

**Business Results for FY2010
ended March 31, 2011
and
Tasks and Projection for FY2011
ending March 31, 2012**

**April 27, 2011
Business Coordination Department
Komatsu Ltd.**

1. Business Results for FY2010 ended March 31, 2011

Great East Japan Earthquake

We at Komatsu Ltd. send good wishes to the souls of all those who were killed and we send condolences to all others who have suffered from the Great East Japan Earthquake and the subsequent tsunami. We wish for quick restoration and reconstruction of the devastated regions.

We believe it is our mission to produce, deliver, inspect and service construction and other equipment which are indispensable for restoration and reconstruction. Based on this belief, we have worked to normalize our production, sales and service operations as soon as possible. Our production is already back to normal conditions.

Soon after this massive disaster broke out, we initiated our relief efforts, such as the donation of prefabricated structures and free-of-charge lending of construction equipment, forklift trucks, temporary housing units and power generators. To facilitate these efforts more quickly and continuously, we created the Tohoku Operation Department as of April 1.

1. Damages on Production Facilities and Current Conditions

2. Expenses related to the disaster

[Effects on results for FY2010] Billions of yen

Items	Operating income
Write off	(3.3)
Reliefs	(0.8)
Total [A]	(4.1)

Loss resulting from temporary disruption of production [B]	(0.5)
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Item	Sales	Operating income
Reduced profit due to sales carried forward to FY2011 [C]	(9.2)	(2.4)

Total [A+B+C] (7.0)

Plants	Main products	Damages	Current conditions
Complete unit plants	Ibaraki	Dump trucks	Production facilities damaged. Production disrupted temporarily. Production resumed on March 23. Normal production since April 11.
	Tochigi	Utility equipment	Damaged lightly. Production disrupted temporarily. Production resumed on March 14. Normal production since March 15.
	Awazu	Small and medium-sized construction equipment	Nothing damaged. Slight adverse effects incurred from delayed procurement of parts. Normal production.
	Osaka	Medium and large-sized construction equipment	Nothing damaged. Slight adverse effects incurred from delayed procurement of parts. Normal production.
Component plants	Oyama	Engines, Hydraulic equipment	Production facilities damaged. Production disrupted temporarily. Production resumed on March 15. Normal production since March 17.
	Koriyama	Hydraulic equipment	Damaged lightly. Production disrupted temporarily due to problems of commuting. Production resumed on March 22. Normal production since March 25.

Sales and Profits for Three Months (January – March, 2011)

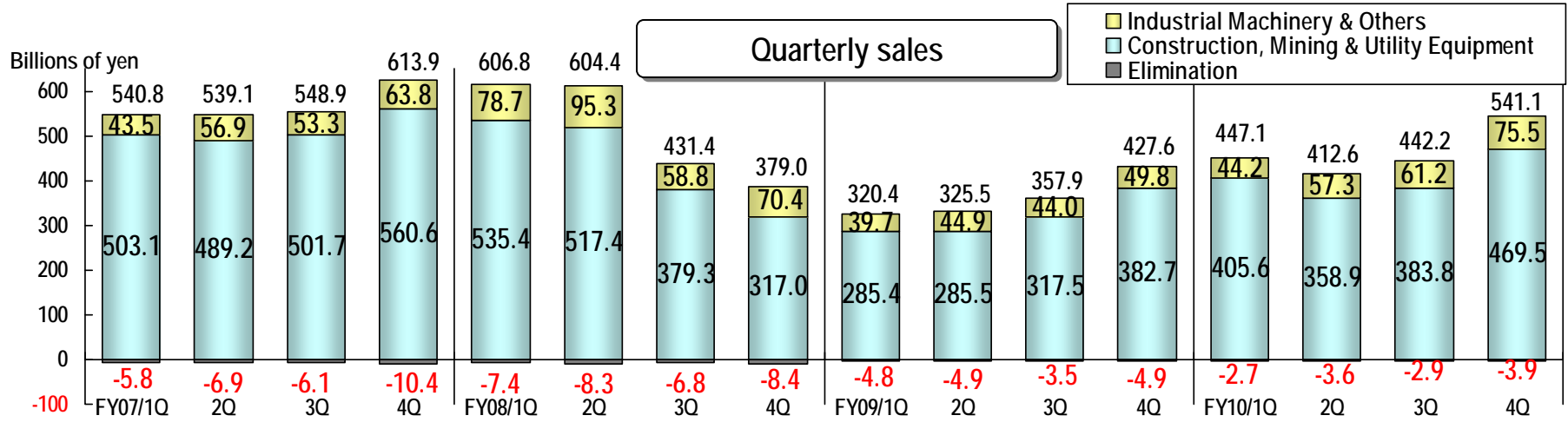
- Fourth quarter sales and profits increased from both the fourth quarter a year ago and the previous quarter even though they were adversely and slightly affected by the disaster.
- Operating income ratio amounted to 11.1%. Segment profit ratios were 13.7% for the construction, mining and utility equipment business and 10.0% for the industrial machinery and others business.

Billions of yen □ : Profit ratio [] : Sales after elimination of inter-segment transactions	Jan. – Mar., 2010 (A) 1USD=91 yen 1EUR=124 yen 1RMB=13.3 yen		Oct. – Dec., 2010 (B) 1USD=82 yen 1EUR=110 yen 1RMB=12.4 yen		Jan. – Mar., 2011 (C) 1USD=82 yen 1EUR=114 yen 1RMB=12.5 yen		Vs. Jan. – Mar., 2010 (C-A)		Vs. Oct. – Dec., 2010 (C-B)	
	Increase (decrease)	% change	Increase (decrease)	% change	Increase (decrease)	% change	Increase (decrease)	% change		
Net sales	427.6	442.2	*1 541.1	113.5	+26.5%	98.9	+22.4%			
Construction, Mining & Utility Equipment	[382.0] 382.7	[383.2] 383.8	[468.7] 469.5	[86.6] 86.8	[+22.7%] +22.7%	[85.4] 85.6	[+22.3%] +22.3%			
Industrial Machinery & Others	[45.5] 49.8	[58.9] 61.2	[72.3] 75.5	[26.8] 25.6	[+58.9%] +51.5%	[13.4] 14.3	[+22.8%] +23.4%			
Elimination	(4.9)	(2.9)	(3.9)	1.0	-	(1.0)	-			
Segment profit	□ 9.0% 38.5	□ 13.6% 59.9	□ 12.9% 69.8	31.3	+81.5%	9.9	+16.8%			
Construction, Mining & Utility Equipment	□ 10.2% 38.9	□ 14.1% 54.0	□ 13.7% 64.4	25.5	+65.6%	10.3	+19.2%			
Industrial Machinery & Others	□ 1.5% 0.7	□ 11.9% 7.2	□ 10.0% 7.5	6.8	+943.0%	0.2	+4.0%			
Corporate & elimination	(1.1)	(1.4)	(2.1)	(0.9)	-	(0.7)	-			
Other operating income (expenses)	*2 (7.5)	*3 (1.1)	*4 (9.7)	(2.1)	-	(8.6)	-			
Operating income	□ 7.2% 30.9	□ 13.3% 58.8	□ 11.1% *1 60.1	29.2	+94.5%	1.3	+2.3%			
Other operating income (expenses)	(0.6)	(0.0)	0.7	1.3	-	0.7	-			
Net income before income taxes	30.2	58.7	60.9	30.6	+101.1%	2.1	+3.6%			
Net income *5	15.2	36.8	50.1	34.9	+229.7%	13.2	+36.0%			

*1 Including adverse effects by the earthquake : reduced sales of 9.2 billion yen and reduced operating income of 7.0 billion yen. *2 Including structural reform expenses of 5.1 billion yen. *3 Including structural reform expenses of 0.5 billion yen. *4 Including structural reform expenses of 1.4 billion yen. *5 Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

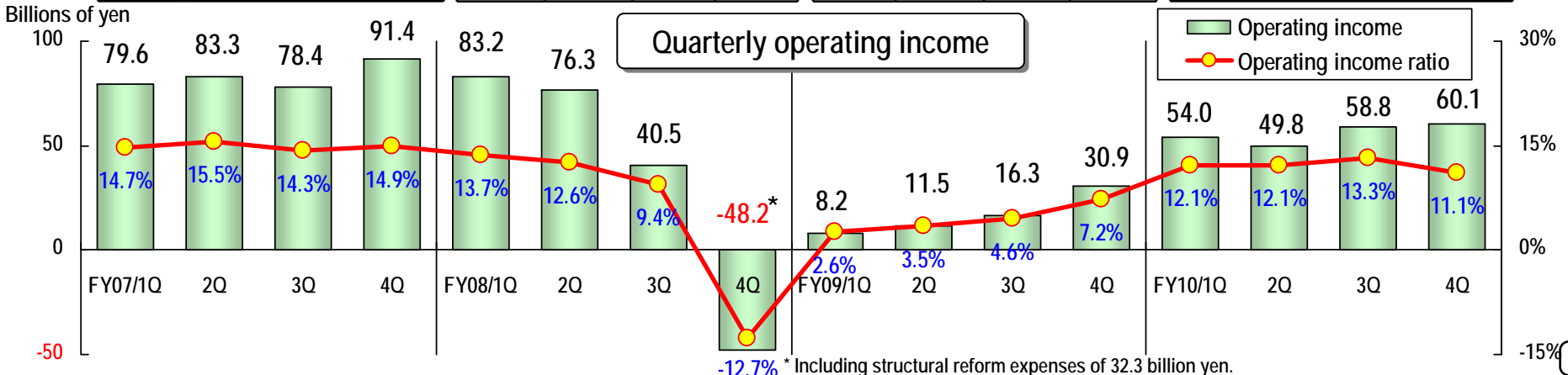
Quarterly Sales and Operating Income

- Fourth quarter sales advanced to ¥541.1 billion, thus recovering to the level of the first half period of FY2007.
- Fourth quarter operating income doubled from the fourth quarter a year ago, while the Japanese currency continued to appreciate against other major currencies.



Exchange rates

	07/1Q	07/2Q	07/3Q	07/4Q	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	122yen	117yen	113yen	104yen	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen	85yen	82yen	82yen
1EUR	164yen	162yen	165yen	158yen	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen	111yen	110yen	114yen
1RMB	15.9yen	15.5yen	15.3yen	14.6yen	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen	12.6yen	12.4yen	12.5yen



Breakdown of Sales for Three Months (Jan. – Mar., 2011)

- Construction, Mining and Utility Equipment Business: Fourth-quarter sales increased in all regions from the fourth quarter a year ago. Big gains were registered especially in North America and Europe.
- Industrial Machinery and Others: Komatsu NTC's wire saws business continued to improve, expanding sales.

1. Construction, mining & utility equipment (sales by region)

Billions of yen

		Jan. – Mar., 2010 (FY09/4Q) (A)	Oct. – Dec., 2010 (FY10/3Q) (B)	Jan. – Mar., 2011 (FY10/4Q) (C)	Vs. Jan. – Mar., 2010 (C-A)		Vs. Oct. – Dec., 2010 (C-B)	
					Increase (decrease)	Change %	Increase (decrease)	Change %
Traditional Markets	Japan	61.3	69.6	64.5	3.2	+5.3%	(5.0)	(7.3)%
	North America	35.9	48.6	52.7	16.7	+46.4%	4.0	+8.3%
	Europe	24.4	24.3	31.4	7.0	+28.7%	7.1	+29.4%
Strategic Markets	Latin America	50.5	42.7	52.3	1.7	+3.4%	9.5	+22.3%
	CIS	8.5	16.7	19.6	11.1	+130.0%	2.9	+17.3%
	China	84.4	67.2	114.2	29.7	+35.3%	46.9	+69.9%
	Asia & Oceania	91.0	89.2	103.4	12.4	+13.7%	14.2	+15.9%
	Middle East & Africa	25.7	24.5	30.3	4.6	+18.0%	5.7	+23.4%
Total		382.0	383.2	468.7	86.6	+22.7%	85.4	+22.3%

2. Industrial machinery & others

Billions of yen

		Jan. – Mar., 2010 (FY09/4Q) (A)	Oct. – Dec., 2010 (FY10/3Q) (B)	Jan. – Mar., 2011 (FY10/4Q) (C)	Vs. Jan. – Mar., 2010 (C-A)		Vs. Oct. – Dec., 2010 (C-B)	
					Increase (decrease)	Change %	Increase (decrease)	Change %
Komatsu Industries Corp.*		13.3	6.4	11.0	(2.3)	(17.3)%	4.6	+71.9%
Komatsu NTC Ltd.		13.5	32.5	40.5	27.0	+200.0%	8.0	+24.6%
Others		23.0	22.3	24.0	1.0	+4.3%	1.7	+7.6%
Total		49.8	61.2	75.5	25.6	+51.5%	14.3	+23.4%

*Three-month (Jan.-Mar., 2010) sales of Komatsu Industries Corp. include sales of presses of Komatsu Ltd.

Sales and Profits for FY2010 ended March 31, 2011

- Net sales advanced by 28.7% from the previous fiscal year. Operating income expanded 3.3 times. Operating income ratio improved to 12.1%.
- Segment profit ratios improved sharply for both the construction, mining and utility equipment business and the industrial machinery and others business, registering 13.6% and 8.8%, respectively.

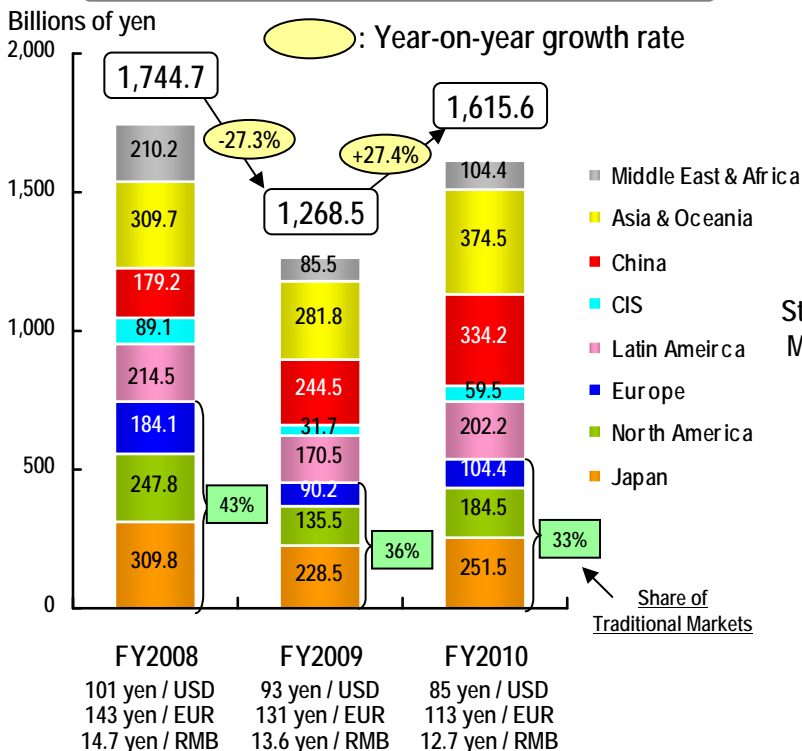
Billions of yen	FY2009		FY2010		Increase (decrease)	
<input type="text"/> % : Profit ratio	1USD = 93 yen 1EUR = 131 yen 1RMB = 13.6 yen		1USD = 85 yen 1EUR = 113 yen 1RMB = 12.7 yen			
[] : Sales after elimination of inter-segment transactions						
Net sales	1,431.5		*1 1,843.1		411.5 +28.7%	
Construction, Mining & Utility Equipment	[1,268.5]	1,271.2	[1,615.6]	1,618.0	[347.1]	346.8 [+27.4%] +27.3%
Industrial Machinery & Others	[162.9]	178.6	[227.4]	238.3	[64.4]	59.7 [+39.5%] +33.5%
Elimination	(18.3)		(13.3)		5.0 -	
Segment profit	<input type="text"/> 5.6%	80.7	<input type="text"/> 12.7%	234.9	154.2 +191.1%	
Construction, Mining & Utility Equipment	<input type="text"/> 6.5%	83.0	<input type="text"/> 13.6%	220.8	137.7 +165.9%	
Industrial Machinery & Others	<input type="text"/> 1.7%	2.9	<input type="text"/> 8.8%	20.9	17.9 +599.3%	
Corporate & elimination	(5.3)		(6.8)		(1.4) -	
Other operating income (expenses)	*2 (13.6)		*3 (12.0)		1.6 -	
Operating income	<input type="text"/> 4.7%	67.0	<input type="text"/> 12.1%	*1 222.9	155.8 +232.6%	
Other income (expenses)	(2.0)		(3.1)		(1.0) -	
Net income before income taxes	64.9		219.8		154.8 +238.3%	
Net income *4	33.5		150.7		117.1 +349.2%	
Cash dividends per share	16 yen		38 yen		22 yen	

*1 Including adverse effects by the earthquake : reduced sales of 9.2 billion yen and reduced operating income of 7.0 billion yen. *2 Including structural reform expenses of 12.0 billion yen. *3 Including structural reform expenses of 3.8 billion yen. *4 Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

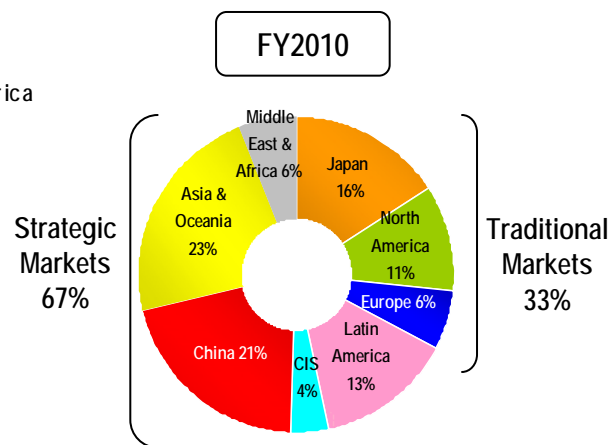
Construction, Mining & Utility Equipment: Sales by Region and Segment Profit

- Sales increased by 27.4% from the previous fiscal year. Sales in the Strategic Markets further grew to account for 67% of total sales.
- In spite of the Japanese yen's sharp appreciation, segment profit ratio recovered to a level, surpassing that for FY2008.

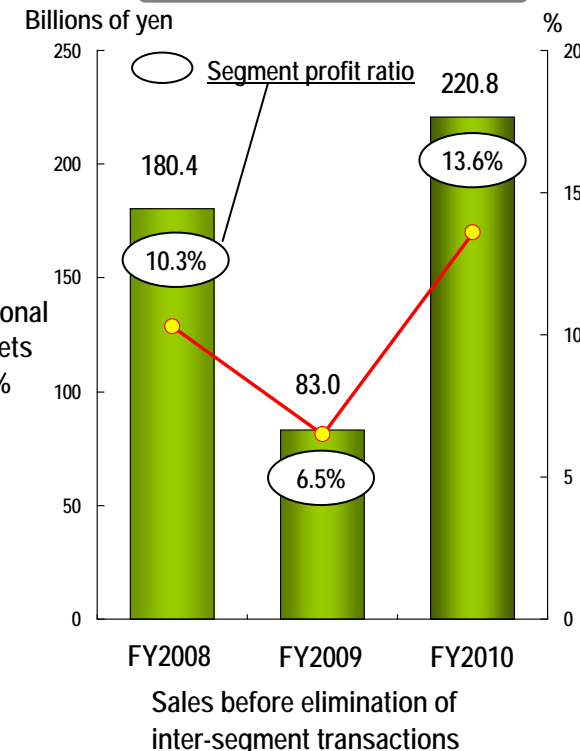
Sales by region (To outside customers)



Breakdown (%)



Segment profit

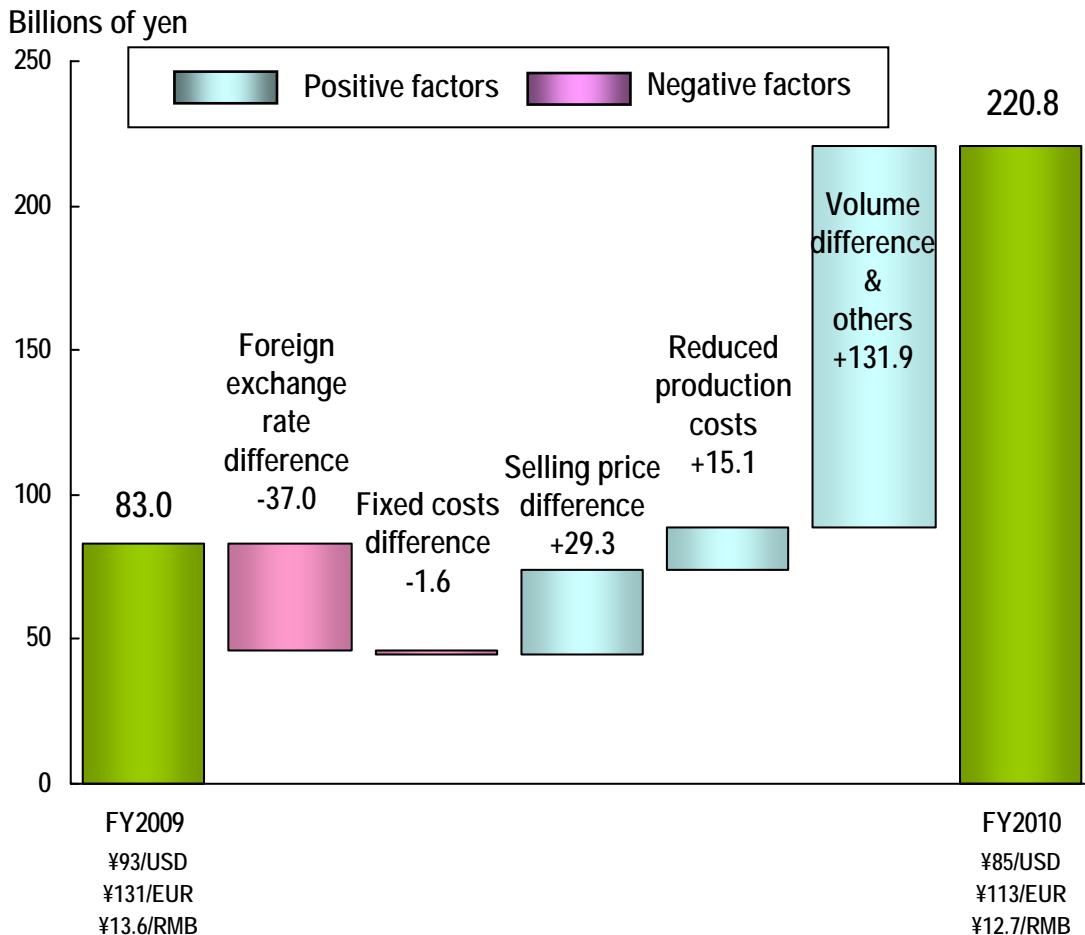


Year-on-year growth rate of sales by region

	Japan	North America	Europe	Latin America	CIS	China	Asia & Oceania	Middle East & Africa	Total
FY2009	- 26.3%	- 45.3%	- 51.0%	- 20.5%	- 64.4%	+ 36.4%	- 9.0%	- 59.3%	- 27.3%
FY2010	+ 10.1%	+ 36.2%	+ 15.7%	+ 18.5%	+ 87.6%	+ 36.7%	+ 32.9%	+ 22.2%	+ 27.4%

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

- Negative factors of the Japanese yen appreciation and increased fixed costs were covered by positive factors of increased selling prices and further reduced production costs.
- Supported also by a sharp increase in the volume of sales, segment profit registered a big gain of ¥137.7 billion from the previous fiscal year.



[Positive factors]

Volume difference & others:	+ ¥ 131.9 billion
Selling price difference:	+ ¥ 29.3 billion
Reduced production costs:	+ ¥ 15.1 billion

[Negative factors]

Fixed costs difference:	- ¥ 1.6 billion
Foreign exchange rate difference:	- ¥ 37.0 billion

	< FY09 >	< FY10 >
1USD	93 yen	85 yen
1EUR	131 yen	113 yen
1RMB	13.6yen	12.7 yen

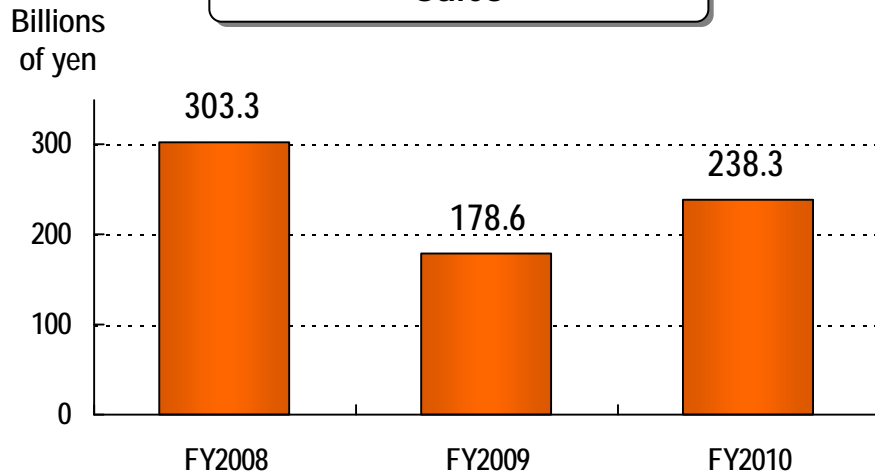
Increased profit of 137.7 billion yen

6.5% — Segment profit ratio — 13.6%

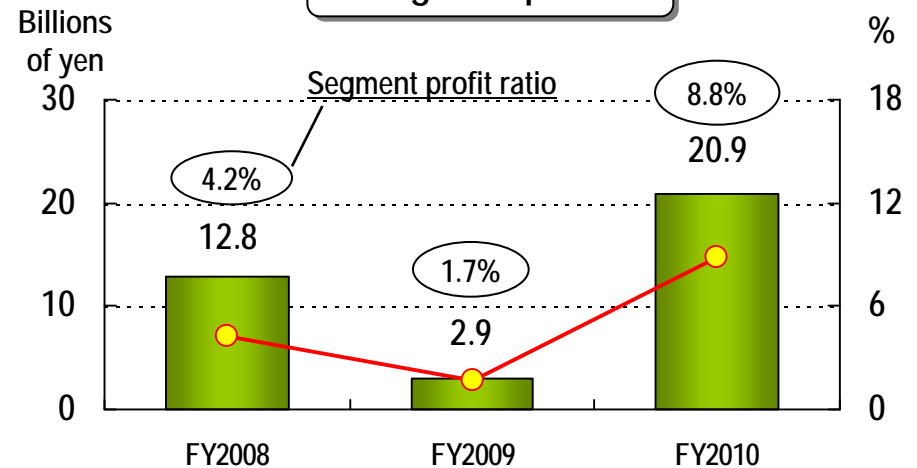
Industrial Machinery & Others: Sales and Segment Profit

- Komatsu NTC's wire saws business was buoyant, recording big gains in both sales and profits.
- Segment profit ratio improved to 8.8%, recovering to a level, substantially surpassing that for FY2008.

Sales



Segment profit



Breakdown of sales and segment profit: FY2009 v.s. FY2010

Billions of yen

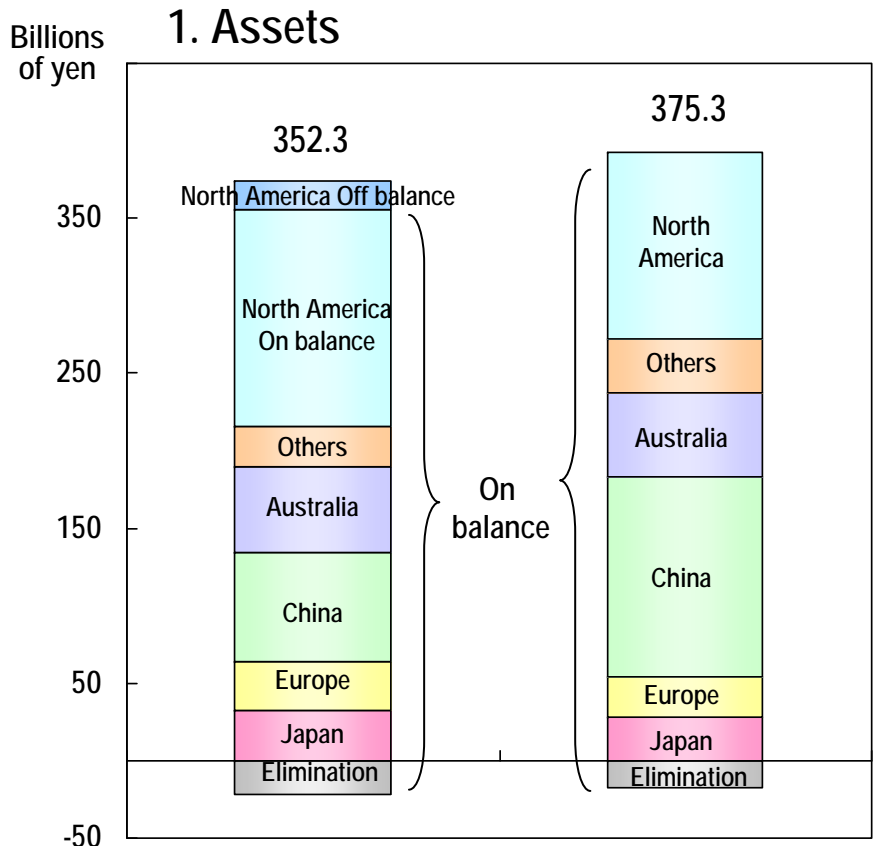
	Sales		
	FY09	FY10	Increase (decrease)
Komatsu Industries Corp.*	42.7	32.2	(10.5)
Komatsu NTC Ltd.	51.2	119.0	67.8
Others	84.7	87.1	2.4
Total	178.6	238.3	59.7

*In FY2009, sales of Komatsu Industries Corp. include sales of presses of Komatsu Ltd.

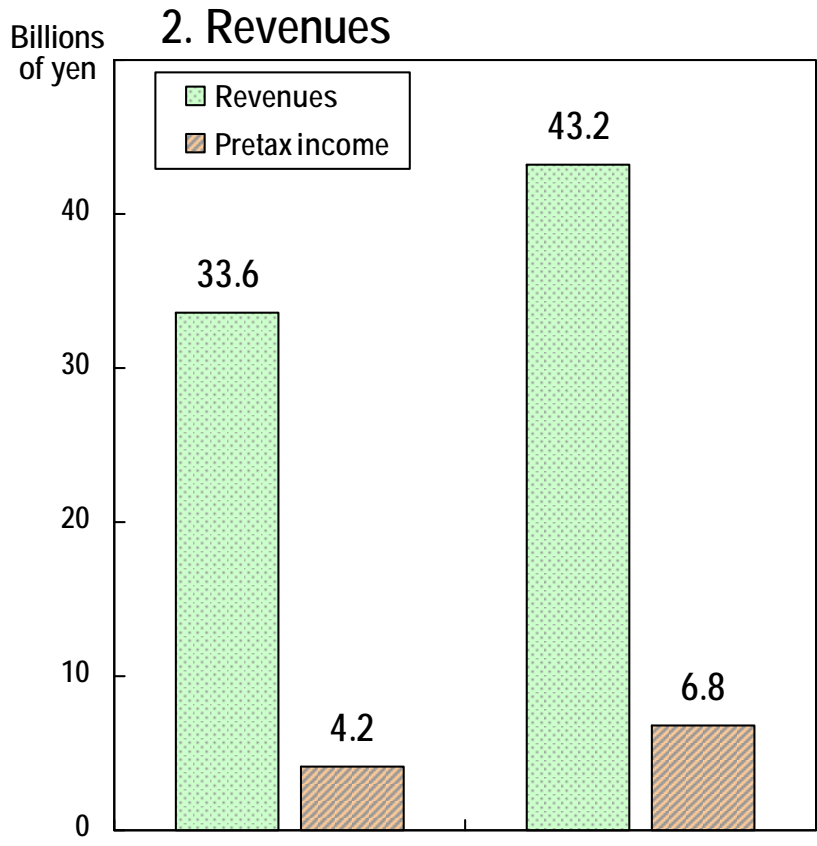
Retail Finance Business

Assets expanded in the Strategic Markets, especially in China. Both revenues and pretax income advanced from the previous fiscal year.

Consolidated retail finance subsidiaries (internal-use data)



	March 31, 2010	March 31, 2011
1USD	93 yen	83 yen
1EUR	125 yen	118 yen
1RMB	13.6 yen	12.7 yen



	FY2009	FY2010
1USD	93 yen	85 yen
1EUR	131 yen	113 yen
1RMB	13.6 yen	12.7 yen

Consolidated Balance Sheets

- Total assets increased by ¥190.0 billion from the previous fiscal year-end, reflecting increased receivables and inventories resulting from expanded demand and sales.
- Net debt-to-equity ratio improved to 0.50 due to continued repayments of interest-bearing debt.
(It should be 0.24, when interest-bearing debt of consolidated retail finance companies is excluded.)

Billions of yen ○ Net D/E ratio	Mar. 31, 2010 93 yen/USD 125 yen/EUR 13.6 yen/RMB	Mar 31, 2011 83 yen/USD 118 yen/EUR 12.7 yen/RMB	Increase (decrease)
Cash & deposits (Incl. time deposits) [a]	83.5	84.9	1.3
Accounts receivable (Incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	598.6 <338.1>	716.0 <419.3>	117.3 <81.2>
Inventories	396.4	473.8	77.4
Tangible fixed assets	525.1	508.3	(16.7)
Other assets	355.3	365.8	10.5
Total assets	1,959.0	2,149.1	190.0
Accounts payable	207.0	308.9	101.9
Interest-bearing debt [b] <Excl. that of consolidated retail finance subsidiaries>	586.3 <351.1>	544.0 <276.9>	(42.3) <(74.3)>
Other liabilities	288.8	323.4	34.5
Total liabilities	1,082.2	1,176.4	94.2
[Shareholders' equity ratio]	[42.6%]	[43.0%]	[+ 0.4 pts]
Komatsu Ltd. shareholders' equity	833.9	923.8	89.8
Noncontrolling interests	42.8	48.8	6.0
Liabilities & Equity	1,959.0	2,149.1	190.0
Interest-bearing debt, net [b-a]	○ 0.60 502.8	○ 0.50 459.1	(43.7)
Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries	○ 0.36	○ 0.24	

2. Projection for FY2011 ending March 31, 2012

Outline of Projection for FY2011 ending March 31, 2012

1. Sales and profits: Both sales and profits should increase from FY2010. We project operating income ratio will improve to 14.2%. (Not incorporating demand resulting from the reconstruction after the Great East Japan Earthquake.)

	FY2010 Results	FY2011 Projection	Change
Net sales	1,843.1 billion yen	2,150.0 billion yen	+16.6%
Operating income	222.9 billion yen	305.0 billion yen	+36.8%
Operating income ratio	12.1%	14.2%	+2.1points
Net income *	150.7 billion yen	200.0 billion yen	+32.7%
ROE	17.2%	20.0%	+2.8points
Net debt-to-equity ratio [Excl. debt of retail finance business]	0.50 [0.24]	0.48 [0.22]	(0.02) points [(0.02) points]

* "Net income" is equivalent to "Net income attributable to Komatsu Ltd." per the FASB Accounting Standards Codification (ASC) 810.

2. Outlook of two business segments

- Construction, Mining and Utility Equipment

In addition to demand growth in the Strategic Markets, we also expect market demand in North America and Europe will show signs of clear recovery. Both net sales and segment profit will increase from the previous fiscal year.

- Industrial Machinery and Others

Demand for wire saws should continue to grow, and demand for presses and machine tools is expected to recover as well. Both net sales and segment profit will increase from the previous fiscal year.

3. Acceleration of growth through structural reforms

[Effective April 1, 2011]

- Absorption-type merger of Komatsu Utility Co., Ltd. : To accelerate the development of DANTOTSU products.
- Merger of Komatsu NTC Ltd. and Komatsu Machinery Corp. : To accelerate the development of DANTOTSU products and expand synergy effects.
- Absorption-type merger of Komatsu Engineering Corp. ->To further strengthen Komatsu's development and manufacturing engineering capabilities.

[Planned for May 2011]

- Making Gigaphoton Inc. as a wholly owned subsidiary -> To accelerate the EUV business.

[Planned for July 2011]

- Reassessment of the roles with Komatsu Rental Ltd.-> To further reinforce the rental and used equipment business.

4. Cash dividends

- Annual cash dividends of 42 yen per share are planned.
(Consolidated payout ratio should translate into 20%.)

	FY2010	FY2011 Projection	Increase (decrease)
Interim	18 yen	21 yen*	+3 yen*
Year end	20 yen	21 yen*	+1 yen*
Total	38 yen	42 yen*	+4 yen*

*Projected

Projection for FY2011 ending March 31, 2012

- Net sales and operating income should increase by 16.6% and 36.8%, respectively. Operating income ratio should improve to 14.2%.
- Segment profit ratio of the Construction, Mining and Utility Equipment business should improve to 15.5%. Segment profit ratio of the Industrial Machinery and Others business should also improve to 10.3%.

☐ : Profit ratio

[] : Sales after elimination of inter-segment transactions

Billions of yen

	FY2010 Results 1USD=85yen 1EUR=113yen 1RMB=12.7yen	FY2011 Projection 1USD=82yen 1EUR=116yen 1RMB=12.7yen	Increase (decrease)	
Net sales	1,843.1	2,150.0	306.8	+16.6%
Construction, Mining & Utility Equipment	[1,615.6] 1,618.0	[1,868.0] 1,870.0	[252.3] 251.9	[+15.6%] +15.6%
Industrial Machinery & Others	[227.4] 238.3	[282.0] 290.0	[54.5] 51.6	[+24.0%] +21.7%
Elimination	[13.3]	(10.0)	3.3	-
Segment profit	☐ 12.7% 234.9	☐ 14.4% 310.0	75.0	+31.9%
Construction, Mining & Utility Equipment	☐ 13.6% 220.8	☐ 15.5% 289.0	68.1	+30.9%
Industrial Machinery & Others	☐ 8.8% 20.9	☐ 10.3% 30.0	9.0	+43.1%
Corporate & elimination	(6.8)	(9.0)	(2.1)	-
Other operating income (expenses)	(12.0)	(5.0)	7.0	-
Operating income	☐ 12.1% 222.9	☐ 14.2% 305.0	82.0	+36.8%
Other income (expenses)	(3.1)	(5.0)	(1.8)	-
Income before income taxes	219.8	300.0	80.1	+36.5%
Net income *1	150.7	200.0	49.2	+32.7%
Cash dividends per share	38 yen	42 yen	4 yen	

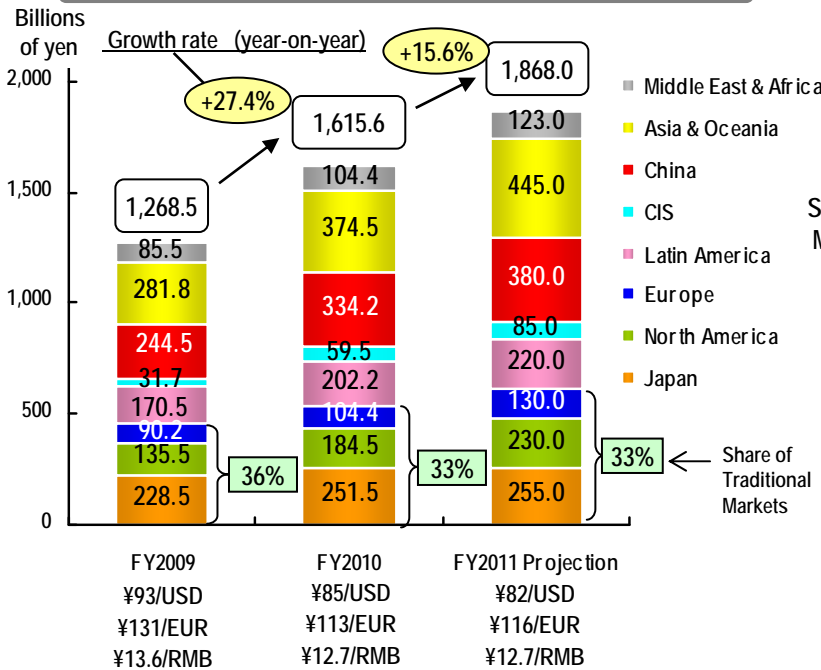
*1 "Net income" is equivalent to "Net income attributable to Komatsu Ltd." per the FASB Accounting Standards Codification (ASC) 810.

3. Market Environment and Outlook for FY2011 ending March 31, 2012

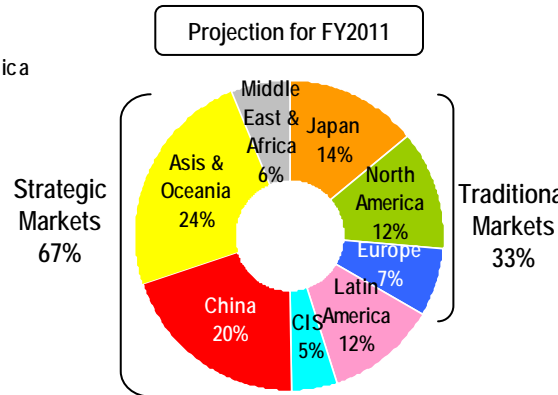
Construction, Mining & Utility Equipment : Projection for Sales by Region and Segment Profit

- Sales and segment profit of the Construction, Mining & Utility Equipment business should increase by 15.6% and 30.9%, respectively.
- Sales proportion of the Traditional Markets in FY2011 is projected to remain the same as that of FY2010, due to the expected recovery of sales in North America and Europe.

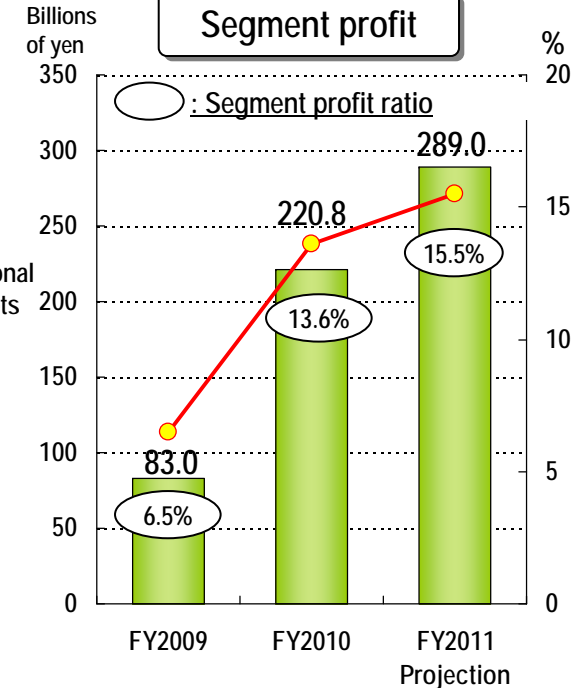
Sales by region (To outside customers)



Breakdown (%)



Segment profit



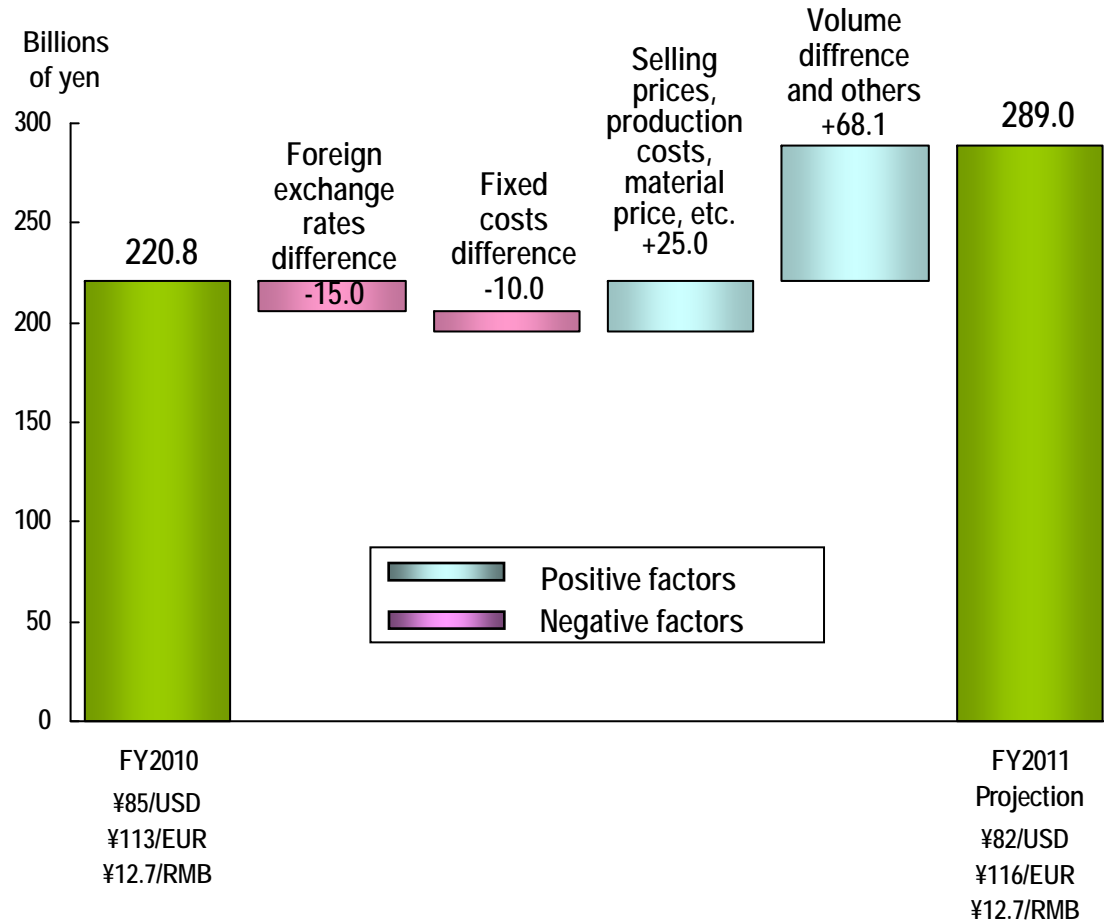
Sales before elimination of inter-segment transactions

Rate of growth (year-on-year basis)

%	Japan	North America	Europe	Latin America	CIS	China	Asia & Oceania	Middle East & Africa	Total
FY2010	+10.1%	+36.2%	+15.7%	+18.5%	+87.6%	+36.7%	+32.9%	+22.2%	+27.4%
FY2011 Projection	+1.4%	+24.7%	+24.5%	+8.8%	+42.9%	+13.7%	+18.8%	+17.8%	+15.6%

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

- Negative factors of the Japanese yen appreciation and increased fixed costs should be covered by positive factors of increase of selling prices and further reduction of production costs.
- Segment profit should advance by 68.1 billion yen from the FY2010, reflecting expanded volume of sales.



[Positive factors]

- Volume difference and others: + 68.1 billion yen
- Selling prices, production costs, material prices, etc.: +25.0 billion yen

[Negative factors]

- Fixed costs difference: -10.0 billion yen
- Foreign exchange rates difference: -15.0 billion yen

	[FY2010]	[FY2011 Projection]
1USD	85yen	82yen
1EUR	113yen	116yen
1RMB	12.7yen	12.7yen



Profit increase of 68.1 billion yen

13.6%

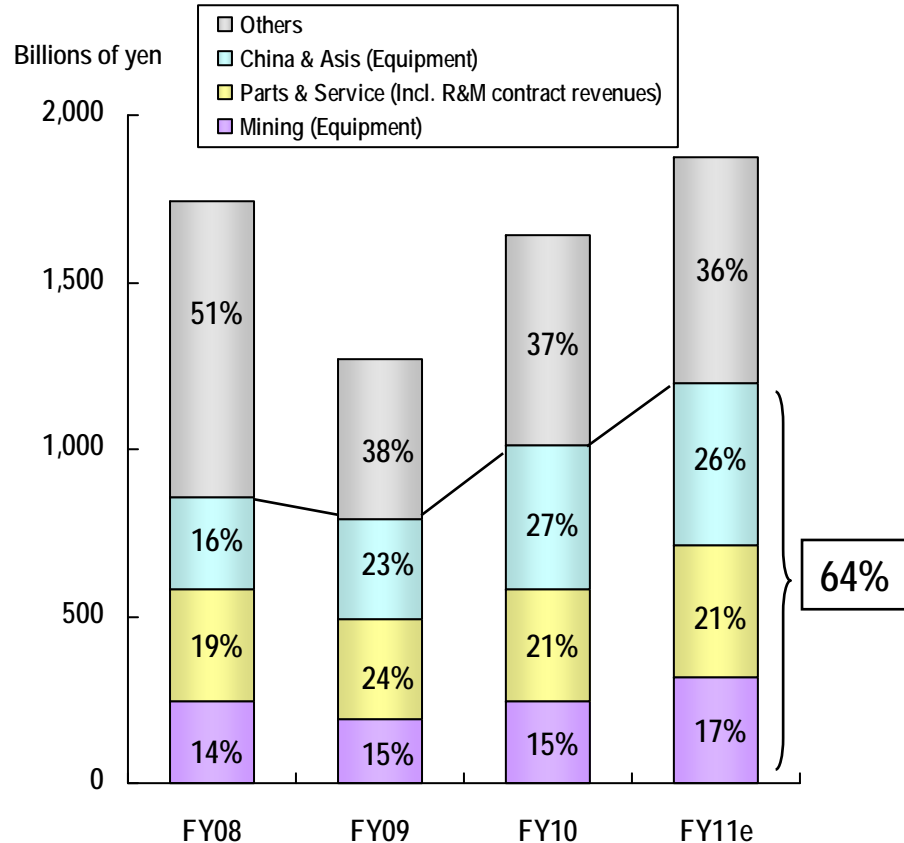
Segment profit ratio

15.5%

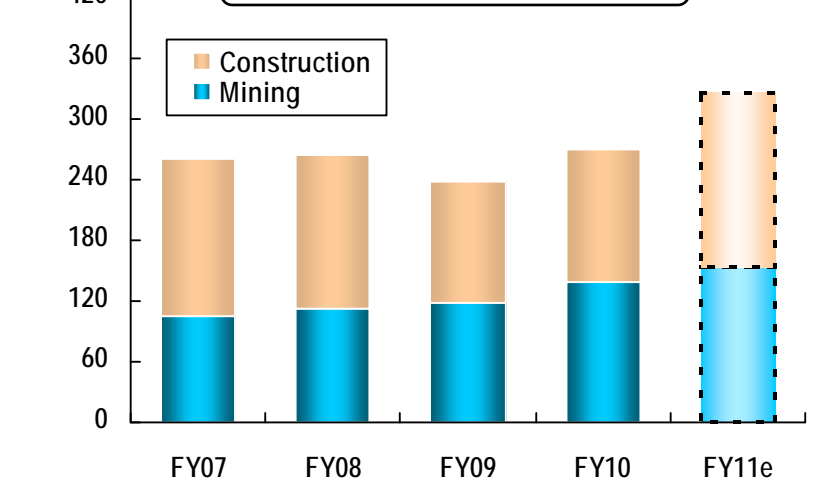
Construction, Mining & Utility Equipment: Sales of Three Major Categories

- Sales of "mining equipment", "parts & services", and those in "China & Asia" have been steadily growing even after the Lehman Shock of 2008.
- We expect that combined sales of these three categories will account for 64% of total sales of the Construction, Mining and Utility Equipment business.

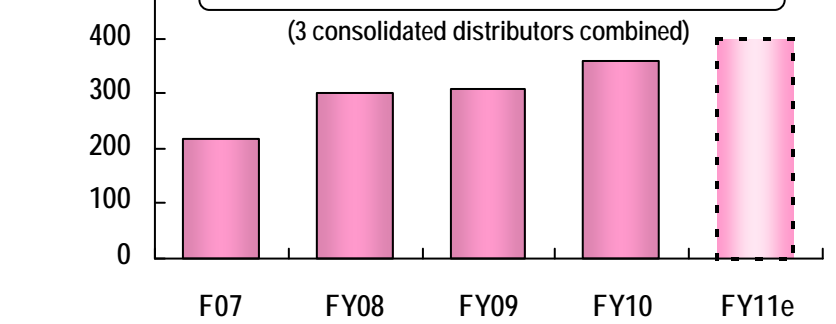
Sales breakdown of Construction, Mining and Utility Equipment business



Billions of yen Sales of parts by industrial sector



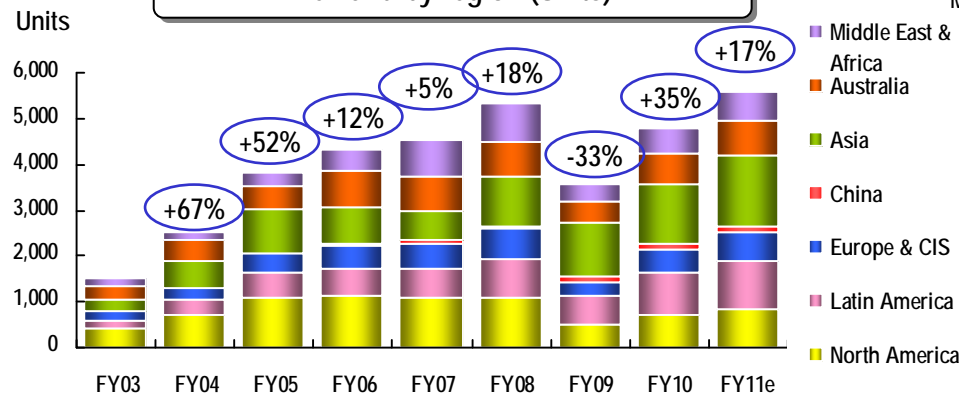
Millions of USD Mining equipment: R&M contract revenues (3 consolidated distributors combined)



Construction & Mining & Utility Equipment: Demand and Sales Projections for Mining Equipment

- Demand for mining equipment continued to grow centering on Latin America and Indonesia, against the backdrop of brisk demand for commodities. As a result, demand in FY2010 advanced by 35% from FY2009. Backlog orders also remained at a high level in FY2010.
- Both demand and sales in FY2011 should increase by 17% and 25%, respectively, from FY2010.

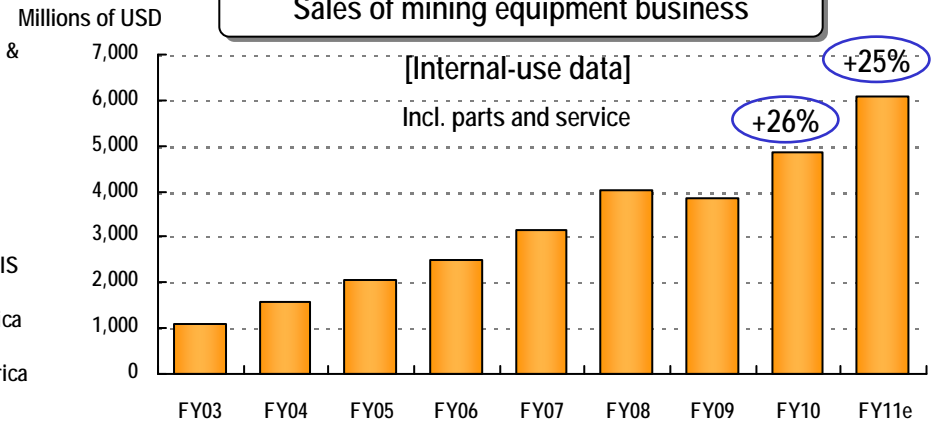
Demand by region (Units)



Estimated by Komatsu

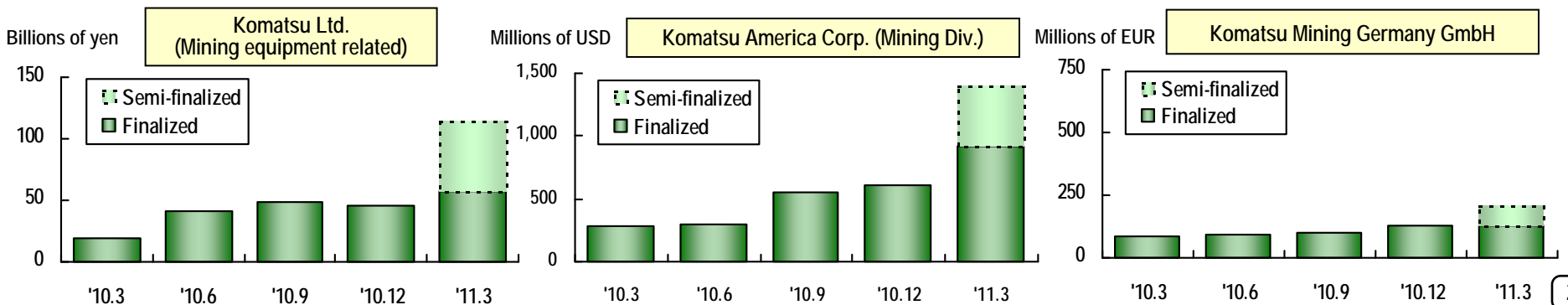
Dump trucks: 75ton (HD785) and larger - Bulldozers: 525HP (D375) and larger - Excavators: 150ton (PC1600) and larger - Wheel loaders: 500HP (WA700) and larger - Motor graders: 280HP (GD825) and larger

Sales of mining equipment business



Backlog orders

* Finished products excluding parts and service

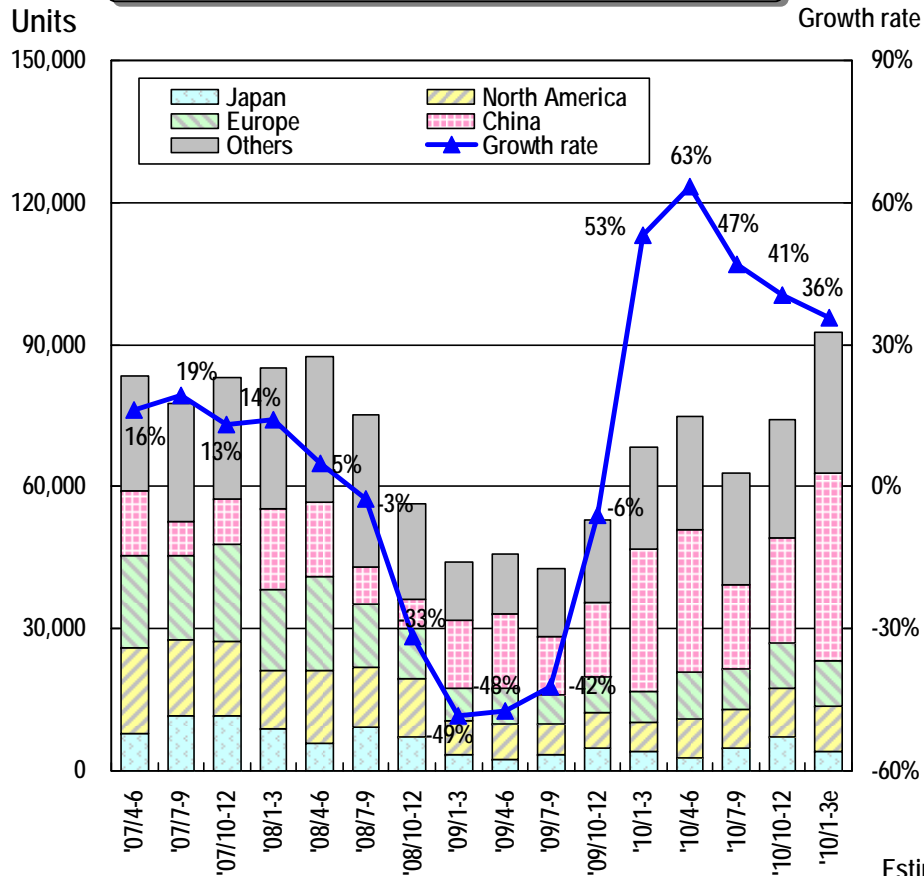


Construction & Mining & Utility Equipment: Demand for 7 Major Products

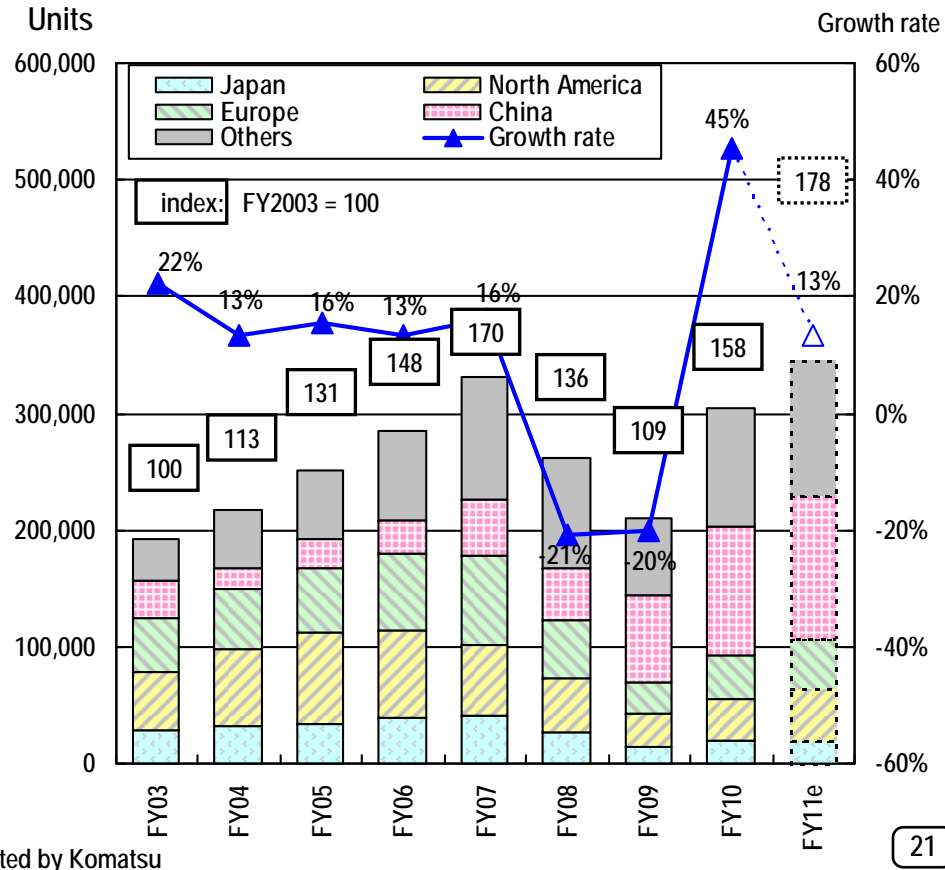
[Results] - Global demand in FY2010 expanded by 45% (estimated) from FY2009, supported by strong demand in the Strategic Markets centering on China and Latin America as well as clear recovery in the Traditional Markets. As a result, global demand recovered to almost the same level of the last peak in FY2007.

[Projection] - Although the market growth rate is expected to slow down from FY2010, market demand should expand in both Traditional and Strategic Markets. As a result, global demand in FY2011 should continue to increase by 13% and reach a new record high.

Quarterly demand for 7 major products



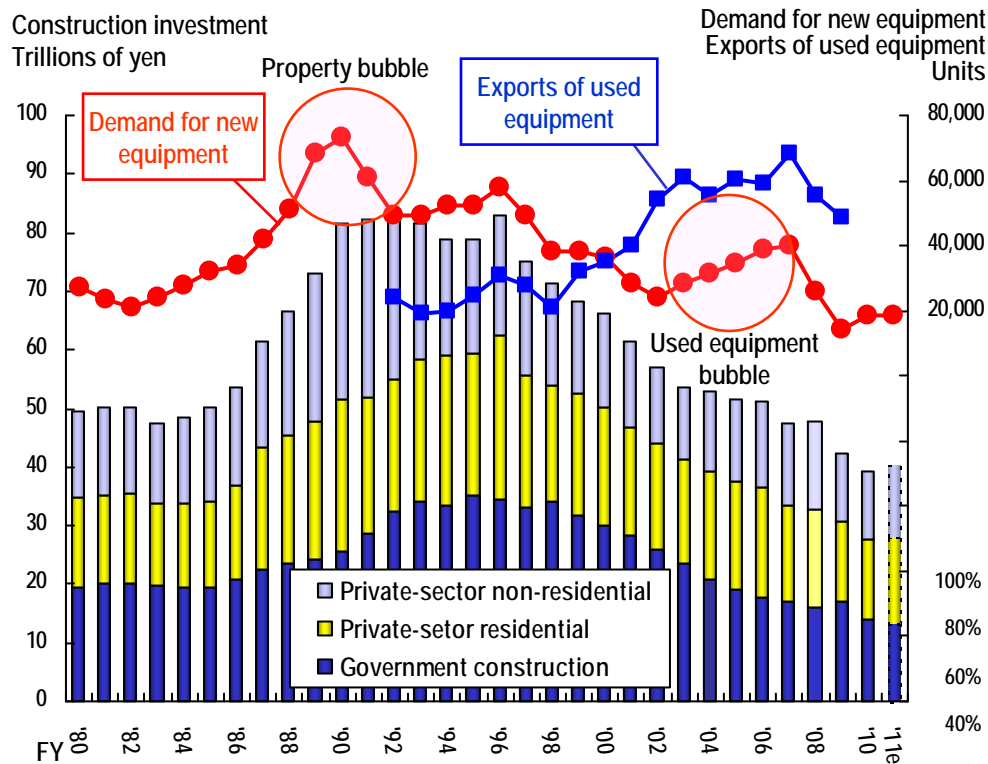
Annual demand for 7 major products



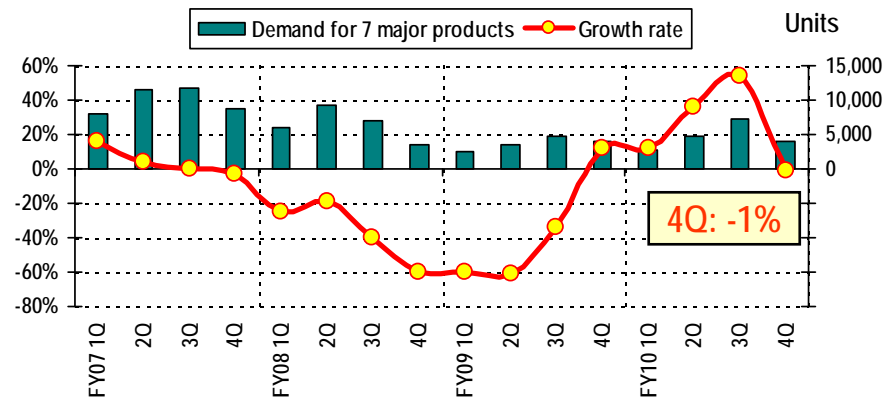
Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (1) Japan

- While demand temporarily dropped at the end of FY2010, as affected by the earthquake in March, full-year demand increased by 28% (estimated) from FY2009, mainly supported by steady demand from rental companies. Demand for FY2010 is at about 50% level of the last peak year of FY2007.
- Demand for FY2011 is projected to remain at the same level of FY2010. (Not incorporating demand resulting from reconstruction after the earthquake.)

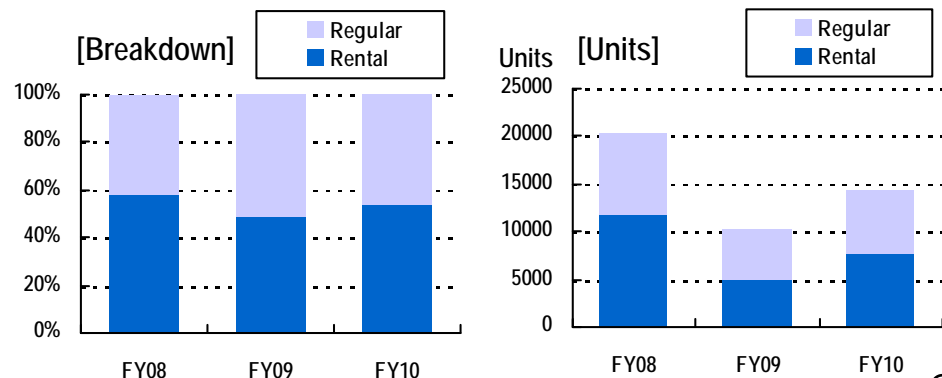
Demand for new equipment and construction investment



Quarterly demand for 7 major products



Demand for hydraulic excavators and rental ratio

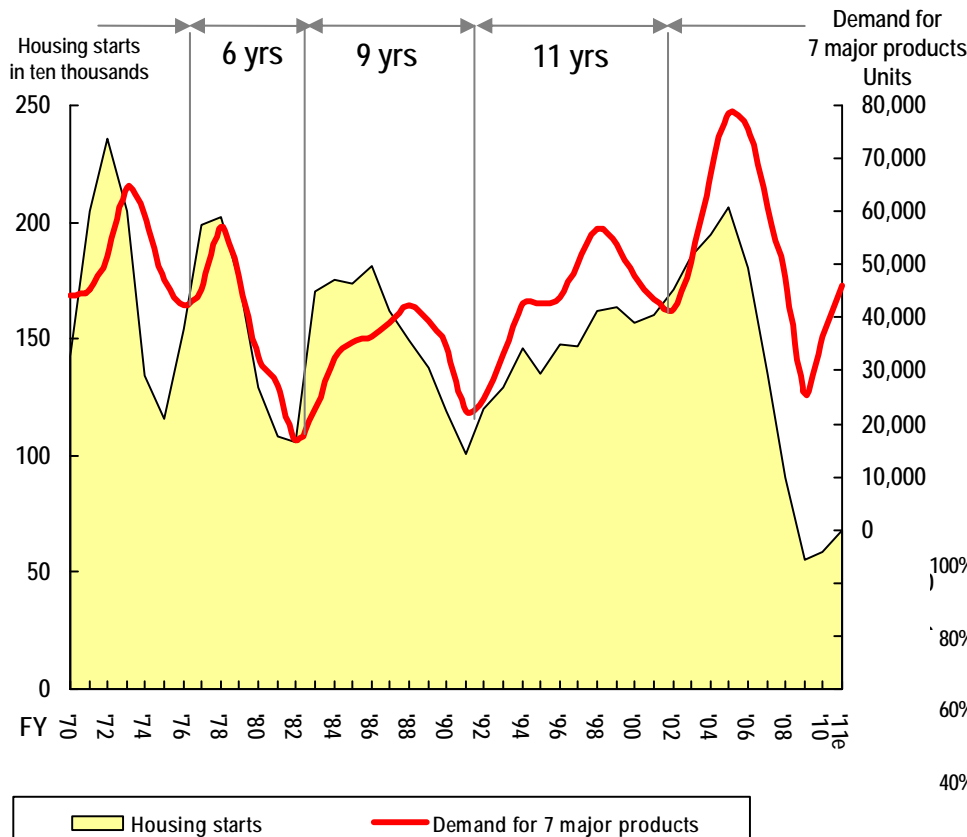


【Sources】 Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism , and Research Institute of Construction and Economy
 Demand for 7 major products estimated by Komatsu
 No. of used equipment estimated by Komatsu

Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (2) North America

- Demand in FY2010 increased by 32% (estimated) from FY2009, supported by strong demand in rental equipment and mining sectors. Demand in FY2010 recovered to about 50% level of the last peak year of FY2005.
- Demand in FY2011 should continue to grow by about 25% from FY2010.

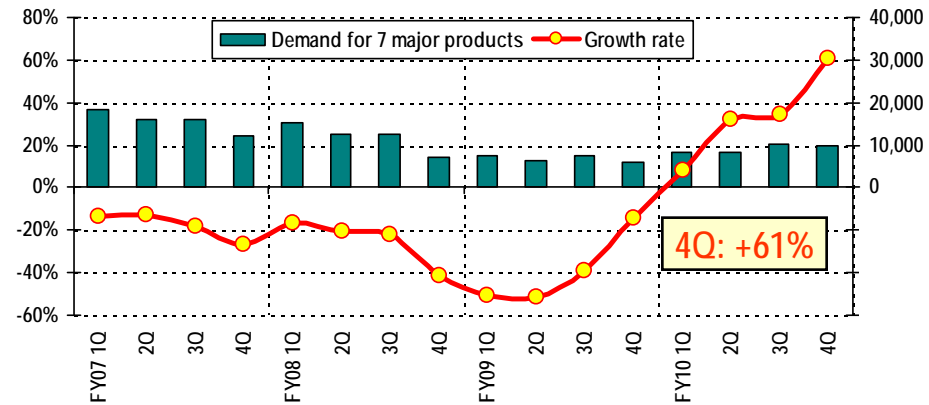
Demand for 7 major products and US housing starts



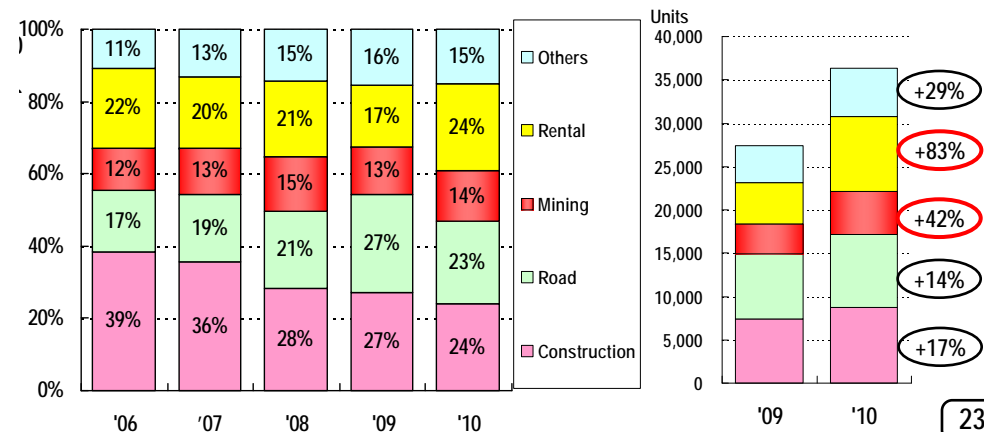
Sources: Housing starts by U.S. Department of Commerce
 Demand for 7 major products estimated by Komatsu

Growth rate

Quarterly demand for 7 major products



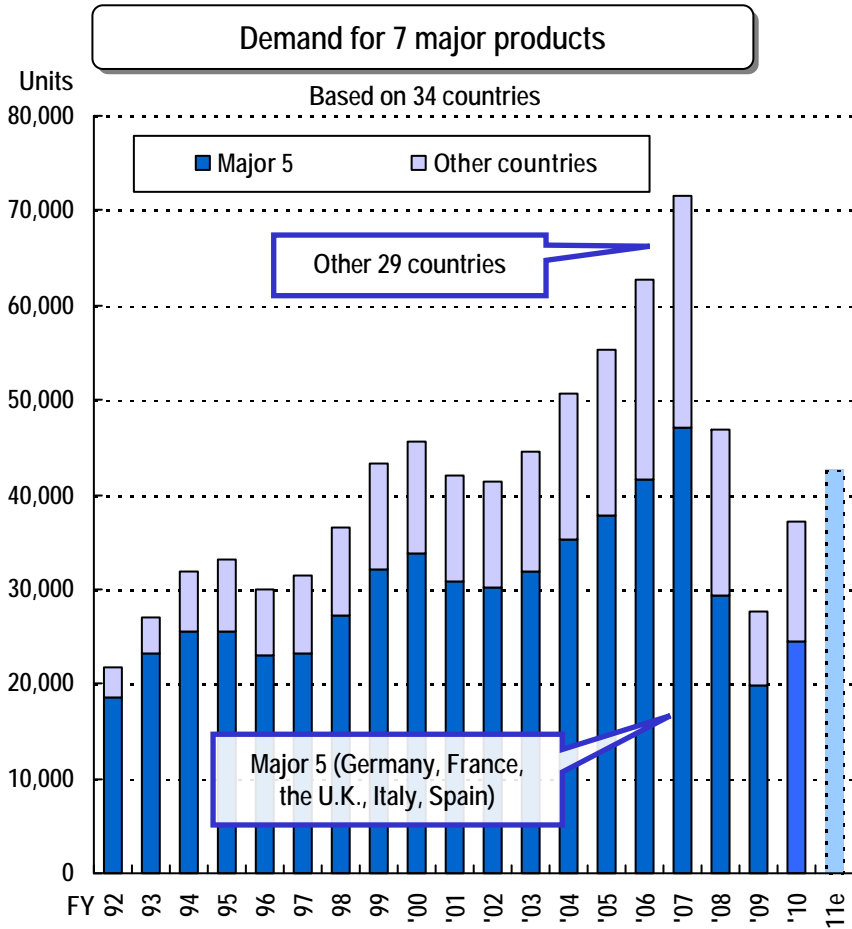
Breakdown of demand by segment (Unit based)



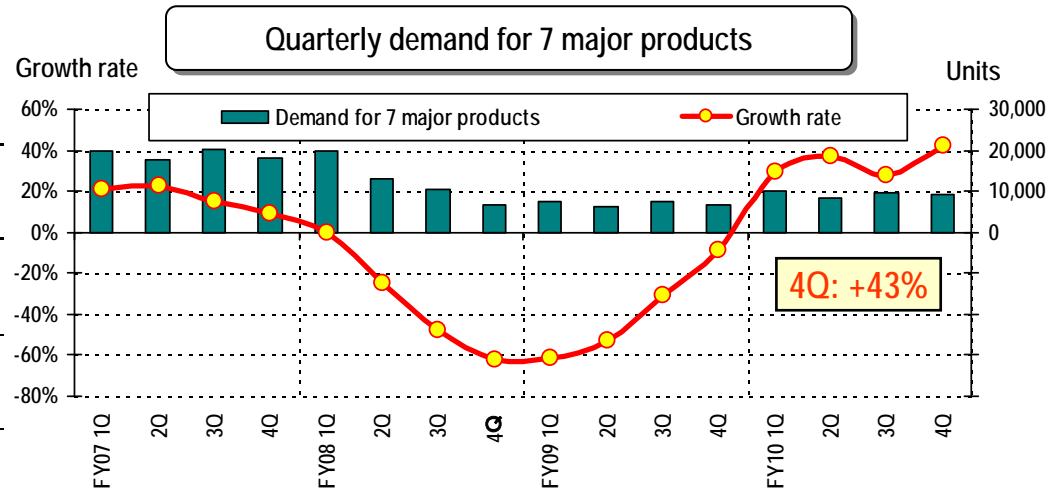
Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (3) Europe

- Demand in FY2010 increased by 34% (estimated) from FY2009, centering on major markets of Germany, UK and France. Demand in FY2010 is at about 50% level of the last peak year of FY2007.
- Demand in FY2011 should increase by about 15% from FY2010, as demand in countries other than major markets is showing signs of recovery.

*Major markets (five countries): Germany, U.K., France, Italy and Spain.



*Estimated by Komatsu



Demand for 7 major products: Year-on-year rate of growth

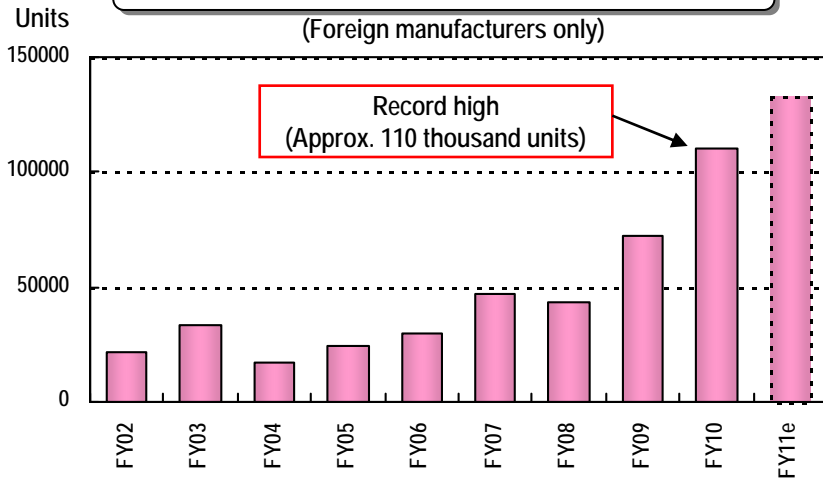
	Apr., 2009 - Mar., 2010	Apr., 2010 - Feb., 2011
Germany	-48%	+61%
U.K.	-28%	+44%
France	-55%	+47%
Italy	-28%	-2%
Spain	-56%	-2%
Other 29 countries	-55%	+39%

Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (4) China

- Demand in FY2010 expanded by 49% (estimated) from FY2009, driven by strong demand in infrastructure development and mining sectors. As a result, annual demand for seven major products reached 110 thousand units, renewing record-high figures.
- Demand in FY2011 should increase by about 10%, thanks to demand in infrastructure development projects in the 12th Five-Year Plan of China.

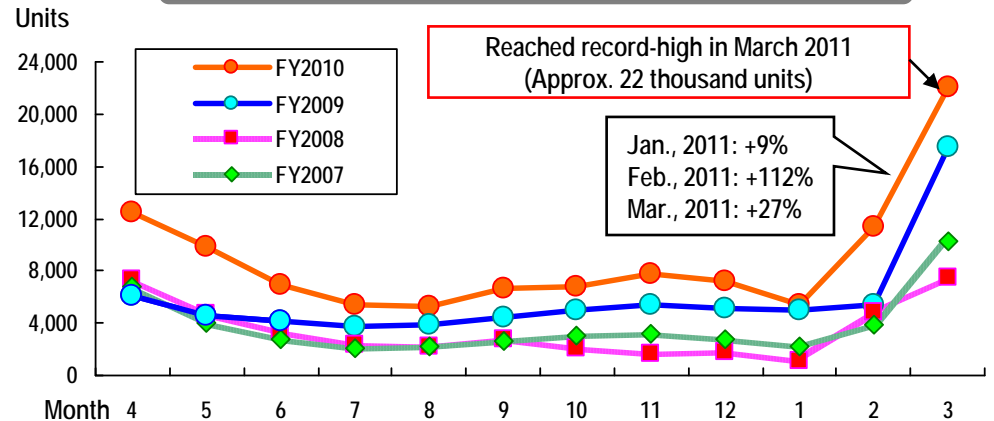
Demand for 7 major products

(Foreign manufacturers only)

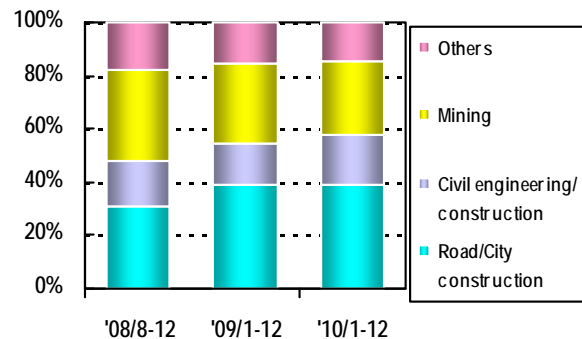


*Estimated by Komatsu

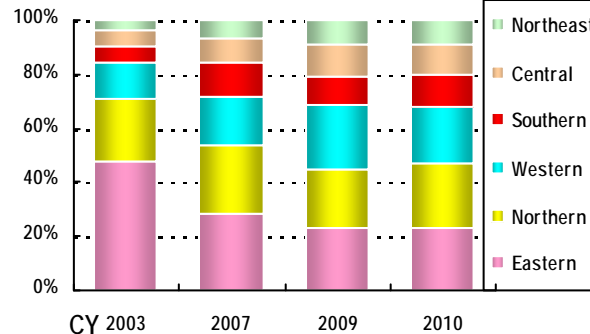
Monthly demand for hydraulic excavators
(Foreign makers: Sum of 6-ton and larger models)



Breakdown of units sold by sector



Breakdown by region



Infrastructure development projected in China's 12th Five-Year Plan

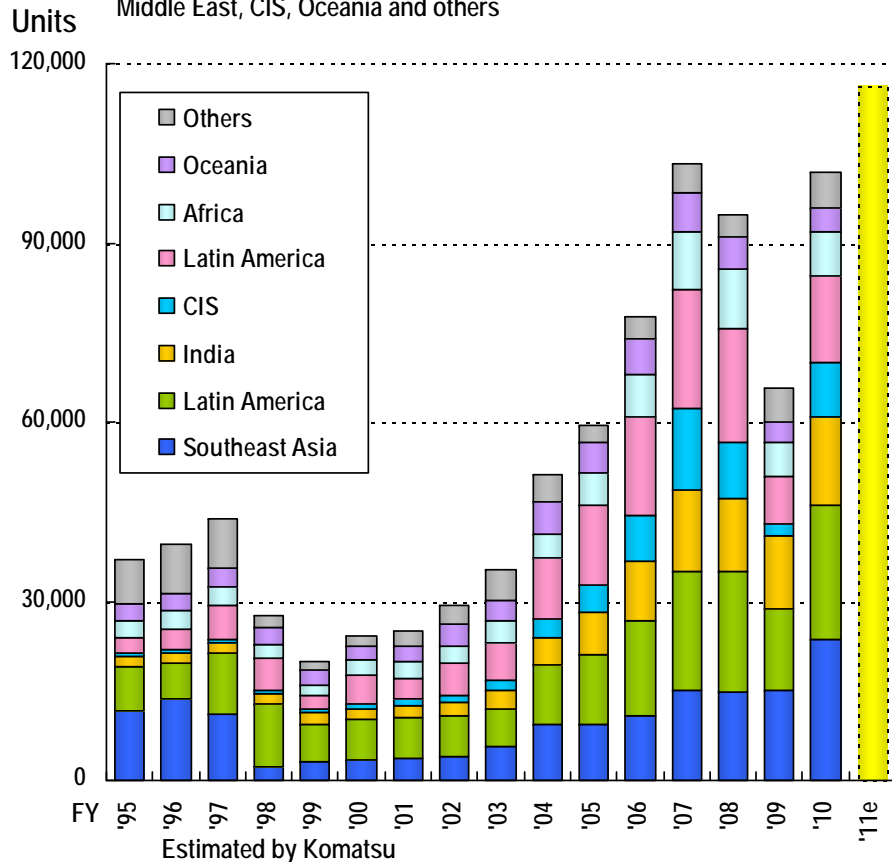
Factors with influence on demand for construction equipment (Publicly announced projects only)

- (1) Construction of privately owned homes for middle- and low-income families affordable housing
36 million units (2011-15), incl. 10 million units in 2011
- (2) Construction of airports
45 airports (2011-15)
- (3) Expansion of waterworks
RMB 4 trillion (2011-2020), about doubled from the ordinary level

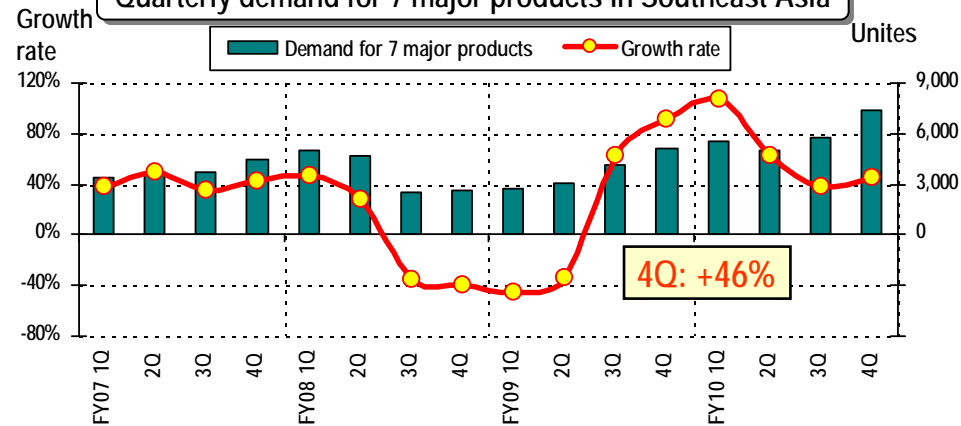
- Demand in FY2010 increased by 55% (estimated), mainly driven by strong demand for mining equipment centering on Southeast Asia and Latin America. Demand in FY2010 has recovered to almost the same level of the last peak year of FY2007.
- Demand in FY2011 should grow in each region, and combined demand in Strategic Markets excl. China should increase by 15% from FY2010.

Demand for 7 major products

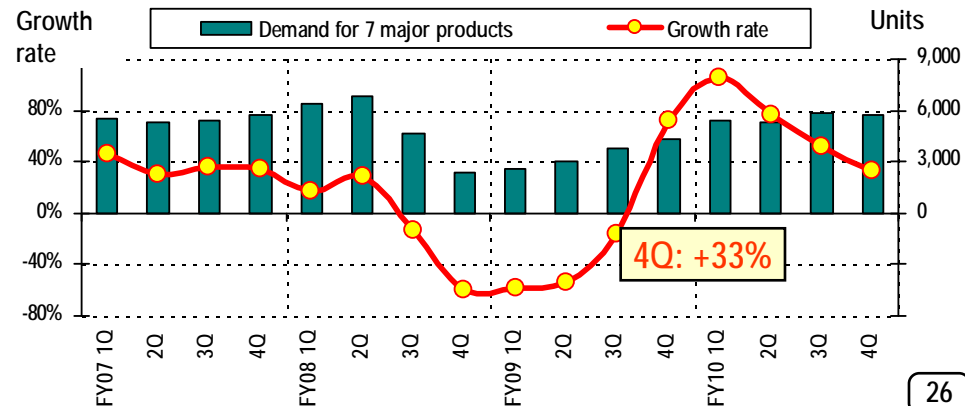
Other Strategic Markets: Southeast Asia, Latin America, India, Africa, Middle East, CIS, Oceania and others



Quarterly demand for 7 major products in Southeast Asia

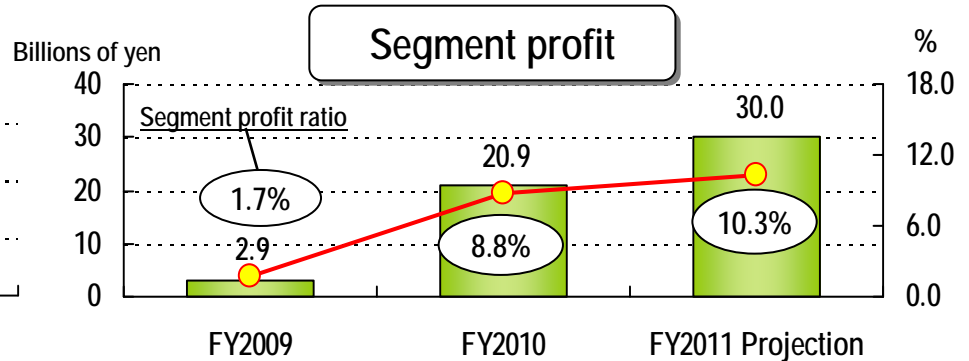
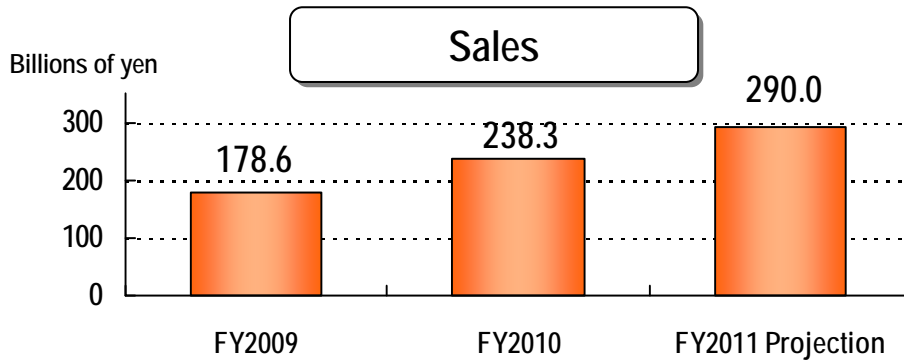


Quarterly demand for 7 major products in Latin America



Industrial Machinery & Others: Sales and Segment Profit

- Both sales and segment profit should further improve, supported by anticipated sales recovery of presses and machine tools, in addition to wire saws.
- Segment profit ratio should also improve, surpassing 10%.

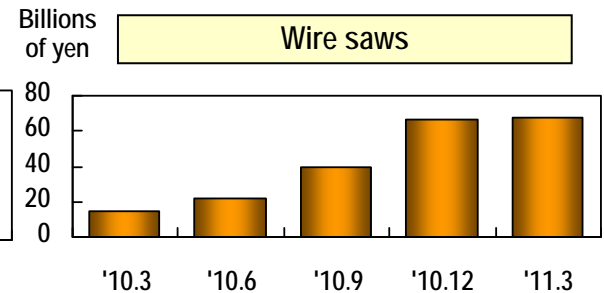
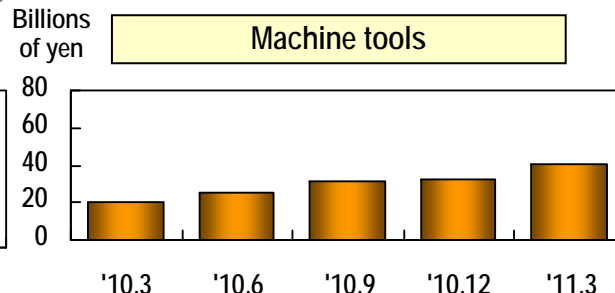
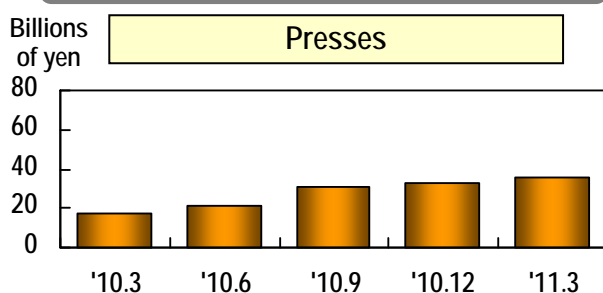


Breakdown of sales (FY2010 v.s. FY2011 Projection)

	Billions of yen		
	FY2010	FY2011 Projection	Increase (decrease)
Komatsu Industries Corp.	32.2	48.6	16.4
Komatsu NTC Ltd.*	119.0	149.6	30.6
Other businesses	87.1	91.8	4.7
Total	238.3	290.0	51.6

*Excluding sales of Komatsu Machinery Corp.

Backlog orders



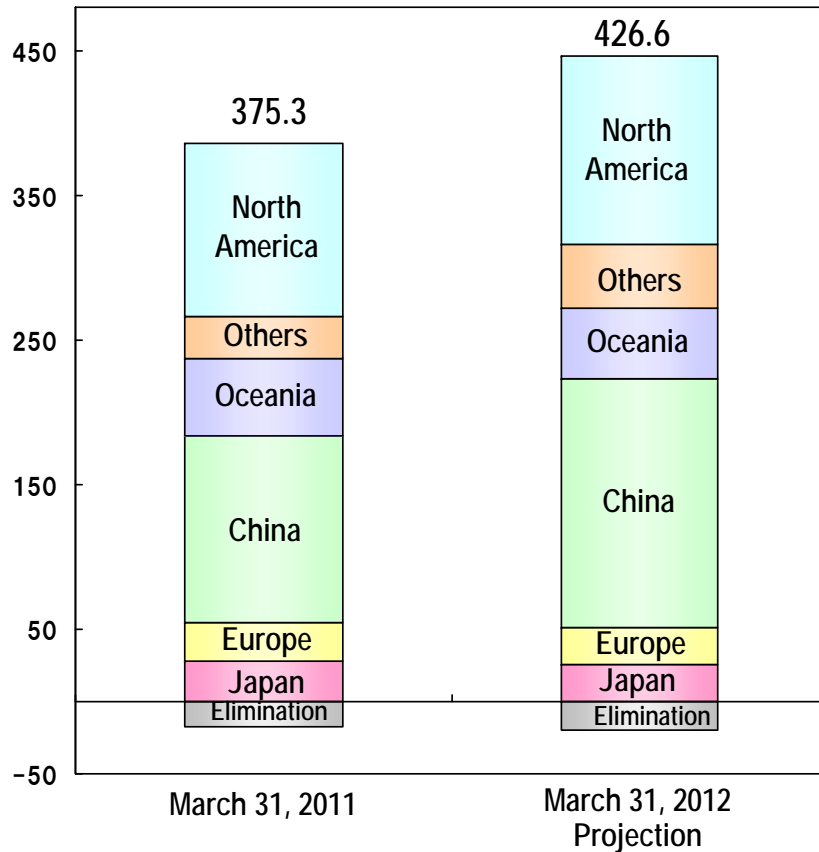
Retail Finance Business

- Following FY2010, assets in the Strategic Markets should continue to increase in FY2011. Assets in North America should also upturn for growth.

Consolidated retail finance subsidiaries (internal-use data)

Billions of yen

1. Assets

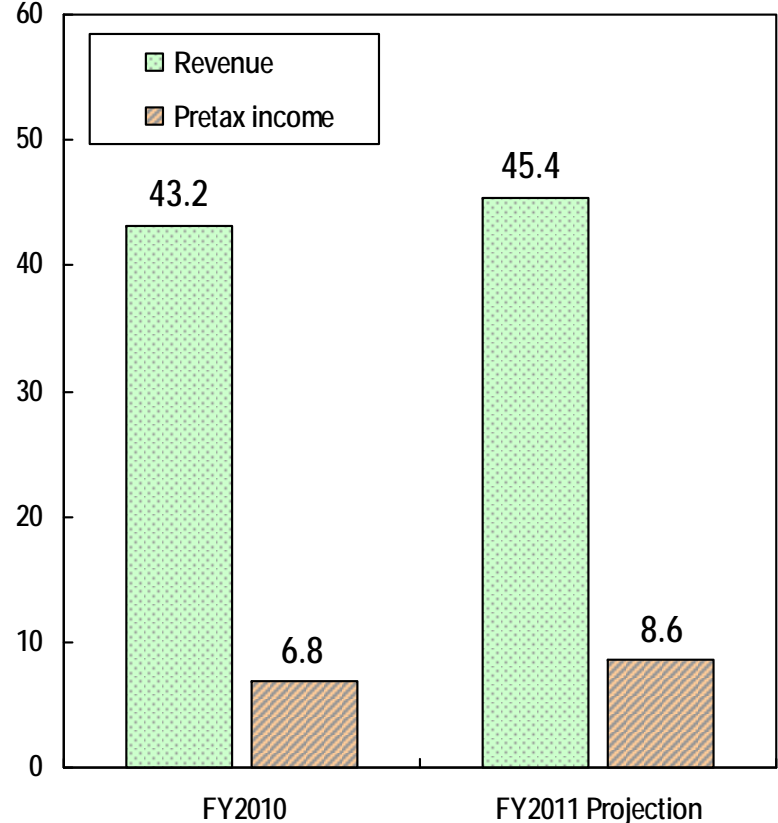


1USD 83 yen
1EUR 118 yen
1RMB 12.7 yen

82 yen
116 yen
12.7 yen

Billions of yen

2. Revenues

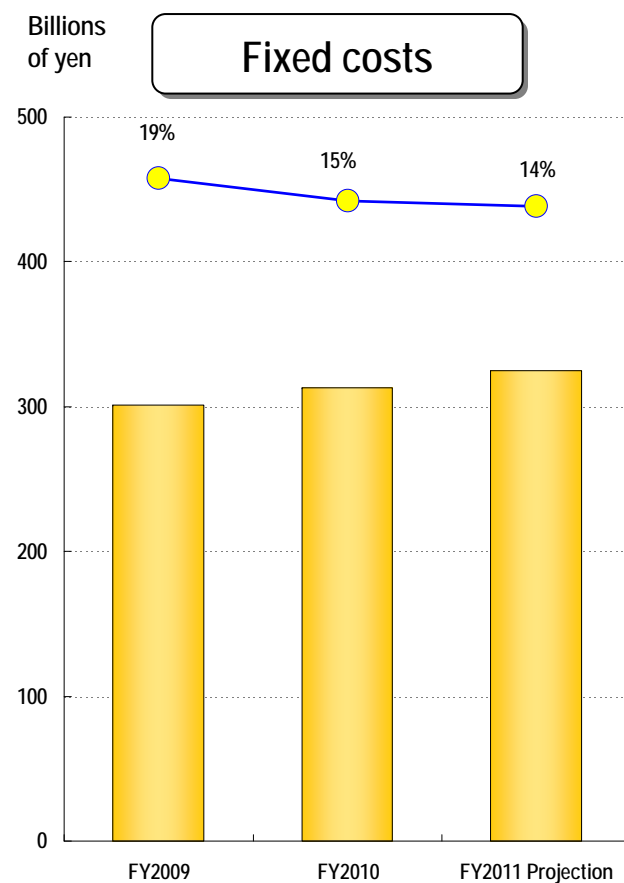
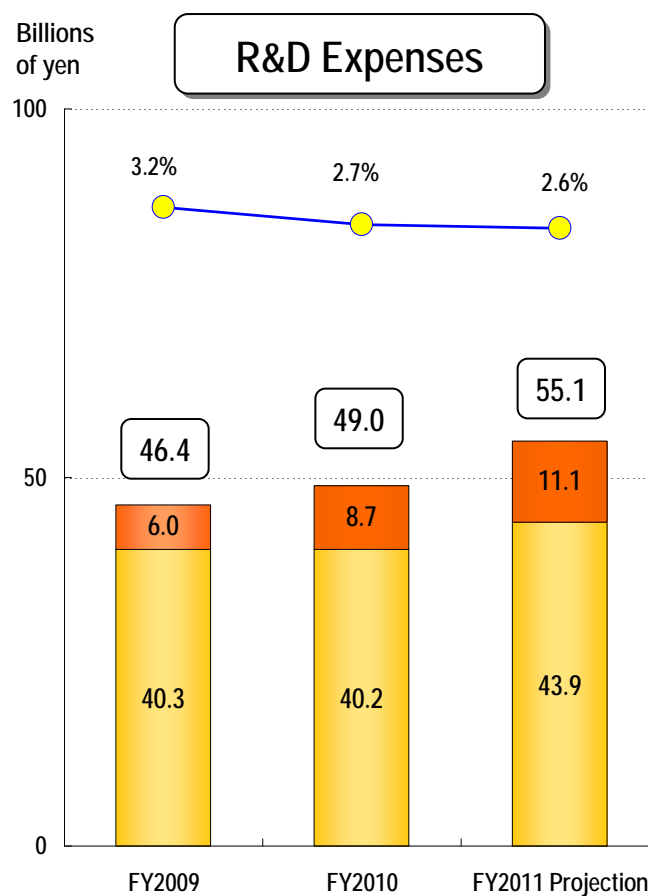
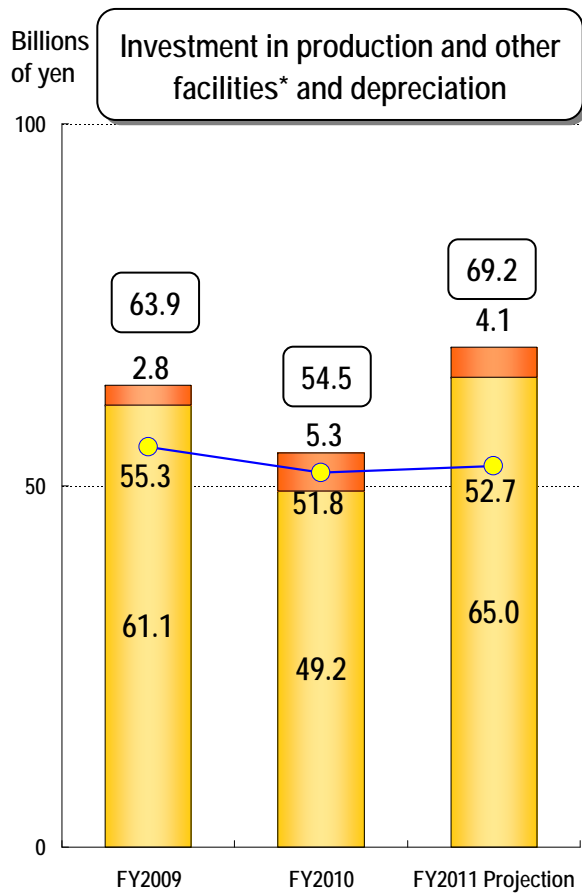


1USD 85 yen
1EUR 113 yen
1RMB 12.7 yen

82 yen
116 yen
12.7 yen

Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs

- We are going to make investments in production facilities for components and parts to meet future market expansion.
- We are going to make priority R&D investments in ICT applications, environmental protection and safety.
- We will continue to keep fixed costs at a low level, while sales should expand in FY2011.



■ Industrial Machinery & Others
■ Construction, Mining & Utility Equipment
—●— Depreciation

■ Industrial Machinery & Others
■ Construction, Mining & Utility Equipment
—●— % of sales

■ Fixed costs
—●— % of Sales

* Excl. investment in rental assets

4. Progress Made in the Mid-Range Management Plan “Global Teamwork for Tomorrow”

Targets and Progress Made in the Ongoing Mid-Range Management Plan

- Operating income ratio and net debt-to-equity ratio should steadily improve toward the target figures of FY2012.
- ROE should meet target figures in FY2011 one year ahead of the plan.

Target figures and results of the mid-range management plan (FY2010-2012)

NO	Target items	Target figures for FY2012	FY2009 (Reference)	FY2010	FY2011 Projection
1	Operating income ratio	15%	4.7%	12.1%	14.2%
2	ROE	20%	4.1%	17.2%	20.0%
3	Net debt-to-equity ratio	0.4 or below	0.60	0.50	0.48
	Excl. debt of finance subsidiaries	0.2 or below	0.36	0.24	0.22
4	Consolidated payout ratio	Stable dividend: 20-40%	38%*	24%	20%

*Excl. structural reform expenses

Assumptions of mid-range management plan and results

NO	Items of assumption	Guideline for FY2012	FY2009 (Reference)	FY2010	FY2011 Projection
1	Sales (Billions of yen)	2,000.0 (+/-100.0)	1,431.5	1,843.1	2,150.0
2	Foreign exchange rates	JPY/USD	90	85	82
		JPY/EUR	125	113	116
		JPY/RMB	13.5	12.7	12.7

Activities of Importance (1): ICT Applications to Products and Parts

- We have introduced KOMTRAX-installed equipment more than 210,000 units are in operation in over 60 countries. (as of March 31, 2011)
- We have steadily accumulated operating know-how of the Autonomous Haulage System in order to expand its introduction in more mines.
- We are further promoting ICT applications in ICT-intensive construction and the development and market introduction of a integrated management system for forestry equipment.

1. Evolution of KOMTRAX

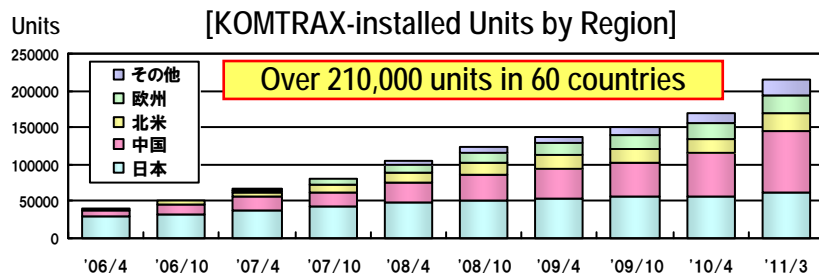
1) KOMTRAX

(1) Introduction in more regions

- FY2010: Thailand, India
- FY2011: South Africa, Vietnam, Philippines, etc. (planned)

(2) Sharing information concerning different applications and global launching

- Holding the KOMTRAX Application Contest



2) KOMTRAX Plus (for mining equipment)

- Vehicle "health" monitoring system for mining equipment on the same platform as KOMTRAX
- Reduction of repair costs by means of effective preventive maintenance

3) KOMTRAX Parts (access to the conditions of parts and their replacement records)

- Continuing tests for commercialization
- Expanding sales of genuine parts

2. AHS (Autonomous Haulage System)

- (1) Delivered: Total of 21 units in Chile and Australia
- (2) Preparation for introducing other minins in progress

3. ICT-Intensive Construction (Automation of Construction Worksites)

- (1) Automation of machine operations on par with skilled operators and improvement of precision of work
- (2) Systems approach to construction at worksites

[Ongoing efforts by region]

- North America: Began handling in collaboration with pilot distributors.
- China: Began demonstration with the D65EX-16 bulldozer at Komatsu (China) Techno Center.



D65EX-16 at Komatsu (China) Techno Center in Changzhou, China

4. Growth Strategies for the Forestry Machinery Business

- Making contributions to improving customers' business processes by offering proposal-based service with the FORTRAX, machinery management system, and by developing a fleet management system.



Harvester made by Komatsu Forest

Activities of Importance (2): Product Development for Improved Environmental Friendliness and Safety

- Hybrid hydraulic excavators have topped cumulative sales of 900 units. We launched new 205/215LC models in Japan in December 2010, and are planning global launching in the near future.
- We are planning to launch next emission regulations-compliant models in North America in the first half of FY2011, and in Japan and Europe from the second half of FY2011.
- We are promoting the Biodiesel Fuel Project for mining dump trucks, market introduction of forklift trucks featuring the hydrostatic transmission, and other initiatives.

1. Hybrid Hydraulic Excavators

- 1) Cumulative sales (incl. HB205/215LC models)
 - Approx. 900 units (Approx. 500 in Japan and approx. 400 in China)
 - Hybrid models accounts for approx. 20% of the total units of 20-ton hydraulic excavators sold by Komatsu in Japan.
- 2) Market introduction of HB205/215LC models
(The model change versions of the PC200-8 Hybrid)
 - Launched in Japan in Dec. 2010 and sold about 220 units.
 - Planning to launch them steadily in North America, Europe, Latin America, China, Asia and Oceania starting in Apr. 2011.
- 3) Broadening the model range
 - 30 ton class Hydraulic excavators
 - Wheel loaders



HB205 hybrid hydraulic excavator

2. Compliance with Next Emission Regulations

- 1) Market introduction of regulations-compliant models
Introducing regulation compliant models into the market in accordance with the scheduled enforcement in different regions.
 - North America : Steady launchings starting in the 1st half of FY2011
 - Japan and Europe : Launching from the 2nd half of FY2011 (planned)

3. Mining Equipment and Forklift Trucks

- 1) Biodiesel Fuel Project in Indonesia
 - Construction of the refinery completed
 - Began test runs of dump trucks



- 2) Market introduction of forklift trucks with HST
 - HST (Hydro-Static Transmission) for the reduction of fuel consumption
 - Test operation by customers in progress



Activities of Importance (3): Expansion of Sales and Service Operations in Strategic Markets

- Sales expansion of strategic parts by broadening their product mix and expansion of Reman and rebuilding capacities
- Reinforcement of service operation in Strategic Markets (China, Asia, etc.) to meet a growing number of Komatsu machines in operation.

1. Sales Expansion of Strategic Parts

(GET, undercarriages, Reman products, and parts for regular replacement)

1) Broadening the product mix

(Product development in response to different worksite conditions)

- Me Buckets for hydraulic excavators

(Improved fuel economy and wear life made possible by reduced excavation resistance of the changed shape)

- Production commenced at Komatsu Construction Attachment Changzhou, a new plant, in Nov. 2010
- Broadening the model range



Me Bucket

Changed shape

- Broadening the undercarriage model range

- Hydraulic excavators: Optimal track groups for civil engineering work
- Large models: Wear-resistant track groups and bottom rollers

2) Expansion of Reman and rebuilding capacities

- Expansion of production capacity for large Reman engines

(Komatsu Reman Indonesia)

- Began rebuilding engine subcomponents of the PC200 hydraulic excavator

(Used Equipment Center in Changzhou, China)

Komatsu Reman Indonesia

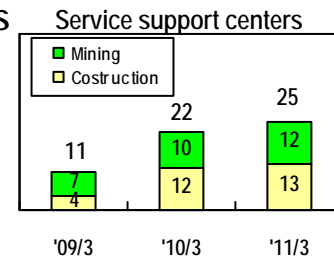


2. Reinforcement of Service Capability Directly Linked with Customers' Worksites

1) Increase of service support centers

- 11 centers → 25 centers
(March 31, 2009) (March 31, 2011)

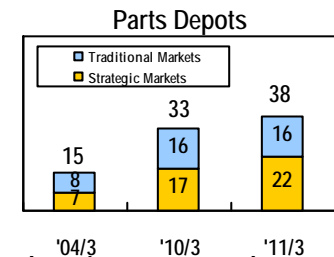
FY10: Opened in Brazil, Australia, and Papua New Guinea



2) Increase of parts depots

- 33 depots → 38 depots
(March 31, 2010) (March 31, 2011)

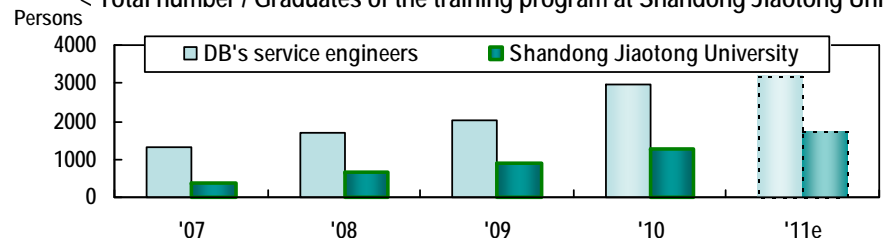
FY10: Opened in Indonesia, Thailand, India and China



3) More efforts in the training of service engineers

- Training service engineers for international assignments at the Komatsu H.R.D. Center in the Philippines
- Continuation of the training program at Shandong Jiaotong University

< Total number / Graduates of the training program at Shandong Jiaotong Univ. >



Activities of Importance (4): Promotion of Continuous Improvement by Strengthening Workplace Capability

- At the new Global HANSEI Operations Center, we are managing our global sales and manufacturing planning and sharing information among Komatsu Group companies, plants, distributors and customers.
- At the new KOMATSU Way Global Institute, we are strengthening our human resource development programs for global Komatsu Group employees, and making contributions to local communities.
- We are further expanding our operations in China with new additional facilities, such as the new plant of Komatsu (Changzhou) Construction Machinery and Komatsu (China) Techno Center (machine demonstration, technical training and the rebuild center).

1. Global HANSEI Operation Center

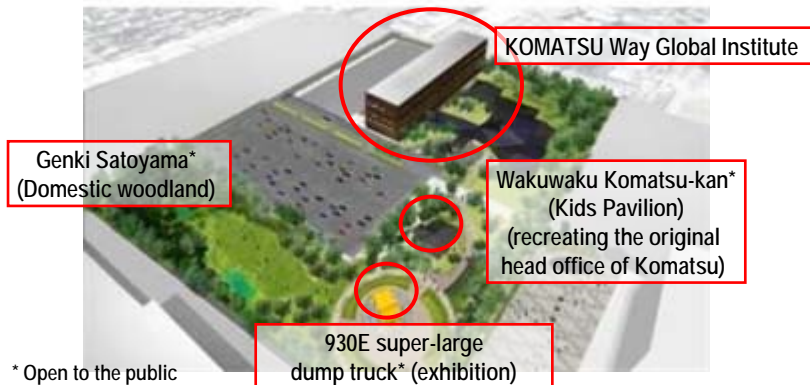
- 1) Built inside of the new Technical Center at the Osaka Plant in April 2011.
- 2) Globalization of sales and production planning.
 - Centralization of global sales, production, inventory, KOMTRAX and other information. Facilitation of collaborations among regions and operations by making global information "visible" and shared.
- 3) Effective sharing of information with distributors as well as customers

2. KOMATSU Way Global Institute

"One more step toward the centennial anniversary:
Passing on manpower and technology to the future."

- 1) The training and conference base for employees of global Komatsu companies and distributors. Use by approx. 20,000 people planned per year.
- 2) Provision of science and other programs for local elementary school pupils at facilities which are open to the public. (NPO established)

Komatsu-no-Mori (Komatsu Green Park) (Build on the former Komatsu Plant premises)



3. Further Reinforcement of Operations in China

- 1) New plant of Komatsu (Changzhou) Construction Machinery began production in January 2011 after its relocation from the former site.
 - Enhancement of productivity with high-yield equipment, etc.
 - A multiple production base for small presses and sheet-metal machines as well.



Assembly line of the new plant

- 2) Komatsu (China) Techno Center established adjacent to the new plant. As a multifunctional facility, it is equipped with:

Machine demonstration center: Planning to invite about 10,000 customers.

Training center: Training of employees of Komatsu Group companies and distributors

The rebuild center: Reinforcement of used equipment and rebuild operations



Sales promotion campaign at the machine demonstration center in April 2011

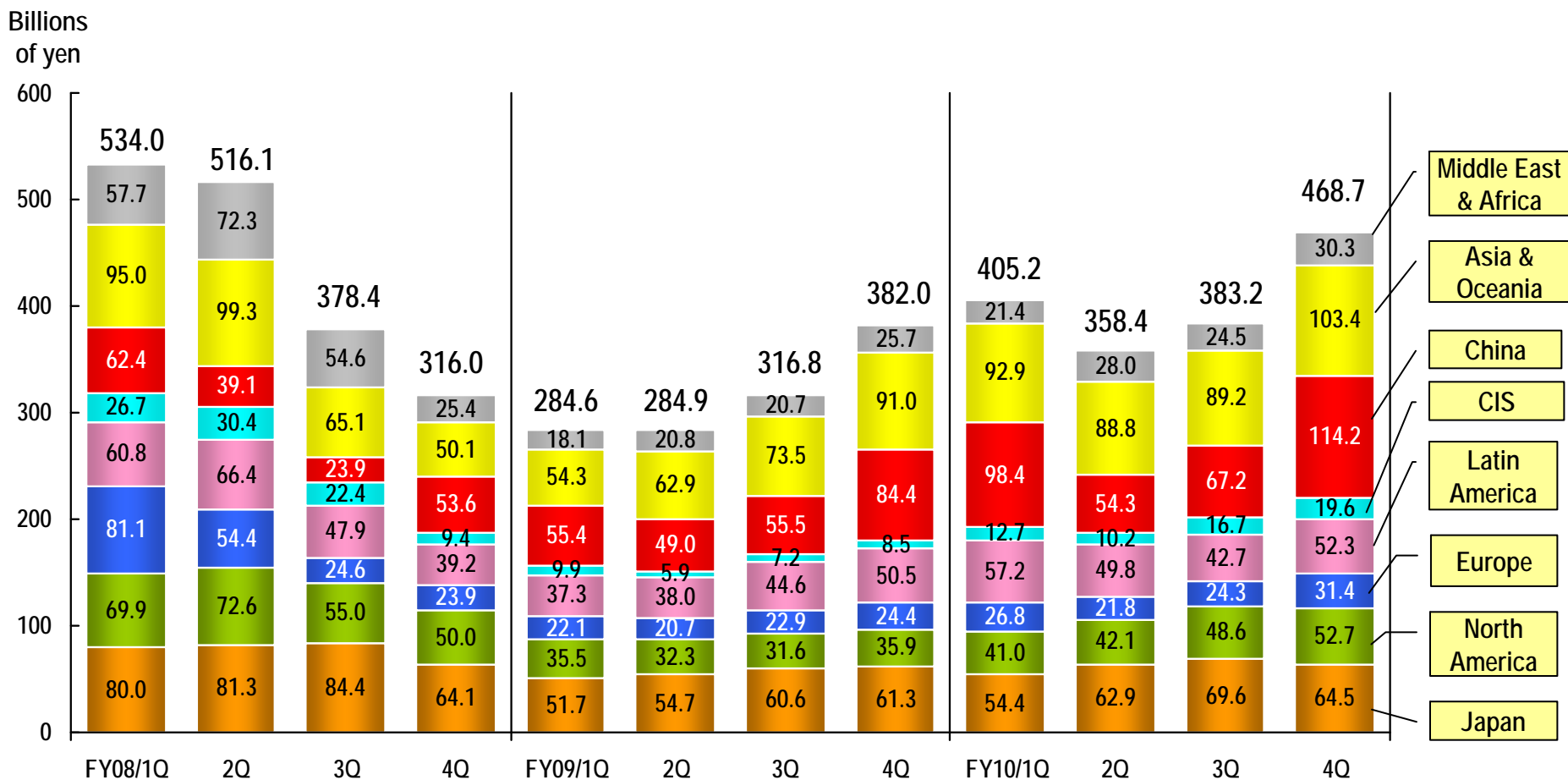


Exhibition space for used equipment

- 3) Assigned three vice presidents (Chinese nationals) of Komatsu (China), Komatsu Shantui Construction Machinery and Komatsu (Shandong) Construction Machinery for top management training.
- 4) Maintaining regionally top-level wages and welfare programs of employees for all our operations including suppliers in China.

<Appendix>

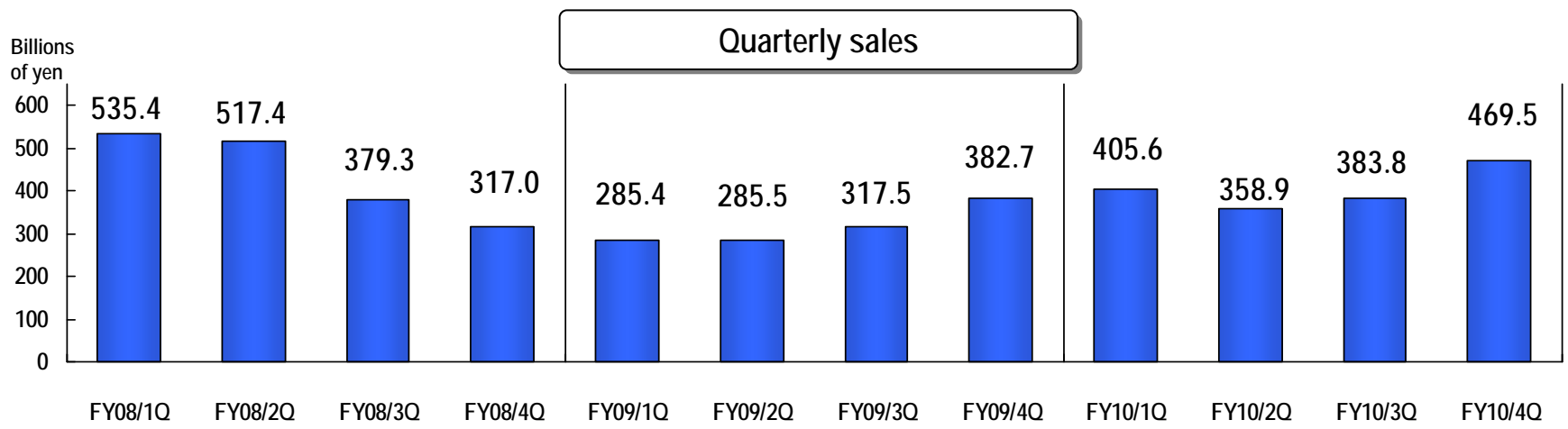
Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



Exchange rates

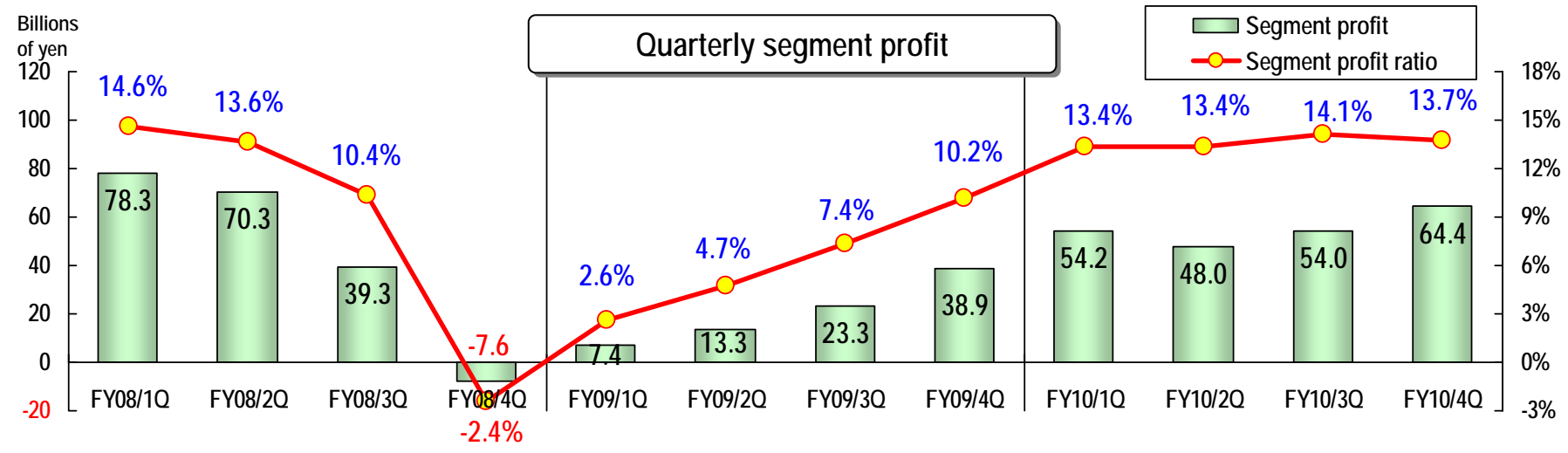
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen	85yen	82yen	82yen
1EUR	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen	111yen	110yen	114yen
1RMB	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen	12.6yen	12.4yen	12.5yen

Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

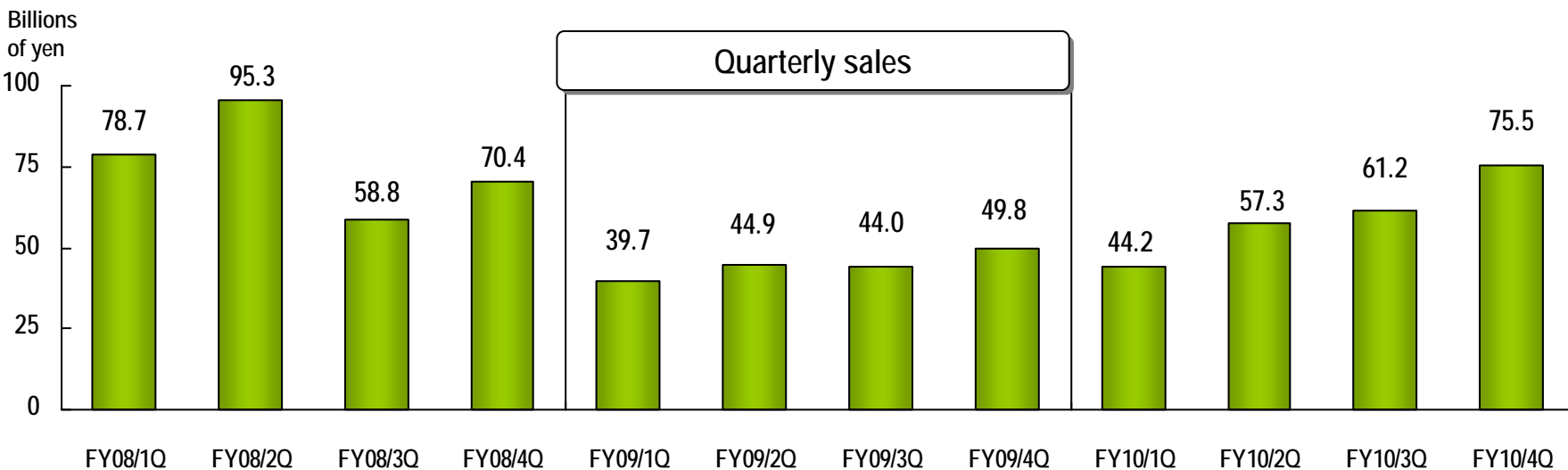


Exchange rates

	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen	85yen	82yen	82yen
1EUR	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen	111yen	110yen	114yen
1RMB	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen	12.6yen	12.4yen	12.5yen

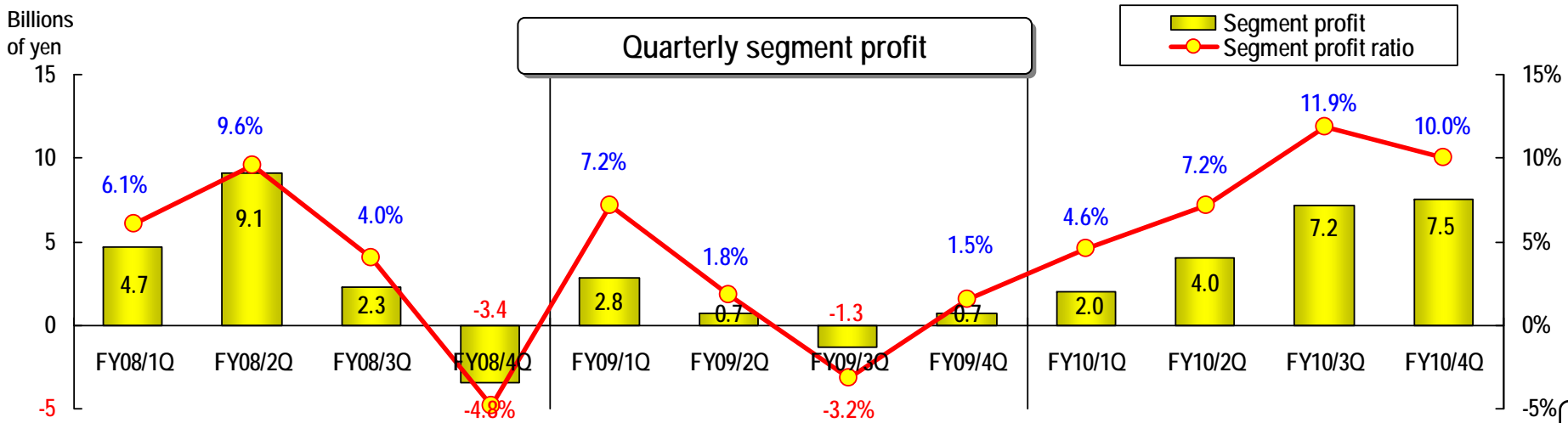


Industrial Machinery & Others : Quarterly Sales and Segment Profit



Exchange rates

	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen	85yen	82yen	82yen
1EUR	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen	111yen	110yen	114yen
1RMB	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen	12.6yen	12.4yen	12.5yen



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.



We launched the new HB215LC hybrid hydraulic excavators in North America.
(Photo: The HB215LC model at the ConExpo 2011 held in Las Vegas in March 2011)

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