

Q&A on the Business Results for the First 3-Month Period of FY2018

Q1: Please tell us of damages to Komatsu's business by the recent heavy rains and floods in western Japan.

A1: First of all, we would like to express our sympathy to all those affected by this disaster. We are making relief efforts equivalent to JPY10 million, which include provision of machines and materials needed in the devastated areas. Concerning any damages to our business, we have confirmed the safety of all Komatsu Group employees. We also anticipate no major problems in our production, sales or service operations.

Q2: Please update the market conditions of mining equipment.

A2: In the first 3-month period under review, it appears that demand has advanced by 43% from the corresponding period a year ago. The rate of growth was sharp, especially in Indonesia, North America, and Oceania.

We have continued to receive strong orders for our medium-sized and large models, including dump trucks with a 100-ton payload. Orders are gradually recovering for super-large dump trucks with a 300-ton payload, made by Komatsu America Corp.

Q3: Please tell us about the current conditions and your perception on the Chinese construction equipment market.

A3: Chinese demand has continued to expand, recording a 55% increase in the first 3-month period under review. However, uncertainty is growing with negative factors, such as slowing capital investment and a minus growth rate of monthly average operating hours of machines according to our KOMTRAX. We need to closely monitor the market.

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