

KOMATSU LTD
Form 6-K
January 29, 2010

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

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

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

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

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

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

Yes No

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

INFORMATION TO BE INCLUDED IN REPORT

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

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SIGNATURES

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

KOMATSU LTD.
(Registrant)

Date: January 29, 2010

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

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Komatsu Ltd.
 Corporate Communications Dept.
 Tel: +81-(0)3-5561-2616
 Date: January 28, 2010
 URL: <http://www.komatsu.com/>

**Consolidated Business Results for the Nine Months of the Fiscal Year Ending
 March 31, 2010 (U.S. GAAP)**

1. Results for the Nine Months Ended December 31, 2009

(Amounts are rounded to the nearest million yen.)

(1) Consolidated Financial Highlights

Millions of yen except per share amounts

| | Nine months ended December 31, 2009 (A) | Nine months ended December 31, 2008 (B) | Changes (A)-(B) | |
|---|--|--|--------------------|---------|
| Net sales | 1,003,927 | 1,642,689 | (638,762) | (38.9)% |
| Operating income | 36,097 | 200,171 | (164,074) | (82.0)% |
| Income before income taxes and equity in earnings of affiliated companies | 34,688 | 178,104 | (143,416) | (80.5)% |
| Net income attributable to Komatsu Ltd. | 18,355 | 113,321 | (94,966) | (83.8)% |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 18.96 | ¥ 114.30 | ¥ (95.34) | |
| Diluted | ¥ 18.95 | ¥ 114.21 | ¥ (95.26) | |

Note: Komatsu Ltd. and its subsidiaries adopted the FASB Accounting Standards Codification™ (ASC) 810, Consolidation. Effective April 1, 2009, net income is relabelled and attributed

between
noncontrolling
interests and
Komatsu Ltd.
The caption Net
income
attributable to
Komatsu Ltd.
presented above
is comparable to
the caption Net
income
appearing in the
consolidated
financial
statements for
fiscal years
ended as of or
prior to
March 31, 2009.

(2) Consolidated Financial Position

Millions of yen except per share amounts

| | As of December 31, 2009 | | As of March 31, 2009 |
|--|------------------------------------|---|---------------------------------|
| Total assets | 1,947,020 | | 1,969,059 |
| Komatsu Ltd. shareholders equity | 810,871 | | 814,941 |
| Komatsu Ltd. shareholders equity ratio | 41.6% | | 41.4% |
| Komatsu Ltd. shareholders equity per share (Yen) | ¥ 837.64 | ¥ | ¥ 842.04 |

2. Dividends

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

Yen

| | The entire FY ending March 31, 2010 | | The entire FY ended March 31, 2009 |
|-----------------------|--|-------------------|---|
| | Results | Projection | |
| First quarter period | | | |
| Second quarter period | 8.0 | | 22.0 |
| Third quarter period | | | |
| Year-end | | 8.0 | 18.0 |
| Total | | 16.0 | 40.0 |

Note: Changes in the
projected cash
dividend as of
December 31,
2009: None

Table of Contents**3. Projections for the Fiscal Year Ending March 31, 2010**

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

Millions of yen except per share amounts

| | | The entire fiscal year Changes |
|---|-----------|-----------------------------------|
| Net sales | 1,430,000 | (29.3)% |
| Operating income | 72,000 | (52.6)% |
| Income before income taxes and equity in earnings of affiliated companies | 62,000 | (51.9)% |
| Net income attributable to Komatsu Ltd. | 35,000 | (55.6)% |
| Net income attributable to Komatsu Ltd. per share (basic) (Yen) | ¥ 36.16 | |

Notes: 1) Changes in the projected consolidated business results as of December 31, 2009: None

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

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

4. Others

(1) Changes in important subsidiaries during the nine months ended December 31, 2009: None

(2)

Use of simplified accounting procedures and of specific accounting procedures for the preparation of consolidated quarterly financial statements: None

(3) Changes in accounting standards, procedures and presentations for the preparation of consolidated quarterly financial statements

1) Changes resulting from revisions in accounting standards, etc.: Applicable

2) Changes in other matters except for 1) above: None

Note: See 4. Others of Management Performance and Financial Conditions on page 8 for more details.

(4) Number of common shares outstanding

1) The numbers of common shares issued (including treasury stock) were as follows:

As of December 31, 2009: 998,744,060 shares

As of March 31, 2009: 998,744,060 shares

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

As of December 31, 2009: 30,696,468 shares

As of March 31, 2009: 30,921,768 shares

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

Nine months ended December 31, 2009: 968,000,628 shares

Nine months ended December 31, 2008: 991,427,410 shares

[Reference]

Results for the Three Months Ended December 31, 2009

Millions of yen except per share amounts

| | Three months ended December 31, 2009 (A) | Three months ended December 31, 2008 (B) | Changes (A)-(B) | |
|---|---|---|--------------------|---------|
| Net sales | 357,964 | 431,401 | (73,437) | (17.0)% |
| Operating income | 16,312 | 40,517 | (24,205) | (59.7)% |
| Income before income taxes and equity in earnings of affiliated companies | 16,236 | 21,376 | (5,140) | (24.0)% |
| Net income attributable to Komatsu Ltd. | 10,157 | 12,980 | (2,823) | (21.7)% |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 10.49 | ¥ 13.19 | ¥ (2.70) | |
| Diluted | ¥ 10.49 | ¥ 13.19 | ¥ (2.70) | |

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

During the nine months from April 1 to December 31, 2009 of the fiscal year ending March 31, 2010, some economies of the world generated signs of recovery supported by positive effects of the economic stimulus packages of their respective governments. However, overall world economies remained far below the level of the pre-financial meltdown of 2008.

Under such a challenging business environment, Komatsu Ltd. and its subsidiaries (hereinafter Komatsu) engaged in production adjustment around the world in order to cut down inventories to an appropriate level and reorganized production of both businesses of the Construction, Mining and Utility Equipment and the Industrial Machinery and Others, while realigning sales of construction equipment and forklift trucks in Japan. Komatsu also worked to substantially cut down fixed costs. To ensure sales and profits, Komatsu expanded production capacity for hybrid hydraulic excavators and their sales, reinforced IT-deployed businesses such as the KOMTRAX (Komatsu Machine Tracking System), strengthened operations in China and mining equipment, in which business was expanding, and worked to strengthen the parts and service business. As a result, Komatsu firmly recovered profitability in the third quarter (October – December 2009), improving both sales and profits over the first (April – June 2009) and second quarters (July – September 2009). When compared to the previous nine-month period (April – December 2008), however, consolidated net sales for the nine months (April – December 2009) declined 38.9% to JPY1,003.9 billion (USD10,795 million, at USD1=JPY93), as global demand, excluding that in China, did not come back to the level of the pre-financial meltdown. An additional contributing factor was the Japanese yen's appreciation against major currencies. With respect to profits for the nine months compared to the nine-month period a year ago, operating income decreased 82.0% to JPY36.0 billion (USD388 million). Income before income taxes and equity in earnings of affiliated companies amounted to JPY34.6 billion (USD373 million), down 80.5%. Net income attributable to Komatsu Ltd. declined 83.8% to JPY18.3 billion (USD197 million).

Note: The translation of Japanese yen amounts into US dollar amounts hereafter is included solely for convenience and has been made for the nine months ended December 31, 2009 at the rate of JPY93 to USD1, the approximate rate of exchange at December 31, 2009.

Millions of yen

**Nine months
ended**

Nine months
ended

| | December 31, 2009 (A) USD1=JPY93 EUR1=JPY133 | December 31, 2008 (B) USD1=JPY102 EUR1=JPY150 | Changes (A-B)/(B) |
|--|---|---|----------------------|
| Net sales | 1,003,927 | 1,642,689 | (38.9)% |
| Operating income | 36,097 | 200,171 | (82.0)% |
| Income before income taxes and equity in earnings of affiliated companies | 34,688 | 178,104 | (80.5)% |
| Net income attributable to Komatsu Ltd. | 18,355 | 113,321 | (83.8)% |

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

Table of Contents**[Reference]****Consolidated Financial Results for the Nine Months Ended December 31, 2009 by Quarter**

Millions of yen

| | 1st. quarter (Apr. Jun., 2009) (A) USD1=JPY97 EUR1=JPY133 | 2nd. quarter (Jul. Sep., 2009) (B) USD1=JPY93 EUR1=JPY133 | 3rd. quarter (Oct. Dec., 2009) (C) USD1=JPY90 EUR1=JPY133 | Changes (C-B)/(B) |
|---|--|--|--|----------------------|
| Net sales | 320,428 | 325,535 | 357,964 | 10.0% |
| Operating income | 8,273 | 11,512 | 16,312 | 41.7% |
| Income before income taxes and equity in earnings of affiliated companies | 8,728 | 9,724 | 16,236 | 67.0% |
| Net income attributable to Komatsu Ltd. | 4,763 | 3,435 | 10,157 | 195.7% |

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

Business results by operation are described below.

Construction, Mining and Utility Equipment

In addition to China, with full-scale recovery in demand, in some emerging economies, such as Indonesia, India and Brazil, demand headed for gradual recovery. Meanwhile, demand remained slack in Japan, North America, Europe and other regions, reducing global demand to a level lower than that in the corresponding nine-month period a year ago. While global demand dropped, Komatsu reduced production in order to attain an appropriate level of inventories, including those of distributors, and the Japanese yen appreciated against major currencies. Adversely affected by these factors, consolidated net sales of construction, mining and utility equipment declined 37.9% from the corresponding nine-month period a year ago, to JPY886.4 billion (USD9,532 million).

Komatsu engaged in bold adjustment of production up through the second quarter, powerfully promoting inventory reduction, and thus, Komatsu regained the production volume, which corresponds to the present level of market demand.

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

Millions of yen

**Nine months
ended**

Nine months
ended

| | December 31, 2009 (A) | December 31, 2008 (B) | Changes (A-B)/(B) |
|----------------------|--------------------------------------|-----------------------------|----------------------|
| Japan | 167,165 | 245,793 | (32.0)% |
| Americas | 219,547 | 373,080 | (41.2)% |
| Europe & CIS | 89,015 | 239,920 | (62.9)% |
| China | 160,066 | 125,558 | 27.5% |
| Asia & Oceania | 190,871 | 259,550 | (26.5)% |
| Middle East & Africa | 59,823 | 184,748 | (67.6)% |
| Total | 886,487 | 1,428,649 | (37.9)% |

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Japan

While public-sector investment was firm, as supported by the effects of a supplementary budget executed by the former cabinet, private-sector capital investment and residential investment remained slack. As a result, overall demand sharply receded from the corresponding nine-month period a year ago, and sales also declined. Komatsu concerted efforts to enhance the efficiency of production and sales operations, while working to expand sales of hybrid hydraulic excavators which offer outstanding reduction of fuel consumption and CO₂ emissions. Komatsu also expanded the production capacity for electric motors and other key components for hybrid hydraulic excavators at its Shonan Plant in Hiratsuka City, Kanagawa Prefecture.

Americas

In North America, the operating rate of construction equipment showed signs of bottoming out, but fell short of increasing market demand against the backdrop of uncertainty over prolonged economic recovery. As a result, the business environment remained challenging. In Latin America, while demand in the civil engineering sector dropped, reflecting sluggish economies, demand in the mining sector was relatively firm. Under such an environment, Komatsu advanced reorganization of production and sales operations, while reinforcing sales and product support efforts of mining equipment. Affected by sluggish market conditions, as well as production adjustment to attain an appropriate level of distributors' inventories, sales in the Americas declined from the corresponding nine-month period a year ago. Following Japan and China, Komatsu decided to launch hybrid hydraulic excavators in North America and embarked on their test marketing in the third quarter.

Europe & CIS

A sharp drop in demand continued into the nine months under review, reflecting sluggish economies in Europe and CIS. Sales in Europe & CIS plunged sharply from the corresponding nine-month period a year ago, as Komatsu focused efforts on adjusting production in order to reduce distributors' inventories to an appropriate level against the backdrop of dropping demand in both regions, and narrow down the models of local production in Europe.

China

The Chinese government's economic stimulus measures advanced large-scale infrastructure developments, such as railways and highways, and upturned year-on-year monthly demand in June last year. Since then, market demand has remained strong. By capitalizing on this market recovery, Komatsu increased sales from the corresponding nine-month period a year ago. As a result, sales in China increased to account for 18.1% of total sales of the construction, mining and utility equipment business. In China, Komatsu aggressively launched hybrid hydraulic excavators and other new models. Furthermore, Komatsu (Changzhou) Construction Machinery Corp. is relocating its head office and is building a new plant and the KC Techno Center, designed to train service engineers and to reinforce its machine demonstration capability for customers. As shown by these moves, Komatsu has continued to strengthen its efforts in a promising market.

Asia & Oceania

In Indonesia, demand began to recover at the start of 2009, and demand upturned in India in the third quarter, centering on mining equipment. Also, in Australia, demand for mining-related equipment remained firm. Nine-month sales in Asia & Oceania, however, declined from the corresponding nine-month period a year ago, as demand did not recover to the level of the pre-financial meltdown of 2008 in both regions and Komatsu slowed down production to promote an appropriate level of distributors' inventories. In both regions, Komatsu further reinforced its operations, for example, by promoting global Reman (remanufacturing) operations in Indonesia and starting to reorganize its distributors in Thailand and Australia.

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Although commodity prices upturned for an increase from the drastic plunge two years ago, market demand remained far behind recovery in the Middle East and Africa, as affected by recessionary economies. Affected also by efforts to reduce distributors' inventories, sales in both regions declined from the corresponding nine-month period a year ago. To prepare for future recovery of demand in new mines and infrastructure development, Komatsu worked to strengthen its product support capability. For example, it opened a new training center in Dakar, Senegal and a new product support center in Tanzania.

Industrial Machinery and Others

As the automobile and other client industries continued the restraint of making capital investment, resulting in a sharp drop in new orders received, consolidated net sales of industrial machinery and other operations for the nine months under review declined 45.1% from the corresponding nine-month period a year ago, to JPY117.4 billion (USD1,263 million).

With the business environment remaining challenging, Komatsu continued its structural reform efforts, including the reorganization of production, centering on production transfer from the Komatsu Plant to the Kanazawa Plant. By anticipating growth of the solar cell market, Komatsu also worked to broaden a line-up of its wire saws while enhancing its technological capability. In order to further streamline the press business, develop new markets and expand business in China and other emerging economies, Komatsu embarked on the integration of development, as well as sales and service operations of the large press business, into Komatsu Industries Corp. in the third quarter. Komatsu also commenced sales of small and medium-sized presses equipped with the KOMTRAX as a standard feature. KOMTRAX is a Komatsu-original system that monitors operating conditions of construction equipment, which has been well received on the market.

2. Financial Conditions

As of December 31, 2009, total assets had decreased by JPY22.0 billion from the previous fiscal year-end, to JPY1,947.0 billion (USD20,936 million), largely due to a decrease in inventories resulting from our proactive efforts to reduce them to an appropriate level. Interest-bearing debt increased by JPY38.8 billion from the previous fiscal year-end, to JPY638.7 billion (USD6,868 million). This increase is mainly attributable to the inclusion of a retail finance company in Australia as a consolidated subsidiary. Komatsu Ltd. shareholders' equity amounted to JPY810.8 billion (USD8,719 million), a decline of JPY4.0 billion from the previous fiscal year-end. As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.2 percentage points from the previous fiscal year-end, to 41.6%. Net debt-to-equity ratio* was 0.67, compared to 0.62 as of the previous fiscal year-end.

For the nine months under review, net cash provided by operating activities amounted to JPY115.3 billion (USD1,240 million), an increase of JPY68.2 billion from the corresponding period a year ago, mainly due to a decrease in working capital. Net cash used in investing activities declined by JPY63.9 billion from the corresponding period a year ago, to JPY50.5 billion (USD544 million), mainly due to restrained investments in Japan and overseas. Net cash used in financing activities totaled JPY60.5 billion (USD651 million), an increase of JPY129.9 billion from the corresponding period a year ago. As a result, cash and cash equivalents, as of December 31, 2009, increased by JPY2.9 billion from the previous fiscal year-end, to JPY93.4 billion (USD1,005 million).

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

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

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

As of the date of this news release, there is no change in the projections of October 29, 2009 concerning consolidated business results for the fiscal year ending March 31, 2010. In the construction, mining and utility equipment business, we are anticipating that demand will remain strong in China and continue recovering in emerging economies, such as Indonesia, India and Brazil. We cannot expect any rapid recovery of demand in Japan, North America, Europe or other regions. All combined, overall demand will decline from the previous fiscal year. In the industrial machinery and others business, we are projecting a very challenging environment, as we cannot expect full-scale investment by the automobile manufacturing industry, our main client. Under such a business environment, we are resolutely determined to improve profits by not only strengthening our efforts in Greater Asia, including the full-scale market introduction of hybrid hydraulic excavators in China, but also by working to further reduce our fixed and production costs.

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4. Others

- (1) Changes in important subsidiaries during the nine months ended December 31, 2009: None
- (2) Use of simplified accounting procedures and of specific accounting procedures for the preparation of consolidated quarterly financial statements: None
- (3) Changes in accounting standards, procedures and presentations for the preparation of consolidated quarterly financial statements

1) Changes resulting from revisions in accounting standards, etc.: Applicable

Komatsu adopted the FASB Accounting Standards Codification™ (ASC) 105, Generally Accepted Accounting Principles (Formerly SFAS No. 168, The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162) in September 2009. ASC 105 prescribes that FASB Accounting Standard Codification (Codification) is the single source of authoritative U.S. generally accepted accounting principle, doing away with the previous four-level hierarchy.

The financial statements that adopted ASC 105 should follow the Codification in place of legacy accounting pronouncements. SFAS No. 168 is superseded by ASC 105. The adoption of ASC 105 did not have a material impact on our consolidated results of operations and financial condition.

Specific standard number of FASB statement is referred in () hereinafter.

Starting in the fiscal year which began April 1, 2009, Komatsu adopted ASC 805, Business Combinations (Formerly SFAS No. 141R, Business Combinations). ASC 805 establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired or gain from a bargain purchase. ASC 805 also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. The adoption of ASC 805 did not have a material impact on our consolidated result of operations and financial condition.

Starting in the fiscal year which began April 1, 2009, Komatsu adopted ASC 810, Consolidation (Formerly SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51). ASC 810 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. ASC 810 also establishes disclosure requirements that clearly identify and distinguish between the controlling and noncontrolling interests, and requires the separate disclosure of income attributable to controlling and noncontrolling interests. Previously reported amounts have been reclassified accordingly.

2) Change in other matters except for 1) above: None

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.

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Millions of yen

| | As of December 31, 2009 | | As of March 31, 2009 | |
|---|-------------------------|--------------|----------------------|--------------|
| | | Ratio | | Ratio |
| | | (%) | | (%) |
| Current assets | | | | |
| Cash and cash equivalents | ¥ 93,491 | | ¥ 90,563 | |
| Time deposits | 1,027 | | 44 | |
| Trade notes and accounts receivable | 403,998 | | 373,901 | |
| Inventories | 424,802 | | 507,357 | |
| Deferred income taxes and other current assets | 104,942 | | 131,374 | |
| Total current assets | 1,028,260 | 52.8 | 1,103,239 | 56.0 |
| Long-term trade receivables | 148,797 | 7.7 | 102,969 | 5.2 |
| Investments | | | | |
| Investments in and advances to affiliated companies | 22,484 | | 19,249 | |
| Investment securities | 56,097 | | 53,854 | |
| Other | 2,695 | | 12,017 | |
| Total investments | 81,276 | 4.2 | 85,120 | 4.3 |
| Property, plant and equipment | | | | |
| - Less accumulated depreciation | 527,649 | 27.1 | 525,462 | 26.7 |
| Goodwill | 29,656 | 1.5 | 28,661 | 1.5 |
| Other intangible assets | 61,111 | 3.1 | 60,346 | 3.1 |
| Deferred income taxes and other assets | 70,271 | 3.6 | 63,262 | 3.2 |
| Total | ¥ 1,947,020 | 100.0 | ¥ 1,969,059 | 100.0 |

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| | Millions of yen | | | |
|---|-------------------------|--------------|----------------------|--------------|
| | As of December 31, 2009 | | As of March 31, 2009 | |
| | | Ratio (%) | | Ratio (%) |
| Current liabilities | | | | |
| Short-term debt | ¥ 189,802 | | ¥ 220,087 | |
| Current maturities of long-term debt | 86,249 | | 87,662 | |
| Trade notes, bills and accounts payable | 182,945 | | 214,375 | |
| Income taxes payable | 8,156 | | 10,818 | |
| Deferred income taxes and other current liabilities | 179,514 | | 199,345 | |
| Total current liabilities | 646,666 | 33.2 | 732,287 | 37.2 |
| Long-term liabilities | | | | |
| Long-term debt | 362,653 | | 292,106 | |
| Liability for pension and retirement benefits | 49,432 | | 53,822 | |
| Deferred income taxes and other liabilities | 37,066 | | 42,510 | |
| Total long-term liabilities | 449,151 | 23.1 | 388,438 | 19.7 |
| Total liabilities | 1,095,817 | 56.3 | 1,120,725 | 56.9 |
| Komatsu Ltd. shareholders equity | | | | |
| Common stock | 67,870 | | 67,870 | |
| Capital surplus | 140,421 | | 140,092 | |
| Retained earnings: | | | | |
| Appropriated for legal reserve | 31,160 | | 28,472 | |
| Unappropriated | 709,709 | | 719,222 | |
| Accumulated other comprehensive income (loss) | (103,552) | | (105,744) | |
| Treasury stock | (34,737) | | (34,971) | |
| Total Komatsu Ltd. shareholders equity | 810,871 | 41.6 | 814,941 | 41.4 |
| Noncontrolling interests | 40,332 | 2.1 | 33,393 | 1.7 |
| Total equity | 851,203 | 43.7 | 848,334 | 43.1 |
| Total | ¥ 1,947,020 | 100.0 | ¥ 1,969,059 | 100.0 |

Table of Contents**(2) Condensed Consolidated Statements of Income**
Nine months ended December 31, 2009 and 2008

Millions of yen except per share amounts

| | Nine months ended December 31, 2009 | | Nine months ended December 31, 2008 | |
|--|--|----------------------|--|----------------------|
| | | Ratio (%) | | Ratio (%) |
| Net sales | ¥ 1,003,927 | 100.0 | ¥ 1,642,689 | 100.0 |
| Cost of sales | 780,516 | 77.7 | 1,199,279 | 73.0 |
| Selling, general and administrative expenses | 181,204 | 18.0 | 242,444 | 14.8 |
| Other operating income (expenses), net | (6,110) | (0.6) | (795) | (0.0) |
| Operating income | 36,097 | 3.6 | 200,171 | 12.2 |
| Other income (expenses), net | (1,409) | | (22,067) | |
| Interest and dividend income | 5,215 | 0.5 | 6,696 | 0.4 |
| Interest expense | (7,276) | (0.7) | (11,273) | (0.7) |
| Other, net | 652 | 0.1 | (17,490) | (1.1) |
| Income before income taxes and equity in earnings of affiliated companies | 34,688 | 3.5 | 178,104 | 10.8 |
| Income taxes | 11,839 | 1.2 | 60,470 | 3.7 |
| Income before equity in earnings of affiliated companies | 22,849 | 2.3 | 117,634 | 7.2 |
| Equity in earnings of affiliated companies | 556 | 0.1 | 829 | 0.1 |
| Net income | 23,405 | 2.3 | 118,463 | 7.2 |
| Less net income attributable to noncontrolling interests | (5,050) | (0.5) | (5,142) | (0.3) |
| Net income attributable to Komatsu Ltd. | ¥ 18,355 | 1.8 | ¥ 113,321 | 6.9 |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | 18.96 | | 114.30 | |
| Diluted | 18.95 | | 114.21 | |

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Millions of yen except per share amounts

| | Three months ended December 31, 2009 | | Three months ended December 31, 2008 | |
|--|---|----------------------|---|----------------------|
| | | Ratio (%) | | Ratio (%) |
| Net sales | ¥ 357,964 | 100.0 | ¥ 431,401 | 100.0 |
| Cost of sales | 275,434 | 76.9 | 313,604 | 72.7 |
| Selling, general and administrative expenses | 61,721 | 17.2 | 76,220 | 17.7 |
| Other operating income (expenses), net | (4,497) | (1.3) | (1,060) | (0.2) |
| Operating income | 16,312 | 4.6 | 40,517 | 9.4 |
| Other income (expenses), net | (76) | | (19,141) | |
| Interest and dividend income | 1,250 | 0.3 | 2,282 | 0.5 |
| Interest expense | (2,151) | (0.6) | (3,708) | (0.9) |
| Other, net | 825 | 0.2 | (17,715) | (4.1) |
| Income before income taxes and equity in earnings of affiliated companies | 16,236 | 4.5 | 21,376 | 5.0 |
| Income taxes | 5,196 | 1.5 | 7,069 | 1.6 |
| Income before equity in earnings of affiliated companies | 11,040 | 3.1 | 14,307 | 3.3 |
| Equity in earnings of affiliated companies | 515 | 0.1 | (505) | (0.1) |
| Net income | 11,555 | 3.2 | 13,802 | 3.2 |
| Less net income attributable to noncontrolling interests | (1,398) | (0.4) | (822) | (0.2) |
| Net income attributable to Komatsu Ltd. | ¥ 10,157 | 2.8 | ¥ 12,980 | 3.0 |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | 10.49 | | 13.19 | |
| Diluted | 10.49 | | 13.19 | |

Table of Contents**(3) Consolidated Statements of Cash Flows**

| | Millions of yen | |
|---|--|---|
| | Nine months ended December 31, 2009 | Nine months ended December 31, 2008 |
| Operating activities | | |
| Net income | ¥ 23,405 | ¥ 118,463 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 67,752 | 70,343 |
| Deferred income taxes | (12,330) | 1,476 |
| Net loss (gain) from sale of investment securities and subsidiaries | (807) | 2,182 |
| Net loss (gain) on sale of property | (510) | 162 |
| Loss on disposal of fixed assets | 1,313 | 2,314 |
| Pension and retirement benefits, net | (1,884) | (2,266) |
| Changes in assets and liabilities: | | |
| Decrease (increase) in trade receivables | (28,410) | 57,245 |
| Decrease (increase) in inventories | 86,846 | (84,306) |
| Increase (decrease) in trade payables | (30,792) | (35,905) |
| Increase (decrease) in income taxes payable | (2,721) | (42,433) |
| Other, net | 13,457 | (40,159) |
| Net cash provided by (used in) operating activities | 115,319 | 47,116 |
| Investing activities | | |
| Capital expenditures | (69,103) | (107,408) |
| Proceeds from sale of property | 11,077 | 4,481 |
| Proceeds from sale of available for sale investment securities | 720 | 619 |
| Purchases of available for sale investment securities | (3,465) | (12,803) |
| Proceeds from sale of subsidiaries and equity investees, net of cash disposed | 661 | |
| Acquisition of subsidiaries and equity investees, net of cash acquired | 638 | 135 |
| Collection of loan receivables | 10,512 | 5,128 |
| Disbursement of loan receivables | (1,116) | (3,416) |
| Decrease (increase) in time deposits | (521) | (1,315) |
| Net cash provided by (used in) investing activities | (50,597) | (114,579) |
| Financing activities | | |
| Proceeds from long-term debt | 104,021 | 96,685 |
| Repayments on long-term debt | (41,069) | (54,944) |
| Increase (decrease) in short-term debt, net | (70,869) | 129,114 |
| Repayments of capital lease obligations | (25,876) | (24,570) |
| Sale (purchase) of treasury stock, net | 150 | (32,831) |
| Dividends paid | (25,180) | (43,803) |
| Other, net | (1,752) | (257) |

| | | |
|--|-----------------|----------------|
| Net cash provided by (used in) financing activities | (60,575) | 69,394 |
| Effect of exchange rate change on cash and cash equivalents | (1,219) | (5,323) |
| Net increase (decrease) in cash and cash equivalents | 2,928 | (3,392) |
| Cash and cash equivalents, beginning of year | 90,563 | 102,010 |
| Cash and cash equivalents, end of period | ¥ 93,491 | ¥ 98,618 |

Table of Contents**(4) Note to the Going Concern Assumption**

None

(5) Business Segment Information**Nine months ended December 31, 2009 and 2008****1) Information by Operating Segment**

(For the nine months ended December 31, 2009)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|---|---------------------------------------|-----------|----------------------------|-----------|
| Net sales: | | | | | |
| Customers | 886,487 | 117,440 | 1,003,927 | | 1,003,927 |
| Intersegment | 2,040 | 11,276 | 13,316 | (13,316) | |
| Total | 888,527 | 128,716 | 1,017,243 | (13,316) | 1,003,927 |
| Segment profit | 44,131 | 2,273 | 46,404 | (4,197) | 42,207 |

(For the nine months ended December 31, 2008)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|---|---------------------------------------|-----------|----------------------------|-----------|
| Net sales: | | | | | |
| Customers | 1,428,649 | 214,040 | 1,642,689 | | 1,642,689 |
| Intersegment | 3,659 | 18,922 | 22,581 | (22,581) | |
| Total | 1,432,308 | 232,962 | 1,665,270 | (22,581) | 1,642,689 |
| Segment profit | 188,074 | 16,296 | 204,370 | (3,404) | 200,966 |

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.

Table of Contents**2) Geographic Information**

(For the nine months ended December 31, 2009)

Millions of yen

| | Japan | Americas | Europe & CIS | Others | Subtotal | Corporate & elimination | Total |
|-----------------------|-----------------|----------------|-----------------|----------------|------------------|-------------------------------|------------------|
| Net sales: | | | | | | | |
| Customers | 356,775 | 221,805 | 104,828 | 320,519 | 1,003,927 | | 1,003,927 |
| Intersegment | 133,402 | 26,245 | 16,141 | 6,454 | 182,242 | (182,242) | |
| Total | 490,177 | 248,050 | 120,969 | 326,973 | 1,186,169 | (182,242) | 1,003,927 |
| Segment profit (loss) | (28,514) | 23,337 | 8,058 | 39,802 | 42,683 | (476) | 42,207 |

(For the nine months ended December 31, 2008)

Millions of yen

| | Japan | Americas | Europe & CIS | Others | Subtotal | Corporate & elimination | Total |
|----------------|-----------|----------|--------------------|---------|-----------|-------------------------------|-----------|
| Net sales: | | | | | | | |
| Customers | 681,726 | 379,596 | 234,254 | 347,113 | 1,642,689 | | 1,642,689 |
| Intersegment | 323,059 | 36,475 | 18,586 | 27,114 | 405,234 | (405,234) | |
| Total | 1,004,785 | 416,071 | 252,840 | 374,227 | 2,047,923 | (405,234) | 1,642,689 |
| Segment profit | 69,560 | 49,941 | 23,089 | 51,718 | 194,308 | 6,658 | 200,966 |

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

3) Overseas Sales

(For the nine months ended December 31, 2009)

Millions of yen

| | Americas | Europe & CIS | Others | Total |
|---|----------------|---------------|----------------|------------------|
| Overseas sales | 232,725 | 92,826 | 440,343 | 765,894 |
| Consolidated net sales | | | | 1,003,927 |
| Ratio of overseas sales to consolidated net sales (%) | 23.2 | 9.2 | 43.9 | 76.3 |

(For the nine months ended December 31, 2008)

Millions of yen

| | Americas | Europe & CIS | Others | Total |
|------------------------|----------|--------------|---------|-----------|
| Overseas sales | 410,944 | 249,337 | 635,071 | 1,295,352 |
| Consolidated net sales | | | | 1,642,689 |

| | | | | |
|---|------|------|------|------|
| Ratio of overseas sales to consolidated net sales (%) | 25.0 | 15.2 | 38.7 | 78.9 |
|---|------|------|------|------|

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

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

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

Table of Contents**Three months ended December 31, 2009 and 2008****1) Information by Operating Segment**

(For the three months ended December 31, 2009)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|-----------------------|---|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 316,882 | 41,082 | 357,964 | | 357,964 |
| Intersegment | 623 | 2,945 | 3,568 | (3,568) | |
| Total | 317,505 | 44,027 | 361,532 | (3,568) | 357,964 |
| Segment profit (loss) | 23,344 | (1,397) | 21,947 | (1,138) | 20,809 |

(For the three months ended December 31, 2008)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|---|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 378,424 | 52,977 | 431,401 | | 431,401 |
| Intersegment | 933 | 5,900 | 6,833 | (6,833) | |
| Total | 379,357 | 58,877 | 438,234 | (6,833) | 431,401 |
| Segment profit | 39,326 | 2,352 | 41,678 | (101) | 41,577 |

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.

Table of Contents**2) Geographic Information**

(For the three months ended December 31, 2009)

Millions of yen

| | Japan | Americas | Europe & CIS | Others | Subtotal | Corporate & elimination | Total |
|-----------------------|----------------|---------------|--------------------|----------------|----------------|-------------------------------|----------------|
| Net sales: | | | | | | | |
| Customers | 131,348 | 76,253 | 35,366 | 114,997 | 357,964 | | 357,964 |
| Intersegment | 57,125 | 8,950 | 5,650 | 3,108 | 74,833 | (74,833) | |
| Total | 188,473 | 85,203 | 41,016 | 118,105 | 432,797 | (74,833) | 357,964 |
| Segment profit (loss) | (4,316) | 8,052 | 3,046 | 14,198 | 20,980 | (171) | 20,809 |

(For the three months ended December 31, 2008)

Millions of yen

| | Japan | Americas | Europe & CIS | Others | Subtotal | Corporate & elimination | Total |
|----------------|---------|----------|--------------------|--------|----------|-------------------------------|---------|
| Net sales: | | | | | | | |
| Customers | 201,142 | 100,430 | 46,048 | 83,781 | 431,401 | | 431,401 |
| Intersegment | 83,862 | 10,106 | 6,582 | 6,094 | 106,644 | (106,644) | |
| Total | 285,004 | 110,536 | 52,630 | 89,875 | 538,045 | (106,644) | 431,401 |
| Segment profit | 1,018 | 12,004 | 3,671 | 9,440 | 26,133 | 15,444 | 41,577 |

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

3) Overseas Sales

(For the three months ended December 31, 2009)

Millions of yen

| | Americas | Europe & CIS | Others | Total |
|---|---------------|---------------|----------------|----------------|
| Overseas sales | 80,400 | 30,604 | 159,659 | 270,663 |
| Consolidated net sales | | | | 357,964 |
| Ratio of overseas sales to consolidated net sales (%) | 22.5 | 8.5 | 44.6 | 75.6 |

(For the three months ended December 31, 2008)

Millions of yen

| | Americas | Europe & CIS | Others | Total |
|------------------------|----------|--------------|---------|---------|
| Overseas sales | 109,961 | 48,816 | 160,244 | 319,021 |
| Consolidated net sales | | | | 431,401 |

| | | | | |
|--|------|------|------|------|
| Ratio of overseas sales to consolidated net sales (%) | 25.5 | 11.3 | 37.1 | 73.9 |
|--|------|------|------|------|

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

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

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

Table of Contents**(6) Note in case of a notable changes in the amount of shareholders equity**

None

See Consolidated Statements of Shareholders Equity below for the changes.

Consolidated Statements of Shareholders Equity

Millions of yen

| | Nine months ended December 31, 2009 | | Nine months ended December 31, 2008 |
|--|--|---|--|
| Common stock | | | |
| Balance, beginning of year | ¥ 67,870 | ¥ | 67,870 |
| Balance, end of period | ¥ 67,870 | ¥ | 67,870 |
| Capital surplus | | | |
| Balance, beginning of year | ¥ 140,092 | ¥ | 138,170 |
| Sales of treasury stock | (84) | | 1,629 |
| Issuance and exercise of stock acquisition rights | 413 | | 352 |
| Balance, end of period | ¥ 140,421 | ¥ | 140,151 |
| Retained earnings, appropriated for legal reserve | | | |
| Balance, beginning of year | ¥ 28,472 | ¥ | 26,714 |
| Transfer from unappropriated retained earnings | 2,688 | | 627 |
| Balance, end of period | ¥ 31,160 | ¥ | 27,341 |
| Unappropriated retained earnings | | | |
| Balance, beginning of year | ¥ 719,222 | ¥ | 685,986 |
| Net income attributable to Komatsu Ltd. | 18,355 | | 113,321 |
| Cash dividends paid to Komatsu Ltd. shareholders | (25,180) | | (43,803) |
| Transfer to retained earnings appropriated for legal reserve | (2,688) | | (627) |
| Balance, end of period | ¥ 709,709 | ¥ | 754,877 |
| Accumulated other comprehensive income (loss) | | | |
| Balance, beginning of year | ¥ (105,744) | ¥ | (28,779) |
| Other comprehensive income (loss), net of tax | 2,192 | | (90,649) |
| Balance, end of period | ¥ (103,552) | ¥ | (119,428) |
| Treasury stock | | | |
| Balance, beginning of year | ¥ (34,971) | ¥ | (2,835) |
| Purchase of treasury stock | (22) | | (33,080) |
| Sales of treasury stock | 256 | | 826 |
| Balance, end of period | ¥ (34,737) | ¥ | (35,089) |

| | | | | |
|---|---|----------------|---|----------|
| Total Komatsu Ltd. shareholders equity | ¥ | 810,871 | ¥ | 835,722 |
| Noncontrolling interests | | | | |
| Balance, beginning of year | ¥ | 33,393 | ¥ | 30,239 |
| Net income attributable to noncontrolling interests | | 5,050 | | 5,142 |
| Cash dividends paid to noncontrolling interests | | (1,735) | | (2,232) |
| Other comprehensive income (loss), net of tax | | 2,110 | | (5,918) |
| Other changes in noncontrolling interests | | 1,514 | | 3,137 |
| Balance, end of period | ¥ | 40,332 | ¥ | 30,368 |
| Total equity | ¥ | 851,203 | ¥ | 866,090 |
| Disclosure of comprehensive income | | | | |
| Net income attributable to Komatsu Ltd. | ¥ | 18,355 | ¥ | 113,321 |
| Net income attributable to noncontrolling interests | | 5,050 | | 5,142 |
| Other comprehensive income (loss), net of tax | | 4,302 | | (96,567) |
| Comprehensive income | ¥ | 27,707 | ¥ | 21,896 |
| | | | | (end) |