

KOMATSU



CONEXPO-CON/AGG 2023 Investor conference



March 15, 2023

Welcome everyone to Komatsu's 2023 CONEXPO investor conference. We're excited to have you here to talk through the latest products and solutions we're making available for customers around the world.

Cautionary statement

The information 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.

A quick note: the information we're about to present reflects Komatsu's current views, but actual results may differ materially from those projections. Results based on the forward-looking assumptions we'll be discussing today cannot be assured.

Featured leaders

Presenting:



Rod Schrader
Chairman and CEO
Komatsu North America



Mike Gidaspow
*VP – Products, Service
and Solutions*
Komatsu North America

Participating in
the Q&A:



Taisuke Kusaba
President and COO
Komatsu North America



Rod Bull
EVP – North America Region
Komatsu North America



Tim Tripas
*Sr. VP CE/Forest
Division*
Komatsu North America



Doug Morris
*VP – Forest Products
Division*
Komatsu North America



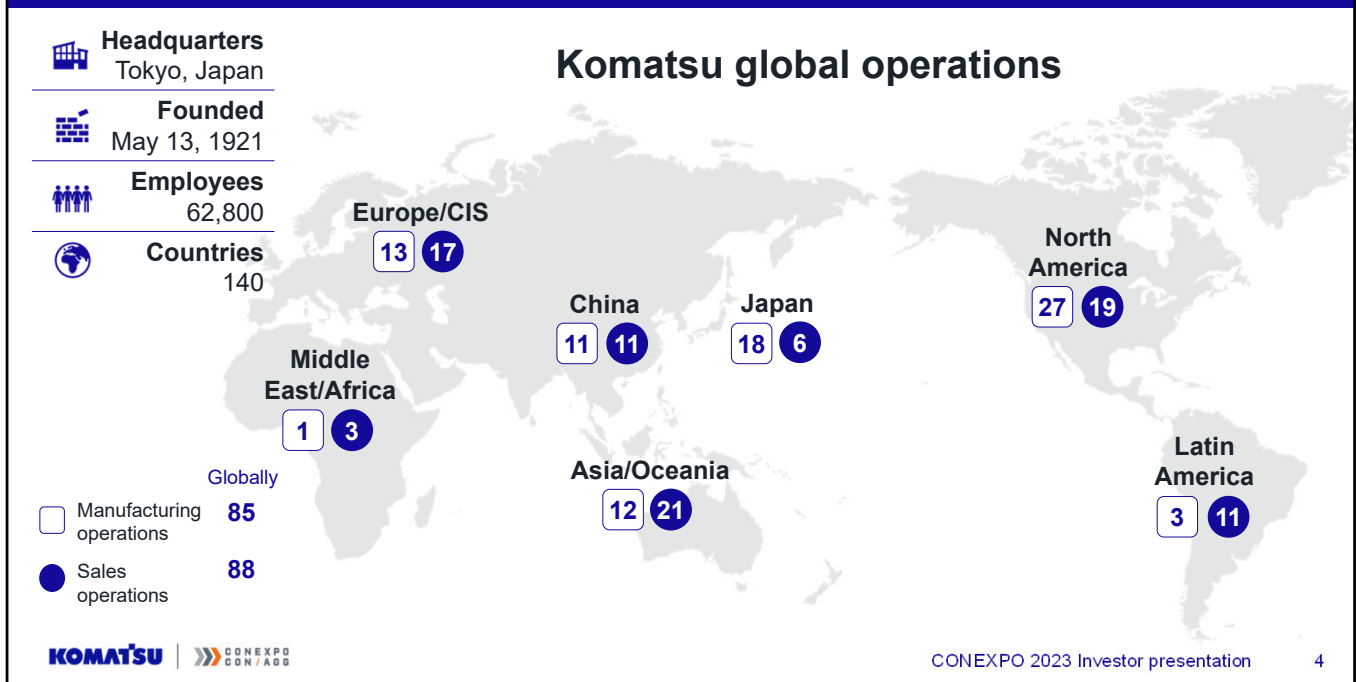
We have two featured speakers today, who will present the initial materials. We then have a few additional Komatsu leaders available to take questions during the post-presentation Q&A.

Presenting today on behalf of Komatsu North America will be:

- Chairman and CEO Rod Schrader
- Vice President of Products, Service and Solutions Mike Gidaspow

Rod Schrader will kick things off, with an overview of Komatsu's global business.

Komatsu's global footprint



Thanks everyone for joining us today. I'd like to start with giving you some essential information about Komatsu's global operations, and then we will get into the latest and greatest being highlighted here at the show.

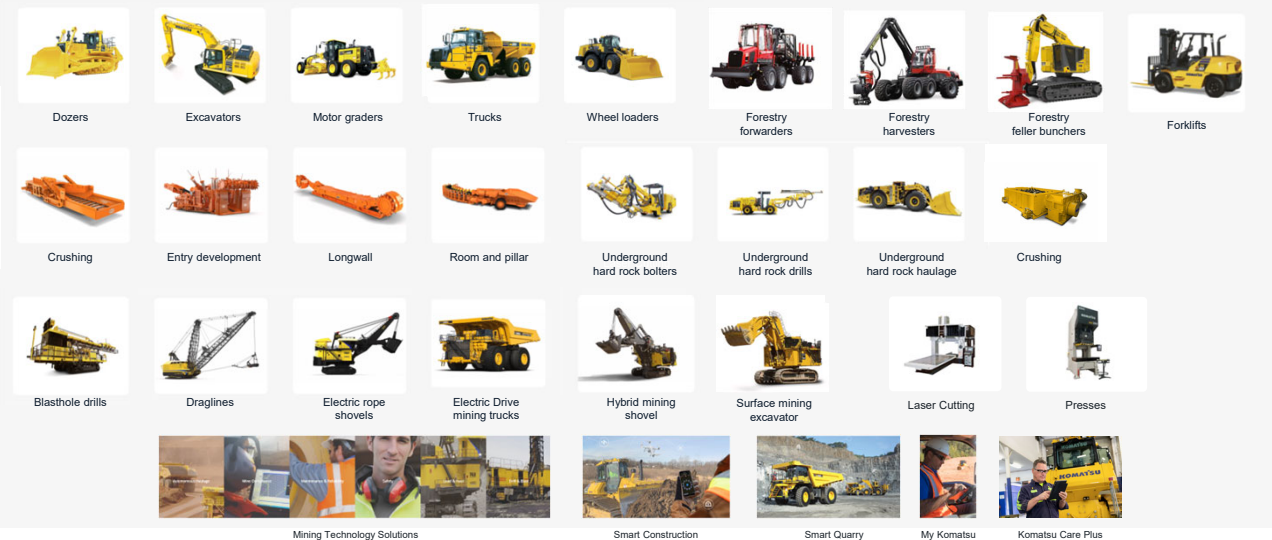
As you may recall, Komatsu has been operating globally for more than 100 years, and in North America for more than 70.

Headquartered in Tokyo, our global operations support customers in key industries including construction, mining, utility, forestry and industrial machinery.

We have manufacturing and sales operations in key locations throughout our global footprint, which allow us to be close to our customers and support these essential industries with the supply, repair and optimization of our products.

Our equipment and technology solutions

Komatsu's global range of offerings for construction, mining, forestry, aggregate, waste, energy and other related industries provides quality, durability and reliability to help our customers meet their business goals; improving production, lowering operation costs and prioritizing safety.

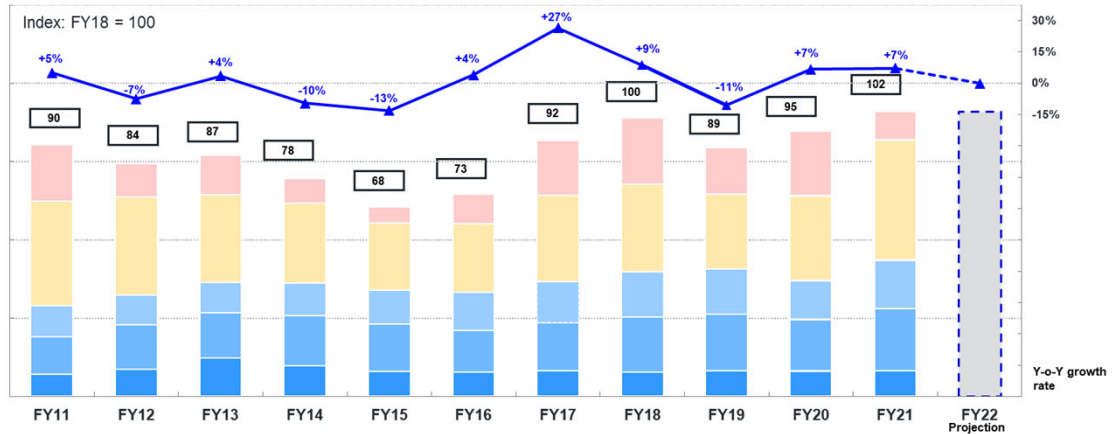


For our major markets of construction, mining, forestry and industrial machinery, we strive to provide a full range of solutions including original equipment, technology and services.

We also produce specialized offerings for related industries such as energy, waste and aggregates.

At this year's show, attendees can see firsthand some of our latest offerings for the **construction, aggregate, forestry, waste and energy markets.**

Global annual demand for 7 major product categories*



Source: Estimated by Komatsu



*Seven major products categories are: hydraulic excavators (crawler-type & wheel-type), bulldozers, wheel loaders, dump trucks (rigid-type & articulated-type), motor graders (excl. mini equipment).

Here is a look at global annual demand for our seven major product categories, which includes mining.

For fiscal year 2022, we expect overall demand to remain flat year-over-year. While demand in Regions other than China are expected to be in the 0% to plus 5% range. This is unchanged from our April forecast.

For the 3rd quarter, China's market conditions continue to be sluggish. Demand increased in North America and Europe, but declined in Japan, Southeast Asia and other regions.

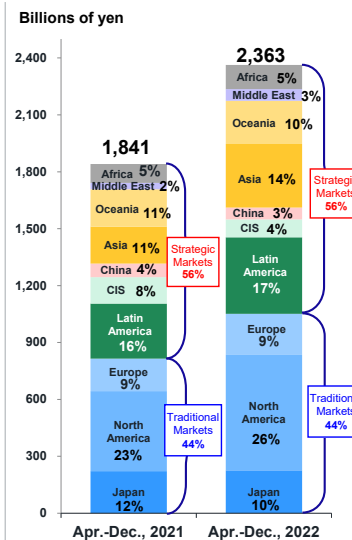
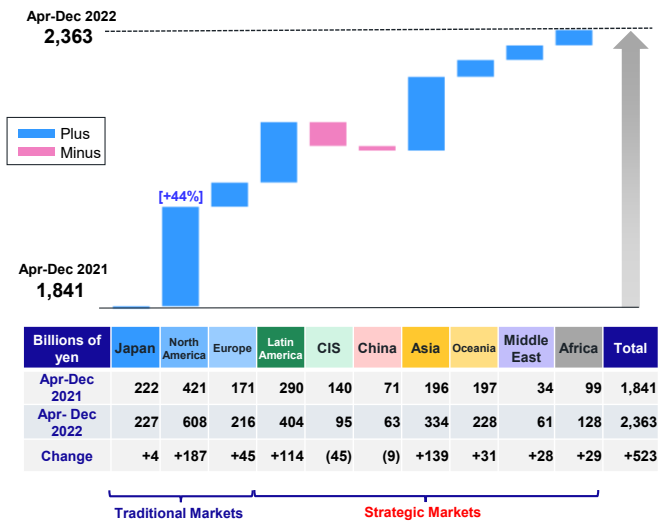
For North America, demand increased by 1% year-over-year, so basically flat. Demand of infrastructure and rental increased, and business with energy customers remained firm. However, demand in residential and non-residential construction declined, resulting in the 1% year-over-year change.

For North America Fiscal 2022 demand forecast remains unchanged from our April forecast, at 0% to plus 5% year-over-year.

We expect demand to continue to trend at high levels, but we will continue to monitor future demand trends closely as residential and non-residential demand has begun to decline.

Komatsu sales of construction, mining and utility equipment

Global sales to outside customers for nine months (Apr. - Dec, 2022)



North America Region highlights

26% of global Komatsu sales

44% increase of sales YoY

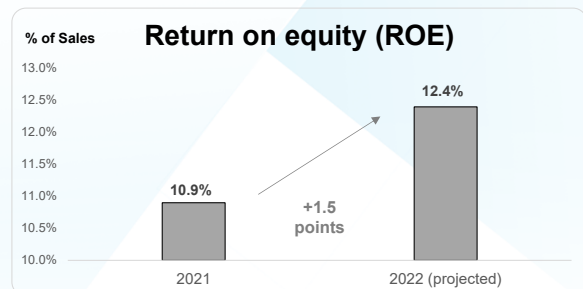
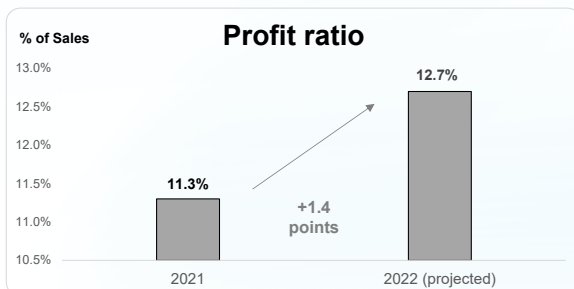
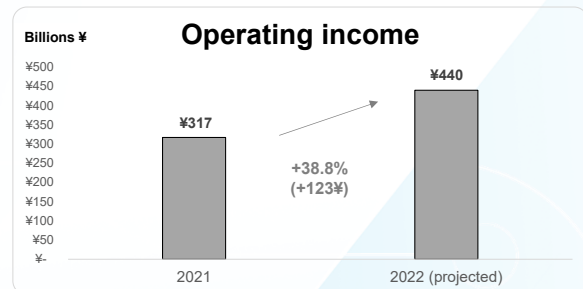
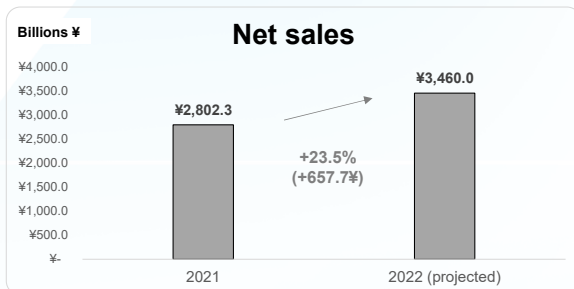
Here are the year-to-date global sales for Construction, Mining and Utility Equipment.

Overall sales have increased by 28.4% year-over-year to 2,363 billion Yen.

Sales increased in all regions except CIS and China. In particular, sales in North America, Asia and Latin America expanded sharply.

Sales in North America increased 44.4% year-over-year and represent 26% of Komatsu's total global sales.

KLTD outline of projection for FY2022



As you may recall from our Earnings Call on January 31st, despite the impact of supply chain disruptions and increases in material costs and logistic costs, **both net sales and operating income reached record high** due to increased sales of new equipment, parts, services, improved selling prices and the weaker Yen.

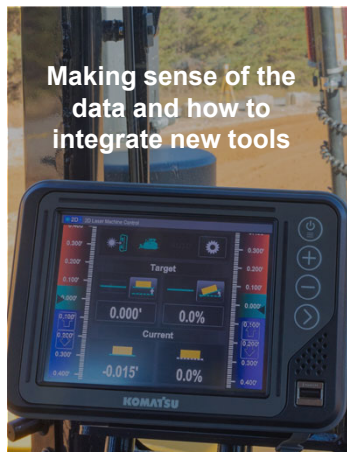
Net sales and operating income are both trending steadily and order backlog has been building up across the world.

However, as the Yen appreciates more than expected, the outlook for construction demand is becoming a little more uncertain in Europe and U.S. Therefore, the company has not made any changes to the full year guidance from our October forecast.

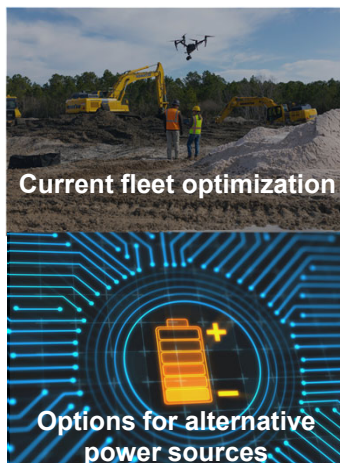
You can see the 2022 projection figures here on the slide.

Trends shaping our industries

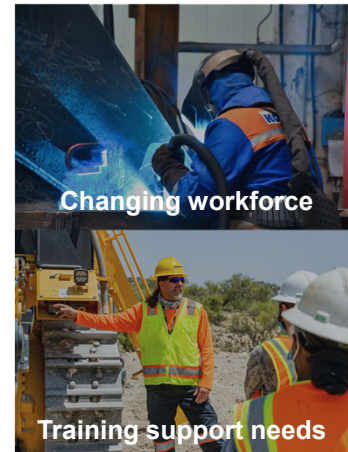
Technology utilization



Sustainability goals



Labor challenges



The strategic priorities and trends shaping our industries are a mix of old and new. As sustainability rises in importance, the needs to remain safe and highly productive do not fall away.

The challenges of labor shortages and a lack of trained operators further complicate things.

How can our customers do more with less, more sustainably, without sacrificing their bottom line or quality of work?

Looking at these challenges within the buckets of:

- Technology utilization
- Sustainability goals and
- Labor challenges

we see opportunities to support customers consistently, leveraging technology, automation, training and a mix of on-machine and cloud-based solutions.

Now, I'll hand it to Mike Gidaspow, Vice President of Products, Service and Solutions, to walk you through our strategic response to these trends.

Komatsu's strategic response

Implementing technology

- Instilling predictability with digital
- Plan and produce more effectively



Sustainability/ electrification

- Optimizing use of current fleet
- Providing power source options

Workforce optimization

- Help upskill and retain talent
- Virtual training

Aligned to what our customers need to stay profitable, work sustainably, and find and retain a strong workforce, we are displaying a wide mix of solutions to help customers start or continue to advance in their pursuit of:

- Effective technology implementation
- More sustainable ways of working and
- Optimizing their workforce.

We also recognize that each customer operation is unique, so within these focus areas, we are highlighting opportunities for those just starting down these paths, as well as for those ready to make a transformational step change in how they run their business.

Implementing technology



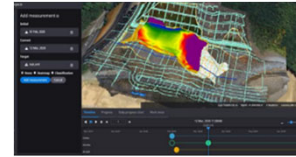
From on-machine technology to cloud-based offerings and digital solutions, we are helping customers implement the latest technologies to reduce costs, close gaps and remove guesswork.



(1) Measure



(2) Visualize



(3) Prescribe

Smart Construction

Smart Quarry



CONEXPO 2023 Investor presentation

11

While each business is unique, the need for predictability is universal. From on-machine technology to cloud-based offerings and digital solutions, Komatsu can help customers implement the latest technologies to best meet the needs of their operations.

Connecting on-machine intelligent Machine Control to cloud-based offerings through Smart Construction and Smart Quarry, we can help customers predict, plan and work more effectively.

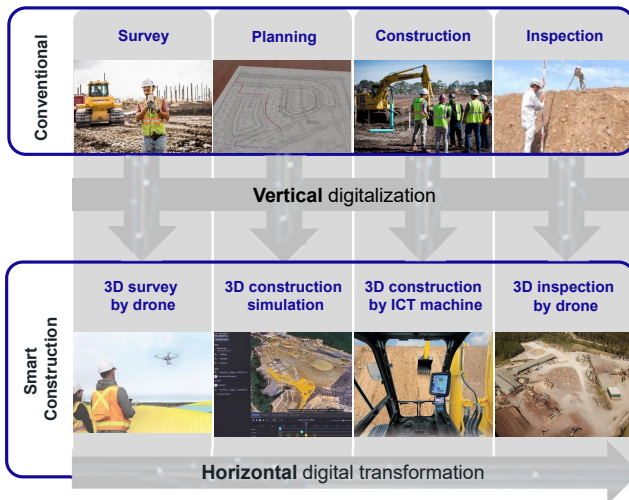
For some customers, implementing technology is about the fact that they've had good success with Komatsu machines and realize they could do more. So we can work with them to understand the iMC capabilities and start to automate parts of the process.

And then we've got customers who want to take their intelligent machine foundation and connect those assets digitally to the cloud using Smart Construction solutions. That's where machine telematics meet jobsite telematics to further enhance the predictability of a customer's operation, while also supporting sustainability goals by reducing waste.



The Smart Construction transformation

Focusing on **changing processes**, not just individually, but linked together through **Smart Construction** and **intelligent Machine Control** solutions.



Smart Construction

Our suite of solutions leveraging advanced automation, integrated technologies and simulation capabilities:

- Smart Construction Dashboard
- Smart Construction Drone
- Smart Construction Field
- Smart Construction Office
- Smart Construction Design
- Smart Construction Remote
- Smart Construction Retrofit
- Telematics via My Komatsu



Helping customers shift from manual, disconnected processes to digitally connected allows not only improvement within these individual processes, but a digital transformation across the organization as they start to see all the data in one place.

Through the combination of Smart Construction solutions, supported by telematics via My Komatsu and the capabilities of Intelligent Machine Control, customers can start to see larger opportunities for change, resulting in cost savings, more efficient use of time and equipment and increased productivity.

There are now tens of thousands of workplaces globally using Komatsu Smart Construction tools to enhance their equipment use and operational effectiveness.

The path toward a more sustainable future



We've set a goal of achieving **carbon neutrality by 2050**, a journey that began years ago in how we design and produce equipment and continues through the life of our products and solutions.

Optimizing existing fleets: reducing emissions and waste with technology and training, reman services

Providing hybrid and emission-free equipment that leverage our cross-industry learnings

Offering flexibility in how we get to a carbon neutral future, including development of new power sources



KOMATSU | **CONEXPO CON/AGG**

CONEXPO 2023 Investor presentation

13

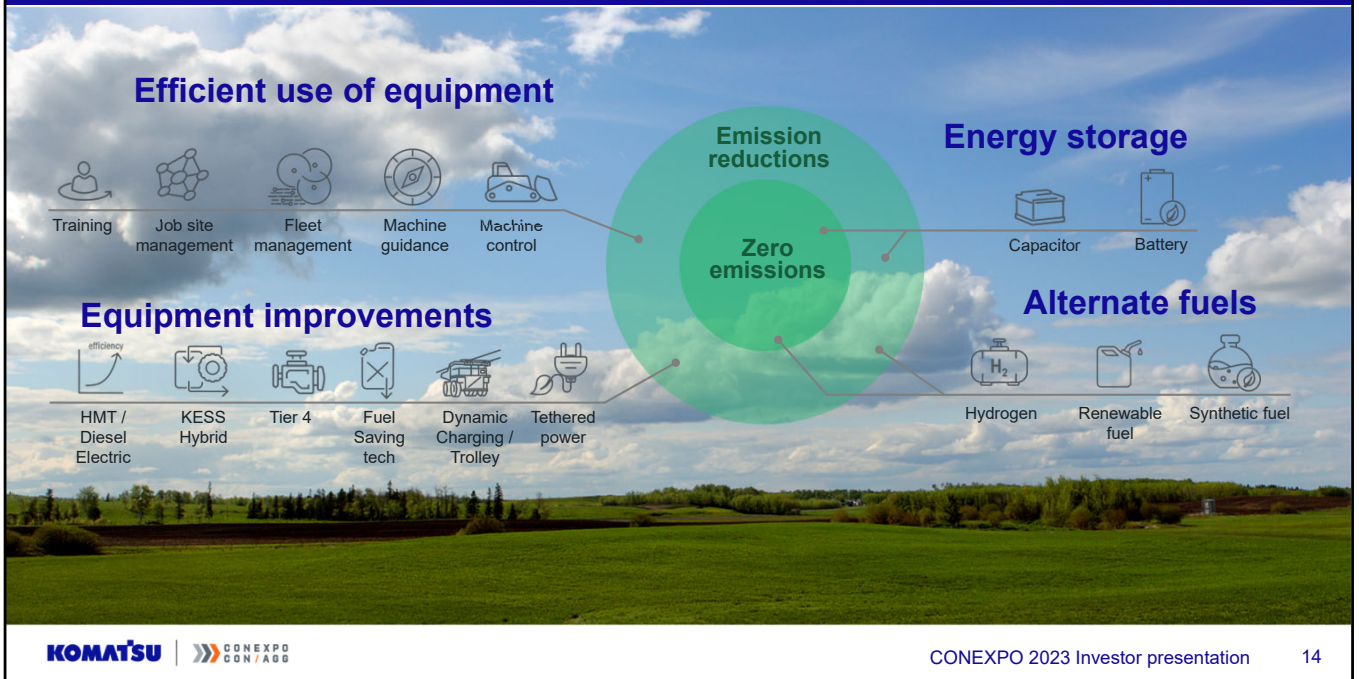
In order to achieve carbon neutrality by 2050, we must go beyond our own facilities and equipment production to support more sustainable use of Komatsu products in the field.

That starts with optimizing existing fleets, leveraging technology and training to reduce fuel burn and decrease emissions, while providing OEM-quality remanufactured components when replacements are needed.

For customers looking to further embed sustainability into their operations, we've developed hybrid and fully electric products through our decades of experience in mining and construction.

And to provide flexibility in how we get to a more sustainable future, we also are pursuing use of alternative fuel sources, such as hydrogen and synthetic fuels.

Pathways to product decarbonization



Our pathway to product decarbonization includes various technologies shown here. That goes from efficient use of equipment, from training to machine control; equipment improvements, such as hydra-mechanical transmission, diesel-electric to tethered power; energy storage such as capacitors and batteries; and alternative fuels including hydrogen, renewable fuels and synthetic fuels.

Workforce optimization



To help our customers meet the challenges of **attracting**, **training** and **retaining** a strong workforce, we are focused on making it easier to do the work, through digitalization, automation, and flexible virtual training support.

Digitalization



Integrating technology and product offerings to provide customers data-driven guidance real-time

Automation



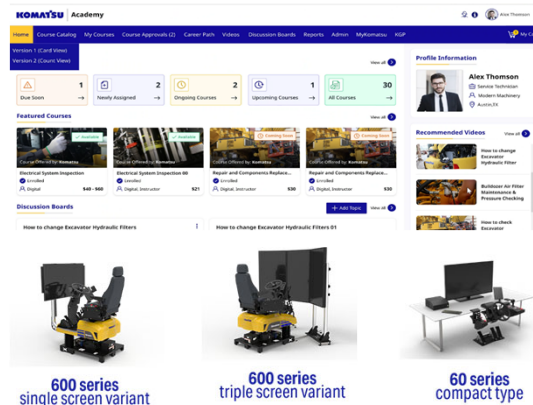
Empowering safer and optimized sites by leveraging increasingly automated equipment and processes

Low-emissions solutions/sustainability



Connecting customers with both product level and job site level technologies to minimize carbon emissions and improve efficiencies

KOMATSU Academy



From meeting worker shortages to reducing downtime, we can help customers best utilize the available tools to optimize their operations.

We also play a role in helping make our industries more attractive to new generations of skilled workers.

- Digitalization and automation make it easier for anyone to use our equipment, while prioritizing safety and productivity.
- Our low-emissions and fully electric equipment offerings show a commitment to the future of the planet, on the part of our customers as well as Komatsu.

As customers look to onboard new talent and keep existing teams current, we are committed to providing easy to use, on demand digital training solutions through our new Komatsu Academy solution and expanding line of simulators.

- In addition to providing self-guided access and enhanced learning paths, Komatsu Academy offers customers the chance to save on travel costs for training and support the creation of learning communities, where users can share knowledge.
- Increasing the use of digital training tools including simulators reduces wear and tear on the customer's equipment. With real-motion technologies and interchangeable modules, our simulators provide off-machine learning that further supports conserving fuel while upskilling workers.

Discover more



- Visit us at **booth W42044** to experience our equipment and solutions in person
- Join the **educational session** hosted by Jason Anetsberger, Director, Customer Solutions:
 - Digital Transformation of the Job Site: Friday, March 17, 10:45 - 11:30 a.m., West Hall 206
- **Questions** after the show? Contact KLTD Investor Relations: jp00mb_ir_announce@global.komatsu
- Follow **Komatsu** on social:



Before we get into the Q&A, a few quick things to note:

- If you haven't yet, be sure to come by our booth, W42044, to see many of these new and expanded offerings firsthand.
- Komatsu's director of customer solutions, Jason Anetsberger, is hosting an educational session on Friday where he will go into depth on the digital transformation of the job site.
- And for any investor questions, please email the address shown here.

Thank you. Rod and I will be happy to take some questions with the time remaining.