

Presentation of FY2013 Business Results

April 25, 2014

Komatsu Ltd. Participants

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

16:00 Opening

16:05 Presentations

1) FY2013 Business Results

Mikio Fujitsuka, Director and Senior Executive Officer, CFO

2) Outlook of FY2014 Business Results

Akira Sugiki, Senior Executive Officer

General Manager, Business Coordination Department

16:45 Q&A

17:30 Closing

Business Results for FY2013 ended March 31, 2014

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

Highlights of FY2013 ended March 31, 2014

4

1. Sales and Profits

- Net sales increased by 3.6% from FY2012, to JPY1,953.6 billion.
- Operating income advanced by 13.7% to JPY240.4 billion, and operating income ratio improved by 1.1 point to 12.3%.

	FY2012	FY2013 []:projection as of October 2013	Vs. FY2012
Net sales	JPY1,884.9 bn	[JPY1,860.0 bn] JPY1,953.6 bn	+3.6 %
Operating income	JPY211.6 bn	[JPY210.0 bn] JPY240.4 bn	+13.7 %
Operating income ratio	11.2 %	12.3 %	+1.1 pt
Net income*1	JPY126.3 bn	[JPY136.0 bn] JPY159.5 bn	+26.3 %
ROE	11.5 %	12.4 %	+0.9 pts
Net D/E ratio [Excl. consolidated retail finance subsidiaries]	0.49 [0.20]	0.37 [0.08]	+0.12 pts [+0.12 pts]

*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 & Utility Equipment**

While global demand for construction equipment increased from FY2012, driven by China where demand upturned for recovery and Japan where it advanced, demand for mining equipment remained sluggish. Both sales and profits increased from FY2012, reflecting considerable effects of the Japanese yen's depreciation.

Industrial Machinery & Others

Sales of machine tools as well as press and sheet-metal machines were steady, while demand for wire saws remained sluggish. For FY2013, we realized a loss of write-off of wire saw inventories. Both sales and segment profit declined from FY2012.

3. Cash dividends Annual cash dividends: 58 yen per share (Consolidated payout ratio: 35%)

Interim dividend: JPY29 per share. Year-end dividend: JPY29 per share*2 (Annual cash dividends for FY2012: 48 yen per share)

(*2To be proposed to the 145th ordinary general meeting of shareholders)

- For FY2013, consolidated net sales increased by 3.6% from the previous fiscal year, to JPY1,953.6 billion. Operating income improved by 13.7% to JPY240.4 billion. As a result, operating income ratio also improved by 1.1 percentage point to 12.3%.

- Construction, Mining & Utility Equipment: While demand for construction equipment increased in China and Japan, that for mining equipment drastically declined. Affected also by the Japanese yen's depreciation, both sales and segment profit increased from the previous fiscal year.

- Industrial Machinery & Others: While sales of machine tools as well as sheet-metal and press machines were firm, especially to the automobile manufacturing industry, sales of wire saws further dropped. As a result, sales declined. Reflecting the realization of a loss on wire saw inventories, segment profit also declined.

- Net income advanced by 26% from the previous fiscal year, to JPY159.5 billion. ROE improved by 0.9 points to 12.4%.

- We are planning to set the year-end cash dividend at JPY29 per share. (To be proposed to the general ordinary meeting of shareholders scheduled for June 18.)

- Annual cash dividends should total JPY58 per share, including the interim dividend of JPY29 per share.

Sales and Profits for FY2013 ended March 31, 2014

5

- Construction, Mining & Utility Equipment: Sales increased by 4.3% to JPY1,752.2 bn. Segment profit advanced by 15.9% to JPY242.1 bn, and segment profit ratio improved by 1.4 pts to 13.8%.
- Industrial Machinery & Others: Sales and segment profit declined. We realized a loss of JPY10.8 bn on wire saw inventories.

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

Billions of yen

	FY2012 results		FY2013 projection (As of Oct., 2013)		FY2013 results		vs. FY2012 results	
							Increase (decrease)	% Change
	USD1=JPY82.5 EUR1=JPY106.6 RMB1=JPY13.2		USD1=JPY96.5 EUR1=JPY125.6 RMB1=JPY15.6		USD1=JPY99.6 EUR1=JPY132.8 RMB1=JPY16.3			
Net sales	1,884.9	1,860.0	1,953.6				68.6	+3.6%
- Construction, mining & utility equipment	[1,677.0]	1,679.5	[1,663.0]	1,665.0	[1,749.7]	1,752.2	[72.7]	72.6
- Industrial machinery & others	[207.9]	216.2	[197.0]	203.0	[203.9]	209.1	[(4.0)]	(7.1)
- Elimination		(10.8)		(8.0)		(7.7)		3.0
Segment profit	11.4%	214.0	11.3%	210.0	12.4%	242.2	28.1	+13.2%
- Construction, mining & utility equipment	12.4%	208.9	13.2%	220.0	13.8%	242.1	33.1	+15.9%
- Industrial machinery & others	2.9%	6.2	(3.4)%	(7.0)	1.0% ^{*1}	2.0	(4.1)	(67.2)%
- Corporate & elimination		(1.1)		(3.0)		(1.9)	(0.7)	-
Other operating income (expenses)		(2.4)		0		(1.7)	0.7	-
Operating income	11.2%	211.6	11.3%	210.0	12.3%	240.4	28.8	+13.7%
Other income (expenses)		(6.9)		(1.0)		1.5	8.5	-
Net income before income taxes		204.6		209.0		242.0	37.4	+18.3%
Net income^{*2}		126.3		136.0		159.5	33.1	+26.3%

^{*1} Including a loss of JPY10.8 bn on Komatsu NTC's wire saw inventories.

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

- The Japanese yen depreciated more than the previous fiscal year, to JPY99.6 per USD, JPY132.8 per EUR, and JPY16.3 per RMB.

Construction, Mining & Utility Equipment:

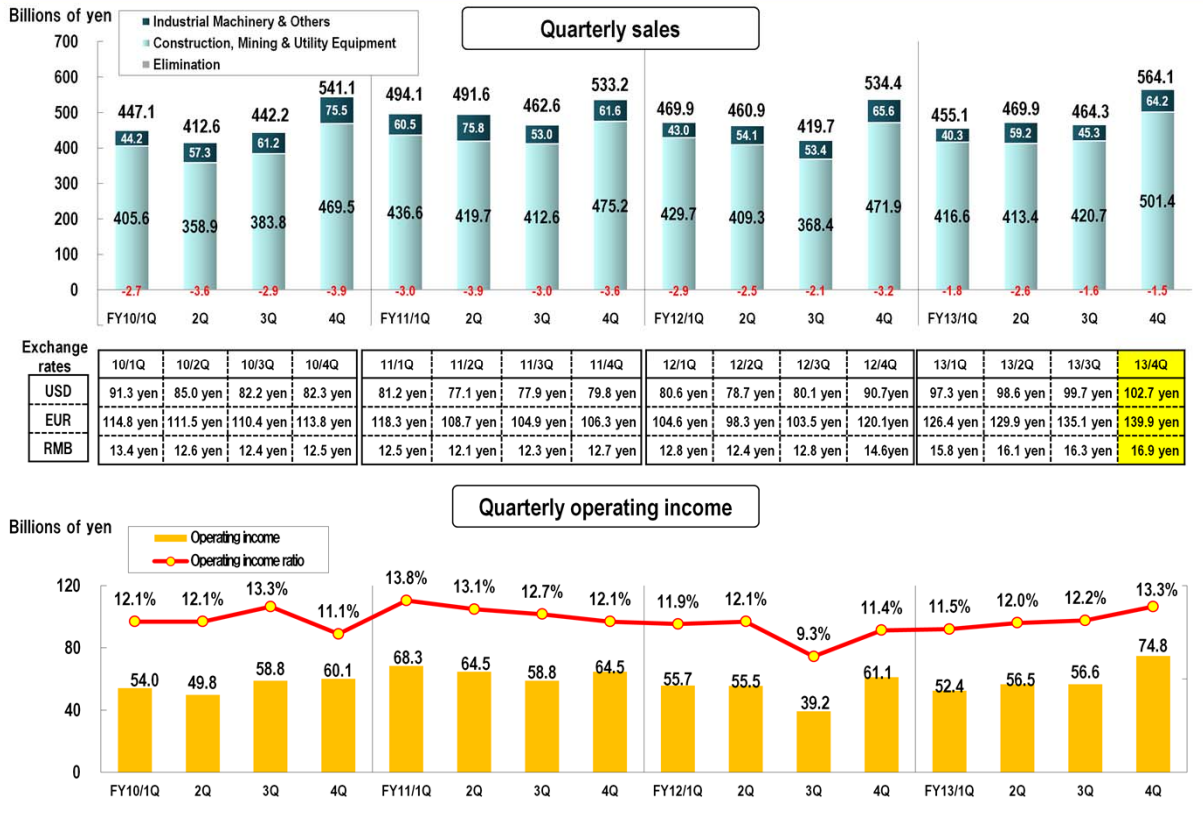
- Sales to outside customers increased by 4.3% from the previous fiscal year, to JPY1,749.7 billion. While demand increased in China and Japan, that for new mining equipment sharply dropped. Effects of the Japanese yen's depreciation totaled about JPY193.6 billion. On a volume basis, sales declined by about 7%.
- Segment profit advanced by 15.9% to JPY241.2 billion. Segment profit ratio improved by 1.4 points to 13.8%.

Industrial Machinery & Others:

- Sales declined mainly due to prolonged sluggish demand for wire saws. Segment profit also declined, mainly due to the realization of a loss of JPY10.8 billion on wire saw inventories.

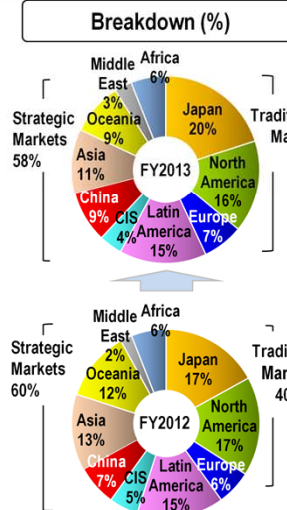
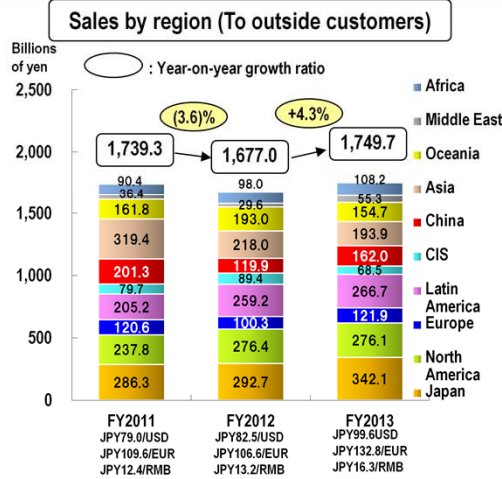
- Compared to our projection revised in October 2013, sales exceeded by JPY93.6 billion, and segment profit by JPY30.4 billion.

Quarterly Sales and Operating Income



- Quarterly operating income has continued to grow since the third quarter of FY2012.

-The percentage share of Traditional Markets increased in total sales, as Oceania and Asia decreased their shares resulting from dropping demand for mining equipment, while Japan with strong demand increased its share with expanded sales. Consolidated sales increased by 4.3% from the previous fiscal year, to JPY1,749.7 bn.



Year-on-year growth rate of sales by region

%	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2012	+2.2%	+16.3%	+16.8%	+26.3%	+12.2%	-40.4%	-31.8%	+19.3%	-18.6%	+8.3%	-3.6%
FY2013	+16.9%	-0.1%	+21.5%	+2.9%	-23.4%	+35.1%	-11.1%	-19.9%	+86.6%	+10.4%	+4.3%

- In addition to a substantial increase in Japan, sales also improved from the previous fiscal year in other regions, such as China where demand upturned for recovery, the Middle East and Africa.

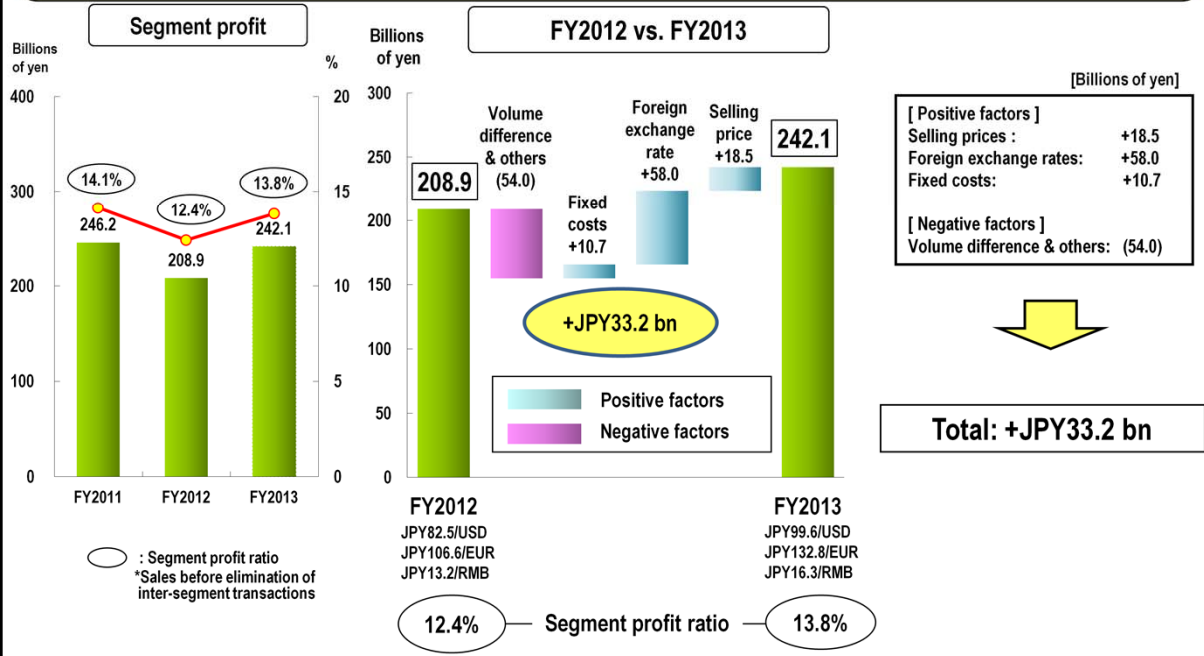
- Sales declined in Oceania, CIS and Asia, as impacted by a drastic drop in demand for mining equipment.

- Total sales increased by 4.3% or JPY72.7 billion from the previous fiscal year. However, sales reflect the foreign exchange gain of about JPY193.6 billion for the year, while sales declined by 7% on a volume basis.

- Reflecting the factors above, the percentage share of Traditional Markets increased to 42%.

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

- JPY54.0 billion in the volume difference, resulting from reduced demand and sales, was compensated for by the selling price, fixed costs and foreign exchange rates differences, which resulted in a net increase of JPY33.2 bn in segment profit.
 - Segment profit ratio improved to 13.8%, up 1.4 pts.

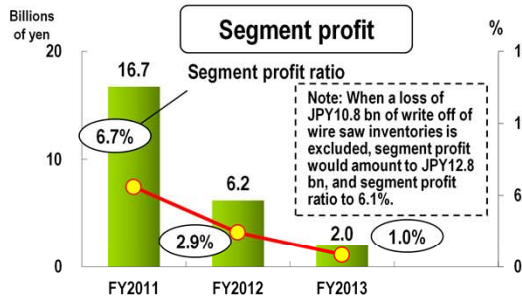
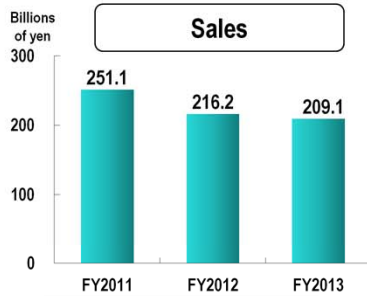


- JPY54.0 billion in the volume difference, resulting from reduced demand and sales, was compensated for by JPY18.5 billion in the selling price difference, JPY10.7 billion in the fixed costs difference and JPY58.0 billion in the foreign exchange rate difference. As a result, segment profit increased by JPY33.2 billion from the previous fiscal year.

- The positive factor of JPY10.7 billion in the fixed cost difference includes an affect of about JPY10.0 billion resulting from a change of calculating depreciation from the declining balance method to the straight-line method.

Industrial Machinery & Others: Sales and Segment Profit

- Although sales of machine tools as well as sheet-metal and press machines remained firm centering on the automobile manufacturing industry, sales declined by 3.3% from the previous fiscal year, to JPY209.1 bn, as affected mainly by a further drop in sales of wire saws.
 - Segment profit declined, due to the realization of a loss of JPY10.8 bn on wire saw inventories.



Write-offs of wire saw inventories

FY2013
 3Q: -JPY7.6 bn
 4Q: -JPY3.2 bn
 Full year: -JPY10.8 bn

Note: When a loss of JPY10.8 bn of write off of wire saw inventories is excluded, segment profit would amount to JPY12.8 bn, and segment profit ratio to 6.1%.

Breakdown of sales

	FY2011	FY2012	FY2013	Changes	
				Increase (decrease)	% change
Komatsu Industries Corp, etc. [total of press and sheet-metal machines]	46.6	54.1	54.5	0.4	+0.7%
Komatsu NTC Ltd. [represented by wire saws]	108.8 [46.5]	77.3 [7.3]	73.5 [5.8]	(3.8) [(1.5)]	(4.9)% [(20.5)%]
Others [represented by Gigaphoton] [represented by Komatsu House]	95.6 [14.6] [30.3]	84.8 [23.0] [16.3]	81.1 [24.0] [16.4]	(3.7) [1.0] [0.1]	(4.3)% [+4.2%] [+0.3%]
Total	251.1	216.2	209.1	(7.1)	(3.3)%

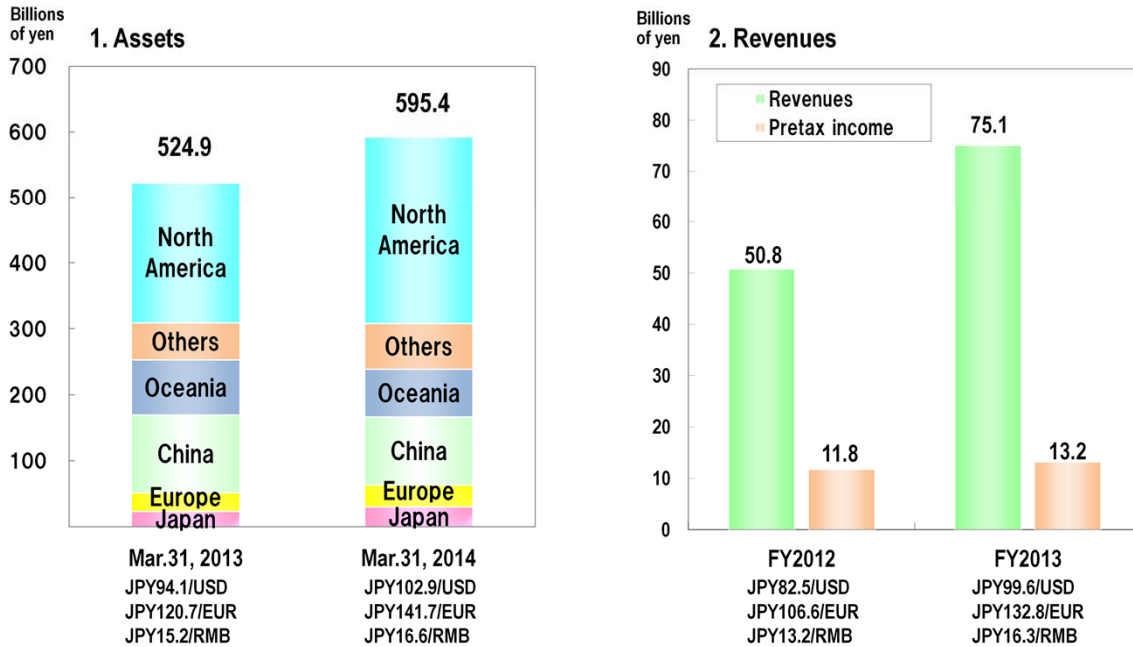
-Although sales of machine tools as well as sheet-metal and press machines remained firm centering on the automobile manufacturing industry, sales declined by 3.3% from the previous fiscal year, to JPY209.1 billion, as affected mainly by a further drop in sales of wire saws.

-Segment profit amounted to JPY2.0 billion, due to the realization of a loss of JPY10.8 billion on wire saw inventories.

Retail Finance Business

- Total assets grew from the previous fiscal year-end, due to an increase in new transactions mainly in North America and Japan, in addition to the effects of the Japanese yen's depreciation.
 - Both revenues and pretax income improved from the previous fiscal year.

Consolidated retail finance subsidiaries



- At March 31, 2014, total assets of retail finance subsidiaries amounted to JPY595.4 billion, an increase of about JPY70 billion from the previous fiscal year-end, mainly due to the effects of the Japanese yen's depreciation and an increase in new transactions mainly in North America and Japan. This increase includes about JPY40 billion from the foreign exchange rates difference.

- Revenues totaled JPY75.1 billion, an increase of JPY24.3 billion from the previous fiscal year, which includes about JPY9 billion resulting from the Japanese yen's depreciation. Pretax income increased by JPY1.4 billion to JPY13.2 billion.

Consolidated Balance Sheets

11

- At March 31, 2014, total assets increased by JPY133.6 bn from the previous fiscal year-end, mainly due to the Japanese yen's depreciation.
- Shareholders' equity ratio increased by 4.5 pts to 51.9%, and net debt-to-equity ratio decreased to 0.37, both improving from the previous fiscal year-end.

Billions of yen	Mar. 31, 2013 USD1=JPY94.1 EUR1=JPY120.7 RMB1=JPY15.2	Mar. 31, 2014 USD1=JPY102.9 EUR1=JPY141.7 RMB1=JPY16.6	Increase (decrease)
○ : Net debt-to-equity ratio			
Cash & Deposits (incl. time deposits) [a]	93.8	91.1	(2.6)
Accounts receivable (incl. long-term trade receivables) <Excl. those of consolidated retail finance subsidiaries>	842.7 <414.3>	878.2 <436.3>	35.5 <22.0>
Inventories	633.6	625.0	(8.5)
Tangible fixed assets	585.2	667.3	82.1
Other assets	362.4	389.7	27.3
Total assets	2,517.8	2,651.5	133.6
Accounts payable	226.2	234.2	7.9
Interest-bearing debt [b] <Excl. those of consolidated retail finance subsidiaries>	679.7 <298.1>	605.0 <178.6>	(74.6) <(119.5)>
Other liabilities	359.1	371.1	12.0
Total liabilities	1,265.1	1,210.4	(54.7)
[Shareholders' equity ratio] Komatsu Ltd. shareholders' equity	[47.4%] 1,193.1	[51.9%] 1,376.3	[+4.5 points] 183.1
Noncontrolling interests	59.5	64.7	5.2
Liabilities & Equity	2,517.8	2,651.5	133.6
Interest-bearing debt, net [b-a]	○ 0.49 585.9	○ 0.37 513.9	(72.0)
Net D/E ratio (excl. cash and interest-bearing debt of consolidated retail finance subsidiaries)	○ 0.20	○ 0.08	

- At March 31, 2014, total assets increased by JPY133.6 billion from the previous fiscal year-end. However, this increase includes about JPY120 billion in the foreign exchange rates difference. When this difference is excluded, total assets would increase by about JPY10 billion.

- Inventories declined on a surface as well. When the effects of foreign exchange rates are excluded, they would decline by JPY47 billion.

- We were also able to reduce interest-bearing debt on a surface. When the effects of foreign exchange rates are excluded, it would decline by JPY94 billion.

- Shareholders' equity ratio increased by 4.5 points to 51.9%.

- Net debt-to-equity ratio further improved to 0.37.

Projection for FY2014 ending March 31, 2015

Akira Sugiki
Senior Executive Officer
General Manager, Business Coordination Department
Komatsu Ltd.

Outline of Projection for FY2014 ending March 31, 2015

13

1. Sales and profits:

- We project that consolidated net sales will decline by 3.8% from FY2013, to JPY1,880 bn and operating income will increase by 1.0% to JPY243 bn.
- Operating income ratio should improve by 0.6 pts to 12.9%.

	FY2013 Results	FY2014 Projection	Change
Net sales	JPY1,953.6 bn	JPY1,880.0 bn	(3.8)%
Operating income	JPY240.4 bn	JPY243.0 bn	+1.0%
Operating income ratio	12.3%	12.9%	+0.6pts
Net income *1	JPY159.5 bn	JPY154.0 bn	(3.5)%
ROE	12.4%	11.0%	(1.4)pts
Net debt-to-equity ratio [Excl. retail finance business]	0.37 [0.08]	0.30 [0.00]	(0.07)pts [(0.08)pts]

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

2. Outlook of two business segments

- Construction, Mining and Utility Equipment

We estimate that both sales and profits will decrease, reflecting a slight decline in global demand for 7 major products and further decline in demand for mining equipment.

Both sales and profits will decrease.

- Industrial Machinery and Others

We project that sales of presses and machine tools will be steady, and both sales and profits should advance.

3. Cash dividends

We plan annual cash dividends of JPY58 per share for FY2014.

(Consolidated payout ratio should translate into 36%.)

	FY2013	FY2014	Increase (decrease)
Interim	JPY29	JPY29 *	+/-JPY0 *
Year end	JPY29	JPY29 *	+/-JPY0 *
Total	JPY58	JPY58 *	+/-JPY0 *

*Projection

- For FY2014, we project consolidated net sales of JPY1,880 billion, down 3.8% from FY2013, operating income of JPY243 billion, up 1%, and operating income ratio of 12.9%, up 0.6 points.

- We estimate ROE of 11.0%, down 1.4 points. Net debt-to-equity ratio should improve by 0.07 points to 0.30.

- In the construction, mining and utility equipment business, we estimate that global demand for 7 major products will slightly decrease from FY2013, and demand for mining equipment will further decline. We are going to expand sales of parts, but we project that both sales and segment profit will decline from FY2013.

- In the industrial machinery and others business, we expect steady sales of presses and machine tools against the backdrop of a high level of capital investment centering on the automobile manufacturing industry. However, we anticipate that both sales and profit will increase from FY2013.

- We plan to set the annual cash dividend at JPY58 per share, keeping the same amount for FY2013. Consolidated payout ratio should translate into 36%.

Projection for FY2014 ending March 31, 2015

14

- Construction, Mining & Utility Equipment: We project both sales and profits will decline, but segment profit ratio will improve by 0.3 pts to 14.1%.
- Industrial Machinery & Others: We project both sales and profits will increase.
- Operating income ratio should improve by 0.6 pts to 12.9%.

Billions of yen % : Profit ratio []: Sales after elimination of inter-segment transactions	FY2013 Results USD 1 = JPY 99.6 EUR 1 = JPY 132.8 RMB 1 = JPY 16.3	FY2014 Projection USD 1 = JPY 100 EUR 1 = JPY 137 RMB 1 = JPY 16.2	Changes	
			Increase (decrease)	Change %
Net sales	1,953.6	1,880.0	(73.6)	(3.8)%
Construction, Mining & Utility Equipment	[1,749.7] 1,752.2	[1,662.0] 1,665.0	[(87.7)] (87.2)	[(5.0)%] (5.0)%
Industrial Machinery & Others	[203.9] 209.1	[218.0] 222.0	[14.0] 12.8	[+6.9%] +6.1%
Elimination	(7.7)	(7.0)	0.7	-
Segment profit	12.4% 242.2	13.0% 245.0	2.7	+1.2%
Construction, Mining & Utility Equipment	13.8% 242.1	14.1% 235.0	(7.1)	(2.9)%
Industrial Machinery & Others	1.0% *1 2.0	5.4% 12.0	9.9	+488.8%
Corporate & elimination	(1.9)	(2.0)	(0.0)	-
Other operating income (expenses)	(1.7)	(2.0)	(0.2)	-
Operating income	12.3% 240.4	12.9% 243.0	2.5	+1.0%
Other income (expenses)	1.5	(6.0)	(7.5)	-
Income before income taxes	242.0	237.0	(5.0)	(2.1)%
Net income *2	159.5	154.0	(5.5)	(3.5)%
Cash dividends per share	58yen	58yen	0yen	

*1 Including a loss of JPY10.8 bn on Komatsu NTC's wire saw inventories.

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

- For FY2014, our preconditions of foreign exchange rates are JPY100 per USD, JPY137 per EUR and JPY16.2 per RMB, about comparable to FY2013.

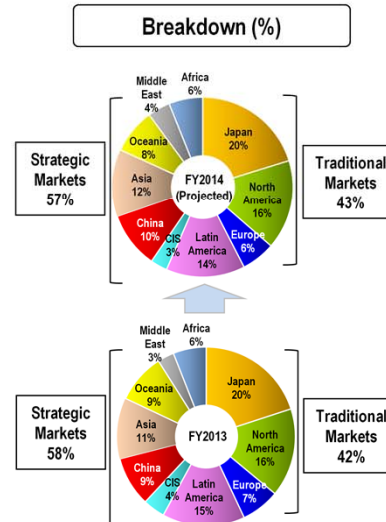
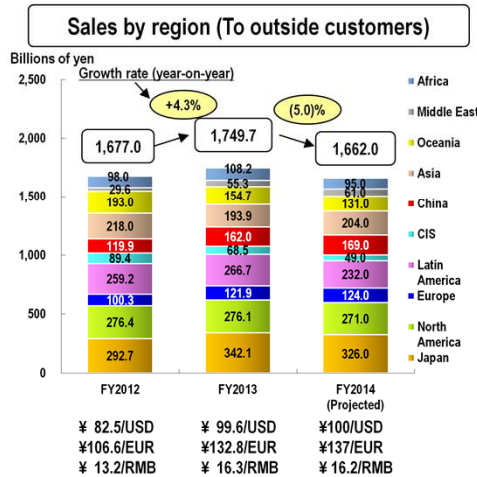
- In the construction, mining and utility equipment business, we project a decline in sales, impacted by a decline in sales of new mining equipment, which I will discuss later. While we project a decrease in segment profit, segment profit ratio should improve to 14.1%.

- In the industrial machinery and others business, we expect an increase in sales, supported by improving sales of presses and machine tools. With respect to segment profit, we look forward to a sharp increase, mainly because of no more loss on wire saw inventories, which was realized for FY2013.

- We expect that operating income should improve by 1.0% from FY2013, to JPY243 billion, and operating income ratio to 12.9%.

Construction, Mining & Utility Equipment : Projection of Sales (to Outside Customers) by Region

- We project total sales will decline by 5%, as considerably affected by declining demand and sales of mining equipment.
- By region, sales should sharply drop in the regions where the percentage share of sales of mining equipment is large.
- We project that the percentage share of Traditional Markets will further increase to 43%.

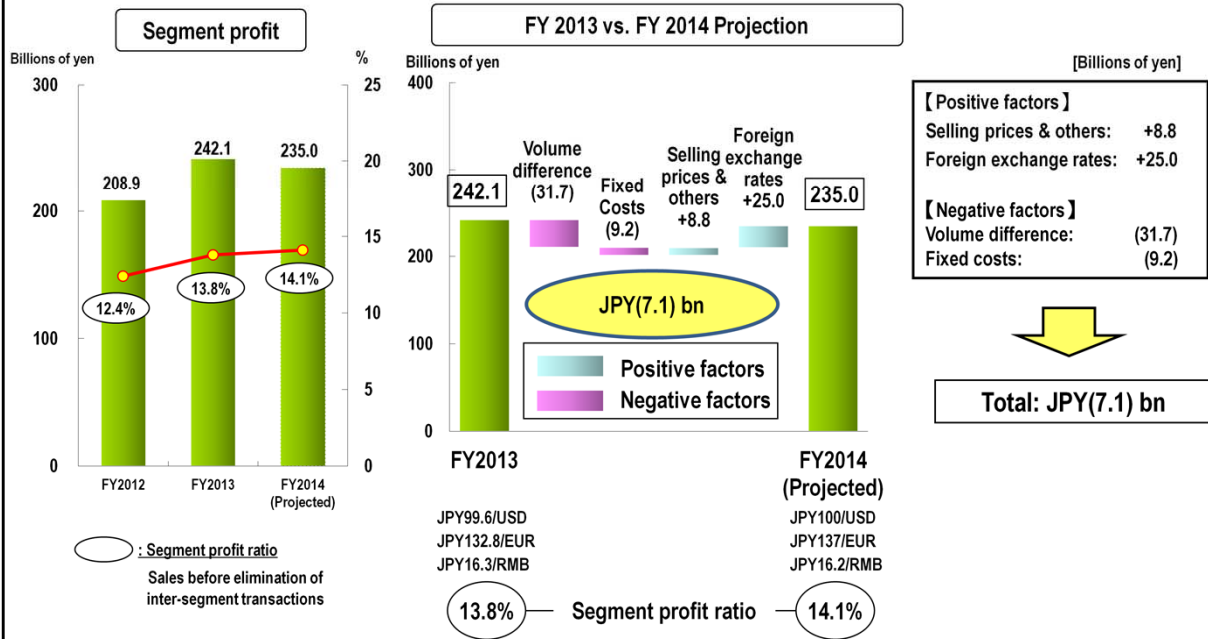


Sales growth rate (year-on-year basis)

%	Japan	North America	Europe	Latin America	CIS	China	Asia	Oceania	Middle East	Africa	Total
FY2013	+16.9%	-0.1%	+21.5%	+2.9%	-23.4%	+35.1%	-11.1%	-19.9%	+86.6%	+10.4%	+4.3%
FY2014 (Projection)	-4.7%	-1.9%	+1.7%	-13.0%	-28.5%	+4.3%	+5.2%	-15.3%	+10.1%	-12.3%	-5.0%

- In the construction, mining and utility equipment business, we estimate that sales to outside customers will decline by 5.0% from FY2013, to JPY1,662 billion for FY2014.
- By region, we project that FY2014 sales will drop especially in Latin America, Oceania and CIS where our sales of mining equipment are larger than those of construction equipment.
- In Japan, we will work to compensate for a decline in sales of new equipment resulting from rental demand having run its course in FY2013 by the parts and service business. However, we estimate a decline in sales for FY2014.
- We project that the percentage share of sales in Traditional Markets will further increase to 43% of total sales for FY2014.

- While segment profit will decline by 2.9% to JPY235 bn, segment profit ratio will improve by 0.3 pts to 14.1%.
 - Negative factors of reduced volume, due mainly to declining demand for mining equipment, and increased fixed costs will be compensated for largely by improved selling prices and production costs as well as the foreign exchange rates difference. Nevertheless, we project that segment profit will decline by JPY7.1 bn.



- In the construction, mining and utility equipment business, we should be able to compensate for negative factors of declined volume difference of JPY31.7 billion and increased fixed costs of JPY9.2 billion by positive factors of increased selling prices of JPY8.8 billion and effects of the Japanese yen's depreciation of JPY25.0 billion for FY2014. However, we estimate that segment profit will decline by JPY7.1 billion from FY2013.

- We project that segment profit ratio will improve by 0.3 points to 14.1%.

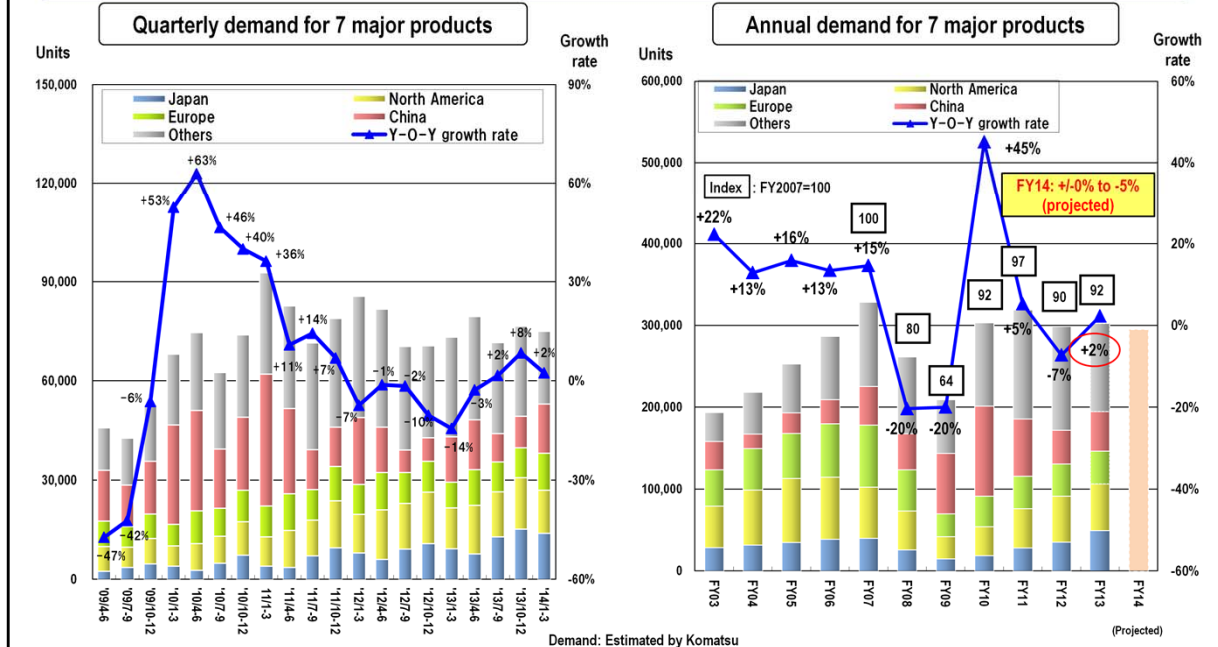
- Decline in volume difference is mainly attributable to a drop in demand and sales of mining equipment.

- We project that fixed costs will somewhat grow, mainly due to an increase in R&D expenses and an increase of about JPY4.0 billion resulting from a change of the depreciation method adopted in FY2013.

- The difference in foreign exchange rates mainly reflects the delayed effects of the Japanese yen's drastic depreciation which began in the second half of FY2012.

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

- In FY2013, global demand increased by 2%, reflecting Chinese demand which bottomed out and Japanese demand which expanded.
 - While demand should grow in some regions of the world, we project that global demand will change by between +/-0% and -5%, as adversely affected by a drastic drop in Japan.



- In FY2013, global demand for 7 major products increased by 2% from FY2012, supported by upturned demand for recovery in China and dynamic growth of demand in Japan.

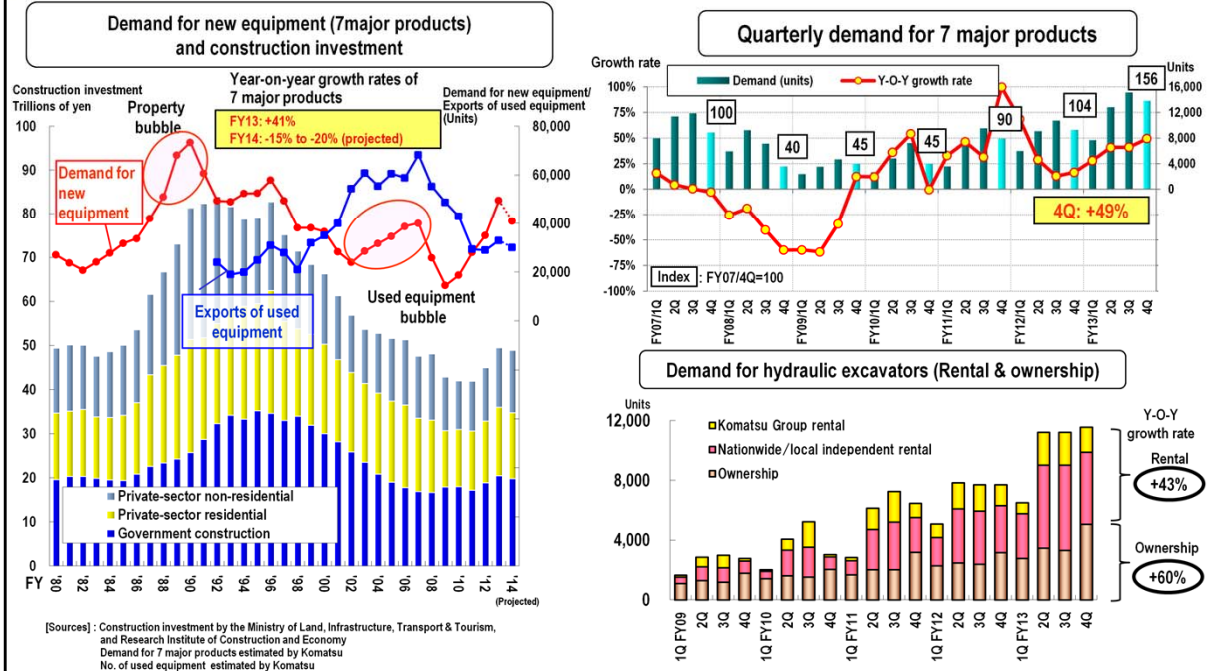
- In the fourth quarter of FY2013, demand in China was about flat from the corresponding period a year ago, resulting in an increase of mere 2% in global demand.

- In FY2014, we project that global demand will change by between +/-0% and -5%, as we estimate a slight decline in China as well as rental demand having run its course in Japan.

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

FY2013: Demand expanded by 41% from FY2012, fueled especially by an increase in construction investment and strong demand in rental companies against the backdrop of start-up of full-scale reconstruction projects in the regions destroyed by the Great East Japan Earthquake and tsunami.

FY2014: We project that demand will decline by 15% to 20% in FY2014, as adversely affected by rental demand having run its course.



- Demand expanded from FY2012, fueled especially by an increase in construction investment and strong demand in rental companies against the backdrop of start-up of full-scale reconstruction projects in the regions destroyed by the Great East Japan Earthquake and tsunami. Fourth quarter demand for hydraulic excavators also expanded more than expected year-on-year in both rental companies and general customers.

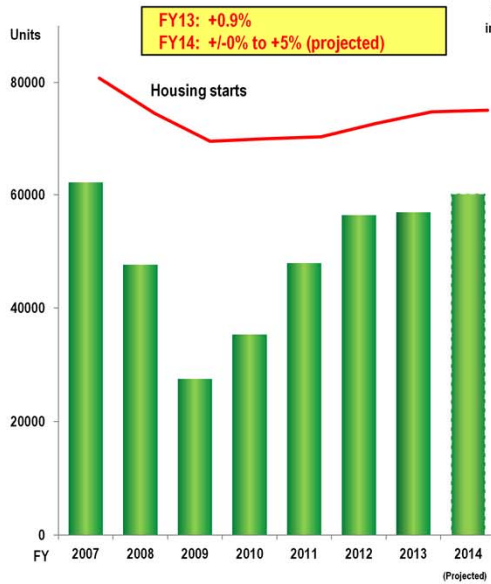
- With respect to demand in FY2014, we expect that construction investment will remain at a high level in Japan. However, we project that demand will decline by 15% to 20%, adversely affected by rental demand having run its course. Present ratio of orders received for new equipment to our sales plan for the first half of FY2014 is higher than the corresponding period a year ago.

Construction & Mining Equipment: Demand in Major Markets and Outlook (2) North America 19

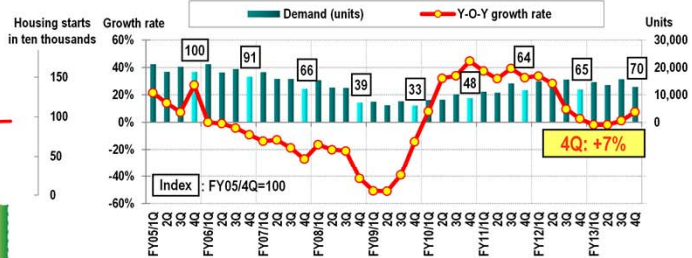
FY2013: While renewal demand ran its course in the rental industry, demand in infrastructure development advanced. As a result, demand remained about flat from FY2012.

FY2014: We project that demand will change by +/-0% to +5% from FY2013, as we anticipate steady demand in regular customers as long as U.S. housing starts will remain at a high level.

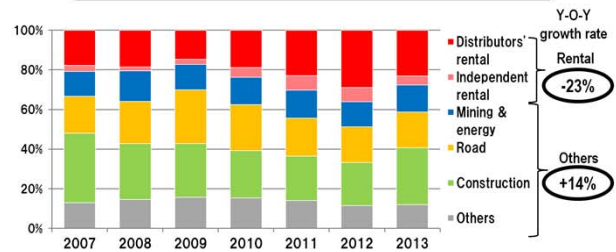
Demand for 7 major products and US housing starts



Quarterly demand for 7 major products



Breakdown of demand by segment (Unit based)



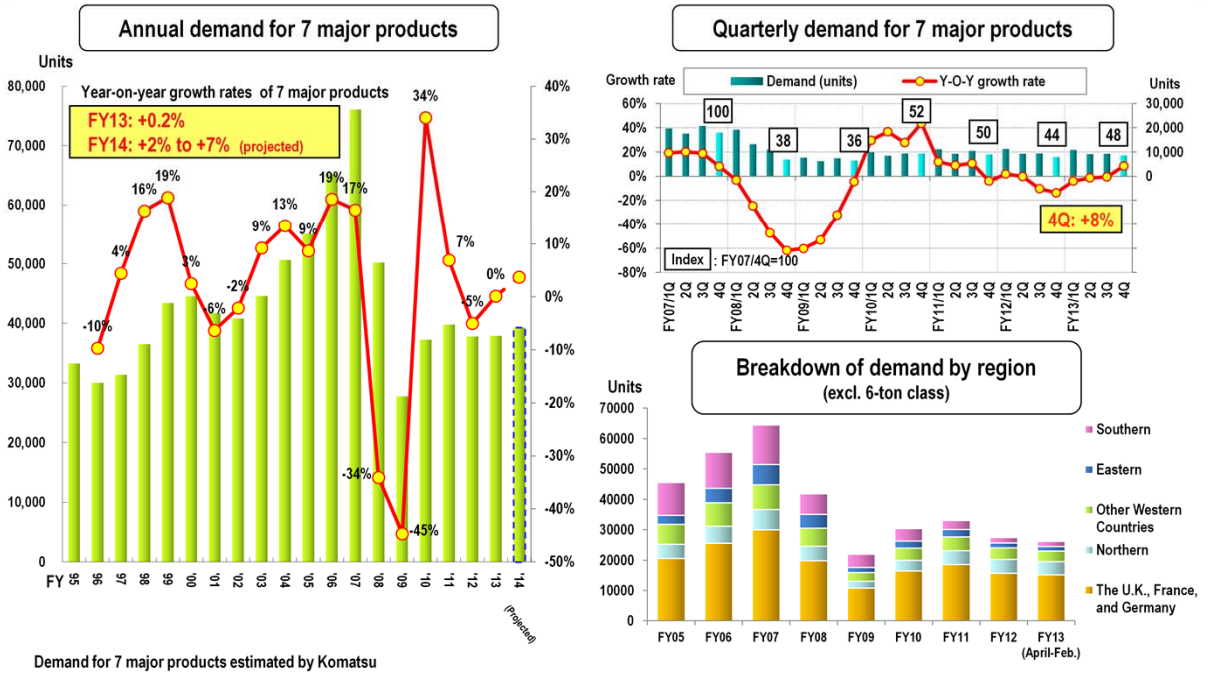
- In FY2013, while renewal demand, which had been steady since FY2012, ran its course in the rental industry, and demand declined in mines, especially in coal mines, demand advanced in the housing sector and infrastructure development, such as for highway construction. As a result, overall demand remained flat from FY2012.

- At present, the current level of North American demand for construction equipment is already high, compared to the past trend. In FY2014, as we expect that U.S. housing starts will remain at a high level, demand should change by +/-0% to +5% from FY2013, supported by strong demand in the regular customer sector.

- As demand for mining equipment should decline centering on coal mines, we project a slight decline in sales in North America.

Construction & Mining Equipment: Demand in Major Markets and Outlook (3) Europe

FY2013: Demand remained about flat (up 0.2%) from FY2012.
FY2014: We project that demand will increase by 2% to 7% in FY2014 in tandem with economic recovery.

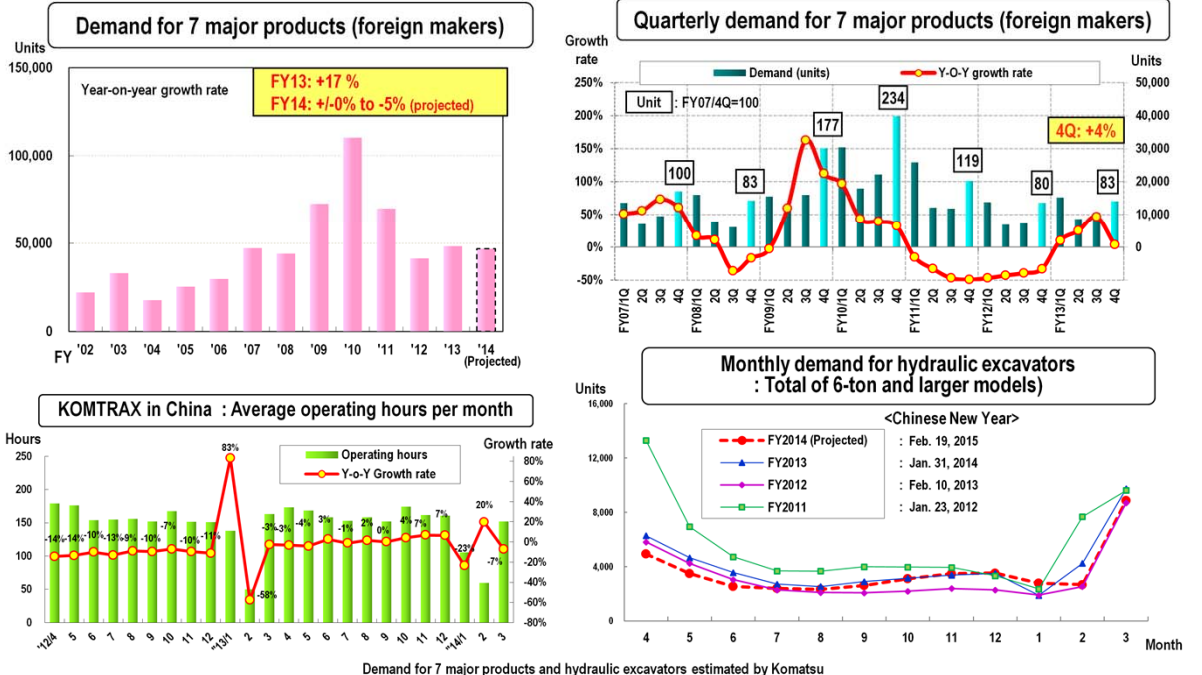


- In FY2013, total demand was about flat from FY2012 against the backdrop of the Eurozone crisis.

- In FY2014, we project that demand will increase by 2% to 7% from FY2013, as we have been receiving more orders to date compared to the corresponding period a year ago against the background of improving economic indexes.

Construction & Mining Equipment: Demand in Major Markets and Outlook (4) China

FY2013: Demand, which had been sluggish since FY2011, upturned for recovery and increased after the Chinese New Year in January 2014, albeit some slowdowns, and registered an increase of 17% from FY2012 .
FY2014: We project that demand will change somewhere between +/-0% and -5% from FY2013.



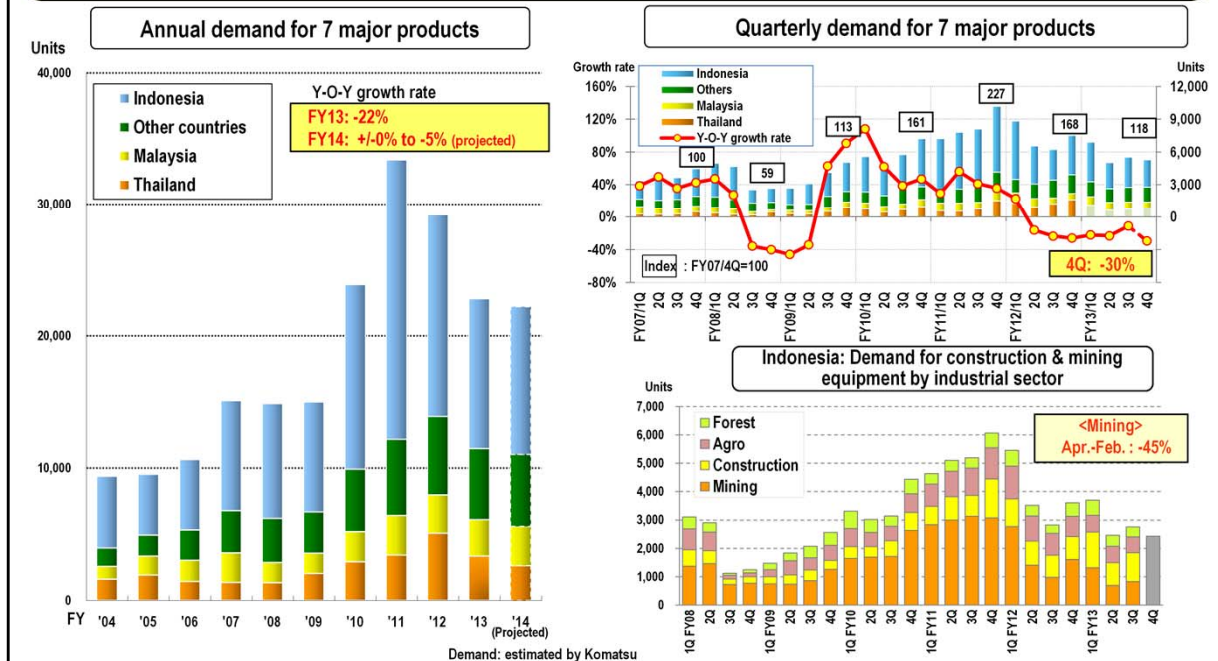
- Demand, which had been sluggish since FY2011, upturned for recovery in April 2013. However, it slightly slowed down after the Chinese New Year in January 2014, stopping the annual growth rate at 17% from FY2012.

- In FY2014, we project that demand will change somewhere between +/-0% and -5% from FY2013, partly reflecting the effects of the Chinese New Year which will take place later than FY2013.

- Although the operating hours of machines at jobsites after the Chinese New Year have been lower than the corresponding period a year ago, cumulative units of sales to date after the Chinese New Year have been about comparable to the corresponding period a year ago.

Construction & Mining Equipment: Demand in Major Markets and Outlook (4) South East Asia 22

FY2013: Demand dropped by 22% from FY2012, as affected by a drop in Indonesia, the largest market of the region, as well as a slowdown in Thailand.
FY2014: We anticipate that Indonesian demand will remain about flat from FY2013 in FY2014, but total demand will be somewhere between +/-0% and -5% compared to FY2013, as mainly affected by a drop in Thai demand.



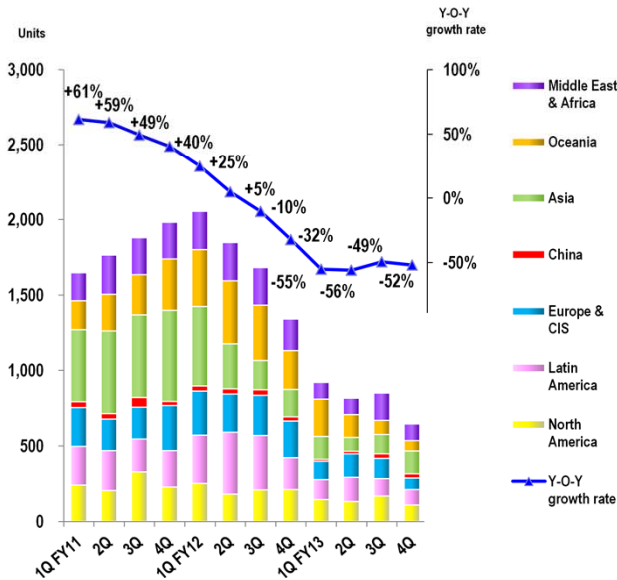
- In FY2013, Southeast Asian demand remained slack in Indonesia, the largest market of the region, as adversely affected by the sluggish international price of thermal coal and the acceleration of depreciation of the Indonesian rupiah since August 2013. Coupled with a decline in demand in Thailand, total demand in Southeast Asia dropped by 22% from FY2012.

- In FY2014, while we anticipate demand will be flat from FY2013 in Indonesia, demand will further drop in Thailand. In this light, we estimate that total demand will be somewhere between +/-0% and -5% from FY2013.

- Concerning Indonesia, as shown in the industrial sector graph, demand remains sluggish in the mining sector. At present, however, we are receiving inquiries from some mining customers, and we project that total sales will increase in Indonesia.

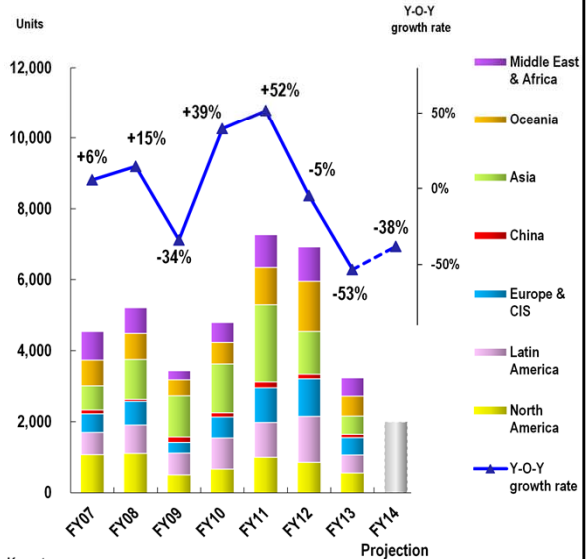
- Quarterly global demand for mining equipment has continued to decline year-on-year since the third quarter of FY2012. It dropped 52% in the fourth quarter of 2013. For FY2013, it declined by 53% from FY2012.
 - We project that demand will further decline by 38% in FY2014 from FY2013.

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

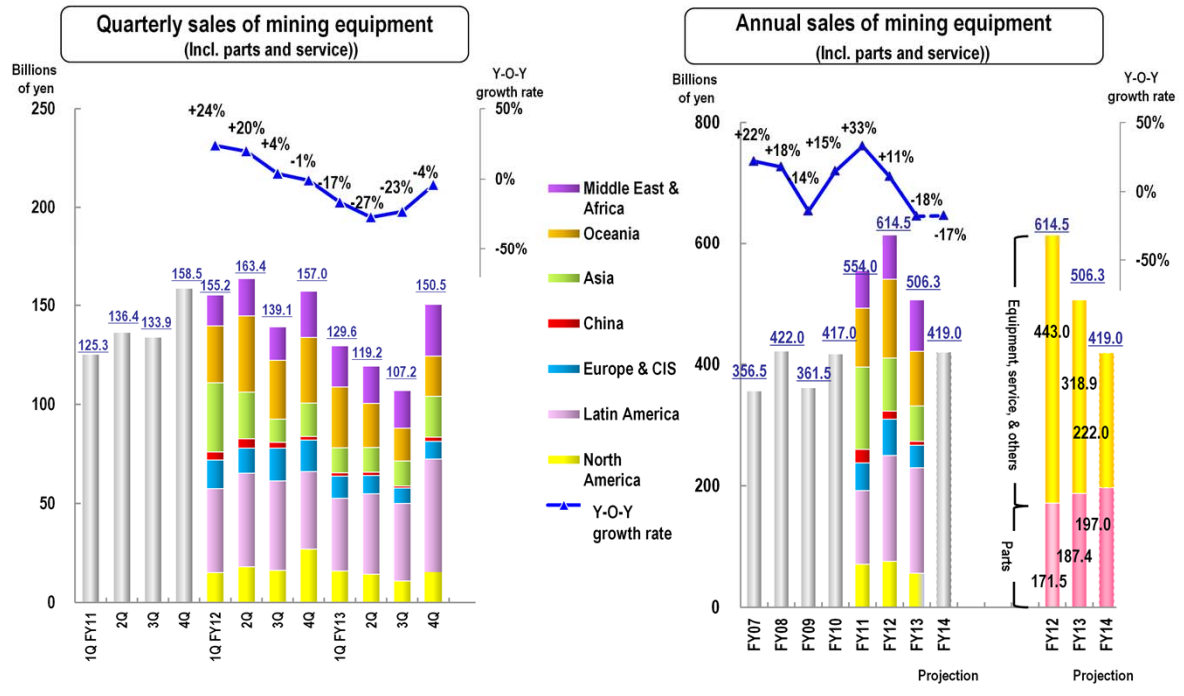
- Quarterly demand for mining equipment worldwide has continued to decline year-on-year since the third quarter of FY2012, reflecting mining customer's efforts to improve production costs as well as their conservative mindset for capital investment against the backdrop of prolonged sluggish commodity prices. Meanwhile, the production volume of mineral resources remains stable, and the operating conditions of equipment in mines are comparable to the corresponding period a year ago.

- While we anticipated demand for mining equipment would decline by 50% from FY2012 in FY2013 when we announced our projection in October 2013, it declined by 53%.

- We estimate that demand will further decline by 38% from FY2013, amounting to about 2,000 units in FY2014.

Construction, Mining & Utility Equipment: Sales of Mining Equipment

- Quarterly sales of mining equipment have continued to decline year-on-year. FY2013 sales declined by 18% from FY2012.
 - We estimate that FY2014 sales will decline by 17% from FY2013, to JPY419 bn.



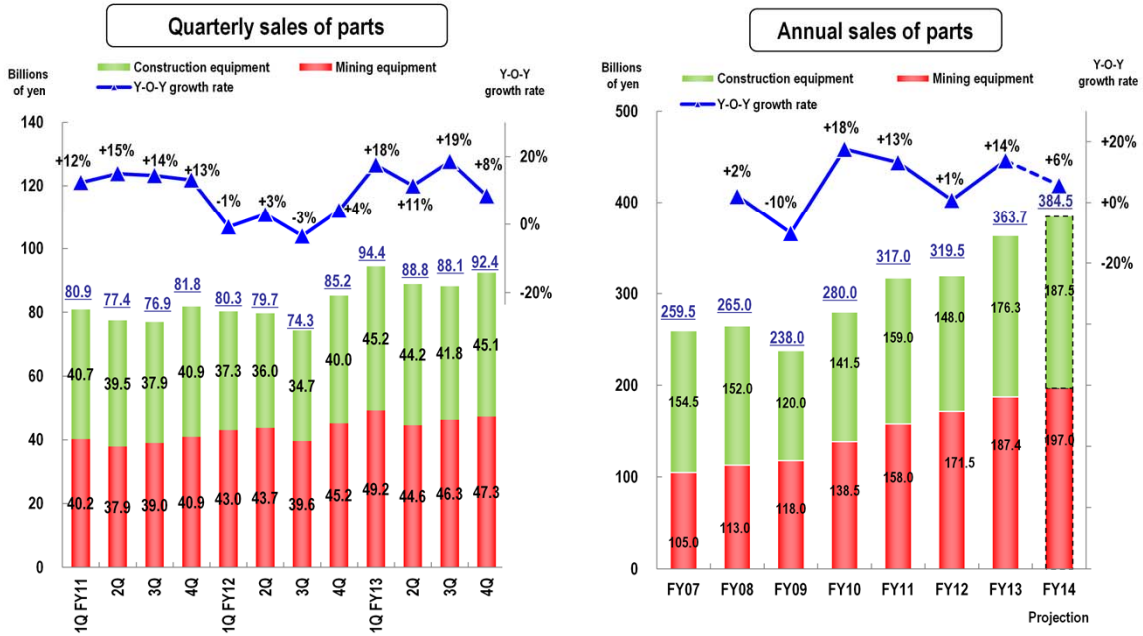
- Quarterly sales of mining equipment have continued to decline year-on-year since the fourth quarter of FY2012 against the backdrop of sluggish demand for new equipment.

- While demand for new equipment has nosedived, sales of parts have been relatively steady. For FY2013, total sales dropped by 18% from FY2012.

- We expect to compensate for further decline for new equipment partly by expanding sales of parts. However, we project sales will decline by 17% from FY2013, to JPY419 billion for FY2014.

Construction, Mining & Utility Equipment: Sales of Parts

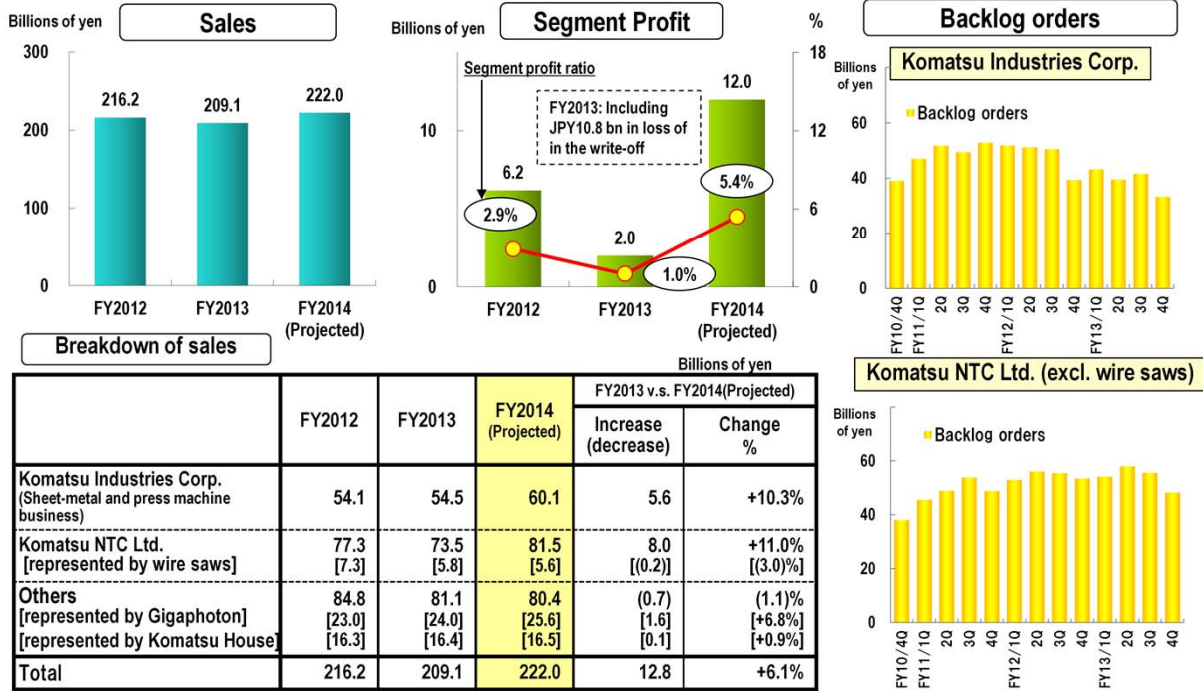
- For the fourth quarter of FY2013, sales of parts increased by 8% from the corresponding period a year ago. FY2013 sales advanced by 14% from FY2012.
- We project that FY2014 sales will increase by 6% from FY2013.



- Sales of parts for the fourth quarter of FY2013 increased by 8% from the corresponding period a year ago, to JPY92.4 billion.
- For FY2013, full-year sales of parts advanced by 14% from FY2012.
- In FY2014, we are working to increase sales by 6% from FY2013 by implementing more sales promotion measures.

Industrial Machinery & Others: Projection of Sales and Segment Profit

We project that FY2014 sales of presses and machine tools will increase steadily by 6.1% from FY2013, to JPY222 bn, and segment profit to JPY12 bn.



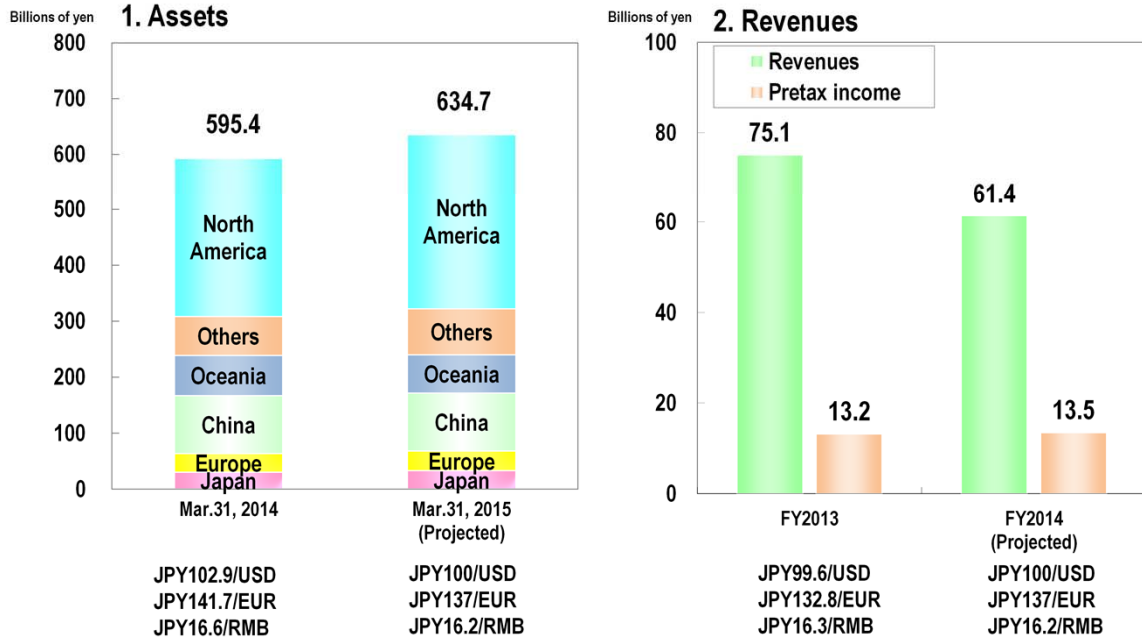
- For FY2014, we anticipate sales will increase by 6.1% from FY2013, to JPY222 billion in the industrial machinery and others business, supported by good sales of presses and machine tools.

- We expect a segment profit of JPY12 billion for FY2014, mainly reflecting no more realization of JPY10.8 billion in loss on wire saw inventories.

Retail Finance Business

- We project that total assets will increase from March 31, 2014, reflecting an increase in new transactions in North America.
 - Revenues will decline from FY2013 due mainly to a decrease in sales of mining equipment. However, pretax income will slightly increase.

Consolidated retail finance subsidiaries

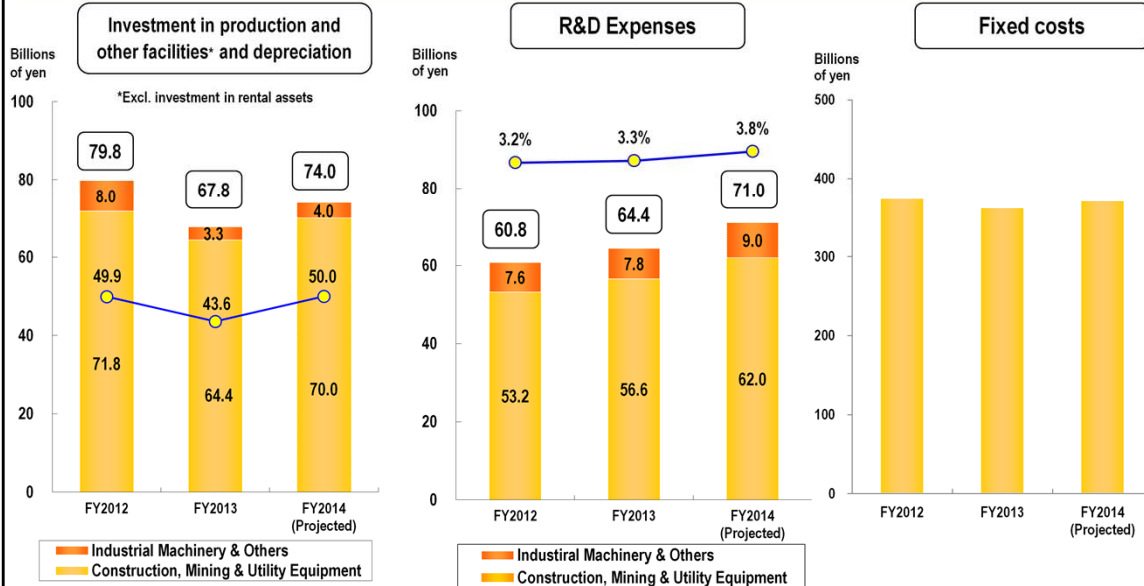


- We expect that total assets will increase at the end of FY2014, mainly due to an increase in new transactions in North America.

- With respect to revenues for FY2014, we estimate a decline from FY2013 due to a decrease in new transactions for mining equipment. We also estimate a slight increase in pretax income for FY2014 from FY2013.

Projection of Capital Expenditures, Depreciation, R&D Expenses and Fixed Costs

- Capital expenditures: We will continue and promote the improvement of productivity and reduction of fixed costs mainly through production reforms and renewals of plants in Japan.
- R&D expenses: We will continue to strengthen R&D in the areas of new emission regulations and development of new-generation products.
- Fixed costs: We will invest in human and other resources needed for future growth, while maintaining an appropriate level.



- While we curtailed capital investment in production facilities more than it was planned for FY2013, except for investment in rental assets, we anticipate an increase in capital expenditures for FY2014, mainly due to investment for the renewal of factory buildings at Japanese plants in order to promote production reforms.

- Depreciation declined for FY2013 as a result of changing the depreciation method from the declining-balance method to the straight-line method, but for FY2014 we project an increase.

- With respect to R&D expenses for FY2014, we will continue to strengthen R&D in the areas of new emission regulations and development of new-generation products. We project that R&D expenses for FY2014 will increase by about JPY6.5 billion from FY2013..

- We will invest in human and other resources that are needed for future growth, while keeping an appropriate level of fixed costs, but we anticipate an increase for FY2014, due mainly to an increase in R&D expenses.

<Appendix>

Sales and Profits for Three Months (January - March, 2013)

30

☐ : Profit ratio

[] : Sales after elimination of inter-segment transactions

Billions of yen

	Jan. – Mar., 2013 USD1 = JPY90.7 EUR1 = JPY120.1 RMB1 = JPY14.6		Jan. – Mar., 2014 USD1 = JPY102.7 EUR1 = JPY139.9 RMB1 = JPY16.9		Vs. Jan. – Mar., 2013			
					Increase (decrease)	% change		
Net sales	534.4		564.1		29.7	+5.6%		
Construction, Mining & Utility Equipment	[471.3]	471.9	[500.8]	501.4	[29.5]	29.5	[+6.3%]	+6.3 %
Industrial Machinery & Others	[63.0]	65.6	[63.2]	64.2	[0.2]	(1.3)	[+0.4%]	(2.1) %
Elimination	(3.2)		(1.5)		1.6	-		
Segment Profit	☐ 11.8%	62.9	☐ 13.9%	78.4	15.5			+24.7%
Construction, Mining & Utility Equipment	☐ 12.8%	60.5	☐ 15.5%	77.9	17.4			+28.7%
Industrial Machinery & Others	☐ 3.7%	2.3	☐ 1.4%	0.9	(1.4)			(61.8)%
Corporate & elimination	(0.0)		(0.3)		(0.3)	-		
Other operating income (expenses)	(1.8)		(3.6)		(1.8)	-		
Operating income	☐ 11.4%	61.1	☐ 13.3%	74.8	13.7			+22.5%
Other income (expenses)	(2.0)		(2.9)		(0.8)	-		
Net income before income taxes	59.0		71.9		12.9			+21.9%
Net income *2	35.2		44.1		8.9			+25.4%

*1 Including the loss of write-off of Komatsu NTC's wire saw inventories in the amount of JPY 3.2 billion.

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

Sales for Three Months (January - March, 2013)

31

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

Billions of yen

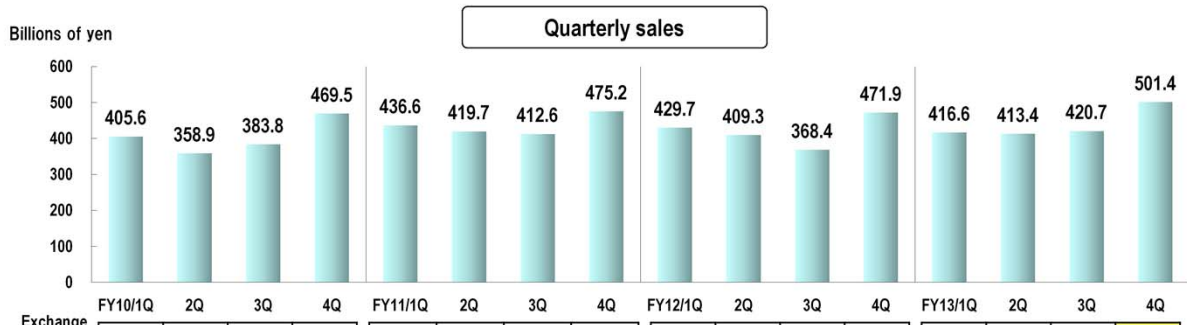
		Jan. - Mar., 2013 USD1 = JPY90.7 EUR1 = JPY120.1 RMB1 = JPY14.6	Jan. - Mar., 2014 USD1 = JPY102.7 EUR1 = JPY139.9 RMB1 = JPY16.9	Change	
				Increase (decrease)	% Change
Traditional Markets	Japan	84.2	96.5	12.2	+14.5%
	North America	94.4	74.5	(19.9)	(21.1)%
	Europe	26.5	36.6	10.0	+37.9%
Strategic Markets	Latin America	63.5	83.0	19.5	+30.7%
	CIS	23.8	16.6	(7.1)	(30.2)%
	China	36.9	49.6	12.7	+34.5%
	Asia	52.3	58.6	6.2	+12.0%
	Oceania	50.2	35.4	(14.8)	(29.6)%
	Middle East	10.9	19.1	8.1	+74.6%
	Africa	28.2	30.8	2.6	+9.2%
Total		471.3	500.8	29.5	+6.3%
Mining equipment in total above		157.0	152.3	(4.7)	(3.0)%

2. Industrial Machinery & Others

Billions of yen

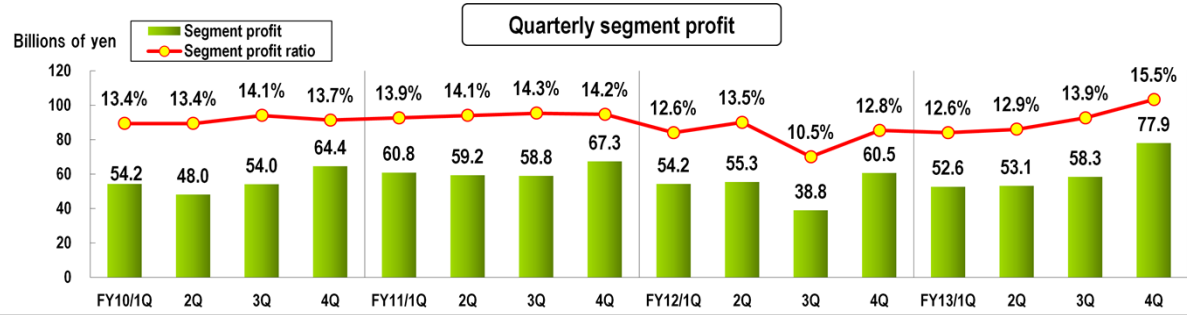
	Jan. - Mar., 2013	Jan. - Mar., 2014	Change	
			Increase (decrease)	% Change
Komatsu Industries Corp, etc. [total of press and sheet-metal machines]	20.7	16.8	(3.8)	(18.7)%
Komatsu NTC Ltd. [represented by wire saws]	20.7 [1.1]	26.1 [2.9]	5.4 [1.7]	+26.1% [+148.5%]
Others [represented by Gigaphoton] [represented by Komatsu House]	24.1 [7.5] [5.7]	21.2 [6.4] [5.6]	(2.9) [(1.1)] [(0.0)]	(12.1)% [(14.7)%] [(1.4)%]
Total	65.6	64.2	(1.3)	(2.1)%

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

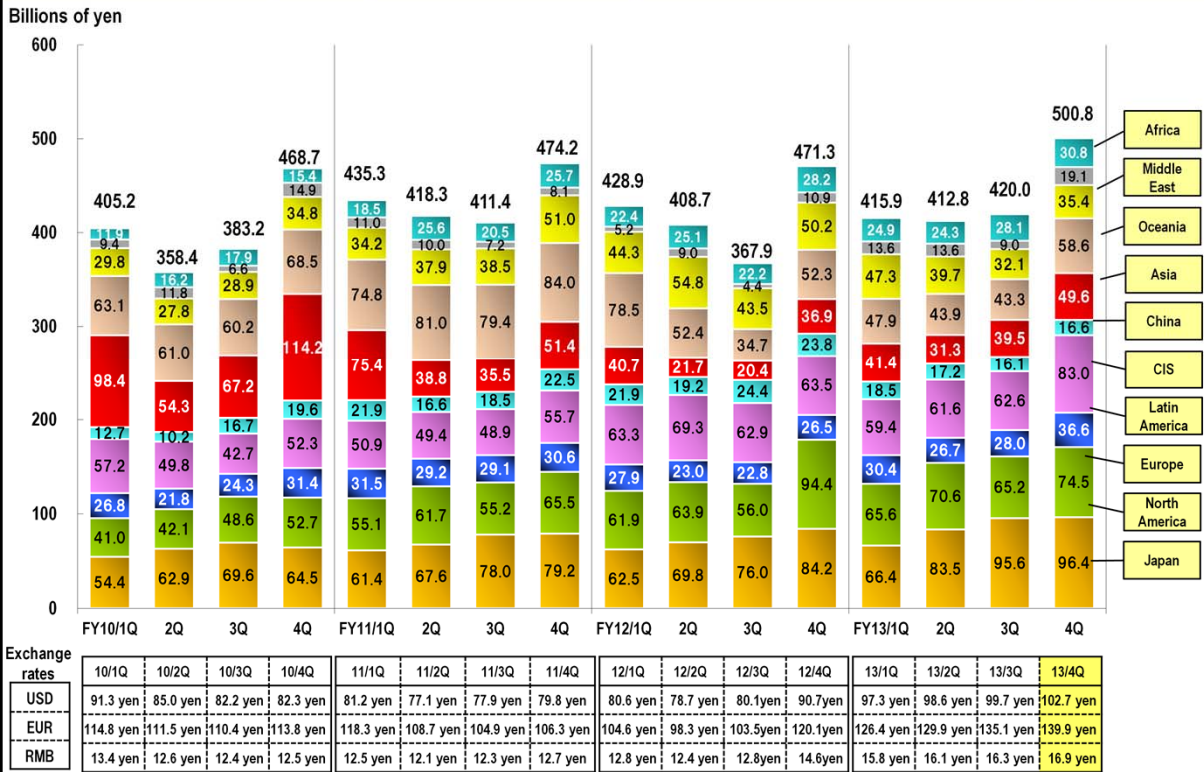


Exchange rates

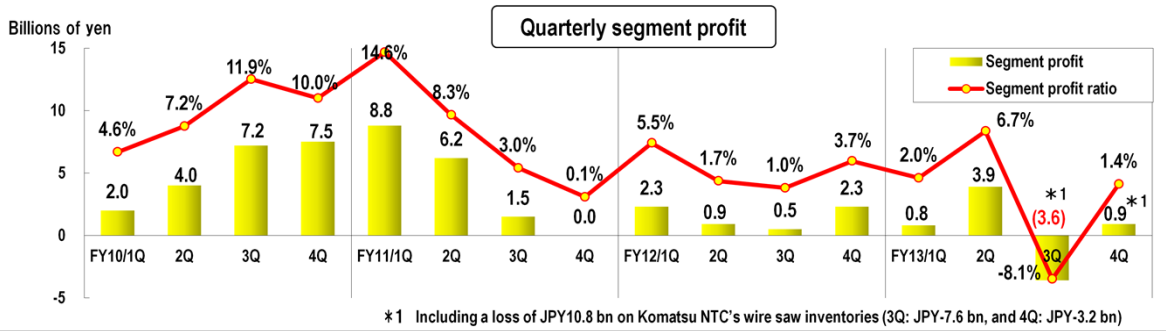
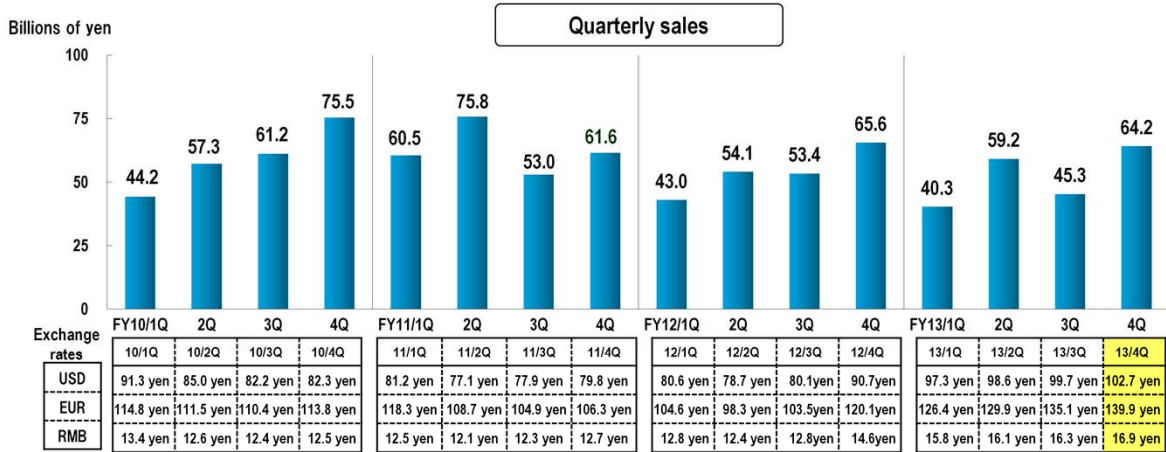
	10/1Q	10/2Q	10/3Q	10/4Q	11/1Q	11/2Q	11/3Q	11/4Q	12/1Q	12/2Q	12/3Q	12/4Q	13/1Q	13/2Q	13/3Q	13/4Q
USD	91.3 yen	85.0 yen	82.2 yen	82.3 yen	81.2 yen	77.1 yen	77.9 yen	79.8 yen	80.6 yen	78.7 yen	80.1yen	90.7yen	97.3 yen	98.6 yen	99.7yen	102.7 yen
EUR	114.8 yen	111.5 yen	110.4 yen	113.8 yen	118.3 yen	108.7 yen	104.9 yen	106.3 yen	104.6 yen	98.3 yen	103.5yen	120.1yen	126.4 yen	129.9 yen	135.1yen	139.9 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	12.8yen	14.6yen	15.8 yen	16.1 yen	16.3yen	16.9 yen



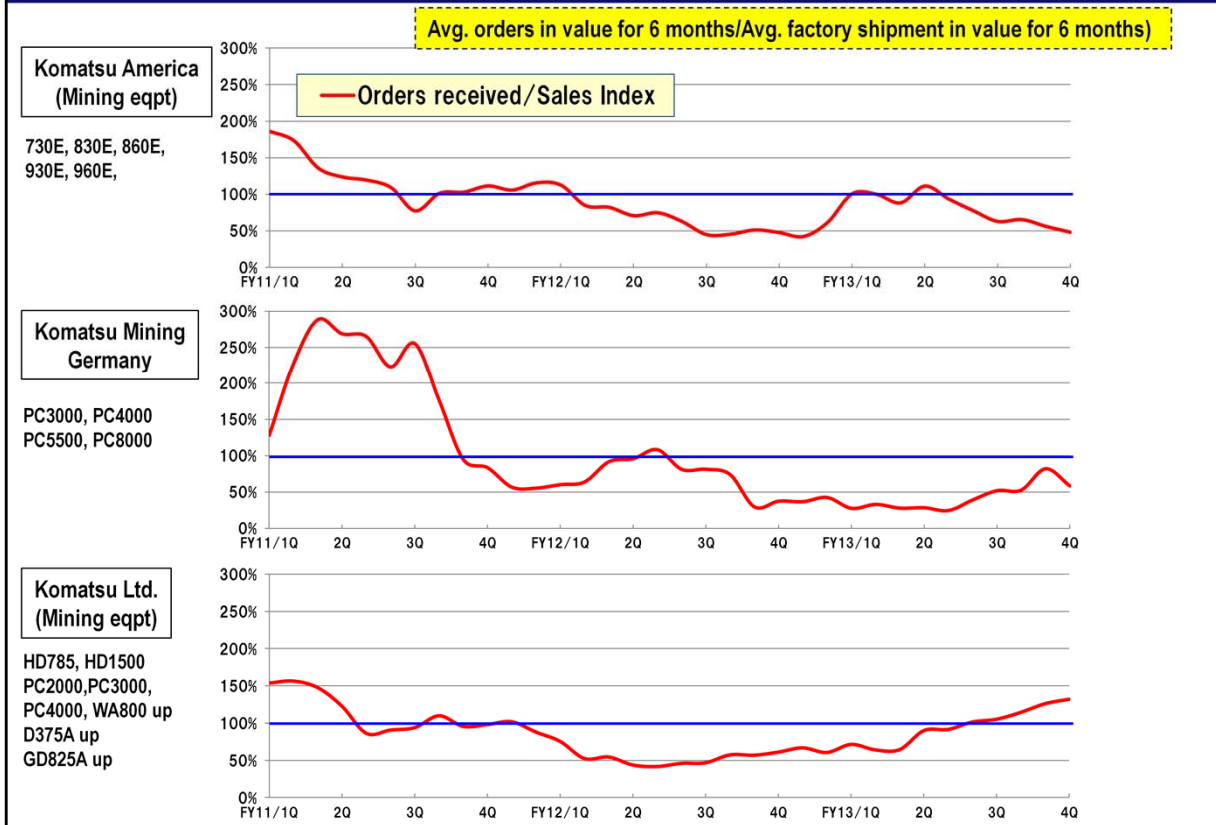
Construction, Mining & Utility Equipment: Quarterly Sales (To Outside Customers) by Region



Industrial Machinery & Others: Quarterly Sales and Segment Profit



Orders received /Sales Index for Mining Equipment (6 Months)

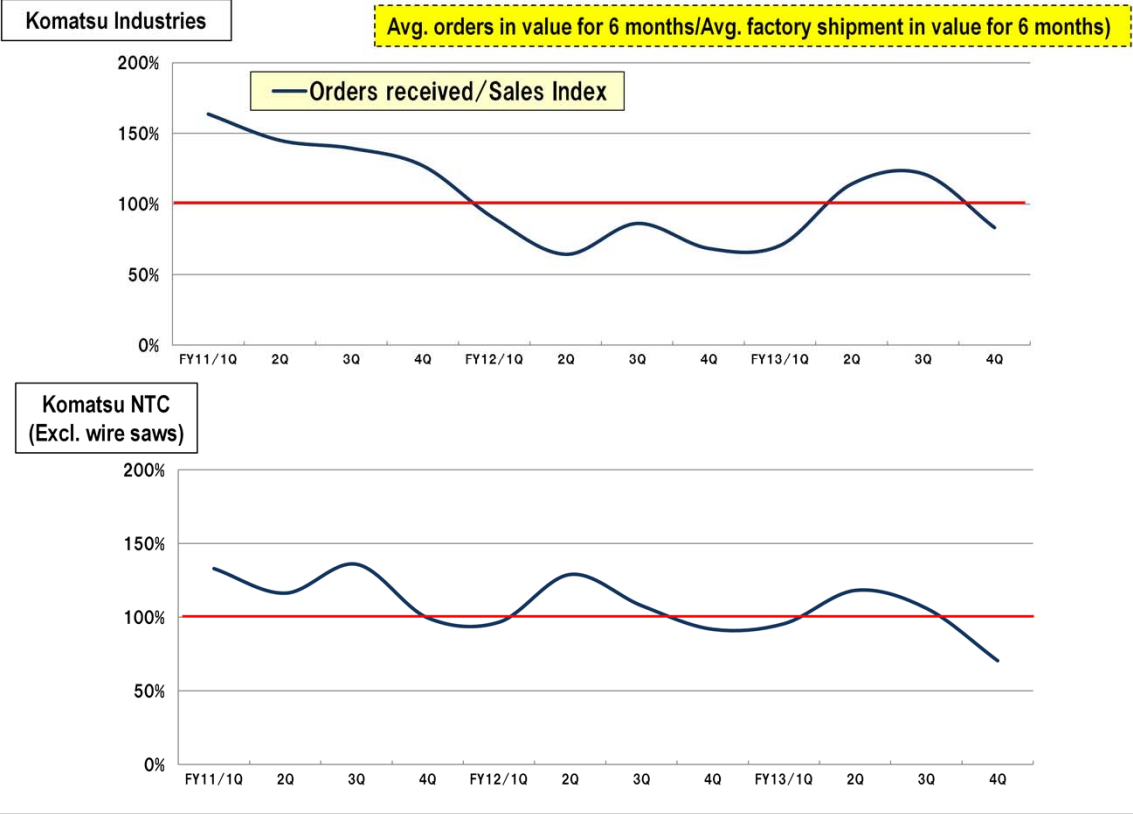


- These graphs show the index for ratios of orders received for new mining equipment to sales. We have produced these new graphs designed to better manage the mining equipment business.

- From top, they represent dump trucks made by Komatsu America Corp., super-large hydraulic excavators by Komatsu Mining Germany GmbH, and other mining equipment by Komatsu Ltd.

- Specifically, the graphs are indexes which show orders received in value for the last 6 months divided by sales in the same 6 months.

Orders received /Sales Index for Industrial Machinery (6 Months)



- These graphs show the same indexes for industrial machinery. They have been produced in the same manner as mining equipment.

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.

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New FE25-1 battery-powered forklift truck to be launched in May this year

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