For Immediate Release

Komatsu Ltd.
Corporate Communications Dept.
Tel: +81-(0)3-5561-2616
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Announcement Concerning the Revision of Projected Business Results

Komatsu Ltd. ("Company") (President and CEO: Hiroyuki Ogawa) and its consolidated subsidiaries (together "Komatsu") have revised the projections for consolidated business results for the fiscal year ending March 31, 2020 (April 1, 2019 - March 31, 2020), which the Company announced on April 26, 2019.

Projection for Consolidated Business Results for the Fiscal Year Ending March 31, 2020 (U.S. GAAP)

Millions of yen except per share amounts

	Current projection	Earlier projection	Changes		Results for FY ended March 31, 2019
	[A]	[B]	[A-B]	[(A-B)/B]	
Net sales	**2,472,000**	2,617,000	(145,000)	(5.5) %	2,725,243
Operating income	**279,000**	337,000	(58,000)	(17.2) %	397,806
Income before income taxes and equity in earnings of affiliated companies	**257,000**	317,000	(60,000)	(18.9) %	377,471
Net income attributable to Komatsu Ltd.	**180,000**	215,000	(35,000)	(16.3) %	256,491
Net income attributable to Komatsu Ltd. per share - Basic (Yen)	**190.64**	227.78	-	-	271.81

Reasons for the Revision

In the first six-month period (April 1 - September 30, 2019) of the fiscal year ending March 31, 2020, demand slowed down in Strategic Markets, especially in China and Indonesia underperformed the projections. Concerning the second six-month period (October 1, 2019 - March 31, 2020), Komatsu anticipates that demand might weaken more than projected due to uncertainty in the external environment, as represented by the China-United States trade war. Komatsu has reassessed projected foreign exchange rates, which are preconditions for the projection of full-year results. Specifically, Komatsu has changed the average exchange rates in the second six-month period to USD1=JPY100, EUR1=JPY111 and RMB1=JPY14.0. As a result, Komatsu has revised consolidated sales and profits of the full-year projection of April 26, 2019 for FY2019 (April 1, 2019 - March 31, 2020).

Komatsu estimates the average exchange rates for the full year as follows: USD1=JPY104.5, EUR1=JPY116.3 and RMB1=JPY14.9. (Initial assumption: USD1=JPY105, EUR1=JPY119 and RMB1=JPY15.6)

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.