

Business Results for the First Quarter Period ended June 30, 2009

**July 28, 2009
Corporate Planning
Komatsu Ltd.**

First Quarter Highlights

1. Sales and Profits:

While net sales declined from the previous fourth quarter, operating income and net income turned into the black.

| | Apr. – Jun., 2009 | Vs. Apr. – Jun., 2008 | Vs. Jan. – Mar., 2009 |
|------------------------|-------------------|--------------------------|--------------------------|
| Net sales | 320.4 bil yen | (47.2)% | (15.5)% |
| Operating income | 8.2 bil yen | (90.1)% | - |
| Operating income ratio | 2.6% | (11.1) points | +15.3 points |
| Net income* | 4.7 bil yen | (91.7)% | - |

* Upon adoption of the provisions of Statement of Financial Accounting Standards No.160, effective April 1, 2009, “Net income” is equivalent to “Net income attributable to Komatsu Ltd.”

2. Review of two business segments

Construction, Mining & Utility Equipment:

Overall demand for construction and mining equipment remained sluggish, except for China with recovery momentum supported by the economic stimulus package and for Indonesia with signs of recovery. First quarter sales dropped 46.7% and segment profit dropped 90.5% from the previous first quarter, particularly due to the Japanese yen’s appreciation from the previous first quarter and large-scale adjustment of production continuing from last year to improve inventories to appropriate levels. While sales declined 10.0% from the previous fourth quarter, segment profit turned into the black supported by fixed cost reduction and other efforts.

Industrial Machinery & Others:

Industrial machinery market remained depressed due mainly to capital spending cuts in the automobile and other manufacturing industries. First quarter sales and segment profit declined 49.5% and 39.7%, respectively from the previous first quarter. Although sales declined 43.5% from the preceding fourth quarter, segment profit turned into the black supported by reduced fixed costs and a gain on reversal of allowance for doubtful receivables.

First Quarter Sales and Profits

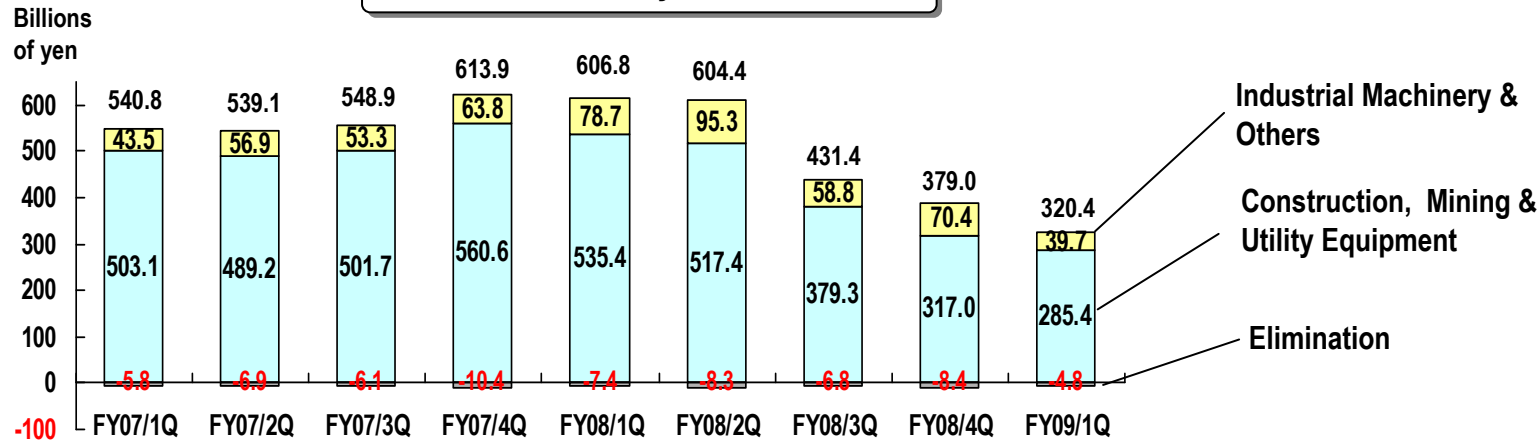
| | % Profit ratio | | []: Sales after elimination of inter-segment transactions | | Billions of yen | | | |
|---|---|--|--|--------------------------------------|--|------------------------------------|---------------------------------------|--|
| | Apr. – Jun., 2008 (A) 1USD=105yen 1EUR=165yen | Jan. – Mar., 2009 (B) 1USD=95yen 1EUR=123yen | Apr.- Jun., 2009 (C) 1USD=97yen 1EUR=133yen | Vs. Apr.- Jun., 2008 (C-A) | | Vs. Jan.- Mar., 2009 (C-B) | | |
| | | | | Increase (decrease) | % | Increase (decrease) | % | |
| Net sales | 606.8 | 379.0 | 320.4 | (286.4) | (47.2)% | (58.6) | (15.5)% | |
| Construction, Mining & Utility Equipment Industrial Machinery & Others | [534.0] 535.4 [72.7] 78.7 | [316.0] 317.0 [62.9] 70.4 | [284.6] 285.4 [35.7] 39.7 | [(249.3)] (250.0) [(37.0)] (38.9) | [(46.7)%] (46.7)% [(50.9)%] (49.5)% | [(31.3)] (31.5) [(27.2)] (30.6) | [(9.9)%] (10.0)% [(43.3)%] (43.5)% | |
| Elimination | (7.4) | (8.4) | (4.8) | 2.5 | - | 3.6 | - | |
| Segment profit (loss) | 13.5% 81.6 | (3.2)% (12.3) | 2.6% 8.4 | (73.1) | (89.6)% | 20.7 | - | |
| Construction, Mining & Utility Equipment Industrial Machinery & Others | 14.6% 78.3 6.1% 4.7 | (2.4)% (7.6) (4.8)% (3.4) | 2.6% 7.4 7.2% 2.8 | (70.9) (1.8) | (90.5)% (39.7)% | 15.0 6.2 | - | |
| Corporate & elimination | (1.4) | (1.2) | (1.8) | (0.3) | - | (0.5) | - | |
| Other operating income (expenses) | 1.6 | (35.9)*1 | (0.1) | (1.8) | - | 35.7 | - | |
| Operating income (loss) | 13.7% 83.2 | (12.7)% (48.2) | 2.6% 8.2 | (74.9) | (90.1)% | 56.4 | - | |
| Other income (expenses) | 9.5 | (1.0) | 0.4 | (9.0) | - | 1.5 | - | |
| Net income (loss) before income taxes | 92.7 | (49.3) | 8.7 | (84.0) | (90.6)% | 58.0 | - | |
| Net income (loss)*2 | 57.7 | (34.5) | 4.7 | (52.9) | (91.7)% | 39.2 | - | |

*1 Including ¥32.3 billion as structural reform expenses

*2 Upon adoption of the provisions of Statement of Financial Accounting Standards No.160, effective April 1, 2009, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Quarterly Sales and Operating Income

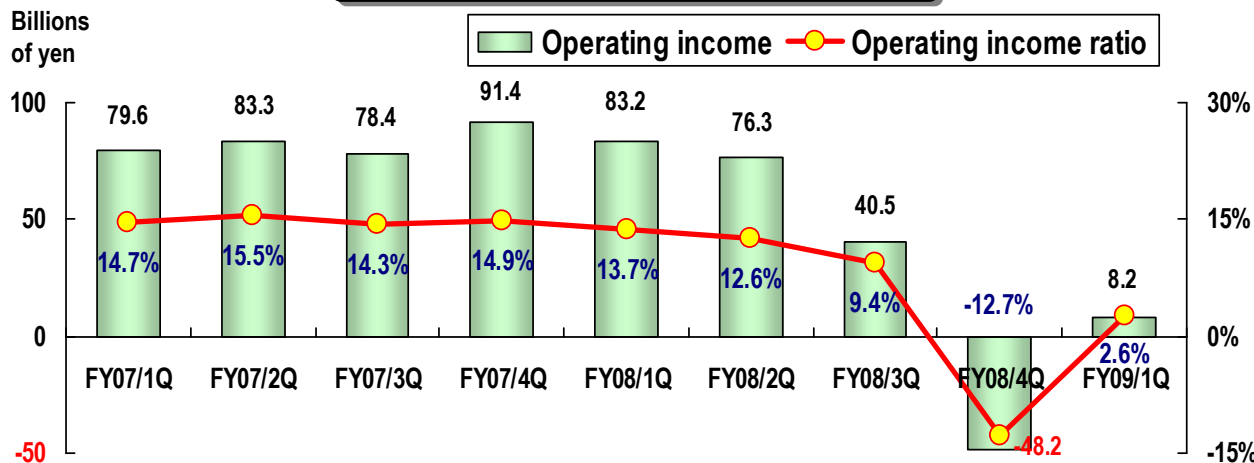
Quarterly sales



Exchange rates

| | 07/1Q | 07/2Q | 07/3Q | 07/4Q | 08/1Q | 08/2Q | 08/3Q | 08/4Q | 09/1Q |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1USD | 122yen | 117yen | 113yen | 104yen | 105yen | 107yen | 95yen | 95yen | 97yen |
| 1EUR | 164yen | 162yen | 165yen | 158yen | 165yen | 159yen | 126yen | 123yen | 133yen |

Quarterly operating income



[Operating loss for 4Q/FY2008]

Recorded operating loss in the fourth quarter of FY2008 due mainly to temporary expenses resulting from reduced production to adjust inventories to appropriate level, inventory write-off, and allowance for doubtful receivables, in addition to structural reform expenses of 32.3 billion yen.

[Operating income for 1Q/FY2009]

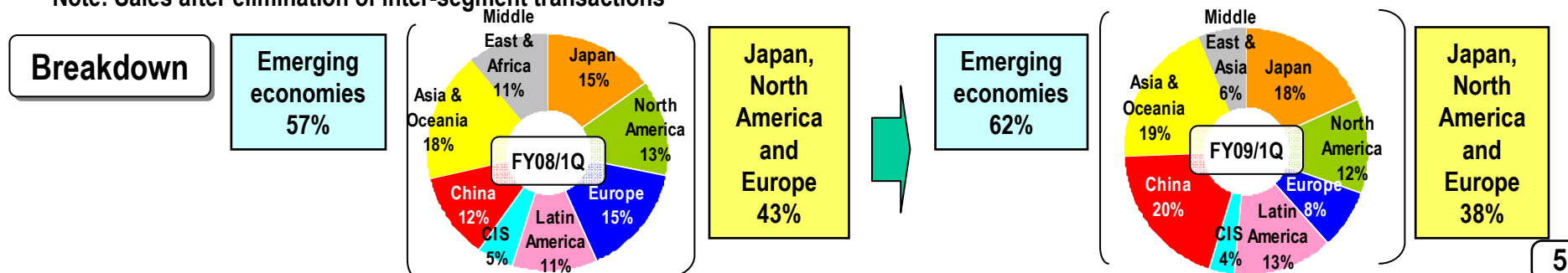
While the reduction of production has been in progress, operating income for the first quarter of FY2009 turned into the black due mainly to reduction of fixed and production costs.

Construction, Mining & Utility Equipment : Sales (To Outside Customers) by Region

Billions of yen

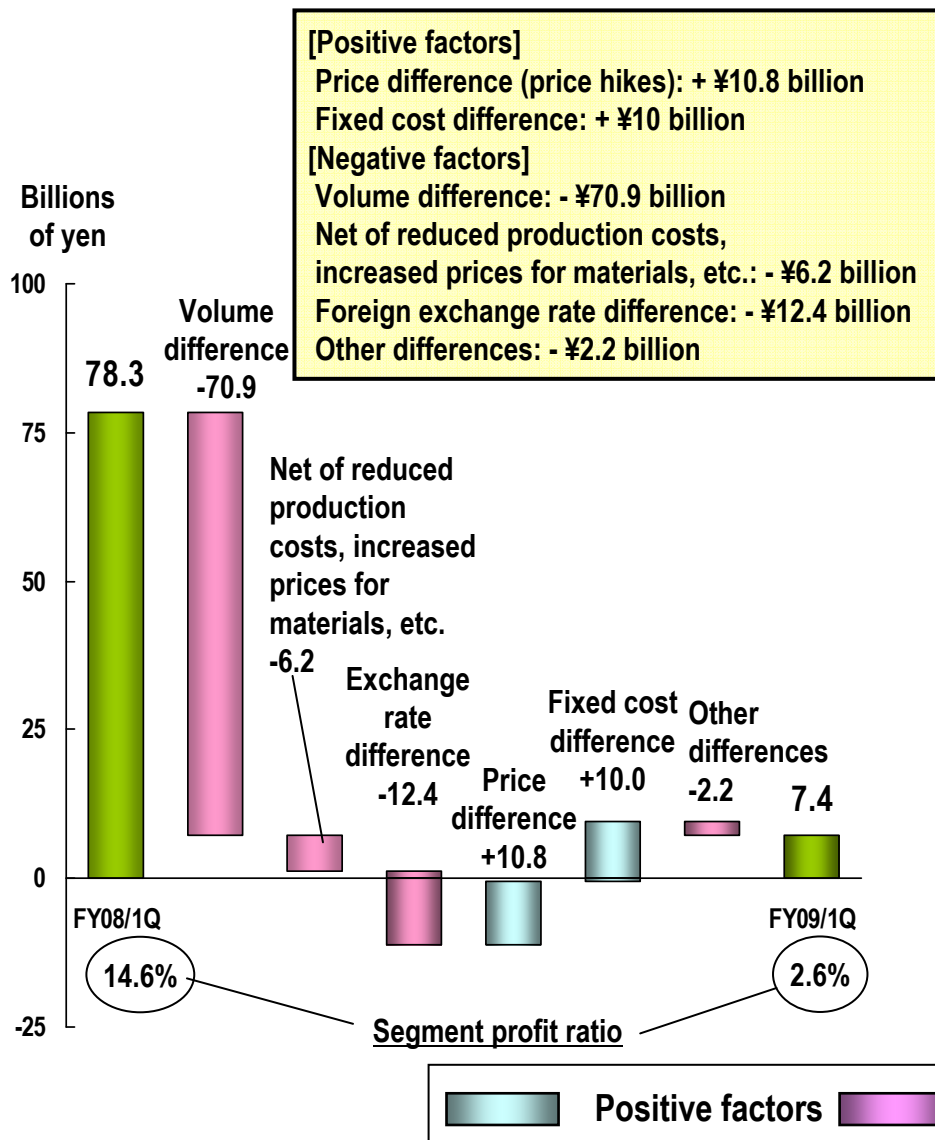
| | Apr. - Jun., 2008 (A) | Jan. - Mar., 2009 (B) | Apr. - Jun., 2009 (C) | Vs. Apr. - Jun., 2008 (C-A) | | Vs. Jan. - Mar., 2009 (C-B) | |
|----------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|----------------|--------------------------------|---------------|
| | (FY08/1Q) | (FY08/4Q) | (FY09/1Q) | Increase (decrease) | % | Increase (decrease) | % |
| Japan | 80.0 | 64.1 | 51.7 | (28.3) | (35.4)% | (12.3) | (19.3)% |
| North America | 69.9 | 50.0 | 35.5 | (34.4) | (49.3)% | (14.5) | (29.1)% |
| Europe | 81.1 | 23.9 | 22.1 | (59.0) | (72.7)% | (1.7) | (7.5)% |
| Latin America | 60.8 | 39.2 | 37.3 | (23.5) | (38.7)% | (1.9) | (5.0)% |
| CIS | 26.7 | 9.4 | 9.9 | (16.8) | (62.8)% | 0.5 | +5.8% |
| China | 62.4 | 53.6 | 55.4 | (6.9) | (11.1)% | 1.8 | +3.4% |
| Asia & Oceania | 95.0 | 50.1 | 54.3 | (40.6) | (42.8)% | 4.2 | +8.4% |
| Middle East & Africa | 57.7 | 25.4 | 18.1 | (39.5) | (68.5)% | (7.3) | (28.7)% |
| Total | 534.0 | 316.0 | 284.6 | (249.3) | (46.7)% | (31.3) | (9.9)% |

Note: Sales after elimination of inter-segment transactions

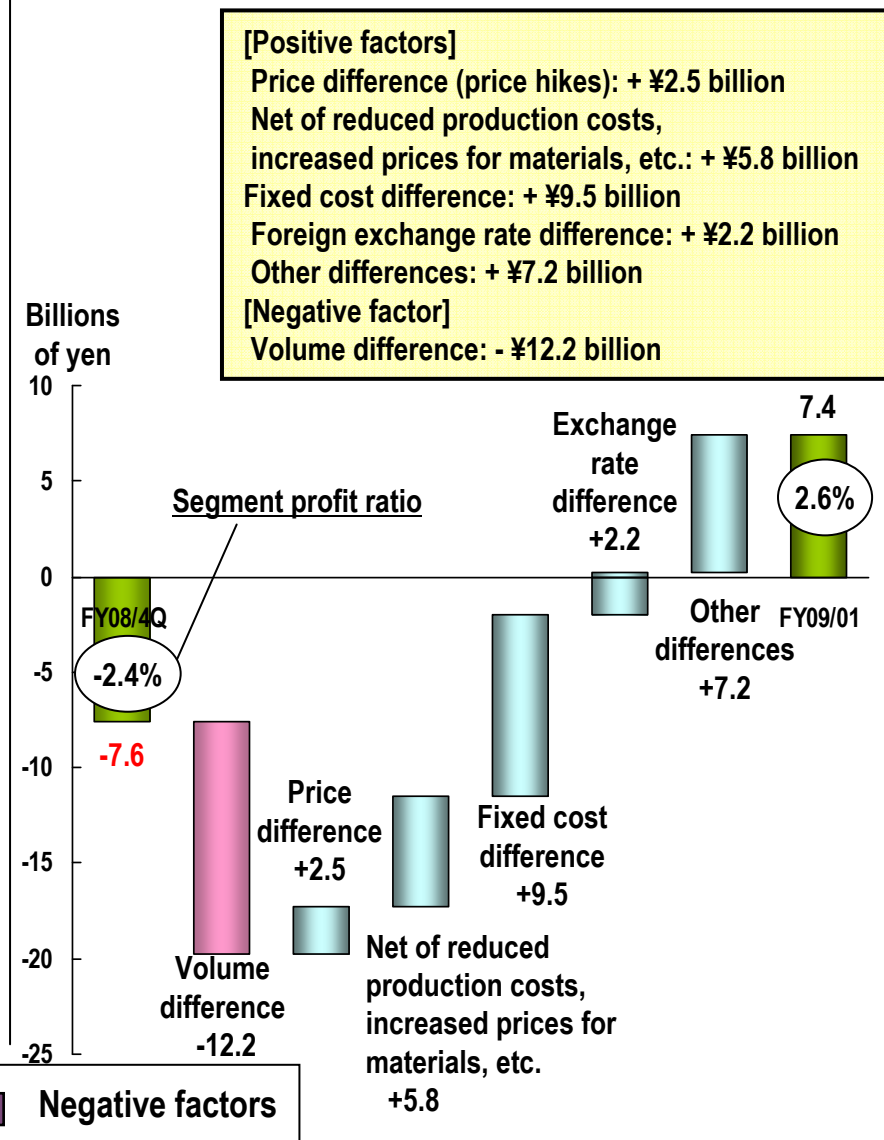


Construction, Mining & Utility Equipment: Causes for Difference in Segment Profit

FY08/1Q vs. FY09/1Q



FY08/4Q vs. FY09/1Q



Construction, Mining & Utility Equipment : Sales and Segment Profit by Region (Geographic Origin)

Billions of yen

| | Apr. - Jun., 2008 (A) | | Jan. - Mar., 2009 (B) | | Apr.- Jun., 2009 (C) | | Vs. Apr.- Jun., 2008 (C-A) | | Vs. Jan.- Mar., 2009 (C-B) | |
|--------------|--------------------------|----------------|--------------------------|----------------|-------------------------|----------------|-------------------------------|----------------|-------------------------------|----------------|
| | Sales | Segment profit | Sales | Segment profit | Sales | Segment profit | Sales | Segment profit | Sales | Segment profit |
| Japan | 272.1 | 28.8 | 148.0 | (28.3) | 116.2 | (13.6) | (155.9) | (42.4) | (31.8) | +14.6 |
| Americas | 143.4 | 16.7 | 93.8 | 2.3 | 81.3 | 8.1 | (62.0) | (8.5) | (12.4) | +5.7 |
| Europe & CIS | 114.0 | 12.0 | 41.3 | (0.8) | 40.8 | 2.1 | (73.2) | (9.8) | (0.5) | +2.9 |
| Others | 151.1 | 22.2 | 104.8 | 9.0 | 100.7 | 11.3 | (50.4) | (10.9) | (4.0) | +2.2 |
| Total | 680.8 | 79.8 | 388.1 | (17.6) | 339.1 | 8.0 | (341.6) | (71.7) | (49.0) | +25.6 |
| Elimination | (145.3) | (1.4) | (71.0) | 9.9 | (53.6) | (0.5) | + 91.6 | +0.8 | +17.4 | (10.5) |
| Consolidated | 535.4 | 78.3 | 317.0 | (7.6) | 285.4 | 7.4 | (250.0) | (70.9) | (31.5) | +15.0 |

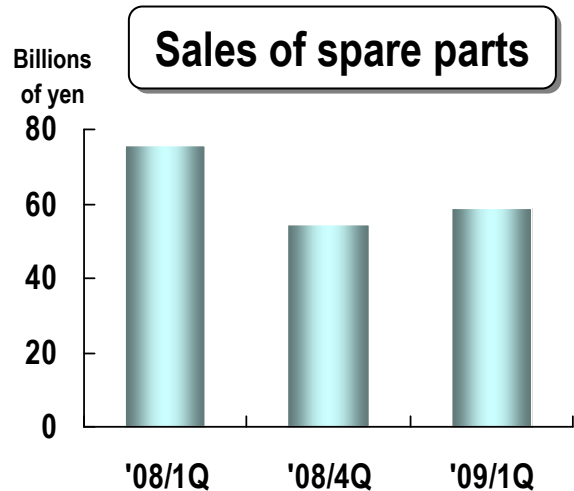
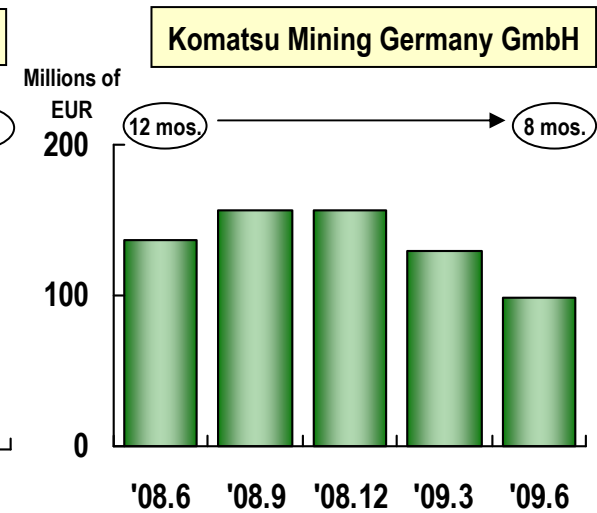
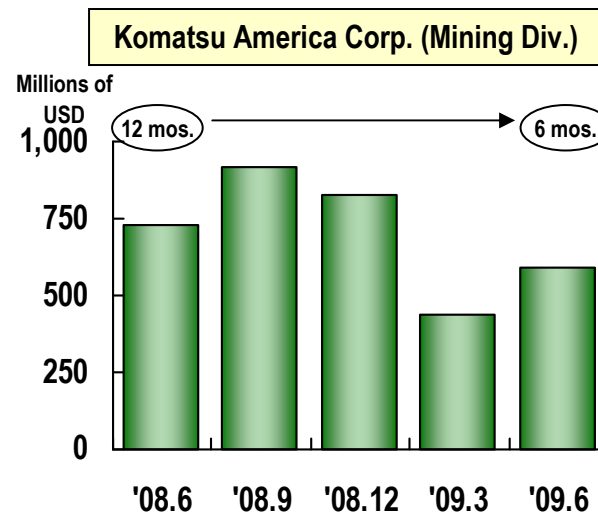
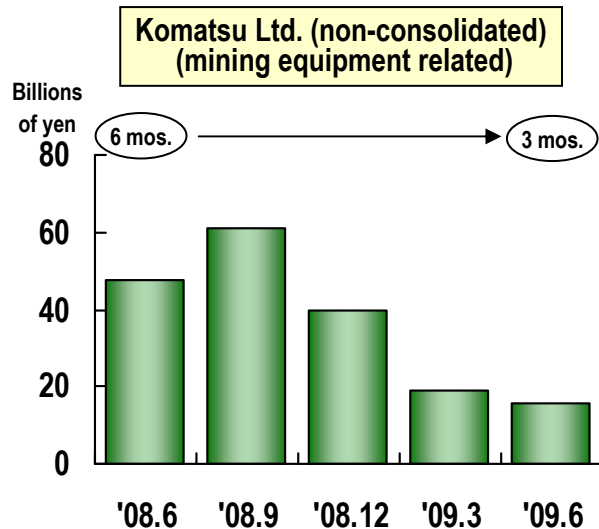
Construction, Mining & Utility Equipment : Backlog Orders of Mining Equipment and Spare Parts Sales

Backlog orders of mining equipment*

*Finished products only. Excl. parts and service

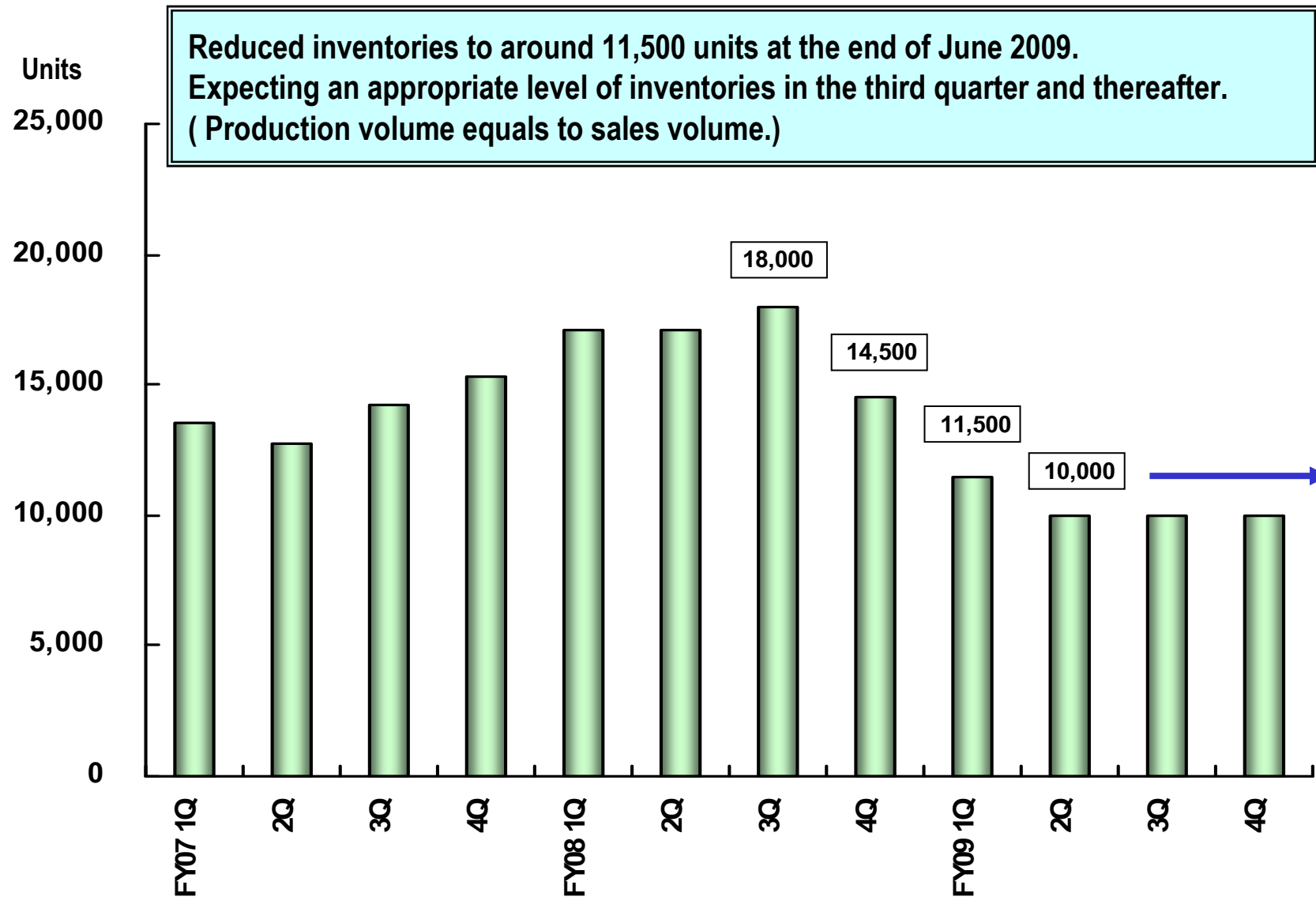
○ Lead-time from order to shipment

- In regard to mining equipment made in Japanese plants, both lead-time from order to shipment and backlog orders are on appropriate levels.
- Backlog orders of electric-drive super-large dump trucks and super-large hydraulic excavators remain at a high level.



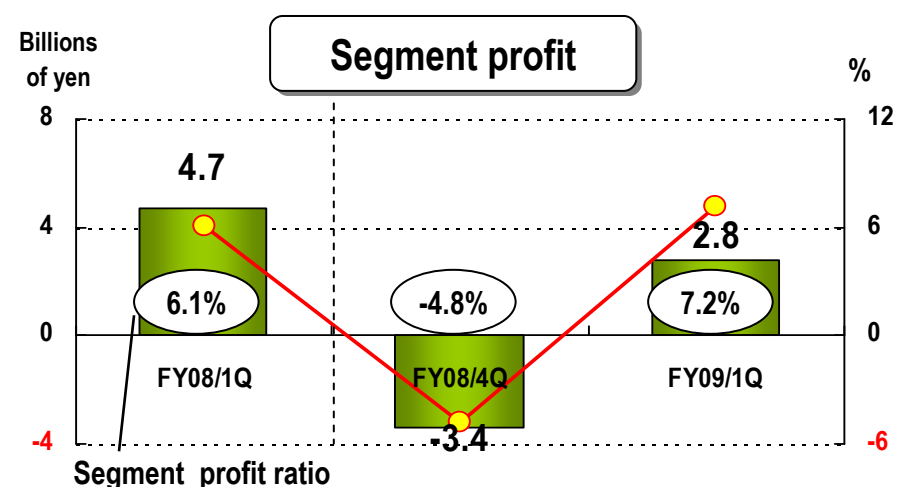
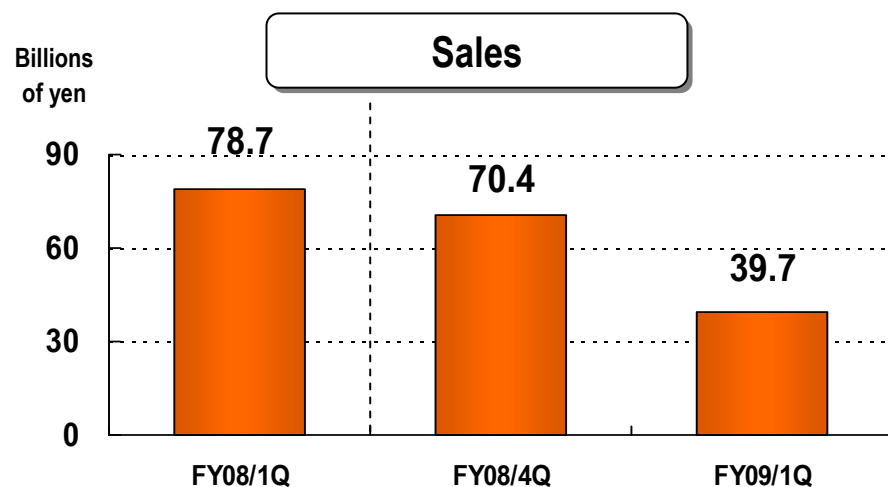
<1Q, FY09 vs. 4Q, FY2008>
Approx. ¥7.5 billion as foreign exchange loss

Construction & Mining Equipment: Inventory of Seven Major Products



The number of units in the graph indicates all inventories including those of plants, foreign subsidiaries, distributors all over the world.

Industrial Machinery & Others: First Quarter Sales and Segment Profit



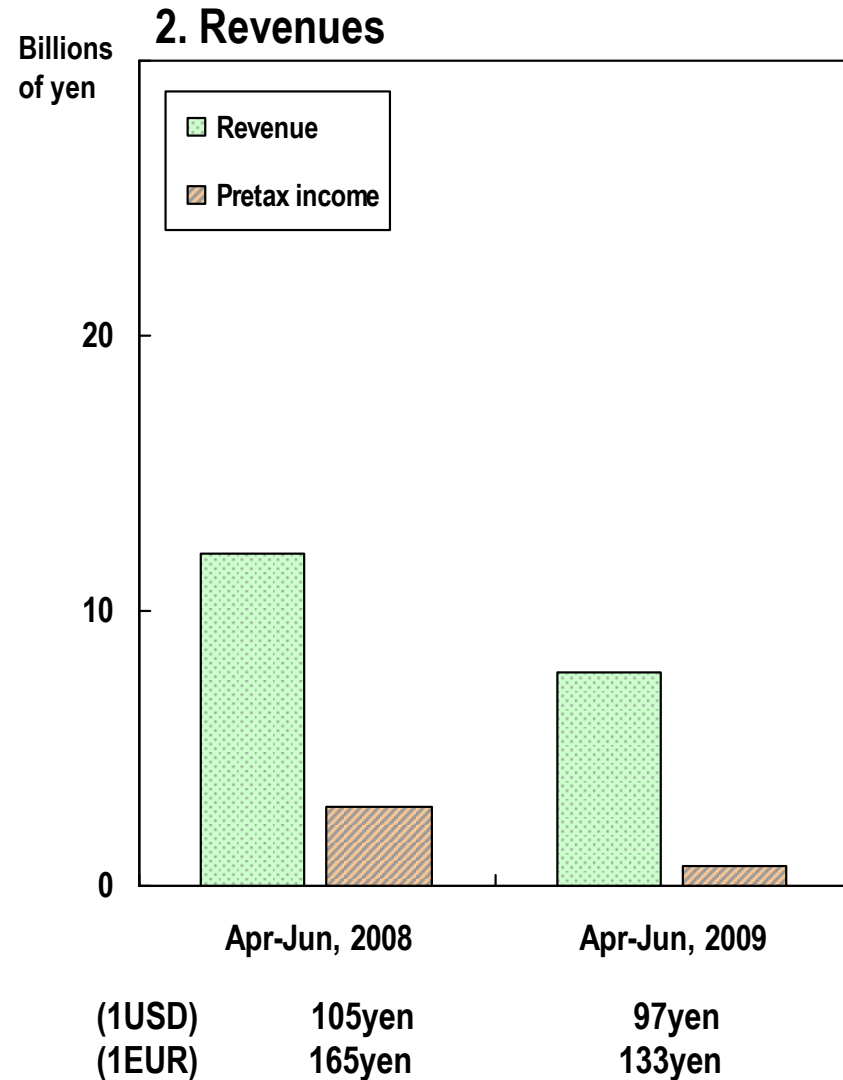
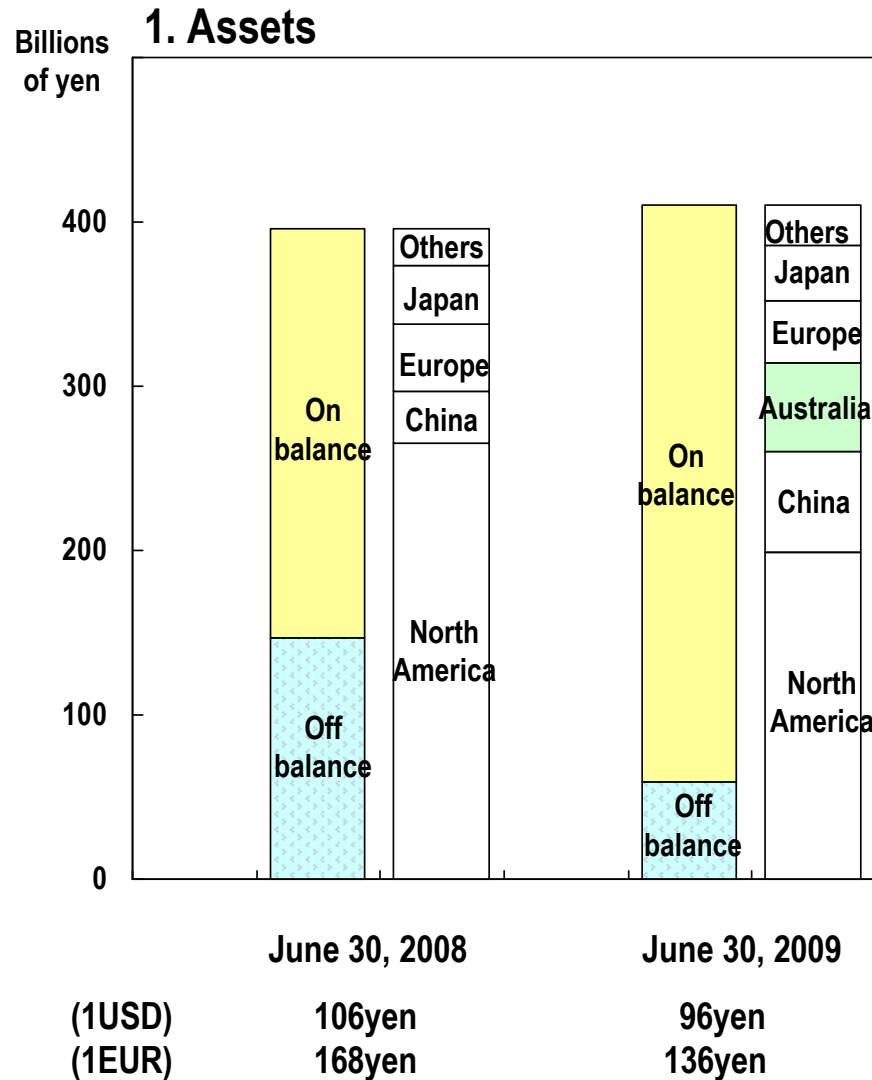
Breakdown of sales and segment profit

| | Apr.-Jun., 2008 (A) (FY08/1Q) | | Jan.-Mar., 2009 (B) (FY08/4Q) | | Apr.-Jun., 2009 (C) (FY09/1Q) | | Vs. Apr.-Jun., 2008 (C-A) | | Vs. Jan.-Mar., 2009 (C-B) | |
|---|----------------------------------|----------------|----------------------------------|----------------|----------------------------------|----------------|------------------------------|----------------|------------------------------|----------------|
| | Sales | Segment profit | Sales | Segment profit | Sales | Segment profit | Sales | Segment profit | Sales | Segment profit |
| Industrial machinery | 53.8 | 3.7 | 47.6 | (3.3) | 29.3 | 2.1* | (24.5) | (1.6) | (18.3) | +5.4 |
| Consolidation adjustment of Komatsu NTC | 9.8 | 0.7 | 1.0 | 0 | 0 | 0 | (9.8) | (0.7) | (1.0) | +/-0 |
| Others | 15.1 | 0.3 | 21.8 | (0.1) | 10.4 | 0.7 | (4.7) | +0.4 | (11.4) | +0.8 |
| Total | 78.7 | 4.7 | 70.4 | (3.4) | 39.7 | 2.8 | (38.9) | (1.8) | (30.6) | +6.2 |

* Incl. approx. ¥1.7 billion as a gain on reversal of allowance for doubtful receivables.

Retail Finance Business

Consolidated retail finance subsidiaries (Internal-use data)



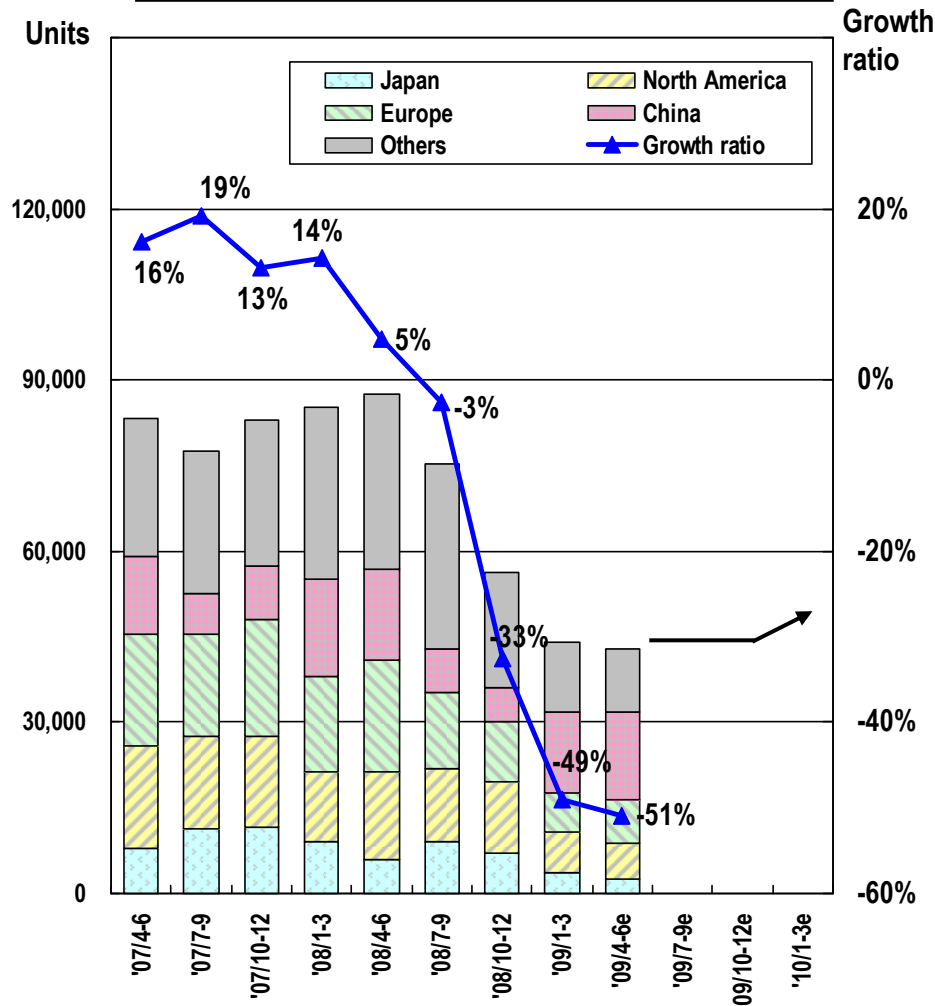
Consolidated Balance Sheets

| | Net D/E ratio | | Billions of yen |
|--|--|---|------------------------|
| | March. 31, 2009 1USD= 98yen 1EUR= 130yen | June. 30, 2009 1USD= 96yen 1EUR= 136yen | Increase (decrease) |
| Cash & deposits [a] | 90.6 | 86.2 | (4.3) |
| Accounts receivable (Incl. long-term trade notes receivable) | 476.8 | 523.6 | +46.7 |
| Inventories | 507.3 | 487.8 | (19.5) |
| Tangible fixed assets | 525.4 | 539.1 | +13.7 |
| Other assets | 368.7 | 376.9 | +8.2 |
| Total assets | 1,969.0 | 2,013.8 | +44.8 |
| Accounts payable | 214.3 | 170.4 | (43.9) |
| Interest-bearing debt [b] | 599.8 | 699.5 | +99.6 |
| Other liabilities | 306.4 | 291.2 | (15.2) |
| Total liabilities | 1,120.7 | 1,161.1 | +40.4 |
| [% of total assets] | [41.4%] | [40.4%] | [(1.0) points] |
| Shareholders' equity | 814.9 | 814.3 | (0.6) |
| Non-controlling interests (Minority interests) | 33.3 | 38.3 | +4.9 |
| Liabilities & shareholders' equity | 1,969.0 | 2,013.8 | +44.8 |
| Interest-bearing debt, net [b-a] | 0.62 509.2 | 0.75 613.2 | +103.9 |
| Net D/E ratio excluding interest-bearing debt of consolidated retail finance subsidiaries | 0.48 | 0.52 | |

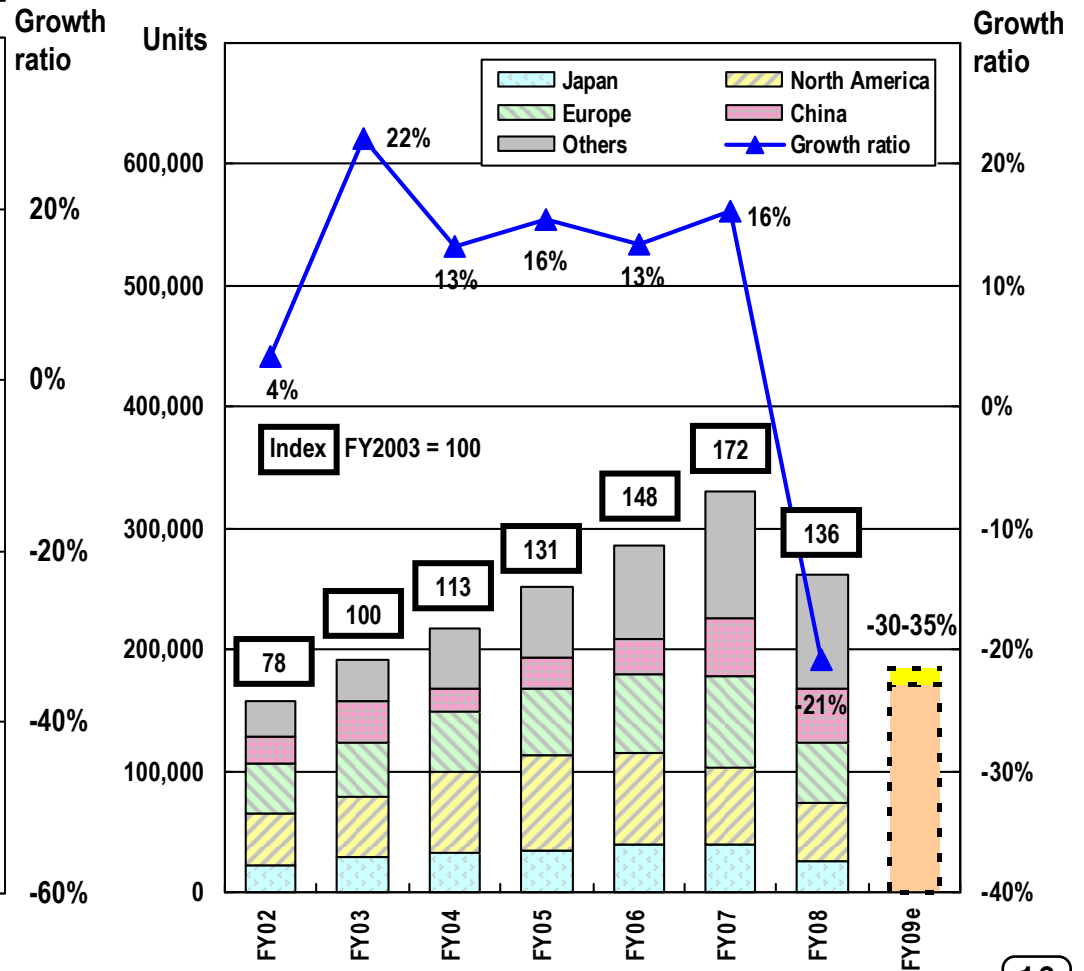
Construction & Mining Equipment: Trend of Demand for Seven Major Products

While we are anticipating recovery of demand starting in the fourth quarter, we are predicting that demand will decline 30 to 35% year-on-year from FY2008 as affected by sharp drop in Japan, North America and Europe.

Quarterly demand for 7 major products

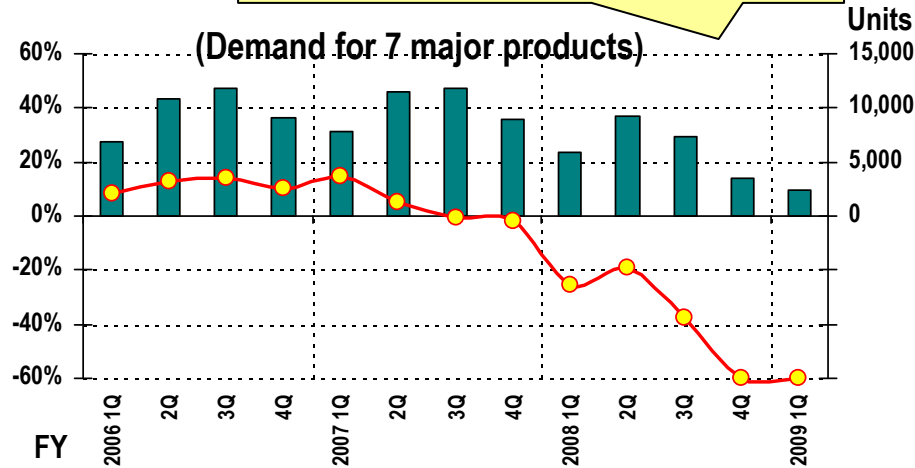


Annual demand for 7 major products

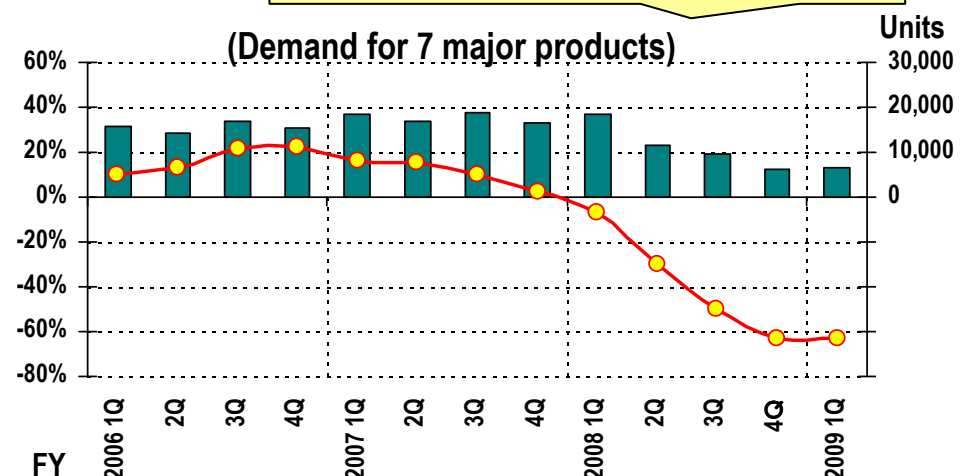


Construction & Mining Equipment: Trend of Demand in Major Markets (1)

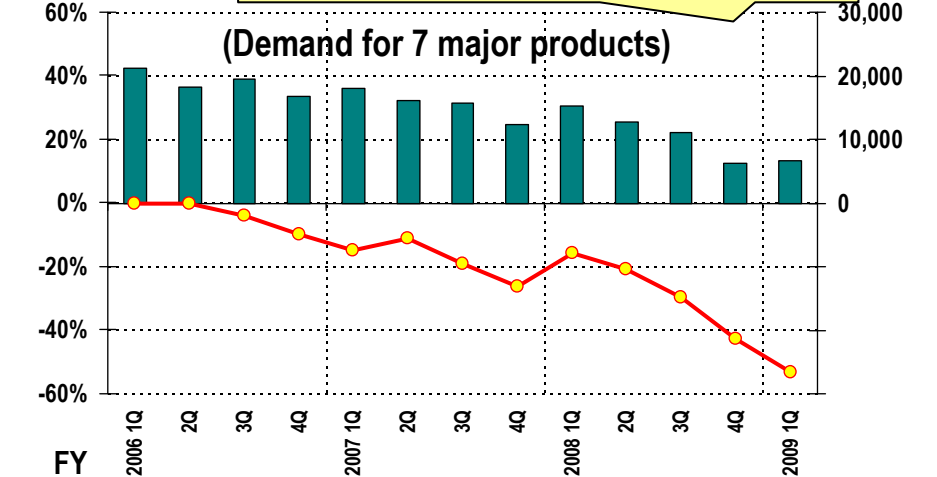
Japan
 Jan-Mar, 2009: down 60% year-on-year
 Apr-Jun, 2009: down 60% year-on-year



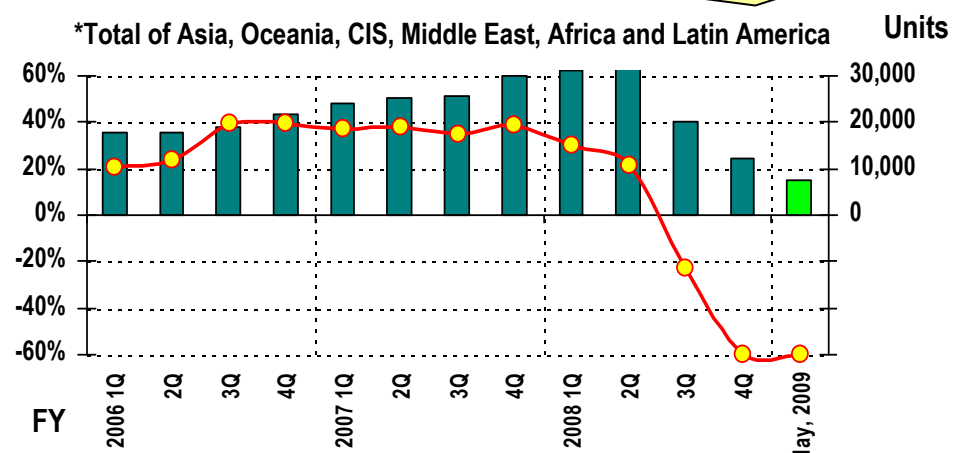
Europe
 Jan-Mar, 2009: down 63% year-on-year
 Apr-Jun, 2009: down 63% year-on-year



North America
 Jan-Mar, 2009: down 43% year-on-year
 Apr-Jun, 2009: down 53% year-on-year



Others*
 Jan-Mar, 2009: down 60% year-on-year
 Apr-May, 2009: down 60% year-on-year



Market demand (unit basis) Growth ratio

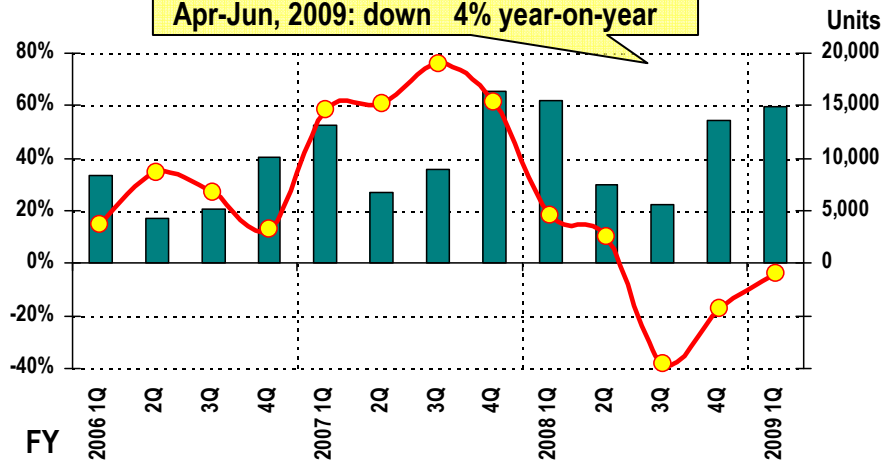
* Estimated by Komatsu

Construction & Mining Equipment: Trend of Demand in Major Markets (2) (China)

Quarterly demand for hydraulic excavators

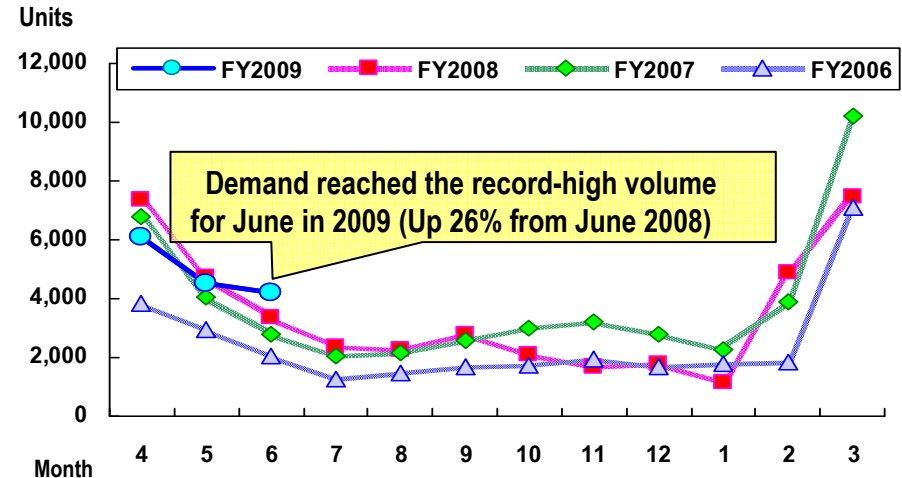
(Foreign manufacturers only. Total number of 6-40ton models)

Jan-Mar, 2009: down 17% year-on-year
Apr-Jun, 2009: down 4% year-on-year



Monthly demand for hydraulic excavators

(Foreign manufacturers only. Total number of 6-40ton models)



Growth of demand for hydraulic excavators by region

(Foreign manufacturers only. Including mini excavators)

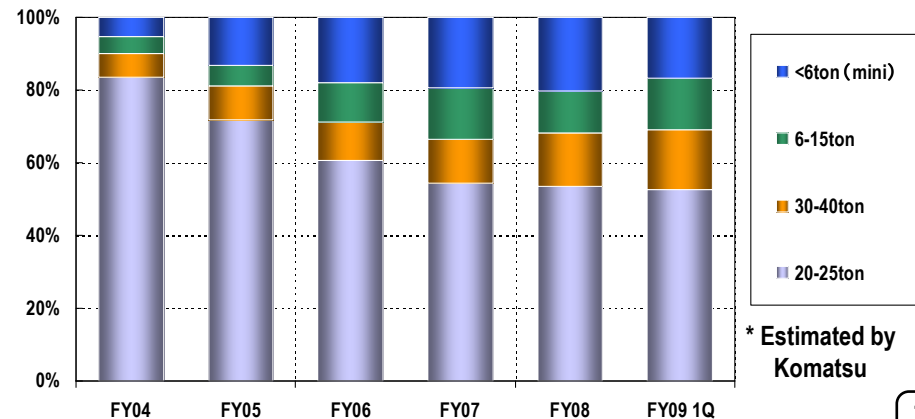
| | 2009 Jan.-Jun. (Yr/Yr) | 2009 Jun. (Yr/Yr) |
|--------------|------------------------|-------------------|
| North east | (2.1)% | +6.2% |
| North | (36.0)% | +25.6% |
| Central | +21.3% | +65.7% |
| East | (15.5)% | +45.6% |
| South | (22.1)% | +29.3% |
| West | +22.9% | +24.9% |
| Total | (10.7)% | +27.5% |

Monthly demand in June 2009 increased from June 2008 in all regions.

Hydraulic excavators: Breakdown of demand by class

(Foreign manufacturers only. Including mini excavators)

Percentage shares of 6-15ton and 30-40ton classes increased, while those of mini excavators decreased.



* Estimated by Komatsu

Topic: PC200-8 Hybrid Hydraulic Excavator



Full-scale sales of the PC200-8 Hybrid launched in April 2009 in Japan (Photo: jobsite in Japan)



Training of distributors for hybrid excavators offered by Komatsu Shantui Construction Machinery in China (July, 2009)

【 Sales targets for FY2009 】

700 units

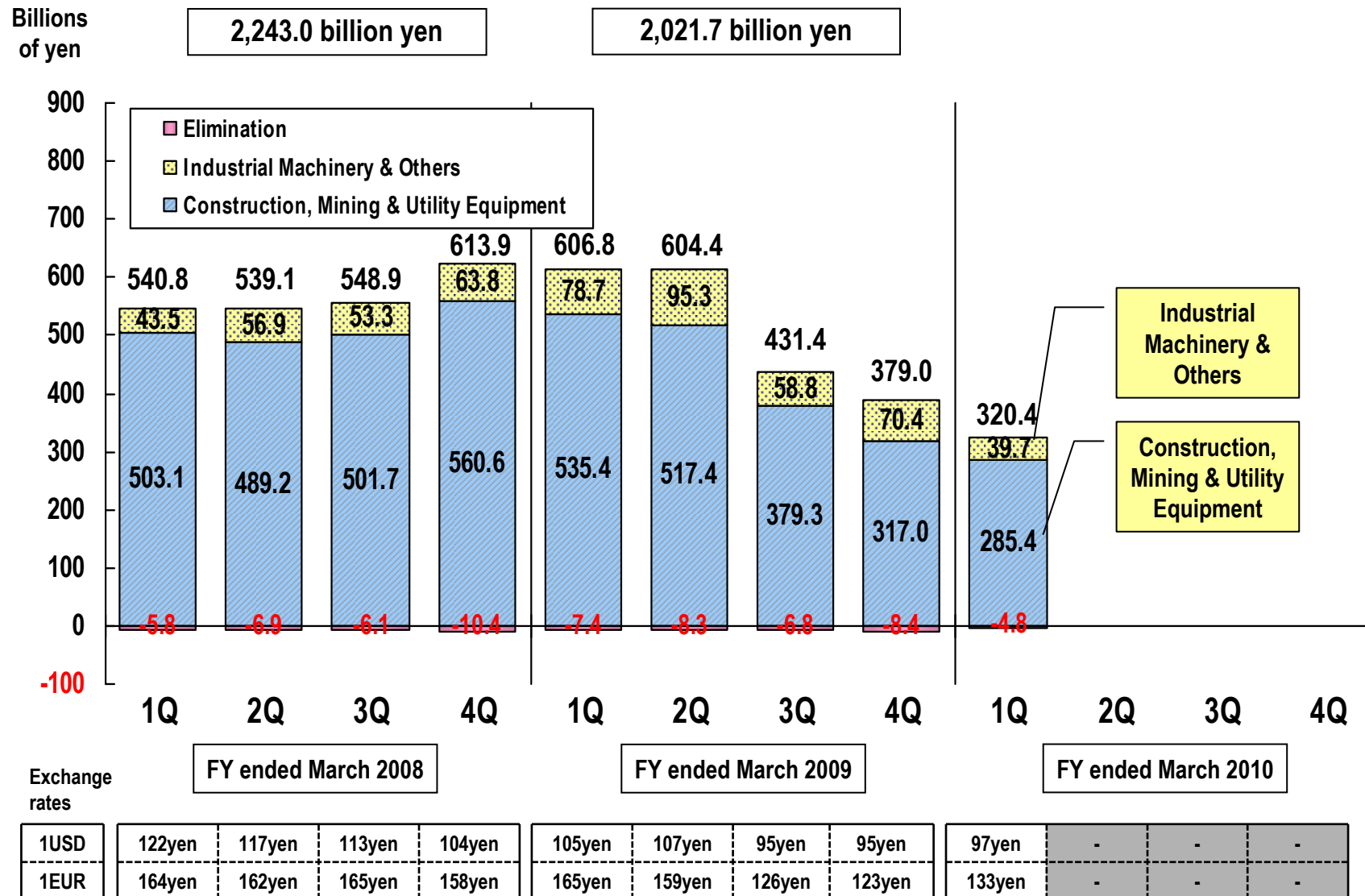
Japan: 180 units ← Orders received for 100 units (incl. 50 units from Komatsu Rental Ltd.) as of July 27

China: 500 units ← Pilot launch to start in August

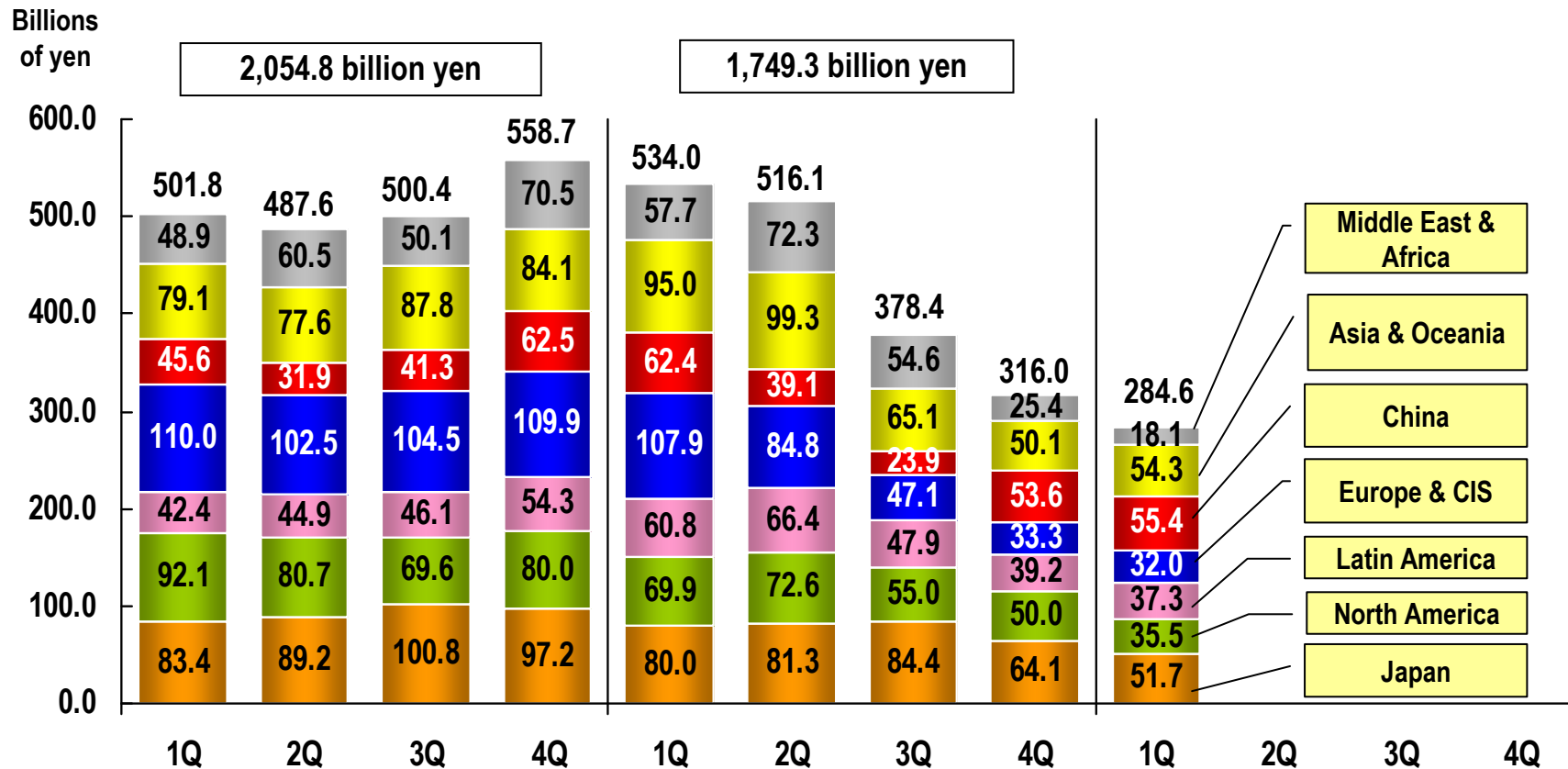
North America: 10 units

<Appendix>
Quarterly Sales and Segment Profit, Etc.

Quarterly Sales by Business Segment



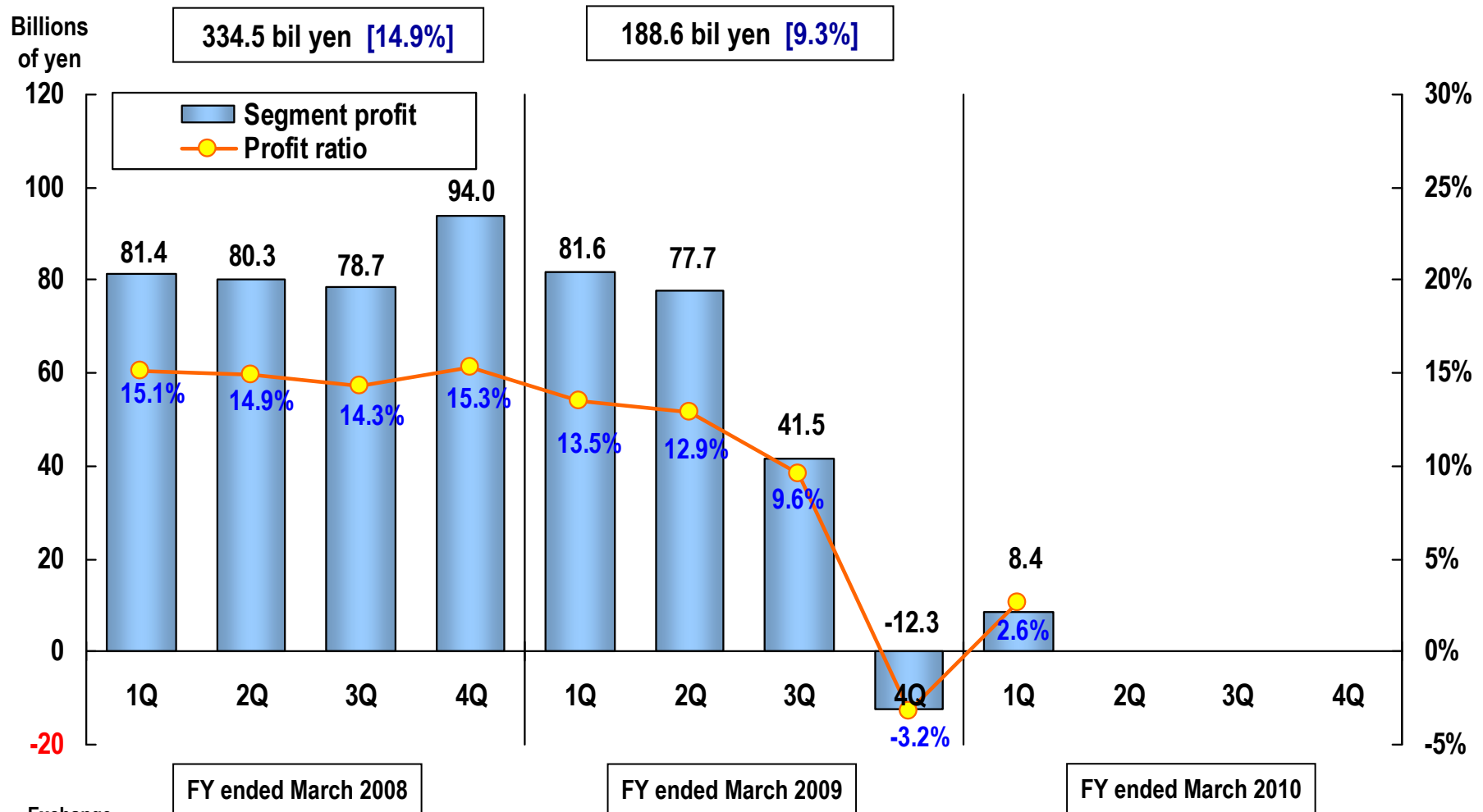
Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



Exchange rates

| | FY ended March 2008 | | | | FY ended March 2009 | | | | FY ended March 2010 | | | |
|------|---------------------|--------|--------|--------|---------------------|--------|--------|--------|---------------------|---|---|---|
| 1USD | 122yen | 117yen | 113yen | 104yen | 105yen | 107yen | 95yen | 95yen | 97yen | - | - | - |
| 1EUR | 164yen | 162yen | 165yen | 158yen | 165yen | 159yen | 126yen | 123yen | 133yen | - | - | - |

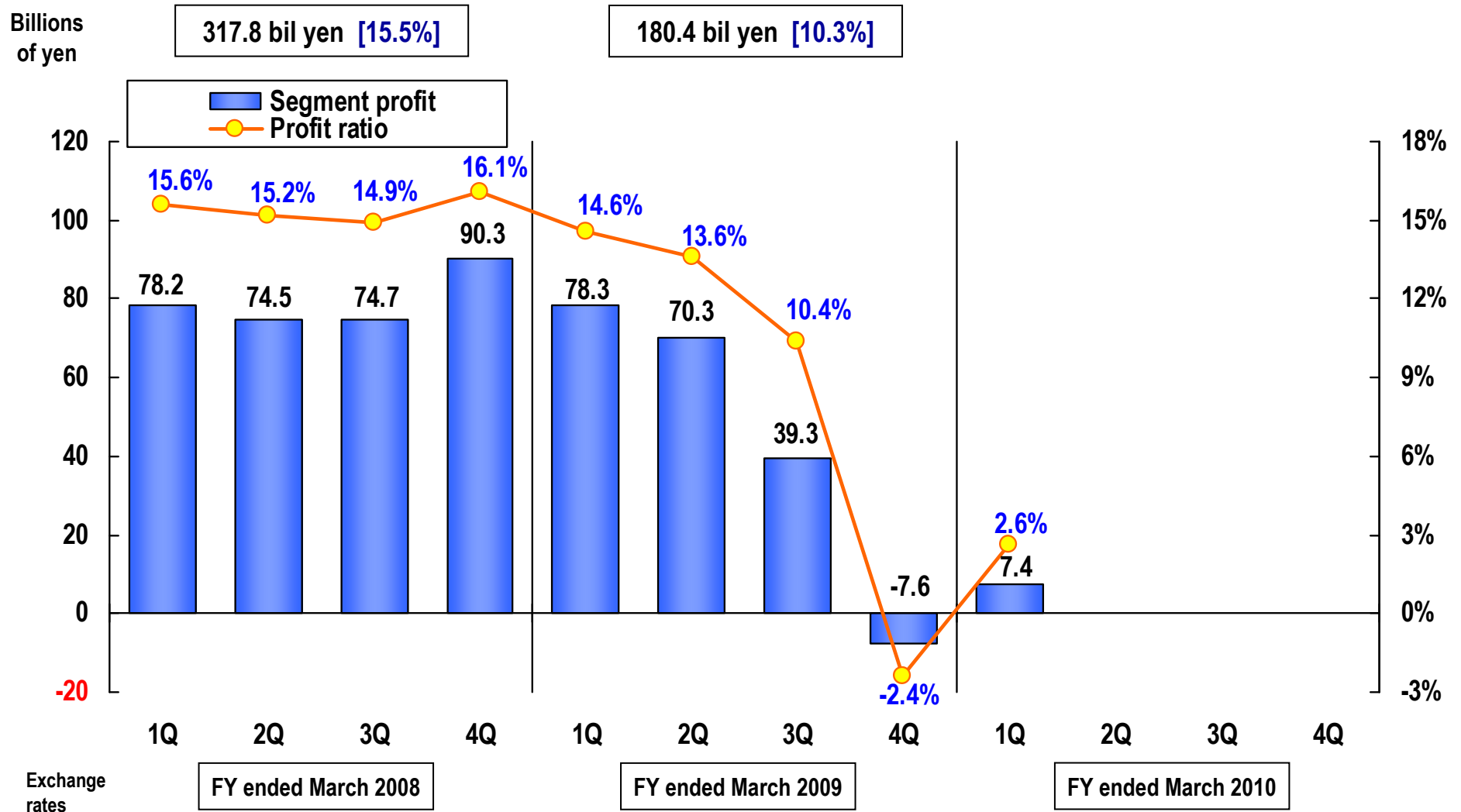
Quarterly Segment Profit: Total



Exchange rates

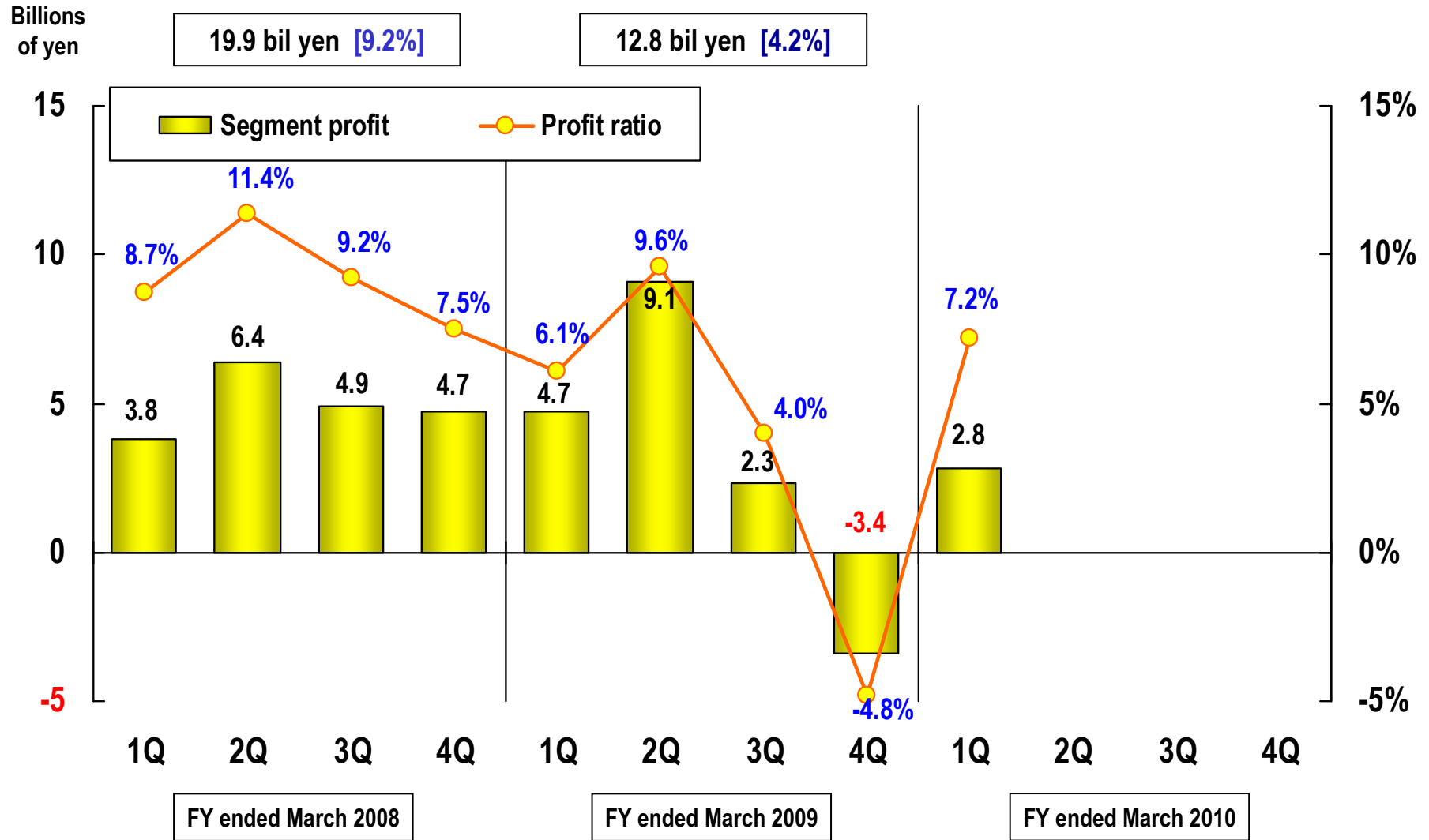
| | | | | | | | | | | | | |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---|---|---|
| 1USD | 122yen | 117yen | 113yen | 104yen | 105yen | 107yen | 95yen | 95yen | 97yen | - | - | - |
| 1EUR | 164yen | 162yen | 165yen | 158yen | 165yen | 159yen | 126yen | 123yen | 133yen | - | - | - |

Quarterly Segment Profit: Construction, Mining & Utility Equipment



| Exchange rates | FY ended March 2008 | | | | FY ended March 2009 | | | | FY ended March 2010 | | | | |
|----------------|---------------------|--------|--------|--------|---------------------|--------|--------|--------|---------------------|-------|---|---|---|
| | 1USD | 122yen | 117yen | 113yen | 104yen | 105yen | 107yen | 95yen | 95yen | 97yen | - | - | - |
| 1EUR | 164yen | 162yen | 165yen | 158yen | 165yen | 159yen | 126yen | 123yen | 133yen | - | - | - | - |

Quarterly Segment Profit: Industrial Machinery & Others



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.



PC200-8 hybrid hydraulic excavators which is scheduled to introduce in full scale in China

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