

Consolidated Business Results for Nine Months ended Dec. 31, 2005

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January 31, 2006

Corporate Communications, Komatsu Ltd.

Highlights of Business Results for Nine Months ended Dec. 31, 2005.

1. Both sales and profits increased for four consecutive nine-months periods.
Net income doubled from the previous nine-month period .

Net sales	1,224.0 bil yen, up 18.3% from Nine Months ended Dec. 31, 2004
Operating profit	121.4 bil yen, up 71.4%
Operating profit ratio	9.9%, up 3.1 points
Net income	83.7 bil yen, up 2 times

2. All three business segments increased both sales and profits.

(1) Construction & Mining Equipment:

- Operating profit climbed 78% over the previous nine-month period, and operating profit ratio remained more than 10%.
- Strong growth in sales recorded especially in Asia, China, Latin America and the Middle East in addition to the world's largest market of North America.

(2) Industrial Machinery, Vehicles & Others:

- Industrial machinery business excelled, especially with superb sales of large and medium-sized presses.
- Forklift business also continued to expand sales and profits.

(3) Electronics:

- Increased both sales and profits, reflecting good performance of the silicon wafer business (Komatsu Electronic Metals), which offset the adverse effects of the sale of the polycrystalline silicon business (ASiMI*) in July, 2005.

* ASiMI: Advanced Silicon Materials

Business Results for Nine Months ended Dec. 31, 2005

% Operating profit ratio * FY2005 projection was announced on Nov 1, 2005. Billions of yen

	Nine months ended Dec. 31, 2004		Nine months ended Dec. 31, 2005		Increase (decrease)		FY2005 projected * ending Mar. 31, 2006	
	1USD=108yen 1EUR=135yen		1USD=113yen 1EUR=137yen				1USD=112yen 1EUR=135yen	
Net sales	1,034.7	1,224.0	189.2	18.3%	1,650.0	15.0%		
Construction & Mining Equipment	770.0	931.2	161.1	20.9%	1,242.0	17.0%		
Industrial Machinery, Vehicles & Others	184.7	210.7	26.0	14.1%	300.0	12.6%		
Electronics	79.9	82.1	2.1	2.7%	108.0	0.8%		
Operating profit	6.8% 70.8	9.9% 121.4	50.5	71.4%	9.7% 160.0	57.0%		
Construction & Mining Equipment	7.2% 55.1	10.5% 98.1	43.0	78.1%	10.5% 130.0	65.8%		
Industrial Machinery, Vehicles & Others	5.7% 10.5	7.7% 16.2	5.7	54.5%	8.0% 24.0	42.4%		
Electronics	10.8% 8.6	11.1% 9.1	0.5	6.1%	8.3% 9.0	(23.2%)		
Corporate & elimination	(3.3)	(2.0)	1.3	-	(3.0)	-		
Non-operating profit (loss)	1.5	3.7	2.1	-	(7.0)	-		
Income before income taxes	72.4	125.2	52.7	72.9%	153.0	55.0%		
Net income	41.7	83.7	42.0	2 times	101.0	71.2%		

Business Results for Three Months ended Dec. 31, 2005

% Operating profit ratio

Billions of yen

	Three months ended Dec. 31, 2004		Three months ended Dec. 31, 2005		Increase (decrease)	
		1USD=105yen 1EUR=138yen		1USD=118yen 1EUR=140yen		
Net sales		350.7		414.3	63.5	18.1%
Construction & Mining Equipment		262.6		316.1	53.4	20.4%
Industrial Machinery, Vehicles & Others		61.4		70.1	8.7	14.2%
Electronics		26.6		28.0	1.3	5.2%
Operating profit	7.0%	24.7	10.1%	41.7	17.0	69.1%
Construction & Mining Equipment	7.3%	19.2	10.6%	33.3	14.1	73.8%
Industrial Machinery, Vehicles & Others	5.6%	3.4	7.9%	5.5	2.0	60.4%
Electronics	11.3%	3.0	12.7%	3.5	0.5	18.7%
Corporate & elimination		(0.9)		(0.7)	0.2	-
Non-operating profit (loss)		(0.4)		(1.6)	(1.2)	-
Income before income taxes		24.2		40.1	15.8	65.4%
Net income		15.6		23.9	8.2	52.4%

Sales of Construction & Mining Equipment by Region (Destination)

Billions of yen

	Nine months ended Dec. 31, 2004		Nine months ended Dec. 31, 2005		Increase (decrease)		FY2005 projected * ending Mar. 31, 2006	
		Ratio		Ratio		Growth rate		Growth rate
Japan	199.4	25.9%	200.6	21.5%	1.1	0.6%	267.0	(1.7%)
The Americas	222.5	28.9%	302.7	32.5%	80.1	36.0%	393.5	26.6%
Europe & CIS	133.6	17.4%	164.6	17.7%	30.9	23.2%	218.5	17.4%
China	29.1	3.8%	42.1	4.5%	13.0	44.9%	56.0	38.2%
Asia & Oceania	125.2	16.3%	144.8	15.6%	19.5	15.6%	199.5	15.3%
The Middle East & Africa	59.9	7.8%	76.2	8.2%	16.2	27.1%	107.5	35.6%
Total	770.0	100%	931.2	100%	161.1	20.9%	1,242.0	17.0%

* FY2005 projection was announced on Nov 1, 2005.

Sales of Construction & Mining Equipment by Region (Destination)

Billions of yen

	Three months ended Dec. 31, 2004		Three months ended Dec. 31, 2005		Increase (decrease)	
		Ratio		Ratio		Growth rate
Japan	71.1	27.1%	71.2	22.5%	0.0	0.1%
The Americas	75.6	28.8%	106.1	33.6%	30.5	40.4%
Europe & CIS	46.5	17.7%	58.8	18.6%	12.3	26.6%
China	6.5	2.5%	15.5	4.9%	9.0	137.5%
Asia & Oceania	42.7	16.3%	41.1	13.0%	(1.5)	(3.6%)
The Middle East & Africa	20.0	7.6%	23.0	7.3%	3.0	15.1%
Total	262.6	100%	316.1	100%	53.4	20.4%

Sales and Operating Profit of Construction & Mining Equipment by Region (Geographic Origin)

Billions of yen

	Nine months ended Dec. 31, 2004		Nine months ended Dec. 31, 2005		Increase (decrease)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Japan	447.1	25.8	511.5	43.5	64.4	17.6
The Americas	234.1	13.9	310.6	26.8	76.4	12.9
Europe	142.2	7.5	176.1	12.7	33.9	5.1
Others	146.6	8.8	186.3	15.5	39.7	6.6
Total	970.2	56.2	1,184.7	98.6	214.5	42.4
Corporate & elimination	(188.3)	(1.0)	(237.7)	(0.5)	(49.4)	0.5
Consolidated	781.8	55.1	946.9	98.1	165.1	43.0

Consolidated Balance Sheets

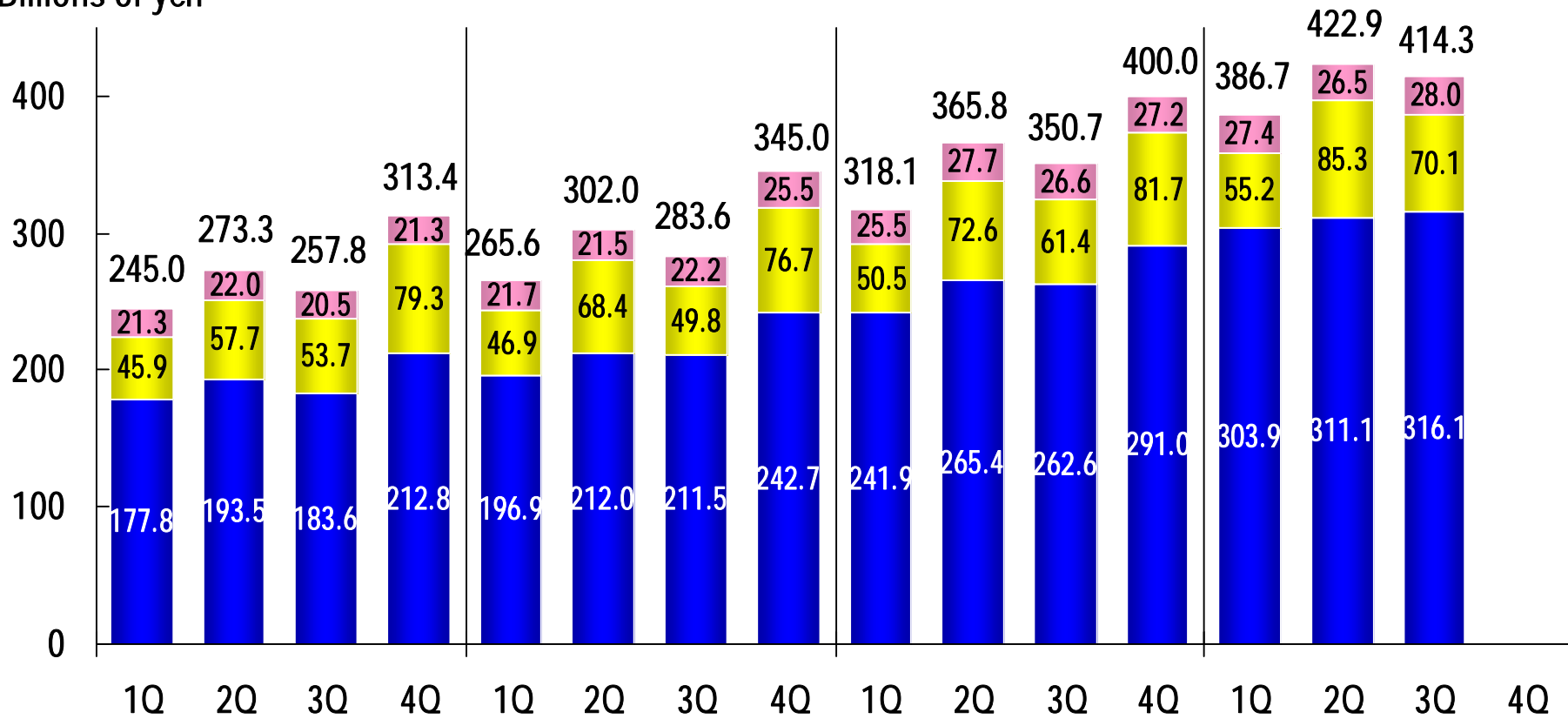
○ Net D/E ratio

Billions of yen

	March 31, 2005 1USD=107yen 1EUR=139yen	December 31, 2005 1USD=118yen 1EUR=140yen	Increase (decrease)
Cash & deposits [a]	97.5	81.5	(15.9)
Accounts receivable (incl. long-term trade receivables)	397.6	457.6	59.9
Inventories	307.0	363.9	56.9
Tangible fixed assets	366.6	386.4	19.7
Other assets	280.1	333.7	53.6
Total assets	1,449.0	1,623.3	174.3
Accounts payable	266.1	319.3	53.1
Interest-bearing debt [b]	432.2	395.8	(36.4)
Other liabilities	234.5	277.6	43.0
Total liabilities	932.9	992.7	59.7
Minority interests	38.9	43.7	4.8
<% of total assets>	< 32.9% >	< 36.2% >	<+3.3 points>
Shareholders' equity	477.1	586.8	109.7
Liabilities & shareholders' equity	1,449.0	1,623.3	174.3
Interest-bearing debt, net [b-a]	○ 0.70 334.7	○ 0.54 314.2	(20.4)

Quarterly Sales by Business Segment

Billions of yen

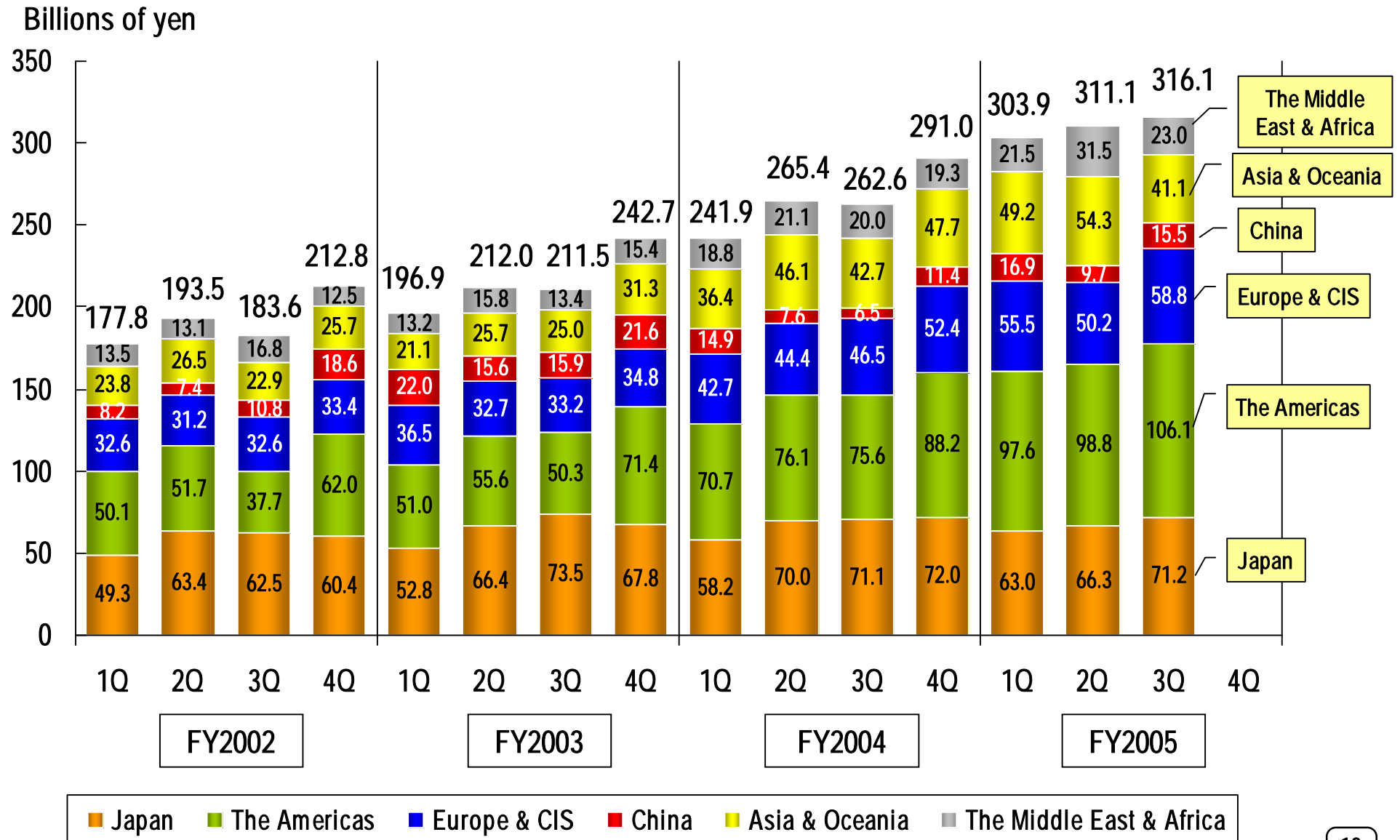


Exchange rates

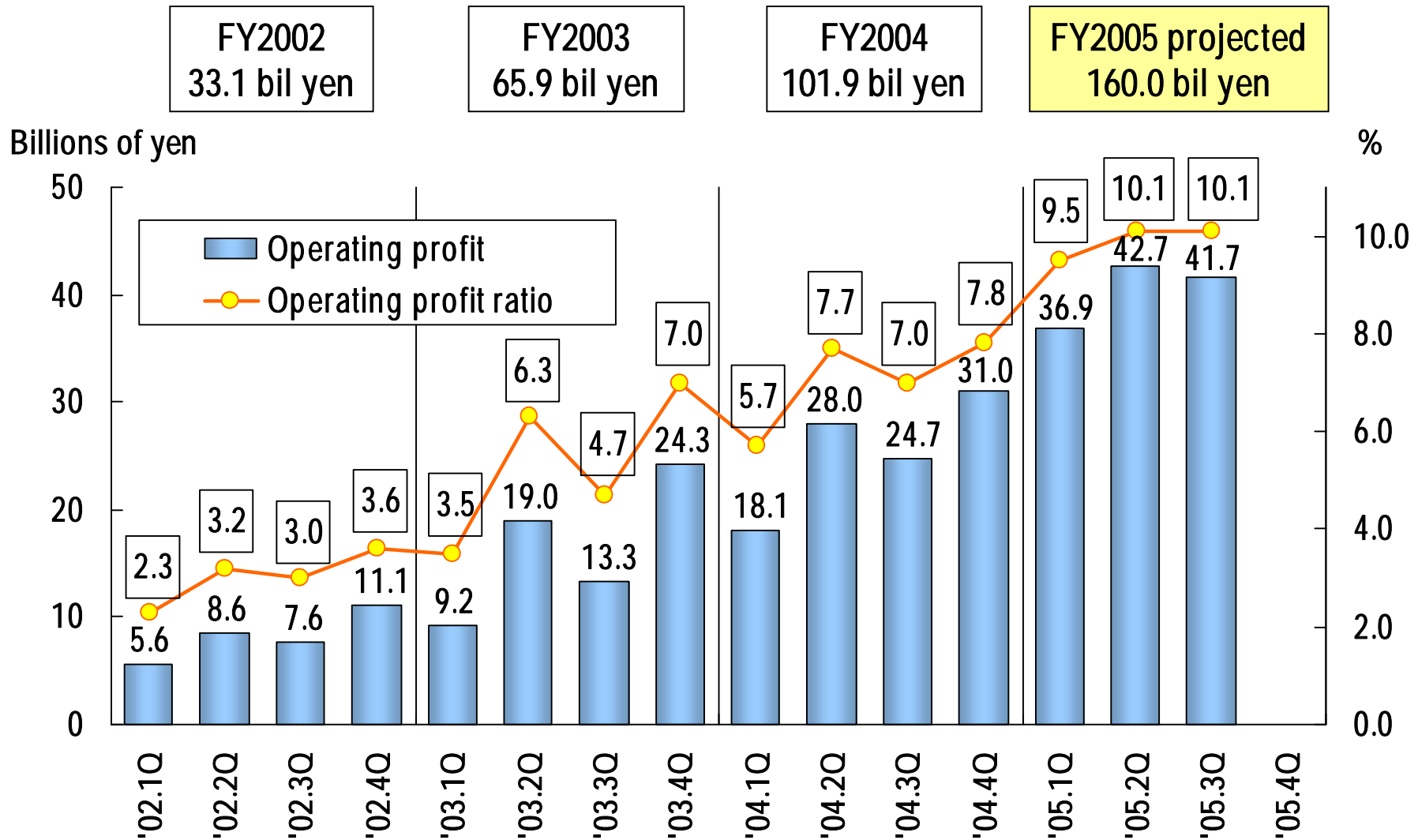
1USD	124yen	120yen	122yen	119yen	119yen	116yen	108yen	107yen	110yen	111yen	105yen	105yen	108yen	112yen	118yen	yen
1EUR	117yen	118yen	123yen	128yen	137yen	131yen	130yen	132yen	132yen	135yen	138yen	138yen	135yen	136yen	140yen	yen

■ Construction & Mining Equipment
 ■ Industrial Machinery, Vehicles & Others
 ■ Electronics

Quarterly Sales of Construction & Mining Equipment by Region



Quarterly Operating Profit



Operating profit is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles.

Quarterly Operating Profit: Construction & Mining Equipment

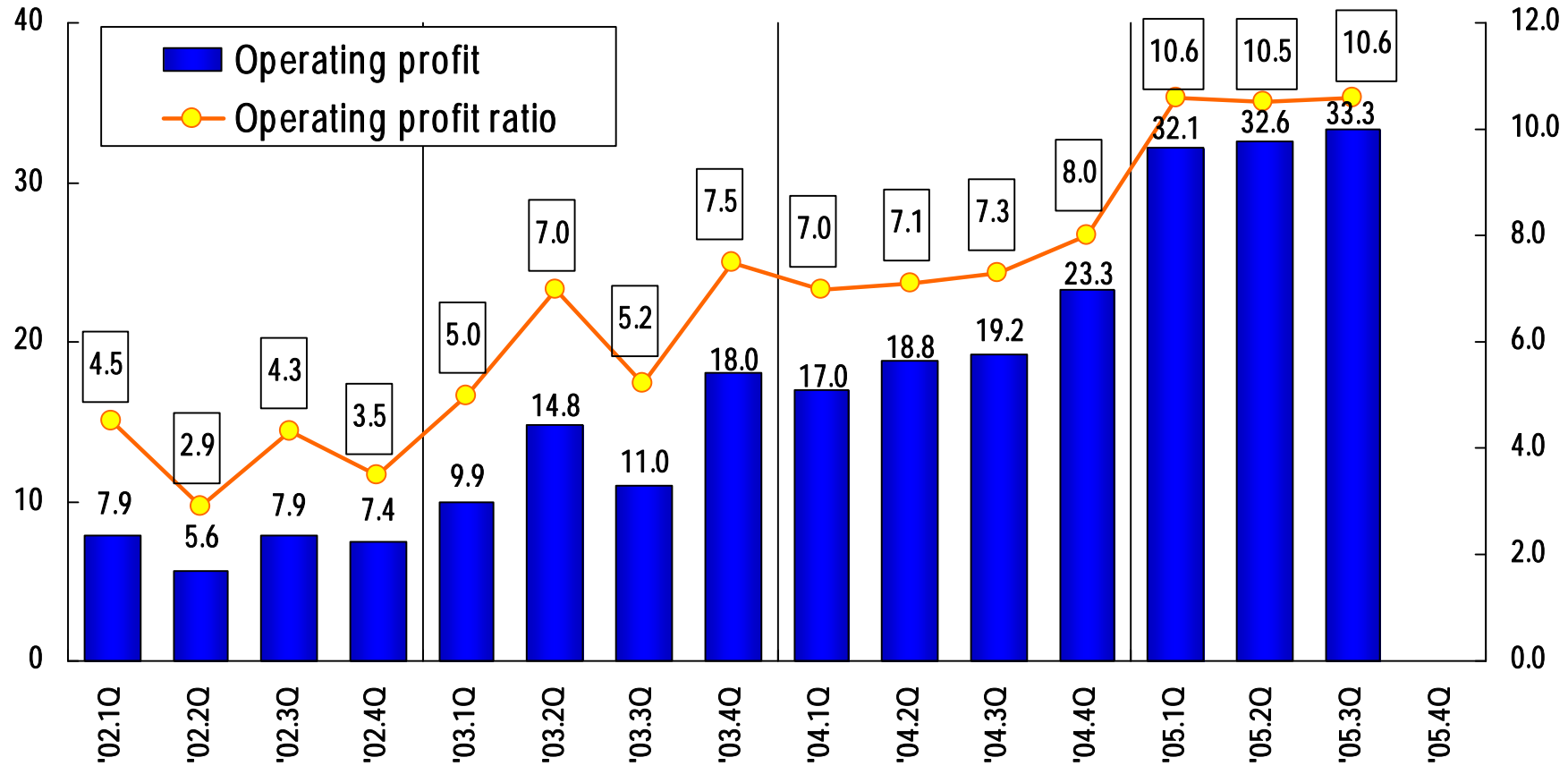
FY2002
28.9 bil yen

FY2003
53.9 bil yen

FY2004
78.4 bil yen

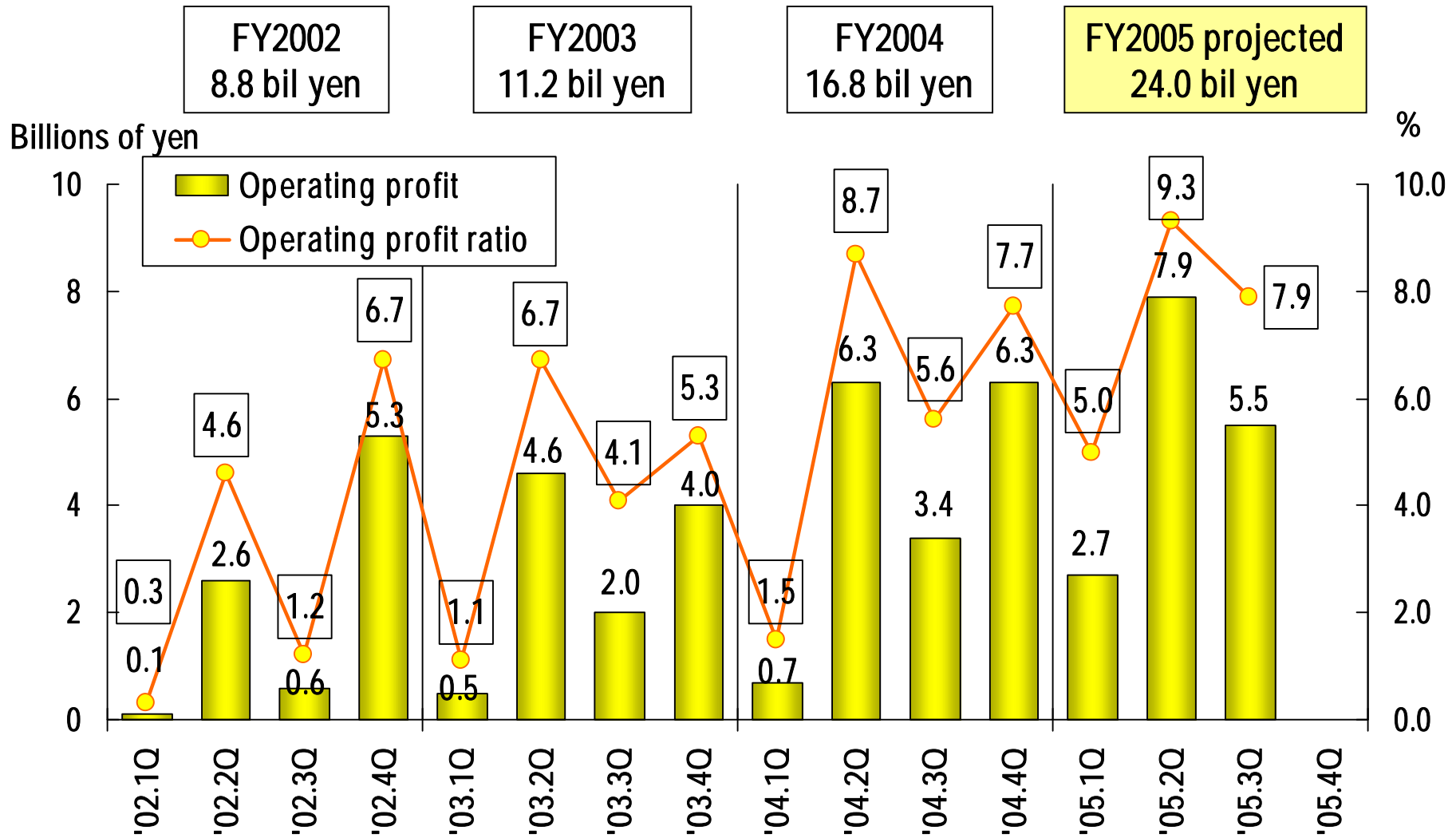
FY2005 projected
130.0 bil yen

Billions of yen



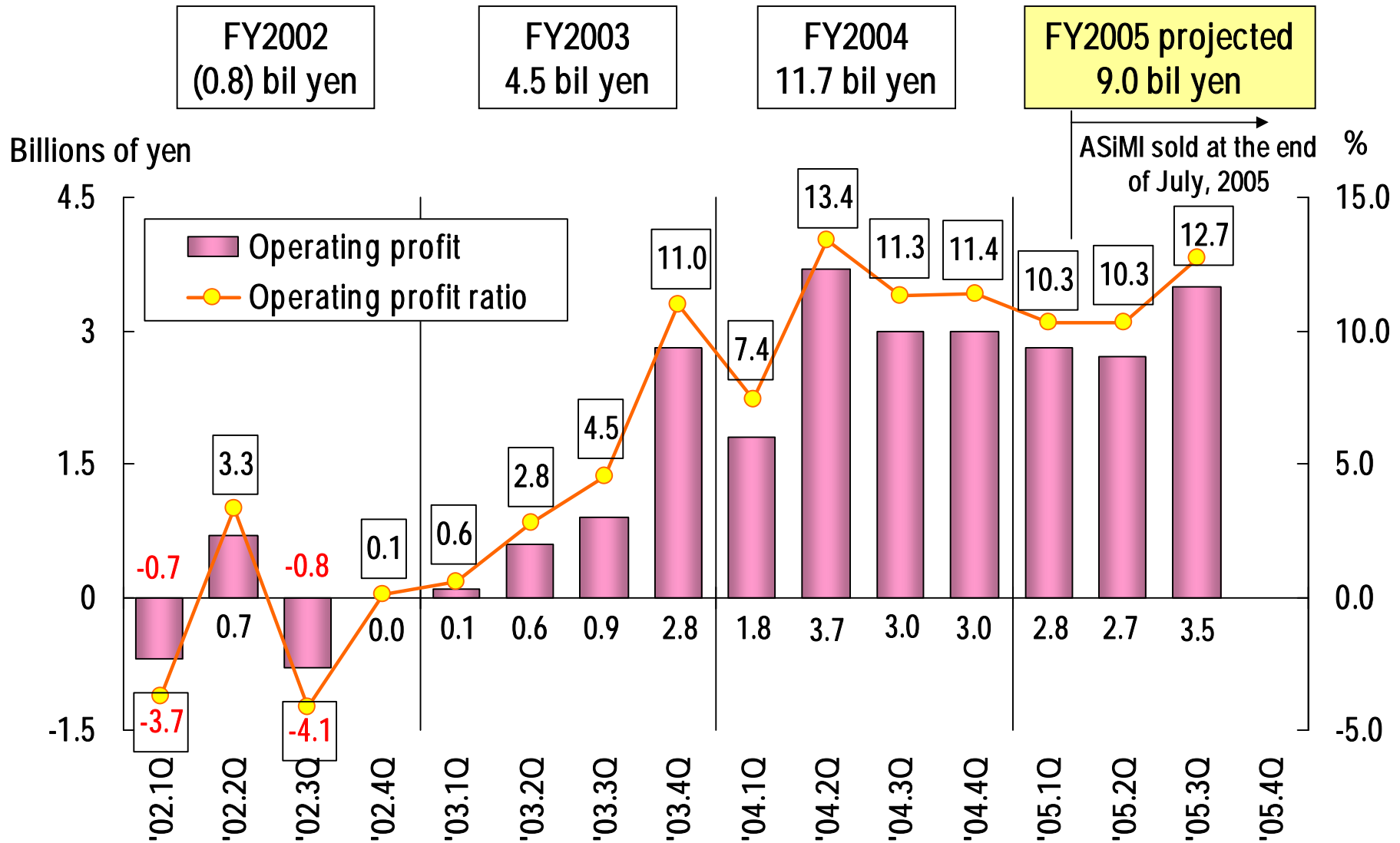
Operating profit is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles.

Quarterly Operating Profit: Industrial Machinery, Vehicles & Others



Operating profit is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles.

Quarterly Operating Profit: Electronics



Operating profit is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles.

Market Trend of Construction & Mining Equipment by Region

Growth rate for nine months (Apr. thru Dec.) from the same period last year

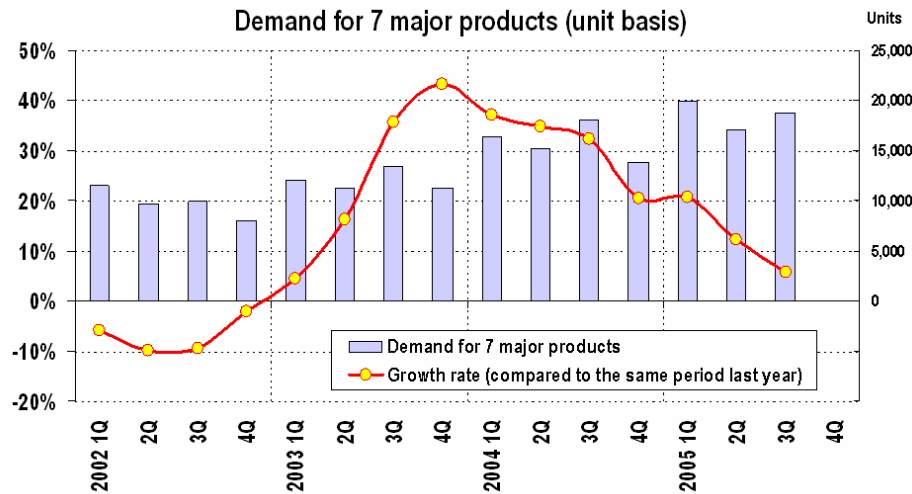
Region	Actual results for nine months (Apr.-Dec.)	FY2005 projected Apr., 05 thru Mar., 06	
		Nov. 1, 05 *1	Jan. 31, 06
Japan	+9%	+6%	+8%
North America	+13%	+12%	—————>
Europe *2	+8%	+6%	—————>
China (only hydraulic excavators)	+40%	+40%	+50%
Southeast Asia & India *2	+22%	+27%	+18%
Oceania *2	0%	0%	—————>
CIS *2	+35%	+30%	+35%
The Middle East *2	+30%	+29%	—————>
Africa *2	+35%	+17%	+35%
Latin America *2	+16%	+25%	+15%

*1 FY2005 projection was announced on Nov 1, 2005.

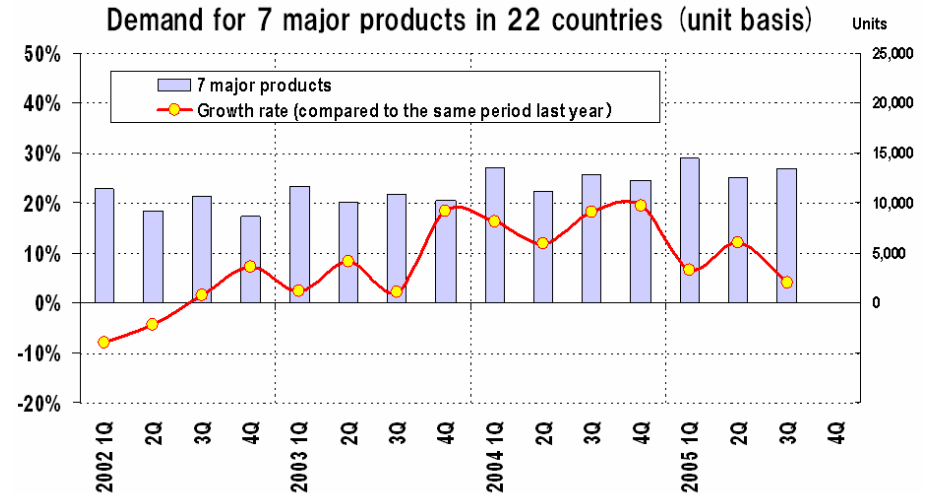
*2 Actual results for eight months (Apr.-Nov.)

Construction & Mining Equipment: Main Market Trend

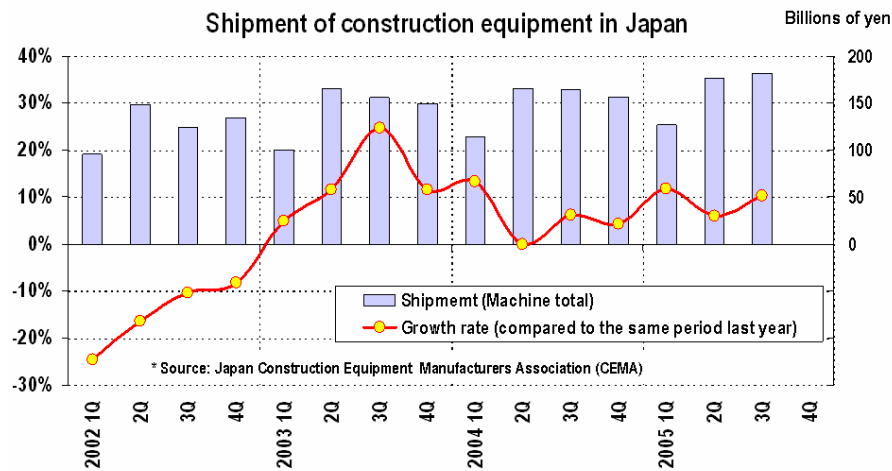
North America



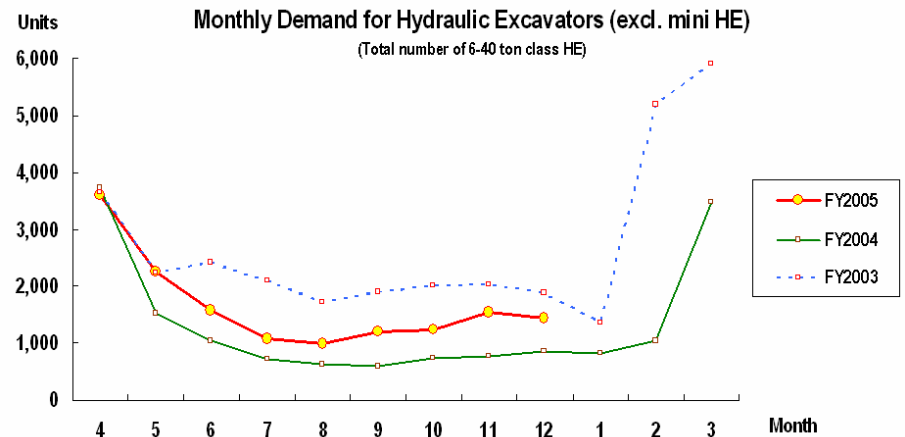
Europe



Japan



China



Cautionary Statement

This presentation sheets contain forward-looking statements that reflect management's views and assumptions in the light of information currently available 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," "plans," "expects," 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. Any forward-looking statements speak only as of the date of this presentation sheets, and Komatsu assumes no duty to update such statements.

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 costs 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; the impact of regulatory changes and accounting principles and practices; and the introduction, success and timing of business initiatives and strategies.

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