

# **Business Results for Nine Months (April-December, 2019) of FY2019 【Telephone conference】**

**January 31, 2020**

**Komatsu Ltd. Participants**

**Takeshi Horikoshi Executive Officer and CFO**

**Takuya Imayoshi Executive Officer and  
General Manager of Business Coordination Department**

**I . Business Results for Three and Nine Months ended December 31, 2019 <PP3-13>**

- PP4-6 Highlights, Segment Sales and Profits for the Third Quarter(Oct.- Dec., 2019)**
- PP7-8 Highlights, Segment Sales and Profits for Nine Months (Apr.- Dec., 2019)**
- PP9-10 Construction, Mining & Utility Equipment: Results for Nine Months (Apr.- Dec., 2019)**
- P11 Retail Finance: Highlights for Nine Months (Apr.- Dec., 2019)**
- P12 Industrial Machinery & Others: Highlights for Nine Months (Apr.- Dec., 2019)**
- P13 Consolidated Balance Sheets**

**II . Outlook of FY2019 Business Results <PP14-24>**

- P15 Outline of Projection for FY2019 ending March 31, 2020**
- PP16-21 Construction, Mining & Utility Equipment: Demand and Outlook for Seven Major Products (Global and By Region)**
- PP22-23 Construction, Mining & Utility Equipment: Demand and Sales Projection of Mining Equipment**
- P24 Construction, Mining & Utility Equipment: Sales Projection of Parts**

**Appendix <PP25-33>**

- PP26-30 Quarterly Results**
- PP31-33 Book-to-Bill Ratio [Orders Received / Sales (6 Months)]**

# **I . Business Results for Three and Nine Months ended December 31, 2019**

- Consolidated net sales decreased by 12.4% from the corresponding period a year ago, to JPY613.9 billion.
- Operating income declined by 31.1% to JPY65.8 billion. Operating income ratio was 10.7%, down 2.9 points.
- Net income attributable to Komatsu Ltd. declined by 23.1% to JPY45.2 billion.

Billions of yen	Oct.-Dec., 2018 (A) ¥113.5/USD ¥129.6/EUR ¥16.4/RMB	Oct.-Dec., 2019 (B) ¥108.6/USD ¥119.7/EUR ¥15.4/RMB	Changes (B-A)	
			increase (decrease)	Change %
Net sales	700.5	613.9	(86.6)	(12.4)%
Segment profit	97.1	63.5	(33.5)	(34.6)%
Other operating income (expenses)	(1.6)	2.2	+3.9	-
Operating income	95.5	65.8	(29.6)	(31.1)%
Profit ratio	13.6%	10.7%	(2.9)pts.	-
Other income (expenses)	(10.0)	(4.1)	+5.9	-
Income before income taxes	85.4	61.7	(23.7)	(27.8)%
Net income attributable to Komatsu Ltd	58.8	45.2	(13.6)	(23.1)%

- **Construction, Mining & Utility Equipment:** Sales decreased by 15.3% from the corresponding period a year ago, to JPY546.4 billion. Segment profit declined by 40.2% to JPY53.0 billion. Segment profit ratio worsened to 9.7%, down 4.0%.
- **Retail Finance:** Revenues expanded by 8.3% from the corresponding period a year ago, to JPY18.1 billion. Segment profit advanced by 15.6% to JPY4.0 billion.
- **Industrial Machinery & Others:** Sales increased by 16.6% from the corresponding period a year ago, to JPY53.2 billion. Segment profit advanced by 8.3% to JPY5.5 billion.

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

Billions of yen	Oct.-Dec., 2018 (A)	Oct.-Dec., 2019 (B)	Changes (B-A)	
			increase (decrease)	Change %
<b>Net sales</b>	700.5	613.9	(86.6)	(12.4)%
Construction, mining & utility equipment	645.3 [640.3]	546.4 [545.1]	(98.8) [(95.2)]	(15.3)% [(14.9)%]
Retail finance	16.7 [15.1]	18.1 [16.0]	+1.3 [+0.9]	+8.3% [+6.1%]
Industrial machinery & others	45.7 [45.0]	53.2 [52.7]	+7.5 [+7.7]	+16.6% [+17.1%]
Elimination	(7.1)	(3.8)	+3.3	-
<b>Segment profit</b>	□ 13.9% 97.1	□ 10.4% 63.5	□ (3.5)% (33.5)	(34.6)%
Construction, mining & utility equipment	□ 13.7% 88.6	□ 9.7% 53.0	□ (4.0)% (35.5)	(40.2)%
Retail finance	□ 21.1% 3.5	□ 22.6% 4.0	□ +1.5% +0.5	+15.6%
Industrial machinery & others	□ 11.3% 5.1	□ 10.5% 5.5	□ (0.8)% +0.4	+8.3%
Corporate & elimination	(0.1)	0.8	+1.0	-

## Review of three business segments

### ■ Construction, Mining & Utility Equipment:

Sales decreased from the corresponding period a year ago, as adversely affected by reduced sales volume and foreign exchange rates. Segment profit declined, mainly due to reduced sales volume and a change in the geographic composition of sales.

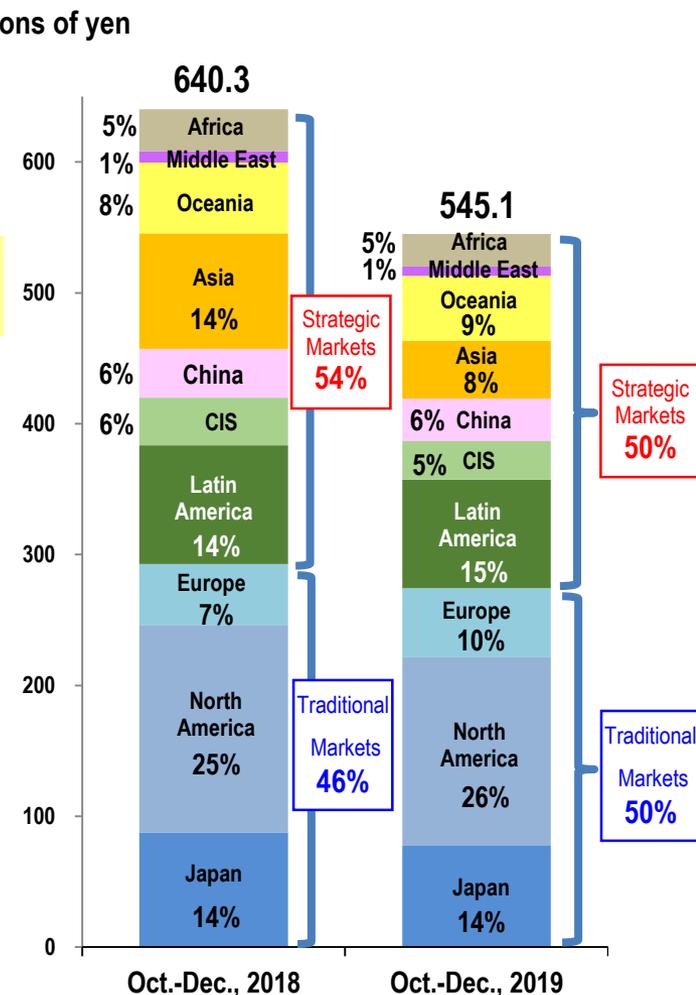
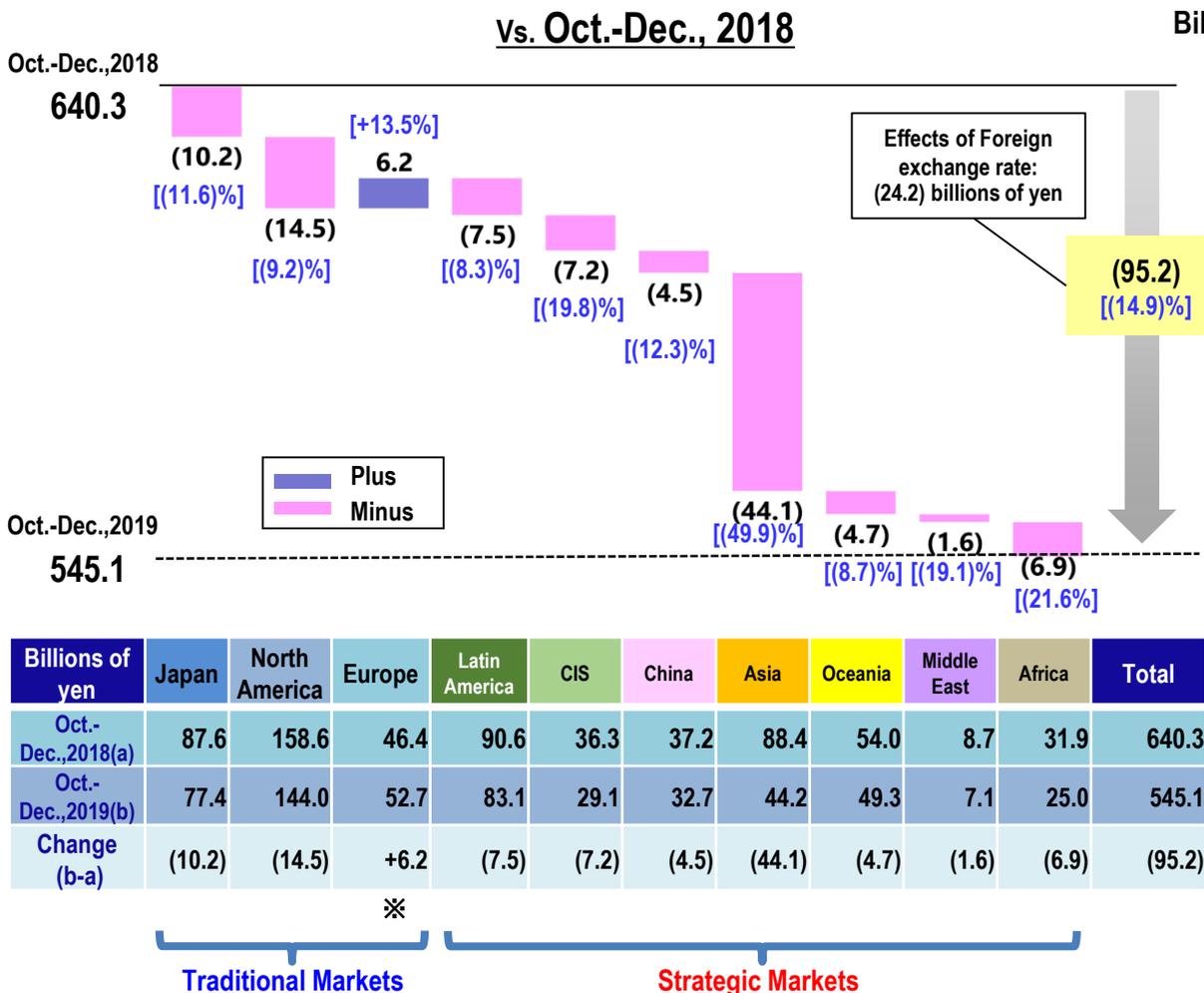
### ■ Retail Finance:

Both revenues and segment profit grew, supported by increased assets.

### ■ Industrial Machinery & Others

Both sales and segment profit increased mainly supported by expanded sales of machine tools.

- Sales to outside customers decreased by 14.9% from the corresponding period a year ago, to JPY545.1 billion.
- While sales increased in Europe, those declined sharply especially in Asia, North America and Japan. As a result, total sales declined.
- The ratio of sales in Traditional Markets increased to 50% of total sales.



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

- Consolidated net sales decreased by 9.5% from the corresponding period a year ago, to JPY1,827.4 billion.
- Operating income declined by 29.7% to JPY207.8 billion. Operating income ratio was 11.4%, down 3.3 points.
- Net income attributable to Komatsu Ltd. declined by 26.6% to JPY135.2 billion.

Billions of yen	Apr.-Dec., 2018 (A) ¥111.0/USD ¥129.8/EUR ¥16.6/RMB	Apr.-Dec., 2019 (B) ¥108.9/USD ¥121.0/EUR ¥15.7/RMB	Changes (B-A)	
			increase (decrease)	Change %
Net sales	2,018.6	1,827.4	(191.1)	(9.5)%
Segment profit	296.2	204.2	(92.0)	(31.1)%
Other operating income (expenses)	(0.4)	3.5	+4.0	-
Operating income	295.8	207.8	(88.0)	(29.7)%
Profit ratio	14.7%	11.4%	(3.3)pts.	-
Other income (expenses)	(17.8)	(17.9)	(0.0)	-
Income before income taxes	277.9	189.9	(88.0)	(31.7)%
Net income attributable to Komatsu Ltd	184.1	135.2	(48.9)	(26.6)%

- **Construction, Mining & Utility Equipment:** Sales decreased by 10.2% from the corresponding period a year ago, to JPY1,658.0 billion. Segment profit declined by 32.9% to JPY182.8 billion. Segment profit ratio worsened to 11.0%, down 3.8 points.
- **Retail Finance:** Revenues expanded by 14.6% from the corresponding period a year ago, to JPY52.9 billion. Segment profit declined by 16.9% to JPY10.8 billion.
- **Industrial Machinery & Others:** Sales decreased by 11.0% from the corresponding period a year ago, to JPY127.0 billion. Segment profit declined by 24.0% to JPY9.6 billion.

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

Billions of yen	Apr.-Dec., 2018 (A)	Apr.-Dec., 2019 (B)	Changes (B-A)	
			increase (decrease)	Change %
<b>Net sales</b>	2,018.6	1,827.4	(191.1)	(9.5)%
Construction, mining & utility equipment	1,845.8 [1,835.5]	1,658.0 [1,654.4]	(187.8) [(181.1)]	(10.2)% [(9.9)%]
Retail finance	46.1 [41.7]	52.9 [47.2]	+6.7 [+5.4]	+14.6% [+13.0%]
Industrial machinery & others	142.7 [141.2]	127.0 [125.7]	(15.7) [(15.4)]	(11.0)% [(11.0)%]
Elimination	(16.2)	(10.5)	+5.6	-
<b>Segment profit</b>	<span style="border: 1px solid black; padding: 2px;">14.7%</span> 296.2	<span style="border: 1px solid black; padding: 2px;">11.2%</span> 204.2	<span style="border: 1px solid black; padding: 2px;">(3.5)pts.</span> (92.0)	(31.1)%
Construction, mining & utility equipment	<span style="border: 1px solid black; padding: 2px;">14.8%</span> 272.5	<span style="border: 1px solid black; padding: 2px;">11.0%</span> 182.8	<span style="border: 1px solid black; padding: 2px;">(3.8)pts.</span> (89.6)	(32.9)%
Retail finance	<span style="border: 1px solid black; padding: 2px;">28.4%</span> 13.1	<span style="border: 1px solid black; padding: 2px;">20.6%</span> 10.8	<span style="border: 1px solid black; padding: 2px;">(7.8)pts.</span> (2.2)	(16.9)%
Industrial machinery & others	<span style="border: 1px solid black; padding: 2px;">8.9%</span> 12.6	<span style="border: 1px solid black; padding: 2px;">7.6%</span> 9.6	<span style="border: 1px solid black; padding: 2px;">(1.3)pts.</span> (3.0)	(24.0)%
Corporate & elimination	(2.0)	0.8	+2.9	-

## Review of three business segments

### ■ Construction, Mining & Utility Equipment:

Sales decreased from the corresponding period a year ago, as adversely affected by reduced sales volume and foreign exchange rates. Segment profit declined, mainly due to reduced sales volume and a change in the geographic composition of sales.

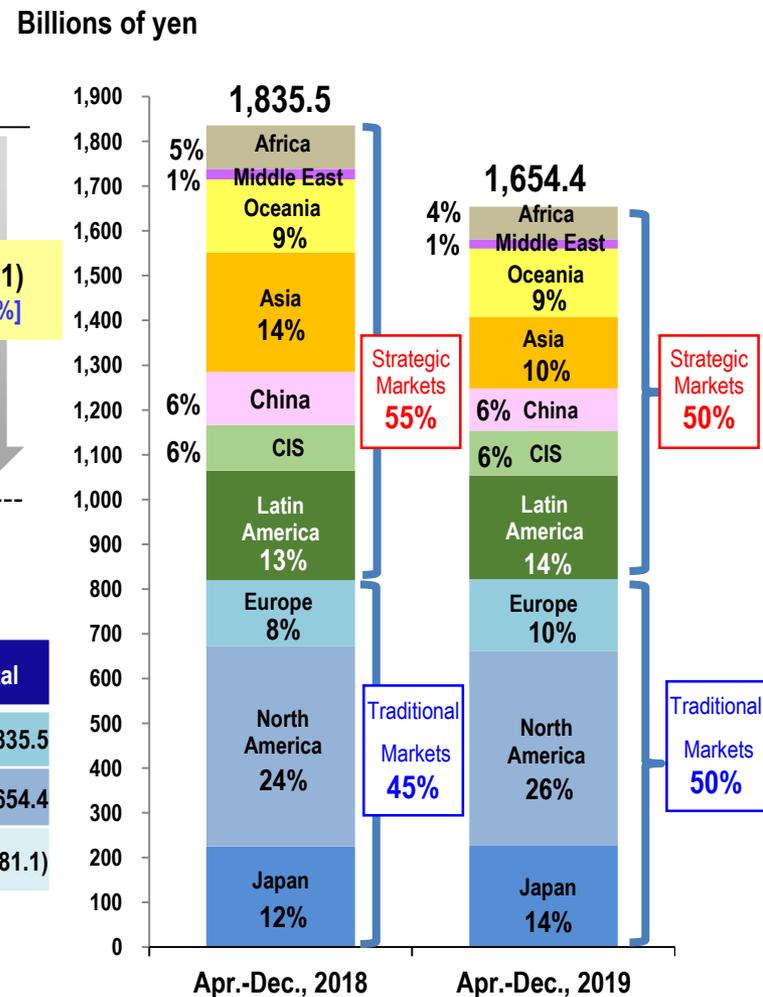
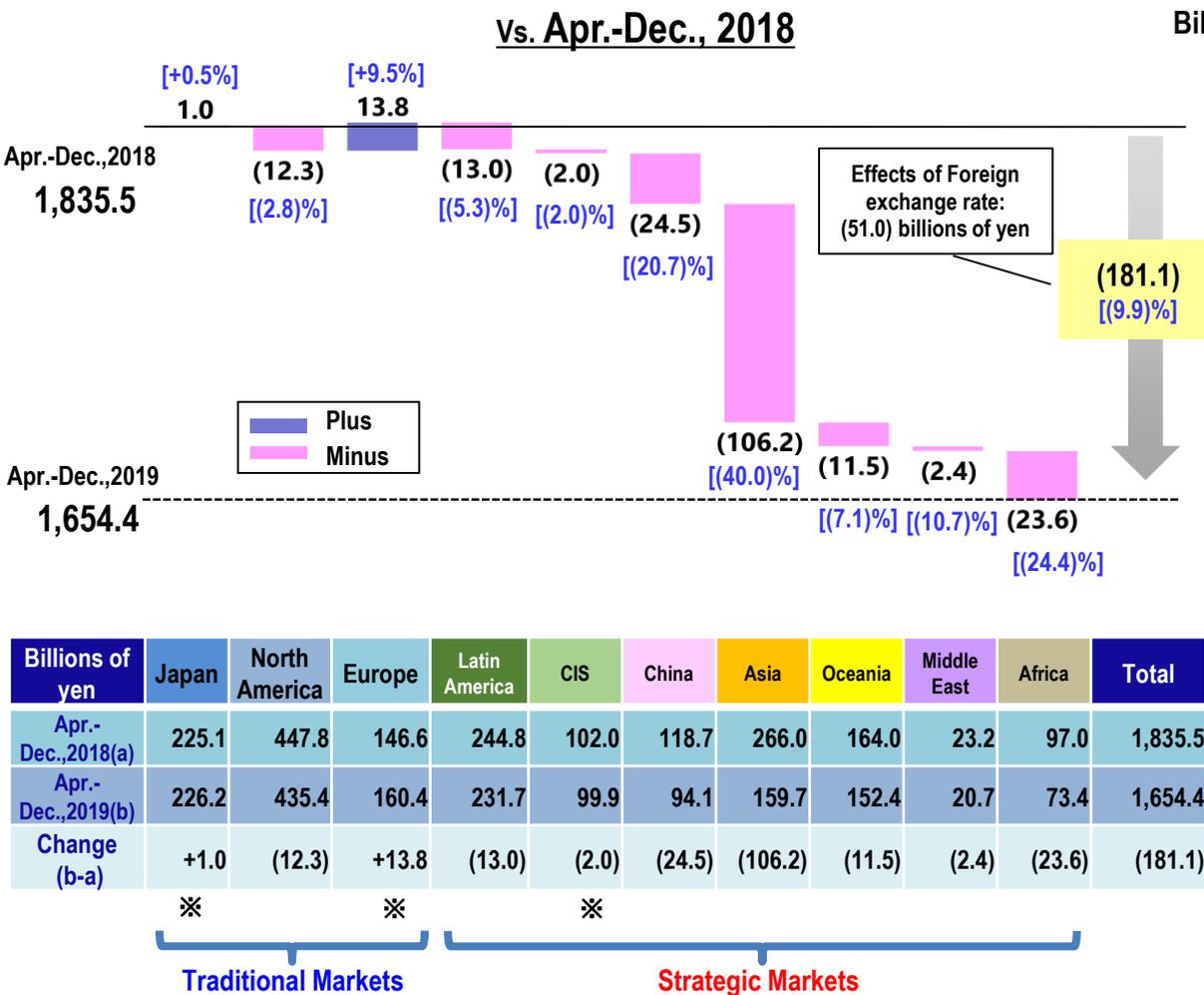
### ■ Retail Finance:

Revenues grew, supported by increased assets. Segment profit declined, mainly affected by the end of reversal of allowances for doubtful accounts in China, which was recorded for FY2018.

### ■ Industrial Machinery & Others

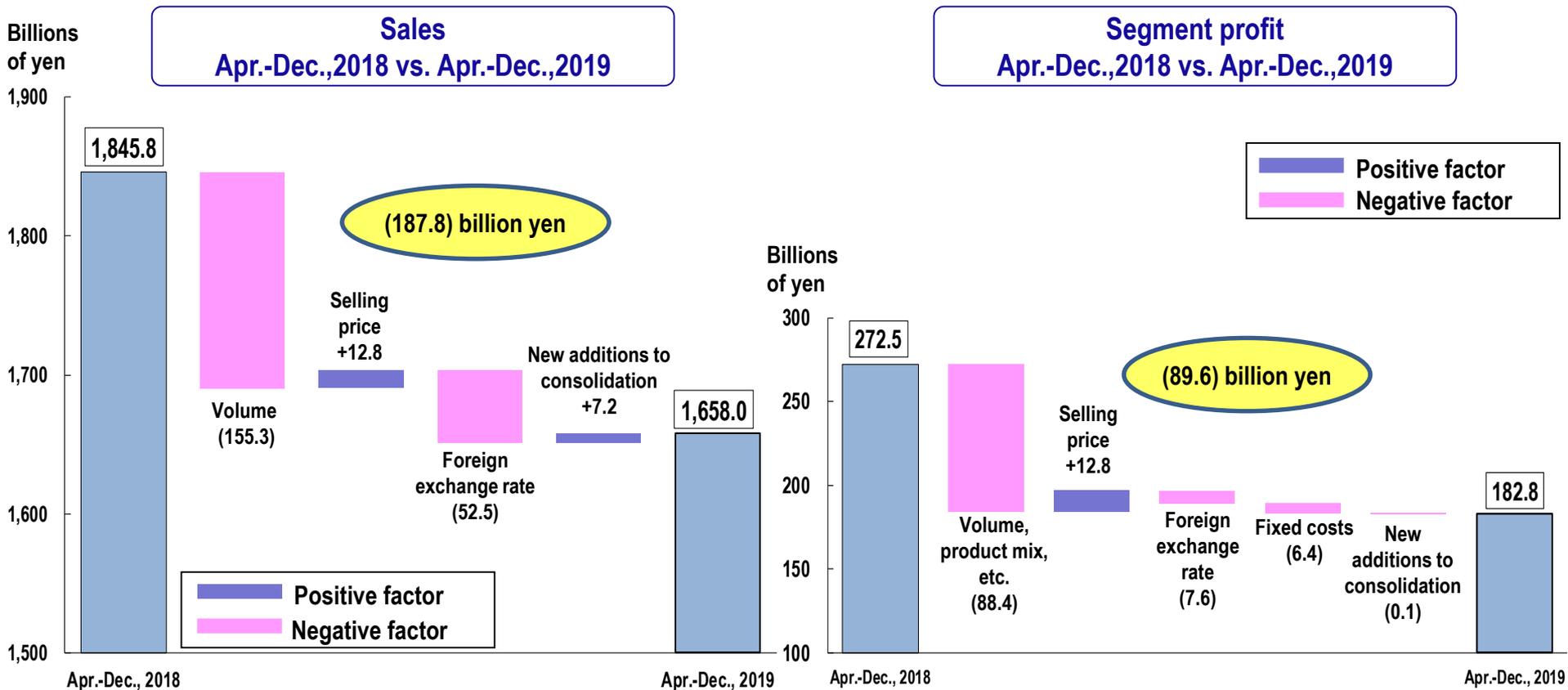
Both sales and segment profit declined, due to reduced sales of presses and machine tools to the automobile manufacturing industry, as well as declined sales of Excimer laser-related products on the semiconductor market.

- Sales to outside customers decreased by 9.9% from the corresponding period a year ago, to JPY1,654.4 billion.
- While sales increased in Europe and Japan, those declined sharply especially in Asia, China and Africa. As a result, total sales declined.
- The ratio of sales in Traditional Markets increased to 50% of total sales.



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

- Sales decreased by JPY187.8 billion from the corresponding period a year ago, as adversely affected by reduced sales volume and foreign exchange rates.
- Segment profit declined by JPY89.6 billion, as adversely affected by reduced sales volume and a change in the geographic composition of sales.
- Segment profit ratio was 11.0%, down 3.8points.



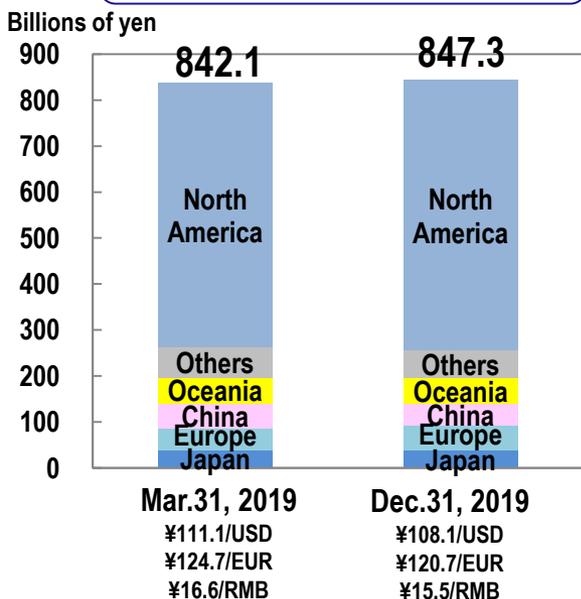
¥111.0/USD  
 ¥129.8/EUR  
 ¥16.6/RMB

¥108.9/USD  
 ¥121.0/EUR  
 ¥15.7/RMB

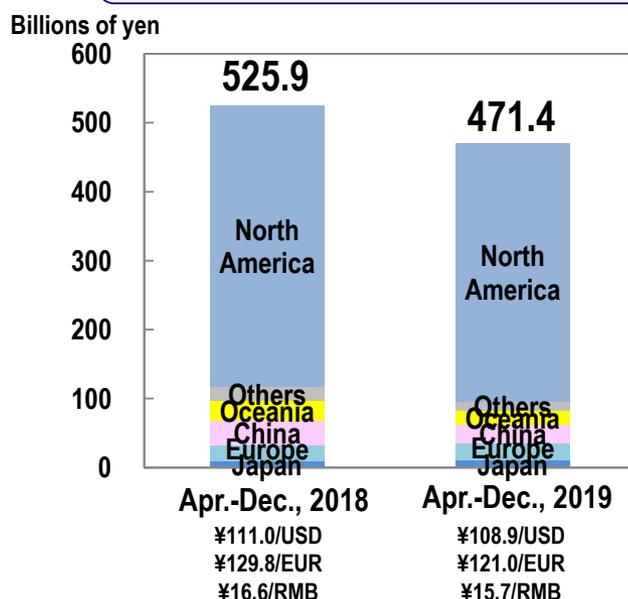
14.8% — Segment profit ratio — 11.0%

- Assets increased from the previous fiscal year-end, mainly due to increased in North America and Europe.
- New contracts declined mainly in North America, China and Oceania.
- Revenues advanced due to increased assets.
- Segment profit declined mainly affected by the end of reversal of allowances for doubtful accounts in China, which was recorded for FY2018.

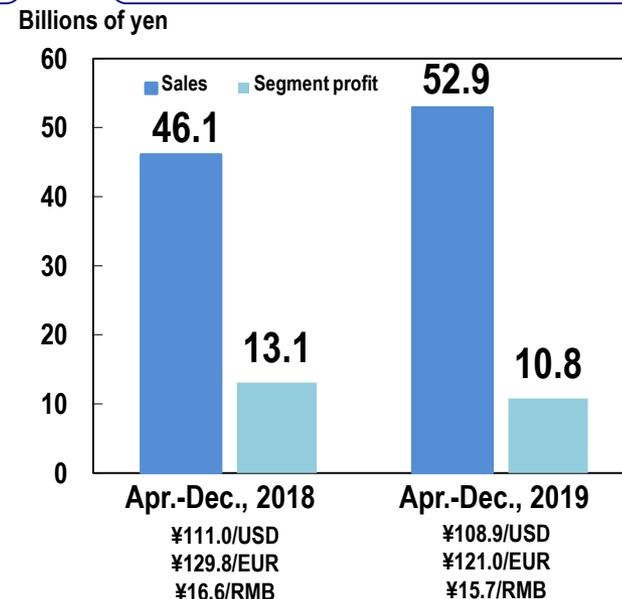
**Assets**  
Mar.31, 2019 vs. Dec.31, 2019



**New Contracts**  
Apr.-Dec., 2018 vs. Apr.-Dec., 2019



**Revenues**  
Apr.-Dec., 2018 vs. Apr.-Dec., 2019



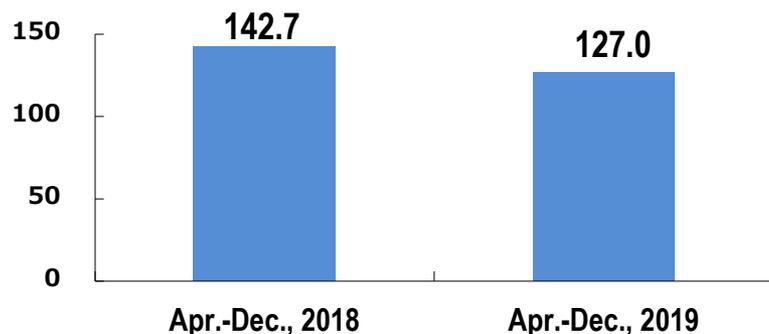
Billions of yen	2019/3E	2019/12E	Changes
Interest-bearing debt	638.0	651.7	+13.7
Interest-bearing debt, net	634.0	649.8	+15.8
Net D/E ratio	3.64	3.76	+0.12pts.

- Sales declined by 11.0% from the corresponding period a year ago, to JPY127.0 billion, mainly affected by reduced sales of presses and machine tools to the automobile manufacturing industry, as well as declined sales of Excimer laser-related products on the semiconductor market.
- Segment profit ratio was 7.6%.

### Sales

Apr.-Dec.,2018 vs. Apr.-Dec.,2019

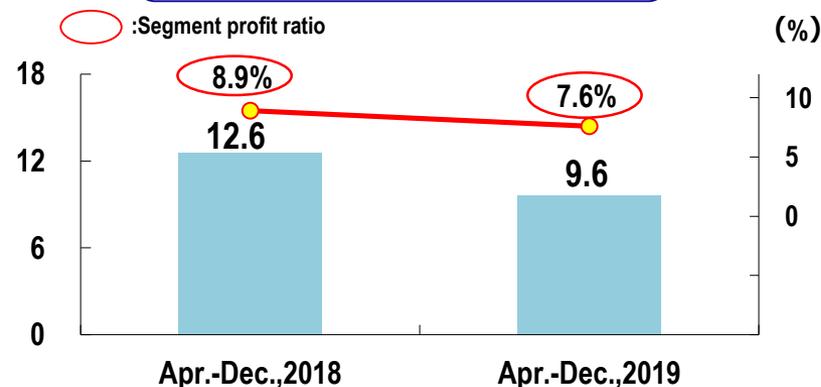
Billions of yen



### Segment profit

Apr.-Dec.,2018 vs. Apr.-Dec.,2019

Billions of yen



### Breakdown of sales

Billions of yen	Apr.-Dec., 2018	Apr.-Dec., 2019	Changes	
			Increase (Decrease)	% Change
Komatsu Industries Corp.	40.9	36.7	(4.1)	(10.2)%
Komatsu NTC Ltd.	46.9	35.4	(11.4)	(24.5)%
Gigaphoton Inc.	31.6	27.4	(4.2)	(13.3)%
Others	23.1	27.3	+4.1	+17.8%
<b>Total</b>	<b>142.7</b>	<b>127.0</b>	<b>(15.7)</b>	<b>(11.0)%</b>

- Total assets grew by JPY91.0 billion from the previous fiscal year-end to JPY3,729.2 billion , mainly due to increased inventories and other assets.
- Komatsu Ltd. shareholders' equity ratio was 48.4%, down 1.5 points.

Billions of yen <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">○</span> : Net D/E ratio	Mar. 31, 2019 ¥111.1/USD ¥124.7/EUR ¥16.6/RMB	Dec. 31, 2019 ¥108.1/USD ¥120.7/EUR ¥15.5/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	150.8	185.4	+34.6
Accounts receivable (incl. long-term trade receivables)	1,258.5	1,195.0	(63.5)
Inventories	837.5	900.0	+62.4
Tangible fixed assets	776.4	767.0	(9.4)
Other assets	614.8	*1 681.6	+66.7
<b>Total assets</b>	<b>3,638.2</b>	<b>3,729.2</b>	<b>+91.0</b>
Accounts payable	266.9	229.6	(37.3)
Interest-bearing debt [b]	930.7	1,048.3	+117.6
Other liabilities	537.7	*1 560.5	+22.8
<b>Total liabilities</b>	<b>1,735.3</b>	<b>1,838.4</b>	<b>+103.1</b>
[Shareholders' equity ratio]	(49.9%)	(48.4%)	((1.5)pts.)
Komatsu Ltd. shareholders' equity	1,815.5	1,803.6	(11.9)
Non-controlling interests	87.2	87.0	(0.1)
<b>Liabilities &amp; Equity</b>	<b>3,638.2</b>	<b>3,729.2</b>	<b>+91.0</b>
<b>Interest-bearing debt, net [b-a]</b>	<span style="border: 1px solid red; border-radius: 50%; padding: 2px;">0.43</span> <b>779.8</b>	<span style="border: 1px solid red; border-radius: 50%; padding: 2px;">0.48</span> <b>862.8</b>	<b>+82.9</b>
<b>Net D/E ratio (excl. the retail finance business)</b>	<span style="border: 1px solid red; border-radius: 50%; padding: 2px;">0.09</span>	<span style="border: 1px solid red; border-radius: 50%; padding: 2px;">0.13</span>	

\*1 Note: In compliance with the new accounting standard which Komatsu has adopted, right-of-use assets under operating lease and operating lease liabilities increased by about JPY49.0 billion from the previous fiscal year-end.

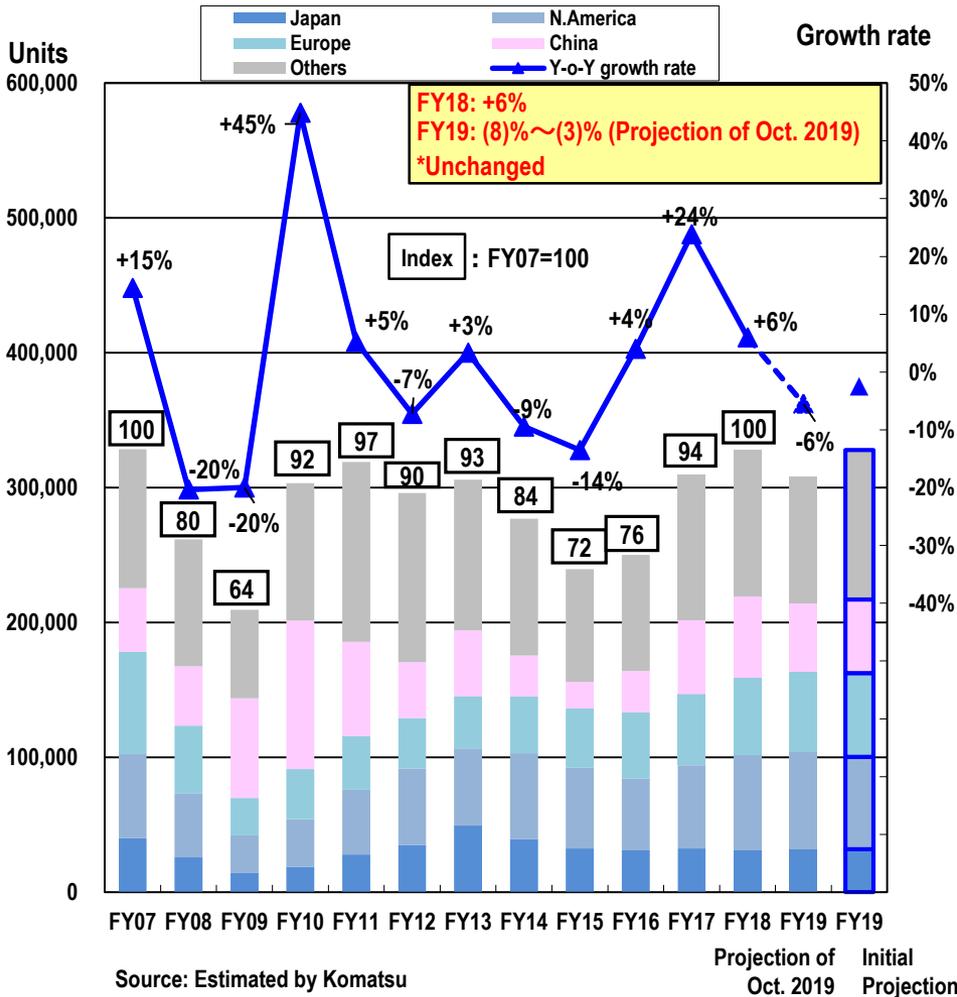
## **II . Outlook of FY2019 Business Results**

• We have not changed our projection of full-year results for FY2019. (See below for the projection of October 2019.)

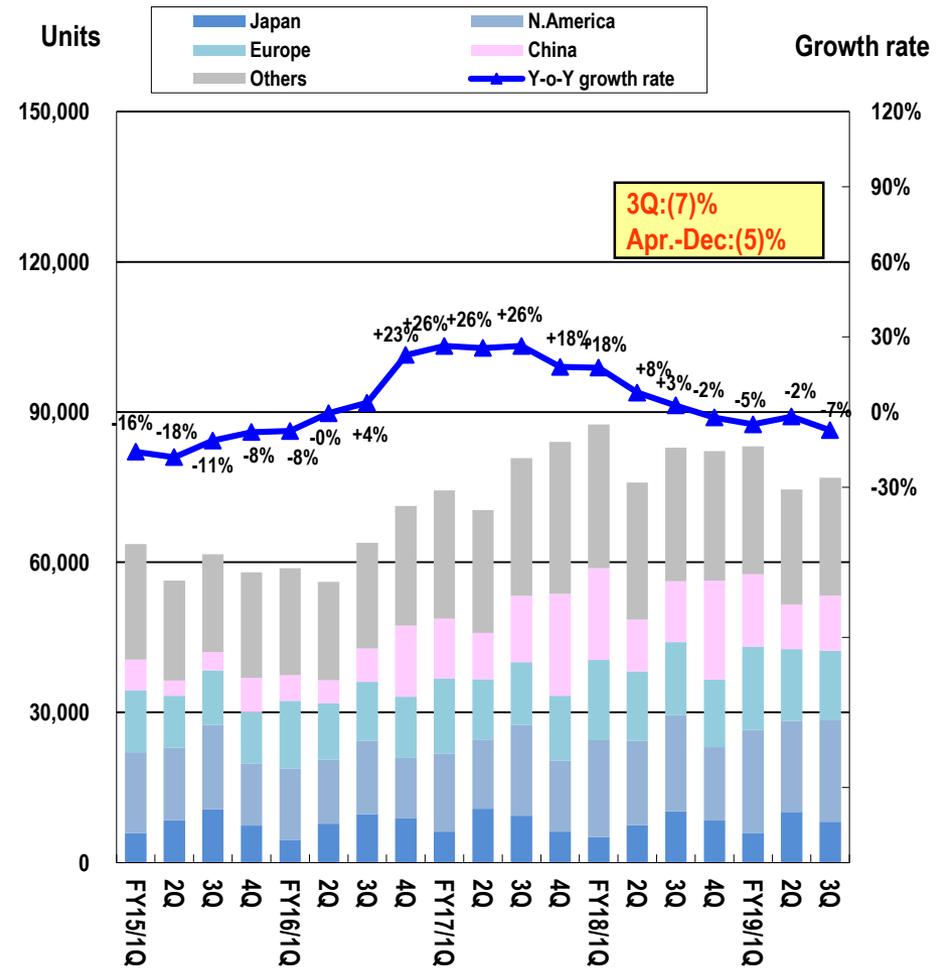
Billions of yen	FY2018 Results (A) ¥110.6/USD ¥128.5/EUR ¥16.5/RMB	FY2019 Projection (B) (Current) ¥104.5/USD ¥116.3/EUR ¥14.9/RMB	FY2019 Projection (C) (Initial) ¥105.0/USD ¥119.0/EUR ¥15.6/RMB	Changes (B-A)	
				Increase (Decrease)	% Change
Net sales	2,725.2	2,472.0	2,617.0	(253.2)	(9.3)%
Segment profit	399.3	278.0	342.0	(121.3)	(30.4)%
Other operating income (expenses)	(1.5)	1.0	(5.1)	+2.5	-
Operating income	397.8	279.0	337.0	(118.8)	(29.9)%
Profit ratio	14.6%	11.3%	12.9%	(3.3)pts.	-
Other income (expenses)	(20.3)	(22.0)	(20.0)	(1.6)	-
Income before income taxes	377.4	257.0	317.0	(120.4)	(31.9)%
Net income attributable to Komatsu Ltd	256.4	180.0	215.0	(76.4)	(29.8)%
ROE	14.7%	10.2%	11.8%	(4.5)pts.	
Cash dividends per share	110yen	110yen	110yen	+/-0.0yen	
Consolidated payout ratio	40.5%	57.7%	48.3%		

- In the third quarter of FY2019, demand decreased presumably by 7% from the corresponding period a year ago.
- While demand remained steady in North America, it declined in other major regions.
- With respect to full-year demand in FY2019, we make no change in our projection made in October 2019.

### Annual demand for 7 major products

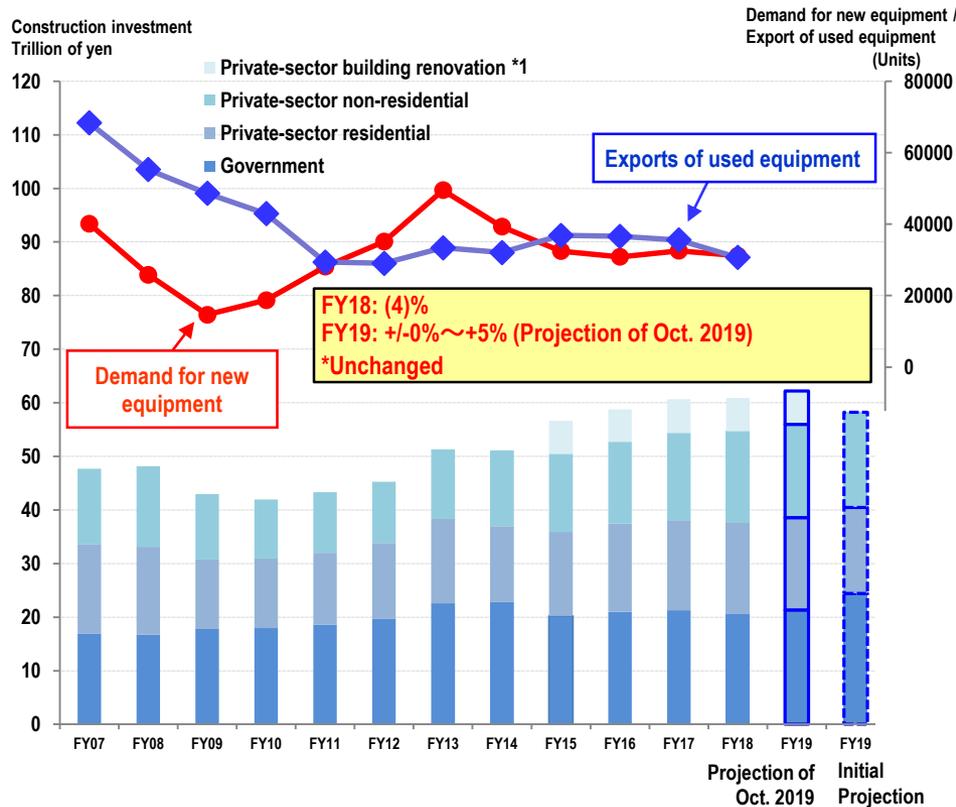


### Quarterly demand for 7 major products

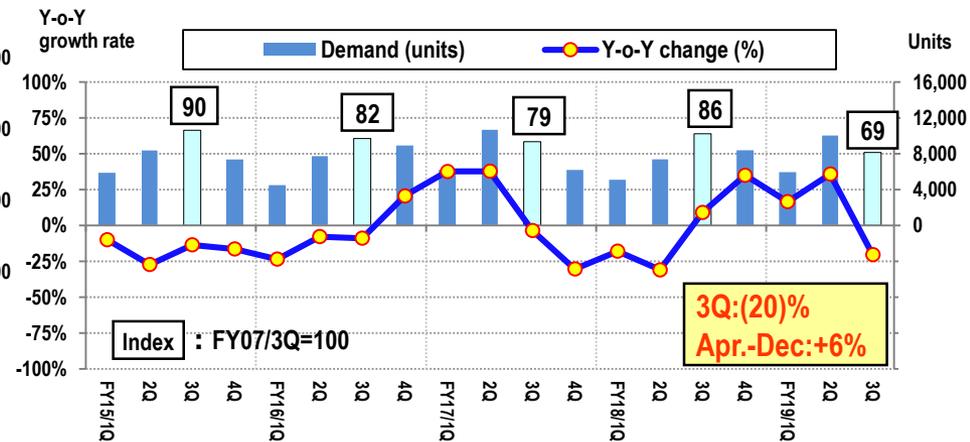


- In the third quarter of FY2019, demand decreased presumably by 20% from the corresponding period a year ago.
- Demand declined as mainly affected by Typhoon Hagibis-caused damages on our suppliers and the reactionary drop of pre-buy demand before an increase in the consumption tax.
- With respect to full-year demand in FY2019, we make no change in our projection made in October 2019.

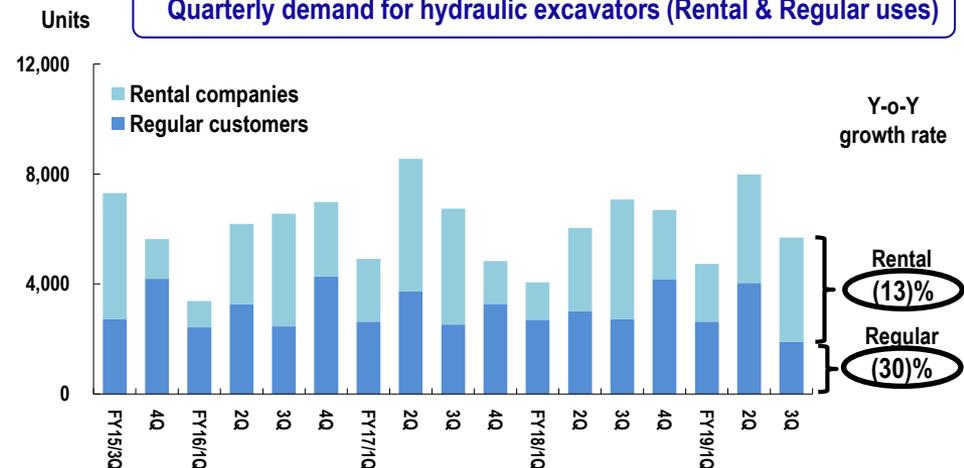
### Demand for new equipment (7 major products) and construction investment



### Quarterly demand for 7 major products



### Quarterly demand for hydraulic excavators (Rental & Regular uses)



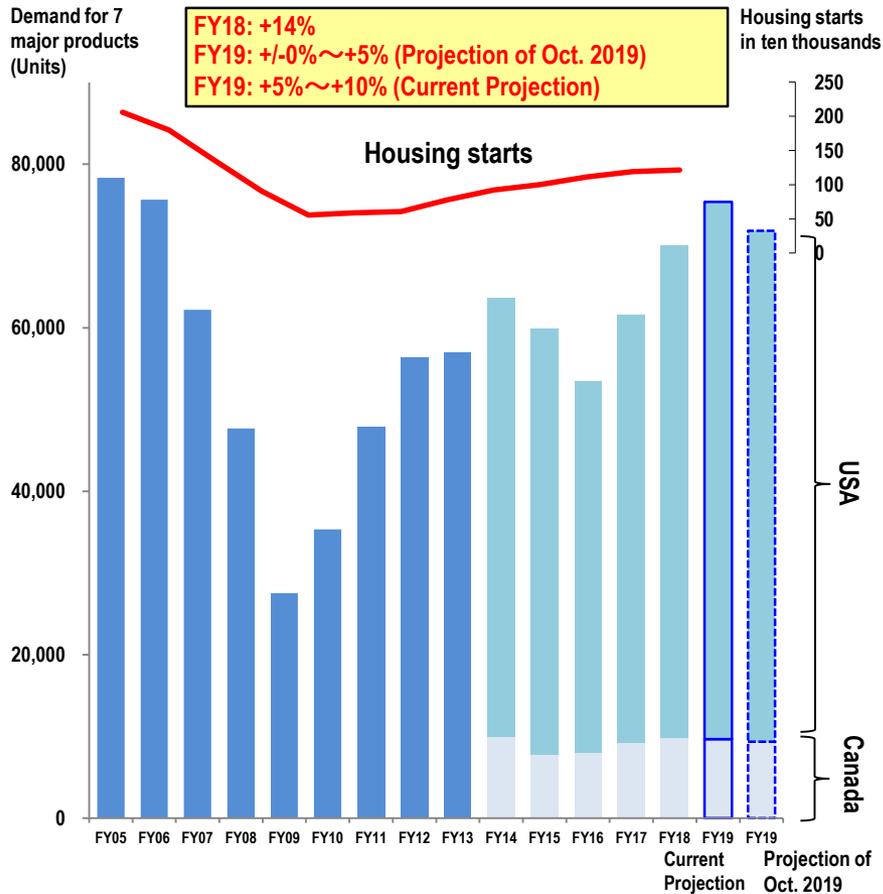
[Sources]Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy

Demand for 7 major products and No. of exported used equipment estimated by Komatsu

\*1 Note: In September 2019, the Ministry of Land, Infrastructure, Transport and Tourism started to adding the collected data concerning renovation and renewal investment in buildings. Bar graphs above include retroactively added data until FY15.

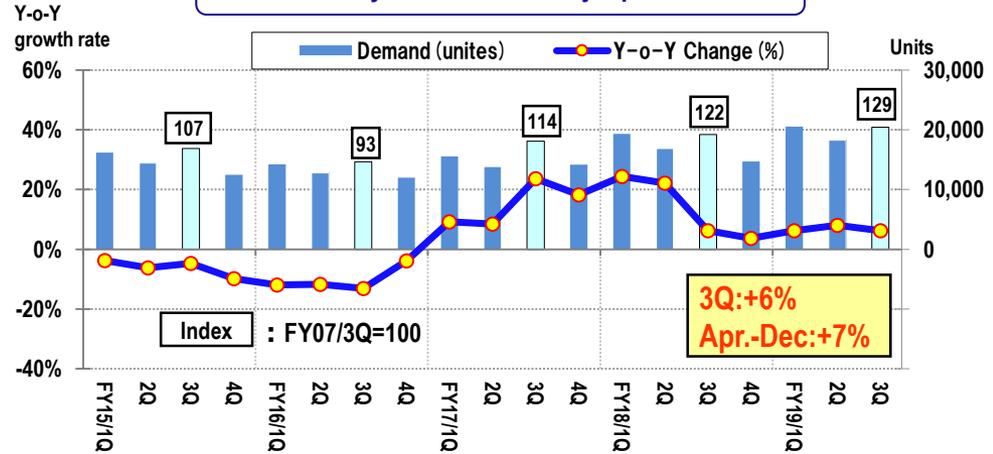
- In the third quarter of FY2019, demand increased presumably by 6% from the corresponding period a year ago.
- Demand for construction equipment continued to increase, especially in the construction and rental industries, for 11 consecutive quarters.
- We have revised our projection of full-year demand upward to +5% to +10%.

Demand for 7 major products and US housing starts

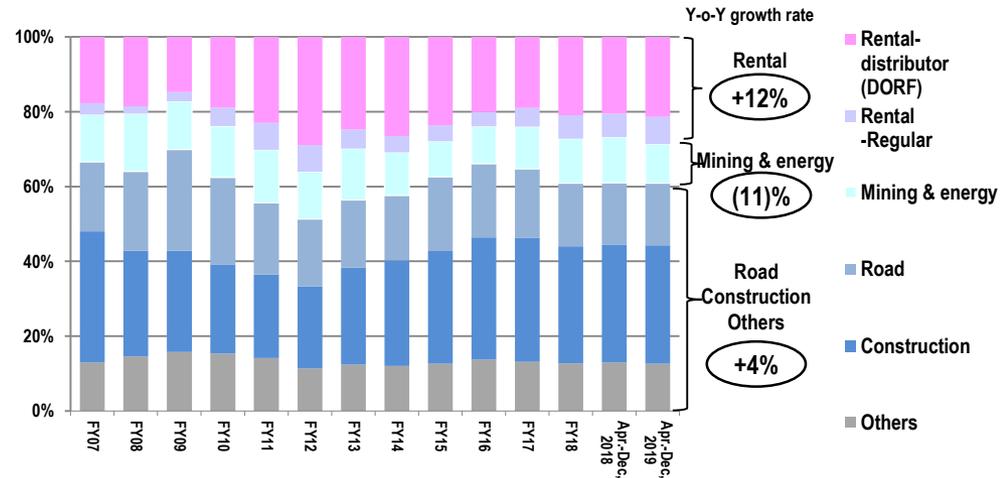


[Source]: Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products

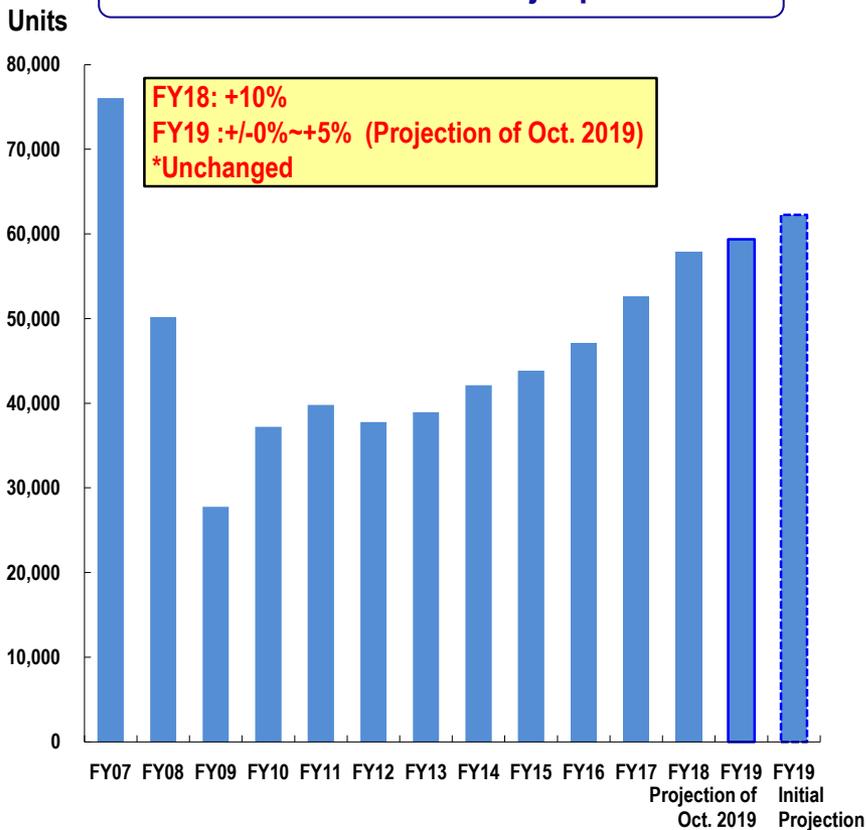


Breakdown of demand by segment (Unit basis)

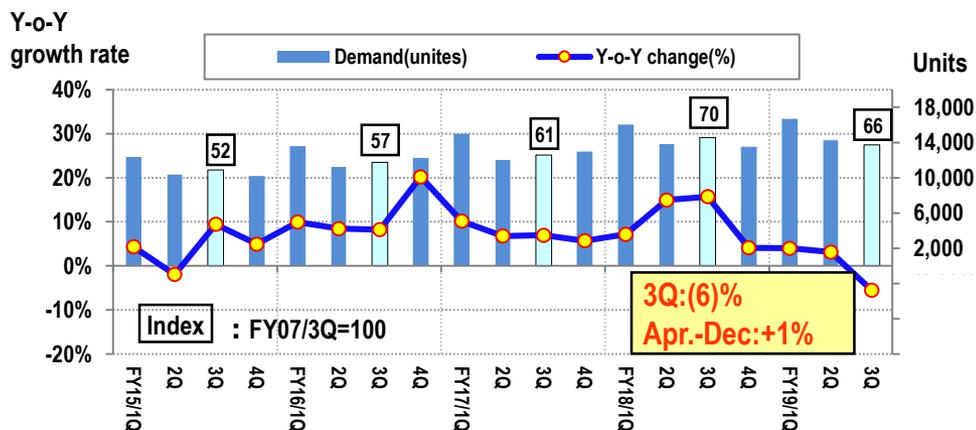


- In the third quarter of FY2019, demand decreased presumably by 6% from the corresponding period a year ago.
- While demand remained firm in major markets of Germany and France, the third-quarter demand decreased, as mainly affected by economic uncertainty resulting from Brexit.
- With respect to full-year demand in FY2019, we make no change in our projection made in October 2019.

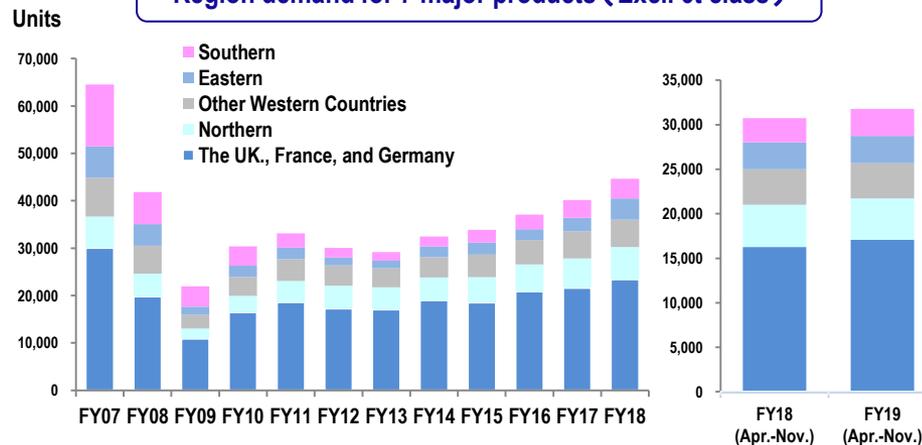
### Annual demand for 7 major products



### Quarterly demand for 7 major products



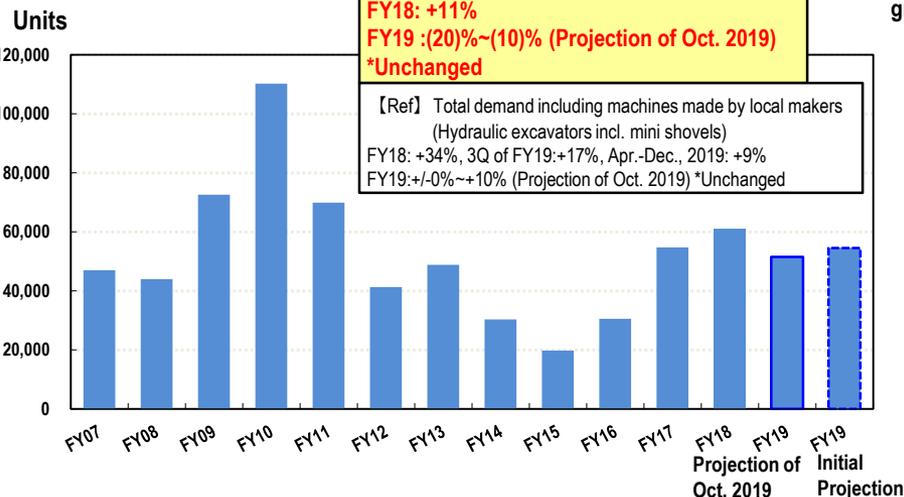
### Region demand for 7 major products (Excl. 6t class)



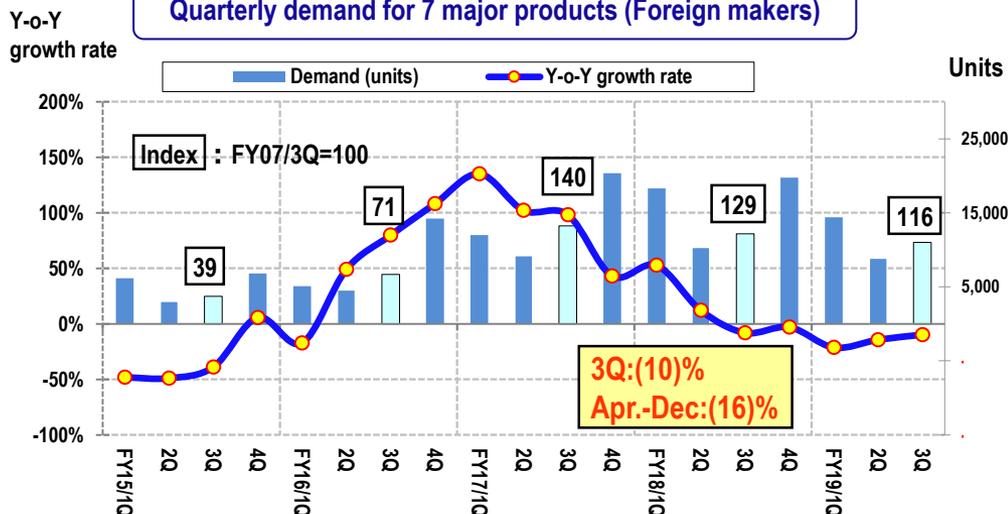
[Source]: Demand for 7 major products estimated by Komatsu

- In the third quarter of FY2019, demand decreased presumably by 10% from the corresponding period a year ago.
- Demand for construction equipment declined, as domestic manufacturers increased their shares in sales and economic uncertainty remained against the backdrop of the US-China trade war.
- With respect to full-year demand in FY2019, we make no change in our projection made in October 2019.

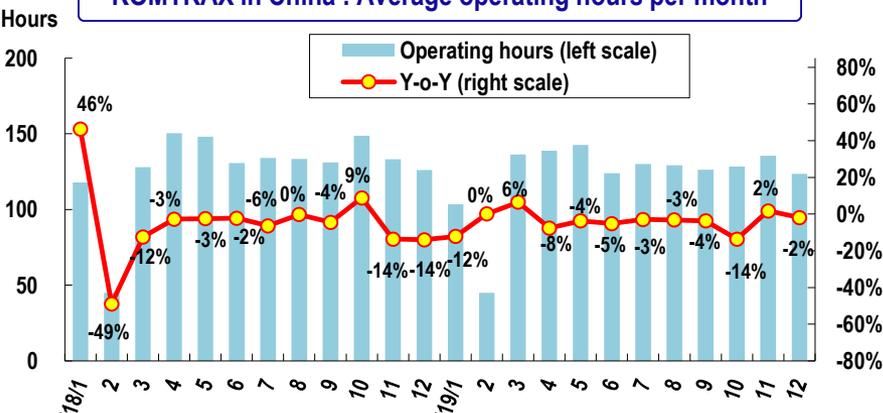
### Annual demand for 7 major products (Foreign makers)



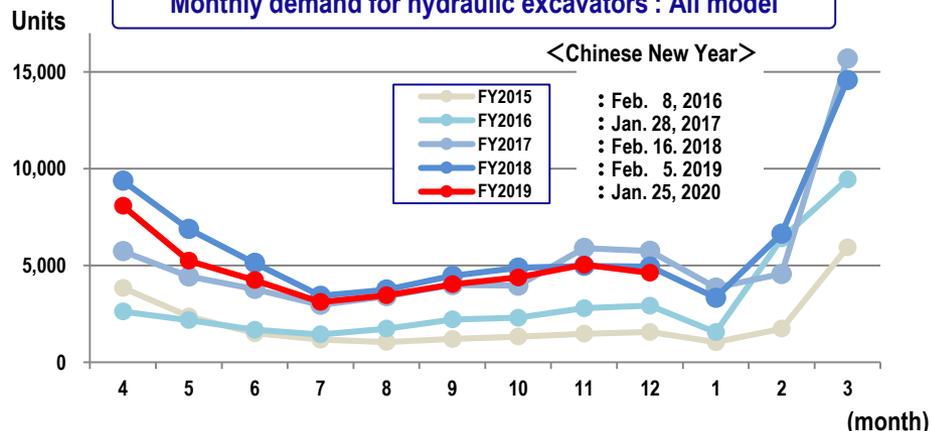
### Quarterly demand for 7 major products (Foreign makers)



### KOMTRAX in China : Average operating hours per month



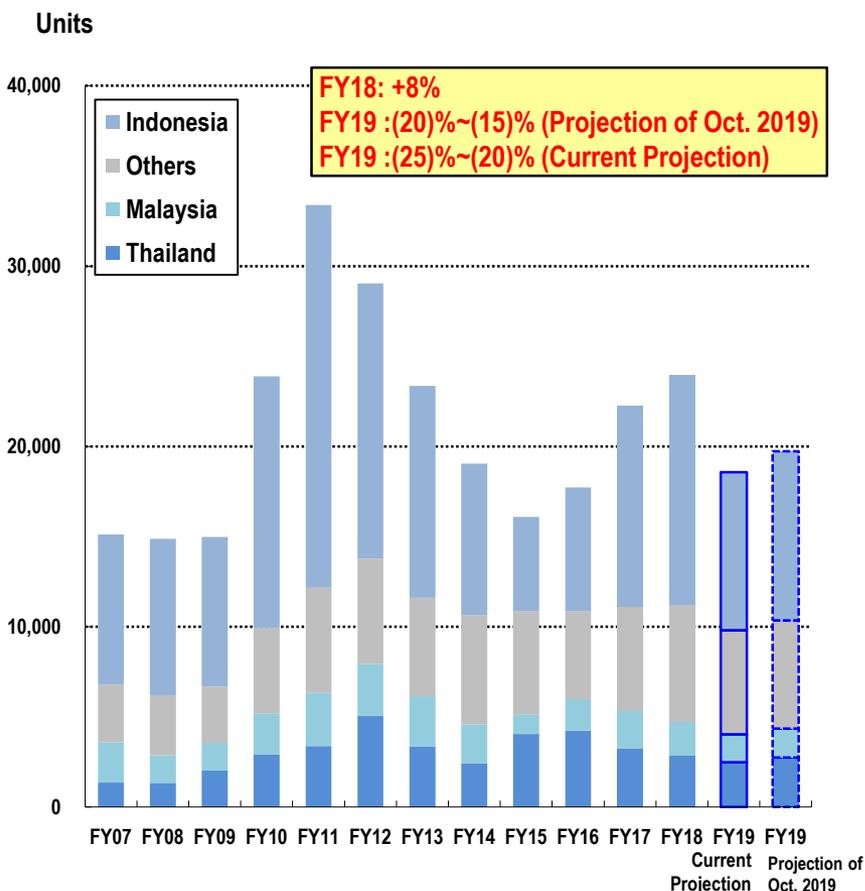
### Monthly demand for hydraulic excavators : All model



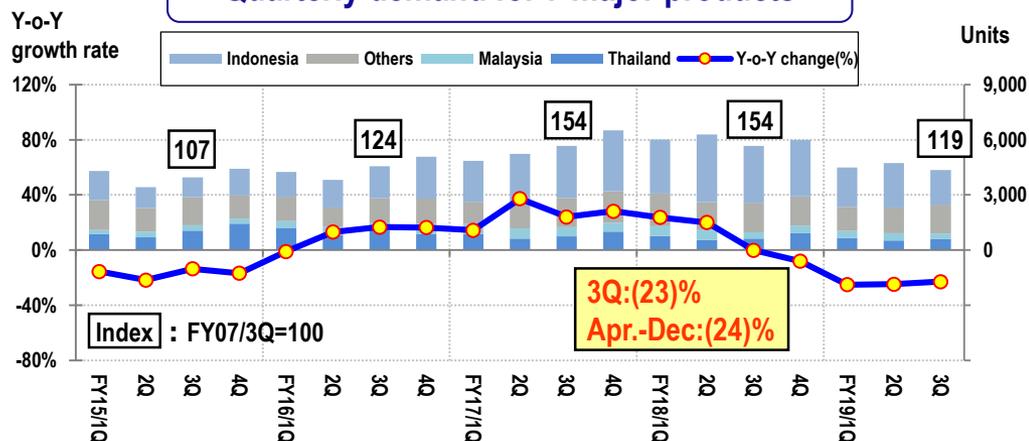
[Source]: Demand for 7 major products and hydraulic excavators estimated by Komatsu

- In the third quarter of FY2019, demand decreased presumably by 23% from the corresponding period a year ago.
- In Indonesia, the largest market of the region, demand for construction and mining equipment declined, as no significant change has occurred in infrastructure development since the presidential election and the price of thermal coal has remained sluggish.
- We have revised our projection of full-year demand downward to -25% to -20%.

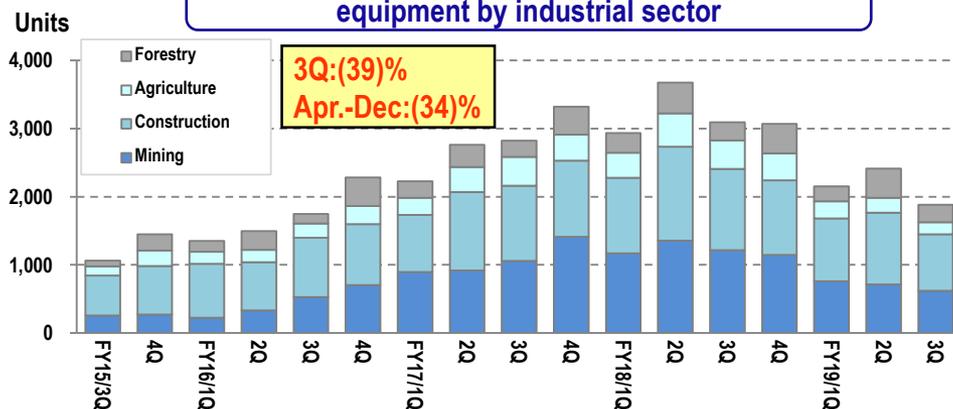
### Annual demand for 7 major products



### Quarterly demand for 7 major products



### Indonesia: Demand for construction & mining equipment by industrial sector



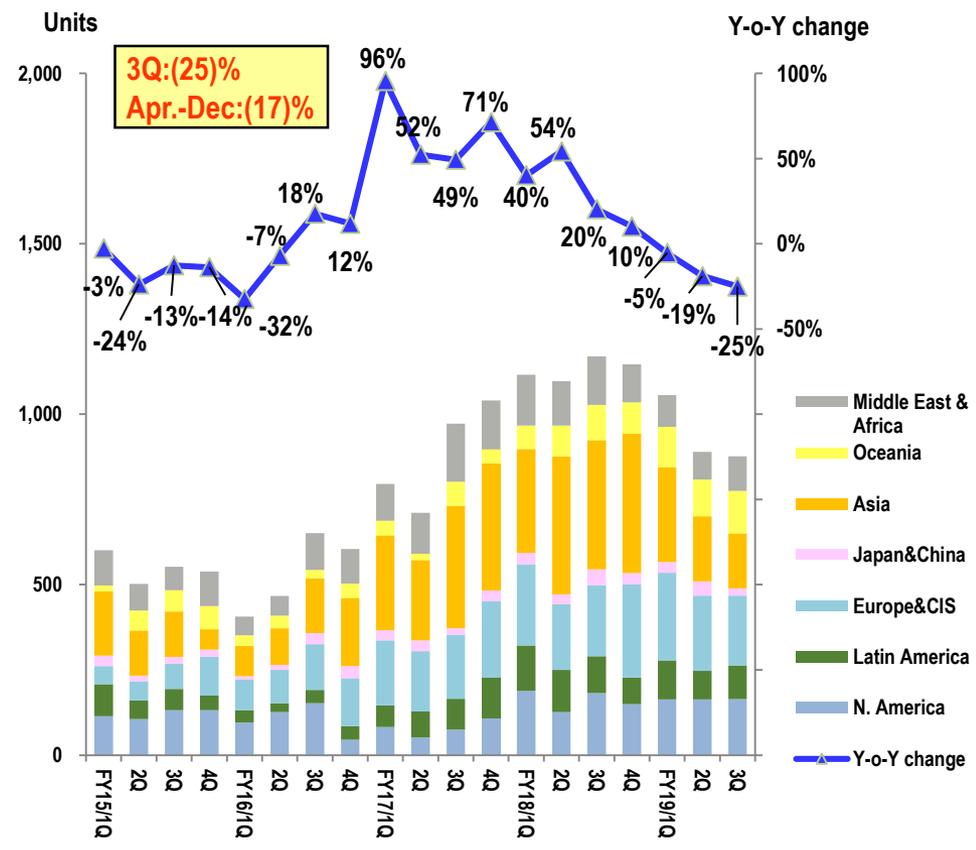
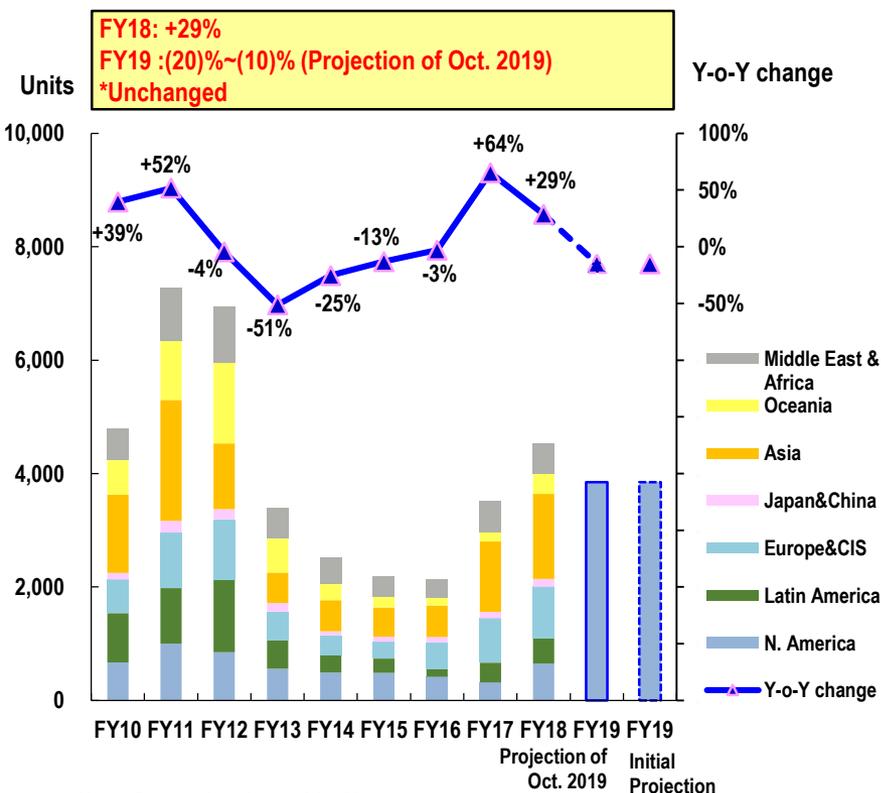
[Source]: Demand for 7 major products estimated by Komatsu

- In the third quarter of FY2019, global demand for mining equipment decreased presumably by 25% from the corresponding period year ago.
- Asian demand has declined, especially in Indonesia.
- With respect to full-year demand in FY2019, we make no change in our projection made in October 2019.

## 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

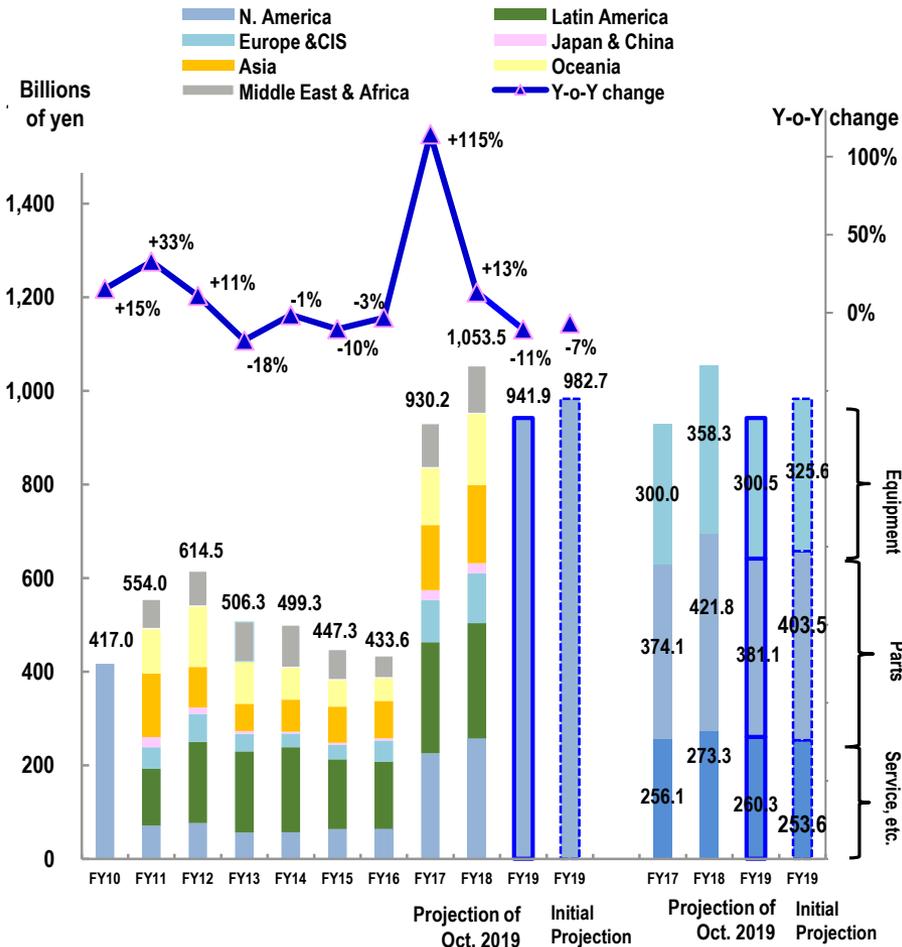
## Quarterly demand for mining equipment



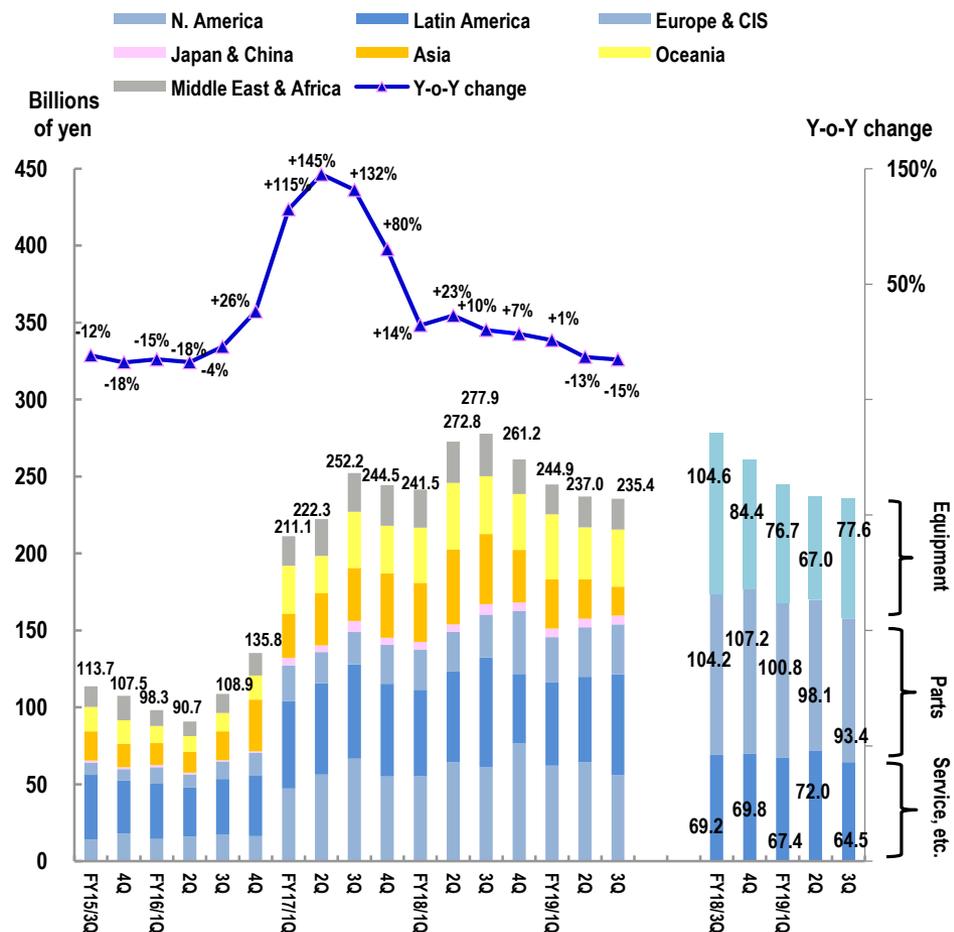
Note: Demand estimated by Komatsu

- For the third quarter of FY2019, sales decreased by 15% from the corresponding period a year ago, to JPY235.4 billion.
- Sales declined mainly in Asia, Africa and Latin America.

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

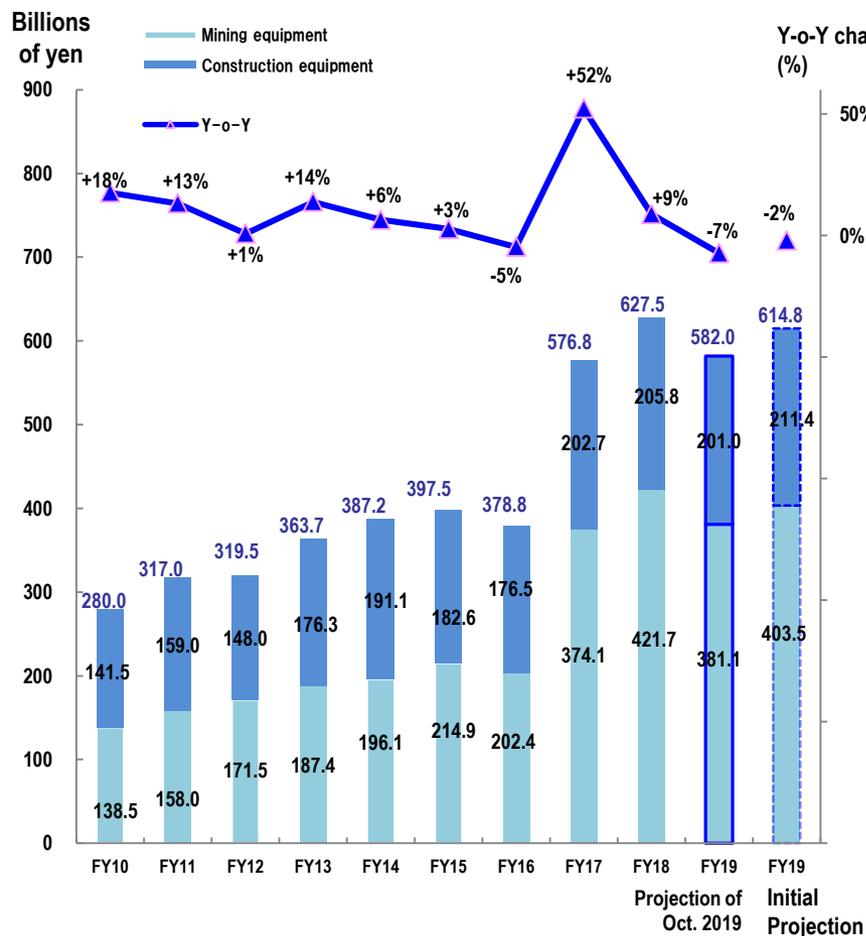


Quarterly sales of mining equipment (incl. parts and service)

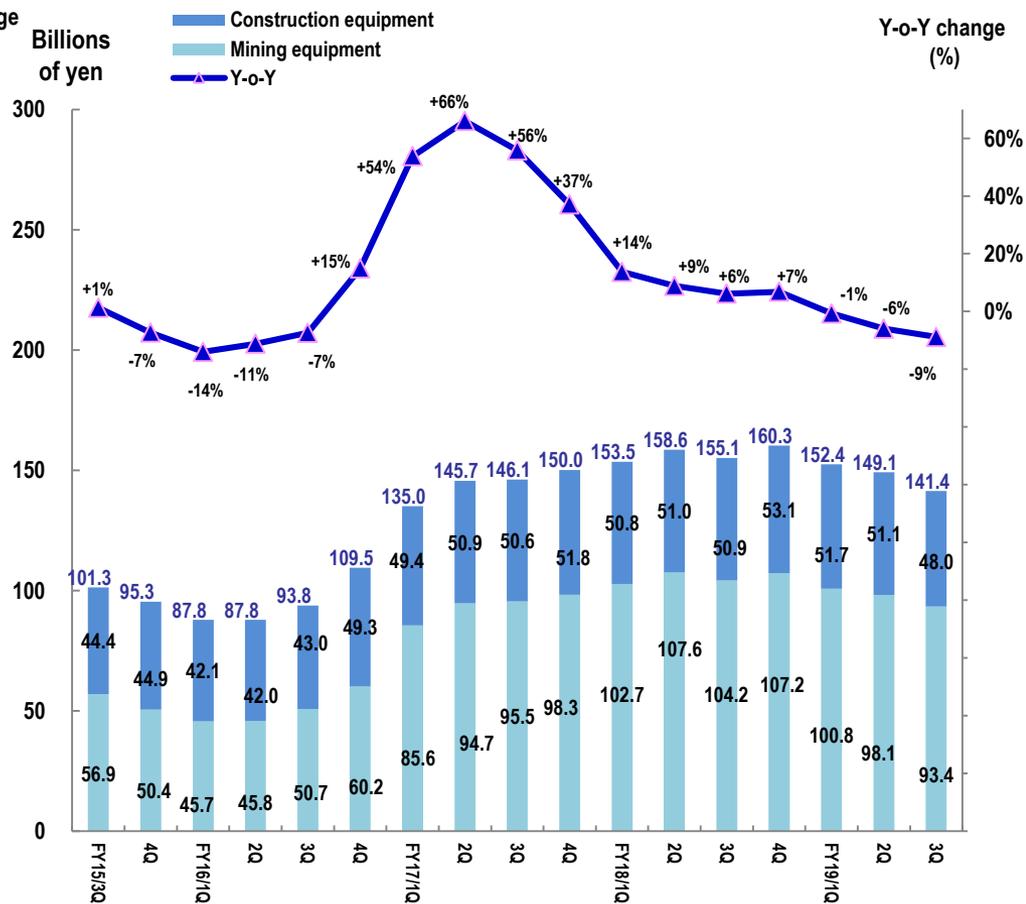


- For the third quarter of FY2019, sales of parts decreased by 9% from the corresponding period a year ago, to JPY141.4 billion.
- Sales of parts declined, centering on mining equipment.

### Annual sales of parts



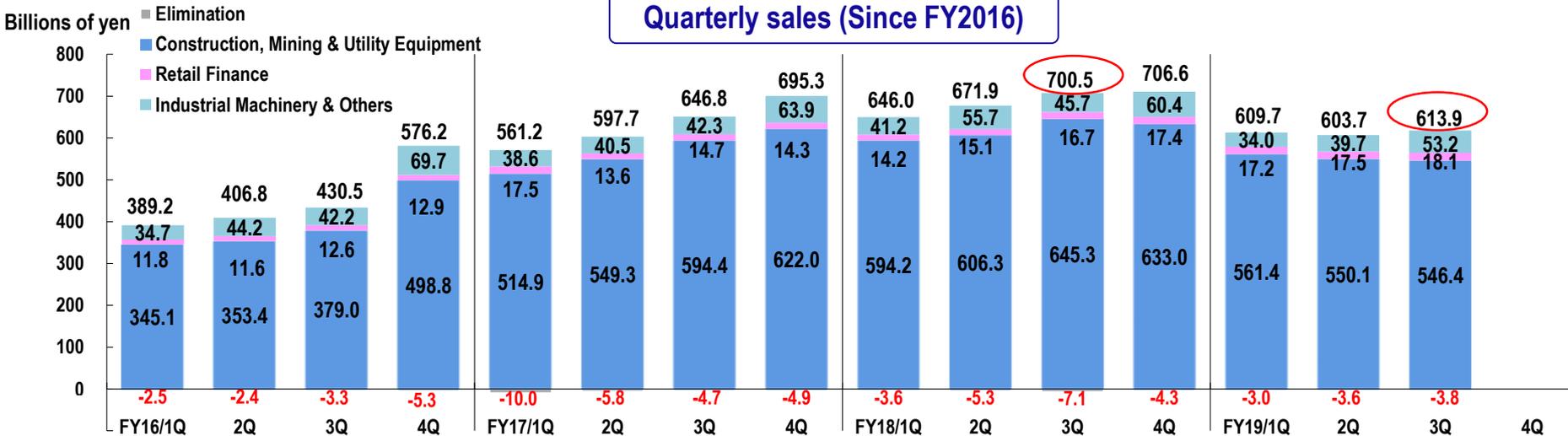
### Quarterly sales of parts



# Appendix

# <Appendix> Quarterly Sales and Operating Income

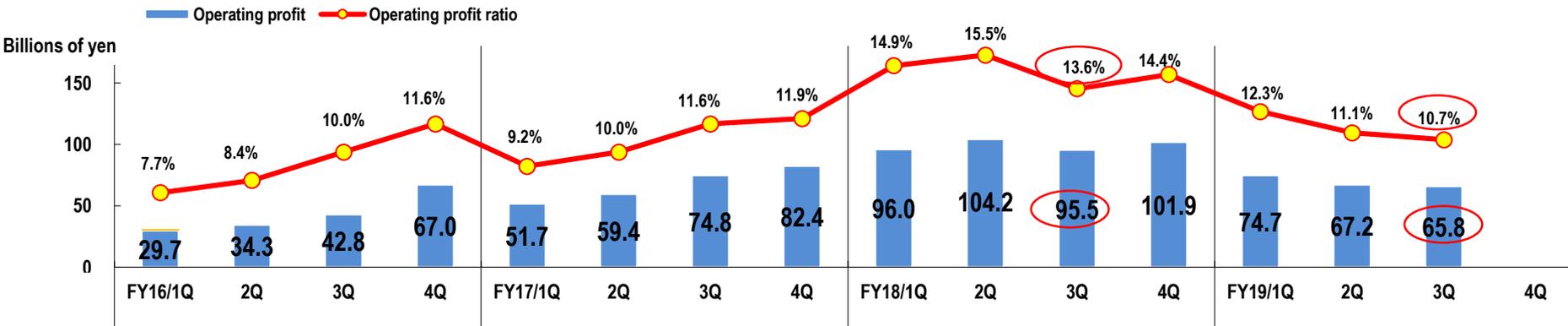
Quarterly sales (Since FY2016)



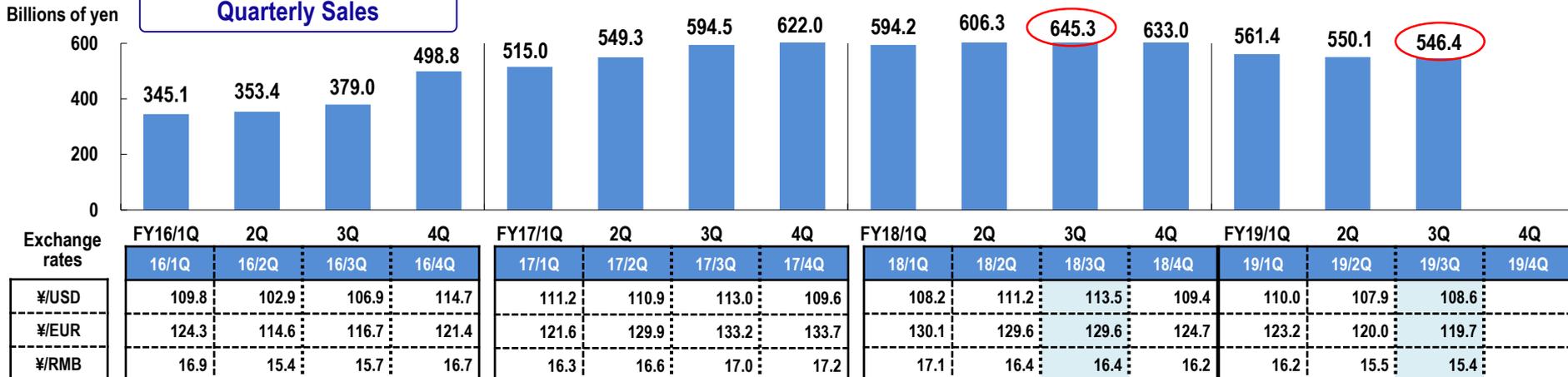
Exchange rates

	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q
¥/USD	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	-
¥/EUR	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	-
¥/RMB	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	-

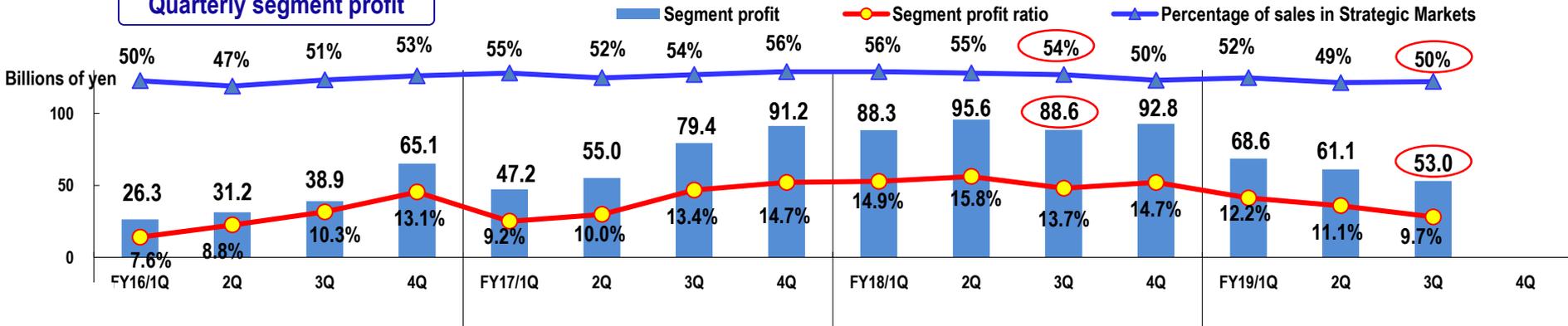
Quarterly operating income (Since FY2016)



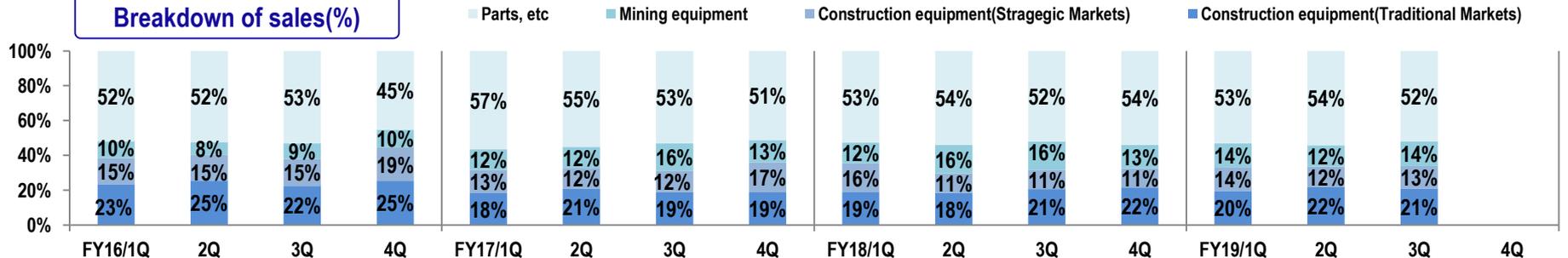
### Quarterly Sales



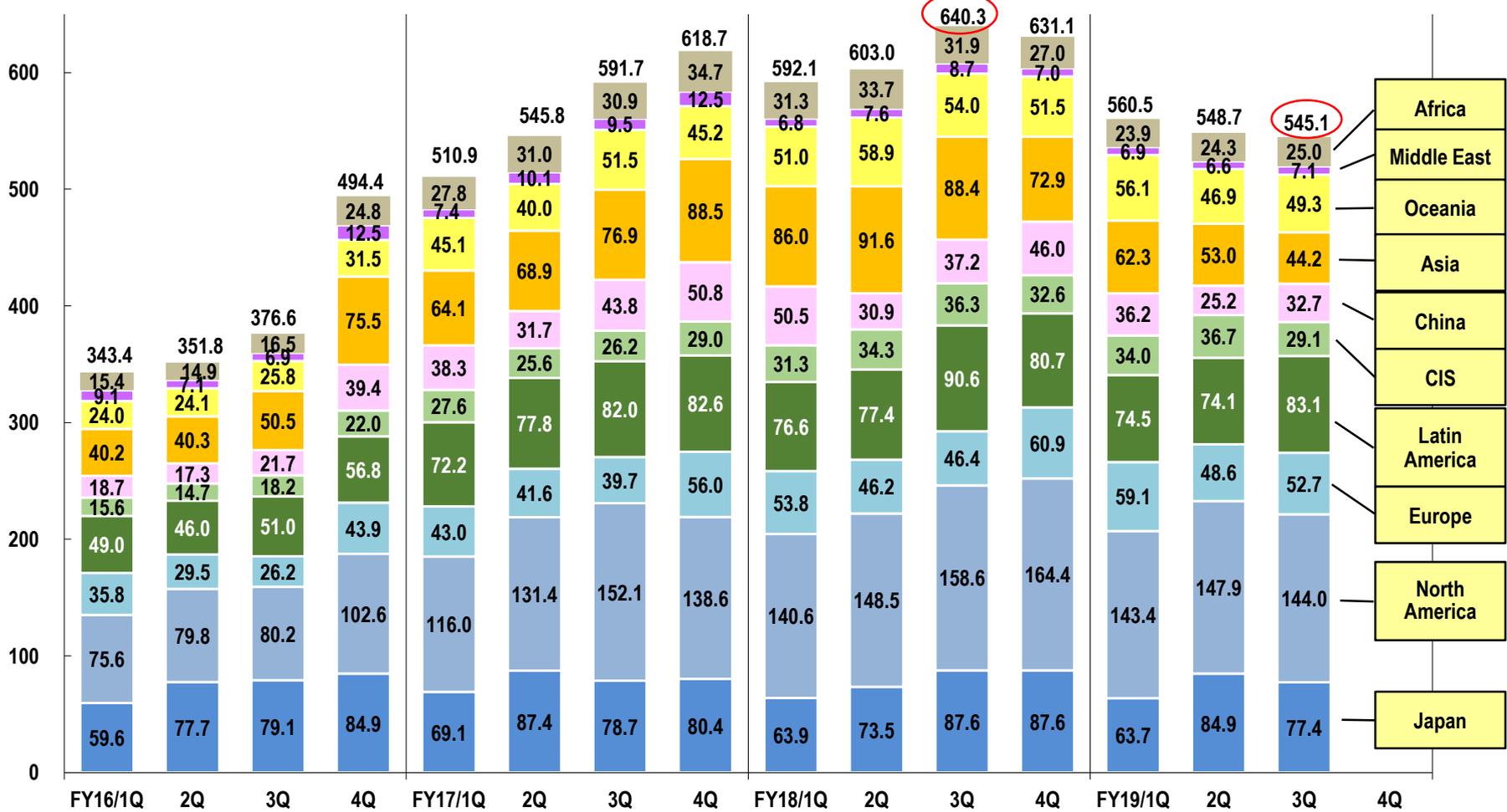
### Quarterly segment profit



### Breakdown of sales(%)



Billions of yen



Exchange rates

	16/1Q	16/2Q	16/3Q	16/4Q
¥/USD	109.8	102.9	106.9	114.7
¥/EUR	124.3	114.6	116.7	121.4
¥/RMB	16.9	15.4	15.7	16.7

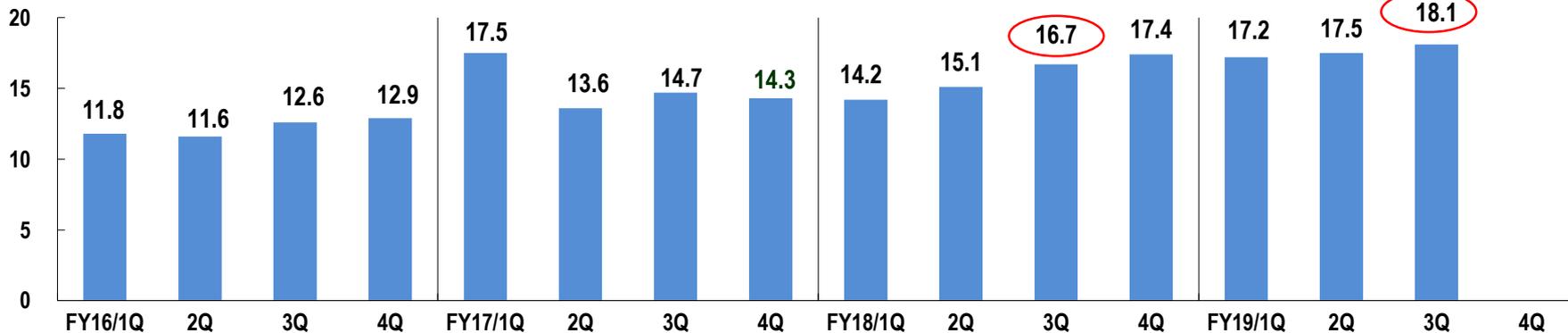
	17/1Q	17/2Q	17/3Q	17/4Q
¥/USD	111.2	110.9	113.0	109.6
¥/EUR	121.6	129.9	133.2	133.7
¥/RMB	16.3	16.6	17.0	17.2

	18/1Q	18/2Q	18/3Q	18/4Q
¥/USD	108.2	111.2	113.5	109.4
¥/EUR	130.1	129.6	129.6	124.7
¥/RMB	17.1	16.4	16.4	16.2

	19/1Q	19/2Q	19/3Q	19/4Q
¥/USD	110.0	107.9	108.6	
¥/EUR	123.2	120.0	119.7	
¥/RMB	16.2	15.5	15.4	

Billions of yen

### Quarterly sales

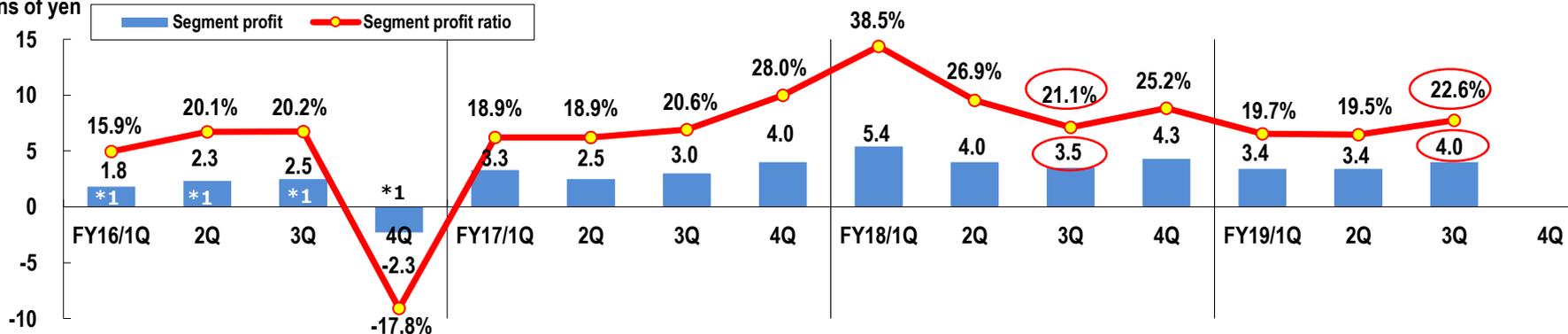


Exchange rates

	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q
¥/USD	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	
¥/EUR	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	
¥/RMB	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	

### Quarterly segment profit

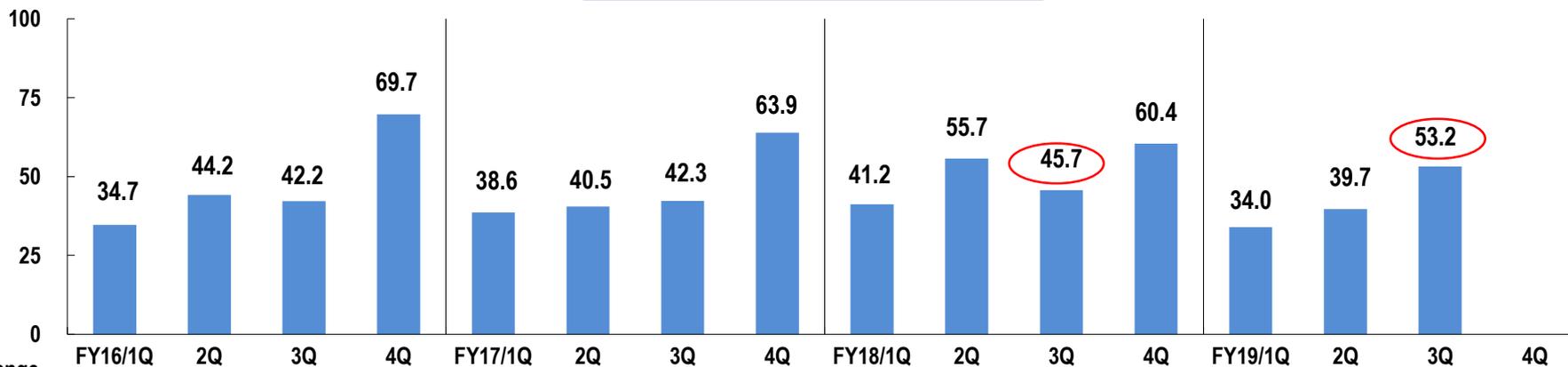
Billions of yen



\*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)

Billions of yen

### Quarterly sales

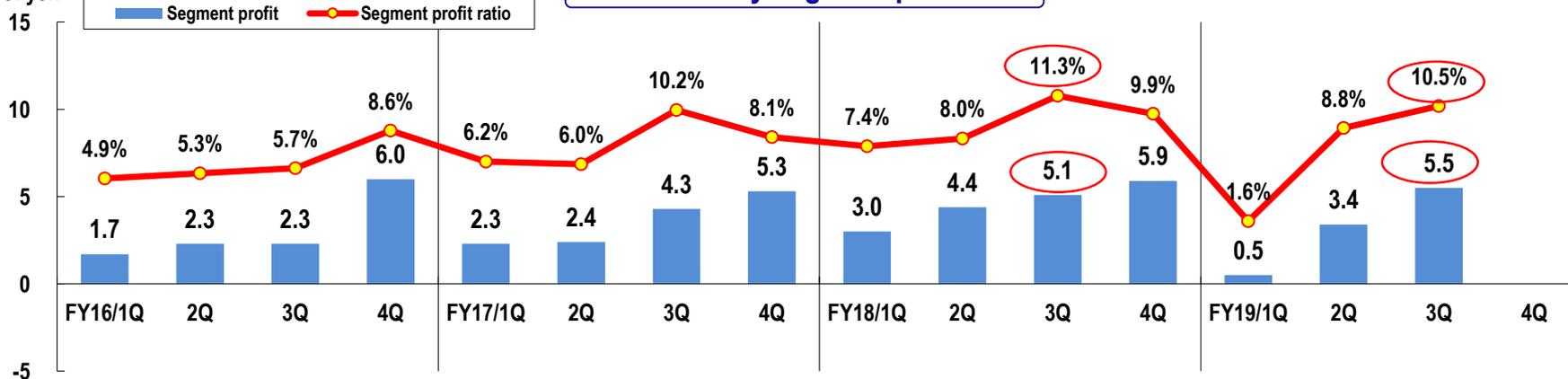


Exchange rates

	16/1Q	16/2Q	16/3Q	16/4Q	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q
¥/USD	109.8	102.9	106.9	114.7	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.6
¥/EUR	124.3	114.6	116.7	121.4	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	119.7
¥/RMB	16.9	15.4	15.7	16.7	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.4

Billions of yen

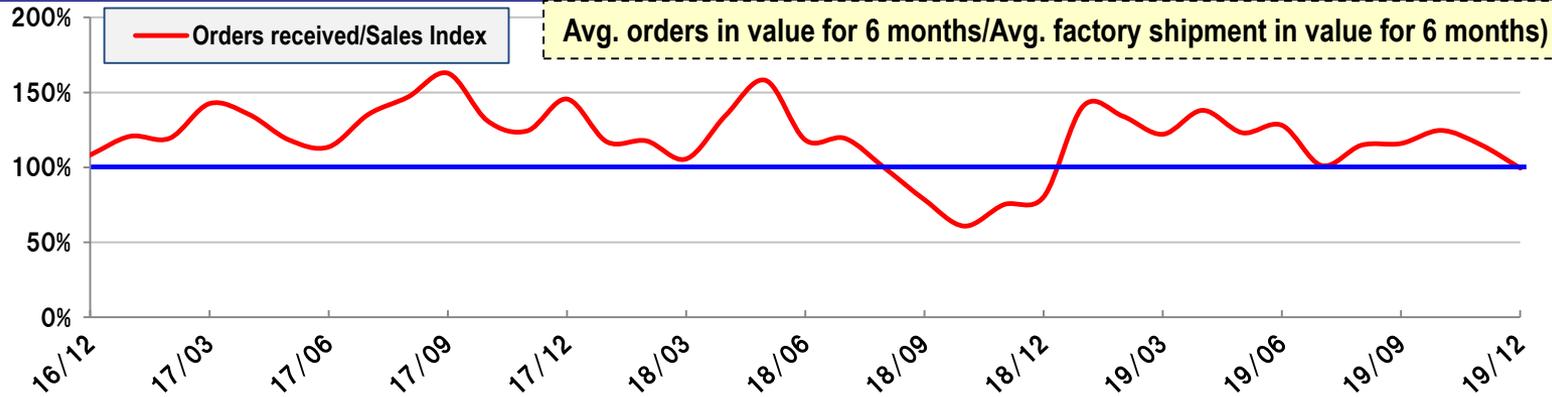
### Quarterly segment profit



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

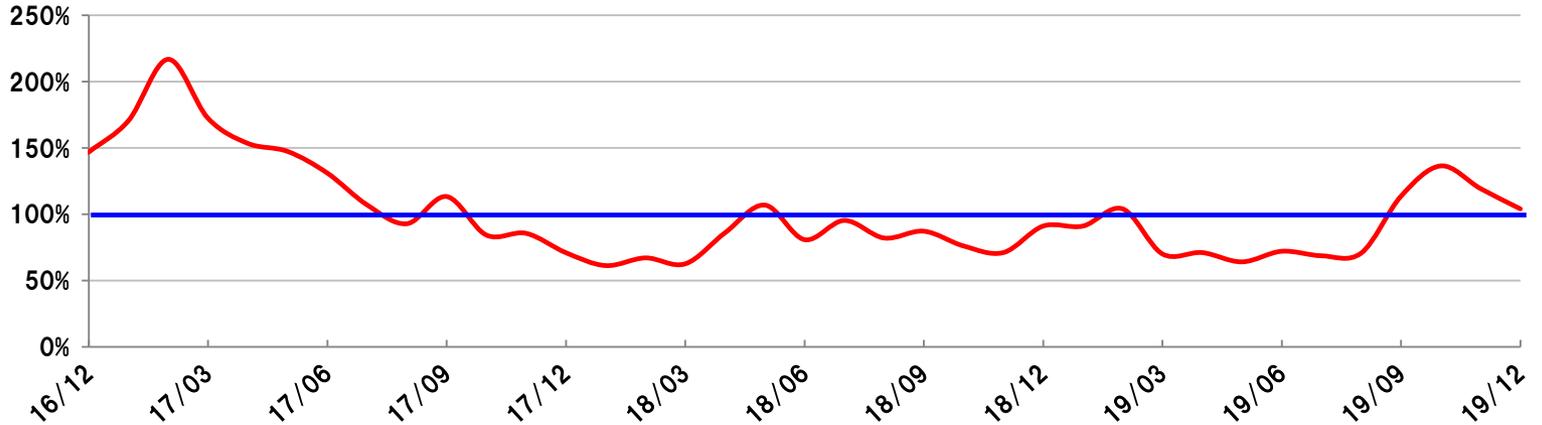
**Komatsu America  
(Mining eqpt)**

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



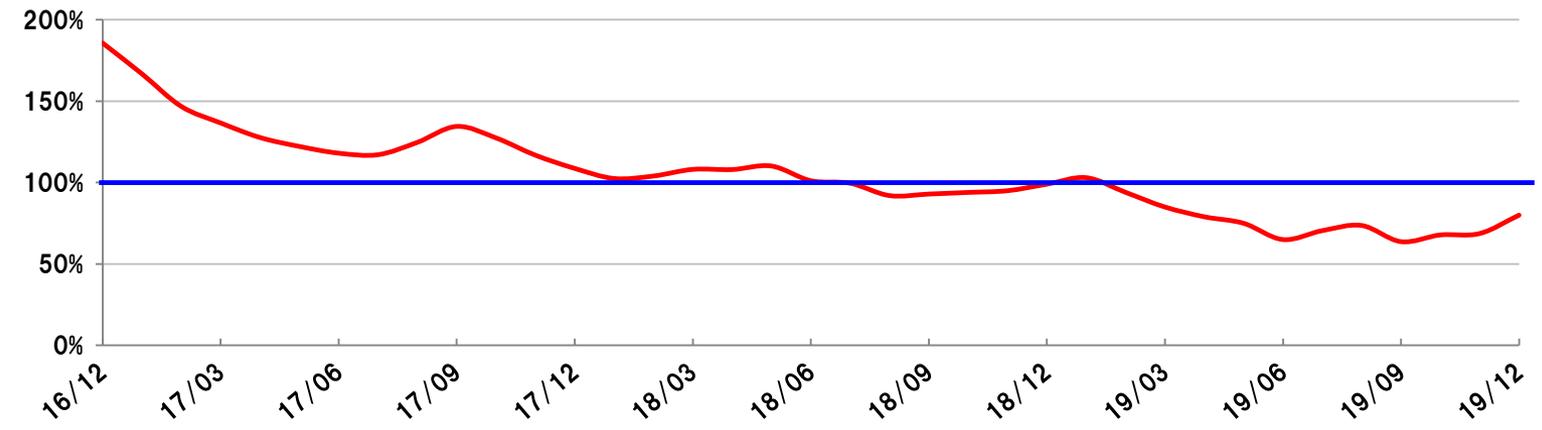
**Komatsu Germany  
(Mining eqpt)**

PC3000, PC4000  
PC5500, PC7000  
PC8000



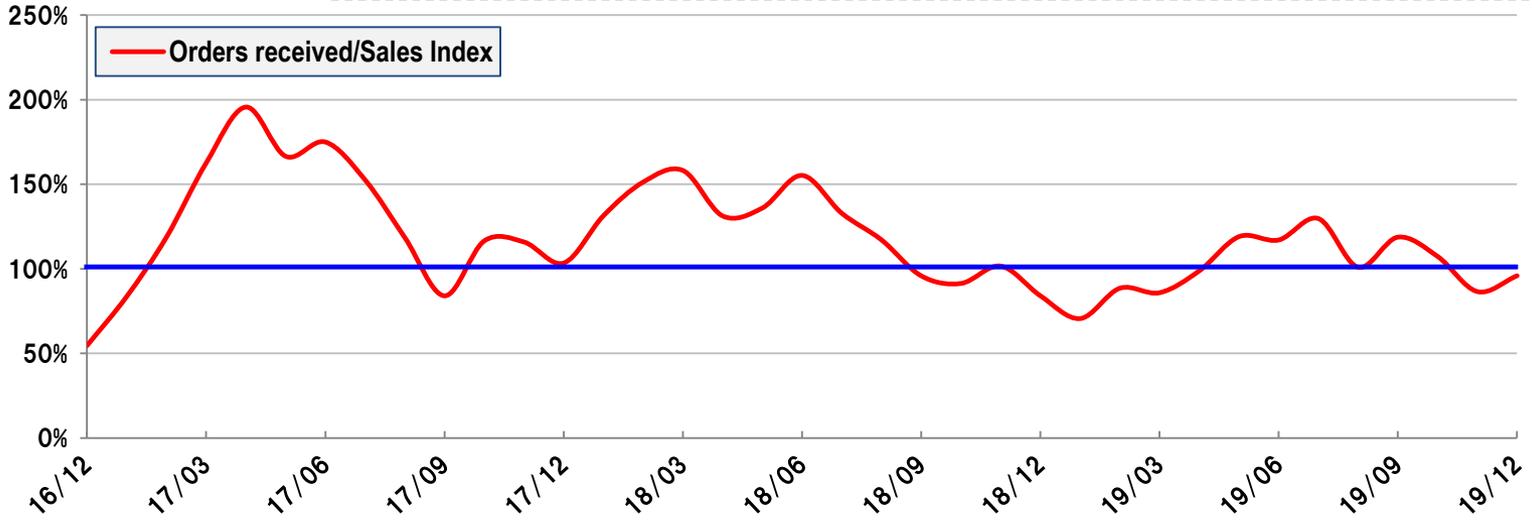
**Komatsu Ltd.  
(Mining eqpt)**

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



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

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

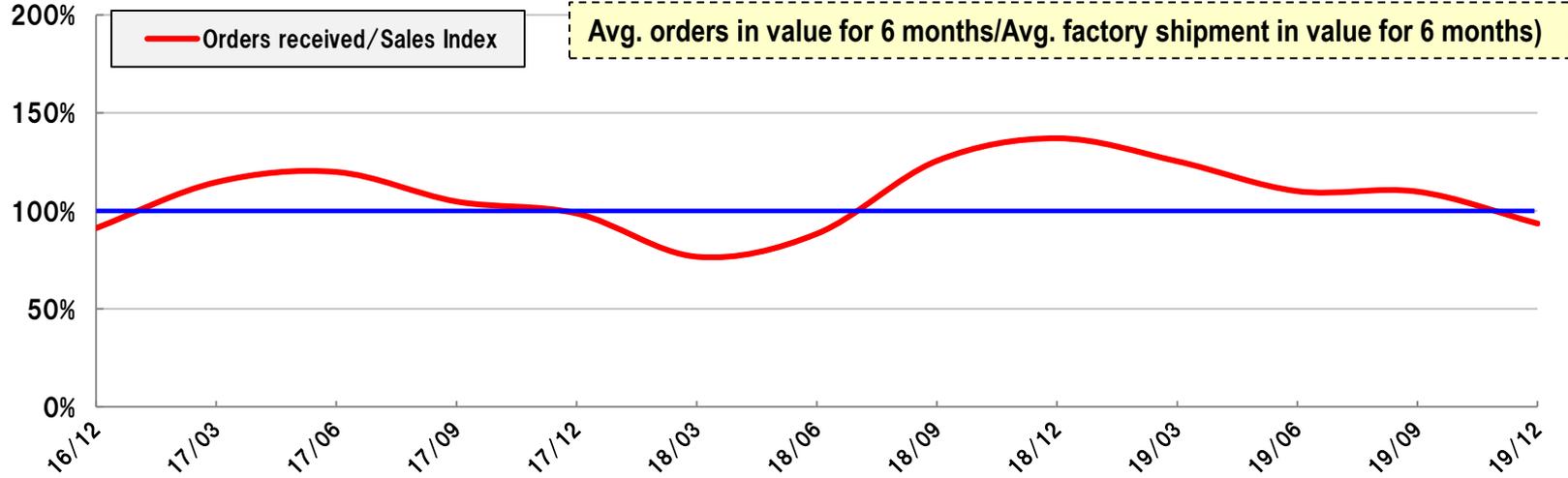


**KMC  
(Mining eqpt)**

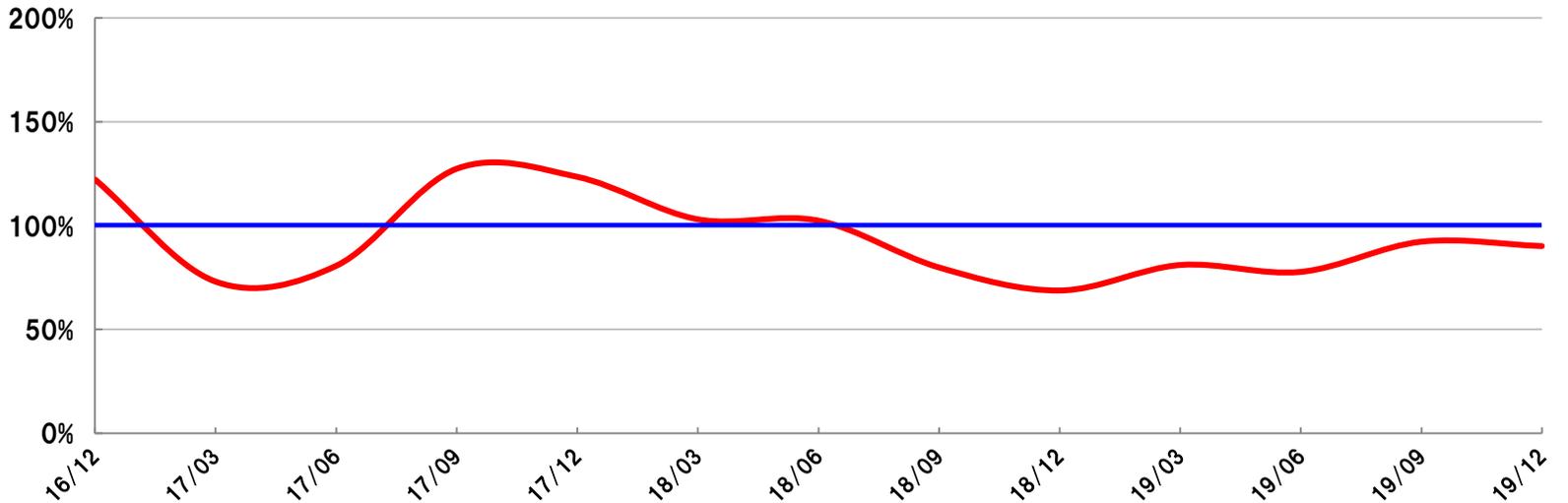
- < Surface >
- Rope Shovel
- Blasthole Drills
- Dragline ,etc
  
- < Underground >
- Continuous Miner
- Sheerer
- Load Haul Dump Machine
- Jumbo Drills,etc

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

**Komatsu Industries**



**Komatsu NTC**





【First unit of the 930E ultra-class AHS dump truck in Vale's Carajás iron mine (northern Brazil)】



【AHS training center newly opened near the mine】

### 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.

Business Coordination Department, KOMATSU LTD.

TEL: +81-3-5561-2687 FAX: +81-3-3582-8332 <http://home.komatsu/en/>