



Komatsu IR-DAY 2025

Ambition of Value Creation in the Middle East Market Driving Value with Ambition

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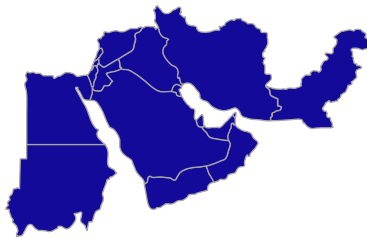
- 1. Overview of the Middle East Market and Komatsu Business**
- 2. Komatsu's Initiatives in the Middle East Market**
- 3. Introduction of Regional Headquarters Komatsu Middle East FZE (KME)**
- 4. Construction Equipment and Quarry Segment**
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1. Overview of the Middle East Market and Komatsu Business

- **Overseeing 16 countries in the Middle East. Despite high geopolitical risks in some countries, it is a growing market with expected expansion in infrastructure investments to shift away from oil dependency.**
- **Capturing growing demand, sales have remained at record levels (approximately 100 billion yen) since FY23.**

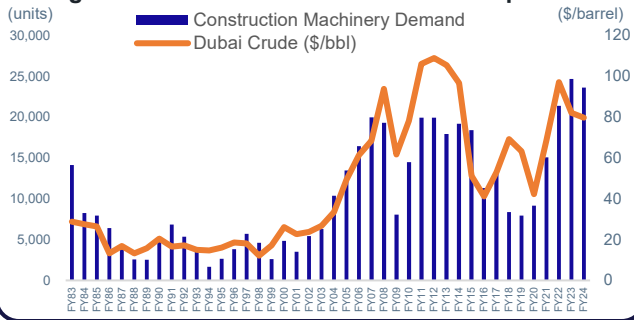
Middle East Market

■ Overseeing 16 countries around the Middle East



- [Characteristics]
- ✓ Oil producing countries
 - ✓ Geopolitical Risk
 - Gaza Conflict
 - Sanctions in Iran
 - Syrian Civil War, etc.
 - ✓ Government Fiscal Risk

■ Construction equipment demand and Dubai crude: Strong correlation between demand and oil prices



[Source] Major 7 construction equipment demand: Komatsu's estimate

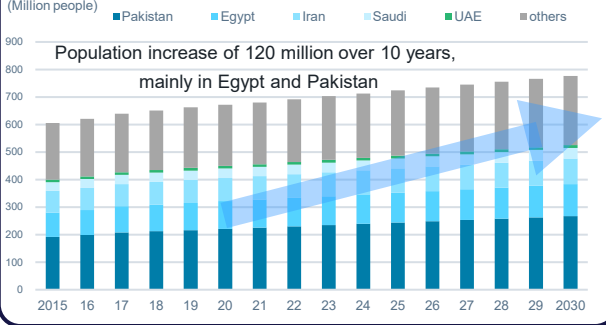
Business Environments

■ Oil producing countries are boosting investments to reduce dependence on oil.

- ✓ Saudi Arabia Vision 2030
- ✓ Saudi: 2030 Expo, 2034 FIFA World Cup
- ✓ UAE: Airport Expansion, Palm Jebel Ali
- ✓ Expansion of infrastructure investments such as Gulf Railway construction



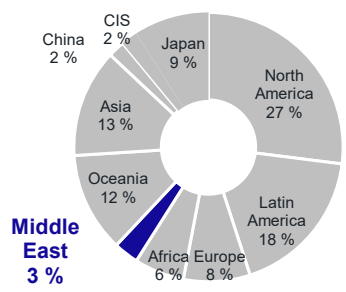
■ Population trend : Stable population growth



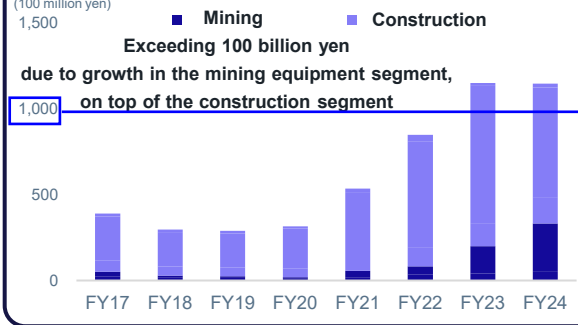
[Source] Population Trends: UN World Population Prospects

Komatsu Business

■ Regional Sales Composition (FY24)



■ Equipment and Parts sales by segment

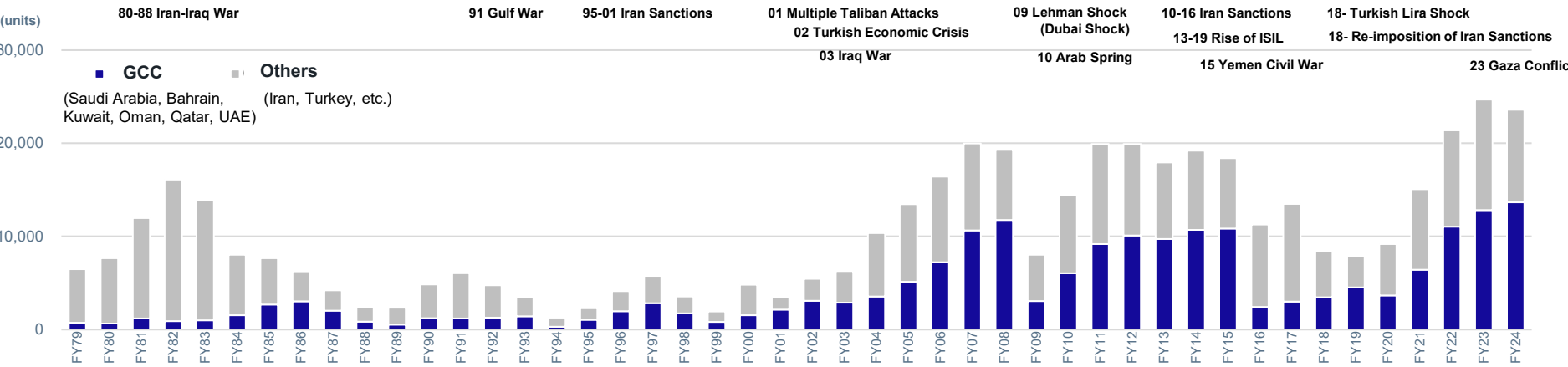


2. Komatsu's Initiatives in the Middle East Market

- Demand is heavily impacted by wars and political instability. Investment to infrastructure accelerated from the 2020s
- Established subsidiary in 1999, expanded facilities in 2019. Strengthening Middle East business by regional headquarters establishment in 2024

■ Middle East Construction Equipment Demand and Komatsu's Initiatives

[Source] Major 7 construction equipment demand: Komatsu's estimate

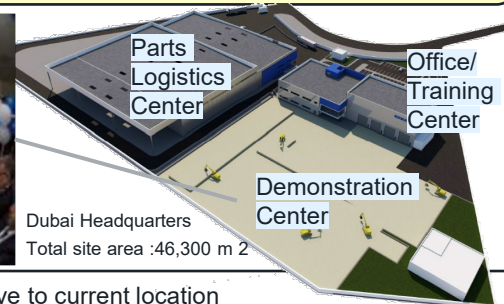
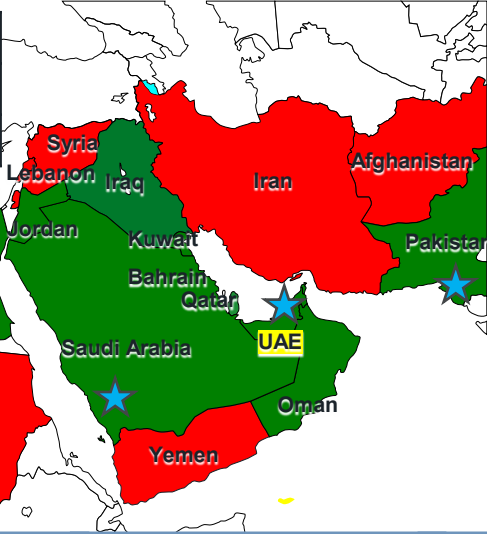


| 1980s | 1990s | 2000-2010s | 2020s |
|---|---|---|--|
| ODA and government bidding markets <ul style="list-style-type: none"> Government projects for Iran, Iraq etc Knockdown production in Turkey from 1989 to 2001 (Hydraulic Excavators/Wheel Loaders) Opening of representative offices across the Middle East | Indirect trade through trading firms <ul style="list-style-type: none"> Office closures due to political issues Sales suspension in Iran from 1994 to 2001 Established Komatsu Middle East FZE (KME) in 1999 | Shift to commercial market <ul style="list-style-type: none"> Direct trade by Komatsu Iran sanctions lifted in 02, sales resumed Knockdown production in Iran 2003 to 11 Dubai stock operation started in 2012 Established Dubai Training & Demonstration Center in 2019 | Demand growth through decarbonization investments <ul style="list-style-type: none"> Increase in mining, new city construction, and infrastructure investments Re-established Cairo office in 2023 Komatsu Middle East FZE (KME) as Regional headquarters in 24 |

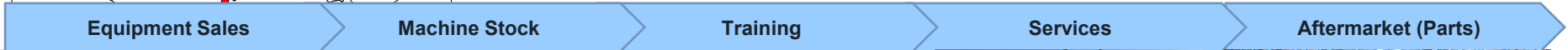
3. Introduction of Regional Headquarters Komatsu Middle East FZE (KME)

- Komatsu's Middle East cover 17 countries, including parts of north Africa (7 countries in suspension of business)
 - Established Komatsu Middle East in 1999, expanded facilities in 2019.
- Strengthening Middle East business by regional headquarters establishment in 2024**

| | |
|------------------------|--------------|
| Regular business | 10 |
| Suspension of business | 7 |
| Total Countries | 17 countries |



| | |
|-------------------|---|
| History | 1999: Establishment, 2019: Move to current location |
| Number of Bases ★ | 4: Dubai Headquarters, Jeddah Branch ('26/1~), Cairo Office ('23/2~), Karachi Subsidiary ('25/7~) |
| # of Employees | 123 employees (immigrants and expats from 23 countries) |
| # of Distributors | 10 companies (All independent) |

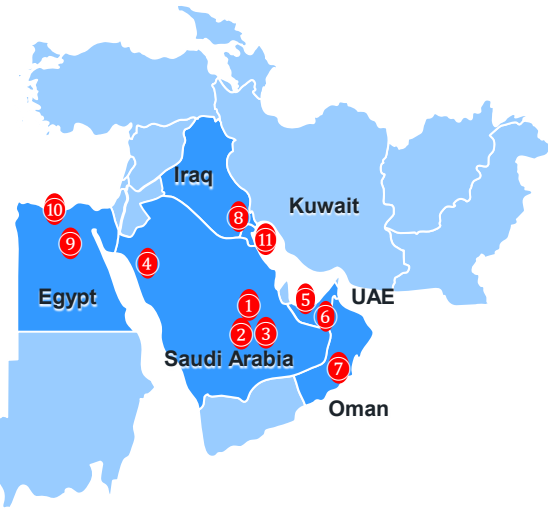


4. Construction Equipment and Quarry Segment: Market Characteristics and Changes in External Environment (1)

- Mega projects emerging in gulf countries like UAE and Saudi Arabia toward reducing dependence of on oil
- A vast number of construction equipment is used in large-scale land development and infrastructure construction such as roads and railways

■ Examples of Mega Projects

The numbers in red are estimated investments
 【 Source 】 Komatsu's estimate



1 Riyadh Expo 2030

An Unprecedented World Expo

\$8BUSD

<https://www.expo2030riyadh.sa/en/>

2 FIFA World Cup 2034

\$10BUSD

<https://saudi2034.com.sa/avision-legacy/>

3 Riyadh Mega City

\$50BUSD

<https://www.pif.gov.sa/en/our-investments/our-portfolio/new-murabba/>

4 NEOM Project

OXAGON

<https://www.neom.com/en-us/about>

5 Palm Jebel Ali

\$40BUSD

<https://thepalm-jebelali.com/>

6 Dubai Airport Expansion

\$35BUSD

<https://dubaiairport.ae/en/corporate/our-story/dwc-dubai-world-central>

7 Duqm Port Expansion

\$50-million-for-duqm-port-expansion

<https://www.omanobserver.om/article/1170766/business/economy/50-million-for-duqm-port-expansion>

8 Iraq Railway Construction

\$17BUSD

<https://www.railjournal.com/regions/middle-east/iraq-turkey-development-road-designs-complete/>

9 Cairo Administrative Capital Construction

\$58BUSD

<https://www.presidency.eg/en/>

10 Egypt Resort Construction

\$35BUSD

<https://asahi-hokkai.com>

11 Kuwait Maritime City Development

\$5BUSD

LA'ALA AL-KUWAIT REAL ESTATE CO.

<https://laalaalkuwait.com/presentation/la-ala-al-kuwait/>

Gulf Railway Network

Connecting the 6 GCC

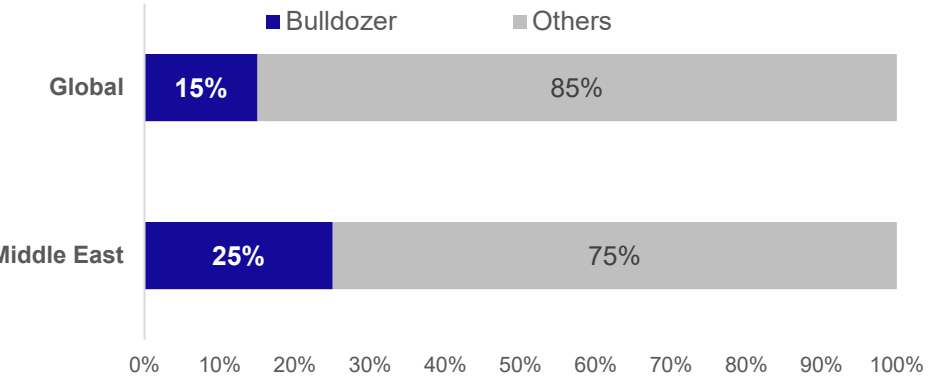
<https://www.gccrailway.com/#>

4. Construction Equipment and Quarry Segment: Market Characteristics and Changes in External Environment (2)

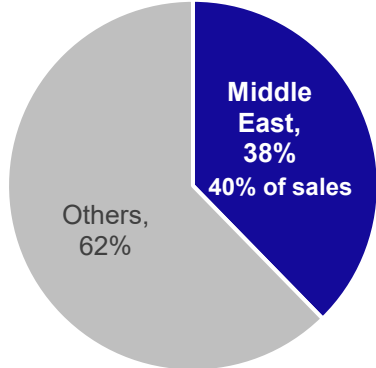
- The sales ratio of bulldozers is particularly large as a market characteristic. 40% of Komatsu's large bulldozer sales
- Bulldozers are intensively used at large-scale site development and quarries. Strategically important product

■Komatsu sales ratio by product (FY24)

- ✓ The sales ratio of bulldozers is high compared to the global average
⇒Efficiently develop vast lands and excavate hard rock
- ✓ Sales of large-size bulldozers are the highest in the Middle East



■Sales of large-size bulldozers by region (FY24)



D155A : Weight 40t



D475A : Weight 100t



■Operating sites of large-size bulldozers

UAE: Large-scale site development



Saudi Arabia: Quarry



5. Construction Equipment and Quarry Segment: KME New Mid-term Strategic Growth Plan

- Comprehensive after-sales service, extended warranties, and training are crucial for differentiation in sandy, dusty and rocky working environment in the Middle East.
- Potential for synergy between the Middle East large-scale construction projects and ICT bulldozers

- **Strengthening Service, Extended Warranties, and Training**
 - ✓ Distributors are major conglomerates in each country. Many of them have a long history and experiences with Komatsu
 - ✓ KME have strengths in having logistics hub, service, and training facility within the region

- **Potential of ICT Bulldozers**
 - ✓ Trial site example: Large-scale leveling at the world's largest solar park
 - ✓ Visualizing the quality of the leveled surface by ICT function
 - ✓ Work efficiency doubled compared to conventional method

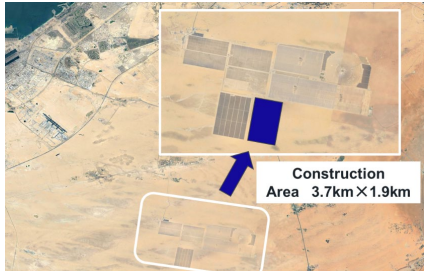
Logistics Hub



Parts and Service Activities



Solar park leveling site



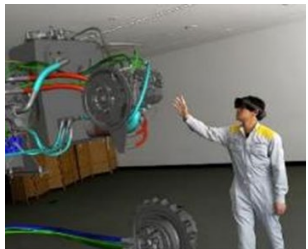
Solar panels



Simulator



Training with VR Goggles



Leveling trial with ICT bulldozer



5. Mining Segment: Market Characteristics and Changes in External Environment

- Increase in mining projects due to the policy of industrial diversification (moving away from an oil monoculture economy)
- Potential for mega mining developments in Saudi Arabia, Egypt, Jordan, Pakistan, etc.

■ Mining Projects in the Middle East



■ Saudi Arabia ①

- ✓ Minerals: Phosphate, Gold, Copper, Zinc, etc.
- ✓ Mining designated as a key sector in Vision 2030
- ✓ Mineral resource reserves: \$2.5 trillion



Future Mineral Forum @ Riyadh ('25/1)

■ Egypt ②

- ✓ Minerals: Gold, Phosphate, Iron Ore, etc.
- ✓ Entry of global mining companies

■ United Arab Emirates (UAE) ③

- ✓ Minerals: Quarrying (Limestone, Gabbro, etc.)
- ✓ One of the world's largest quarry mines. Supplying to domestic and international construction projects

■ Jordan ④

- ✓ Minerals: Phosphate, Potash, Oil Shale
- ✓ 7th largest phosphate reserves in the world

■ Pakistan ⑤

- ✓ Minerals: Gold, Copper, Coal, etc.
- ✓ Located in the world-renowned Tethys Belt, with potential for copper and gold.



5. Mining Segment: KME New Mid-term Strategic Growth Plan

■ First ultra-scale mining equipment order in the Middle East, planning to deliver \$440 million worth of mining equipment to the Reko Diq mine, strengthening and accumulating support capabilities for mining operation through subsidiary establishment. Building a foundation for the growth of the mining business in this region.

■ Islamic Republic of Pakistan

| | |
|-------------------------|--|
| Area | 796,000 km ² (about 2x size of Japan) |
| Population | 240 million (5th in the world) |
| Capital | Islamabad (largest city is Karachi) |
| Head of state | President Asif Ali Zardari |
| # of Japanese Companies | 68 *Source: Jetro as of June 27, 2025 |
| Nature | Second highest peak K2 (8,611m) |



■ Reko Diq Mine

- Owners: Barrick Mining (50%), Federal & State Government (50%)
- Production Start: 2028
- Location: Northwestern Pakistan
- Minerals: Copper/Gold (Open-pit)
- Mine Life: Over 40 years
- Potential: 8th largest copper mine



A world-class ultra-scale project for developing new copper and gold mines

■ Komatsu's equipment

Dump Truck 980E



Hydraulic Excavator PC700



Rope Shovel 4100XPC



Wheel Loader WE2350



■ Strengthening mine site support structure

- ✓ To strongly support 24/7 mining operations, established local entity **KOMATSU PAKISTAN MINING (SMC-PRIVATE) LIMITED** to provide on-site services and support. (Established in July 2025, headquartered in Karachi. A subsidiary of KME)
- ✓ Komatsu Middle East FZE (UAE, Dubai) also plans to invest in **strengthening the supply structure for parts and components** for ultra-scale mining equipment.

6. KME New Mid-term Strategic Growth Plan Summary

In the Middle East market, which has entered a medium to long-term growth phase, KME is to become a “A Collaborative partner committed to optimizing safe, productive, and clean workplaces”, and become the top player in all segments of construction equipment, quarrying, and mining.

Risk < Opportunity

- Progress in post-oil and low-carbon economy, Infrastructure and Giga Projects
- Development of new mining projects
- Opening of Syrian market, End of conflicts (Yemen, Sudan, Lebanon)
- Further prolonged decline in oil prices, drop in mineral resource prices
- Further deterioration of geopolitical situation



ICT bulldozer maximally demonstrate Komatsu's strength



Strengthen support structure of ultra-scale mining equipment



Strategic investment for expansion of facilities and equipment



Judo Clinic at local school in Dubai (Komatsu Women's Judo Club)



F1-colored dump truck to increase in brand awareness



Kids Event Increase fans through grassroots activities and build a future talent pool

Thank you for your kind attention

2024 Multi-cultural Day (KME employees representing 23 nationalities share local foods, attire and culture)



Cairo Office



Saudi Expats



Komatsu Pakistan Mining

