

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.

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1. Sales and profits

For the first quarter under review, net sales increased by 39.5% from the corresponding period a year ago, and both operating income and net income registered outstanding growth of over six times the previous first quarter. Similarly, operating income ratio also improved significantly from 2.6% to 12.1%.

2. Review of two business segments

[Construction, Mining & Utility Equipment]

In addition to a substantial increase in demand in Strategic Markets, such as China, Asia and Latin America, demand bottomed out in the Traditional Markets of Japan, North America and Europe. Against this backdrop, first-quarter 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 registered an impressive increase of 7.3 times over the previous first quarter, supported by expanded volume of sales, improved productivity and other factors.

[Industrial Machinery & Others]

Orders received for presses and machine tools increased, reflecting the recovery of capital investment by the automobile manufacturing industry particularly in Strategic Markets, such as China, India and Brazil. Furthermore, sales of wire saws expanded to the solar cell industry. As a result, sales of this segment increased by 11.2% from the previous first quarter.

Segment profit declined by 29.3% from the previous first quarter, as affected by a gain on reversal of allowance for doubtful receivables, which was recorded for the previous first quarter. When this effect is excluded, segment profit will actually increase from 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	
					Increase (decrease)	%
	1USD=97yen 1EUR=133yen 1RMB=14.2yen		1USD=91yen 1EUR=115yen 1RMB=13.4yen			
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
Industrial Machinery & Others	[35.7]	39.7	[41.9]	44.2	[6.2]	4.4
Elimination	(4.8)		(2.7)		2.0	-
Segment profit	<input type="checkbox"/> 2.6%	8.4	<input type="checkbox"/> 12.2%	54.3	45.8	541.6%
Construction, Mining & Utility Equipment	<input type="checkbox"/> 2.6%	7.4	<input type="checkbox"/> 13.4%	54.2	46.8	629.7%
Industrial Machinery & Others	<input type="checkbox"/> 7.2%	2.8	<input type="checkbox"/> 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	<input type="checkbox"/> 2.6%	8.2	<input type="checkbox"/> 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."

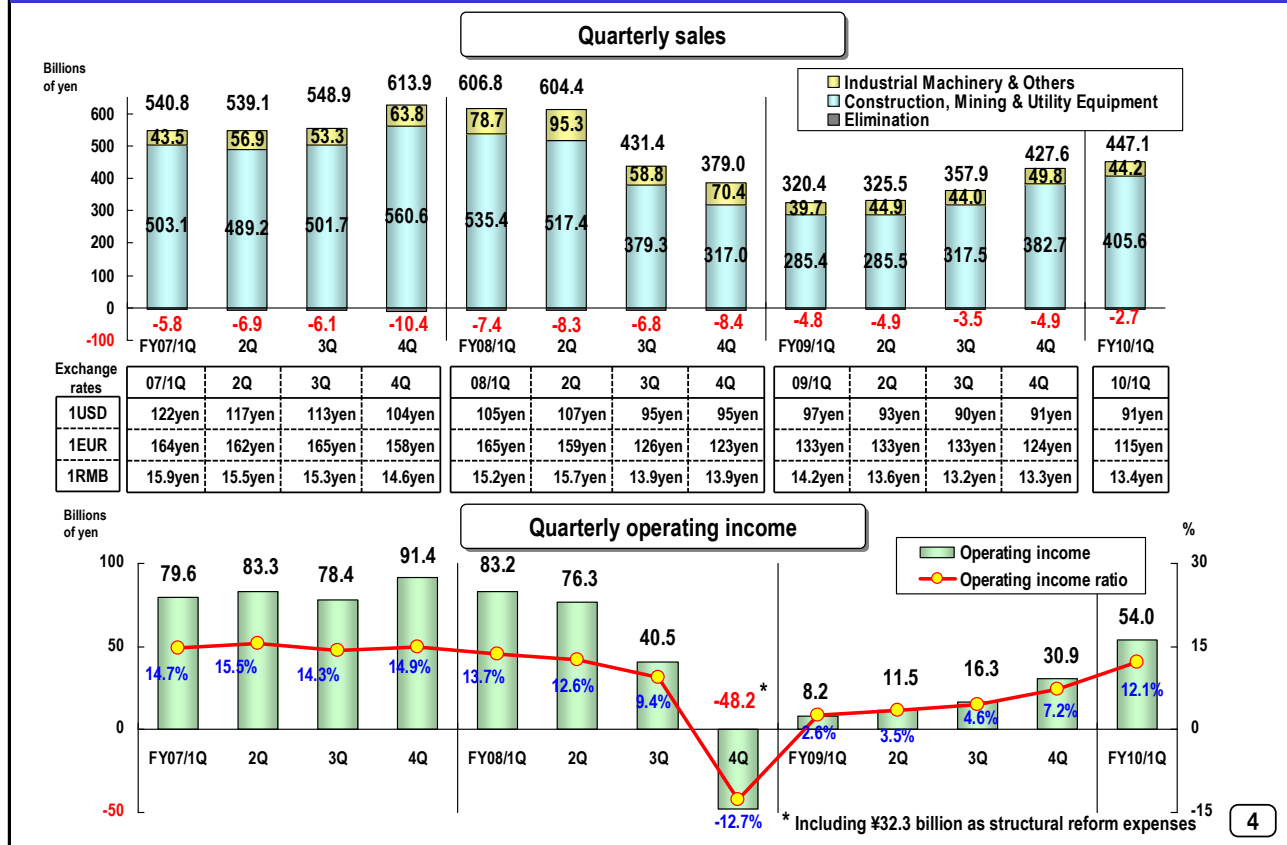
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Segment profit amounted to 54.3 billion yen for the first quarter under review. Segment profit ratio improved considerably from 2.6% for the previous first quarter to 12.2%.

Segment profit and profit ratio of the construction, mining and utility equipment business were 54.2 billion yen and 13.4%, respectively, and those of the industrial machinery and others business were 2 billion yen and 4.6%, respectively.

Other expenses of 3.9 billion yen were mainly attributable to foreign exchange losses in receivables against the backdrop of the Japanese yen's appreciation.

Quarterly Sales and Operating Income



Prior to the financial crisis of September 2008, quarterly sales stayed over 600 billion yen. However, sales plunged in the third quarter of fiscal 2008, kept falling and hit the bottom in the first and second quarters of fiscal 2009.

In response to the drastic drop in demand, we focused our efforts on inventory adjustment and almost completed it in September 2009. As a result, sales began to pick up in October 2009, mainly supported by an increase in demand, and recovered to 447.1 billion yen for the first quarter under review.

With respect to quarterly operating income, while a loss was recorded for the fourth quarter of fiscal 2008 as mainly affected by structural reform expenses, it has steadily been recovering since the first quarter of fiscal 2009, reflecting structural reform effects, improved productivity and other factors.

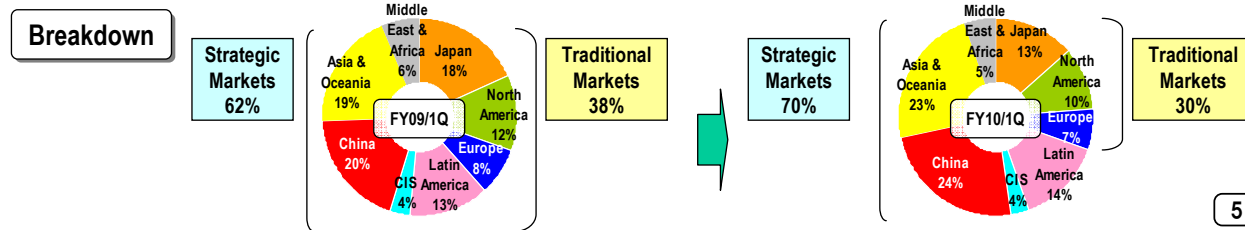
Sales of 447.1 billion yen for the first quarter under review were comparable to sales of 431.4 billion yen for the third quarter of fiscal 2008. In terms of operating income ratio, however, operating profit ratio for the first quarter under review was 12.1%, whereas that was 9.4% for the third quarter of fiscal 2008, showing an increase of 2.7 percentage points and demonstrating a steady improvement of profitability. Furthermore, when you take the Japanese yen's exchange rates into account, that is, the Japanese yen appreciated more than a year ago, then, our profitability actually becomes much higher.

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



Sales of construction, mining and utility equipment for the first quarter under review improved in all regions of Traditional and Strategic Markets from the previous first quarter. Consequently, total sales advanced by 42.3% from the corresponding period a year ago.

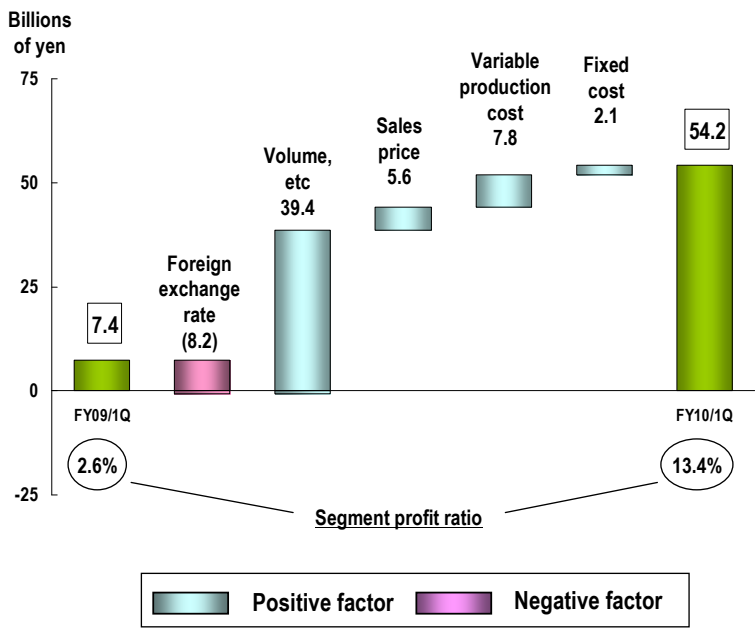
In the Traditional Markets, sales increased by 5.2% in Japan, 15.5% in North America, and 21.2% in Europe. We almost completed inventory adjustment in September 2009, and sales have gradually recovered since then.

In the Strategic Markets, we recorded an impressive increase in first quarter sales from the previous first quarter: 77.5% in China, 70.9% in Asia & Oceania, and 53.5% in Latin America.

With respect to the percentage share of sales by region for the first quarter under review, that of the Strategic Markets increased by 8 percentage points from 62% for the previous first quarter to 70%. In particular, those of Asia & Oceania and China advanced substantially, reaching almost to 50% together.

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

FY09/1Q vs FY10/1Q



[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

Segment profit of the construction, mining and utility equipment business totaled 54.2 billion yen for the first quarter under review, an increase of 46.8 billion yen from the previous first quarter. Positive and negative factors are as follows.

[Positive factors]

Volume, etc: +39.4 billion yen (expanded volume of sales, etc.)

Sales prices: +5.6 billion yen (due to continuous realization of prices)

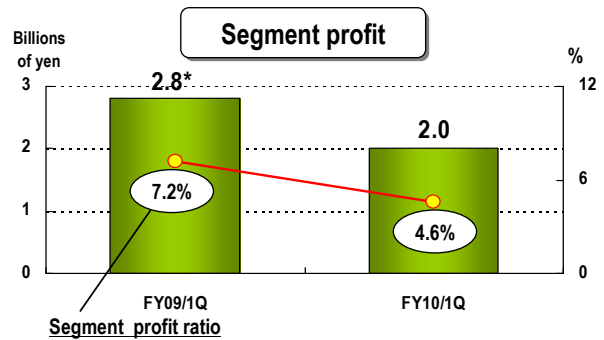
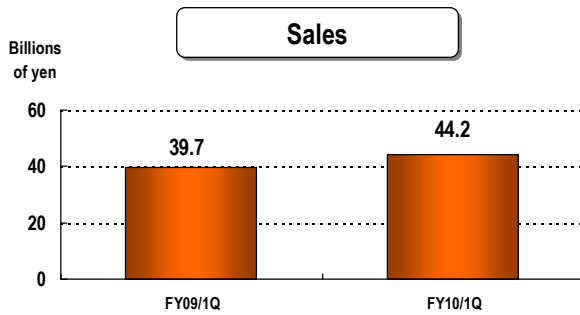
Variable production costs: +7.8 billion yen (reduced loss resulting from lowered capacity utilization, price decline of purchased items, etc.)

Fixed costs: +2.1 billion yen (reduced fixed costs)

[Negative factor]

Foreign exchange rates: -8.2 billion yen (Considerable appreciation of the Japanese yen against the U.S. dollar, euro and Renminbi)

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

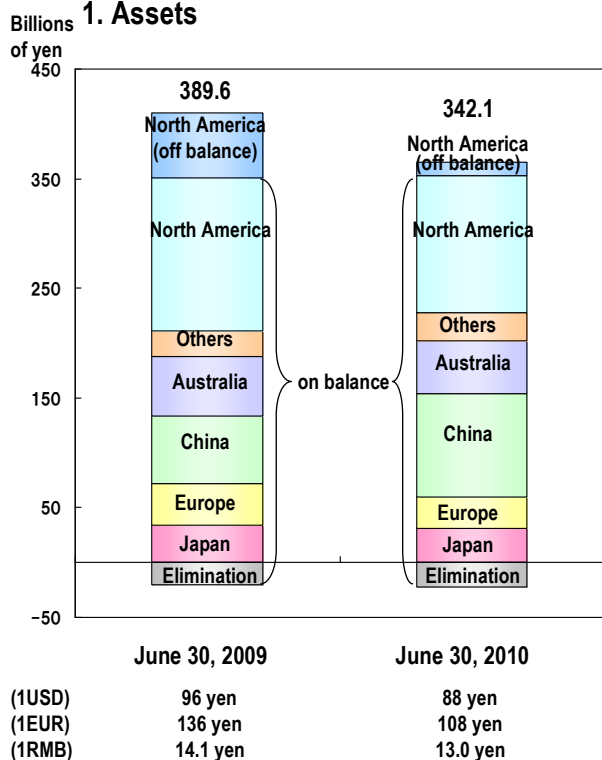
For the first quarter under review, sales of the industrial machinery and others business increased by 11.2% from the previous first quarter, to 44.2 billion yen. By breakdown of sales, sales of Komatsu NTC amounted to 21.8 billion yen, an increase of 6.9 billion yen. This increase is mainly attributable to expanded sales of wire saws for use in the production of solar cells.

Segment profit declined by 800 million yen from the previous first quarter. We recorded a gain of 1.7 billion yen on reversal of allowance for doubtful receivables for the previous first quarter. When this effect is excluded, segment profit will actually increase by 900 million yen from the previous first quarter. This increase is mainly attributable to improved profitability of Komatsu NTC.

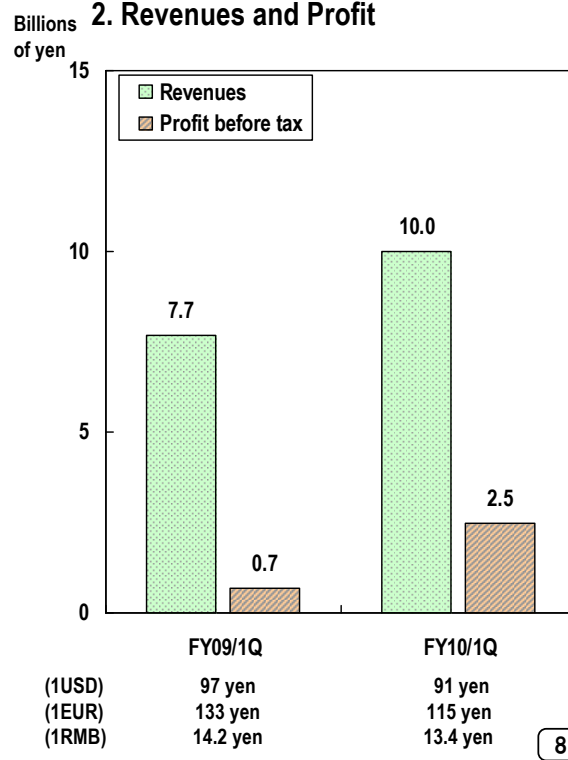
Retail Finance Business

Consolidated retail finance subsidiaries (internal-use data)

1. Assets



2. Revenues and Profit



Total assets of consolidated retail finance subsidiaries, including off-balance-sheets assets, amounted to 342.1 billion yen at June 30, 2010, a decline of 47.5 billion yen from June 30, 2009. However, the Japanese yen appreciated against major currencies compared to a year ago. When this foreign exchange rate effect is excluded, the decline will actually amount to almost 17 billion yen.

In North America, if the foreign exchange rate effect were excluded, assets would have declined by about 50 billion yen from a year ago, mainly because good progress was made in the collection of receivables.

In China, assets increased substantially to over 90 billion yen, as the market size expanded.

Both revenues and profit before tax increased from the previous first quarter. For the first quarter under review, all consolidated retail finance subsidiaries recorded a profit. The increase in profit before tax is attributable particularly to expanded profit in China and North America.

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] Komatsu Ltd. shareholders' equity	[42.6%] 833.9	[43.0%] 818.5	[0.4points] (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)	

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Total assets amounted to 1,903.1 billion yen at June 30, 2010, a decline of 55.8 billion yen from March 31, 2010, partly due to the sharp appreciation of the Japanese yen.

Although not shown in this sheet, the inventory turnover period became 3.5 months, a considerable improvement from 5.9 months a year ago.

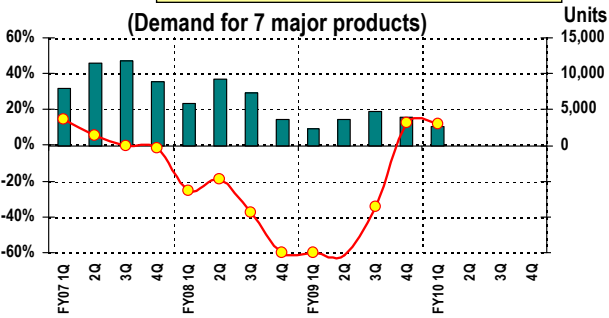
Komatsu Ltd. shareholders' equity ratio improved to 43.0% at June 30, 2010, up 0.4 percentage points from March 31, 2010.

Net debt-to-equity ratio also improved by 0.03 points to 0.57 at June 30, 2010, and that excluding consolidated retail finance subsidiaries improved by 0.04 points to 0.32, when compared to March 31, 2010.

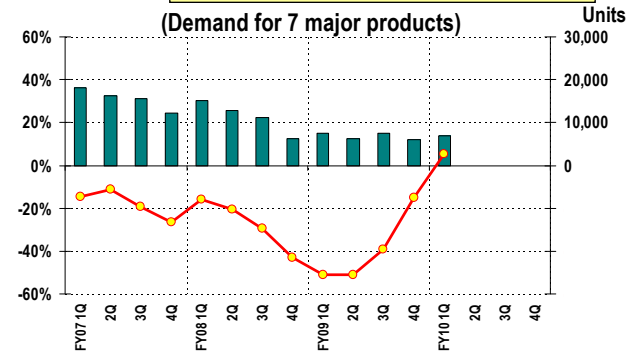
Construction & Mining Equipment: Demand in Major Markets [1. Traditional Markets]

< Quarterly demand >

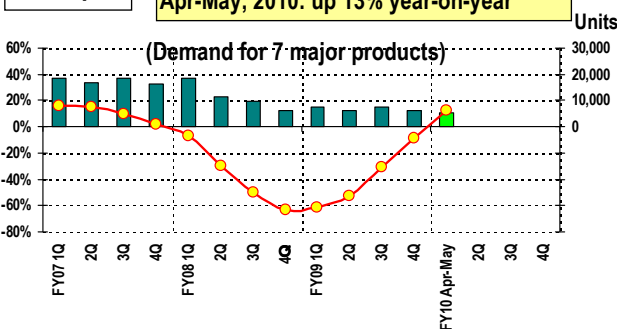
Japan
 Jan-Mar, 2010: up 13% year-on-year
 Apr-Jun, 2010: up 12% year-on-year



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

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This sheet shows quarterly demand and year-on-year growth rate for seven major products in the Traditional Markets.

In Japan, monthly demand upturned for an increase, year on year in February this year, and demand in January through March this year increased by 13% from the corresponding three-month period a year ago. Demand in April through June also increased by 12% from the corresponding three-month period a year ago.

In North America, while three-month demand had continued to decline year on year into January through March 2010, monthly demand upturned for an increase, year on year in April and demand in April through June grew by 6% from the corresponding three-month period a year ago.

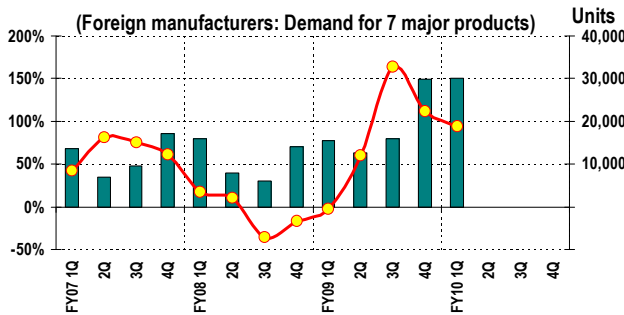
In Europe, like in North America, while three-month demand had continued to decline year on year into January through March 2010, monthly demand upturned for an increase, year on year in April and combined demand in April and May grew by 13% from the two-month period a year ago.

Although not shown on this sheet, according to our KOMTRAX information, the number of monthly hours of machine use also increased year-on-year in North America and Europe in March 2010, in addition to Japan where it upturned in November last year. Accordingly, the monthly hours of machine use have grown in all three regions since March this year.

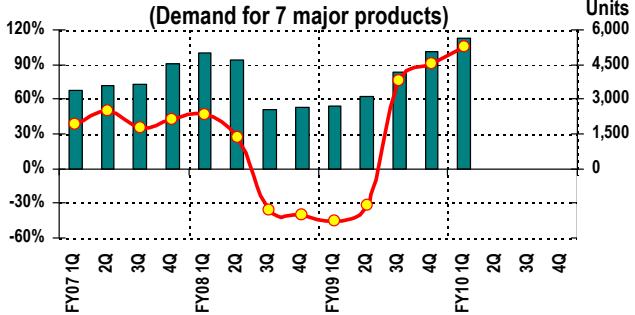
Construction & Mining Equipment: Demand in Major Markets [2. Strategic Markets]

< Quarterly demand >

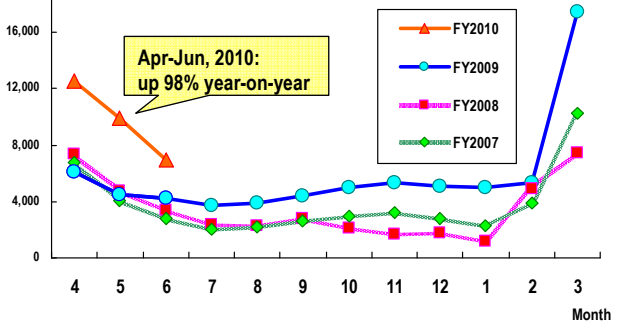
China
 Jan-Mar, 2010: up 112% year-on-year
 Apr-Jun, 2010: up 93% year-on-year



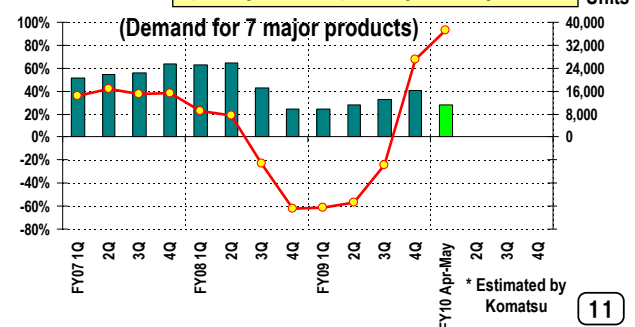
SE Asia
 Jan-Mar, 2010: up 90% year-on-year
 Apr-Jun, 2010: up 105% year-on-year



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

This sheet shows quarterly demand and year-on-year growth rate for seven major products in the Strategic Markets.

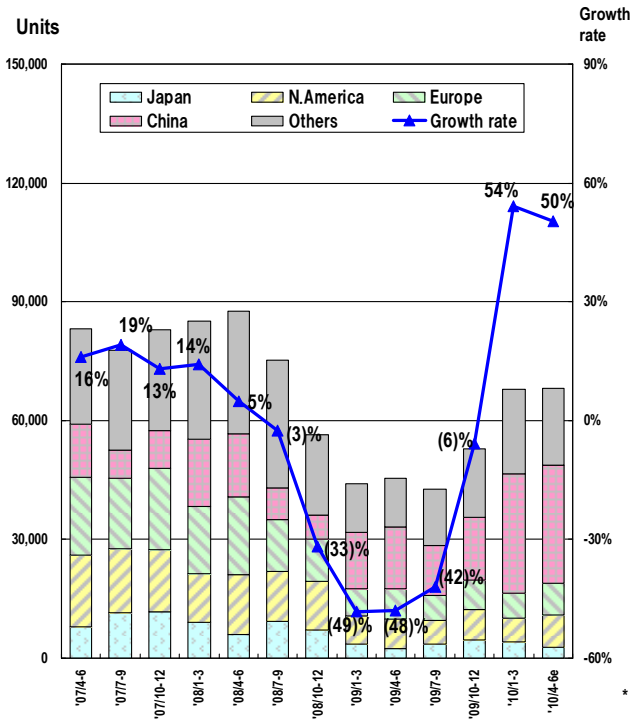
In China, demand in January through March 2010 surged by 112% from the corresponding three-month period a year ago. Demand in April through June advanced by 93% from the corresponding three-month period a year ago. In terms of units, demand in both the fourth quarter of fiscal 2009 and the first quarter of fiscal 2010 reached the level of about 30,000, easily outperforming the level of quarterly demand prior to the financial crisis of September 2008.

In Southeast Asia, demand has been recovering steadily centering on Indonesia. Southeast Asian demand about doubled in the three-month periods of January through March and April through June from the corresponding periods a year ago. In terms of units, the figure has topped 5,000, recovering to a level above that prior to the financial crisis.

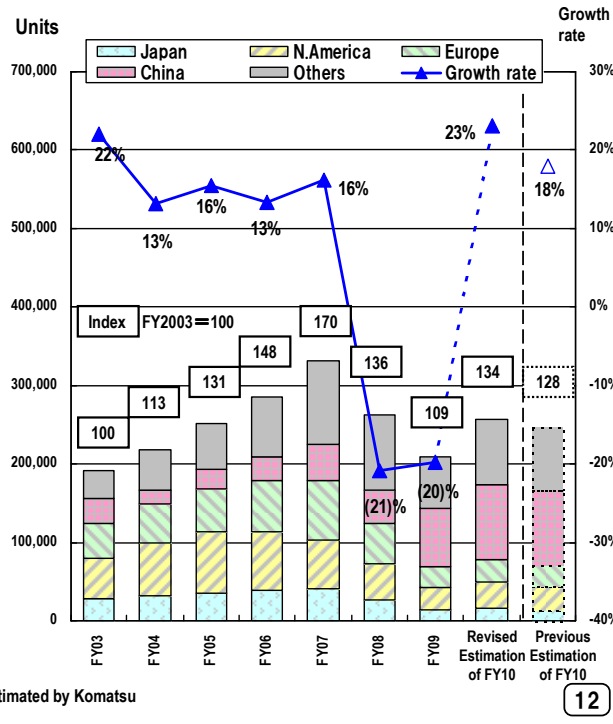
In regions other than China and Southeast Asia of the Strategic Markets, demand has been recovering, centering on the Middle East and Latin America. Demand in the three-month periods of January through March and April through May advanced by 67% and 93%, respectively, from the corresponding periods a year ago.

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

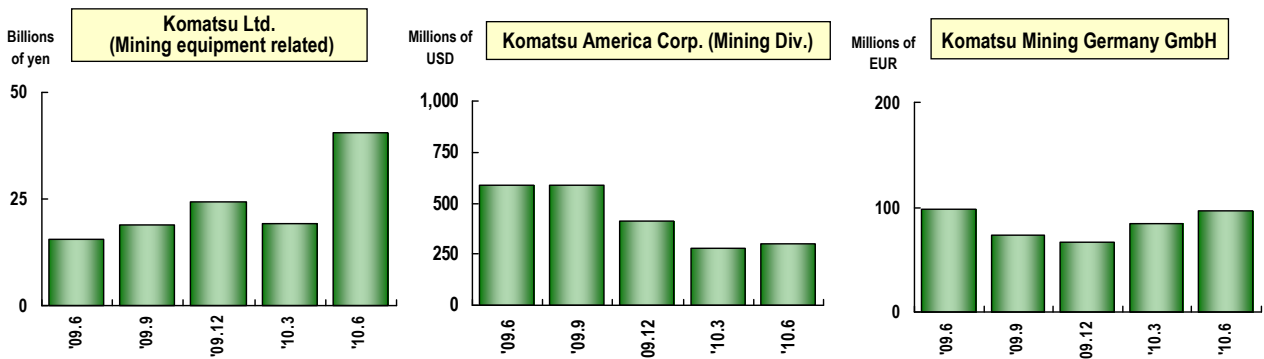
Quarterly demand expanded substantially by 54% and 50%, respectively, in the three-month periods of January through March and April through June from the corresponding periods a year ago. While quarterly demand in the Traditional Markets of Japan, North America and Europe is still far short of recovering to a pre-financial crisis level, that in the Strategic Markets has already recovered to the pre-financial crisis level.

By incorporating the strong recovery of most recent demand, centering on Southeast Asia and Latin America, we have revised our projection for global demand in fiscal 2010 from an increase of 18% to 23% over fiscal 2009.

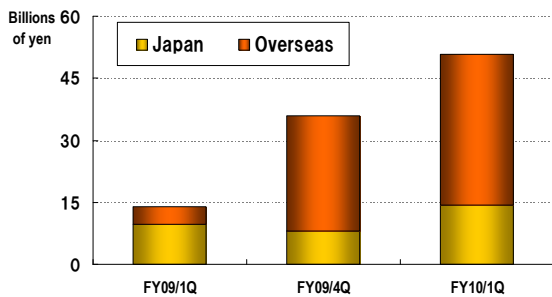
Backlog Orders of Mining Equipment and Orders Received for Industrial Machinery

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

These three graphs on the top of this page show backlog orders of mining-related equipment.

Backlog orders of mining-related equipment held by Komatsu Ltd. on a non-consolidated basis increased sharply at June 30 from March 31, 2010, mainly reflecting strong orders for dump trucks in Indonesia.

Backlog orders of dump trucks in value held by Komatsu America Corp. reached about 300 million US dollars at June 30, 2010. This bar graph represents the value of orders received only. When informal orders and certain orders which have been reached via an agreement are included, KAC's backlog orders should go above 500 million US dollars in value, representing steady growth like Komatsu Ltd.

Backlog orders of large hydraulic excavators held by Komatsu Mining Germany have been growing steadily after bottoming out at December 31, 2009.

Orders received for industrial machinery show the value of orders received for each quarter, not backlog orders. For the first quarter under review, the value of orders received showed substantial growth especially in overseas market. This growth is mainly attributable to not only a large press line in India and a large-scale order for machine tools from a Japanese automaker but also strong orders for wire saws.

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

Billions of yen

% 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	3.3% 21.3	9.1% 74.0	10.8% 94.0	20.0	27.0%	72.6	339.3%
Construction, Mining & Utility Equipment	3.6% 20.7	10.5% 77.0	12.2% 95.0	18.0	23.4%	74.2	357.0%
Industrial Machinery & Others	4.3% 3.6	0.0% 0	3.1% 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	3.1% 19.7	8.3% 68.0	10.3% 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."

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On July 13, we revised upward our earlier projection for business results for the fiscal year ending March 31, 2011, after considering first quarter results, market demand and orders received. This sheet describes our current projection of interim results.

Compared with our earlier projection of April 27, 2010, we are projecting net sales of 870 billion yen with an increase of 55 billion yen, sales of 780 billion yen with an increase of 45 billion yen for construction, mining and utility equipment, and sales of 97 billion yen with an increase of 7 billion yen for industrial machinery and others.

With respect to segment profit, we have revised the total to 94 billion yen with an increase of 20 billion yen overall. By segment, we are projecting 95 billion yen with an increase of 18 billion yen for the construction, mining and utility equipment business, and 3 billion yen with an increase of 3 billion yen for the industrial machinery and others business.

Concerning operating income, we have revised the total to 90 billion yen with an increase of 22 billion yen. We are anticipating net income attributable to Komatsu Ltd. of 52 billion yen with an increase of 15 billion. Based on these new projections, we are estimating an operating income ratio of 10.3%, recovering to a double digit figure from our earlier projection of 8.3%.

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

Billions of yen

% Profit ratio ()	FY2009 Results (a) 1USD=93yen 1EUR=131yen 1RMB=13.6yen	FY2010 Projection		vs. Previous (c-b)		vs. FY2009 (c-a)	
		Previous (b) 1USD=90yen 1EUR=125yen 1RMB=13.5yen	Revised (c) 1USD=89yen 1EUR=111yen 1RMB=13.1yen	Increase (decrease)	%	Increase (decrease)	%
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	5.6% 80.7	9.9% 165.0	10.8% 185.0	20.0	12.1%	104.2	129.2%
Construction, Mining & Utility Equipment	6.5% 83.0	11.3% 170.0	12.2% 188.0	18.0	10.6%	104.9	126.3%
Industrial Machinery & Others	1.7% 2.9	0.6% 1.0	2.1% 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	4.7% 67.0	9.5% 157.0	10.4% 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."

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Concerning business results for the second half period, we have made no revision of net sales or profits from our earlier projection, because we believe that we should be able to cover all negative effects of the Japanese yen's appreciation by capitalizing on strong demand, improving productivity and making other internal efforts. Accordingly, our new projection for the full year only reflects the factors of the first half period I have described in the previous sheet.

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	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%]

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As I have already mentioned, we are anticipating an increase of 45 billion yen from our earlier projection in the construction, mining and utility equipment business. This sheet describes the revised figures by region.

We have revised our earlier projections in the following regions: Japan and North America in the Traditional Markets, and Latin America, Asia & Oceania, Middle East & Africa in the Strategic Markets.

With respect to the Traditional Markets, we have increased projections; 5 billion yen in Japan and 10 billion yen in North America, totaling an increase of 15 billion yen from our earlier projections.

In the Strategic Markets, we are expecting increases of 10 billion yen in Latin America, 15 billion yen in Asia & Oceania and 5 billion yen in the Middle East & Africa, for a total of 30 billion yen exceeding our earlier projections.

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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