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Consolidated Business Results for the Fiscal Year Ended March 31, 2015 (U.S. GAAP)

1. Results for the Fiscal Year Ended March 31, 2015

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

(For the fiscal years ended March 31, 2015 and 2014)

Millions of yen except per share amounts

	2015	2014	Changes	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	**1,978,676**	1,953,657	25,019	1.3%
Operating income	**242,062**	240,495	1,567	0.7%
Income before income taxes and equity in earnings of affiliated companies	**236,074**	242,056	(5,982)	(2.5)%
Net income attributable to Komatsu Ltd.	**154,009**	159,518	(5,509)	(3.5)%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	**¥ 162.07**	¥ 167.36	¥ (5.29)	
Diluted	**¥ 161.86**	¥ 167.18	¥ (5.32)	
Return on equity	**10.6%**	12.4%	(1.8)%	
Return on total assets	**8.7%**	9.4%	(0.7)%	
Return on sales	**12.2%**	12.3%	(0.1)%	

Notes: 1) Comprehensive income:
2015: 249,335 millions of yen, up 1.5% from 2014
2014: 245,766 millions of yen, up 1.1% from 2013

2) Equity in earnings of affiliated companies:
2015: 3,869 millions of yen
2014: 3,491 millions of yen

3) Return on equity is calculated by using net income attributable to Komatsu Ltd. and total Komatsu Ltd. shareholders' equity.

4) Return on total assets is calculated by using income before income taxes and equity in earnings of affiliated companies.

5) Return on sales is calculated by using operating income.

(2) Consolidated Financial Position

(As of March 31, 2015 and 2014)

Millions of yen except per share amounts

	2015	2014
Total assets	**2,798,407**	2,651,556
Total equity	**1,598,500**	1,441,111
Komatsu Ltd. shareholders' equity	**1,528,966**	1,376,391
Komatsu Ltd. shareholders' equity ratio	**54.6%**	51.9%
Komatsu Ltd. shareholders' equity per share (Yen)	**¥ 1,622.48**	¥ 1,443.97

(3) Consolidated Cash Flows

(For the fiscal years ended March 31, 2015 and 2014)

Millions of yen

	2015	2014
Net cash provided by (used in) operating activities	**343,654**	319,424
Net cash provided by (used in) investing activities	**(181,793)**	(167,439)
Net cash provided by (used in) financing activities	**(143,983)**	(155,349)
Cash and cash equivalents, end of year	**105,905**	90,872

2. Dividends

(For the fiscal years ended March 31, 2015 and 2014, and ending March 31, 2016)

	2015	2014	**2016 Projections**
Cash dividends per share (Yen)			
Interim	**29.00**	29.00	**29.00**
Year-end	**29.00**	29.00	**29.00**
Total	**58.00**	58.00	**58.00**
Annual dividends (Millions of yen)	**55,010**	55,317	**--**
Payout ratio (Consolidated basis) (%)	**35.8%**	34.7%	**39.6%**
Dividends as percentage of equity (Consolidated basis) (%)	**3.8%**	4.3%	**--**

3. Projections for the Fiscal Year Ending March 31, 2016

(From April 1, 2015 to March 31, 2016)

Millions of yen except per share amounts

	The full fiscal year	
		Changes Increase (Decrease)
Net sales	**1,880,000**	(5.0) %
Operating income	**221,000**	(8.7) %
Income before income taxes and equity in earnings of affiliated companies	**214,000**	(9.4) %
Net income attributable to Komatsu Ltd.	**138,000**	(10.4) %
Net income attributable to Komatsu Ltd. per share (basic) (Yen)	**¥ 146.44**	

Notes: 1) Percentages shown above represent the rates of change compared with the corresponding periods a year ago.

2) Refer to "Management Performance and Financial Conditions" for preconditions of the projections above and other related issues.

4. Others

(1) Changes in important subsidiaries during the year under review: None

(2) Changes in accounting standards, procedures and presentations

1) Changes resulting from revisions in accounting standards, etc.: None

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

Note: See "Basis of Consolidated Financial Statements" on page 22 for more details.

(3) Number of common shares outstanding

1) The numbers of common shares issued (including treasury stock) as of March 31 were as follows:

2015: 971,967,660 shares

2014: 983,130,260 shares

2) The numbers of shares of treasury as of March 31 were as follows:

2015: 29,602,836 shares

2014: 29,933,292 shares

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

2015: 950,276,336 shares

2014: 953,134,746 shares

Note: See "Net Income per Share" on page 24 for the number of common shares, which was used as the basis for calculating the amount of net income attributable to Komatsu Ltd. per share.

[Reference]

Financial Highlights of Komatsu Ltd. (“Company”)

The following financial information is prepared based on the non-consolidated financial results of the Company in accordance with generally accepted accounting principles and practices in Japan.

1. Results for the Fiscal Year Ended March 31, 2015

(1) Non-Consolidated Financial Highlights

(For the fiscal years ended March 31, 2015 and 2014)

Millions of yen except per share amounts

	2015	2014	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B] (%)
Net sales	789,867	757,766	32,101	4.2%
Ordinary profit	164,446	160,887	3,559	2.2%
Net income	134,434	133,876	558	0.4%
Net income per share (Yen)				
Basic	¥ 141.39	¥ 140.38	¥ 1.01	
Diluted	¥ 141.20	¥ 140.21	¥ 0.99	

(2) Non-Consolidated Financial Position

(As of March 31, 2015 and 2014)

Millions of yen except per share amounts

	2015	2014
Total assets	**1,213,401**	1,156,060
Net assets	**736,118**	683,183
Equity ratio (%)	**60.4%**	58.8%
Net assets per share (Yen)	**¥ 777.51**	¥ 712.79

Note: Shareholders’ equity: 2015: 733,136 million yen 2014: 679,821 million yen

2. Projections for the Fiscal Year Ending March 31, 2016

(From April 1, 2015 to March 31, 2016)

Millions of yen except per share amounts

	2016	
		Changes Increase (Decrease)
Net sales	**705,000**	(10.7) %
Ordinary profit	**89,000**	(45.9) %
Net income	**74,000**	(45.0) %
Net income per share (basic) (Yen)	**¥ 78.48**	

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

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Management Performance and Financial Conditions

(1) Outline of Operations and Business Results

Komatsu Ltd. ("Company") and its consolidated subsidiaries (together "Komatsu") have upheld the "Together We Innovate GEMBA Worldwide" three-year mid-range management plan to be completed in the fiscal year ending March 31, 2016. Under this plan, Komatsu is making 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 fiscal year under review (April 1, 2014 – March 31, 2015), consolidated net sales totaled JPY 1,978.6 billion, up 1.3% from the previous fiscal year. In the construction, mining and utility equipment business, sales remained about flat from the previous fiscal year, as demand for construction equipment remained steady in advanced countries, in North America and Europe, and the Japanese yen further depreciated against the U.S. dollar, euro and renminbi, which compensated for a decline in volume of sales resulting from slack demand for construction equipment in emerging countries and for mining equipment. In the industrial machinery and others business, sales increased from the previous fiscal year, supported by good sales of presses and other forging machines, centering on capital investment, especially in the automobile manufacturing industry.

With respect to profits, operating income increased by 0.7% from the previous fiscal year, to JPY 242.0 billion, as the Japanese yen's depreciation and Komatsu's continuous efforts to improve selling prices compensated for adverse effects of reduced volume of sales in the construction, mining and utility equipment business. Operating income ratio translated into 12.2%, down 0.1 percentage point. Income before income taxes and equity in earnings of affiliated companies totaled JPY 236.0 billion, down 2.5%. Net income attributable to Komatsu Ltd. decreased by 3.5% to JPY 154.0 billion.

[Consolidated Financial Highlights]

Millions of yen

	2015 **USD1=JPY109.7** **EUR1=JPY139.6** **RMB1=JPY17.7**	2014 USD1=JPY99.6 EUR1=JPY132.8 RMB1=JPY16.3	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	**1,978,676**	1,953,657	1.3 %
Construction, Mining and Utility Equipment	**1,763,423**	1,752,260	0.6 %
Industrial Machinery and Others	**221,517**	209,177	5.9 %
Elimination	**(6,264)**	(7,780)	-
Segment profit	**240,977**	242,205	(0.5) %
Construction, Mining and Utility Equipment	**227,272**	242,101	(6.1) %
Industrial Machinery and Others	**16,257**	2,038	697.7 %
Corporate & elimination	**(2,552)**	(1,934)	-
Operating income	**242,062**	240,495	0.7 %
Income before income taxes and equity in earnings of affiliated companies	**236,074**	242,056	(2.5) %
Net income attributable to Komatsu Ltd.	**154,009**	159,518	(3.5) %

Note: Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of inter-segment transactions.

Business results by operation are described below

.

Construction, Mining and Utility Equipment

Sales of the construction, mining and utility equipment business amounted to JPY 1,763.4 billion, up 0.6% from the previous fiscal year. Segment profit declined by 6.1% to JPY 227.2 billion.

Komatsu enjoyed great customer evaluations for and steadfastly increased shipment of intelligent Machine Control dozers and hydraulic excavators in Japan, North America and Europe, which it has launched as next-generation products to drive its growth strategies based on innovation. Starting in Japan in February 2015, Komatsu embarked on “SMARTCONSTRUCTION”, a new solution business by connecting all information of construction job sites through ICT (information and communication technology) in order to help customers realize safe and high-productivity job sites of the future. With respect to products designed to comply with new emission standards (such as Tier 4 Final in the United States), which have been introduced steadily in North America, Europe and Japan since the start of 2014, Komatsu has developed a total of 18 models and worked to expand their sales.

At its production plants in Japan, Komatsu has been making efforts to cut down their electric power consumption to half. In May 2014, Komatsu opened a new assembly factory at the Awazu Plant in Ishikawa Prefecture, Japan. The new factory features an outstanding efficiency of manufacturing, and Komatsu expects to reduce purchase power volume by over 90% for this factory.

While demand was declined for new construction and mining equipment, Komatsu made record-high sales of parts by steadfastly capturing aftermarket demand.

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

Millions of yen

	2015	2014	Changes Increase(Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Japan	**330,573**	342,156	(11,583)	(3.4) %
North America	**334,813**	276,104	58,709	21.3 %
Latin America	**261,181**	266,761	(5,580)	(2.1) %
Americas	**595,994**	542,865	53,129	9.8 %
Europe	**148,294**	121,908	26,386	21.6 %
CIS	**54,317**	68,540	(14,223)	(20.8) %
Europe & CIS	**202,611**	190,448	12,163	6.4 %
China	**110,220**	162,002	(51,782)	(32.0) %
Asia*	**212,380**	193,903	18,477	9.5 %
Oceania	**137,014**	154,704	(17,690)	(11.4) %
Asia* & Oceania	**349,394**	348,607	787	0.2 %
Middle East	**60,814**	55,399	5,415	9.8 %
Africa	**111,785**	108,278	3,507	3.2 %
Middle East & Africa	**172,599**	163,677	8,922	5.5 %
Total	**1,761,391**	1,749,755	11,636	0.7 %

* Excluding Japan and China

Komatsu's operations by region are described below.

Japan

While steadily capturing demand in construction investment and reconstruction in the regions which were destroyed by the Great East Japan Earthquake, Komatsu faced adverse effects of demand for construction equipment having run its course in rental companies. As a result, sales declined from the previous fiscal year.

Americas

In North America, demand for equipment remained slack in the mining industry and the energy sector, which was adversely affected by the plunge of crude prices. Demand for construction equipment advanced in the residential construction and infrastructure development sectors, including highway construction. As a result, sales increased from the previous fiscal year.

In Latin America, demand for construction equipment declined, while slack demand for mining equipment prolonged. Sales decreased from the previous fiscal year.

Europe & CIS

In Europe, sales increased from the previous fiscal year, reflecting an increase of demand in the United Kingdom, a major market.

In CIS, sales declined, as affected by the drastic depreciation and discount rate hike of the Russian ruble as well as prolonging sluggish demand for equipment in gold mines and the energy sector.

China

While having continued to stimulus measures, such as eased regulations on housing loans and decreased interest rate, the Chinese government has announced a shift of its economic policy from rapid economic expansion to a "new normal" of slower but more sustainable economic growth. Sales declined drastically from the previous fiscal year, particularly against the backdrop of a sharp drop of demand after Chinese New Year in February 2015.

Asia & Oceania

While demand remained sluggish in Asia, including Indonesia, the largest market of the region, and Thailand, Komatsu captured expanding demand in the Philippines, India and some other countries. As a result, sales in Asia improved from the previous fiscal year.

In Oceania, sales declined, as demand for mining equipment remained sluggish in mines.

Middle East & Africa

In the Middle East, demand in Turkey, the major market of the region, was slack. While crude prices dropped sharply, demand in other areas advanced steadily, centering on some Gulf nations, such as Saudi Arabia, Qatar and United Arab Emirates. Sales increased from the previous fiscal year.

In Africa, sales improved from the previous fiscal year, mainly supported by the steady progress on the delivery of mining equipment in South Africa.

Industrial Machinery and Others

Sales of presses and other forging machines remained steady, supported by capital investment mainly in the automobile manufacturing industry. In addition, GIGAPHOTON INC. expanded sales supported by high-rate machine utilization of the semiconductor manufacturing industry. Sales of the industrial machinery and others business totaled JPY 221.5 billion, up 5.9% from the previous fiscal year. Segment profit reached JPY 16.2 billion, an increase of JPY 14.2 billion, mainly because the loss of wire saw inventories in the amount of JPY 10.8 billion was realized for the previous fiscal year.

During the fiscal year, Komatsu launched a new model of the small AC Servo press series and the fiber laser cutting machine, both of which achieve high productivity and an outstanding reduction of running costs. Komatsu worked to expand their sales.

[Projections for the Fiscal Year Ending March 31, 2016]

(From April 1, 2015 to March 31, 2016)

In the construction, mining and utility equipment business, while demand for construction equipment should remain steady in North America and Europe, Komatsu expects to meet a market environment which is more challenging than FY2014. Such market environment is attributable to a drastic decline of demand in China and other emerging countries, coupled with further drop of demand for mining equipment resulting from the conservative mindset of mining customers for capital investment against the backdrop of sluggish commodity prices. In the industrial machinery and others business, Komatsu anticipates strong sales of excimer lasers as a light source to the semiconductor manufacturing industry, in addition to steady sales of sheet-metal and press machines as well as machine tools to the automobile manufacturing industry. As Komatsu cannot expect expanding demand, it will step up its group-wide efforts to reinforce SMARTCONSTRUCTION and other solutions as well as the aftermarket business by advocating comprehensive merits to customers. At the same time, Komatsu will also make continuous and speedy efforts to improve production costs and fixed costs. Coupled with gains from continuous improvements of selling prices, Komatsu will make utmost group-wide efforts to maximize earnings. Komatsu projects consolidated business results for the fiscal year ending March 31, 2016 as follows.

As preconditions for our projection, we are assuming the foreign exchange rates as follows: USD1=JPY115, EUR1=JPY127 and RMB1=JPY18.3.

Millions of yen

	2016 Projection [A]	2015 Results [B]	Changes Increase(Decrease) [(A-B)/(B)]
Net sales	**1,880,000**	1,978,676	(5.0)%
Operating income	**221,000**	242,062	(8.7)%
Income before income taxes and equity in earnings of affiliated companies	**214,000**	236,074	(9.4)%
Net income attributable to Komatsu Ltd.	**138,000**	154,009	(10.4)%

(2) Financial Conditions

As of March 31, 2015, total assets increased by JPY 146.8 billion from the previous fiscal year-end, to JPY 2,798.4 billion, mainly due to the Japanese yen's depreciation against the U.S. dollar and renminbi and some other currencies from the previous fiscal-year end. Interest-bearing debt decreased by JPY 15.9 billion from the previous fiscal year-end, to JPY 589.1 billion. Komatsu Ltd. shareholders' equity increased by JPY 152.5 billion from the previous fiscal year-end, to JPY 1,528.9 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 2.7 percentage points from the previous fiscal year-end, to 54.6%. Net debt-to-equity ratio* was 0.32, compared to 0.37 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

For the fiscal year under review, net cash provided by operating activities totaled JPY 343.6 billion, an increase of JPY 24.2 billion from the previous fiscal year, mainly reduced inventories in addition to net income of JPY 161.4 billion. Net cash used in investing activities amounted to JPY 181.7 billion, an increase of JPY 14.3 billion from the previous fiscal year, mainly due to the purchase of fixed assets. Net cash used in financing activities totaled JPY 143.9 billion, mainly due to the payment of cash dividends and repurchase of its common stock, as compared to JPY 155.3 billion used for the previous fiscal year. After adding the

effects of foreign exchange fluctuations, cash and cash equivalents, as of March 31, 2015, totaled JPY 105.9 billion, an increase of JPY 15.0 billion from the previous fiscal year-end.

[Trends of Financial Conditions Indicators]

(Fiscal years ended March 31, 2015, 2014 and 2013)

	2015	2014	2013
Komatsu Ltd. shareholders' equity ratio (%)	**54.6**	51.9	47.4
Komatsu Ltd. shareholders' equity ratio at aggregate market value (%)	**79.6**	76.9	85.1
Years of debt redemption	**1.7**	1.9	3.2

* Komatsu Ltd. shareholders' equity ratio: Komatsu Ltd. shareholders' equity/Total assets
* Komatsu Ltd. shareholders' equity ratio at aggregate market value: Aggregate market value of outstanding shares of common stock/Total assets
* Years of debt redemption: Interest-bearing debt/Net cash provided by operating activities

(3) Basic Policy for Redistribution of Profits and Dividends for the Fiscal Year under Review and Next Fiscal Year

Komatsu is building a sound financial position as well as flexible and agile corporate strengths to increase its corporate value. Concerning the policy for cash dividends to shareholders, the Company redistributes profits by considering consolidated business results and continues to pay stable dividends.

Concerning the year-end cash dividend from surplus funds, the Company is planning to pay JPY 29 per share in accordance with its policy of redistribution which sets the goal of a consolidated payout ratio of 30% or higher and no decrease of dividends, as long as the consolidated payout ratio does not surpass 50%, in addition to reviewing the business results for the fiscal year under review as well as current and future business prospects. (This dividend amount will be proposed to the 146th ordinary general meeting of shareholders scheduled for June 24, 2015.)

Annual cash dividends for the year under review, including the interim dividend of JPY 29 per share, amount to JPY 58 per share (the same amount for the previous fiscal year). This amount translates into a consolidated payout ratio of 35.8%.

Regarding annual cash dividends for the fiscal year ending March 31, 2016, the Company plans to set the annual cash dividends per share at JPY 58, the same amount for the fiscal year ended March 31, 2015.

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.

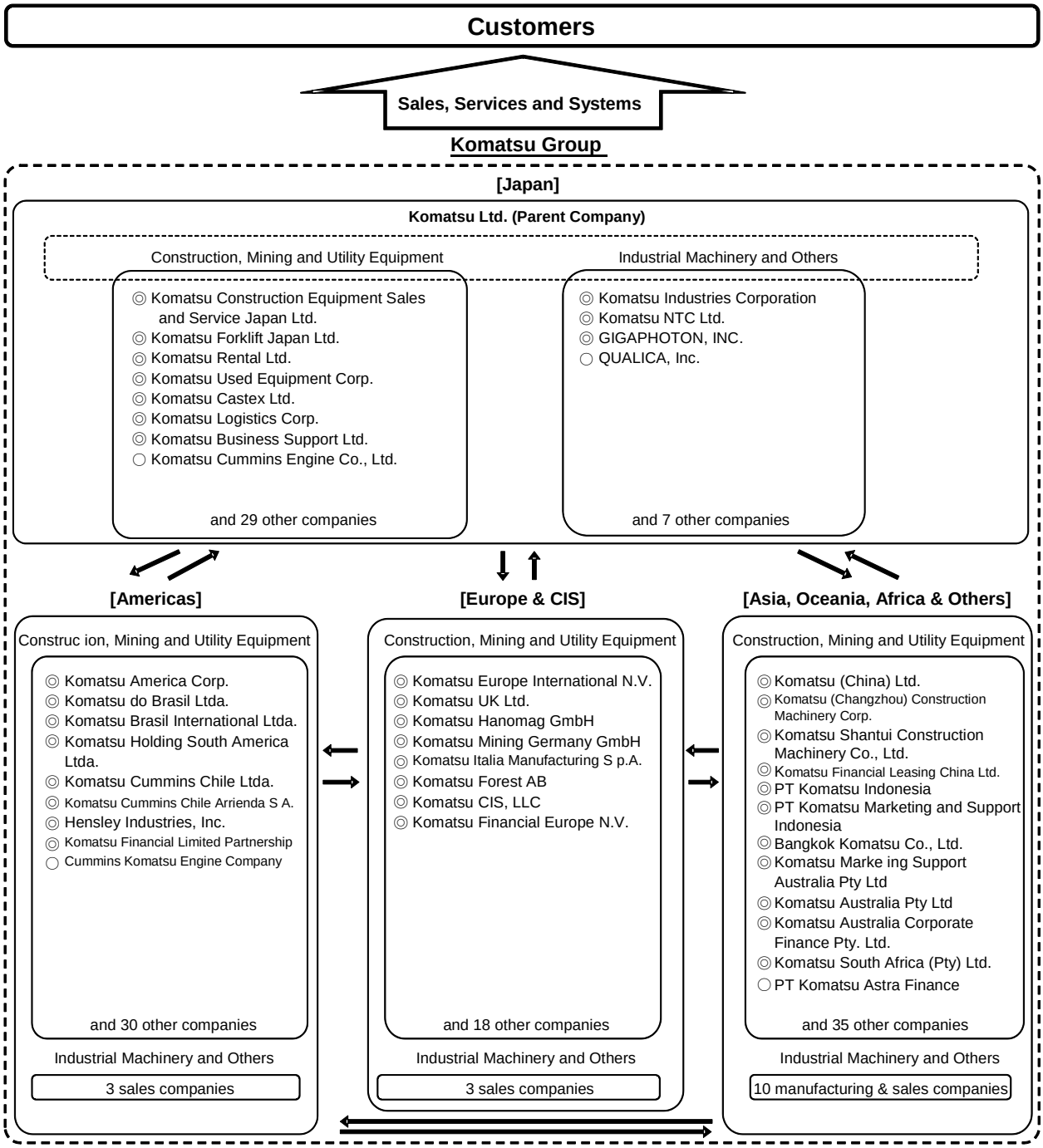
Komatsu Group

(As of March 31, 2015)

Business Categories and Principal Products & Services	
Construction, Mining and Utility Equipment	
Excavating Equipment	Hydraulic excavators, mini excavators and backhoe loaders
Loading Equipment	Wheel loaders, mini wheel loaders and skid steer loaders
Grading and Roadbed Preparation Equipment	Bulldozers, motor graders and vibratory rollers
Hauling Equipment	Off-highway dump trucks, articulated dump trucks and crawler carriers
Forestry Equipment	Harvesters, forwarders and feller-bunchers
Tunneling Machines	Shield machines, tunnel-boring machines and small-diameter pipe jacking machines
Recycling Equipment	Mobile debris crushers, mobile soil recyclers and mobile tub grinders
Industrial Vehicles	Forklift trucks
Other Equipment	Railroad maintenance equipment
Engines and Components	Diesel engines, diesel generator sets and hydraulic equipment
Casting Products	Steel castings and iron castings
Logistics	Packing, warehousing and transport
Industrial Machinery and Others	
Metal Forging and Stamping Presses	Servo and mechanical presses
Sheet-Metal Machines	Laser cutting machines, fine-plasma cutting machines, press brakes and shears
Machine Tools	Transfer machines, machining centers, crankshaft millers, grinding machines and wire saws
Defense Systems	Ammunition and armored personnel carriers
Temperature-control equipment	Thermoelectric modules and temperature-control equipment for semiconductor manufacturing
Others	Commercial-use prefabricated structures and excimer laser for lithography tools in semiconductor manufacturing

Komatsu Group (Chart)

(As of March 31, 2015)



[Legend Symbols]

◎Consolidated Subsidiaries
○Affiliated Companies Accounted for by the Equity Method

→ Supply of Products & Components

Management Policy

(1) Basic Management Policy

The cornerstone of Komatsu's management principles is to maximize its corporate value through commitment to Quality and Reliability. Komatsu believes its corporate value is the total sum of trust given to Komatsu by society and all stakeholders. Based on this belief, Komatsu is further strengthening its corporate governance to ensure sound and transparent management, while improving management efficiency. Komatsu will also ensure all employees share The KOMATSU Way and continue to constantly address the fundamentals of safety, environmental conservation, compliance and quality assurance. In addition to improving its business performance, Komatsu will facilitate both the development of corporate strengths and the achievement of social responsibility in a well-balanced manner.

(2) Mid to Long-Range Management Plan, Indicators and Issues Ahead

FY2015, ending March 31, 2016, is the final year of the "Together We Innovate GEMBA Worldwide" mid-range management plan. Demand for construction and mining equipment has continued to decline drastically since FY2014 as adversely affected by economic slowdowns of China and other emerging countries and sluggish commodity and crude prices, where we had assumed there would be a slight year-on-year increase from FY2013 to FY2015 at the time of developing the plan in FY2012. Demand for mining equipment, in particular, has plunged to about 30% of FY2012, and we project that it will remain so in FY2015. Demand for industrial machinery should be steady, centering on that for sheet-metal and press machines as well as machine tools in the automobile manufacturing industry. Meanwhile, demand recovery for wire saws and other products is being delayed.

The current business environment is far different from what we assumed when developing our mid-range management plan, thereby significantly affecting our progress toward the targets of the plan. However, our belief remains unchanged in that demand for construction and mining equipment will grow in the long ranges against the background of an increase in global population and urbanization rate. We are determined to promote the business model which looks into comprehensive merits for customers, such as the reduction in their machines' lifecycle costs. We are also making unfailing efforts in three focused activities of the long range management plan. In this manner, we will continue to strengthen our operations capable of flexibly meeting changes in the business environment. Concerning structural reforms designed to reinforce our business foundation, in particular, Komatsu is teaming up to make group-wide efforts to reduce production and fixed costs and is further speeding up the pace of engagement in them. Coupled with gains from continuous improvements of selling prices, we will make utmost efforts to maximize earnings.

[Markets as Positioned by the Komatsu]

Traditional Markets	Japan, North America and Europe
Strategic Markets	China, Latin America, Asia, Oceania, Africa, Middle East and CIS

Target figures of the “Together We Innovate GEMBA Worldwide” mid-range management plan
(Announced in April 27, 2013)

Items	Targets for Fiscal Year Ending March 31, 2016
Operating income ratio	18% – 20%
ROE: Return on Equity	18% – 20%
Net debt-to-equity ratio	0.3 or below
Consolidated payout ratio	30% – 50% (stably)

*ROE=Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning + Komatsu Ltd. shareholders' equity at the end of the fiscal year)/2]

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

[Premises]

Items	Fiscal Year Ending March 31, 2016		
Guideline on sales	JPY2,300 billion ± JPY200 billion		
Guidelines on exchange rates	USD1	EUR1	RMB1
	JPY90 – 95	JPY120 – 125	JPY15.0 – 15.3

Focused activities of the "Together We Innovate GEMBA Worldwide" mid-range management plan

1. Growth strategies based on innovation

We are going to actively make innovation, which will create totally new value at our customers' GEMBA (workplaces), in our businesses of construction, mining and utility equipment as well as industrial machinery and others. To this end, mainly through the Office of Chief Technology Officer (CTO), created in April 2014, we are going to develop mid to long-range technology strategies and research policies, while promoting collaborations, both in the academic-industrial, as well as the private-sectors, for technologies we cannot obtain within the Komatsu Group.

In the construction, mining and utility equipment business, we introduced intelligent Machine Control dozers, representing our ICT-intensive construction equipment designed to enable machine automation and efficient centralized management of jobsite work information through leading-edge ICT, to Japan, North America and Europe in 2013. Following these dozers, we launched intelligent Machine Control hydraulic excavators in these same markets in 2014. In Japan in February 2015, we embarked on "SMARTCONSTRUCTION" through Komatsu Rental Ltd. This is a new solution business by connecting all information of construction job sites through ICT in order to help customers realize safe and high-productivity job sites of the future. In FY2015, we are working to broaden our lineup of intelligent Machine Control models, including the D155AXi large intelligent Machine Control dozer, and improve system components of SMARTCONSTRUCTION. With respect to our Automatic Haulage System (AHS) for dump trucks operating in large-scale mines, we are steadily advancing the large-lot deployment project in Australia with Rio Tinto, while working to further expand the scope of business by applying not only conventional electric-drive, but also mechanical-drive dump trucks in FY2015.

Together with General Electric Company in FY2015, we are going to make joint efforts in data analysis in order to help our mining customers cut down their operating costs. In the forklift truck business, we have been working to enhance product competitiveness by integrating the development function with that of construction equipment since 2011. In May 2014, we launched the new FE25-1 electric model, capable of outdoor work comparable to internal-combustion models in performance, as well as long hours of use in the small class category. By advocating the merits of use, we are also going to approach potential customers who have no experience of operating electric models in order to expand sales.

In the industrial machinery and others business, we introduced new models of small AC Servo press and fiber laser cutting machine, both featuring outstanding productivity and reduction of running costs in FY2014. We will continue to promote in-house development and manufacturing of key components in order to launch innovative new products.

2. Growth strategies of existing businesses

New emission standards (e.g., Tier 4 Final in the United States) have been in effect in Japan, North America and Europe, or our Traditional Markets, since 2014. In compliance with these standards we had developed a total of 18 models by March 31, 2015, including the PC490LC-11 hydraulic excavator and the HM300-5

articulated dump truck. In FY2015, we are also continuing to develop other new standards-compliant models, while aggressively working to plan new products specifically designed to meet the needs of individual Strategic Markets.

In the aftermarket business, in which we can expect steady growth into the future thanks also to an increase in our machine population, we are expanding the product mix of strategic parts, such as buckets, teeth and track shoes, as well as attachments. With respect to Reman (remanufacturing of components and their sales), we will continue to strengthen our supply operation, as represented by the new Reman Center which we established in Myanmar in July 2014. As our distributors are responsible for sales of products and parts, as well as service, we are further reinforcing our distribution networks and their human resource development in order to enhance their competitiveness.

Through KOMTRAX, which has been mounted on over 370,000 units as of March 31, 2015, together with KOMTRAX Plus machine management system for mines, we are going to make a wide variety of information “visible”. As we, the Komatsu Group, including distributors, are set to maximize applications of KOMTRAX in evolution, we are going to implement prompt delivery and service activities and expand the value chain, including the rental-to-used equipment and retail finance businesses, thereby further improving customer satisfaction.

3. Structural reforms designed to reinforce the business foundation

While we as the Komatsu Group have about doubled sales compared to the early 2000s, we have controlled fixed costs at about a constant level. By separating costs from growth, we will continue to aggressively reduce production costs and maintain an appropriate level of fixed costs.

At present, we are promoting the three-year “Production Cost Improvement” project which involves not only Komatsu Group companies but also suppliers. In FY2015, we expect to enjoy benefits of cost reduction efforts made for the last three years. We will continue to drive this project into the future.

At our plants in Japan, we have been promoting programs to cut down electric power consumption to half and production costs substantially by implementing reforms and consolidating or renewing factory buildings. In May 2014, we completed the construction of a new assembly factory at the Awazu Plant in Ishikawa Prefecture. In addition to doubled productivity per area, and energy savings in air conditioning and lighting, the new assembly factory also features power generation through a biomass steam boiler system and solar panels. We are planning to cut down annual purchase power consumption by about 90% for this factory.

In August 2014, we commenced operation of the new Kanto Spare Parts Distribution Center on the premises of the Oyama Plant in Tochigi Prefecture. Equipped with a new operation system and leading-edge warehousing equipment, this new Distribution Center is positioned as Komatsu Group's global spare parts center for 18 major parts distribution centers around the world. As we steadily introduce this new parts operation model to other parts distribution centers, we will continue to promote the direct linkage between our overseas subsidiaries and plants in Japan in order to reduce spare parts inventories to an appropriate level worldwide.

Basic Stance on Selection of Accounting Standards

The Company has been preparing its consolidated financial statements in accordance with U.S. GAAP since before the Japanese government enacted “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” pursuant to the provisions of Article 193 of the Securities and Exchange Act of Japan.

The Company is gathering the trend information in Japan and Overseas in relation to the International Financial Reporting Standards (IFRS).

Consolidated Financial Statements

(1) Consolidated Balance Sheets

Assets

Millions of yen

	As of March 31, 2015		As of March 31, 2014	
		Ratio (%)		Ratio (%)
Current assets				
Cash and cash equivalents	**¥ 105,905**		¥ 90,872	
Time deposits	**1,407**		277	
Trade notes and accounts receivable, net	**620,076**		617,334	
Inventories	**622,876**		625,077	
Deferred income taxes and other current assets	**171,171**		159,872	
Total current assets	**1,521,435**	**54.4**	1,493,432	56.3
Long-term trade receivables, net	**280,138**	**10.0**	260,904	9.8
Investments				
Investments in and advances to affiliated companies	**28,358**		23,192	
Investment securities	**73,420**		67,175	
Other	**1,731**		2,020	
Total investments	**103,509**	**3.7**	92,387	3.5
Property, plant and equipment - Less accumulated depreciation and amortization	**743,919**	**26.6**	667,347	25.2
Goodwill	**36,266**	**1.3**	36,020	1.4
Other intangible assets - Less accumulated amortization	**58,715**	**2.1**	58,532	2.2
Deferred income taxes and other assets	**54,425**	**1.9**	42,934	1.6
Total	**¥ 2,798,407**	**100.0**	¥ 2,651,556	100.0

Liabilities and Equity

Millions of yen

	As of March 31, 2015		As of March 31, 2014	
		Ratio (%)		Ratio (%)
Current liabilities				
Short-term debt	**¥ 191,937**		¥ 176,515	
Current maturities of long-term debt	**117,922**		117,485	
Trade notes, bills and accounts payable	**225,093**		234,231	
Income taxes payable	**39,396**		42,211	
Deferred income taxes and other current liabilities	**230,563**		221,789	
Total current liabilities	**804,911**	**28.8**	792,231	29.9
Long-term liabilities				
Long-term debt	**279,270**		311,067	
Liability for pension and retirement benefits	**55,396**		49,428	
Deferred income taxes and other liabilities	**60,330**		57,719	
Total long-term liabilities	**394,996**	**14.1**	418,214	15.8
Total liabilities	**1,199,907**	**42.9**	1,210,445	45.7
Komatsu Ltd. shareholders' equity				
Common stock	**67,870**		67,870	
Capital surplus	**138,696**		138,984	
Retained earnings:				
Appropriated for legal reserve	**40,980**		39,962	
Unappropriated	**1,220,338**		1,141,751	
Accumulated other comprehensive income (loss)	**113,018**		30,035	
Treasury stock	**(51,936)**		(42,211)	
Total Komatsu Ltd. shareholders' equity	**1,528,966**	**54.6**	1,376,391	51.9
Noncontrolling interests	**69,534**	**2.5**	64,720	2.4
Total equity	**1,598,500**	**57.1**	1,441,111	54.3
Total	**¥ 2,798,407**	**100.0**	¥ 2,651,556	100.0

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(For the fiscal years ended March 31, 2015 and 2014)

Consolidated Statements of Income

Millions of yen

	2015		2014	
		Ratio (%)		Ratio (%)
Net sales	**¥ 1,978,676**	**100.0**	¥ 1,953,657	100.0
Cost of sales	**1,401,193**	**70.8**	1,393,048	71.3
Selling, general and administrative expenses	**336,506**	**17.0**	318,404	16.3
Impairment loss on long-lived assets	**1,124**	**0.1**	2,300	0.1
Other operating income (expenses), net	**2,209**	**0.1**	590	0.0
Operating income	**242,062**	**12.2**	240,495	12.3
Other income (expenses), net				
Interest and dividend income	**3,266**	**0.2**	3,898	0.2
Interest expense	**(9,328)**	**(0.5)**	(8,831)	(0.5)
Other, net	**74**	**0.0**	6,494	0.3
Total other income (expenses)	**(5,988)**	**(0.3)**	1,561	0.1
Income before income taxes and equity in earnings of affiliated companies	**236,074**	**11.9**	242,056	12.4
Income taxes	**78,495**	**4.0**	75,943	3.9
Income before equity in earnings of affiliated companies	**157,579**	**8.0**	166,113	8.5
Equity in earnings of affiliated companies	**3,869**	**0.2**	3,491	0.2
Net income	**161,448**	**8.2**	169,604	8.7
Less: Net income attributable to noncontrolling interests	**7,439**	**0.4**	10,086	0.5
Net income attributable to Komatsu Ltd.	**¥ 154,009**	**7.8**	¥ 159,518	8.2

Consolidated Statements of Comprehensive Income

Millions of yen

	2015	2014
Net income	**¥ 161,448**	¥ 169,604
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	**85,360**	63,326
Net unrealized holding gains (losses) on securities available for sale	**4,547**	6,782
Pension liability adjustments	**(2,185)**	4,674
Net unrealized holding gains (losses) on derivative instruments	**165**	1,380
Total other comprehensive income (loss), for the period, net of tax	**87,887**	76,162
Comprehensive income	**249,335**	245,766
Less: Comprehensive income attributable to noncontrolling interests	**12,343**	12,807
Comprehensive income attributable to Komatsu Ltd.	**¥ 236,992**	¥ 232,959

(3) Consolidated Statements of Equity

For the fiscal year ended March 31, 2015

Millions of yen

	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)	Treasury stock	Total Komatsu Ltd shareholders' equity	Noncontrolling interests	Total equity
			Appropriated for legal reserve	Unappropriated					
Balance at March 31, 2014	**¥67,870**	**¥138,984**	**¥39,962**	**¥1,141,751**	**¥30,035**	**¥(42,211)**	**¥1,376,391**	**¥64,720**	**¥1,441,111**
Cash dividends				**(55,324)**			**(55,324)**	**(7,534)**	**(62,858)**
Transfer to retained earnings appropriated for legal reserve			**1,018**	**(1,018)**			**-**		**-**
Other changes		**(59)**					**(59)**	**5**	**(54)**
Net income				**154,009**			**154,009**	**7,439**	**161,448**
Other comprehensive income for the period, net of tax					**82,983**		**82,983**	**4,904**	**87,887**
Issuance and exercise of stock acquisition rights		**115**					**115**		**115**
Purchase of treasury stock						**(30,041)**	**(30,041)**		**(30,041)**
Sales of treasury stock		**384**				**508**	**892**		**892**
Retirement of treasury stock		**(728)**		**(19,080)**		**19,808**	**-**		**-**
Balance at March 31, 2015	**¥67,870**	**¥138,696**	**¥40,980**	**¥1,220,338**	**¥113,018**	**¥(51,936)**	**¥1,528,966**	**¥69,534**	**¥1,598,500**

For the fiscal year ended March 31, 2014

Millions of yen

	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)	Treasury stock	Total Komatsu Ltd shareholders' equity	Noncontrolling interests	Total equity
			Appropriated for legal reserve	Unappropriated					
Balance at March 31, 2013	¥67,870	¥138,818	¥38,230	¥1,034,504	¥(43,440)	¥(42,788)	¥1,193,194	¥59,501	¥1,252,695
Cash dividends				(50,539)			(50,539)	(6,406)	(56,945)
Transfer to retained earnings appropriated for legal reserve			1,732	(1,732)			-		-
Other changes		(491)			34		(457)	(1,182)	(1,639)
Net income				159,518			159,518	10,086	169,604
Other comprehensive income for the period, net of tax					73,441		73,441	2,721	76,162
Issuance and exercise of stock acquisition rights		313					313		313
Purchase of treasury stock						(47)	(47)		(47)
Sales of treasury stock		344				624	968		968
Balance at March 31, 2014	¥67,870	¥138,984	¥39,962	¥1,141,751	¥30,035	¥(42,211)	¥1,376,391	¥64,720	¥1,441,111

(4) Consolidated Statements of Cash Flows

(For the fiscal years ended March 31, 2015 and 2014)

Millions of yen

	2015	2014
Operating activities		
Net income	**¥ 161,448**	¥ 169,604
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**102,239**	87,273
Deferred income taxes	**986**	2,007
Impairment loss and net loss (gain) from sale of investment securities	**(1,446)**	(1,701)
Net loss (gain) on sale of property	**(4,652)**	(4,157)
Loss on disposal of fixed assets	**2,939**	4,045
Impairment loss on long-lived assets	**1,124**	2,300
Pension and retirement benefits, net	**3,411**	1,558
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	**46,531**	9,491
Decrease (increase) in inventories	**47,178**	49,504
Increase (decrease) in trade payables	**(13,522)**	369
Increase (decrease) in income taxes payable	**(2,640)**	8,320
Other, net	**58**	(9,189)
Net cash provided by (used in) operating activities	**343,654**	319,424
Investing activities		
Capital expenditures	**(200,080)**	(186,030)
Proceeds from sales of property	**19,671**	18,672
Proceeds from sales of available for sale investment securities	**2,682**	4,568
Purchases of available for sale investment securities	**(361)**	(73)
Acquisition of subsidiaries and equity investees, net of cash acquired	**(3,081)**	(5,639)
Collection of loan receivables	**408**	366
Disbursement of loan receivables	**(2)**	(16)
Decrease (increase) in time deposits, net	**(1,030)**	713
Net cash provided by (used in) investing activities	**(181,793)**	(167,439)
Financing activities		
Proceeds from debt issued (Original maturities greater than three months)	**241,372**	198,686
Payment on debt (Original maturities greater than three months)	**(315,316)**	(240,743)
Short-term debt, net (Original maturities three months or less)	**28,279**	(48,632)
Repayments of capital lease obligations	**(4,322)**	(6,671)
Sale (purchase) of treasury stock, net	**(29,574)**	(31)
Dividends paid	**(55,324)**	(50,539)
Other, net	**(9,098)**	(7,419)
Net cash provided by (used in) financing activities	**(143,983)**	(155,349)
Effect of exchange rate change on cash and cash equivalents	**(2,845)**	616
Net increase (decrease) in cash and cash equivalents	**15,033**	(2,748)
Cash and cash equivalents, beginning of year	**90,872**	93,620
Cash and cash equivalents, end of year	**¥ 105,905**	¥ 90,872

(5) Note to the Going Concern Assumption

None

(6) Basis of Consolidated Financial Statements

1) Changes in important subsidiaries during the Year under Review: None

2) The number of consolidated subsidiaries and affiliated companies accounted for by the equity method

Number of consolidated subsidiaries: 138 companies

Number of affiliated companies accounted for by the equity method: 38 companies

3) Changes resulting from revisions in accounting standards, etc. None

(7) Notes to Consolidated Financial Statements

1) Business Segment Information

< Information by Operating Segment>

(For the fiscal year ended March 31, 2015) Millions of yen

	Construction, Mining and Utility Equipment	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:					
Customers	**1,761,391**	**217,285**	**1,978,676**	**--**	**1,978,676**
Intersegment	**2,032**	**4,232**	**6,264**	**(6,264)**	**--**
Total	**1,763,423**	**221,517**	**1,984,940**	**(6,264)**	**1,978,676**
Segment profit	**227,272**	**16,257**	**243,529**	**(2,552)**	**240,977**
Assets	**2,472,244**	**252,078**	**2,724,322**	**74,085**	**2,798,407**
Depreciation and Amortization	**93,794**	**6,872**	**100,666**	**--**	**100,666**
Capital investment	**186,726**	**5,998**	**192,724**	**--**	**192,724**

(For the fiscal year ended March 31, 2014) Millions of yen

	Construction, Mining and Utility Equipment	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:					
Customers	1,749,755	203,902	1,953,657	--	1,953,657
Intersegment	2,505	5,275	7,780	(7,780)	--
Total	1,752,260	209,177	1,961,437	(7,780)	1,953,657
Segment profit	242,101	2,038	244,139	(1,934)	242,205
Assets	2,322,045	267,369	2,589,414	62,142	2,651,556
Depreciation and Amortization	79,290	6,547	85,837	--	85,837
Capital investment	174,347	4,723	179,070	--	179,070

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.

< Geographic Information>

Net sales to customers recognized by sales destination were as follows:

(For the fiscal years ended March 31, 2015 and 2014) Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
2015	**424,381**	**650,171**	**213,187**	**132,417**	**385,865**	**172,655**	**1,978,676**
2014	434,999	575,620	198,803	187,705	392,822	163,708	1,953,657

*Excluding Japan and China

2) Net Income per Share

(For the fiscal years ended March 31, 2015 and 2014)

Millions of yen

	2015	2014
Net income attributable to Komatsu Ltd.	**154,009**	159,518

Number of shares

	2015	2014
Weighted average common shares outstanding, less treasury stock	**950,276,336**	953,134,746
Dilutive effect of: Stock options	**1,222,234**	1,040,817
Weighted average diluted common shares outstanding	**951,498,570**	954,175,563

Yen

	2015	2014
Net income attributable to Komatsu Ltd. per share:		
Basic	**162.07**	167.36
Diluted	**161.86**	167.18

3) Others

Other notes are omitted in this release of Consolidated Business Results for the Fiscal Year Ended March 31, 2015 (U.S. GAAP), because the need for their disclosure is considered insignificant.

(end)