

**Business Results for Three and Six Months
ended September 30, 2011 and
Tasks and Projection for FY2012 ending March 31, 2012**

October 27, 2011

**Business Coordination Department
Komatsu Ltd.**

1. Business results for Three and Six Months
ended September 30, 2011

Highlights of the First Six-Month Period ended September 30, 2011

1. Sales and Profits: -Sales and profits of both business segments increased from the corresponding period a year ago.
 - Operating income increased by 27.9% and operating profit ratio improved by 1.4 points to 13.5%.

	1 st half, FY2010	1 st half, FY2011	Vs. 1 st half, FY2010
Net sales	859.7 bil yen	985.8 bil yen	+ 14.7 %
Operating income	103.9 bil yen	132.9 bil yen	+ 27.9 %
Operating income ratio	12.1 %	13.5 %	+ 1.4 pts
Net income*	63.7 bil yen	94.6 bil yen	+ 48.5 %
Net D/E ratio (Excl. consolidated retail finance Subsidiaries)	0.52 [0.26]	0.52 [0.24]	No change [improved by 0.02 pts]

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

2. Review of two business segments

Construction, Mining & Utility Equipment:

Demand declined in China but remained strong in other markets and for mining equipment and spare parts. Six month-sales increased by 12.0% from the corresponding period a year ago. Although the Japanese yen appreciated sharply against U.S. dollar, Euro and Renminbi in the first half period under review, segment profit advanced by 17.5% from the corresponding period a year ago, supported by increased volume of sales and selling prices as well as reduced production costs. Segment profit ratio improved to 14.0%.

Industrial Machinery & Others:

Although we received a smaller number of orders for wire saws during the first half period compared to the corresponding period a year ago, we made good progress in the shipments of ordered wire saws on hand. Sales of presses, machine tools and prefabricated structures to shelter the earthquake-stricken people increased. As a result, first six-month sales of this business segment advanced by 34.3% from the corresponding period a year ago. Segment profit also increased 2.5 times.

3. Interim cash dividend: 21 yen (FY2010 interim: 18 yen)

Reference : Sales and profits calculated by USD and EUR

Million USD	1 st half, FY10	1 st half, FY11	% change
Net sales	10,235	12,803	25.1%
Operating income	1,237	1,727	39.6%
Net income	759	1,230	62.1%

Million EUR	1 st half, FY10	1 st half, FY11	% change
Net sales	7,542	9,479	25.7%
Operating income	912	1,278	40.1%
Net income	559	910	62.8%

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

Sales and Profits for Three Months (July - September, 2011)

-We compensated for reduced demand in China by expanding sales in other markets, mining equipment and spare parts and increased both sales and profits.

-We improved profitability of both business segments. Operating income ratio increased to 13.1%.

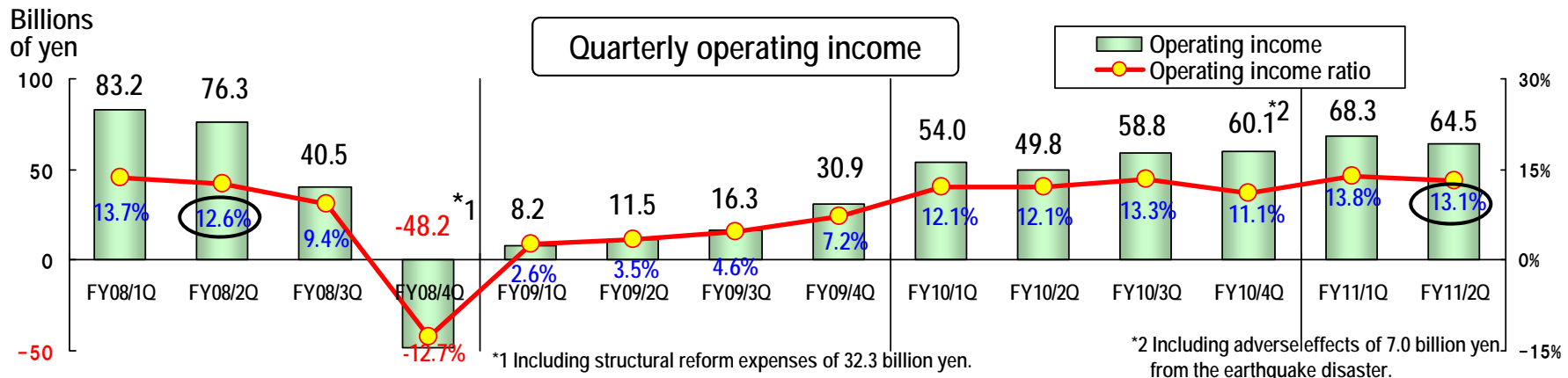
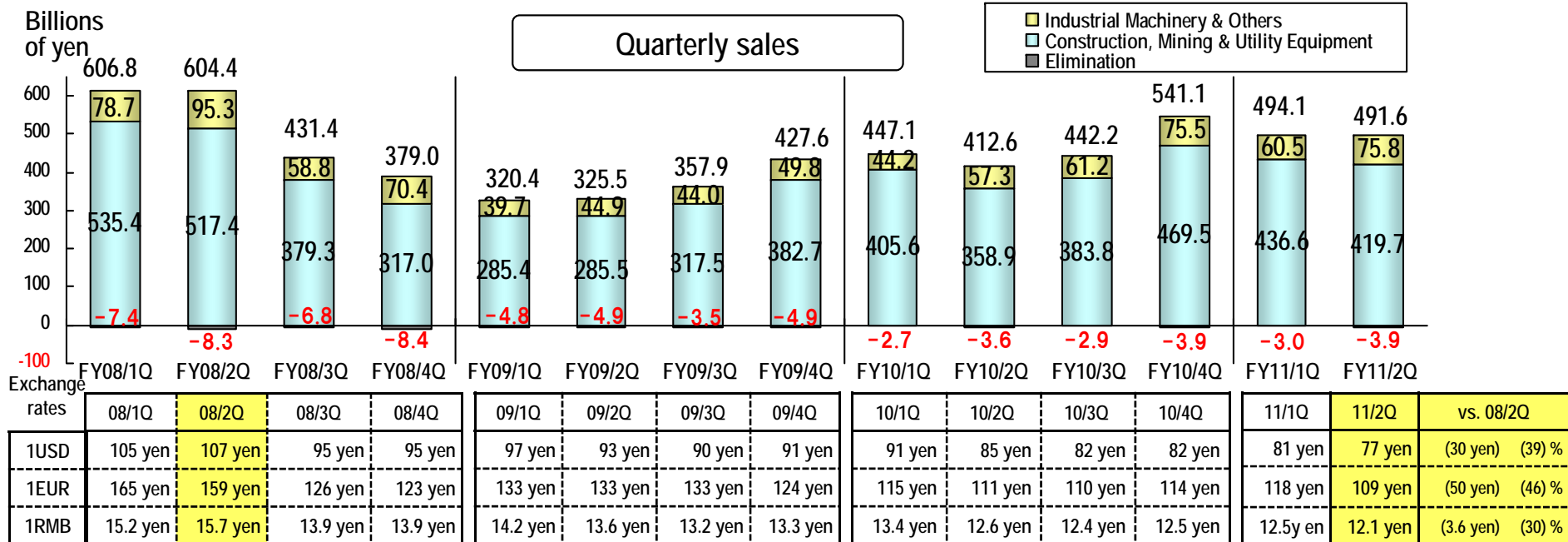
Billions of yen □ : Profit ratio []: Sales after elimination of inter-segment transactions	Jul. – Sep., 2010 1USD = 85 yen 1EUR = 111 yen 1RMB = 12.6 yen	Jul. – Sep., 2011 1USD = 77 yen 1EUR = 109 yen 1RMB = 12.1yen	Increase (decrease)	% change
Net sales	412.6	491.6	79.0	19.2 %
Construction, Mining & Utility Equipment Industrial Machinery & Others	[358.4] 358.9 [54.1] 57.3	[418.3] 419.7 [73.3] 75.8	[59.9] 60.7 [19.1] 18.5	[16.7 %] 16.9 % [35.4 %] 32.3 %
Elimination	(3.6)	(3.9)	(0.2)	-
Segment profit	□ 12.3 % 50.7	□ 13.1 % 64.6	13.8	27.2 %
Construction, Mining & Utility Equipment Industrial Machinery & Others	□ 13.4 % 48.0 □ 7.2 % 4.0	□ 14.1 % 59.2 □ 8.3 % 6.2	11.2 2.1	23.4 % 53.3 %
Corporate & elimination	(1.3)	(0.9)	0.4	-
Other operating income (expenses)	*1 (0.9)	(0.0)	0.9	-
Operating income	□ 12.1 % 49.8	□ 13.1 % 64.5	14.7	29.6 %
Other operating income (expenses)	0.1	(2.7)	(2.9)	-
Net income before income taxes	50.0	61.8	11.7	23.6 %
Net income *2	33.0	38.9	5.9	17.8 %

*1 Including structural reform expenses of 1.0 billion yen.

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

Quarterly Sales and Operating Income

We absorbed the adverse effects of sharp appreciation of the Japanese yen largely by improving selling prices and reducing production costs, and registered an operating income ratio of 13.1% which is higher than the pre-Lehman Shock level.



Breakdown of Sales for Three Months (July - September, 2011)

- Construction, Mining & Utility Equipment: We compensated for reduced demand in China by expanding sales in other Strategic markets and Traditional Markets. Sales increased from the corresponding period a year ago.

-Industrial Machinery & Others: Sales increased from the corresponding period a year ago, supported by increased sales of Komatsu Industries Corp., Komatsu NTC Ltd. and prefabricated structures.

1. Construction, mining & utility equipment (sales by region)

		Jul. – Sep., 2010 (FY10/2Q)	Jul. – Sep., 2011 (FY11/2Q)	vs. Jul. – Sep., 2010	
				Increase (decrease)	Change %
Traditional Markets	Japan	62.9	67.6	4.6	7.3 %
	North America	42.1	61.7	19.6	46.5 %
	Europe	21.8	29.2	7.3	33.7 %
Strategic Markets	Latin America	49.8	49.4	(0.3)	(0.7) %
	CIS	10.2	16.6	6.3	61.6 %
	China	54.3	38.8	(15.4)	(28.5) %
	Asia	61.0	81.0	20.0	32.9 %
	Oceania	27.8	37.9	10.0	36.2 %
	Middle East	11.8	10.0	(1.7)	(15.1) %
	Africa	16.2	25.6	9.3	57.8 %
Total		358.4	418.3	59.9	16.7 %

2. Industrial machinery & others

	Jul. – Sep., 2010 (FY10/2Q)	Jul. – Sep., 2011 (FY11/2Q)	vs. Jul. – Sep., 2010	
			Increase (decrease)	Change %
Komatsu Industries Corp.	6.4	12.9	6.5	101.6%
Komatsu NTC Ltd.	26.8 [15.6]	27.6 [14.4]	0.8 [(1.2)]	3.0% [(7.7)%]
Others	24.1	35.3	11.2	46.5%
Total	57.3	75.8	18.5	32.3%

Sales and Profits for Six Months (April - September, 2011)

- We compensated for reduced demand in China by expanding sales in other markets and of mining equipment and spare parts . Both sales and profits improved from the corresponding period a year ago.
- We improved profitability of both business segments . Operating profit ratio increased significantly to 13.5% .

Billions of yen <input type="text"/> % : Profit ratio <input type="text"/> : Sales after elimination of inter-segment transactions	Apr. – Sep., 2010 1USD = 88 yen 1EUR = 113 yen 1RMB = 13.0 yen	Apr. – Sep., 2011 1USD = 79 yen 1EUR = 114 yen 1RMB = 12.3 yen	Increase (decrease)	% change
Net sales	859.7	985.8	126.1	14.7 %
Construction, Mining & Utility Equipment	[763.6] 764.6	[853.6] 856.4	[90.0] 91.7	[11.8 %] 12.0 %
Industrial Machinery & Others	[96.1] 101.5	[132.1] 136.3	[36.0] 34.8	[37.5 %] 34.3 %
Elimination	(6.4)	(6.9)	(0.5)	-
Segment profit	<input type="text"/> 12.2 % 105.1	<input type="text"/> 13.5 % 132.7	27.6	26.3 %
Construction, Mining & Utility Equipment	<input type="text"/> 13.4 % 102.3	<input type="text"/> 14.0 % 120.1	17.8	17.5 %
Industrial Machinery & Others	<input type="text"/> 6.0 % 6.1	<input type="text"/> 11.1 % 15.1	8.9	146.6 %
Corporate & elimination	(3.2)	(2.5)	0.7	-
Other operating income (expenses)	*1 (1.2)	0.2	1.4	-
Operating income	<input type="text"/> 12.1 % 103.9	<input type="text"/> 13.5 % 132.9	29.0	27.9 %
Other income (expenses)	(3.8)	(2.7)	1.0	-
Net income before income taxes	100.1	130.2	30.1	30.1 %
Net income *2	63.7	94.6	30.9	48.5 %
Cash dividends per share	18 yen	21 yen	3 yen	

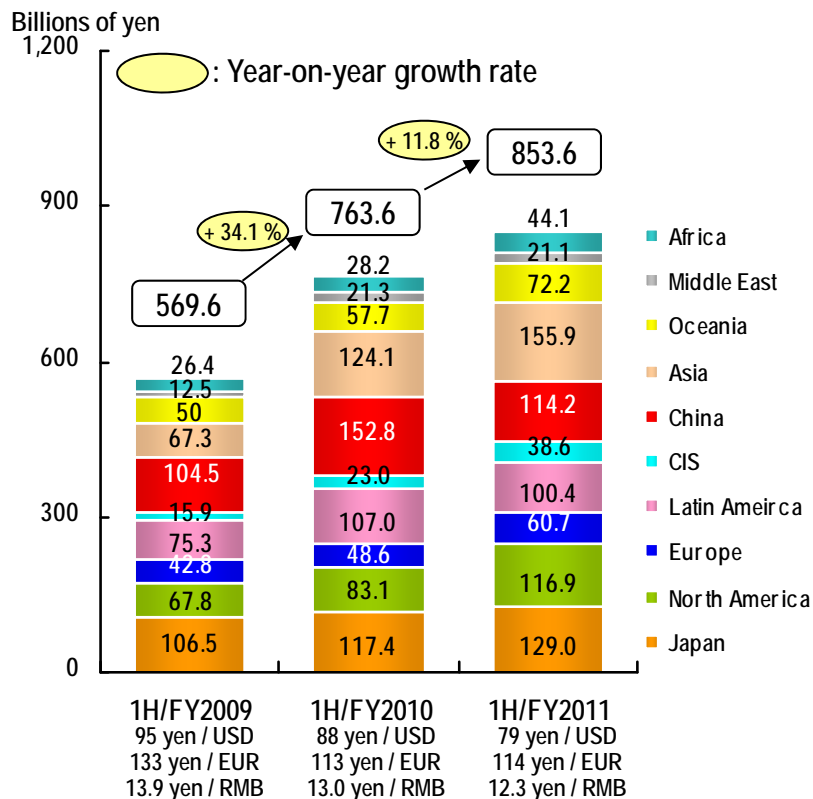
*1 Including structural reform expenses of 2.2 billion yen.

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

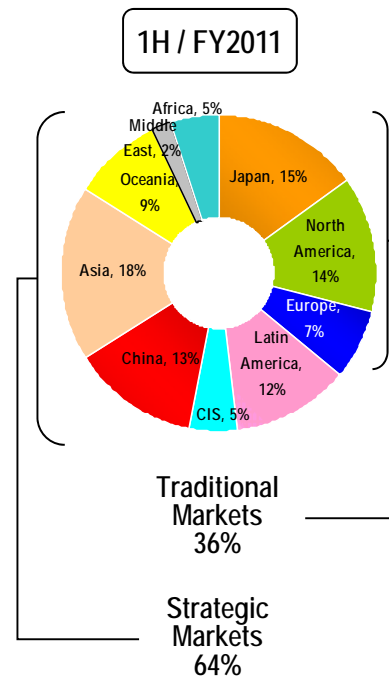
Construction, Mining & Utility Equipment: Sales by Region and Segment Profit

- Sales increased by 11.8% from the corresponding period a year ago by the increased sales in in Strategic Markets, except for China, and Traditional Markets.
- In spite of sharp appreciation of the Japanese yen, segment profit ratio improved to 14.0%.

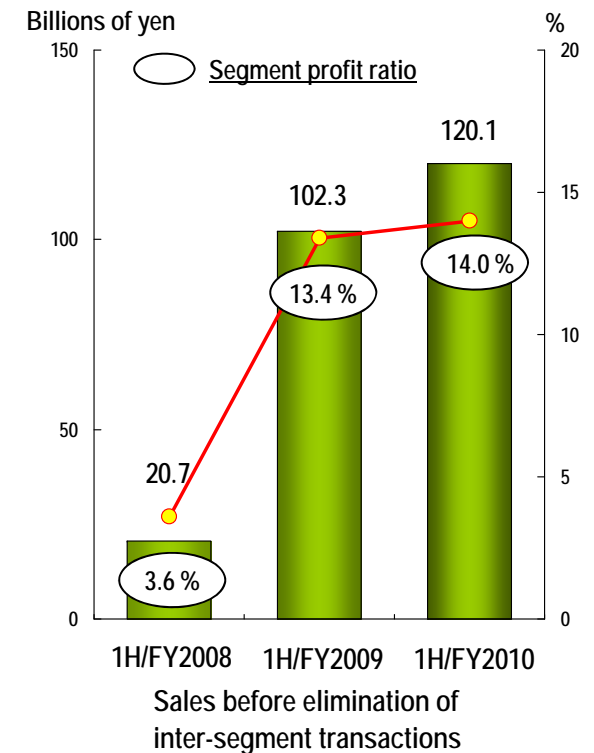
Sales by region (To outside customers)



Breakdown (%)



Segment profit



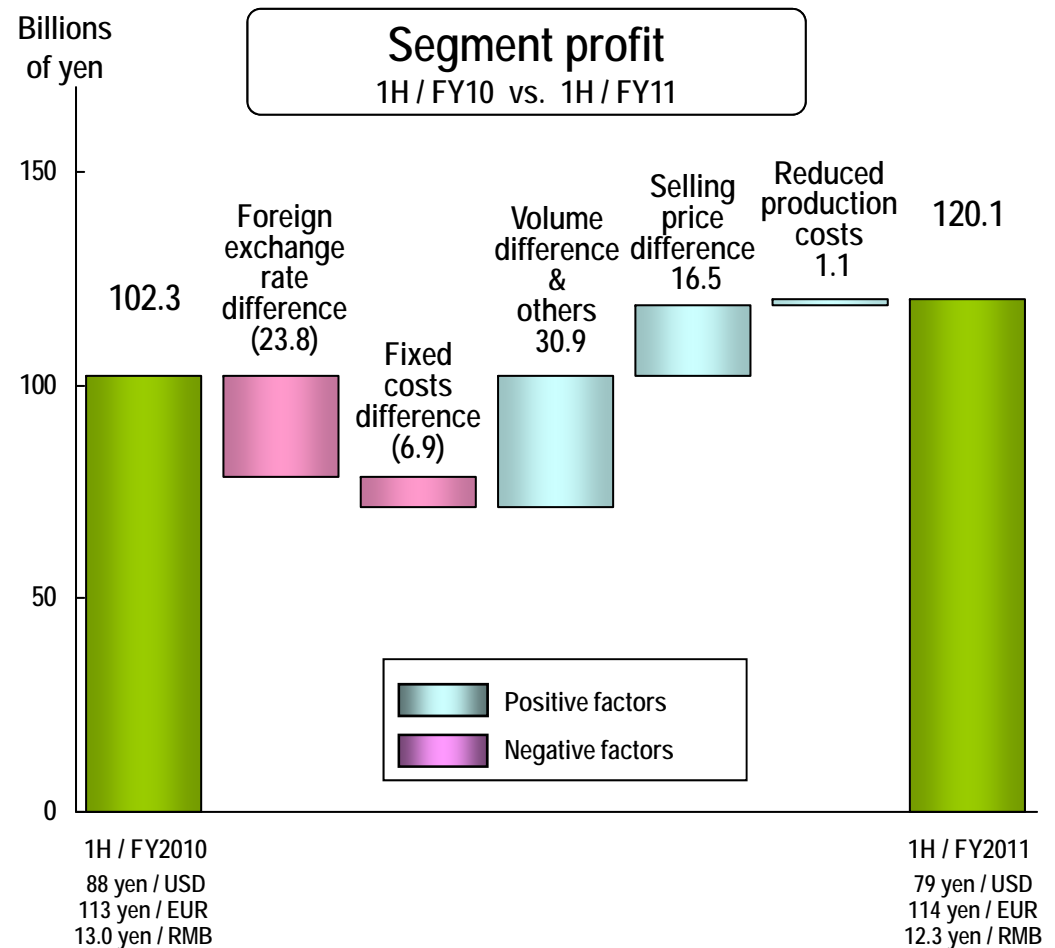
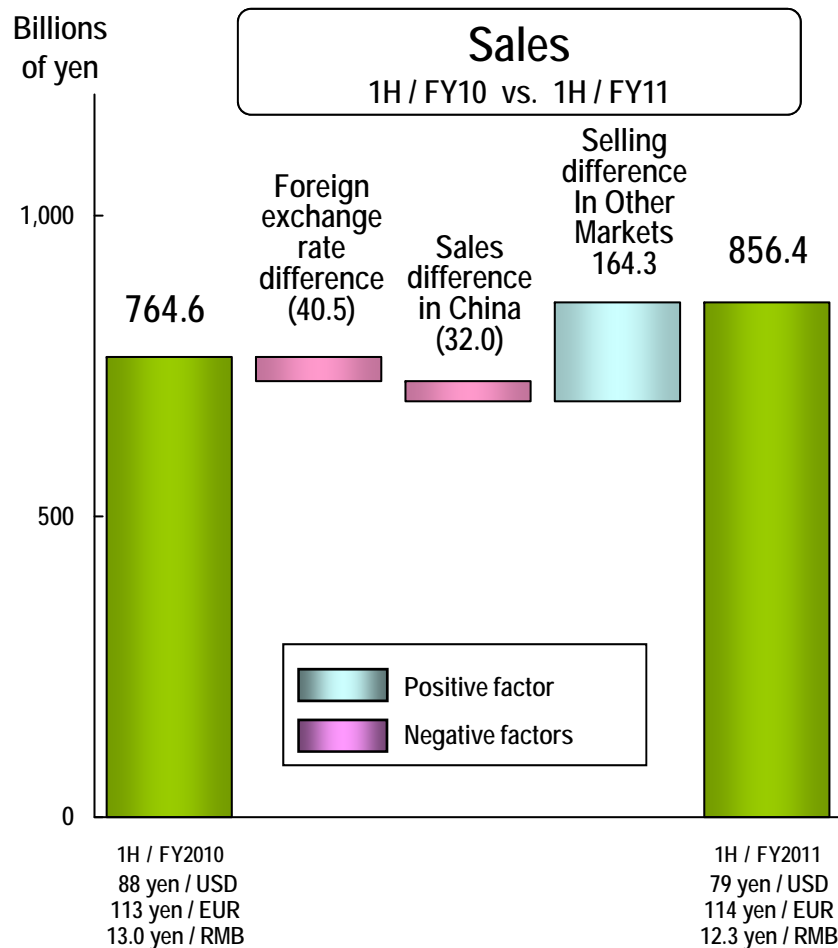
Year-on-year growth rate of sales by region

	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
1H / FY2010	10.2 %	22.5 %	13.4 %	42.1 %	44.7 %	46.1 %	84.4 %	15.4 %	69.3 %	6.7 %	34.1 %
1H / FY2011	9.9 %	40.7 %	24.9 %	(6.2) %	67.3 %	(25.2) %	25.7 %	25.1 %	(1.1) %	56.5 %	11.8 %

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

-Sales : We offset the negative factors of the Japanese yen's appreciation and reduced demand in China by expanding the volume of sales in other markets and of mining equipment and spare parts, and increased sales by 91.7 billion yen.

-Segment profit : We offset the negative factors of the Japanese yen's appreciation and increased fixed costs by expanding sales volume. Furthermore, we improved segment profit by 17.8 billion yen by improving selling prices and reducing production costs.



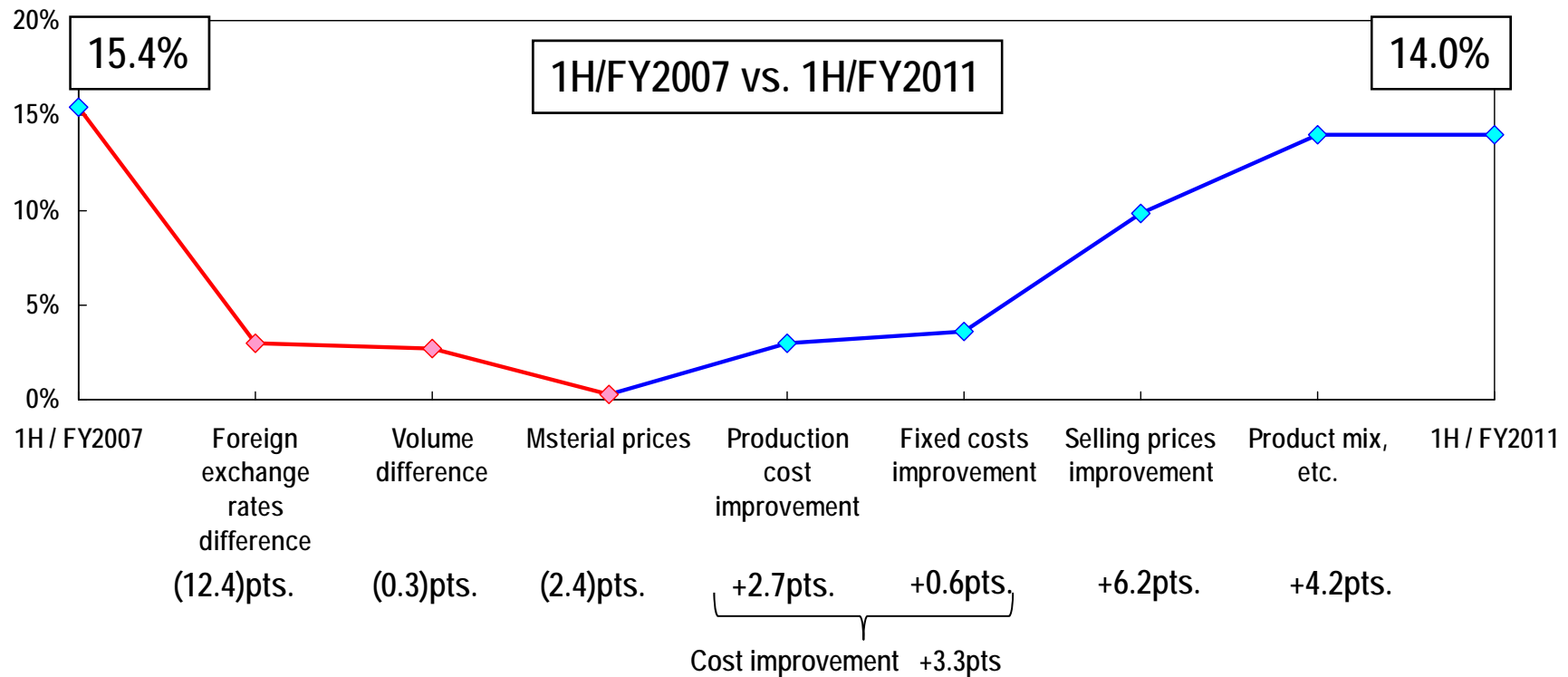
13.4 %

Segment profit ratio

14.0 %

Causes for Difference in Segment Profit between 1H/FY2007 and 1H/FY2011

We minimized adverse effects of the Japanese yen's appreciation and maintained a high level of profitability by improving costs and selling prices as well as increasing the percentage share of high-margin products, such as mining equipment and spare parts.



<Change of exchange rate>

1H / FY2007	1H / FY2011	Change
119 yen / USD	79 yen / USD	(40) yen
163 yen / EUR	114 yen / EUR	(49) yen
15.7 yen / RMB	12.3 yen / RMB	(3.4) yen

< Negative factors >
 - Sharp appreciation of the Japanese yen
 - Increasing prices of materials

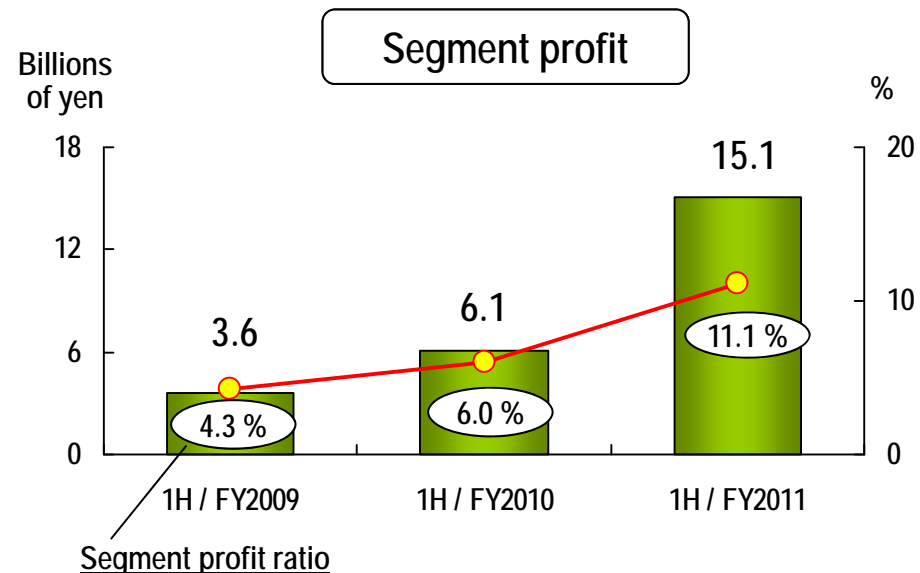
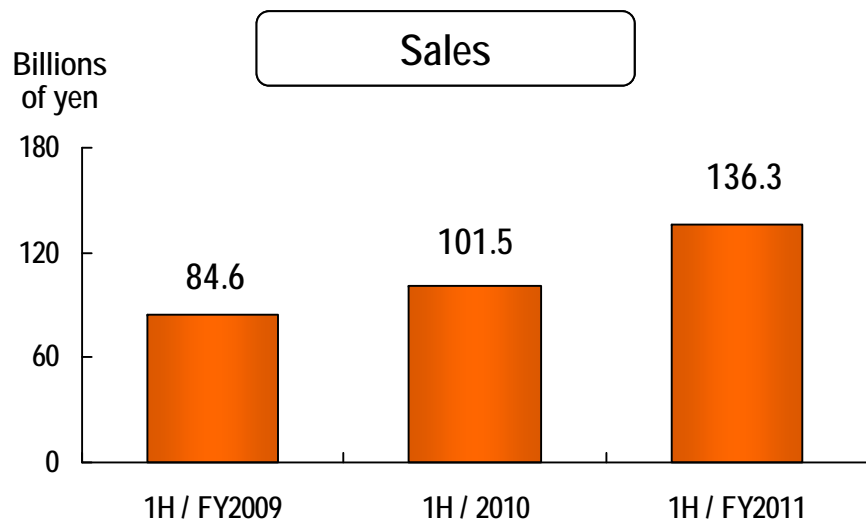
< Countermeasures >

- Increasing selling prices and continued reduction of production costs
- Structural reforms and reduction of fixed costs
- Shifting toward high-growth and high-margin products
- Expanding production capacity for parts and Reman products

Maintaining profit ratio close to the level of pre-Lehman Shock

Industrial Machinery & Others: Sales and Segment Profit

- Segment sales increased by 34.8 billion yen with increased sales of Komatsu Industries, Komatsu NTC and prefabricated structures.
- Segment profit advanced by 2.5 times. Segment profit ratio improved by 5.1 points to 11.1%.



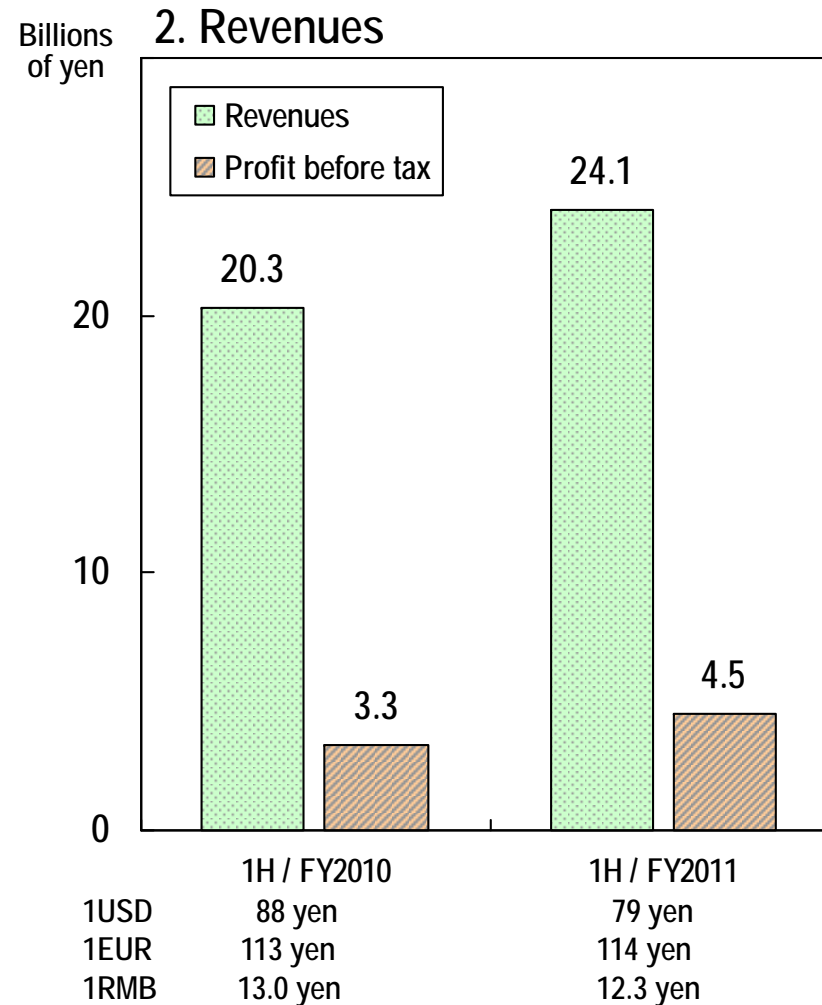
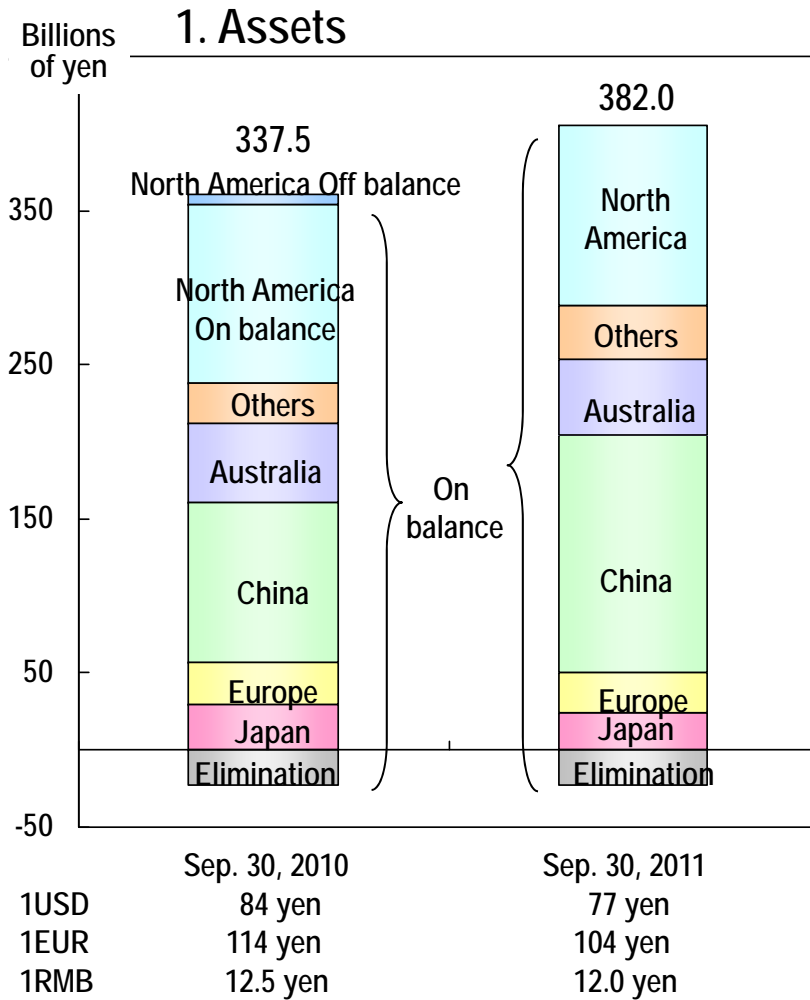
Breakdown of sales

	Apr. – Sep., 2010 (1H / FY2010)	Apr. – Sep., 2011 (1H / FY2011)	Increase (decrease)
Komatsu Industries Corp.	14.8	19.6	4.8
Komatsu NTC Ltd. [wire saws]	51.1 [27.8]	68.6 [39.2]	17.5 [11.4]
Others	35.6	48.1	12.5
Total	101.5	136.3	34.8

Retail Finance Business

We continued to expand assets in Strategic Markets. We increased both revenues and pre-tax income from the corresponding period a year ago.

Consolidated retail finance subsidiaries



Consolidated Balance Sheets

- Total assets amounted to around 2,150 billion yen, remaining at about the same level of March 31, 2011.
- With respect to net debt-to-equity ratio excluding retail finance companies, we maintained at about the same level of March 31, 2011.

Billions of yen ○ Net D/E ratio	Mar. 31, 2011 83 yen/USD 118 yen/EUR 12.7 yen/RMB	Sep. 30, 2011 77 yen/USD 104 yen/EUR 12.0 yen/RMB	Increase (decrease)
Cash & deposits (Incl. time deposits) [a]	84.9	86.2	1.3
Accounts receivable (Incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	716.0 <419.3>	667.3 <352.8>	(48.6) <(66.5)>
Inventories	473.8	522.8	48.9
Tangible fixed assets	508.3	508.1	(0.2)
Other assets	365.8	360.5	(5.3)
Total assets	2,149.1	2,145.1	(3.9)
Accounts payable	308.9	281.2	(27.6)
Interest-bearing debt [b] <Excl. that of consolidated retail finance subsidiaries>	544.0 <276.9>	573.0 <286.6>	28.9 <9.7>
Other liabilities	323.4	313.0	(10.4)
Total liabilities	1,176.4	1,167.2	(9.1)
[Shareholders' equity ratio]	[43.0%]	[43.8%]	[0.8 pts]
Komatsu Ltd. shareholders' equity	923.8	938.8	14.9
Noncontrolling interests	48.8	39.0	(9.7)
Liabilities & Equity	2,149.1	2,145.1	(3.9)
Interest-bearing debt, net [b-a]	0.50 459.1	0.52 486.7	27.6
Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries	0.24	0.24	

2. Projection for FY2011 ending March 31, 2012

Outline of Projection for FY2011 ending March 31, 2012

1. Sales and profits:

- We are projecting that FY2011 sales and operating income will increase by 11.2% and 26.5%, respectively, from FY2010 results. Operating income ratio should improved by 1.7 points to 13.8%.

- We are expecting to compensate for reduced demand for construction equipment in China by increasing sales in other regions and of mining equipment and parts, and achieve the volume of sales projected in April this year. However, we are estimating that both sales and profits will decline from the projection of April 2011 due to sharp appreciation of the Japanese yen.

	FY2010 Results	FY2011 Current projection (Oct. 27, 2011)	Change	(Reference) FY2011 Projection (April 27, 2011)
Net sales	1,843.1 billion yen	2,050.0 billion yen	11.2 %	2,150.0 billion yen
Operating income	222.9 billion yen	282.0 billion yen	26.5 %	305.0 billion yen
Operating income ratio	12.1 %	13.8 %	+1.7 pts	14.2 %
Net income *	150.7 billion yen	186.0 billion yen	23.4 %	200.0 billion yen
ROE	17.2 %	19.6 %	+2.4 pts	20.0 %
Net debt-to-equity ratio [Excl. debt of retail finance business]	0.50 [0.24]	0.52 [0.24]	+0.02 pts [No change]	0.48 [0.22]

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

2. Review of two business segments

Construction, Mining & Utility Equipment:

Declining demand in China should be compensated for by growing demand in other markets and for mining equipment. We are projecting that sales will increase by 11.2%, and segment profit by 22.7% from FY2010. Segment profit ratio will be 15.1%.

Industrial Machinery & Others:

Reduced sales of wire saws will be compensated for mainly by increased sales of presses, machine tools and prefabricated structures to shelter earthquake-stricken people. Sales will increase by 9.1% from FY2010.

3. Cash dividends

We are planning annual cash dividends of 42 yen per share (Payout ratio relative to net income should be 22%)

4. Acquisition and cancellation of treasury stock

To improve capital efficiency in management and further promote returns to shareholders, Komatsu Ltd. will purchase up to 16,000,000 shares of common stock or 30 billion yen and cancel all purchased shares.

(Reference)
Sales and profits converted to USD and EUR denominations*

Million USD	FY2010 Results	FY2011 Current projection	% change
Net sales	22,206	26,623	19.8%
Operating income	2,686	3,662	36.3%
Net income	1,816	2,416	33.0%

Million EUR	FY2010 Results	FY2011 Current projection	% change
Net sales	15,620	19,340	23.8%
Operating income	1,889	2,660	40.8%
Net income	1,278	1,755	37.3%

*The exchange rates for FY2010 reflect the rates at the end of FY2010. The exchange rates for FY2011 projections reflect the rates of the second half projection of FY2011.

Projection for FY2011 ending March 31, 2012

- We are projecting that consolidated net sales will increase by 11.2%, and operating income by 26.5% from FY2010. Operating income ratio should improve to 13.8%.
- We are expecting segment profit ratio of the construction, mining and utility equipment business will further improve from FY2010 to over 15%.

[%]: Profit ratio []: Sales after elimination of inter-segment transactions < >: Exchange rates in the 2H period (Projection) Billions of yen

	FY2010 Results [A] 1USD = 85 yen 1EUR = 113 yen 1RMB = 12.7 yen	FY2011 Projection (Apr. 27, 2011) 1USD = 82 yen 1EUR = 116 yen 1RMB = 12.7 yen	FY2011 Current projection (Oct. 27, 2011) [B] 1USD = 78 yen <77 yen> 1EUR = 110 yen <106 yen> 1RMB = 12.2 yen <12.1 yen>	Increase (decrease) [B-A]	
Net sales	1,843.1	2,150.0	2,050.0	206.8	11.2 %
- Construction, Mining & Utility Equipment	[1,615.6] 1,618.0	[1,868.0] 1,870.0	[1,798.0] 1,800.0	[182.3] 181.9	[11.3 %] 11.2 %
- Industrial Machinery & Others	[227.4] 238.3	[282.0] 290.0	[252.0] 260.0	[24.5] 21.6	[10.8 %] 9.1 %
- Elimination	(13.3)	(10.0)	(10.0)	3.3	-
Segment profit	12.7% 234.9	14.4% 310.0	14.0% 286.0	51.0	21.7 %
- Construction, Mining & Utility Equipment	13.6% 220.8	15.5% 289.0	15.1% 271.0	50.1	22.7 %
- Industrial Machinery & Others	8.8% 20.9	10.3% 30.0	7.7% 20.0	(0.9)	(4.6 %)
- Corporate & elimination	(6.8)	(9.0)	(5.0)	1.8	-
Other operating income (expenses)	*1 (12.0)	(5.0)	(4.0)	8.0	-
Operating income	12.1% 222.9	14.2% 305.0	13.8% 282.0	59.0	26.5 %
Other income (expense)	(3.1)	(5.0)	(6.0)	(2.8)	-
Income before income taxes	219.8	300.0	276.0	56.1	25.6 %
Net income *2	150.7	200.0	186.0	35.2	23.4 %
Cash dividends per share	38 yen	42 yen	42 yen	4 yen	

*1 Including structural reform expenses of 3.8 billion yen.

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

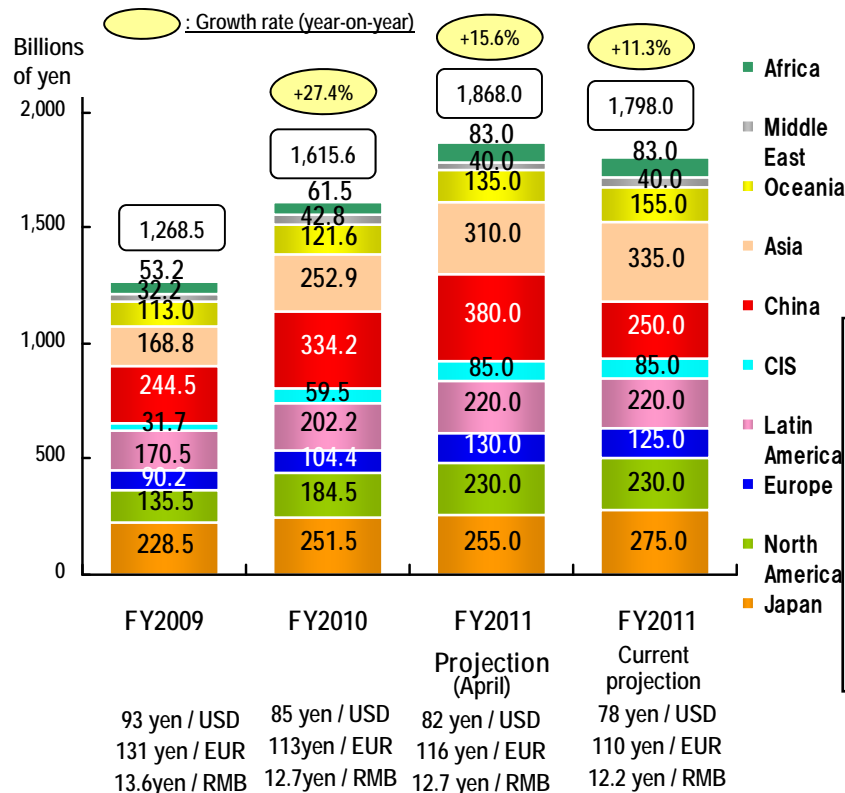
3. Construction, Mining & Utility Equipment Business: Market Environment and Outlook

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

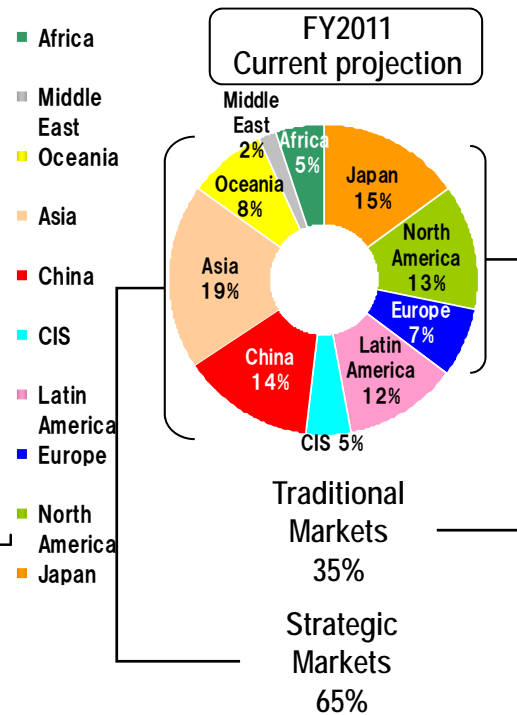
- We are expecting to increase FY2011 sales and segment profit by 11.3% and 22.7%, respectively, from FY2010 results by compensating for reduced demand for construction equipment in China by increasing sales in other regions and of mining equipment and parts. Similarly, segment profit ratio should improve to over 15%.

- While we should be able to achieve the volume of sales as projected in April this year, we are estimating FY2011 sales and profits will decline from the projections as affected by sharp appreciation of the Japanese yen.

Sales by region (To outside customers)

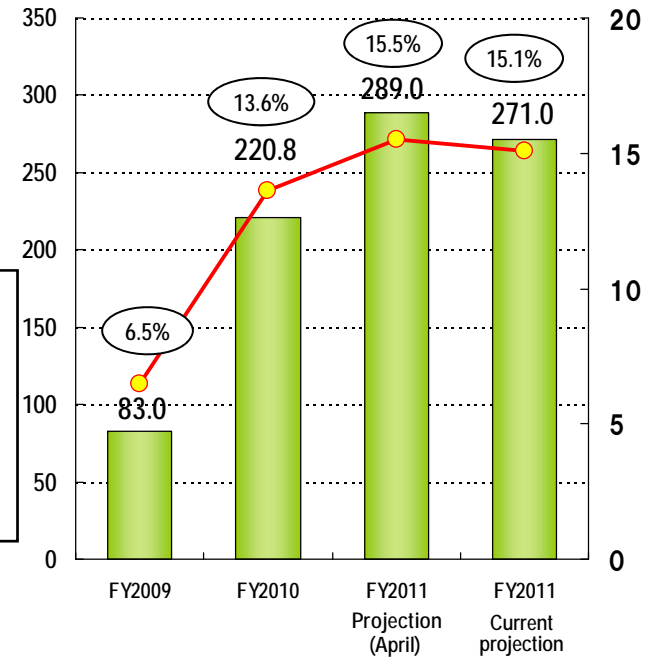


Sales breakdown



Billions of yen

Segment profit



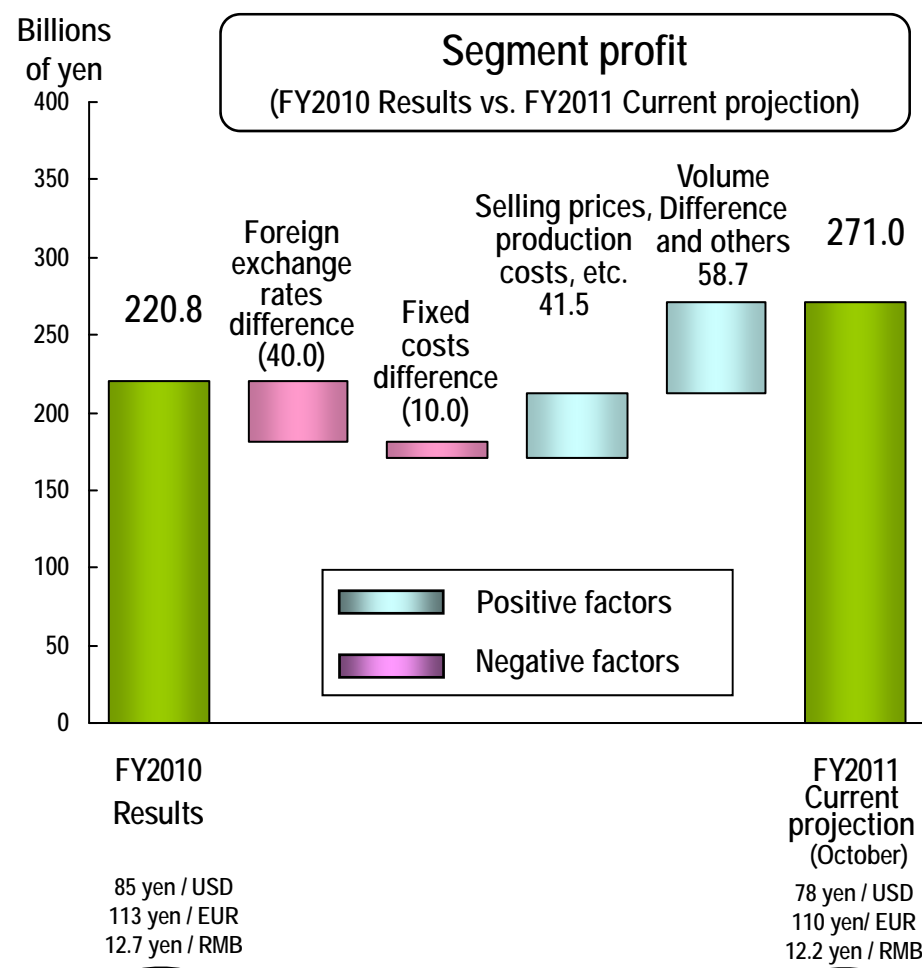
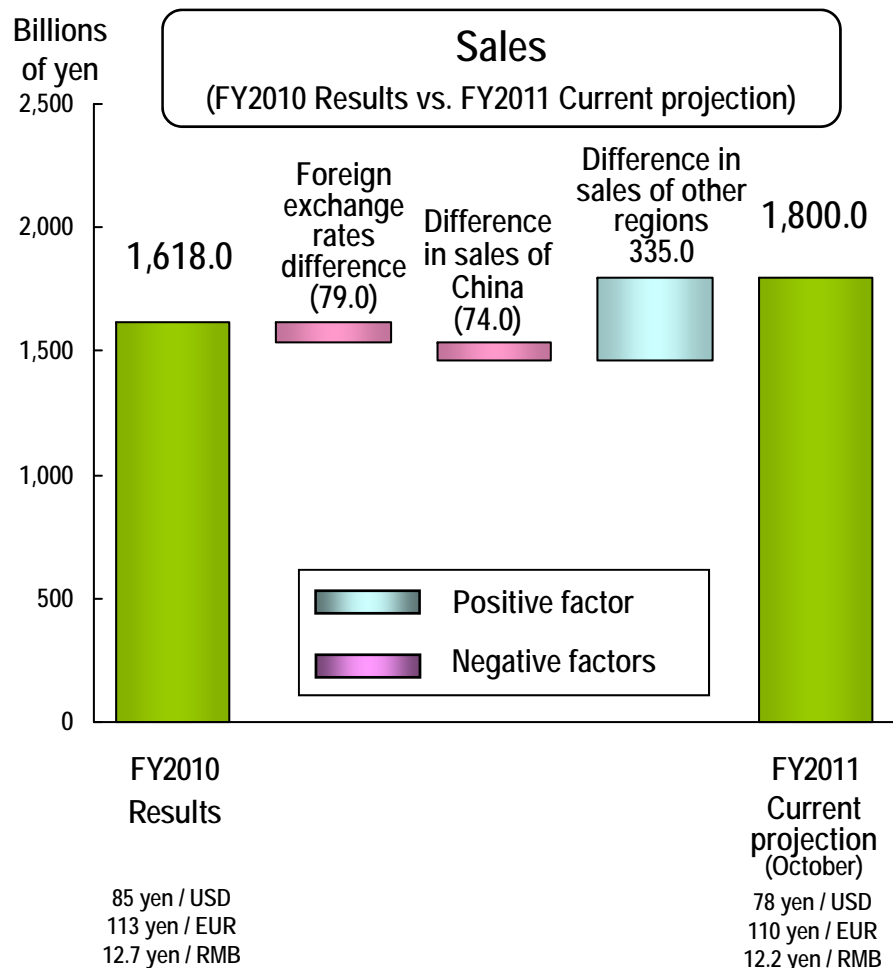
○ : Segment profit ratio
 Sales before elimination of inter-segment transactions

Rate of growth (Year-on-year basis)

%	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2010 results	+10.1 %	+36.2 %	+15.7 %	+18.5 %	+87.6 %	+36.7 %	+49.8 %	+7.6 %	+33.1 %	+15.6 %	+27.4 %
FY2011 projection (Current)	+9.3 %	+24.6 %	+19.7 %	+8.8 %	+42.7 %	-25.2 %	+32.4 %	+27.5 %	-6.7 %	+34.8 %	+11.3 %

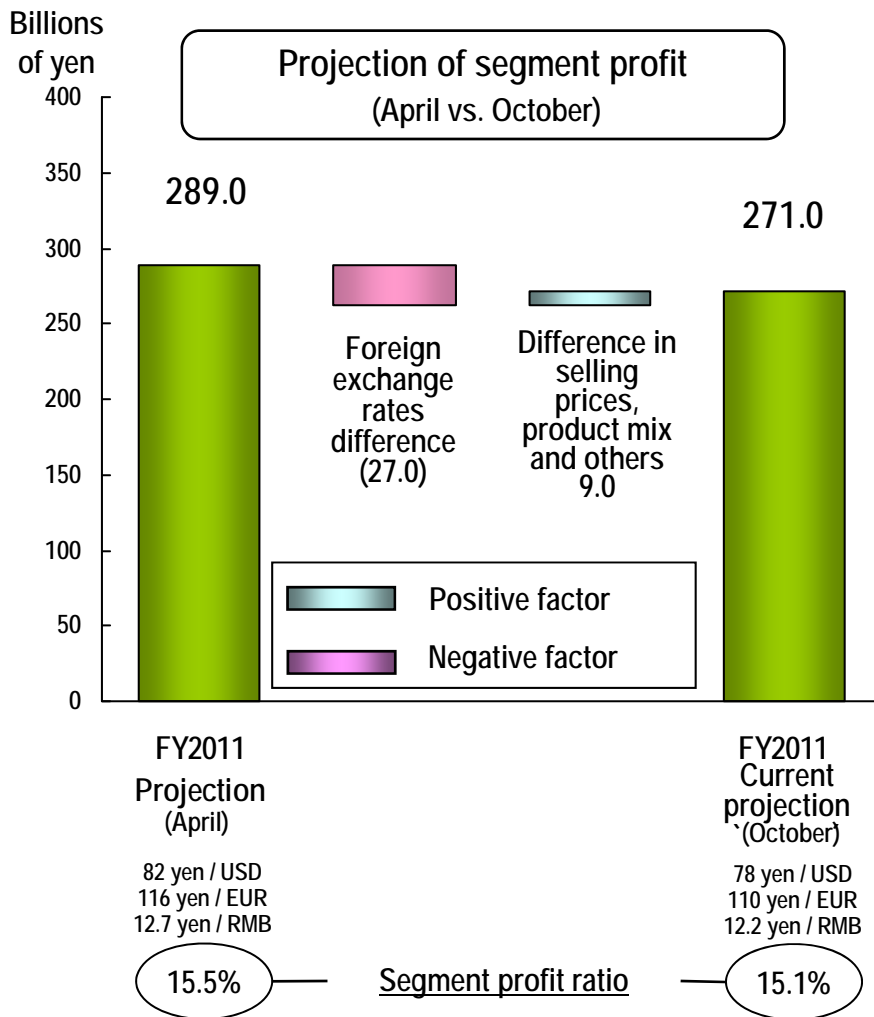
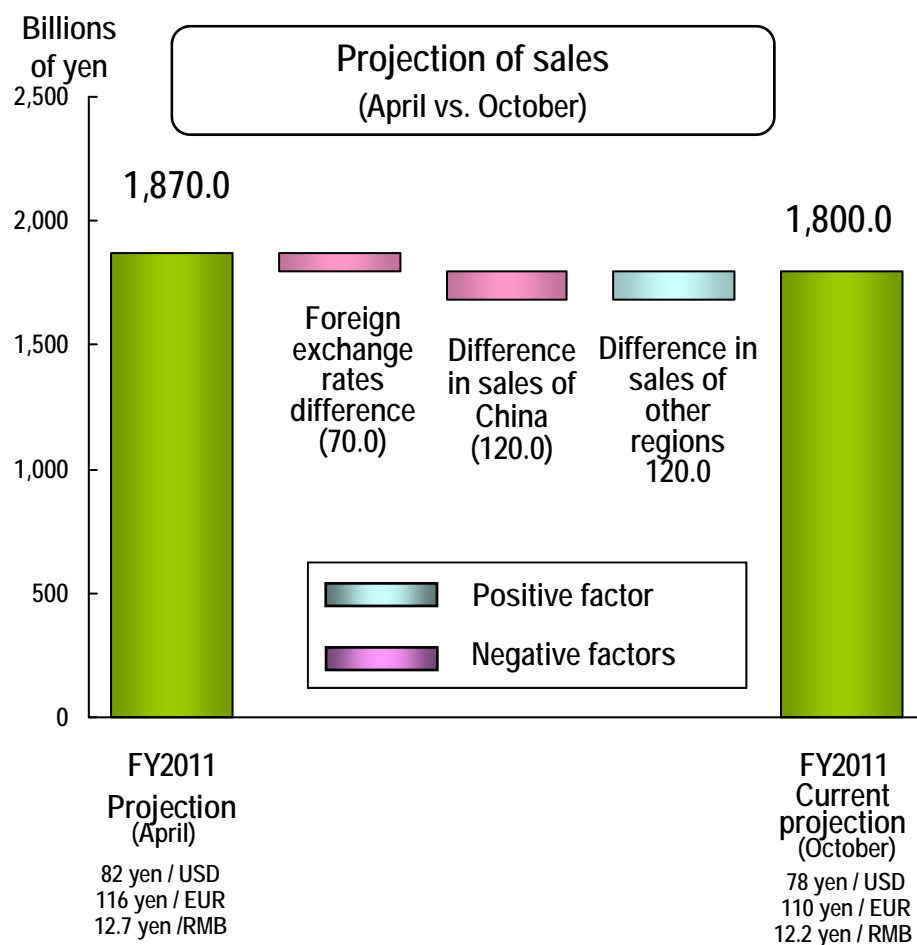
-Sales: We are expecting to increase sales by 181.9 billion yen for FY2011 from FY2010 by compensating for reduced demand for construction equipment in China by increasing sales in other regions and of mining equipment and parts.

-Segment profit: We are expecting to increase segment profit for FY2011 by 50.1 billion yen from FY2010 by compensating for the negative factors of the Japanese yen's appreciation and increased fixed costs by increasing selling prices, reducing production costs and increasing the volume of sales.



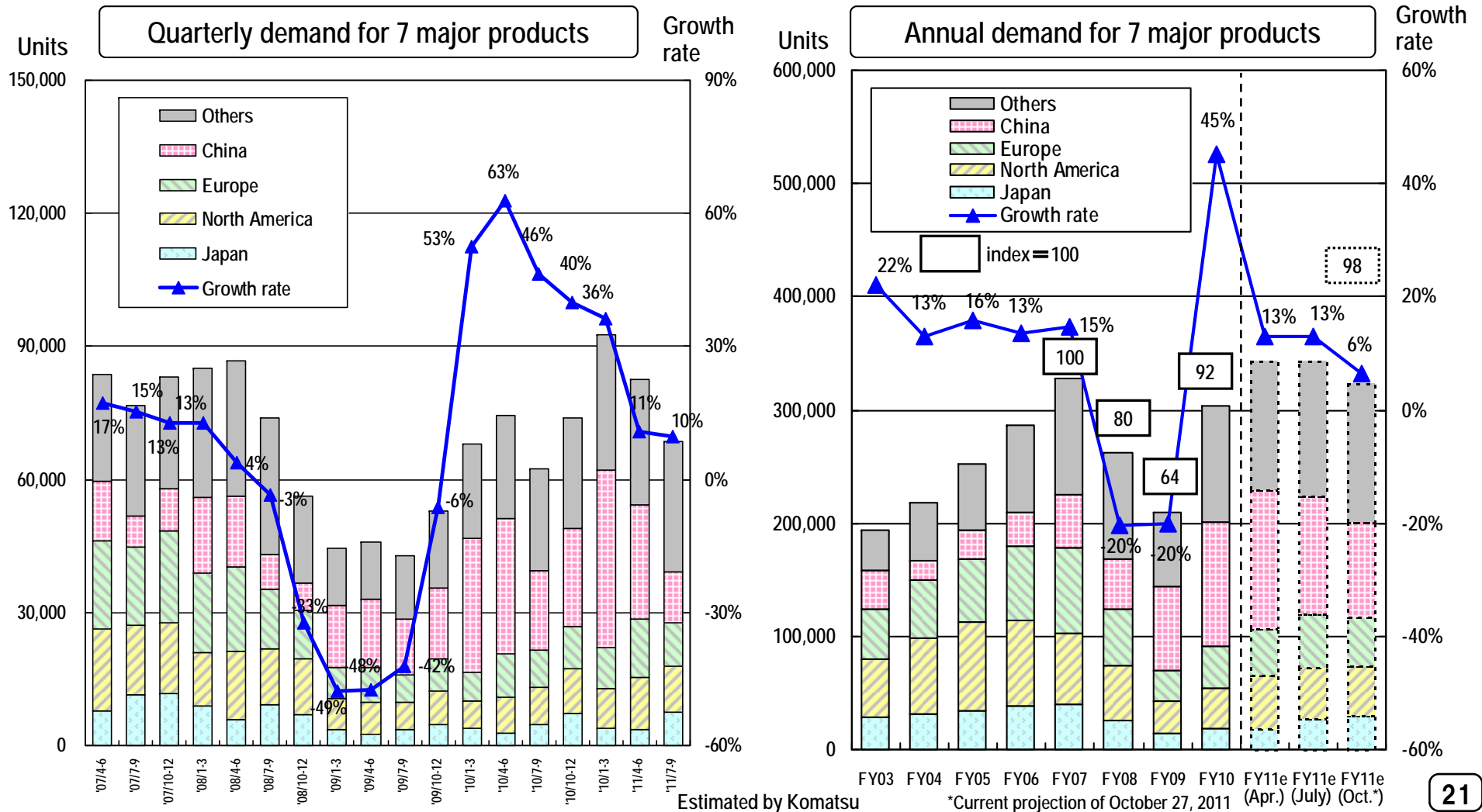
13.6% — Segment profit ratio — 15.1%

- Sales: We are expecting to compensate for reduced demand in China by increasing sales in other regions and of mining equipment and parts. Nevertheless, we are estimating that sales will decline by 70.0 billion yen from the projected figure of April due to sharp appreciation of the Japanese yen.
- Segment profit: While we should be able to compensate for the negative factor of the Japanese yen's appreciation, we are estimating a decline of 18.0 billion yen from the projected figure of April.



[Second quarter results]: Demand increased by 10% from the second quarter a year ago, as demand in other Strategic markets and Traditional Markets increased more than declined demand in China.

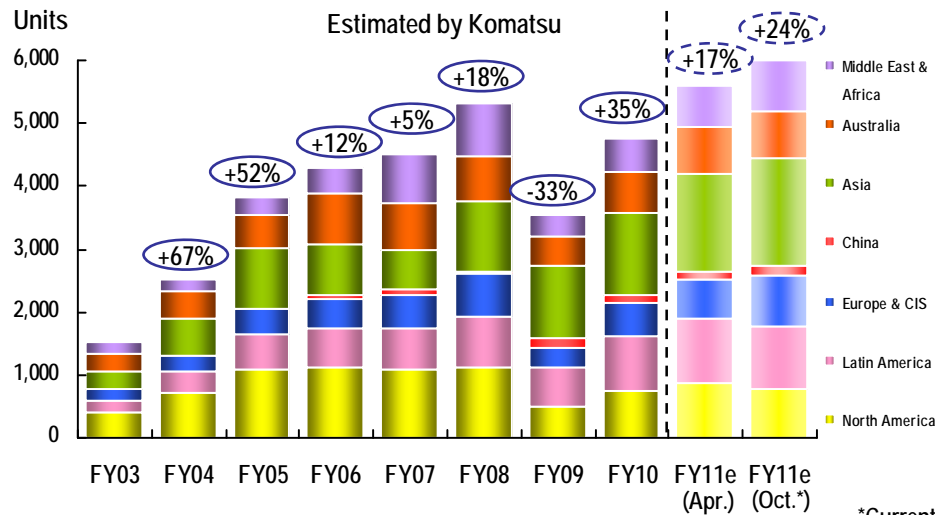
[Full-year projection]: While demand in China will decline from the projection of April 2011, we are expecting that global demand will increase by 6% from FY2010.



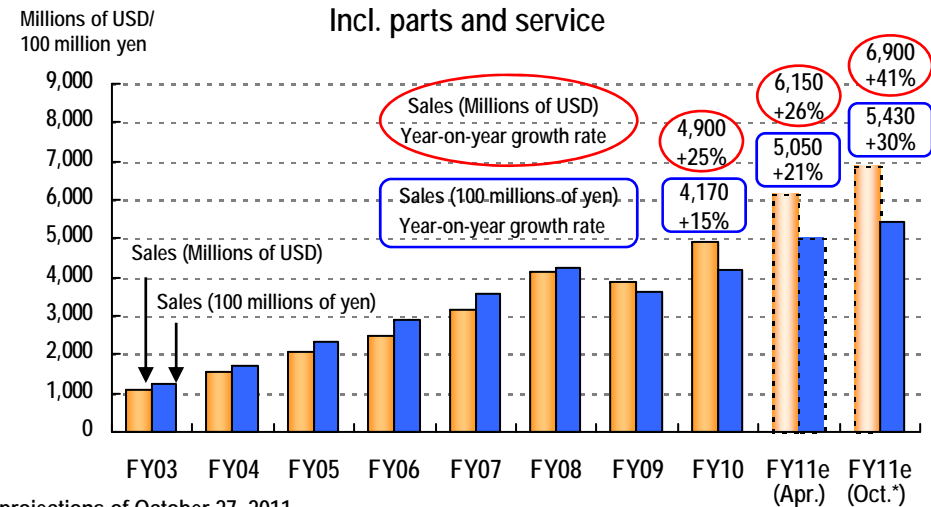
Construction, Mining & Utility Equipment: Outlook of Mining Equipment Business

- We are projecting that demand for mining equipment will increase by 24%, mainly driven by Asia, from FY2010.
- As backlog orders are remaining at a high level, we are expecting to increase sales (in yen) by 30% from FY2010.

Demand by region (Units)



Sales of mining equipment business

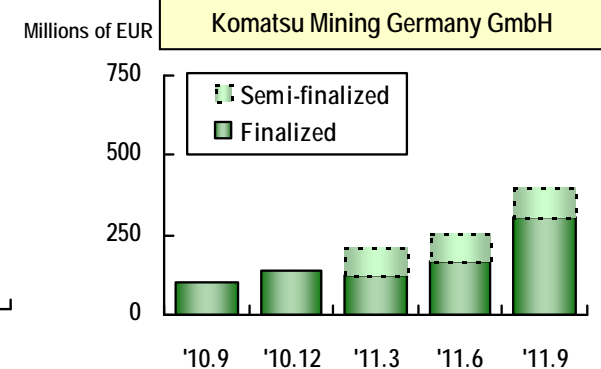
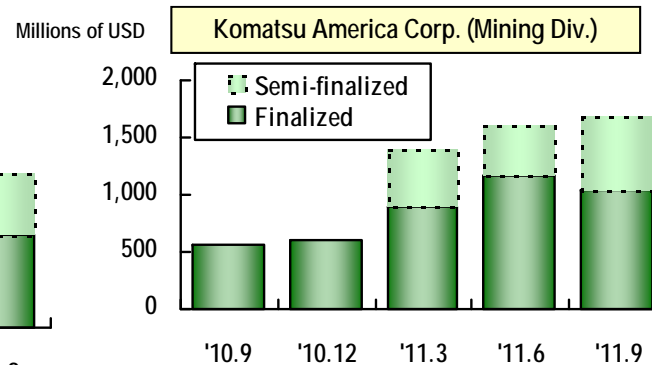
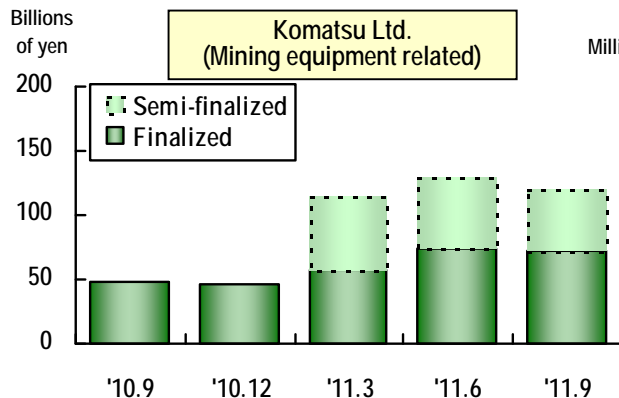


*Current projections of October 27, 2011

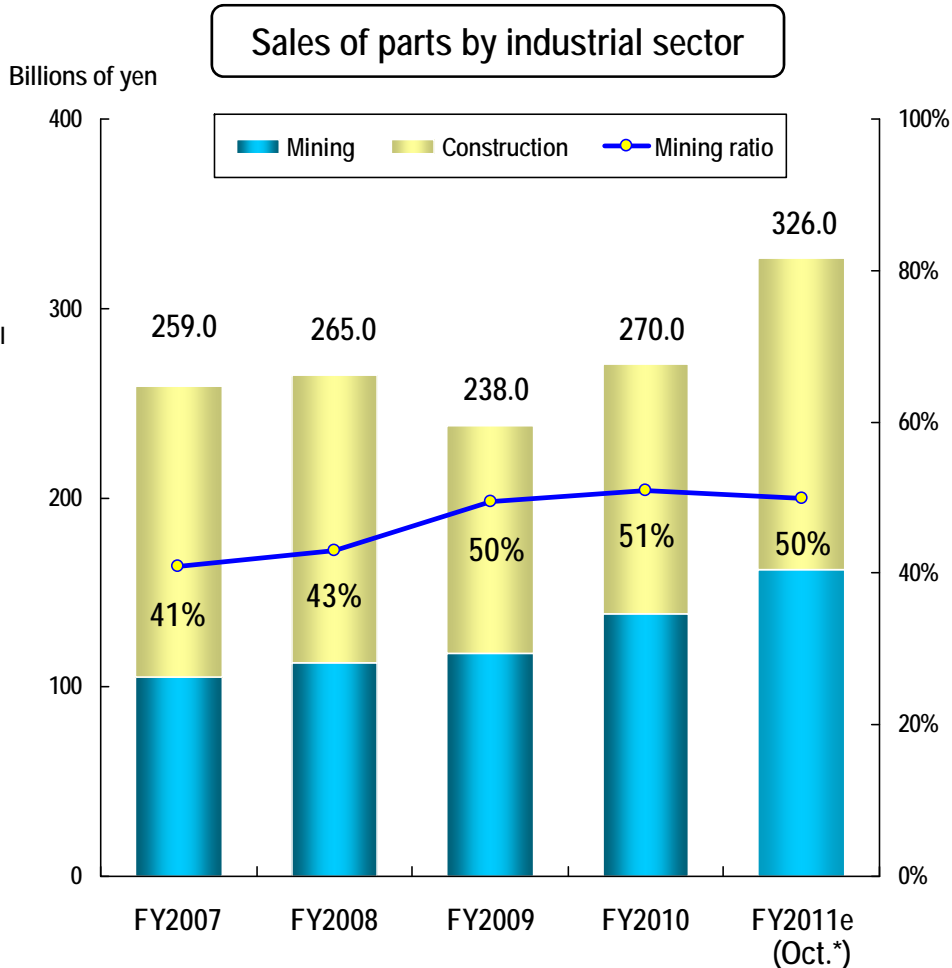
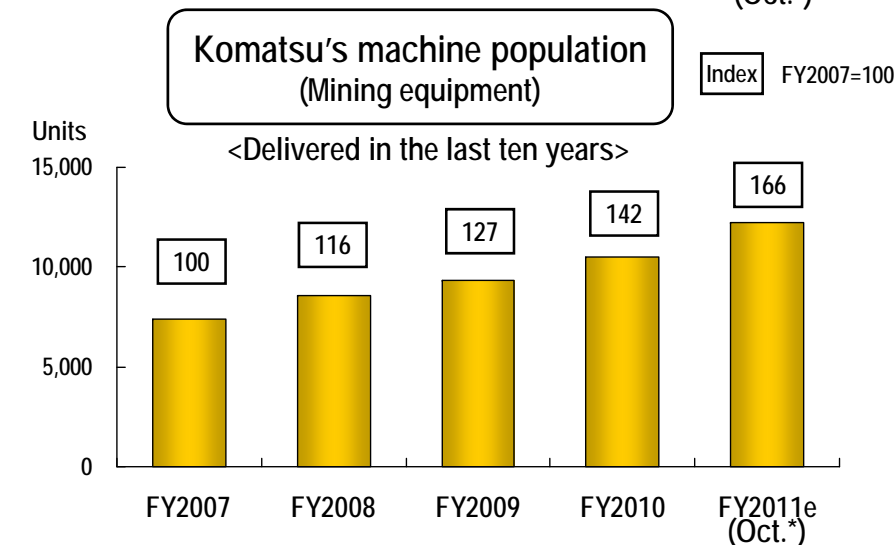
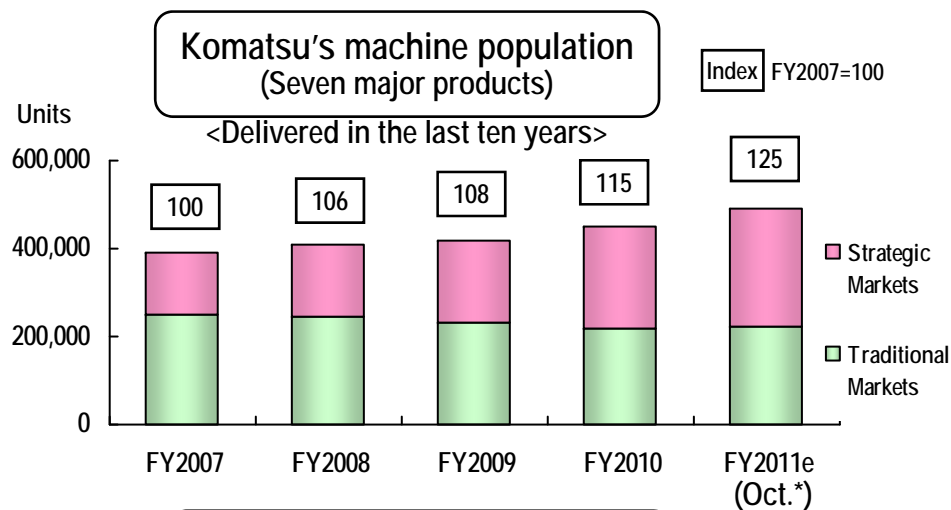
Dump trucks: 75ton (HD785) and larger - Bulldozers: 525HP (D375) and larger - excavators: 150ton (PC1600) and larger - Wheel loaders: 500HP (WA700) and larger - Motor graders: 280HP (GD825) and larger

Backlog orders

* Finished products excluding parts and service



- Parts sales and service revenues should increase from FY2010, as we will capitalize on an increase in demand resulting from an increase in the number of machines in operation.
- As we can expect the number of machines in operation will continue to increase, parts sales and service revenues should grow stably into the future.

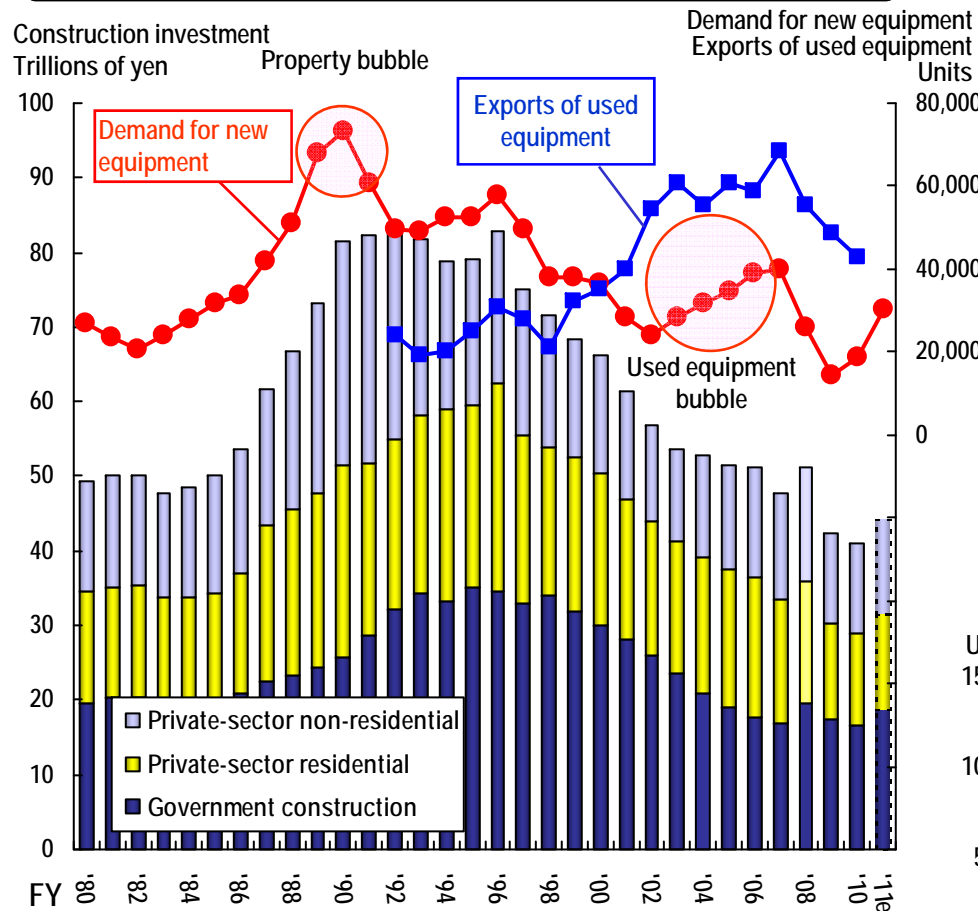


*Current projections of October 27, 2011

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

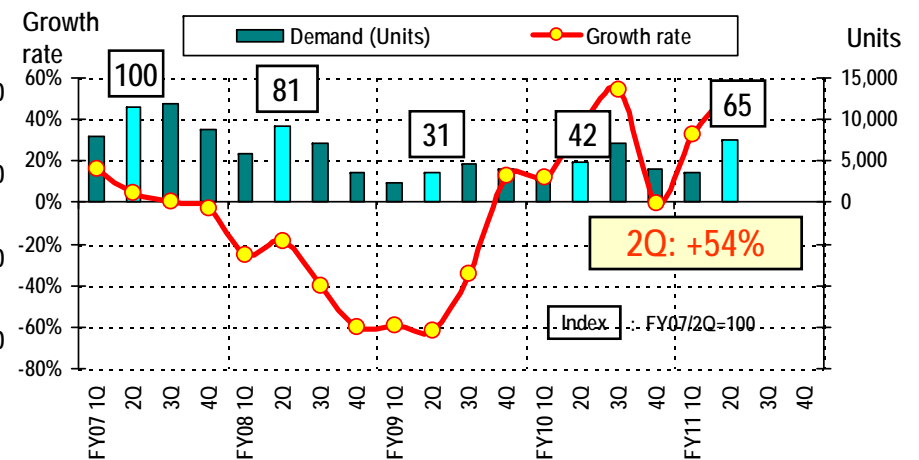
- Second-quarter demand advanced by 54% the corresponding period a year ago, centering on rental companies for deployment in the earthquake-stricken regions.
- We are projecting that full-year demand will expand by about 60% from FY2010.

Demand for new equipment and construction investment

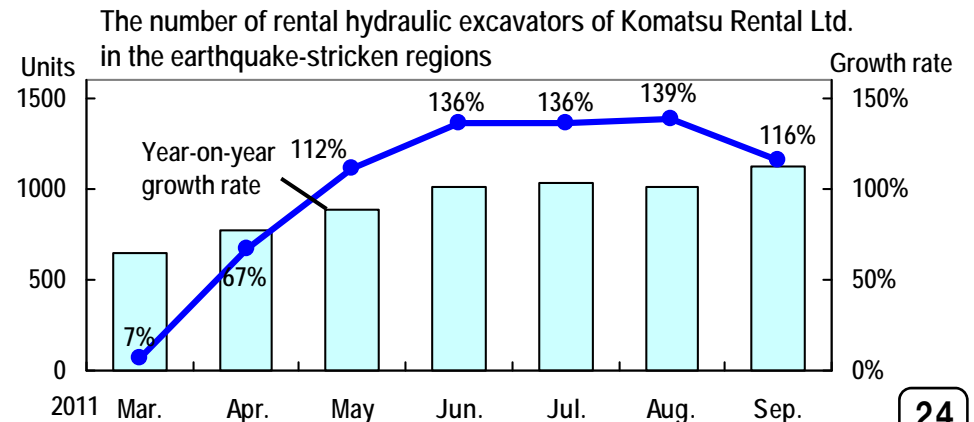


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
 Demand for 7 major products estimated by Komatsu
 No. of used equipment estimated by Komatsu
 *Current projection of October 27, 2011

Quarterly demand for 7 major products

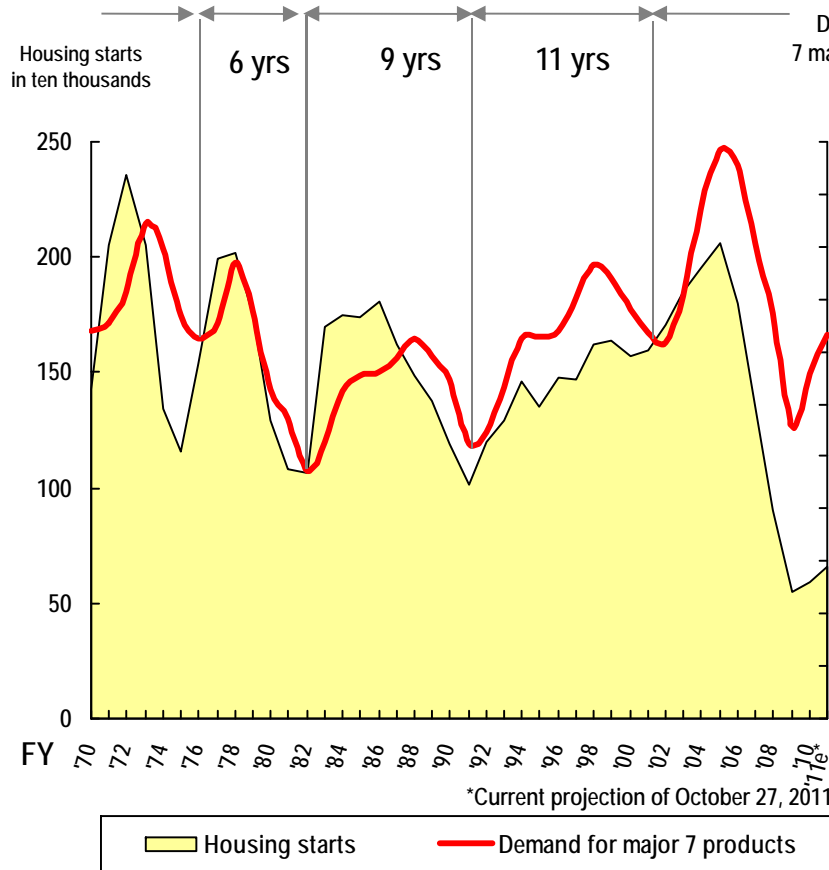


The number of rental equipment in operation



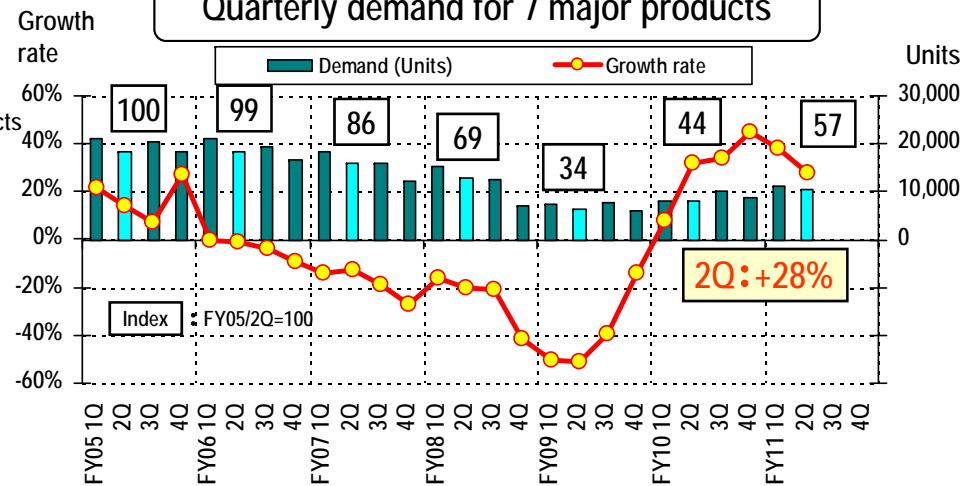
- Second-quarter demand increased by 28% from the corresponding period a year ago, driven by the rental industry and mining industry for minerals and energy. It represents about 60% of the second quarter of FY2005, the last peak year.
- We are anticipating that full-year demand will increase by about 25% from FY2010.

Demand for 7 major products and US housing starts

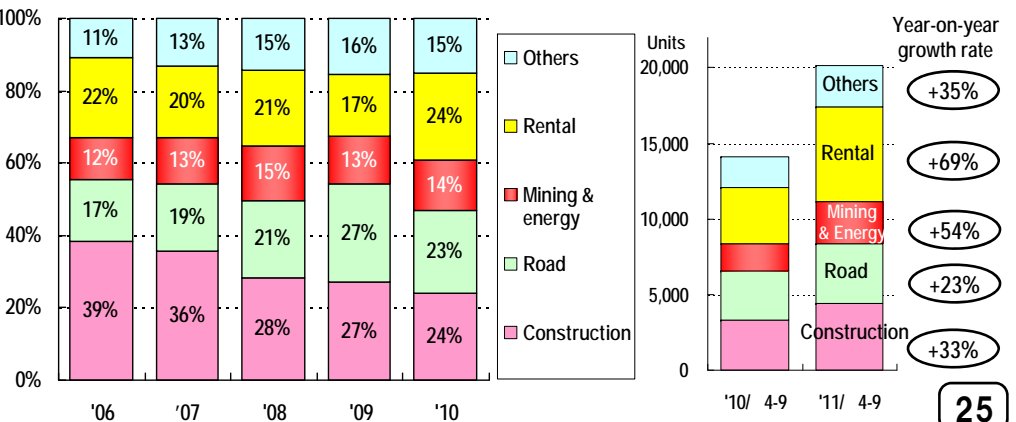


Sources: Housing starts by U.S. Department of Commerce
Demand for 7 major products estimated by Komatsu

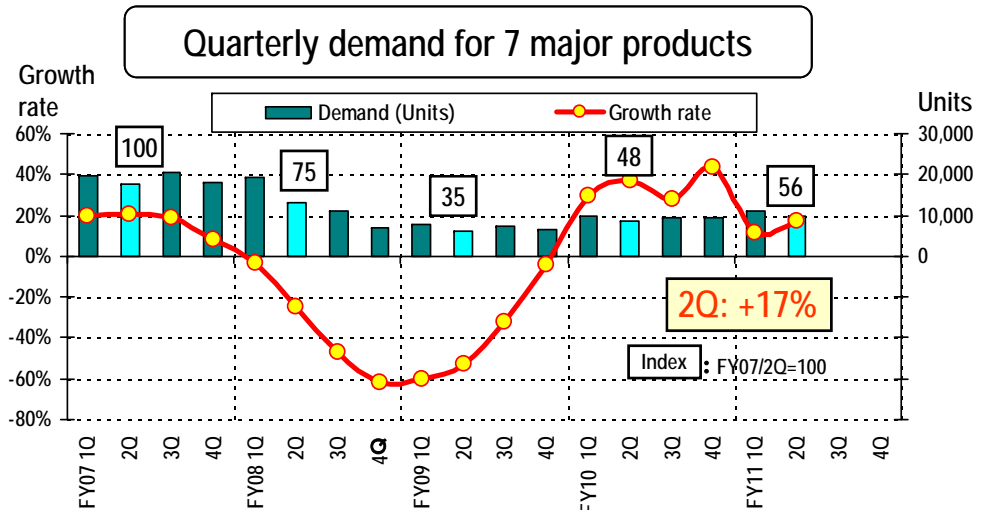
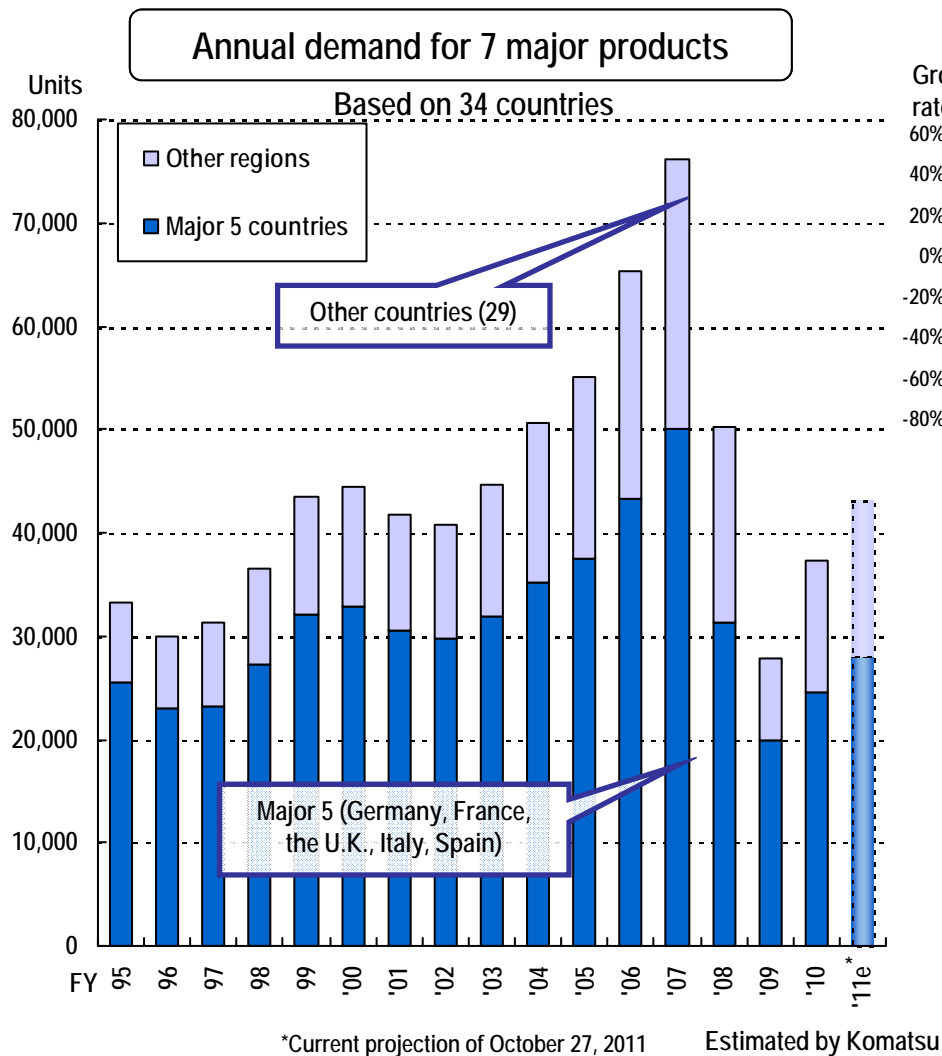
Quarterly demand for 7 major products



Breakdown of demand by segment (Unit based)



- Second-quarter demand increased by 17% from the corresponding period a year ago, driven by steady growth in northern Europe in addition to Germany and France. It represents about 60% of the second quarter of FY2007, the last peak year.
- We are anticipating that full-year demand will increase by about 15% from FY2010.



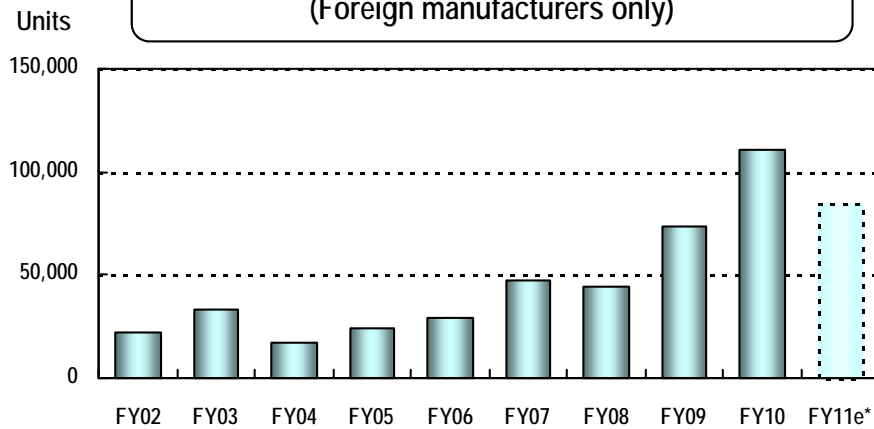
Demand for 7 major products: Year-on-year growth rate

	2010 Apr. - Aug.	2011 Apr. - Aug.
Germany	+48%	+34%
U.K.	+19%	+7%
France	+41%	+25%
Italy	+45%	-35%
Spain	+12%	-17%
Sweden	+52%	+50%
Norway	+24%	+46%
Poland	+6%	+15%

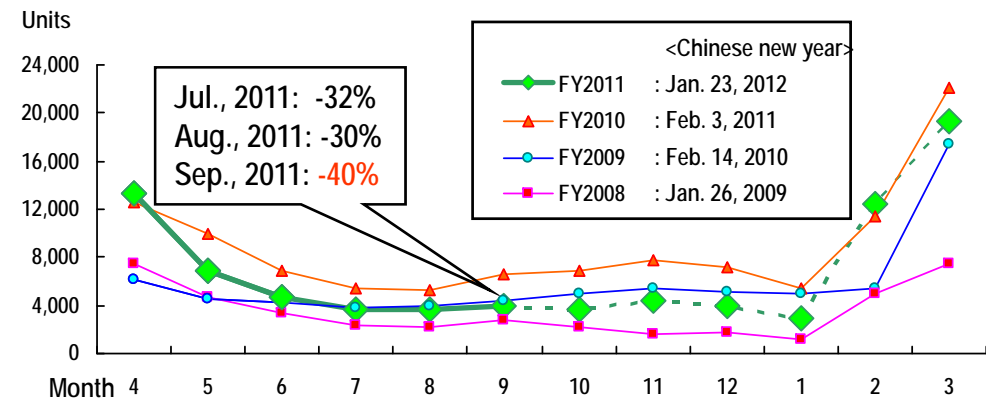
-Adversely affected by the government's credit squeeze measure, monthly demand (total of foreign makers) has declined year on year since May this year. Second-quarter demand dropped by 36% from the corresponding period a year ago.

- We are projecting that full-year demand will decline by about 25% from FY2010.

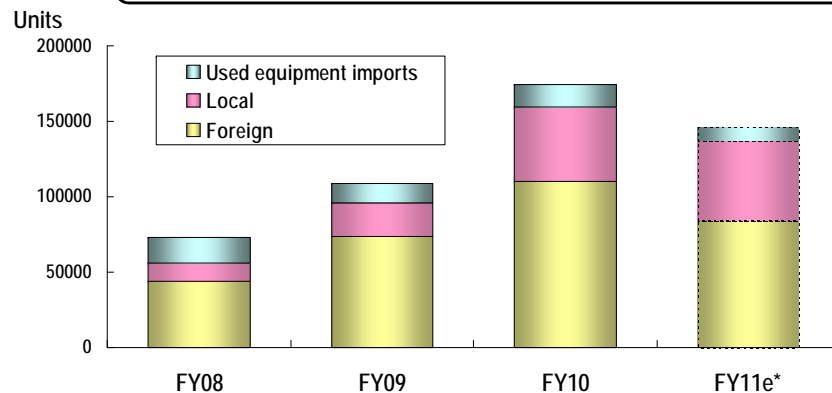
Demand for 7 major products
(Foreign manufacturers only)



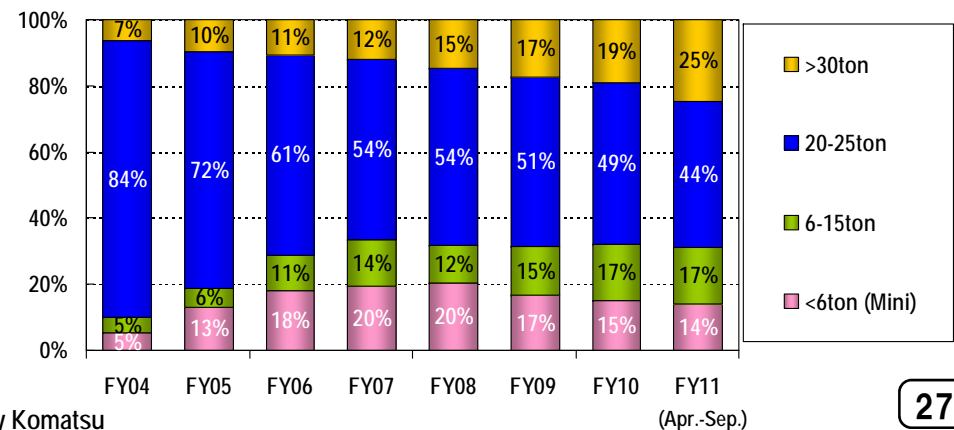
Monthly demand for hydraulic excavators
(Foreign makers: Sum of 6-ton and larger models)



Demand for hydraulic excavators (incl. mini models):
Local and foreign makers and used equipment imports



Breakdown of demand for hydraulic excavators by class



*Current projections of October 27, 2011

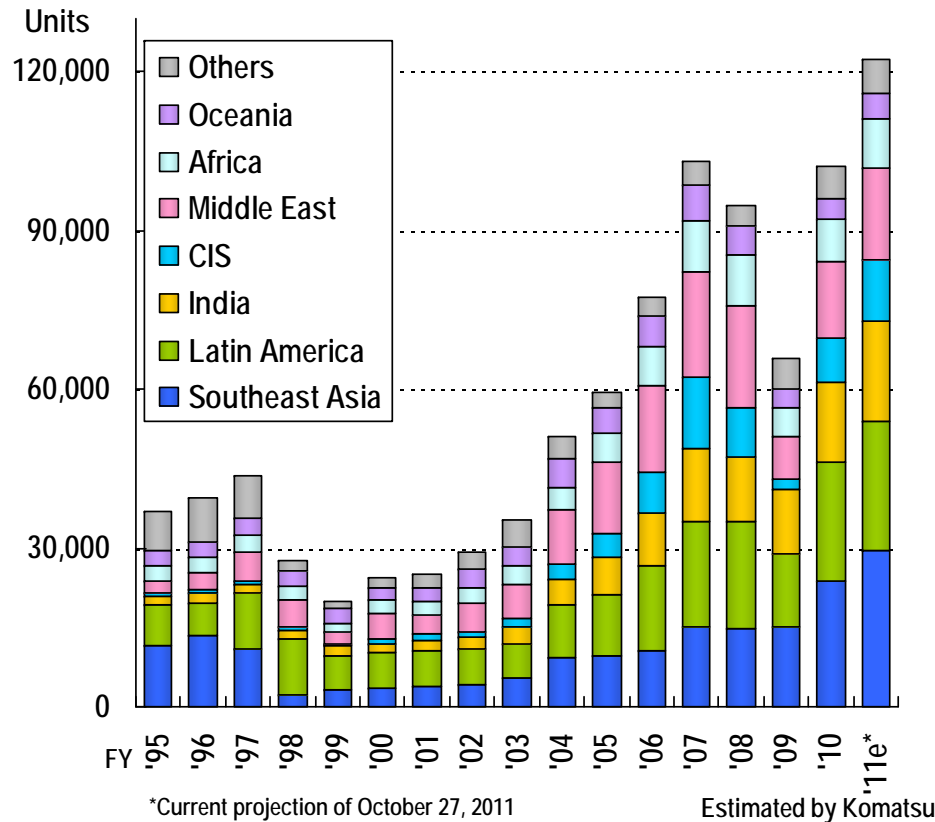
Estimated by Komatsu

(Apr.-Sep.)

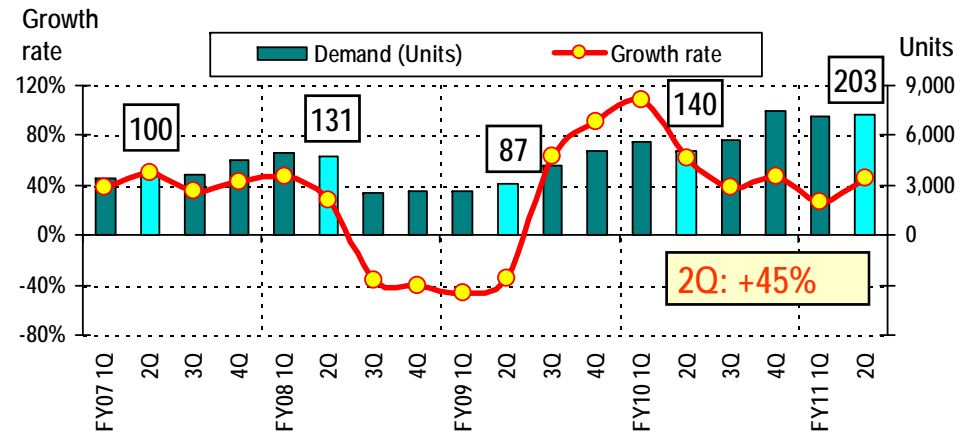
- Second-quarter demand advanced by 27% from the corresponding period a year ago, driven by strong demand in Southeast Asia and all other regions.
- We are expecting that full-year demand will advance by about 20% from FY2010.

Demand for 7 major products

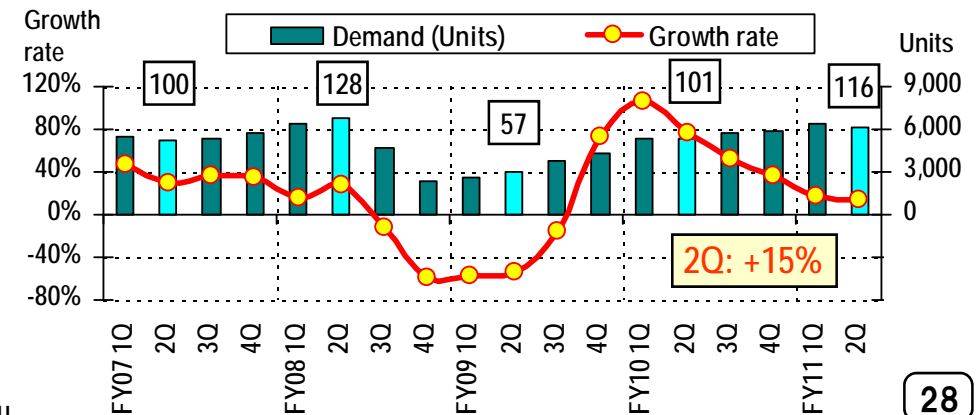
Other Strategic markets: Southeast Asia, Latin America, India, Africa, Middle East, CIS, Oceania and others



Quarterly demand for 7 major products in Southeast Asia



Quarterly demand for 7 major products in Latin America

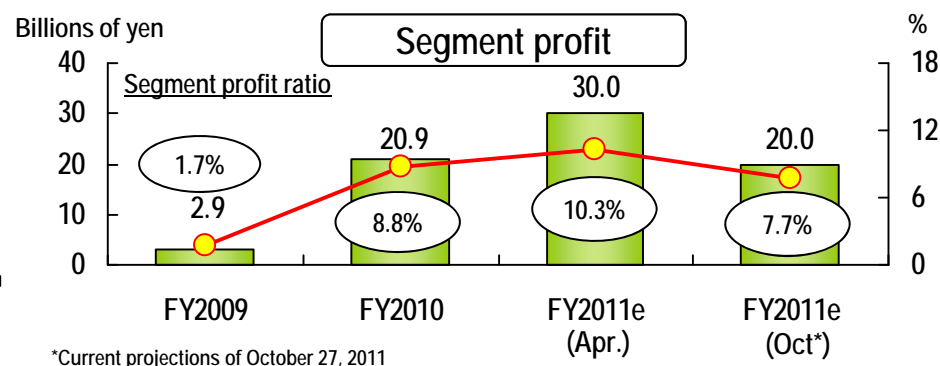
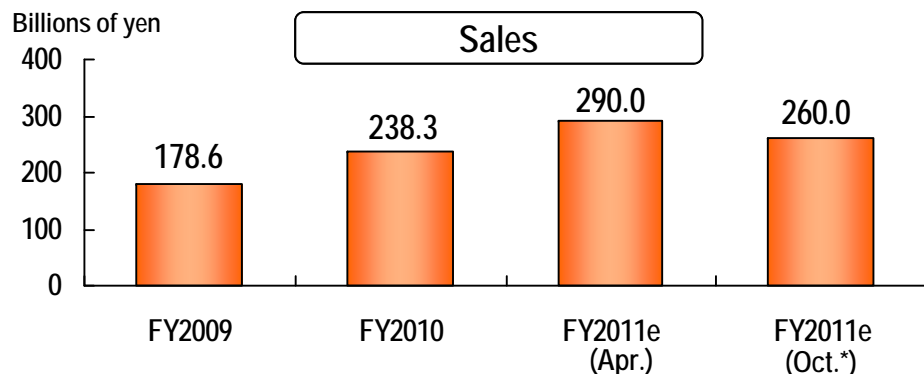


4. Industrial Machinery & Others Business: Market Environment and Outlook

Industrial Machinery & Others: Sales and Segment Profit

- We are projecting that reduced sales of wire saws will be compensated for by increased sales of presses and machine tools, and that full-year sales will increase from FY2010.

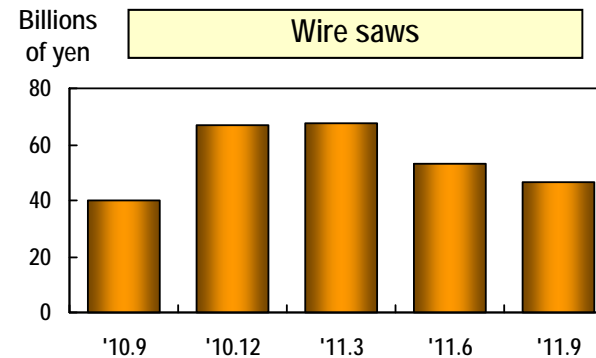
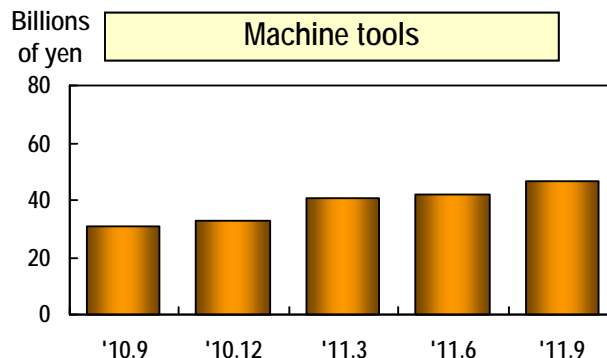
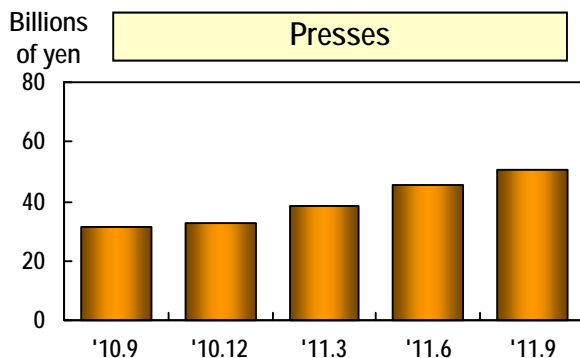
- We are continuing to receive orders for presses and machine tools.



Breakdown of sales
(FY2010 v.s. FY2011 projection)

Billions of yen	FY2010	FY2011 projection (Current)	Increase (decrease)
Komatsu Industries Corp	32.2	46.1	13.9
Komatsu NTC [Wire saws]	129.1 [83.0]	122.4 [55.0]	(6.7) [(28.0)]
Other businesses	77.0	91.5	(14.5)
Total	238.3	260.0	(21.6)

Backlog orders



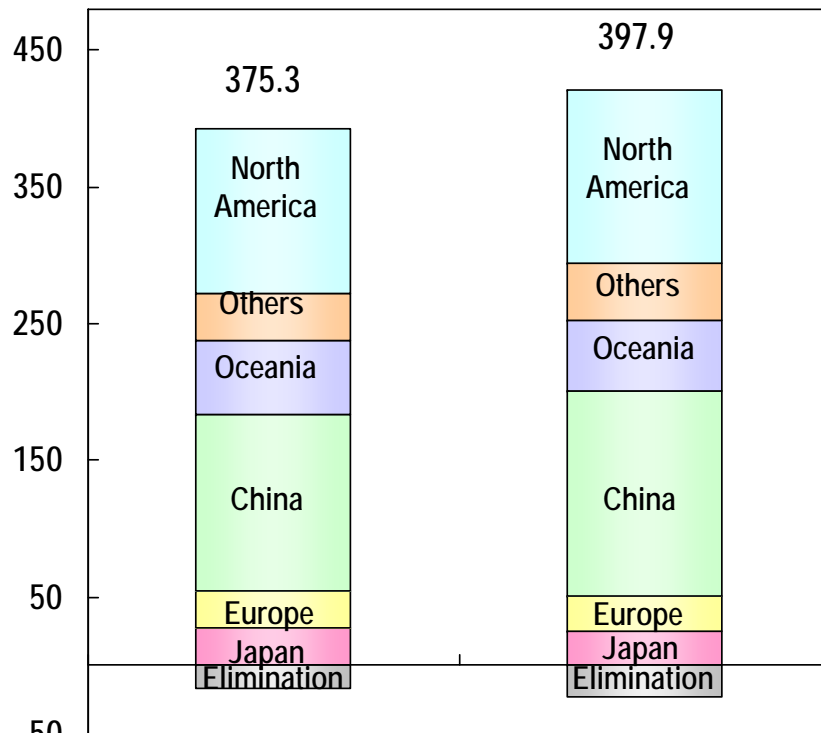
5. Retail Finance Business, Capital Expenditures, Depreciation, R&D Expenses and Fixed costs

Retail Finance Business

We are anticipating that assets will increase in North America in addition to Strategic Markets. We are projecting that both revenues and pre-tax income will increase from FY2010.

Consolidated retail finance subsidiaries

Billions of yen
1. Assets

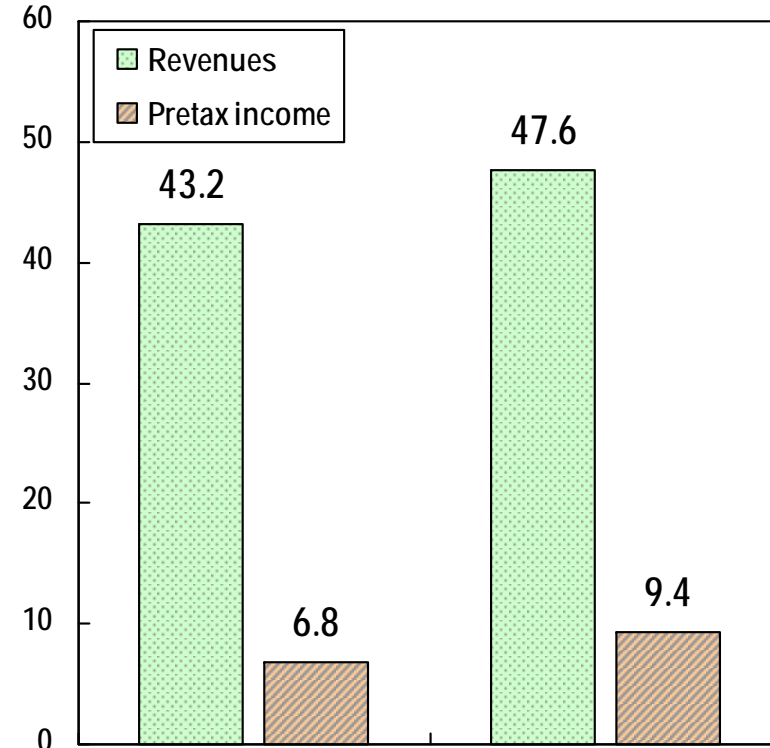


1USD 83 yen
1EUR 118 yen
1RMB 12.7 yen

March 31, 2012
(Projection*)
77 yen
106 yen
12.1 yen

*Current projections of October 27, 2011

Billions of yen
2. Revenues



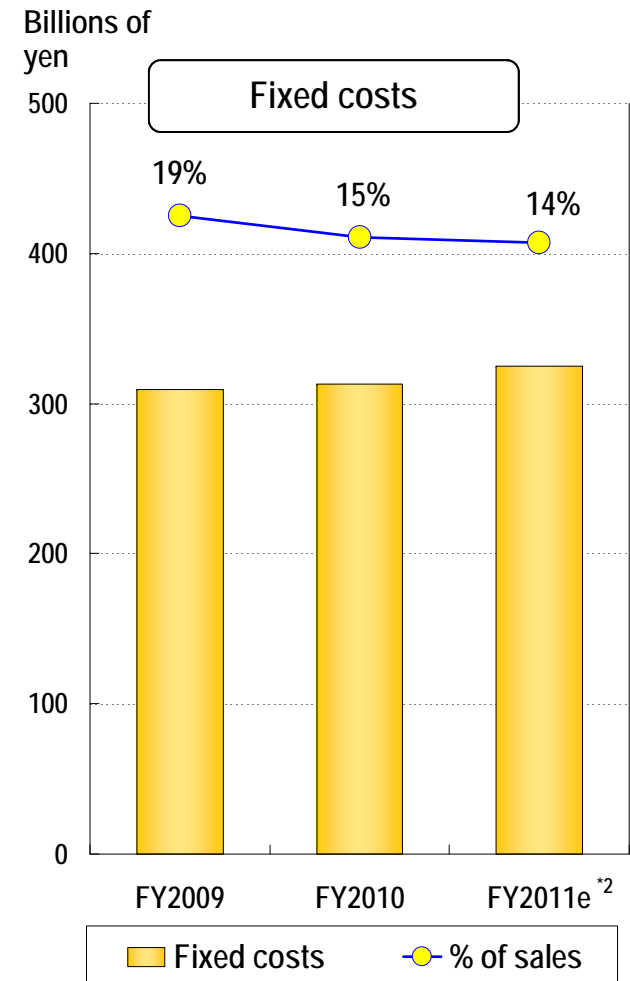
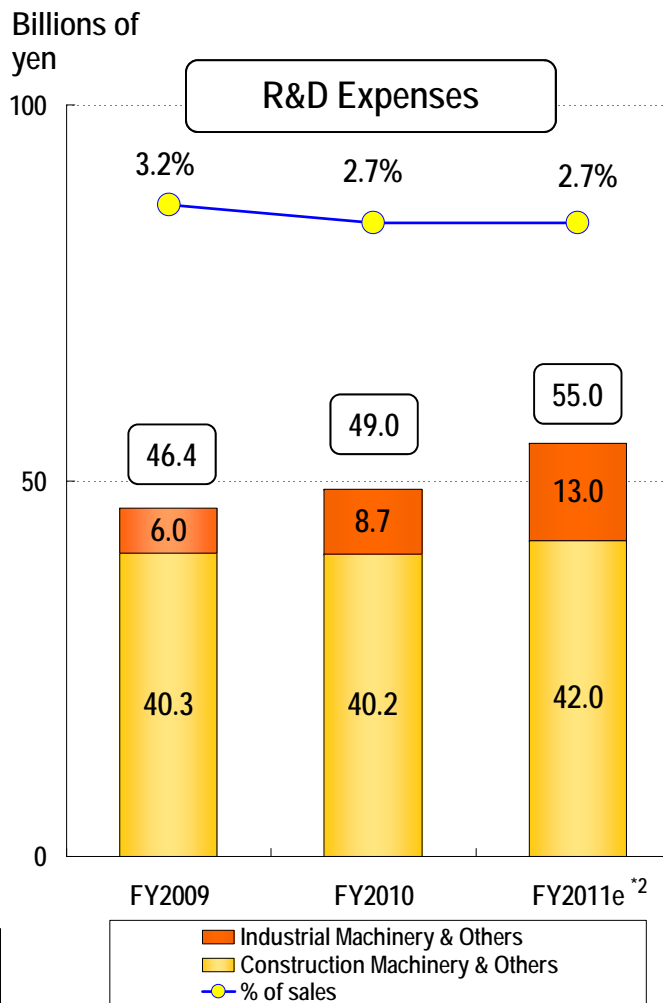
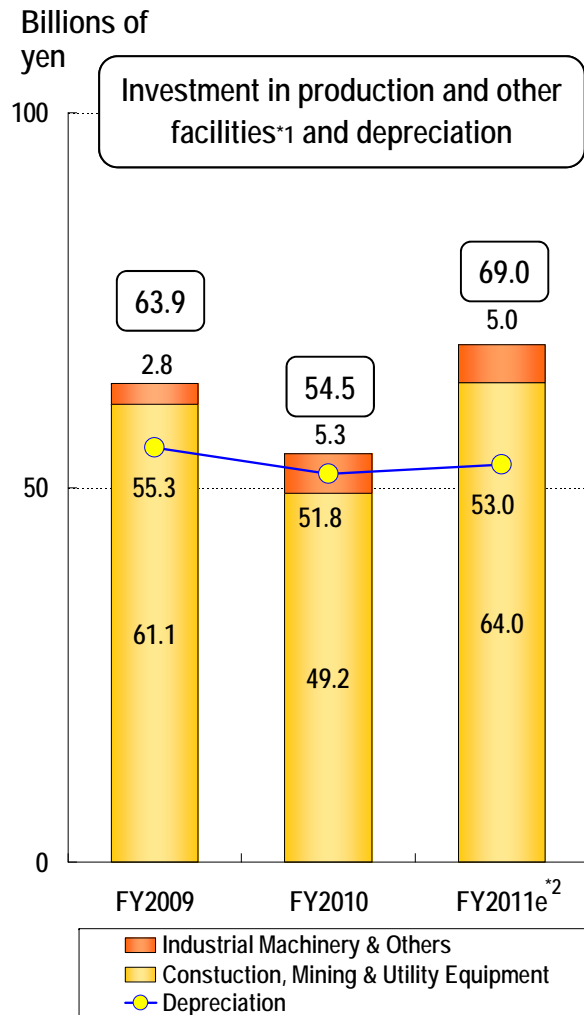
1USD
1EUR
1RMB

FY2010
85 yen
113 yen
12.7 yen

FY2011e*
78 yen
110 yen
12.2 yen

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

- We are investing mainly in test and research facilities to accommodate future growth.
- With respect to R&D expenses, we are investing mainly in ICT applications, environmental initiatives and safety improvement.
- We are continuing to curb fixed costs while sales will increase.



*1. Excl. investment in rental assets *2. Current projections of October 27, 2011

6. Progress Made in the Mid-Range Management Plan
“Global Teamwork for Tomorrow”

Targets and Progress Made in the Ongoing Mid-Range Management Plan

- While the Japanese currency is sharply appreciating to other major currencies, we have continued to make good progress in achieving the target figures.
- In spite of the sharp appreciation of the Japanese yen, we are making steady progress particularly in improving operating income ratio.

Target figures and results of the mid-range management plan (FY2010-2012)

NO	Target items	Target figures for FY2012	FY2009 (Reference)	FY2010	FY2011 1 st Half	FY2011 Current projection*
1	Operating income ratio	15%	4.7%	12.1%	13.5%	13.8%
2	ROE	20%	4.1%	17.2%	-	19.6%
3	Net debt-to-equity ratio	0.4 or below	0.60	0.50	0.52	0.52
	Excl. debt of finance subsidiaries	0.2 or below	0.36	0.24	0.24	0.24
4	Consolidated payout ratio	Stable dividend: 20-40%	38%*	24%	-	22%

*Excl. structural reform expenses

Assumptions of mid-range management plan and results

*Current projections of October 27, 2011

NO	Items	FY2012	FY2009 (Reference)	FY2010	FY2011 1 st Half	FY2011 Current projection*	
1	Sales (Billions of yen)	2,000.0 (+/- 100.0)	1,431.5	1,843.1	-	2,050.0	
2	Foreign exchange rates	JPY/USD	90	93	85	79	78
		JPY/EUR	125	131	113	114	110
		JPY/RMB	13.5	13.6	12.7	12.3	12.2

Activities of Importance: 1) ICT Applications to Products and Parts

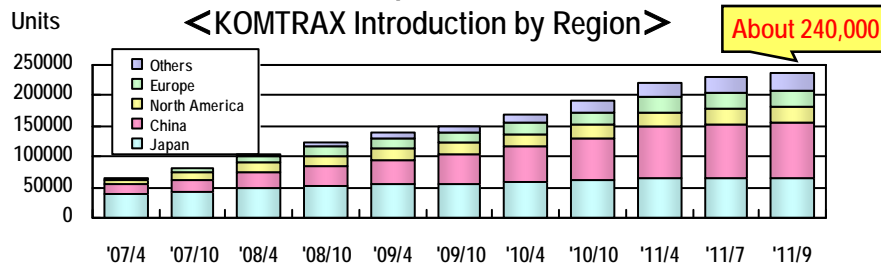
- KOMTRAX: About 240,000 KOMTRAX-installed machines in operation worldwide (as of Sept. 30, 2011)
- AHS: Making more efforts to expand deployment to more mines and introduce more dump trucks.
- ICT-intensive construction: Building sales and support operation at North American distributors to expand the business in the future.

1. Advancement of KOMTRAX

1) KOMTRAX

(1) Expanded countries of introduction (about 70)

- FY11/1H: Philippines, Vietnam, South Africa
- FY11/2H onward: Preparation in Russia, UAE, etc.



(2) Promotion of KOMTRAX use

Packaging complimentary maintenance services and guarantee in new emission controls applicable regions by using KOMTRAX data and promoting distributors' use of KOMTRAX data.

2) KOMTRAX Plus

(Vehicle health management system for mining equipment)

- Strengthening efforts to capture demand for overhauling by using KOMTRAX Plus information.

3) KOMTRAX Parts

(Access to the conditions of parts and their replacement records)

- Continuing tests for commercialization.

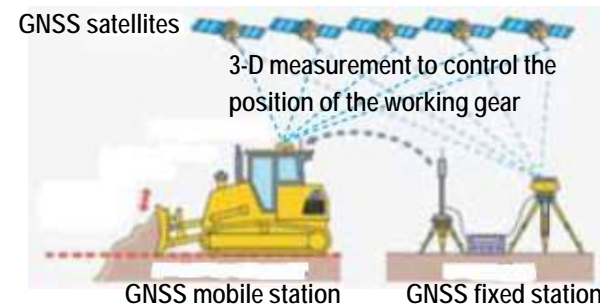
2. AHS (Autonomous Haulage System)

- 1) Delivered 22 dump trucks in Chile and Australia.
- 2) Getting ready to expand deployment and sales of dump trucks.

3. ICT-intensive construction (Automation of Jobsites)

- 1) Developing DANTOTSU ICT-intensive equipment
 - Starting test operation by customers in North America.
- 2) Building sales operation at N. American distributors
 - Introducing demonstration machines to pilot distributors and training sales and service persons.

<Automatic control (image): Bulldozer>



- Cumulative sales of hybrid hydraulic excavators have topped 1,100 units. Launched HB205 and 215LC models in N. America, Europe, Asia, Oceania, following Japan.
- Launched the new emission control (Tier 4)-compliant models in the U.S.
- Advancing the biodiesel fuel project for mining dump trucks and developing electric mini construction equipment.

1. Hybrid hydraulic excavators

1) Global launchings of HB205 and 215LC models

- Already sold about 420 units (as of Sept. 30, 2011)
- FY2011/2H: Planning to launch in Latin America (Brazil and Chile) and China

[Sales] (as of Sept. 30, 2011)

Models	Regions	Units
PC200-8 Hybrid (Total: about 690 units)	Japan	About 260 units
	China	About 430 units
HB205 /215LC (Total: about 420 units)	Japan	About 360 units
	N. America, Europe, Asia, Oceania	About 60 units
Total		About 1,110 units

2) Expansion of the model range

- 30-ton class hydraulic excavators
- Wheel loaders, etc.

2. Meeting new emission controls (Tier 4)

1) Market introduction of compliant models

- Launched hydraulic excavators and bulldozers in the U.S.

2) Expanding sales-support programs

KAC's "Komatsu CARE"

- Complimentary inspection (every 500hrs until 2,000hrs or 3yrs)
- Complimentary replacement of DPFs (2 times until 9,000hrs or 5yrs)
- Expanding sales of parts, incl. DPF washing, and reinforcing maintenance contracts, etc.

3. Mining and utility equipment

1) Biodiesel fuel (BDF) project

- May 2011: Opened the refinery plant
- Testing dump trucks with Jatropha-based BDF (going well)



Testing the HD785

2) Utility equipment

- Forklift trucks: Getting ready for full-scale launching of HST-driven models
- Mini equipment: Electric excavators and wheel loaders
Developing and testing them for use in users' tests.



Electric mini excavator (pilot model)

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

- Strengthening Reman/rebuild capacities and expanding the range of parts to meet a growing number of mining equipment in operation.
- Reinforcing service operation to meet a growing number of machines in operation in Strategic Markets (China, Asia, etc.)

1. Expanding sales of strategic parts

(GET, UC, Reman products, parts for periodic replacement)

1) Expanding Reman/rebuild capacities

- Expanding production capacity of large engines at global Reman bases (Komatsu Reman Indonesia and Komatsu Reman Asia)
- Building more rebuild centers in emerging countries
May 2011: Operation started in Kuzbass, Russia.
Four centers (2 in China, 1 each in India and Russia) today
Planning to open one in Brazil.



Kuzbass Service Support Center (left) and the rebuild center inside (right)

2) Expanding product offerings and sales operation

- Expansion of product offerings
Me bucket models (for 30 ton class in China: FY2011/2H onward)
Launching civil engineering-specific track shoes.
(China: April 2011 onward)
- Strengthening parts sales operation of distributors and their education for products

2. Reinforcing jobsite-linked service operation

1) Increasing the number of service support centers

- 11 centers (March 2009) → 27 (Sept. 2011)
Planning to open in FY2011/2H onward: Mongolia and Russia (Khabarovsk)

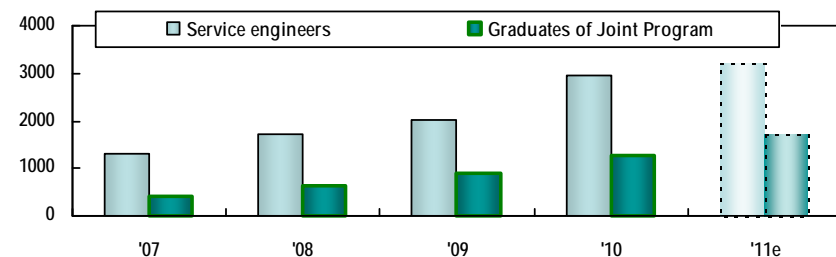
2) Increasing the number of parts depots

- 33 depots (March 2009) → 38 (Sept. 2011)
Planning to open in FY2011/2H onward: India, Malaysia and Oman

3) Training more service engineers and mechanics

- Philippine HRD Center - Philippines
Continuing to train mining equipment mechanics for international assignment (31 mechanics of the first and second sessions engaging in field training at mines)
- Joint special training program with Shandong Jiaotong University continuing to train service engineers

Service Engineers of Komatsu Distributors in China and Graduates of the Joint Program



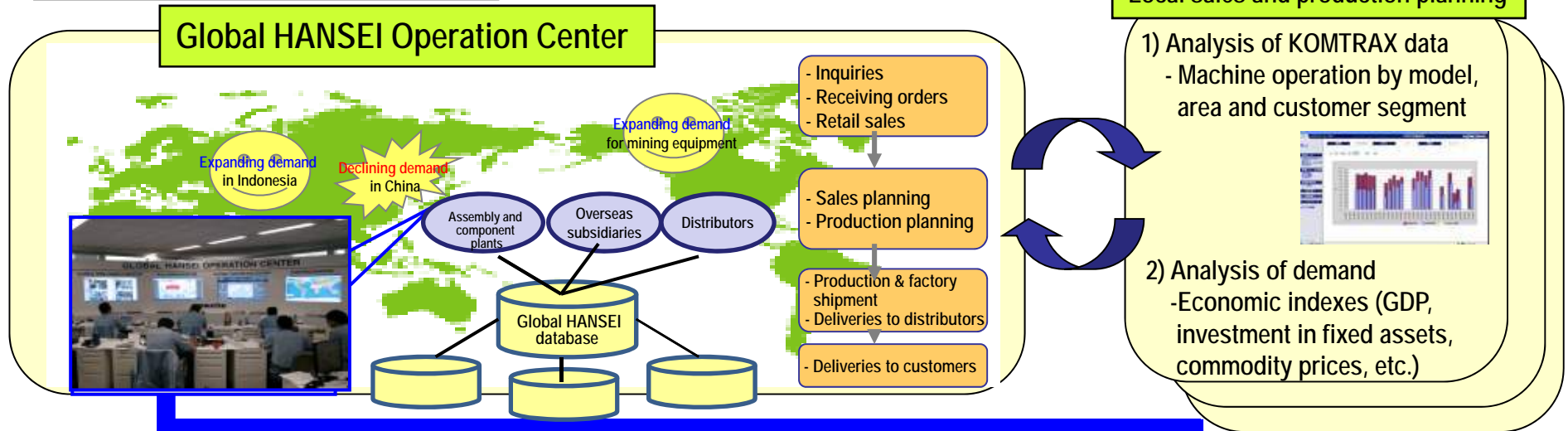
Activities of Importance (4): Promotion of Continuous Improvement by Reinforcing Workplace Capability

- Making the entire supply chain "visible" at the Global HANSEI Operation Center
- Advancing local sales and production planning by region and country to global-scope planning by using KOMTRAX data.

Global HANSEI Operation Center
(opened inside the new Technical Center at Osaka Plant in April 2011)

Zero Inventory campaign at distributors (worldwide)
Daily management of retail sales

Local sales and production planning



- 1) Analysis of KOMTRAX data
- Machine operation by model, area and customer segment
- 2) Analysis of demand
- Economic indexes (GDP, investment in fixed assets, commodity prices, etc.)

1) Web camera view



<Making production lines "visible">

2) Display of assembly progress (Kom-VISION)



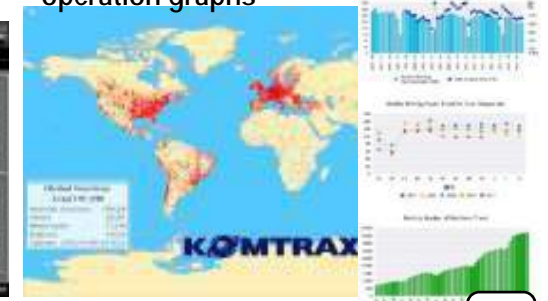
<Making assembly progress "visible">

3) Cockpit display of global sales, production and inventories



<Making sales, production and inventories "visible">

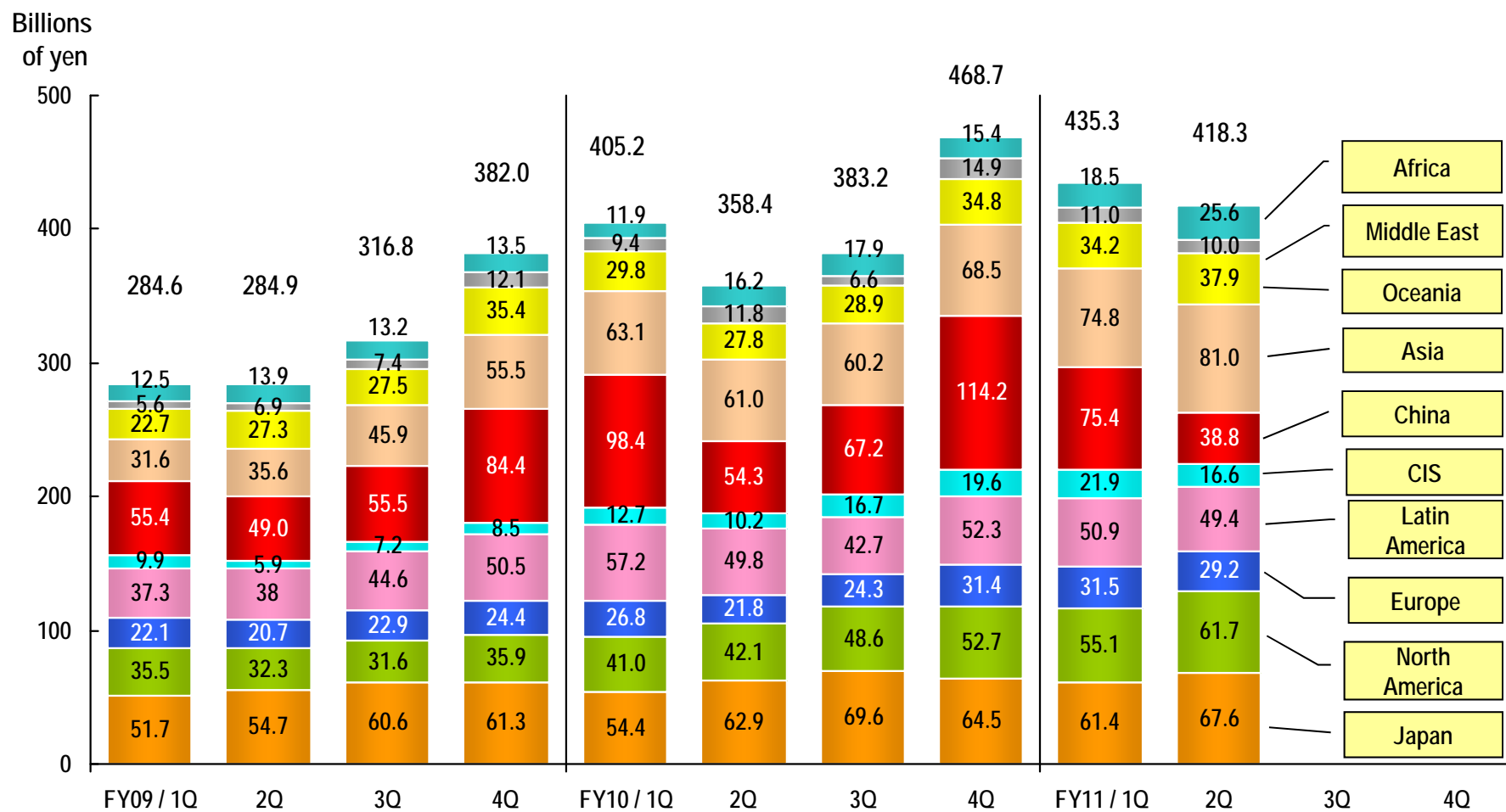
4) Display of KOMTRAX and operation graphs



<Making operating conditions "visible">

<Appendix>

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



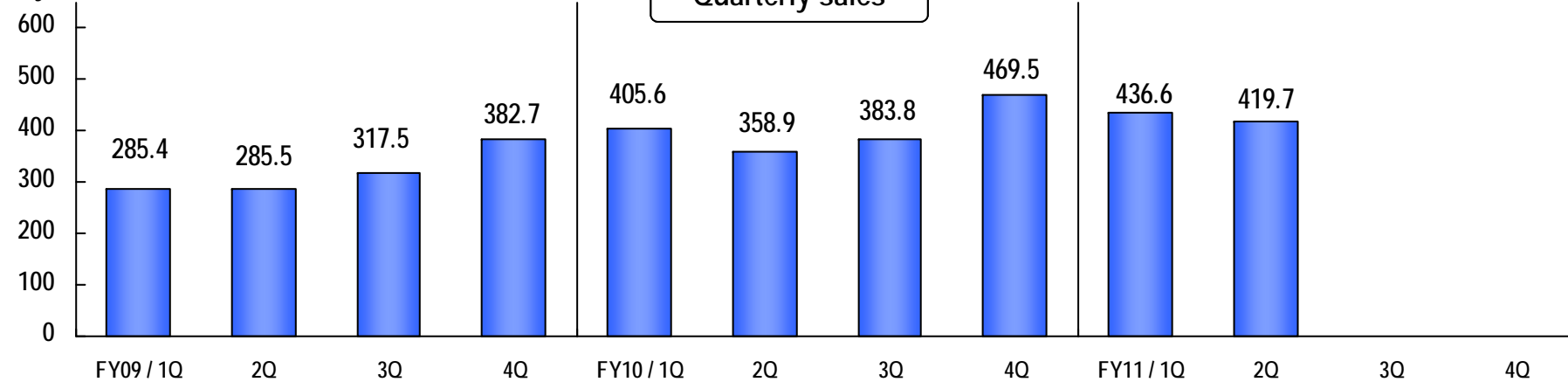
Exchange rates

	09 / 1Q	09 / 2Q	09 / 3Q	09 / 4Q	10 / 1Q	10 / 2Q	10 / 3Q	10 / 4Q	11 / 1Q	11 / 2Q	11/3Q	11/4Q
1USD	97 yen	93 yen	90 yen	91 yen	91 yen	85 yen	82 yen	82 yen	81 yen	77 yen	yen	yen
1EUR	133 yen	133 yen	133 yen	124 yen	115 yen	111 yen	110 yen	114 yen	118 yen	109 yen	yen	yen
1RMB	14.2 yen	13.6 yen	13.2 yen	13.3 yen	13.4 yen	12.6 yen	12.4 yen	12.5 yen	12.5 yen	12.1 yen	yen	yen

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

Billions of yen

Quarterly sales

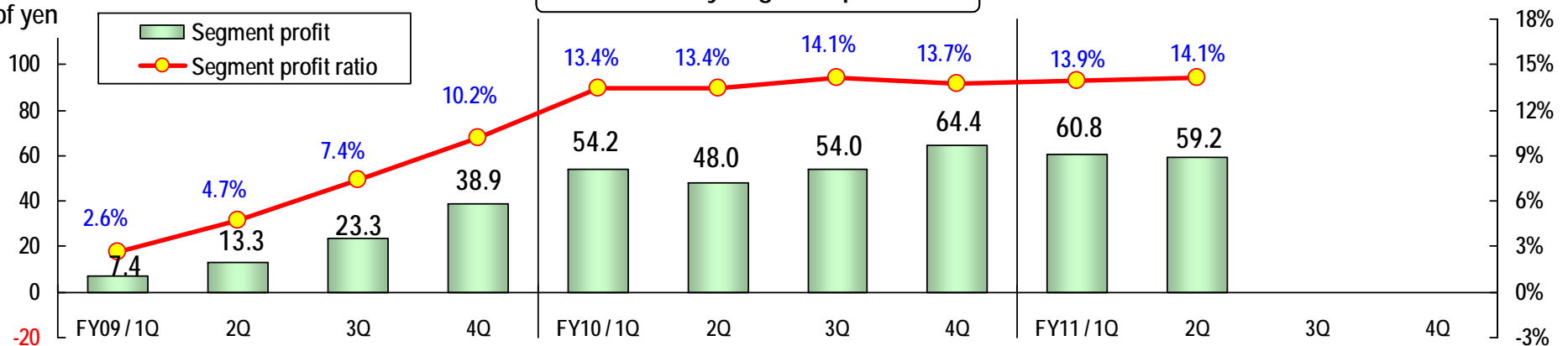


Exchange rates

	09 / 1Q	09 / 2Q	09 / 3Q	09 / 4Q	10 / 1Q	10 / 2Q	10 / 3Q	10 / 4Q	11 / 1Q	11 / 2Q	11/3Q	11/4Q
1USD	97 yen	93 yen	90 yen	91 yen	91 yen	85 yen	82 yen	82 yen	81 yen	77 yen	yen	yen
1EUR	133 yen	133 yen	133 yen	124 yen	115 yen	111 yen	110 yen	114 yen	118 yen	109 yen	yen	yen
1RMB	14.2 yen	13.6 yen	13.2 yen	13.3 yen	13.4 yen	12.6 yen	12.4 yen	12.5 yen	12.5 yen	12.1 yen	yen	yen

Billions of yen

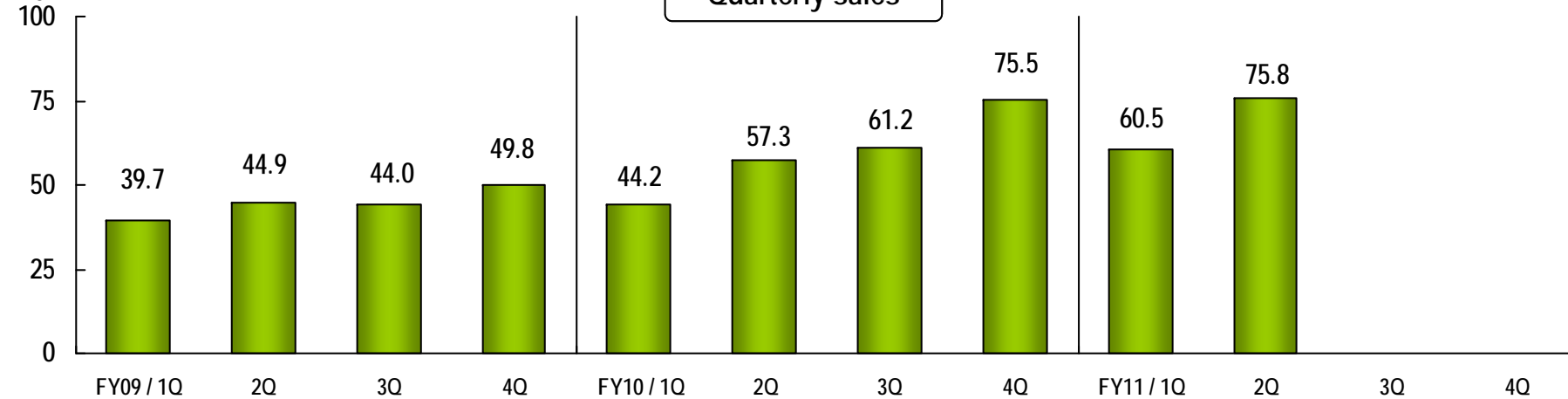
Quarterly segment profit



Industrial Machinery & Others: Quarterly Sales and Segment Profit

Billions of yen

Quarterly sales

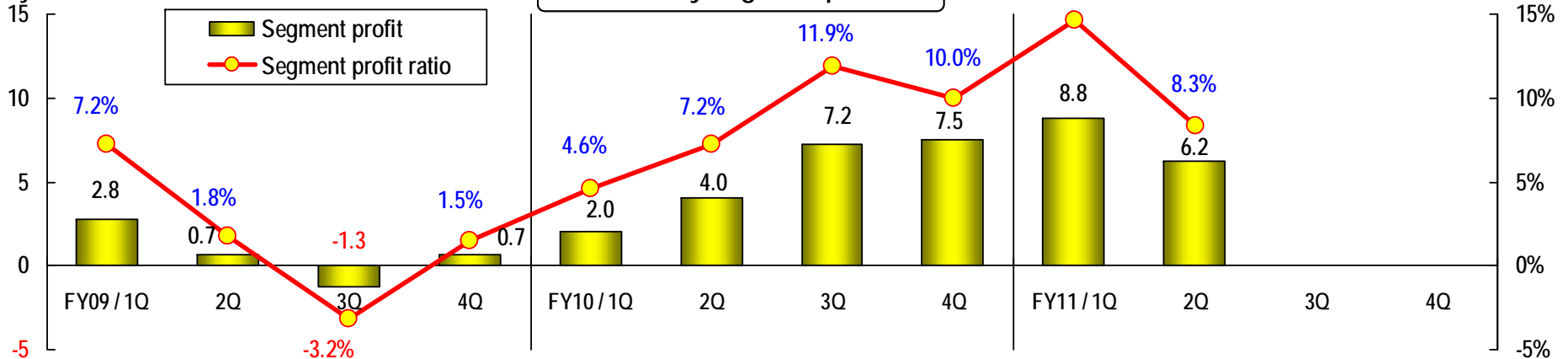


Exchange rates

	09 / 1Q	09 / 2Q	09 / 3Q	09 / 4Q	10 / 1Q	10 / 2Q	10 / 3Q	10 / 4Q	11 / 1Q	11 / 2Q	11/3Q	11/4Q
1USD	97 yen	93 yen	90 yen	91 yen	91 yen	85 yen	82 yen	82 yen	81 yen	77 yen	yen	yen
1EUR	133 yen	133 yen	133 yen	124 yen	115 yen	111 yen	110 yen	114 yen	118 yen	109 yen	yen	yen
1RMB	14.2 yen	13.6 yen	13.2 yen	13.3 yen	13.4 yen	12.6 yen	12.4 yen	12.5 yen	12.5 yen	12.1 yen	yen	yen

Billions of yen

Quarterly segment profit



Cautionary Statement

This presentation sheets contain forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results and business strategies. These statements can be identified by the use of terms such as "will," "believes," "should," "projects," "plans," "expects," and similar terms and expressions that identify future events or expectations. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured. Any forward-looking statements speak only as of the date of this presentation sheets, and Komatsu assumes no duty to update such statements.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes in exchange rates or the impact of increased competition; unanticipated costs or delays encountered in achieving the Company's objectives with respect to globalized product sourcing and new information technology tools; uncertainties as to the results of the Company's research and development efforts and its ability to access and protect certain intellectual property rights; the impact of regulatory changes and accounting principles and practices; and the introduction, success and timing of business initiatives and strategies.



**D65-17 bulldozer
with automatic blade control**

Business Coordination Department, KOMATSU LTD.

TEL: +81-3-5561-2687

FAX: +81-3-3582-8332

<http://www.komatsu.com/>