

KOMATSU LTD
Form 6-K
July 29, 2009

**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, 2009
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):
82-_____

INFORMATION TO BE INCLUDED IN REPORT

1. A company announcement made on July 28, 2009.
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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, 2009

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

Komatsu Ltd.

Corporate Communications Dept.

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

Date: July 28, 2009

URL: <http://www.komatsu.com/>**Consolidated Business Results for the First Quarter of the Fiscal Year Ending
March 31, 2010 (U.S. GAAP)****1. Results for the First Quarter of the Fiscal Year Ending March 31, 2010**

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlight

Millions of yen except per share amounts

| | First quarter ended June 30, 2009(A) | First quarter ended June 30, 2008 (B) | Changes (A)-(B) | |
|---|---|--|----------------------------|---------|
| Net sales | 320,428 | 606,832 | (286,404) | (47.2)% |
| Operating income | 8,273 | 83,264 | (74,991) | (90.1)% |
| Income before income taxes and equity in earnings of affiliated companies | 8,728 | 92,768 | (84,040) | (90.6)% |
| Net income attributable to Komatsu Ltd. | 4,763 | 57,731 | (52,968) | (91.7)% |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 4.92 | ¥ 58.01 | ¥ (53.09) | |
| Diluted | ¥ 4.92 | ¥ 57.94 | ¥ (53.02) | |

Note: Upon adoption of the provisions of Statement of Financial Accounting Standards (SFAS) No.160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No.51 , effective April 1, 2009, net income is relabelled and attributed between noncontrolling interests and Komatsu Ltd. The caption Net income attributable to Komatsu Ltd. presented above is comparable to the caption Net income appearing in the consolidated financial statements for fiscal years ended as of or prior to March 31, 2009.

(2) Consolidated Financial Position

Millions of yen except per share amounts

| | As of June 30, 2009 | As of March 31, 2009 |
|--|--------------------------------|---------------------------------|
| Total assets | 2,013,887 | 1,969,059 |
| Komatsu Ltd. shareholders equity | 814,333 | 814,941 |
| Komatsu Ltd. shareholders equity ratio | 40.4% | 41.4% |
| Komatsu Ltd. shareholders equity per share (Yen) | ¥ 841.26 | ¥ 842.04 |

2. Dividends

(For the fiscal years ended March 31, 2009 and ending March 31, 2010)

| | 2009 | 2010 Projections |
|---------------------------------|--------------|------------------|
| Cash dividends per share (Yen) | | |
| First quarter period | | |
| Interim (Second quarter period) | 22.00 | 8.00 |
| Third quarter period | | |
| Year-end | 18.00 | 8.00 |
| Total | 40.00 | 16.00 |

Note: Changes in the projected cash dividend as of June 30, 2009: None

3. Projections for the Fiscal Year Ending March 31, 2010

(From April 1, 2009 to March 31, 2010)

| | Millions of yen except per share amounts | | | |
|---|--|---------|----------------------|---------|
| | The first half of the year | Changes | The full fiscal year | Changes |
| Net sales | 700,000 | (42.2)% | 1,530,000 | (24.3)% |
| Operating income | 15,000 | (90.6)% | 72,000 | (52.6)% |
| Income before income taxes and equity in earnings of affiliated companies | 10,000 | (93.6)% | 62,000 | (51.9)% |
| Net income attributable to Komatsu Ltd. | 4,000 | (96.0)% | 35,000 | (55.6)% |
| Net income attributable to Komatsu Ltd. per share (basic) (Yen) | ¥ 4.13 | | ¥ 36.16 | |

Notes: 1) Changes in the projected consolidated business results as of June 30, 2009: None

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

3) Net income attributable to Komatsu Ltd. is equivalent to Net income for the fiscal year ended March 31, 2009 and preceding fiscal years.

4. Others

(1) Changes in important subsidiaries during the first quarter period under review: None

(2) 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.: Applicable Starting in the fiscal year which began April 1, 2009, Komatsu adopted SFAS No.141R, Business Combinations. SFAS No.141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired or gain from a bargain purchase. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. The adoption of SFAS No.141R did not have a material impact on our consolidated result of operations and financial condition.

Starting in the fiscal year which began April 1, 2009, Komatsu adopted SFAS No.160 an amendment of ARB No.51. SFAS No.160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No.160 also establishes disclosure requirements that clearly identify and distinguish between the controlling and noncontrolling interests and requires the separate disclosure of income attributable to controlling and noncontrolling interests. Previously reported amounts have been reclassified accordingly.

- 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, 2009: 998,744,060 shares
As of March 31, 2009: 998,744,060 shares
- 2) The numbers of shares of treasury were as follows:
- As of June 30, 2009: 30,748,434 shares
As of March 31, 2009: 30,921,768 shares
- 3) The weighted average numbers of common shares outstanding were as follows:
- First quarter period ended June 30, 2009: 967,910,177 shares
First quarter period ended June 30, 2008: 995,254,491 shares

Management Performance and Financial Conditions

1. Outline of Operations and Business Results

During the period under review, world economies began to ease out from the drastic contraction gripping the world since October last year. Nevertheless, economies remained sluggish, keeping the business environment challenging for Komatsu Ltd. and its consolidated subsidiaries (hereinafter "Komatsu"). Consolidated net sales of Komatsu for the first quarter period (April 1 – June 30, 2009) of the fiscal year ending March 31, 2010 totaled JPY320.4 billion (US\$3,338 million, at US\$1=JPY96), a decline of 47.2% from the corresponding period a year ago. In the construction, mining and utility equipment business, the environment for Komatsu has changed drastically since the second half period of the previous fiscal year, causing demand to nose-dive worldwide. In the current fiscal year, there have been some signs of recovery of demand in China and a few other regions, but overall demand has been slack, centering on Japan, North America and Europe. As the top priority task, Komatsu worked to improve inventories to appropriate levels around the world as quickly as possible by making extensive adjustment of production worldwide. Furthermore, the Japanese yen appreciated more than the previous corresponding period on the foreign exchange market. As a result, consolidated first quarter sales of construction, mining and utility equipment dropped considerably from the previous first quarter. In the industrial machinery and others business, the market environment remained very challenging, as the automobile manufacturing and many other client industries continued to restrain their capital investment. As a result, consolidated first quarter sales of industrial machinery and other products plunged sharply from the corresponding period a year ago.

Operating income declined by 90.1% from the previous first quarter, to JPY8.2 billion (US\$86 million) for the first quarter under review. Reflecting group-wide efforts made in rationalization of production and substantial reduction of fixed costs, operating income for the first quarter was in the black, compared to operating loss recorded for the previous quarter (January 1 – March 31, 2009). Operating income ratio stood at 2.6% for the first quarter under review, down 11.1 percentage points from the corresponding period a year ago.

For the first quarter period, income before income taxes decreased by 90.6% from the corresponding period a year ago, to JPY8.7 billion (US\$91 million), and first quarter net income attributable to Komatsu Ltd.* declined by 91.7% from the corresponding period a year ago, to JPY4.7 billion (US\$50 million).

Millions of yen except per share amounts

| | First quarter ended June 30, 2009(A) | First quarter ended June 30, 2008 (B) | Changes (A)-(B)/(B) | Fourth quarter ended March 31, 2009 (C) | Changes (A)-(C)/(C) |
|--|---|--|------------------------|--|------------------------|
| Net sales | 320,428 | 606,832 | (47.2)% | 379,054 | (15.5)% |
| Operating income | 8,273 | 83,264 | (90.1)% | (48,223) | |
| Income before income taxes and equity in earnings of affiliated companies | 8,728 | 92,768 | (90.6)% | (49,322) | |
| Net income attributable to Komatsu Ltd. | 4,763 | 57,731 | (91.7)% | (34,524) | |

* *Net income attributable to Komatsu Ltd. is equivalent to Net income for the fiscal year ended*

*March 31, 2009
and preceding
fiscal years.*

Business results by operation are described below.

Construction, Mining and Utility Equipment

Consolidated net sales of construction, mining and utility equipment for the first quarter period declined by 46.7%, from the corresponding period a year ago, to JPY284.6 billion (US\$2,966 million) against the backdrop of depressed demand worldwide during the period under review and as affected mainly by the proactive adjustment of production to ensure appropriate inventory levels of distributors as quickly as possible.

To further enhance its corporate strength, Komatsu has been making a variety of efforts in addition to cutting down fixed costs further. Such efforts included consolidation of production at new, high-productivity lines in Japan, reorganization of production in Japan and the Americas as well as concentration on production models in Europe.

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

Millions of yen

| | First quarter ended June 30, 2009 (A) 1USD=JPY97 1EUR=JPY133 | First quarter ended June 30, 2008 (B) 1USD=JPY105 1EUR=JPY165 | Changes (A)-(B)/(B) | Fourth quarter ended March 31, 2009 (C) 1USD=JPY95 1EUR=JPY123 | Changes (A)-(C)/(C) |
|-------------------------|---|--|------------------------|---|------------------------|
| Japan | 51,727 | 80,035 | (35.4)% | 64,102 | (19.3)% |
| Americas | 72,816 | 130,881 | (44.4)% | 89,325 | (18.5)% |
| Europe & CIS | 32,096 | 107,937 | (70.3)% | 33,339 | (3.7)% |
| China | 55,497 | 62,440 | (11.1)% | 53,663 | 3.4% |
| Asia & Oceania | 54,397 | 95,082 | (42.8)% | 50,171 | 8.4% |
| Middle East & Africa | 18,162 | 57,703 | (68.5)% | 25,484 | (28.7)% |
| Total | 284,695 | 534,078 | (46.7)% | 316,084 | (9.9)% |

Japan

While public-sector investment stayed firm, thanks to economic measures under a supplementary budget, the market conditions remained challenging as affected by a sizable reduction of private-sector investment and housing starts. As a result, first quarter sales in Japan dropped sharply from the corresponding period a year ago, which also indicated a further drop from the previous quarter (January 1 – March 31, 2009).

Against such a background, Komatsu doubled its marketing efforts for hybrid hydraulic excavators, the sales of which it expects to expand, thanks to enhanced fuel economy and growing concerns for the environment. In line with the same move, Komatsu has been expanding production capacity of its Shonan Plant in Kanagawa Prefecture for core parts such as electric motors to turn the upper structure.

Americas

North American demand in the first quarter period plunged sharply from the corresponding period a year ago, as affected by reduced housing starts and sluggish economy in the United States. In Latin America, while demand for equipment for use in construction and civil engineering dropped substantially due to sluggish economies, that for mining applications remained firm. Komatsu worked to expand sales and product support capabilities for mining equipment, particularly in Latin America, while continuing its efforts to ensure appropriate inventory levels of distributors. However, first quarter sales dropped sharply from the corresponding period a year ago, which also showed a further decline from the previous quarter period (January 1 – March 31, 2009).

Europe & CIS

The drastic decline in demand remained, due to sluggish economies in Europe and CIS. Affected by concentration of production models at plants and inventory adjustment efforts at distributors in Europe, in addition to lowered demand in both regions, first quarter sales fell substantially from the corresponding period a year ago, which were as sluggish as those for the previous quarter period (January 1 – March 31, 2009).

China

The market environment upturned to a recovery note. Demand in June 2009 increased from June 2008 thanks to large-scale public works, such as railway and highway construction, which began under the government's economic stimulus package. In addition, there were reconstruction projects in the 2008 Sichuan earthquake-affected areas. First quarter sales declined from the corresponding period a year ago but increased from the previous quarter period (January 1 – March 31, 2009).

During the current fiscal year, Komatsu is planning to launch full-scale sales of hybrid hydraulic excavators in China by leading other overseas markets. In June 2009, Komatsu exported the first batch of equipment to China.

Asia & Oceania

Demand continued to decline in Asia & Oceania from the corresponding period a year ago, as affected by economic slowdown. While first quarter sales dropped sharply from the first quarter a year ago, demand for equipment in mining, agricultural and forestry industries began to show signs of recovery in Indonesia and sales of parts for mining equipment were firm in Australia. As a result, first quarter sales improved from the previous quarter period (January 1 – March 31, 2009), indicating a recovery note.

In May 2009, Komatsu's Autonomous Haulage System for driverless dump trucks began full-scale operation in a mine owned by Rio Tinto, a mining giant, in Western Australia. This operation follows the first one in Chile.

Middle East & Africa

While commodity prices showed upturning signs, demand remained sluggish in the Middle East & Africa as affected by economic recession. In this environment, Komatsu continued its efforts to improve distributors' inventories to appropriate levels, simultaneously working to strengthen sales and product support capabilities by engaging in continuous training programs for distributors and other activities. As a result of declined sales in the Middle East, in particular, first quarter sales dropped sharply from the first quarter a year ago, which showed a further decrease from the previous quarter period (January 1 – March 31, 2009).

Industrial Machinery and Others

The business environment became extremely challenging, as the automobile and many other client industries continued to restrain from making capital investment. This resulted in a continued, sizable drop in new orders for large presses, small and medium-sized presses and sheet metal machines. In this environment, Komatsu embarked on the reorganization of production, including consolidation of large-press building to the Kanazawa Plant in Kanazawa City, Ishikawa Prefecture with the plan to be completed by the end of March 2010. Komatsu also worked to strengthen the service business. However, first quarter sales plunged by 50.9% from the corresponding period a year ago, to JPY35.7 billion (US\$372 million), which also represented a further decline from the previous quarter period (January 1 – March 31, 2009).

2. Financial Conditions

As of June 30, 2009, total assets had increased by JPY44.8 billion from the previous fiscal year-end, to JPY 2,013.8 billion (US\$20,978 million). This increase is mainly attributable to the inclusion of a retail finance company in Australia as a consolidated subsidiary. Interest-bearing debt grew by JPY99.6 billion from the previous fiscal year-end, to JPY699.5 billion (US\$7,287 million). Komatsu Ltd. shareholders' equity amounted to JPY814.3 billion (US\$8,483 million), remaining about flat from the previous fiscal year-end. As a result, Komatsu Ltd. shareholders' equity ratio decreased by 1.0 percentage point from the previous fiscal year-end, to 40.4%. Net debt-to-equity ratio* was 0.75 compared to 0.62 as of the previous fiscal year-end.

For the first quarter period under review, net cash provided by operating activities amounted to JPY 0.9 billion (US\$9 million), a decrease of JPY6.2 billion from the previous fiscal year-end, mainly due to declined net income. Net cash used in investing activities decreased by JPY6.2 billion from the previous fiscal year, to JPY 20.2 billion (US\$211 million), mainly due to investments made to enhance productivity of plants in Japan and overseas. Net cash provided by financing activities increased by JPY0.7 billion from the previous fiscal year, to JPY14.6 billion (US\$153 million), mainly reflecting increased long-term debt. As a result, cash and cash equivalents, as of June 30, 2009, decreased by JPY4.4 billion from the previous fiscal year-end, to JPY86.1 billion (US\$898 million).

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

3. Projections for the Fiscal Year Ending March 31, 2010

(From April 1, 2009 to March 31, 2010)

Concerning the projection for consolidated business results for the fiscal year ending March 31, 2010, Komatsu makes no change in the projection of April 27, 2009 as of the date of this new release.

With respect to the construction, mining and utility equipment business, there are some signs of recovery in demand in some limited regions, such as China, where large-scale public works began to emerge thanks to the economic stimulus package. Nevertheless, demand is nose-diving more than anticipated in Japan and the United States, while that in Europe, the Middle East and some other regions remains uncertain. Concerning the industrial machinery and others business, which is closely and directly affected by the automobile industry's capital investment, Komatsu is predicting that it will continue to experience sluggish orders for new equipment due to the excessive production capacity of its customers.

Against this background, Komatsu is improving productivity and reducing fixed costs. The following projection is based on the assumption of foreign exchange rates as follows: JPY95 per US\$1 and JPY125 per EUR1.

Millions of yen

| | 2010 Projection (A) | 2009 Results (B) | Changes (A)-(B)/(B) |
|---|---------------------------|------------------------|------------------------|
| Net sales | 1,530,000 | 2,021,743 | (24.3)% |
| Operating income | 72,000 | 151,948 | (52.6)% |
| Income before income taxes and equity in earnings of affiliated companies | 62,000 | 128,782 | (51.9)% |
| Net income attributable to Komatsu Ltd. | 35,000 | 78,797 | (55.6)% |

Note: Net income attributable to Komatsu Ltd. is equivalent to Net income for the fiscal year ended March 31, 2009 and preceding fiscal years.

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 or 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.

Financial statement**(1) Condensed Consolidated Balance Sheets****Assets**

| | As of June 30, 2009 | | As of March 31, 2009 | |
|---|----------------------------|------------------|-----------------------------|------------------|
| | | Ratio (%) | | Ratio (%) |
| | Millions of yen | | | |
| Current assets | | | | |
| Cash and cash equivalents | ¥ 86,162 | | ¥ 90,563 | |
| Time deposits | 125 | | 44 | |
| Trade notes and accounts receivable | 380,944 | | 373,901 | |
| Inventories | 487,808 | | 507,357 | |
| Deferred income taxes and other current assets | 129,270 | | 131,374 | |
| Total current assets | 1,084,309 | 53.8 | 1,103,239 | 56.0 |
| Long-term trade receivables | 142,673 | 7.1 | 102,969 | 5.2 |
| Investments | | | | |
| Investments in and advances to affiliated companies | 21,852 | | 19,249 | |
| Investment securities | 58,058 | | 53,854 | |
| Other | 12,360 | | 12,017 | |
| Total investments | 92,270 | 4.6 | 85,120 | 4.3 |
| Property, plant and equipment | | | | |
| - Less accumulated depreciation | 539,191 | 26.8 | 525,462 | 26.7 |
| Goodwill | 30,033 | 1.5 | 28,661 | 1.5 |
| Other intangible assets | 60,440 | 3.0 | 60,346 | 3.1 |
| Deferred income taxes and other assets | 64,971 | 3.2 | 63,262 | 3.2 |
| Total | ¥ 2,013,887 | 100.0 | ¥ 1,969,059 | 100.0 |

Liabilities and Equity

| | As of June 30, 2009 | | Millions of yen | |
|---|----------------------------|------------------|-----------------------------|------------------|
| | | Ratio (%) | As of March 31, 2009 | Ratio (%) |
| Current liabilities | | | | |
| Short-term debt | ¥ 254,699 | | ¥ 220,087 | |
| Current maturities of long-term debt | 89,418 | | 87,662 | |
| Trade notes, bills and accounts payable | 170,404 | | 214,375 | |
| Income taxes payable | 8,758 | | 10,818 | |
| Deferred income taxes and other current liabilities | 191,632 | | 199,345 | |
| Total current liabilities | 714,911 | 35.5 | 732,287 | 37.2 |
| Long-term liabilities | | | | |
| Long-term debt | 355,413 | | 292,106 | |
| Liability for pension and retirement benefits | 51,742 | | 53,822 | |
| Deferred income taxes and other liabilities | 39,115 | | 42,510 | |
| Total long-term liabilities | 446,270 | 22.2 | 388,438 | 19.7 |
| Total liabilities | 1,161,181 | 57.7 | 1,120,725 | 56.9 |
| Komatsu Ltd. shareholders' equity | | | | |
| Common stock | 67,870 | | 67,870 | |
| Capital surplus | 139,994 | | 140,092 | |
| Retained earnings: | | | | |
| Appropriated for legal reserve | 30,781 | | 28,472 | |
| Unappropriated | 704,245 | | 719,222 | |
| Accumulated other comprehensive income (loss) | (93,785) | | (105,744) | |
| Treasury stock | (34,772) | | (34,971) | |
| Total Komatsu Ltd. shareholders' equity | 814,333 | 40.4 | 814,941 | 41.4 |
| Noncontrolling interest | 38,373 | 1.9 | 33,393 | 1.7 |
| Total equity | 852,706 | 42.3 | 848,334 | 43.1 |
| Total | ¥ 2,013,887 | 100.0 | ¥ 1,969,059 | 100.0 |

(2) Condensed Consolidated Statements of Income

| | Millions of yen except per share amounts | | | |
|--|--|--------------|--------------------------------------|--------------|
| | First quarter ended June 30, 2009 | | First quarter ended June 30, 2008 | |
| | | Ratio (%) | | Ratio (%) |
| Net sales | ¥ 320,428 | 100.0 | ¥ 606,832 | 100.0 |
| Cost of sales | 252,473 | 78.8 | 439,836 | 72.5 |
| Selling, general and administrative expenses | 59,486 | 18.6 | 85,342 | 14.1 |
| Other operating income (expenses) | (196) | (0.1) | 1,610 | 0.3 |
| Operating income | 8,273 | 2.6 | 83,264 | 13.7 |
| Other income (expenses) | 455 | | 9,504 | |
| Interest and dividend income | 1,859 | 0.6 | 2,600 | 0.4 |
| Interest expense | (2,731) | (0.9) | (3,929) | (0.6) |
| Other-net | 1,327 | 0.4 | 10,833 | 1.8 |
| Income before income taxes and equity in earnings of affiliated companies | 8,728 | 2.7 | 92,768 | 15.3 |
| Income taxes | 2,181 | 0.7 | 32,946 | 5.4 |
| Income before equity in earnings of affiliated companies | 6,547 | 2.0 | 59,822 | 9.9 |
| Equity in earnings of affiliated companies | (101) | (0.0) | 762 | 0.1 |
| Net income | 6,446 | 2.0 | 60,584 | 10.0 |
| Less net income attributable to the noncontrolling interest | (1,683) | (0.5) | (2,853) | (0.5) |
| Net income attributable to Komatsu Ltd. | ¥ 4,763 | 1.5 | ¥ 57,731 | 9.5 |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | 4.92 | | 58.01 | |
| Diluted | 4.92 | | 57.94 | |

(3) Consolidated Statements of Cash Flows

| | First quarter ended June 30, 2009 | Millions of yen First quarter ended June 30, 2008 |
|---|--|--|
| Operating activities | | |
| Net income | ¥ 6,446 | ¥ 60,584 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 22,003 | 22,842 |
| Deferred income taxes | (5,535) | 10,009 |
| Net loss (gain) from sale of investment securities and subsidiaries | 65 | 664 |
| Net loss (gain) on sale of property | (95) | (8) |
| Loss on disposal of fixed assets | 396 | 502 |
| Pension and retirement benefits, net | (1,290) | (441) |
| Changes in assets and liabilities: | | |
| Decrease (increase) in trade receivables | 7,327 | 3,482 |
| Decrease (increase) in inventories | 32,124 | (34,234) |
| Increase (decrease) in trade payables | (46,896) | (20,985) |
| Increase (decrease) in income taxes payable | (2,373) | (25,235) |
| Other, net | (11,265) | (10,051) |
| Net cash provided by operating activities | 907 | 7,129 |
| Investing activities | | |
| Capital expenditures | (24,927) | (30,281) |
| Proceeds from sale of property | 5,342 | 4,632 |
| Proceeds from sale of available for sale investment securities | 73 | 500 |
| Purchases of available for sale investment securities | (1,500) | (3,342) |
| Acquisition of subsidiaries and equity investees, net of cash acquired | 1,153 | 1,024 |
| Collection of loan receivables | 353 | 4,292 |
| Disbursement of loan receivables | (677) | (3,346) |
| Decrease (increase) in time deposits | (88) | (9) |
| Net cash used in investing activities | (20,271) | (26,530) |
| Financing activities | | |
| Proceeds from long-term debt | 55,954 | 55,184 |
| Repayments on long-term debt | (7,207) | (27,941) |
| Increase (decrease) in short-term debt, net | (6,217) | 20,496 |
| Repayments of capital lease obligations | (9,430) | (12,913) |
| Sale (purchase) of treasury stock, net | 101 | 210 |
| Dividends paid | (17,431) | (21,904) |
| Other, net | (1,117) | 733 |
| Net cash provided by financing activities | 14,653 | 13,865 |
| Effect of exchange rate change on cash and cash equivalents | 310 | 3,334 |

| | | |
|---|-----------------|-----------------|
| Net increase (decrease) in cash and cash equivalents | (4,401) | (2,202) |
| Cash and cash equivalents, beginning of year | 90,563 | 102,010 |
| Cash and cash equivalents, end of period | ¥ 86,162 | ¥ 99,808 |

(4) Note to the Going Concern Assumption

None

(5) Business Segment Information**1) Information by Operating Segment**

(For the first quarter ended June 30, 2009)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & 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 |

(For the first quarter ended June 30, 2008)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|---|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 534,078 | 72,754 | 606,832 | | 606,832 |
| Intersegment | 1,419 | 5,990 | 7,409 | (7,409) | -- |
| Total | 535,497 | 78,744 | 614,241 | (7,409) | 606,832 |
| Segment profit | 78,385 | 4,768 | 83,153 | (1,499) | 81,654 |

Notes: 1) Business categories and principal products & 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

(For the first quarter ended June 30, 2009)

Millions of yen

| | Japan | Americas | Europe & CIS | Others | Subtotal | Corporate & elimination | Total |
|-----------------------|-----------------|---------------|-----------------|----------------|----------------|-------------------------------|----------------|
| Net sales: | | | | | | | |
| Customers | 110,428 | 74,985 | 34,082 | 100,933 | 320,428 | | 320,428 |
| Intersegment | 38,655 | 7,236 | 6,869 | 1,640 | 54,400 | (54,400) | |
| Total | 149,083 | 82,221 | 40,951 | 102,573 | 374,828 | (54,400) | 320,428 |
| Segment profit (loss) | (11,015) | 8,154 | 2,147 | 11,573 | 10,859 | (2,390) | 8,469 |

(For the first quarter ended June 30, 2008)

Millions of yen

| | Japan | Americas | Europe & CIS | Others | Subtotal | Corporate & elimination | Total |
|----------------|---------|----------|-----------------|---------|----------|-------------------------------|---------|
| Net sales: | | | | | | | |
| Customers | 216,729 | 139,331 | 108,018 | 142,754 | 606,832 | | 606,832 |
| Intersegment | 119,808 | 10,392 | 6,245 | 10,299 | 146,744 | (146,744) | |
| Total | 336,537 | 149,723 | 114,263 | 153,053 | 753,576 | (146,744) | 606,832 |
| Segment profit | 33,026 | 16,988 | 12,078 | 22,395 | 84,487 | (2,833) | 81,654 |

Note: Transfers between segments are made at estimated arm's-length prices.

3) Overseas Sales

(For the first quarter ended June 30, 2009)

Millions of yen

| | Americas | Europe & CIS | Others | Total |
|---|---------------|---------------|----------------|----------------|
| Overseas sales | 80,377 | 36,064 | 135,228 | 251,669 |
| Consolidated net sales | | | | 320,428 |
| Ratio of overseas sales to consolidated net sales (%) | 25.1 | 11.2 | 42.2 | 78.5 |

(For the first quarter ended June 30, 2008)

Millions of yen

| | Americas | Europe & CIS | Others | Total |
|------------------------|----------|--------------|---------|---------|
| Overseas sales | 147,658 | 108,869 | 243,768 | 500,295 |
| Consolidated net sales | | | | 606,832 |
| | 24.3 | 17.9 | 40.2 | 82.4 |

Ratio of overseas sales to consolidated net sales
(%)

Notes: 1) Overseas sales represent the sales of Komatsu to customers in countries or regions other than Japan.

2) Area segments are separated by the geographic proximity. Main countries or areas of each segment above are as follows:

- a) Americas: North America and Latin America
- b) Europe & CIS: Germany, U.K. and Russia
- c) Others: China, Oceania, Southeast Asia, Middle East and Africa

(6) Note in case of a notable changes in the amount of shareholders' equity

None

See Consolidated Statements of Shareholders' Equity below for the changes.

Consolidated Statements of Shareholders' Equity

| | Millions of yen | |
|--|--|--------------------------------------|
| | First quarter ended June 30, 2009 | First quarter ended June 30, 2008 |
| Common stock | | |
| Balance, beginning of year | ¥ 67,870 | ¥ 67,870 |
| Balance, end of period | ¥ 67,870 | ¥ 67,870 |
| Capital surplus | | |
| Balance, beginning of year | ¥ 140,092 | ¥ 138,170 |
| Sales of treasury stock | (98) | 96 |
| Issuance and exercise of stock acquisition rights | | (25) |
| Balance, end of period | ¥ 139,994 | ¥ 138,241 |
| Retained earnings, appropriated for legal reserve | | |
| Balance, beginning of year | ¥ 28,472 | ¥ 26,714 |
| Transfer from unappropriated retained earnings | 2,309 | 218 |
| Balance, end of period | ¥ 30,781 | ¥ 26,932 |
| Unappropriated retained earnings | | |
| Balance, beginning of year | ¥ 719,222 | ¥ 685,986 |
| Net income attributable to Komatsu Ltd. | 4,763 | 57,731 |
| Cash dividends paid to Komatsu Ltd. shareholders | (17,431) | (21,904) |
| Transfer to retained earnings appropriated for legal reserve | (2,309) | (218) |
| Balance, end of period | ¥ 704,245 | ¥ 721,595 |
| Accumulated other comprehensive income (loss) | | |
| Balance, beginning of year | ¥ (105,744) | ¥ (28,779) |
| Other comprehensive income (loss), net of tax | 11,959 | 32,872 |
| Balance, end of period | ¥ (93,785) | ¥ 4,093 |
| Treasury stock | | |
| Balance, beginning of year | ¥ (34,971) | ¥ (2,835) |
| Purchase of treasury stock | (7) | (40) |
| Sales of treasury stock | 206 | 250 |
| Balance, end of period | ¥ (34,772) | ¥ (2,625) |

| | | | | |
|--|---|----------------|---|---------|
| Total Komatsu Ltd. shareholders equity | ¥ | 814,333 | ¥ | 956,106 |
| Noncontrolling interest | | | | |
| Balance, beginning of year | ¥ | 33,393 | ¥ | 30,239 |
| Net income attributable to the noncontrolling interest | | 1,683 | | 2,853 |
| Cash dividends paid to the noncontrolling interest | | (300) | | (239) |
| Other comprehensive income (loss), net of tax | | 1,844 | | 1,742 |
| Other changes in noncontrolling interest | | 1,753 | | 2,811 |
| Balance, end of period | ¥ | 38,373 | ¥ | 37,406 |
| Total equity | ¥ | 852,706 | ¥ | 993,512 |
| Disclosure of comprehensive income | | | | |
| Net income attributable to Komatsu Ltd. | ¥ | 4,763 | ¥ | 57,731 |
| Net income attributable to the noncontrolling interest | | 1,683 | | 2,853 |
| Other comprehensive income (loss), net of tax | | 13,803 | | 34,614 |
| Comprehensive income | ¥ | 20,249 | ¥ | 95,198 |
| | | | | (end) |