

KOMATSU LTD
Form 6-K
August 02, 2004
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 July 2004

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

Edgar Filing: KOMATSU LTD - Form 6-K

Indicate by check mark whether the registrant files or will file annual reports under cover 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 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

INFORMATION TO BE INCLUDED IN REPORT

1. A company announcement made on July 29, 2004

- 2 -

Table of Contents

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 2, 2004

By: /s/ Kenji Kinoshita

Kenji Kinoshita
Senior Executive Officer

- 3 -

Table of Contents

Komatsu Ltd.
 Corporate Communications Dept.
 Tel: +81-(0)3-5561-2616
 Date: July 29, 2004
 URL: <http://www.komatsu.com/>

**Consolidated Business Results for the First Quarter
 of the Fiscal Year Ending March 31, 2005 (US GAAP)**

1. Matters Related to the Production of the Outline of Business

- 1) Simplified accounting procedures: Adopted in part to calculate tax expenses.
- 2) Changes in accounting procedures since the last consolidated fiscal year: None.
- 3) Changes in group of entities:

Consolidated subsidiaries

Added: 4 companies Removed: 3 companies

2. Results for the First Quarter of the Fiscal Year Ending March 31, 2005

(1) Consolidated Financial Results (Amounts are rounded to the nearest million yen) Millions of yen

| | First quarter ended June 30, 2004 | First quarter ended June 30, 2003 | Changes | | FY ended March 31, 2004 |
|--|---|---|---------|--------|-------------------------------|
| Net sales | 318,122 | 265,604 | 52,518 | 19.8% | 1,196,418 |
| Operating profit | 18,149 | 9,232 | 8,917 | 96.6% | 65,926 |
| Income before income taxes, minority interests and equity in earnings | 19,443 | 7,750 | 11,693 | 150.9% | 27,036 |

Edgar Filing: KOMATSU LTD - Form 6-K

| | | | | | | | | | | |
|-----------------------------------|---|--------|---|-------|--|-------|--|--------|---|--------|
| Net income | | 10,378 | | 3,740 | | 6,638 | | 177.5% | | 26,963 |
| Net income per share (Yen) | | | | | | | | | | |
| Basic | ¥ | 10.46 | ¥ | 3.77 | | 6.69 | | | ¥ | 27.17 |
| Diluted | ¥ | 10.45 | ¥ | 3.77 | | 6.68 | | | ¥ | 27.16 |

Notes: 1) 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.
 2) Operating profit stated above is the sum of segment profit. The amount is consistent with custom of the Japanese accounting principle 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.

(2) Consolidated Financial Position

| | As of | As of |
|--|----------------------|-----------------------|
| | June 30, 2004 | March 31, 2004 |
| Total assets (Millions of yen) | 1,338,449 | 1,348,645 |
| Shareholders' equity (Millions of yen) | 437,386 | 425,507 |
| Shareholders' equity ratio (%) | 32.7 | 31.6 |
| Shareholders' equity per share (Yen) | 440.67 | 428.73 |

Table of Contents**3. Projections for the Fiscal Year ending March 31, 2005**

Millions of yen

| | <u>Net sales</u> | <u>Income before income taxes</u> | <u>Net income</u> |
|--|------------------|---------------------------------------|-------------------|
| For the first half of fiscal year | 645,000 | 34,000 | 17,500 |
| The full fiscal year | 1,300,000 | 72,000 | 37,000 |
| Projected net income per share (Basic) ¥ 37.28 | | | |

* Announced on May 7, 2004

* Concerning its business results for the fiscal year ending March 31, 2005, Komatsu is pleased to report good progress towards company projections that were announced on May 7, 2004, therefore Komatsu doesn't change its projection at this stage.

4. Management Performance (Consolidated)

Consolidated net sales for the first quarter of the fiscal year ending March 31, 2005, increased 19.8% over the previous corresponding period, to ¥318.1 billion. Net income for the first quarter expanded 177.5%, to ¥10.3 billion. These results represent three consecutive first-quarter improvements in both sales and profits.

In addition to significant growth in sales recorded by the construction and mining equipment business, Komatsu's mainstay operation, sales of industrial machinery, vehicles and other operations as well as the electronics business also improved. Operating profit* surged 96.6% over the previous corresponding period, to ¥18.1 billion, demonstrating continued efforts by Komatsu to improve earnings, and recording growth in both sales and profits for all business segments.

Concerning consolidated business results for the interim period and the full fiscal year ending March 31, 2005, we are pleased to report that our projections announced on May 7, 2004 remain sound and effective today.

* In conformity with the Japanese accounting principles, operating profit is 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 made a big gain of 22.9% over the corresponding period a year ago, to ¥241.9 billion, against the backdrop of expanded demand worldwide. Operating profit for this business segment climbed 71.2% over the previous corresponding period, to ¥17.0 billion.

Edgar Filing: KOMATSU LTD - Form 6-K

In particular, Komatsu accelerated sales in North America, Asia and Oceania with strong demand for mining equipment, and in the Middle East with active infrastructure developments. Komatsu also expanded sales of new equipment centering on hydraulic excavators in Japan. In China, sales declined from the previous corresponding period, as demand dropped due to the Chinese government's credit squeeze measure and other adverse factors.

[Sales of Construction & Mining Equipment by Region (Sales Destination)]

Millions of yen

| | First quarter ended | First quarter ended | Changes | |
|----------------------|--------------------------------|--------------------------------|----------------------------|----------|
| | June 30, 2004 | June 30, 2003 | | |
| | 1USD=110JPY | 1USD=119JPY | | |
| | 1EUR=132JPY | 1EUR=137JPY | Increase (Decrease) | |
| | <u>(A)</u> | <u>(B)</u> | <u>(A)-(B)</u> | <u>%</u> |
| Japan | 58,270 | 52,831 | 5,439 | 10.3 |
| Americas | 70,779 | 51,072 | 19,707 | 38.6 |
| Europe | 42,728 | 36,511 | 6,217 | 17.0 |
| Asia* & Oceania | 36,434 | 21,155 | 15,279 | 72.2 |
| China | 14,938 | 22,043 | (7,105) | (32.2) |
| Middle East & Africa | 18,805 | 13,299 | 5,506 | 41.4 |
| Total | 241,954 | 196,911 | 45,043 | 22.9 |

* Japan and China are excluded.

Table of Contents

Industrial Machinery, Vehicles and Others

Consolidated net sales of industrial machinery, vehicles and other operations increased 7.8% over the corresponding period last year, to ¥50.5 billion for the first quarter under review. Operating profit for this business segment expanded 47.1%, to ¥0.7 billion.

Komatsu Group companies, including Komatsu Forklift Co., Ltd., the agricultural and forestry equipment business of Komatsu Zenoah Co., Komatsu Machinery Corporation and Komatsu Logistics Corp., all improved their sales and profits.

Electronics

Consolidated net sales from the electronics business grew 17.5% over the previous corresponding period, to ¥25.5 billion for the first quarter under review. Operating profit for this business segment totaled ¥1.8 billion.

Komatsu Electronic Metals Co., Ltd. substantially expanded sales and profits in Taiwan, China and Southeast Asia where demand for silicon wafers thrived as well as in Japan with strong demand driven by good sales of digital consumer electronics. Advanced Silicon Materials LLC recorded strong sales of polycrystalline silicon and monosilane gas.

5. Financial Conditions (Consolidated)

Total assets amounted to ¥1,338.4 billion at the end of the first quarter under review, representing a decline of ¥10.1 billion. While inventories grew in line with expanded demand, decreased trade notes and accounts receivable together with the appropriation of cash and cash equivalents to repayments of interest-bearing debt reduced total assets.

Interest-bearing debt totaled ¥433.4 billion, a decrease of ¥26.5 billion from the last fiscal year-end. As a result, net debt-to-equity ratio [(interest-bearing debt - cash and cash equivalents - time deposits)/shareholders' equity] improved to 0.88 at the end of the first quarter under review from 0.91 at the last fiscal year-end.

Table of Contents**Condensed Consolidated Balance Sheets**

Millions of yen

| | As of | As of | Changes |
|--|------------------|------------------|---------------------|
| | June 30, 2004 | March 31, 2004 | Increase (Decrease) |
| | (A) | (B) | (A)-(B) |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 46,963 | ¥ 71,406 | ¥ (24,443) |
| Time deposits | 22 | 64 | (42) |
| Trade notes and accounts receivable | 342,475 | 354,184 | (11,709) |
| Inventories | 278,933 | 255,866 | 23,067 |
| Other current assets | 100,330 | 98,861 | 1,469 |
| Total current assets | 768,723 | 780,381 | (11,658) |
| Investments | 80,705 | 78,872 | 1,833 |
| Property, plant and equipment - Less accumulated depreciation | 366,125 | 367,361 | (1,236) |
| Other assets | 122,896 | 122,031 | 865 |
| Total | 1,338,449 | 1,348,645 | (10,196) |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities: | | | |
| Short-term debt (including current maturities of long-term debt) | 142,599 | 152,925 | (10,326) |
| Trade notes and accounts payable | 226,239 | 218,911 | 7,328 |
| Income taxes payable | 7,038 | 12,957 | (5,919) |
| Other current liabilities | 137,697 | 135,039 | 2,658 |
| Total current liabilities | 513,573 | 519,832 | (6,259) |
| Long-term liabilities | 348,719 | 365,660 | (16,941) |
| Minority interests | 38,771 | 37,646 | 1,125 |
| Shareholders' equity: | | | |
| Common stock | 67,870 | 67,870 | |
| Capital surplus | 135,675 | 135,675 | |
| Retained earnings | 255,862 | 249,454 | 6,408 |
| Accumulated other comprehensive income (loss) | (18,352) | (23,794) | 5,442 |
| Treasury stock | (3,669) | (3,698) | 29 |
| Total shareholders' equity - net | 437,386 | 425,507 | 11,879 |

Edgar Filing: KOMATSU LTD - Form 6-K

| | | | |
|------------------------|--------------------|--------------------|-------------------|
| Total | ¥ 1,338,449 | ¥ 1,348,645 | ¥ (10,196) |
| Short & long-term debt | 433,484 | 460,068 | (26,584) |

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

(For the three months ended June 30, 2004 and 2003)

Millions of yen

| | 2004 | | 2003 | | Changes Increase (Decrease) | |
|---|----------------|------------|----------------|------------|--------------------------------|--------------|
| | (A) | % | (B) | % | (A)-(B) | % |
| | | | | | | |
| Revenues | | | | | | |
| Net sales | ¥ 318,122 | 100.0 | ¥ 265,604 | 100.0 | ¥ 52,518 | 19.8 |
| Interest and other income | 5,170 | 1.6 | 4,095 | 1.5 | 1,075 | |
| Total | 323,292 | | 269,699 | | 53,593 | 19.9 |
| Costs and expenses | | | | | | |
| Cost of sales | 236,149 | 74.2 | 196,714 | 74.1 | 39,435 | |
| Selling, general and administrative expenses | 63,824 | 20.1 | 59,658 | 22.5 | 4,166 | |
| Interest expense | 2,646 | 0.8 | 3,764 | 1.4 | (1,118) | |
| Other expense | 1,230 | 0.4 | 1,813 | 0.7 | (583) | |
| Total | 303,849 | | 261,949 | | 41,900 | 16.0 |
| Income before income taxes, minority interests and equity in earnings | 19,443 | 6.1 | 7,750 | 2.9 | 11,693 | 150.9 |
| Income taxes | 7,660 | 2.4 | 2,783 | 1.0 | 4,877 | |
| Minority interests in (income) of consolidated subsidiaries | (1,507) | (0.5) | (1,037) | (0.4) | (470) | |
| Equity in earnings (losses) of affiliated companies | 102 | 0.0 | (190) | (0.1) | 292 | |
| Net income | 10,378 | 3.3 | 3,740 | 1.4 | 6,638 | 177.5 |

Table of Contents**Business Segment Information**

(For the three months ended June 30, 2004, and 2003)

Millions of yen

| | First quarter ended | | | First quarter ended | | | Changes | |
|--|---------------------|---------------|------------|---------------------|--------------|------------|---------------------|--------------|
| | June 30, 2004 | | | June 30, 2003 | | | | |
| | 1USD=110JPY | | | 1USD=119JPY | | | | |
| | 1EUR=132JPY | | | 1EUR=137JPY | | | Increase (Decrease) | |
| | Segment | Margin | | Segment | Margin | Segment | | |
| | Sales | Profit | % | Sales | Profit | % | Sales | Profit |
| Construction & Mining Equipment | 244,936 | 17,016 | 6.9 | 198,985 | 9,941 | 5.0 | 45,951 | 7,075 |
| Industrial Machinery, Vehicles and Others | 64,607 | 778 | 1.2 | 55,622 | 529 | 1.0 | 8,985 | 249 |
| Electronics | 25,590 | 1,893 | 7.4 | 21,824 | 137 | 0.6 | 3,766 | 1,756 |
| Subtotal | 335,133 | 19,687 | 5.9 | 276,431 | 10,607 | 3.8 | 58,702 | 9,080 |
| Corporate & Elimination | (17,011) | (1,538) | | (10,827) | (1,375) | | (6,184) | (163) |
| Total | 318,122 | 18,149 | 5.7 | 265,604 | 9,232 | 3.5 | 52,518 | 8,917 |

Table of Contents**Consolidated Sales by Operation**

(For the three months ended June 30, 2004, and 2003)

Millions of yen

| | First quarter ended June 30, 2004 | | First quarter ended June 30, 2003 | | Changes | |
|--|--------------------------------------|--------------|--------------------------------------|-----------|---------|------|
| | Sales | Ratio (%) | Sales | Ratio (%) | Sales | (%) |
| Construction & Mining Equipment | | | | | | |
| Japan | 58,270 | 18.3 | 52,831 | 19.9 | 5,439 | 10.3 |
| Overseas | 183,684 | 57.8 | 144,080 | 54.2 | 39,604 | 27.5 |
| | 241,954 | 76.1 | 196,911 | 74.1 | 45,043 | 22.9 |
| Industrial Machinery, Vehicles and Others | | | | | | |
| Japan | 35,478 | 11.2 | 34,604 | 13.0 | 874 | 2.5 |
| Overseas | 15,100 | 4.7 | 12,311 | 4.7 | 2,789 | 22.7 |
| | 50,578 | 15.9 | 46,915 | 17.7 | 3,663 | 7.8 |
| Electronics | | | | | | |
| Japan | 13,070 | 4.1 | 11,054 | 4.2 | 2,016 | 18.2 |
| Overseas | 12,520 | 3.9 | 10,724 | 4.0 | 1,796 | 16.7 |
| | 25,590 | 8.0 | 21,778 | 8.2 | 3,812 | 17.5 |
| Total | | | | | | |
| Japan | 106,818 | 33.6 | 98,489 | 37.1 | 8,329 | 8.5 |
| Overseas | 211,304 | 66.4 | 167,115 | 62.9 | 44,189 | 26.4 |
| | 318,122 | 100.0 | 265,604 | 100.0 | 52,518 | 19.8 |