KOMATSU

Business Results for Three and Six Months ended September 30, 2010 and Tasks and Projection for FY2010 ending March 31, 2011

October 28, 2010

Corporate Planning Division

Komatsu Ltd.

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Highlights of the First Six-Month Period ended September 30, 2010

1. Sales & Profits: Sales and profits increased in both Construction, Mining & Utility Equipment and Industrial Machinery & Others businesses. Operating income surpassed 100 billion yen, and operating income ratio improved to 12.1%.

	1st half, FY2009	1st half, FY2010	Vs. 1st half, FY2009
Net sales	645.9 bil yen	859.7 bil yen	+33.1%
Operating income	19.7 bil yen	103.9 bil yen	5.3 times
Operating income ratio	3.1%	12.1%	+9.0 pts
Net income*1	8.1 bil yen	63.7 bil yen	7.8 times
ROE*2	2.0%	15.2%	+13.2 pts
Net D/E ratio (Excl. consolidated retail finance Subsidiaries)	0.69 (0.46)	0.52 (0.26)	-0.17 pts (-0.2 pts)

*1. "Net income" is equivalent to "Net income attributable to Komatsu Ltd." per the FASB Accounting Standards Codification (ASC) 810 ,
*2. ROE is obtained after doubling net income for the first -half period.

2. Review of two business segments

Construction, Mining &Utility Equipment:

Demand for construction and mining equipment remained strong in our Strategic Markets such as China, Asia and Latin America. Demand in Japan, North America and Europe recorded moderate recovery. Sales expanded by 33.9% over the corresponding six-month period.
While the Japanese currency appreciated sharply against the US dollar, euro and Renminbi, segment profit expanded by 4.9 times from the previous first 6-month period, mainly reflecting price realization and improved productivity in addition to expanded sales volume.

Industrial Machinery & Others:

Sales of wire saws to the solar cell manufacturing industry remained buoyant, and sales of this segment increased by 19.9% from the previous first 6-month period. Segment profit improved by 67.1%. Received brisk orders and inquiries for large presses from automakers especially in China, India and Brazil.

3. Interim cash dividend: 18 yen (FY2009 interim: 8 yen)

Note: "First half period" (1st half or 1H) is used to indicate the first 6-month period (April – September, 2010) in this presentation material.

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1. Sales and profits

For the first half period (April 1 to September 30, 2010) of the fiscal year ending March 31, 2011, sales and profits increased in both construction, mining and utility equipment and industrial machinery and others business. Consolidated net sales for the first half period under review advanced by 33.1% over the previous first half period, and operating income by 5.3 times. Operating income surpassed 100 billion yen, and operating income ratio improved to 12.1% from 3.1%.

With respect to ROE and net debt-to-equity ratio, they registered 15.2% and 0.52, respectively, progressing well toward 20% and 0.4 which are targeted in the current mid-range management plan.

2. Review of two business segments

[Construction, Mining & Utility Equipment]

Demand for construction and mining equipment remained strong in our Strategic Markets, such as China, Asia and Latin America, while that in Japan, North America and Europe recovered moderately. First six-month sales of this segment improved by 33.9% from the corresponding period a year ago.

While the Japanese yen highly appreciated against the US dollar, euro and Renminbi, we were able to expand segment profit by 4.9 times from the previous first six-month period by realizing our selling prices and reducing production costs with improved productivity in addition to expanding sales volume.

[Industrial Machinery & Others]

Sales of wire saws to the solar cell manufacturing industry remained buoyant, and sales of this segment increased by 19.9% from the previous first six-month period. Segment profit advanced by 67.1%.

Inquiries and orders received for large presses remained brisk from the automobile manufacturing industry, particularly in China, India and Brazil. However, large presses call for a long lead-time, so many of these orders that we have will be recorded as sales for the next fiscal year and later.

3. Interim cash dividend

The Board of Directors has made a resolution for an interim cash dividend of 18 yen per share. This is an increase of 10 yen from the previous interim dividend per share or an increase of 4 yen from our projection made at the beginning of the current fiscal year.

Sales and Profits for Three Months (July – September, 2010)

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

	Jul. – Sep., 2009 (A) 1USD=93 yen 1EUR=133 yen 1RMB=13.6 yen	Apr. – Jun., 2010 (B) 1USD=91 yen 1EUR=115 yen 1RMB=13.4 yen	Jul. – Sep., 2010 (C) 1USD=85 yen 1EUR=111 yen 1RMB=12.6 yen	Vs. Jul. – Sep., 2009 (C-A) Increase (decrease)	Vs. Jul. – Sep., 2009 (C-A) % change	Vs. Apr. – Jun., 2010 (C-B) Increase (decrease)	Vs. Apr. – Jun., 2010 (C-B) % change
Net sales	325.5	447.1	412.6	+87.0	26.8%	(34.5)	(7.7)%
Construction, Mining & Utility Equipment Industrial Machinery & Others	[284.9] 285.5 [40.6] 44.9	[405.2]405.6 [41.9] 44.2	[358.4]358.9 [54.1] 57.3	[73.5] 73.4 [13.5] 12.3	[+25.8%] 25.7% [+33.4%] 27.6%	[(46.7)] (46.6) [12.2] 13.0	[(11.5)%] (11.5)% [29.2%] 29.6%
Elimination	(4.9)	(2.7)	(3.6)	1.2	-	(0.9)	-
Segment profit	4.0% 12.9	12.2% 54.3	12.3% 50.7	37.8	+292.9%	(3.5)	(6.5)%
Construction, Mining & Utility Equipment Industrial Machinery & Others	4.7% 13.3 1.8% 0.7	13.4% 54.2 4.6% 2.0	13.4% 48.0 7.2% 4.0	34.6 3.3	+259.8% +416.8%	(6.2) 2.0	(11.5)% 101.4%
Corporate & elimination	(1.2)	(1.9)	(1.3)	(0.1)	-	0.6	-
Other operating income (expenses)	(1.4)	(0.2)	*1 (0.9)	0.4	-	(0.7)	-
Operating income	3.5% 11.5	12.1% 54.0	12.1% 49.8	38.3	+332.9%	(4.2)	(7.8)%
Other operating income (expenses)	(1.7)	(3.9)	0.1	1.9	-	4.1	-
Net income before income taxes	9.7	50.1	50.0	40.2	+414.3%	(0)	(0.2)%
Net income *2	3.4	30.6	33.0	29.6	+862.6%	2.3	7.7%

*1 Including structural reform expenses 1.0 billion yen

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

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For the second quarter, that is, from July to September 2010, although the Japanese yen highly appreciated against other major currencies considerably from the previous second quarter, sales increased by 26.8% to 412.6 billion yen. Sales of the construction, mining & utility equipment business improved by 25.7%, and those of the industrial machinery & others business by 27.6%.

Segment profit climbed 3.9 times that of the previous second quarter to 50.7 billion yen. The construction, mining & utility equipment business registered an impressive recovery in segment profit ratio from 4.7% to 13.4% for the second quarter under review. Similarly, segment profit ratio of the industrial machinery & others business improved from 1.8% to 7.2%, supported especially by brisk sales of wire saws.

Other operating expenses totaled 900 million yen by recording 1 billion yen as structural reform expenses. Operating income amounted to 49.8 billion yen, which translated into an operating income ratio of 12.1%.

Net income recovered to 33 billion yen for the second quarter, 9.6 times that of the previous second quarter.

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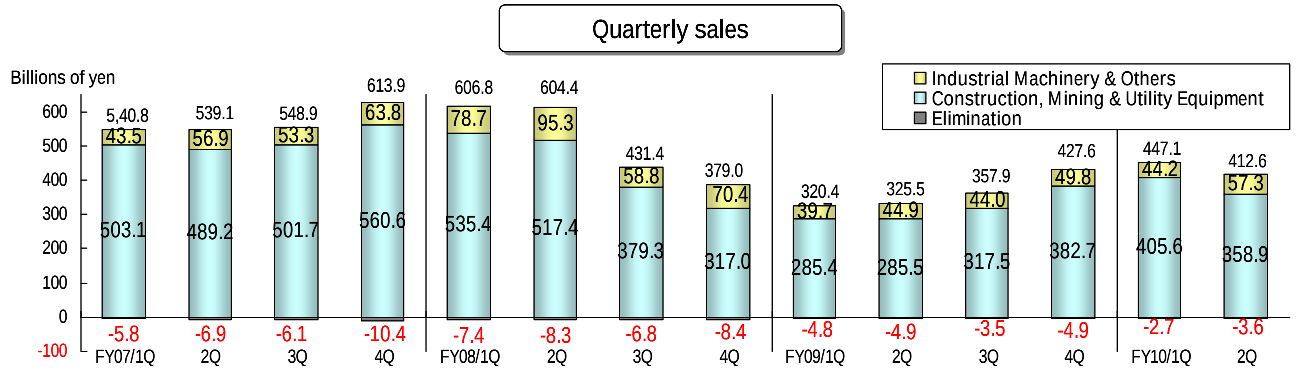
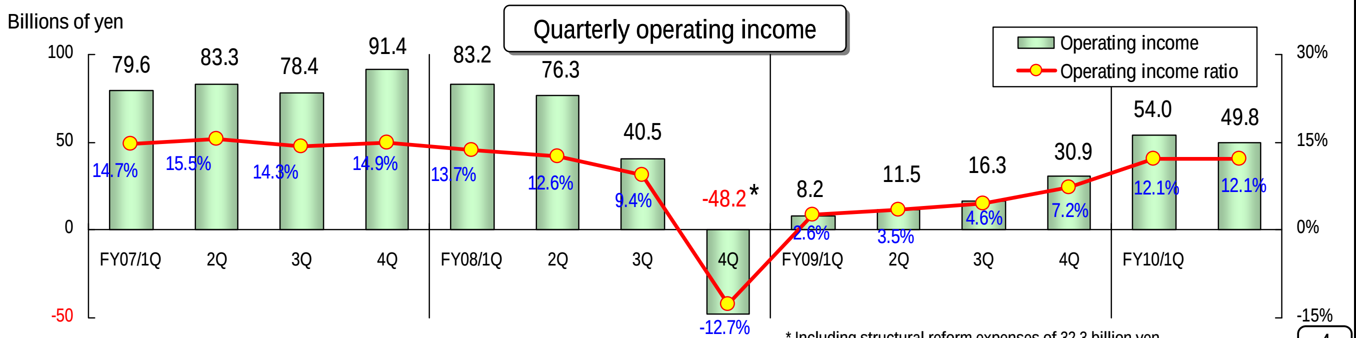
Quarterly Sales and Operating Income



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
1USD	122yen	117yen	113yen	104yen	105yen	107yen	95yen	95yen	97yen	93yen	90yen	91yen	91yen	85yen
1EUR	164yen	162yen	165yen	158yen	165yen	159yen	126yen	123yen	133yen	133yen	133yen	124yen	115yen	111yen
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



* Including structural reform expenses of 32.3 billion yen.

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While quarterly sales reached the level of 600 billion yen from the fourth quarter of fiscal 2007 to the second quarter of fiscal 2008, they dropped sharply in the third quarter as affected by the financial crisis and went down to about 320 billion yen for the first and second quarters of fiscal 2009. Then, quarterly sales upturned for recovery and came back to 412.6 billion yen for the second quarter under review.

Second-quarter sales declined from the first quarter, mainly due to reduced sales volume of the construction, mining & utility equipment business as affected by a seasonal factor. Another factor was the Japanese yen’s further appreciation against the US dollar, euro and Renminbi from the preceding quarter.

We made an operating loss for the fourth quarter of fiscal 2008 by recording structural reform expenses. Starting in the first quarter of fiscal 2009, we recovered our profitability and we recorded an operating income of 49.8 billion yen for the second quarter under review.

While second-quarter sales declined from the first quarter, we were able to maintain the same level of operating income ratio at 12.1%. This is mainly attributable to price realization and reduced production costs.

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Construction, Mining & Utility Equipment: Sales (To outside Customers) for Three Months by Region

Billions of yen

		Jul. – Sep., 2009 (FY09/2Q) (A)	Apr. – Jun., 2010 (FY10/1Q) (B)	Jul. – Sep., 2010 (FY10/2Q) (C)	Vs. Jul. – Sep., 2009 (C-A)		Vs. Apr. – Jun., 2010 (C-B)	
					Increase (decrease)	Change %	Increase (decrease)	Change %
Traditional Market	Japan	54.7	54.4	62.9	8.2	15.0%	8.5	15.7%
	North America	32.3	41.0	42.1	9.7	30.2%	1.1	2.9%
	Europe	20.7	26.8	21.8	1.0	5.1%	(4.9)	(18.5)%
Strategic Market	Latin America	38.0	57.2	49.8	11.7	30.9%	(7.4)	(13.0)%
	CIS	5.9	12.7	10.2	4.3	72.4%	(2.4)	(19.5)%
	China	49.0	98.4	54.3	5.2	10.7%	(44.1)	(44.9)%
	Asia & Oceania	62.9	92.9	88.8	25.9	41.2%	(4.0)	(4.4)%
	Middle East & Africa	20.8	21.4	28.0	7.2	34.5%	6.6	30.9%
Total		284.9	405.2	358.4	73.5	25.8%	(46.7)	(11.5)%

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Second-quarter sales increased in all our regions from the previous second quarter. Following the first quarter, sales continued to increase steadily in our Strategic Markets, fueling an increase in net sales.

Of Strategic Markets, sales in Asia, Oceania and Latin America contributed largely to increased net sales.

Of Traditional Markets, sales to the rental and mining industries were strong in North America. As a result, North American second quarter sales advanced by 30.2% from the previous second quarter.

Compared to the first quarter, second-quarter sales declined by 11.5%. This decline is mainly due to a reduced sales volume resulting from a seasonal factor in China in addition to a foreign exchange translation effect of about 15 billion yen as affected by the Japanese yen’s appreciation. The declined sales volume in China, due to the seasonal factor, was about the same level that we had anticipated.

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Sales and Profits for the First Six-Month Period ended September 30, 2010

% :Profit ratio   [ ]: Sales after elimination of inter-segment transactions   < >: Projection of July 2010   Billions of yen

	1st half, FY2009 1USD=95 yen 1EUR=133 yen 1RMB=13.9 yen		1st half, FY2010 1USD=88 yen < 89yen> 1EUR=113 yen <112yen> 1RMB=13.0 yen <13.2yen>			Increase (decrease)	
Net sales		645.9	<870.0>		859.7	213.8	33.1%
Construction, Mining & Utility Equipment		[569.6] 571.0	<780.0>		[763.6] 764.6	[194.0] 193.6	[34.1%] 33.9%
Industrial Machinery & Others		[76.3] 84.6	<97.0>		[96.1] 101.5	[19.7] 16.8	[25.9%] 19.9%
Elimination		(9.7)	<7.0>		(6.4)	3.3	-
Segment profit	3.3%	21.3	<94.0>	12.2%	105.1	83.7	391.3%
Construction, Mining & Utility Equipment	3.6%	20.7	<95.0>	13.4%	102.3	81.5	392.1%
Industrial Machinery & Others	4.3%	3.6	<3.0>	6.0%	6.1	2.4	67.1%
Corporate & elimination		(3.0)	<(4.0)>		(3.2)	(0.2)	-
Other operating income (expenses)		(1.6)	<(4.0)>		*1 (1.2)	0.3	-
Operating income	3.1%	19.7	<90.0>	12.1%	103.9	84.1	425.2%
Other income (expenses)		(1.3)	<(4.0)>		(3.8)	(2.4)	-
Net income before income taxes		18.4	<86.0>		100.1	81.6	442.5%
Net income *2		8.1	<52.0>		63.7	55.5	677.8%

Cash dividends per share	8 yen	<14 yen>	18yen	10yen

*1 Including structural reform expenses of 2.2 billion yen.
*2 Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

For the first six-month period of fiscal 2010, sales and segment profit increased both in the construction, mining & utility equipment and industrial machinery & others. Similarly, segment profit ratio of the construction, mining & utility equipment business improved from 3.6% to 13.4%. That of the industrial machinery & others business also improved from 4.3% to 6.0%.

In other operating expenses, while we recorded 2.2 billion yen as structural reform expenses, we also had some income from the sale of fixed assets. Accordingly, other operating expenses totaled 1.2 billion yen.

Operating income totaled 103.9 billion yen, or 5.3 times that for the corresponding six-month period a year ago. Operating income ratio also improved impressively from 3.1% to 12.1%.

Other expenses amounted to 3.8 billion yen, mainly reflecting a foreign exchange translation loss.

Net income before income taxes totaled 100.1 billion yen, and net income, 63.7 billion yen, an outstanding increase of 5.4 times and 7.8 times, respectively, from the corresponding six-month period a year ago.

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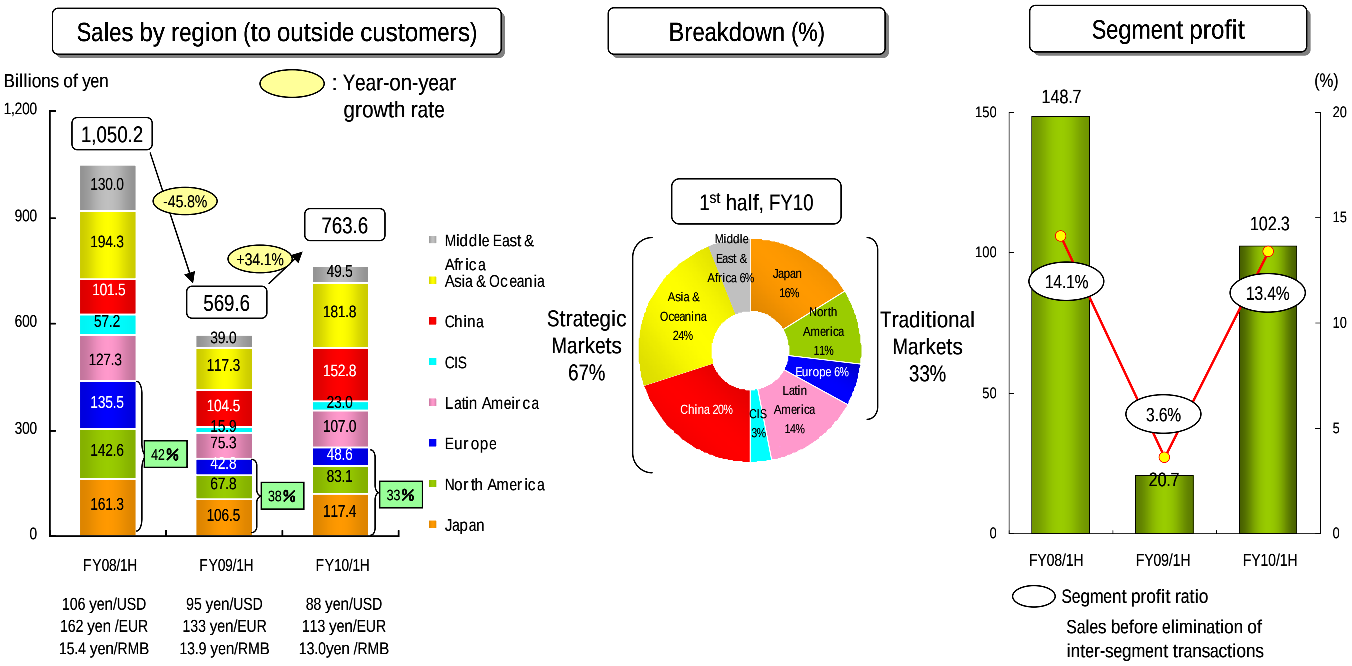
Construction, Mining & Utility Equipment: Sales by Region and Segment Profit for the First Six-Month Period



Year-on-year growth rate of sales by region

	Japan	North America	Europe	Latin America	CIS	China	Asia & Oceania	Middle East & Africa	Total
1st half, FY09	-34.0%	-52.4%	-68.4%	-40.8%	-72.1%	+2.9%	-39.6%	-70.0%	-45.8%
1st half, FY10	+10.2%	+22.5%	+13.4%	+42.1%	+44.7%	+46.1%	+55.0%	+26.9%	+34.1%

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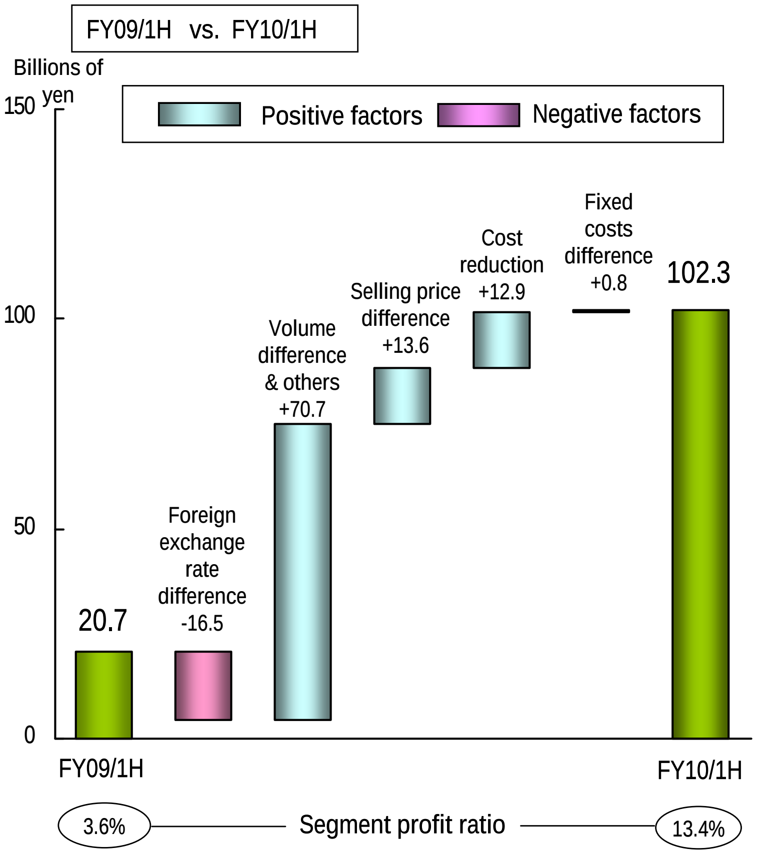
While sales of the construction, mining & utility equipment business for the first six-month period of fiscal 2009 dropped by 45.8% from the corresponding period a year ago, those for the first six-month period under review advanced by 34.1% from the first six-month period a year ago, demonstrating a sound recovery.

By region, sales in Strategic Markets increased more substantially than in Japan, North America or Europe. As a result, sales in Strategic Markets represented 67% of total sales for the first six-month period under review, while those in Traditional Markets (Japan, North America and Europe) amounted to 33%. From the previous first six-month period, the percentage of Strategic Markets increased by 5 percentage points.

For the first six-month period a year ago, segment profit dropped to 20.7 billion yen from the corresponding period of fiscal 2008, which translated into a segment profit ratio of 3.6%. For the first six-month period under review, the segment profit recovered to 102.3 billion yen. Segment profit ratio also improved to 13.4%, getting close to 14.1% recorded in the first six-month period of fiscal 2008 before the financial crisis.

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



[Positive factors]

Volume difference & others: + ¥70.7 billion
Selling price difference: + ¥13.6 billion
Cost reduction: + ¥12.9 billion
Fixed cost difference: + ¥ 0.8 billion

[Negative factors]

Foreign exchange rate difference: - ¥16.5 billion

	<FY09/1H>	<FY10/1H>
1USD	95 yen	88 yen
1EUR	133 yen	113 yen
1RMB	13.9yen	13.0 yen

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This sheet compares segment profit of the construction, mining & utility equipment business for the first six-month period under review with the corresponding period a year ago, and shows the factors of change.

As you can see, the difference in the foreign exchange rates resulting from the Japanese currency's appreciation was a considerable minus factor, but it was well covered by the volume difference and other positive factors. As a result, we recorded a large gain for the six-month period under review.

While we had a big increase in the volume difference, we had virtually no increase in fixed costs. This clearly substantiates our efforts to expand sales while working to reduce fixed costs.

<Positive factors>

- Volume difference: 70.7 billion yen (reflecting an increase in the volume of equipment sold)
- Selling price difference: 13.6 billion yen (reflecting the realization of prices)
- Production costs difference: 12.9 billion yen (reflecting improved utilization of plants, reduced prices of materials, etc.)
- Fixed costs difference: : 800 million yen

<Negative factor>

- Foreign exchange rates difference: 16.5 billion yen (the Japanese yen's appreciation against the US dollar, euro, Renminbi and other currencies)

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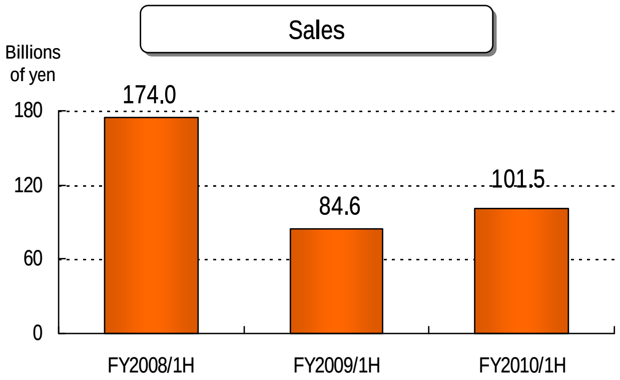
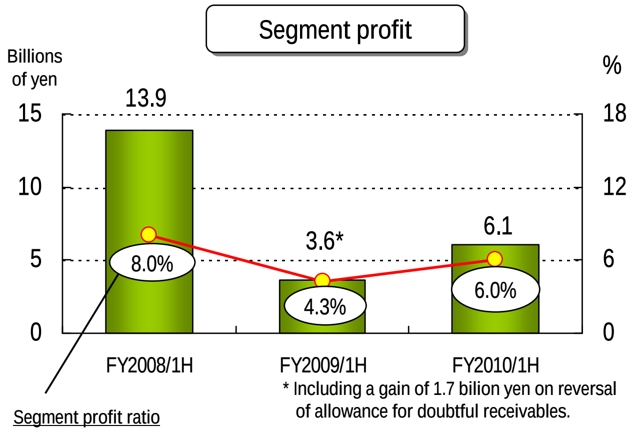
Industrial Machinery & Others: Sales and Segment Profit





* Including a gain of 1.7 bilion yen on reversal of allowance for doubtful receivables.

Breakdown of sales and segment profit: FY2009/1H vs. FY2010/1H

Billions of yen

	Sales		
	FY09/1H	FY10/1H	Increase (decrease)
Press and sheet metal machines	19.7	14.8	(4.9)
Komatsu NTC Ltd.	26.3	46.0	19.7
Others	38.7	40.7	2.1
Total	84.6	101.5	16.8

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In the industrial machinery & others business, both sales and segment profit improved to 101.5 billion yen and 6.1 billion yen for the first six-month period of fiscal 2010 under review, respectively, from the corresponding period a year ago.

Segment profit of 3.6 billion yen for the first six-month period a year ago included a gain of 1.7 billion yen on reversal of allowance for doubtful receivables. If this gain were removed for a more realistic comparison, segment profit would have increased more.

Komatsu NTC's brisk sales of wire saws made the largest contribution to the increase in sales for the first six-month period under review, as their lead-time commonly requires two to three months, relatively shorter than other industrial machinery.

In the press and sheet metal machines business, we began to enjoy growing orders centering on large presses for the automobile manufacturing industry, and backlog orders also increased. However, first six-month sales declined from the corresponding period a year ago, due to the fact that large presses have a long lead-time of around one year or more and that we have very sluggish orders received for press and sheet metal machines in the previous fiscal year.

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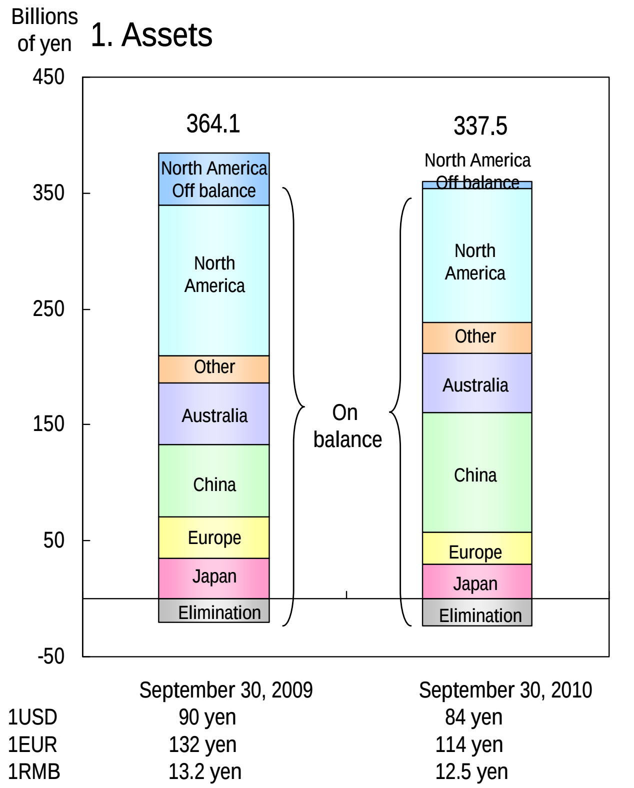
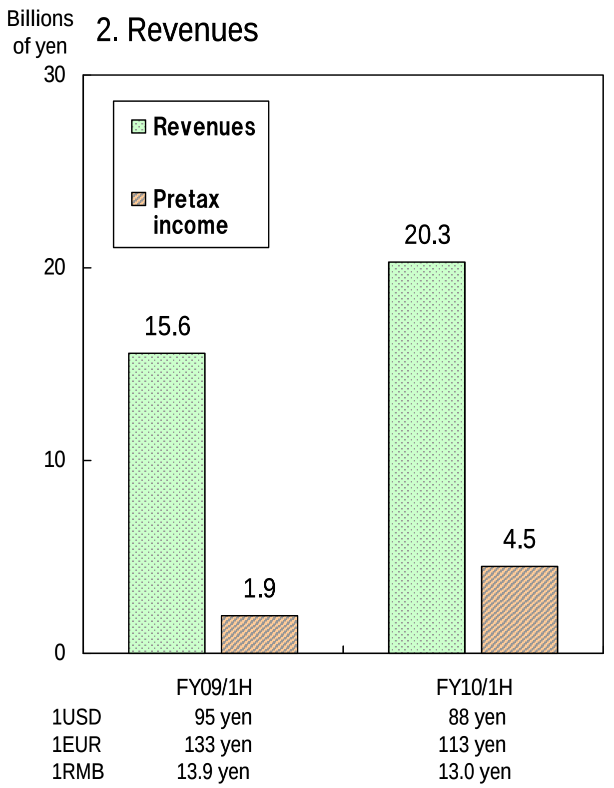
Retail Finance Business

Consolidated retail finance subsidiaries (internal-use data)





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Combined assets of retail finance subsidiaries at September 30, 2010 amounted to 337.5 billion yen, a decline from 364.1 billion yen at September 30, 2009. If foreign exchange translation effects were removed, total assets would have been about flat.

Off-balance assets in North America declined considerably due to reduced securitization. On-balance assets in North America also declined, reflecting an increase in collection of old debt rather than of new debt.

In China, assets surpassed 100 billion yen, reflecting an increase in new financing deals.

Both revenues and pretax income increased from the previous first six-month period a year ago, to 20.3 billion yen and 4.5 billion yen, respectively.

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Consolidated Balance Sheets

Net D/E ratio (shown in ovals) — Billions of yen

	Mar. 31, 2010 93 yen/USD 125 yen/EUR 13.6 yen/RMB	Sep. 30, 2010 84 yen/USD 114 yen/EUR 12.5 yen/RMB	Increase (decrease)
Cash & deposits (Incl. time deposits) [a]	83.5	91.2	7.6
Accounts receivable (Incl. long-term trade receivables)	598.6	569.7	(28.9)
<Excl. those of consolidated retail finance subsidiaries>	<338.1>	<309.2>	<(28.8)>
Inventories	396.4	412.8	16.4
Tangible fixed assets	525.1	499.5	(25.5)
Other assets	355.3	349.0	(6.2)
Total assets	1,959.0	1,922.5	(36.5)
Accounts payable	207.0	248.4	41.4
Interest-bearing debt [b]	586.3	525.9	(60.4)
<Excl. that of consolidated retail finance subsidiaries>	<351.1>	<286.5>	<(64.6)>
Other liabilities	288.8	261.8	(26.9)
Total liabilities	1,082.2	1,036.2	(45.9)
[Shareholders' equity ratio] Komatsu Ltd. shareholders' equity	[42.6%] 833.9	[43.8%] 842.9	[+1.2 pts] 9.0
Noncontrolling interests	42.8	43.2	0.4
Liabilities & Equity	1,959.0	1,922.5	(36.5)
Interest-bearing debt, net [b-a]	0.60 502.8	0.52 434.6	(68.1)
Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries	0.36	0.26	

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At September 30, 2010, our total assets amounted to 1 trillion and 922.5 billion yen, a decline of 36.5 billion yen from March 31, 2010. If foreign exchange translation effects were removed, total assets would have increased.

Inventories increased by 16.4 billion yen. This is because we only had a little at March 31 so we increased inventories in tandem with growing demand and also because we increased our inventories for distributors as we promoted their zero inventory activity.

Interest-bearing debt declined 60.4 billion yen from March 31, 2010, due to repayment of loans.
At September 31, 2010, shareholders' equity ratio was 43.8%, and net debt-to-equity ratio declined to 0.52, both indicating steady improvement in our financial position.

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Outline of Projection for FY2010 ending March 31, 2011

1. Sales and profits: Revising upward the projections of July this year.
Projecting 1,760 billion yen for sales and 200 billion yen for operating income.

Billions of yen

	FY2009 ended March 31, 2010	Projection for FY2010 ending March 31, 2011	Vs. FY2009
Net sales	1,431.5	1,760	Up 22.9%
Operating income	67.0	200	3.0 times
Operating income ratio	4.7%	11.4%	Up 6.7points
Net income*	33.5	120	3.6 times
ROE	4.1%	14.0%	Up 9.9 points
Net D/E Ratio (excluding retail finance companies)	0.60 (0.36)	0.52 (0.25)	-0.08 points (- 0.11points)

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

2. Outlook of two business segments

- Construction, Mining & Utility Equipment: Demand will continue to increase steadily in our Strategic Markets such as China and Asia, and demand will recover moderately in our Traditional Markets centering on North America. Sales should advance by 21.5% from FY2009, and segment profit should double.
- Industrial Machinery & Others: Sales should increase by 28.8% from FY2009, supported mainly by expanded sales of wire saws to the solar cell manufacturing industry in China. Segment profit should also increase sharply.

3. Cash dividends

- Projecting annual cash dividends of 36 yen per share. (Consolidated payout ratio should translate into 29% of net income attributable to Komatsu Ltd.)

	FY2009	FY2010	Change
Interim	8 yen	18 yen	+10 yen
Year-end	8 yen	18* yen	+10 yen
Total	16 yen	36* yen	+20 yen

* Projected

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1. Sales and profits

By considering business results for the first half period of the current fiscal year and present business conditions, we have revised upward our projection of July this year. We are expecting to generate consolidated net sales of 1 trillion 760 billion yen and operating income of 200 billion yen for fiscal 2010 ending March 31, 2011.

With respect to operating income ratio and ROE, for which we have set 15% and 20%, respectively, as goals of our ongoing mid-range management plan, we are projecting that we will attain 11.4% and 14.0% for fiscal 2010, up 6.7 points and 9.9 points from fiscal 2009. We believe that we are progressing well toward the goals.

2. Outlook of two business segments

[Construction, Mining & Utility Equipment]

While demand should remain strong in Strategic Markets, such as China and Asia, that in Traditional Markets should recover moderately, centering on North America. We are expecting that sales will increase by 21.5% from fiscal 2009 and segment profit will double.

[Industrial Machinery & Others]

We are anticipating that sales will increase by 28.8% from fiscal 2009, supported by brisk sales of wire saws, especially to the solar cell manufacturing industry in China. We are also anticipating that segment profit will increase substantially.

3. Cash dividends

We are planning to pay annual cash dividends of 36 yen for fiscal 2010. This will be an increase of 20 yen per share from fiscal 2009. Consolidated payout ratio should translate into 29%.

KOMATSU

Projection for FY2010, ending March 31, 2011

[%] Profit ratio [ ]: Sales to outside customers < >: Figures announced in July 2010 | Exchange rates for 2nd half | Billions of yen

	FY2009 Results 1USD = 93 yen 1 EUR = 131 yen 1 RMB =13.6 yen		FY2010 Projection 1USD = 85 yen <89 yen> 82 yen 1EUR= 114 yen <111 yen> 114yen 1RMB = 12.6 yen <13.1 yen> 12.3 yen			Increase (decrease)	
Net sales		1,431.5	<1,715.0>		1,760.0	328.4	22.9%
Construction, Mining & Utility Equipment		[1,268.5] 1,271.2	<1,545.0>		[1,541.0] 1,545.0	[272.4] 273.7	[21.5%] 21.5%
Industrial Machinery & Others		[162.9] 178.6	<187.0>		[219.0] 230.0	[56.0] 51.3	[34.4%] 28.8%
Elimination		(18.3)	<(17.0)>		(15.0)	3.3	-
Segment profit	5.6%	80.7	<185.0>	11.7%	206.0	125.2	155.2%
Construction, Mining & Utility Equipment	6.5%	83.0	<188.0>	12.6%	195.0	111.9	134.8%
Industrial Machinery & Others	1.7%	2.9	<4.0>	7.8%	18.0	15.0	500.4%
Elimination		(5.3)	<(7.0)>		(7.0)	1.6	-
Other operating income (expenses)		(13.6) *1	<(6.0)>		(6.0) *2	7.6	-
Operating income	4.7%	67.0	<179.0>	11.4%	200.0	132.9	198.4%
Other income (expenses)		(2.0)	<(8.0)>		(8.0)	5.9	-
Income before income taxes		64.9	<171.0>		192.0	127.0	+195.5%
Net income *3		33.5	<105.0>		120.0	86.4	+257.6%
Cash dividends per share		16 yen	<28 yen>		36 yen	20 yen	

*1 Including 12.0 billion yen as structural reform expenses. *2 Including 4.0 billion yen as structural reform expenses.
*3 "Net income" is equivalent to "Net income attributable to Komatsu Ltd." per the FASB Accounting Standards Codification (A) 810.

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Concerning foreign exchange rates for the second half, we are anticipating 82 yen per US dollar, 114 yen per euro, and 12.3 yen per Renminbi.

With respect to currencies of major emerging economies, such as the Australian dollar and the South African rand, their actual exchange rates for the Japanese currency for the first half remained about the same as fiscal 2009. It is unlikely that we will see the Japanese yen appreciate against them further from our projections of July this year.

We haven't changed sales of the construction, mining & utility equipment business for fiscal 2010 from our projection of July. Although we are anticipating that the Japanese currency will appreciate further against the Renminbi from our projection of July, we are planning to compensate for this with expanded volume of sales. By reflecting the segment profit for the first half, we are increasing by 7 billion yen from the projection of July, to 195.0 billion yen for fiscal 2010.

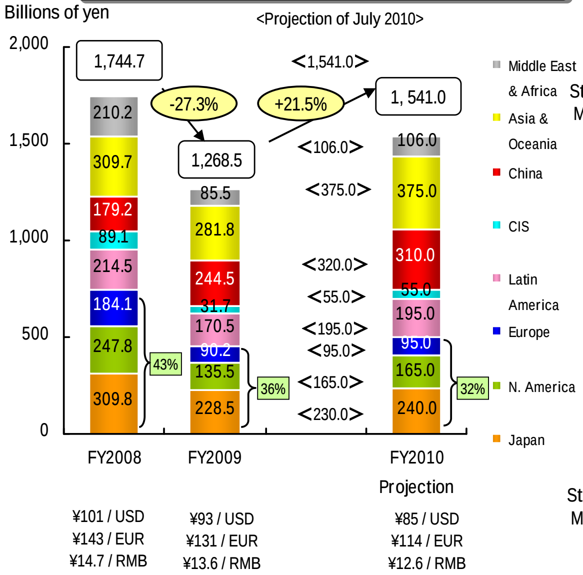
With respect to sales of the industrial machinery & others business for fiscal 2010, we are expecting an increase of 43 billion yen from the July projection, to 230 billion yen, supported by brisk sales of wire saws. We are also expecting that segment profit will increase by 14 billion yen from the projection of July, to 18 billion yen, thanks to an increase in sales of wire saws.

Construction, Mining & Utility Equipment Business: Market Environment and Outlook

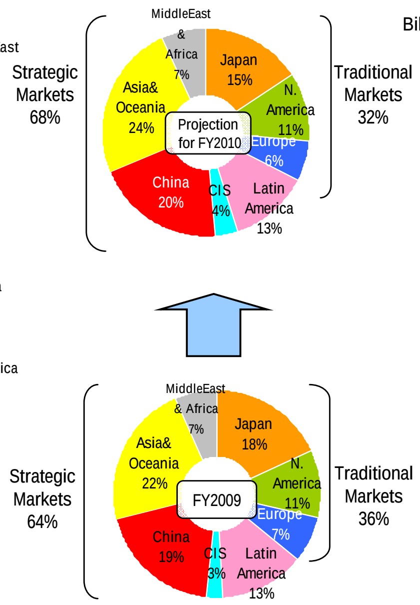
KOMATSU

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

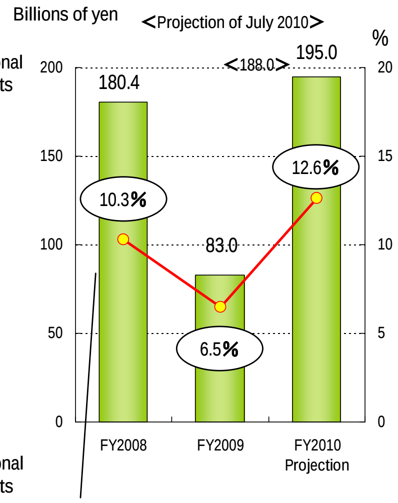
Sales by region (to outside customers)



Breakdown (%)



Segment profit



Segment profit ratio
Sales before elimination of inter-segment transactions

Rate of growth (year-on-year basis)

%	Japan	N. America	Europe	Latin America	CIS	China	Asia & Oceania	Middle East & Africa	Total
FY09	-26.3	-45.3	-51.0	-20.5	-64.4	36.4	-9.0	-59.3	-27.3
FY10（Projection of July）	0.7	21.7	5.2	14.3	73.3	30.9	33.0	23.9	21.5
FY10（Current projection）	5.0	21.7	5.2	14.3	73.3	26.8	33.0	23.9	21.5

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We are anticipating that sales of the construction, mining and utility equipment business will reach to 1 trillion 541.0 billion yen for fiscal 2010, that is, no change from the projection of July.

By region, we have changed our projection of sales in China and Japan. In other words, we haven't changed our projections of July concerning regions other than China or Japan.

With respect to sales in China, we have decreased our projection of July by about 10 billion yen by reflecting the Japanese yen's appreciation against the Renminbi, to 310.0 billion yen.

With respect to sales in Japan, as sales for the first half increased by about 10 billion yen from our projection of July, we are projecting fiscal 2010 sales of 240.0 billion yen by adding this 10 billion yen.

Concerning the percentage share of sales by region, we are anticipating that the percentage share of Strategic Markets will further increase to 68%.

We are expecting segment profit of 195.0 billion yen and a segment profit ratio of 12.6% for fiscal 2010. So both segment profit and its ratio should improve from fiscal 2008.

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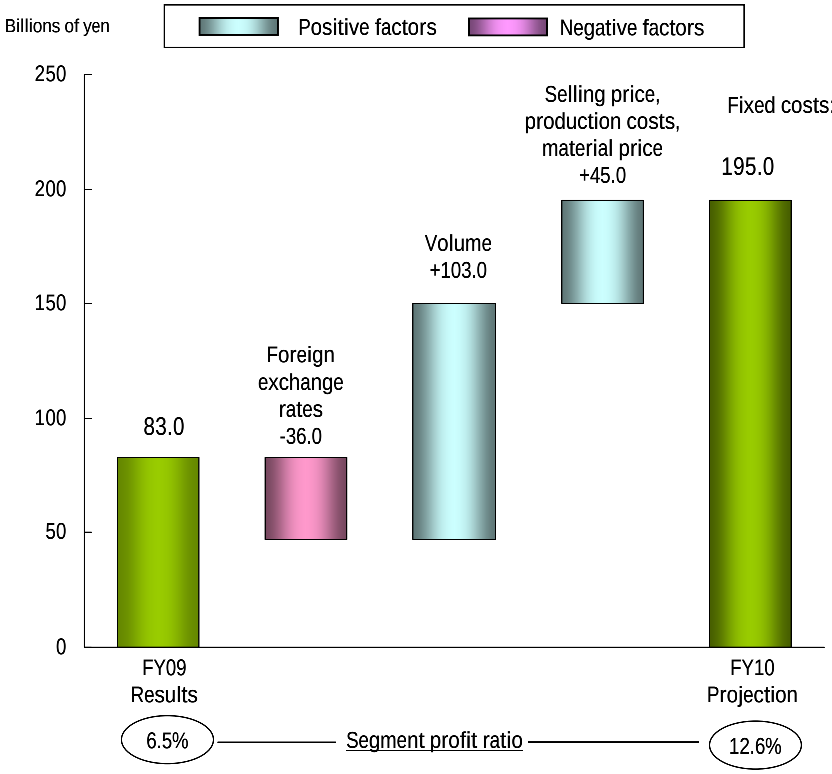
Construction, Mining & Utility Equipment: Causes for Difference in Projected Segment Profit

FY2009 Results vs. FY2010 Projection



[Positive factors]
- Volume: + 103.0 billion yen

- Selling price:
- Production costs: + 45.0 billion yen
- Fixed costs:

[Negative factor]
- Foreign exchange rates: - 36.0 billion yen

	[FY09 Results]	[FY10 Projection]
USD	93 yen	85 yen
EUR	131 yen	114 yen
RMB	13.6 yen	12.6 yen

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This sheet compares segment profit of the construction, mining and utility equipment business for fiscal 2009 and its outlook for fiscal 2010 and shows the causes of the difference.

Concerning fiscal 2010 sales, we are expecting an increase of 300 billion yen plus from fiscal 2009, when effects of foreign exchange translation are not considered. Then, we are anticipating a gain of 103.0 billion yen in segment profit from the volume difference resulting from expanded volume of sales.

We are also anticipating a gain of 45 billion yen in segment profit after subtracting a loss due to increased purchase price of steel materials from gains in improved selling prices and reduced production costs.

We are anticipating a loss of 36 billion yen in segment profit from foreign exchange translation as the Japanese yen is projected to appreciate against the US dollar, euro and Renminbi.

We are projecting that fixed costs should be the same as fiscal 2009.

[Positive factors]

Volume difference: +103.0 billion yen

Net of improved selling price, reduced production costs, and increased purchase price of materials: +4.5 billion yen

[Negative factor]

Difference in foreign exchange rates: -36.0 billion yen (the Japanese yen's appreciation against the US dollar, euro and Renminbi)

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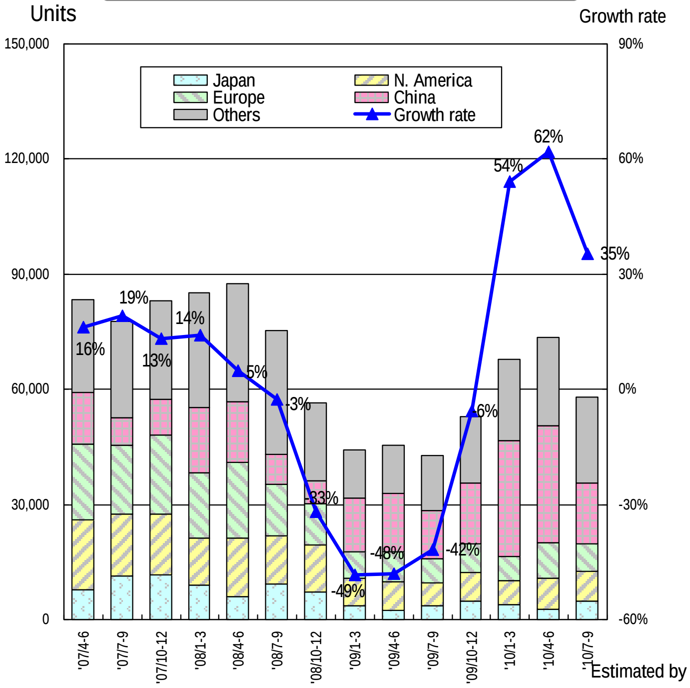
Construction, Mining & Utility Equipment: Demand for 7 Major Products

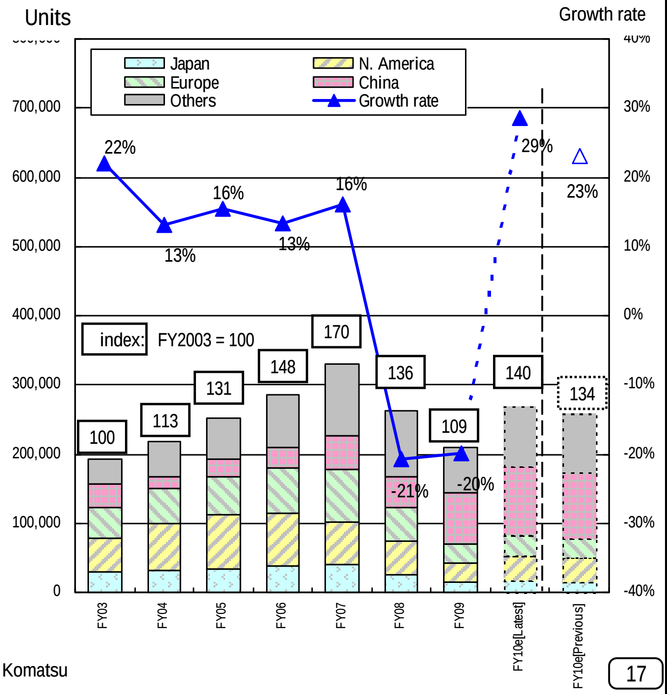
[Results] - While global demand in the second quarter declined from the first quarter, as affected by a seasonal factor in China, demand remained strong in other Strategic Markets and Traditional Markets. As a result, second-quarter demand increased by 35% from the previous second quarter, and first 6-month demand advanced by 49% from the previous 6-month period.

[Projection] -Demand in Strategic Markets centering on China should remain strong, and demand should increase more than last projection in Traditional Markets centering on North America. As a result, annual global demand should advance by 29% from FY2009.

Quarterly demand for 7 major products



Annual demand for 7 major products



*Estimated by Komatsu

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We are estimating that global demand for seven major products in the second quarter advanced by 35% from the second quarter last year. Similarly, global demand for the first half period improved by 49% from the corresponding period a year ago.

While global demand in the second quarter declined from the first quarter of the current fiscal year due to a seasonal factor in China, demand remained strong, especially in other Strategic Markets. Demand in Traditional Markets, that is, Japan, North America and Europe, has recovered moderately.

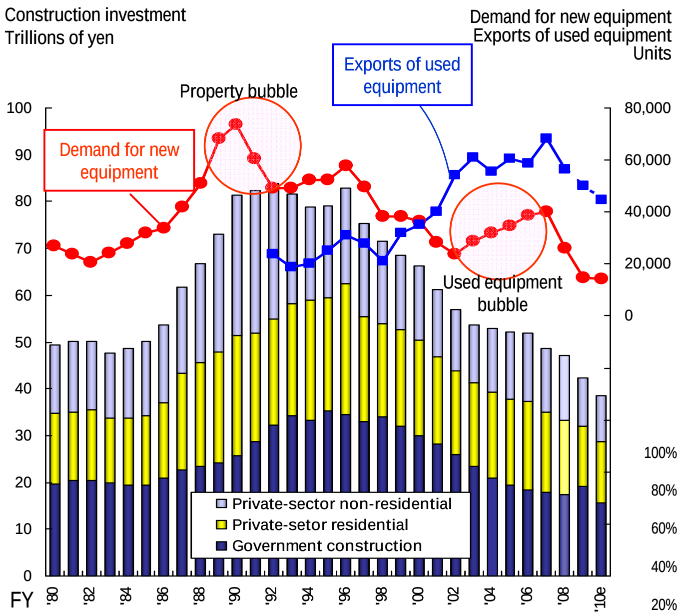
Although we estimated in July this year that global demand would grow by 23% in fiscal 2010 from fiscal 2009, we have revised this projection upward to 29% by reflecting strong demand in the first half and at the present.

KOMATSU

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

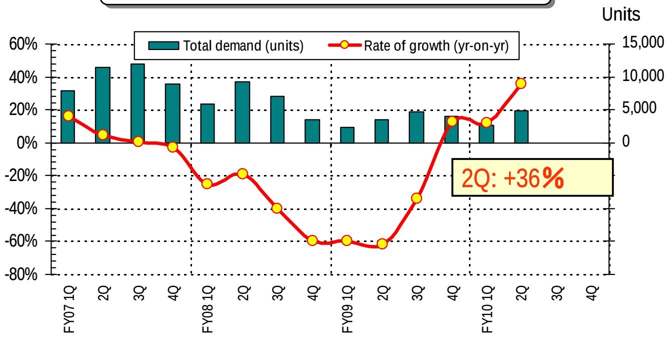
- Demand in the second quarter (Jul-Sep) expanded by 36% from the previous second quarter, supported by strong demand in the rental equipment sector. This second-quarter demand still remains at about 40% level of the last peak year of 2007.
- Annual demand should increase by 10% from FY2009.

Demand for new equipment and construction investment

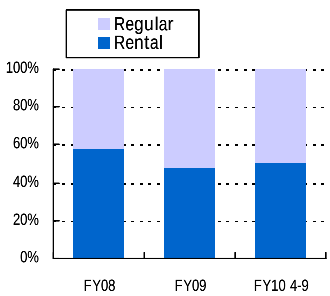


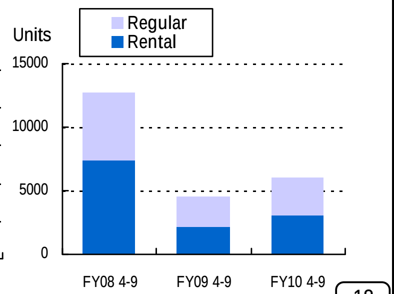
【Sources】Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism , and Research Institute of Construction and Economy
Demand for 7 major products estimated by Komatsu
No. of used equipment estimated by Komatsu

Quarterly demand for 7 major products



Demand for hydraulic excavators and Rental ratio





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With respect to demand for seven major products in Japan, we are estimating that demand for the second quarter of the current fiscal year increased by 36% from the second quarter last year, mainly supported by strong demand in the rental equipment sector. This second-quarter demand still remains at about a 40% level of the second quarter of the last peak year of 2007.

We are anticipating demand will increase by 10% in Japan in fiscal 2010 from fiscal 2009.

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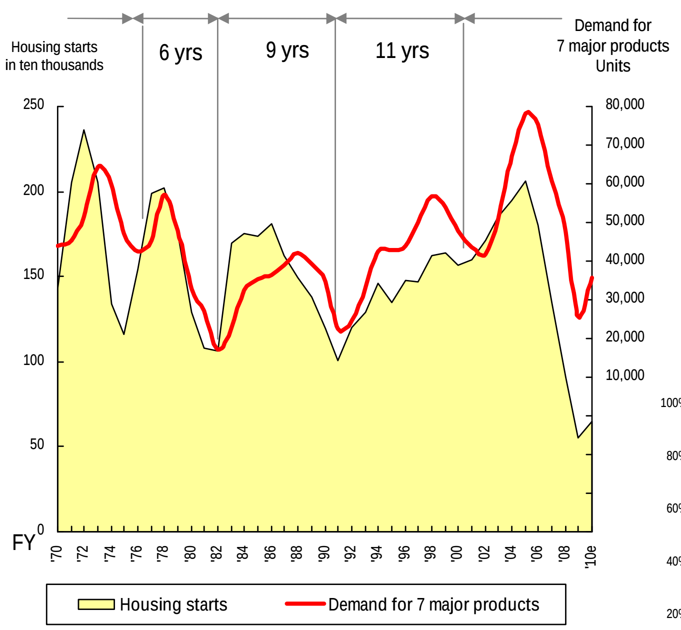
Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (2) North America

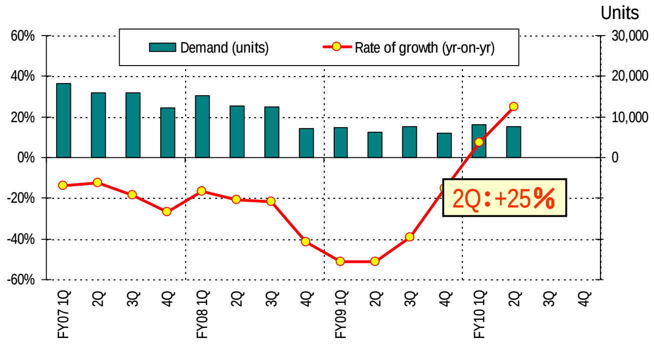
- Demand in the second quarter advanced by 25%, reflecting recovery of demand in the rental equipment and mining sectors. Yet, this second-quarter demand is at about 40% level of the last peak year of FY2006.
- Annual demand should improve by 30% from FY2009.

Demand for 7 major products and US housing starts

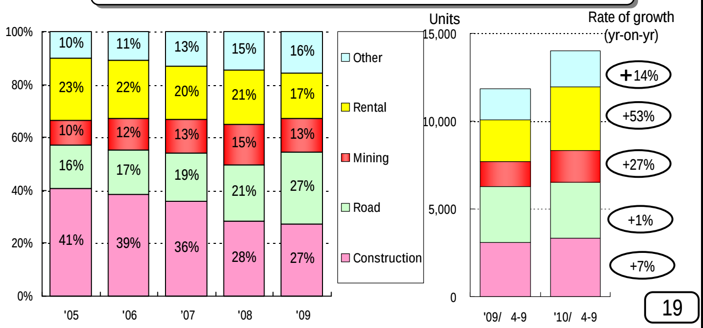


Sources: Housing starts by U.S. Department of Commerce
Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products



Breakdown of demand by segment (Unit based)



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North American quarterly demand for seven major products has upturned for growth since the first quarter of the current fiscal year on a year-on-year basis, supported by steady demand in the rental equipment, mining and energy sectors. We are estimating that demand increased by 25% in the second quarter from the second quarter last year.

We are anticipating that North American demand will advance by 30% in fiscal 2010 from fiscal 2009.

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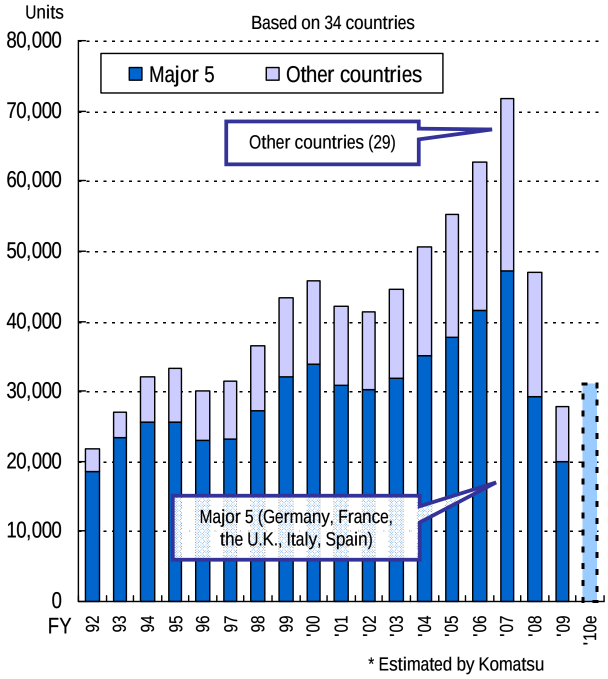
Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (3) Europe

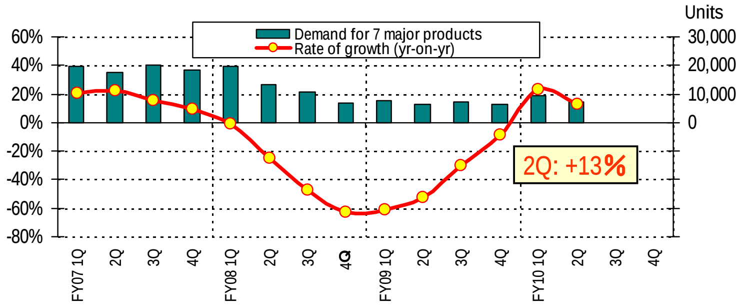
- Demand in the second quarter improved by 13% from the previous second quarter, supported by steady recovery of demand in western Europe centering on Germany and the U.K. Yet, this second-quarter demand is at about 40% level of the last peak year of FY2007.
- Annual demand should increase by 10% from FY2009.

Annual demand for 7 major products



* Estimated by Komatsu

Quarterly demand for 7 major products



Demand for 7 major products: Yr-on-yr rate of growth

	2009 Apr - Sep	2010 Apr - Sep
Germany	-59 %	+40 %
U.K.	-41 %	+24 %
France	-68 %	+41 %
Italy	-47 %	+31 %
Spain	-73 %	+5 %
Poland	-42 %	+8 %
Hungary	-58 %	-47 %
Slovakia	-61 %	-26 %

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Like in North America, European quarterly demand for seven major products has upturned for growth since the first quarter of the current fiscal year on a year-on-year basis, and we are estimating an increase of 13% in the second quarter from the second quarter a year ago.

By country, Germany, the UK and other major countries of western Europe led European recovery by registering growth in the first quarter. Although the recovery of demand in eastern Europe has lagged behind its western counterparts in general, demand in some eastern countries like Poland upturned for growth in the first half period, that is, April through September 2010, from the previous first half period.

When compared to North America and Japan, the momentum of demand recovery is less powerful in Europe in general, and we are anticipating an increase of 10% in fiscal 2010 from fiscal 2009.

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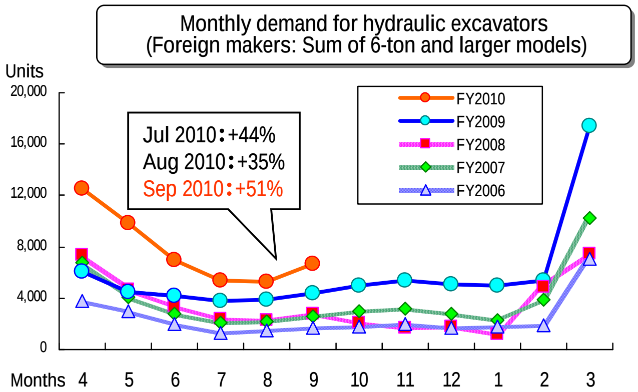
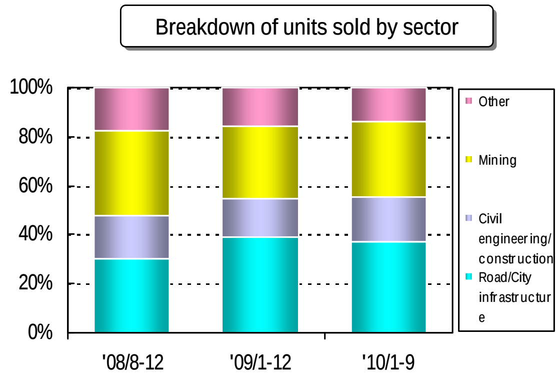
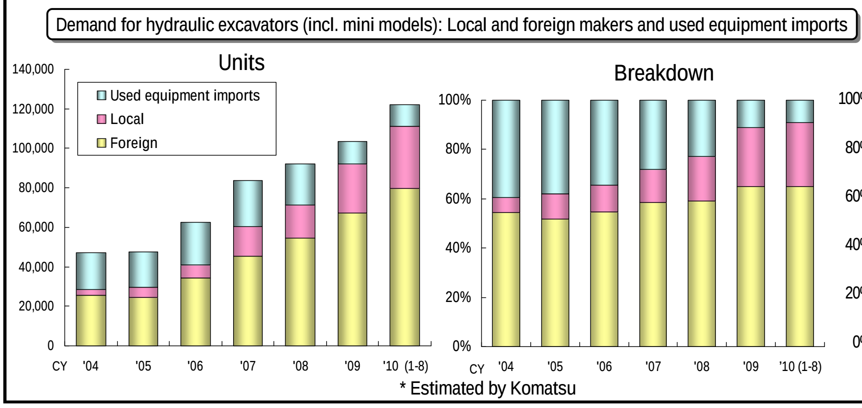
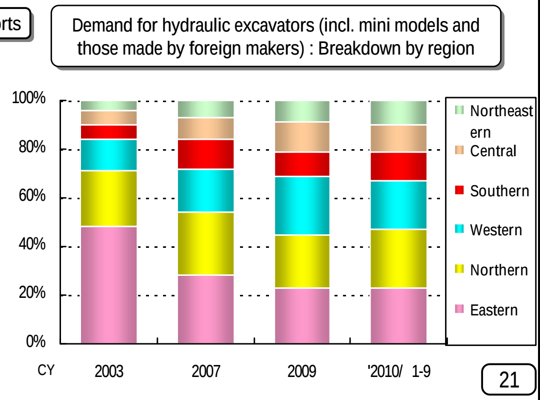
Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook – 4) China

- Demand in the second quarter expanded by 43%* from the previous second quarter, as demand remained strong in infrastructure development and mining. (* Foreign manufacturers' 6-ton and larger hydraulic excavators)
- Annual growth rates of demand are gradually declining, but demand in FY2010 should increase by 30% from FY2009.









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In China demand for hydraulic excavators, more specifically, that for 6-ton and larger models made by foreign makers, continued to thrive, especially in infrastructure development in interior provinces and mining, generating year-on-year increases of 44% in July, 35% in August and 51% in September this year. In the second quarter, that is July through September, demand increased by 43% from the second quarter last year.

Just before this presentation today, we estimate that our sales of hydraulic excavators in China, including smaller than 6-ton models, in units increased by about 30% in October this year from October last year, which clearly shows that demand is still very strong at present.

Because demand was quite large in the second half period of fiscal 2009, we are estimating that demand in the second half period of the current fiscal year will not increase as much as the year-on-year rate of growth for the first half period. Specifically, we are estimating increases of about 15% in the third quarter, about 5% in the fourth quarter and about 10% in the second half period.

According to the outline of the 12th 5-year plan announced the other day, the Chinese government will continue to uphold a policy of expanding domestic demand by promoting urbanization. Therefore, we are anticipating demand will remain strong into the future.

By segmenting demand for hydraulic excavators in China according to makers, local makers have steadily increased their share to around 20% by penetrating the market segment of used excavators imported from Japan as they have declined in number. Demand for models made by foreign makers has also steadily increased their share, reaching to over 60% today.

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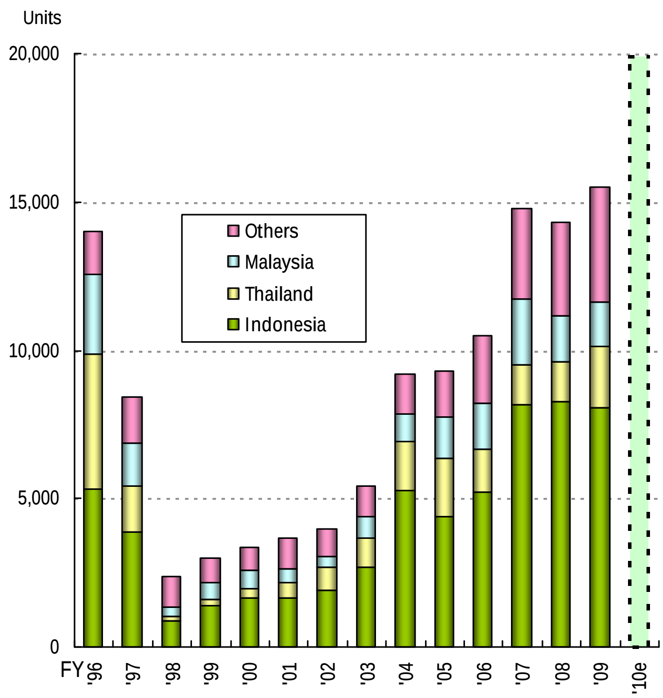
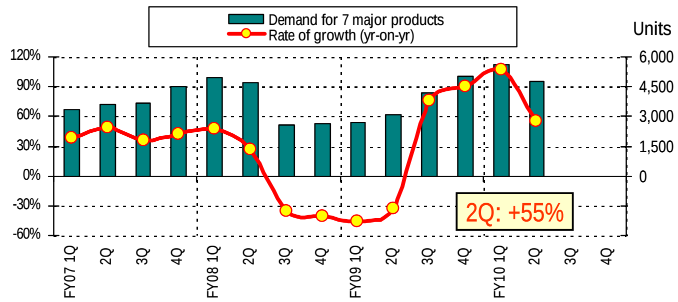
Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (5) Southeast Asia

- Demand in the second quarter advanced by 55% from the previous second quarter, driven by mining equipment in Indonesia. This second-quarter demand recovered to surpass the last peak second quarter of FY2008.
- Annual demand should increase by 30% from FY2009.

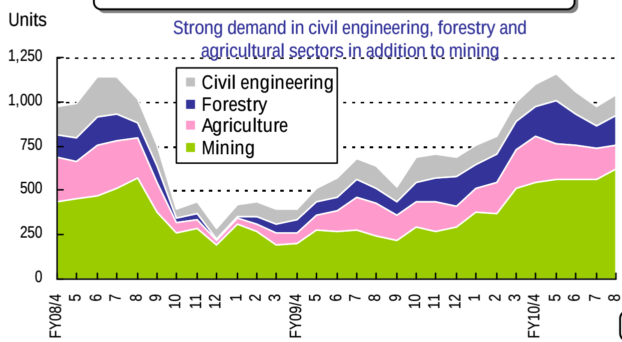
Annual demand for 7 major products



Quarterly demand for 7 major products



Breakdown of demand in Indonesia by sector



In Southeast Asia, we are expecting that demand for seven major products advanced by 55% in the second quarter of the current fiscal year from the second quarter a year ago. This growth is driven by thriving demand in Indonesia which generates more than half of total demand in the region. Demand in the first and second quarters of the current fiscal year has surpassed the corresponding quarters of the last peak year of fiscal 2008.

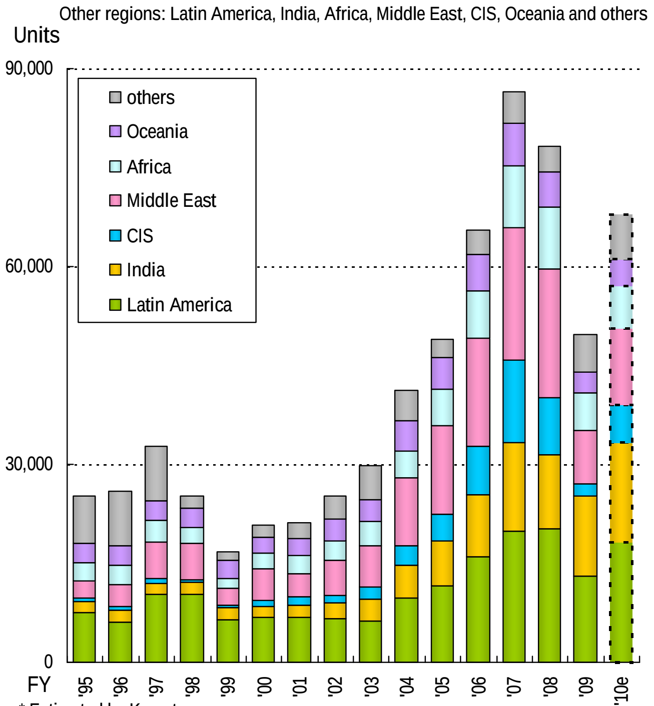
As demand has been at a high level since the third quarter of fiscal 2009, we are anticipating that year-on-year rate of growth in the second half of the current fiscal year will be lower than that of the first half period. We are estimating that demand will increase by 30% in fiscal 2010 from fiscal 2009.

In Indonesia, demand in the mining sector accounts for 50% plus of total demand. As mining equipment have bigger per-unit prices than those of regular construction equipment, demand for mining equipment in value should represent about 70 to 80% of total demand.

Construction, Mining & Utility Equipment: Demand in Major Markets and Outlook (6) Other Regions

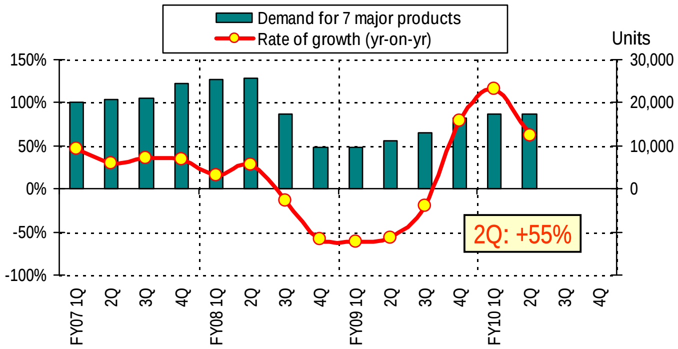
- Demand in the second quarter advanced by 55% from the previous second quarter, mainly driven by mining equipment in Latin America. Total demand in Other Regions recovered to about 80% of the last peak year of FY2007.
- Annual demand should advance by 35% from FY2009.

Demand for 7 major products

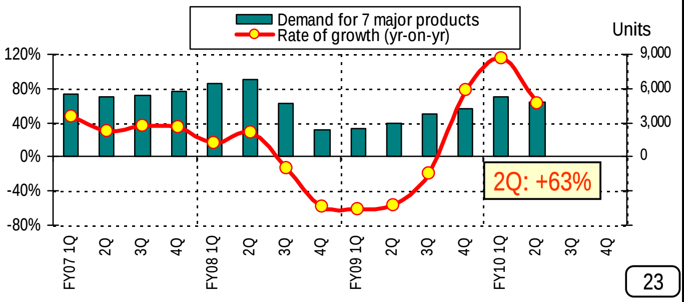


* Estimated by Komatsu

Quarterly demand for 7 major products



Quarterly demand for 7 major products in Latin America



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In Other Regions, that is, excluding Japan, North America, Europe, China and Southeast Asia, we are projecting that total demand for seven major products increased by 55% in the second quarter of the current fiscal year from the second quarter a year ago.

In Latin America, the largest market of Other Regions, demand has been increasing steadily centering on mining equipment. We are estimating that demand for seven major products advanced by 63% in the second quarter from the second quarter a year ago.

Demand in regions other than Latin America is also recovering in general. Therefore, total demand in Other Regions has already recovered to about 80% of the corresponding period of the last peak year of fiscal 2007.

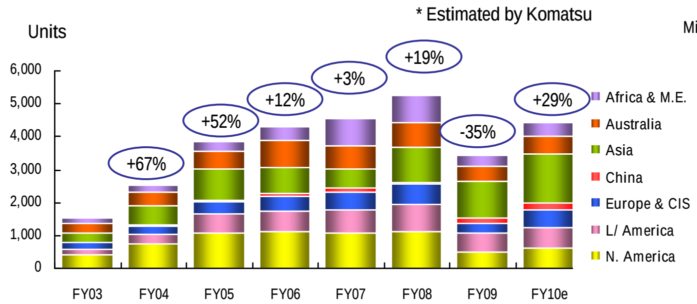
For the full year of fiscal 2010, we are expecting that demand will increase by 35% from fiscal 2009.

KOMATSU

Construction, Mining & Utility Equipment: Outlook of Mining Equipment Business

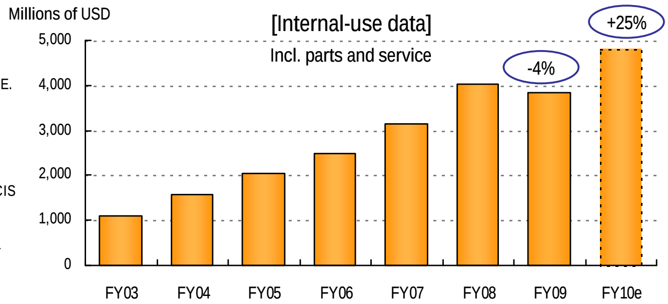
- Demand for mining equipment continues to grow steadily centering on Latin America and Indonesia against the backdrop of thriving demand for commodities.
- Projected annual demand; Up 29% from FY2009. Projected sales for FY2010: Up 25% from FY2009.

Demand by region (Units)



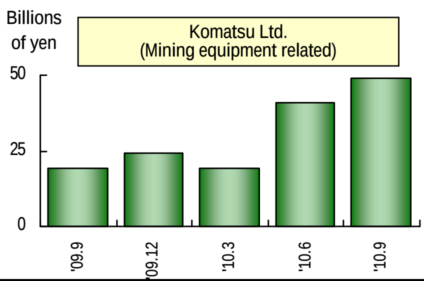
Dump trucks; 75ton (HD785)and larger -Bulldozers; 525HP (D375) and larger -Excavators; 150ton (PC1600)and larger - Wheel loaders: 500HP (WA700)and larger - Motor graders: 280HP (GD825)and larger

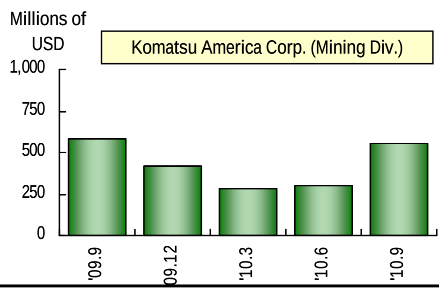
Sales of mining equipment business

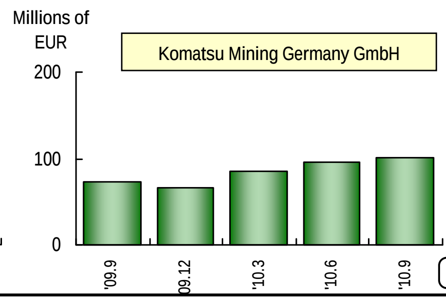


Backlog orders

* Finished products excluding parts and service







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We are projecting that global demand for mining equipment will increase by 29% in fiscal 2010 from fiscal 2009. Although we anticipated a year-on-year growth rate of 15% at the beginning of the current fiscal year, we have revised this projection upward because of strong demand continuing, especially in Latin America and Indonesia.

With respect to total sales of Komatsu Group's mining equipment business, which includes sales of parts and service revenues, in US dollar amounts, we are anticipating a growth rate of 25 in fiscal 2010 from fiscal 2009. While we assumed 6% at the beginning of the current fiscal year, we have revised that projection because our sales have been increasing steadily against the backdrop of strong demand. We are expecting that our sales will outperform the record-high figure registered for fiscal 2008.

Backlog orders of Komatsu Ltd. on a nonconsolidated basis have been growing centering on dump trucks destined for Indonesia.

Backlog orders of mining division at Komatsu America Corp. have also been growing soundly, as represented by a large-lot order for 44 units of super-large dump truck in China which we announced in October 2010.

Backlog orders of super-large hydraulic excavators made by Komatsu Mining Germany GmbH have also been gradually growing.

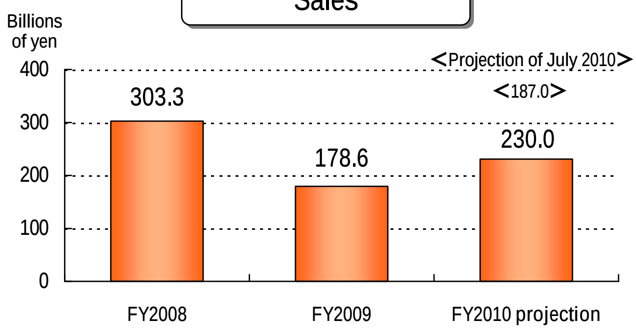
Industrial Machinery & Others Business: Market Environment and Outlook

KOMATSU

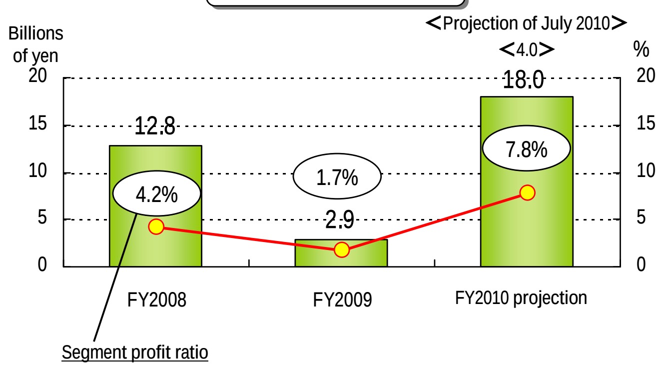
Industrial Machienery & Others: Sales and Segment Profit

- Komatsu NTC Ltd. should improve both sales and segment profit substantially with expanded sales of wire saws.
- Revising upward the projections of July 2010 for the Industrial Machinery & Others business.

Sales



Segment profit



Causes for Difference in Sales
（FY2009 vs. FY2010 projection)

Billions of yen

	Sales		
	FY09	FY10 projection	Increase (decrease)
Press and sheet metal machines	42.7	33.0	(9.7)
Komatsu NTC Ltd.	51.2	117.0	65.8
Other businesses	84.7	80.0	(4.7)
Total	178.6	230.0	51.3

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We have also revised upward our projection of July concerning business results of the Industrial Machinery & Others segment for fiscal 2010, because of brisk sales of wire saws. Specifically, we are estimating that sales will reach 230 billion yen, and segment profit will reach 18 billion yen, which will translate into a segment profit ratio of 7.8% for fiscal 2010.

While we are anticipating that sales of press and sheet metal machines will decline from fiscal 2009, Komatsu NTC Ltd. is expecting to generate sales of 65.8 billion yen. As a result, total sales of the industrial machinery & others business will increase by 51.3 billion for fiscal 2010 from fiscal 2009.

With respect to segment profit, we are anticipating an impressive rate of growth from 2.9 billion yen for fiscal 2009 to 18 billion yen for fiscal 2010, thanks mainly to expanded sales of wire saws.

KOMATSU

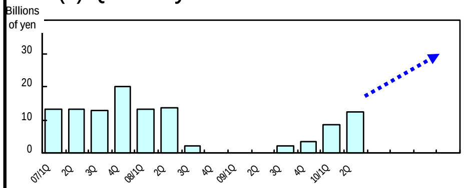
Industrial Machinery & Others: Orders Received for Industrial Machinery and Projection of Sales

1. Presses and machine tools

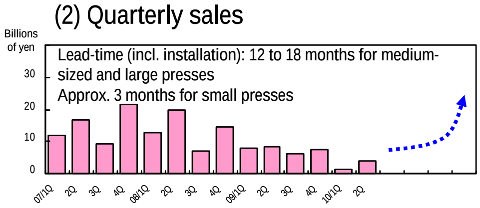
Inquiries and orders are growing rapidly in tandem with recovering volume of automobile production. Sales should recover starting in the next fiscal year because lead-time to delivery is long.

1) Presses

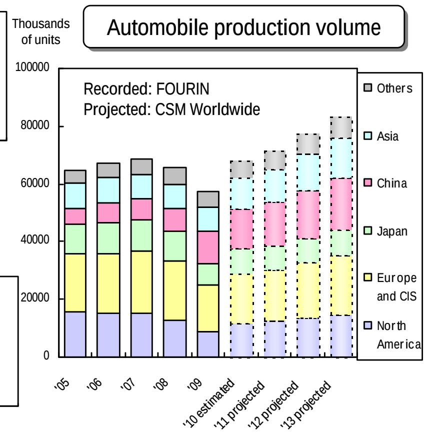
(1) Quarterly orders received



(2) Quarterly sales

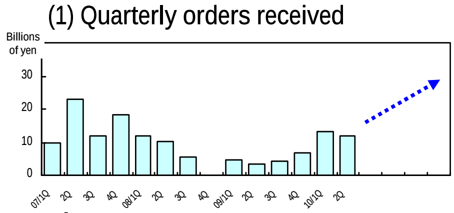


Automobile production volume

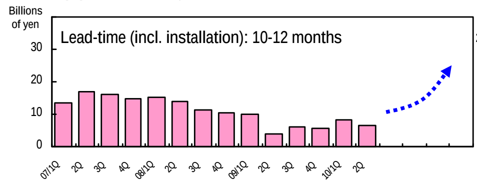


2) Machine tools

(1) Quarterly orders received



(2) Quarterly sales

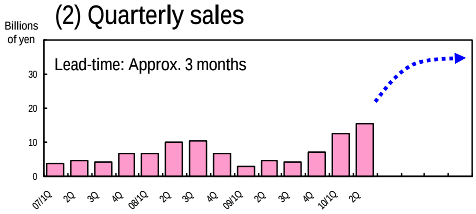


2. Wire saws

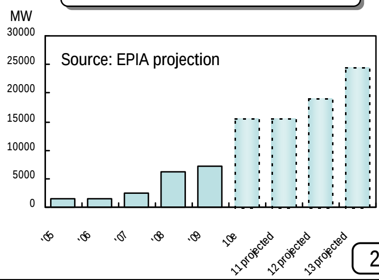
Inquires and orders received for wire saws are also growing rapidly in tandem with growth of the solar cell industry. Steady and stable sales should remain into the future.

(1) Quarterly orders received

(2) Quarterly sales



Market size of solar cells



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1. Orders for presses and machine tools and projection of sales

1) Presses

Orders for presses sharply dropped in the third quarter of fiscal 2008, and we weathered virtually zero orders until the second quarter of fiscal 2009. Since the second half period of fiscal 2009, we have seen more signs of slow recovery in orders, and have begun receiving orders since the start of the current fiscal year.

Because orders for presses were very sluggish in fiscal 2009 and the lead-time is very long, like 12 to 18 months for medium-sized and large presses, sales for the first half period of the current fiscal year declined drastically from the previous first half period a year ago. In view of the fact that orders are growing at present, we are expecting that sales will make a full-scale comeback in and after the first half period of fiscal 2011.

2) Machine tools

Like presses, machine tools also have a long lead-time, that is, 10 to 12 months when installation is included. Orders for machine tools remained very sluggish between the second half period of fiscal 2008, when automobile production volume sharply dropped, and fiscal 2009. Therefore, fiscal 2009 sales declined from fiscal 2008.

It is estimated that automobile production volume will recover in and after 2010, and it will surpass the level of 2007 in 2011. As orders received by the Komatsu Group are already heading for recovery and the number is growing in fiscal 2010, we are expecting to see steady recovery of our sales in and after fiscal 2011.

2. Orders for wire saws and projection of sales

Orders for wire saws also dropped sharply in the third quarter of fiscal 2008 and remained sluggish until the fourth quarter of fiscal 2009, when they made rapid recovery. Today orders are very brisk.

As the lead-time for wire saws is relatively short at about 3 months, sales are recovering in the current fiscal year.

It is projected that the market size of solar cells will continue to grow from 2010 into 2013. We are expecting that we will continue to enjoy stable orders and sales.

KOMATSU

Retail Finance Business, Capital Expenditures, Depreciation, R&D Expenses and Main activities

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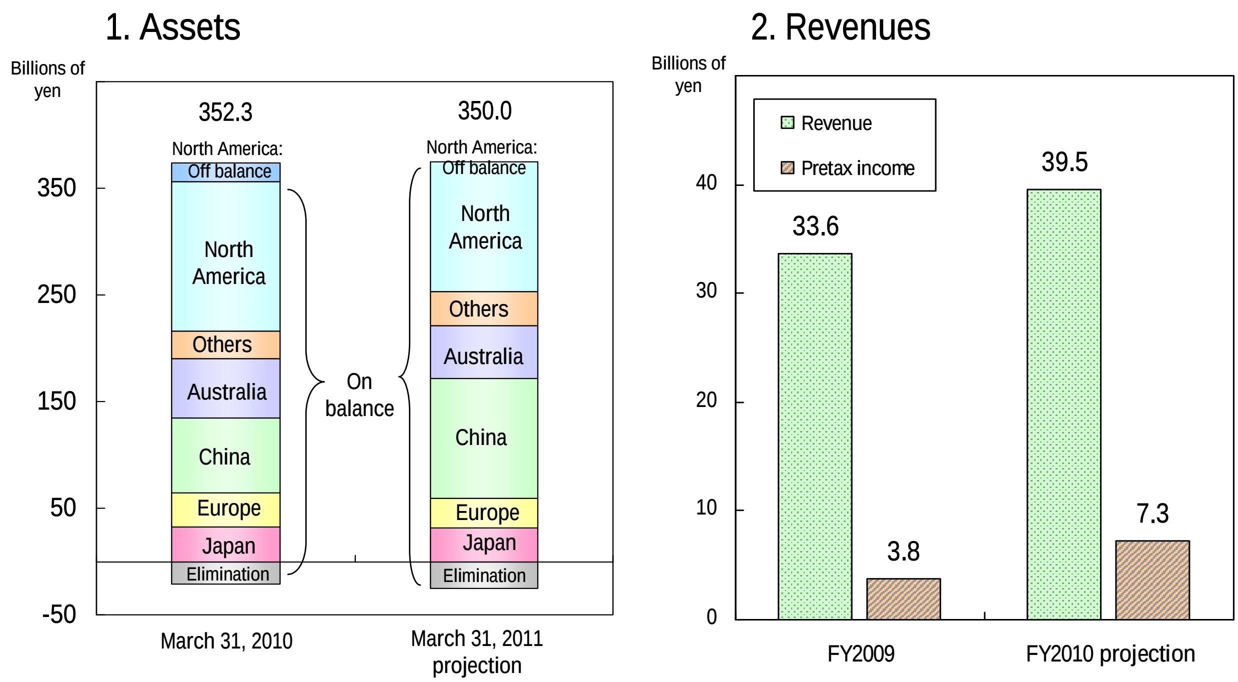
Retail Finance Business

Consolidated retail finance subsidiaries (internal-use data)



	March 31, 2010	March 31, 2011 projection
1USD	93 yen	82 yen
1EUR	125 yen	114 yen
1RMB	13.6 yen	12.3 yen

	FY2009	FY2010 projection
1USD	93 yen	85 yen
1EUR	131 yen	114 yen
1RMB	13.6 yen	12.6 yen

We are estimating total assets of consolidated retail finance subsidiaries at March 31, 2011 will be virtually flat from March 31, 2010. However, when the effect of the yen's appreciation are removed, we are expecting that they will grow in real terms.

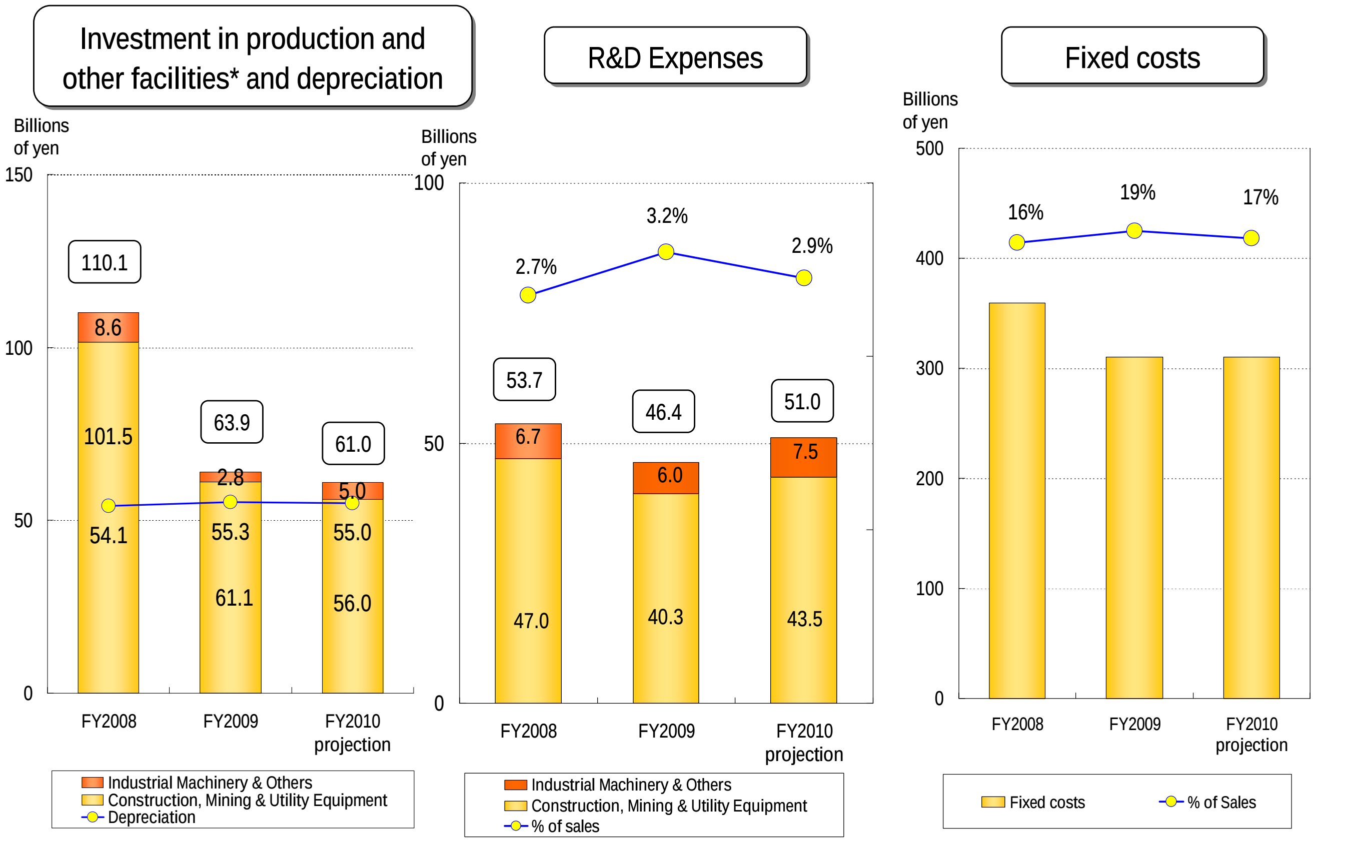
We are expecting to see a decline in assets in North America, as we are making good progress in collection of debt. Meanwhile, we are projecting a significant increase in assets in China and a slight increase in other regions.

For the current fiscal year, we are anticipating that revenues will increase by about 6 billion yen from fiscal 2009, to 39.5 billion yen, supported by strong revenues, especially in China and Chile.

With respect to pretax income, we are estimating 7.3 billion yen for the current fiscal year, almost a doubled increase from fiscal 2009, largely thanks to an increase in profits in China, good business conditions in Chile and a collection of debt in North America.

KOMATSU

Capital Expenditures, Depreciation and R&D Expenses



* Excl. investment in rental assets

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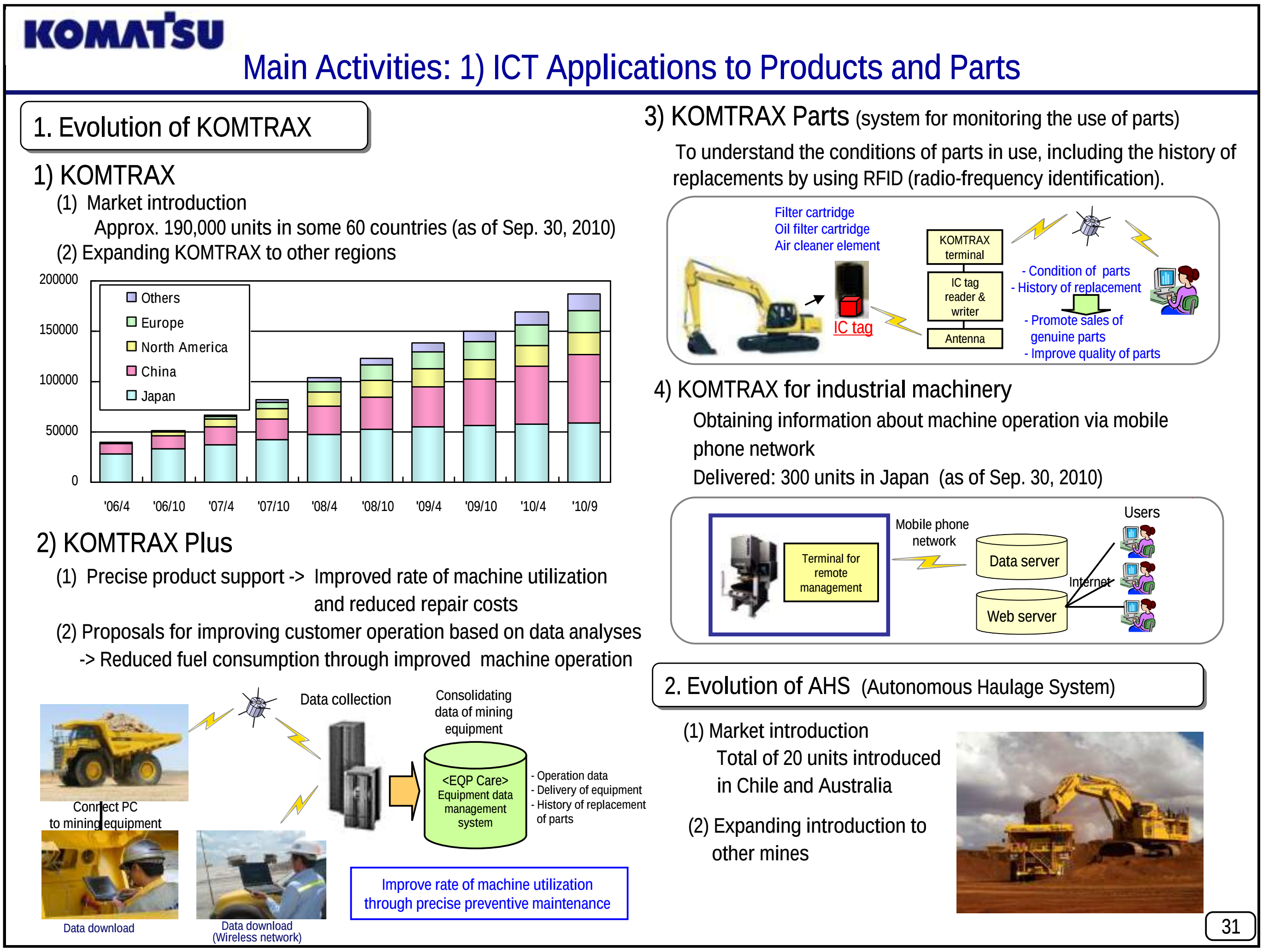
We are anticipating that investment in production and other facilities will reach 61 billion yen by adding about 9 billion yen to our projection of July 2010.

In the construction, mining & utility equipment business, for the current fiscal year, we are planning to add about 6 billion yen to the projection of July 2010 mainly for investment to expand production capacity in China.

In the industrial machinery & others business, for the current fiscal year we are estimating an addition of about 3 billion yen to the projection of July 2010, mainly for investment in construction of a new plant at Komatsu NTC's Fukuno Plant.

We are anticipating that R&D expenses will reach 51 billion yen by adding 1 billion yen to the projection of July 2010, mainly for use in wire saws in the Industrial Machinery & Others business.

With respect to fixed costs, for the current fiscal year we are anticipating no change from the projection of July 2010, keeping the same level of fiscal 2009.



From this sheet on, we would like to describe our ongoing efforts on activities of importance in the mid-range management plan which we announced in April 2010.

1. Evolution of KOMTRAX

1) KOMTRAX

As of October, 2010, there were about 190,000 KOMTRAX-installed units in some 60 countries.

We are planning to introduce KOMTRAX in Thailand, India and Vietnam and some other countries, and we are continuing to extend our reach to more regions.

2) KOMTRAX Plus

This is a system for mining equipment. We can learn about the real-time mechanical conditions of equipment through this system.

By engaging in precise preventive maintenance based on data retrieved from the KOMTRAX Plus system, we are working to improve the operating efficiency of equipment and reduce repair costs for our mining customers.

We are also using the data to develop proposals for customers to improve their operation efficiency, such as through reduction of fuel costs by improving drivers' skills.

3) KOMTRAX Parts

This system helps us understand the conditions of parts in use or their history of replacements from IC tags attached on filters and other parts.

We initiated this project during the current fiscal year, and we have begun testing the system now. We are planning to use this system to expand sales of genuine parts.

4) KOMTRAX for industrial machinery

Like construction equipment, this KOMTRAX helps us to monitor the operating conditions of industrial machinery. The information is obtained via mobile phone circuits.

In October 2009, we began selling small and medium-sized presses equipped with the KOMTRAX as a standard feature. As of September 30, 2010, we have delivered a cumulative sum of about 300 units.

2. Evolution of Autonomous Haulage System (AHS)

A total of 20 autonomous dump trucks have been delivered in Chile and Australia.

We are working to expand introduction to other mines.

KOMATSU

Main Activities: 2) Product Development for Improved Environment Friendliness and Safety

1. Hybrid hydraulic excavators

1) PC200-8 Hybrid
Approx. 650 units sold worldwide (as of Sep. 30, 2010)

2) Market introduction of HB205
(Model-change version of PC200-8 Hybrid)
(1) Features/merits
-Improved operability (improved operation modes, etc.)
-Use of a diverse range of attachments for different applications
(2) Market introduction (plan)
-Launching sales in Japan in Dec. 2010
-Launching sales steadily in overseas markets (planned)
(3)Expansion of the model range
- Developing 30-ton class hybrid hydraulic excavator

HB205 hybrid hydraulic excavator

2. Meeting next emission regulations

1) Regulation schedule
(The regulation will take effect starting in 130 - 560kW category, and will adapt sequentially to other categories.)
- Japan: October 2011
- USA/Europe: January 2011
Final stage enforcement is scheduled to start in Japan, USA and Europe in 2014.

Komatsu's new engine complied with the next emission regulation in Japan, U.S.A. and Europe

3. Others

1) Biodiesel fuel project
- Constructing a fuel refinery plant in Adaro's mine in Indonesia
2) Improved safety of mining equipment
- R&D of a surrounding area monitor system and drowsy driving detection device.
3) Development of environment-friendly forklift trucks
- Medium-sized: To reduce fuel consumption by equipping the hydro-static transmission (HST).
- Small: To improve the performance of capacitor hybrid models.

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1. Hybrid hydraulic excavators

We began the full-scale market introduction of the PC200-8 Hybrid in fiscal 2009, and have sold about 650 units worldwide centering on Japan and China.

We are planning to launch sales of the HB205, a model-change version of the PC200-8 Hybrid, in Japan in December this year. We are also working to develop 30-ton class hybrid hydraulic excavators.

2. Next emission regulations

We are preparing for the market introduction of new models which are compliant with next emission regulations in the U.S., Europe and Japan, to take effect starting in 2011 in stages.

3. Others

1) Biodiesel fuel project

At present we are building a refinery plant in Adaro's mine in Indonesia. We will be producing bio fuel from Jatropha plants cultivated on the reclaimed land of the mine. By using this fuel to operate dump trucks in the mine, we are working to reduce CO_2 emission volume.

2) Improving safety of mining equipment

We are engaging in R&D of a surrounding area monitoring system for super-large dump trucks as well as a drowsy driving detection device for drivers.

3) Developing environment-friendly forklift trucks

We are developing medium-sized forklift trucks equipped with hydro-static transmissions in order to ensure superior fuel economy compared to conventional internal combustion models.

KOMATSU

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

1. Expanding sales of strategic parts
(GET, UC, Reman, parts for routine replacement)

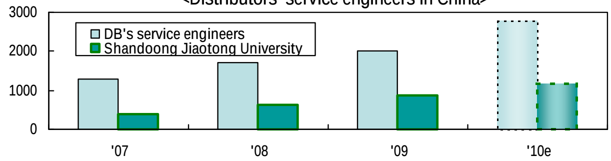
1) Improvement of product mix
(Development of application-specific products)
- Buckets for hydraulic excavators ("Me bucket")
-> Reduced wear and improved fuel efficiency by changing the shapes

2) Expanding production capacity of Reman (Re-manufacturing) and rebuild centers
-Expanding production capacity of large-size reman engines at PT Komatsu Reman Indonesia
FY09 -> FY10: +30%
- Establishing new rebuild center in China (Changzhou)
-> Jan. 2011 (plan)

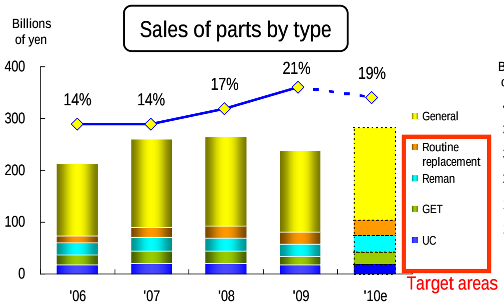
2. Reinforcement of jobsite-linked service operation

1) Introduction of the distributor resource management system to more regions
- Already introduced to distributors in 5 Asian countries -> more
2) Improvement of next-morning delivery by increasing parts depots
- New parts depots established in 1st half, FY10: Thailand, China
3) Reinforcement of product support capability by establishing more support centers
- New service support centers established in 1st half, FY10: Brazil, Australia
4) Reinforcement of training of service engineers and mechanics
- Reinforcement of training programs for service engineers in China
->Tie-up with Shandoong Jiaotong University for training new engineers of distributors

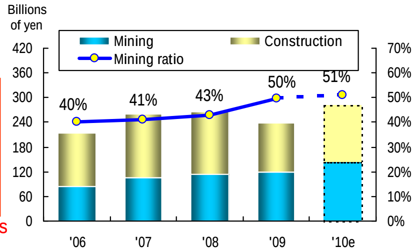
<Distributors' service engineers in China>



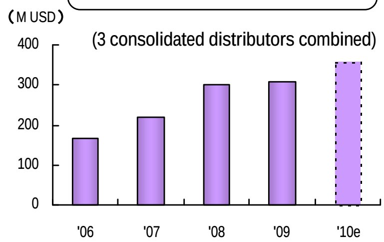
Sales of parts by type



Sales of parts by industrial sector



Mining equipment: R&M contract revenues



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1. Expanding sales of strategic parts

1) Improvement of product mix

We are working to develop application-specific products for different jobsites. For example, we have developed the "Me bucket" for hydraulic excavators, which is designed to reduce wear of the bucket.

2) Expanding production capacity of Reman and rebuild centers

We are planning to expand Komatsu Reman Indonesia's production capacity by 30% during the current fiscal year in response to an increase in the number of mining equipment in operation. In January 2011, we are planning to open the rebuild center in Changzhou, China.

As a result of these and other efforts, we are estimating larger sales of parts in the current fiscal year than in fiscal 2009.

2. Reinforcement of jobsite-linked service operations

1) Distributor resource management system

We have introduced the distributor resource management system to five countries in Asia, including Vietnam and the Philippines, promoting our distributors' operational efficiency. First introduced in China, we are going to introduce it to more regions.

2) Improving next-morning delivery of parts by increasing parts depots

We are working to expand our parts depot network in order to promptly deliver parts needed by customers. In the first half period of the current fiscal year, we opened new depots in Thailand and China.

3) Building more service support centers

To reinforce our customer support capability, we are also building more service support centers. In the first half of the current fiscal year, we opened new centers in Brazil and Australia.

4) Training more service engineers and mechanics

In tandem with opening more service support centers, we are training more service engineers and mechanics. By implementing the service engineer development program based on the tie-up with Shandong Jiaotong University in China and other means, we are increasing the number of service engineers at distributors' locations.