

Financial Statements

Consolidated The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Consolidated Statements of Income (April 1, 2009 - March 31, 2010)

	Millions of yen	Millions of * U.S. dollars
Net sales	¥ 1,431,564	\$ 15,393
Cost of sales	1,101,559	11,845
Selling, general and administrative expenses	249,286	2,680
Other operating income (expenses)	(13,684)	(147)
Operating income	67,035	721
Other income (expenses)		
Interest and dividend income	6,158	66
Interest expense	(8,502)	(91)
Other-net	288	3
Other income (expenses)	(2,056)	(22)
Income before income taxes and equity in earnings of affiliated companies	64,979	699
Income taxes	25,364	273
Income before equity in earning of affiliated companies	39,615	426
Equity in earnings of affiliated companies	1,588	17
Net income	¥ 41,203	\$ 443
Less net income attributable to noncontrolling interests	(7,644)	(82)
Net income attributable to Komatsu Ltd.	¥ 33,559	\$ 361

Note : * U.S. dollar amounts are converted and rounded off only for reference at a rate of ¥93 = US\$1.00, the prevailing rate announced by the Federal Reserve Bank of New York on March 31, 2010.

Consolidated Statements of Equity (April 1, 2009 - March 31, 2010)

	Millions of yen								
	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)	Treasury stock	Total Komatsu Ltd. shareholders' equity	Non-controlling interests	Total equity
			Appropriated for legal reserve	Unappropriated					
Balance at March 31, 2009	¥67,870	¥140,092	¥28,472	¥719,222	¥(105,744)	¥(34,971)	¥814,941	¥33,393	¥848,334
Cash dividends				(25,180)			(25,180)	(3,368)	(28,548)
Transfer to retained earnings appropriated for legal reserve			3,511	(3,511)			—		—
Other changes							—	2,531	2,531
Comprehensive income									
Net income				33,559			33,559	7,644	41,203
Other comprehensive income (loss), net of tax									
Foreign currency translation adjustments					(904)		(904)	1,897	993
Net unrealized holding gains on securities available for sale					5,480		5,480	—	5,480
Pension liability adjustments					4,920		4,920	2	4,922
Net unrealized holding gains on derivative instruments					614		614	725	1,339
Total comprehensive income							43,669	10,268	53,937
Issuance and exercise of stock acquisition rights		413					413		413
Purchase of treasury stock						(40)	(40)		(40)
Sales of treasury stock		(84)				256	172		172
Balance at March 31, 2010	¥67,870	¥140,421	¥31,983	¥724,090	¥ (95,634)	¥(34,755)	¥833,975	¥42,824	¥876,799

Consolidated Balance Sheets (As of March 31, 2010)

Assets	Millions of yen	Millions of * U.S. dollars
Current assets	¥ 1,040,121	\$ 11,184
Cash and cash equivalents	82,429	886
Time deposits	1,132	12
Trade notes and accounts receivable	447,693	4,814
Inventories	396,416	4,263
Deferred income taxes and other current assets	112,451	1,209
Long-term trade receivables	150,972	1,623
Investments	86,868	934
Property, plant and equipment – less accumulated depreciation	525,100	5,646
Other assets	155,994	1,677
Total	¥ 1,959,055	\$ 21,065

Liabilities and equity

	Millions of yen	Millions of * U.S. dollars
Current liabilities	¥ 641,746	\$ 6,900
Short-term debt (including current maturities of long-term debt)	229,394	2,467
Trade notes, bills and accounts payable	207,024	2,226
Income taxes payable	22,004	237
Deferred income taxes and other current liabilities	183,324	1,971
Long-term liabilities	440,510	4,737
Total long-term liabilities	1,082,256	11,637
Komatsu Ltd. shareholders' equity		
Common stock	67,870	730
Capital surplus	140,421	1,510
Retained earnings	756,073	8,130
Accumulated other comprehensive income (loss)	(95,634)	(1,028)
Treasury stock	(34,755)	(374)
Total Komatsu Ltd. shareholders' equity	833,975	8,967
Noncontrolling interests	42,824	460
Total equity	876,799	9,428
Total	¥ 1,959,055	\$ 21,065

Consolidated Statements of Cash Flows (April 1, 2009 - March 31, 2010)

	Millions of yen	Millions of * U.S. dollars
Operating activities		
Net income	¥ 41,203	\$ 443
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	91,319	982
Deferred income taxes	(7,358)	(79)
Net loss (gain) from sale of investment securities and subsidiaries	(679)	(7)
Net loss (gain) on sale of property	(373)	(4)
Loss on disposal of fixed assets	2,244	24
Impairment loss on long-lived assets	3,332	36
Pension and retirement benefits, net	(55)	(1)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(71,459)	(768)
Decrease (increase) in inventories	117,707	1,266
Increase (decrease) in trade payables	(8,354)	(90)
Increase (decrease) in income taxes payable	11,311	122
Other, net	3,323	36
Net cash provided by (used in) operating activities	182,161	1,959
Investing activities		
Capital expenditures	(92,401)	(994)
Proceeds from sale of property	11,212	121
Proceeds from sale of available for sale investment securities	1,005	11
Purchases of available for sale investment securities	(4,826)	(52)
Proceeds from sale of subsidiaries and equity investees, net of cash disposed	661	7
Acquisition of subsidiaries and equity investees, net of cash acquired	1,107	12
Collection of loan receivables	11,559	124
Disbursement of loan receivables	(667)	(7)
Decrease (increase) in time deposits	(617)	(7)
Net cash provided (used in) investing activities	(72,967)	(785)
Financing activities		
Proceeds from long-term debt	155,641	1,674
Repayments on long-term debt	(73,052)	(786)
Increase (decrease) in short-term debt, net	(139,067)	(1,495)
Repayments of capital lease obligations	(31,240)	(336)
Sale purchase of treasury stock, net	132	1
Dividends paid	(25,180)	(271)
Other, net	(3,597)	(39)
Net cash provided by (used in) financing activities	(116,363)	(1,251)
Effect of exchange rate change on cash and cash equivalents	(965)	(10)
Net increase (decrease) in cash and cash equivalents	(8,134)	(87)
Cash and cash equivalents, beginning of year	90,563	974
Cash and cash equivalents, end of year	¥ 82,429	\$ 886

Note : * U.S. dollar amounts are converted and rounded off only for reference at a rate of ¥93 = US\$1.00, the prevailing rate announced by the Federal Reserve Bank of New York on March 31, 2010.

Financial Statements

Consolidated

Business Segment Information (April 1, 2009 - March 31, 2010)

Information by Operating Segment

Millions of yen

Net sales

Construction, mining and utility equipment	¥ 1,271,265
Industrial machinery and others	178,608
Elimination	(18,309)
Consolidated	¥ 1,431,564

Identifiable assets

Construction, mining and utility equipment	¥ 1,682,542
Industrial machinery and others	207,551
Corporate assets and elimination	68,962
Consolidated	¥ 1,959,055

Segment profit

Construction, mining and utility equipment	¥ 83,061
Industrial machinery and others	2,998
Total	86,059
Corporate expenses and elimination	(5,340)
Consolidated segment profit	80,719

Depreciation and amortization

Construction, mining and utility equipment	¥ 82,508
Industrial machinery and others	7,707
Consolidated	¥ 90,215

Other operating income (expenses)

Other operating income (expenses)	(13,684)
-----------------------------------	----------

Operating income

Operating income	67,035
------------------	--------

Interest and dividend income	6,158
------------------------------	-------

Interest expense	(8,502)
------------------	---------

Other-net	228
-----------	-----

Income before income taxes, minority

interests and equity in earnings of affiliated companies	¥ 64,979
--	----------

Capital investment

Construction, mining and utility equipment	¥ 92,979
Industrial machinery and others	3,212
Consolidated	¥ 96,191

Geographic Information

Net sales recognized by geographic origin and property, plant and equipment

Millions of yen

	Japan	U.S.A.	Europe and CIS	Others	Total
Net sales	¥ 498,568	¥ 311,170	¥ 141,510	¥ 480,316	¥ 1,431,564
Property, plant and equipment	380,592	62,637	35,811	46,060	525,100

Note : No individual country within Europe or other areas had a material impact on net sales or property, plant and equipment.
There were no sales to a single major external customer for the year ended March 31, 2010.

Supplemental Information

The following information is disclosed in the light of the disclosure requirement of Japanese Securities and Exchange Law.

Information by region

Millions of yen

	Japan	Americas	Europe and CIS	Others	Total	Corporate and elimination	Consolidated
Net sales	¥ 716,719	¥ 347,717	¥ 162,610	¥ 490,256	¥ 1,717,302	¥ (285,738)	¥ 1,431,564
Segment profit	(19,783)	33,982	10,460	60,151	84,810	(4,091)	80,719
Identifiable assets	1,129,391	417,423	196,469	482,424	2,225,707	(266,652)	1,959,055

Note : Sales amount of each region includes inter-region transactions.

Overseas sales

Millions of yen

	Americas	Europe and CIS	Others	Total
Overseas sales	¥ 323,984	¥ 127,377	¥ 656,390	¥ 1,107,751
Consolidated net sales	—	—	—	1,431,564
Ratio of overseas sales to consolidated net sales (%)	22.7	8.9	45.8	77.4

Notes : 1. Overseas sales represent the sales of the Company and its consolidated subsidiaries to areas other than Japan.

2. Area segments are separated by the geographic proximity.

3. Main countries or areas of each segment above are as follows:

a) Americas : North America and Latin America b) Europe and CIS : Germany, U.K. and Russia c) Other : China, Oceania, Southeast Asia, Middle East and Africa