

Presentation for Three and Six Months Ended September 30, 2015

October 28, 2015

Komatsu Ltd. Participants

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

16:00 Presentations

- 1) Business Results for Three and Six Months
Ended September 30, 2015**

Mikio Fujitsuka, Director and Senior Executive Officer, CFO

- 2) Projection for FY2015 ending March 31, 2016**

**Yasuhiro Inagaki, Senior Executive Officer
General Manager, Business Coordination Department**

16:50 Q&A

17:30 Closing

Business Results for Three and Six Months Ended September 30, 2015

October 28, 2015

Mikio Fujitsuka

Director and Senior Executive Officer, CFO

Komatsu Ltd.

【 Sales and Profits 】

- Consolidated net sales declined by 5.3% from the corresponding period a year ago, to JPY892.4 billion.
- Operating income dropped by 21.2% to JPY99.0 billion, and operating income ratio decreased by 2.2 points to 11.1%.
- Net income attributable to Komatsu Ltd. declined by 16.5% to JPY65.0 billion.

Billions of yen	Apr.-Sep., 2014 (1H FY2014) ¥102.6/USD ¥139.3/EUR ¥16.5/RMB	Apr.-Sep., 2015 (1H FY2015) ¥121.9/USD ¥134.6/EUR ¥19.5/RMB	Vs. 1H FY2014	
			Increase (decrease)	% Change
Net sales	942.5	892.4	(50.0)	(5.3)%
Segment profit	122.6	98.4	(24.2)	(19.8)%
Other operating income (expenses)	2.9	0.6	(2.3)	-
Operating income	125.6	99.0	(26.6)	(21.2)%
Profit ratio	13.3%	11.1%	(2.2)pts.	-
Other income (expenses)	(2.0)	(1.1)	+0.9	-
Net income before income taxes	123.5	97.8	(25.7)	(20.8)%
Net income *	77.9	65.0	(12.8)	(16.5)%
Cash dividends per share	29 yen	29 yen	+/- 0 yen	

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

- Foreign exchange rates were JPY121.9 per USD, JPY134.6 per EUR, and JPY19.5 per RMB. Compared to the corresponding period a year ago, JPY depreciated against USD and RMB, while it appreciated against EUR.
- For the first six-month period of FY2015, consolidated net sales declined by 5.3% from the corresponding period a year ago, to JPY892.4 billion. Operating income dropped by 21.2% to JPY99.0 billion. Operating income ratio decreased by 2.2 points to 11.1%.
- Net income dropped by 16.5% to JPY65.0 billion.

- In the construction, mining and utility equipment business, sales declined by 5.9% from the corresponding period a year ago, to JPY794.1 billion. Segment profit dropped by 20.9% to JPY92.4 billion, and segment profit ratio also declined by 2.2 points to 11.6%.
- In the industrial machinery and others business, sales decreased by 1.6% to JPY100.7 billion. Segment profit declined by 3.5% to JPY7.5 billion.

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

Billions of yen	Apr.-Sep.,2014 (1H FY2014)		Apr.-Sep.,2015 (1H FY2015)		Vs. 1H FY2014	
					Increase(decrease)	% Change
Net sales	942.5		892.4		(50.0)	(5.3)%
Construction, mining & utility equipment	[842.8]	843.6	[792.8]	794.1	[(50.0)] (49.5)	[(5.9)%](5.9)%
Industrial machinery & others	[99.6]	102.4	[99.6]	100.7	[(0.0)] (1.6)	[(0.0)%](1.6)%
Elimination	(3.5)		(2.4)		+1.0	-
Segment profit	□ 13.0%	122.6	□ 11.0%	98.4	(24.2)	(19.8)%
Construction, mining & utility equipment	□ 13.8%	116.7	□ 11.6%	92.4	(24.3)	(20.9)%
Industrial machinery & others	□ 7.6%	7.8	□ 7.5%	7.5	(0.2)	(3.5)%
Corporate & elimination	(1.8)		(1.5)		+0.3	-

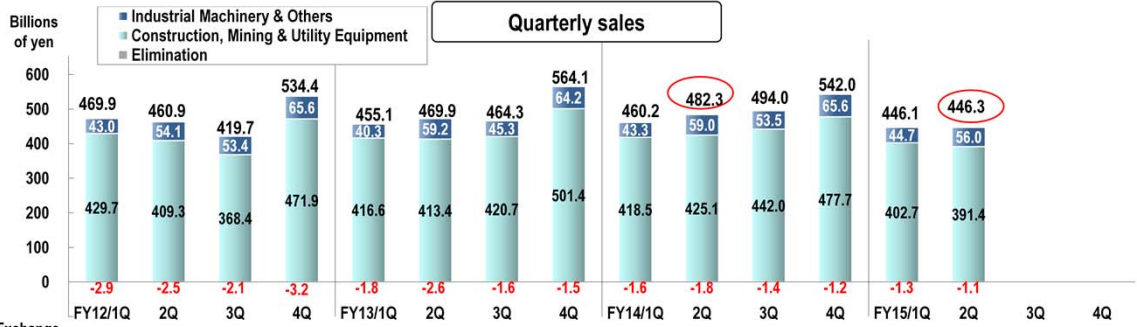
Review of two segments
■ Construction, Mining and Utility Equipment

Both sales and profits declined from the corresponding period a year ago, reflecting sluggish demand for mining equipment and a reduced demand for construction equipment in China and other emerging countries, more than offsetting our steady capturing of demand for construction equipment in North America.

■ Industrial Machinery and Others

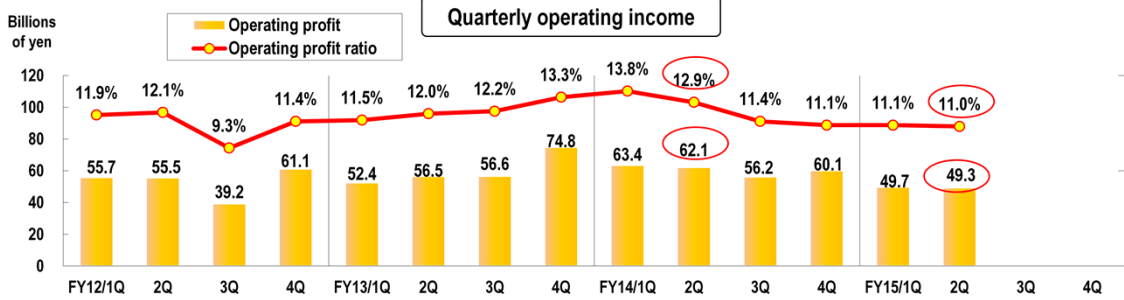
Both sales and profits declined from the corresponding period a year ago, while GIGAPHOTON, a wholly owned subsidiary, expanded sales, supported by a high rate of machine utilization of the semiconductor industry.

- In the construction, mining and utility equipment business, sales declined by 5.9% from the corresponding period a year ago, to JPY794.1 billion. Although we steadfastly captured demand for construction equipment in North America, total sales were impacted by reduced demand for and sales of mining equipment as well as demand for and sales of construction equipment in China and other emerging countries.
- Segment profit dropped by 20.9% to JPY92.4 billion.
- In the industrial machinery and others business, sales declined by 1.6% from the corresponding period a year ago, to JPY100.7 billion, and segment profit by 3.5% to JPY7.5 billion. While Gigaphoton, a wholly owned subsidiary, expanded sales, supported by a high rate of machine utilization of the semiconductor industry, total sales and profits declined from the corresponding period a year ago.

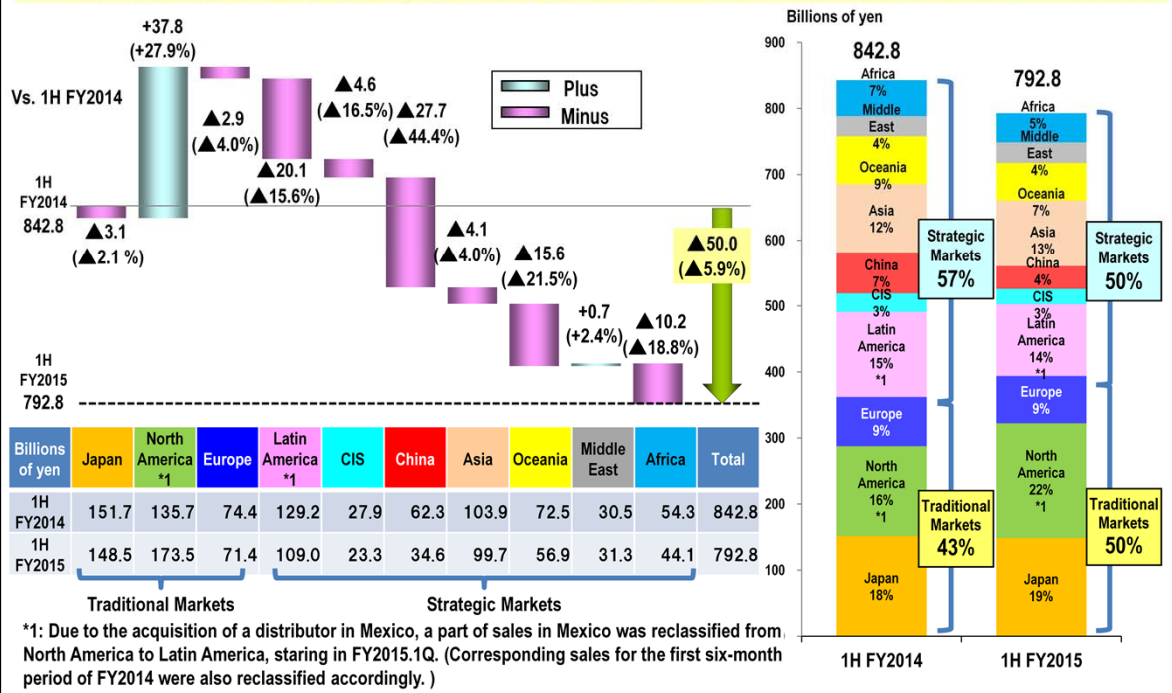


Exchange rates

	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		
¥/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		
¥/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		



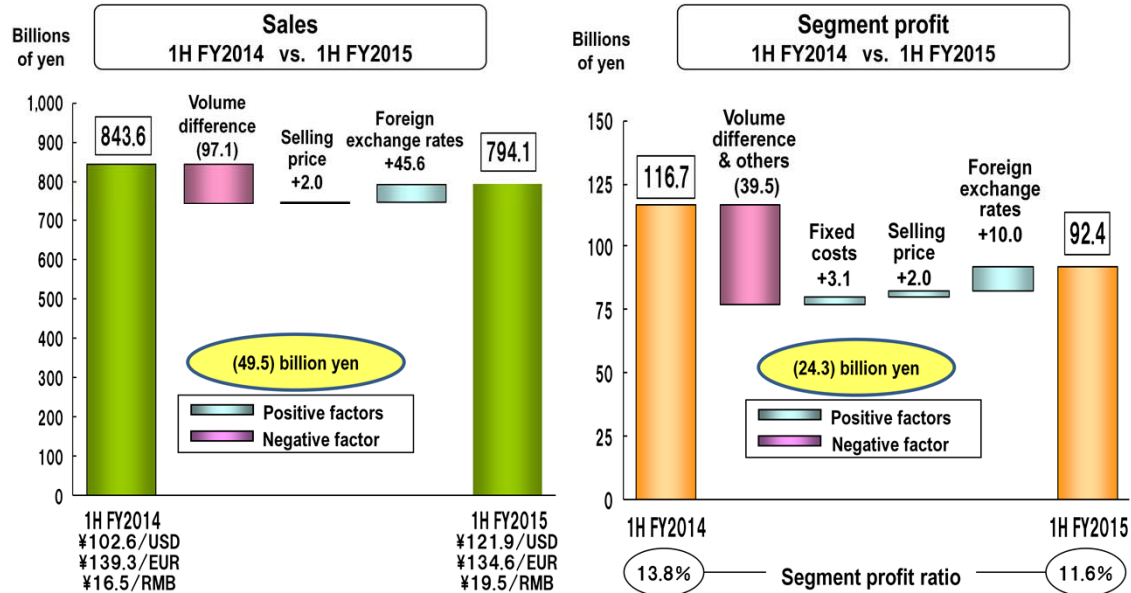
- Sales to outside customers declined by 5.9% from the corresponding period a year ago, to JPY792.8 billion.
- While sales advanced in North America, sales dropped considerably in Strategic Markets, such as China, Latin America and Oceania. As a result, the proportion of Traditional Markets increased to 50% of total sales.



□ In the construction, mining and utility equipment business, sales declined by 5.9% from the corresponding period a year ago, to JPY792.8 billion.

□ While sales advanced in North America, total sales declined from the corresponding period a year ago, as impacted by dropped sales in Strategic Markets, such as China, Latin America and Oceania. As a result, the proportion of Traditional Markets increased to 50% of total sales.

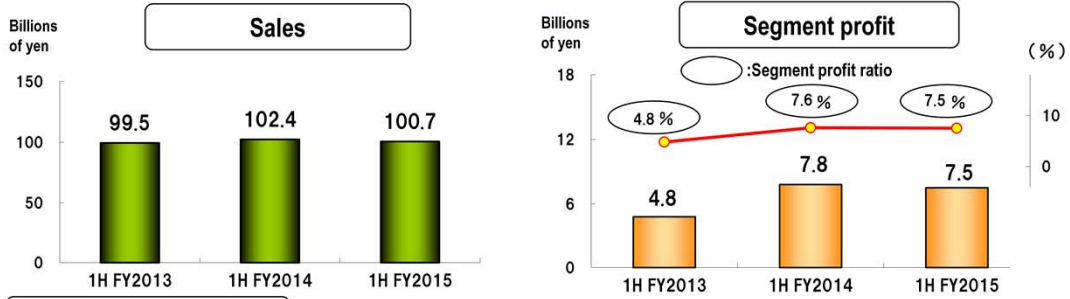
- Sales declined by JPY49.5 billion from the corresponding period a year ago, affected by a sharp drop in the volume of sales in Strategic Markets, such as China, Latin America and Oceania, which more than offset the effects of the Japanese yen's depreciation. Segment profit also declined by JPY24.3 billion.
- Segment profit ratio decreased by 2.2 points to 11.6%.



□ Sales decline by JPY49.5 billion. Specifically, while we had positive factors of JPY2.0 billion in selling prices and JPY45.6 billion in foreign exchange rates, we suffered from a sharp decline in the volume of sales resulting from reduced demand in Strategic Markets, such as China, Latin America and Oceania.

□ Concerning segment profit, while we had positive factors, such as fixed costs, selling prices and the Japanese yen's depreciation, we suffered from a big decline in the volume of sales and product mix. As a result, segment profit declined by JPY24.3 billion from the corresponding period a year ago.

• Sales decreased by 1.6% from the corresponding period a year ago, to JPY100.7 billion, although Gigaphoton advanced sales against the background of a high rate of machine utilization of the semiconductor industry and expanded sales of presses. Segment profit ratio was 7.5%.



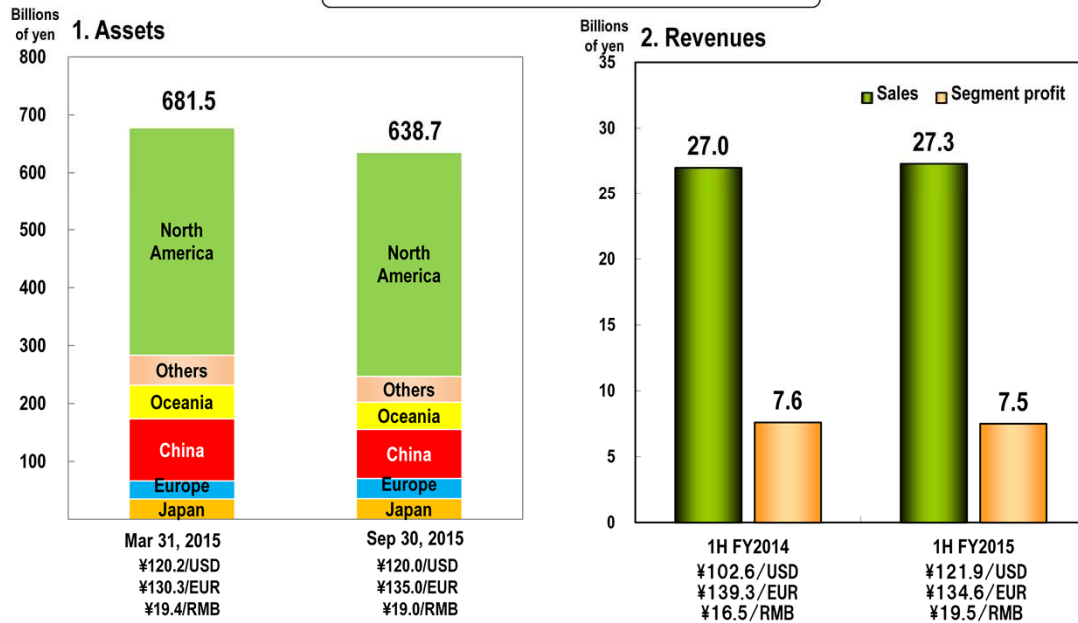
Breakdown of sales	1H FY2013	1H FY2014	1H FY2015	Vs. 1H FY2014	
				Increase (decrease)	% change
Billions of yen					
Komatsu Industries Corp., etc. [total of press and sheet-metal machines]	25.9	25.4	28.2	+2.7	+11.0%
Komatsu NTC Ltd. [represented by wire saws]	33.1 [2.5]	36.5 [4.4]	36.4 [4.2]	(0.1) [(0.1)]	(0.3)% [(4.2)%]
Others [represented by Gigaphoton] [represented by Komatsu House]	40.5 [10.6] [8.1]	40.3 [13.1] [8.1]	36.0 [16.5] [8.0]	(4.3) [+3.4] [(0.1)]	(10.7)% [+26.5%] [(1.2)%]
Total	99.5	102.4	100.7	(1.6)	(1.6)%

□ In the industrial machinery and others business, sales decreased by 1.6% from the corresponding period a year ago, to JPY100.7 billion, although Gigaphoton advanced sales against the background of a high rate of machine utilization of the semiconductor industry and expanded sales of presses.

□ Segment profit was JPY7.5 billion, and segment profit ratio declined slightly to 7.5%.

- Total assets decreased from the previous fiscal year-end, as the amount of new contracts declined mainly China, Oceania and Chile.
- Revenues remained about flat from the corresponding period a year ago.

Consolidated retail finance subsidiaries



- As September 30, 2015, total assets of retail finance subsidiaries decreased by JPY42.7 billion from the previous fiscal year-end, to JPY638.7 billion, affected by a declined amount of new contracts mainly in China, Oceania and Chile, while business remained strong in North America. When the foreign exchange effect of minus JPY7.3 billion is removed, total assets decline by JPY35.4 billion.
- Both revenues and segment profit remained about flat from the corresponding period a year ago.

- Total assets decreased by JPY163.8 billion from the previous fiscal year-end, mainly reflecting reduced working capital.
- Komatsu Ltd. shareholders' equity ratio increased by 4.0 points to 58.6%. Net debt-to-equity ratio was 0.27.

Billions of yen	Mar. 31, 2015 ¥120.2/USD ¥130.3/EUR ¥19.4/RMB	Sep. 30, 2015 ¥120.0/USD ¥135.0/EUR ¥19.0/RMB	Increase (decrease)
○ : Net debt-to-equity ratio			
Cash & deposits (incl. time deposits) [a]	107.3	69.6	(37.6)
Accounts receivable (incl. long-term trade receivables)	900.2	836.7	(63.4)
<Excl. those of consolidated retail finance subsidiaries>	<398.1>	<356.0>	<(42.1)>
Inventories	622.8	608.4	(14.4)
Tangible fixed assets	743.9	734.7	(9.2)
Other assets	424.0	384.9	(39.0)
Total assets	2,798.4	2,634.5	(163.8)
Accounts payable	225.0	195.8	(29.1)
Interest-bearing debt [b]	589.1	493.8	(95.2)
<Excl. those of consolidated retail finance subsidiaries>	<90.2>	<18.2>	<(72.0)>
Other liabilities	385.6	336.5	(49.1)
Total liabilities	1,199.9	1,026.3	(173.5)
[Shareholders' equity ratio]	[54.6%]	[58.6%]	[+4.0pts.]
Komatsu Ltd. shareholders' equity	1,528.9	1,543.4	+14.4
Noncontrolling interests	69.5	64.8	(4.7)
Liabilities & Equity	2,798.4	2,634.5	(163.8)
Interest-bearing debt, net [b-a]	○ 0.32 481.8	○ 0.27 424.1	(57.6)
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ (0.00)	○ (0.03)	

- Total assets decreased by JPY163.8 billion from the previous fiscal year-end. When the foreign exchange effect of minus JPY28.1 billion is removed, total assets decrease by JPY135.7 billion.
- Inventories decreased by JPY14.4 billion from the previous fiscal year-end. When the foreign exchange effect of minus JPY9.6 billion, they decline by JPY4.8 billion.
- Interest-bearing debt decreased by JPY95.2 billion; however, this decrease included the foreign exchange effect of minus JPY8.8 billion. On a net of cash and deposits basis, it decreased by JPY57.6 billion.
- Komatsu Ltd. shareholders' equity ratio increased by 4.0 points to 58.6%.
- Net debt-to-equity ratio was 0.27. When retail finance subsidiaries are excluded, net debt-to-equity ratio will be minus 0.03.

Outlook of FY2015 Business Results

Yasuhiro Inagaki
Senior Executive Officer
General Manager, Business Coordination Department
Komatsu Ltd.

•We will not change our projection of April concerning full-year year sales and profits for FY2015.

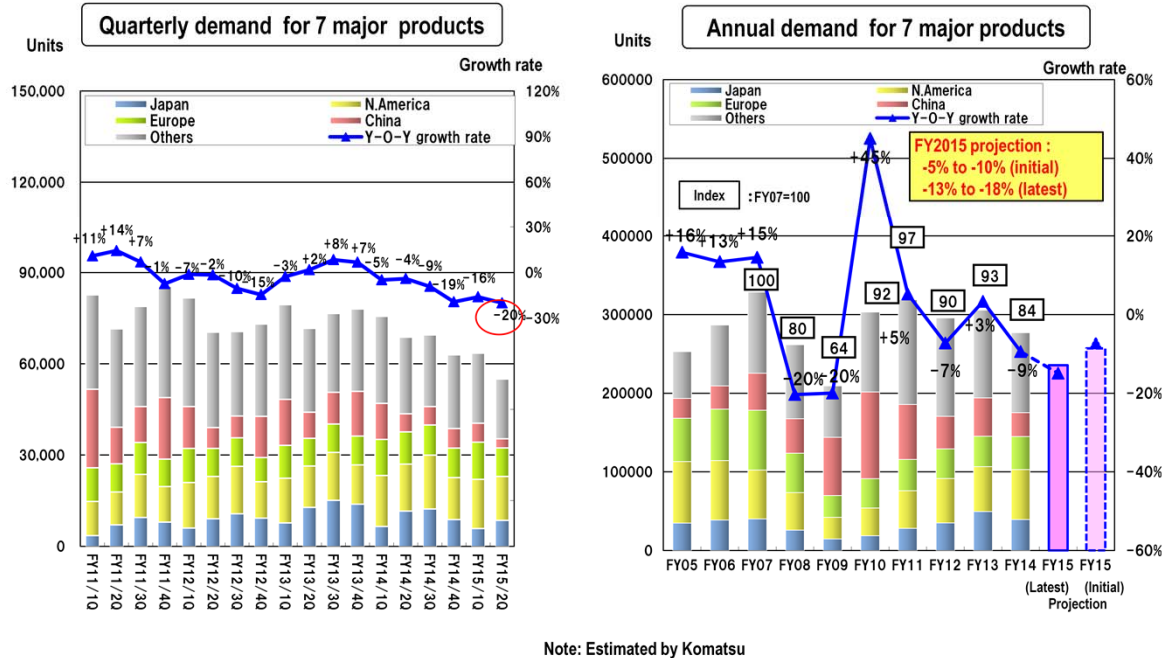
% : Profit ratio [] : Sales after elimination of inter-segment transactions Billions of yen

	FY2014 Results (A)		FY2015 initial Projection (B)		Y-O-Y (B-A)		
	¥109.7/USD ¥139.6/EUR ¥17.7/RMB		¥115/USD ¥127/EUR ¥18.3/RMB		Increase (decrease)	Change %	
Net sales	1,978.6		1,880.0		▲98.6	▲5.0%	
Construction, Mining & Utility Equipment	[1,761.3]	1,763.4	[1,668.0]	1,670.0	[(93.3)]	(93.4)	[(5.3)%] (5.3)%
Industrial Machinery & Others	[217.2]	221.5	[212.0]	215.0	[(5.2)]	(6.6)	[(2.4)%] (2.9)%
Elimination	(6.2)		(5.0)		+1.2	-	
Segment profit	12.2%	240.9	12.0%	225.0	(16.0)	(6.6)%	
Construction, Mining & Utility Equipment	12.9%	227.2	12.6%	210.0	(17.2)	(7.6)%	
Industrial Machinery & Others	7.3%	16.2	8.4%	18.0	+1.8	+10.7%	
Corporate & elimination		(2.5)		(3.0)	(0.5)	-	
Other operating income (expenses)		1.0		(4.0)	(5.0)	-	
Operating income	12.2%	242.0	11.8%	221.0	(21.0)	(8.7)%	
Other income (expenses)		(5.9)		(7.0)	(1.1)	-	
Income before income taxes		236.0		214.0	(22.0)	(9.4)%	
Net income *1		154.0		138.0	(16.0)	(10.4)%	
Cash dividends per share		58yen		58yen	+/-	0yen	

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

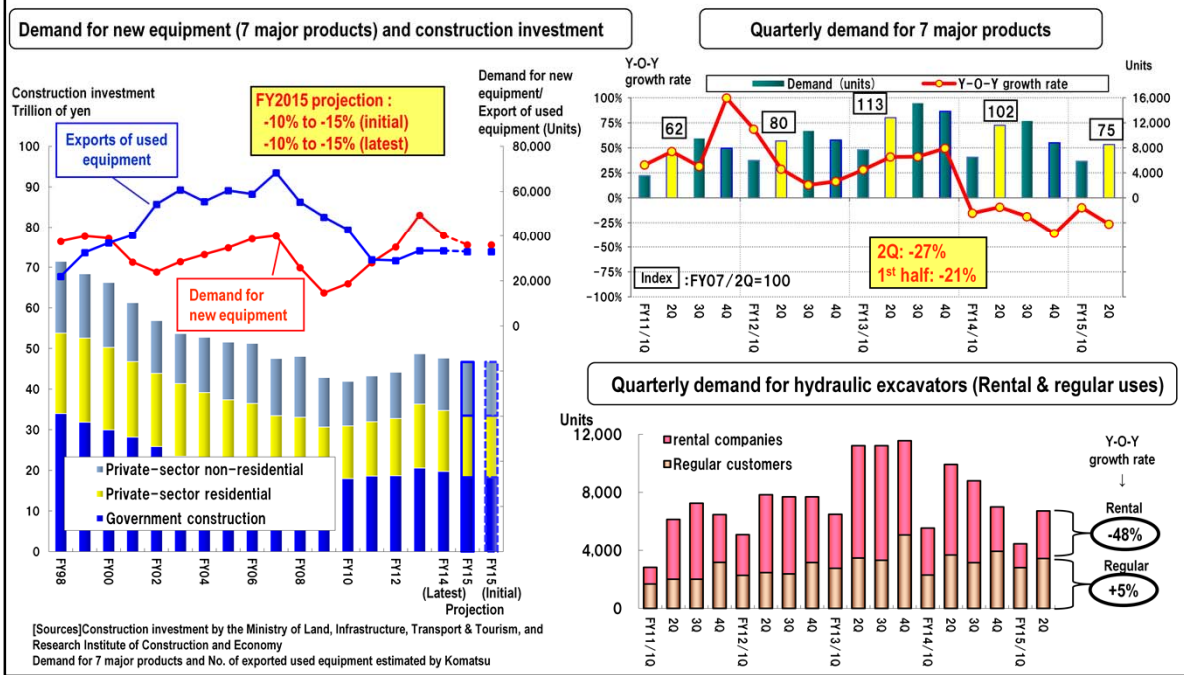
We will not change our projection of sales and profits for FY2015, which was announced in April this year.

• Global demand in 2Q FY2015 should decline by 20% from the corresponding period a year ago.
 • Although demand should remain strong in some regions, we estimate that full-year global demand will decline further than we projected in April this year, as impacted by dropping demand in Strategic Markets, such as China.



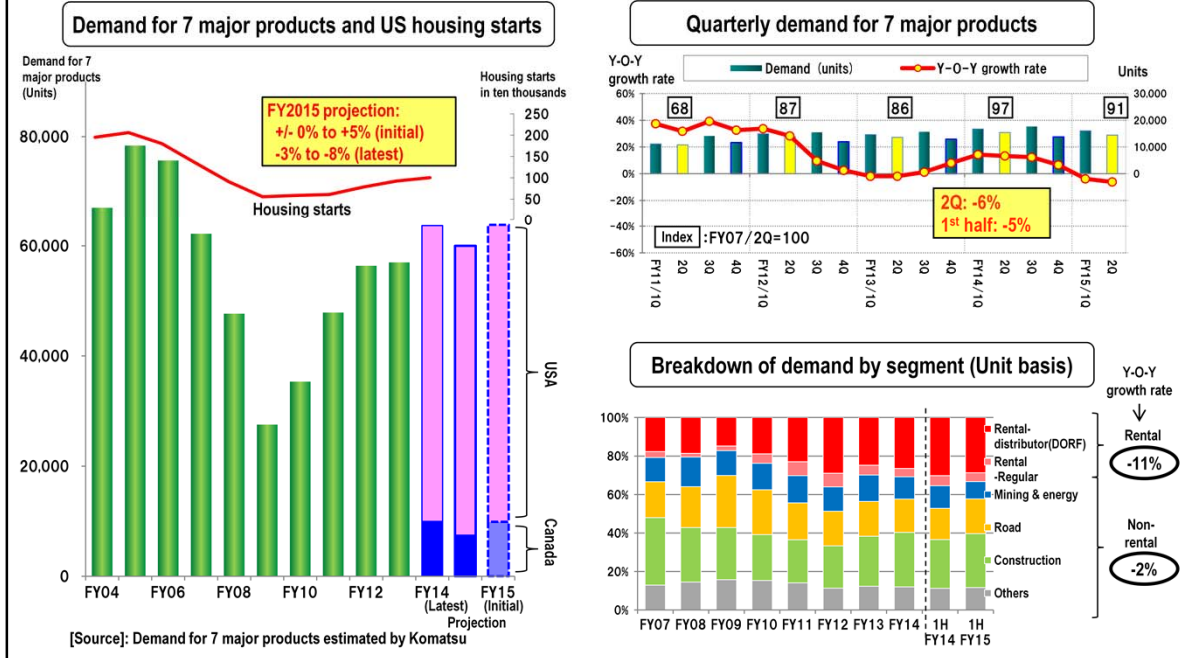
- We are projecting that global demand will decline by 20% in the second quarter of FY2015 from the corresponding period a year ago.
- This decline will result from a drop in demand in Strategic Markets, such as China, more than offsetting steady demand in some regions.
- Although we projected a full year decline of 5 to 10% in April this year, there are many regions where demand are below our projection. As of now, we are projecting a decline of global demand by 13 to 18% from FY2014.

- Demand in 2Q FY2015 declined by 27% from the corresponding period a year ago.
- With respect to full-year demand in FY2015, while we maintain the range of our projection in April this year, we estimate it will be weaker.



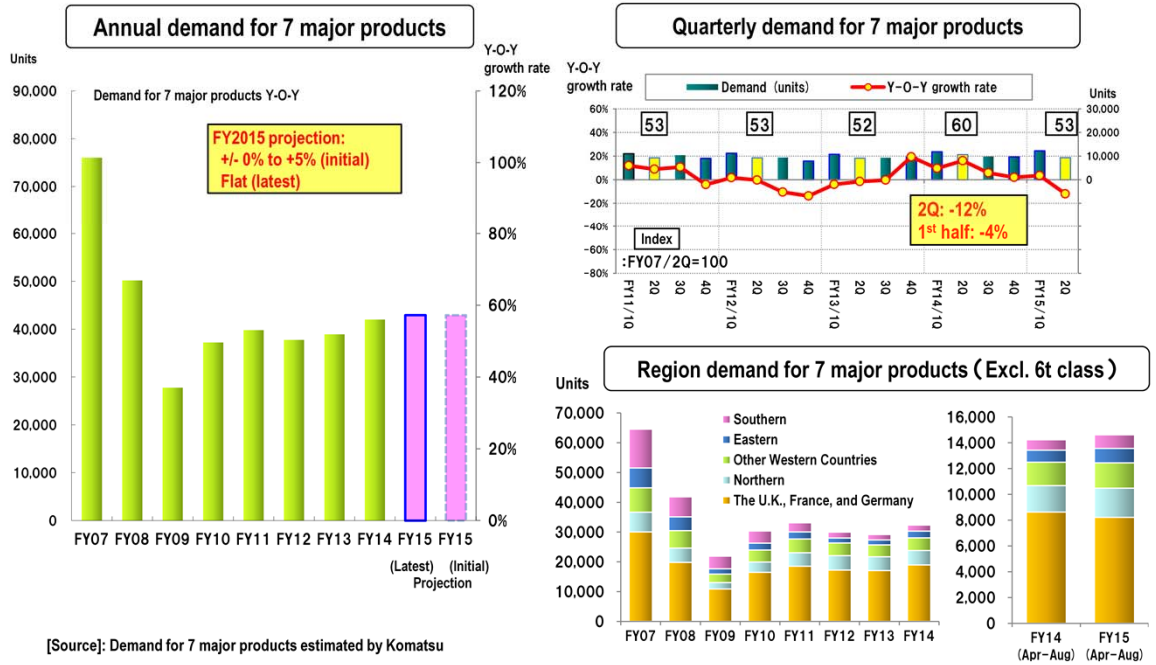
- Japanese demand in the second quarter of FY2015 declined by 27% from the corresponding period a year ago.
- We are experiencing more-than-expected negative repercussions of temporary demand related to the new emission control regulations. Demand fell sharply, centering on 7-ton class equipment.
- Although we are projecting that full-year demand will decline by 10 to 15%, our projection at the start of the current fiscal year, we estimate it will be weaker.

- Demand in 2Q FY2015 decreased by 6% from the corresponding period a year ago.
- While demand stays steady in residential construction and infrastructure development, such as highway construction, that remains sluggish in the mining and energy sectors.
- We project that full-year demand in FY2015 will go under our projection at the start of the current fiscal year.



- ❑ North American demand in the second quarter of FY2015 declined by 6% from the corresponding period a year ago.
- ❑ Demand for construction equipment remains steady in the residential construction and infrastructure development, such as highway construction, staying at a high level in view of the past trend.
- ❑ We are estimating that full-year demand will go under our projection, particularly affected by a sharp drop of demand in Canada.

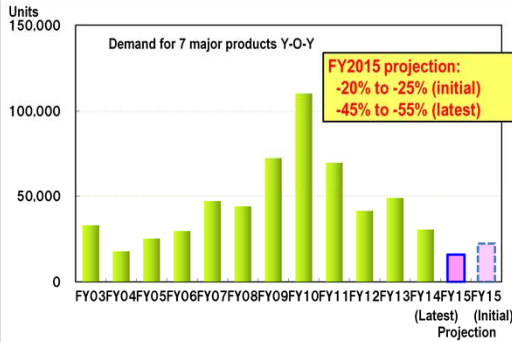
- Demand in 2Q FY2015 should decline by 12% from the corresponding period a year ago.
- Full-year demand should remain flat from the corresponding period a year ago.



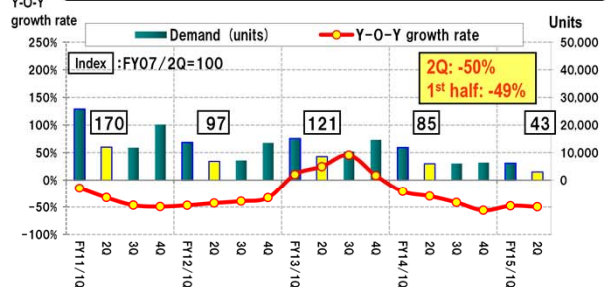
- We are projecting that European demand in the second quarter of FY2015 will have declined by 12% from the corresponding period a year ago. While demand will slow down in the major markets of the U.K., France and Germany, that is recovering in northern, southern and eastern Europe.
- We are estimating that full-year demand will remain flat from the corresponding period a year ago.

- Demand in 2Q FY2015 dropped by 50% from the corresponding period a year ago. No positive effects of the Chinese government's economic stimulus measures are evident, and demand continues to decline sharply.
- Full-year demand in FY2015 should go under our projection at the start of the current fiscal year.

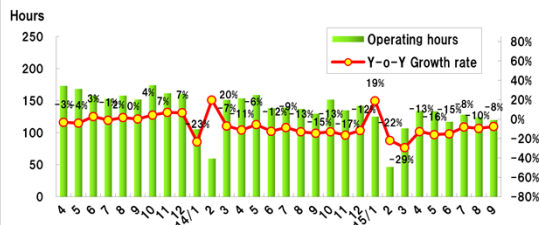
Annual demand for 7 major products (Foreign makers)



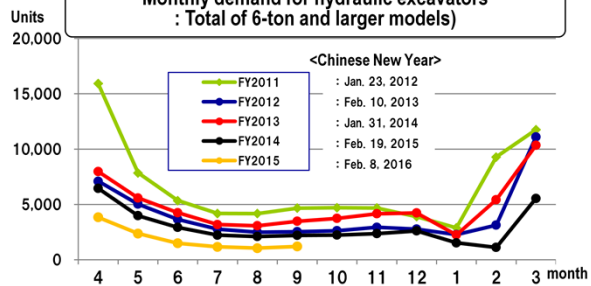
Quarterly demand for 7 major products (Foreign makers)



KOMTRAX in China : Average operating hours per month



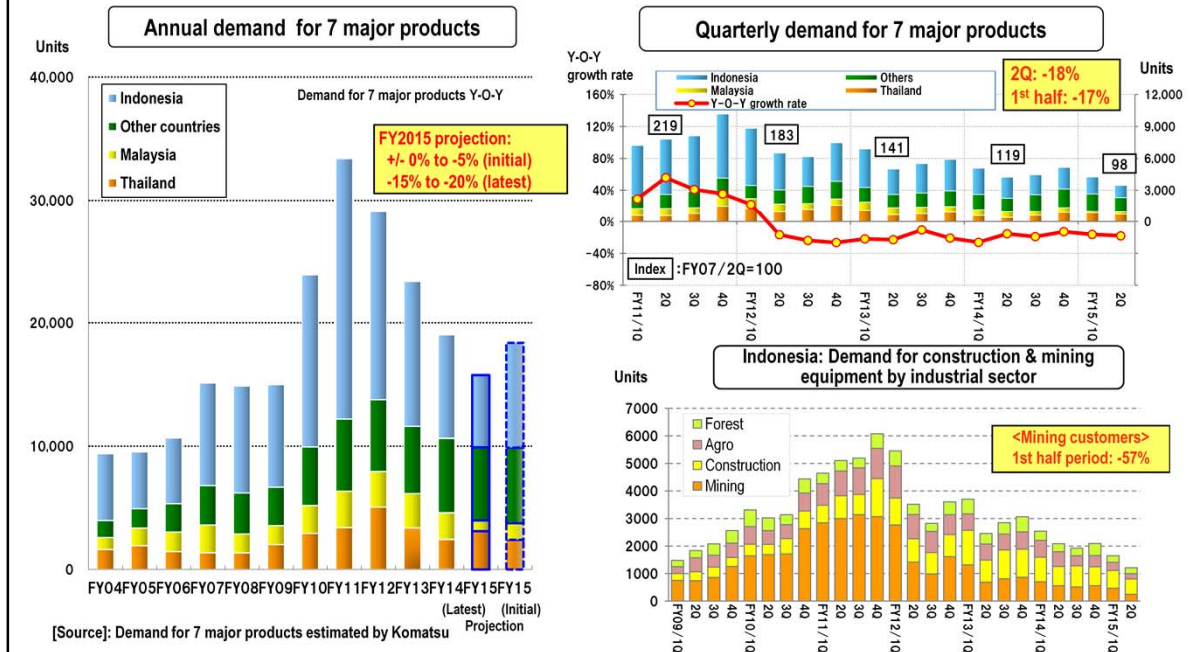
Monthly demand for hydraulic excavators : Total of 6-ton and larger models



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

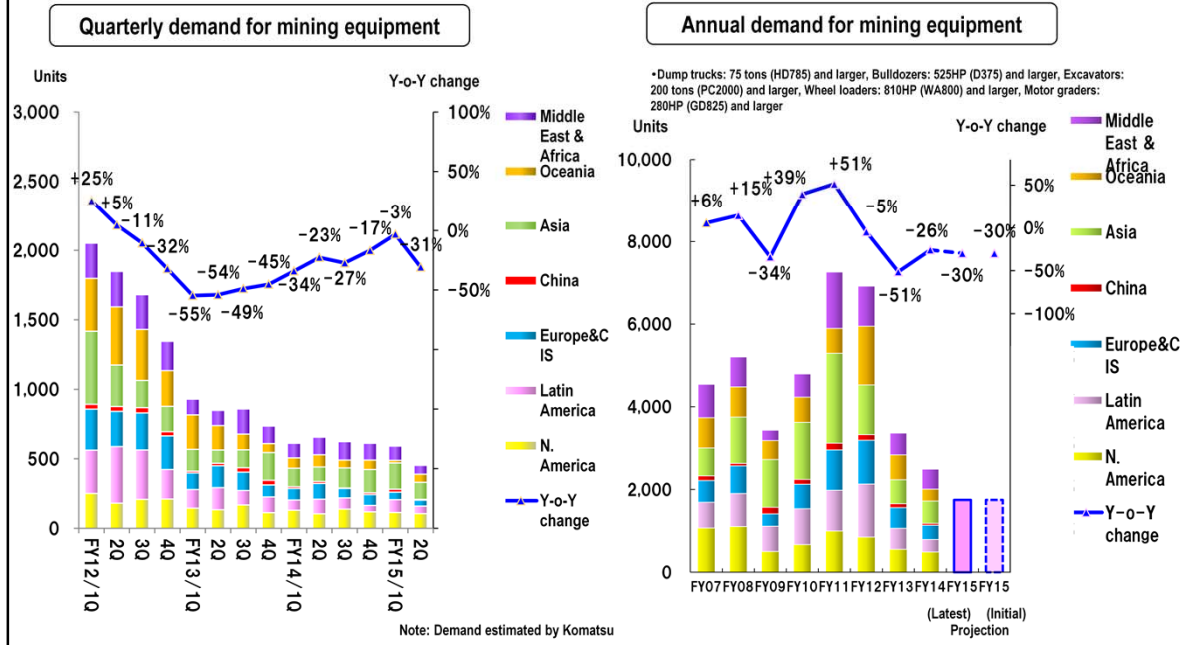
□ In the second quarter of FY2015, Chinese demand dropped by 50% from the corresponding period a year ago.

- Demand in 2Q FY2015 should decline by 18% from the corresponding period a year ago.
- While demand advanced in Thailand, this decline was impacted by dropped demand in Indonesia, the largest market of the region, and Malaysia.
- Full-year demand in FY2015 should go under our projection at the start of the current fiscal year.



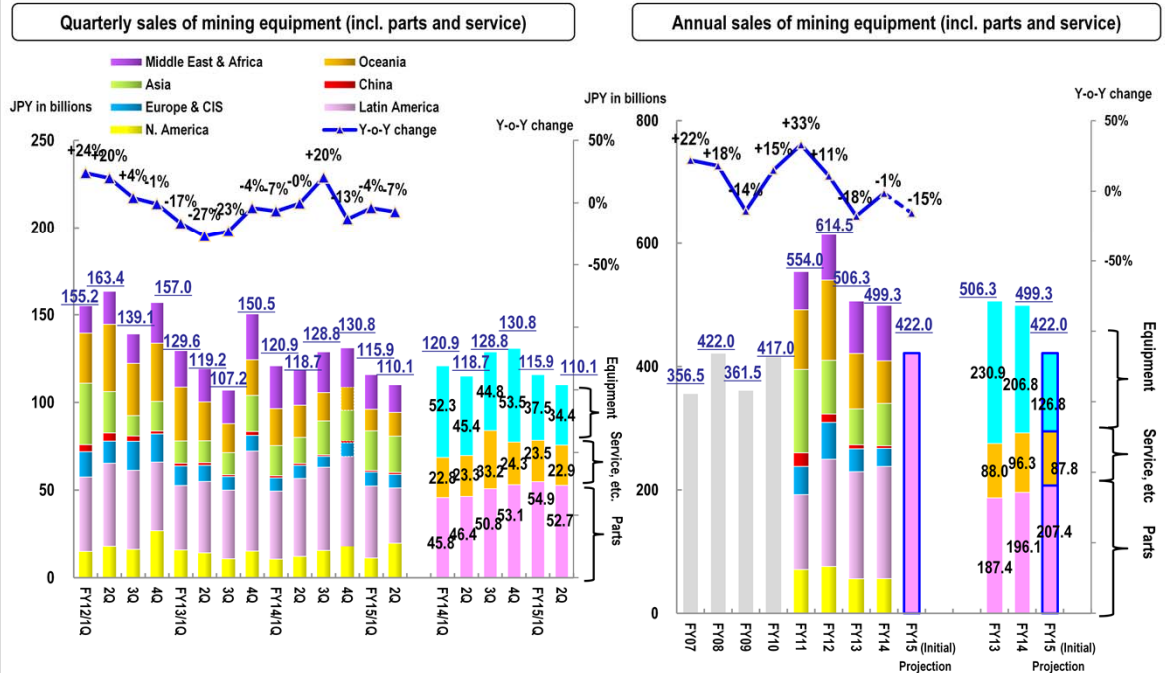
- We are estimating that demand in the second quarter of FY2015 will have declined by 18% from the corresponding period a year ago.
- While demand has recovered somewhat in Thailand, that is declining sharply in Indonesia, the largest market of the region, and Malaysia.

- Global demand for mining equipment should drop by 31% in 2Q FY2015 from the corresponding period a year ago.
- Full-year demand should remain at the same level of our projection at the start of the current fiscal year.



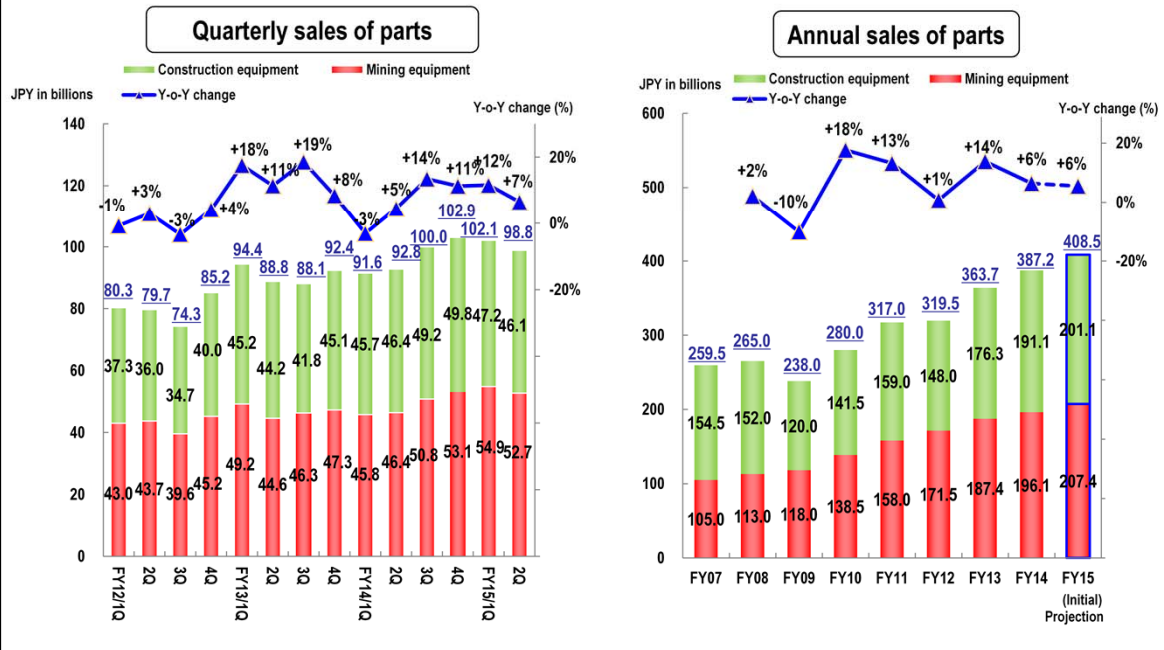
- We estimate that global demand will have declined by 31% in the second quarter of FY2015 from the corresponding period a year ago.
- In view of the fact that mineral prices remain slack and customers keep a very conservative mindset for capital investment, we believe that recovery of overall demand might happen in FY2017 or later, even considering an increase in renewal demand.

- Sales of mining equipment for 2Q FY2015 declined by 7% from the corresponding period a year ago, to JPY110.1 billion, as equipment sales remained sluggish.
- Sales of parts advanced for 2Q FY2015.



- Sales of mining equipment for the second quarter of FY2015 declined by 7% from the corresponding period a year ago, to JPY110.1 billion. However, when the effect of foreign exchange rates is removed, sales declined by 15%.
- While sales of equipment declined sharply, sales of parts remained strong. Even when the effect of foreign exchange rates is removed, they increased from the corresponding period a year ago.

- Sales of parts increased by 7% from the corresponding period a year ago, to JPY98.8 billion for 2Q FY2015.
- As demand for new equipment dropped, sales of parts remain about flat from the corresponding period a year ago, when the effect of foreign exchange rates is removed.



- Sales of parts increased by 7% from the corresponding period a year ago, to JPY98.8 billion for the second quarter of FY2015. When the effect of foreign exchange rates is removed, sales decrease by 3%.
- With respect to sales of construction equipment parts for the second quarter of FY2015, they decreased from the corresponding period a year ago, partly reflecting declined hours of machine use. When the effect of foreign exchange rates is removed, sales declined by 8%.
- With respect to sales of mining equipment parts for the second quarter of FY2015, while sales of new equipment declined, sales of parts increased steadily. Even when the effect of foreign exchange rates is removed, sales increased by 3%.

- We don't change our projections of full-year sales or profits now.
- Our performance for the first half of FY2015 and projection of the second half are shown below.

1. Sales and demand in the first half period

<Construction, Mining and Utility Equipment: Sales for the first half period>

Billion JPY	Projection of April	1H results (6 months)	Progress	Difference from preconditions of projection	
				Demand	Foreign exchange rate
Japan	328	149	45%		
North America	359	174	48%		+
Europe	141	71	51%		+
Latin America	248	109	44%		+
CIS	25	23	93%		+
China	107	35	32%		+
Asia	202	100	49%		+
Oceania	117	57	49%		+
Middle East	55	31	57%		
Africa	86	44	51%		+
Total	1,668	793	48%		

- Demand declined below our projection in all regions, except for the Middle East, in 1H FY2015.
- However, the rate of overall progress is 48%, partly reflecting the Japanese yen's depreciation and showing the usual rate of our progress.
- ⇒ Overall sales and profits are about planned.
- In 2H FY2015, we should be able to achieve our projection in CIS and the Middle East. We will work to build on sales in some other regions including North America.

2. Projection of 2H FY2015

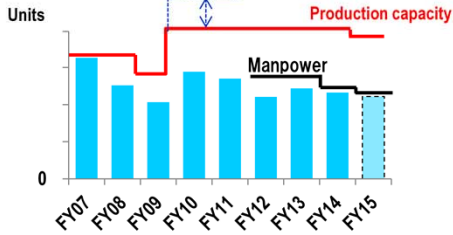
- While we expect that demand will continue to go under our projection, we anticipate that a decline in sales will considerably be offset by our future sales efforts and the Japanese yen's depreciation, if the foreign exchange rate stays around JPY120 per USD.
- With respect to profits, we are expecting a gain of JPY billions in operating income from the sale of land, which we didn't plan.

<Reform of Production System>

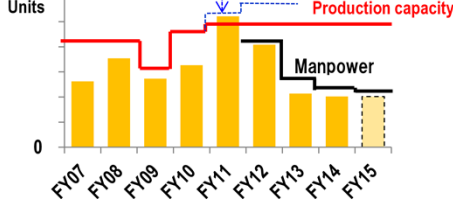
- Reduced the number of plants in the second stage (2008 -- 2011) of the Structural Reform Program.
 - • Japan : Closed 3 plants, North America : Closed 5 plants.
- Curbed capital investment by taking advantage of the cross-sourcing system (production of the same model at a multiple number of plants)
- Reduced manpower considerably for the last few years in response to declined demand.

[Conceptual Graphs of Unit Sales and Production Capacity]

<Construction equipment> Capital investment curbed by cross sourcing



<Mining equipment> Capital investment curbed by cross sourcing



<Manpower>

- Implemented a major reduction of manpower of sales and production in response to reduced demand and sales.
- Have already reduced manpower by over 3,500 persons since 2013.

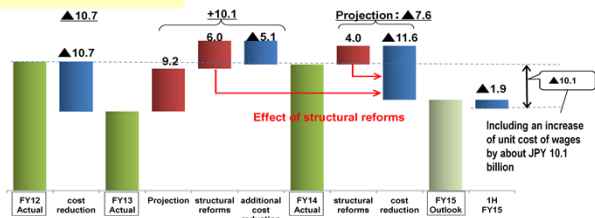
[Overseas] Implemented layoffs, manpower adjustment or early retirement at the following bases.

- Komatsu-owned distributors of mining equipment
- Plant for mining equipment (USA, Germany)
- Plants for construction equipment (China, Brazil, Thailand, Indonesia, etc.) [Japan]
- Assignment from plants to sales companies to support their service operation.
- No additional contracts for temporary employees and reduction of contract terms.

<Other rationalization and cost reduction>

- Implementation of continuous structural reforms.
- Programs designed not to increase fixed costs.
- Reform of the spare parts operation
 - : Reassessment of parts depots and reduction of lead-time
- Consolidation of companies and business bases
 - : In China, Indonesia and USA
- Consolidation/closure of business bases: Sales companies in Japan, etc.

<Fixed costs>

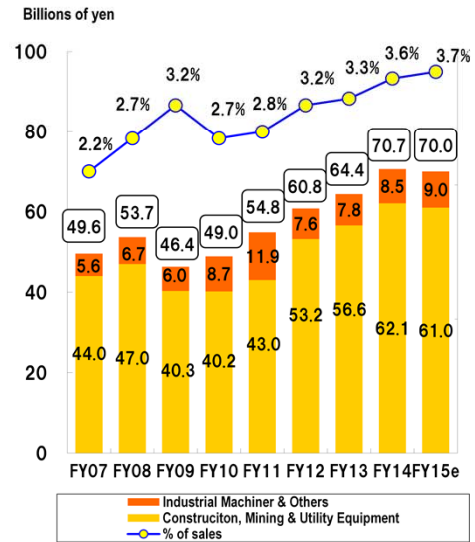
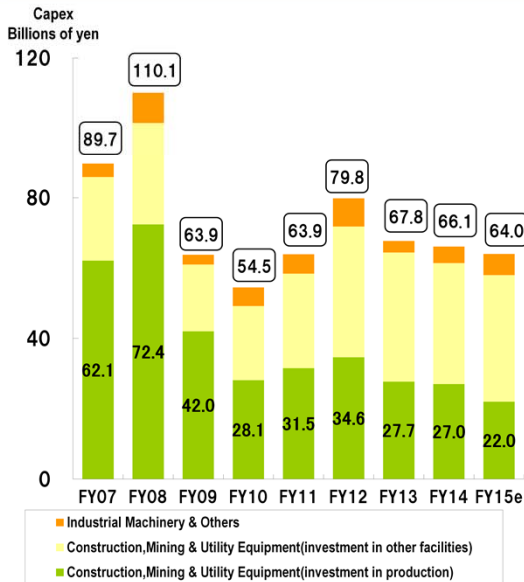


<Production Facilities*> * Excl. investment in rental assets

- Have promoted to consolidate sales bases in Japan, while continuing to reform production and renew buildings.
- Have made appropriate capital investment while curbing CAPEX to a great extent, especially for the production facilities for construction equipment.
- Have been making steady investment in R&D facilities and training centers for distributors.

<R&D>

- Have focused investment on measures in response to the emission control regulations and development of next-generation products through innovation.
- Have strengthened manpower for development in a planned manner.



<Current market conditions>

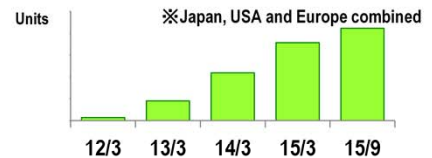
- We expect that demand will remain sluggish for mining equipment and in emerging countries for the time being.
- Meanwhile, we project that demand will remain steady in Japan and the United States, and will continue gradual recovery in Europe. As a result, overall demand in Traditional Markets is inclined to grow.

Major efforts in Traditional Markets

Smooth market introduction of Tier4-compliant models

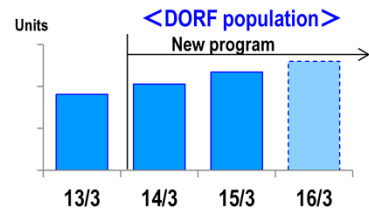
- To promote their smooth market introduction, we will attach complimentary periodical maintenance programs, such as Komatsu CARE.
- We have produced over 40,000 units on a cumulative basis.

<Cumulative production of Tier4-compliant models>



Meeting Expanding Market for Rental Equipment in North America

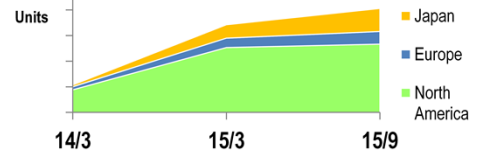
- In response to a growing rental ratio on the market, we are supporting the rental business by our distributors.
- We are expanding our rental machine population after setting up a new program for distributors.
- We are working to improve the price of our used equipment by generating good-quality used equipment.



Pioneering New Markets by ICT-intensive Construction

- Have launched intelligent Machine Control (ICT) construction equipment.
 - Expanding sales by broadening product line-ups.
 - Promoting the SMARTCONSTRUCTION business in Japan.
- ※ No. of factory-shipped models: about 450 units (cumulative)

<Cumulative factory shipment of ICT models>



We began “KomConnect”, a cloud-based platform service, in September this year. Stereo camera-installed Machine Control construction equipment has enabled us to completely understand all areas on construction jobsites in 3D data.

→ Further advancing IoT (Internet of Things), which connects everything via ICT, on construction jobsites.

- We began SMARTCONSTRUCTION in Japan in February this year.
- The number of jobsites where we have deployed our Machine Control construction equipment has surpassed 1,000.

1. KomConnect

The cloud-based platform “KomConnect”, a core component of SMARTCONSTRUCTION, connects and analyzes all jobsite information about workers, machines and soil via ICT, analyzes the site conditions, and even offers proposals.



2. Stereo camera

Stereo camera, installed on Machine Control construction equipment, constantly measures surrounding landscape at a high speed and in high precision.

Stereo camera installed on a PC200i Machine Control hydraulic excavator





Stereo camera ※- installed PC200i

(※:Capable of constantly measuring surrounding landscape at a high speed and in high precision)

Cautionary Statement

This presentation sheets contain forward-looking statements that reflect management's views and assumptions in the light of information currently available 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," "plans," "expects," 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. Any forward-looking statements speak only as of the date of this presentation sheets, and Komatsu assumes no duty to update such statements.

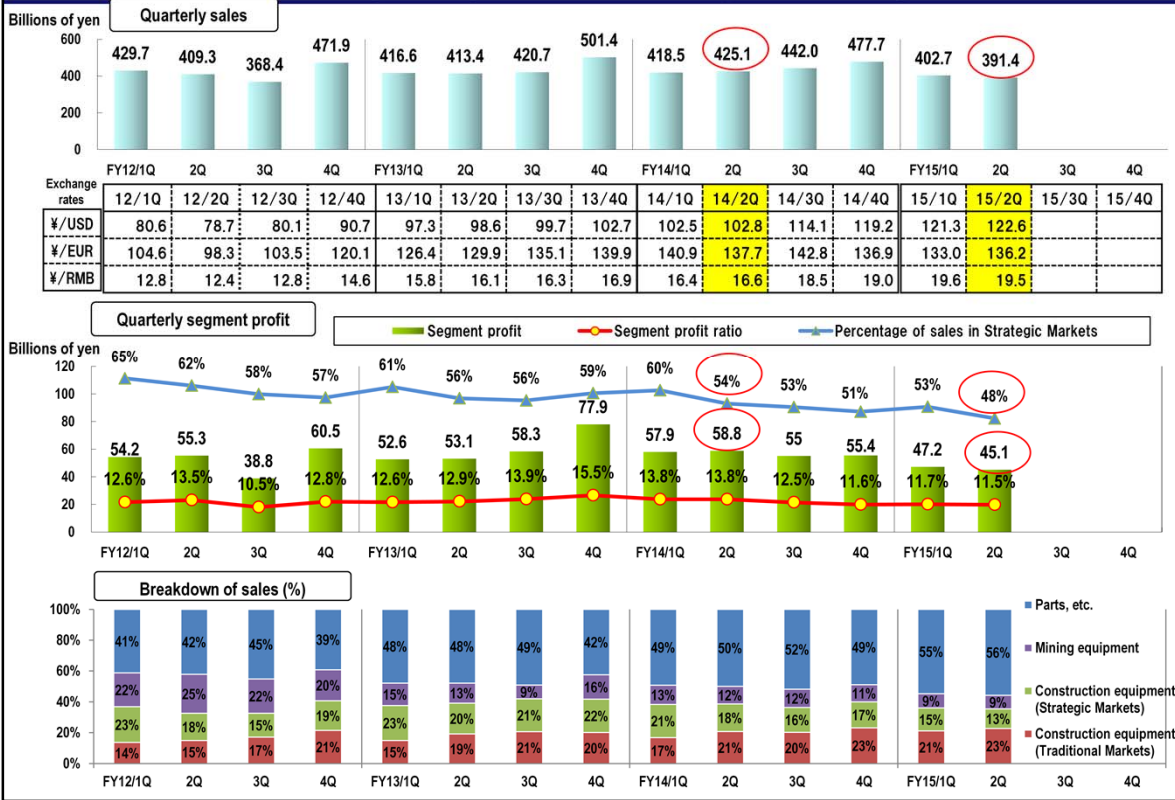
Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes in exchange rates or the impact of increased competition; unanticipated costs 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; the impact of regulatory changes and accounting principles and practices; and the introduction, success and timing of business initiatives and strategies.

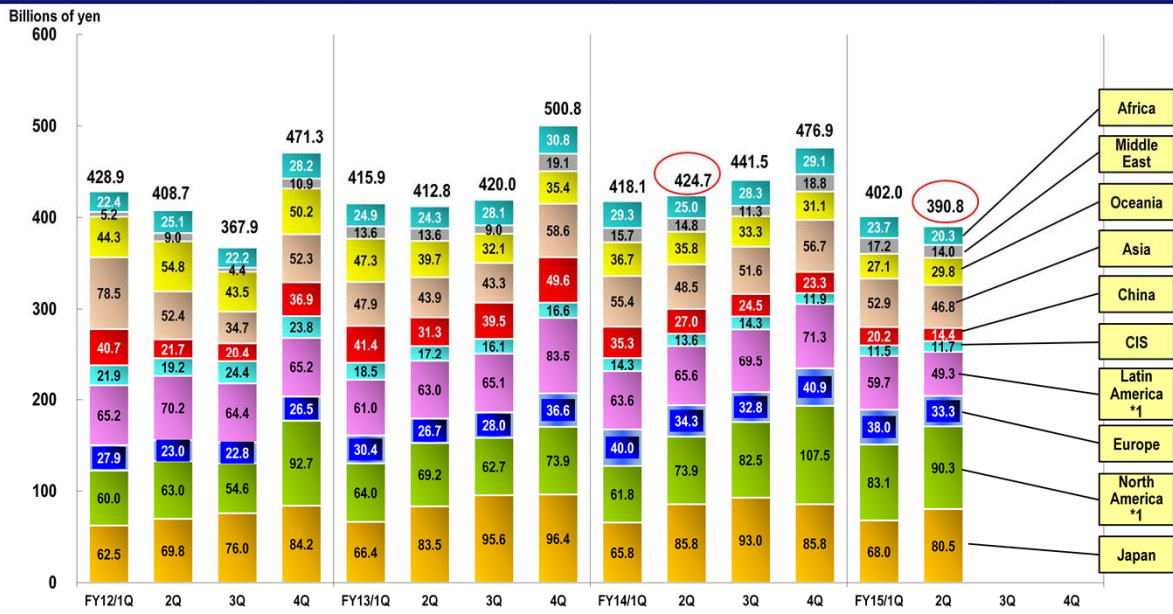
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<Appendix>

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





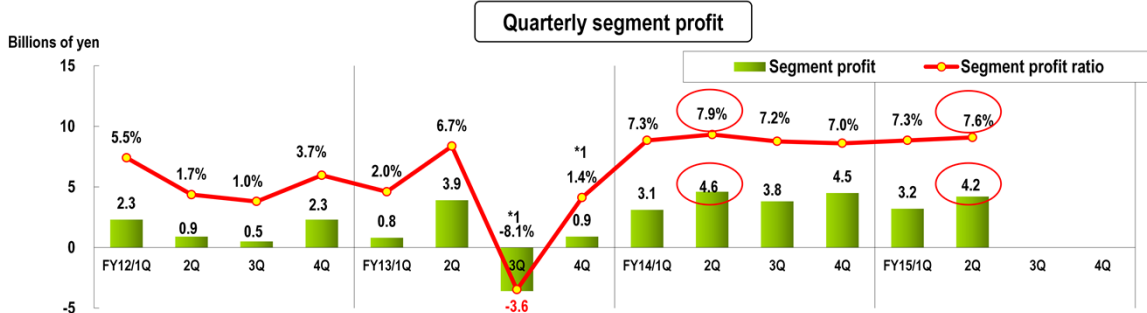
Exchange rates	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6		
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2		
¥/RMB	12.8	12.4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

*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.)

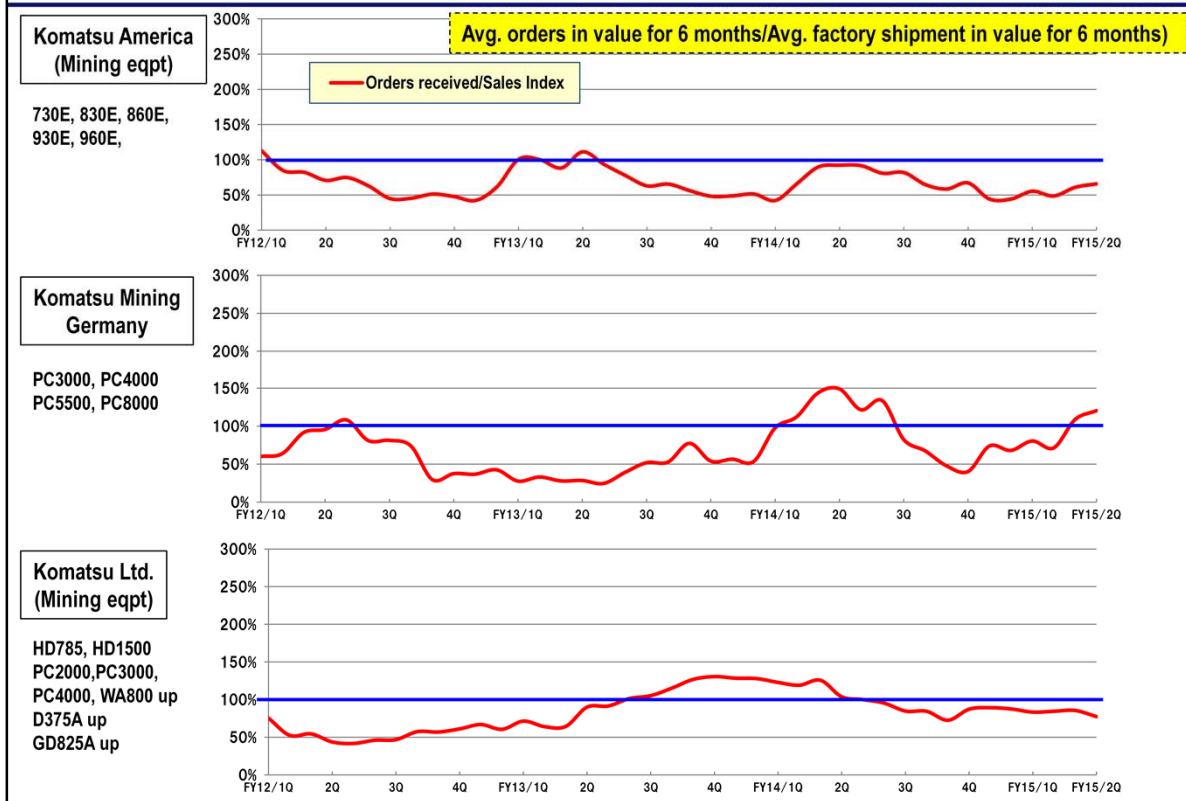


Exchange rates

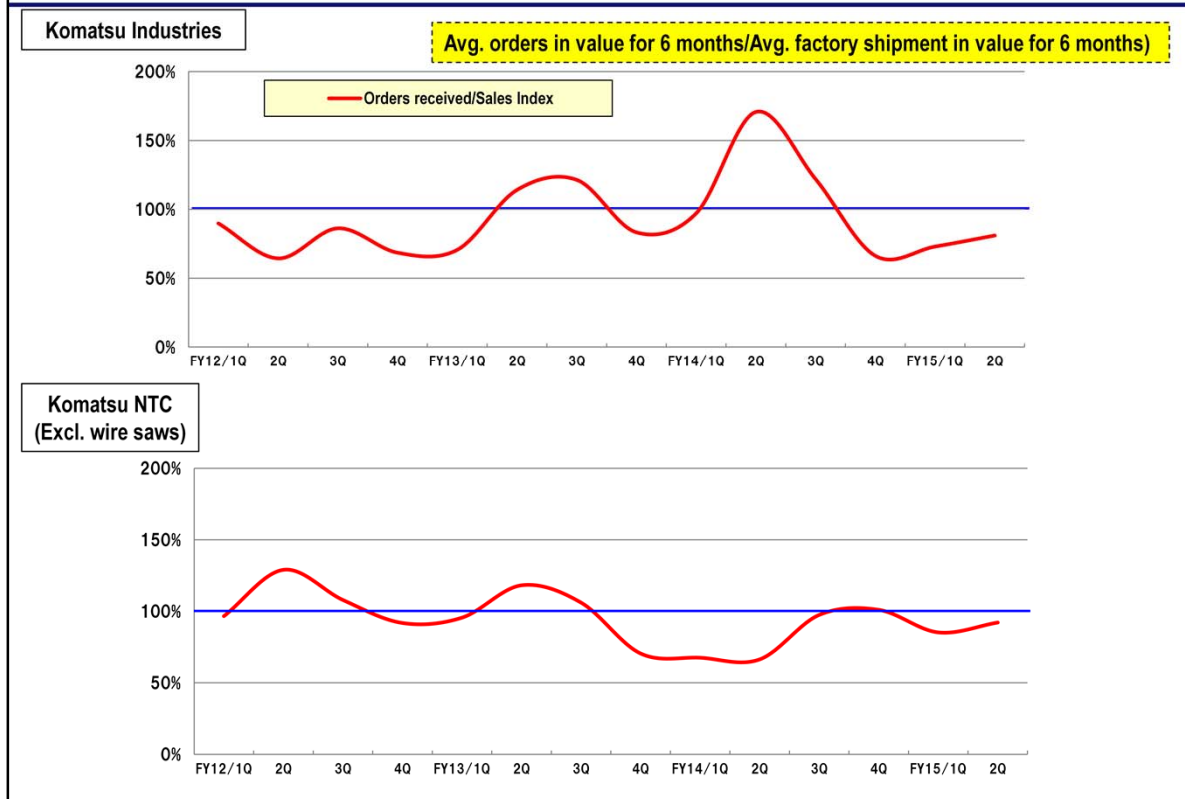
	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q
¥/USD	80.6	78.7	80.1	90.7	97.3	98.6	99.7	102.7	102.5	102.8	114.1	119.2	121.3	122.6		
¥/EUR	104.6	98.3	103.5	120.1	126.4	129.9	135.1	139.9	140.9	137.7	142.8	136.9	133.0	136.2		
¥/RMB	12.8	12.4	12.8	14.6	15.8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



*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)



- These graphs show the book-to-bill ratios of mining equipment.
- Specifically, they show the ratio of orders received for new equipment for the last six-month period divided by sales of new equipment for the same six-month period.
- Top graph shows dump trucks made by Komatsu America Corp. Orders received for the second quarter of FY2015 remained sluggish, and the ratio was 70%.
- Middle graph shows super-large hydraulic excavators made by Komatsu Mining Germany GmbH. Orders received remained sluggish, but the ratio improved to almost 120%.
- Bottom graph shows other mining equipment made in Japan. Orders received also remained sluggish, and the ratio was about 80%.



- These graphs show the book-to-bill ratios of industrial machinery. Specifically, they show the ratio of orders received for new machines for the last six-month period divided by sales of new equipment for the same six-month period.
- With respect to orders received by Komatsu Industries Corp. for sheet-metal and press machines, orders for medium-sized and large presses were slack in the second quarter of FY2015, and the ratio was about 80%.
- With respect to orders received by Komatsu NTC Ltd. for products other than wire saws, orders from the automobile manufacturing industry remained still low, and the ratio was over 90%.

【 Sales and Profits 】

- Consolidated net sales declined by 7.5% from corresponding period a year ago, to JPY446.3 billion.
- Operating income dropped by 20.7% to JPY49.3 billion. Operating income ratio decreased by 1.9 points to 11.0%.
- Net income declined by 19.2% to JPY32.5 billion.

Billions of yen	FY2014/2Q ¥102.8/USD ¥137.7/EUR ¥16.6/RMB	FY2015/2Q ¥122.6/USD ¥136.2/EUR ¥19.5/RMB	Vs. FY2014/2Q	
			Increase (decrease)	% Change
Net sales	482.3	446.3	(35.9)	(7.5)%
Segment profit	62.9	48.8	(14.1)	(22.4)%
Other operating income (expenses)	(0.7)	0.5	+1.2	-
Operating income	62.1	49.3	(12.8)	(20.7)%
Profit ratio	12.9%	11.0%	(1.9)pts.	-
Other income (expenses)	0.0	(2.3)	(2.4)	-
Net income before income taxes	62.2	46.9	(15.3)	(24.6)%
Net income *	40.3	32.5	(7.7)	(19.2)%

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

<Appendix>
Segment Sales and Profits for 2Q FY2015 (Jul.-Sep.,2015)

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- Construction, Mining and Utility Equipment: Sales declined by 7.9% from the corresponding period a year ago, to JPY391.4 billion. Segment profit dropped by 23.2% to JPY45.1 billion. Segment profit ratio also declined by 2.3 points to 11.5%.
- Industrial Machinery and Others: Sales decreased by 5.1% to JPY56.0 billion. Segment profit declined by 8.4% to JPY4.2 billion.

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

Billions of yen	FY2014/2Q		FY2015/2Q		Vs. 2Q FY2014	
					Increase(decrease)	% Change
Net sales	482.3		446.3		(35.9)	(7.5)%
Construction, mining & utility equipment	[424.7]	4,251	[390.8]	391.4	[(33.8)]	(33.6) [(7.9)%]
Industrial machinery & others	[57.5]	59.0	[55.5]	56.0	[(2.0)]	(3.0) [(5.1)%]
Elimination	(1.8)		(1.1)		+0.7	-
Segment profit	□ 13.0%	62.9	□ 10.9%	48.8	(14.1)	(22.4)%
Construction, mining & utility equipment	□ 13.8%	58.8	□ 11.5%	45.1	(13.6)	(23.2)%
Industrial machinery & others	□ 7.9%	4.6	□ 7.6%	4.2	(0.3)	(8.4)%
Corporate & elimination		(0.5)		(0.5)	(0.0)	-

Review of two segments
■ Construction, Mining and Utility Equipment

Although we captured demand for mining equipment in North America, both sales and profits declined from the corresponding period a year ago, reflecting reduced volume of sales of mining equipment in other regions as well as a sharp drop in demand for mining and construction equipment in Strategic Markets, such as China.

■ Industrial Machinery and Others

Both sales and profits declined from the corresponding period a year ago, while GIGAPHOTON, a wholly owned subsidiary, expanded sales, supported by a high rate of machine utilization of the semiconductor industry.

- Sales to outside customers declined by 8.0% from the corresponding period a year ago, to JPY390.8 billion.
- Despite sales advanced in North America, sales of mining equipment and sales in China, Latin America and some other regions dropped sharply, pushing up the proportion of Traditional Markets to 52% of total sales.

