

Earnings Presentation for Three and Nine Months ended December 31, 2013

January 29, 2014

Komatsu Ltd. Participants

Tetsuji Ohashi	President and CEO
Mikio Fujitsuka	Director and Senior Executive Officer, CFO
Akira Sugiki (Speaker)	Senior Executive Officer General Manager, Business Coordination Department

1. Results for Three Months ended December 31, 2013

Sales and Profits for Three months (October-December, 2013)

- Third quarter sales advanced by 10.6% from the corresponding period a year ago, to JPY464.3 billion, supported especially by increased sales in Japan where demand remained strong for construction equipment, and in China where demand upturned for recovery, which compensated for the effects of sluggish demand for mining equipment.
- Third quarter operating income expanded by 44.5% from the corresponding period a year ago, to JPY56.6 billion, and net income by 46.2% to JPY36.5 billion.

% : Profit ratio []: Sales after elimination of inter-segment transactions Billions of yen

	Oct.-Dec., 2012 (3Q FY12) USD1 = JPY80.1 EUR1 = JPY103.5 RMB1 = JPY12.8		Oct.-Dec., 2013 (3Q FY13) USD1 = JPY99.7 EUR1 = JPY135.1 RMB1 = JPY16.3		Changes			
					Increase (decrease)		Change (%)	
Net sales	419.7		464.3		44.6		+10.6%	
- Construction, mining & utility equipment	[367.9]	368.4	[420.0]	420.7	[52.0]	52.2	[+14.2%]	+14.2%
- Industrial machinery & others	[51.7]	53.4	[44.3]	45.3	[(7.4)]	(8.1)	[-14.4%]	-15.2%
- Elimination	(2.1)		(1.6)		0.5		-	
Segment profit	9.5%	39.7	11.8%	54.6	14.8		+37.3%	
- Construction, mining & utility equipment	10.5%	38.8	13.9%	58.3	19.5		+50.3%	
- Industrial machinery & others	1.0%	0.5	(8.1)% *1	(3.6)	(4.2)		-	
- Corporate & elimination	0.4		(0.0)		(0.4)		-	
Other operating income (expenses)	(0.5)		2.0		2.6		-	
Operating income	9.3%	39.2	12.2%	56.6	17.4		+44.5%	
Other income (expenses)	0.9		0.9		0.0		-	
Income before income taxes	40.2		57.6		17.4		+43.4%	
Net income *2	24.9		36.5		11.5		+46.2%	

*1 Including the loss of write-off of Komatsu NTC's wire saw inventories in the amount of JPY 7.6 billion.

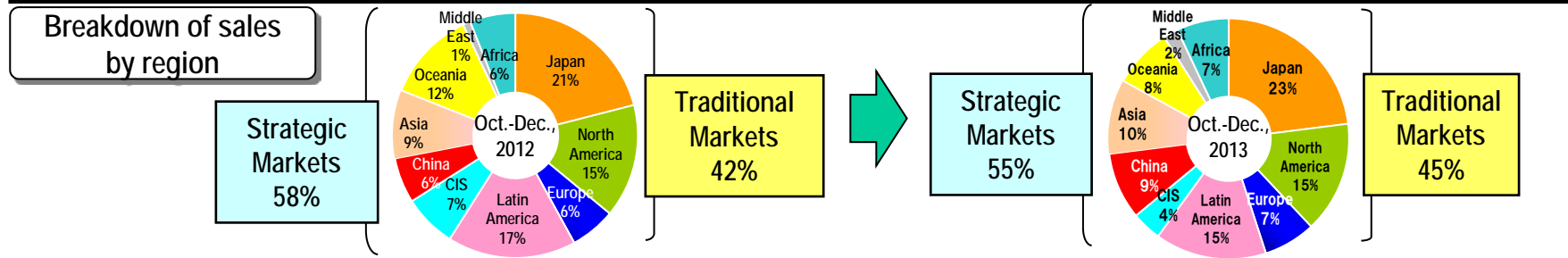
*2 Upon adoption of ASC 810, "Net income" is equivalent to "Net income attributable to Komatsu Ltd."

Construction, Mining & Utility Equipment: Breakdown of Sales (to Outside Customers) for Three Months (Oct.-Dec., 2013)

While demand for mining equipment remained sluggish, good sales further expanded in Japan, and sales also increased in China where demand was recovering and in the Middle East and Africa where demand was growing. Third quarter sales of construction, mining and utility equipment increased by 14.2% from the corresponding period a year ago, to JPY420.0 billion.

Billions of yen		Oct.-Dec., 2012 (3Q FY12)	Oct.-Dec., 2013 (3Q FY13)	Changes	
				Increase (decrease)	Change (%)
Traditional Markets	Japan	76.0	95.6	19.5	+25.7%
	North America	56.0	65.2	9.1	+16.3%
	Europe	22.8	28.0	5.2	+22.9%
Strategic Markets	Latin America	62.9	62.6	(0.3)	-0.5%
	CIS	24.4	16.1	(8.3)	-34.0%
	China	20.4	39.5	19.1	+93.3%
	Asia	34.7	43.3	8.6	+24.8%
	Oceania	43.5	32.1	(11.4)	-26.3%
	Middle East	4.4	9.0	4.6	+104.2%
	Africa	22.2	28.1	5.9	+26.5%
Total		367.9	420.0	52.0	+14.2%

Mining equipment in total above	139.1	107.2	(31.9)	-22.9%
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2. Results for the Nine Months ended December 31, 2013

Sales and Profits for Nine Months (April-December, 2013)

For the nine-month period, consolidated sales increased by 2.9% from the corresponding period a year ago, to JPY1,389.5 billion, mainly supported by increased sales of construction equipment in Japan and China, which compensated for the effects of sluggish demand for mining equipment. Similarly, operating income advanced by 10.1% to JPY165.6 billion, and net income by 26.6% to JPY115.3 billion.

☐ : Profit ratio [] : Sales after elimination of inter-segment transactions

Billions of yen

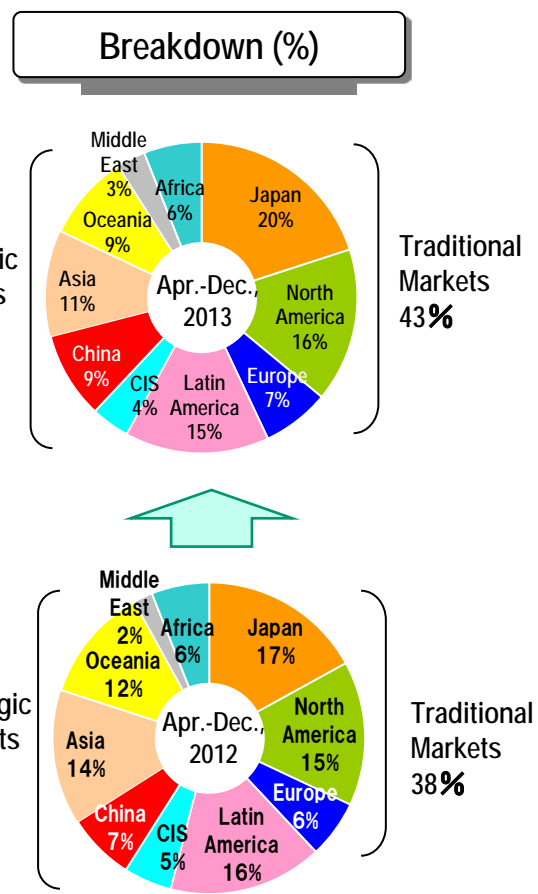
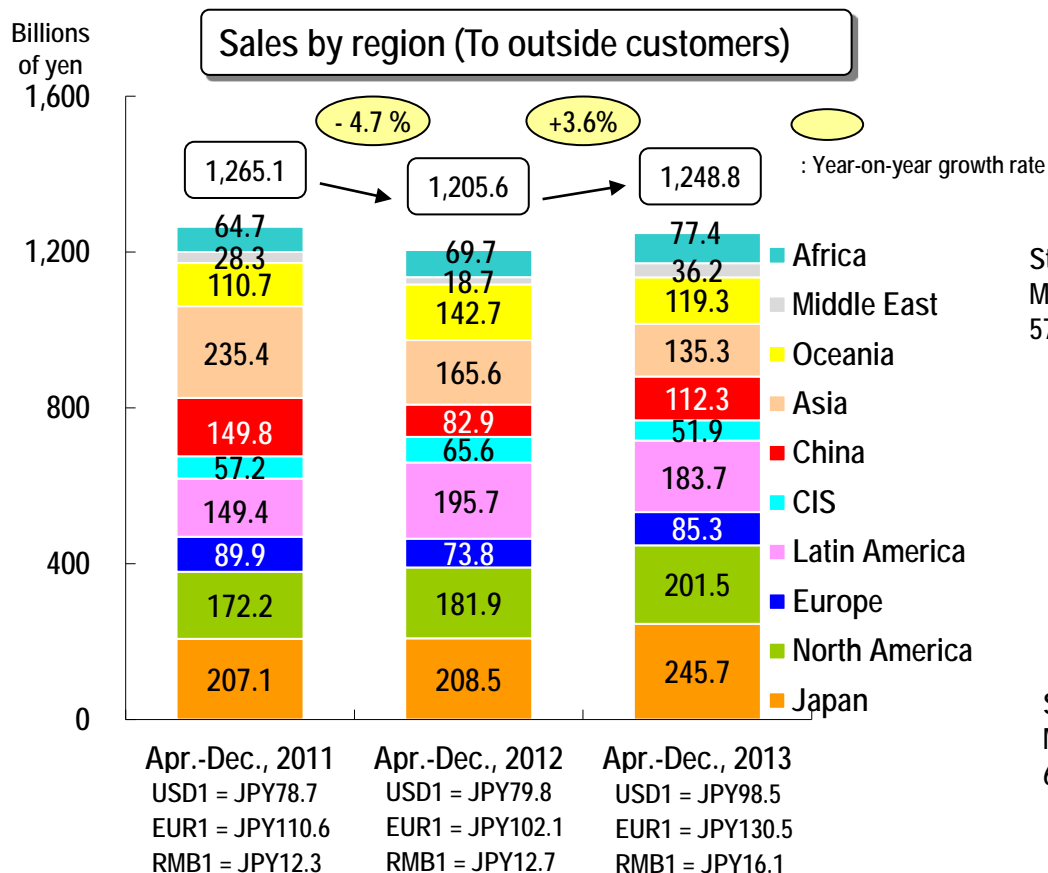
	Apr.-Dec., 2012		Apr.-Dec., 2013		Changes			
	USD1 = JPY79.8 EUR1 = JPY102.1 RMB1 = JPY12.7		USD1 = JPY98.5 EUR1 = JPY130.5 RMB1 = JPY16.1		Increase (decrease)		Change (%)	
Net sales	1,350.5		1,389.5		38.9		+2.9%	
- Construction, mining & utility equipment	[1,205.6]	1,207.6	[1,248.8]	1,250.7	[43.2]	43.1	[+3.6%]	+3.6%
- Industrial machinery & others	[144.9]	150.6	[140.6]	144.9	[(4.2)]	(5.7)	[-2.9%]	-3.8%
- Elimination	(7.6)		(6.1)		1.4		-	
Segment profit	☐ 11.2%	151.0	☐ 11.8%	163.7	12.6		+8.4%	
- Construction, mining & utility equipment	☐ 12.3%	148.3	☐ 13.1%	164.1	15.7		+10.6%	
- Industrial machinery & others	☐ 2.5%	3.8	☐ 0.8% *1	1.1	(2.7)		-70.7%	
- Corporate & elimination	(1.1)		(1.5)		(0.4)		-	
Other operating income (expenses)	(0.5)		1.9		2.5		-	
Operating income	☐ 11.1%	150.4	☐ 11.9%	165.6	15.1		+10.1%	
Other income (expenses)	(4.9)		4.4		9.4		-	
Income before income taxes	145.5		170.1		24.5		+16.9%	
Net income *2	91.0		115.3		24.2		+26.6%	

*1 Including the loss of write-off of Komatsu NTC's wire saw inventories in the amount of JPY 7.6 billion.

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

Construction, Mining & Utility Equipment: Sales (to Outside Customers) by Region (Apr. – Dec., 2013)

While the percentage of sales in Oceania, Asia and Latin America declined in total sales against the backdrop of declined demand for mining equipment, that of Traditional Markets increased, driven by expanded sales in Japan with strong demand.



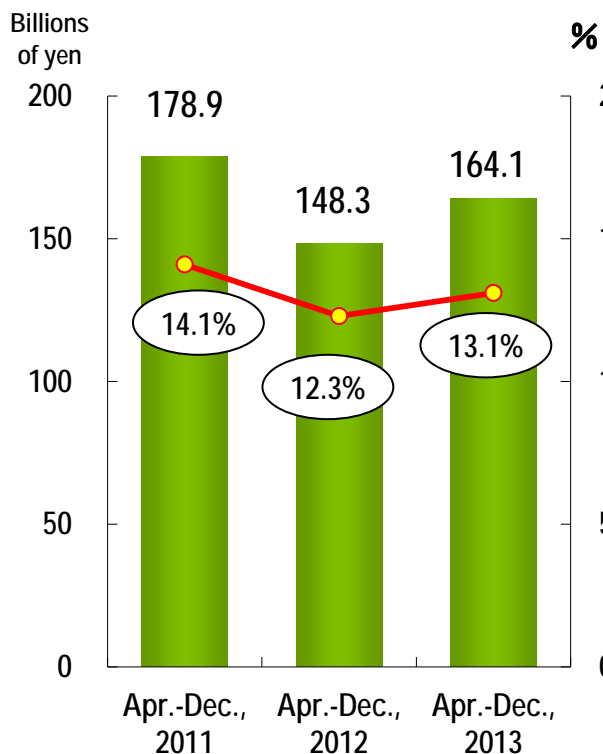
Year-on-year growth rate of sales by region

	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
Apr.-Dec., 2012	+0.7%	+5.7%	-17.9%	+31.0%	+14.8%	-44.6%	-29.6%	+28.9%	-33.9%	+7.8%	-4.7%
Apr.-Dec., 2013	+17.8%	+10.8%	+15.6%	-6.1%	-20.9%	+35.3%	-18.3%	-16.4%	+93.7%	+10.9%	+3.6%

Construction, Mining & Utility Equipment: Causes of Difference in Segment Profit (Apr.-Dec., 2013)

- A negative difference of JPY51.6 billion in volume and others caused by the declines in demand and sales was compensated for by the positive differences in selling prices, fixed costs and foreign exchange rates, resulting in a net positive difference of JPY15.7 billion in segment profit for the nine-month period.
- Segment profit ratio increased by 0.8 percentage points to 13.1% for the nine-month period.

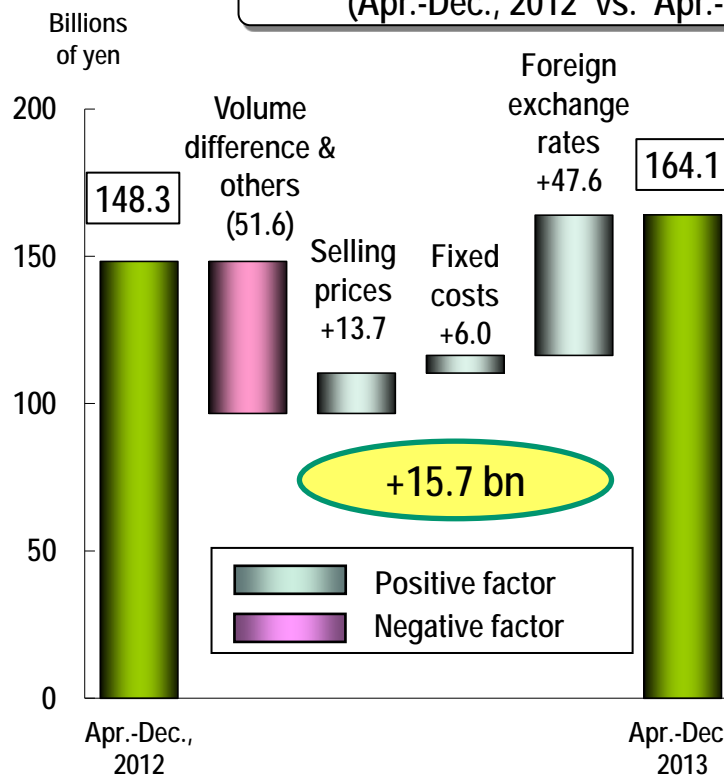
Segment profit



○ : Segment profit ratio

Sales before elimination of inter-segment transactions

Changes in segment profit (Apr.-Dec., 2012 vs. Apr.-Dec., 2013)



- <Positive factors>
 - Selling prices : +13.7 bn yen
 - Fixed costs : +6.0 bn yen
 - Foreign exchange rates: +47.6 bn yen
- <Negative factor>
 - Volume difference & others : (51.6) bn yen



Total : +15.7 bn yen

USD1= JPY79.8
EUR1= JPY102.1
RMB1= JPY12.7

USD1= JPY98.5
EUR1= JPY130.5
RMB1= JPY16.1

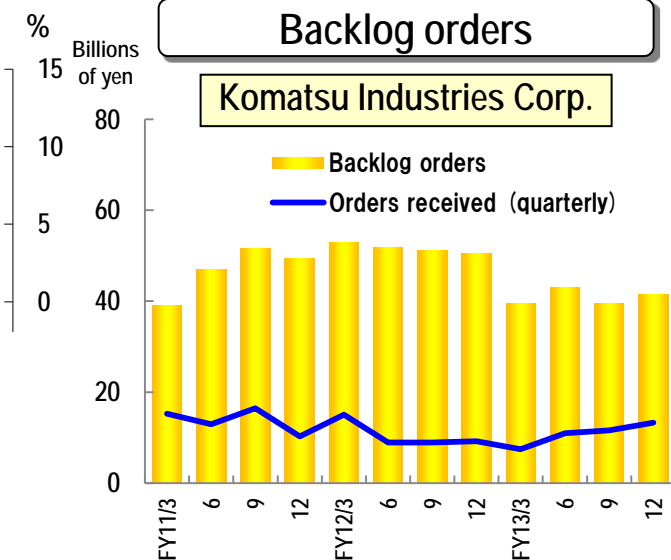
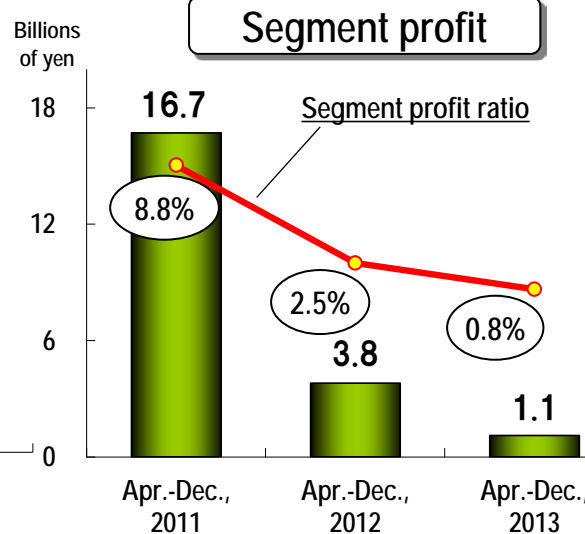
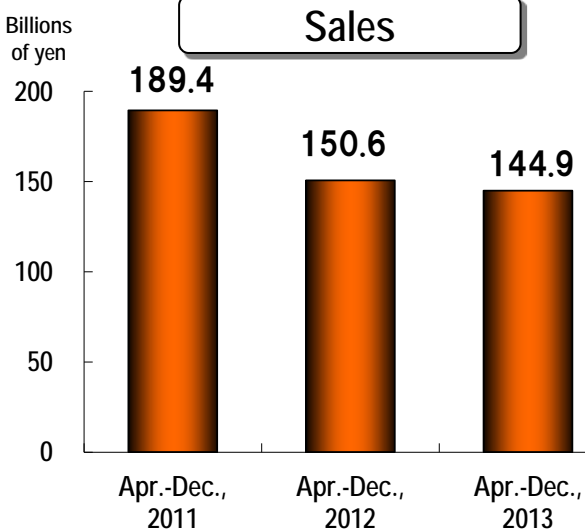
12.3%

Segment profit ratio

13.1%

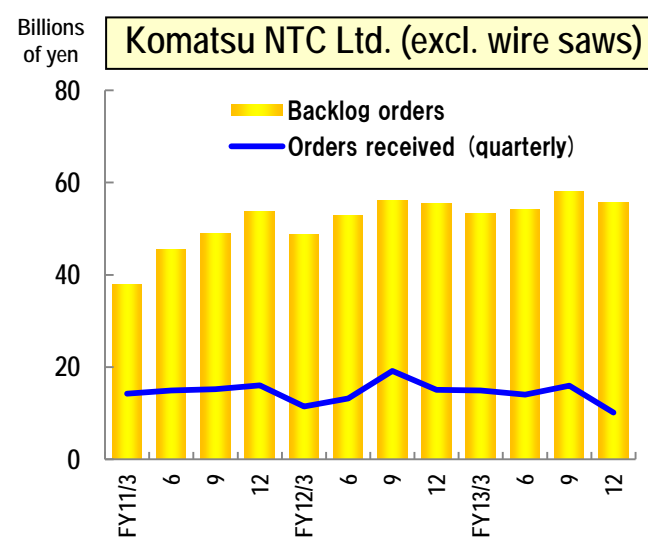
Industrial Machinery & Others: Sales, and Segment Profit and Backlog Orders

- While sales of machine tools, as well as sheet-metal and press machines remained firm, especially to the automobile manufacturing industry, nine-month sales slightly declined from the corresponding period a year ago.
- Komatsu realized write-off of Komatsu NTC's inventories of wire saw parts in the amount of JPY7.6 billion for the third quarter period.
- Backlog orders remained stable.



Breakdown of sales

	Apr.-Dec.,2012	Apr.-Dec.,2013	Increase (decrease)
Komatsu Industries Corp., etc. [total of press and sheet-metal machines]	33.4	37.6	4.2
Komatsu NTC Ltd. [represented by wire saws]	56.5 [6.1]	47.3 [2.8]	(9.2) [(3.2)]
Others [represented by Gigaphoton] [represented by Komatsu House]	60.6 [15.5] [10.6]	59.9 [17.2] [10.7]	(0.7) [1.7] [0.1]
Total	150.6	144.9	(5.7)



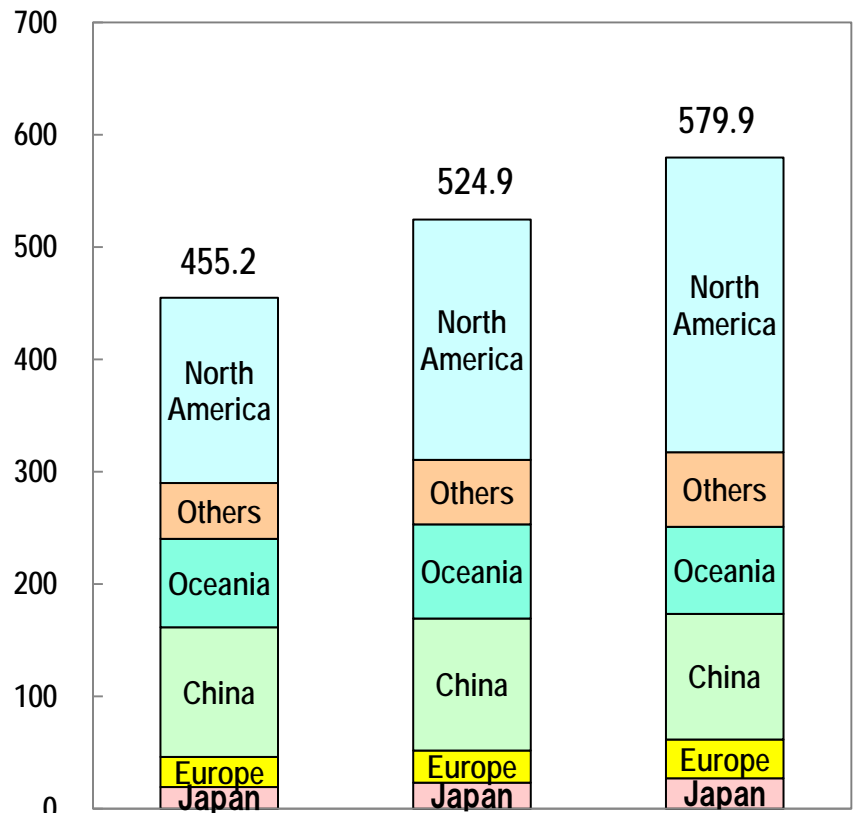
Retail Finance Business

- Total assets at December 31, 2013 increased from the previous fiscal year-end, affected by the Japanese yen's depreciation and increased new transactions, mainly in North America.
- Both nine-month revenues and pretax income increased from the corresponding period a year ago.

Consolidated retail finance subsidiaries

Billions of yen

1. Assets



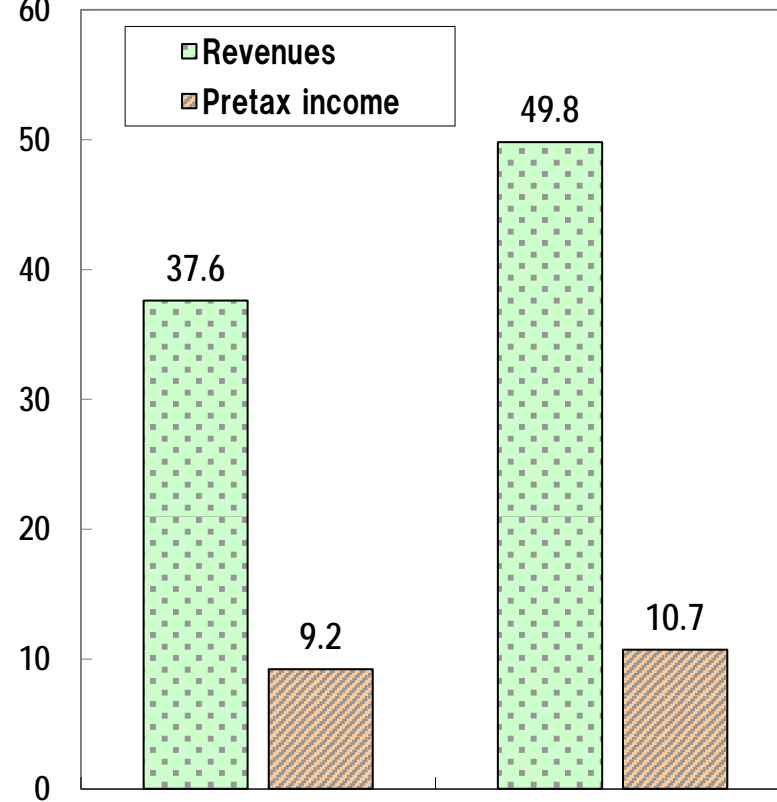
Dec. 31, 2012
 USD1= JPY86.6
 EUR1= JPY114.7
 RMB1= JPY13.9

Mar 31, 2013
 USD1= JPY94.1
 EUR1= JPY120.7
 RMB1= JPY15.2

Dec. 31, 2013
 USD1= JPY105.4
 EUR1= JPY145.1
 RMB1= JPY17.4

Billions of yen

2. Revenues



Apr.-Dec., 2012
 USD1= JPY79.8
 EUR1= JPY102.1
 RMB1= JPY12.7

Apr.-Dec., 2013
 USD1= JPY98.5
 EUR1= JPY130.5
 RMB1= JPY16.1

Consolidated Balance Sheets

- Total assets at December 31, 2013 increased by JPY203.4 billion from the previous fiscal year-end, mainly due to the Japanese yen's depreciation.
- Shareholders' equity ratio improved to 49.8%, and net debt-to-equity ratio to 0.44, from the previous fiscal year-end.

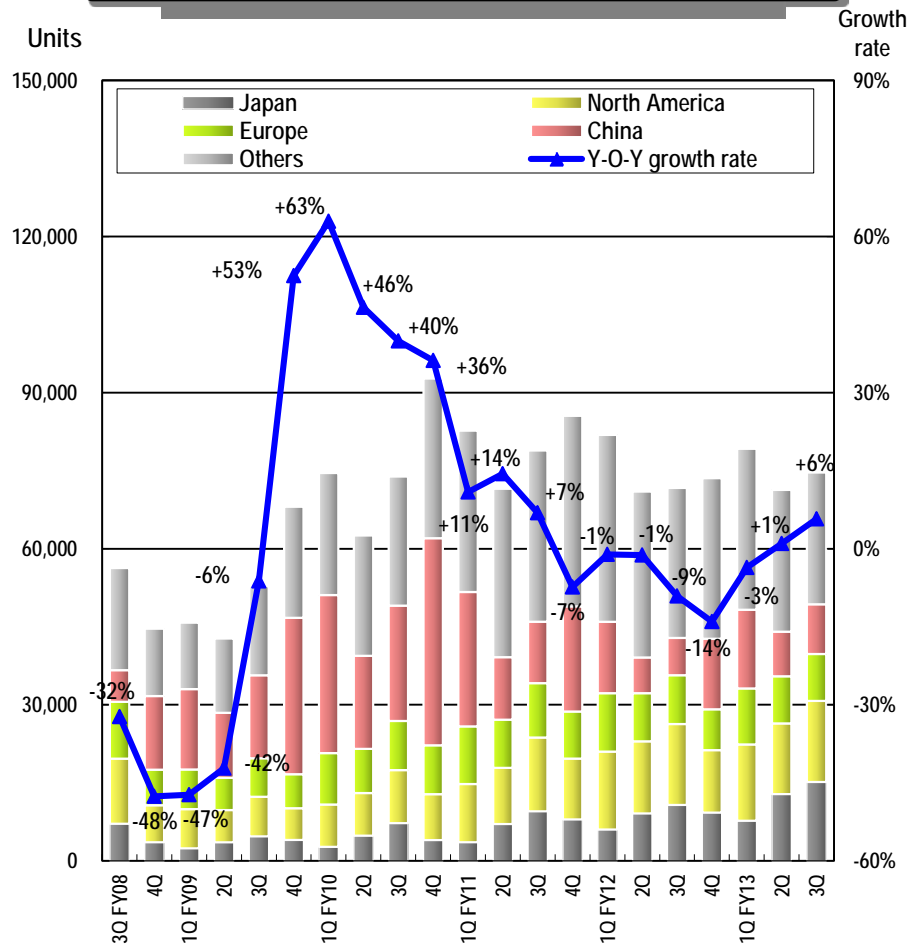
Billions of yen ○ : Net debt-to-equity ratio	Mar.31,2013 USD1 = JPY94.1 EUR1 = JPY120.7 RMB1 = JPY15.2	Dec.31,2013 USD1 = JPY105.4 EUR1 = JPY145.1 RMB1 = JPY17.4	Increase (decrease)
Cash & deposits (incl. time deposits) [a]	93.8	111.0	17.1
Accounts receivable (incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	842.7 <414.3>	843.2 <393.2>	0.5 <(21.0)>
Inventories	633.6	728.2	94.5
Tangible fixed assets	585.2	645.9	60.7
Other assets	362.4	392.8	30.4
Total assets	2,517.8	2,721.3	203.4
Accounts payable	226.2	234.8	8.6
Interest-bearing debt [b] <Excl. those of consolidated retail finance subsidiaries>	679.7 <298.1>	704.6 <291.3>	24.8 <(6.7)>
Other liabilities	359.1	364.1	5.0
Total liabilities	1,265.1	1,303.7	38.5
[Shareholders' equity ratio] Komatsu Ltd. shareholders' equity	(47.4%) 1,193.1	(49.8%) 1,354.5	(+2.4 points) 161.3
Non controlling interests	59.5	63.0	3.5
Liabilities & Equity	2,517.8	2,721.3	203.4
Interest-bearing debt, net [b-a]	○ 0.49 585.9	○ 0.44 593.6	7.7
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ 0.20	○ 0.16	

3. Current Demand for Construction and Mining Equipment by Region and Business Segment and Our Business Outlook

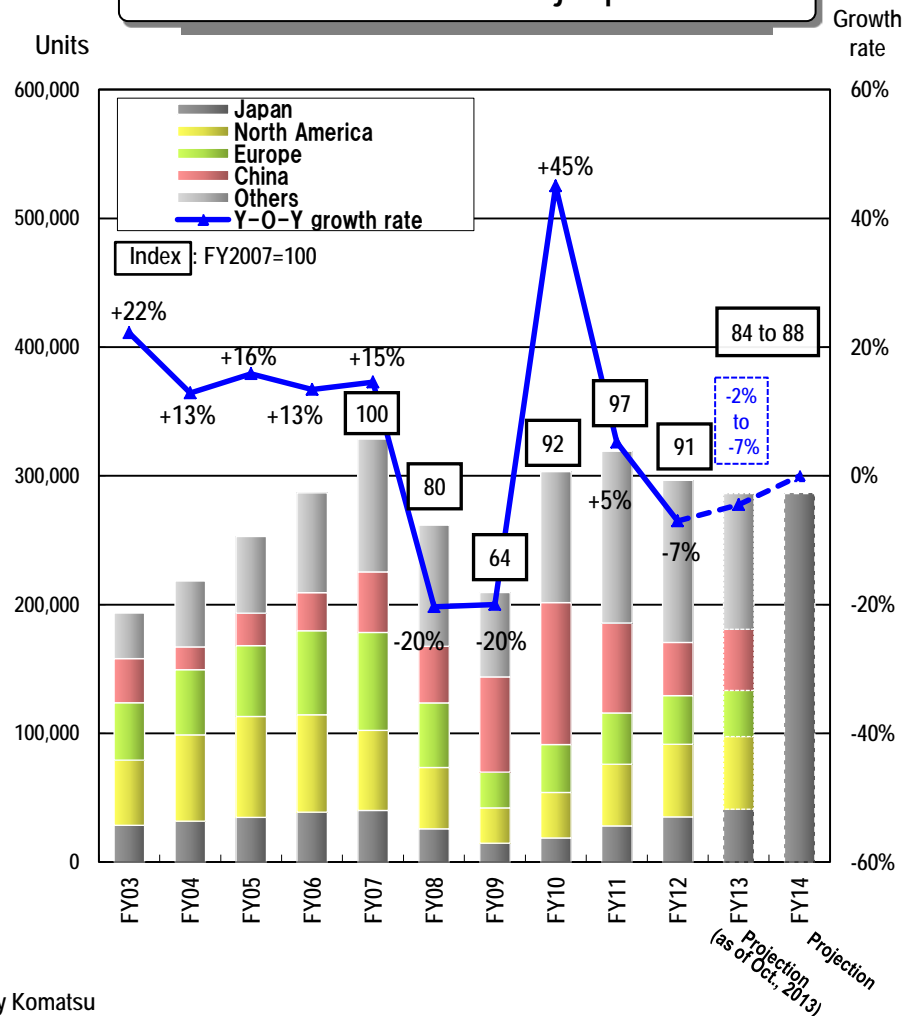
Construction, Mining & Utility Equipment: Demand and Outlook for 7 Major Products

- In the third quarter, while demand for mining equipment remained sluggish, overall demand for construction and mining equipment increased by 6% from the corresponding period a year ago, mainly supported by increased demand in Japan where demand remained strong and in China where market conditions upturned for recovery.
- With respect to full-year demand in FY2013, we are keeping our projection of October 2013, i.e., a decline of 2% to 7% from FY2012.
- Concerning full-year demand in FY2014, we anticipate that it will be comparable to FY2013.

Quarterly demand for 7 major products



Annual demand for 7 major products

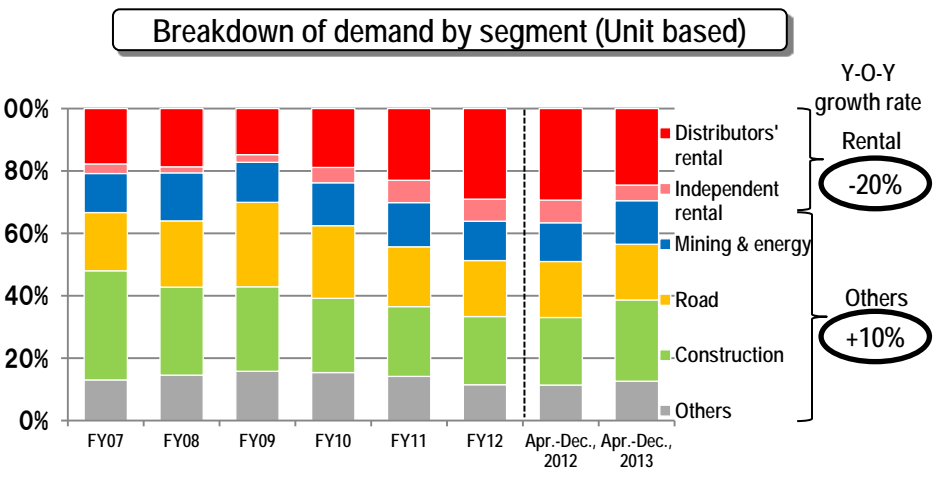
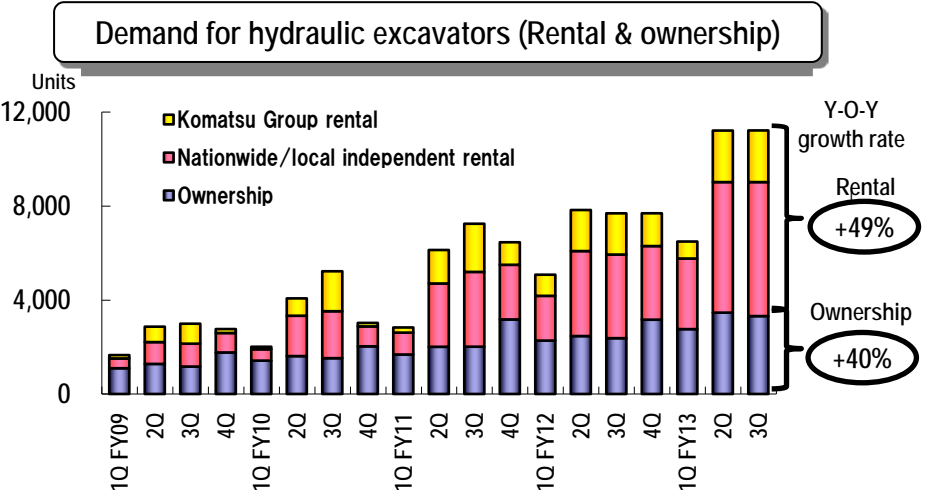
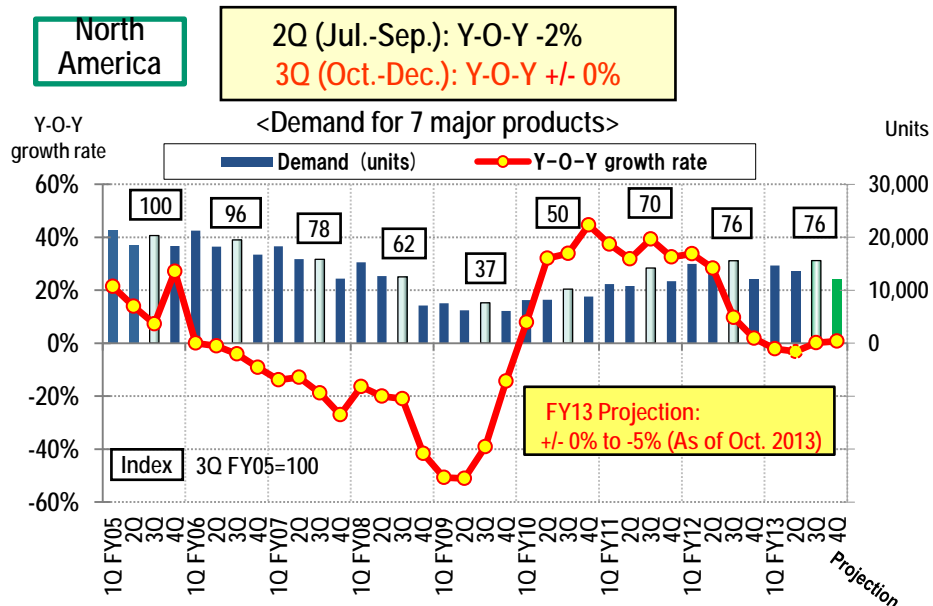
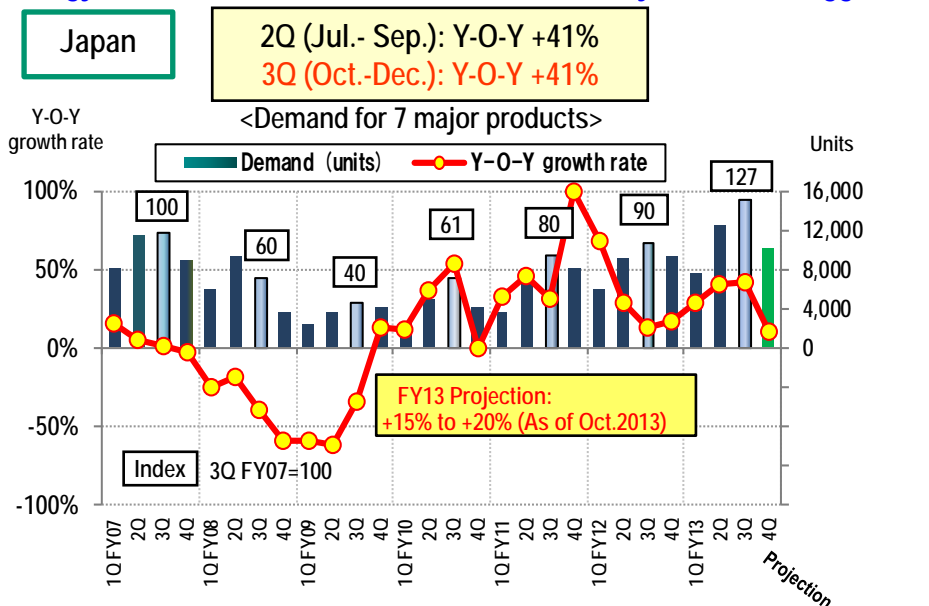


Demand: Estimated by Komatsu

Construction, Mining & Utility Equipment: Demand in Major Markets (1) Japan & North America

Japan: Third quarter demand expanded, fueled by increased construction investment and full-scale reconstruction works in the earthquake and tsunami destroyed-regions, as well as expanded purchase of equipment by customers who have looked into stricter emission regulations for the near future. Third quarter demand climbed by 41% from the corresponding period a year ago.

North America: Third quarter demand was comparable to the corresponding period a year ago, supported by increased demand in the housing and energy sectors, while demand in the rental industry remained sluggish.



Construction, Mining & Utility Equipment: Demand in Major Markets (2) China, Southeast Asia

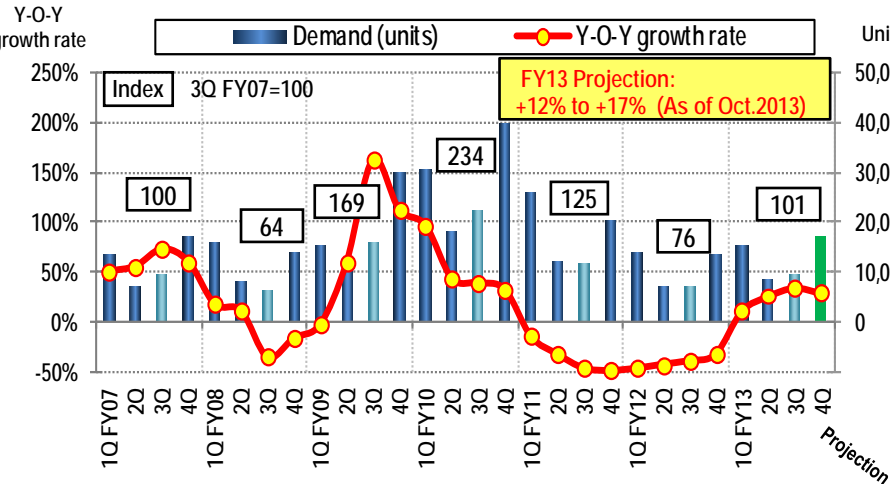
China: Demand for construction equipment (made by foreign makers) upturned for recovery in the first quarter of FY2013 and has been increasing year-on-year since then.

Southeast Asia: Demand declined by 12% in the third quarter of FY2013 from the corresponding period a year ago.

China

2Q (Jul.- Sep.): Y-O-Y +25%
3Q (Oct.-Dec.): Y-O-Y +33%

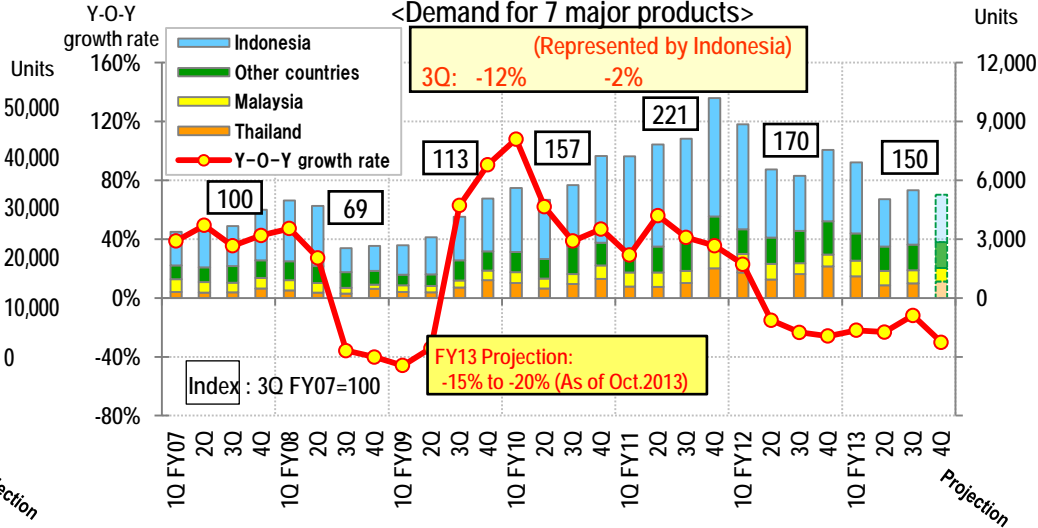
<Demand for 7 major products>



Southeast Asia

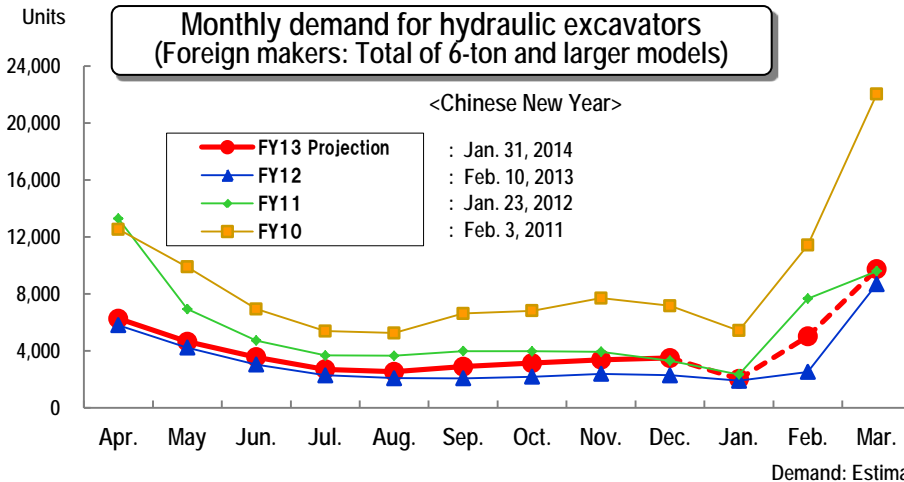
2Q (Jul.- Sep.): Y-O-Y -24%
3Q (Oct.-Dec.): Y-O-Y -12%

<Demand for 7 major products>



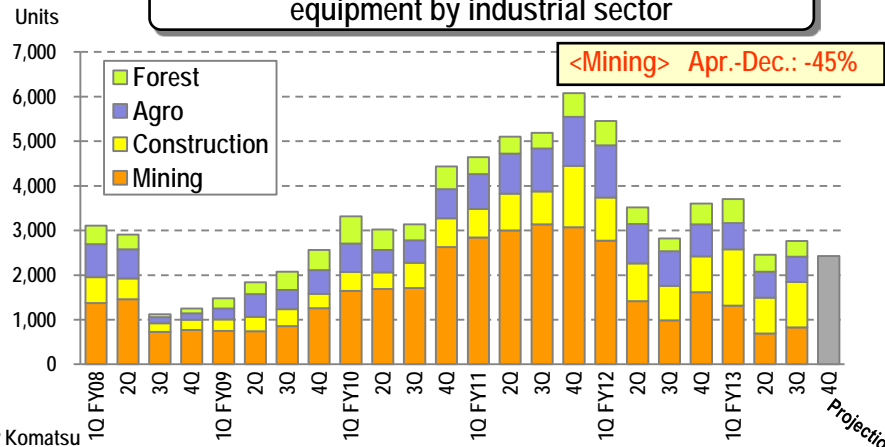
Monthly demand for hydraulic excavators (Foreign makers: Total of 6-ton and larger models)

<Chinese New Year>



Indonesia: Demand for construction & mining equipment by industrial sector

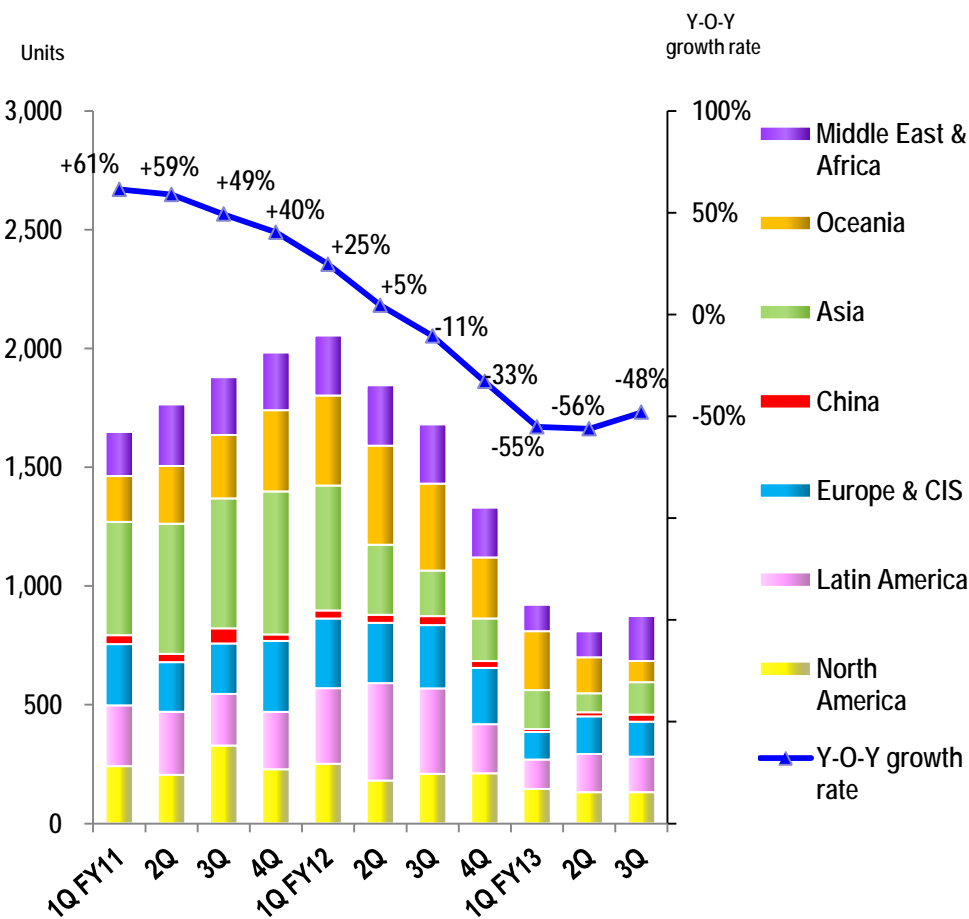
<Mining> Apr.-Dec.: -45%



Construction, Mining & Utility Equipment: Mining Equipment Demand and Outlook

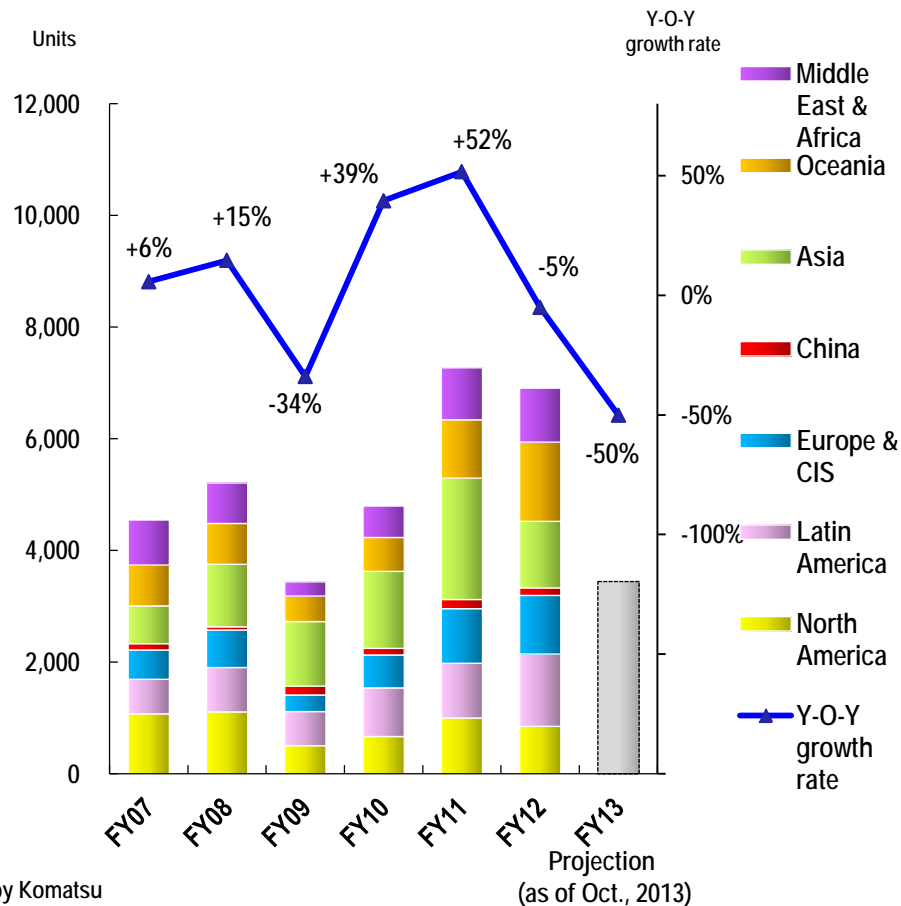
- Quarterly demand for mining equipment has continued to decline year-on-year since the third quarter of FY2012, reflecting a cooled down mindset of customers concerning capital investment against the backdrop of subdued commodity prices.
 - We project the full-year demand will decline by 50% in FY2013 from FY2012, as announced in October 2013.

Quarterly demand for mining equipment



Annual demand for mining equipment

Dump trucks: 75 tons (HD785) and larger, Bulldozers: 525HP (D375) and larger, Excavators: 200 tons (PC2000) and larger, Wheel loaders: 810HP (WA800) and larger, Motor graders: 280HP (GD825) and larger

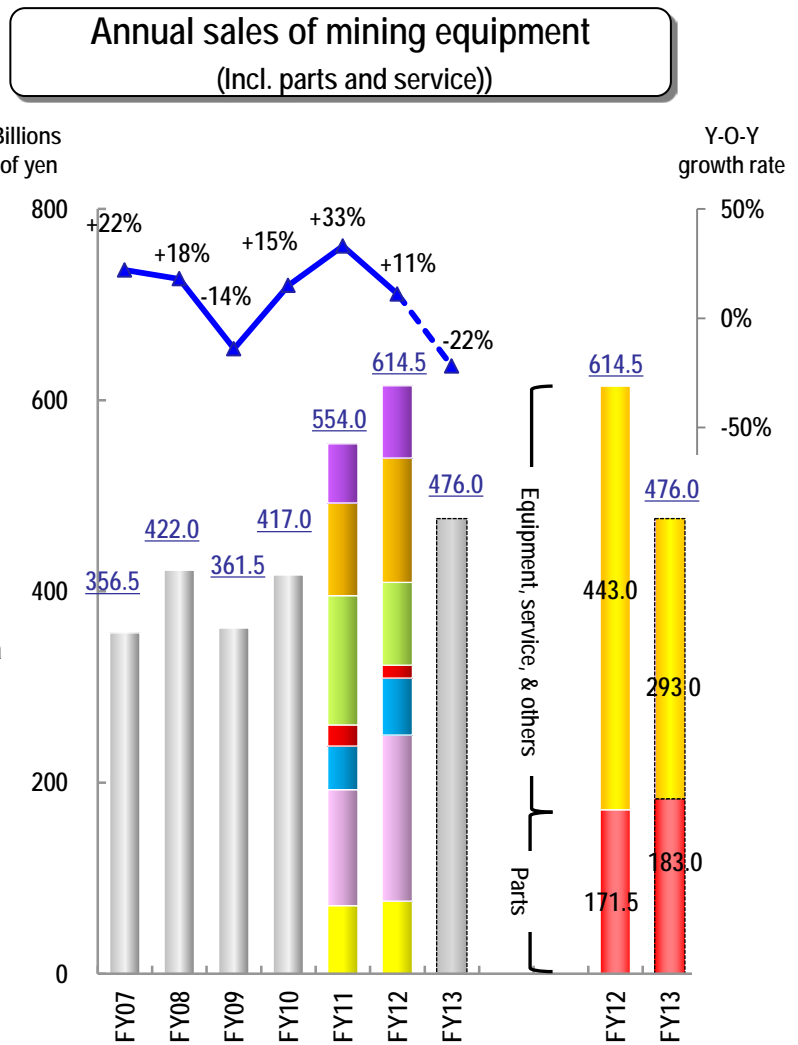
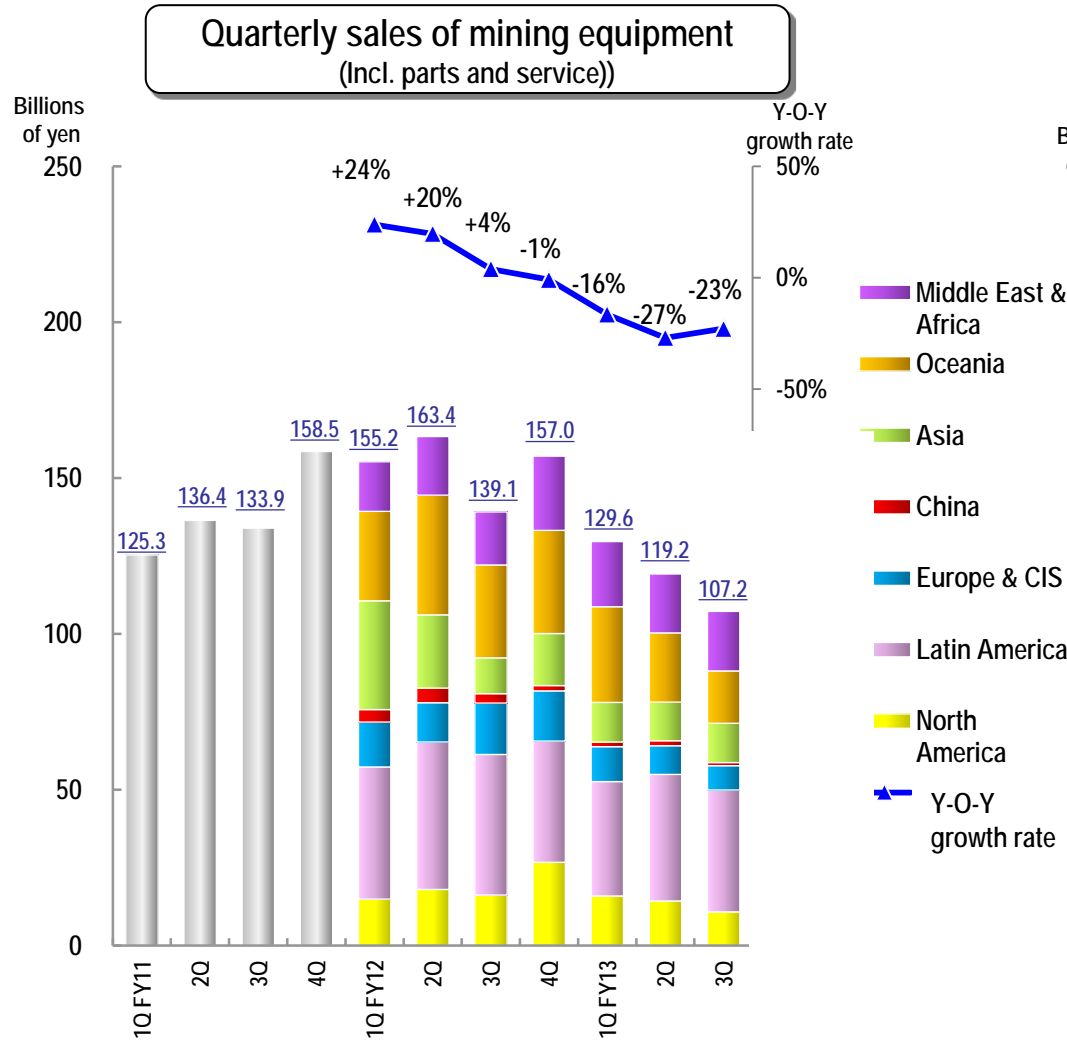


Demand: Estimated by Komatsu

Projection (as of Oct., 2013)

Construction, Mining & Utility Equipment: Sales of Mining Equipment

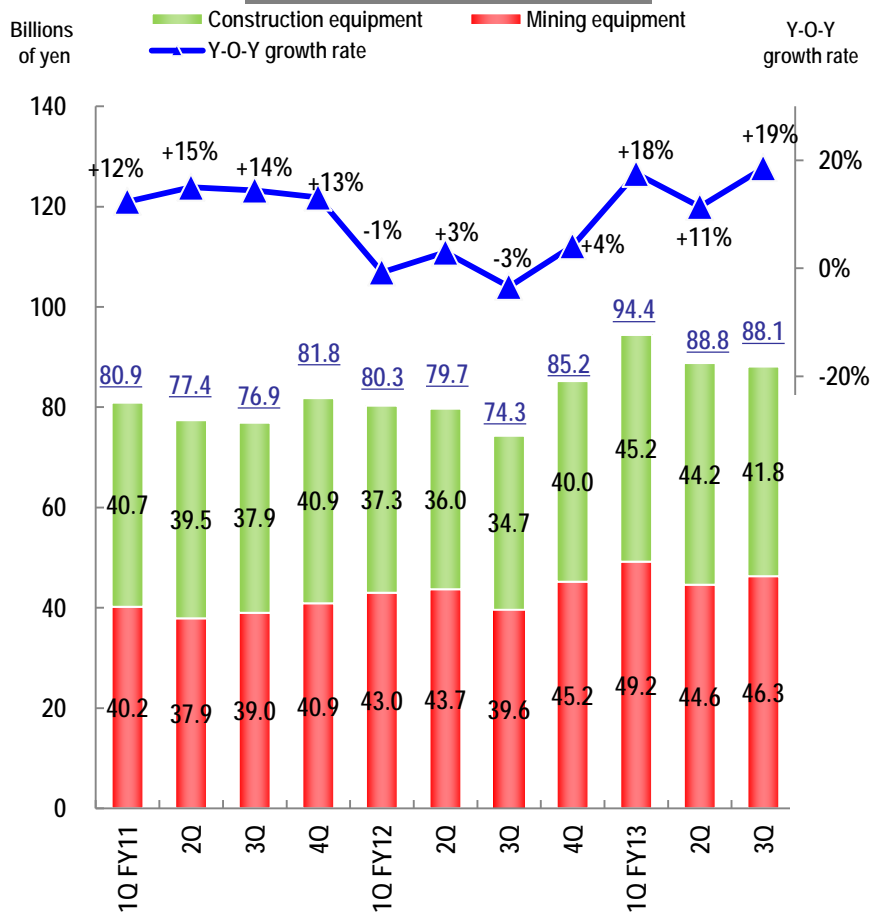
Quarterly sales of mining equipment have continued to decline year-on-year in tandem with sluggish demand. We project that full-year sales of mining equipment, including parts and service for FY2013 will decline by 22% from FY2012.



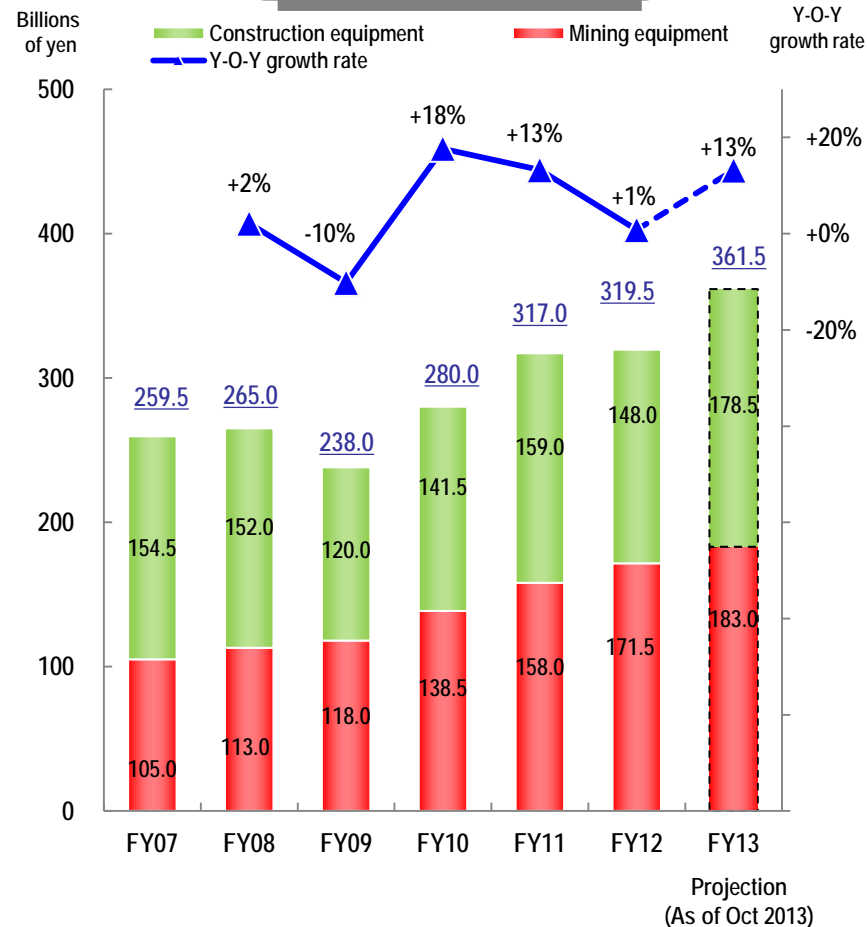
Construction, Mining & Utility Equipment: Sales of Parts

- Third quarter sales of parts advanced by 19% from the corresponding period a year ago.
 - We project that full-year sales of parts will increase by 13% for FY2013 from FY2012, as announced in October 2013.

Quarterly sales of parts



Annual sales of parts



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.



D61PXi-23 medium-sized bulldozer which features the world's first* full automatic blade control

* Based on Komatsu's research concerning seven major products, i.e., crawler-type hydraulic excavator, wheel-type hydraulic excavator, wheel loader, bulldozer, motor grader, rigid dump truck and articulated dump truck

Business Coordination Department, KOMATSU LTD.

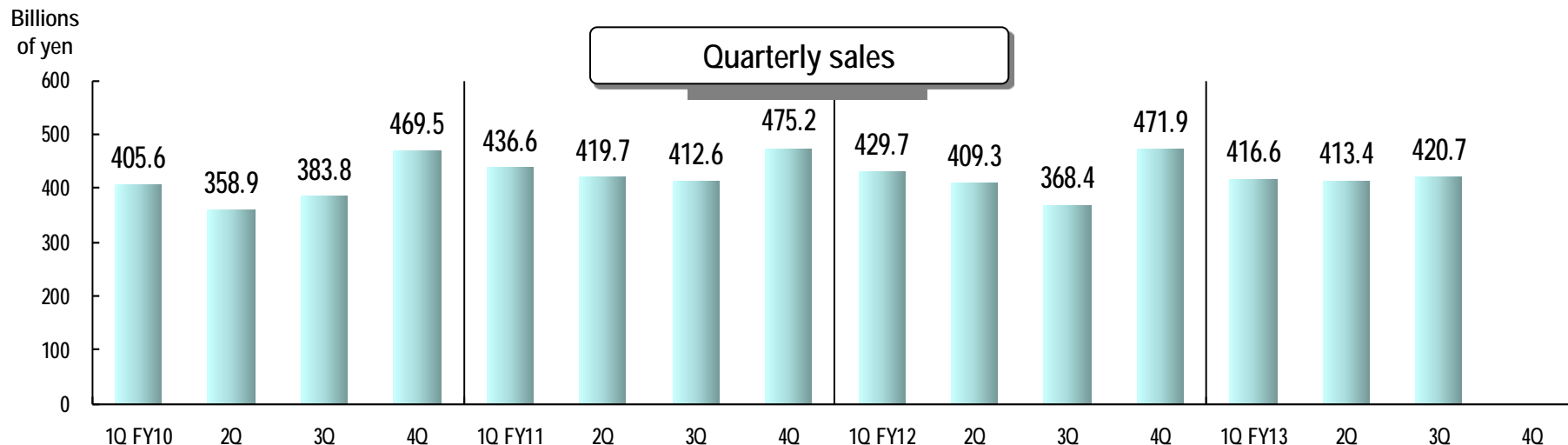
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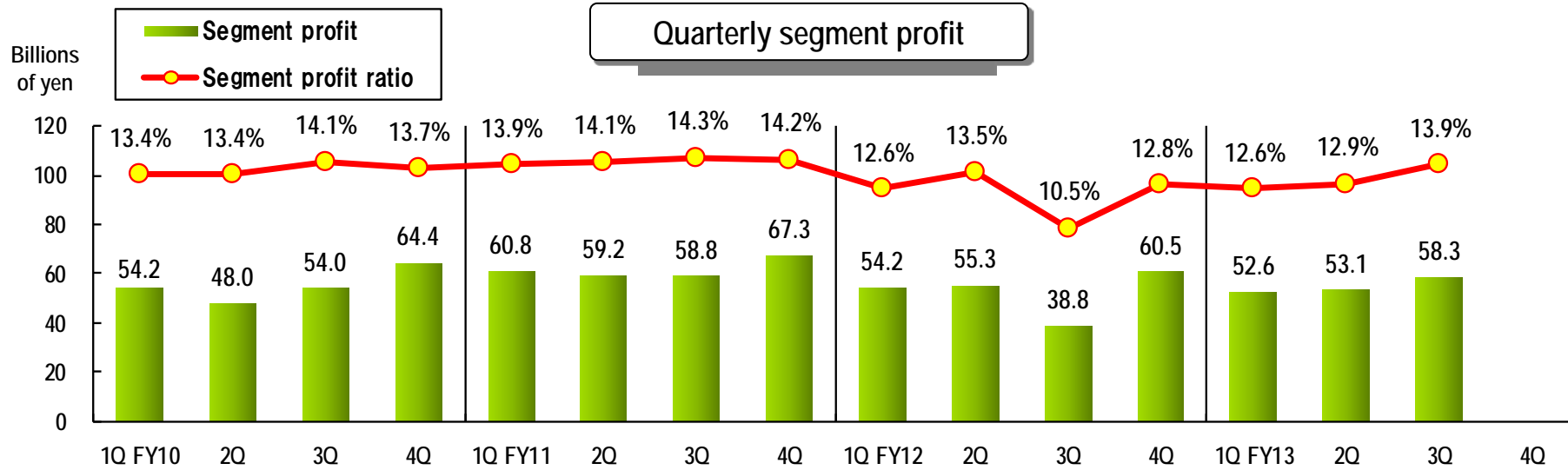
<Appendix>

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

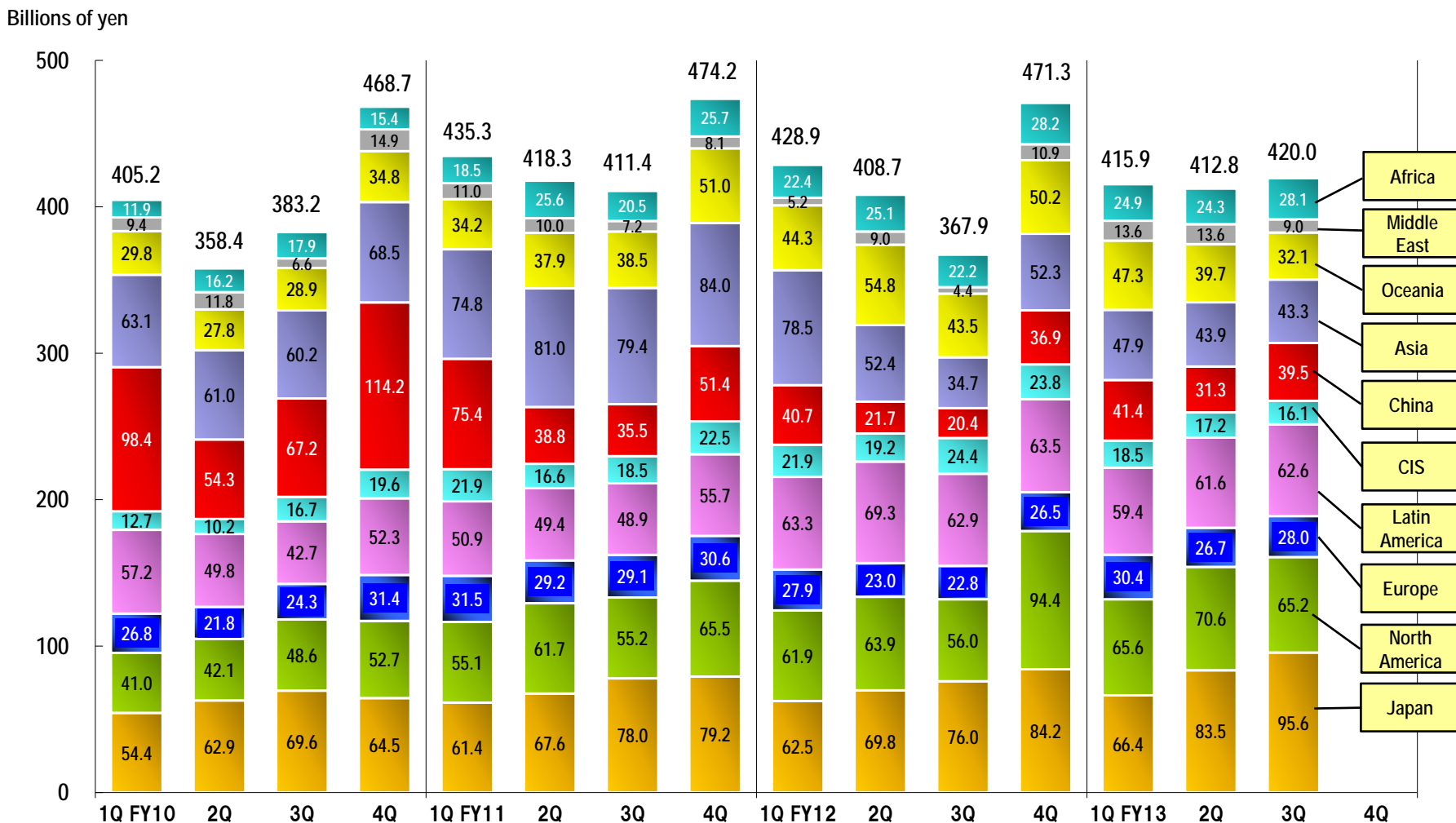


Exchange rates

	1Q FY10	2Q FY10	3Q FY10	4Q FY10	1Q FY11	2Q FY11	3Q FY11	4Q FY11	1Q FY12	2Q FY12	3Q FY12	4Q FY12	1Q FY13	2Q FY13	3Q FY13	4Q FY13
USD	91.3 yen	85.0 yen	82.2 yen	82.3 yen	81.2 yen	77.1 yen	77.9 yen	79.8 yen	80.6 yen	78.7 yen	80.1 yen	90.7 yen	97.3 yen	98.6 yen	99.7 yen	
EUR	114.8 yen	111.5 yen	110.4 yen	113.8 yen	118.3 yen	108.7 yen	104.9 yen	106.3 yen	104.6 yen	98.3 yen	103.5 yen	120.1 yen	126.4 yen	129.9 yen	135.1 yen	
RMB	13.4 yen	12.6 yen	12.4 yen	12.5 yen	12.5 yen	12.1 yen	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8 yen	14.6 yen	15.8 yen	16.1 yen	16.3 yen	

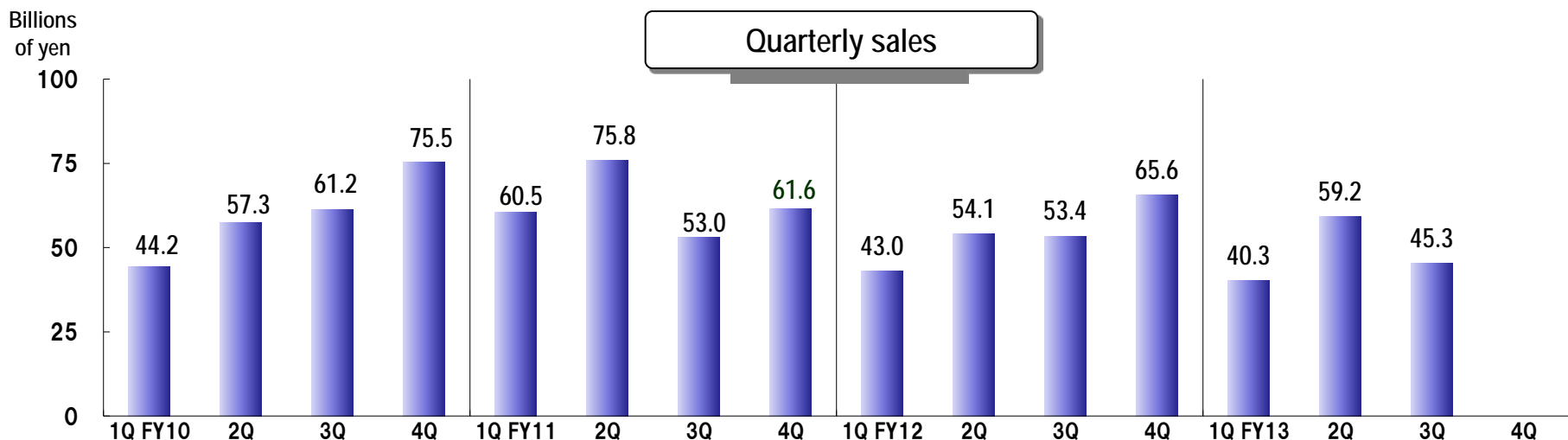


Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



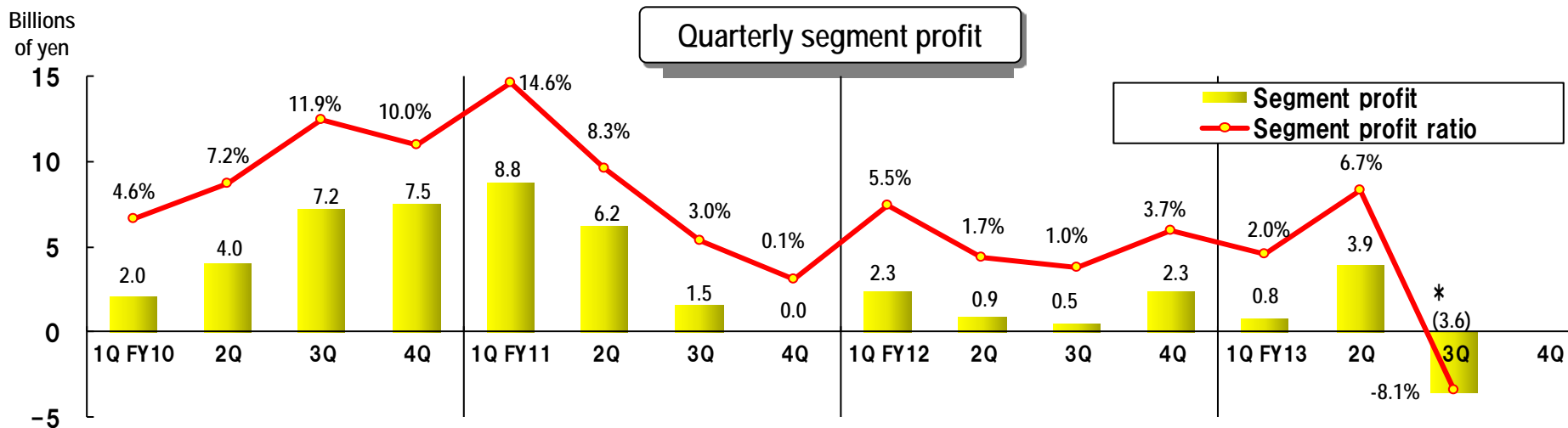
	1Q FY10	2Q FY10	3Q FY10	4Q FY10	1Q FY11	2Q FY11	3Q FY11	4Q FY11	1Q FY12	2Q FY12	3Q FY12	4Q FY12	1Q FY13	2Q FY13	3Q FY13	4Q FY13
USD	91.3 yen	85.0 yen	82.2 yen	82.3 yen	81.2 yen	77.1 yen	77.9 yen	79.8 yen	80.6 yen	78.7 yen	80.1 yen	90.7 yen	97.3 yen	98.6 yen	99.7 yen	-
EUR	114.8 yen	111.5 yen	110.4 yen	113.8 yen	118.3 yen	108.7 yen	104.9 yen	106.3 yen	104.6 yen	98.3 yen	103.5 yen	120.1 yen	126.4 yen	129.9 yen	135.1 yen	-
RMB	13.4 yen	12.6 yen	12.4 yen	12.5 yen	12.5 yen	12.1 yen	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8 yen	14.6 yen	15.8 yen	16.1 yen	16.3 yen	-

Industrial Machinery & Others: Quarterly Sales and Segment Profit



Exchange rates

	1Q FY10	2Q FY10	3Q FY10	4Q FY10	1Q FY11	2Q FY11	3Q FY11	4Q FY11	1Q FY12	2Q FY12	3Q FY12	4Q FY12	1Q FY13	2Q FY13	3Q FY13	4Q FY13
USD	91.3 yen	85.0 yen	82.2 yen	82.3 yen	81.2 yen	77.1 yen	77.9 yen	79.8 yen	80.6 yen	78.7 yen	80.1 yen	90.7 yen	97.3 yen	98.6 yen	99.7 yen	
EUR	114.8 yen	111.5 yen	110.4 yen	113.8 yen	118.3 yen	108.7 yen	104.9 yen	106.3 yen	104.6 yen	98.3 yen	103.5 yen	120.1 yen	126.4 yen	129.9 yen	135.1 yen	
RMB	13.4 yen	12.6 yen	12.4 yen	12.5 yen	12.5 yen	12.1 yen	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8 yen	14.6 yen	15.8 yen	16.1 yen	16.3 yen	



* Including the loss of write-off of Komatsu NTC's wire saw inventories in the amount of JPY 7.6 billion.