

KOMATSU LTD
Form 6-K
August 01, 2011

Table of Contents

**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 August, 2011
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):

INFORMATION TO BE INCLUDED IN REPORT

1. A company announcement made on July 28, 2011.

2

Table of Contents

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: August 1, 2011

By: /s/ Mikio Fujitsuka
Mikio Fujitsuka
Director and Senior Executive Officer

Table of Contents**Komatsu Ltd.**

Corporate Communications Dept.

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

Date: July 28, 2011

URL: <http://www.komatsu.com/>**Consolidated Business Results for the First Quarter of the Fiscal Year Ending
March 31, 2012 (U.S. GAAP)****1. Results for the First Quarter of the Fiscal Year Ending March 31, 2012**

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

Millions of yen except per share amounts

| | First quarter ended June 30, 2011 [A] | First quarter ended June 30, 2010 [B] | Changes | |
|--|--|--|----------------|------------------|
| | | | [A-B] | [(A-B)/B] |
| Net sales | 494,177 | 447,140 | 47,037 | 10.5% |
| Operating income | 68,369 | 54,075 | 14,294 | 26.4% |
| Income before income taxes and equity in earnings of affiliated companies | 68,441 | 50,104 | 18,337 | 36.6% |
| Net income attributable to Komatsu Ltd. | 55,706 | 30,697 | 25,009 | 81.5% |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 57.55 | ¥ 31.72 | ¥ 25.83 | |
| Diluted | ¥ 57.50 | ¥ 31.70 | ¥ 25.80 | |

Note: Comprehensive income (loss):

First quarter period ended June 30, 2011: 45,305 millions of yen

First quarter period ended June 30, 2010: (7,636) millions of yen

(2) Consolidated Financial Position

| | Millions of yen except per share amounts | |
|--|---|---------------------------------|
| | As of June 30, 2011 | As of March 31, 2011 |
| Total assets | 2,216,071 | 2,149,137 |
| Total equity | 988,693 | 972,680 |
| Komatsu Ltd. shareholders equity | 948,057 | 923,843 |
| Komatsu Ltd. shareholders equity ratio | 42.8% | 43.0% |
| Komatsu Ltd. shareholders equity per share (Yen) | ¥ 979.41 | ¥ 954.48 |

2. Dividends

(For the fiscal years ended March 31, 2011 and ending March 31, 2012)

| | 2011 | 2012 Projections |
|--------------------------------|------|---------------------|
| Cash dividends per share (Yen) | | |

| | | |
|---------------------------------|----|----|
| First quarter period | | |
| Interim (Second quarter period) | 18 | 21 |
| Third quarter period | | |
| Year-end | 20 | 21 |
| Total | 38 | 42 |

Note: Changes in the projected cash dividend as of July 28, 2011: None

Table of Contents**3. Projections for the Fiscal Year Ending March 31, 2012**

(From April 1, 2011 to March 31, 2012)

| | Millions of yen except per share amounts | | | |
|---|--|---------|----------------------|---------|
| | The first half of the year | Changes | The full fiscal year | Changes |
| Net sales | 1,065,000 | 23.9% | 2,150,000 | 16.6% |
| Operating income | 143,000 | 37.6% | 305,000 | 36.8% |
| Income before income taxes and equity in earnings of affiliated companies | 141,000 | 40.8% | 300,000 | 36.5% |
| Net income attributable to Komatsu Ltd. | 100,000 | 56.8% | 200,000 | 32.7% |
| Net income attributable to Komatsu Ltd. per share (basic) (Yen) | ¥ 103.32 | | ¥ 206.63 | |

Notes: 1) Changes in the projected consolidated business results as of July 28, 2011: None

2) 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: Applicable Removed (merger): 1 company Komatsu Utility Co., Ltd.

(2) Use of simplified accounting procedures and adoption 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, 2011: 998,744,060 shares

As of March 31, 2011: 998,744,060 shares

2) The numbers of shares of treasury were as follows:

As of June 30, 2011: 30,760,732 shares

As of March 31, 2011: 30,841,419 shares

3) The weighted average numbers of common shares outstanding were as follows:

First quarter period ended June 30, 2011: 967,942,471 shares

First quarter period ended June 30, 2010: 967,834,078 shares

Appendix

Management Performance and Financial Conditions

| | |
|--|-----|
| <u>(1) Outline of Operations and Business Results</u> | P.4 |
| <u>(2) Financial Conditions</u> | P.8 |
| <u>(3) Projections for the Fiscal Year Ending March 31, 2012</u> | P.8 |

Financial Statements

| | |
|--|------|
| <u>(1) Condensed Consolidated Balance Sheets</u> | P.9 |
| <u>(2) Condensed Consolidated Statements of Income</u> | P.11 |
| <u>(3) Consolidated Statements of Equity</u> | P.12 |
| <u>(4) Consolidated Statements of Cash Flows</u> | P.13 |
| <u>(5) Note to the Going Concern Assumption</u> | P.14 |
| <u>(6) Business Segment Information</u> | P.14 |
| <u>(7) Note in Case of a Notable Changes in the Amount of Shareholders' Equity</u> | P.14 |

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

Komatsu Ltd. (Company) and its consolidated subsidiaries (together Komatsu) have embarked on the Global Teamwork for Tomorrow mid-range management plan for three years, to be completed in the fiscal year ending March 31, 2013. Under this management plan, Komatsu is focusing its efforts on (1) promotion of ICT applications to products and parts, (2) further advancement of environmental friendliness and safety in machine performance, (3) expansion of sales and service operations in Strategic Markets, and (4) promotion of continuous Kaizen (improvement) by strengthening workplace capability.

In the first quarter (three months from April 1 to June 30, 2011) of the second year of the ongoing management plan, demand for construction and mining equipment continued to remain brisk in Strategic Markets, especially in Asia, while it declined in China and some other countries. In Traditional Markets, demand recovered steadily. Demand for industrial machinery continued to recover slowly. Against this backdrop, consolidated net sales increased to JPY494.1 billion (USD6,101 million, at USD1=JPY81) for the first quarter under review, up 10.5% from the corresponding period a year ago.

In the first quarter under review, the Japanese currency appreciated against the U.S. dollar and Renminbi more than the previous first quarter a year ago; however, Komatsu expanded the volume of sales, while improving selling prices as well as production and other costs. As a result, operating income for the first quarter advanced to JPY68.3 billion (USD844 million), up 26.4% from the corresponding period a year ago. Similarly, operating income ratio improved by 1.7 percentage points to 13.8%. Income before income taxes and equity in earnings of affiliated companies increased by 36.6% to JPY68.4 billion (USD845 million). Net income attributable to Komatsu Ltd. totaled JPY55.7 billion (USD688 million), an improvement of 81.5%.

While Komatsu had initially been concerned about some adverse effects on its production and procurement operations from the Great East Japan Earthquake of March 11, 2011 and the subsequent shortage of power supply, all its plants have been operating in good condition. In addition to continuing its energy-saving efforts in various ways, Komatsu has increased the amount of in-house power generation equipment, as it works to sustain stable production in order to smoothly supply construction equipment to the disaster-stricken regions.

[Markets as Positioned by the Komatsu]

Traditional Markets

Japan, North America and Europe

Strategic Markets

China, Latin America, Asia, Oceania, Africa, Middle East and CIS

Table of Contents

[Consolidated Financial Highlights]

| | Millions of yen | | |
|---|--|---|------------------------------|
| | First quarter ended June 30, 2011 | First quarter ended June 30, 2010 | |
| | 1USD=JPY81 | 1USD=JPY91 | |
| | 1EUR=JPY118 | 1EUR=JPY115 | |
| | 1RMB=JPY12.5 | 1RMB=JPY13.4 | |
| | [A] | [B] | Changes [(A-B)/B] |
| Net sales | 494,177 | 447,140 | 10.5% |
| Operating income | 68,369 | 54,075 | 26.4% |
| Income before income taxes and equity in earnings of affiliated companies | 68,441 | 50,104 | 36.6% |
| Net income attributable to Komatsu Ltd. | 55,706 | 30,697 | 81.5% |

Business results by operation are described below.
[Sales by Operation]

| | Millions of yen | | |
|--|--|---|------------------------------|
| | First quarter ended June 30, 2011 | First quarter ended June 30, 2010 | |
| | [A] | [B] | Changes [(A-B)/B] |
| Construction, Mining and Utility Equipment | 435,324 | 405,206 | 7.4% |
| Industrial Machinery and Others | 58,853 | 41,934 | 40.3% |
| Total | 494,177 | 447,140 | 10.5% |

Construction, Mining and Utility Equipment

In Strategic Markets, demand remained strong, centering on Asia, while it declined in China, Brazil and some other countries. In Traditional Markets, demand in Japan and North America recovered firmly. Against this backdrop, consolidated net sales of construction, mining and utility equipment totaled JPY435.3 billion (USD5,374 million) for the first quarter under review, up 7.4% from the corresponding period a year ago.

During the first quarter, Komatsu began launching the HB205 and HB215LC hybrid hydraulic excavators on overseas markets, which followed their market introduction in Japan in December last year. With respect to the utility equipment business, which consists of forklift trucks and mini construction equipment, the Company absorbed and merged with Komatsu Utility Co., Ltd. in April this year in order to speed up the pace of strengthening its business in overseas markets, further improve their product competitiveness, and streamline the efficiency of product development.

Table of Contents

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

| | Millions of yen | | | |
|----------------------|--|--|----------|-----------|
| | First quarter ended June 30, 2011 [A] | First quarter ended June 30, 2010 [B] | Changes | |
| | | | [A-B] | [(A-B)/B] |
| | | | | |
| Japan | 61,436 | 54,419 | 7,017 | 12.9% |
| Americas | 106,173 | 98,249 | 7,924 | 8.1% |
| Europe & CIS | 53,556 | 39,603 | 13,953 | 35.2% |
| China | 75,454 | 98,493 | (23,039) | (23.4)% |
| Asia* & Oceania | 109,109 | 92,972 | 16,137 | 17.4% |
| Middle East & Africa | 29,596 | 21,470 | 8,126 | 37.8% |
| Total | 435,324 | 405,206 | 30,118 | 7.4% |

* Excluding Japan and China

Japan

As demand grew for construction equipment, an essential tool for the recovery and reconstruction of the disaster-stricken regions of the Great East Japan Earthquake and tsunami, centering on rental use, Komatsu quickly recovered production and secured supply operations. As a result, first-quarter sales improved from the previous first quarter a year ago. Sales of new hybrid hydraulic models remained brisk.

With respect to the rental equipment business, the Company has decided to reorganize it to further improve the quality of customer services and the efficiency of operation. Specifically, the Company is going to absorb Komatsu Rental Ltd. in July this year and take over the rental equipment assets of Komatsu Rental Ltd., while a new rental subsidiary will take over and engage exclusively in the rental equipment business.

Americas

In North America, overall demand for construction equipment remained firm, supported by expanded demand in the rental equipment industry. In this market environment, Komatsu embarked on sales of new models compliant to new emission control regulations, as well as new hybrid hydraulic excavator models. Komatsu also continued to promote the zero inventory of distributors campaign which was kicked off last year. In Latin America, while demand for construction equipment for use in civil engineering was sluggish as adversely affected by the credit squeeze and the belated start of public works in Brazil, the largest market of Latin America, demand for mining equipment remained strong in Chile and other countries. As a result, first-quarter sales in the Americas increased from the corresponding period a year ago.

Europe & CIS

First-quarter sales improved from the previous first quarter a year ago, reflecting both recovered market conditions in major markets centering on Germany and concerted efforts especially to expand sales of parts. As a result, first-quarter sales in Europe & CIS improved from the previous first quarter a year ago. Komatsu also launched sales of new hybrid hydraulic excavators in some markets.

In CIS, demand for large equipment grew sharply, centering on use for coal, gold and other resource mining, as well as energy development, such as oil and natural gas. As a result, first-quarter sales increased from the previous first quarter a year ago. Komatsu also continued to strengthen product support operations, as represented by parts repairing and technical support for mining equipment at the new Kuzbass Support Center in Siberia.

Table of Contents

China

First-quarter sales decreased from the corresponding period a year ago, as demand for construction equipment declined particularly for use in civil engineering as adversely affected by the government's credit squeeze policy and belated purchase of land for public works. However, Komatsu projects that the Chinese market will continue to grow in the mid to long-range span against the backdrop of advancing urbanization and other factors. In this light, Komatsu continued to expand its production, sales and product support capabilities by increasing the production capacity of Komatsu (Changzhou) Construction Machinery Corp. and training service engineers of its distributors at the KC Techno Center and in the special training course at Shandong Jiaotong University.

Asia & Oceania

In Indonesia, the largest market of Southeast Asia, demand for mining equipment continued to expand, while demand for construction equipment remained strong in the civil engineering, agriculture and forestry sectors. Demand was also strong in India, Malaysia and some other countries. In Australia, demand for large equipment for use in mines was also strong. Reflecting these market conditions, first-quarter sales in Asia & Oceania increased from the previous first quarter a year ago.

During the first quarter, Komatsu embarked on sales of new hybrid hydraulic excavator models in some countries, while working to introduce KOMTRAX (Komatsu Machine Tracking System)-installed standard construction equipment to more regions. In Australia, Komatsu worked to reinforce sales and product support operations, as represented by reorganized distributor functions in August last year and improved efficiency of local assembly work. In Indonesia, Komatsu opened a pilot plant of the bio diesel fuel project designed to reduce environmental impact.

Middle East & Africa

While political and social conditions have continued to be unstable in some countries, demand for equipment was strong especially for use in mines in Africa. In these market conditions, first-quarter sales improved from the previous first quarter a year ago. Komatsu anticipates that markets will continue to expand as driven by demand in mining and infrastructure development sectors. Komatsu continued its efforts to strengthen its sales and product support operations, as demonstrated by introducing KOMTRAX-installed standard construction equipment to some regions and opening the Dakar Office.

Industrial Machinery and Others

First-quarter sales of industrial machinery and other operations advanced by 40.3% from the previous first quarter a year ago, to JPY58.8 billion (USD727 million). In addition to an increase in sales of wire saws from the previous first quarter, which are used to slice silicon ingots, the basic material for solar cells, sales of machine tools also increased as capital investment by the automobile manufacturing industry headed gradually for recovery.

To further enhance the competitive strength of its industrial machinery business, Komatsu NTC Ltd. and Komatsu Machinery Corporation were merged into a single entity and the Company absorbed Komatsu Engineering Corp. in April this year. In May, the Company and Ushio Inc. terminated the 50-50 joint-venture agreement regarding Gigaphoton Inc. and purchased the remaining 50% shares from Ushio Inc. As a result, Gigaphoton has become a wholly owned subsidiary of the Company.

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

As of June 30, 2011, total assets had increased by JPY66.9 billion from the previous fiscal year-end, to JPY2,216.0 billion (USD27,359 million), mainly due to an increase in inventories. Interest-bearing debt increased by JPY51.0 billion from the previous fiscal year-end, to JPY595.1 billion (USD7,347 million). Komatsu Ltd. shareholders' equity increased by JPY24.2 billion from the previous fiscal year-end, to JPY948.0 billion (USD11,704 million). As a result, Komatsu Ltd. shareholders' equity ratio decreased by 0.2 percentage points from the previous fiscal year-end, to 42.8%. Net debt-to-equity ratio* was 0.54 compared to 0.50 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 used in operating activities amounted to JPY5.9 billion (USD73 million) due mainly to increased inventories, a decrease of JPY61.1 billion from JPY55.2 billion for net cash provided by operating activities for the previous first quarter period. Net cash used in investing activities amounted to JPY32.5 billion (USD401 million) due to acquisition of subsidiaries and equity investees, whereas net cash used in investing activities for the previous first quarter period totaled JPY17.2 billion. Net cash provided by financing activities amounted to JPY38.6 billion (USD478 million) due to procurement of long-term debt and an increase in short-term debt, whereas net cash used in financing activities for the previous first quarter period totaled JPY30.8 billion. As a result, cash and cash equivalents, as of June 30, 2011, totaled JPY83.0 billion (USD1,025 million), a decrease of JPY1.1 billion from the previous fiscal year-end.

(3) Projections for the Fiscal Year Ending March 31, 2012

(From April 1, 2011 to March 31, 2012)

In the construction, mining and utility equipment business, Chinese demand is not as big as projected earlier, however, Komatsu is anticipating a more-than-projected increase of demand in other Strategic Markets and Traditional Markets. In this light, Komatsu makes no change in the projection of April 27, 2011 concerning consolidated business results for the fiscal year ending March 31, 2012.

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.

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

| | Millions of yen | | | |
|---|---------------------|--------------|----------------------|--------------|
| | As of June 30, 2011 | | As of March 31, 2011 | |
| | | Ratio (%) | | Ratio (%) |
| Current assets | | | | |
| Cash and cash equivalents | ¥ 83,049 | | ¥ 84,224 | |
| Time deposits | 1,441 | | 734 | |
| Trade notes and accounts receivable | 510,076 | | 532,757 | |
| Inventories | 530,719 | | 473,876 | |
| Deferred income taxes and other current assets | 169,696 | | 152,781 | |
| Total current assets | 1,294,981 | 58.4 | 1,244,372 | 57.9 |
| Long-term trade receivables | 196,213 | 8.9 | 183,270 | 8.5 |
| Investments | | | | |
| Investments in and advances to affiliated companies | 20,090 | | 25,115 | |
| Investment securities | 53,679 | | 60,855 | |
| Other | 2,989 | | 3,124 | |
| Total investments | 76,758 | 3.5 | 89,094 | 4.1 |
| Property, plant and equipment | | | | |
| Less accumulated depreciation | 510,188 | 23.0 | 508,387 | 23.7 |
| Goodwill | 30,253 | 1.4 | 29,321 | 1.4 |
| Other intangible assets | 60,373 | 2.7 | 53,971 | 2.5 |
| Deferred income taxes and other assets | 47,305 | 2.1 | 40,722 | 1.9 |
| Total | ¥ 2,216,071 | 100.0 | ¥ 2,149,137 | 100.0 |

Table of Contents**Liabilities and Equity**

| | Millions of yen | | | |
|---|---------------------|--------------|----------------------|--------------|
| | As of June 30, 2011 | | As of March 31, 2011 | |
| | | Ratio (%) | | Ratio (%) |
| Current liabilities | | | | |
| Short-term debt | ¥ 149,499 | | ¥ 130,308 | |
| Current maturities of long-term debt | 138,577 | | 122,608 | |
| Trade notes, bills and accounts payable | 303,141 | | 308,975 | |
| Income taxes payable | 20,236 | | 38,829 | |
| Deferred income taxes and other current liabilities | 211,848 | | 199,268 | |
| Total current liabilities | 823,301 | 37.2 | 799,988 | 37.2 |
| Long-term liabilities | | | | |
| Long-term debt | 307,033 | | 291,152 | |
| Liability for pension and retirement benefits | 45,873 | | 48,027 | |
| Deferred income taxes and other liabilities | 51,171 | | 37,290 | |
| Total long-term liabilities | 404,077 | 18.2 | 376,469 | 17.5 |
| Total liabilities | 1,227,378 | 55.4 | 1,176,457 | 54.7 |
| Komatsu Ltd. shareholders equity | | | | |
| Common stock | 67,870 | | 67,870 | |
| Capital surplus | 140,582 | | 140,523 | |
| Retained earnings: | | | | |
| Appropriated for legal reserve | 37,147 | | 34,494 | |
| Unappropriated | 880,837 | | 847,153 | |
| Accumulated other comprehensive income (loss) | (143,203) | | (131,059) | |
| Treasury stock | (35,176) | | (35,138) | |
| Total Komatsu Ltd. shareholders equity | 948,057 | 42.8 | 923,843 | 43.0 |
| Noncontrolling interests | 40,636 | 1.8 | 48,837 | 2.3 |
| Total equity | 988,693 | 44.6 | 972,680 | 45.3 |
| Total | ¥ 2,216,071 | 100.0 | ¥ 2,149,137 | 100.0 |

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

| | Millions of yen except per share amounts | | | |
|--|--|--------------|--------------------------------------|--------------|
| | First quarter ended June 30, 2011 | | First quarter ended June 30, 2010 | |
| | | Ratio (%) | | Ratio (%) |
| Net sales | ¥ 494,177 | 100.0 | ¥ 447,140 | 100.0 |
| Cost of sales | 356,637 | 72.2 | 329,856 | 73.8 |
| Selling, general and administrative expenses | 69,428 | 14.0 | 62,947 | 14.1 |
| Other operating income (expenses), net | 257 | 0.1 | (262) | (0.1) |
| Operating income | 68,369 | 13.8 | 54,075 | 12.1 |
| Other income (expenses), net | 72 | | (3,971) | |
| Interest and dividend income | 1,295 | 0.3 | 1,021 | 0.2 |
| Interest expense | (1,888) | (0.4) | (1,669) | (0.4) |
| Other, net | 665 | 0.1 | (3,323) | (0.7) |
| Income before income taxes and equity in earnings of affiliated companies | 68,441 | 13.8 | 50,104 | 11.2 |
| Income taxes | 11,136 | 2.3 | 17,466 | 3.9 |
| Income before equity in earnings of affiliated companies | 57,305 | 11.6 | 32,638 | 7.3 |
| Equity in earnings of affiliated companies | 581 | 0.1 | 641 | 0.1 |
| Net income | 57,886 | 11.7 | 33,279 | 7.4 |
| Less net income attributable to noncontrolling interests | (2,180) | (0.4) | (2,582) | (0.6) |
| Net income attributable to Komatsu Ltd. | ¥ 55,706 | 11.3 | ¥ 30,697 | 6.9 |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | 57.55 | | 31.72 | |
| Diluted | 57.50 | | 31.70 | |

Table of Contents**(3) Consolidated Statements of Equity
First quarter ended June 30, 2011**

| | Millions of yen | | | | | | | | |
|---|-----------------|-----------|--|-------------------------------------|---|----------------------------------|------------------------------------|-----------------------------|-----------------|
| | Common | Capital | Retained earnings Appropriated for legal | Retained earnings Unappropriated | Accumulated other comprehensive income (loss) | Treasury shareholder stock | Total Komatsu Ltd. equity | Noncontrolling interests | Total equity |
| | stock | surplus | reserve | | | | | | |
| Balance at | | | | | | | | | |
| March 31, 2011 | ¥ 67,870 | ¥ 140,523 | ¥ 34,494 | ¥ 847,153 | ¥ (131,059) | ¥ (35,138) | ¥ 923,843 | ¥ 48,837 | ¥ 972,680 |
| Cash dividends | | | | (19,369) | | | (19,369) | (6,063) | (25,432) |
| Transfer to retained earnings appropriated for legal reserve | | | 2,653 | (2,653) | | | | | |
| Other changes Comprehensive income (loss) | | | | | | | | (3,881) | (3,881) |
| Net income | | | | 55,706 | | | 55,706 | 2,180 | 57,886 |
| Other comprehensive income (loss), for the period, net of tax | | | | | | | | | |
| Foreign currency translation adjustments | | | | | (10,241) | | (10,241) | (421) | (10,662) |
| Net unrealized holding gains (losses) on securities available for sale | | | | | (2,243) | | (2,243) | | (2,243) |
| Pension liability adjustments | | | | | (196) | | (196) | | (196) |
| Net unrealized holding gains (losses) on derivative instruments | | | | | 536 | | 536 | (16) | 520 |
| Comprehensive income (loss) | | | | | | | 43,562 | 1,743 | 45,305 |

| | | | | |
|---|------|--|-------|-------|
| Issuance and exercise of stock acquisition rights | (61) | | (61) | (61) |
| Purchase of treasury stock | | | (216) | (216) |
| Sales of treasury stock | 120 | | 178 | 298 |

Balance at June 30, 2011 ¥67,870 ¥140,582 ¥37,147 ¥880,837 ¥(143,203) ¥(35,176) ¥948,057 ¥40,636 ¥988,693

First quarter ended June 30, 2010

| | Millions of yen | | | | | | | | |
|--|-----------------|-----------------|--|----------------------------------|---|----------------|---------------------------|--------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings Appropriated for legal reserve | Retained earnings Unappropriated | Accumulated other comprehensive income (loss) | Treasury stock | Total Komatsu Ltd. equity | Noncontrolling interests | Total equity |
| Balance at 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 retained earnings appropriated for legal reserve | | | 743 | (743) | | | | | |
| Other changes Comprehensive income (loss) | | | | | | | | | |
| Net income | | | | 30,697 | | | 30,697 | 2,582 | 33,279 |
| Other comprehensive income (loss), for the period, net of tax | | | | | | | | | |
| Foreign currency translation adjustments | | | | | (35,245) | | (35,245) | (2,983) | (38,228) |
| Net unrealized holding gains (losses) on securities available for sale | | | | | (3,350) | | (3,350) | | (3,350) |

| | | | | | | | | | |
|---|---------|----------|---------|----------|------------|-----------|----------|---------|----------|
| Pension liability adjustments | | | (215) | | (215) | | (215) | | |
| Net unrealized holding gains (losses) on derivative instruments | | | 938 | | 938 | (60) | 878 | | |
| Comprehensive income (loss) | | | | | (7,175) | (461) | (7,636) | | |
| Issuance and exercise of stock acquisition rights | | | | | | | | | |
| 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 |

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

| | Millions of yen | |
|---|--|---|
| | First quarter ended June 30, 2011 | First quarter ended June 30, 2010 |
| Operating activities | | |
| Net income | ¥ 57,886 | ¥ 33,279 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 20,356 | 21,433 |
| Deferred income taxes | (5,605) | 8,308 |
| Net loss (gain) from sale of investment securities and subsidiaries | (130) | 33 |
| Net loss (gain) on sale of property | (236) | (585) |
| Loss on disposal of fixed assets | 388 | 457 |
| Pension and retirement benefits, net | (838) | (3,074) |
| Changes in assets and liabilities: | | |
| Decrease (increase) in trade receivables | 5,160 | (15,202) |
| Decrease (increase) in inventories | (57,626) | (4,336) |
| Increase (decrease) in trade payables | (14,083) | 32,280 |
| Increase (decrease) in income taxes payable | (18,466) | (8,086) |
| Other, net | 7,249 | (9,261) |
| Net cash provided by (used in) operating activities | (5,945) | 55,246 |
| Investing activities | | |
| Capital expenditures | (24,067) | (18,829) |
| Proceeds from sale of property | 2,991 | 2,043 |
| Proceeds from sale of available for sale investment securities | 410 | 2 |
| Purchases of available for sale investment securities | (333) | (536) |
| Acquisition of subsidiaries and equity investees, net of cash acquired | (11,162) | 762 |
| Collection of loan receivables | 213 | 305 |
| Disbursement of loan receivables | (61) | (27) |
| Decrease (increase) in time deposits | (504) | (935) |
| Net cash provided by (used in) investing activities | (32,513) | (17,215) |
| Financing activities | | |
| Proceeds from long-term debt | 61,355 | 17,893 |
| Repayments on long-term debt | (7,740) | (5,367) |
| Increase (decrease) in short-term debt, net | 20,806 | (25,478) |
| Repayments of capital lease obligations | (17,524) | (9,977) |
| Sale (purchase) of treasury stock, net | 23 | (6) |
| Dividends paid | (19,369) | (7,749) |
| Other, net | 1,130 | (133) |
| Net cash provided by (used in) financing activities | 38,681 | (30,817) |

| | | |
|--|-----------------|-----------------|
| Effect of exchange rate change on cash and cash equivalents | (1,398) | (5,314) |
| Net increase (decrease) in cash and cash equivalents | (1,175) | 1,900 |
| Cash and cash equivalents, beginning of year | 84,224 | 82,429 |
| Cash and cash equivalents, end of period | ¥ 83,049 | ¥ 84,329 |

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

None

(6) Business Segment Information**1) Information by Operating Segments****(For the first quarter ended June 30, 2011)**

| | Millions of yen | | | | |
|----------------|---|--|----------|----------------------------|---------|
| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
| Net sales: | | | | | |
| Customers | 435,324 | 58,853 | 494,177 | | 494,177 |
| Intersegment | 1,306 | 1,716 | 3,022 | (3,022) | |
| Total | 436,630 | 60,569 | 497,199 | (3,022) | 494,177 |
| Segment profit | 60,886 | 8,844 | 69,730 | (1,618) | 68,112 |

(For the first quarter ended June 30, 2010)

| | Millions of yen | | | | |
|----------------|---|--|----------|----------------------------|---------|
| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & 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 |

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

Net sales to customers recognized by sales destination for the first quarter ended June 30, 2011 and 2010 are as follows:

(For the first quarter ended June 30, 2011)

| | Millions of yen | | | | | | |
|------------------------|-----------------|----------------|--------------------|----------------|--------------------|----------------------------|----------------|
| | Japan | Americas | Europe & CIS | China | Asia* & Oceania | Middle East & Africa | Total |
| Net sales to customers | 83,931 | 109,062 | 53,646 | 101,904 | 116,033 | 29,601 | 494,177 |

* Excluding Japan and China

(For the first quarter ended June 30, 2010)

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

* Excluding Japan and China

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

None

(end)