

Komatsu Ltd.

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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	Current projection	Changes		Results for FY ended March 31, 2013
	[A]	[B]	[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	Current projection	Changes		Results for FY ended March 31, 2013
	[A]	[B]	[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

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.

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