

Business Results for FY2018

(April 1, 2018 – March 31, 2019)

April 26, 2019

Presented by

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I . Business Results for FY2018

Note: Reclassification in the statement of income

Since the fiscal year ending March 31, 2019, Komatsu has adopted a new pension accounting standard of US GAAP. Therefore, net periodic postretirement benefit costs, separated from other personal expenses, are presented in non-operating income (expenses), (whereas they were conventionally presented in segment profits). Accordingly, the corresponding amounts for FY2017 are retrospectively reclassified as shown in the table below.

* Improvement in the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost in accordance with ASU 2017-07.

FY2017 profits reclassified in accordance with the new accounting standard

Billions of yen		2017 Apr.-Jun.	2017 Jul.-Sep.	2017 Oct.-Dec.	2018 Jan.-Mar.	FY2017
	Komatsu Conventional	0.1	0.1	0.1	0.1	0.4
	KMC	(0.8)	(0.8)	(0.8)	(0.9)	(3.3)
	Construction, mining & utility equipment	(0.7)	(0.7)	(0.7)	(0.8)	(2.9)
	Retail finance	0.0	0.0	0.0	0.0	0.0
	Industrial machinery & others	0.0	(0.0)	0.0	(0.1)	(0.1)
	Segment profit	(0.7)	(0.7)	(0.7)	(0.9)	(3.0)
	Operation income	(0.7)	(0.7)	(0.7)	(0.9)	(3.0)
	Other income(expenses)	0.7	0.7	0.7	0.9	3.0
	Income before income taxes	-	-	-	-	-

- Consolidated net sales increased by 9.0% from FY2017, to JPY2,725.2 billion.
- Operating income expanded by 48.2% to JPY397.8 billion. Operating income ratio improved by 3.9 points to 14.6%.
- Net income attributable to Komatsu Ltd. advanced by 30.6% to JPY256.4 billion.

Billions of yen	FY2017 Results (A)		FY2018 Projection (B) (As of Oct.,2018) ¥107.4/USD ¥126.4/EUR ¥16.3/RMB	FY2018 Results (C)		Changes (C-A)			
	¥111.2/USD ¥129.6/EUR ¥16.8/RMB	Komatsu Conventional *1		KMC	¥110.6/USD ¥128.5/EUR ¥16.5/RMB	Komatsu Conventional *1	KMC	increase (decrease)	Change %
Net sales	2,501.1	2,183.2	317,8	2,662.0	2,725.2	2,352.6	372.5	+ 224.1	+ 9.0%
Segment profit	299.8	315.6	*2 (15.7)	*2 384.0	399.3	356.5	*2 42.8	+99.4	+33.2%
Other operating income(expenses)	(31.3)	(31.3)	(0.0)	(3.0)	(1.5)	(1.6)	0.0	+29.8	-
Operating income	268.5	284.2	*2 (15.7)	*2 381.0	397.8	354.8	*2 42.9	+129.3	+48.2%
Profit ratio	10.7%	13.0%	(4.9)%	14.3%	14.6%	15.1%	11.5%	+3.9pts.	-
Other income (expenses)	(23.3)			(19.0)	(20.3)			(43.6)	-
Income before income taxes	291.8			362.0	377.4			+85.6	+29.4%
Net income attributable to Komatsu Ltd	196.4			240.0	256.4			+60.0	+30.6%
ROE	12.1%			14.1%	14.7%			+2.6pts.	
Net D/E ratio	0.40			-	0.43			+0.03pts.	
Cash dividends per share	84yen			102yen	110yen			+26yen	
Consolidated payout ratio	40.3%			40.1%	40.5%				

Notes:

*1 Figures represent those which KMC's business results are excluded

*2 KMC's segment and operating losses include temporary expenses in the table on the right.

Billions of yen	FY2017	FY2018 Projection	FY2018 Results
Depreciation after PPA *	(40.2)	(7.9)	(8.1)
Integration expenses etc.	(7.5)	(3.4)	(2.9)
Total	(47.8)	(11.3)	(11.1)

Note:
PPA stands for Purchase Price Allocation.
It is an accounting process of valuating and allocating acquired assets and liabilities to fair prices.

Segment Sales and Profits for FY2018

- Construction, Mining & Utility Equipment: Sales advanced by 8.7% from the corresponding period a year ago, to JPY2,478.9 billion. Segment profit expanded by 33.8% to JPY365.3 billion. Segment profit ratio improved by 2.7 points to 14.7%.
- Retail Finance: Revenues increased by 5.4% to JPY63.5 billion. Segment profit expanded by 35.0% to JPY17.5 billion.
- Industrial Machinery & Others: Sales advanced by 9.6% to JPY203.2 billion. Segment profit improved by 30.0% to JPY18.6 billion.

Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

% : Profit ratio

[] : Sales after elimination of inter-segment transactions

Billions of yen	FY2017 Results (A)			FY2018 Projection (B)	FY2018 Results (C)			Changes (C-A)	
		Komatsu Conventional	KMC			Komatsu Conventional	KMC	Increase (Decrease)	% Change
Net sales	2,501.1	2,183.2	317.8	2,662.0	2,725.2	2,352.6	372.5	+224.1	+9.0%
Construction, mining & utility equipment	2,280.9 [2,267.3]	1,963.1 [1,949.4]	317.8 [317.8]	2,415.0 [2,403.0]	2,478.9 [2,466.6]	2,106.3 [2,094.0]	372.5 [372.5]	+198.0 [+199.3]	+8.7% [+8.8%]
Retail finance	60.3 [49.6]	60.3 [49.6]	-	58.0 [53.0]	63.5 [57.3]	63.5 [57.3]	-	+3.2 [+7.7]	+5.4% [+15.5%]
Industrial machinery & others	185.4 [184.1]	185.4 [184.1]	-	208.0 [206.0]	203.2 [201.2]	203.2 [201.2]	-	+17.8 [+17.1]	+9.6% [+9.3%]
Elimination	(25.5)	(25.5)	-	(19.0)	(20.5)	(20.5)	-	+5.0	-
Segment profit	12.0% 299.8	14.5*% 315.6	▲4.9% 15.7	14.4% 384.0	14.7% 399.3	15.2% 356.5	11.5% 42.8	+99.4	+33.2%
Construction, mining & utility equipment	12.0% 273.0	14.7% 288.7	▲4.9% 15.7	14.6% 353.0	14.7% 365.3	15.3% 322.4	11.5% 42.8	+92.3	+33.8%
Retail finance	21.5% 12.9	21.5% 12.9	-	27.6% 16.0	27.5% 17.5	27.5% 17.5	-	+4.5	+35.0%
Industrial machinery & others	7.7% 14.3	7.7% 14.3	-	8.7% 18.0	9.2% 18.6	9.2% 18.6	-	+4.3	+30.0%
Corporate & elimination	(0.4)	(0.4)	-	(3.0)	(2.0)	(2.0)	-	(1.6)	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

Sales increased, supported mainly by advanced sales in North America, Asia, and Oceania. Segment profit also increased as a whole, reflecting increased volume of sales and reduced temporary expenses incurred by KMC.

■ Retail Finance:

Although Komatsu had to sell used equipment resulting from the cancellation of a leasing contract in Chile in the previous fiscal year, revenues increased from FY2017, mainly reflecting increased assets in North America. Segment profit increased, reflecting a reversal of allowances for doubtful accounts recorded in China in FY2016 and expanded revenues in North America.

■ Industrial Machinery & Others:

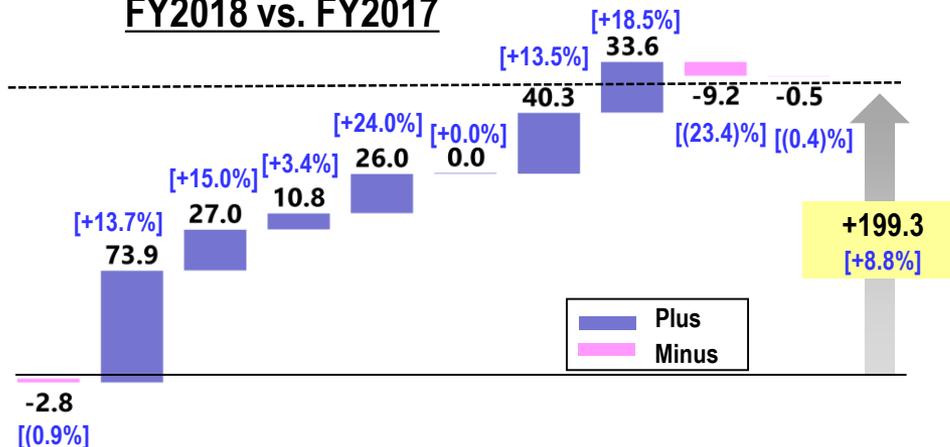
Both sales and segment profit improved from the previous fiscal year, mainly supported by increased sales of presses and machine tools to the automobile manufacturing industry and expanded sales of Excimer laser-related products.

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for FY2018

- Sales to outside customers advanced by 8.8% from FY2017, to JPY2,466.6 billion.
- Sales expanded sharply, especially in Asia, North America and Oceania.
- The ratio of sales in Strategic Markets was 54% of total sales.

FY2018 vs. FY2017

Billions of yen
FY2018
2,466.6



FY2017
2,267.3

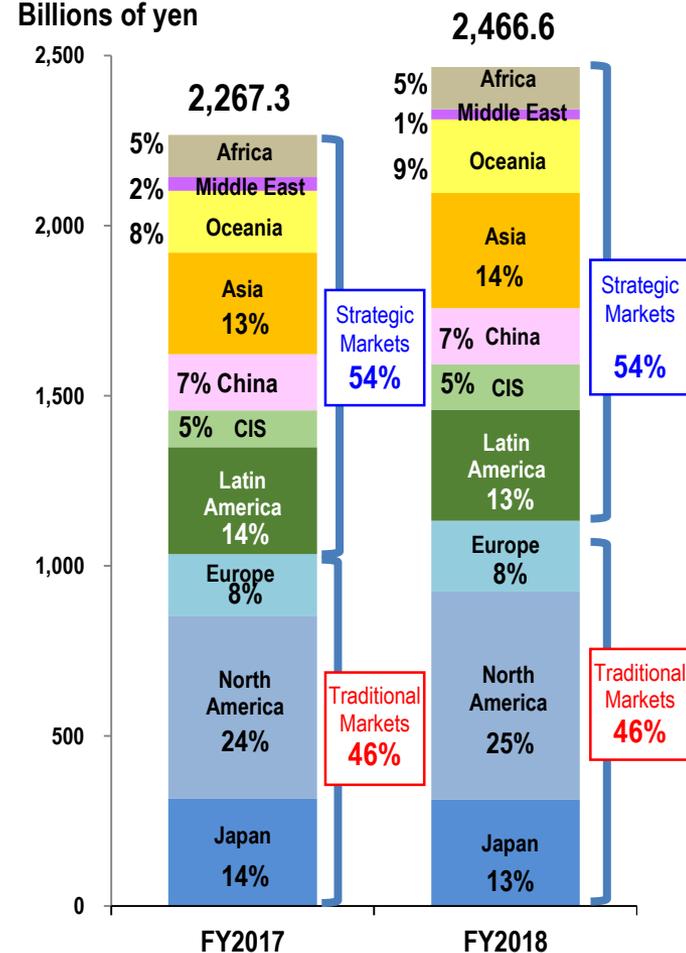
Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
Komatsu Conventional	315.6	403.2	166.4	241.3	102.7	149.7	294.6	140.8	39.3	95.3	1,949.4
KMC	0.0	134.9	14.0	73.3	5.7	15.0	3.9	41.1	0.2	29.3	317.8
FY2017(a)	315.6	538.2	180.4	314.7	108.5	164.7	298.6	181.9	39.5	124.6	2,267.3
Komatsu Conventional	312.7	443.5	191.6	250.9	123.1	149.3	329.7	169.8	29.7	93.4	2,094.0
KMC	0.0	168.7	15.9	74.6	11.5	15.4	9.2	45.7	0.5	30.6	372.5
FY2018(b)	312.7	612.2	207.5	325.6	134.6	164.8	339.0	215.6	30.2	124.1	2,466.6
*Change (b-a)	(2.8)	+73.9	+27.0	+10.8	+26.0	+0.0	+40.3	+33.6	(9.2)	(0.5)	+199.3

Traditional Markets

Strategic Markets

※ Region where sales increased, when foreign exchange effects were excluded.

Billions of yen

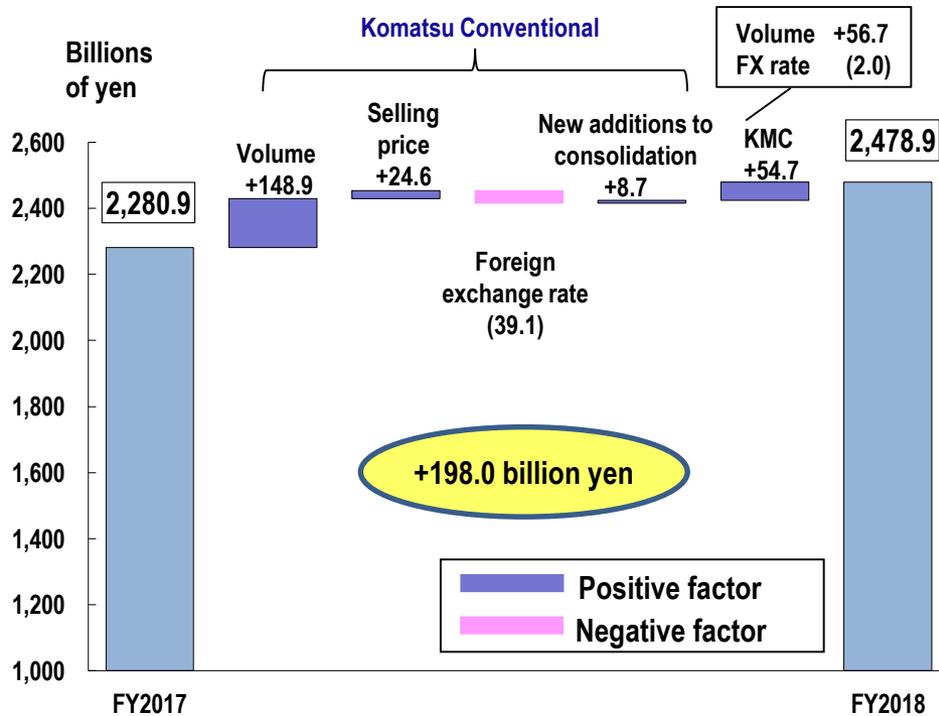


Construction, Mining & Utility Equipment : Causes of Difference in Sales and Segment Profit for FY2018

- Sales increased by JPY198.0 billion from FY2017, mainly supported by increased volume of sales and price hikes.
- Segment profit advanced by JPY92.3 billion due to increased volume of sales and declined temporary expenses incurred by KMC.
- Segment profit ratio improved by 2.7 points to 14.7%.

Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

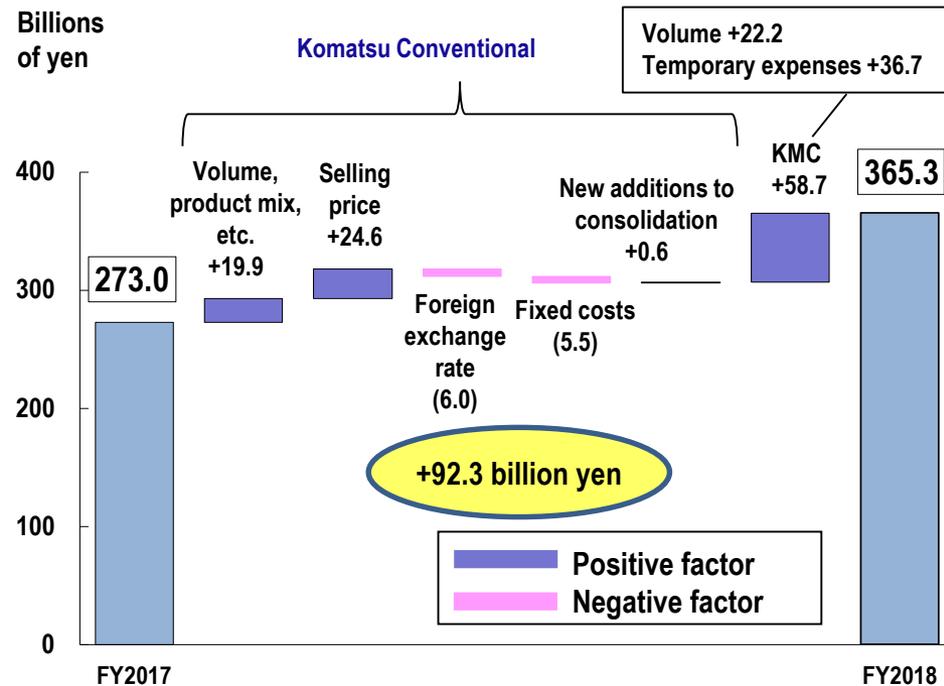
Sales FY2017 vs. FY2018



¥111.2/USD
¥129.6/EUR
¥16.8/RMB

¥111.6/USD
¥128.5/EUR
¥16.5/RMB

Segment profit FY2017 vs. FY2018



12.0%

Segment profit ratio

14.7%

- Sales for FY2018 advanced by 17.2% from FY2017, to JPY372.5 billion.
- Operating income for FY2018 improved to JPY54.0 billion, excluding temporary expenses. When the temporary expenses of JPY11.1 billion are included, operating income amounted to JPY42.9 billion.

Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

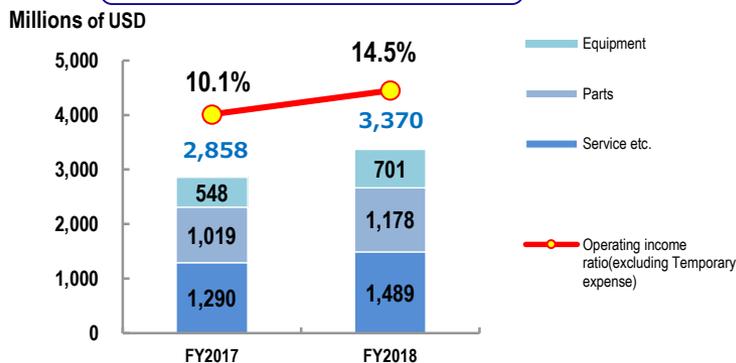
Billions of yen	FY2017 ¥111.2/USD		FY2018 ¥110.6/USD		Changes	
					Increase (Decrease)	% Change
Net sales		317.8		372.5	+54.7	+17.2%
Equipment		61.1		77.5	+16.4	+27.0%
Parts		113.4		130.2	+16.9	+14.9%
Service etc.		143.3		164.7	+21.3	+14.9%
Operating income < excluding Temporary expenses >	10.1%	32.1	14.5%	54.0	+22.0	+68.8%
Temporary expenses (negative figure)		(47.8)		(11.1)	+36.6	-
Depreciation after PPA *1	*2	(40.2)		(8.1)	+32.0	-
Integration expenses etc.		(7.5)		(2.9)	+4.5	-
Operating income (loss) < including Temporary expenses >	(4.9)%	(15.7)	11.5%	42.9	+58.7	-

Notes:

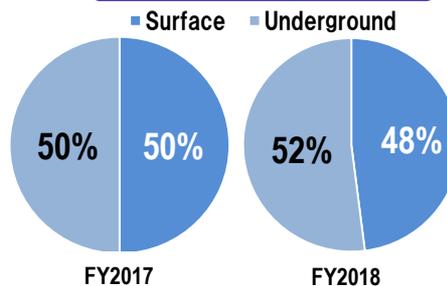
1) PPA stands for Purchase Price Allocation. It is an accounting process of valuating and allocating acquired assets and liabilities to fair prices.

2) Including JPY(25.8) billion for inventories after PPA.

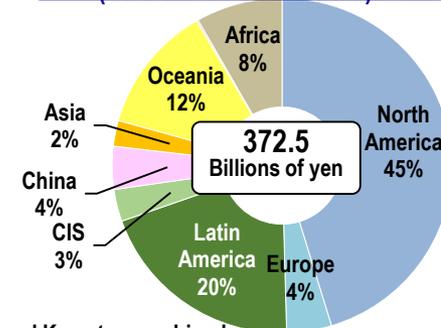
Sales & Operating income ratio



Sales by segments



Sales by regions (To Outside Customers) FY2018



[Synergy effects with KMC (estimated)]

• FY2018 results: About USD70 million

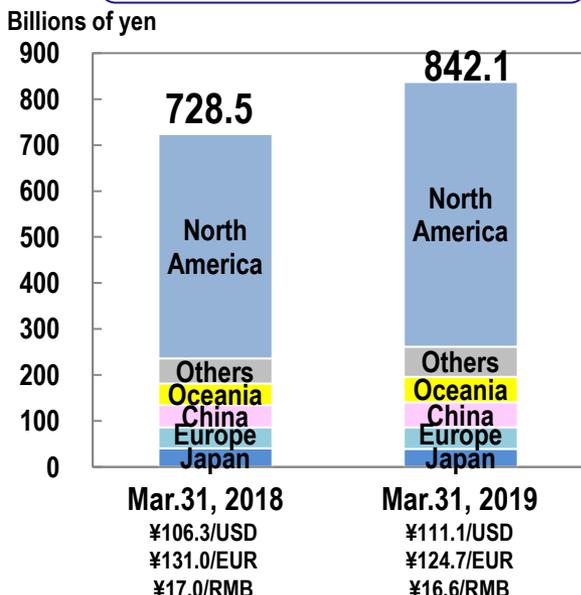
• [Assumed synergy (FY2021 target)] Making good progress towards about 10% of KMC's total sales.

Note: KMC and Komatsu combined

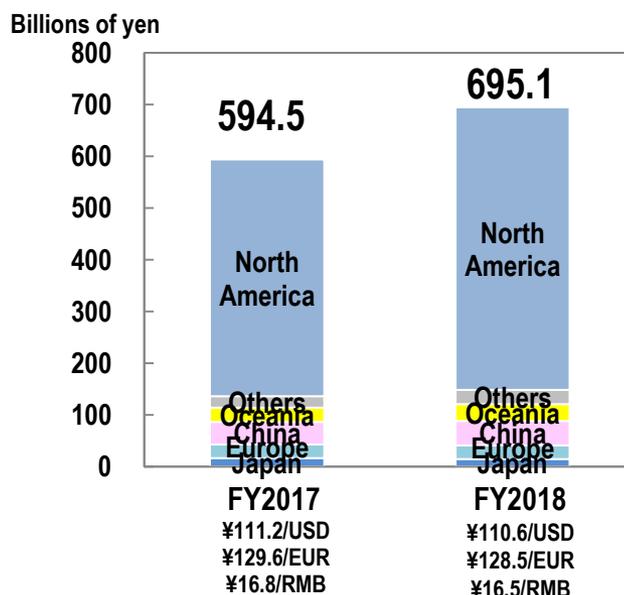
- Assets increased mainly due to increased contracts centering on North America.
- Although we had to sell used equipment resulting from the cancellation of a leasing contract in Chile in FY2017, revenues improved from FY2017, mainly reflecting increased assets in North America.
- Segment profit improved mainly reflecting a reversal of allowances for bad debts in China as well as increased contracts in North America.

* FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

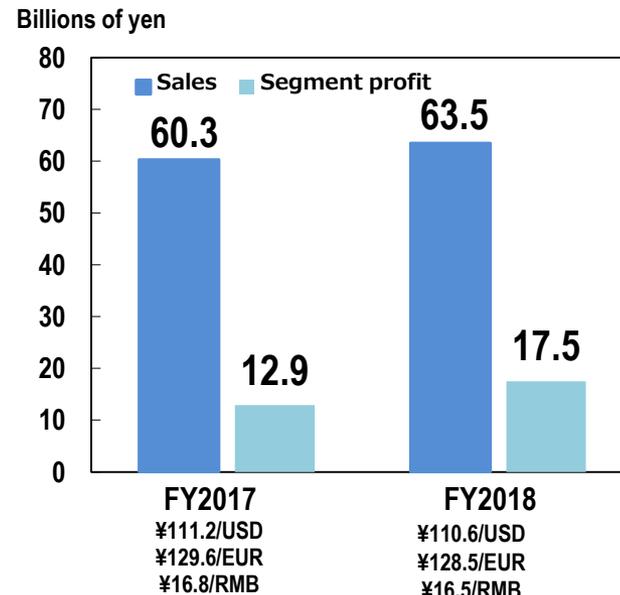
Assets
Mar.31, 2018 vs. Mar.31, 2019



New Contracts
FY2017 vs. FY2018



Revenues
FY2017 vs. FY2018

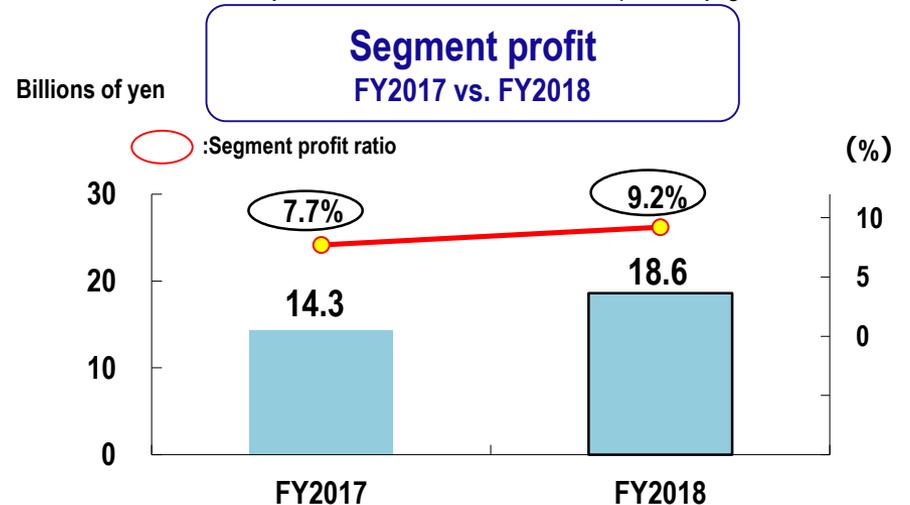
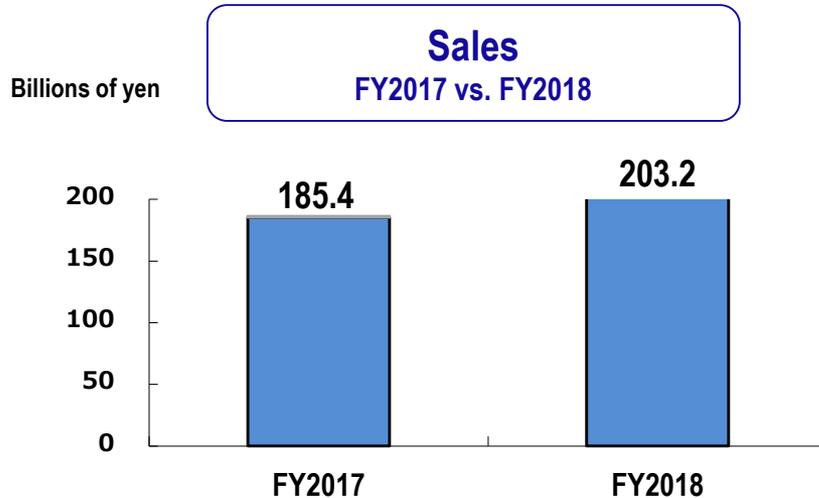


Billions of yen	2018/3E	2019/3E	Changes
Interest-bearing debt	546.0	638.0	+92.0
Interest-bearing debt, net	542.6	634.0	+91.4
Net D/E ratio	3.50	3.64	+0.14pts.

	FY2017	FY2018	Changes
ROA	1.9%	2.2%	0.3%

- Sales advanced by 9.6% from FY2017, to JPY203.2 billion, mainly supported by increased sales of presses and machine tools to the automobile manufacturing industry as well as expanded sales of Excimer-laser-related products.
- Segment profit ratio was 9.2%.

Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)



Breakdown of sales

Billions of yen	FY2017	FY2018	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	51.4	57.4	+5.9	+11.6%
Komatsu NTC Ltd.	62.9	67.9	+4.9	+7.8%
Gigaphoton Inc.	37.1	40.5	+3.3	+9.1%
Others	33.7	37.3	+3.5	+10.4%
Total	185.4	203.2	+17.8	+9.6%

Consolidated Balance Sheets

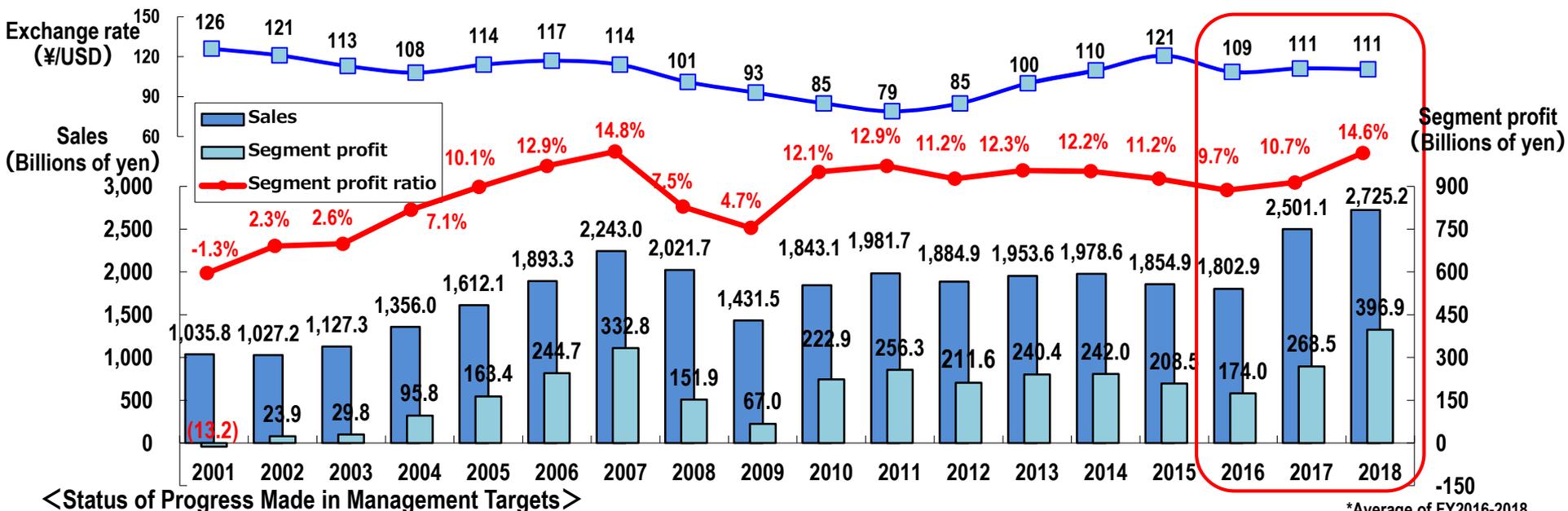
- Total assets grew by JPY265.6 billion from the previous fiscal year-end, reflecting increased inventories.
- Komatsu Ltd. shareholders' equity ratio increased by 0.5 points to 49.9%.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2018 ¥106.3/USD ¥131.0/EUR ¥ 17.0/RMB	Mar. 31, 2019 ¥111.1/USD ¥124.7/EUR ¥16.6/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	146.8	150.8	+3.9
Accounts receivable (incl. long-term trade receivables)	1,155.0	1,258.5	+103.4
Inventories	730.2	837.5	+107.2
Tangible fixed assets	740.5	776.4	+35.8
Other assets	599.7	614.8	+15.1
Total assets	3,372.5	3,638.2	+265.6
Accounts payable	303.5	266.9	(36.6)
Interest-bearing debt [b]	810.5	930.7	+120.1
Other liabilities	514.7	537.7	+22.9
Total liabilities	1,628.9	1,735.3	+106.4
[Shareholders' equity ratio]	(49.4%)	(49.9%)	(+0.5pts.)
Komatsu Ltd. shareholders' equity	1,664.5	1,815.5	+151.0
Non-controlling interests	79.0	87.2	+8.2
Liabilities & Equity	3,372.5	3,638.2	+265.6
Interest-bearing debt, net [b-a]	0.40 663.7	0.43 779.8	+116.1
Net D/E ratio (excl. the retail finance business)	0.08	0.09	

Three strategies	Status of progress and the new mid-term management plan	
1. Growth strategies by means of innovation	Status of progress	<ul style="list-style-type: none"> • SMARTCONSTRUCTION's collaboration and expansion of functions as well as no. of jobsites deployed (Over 7,500, cumulative in Japan) • Model range expansion for ICT-intensive construction equipment • Joint planning and operation of "LANDLOG," a new platform linking all processes of construction • Achievement of 130 units of "Autonomous Haulage System" (AHS) • Gigaphoton continues the development phase of EUV light sources due to a change in the roadmap.
	For the new mid-term plan	Advancement and expansion of the innovation strategy → "Value creation by means of innovation"
2. Growth strategies of existing businesses	Status of progress	<ul style="list-style-type: none"> • Acquisition and business integration of KMC (the former Joy Global Inc.) • Development and launchings of products compliant with the latest emission gas regulations • Sales expansion in the spare parts business (contracts-based business, M&A, etc.) • Establishment of training and demonstration centers in Thailand and Dubai. (started trainings) • Establishment of Asia Development Center (reinforced local product planning) • Expansion of the forest machine business (product mix, M&A, etc.)
	For the new mid-term plan	Further reforms of the value chain → "Growth strategies based on business reforms"
3. Structural reforms designed to reinforce the business foundation	Status of progress	<ul style="list-style-type: none"> • Implementation of steady cost improvement activities • Reforms of global spare parts operation • Merger of three sales companies in Japan (Komatsu Construction Equipment Sales and Service Japan, Komatsu Rental and Komatsu Forklift Japan)
	For the new mid-term plan	Reforms of business by applying ICT and IoT, and reinforcement of the corporate muscle which is resilient to demand changes → Structural reforms for growth"

*EUV stands for Extreme Ultraviolet, EUV light source is one of next-generation semiconductor manufacturing technologies.

• We achieved all targets of the mid-range management plan, except for ROA in the retail finance business.



<Status of Progress Made in Management Targets>

*Average of FY2016-2018

	Targets	Fiscal years	FY2018	FY2016-2018
		Index	Results	Results*
Growth	• Growth rate above the industry's average	Sales growth rate	9.0%	15.0%
Profitability	• An industry's top-level operating income ratio	Segment profit ratio	14.6%	11.7%
Efficiency	• ROE of 10% or higher	ROE	14.7%	11.4%
Shareholder return	• While making priority investment for growth, we will ensure a fair balance with shareholder return (incl. stock buyback). • We have set the goal of a consolidated payout ratio of 40% or higher, and maintains the policy of not decreasing dividends as long as a consolidated payout ratio does not surpass 60%.	Consolidated payout ratio	40.5%	43.0%
Financial position	• Aim at industry's top-level financial position.	Net debt-to-equity ratio	0.43	0.34

Retail Finance	• ROA: 2.0% or above	ROA	2.2%	1.6%
	• 5.0% or under for net debt-to-equity ratio	Net debt-to-equity ratio	3.64	3.60

II . Outlook of FY2019 Business Results

- Consolidated net sales will decreased by 4.0% from FY2018, to JPY2,617.0 billion.
- Operating income will decline by 15.3% to JPY337.0 billion. Operating income ratio will amount to 12.9%, down 1.7 percentage points.
- Net income will decline by 16.2% to JPY215.0 billion.

Billions of yen	FY2018 Results (A) ¥110.6/USD ¥128.5/EUR ¥16.5/RMB	FY2019 Projection (B) ¥105.0/USD ¥119.0/EUR ¥15.6/RMB	Changes (B-A)	
			Increase (Decrease)	% Change
Net sales	2,725.2	2,617.0	(108.2)	(4.0)%
Segment profit	399.3	342.0	(57.3)	(14.4)%
Other operating income (expenses)	(1.5)	(5.1)	(3.5)	-
Operating income	397.8	337.0	(60.8)	(15.3)%
Profit ratio	14.6%	12.9%	(1.7)pts.	-
Other income (expenses)	(20.3)	(20.0)	0.3	-
Income before income taxes	377.4	317.0	(60.4)	(16.0)%
Net income attributable to Komatsu Ltd	256.4	215.0	(41.4)	(16.2)%

ROE	14.7%	11.8%	(2.9)pts.
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Cash dividends per share	110yen	110yen	+/-0.0yen
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Consolidated payout ratio	40.5%	48.3%
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Projection for Segment Sales and Profit of FY2019

- **Construction, mining & utility equipment:** Sales will decrease by 4.7% from FY2018, to JPY2,362.0 billion. Segment profit will decline by 14.9% to JPY311.0 billion. Segment profit ratio will amount to 13.2%, down 1.5points.
- **Retail finance:** Revenues will advance by 10.1% to JPY70.0 billion. Segment profit will decline by 25.7% to JPY13.0 billion.
- **Industrial machinery & others:** Sales will increase by 1.9% to JPY207.0 billion. Segment profit will advance by 12.7% to JPY21.0 billion.

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

Billions of yen	FY2018 Results (A)	FY2019 Projection (B)	Changes (B-A)	
			Increase (Decrease)	% Change
Net sales	2,725.2	2,617.0	(108.2)	(4.0)%
Construction, mining & utility equipment	2,478.9 [2,466.6]	2,362.0 [2,350.0]	(116.9) [(116.6)]	(4.7)% [(4.7)%]
Retail finance	63.5 [57.3]	70.0 [62.0]	+6.5 [+4.6]	+10.1% [+8.1%]
Industrial machinery & others	203.2 [201.2]	207.0 [205.0]	+3.8 [+3.7]	+1.9% [+1.9%]
Elimination	(20.5)	(22.0)	(1.4)	-
Segment profit	☐ 14.7% 399.3	☐ 13.1% 342.0	(57.3)	(14.4)%
Construction, mining & utility equipment	☐ 14.7% 365.3	☐ 13.2% 311.0	(54.3)	(14.9)%
Retail finance	☐ 27.5% 17.5	☐ 18.6% 13.0	(4.5)	(25.7)%
Industrial machinery & others	☐ 9.2% 18.6	☐ 10.1% 21.0	+2.3	+12.7%
Corporate & elimination	(2.0)	(3.0)	(0.9)	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

While we can anticipate price hikes, sales will decrease from FY2018, as affected by declining volume of sales and the adverse effects of foreign exchange rates. Segment profit will decline due to those two factors above, worsening geographic sales composition and strategic investment for growth.

■ Retail Finance:

Revenues will increase due to an increase in annual average outstanding assets. Segment profit will decrease partly due to no more reversal of allowances for doubtful accounts which were recorded for FY2017.

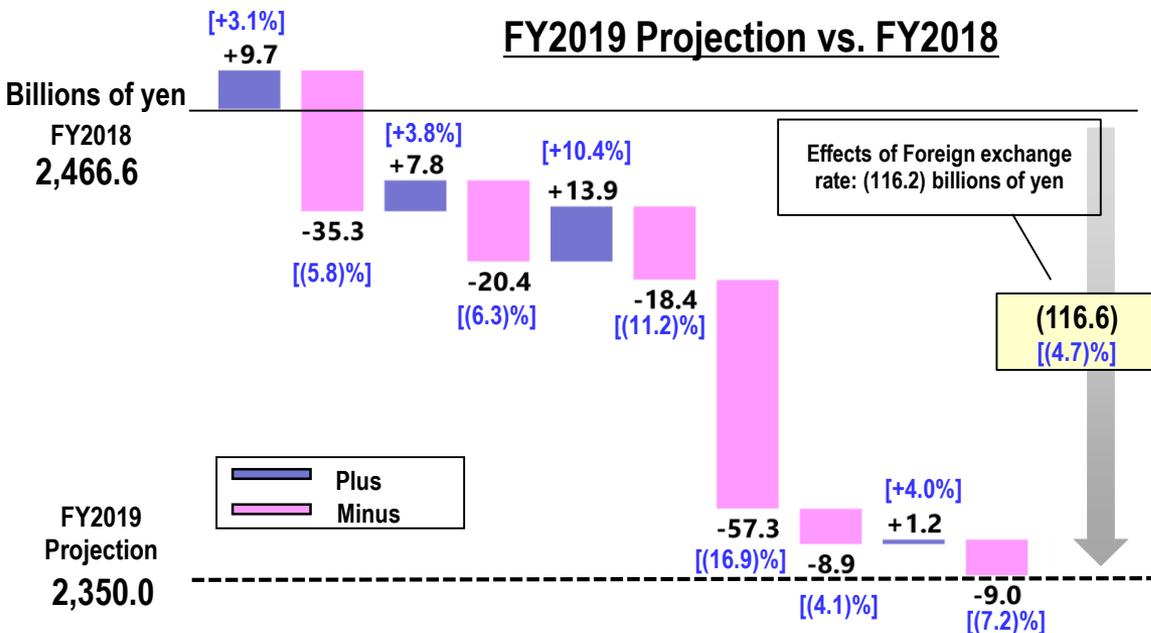
■ Industrial Machinery & Others

Both sales and segment profit will increase, mainly reflecting advancing sales of presses to the automobile manufacturing industry.

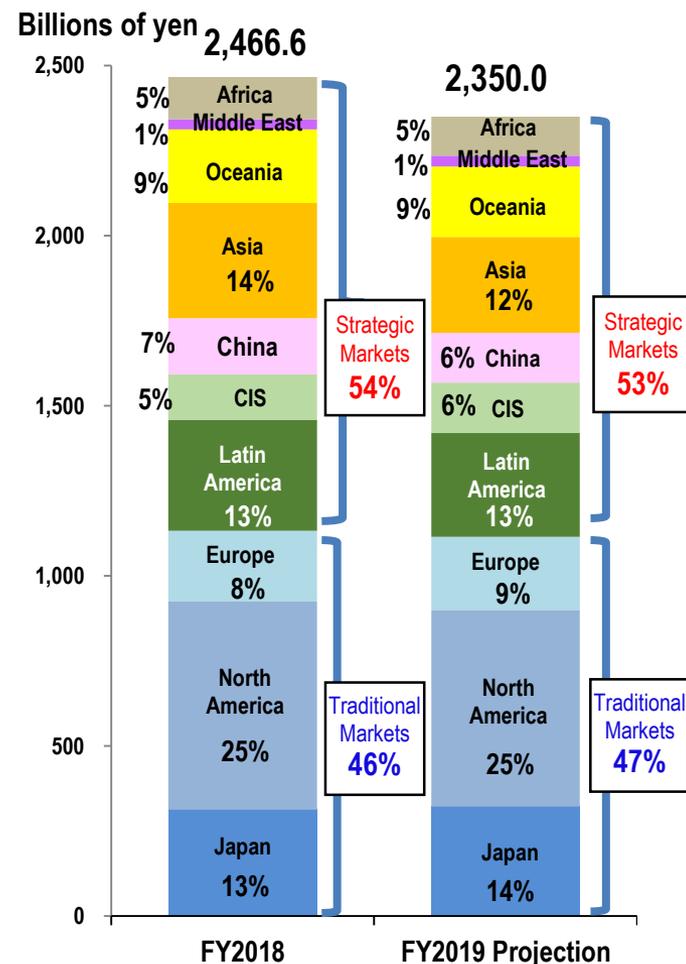
Construction, Mining & Utility Equipment : Projection for Sales by Region (To Outside Customers) for FY2019

- Sales to outside customers will decline by 4.7% from FY2018, to JPY2,350.0billion.
- While sales will decline, affected by dropping sales particularly in Asia, North and Latin America, sales should remain about flat when the effects of foreign exchange rates are removed.

FY2019 Projection vs. FY2018



Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2018 (a)	312.7	612.2	207.5	325.6	134.6	164.8	339.0	215.6	30.2	124.1	2,466.6
FY2019 (b)	322.5	576.7	215.4	305.2	148.6	146.3	281.6	206.7	31.5	115.1	2,350.0
*Change (b-a)	+9.7	(35.3)	+7.8	(20.4)	(13.9)	(18.4)	(57.3)	(8.9)	+1.2	(9.0)	(116.6)



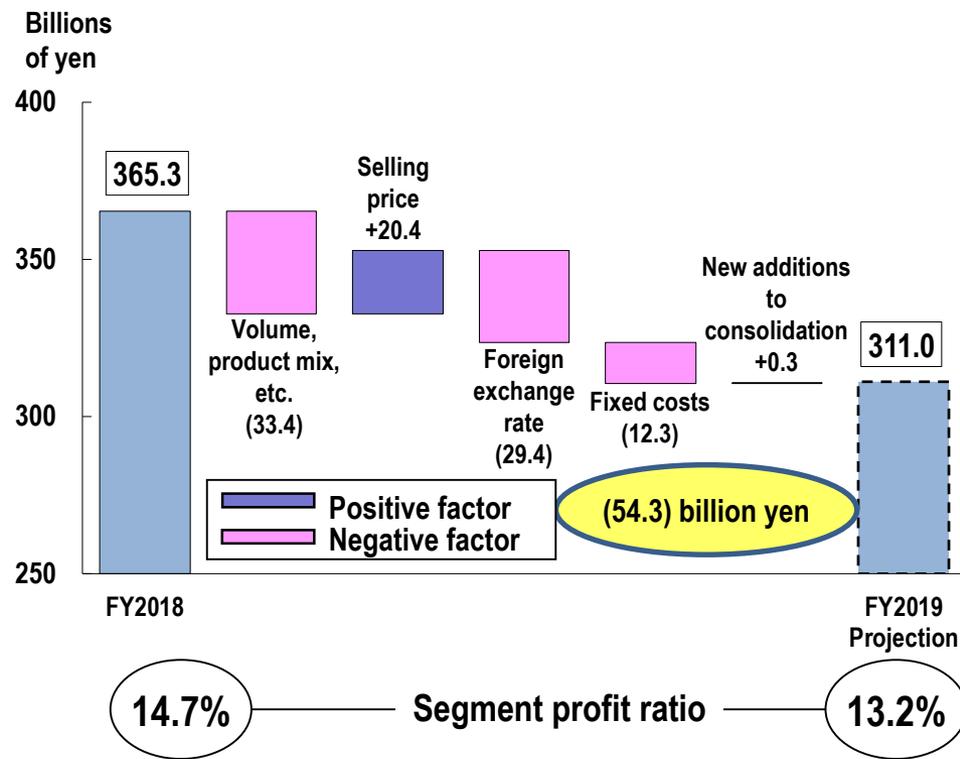
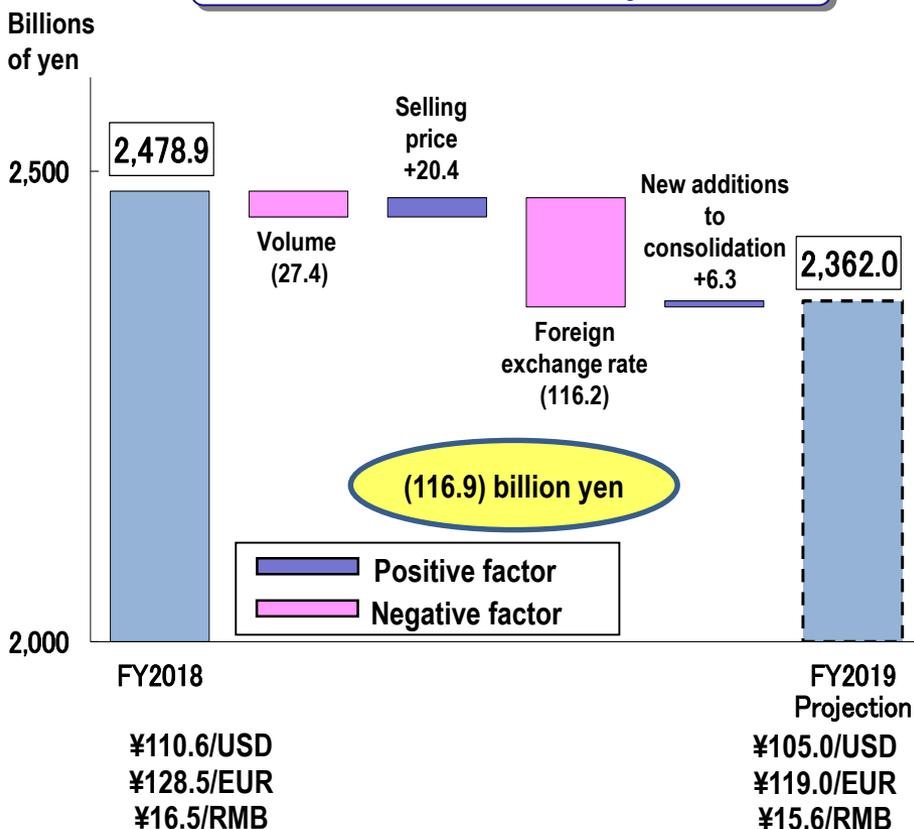
* Region where sales increased, when foreign exchange effects were excluded.

Construction, Mining & Utility Equipment : Causes of Difference in Projected Sales & Segment Profit for FY2019

- While sales should merit from price hikes, sales will decline by JPY116.9 billion from FY2018, as adversely affected by reduced volume of sales and foreign exchange rates.
- Segment profit will decline by JPY54.3 billion from FY2018, as affected by declining volume of sales and the adverse effects of geographical sales composition and foreign exchange rates as well as strategic investment for growth.
- Segment profit ratio will decrease by 1.5 points to 13.2%.

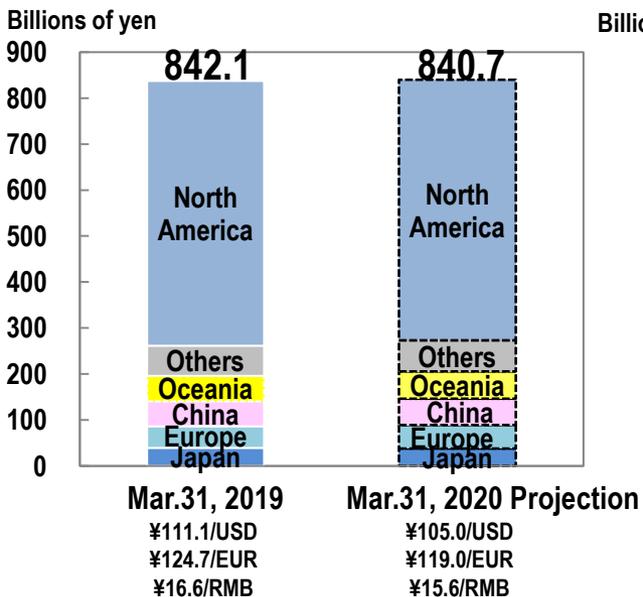
Sales
FY2018 vs. FY2019 Projection

Segment profit
FY2018 vs. FY2019 Projection

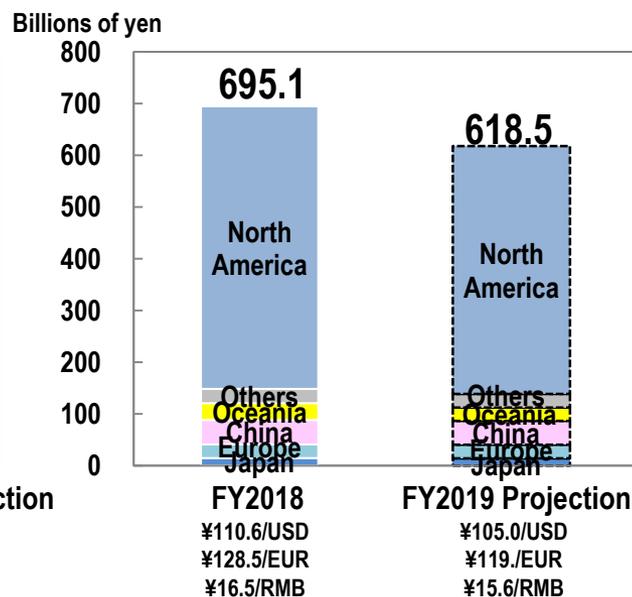


- Assets will remain flat from FY2018, as adversely affected by foreign exchange rates.
- New contracts will decrease, as adversely affected by foreign exchange rates and a decline, especially in North America and Oceania.
- Revenues will grow due to an increase of annual average outstanding assets.
- Segment profit decline, as no longer affected by allowances for doubtful accounts recorded in China.

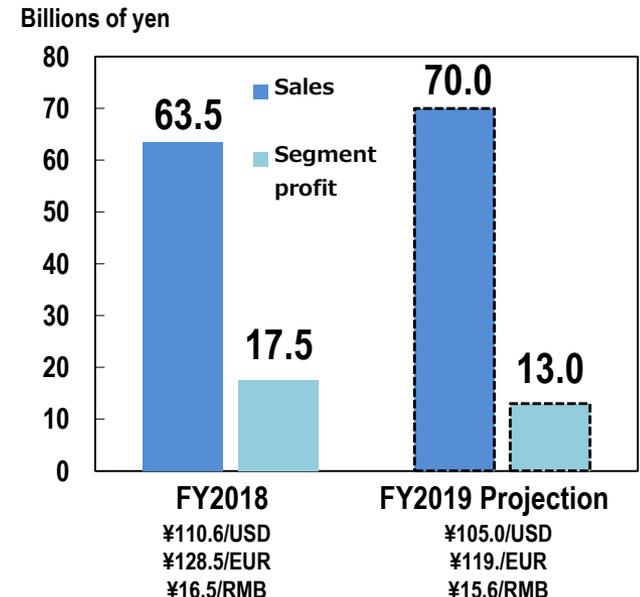
Assets
Mar.31, 2019 vs. Mar.31, 2020 (Projection)



New Contracts
FY2018 vs. FY2019 (Projection)



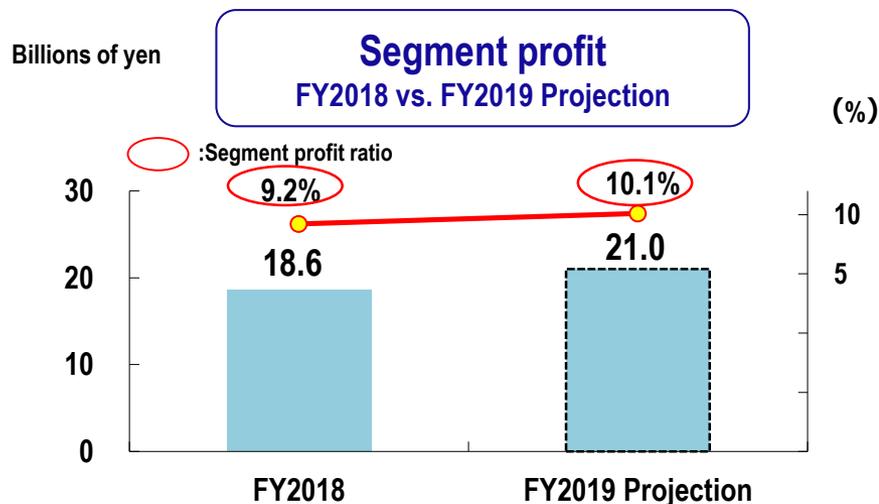
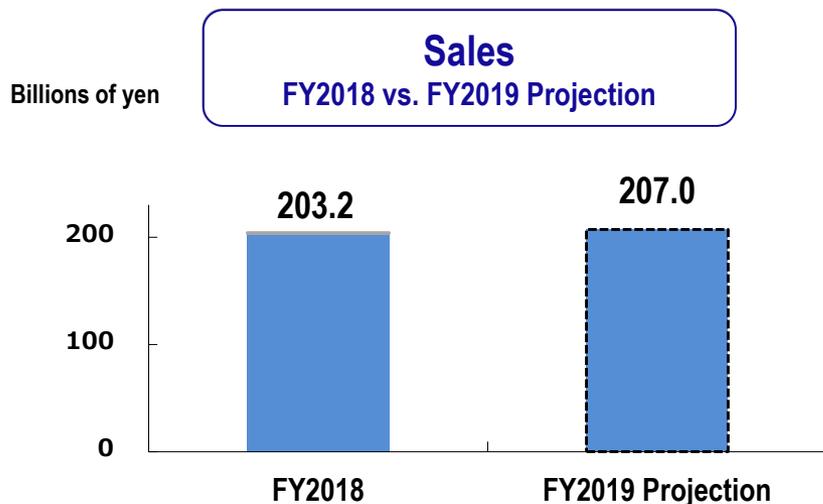
Revenues
FY2018 vs. FY2019 (Projection)



Billions of yen	2019/3E	2020/3E projection	Changes
Interest-bearing debt	638.0	646.1	+8.1
Interest-bearing debt, net	634.0	638.1	+4.1
Net D/E ratio	3.64	3.79	+0.15pts.

	FY2018	FY2019 projection	Changes
ROA	2.2%	1.6%	(0.6)%

• We project that sales will increase by 1.9% from FY2018, to JPY207.0 billion, and segment profit by JPY2.3 billion to JPY21.0 billion.

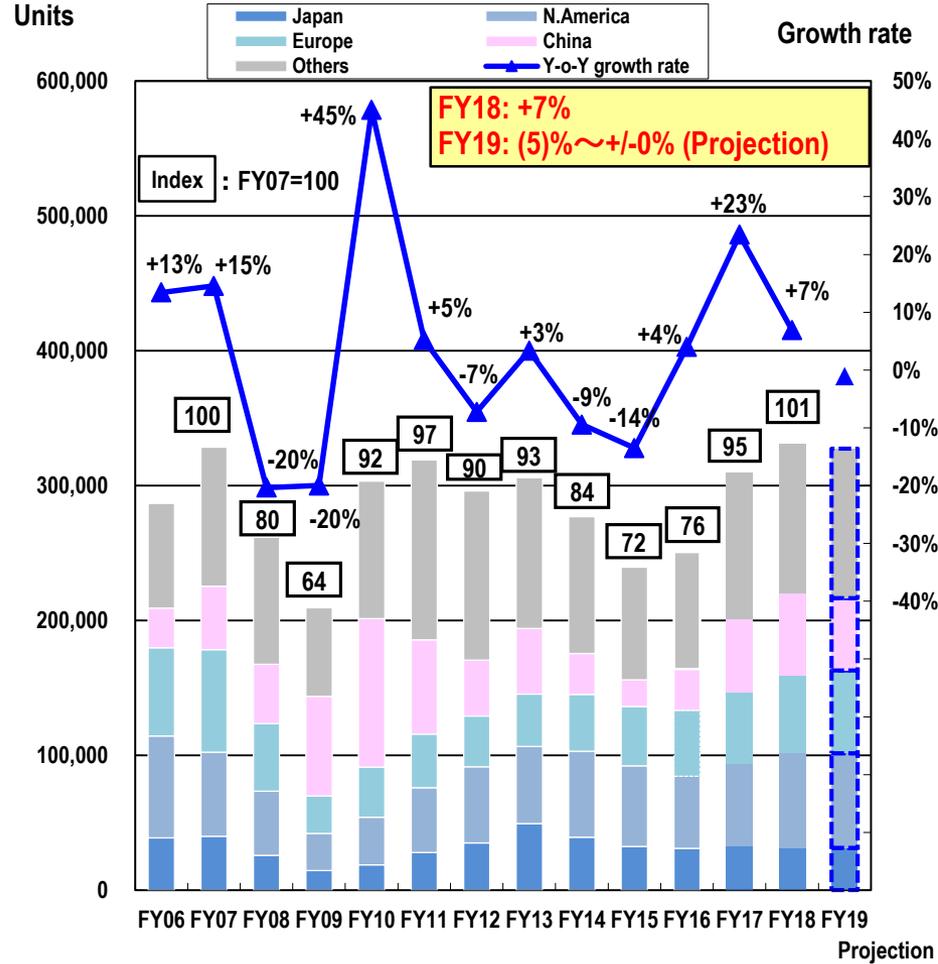


Breakdown of sales

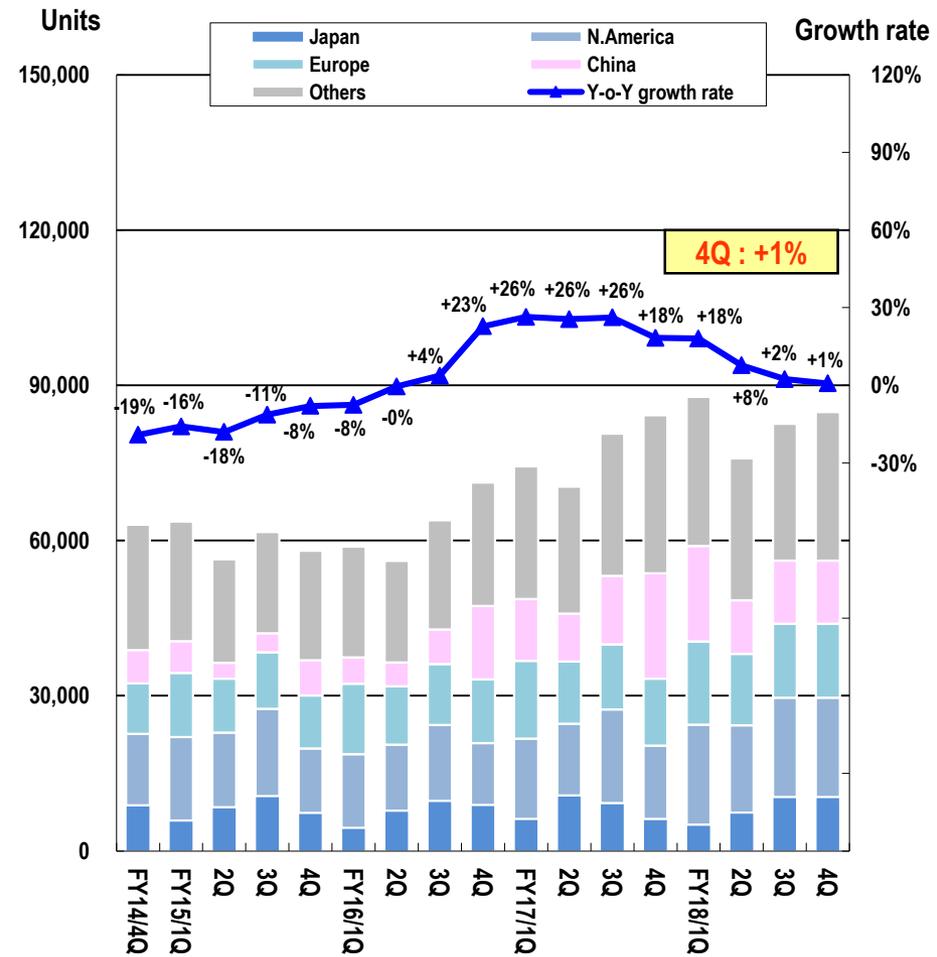
Billions of yen	FY2018	FY2019 Projection	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	57.4	63.1	+5.6	+9.9%
Komatsu NTC Ltd.	67.9	59.6	(8.2)	(12.1)%
Gigaphoton Inc.	40.5	42.6	+2.0	+5.1%
Others	37.3	41.5	+4.2	+11.4%
Total	203.2	207.0	+3.8	+1.9%

- In FY2018, demand increased presumably by 7% from FY2017.
- In FY2019, demand will decrease between 5% and +/-0% in general from FY2018.

Annual demand for 7 major products

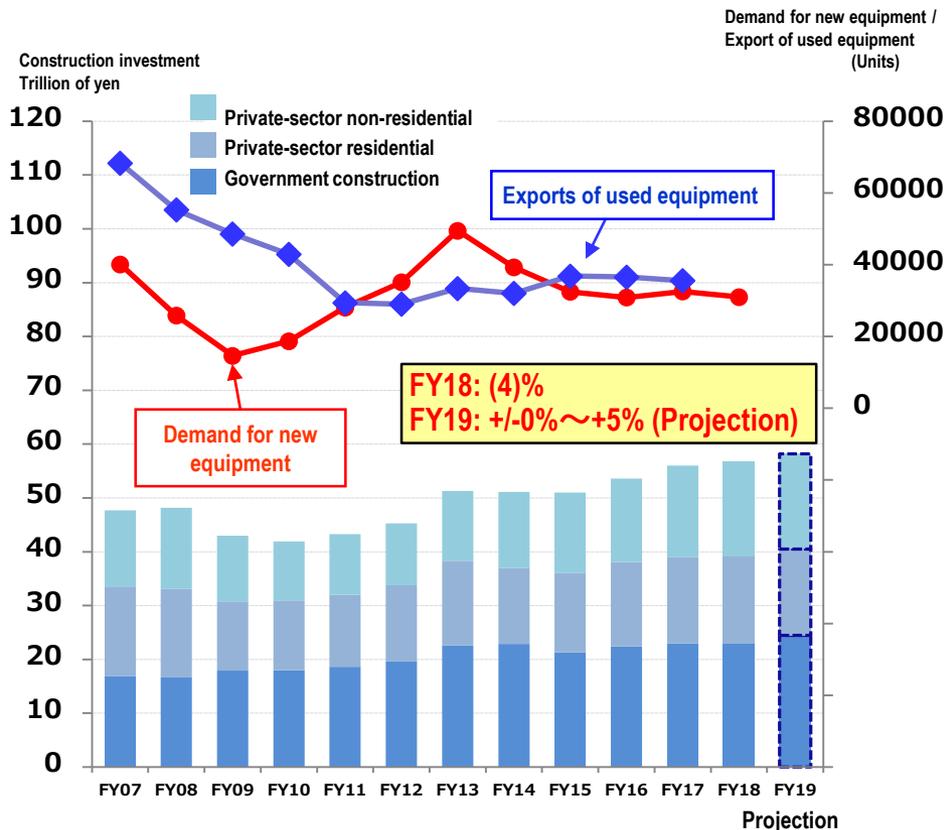


Quarterly demand for 7 major products

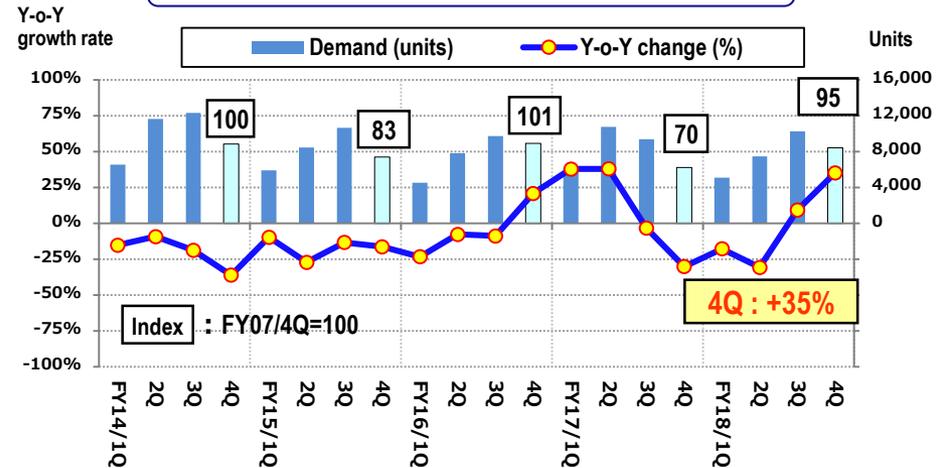


- In FY2018, demand decreased by 4%. While it dropped sharply in the first half period as affected by a rebound of pre-buy demand in anticipation of the new emission control regulations (enforced in September 2017), it increased in the second half period from the corresponding period a year ago.
- In FY2019, annual demand will increase between +/-0% and 5% from FY2018.

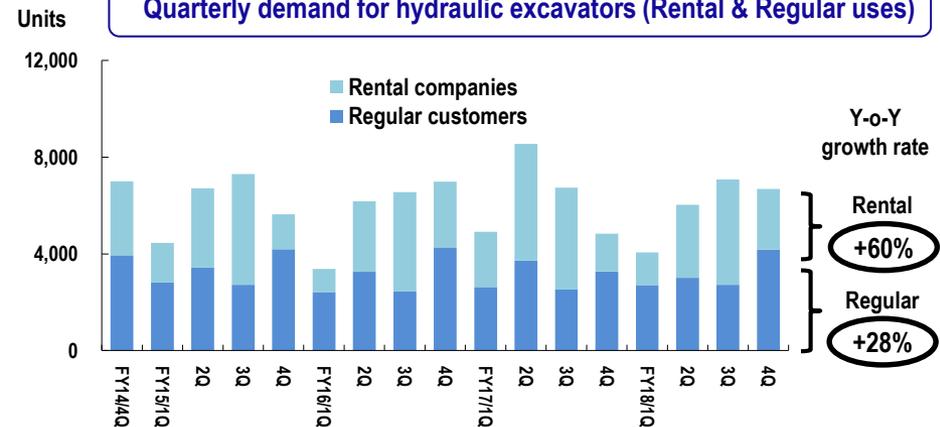
Demand for new equipment (7 major products) and construction investment



Quarterly demand for 7 major products



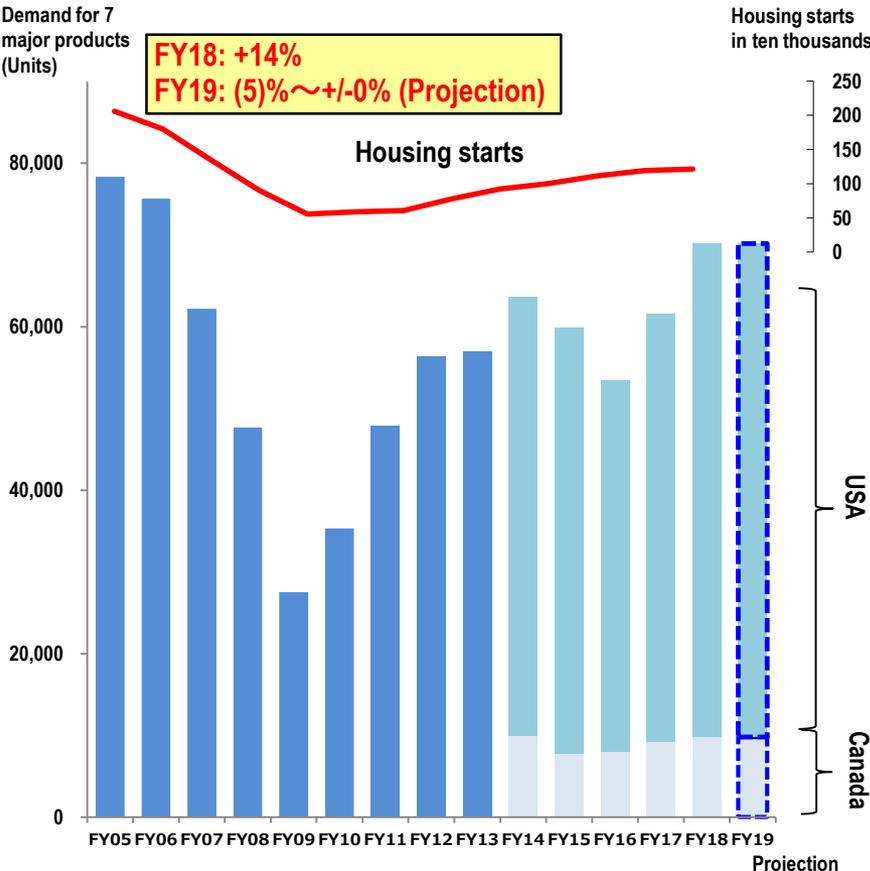
Quarterly demand for hydraulic excavators (Rental & Regular uses)



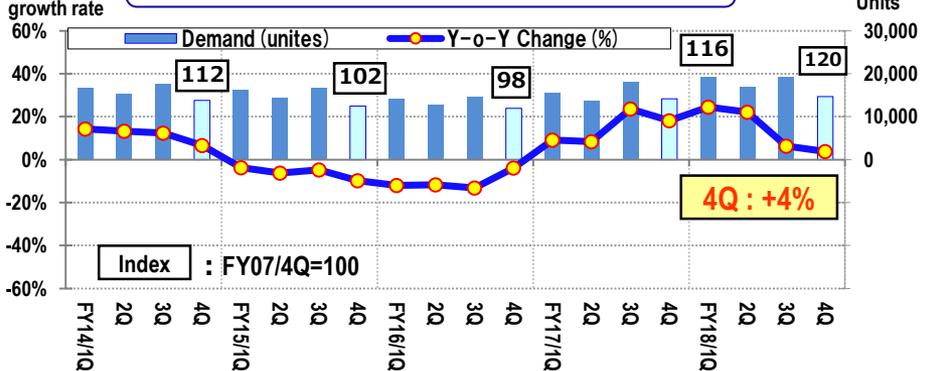
[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products and No. of exported used equipment estimated by Komatsu

- In FY2018, demand increased presumably by 14% from FY2017.
- In the United States, demand remained brisk in the energy-related sector.
- In FY2019, demand will decrease between 5% and +/-0% from FY2018.

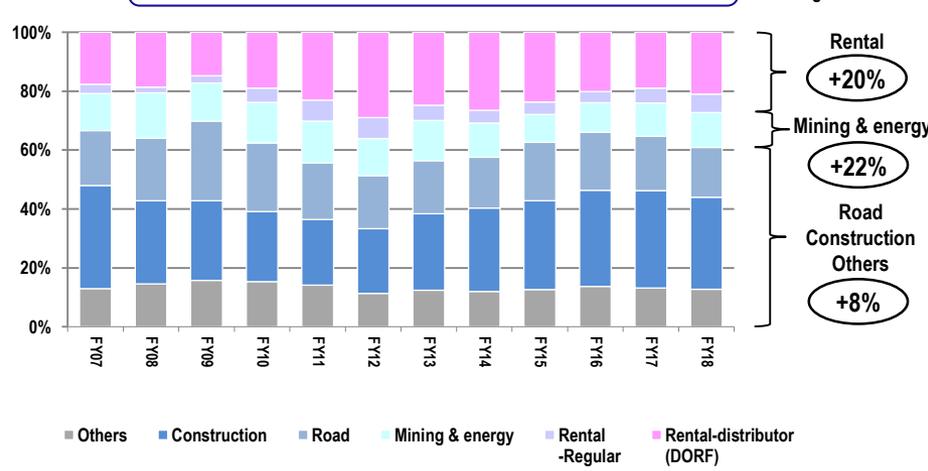
Demand for 7 major products and US housing starts



Quarterly demand for 7 major products



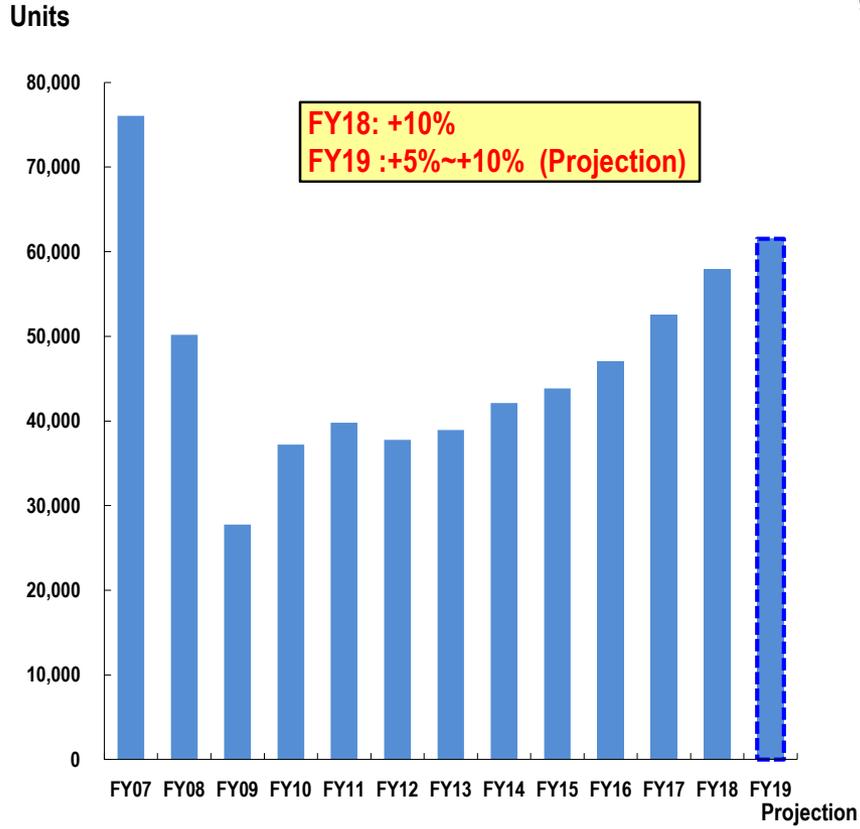
Breakdown of demand by segment (Unit basis)



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

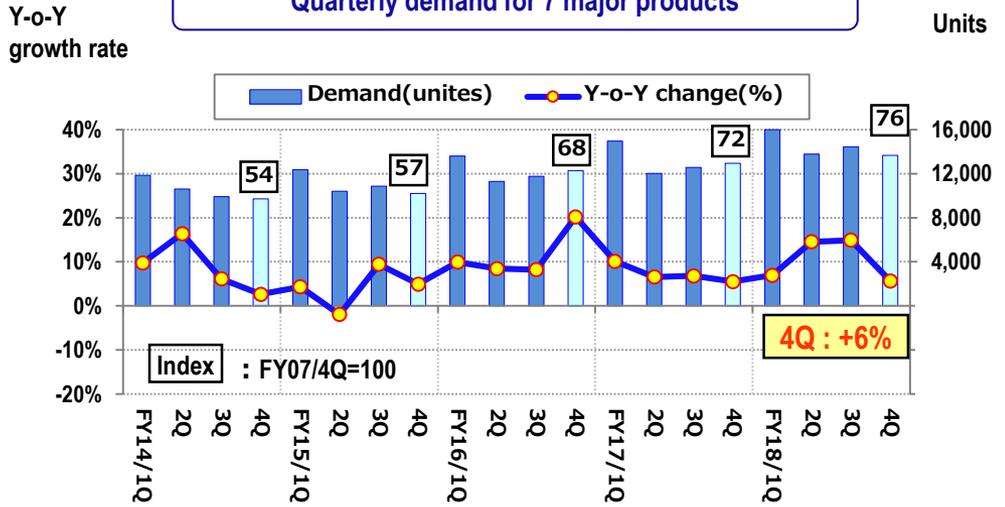
- In FY2018, demand increased presumably by 10% from FY2017.
- Demand remained strong, mainly supported by infrastructure development, in the major markets of Germany, the United Kingdom and France.
- In FY2019, demand will increase between 5% and 10% from FY2018.

Annual demand for 7 major products

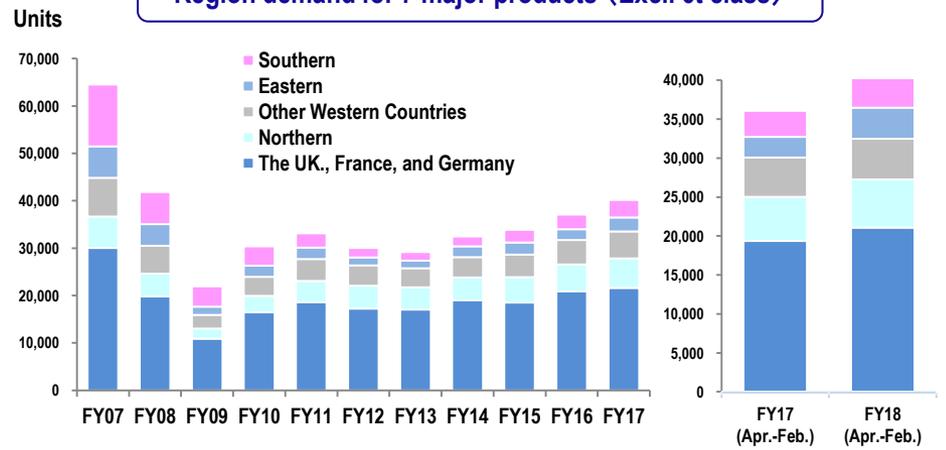


[Source]: Demand for 7 major products estimated by Komatsu

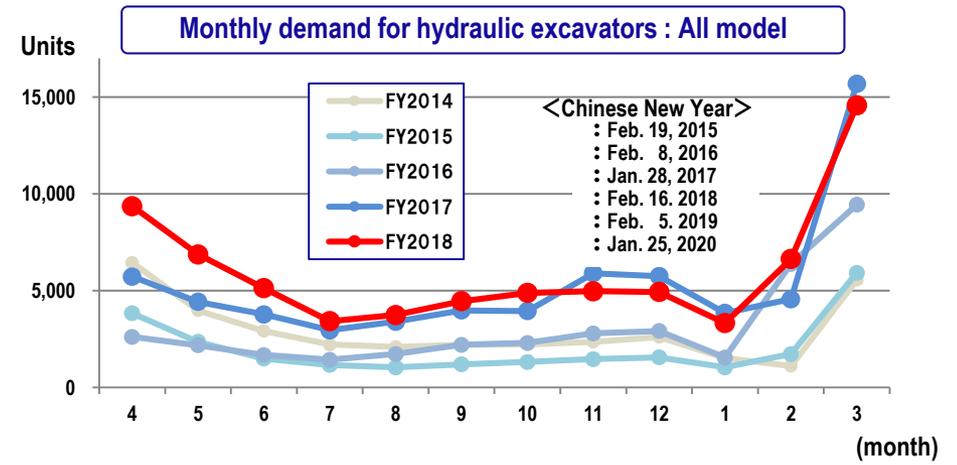
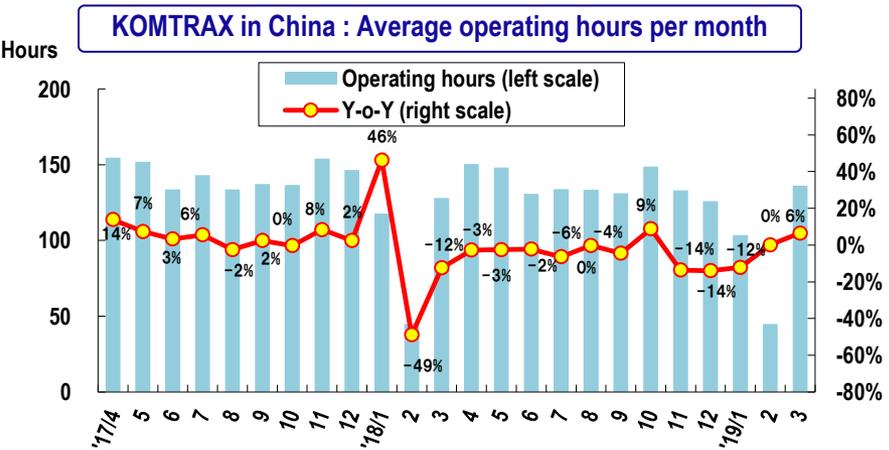
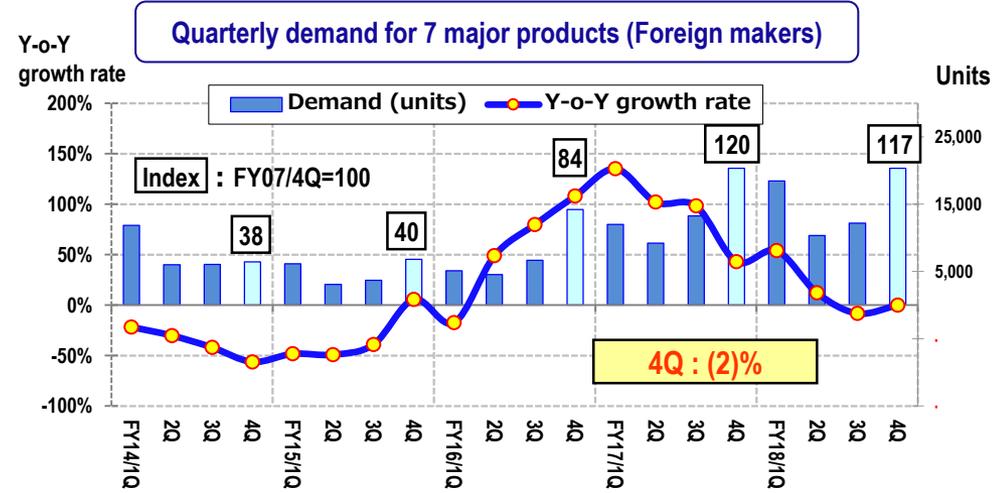
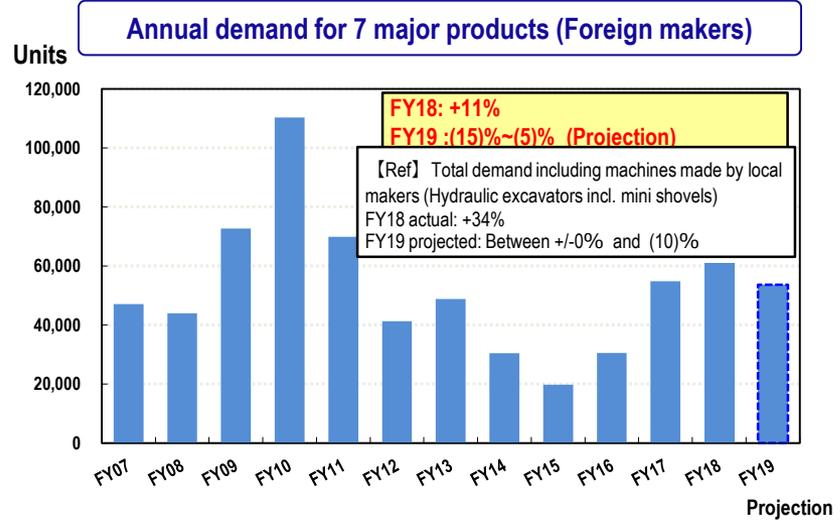
Quarterly demand for 7 major products



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



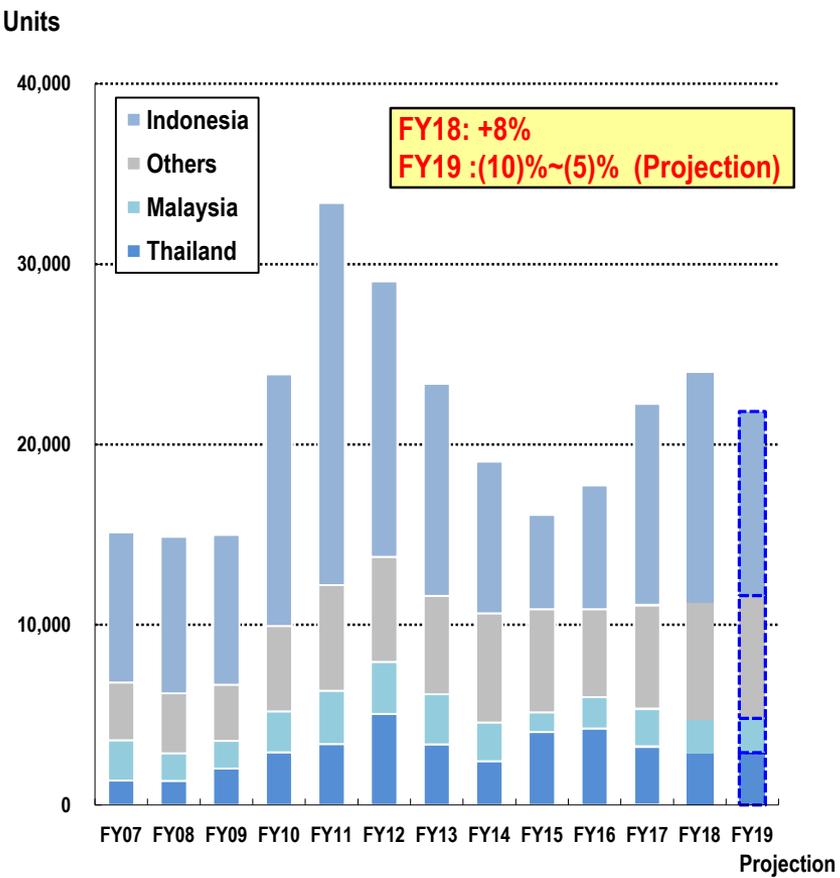
- In FY2018, demand increased presumably by 11% from FY2017.
- Due to economic slow down, the rate of growth sharply dropped.
- In FY2019, we project that demand will be weak as a whole, declining between 5% and 15% from FY2018.



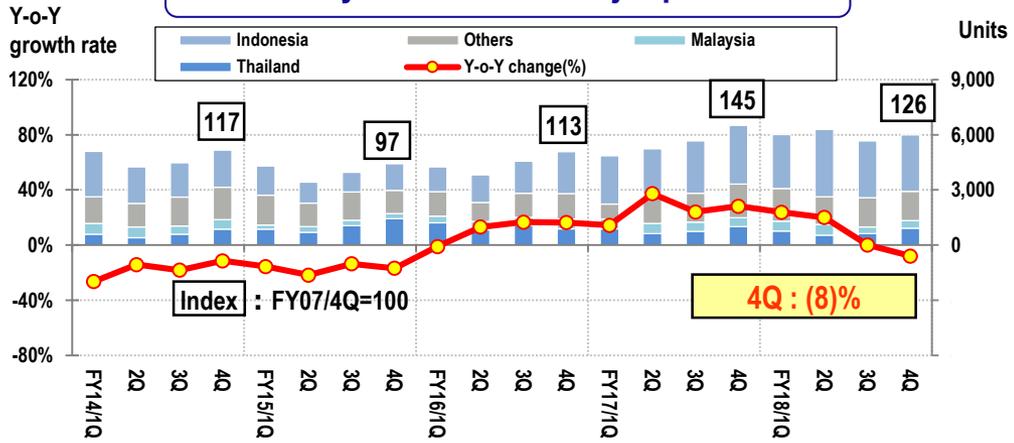
[Source]: Demand for 7 major products and hydraulic excavators estimated by Komatsu

- In FY2018, global demand for mining equipment expanded presumably by 8% from FY2017.
- The rate of growth slowed down in Indonesia, the largest market of the region, in the second half period of FY2018.
- In FY2019, we estimate that conditions of the second half period of FY2018 will continue, resulting in a decline between 5% and 10% from FY2018.

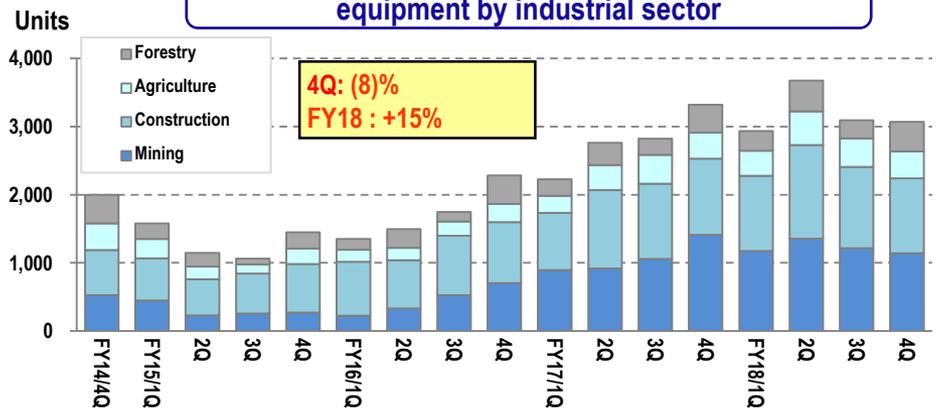
Annual demand for 7 major products



Quarterly demand for 7 major products



Indonesia: Demand for construction & mining equipment by industrial sector

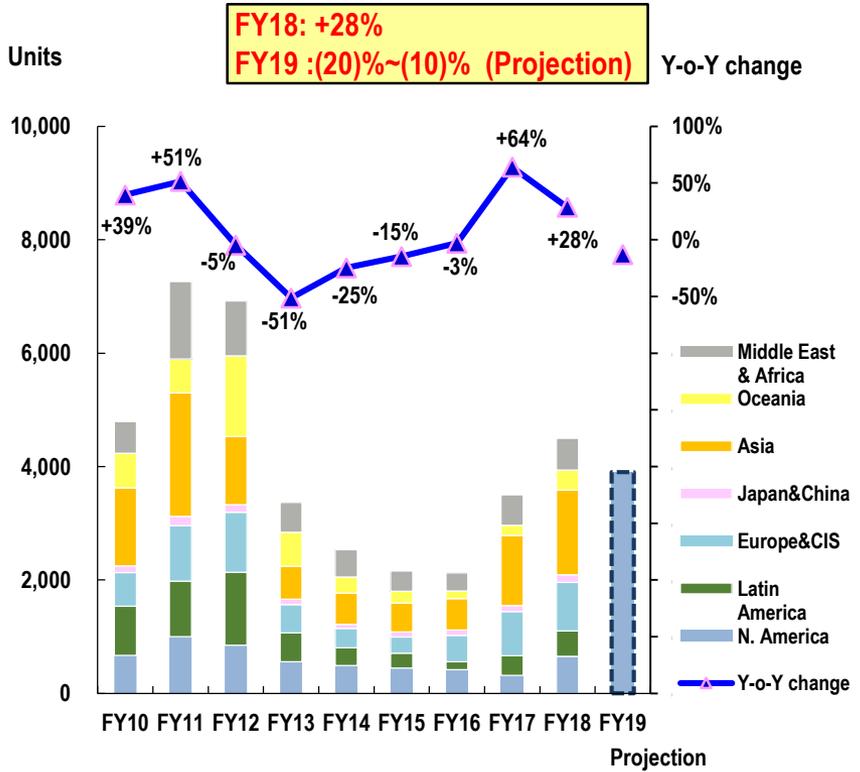


[Source]: Demand for 7 major products estimated by Komatsu

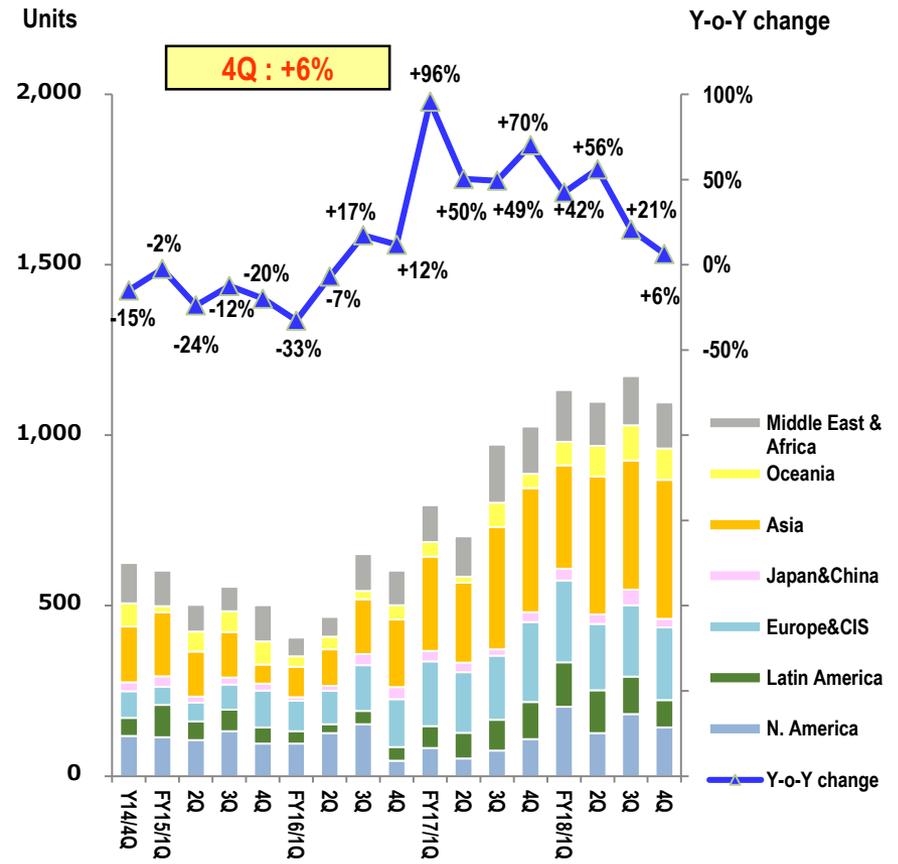
- In FY2018, global demand for mining equipment expanded presumably by 28% from FY2017.
- In FY2019, demand will decline between 10% and 20% from FY2018, as mainly affected by declining demand in Indonesia.

Annual demand for mining equipment

- Dump trucks: 75 tons (HD785) and larger
- Wheel loaders (mechanical driven): 810HP (WA800) and larger
- Bulldozers: 525HP (D375) and larger
- Motor graders: 280HP (GD825) and larger
- Excavators: 200 tons (PC2000) and larger



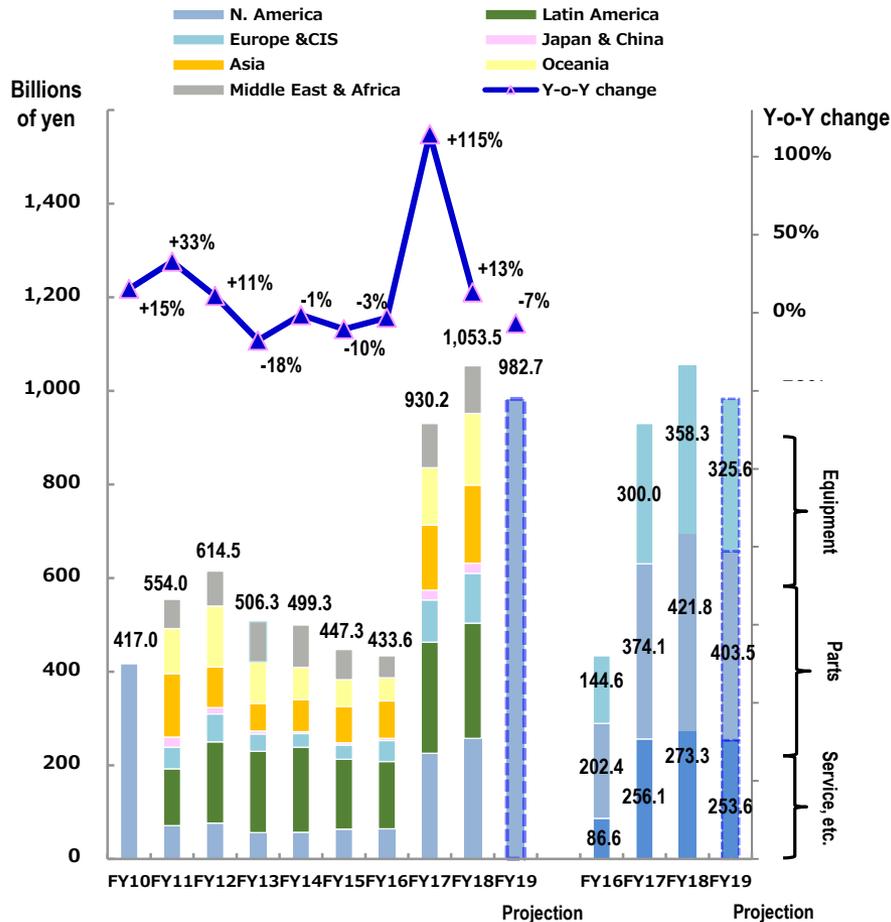
Quarterly demand for mining equipment



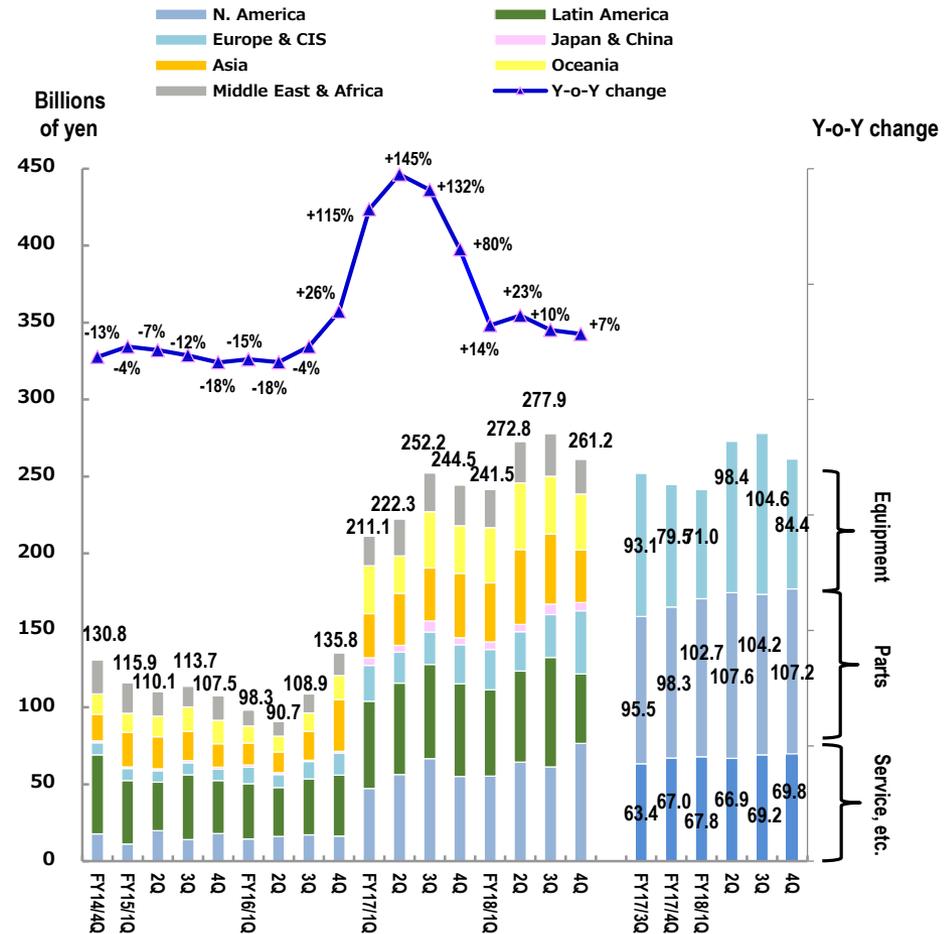
Note: Demand estimated by Komatsu

- In FY2018, sales increased by 13% from the corresponding period a year ago, to JPY153.5 billion.
- FY2019 sales will decrease by 7% from FY2018, to JPY982.7 billion, as mainly affected by declining sales in Indonesia.

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

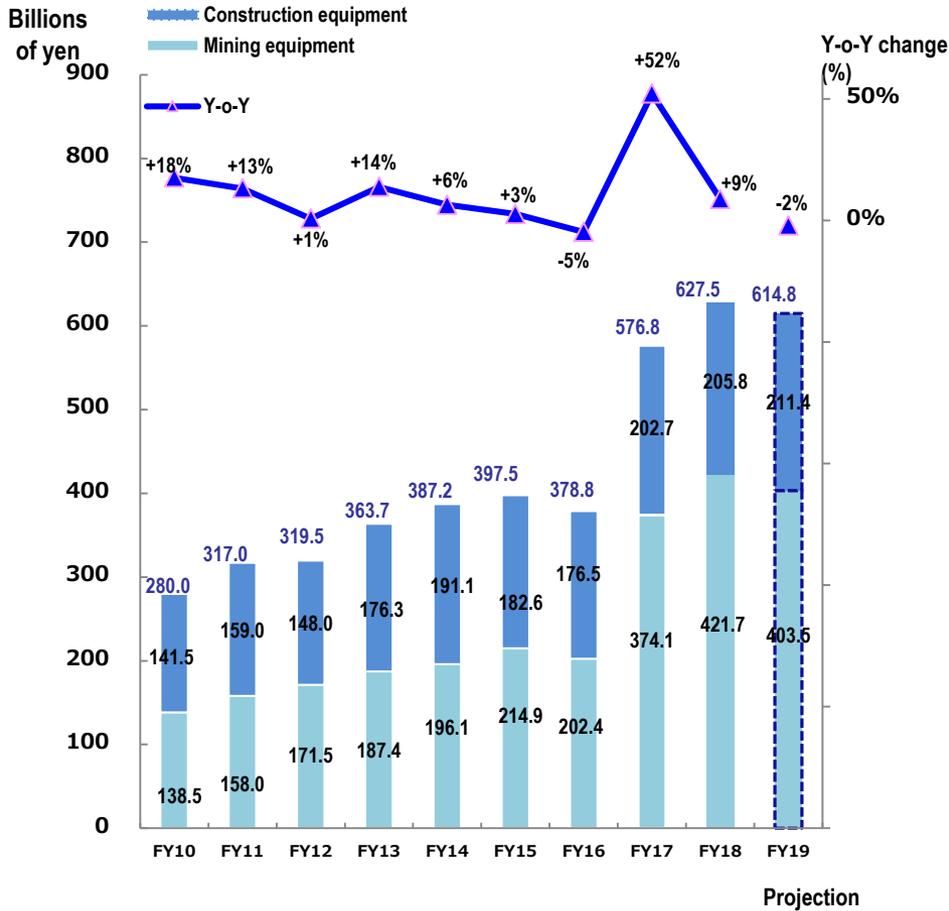


Quarterly sales of mining equipment (incl. parts and service)

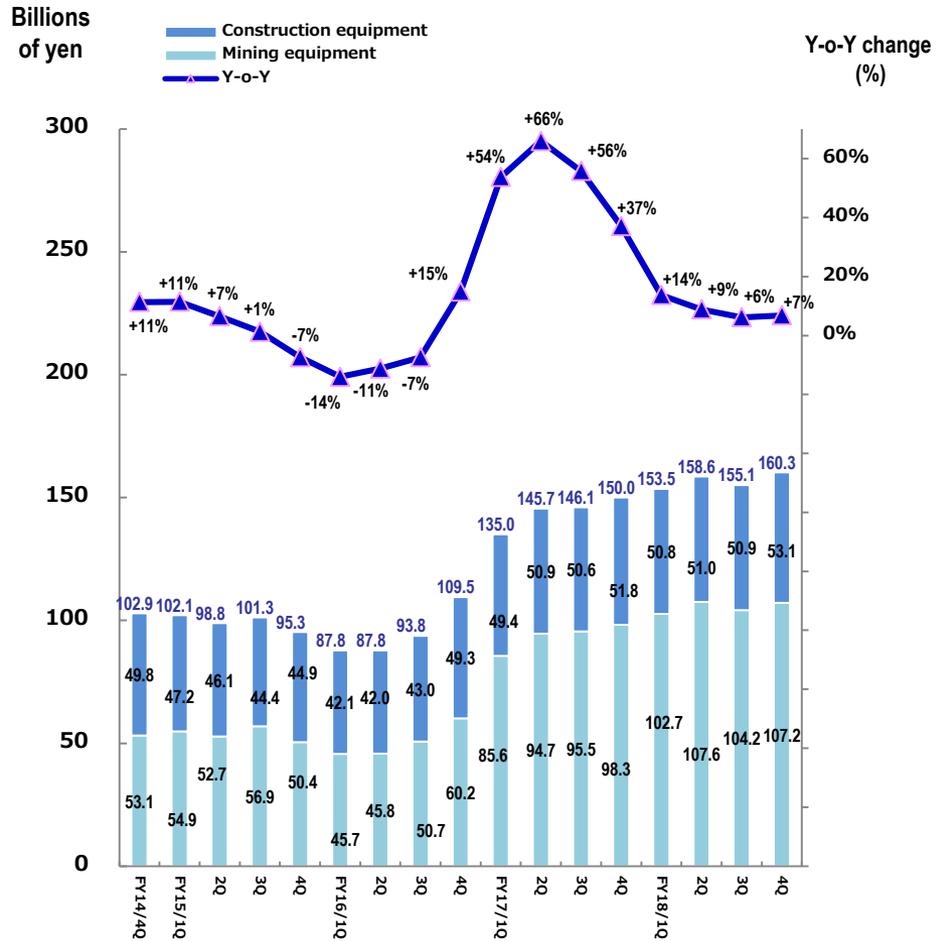


- In FY2018, sales of parts increased by 9% from the corresponding period a year ago, to JPY627.5 billion.
- FY2019 sales will decrease by 2% from FY2018, to JPY614.8 billion, as affected by foreign exchange rates.

Annual sales of parts



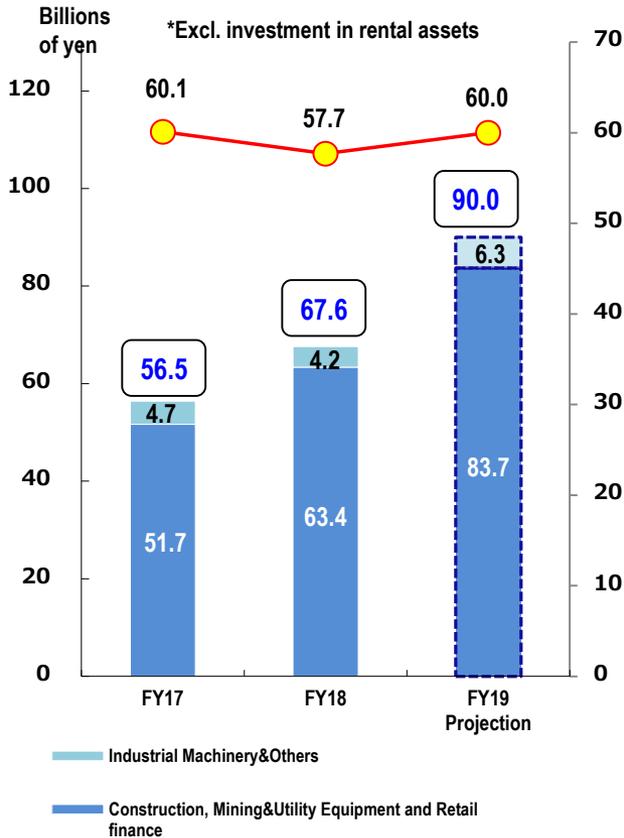
Quarterly sales of parts



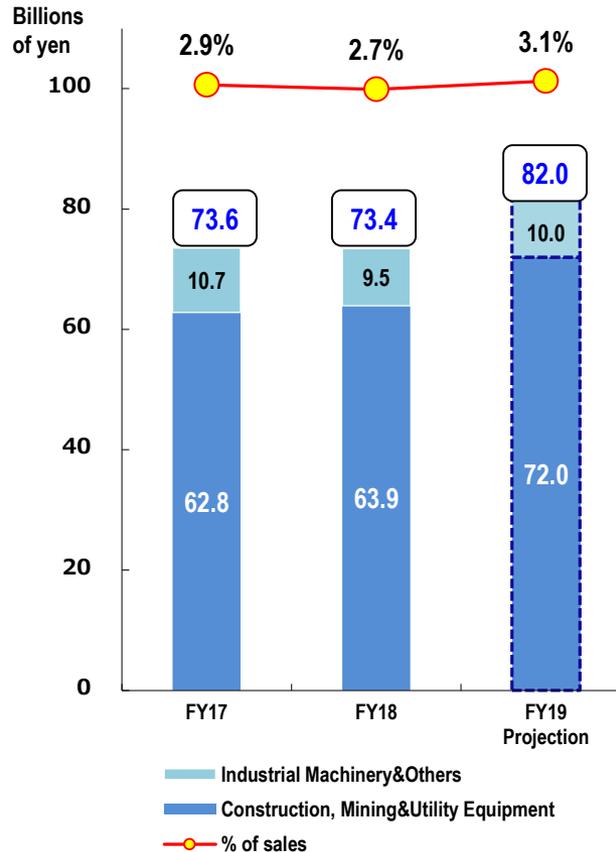
We include focused investment in growth areas in relation to CAPEX, R&D expenses and fixed costs.

- CAPEX: We will allocate to realignment of KMC's plants, measures to meet labor shortage at Japanese plants, etc.
- R&D expenses: We will focus investment in development of unmanned, automated and application and region-specific models as well as next-generation products, such as key components.
- Fixed costs: They will increase, resulting from investment in growth areas and advance investment in business reforms based on continuous application of ICT.

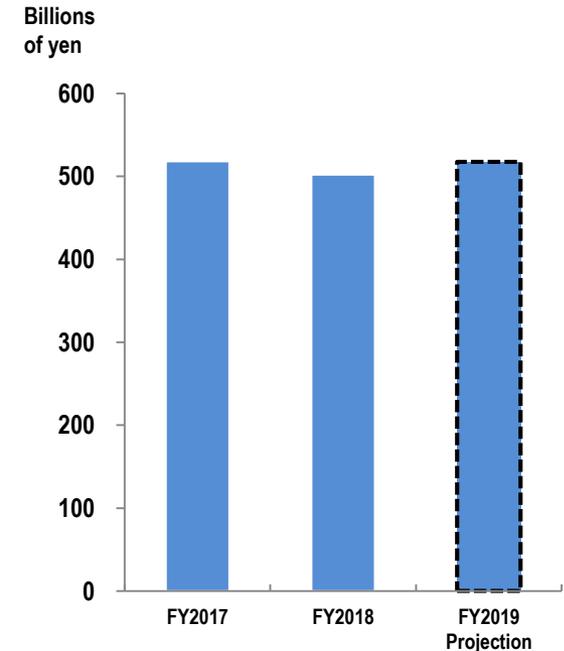
Investment in production and other facilities* and depreciation



R&D Expenses



Fixed costs





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.

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Ⅲ. Mid-Term Management Plan

Mid-Term Management Plan (FY2019 – FY2021)

DANTOTSU Value

FORWARD Together for Sustainable Growth

April 26, 2019
Hiroyuki Ogawa
President and CEO
Komatsu Ltd.

Mid-Term Management Plan (FY2019 – FY2021)

DANTOTSU Value *FORWARD* Together for Sustainable Growth

Linking every workplace through excellence

Our world is changing.

So are the challenges of our customers and society.

What can we do to help overcome these challenges while remaining sustainable?

Together, we can reach new, unrivaled heights of excellence in our products, services, and solutions to enable a better world. We can link every workplace and generate value with our global teams, customers, distributors, partners and communities.

We can make a difference.

We can do it by delivering DANTOTSU Value.

The external environment is changing, as represented by multi-polarization of the world and growing concerns about climate change. To achieve sustainable growth, we need growth strategies that are not affected by changes of market demand.

Changes in the External Environment and of ESG Issues

[Politics & economy]

- Multipolarization of the world
- Emergence of protectionism
- Growth of emerging economies

[Environment & energy]

- Climate change
- Growing demand for energy, foods and water
- Decarbonization & renewable energy

[Technologies]

- Further spread of IoT, AI, and big data
- The progress of electric and autonomous vehicles

[Society & values]

- Acceleration of diversity in advanced countries
- A decline of working-age population
- Achievement of a recycling-oriented society by accelerating the pace of sharing
- Growing pursuit and needs for safety and comfort

Expectations of achieving a sustainable society

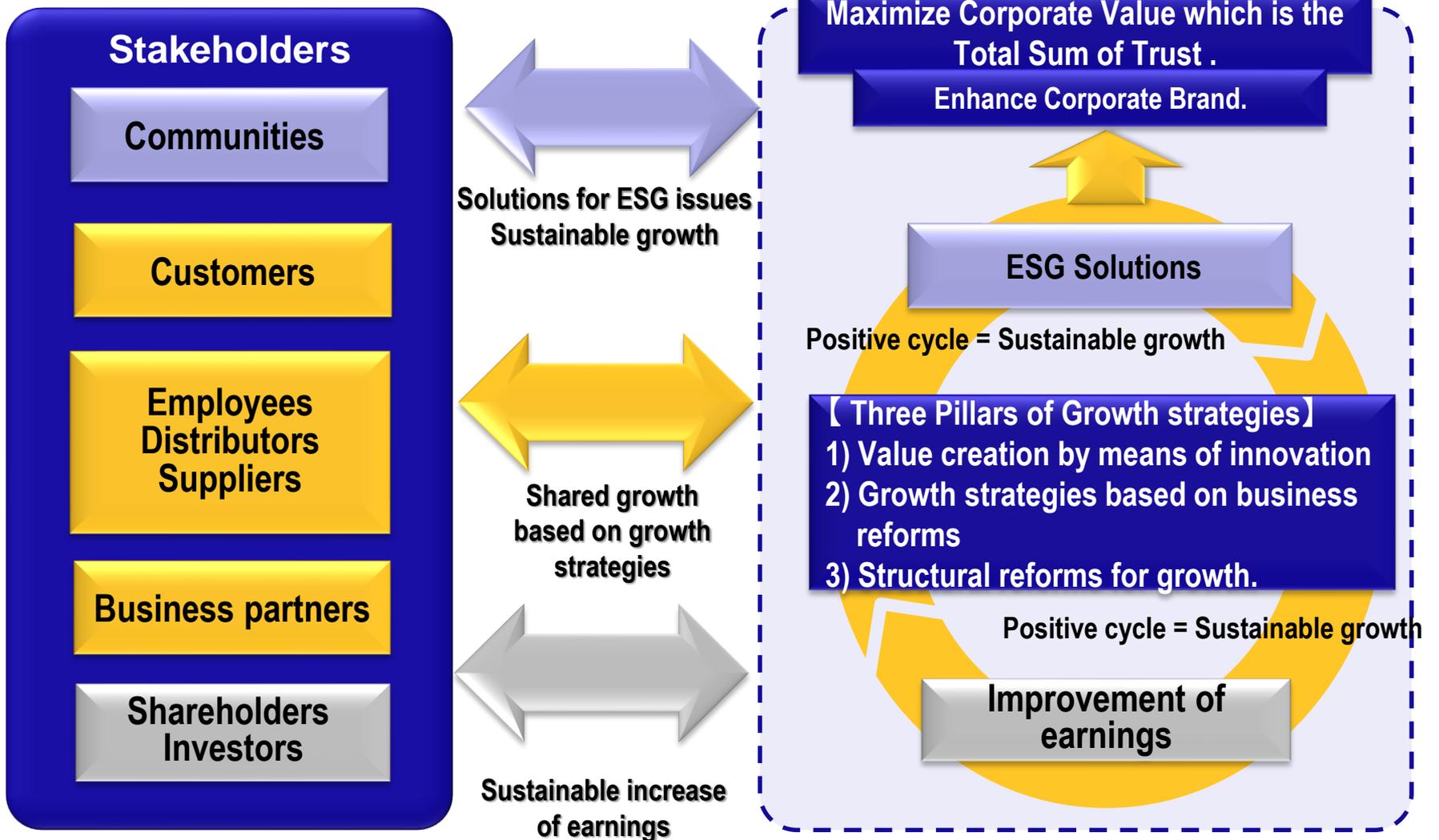
Our Tasks in the Growth Strategies

1. To solve ESG issues through the growth strategies of our core business.
2. To promote sustainable growth based on our profit structure which is free of changes in the external environment and market demand.

2. Mid-term Management Plan: Concepts and Stance

We will strive to maximize our corporate value and achieve sustainable growth through a positive cycle of improving earnings and solving ESG issues. We will achieve this by working on our three strategic pillars: 1) value creation by means of innovation, 2) growth strategies based on business reforms, and 3) structural reforms for growth.

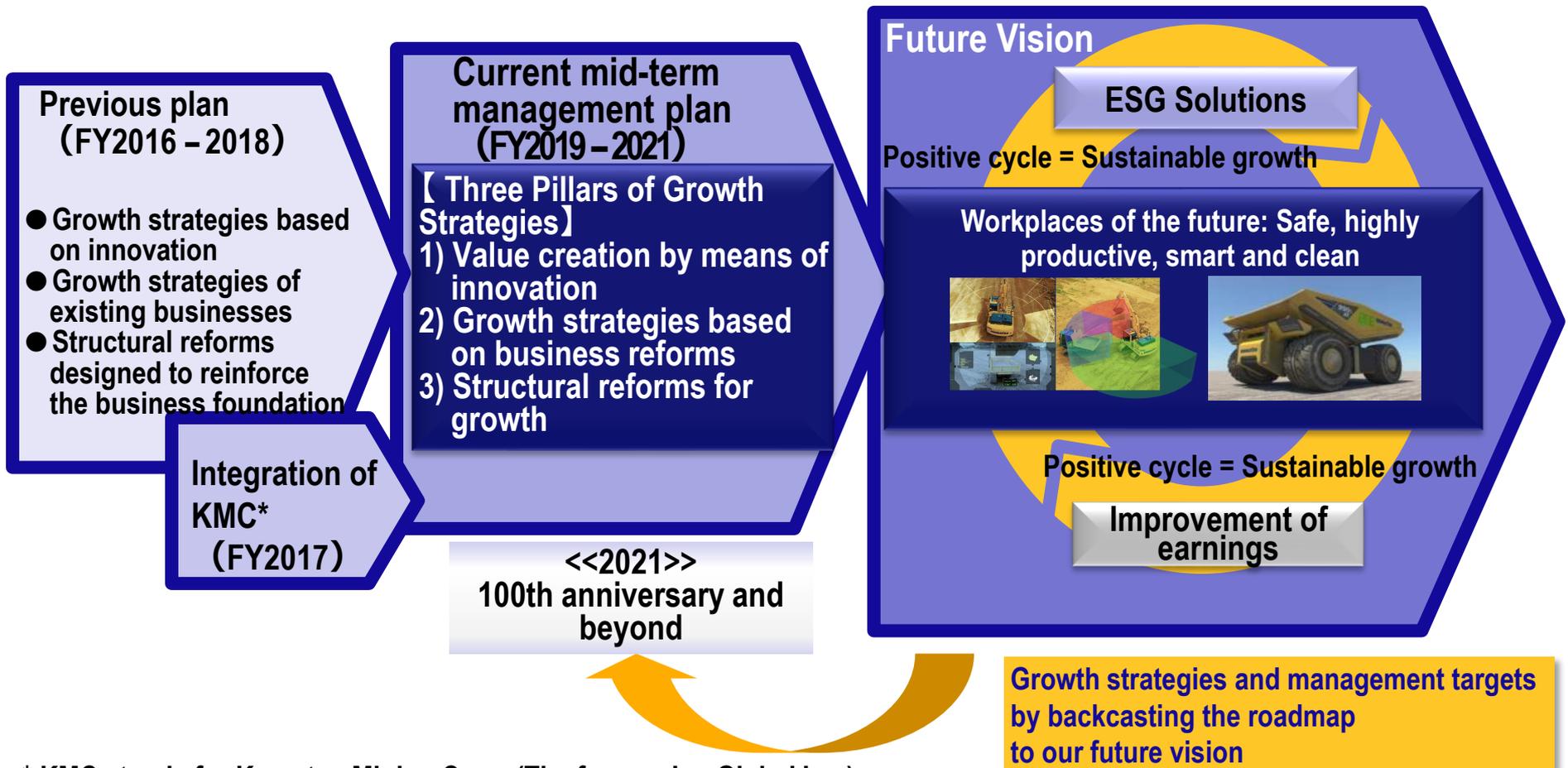
<< Expectations of society and stakeholders >> << Growth Strategy Aligned with Management Principles >>



3. Outline and Status of Mid-term Management Plan

To maximize corporate value (the total sum of trust) , we will work for sustainable growth. In developing this mid-term management plan, we have defined growth strategies and management targets by backcasting the roadmap to our future vision.

Management principle Make commitment to **Quality and Reliability** and maximize corporate value (the total sum of trust from society and all stakeholders)

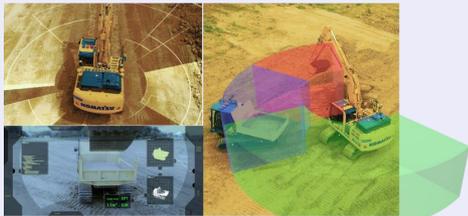


* KMC stands for Komatsu Mining Corp. (The former Joy Global Inc.)

4. Three Pillars of Growth Strategies to Achieve Sustainable Growth

We will achieve sustainable growth in the face of changing external environment and challenges by focusing efforts on the following three pillars of growth strategies.

Value creation by means of innovation



- ◆ Optimization platform and solutions business strategies
 - * SMARTCONSTRUCTION, Autonomous Haulage System (AHS), and platforms (LANDLOG and IntelliMine)
- ◆ Automation, autonomous operation, electrification and remote controlling of construction, mining and utility equipment
- ◆ Smart forestry and agriculture

Growth strategies based on business reforms



- ◆ KMC integration synergies and business reinforcement
- ◆ Value chain reforms and redefinition of the aftermarket business
 - * Preventive maintenance by applying IoT and AI, and Lifecycle support under serial number-based management
 - * Logistics reforms * Next-generation key components
- ◆ Next-generation KOMTRAX
- ◆ Stronger focus on aggregate & cement, forestry, agriculture and other segments
- ◆ Efforts for “DANTOTSU NO. 1 in Asia” and in the growing markets of India and Africa
- ◆ Reforms of the industrial machinery business (Expansion of synergy with the construction equipment business and growth by capitalizing on core technologies)

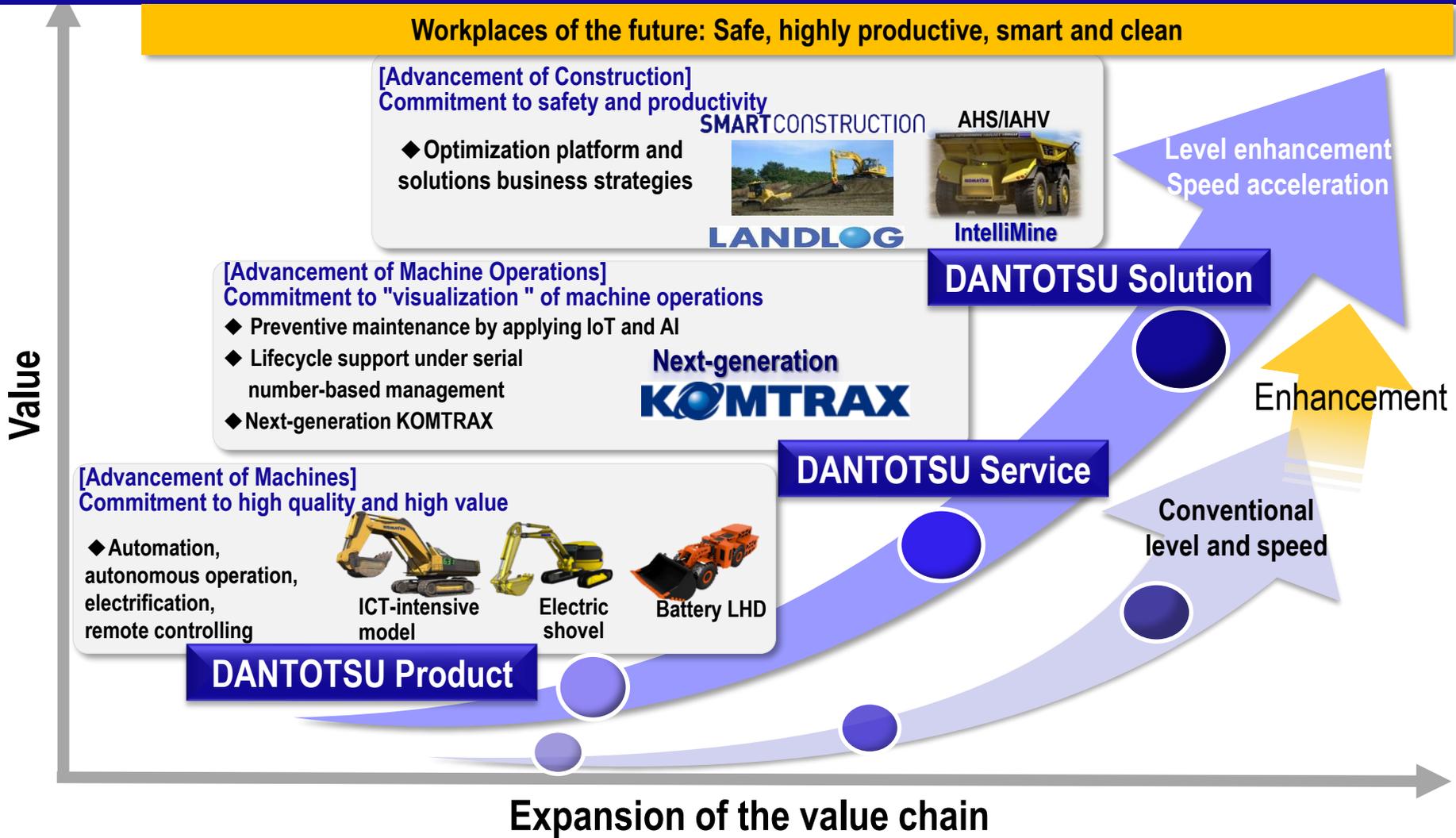
Structural reforms for growth



- ◆ Business reforms by means of ICT and IoT
- ◆ Structural reforms of development operation
 - * Model base development
 - * Open innovation
- ◆ Connected plants with Zero impact on environment and workers
- ◆ Global human resource development

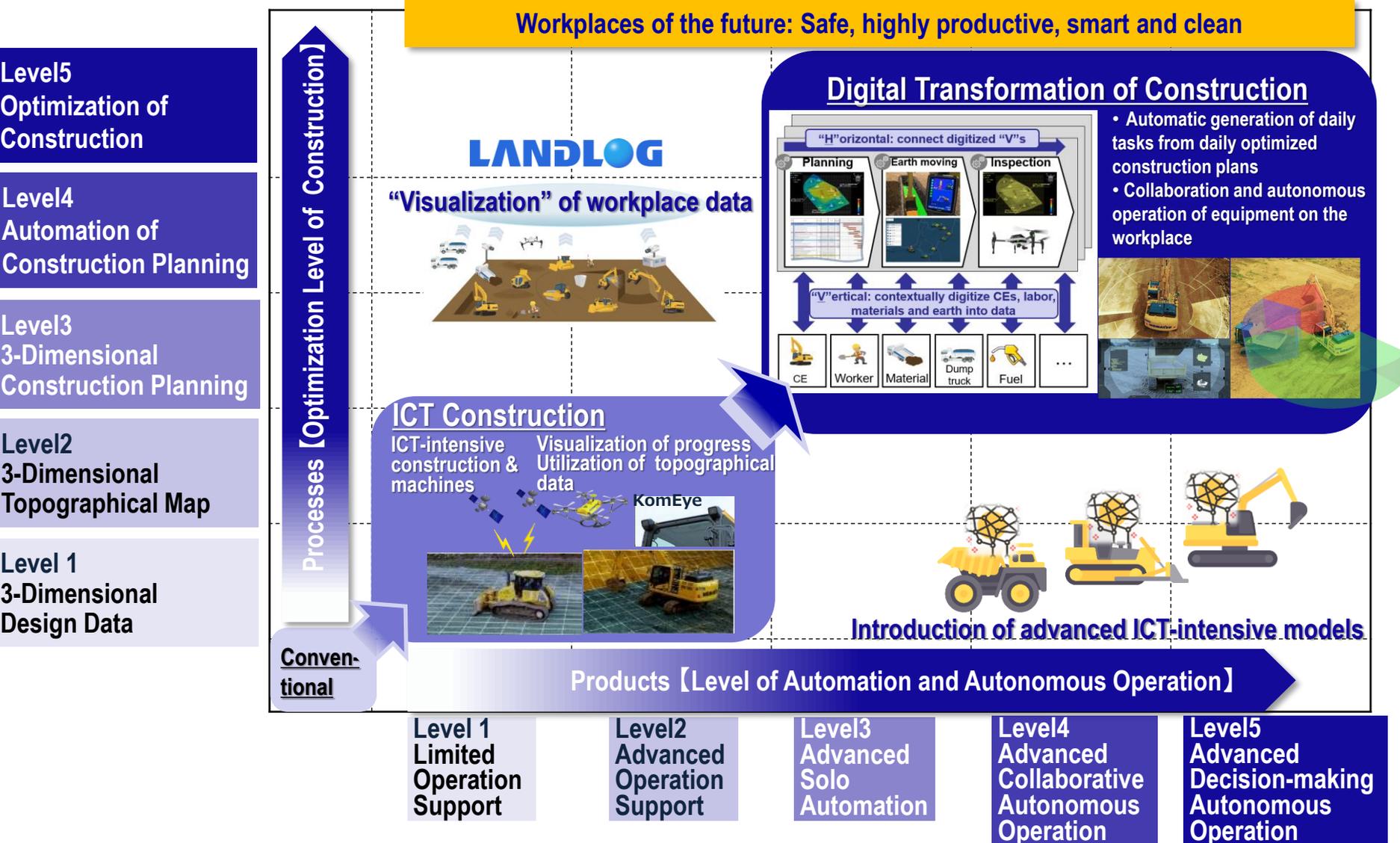
We will accelerate the speed of advancing the level of DANTOTSU products, DANTOTSU services and DANTOTSU solutions, and create DANTOTSU Value (ESG solutions through the creation of customer value and improvement of earnings).

DANTOTSU Value (ESG solutions through the creation of customer value and improvement of earnings)

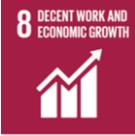


6. Roadmap to Construction Workplaces of the Future

We will achieve digital transformation of construction by advancing products (automation and autonomous operation) and processes (optimization) to help create safe, highly productive, smart and clean workplaces of the future.



We will help solve ESG issues through our core business by offering high-quality, high-performance products, service and solutions ensuring safety and reduction of environmental impact in response to climate change.

CSR Themes	ESG Solutions through Core Business	Relationship with SDGs
<p>Enhancing Quality of Life</p> <p>-Providing products required by society-</p>	<ul style="list-style-type: none"> ➤ Provide products, service and solutions contributing to sustainable development of infrastructure, natural resources and circular environmental protection (remanufacturing and forestry). ➤ Improve productivity, efficiency, safety and environmental impact (lower CO2 emissions and higher ratio of renewable energy use) through innovations, such as automation in the entire value chain. ➤ Make commitment to DANTOTSU value which will realize better Earth and future by means of technology and reliability (creation and maximization of customer value). 	<p>Innovation and Infrastructure Sustainable Cities and Communities</p>   <p>Climate action Partnerships for the goals</p>  
<p>Developing People</p>	<ul style="list-style-type: none"> ➤ Develop a diverse workforce with a high level of productivity and technical skills. ➤ Strengthen and develop diverse and global-scope talent to help achieve sustainable workplaces. ➤ Develop talent with cross-value chain capabilities. 	<p>Decent work and economic growth</p> 
<p>Growing with Society</p>	<ul style="list-style-type: none"> ➤ Offer solutions for social issues through collaboration with stakeholders. ➤ Act as a responsible corporate citizen ensuring corporate governance, compliance and human rights. 	<p>Sustainable Cities and Communities Partnerships for the goals</p>  

Further Disclosure of Information

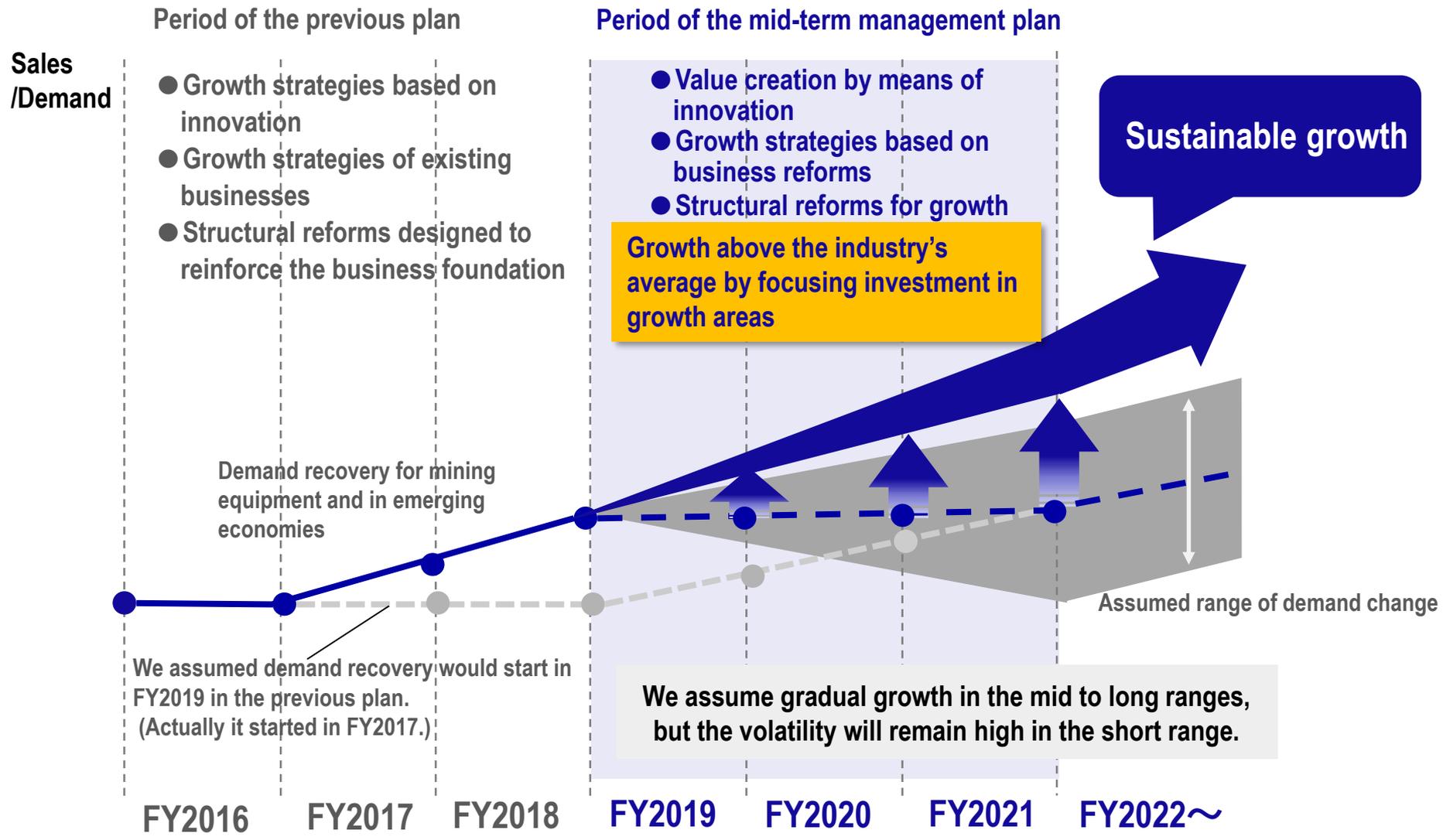
Express Support for TCFD*
(April 2019)

Integrated report (New Komatsu Report)
(September 2019)

*Task Force on Climate-related Financial Disclosures

8. Sustainable Growth by Focusing Investment in Three Pillars

We will strive for growth above the industry's average by making priority investment in growth areas, as we assess cost effectiveness and strategic value under the three pillars of growth strategies.



9. Management Targets and Profit Distribution

In addition to striving for the industry's top-level growth, profitability, efficiency, and soundness, we have newly set up ESG indexes. Placing priority on investment for growth strategies, we will work to maintain stable dividends and keep 40% or higher for consolidated payout ratio.

	Index	Targets
Growth	<ul style="list-style-type: none"> Sales growth rate 	<ul style="list-style-type: none"> Growth rate above the industry's average
Profitability	<ul style="list-style-type: none"> Operating profit ratio 	<ul style="list-style-type: none"> An Industry's top-level operating income ratio
Efficiency	<ul style="list-style-type: none"> ROE 	<ul style="list-style-type: none"> ROE of 10% or higher
Financial position	<ul style="list-style-type: none"> Net D/E ratio 	<ul style="list-style-type: none"> Industry's top-level financial position
Retail finance business	<ul style="list-style-type: none"> ROA Net D/E ratio 	<ul style="list-style-type: none"> ROA: 1.5-2.0% 5.0 or under for net debt-to-equity ratio

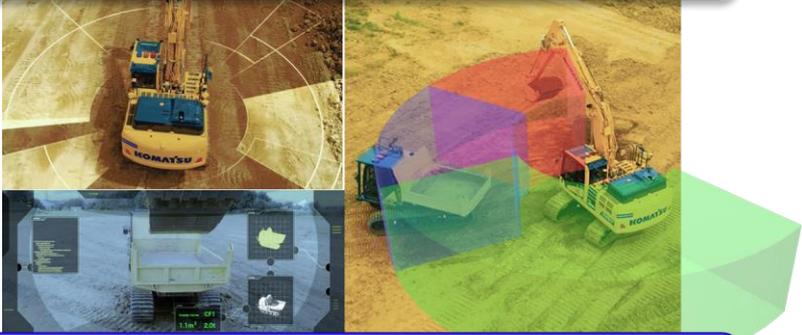
[New] ESG	<ul style="list-style-type: none"> Reduction of environmental impact Evaluation by external organizations 	<ul style="list-style-type: none"> Reduction of environmental impact CO₂ emissions: Decrease by 50% in 2030 from 2010. Renewal energy use : Increase to 50% of total energy use in 2030. Evaluation by external organizations: Selected for DJSI ^{*1} (World & Asia Pacific) and CDP^{*2} A-list (Climate Changes and Water Risk)
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Shareholder return	<ul style="list-style-type: none"> Dividend payout ratio 	<ul style="list-style-type: none"> Keep a fair balance between investment for growth and shareholder return (incl. stock buyback), while placing main priority on investment. Set the goal of a consolidated payout ratio of 40% or higher.
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Notes: 1) Dow Jones Sustainability Indices: SRI indices operated by S&P Dow Jones Indices of U.S.A. and RobecoSAM of Switzerland

2) International non-profit organization, protecting water resources and forests by advocating the reduction of greenhouse gas emissions by companies and governments

Future construction equipment
(Automated, autonomous, electric and remote-controlled)



Optimization platform and solutions business
(Reduction of environmental impact and improved safety and productivity)



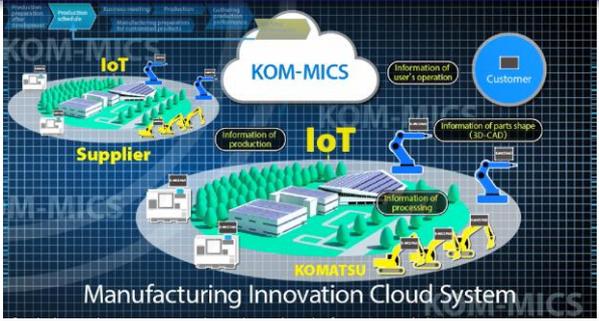
Promotion of smart forestry
(Circular environmental protection)



ICT-used smart forestry

Entry into planting

Future Plant
(Connected plants with Zero impact on environment and workers)

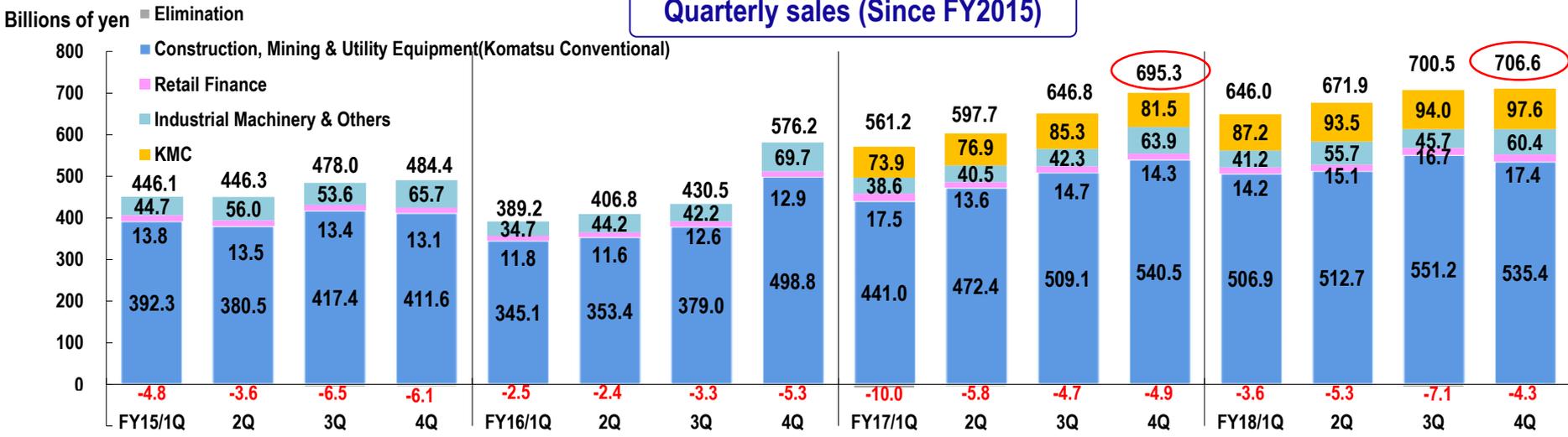


Cautionary Statement

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.

Appendix

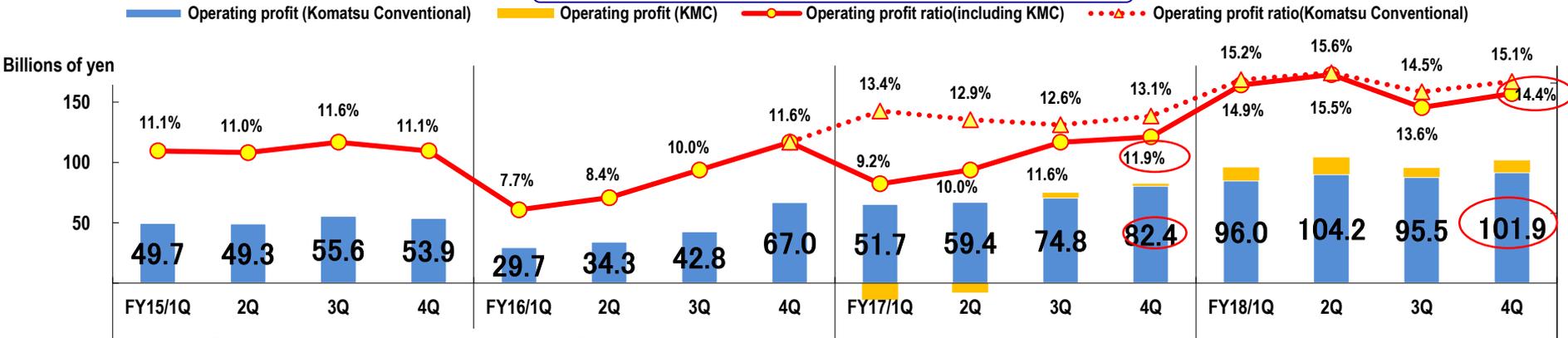
Quarterly sales (Since FY2015)



Exchange rates

	15/1Q	15/2Q	15/3Q	15/4Q	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q
¥/USD	121.3	122.6	121.2	118.0	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4
¥/EUR	133.0	136.2	132.3	128.0	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7
¥/RMB	19.6	19.5	19.0	17.9	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2

Quarterly operating income (Since FY2015)

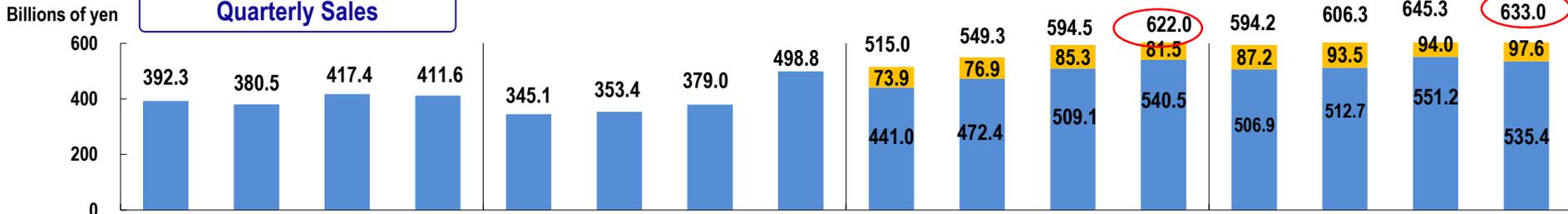


Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

* Specific figures are -JPY0.7 billion each for 1Q, 2Q and 3Q and -JPY0.9 billion for 4Q.

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

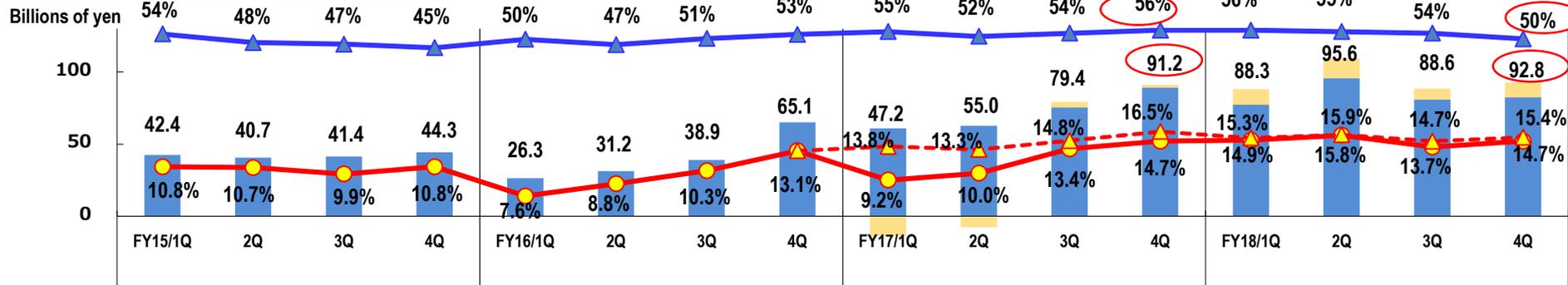
Quarterly Sales



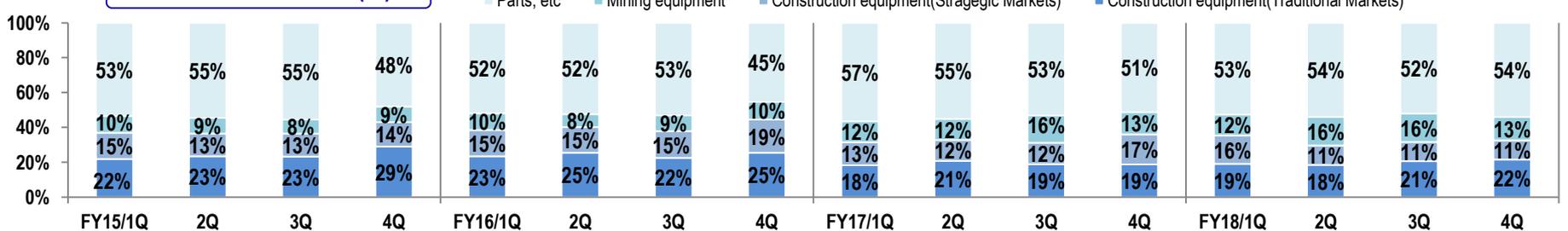
Exchange rates

	FY15/1Q				FY16/1Q				FY17/1Q				FY18/1Q			
	15/1Q	15/2Q	15/3Q	15/4Q	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q
¥/USD	121.3	122.6	121.2	118.0	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4
¥/EUR	133.0	136.2	132.3	128.0	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7
¥/RMB	19.6	19.5	19.0	17.9	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2

Quarterly segment profit

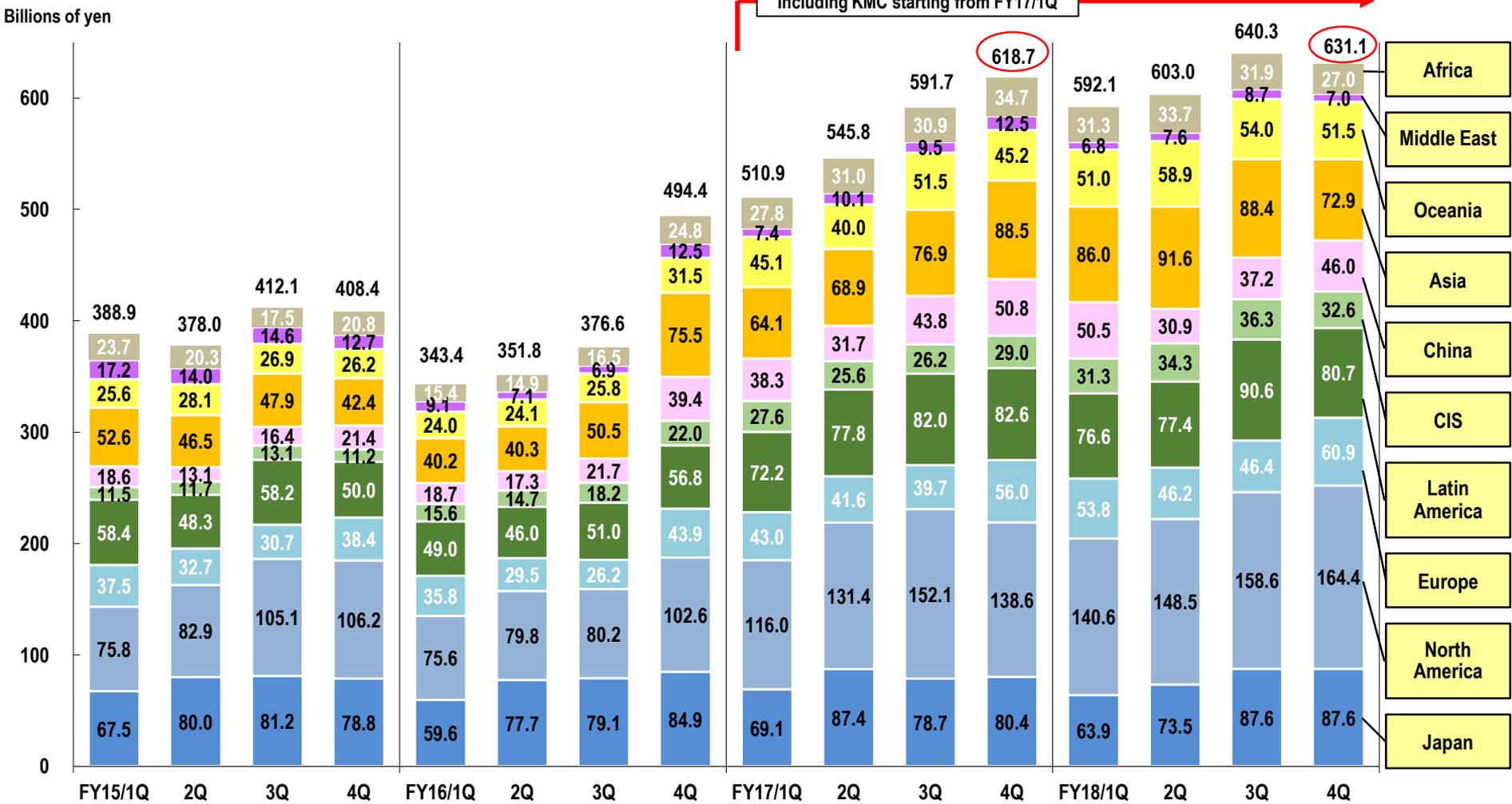


Breakdown of sales (%)



Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

Construction, Mining & Utility Equipment: Quarterly Sales by Region (To Outside Customers) 48

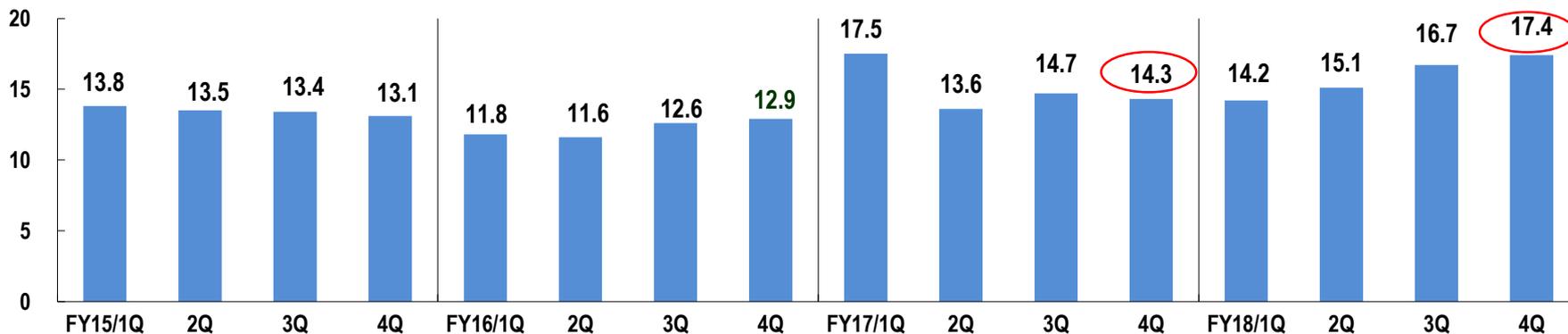


Exchange rates

	15/1Q	15/2Q	15/3Q	15/4Q	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q
¥/USD	121.3	122.6	121.2	118.0	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4
¥/EUR	133.0	136.2	132.3	128.0	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7
¥/RMB	19.6	19.5	19.0	17.9	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2

Billions of yen

Quarterly sales

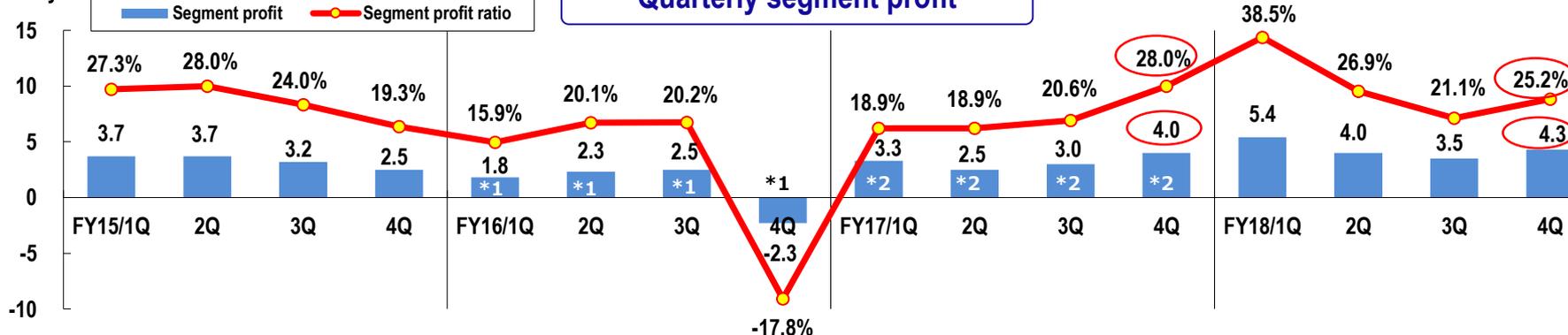


Exchange rates

	15/1Q	15/2Q	15/3Q	15/4Q	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q
¥/USD	121.3	122.6	121.2	118.0	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4
¥/EUR	133.0	136.2	132.3	128.0	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7
¥/RMB	19.6	19.5	19.0	17.9	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2

Billions of yen

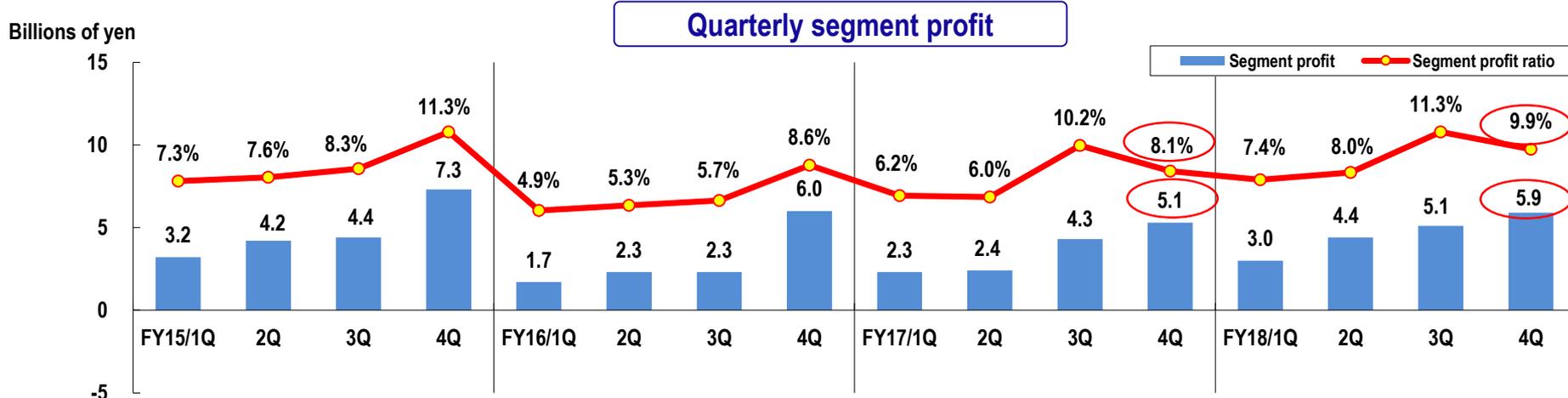
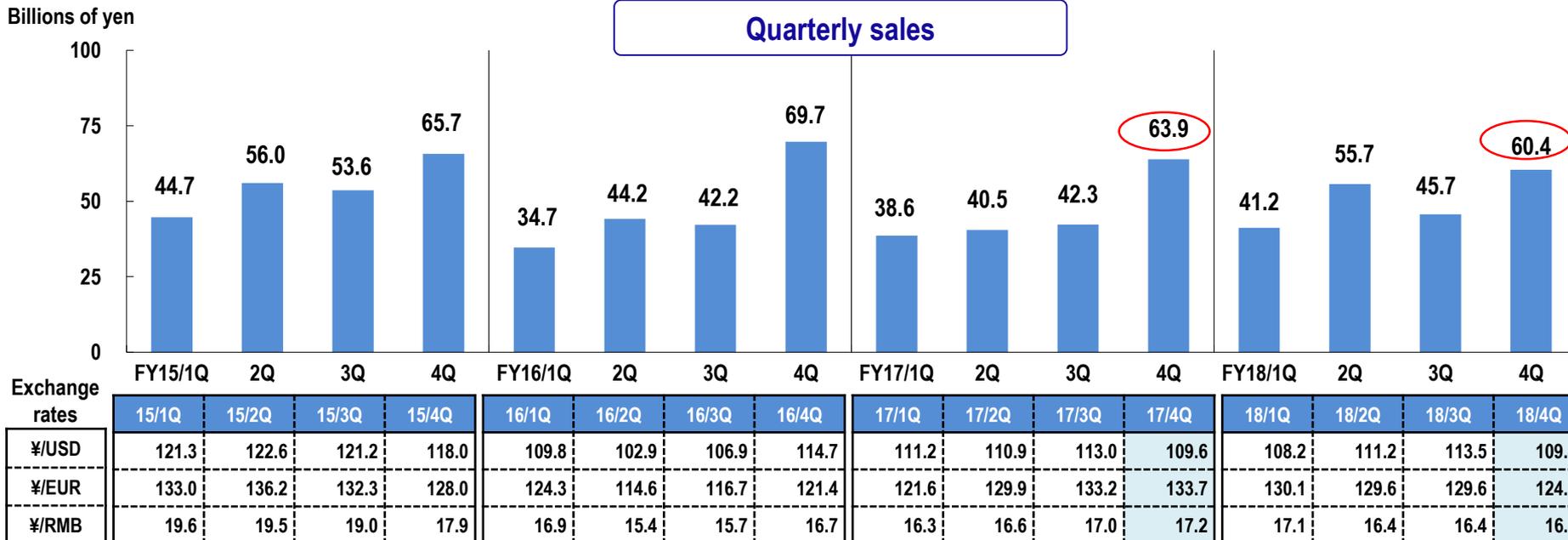
Quarterly segment profit



*1 Including a loss on allowance recorded for bad debt in China (FY16/1Q: -JPY1.0 billion, 2Q: -JPY0.5 billion, 3Q: -JPY0.2 billion, 4Q: -JPY4.9 billion)

*2 FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

Industrial Machinery & Others: Quarterly Sales and Segment Profit

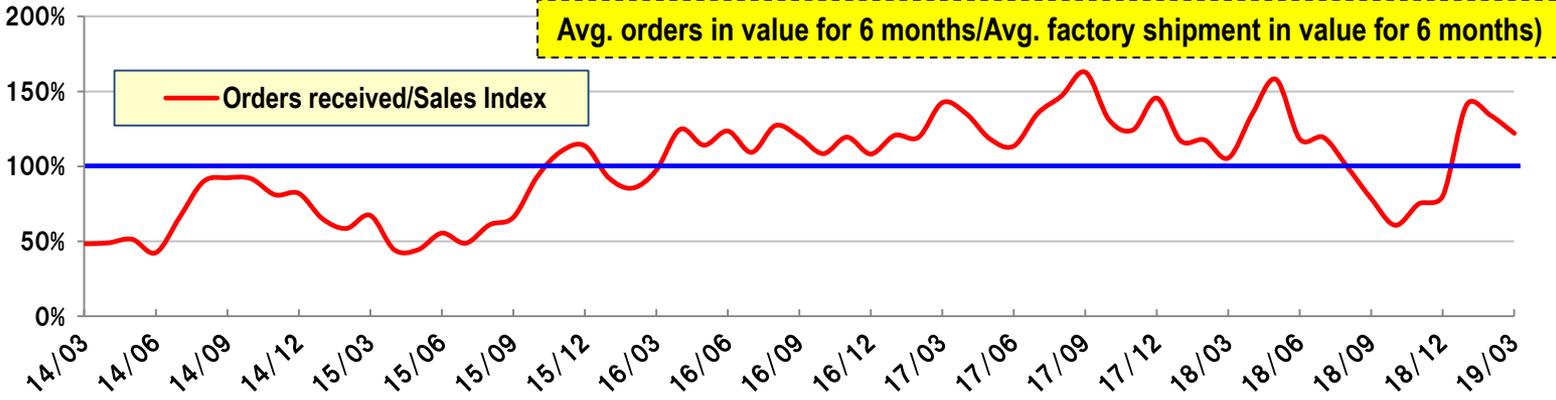


Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

Book-to-Bill Ratio for Mining Equipment (6 Months)

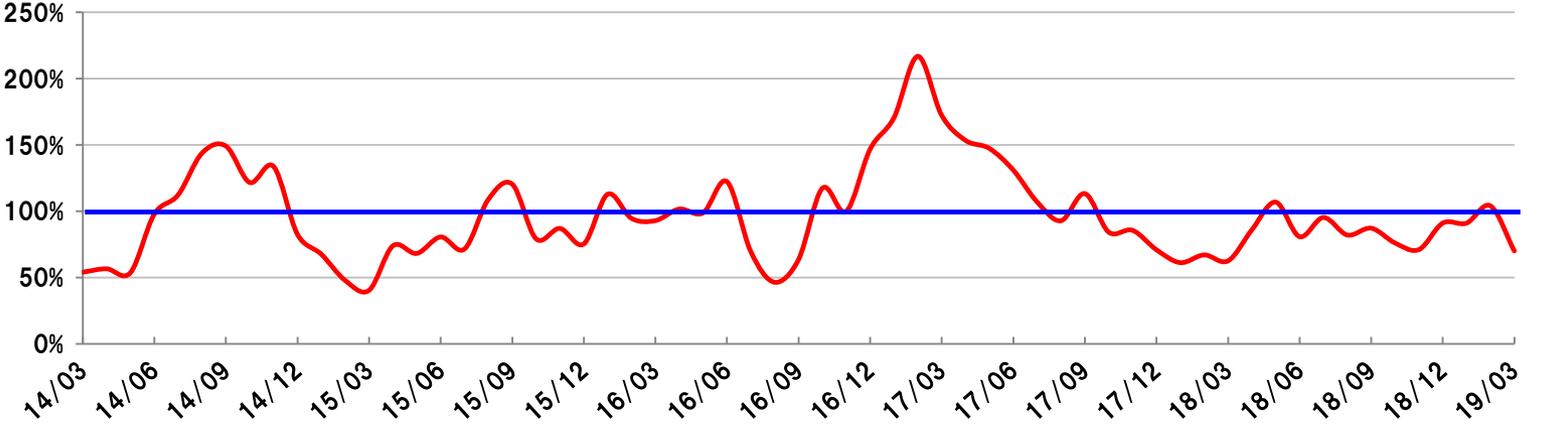
**Komatsu America
(Mining eqpt)**

730E, 830E, 860E
930E, 960E, 980E



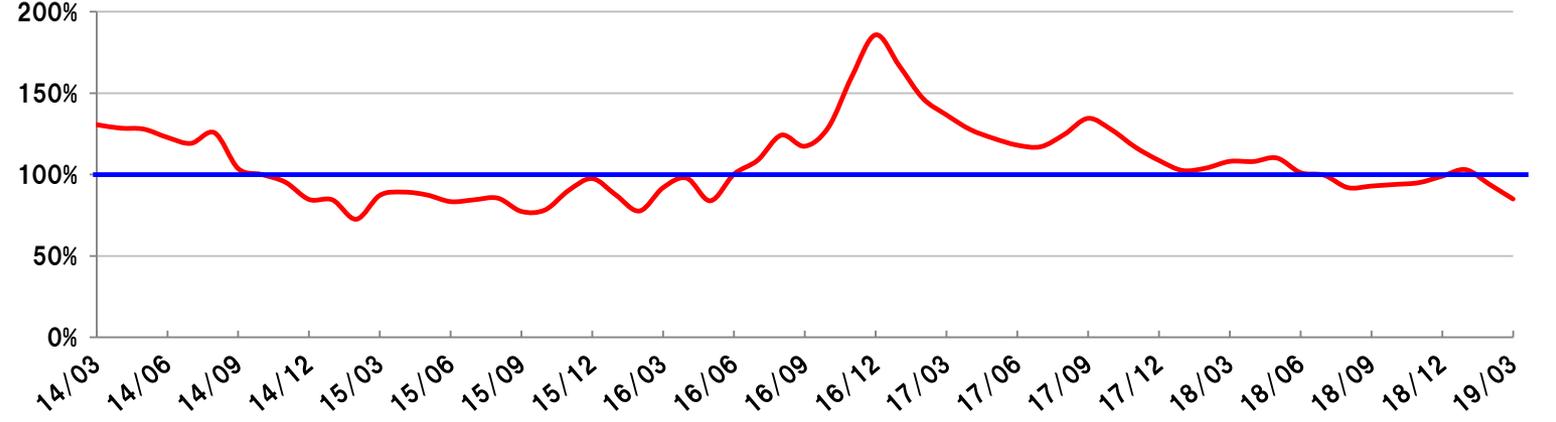
**Komatsu Germany
(Mining eqpt)**

PC3000, PC4000
PC5500, PC7000
PC8000



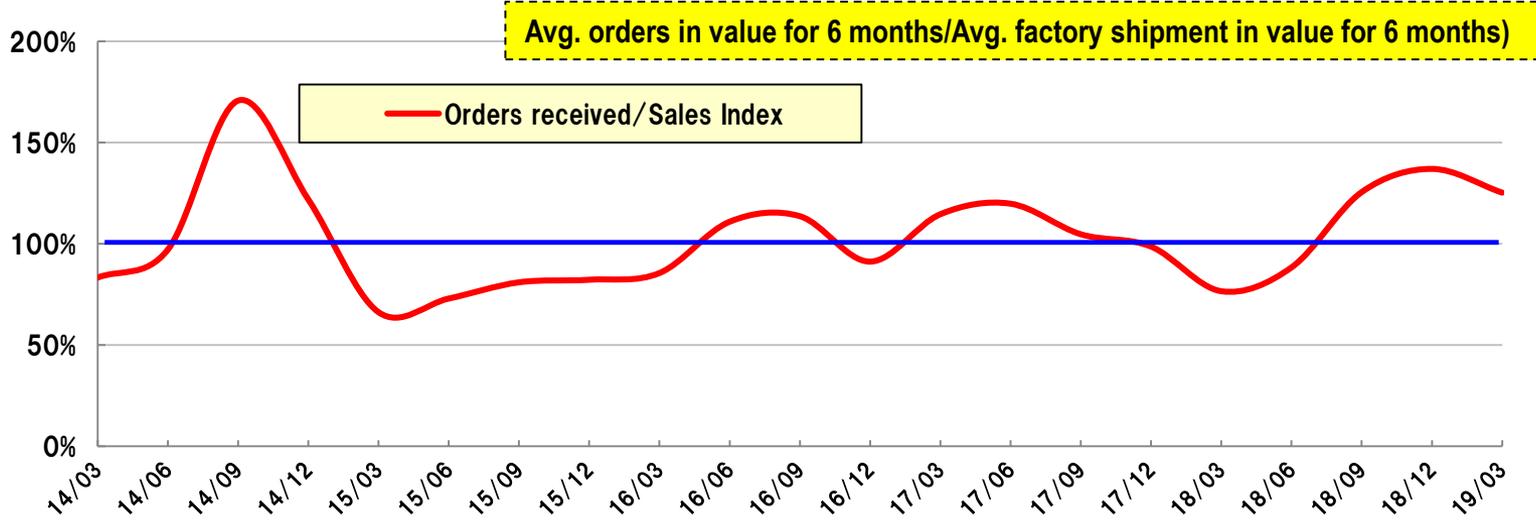
**Komatsu Ltd.
(Mining eqpt)**

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

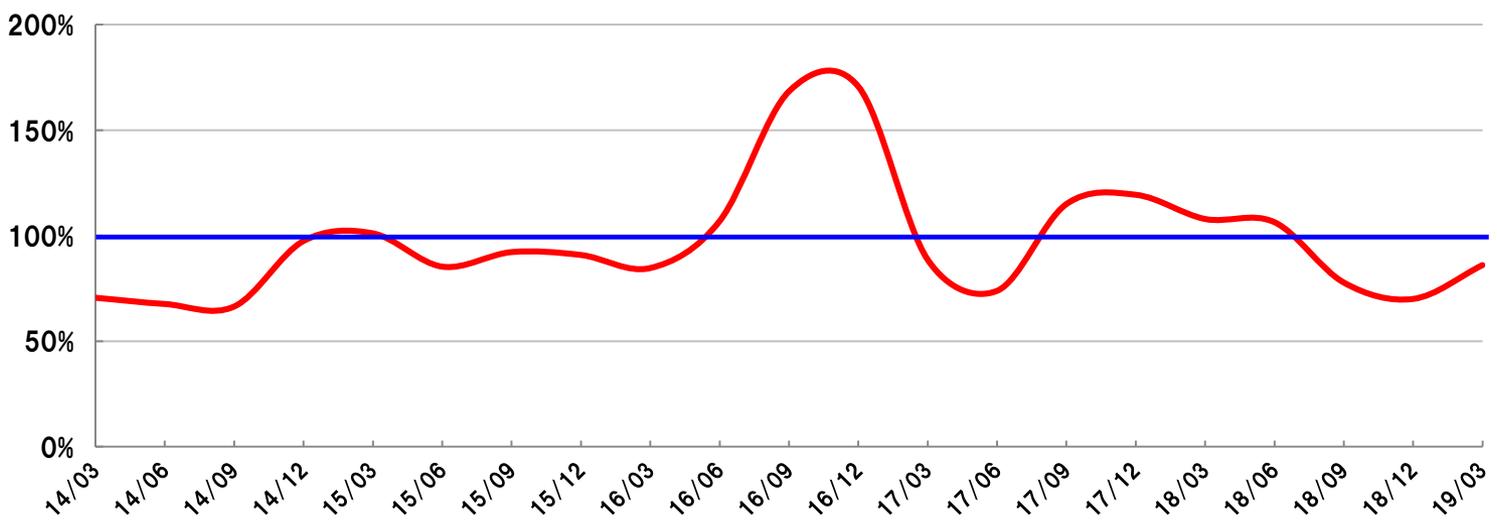


Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries



Komatsu NTC (Excl. wire saws)



- Consolidated net sales increased by 1.6% from the corresponding period a year ago, to JPY706.6 billion.
- Operating income advanced by 23.6% to JPY101.9 billion. Operating income ratio improved by 2.5 points to 14.4%.
- Net income attributable to Komatsu Ltd. increased by 74.9% to JPY72.2 billion.

Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

Billions of yen	Jan.-Mar., 2018			Jan.- Mar., 2019			Changes	
	¥109.6/USD ¥133.7/EUR ¥17.2/RMB	Komatsu Conventional *1	KMC	¥109.4/USD ¥124.7/EUR ¥16.2/RMB	Komatsu Conventional *1	KMC	Increase (Decrease)	% Change
Net sales	695.3	613.7	81.5	706.6	608.9	97.6	+11.3	+1.6%
Segment profit	101.2	99.3	*2 1.8	103.1	92.8	*2 10.2	+1.8	+1.9%
Other operating income(expenses)	(18.7)	(18.6)	(0.1)	(1.1)	(1.1)	0.0	+17.5	-
Operating income	82.4	80.6	*2 1.7	101.9	91.6	*2 10.2	+19.4	+23.6%
Profit ratio	11.9%	13.1%	2.2%	14.4%	15.1%	10.5%	+2.5pts.	-
Other income (expenses)	(6.0)			(2.4)			3.5	-
Income before income taxes	76.4			99.4			+23.0	+30.1%
Net income attributable to Komatsu Ltd	41.3			72.2			+30.9	+74.9%

Notes:

- 1) Figures represent those from which KMC's business results are excluded.
- 2) KMC's segment and operating income include temporary expenses in the table on the right.

Billions of yen	Jan.-Mar.,2018	Jan.-Mar.,2019
Depreciation after PPA *	(3.5)	(1.7)
Integration expenses etc.	(3.4)	(0.9)
Total	(7.0)	(2.7)

Note:

PPA stands for Purchase Price Allocation.
It is an accounting process of valuating and allocating acquired assets and liabilities to fair prices.

Segment Sales and Profits for the Forth Quarter(Jan.- Mar., 2019)

- Construction, Mining & Utility Equipment: Sales advanced by 1.8% from the corresponding period a year ago, to JPY633.0 billion. Segment profit expanded by 1.7% to JPY92.8 billion. Segment profit ratio was 14.7%, no change from the corresponding period a year ago.
- Retail Finance: Revenues increased by 21.6% to JPY17.4 billion. Segment profit advanced by 9.3% to JPY4.3 billion.
- Industrial Machinery & Others: Sales decreased by 5.4% to JPY60.4 billion. Segment profit improved by 14.6% to JPY5.9 billion.

Note: FY2017 profits are reclassified and restated. (Refer to page 3 for more information.)

% : Profit ratio

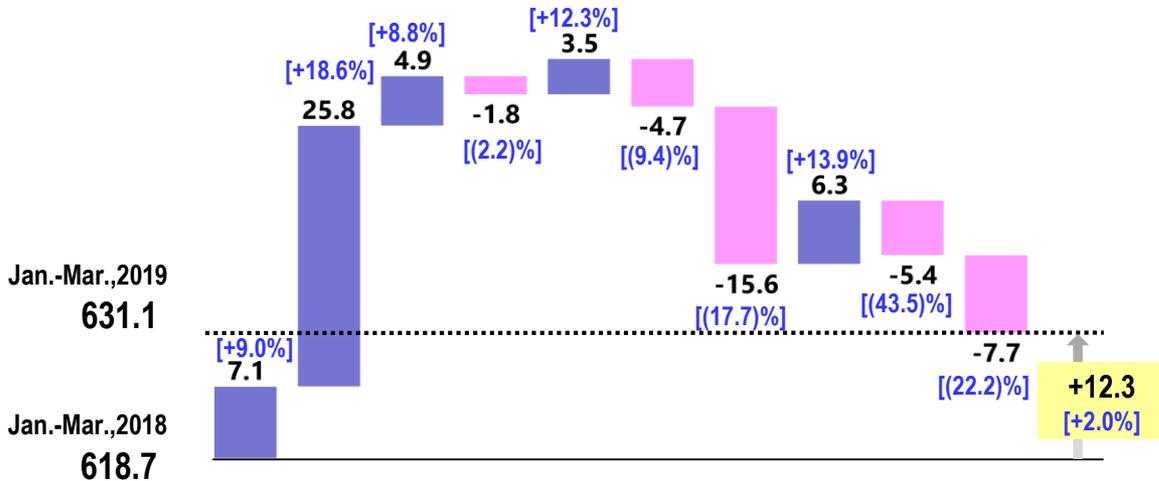
[] : Sales after elimination of inter-segment transactions

Billions of yen	Jan.-Mar.,2018			Jan.- Mar.,2019			Changes	
		Komatsu Conventional	KMC		Komatsu Conventional	KMC	Increase (Decrease)	% Change
Net sales	695.3	613.7	81.5	706.6	608.9	97.6	+11.3	+1.6%
Construction, mining & utility equipment	622.0 [618.7]	540.5 [537.1]	81.5 [81.5]	633.0 [631.1]	535.4 [533.4]	97.6 [97.6]	+11.0 [+12.3]	+1.8% [+2.0%]
Retail finance	14.3 [12.8]	14.3 [12.8]	-	17.4 [15.5]	17.4 [15.5]	-	+3.0 [+2.7]	+21.6% [+21.2%]
Industrial machinery & others	63.9 [63.7]	63.9 [63.7]	-	60.4 [59.9]	60.4 [59.9]	-	(3.4) [(3.7)]	(5.4)% [(5.9)%]
Elimination	(4.9)	(4.9)	-	(4.3)	(4.3)	-	+0.6	-
Segment profit (loss)	14.6% 101.2	16.2% 99.3	2.3% 1.8	14.6% 103.1	15.2% 92.8	10.5% 10.2	+1.8	+1.9%
Construction, mining & utility equipment	14.7% 91.2	16.5% 89.3	2.3% 1.8	14.7% 92.8	15.4% 82.5	10.5% 10.2	+1.5	+1.7%
Retail finance	28.0% 4.0	28.0% 4.0	-	25.2% 4.3	25.2% 4.3	-	+0.3	+9.3%
Industrial machinery & others	8.1% 5.1	8.1% 5.1	-	9.9% 5.9	9.9% 5.9	-	+0.7	+14.6%
Corporate & elimination	0.7	0.7	-	(0.0)	(0.0)	-	(0.8)	-

Construction, Mining & Utility Equipment : Sales by Region (To Outside Customers) for the Forth Quarter (Jan.- Mar., 2019)

- Sales to outside customers increased by 2.0% from the corresponding period a year ago, to JPY631.1 billion.
- While sales decreased mainly in Asia, Africa and China, those advanced in Traditional Markets.
- The ratio of sales in Traditional Markets amounted to 50% of total sales.

Jan.-Mar.,2019 vs. Jan.-Mar.,2018



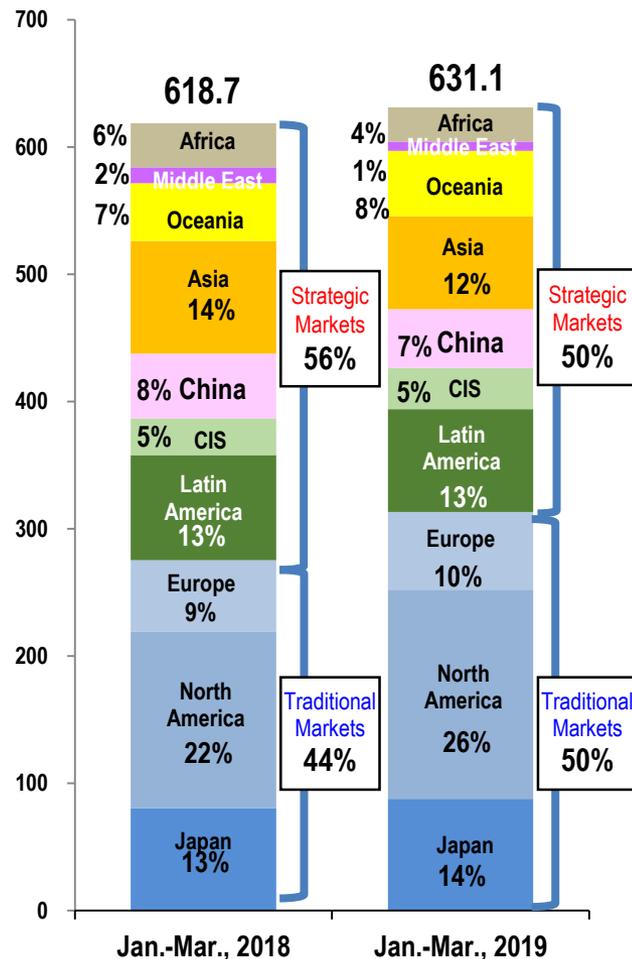
Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
Komatsu Conventional	80.4	102.7	53.1	63.6	26.9	48.0	87.5	34.8	12.4	27.3	537.1
KMC	0.0	35.8	2.9	18.9	2.0	2.8	1.0	10.3	0.0	7.3	81.5
Jan.-Mar.,2018(a)	80.4	138.6	56.0	82.6	29.0	50.8	88.5	45.2	12.5	34.7	618.7
Komatsu Conventional	87.6	119.7	56.3	61.8	27.8	42.4	69.6	39.7	6.9	21.2	533.4
KMC	0.0	44.7	4.6	18.9	4.7	3.5	3.2	11.8	0.1	5.8	97.6
Jan.-Mar.,2019(b)	87.6	164.4	60.9	80.7	32.6	46.0	72.9	51.5	7.0	27.0	631.1
Change (b-a)	+7.1	+25.8	+4.9	(1.8)	+3.5	(4.7)	(15.6)	+6.3	(5.4)	(7.7)	+12.3

Traditional Markets

Strategic Markets

※ Region where sales increased, when foreign exchange effects were excluded.

Billions of yen



Jan.-Mar., 2018

Jan.-Mar., 2019