

KOMATSU LTD
Form 6-K
October 29, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934
For the month of October, 2013
COMMISSION FILE NUMBER: 1-7239

KOMATSU LTD.

(Translation of registrant's name into English)

3-6 Akasaka 2-chome, Minato-ku, Tokyo, 107-8414, Japan

(Address of principal executive office)

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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):

Table of Contents

INFORMATION INCLUDED IN THIS REPORT

1. English translation of a company announcement made on October 28, 2013 regarding the Consolidated Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2014 (U.S. GAAP).
2. English translation of a company announcement made on October 28, 2013 regarding the Revisions to the Projected Business Results for the Fiscal Year Ending March 31, 2014(Consolidated and Non-consolidated).

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 29, 2013

By:

/S/ Mikio Fujitsuka
Mikio Fujitsuka
Director and Senior Executive Officer

Table of Contents**Komatsu Ltd.**

Corporate Communications Dept.

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

Date: October 28, 2013

URL: <http://www.komatsu.com/>**Consolidated Business Results for Six Months of the Fiscal Year Ending****March 31, 2014 (U.S. GAAP)****1. Results for Six Months Ended September 30, 2013**

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

| | Millions of yen except per share amounts | | | |
|---|--|--------------------|---------------------|---------|
| | Six Months ended | | Changes | |
| | Six Months ended | Six Months ended | Increase (Decrease) | [(A-B)/ |
| | September 30, 2013 | September 30, 2012 | [A-B] | B] |
| | [A] | [B] | [A-B] | B] |
| Net sales | 925,121 | 930,849 | (5,728) | (0.6)% |
| Operating income | 108,946 | 111,264 | (2,318) | (2.1)% |
| Income before income taxes and equity in earnings of affiliated companies | 112,461 | 105,384 | 7,077 | 6.7% |
| Net income attributable to Komatsu Ltd. | 78,810 | 66,112 | 12,698 | 19.2% |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 82.69 | ¥ 69.42 | ¥ 13.27 | |
| Diluted | ¥ 82.60 | ¥ 69.37 | ¥ 13.23 | |

Note: Comprehensive income for six months ended September 30, 2013 and 2012

2013: 111,632 millions of yen, up 375.4% from 2012

2012: 23,483 millions of yen, down 33.5% from 2011

(2) Consolidated Financial Position

| | Millions of yen except per share amounts | |
|--|--|----------------------|
| | As of September 30, 2013 | As of March 31, 2013 |
| Total assets | 2,546,689 | 2,517,857 |
| Total equity | 1,337,738 | 1,252,695 |
| Komatsu Ltd. shareholders equity | 1,278,449 | 1,193,194 |
| Komatsu Ltd. shareholders equity ratio | 50.2% | 47.4% |
| Komatsu Ltd. shareholders equity per share (Yen) | ¥ 1,341.23 | ¥ 1,252.33 |

2. Dividends

| | (For the fiscal years ended March 31, 2013 and ending March 31, 2014) | | Yen |
|-----------------------|---|------------|--|
| | Results | Projection | The entire FY ending March 31, 2014 The entire FY ended March 31, 2013 |
| First quarter period | | | |
| Second quarter period | 29.00 | | 24.00 |
| Third quarter period | | | |
| Year-end | | 29.00 | 24.00 |
| Total | | 58.00 | 48.00 |

Note: Changes in the projected cash dividend as of October 28, 2013: None

Table of Contents**3. Projection for the Fiscal Year Ending March 31, 2014**

(From April 1, 2013 to March 31, 2014)

| | Millions of yen except per share amounts | |
|---|--|---------|
| | The full fiscal year | |
| | | Changes |
| Net sales | 1,860,000 | (1.3)% |
| Operating income | 210,000 | (0.8)% |
| Income before income taxes and equity in earnings of affiliated companies | 209,000 | 2.1% |
| Net income attributable to Komatsu Ltd. | 136,000 | 7.7% |
| Net income attributable to Komatsu Ltd. per share basic (Yen) | ¥142.69 | |

Notes: 1) Changes in the projected consolidated business results as of October 28, 2013: Applicable

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

4. Others

(1) Changes in important subsidiaries during the six months period under review: None

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

(3) Changes in Significant Accounting Rules, Procedures and Presentation and Changes in Significant Accounting Policies and Estimates

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

2) Changes in other matters except for 1) above: Applicable

Note: See (4) Others on page 10 for more details.

(4) Number of common shares outstanding

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

As of September 30, 2013: 983,130,260 shares

As of March 31, 2013: 983,130,260 shares

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

As of September 30, 2013: 29,941,260 shares

As of March 31, 2013: 30,351,401 shares

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

Six months period ended September 30, 2013: 953,073,969 shares

Six months period ended September 30, 2012: 952,319,152 shares

Table of Contents**[Reference]****Results for Three Months Ended September 30, 2013**

| | Millions of yen except per share amounts | | | |
|---|--|--|------------------|----------------------|
| | Three Months ended September 30, 2013 [A] | Three Months ended September 30, 2012 [B] | Changes [A-B] | Changes [(A-B)/B] |
| Net sales | 469,962 | 460,901 | 9,061 | 2.0% |
| Operating income | 56,533 | 55,546 | 987 | 1.8% |
| Income before income taxes and equity in earnings of affiliated companies | 60,872 | 54,142 | 6,730 | 12.4% |
| Net income attributable to Komatsu Ltd. | 41,519 | 33,988 | 7,531 | 22.2% |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 43.56 | ¥ 35.69 | ¥ 7.87 | |
| Diluted | ¥ 43.51 | ¥ 35.66 | ¥ 7.85 | |

[Reference]**Projection of the Company for the Fiscal Year Ending March 31, 2014**

(From April 1, 2013 to March 31, 2014)

| | Millions of yen except per share amounts | |
|----------------------------|--|---------|
| | The full fiscal year | Changes |
| Net sales | 700,000 | (5.3)% |
| Ordinary profit | 145,000 | 69.8% |
| Net income | 125,000 | 89.3% |
| Net income per share (Yen) | ¥131.07 | |

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

Table of Contents

Appendix

Management Performance and Financial Conditions

| | |
|---|------|
| <u>(1) Outline of Operations and Business Results</u> | P.5 |
| <u>(2) Financial Conditions</u> | P.8 |
| <u>(3) Projection for the Fiscal Year Ending March 31, 2014</u> | P.9 |
| <u>(4) Others</u> | P.10 |

Consolidated Financial Statements

| | |
|--|------|
| <u>(1) Consolidated Balance Sheets</u> | P.12 |
| <u>(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income</u> | P.14 |
| <u>(3) Consolidated Statements of Cash Flows</u> | P.18 |
| <u>(4) Note to the Going Concern Assumption</u> | P.19 |
| <u>(5) Business Segment Information</u> | P.19 |
| <u>(6) Note in Case of Notable Changes in the Amount of Shareholders' Equity</u> | P.20 |
| <u>(7) Others</u> | P.20 |

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

Komatsu Ltd. (Company) and its consolidated subsidiaries (together Komatsu) embarked on the Together We Innovate GEMBA Worldwide three-year mid-range management plan in April 2013. Under this plan, Komatsu has started to make focused efforts on 1) growth strategies based on innovation, 2) growth strategies of existing businesses, and 3) structural reforms designed to reinforce the business foundation.

For the first six-month period (April 1 – September 30, 2013) of the fiscal year ending March 31, 2014, which represents the first year of the mid-range management plan, overall demand for construction equipment remained almost flat from the corresponding period a year ago, albeit with regional variances. Meanwhile, demand for mining equipment continued slack, as commodity prices still stayed behind recovery. As a result, sales of the construction, mining and utility equipment business declined from the corresponding period a year ago. With respect to the industrial machinery and others business, sales volume of machine tools as well as sheet-metal and press machines increased, centering on the automobile manufacturing industry. Consolidated net sales for the first six-month period decreased by 0.6% from the corresponding period a year ago, to JPY 925.1 billion (USD 9,440 million, at USD1=JPY98). Concerning profits, while Komatsu continued to make efforts to improve selling prices and production costs in addition to further depreciation of the Japanese yen as an external factor, it faced a sharp drop in sales volume of mining equipment, especially in Indonesia. Operating income declined by 2.1% to JPY 108.9 billion (USD 1,112 million), and operating income ratio was 11.8%, down 0.2 percentage points from the corresponding period a year ago. Income before income taxes and equity in earnings of affiliated companies increased by 6.7% to JPY 112.4 billion (USD 1,148 million), and net income attributable to Komatsu Ltd. advanced by 19.2% to JPY 78.8 billion (USD 804 million) for the six-month period under review.

| [Consolidated Financial Highlights] | Six Months ended | | Millions of yen |
|---|-----------------------|-----------------------|-----------------|
| | September 30, 2013 | September 30, 2012 | |
| | 1USD=JPY98.0 | 1USD=JPY79.6 | Changes |
| | 1EUR=JPY128.2 | 1EUR=JPY101.5 | Increase |
| | 1RMB=JPY15.9 | 1RMB=JPY12.6 | (Decrease) |
| | [A] | [B] | [(A-B)/B] |
| Net sales | 925,121 | 930,849 | (0.6)% |
| Construction, Mining and Utility Equipment | 830,071 | 839,150 | (1.1)% |
| Industrial Machinery and Others | 99,599 | 97,199 | 2.5% |
| Elimination | (4,549) | (5,500) | |

| | | | |
|---|----------------|---------|--------|
| Segment profit | 109,093 | 111,280 | (2.0)% |
| Construction, Mining and Utility Equipment | 105,793 | 109,581 | (3.5)% |
| Industrial Machinery and Others | 4,808 | 3,301 | 45.7% |
| Corporate & elimination | (1,508) | (1,602) | |
| Operating income | 108,946 | 111,264 | (2.1)% |
| Income before income taxes and equity in earnings of affiliated companies | 112,461 | 105,384 | 6.7% |
| Net income attributable to Komatsu Ltd. | 78,810 | 66,112 | 19.2% |

Note: Sales and profit figures in this report show the respective sums of six months from April 1 to September 30, 2013. Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of inter-segment transactions.

Table of Contents

Business results by operation are described below.

Construction, Mining and Utility Equipment

With respect to construction equipment, demand increased in Japan and upturned for recovery in China, while it declined in some other regions in the first six-month period under review. As a result, overall demand remained almost flat from the corresponding period a year ago. With respect to mining equipment, against the backdrop of prolonging sluggish prices of commodities, demand remained slack especially in Indonesia and Komatsu's sales volume declined. Sales of parts advanced, reflecting an increase in the machine population of Komatsu construction and mining equipment, and the Japanese yen depreciated against the U.S. dollar, euro, renminbi and some other currencies compared to the corresponding period a year ago; however, first six-month sales of construction, mining and utility equipment declined by 1.1% from the corresponding period a year ago, to JPY 830.0 billion (USD 8,470 million), as impacted by a drop in sales volume of mining equipment. Segment profit decreased by 3.5% to JPY 105.7 billion (USD 1,080 million) for the six-month period under review.

Under such an environment, Komatsu began the market introduction of D61EXi/PXi medium-sized Machine Control dozers in North America, Europe and Japan. This model features the world's first fully automatic blade control as a next-generation product designed to promote automation of construction and to lead Komatsu's strategies based on innovation. Komatsu also worked to strengthen the aftermarket business, which includes the provision of services and sales of strategic parts, by using KOMTRAX (Komatsu Machine Tracking System), which is installed in over 300,000 units worldwide. With respect to new emission standards-compliant models, Komatsu continued their aggressive market introduction together with KOMATSU CARE, a new service program designed to reduce the total lifecycle costs of these models and prolong machine life.

During the six-month period under review, Komatsu completed the construction of a new manufacturing engineering development center in the Osaka Plant in order to strengthen its research and development operations of manufacturing engineering, a key technology to reform production and improve product performance. Komatsu also promoted activities to cut down electric power consumption to half at all plants in Japan, including the construction of new factories which are equipped with cutting-edge energy-saving facilities and are designed to achieve outstanding productivity at the Awazu Plant in Ishikawa Prefecture.

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

| | Six Months ended | | Millions of yen | |
|---------------|--------------------|--------------------|---------------------|-----------|
| | September 30, 2013 | September 30, 2012 | Changes | |
| | [A] | [B] | Increase (Decrease) | [(A-B)/B] |
| Japan | 150,071 | 132,425 | 17,646 | 13.3% |
| North America | 136,324 | 125,878 | 10,446 | 8.3% |
| Latin America | 121,054 | 132,745 | (11,691) | (8.8)% |

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| | | | | |
|----------------------|----------------|---------|----------|---------|
| Americas | 257,378 | 258,623 | (1,245) | (0.5)% |
| Europe | 57,247 | 50,973 | 6,274 | 12.3% |
| CIS | 35,760 | 41,183 | (5,423) | (13.2)% |
| Europe & CIS | 93,007 | 92,156 | 851 | 0.9% |
| China | 72,758 | 62,528 | 10,230 | 16.4% |
| Asia* | 91,923 | 130,928 | (39,005) | (29.8)% |
| Oceania | 87,177 | 99,194 | (12,017) | (12.1)% |
| Asia* & Oceania | 179,100 | 230,122 | (51,022) | (22.2)% |
| Middle East | 27,225 | 14,301 | 12,924 | 90.4% |
| Africa | 49,236 | 47,513 | 1,723 | 3.6% |
| Middle East & Africa | 76,461 | 61,814 | 14,647 | 23.7% |
| Total | 828,775 | 837,668 | (8,893) | (1.1)% |

* Excluding Japan and China

Table of Contents

Komatsu's operations by region are described below.

Japan

During the six-month period under review, demand for construction equipment increased, supported by demand in the regions destroyed by the Great East Japan Earthquake through full-scale civil engineering works which began with the construction and relocation of residences for community development in addition to an increase in public investment resulting from fiscal measures. Demand advanced especially in rental companies. As a result, sales increased from the corresponding period a year ago.

In September, Komatsu began the market introduction of the D61PXi medium-sized Machine Control dozer, starting with Komatsu Rental Ltd. and Komatsu-affiliated rental companies, which are very familiar with GNSS (Global Navigation Satellite System) technologies, such as GPS (Global Positioning System) and GLONASS, and management know-how of ICT devices. With respect to new products that are compliant with new emissions standards, which have become effective steadily, Komatsu launched over 30 models last year and has worked to expand their sales. In October, Komatsu began sales of HB205-2, the new emission standard-compliant model of the hybrid hydraulic excavator.

Americas

In North America, while demand increased in the housing and energy development sectors, that in the rental sector declined from the corresponding period a year ago. As a result, overall demand lacked a growth momentum in the first six-month period under review. Sales increased from the corresponding period a year ago, supported by the Japanese yen's depreciation. In June, Komatsu launched D61EXi/PXi medium-sized Machine Control dozers first in North America and has steadily increased their sales.

In Latin America, while demand for construction equipment advanced in Brazil, the largest market of the region, demand for mining equipment for use in copper mines in Chile and Peru downturned due to a fall of the international price of copper, where demand had remained steady in the previous fiscal year. As a result, sales declined from the corresponding period a year ago.

Europe & CIS

In Europe, demand remained slack in Germany and France, among major markets, as economies slowed down against the backdrop of the Eurozone crisis. However, sales increased from the corresponding period a year ago, reflecting the Japanese yen's depreciation.

In CIS, sales declined from the corresponding period a year ago, as impacted by demand downturned for mining equipment in gold mines. Based on the mid- to long-range perspective and following the agreements with Pacific National University last year, Komatsu donated hands-on training materials for a special course and opened the course taught by Komatsu engineers at Far Eastern Federal University. In collaboration with the University, the course is designed to develop human resources for construction, mining and road construction equipment.

China

Demand, which had been sluggish since FY2011, upturned in April this year. Sales of Komatsu's flagship 20-ton class hydraulic excavators, which were launched in the previous fiscal year, advanced steadily, as did smaller models. Sales for 30-ton class hydraulic excavators also recovered in June this year. As a result, sales improved from the corresponding period a year ago. By maximizing the use of KOMTRAX, Komatsu worked to assess market conditions as quickly as possible and manage its inventories at an appropriate level.

Table of Contents**Asia & Oceania**

In Indonesia, the largest market of Southeast Asia, demand for mining and construction equipment dropped, as mainly affected by a plunge in the international price of thermal coals and continuing depreciation of the Indonesian rupiah. As a result, sales in Asia dropped from the corresponding period a year ago.

In Oceania, as both demand for mining equipment in iron ore mines and that for construction equipment remained sluggish, sales declined from the corresponding period a year ago. With respect to the large-scale project to deliver driverless dump trucks in Rio Tinto's iron ore mines in Australia, Komatsu and Rio Tinto continued to make good progress as one solid team to succeed.

Middle East & Africa

In Turkey, a major market of the Middle East, while political instability continued to prevail in some aspects, demand for construction equipment remained steady, supported by an increase in public investment driven by the government. Sales increased in the Middle East from the corresponding period a year ago, partly reflecting the market conditions in Turkey.

In Africa, demand advanced in coal mines in South Africa and in copper mines in Zambia. As a result, sales increased from the corresponding period a year ago. Komatsu advanced its program with mining customers to improve their jobsite productivity by analyzing KOMTRAX information as part of brand management activities.

Industrial Machinery and Others

While demand for wire saws continued to stay sluggish, the sales volume of machine tools, as well as sheet-metal and press machines, advanced centering on the automobile manufacturing industry. As a result, sales of the industrial machinery and others business increased by 2.5% from the corresponding period a year ago, to JPY 99.5 billion (USD 1,016 million). Segment profit also improved by 45.7% to JPY 4.8 billion (USD 49 million) for the first six-month period under review.

Komatsu aggressively worked to expand sales of strategic products, such as NTG-4SP grinders, H1F-2 small AC Servo presses, and new KFL Series fiber laser cutting machines, all designed to enhance customers' productivity, safety and environmental performance.

(2) Financial Conditions

As of September 30, 2013, total assets increased by JPY28.8 billion from the previous fiscal year-end, to JPY2,546.6 billion (USD 25,987 million), mainly due to the Japanese yen's depreciation against U.S. dollar, euro and renminbi from the previous fiscal-year end. Interest-bearing debt declined by JPY58.8 billion from the previous fiscal year-end, to JPY620.8 billion (USD 6,336 million). Komatsu Ltd. shareholders' equity increased by JPY85.2 billion from the previous fiscal year-end, to JPY1,278.4 billion (USD 13,045 million). As a result, Komatsu Ltd. shareholders' equity ratio increased by 2.8 percentage points from the previous fiscal year-end, to 50.2%. Net debt-to-equity ratio* was 0.41, compared to 0.49 as of the previous fiscal year-end.

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

Table of Contents

For the first six-month period under review, net cash provided by operating activities totaled JPY163.6 billion (USD 1,670 million), an increase of JPY67.3 billion from the corresponding period a year ago, mainly due to the collection of notes and accounts receivable, coupled with increased net income. Net cash used in investing activities amounted to JPY76.1 billion (USD 777 million), an increase of JPY12.8 billion from the corresponding period a year ago mainly due to the purchase of fixed assets. Net cash used in financing activities totaled JPY91.9 billion (USD 939 million), mainly due to the repayment of debt, as compared to JPY31.9 billion used for the corresponding period a year ago. After adding the effects of foreign exchange fluctuations, cash and cash equivalents, as of September 30, 2013, totaled JPY91.6 billion (USD 935 million), a decrease of JPY1.9 billion from the previous fiscal year-end.

(3) Projection for the Fiscal Year Ending March 31, 2014

(From April 1, 2013 to March 31, 2014)

With respect to the construction, mining and utility equipment business, Komatsu is projecting that sales volume will outperform the amount, which Komatsu anticipated at the beginning of the current fiscal year, in Japan where demand has remained steady, and in China where demand has upturned for recovery. Meanwhile, demand for equipment for use in mines has lingered at a level significantly lower than Komatsu's estimation made at the start of the fiscal year, mainly in Latin America, Oceania and Asia centering on Indonesia. In this light, Komatsu is assuming that sales of this business will fall short of its projection of April 25, 2013. Concerning profits, while facing a decline in sales volume in the construction, mining and utility equipment business, Komatsu is also assuming some factors of loss, including a future risk on the inventory of wire saws, whose demand has stayed slack in the industrial machinery and others business. Accordingly, Komatsu is estimating that profits will also fall short of its initial projection. Based on these conditions, Komatsu has revised its projections of consolidated sales and profits for the fiscal year, ending March 31, 2014.

As preconditions for its current projection, Komatsu is assuming the foreign exchange rates as follows: USD1=JPY96.5, EUR1=JPY125.6 and RMB1=JPY15.6. (Preconditions for its initial projection: USD1=JPY95, EUR1=JPY123 and RMB1=JPY15.3)

Projection for Consolidated Business Results for the Fiscal Year Ending March 31, 2014

| | Earlier projection [A] | Current projection [B] | Millions of yen except per share amounts | | Results for FY ended March 31, 2013 |
|--|------------------------------|------------------------------|--|-----------|---|
| | | | Changes [B-A] | [(B-A)/A] | |
| Net sales | 2,050,000 | 1,860,000 | (190,000) | (9.3)% | 1,884,991 |
| Operating income | 305,000 | 210,000 | (95,000) | (31.1)% | 211,602 |
| Income before income taxes and equity in earnings of affiliated companies | 297,000 | 209,000 | (88,000) | (29.6)% | 204,603 |
| Net income attributable to Komatsu Ltd. | 184,000 | 136,000 | (48,000) | (26.1)% | 126,321 |

| | | | |
|--|--------|---------------|--------|
| Net income attributable to Komatsu Ltd. per share basic (Yen) | 193.12 | 142.69 | 132.64 |
|--|--------|---------------|--------|

Table of Contents**[Reference]****Projection of the Company for the Fiscal Year Ending March 31, 2014**

Similarly, the Company is also projecting that non-consolidated volume of sales of mining equipment will decline in the construction, mining and utility equipment business. In this light, the Company has revised its projection of April 25, 2013 for non-consolidated net sales and profits for the fiscal year, ending March 31, 2014(April 1, 2013 March 31, 2014).

Projection of the Company for the Fiscal Year Ending March 31, 2014

| | Earlier projection [A] | Current projection [B] | Millions of yen except per share amounts | | Results for FY ended March 31, 2013 |
|----------------------------------|------------------------------|------------------------------|--|-----------|---|
| | | | Changes [B-A] | [(B-A)/A] | |
| Net sales | 790,000 | 700,000 | (90,000) | (11.4)% | 738,871 |
| Ordinary profit | 175,000 | 145,000 | (30,000) | (17.1)% | 85,390 |
| Net income | 137,000 | 125,000 | (12,000) | (8.8)% | 66,016 |
| Net income per share basic (Yen) | 143.71 | 131.07 | | | 69.28 |

(4) Others

- (1) Changes in important subsidiaries during the six month period under review: None
- (2) Use of simplified accounting procedures and adoption of specific accounting procedures for the preparation of consolidated quarterly financial statements: None
- (3) Changes in Significant Accounting Rules, Procedures and Presentation and Changes in Significant Accounting Policies and Estimates

1) Changes resulting from revisions in accounting standards, etc.: Applicable
From the fiscal year ending March 31, 2014, Komatsu adopted the Accounting Standards Update (ASU) 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income . This adoption did not have

any impact on Komatsu's financial position and results of operations.

2) Changes in other matters except for 1) above: Applicable

The Company and some of its consolidated subsidiaries which had adopted the declining balance method for depreciation of property, plant and equipment changed the depreciation method to the straight-line method beginning April 1, 2013.

Komatsu promotes continuous innovation of technologies by concentrating the production of high-value added and technologically important key components in Japan, and also undertakes integrated development and production under the Mother Plant system. As a general rule, Komatsu engages in local production in different parts of the world where there is sufficient market demand for its products. With respect to mainstay products, however, Komatsu has facilitated effective use of its global production capacities by cross sourcing finished products after producing them at its most cost-effective plants and exporting them in light of changes in market demand and foreign exchange rate. Komatsu is establishing its production efficiency, standardization of production and stable operation of production facilities through renewing its old factory buildings in Japan, reassessing logistics and reforming production process by technology innovation as well as cutting down electric power consumption in half at its plants in Japan. With respect to capital investment, Komatsu continues to invest in its production facilities for renovation at a constant level. In light of those activities, Komatsu expects stable production and facility utilization within its production capacity, and is able to receive economic benefits from those facilities at a constant rate throughout their durable periods.

Table of Contents

As a result of reviewing its depreciation method, Komatsu concluded that the straight-line method would be an appropriate depreciation method to reflect its usage of property, plants and equipment and to allocate the costs in earnings.

The effect of the change in depreciation method is recognized prospectively as a change in accounting estimate in accordance with the FASB Accounting Standards Codification (ASC) 250 Accounting Changes and Error Corrections .

As a result of the change in depreciation method, depreciation expense for the six months ended September 30, 2013 decreased by approximately JPY5.3 billion. Net Income attributable to Komatsu Ltd. for the six months ended September 30, 2013 increased by approximately JPY3.3 billion. Both Basic and Diluted net income attributable to Komatsu Ltd. per common share for the six months ended September 30, 2013 increased by JPY3.50.

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**Consolidated Financial Statements****(1) Consolidated Balance Sheets**Assets

Millions of yen

| | As of September 30, 2013 | | As of March 31, 2013 | |
|---|-----------------------------|--------------|----------------------|--------------|
| | | Ratio (%) | | Ratio (%) |
| Current assets | | | | |
| Cash and cash equivalents | ¥ 91,675 | | ¥ 93,620 | |
| Time deposits | 369 | | 217 | |
| Trade notes and accounts receivable, net | 541,586 | | 606,904 | |
| Inventories | 679,938 | | 633,647 | |
| Deferred income taxes and other current assets | 162,547 | | 157,668 | |
| Total current assets | 1,476,115 | 58.0 | 1,492,056 | 59.3 |
| Long-term trade receivables, net | 245,136 | 9.6 | 235,825 | 9.4 |
| Investments | | | | |
| Investments in and advances to affiliated companies | 19,483 | | 19,404 | |
| Investment securities | 62,590 | | 59,279 | |
| Other | 2,656 | | 2,574 | |
| Total investments | 84,729 | 3.3 | 81,257 | 3.2 |
| Property, plant and equipment | | | | |
| - less accumulated depreciation and amortization | 616,017 | 24.2 | 585,220 | 23.2 |
| Goodwill | 35,132 | 1.4 | 34,703 | 1.4 |
| Other intangible assets | | | | |
| - less accumulated amortization | 57,234 | 2.2 | 58,523 | 2.3 |
| Deferred income taxes and other assets | 32,326 | 1.3 | 30,273 | 1.2 |
| Total | ¥2,546,689 | 100.0 | ¥2,517,857 | 100.0 |

Table of ContentsLiabilities and Equity

Millions of yen

| | As of September 30, 2013 | | As of March 31, 2013 | |
|---|-----------------------------|--------------|----------------------|--------------|
| | | Ratio (%) | | Ratio (%) |
| Current liabilities | | | | |
| Short-term debt | ¥ 199,509 | | ¥ 205,156 | |
| Current maturities of long-term debt | 105,842 | | 130,793 | |
| Trade notes, bills and accounts payable | 234,508 | | 226,275 | |
| Income taxes payable | 25,567 | | 33,227 | |
| Deferred income taxes and other current liabilities | 230,991 | | 232,125 | |
| Total current liabilities | 796,417 | 31.3 | 827,576 | 32.8 |
| Long-term liabilities | | | | |
| Long-term debt | 315,530 | | 343,814 | |
| Liability for pension and retirement benefits | 51,013 | | 49,912 | |
| Deferred income taxes and other liabilities | 45,991 | | 43,860 | |
| Total long-term liabilities | 412,534 | 16.2 | 437,586 | 17.4 |
| Total liabilities | 1,208,951 | 47.5 | 1,265,162 | 50.2 |
| Komatsu Ltd. shareholders equity | | | | |
| Common stock | 67,870 | | 67,870 | |
| Capital surplus | 139,045 | | 138,818 | |
| Retained earnings: | | | | |
| Appropriated for legal reserve | 39,634 | | 38,230 | |
| Unappropriated | 1,089,030 | | 1,034,504 | |
| Accumulated other comprehensive income (loss) | (14,915) | | (43,440) | |
| Treasury stock | (42,215) | | (42,788) | |
| Total Komatsu Ltd. shareholders equity | 1,278,449 | 50.2 | 1,193,194 | 47.4 |
| Noncontrolling interests | 59,289 | 2.3 | 59,501 | 2.4 |
| Total equity | 1,337,738 | 52.5 | 1,252,695 | 49.8 |
| Total | ¥2,546,689 | 100.0 | ¥2,517,857 | 100.0 |

Table of Contents**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Six months ended September 30, 2013 and 2012****Consolidated Statements of Income**

Millions of yen except per share amounts

| | Six Months ended September 30, 2013 | | Six Months ended September 30, 2012 | |
|--|--|----------------------|--|----------------------|
| | | Ratio (%) | | Ratio (%) |
| Net sales | ¥925,121 | 100.0 | ¥930,849 | 100.0 |
| Cost of sales | 660,541 | 71.4 | 678,085 | 72.8 |
| Selling, general and administrative expenses | 155,487 | 16.8 | 141,484 | 15.2 |
| Other operating income (expenses), net | (147) | (0.0) | (16) | (0.0) |
| Operating income | 108,946 | 11.8 | 111,264 | 12.0 |
| Other income (expenses), net | | | | |
| Interest and dividend income | 2,286 | 0.2 | 2,268 | 0.2 |
| Interest expense | (4,363) | (0.5) | (4,506) | (0.5) |
| Other, net | 5,592 | 0.6 | (3,642) | (0.4) |
| Total other income (expenses) | 3,515 | 0.4 | (5,880) | (0.6) |
| Income before income taxes and equity in earnings of affiliated companies | 112,461 | 12.2 | 105,384 | 11.3 |
| Income taxes | 30,120 | 3.3 | 34,716 | 3.7 |
| Income before equity in earnings of affiliated companies | 82,341 | 8.9 | 70,668 | 7.6 |
| Equity in earnings of affiliated companies | 944 | 0.1 | 568 | 0.1 |
| Net income | 83,285 | 9.0 | 71,236 | 7.7 |
| Less: Net income attributable to noncontrolling interests | 4,475 | 0.5 | 5,124 | 0.6 |
| Net income attributable to Komatsu Ltd. | ¥ 78,810 | 8.5 | ¥ 66,112 | 7.1 |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 82.69 | | ¥ 69.42 | |
| Diluted | ¥ 82.60 | | ¥ 69.37 | |

Table of ContentsConsolidated Statements of Comprehensive Income

Millions of yen

| | Six Months ended September 30, 2013 | Six Months ended September 30, 2012 |
|---|--|--|
| Net income | ¥ 83,285 | ¥ 71,236 |
| Other comprehensive income (loss), for the period, net of tax | | |
| Foreign currency translation adjustments | 23,268 | (43,822) |
| Net unrealized holding gains (losses) on securities available for sale | 3,793 | (6,513) |
| Pension liability adjustments | 502 | 1,202 |
| Net unrealized holding gains (losses) on derivative instruments | 784 | 1,380 |
| Total | 28,347 | (47,753) |
| Comprehensive income (loss) | 111,632 | 23,483 |
| Less: Comprehensive income (loss) attributable to noncontrolling interests | 4,318 | 2,192 |
| Comprehensive income (loss) attributable to Komatsu Ltd. | ¥ 107,314 | ¥ 21,291 |

Table of ContentsThree months ended September 30, 2013 and 2012Consolidated Statements of Income

Millions of yen except per share amounts

| | Three Months ended September 30, 2013 | | Three Months ended September 30, 2012 | |
|--|--|--------------|--|--------------|
| | | Ratio (%) | | Ratio (%) |
| Net sales | ¥ 469,962 | 100.0 | ¥ 460,901 | 100.0 |
| Cost of sales | 335,175 | 71.3 | 334,930 | 72.7 |
| Selling, general and administrative expenses | 78,240 | 16.6 | 69,955 | 15.2 |
| Other operating income (expenses), net | (14) | (0.0) | (470) | (0.1) |
| Operating income | 56,533 | 12.0 | 55,546 | 12.1 |
| Other income (expenses), net | | | | |
| Interest and dividend income | 884 | 0.2 | 952 | 0.2 |
| Interest expense | (2,116) | (0.5) | (2,383) | (0.5) |
| Other, net | 5,571 | 1.2 | 27 | 0.0 |
| Total other income (expenses) | 4,339 | 0.9 | (1,404) | (0.3) |
| Income before income taxes and equity in earnings of affiliated companies | 60,872 | 13.0 | 54,142 | 11.7 |
| Income taxes | 17,576 | 3.7 | 17,572 | 3.8 |
| Income before equity in earnings of affiliated companies | 43,296 | 9.2 | 36,570 | 7.9 |
| Equity in earnings of affiliated companies | 653 | 0.1 | 338 | 0.1 |
| Net income | 43,949 | 9.4 | 36,908 | 8.0 |
| Less: Net income attributable to noncontrolling interests | 2,430 | 0.5 | 2,920 | 0.6 |
| Net income attributable to Komatsu Ltd. | ¥ 41,519 | 8.8 | ¥ 33,988 | 7.4 |
| Net income attributable to Komatsu Ltd. per share (Yen) | | | | |
| Basic | ¥ 43.56 | | ¥ 35.69 | |
| Diluted | ¥ 43.51 | | ¥ 35.66 | |

Table of ContentsConsolidated Statements of Comprehensive Income

| | Millions of yen | |
|---|--|---|
| | Three Months ended September 30, 2013 | Three Months ended September 30, 2012 |
| Net income | ¥ 43,949 | ¥ 36,908 |
| Other comprehensive income (loss), for the period, net of tax | | |
| Foreign currency translation adjustments | (5,377) | (5,022) |
| Net unrealized holding gains (losses) on securities available for sale | 2,122 | (2,081) |
| Pension liability adjustments | 207 | 638 |
| Net unrealized holding gains (losses) on derivative instruments | (103) | 19 |
| Total | (3,151) | (6,446) |
| Comprehensive income (loss) | 40,798 | 30,462 |
| Less: Comprehensive income (loss) attributable to noncontrolling interests | 2,131 | 2,760 |
| Comprehensive income (loss) attributable to Komatsu Ltd. | ¥ 38,667 | ¥ 27,702 |

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

| | Millions of yen | |
|--|--|--|
| | Six Months ended September 30, 2013 | Six Months ended September 30, 2012 |
| Operating activities | | |
| Net income | ¥ 83,285 | ¥ 71,236 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 43,231 | 42,544 |
| Deferred income taxes | 1,376 | (1,518) |
| Impairment loss and net loss (gain) from sale of investment securities | (1,498) | 81 |
| Net loss (gain) on sale of property | (1,346) | (249) |
| Loss on disposal of fixed assets | 1,858 | 800 |
| Pension and retirement benefits, net | 1,397 | 1,077 |
| Changes in assets and liabilities: | | |
| Decrease (increase) in trade receivables | 73,959 | 54,536 |
| Decrease (increase) in inventories | (32,488) | (23,186) |
| Increase (decrease) in trade payables | 6,829 | (47,492) |
| Increase (decrease) in income taxes payable | (8,153) | (4,777) |
| Other, net | (4,794) | 3,255 |
| Net cash provided by (used in) operating activities | 163,656 | 96,307 |
| Investing activities | | |
| Capital expenditures | (85,134) | (69,028) |
| Proceeds from sale of property | 9,311 | 3,801 |
| Proceeds from sale of available for sale investment securities | 4,203 | 423 |
| Purchases of available for sale investment securities | (33) | (3) |
| Acquisition of subsidiaries and equity investees, net of cash acquired | (4,539) | 283 |
| Collection of loan receivables | 201 | 508 |
| Disbursement of loan receivables | (16) | |
| Decrease (increase) in time deposits, net | (147) | 760 |
| Net cash provided by (used in) investing activities | (76,154) | (63,256) |
| Financing activities | | |
| Proceeds from debt issued (Original maturities greater than three months) | 83,745 | 176,194 |
| Payment on debt (Original maturities greater than three months) | (111,077) | (210,272) |
| Short-term debt net (Original maturities three months or less) | (34,894) | 32,176 |

| | | |
|--|-----------------|-----------------|
| Repayments of capital lease obligations | (1,849) | (3,648) |
| Sale (purchase) of treasury stock, net | (16) | 47 |
| Dividends paid | (22,880) | (20,009) |
| Other, net | (5,011) | (6,438) |
| Net cash provided by (used in) financing activities | (91,982) | (31,950) |
| Effect of exchange rate change on cash and cash equivalents | 2,535 | (4,237) |
| Net increase (decrease) in cash and cash equivalents | (1,945) | (3,136) |
| Cash and cash equivalents, beginning of year | 93,620 | 83,079 |
| Cash and cash equivalents, end of period | ¥ 91,675 | ¥ 79,943 |

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

None

(5) Business Segment Information**1) Information by Operating Segments****Six Months ended September 30, 2013 and 2012****(For Six Months ended September 30, 2013)**

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|--|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 828,775 | 96,346 | 925,121 | | 925,121 |
| Intersegment | 1,296 | 3,253 | 4,549 | (4,549) | |
| Total | 830,071 | 99,599 | 929,670 | (4,549) | 925,121 |
| Segment profit | 105,793 | 4,808 | 110,601 | (1,508) | 109,093 |

(For Six Months ended September 30, 2012)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|--|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 837,668 | 93,181 | 930,849 | | 930,849 |
| Intersegment | 1,482 | 4,018 | 5,500 | (5,500) | |
| Total | 839,150 | 97,199 | 936,349 | (5,500) | 930,849 |
| Segment profit | 109,581 | 3,301 | 112,882 | (1,602) | 111,280 |

Three Months ended September 30, 2013 and 2012

(For Three Months ended September 30, 2013)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|--|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 412,870 | 57,092 | 469,962 | | 469,962 |
| Intersegment | 564 | 2,129 | 2,693 | (2,693) | |
| Total | 413,434 | 59,221 | 472,655 | (2,693) | 469,962 |
| Segment profit | 53,182 | 3,985 | 57,167 | (620) | 56,547 |

(For Three Months ended September 30, 2012)

Millions of yen

| | Construction, Mining and Utility Equipment | Industrial Machinery and Others | Subtotal | Corporate & elimination | Total |
|----------------|--|---------------------------------------|----------|----------------------------|---------|
| Net sales: | | | | | |
| Customers | 408,747 | 52,154 | 460,901 | | 460,901 |
| Intersegment | 627 | 1,959 | 2,586 | (2,586) | |
| Total | 409,374 | 54,113 | 463,487 | (2,586) | 460,901 |
| Segment profit | 55,379 | 925 | 56,304 | (288) | 56,016 |

Table of Contents

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 determined by customer location were as follows:

For Six Months ended September 30, 2013 and 2012

| | Millions of yen | | | | | | |
|---------------|-----------------|----------------|-----------------|---------------|--------------------|-------------------------|----------------|
| | Japan | Americas | Europe & CIS | China | Asia* & Oceania | Middle East & Africa | Total |
| FY2013 | 193,608 | 272,858 | 96,179 | 87,722 | 198,278 | 76,476 | 925,121 |
| FY2012 | 178,916 | 268,437 | 99,572 | 75,331 | 246,774 | 61,819 | 930,849 |

For Three Months ended September 30, 2013 and 2012

| | Millions of yen | | | | | | |
|---------------|-----------------|----------------|-----------------|---------------|--------------------|-------------------------|----------------|
| | Japan | Americas | Europe & CIS | China | Asia* & Oceania | Middle East & Africa | Total |
| FY2013 | 113,574 | 140,959 | 44,692 | 39,966 | 92,854 | 37,917 | 469,962 |
| FY2012 | 98,190 | 139,347 | 44,498 | 28,020 | 116,678 | 34,168 | 460,901 |

* Excluding Japan and China

(6) Note in Case of Notable Changes in the Amount of Shareholders' Equity

None

(7) Others

In the Consolidated Statements of Cash Flow, Komatsu disclosed its cash flow of short-term debt in financing activities on a net amount basis in the six months ended September 30, 2012. Komatsu discloses its cash flow on a net amount basis for the debts whose original maturities are three months or less in the six months ended September 30, 2013. The Consolidated Statements of Cash Flow for the six months ended September 30, 2012 has been re-presented to be consistent with September 30, 2013. This change does not have any impact on the total cash flow from financing activities.

(end)

Table of Contents**For Immediate Release
Komatsu Ltd.**

Corporate Communications Dept.

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

Date: October 28, 2013

URL: <http://www.komatsu.com/>**Announcement Concerning the Revision of Projected Business Results**

Komatsu Ltd. (hereinafter "Company") (President and CEO: Tetsuji Ohashi) has revised the projections for consolidated and non-consolidated business results for the fiscal year ending March 31, 2014, which the Company announced on April 25, 2013.

1. Projection for Consolidated Business Results for the Fiscal Year Ending March 31, 2014 (U.S. GAAP)

Millions of yen except per share amounts

| | Earlier projection [A] | Current projection [B] | Changes | | Results for FY ended March 31, 2013 |
|---|------------------------------|---------------------------------------|-----------|-----------|---|
| | | | [B-A] | [(B-A)/A] | |
| Net sales | 2,050,000 | 1,860,000 | (190,000) | (9.3)% | 1,884,991 |
| Operating income | 305,000 | 210,000 | (95,000) | (31.1)% | 211,602 |
| Income before income taxes and equity in earnings of affiliated companies | 297,000 | 209,000 | (88,000) | (29.6)% | 204,603 |
| Net income attributable to Komatsu Ltd. | 184,000 | 136,000 | (48,000) | (26.1)% | 126,321 |
| Net income attributable to Komatsu Ltd. per share basic (Yen) | 193.12 | 142.69 | | | 132.64 |

2. Projection for Non-consolidated Business Results for the Fiscal Year Ending March 31, 2014

Millions of yen except per share amounts

| | Earlier projection [A] | Current projection [B] | Changes | | Results for FY ended March 31, 2013 |
|-----------------|------------------------------|---------------------------------------|----------|-----------|---|
| | | | [B-A] | [(B-A)/A] | |
| Net sales | 790,000 | 700,000 | (90,000) | (11.4)% | 738,871 |
| Ordinary profit | 175,000 | 145,000 | (30,000) | (17.1)% | 85,390 |
| Net income | 137,000 | 125,000 | (12,000) | (8.8)% | 66,016 |

| | | | |
|----------------------------------|--------|---------------|-------|
| Net income per share basic (Yen) | 143.71 | 131.07 | 69.28 |
|----------------------------------|--------|---------------|-------|

Table of Contents**3. Reasons for the Revision****[Projection for Consolidated Business Results]**

With respect to the construction, mining and utility equipment business, Komatsu is projecting that sales volume will outperform the amount, which Komatsu anticipated at the beginning of the current fiscal year, in Japan where demand has remained steady, and in China where demand has upturned for recovery. Meanwhile, demand for equipment for use in mines has lingered at a level significantly lower than Komatsu's estimation made at the start of the fiscal year, mainly in Latin America, Oceania and Asia centering on Indonesia. In this light, Komatsu is assuming that sales of this business will fall short of its projection of April 25, 2013. Concerning profits, while facing a decline in sales volume in the construction, mining and utility equipment business, Komatsu is also assuming some factors of loss, including a future risk on the inventory of wire saws, whose demand has stayed slack in the industrial machinery and others business. Accordingly, Komatsu is estimating that profits will also fall short of its initial projection. Based on these conditions, Komatsu has revised its projections of consolidated sales and profits for the fiscal year, ending March 31, 2014(April 1, 2013 – March 31, 2014).

As preconditions for its current projection, Komatsu is assuming the foreign exchange rates as follows: USD1=JPY96.5, EUR1=JPY125.6 and RMB1=JPY15.6. (Preconditions for its initial projection: USD1=JPY95, EUR1=JPY123 and RMB1=JPY15.3)

[Projection for Non-consolidated Business Results]

Similarly, the Company is also projecting that non-consolidated volume of sales of mining equipment will decline in the construction, mining and utility equipment business. In this light, the Company has revised its projection of April 25, 2013 for non-consolidated net sales and profits for the fiscal year, ending March 31, 2014(April 1, 2013 – March 31, 2014).

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 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)