

Business Results for the Three and Nine Months ended December 31, 2010

January 27, 2011

Corporate Planning Division
Komatsu Ltd.

1. Results for the Three Months ended December 31, 2010

Sales and Profits for the Three Months ended December 31, 2010

- Operating income ratio improved further from the second quarter (Jul. – Sep., 2010) to 13.3% for the third quarter (Oct. – Dec., 2010).
- Segment profit ratio of the Industrial Machinery & Others business improved significantly to 11.9% for the third quarter.

%

Profit ratio

[

]

: Sales after elimination of inter-segment transactions

Billions of yen

	Oct. - Dec., 2009 (A) 1USD = 90 yen 1EUR = 133 yen 1RMB = 13.2 yen		Jul. - Sep., 2010 (B) 1USD = 85 yen 1EUR = 111 yen 1RMB = 12.6 yen		Oct. - Dec., 2010 (C) 1USD = 82 yen 1EUR = 110 yen 1RMB = 12.4 yen		vs. Oct. - Dec., 2009 (C-A)		vs. Jul. - Sep., 2010 (C-B)	
	Increase (decrease)	%	Increase (decrease)	%	Increase (decrease)	%	Increase (decrease)	%		
Net sales	357.9		412.6		442.2		84.2	23.5%	29.5	7.2%
Construction, Mining & Utility Equipment	[316.8] 317.5		[358.4] 358.9		[383.2] 383.8		[66.3] 66.3	[21.0%] 20.9%	[24.8] 24.9	[6.9%] 6.9%
Industrial Machinery & Others	[41.0] 44.0		[54.1] 57.3		[58.9] 61.2		[17.8] 17.2	[43.5%] 39.1%	[4.7] 3.9	[8.8%] 6.9%
Elimination	(3.5)		(3.6)		(2.9)		0.6	-	0.7	-
Segment profit	5.8% 20.8		12.3% 50.7		13.6% 59.9		39.1	188.1%	9.1	18.0%
Construction, Mining & Utility Equipment	7.4% 23.3		13.4% 48.0		14.1% 54.0		30.7	131.7%	6.0	12.6%
Industrial Machinery & Others	(3.2)% (1.3)		7.2% 4.0		11.9% 7.2		8.6	-	3.1	77.4%
Corporate & elimination	(1.1)		(1.3)		(1.4)		(0.2)	-	0.0	-
Other operating income (expenses)	(4.4)		(0.9)		*1 (1.1)		3.3	-	(0.1)	-
Operating income	4.6% 16.3		12.1% 49.8		13.3% 58.8		42.5	260.7%	8.9	18.1%
Other income (expenses)	(0.0)		0.1		(0.0)		0.0	-	(0.2)	-
Net income before income taxes	16.2		50.0		58.7		42.5	262.1%	8.7	17.6%
Net income *2	10.1		33.0		36.8		26.7	262.9%	3.7	11.5%

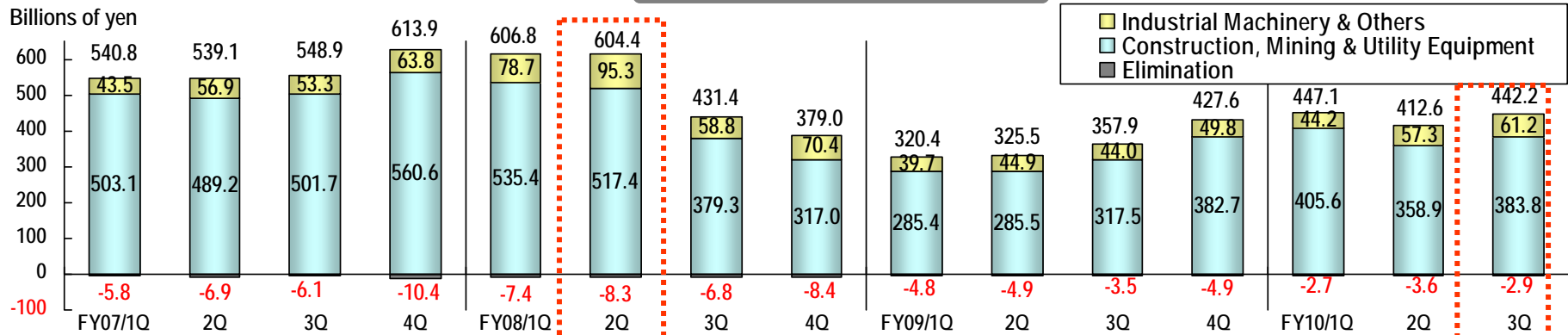
*1 Including 0.5 billion yen as structural reform expenses.

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

Quarterly Sales and Operating Income

- While the Japanese currency continued to appreciate against other currencies, operating income ratio recovered to a pre-Lehman Shock level.

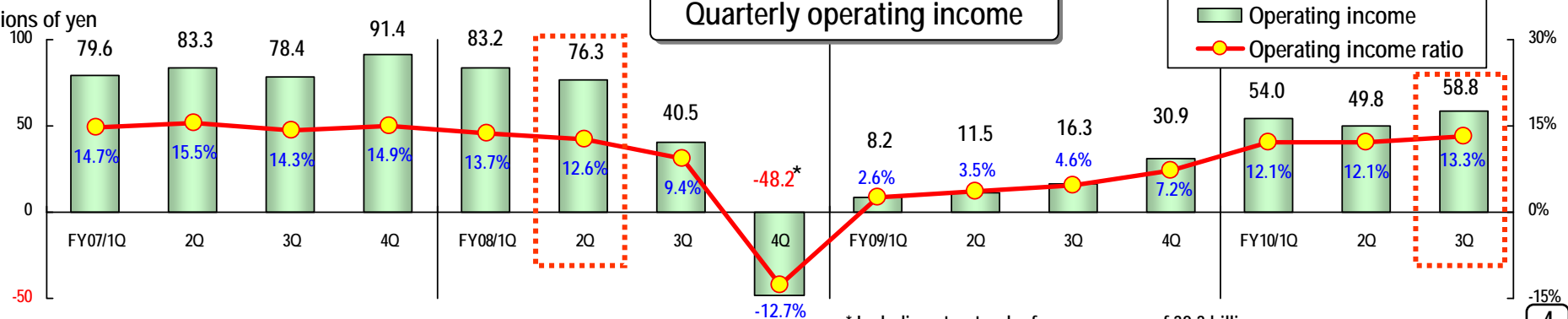
Quarterly sales



Exchange rates

	07/1Q	07/2Q	07/3Q	07/4Q	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	vs. 08/2Q
1USD	122 yen	117 yen	113 yen	104 yen	105 yen	107 yen	95 yen	95 yen	97 yen	93 yen	90 yen	91 yen	91 yen	85 yen	82 yen	-25yen
1EUR	164 yen	162 yen	165 yen	158 yen	165 yen	159 yen	126 yen	123 yen	133 yen	133 yen	133 yen	124 yen	115 yen	111 yen	110 yen	-49yen
1RMB	15.9 yen	15.5 yen	15.3 yen	14.6 yen	15.2 yen	15.7 yen	13.9 yen	13.9 yen	14.2 yen	13.6 yen	13.2 yen	13.3 yen	13.4 yen	12.6 yen	12.4 yen	-3.3yen

Quarterly operating income



* Including structural reform expenses of 32.3 billion yen.

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

- Sales recovered steadily in Traditional Markets in addition to strong sales in Strategic Markets.
- Recovery of sales in North America was especially noteworthy. Sales in China remained strong even after the sales season.

Billions of yen

		Oct. – Dec., 2009 (A)		Oct. – Dec., 2010 (B)		vs. Oct. – Dec., 2009 (B-A)	
			%		%	Increase (decrease)	Change %
Traditional Markets	Japan	60.6	19%	69.6	18%	8.9	14.8%
	North America	31.6	10%	48.6	13%	17.0	53.8%
	Europe	22.9	7%	24.3	6%	1.3	6.1%
Strategic Markets	Latin America	44.6	14%	42.7	11%	(1.8)	(4.1)%
	CIS	7.2	2%	16.7	4%	9.5	132.0%
	China	55.5	18%	67.2	18%	11.7	21.1%
	Asia & Oceania	73.5	23%	89.2	23%	15.7	21.4%
	Middle East & Africa	20.7	7%	24.5	7%	3.8	18.3%
Total		316.8	100%	383.2	100%	66.3	21.0%

2. Results for the Nine Months ended December 31, 2010

Sales and Profits for the Nine Months ended December 31, 2010

- Operating income ratio for the nine-month period also improved significantly to 12.5%.
- Segment profit ratio of the Construction, Mining & Utility Equipment business improved to 13.6% and that of the Industrial Machinery & Others business to 8.2% for the nine months.

%

Profit ratio

[

]: Sales after elimination of inter-segment transactions

Billions of yen

	Apr. - Dec., 2009 1USD = 93 yen 1EUR = 133 yen 1RMB = 13.7 yen	Apr. - Dec., 2010 1USD = 86 yen 1EUR = 112 yen 1RMB = 12.8 yen	Increase (decrease)	
Net sales	1,003.9	1,301.9	298.0	29.7%
Construction, Mining & Utility Equipment	[886.4] 888.5	[1,146.9] 1,148.5	[260.4] 260.0	[29.4%] 29.3%
Industrial Machinery & Others	[117.4] 128.7	[155.0] 162.7	[37.6] 34.0	[32.0%] 26.5%
Elimination	(13.3)	(9.3)	3.9	-
Segment profit	4.2% 42.2	12.7% 165.0	122.8	291.1%
Construction, Mining & Utility Equipment	5.0% 44.1	13.6% 156.3	112.2	254.4%
Industrial Machinery & Others	1.8% 2.2	8.2% 13.4	11.1	489.7%
Corporate & elimination	(4.1)	(4.7)	(0.5)	-
Other operating income (expenses)	(6.1)	*1 (2.3)	3.7	-
Operating income	3.6% 36.0	12.5% 162.7	126.6	350.9%
Other income (expenses)	(1.4)	(3.8)	(2.4)	-
Net income before income taxes	34.6	158.9	124.2	358.1%
Net income *2	18.3	100.6	82.2	448.2%

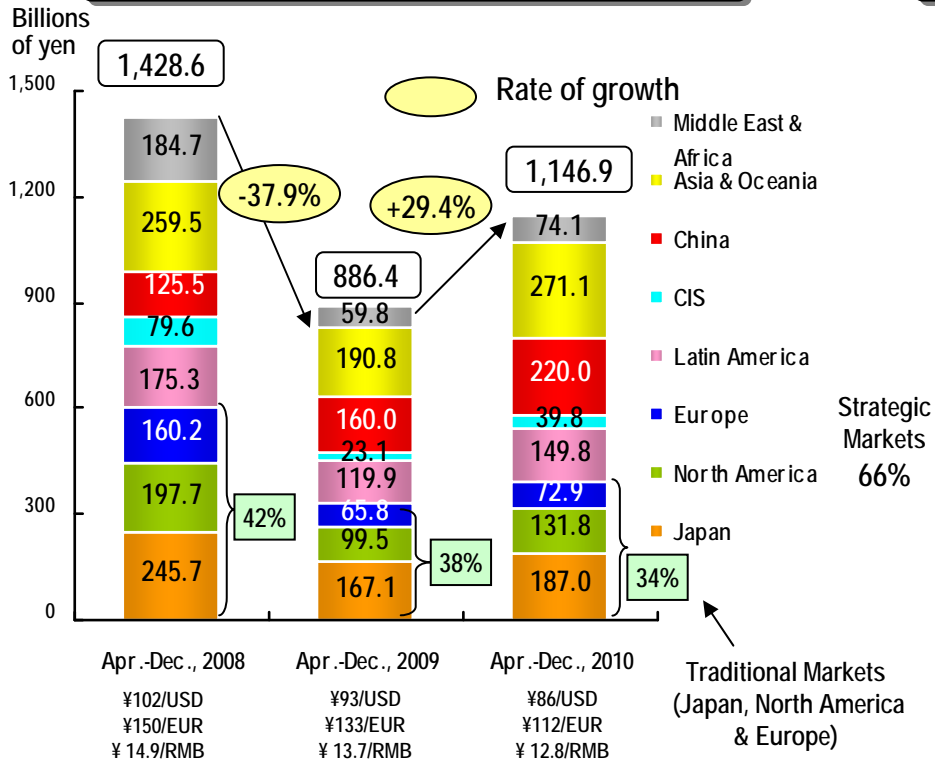
*1 Including 2.7 billion yen as structural reform expenses.

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

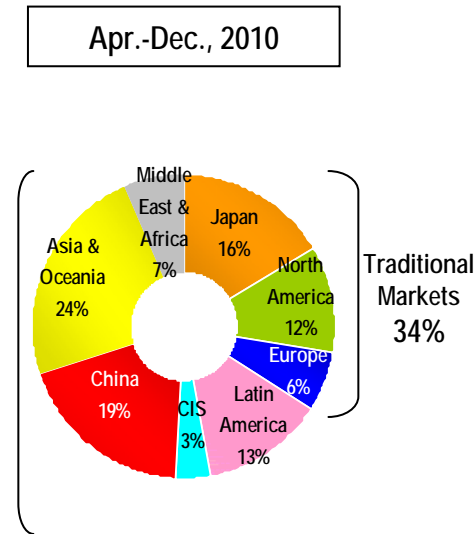
Construction, Mining & Utility Equipment: Sales for the Nine Months by Region (To Outside Customers)

- Nine-month sales increased by 29.4% from the corresponding period a year ago, and sales in Strategic Markets grew further to account for 66% of total sales.
- In spite of the Japanese yen's appreciation, segment profit ratio surpassed the fiscal 2008 level.

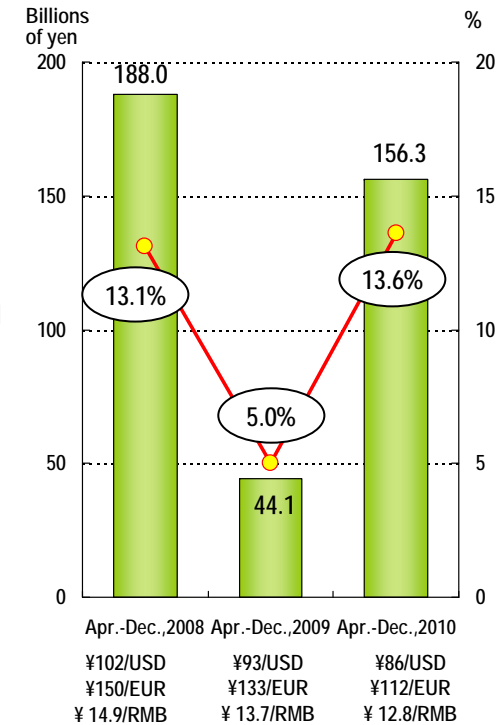
Sales by region (to outside customers)



Breakdown



Segment profit



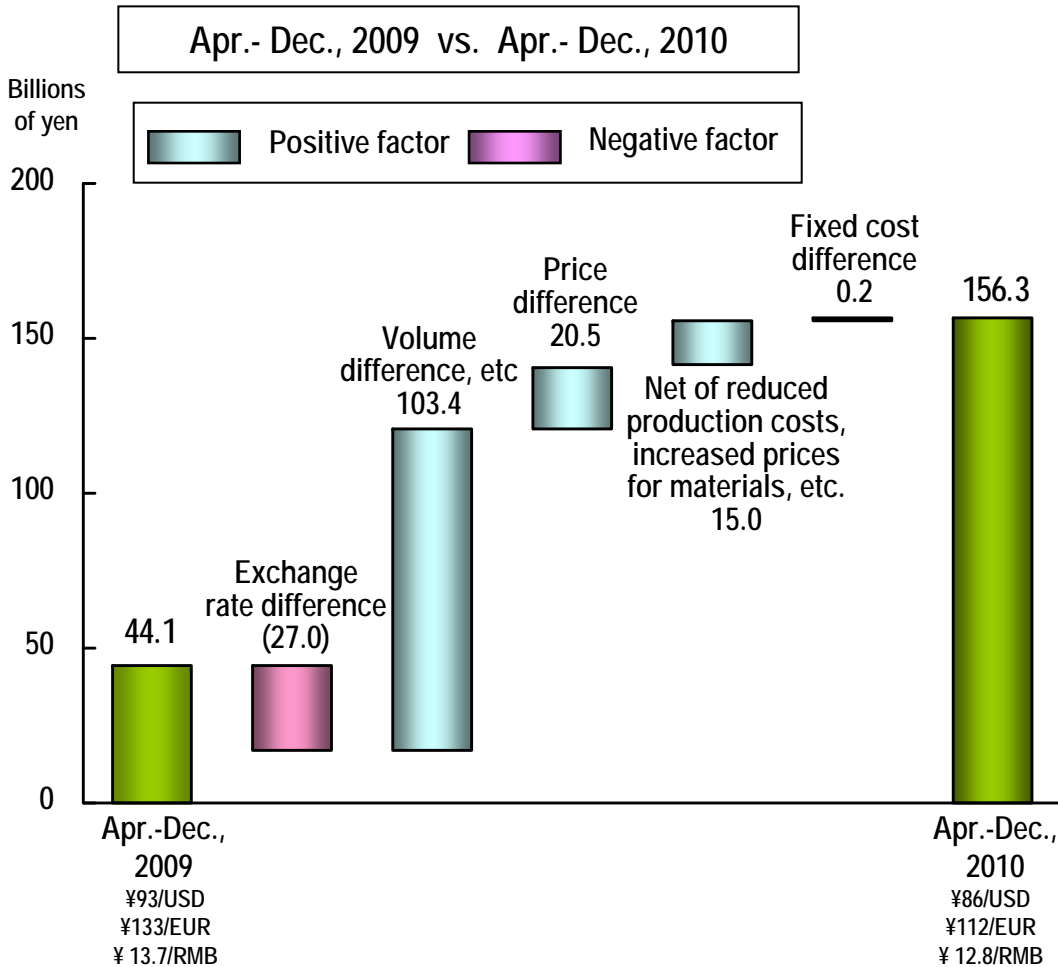
Rate of growth (year-on-year basis)

	Japan	North America	Europe	Latin America	CIS	China	Asia & Oceania	Middle East & Africa	Total
Apr.-Dec., 2009	(32.0)%	(49.7)%	(58.9)%	(31.5)%	(70.9)%	+27.5%	(26.5)%	(67.6)%	(37.9)%
Apr.-Dec., 2010	11.9%	32.4%	10.9%	24.9%	72.0%	37.5%	42.0%	23.9%	29.4%

○ : Segment profit ratio

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

- The eroded segment profit, due to the Japanese yen's appreciation, was covered by increased selling prices and reduced production costs.
- Segment profit increased by 112.2 billion yen for the nine months, reflecting a substantially expanded volume of sales as well.



[Positive factors]

- Volume difference, etc.: 103.4 billion yen
- Price difference: 20.5 billion yen
- Net of reduced production costs, increased prices for materials, etc.: 15.0 billion yen
- Fixed cost difference: 0.2 billion yen

[Negative factor]

- Exchange rate difference: -27.0 billion yen

	[Apr.-Dec., 2009]	[Apr.-Dec., 2010]
USD	93 yen	86 yen
EUR	133 yen	112 yen
RMB	13.7 yen	12.8 yen

Increased by 112.2 billion yen

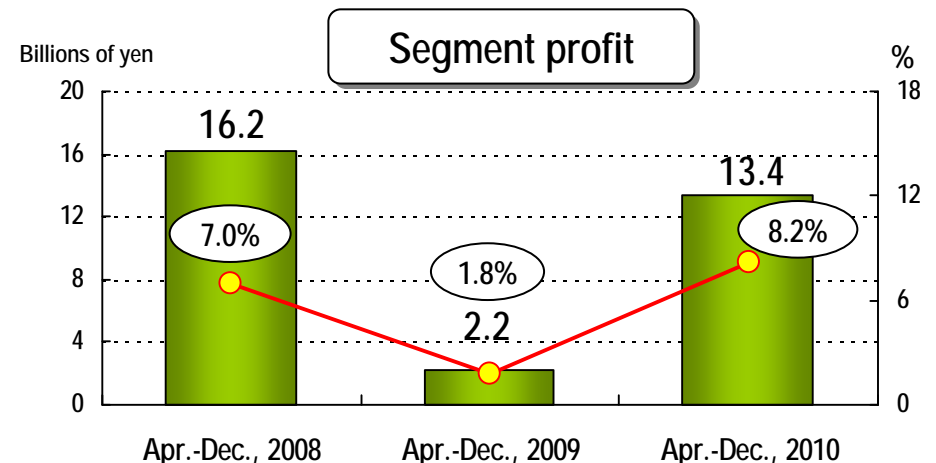
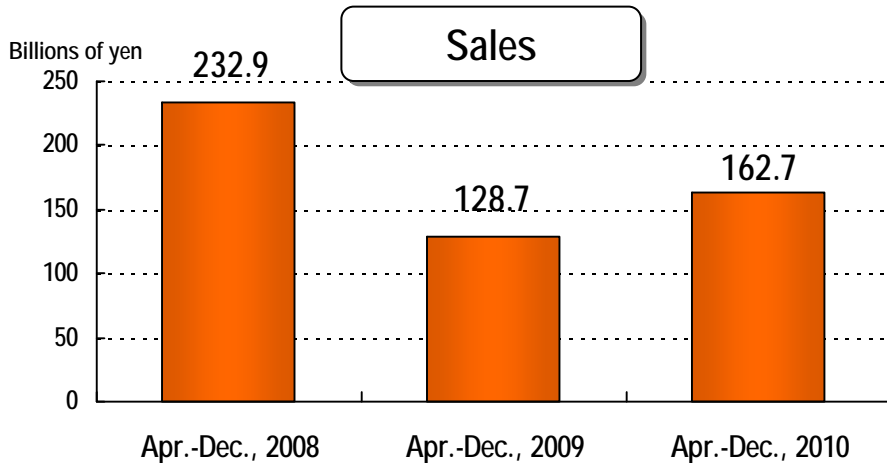
5.0%

Segment profit ratio

13.6%

Industrial Machinery & Others: Sales and Segment Profit for the Nine Months

- Both sales and profits increased, thanks to Komatsu NTC's wire saw business. Segment profit ratio also improved to 8.2% for the nine months.
- Sales of the press and sheet metal machine business should recover for the following fiscal years.



○ : Segment profit ratio

Breakdown of sales increase and decrease (Apr.-Dec., 2009 vs. Apr.-Dec., 2010)

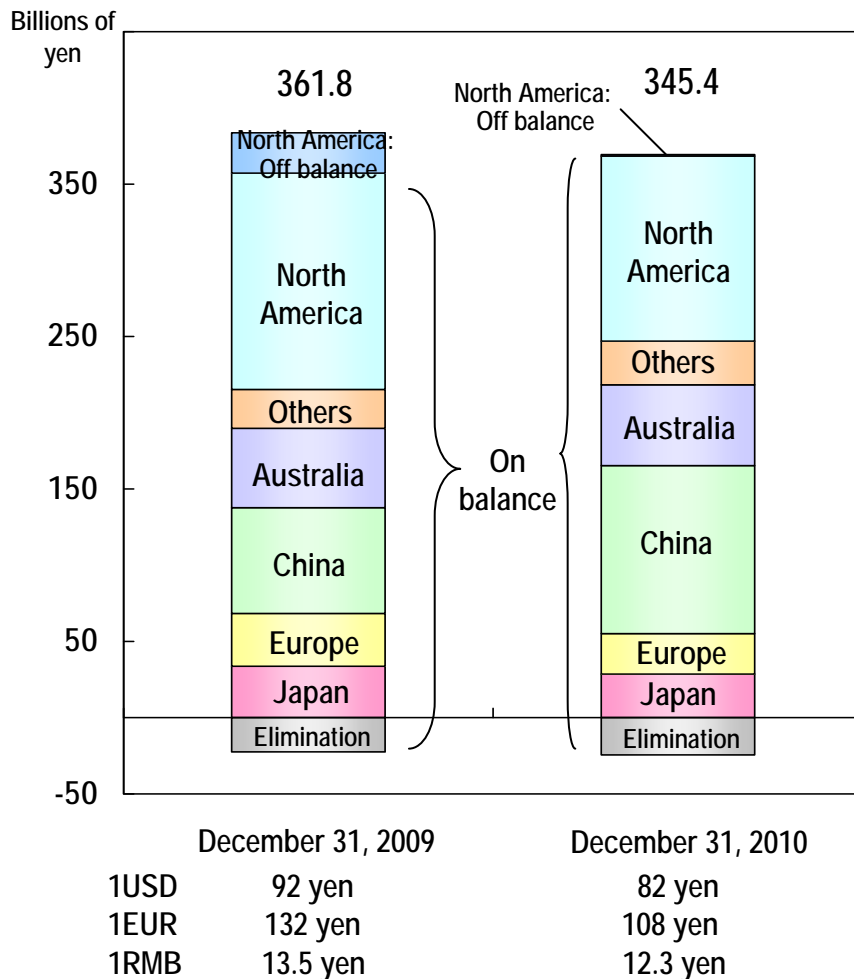
	Sales (Billions of yen)		
	Apr.-Dec., 2009	Apr.-Dec., 2010	Increase (decrease)
Press and sheet metal machines business	29.5	21.2	(8.3)
Komatsu NTC Ltd.	37.7	78.5	40.8
Other businesses	61.5	63.0	1.5
Total	128.7	162.7	34.0

Retail Finance Business

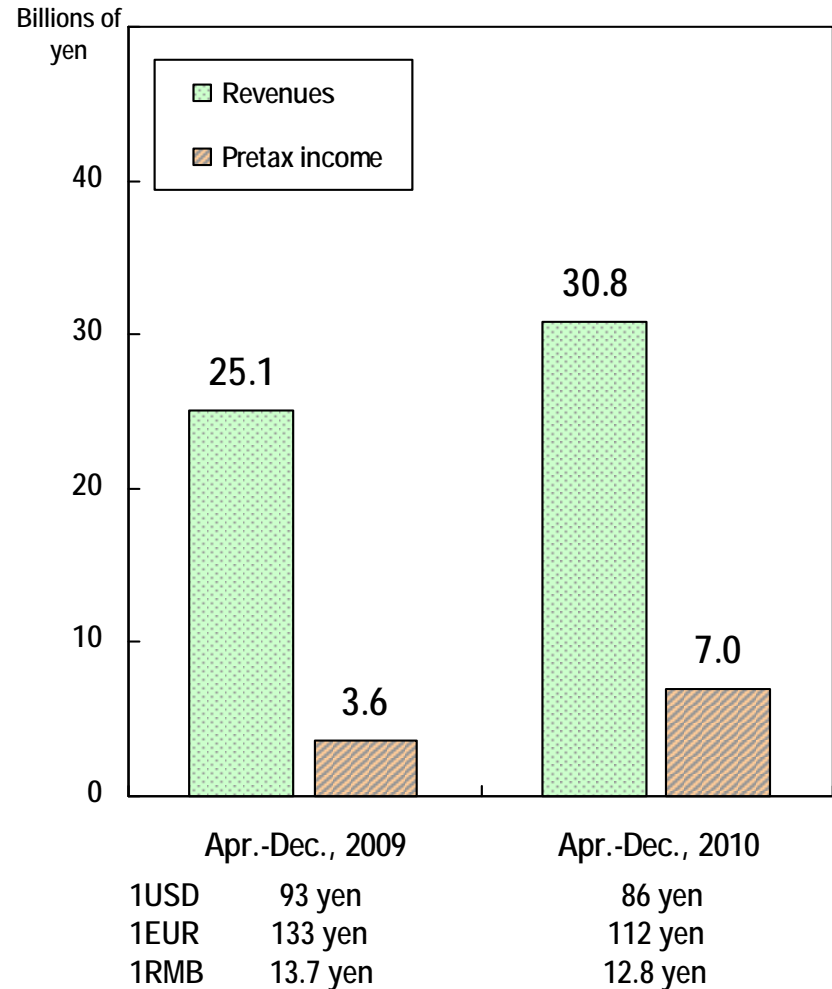
- Assets expanded in Strategic Markets (esp. China). Both revenues and pretax income headed for growth.

Consolidated retail finance subsidiaries (internal-use data)

1. Assets



2. Revenues



Consolidated Balance Sheets

- Total assets increased by 40.8 billion yen from the previous fiscal year-end, mainly due to an increase in inventories for high-demand seasons.
- Net debt-to-equity ratio improved to 0.53 (or 0.27 when retail finance subsidiaries are excluded).

○ Net D/E ratio

Billions of yen

	Mar. 31, 2010 1USD = 93 yen 1EUR = 125 yen 1RMB = 13.6 yen	Dec. 31, 2010 1USD = 82 yen 1EUR = 108 yen 1RMB = 12.3 yen	Increase (decrease)
Cash & deposits (Incl. time deposits) [a]	83.5	84.9	1.3
Accounts receivable (Incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	598.6 <338.1>	599.9 <326.4>	1.3 <(11.6)>
Inventories	396.4	458.1	61.6
Tangible fixed assets	525.1	510.6	(14.4)
Other assets	355.3	346.2	(9.0)
Total assets	1,959.0	1,999.9	40.8
Accounts payable	207.0	279.0	71.9
Interest-bearing debt [b] <Excl. that of consolidated retail finance subsidiaries>	586.3 <351.1>	541.0 <291.5>	(45.3) <(59.6)>
Other liabilities	288.8	280.9	(7.9)
Total liabilities	1,082.2	1,100.9	18.6
[Shareholders' equity ratio] Komatsu Ltd. shareholders' equity	[42.6%] 833.9	[42.7%] 853.5	[0.1 pts] 19.5
Noncontrolling interests	42.8	45.4	2.6
Liabilities & Equity	1,959.0	1,999.9	40.8
Interest-bearing debt, net [b-a]	0.60 502.8	0.53 456.0	(46.7)
Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries	0.36	0.27	

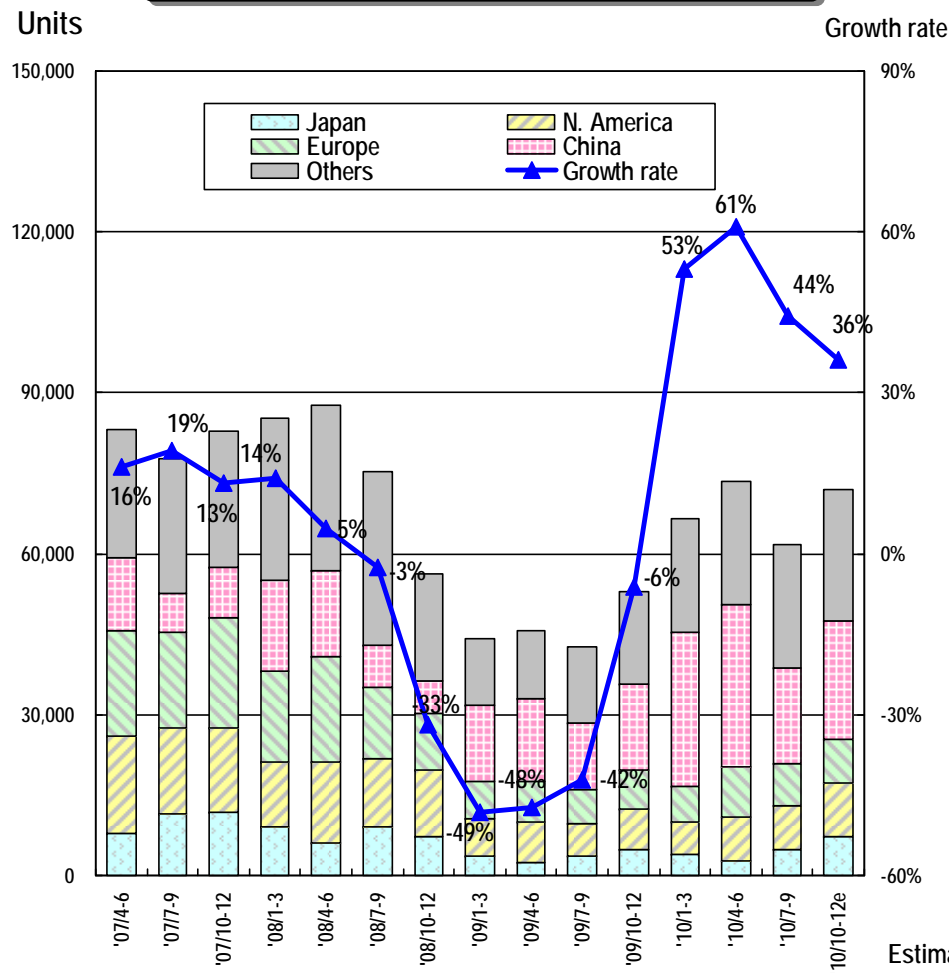
3. Market Environment and Outlook for FY2010 ending March 31, 2011

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

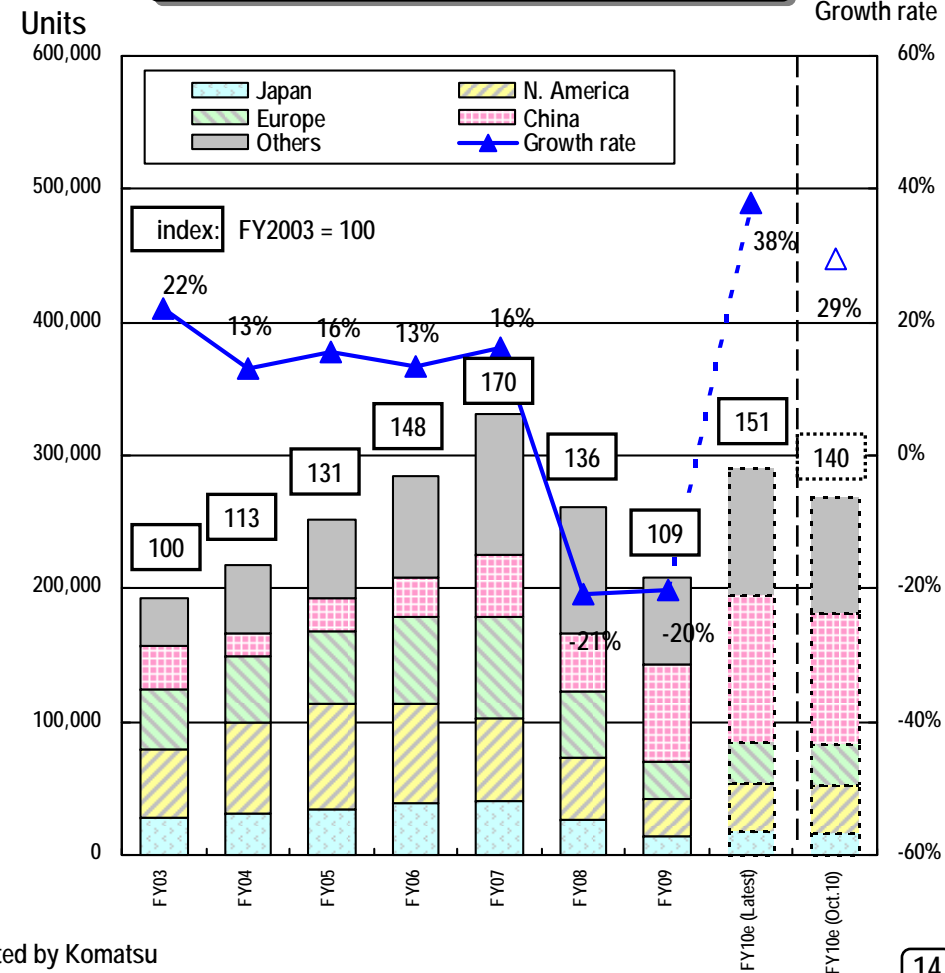
[Results] With respect to demand (estimated) in the third quarter, China continued to generate strong demand. Demand in other Strategic Markets and Traditional Markets was also strong, increasing by 36% from the previous third quarter a year ago. (Demand in the nine-month period advanced by 47% from the corresponding period a year ago.)

[Projection] Fiscal 2010 full-year demand should increase to 38% from fiscal 2009, supported especially by China's record-high demand expected in the fourth quarter and the steady growth of demand anticipated in other Strategic Markets and Traditional Markets.

Quarterly demand for 7 major products



Annual demand for 7 major products



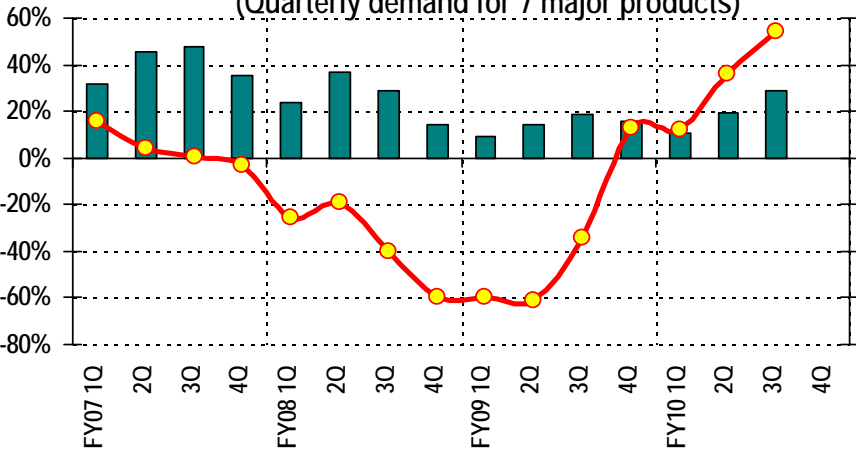
Estimated by Komatsu

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

Japan

Apr-Jun, 2010: up 12% year-on-year
 Jul-Sep, 2010: up 36% year-on-year
 Oct-Dec, 2010: up 55% year-on-year

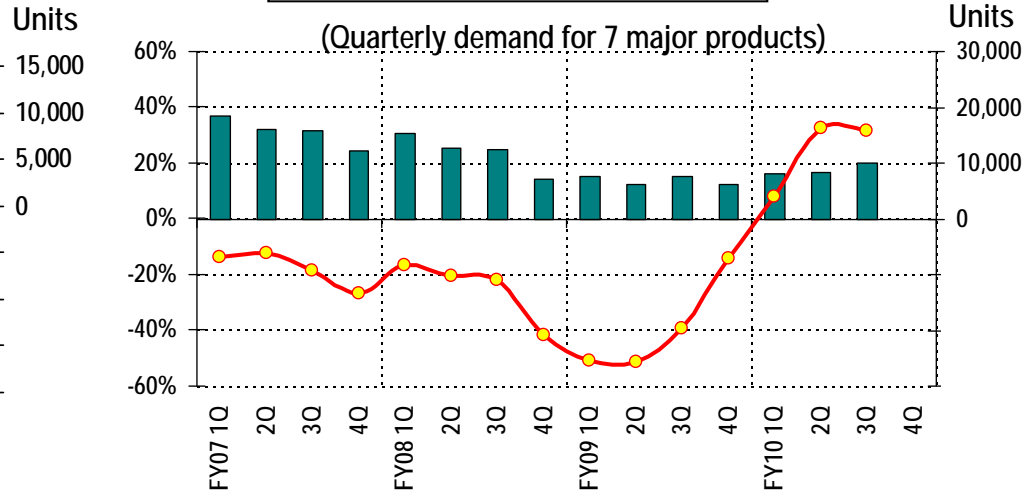
(Quarterly demand for 7 major products)



North America

Apr-Jun, 2010: up 8% year-on-year
 Jul-Sep, 2010: up 32% year-on-year
 Oct-Dec, 2010: up 32% year-on-year

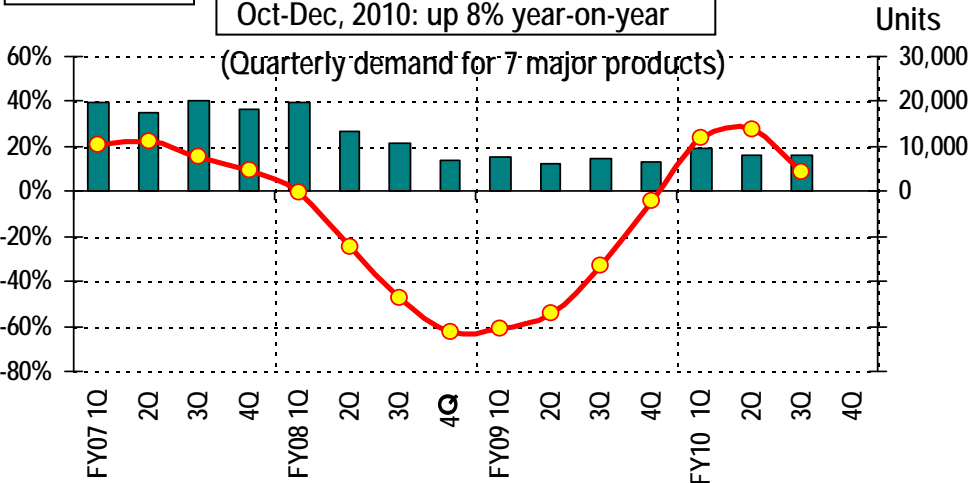
(Quarterly demand for 7 major products)



Europe

Apr-Jun, 2010: up 23% year-on-year
 Jul-Sep, 2010: up 27% year-on-year
 Oct-Dec, 2010: up 8% year-on-year

(Quarterly demand for 7 major products)

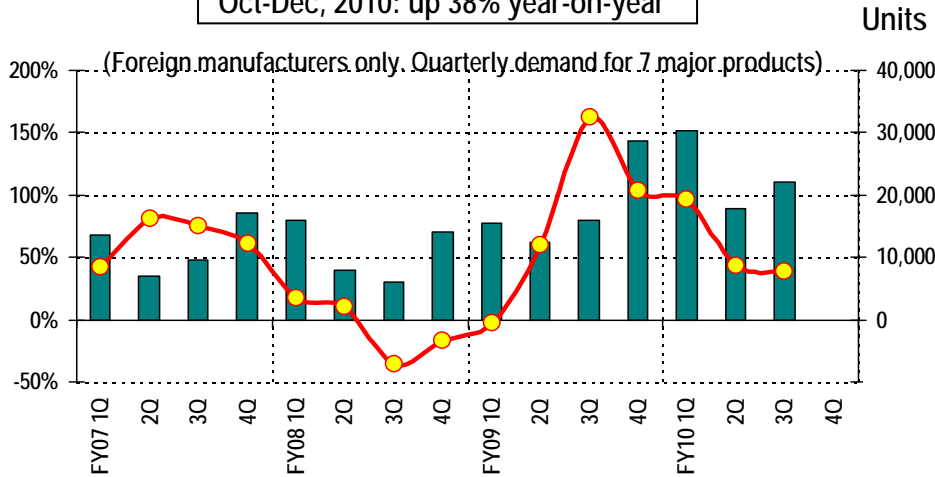


* Estimated by Komatsu

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

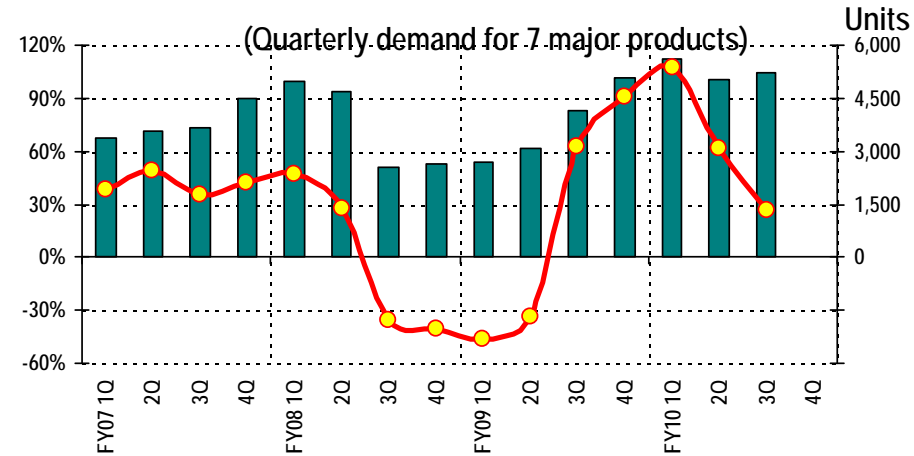
China

Apr-Jun, 2010: up 97% year-on-year
 Jul-Sep, 2010: up 43% year-on-year
 Oct-Dec, 2010: up 38% year-on-year



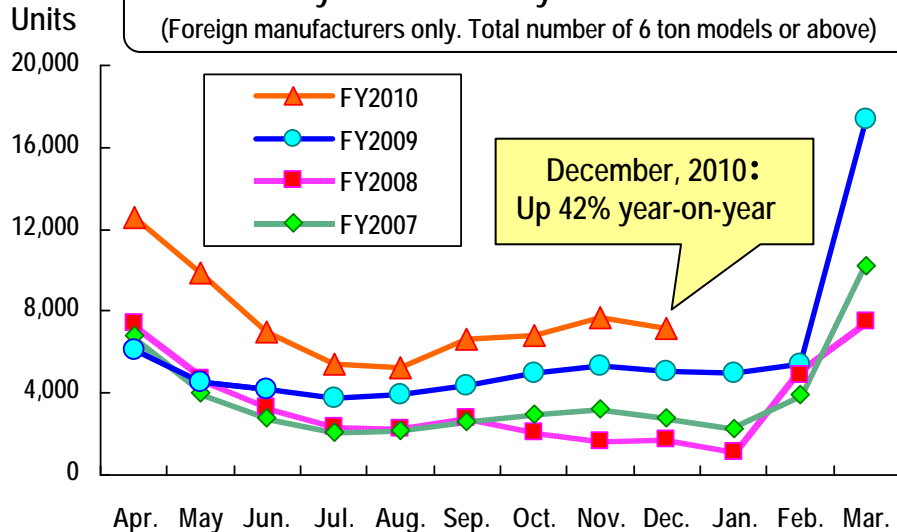
Southeast Asia

Apr-Jun, 2010: up 108% year-on-year
 Jul-Sep, 2010: up 62% year-on-year
 Oct-Dec, 2010: up 26% year-on-year



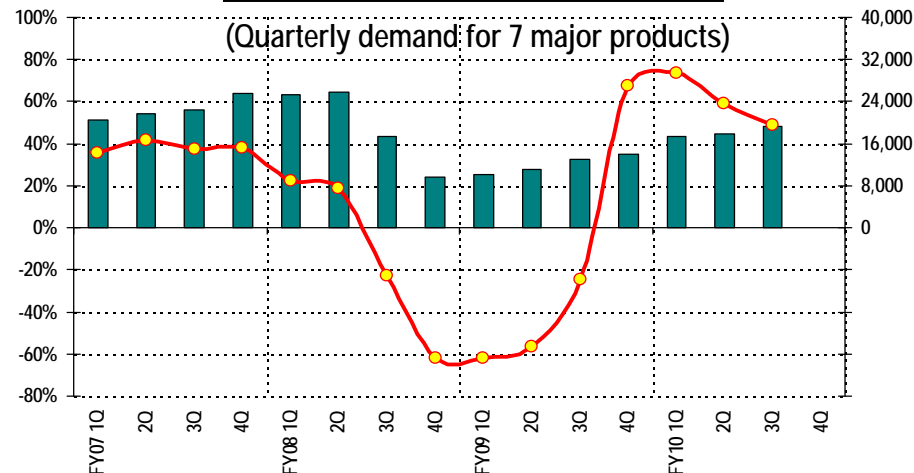
Monthly demand for hydraulic excavators

(Foreign manufacturers only. Total number of 6 ton models or above)



Others

Apr-Jun, 2010: up 73% year-on-year
 Jul-Sep, 2010: up 59% year-on-year
 Oct-Dec, 2010: up 49% year-on-year

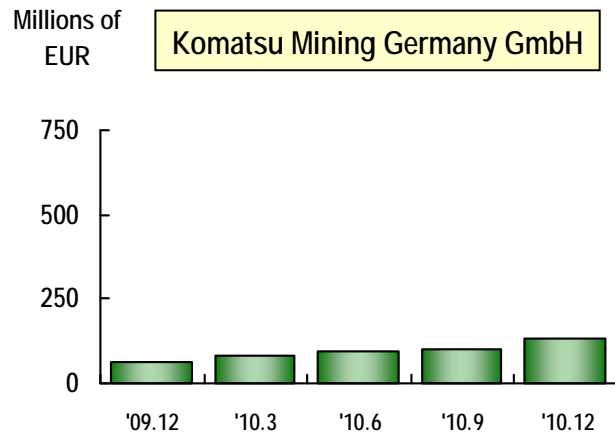
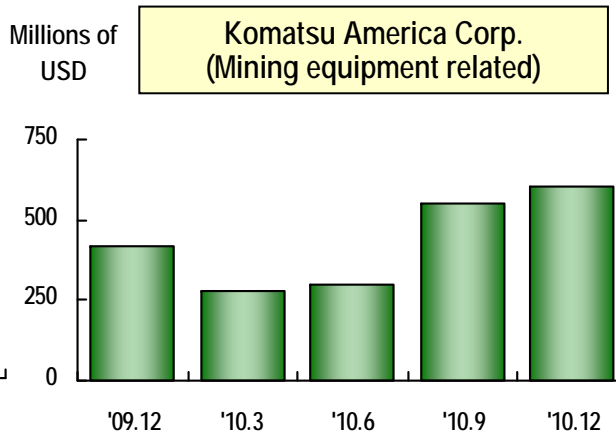
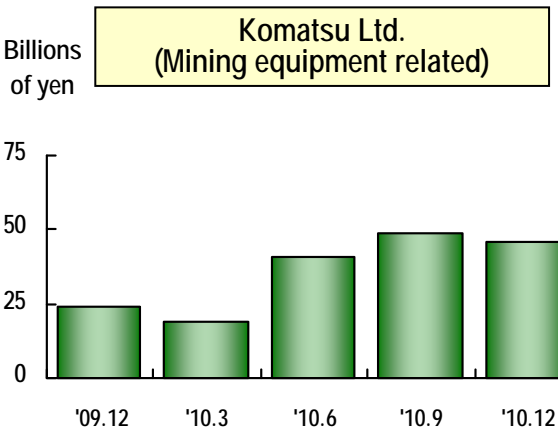


Order Backlog for Mining Equipment and Industrial Machinery

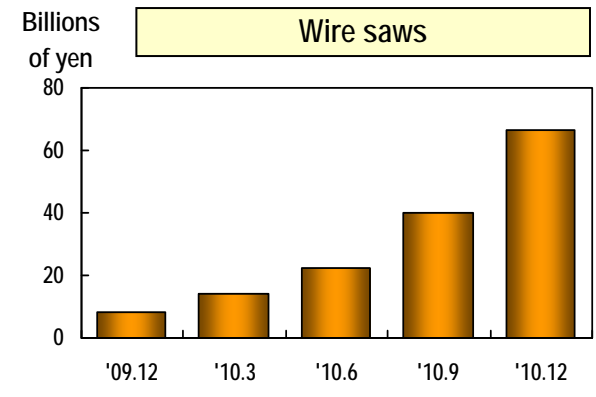
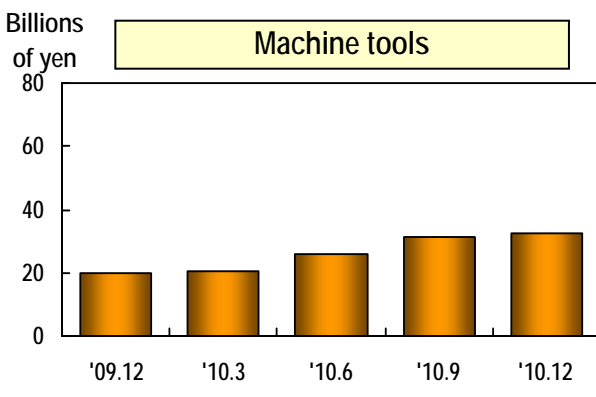
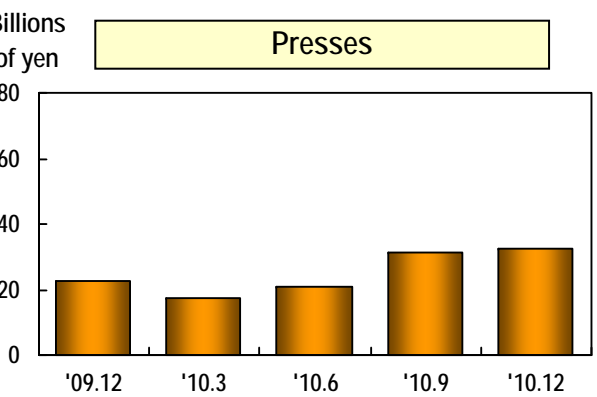
- Order backlogs for both mining equipment and industrial machinery have grown steadily.
- Order backlog for wire saws has surpassed 60 billion yen.

Order backlog for mining equipment

* Finished products excluding parts and service



Order backlog for industrial machinery



Revised Projection for FY2010 ending March 31, 2011

- Revising our projection of October 2010 upward in light of good market conditions.
- Projecting net sales of 1,815 billion yen, operating income of 230 billion yen and operating income ratio of 12.7% for fiscal 2010.

% : Profit ratio

Billions of yen

	FY2009 Results (A)		FY2010 Projection (As of Oct. 28, 2010) (B)		FY2010 Projection (As of Jan. 27, 2011) (C)		Increase (decrease) (C-B)		Increase (decrease) (C-A)	
	1USD = 93 yen 1 EUR = 131 yen 1 RMB = 13.6 yen		1USD = 85 yen 1 EUR = 114 yen 1 RMB = 12.6 yen		1USD = 85 yen 1 EUR = 113 yen 1 RMB = 12.7 yen					
Net sales	1,431.5		1,760.0		1,815.0		55.0	3.1%	383.4	26.8%
Construction, Mining & Utility Equipment	1,271.2		1,545.0		1,595.0		50.0	3.2%	323.7	25.5%
Industrial Machinery & Others	178.6		230.0		235.0		5.0	2.2%	56.3	31.6%
Elimination	(18.3)		(15.0)		(15.0)		0.0	-	3.3	-
Segment profit	5.6%	80.7	11.7%	206.0	13.1%	238.0	32.0	15.5%	157.2	194.9%
Construction, Mining & Utility Equipment	6.5%	83.0	12.6%	195.0	14.1%	225.0	30.0	15.4%	141.9	170.9%
Industrial Machinery & Others	1.7%	2.9	7.8%	18.0	8.5%	20.0	2.0	11.1%	17.0	567.1%
Corporate & elimination	(5.3)		(7.0)		(7.0)		0.0	-	1.6	-
Other operating income (expenses)	*1 (13.6)		*2 (6.0)		*2 (8.0)		(2.0)	-	5.6	-
Operating income	4.7%	67.0	11.4%	200.0	12.7%	230.0	30.0	15.0%	162.9	243.1%
Other income (expenses)	(2.0)		(8.0)		(5.0)		3.0	-	(2.9)	-
Income before income taxes	64.9		192.0		225.0		33.0	17.2%	160.0	246.3%
Net income *3	33.5		120.0		140.0		20.0	16.7%	106.4	317.2%

*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 (ASC) 810.

Construction, Mining & Utility Equipment: Sales Projections for FY2010 by Region (To Outside Customers)

- Revising projected sales upward in China, Japan, North America & Latin America.
- Projecting sales of the Construction, Mining & Utility Equipment business to total 1,591 billion yen for fiscal 2010, up 25% from fiscal 2009.

Billions of yen

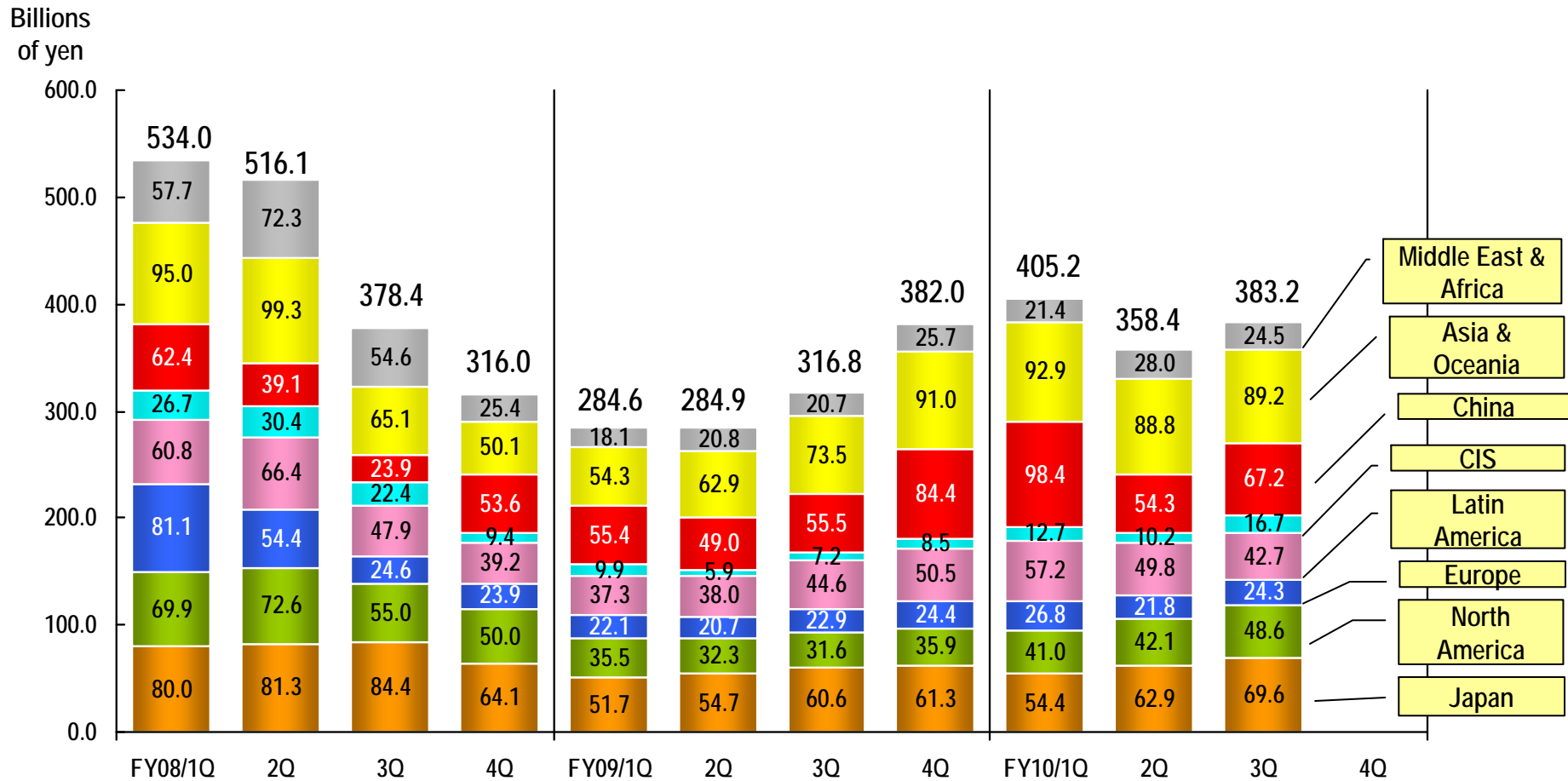
		FY2009 Results		FY2010 Projection (As of Oct., 2010)		Change %
		(A)	%	(B)	%	
Traditional Markets	Japan	228.5	18%	240.0	15%	5.0%
	North America	135.5	11%	165.0	11%	21.7%
	Europe	90.2	7%	95.0	6%	5.2%
Strategic Markets	Latin America	170.5	13%	195.0	13%	14.3%
	CIS	31.7	3%	55.0	4%	73.3%
	China	244.5	19%	310.0	20%	26.8%
	Asia & Oceania	281.8	22%	375.0	24%	33.0%
	Middle East & Africa	85.5	7%	106.0	7%	23.9%
Total		1,268.5	100%	1,541.0	100%	21.5%



FY2010 Projection (As of Jan., 2011)		Increase/ decrease (C - B)	Increase/ decrease (C - A)
(C)	%	Change %	Change %
245.0	15%	5.0 2.1%	16.4 7.2%
175.0	11%	10.0 6.1%	39.4 29.1%
95.0	6%	0.0 0.0%	4.7 5.2%
200.0	13%	5.0 2.6%	29.4 17.2%
55.0	3%	0.0 0.0%	23.2 73.3%
340.0	21%	30.0 9.7%	95.4 39.1%
375.0	24%	0.0 0.0%	93.1 33.0%
106.0	7%	0.0 0.0%	20.4 23.9%
1,591.0	100%	50.0 3.2%	322.4 25.4%

<Appendix>

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



Exchange rates

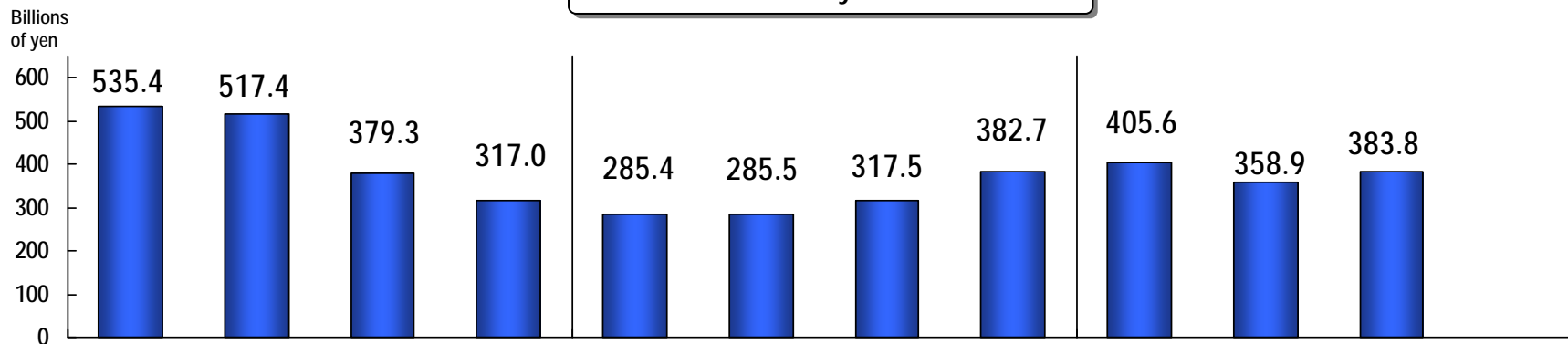
	08/1Q	08/2Q	08/3Q	08/4Q
1USD	105 yen	107 yen	95 yen	95 yen
1EUR	165 yen	159 yen	126 yen	123 yen
1RMB	15.2 yen	15.7 yen	13.9 yen	13.9 yen

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

	10/1Q	10/2Q	10/3Q	10/4Q
	91 yen	85 yen	82 yen	
	115 yen	111 yen	110 yen	
	13.4 yen	12.6 yen	12.4 yen	

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

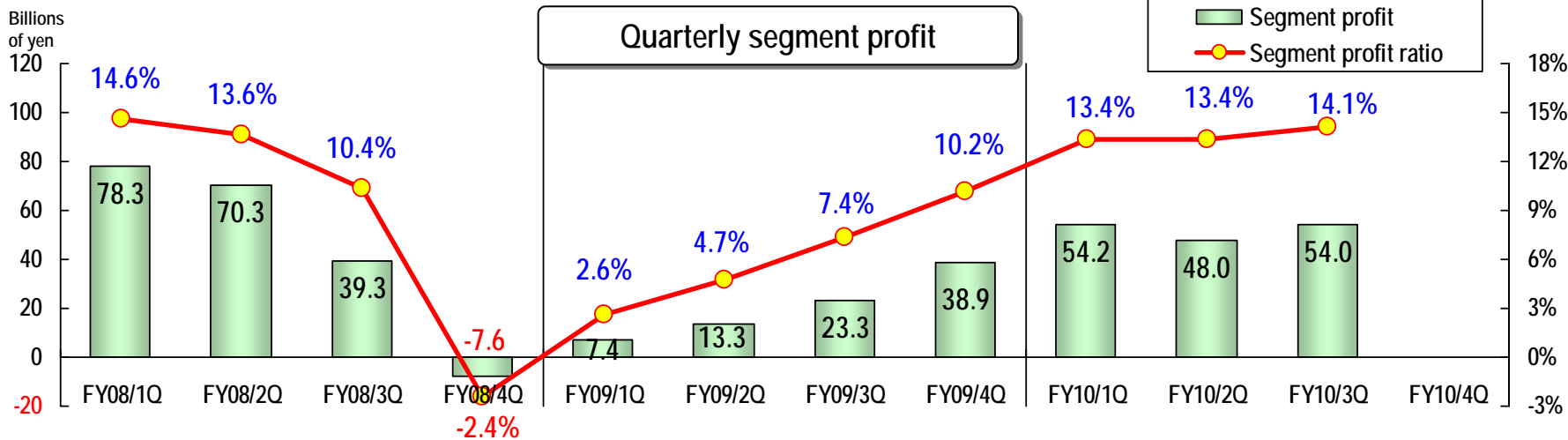
Quarterly sales



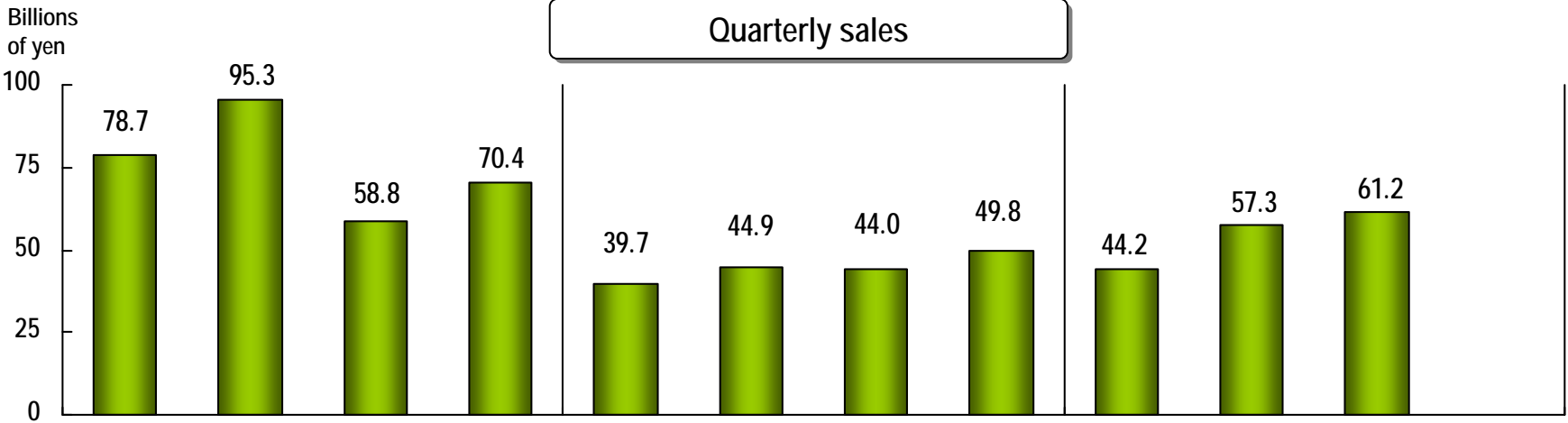
Exchange rates

	FY08/1Q				FY09/1Q				FY10/1Q			
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	105 yen	107 yen	95 yen	95 yen	97 yen	93 yen	90 yen	91 yen	91 yen	85 yen	82 yen	
1EUR	165 yen	159 yen	126 yen	123 yen	133 yen	133 yen	133 yen	124 yen	115 yen	111 yen	110 yen	
1RMB	15.2 yen	15.7 yen	13.9 yen	13.9 yen	14.2 yen	13.6 yen	13.2 yen	13.3 yen	13.4 yen	12.6 yen	12.4 yen	

Quarterly segment profit

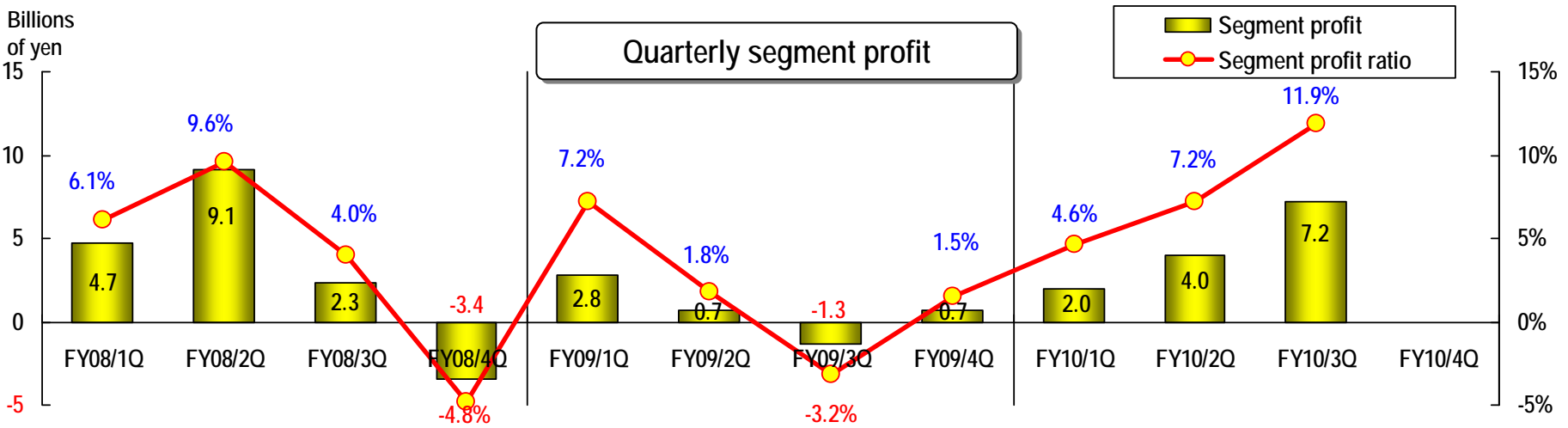


Industrial Machinery & Others : Quarterly Sales and Segment Profit



Exchange rates

	FY08				FY09				FY10			
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q
1USD	105 yen	107 yen	95 yen	95 yen	97 yen	93 yen	90 yen	91 yen	91 yen	85 yen	82 yen	-
1EUR	165 yen	159 yen	126 yen	123 yen	133 yen	133 yen	133 yen	124 yen	115 yen	111 yen	110 yen	-
1RMB	15.2 yen	15.7 yen	13.9 yen	13.9 yen	14.2 yen	13.6 yen	13.2 yen	13.3 yen	13.4 yen	12.6 yen	12.4 yen	-



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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.

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Hybrid hydraulic excavator "HB205" introduced in Japan on December 2010

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