

KOMATSU LTD
Form 6-K
August 08, 2003
Table of Contents

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Report of Foreign Private Issuer

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

For the month of August 2003

COMMISSION FILE NUMBER: 1-7239

KOMATSU LTD.

(Translation of registrant's name into English)

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

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

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Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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

Yes No

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

Table of Contents

-2-

INFORMATION TO BE INCLUDED IN REPORT

1. A company announcement made on August 8, 2003

Table of Contents

-3-

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: August 8, 2003

By:

/s/ Kenji Kinoshita

Kenji Kinoshita

Executive Officer

Table of Contents

Consolidated Business Results for the First Quarter ended June 30, 2003

August 8, 2003

| | | | |
|---|---------------------|--------------|---|
| Company name: | Komatsu Ltd. | Code number: | 6301 |
| Stock exchanges on which the shares are listed: | | | Tokyo, Osaka, Nagoya, Sapporo and Fukuoka |
| U R L: | | | http://www.komatsu.co.jp/ |
| Representative: | | | Masahiro Sakane, President and Chief Executive Officer |
| Contact person: | | | Kosuke Yamane General Manager, Corporate Communications Department Tel. (03)5561-2616 |

1. Matters related to the production of the outline of business

- 1) Accounting principles adopted for the preparation of financial statements and others:

Generally accepted accounting principles (GAAP) in the United States of America.

- 2) Difference in the ways of recognizing accounting procedures between last consolidated fiscal year and this quarter:

Simplified procedures adopted in certain items for this quarter.

- 3) Changes in group of entities

Consolidated subsidiaries

Addition: 3 companies Removal: 1 company

Affiliated Companies accounted for by the equity method

Removal: 3 companies

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4) Auditing by certified public accountants or audit firms: Unaudited

2. Results of FY2004 first quarter (April 1, 2003 through June 30, 2003)

(1) Consolidated financial results

(Amounts are rounded to the nearest million yen)
Income before

| | Net sales | | Operating profit | | income taxes | |
|----------------------|-----------|-----|------------------|------|--------------|-------|
| | Million | | Million yen | | Million yen | |
| | yen | % | % | % | % | % |
| FY2004 first quarter | 265,604 | 8.4 | 9,232 | 63.0 | 7,750 | 252.3 |
| FY2003 first quarter | 245,049 | 2.3 | 5,665 | | 2,200 | |
| (Reference) FY2003 | 1,089,804 | 5.2 | 33,178 | | 12,905 | |

| | Net income | | Net income per share basic | | Net income per share diluted | |
|----------------------|-------------|-------|-------------------------------|---|---------------------------------|---|
| | Million yen | | Yen | | Yen | |
| | % | % | % | % | % | % |
| FY2004 first quarter | 3,740 | 488.1 | 3.77 | | 3.77 | |
| FY2003 first quarter | 636 | | 0.67 | | 0.67 | |
| (Reference) FY2003 | 3,009 | | 3.09 | | 3.09 | |

Notes:

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

The first quarter ended June 30, 2003: 992,511,912

The first quarter ended June 30, 2002: 954,387,881

The fiscal year ended March 31, 2003: 973,306,865

2) Percentages shown in net sales, operating profit, income before income taxes and net income represent the rates of change compared with the corresponding first quarter a year ago.

3) Operating profit stated above is the sum of segment operating profit. The amount is consistent with custom of the Japanese accounting practice by subtracting cost of sales and selling, general and administrative expenses from net sales. This amount does not represent consolidated operating profit under U.S. GAAP.

Table of Contents

(2) Consolidated financial position

| | Total assets | Shareholders equity | Ratio of Shareholders equity | Shareholders equity per share |
|----------------------|-----------------|------------------------|------------------------------------|-------------------------------------|
| | Million yen | Million yen | % | Yen |
| FY2004 first quarter | 1,309,909 | 400,490 | 30.6 | 403.52 |
| FY2003 first quarter | 1,298,491 | 383,430 | 29.5 | 401.76 |
| (Reference) FY2003 | 1,306,354 | 395,366 | 30.3 | 398.34 |

Notes: The numbers of common shares outstanding at the end of the three months ended June 30, 2003 and 2002, and the fiscal year ended March 31, 2003 were as follows:

June 30, 2003: 992,493,033 June 30, 2002: 954,374,221 March 31, 2003: 992,528,649

3. Outline of Business Results for the First Quarter ended June 30, 2003

Consolidated sales for the first quarter ended June 30, 2003 increased 8.4% over the corresponding period last year, to ¥265.6 billion, and net income improved 488.1%, to ¥3.7 billion.

Komatsu expanded sales of all business segments, particularly those of the mainstay Construction and Mining Equipment Business. Segment operating income advanced 63.0% over the corresponding period last year, to ¥9.2 billion, reflecting continued improvements in sales and profits and putting all business segments in the black.

Komatsu is well positioned to attain projected consolidated interim and fiscal year business results which the Company announced on May 9, 2003.

(1) Sales

| | Three months ended | Three months ended | Millions of yen | |
|---------------------------------|-----------------------|-----------------------|-----------------|-------|
| | June 30, 2003 | June 30, 2002 | | |
| | (A) | (B) | Changes | |
| | 1USD=¥119 | 1USD=¥124 | Increase | |
| Foreign Exchange Rates | 1EUR=¥137 | 1EUR=¥117 | (A)-(B) | |
| Construction & Mining Equipment | 196,911 | 177,811 | 19,100 | 10.7% |
| Japan | 52,831 | 49,316 | 3,515 | 7.1% |
| Overseas | 144,080 | 128,495 | 15,585 | 12.1% |

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| | | | | |
|-------------|---------|---------|--------|------|
| Electronics | 21,778 | 21,310 | 468 | 2.2% |
| Others | 46,915 | 45,928 | 987 | 2.1% |
| Total | 265,604 | 245,049 | 20,555 | 8.4% |

(2) Operating Income by Segment

| | Three months ended June 30, 2003 (A) | Three months ended June 30, 2002 (B) | Millions of yen Changes Increase (A)-(B) | |
|---------------------------------|---|---|---|--------|
| Construction & Mining Equipment | 9,941 | 7,989 | 1,952 | 24.4% |
| Electronics | 137 | (778) | 915 | |
| Others | 529 | 159 | 370 | 232.7% |
| Corporate & elimination | (1,375) | (1,705) | 330 | |
| Total | 9,232 | 5,665 | 3,567 | 63.0% |

See next page for the review of operations.

Table of Contents**Construction and Mining Equipment**

Consolidated sales of construction and mining equipment continued to expand to ¥196.9 billion for the first quarter under review, up 10.7% over the previous corresponding period. Operating income by segment advanced 24.4%, to ¥9.9 billion, further improving profits.

Sales in Japan increased 7.1% over the corresponding period last year, to ¥52.8 billion for the first quarter. As the continued decline in size of the Japanese market stopped and demand for new equipment grew over the corresponding period last year centering on hydraulic excavators, Komatsu successfully captured this improvement on the market and boosted sales of new equipment. Sales of used equipment, on which Komatsu is focusing its efforts, also continued to expand.

Overseas sales further advanced to ¥144.0 billion, up 12.1% over the previous corresponding period. Komatsu accelerated sales in China where demand continued to sustain a high growth rate, and also expanded sales in the major markets of North America and Europe. In the Middle East, Africa, Commonwealth of Independent States (former Soviet republics) and some other regions, Komatsu capitalized on its advantages as a full-line manufacturer and secured steady sales. Sales in Southeast Asia declined from the corresponding period a year ago, reflecting a reduced number of large-scale business deals.

(3)Sales of Construction & Mining Equipment by Region (Sales Destination)

| | Three months ended | | Millions of yen | |
|----------------------|--------------------|---------------|---------------------|---------|
| | | | Changes | |
| | June 30, 2003 | June 30, 2002 | Increase (Decrease) | |
| | (A) | (B) | (A)-(B) | |
| Japan | 52,831 | 49,316 | 3,515 | 7.1% |
| Americas | 51,072 | 50,153 | 919 | 1.8% |
| Europe | 36,511 | 32,644 | 3,867 | 11.8% |
| China | 22,043 | 8,298 | 13,745 | 165.6% |
| Asia & Oceania | 21,155 | 23,859 | (2,704) | (11.3%) |
| Middle East & Africa | 13,299 | 13,541 | (242) | (1.8%) |
| Total | 196,911 | 177,811 | 19,100 | 10.7% |

Electronics

Consolidated sales from the electronics business for the first quarter increased 2.2% over the previous corresponding period, to ¥21.7 billion. Operating income by segment demonstrated further improvements, recording a profit of ¥0.1 billion, compared to an operating loss of ¥0.7 billion for the corresponding period last year.

While demand for silicon wafers remained at a modest recovery, Komatsu was able to enjoy the results of its previous efforts of focusing production in Japan and Taiwan. In particular, Formosa Komatsu Silicon Corporation made an important contribution to the improved business results. In the polycrystalline silicon business, Advanced Silicon Materials LLC continued to focus on the production and sale of high-margin products and improved earnings with the benefits of reduced fixed costs resulting from the consolidation of plants.

Others (Industrial Machinery, Forklift Trucks, Etc.)

Consolidated sales from other operations for the first quarter grew 2.1% over the corresponding period last year, to ¥46.9 billion. Operating income by segment expanded 232.7% to ¥0.5 billion for the first quarter.

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Expanded sales by Komatsu Forklift Co., Ltd. made a major contribution to improved sales for other operations. Sales of outdoor power equipment for agricultural and forestry applications by Komatsu Zenoah Co., sales by Komatsu Industries Corporation and sales of equipment by the Company to Japan's Defense Agency remained firm for the first quarter.

Reference:

Projection of Consolidated Business Results for Fiscal Year 2004 ending March 31, 2004

| | Millions of yen | | |
|--------------|------------------|---------------------------------------|-----------------------|
| | Net sales | Income before income taxes | Net income |
| Interim | 540,000 | 11,000 | 3,000 |
| For the year | 1,115,000 | 28,000 | 11,000 |

*Announced on May 9, 2003

Table of Contents**Condensed Consolidated Balance Sheets**

| | Millions of yen | | |
|--|--------------------------|-------------------|------------------------|
| | | | Changes |
| | June 30, 2003 | March 31, 2003 | Increase (Decrease) |
| | (A) | (B) | (A)-(B) |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 71,955 | ¥ 76,152 | ¥ (4,197) |
| Time deposits | 125 | 531 | (406) |
| Trade notes and accounts receivable | 313,022 | 337,401 | (24,379) |
| Inventories | 256,943 | 241,722 | 15,221 |
| Other current assets | 108,065 | 95,819 | 12,246 |
| Total current assets | 750,110 | 751,625 | (1,515) |
| Investments | 60,241 | 52,417 | 7,824 |
| Property, plant, and equipment - less accumulated depreciation | 399,931 | 400,087 | (156) |
| Other assets | 99,627 | 102,225 | (2,598) |
| Total | 1,309,909 | 1,306,354 | 3,555 |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities: | | | |
| Short-term debt (including current maturities of long-term debt) | 200,382 | 214,292 | (13,910) |
| Trade notes and accounts payable | 178,365 | 174,904 | 3,461 |
| Income taxes payable | 5,191 | 6,516 | (1,325) |
| Other current liabilities | 121,754 | 118,972 | 2,782 |
| Total current liabilities | 505,692 | 514,684 | (8,992) |
| Long-term liabilities | 373,868 | 368,101 | 5,767 |
| Minority interests | 29,859 | 28,203 | 1,656 |
| Shareholders' equity: | | | |
| Common stock | 67,870 | 67,870 | |
| Capital surplus | 135,686 | 135,686 | |
| Retained earnings | 229,220 | 228,446 | 774 |
| Accumulated other comprehensive income (loss) | (28,615) | (32,981) | 4,366 |
| Treasury stock | (3,671) | (3,655) | (16) |
| Total shareholders' equity net | 400,490 | 395,366 | 5,124 |

| | | | |
|--------------|--------------------|--------------------|----------------|
| Total | ¥ 1,309,909 | ¥ 1,306,354 | ¥ 3,555 |
|--------------|--------------------|--------------------|----------------|

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

| | Millions of yen | | | | | |
|--|--------------------|------------|--------------------|------------|---------------------|--------------|
| | Three months ended | | Three months ended | | Changes | |
| | June 30, 2003 | | June 30, 2002 | | Increase (Decrease) | |
| | (A) | % | (B) | % | (A)-(B) | % |
| Revenues | | | | | | |
| Net sales | ¥ 265,604 | 100.0 | ¥ 245,049 | 100.0 | ¥ 20,555 | 8.4 |
| Interest and other income | 4,095 | 1.5 | 2,699 | 1.1 | 1,396 | |
| Total | 269,699 | | 247,748 | | 21,951 | 8.9 |
| Costs and expenses | | | | | | |
| Cost of sales | 196,714 | 74.1 | 180,578 | 73.7 | 16,136 | |
| Selling, general and administrative | 59,658 | 22.5 | 58,806 | 24.0 | 852 | |
| Interest | 3,764 | 1.4 | 4,134 | 1.7 | (370) | |
| Other | 1,813 | 0.7 | 2,030 | 0.8 | (217) | |
| Total | 261,949 | | 245,548 | | 16,401 | 6.7 |
| Income before income taxes, minority interests, and equity in earnings | 7,750 | 2.9 | 2,200 | 0.9 | 5,550 | 252.3 |
| Income taxes | 2,783 | 1.0 | 1,143 | 0.5 | 1,640 | |
| Minority interests in (income) loss of consolidated subsidiaries net | (1,037) | (0.4) | (421) | (0.2) | (616) | |
| Equity in earnings (losses) of affiliated companies net | (190) | (0.1) | 0 | 0.0 | (190) | |
| Net income | ¥ 3,740 | 1.4 | ¥ 636 | 0.3 | ¥ 3,104 | 488.1 |