

KOMATSU LTD
Form 6-K
January 31, 2008
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FORM 6-K
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Report of Foreign Private Issuer

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

For the month of January, 2008

COMMISSION FILE NUMBER: 1-7239

KOMATSU LTD.

Translation of registrant's name into English

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

Address of principal executive office

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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):

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

Yes No

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

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INFORMATION TO BE INCLUDED IN REPORT

1. A company announcement made on January 30, 2008.

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SIGNATURES

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

KOMATSU LTD.
(Registrant)

Date: January 31, 2008

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

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Komatsu Ltd.
 Corporate Communications Dept.
 Tel: +81-(0)3-5561-2616
 Date: January 30, 2008
 URL: <http://www.komatsu.com/>

Consolidated Business Results for Nine Months

of the Fiscal Year Ending March 31, 2008 (U.S. GAAP)

1. Results for Nine Months of the Fiscal Year Ending March 31, 2008

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Results

Millions of yen except per share amounts

| | Nine months ended December 31, 2007 | Nine months ended December 31, 2006 | Changes Increase | | FY ended March 31, 2007 |
|--|---|---|---------------------|-------|-------------------------------|
| Net sales | 1,629,026 | 1,339,510 | 289,516 | 21.6% | 1,893,343 |
| Operating income | 241,442 | 169,009 | 72,433 | 42.9% | 244,741 |
| Income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies | 234,766 | 163,260 | 71,506 | 43.8% | 236,491 |
| Net income | 151,546 | 109,561 | 41,985 | 38.3% | 164,638 |
| Net income per share (Yen) | | | | | |
| Basic | ¥ 152.34 | ¥ 110.27 | ¥ 42.07 | | ¥ 165.70 |
| Diluted | ¥ 152.13 | ¥ 110.08 | ¥ 42.05 | | ¥ 165.40 |

Notes: 1) Percentages shown in net sales, operating income, income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies and net income represent the rates of change compared with the corresponding nine months a year ago.

2) In accordance with Statement of Financial Accounting Standards No.144, Accounting for the Impairment or Disposal of Long-Lived Assets, the consolidated statements of income for nine months ended December 31, 2006 have been retrospectively reclassified as for the discontinued operations.

(2) Consolidated Financial Position

Millions of yen except per share amounts

| | As of December 31, 2007 | As of December 31, 2006 | As of March 31, 2007 |
|--------------|----------------------------|----------------------------|-------------------------|
| Total assets | 1,992,035 | 1,768,506 | 1,843,982 |

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| | | | |
|--------------------------------------|-----------------|----------|----------|
| Shareholders' equity | 892,828 | 728,814 | 776,717 |
| Shareholders' equity ratio | 44.8% | 41.2% | 42.1% |
| Shareholders' equity per share (Yen) | ¥ 897.24 | ¥ 733.38 | ¥ 781.57 |

Table of Contents**2. Projections for the Fiscal Year Ending March 31, 2008**

(From April 1, 2007 to March 31, 2008)

As of the date of this news release, no changes have been made to the projection of October 30, 2007

Millions of yen except per share amounts

| | The entire fiscal year | |
|--|-------------------------------|----------|
| Net sales | 2,210,000 | up 16.7% |
| Operating income | 325,000 | up 32.8% |
| Income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies | 316,000 | up 33.6% |
| Net income | 205,000 | up 24.5% |
| Net income per share (Yen) | ¥ 206.02 | |

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

3. Others

(1) Changes in Group of Entities

Consolidated subsidiaries

| | |
|------------------------------------|--------------|
| Added: | 12 companies |
| Added: (From affiliated companies) | 1 company |
| Removed: (Merger etc.) | 8 companies |

Affiliated companies accounted for by the equity method

| | |
|---|-------------|
| Added: | 2 companies |
| Removed: (To consolidated subsidiaries) | 1 company |
| Removed: (Exclusion) | 1 company |

(2) Simplified accounting procedures: Adopted in part to calculate tax expenses.

(3) Changes in accounting procedures since the last consolidated fiscal year: None.

Note: See 4.Others of Qualitative Information, Financial Statements and Others on page 5 for more details.

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[Qualitative Information, Financial Statements and Others]

1. Management Performance (Consolidated)

Notes: 1) In accordance with Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, certain business results of the operations, which were discontinued during the fiscal year ended March 31, 2007, are reclassified retrospectively for nine months ended December 31, 2006.

2) From the fiscal year ending March 31, 2008, Komatsu changes its business segment into two, i.e., Construction and Mining Equipment, and Industrial Machinery, Vehicles and Others. The figures for the corresponding nine months period last year are reclassified accordingly.

Consolidated net sales for nine months of the fiscal year, ending March 31, 2008, increased 21.6% over the corresponding nine-month period a year ago, to ¥1,629.0 billion (US\$14,290 million, at US\$1=¥114). Operating income for nine months reached ¥241.4 billion (US\$2,118 million), advancing 42.9% over the previous nine-month period. Both sales and operating income renewed record highs for all nine-month periods. The operating income ratio for nine months improved by 2.2 percentage points to 14.8%. Construction and Mining Equipment and Industrial Machinery, Vehicles and Others businesses continued to expand earnings.

We at the Komatsu Group anticipate that demand for our products will continue to expand against the backdrop of resource and infrastructure developments around the world. We are going to build another new plant to produce super-large hydraulic excavators near the Port of Kanazawa in Ishikawa Prefecture in Japan, a new plant to make crawlers for construction equipment in Shandong, China, and a new plant to manufacture medium-sized hydraulic excavators, forklift trucks and other equipment, in Yaroslavl, Russia.

Results by operation are summarized below.

Note: Segment profits mentioned in the review of operations below are obtained by subtracting cost of sales and selling, general and administrative expenses from net sales.

Construction and Mining Equipment

Consolidated net sales of construction and mining equipment for nine months under review advanced 23.1% over the corresponding nine-month period a year ago, to ¥1,377.6 billion (US\$12,085 million). As demand for our equipment continued to expand, we increased our production capacity in collaboration with our suppliers, and we also began our efforts to establish a cross-sourcing operation designed to meet changes in regional demand. We also worked to expand sales of DANTOTSU products, realize our prices and reinforce our product support capability.

In Europe & CIS, China, Asia & Oceania, and the Middle East & Africa, we boosted sales by capitalizing on thriving demand for our equipment in infrastructure development and mining sectors. In the Americas, while North American demand dropped, that in Latin America remained strong, and we sustained sales at about the same level as those for the corresponding nine-month period a year ago. In Japan, sales increased slightly due mainly to intensified competition and the withdrawal from unprofitable businesses.

Segment profit of the construction and mining equipment business advanced 42.3% over the corresponding nine-month period a year ago, to ¥217.3 billion (US\$1,906 million).

Table of Contents**Sales of Construction and Mining Equipment by Region**

| | Millions of yen | | | |
|----------------------|-------------------|-------------------|------------|--------|
| | Nine months ended | Nine months ended | Changes | |
| | December 31, 2007 | December 31, 2006 | Increase | |
| | (A) | (B) | (Decrease) | |
| | 1USD=¥117 | 1USD=¥116 | (A)-(B) | |
| | 1EUR=¥164 | 1EUR=¥149 | | |
| Japan | 211,566 | 208,332 | 3,234 | 1.6% |
| The Americas | 353,256 | 357,152 | (3,896) | (1.1)% |
| Europe & CIS | 308,091 | 211,428 | 96,663 | 45.7% |
| China | 115,724 | 69,555 | 46,169 | 66.4% |
| Asia & Oceania | 235,792 | 165,576 | 70,216 | 42.4% |
| Middle East & Africa | 153,224 | 106,772 | 46,452 | 43.5% |
| Total | 1,377,653 | 1,118,815 | 258,838 | 23.1% |

Industrial Machinery, Vehicles and Others

Consolidated net sales of industrial machinery, vehicles and other operations reached ¥251.3 billion (US\$2,205 million), registering an increase of 13.9% over the corresponding nine-month period a year ago. In addition to expanding sales of forklift trucks in Greater Asia markets, such as Asia, CIS and the Middle East, we accelerated sales of industrial machinery, such as large presses and machine tools, especially in India where sales of automobiles was expanding sharply in volume.

Segment profit of the industrial machinery, vehicles and others business improved 19.3% over the corresponding nine-month period a year ago, to ¥25.4 billion (US\$223 million).

The ARION Hybrid, an electric hybrid forklift truck made by Komatsu Utility Co., Ltd., received The Minister of Economy, Trade and Industry Award, the highest award in the FY2006 Awards for Energy-Conserving Machinery sponsored by The Japan Machinery Federation.

2. Financial Conditions (Consolidated)

Total assets at December 31, 2007 amounted to ¥1,992.0 billion (US\$17,474 million), an increase of ¥148.0 billion from March 31, 2007. This particularly reflects increased inventories resulting from expanded production in response to thriving demand for construction and mining equipment. Interest-bearing debt increased by ¥34.2 billion from March 31, 2007, to ¥383.3 billion (US\$3,363 million). Shareholders' equity reached ¥892.8 billion (US\$7,832 million), an increase of ¥116.1 billion. As a result, shareholders' equity ratio increased by 2.7 percentage points, to 44.8%. Net debt-to-equity ratio * translated into 0.30, compared to 0.33 at March 31, 2007.

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

Table of Contents**3. Projections for the Fiscal Year Ending March 31, 2008 (Consolidated)**

(From April 1, 2007 to March 31, 2008)

As of the date of this news release, no changes have been made to the projection of October 30, 2007. While the U.S. dollar is depreciating against the Japanese yen in light of the exchange rate which we anticipated, we are projecting more-than-anticipated sales, especially in emerging economies.

With respect to foreign exchange rates, which are preconditions for our projection of business results, we are assuming ¥106 per US\$1 and ¥156 per EUR1 on average for the fourth quarter (January through March 2008). For the full fiscal year, we have changed the earlier assumptions of ¥117 per US\$1 and ¥159 per EUR1 to ¥114 and ¥162, respectively.

<Reference: Projections for the Fiscal Year Ending March 31, 2008 announced on October 30, 2007>

| | Millions of yen except per share amounts | |
|--|--|----------|
| | The entire fiscal year | |
| Net sales | 2,210,000 | up 16.7% |
| Operating income | 325,000 | up 32.8% |
| Income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies | 316,000 | up 33.6% |
| Net income | 205,000 | up 24.5% |
| Net income per share | ¥ 206.02 | |

4. Others**(1) Changes in Group of Entities**

Consolidated subsidiaries

| | |
|------------------------------------|---|
| Added: | 12 companies Komatsu CIS, LLC and other 11 companies |
| Added: (From affiliated companies) | 1 company |
| Removed: (Merger etc.) | 8 companies Komatsu Zenoah Co. and other 7 companies |

Affiliated companies accounted for by the equity method

| | |
|---|-------------|
| Added: | 2 companies |
| Removed: (To consolidated subsidiaries) | 1 company |
| Removed: (Exclusion) | 1 company |

(2) Simplified accounting procedures: Adopted in part to calculate tax expenses.

(3) Changes in accounting procedures since the last consolidated fiscal year: None.

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Cautionary Statement

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

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

Table of Contents**Condensed Consolidated Balance Sheets**

| | Millions of yen | | |
|--|-----------------------------------|--------------------------------|--|
| | As of December 31, 2007 (A) | As of March 31, 2007 (B) | Changes Increase (Decrease) (A)-(B) |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 117,173 | ¥ 92,199 | ¥ 24,974 |
| Time deposits | 197 | 54 | 143 |
| Trade notes and accounts receivable | 488,182 | 478,063 | 10,119 |
| Inventories | 515,312 | 437,894 | 77,418 |
| Assets held for sale | | 16,321 | (16,321) |
| Other current assets | 118,248 | 119,214 | (966) |
| Total current assets | 1,239,112 | 1,143,745 | 95,367 |
| Long-term trade receivables | 89,766 | 73,669 | 16,097 |
| Investments | 144,437 | 155,146 | (10,709) |
| Property, plant and equipment Less accumulated depreciation | 432,391 | 388,393 | 43,998 |
| Other assets | 86,329 | 83,029 | 3,300 |
| Total | 1,992,035 | 1,843,982 | 148,053 |
| Liabilities and Shareholders Equity | | | |
| Current liabilities: | | | |
| Short-term debt (including current maturities of long-term debt) | 184,755 | 174,734 | 10,021 |
| Trade notes and accounts payable | 381,366 | 365,065 | 16,301 |
| Income taxes payable | 28,150 | 54,933 | (26,783) |
| Liabilities held for sale | | 7,919 | (7,919) |
| Other current liabilities | 196,794 | 182,529 | 14,265 |
| Total current liabilities | 791,065 | 785,180 | 5,885 |
| Long-term liabilities | 279,112 | 262,311 | 16,801 |
| Minority interests | 29,030 | 19,774 | 9,256 |
| Shareholders equity: | | | |
| Common stock | 67,870 | 67,870 | |
| Capital surplus | 138,169 | 137,155 | 1,014 |
| Retained earnings | 655,453 | 541,717 | 113,736 |
| Accumulated other comprehensive income * | 34,154 | 33,501 | 653 |
| Treasury stock | (2,818) | (3,526) | 708 |
| Total shareholders equity | 892,828 | 776,717 | 116,111 |
| Total | ¥ 1,992,035 | ¥ 1,843,982 | ¥ 148,053 |

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| | As of December 31, 2007 | As of March 31, 2007 | Changes Increase (Decrease) |
|---|-------------------------------|----------------------------|-----------------------------------|
| *Accumulated other comprehensive income: | | | |
| Foreign currency translation adjustments | ¥ 15,053 | ¥ 9,204 | ¥ 5,849 |
| Net unrealized holding gains on securities available for sale | 35,006 | 39,807 | (4,801) |
| Pension liability adjustments-After application of SFAS No.158 | (14,881) | (15,300) | 419 |
| Net unrealized holding gains (losses) on derivative instruments | (1,024) | (210) | (814) |
| Short & long-term debt | ¥ 383,346 | ¥ 349,074 | ¥ 34,272 |

Note: In accordance with Statement of Financial Accounting Standards No.144, Accounting for the Impairment or Disposal of Long-Lived Assets, assets and liabilities held for sale in connection with the discontinued operations were classified as held for sale as of March 31, 2007.

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

(For nine months ended December 31, 2007 and 2006)

| | Millions of yen | | | |
|---|--|---|--|--------|
| | Nine months ended December 31, 2007 (A) | Nine months ended December 31, 2006 (B) | Changes Increase (Decrease) (A)-(B) | % |
| Net sales | ¥ 1,629,026 | ¥ 1,339,510 | ¥ 289,516 | 21.6 |
| Cost of sales | 1,159,163 | 958,571 | 200,592 | |
| Selling, general and administrative expenses | 229,375 | 209,534 | 19,841 | |
| Other operating income (expenses) | 954 | (2,396) | 3,350 | |
| Operating income | 241,442 | 169,009 | 72,433 | 42.9 |
| Other income (expenses) | | | | |
| Interest and dividend income | 7,914 | 6,203 | 1,711 | |
| Interest expense | (12,736) | (11,079) | (1,657) | |
| Other-net | (1,854) | (873) | (981) | |
| Other income (expenses) | (6,676) | (5,749) | (927) | |
| Income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies | 234,766 | 163,260 | 71,506 | 43.8 |
| Income taxes | 86,425 | 62,973 | 23,452 | |
| Minority interests in income of consolidated subsidiaries | (6,672) | (4,569) | (2,103) | |
| Equity in earnings of affiliated companies | 4,899 | 2,594 | 2,305 | |
| Income from continuing operations | 146,568 | 98,312 | 48,256 | 49.1 |
| Income from discontinued operations | 4,978 | 11,249 | (6,271) | (55.7) |
| Net income | ¥ 151,546 | ¥ 109,561 | ¥ 41,985 | 38.3 |

Note: In accordance with Statement of Financial Accounting Standards No.144, Accounting for the Impairment or Disposal of Long-Lived Assets, the consolidated statements of income for nine months ended December 31, 2006 have been retrospectively reclassified as for the discontinued operations.

Table of Contents**Business Segment Information**

(For nine months ended December 31, 2007 and 2006)

| | Nine months ended December 31, 2007 (A) | | | Nine months ended December 31, 2006 (B) | | | Millions of yen Changes Increase (Decrease) (A)-(B) | |
|---|---|-------------------|--------------------------------|---|-------------------|--------------------------------|---|-------------------|
| | Sales | Segment Profit | Segment Profit Ratio (%) | Sales | Segment Profit | Segment Profit Ratio (%) | Sales | Segment Profit |
| | Construction and Mining Equipment | 1,397,528 | 217,302 | 15.5 | 1,137,036 | 152,701 | 13.4 | 260,492 |
| Industrial Machinery, Vehicles and Others | 329,994 | 25,455 | 7.7 | 293,546 | 21,331 | 7.3 | 36,448 | 4,124 |
| Subtotal | 1,727,522 | 242,757 | 14.1 | 1,430,582 | 174,032 | 12.2 | 296,940 | 68,725 |
| Corporate & Elimination | (98,496) | (2,269) | | (91,072) | (2,627) | | (7,424) | 358 |
| Total | 1,629,026 | 240,488 | 14.8 | 1,339,510 | 171,405 | 12.8 | 289,516 | 69,083 |

- Notes: 1) Sales and segment profit by business segment for nine months ended December 31, 2006 have been retrospectively reclassified as for the discontinued operations.
- 2) From the fiscal year ending March 31, 2008, Komatsu changes its business segments. Sales and segment profit by business segment for nine months ended December 31, 2006 have been retrospectively reclassified according to the new business segment.

Table of Contents**Consolidated Sales by Operation**

(For nine months ended December 31, 2007 and 2006)

| | | Millions of yen | | | | | |
|---|----------|---|--------------|---|-----------|--------------------------------|------|
| | | Nine months ended December 31, 2007 (A) | | Nine months ended December 31, 2006 (B) | | Changes Increase (A)-(B) | |
| | | Sales | Ratio (%) | Sales | Ratio (%) | Sales | (%) |
| Construction and Mining Equipment | Japan | 211,566 | 13.0 | 208,332 | 15.6 | 3,234 | 1.6 |
| | Overseas | 1,166,087 | 71.6 | 910,483 | 68.0 | 255,604 | 28.1 |
| | | 1,377,653 | 84.6 | 1,118,815 | 83.6 | 258,838 | 23.1 |
| Industrial Machinery, Vehicles and Others | Japan | 158,414 | 9.7 | 136,880 | 10.2 | 21,534 | 15.7 |
| | Overseas | 92,959 | 5.7 | 83,815 | 6.2 | 9,144 | 10.9 |
| | | 251,373 | 15.4 | 220,695 | 16.4 | 30,678 | 13.9 |
| Total | Japan | 369,980 | 22.7 | 345,212 | 25.8 | 24,768 | 7.2 |
| | Overseas | 1,259,046 | 77.3 | 994,298 | 74.2 | 264,748 | 26.6 |
| | | 1,629,026 | 100.0 | 1,339,510 | 100.0 | 289,516 | 21.6 |

- Notes: 1) Consolidated sales by operation for nine months ended December 31, 2006 have been retrospectively reclassified as for the discontinued operations.
- 2) From the fiscal year ending March 31, 2008, Komatsu changes its business segments. Consolidated sales by operation for nine months ended December 31, 2006 have been retrospectively reclassified according to the new business segment.

Table of Contents**Reference:****Consolidated Business Results for Three Months from October through December 2007**

(1) Business Segment Information

| | Three months ended | | | Three months ended | | | Millions of yen | |
|---|--------------------|-------------------|----------------------|--------------------|-------------------|----------------------|-----------------------------------|-------------------|
| | December 31, 2007 | | | December 31, 2006 | | | Changes | |
| | (A) | | | (B) | | | Increase (Decrease) (A)-(B) | |
| | Sales | Segment Profit | Segment Ratio (%) | Sales | Segment Profit | Segment Ratio (%) | Sales | Segment Profit |
| Construction and Mining Equipment | 469,756 | 71,108 | 15.1 | 386,498 | 51,239 | 13.3 | 83,258 | 19,869 |
| Industrial Machinery, Vehicles and Others | 113,184 | 8,527 | 7.5 | 96,839 | 7,595 | 7.8 | 16,345 | 932 |
| Subtotal | 582,940 | 79,635 | 13.7 | 483,337 | 58,834 | 12.2 | 99,603 | 20,801 |
| Corporate & Elimination | (33,956) | (893) | | (32,318) | (711) | | (1,638) | (182) |
| Total | 548,984 | 78,742 | 14.3 | 451,019 | 58,123 | 12.9 | 97,965 | 20,619 |

- Notes: 1) Sales and segment profit by business segment for three months ended December 31, 2006 have been retrospectively reclassified as for the discontinued operations.
- 2) From the fiscal year ending March 31, 2008, Komatsu changes its business segments. Sales and segment profit by business segment for three months ended December 31, 2006 have been retrospectively reclassified according to the new business segment.

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(2) Consolidated Sales by Operation

Millions of yen

| | | Three months ended December 31, 2007 (A) | | Three months ended December 31, 2006 (B) | | Changes Increase (A)-(B) | |
|---|----------|--|--------------|--|-----------|--------------------------------|------|
| | | Sales | Ratio (%) | Sales | Ratio (%) | Sales | (%) |
| | | Construction and Mining Equipment | Japan | 80,121 | 14.6 | 75,055 | 16.7 |
| | Overseas | 383,180 | 69.8 | 305,066 | 67.6 | 78,114 | 25.6 |
| | | 463,301 | 84.4 | 380,121 | 84.3 | 83,180 | 21.9 |
| Industrial Machinery, Vehicles and Others | Japan | 55,407 | 10.1 | 45,268 | 10.0 | 10,139 | 22.4 |
| | Overseas | 30,276 | 5.5 | 25,630 | 5.7 | 4,646 | 18.1 |
| | | 85,683 | 15.6 | 70,898 | 15.7 | 14,785 | 20.9 |
| Total | Japan | 135,528 | 24.7 | 120,323 | 26.7 | 15,205 | 12.6 |
| | Overseas | 413,456 | 75.3 | 330,696 | 73.3 | 82,760 | 25.0 |
| | | 548,984 | 100.0 | 451,019 | 100.0 | 97,965 | 21.7 |

Notes: 1) Consolidated sales by operation for three months ended December 31, 2006 have been retrospectively reclassified as for the discontinued operations.

2) From the fiscal year ending March 31, 2008, Komatsu changes its business segments. Consolidated sales by operation for three months ended December 31, 2006 have been retrospectively reclassified according to the new business segment.

(3) Sales of Construction and Mining Equipment by Region

| | Three months ended December 31, 2007 (A) | Three months ended December 31, 2006 (B) | Millions of yen Changes Increase (Decrease) (A)-(B) | |
|----------------------|--|--|---|--------|
| | | | Sales | (%) |
| | | | Japan | 80,121 |
| The Americas | 109,630 | 112,135 | (2,505) | (2.2)% |
| Europe & CIS | 101,494 | 75,922 | 25,572 | 33.7% |
| China | 40,044 | 22,730 | 17,314 | 76.2% |
| Asia & Oceania | 84,143 | 57,880 | 26,263 | 45.4% |
| Middle East & Africa | 47,869 | 36,399 | 11,470 | 31.5% |
| Total | 463,301 | 380,121 | 83,180 | 21.9% |

(end)