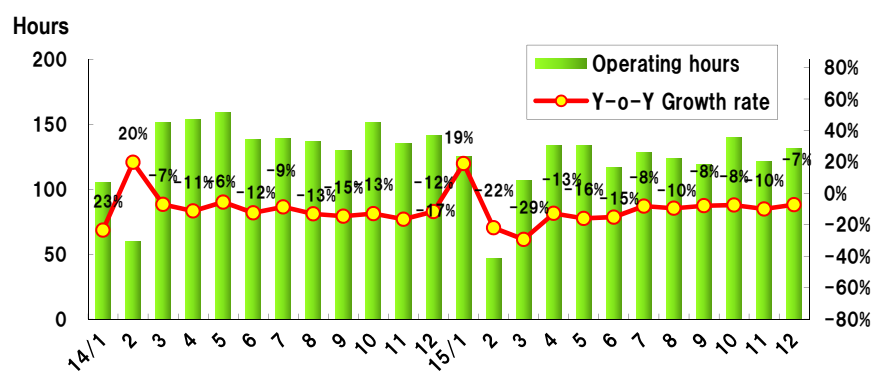
Annual demand for 7 major products (Foreign makers)



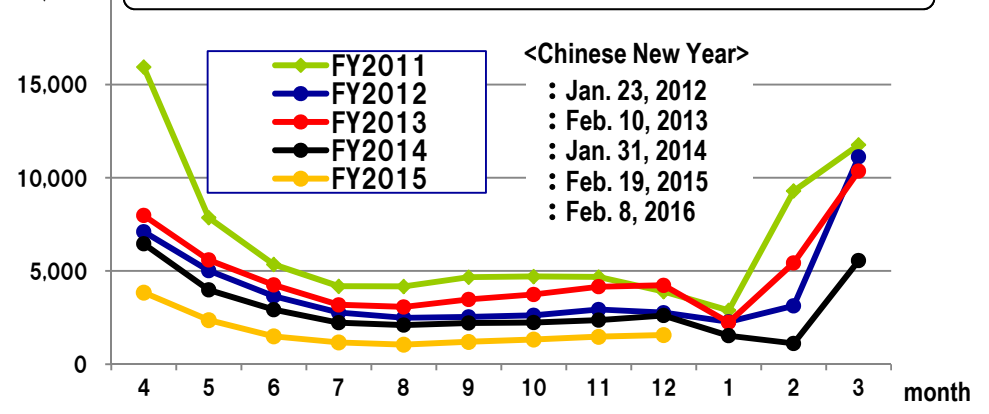
Quarterly demand for 7 major products (Foreign makers)



KOMTRAX in China : Average operating hours per month



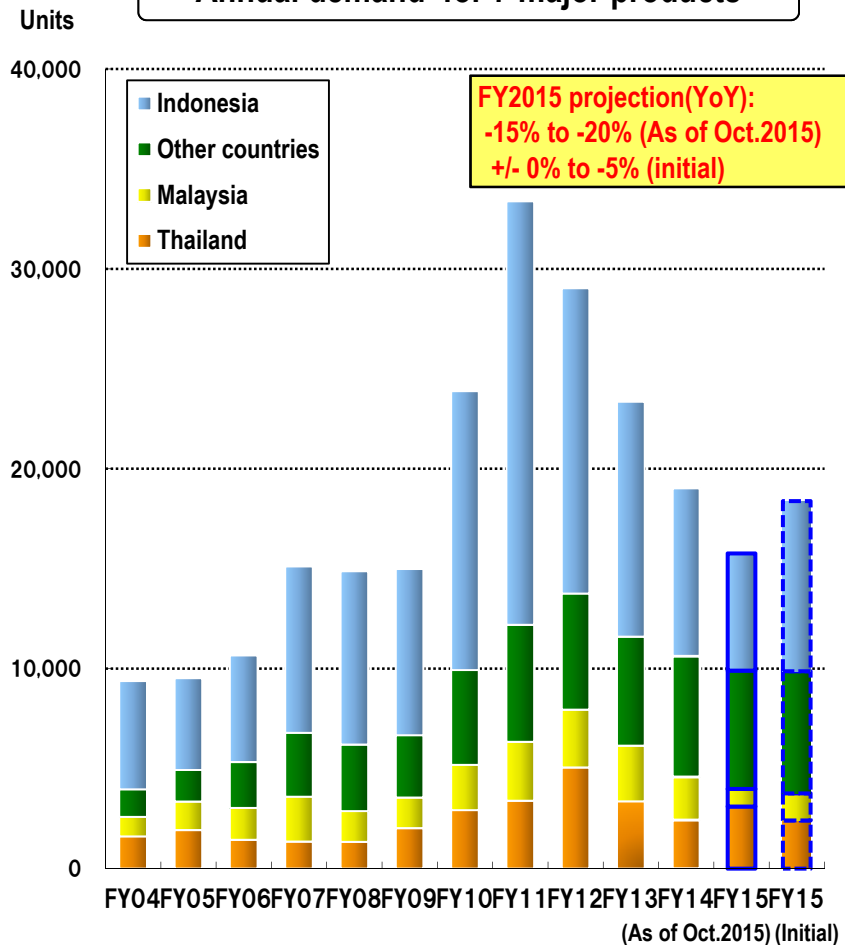
Monthly demand for hydraulic excavators : Total of 6-ton and larger models



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

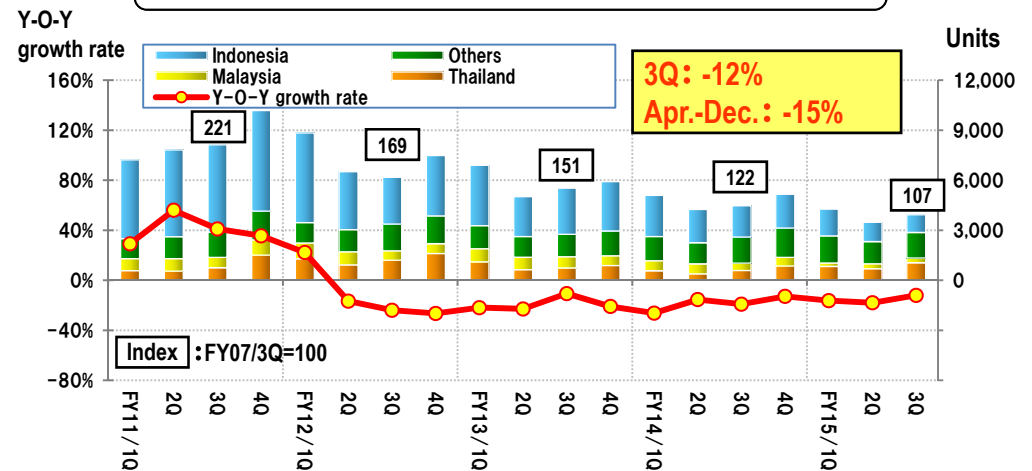
- Demand in 3Q FY2015 should decline by 12% from the corresponding period a year ago.
- While demand advanced in Thailand, it sharply fell in Indonesia, the largest market of the region, and Malaysia, affecting overall demand in the region.

Annual demand for 7 major products

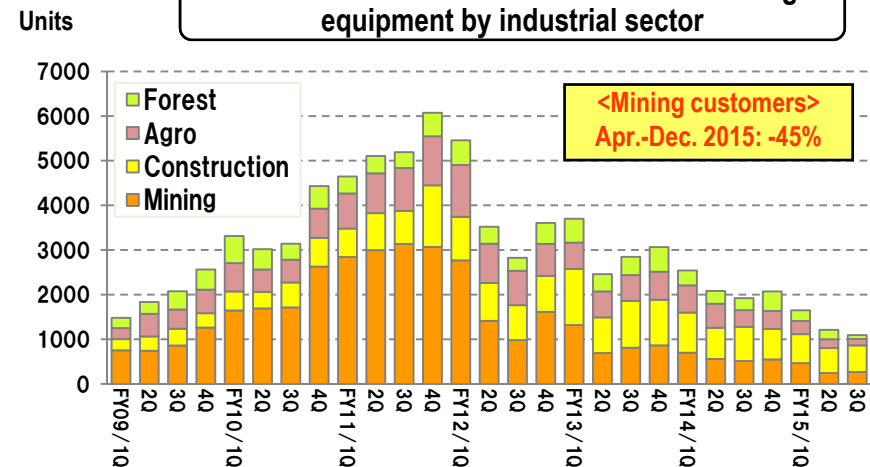


[Source]: Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products



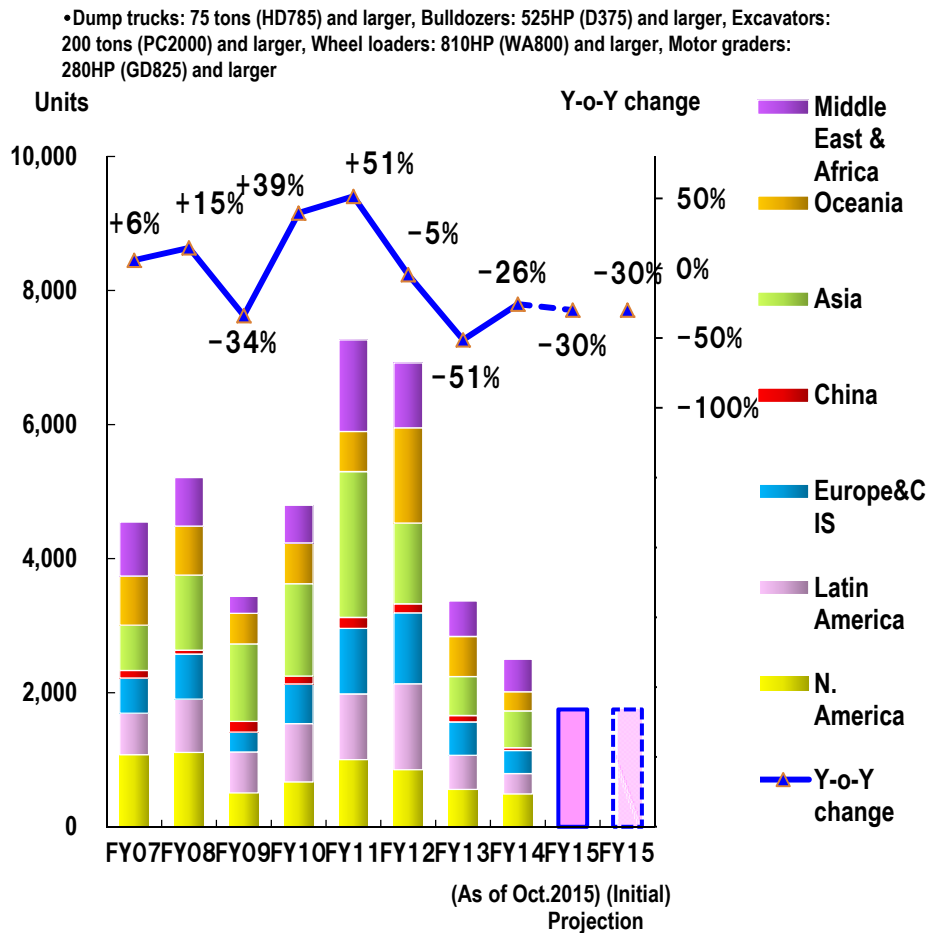
Indonesia: Demand for construction & mining equipment by industrial sector



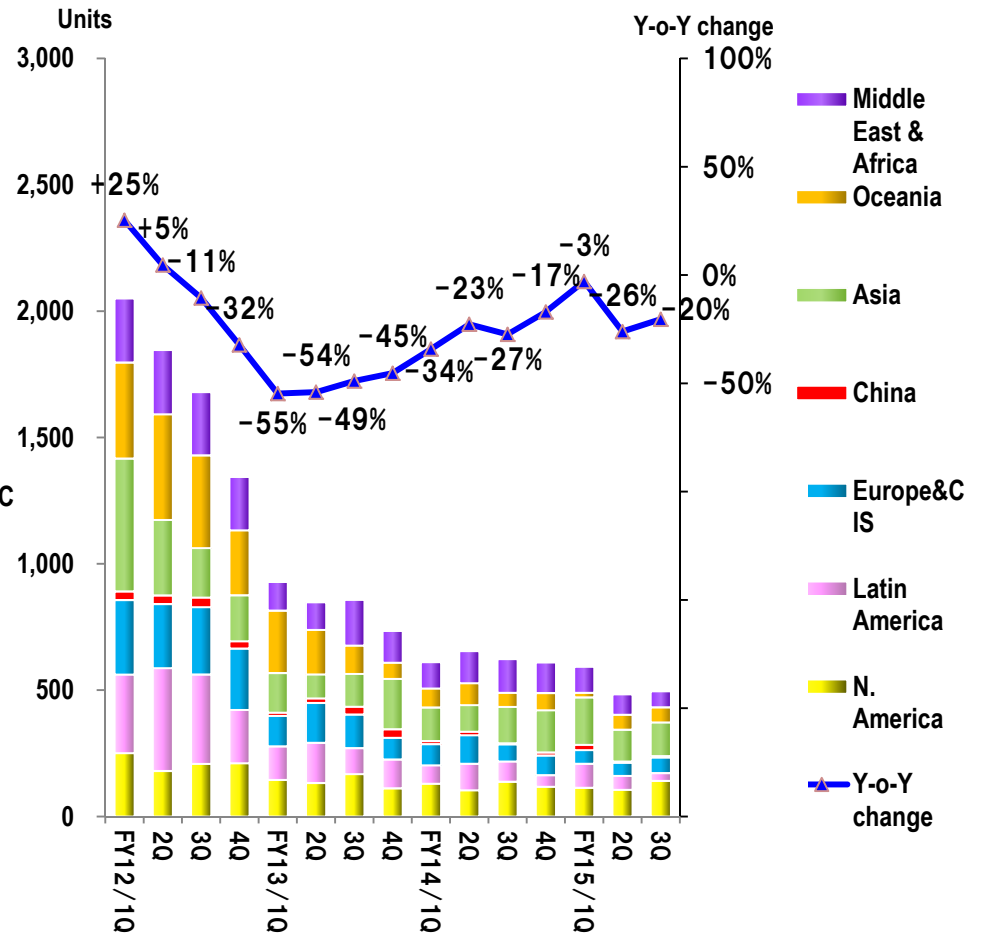
III. Construction and Mining Equipment: Mining Equipment, Parts and News

• Global demand for mining equipment remained sluggish, albeit the rate of decline has become smaller, and demand in 3Q FY2015 should decline by 20% from the corresponding period a year ago.

Annual demand for mining equipment



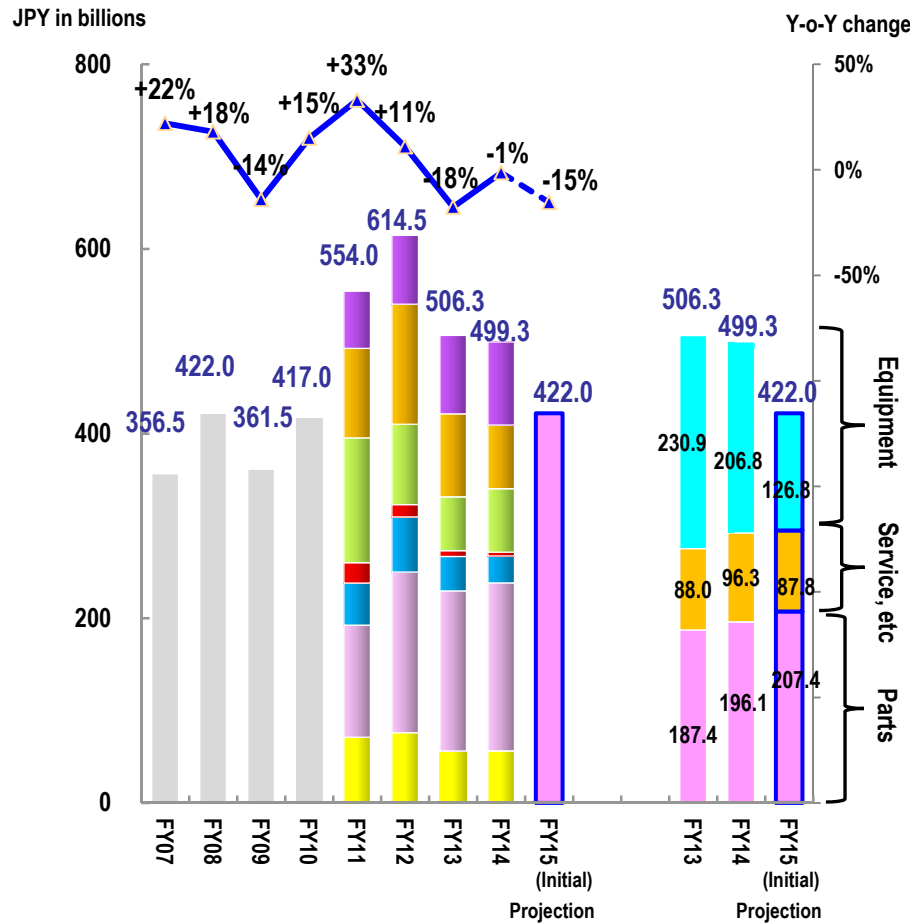
Quarterly demand for mining equipment



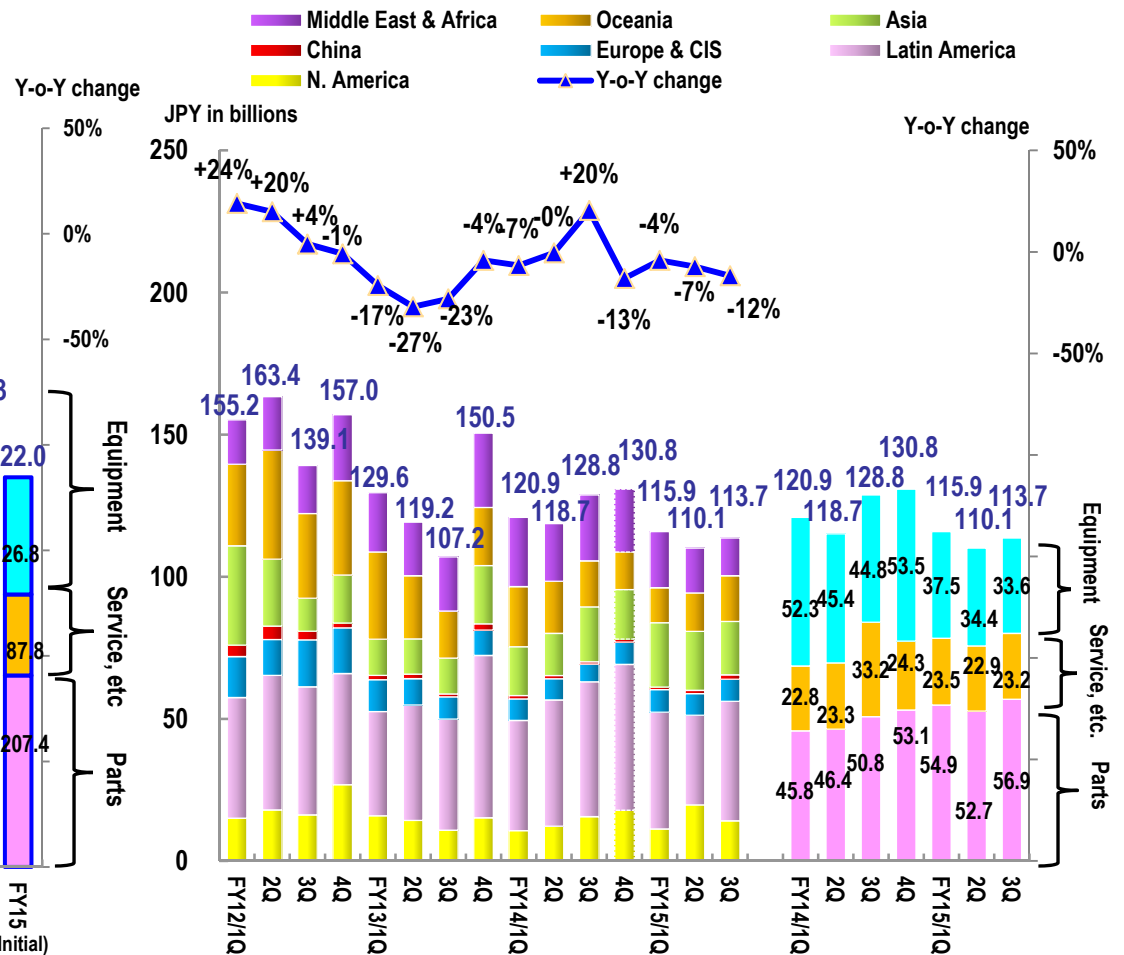
Note: Demand estimated by Komatsu

- Sales of mining equipment for 3Q FY2015 declined by 12% from the corresponding period a year ago, to JPY113.7 billion, as sales of equipment per se remained slack.
- Sales of parts for 3Q FY2015 increased from the corresponding period a year ago.

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

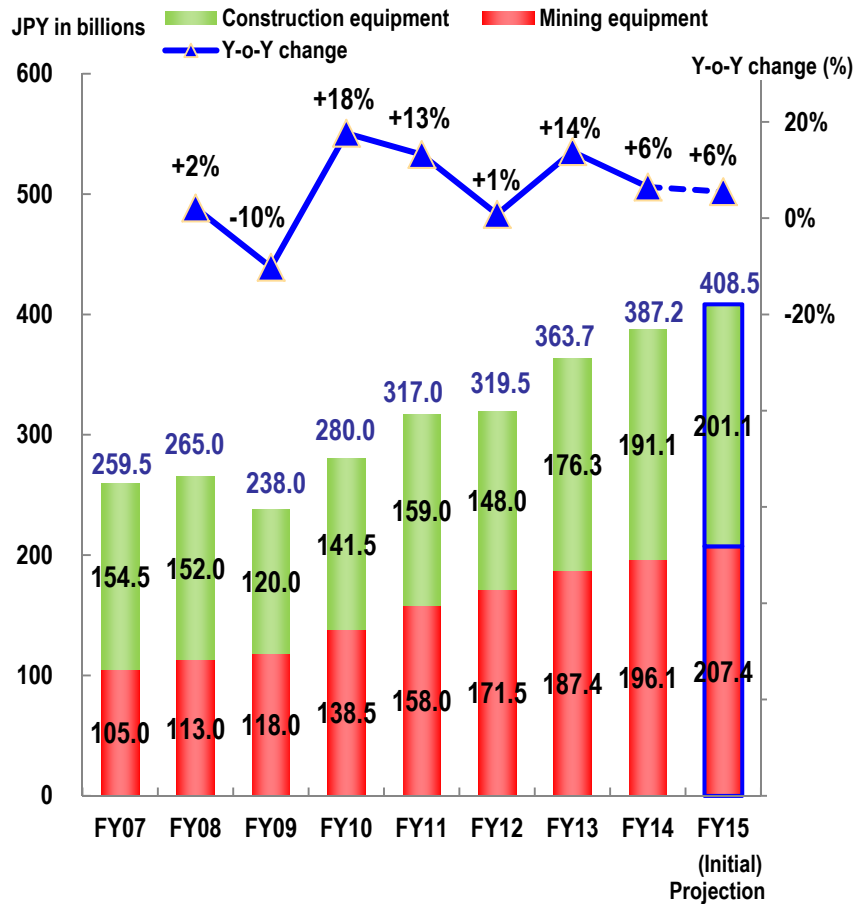


Quarterly sales of mining equipment (incl. parts and service)

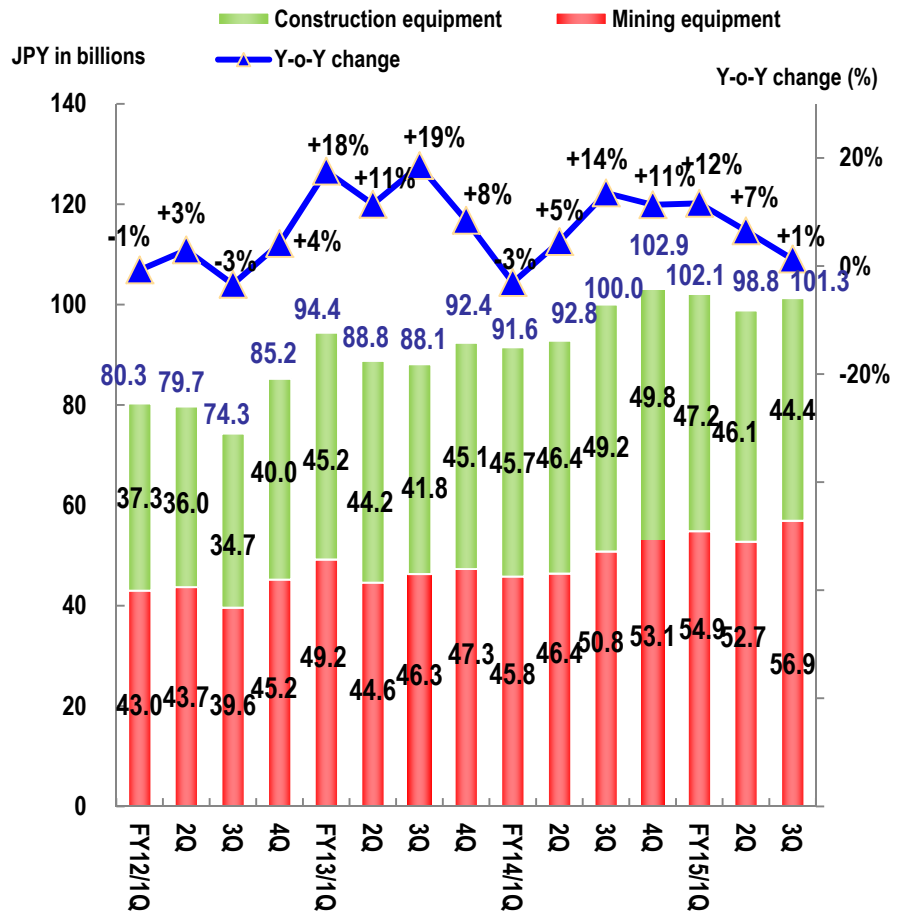


- Sales of parts for 3Q FY2015 increased by 1% from the corresponding period a year ago, to JPY101.3 billion.
- While demand for new mining equipment was dropping, sales of parts increased steadily, recording positive growth when the effects of foreign exchange rates are removed.

Annual sales of parts



Quarterly sales of parts



- To strengthen training service mechanics of our distributors, we built a new Model Training Center on the premises of Komatsu-no-Mori (Komatsu Greenery Park) in Komatsu City, Ishikawa Prefecture. The Model Training Center began full-scale operation in November 2015.
- We have 19 training centers in 17 countries worldwide. We are planning to transfer know-how, which we are accumulating at the Model Training Center, to other centers, thereby accelerating the speed of supporting human resource development of our distributors around the world.

Model Training Center recreates a model environment of repair shops of distributors.



[Outline of the Model Training Center]

- Address: 1, Komatsu-no-Mori, Komatsu City, Ishikawa Prefecture, Japan
- Floor area (training building): 1,854.49 m²
- Invested: About JPY1 billion
- Main facilities:
Training areas for machine maintenance and welding as well as work safety, Classrooms, lounge, locker rooms, toilets, warehouse, etc.



Offering practical training programs, ranging from danger detection and other safety matters to high-accuracy and -efficiency maintenance and repair skills.



- We are launching HB335(LC)-3 and HB365(LC)-3 (shown here) large hybrid hydraulic excavators on February 1.
- Both models are compliant with the 2014 Off-road Vehicle Act of Japan .

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.

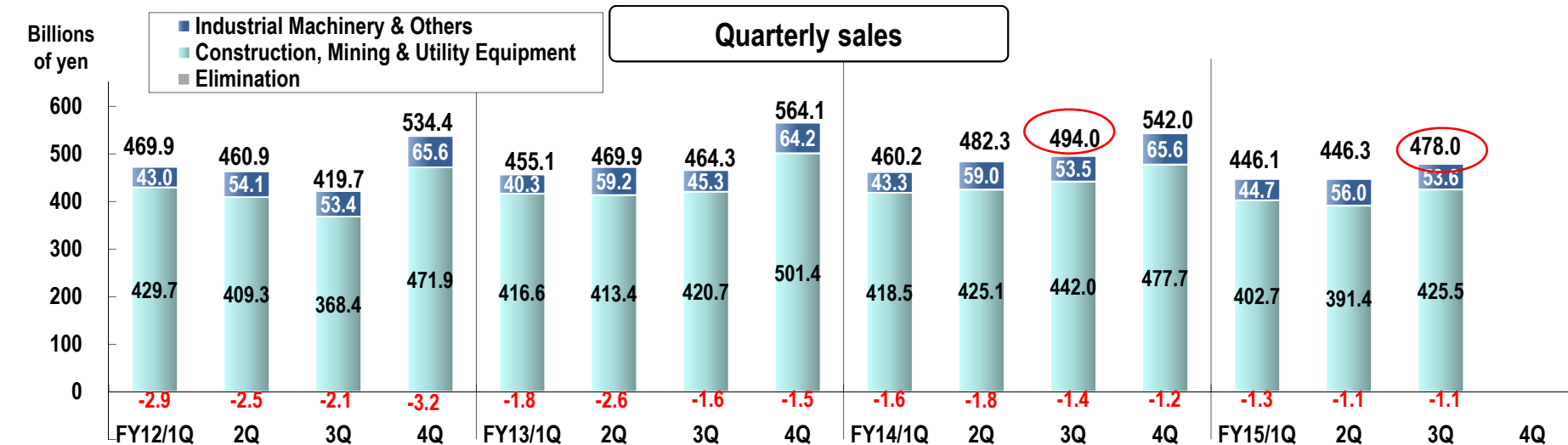
Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes 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.

Business Coordination Department, KOMATSU LTD.

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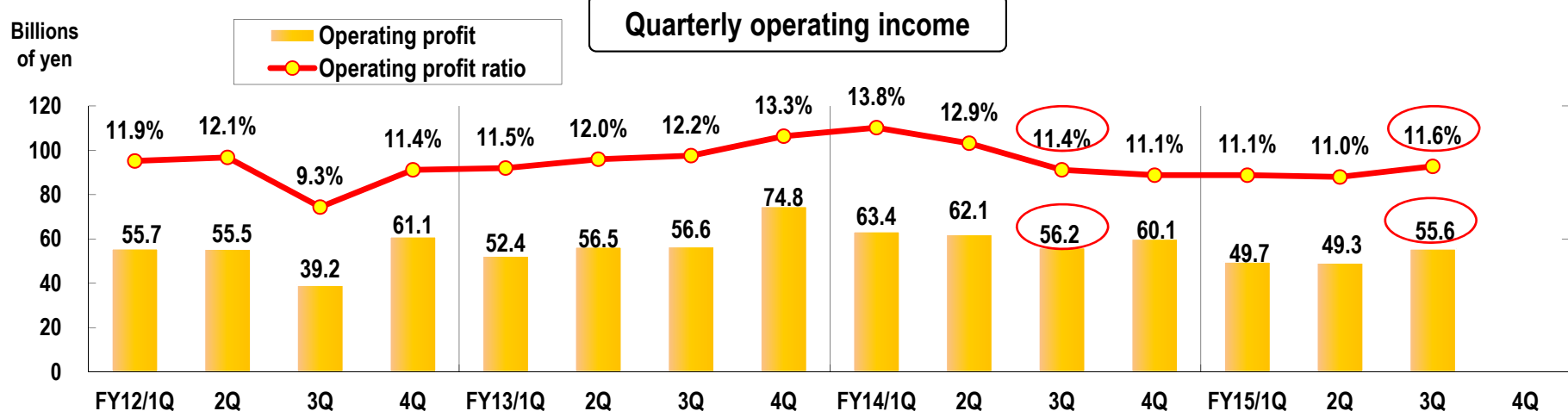
Appendix

Quarterly Sales and Operating Income

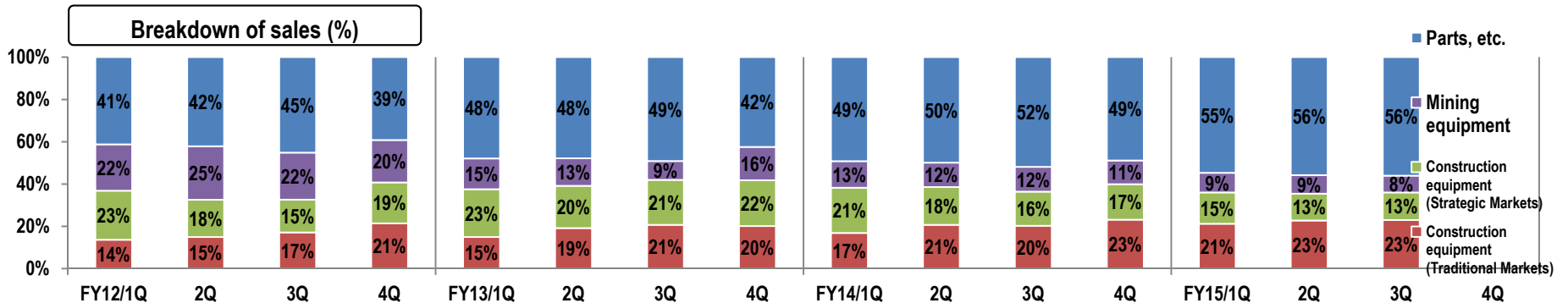
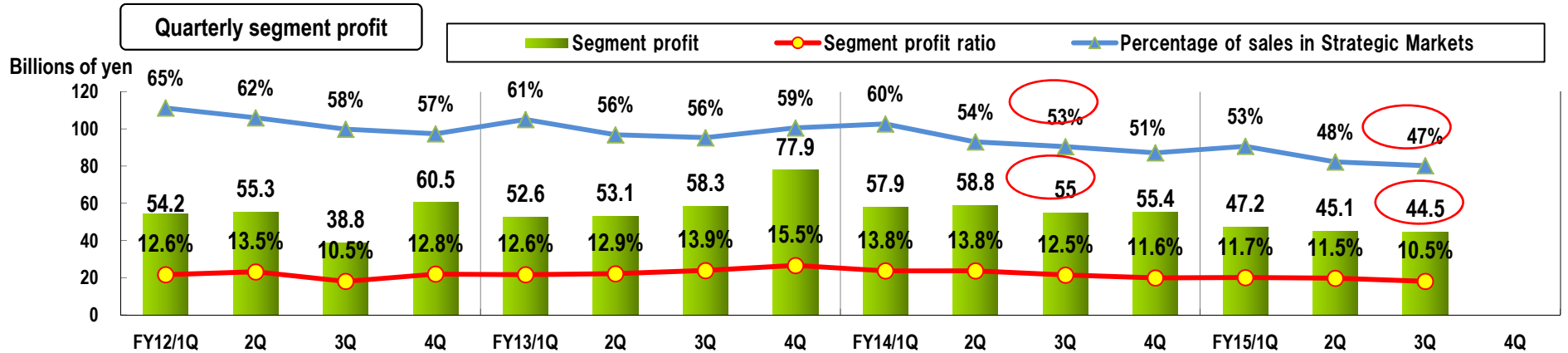
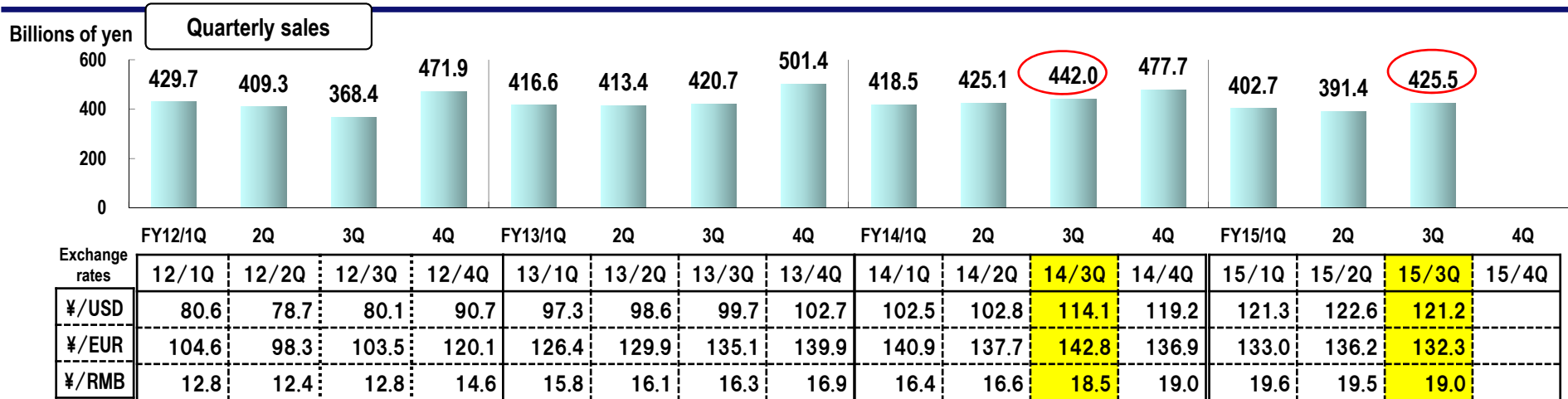


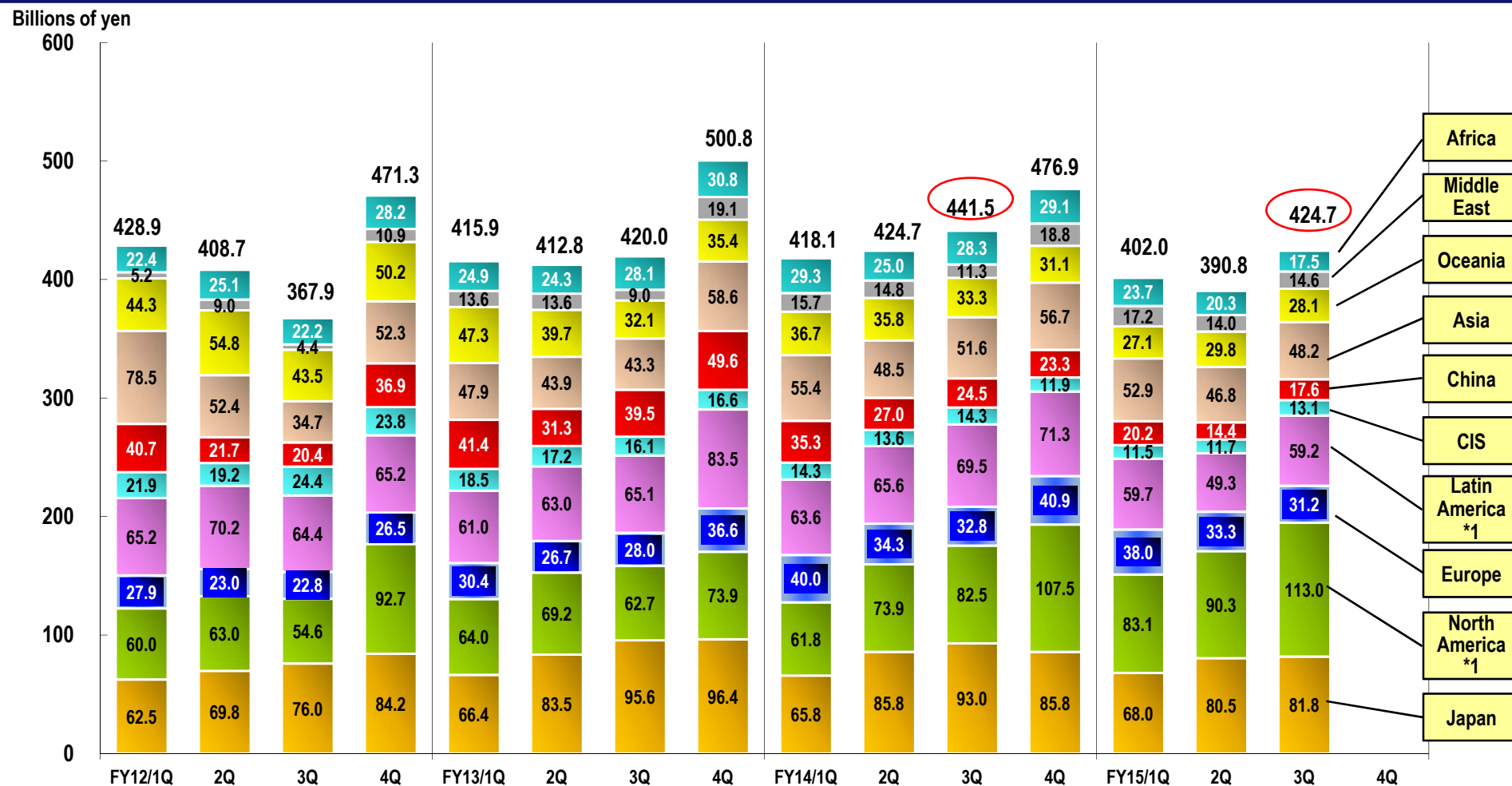
Exchange rates

	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6	121.2	-
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2	132.3	-
¥/RMB	12.8	12.4	12.8	14.6	15.8	16.1	16.3	16.9	16.4	16.6	18.5	19.0	19.6	19.5	19.0	-



Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

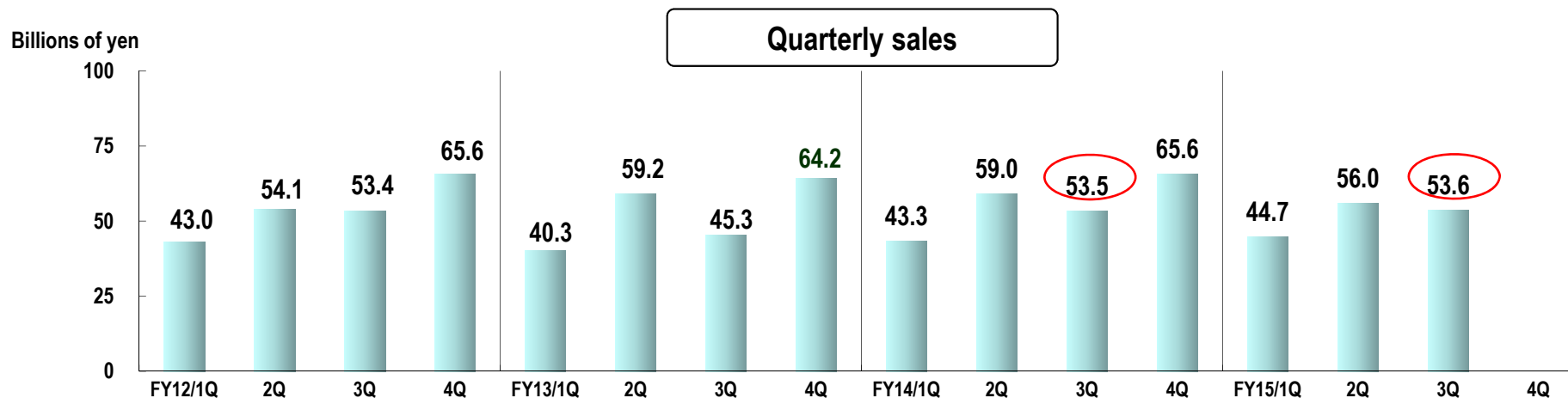




Exchange rates

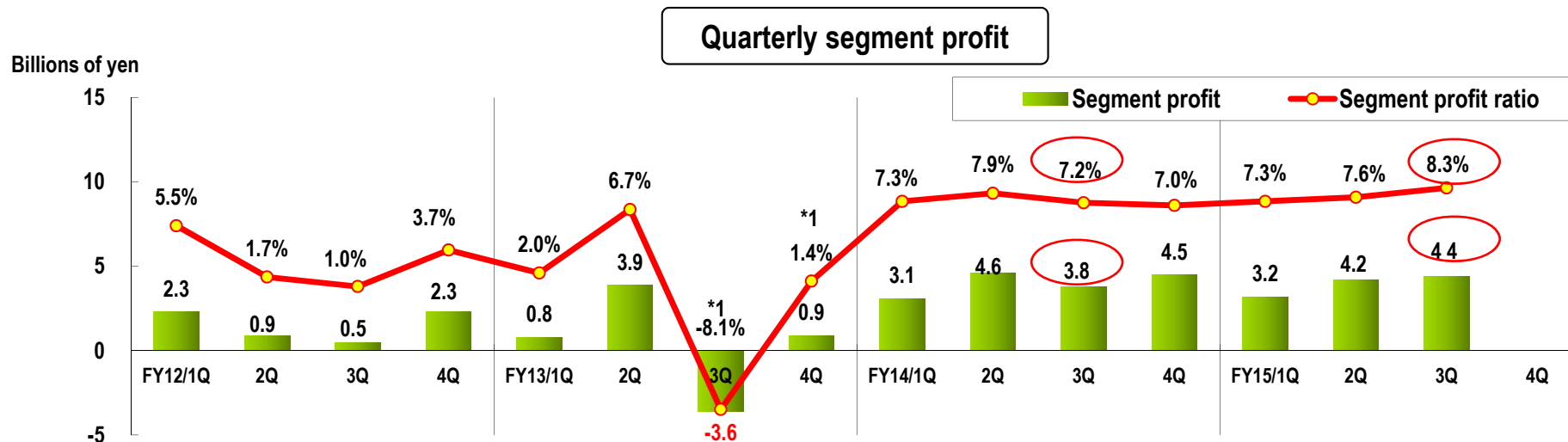
	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6	121.2	
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2	132.3	
¥/RMB	12.8	12.4	12.8	14.6	15.8	16.1	16.3	16.9	16.4	16.6	18.5	19.0	19.6	19.5	19.0	

*1: Due to the acquisition of a distributor in Mexico, a part of sales in Mexico was reclassified from North America to Latin America, starting in FY2015.1Q. (Corresponding sales for FY2012.were also reclassified accordingly.)



Exchange rates

	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6	121.2	
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2	132.3	
¥/RMB	12.8	12.4	12.8	14.6	15.8	16.1	16.3	16.9	16.4	16.6	18.5	19.0	19.6	19.5	19.0	

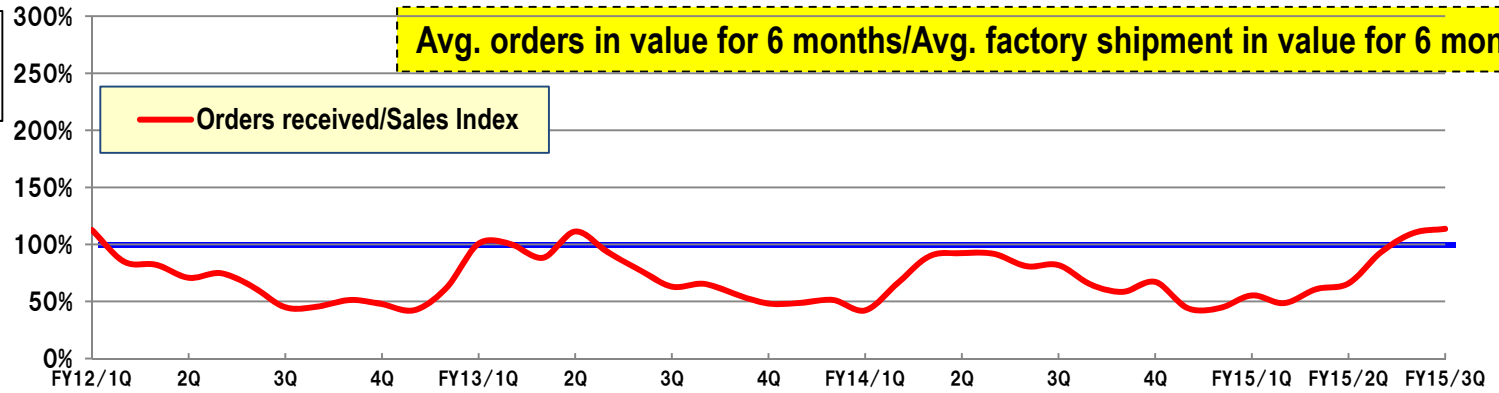


*1 Including a loss of JPY10.8 bn on Komatsu NTC's wire saw inventories (3Q: JPY-7.6 bn, and 4Q: JPY-3.2 bn)

Orders received / Sales Index for Mining Equipment (6 Months)

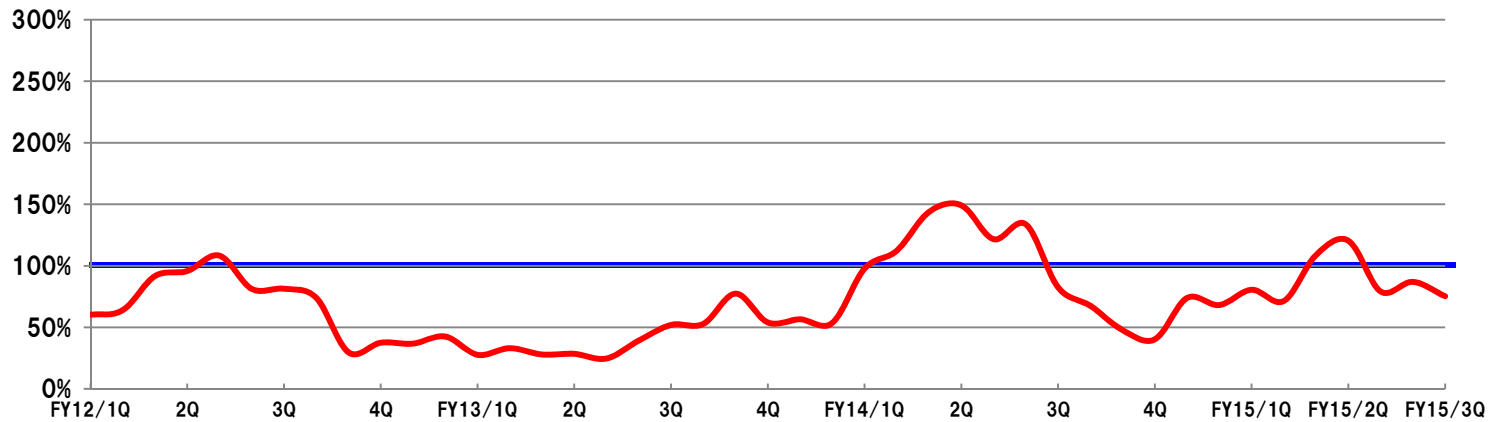
**Komatsu America
(Mining eqpt)**

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



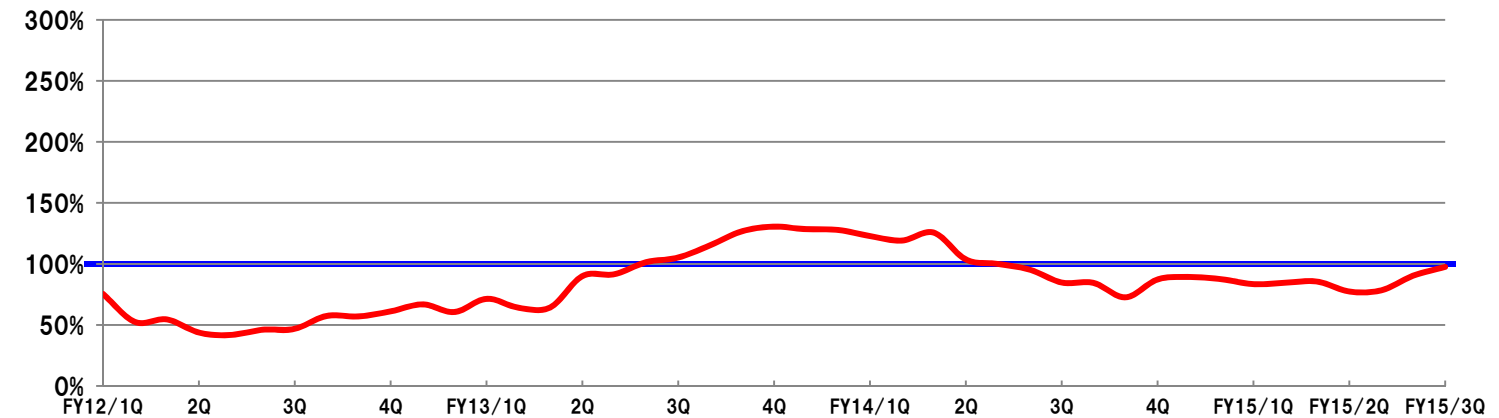
**Komatsu Mining
Germany**

PC3000, PC4000
PC5500, PC8000



**Komatsu Ltd.
(Mining eqpt)**

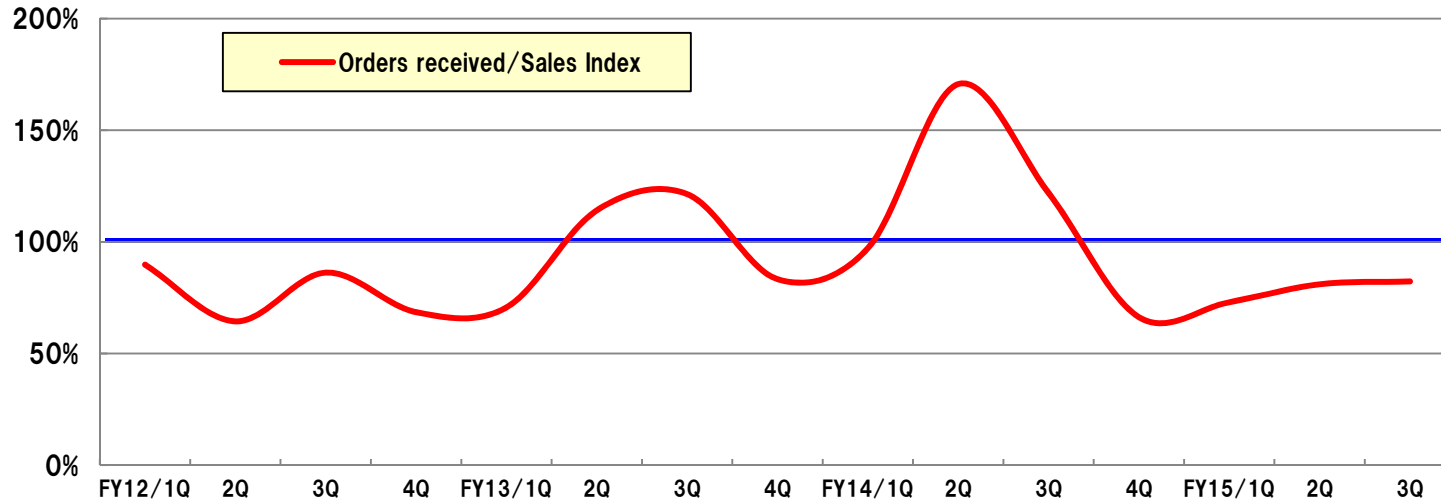
HD785, HD1500
PC2000, PC3000,
PC4000, WA800 up
D375A up
GD825A up



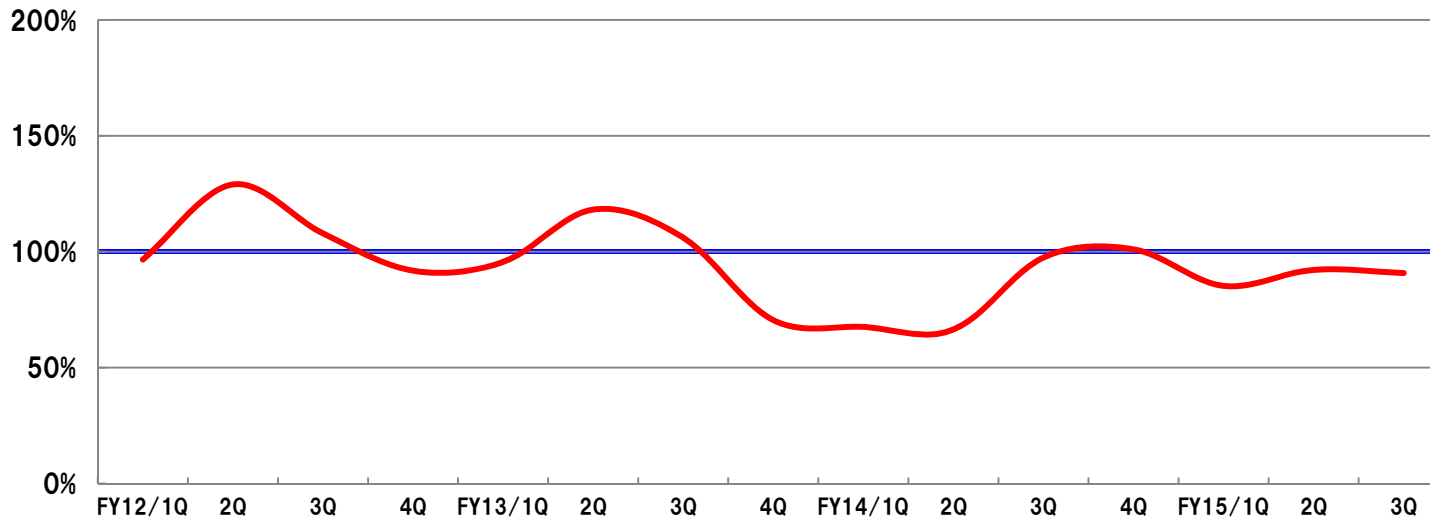
Orders received / Sales Index for Industrial Machinery (6 Months)

Komatsu Industries

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



**Komatsu NTC
(Excl. wire saws)**



【Sales and Profits】

- Consolidated net sales declined by 3.2% from the corresponding period a year ago, to JPY478.0 billion.
- Operating income decreased by 1.1% to JPY55.6 billion. Operating income ratio increased by 0.2 points to 11.6%.
- Net income attributable to Komatsu Ltd. increased by 0.3% to JPY38.6 billion.

Billions of yen	Oct.-Dec., 2014 ¥114.1/USD ¥142.8/EUR ¥18.5/RMB	Oct.-Dec., 2015 ¥121.2/USD ¥132.3/EUR ¥19.0/RMB	Changes	
			Increase (decrease)	% Change
Net sales	494.0	478.0	(16.0)	(3.2)%
Segment profit	58.5	48.5	(9.9)	(17.0)%
Other operating income (expenses)	(2.2)	7.0	+9.3	-
Operating income	56.2	55.6	(0.5)	(1.1)%
Profit ratio	11.4%	11.6%	+0.2pts.	-
Other income (expenses)	0.4	(0.3)	(0.7)	-
Net income before income taxes	56.6	55.2	(1.3)	(2.4)%
Net income *	38.5	38.6	+0.1	+0.3%

* Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Segment Sales and Profits for Third Quarter (October – December, 2015) of FY2015

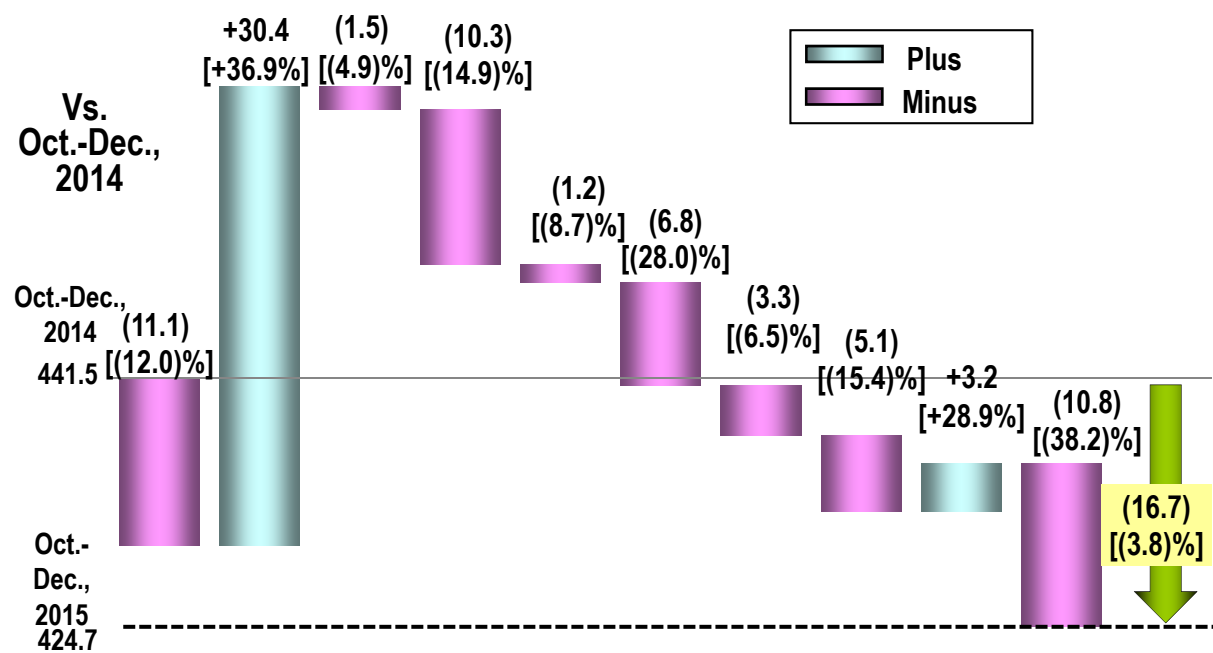
- **Construction, Mining & Utility Equipment:** Sales decreased by 3.7% from the corresponding period a year ago, to JPY425.5 billion. Segment profit declined by 19.1% to JPY44.5 billion. Segment profit ratio also declined by 2.0 points to 10.5%.
- **Industrial Machinery & Others:** Sales increased by 0.3% to JPY53.6 billion. Segment profit advanced by 15.8% to JPY4.4 billion.

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

Billions of yen	Oct.-Dec., 2014	Oct.-Dec., 2015	Changes	
			Increase(decrease)	% Change
Net sales	494.0	478.0	(16.0)	(3.2)%
Construction, mining & utility equipment Industrial machinery & others	[441.5] 442.0 [52.5] 53.5	[424.7] 425.5 [53.2] 53.6	[(16.7)] (16.4) [+0.6] +0.1	[(3.8)](3.7)% [+1.3%] +0.3%
Elimination	(1.4)	(1.1)	+0.2	-
Segment profit	11.8% 58.5	10.2% 48.5	(9.9)	(17.0)%
Construction, mining & utility equipment Industrial machinery & others	12.5% 55.0 7.2% 3.8	10.5% 44.5 8.3% 4.4	(10.4) +0.6	(19.1)% +15.8%
Corporate & elimination	(0.4)	(0.4)	(0.0)	-

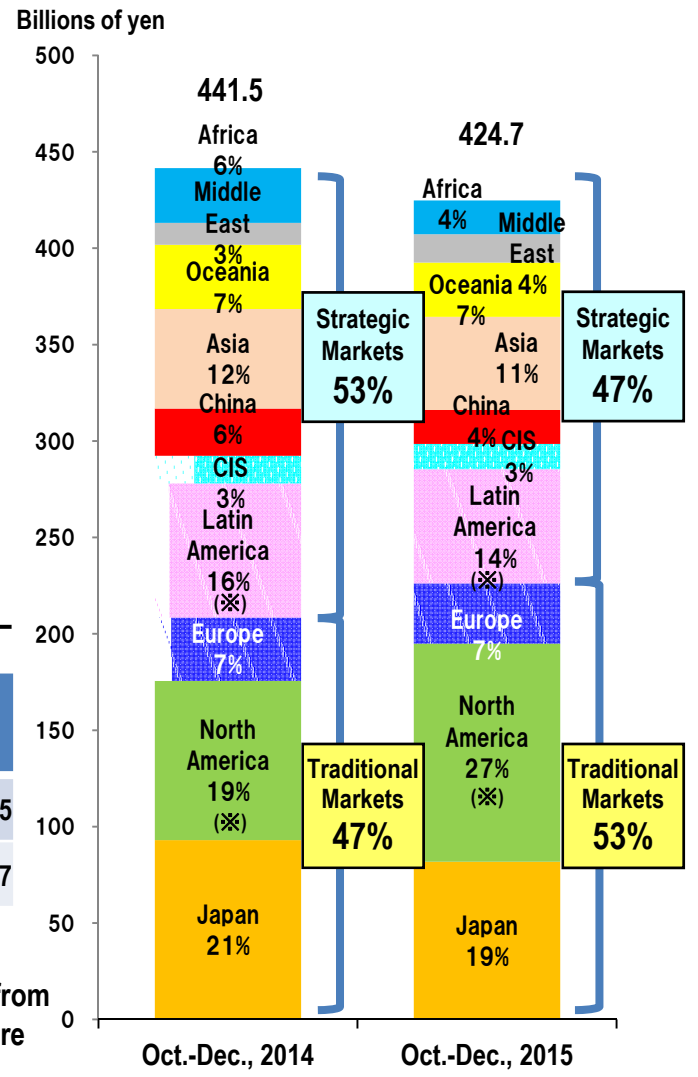
Construction, Mining & Utility Equipment: Sales (To Outside Customers)
for Third Quarter (October – December, 2015) by Region

- Sales to outside customers declined by 3.8% from the corresponding period a year ago, to JPY424.7 billion.
- While sales advanced in North America, those dropped sharply in China, Latin America and some other regions. As a result, the proportion of Traditional Markets increased to 53% of total sales.



Apr.-Dec., 2014	Japan	North America *1	Europe	Latin America *1	CIS	China	Asia	Oceania	Middle East	Africa	Total
Oct.-Dec., 2014	93.0	82.5	32.8	69.5	14.3	24.5	51.6	33.3	11.3	28.3	441.5
Oct.-Dec., 2015	81.8	113.0	31.2	59.2	13.1	17.6	48.2	28.1	14.6	17.5	424.7

Traditional Markets: Japan, North America, Europe, Latin America
Strategic Markets: CIS, China, Asia, Oceania, Middle East, Africa



*1: Due to the acquisition of a distributor in Mexico, a part of sales in Mexico was reclassified from North America to Latin America, starting in FY2015.1Q. (Corresponding sales for FY2014 2Q.were also reclassified accordingly.)