

Business Results of FY 2020 for the First 3-Month Period (April-June, 2020) 【Telephone conference】

Jul 30, 2020

Komatsu Ltd. Participants

Hiroyuki Ogawa	President and CEO
Takeshi Horikoshi	Senior Executive Officer and CFO
Takuya Imayoshi	Executive Officer and General Manager of Business Coordination Department

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I . Coronavirus (COVID-19) Effects on Komatsu Group's Business

1. Effects on operations

1) Production

<Main production bases with problems, such as halting operations>

Base	Conditions
Komatsu India Pvt. Ltd.	Halting production (March 24 -- July 31). Extending lockdown

2) Sales and service

Items	Updates
Operation of customers' machines	The rate of machine operations is steadily returning to last year's level.
Sales	A growing number of sales sites are shifting from teleworking to regular workstyle or workstyle with conditions.
Service	Regular workstyle is increasing at parts warehouses as well as service and workshop sites.

2. Effects on business results

1) The first 3-month period

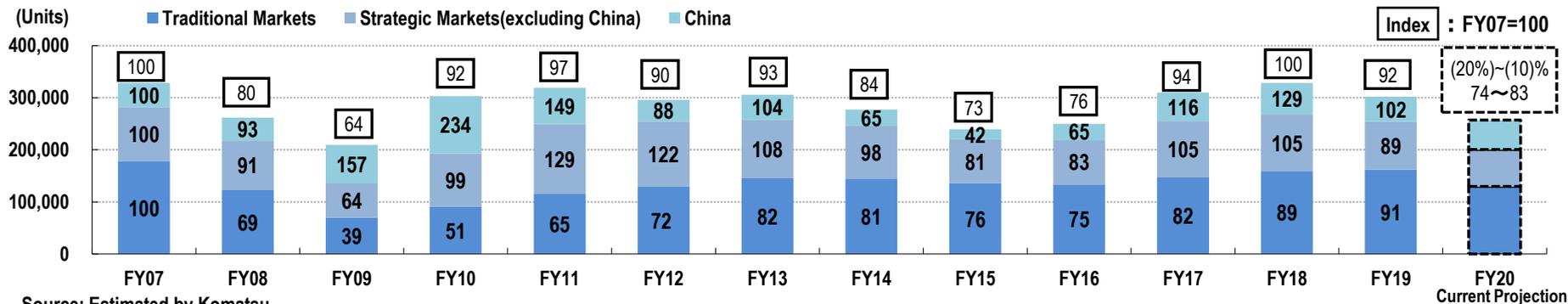
Construction, mining & utility equipment	Sales : Declined by 25% year-on-year. Declined in all regions, except for China.
Industrial machinery & others	Automobile manufacturing: Declined year-on-year, affected by delays or reassessment of their capital investment. Semiconductors: Increased year-on-year.

2) Projection of full-year results for FY2020 (Outlook of Demand)

Construction, mining & utility equipment			
	Vs. FY2019	FY20 Initial projection (Before COVID-19)	Projection (Current)
	Demand for 7 Major Products	About flat from FY2019	(20)%~(10)%
Demand for Mining Equipment included	(20)%~(10)%	(20)%~(10)%	
Industrial machinery & others	<p>Traditional Markets: Anticipating recovery from 3Q. Strategic Markets: Anticipating recovery from 4Q. China: Expanded sales for 1Q due to delayed Chinese New Year sales season to February ~ March. Anticipating steady sales for 2Q and onward.</p> <p>Automobile manufacturing: Challenging conditions will continue for the full year, due to delays or curtailment of their capital investment. Semiconductors: Demand should remain steady.</p>		

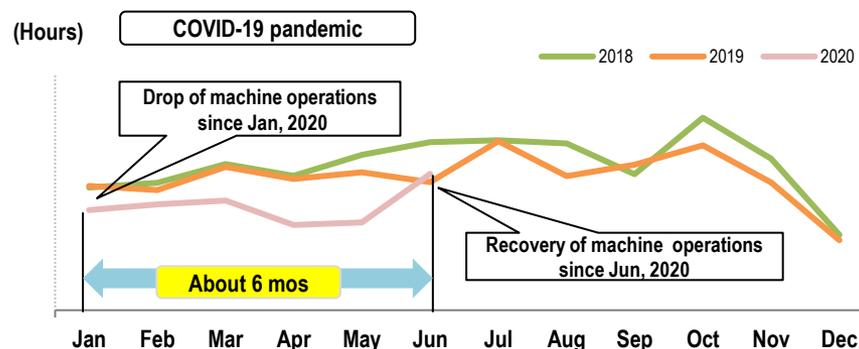
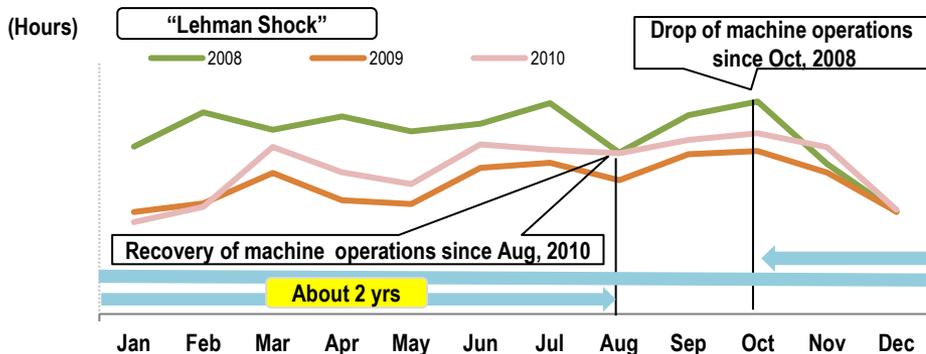
2) Projection of full-year results for FY2020 (Outlook of Demand)

<Demand for 7 Major Products>

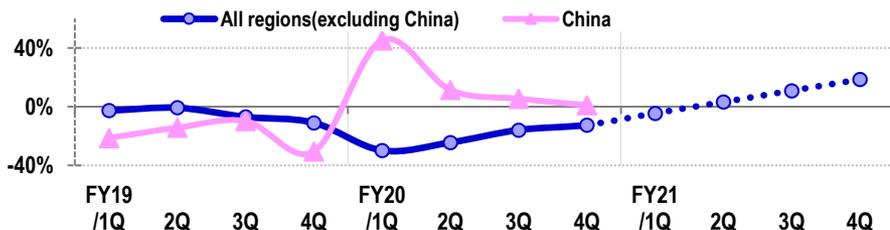


Source: Estimated by Komatsu

<KOMTRAX in Traditional Markets: Average operating hours per month>



<Y-o-Y growth rate of Demand for 7 Major Products (FY2019~FY2021)>



Note: Demand in FY21 is based on the assumption that the current rate of growth will continue.

Source: Demand for 7 Major Products Estimated by Komatsu

3. Efforts with/after Coronavirus

Items	Efforts	
Expansion of business opportunities	Avoidance of 3Cs	Construction equipment: Automation, unmanned operation, and remote controlling Worksites: Digitalization of worksite operations
	Promotion of the mid-term management plan	Construction equipment: Expansion of DX SMARTCONSTRUCTION Mining equipment: Launch of remote controlled loaders and development of mining platforms
Workstyle reforms	Promotion of digital marketing Expansion of application to teleworking Proactive use of ICT tools, such as on-line meetings Consideration of distributing wearable device to employees for their health management	
Reassessment of dialogues with stakeholders	On-line IR activities Consideration of virtual annual shareholders' meeting Reassessment of the ways to hold internal meetings (small groups, remote)	

II . Business Results for the First 3-Month Period of FY2020 (April-June,2020)

- Consolidated net sales decreased by 24.8% from the corresponding period a year ago, to JPY458.7 billion.
- Operating income declined by 64.0% to JPY26.9 billion. Operating income ratio was 5.9%, down 6.4 points.
- Net income attributable to Komatsu Ltd. declined by 65.8% to JPY16.2 billion.

Billions of yen	Apr.-Jun.,2019 (A) ¥110.0/USD ¥123.2/EUR ¥16.2/RMB	Apr.-Jun.,2020 (B) ¥107.5/USD ¥118.6/EUR ¥15.1/RMB	Changes (B-A)	
			increase (decrease)	Change %
Net sales	609.7	458.7	(151.0)	(24.8)%
Segment profit	72.7	26.6	(46.1)	(63.4)%
Other operating income (expenses)	2.0	0.2	(1.7)	-
Operating income	74.7	26.9	(47.8)	(64.0)%
Profit ratio	12.3%	5.9%	(6.4)pts.	-
Other income (expenses)	(7.8)	1.5	+9.4	-
Income before income taxes	66.9	28.4	(38.4)	(57.4)%
Net income attributable to Komatsu Ltd	47.4	16.2	(31.2)	(65.8)%

- Construction, Mining & Utility Equipment: Sales decreased by 24.2% from the corresponding period a year ago, to JPY425.8 billion. Segment profit declined by 66.2% to JPY23.2 billion. Segment profit ratio worsened to 5.4%, down 6.8 points.
- Retail Finance: Revenues decreased by 7.9% from the corresponding period a year ago, to JPY15.9 billion. Segment profit declined by 44.3% to JPY1.8 billion.
- Industrial Machinery & Others: Sales decreased by 26.5% from the corresponding period a year ago, to JPY25.0 billion. Segment profit improved by 208.1% to JPY1.7 billion.

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

Billions of yen	Apr.-Jun.,2019 (A)	Apr.-Jun.,2020 (B)	Changes (B-A)	
			increase (decrease)	Change %
Net sales	609.7	458.7	(151.0)	(24.8)%
Construction, mining & utility equipment	561.4 [560.5]	425.8 [420.0]	(135.6) [(140.5)]	(24.2)% [(25.1)%]
Retail finance	17.2 [15.4]	15.9 [13.9]	(1.3) [(1.5)]	(7.9)% [(9.8)%]
Industrial machinery & others	34.0 [33.7]	25.0 [24.7]	(8.9) [(8.9)]	(26.5)% [(26.5)%]
Elimination	(3.0)	(8.0)	(5.0)	-
Segment profit	□ 11.9% 72.7	□ 5.8% 26.6	□ (6.1)pts. (46.1)	(63.4)%
Construction, mining & utility equipment	□ 12.2% 68.6	□ 5.4% 23.2	□ (6.8)pts. (45.4)	(66.2)%
Retail finance	□ 19.7% 3.4	□ 11.9% 1.8	□ (7.8)pts. (1.5)	(44.3)%
Industrial machinery & others	□ 1.6% 0.5	□ 6.8% 1.7	□ +5.2pts. +1.1	+208.1%
Corporate & elimination	0.0	(0.1)	(0.2)	-

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 foreign exchange rates.

■ Retail Finance:

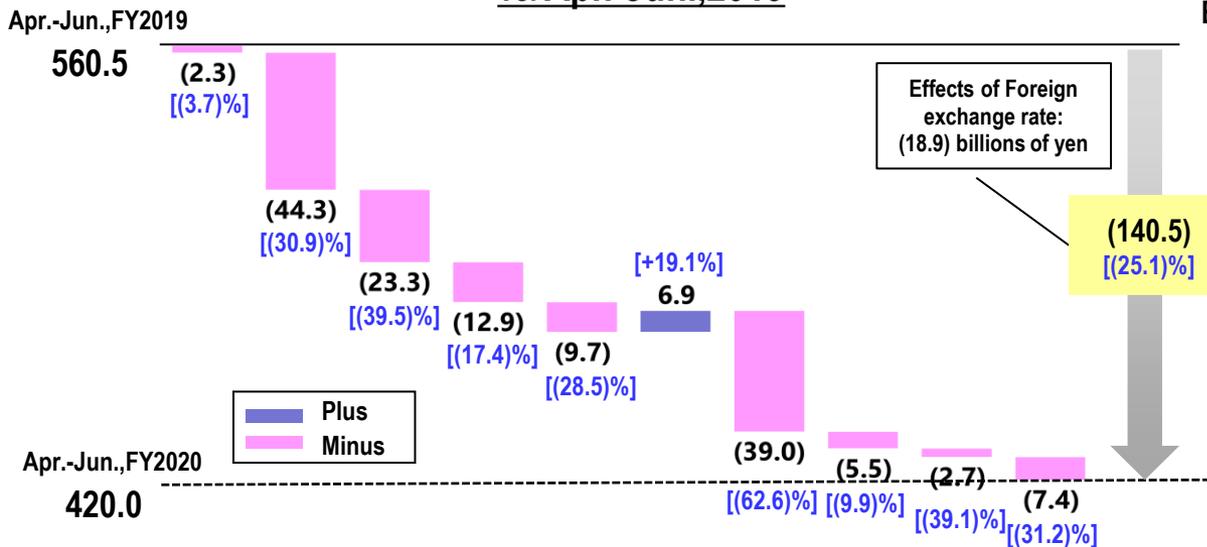
Revenues declined from the corresponding period a year ago, due mainly to reduced new contracts and adverse effects of foreign exchange rates. Segment profit also decreased, mainly reflecting adverse effects of extension of payments and revaluation of vehicles after lease use.

■ Industrial Machinery & Others

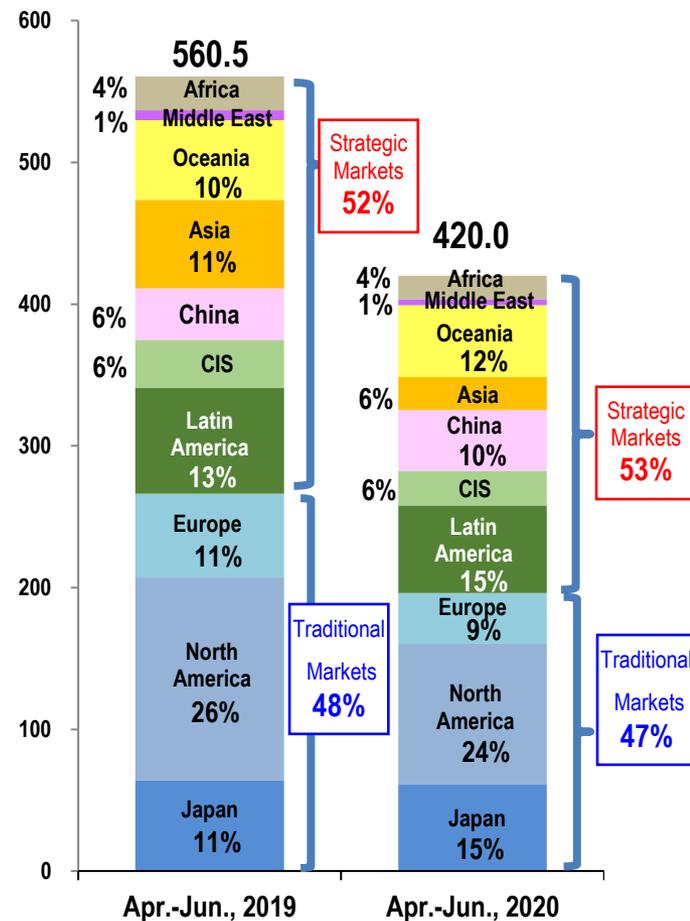
Sales declined from the corresponding period a year ago, mainly affected by reduced sales of presses and machine tools to the automobile manufacturing industry. Segment profit increased, supported by steady sales of Excimer laser-related products on the semiconductor market.

- Sales to outside customers decreased by 25.1% from the corresponding period a year ago, to JPY420.0 billion.
- Sales declined in all regions, except for China. Sales dropped drastically in North America, Asia and Europe.
- The proportion of Traditional Markets decreased to 47%.

Vs. Apr.-Jun., 2019



Billions of yen



Billions of yen	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
Apr. Jun., 2019 (a)	63.7	143.4	59.1	74.5	34.0	36.2	62.3	56.1	6.9	23.9	560.5
Apr. Jun., 2020 (b)	61.4	99.0	35.8	61.5	24.3	43.1	23.3	50.5	4.2	16.4	420.0
Change (b-a)	(2.3)	(44.3)	(23.3)	(12.9)	(9.7)	+6.9	(39.0)	(5.5)	(2.7)	(7.4)	(140.5)

※

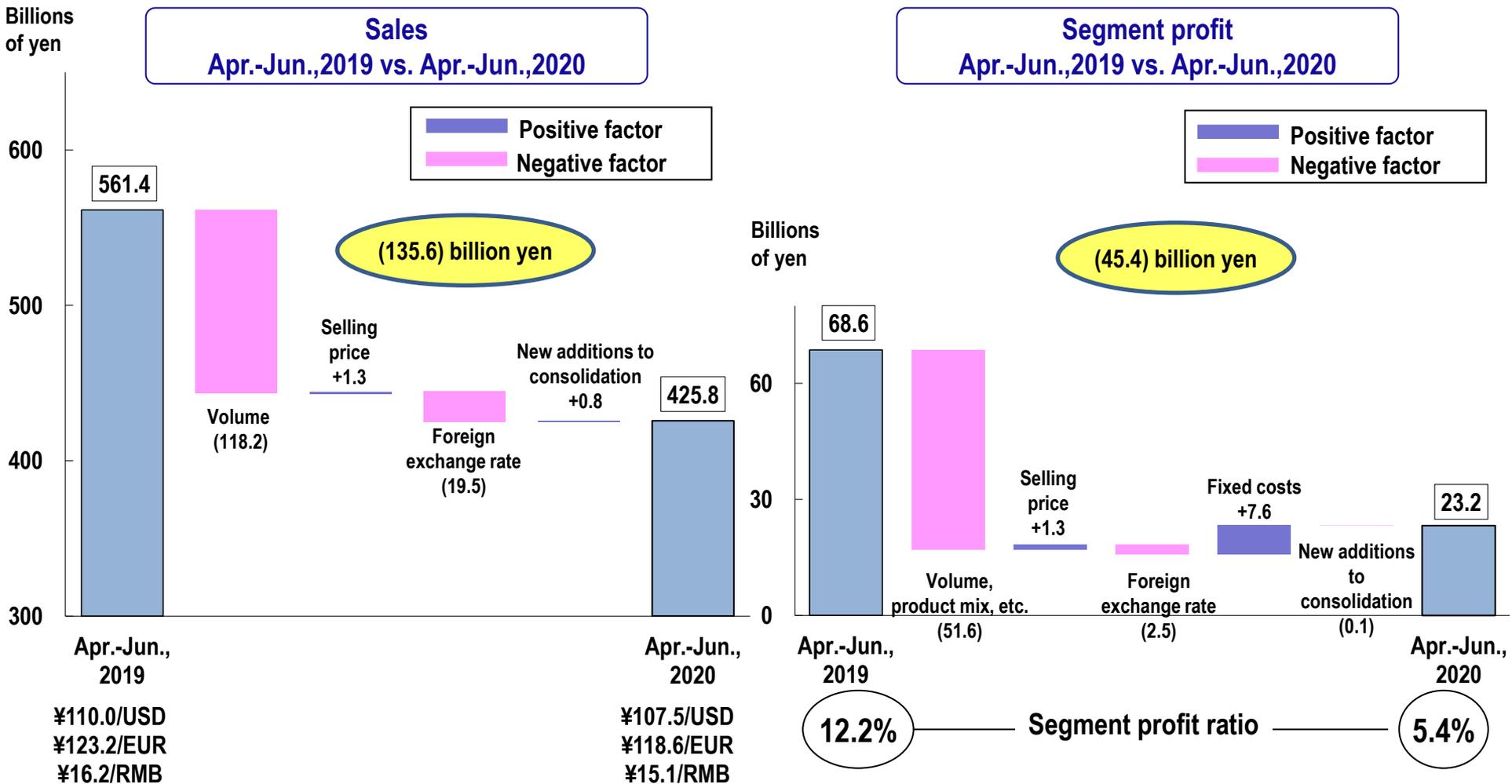
Traditional Markets: Japan, North America, Europe, Latin America, CIS, China, Asia, Oceania, Middle East, Africa

Strategic Markets: Total

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

Causes of Difference in Sales and Segment Profit for the First 3-Month Period (April-June,2020) of FY2020 12

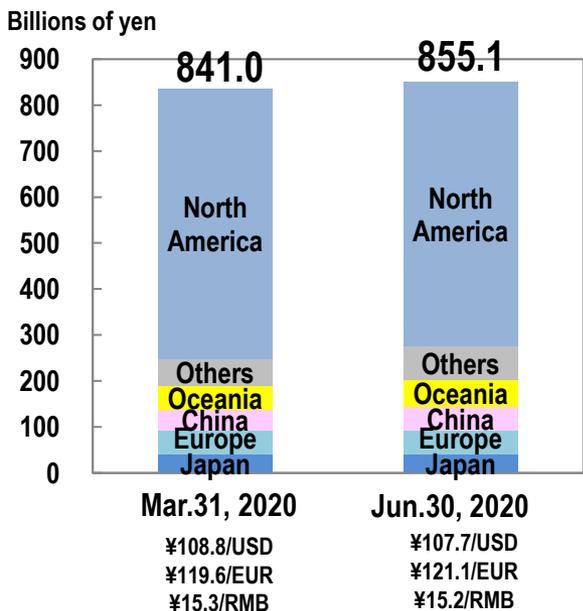
- Sales decreased by JPY135.6 billion from the corresponding period a year ago, as adversely affected by reduced sales volume and foreign exchange rates.
- Segment profit declined by JPY45.4 billion, mainly due to reduced sales volume and foreign exchange rates.
- Segment profit ratio was 5.4%, down 6.8 points.



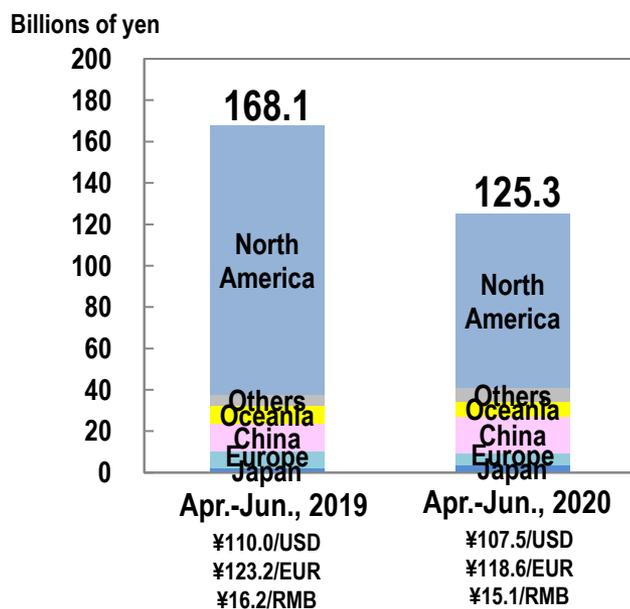
Retail Finance: Assets and Revenues for the First 3-Month Period (April-June,2020) of FY2020

- Assets increased from year-on-year, supported mainly by increases in China, while assets declined in North America.
- New contracts declined year-on-year, due to reduced sales under the coronavirus pandemic.
- Revenues decreased year-on-year, especially affected by reduced new contracts and foreign exchange rates.
- Segment profit also decreased, mainly reflecting adverse effects of extension of payments and revaluation of vehicles after lease use.

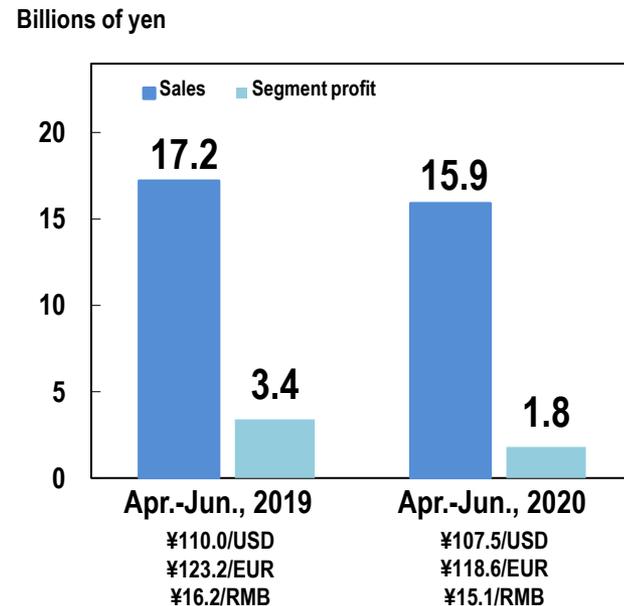
Assets
Mar.31, 2020 vs. June.30, 2020



New Contracts
Apr.-Jun.,2019 vs. Apr.-Jun.,2020



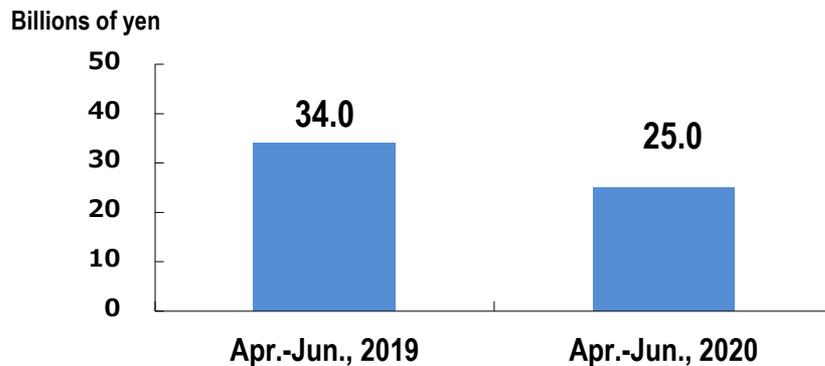
Revenues
Apr.-Jun.,2019 vs. Apr.-Jun.,2020



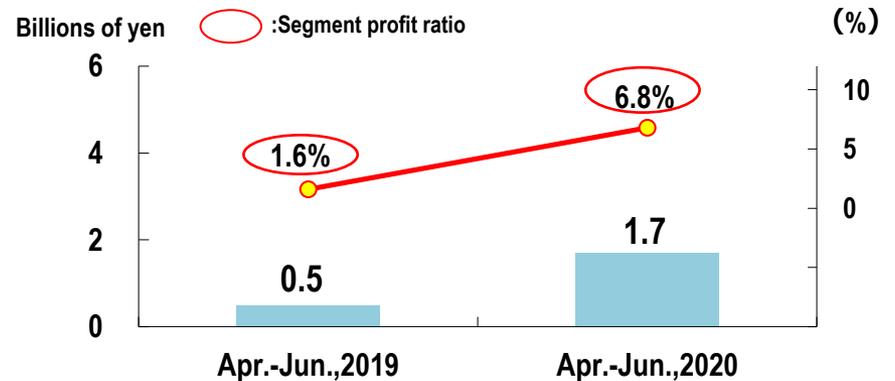
Billions of yen	2020/3E	2020/6E	Changes
Interest-bearing debt	648.0	657.9	+9.9
Interest-bearing debt, net	642.4	655.6	+13.2
Net D/E ratio	3.80	3.86	+0.06pts.

- Sales declined by 26.5% year-on-year, to JPY25.0 billion, affected by reduced sales of presses and machine tools to the automobile manufacturing industry.
- Segment profit improved by JPY1.1 billion year-on-year, to JPY1.7 billion.
- Segment profit ratio was 6.8%.

Sales
Apr.-Jun.,2019 vs. Apr.-Jun.,2020



Segment profit
Apr.-Jun.,2019 vs. Apr.-Jun.,2020



Breakdown of sales

Billions of yen	Apr.-Jun., 2019	Apr.-Jun., 2020	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	8.5	6.1	(2.3)	(27.8)%
Komatsu NTC Ltd.	11.6	4.0	(7.6)	(65.4)%
Gigaphoton Inc.	8.2	9.6	+1.4	+17.0%
Others	5.6	5.2	(0.4)	(7.2)%
Total	34.0	25.0	(8.9)	(26.5)%

Consolidated Balance Sheets

- Total assets grew by JPY7.1 billion from the previous fiscal year-end to JPY3,660.8 billion. Accounts receivable declined, while inventories increased.
- Komatsu Ltd. shareholders' equity ratio was 48.2%, down 0.3 points.

Billions of yen ○ : Net D/E ratio	Mar. 31, 2020 ¥108.8/USD ¥119.6/EUR ¥15.3/RMB	Jun. 30, 2020 ¥107.7/USD ¥121.1/EUR ¥15.2/RMB	Increase (Decrease)
Cash & deposits (incl. time deposits) [a]	249.6	257.2	+7.5
Accounts receivable (incl. long-term trade receivables)	1,165.3	1,100.4	(64.8)
Inventories	805.3	866.7	+61.4
Tangible fixed assets	757.6	755.2	(2.3)
Other assets	675.7	681.1	+5.4
Total assets	3,653.6	3,660.8	+7.1
Accounts payable	220.1	204.2	(15.8)
Interest-bearing debt [b]	1,012.3	1,047.8	+35.4
Other liabilities	564.9	555.5	(9.3)
Total liabilities	1,797.4	1,807.7	+10.2
[Shareholders' equity ratio]	(48.5%)	(48.2%)	((0.3).pts.)
Komatsu Ltd. shareholders' equity	1,771.6	1,763.5	(8.0)
Non-controlling interests	84.6	89.6	+5.0
Liabilities & Equity	3,653.6	3,660.8	+7.1
Interest-bearing debt, net [b-a]	0.43 762.7	0.45 790.6	+27.9
Net D/E ratio (excl. the retail finance business)	0.08	0.08	

Ⅲ. Outlook of FY2020 Business Results

- Consolidated net sales will decrease by 15.4% from FY2019, to JPY2,068.0 billion.
- Operating income will decline by 54.1% to JPY115.0 billion. Operating income ratio will amount to 5.6%, down 4.7 points.
- Net income will decline by 56.4% to JPY67.0 billion.

Billions of yen	FY2019 Results (A) ¥108.7/USD ¥120.8/EUR ¥15.6/RMB	FY2020 Projection (B) ¥105.6/USD ¥116.7/EUR ¥15.0/RMB	Changes (B-A)	
			Increase (Decrease)	Change %
Net sales	2,444.8	2,068.0	(376.8)	(15.4)%
Segment profit	255.0	121.0	(134.0)	(52.6)%
Other operating income (expenses)	(4.3)	(6.0)	(1.6)	-
Operating income	250.7	115.0	(135.7)	(54.1)%
Profit ratio	10.3%	5.6%	(4.7)pts.	-
Other income (expenses)	(27.5)	(7.0)	+20.5	-
Income before income taxes	223.1	108.0	(115.1)	(51.6)%
Net income attributable to Komatsu Ltd	153.8	67.0	(86.8)	(56.4)%
ROE	8.6%	3.8%	(4.8)pts.	
Cash dividends per share	94Yen	36Yen	(58)Yen	
Consolidated payout ratio	57.7%	50.8%		

- Construction, mining & utility equipment: Sales will decrease by 16.6% from FY2019, to JPY1,845.0 billion. Segment profit will decline by 56.9% to JPY98.0 billion. Segment profit ratio will amount to 5.3%, down 5.0 points.
- Retail finance: Revenues will decrease by 4.1% to JPY68.0 billion. Segment profit will decline by 21.1% to JPY10.0 billion.
- Industrial machinery & others: Sales will increase by 1.9% to JPY181.0 billion. Segment profit will advance by 2.2% to JPY14.0 billion.

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

Billions of yen	FY2019 Results (A)	FY2020 Projection (B)	Changes (B-A)	
			increase (decrease)	Change %
Net sales	2,444.8	2,068.0	(376.8)	(15.4)%
Construction, mining & utility equipment	2,211.2 [2,205.9]	1,845.0 [1,829.0]	(366.2) [(376.9)]	(16.6)% [(17.1)%]
Retail finance	70.9 [62.9]	68.0 [59.0]	(2.9) [(3.9)]	(4.1)% [(6.3)%]
Industrial machinery & others	177.5 [175.9]	181.0 [180.0]	+3.4 [+4.0]	+1.9% [+2.2%]
Elimination	(14.8)	(26.0)	(11.1)	-
Segment profit	□ 10.4% 255.0	□ 5.9% 121.0	□ (4.5)pts. (134.0)	(52.6)%
Construction, mining & utility equipment	□ 10.3% 227.3	□ 5.3% 98.0	□ (5.0)pts. (129.3)	(56.9)%
Retail finance	□ 17.9% 12.6	□ 14.7% 10.0	□ (3.2)pts. (2.6)	(21.1)%
Industrial machinery & others	□ 7.7% 13.7	□ 7.7% 14.0	□ +0.0pts. +0.2	+2.2%
Corporate & elimination	1.3	(1.0)	(2.3)	-

Review of three business segments

■ Construction, Mining & Utility Equipment:

Sales will decrease from FY2019, as adversely affected by reduced sales volume and foreign exchange rates. Segment profit will decline, mainly due to reduced sales volume and a change in the geographic composition of sales.

■ Retail Finance:

Revenues will decrease from FY2019, as mainly affected by reduced new contracts and adverse effects of foreign exchange rates. Segment profit will also decrease mainly due to adverse effects of extension of payments and revaluation of vehicles after lease use.

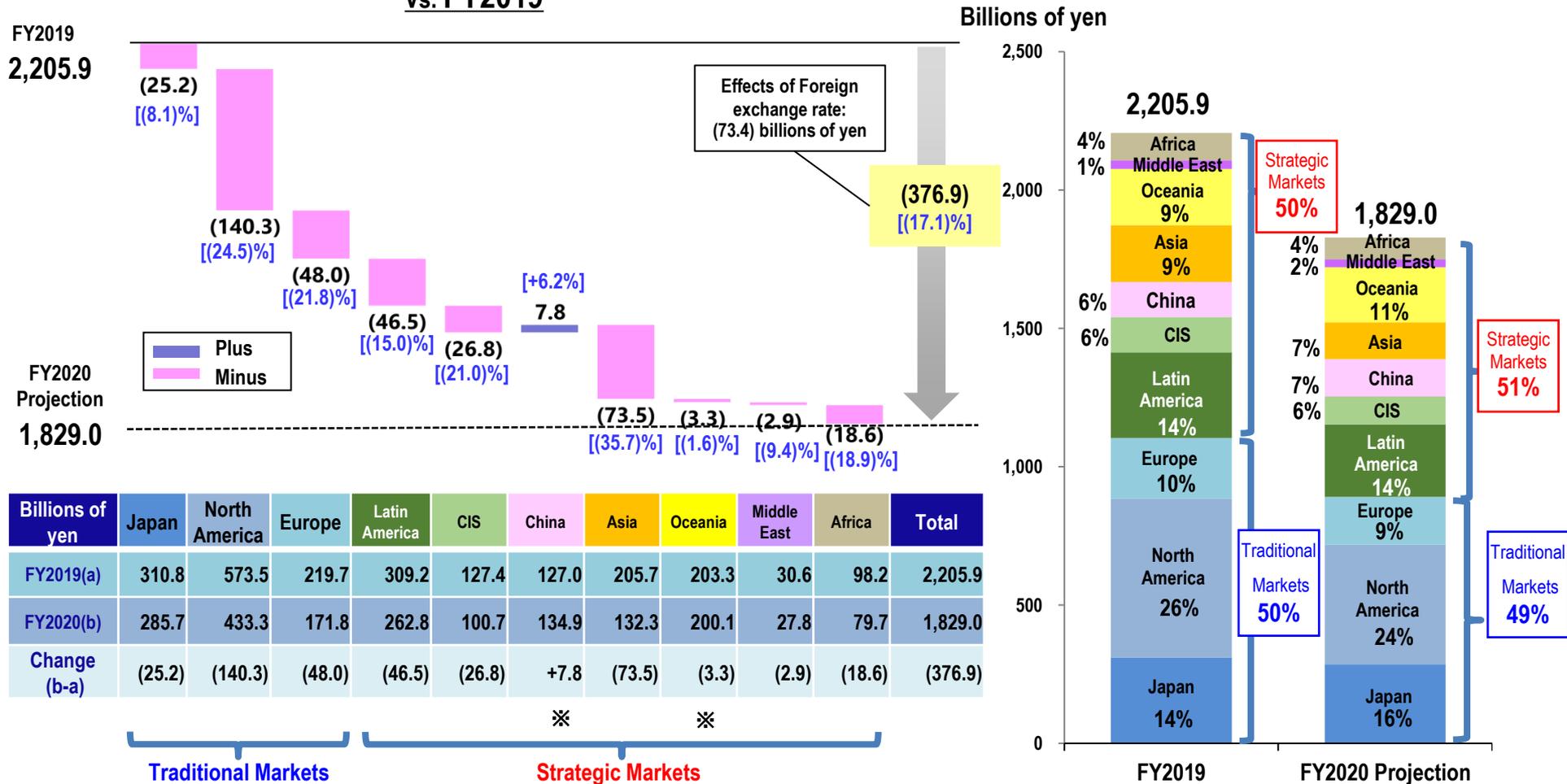
■ Industrial Machinery & Others

Both sales and segment profit will increase from FY2019, supported by steady sales of Excimer laser-related products on the semiconductor market.

Construction, Mining & Utility Equipment : Projection for Sales by Region (To Outside Customers) for FY2020

- Sales to outside customers will decline by 17.1% from FY2019, to JPY1,829.0 billion.
- Sales will decline in all regions, except for China. We anticipate a sharp decline in North America, Asia, Europe and Latin America.
- The proportion of Traditional Markets will decline to 49%.

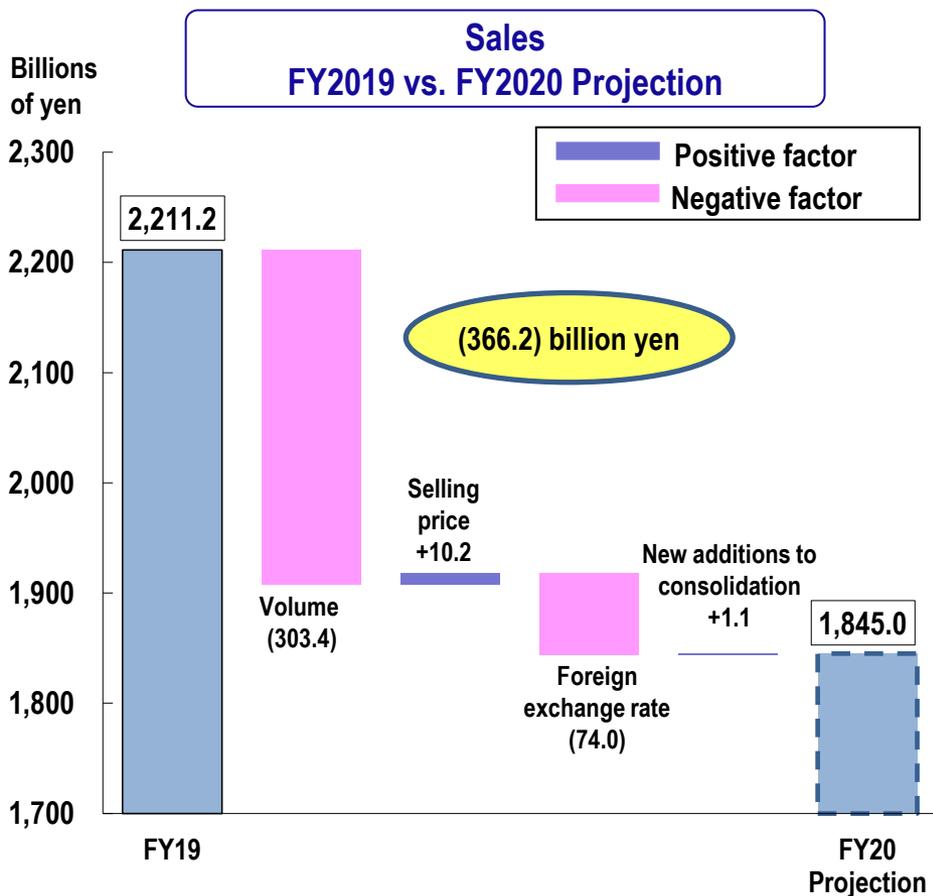
Vs. FY2019



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

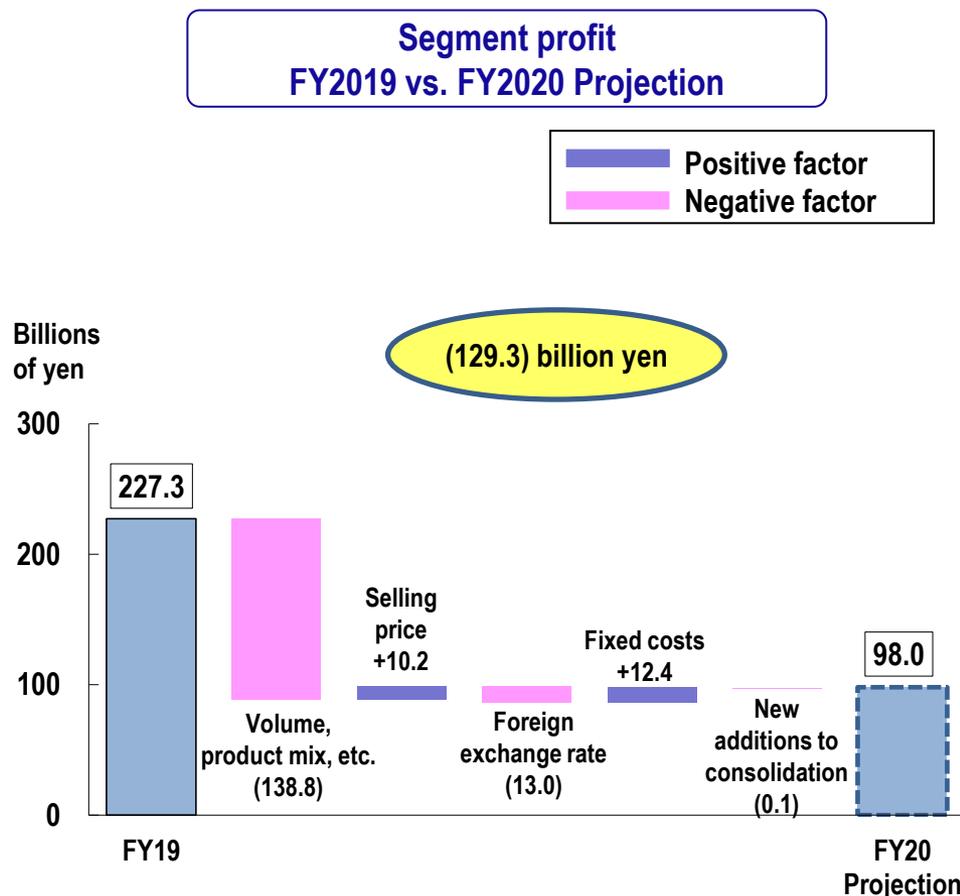
Construction, Mining & Utility Equipment : Causes of Difference in Projected Sales & Segment Profit for FY2020

- Sales will decline by JPY366.2 billion from FY2019, as adversely affected by reduced volume of sales and foreign exchange rates.
- Segment profit will decline by JPY129.3 billion from FY2019, as adversely affected by reduced volume of sales and foreign exchange rates.
- Segment profit ratio will decrease by 5.0 points to 5.3%.



¥108.7/USD
¥120.8/EUR
¥15.6/RMB

¥105.6/USD
¥116.7/EUR
¥15.0/RMB



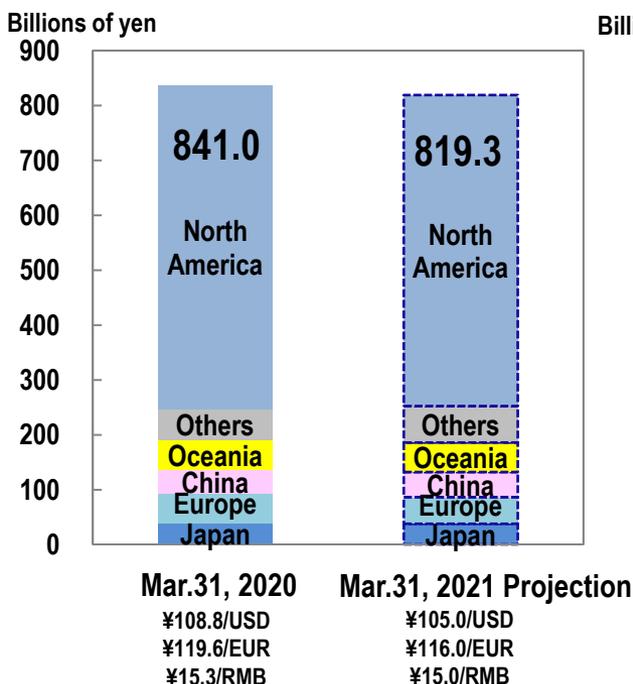
10.3%

Segment profit ratio

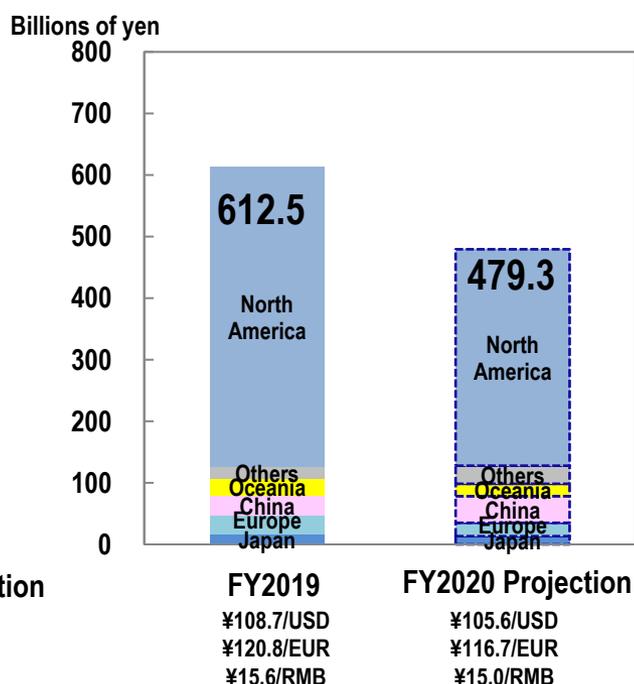
5.3%

- We anticipate that assets will decrease from FY2019 due to reduced new contracts.
- New contracts will decline from FY2019 due to declined sales affected by the coronavirus pandemic.
- Revenues will decrease from FY2019, affected by reduced new contracts.
- Segment profit will decrease mainly due to adverse effects of extension of payments and revaluation of vehicles after lease use.

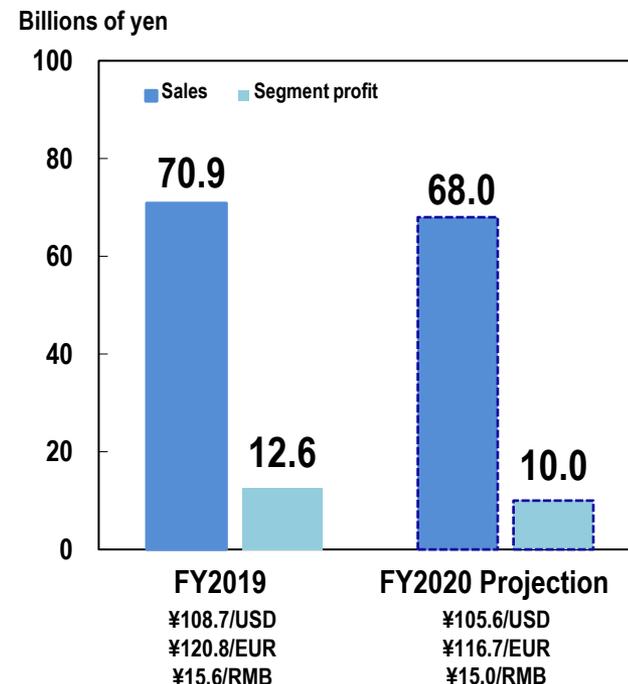
Assets
Mar.31, 2020 vs. Mar.31, 2021 Projection



New Contracts
FY2019 vs FY2020 Projection



Revenues
FY2019 vs FY2020 Projection



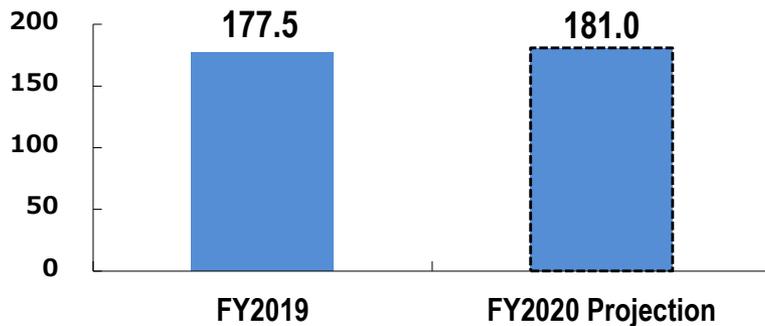
Billions of yen	2020/3E	2021/3E	Changes
Interest-bearing debt	648.0	641.4	(6.6)
Interest-bearing debt, net	642.4	638.9	(3.5)
Net D/E ratio	3.80	3.91	+0.11pts.

	FY2019	FY2020 Projection	Changes
ROA	1.5%	1.2%	(0.3)pts.

• We project that sales will increase by 1.9% from FY2019, to JPY181.0 billion, and segment profit will advance by JPY0.2 billion to JPY14.0 billion.

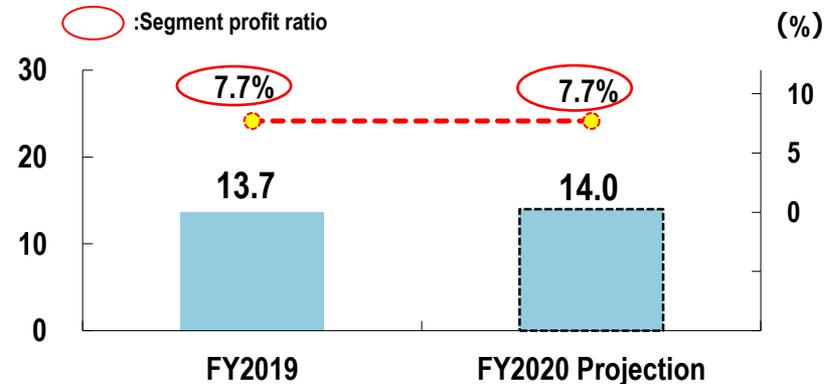
Sales
FY2019 vs. FY2020 Projection

Billions of yen



Segment profit
FY2019 vs. FY2020 Projection

Billions of yen

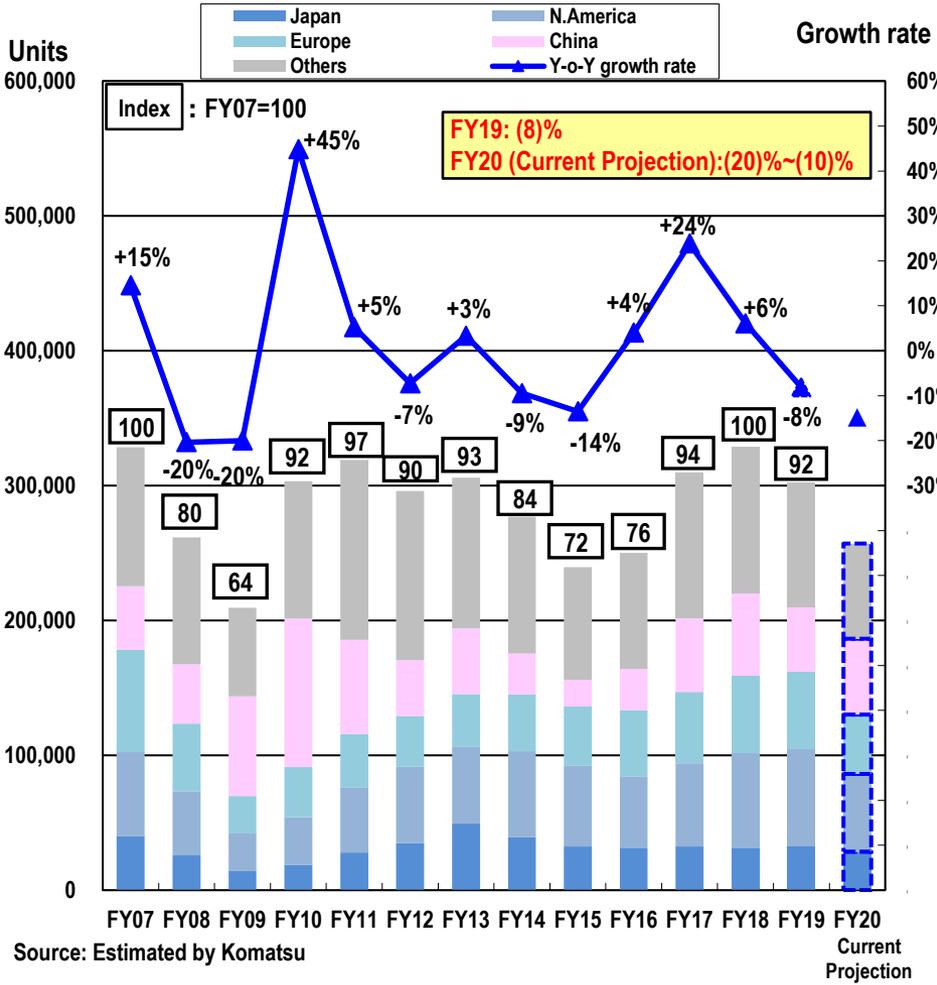


Breakdown of sales

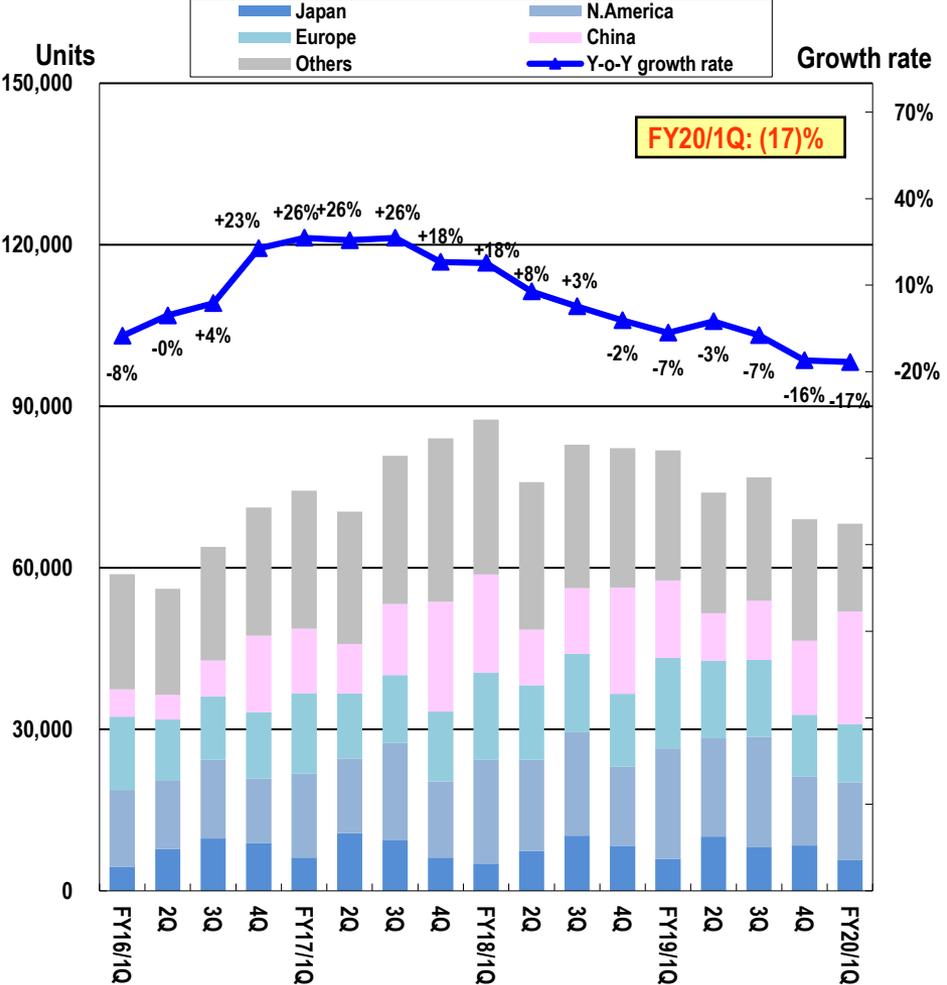
Billions of yen	FY2019	FY2020 Projection	Changes	
			Increase (Decrease)	Change %
Komatsu Industries Corp.	55.0	57.2	+2.2	+4.0%
Komatsu NTC Ltd.	48.3	36.4	(11.9)	(24.7)%
Gigaphoton Inc.	35.0	39.8	+4.7	+13.6%
Others	39.0	47.4	+8.3	+21.4%
Total	177.5	181.0	+3.4	+1.9%

- In 1Q FY2020, global demand declined by 17% from the corresponding period a year ago.
- In FY2020, we project demand will decline between 10% and 20% from FY2019 as a whole.

Annual demand for 7 major products



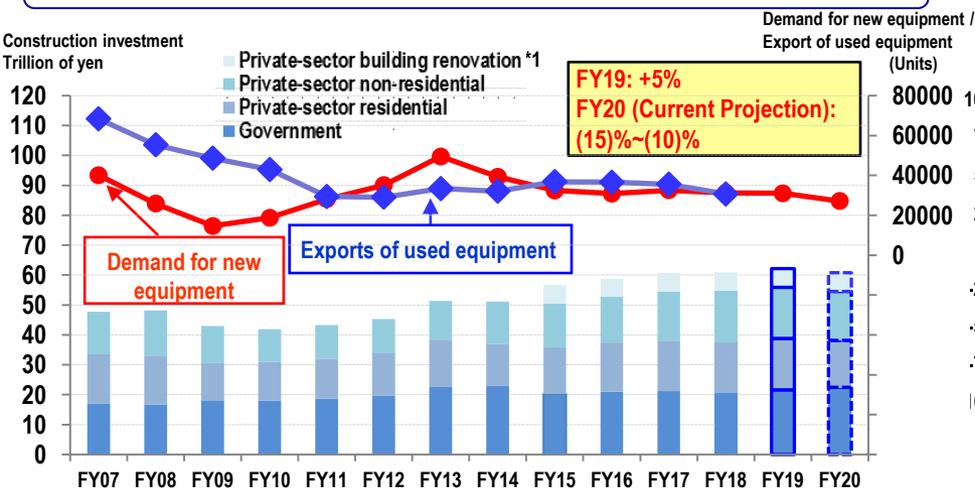
Quarterly demand for 7 major products



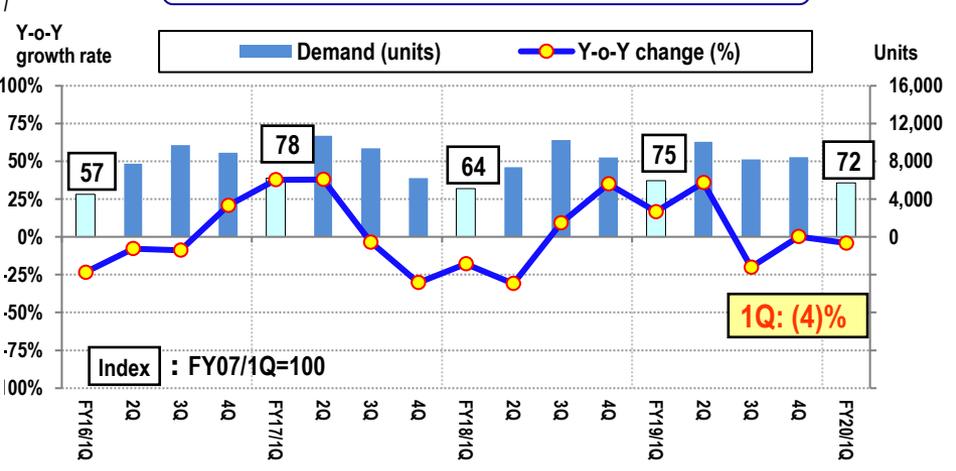
Construction, Mining & Utility Equipment : Demand in Major Markets (1) Japan

- In 1Q FY2020, demand declined by 4% from the corresponding period a year ago.
- In FY2020, we project demand will decline between 10% and 15% from FY2019.

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

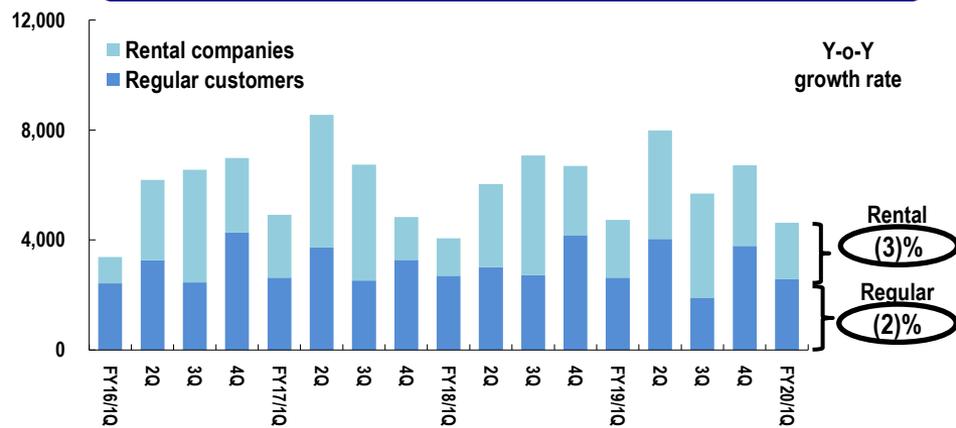


Quarterly demand for 7 major products

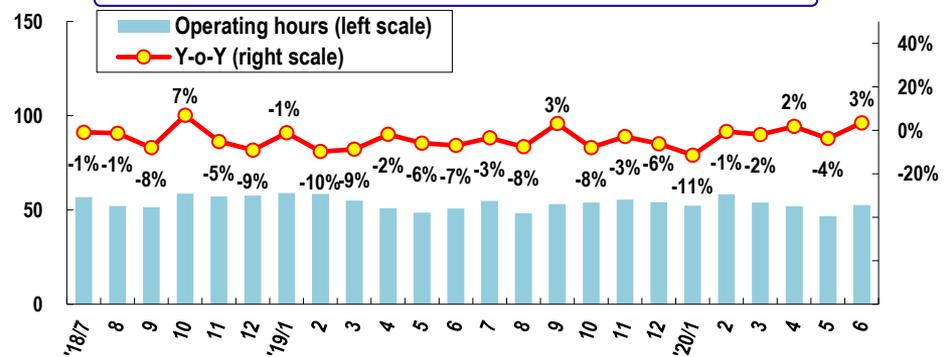


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products and No. of exported used equipment estimated by Komatsu
*1 Note: In September 2019, the Ministry of Land, Infrastructure, Transport and Tourism started to adding the collected data concerning renovation and renewal investment in buildings. Bar graphs above include retroactively added data until FY15.

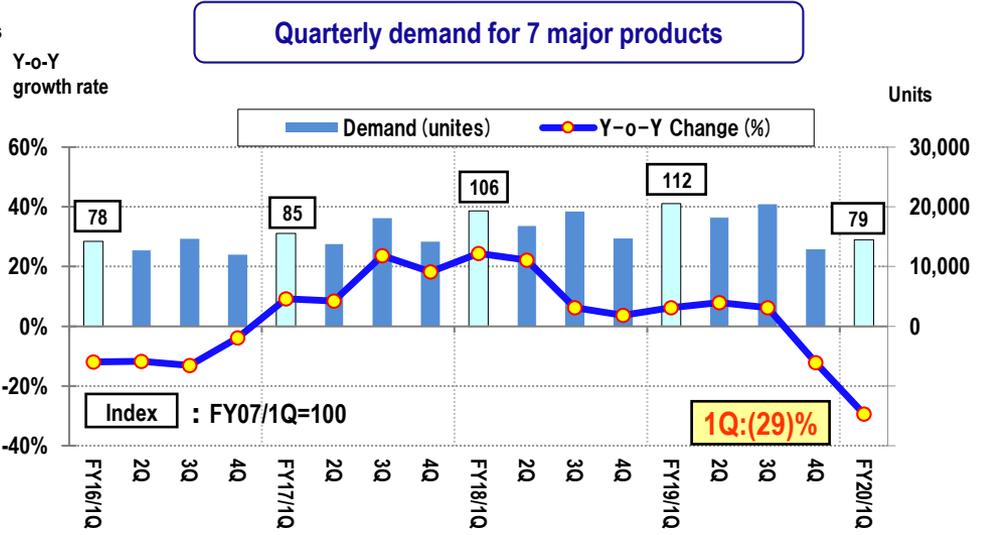
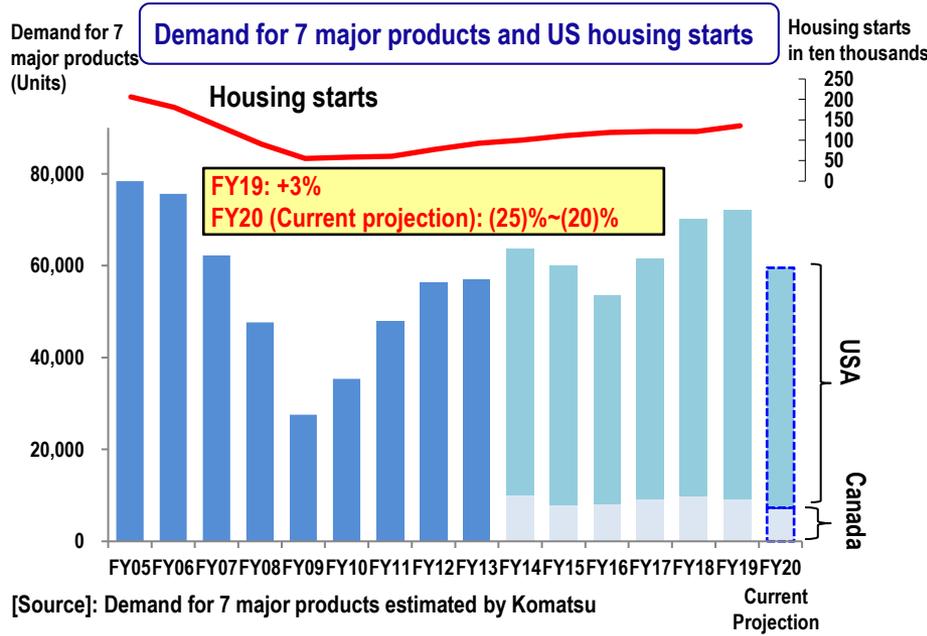
Quarterly demand for hydraulic excavators (Rental & Regular uses)



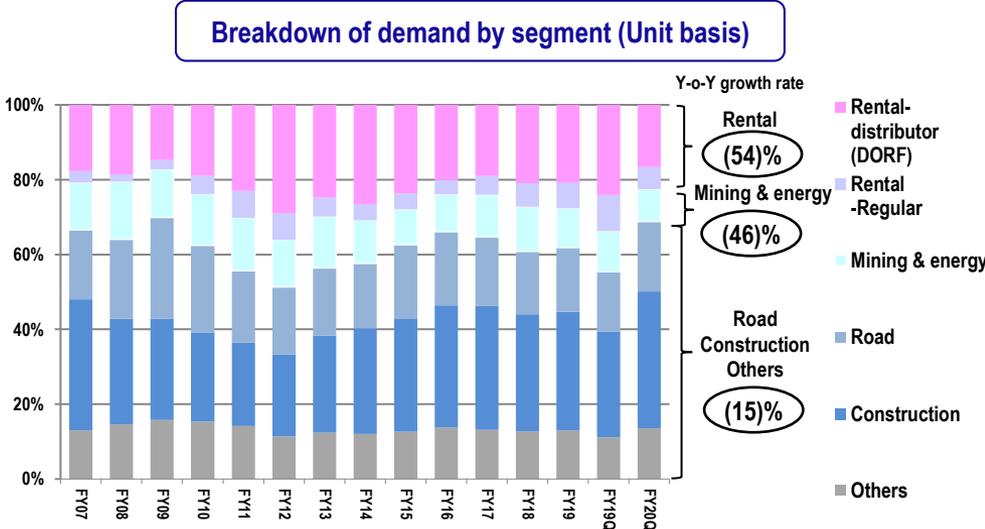
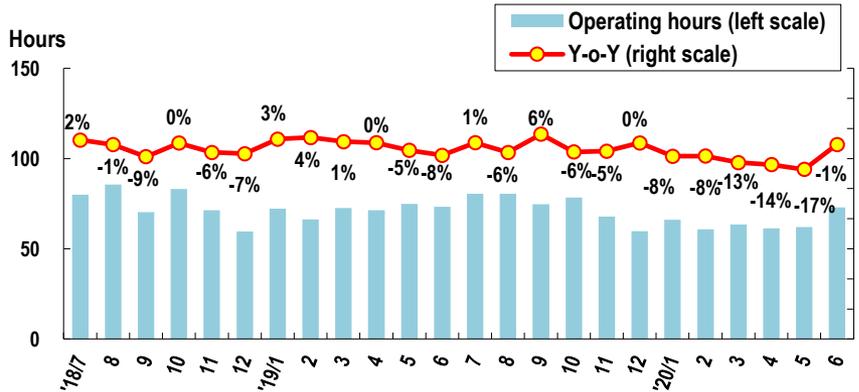
KOMTRAX in Japan: Average operating hours per month



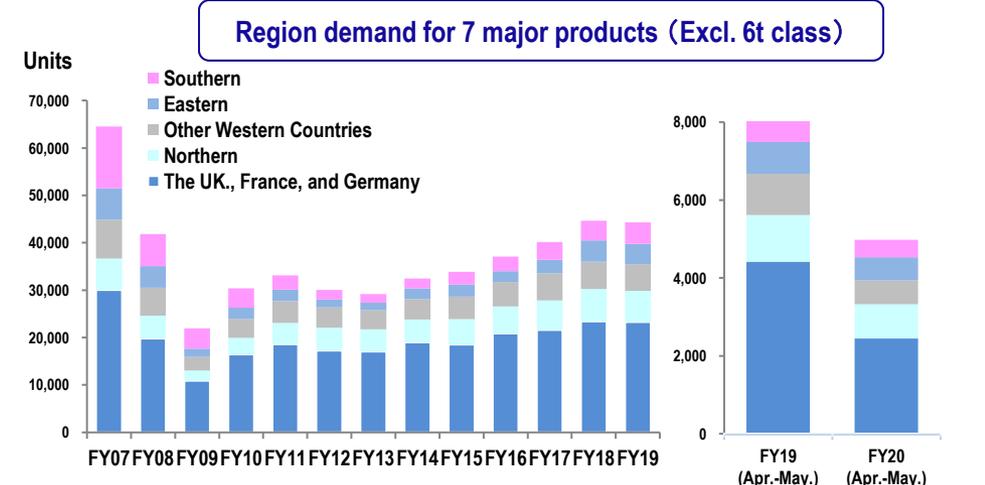
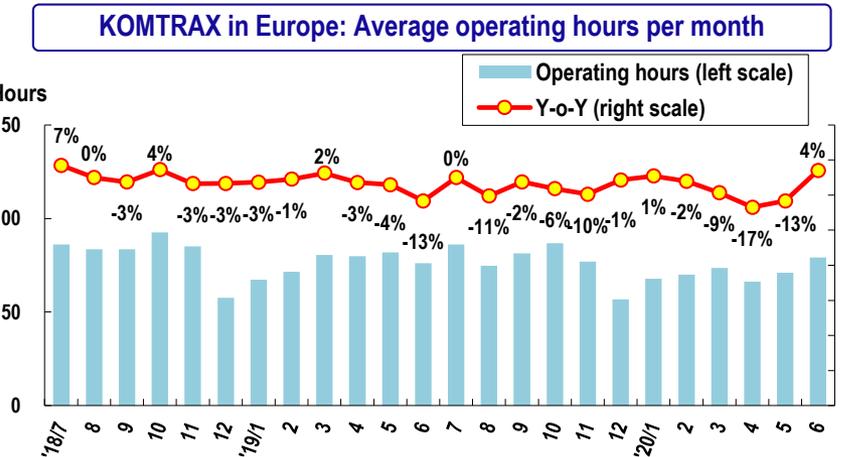
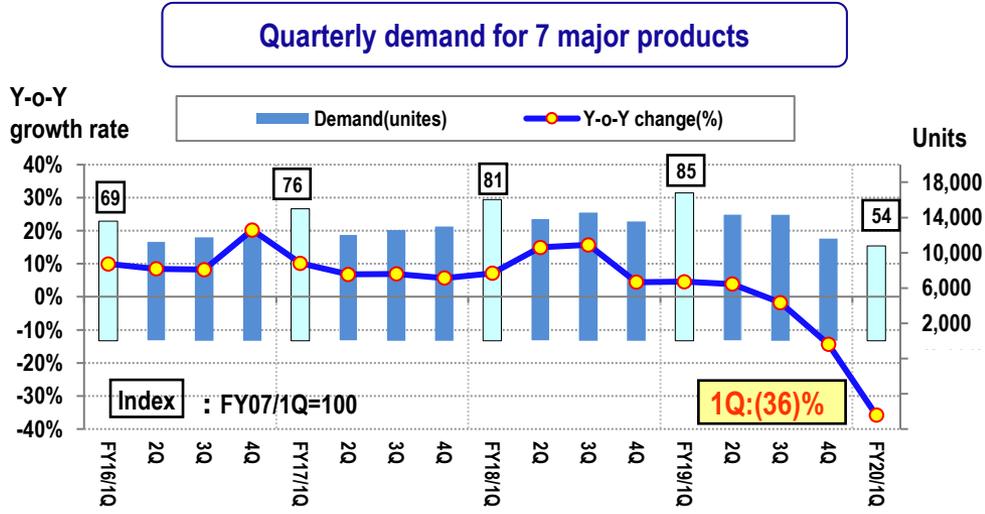
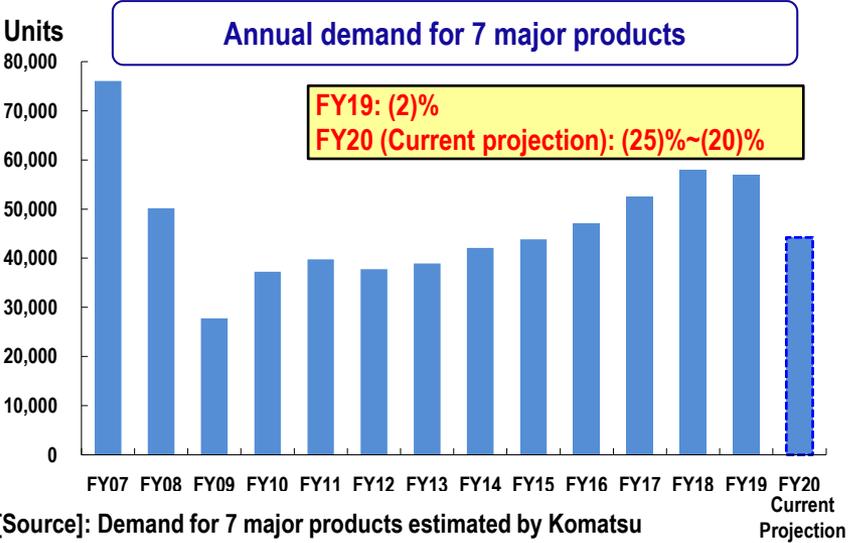
- In 1Q FY2020, demand decreased by 29% from the corresponding period a year ago.
- In FY2020, we project demand will decline between 20% and 25% from FY2019.



KOMTRAX in North America: Average operating hours per month

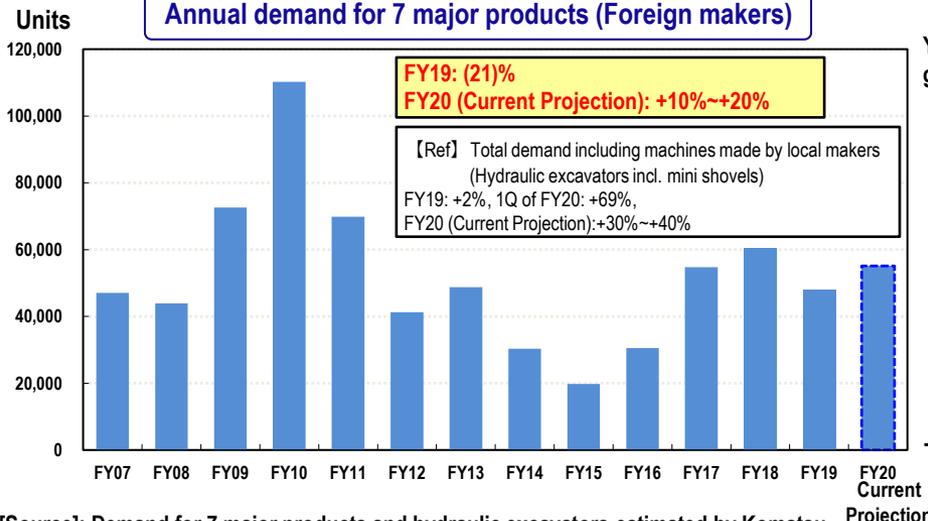


- In 1Q FY2020, demand decreased by 36% from the corresponding period a year ago.
- In FY2020, we project demand will decline between 20% and 25% from FY2019.

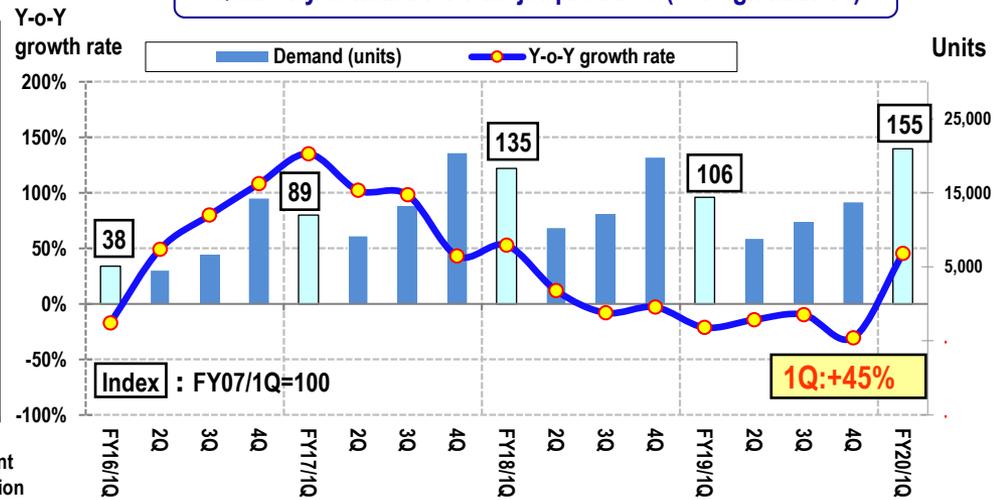


- In 1Q FY2020, demand increased by 45% from the corresponding period a year ago.
- We project demand will increase by 10% to 20% in FY2020 from FY2019.

Annual demand for 7 major products (Foreign makers)

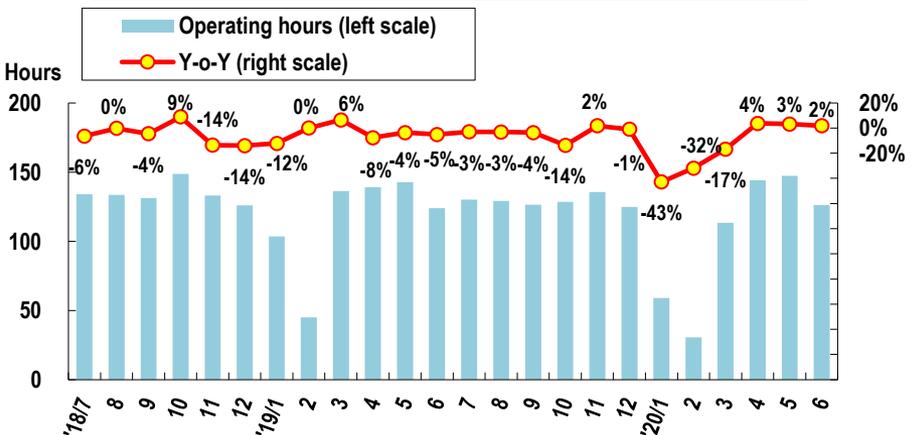


Quarterly demand for 7 major products (Foreign makers)

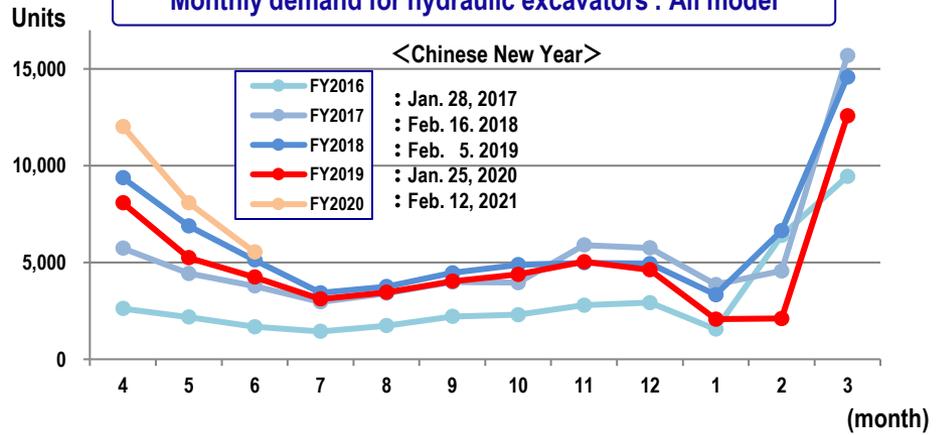


[Source]: Demand for 7 major products and hydraulic excavators estimated by Komatsu

KOMTRAX in China : Average operating hours per month

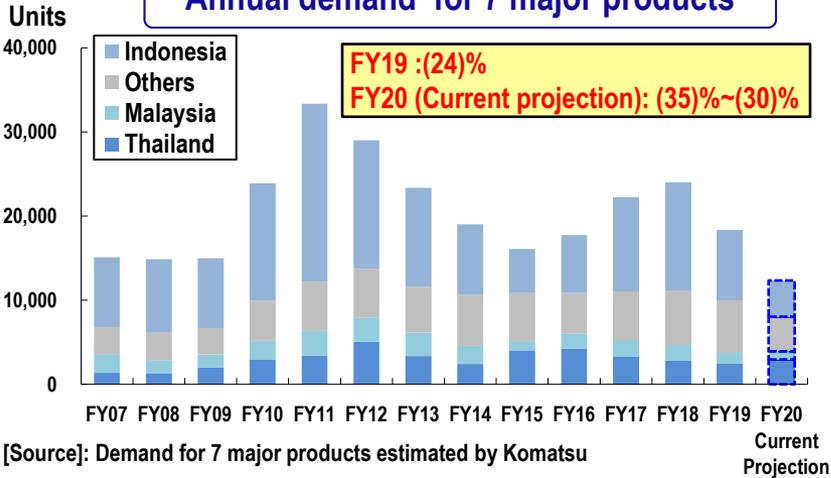


Monthly demand for hydraulic excavators : All model

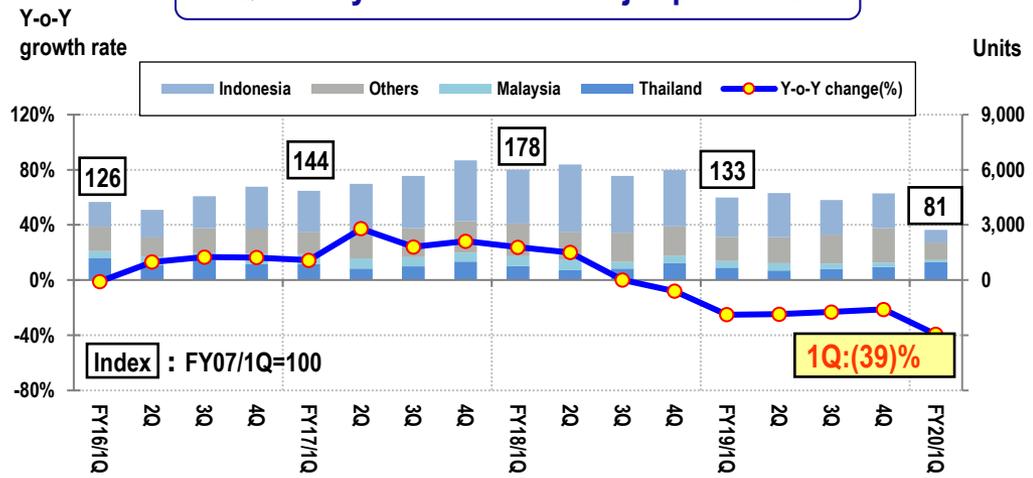


- In 1Q FY2020, demand declined by 39% from the corresponding period a year ago.
- In FY2020, we project demand will decline between 30% and 35% from FY2019.

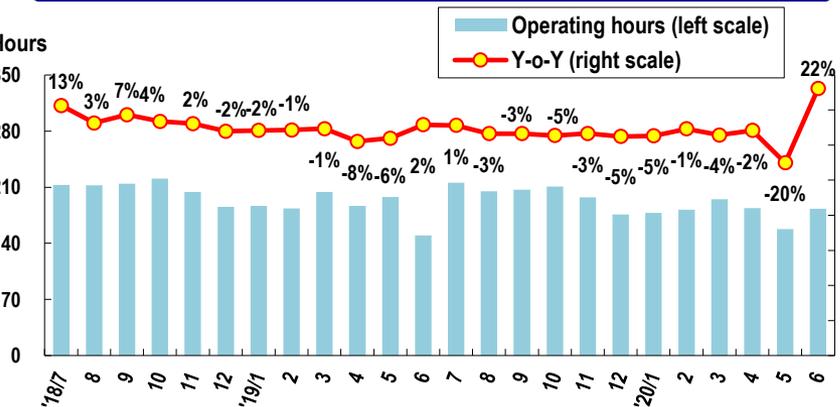
Annual demand for 7 major products



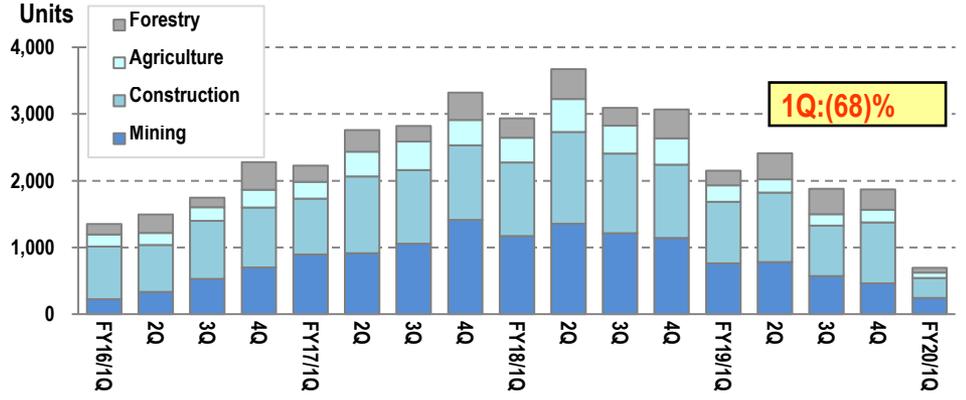
Quarterly demand for 7 major products



KOMTRAX in Indonesia: Average operating hours per month



Indonesia: Demand for construction & mining equipment by industrial sector

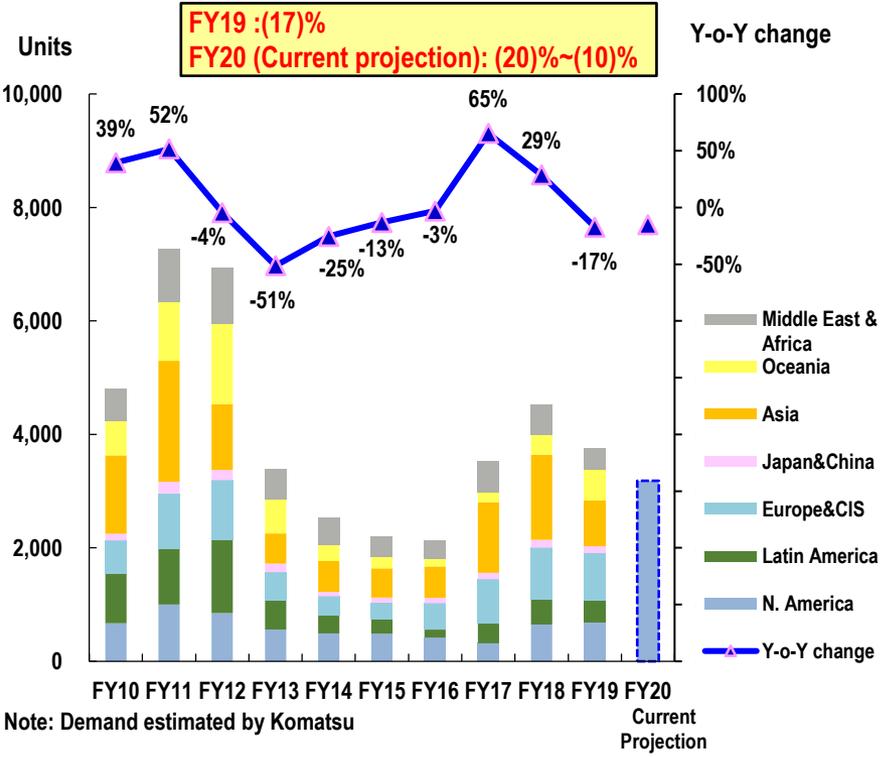


Construction, Mining & Utility Equipment : Actual and Projected Demand for Mining Equipment

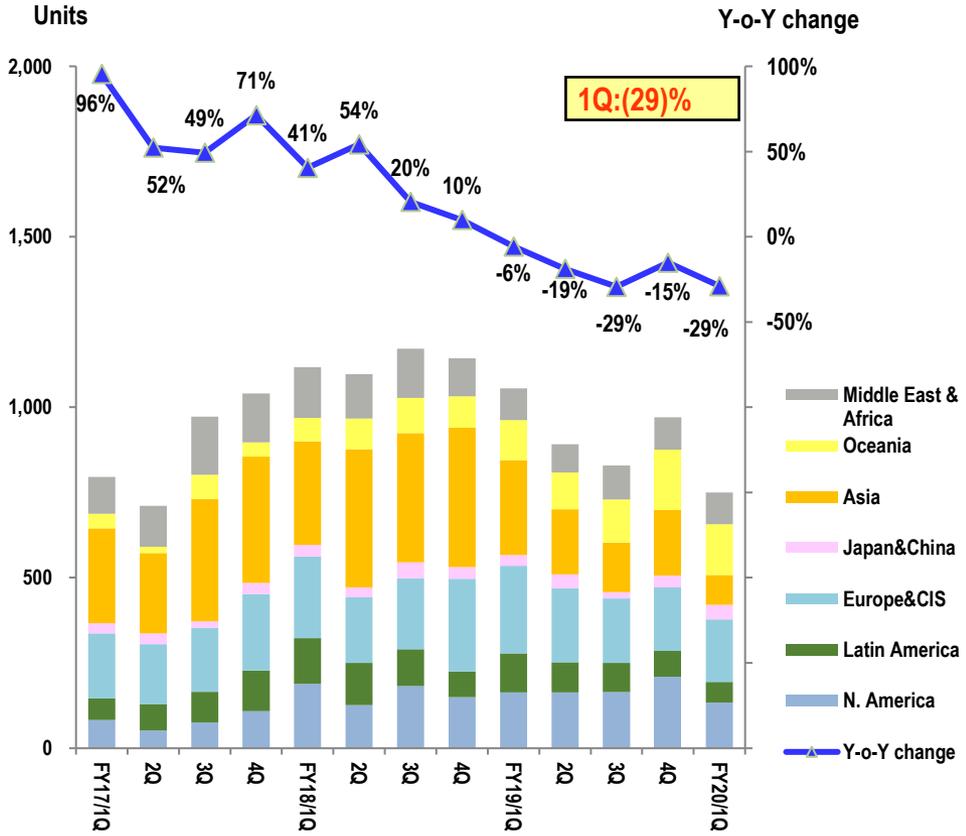
- In 1Q FY2020, global demand for mining equipment declined by 29% from the corresponding period a year ago.
- In FY2020, we project demand will decline between 10% and 20% from FY2019.

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

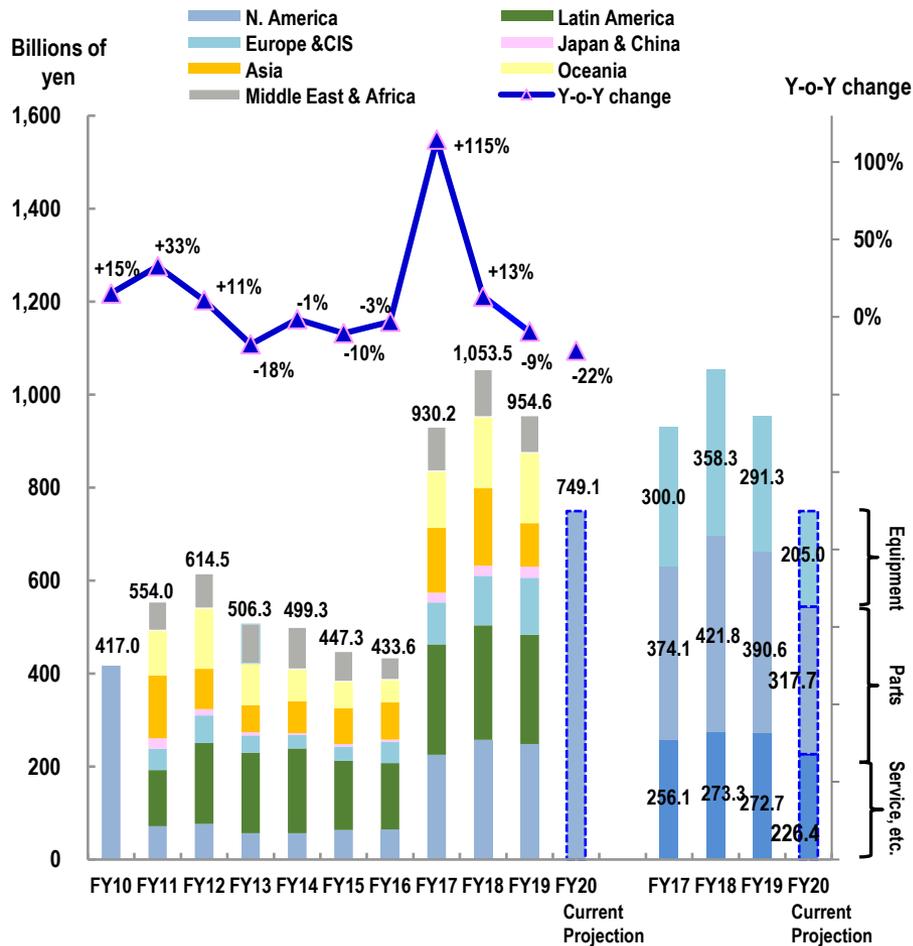


Quarterly demand for mining equipment

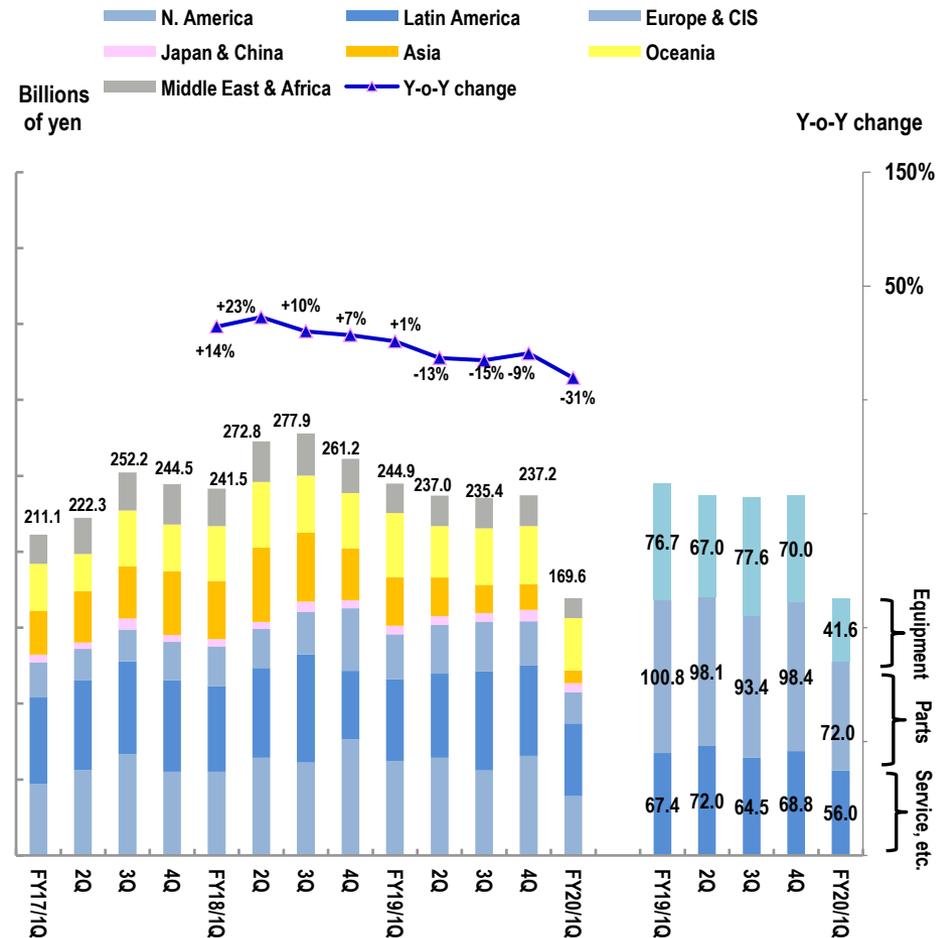


- For 1Q FY2020, sales decreased by 31% from the corresponding period a year ago, to JPY169.6 billion.
- FY2020 sales will decrease by 22% from FY2019, to JPY749.1 billion.

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

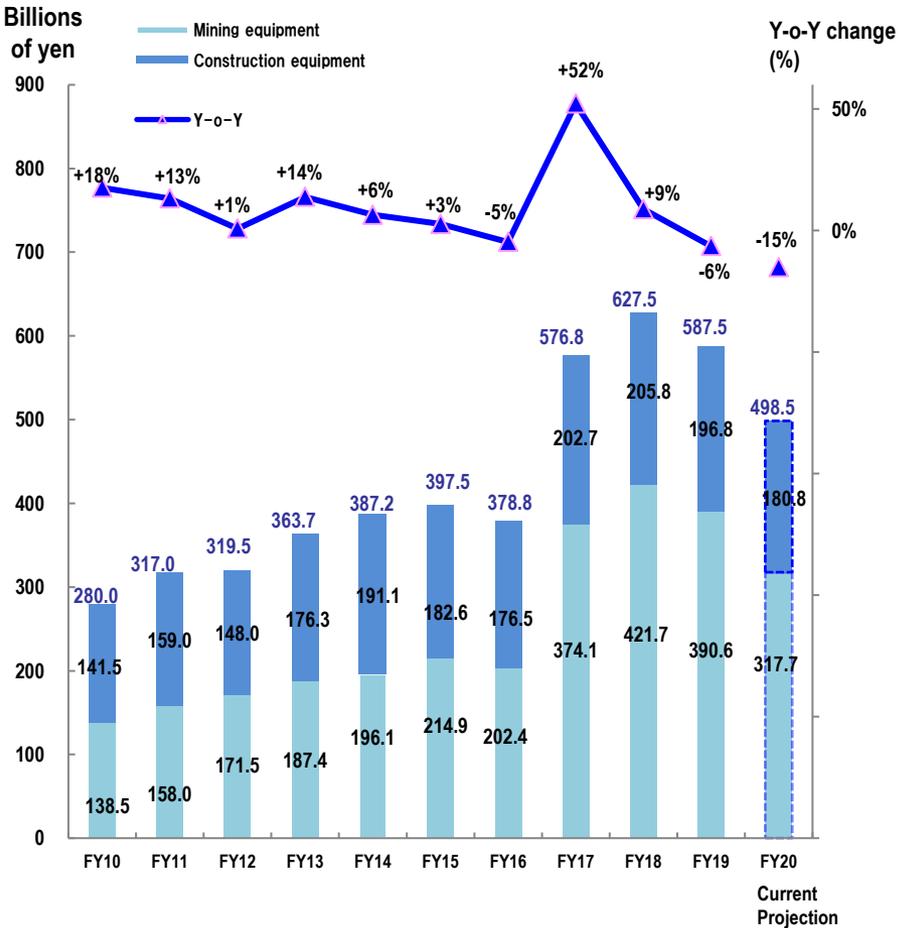


Quarterly sales of mining equipment (incl. parts and service)

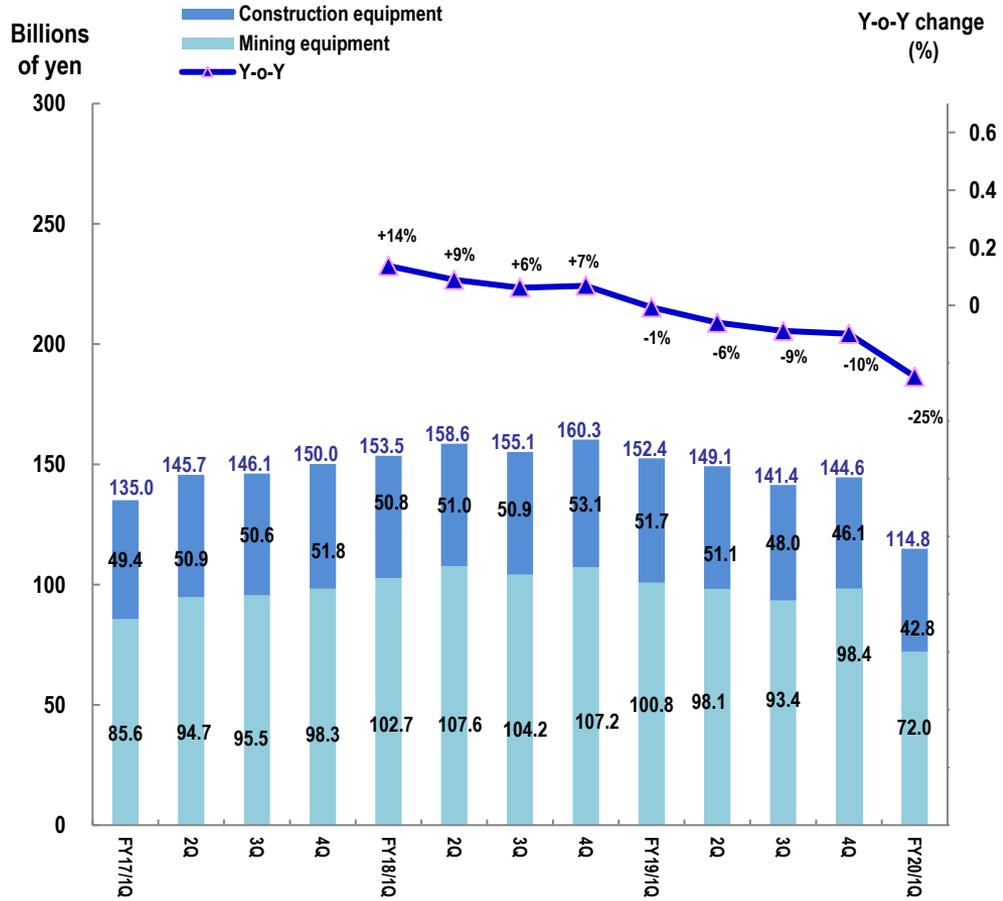


- For 1Q FY2020, sales of parts decreased by 25% from the corresponding period a year ago, to JPY114.8 billion.
- FY2020 sales will decrease by 15% from FY2019, to JPY498.5 billion.

Annual sales of parts

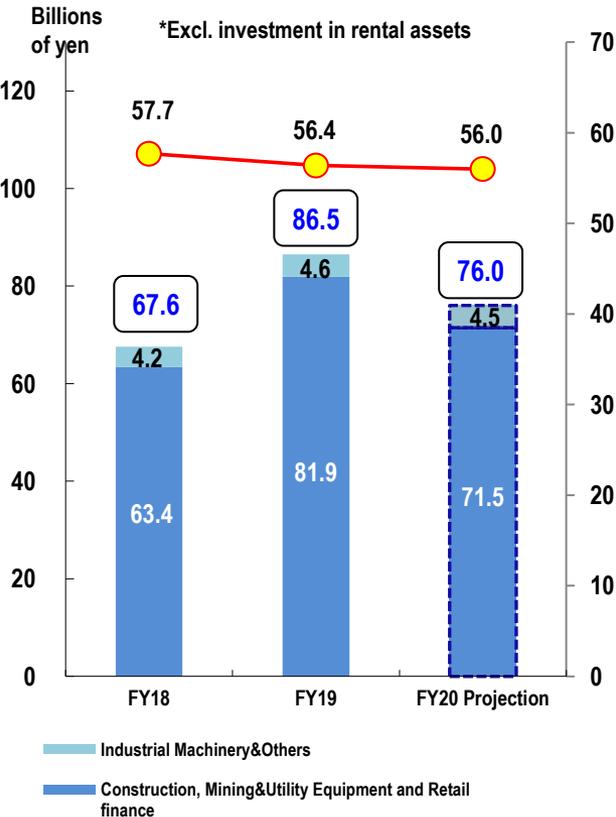


Quarterly sales of parts

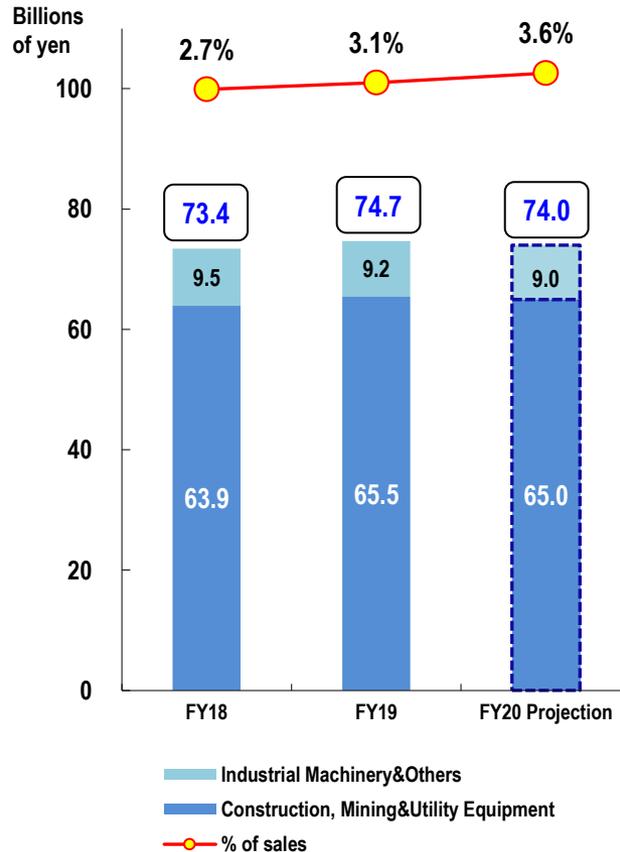


- CAPEX: Will decrease from FY2019 due to temporary “freezing” or delay of new investments under the coronavirus pandemic.
- R&D expenses: Will carry out priority investments in growth areas, thereby sustaining the level on par with FY2019.
- Fixed costs: Will decrease from FY2019, mainly due to reduced operational expenses resulting from the coronavirus pandemic.

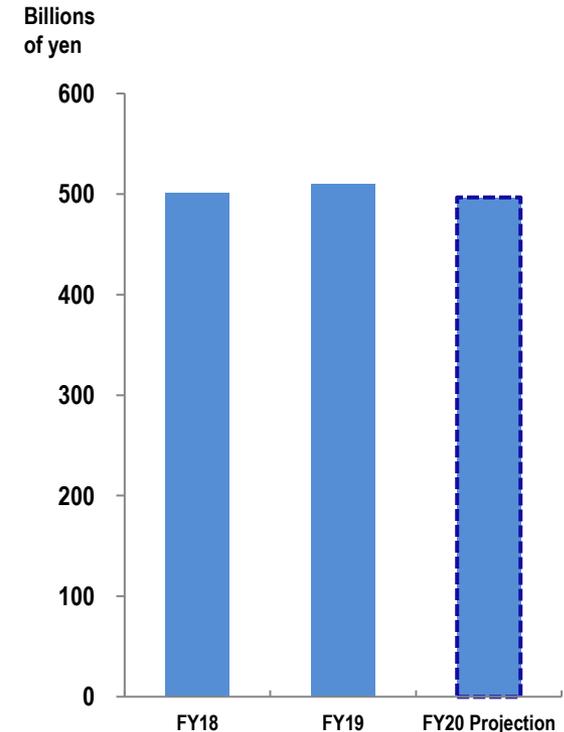
Investment in production and other facilities* and depreciation



R&D Expenses

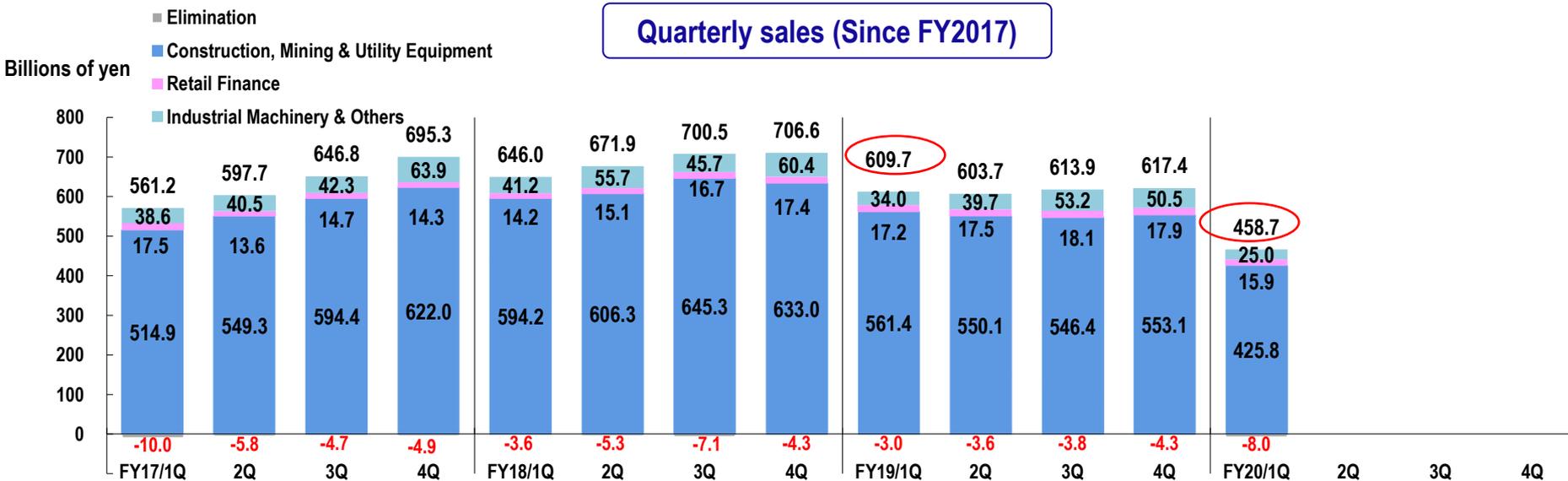


Fixed costs



Appendix

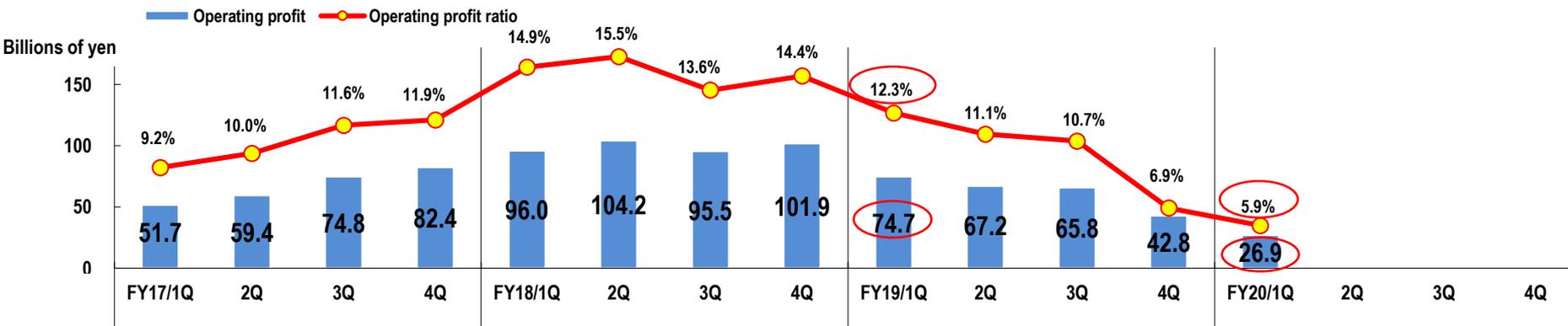
Quarterly sales (Since FY2017)



Exchange rates

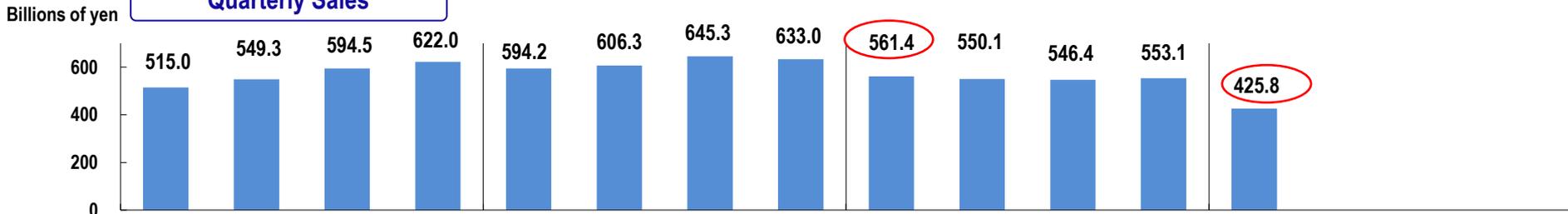
	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5			
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6			
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1			

Quarterly operating income (Since FY2017)



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

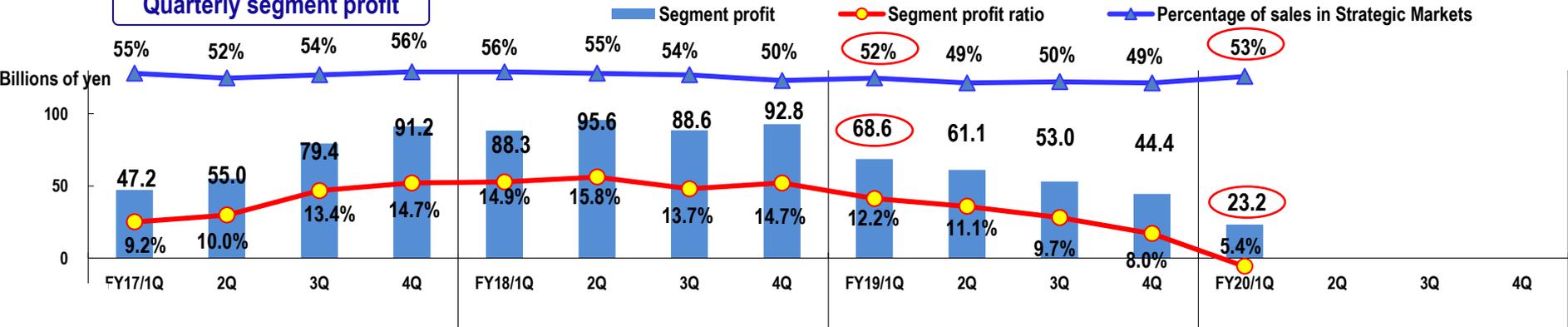
Quarterly Sales



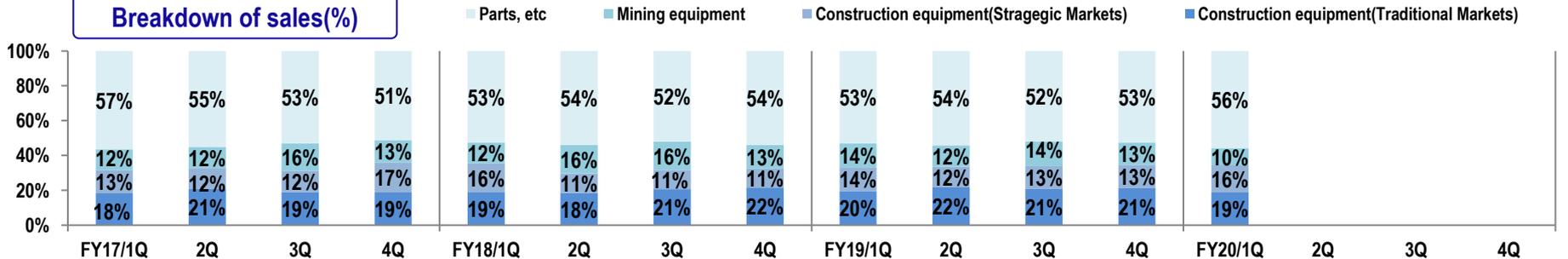
Exchange rates

	FY17/1Q				FY18/1Q				FY19/1Q				FY20/1Q			
	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5			
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6			
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1			

Quarterly segment profit

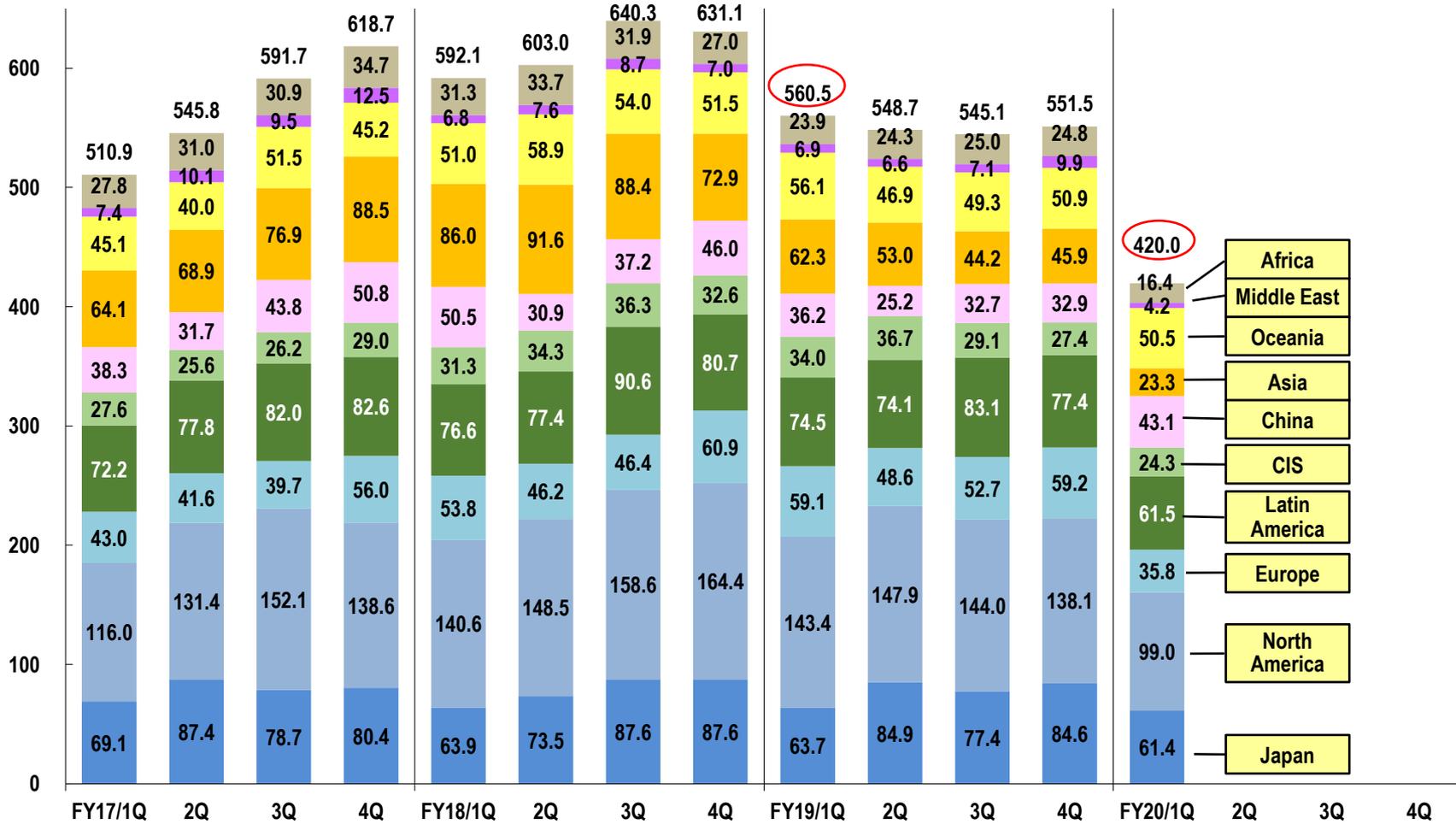


Breakdown of sales(%)



Construction, Mining & Utility Equipment: Quarterly Sales by Region (To Outside Customers) 36

Billions of yen



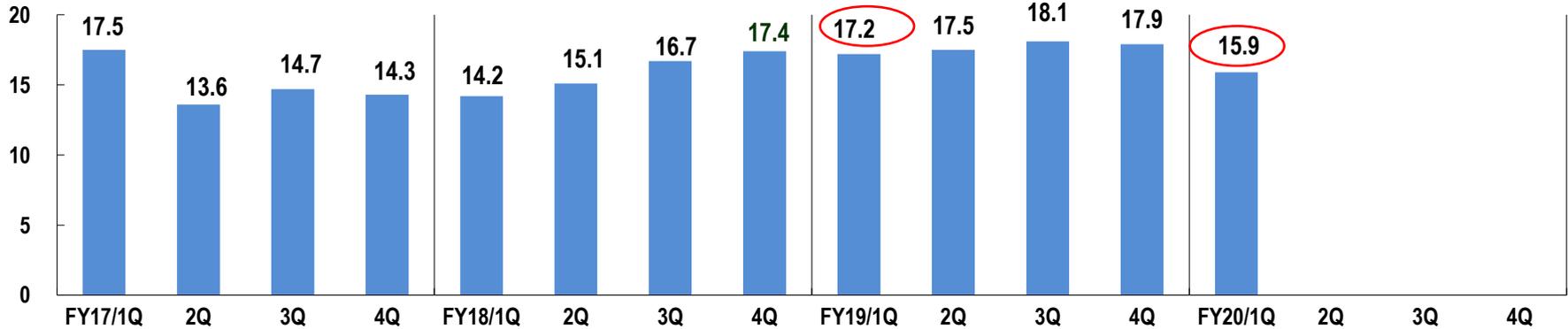
Exchange rates

	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5			
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6			
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1			

Retail Finance: Quarterly Sales and Segment Profit

Billions of yen

Quarterly sales

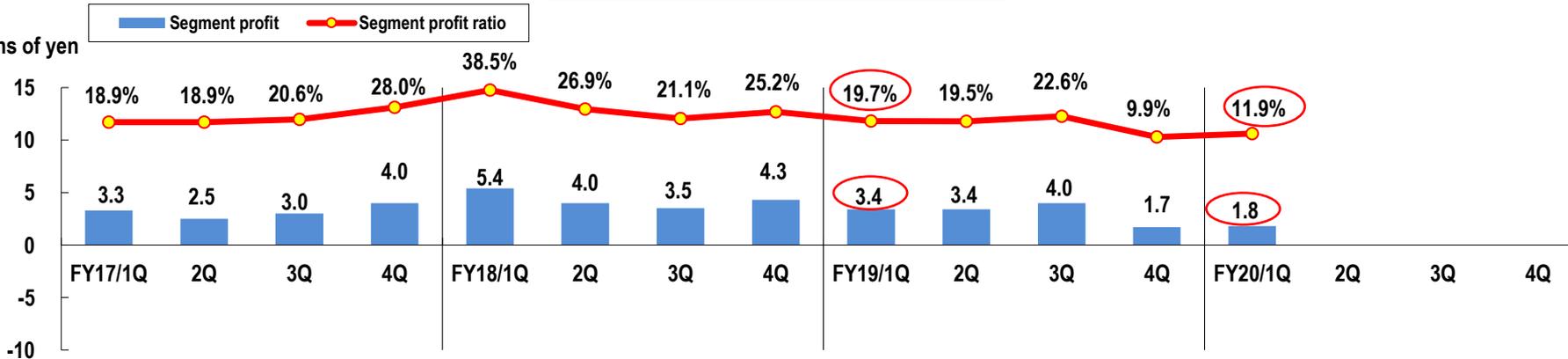


Exchange rates

	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5			
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6			
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1			

Quarterly segment profit

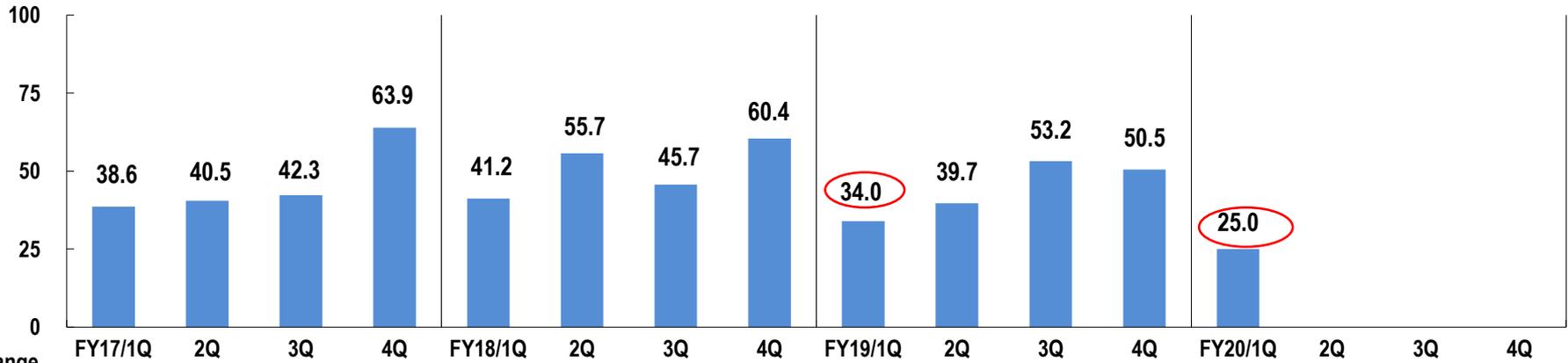
Billions of yen



Industrial Machinery & Others: Quarterly Sales and Segment Profit

Billions of yen

Quarterly sales

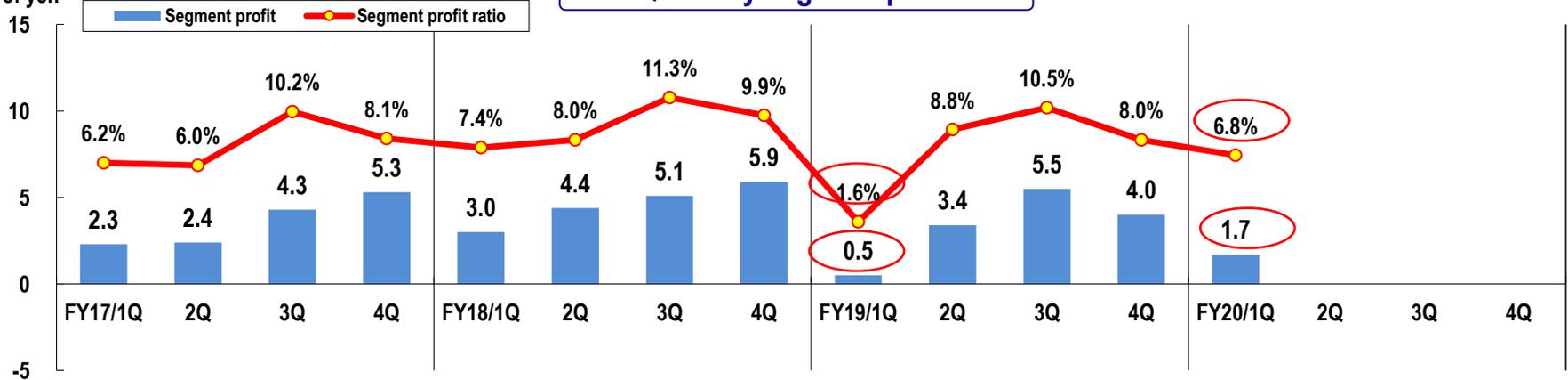


Exchange rates

	17/1Q	17/2Q	17/3Q	17/4Q	18/1Q	18/2Q	18/3Q	18/4Q	19/1Q	19/2Q	19/3Q	19/4Q	20/1Q	20/2Q	20/3Q	20/4Q
¥/USD	111.2	110.9	113.0	109.6	108.2	111.2	113.5	109.4	110.0	107.9	108.6	108.1	107.5			
¥/EUR	121.6	129.9	133.2	133.7	130.1	129.6	129.6	124.7	123.2	120.0	119.7	120.0	118.6			
¥/RMB	16.3	16.6	17.0	17.2	17.1	16.4	16.4	16.2	16.2	15.5	15.4	15.5	15.1			

Billions of yen

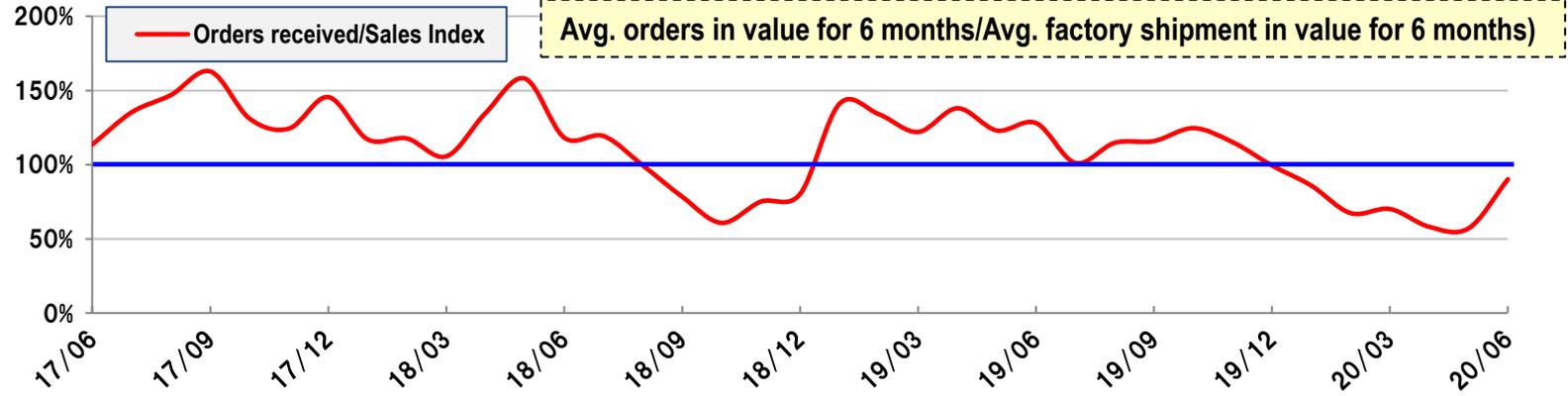
Quarterly segment profit



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

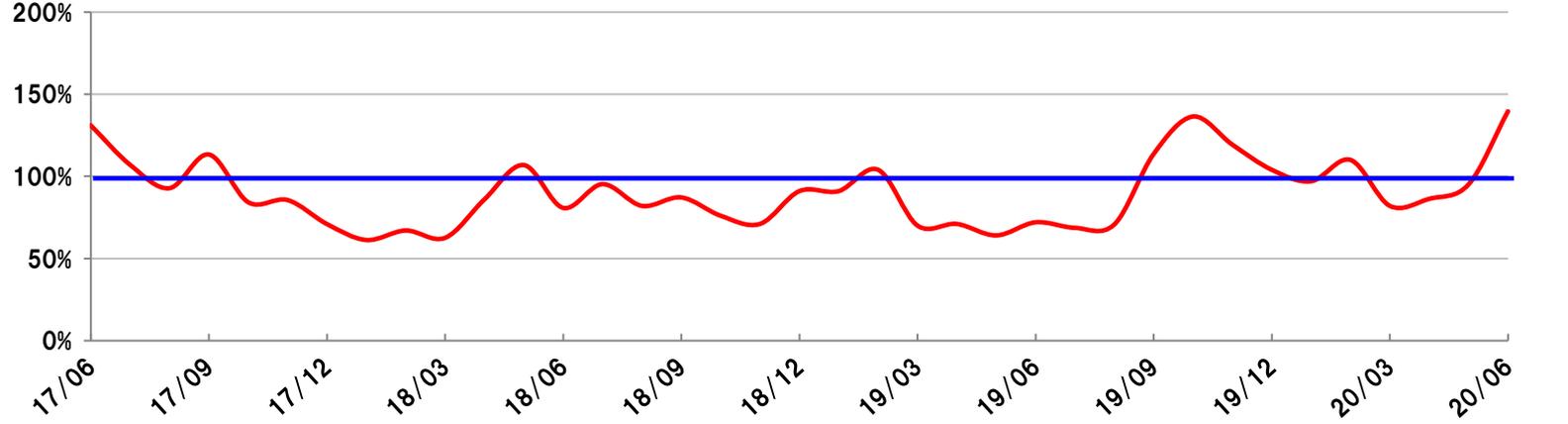
Komatsu America (Mining eqpt)

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



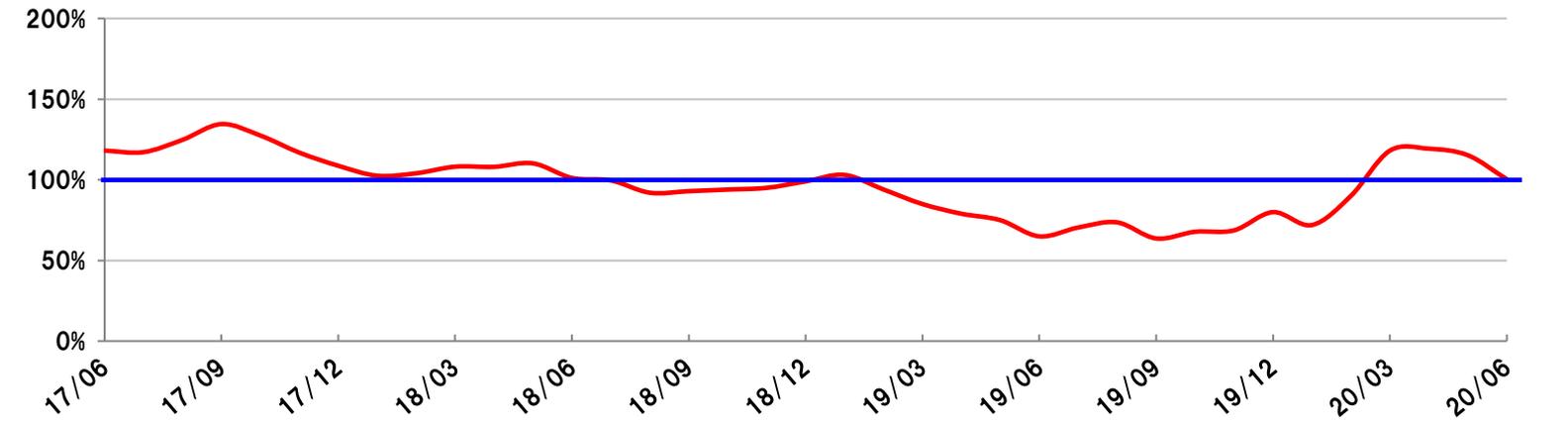
Komatsu Germany (Mining eqpt)

PC3000, PC4000
PC5500, PC7000
PC8000



Komatsu Ltd. (Mining eqpt)

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

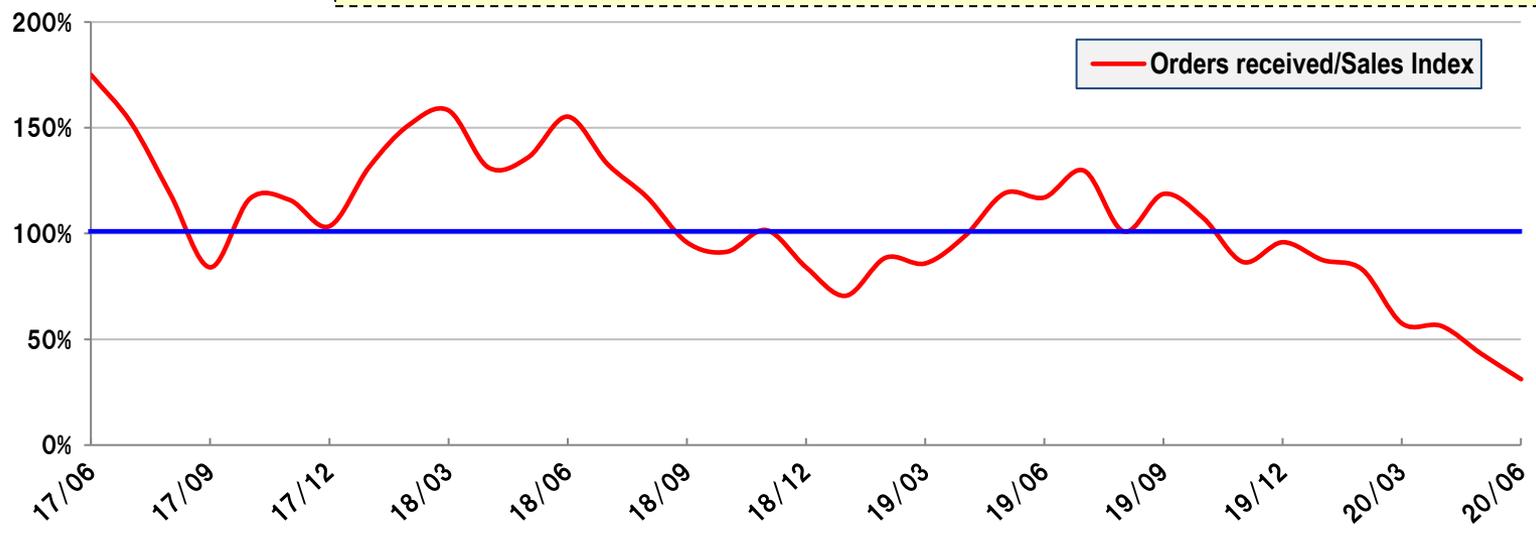


Book-to-Bill Ratio for KMC Mining Equipment (6 Months)

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

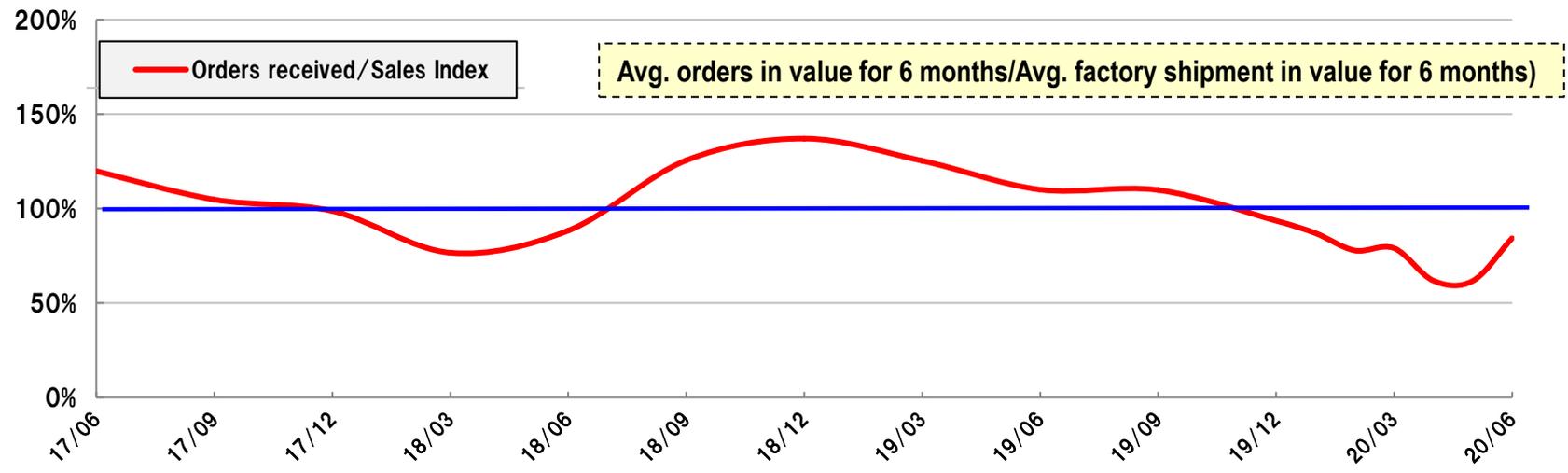
KMC
(Mining eqpt)

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

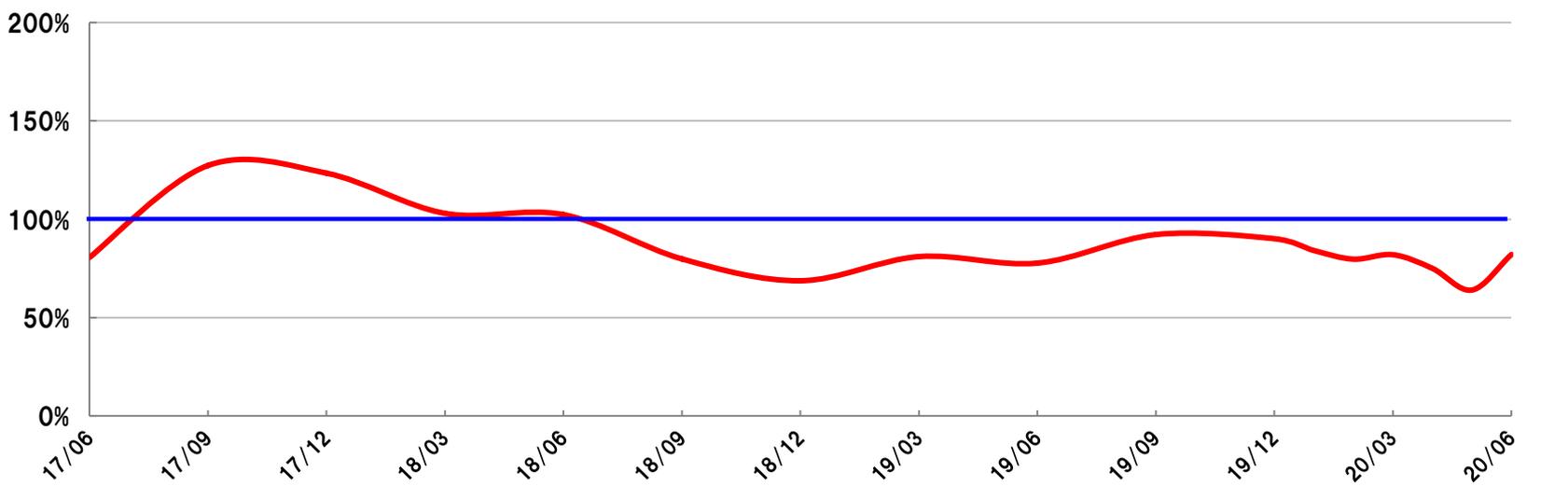


Book-to-Bill Ratio for Industrial Machinery (6 Months)

Komatsu Industries



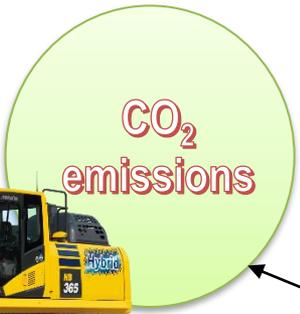
Komatsu NTC



Issuance of Komatsu's First Green Bond

Hybrid equipment

Electric Equipment



We plan to use the proceeds from this green bond to:

Issue amount: JPY 10 billion
Issue date: July 16, 2020
Maturity: 5 years
Interest rate: 0.130%

- develop eco-friendly products and services; and
- reduce environmental impact in production.

Smart Construction

Next-generation KOMTRAX

Next-generation plant



KOMATSU Autonomous Haulage System: Hauling the cumulative total of 3 billion tons of excavated earth.

43

2005: Trial deployment in Codelco's copper mine in Chile.

As of June 30, 2020: Operated a **total of 251 AHS dump trucks in 11 mines in 4 countries 24/7.**

At the end of July: **Hauled the cumulative total of 3 billion tons of excavated earth.**



To strengthen Himi Plant's material technology development and perform a role of the global Mother plant of materials for the Komatsu Group, Komatsu is going to transplant the functions of the current seal ring factory into the new factory, thereby working to dynamically improve product quality, productivity and environmental performance of the factory.

Note: Seal rings are high-precision parts which are used to prevent lubricant from leaking inside the undercarriage components, such as final drives, a key component of construction equipment.

New technologies			
	Expansion of centrifugal casting	High efficiency processing line	AI-powered visual inspection
New	 Sand molding	 Polishing	 Visual Inspection
	 centrifugal casting	 High efficiency grinding	 AI-powered inspection



Press Release on Jul. 15, 2020

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.