

**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.

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- For the first quarter period under review(1Q FY2013), net sales decreased by 3.1% from the corresponding period a year ago, to JPY455.1 billion. This was broadly in line with expectations.
- 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.
- Quarterly net income increased by 16.1% year on year to 37.2 billion.
- In the Construction, Mining and Utility Equipment segment, construction equipment and mining equipment sales in Indonesia and sales of mining equipment in Latin America decreased. This was compensated for mainly by expanded sales of construction equipment in Japan and the Middle East as well as parts. However, both sales and profits decreased from 1Q FY2012.
- In the Industrial Machinery and Others segment, while sales of machine tools increased steadily to the automobile manufacturing industry in particular, sheet metal and forging machinery, such as large presses, saw declining sales. 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."

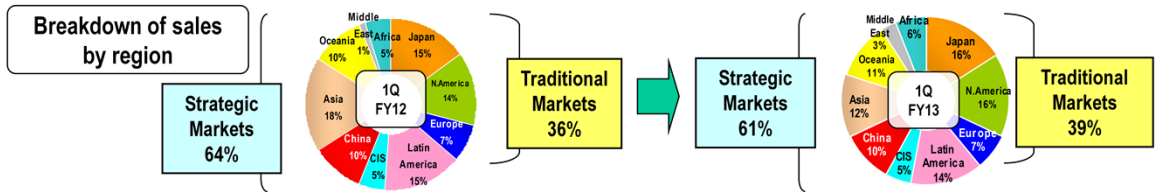
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- The Japanese yen depreciated substantially against major currencies, compared to the previous year, trading at JPY97.3 against the U.S. dollar, JPY126.4 against the euro, and JPY15.8 against the renminbi.
- Net sales for the Construction, Mining and Utility Equipment segment decreased by 3.1% and segment profit declined by 2.9% from 1Q FY2012, attributable mainly to reduced demand for mining equipment. However, segment profit ratio stayed flat from 1Q FY2012 at 12.6%.
- As for the Industrial Machinery and Others segment, net sales decreased by 6.3% from 1Q FY2012 and segment profit went down by 65.4%.
- Operating income declined by 5.9%. However, due largely to the impact from the foreign exchange rates as a non-operating expense and a temporary decline in corporate taxes, quarterly net income increased by 16.1% from 1Q FY2012.

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.

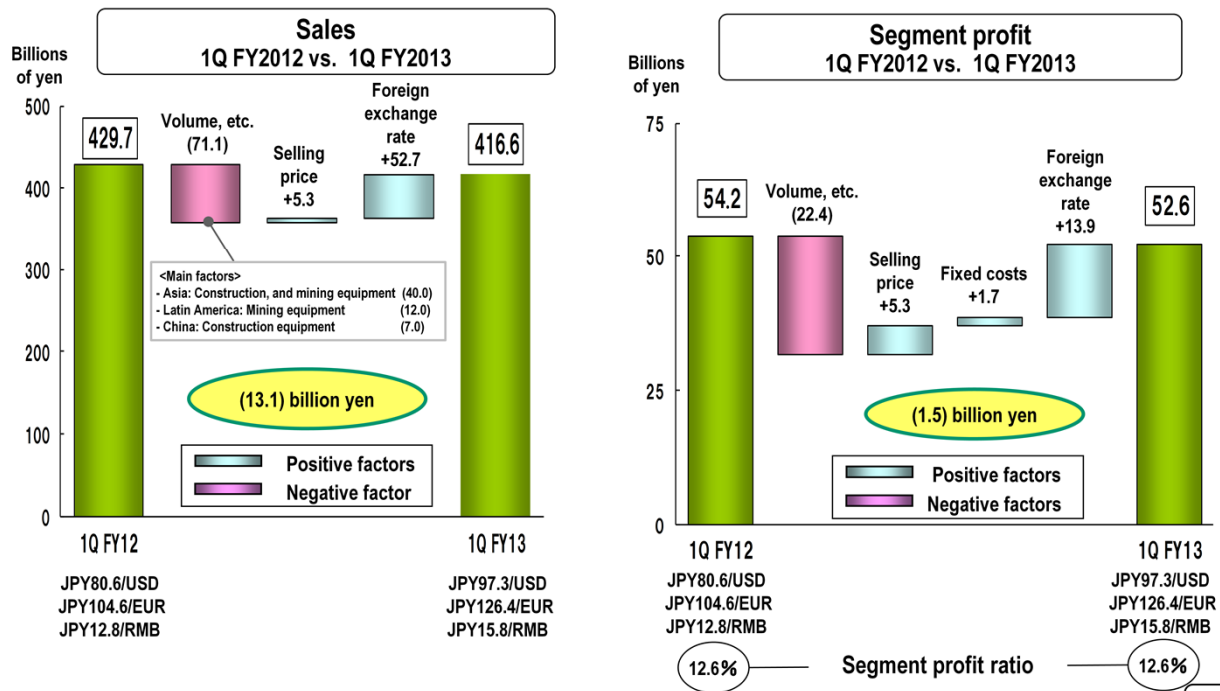
Billions of yen		1Q FY2012	1Q FY2013	Change	
Traditional Markets	Japan	62.5	66.4	3.9	6.3%
	North America	61.9	65.6	3.7	6.0%
	Europe	27.9	30.4	2.5	9.2%
Strategic Markets	Latin America	63.3	59.4	(3.9)	(6.2)%
	CIS	21.9	18.5	(3.3)	(15.4)%
	China	40.7	41.4	0.6	1.7%
	Asia	78.5	47.9	(30.5)	(38.9)%
	Oceania	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)%



- Sales in Japan and Middle East expanded from 1Q FY2012, supported by brisk demand, while sales decreased in areas, such as Asia and Latin America and CIS, due to reduced demand for mining equipment.
- Traditional Markets' share in total sales grew to 39% from 36%, reflecting steady sales recorded in areas, such as Japan, while sales declined in areas, such as Asia.
- Sales of mining equipment worldwide decreased by 16.5% from 1Q FY2012.

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

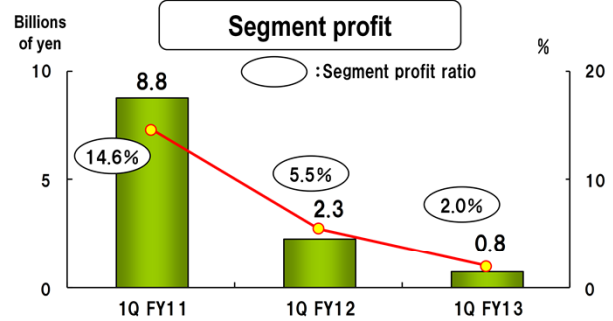
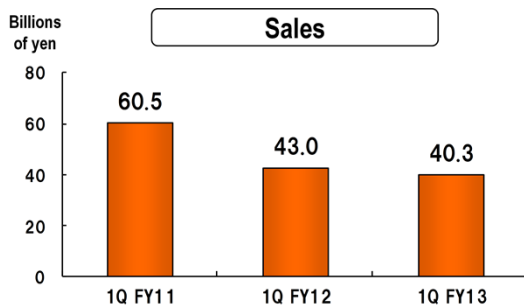
- Declined volume of sales resulting from reduced demand for mining equipment was compensated for mainly by improved selling prices. However, sales declined by JPY13.1 billion from 1Q FY2012. Similarly, segment profit decreased by JPY1.5 billion.
 - Segment profit ratio was 12.6%, remaining flat from 1Q FY2012.



- This page compares the first quarter sales and segment profit of our construction, mining and utility equipment business for FY2013 and FY2012.
- Both foreign exchange rates and selling prices had a positive impact on sales by JPY52.7 billion and JPY5.3 billion, respectively. However, a decrease in the sales volume, resulting from reduced demand for mining equipment, had a big negative impact of JPY71.1 billion, resulting in decline of sales of JPY13.1 billion in total.
- The breakdown of JPY71.1 billion for the volume and others is as follows. The volume of sales declined in Indonesian mines, which was high in 1Q FY2012. In Latin America, the volume decreased due to reduced demand for mining equipment as well as sales being pushed out. Moreover, construction equipment sales volume in China was generally flat year on year, but sales decreased due to sales mix that had a higher portion of small equipment.
- As for segment profit, JPY13.9 billion in foreign exchange rates, JPY5.3 billion in selling prices and JPY1.7 billion in fixed costs resulted positively; however, this was not sufficient enough to offset the negative impact of JPY22.4 billion coming from the decrease in sales volume, resulting in a decline of JPY1.5 billion.
- Looking at the impact that each of the factors had on the segment profit ratio, you can see that external factors, such as positive impact from the foreign exchange rates, and the negative impact from volume decline together pushed down a segment profit ratio of 12.6% for the corresponding period a year ago. However, we were consequently able to keep segment profit at about the same level for 1Q FY2013 by making internal efforts, such as increasing selling prices and cutting down fixed and production costs.

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.

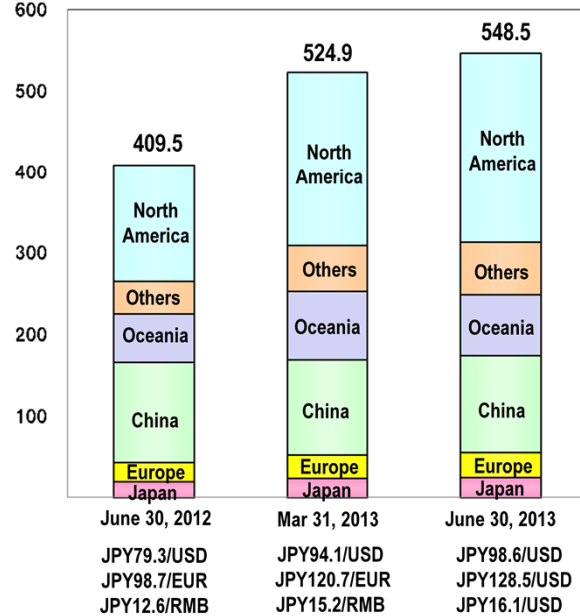
- Sales increased firmly for machine tools, such as transfer machines produced by Komatsu NTC mainly centering on steady sales to the automobile industry. Sales declined for press and sheet-metal machinery, including large presses, made by Komatsu Industries Corp. which in line with our expectation.
- Orders received have been steady with sales expected to trend in line with the plan going forward.
- Segment profit ratio dropped from 5.5% to 2.0%, due to declined sales, as well as decreased sales in the high-margin Chinese market.
- Komatsu Industries Corp. launched a new fiber laser cutting machine in May 2013. We will continue to strive to strengthen the earnings potential of this business by developing innovative products as such.

Retail Finance Business

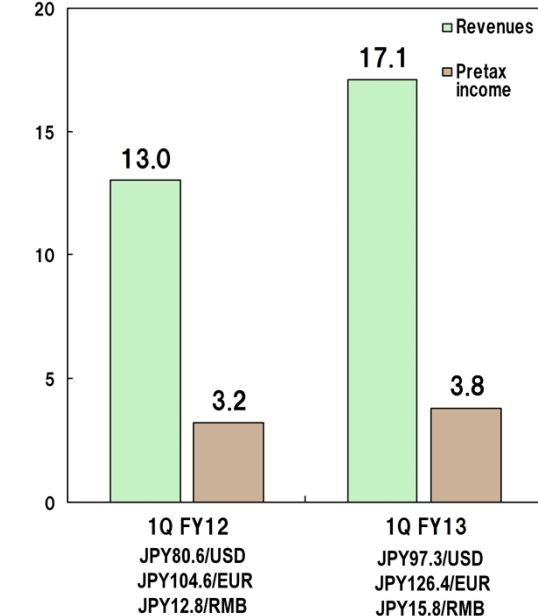
Total assets increased from June 30, 2012, mainly reflecting the Japanese yen's depreciation and an increase of new contracts in North America and Latin America.

Consolidated retail finance subsidiaries

1. Assets



2. Revenues



- In the 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 and Latin America.
- Revenues increased by JPY4.1 billion and pretax income was up by JPY600 million from 1Q FY2012 due to factors, such as the Japanese yen's depreciation. On a real basis, excluding the foreign exchange rate impact, revenues were broadly the same year on year.

Consolidated Balance Sheets

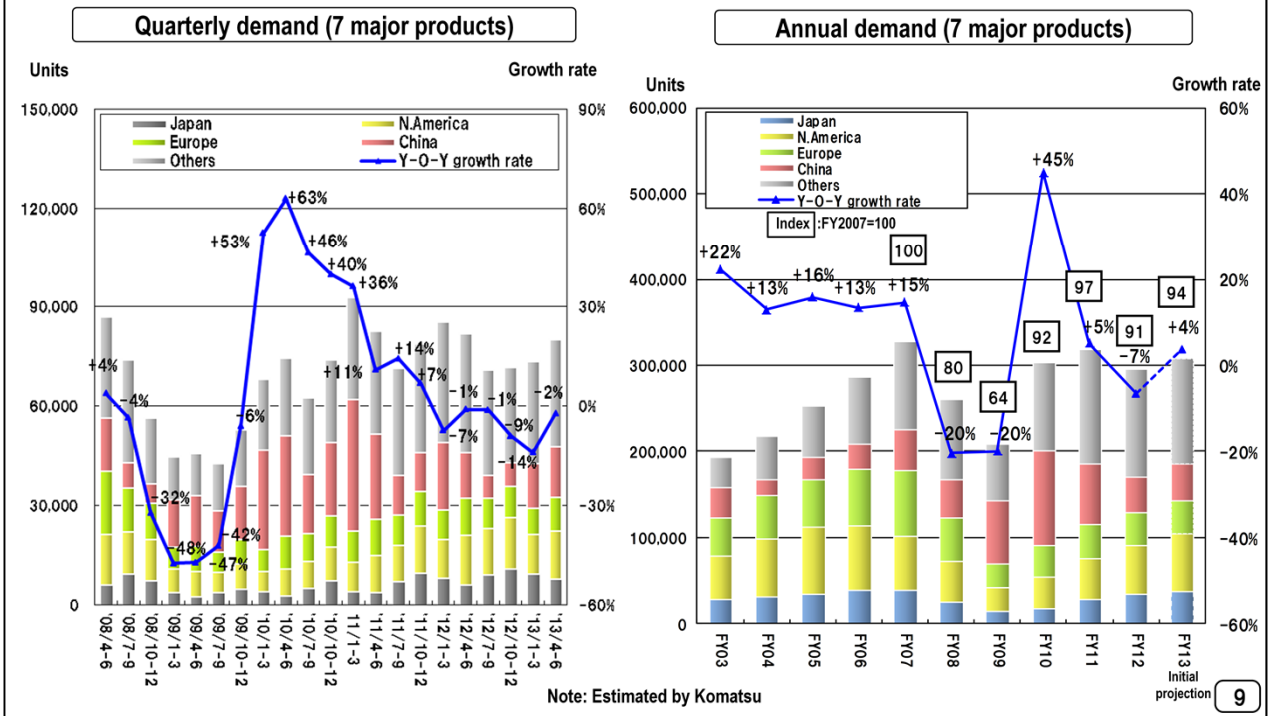
- Total assets increased by JPY42.0 billion from the previous fiscal year-end, mainly due to the Japanese yen's depreciation.
- Komatsu Ltd. shareholders' equity ratio increased by 1.0 point from the previous fiscal year-end, to 48.4% . Net debt-to-equity ratio improved to 0.48 points from the previous 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) <Excl. those of consolidated retail finance subsidiaries>	842.7 <414.3>	821.5 <387.5>	(21.1) <(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] <Excl. those of consolidated retail finance subsidiaries>	679.7 <298.1>	693.5 <298.2>	13.7 <0.0>
Other liabilities	359.1	339.2	(19.8)
Total liabilities	1,265.1	1,261.6	(3.4)
[Shareholders' equity ratio] Komatsu Ltd. shareholders' equity	[47.4%] 1,193.1	[48.4%] 1,239.5	[+1.0pts.] 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	8

- Total assets on the surface increased by JPY42.0 billion from the previous fiscal year-end, mainly due to a sharp depreciation of the Japanese yen as represented by JPY98.6 against USD at June 30, 2013. On a real basis, however, total assets decreased. This is mainly due to a decline in accounts receivable, as progress was made to collect the receivables from expanded sales for 4Q FY2012 especially in Japan, North America, and China.
- Shareholders' equity increased by JPY46.3 billion, and shareholders' equity ratio increased by 1.0 points to 48.4%. Net debt-to-equity ratio improved slightly to 0.48 from the previous fiscal year-end.

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.

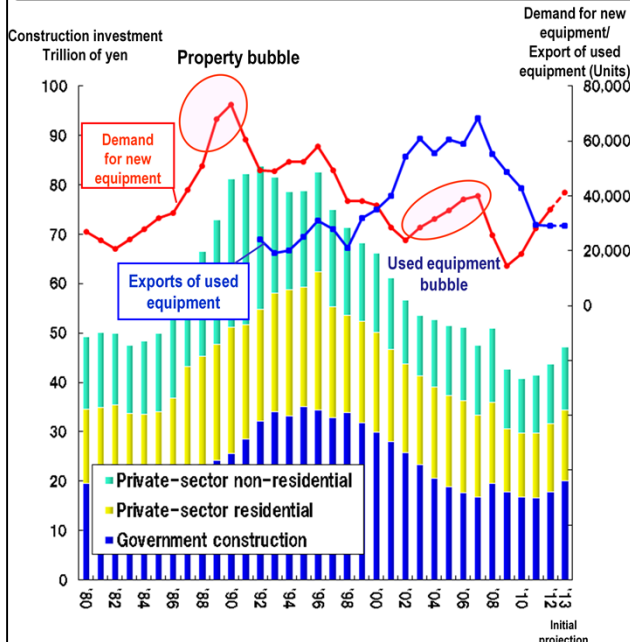


- While demand for 7 major products worldwide increased in Japan and China, that in areas, such as Southeast Asia, centering on Indonesia, and Oceania, dropped off from the high levels recorded in the previous year. As a result, global demand decreased by 2% from 1Q FY2012, which was slightly higher than our expectation.
- Our initial projection of demand for FY2013 was an increase of 4% from FY2012, and we are expecting that this growth should remain for the full year.

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

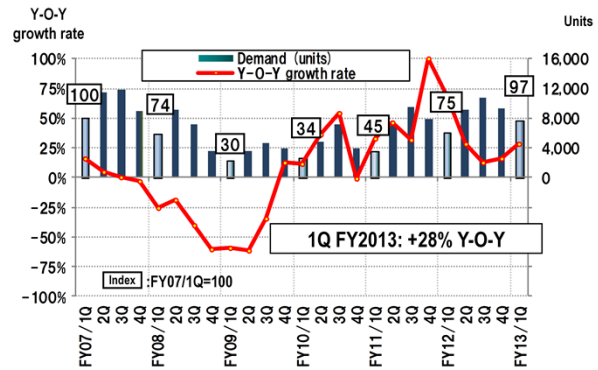
- First-quarter demand continued to grow steadily, especially in reconstruction projects in the regions destroyed by the earthquake and tsunami, registering an increase of 28% from 1Q FY2012.
- We are expanding rental fleet, thereby meeting strong demand for rental equipment.

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

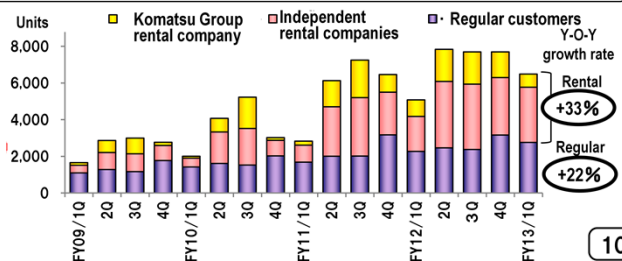


[Sources] Construction investment by the Ministry of Land, Infrastructure, Transport & Tourism, and Research Institute of Construction and Economy
Demand for 7 major products and No. of exported used equipment estimated by Komatsu

Quarterly demand for 7 major products



Quarterly demand for hydraulic excavators (Rental & regular uses)

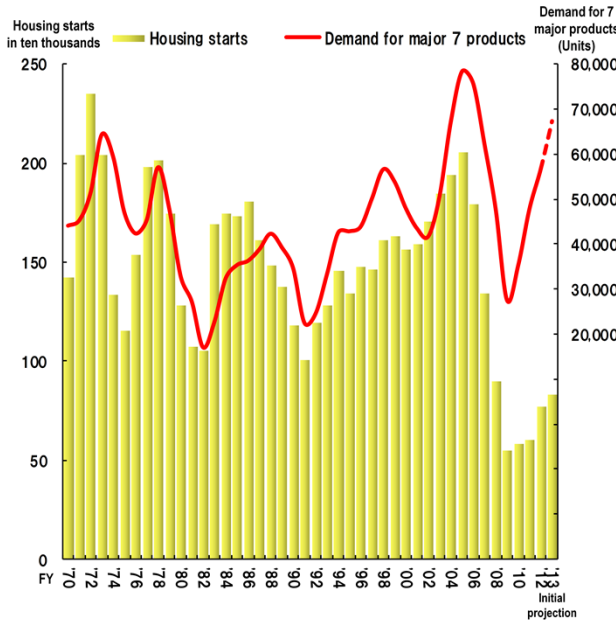


- First-quarter demand continued to grow steadily in both rental companies and general customers, especially in reconstruction projects in the regions destroyed by the earthquake and tsunami, registering an increase of 28% from 1Q FY2012.
- At the beginning of this fiscal year, we projected total demand for FY2013 to increase by 7 to 12% year on year, but this may turn out to be higher.
- Orders received continue to trend at a high level. We expect this trend to remain, due to increasing inquiries for large construction equipment as reconstruction projects launch fully and an increase in customers' motivation to invest toward expectations for growing public works.
- We are expanding rental fleet, thereby meeting strong demand for rental equipment.

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

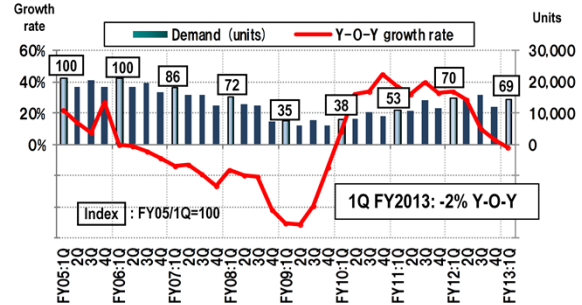
- While first-quarter demand continued to advance in the housing and energy development sectors, overall demand declined by 2% from 1Q FY2012 due to reduced demand in the mining and rental industries.
 -To meet steady demand in residential and non-residential construction, we are continuing to strengthen 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

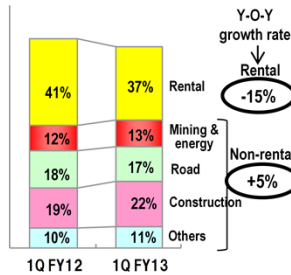


[Source]: Housing starts (calendar year) by U.S. Department of Commerce
 Demand for 7 major products estimated by Komatsu

Quarterly demand for 7 major products



Breakdown of demand by segment (Unit basis)

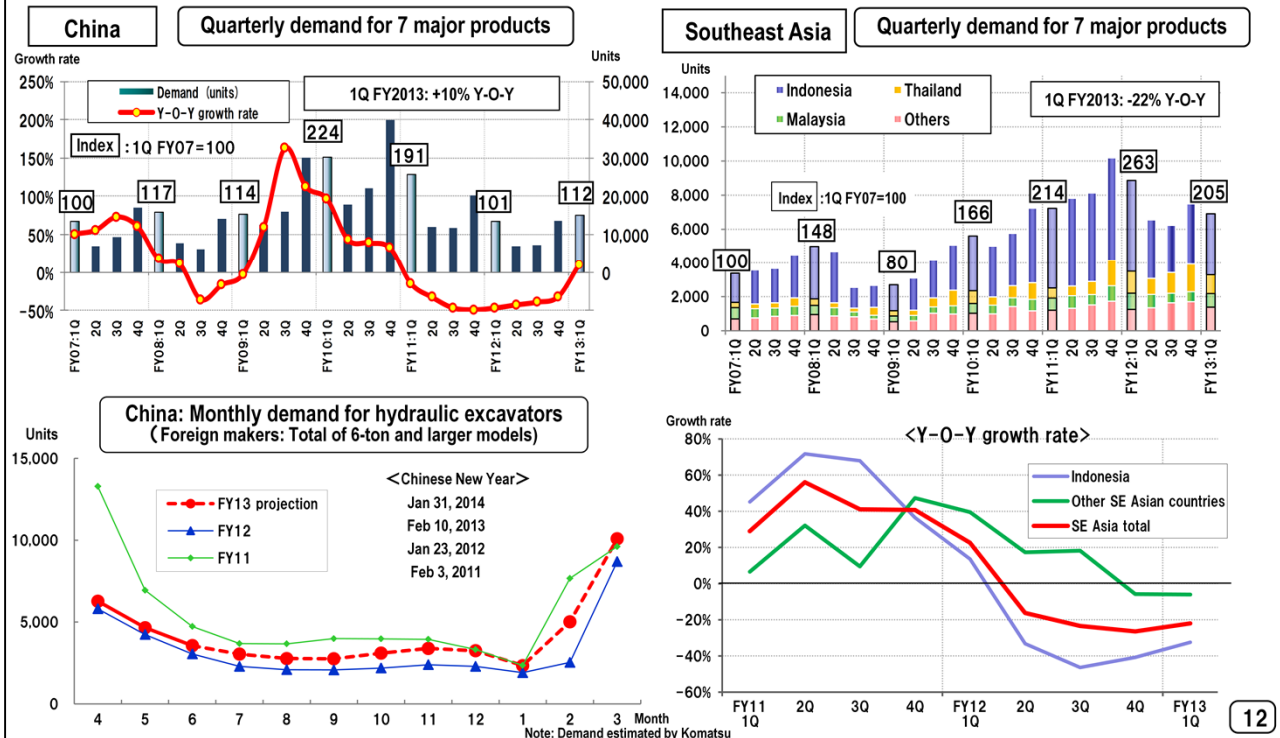


D61PXi medium-sized Machine Control dozer features full automatic blade control.

- First-quarter demand continued to advance in the housing and energy development sectors, but overall demand declined by 2% from 1Q FY2012, due to reduced demand in the mining and rental industries. Demand in the non-rental use segment continued to be firm and increased by 5% year on year.
- Our initial projection at the beginning of the current fiscal year for total demand in FY2013 was an increase of 15 to 20% from FY2012. Housing starts may pick up going forward, however, it is possible that overall demand will fall short of the initial projection.
- In response to brisk demand in the housing and non-housing-related construction sectors, we will accelerate the development of the used equipment business centered around rental fleet expansion at our distributors as initially planned. We also expect to increase sales especially from the smooth market introduction of Machine Control dozers launched in June this year, and through continuation of our sales promotion programs for Tier4-compliant models.

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

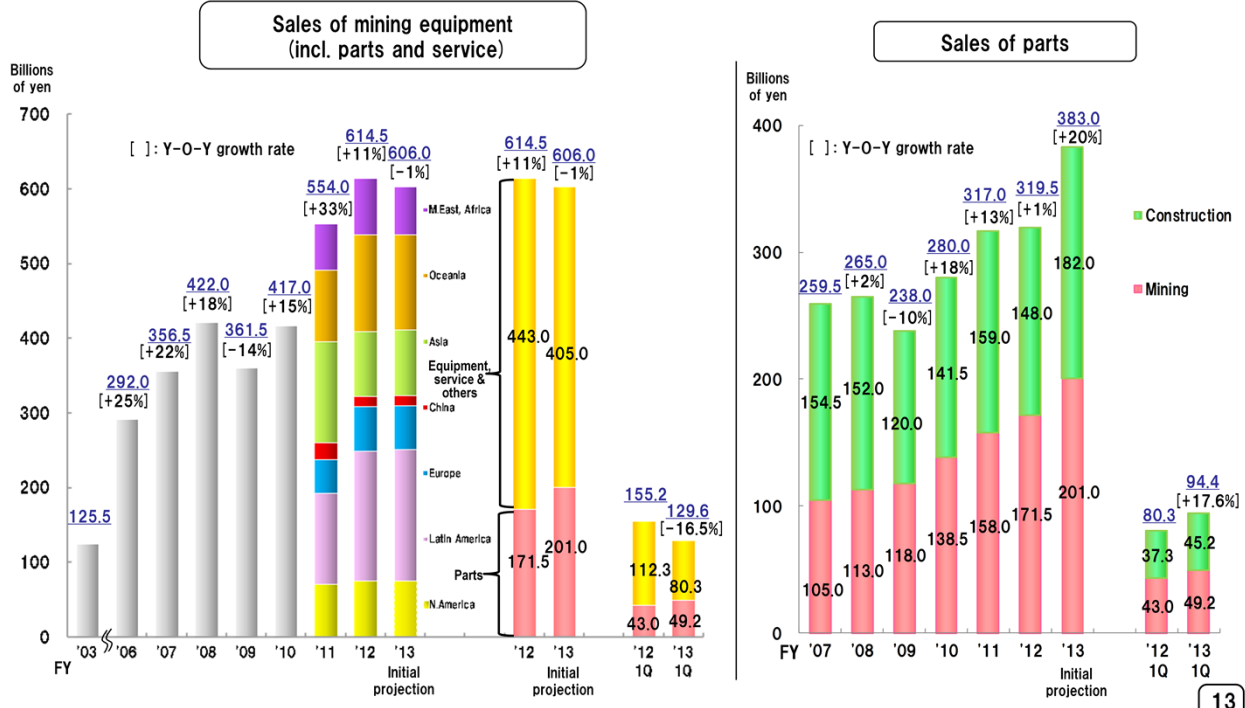
- In China, first-quarter demand improved by 10% from 1Q FY2012, upturning for growth after two years.
 - In Southeast Asia, first-quarter demand dropped by 22% from 1Q FY2012, reflecting a high level of Indonesian demand registered in 1Q FY2012.



- In China, first-quarter demand improved by 10% from 1Q FY2012, upturning for growth after two years.
- Our initial projection at the beginning of the current fiscal year for fiscal 2013 total demand was plus 3 to 8% year to year. Full-year demand may exceed the initial projection, as we can see bottoming-out signs of demand centering on small equipment, although we haven't seen any significant start-up of new projects to date.
- Our sales were flat year on year in April, fell in May but upturned for growth in June. Sales are also growing in July now.
- In Southeast Asia, first-quarter demand dropped by 22% from 1Q FY2012, reflecting a high level of Indonesian demand registered in 1Q FY2012.
- Our initial projection at the beginning of the current fiscal year for FY2013 Southeast Asian demand was down 8 to 13% from FY2012. Although demand in Indonesia seems to be bottoming out, it has not shown strong recovery momentum. However, as demand in other countries is steady, we expect overall demand to come broadly in line with the initial projection

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.



- Mining equipment sales decreased by 16.5% from 1Q FY2012, due to falling commodity prices and less eagerness for capital investment by mining customers in light of their earning outlook. By break down, mining equipment sales and service revenues decreased by 28%, while parts sales increased by 14%.
- Although we had anticipated the sales decrease in Indonesia, as sales were high for 1Q FY2012, results were below our expectation.
- Cancellations have not been happening in any region, but in regions, such as Latin America, customers have been asking for deliveries to be pushed out, resulting in sales to be recorded later than planned.
- Parts sales for construction and mining equipment increased 17.6% from 1Q FY2012.
- We expect parts sales for FY2013 will exceed FY2012 due to an increase of our machine population and the Japanese yen's depreciation, as projected at the beginning of the current fiscal year.
- We are not changing our FY2013 projection announced in April.
- Mining equipment sales might go slightly below our projection, however, we plan to offset this decline with construction equipment sales in Japan and China, stable parts sales, and mining equipment sales expected to be recorded in Latin America where deliveries have been pushed out.
- Our distributors' inventory levels are stable, and we are not expecting any negative impact on net sales as a result of inventory adjustment.
- We continuously improved selling prices in 1Q FY2013, and for the full year, we plan to achieve price increases as projected at the beginning of the current fiscal year.

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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