

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

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# 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.

(3)

Net sales for the third quarter period (from October 1 to December 31, 2010) totaled 442.2 billion yen, an increase of 23.5% from the corresponding period a year ago, or 7.2% from the second quarter (from July 1 to September 30, 2010).

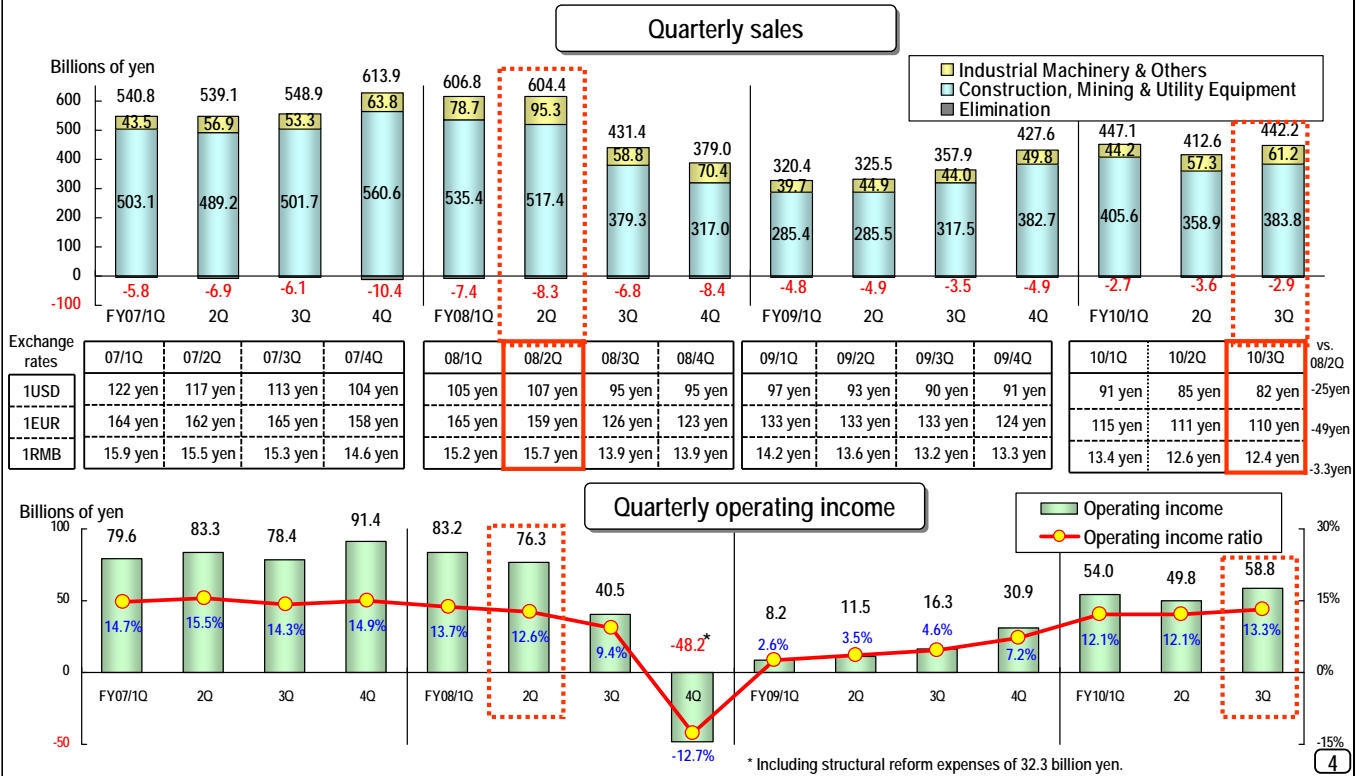
Our third-quarter sales in the construction, mining and utility equipment business advanced by 20.9% from the corresponding period a year ago, or 6.9% from the second quarter, to 383.8 billion yen. Sales in the industrial machinery and others business advanced by 39.1% from the corresponding period a year ago, or 6.9% from the second quarter, to 61.2 billion yen. In the industrial machinery and others business, sales of wire saws to the solar cell industry expanded sharply and contributed to the sales growth of this business segment.

Operating income for the third quarter climbed 3.6 times over the corresponding period a year ago, to 58.8 billion yen. Operating income ratio improved to 13.3%, an increase of 8.7 percentage points from the corresponding period a year ago, or 1.2 percentage points from the second quarter, respectively.

Third-quarter segment profit in the construction, mining and utility equipment business increased 2.3 times from the corresponding period a year ago, to 54.0 billion yen. Segment profit ratio of this business segment also improved to 14.1%, an increase of 6.7 percentage points from the corresponding period a year ago. Third-quarter segment profit in the industrial machinery and others business improved to 7.2 billion yen from a loss for the previous third quarter and segment profit ratio also improved substantially to 11.9%.

**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.



Although the Japanese yen appreciated considerably against the US dollar, Euro and Renminbi in the third quarter under review compared to the second quarter of fiscal 2008 before the Lehman Shock, we achieved an operating income ratio of 13.3% for the third quarter, well recovering the level of 12.6% recorded for the second quarter of fiscal 2008.

**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%

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Sales of construction, mining and utility equipment to outside customers for the third quarter advanced to 383.2 billion yen, an increase of 21.0% from the corresponding period a year ago.

Sales steadily improved in Traditional Markets in addition to Strategic Markets. Recovery of sales was particularly strong in North America with an increase of 53.8% from the corresponding period a year ago.

With respect to Strategic Markets, sales in China, Asia and Oceania were particularly strong.

Sales in Latin America declined from the previous third quarter due to the considerable effect of the Japanese yen's appreciation. However, when this effect is removed, sales would increase.

## 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	<span style="border: 1px solid black; padding: 2px;">4.2%</span> 42.2	<span style="border: 1px solid black; padding: 2px;">12.7%</span> 165.0	122.8	291.1%
Construction, Mining & Utility Equipment	<span style="border: 1px solid black; padding: 2px;">5.0%</span> 44.1	<span style="border: 1px solid black; padding: 2px;">13.6%</span> 156.3	112.2	254.4%
Industrial Machinery & Others	<span style="border: 1px solid black; padding: 2px;">1.8%</span> 2.2	<span style="border: 1px solid black; padding: 2px;">8.2%</span> 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	<span style="border: 1px solid black; padding: 2px;">3.6%</span> 36.0	<span style="border: 1px solid black; padding: 2px;">12.5%</span> 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.

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For the nine-month period (from April 1 to December 31, 2010), net sales advanced by 29.7% from the corresponding period a year ago, to 1,301.9 billion yen. Similarly, sales in the construction, mining and utility equipment business expanded by 29.3%, to 1,148.5 billion yen, and those in the industrial machinery and others business expanded by 26.5%, to 162.7 billion yen.

Operating income climbed 4.5 times from the corresponding period a year ago, to 162.7 billion yen. Operating income ratio improved by 8.9 percentage points from the corresponding period a year ago, to 12.5%.

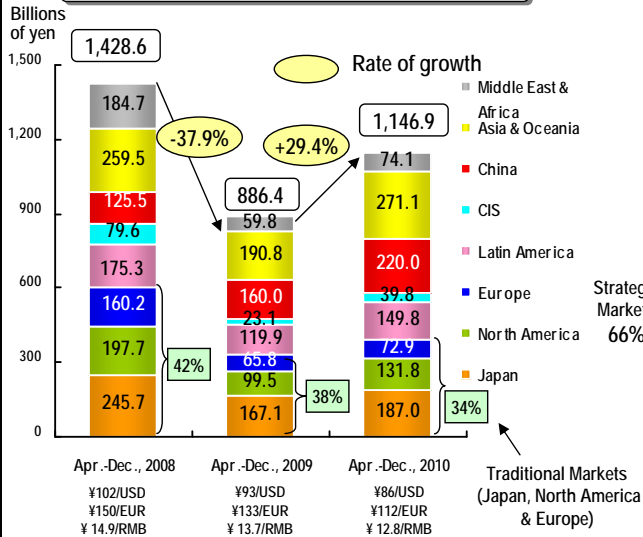
Segment profit of the construction, mining and utility equipment business increased to 156.3 billion yen, 3.5 times from the corresponding period a year ago, and segment profit ratio was 13.6%. Segment profit of the industrial machinery and others business also increased to 13.4 billion yen, or 5.9 times from the corresponding period a year ago, and segment profit ratio was 8.2%. Segment profit ratio improved substantially both in these two segments.

Net income attributable to Komatsu Ltd. totaled 100.6 billion yen, 5.5 times from the corresponding period a year ago. ROE on a full-year basis should come around 16%, steadily getting closer to the 20% target of our mid-range management plan.

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

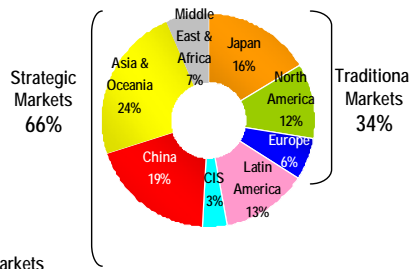
- Nine-month sales increased by 29.4% from the corresponding period a year ago, and sales in Strategic Markets grew further to account for 66% of total sales.
- In spite of the Japanese yen's appreciation, segment profit ratio surpassed the fiscal 2008 level.

Sales by region (to outside customers)

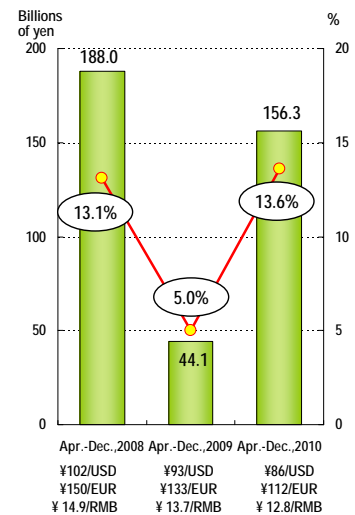


Breakdown

Apr.-Dec., 2010



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%

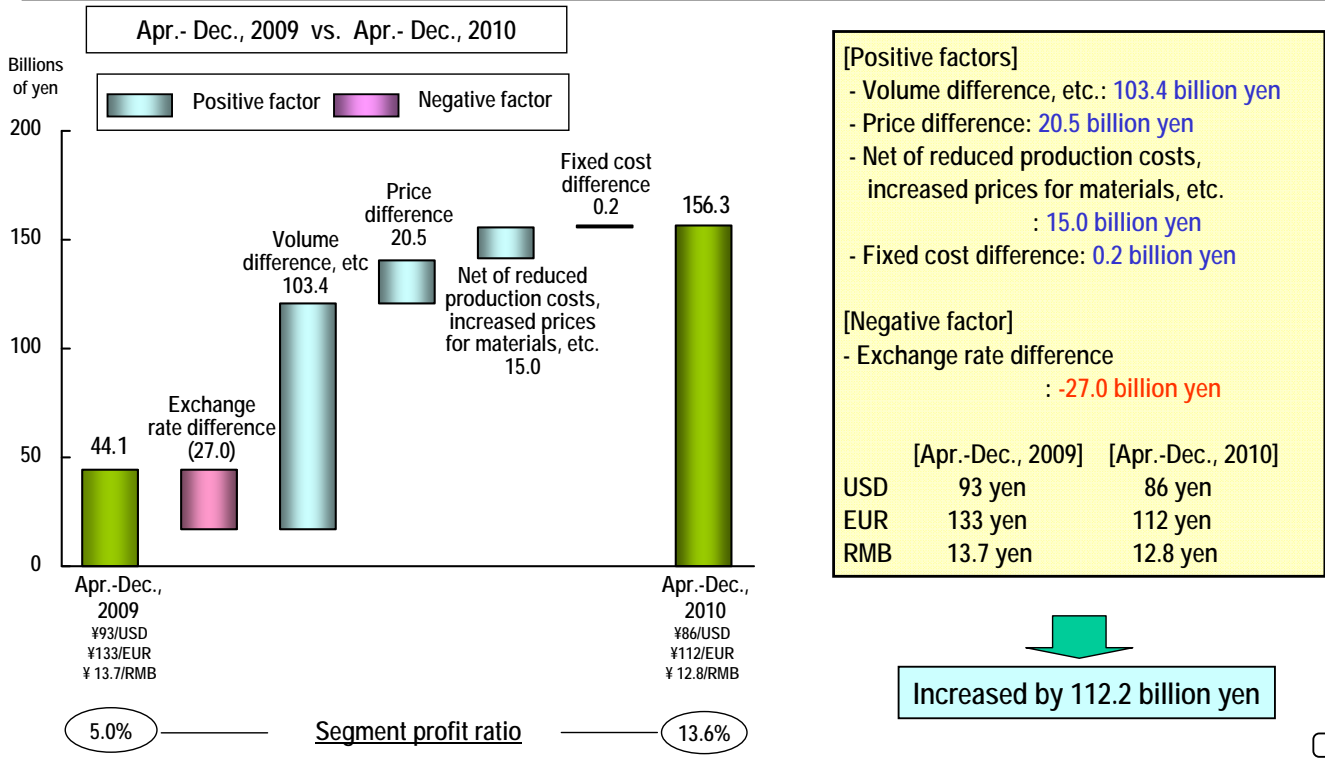
For the nine-month period, sales of construction, mining and utility equipment to outside customers reached 1,146.9 billion yen, up 29.4% from the corresponding period a year ago.

Sales improved in all regions from the previous nine-month period a year ago. In particular, sales expanded substantially in China, Asia & Oceania. As a result, the percentage of the Strategic Markets accounted for 66% of total sales, up 4.0 percentage points from the corresponding period a year ago.

Segment profit ratio recovered to 13.6%, surpassing 13.1% for the nine-month period of fiscal 2008.

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

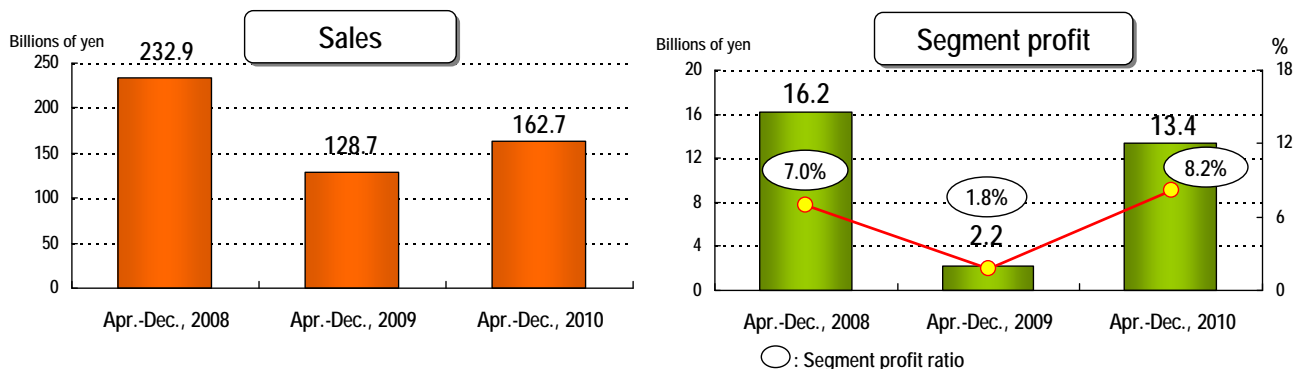
- The eroded segment profit, due to the Japanese yen's appreciation, was covered by increased selling prices and reduced production costs.
- Segment profit increased by 112.2 billion yen for the nine months, reflecting a substantially expanded volume of sales as well.



As a negative factor in the segment profit of the construction, mining and utility equipment business for the nine-month period, the Japanese currency appreciated considerably against the US dollar, Euro and Renminbi from the corresponding period a year ago, adversely affecting the segment profit by 27.0 billion yen. However, this was well covered by the positive factors of the sales volume increase (volume difference, etc.: up 103.4 billion yen), increased selling prices (price difference: up 20.5 billion yen) and the reduced production costs (net of reduced production costs, increased prices for materials. etc.: up 15.0 billion yen), which resulted in a substantial increase of 112.2 billion yen in segment profit.

**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.



**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
<b>Total</b>	<b>128.7</b>	<b>162.7</b>	<b>34.0</b>

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For the nine-month period, 2010 to both sales and segment profit in the industrial machinery and others business increased from the corresponding period a year ago. In particular, expanded sales of Komatsu NTC's wire saw business contributed to the growth in sales and segment profit.

Segment profit ratio surpassed 7.0% for the nine-month period from April 1 to September 30, 2008, to 8.2%.

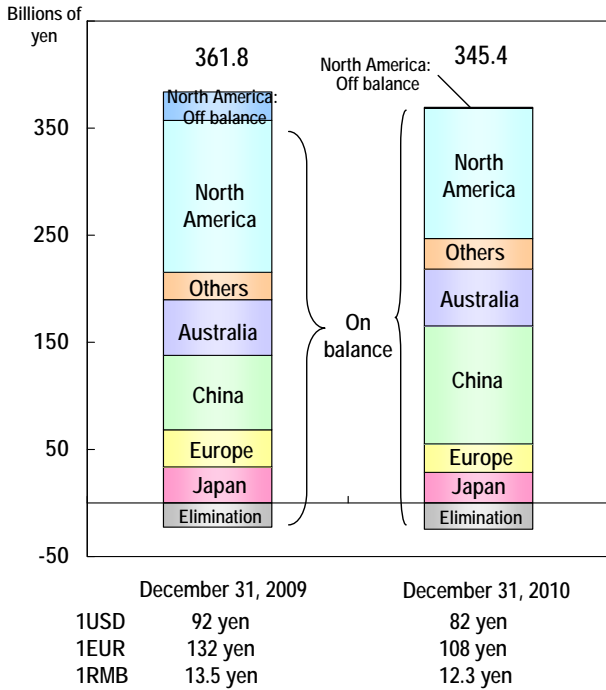
Although sales of the press and sheet metal machine business decreased from the corresponding period a year ago, orders received has been steadily increasing. This increase is expected to contribute to the sales recovery in the next fiscal year or after.

**Retail Finance Business**

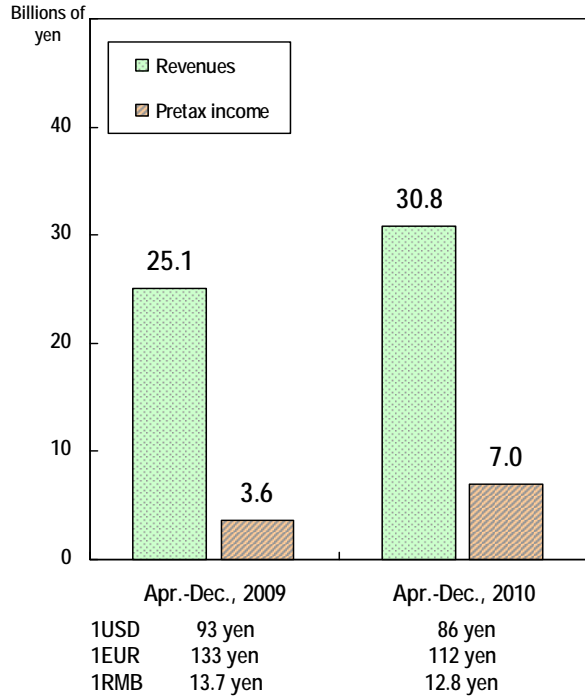
- Assets expanded in Strategic Markets (esp. China). Both revenues and pretax income headed for growth.

Consolidated retail finance subsidiaries (internal-use data)

1. Assets



2. Revenues



Assets of our retail finance business totaled 345.4 billion yen at December 31, 2010, a decline of 16.4 billion yen from December 31, 2009 according to our internal-use data.

In North America, assets declined, reflecting a collection of receivables. By comparison, assets expanded substantially in China, reaching over 110.0 billion yen.

For the nine-month, both revenues and pretax income increased from the corresponding period a year ago, to 30.8 billion yen and 7.0 billion yen, respectively.

**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)
<b>Total assets</b>	<b>1,959.0</b>	<b>1,999.9</b>	<b>40.8</b>
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)
<b>Total liabilities</b>	<b>1,082.2</b>	<b>1,100.9</b>	<b>18.6</b>
[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
<b>Liabilities &amp; Equity</b>	<b>1,959.0</b>	<b>1,999.9</b>	<b>40.8</b>
<b>Interest-bearing debt, net [b-a]</b>	○ 0.60	○ 0.53	(46.7)
<b>Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries</b>	○ 0.36	○ 0.27	

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At December 31, 2010, total assets amounted to 1,999.9 billion yen, an increase of 40.8 billion yen from March 31, 2010. Inventories increased by 61.6 billion yen, as we increased the stock on hand for high-demand seasons in China.

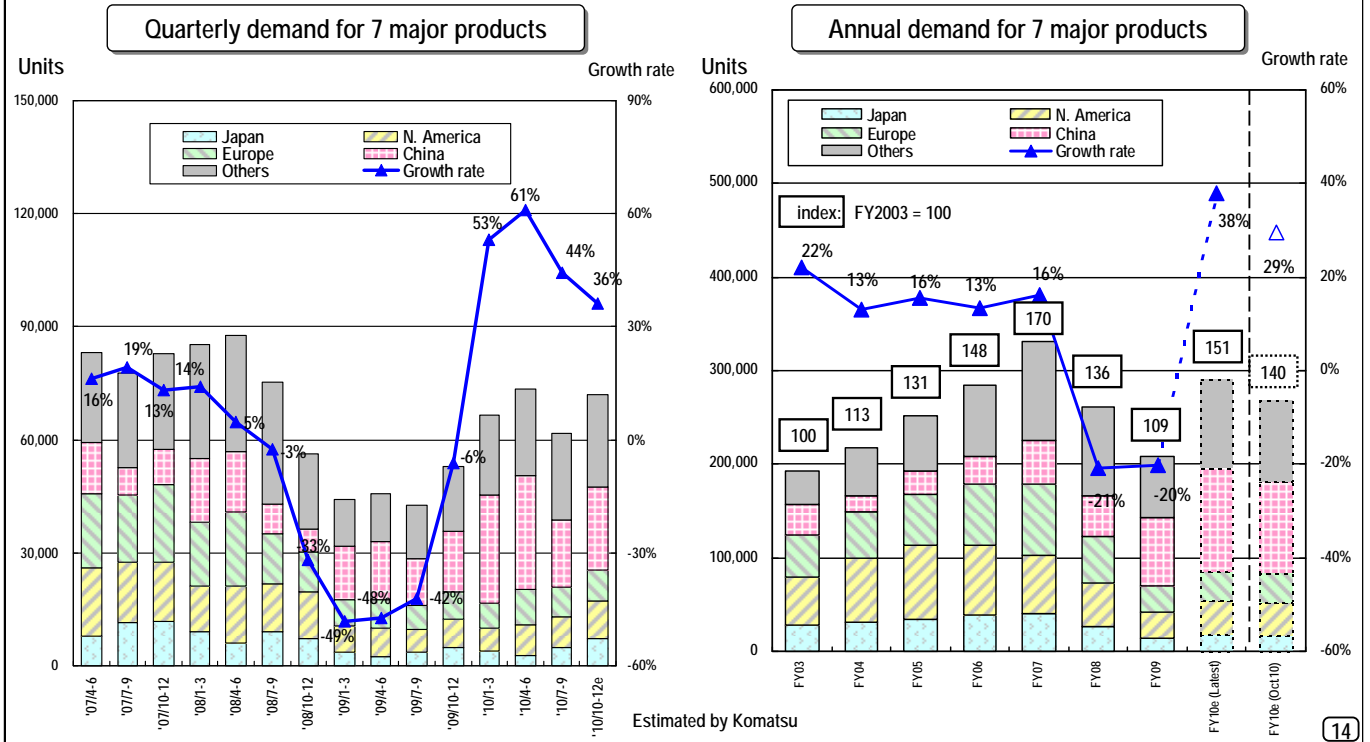
Interest-bearing debt declined by 45.3 billion yen to 541.0 billion yen. Net debt-to-equity ratio improved to 0.53, and if retail finance companies are excluded it would improve to 0.27, steadily getting closer to the targets of 0.4 and 0.2 of our mid-range management plan, respectively.

### 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.



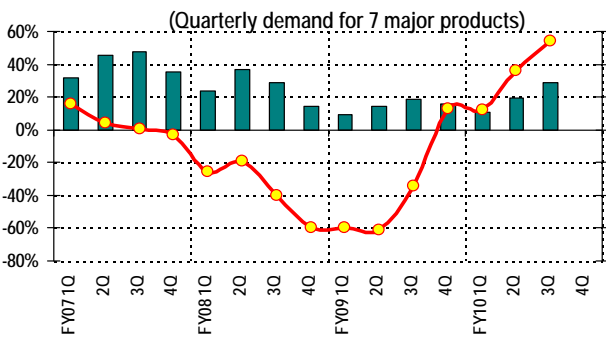
Projected global demand for the seven major products of construction, mining and utility equipment expanded by 36% in the third quarter of fiscal 2010 from the previous third quarter a year ago, reflecting strong demand in China and steady growth in other Strategic Markets and Traditional Markets.

While we projected full-year demand for fiscal 2010 would increase by 29% when we disclosed business results for the second quarter for fiscal 2010 in October 2010, we have revised our projection upward to 38% by reflecting mainly strong demand in China.

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

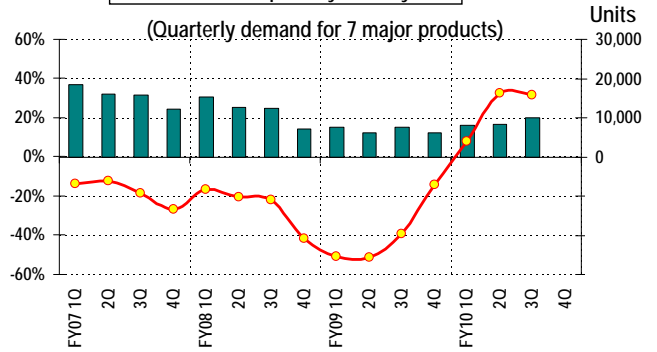
**Japan**

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



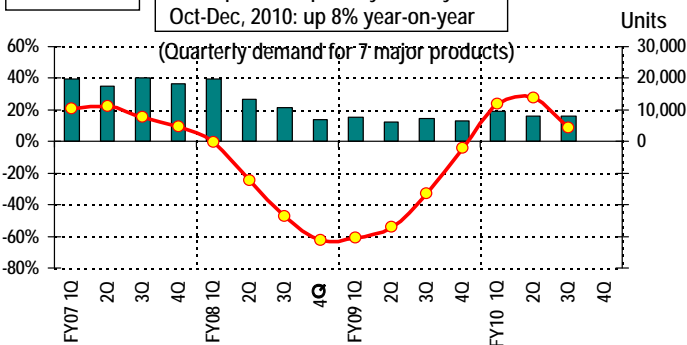
**North America**

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



**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



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

\* Estimated by Komatsu

In Japan, third-quarter demand of fiscal 2010 increased by 55% from the previous third quarter a year ago, supported by steady demand from rental companies. The number of units recovered almost to the level of the third quarter of fiscal 2008.

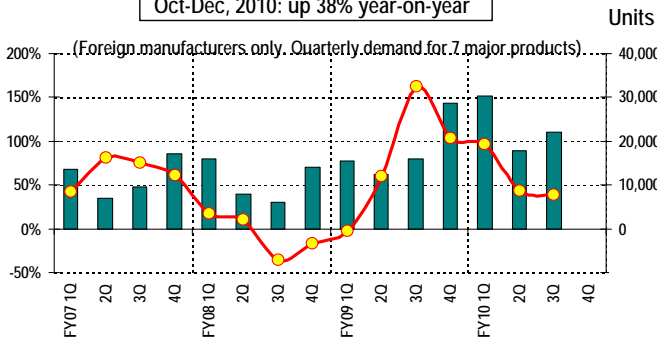
In North America, third-quarter demand increased by 32% from the previous third quarter a year ago, supported by firm demand from rental companies and the mining industries. Although North American demand has not recovered to pre-Lehman Shock levels, it is recovering firmly.

In Europe, the recovery of demand was not as brisk as that in Japan and North America; nevertheless, third-quarter demand increased by 8% from the previous third quarter a year ago.

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

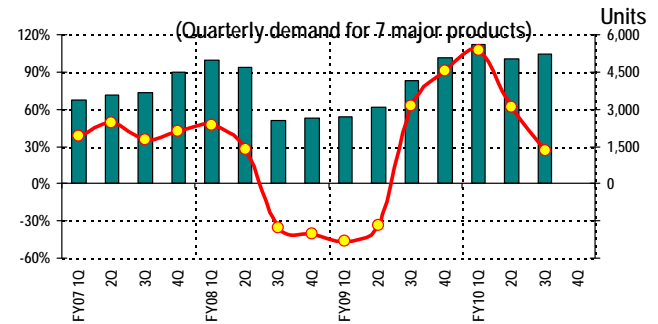
**China**

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



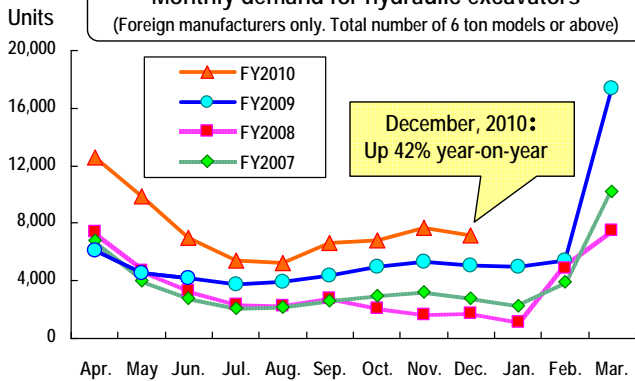
**Southeast Asia**

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



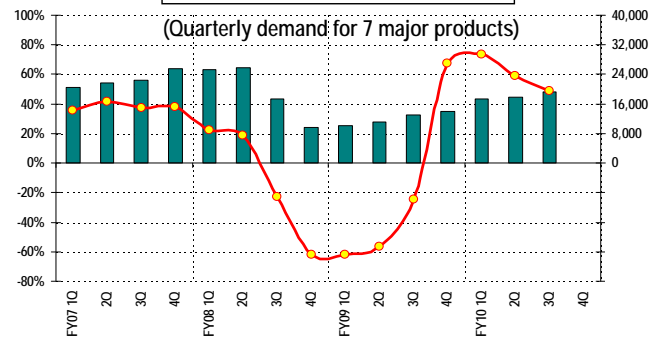
**Monthly demand for hydraulic excavators**

(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



\* Estimated by Komatsu

In China, third-quarter demand (the number of units made by foreign makers, excluded Chinese makers) advanced by 38% from the previous third quarter a year ago. Although we anticipated that demand would increase by about 15%, when we disclosed our second-quarter results in October 2010, demand turned out to be stronger than we had estimated.

In Southeast Asia, third-quarter demand increased by 26% from the previous third quarter a year ago. Starting in the third quarter of fiscal 2009, quarterly demand upturned for growth, year on year, and has surpassed pre-Lehman Shock levels.

Third-quarter demand in other regions, that is, the combined demand in the Strategic Markets other than China and Southeast Asia, also remained strong, especially in Latin America, and expanded by 49% from the previous third quarter a year ago.

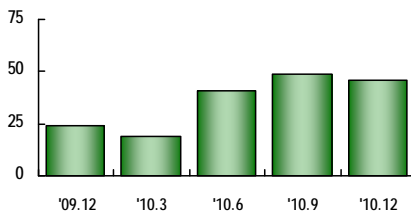
## Order Backlog for Mining Equipment and Industrial Machinery

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

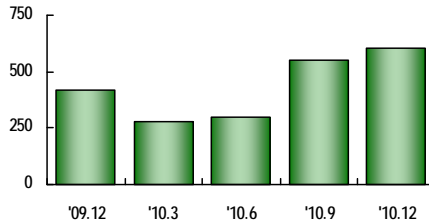
### Order backlog for mining equipment

\* Finished products excluding parts and service

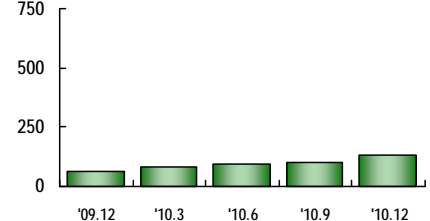
Billions of yen  
**Komatsu Ltd. (Mining equipment related)**



Millions of USD  
**Komatsu America Corp. (Mining equipment related)**

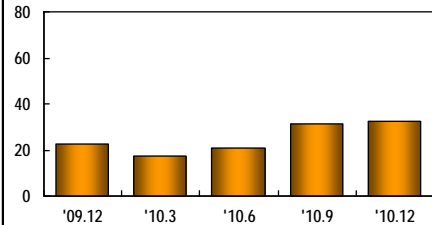


Millions of EUR  
**Komatsu Mining Germany GmbH**

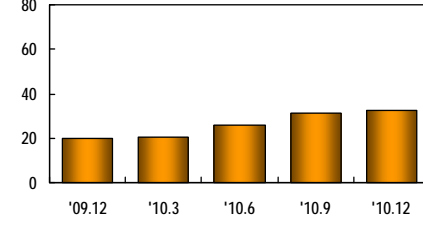


### Order backlog for industrial machinery

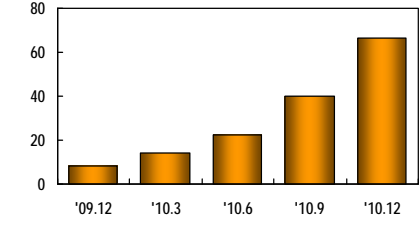
Billions of yen  
**Presses**



Billions of yen  
**Machine tools**



Billions of yen  
**Wire saws**



Order backlogs for mining equipment remained at high levels, that is, backlog orders mainly for large dump trucks at our Japanese plants, super-large dump trucks at Komatsu America, and super-large hydraulic excavators at Komatsu Mining Germany.

In the industrial machinery and others business, backlog orders for wire saws has been growing rapidly, surpassing 60.0 billion yen as of December 2010. Backlog orders for presses and machine tools have also been increasing steadily.

## 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.

	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)	
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.

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By reflecting our business results up through the third quarter and good market conditions, we have revised upward our projection of October 2010 for business results for fiscal 2010 ending March 31, 2011.

For net sales, we increased by 55.0 billion yen from our projection of October 2010, to 1,815.0 billion yen, for operating income, by 30.0 billion yen to 230.0 billion yen, and for net income by 20.0 billion yen to 140.0 billion yen. We are also expecting that our operating income ratio will improve to 12.7% from our earlier projection of 11.4%.

Of the revised amount of 55.0 billion yen for net sales, we are anticipating 50.0 billion yen in the construction, mining and utility equipment business and 5.0 billion yen in the industrial machinery and others business.

**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%
<b>Total</b>		<b>1,268.5</b>	<b>100%</b>	<b>1,541.0</b>	<b>100%</b>	<b>21.5%</b>



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%
<b>1,591.0</b>	<b>100%</b>	<b>50.0</b> <b>3.2%</b>	<b>322.4</b> <b>25.4%</b>

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For the sale projection to outside customers in the construction, mining and utility equipment business, we increased by 50.0 billion yen from our projection of October 2010, to 1,591.0 billion yen, up 25.4% from the last fiscal year.

We have revised upward our projected sales in China, Japan, North America and Latin America. We are expecting an addition of 30.0 billion yen in China, 5.0 billion yen each in Japan and Latin America, as well as an addition of 10.0 billion yen in North America.