

KOMATSU LTD
Form 6-K
July 28, 2005
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of July 2005

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 offices

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Indicate by check mark whether the registrant files or will file annual reports under cover 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 by furnishing the information contained in this Form, the registrant 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-

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INFORMATION TO BE INCLUDED IN REPORT

1. Two company announcements made on July 28, 2005

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SIGNATURES

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

KOMATSU LTD.
(Registrant)

Date: July 28, 2005

By: /s/ Kenji Kinoshita

Kenji Kinoshita
Senior Executive Officer

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Komatsu Ltd.
Corporate Communications Dept.
Tel: +81-(0)3-5561-2616
Date: July 28, 2005
URL: <http://www.komatsu.com/>

**Consolidated Business Results for the First Quarter
of the Fiscal Year Ending March 31, 2006 (U.S. GAAP)**

1. Matters Related to the Production of the Outline of Business

- 1) Simplified accounting procedures: Adopted in part to calculate tax expenses.
- 2) Changes in accounting procedures since the last consolidated fiscal year: None.
- 3) Changes in group of entities:

Consolidated subsidiaries

Added: 10 companies Removed: 2 companies

Affiliated companies accounted for by the equity-method

Added: 2 companies

2. Results for the First Quarter of the Fiscal Year Ending March 31, 2006

- (1) Consolidated Financial Results (Amounts are rounded to the nearest million yen)

Millions of yen except per share amounts

| First quarter | First quarter | Changes Increase | FY ended |
|---------------|---------------|---------------------|----------|
|---------------|---------------|---------------------|----------|

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| | ended | ended | | | March 31, 2005 |
|--|----------------|---------------|--------|--------|-------------------|
| | June 30, 2005 | June 30, 2004 | | | |
| Net sales | 386,711 | 318,122 | 68,589 | 21.6% | 1,434,788 |
| Operating profit | 36,926 | 18,149 | 18,777 | 103.5% | 101,923 |
| Income before income taxes, minority interests and equity in earnings | 34,916 | 19,443 | 15,473 | 79.6% | 98,703 |
| Net income | 19,080 | 10,378 | 8,702 | 83.9% | 59,010 |
| Net income per share (Yen) | | | | | |
| Basic | ¥ 19.24 | ¥ 10.46 | 8.78 | | ¥ 59.51 |
| Diluted | ¥ 19.22 | ¥ 10.45 | 8.77 | | ¥ 59.47 |

- Notes: 1) Percentages shown in net sales, operating profit, income before income taxes and net income represent the rates of change compared with the corresponding first quarter a year ago.
- 2) Operating profit stated hereafter is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles, and does not represent consolidated operating profit under U.S.GAAP.

(2) Consolidated Financial Position

| | As of June 30, 2005 | As of March 31, 2005 |
|--|------------------------|-------------------------|
| Total assets (Millions of yen) | 1,475,481 | 1,449,068 |
| Shareholders' equity (Millions of yen) | 494,643 | 477,144 |
| Shareholders' equity ratio (%) | 33.5 | 32.9 |
| Shareholders' equity per share (Yen) | 497.83 | 481.27 |

Table of Contents**3. Management Performance (Consolidated)**

Consolidated net sales for the first quarter of the fiscal year ending March 31, 2006, expanded 21.6% over the previous corresponding period, to ¥386.7 billion. Net income for the first quarter accelerated 83.9%, to ¥19.0 billion. These results represent four consecutive first-quarter improvements in both sales and profits.

In addition to an outstanding performance achieved by the construction and mining equipment business, Komatsu's stronghold operation, sales of the industrial machinery, vehicles and other operations, as well as the electronics business also improved their business results from the corresponding period a year ago. Operating profit doubled to ¥36.9 billion, an increase of 103.5% over the previous corresponding period, recording growth in both sales and profits for all business segments.

Construction and mining equipment

Consolidated net sales of construction and mining equipment for the first quarter under review made an outstanding increase of 25.6% over the corresponding period a year ago, to ¥303.9 billion, a record-high result since Komatsu began announcing quarterly settlement in the fiscal year ended March 31, 2003. This substantial growth in sales is attributable to improved sales prices in Japan and overseas and expanded production capacity being in place in addition to an increase in sales volume in response to thriving demand worldwide. Segment profit for this business climbed 88.7% over the previous corresponding period, to ¥32.1 billion, showing continued recovery of profitability.

During the first quarter period, Komatsu accelerated sales in the major markets of North America and Europe as well as Latin America and Asia & Oceania with burgeoning demand for mining equipment. In Japan, sales of new equipment steadily grew mainly to rental companies, partly reflecting the progress of restoration work in areas affected by earthquakes and typhoons. In China, Komatsu stepped up sales, as demand for construction equipment has steadily recovered since April this year.

[Sales of Construction and Mining Equipment by Region (Geographic Origin)]

| | Millions of yen | | | |
|-------|--|--|---------------------|-----|
| | First quarter ended June 30, 2005 1USD=108JPY 1EUR=135JPY | First quarter ended June 30, 2004 1USD=110JPY 1EUR=132JPY | Changes Increase | |
| | (A) | (B) | (A)-(B) | % |
| Japan | 63,049 | 58,270 | 4,779 | 8.2 |

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| | | | | |
|----------------------|----------------|---------|--------|------|
| Americas | 97,673 | 70,779 | 26,894 | 38.0 |
| Europe & CIS | 55,511 | 42,728 | 12,783 | 29.9 |
| Asia & Oceania | 49,267 | 36,434 | 12,833 | 35.2 |
| China | 16,905 | 14,938 | 1,967 | 13.2 |
| Middle East & Africa | 21,580 | 18,805 | 2,775 | 14.8 |
| Total | 303,985 | 241,954 | 62,031 | 25.6 |

Industrial Machinery, Vehicles and Others

Consolidated net sales of industrial machinery, vehicles and other operations advanced 9.2% over the corresponding period last year, to ¥55.2 billion for the first quarter under review. Segment profit for this business advanced by about 3.6 times, to ¥2.7 billion.

In particular, Komatsu Industries Corp. achieved outstanding performance against the backdrop of aggressive capital investments by automakers. Similarly, other Komatsu Group companies, such as Komatsu Forklift Co., Ltd. and Komatsu Machinery Corp., expanded their sales and profits.

Electronics

Consolidated net sales of the electronics business grew 7.4% over the previous corresponding period, to ¥27.4 billion for the first quarter period under review. Segment profit for this business reached ¥2.8 billion, up 49.3%.

Komatsu Electronic Metals Co., Ltd. secured sales on par with those posted for the corresponding period last year, while total demand for silicon wafers failed to reach the level registered a year ago. Nevertheless, the market has been recovering steadily centering on 300mm wafers. Advanced Silicon Materials LLC improved sales and profits substantially by capitalizing on strong demand for polycrystalline silicon and monosilane gas.

Table of Contents**4. Financial Conditions (Consolidated)**

Total assets amounted to ¥1,475.4 billion at the end of the first quarter under review, an increase of ¥26.4 billion from the last fiscal year-end, reflecting expanded inventories resulting from boosted sales of construction and mining equipment. However, overall asset turnover ratio improved, allowing the Company to facilitate repayments of interest-bearing debt. As a result, interest-bearing debt totaled ¥414.9 billion, a decrease of ¥17.3 billion from the last fiscal year-end, reflecting repayments of borrowings. Shareholders' equity increased with expanded profits, and net debt-to-equity ratio* improved to 0.68 at the end of the first quarter under review from 0.70 at the last fiscal year-end.

* Net DER = (Interest-bearing debt - Cash and cash equivalents - Time deposits)/Shareholders' equity

5. Projections for the Fiscal Year ending March 31, 2006 (Consolidated)

(From April 1, 2005 to March 31, 2006)

Today Komatsu revised the projections, which the Company announced on May 9, 2005, as follows.

Millions of yen

| | <u>Net sales</u> | <u>Operating profit</u> | <u>Income before income taxes</u> | <u>Net income</u> |
|-------------------------------|------------------|-------------------------|---------------------------------------|-----------------------|
| The first half of fiscal year | 793,000 | 70,000 | 77,000 | 54,000 |
| The entire fiscal year | 1,600,000 | 142,000 | 140,000 | 93,000 |

Cautionary Statement

The announcement set forth herein contains forward-looking statements which reflect management's current views with respect to certain future events, including expected financial position, operating results, and business strategies. These statements can be identified by the use of terms such as will, believes, should, projects and similar terms and expressions that identify future events or expectations. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes in exchange rates or the impact of increased competition; unanticipated cost or delays encountered in achieving the Company's objectives with respect to globalized product sourcing and new Information Technology tools; uncertainties as to the results of the Company's research and development efforts and its ability to access and protect certain intellectual property rights; and, the impact of regulatory changes and accounting principles and practices.

Table of Contents**Condensed Consolidated Balance Sheets**

Millions of yen

| | As of | As of | Changes |
|--|------------------|------------------|---------------------|
| | June 30, 2005 | March 31, 2005 | Increase (Decrease) |
| | (A) | (B) | (A)-(B) |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 80,764 | ¥ 97,510 | ¥ (16,746) |
| Time deposits | 56 | 52 | 4 |
| Trade notes and accounts receivable | 320,402 | 316,828 | 3,574 |
| Inventories | 330,830 | 307,002 | 23,828 |
| Other current assets | 106,327 | 94,105 | 12,222 |
| Total current assets | 838,379 | 815,497 | 22,882 |
| Long-term trade receivables | 68,692 | 80,856 | (12,164) |
| Investments | 80,976 | 83,447 | (2,471) |
| Property, plant and equipment - Less accumulated depreciation | 386,039 | 366,660 | 19,379 |
| Other assets | 101,395 | 102,608 | (1,213) |
| Total | 1,475,481 | 1,449,068 | 26,413 |
| Liabilities and Shareholders Equity | | | |
| Current liabilities: | | | |
| Short-term debt (including current maturities of long-term debt) | 201,618 | 214,577 | (12,959) |
| Trade notes and accounts payable | 282,220 | 266,112 | 16,108 |
| Income taxes payable | 14,534 | 12,234 | 2,300 |
| Other current liabilities | 151,043 | 149,576 | 1,467 |
| Total current liabilities | 649,415 | 642,499 | 6,916 |
| Long-term liabilities | 290,787 | 290,479 | 308 |
| Minority interests | 40,636 | 38,946 | 1,690 |
| Shareholders equity: | | | |
| Common stock | 67,870 | 67,870 | |
| Capital surplus | 136,148 | 135,792 | 356 |
| Retained earnings | 312,669 | 299,537 | 13,132 |
| Accumulated other comprehensive income (loss) * | (18,661) | (21,485) | 2,824 |
| Treasury stock | (3,383) | (4,570) | 1,187 |
| Total shareholders equity - net | 494,643 | 477,144 | 17,499 |

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| | <u>¥ 1,475,481</u> | <u>¥ 1,449,068</u> | <u>¥ 26,413</u> |
|---|----------------------|-----------------------|----------------------------|
| Total | | | |
| | <u>As of</u> | <u>As of</u> | <u>Changes</u> |
| | <u>June 30, 2005</u> | <u>March 31, 2005</u> | <u>Increase (Decrease)</u> |
| * Accumulated other comprehensive income (loss): | | | |
| Foreign currency translation adjustments | <u>¥ (18,759)</u> | <u>¥ (22,161)</u> | <u>¥ 3,402</u> |
| Net unrealized holding gains on securities available for sale | <u>18,357</u> | <u>18,605</u> | <u>(248)</u> |
| Pension liability adjustments | <u>(16,987)</u> | <u>(17,340)</u> | <u>353</u> |
| Net unrealized holding gains on derivative instruments | <u>(1,272)</u> | <u>(589)</u> | <u>(683)</u> |
| Short & long-term debt | <u>¥ 414,974</u> | <u>¥ 432,291</u> | <u>¥ (17,317)</u> |

Note: The accompanying consolidated balance sheet for the first quarter of the fiscal year ending March 31, 2006 reflects the reclassification of the portion of installment and lease receivables due after one year (less unearned interest), or the long-term portion, separately from trade notes and accounts receivable of current assets. The corresponding figures at the last fiscal year-end were also reclassified accordingly.

Table of Contents**Condensed Consolidated Statements of Income**

(For the three months ended June 30, 2005 and 2004)

Millions of yen

| | 2005 | | 2004 | | Changes Increase (Decrease) | |
|---|-----------------|------------|-----------------|------------|--------------------------------|-------------|
| | (A) | % | (B) | % | (A)-(B) | % |
| Revenues and other | | | | | | |
| Net sales | ¥ 386,711 | 100.0 | ¥ 318,122 | 100.0 | ¥ 68,589 | 21.6 |
| Interest and other income | 2,753 | 0.7 | 5,170 | 1.6 | (2,417) | |
| | 389,464 | | 323,292 | | 66,172 | 20.5 |
| Costs and expenses | | | | | | |
| Cost of sales | 282,244 | 73.0 | 236,149 | 74.2 | 46,095 | |
| Selling, general and administrative expenses | 67,541 | 17.5 | 63,824 | 20.1 | 3,717 | |
| Interest expense | 3,150 | 0.8 | 2,646 | 0.8 | 504 | |
| Other expense | 1,613 | 0.4 | 1,230 | 0.4 | 383 | |
| | 354,548 | | 303,849 | | 50,699 | 16.7 |
| Income before income taxes, minority interests and equity in earnings | 34,916 | 9.0 | 19,443 | 6.1 | 15,473 | 79.6 |
| Income taxes | 14,488 | 3.7 | 7,660 | 2.4 | 6,828 | |
| Minority interests in income of consolidated subsidiaries -net | (1,529) | (0.4) | (1,507) | (0.5) | (22) | |
| Equity in earnings of affiliated companies -net | 181 | 0.0 | 102 | 0.0 | 79 | |
| Net income | ¥ 19,080 | 4.9 | ¥ 10,378 | 3.3 | ¥ 8,702 | 83.9 |

Table of Contents**Business Segment Information**

(For the three months ended June 30, 2005, and 2004)

Millions of yen

| | 2005 | | | 2004 | | | Changes Increase | |
|---|----------|--------|-----------------------------|----------|---------|-----------------------------|------------------|--------|
| | Segment | | Segment Profit Ratio (%) | Segment | | Segment Profit Ratio (%) | Segment | |
| | Sales | Profit | | Sales | Profit | | Sales | Profit |
| Construction and Mining Equipment | 309,466 | 32,111 | 10.4 | 244,936 | 17,016 | 6.9 | 64,530 | 15,095 |
| Industrial Machinery, Vehicles and Others | 73,281 | 2,784 | 3.8 | 64,607 | 778 | 1.2 | 8,674 | 2,006 |
| Electronics | 27,481 | 2,827 | 10.3 | 25,590 | 1,893 | 7.4 | 1,891 | 934 |
| Subtotal | 410,228 | 37,722 | 9.2 | 335,133 | 19,687 | 5.9 | 75,095 | 18,035 |
| Corporate & Elimination | (23,517) | (796) | | (17,011) | (1,538) | | (6,506) | 742 |
| Total | 386,711 | 36,926 | 9.5 | 318,122 | 18,149 | 5.7 | 68,589 | 18,777 |

Table of Contents**Consolidated Sales by Operation**

(For the three months ended June 30, 2005, and 2004)

Millions of yen

| | 2005 | | 2004 | | Changes Increase | |
|--|----------------|--------------|---------|-----------|---------------------|------|
| | Sales | Ratio (%) | Sales | Ratio (%) | Sales | (%) |
| Construction and Mining Equipment | | | | | | |
| Japan | 63,049 | 16.3 | 58,270 | 18.3 | 4,779 | 8.2 |
| Overseas | 240,936 | 62.3 | 183,684 | 57.8 | 57,252 | 31.2 |
| | 303,985 | 78.6 | 241,954 | 76.1 | 62,031 | 25.6 |
| Industrial Machinery, Vehicles and Others | | | | | | |
| Japan | 37,357 | 9.7 | 35,478 | 11.2 | 1,879 | 5.3 |
| Overseas | 17,888 | 4.6 | 15,100 | 4.7 | 2,788 | 18.5 |
| | 55,245 | 14.3 | 50,578 | 15.9 | 4,667 | 9.2 |
| Electronics | | | | | | |
| Japan | 13,606 | 3.5 | 13,070 | 4.1 | 536 | 4.1 |
| Overseas | 13,875 | 3.6 | 12,520 | 3.9 | 1,355 | 10.8 |
| | 27,481 | 7.1 | 25,590 | 8.0 | 1,891 | 7.4 |
| Total | | | | | | |
| Japan | 114,012 | 29.5 | 106,818 | 33.6 | 7,194 | 6.7 |
| Overseas | 272,699 | 70.5 | 211,304 | 66.4 | 61,395 | 29.1 |
| | 386,711 | 100.0 | 318,122 | 100.0 | 68,589 | 21.6 |

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For Immediate Release

Komatsu Ltd.
 Corporate Communications Dept.
 Tel: +81-(0) 3-5561-2616
 Date: July 28, 2005
 URL: <http://www.komatsu.com/>

Revision of Projections for the Fiscal Year ending March 31, 2006

Komatsu Ltd. has revised the projections for consolidated and non-consolidated results for the fiscal year ending March 31, 2006, which the Company announced on May 9, 2005.

1. Revision for Interim Results for the Fiscal Year Ending March 31, 2006

(From April 1, 2005 to September 30, 2005)

1) Consolidated

Millions of yen

| | Earlier projection (A) | Last projection (B)* | Change (B-A) | | Interim Results for FY2005 |
|----------------------------|---------------------------|---------------------------|-----------------|-------|-------------------------------|
| Net sales | 750,000 | 793,000 (15.9)% | 43,000 | 5.7% | 683,976 |
| Operating profit** | 55,000 | 70,000 (51.6)% | 15,000 | 27.3% | 46,169 |
| Income before income taxes | 47,000 | 77,000 (59.8)% | 30,000 | 63.8% | 48,200 |
| Net income | 33,000 | 54,000 (107.5)% | 21,000 | 63.6% | 26,023 |

2) Non-consolidated

Millions of yen

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| | Earlier projection (A) | Last projection (B)* | Change (B-A) | | Interim Results for FY 2005 |
|-----------------|---------------------------|---------------------------|-----------------|-------|--------------------------------|
| Net sales | 275,000 | 285,000 (15.9)% | 10,000 | 3.6% | 246,001 |
| Ordinary profit | 18,000 | 19,000 (6.0)% | 1,000 | 5.6% | 17,917 |
| Net income | 10,000 | 11,500 (36.2)% | 1,500 | 15.0% | 8,441 |

* The amounts in parentheses indicate the changes from the corresponding interim period a year ago.

** Operating profit stated above is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles, and does not represent consolidated operating profit under U.S.GAAP.

Table of Contents**2. Revision for Full-Year Results for the Fiscal Year Ending March 31, 2006**

(From April 1, 2005 to March 31, 2006)

1) Consolidated

Millions of yen

| | Earlier projection (A) | Last projection (B)* | Change (B-A) | | Results for FY 2005 |
|----------------------------|---------------------------|-----------------------------|-----------------|-------|------------------------|
| Net sales | 1,520,000 | 1,600,000 (11.5)% | 80,000 | 5.3% | 1,434,788 |
| Operating profit** | 122,000 | 142,000 (39.3)% | 20,000 | 16.4% | 101,923 |
| Income before Income taxes | 105,000 | 140,000 (41.8)% | 35,000 | 33.3% | 98,703 |
| Net income | 72,000 | 93,000 (57.6)% | 21,000 | 29.2% | 59,010 |

2) Non-consolidated

Millions of yen

| | Earlier projection (A) | Last projection (B)* | Change (B-A) | | Results for FY 2005 |
|-----------------|---------------------------|---------------------------|-----------------|-------|------------------------|
| Net sales | 565,000 | 605,000 (15.5)% | 40,000 | 7.1% | 523,592 |
| Ordinary profit | 35,000 | 40,000 (19.7)% | 5,000 | 14.3% | 33,417 |
| Net income | 23,000 | 24,500 (43.8)% | 1,500 | 6.5% | 17,042 |

* The amounts in parentheses indicate the changes from the previous fiscal year.

** Operating profit stated above is the sum of segment profit (net sales less cost of sales and selling, general and administrative expenses). It conforms to Japanese accounting principles, and does not represent consolidated operating profit under U.S.GAAP.

3. Reasons for the Revision

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In its stronghold business segment of construction and mining equipment, Komatsu anticipates continued growth of investments in energy-related and social infrastructure developments and can expect to expand sales in virtually all regions of the world, including the major market of North America and the steadily recovering market of China.

As announced in June 2005, Komatsu plans to sell 75% of its stake in Advanced Silicon Materials LLC (ASiMI), a subsidiary in the United States, to Renewable Energy Corporation AS of Norway at the end of July 2005. As a result of this sale, ASiMI will be excluded from consolidation, and compared to the earlier projection, Komatsu projects that consolidated sales and operating profit will decline by approximately ¥9 billion and ¥3 billion, respectively, while net income will increase by approximately ¥9 billion, reflecting the proceeds from the sale.

In view of the above matters, Komatsu projects that consolidated sales, operating profit, income before income taxes, and net income will exceed the earlier projections by ¥80 billion, ¥20 billion, ¥35 billion, and ¥21 billion, respectively.

(end)