

Business Results for Three and Six Months ended September 30, 2009

October 29, 2009

**Hironobu Matsuo
General Manager,
Corporate Controlling Department
Komatsu Ltd.**

Highlights of Six Months ended September 30, 2009

1. **Sales & Profits:** While both sales and profits declined, we secured both operating income and net income in the black through fixed cost reduction and other efforts.

	1 st half, FY2009	Vs. 1 st half, FY2008
Net sales	645.9 bil yen	(46.7) %
Operating income	19.7 bil yen	(87.6) %
Operating income ratio	3.1%	(10.1) pts
Net income*	8.1 bil yen	(91.8) %

* Upon adoption of the FASB Accounting Standards Codification (ASC) 810 (formerly SFAS No.160), "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

2. Review of two business segments

Construction, Mining & Utility Equipment:

[Sales] Demand in China turned positive year-on-year growth from June 2009, clearly showing signs of recovery. Demand in Indonesia also showed signs of slight recovery. Demand in Japan, North America and Europe remained sluggish. As a result, sales declined by 45.8% from the first half a year ago.

[Segment profit] Segment profit dropped by 86.0%, as particularly affected by the Japanese yen's appreciation in addition to large-scale adjustment of production we made to attain an appropriate level of inventories. However, we sustained segment profit in the black due to fixed cost reduction and other efforts.

Industrial Machinery & Others:

New orders were slack, as automobile and other manufacturing industries continued to restrain their capital investment. Sales declined by 51.4% from the first half a year ago, and segment profit by 73.7%. However, we sustained segment profit in the black due to fixed cost reduction and other efforts as well as a reversal of allowance for doubtful accounts.

3. Interim cash dividend : 8yen (FY2008 interim: 22yen)

Note: The first six-month period (April-September) is expressed as the interim or first half period synonymously in this presentation.

1. Results for Three Months ended September 30, 2009

Sales and Profits for Three Months ended September 30, 2009

% Profit ratio

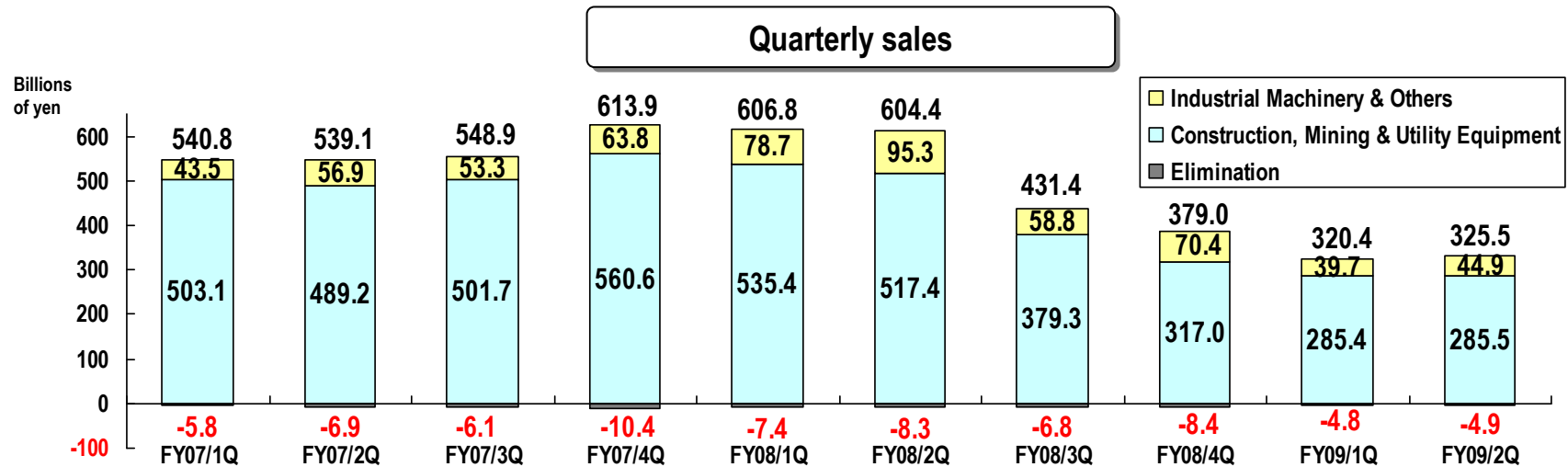
[]: Sales after elimination of inter-segment transactions

Billions of yen

	Jul. - Sep., 2008 (A) 1USD=107yen 1EUR=159yen		Apr. - Jun., 2009 (B) 1USD =97yen 1EUR=133yen		Jul. - Sep., 2009 (C) 1USD =93yen 1EUR=133yen		Vs. Jul. - Sep., 2008 (C-A)		Vs. Apr. - Jun., 2009 (C-B)	
	Increase (decrease)	%	Increase (decrease)	%	Increase (decrease)	%	Increase (decrease)	%		
Net sales	604.4		320.4		325.5		(278.9)	(46.1%)	5.1	1.6%
Construction, Mining & Utility Equipment	[516.1] 517.4		[284.6] 285.4		[284.9] 285.5		[(231.2)] (231.9)	[(44.8)%] (44.8)%	[0.2] 0	[0.1%] 0%
Industrial Machinery & Others	[88.3] 95.3		[35.7] 39.7		[40.6] 44.9		[(47.6)] (50.4)	[(54.0)%] (52.9)%	[4.8] 5.1	[13.7%] 12.9%
Elimination	(8.3)		(4.8)		(4.9)		3.4	-	(0)	-
Segment profit	12.9% 77.7		2.6% 8.4		4.0% 12.9		(64.8)	(83.4)%	4.4	52.7%
Construction, Mining & Utility Equipment	13.6% 70.3		2.6% 7.4		4.7% 13.3		(57.0)	(81.0)%	5.9	79.5%
Industrial Machinery & Others	9.6% 9.1		7.2% 2.8		1.8% 0.7		(8.3)	(91.4)%	(2.0)	(72.4)%
Corporate & elimination	(1.8)		(1.8)		(1.2)		0.5	-	0.6	-
Other operating income (expenses)	(1.3)		(0.1)		(1.4)		(0)	-	(1.2)	-
Operating income	12.6% 76.3		2.6% 8.2		3.5% 11.5		(64.8)	(84.9)%	3.2	39.2%
Other income (expenses)	(12.4)		0.4		(1.7)		10.6	-	(2.2)	-
Net income before income taxes	63.9		8.7		9.7		(54.2)	(84.8)%	0.9	11.4%
Net income*	42.6		4.7		3.4		(39.1)	(91.9)%	(1.3)	(27.9)%

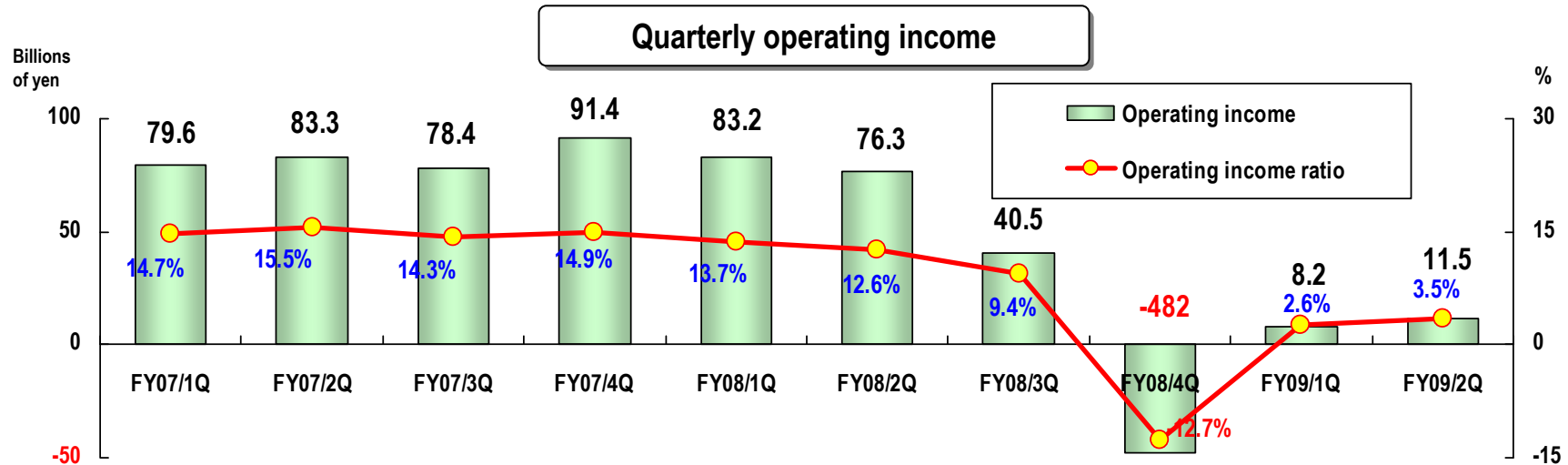
* Upon adoption of the FASB Accounting Standards Codification (ASC) 810 (formerly SFAS No.160), "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Quarterly Sales and Operating Income



Exchange rates

	07/1Q	07/2Q	07/3Q	07/4Q	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q
1USD	122yen	117yen	113yen	104yen	105yen	107yen	95yen	95yen	97yen	93yen
1EUR	164yen	162yen	165yen	158yen	165yen	159yen	126yen	123yen	133yen	133yen



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

< Three months from July through September, 2009 >

Billions of yen

	Jul. - Sep., 2008 (A)		Apr. - Jun., 2009 (B)		Jul. - Sep., 2009 (C)		Vs. Jul. - Sep., 2008 (C-A)		Vs. Apr. - Jun., 2009 (C-B)	
		Ratio		Ratio		Ratio	Increase (decrease)	Change	Increase (decrease)	Change
Japan	81.3	15.8%	51.7	18.2%	54.7	19.2%	(26.5)	(32.7)%	+3.0	+5.9%
North America	72.6	14.1%	35.5	12.5%	32.3	11.4%	(40.3)	(55.4)%	(3.1)	(8.8)%
Latin America	66.4	12.9%	37.3	13.1%	38.0	13.4%	(28.3)	(42.7)%	+0.7	+2.1%
Europe	54.4	10.5%	22.1	7.7%	20.7	7.3%	(33.6)	(61.8)%	(1.3)	(6.0)%
CIS	30.4	5.9%	9.9	3.5%	5.9	2.1%	(24.4)	(80.4)%	(4.0)	(40.1)%
China	39.1	7.6%	55.4	19.5%	49.0	17.2%	+9.9	+25.4%	(6.4)	(11.6)%
Asia & Oceania	99.3	19.2%	54.3	19.1%	62.9	22.1%	(36.3)	(36.6)%	+8.5	+15.8%
Middle East & Africa	72.3	14.0%	18.1	6.4%	20.8	7.3%	(51.4)	(71.1)%	+2.7	+15.0%
Total	516.1	100.0%	284.6	100.0%	284.9	100.0%	(231.2)	(44.8)%	+0.2	+0.1%

2. Results for Six Months ended September 30, 2009

Sales and Profits for Six Months ended September 30, 2009

% : Profit ratio [] : Sales after elimination of inter-segment transactions < > : Figures announced in April, 2009 Billions of yen

	1 st half, FY2008 1USD=106yen 1EUR=162yen		1 st half, FY2009 1USD =95yen <95yen> 1EUR=133yen <125yen>		Increase (decrease)	
Net sales		1,211.2	<700.0>	645.9	(565.3)	(46.7)%
Construction, Mining & Utility Equipment		[1,050.2] 1,052.9		[569.6] 571.0	[(480.6)] (481.9)	[(45.8)%] (45.8)%
Industrial Machinery & Others		[161.0] 174.0		[76.3] 84.6	[(84.7)] (89.3)	[(52.6)%] (51.4)%
Elimination		(15.7)		(9.7)	(6.0)	-
Segment profit	13.2%	159.3		3.3% 21.3	(137.9)	(86.6)%
Construction, Mining & Utility Equipment	14.1%	148.7		3.6% 20.7	(127.9)	(86.0)%
Industrial Machinery & Others	8.0%	13.9		4.3% 3.6	(10.2)	(73.7)%
Corporate & elimination		(3.3)		(3.0)	0.2	-
Other operating income (expenses)		0.2		(1.6)	(1.8)	-
Operating income	13.2%	159.6	<15.0>	3.1% 19.7	(139.8)	(87.6)%
Other income (expenses)		(2.9)		(1.3)	1.5	-
Net income before income taxes		156.7	<10.0>	18.4	(138.2)	(88.2)%
Net income*		100.3	<4.0>	8.1	(92.1)	(91.8)%

Cash dividends per share	22yen	<8yen>	8yen	(14)Yen
--------------------------	-------	--------	------	---------

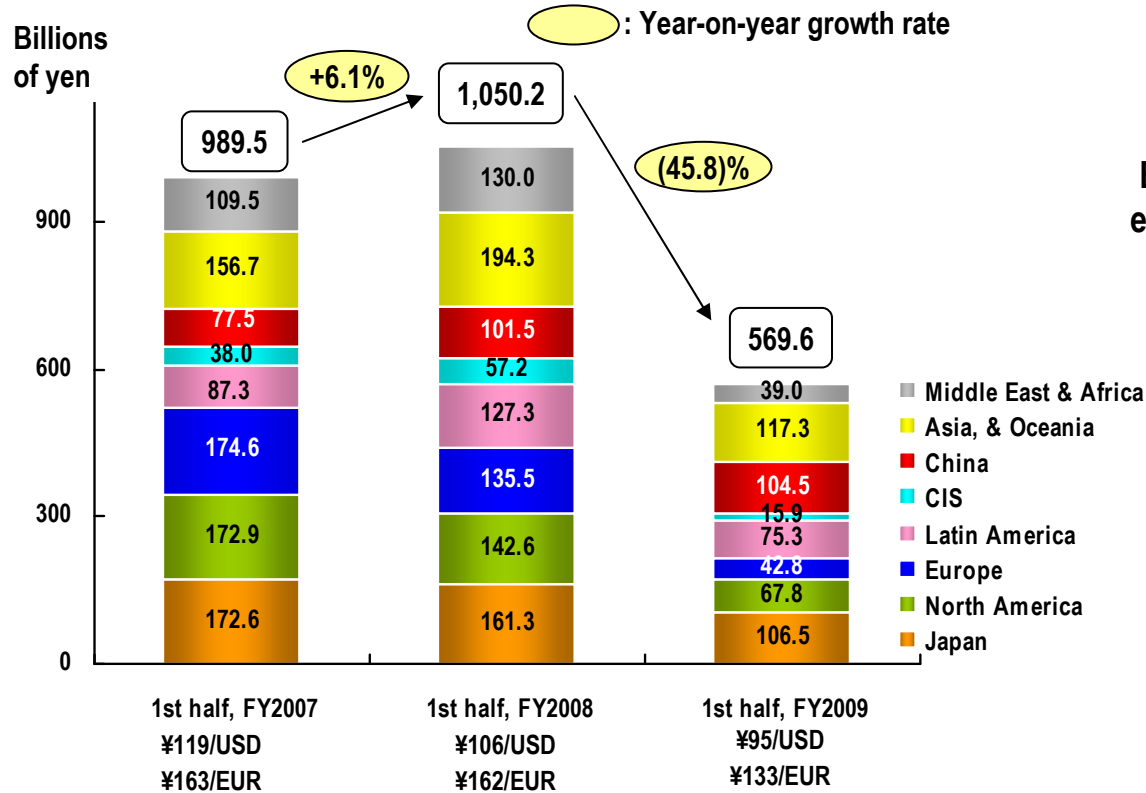
* Upon adoption of the FASB Accounting Standards Codification (ASC) 810 (formerly SFAS No.160), "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Consolidated Balance Sheets

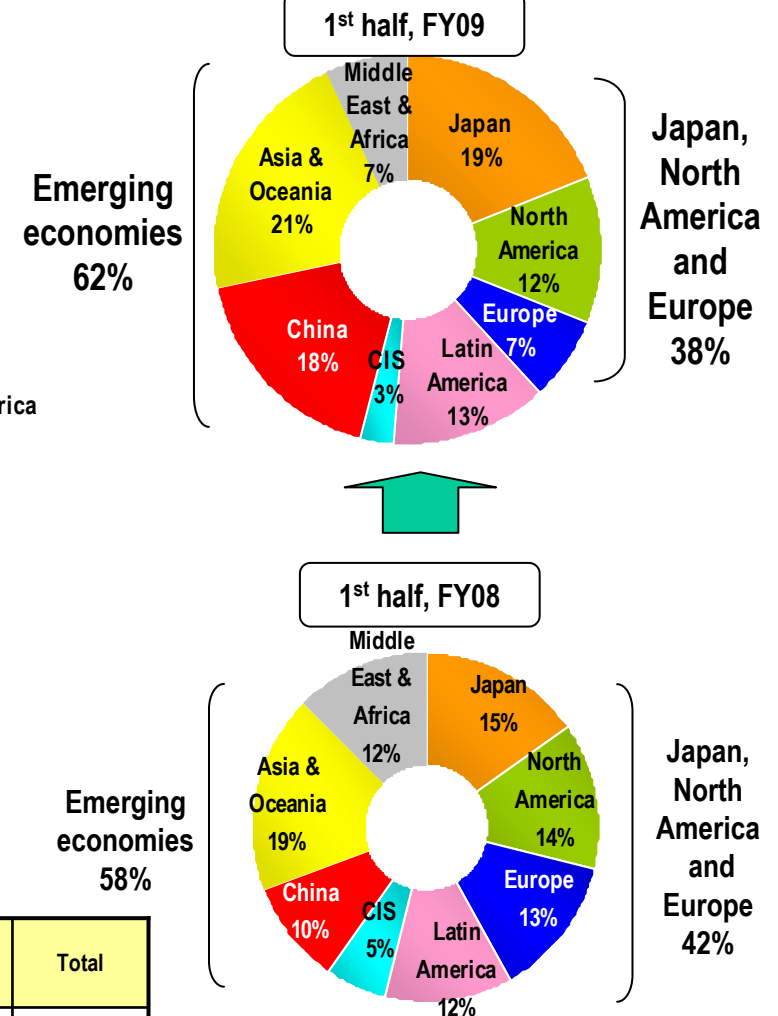
	Net D/E ratio		Billions of yen	Effects of Consolidation of Komatsu Australia Corporate Finance Pty. Ltd
	Mar. 31, 2009 1USD=98yen 1EUR=130yen	Sep. 30, 2009 1USD=90yen 1EUR=132yen	Increase (decrease)	
Cash & deposits (Incl. time deposit) [a]	90.6	92.2	+1.6	
Accounts receivable (Incl. long-term trade receivable) <Excl. accounts receivable of consolidated retail finance subsidiaries>	476.8 <308.1>	493.5 <258.1>	+16.6 <(49.9)>	←... [+34.1]
Inventories	507.3	436.4	(70.9)	
Tangible fixed assets	525.4	532.2	+6.7	←... [+14.2]
Other assets	367.8	357.2	(11.4)	
Total assets	1,969.0	1,911.7	(57.2)	
Accounts payable	214.3	153.0	(61.3)	
Interest-bearing debt [b] <Excl. interest-bearing debt of consolidated retail finance subsidiaries>	599.8 <450.7>	646.4 <425.5>	+46.6 <(25.1)>	←... [+44.5]
Other liabilities	306.4	272.4	(34.0)	
Total liabilities	1,120.7	1,071.9	(48.7)	
[% of total assets]	[41.4%]	[41.9%]	[+0.5points]	
Shareholders' equity	814.9	801.8	(13.1)	
Non-controlling interests (Minority interests)	33.3	38.0	+4.6	
Liabilities & shareholders' equity	1,969.0	1,911.7	(57.2)	
Interest-bearing debt, net [b-a]	0.62 509.2	0.69 554.2	+44.9	
Net D/E ratio excluding cash and interest-bearing debt of consolidated retail finance subsidiaries	0.48	0.46		

Construction, Mining & Utility Equipment : Sales by Region (April – September)

Sales by region
(To outside customers)



Breakdown (%)

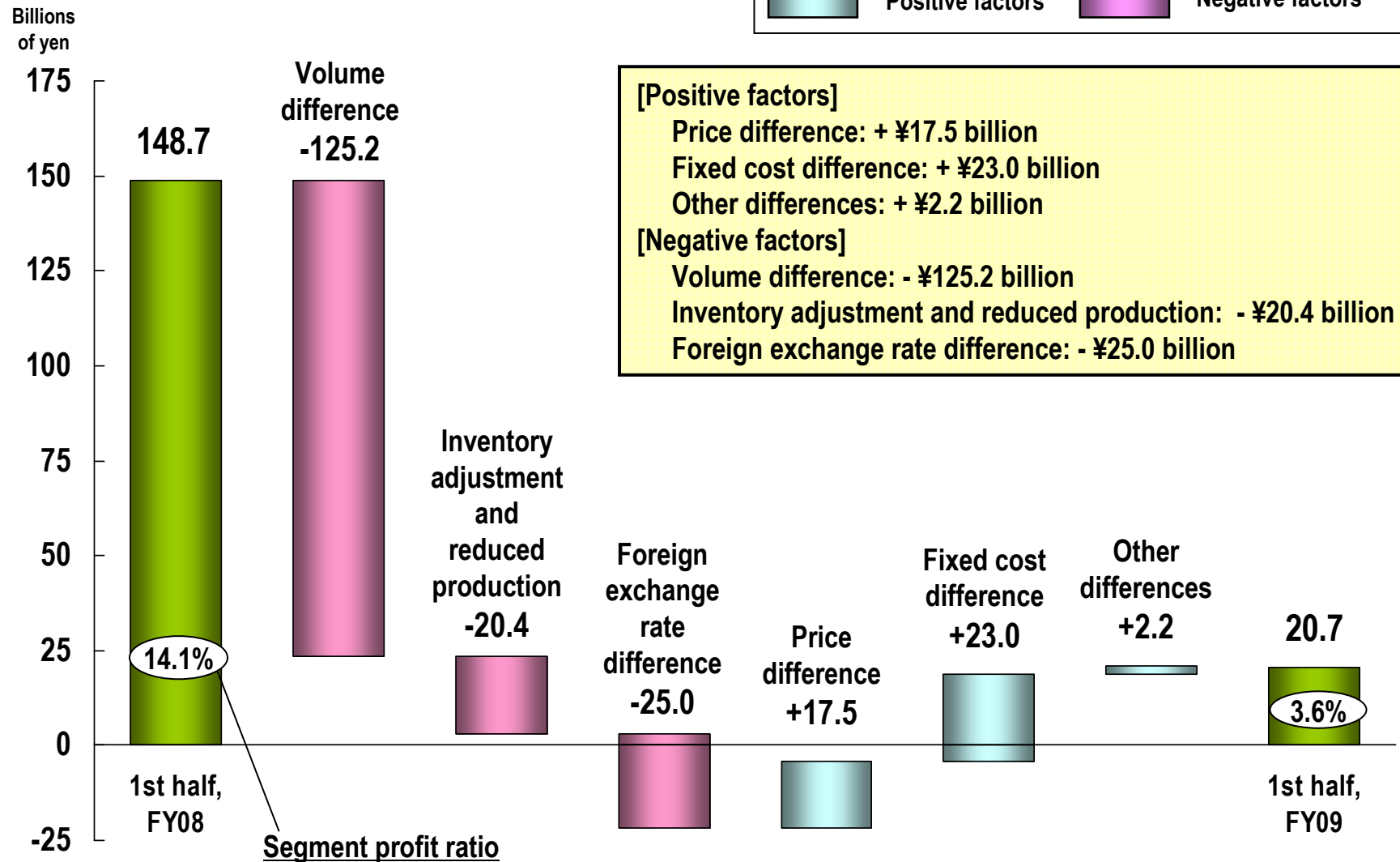


Year-on-year growth rate

	Japan	North America	Europe	Latin America	CIS	China	Asia & Oceania	Middle East & Africa	Total
1st half, FY08	(6.6)%	(17.5)%	(22.4)%	+45.7%	+50.6%	+30.9%	+24.0%	+18.7%	+6.1%
1st half, FY09	(34.0)%	(52.4)%	(68.4)%	(40.8)%	(72.1)%	+2.9%	(39.6)%	(70.0)%	(45.8)%

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

1st half FY08 vs. 1st half FY09



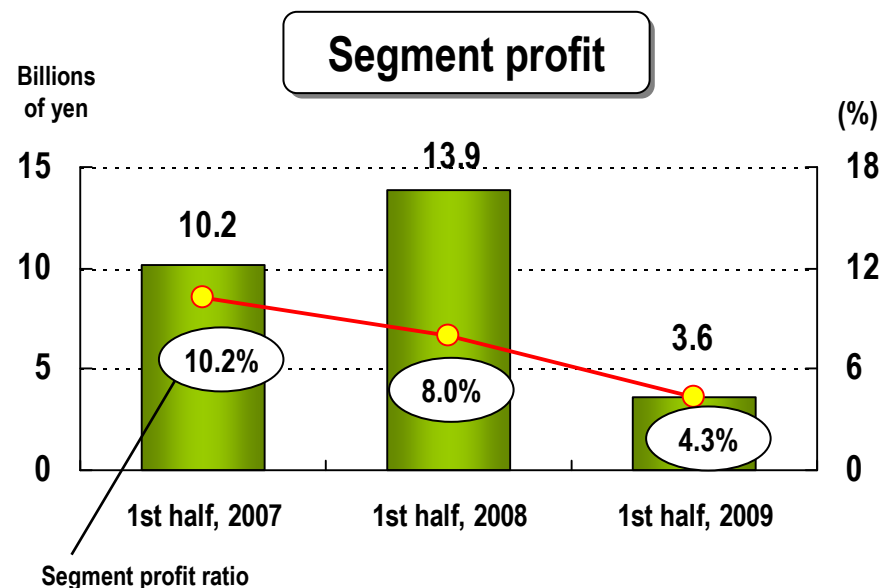
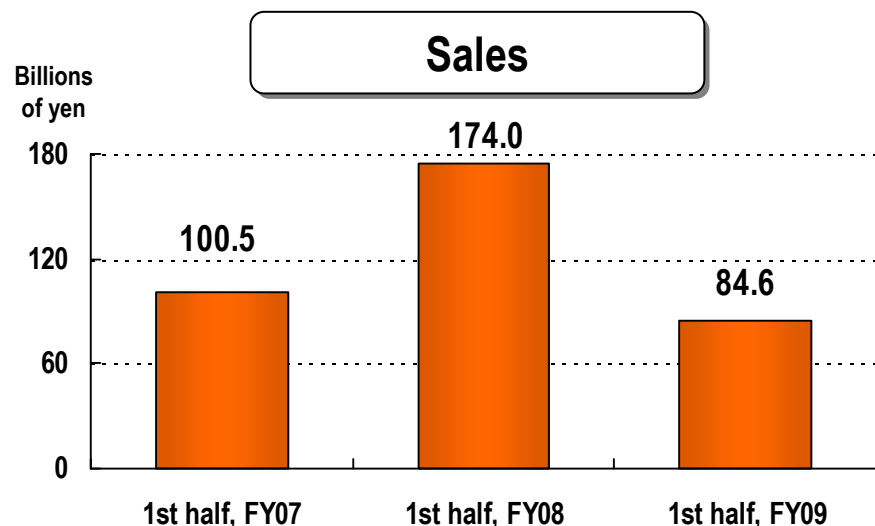
Construction, Mining & Utility Equipment : Sales and Segment Profit by Region (Geographic Origin)

< Six months from April through September, 2009 >

Billions of yen

	1 st half, FY2008		1 st half, FY2009		Increase (decrease)	
	Net sales	Segment profit	Net sales	Segment profit	Net sales	Segment profit
Japan	574.9	55.7	231.7	(27.1)	(343.2)	(82.8)
Americas	293.6	37.5	160.7	15.2	(132.8)	(22.2)
Europe & CIS	199.5	19.2	79.5	4.9	(119.9)	(14.3)
Others	280.1	41.7	204.8	25.0	(75.2)	(16.7)
Total	1,348.1	154.3	676.9	18.1	(671.2)	(136.1)
Elimination	(295.2)	(5.5)	(105.9)	2.6	189.3	+8.2
Consolidated	1,052.9	148.7	571.0	20.7	(481.9)	(127.9)

Industrial Machinery & Others : Sales and Segment Profit



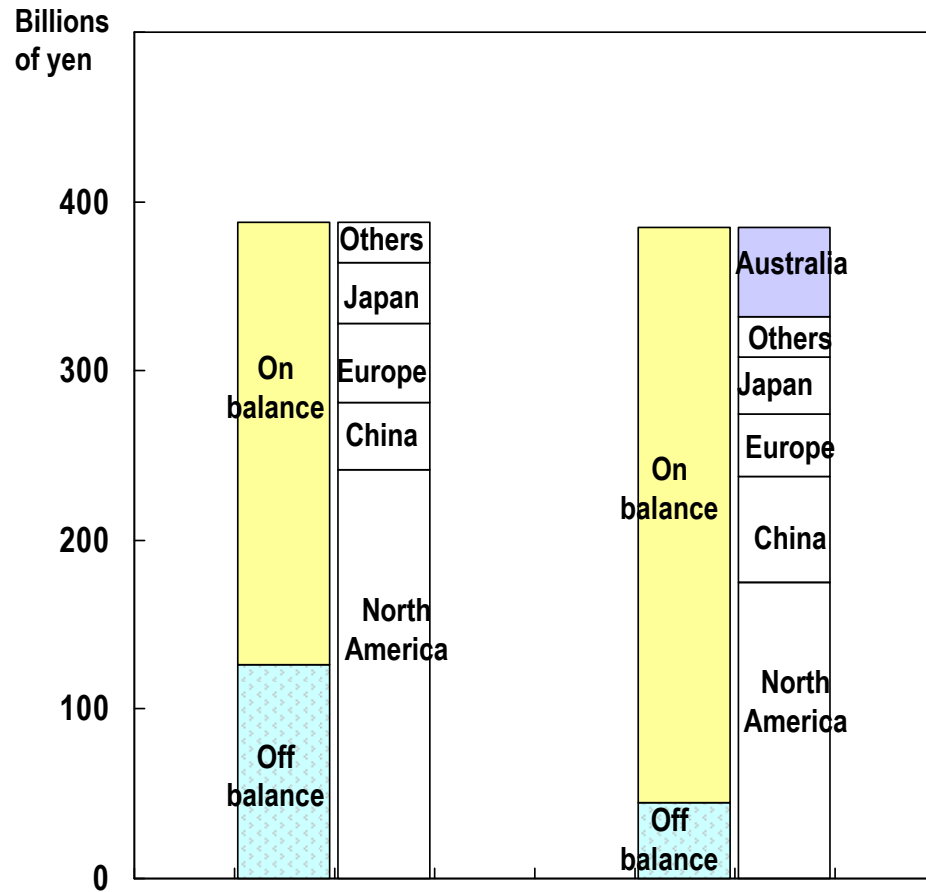
Breakdown of sales and segment profit
(1st half, FY2008 vs. 1st half, FY2009)

	Sales			Segment profit		
	1 st half, FY08	1 st half, FY09	Increase (decrease)	1 st half, FY08	1 st half, FY09	Increase (decrease)
Industrial machinery	118.9	55.0	(63.8)	10.1	0.9	(9.1)
Consolidation adjustment of Komatsu NTC	12.5	0	(12.5)	1.0	0	(1.0)
Others	42.6	29.6	(13.0)	2.8	2.7	(0.1)
Total	174.0	84.6	(89.3)	13.9	3.6	(10.2)

Retail Finance Business

Consolidated retail finance subsidiaries (internal-use data)

1. Assets



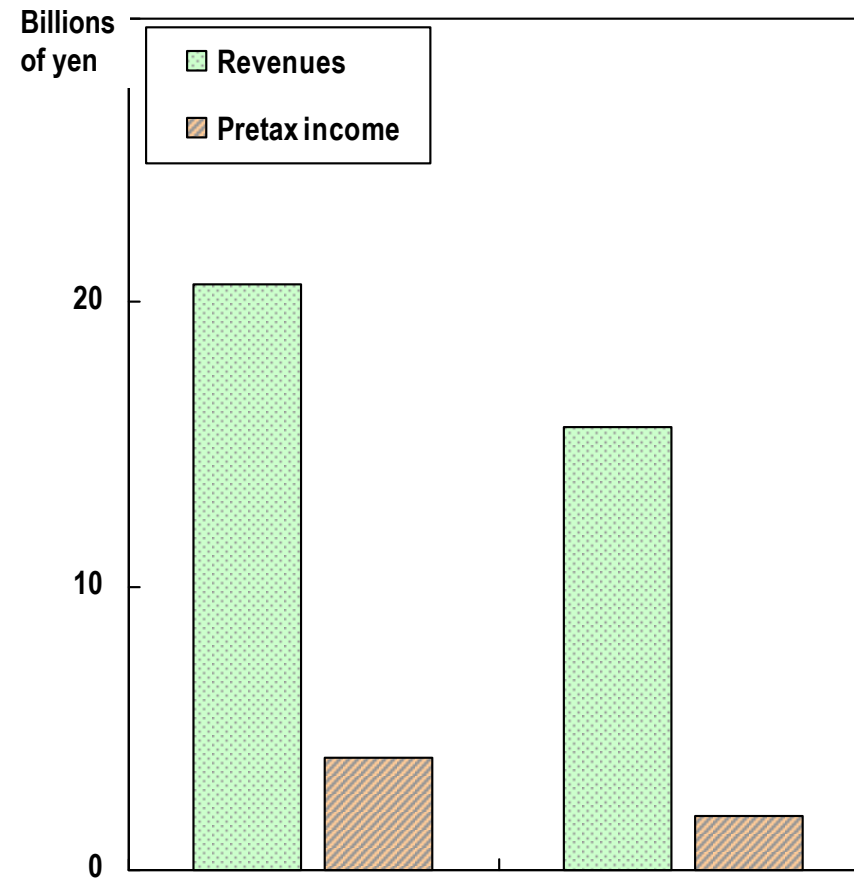
September 30, 2008

September 30, 2009

(1USD) 104yen
(1EUR) 149yen

90yen
132yen

2. Revenues



1st half, FY08

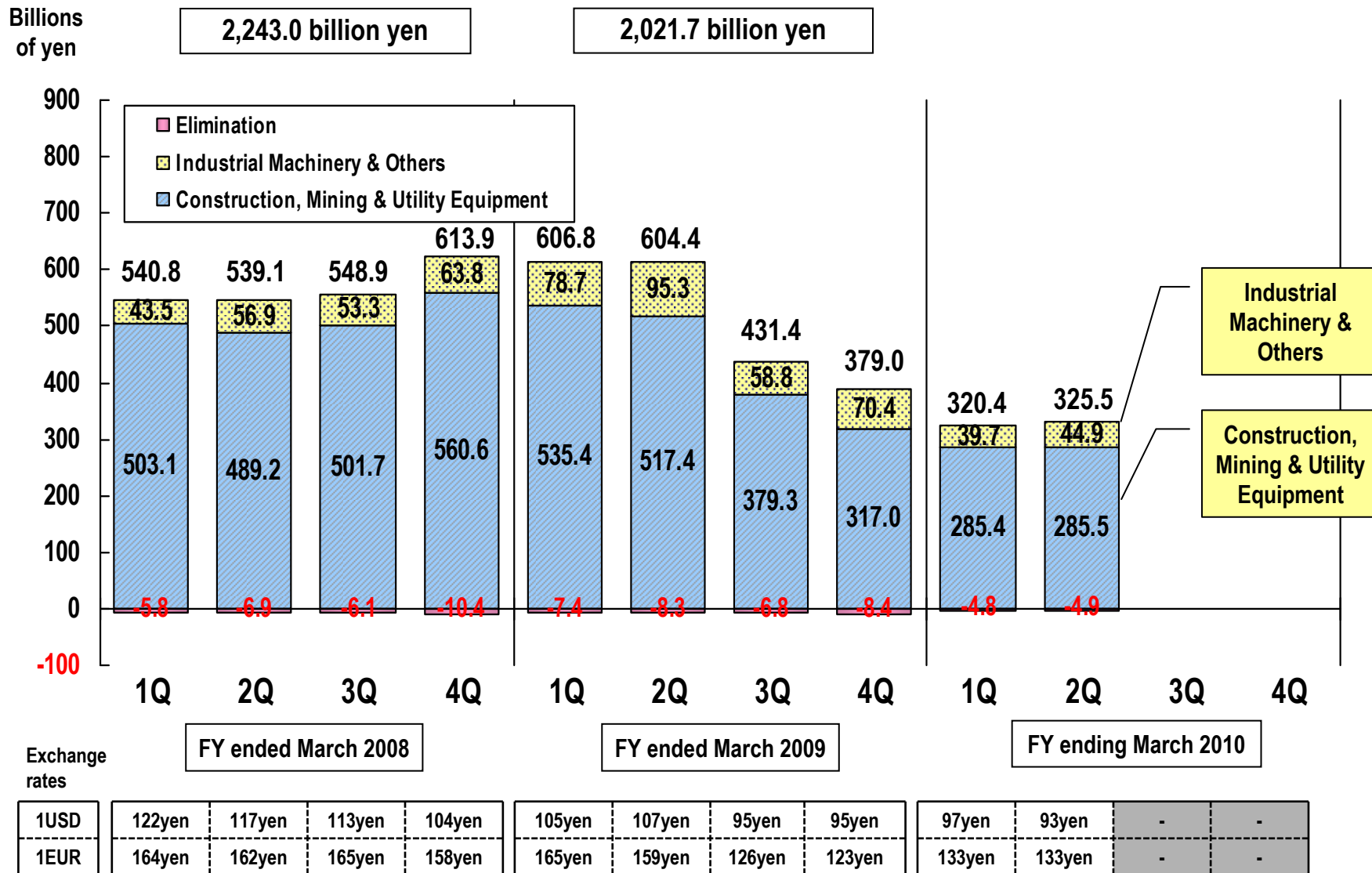
1st half, FY09

(1USD) 106yen
(1EUR) 162yen

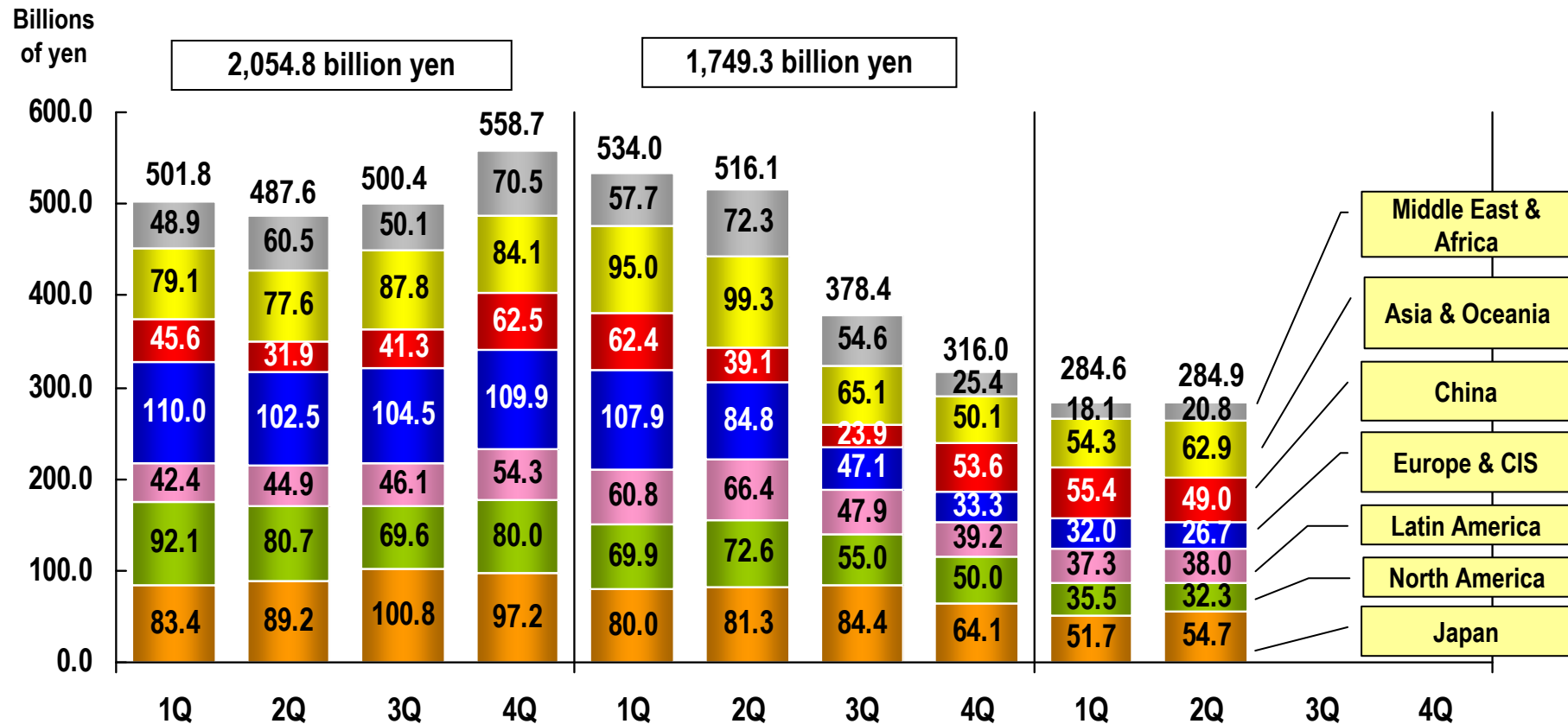
95yen
133yen

<Appendix>**Quarterly Sales and Segment Profit, etc.**

Quarterly Sales by Business Segment



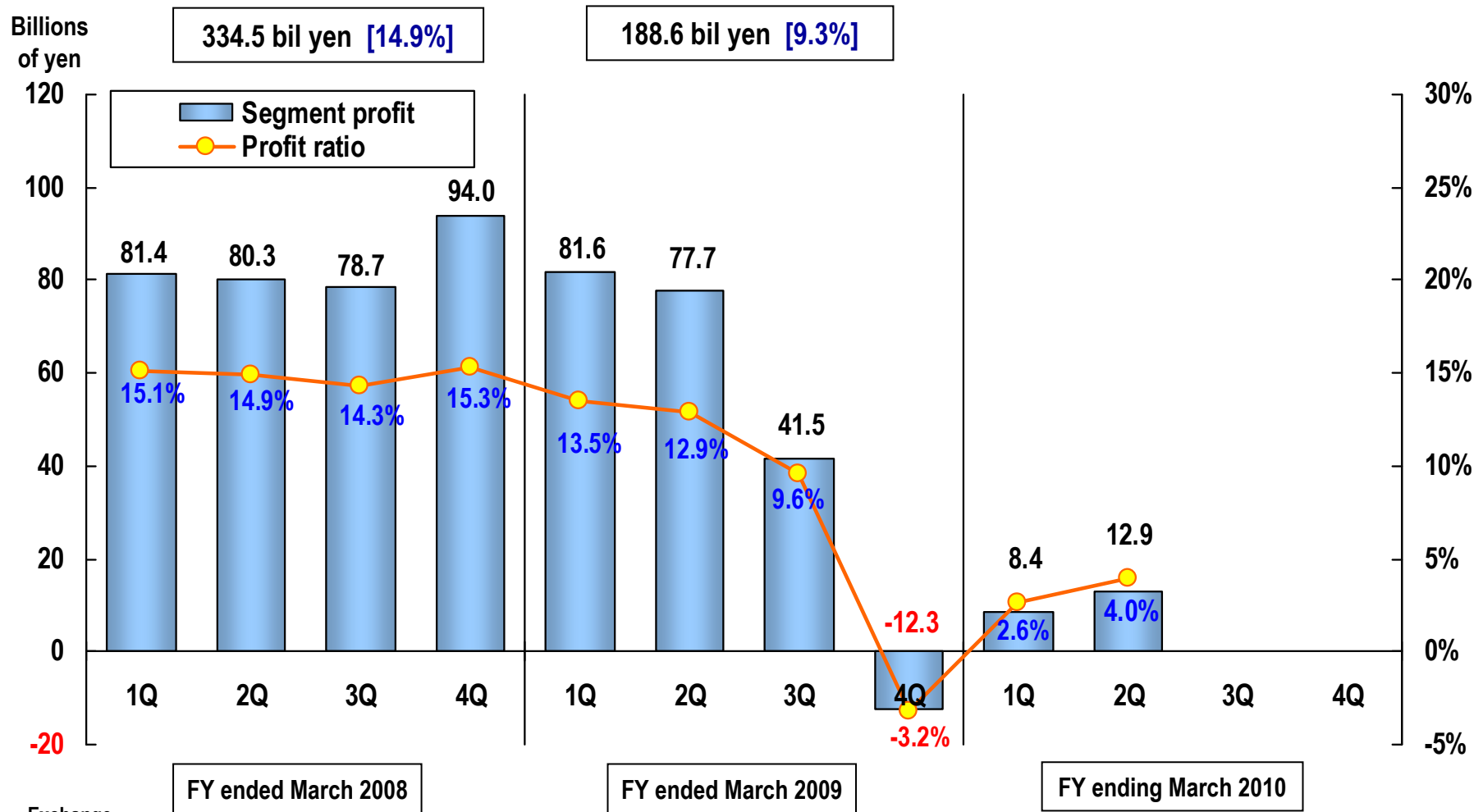
Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



Exchange rates

Exchange rates	FY ended March 2008				FY ended March 2009				FY ending March 2010			
	1USD	117yen	113yen	104yen	105yen	107yen	95yen	95yen	97yen	93yen	-	-
1EUR	164yen	162yen	165yen	158yen	165yen	159yen	126yen	123yen	133yen	133yen	-	-

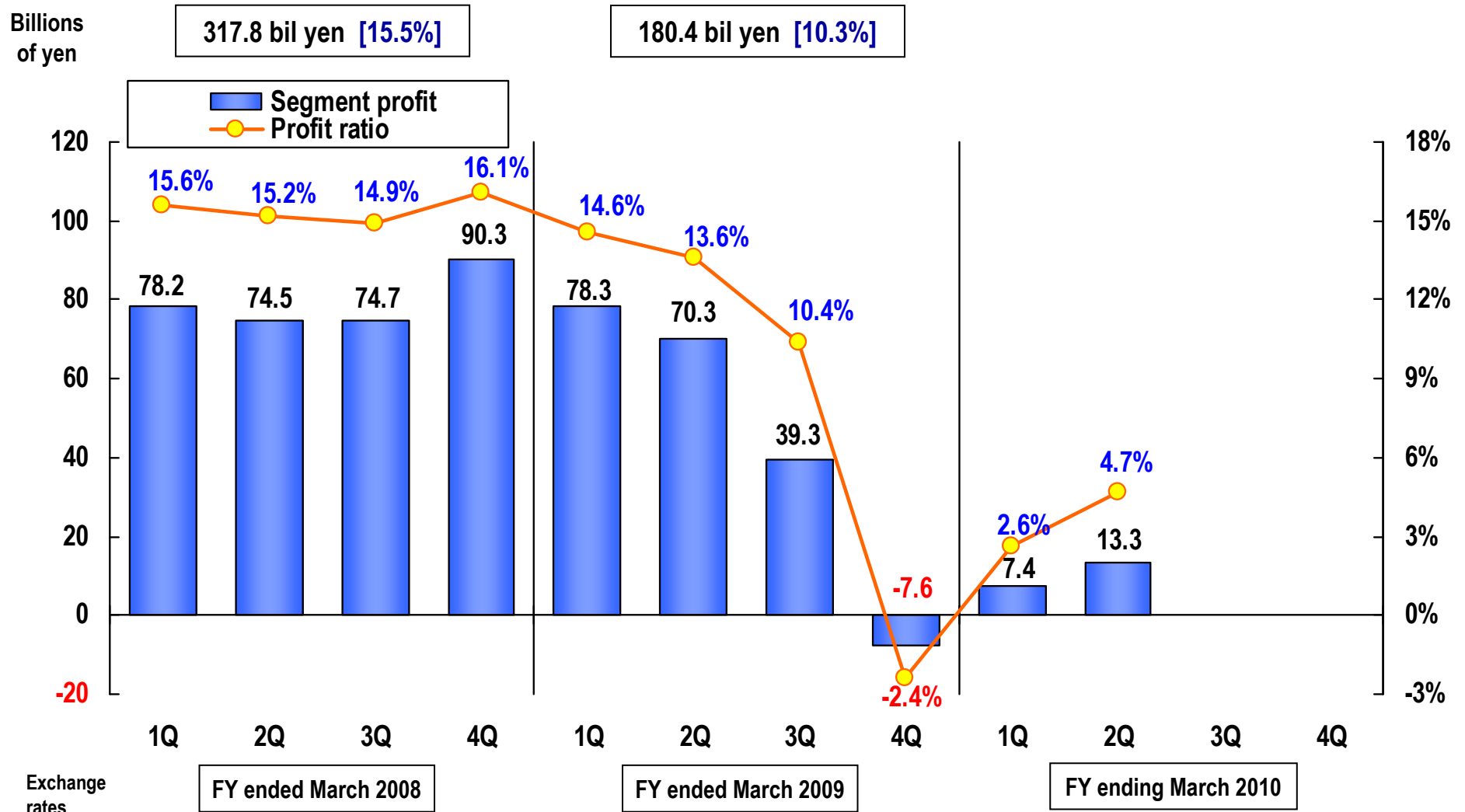
Quarterly Segment Profit: Total



Exchange rates

1USD	122yen	117yen	113yen	104yen	105yen	107yen	95yen	95yen	97yen	93yen	-	-
1EUR	164yen	162yen	165yen	158yen	165yen	159yen	126yen	123yen	133yen	133yen	-	-

Quarterly Segment Profit: Construction, Mining & Utility Equipment



1USD	122yen	117yen	113yen	104yen	105yen	107yen	95yen	95yen	97yen	93yen	-	-
1EUR	164yen	162yen	165yen	158yen	165yen	159yen	126yen	123yen	133yen	133yen	-	-

Quarterly Segment Profit: Industrial Machinery & Others

