OUTLINE OF KOMATSU : Main Products

■ Products

Bulldozer

Hydraulic excavator (Crawler-type)

Hydraulic excavator (Wheel-type)

Wheel loader

Dump truck

Articulated dump truck

Motor grader

Available models may vary by region or country.

■ Manufacturing Bases of Construction Equipment

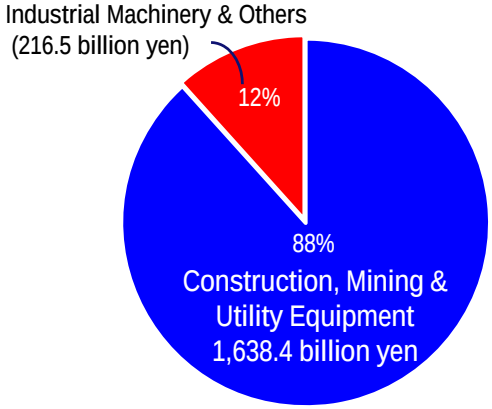
KOMATSU

Consolidated Business Results for FY2015

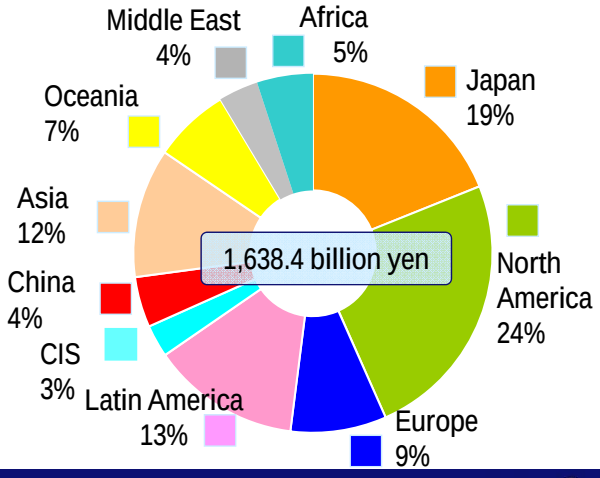
- Established : May 13, 1921
- Net sales : 1,854.9billion yen
- Operating income : 208.5 billion yen
- Total assets : 2,614.6 billion yen

- Consolidated subsidiaries: 141
  16 in Japan and 125 in overseas
- Consolidated number of employees:
  47,017
  (non-Japanese: approx. 57%)

Sales* by Segment



Sales* breakdown of Construction, Mining & Utility Equipment by Region



*Sales to outside customers

KOMATSU

ENVIRONMENT OF KOMATSU

July 13 2016

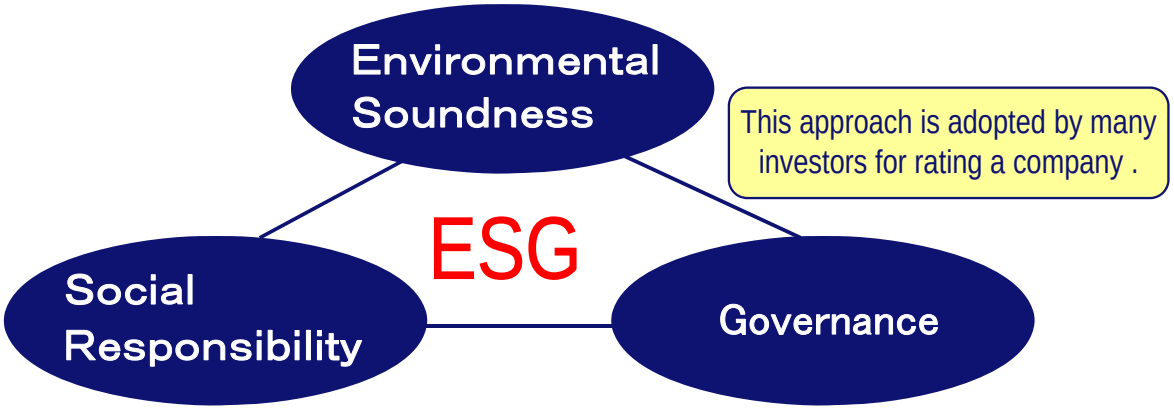
Basic Concept of "Good Company"

Conventional: Pursuing financial performance only

Definitions are changing.

From now on : Pursuing sustainable development.

To this end, we need management of our business in a manner that balances the three aspects of Environment, Society and Governance



Mid-Range Management Plan
(FY2016 -18)

Together We Innovate GEMBA Worldwide
Growth Toward Our 100th Anniversary(2021) and Beyond

April 27, 2016

Tetsuji Ohashi
President and CEO
Komatsu Ltd.

Mid-Range Management Plan (FY2016-18) : Selection

- We will work for growth as we meet changes in our surrounding environment and tasks

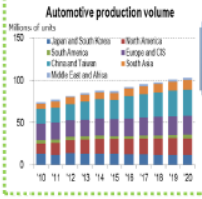
Changes in the environment of demand

Assumed changes of demand (conceptual)

Demand for construction and mining equipment

Construction and mining equipment remain as a growth industry, but will be sluggish for the time being.

Automotive production volume



Demand for industrial machinery

Demand will grow, supported by increases in capital investment by automakers and demand for semiconductors.

Changes in the social environment

ESG tasks

Evaluation of corporate efforts in Environment, Society and Governance will become more important.

Surrounding environment and tasks of Komatsu

Growth Strategies Based on Innovation
Growth Strategies of Existing Businesses
Structural Reforms Designed to Reinforce the Business Foundation

GEMBA tasks

Shortage of skilled workers on jobsites

Jobsite Labor Shortage of Construction Industry in Japan

Labor shortage is growing at civil engineering and construction jobsites in Japan.

Shortage of skilled workers is becoming evident in Western and emerging countries as well.

IoT

IoT*-based innovation is underway at manufacturing and machine operation jobsites.

IoT* stands for Internet of Things and is designed to create new value by connect things on the Internet.

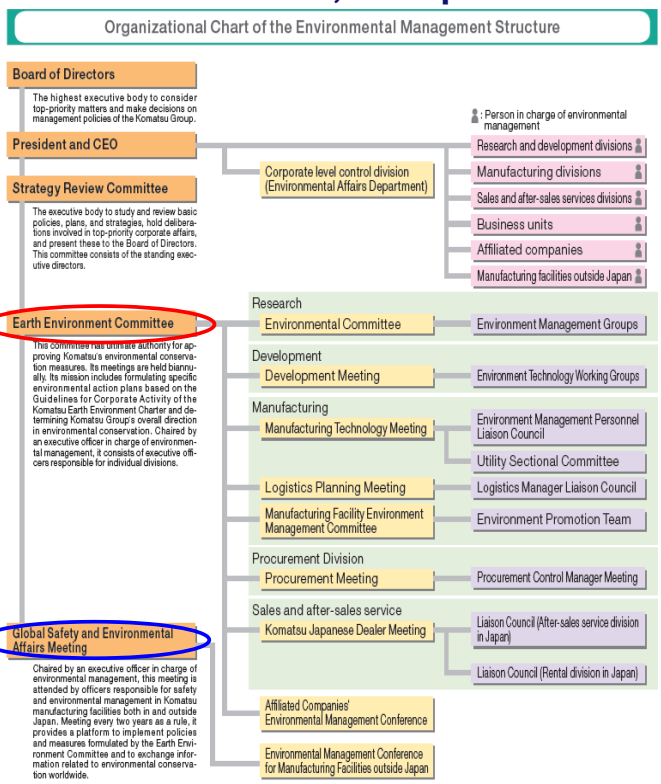
Improvement of safety, productivity and TCO*

Needs to improve safety and productivity and reduce TCO are growing at construction and mining equipment jobsites.

TCO* stands for Total Cost of Ownership and means total costs of customers' jobsite operations.

Earth Environment Charter (June 2010 revision)

Framework of Global, Group-wide Environmental Management System



ISO14001 Integrated Certification

Global Safety and Environmental Affairs Meeting (at the Komatsu Way Global Institute)

KOMATSU

New Awazu Plant & Biomass Power generation

Topics: New assembly factory at the Awazu Plant

We plan to reduce annual purchase electricity for a new assembly factory by about 90% by taking advantage of reduced shop floor space as a result of consolidating two old factories, saving energy for air conditioning and lighting, and creating energy with a biomass-fired steam boiler system and solar panels. At the same time, we have doubled productivity per shop floor space of the new assembly factory.

New assembly factory

Concerning biomass power generation, we are using wood chips (7,000 tons per year), supplied by the Kaga Forestry Association, to operate boilers to make steam, which is used for a compressor and generators. Waste heat of the steam is utilized by an absorption-type refrigerating machine. All together, we are expecting to save about 1,400MWh of electricity and about 800K liters of fuel oil annually.

Biomass power generation facility

KOMATSU

Reducing CO2 Emissions from Construction Equipment

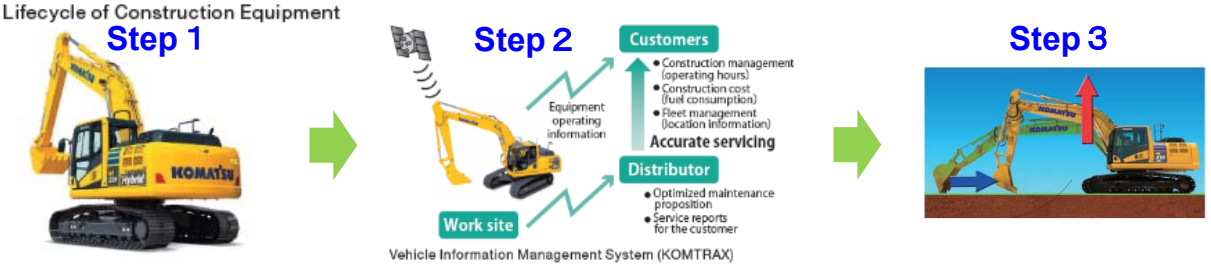
Step 1 Improve the fuel efficiency of construction equipment ("Dantotsu" products)

Step 2 Cut the fuel consumption of construction equipment through suggested usage improvements ("Dantotsu" services)

Step 3 Drastically enhance construction efficiency and thereby reduce fuel consumption by using automatic control on construction equipment ("Dantotsu" solutions)

Komatsu is broadening the scope of its approach to CO_2 emissions reduction by offering solutions as well as products, and by providing innovative ways to cut CO_2 emissions to its customers.

Lifecycle of Construction Equipment



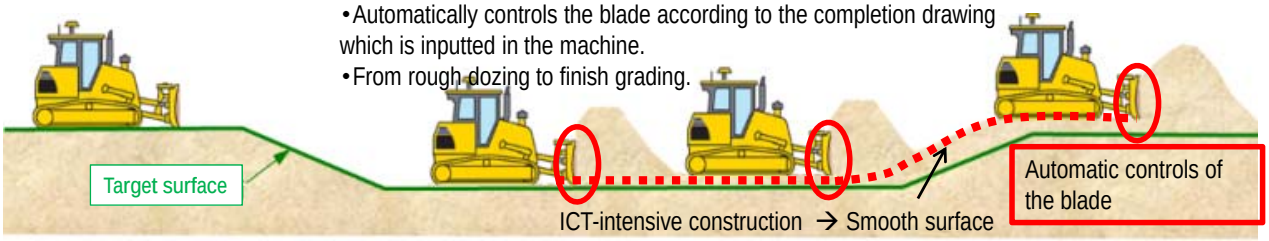
"Dantotsu " products | "Dantotsu " services | "Dantotsu " solutions

Solutions (Machine Control Construction Equipment)

•Machine Control construction equipment (bulldozers, hydraulic excavators, etc.) can automatically control their blades and buckets by using ICT (Information and Communication Technology) such as high-precision GNSS (Global Navigation Satellite System).

ICT-intensive construction by bulldozer

•Automatically controls the blade according to the completion drawing which is inputted in the machine.
•From rough dozing to finish grading.



Our DANTOTSU Machine Control construction equipment

◆ D61PXi bulldozer

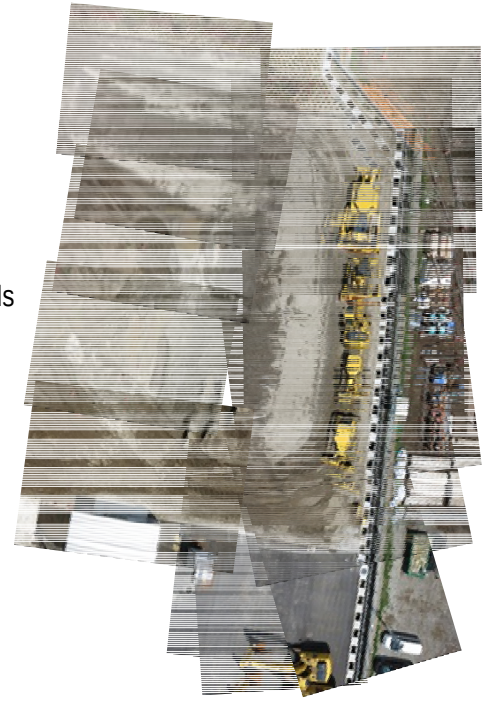
◆ PC200i hydraulic excavator

High-precision survey of site conditions

By using SKYCATCH-made UAV*

*UAV：Unmanned Aerial Vehicle

- High-precision surveying
- Full automatic from take off to landing
- Automatic flight routing
- Automatic generation of 3D point clouds

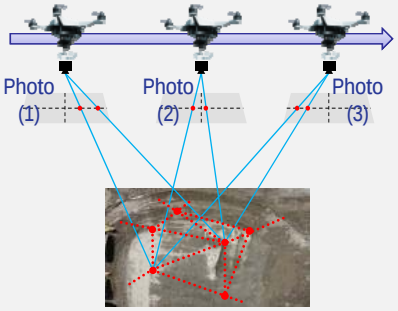


Take photos of the entire site.

Generate 3D point clouds through image synthesis.

Survey principle

Calculate the positional relation and distance by taking pictures of the same objects in different angles.



KOMTRAX

Komatsu Machine Tracking System

<Machine life cycle cost>

Initial cost
-Machine cost

+

Operating Cost
-Maintenance
-Fuel
-Operator's wage
-Others

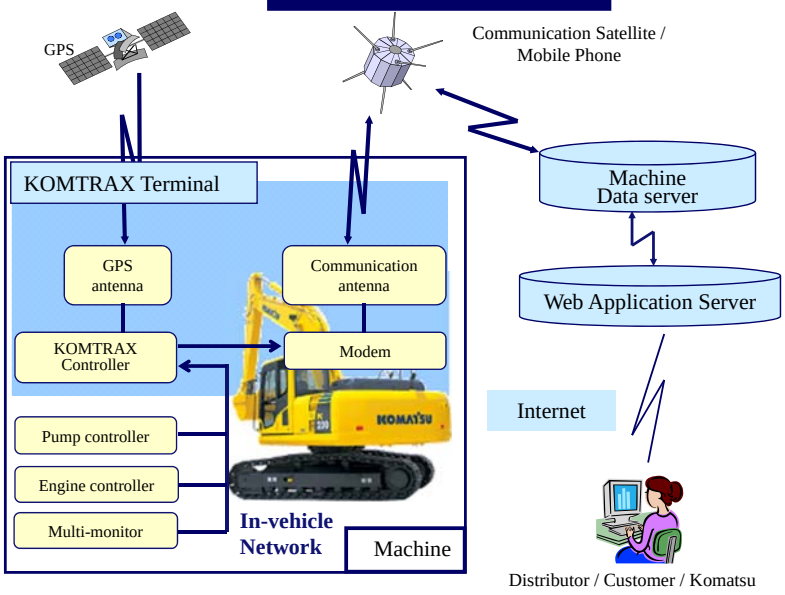
KOMTRAX

KOMTRAX is *Machine management system* by machine monitoring, using Information and Communication Technology for construction equipment

<Monitoring items>
-Service meter
-Machine position
-Working record
-Cautions
-Fuel level, etc.

The monitoring items differs model by model.

How KOMTRAX works



This service is not available in certain area.

UN Sustainable Development Goals 2015-2030

SDGs 17 Goals：

■ ENVIRONMENT
- ①NO POVERTY
- ⑨INDUSTRY,INNOVATION AND INFRASTRUCTURE
- ⑪SUSTAINABLE CITIES AND COMMUNITIES
- ⑯PEACE AND JUSTICE

■ RESOURCES
- ②ZERO HUNGER
- ⑮LIFE ON LAND
- ⑥CLEAN WATER AND SANITATION
- ⑦AFFORDABLE AND CLEAN ENERGY
- ⑬CLIMATE ACTION

■ ABILITY
- ④QUALITY EDUCATION
- ⑤GENDER EQUALITY
- ③GOOD HEALTH

■ GROWTH
- ⑧DECENT WORK AND ECONOMIC GROWTH
- ⑩REDUCED INEQUALITIES
- ⑫RESPONSIBLE CONSUMPTION
- ⑭LIFE BELOW WATER
- ⑰PARTNERSHIPS FOR THE GOALS

Thank you for your attention