

KOMATSU LTD  
Form 6-K  
October 28, 2011

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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 October, 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):

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**INFORMATION TO BE INCLUDED IN REPORT**

1. Three company announcements made on October 27, 2011.
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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: October 28, 2011

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

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

Corporate Communications Dept.

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

Date: October 27, 2011

URL: <http://www.komatsu.com/>**Consolidated Business Results for Six Months of the Fiscal Year Ending  
March 31, 2012 (U.S. GAAP)****1. Results for Six Months Ended September 30, 2011**

(Amounts are rounded to the nearest million yen)

**(1) Consolidated Financial Highlights**

Millions of yen except per share amounts

|   | Six<br>months<br>ended<br>September<br>30, 2011<br>[A] | Six months ended<br>September 30,<br>2010<br>[B] | Changes |           |
|---|--|--|---------|-----------|
|   |  |  | [A-B]   | [(A-B)/B] |
| Net sales   | <b>985,867</b>   | 859,763  | 126,104 | 14.7%     |
| Operating income  | <b>132,949</b>   | 103,912  | 29,037  | 27.9%     |
| Income before income taxes and equity in earnings of affiliated companies | <b>130,243</b>   | 100,111  | 30,132  | 30.1%     |
| Net income attributable to Komatsu Ltd.                                   | <b>94,675</b>  | 63,764   | 30,911  | 48.5%     |
| Net income attributable to Komatsu Ltd. per share (Yen)                   |  |  |         |           |
| Basic   | ¥ <b>97.82</b>   | ¥ 65.89  | ¥ 31.93 |           |
| Diluted   | ¥ <b>97.74</b>   | ¥ 65.85  | ¥ 31.89 |           |

Note: Comprehensive income (loss):

Six months ended September 30, 2011: 35,328 millions of yen

Six months ended September 30, 2010: 18,175 millions of yen

**(2) Consolidated Financial Position**

Millions of yen except per share amounts

|  | As of<br>September<br>30, 2011 | As of March 31,<br>2011 |
|--|--------------------------------|-------------------------|
| Total assets                                     | <b>2,145,195</b>               | 2,149,137               |
| Total equity                                     | <b>977,905</b>                 | 972,680                 |
| Komatsu Ltd. shareholders equity                 | <b>938,814</b>                 | 923,843                 |
| Komatsu Ltd. shareholders equity ratio           | <b>43.8%</b>                   | 43.0%                   |
| Komatsu Ltd. shareholders equity per share (Yen) | ¥ <b>970.21</b>                | ¥ 954.48                |

**2. Dividends**

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

| Yen  |                   | The entire FY ended<br>March 31, 2011 |
|--|-------------------|---------------------------------------|
| <b>The entire FY ending<br/>March 31, 2012<br/>Results</b> | <b>Projection</b> |                                       |

|   |              |       |
|---|--------------|-------|
| First quarter period  |              |       |
| Second quarter period   | <b>21.00</b> | 18.00 |
| Third quarter period  |              |       |
| Year-end  | <b>21.00</b> | 20.00 |
| Total   | <b>42.00</b> | 38.00 |
| Note: Changes in the projected cash dividend as of October 27, 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 full fiscal year                     | Changes |
| Net sales   | 2,050,000                                | 11.2%   |
| Operating income  | 282,000                                  | 26.5%   |
| Income before income taxes and equity in earnings of affiliated companies | 276,000                                  | 25.6%   |
| Net income attributable to Komatsu Ltd.                                   | 186,000                                  | 23.4%   |
| Net income attributable to Komatsu Ltd. per share (basic) (Yen)           | ¥ 192.99                                 |         |

Notes: 1) Changes in the projected consolidated business results as of October 27, 2011: Applicable

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 six months ended September 30, 2011 : 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 September 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 September 30, 2011: 31,107,705 shares

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

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

Six months ended September 30, 2011: 967,852,046 shares

Six months ended September 30, 2010: 967,794,257 shares

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**[Reference]**

**Results for Three Months Ended September 30, 2011**

Millions of yen except per share amounts

|   | <b>Three<br/>months<br/>ended<br/>September<br/>30, 2011</b> | Three months<br>ended<br>September 30,<br>2010 | Changes |           |
|---|--|--|---------|-----------|
|   | [A]  | [B]  | [A-B]   | [(A-B)/B] |
| Net sales   | <b>491,690</b>   | 412,623  | 79,067  | 19.2%     |
| Operating income  | <b>64,580</b>  | 49,837   | 14,743  | 29.6%     |
| Income before income taxes and equity in earnings of affiliated companies | <b>61,802</b>  | 50,007   | 11,795  | 23.6%     |
| Net income attributable to Komatsu Ltd.                                   | <b>38,969</b>  | 33,067   | 5,902   | 17.8%     |
| Net income attributable to Komatsu Ltd. per share (Yen)                   |  |  |         |           |
| Basic   | <b>40.27</b>   | 34.17  | 6.10    |           |
| Diluted   | <b>40.23</b>   | 34.15  | 6.08    |           |

**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. ( 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 (Information and Communication Technology) 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 six-month period (April 1 – September 30, 2011) of the second year of the ongoing management plan, while demand for construction, mining and utility equipment declined in China from the corresponding period a year ago, it increased in other Strategic markets and the Traditional Markets of Japan, North America and Europe. In particular, demand for mining equipment remained strong. In response to the adverse effects caused by the Great East Japan Earthquake of March this year, Komatsu recovered production quickly, captured growth in demand for equipment accurately and expanded sales. In the industrial machinery and others business, while orders received for wire saws decreased from the corresponding period a year ago, sales increased thanks to the orders on hand. Furthermore, reflecting recovered capital investment by the automobile manufacturing industry, sales of presses and machine tools also increased. As a result, consolidated net sales increased by 14.7% to JPY985.8 billion (USD12,803 million, at USD1=JPY77).

In the first six-month period under review, the Japanese currency appreciated against the U.S. dollar, Euro and Renminbi more than the corresponding period a year ago. However, Komatsu expanded the volume of sales while continuing to improve selling prices as well as production and other costs. As a result, operating income for the first six-month period improved by 27.9% to JPY132.9 billion (USD1,727 million). Similarly, operating income ratio improved by 1.4 percentage points to 13.5%. Income before income taxes and equity in earnings of affiliated companies increased by 30.1% to JPY130.2 billion (USD1,691 million). Net income attributable to Komatsu Ltd. totaled JPY94.6 billion (USD1,230 million), showing an improvement of 48.5% from the corresponding period a year ago.

Concerning the power shortage during the summer season in Japan, Komatsu made energy-saving efforts at all plants and reduced peak-time power consumption without cutting down production volume.

Note: Sales and profit figures stated in this news release show accumulated figures for the six-month period from April 1 through September 30, 2011.

[Consolidated Financial Highlights]

|   | Millions of yen   |   |                   |
|---|---|---|-------------------|
|   | Six months ended September 30, 2011<br>1USD=JPY79<br>1EUR=JPY114<br>1RMB=JPY12.3<br>[A] | Six months ended September 30, 2010<br>1USD=JPY88<br>1EUR=JPY113<br>1RMB=JPY13.0<br>[B] | Changes [(A-B)/B] |
| Net sales   | 985,867   | 859,763   | 14.7%             |
| Operating income  | 132,949   | 103,912   | 27.9%             |
| Income before income taxes and equity in earnings of affiliated companies | 130,243   | 100,111   | 30.1%             |
| Net income attributable to Komatsu Ltd.                                   | 94,675  | 63,764  | 48.5%             |



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[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  
 Business results by operation are described below.

[Sales by Operation]

|  | Millions of yen  |  |                      |
|--|--|--|----------------------|
|  | Six<br>months<br>ended<br>September<br>30, 2011<br>[A] | Six months ended<br>September 30,<br>2010<br>[B] | Changes<br>[(A-B)/B] |
| Construction, Mining and Utility Equipment | 853,674  | 763,645  | 11.8%                |
| Industrial Machinery and Others            | 132,193  | 96,118   | 37.5%                |
| Total                                      | 985,867  | 859,763  | 14.7%                |

**Construction, Mining and Utility Equipment**

While demand in China declined, it grew steadily in other Strategic markets centering on Asia and recovered in the Traditional Markets of Japan, North America and Europe. Against this backdrop, consolidated net sales of construction, mining and utility equipment increased by 11.8% from the corresponding first six-month period a year ago, to JPY853.6 billion (USD11,087 million). In particular, sales of mining equipment continued to expand centering on Latin America and Indonesia, reflecting thriving demand for mineral and energy resources. Parts sales and service revenues also advanced in tandem with growth in the number of mining equipment in operation.

Also during the six-month period under review, Komatsu began overseas market launchings of the HB205 and 215LC hybrid hydraulic excavators which were introduced on the Japanese market in December last year. Komatsu also commenced sales of the new emission standards-compliant modles in North America and Europe.

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

|                      | Millions of yen  |  |                            |         |
|----------------------|--|--|----------------------------|---------|
|                      | Six<br>months<br>ended<br>September<br>30, 2011<br>[A] | Six months ended<br>September 30,<br>2010<br>[B] | Changes<br>[A-B] [(A-B)/B] |         |
| Japan                | 129,042  | 117,405  | 11,637                     | 9.9%    |
| Americas             | 217,458  | 190,252  | 27,206                     | 14.3%   |
| Europe & CIS         | 99,395   | 71,746   | 27,649                     | 38.5%   |
| China                | 114,295  | 152,806  | (38,511)                   | (25.2)% |
| Asia* & Oceania      | 228,184  | 181,869  | 46,315                     | 25.5%   |
| Middle East & Africa | 65,300   | 49,567   | 15,733                     | 31.7%   |
| Total                | 853,674  | 763,645  | 90,029                     | 11.8%   |

\* Excluding Japan and China



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**Japan**

While demand for construction equipment advanced mainly from rental companies for use in the recovery and reconstruction of the earthquake and tsunami-stricken regions, Komatsu quickly resumed production and supplied equipment smoothly. As a result, six-month sales in Japan increased from the corresponding period a year ago. To get ready for a large number of equipment to be operated in full-scale reconstruction projects in the disaster-devastated regions, Komatsu expanded its service operation in Tohoku region.

To further improve customer service and operational efficiency of the rental equipment business, Komatsu absorbed Komatsu Rental Ltd. in July and took over the rental equipment assets, so that the new Komatsu Rental Ltd. has become able to focus its efforts exclusively on renting and service operations.

**Americas**

In North America, while the recovery of demand for construction equipment in the housing sector still lacked momentum, demand in the rental and mining industries expanded firmly. Komatsu launched the new emission standards-compliant models and new hybrid hydraulic excavators on the market, as it continued to advance the Zero Inventory Campaign at distributors. In Latin America, demand in Brazil, the largest Latin American market for construction equipment, was slack in the civil engineering sector as adversely affected by the government's credit squeeze measure and belated start of public works. Meanwhile, demand for mining equipment remained strong. As a result, six-month sales in the Americas increased from the corresponding period a year ago.

**Europe & CIS**

In Europe, although concerns grew over economic slowdown against the backdrop of fiscal problems, demand for construction equipment increased steadily in major markets of Germany and France. While zooming in on the growth in demand, Komatsu worked to expand sales of parts. As a result, six-month sales in Europe increased from the corresponding period a year ago. Komatsu also embarked on sales of the new emission standards-compliant models and new hybrid hydraulic excavators.

In CIS, demand for equipment expanded in the mining sector especially for coal and gold as well as the energy sector for oil and natural gas, and six-month sales in CIS increased from the corresponding period a year ago. At Komatsu Manufacturing Rus, LLC, which opened in June last year, following the production of hydraulic excavators, Komatsu began production of the HD785 large dump truck designed mainly for mining application.

**China**

Demand for construction equipment especially in the civil engineering sector was adversely affected by the government's credit squeeze measure, and six-month sales declined from the corresponding period a year ago. In September, Komatsu organized the China Midori-kai for local suppliers, following Japan, North America and Europe. By teaming up with local suppliers, Komatsu is going to improve the QCD (quality, cost and delivery) of products, thereby further enhancing Komatsu's Monozukuri competitiveness in China.

**Asia & Oceania**

In Indonesia, the largest market of Southeast Asia, demand continued to expanded for mining equipment, while that for construction equipment increased steadily in the civil engineering, agriculture and forestry sectors. Demand for construction equipment also grew in India and Malaysia. In Australia, demand for mining equipment remained firm. Reflecting these market conditions, six-month sales in Asia & Oceania increased from the corresponding six-month period a year ago. In both regions, Komatsu embarked on the sales of new hybrid hydraulic excavators in May this year, while continuing its efforts to introduce KOMTRAX (Komatsu Machine Tracking System)-installed standard construction equipment to more countries.

**Table of Contents****Middle East & Africa**

While unstable political and social conditions remained in some countries, demand for equipment advanced centering on mining application in Africa. In these market conditions, six-month sales in the Middle East & Africa improved from the corresponding period a year ago. By anticipating that the market for construction and mining equipment will continue to expand in Africa with strong demand in mining and infrastructure development, Komatsu introduced KOMTRAX-installed standard construction equipment in South Africa. In western Africa where market growth is being projected, Komatsu opened the Dakar Office in April this year as part of continued efforts to reinforce its product support capability.

**Industrial Machinery and Others**

For the six-month period under review, orders declined for wire saws for use in slicing silicon ingots, the basic material for solar cells, from the corresponding period a year ago, as affected by the Chinese government's credit squeeze measure and reduced subsidies related solar energy in Europe. However, six-month sales of wire saws increased from the corresponding period a year ago, reflecting steady progress in factory shipment of ordered wire saws on hand. Furthermore, capital investment by the automobile manufacturing industry upturned for recovery, and six-month sales of presses and machine tools also improved from the corresponding period a year ago. In the first quarter of the current fiscal year, Gigaphoton became a consolidated subsidiary of the Company, and Komatsu included Gigaphoton's sales and profits in the consolidated financial statements, starting in the second quarter. As a result, six-month sales of the industrial machinery and others business increased by 37.5% from the corresponding period a year ago, to JPY132.1 billion (USD1,717 million).

**(2) Financial Conditions**

As of September 30, 2011, total assets amounted to JPY2,145.1 billion (USD27,860 million), comparable to the previous fiscal year-end. Interest-bearing debt increased by JPY28.9 billion from the previous fiscal year-end, to JPY573.0 billion (USD7,442 million). Komatsu Ltd. shareholders' equity increased by JPY14.9 billion from the previous fiscal year-end, to JPY938.8 billion (USD12,192 million). As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.8 percentage points from the previous fiscal year-end, to 43.8%. Net debt-to-equity ratio\* was 0.52 compared to 0.50 as of the previous fiscal year-end.

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

For the first half period under review, net cash provided by operating activities amounted to JPY40.2 billion (USD523 million), due mainly to increased inventories, a decrease of JPY62.5 billion from JPY102.8 billion for the corresponding first period a year ago. Net cash used in investing activities amounted to JPY61.6 billion (USD801 million), due mainly to capital expenditures and acquisition of subsidiaries and equity investees, an increase of JPY26.1 billion from the previous first half period a year ago. Net cash provided by financing activities amounted to JPY27.5 billion (USD358 million) due to procurement of long-term debt and an increase in short-term debt, an increase of JPY81.8 billion from the corresponding first half period a year ago. Furthermore, after adding the effects of foreign exchange fluctuations, cash and cash equivalents, as of September 30, 2011, totaled 84.8 billion (USD1,101 million), an increase of JPY581 million from the previous fiscal year-end.

**Table of Contents****(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, while demand has declined in China, it has remained strong in other Strategic markets and Traditional Markets. Therefore, we are expecting to achieve the target volume of sales projected at the beginning of the fiscal year. However, coupled with the Japanese currency's appreciation against the U.S. dollar, Euro and Renminbi in progress, we are anticipating a decline in sales of wire saws in the industrial machinery and others business as mainly affected by the Chinese government's credit squeeze measures. In this light, we are revising our projection of full-year sales announced in April this year downward. With respect to profits, we are resolutely working to improve selling prices and production costs in order to minimize the adverse effects of foreign exchange rates, nevertheless we are also revising the projected figures downward.

As to preconditions for our current projections, we are assuming the foreign exchange rates in the third and fourth quarters to be as follows: USD1=JPY77, EUR1=JPY106 and RMB1=JPY12.1.

With respect to non-consolidated business results, there is no change in the projections made in April this year.

**Projections for Consolidated Business Results for the Fiscal Year Ending March 31, 2012**

|   | Millions of yen except per share amounts |                   |           |           | Results for FY ended March 31, 2011 |
|---|--|-------------------|-----------|-----------|-------------------------------------|
|   | Earlier                                  | Current           | Changes   |           |                                     |
|   | projection<br>[A]                        | projection<br>[B] | [B-A]     | [(B-A)/A] |                                     |
| Net sales   | 2,150,000                                | <b>2,050,000</b>  | (100,000) | (4.7)%    | 1,843,127                           |
| Operating income  | 305,000                                  | <b>282,000</b>    | (23,000)  | (7.5)%    | 222,929                             |
| Income before income taxes and equity in earnings of affiliated companies | 300,000                                  | <b>276,000</b>    | (24,000)  | (8.0)%    | 219,809                             |
| Net income attributable to Komatsu Ltd.                                   | 200,000                                  | <b>186,000</b>    | (14,000)  | (7.0)%    | 150,752                             |
| Net income attributable to Komatsu Ltd. per share (Yen)                   | 206.63                                   | <b>192.99</b>     |           |           | 155.77                              |

**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 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 September 30, 2011 |              | As of March 31, 2011 |              |
|   |                          | Ratio (%)    |                      | Ratio (%)    |
| <b>Current assets</b>                               |                          |              |                      |              |
| Cash and cash equivalents                           | ¥ 84,805                 |              | ¥ 84,224             |              |
| Time deposits                                       | 1,458                    |              | 734                  |              |
| Trade notes and accounts receivable                 | 487,812                  |              | 532,757              |              |
| Inventories   | 522,812                  |              | 473,876              |              |
| Deferred income taxes and other current assets      | 161,377                  |              | 152,781              |              |
| <b>Total current assets</b>                         | <b>1,258,264</b>         | <b>58.6</b>  | <b>1,244,372</b>     | <b>57.9</b>  |
| <b>Long-term trade receivables</b>                  | <b>179,559</b>           | <b>8.4</b>   | <b>183,270</b>       | <b>8.5</b>   |
| <b>Investments</b>                                  |                          |              |                      |              |
| Investments in and advances to affiliated companies | 19,418                   |              | 25,115               |              |
| Investment securities                               | 43,189                   |              | 60,855               |              |
| Other   | 3,263                    |              | 3,124                |              |
| <b>Total investments</b>                            | <b>65,870</b>            | <b>3.1</b>   | <b>89,094</b>        | <b>4.1</b>   |
| <b>Property, plant and equipment</b>                |                          |              |                      |              |
| - Less accumulated depreciation                     | 508,186                  | 23.7         | 508,387              | 23.7         |
| <b>Goodwill</b>                                     | <b>30,452</b>            | <b>1.4</b>   | <b>29,321</b>        | <b>1.4</b>   |
| <b>Other intangible assets</b>                      | <b>59,393</b>            | <b>2.8</b>   | <b>53,971</b>        | <b>2.5</b>   |
| <b>Deferred income taxes and other assets</b>       | <b>43,471</b>            | <b>2.0</b>   | <b>40,722</b>        | <b>1.9</b>   |
| <b>Total</b>  | <b>¥ 2,145,195</b>       | <b>100.0</b> | <b>¥ 2,149,137</b>   | <b>100.0</b> |

**Table of Contents****Liabilities and Equity**

|   | Millions of yen          |              |                      |              |
|---|--------------------------|--------------|----------------------|--------------|
|   | As of September 30, 2011 |              | As of March 31, 2011 |              |
|   |                          | Ratio (%)    |                      | Ratio (%)    |
| <b>Current liabilities</b>                          |                          |              |                      |              |
| Short-term debt                                     | ¥ 160,232                |              | ¥ 130,308            |              |
| Current maturities of long-term debt                | 142,112                  |              | 122,608              |              |
| Trade notes, bills and accounts payable             | 281,280                  |              | 308,975              |              |
| Income taxes payable                                | 22,372                   |              | 38,829               |              |
| Deferred income taxes and other current liabilities | 199,969                  |              | 199,268              |              |
| <b>Total current liabilities</b>                    | <b>805,965</b>           | <b>37.6</b>  | <b>799,988</b>       | <b>37.2</b>  |
| <b>Long-term liabilities</b>                        |                          |              |                      |              |
| Long-term debt                                      | 270,662                  |              | 291,152              |              |
| Liability for pension and retirement benefits       | 46,613                   |              | 48,027               |              |
| Deferred income taxes and other liabilities         | 44,050                   |              | 37,290               |              |
| <b>Total long-term liabilities</b>                  | <b>361,325</b>           | <b>16.8</b>  | <b>376,469</b>       | <b>17.5</b>  |
| <b>Total liabilities</b>                            | <b>1,167,290</b>         | <b>54.4</b>  | <b>1,176,457</b>     | <b>54.7</b>  |
| <b>Komatsu Ltd. shareholders equity</b>             |                          |              |                      |              |
| Common stock  | 67,870                   |              | 67,870               |              |
| Capital surplus                                     | 140,745                  |              | 140,523              |              |
| Retained earnings:                                  |                          |              |                      |              |
| Appropriated for legal reserve                      | 37,161                   |              | 34,494               |              |
| Unappropriated                                      | 919,792                  |              | 847,153              |              |
| Accumulated other comprehensive income (loss)       | (190,670)                |              | (131,059)            |              |
| Treasury stock                                      | (36,084)                 |              | (35,138)             |              |
| <b>Total Komatsu Ltd. shareholders equity</b>       | <b>938,814</b>           | <b>43.8</b>  | <b>923,843</b>       | <b>43.0</b>  |
| <b>Noncontrolling interests</b>                     | <b>39,091</b>            | <b>1.8</b>   | <b>48,837</b>        | <b>2.3</b>   |
| <b>Total equity</b>                                 | <b>977,905</b>           | <b>45.6</b>  | <b>972,680</b>       | <b>45.3</b>  |
| <b>Total</b>  | <b>¥ 2,145,195</b>       | <b>100.0</b> | <b>¥ 2,149,137</b>   | <b>100.0</b> |

Table of Contents**(2) Condensed Consolidated Statements of Income**  
**Six months ended September 30, 2011 and 2010**

|  | Millions of yen except per share amounts |              |  |              |
|--|--|--------------|--|--------------|
|  | Six months ended<br>September 30, 2011   |              | Six months ended<br>September 30, 2010 |              |
|  |  | Ratio<br>(%) |  | Ratio<br>(%) |
| Net sales  | ¥ 985,867                                | 100.0        | ¥ 859,763                              | 100.0        |
| Cost of sales  | 712,988                                  | 72.3         | 629,877                                | 73.3         |
| Selling, general and administrative expenses                                     | 140,139                                  | 14.2         | 124,750                                | 14.5         |
| Other operating income (expenses), net   | 209                                      | 0.0          | (1,224)                                | (0.1)        |
| <b>Operating income</b>  | <b>132,949</b>                           | <b>13.5</b>  | 103,912                                | 12.1         |
| <b>Other income (expenses), net</b>  | <b>(2,706)</b>                           |              | (3,801)                                |              |
| Interest and dividend income   | 2,085                                    | 0.2          | 2,329                                  | 0.3          |
| Interest expense   | (3,655)                                  | (0.4)        | (3,289)                                | (0.4)        |
| Other, net   | (1,136)                                  | (0.1)        | (2,841)                                | (0.3)        |
| <b>Income before income taxes and equity in earnings of affiliated companies</b> | <b>130,243</b>                           | <b>13.2</b>  | 100,111                                | 11.6         |
| <b>Income taxes</b>  | <b>32,262</b>                            | <b>3.3</b>   | 33,507                                 | 3.9          |
| <b>Income before equity in earnings of affiliated companies</b>                  | <b>97,981</b>                            | <b>9.9</b>   | 66,604                                 | 7.7          |
| <b>Equity in earnings of affiliated companies</b>                                | <b>1,034</b>                             | <b>0.1</b>   | 1,198                                  | 0.1          |
| <b>Net income</b>  | <b>99,015</b>                            | <b>10.0</b>  | 67,802                                 | 7.9          |
| <b>Less net income attributable to noncontrolling interests</b>                  | <b>(4,340)</b>                           | <b>(0.4)</b> | (4,038)                                | (0.5)        |
| <b>Net income attributable to Komatsu Ltd.</b>                                   | <b>¥ 94,675</b>                          | <b>9.6</b>   | ¥ 63,764                               | 7.4          |
| <b>Net income attributable to Komatsu Ltd. per share (Yen)</b>                   |  |              |  |              |
| <b>Basic</b>   | <b>97.82</b>                             |              | 65.89                                  |              |
| <b>Diluted</b>   | <b>97.74</b>                             |              | 65.85                                  |              |

**Table of Contents****Three months ended September 30, 2011 and 2010**

|  | Millions of yen except per share amounts |              |  |              |
|--|--|--------------|--|--------------|
|  | Three months ended<br>September 30, 2011 |              | Three months ended<br>September 30, 2010 |              |
|  |  | Ratio<br>(%) |  | Ratio<br>(%) |
| Net sales  | ¥ 491,690                                | 100.0        | ¥ 412,623                                | 100.0        |
| Cost of sales  | 356,351                                  | 72.5         | 300,021                                  | 72.7         |
| Selling, general and administrative expenses                                     | 70,711                                   | 14.4         | 61,803                                   | 15.0         |
| Other operating income (expenses), net   | (48)                                     | (0.0)        | (962)                                    | (0.2)        |
| <b>Operating income</b>  | <b>64,580</b>                            | <b>13.1</b>  | 49,837                                   | 12.1         |
| <b>Other income (expenses), net</b>  | <b>(2,778)</b>                           |              | 170                                      |              |
| Interest and dividend income   | 790                                      | 0.2          | 1,308                                    | 0.3          |
| Interest expense   | (1,767)                                  | (0.4)        | (1,620)                                  | (0.4)        |
| Other, net   | (1,801)                                  | (0.4)        | 482                                      | 0.1          |
| <b>Income before income taxes and equity in earnings of affiliated companies</b> | <b>61,802</b>                            | <b>12.6</b>  | 50,007                                   | 12.1         |
| <b>Income taxes</b>  | <b>21,126</b>                            | <b>4.3</b>   | 16,041                                   | 3.9          |
| <b>Income before equity in earnings of affiliated companies</b>                  | <b>40,676</b>                            | <b>8.3</b>   | 33,966                                   | 8.2          |
| <b>Equity in earnings of affiliated companies</b>                                | <b>453</b>                               | <b>0.1</b>   | 557                                      | 0.1          |
| <b>Net income</b>  | <b>41,129</b>                            | <b>8.4</b>   | 34,523                                   | 8.4          |
| <b>Less net income attributable to noncontrolling interests</b>                  | <b>(2,160)</b>                           | <b>(0.4)</b> | (1,456)                                  | (0.4)        |
| <b>Net income attributable to Komatsu Ltd.</b>                                   | <b>¥ 38,969</b>                          | <b>7.9</b>   | ¥ 33,067                                 | 8.0          |
| <b>Net income attributable to Komatsu Ltd. per share (Yen)</b>                   |  |              |  |              |
| <b>Basic</b>   | <b>40.27</b>                             |              | 34.17                                    |              |
| <b>Diluted</b>   | <b>40.23</b>                             |              | 34.15                                    |              |

**Table of Contents****(3) Consolidated Statements of Equity****Six months ended September 30, 2011**

|   | Millions of yen |          |  |                                     |   |                                  |                                    |                             |                 |
|---|-----------------|----------|--|-------------------------------------|---|----------------------------------|------------------------------------|-----------------------------|-----------------|
|   | Common          | Capital  | Retained earnings<br>Appropriated<br>for legal | Retained earnings<br>Unappropriated | Accumulated<br>other<br>comprehensive<br>income<br>(loss) | Treasury<br>shareholder<br>stock | Total<br>Komatsu<br>Ltd.<br>equity | Noncontrolling<br>interests | Total<br>equity |
|   | stock           | surplus  | reserve  |                                     |   |                                  |                                    |                             |                 |
| Balance at<br>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)                           | (5,921)                     | (25,290)        |
| Transfer to<br>retained<br>earnings<br>appropriated<br>for legal<br>reserve           |                 |          | 2,667  | (2,667)                             |   |                                  | (146)                              | (4,089)                     | (4,235)         |
| Other changes<br>Comprehensive<br>income (loss)                                       |                 | (146)    |  |                                     |   |                                  | (146)                              | (4,089)                     | (4,235)         |
| Net income  |                 |          |  | 94,675                              |   |                                  | 94,675                             | 4,340                       | 99,015          |
| Other<br>comprehensive<br>income (loss),<br>for the period,<br>net of tax             |                 |          |  |                                     |   |                                  |                                    |                             |                 |
| Foreign<br>currency<br>translation<br>adjustments                                     |                 |          |  |                                     | (51,813)  |                                  | (51,813)                           | (3,923)                     | (55,736)        |
| Net unrealized<br>holding gains<br>(losses) on<br>securities<br>available for<br>sale |                 |          |  |                                     | (8,196)   |                                  | (8,196)                            |                             | (8,196)         |
| Pension<br>liability<br>adjustments   |                 |          |  |                                     | (435)   |                                  | (435)                              |                             | (435)           |
| Net unrealized<br>holding gains<br>(losses) on<br>derivative<br>instruments           |                 |          |  |                                     | 833   |                                  | 833                                | (153)                       | 680             |

|   |                |                 |                |                 |                   |                  |                 |                |                 |
|---|----------------|-----------------|----------------|-----------------|-------------------|------------------|-----------------|----------------|-----------------|
| Comprehensive income (loss)                       |                |                 |                |                 |                   | <b>35,064</b>    | <b>264</b>      | <b>35,328</b>  |                 |
| Issuance and exercise of stock acquisition rights |                | <b>248</b>      |                |                 |                   | <b>248</b>       |                 | <b>248</b>     |                 |
| Purchase of treasury stock                        |                |                 |                |                 | <b>(1,136)</b>    | <b>(1,136)</b>   |                 | <b>(1,136)</b> |                 |
| Sales of treasury stock                           |                | <b>120</b>      |                |                 | <b>190</b>        | <b>310</b>       |                 | <b>310</b>     |                 |
| Balance at September 30, 2011                     | <b>¥67,870</b> | <b>¥140,745</b> | <b>¥37,161</b> | <b>¥919,792</b> | <b>¥(190,670)</b> | <b>¥(36,084)</b> | <b>¥938,814</b> | <b>¥39,091</b> | <b>¥977,905</b> |

Six months ended september 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. shareholders' 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)                                 | (830)                    | (8,579)      |
| Transfer to retained earnings appropriated for legal reserve  |                 |                 | 743  | (743)                            |   |                |   |                          |              |
| Other changes   |                 |                 |  |                                  |   |                |   | 317                      | 317          |
| Comprehensive income (loss)                                   |                 |                 |  |                                  |   |                |   |                          |              |
| Net income  |                 |                 |  | 63,764                           |   |                | 63,764                                  | 4,038                    | 67,802       |
| Other comprehensive income (loss), for the period, net of tax |                 |                 |  |                                  |   |                |   |                          |              |
| Foreign currency translation adjustments                      |                 |                 |  |                                  | (44,877)                                      |                | (44,877)                                | (3,087)                  | (47,964)     |

|  |          |           |          |           |             |            |           |          |           |
|--|----------|-----------|----------|-----------|-------------|------------|-----------|----------|-----------|
| Net unrealized holding gains (losses) on securities available for sale |          |           | (2,398)  |           | (2,398)     |            | (2,398)   |          |           |
| Pension liability adjustments  |          |           | 77       |           | 77          |            | 77        |          |           |
| Net unrealized holding gains (losses) on derivative instruments        |          |           | 658      |           | 658         |            | 658       |          |           |
| Comprehensive income (loss)  |          |           |          |           | 17,224      | 951        | 18,175    |          |           |
| Issuance and exercise of stock acquisition rights                      | 55       |           |          |           | 55          |            | 55        |          |           |
| Purchase of treasury stock   |          |           |          | (551)     | (551)       |            | (551)     |          |           |
| Sales of treasury stock  |          |           |          | 23        | 23          |            | 23        |          |           |
| Balance at September 30, 2010  | ¥ 67,870 | ¥ 140,476 | ¥ 32,726 | ¥ 779,362 | ¥ (142,174) | ¥ (35,283) | ¥ 842,977 | ¥ 43,262 | ¥ 886,239 |

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

|   | Millions of yen  |   |
|---|--|---|
|   | <b>Six months<br/>ended<br/>September<br/>30, 2011</b> | Six months ended<br>September 30,<br>2010 |
| <b>Operating activities</b>   |  |   |
| Net income  | ¥ 99,015   | ¥ 67,802                                  |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |  |   |
| Depreciation and amortization   | 43,681   | 43,432                                    |
| Deferred income taxes   | (2,521)  | 15,621                                    |
| Net loss (gain) from sale of investment securities and subsidiaries                         | (91)   | 90  |
| Net loss (gain) on sale of property   | (209)  | (1,160)                                   |
| Loss on disposal of fixed assets  | 1,006  | 634                                       |
| Pension and retirement benefits, net  | 357  | (3,176)                                   |
| Changes in assets and liabilities:  |  |   |
| Decrease (increase) in trade receivables  | 17,663   | (11,005)                                  |
| Decrease (increase) in inventories  | (82,021)   | (42,960)                                  |
| Increase (decrease) in trade payables   | (27,196)   | 47,870                                    |
| Increase (decrease) in income taxes payable   | (15,055)   | (6,067)                                   |
| Other, net  | 5,644  | (8,253)                                   |
| Net cash provided by (used in) operating activities   | 40,273   | 102,828                                   |
| <b>Investing activities</b>   |  |   |
| Capital expenditures  | (58,984)   | (42,482)                                  |
| Proceeds from sale of property  | 4,910  | 5,637                                     |
| Proceeds from sale of available for sale investment securities                              | 414  | 22  |
| Purchases of available for sale investment securities                                       | (1,124)  | (520)                                     |
| Acquisition of subsidiaries and equity investees, net of cash acquired                      | (7,786)  | 654                                       |
| Collection of loan receivables  | 1,730  | 1,290                                     |
| Disbursement of loan receivables  | (160)  | (576)                                     |
| Decrease (increase) in time deposits  | (664)  | 443                                       |
| Net cash provided by (used in) investing activities   | (61,664)   | (35,532)                                  |
| <b>Financing activities</b>   |  |   |
| Proceeds from long-term debt  | 80,478   | 31,266                                    |
| Repayments on long-term debt  | (29,609)   | (24,059)                                  |
| Increase (decrease) in short-term debt, net   | 43,316   | (34,023)                                  |
| Repayments of capital lease obligations   | (38,142)   | (18,791)                                  |
| Sale (purchase) of treasury stock, net  | (853)  | 10  |
| Dividends paid  | (19,369)   | (7,749)                                   |
| Other, net  | (8,266)  | (928)                                     |
| Net cash provided by (used in) financing activities   | 27,555   | (54,274)                                  |

|  |                 |          |                |
|--|-----------------|----------|----------------|
| <b>Effect of exchange rate change on cash and cash equivalents</b> | <b>(5,583)</b>  |          | <b>(4,804)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>        | <b>581</b>      |          | <b>8,218</b>   |
| <b>Cash and cash equivalents, beginning of year</b>                | <b>84,224</b>   |          | <b>82,429</b>  |
| <b>Cash and cash equivalents, end of period</b>                    | <b>¥ 84,805</b> | <b>¥</b> | <b>90,647</b>  |

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

None

**(6) Business Segment Information****1) Operating Segments****Six months ended September 30, 2011 and 2010****(For the six months ended September 30, 2011)**

|                | 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      | 853,674   | 132,193                                  | 985,867  |                               | 985,867 |
| Intersegment   | 2,734   | 4,204                                    | 6,938    | (6,938)                       |         |
| Total          | 856,408   | 136,397                                  | 992,805  | (6,938)                       | 985,867 |
| Segment profit | 120,154   | 15,127                                   | 135,281  | (2,541)                       | 132,740 |

**(For the six months ended September 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      | 763,645   | 96,118                                   | 859,763  |                               | 859,763 |
| Intersegment   | 991   | 5,431                                    | 6,422    | (6,422)                       |         |
| Total          | 764,636   | 101,549                                  | 866,185  | (6,422)                       | 859,763 |
| Segment profit | 102,302   | 6,133                                    | 108,435  | (3,299)                       | 105,136 |

**Three months ended September 30, 2011 and 2010****(For the three months ended September 30, 2011)**

|  | Millions of yen                                     |  |          |                            |       |
|--|---|--|----------|----------------------------|-------|
|  | Construction,<br>Mining and<br>Utility<br>Equipment | Industrial<br>Machinery<br>and<br>Others | Subtotal | Corporate &<br>elimination | Total |

|                |                |               |                |                |                |
|----------------|----------------|---------------|----------------|----------------|----------------|
| Net sales:     |                |               |                |                |                |
| Customers      | <b>418,350</b> | <b>73,340</b> | <b>491,690</b> |                | <b>491,690</b> |
| Intersegment   | <b>1,428</b>   | <b>2,488</b>  | <b>3,916</b>   | <b>(3,916)</b> |                |
| Total          | <b>419,778</b> | <b>75,828</b> | <b>495,606</b> | <b>(3,916)</b> | <b>491,690</b> |
| Segment profit | <b>59,268</b>  | <b>6,283</b>  | <b>65,551</b>  | <b>(923)</b>   | <b>64,628</b>  |

(For the three months ended September 30, 2010)

|                | Millions of yen                                     |  |          |                            |         |
|----------------|---|--|----------|----------------------------|---------|
|                | Construction,<br>Mining and<br>Utility<br>Equipment | Industrial<br>Machinery<br>and<br>Others | Subtotal | Corporate &<br>elimination | Total   |
| Net sales:     |   |  |          |                            |         |
| Customers      | 358,439   | 54,184                                   | 412,623  |                            | 412,623 |
| Intersegment   | 553   | 3,128                                    | 3,681    | (3,681)                    |         |
| Total          | 358,992   | 57,312                                   | 416,304  | (3,681)                    | 412,623 |
| Segment profit | 48,037  | 4,098                                    | 52,135   | (1,336)                    | 50,799  |

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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 were as follows:

**Six months ended September 30, 2011 and 2010**

|               | Millions of yen |                |                 |                |                    |                            |                |
|---------------|-----------------|----------------|-----------------|----------------|--------------------|----------------------------|----------------|
|               | Japan           | Americas       | Europe &<br>CIS | China          | Asia* &<br>Oceania | Middle<br>East<br>& Africa | Total          |
| <b>FY2011</b> | <b>191,433</b>  | <b>224,308</b> | <b>100,570</b>  | <b>159,875</b> | <b>244,372</b>     | <b>65,309</b>              | <b>985,867</b> |
| FY2010        | 163,119         | 196,587        | 72,138          | 186,127        | 192,186            | 49,606                     | 859,763        |

**Three months ended September 30, 2011 and 2010**

|               | Millions of yen |                |                    |               |                    |                            |                |
|---------------|-----------------|----------------|--------------------|---------------|--------------------|----------------------------|----------------|
|               | Japan           | Americas       | Europe<br>&<br>CIS | China         | Asia* &<br>Oceania | Middle<br>East<br>& Africa | Total          |
| <b>FY2011</b> | <b>107,502</b>  | <b>115,246</b> | <b>46,924</b>      | <b>57,971</b> | <b>128,339</b>     | <b>35,708</b>              | <b>491,690</b> |
| FY2010        | 91,694          | 95,011         | 32,386             | 71,235        | 94,167             | 28,130                     | 412,623        |

\* Excluding Japan and China

(7) Note in Case of Notable Change(s) in the Amount of Shareholders' Equity

None

(end)

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 Date: October 27, 2011  
 URL:  
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**Announcement Concerning the Revision of Projected Business Results**

Komatsu Ltd. (hereinafter Company) (President and CEO: Kunio Noji) has revised the projections for consolidated business results for the fiscal year ending March 31, 2012, which the Company announced on April 27, 2011.

**1. Projections for Consolidated Business Results for the Fiscal Year Ending March 31, 2012 (U.S. GAAP)**

|   | Millions of yen except per share amounts |                                       |                  |           | Results for FY<br>ended March<br>31,<br>2011 |
|---|--|---------------------------------------|------------------|-----------|--|
|   | Earlier<br>projection<br>[A]             | <b>Current<br/>projection<br/>[B]</b> | Changes<br>[B-A] | [(B-A)/A] |  |
| Net sales   | 2,150,000                                | <b>2,050,000</b>                      | (100,000)        | (4.7)%    | 1,843,127                                    |
| Operating income  | 305,000                                  | <b>282,000</b>                        | (23,000)         | (7.5)%    | 222,929                                      |
| Income before income taxes<br>and equity in earnings of<br>affiliated companies | 300,000                                  | <b>276,000</b>                        | (24,000)         | (8.0)%    | 219,809                                      |
| Net income attributable to<br>Komatsu Ltd.                                      | 200,000                                  | <b>186,000</b>                        | (14,000)         | (7.0)%    | 150,752                                      |
| Net income attributable to<br>Komatsu Ltd. per share (Yen)                      | 206.63                                   | <b>192.99</b>                         |                  |           | 155.77                                       |

**2. Reasons for the Revision**

In the construction, mining and utility equipment business, while demand has declined in China, it has remained strong in other Strategic Markets and Traditional Markets. Therefore, we are expecting to achieve the target volume of sales projected at the beginning of the fiscal year. However, coupled with the Japanese currency's appreciation against the U.S. dollar, Euro and Renminbi in progress, we are anticipating a decline in sales of wire saws in the industrial machinery and others business as mainly affected by the Chinese government's credit squeeze measures. In this light, we are revising our projection of full-year sales announced in April this year downward. With respect to profits, we are resolutely working to improve selling prices and production costs in order to minimize the adverse effects of foreign exchange rates, nevertheless we are also revising the projected figures downward.

As to preconditions for our current projections, we are assuming the foreign exchange rates in the third and fourth quarters to be as follows: USD1=JPY77, EUR1=JPY106 and RMB1=JPY12.1.

With respect to non-consolidated business results, there is no change in the projections made in April this year.

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**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 Komatsu principal products, owing to changes in the economic conditions in Komatsu principal markets; changes in exchange rates or the impact of increased competition; unanticipated cost or delays encountered in achieving Komatsu objectives with respect to globalized product sourcing and new Information Technology tools; uncertainties as to the results of Komatsu 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.

(end)

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**For Immediate Release**

**Komatsu Ltd.**

Corporate Communications Dept.

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

Date: October 27, 2011

URL: <http://komatsu.com/>

**Notice of Acquisition and Cancellation of Treasury Stock**

(Acquisition based on the Articles of Incorporation pursuant to Paragraph 2, Article 165 of the Companies Act of Japan, and cancellation pursuant to Article 178 of the Act)

Komatsu Ltd. hereby announces that at the meeting of the Board of Directors held on October 27, 2011, the Board resolved the acquisition of treasury stock pursuant to Article 156 of the Companies Act of Japan as modified by Paragraph 3, Article 165 of the Act, and the cancellation of part of treasury stock pursuant to Article 178 of the Act.

[Description]

1. Reasons for acquisition and cancellation of treasury stock

To improve capital efficiency in management and further promote returns to shareholders.

2. Details of acquisition

- |   |  |
|---|--|
| (1) Type of shares to be purchased:         | Outstanding common stock of Komatsu Ltd. |
| (2) Total number of shares to be purchased: | Up to 16,000,000 shares                  |

\* Representing 1.65% of total shares issued and outstanding (excluding treasury stock).

- |                             |  |
|-----------------------------|--|
| (3) Total cost of purchase: | Up to JPY30 billion                      |
| (4) Period of purchase:     | From November 7 to December 28, 2011     |
| (5) Method of purchase:     | Open market purchase by the trust method |

3. Details of cancellation

- |                                      |   |
|--------------------------------------|---|
| (1) Type of shares to be canceled:   | Outstanding common stock of Komatsu Ltd.      |
| (2) Number of shares to be canceled: | All of the shares acquired, as stated 2 above |
| (3) Date of cancellation:            | January 20, 2012 (planned)                    |

[Reference]

Treasury stock as of September 30, 2011

- |  |                    |
|--|--------------------|
| (1) Total number of common shares issued and outstanding (excluding treasury stock): | 968,189,107 shares |
| (2) Number of shares of treasury stock:  | 30,554,953 shares  |

(end)