

Business Results for FY2012 ended March 31, 2013

April 25, 2013

Mikio Fujitsuka
Director and Senior Executive Officer, CFO
Komatsu Ltd.

1. Sales and Profits

- Net sales decreased by 4.9% from the previous fiscal year, to 1,884.9 billion yen.
- Operating income decreased by 17.5% to 211.6 billion yen, and operating income ratio declined by 1.7 points to 11.2%.

	FY2011	FY2012 []:projection as of January 2013	Vs. FY2011
Net sales	1,981.7 bil yen	[1,920.0 bil yen] 1,884.9 bil yen	(4.9) %
Operating income	256.3 bil yen	[230.0 bil yen] 211.6 bil yen	(17.5) %
Operating income ratio	12.9 %	11.2 %	(1.7) pts
Net income*	167.0 bil yen	[138.0 bil yen] 126.3 bil yen	(24.4) %
ROE	17.3 %	11.5 %	(5.8) pts
Net D/E ratio [Excl. consolidated retail finance subsidiaries]	0.56 [0.28]	0.49 [0.20]	+0.07 pts [+0.08 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

Although demand for construction equipment increased in Japan and North America, overall demand remained sluggish, as mainly affected by delayed recovery in China. Demand for mining equipment dropped in coal mines in Indonesia, but demand in mines other than coal remained fairly firm albeit with some signs of slow down. As a result, both sales and segment profit declined from the previous fiscal year.

Industrial Machinery & Others

Sales and segment profit decreased from the previous fiscal year reflecting sluggish demand for wire saws and an end to extraordinary demand for prefabricated shelters in Japan, while sales of large presses and machine tools remained steady.

3. Cash dividends Annual cash dividends: 48 yen per share (Consolidated payout ratio: 36.2%)

Interim dividend: 24 yen Year-end dividend: 24 yen*

(Annual cash dividends for FY2011:42 yen per share)

*To be proposed to the 144th ordinary general meeting of shareholders.

Sales and Profits for FY2012 ended March 31, 2013

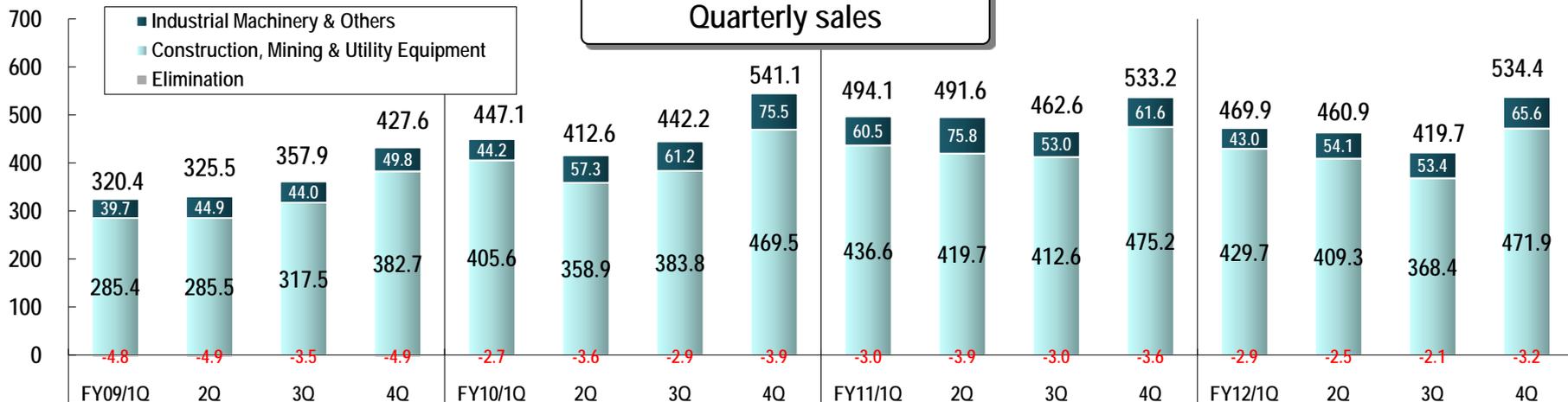
Both sales and profits decreased from the previous fiscal year, mainly affected by declined demand for equipment for use in coal mines in Indonesia, as well as delayed recovery of demand in China and sluggish demand for wire saws. Meanwhile, demand for construction equipment in North America and Japan remained steady and that for mining equipment in mines other than coal remained fairly firm albeit with some signs of slow down.

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

	FY2011 results		FY2012 projection (As of Jan., 2013)		FY2012 results		vs. FY2011 results	
	USD1=JPY79.0 EUR1=JPY109.6 RMB1=JPY12.4		USD1=JPY82.0 EUR1=JPY106.0 RMB1=JPY13.0		USD1=JPY82.5 EUR1=JPY106.6 RMB1=JPY13.2		Increase (decrease)	% Change
Net sales	1,981.7		1,920.0		1,884.9		(96.7)	(4.9)%
- Construction, mining & utility equipment	[1,739.3]	1,744.2	[1,716.0]	1,720.0	[1,677.0]	1,679.5	[(62.2)] (64.6)	[(3.6)%] (3.7)%
- Industrial machinery & others	[242.4]	251.1	[204.0]	210.0	[207.9]	216.2	[(34.4)] (34.8)	[(14.2)%] (13.9)%
- Elimination	(13.6)		(10.0)		(10.8)		2.7	-
Segment profit	☐ 13.1%	258.6	☐ 12.1%	233.0	☐ 11.4%	214.0	(44.6)	(17.3)%
- Construction, mining & utility equipment	☐ 14.1%	246.2	☐ 13.5%	232.0	☐ 12.4%	208.9	(37.3)	(15.2)%
- Industrial machinery & others	☐ 6.7%	16.7	☐ 1.9%	4.0	☐ 2.9%	6.2	(10.5)	(62.9)%
- Corporate & elimination	(4.4)		(3.0)		(1.1)		3.2	-
Other operating income (expenses)	(2.3)		(3.0)		(2.4)		0	-
Operating income	☐ 12.9%	256.3	☐ 12.0%	230.0	☐ 11.2%	211.6	(44.7)	(17.5)%
Other income (expenses)	(6.7)		(8.0)		(6.9)		(0.2)	-
Net income before income taxes	249.6		222.0		204.6		(45.0)	(18.0)%
Net income *	167.0		138.0		126.3		(40.7)	(24.4)%

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

Billions of yen

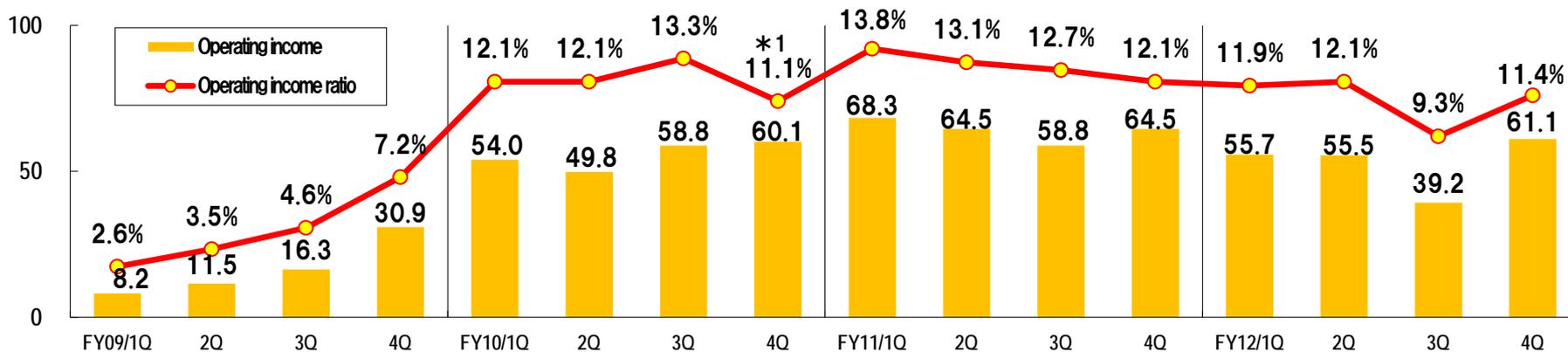


Exchange rates

	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q	11/1Q	11/2Q	11/3Q	11/4Q	12/1Q	12/2Q	12/3Q	12/4Q
USD	96.8 yen	92.8 yen	90.1 yen	90.8 yen	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	90.7yen
EUR	133.5 yen	133.0 yen	132.6 yen	123.7 yen	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	120.1yen
RMB	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	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8 yen	14.6yen

Quarterly operating income

Billions of yen

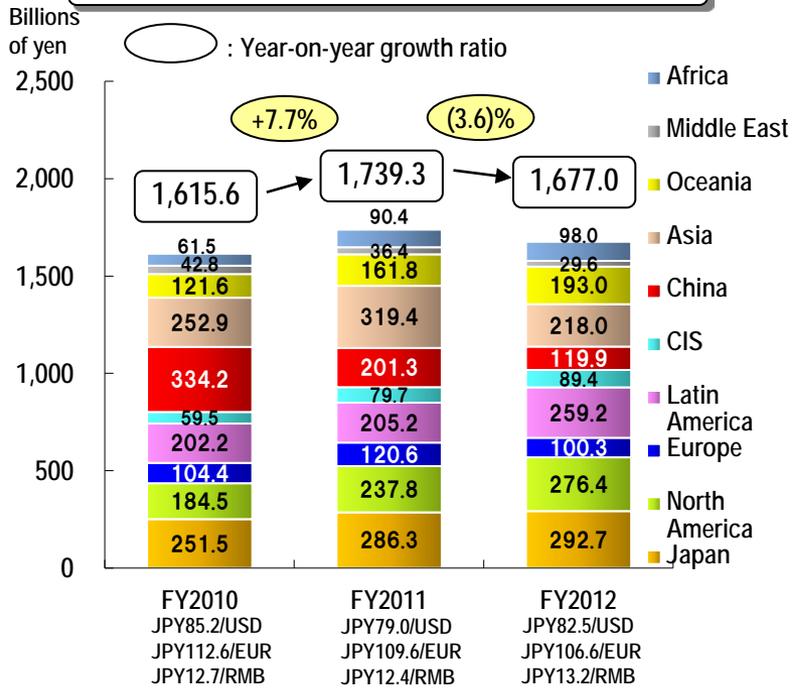


*1 Including adverse effects of 7.0 billion yen from the earthquake disaster.

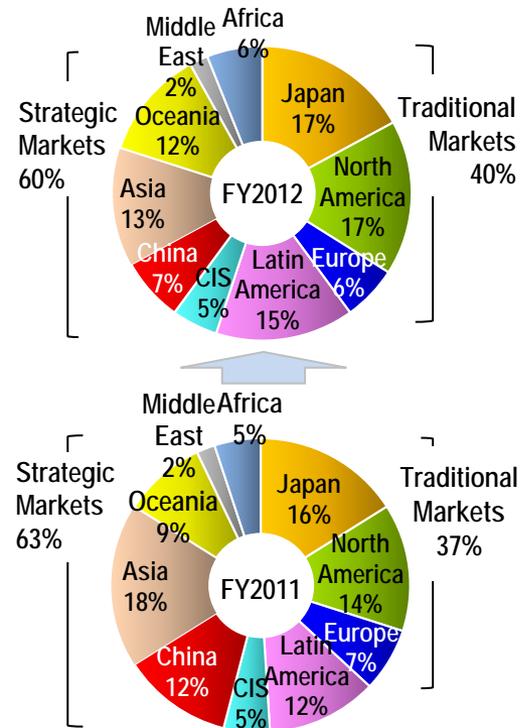
-Sales decreased by 3.6% from the previous fiscal year, to 1,677.0 billion yen, as particularly affected by dropped demand in Indonesia and China, while demand for construction equipment was steady in North America and Japan and that for mining equipment in mines other than coal remained fairly firm albeit with some signs of slow down.

-Segment profit decreased by 15.2% from the previous fiscal year, to 208.9 billion yen, and segment profit ratio declined by 1.7 points to 12.4%.

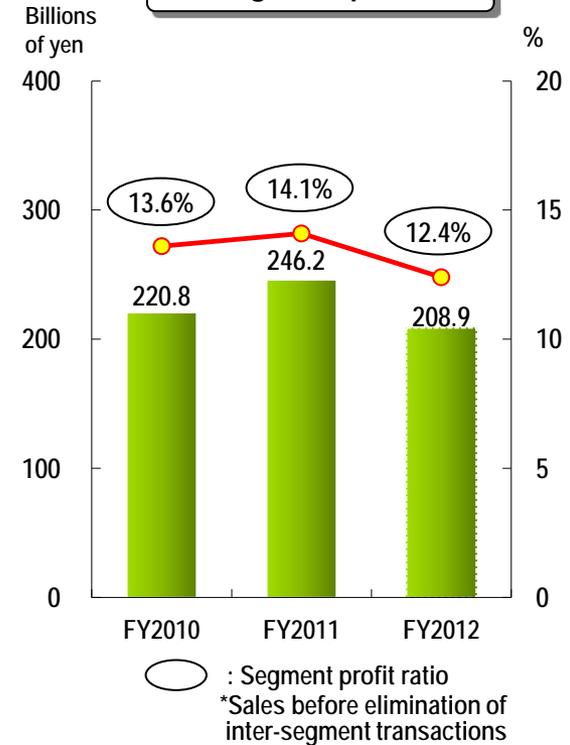
Sales by region (To outside customers)



Breakdown (%)



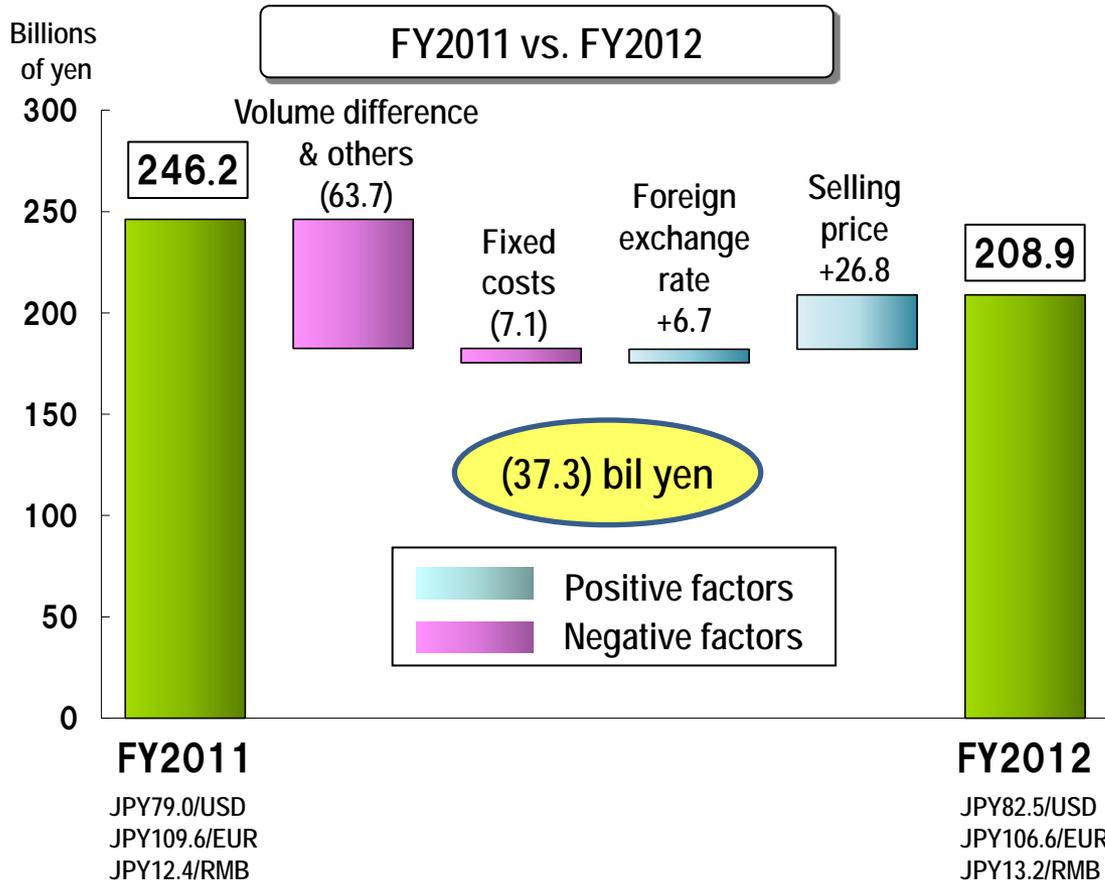
Segment profit



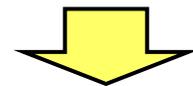
Year-on-year growth rate of sales by region

%	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2011	+13.8%	+28.9%	+15.5%	+1.5%	+34.0%	-39.8%	+26.3%	+33.1%	-15.0%	+46.9%	+7.7%
FY2012	+2.2%	+16.3%	-16.8%	+26.3%	+12.2%	-40.4%	-31.8%	+19.3%	-18.6%	+8.3%	-3.6%

Segment profit decreased by 37.3 billion yen from the previous fiscal year, although reduced volume of sales resulting from declined demand in Indonesia and China was partly compensated for by the positive factors of improved selling prices and foreign exchange gain.



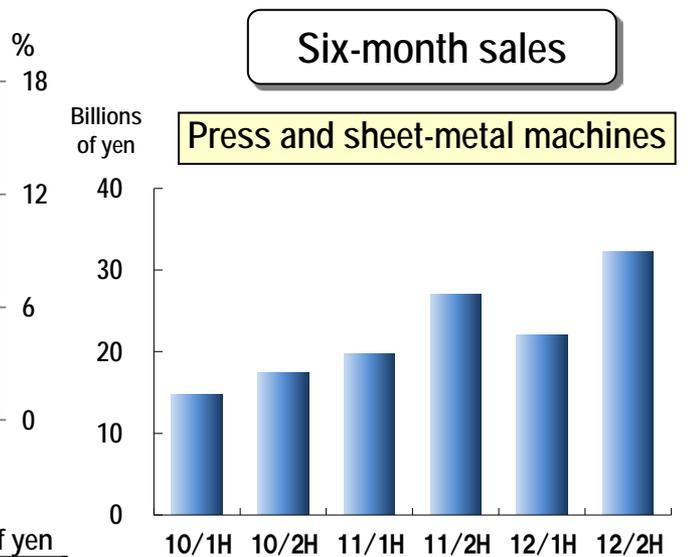
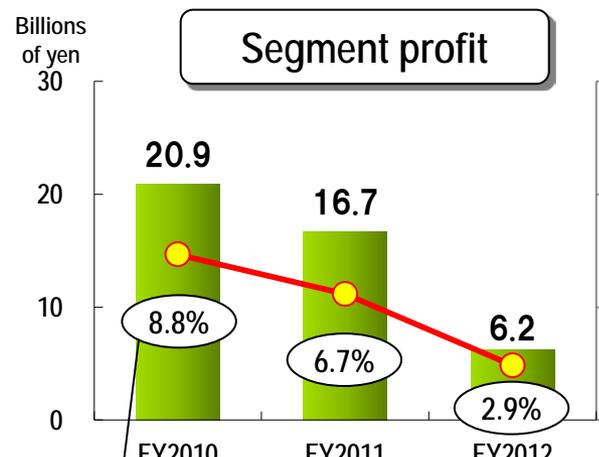
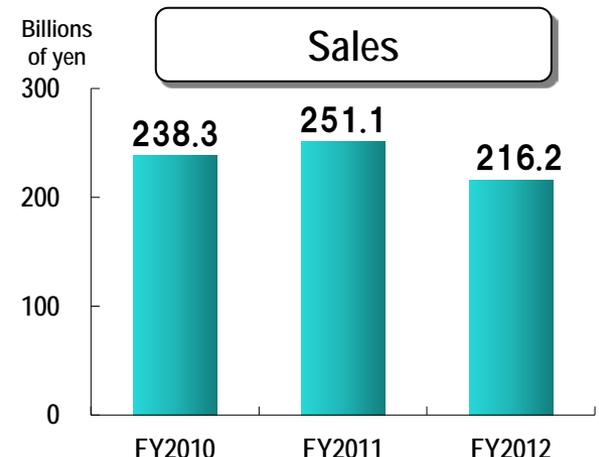
[Positive factors]	
Selling prices :	+26.8 bil yen
Foreign exchange rates:	+6.7 bil yen
[Negative factors]	
Volume difference & others:	(63.7) bil yen
Fixed costs:	(7.1) bil yen



Total: (37.3) billion yen

14.1% ——— Segment profit ratio ——— 12.4%

While sales remained steady for press and sheet-metal machinery, including large presses, as well as machine tools, both sales and profits decreased from the previous fiscal year, mainly affected by sluggish demand for wire saws and an end to extraordinary demand for prefabricated shelters in Japan.



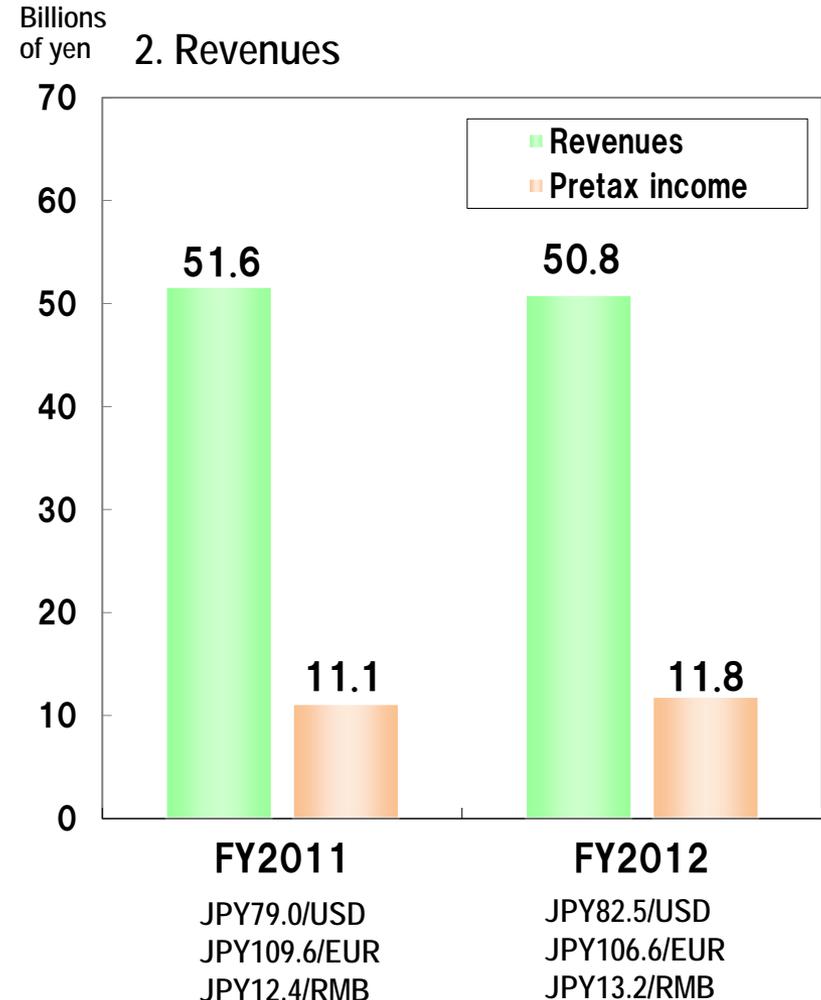
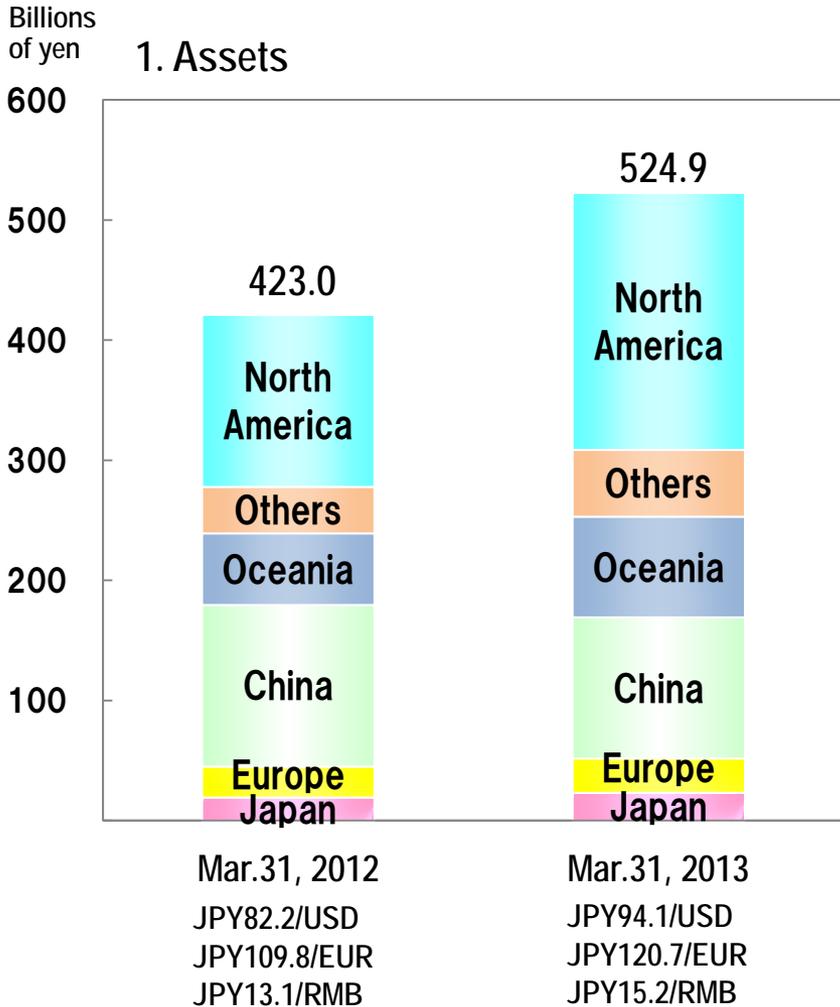
Breakdown of sales

	FY2011	FY2012	Changes	
			Increase (decrease)	% change
Komatsu Industries Corp, etc. [total of press and sheet-metal machines]	46.6	54.1	7.5	16.2%
Komatsu NTC Ltd. [represented by wire saws]	108.8 [46.5]	77.3 [7.3]	(31.5) [(39.2)]	(29.0)% [(84.3)%]
Others [represented by Gigaphoton] *	95.6 [14.6]	84.7 [23.0]	(10.8) [8.4]	(11.4)% [57.5%]
[represented by Komatsu House]	[30.3]	[16.3]	[(14.0)]	[(46.1)%]
Total	251.1	216.2	(34.8)	(13.9)%

* A consolidated subsidiary since 2Q, FY2011.

-Total assets increased from March 31, 2012, mainly reflecting the Japanese yen's depreciation and an increase of new contracts in North America and Oceania.
 -Revenues and pretax income were about the same level with the previous fiscal year.

Consolidated retail finance subsidiaries



Consolidated Balance Sheets

- Total assets increased by 197.3 billion yen from the previous fiscal year-end, mainly due to the Japanese yen's depreciation.
- Shareholders' equity ratio improved by 3.9 percentage points from the previous fiscal year-end, to 47.4%.
Net D/E ratio improved from the previous fiscal year-end to 0.49.

Billions of yen ○ : Net debt-to-equity ratio	Mar. 31, 2012 USD1=JPY82.2 EUR1=JPY109.8 RMB1=JPY13.1	Mar. 31, 2013 USD1=JPY94.1 EUR1=JPY120.7 RMB1=JPY15.2	Increase (decrease)
Cash & Deposits (incl. time deposits) [a]	83.9	93.8	9.8
Accounts receivable (incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	744.0 <397.5>	842.7 <414.3>	98.6 <16.7>
Inventories	612.3	633.6	21.2
Tangible fixed assets	529.6	585.2	55.5
Other assets	350.4	362.4	11.9
Total assets	2,320.5	2,517.8	197.3
Accounts payable	273.4	226.2	(47.1)
Interest-bearing debt [b] <Excl. those of consolidated retail finance subsidiaries>	647.8 <336.9>	679.7 <298.1>	31.9 <(38.8)>
Other liabilities	341.8	359.1	17.3
Total liabilities	1,263.0	1,265.1	2.0
[Shareholders' equity ratio]	[43.5%]	[47.4%]	[+3.9 points]
Komatsu Ltd. shareholders' equity	1,009.6	1,193.1	183.4
Noncontrolling interests	47.7	59.5	11.7
Liabilities & Equity	2,320.5	2,517.8	197.3
Interest-bearing debt, net [b-a]	○ 0.56 563.8	○ 0.49 585.9	22.1
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ 0.28	○ 0.20	

<Appendix>

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

Billions of yen

	Jan. – Mar., 2012 USD1 = JPY79.8 EUR1 = JPY106.3 RMB1 = JPY12.7		Jan. – Mar., 2013 USD1 = JPY90.7 EUR1 = JPY120.1 RMB1 = JPY14.6		Vs. Jan. – Mar., 2012	
					Increase (decrease)	% change
Net sales	533.2		534.4		1.1	0.2%
Construction, Mining & Utility Equipment	[474.2]	475.2	[471.3]	471.9	[(2.8)]	(3.2) [(0.6)%] (0.7) %
Industrial Machinery & Others	[59.0]	61.6	[63.0]	65.6	[4.0]	3.9 [6.8%] 6.4 %
Elimination	(3.6)		(3.2)		0.4	-
Segment Profit	12.6%	67.0	11.8%	62.9	(4.0)	(6.1)%
Construction, Mining & Utility Equipment	14.2%	67.3	12.8%	60.5	(6.7)	(10.0)%
Industrial Machinery & Others	0.1%	0.0	3.7%	2.3	2.3	-
Corporate & elimination	(0.3)		0.0		0.3	-
Other operating income (expenses)	(2.5)		(1.8)		0.6	-
Operating income	12.1%	64.5	11.4%	61.1	(3.3)	(5.3)%
Other income (expenses)	(0.5)		(2.0)		(1.5)	-
Net income before income taxes	63.9		59.0		(4.9)	(7.7)%
Net income *	37.6		35.2		(2.4)	(6.5)%

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

1. Construction, Mining and Utility Equipment (Sales by region: To outside customers)

Billions of yen

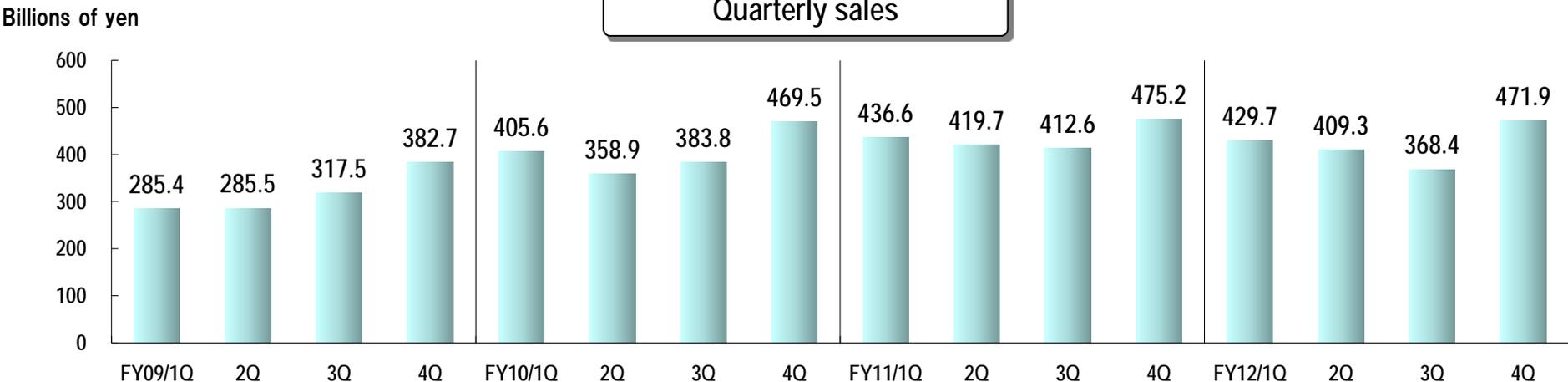
		Jan. - Mar., 2012 USD1 = JPY79.8 EUR1 = JPY106.3 RMB1 = JPY12.7	Jan. - Mar., 2013 USD1 = JPY90.7 EUR1 = JPY120.1 RMB1 = JPY14.6	Change	
				Increase (decrease)	% Change
Traditional Markets	Japan	79.2	84.2	5.0	6.3%
	North America	65.5	94.4	28.9	44.1%
	Europe	30.6	26.5	(4.1)	(13.5)%
Strategic Markets	Latin America	55.7	63.5	7.7	14.0%
	CIS	22.5	23.8	1.2	5.5%
	China	51.4	36.9	(14.5)	(28.2)%
	Asia	84.0	52.3	(31.6)	(37.7)%
	Oceania	51.0	50.2	(0.7)	(1.5)%
	Middle East	8.1	10.9	2.8	34.8%
	Africa	25.7	28.2	2.4	9.6%
Total		474.2	471.3	(2.8)	(0.6)%
Mining equipment in total above		158.5	157.0	(1.5)	(0.9)%

2. Industrial Machinery & Others

Billions of yen

	Jan. - Mar., 2012	Jan. - Mar., 2013	Change	
			Increase (decrease)	% Change
Komatsu Industries Corp, etc. [total of press and sheet-metal machines]	13.4	20.7	7.3	55.1%
Komatsu NTC Ltd. [represented by wire saws]	22.4 [3.2]	20.7 [1.1]	(1.6) [(2.0)]	(7.4)% [(64.1)%]
Others [represented by Gigaphoton] [represented by Komatsu House]	25.8 [4.5] [7.1]	24.1 [7.5] [5.7]	(1.7) [2.9] [(1.4)]	(6.7)% [64.6%] [(20.2)%]
Total	61.6	65.6	3.9	6.4%

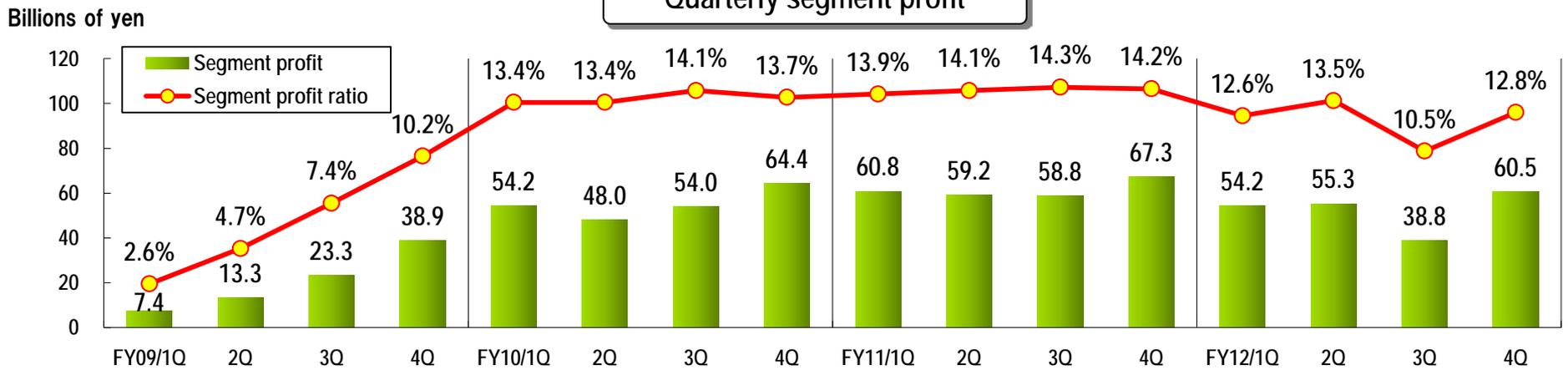
Quarterly sales



Exchange rates

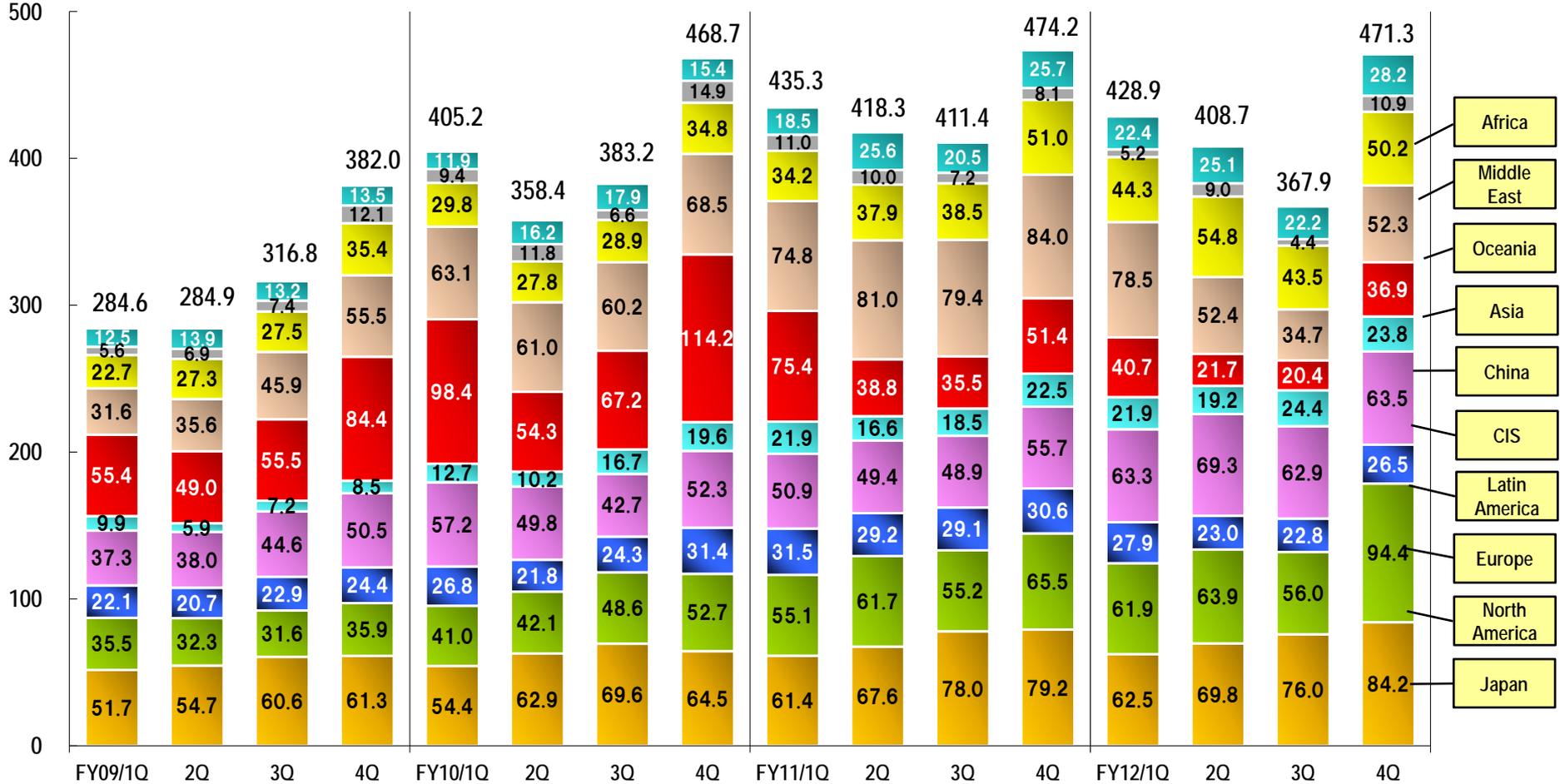
	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q	11/1Q	11/2Q	11/3Q	11/4Q	12/1Q	12/2Q	12/3Q	12/4Q
USD	96.8 yen	92.8 yen	90.1 yen	90.8 yen	91.3 yen	85.0 yen	82.2 yen	82.3 yen	81.2 yen	77.1 yen	77.9 yen	79.8 yen	80.6 yen	78.7 yen	80.1yen	90.7yen
EUR	133.5 yen	133.0 yen	132.6 yen	123.7 yen	114.8 yen	111.5 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	103.5yen	120.1yen
RMB	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	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8yen	14.6yen

Quarterly segment profit



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

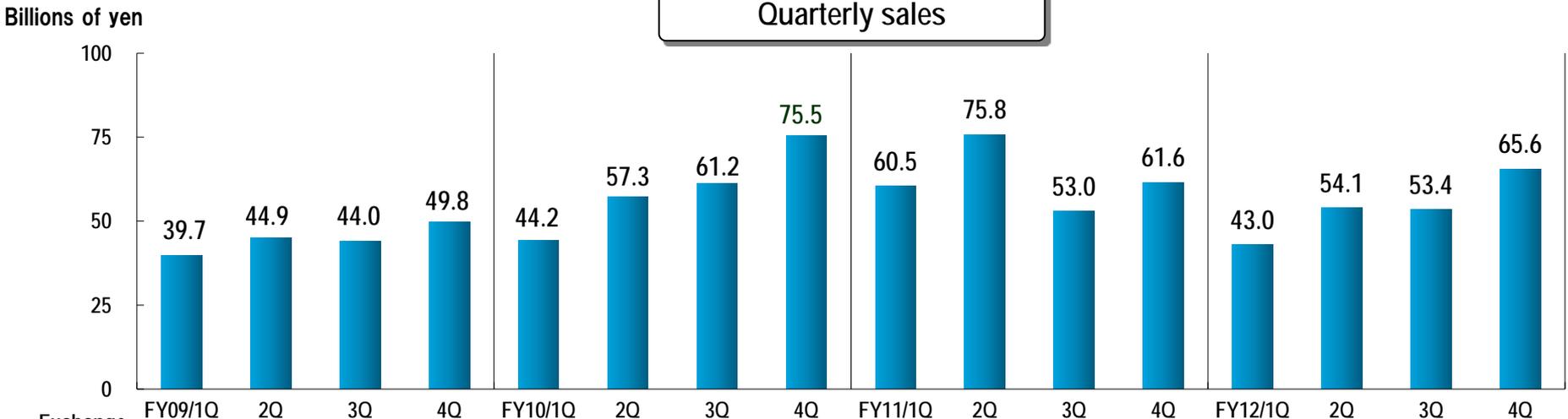
Billions of yen



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	12/1Q	12/2Q	12/3Q	12/4Q
USD	96.8 yen	92.8 yen	90.1 yen	90.8 yen	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	80.1yen	90.7yen
EUR	133.5 yen	133.0 yen	132.6 yen	123.7 yen	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	103.5yen	120.1yen
RMB	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	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8yen	14.6yen

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	12/1Q	12/2Q	12/3Q	12/4Q
USD	96.8 yen	92.8 yen	90.1 yen	90.8 yen	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	80.1yen	90.7yen
EUR	133.5 yen	133.0 yen	132.6 yen	123.7 yen	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	103.5yen	120.1yen
RMB	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	12.3 yen	12.7 yen	12.8 yen	12.4 yen	12.8yen	14.6yen

Quarterly segment profit

