

**Business Results for the First Quarter Period
(April-June, 2013)
of FY2013 ending March 31, 2014**

July 29, 2013

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Highlights of the First Quarter of FY2013 (April-June 2013)

1. Sales and profits:

- For the first quarter period under review (1Q FY2013), consolidated net sales decreased by 3.1% from the previous first quarter a year ago (1Q FY2012), to JPY455.1 billion.
- Operating income declined by 5.9% to JPY52.4 billion, which translates into an operating income ratio of 11.5%, a decrease of 0.4 percentage points.
- Net income increased by 16.1% to JPY37.2 billion.

	1Q FY2012	1Q FY2013	Change
Net sales	469.9 billion yen	455.1 billion yen	(3.1)%
Operating income	55.7 billion yen	52.4 billion yen	(5.9)%
Operating income ratio	11.9%	11.5%	(0.4) pts
Net income*	32.1 billion yen	37.2 billion yen	16.1%

* "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 and Utility Equipment

Declined demand for construction equipment and mining equipment in Indonesia and reduced demand for mining equipment in Latin America was compensated for by expanded sales of construction equipment mainly in Japan and the Middle East as well as parts. However, sales and profits decreased from 1Q FY2012.

Industrial Machinery and Others

While sales of machine tools increased steadily to the automobile manufacturing industry in particular, those of sheet metal and forging machinery, such as large presses, decreased. Sales and profits declined from 1Q FY2012.

Sales and Profits for 1Q FY2013

Reduced demand for mining equipment was compensated for by expanded sales of construction equipment mainly in Japan and the Middle East, parts and machine tools for the automobile manufacturing industry. However, net sales decreased by 3.1% from 1Q FY2012, to JPY455.1 billion. Operating income declined by 5.9% to JPY52.4 billion.

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

Billions of yen

	1Q FY2012 1USD=JPY80.6 1EUR=JPY104.6 1RMB=JPY12.8		1Q FY2013 1USD=JPY97.3 1EUR=JPY126.4 1RMB=JPY15.8		Change	
Net sales	469.9		455.1		(14.7)	(3.1)%
- Construction, mining & utility equipment	[428.9]	429.7	[415.9]	416.6	[(13.0)]	(13.1) [(3.0)%] (3.1)%
- Industrial machinery & others	[41.0]	43.0	[39.2]	40.3	[(1.7)]	(2.7) [(4.3)%] (6.3)%
- Elimination	(2.9)		(1.8)		1.0	-
Segment profit	11.8%	55.2	11.5%	52.5	(2.7)	(4.9)%
- Construction, mining & utility equipment	12.6%	54.2	12.6%	52.6	(1.5)	(2.9)%
- Industrial machinery & others	5.5%	2.3	2.0%	0.8	(1.5)	(65.4)%
- Corporate & elimination	(1.3)		(0.8)		0.4	-
Other operating income (expenses)	0.4		(0.1)		(0.5)	-
Operating income	11.9%	55.7	11.5%	52.4	(3.3)	(5.9)%
Other income (expenses)	(4.4)		(0.8)		3.6	-
Net income before income taxes	51.2		51.5		0.3	0.7%
Net income *	32.1		37.2		5.1	16.1%

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

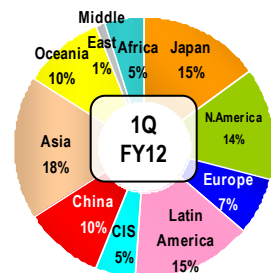
Construction, Mining & Utility Equipment: Sales by Region (to Outside Customers) for 1Q FY2013

- Reduced demand for mining equipment in areas such as Indonesia and Latin America was compensated for by expanded sales of construction equipment mainly in Japan and the Middle East as well as parts. However, sales to outside customers decreased by 3.0% from 1Q FY2012, to JPY415.9 billion.
- Traditional Markets' share in total sales grew to 39%, reflecting steady sales recorded in Japan, while sales declined in Asia, Latin America and CIS.

Billions of yen		1Q FY2012	1Q FY2013	Change	
Traditional Markets	Japan	62.5	66.4	3.9	6.3%
	North America	61.9	65.6	3.7	6.0%
	Europe	27.9	30.4	2.5	9.2%
Strategic Markets	Latin America	63.3	59.4	(3.9)	(6.2)%
	CIS	21.9	18.5	(3.3)	(15.4)%
	China	40.7	41.4	0.6	1.7%
	Asia	78.5	47.9	(30.5)	(38.9)%
	Oceania	44.3	47.3	3.0	6.9%
	Middle East	5.2	13.6	8.3	159.7%
	Africa	22.4	24.9	2.5	11.3%
Total		428.9	415.9	(13.0)	(3.0)%
Mining equipment in total above		155.2	129.6	(25.6)	(16.5)%

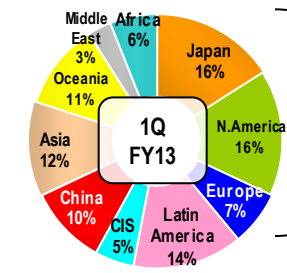
Breakdown of sales by region

Strategic Markets
64%



Traditional Markets
36%

Strategic Markets
61%

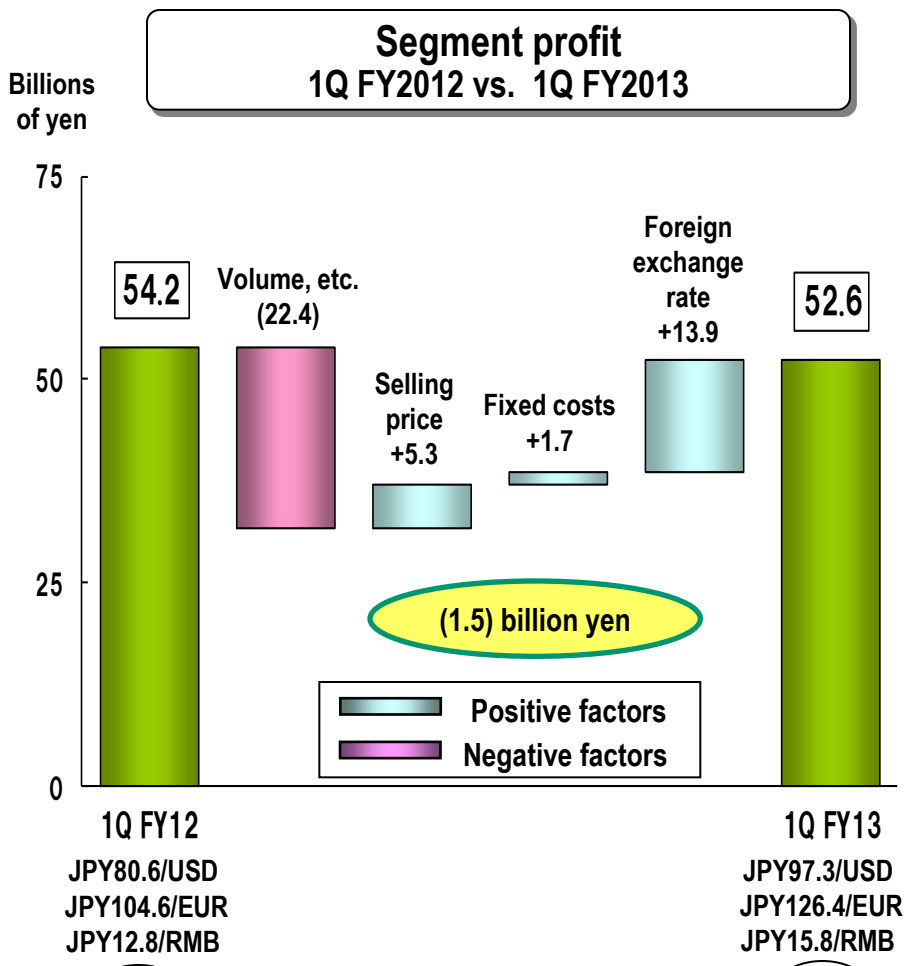
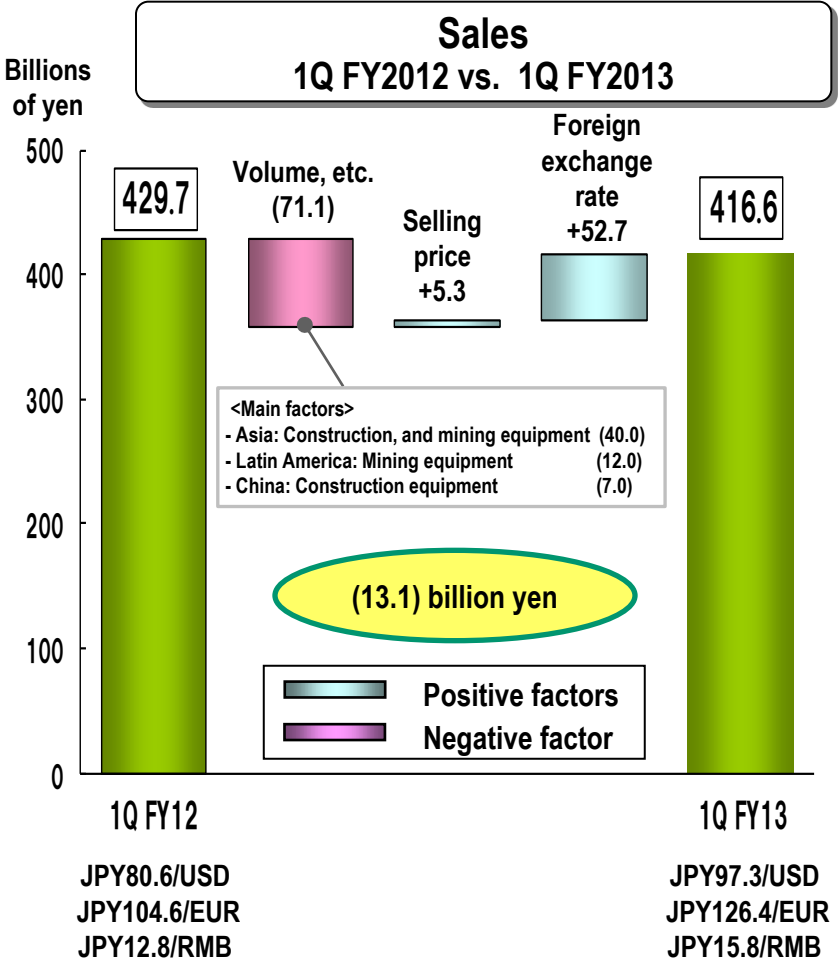


Traditional Markets
39%

Construction, Mining & Utility Equipment: Causes of Difference in Sales and Segment Profit for 1Q FY2013

- Declined volume of sales resulting from reduced demand for mining equipment was compensated for mainly by improved selling prices. However, sales declined by JPY13.1 billion from 1Q FY2012. Similarly, segment profit decreased by JPY1.5 billion.

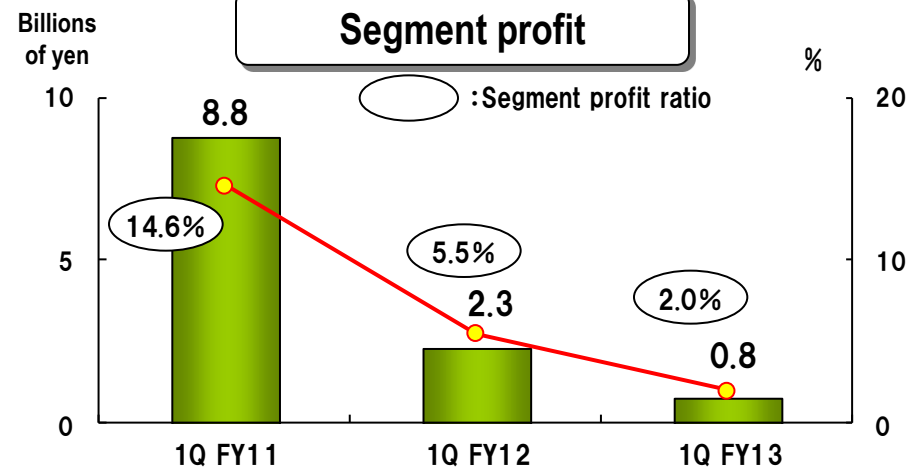
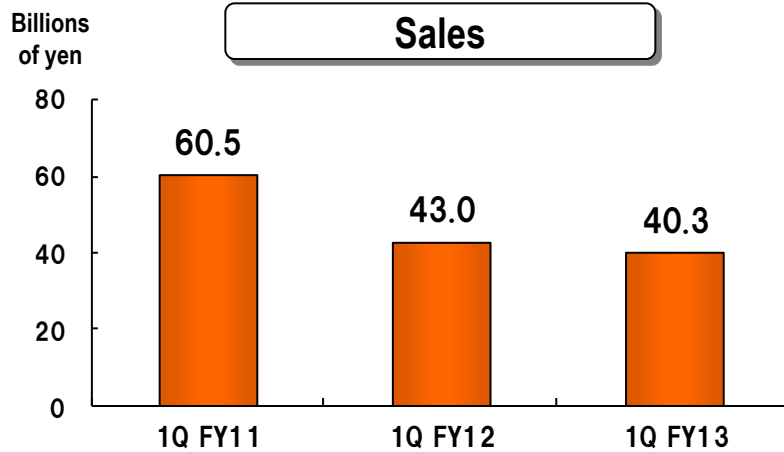
- Segment profit ratio was 12.6%, remaining flat from 1Q FY2012.



12.6% — Segment profit ratio — 12.6%

Industrial Machinery & Others: Sales and Segment Profit for 1Q FY2013

While sales remained steady for machine tools, sales decreased of press and sheet-metal machinery, including large presses. As a result, sales declined by 6.3% to JPY40.3 billion from 1Q FY2012. Segment profit dropped by 65.4% to JPY 0.8 billion.



Breakdown of sales

Billions of yen

	1Q FY12	1Q FY13	Change
Komatsu Industries Corp., etc. [total of press and sheet-metal machines]	11.1	9.2	(1.9)
Komatsu NTC Ltd. [represented by wire saws]	15.2 [2.0]	16.7 [1.2]	1.5 [(0.7)]
Others [represented by Gigaphoton] [represented by Komatsu House]	16.6 [5.4] [3.6]	14.3 [6.2] [2.9]	(2.2) [0.7] [(0.7)]
Total	43.0	40.3	(2.7)



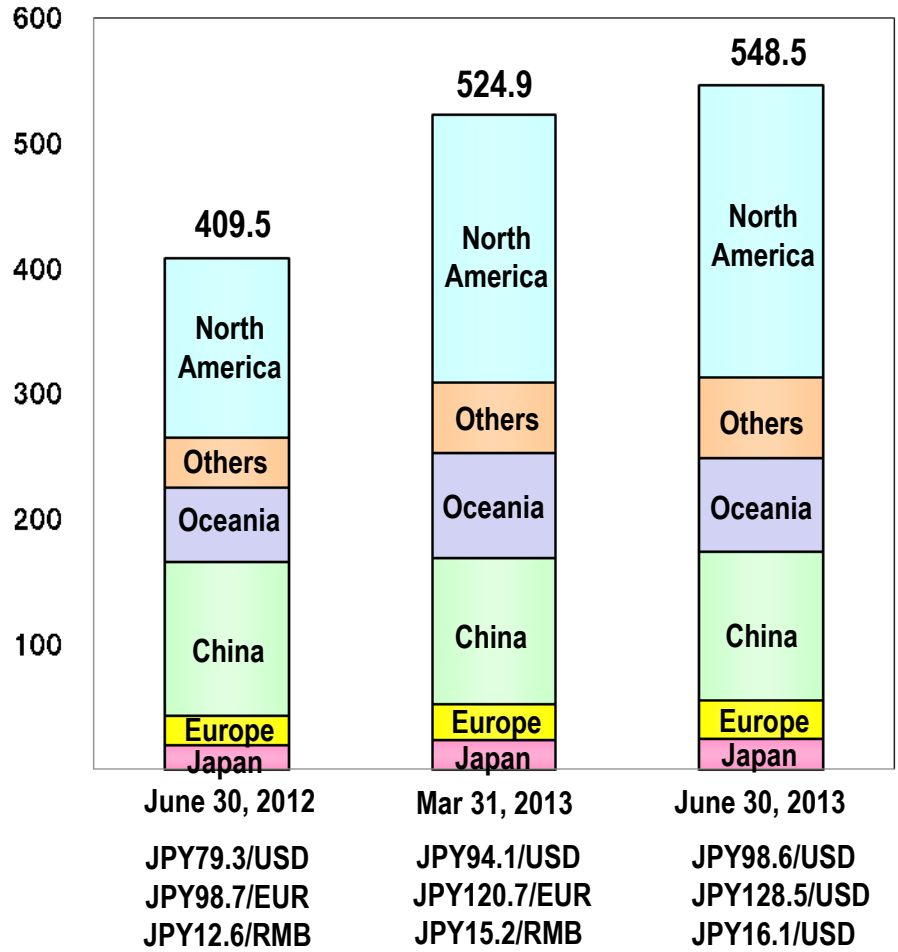
KFL2051 fiber laser cutting machine which was launched by Komatsu Industries Corp. in May 2013.

Retail Finance Business

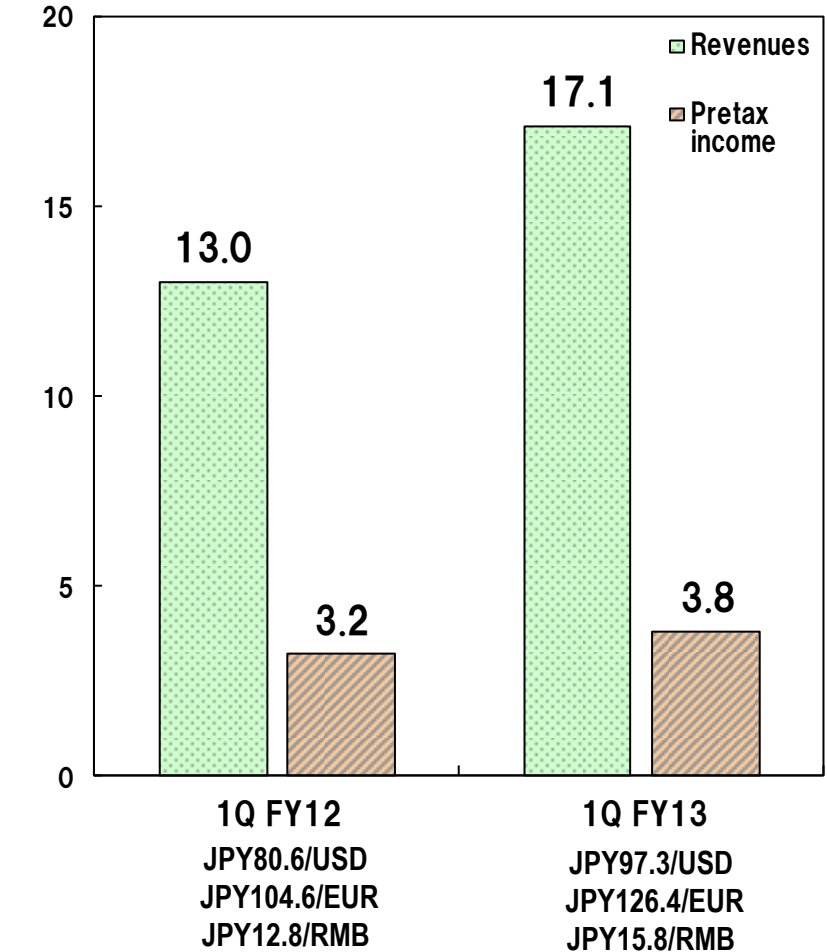
Total assets increased from June 30, 2012, mainly reflecting the Japanese yen's depreciation and an increase of new contracts in North America and Latin America.

Consolidated retail finance subsidiaries

Billions of yen **1. Assets**



Billions of yen **2. Revenues**



Consolidated Balance Sheets

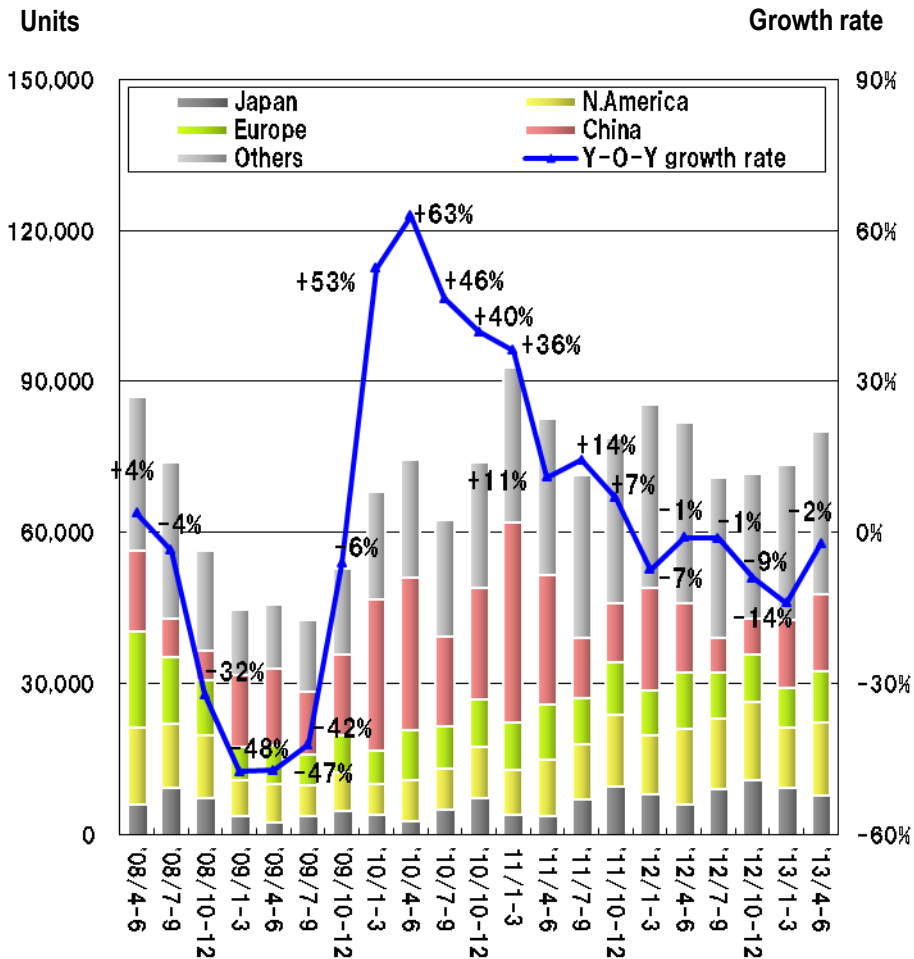
- Total assets increased by JPY42.0 billion from the previous fiscal year-end, mainly due to the Japanese yen's depreciation.
- Komatsu Ltd. shareholders' equity ratio increased by 1.0 point from the previous fiscal year-end, to 48.4% . Net debt-to-equity ratio improved to 0.48 points from the previous fiscal year-end.

Billions of yen ○ : Net debt-to-equity ratio	Mar. 31, 2013 1 USD=JPY 94.1 1EUR=JPY 120.7 1RMB=JPY 15.2	June 30, 2013 1 USD =98.6yen 1EUR=128.5yen 1 RMB =16.1yen	Change
Cash & deposits (incl. time deposits) [a]	93.8	93.7	(0.0)
Accounts receivable (incl. long-term trade receivables)	842.7	821.5	(21.1)
<Excl. those of consolidated retail finance subsidiaries>	<414.3>	<387.5>	<(26.7)>
Inventories	633.6	672.2	38.6
Tangible fixed assets	585.2	602.2	16.9
Other assets	362.4	370.0	7.6
Total assets	2,517.8	2,559.9	42.0
Accounts payable	226.2	228.9	2.6
Interest-bearing debt [b]	679.7	693.5	13.7
<Excl. those of consolidated retail finance subsidiaries>	<298.1>	<298.2>	<0.0>
Other liabilities	359.1	339.2	(19.8)
Total liabilities	1,265.1	1,261.6	(3.4)
[Shareholders' equity ratio]	[47.4%]	[48.4%]	[+1.0pts.]
Komatsu Ltd. shareholders' equity	1,193.1	1,239.5	46.3
Noncontrolling interests	59.5	58.7	(0.7)
Liabilities & Equity	2,517.8	2,559.9	42.0
Interest-bearing debt, net [b-a]	○ 0.49 585.9	○ 0.48 599.7	13.8
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ 0.20	○ 0.19	

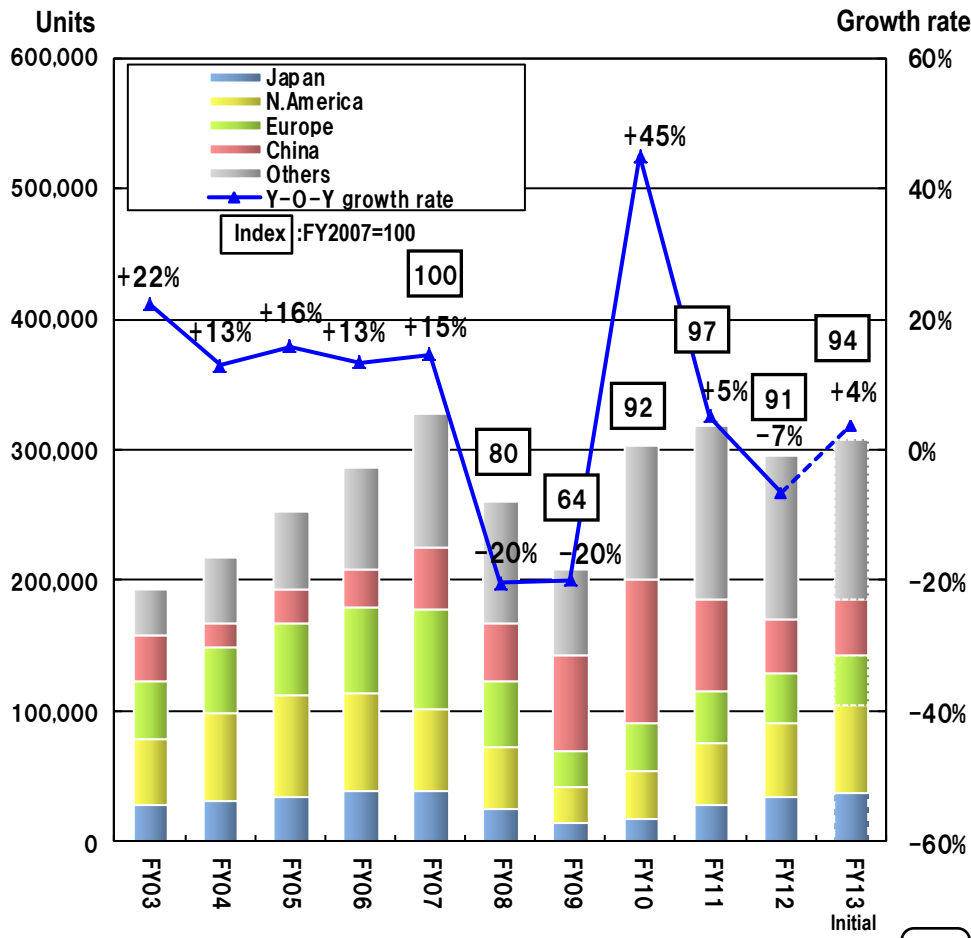
Construction & Mining Equipment: Demand and Outlook for 7 Major Products

While demand for 7 major products increased in Japan and China, that in areas, such as Southeast Asia, centering on Indonesia, and Oceania, dropped, resulting in a decrease of 2% from 1Q FY2012.

Quarterly demand (7 major products)



Annual demand (7 major products)

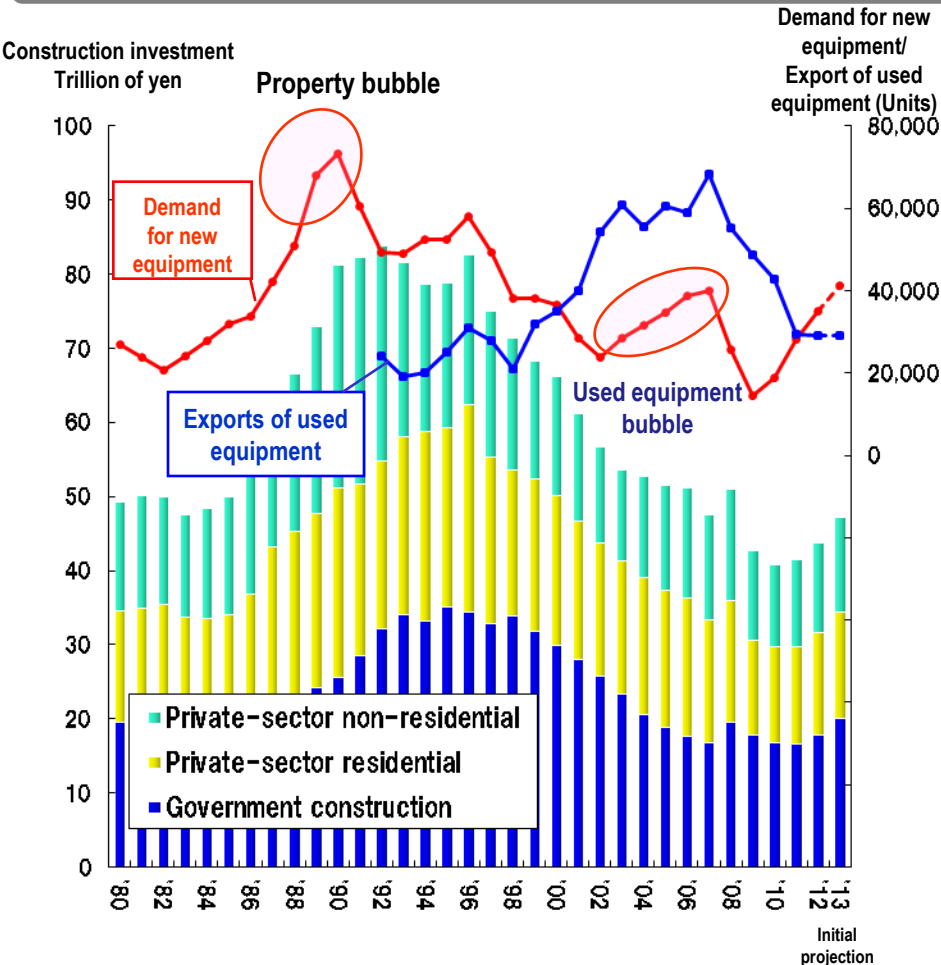


Note: Estimated by Komatsu

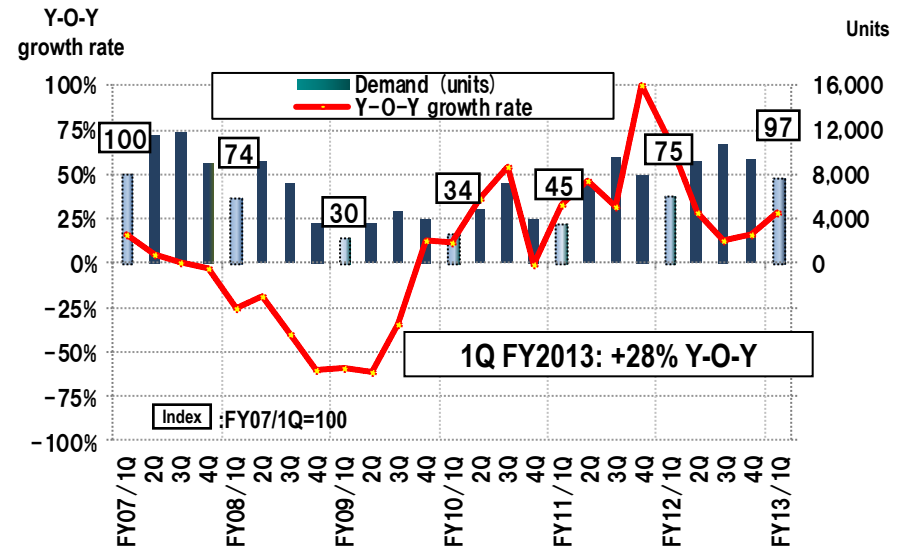
Construction & Mining Equipment: Demand in Major Markets (1)Japan

- First-quarter demand continued to grow steadily, especially in reconstruction projects in the regions destroyed by the earthquake and tsunami, registering an increase of 28% from 1Q FY2012.
- We are expanding rental fleet, thereby meeting strong demand for rental equipment.

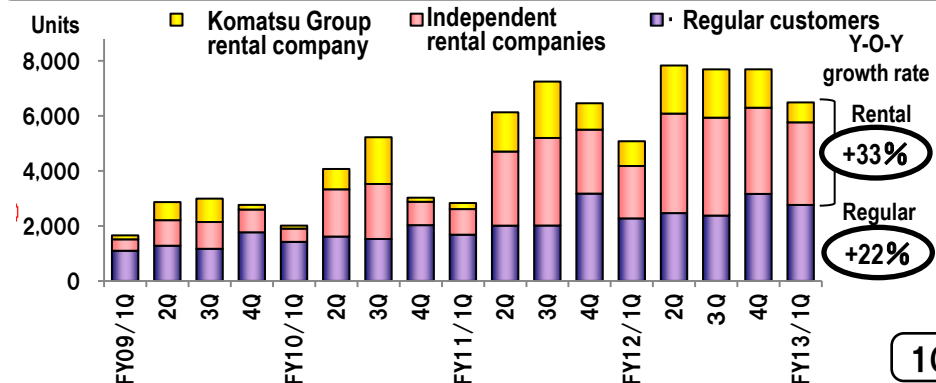
Demand for new equipment (7 major products) and construction investment



Quarterly demand for 7 major products



Quarterly demand for hydraulic excavators (Rental & regular uses)



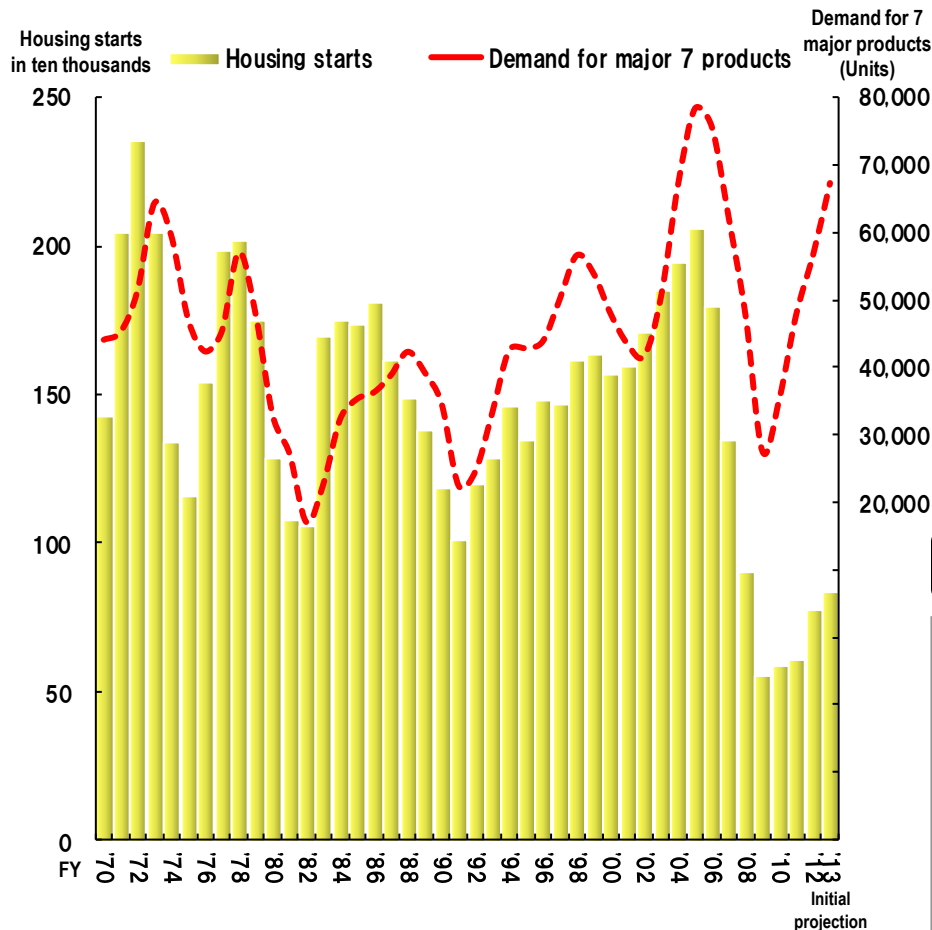
[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products and No. of exported used equipment estimated by Komatsu

Construction & Mining Equipment: Demand in Major Markets (2) N. America

- While first-quarter demand continued to advance in the housing and energy development sectors, overall demand declined by 2% from 1Q FY2012 due to reduced demand in the mining and rental industries.

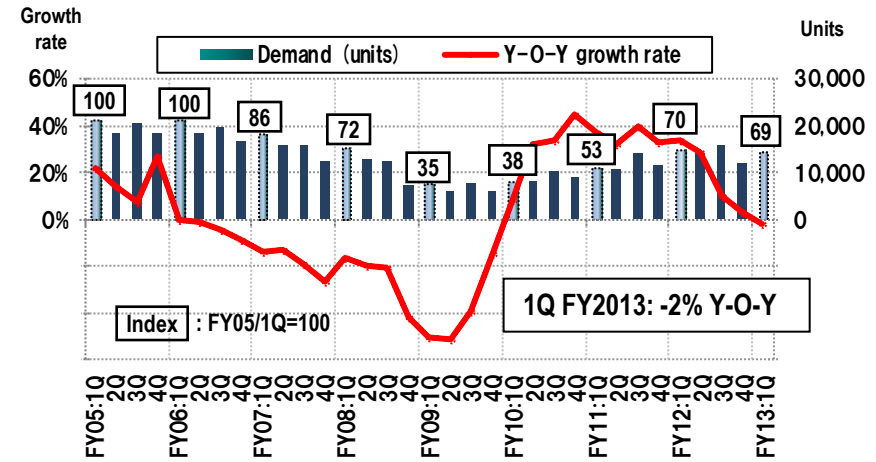
- To meet steady demand in residential and non-residential construction, we are continuing to strengthen our distributors' rental business according to our strategy. We are also promoting smooth market introduction of Machine Control dozers launched in June this year.

Demand for 7 major products and US housing starts

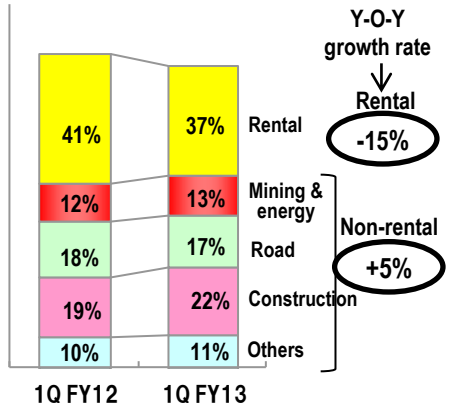


[Source]: Housing starts (calendar year) by U.S. Department of Commerce
Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products



Breakdown of demand by segment (Unit basis)



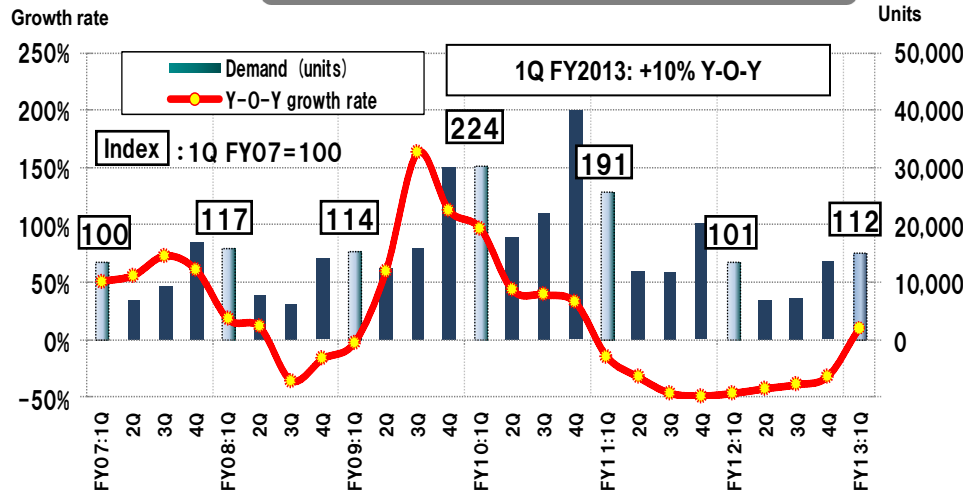
D61PXi medium-sized Machine Control dozer features full automatic blade control.

Construction & Mining Equipment: Demand in Major Markets (3) Strategic Markets (China, SE Asia)

- In China, first-quarter demand improved by 10% from 1Q FY2012, upturning for growth after two years.
- In Southeast Asia, first-quarter demand dropped by 22% from 1Q FY2012, reflecting a high level of Indonesian demand registered in 1Q FY2012.

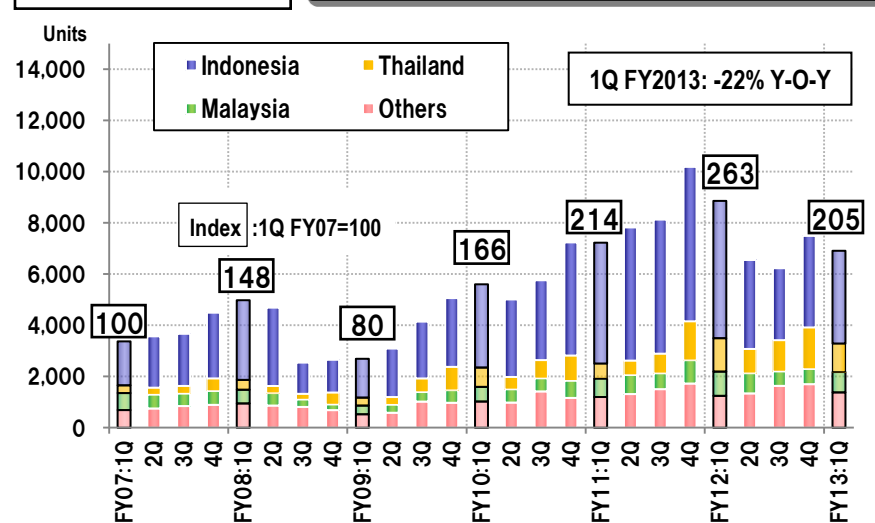
China

Quarterly demand for 7 major products

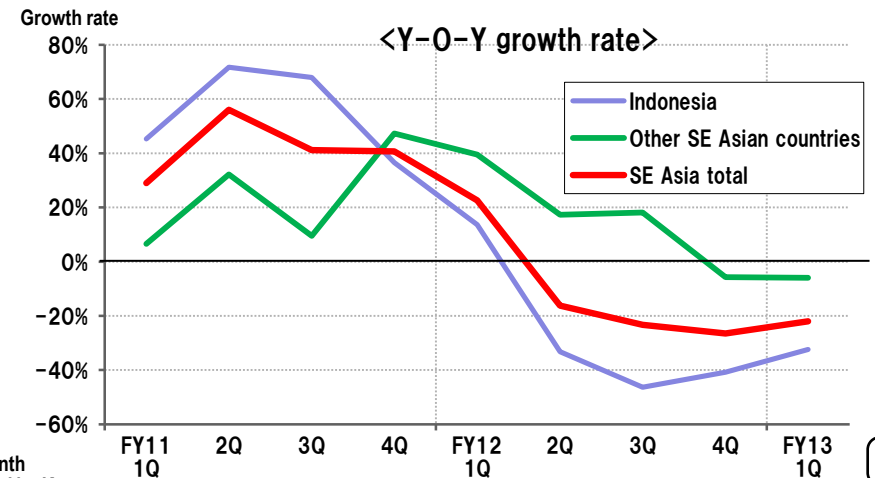
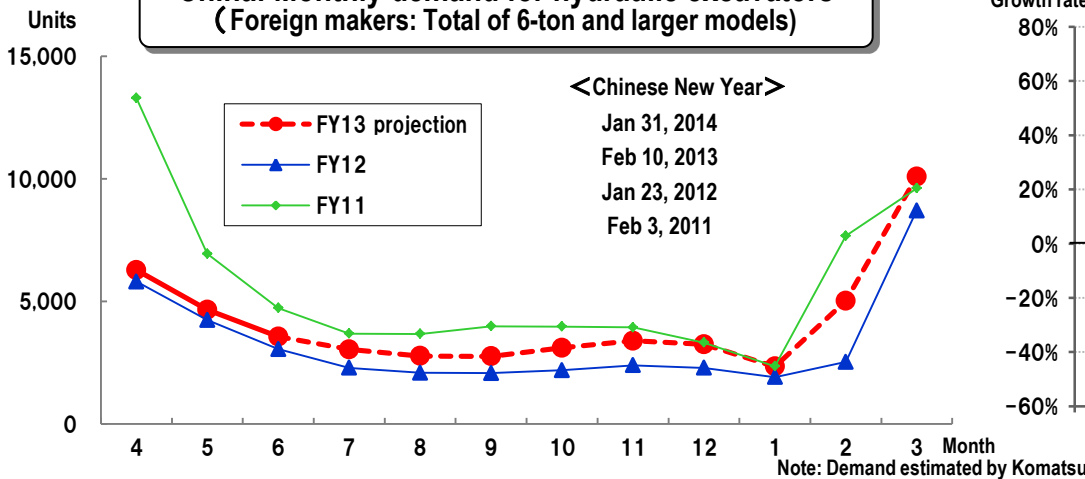


Southeast Asia

Quarterly demand for 7 major products



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

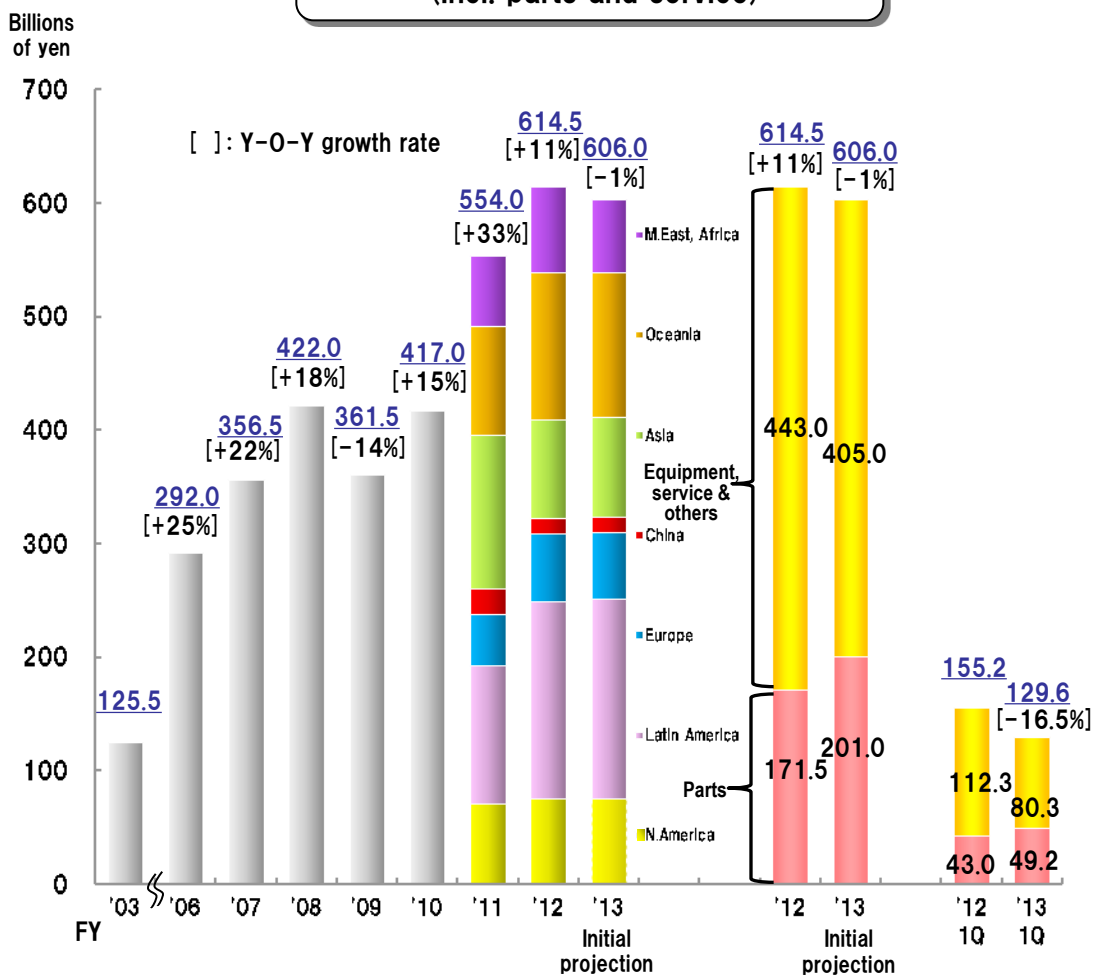


Construction, Mining & Utility Equipment: Sales of Mining Equipment and Parts

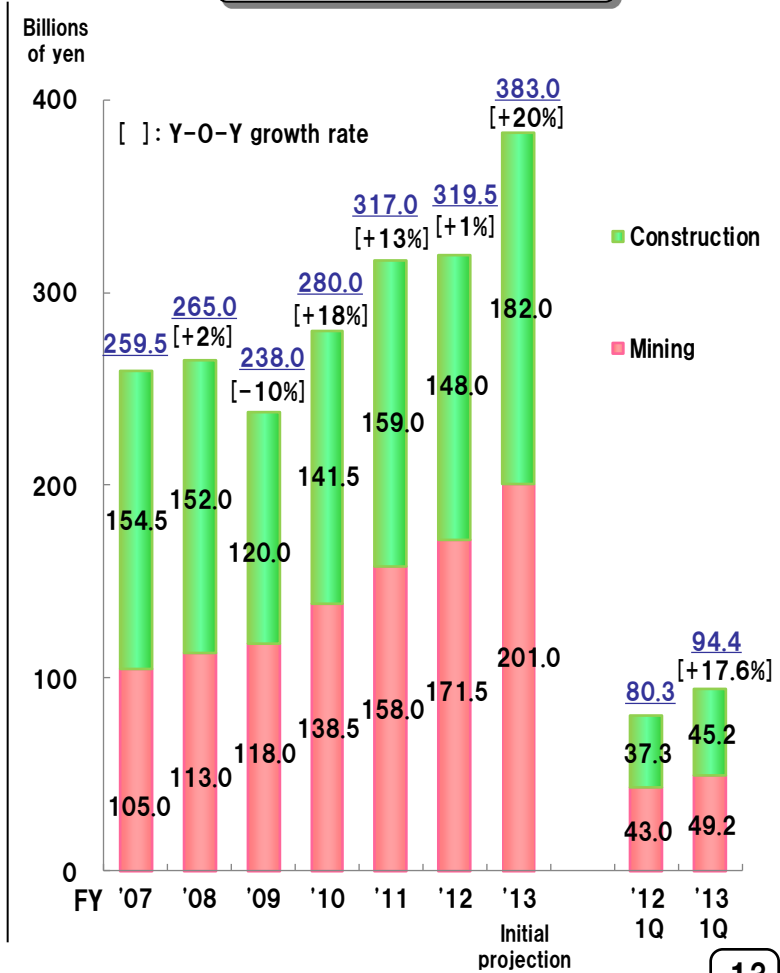
- We are estimating that mining equipment sales will decline from FY2012, mainly reflecting factors, such as reduced capital investment by mining customers against the backdrop of falling commodity prices.

- We are projecting that sales of parts will increase, reflecting an increase of our machine population.

Sales of mining equipment (incl. parts and service)

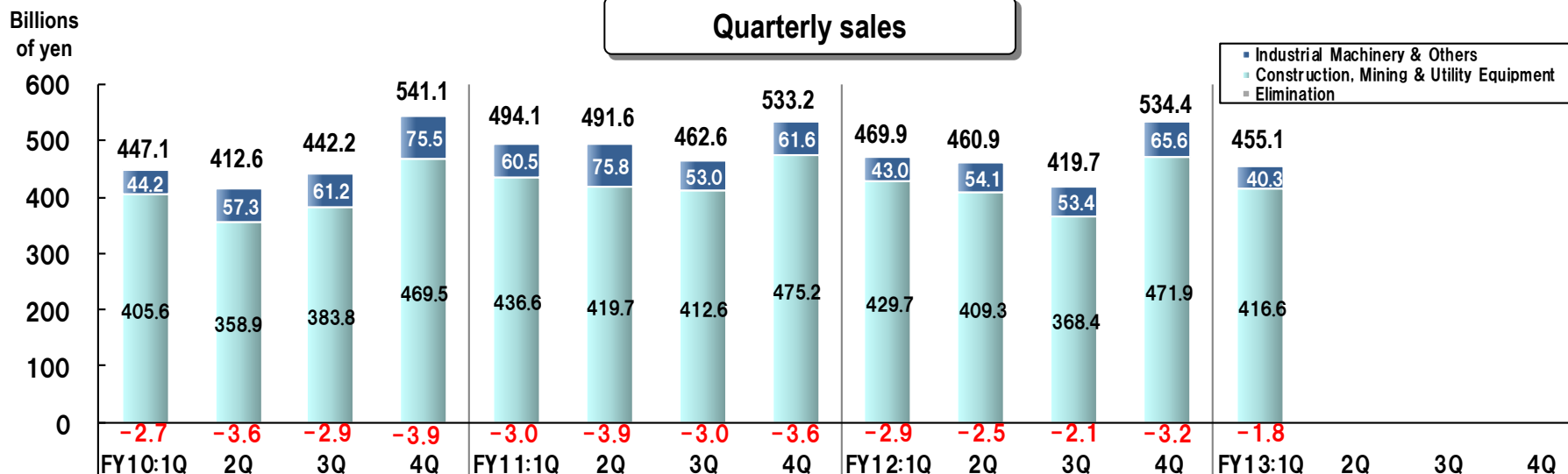


Sales of parts



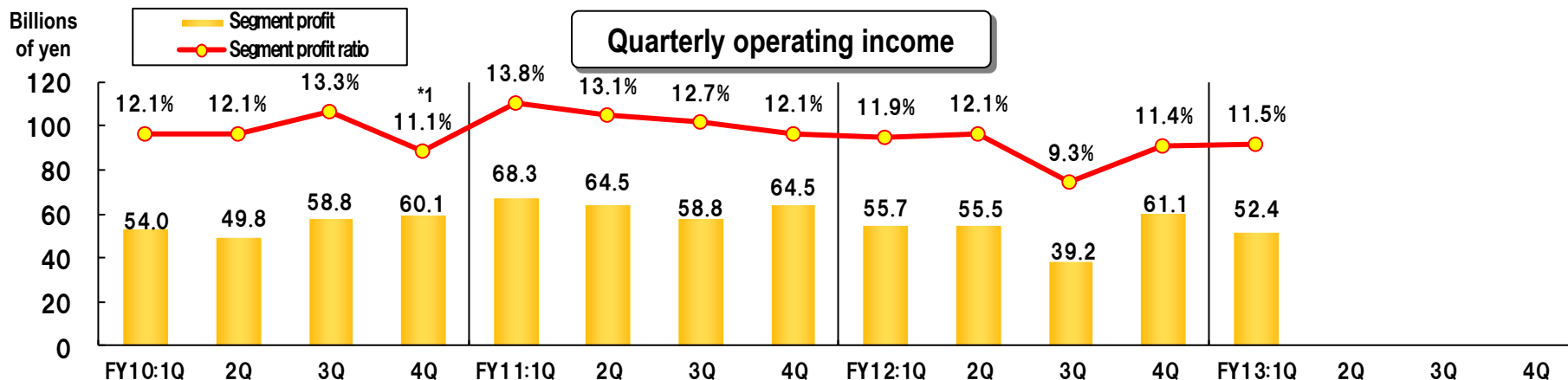
Appendix

Quarterly Sales and Operating Income



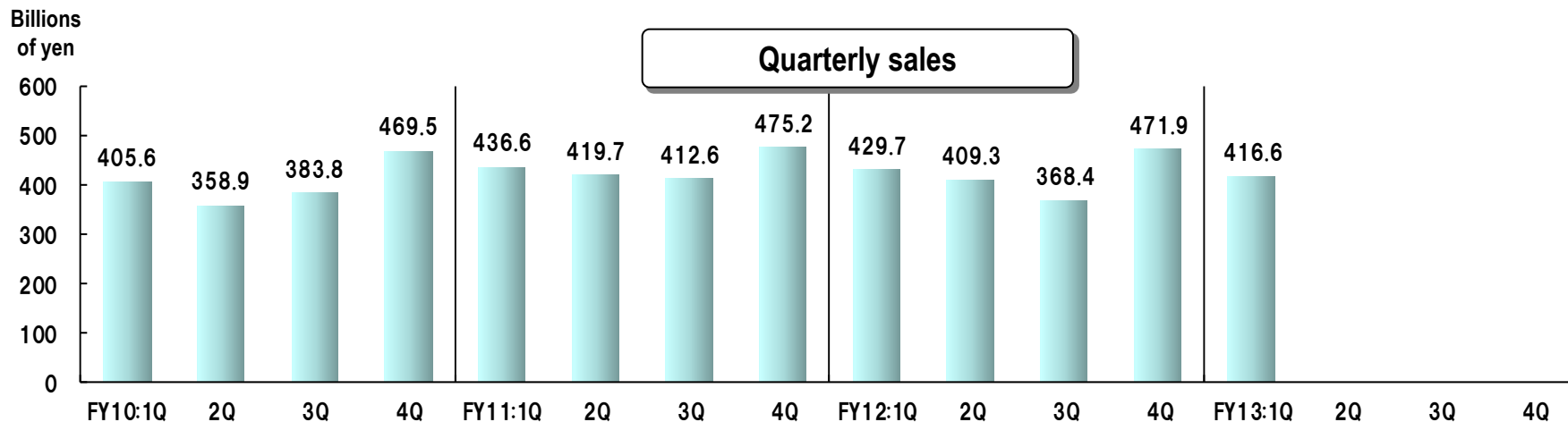
Exchange rates

	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			
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			
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			

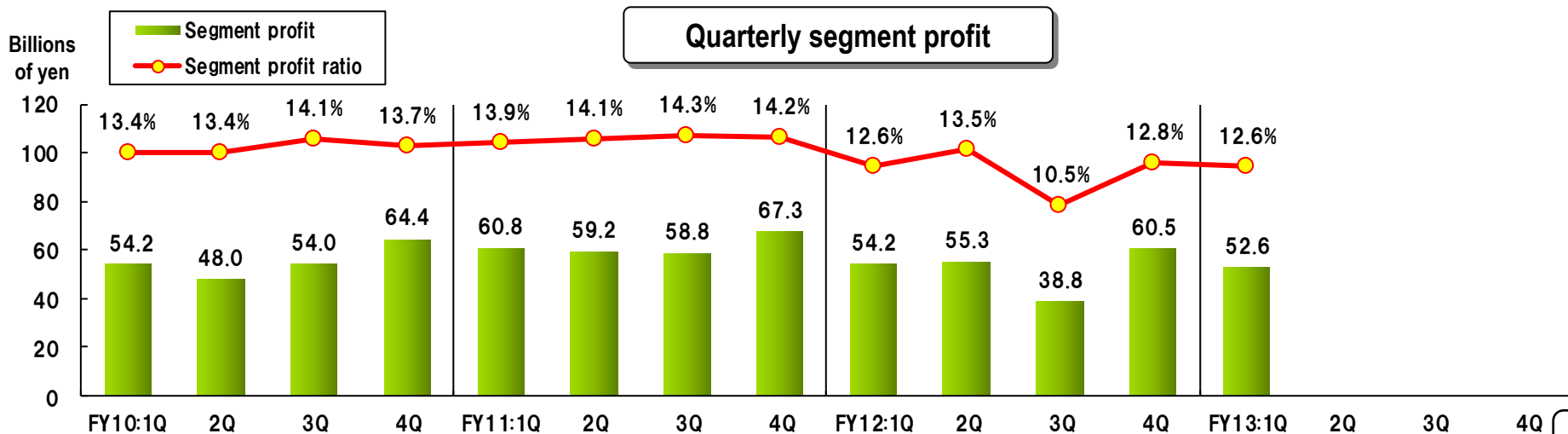


*1 Including adverse effects of 7.0 billion yen from the earthquake disaster

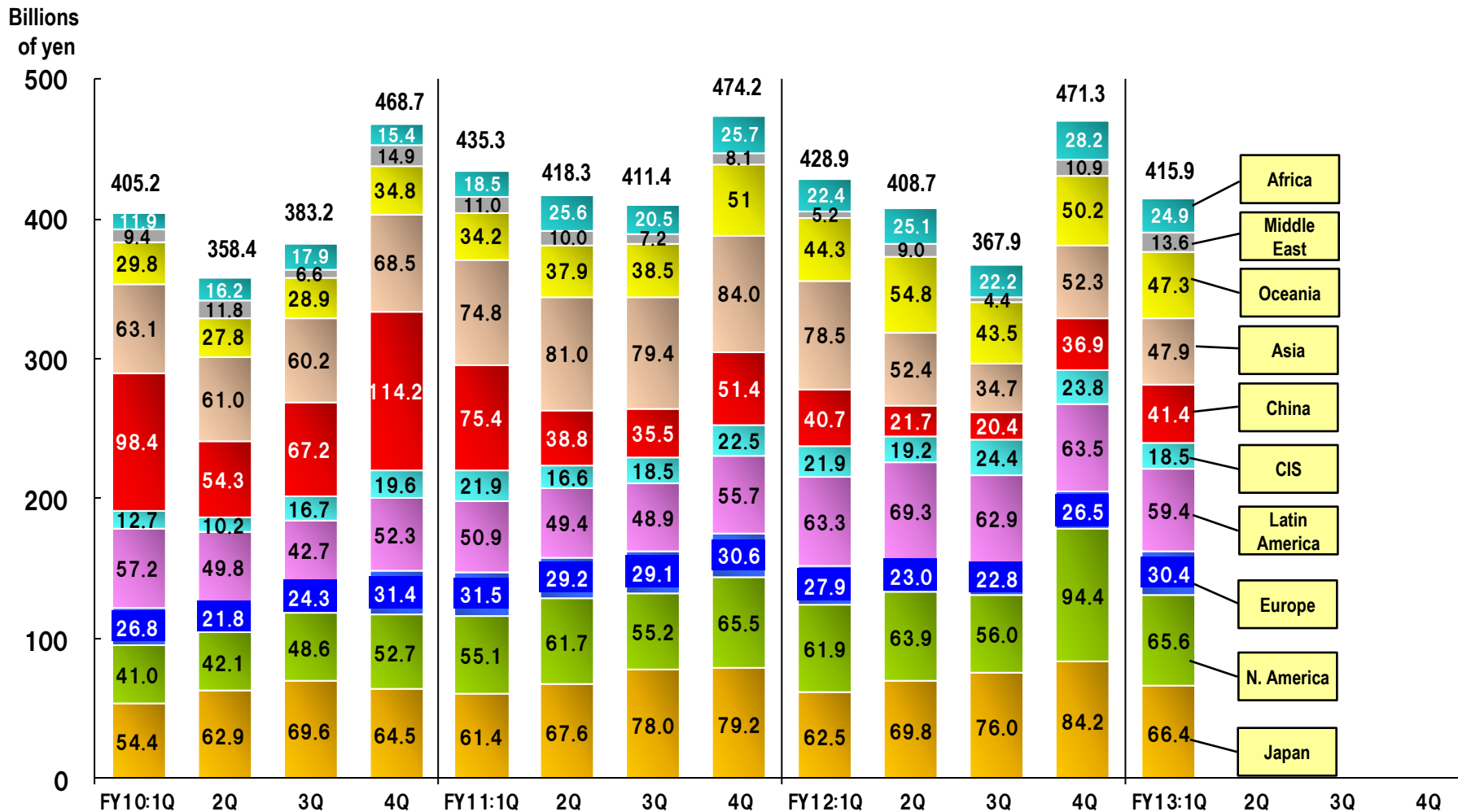
Construction, Mining & Utility Equipment: Quarterly Sales and Segment Profit



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. yen	97.3 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			
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			



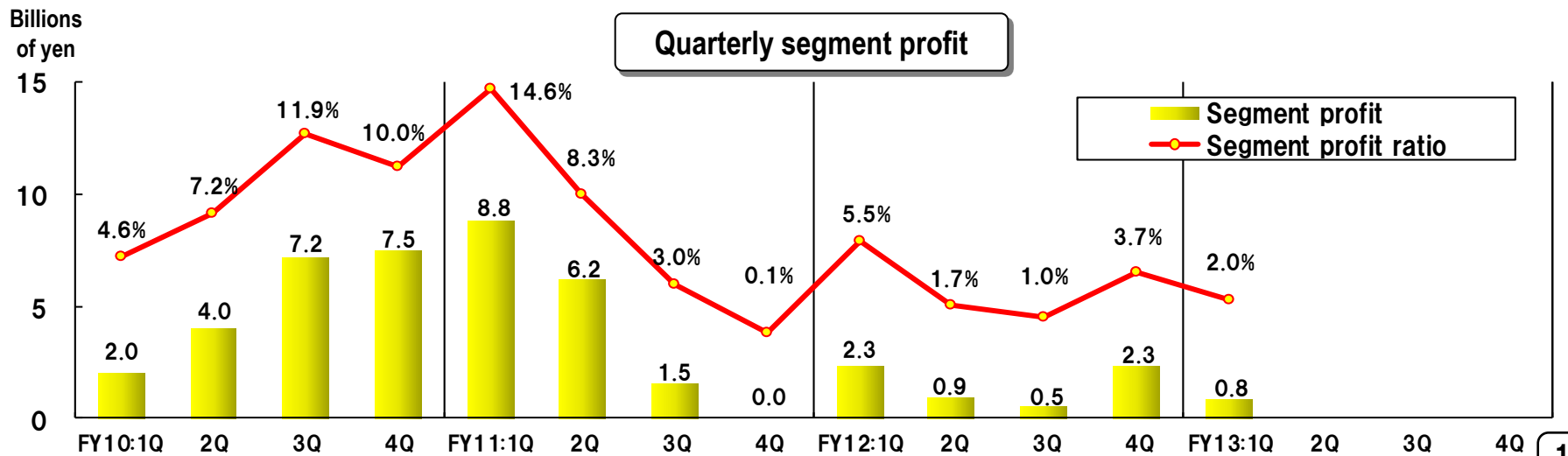
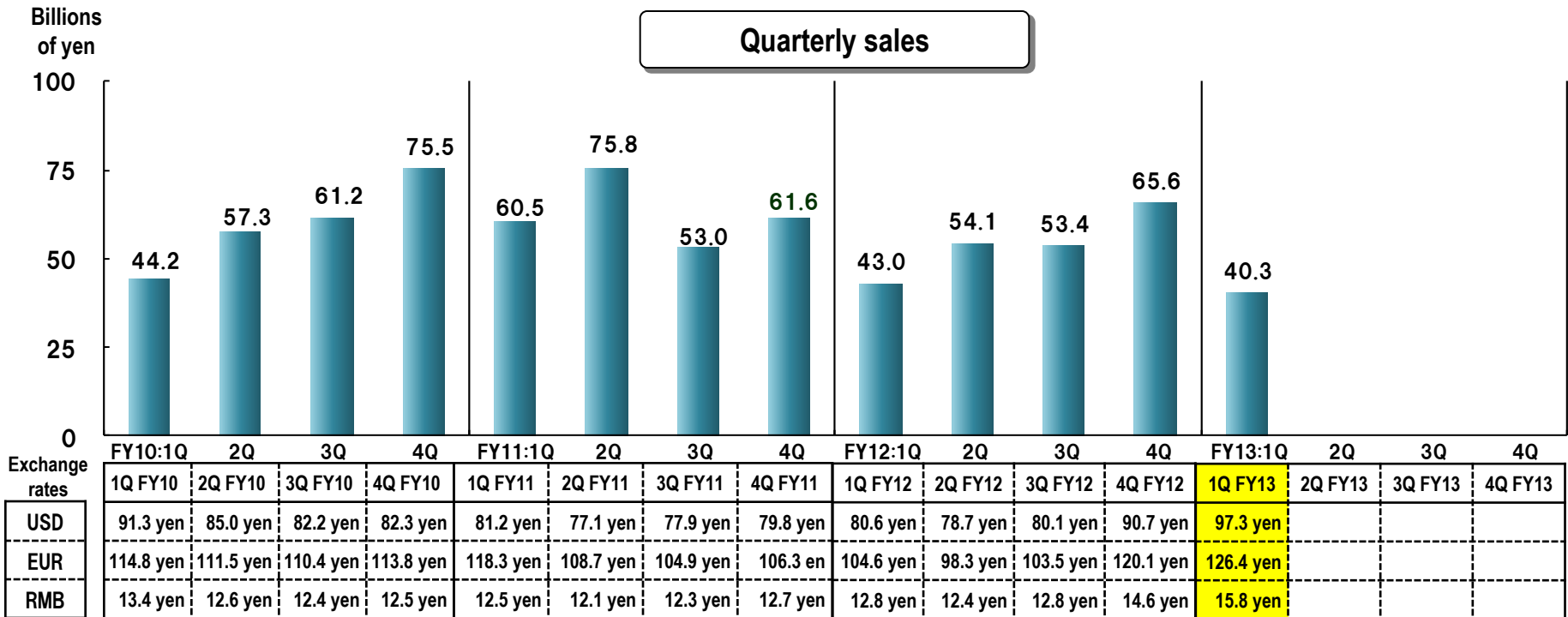
Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



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			
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<Appendix>

Industrial Machinery & Others: Quarterly Sales and 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.



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

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