

KOMATSU LTD  
Form 6-K  
July 29, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549  
FORM 6-K  
Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 under  
the Securities Exchange Act of 1934  
For the month of July, 2010  
COMMISSION FILE NUMBER: 1-7239  
KOMATSU LTD.**

Translation of registrant's name into English  
3-6 Akasaka 2-chome, Minato-ku, Tokyo, Japan

Address of principal executive office

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

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**INFORMATION TO BE INCLUDED IN REPORT**

1. A company announcement made on July 28, 2010.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KOMATSU LTD.  
(Registrant)

Date: July 29, 2010

By: /S/ Kenji Kinoshita  
Kenji Kinoshita  
Director and Senior Executive Officer

**Table of Contents****Komatsu Ltd.**

Corporate Communications Dept.

Tel: +81-(0)3-5561-2616

Date: July 28, 2010

URL: <http://www.komatsu.com/>**Consolidated Business Results for the First Quarter of the Fiscal Year Ending  
March 31, 2011 (U.S. GAAP)****1. Results for the First Quarter of the Fiscal Year Ending March 31, 2011**

(Amounts are rounded to the nearest million yen)

**(1) Consolidated Financial Highlights**

Millions of yen except per share amounts

|                                                                              | First quarter<br>ended June 30,<br>2010 |              | First quarter<br>ended June 30,<br>2009 |      | Changes |           |
|------------------------------------------------------------------------------|-----------------------------------------|--------------|-----------------------------------------|------|---------|-----------|
|                                                                              | [A]                                     |              | [B]                                     |      | [A-B]   | [(A-B)/B] |
| Net sales                                                                    | <b>447,140</b>                          |              | 320,428                                 |      | 126,712 | 39.5%     |
| Operating income                                                             | <b>54,075</b>                           |              | 8,273                                   |      | 45,802  | 553.6%    |
| Income before income taxes and equity in<br>earnings of affiliated companies | <b>50,104</b>                           |              | 8,728                                   |      | 41,376  | 474.1%    |
| Net income attributable to Komatsu Ltd.                                      | <b>30,697</b>                           |              | 4,763                                   |      | 25,934  | 544.5%    |
| Net income attributable to Komatsu Ltd. per<br>share (Yen)                   |                                         |              |                                         |      |         |           |
| Basic                                                                        | ¥                                       | <b>31.72</b> | ¥                                       | 4.92 | ¥       | 26.80     |
| Diluted                                                                      | ¥                                       | <b>31.70</b> | ¥                                       | 4.92 | ¥       | 26.78     |

**(2) Consolidated Financial Position**

Millions of yen except per share amounts

|                                                  | As of June 30,<br>2010 |                  | As of March 31,<br>2010 |           |
|--------------------------------------------------|------------------------|------------------|-------------------------|-----------|
| Total assets                                     |                        | <b>1,903,163</b> |                         | 1,959,055 |
| Total equity                                     |                        | <b>860,767</b>   |                         | 876,799   |
| Komatsu Ltd. shareholders equity                 |                        | <b>818,506</b>   |                         | 833,975   |
| Komatsu Ltd. shareholders equity ratio           |                        | <b>43.0%</b>     |                         | 42.6%     |
| Komatsu Ltd. shareholders equity per share (Yen) | ¥                      | <b>845.79</b>    | ¥                       | 861.51    |

**2. Dividends**

(For the fiscal years ended March 31, 2010 and ending March 31, 2011)

|                                 | 2010  | 2011 Projections |
|---------------------------------|-------|------------------|
| Cash dividends per share (Yen)  |       |                  |
| First quarter period            |       |                  |
| Interim (Second quarter period) | 8.00  | 14.00            |
| Third quarter period            |       |                  |
| Year-end                        | 8.00  | 14.00            |
| Total                           | 16.00 | 28.00            |

Note: Changes in the projected cash dividend  
as of July 28, 2010: None



**Table of Contents****3. Projections for the Fiscal Year Ending March 31, 2011**

(From April 1, 2010 to March 31, 2011)

Millions of yen except per share amounts

|                                                                           | The first half of the year |         | The full fiscal year |         |
|---------------------------------------------------------------------------|----------------------------|---------|----------------------|---------|
|                                                                           |                            | Changes |                      | Changes |
| Net sales                                                                 | 870,000                    | 34.7%   | 1,715,000            | 19.8%   |
| Operating income                                                          | 90,000                     | 354.9%  | 179,000              | 167.0%  |
| Income before income taxes and equity in earnings of affiliated companies | 86,000                     | 366.1%  | 171,000              | 163.2%  |
| Net income attributable to Komatsu Ltd.                                   | 52,000                     | 534.3%  | 105,000              | 212.9%  |
| Net income attributable to Komatsu Ltd. per share (basic) (Yen)           | ¥ 53.72                    |         | ¥ 108.47             |         |

Note: Percentages shown above represent the rates of change compared with the corresponding periods a year ago.

**4. Others**

- (1) Changes in important subsidiaries during the first quarter period under review: None
- (2) Use of simplified accounting procedures and adaptation of specific accounting procedures for the preparation of consolidated quarterly financial statements: None
- (3) Changes in accounting standards, procedures and presentations for the preparation of consolidated quarterly financial statements
  - 1) Changes resulting from revisions in accounting standards, etc.: None
  - 2) Change in other matters except for 1) above: None
- (4) Number of common shares outstanding
  - 1) The numbers of common shares issued (including treasury stock) were as follows:
    - As of June 30, 2010: 998,744,060 shares
    - As of March 31, 2010: 998,744,060 shares
  - 2) The numbers of shares of treasury were as follows:
    - As of June 30, 2010: 30,997,503 shares
    - As of March 31, 2010: 30,704,084 shares
  - 3) The weighted average numbers of common shares outstanding were as follows:
    - First quarter period ended June 30, 2010: 967,834,078 shares
    - First quarter period ended June 30, 2009: 967,910,177 shares

**Appendix**

**Management Performance and Financial Conditions**

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**Table of Contents****Management Performance and Financial Conditions****(1) Outline of Operations and Business Results**

Komatsu Ltd. and its consolidated subsidiaries (hereinafter "Komatsu") embarked on the new three-year management plan, "Global Teamwork for Tomorrow" in April this year. Under this new mid-range management plan, Komatsu began concerting efforts on activities of importance, including 1) promotion of ICT applications to products and parts, 2) development of products for improved environmental friendliness and safety, 3) expansion of sales and service operations in Strategic Markets which include China, Asia, Oceania, Latin America and Africa, and 4) promotion of continuous Kaizen (improvement) by strengthening workplace capability.

During the first quarter period (three months from April 1 to June 30, 2010) of the fiscal year ending March 31, 2011, the first year of the ongoing mid-range management plan, demand for construction and mining equipment increased in all regions of the world from the corresponding period a year ago. Demand for industrial machinery also began to show signs of recovery. Against this backdrop, consolidated net sales totaled JPY447.1 billion (USD5,081 million, at USD1=JPY88), up 39.5% from the previous first quarter. While the Japanese currency appreciated sharply against the U.S. dollar and euro from the previous first quarter, Komatsu made sizable gains in first-quarter profits by enhancing productivity in addition to expanding sales. Specifically, operating income reached JPY54.0 billion (USD614 million), up 553.6%, and operating income ratio advanced to 12.1%, an improvement of 9.5 percentage points. Income before income taxes and equity in earnings of affiliated companies increased by 474.1% to JPY50.1 billion (USD569 million). Net income attributable to Komatsu Ltd. totaled JPY30.6 billion (USD349 million), up 544.5%.

Millions of yen

|                                                                           | <b>First quarter<br/>ended June 30,<br/>2010</b> | First quarter<br>ended June 30,<br>2009 |                      |
|---------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------|----------------------|
|                                                                           | <b>1USD=JPY91</b>                                | 1USD=JPY97                              |                      |
|                                                                           | <b>1EUR=JPY115</b>                               | 1EUR=JPY133                             |                      |
|                                                                           | <b>1RMB=JPY13.4</b>                              | 1RMB=JPY14.2                            |                      |
|                                                                           | [A]                                              | [B]                                     | Changes<br>[(A-B)/B] |
| Net sales                                                                 | <b>447,140</b>                                   | 320,428                                 | 39.5%                |
| Operating income                                                          | <b>54,075</b>                                    | 8,273                                   | 553.6%               |
| Income before income taxes and equity in earnings of affiliated companies | <b>50,104</b>                                    | 8,728                                   | 474.1%               |
| Net income attributable to Komatsu Ltd.                                   | <b>30,697</b>                                    | 4,763                                   | 544.5%               |

Business results by operation are described below.

**Construction, Mining and Utility Equipment**

While Komatsu continued to work to expand production capacity and product support capability in Strategic Markets by anticipating their market growth, demand expanded especially in China, Asia and Latin America in the first quarter under review. In the Traditional Markets of Japan, North America and Europe, demand bottomed out, and thus showed improvement from the corresponding period a year ago. Against the backdrop of demand recovery worldwide, consolidated net sales of construction, mining and utility equipment advanced by 42.3% from the previous first quarter, to JPY405.2 billion (USD4,605 million).

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[Sales of Construction, Mining and Utility Equipment by Region]

Millions of yen

|                      | <b>First quarter<br/>ended<br/>June 30, 2010<br/>[A]</b> | <b>First quarter<br/>ended<br/>June 30, 2009<br/>[B]</b> | <b>Changes</b> |                |
|----------------------|----------------------------------------------------------|----------------------------------------------------------|----------------|----------------|
|                      |                                                          |                                                          | <b>[A-B]</b>   | <b>(A-B)/B</b> |
| Japan                | <b>54,419</b>                                            | 51,727                                                   | 2,692          | 5.2%           |
| Americas             | <b>98,249</b>                                            | 72,816                                                   | 25,433         | 34.9%          |
| Europe & CIS         | <b>39,603</b>                                            | 32,096                                                   | 7,507          | 23.4%          |
| China                | <b>98,493</b>                                            | 55,497                                                   | 42,996         | 77.5%          |
| Asia* & Oceania      | <b>92,972</b>                                            | 54,397                                                   | 38,575         | 70.9%          |
| Middle East & Africa | <b>21,470</b>                                            | 18,162                                                   | 3,308          | 18.2%          |
| <b>Total</b>         | <b>405,206</b>                                           | 284,695                                                  | 120,511        | 42.3%          |

\* Excluding Japan  
and China

**Japan**

Demand for construction equipment bottomed out in Japan, and was supported by the recovery of private-sector capital investment in addition to the public-sector works remaining from the previous fiscal supplementary budget. Komatsu especially strengthened sales efforts in the quarry industry. First-quarter sales increased from the corresponding period a year ago.

In May this year, Komatsu Castex Ltd., a wholly owned subsidiary headquartered in Himi City, Toyama Prefecture in Japan, completed the construction of a new plant and expanded its production capacity for iron castings, a material for engine and other parts. This move is part of Komatsu's efforts to expand its production capacity by anticipating growth in global demand for construction and mining equipment.

**Americas**

In North America, while the economies fell short of recovery, particularly as the U.S. housing starts remained sluggish, the operating rate of construction equipment began to increase gradually. Demand stopped falling after three and half years, and upturned for growth from the corresponding period a year ago. In Latin America, demand continued to expand in mining, civil engineering, agriculture and other sectors in Brazil, the largest market of this region. In Chile, demand for mining equipment remained strong. While demand recovered, Komatsu worked to increase selling prices in the Americas and strengthened sales and product support operations, particularly for mines in Latin America. As a result, first-quarter sales in the Americas improved from the corresponding period a year ago.

**Europe & CIS**

In Europe where the drastic decline in demand had continued, demand stopped falling, mainly in Germany, England and France, in the first quarter under review. Against this backdrop, Komatsu worked to strengthen its product support capability and expand sales of parts by teaming up with its distributors. As a result, first-quarter sales increased from the corresponding period a year ago. In CIS, demand for mining equipment began to recover, and first-quarter sales improved from the previous first quarter.

In Russia, Komatsu completed the construction of a plant of Komatsu Manufacturing Rus, LLC in June this year to produce hydraulic excavators and other equipment. Komatsu is anticipating mid to long-range growth in demand for construction and mining equipment in Russia, as the developments of natural resources and infrastructure will advance into the future. By promoting local production, Komatsu is better positioned to not only capture this growth of demand, but also cut down logistical costs and inventories and further strengthen product support operations.



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**China**

Demand expanded sharply, as urbanization advanced and large-scale infrastructure development projects, such as railways and highways, continued under the leadership of the Chinese government. First-quarter sales increased from the corresponding period a year ago.

By anticipating further market expansion, Komatsu worked to reinforce production, sales and service operations. Specific measures included the plant transfer of Komatsu (Changzhou) Construction Machinery Corp., start-up preparations for Komatsu (Shandong) Cast Steel Co., Ltd, a manufacturing subsidiary for steel castings, and the KC Techno Center, and training of distributors' service engineers in the special program, which Komatsu has sponsored since 2004, at the Shandong Jiaotong University.

**Asia & Oceania**

In Indonesia, the largest market of Southeast Asia, demand expanded substantially in civil engineering, agriculture and forestry sectors, in addition to mining. Demand also advanced in India, Thailand and Malaysia. In Australia, demand was strong in the mining sector. Against this backdrop, first-quarter sales in Asia & Oceania increased from the corresponding period a year ago, driven by doubled sales in Asia. In the first quarter under review, Komatsu also worked to reinforce operations, including the reorganization of distributors in Thailand and Australia. Furthermore, Komatsu continued to emphasize training of service engineers, who are capable of working around the world, at the Komatsu H.R.D. Center (Philippines) which was opened in 2008.

**Middle East & Africa**

The number of inquiries began to increase centering on mining equipment, as the trend of economic deterioration was reversed and commodities prices stabilized. Against this backdrop, while sales in Africa declined slightly from the corresponding period a year ago, sales expanded in the Middle East where sales had previously plummeted. As a result, first-quarter sales in the Middle East & Africa increased from the previous first quarter. Komatsu is expecting market expansion into the future to be accompanied by the development of new mines and the recovery of infrastructure development. Komatsu continued to strengthen its product support capability by establishing a training center jointly with a distributor in Kenya, following the training center opened in Senegal in the previous fiscal year.

**Industrial Machinery and Others**

Capital investment by the automobile manufacturing industry began to recover, centering on our Strategic Markets, such as China, India and Brazil. The number of orders received for large presses, small and medium-sized sheet metal and forging machines as well as machine tools upturned for growth. In addition, as the solar cell market continued to burgeon, sales of wire saws for use in slicing silicon ingots expanded, especially in China. As a result, first-quarter sales increased by 17.4% from the corresponding period a year ago, to JPY41.9 billion (USD477 million).

**Table of Contents****(2) Financial Conditions**

As of June 30, 2010, total assets had decreased by JPY55.8 billion from the previous fiscal year-end, to JPY1,903.1 billion (USD21,627 million), largely due to the Japanese yen's appreciation against other major currencies. Interest-bearing debt decreased by JPY30.8 billion from the previous fiscal year-end, to JPY555.5 billion (USD6,313 million). Komatsu Ltd. shareholders' equity decreased by JPY15.4 billion from the previous fiscal year-end, to JPY818.5 billion (USD9,301 million). As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.4 percentage points from the previous fiscal year-end, to 43.0%. Net debt-to-equity ratio\* was 0.57 compared to 0.60 as of the previous fiscal year-end.

\* *Net  
debt-to-equity  
ratio =  
(Interest-bearing  
debt - Cash and  
cash equivalents  
- Time deposits) /  
Komatsu Ltd.  
shareholders  
equity*

For the first quarter period under review, net cash provided by operating activities increased by JPY54.3 billion from the corresponding period a year ago, to JPY55.2 billion (USD628 million), mainly due to an increase in net income. Net cash used in investing activities declined by JPY3 billion from the corresponding period a year ago, to JPY17.2 billion (USD196 million). Net cash used in financing activities totaled JPY30.8 billion (USD350 million), an increase of JPY45.4 billion, mainly due to repayments on short-term debt. As a result, cash and cash equivalents, as of June 30, 2010, totaled JPY84.3 billion (USD958 million), an increase of JPY1.9 billion from the previous fiscal year-end.

**(3) Projections for the Fiscal Year Ending March 31, 2011**

(From April 1, 2010 to March 31, 2011)

On July 13, the Company revised its projections of business results for the fiscal year ending March 31, 2011, which are shown on page 2 of this release.

**Cautionary Statement**

The announcement set forth herein contains forward-looking statements which reflect management's current views 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 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. 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 cost 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; and, the impact of regulatory changes and accounting principles and practices.

**Table of Contents****Financial Statements****(1) Condensed Consolidated Balance Sheets****Assets**

|                                                     | Millions of yen     |              |                      |           |
|-----------------------------------------------------|---------------------|--------------|----------------------|-----------|
|                                                     | As of June 30, 2010 |              | As of March 31, 2010 |           |
|                                                     |                     | Ratio (%)    |                      | Ratio (%) |
| <b>Current assets</b>                               |                     |              |                      |           |
| Cash and cash equivalents                           | ¥ 84,329            |              | ¥ 82,429             |           |
| Time deposits                                       | 2,087               |              | 1,132                |           |
| Trade notes and accounts receivable                 | 426,152             |              | 447,693              |           |
| Inventories                                         | 378,691             |              | 396,416              |           |
| Deferred income taxes and other current assets      | 122,549             |              | 112,451              |           |
| <b>Total current assets</b>                         | <b>1,013,808</b>    | <b>53.3</b>  | 1,040,121            | 53.1      |
| <b>Long-term trade receivables</b>                  | <b>157,560</b>      | <b>8.3</b>   | 150,972              | 7.7       |
| <b>Investments</b>                                  |                     |              |                      |           |
| Investments in and advances to affiliated companies | 23,263              |              | 24,002               |           |
| Investment securities                               | 54,482              |              | 60,467               |           |
| Other                                               | 2,121               |              | 2,399                |           |
| <b>Total investments</b>                            | <b>79,866</b>       | <b>4.2</b>   | 86,868               | 4.4       |
| <b>Property, plant and equipment</b>                |                     |              |                      |           |
| - Less accumulated depreciation                     | 504,058             | 26.5         | 525,100              | 26.8      |
| <b>Goodwill</b>                                     | <b>28,697</b>       | <b>1.5</b>   | 29,570               | 1.5       |
| <b>Other intangible assets</b>                      | <b>59,851</b>       | <b>3.1</b>   | 61,729               | 3.2       |
| <b>Deferred income taxes and other assets</b>       | <b>59,323</b>       | <b>3.1</b>   | 64,695               | 3.3       |
| <b>Total</b>                                        | <b>¥ 1,903,163</b>  | <b>100.0</b> | ¥ 1,959,055          | 100.0     |

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|                                                     | Millions of yen     |              |                      |           |
|-----------------------------------------------------|---------------------|--------------|----------------------|-----------|
|                                                     | As of June 30, 2010 |              | As of March 31, 2010 |           |
|                                                     |                     | Ratio (%)    |                      | Ratio (%) |
| <b>Current liabilities</b>                          |                     |              |                      |           |
| Short-term debt                                     | ¥ 97,478            |              | ¥ 123,438            |           |
| Current maturities of long-term debt                | 111,160             |              | 105,956              |           |
| Trade notes, bills and accounts payable             | 229,918             |              | 207,024              |           |
| Income taxes payable                                | 12,881              |              | 22,004               |           |
| Deferred income taxes and other current liabilities | 166,062             |              | 183,324              |           |
| <b>Total current liabilities</b>                    | <b>617,499</b>      | <b>32.5</b>  | 641,746              | 32.7      |
| <b>Long-term liabilities</b>                        |                     |              |                      |           |
| Long-term debt                                      | 346,873             |              | 356,985              |           |
| Liability for pension and retirement benefits       | 42,260              |              | 46,354               |           |
| Deferred income taxes and other liabilities         | 35,764              |              | 37,171               |           |
| <b>Total long-term liabilities</b>                  | <b>424,897</b>      | <b>22.3</b>  | 440,510              | 22.5      |
| <b>Total liabilities</b>                            | <b>1,042,396</b>    | <b>54.8</b>  | 1,082,256            | 55.2      |
| <b>Komatsu Ltd. shareholders equity</b>             |                     |              |                      |           |
| Common stock                                        | 67,870              |              | 67,870               |           |
| Capital surplus                                     | 140,421             |              | 140,421              |           |
| Retained earnings:                                  |                     |              |                      |           |
| Appropriated for legal reserve                      | 32,726              |              | 31,983               |           |
| Unappropriated                                      | 746,295             |              | 724,090              |           |
| Accumulated other comprehensive income (loss)       | (133,506)           |              | (95,634)             |           |
| Treasury stock                                      | (35,300)            |              | (34,755)             |           |
| <b>Total Komatsu Ltd. shareholders equity</b>       | <b>818,506</b>      | <b>43.0</b>  | 833,975              | 42.6      |
| <b>Noncontrolling interests</b>                     | <b>42,261</b>       | <b>2.2</b>   | 42,824               | 2.2       |
| <b>Total equity</b>                                 | <b>860,767</b>      | <b>45.2</b>  | 876,799              | 44.8      |
| <b>Total</b>                                        | <b>¥ 1,903,163</b>  | <b>100.0</b> | ¥ 1,959,055          | 100.0     |

**Table of Contents****(2) Condensed Consolidated Statements of Income**

Millions of yen except per share amounts

|                                                                                  | <b>First quarter ended<br/>June 30, 2010</b> |                      | <b>First quarter ended<br/>June 30, 2009</b> |                      |
|----------------------------------------------------------------------------------|----------------------------------------------|----------------------|----------------------------------------------|----------------------|
|                                                                                  |                                              | <b>Ratio<br/>(%)</b> |                                              | <b>Ratio<br/>(%)</b> |
| Net sales                                                                        | ¥ 447,140                                    | 100.0                | ¥ 320,428                                    | 100.0                |
| Cost of sales                                                                    | 329,856                                      | 73.8                 | 252,473                                      | 78.8                 |
| Selling, general and administrative expenses                                     | 62,947                                       | 14.1                 | 59,486                                       | 18.6                 |
| Other operating income (expenses), net                                           | (262)                                        | (0.1)                | (196)                                        | (0.1)                |
| <b>Operating income</b>                                                          | <b>54,075</b>                                | <b>12.1</b>          | 8,273                                        | 2.6                  |
| <b>Other income (expenses), net</b>                                              | <b>(3,971)</b>                               |                      | 455                                          |                      |
| Interest and dividend income                                                     | 1,021                                        | 0.2                  | 1,859                                        | 0.6                  |
| Interest expense                                                                 | (1,669)                                      | (0.4)                | (2,731)                                      | (0.9)                |
| Other, net                                                                       | (3,323)                                      | (0.7)                | 1,327                                        | 0.4                  |
| <b>Income before income taxes and equity in earnings of affiliated companies</b> | <b>50,104</b>                                | <b>11.2</b>          | 8,728                                        | 2.7                  |
| <b>Income taxes</b>                                                              | <b>17,466</b>                                | <b>3.9</b>           | 2,181                                        | 0.7                  |
| <b>Income before equity in earnings of affiliated companies</b>                  | <b>32,638</b>                                | <b>7.3</b>           | 6,547                                        | 2.0                  |
| <b>Equity in earnings of affiliated companies</b>                                | <b>641</b>                                   | <b>0.1</b>           | (101)                                        | (0.0)                |
| <b>Net income</b>                                                                | <b>33,279</b>                                | <b>7.4</b>           | 6,446                                        | 2.0                  |
| <b>Less net income attributable to noncontrolling interests</b>                  | <b>(2,582)</b>                               | <b>(0.6)</b>         | (1,683)                                      | (0.5)                |
| <b>Net income attributable to Komatsu Ltd.</b>                                   | <b>¥ 30,697</b>                              | <b>6.9</b>           | ¥ 4,763                                      | 1.5                  |
| <b>Net income attributable to Komatsu Ltd. per share (Yen)</b>                   |                                              |                      |                                              |                      |
| Basic                                                                            | 31.72                                        |                      | 4.92                                         |                      |
| Diluted                                                                          | 31.70                                        |                      | 4.92                                         |                      |



**Table of Contents****(3) Consolidated Statements of Equity****First quarter ended June 30, 2010**

Millions of yen

|                                                                                       | Common<br>stock | Capital<br>surplus | Retained earnings<br>Appropriated<br>for legal<br>reserve | Accumulated<br>other<br>comprehensive<br>income<br>Unappropriated | Treasury<br>shareholder<br>stock | Total<br>Komatsu<br>Ltd.<br>equity | Noncontrolling<br>interests | Total<br>equity |           |
|---------------------------------------------------------------------------------------|-----------------|--------------------|-----------------------------------------------------------|-------------------------------------------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------|-----------|
| Balance at<br>March 31, 2010                                                          | ¥ 67,870        | ¥ 140,421          | ¥ 31,983                                                  | ¥ 724,090                                                         | ¥ (95,634)                       | ¥ (34,755)                         | ¥ 833,975                   | ¥ 42,824        | ¥ 876,799 |
| Cash dividends                                                                        |                 |                    |                                                           | (7,749)                                                           |                                  | (7,749)                            | (102)                       | (7,851)         |           |
| Transfer to<br>retained<br>earnings<br>appropriated<br>for legal<br>reserve           |                 |                    | 743                                                       | (743)                                                             |                                  |                                    |                             |                 |           |
| Other changes<br>Comprehensive<br>income (loss)                                       |                 |                    |                                                           |                                                                   |                                  |                                    |                             |                 |           |
| Net income                                                                            |                 |                    |                                                           | 30,697                                                            |                                  | 30,697                             | 2,582                       | 33,279          |           |
| Other<br>comprehensive<br>income (loss),<br>for the period,<br>net of tax             |                 |                    |                                                           |                                                                   |                                  |                                    |                             |                 |           |
| Foreign<br>currency<br>translation<br>adjustments                                     |                 |                    |                                                           |                                                                   | (35,245)                         | (35,245)                           | (2,983)                     | (38,228)        |           |
| Net unrealized<br>holding gains<br>(losses) on<br>securities<br>available for<br>sale |                 |                    |                                                           |                                                                   | (3,350)                          | (3,350)                            |                             | (3,350)         |           |
| Pension<br>liability<br>adjustments                                                   |                 |                    |                                                           |                                                                   | (215)                            | (215)                              |                             | (215)           |           |
| Net unrealized<br>holding gains<br>(losses) on<br>derivative<br>instruments           |                 |                    |                                                           |                                                                   | 938                              | 938                                | (60)                        | 878             |           |
|                                                                                       |                 |                    |                                                           |                                                                   |                                  | (7,175)                            | (461)                       | (7,636)         |           |

|                             |         |          |         |          |            |           |          |         |          |
|-----------------------------|---------|----------|---------|----------|------------|-----------|----------|---------|----------|
| Comprehensive income (loss) |         |          |         |          |            |           |          |         |          |
| Purchase of treasury stock  |         |          |         |          |            | (545)     | (545)    |         | (545)    |
| Sales of treasury stock     |         |          |         |          |            |           |          |         |          |
| Balance at June 30, 2010    | ¥67,870 | ¥140,421 | ¥32,726 | ¥746,295 | ¥(133,506) | ¥(35,300) | ¥818,506 | ¥42,261 | ¥860,767 |

First quarter ended June 30, 2009

Millions of yen

|                                                                        | Common stock | Capital surplus | Retained earnings<br>Appropriated for legal reserve | Unappropriated | Accumulated other comprehensive income (loss) | Treasury stock | Total Komatsu Ltd. equity | Noncontrolling interests | Total equity |
|------------------------------------------------------------------------|--------------|-----------------|-----------------------------------------------------|----------------|-----------------------------------------------|----------------|---------------------------|--------------------------|--------------|
| Balance at March 31, 2009                                              | ¥67,870      | ¥140,092        | ¥28,472                                             | ¥719,222       | ¥(105,744)                                    | ¥(34,971)      | ¥814,941                  | ¥33,393                  | ¥848,334     |
| Cash dividends                                                         |              |                 |                                                     | (17,431)       |                                               |                | (17,431)                  | (300)                    | (17,731)     |
| Transfer to retained earnings appropriated for legal reserve           |              |                 | 2,309                                               | (2,309)        |                                               |                |                           |                          |              |
| Other changes Comprehensive income (loss)                              |              |                 |                                                     |                |                                               |                |                           | 1,753                    | 1,753        |
| Net income                                                             |              |                 |                                                     | 4,763          |                                               |                | 4,763                     | 1,683                    | 6,446        |
| Other comprehensive income (loss), for the period, net of tax          |              |                 |                                                     |                |                                               |                |                           |                          |              |
| Foreign currency translation adjustments                               |              |                 |                                                     |                | 7,131                                         |                | 7,131                     | 1,590                    | 8,721        |
| Net unrealized holding gains (losses) on securities available for sale |              |                 |                                                     |                | 3,477                                         |                | 3,477                     |                          | 3,477        |
| Pension liability                                                      |              |                 |                                                     |                | 1,323                                         |                | 1,323                     |                          | 1,323        |

|                                                                 |          |           |          |           |            |            |           |          |           |  |
|-----------------------------------------------------------------|----------|-----------|----------|-----------|------------|------------|-----------|----------|-----------|--|
| adjustments                                                     |          |           |          |           |            |            |           |          |           |  |
| Net unrealized holding gains (losses) on derivative instruments |          |           |          | 28        |            | 28         | 254       | 282      |           |  |
| Comprehensive income (loss)                                     |          |           |          |           |            | 16,722     | 3,527     | 20,249   |           |  |
| Purchase of treasury stock                                      |          |           |          |           | (7)        | (7)        |           | (7)      |           |  |
| Sales of treasury stock                                         | (98)     |           |          | 206       |            | 108        |           | 108      |           |  |
| Balance at                                                      |          |           |          |           |            |            |           |          |           |  |
| June 30, 2009                                                   | ¥ 67,870 | ¥ 139,994 | ¥ 30,781 | ¥ 704,245 | ¥ (93,785) | ¥ (34,772) | ¥ 814,333 | ¥ 38,373 | ¥ 852,706 |  |

**Table of Contents****(4) Consolidated Statements of Cash Flows**

|                                                                                             | Millions of yen                                          |                                         |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|
|                                                                                             | <b>First<br/>quarter<br/>ended June<br/>30,<br/>2010</b> | First quarter<br>ended June 30,<br>2009 |
| <b>Operating activities</b>                                                                 |                                                          |                                         |
| Net income                                                                                  | ¥ 33,279                                                 | ¥ 6,446                                 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |                                                          |                                         |
| Depreciation and amortization                                                               | 21,433                                                   | 22,003                                  |
| Deferred income taxes                                                                       | 8,308                                                    | (5,535)                                 |
| Net loss (gain) from sale of investment securities and subsidiaries                         | 33                                                       | 65                                      |
| Net loss (gain) on sale of property                                                         | (585)                                                    | (95)                                    |
| Loss on disposal of fixed assets                                                            | 457                                                      | 396                                     |
| Pension and retirement benefits, net                                                        | (3,074)                                                  | (1,290)                                 |
| Changes in assets and liabilities:                                                          |                                                          |                                         |
| Decrease (increase) in trade receivables                                                    | (15,202)                                                 | 7,327                                   |
| Decrease (increase) in inventories                                                          | (4,336)                                                  | 32,124                                  |
| Increase (decrease) in trade payables                                                       | 32,280                                                   | (46,896)                                |
| Increase (decrease) in income taxes payable                                                 | (8,086)                                                  | (2,373)                                 |
| Other, net                                                                                  | (9,261)                                                  | (11,265)                                |
| Net cash provided by (used in) operating activities                                         | 55,246                                                   | 907                                     |
| <b>Investing activities</b>                                                                 |                                                          |                                         |
| Capital expenditures                                                                        | (18,829)                                                 | (24,927)                                |
| Proceeds from sale of property                                                              | 2,043                                                    | 5,342                                   |
| Proceeds from sale of available for sale investment securities                              | 2                                                        | 73                                      |
| Purchases of available for sale investment securities                                       | (536)                                                    | (1,500)                                 |
| Acquisition of subsidiaries and equity investees, net of cash acquired                      | 762                                                      | 1,153                                   |
| Collection of loan receivables                                                              | 305                                                      | 353                                     |
| Disbursement of loan receivables                                                            | (27)                                                     | (677)                                   |
| Decrease (increase) in time deposits                                                        | (935)                                                    | (88)                                    |
| Net cash provided by (used in) investing activities                                         | (17,215)                                                 | (20,271)                                |
| <b>Financing activities</b>                                                                 |                                                          |                                         |
| Proceeds from long-term debt                                                                | 17,893                                                   | 55,954                                  |
| Repayments on long-term debt                                                                | (5,367)                                                  | (7,207)                                 |
| Increase (decrease) in short-term debt, net                                                 | (25,478)                                                 | (6,217)                                 |
| Repayments of capital lease obligations                                                     | (9,977)                                                  | (9,430)                                 |
| Sale (purchase) of treasury stock, net                                                      | (6)                                                      | 101                                     |
| Dividends paid                                                                              | (7,749)                                                  | (17,431)                                |
| Other, net                                                                                  | (133)                                                    | (1,117)                                 |

|                                                                    |                 |                 |
|--------------------------------------------------------------------|-----------------|-----------------|
| Net cash provided by (used in) financing activities                | <b>(30,817)</b> | 14,653          |
| <b>Effect of exchange rate change on cash and cash equivalents</b> | <b>(5,314)</b>  | 310             |
| <b>Net increase (decrease) in cash and cash equivalents</b>        | <b>1,900</b>    | (4,401)         |
| <b>Cash and cash equivalents, beginning of year</b>                | <b>82,429</b>   | 90,563          |
| <b>Cash and cash equivalents, end of period</b>                    | <b>¥ 84,329</b> | <b>¥ 86,162</b> |

**Table of Contents****(5) Note to the Going Concern Assumption**

None

**(6) Business Segment Information****1) Operating Segments****(For the first quarter ended June 30, 2010)**

Millions of yen

|                | Construction,<br>Mining and<br>Utility<br>Equipment | Industrial<br>Machinery<br>and<br>Others | Subtotal | Corporate<br>&<br>elimination | Total   |
|----------------|-----------------------------------------------------|------------------------------------------|----------|-------------------------------|---------|
| Net sales:     |                                                     |                                          |          |                               |         |
| Customers      | 405,206                                             | 41,934                                   | 447,140  |                               | 447,140 |
| Intersegment   | 438                                                 | 2,303                                    | 2,741    | (2,741)                       | -       |
| Total          | 405,644                                             | 44,237                                   | 449,881  | (2,741)                       | 447,140 |
| Segment profit | 54,265                                              | 2,035                                    | 56,300   | (1,963)                       | 54,337  |

**(For the first quarter ended June 30, 2009)**

Millions of yen

|                | Construction,<br>Mining and<br>Utility<br>Equipment | Industrial<br>Machinery<br>and<br>Others | Subtotal | Corporate<br>&<br>elimination | Total   |
|----------------|-----------------------------------------------------|------------------------------------------|----------|-------------------------------|---------|
| Net sales:     |                                                     |                                          |          |                               |         |
| Customers      | 284,695                                             | 35,733                                   | 320,428  |                               | 320,428 |
| Intersegment   | 786                                                 | 4,043                                    | 4,829    | (4,829)                       |         |
| Total          | 285,481                                             | 39,776                                   | 325,257  | (4,829)                       | 320,428 |
| Segment profit | 7,437                                               | 2,877                                    | 10,314   | (1,845)                       | 8,469   |

Notes: 1) Business categories and principal products &amp; services included in each operating segment are as follows:

**a) Construction, Mining and Utility Equipment**

Excavating equipment, loading equipment, grading & roadbed preparation equipment, hauling equipment, forestry equipment, tunneling machines, recycling equipment, industrial vehicles, other equipment, engines & components, casting products, and logistics

**b) Industrial Machinery and Others**

Metal forging & stamping presses, sheet-metal machines, machine tools, defense systems, temperature-control equipment, and others

2) Transfers between segments are made at estimated arm's-length prices.

**2) Geographic Information**

Net sales to customers recognized by sales destination for the first quarter ended June 30, 2010 and 2009 are as follows:

**(For the first quarter ended June 30, 2010)** Millions of yen

|                        | Japan         | Americas       | Europe<br>&<br>CIS | China          | Asia* &<br>Oceania | Middle<br>East<br>& Africa | Total          |
|------------------------|---------------|----------------|--------------------|----------------|--------------------|----------------------------|----------------|
| Net sales to customers | <b>71,425</b> | <b>101,576</b> | <b>39,752</b>      | <b>114,892</b> | <b>98,019</b>      | <b>21,476</b>              | <b>447,140</b> |

\* Excluding Japan  
and China

**(For the first quarter ended June 30, 2009)** Millions of yen

|                        | Japan  | Americas | Europe &<br>CIS | China  | Asia* &<br>Oceania | Middle<br>East<br>& Africa | Total   |
|------------------------|--------|----------|-----------------|--------|--------------------|----------------------------|---------|
| Net sales to customers | 68,759 | 80,377   | 36,064          | 59,414 | 57,651             | 18,163                     | 320,428 |

\* Excluding Japan  
and China

**(7) Note in Case of a Notable Changes in the Amount of Shareholders Equity**

None

(end)