
Komatsu IR – DAY 2018

Major Activities of Parts sales expansion

September 14th, 2018

Hiroshi Higashide

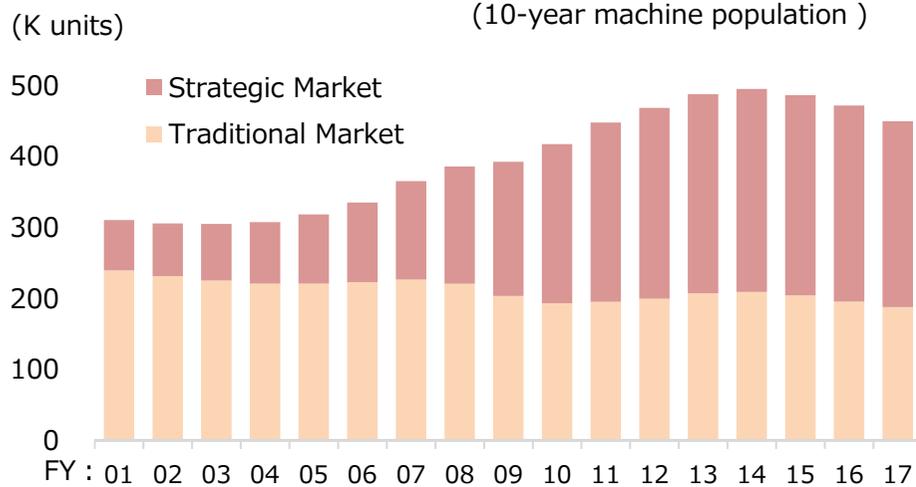
President,

Aftermarket Business Division

- **Construction : Stable Machine population&total working hour in FY18**
- **Mining : Due to commodity price, OV Demand moved**

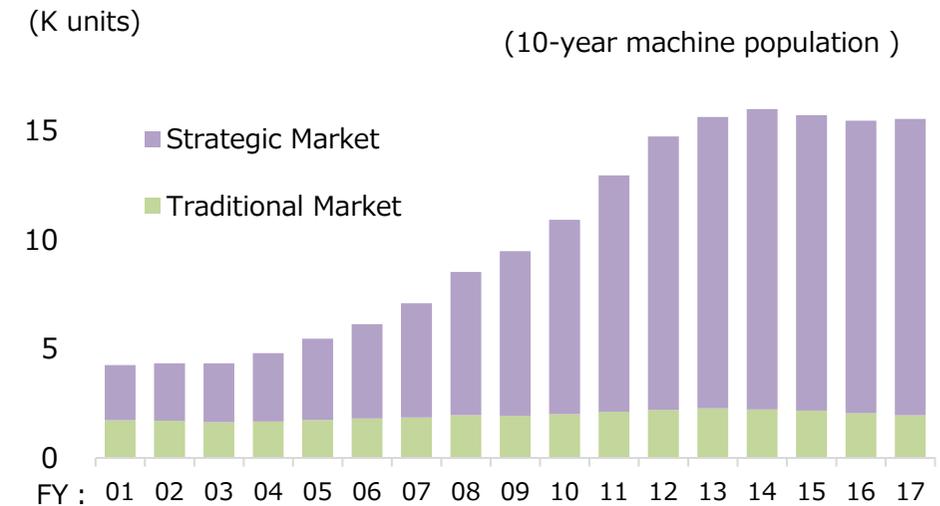
1. Main 7 Products (Construction)

1) Machine population Trends

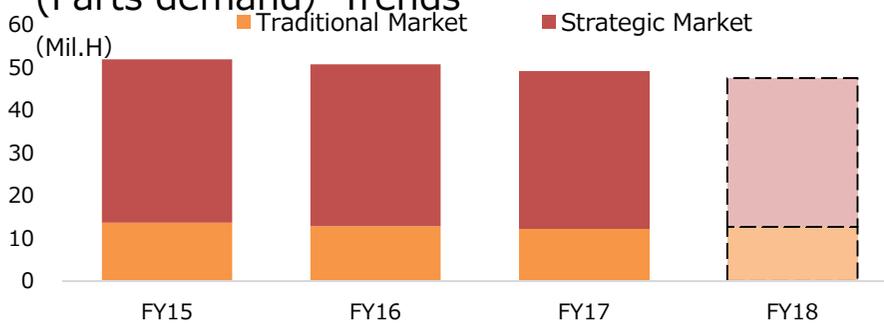


2. Mining Equipment

1) Machine population Trends

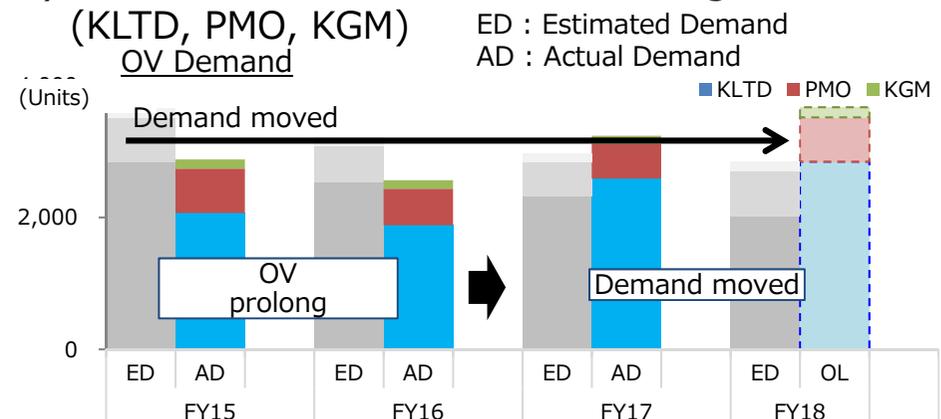


2) Construction Monthly Total Working Hours (Parts demand) Trends



*Total Working Hours: Estimated Working Units * Average Annual SMR (h/Year)

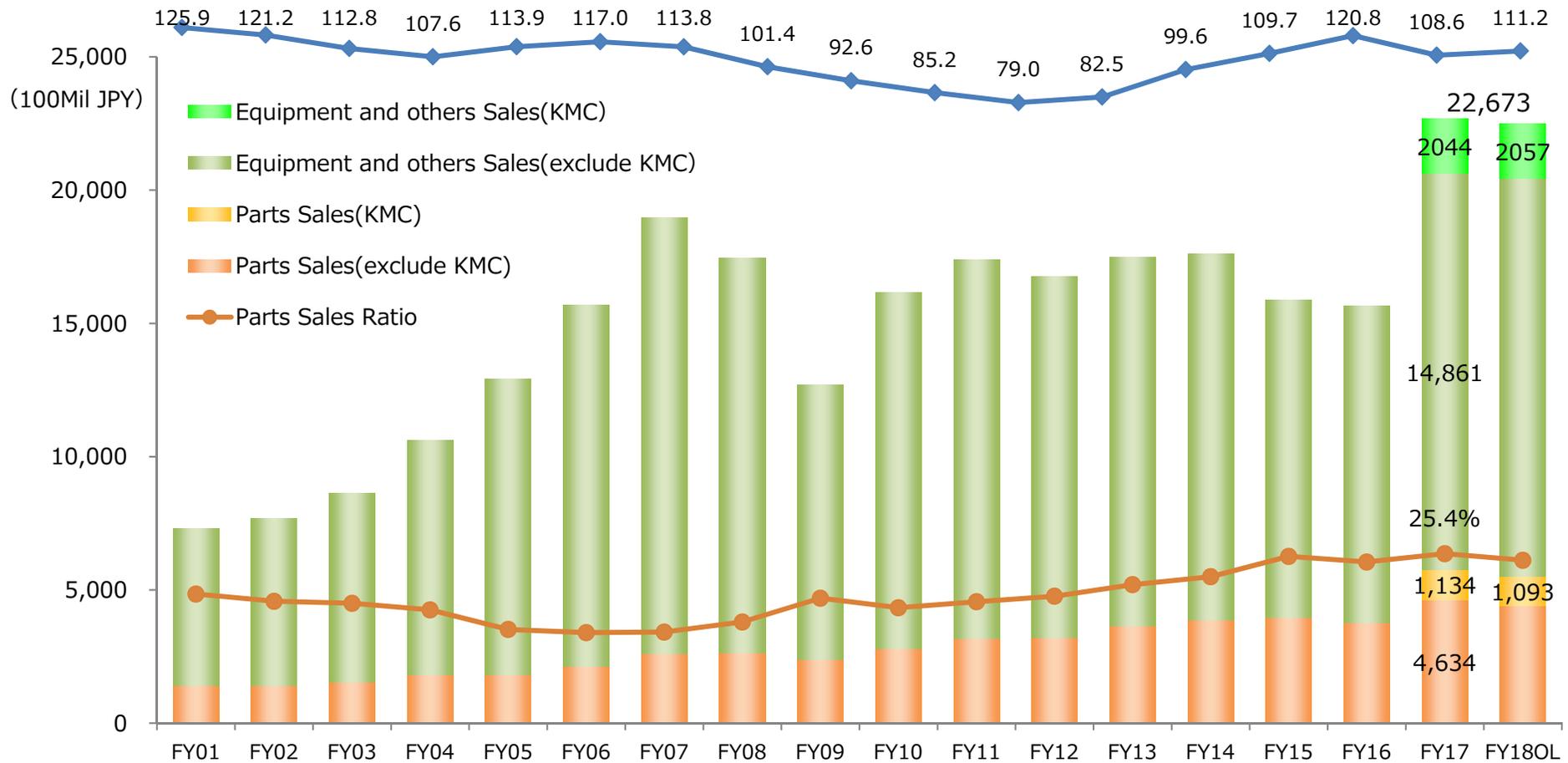
2) Estimation of OV demand on mining market



- Aftermarket sales is stable than machine sales.
(Machine Population is more important)
- Steady parts sales while machine sales decreased in '09.

1. Consolidated Parts Sales in Construction Equipment Business

exchange : Yen /US\$

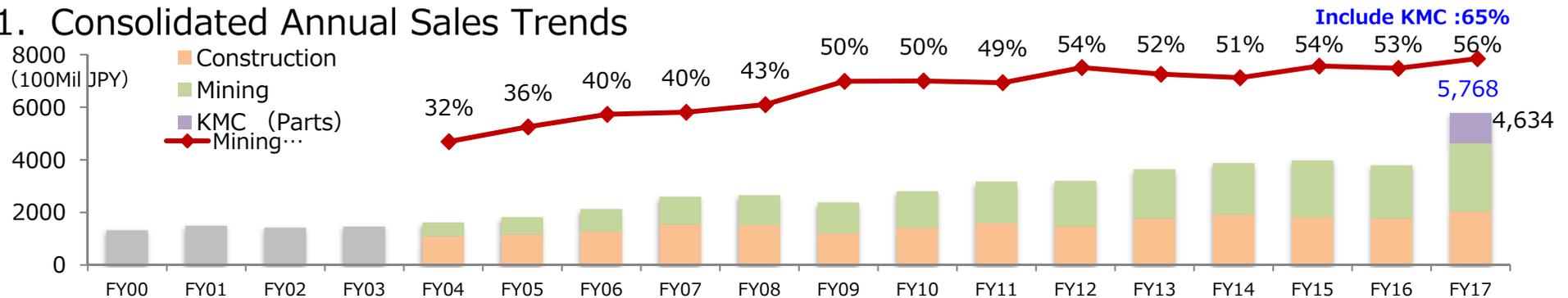


Notes) Construction equipment business: Construction & Mining Equipment/ Parts/ Rental/ Used/ Service/ R&M/ Forklift and others

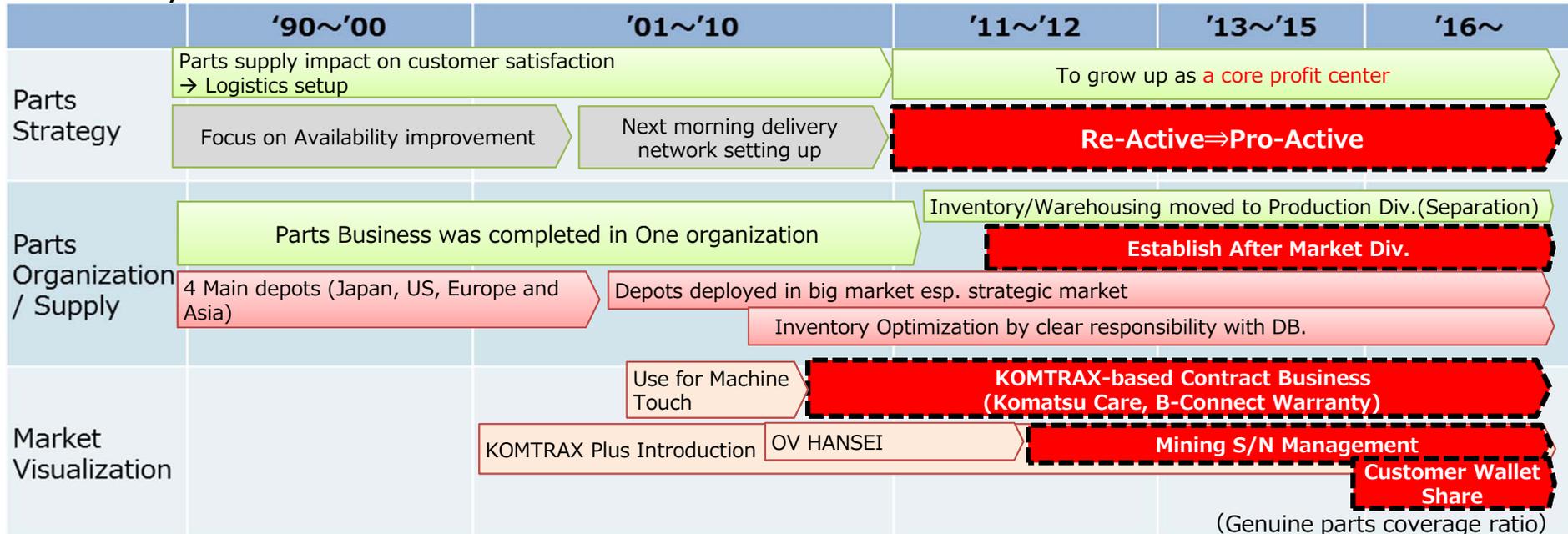
Parts Sales Trends and History

- Aftermarket business div. established and strengthen the organization and personnel to make it grow as a pillar of expanding earnings in Komatsu business.
- Komatsu parts business has a high dependence on mining market and we have to increase parts sales in construction market more.

1. Consolidated Annual Sales Trends

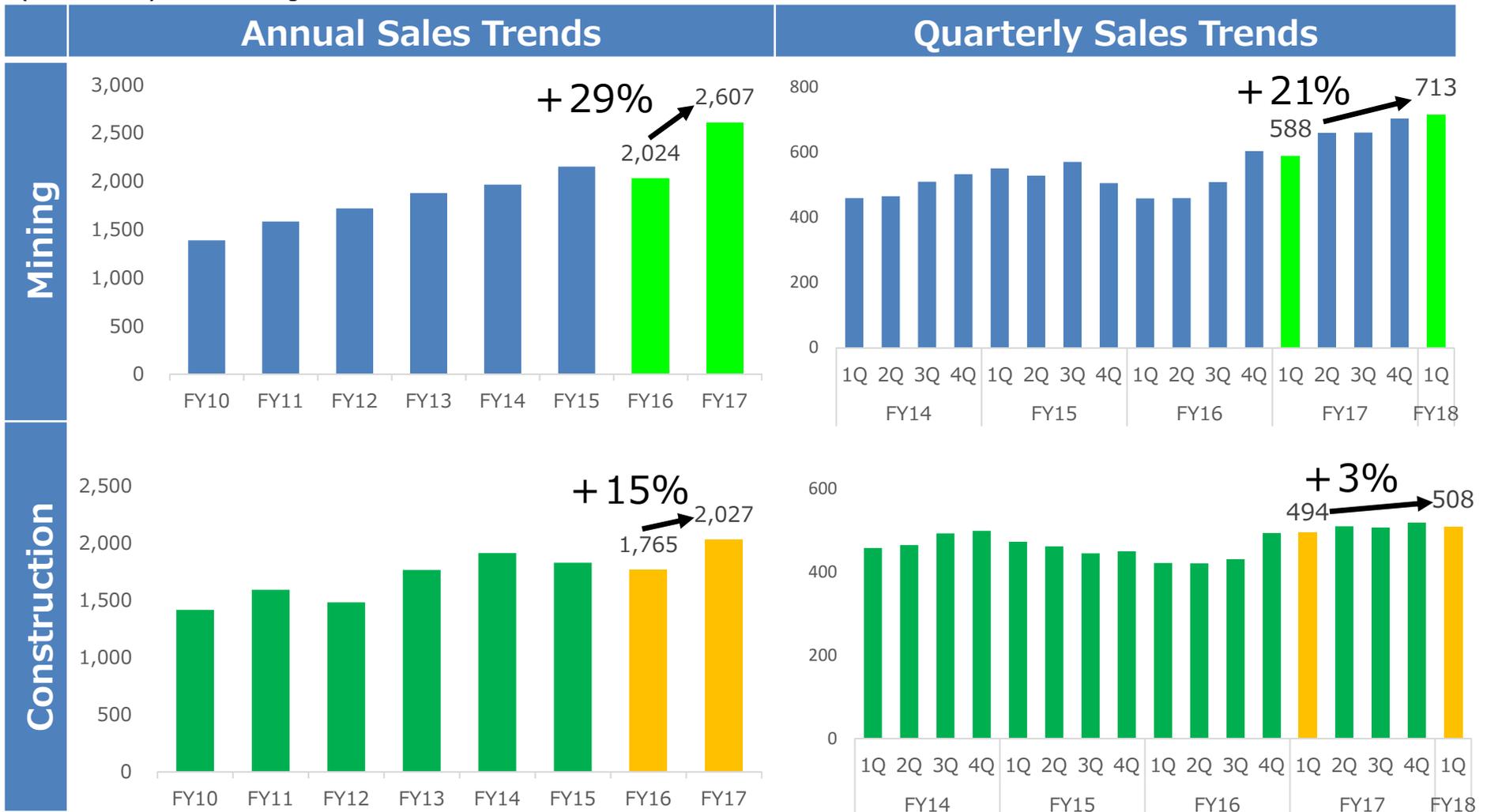


2. History



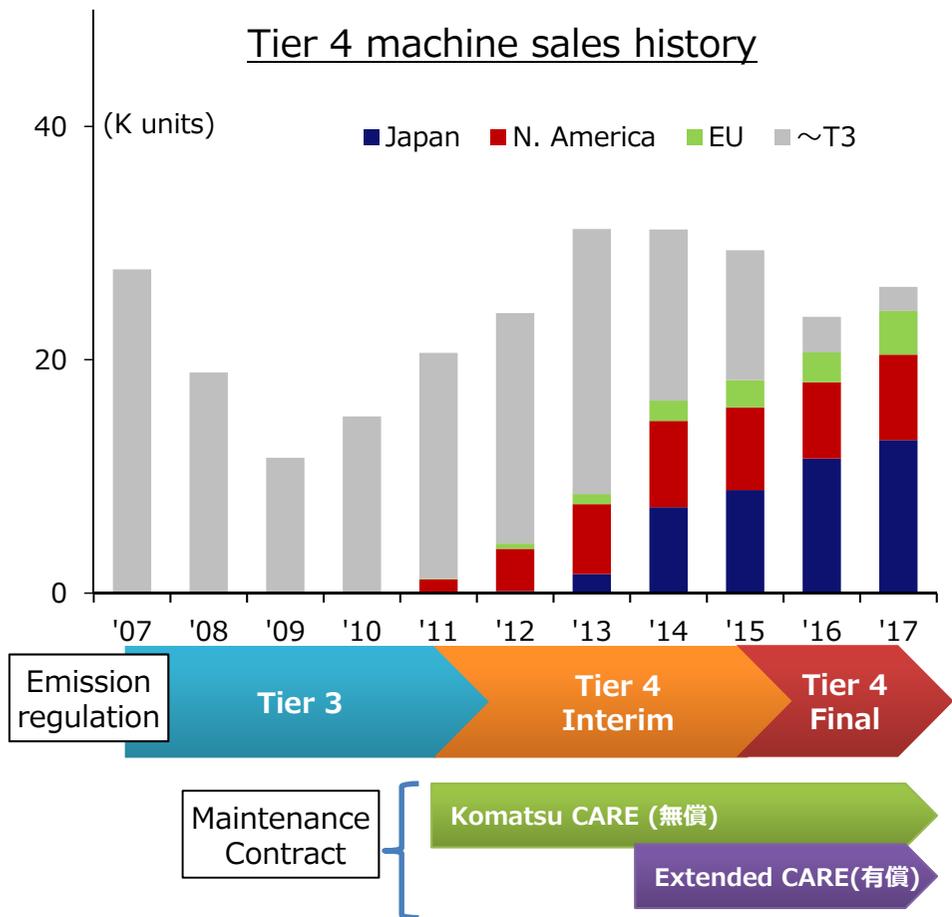
- Mining Parts sales increased sharply. (FY16⇒FY17 : +29%)
- Expand Construction parts sales opportunity by sharing best practice

(100Mil JPY) M: Mining C: Construction

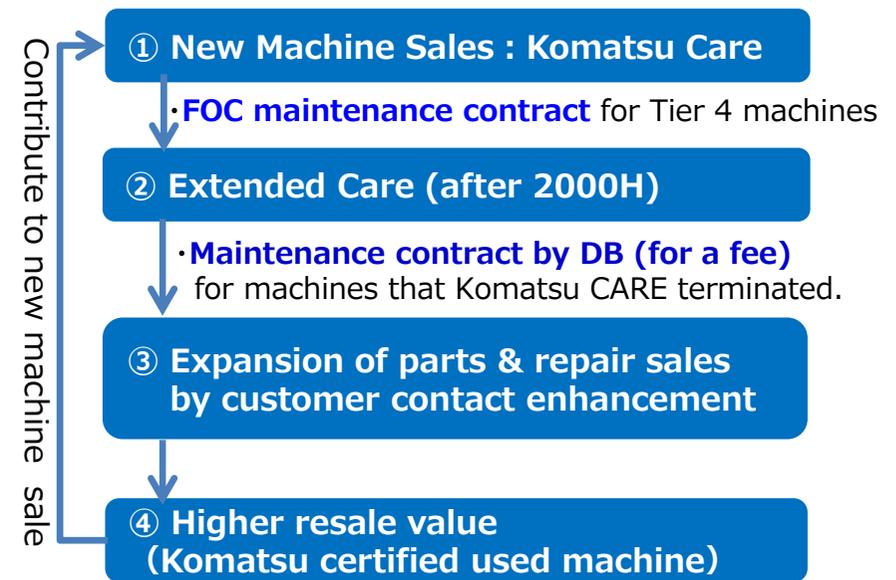


- Traditional market: Enhanced contract business with Tier 4 machine introduction.
- Expand parts & service sales through Komatsu CARE·Extended CARE

1. Response to emission regulation



2. Expand sales during machine life cycle

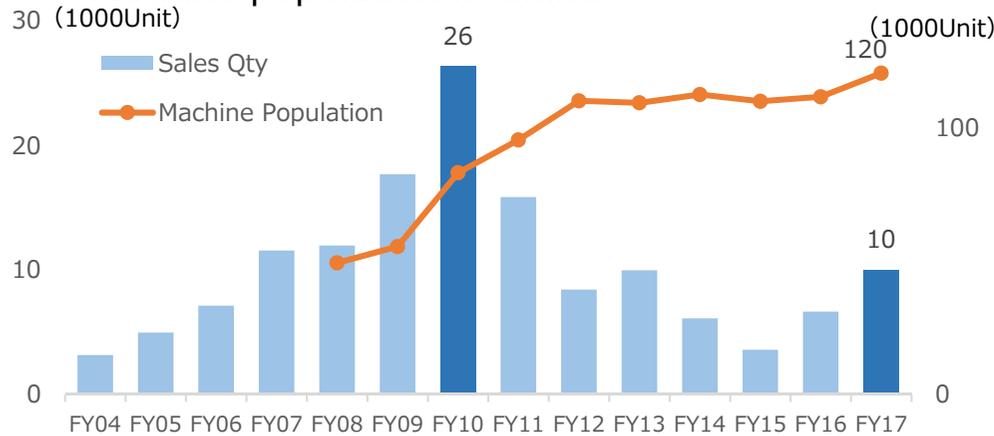


3. Deploy to strategic market

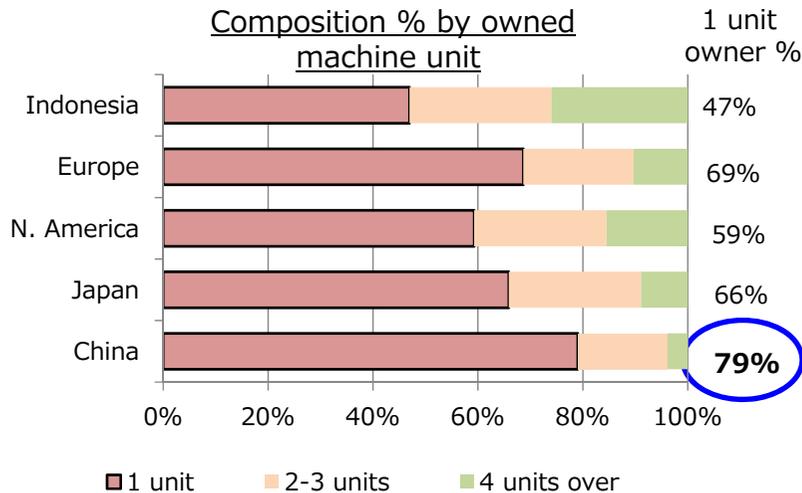
Country	Name	Introduced
China	放心工程 3	2015
Thailand	B-Connect	2010
Indonesia	PMP	2015
India	MCP3	2017
Philippines	Worry Free	2011

- 2nd largest market. High ratio of small-size customers
- Expand sales to untapped users by utilizing ICT/ smartphone application (eKOPEN)

1. Transition of Komatsu Machine Sales unit and Machine population in China



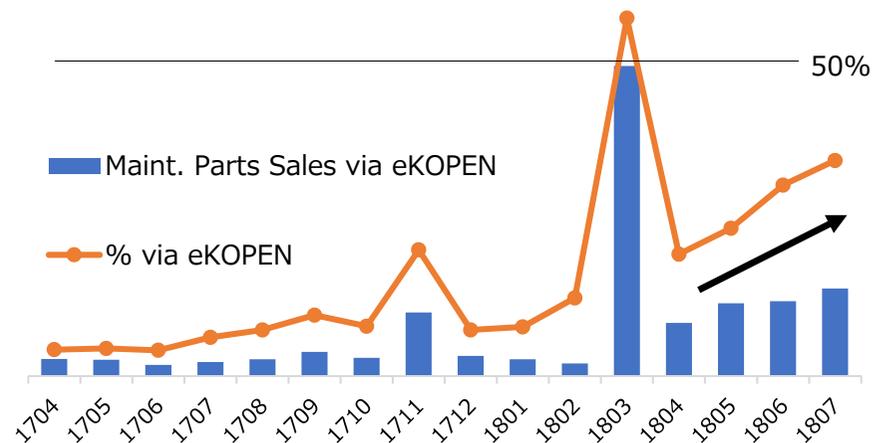
2. Feature of China market



3. Expand customer contact via [eKOPEN]



Maintenance parts sales and % via eKOPEN



Sales expansion in Construction segment (Non-Mining)

Mining: Mining sales ratio of AM business: 56% (65% incl. KMC) but volatile due to commodity price

Construction: Stable sales and large market potential

1. Expand market share in Construction segment of both **traditional and strategic market**.
2. Share **Best Practice**
 - Enhancement of customer contact activities (**Contract business, ICT utilization**)
3. Expand Customer/GEMBA oriented **AM Product Line-up**
4. Promoting using **Genuine Parts** Branding Strategy