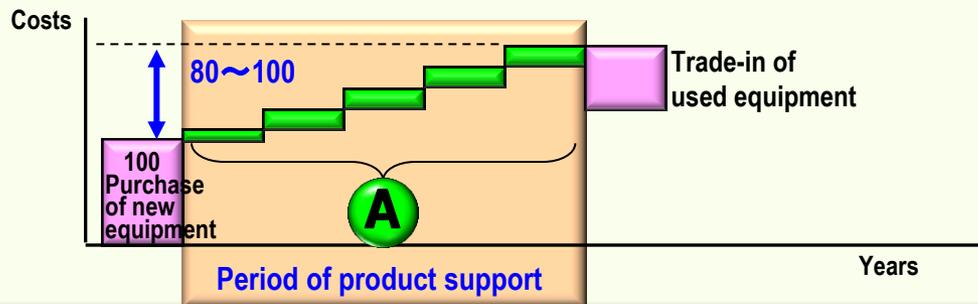


Komatsu's Aftermarket Business Strategies

December 17, 2012

Hidetaka Kita
President of Aftermarket Business Division
Komatsu Ltd.

Lifecycle costs of construction equipment

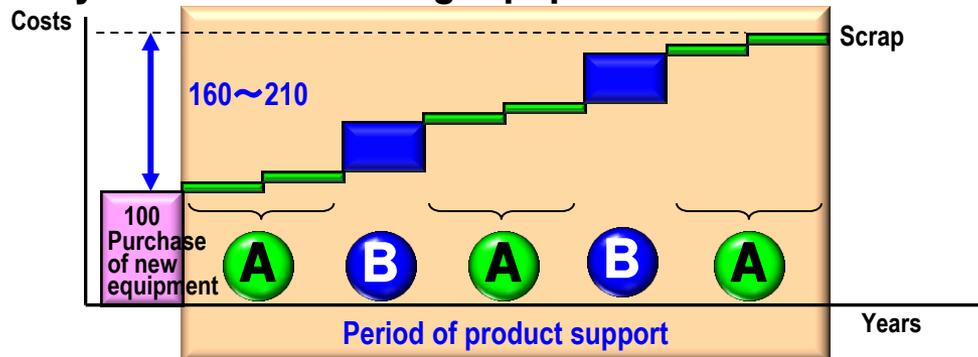


Activities to keep machine running after delivery

A : - Maintenance (periodic inspection)
- Repair - Spare parts

B : - Overhaul of key components via Reman/rebuild
(Engines, transmissions, hydraulic equipment, etc.)

Lifecycle costs of mining equipment



By offering **A** and **B** to customers through **high-quality service**;

1) we keep machine downtime minimum and improve customer satisfaction in order to become indispensable to our customers, and

2) we also ensure our distributors' **base of stable earnings**.

Strengthen

- Capture **A** and **B** unfliningly.
- Expand sales of parts.

Roles of product support



Roles

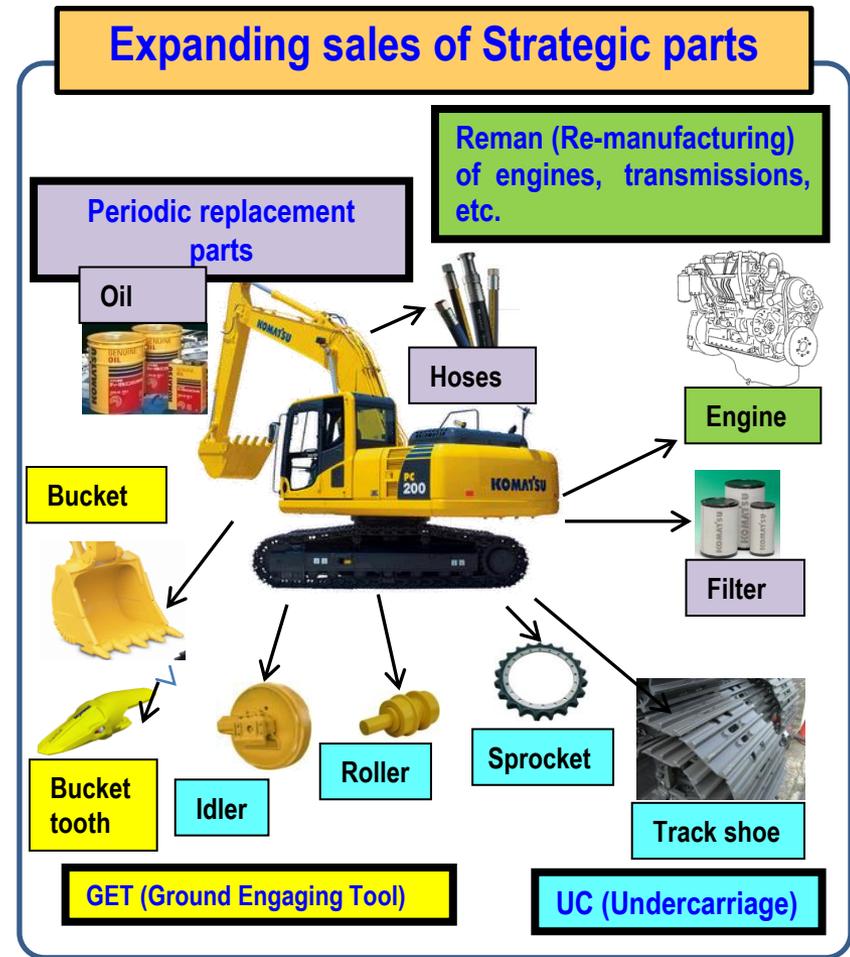
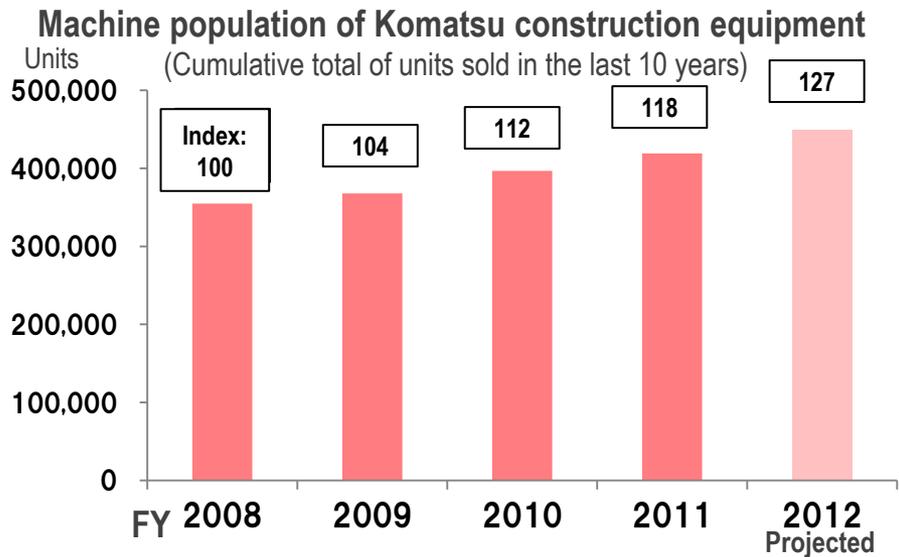
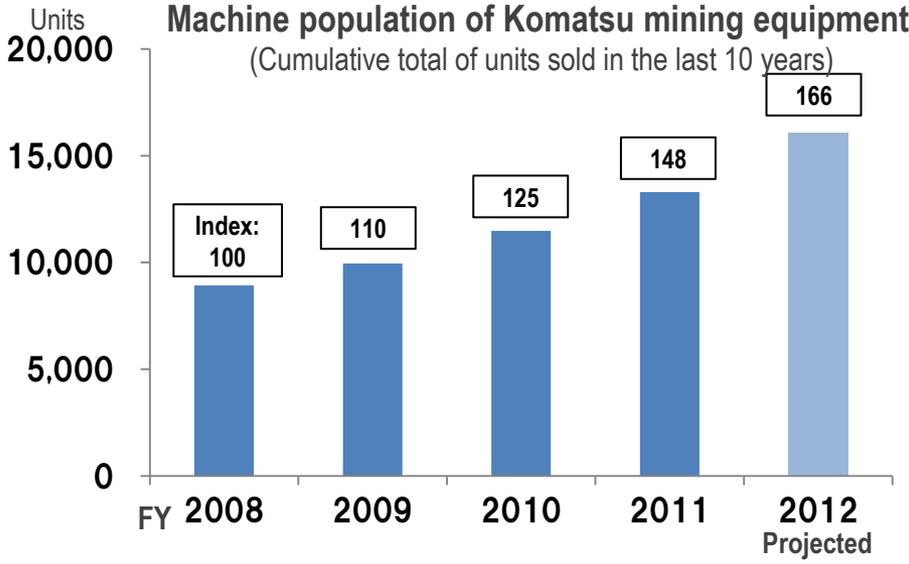
- Supply of spare parts
- Stock of functional parts
- Quality assurance
- Supports
- Training of distributors
- Human resource development

- Point of contact and response to customers
- Sales of parts
- Stock of wear-out parts
- Maintenance/repair
- Info. gathering and transmission
- Training

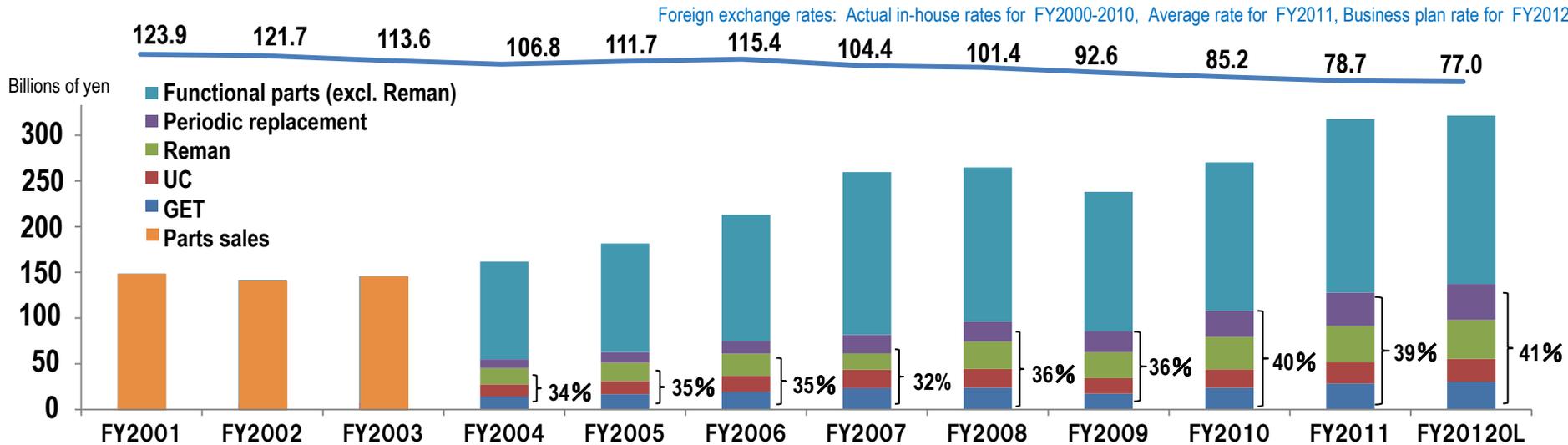
2. Parts Market: Komatsu's Machine Population

- Our machine population has been growing, supported by expanding demand for new equipment.
 - Parts sales are less impacted by economic conditions, when compared to sales of equipment.

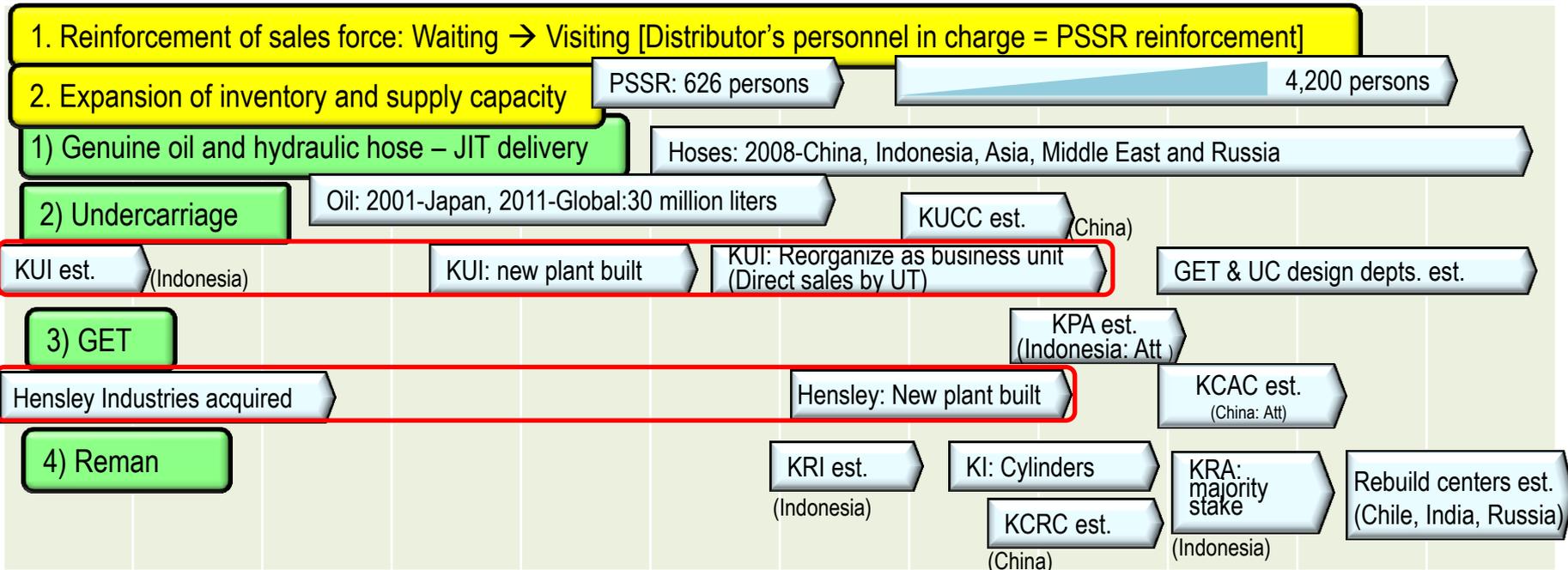
- We are working to further expand sales of parts as our base of stable earnings.
 - Especially, we are focusing efforts to boost sales of strategic parts (see below).



3. 10-Year Review of Parts Business



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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1. Purpose

To accelerate the speed of developing and sales of strategic parts by establishing the division which handles them exclusively.

- 1) Reinforcement of development and design depts.: Development and timely supply of **unique products**.
- 2) Establishment of headquarter organization to support distributors' Product Support Sales Representatives (PSSR) as well as **train and assign more Sales Engineers (SE) to overseas subsidiaries**.

Notes: 1) PSSR: Distributors' sales personnel in charge of parts and service

2) SE: Komatsu's personnel (incl. those on loan) in charge of sales of parts and technical support

2. Operations

<Products>

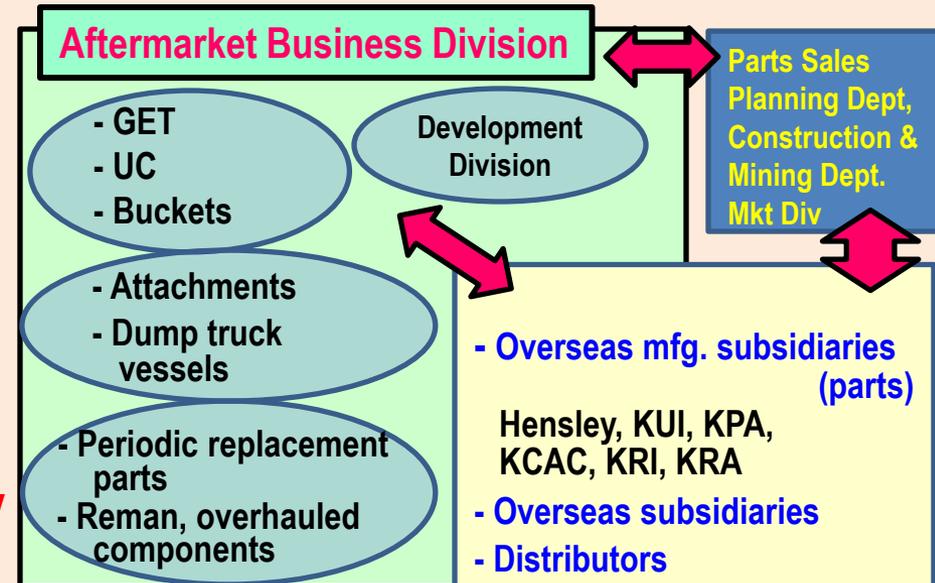
- Strategic parts

- GET (ground-engaging tools)
- UC (undercarriages)
- Buckets
- Attachments
- Dump truck vessels
- Periodic replacement parts, such as hoses, oil and filters
- Overhauled components, etc.

- Applicable construction and mining equipment:
Komatsu and other brand equipment being used by customers

<Organization>

- Organized in line with the segments of strategic



2. Operations (cont.)

<Description>

1) Reinforcement and expansion of sales by strategic parts and regions

- Narrow down target regions and place priorities. Strengthen operations best suited for the respective regions.
- Allocate SEs and designers to plants to quickly incorporate customer needs.
- Specialize PSSRs by strategic parts.

(Note) SE : Sales Engineer, PSSR : Product Support Sales Representative

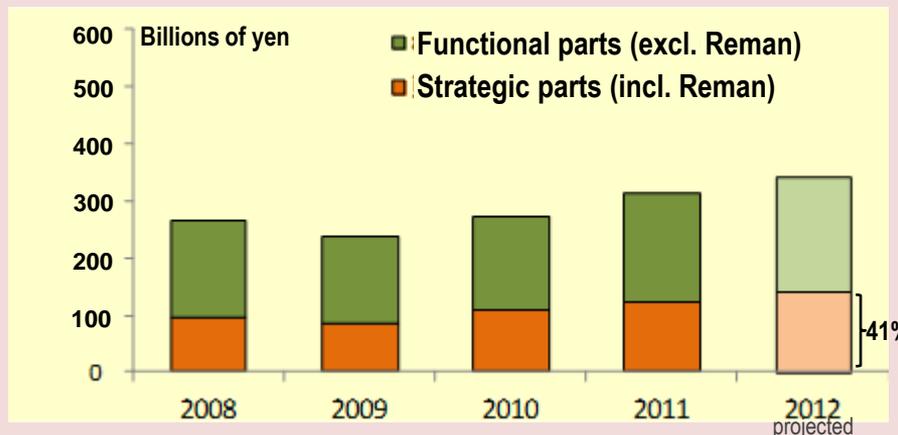
2) Expansion of product mix

- Develop products to help customers' business (reduction in the lifecycle costs, improvement of productivity)
- Develop unique products which offer the values of safety and convenience to customers and broaden the product mix.
- Expand business into attachments and vessels and reinforce engagement.

3) Reinforcement of human resource development and collaboration

- Develop human resources in a planned manner so that they will become a group of experts.
- Strengthen collaboration with plants and suppliers in addition to distributors and overseas subsidiaries.

<Sales targets>



FY2015 sales

- Total parts: 1.8 times from FY2011
- Strategic parts: Over 40% of total sales of parts