

# **Global Mining Business**

**December 12, 2011**

**Kazuhiko Iwata**

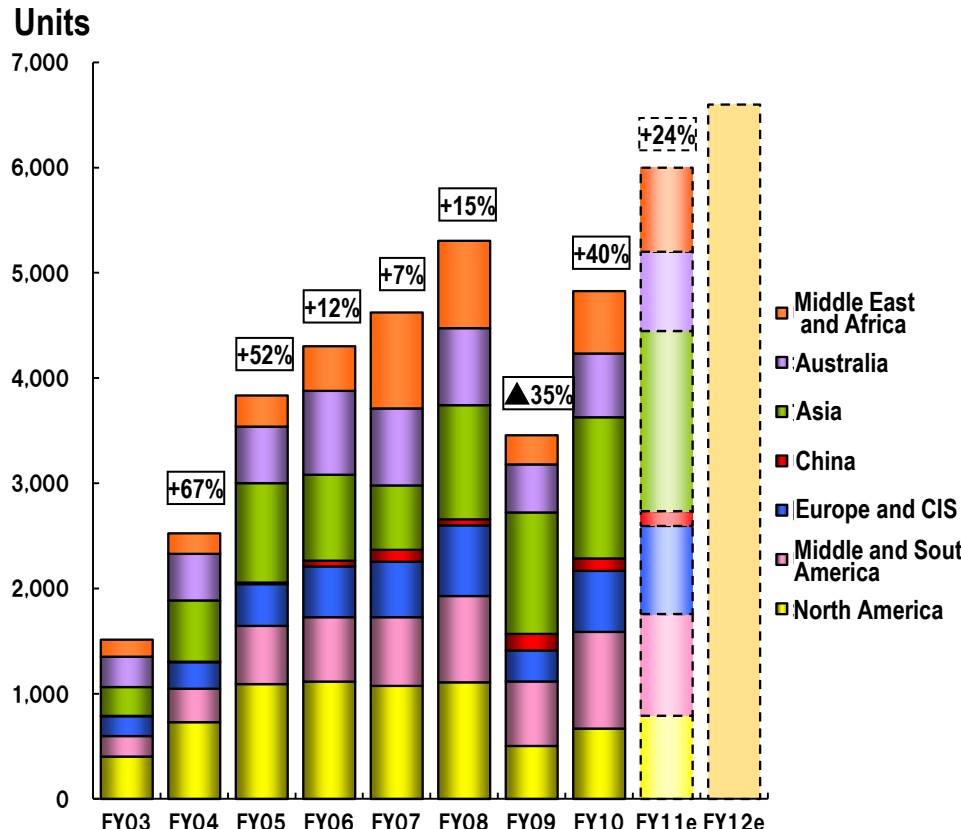
**Senior Executive Officer,**

**President of Global Mining Business,**

**Construction & Mining Equipment Marketing Division, Komatsu Ltd.**

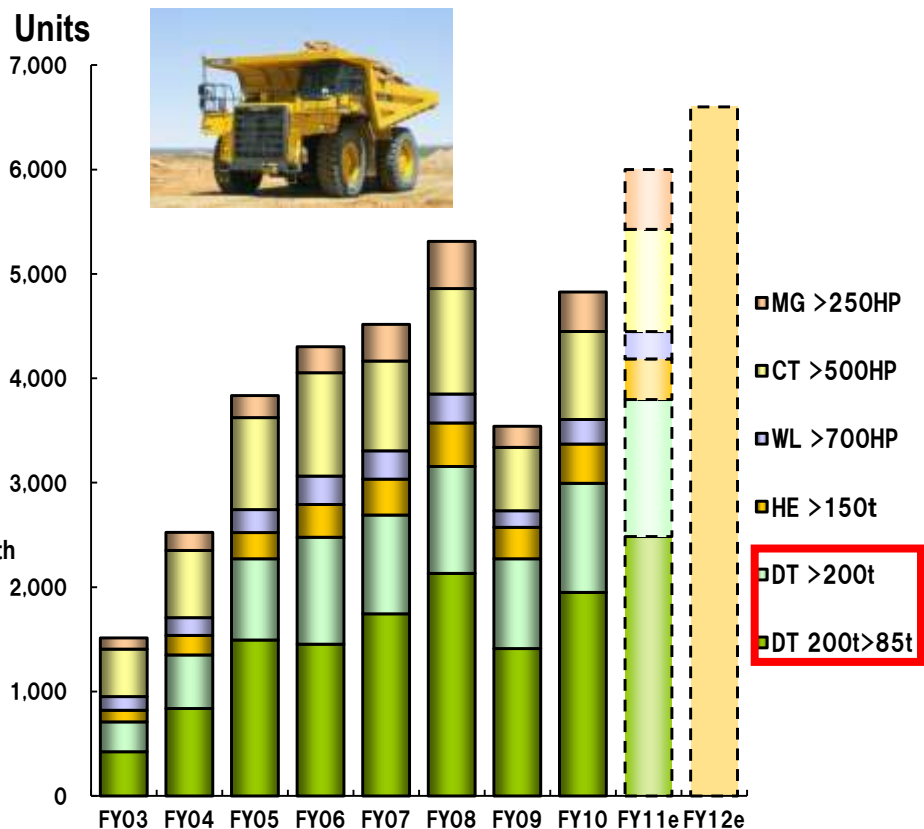
# Demand for Mining Equipment

(1) Demand by region and growth rates



**We project that demand will grow steadily centering on Asia and global demand should increase by 24% in FY2011 from FY2010.**

(2) Demand by type



**Dump trucks account for over 60% of total demand for mining equipment.**

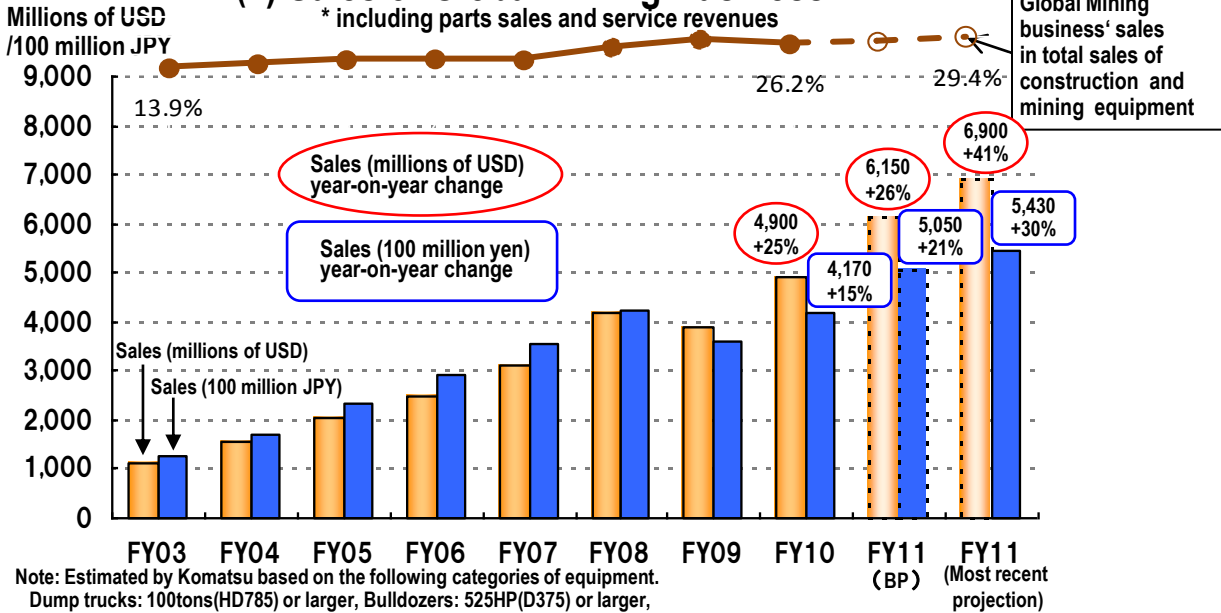
Note: Estimated by Komatsu based on the following categories of equipment.  
 Dump trucks(DT): 85tons(HD785) or larger, Bulldozers(CT): 525HP(D375) or larger, Excavators(HE): 150tons (PC1600) or larger, Wheel loaders(WL): 500HP(WA700) or larger, and Motor graders(MG): 280HP (GD825) or larger.

# Outlook of Mining Equipment

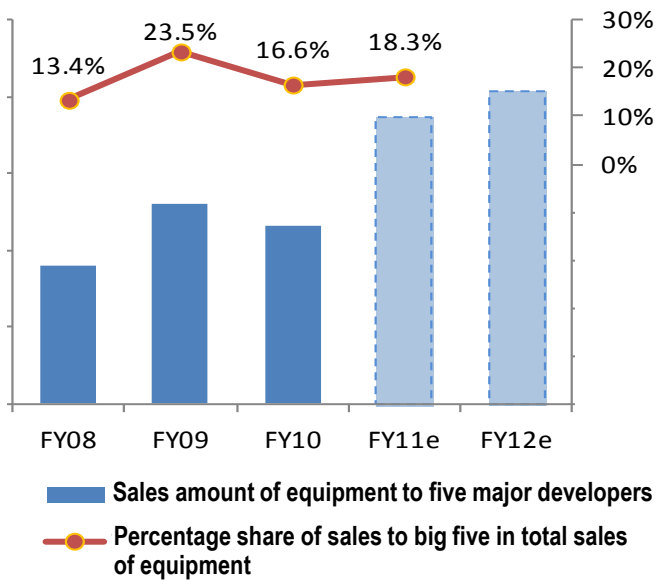
- In view of the fact that backlog orders are remaining strong, we are projecting that sales of mining equipment should advance by 30% (Japanese yen basis) in FY2011 from FY2010.

- Major resource developers have aggressive plans to purchase new equipment for the development of new mines and expansion of production or renewals of equipment at existing mines based on their projection of increasing demand for commodities.

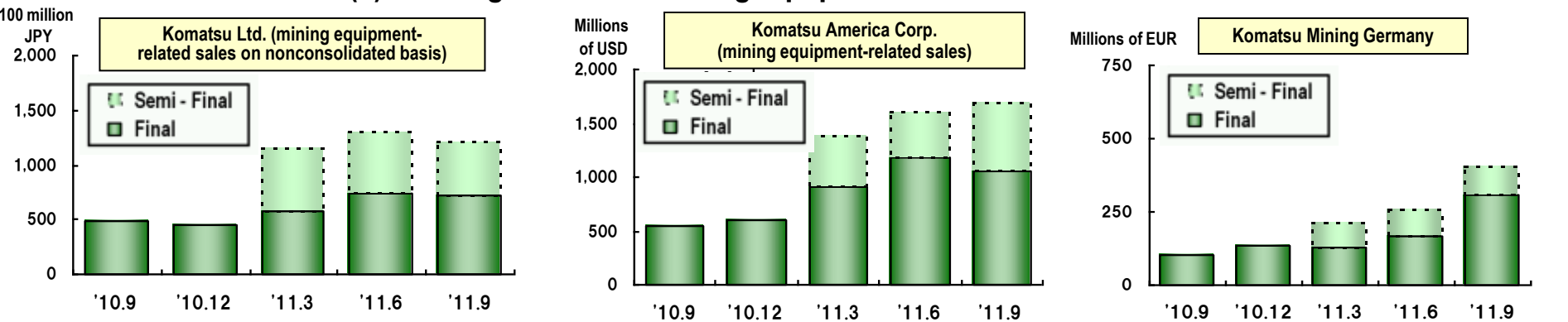
## (1) Sales of Global Mining Business



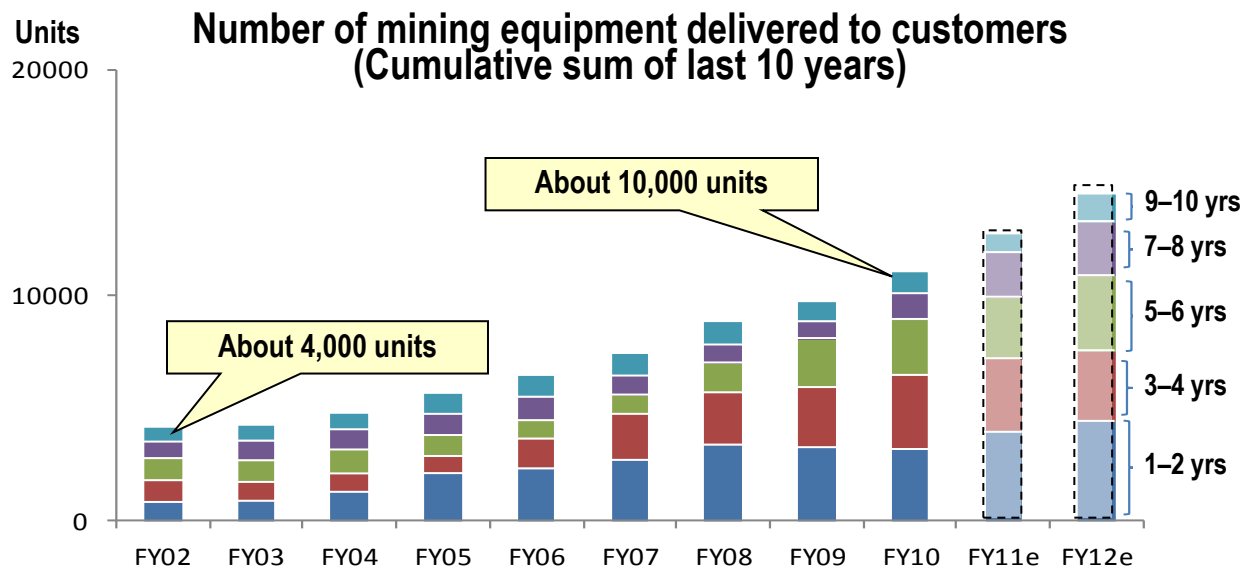
## (2) Sales amount of equipment to major resource developers



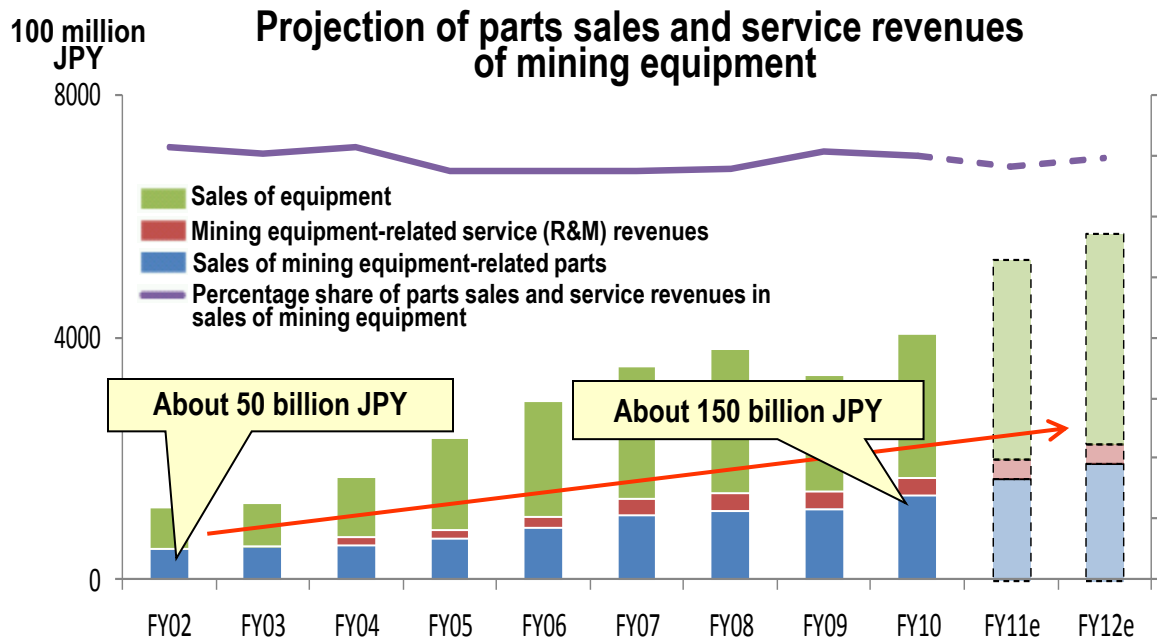
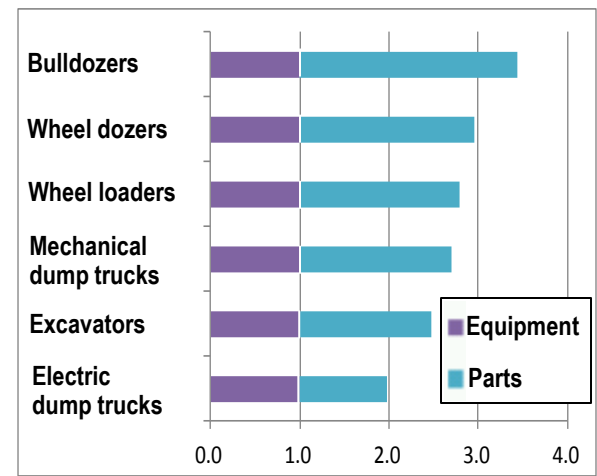
## (3) Backlog orders for mining equipment \* Equipment only and excluding parts and service



# Parts Business of Mining Equipment

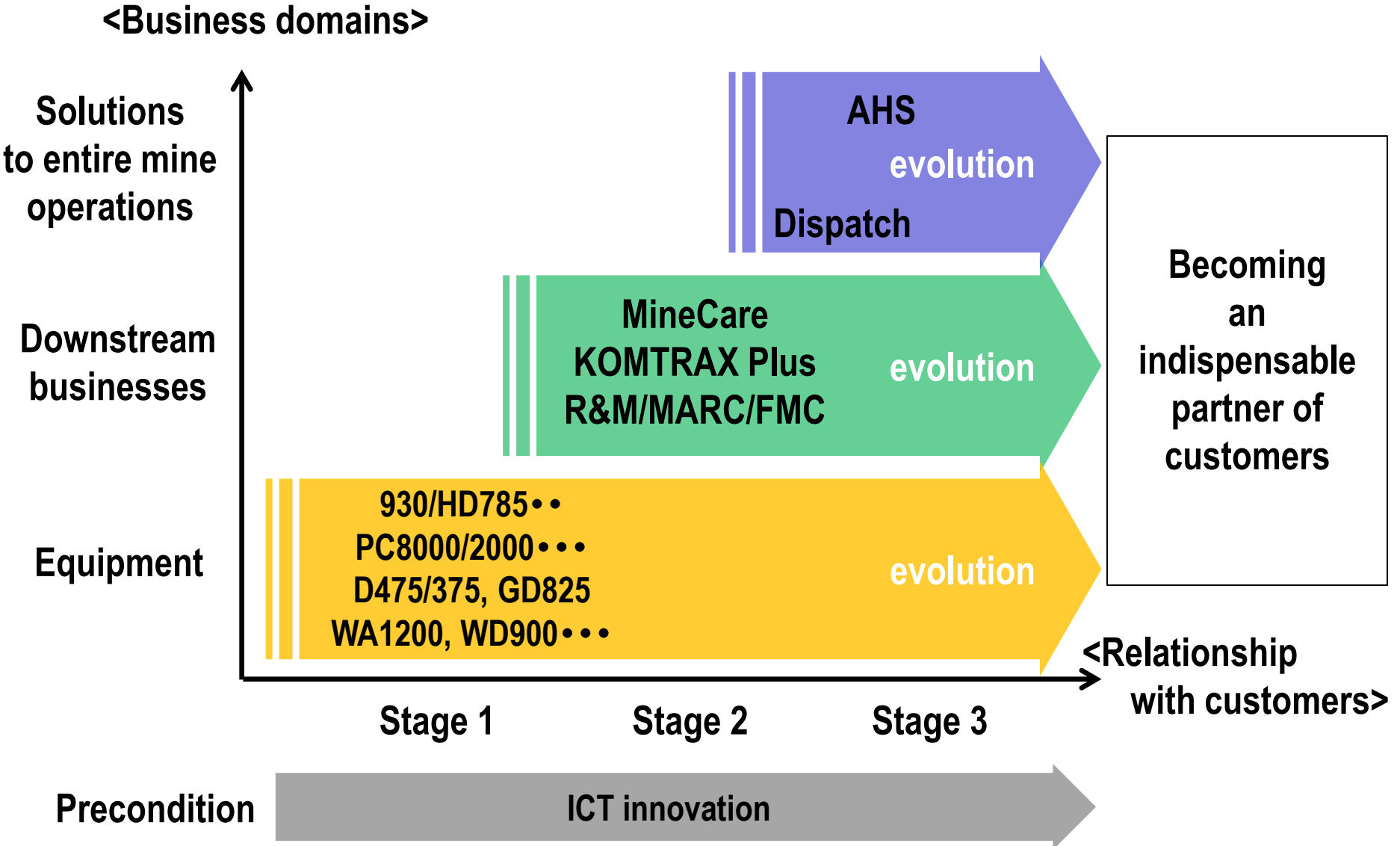


### Volume of needed parts compared to the price of equipment (Estimated)

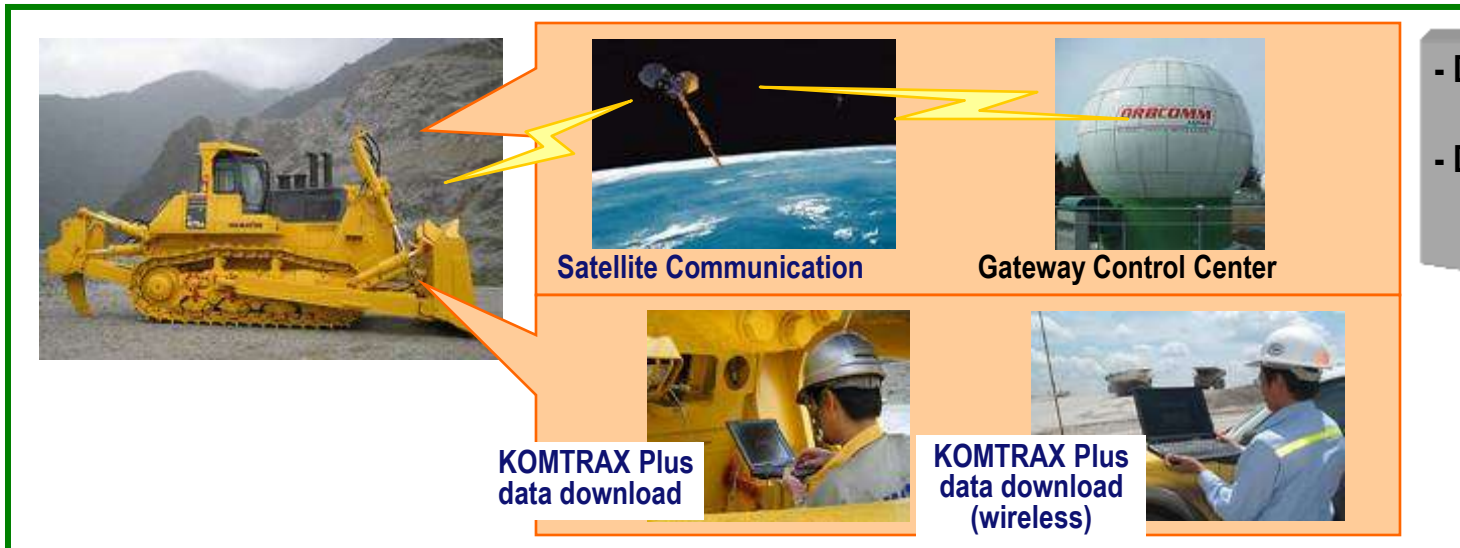


- Number of delivered equipment has increased since FY2004 in tandem with increased demand for new equipment.
- Sales of parts increased together with the growth of delivered equipment.
- Parts sales and service revenues account for about 40% of the mining equipment business.
- Parts sales and service revenues were not significantly affected even when demand for new equipment declined in FY2009.

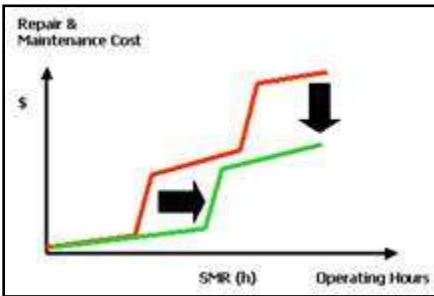
# Expansion of Customer Relationship in Mining Equipment Business



KOMTRAX Plus / WebCARE



- Data for mechanical conditions
- Data for machine operations



**Prompt communication:**  
Reducing unscheduled machine repairs

**High-precision prediction:**  
Prolonging life of key components and optimizing their use

KOMTRAX Plus data analysis



**Global database WebCARE**

Internet



At Distributor

- Reduction of repair and maintenance costs
- Keeping a high rate of machine operation

**Prediction and prevention support**

# AHS : Autonomous Haulage System

Signed a Memorandum of Understanding (MOU) with Rio Tinto.  
 Under this MOU, Komatsu and Rio Tinto plan to operate over 150 AHS dump trucks in Rio Tinto Iron Ore Pilbara operations in Western Australia by the end of 2015.

GLONASS Satellite

GPS Satellite



Master Link™



Water Truck

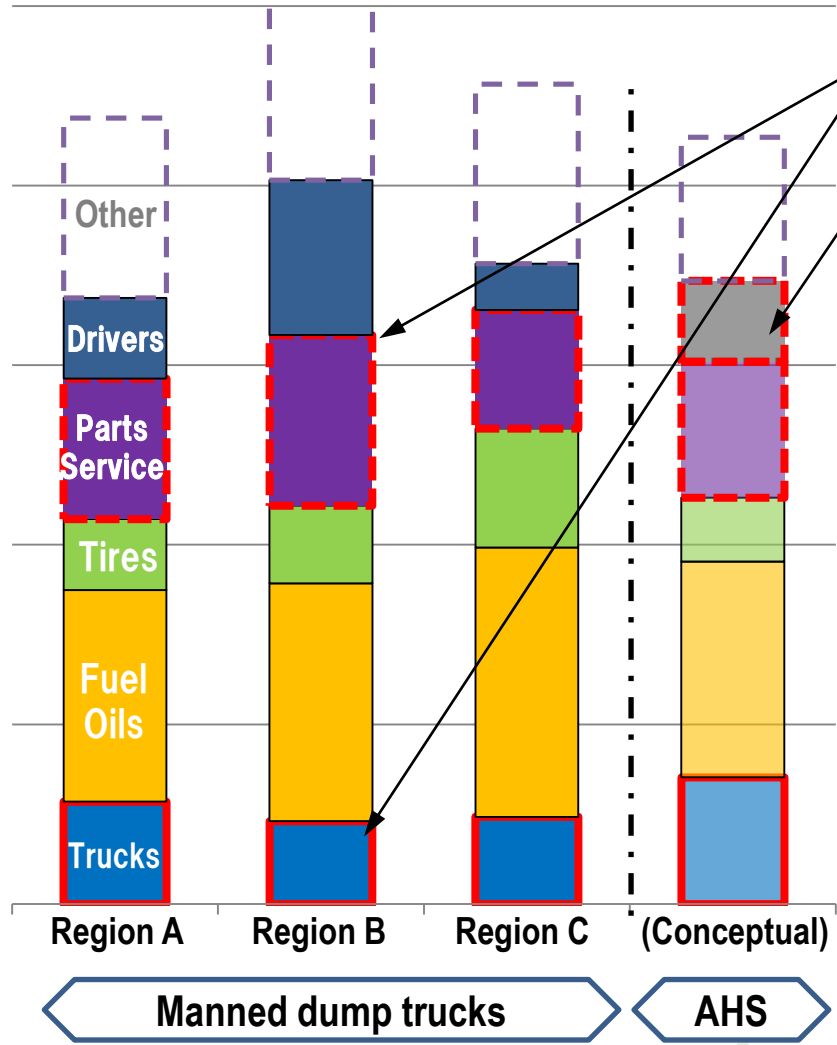
Motor Grader

Central Office



# \$/Ton of Trucks and Significance of AHS

Productivity (\$/h : Cost per hour)  
of super-large electric dump trucks



Komatsu can generate profits from conventional sales of equipment, parts sales, service revenues, etc.

**Expenses to maintain AHS**  
(control systems, parts and service)

**Introduction of AHS means:**

- Komatsu can **provide customers with safe and stable machine operation for many hours**
- Komatsu can simultaneously **help customers cut down their total costs**
- It's not merely meant to eliminate drivers' costs

It is a business model in which both customers and Komatsu can share merits to the extent that Komatsu increases its involvement in customers' business .

**Merits for customers**

- Reduction of intangible costs, including safety
- Reduction of costs for tires and fuel resulting from stable hauling of trucks
- Reduction of environmental impact

**Merits for Komatsu**

- Price increase of trucks as AHS trucks
- Sales of combined contract of trucks, operation and maintenance (Customers' costs for drivers can be replaced with those for AHS.)