

**Business Results for the First 3-Month Period
(April-June, 2018) of FY 2018
【Telephone conference】**

July 27, 2018

Komatsu Ltd. Participants

Takeshi Horikoshi	Executive Officer and CFO
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I . Business Results for the First 3-Month Period (April-June, 2018) of FY2018 <PP3-11>

PP4-5	Highlights of Business Results for the First 3-Month Period of FY2018
PP6-7	Construction, Mining & Utility Equipment: Results for the First 3-Month Period of FY2018
P8	Retail Finance: Assets and Revenues for the First 3-Month Period of FY2018
P9	Industrial Machinery & Others: Results for the First 3-Month Period of FY2018
P10	Consolidated Balance Sheets
P11	Business Result of KMC*

II . Construction, Mining & Utility Equipment: Demand and Outlook <PP12-21>

PP13-18	Construction, Mining & Utility Equipment: Demand and Outlook for Seven Major Products (Global and By Region)
PP19-20	Construction, Mining & Utility Equipment: Mining Equipment
P21	Construction, Mining & Utility Equipment: Parts

Appendix <PP22-30>

PP23-27	Quarterly Results
PP28-30	Book-to-Bill Ratio [Orders Received / Sales (6 Months)]

* KMC: Komatsu Mining Corp.

I. Business Results for the First 3-Month Period (April-June, 2018) of FY2018

Notice: Reclassification in Statement of Income

Starting in the current fiscal year, we have adopted a new accounting standard concerning pension. In compliance with this new standard, we include postretirement benefit cost other than service cost in other income (expenses) in the Statement of Income. Accordingly, the figures for FY2017, are and shall be retrospectively reclassified and restated in agreement with the figures for FY2018.

As a result, both segment profit and operating income declined by JPY0.7 billion in the Statement of Income for the first 3-month period of FY2017, while other income increased by JPY0.7 billion.

- Consolidated net sales increased by 15.1% from the corresponding period a year ago, to JPY646.0 billion.
- Operating income advanced by 85.8% to JPY 96.0 billion. Operating income ratio increased by 5.7 points to 14.9%.
- Net income attributable to Komatsu Ltd. improved by 73.0% to JPY62.9 billion.

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

Billions of yen	Apr.-Jun.,2017			Apr.-Jun.,2018			Changes	
	¥111.2/USD ¥121.6/EUR ¥16.3/RMB	Komatsu Conventional *1	KMC	¥108.2/USD ¥130.1/EUR ¥17.1/RMB	Komatsu Conventional *1	KMC	Increase (Decrease)	Change %
Net sales	561.2	487.2	73.9	646.0	558.7	87.2	+84.8	+15.1%
Segment profit (loss)	52.2	66.0	+2 (13.7)	95.9	84.9	+2 10.9	+43.6	+83.4%
Other operating income(expenses)	(0.5)	(0.5)	-	0.1	0.1	0.0	+0.7	-
Operating income (loss)	51.7	65.4	+2 (13.7)	96.0	85.0	+2 10.9	+44.3	+85.8%
Profit ratio (loss ratio)	9.2%	13.4%	(18.6)%	14.9%	15.2%	12.5%	+5.7pts.	-
Other income (expenses)	(3.6)			(3.1)			+0.5	-
Income before income taxes	48.0			92.9			+44.8	+93.2%
Net income	36.3			62.9			+26.5	+73.0%

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	Apr. Jun.,2017	Apr.-Jun.,2018
Depreciation after PPA *	(16.6)	(2.7)
Integration expenses etc.	(2.6)	(0.2)
Total	(19.3)	(2.9)

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

- Foreign exchange rates used for our business results are USD1 = JPY108.2, EUR1 = JPY130.1, and RMB1 = JPY17.1. While the Japanese yen appreciated against the US dollar, it depreciated against euro and renminbi.
- For the first 3-month period of FY2018, consolidated net sales increased by 15.1% from the corresponding period a year ago, to JPY646.0 billion. Operating income advanced by 85.8% to JPY96.0 billion, a record-high figure. Operating income ratio improved by 5.7 points to 14.9%.
- Net income attributable to Komatsu Ltd. expanded by 73.0% to JPY62.9 billion.
- Sales increased, mainly supported by an increase in sales volume and improved selling prices,
- Operating income advanced, mainly supported by an increase in sales volume, price hikes and reduced temporary expenses related to KMC.

- Construction, Mining & Utility Equipment: Sales advanced by 15.4% from the corresponding period a year ago, to JPY594.2 billion. Segment profit expanded by 86.9% to JPY 88.3 billion. Segment profit ratio improved by 5.7 points to 14.9%.
- Retail Finance: Revenues declined by 18.8% to JPY14.2 billion. Segment profit expanded by 65.2% to JPY5.4 billion.
- Industrial Machinery & Others: Sales increased by 6.7% to JPY41.2 billion. Segment profit improved by 27.4% to JPY3.0 billion.

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

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

Billions of yen	Apr.-Jun.,2017			Apr.-Jun.,2018			Changes	
		Komatsu Conventional	KMC		Komatsu Conventional	KMC	Increase (Decrease)	% Change
Net sales	561.2	487.2	73.9	646.0	558.7	87.2	+84.8	+15.1%
Construction, mining & utility equipment	515.0 [510.9]	441.0 [437.0]	73.9 [73.9]	594.2 [592.1]	506.9 [504.8]	87.2 [87.2]	+79.1 [+81.1]	+15.4% [+15.9%]
Retail finance	17.5 [11.9]	17.5 [11.9]	-	14.2 [12.9]	14.2 [12.9]	-	(3.2) [+0.9]	(18.8)% [-8.2%]
Industrial machinery & others	38.6 [38.2]	38.6 [38.2]	-	41.2 [40.9]	41.2 [40.9]	-	+2.5 [+2.7]	+6.7% [+7.2%]
Elimination	(10.0)	(10.0)	-	(3.6)	(3.6)	-	+6.4	-
Segment profit (loss)	□ 9.3% 52.2	□ 13.6% 66.0	[(18.6)%] (13.7)	□ 14.8% 95.9	□ 15.2% 84.9	□ 12.5% 10.9	+43.6	+83.4%
Construction, mining & utility equipment	□ 9.2% 47.2	□ 13.8% 61.0	[(18.6)%] (13.7)	□ 14.9% 88.3	□ 15.3% 77.3	□ 12.5% 10.9	+41.0	+86.9%
Retail finance	□ 18.9% 3.3	□ 18.9% 3.3	-	□ 38.5% 5.4	□ 38.5% 5.4	-	+2.1	+65.2%
Industrial machinery & others	□ 6.2% 2.3	□ 6.2% 2.3	-	□ 7.4% 3.0	□ 7.4% 3.0	-	+0.6	+27.4%
Corporate & elimination	(0.6)	(0.6)	-	(0.9)	(0.9)	-	(0.2)	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

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

■ Retail Finance:

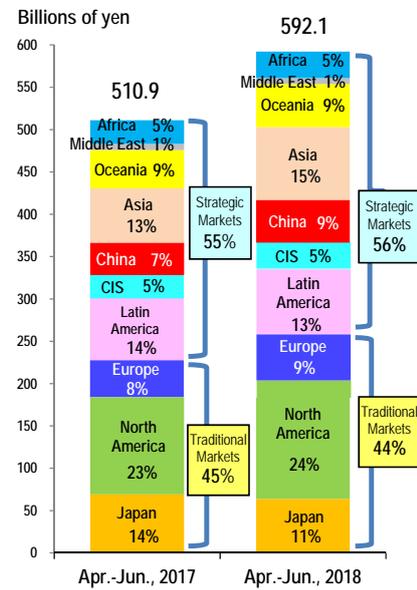
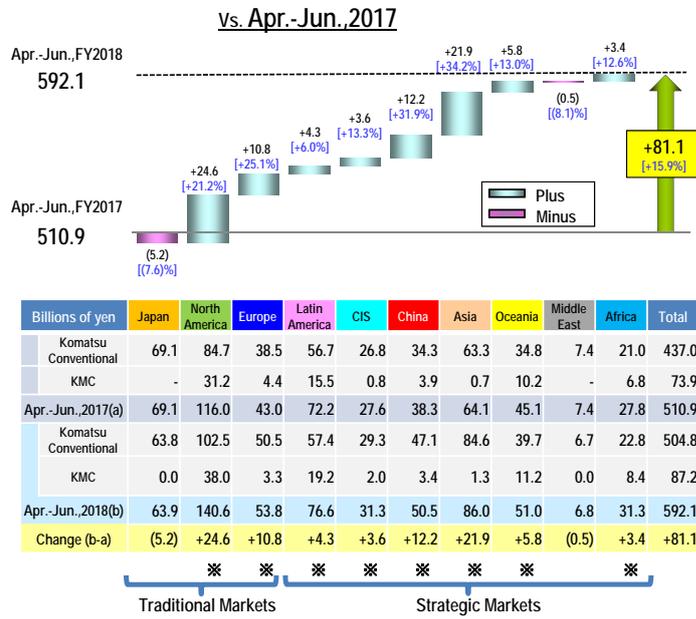
Sales declined, because sales of used equipment were recorded for the corresponding period a year ago as a result of the cancellation of a leasing contract in Chile. Segment profit increased mainly due to a reversal of allowances for bad debts in China recorded for FY2016.

■ Industrial Machinery & Others

Both sales and segment profit improved, supported by strong sales of the Excimer laser-related and other businesses against the backdrop of buoyant semiconductor market conditions.

- Construction, Mining & Utility Equipment: Sales advanced by 15.4% from the corresponding period a year ago, to JPY594.2 billion. Segment profit expanded by 86.9% to JPY88.3 billion. Sales advanced, supported by increased sales volume and improved selling prices. Segment profit expanded, mainly driven by increased sales volume, improved selling prices and reduced temporary expenses of KMC.
- Retail Finance: Revenues declined by 18.8% from the corresponding period a year ago, to JPY14.2 billion. Segment profit advanced by 65.2% to JPY5.4 billion, Revenues declined because sales of used equipment were recorded for the corresponding period a year ago as a result of the cancellation of a leasing contract in Chile. Improved segment profit largely reflects a reversal of allowances for bad debt in China.
- Industrial Machinery & Others: Sales increased by 6.7% from the corresponding period a year ago, to JPY41.2 billion. Segment profit improved by 27.4% to JPY3.0 billion. Both sales and segment profit improved, supported especially by increased sales of Excimer laser-related and other businesses against the backdrop of buoyant semiconductor market conditions.

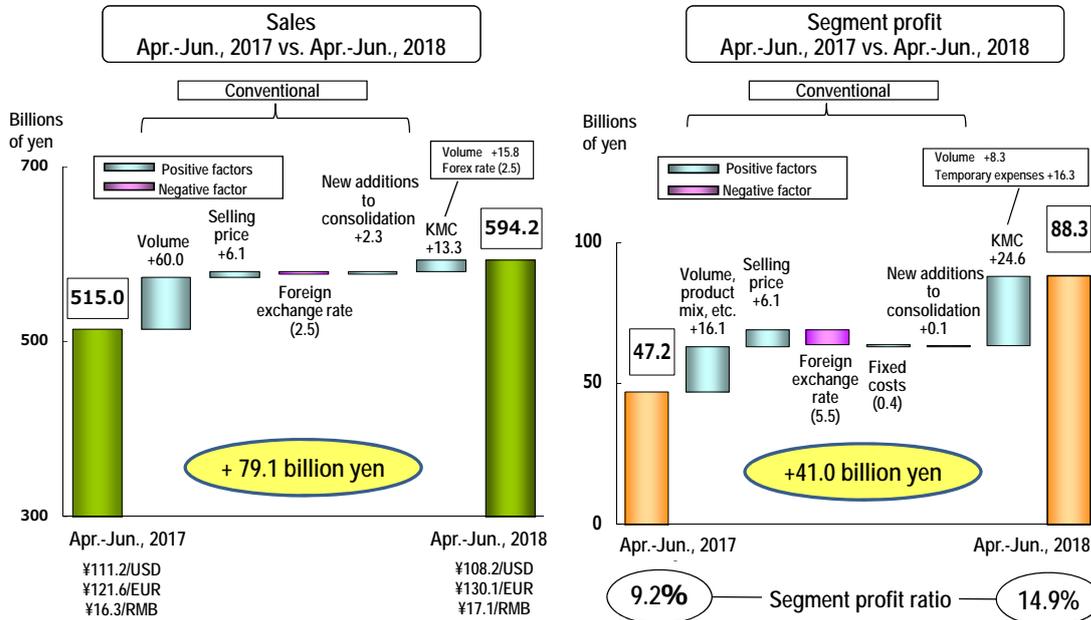
- Sales to outside customers advanced by 15.9% from the corresponding period a year ago, to JPY592.1 billion. When KMC sales are excluded, sales were JPY504.8 billion.
- Except for Japan and the Middle East, sales increased in all regions. Sales expanded sharply, especially in North America and Asia.
- The ratio of sales in Strategic Markets increased to 56% of total sales.



- In the construction, mining and utility equipment business, sales increased by 15.9% from the corresponding period a year ago, to JPY592.1 billion.
- Sales increased in all regions except for Japan and the Middle East. Sales accelerated especially in North America and Asia.
- The ratio of sales in Strategic Markets increased from 55% to 56%.

- Sales increased by JPY79.1 billion from the corresponding period a year ago, supported by increased volume of sales and selling prices.
- Segment profit increased to JPY41.0 billion, largely supported by increased volume of sales and reduced temporary expenses of KMC.
- Segment profit ratio improved by 5.7 points to 14.9%.

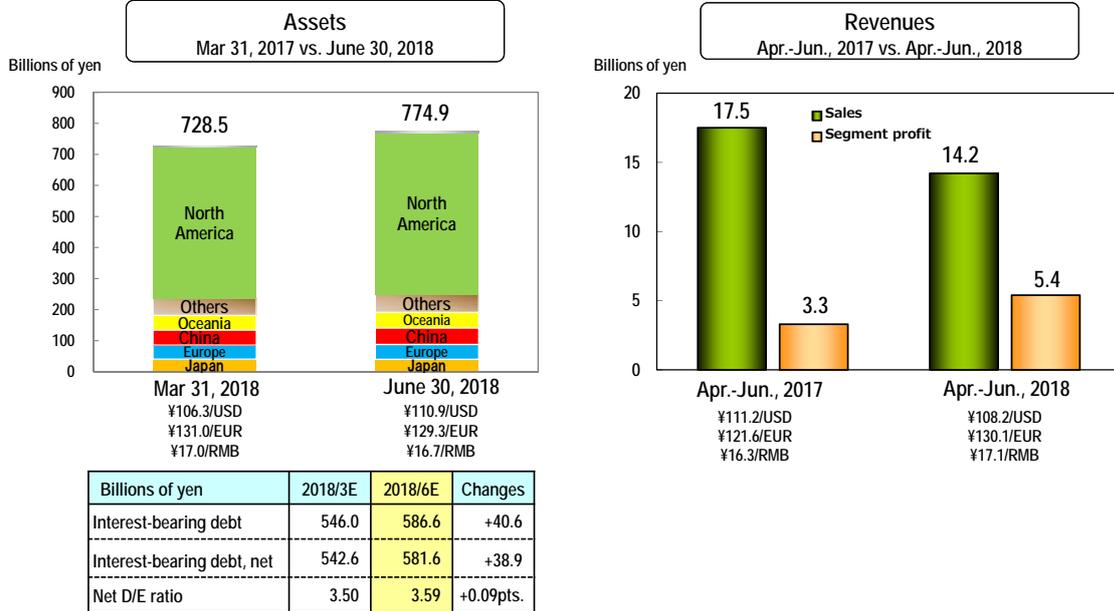
* FY2017 figures are reclassified and restated. (Refer to page 3 for more information.)



- Sales advanced by JPY79.1 billion, supported by expanded volume of sales and price hikes on the conventional Komatsu basis as well as increased volume of sales of KMC.
- While segment profit was adversely affected by the difference in foreign exchange rates, segment profit ratio reached 14.9%, up 5.7 points from the corresponding period a year ago, mainly supported by increased volume of sales and price hikes as well as reduced temporary expenses of KMC.

- Assets increased by JPY46.4 billion from the previous fiscal year-end, due mainly to increased sales in North America.
- While assets increased primarily in North America, overall revenues dropped, because sales of used equipment were recorded for the corresponding period a year ago as a result of the cancellation of a leasing contract in Chile.
- Segment profit increased due to a reversal of allowances for doubtful accounts in China.

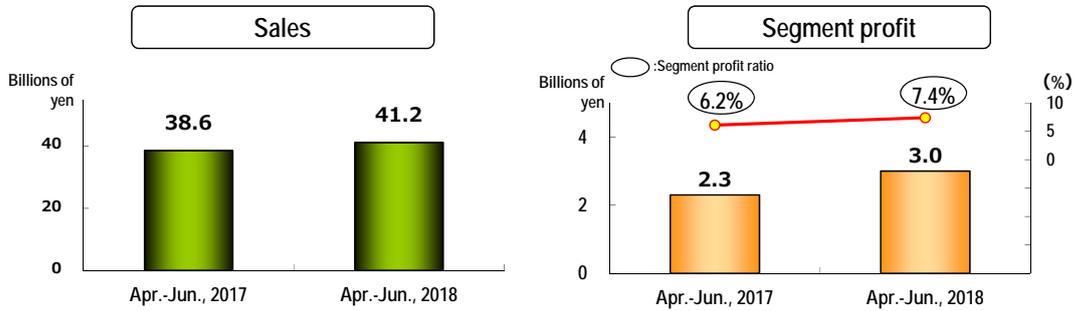
* FY2017 figures are reclassified and restated. (Refer to page 3 for more information.)



- Assets increased, mainly due to increased sales in North America.
- While assets increased in North America, revenues declined because sales of used equipment were recorded for the corresponding period a year ago as a result of the cancellation of leasing contract in Chile.
- Segment profit increased, mainly reflecting a reversal of allowances for doubtful accounts in China. In the first 3-month period under review, we were able to recover some of the doubtful accounts for which we recorded allowances in China for FY2016.

- Sales increased by 6.7% from the corresponding period a year ago, to JPY41.2 billion, supported by increased sales in the Excimer laser-related and other businesses against the backdrop of buoyant semiconductor market conditions.
- Segment profit ratio was 7.4%.

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



Breakdown of sales	Billions of yen	Apr.-Jun., 2017	Apr.-Jun., 2018	Changes	
				Increase (Decrease)	% Change
Komatsu Industries Corp., etc. [total of press and sheet-metal machines]		9.0	9.8	+0.8	+9.2%
Komatsu NTC Ltd.		14.5	16.2	+1.6	+11.6%
Gigaphoton		8.3	9.5	+1.2	+14.7%
Others		6.7	5.5	(1.1)	(17.4)%
Total		38.6	41.2	+2.5	+6.7%

- Sales increased by 6.7% from the corresponding period a year ago, to JPY41.2 billion, supported by increased sales in the Excimer laser-related and other businesses against the backdrop of buoyant semiconductor market conditions.
- Segment profit increased by JPY0.7 billion to JPY3.0 billion. Segment profit ratio improved by 1.2 points to 7.4%.

- Total assets grew by JPY108.3 billion from the previous fiscal year-end, as affected by the foreign exchange rates and increased inventories.
- Komatsu Ltd. shareholders' equity ratio declined by 0.7 points to 48.7%.

○ : Net D/E ratio	Mar. 31, 2018 ¥106.3/USD ¥131.0/EUR ¥ 17.0/RMB	June 30, 2018 ¥110.9/USD ¥129.3/EUR ¥16.7/RMB	Increase (Decrease)
Billions of yen			
Cash & deposits (incl. time deposits) [a]	146.8	147.7	+0.9
Accounts receivable (incl. long-term trade receivables)	1,155.0	1,169.0	+13.9
Inventories	730.2	797.1	+66.8
Tangible fixed assets	740.5	753.4	+12.9
Other assets	599.7	613.4	+13.6
Total assets	3,372.5	3,480.9	+108.3
Accounts payable	303.5	273.3	(30.1)
Interest-bearing debt [b]	810.5	934.3	+123.7
Other liabilities	514.7	495.6	(19.1)
Total liabilities	1,628.9	1,703.4	+74.5
[Shareholders' equity ratio]	[49.4%]	[48.7%]	[(0.7)pts.]
Komatsu Ltd. shareholders' equity	1,664.5	1,696.7	+32.2
Non-controlling interests	79.0	80.7	+1.6
Liabilities & Equity	3,372.5	3,480.9	+108.3
Interest-bearing debt, net [b-a]	○ 0.40	○ 0.46	+122.8
Net D/E ratio (excl. the retail finance business)	○ 0.08	○ 0.13	

- Total assets grew by JPY108.3 billion from the previous fiscal year-end. This increase resulted mainly from increased inventories. It was also affected by a foreign exchange gain of JPY61.3 billion.
- Inventories increased by JPY66.8 billion. When the foreign exchange effects are excluded, inventories increased by JPY55.3 billion. We built up inventories to meet growing demand.
- Interest-bearing debt increased by JPY123.7 billion from the previous fiscal year-end, to JPY934.3 billion, as affected by inventory build-up and earlier payments to suppliers under a new program.
- Komatsu Ltd. shareholders' equity ratio declined by 0.7 points to 48.7%.

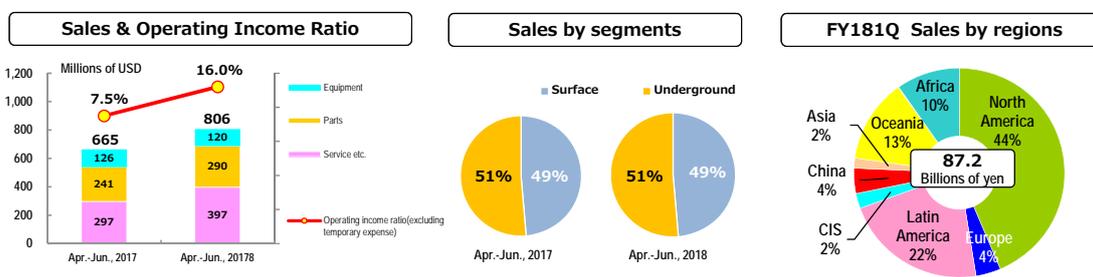
Business Results of KMC for the First 3-Month Period (April-June, 2018) of FY2018

- Sales expanded by 18% from the corresponding period a year ago, to JPY87.2 billion.
- When temporary expenses are excluded, operating income was JPY13.9 billion. When the temporary expenses of JPY2.9 billion are included, operating income was JPY10.9 billion.

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

Billions of yen	Apr.-Jun.,2017 (¥111.2/USD)	Apr.-Jun.,2018 (¥108.2/USD)	Changes	
			Increase (Decrease)	% Change
Net sales	73.9	87.2	+13.3	+18.0%
Equipment	14.1	12.9	(1.1)	(8.5)%
Parts	26.8	31.4	+4.6	+17.2%
Service etc.	33.1	42.9	+9.8	+29.6%
Operating income (loss) < excluding Temporary expenses >	7.5%	16.0%	+8.3	+152.7%
Temporary expenses (negative figure)	(19.3)	(2.9)	+16.3	-
Depreciation after PPA *1	(16.6)	(2.7)	+13.9	-
Integration expenses etc.	(2.6)	(0.2)	+2.4	-
Operating income (loss) < including Temporary expenses >	(18.6)%	12.5%	+24.6	-

* 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(12.9) billion for inventories after PPA.

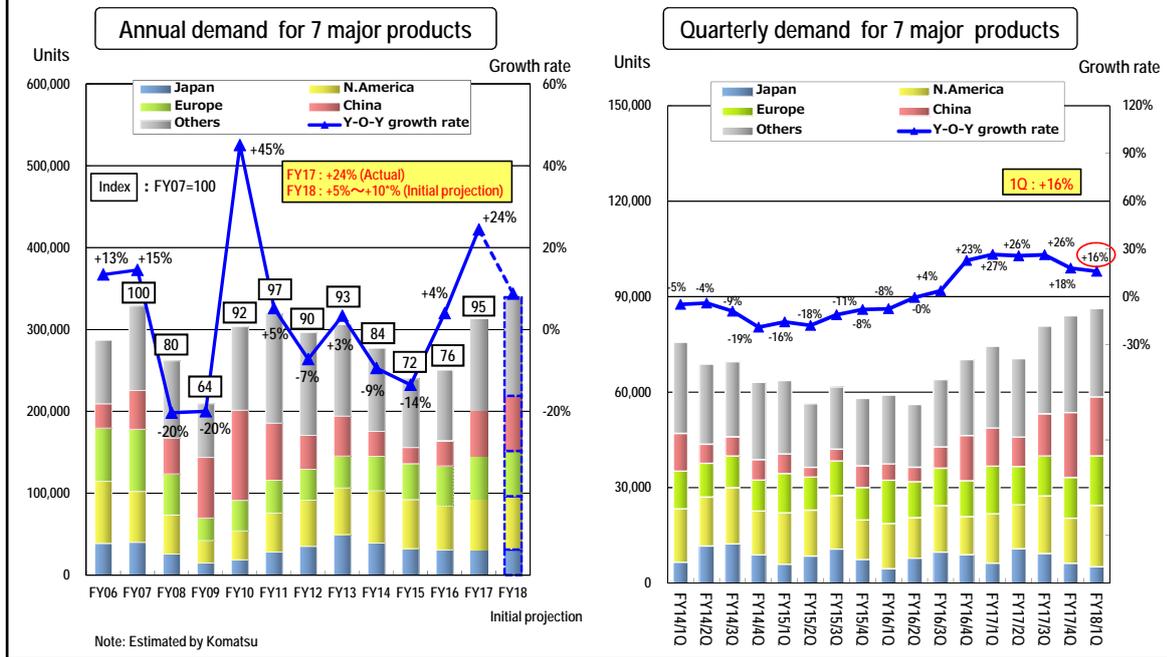


- For the first 3-month period of FY2018, sales increased by 18.0% from the corresponding period a year ago, to JPY87.2 billion. While sales of equipment decreased by 8.5% to JPY12.9 billion, sales of parts advanced by 17.2% to JPY31.4 billion, and service, etc. increased by 29.6% to JPY42.9 billion.
- When temporary expenses are excluded, operating income was JPY13.9 billion. When the temporary expenses of JPY2.9 billion are included, operating income was JPY10.9 billion.
- The temporary expenses declined by JPY16.3 billion from the corresponding period a year ago.
- With respect to segment sales, surface mining accounted for 49%, and underground 51% of total sales, remaining the same as the corresponding period a year ago.
- North American sales accounted for 44% of total sales by region, making a small gain from 42% in the corresponding period a year ago.

II. Construction, Mining & Utility Equipment: Demand and Outlook

Construction, Mining & Utility Equipment: Actual and Projected Demand for 7 Major Products 13

- Demand should have increased by 16% in the first 3-month period of FY2018 from the corresponding period a year ago.
- We saw strong growth in demand in North America, China, and Indonesia.
- We maintain our projection of full-year demand in FY2018 as a whole, as projected at the start of the current fiscal year.

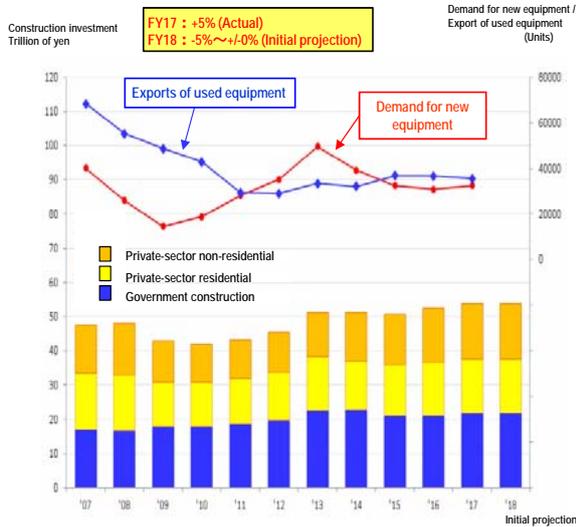


- Demand for 7 major products and mining equipment is based on Komatsu's conventional product mix. The figures are preliminary, estimated by Komatsu and apply to those on pages 13 to 19.
- We assume that demand should have grown by 16% in the first 3-month period of FY2018 from the corresponding period a year ago, reflecting expanded demand centering on North America, China and Indonesia.
- We maintain our projection of full-year demand in FY2018 as a whole, as projected at the start of the current fiscal year.

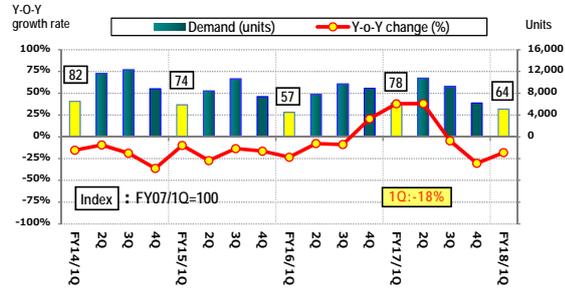
Construction, Mining & Utility Equipment: Demand in Major Markets (1) Japan

- Demand should have declined by 18% in the first 3-month period of FY2018 from the corresponding period a year ago.
- Demand for rental equipment dropped sharply, as a rebound of pre-buys for the new emission controls in Japan.

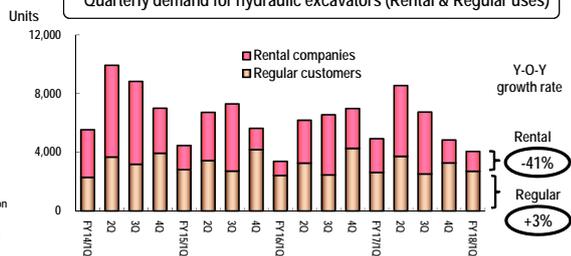
Demand for new equipment (7 major products) and construction investment



Quarterly demand for 7 major products

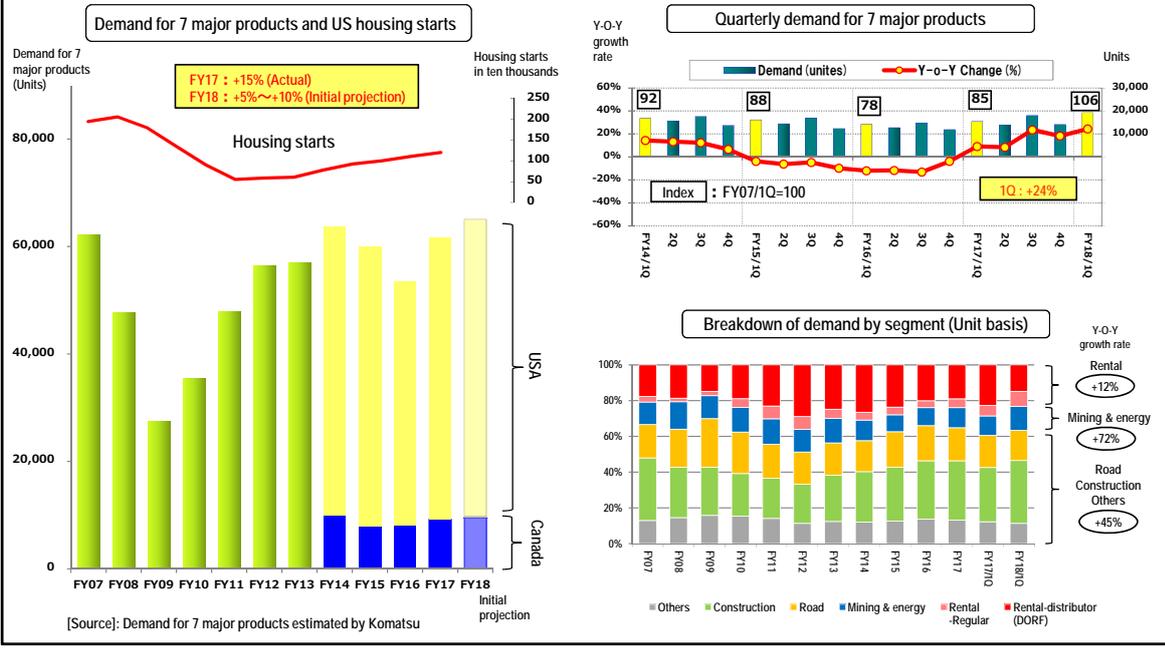


Quarterly demand for hydraulic excavators (Rental & Regular uses)



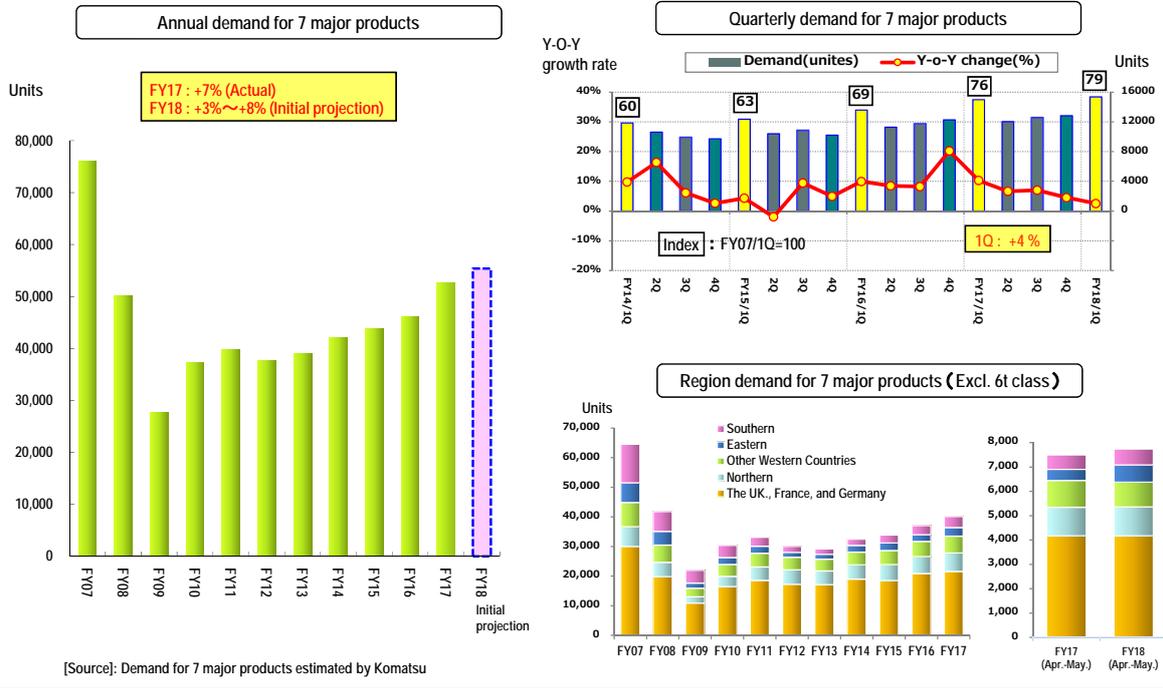
- Unit-based demand in Japan should have declined by 18% in the first 3-month period of FY2018.
- Demand for new equipment for the rental industry dropped sharply as a rebound of pre-buys for the new emission controls in Japan,

• In the first 3-month period of FY2018, demand increased by 24% from the corresponding period a year ago.
 In the United States, demand increased centering on the construction and energy sectors.
 In Canada, demand remained steady both in the housing and non-housing sectors.



- It appears that North American demand advanced by 24% to almost 20,000 units in the first 3-month period of FY2018. This is a high level following the last record-high figure in the first 3-month period of FY2005.
- In the United States, demand grew centering on the construction and energy sectors.
- In Canada, demand remained steady in both housing and non-housing sectors.

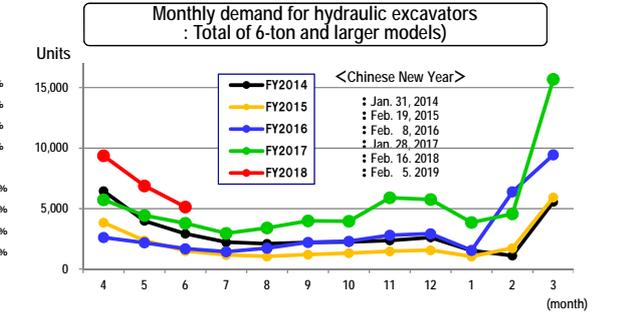
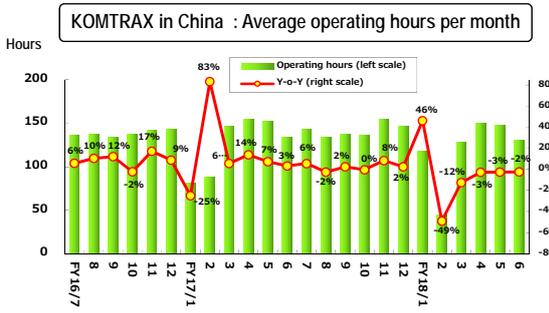
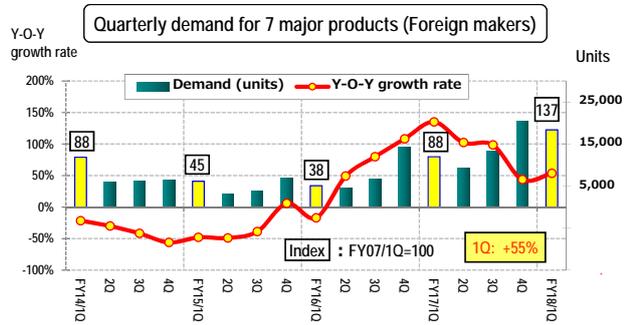
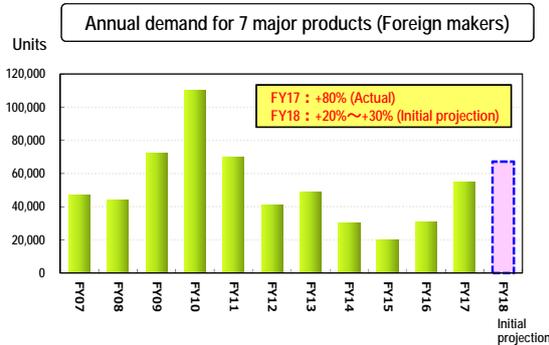
- In the first 3-month period of FY2018, European demand should have increased by 4% from the corresponding period a year ago.
- In addition to a major market of Germany, demand remained steady in the U.K. and eastern Europe.



- It appears that demand increased by 4% in the first 3-month period of FY2018 from the corresponding period a year ago, marking growth of demand for 11 consecutive quarters.
- In addition to a major market of Germany, demand remained steady in the U.K. and eastern Europe.

Construction, Mining & Utility Equipment: Demand in Major Markets (4) China

- In the first 3-month period of FY2018, demand should have expanded by 55% from the corresponding period a year ago.
- Demand for construction equipment expanded, driven by good progress of infrastructure development continued from FY2017.

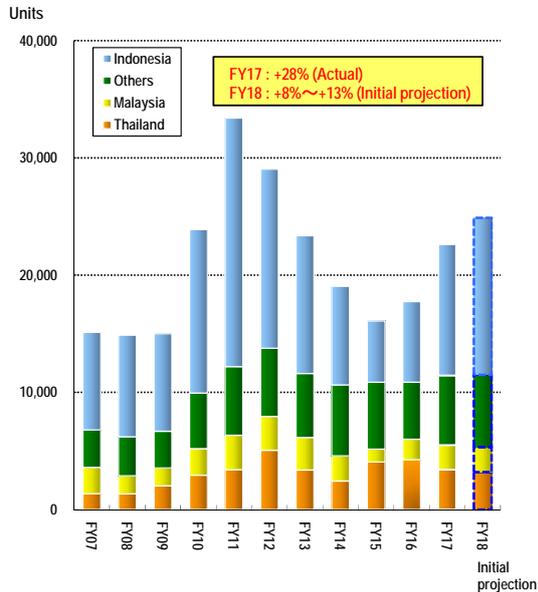


[Source]: Demand for 7 major products and hydraulic excavators estimated by Komatsu

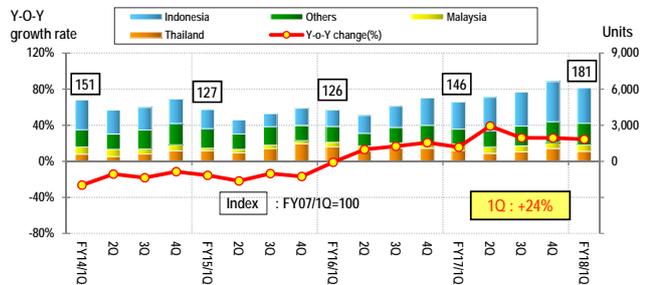
- In the first 3-month period of FY2018, it appears that Chinese demand expanded by 55% from the corresponding period a year ago.
- Demand for construction equipment expanded, driven by good progress of infrastructure development nationwide.

- In the first 3-month period of FY2018, demand should have advanced by 24% from the corresponding period a year ago.
- In Indonesia, the largest market of the region, demand expanded for both construction and mining equipment. In Thailand, demand is slowing down.

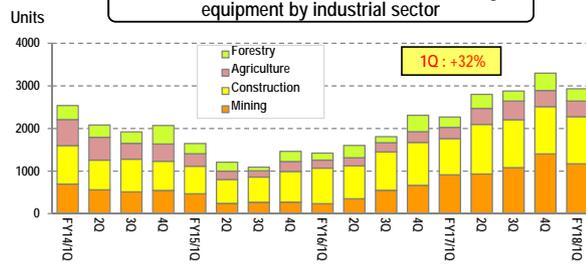
Annual demand for 7 major products



Quarterly demand for 7 major products



Indonesia: Demand for construction & mining equipment by industrial sector



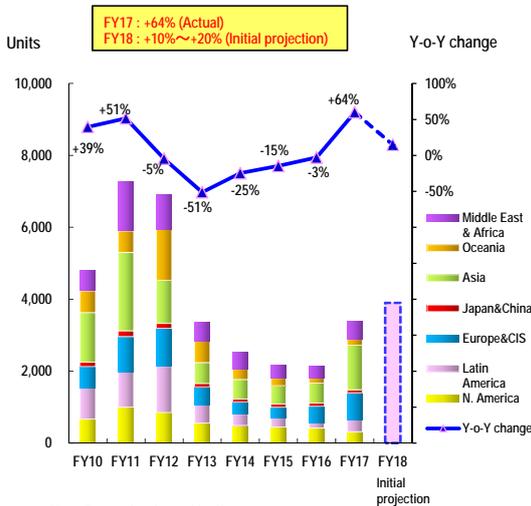
- In the first 3-month period of FY2018, Southeast Asian demand should have expanded by 24% from the corresponding period a year ago.
- In Indonesia, the largest market of the region, demand expanded for construction equipment in thriving infrastructure development. Demand also expanded for mining equipment as the commodity price increased. In Thailand, demand remained on a slow-down track.

Construction, Mining & Utility Equipment: Actual and Projected Demand for Mining Equipment 19

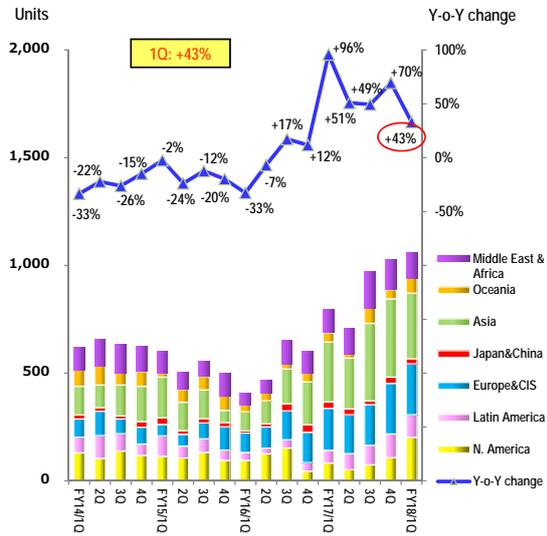
- In the first 3-month period of FY2018, global demand should have expanded by 43% from the corresponding period a year ago.
- Demand advanced, centering on North America and Indonesia.
- We are keeping our projection of full-year demand in FY2018 as a whole, as projected at the start of the current fiscal year.

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



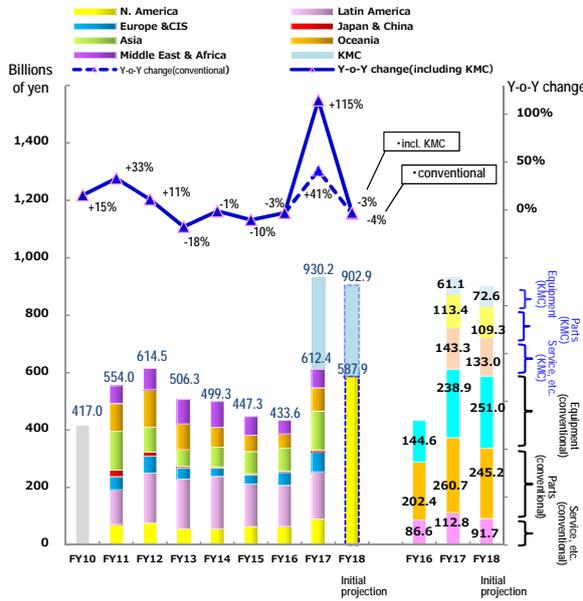
Quarterly demand for mining equipment



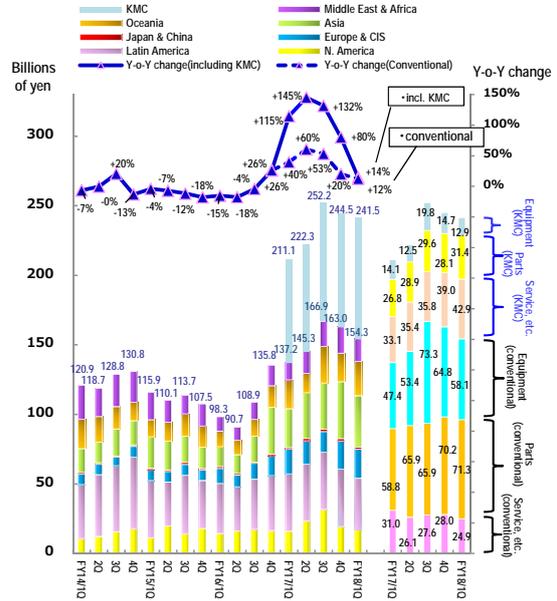
- In the first 3-month period of 2018, it appears that demand for mining equipment advanced by 43% from the corresponding period a year ago.
- By region, the rate of growth is expanding, especially in Indonesia, North and Latin America, and Oceania.
- By product, demand for large mining equipment is growing, especially in Indonesia, and that for super-large models is recovering.
- Demand for mining equipment has increased in 7 consecutive quarters year on year since the third quarter of FY2016, showing steady recovery of the mining equipment market.

- For the first 3-month period of FY2018, sales of mining equipment advanced by 14% from the corresponding period a year ago, to JPY241.5 billion. When KMC's sales are excluded, sales increased by 12% to JPY154.3 billion.
- Sales of equipment and parts as well as service revenues advanced, supported by growing demand centering on Indonesia.

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

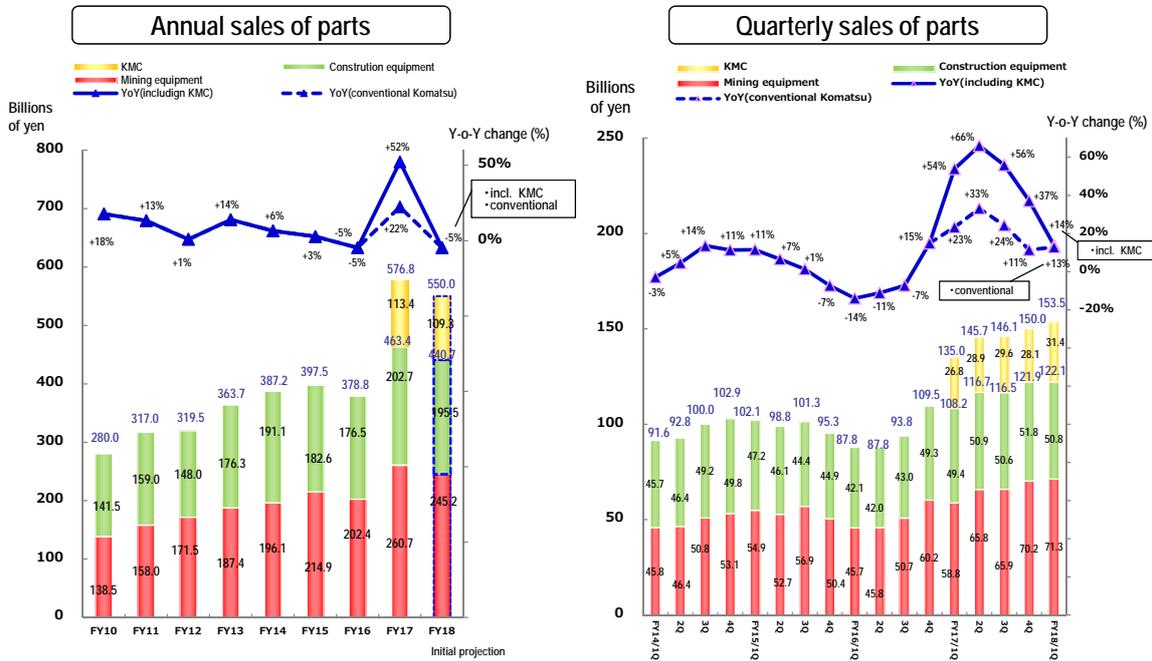


Quarterly sales of mining equipment (incl. parts and service)



- On this page, sales of mining equipment show the figures including those made by KMC since FY2017.
- For the first 3-month period of FY2018, total sales increased by 14% to JPY241.5 billion. When KMC's sales are excluded, sales increased by 12% to JPY154.3 billion.
- Sales of equipment and parts as well as service revenues, all expanded, supported by growing demand centering on Indonesia.

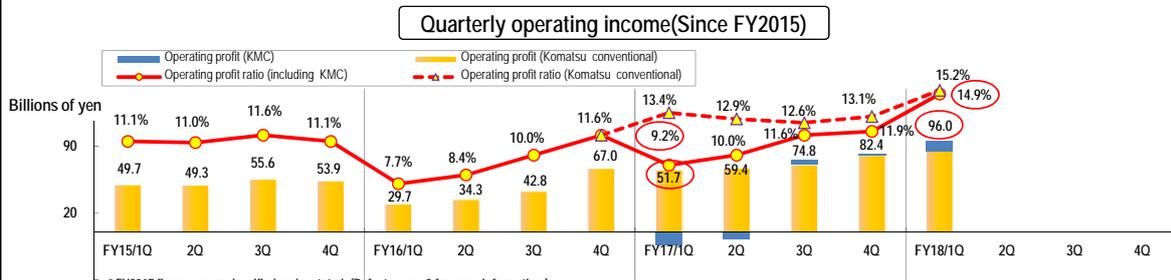
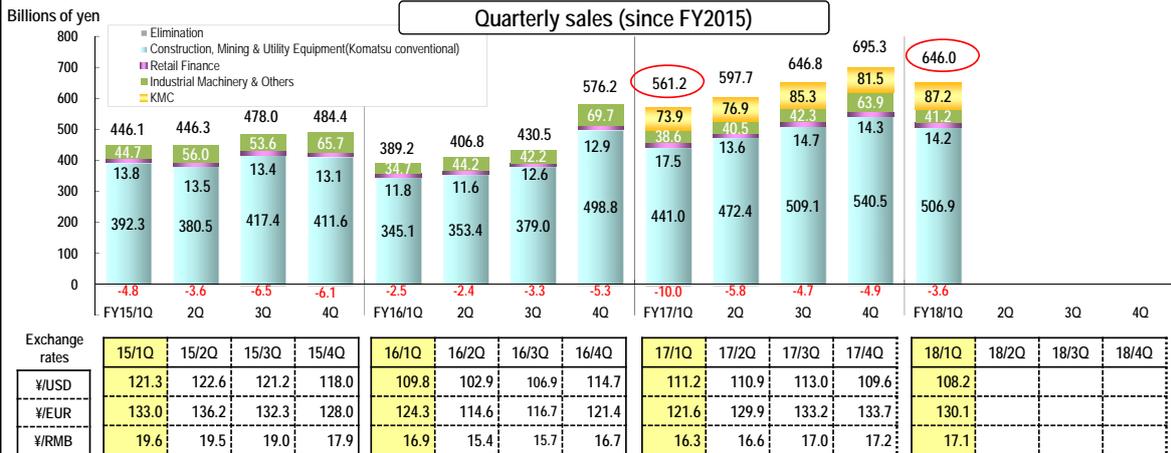
• Sales of parts expanded by 14% from the corresponding period a year ago, to JPY153.5 billion. When KMC sales are excluded, sales increased by 13% to JPY122.1 billion.



□ For the first 3-month period of FY2018, sales of parts increased by 14% from the corresponding period a year ago, to JPY153.5 billion. When the foreign exchange effects are excluded, sales increased by 16%. By breakdown, sales of parts for construction equipment increased by 4% and for mining equipment, by 24%, on the Komatsu conventional basis. KMC advanced sales of parts by 21% for the first 3-month period under review.

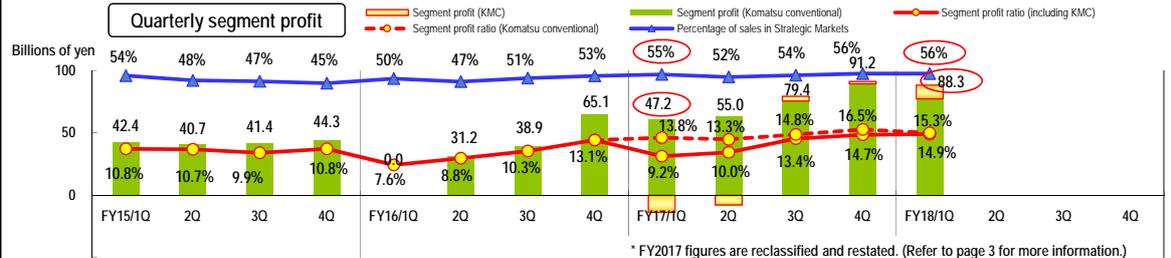
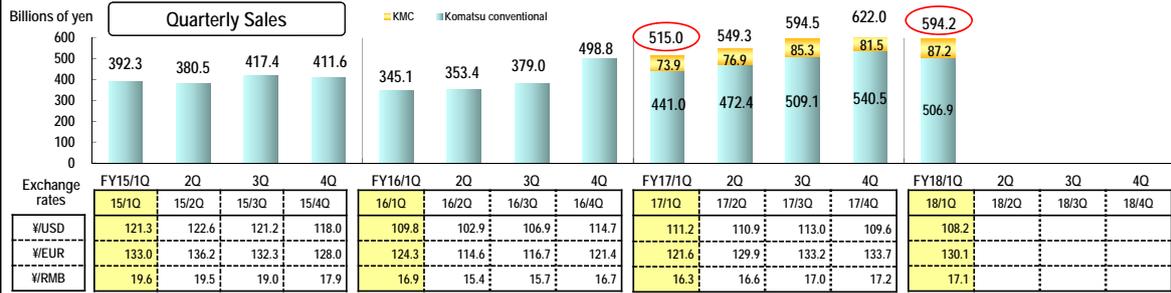
Appendix

<Appendix>
Quarterly Sales and Operating Income

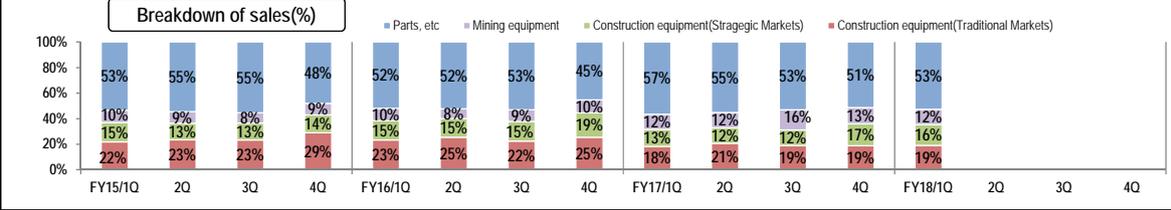


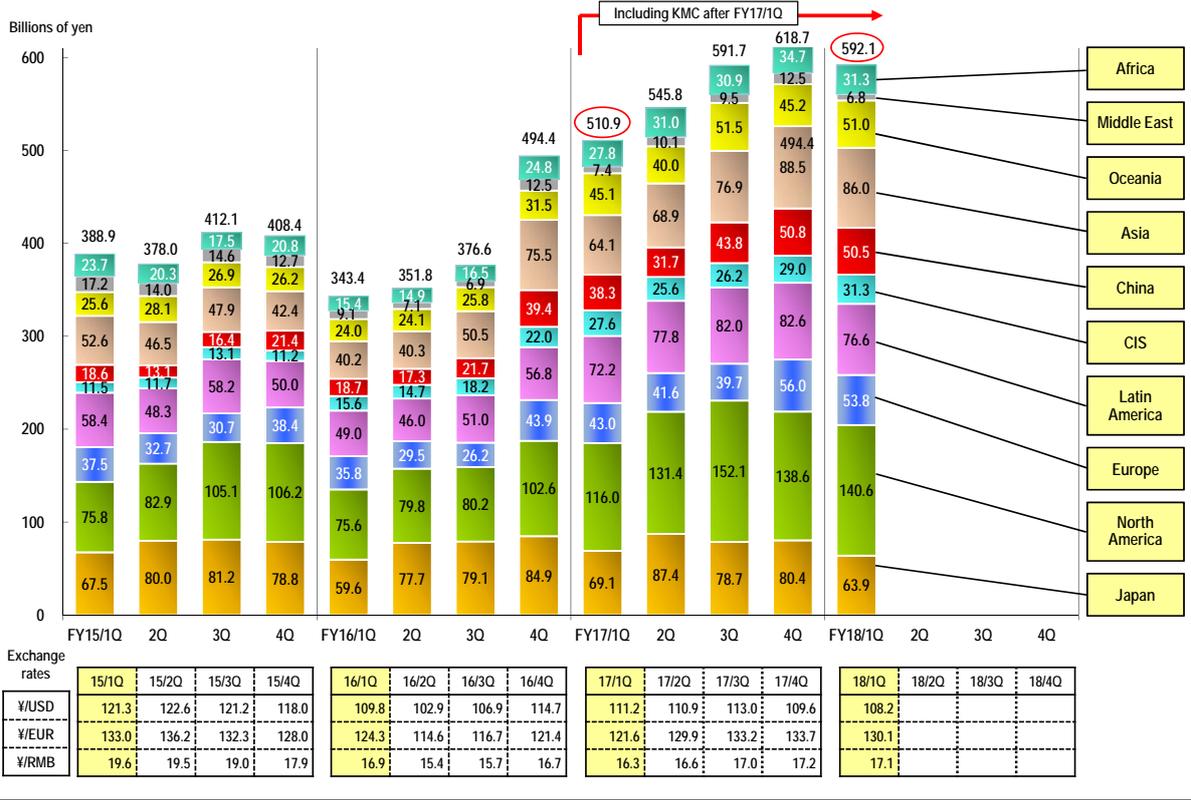
* FY2017 figures are reclassified and restated. (Refer to page 3 for more information.)
* Specific figures are -JPY0.7 billion each for 1Q, 2Q and 3Q and -JPY0.9 billion for 4Q.

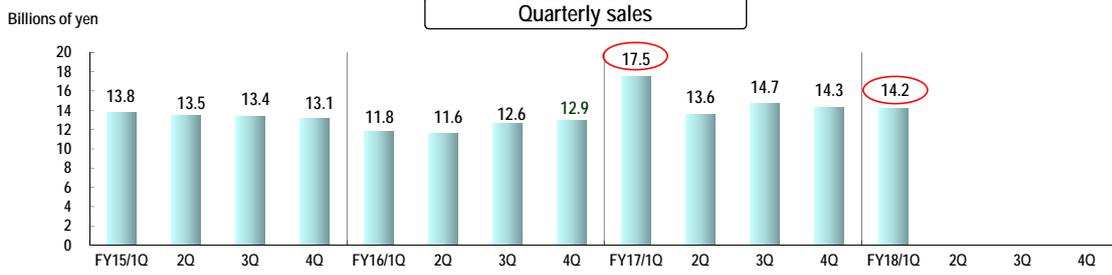
Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit



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

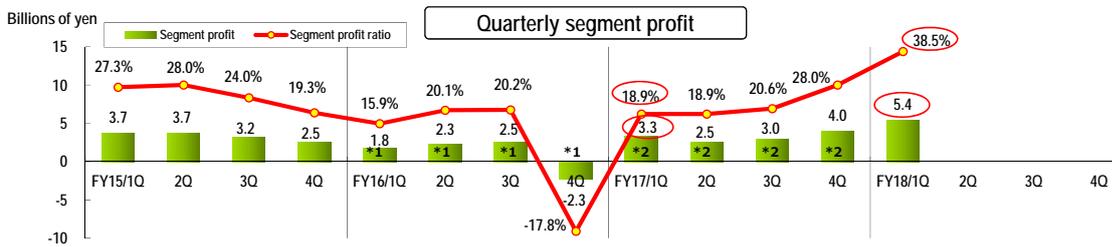




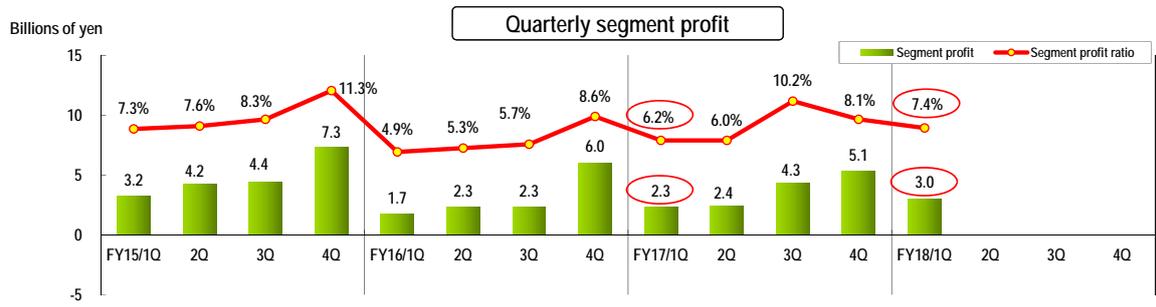
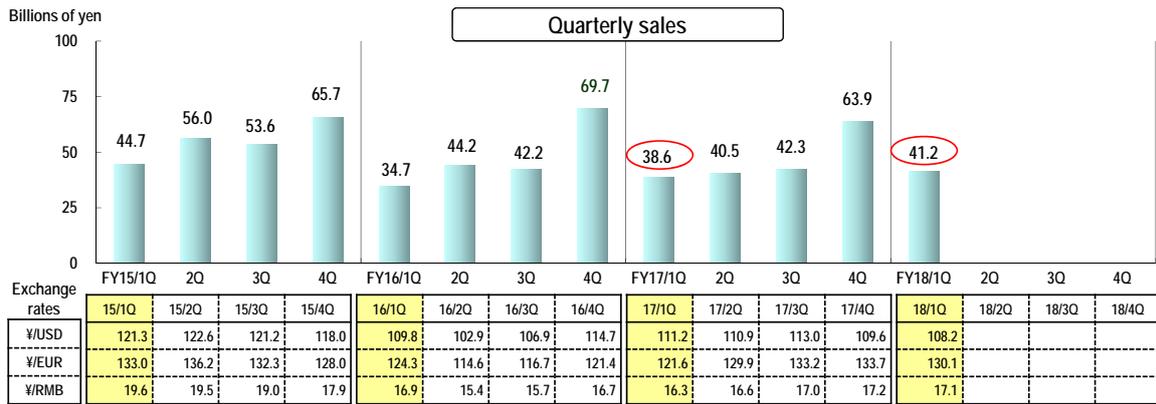


Exchange rates

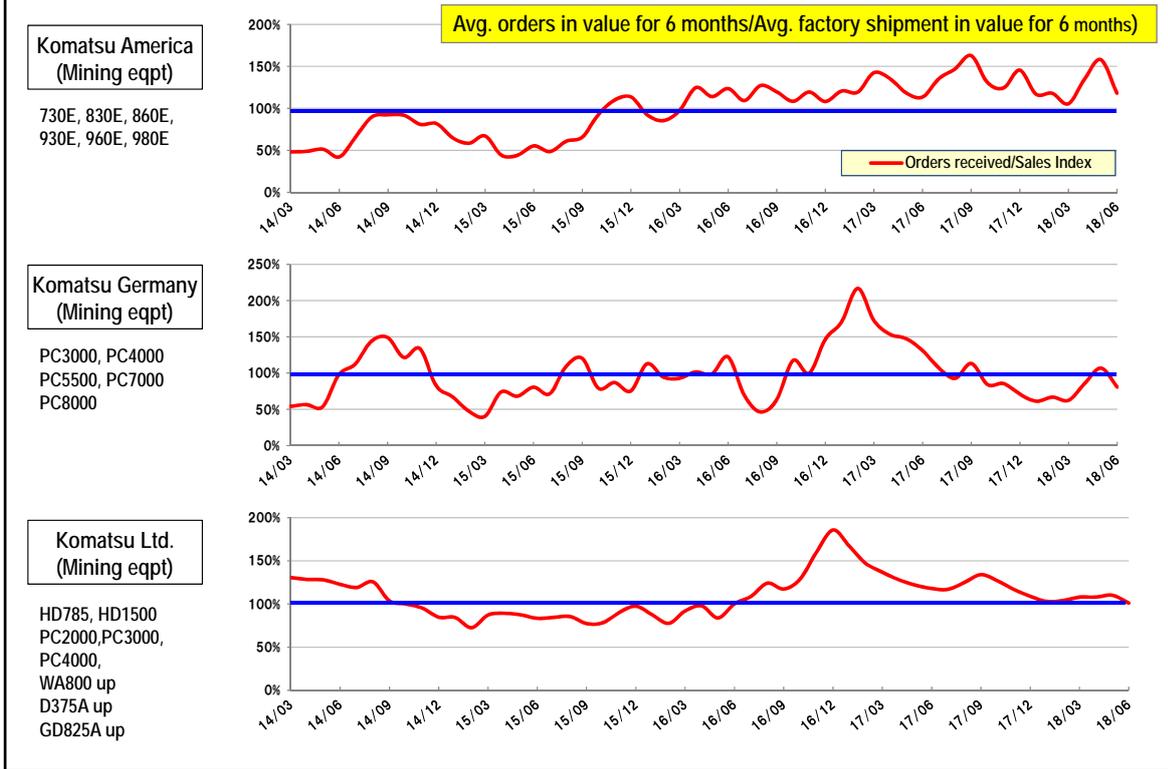
	15/1Q	15/2Q	15/3Q	15/4Q	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q
¥/USD	121.3	122.6	121.2	118.0	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2			
¥/EUR	133.0	136.2	132.3	128.0	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1			
¥/RMB	19.6	19.5	19.0	17.9	16.9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



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

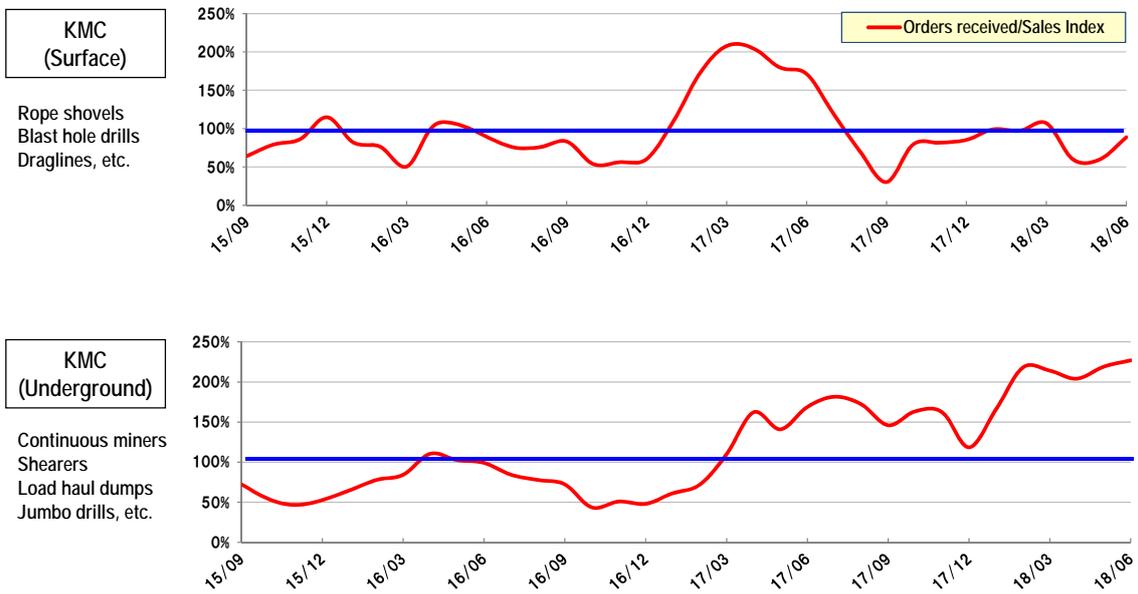


* FY2017 figures are reclassified and restated. (Refer to page 3 for more information.)



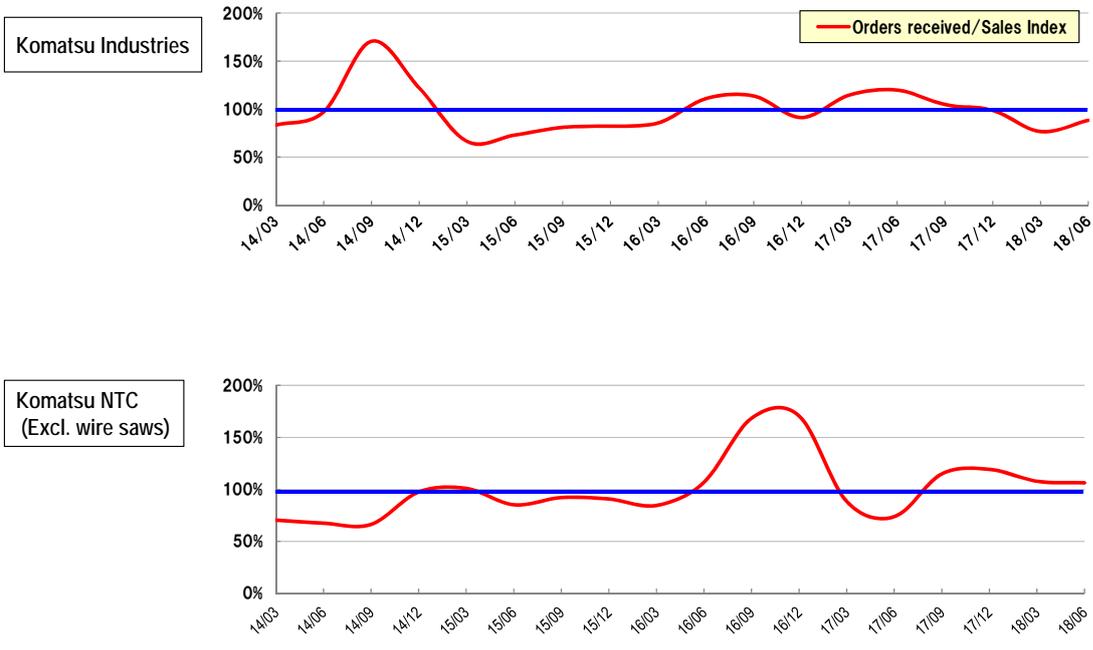
- These graphs show the book-to-bill ratios of mining equipment.
- Specifically, they show the ratio of orders received for new equipment for the last six-month period divided by sales of new equipment for the same six-month period.

Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months)



- These graphs show the book-to-bill ratios of KMC-made mining equipment since September 2015.
- Top graph shows the book-to-bill ratio of surface mining equipment, such as rope shovels and blast hole drills, while the bottom graph that of underground mining equipment, such as continuous miners and shearers.

Avg. orders in value for 6 months/Avg. factory shipment in value for 6 months)



- 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 machines for the same six-month period.

• We have worked with the Japan Mine Action Service (JMAS), a certified specific non-profit organization of Japan, engaging in a community reconstruction support project in Battambang Province, the Kingdom of Cambodia, for 10 years since 2008. On May 22, 2018, JMAS and Komatsu held the 10th anniversary ceremony by inviting the Deputy Governor of Battambang, other local guests and members of the Cambodia Mine Action Centre (CMAC). Together with members of JMAS and Komatsu, the ceremony was attended by about 800 persons.



Together with Mr. Noji, chairman of Komatsu, (6th from the left) JMAS and CMAS members on a road under construction.



After the ceremony, about 300 pupils from eight elementary schools, which were built by this project, enjoyed a joint sports day.



- We worked with the Japan Mine Action Service (President: Ryuichiro Arakawa), a certified specific non-profit organization of Japan, engaging in a community reconstruction support project in Battambang Province, the Kingdom of Cambodia, for 10 years since 2008.
- Ten-year achievements of the project are removal of 1,360 landmines, a demined area of 1,735ha, road construction of 62km, construction of 8 elementary schools (572 pupils in total as of December 2017), and construction of 46 ponds.
- On May 22, 2018, JMAS and Komatsu held the 10th anniversary ceremony by inviting the Deputy Governor of Battambang, other local guests and members of the Cambodia Mine Action Centre (CMAC). Together with members of JMAS and Komatsu, the ceremony was attended by about 800 persons. Mr. Noji, Chairman of Komatsu, attended the ceremony. After the ceremony, about 300 pupils from eight elementary schools, which were built by this project, enjoyed a joint sports day.
- We will continue our efforts to demine anti-personnel landmine-contaminated area, dispose of unexploded ordnance, and support the local community reconstruction projects.



スウェーデンの森は、 IoTの森だった。

林業が、先進ビジネスになっていた。
日本へのヒントがあると思った。

Wheeled Harvester 951

Forwarder 845

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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