

Business Results for the First Quarter Period ended June 30, 2010

**July 28, 2010
Corporate Planning
Komatsu Ltd.**

First Quarter Highlights

1. Sales and Profits:

Expanded both sales and profits, and improved operating income ratio to 12.1%.

	Apr. – Jun., 2009 (FY09/1Q)	Apr. – Jun., 2010 (FY10/1Q)	vs. Apr. – Jun., 2009
Net sales	320.4 bil yen	447.1 bil yen	39.5%
Operating income	8.2 bil yen	54.0 bil yen	6.5 times
Operating income ratio	2.6%	12.1%	9.5 points
Net income*	4.7 bil yen	30.6 bil yen	6.4 times

* Upon adoption of the FASB Accounting Standards Codification (ASC) 810, “Net income” is equivalent to “Net income attributable to Komatsu Ltd.”

2. Review of two business segments

Construction, Mining & Utility Equipment:

Demand for construction and mining equipment advanced substantially in Strategic Markets, such as China, Asia and Latin America, while demand bottomed out in the Traditional Markets of Japan, North America and Europe. Demand increased in all regions from the corresponding period a year ago, and sales advanced by 42.1% from the previous first quarter. While the Japanese yen appreciated sharply against the U.S. dollar, euro and Renminbi, segment profit climbed by 7.3 times from the previous first quarter, reflecting improved productivity in addition to expanded volume of sales.

Industrial Machinery & Others:

Orders received for presses and machine tools increased, reflecting the recovery of capital investment by the automobile manufacturing industry mainly in Strategic Markets, such as China, India and Brazil. Additionally, sales of wire saws accelerated, as the solar cell industry continued to burgeon. As a result, sales of this segment increased by 11.2% from the previous first quarter. Segment profit declined by 29.3% as affected by the gain on reversal of allowance for doubtful receivables which was recorded for the previous first quarter.

First Quarter Sales and Profits

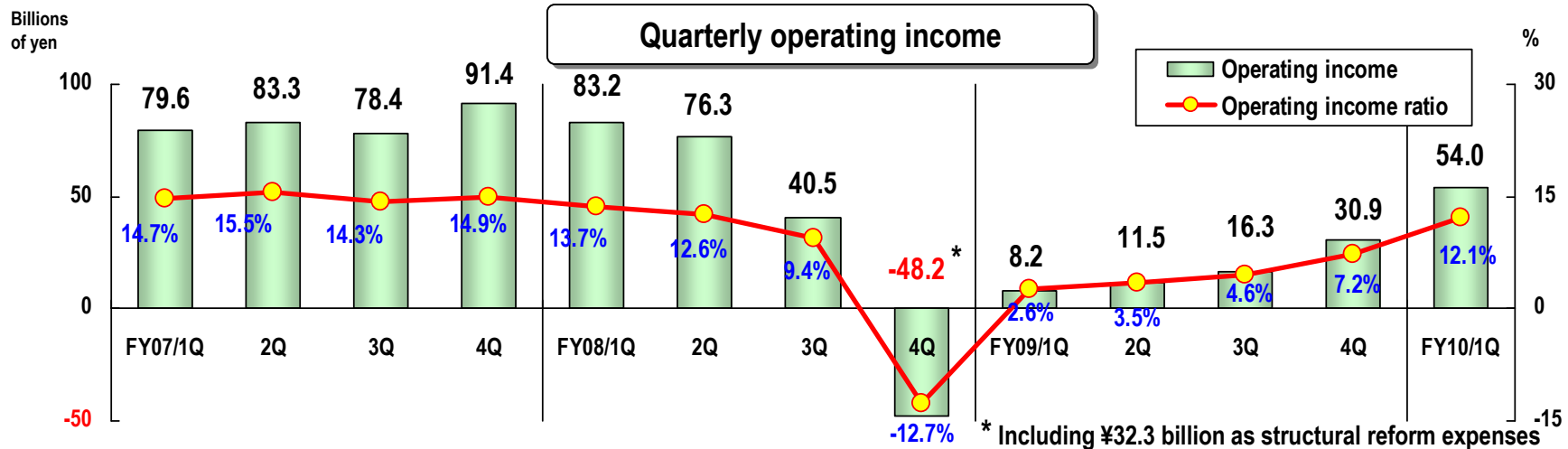
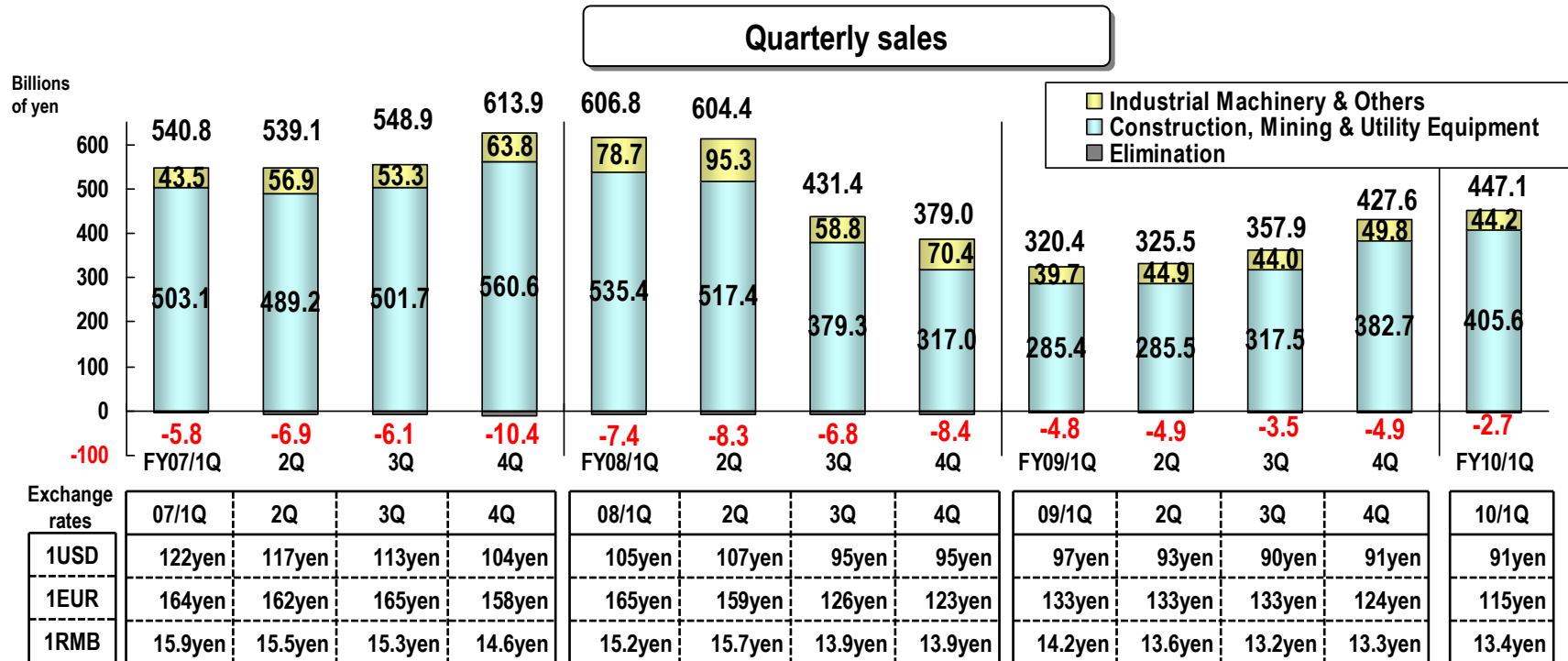
% Profit ratio []: Sales after elimination of inter-segment transactions Billions of yen

	Apr. – Jun., 2009 (FY09/1Q)		Apr.- Jun., 2010 (FY10/1Q)		vs. Apr.- Jun., 2009	
	1USD=97yen 1EUR=133yen 1RMB=14.2yen		1USD=91yen 1EUR=115yen 1RMB=13.4yen		Increase (decrease)	%
Net sales	320.4		447.1		126.7	39.5%
Construction, Mining & Utility Equipment	[284.6] 285.4	[405.2] 405.6	[120.5] 120.1	[42.3%] 42.1%		
Industrial Machinery & Others	[35.7] 39.7	[41.9] 44.2	[6.2] 4.4	[17.4%] 11.2%		
Elimination	(4.8)		(2.7)		2.0	-
Segment profit	2.6%	8.4	12.2%	54.3	45.8	541.6%
Construction, Mining & Utility Equipment	2.6%	7.4	13.4%	54.2	46.8	629.7%
Industrial Machinery & Others	7.2%	2.8	4.6%	2.0	(0.8)	(29.3)%
Corporate & elimination	(1.8)		(1.9)		(0.1)	-
Other operating income (expenses)	(0.1)		(0.2)*1		(0.0)	-
Operating income	2.6%	8.2	12.1%	54.0	45.8	553.6%
Other income (expenses)	0.4		(3.9)		(4.4)	-
Net income before income taxes	8.7		50.1		41.3	474.1%
Net income*2	4.7		30.6		25.9	544.5%

*1 Including ¥1.2 billion as structural reform expenses

*2 Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Quarterly Sales and Operating Income

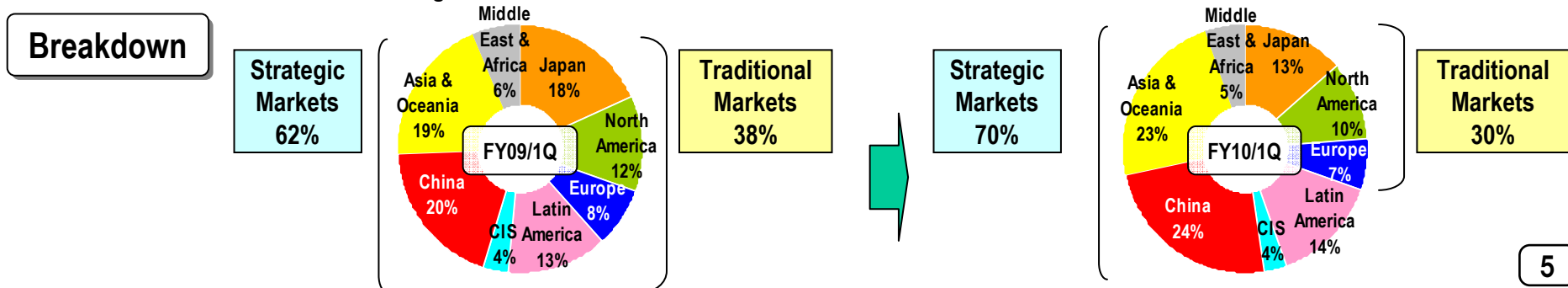


Construction, Mining & Utility Equipment : Sales (To Outside Customers) by Region

Billions of yen

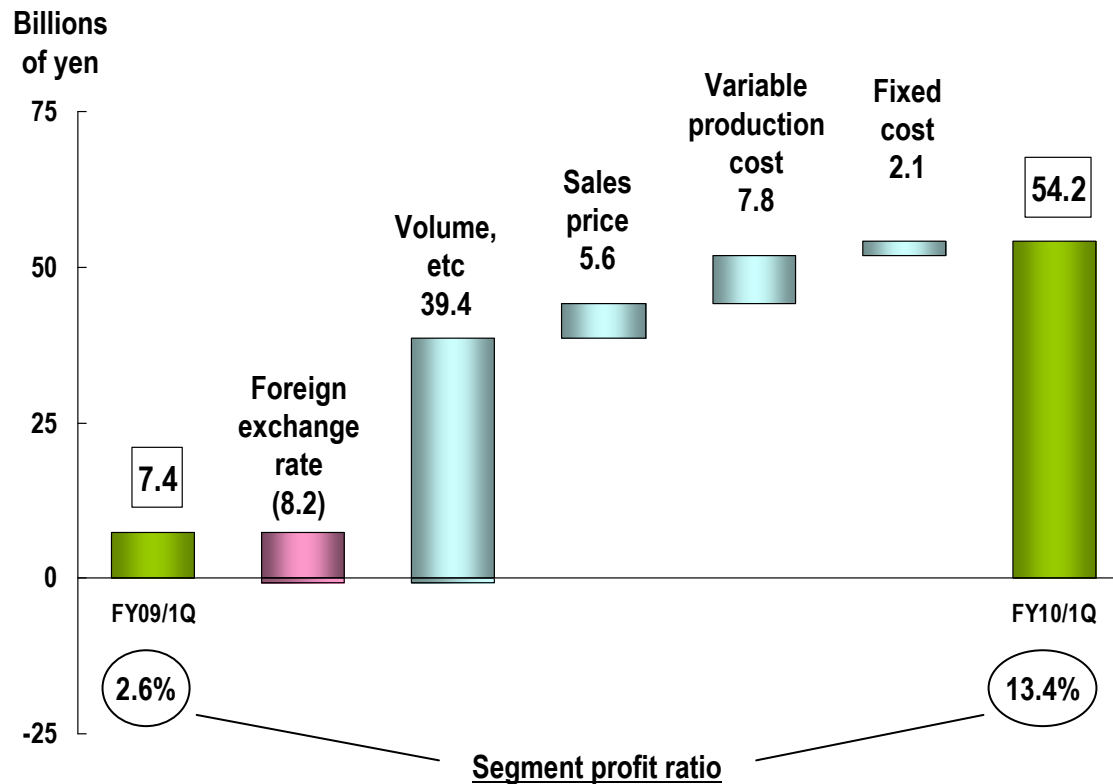
		Apr. - Jun., 2009 (FY09/1Q)	Apr. - Jun., 2010 (FY10/1Q)	vs. Apr. - Jun., 2009	
				Increase (decrease)	%
Traditional Markets	Japan	51.7	54.4	2.6	5.2%
	North America	35.5	41.0	5.4	15.5%
	Europe	22.1	26.8	4.6	21.2%
Strategic Markets	Latin America	37.3	57.2	19.9	53.5%
	CIS	9.9	12.7	2.8	28.2%
	China	55.4	98.4	42.9	77.5%
	Asia & Oceania	54.3	92.9	38.5	70.9%
	Middle East & Africa	18.1	21.4	3.3	18.2%
Total		284.6	405.2	120.5	42.3%

Note: Sales after elimination of inter-segment transactions



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

FY09/1Q vs FY10/1Q



Positive factor Negative factor

[Positive factors]

- Volume, etc : ¥39.4 billion
- Sales price : ¥5.6 billion
- Variable production cost : ¥7.8 billion
- Fixed cost : ¥2.1 billion

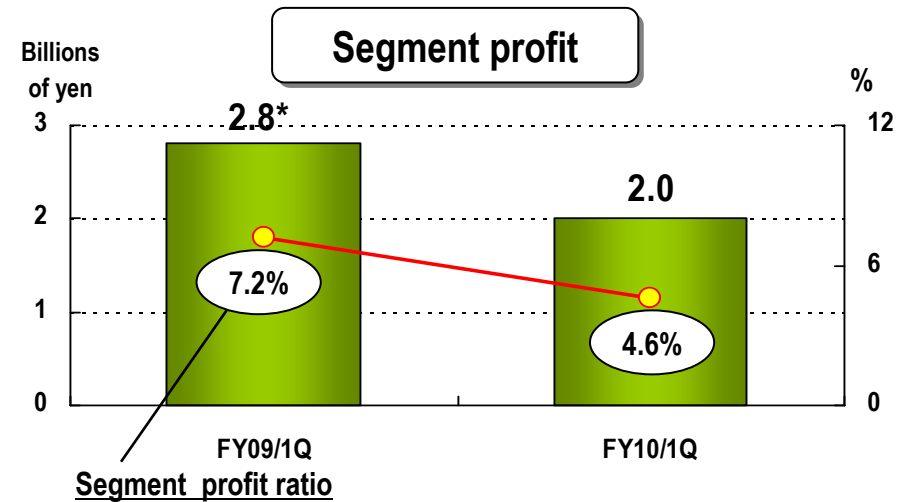
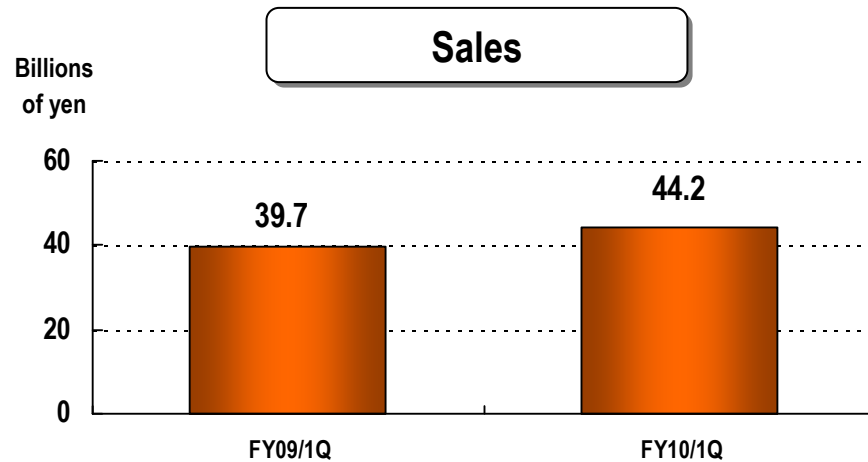
[Negative factor]

- Foreign exchange rate : ¥(8.2) billion

	FY09/1Q	FY10/1Q
1USD	97yen	91yen
1EUR	133yen	115yen
1RMB	14.2yen	13.4yen

Increased profit of
¥46.8 billion in total

Industrial Machinery & Others: Sales and Segment Profit



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

Breakdown of sales

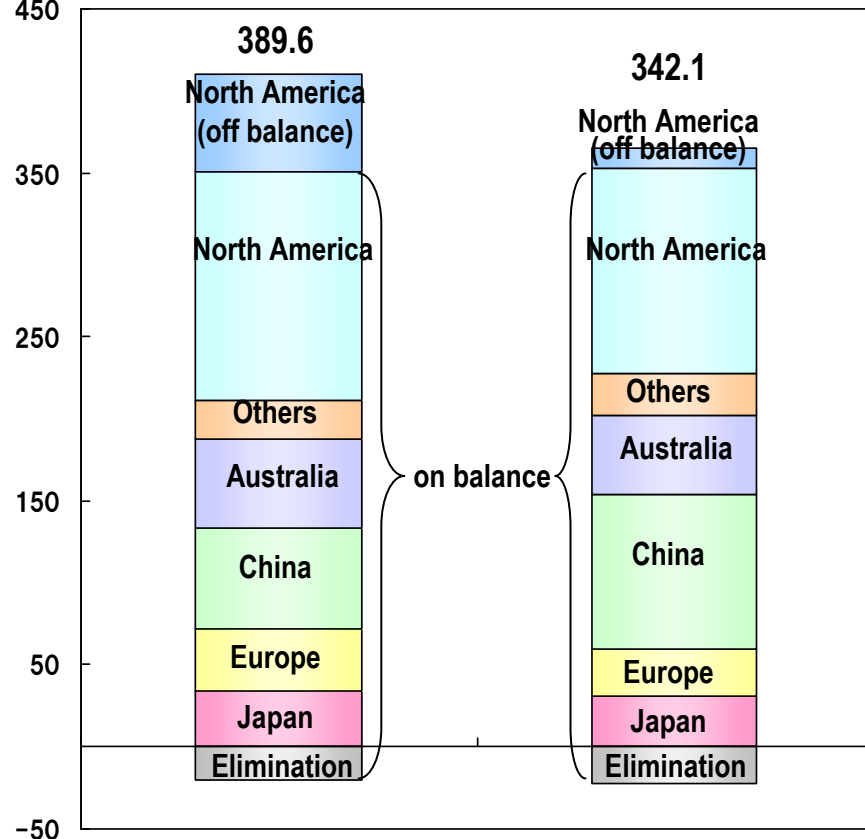
	Apr.-Jun., 2009 (FY09/1Q)	Apr.-Jun., 2010 (FY10/1Q)	Increase (decrease)
Presses and sheet metal machines business	10.9	8.4	(2.5)
Komatsu NTC	15.0	21.8	6.9
Others	13.9	14.0	0.1
Total	39.7	44.2	4.4

Retail Finance Business

Consolidated retail finance subsidiaries (internal-use data)

1. Assets

Billions of yen



June 30, 2009

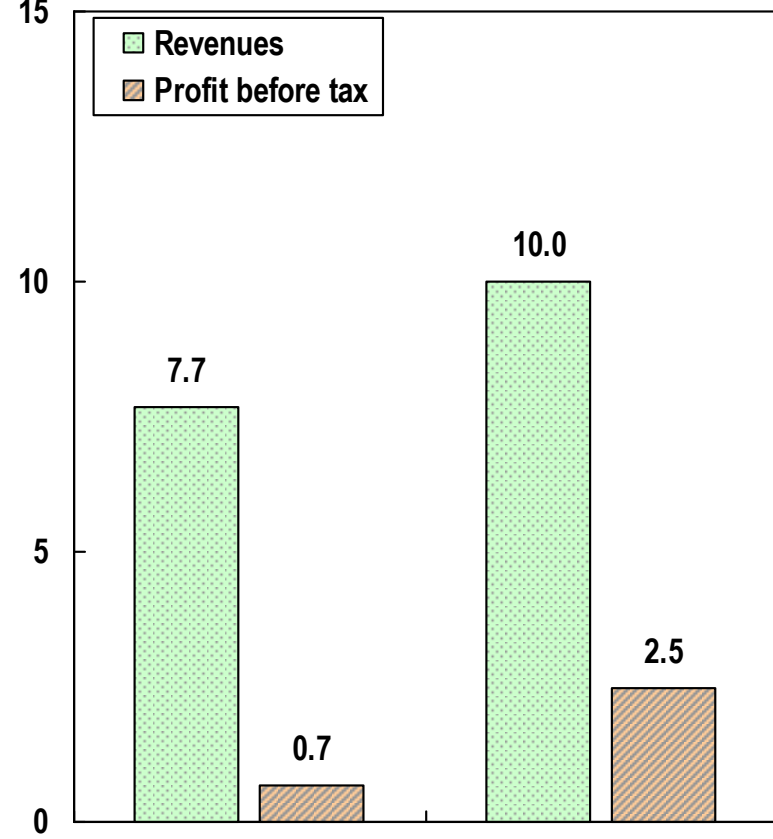
June 30, 2010

(1USD)	96 yen
(1EUR)	136 yen
(1RMB)	14.1 yen

88 yen
108 yen
13.0 yen

2. Revenues and Profit

Billions of yen



FY09/1Q

FY10/1Q

(1USD)	97 yen
(1EUR)	133 yen
(1RMB)	14.2 yen

91 yen
115 yen
13.4 yen

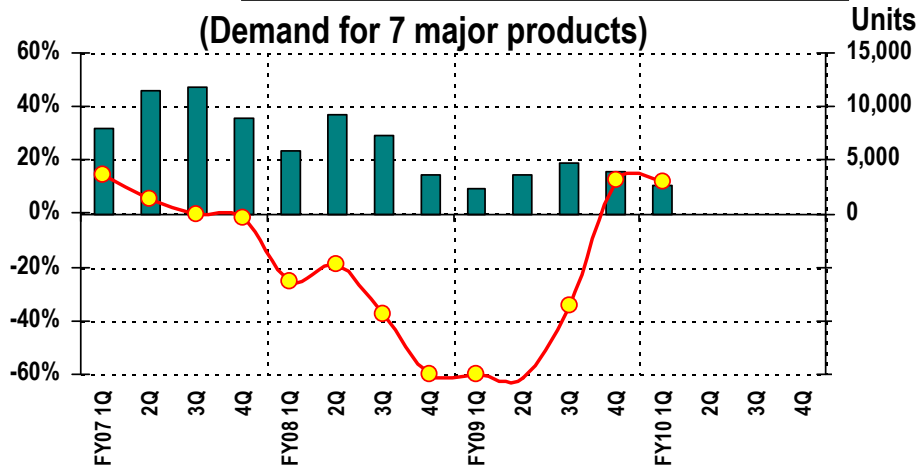
Consolidated Balance Sheets

	Net D/E ratio		Billions of yen
	Mar. 31, 2010 1USD=93yen 1EUR=125yen 1RMB=13.6yen	Jun. 30, 2010 1USD=88yen 1EUR=108yen 1RMB=13.0yen	Increase (decrease)
Cash & deposits (Incl. time deposit) [a]	83.5	86.4	2.8
Accounts receivable (Incl. long-term trade receivables) <Excl. accounts receivable of consolidated retail finance subsidiaries>	598.6 <338.1>	583.7 <325.1>	(14.9) <(13.0)>
Inventories	396.4	378.6	(17.7)
Tangible fixed assets	525.1	504.0	(21.0)
Other assets	355.3	350.2	(5.0)
Total assets	1,959.0	1,903.1	(55.8)
Accounts payable	207.0	229.9	22.8
Interest-bearing debt [b] <Excl. interest-bearing debt of consolidated retail finance subsidiaries>	586.3 <351.1>	555.5 <322.5>	(30.8) <(28.6)>
Other liabilities	288.8	256.9	(31.8)
Total liabilities	1,082.2	1,042.3	(39.8)
[% of total assets]	[42.6%]	[43.0%]	[0.4points]
Komatsu Ltd. shareholders' equity	833.9	818.5	(15.4)
Noncontrolling interests	42.8	42.2	(0.5)
Liabilities & Equity	1,959.0	1,903.1	(55.8)
Interest-bearing debt, net [b-a]	0.60 502.8	0.57 469.0	(33.7)
Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries	0.36	0.32	

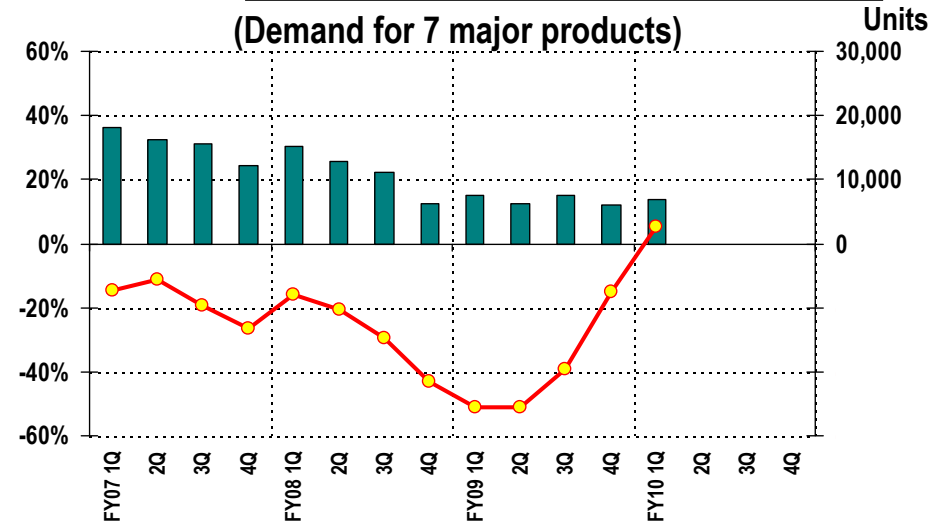
Construction & Mining Equipment: Demand in Major Markets [1. Traditional Markets]

< Quarterly demand >

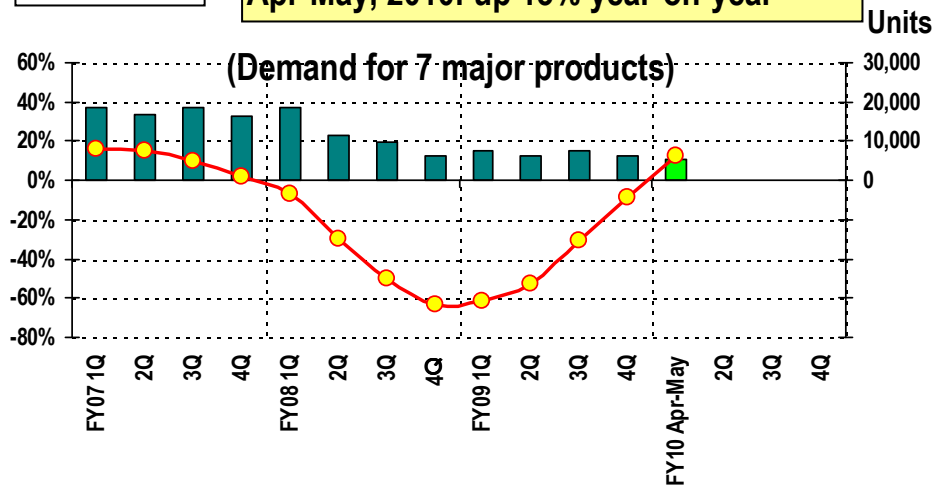
Japan
 Jan-Mar, 2010: up 13% year-on-year
 Apr-Jun, 2010: up 12% year-on-year



North America
 Jan-Mar, 2010: down 15% year-on-year
 Apr-Jun, 2010: up 6% year-on-year



Europe
 Jan-Mar, 2010: down 9% year-on-year
 Apr-May, 2010: up 13% year-on-year



Market demand (unit basis)
 Growth rate (year-on-year)

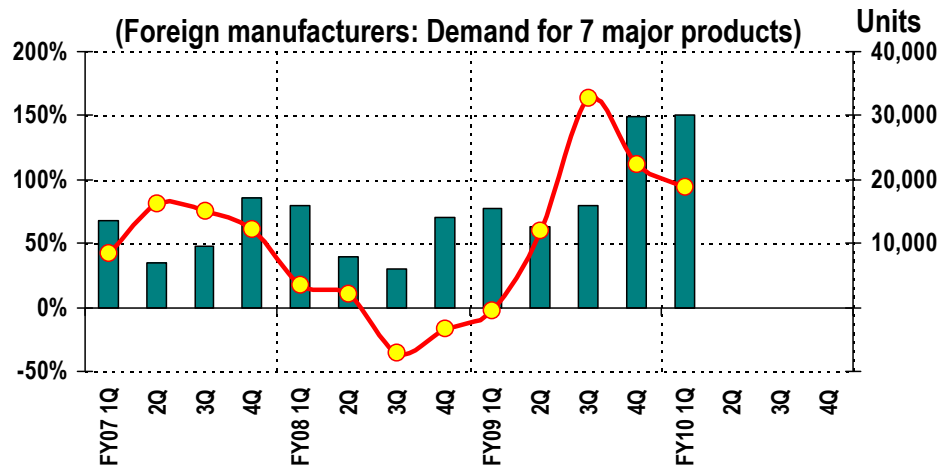
* Estimated by Komatsu

Construction & Mining Equipment: Demand in Major Markets [2. Strategic Markets]

< Quarterly demand >

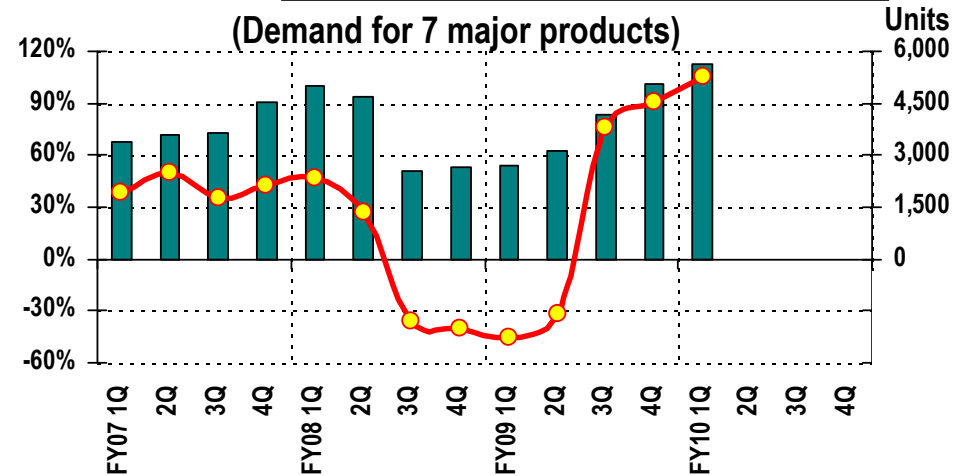
China

Jan-Mar, 2010: up 112% year-on-year
Apr-Jun, 2010: up 93% year-on-year



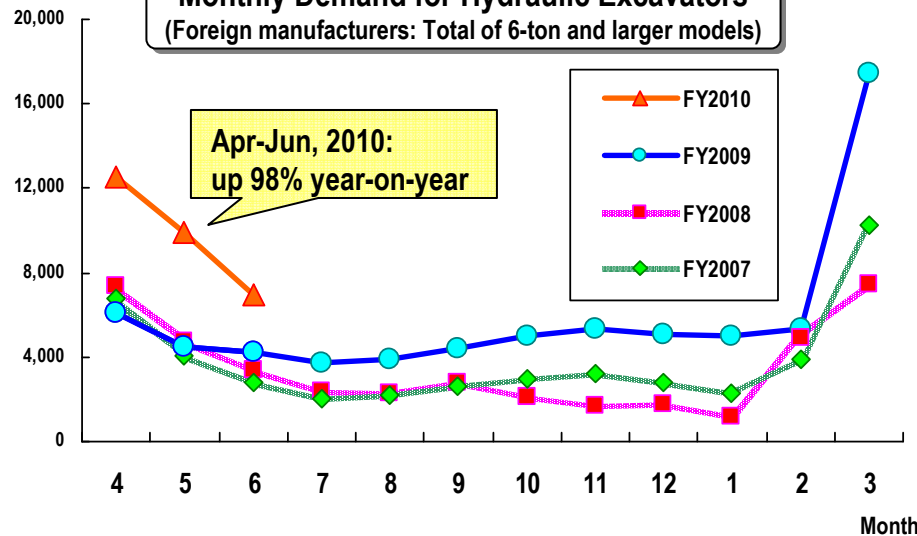
SE Asia

Jan-Mar, 2010: up 90% year-on-year
Apr-Jun, 2010: up 105% year-on-year



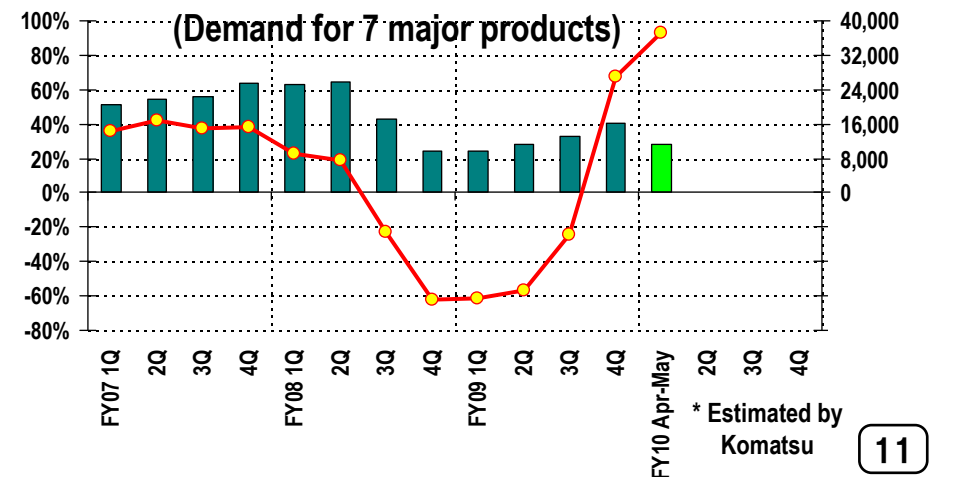
Units

Monthly Demand for Hydraulic Excavators
(Foreign manufacturers: Total of 6-ton and larger models)



Others

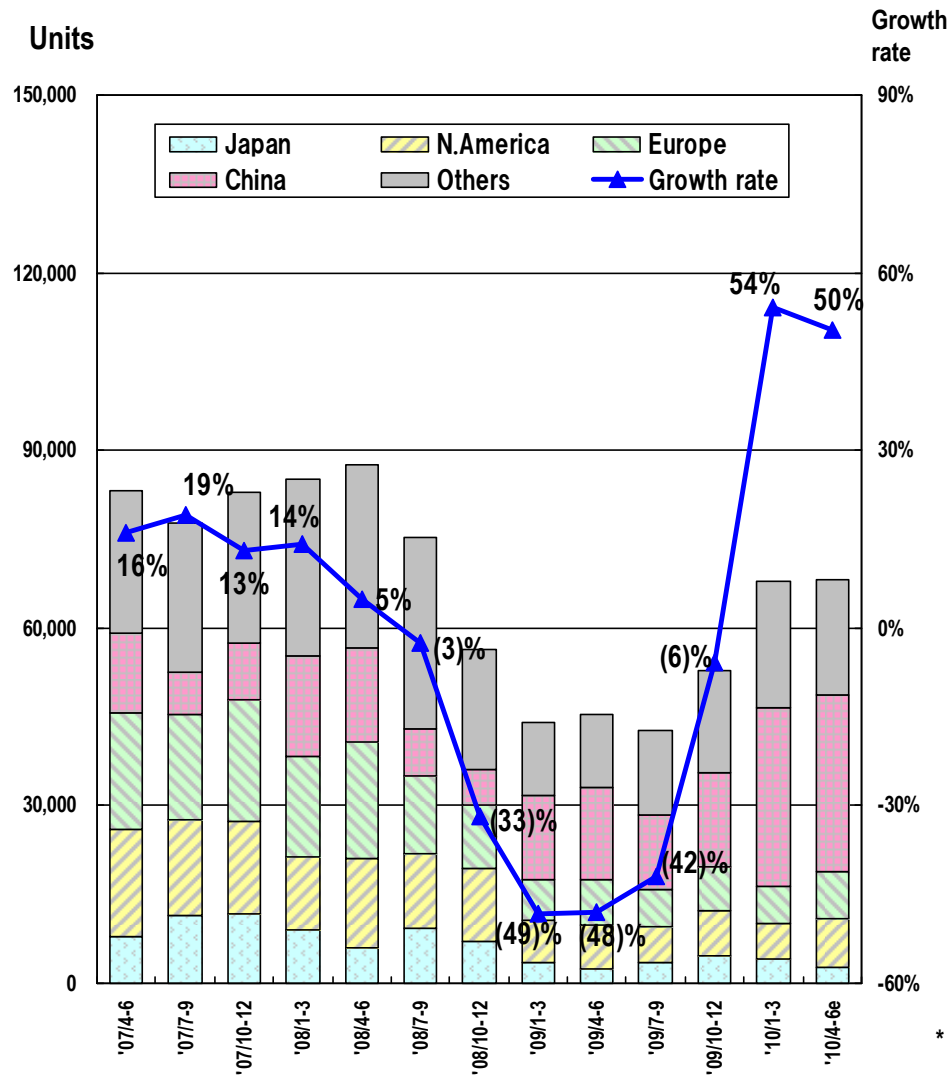
Jan-Mar, 2010: up 67% year-on-year
Apr-May, 2010: up 93% year-on-year



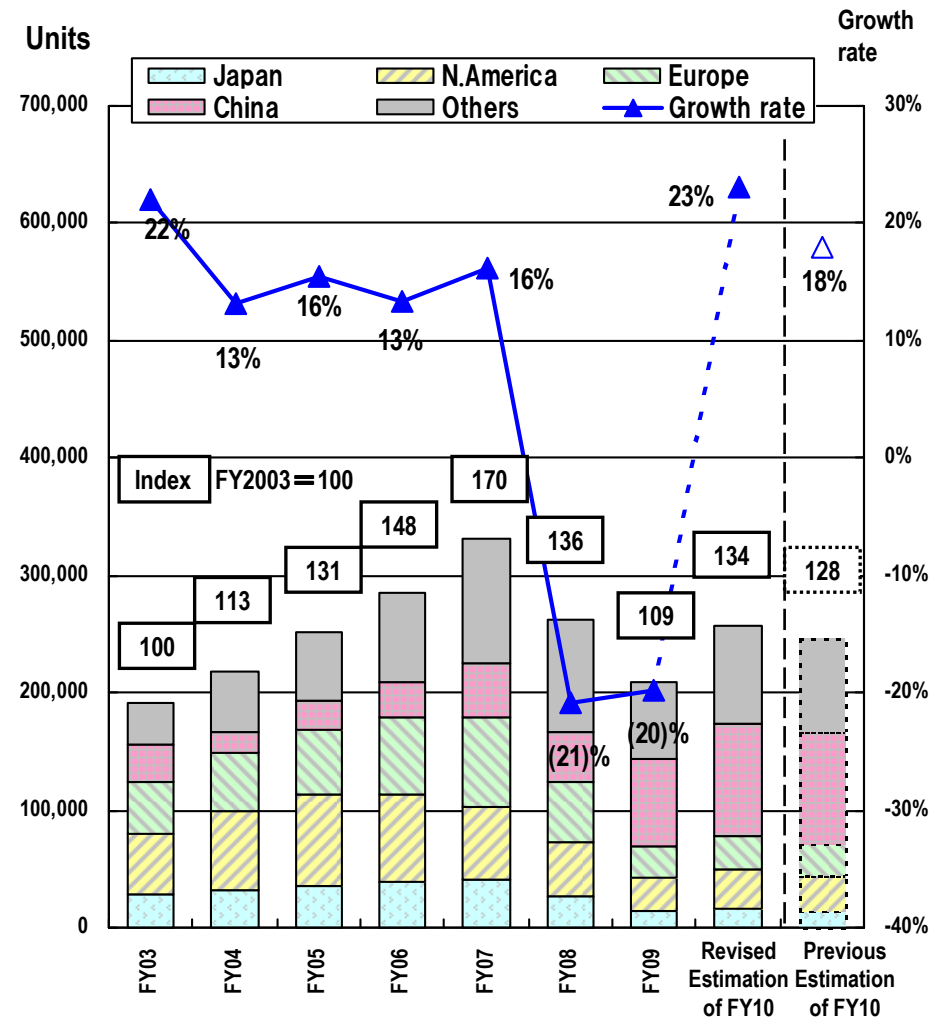
* Estimated by Komatsu

Construction, Mining & Utility Equipment : Demand for 7 Major Products by Region

Quarterly demand
Year-on-year growth rate <7 major products>



Annual demand
Year-on-year growth rate <7 major products>

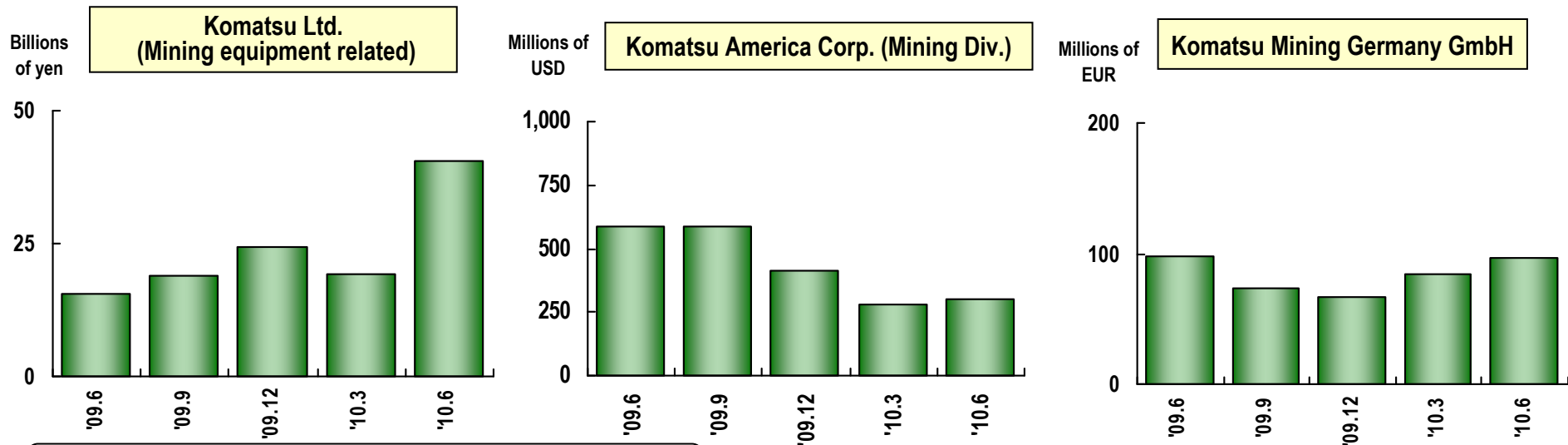


* Estimated by Komatsu

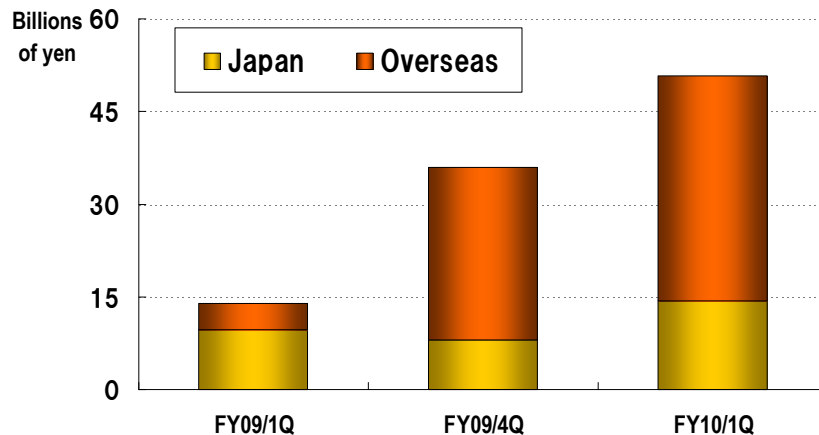
Backlog Orders of Mining Equipment and Orders Received for Industrial Machinery

Backlog orders of mining equipment*

*Finished products excluding parts and service



Orders received for industrial machinery



[First Quarter Topics]

- ✓ Order received for large press line in India: Approx. ¥4 billion
- ✓ Order received for machine tools from Japanese automaker: Approx. ¥5 billion
- ✓ Orders received for industrial-use wire saws: Approx. 20 billion

Revision of Projection for Interim Results (April – September 2010)

Billions of yen

<div style="border: 1px solid black; padding: 2px;">%</div> Profit ratio	Apr.- Sep., 2009 (a) 1USD=95yen 1EUR=133yen 1RMB=13.9yen	Apr.- Sep., 2010 Projection		vs. Previous (c-b)		vs. Apr.- Sep., 2009 (c-a)	
		Previous (b) 1USD=90yen 1EUR=125yen 1RMB=13.5yen	Revised (c) 1USD=89yen 1EUR=112yen 1RMB=13.2yen	Increase (decrease)	%	Increase (decrease)	%
Net sales	645.9	815.0	870.0	55.0	6.7%	224.0	34.7%
Construction, Mining & Utility Equipment	571.0	735.0	780.0	45.0	6.1%	208.9	36.6%
Industrial Machinery & Others	84.6	90.0	97.0	7.0	7.8%	12.3	14.5%
Elimination	(9.7)	(10.0)	(7.0)	3.0	-	2.7	-
Segment profit	<div style="border: 1px solid black; padding: 2px;">3.3%</div> 21.3	<div style="border: 1px solid black; padding: 2px;">9.1%</div> 74.0	<div style="border: 1px solid black; padding: 2px;">10.8%</div> 94.0	20.0	27.0%	72.6	339.3%
Construction, Mining & Utility Equipment	<div style="border: 1px solid black; padding: 2px;">3.6%</div> 20.7	<div style="border: 1px solid black; padding: 2px;">10.5%</div> 77.0	<div style="border: 1px solid black; padding: 2px;">12.2%</div> 95.0	18.0	23.4%	74.2	357.0%
Industrial Machinery & Others	<div style="border: 1px solid black; padding: 2px;">4.3%</div> 3.6	<div style="border: 1px solid black; padding: 2px;">0.0%</div> 0	<div style="border: 1px solid black; padding: 2px;">3.1%</div> 3.0	3.0	-	(0.6)	(18.3)%
Corporate & elimination	(3.0)	(3.0)	(4.0)	(1.0)	-	(0.9)	-
Other operating income (expenses)	(1.6)	(6.0)*1	(4.0)*1	2.0	-	(2.3)	-
Operating income	<div style="border: 1px solid black; padding: 2px;">3.1%</div> 19.7	<div style="border: 1px solid black; padding: 2px;">8.3%</div> 68.0	<div style="border: 1px solid black; padding: 2px;">10.3%</div> 90.0	22.0	32.4%	70.2	354.9%
Other income (expenses)	(1.3)	(4.0)	(4.0)	0.0	-	(2.6)	-
Net income before income taxes	18.4	64.0	86.0	22.0	34.4%	67.5	366.1%
Net income*2	8.1	37.0	52.0	15.0	40.5%	43.8	534.3%

*1 Including ¥3.0 billion as structural reform expenses

*2 Upon adoption of ASC810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Revision of Projection for Full-Year Results (April 2010 – March 2011)

Billions of yen

<div style="border: 1px solid black; padding: 2px;">%</div> Profit ratio	FY2009 Results (a) 1USD=93yen 1EUR=131yen 1RMB=13.6yen	FY2010 Projection		vs. Previous (c-b)		vs. FY2009 (c-a)	
		Previous (b)	Revised (c)	Increase (decrease)	%	Increase (decrease)	%
		1USD=90yen 1EUR=125yen 1RMB=13.5yen	1USD=89yen 1EUR=111yen 1RMB=13.1yen				
Net sales	1,431.5	1,660.0	1,715.0	55.0	3.3%	283.4	19.8%
Construction, Mining & Utility Equipment	1,271.2	1,500.0	1,545.0	45.0	3.0%	273.7	21.5%
Industrial Machinery & Others	178.6	180.0	187.0	7.0	3.9%	8.3	4.7%
Elimination	(18.3)	(20.0)	(17.0)	3.0	-	1.3	-
Segment profit	<div style="border: 1px solid black; padding: 2px;">5.6%</div> 80.7	<div style="border: 1px solid black; padding: 2px;">9.9%</div> 165.0	<div style="border: 1px solid black; padding: 2px;">10.8%</div> 185.0	20.0	12.1%	104.2	129.2%
Construction, Mining & Utility Equipment	<div style="border: 1px solid black; padding: 2px;">6.5%</div> 83.0	<div style="border: 1px solid black; padding: 2px;">11.3%</div> 170.0	<div style="border: 1px solid black; padding: 2px;">12.2%</div> 188.0	18.0	10.6%	104.9	126.3%
Industrial Machinery & Others	<div style="border: 1px solid black; padding: 2px;">1.7%</div> 2.9	<div style="border: 1px solid black; padding: 2px;">0.6%</div> 1.0	<div style="border: 1px solid black; padding: 2px;">2.1%</div> 4.0	3.0	300.0%	1.0	33.4%
Corporate & elimination	(5.3)	(6.0)	(7.0)	(1.0)	-	(1.6)	-
Other operating income (expenses)	(13.6)*1	(8.0)*2	(6.0)*2	2.0	-	7.6	-
Operating income	<div style="border: 1px solid black; padding: 2px;">4.7%</div> 67.0	<div style="border: 1px solid black; padding: 2px;">9.5%</div> 157.0	<div style="border: 1px solid black; padding: 2px;">10.4%</div> 179.0	22.0	14.0%	111.9	167.0%
Other income (expenses)	(2.0)	(8.0)	(8.0)	0.0	-	(5.9)	-
Net income before income taxes	64.9	149.0	171.0	22.0	14.8%	106.0	163.2%
Net income*3	33.5	90.0	105.0	15.0	16.7%	71.4	212.9%

*1 Including ¥12.0 billion as structural reform expenses *2 Including ¥4.0 billion as structural reform expenses

*3 Upon adoption of ASC810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

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

<Projection of Business Results for FY2010 ending March 31, 2011>

Billions of yen

		FY2009 (a)		FY2010 Projection Previous (b)		Increase (decrease)	FY2010 Projection Revised (c)		vs. Previous (c-b) Change [%]	vs. FY2009 (c-a) Increase [%]
			share		share			share		
Traditional Markets	Japan	228.5	18%	225.0	15%	(1.5)%	230.0	15%	5.0 [2.2%]	1.5 [0.7%]
	North America	135.5	11%	155.0	11%	14.3%	165.0	11%	10.0 [6.5%]	29.5 [21.7%]
	Europe	90.2	7%	95.0	6%	5.2%	95.0	6%	0.0 [0.0%]	4.8 [5.2%]
Strategic Markets	Latin America	170.5	13%	185.0	12%	8.4%	195.0	12%	10.0 [5.4%]	24.5 [14.3%]
	CIS	31.7	3%	55.0	4%	73.3%	55.0	4%	0.0 [0.0%]	23.3 [73.3%]
	China	244.5	19%	320.0	21%	30.9%	320.0	21%	0.0 [0.0%]	75.5 [30.9%]
	Asia & Oceania	281.8	22%	360.0	24%	27.7%	375.0	24%	15.0 [4.2%]	93.2 [33.0%]
	Middle East & Africa	85.5	7%	101.0	7%	18.1%	106.0	7%	5.0 [5.0%]	20.5 [24.0%]
Total		1,268.5	100%	1,496.0	100%	17.9%	1,541.0	100%	45.0 [3.0%]	272.5 [21.5%]

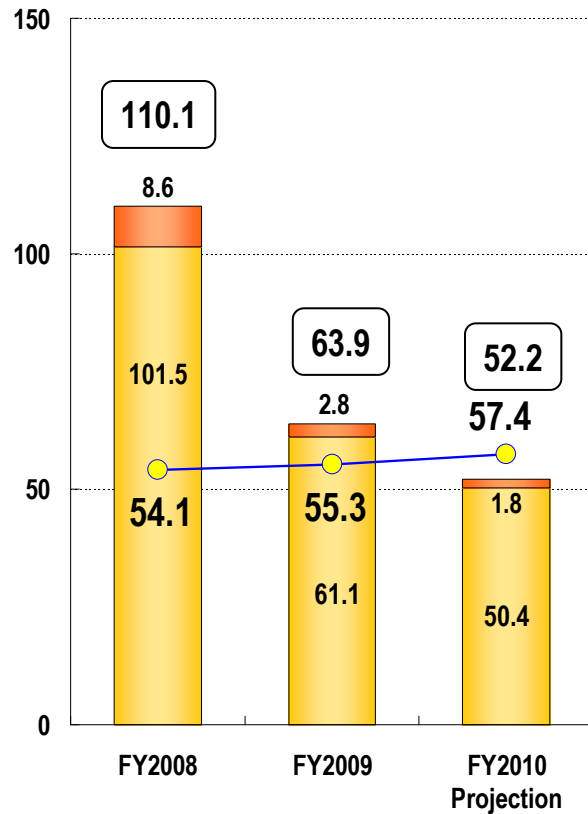
<Appendix>

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

Investment in production and other facilities, and depreciation

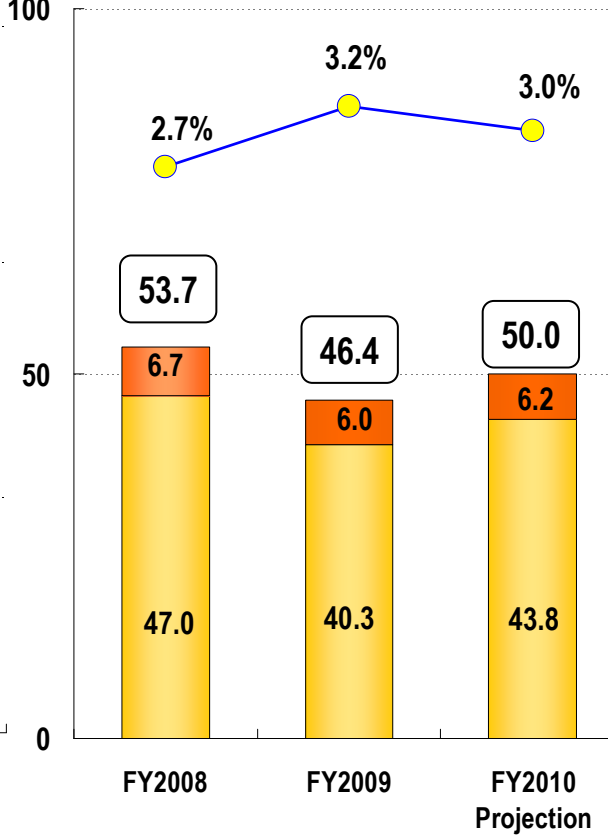
* Excluding investment in rental assets

Billions of yen



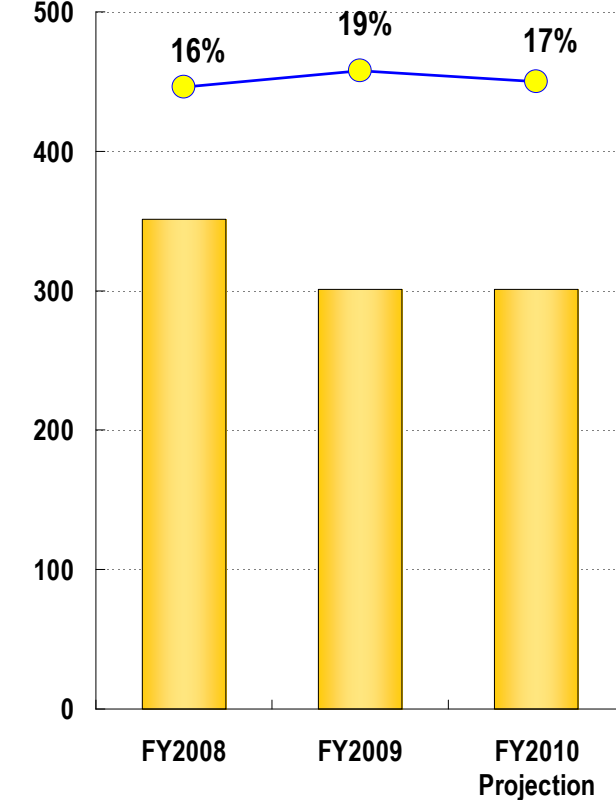
R&D expenses

Billions of yen



Fixed costs

Billions of yen

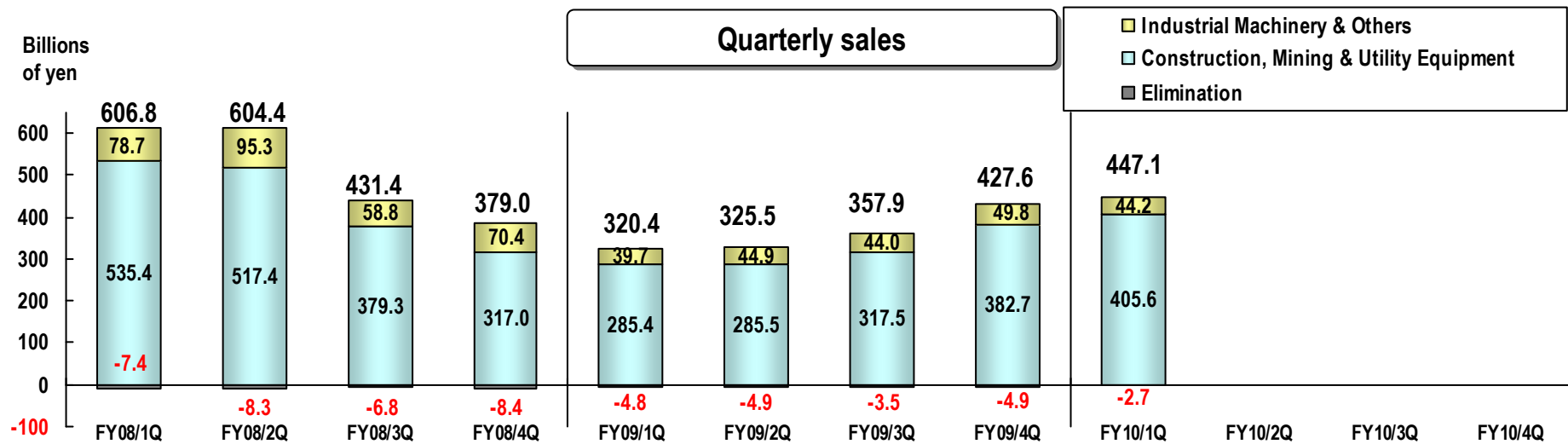


■ Industrial Machinery & Others
■ Construction, Mining & Utility Equipment
● Depreciation

■ Industrial Machinery & Others
■ Construction, Mining & Utility Equipment
● R&D expenses ratio

■ Fixed costs ● Fixed costs ratio

Quarterly Sales and Segment Profit

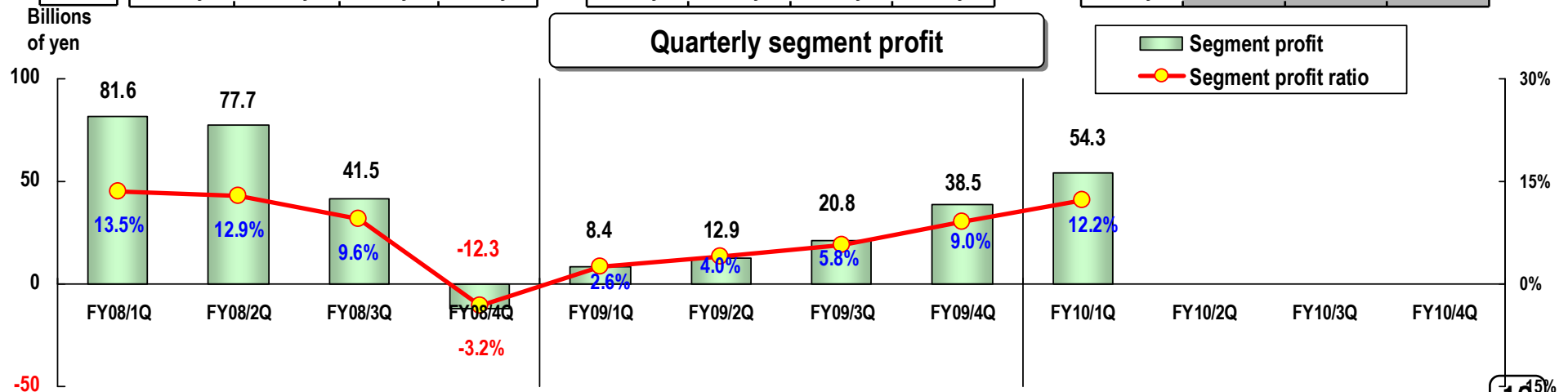


Exchange rates

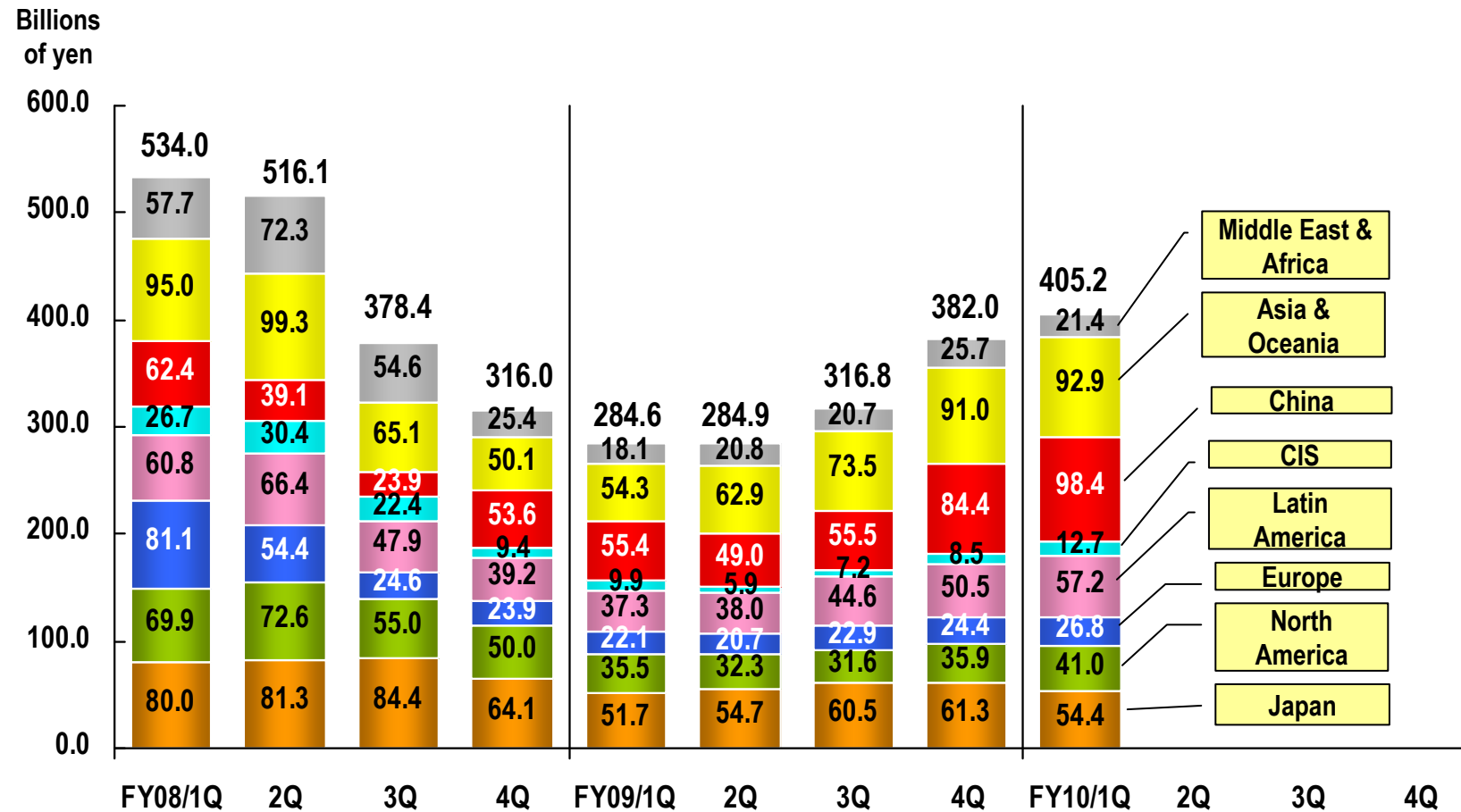
	08/1Q	2Q	3Q	4Q
1USD	105yen	107yen	95yen	95yen
1EUR	165yen	159yen	126yen	123yen
1RMB	15.2yen	15.7yen	13.9yen	13.9yen

	09/1Q	2Q	3Q	4Q
	97yen	93yen	90yen	91yen
	133yen	133yen	133yen	124yen
	14.2yen	13.6yen	13.2yen	13.3yen

	10/1Q	2Q	3Q	4Q
	91yen			
	115yen			
	13.4yen			



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

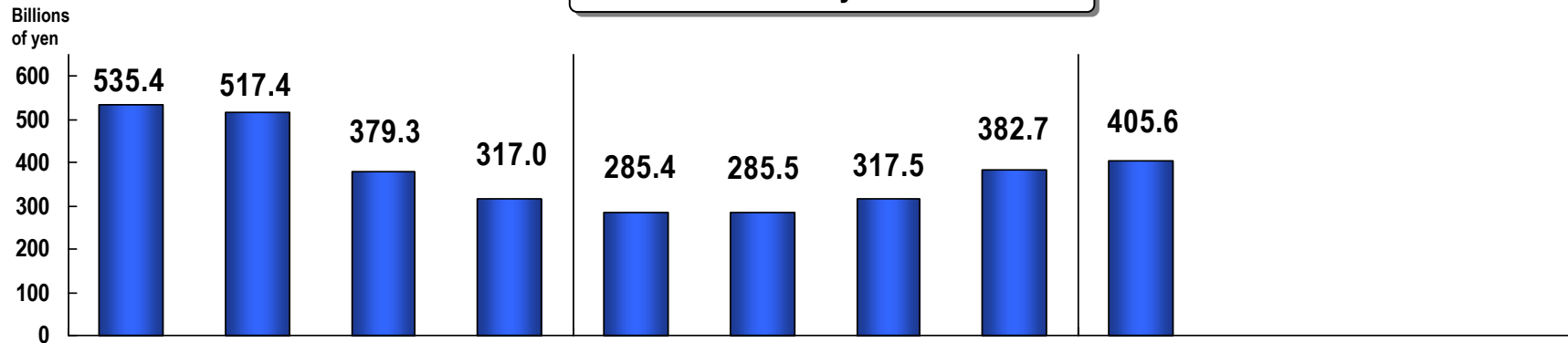


Exchange rates

	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			
1EUR	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen			
1RMB	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen			

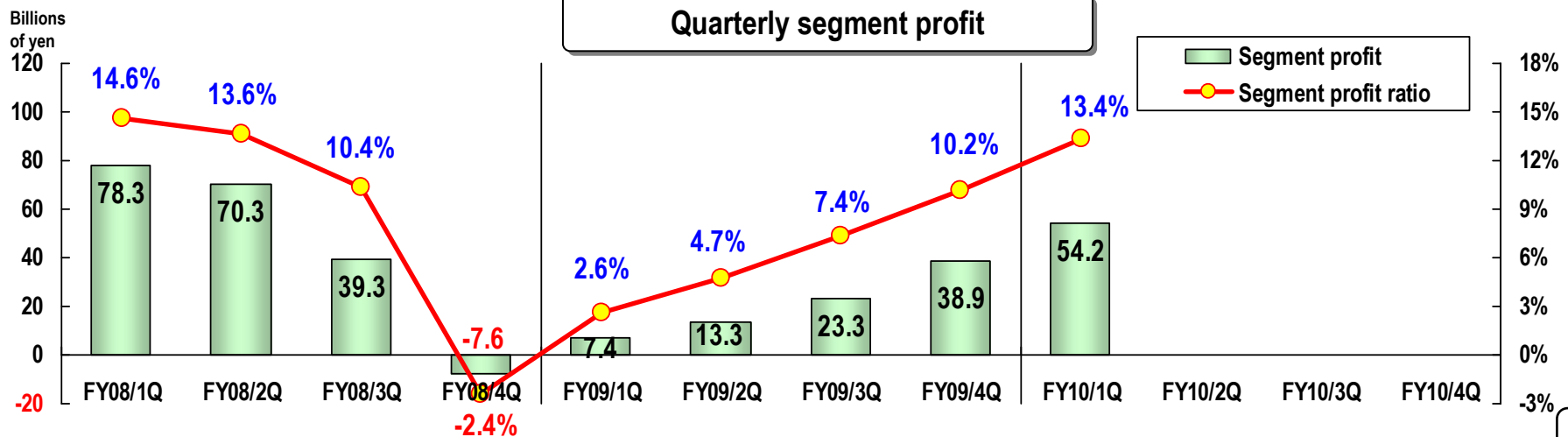
Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit

Quarterly sales

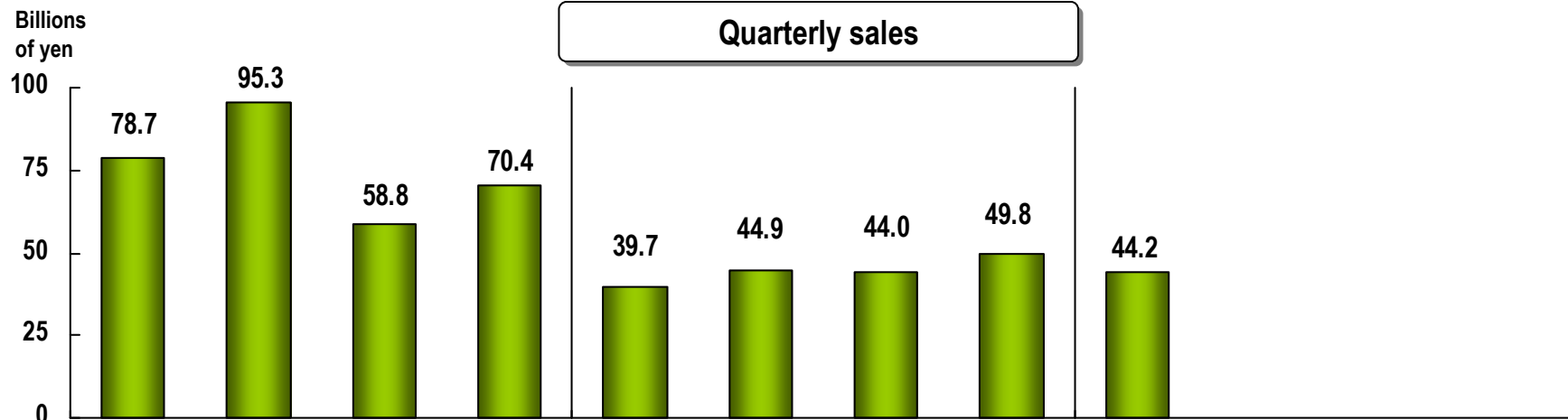


Exchange rates	FY08				FY09				FY10			
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen			
1EUR	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen			
1RMB	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen			

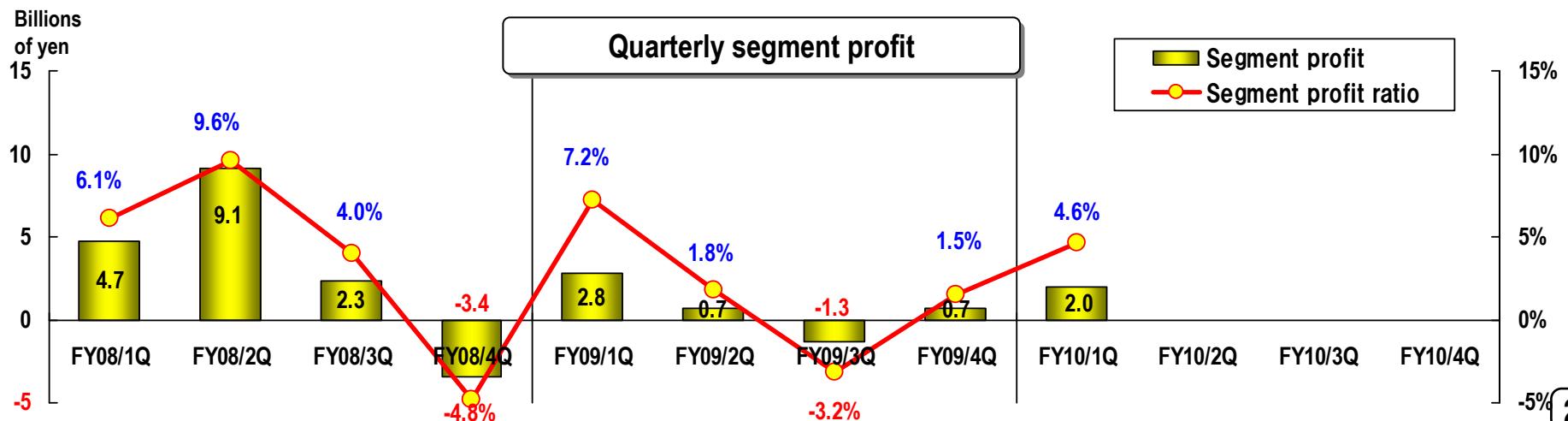
Quarterly segment profit



Industrial Machinery & Others : Quarterly Sales and Segment Profit



Exchange rates	FY08/1Q	FY08/2Q	FY08/3Q	FY08/4Q	FY09/1Q	FY09/2Q	FY09/3Q	FY09/4Q	FY10/1Q	FY10/2Q	FY10/3Q	FY10/4Q
	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	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen			
1EUR	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen			
1RMB	15.2yen	15.7yen	13.9yen	13.9yen	14.2yen	13.6yen	13.2yen	13.3yen	13.4yen			



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.



Komatsu Manufacturing Rus, LLC embarked on production in Russia in June 2010.

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