

UPWARD

Fifth Consecutive Year of Growth in Sales and Profits and Third Consecutive Year of Renewing Record-High Profits

| | Results For The Year | Change (2007/2006) |
|---|----------------------------|--------------------|
| <input checked="" type="checkbox"/> Net Sales* | 1,893.3 billion yen | UP 17.4% |
| <input checked="" type="checkbox"/> Operating Income* | 244.7 billion yen | UP 49.8% |
| <input checked="" type="checkbox"/> Income from continuing operations before income taxes | 236.4 billion yen | UP 51.8% |
| <input checked="" type="checkbox"/> Net Income | 164.6 billion yen | UP 44.1% |

* In accordance with the Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," certain business results of the operations which were discontinued during the fiscal year ended March 31, 2007 are reclassified. Accordingly, the changes in percentages are stated after retrospectively reclassifying related figures for the previous year.

FORWARD

Numerical Targets of New Mid-Range Management Plan "Global Teamwork for 15"
(Fiscal 2008 – Fiscal 2010)

| | Targets For FY2010 | Results in FY2007 |
|---|--|---------------------|
| <input type="checkbox"/> Operating Income Ratio | 15% or above | 12.9% |
| <input type="checkbox"/> ROE | 20% level | 23.5% |
| <input type="checkbox"/> Net Debt-to-Equity Ratio* ¹ | 0.2 or below | 0.33 |
| <input type="checkbox"/> Consolidated Payout Ratio | 20% or above (Keeping the conventional policy for dividends) | 20.1%* ² |

*¹ Net debt-to-equity ratio = (interest-bearing debt – cash and cash equivalents – time deposits) / shareholders' equity

*² Consolidated payout ratio based on net income from continuing operations for the fiscal year ended March 31, 2007.

Financial Highlights

Komatsu Ltd. and Consolidated Subsidiaries
Years ended March 31, 2007, 2006 and 2005

| | Millions of yen (except per share amounts) | | | Thousands of U.S. dollars (except per share amounts) |
|---|---|------------|------------|---|
| | 2007 | 2006 | 2005 | 2007 |
| Net sales | ¥1,893,343 | ¥1,612,140 | ¥1,356,071 | \$16,045,280 |
| Japan | 487,103 | 482,825 | 479,007 | 4,127,992 |
| Overseas | 1,406,240 | 1,129,315 | 877,064 | 11,917,288 |
| Operating income | 244,741 | 163,428 | 95,862 | 2,074,076 |
| Operating income ratio | 12.9% | 10.1% | 7.1% | — |
| Income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies | 236,491 | 155,779 | 91,869 | 2,004,161 |
| Net income | 164,638 | 114,290 | 59,010 | 1,395,237 |
| Net income per share—basic | ¥ 165.70 | ¥ 115.13 | ¥ 59.51 | 140.42¢ |
| —diluted | ¥ 165.40 | ¥ 114.93 | ¥ 59.47 | 140.17¢ |
| ROE | 23.5% | 20.8% | 13.1% | — |
| ROA | 13.5% | 10.0% | 6.6% | — |
| Total assets | 1,843,982 | 1,652,125 | 1,449,068 | 15,626,966 |
| Shareholders' equity | 776,717 | 622,997 | 477,144 | 6,582,347 |
| Shareholders' equity ratio | 42.1% | 37.7% | 32.9% | — |
| Shareholders' equity per share | ¥ 781.57 | ¥ 626.98 | ¥ 481.27 | 662.35¢ |
| Capital investment | 129,680 | 113,934 | 76,907 | 1,098,983 |
| Research and development expenses | 46,306 | 44,560 | 41,123 | 392,424 |
| Number of employees | 33,863 | 34,597 | 33,008 | — |

Sales by Operation

| | Millions of yen | | | Thousands of U.S. dollars |
|---|-------------------|------------|------------|------------------------------|
| | 2007 | 2006 | 2005 | 2007 |
| Construction and Mining Equipment | ¥1,567,723 | ¥1,291,223 | ¥1,061,161 | \$13,285,788 |
| Industrial Machinery, Vehicles and Others | 298,022 | 279,497 | 248,487 | 2,525,610 |
| Electronics | 27,598 | 41,420 | 46,423 | 233,882 |
| Net sales | ¥1,893,343 | ¥1,612,140 | ¥1,356,071 | \$16,045,280 |

Sales by Region

| | Millions of yen | | | Thousands of U.S. dollars |
|--|-------------------|------------|------------|------------------------------|
| | 2007 | 2006 | 2005 | 2007 |
| Japan | ¥ 487,103 | ¥ 482,825 | ¥ 479,007 | \$ 4,127,992 |
| The Americas | 537,836 | 477,718 | 355,561 | 4,557,932 |
| Europe and CIS | 324,071 | 232,329 | 195,281 | 2,746,364 |
| China | 129,443 | 89,667 | 51,987 | 1,096,975 |
| Asia (excluding Japan and China) and Oceania | 252,768 | 213,719 | 190,458 | 2,142,102 |
| The Middle East and Africa | 162,122 | 115,882 | 83,777 | 1,373,915 |
| Net sales | ¥1,893,343 | ¥1,612,140 | ¥1,356,071 | \$16,045,280 |

In accordance with Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," the consolidated statements of income in the prior years have been retrospectively reclassified for discontinued operations.

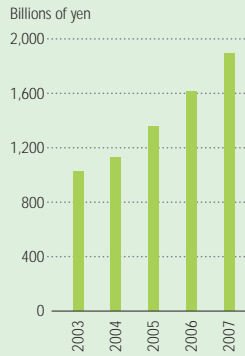
The above sales by region are presented based on sales destination.

The term "Capital investment" should be distinguished from the term "Capital expenditures" as used in the consolidated statements of cash flows. The term "Capital investment" is defined to refer to the acquisition of property, plant and equipment including properties under capital leases on an accrual basis which reflects the effects of timing differences between acquisition dates and payment dates.

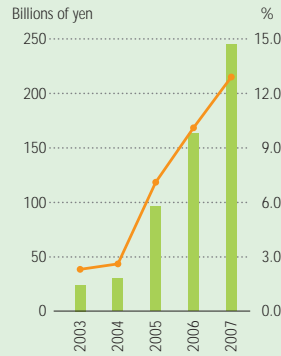
The United States dollar amounts represent translations of Japanese yen amounts at the rate of \$1=¥118.

See Note 1 of Notes to Consolidated Financial Statements.

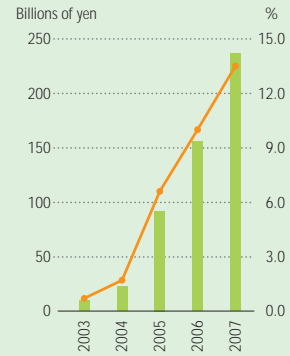
Net Sales*



Operating Income* and Operating Income Ratio*



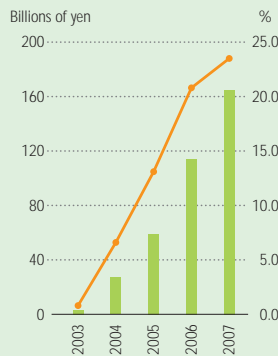
Income from Continuing Operations before Income Taxes, Minority Interests and Equity in Earnings Affiliated Companies* and ROA*



■ Operating Income*
 ◆ Operating Income Ratio*

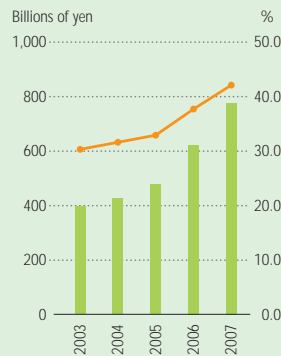
■ Income from Continuing Operations before Income Taxes, Minority Interests and Equity in Earnings Affiliated Companies*
 ◆ ROA*

Net Income and ROE



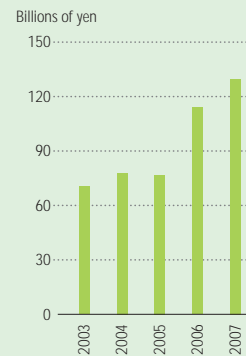
■ Net Income
 ◆ ROE

Shareholders' Equity and Shareholders' Equity Ratio



■ Shareholders' Equity
 ◆ Shareholders' Equity Ratio

Capital Investment*



* In accordance with Statement of Financial Accounting Standards No.144, the consolidated statements of income in the prior years have been retrospectively reclassified for discontinued operations.