(Translation)
Notes: 1. This document has been translated from the Japanese original for the convenience of foreign shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.
2. Regarding nonresident shareholders, if you wish to exercise your voting rights, please instruct your custodians, nominees or brokers accordingly in advance of the date of the Ordinary General Meeting of Shareholders.

June 2, 2015

Dear Shareholders:

Notice of Convocation of the 146th Ordinary General Meeting of Shareholders of Komatsu Ltd.

Komatsu Ltd.

Table of Contents

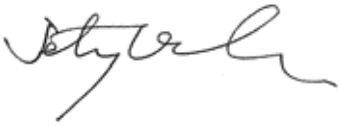
NOTICE OF CONVOCATION OF THE ONE HUNDRED AND FORTY-SIXTH (146TH) ORDINARY GENERAL MEETING OF SHAREHOLDERS OF KOMATSU LTD. 1
Business Report 5
Consolidated Financial Statements 34
Non-Consolidated Financial Statements 37
Auditors' Report 40
Reference Materials for the General Meeting of Shareholders
Proposed Items to Be Resolved and Reference Information 44
Feature Article: Protecting the Environment.....63

* Parts of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements have been posted separately on our website (http://www.komatsu.co.jp/).
Information in English has been posted on our English website (http://www.komatsu.com).

To All Our Shareholders



President



I would like to extend our sincere appreciation to our valued shareholders for your understanding and support for the Komatsu Group. I hereby give notice of convocation of the 146th Ordinary General Meeting of Shareholders, which will be held on June 24, 2015. Your attendance at the meeting is cordially requested. If you are unable to attend the Meeting in person, it would be appreciated if you could exercise your voting rights by conventional postal delivery or via the Internet.

In February 2015, Komatsu launched its "SMARTCONSTRUCTION" solution business. This business involves creating the "job sites ("GEMBA") of the future," which are construction sites made significantly safer and more productive by connecting all information on job sites of customers through ICT to organically interlink the entire sites of customers. By promoting the use of ICT applications at sites, we are working together with customers to solve a variety of on-site issues related to shortage of labor and aging of operators, as well as safety, costs and construction periods.

Moreover, aiming for further innovation, we have been vigorously promoting the construction of collaborative relationships with businesses outside the Komatsu Group. In January 2014, in collaboration with General Electric Company (GE) of the U.S., we formed a joint venture to develop next-generation mining machinery. We have taken the decision to further expand our collaborative relationship with GE by extending our cooperation with them to encompass analysis of big data for the reduction of mining operation costs. We will continue our efforts to continue accelerating our innovation and become indispensable for customers.

In addition, we consider our CSR (Corporate Social Responsibility) activities as "responding to the demands of society through our core business." Going forward, we will continue to work towards our CSR goal of enhancing quality of life for people worldwide by supplying customers with products and services that are at the highest global standards in quality, safety, and environmental considerations.

Please see this report for more detailed information on some of the Komatsu Group's initiatives.

Finally, I would like to take the opportunity to humbly ask our shareholders for your continued understanding and support.

NOTICE OF CONVOCATION OF THE ONE HUNDRED AND FORTY-SIXTH (146TH) ORDINARY GENERAL MEETING OF SHAREHOLDERS OF KOMATSU LTD.

Securities Code: 6301
June 2, 2015

Dear Shareholders:

Please be advised that the 146th Ordinary General Meeting of Shareholders of Komatsu Ltd. (hereinafter "the Company") will be held in accordance with the particulars indicated in the attachment hereto. Your attendance at the meeting is cordially requested.

If you are unable to attend the above Meeting in person, it would be very appreciated if you could exercise voting rights by conventional postal delivery or via the Internet. Please exercise your voting rights after reviewing the attached "Reference Materials for the General Meeting of Shareholders" (pages 44 to 62) and referring to "Guidance on Methods for Exercise of Voting Rights" (page 3).

Sincerely,

Tetsuji Ohashi
President
Komatsu Ltd.
3-6, Akasaka 2-chome, Minato-ku, Tokyo

Details

1. Date and Time: Wednesday, June 24, 2015 at 10:00 a.m. (Japan Time)

2. Place: West Hall 1, West Exhibition Hall, Tokyo Big Sight
11-1, Ariake 3-chome, Koto-ku, Tokyo

3. Purpose:

Items to Be Reported

(1) The Business Report and the Consolidated Financial Statements for the 146th fiscal year (April 1, 2014 – March 31, 2015), as well as the Accounting Auditors' Report and the Audit & Supervisory Board's Report on the Result of the Audited Consolidated Financial Statements.

(2) The Non-Consolidated Financial Statements for the 146th fiscal year (April 1, 2014 – March 31, 2015).

Items to Be Resolved

Item 1: Appropriation of Surplus

Item 2: Partial Amendments to the Articles of Incorporation

Item 3: Election of Ten (10) Directors

Item 4: Election of One (1) Audit & Supervisory Board Member

Item 5: Payment of Bonuses for Directors

Item 6: Giving the Board of Directors the Authority to Issue Stock Acquisition Rights as Stock-Based Remuneration to Employees of the Company and Representative Directors of Major Subsidiaries of the Company

4. Matters Related to the Exercise of Voting Rights

(1) Handling of duplicated voting

If you exercise your voting rights twice, both by conventional postal delivery and via the Internet, the voting via the Internet shall prevail regardless of the arrival date of the mailed vote. In the case of multiple voting via the Internet, the last voting shall prevail.

(2) Diverse exercise of voting rights

If you diversely exercise your voting rights, you are required to notify the Company the details and the reasons for this in writing.

Guidance on Methods for Exercise of Voting Rights

Attendance at the General Meeting of Shareholders	
Please take the enclosed Card for Exercising Voting Rights and submit it at the reception. The reception desk is scheduled to open at 9:00 a.m. on the day of the meeting.	Date and time of General Meeting of Shareholders Wednesday, June 24, 2015 at 10:00 a.m. (Japan Time)

By conventional postal delivery	
Please indicate "for" or "against" for each agenda item shown on the enclosed Card for Exercising Voting Rights, and return it via the conventional postal delivery system.	Deadline for exercising voting rights To arrive at the Company by 5:45 p.m. on Tuesday, June 23, 2015 (Japan Time)

Via the Internet*	
Please indicate "for" or "against" for each agenda item at the website (http://www.evote.jp/) designated by the Company.	Deadline for exercising voting rights To be performed by 5:45 p.m. on Tuesday, June 23, 2015 (Japan Time)

- Institutional investors can utilize the electronic platform for exercising voting rights, which is operated by ICJ, Inc.

**Voting via the Internet other than through the ICJ platform is only available for registered shareholders in Japan with Japanese language only. The ICJ platform is an electronic voting platform for institutional investors available via the ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s).*

For Internet Disclosure: the Company's website (http://www.komatsu.co.jp/)

**Information in English has been posted on our English website (http://www.komatsu.com).*

- Information regarding the items listed below is not contained within this document, entitled "Notice of Convocation of the 146th Ordinary General Meeting of Shareholders of Komatsu Ltd." In accordance with relevant laws and regulations and with Article 16 of the Company's Articles of Incorporation, such information in Japanese has been posted separately on our website.

1	Business Report	Financial Position and Profit/Loss Trends Major Lines of Business Principal Offices and Plants
2	Consolidated Financial Statements	Consolidated Statement of Equity Notes to Consolidated Financial Statements
3	Non-Consolidated Financial Statements	Non-Consolidated Statement of Changes in Net Assets Notes to Non-Consolidated Financial Statements

The Business Report that the Audit & Supervisory Board Members audited and the Consolidated Financial Statements and Non-Consolidated Financial Statements that the Accounting Auditor and the Audit & Supervisory Board Members audited comprise each document printed in this "Notice of Convocation of the 146th Ordinary General Meeting of Shareholders of Komatsu Ltd." and matters mentioned in the table above that are posted on the Company's website on the Internet.

**Information in English has been posted on our English website (http://www.komatsu.com).*

- Please note that any changes in the matters described in Reference Materials for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements in Japanese will be posted on our website.
  **Information in English will be posted on our English website (http://www.komatsu.com).*

Guidance on Holding of Exhibition

- Aiming to showcase the leading-edge technologies and the CSR activities of the Komatsu Group, we plan to set up an exhibition space that shareholders can visit after the General Meeting of Shareholders. Please refer to page 66 of this document for details.

Attached Documents

Business Report

(April 1, 2014 - March 31, 2015)

1. Current Conditions of Komatsu

(1) Outline of Operations and Business Results

Since starting the three-year mid-range management plan "Together We Innovate GEMBA Worldwide" from April 2013, Komatsu Ltd. ("Company") and its consolidated subsidiaries (together "Komatsu") are focusing 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 ended March 31, 2015 (April 1, 2014 – March 31, 2015), consolidated net sales for the year increased by 1.3% from the previous fiscal year, to JPY 1,978.6 billion. Concerning profits, operating income increased by 0.7% from the previous fiscal year, to JPY 242.0 billion. Operating income ratio was 12.2%, down 0.1 percentage points. Income before income taxes and equity in earnings of affiliated companies decreased by 2.5% to JPY 236.0 billion. Net income attributable to Komatsu Ltd. declined by 3.5% to JPY 154.0 billion.

	145th Fiscal Year (April 2013 – March 2014)	Changes From 145th Fiscal Year	146th Fiscal Year (April 2014 – March 2015)
Net sales	JPY1,953.6 billion	1.3%	JPY1,978.6 billion
Operating income	JPY 240.4 billion	0.7%	JPY 242.0 billion
Income before income taxes and equity in earnings of affiliated companies	JPY 242.0 billion	(2.5)%	JPY 236.0 billion
Net income attributable to Komatsu Ltd.	JPY 159.5 billion	(3.5)%	JPY 154.0 billion

Note: The Consolidated Financial Statements of the Company are prepared in accordance with Article 120-2 Paragraph 1 of the Corporate Accounting Regulations of Japan and the method of preparation conforms to the accounting principles generally accepted in the United States of America (hereinafter "U.S. GAAP") in terms of terminology and format.

[Construction, Mining and Utility Equipment]

	146th Fiscal Year (April 2014 – March 2015)	Changes From 145th Fiscal Year
Sales	JPY 1,763.4 billion	0.6%
Segment profit	JPY 227.2 billion	(6.1)%

Note: The amounts stated in the table above are based on the amounts before elimination of transactions between segments.

One of the focused activities of our mid-range management plan, "Together We Innovate GEMBA Worldwide," consists of growth strategies based on innovation. In the fiscal year ended March 31, 2015, we launched a number of next-generation products in support of those strategies, including ICT (Information and Communication Technology)-intensive construction equipment such as the D61PXi intelligent Machine Control (iMC) dozers and the PC200i iMC hydraulic excavator. In addition, the "SMARTCONSTRUCTION" solutions business was started in Japan in February 2015 aimed at realizing the "job sites ("GEMBA") of the future" in order to make them safer and more productive by using ICT to interlink all the information present at construction sites.

(Reference: Related websites)

Visit the special SMARTCONSTRUCTION website: ⇒ http://smartconstruction.komatsu.co.jp/ ** This website is currently available only in Japanese.*

Sales of Construction, Mining and Utility Equipment by Region (to External Customers)

Region		146th Fiscal Year (April 2014 – March 2015)	Changes From 145th Fiscal Year
Japan		JPY 330.5 billion	(3.4)%
Overseas		JPY 1,430.8 billion	1.6%
	Americas	JPY 595.9 billion	9.8%
	Europe & CIS	JPY 202.6 billion	6.4%
	China	JPY 110.2 billion	(32.0)%
	Asia*& Oceania	JPY 349.3 billion	0.2%
	Middle East & Africa	JPY 172.5 billion	5.5%
Total		JPY 1,761.3 billion	0.7%

* Excludes Japan and China.

[Industrial Machinery and Others]

	146th Fiscal Year (April 2014 – March 2015)	Changes From 145th Fiscal Year
Sales	JPY 221.5 billion	5.9%
Segment profit	JPY 16.2 billion	697.7%

Note: The amounts stated in the table above are based on the amounts before elimination of transactions between segments.

In the machine tool, sheet metal and press machine business field, the KFL Series fiber laser cutting machine, launched by subsidiary Komatsu Industries Corporation in 2013, was selected for the "JMF's President Award" for the fiscal year 2014 in the category of superior energy-saving machines. In addition, the Company worked on developing and selling eco-friendly energy-efficient machinery such as compact machine tools and servo presses.

**JMF (The Japan Machinery Federation): a nationwide organization of the Japanese machinery and engineering industry*

(Reference)

KFL2051:

The KFL2051 fiber laser cutting machine uses an in-house developed laser oscillation device to create a high-quality beam capable of rapidly cutting through thin sheets of material. The machine also uses nitrogen from the air as a high-concentration, high-pressure assist gas, achieving significant improvements in energy efficiency.

(Reference: The Company's disclosure materials)

Consolidated Business Results for the 146th Fiscal Year (released April 27, 2015)
Securities Report for the 146th Fiscal Year (scheduled for release on June 23, 2015)
Investor Relations – IR Library: http://www.komatsu.com/CompanyInfo/ir/

(2) Capital Investment

Capital investment increased by JPY 13.6 billion from the previous fiscal year, to JPY 192.7 billion.

1) Breakdown by Segment

Segment	Invested Amounts
Construction, Mining and Utility Equipment	JPY 186.7 billion
Industrial Machinery and Others	JPY 5.9 billion
Total	JPY 192.7 billion

2) Main Facilities Completed in the Fiscal Year Ended March 31, 2015

Segment	Main Facilities
Construction, Mining and Utility Equipment	Awazu Plant: Building a new assembly plant – Products: Hydraulic excavators, bulldozers, wheel loaders, motor graders – Location: Komatsu City, Ishikawa, Japan

(Reference)

New assembly plant at the Awazu Plant:

The Company is targeting a reduction in the amount of electricity purchased by approximately 90%, through the effect of reducing the floor area by consolidating two buildings at one plant, efforts to save energy on air conditioning and lighting, and the use of a biomass-fired steam boiler system and solar panels to generate power on site. At the same time, productivity per floor space has been doubled by targeting productivity improvements in all spaces of the facility.

3) New Constructions, Expansions and Overhauls of Main Facilities in Progress in the Fiscal Year Ended March 31, 2015

Segment	Main Facilities
Construction, Mining and Utility Equipment	Oyama Plant: Overhauling the existing engine plant and hydraulics plant – Products: Engines, hydraulic equipment – Location: Oyama City, Tochigi, Japan

(3) Financing

In the fiscal year ended March 31, 2015, to appropriate funds for working capital and capital investment, the Company procured funds mainly by issuance of commercial papers and bonds, and long-term borrowings from financial institutions.

While there was a year-on-year increase in the Japanese yen equivalent amount of borrowings denominated in foreign currencies in line with Japanese yen depreciation against the U.S. dollar and renminbi, progress was made in reducing interest-bearing debt mainly at overseas subsidiaries.

As a result, the balance of interest-bearing debt at the fiscal year-end decreased by JPY 15.9 billion from the previous fiscal year-end to JPY 589.1 billion, and the net debt-to-equity ratio* improved from 0.37 at the previous fiscal year-end to 0.32.

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

(4) 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 in 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.

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.

Target figures of the "Together We Innovate GEMBA Worldwide" mid-range management plan (announced in April 2013)

Items	Targets for Fiscal Year Ending March 31, 2016
Operating income ratio	18% – 20%
ROE[*1]	18% – 20%
Net debt-to-equity ratio[*2]	0.3 or below
Consolidated payout ratio	30% – 50% (stably)

*1 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]

*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	JPY 2,300 billion ± JPY 200 billion
Guidelines on exchange rates	JPY 90 – 95 / USD 1 JPY 120 – 125 / EUR 1 JPY 15.0 – 15.3 / RMB 1

Progress with focused activities and issues for the next fiscal year

Focused activities	Progress	Specific activities
1. Growth strategies based on innovation	Achievements as of March 31, 2015	· Developed and launched intelligent Machine Control construction equipment · Established a joint-venture with General Electric Company of the U.S. to develop next-generation mining equipment · Promoting SMARTCONSTRUCTION · Developed and launched new fiber laser cutting machines
	Issues for the Next Fiscal Year	· To expand and reinforce the business model of ICT-intensive construction
2. Growth strategies of existing businesses	Achievements as of March 31, 2015	· Strengthened dealer network (Americas, Europe, Middle East, Africa) · Developed and launched new models compliant with the latest emission regulations · Improved the prices of parts and improve their product range · Improved service programs
	Issues for the Next Fiscal Year	· To expand sales in emerging countries · To further strengthen and expand our value chain, including the rental-to-used equipment business and retail finance
3. Structural reforms designed to reinforce the business foundation	Achievements as of March 31, 2015	· Implemented cost improvement activities · Reformed the global spare parts operation · Implemented activities to cut down electric power consumption to half
	Issues for the Next Fiscal Year	· To further promote cost improvement activities · To continue and strengthen production reforms by reducing electric power use · To further accelerate the pace of implementing reform activities

Based on the belief that "its corporate value is the total sum of trust given to Komatsu by society and all its stakeholders," 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 strength and the achievement of social responsibility in a well-balanced manner.

Pursuant to laws and regulations and Article 16 of the Company's Articles of Incorporation, "Financial Position and Profit/Loss Trends" is now available on the Komatsu corporate website.
⇒ http://www.komatsu.com/

*Please see page 67.

(5) Acquisition or Disposal of Other Companies' Shares, Other Equity Stakes or Stock Acquisition Rights

No items to report.

(6) Status of Principal Subsidiaries

1) Principal Subsidiaries (As of March 31, 2015)

Name	Location of Offices and Plants	Capital	Investment Ratio (%)	Main Businesses
Komatsu Castex Ltd.	Head Office /Plant (Himi City, Toyama)	JPY 6,979 mil	100.0	Manufacture and sale of casting products
Komatsu Construction Equipment Sales and Service Japan Ltd.	Head Office (Kawasaki City, Kanagawa)	JPY 950 mil	100.0	Sale and servicing of construction equipment
Komatsu Used Equipment Corp.	Head Office (Yokohama City, Kanagawa)	JPY 290 mil	*100.0	Sale of used construction equipment, etc.
Komatsu Rental Ltd.	Head Office (Yokohama City, Kanagawa)	JPY 100 mil	100.0	Rental of construction equipment, etc.
Komatsu Forklift Japan Ltd.	Head Office (Shinagawa-ku, Tokyo)	JPY 500 mil	100.0	Sale and servicing of industrial vehicles
Komatsu Logistics Corp.	Head Office (Yokohama City, Kanagawa)	JPY 1,080 mil	100.0	Transportation, warehousing, packing and other services
Komatsu Industries Corporation	Head Office (Kanazawa City, Ishikawa)	JPY 990 mil	100.0	Manufacture, sale and servicing of metal forging and stamping presses and sheet metal machines, etc.
Komatsu NTC Ltd.	Head Office/ Plant (Nanto City, Toyama)	JPY 6,014 mil	100.0	Manufacture, sale and servicing of machine tools, etc.
Komatsu Business Support Ltd.	Head Office (Minato-ku, Tokyo)	JPY 1,770 mil	100.0	Retail financing of construction equipment
GIGAPHOTON INC.	Head Office /Plant (Oyama City, Tochigi)	JPY 5,000 mil	100.0	Development, manufacturing, sale and servicing of excimer laser and Extreme Ultra-Violet light sources used for lithography tools in semiconductor manufacturing
Komatsu America Corp.	Head Office /Plant (USA)	USD 1,071 mil	100.0	Manufacture and sale of construction and mining equipment and supervision in the Americas
Hensley Industries, Inc.	Head Office /Plant (USA)	USD 2 thou	*100.0	Manufacture and sale of construction and mining equipment parts
Komatsu Financial Limited Partnership	Head Office (USA)	-	*100.0	Retail financing, etc. of construction and mining equipment

Name	Location of Offices and Plants	Capital	Investment Ratio (%)	Main Businesses
Komatsu do Brasil Ltda.	Head Office /Plant (Brazil)	BRL 73 mil	*100.0	Manufacture of construction equipment and casting products
Komatsu Brasil International Ltda.	Head Office (Brazil)	BRL 27 mil	*100.0	Sale of construction equipment
Komatsu Holding South America Ltda.	Head Office (Chile)	USD 31 mil	*100.0	Sale and servicing of construction and mining equipment
Komatsu Cummins Chile Ltda.	Head Office (Chile)	USD 34 mil	*81.8	Sale and servicing of construction and mining equipment
Komatsu Cummins Chile Arrienda S.A.	Head Office (Chile)	USD 43 mil	*81.8	Rental and retail financing, etc. of construction and mining equipment
Komatsu Europe International N.V.	Head Office (Belgium)	EUR 50 mil	100.0	Sale of construction and mining equipment and supervision in Europe
Komatsu Financial Europe N.V.	Head Office (Belgium)	EUR 40 mil	*100.0	Retail financing of construction and mining equipment
Komatsu UK Ltd.	Head Office /Plant (UK)	GBP 23 mil	*100.0	Manufacture of construction equipment
Komatsu Hanomag GmbH	Head Office /Plant (Germany)	EUR 19 mil	*100.0	Manufacture of construction equipment
Komatsu Mining Germany GmbH	Head Office /Plant (Germany)	EUR 5 mil	*100.0	Manufacture and sale of mining equipment
Komatsu Italia Manufacturing S.p.A.	Head Office /Plant (Italy)	EUR 6 mil	*100.0	Manufacture of construction equipment
Komatsu Forest AB	Head Office /Plant (Sweden)	SEK 397 mil	100.0	Manufacture, sale and servicing of forestry equipment
Komatsu CIS LLC	Head Office (Russia)	RUB 5,301 mil	100.0	Sale of construction and mining equipment
Komatsu South Africa (Pty) Ltd.	Head Office (South Africa)	ZAR 186,066 thou	*59.9	Sale and servicing of construction and mining equipment
PT Komatsu Indonesia	Head Office /Plant (Indonesia)	IDR 192,780 mil	94.9	Manufacture and sale of construction and mining equipment, and casting products
PT Komatsu Marketing & Support Indonesia	Head Office (Indonesia)	USD 5 mil	*94.9	Sale and servicing of construction and mining equipment
Bangkok Komatsu Co., Ltd.	Head Office /Plant (Thailand)	THB 620 mil	*74.8	Manufacture and sale of construction equipment and casting products
Komatsu Marketing Support Australia Pty Ltd	Head Office (Australia)	AUD 21 mil	*60.0	Sale of construction and mining equipment
Komatsu Australia Pty Ltd	Head Office (Australia)	AUD 30 mil	*60.0	Sale and servicing of construction and mining equipment
Komatsu Australia Corporate Finance Pty. Ltd.	Head Office (Australia)	AUD 49 mil	*60.0	Retail financing of construction and mining equipment

Name	Location of Offices and Plants	Capital	Investment Ratio (%)	Main Businesses
Komatsu (China) Ltd.	Head Office (China)	USD 165 mil	100.0	Sale of construction and mining equipment and supervision in China
Komatsu (Changzhou) Construction Machinery Corp.	Head Office /Plant (China)	USD 41 mil	*85.0	Manufacture of construction equipment
Komatsu Shantui Construction Machinery Co., Ltd.	Head Office /Plant (China)	USD 21 mil	*60.0	Manufacture of construction equipment
Komatsu Financial Leasing China Ltd.	Head Office (China)	RMB 1,630 mil	*100.0	Retail financing of construction equipment

Notes:
1. Figures with an asterisk (*) are the ratio of investment through subsidiaries of the Company and the ratio includes the stakes held by them.
2. Komatsu Financial Limited Partnership is a limited partnership based on the state law of Delaware, the U.S., and the Company invests in it through subsidiaries. Its net asset which is equivalent to the capital amounts to USD 457 million.
3. The number of consolidated subsidiaries of the Company, including those listed above, is 138, and the number of affiliated companies accounted for by the equity method is 38.

2) Others (update on important combination)

In October 2014, the Company merged with Komatsu Diesel Co., Ltd. by absorption-type merger.

(7) Employees (As of March 31, 2015)

Segment	Number of Employees
Construction, Mining and Utility Equipment	42,452
Industrial Machinery and Others	4,247
Others (Note 2)	718
Total	47,417

Notes:
1. Number of employees increased by 209 from the end of the previous fiscal year.
2. “Others” above includes the number of administrative employees that cannot be classified into the above two (2) segments.

(8) Main Lenders (As of March 31, 2015)

Name of Lenders	Balance of Loans (JPY billion)
Sumitomo Mitsui Banking Corporation	97.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	85.9
Mizuho Bank, Ltd.	51.4

Pursuant to laws and regulations and Article 16 of the Company's Articles of Incorporation, "Main Businesses" and "Principal Offices and Plants" are now available on the Komatsu corporate website.

⇒ http://www.komatsu.com/

2. Shares of the Company (As of March 31, 2015)

(1) Number of shares authorized to be issued: 3,955,000,000 shares

(2) Total number of shares issued and outstanding: 942,926,902 shares
(excluding 29,040,758 shares of treasury stock)

(3) Number of shareholders: 201,188

(4) Major shareholders (top ten)

Name of Shareholders	Number of Shares Held (thousand shares)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	36,727	3.89
The Master Trust Bank of Japan, Ltd. (Trust Account)	36,615	3.88
Taiyo Life Insurance Company	34,000	3.60
Nippon Life Insurance Company	26,626	2.82
State Street Bank and Trust Company 505001 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	25,796	2.73
Sumitomo Mitsui Banking Corporation	17,835	1.89
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders (standing proxy: Sumitomo Mitsui Banking Corporation)	17,322	1.83
The Bank of New York Mellon SA/NV 10 (standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	16,055	1.70
State Street Bank West Client - Treaty 505234 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	12,150	1.28
State Street Bank and Trust Company 505225 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	11,705	1.24

Notes:
1. Shareholding ratio is calculated by subtracting treasury stock.
2. Although the Company holds 29,040 thousand shares of treasury stock, it is excluded from the major shareholders listed above.

(5) Other significant matters regarding the shares of the Company

The Company resolved at the meeting of the Board of Directors held on November 14, 2014, the acquisition and cancellation of treasury stock. Accordingly, the acquisition and cancellation were executed as described below.

1) Reasons for acquisition and cancellation of treasury stock
To improve capital efficiency in management and further promote returns to shareholders.

2) Details of acquisition

i) Type of shares purchased:	Common stock of the Company
ii) Total number of shares purchased:	11,162,600 shares
iii) Total cost of purchase	JPY 29,996,649,350
iv) Period of purchase:	From November 17, 2014 to January 27, 2015
v) Method of purchase:	Open market purchase by the trust method

3) Details of cancellation

i) Type of shares canceled:	Common stock of the Company
ii) Total number of shares canceled:	11,162,600 shares (All of the treasury stock purchased, as stated in 2) above)
iii) Total value of cancellation:	JPY 19,807,810,448
iv) Date of cancellation:	March 27, 2015

3. Matters Regarding Stock Acquisition Rights of the Company etc.

(1) Status of Stock Acquisition Rights (As of March 31, 2015)

Name (Issue Date)	Number of Stock Acquisition Rights	Number of Shares Subject to Stock Acquisition Rights (Number of Shares per one (1) Stock Acquisition Right)	Paid-in Amount per one (1) Share	Exercise Price per one (1) Share	Period for Exercise of Stock Acquisition Rights
No. 7 Stock Acquisition Rights (September 3, 2007)	113	113,000 shares (1,000 shares)	JPY 1,266	JPY 3,661	From September 3, 2008 to August 31, 2015
No. 8 Stock Acquisition Rights (September 3, 2007)	222	222,000 shares (1,000 shares)	Without consideration	JPY 3,661	From September 1, 2008 to August 31, 2015
No. 9 Stock Acquisition Rights (September 1, 2008)	104	104,000 shares (1,000 shares)	JPY 813	JPY 2,499	From September 1, 2009 to August 31, 2016
No. 10 Stock Acquisition Rights (September 1, 2008)	153	153,000 shares (1,000 shares)	Without consideration	JPY 2,499	From September 1, 2009 to August 31, 2016
No. 11 Stock Acquisition Rights (September 1, 2009)	124	124,000 shares (1,000 shares)	JPY 643	JPY 1,729	From September 1, 2010 to August 31, 2017
No. 12 Stock Acquisition Rights (September 1, 2009)	125	125,000 shares (1,000 shares)	Without consideration	JPY 1,729	From September 1, 2010 to August 31, 2017
No. 13 Stock Acquisition Rights (August 2, 2010)	64	6,400 shares (100 shares)	JPY 1,785	JPY 1	From August 2, 2013 to July 31, 2018
No. 14 Stock Acquisition Rights (August 2, 2010)	238	23,800 shares (100 shares)	Without consideration	JPY 1	From August 2, 2013 to July 31, 2018
No. 15 Stock Acquisition Rights (August 1, 2011)	696	69,600 shares (100 shares)	JPY 2,268	JPY 1	From August 1, 2014 to July 31, 2019

Name (Issue Date)	Number of Stock Acquisition Rights	Number of Shares Subject to Stock Acquisition Rights (Number of Shares per one (1) Stock Acquisition Right)	Paid-in Amount per one (1) Share	Exercise Price per one (1) Share	Period for Exercise of Stock Acquisition Rights
No. 16 Stock Acquisition Rights (August 1, 2011)	1,580	158,000 shares (100 shares)	Without consideration	JPY 1	From August 1, 2014 to July 31, 2019
No. 17 Stock Acquisition Rights (August 1, 2012)	843	84,300 shares (100 shares)	JPY 1,470	JPY 1	From August 1, 2015 to July 31, 2020
No. 18 Stock Acquisition Rights (August 1, 2012)	2,555	255,500 shares (100 shares)	Without consideration	JPY 1	From August 1, 2015 to July 31, 2020
No. 19 Stock Acquisition Rights (August 1, 2013)	561	56,100 shares (100 shares)	JPY 1,932	JPY 1	From August 1, 2016 to July 31, 2021
No. 20 Stock Acquisition Rights (August 1, 2013)	2,358	235,800 shares (100 shares)	Without consideration	JPY 1	From August 1, 2016 to July 31, 2021
No. 21 Stock Acquisition Rights (August 1, 2014)	589	58,900 shares (100 shares)	JPY 2,010	JPY 1	From August 1, 2017 to July 31, 2022
No. 22 Stock Acquisition Rights (August 1, 2014)	2,169	216,900 shares (100 shares)	Without consideration	JPY 1	From August 1, 2017 to July 31, 2022
Total	12,494	2,006,300 shares	[Reference: Total number of issued shares: 942,926,902 shares (excluding treasury stock)]		

Notes:

1. The type of shares subject to Stock Acquisition Rights shall be common stock of the Company.
2. "Exercise price" above means the "amount of assets to be paid upon exercise of Stock Acquisition Rights."

(2) Stock Acquisition Rights Held by Directors and Audit & Supervisory Board Members of the Company (As of March 31, 2015)

1) Stock Acquisition Rights Held by Directors (excluding Outside Directors)

Name	Number of Holders of Stock Acquisition Rights	Number of Stock Acquisition Rights Owned	Number of Shares Subject to Stock Acquisition Rights
No. 7 Stock Acquisition Rights	1	44	44,000 shares
No. 8 Stock Acquisition Rights*	5	35	35,000 shares
No. 9 Stock Acquisition Rights	1	34	34,000 shares
No. 10 Stock Acquisition Rights*	5	28	28,000 shares
No. 11 Stock Acquisition Rights	1	44	44,000 shares
No. 12 Stock Acquisition Rights*	1	7	7,000 shares
No. 14 Stock Acquisition Rights*	1	13	1,300 shares
No. 15 Stock Acquisition Rights	3	355	35,500 shares
No. 16 Stock Acquisition Rights*	1	37	3,700 shares
No. 17 Stock Acquisition Rights	4	427	42,700 shares
No. 18 Stock Acquisition Rights*	3	123	12,300 shares
No. 19 Stock Acquisition Rights	7	537	53,700 shares
No. 21 Stock Acquisition Rights	7	568	56,800 shares

Note: An asterisk (*) indicates Stock Acquisition Rights issued at the time when incumbent Directors, as of March 31, 2015, were employees of the Company (prior to being elected as Directors).

2) Stock Acquisition Rights Held by Outside Directors

Name	Number of Holders of Stock Acquisition Rights	Number of Stock Acquisition Rights Owned	Number of Shares Subject to Stock Acquisition Rights
No. 13 Stock Acquisition Rights	1	7	700 shares
No. 15 Stock Acquisition Rights	1	7	700 shares
No. 17 Stock Acquisition Rights	1	7	700 shares
No. 19 Stock Acquisition Rights	1	8	800 shares
No. 21 Stock Acquisition Rights	3	21	2,100 shares

3) Stock Acquisition Rights Held by Audit & Supervisory Board Members

Name	Number of Holders of Stock Acquisition Rights	Number of Stock Acquisition Rights Owned	Number of Shares Subject to Stock Acquisition Rights
No. 8 Stock Acquisition Rights	2	10	10,000 shares
No. 10 Stock Acquisition Rights	1	5	5,000 shares
No. 14 Stock Acquisition Rights	1	13	1,300 shares
No. 16 Stock Acquisition Rights	1	50	5,000 shares
No. 18 Stock Acquisition Rights	1	45	4,500 shares

Note: Above indicates Stock Acquisition Rights issued at the time when incumbent Audit & Supervisory Board Members, as of March 31, 2015, were employees of the Company (prior to being elected as Audit & Supervisory Board Members).

(3) Stock Acquisition Rights Issued During the Fiscal Year Ended March 31, 2015 to Employees of the Company and Directors of the Subsidiaries of the Company

Name	Grantees	Number of Grantees	Number of Stock Acquisition Rights Issued	Number of Shares Subject to Stock Acquisition Rights
No. 22 Stock Acquisition Rights	Employees of the Company	74	1,799	179,900 shares
	Representative Directors of the subsidiaries of the Company	14	370	37,000 shares

4. Directors and Audit & Supervisory Board Members of the Company

(1) Names etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2015)

Position	Name	In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations
Chairperson of the Board and Representative Director	Kunio Noji	Outside Director of Ricoh Company, Ltd.* Outside Director of NEC Corporation*
President and Representative Director	Tetsuji Ohashi	Chief Executive Officer (CEO)
Director and Senior Executive Officer	Mikio Fujitsuka	Chief Financial Officer (CFO) Supervising Accounting & Finance and Investor Relations
Director and Senior Executive Officer	Fujitoshi Takamura	Chief Technology Officer (CTO) Supervising Research & Development
Director and Senior Executive Officer	Hisashi Shinozuka	President of Construction Equipment Marketing Division
Director and Senior Executive Officer	Kazunori Kuromoto	President of ICT Solution Division (In charge of ICT-intensive construction, KOMTRAX, AHS and Mining Innovation)
Director and Senior Executive Officer	Masanao Mori	Supervising Human Resources & Education and Safety & Health Care
Director	Kouichi Ikeda	Corporate Advisor of Asahi Group Holdings, Ltd. Outside Audit & Supervisory Board Member of Sumitomo Chemical Company, Limited*
Director	Masayuki Oku	Chairperson of the Board of Sumitomo Mitsui Financial Group, Inc.* Outside Director of Panasonic Corporation* Outside Director of Kao Corporation* Outside Director of Chugai Pharmaceutical Co. Ltd.* Outside Audit & Supervisory Board Member of Nankai Electric Railway Co., Ltd.*
Director	Mitoji Yabunaka	Adviser to Ministry of Foreign Affairs Outside Director of Kawasaki Kisen Kaisha, Ltd.* Outside Director of Mitsubishi Electric Corporation* Outside Director of Takasago Thermal Engineering Co., Ltd.*
Standing Audit & Supervisory Board Member	Makoto Morimoto	–
Standing Audit & Supervisory Board Member	Koji Yamada	–
Audit & Supervisory Board Member	Hiroyuki Kamano	Partner (Attorney at law) of Kamano Sogo Law Offices Outside Director of SUMITOMO LIFE INSURANCE COMPANY* Outside Director of NGK INSULATORS, LTD.*

Position	Name	In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations
Audit & Supervisory Board Member	Kunihiro Matsuo	Attorney at law Outside Director of Japan Exchange Group, Inc.* Outside Audit & Supervisory Board Member of Toyota Motor Corporation* Outside Audit & Supervisory Board Member of MITSUI & CO., LTD.* Outside Audit & Supervisory Board Member of BROTHER INDUSTRIES, LTD.* Outside Audit & Supervisory Board Member of TV TOKYO Holdings Corporation* Outside Audit & Supervisory Board Member of Seven Bank, Ltd.*
Audit & Supervisory Board Member	Hirohide Yamaguchi	Chairperson of the Advisory Board of Nikko Financial Intelligence, Inc.* Outside Audit & Supervisory Board Member of Mitsui Fudosan Residential Co., Ltd.*

Notes:

1. Directors Kouichi Ikeda, Masayuki Oku and Mitoji Yabunaka are Outside Directors.
2. Audit & Supervisory Board Members Hiroyuki Kamano, Kunihiro Matsuo and Hirohide Yamaguchi are Outside Audit & Supervisory Board Members.
3. An asterisk (*) indicates important concurrent positions held in other organizations.
4. Outside Director Kouichi Ikeda was concurrently serving as Outside Director at Watabe Wedding Corporation, but he retired from this position on June 27, 2014.
5. Regarding important concurrent positions held by Outside Directors and Outside Audit & Supervisory Board Members in other organizations, relations between the Company and those organizations are as follows.
   (i) Sumitomo Mitsui Financial Group, Inc., for which Outside Director Masayuki Oku serves as Chairperson of the Board of Directors, is a bank holding company. Although it has no direct transactions with the Company, the aforesaid company's subsidiary Sumitomo Mitsui Banking Corporation is one of the Company's main lenders.
   (ii) SUMITOMO LIFE INSURANCE COMPANY, for which Outside Audit & Supervisory Board Member Hiroyuki Kamano serves as Outside Director, is one of the group life insurance providers of the Company.
   (iii) The Company and its consolidated subsidiaries sell industrial machinery to Toyota Motor Corporation, for which Outside Audit & Supervisory Board Member Kunihiro Matsuo serves as Outside Audit & Supervisory Board Member. The share of the Company's consolidated net sales for the fiscal year ended March 31, 2015 that consists of sales to Toyota Motor Corporation is less than 1%.
   (iv) MITSUI & CO., LTD., for which Outside Audit & Supervisory Board Member Kunihiro Matsuo serves as Outside Audit & Supervisory Board Member, contributes capital and provides other financial assistance to some consolidated subsidiaries and distributors, etc. of the Company for the overseas sale and servicing of construction and mining equipment.

(v) There are no particular trading relationships, etc. between the Company and other organizations at which Outside Directors and Outside Audit & Supervisory Board Members hold concurrent positions other than those set forth in (i) to (iv) above.

6. Standing Audit & Supervisory Board Member Makoto Morimoto has long engaged in accounting-related duties at the Company, and has considerably profound knowledge concerning financial affairs and accounting.
7. The Company employs the Executive Officer System.
8. Nikko Financial Intelligence, Inc. changed its name to Nikko Research Center, Inc. on April 1, 2015.

(2) Remuneration for Directors and Audit & Supervisory Board Members

1) Policy regarding the determination of remuneration

In an effort to maintain an objective and transparent remuneration system, the policy and levels of remuneration for Directors and Audit & Supervisory Board Members of the Company are deliberated by the Compensation Advisory Committee, which consists of four (4) external members (two (2) Outside Audit & Supervisory Board Members, one (1) Outside Director and one (1) outside expert) and one (1) internal member. Taking its reports and recommendations into consideration, the remuneration for Directors is determined by the Board of Directors, and the remuneration for Audit & Supervisory Board Members is determined by discussions by the Audit & Supervisory Board Members, respectively, within the range previously determined by resolution of the General Meeting of Shareholders.

With regards to remuneration levels, comparison of other key, globally active manufacturers in Japan is made by the Compensation Advisory Committee and is reflected in its reports and recommendations.

The remuneration for Directors is comprised of fixed remuneration (paid monthly) and performance-based remuneration linked to Komatsu's consolidated performance. The total amount paid of performance-based remuneration shall be calculated each year by evaluating the basic indicators of ROE[*1] and ROA[*2] at the ratio described in the below table and making adjustments for growth (growth rate of consolidated sales), profitability (profit margin of segment) and financial soundness (achievement rating of net debt-to-equity ratio[*3]).

	Indicator	Ratio
Basic Indicators	Consolidated ROE[*1]	70%
	Consolidated ROA[*2]	30%
Adjustment Indicators	Adjustment according to growth rate of consolidated sales and profit margin of segment	
	Adjusted by achievement rating of the net debt-to-equity ratio[*3]	

*1 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]

*2 ROA=Income before income taxes and equity in earnings of affiliated companies/[(total assets at the beginning + total assets at the end of the fiscal year)/2]

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

With regards to the performance-based remuneration levels, the upper limit shall be twice the annual fixed remuneration (12 × monthly remuneration) of the Director, and the lower limit shall be zero (0) payment (remuneration in this case will comprise only the fixed remuneration).

Two thirds (2/3) of the total amount of performance-based remuneration shall be paid in the form of cash as Directors' bonuses (provided, however, the upper limit is 12 × monthly remuneration), and the amount remaining after deducting the Directors' bonuses shall be paid by granting Stock Acquisition Rights as stock-based remuneration for the purpose of fostering the same perspective on corporate

value with the shareholders and consequently clarifying their incentive to enhance the long-term corporate value of the Company. However, the total amount of performance-based remuneration to Outside Directors shall have the upper limit of one third (1/3) of the annual fixed remuneration in consideration of their role and standing.

Furthermore, the remuneration for Audit & Supervisory Board Members only consists of fixed remuneration (paid monthly) designed to support their independent position with authority to audit the execution of duties by Directors without getting fettered by the movements of corporate performance of the Company.

The retirement allowance system for Directors and Audit & Supervisory Board Members was terminated as of June 2007.

2) Remuneration for Directors and Audit & Supervisory Board Members for the Fiscal Year ended March 31, 2015

Classification	Number of Persons Paid	Amount of Remuneration Paid				
		Monetary Remuneration			Non-monetary Remuneration	
		Fixed Remuneration	Bonus (Note 3)	Total	Stock-Based Remuneration (Note 4)	
Director	12	JPY 437 mil	JPY 235 mil	JPY 672 mil	JPY 118 mil	JPY 790 mil
(Outside Director included above)	5	JPY 40 mil	JPY 9 mil	JPY 49 mil	JPY 4 mil	JPY 53 mil
Audit & Supervisory Board Member	6	JPY 122 mil	–	JPY 122 mil	–	JPY 122 mil
(Outside Audit & Supervisory Board Member included above)	4	JPY 45 mil	–	JPY 45 mil	–	JPY 45 mil
Total	18	JPY 559 mil	JPY 235 mil	JPY 794 mil	JPY 118 mil	JPY 913 mil
(Outside Director and Outside Audit & Supervisory Board Member included above)	9	JPY 85 mil	JPY 9 mil	JPY 94 mil	JPY 4 mil	JPY 98 mil

Notes:

1. As of the end of the fiscal year ended March 31, 2015, there are ten (10) Directors (three (3) of whom are Outside Directors) and five (5) Audit & Supervisory Board Members (three (3) of whom are Outside Audit & Supervisory Board Members). However, the numbers and amounts in the table above include those for two (2) Directors and one (1) Audit & Supervisory Board Member who have retired as of the close of the 145th Ordinary General Meeting of Shareholders in June, 2014.
2. It was resolved at the 135th Ordinary General Meeting of Shareholders, held in June 2004, that the maximum amount of remuneration to be paid to Directors in total per month (excluding bonuses and stock-based remuneration) shall not exceed JPY 60 million (however, not including salaries as employees) and it was resolved at the 143rd Ordinary General Meeting of Shareholders, held in June 2012, that the maximum amount of remuneration to be paid to Audit & Supervisory Board Members in total per month shall not exceed JPY 13.5 million. It was also resolved at the 141st Ordinary General Meeting of Shareholders, held in June 2010, that the maximum amount of remuneration to be paid to Directors in the form of Stock Acquisition Rights to be granted as stock-based remuneration shall not exceed JPY 360 million in total per year (however, not including salaries as employees) and the maximum amount of remuneration to be paid to Outside Directors in total per year shall not exceed JPY 50 million out of those JPY 360 million.
3. Amount of Bonuses for Directors are the total amount to be paid to Directors, which is planned to be resolved in Item 5 (Payment of Bonuses for Directors) at the 146th Ordinary General Meeting of Shareholders.

4. Stock-based remuneration represents the amount of expense allocated as remuneration for Directors, which are not monetary, in accounting for the fiscal year ended March 31, 2015.
5. The portions of salaries as employees for Directors concurrently serving as employees are not paid.
6. Amounts of less than JPY one (1) million are rounded to the nearest million yen.

(3) Outside Directors and Outside Audit & Supervisory Board Members

1) Major Activities in the Fiscal Year ended March 31, 2015, etc.

The status of major activities of Outside Directors and Outside Audit & Supervisory Board Members in the fiscal year ended March 31, 2015 and the matters concerning their independence are presented below.

The Company designated the Outside Directors and Outside Audit & Supervisory Board Members whose names in the name row are marked by "<Independent Director>" or "<Independent Audit & Supervisory Board Member>" as Independent Directors or Audit & Supervisory Board Members, respectively, and submitted the notification to the Tokyo Stock Exchange in accordance with its regulations and related rules.

i) Outside Directors

Name	Kouichi Ikeda <Independent Director>
Attendance to the Meetings	Meeting of the Board of Directors 100% (15 meetings out of the 15 meetings held)
Details of Major Activities	Mr. Kouichi Ikeda previously served as Representative Director of Asahi Breweries, Ltd. (name at the time). During the fiscal year ended March 31, 2015, based on his rich experience in the business world, he provided comments at the meetings of the Board of Directors concerning such issues as the importance of business model reform, brand marketing strategies, and the fostering of excellent customers.

Name	Masayuki Oku <Independent Director>
Attendance to the Meetings	Meeting of the Board of Directors 90% (10 meetings out of the 11 meetings held)
Details of Major Activities	Mr. Masayuki Oku previously served as Representative Director of Sumitomo Mitsui Banking Corporation. During the fiscal year ended March 31, 2015, based on his rich experience in the business world, he provided comments at the meetings of the Board of Directors concerning such issues as risk finance, payout (shareholder return) policies, and further development of secondary markets. In addition, he was a member of the Company's Compensation Advisory Committee.

Name	Mitoji Yabunaka <Independent Director>
Attendance to the Meetings	Meeting of the Board of Directors 100% (11 meetings out of the 11 meetings held)
Details of Major Activities	Mr. Mitoji Yabunaka previously served as Vice-Minister for Foreign Affairs. During the fiscal year ended March 31, 2015, based on his standpoint as a specialist in international affairs, he provided comments at the meetings of the Board of Directors concerning such issues as responding to the Chinese economy's "new normal" (lower growth rate), economic overviews of various countries, and strategies for distributers in the global market.

Note: As the Outside Directors Mr. Masayuki Oku and Mr. Mitoji Yabunaka were elected at the 145th Ordinary General Meeting of Shareholders held in June 2014, the maximum number of the meetings of attendance for the meeting of the Board of Directors is different from Mr. Kouichi Ikeda.

ii) Outside Audit & Supervisory Board Members

Name	Hiroyuki Kamano <Independent Audit & Supervisory Board Member>
Attendance to the Meetings	Meeting of the Board of Directors 100% (15 meetings out of the 15 meetings held) Meeting of the Audit & Supervisory Board 100% (15 meetings out of the 15 meetings held)
Details of Major Activities	Mr. Hiroyuki Kamano possesses rich experience as an international attorney at law. During the fiscal year ended March 31, 2015, based on his professional standpoint, he provided comments at the meetings of the Audit & Supervisory Board and the meetings of the Board of Directors concerning such issues as auditing systems, export management, and appropriate contract management. In addition, he was a chairperson of the Company's Compensation Advisory Committee.

Name	Kunihiro Matsuo <Independent Audit & Supervisory Board Member>
Attendance to the Meetings	Meeting of the Board of Directors 93% (14 meetings out of the 15 meetings held) Meeting of the Audit & Supervisory Board 93% (14 meetings out of the 15 meetings held)
Details of Major Activities	Mr. Kunihiro Matsuo possesses rich experience in the legal profession. During the fiscal year ended March 31, 2015, based on his professional standpoint, he provided comments at the meetings of the Audit & Supervisory Board and the meetings of the Board of Directors concerning such issues as compliance and safety control systems. In addition, he was an observer of the Company's Compliance Committee.

Name	Hirohide Yamaguchi <Independent Audit & Supervisory Board Member>
Attendance to the Meetings	Meeting of the Board of Directors 100% (11 meetings out of the 11 meetings held) Meeting of the Audit & Supervisory Board 100% (11 meetings out of the 11 meetings held)
Details of Major Activities	Mr. Hirohide Yamaguchi previously served as Deputy Governor of the Bank of Japan. During the fiscal year ended March 31, 2015, based on his professional standpoint, he provided comments at the meetings of the Audit & Supervisory Board and the meetings of the Board of Directors concerning such issues as the financial trend in strategic markets, cost performance of research and development, and business continuity plans. In addition, he was a member of the Company's Compensation Advisory Committee.

Note: As the Outside Audit & Supervisory Board Member Mr. Hirohide Yamaguchi was elected at the 145th Ordinary General Meeting of Shareholders held in June 2014, the maximum number of meetings of attendance for the meeting of the Board of Directors and the meeting of the Audit & Supervisory Board is different from that of the other Outside Audit & Supervisory Board Members.

2) Outline of Contents of Limited Liability Agreement

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan and the Articles of Incorporation, the Company has entered into agreements with Outside Directors and Outside Audit & Supervisory Board Members that limit their liability for damages caused by their dereliction of duty under Article 423, Paragraph 1 of the same. The maximum liability amount specified in these agreements shall be equivalent to those amount stipulated by laws and regulations.

5. Status of Accounting Auditors

(1) Name of Accounting Auditors

KPMG AZSA LLC

(2) Amount of Remuneration for Accounting Auditors

1) Remuneration for the Accounting Auditor of the Company in the Fiscal Year ended March 31, 2015:	JPY 377 million
2) Total amount of money and other financial benefits that the Company and its subsidiaries should pay to the Accounting Auditor:	JPY 690 million

Notes:

1. The amount of remuneration given in the above-mentioned 1) and 2) include the sum of the amount of remuneration for auditing services in accordance with the Companies Act of Japan and the amount of remuneration for auditing work in accordance with the Financial Instruments and Exchange Law of Japan, because the two kinds of remunerations are not clearly separated each other in the audit contract concluded between the Company and the Accounting Auditor, and they cannot be recorded separately.
2. Among principal subsidiaries of the Company, twenty-seven (27) companies including Komatsu America Corp. are audited by Certified Public Accountants or Audit Corporations other than the Accounting Auditor of the Company.

(3) Details of Non-Auditing Services

The Company pays remuneration to the Accounting Auditor principally for services regarding issuance of bonds, etc. other than services defined in Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.

(4) Policy on Decision to Discharge or Not to Reappoint Accounting Auditors

When Accounting Auditors fall under any of the items in Article 340, Paragraph 1 of the Companies Act of Japan, the Audit & Supervisory Board shall discharge the Accounting Auditors based on the consent of all Audit & Supervisory Board Members.

If a problem arises concerning the independence or reliability, etc. of the Accounting Auditors, which clearly makes it difficult for the duties to be appropriately executed, the Audit & Supervisory Board shall determine details of the proposal related to the discharge or non-reappointment of the Accounting Auditors to be submitted to a General Meeting of Shareholders.

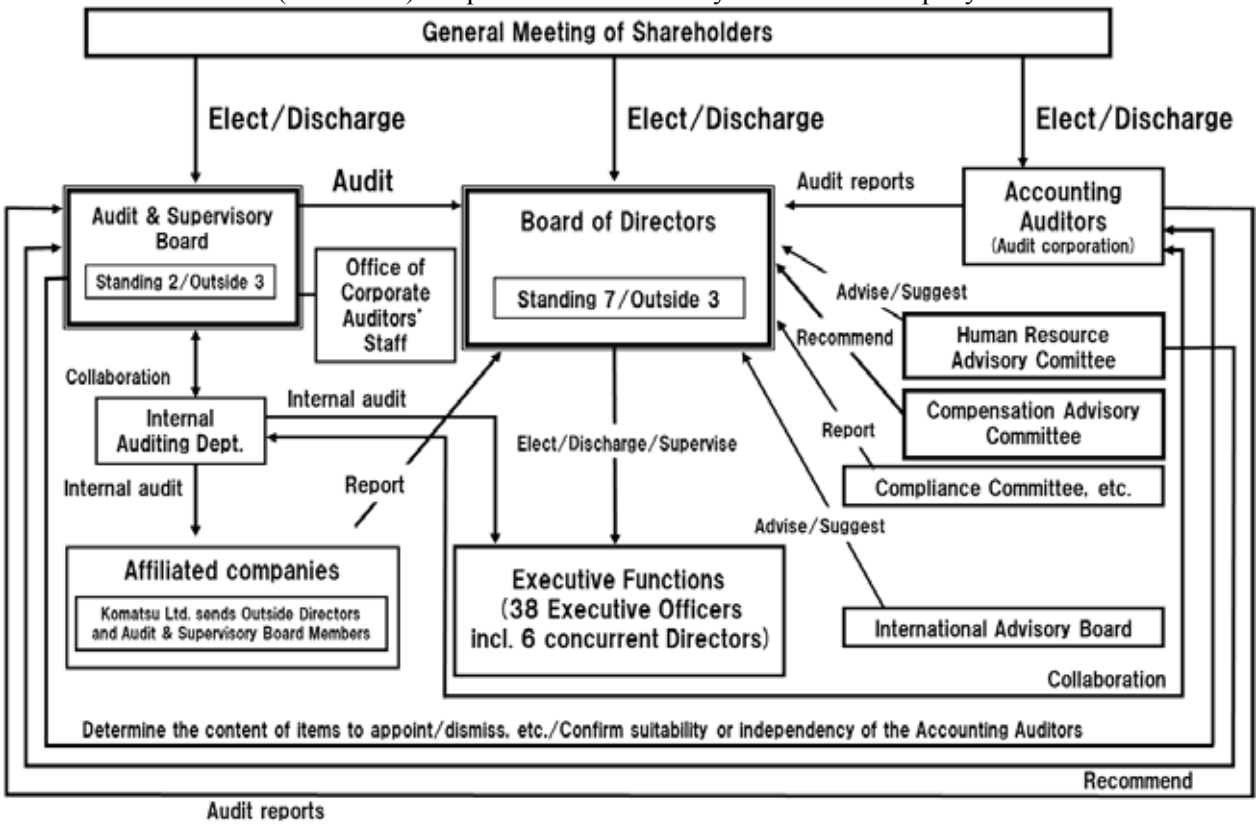
Note: Following the enforcement of the “Act for Partial Revision of the Companies Act of Japan” (Act No. 90 of 2014) on May 1, 2015, the decision-making body for the proposal related to the discharge or non-reappointment of the Accounting Auditors has been changed from the Board of Directors to the Audit & Supervisory Board.

6. Corporate Governance

Having introduced the Executive Officer System in 1999, the Company has worked to separate management decision making and supervisory functions from executive functions to the extent permitted by laws and regulations. The Company also limits the Board of Directors to a small number of members and appoints Outside Directors and Outside Audit & Supervisory Board Members. To improve the effectiveness of discussions at meetings of the Board of Directors, the Company has worked to reform their operational aspect, primarily by putting in place a system to ensure thorough discussions of important management matters and prompt decision making.

In addition, the Company has established "Systems for Ensuring the Properness of Operations" (pages 28 to 32) as its internal control systems, and continually works to enhance its corporate governance.

(Reference) Corporate Governance System of the Company



Note: The above diagram reflects changes to the Company's corporate governance framework approved by resolution of the Board of Directors in May 2015. These changes were made following the enforcement of the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014) and revisions to the Tokyo Stock Exchange's listing rules and the start of Japan's new Corporate Governance Code.

7. Systems for Ensuring the Properness of Operations

With regards to systems for ensuring that the execution of duties by Directors complies with laws and regulations, and the Company's Articles of Incorporation, and other systems for ensuring the properness of operations, the details of the resolution of the Board of Directors are as follows:

(1) Basic Policy on Internal Control

The Company defines its corporate value as the total sum of trust given to us by society and all stakeholders.

To increase this corporate value, the Company recognizes the importance of strengthening corporate governance. The Company strives to maintain transparency and soundness of management by appointing Outside Directors and Outside Audit & Supervisory Board Members, while limiting the members of the Board of Directors small so that discussions at the Board of Directors are more substantial. The Company also does its utmost to improve the operation of the Board of Directors, aiming at more effective governance by the Board, ample discussions and quick decision making.

(2) Systems for Retention and Management of Information Related to Directors' Execution of Duties

The Company shall adequately retain and manage important information related to Directors' execution of duties, including the record of Board meetings and other approved documents, as stipulated by laws and regulations, and the Company's internal rules.

(3) Rules and Other Systems for Risk Management

While continuing to make efforts to raise its corporate value, the Company recognizes the problems related to compliance, environment, product quality, accidents and information security in particular, and other matters, as major risks for continuous growth and has been thus implementing the following countermeasures.

i) The Company shall establish Risk Management Rules to correctly recognize and manage risks. In accordance with the rules, the Company has appointed personnel in charge of individual risks, further promoting the build-up of a solid foundation for risk management.

ii) The Company shall establish Risk Management Committee to devise risk management policies of Komatsu, evaluate risk measures in place, and take control of risks when they surface. The Risk Management Committee regularly reports its reviews and activities to the Board of Directors.

iii) The Company shall establish an emergency headquarters when serious risks surface, and work to minimize damage(s) and implement appropriate measures.

(4) Systems for Ensuring Efficient Execution of Duties by Directors

To ensure the efficient execution of duties by Directors, the Company shall implement the following:

i) The Board of Directors shall meet in principle at least once every month and more often as needed. It shall strive to maintain transparency and soundness of management through the participation of Outside Directors. It shall also establish the Regulations of the Board of Directors and the Standards for Agenda of Board Meetings, thereby clarifying the matters on which the Board of Directors should make decisions.

ii) Together with the introduction of the Executive Officer System, the Company shall define the separation of duties for Directors, Executive Officers and senior managers, and set up internal rules including the Regulations of Decision-Making Authority, to ensure appropriate and effective execution of duties by Directors, Executive Officers and other senior managers.

iii) To promote efficient management of the Board of Directors, the Company shall establish a Strategy Review Committee consisting of Senior Executive Officers and senior managers. Based on the reviews of the Committee, Executive Officers and senior managers execute their duties within the authority delegated by the Board of Directors.

(5) Systems for Ensuring that the Execution of Duties by Directors and Employees Complies with Laws and Regulations, and the Company's Articles of Incorporation

The Board of Directors makes decisions on important management matters in accordance with laws and regulations and the Regulations of the Board of Directors. In accordance with the decisions made by the Board of Directors, each Director not only executes his or her own duties but also supervises employees for the execution of their duties, and reports the conditions thereof to the Board of Directors.

The Company shall establish the Compliance Committee as Komatsu to oversee compliance, and the Committee regularly reports its reviews and activities to the Board of Directors. The Company shall also establish a system to ensure Directors and employees thorough compliance to business rules as well as laws and regulations through a variety of measures, including the provision of Komatsu Code of Worldwide Business Conduct, appointment of the Executive Officer in charge of compliance, and establishment of the Compliance Department. Through all of these, we work to supervise, educate and train Directors, Audit & Supervisory Board Members and employees.

In addition, the Company shall establish the internal reporting system where those who are discretely reporting questionable actions in light of laws and regulations and business rules will not be given any disadvantageous treatment.

(6) Systems for Ensuring the Proper Operation of Komatsu Comprising the Company and Its Subsidiaries

i) The Company shall establish the Affiliated Company Regulations and relevant rules to contribute to proper and efficient operation of Group management. It shall also position the Komatsu Code of Worldwide Business Conduct, as the code to be applied by all companies affiliated with Komatsu. Each department or division of the Company in charge of affiliated companies shall manage and support each relevant company, and each company in Komatsu shall stipulate various regulations for the proper promotion of duties.

ii) The Company shall assign and dispatch persons for Directors and Audit & Supervisory Board Members of major affiliated companies as needed, in order to strengthen corporate governance on a group-wide basis and monitor their management.

iii) Important committees of the Company, including the Compliance Committee, Risk Management Committee and Export Control Committee, shall take actions with the entire Group in view, and allow representatives of affiliated companies to take part in their meetings on occasion.

iv) The Company shall make particularly important affiliated companies regularly report to the Board of Directors of the Company on the status of business, including risks and compliance.

v) The Internal Auditing Department of the Company shall audit each division of the Company and implement or supervise auditing of major affiliated companies that belong to Komatsu. It shall also monitor and instruct each affiliated company regarding internal control systems built by them in accordance with Company requirements and the appropriate operation. The Internal Auditing Department shall also regularly report to the Board of Directors and the Audit & Supervisory Board about the building, operational status and results of internal control systems across the Group.

(6)-1 Systems for Ensuring Items Related to the Implementation of Duties by Directors and Other Employees at Subsidiaries are Reported to the Company

Each division/department of the Company that has affiliated companies under its supervision shall make each affiliated company report on the management status, financial status, and other important matters of management in accordance with the Affiliated Company Regulations and relevant rules.

(6)-2 Rules and Other Systems for Risk Management at Subsidiaries

The Company comprehensively manages risk across the Group applying the risk management system explained in (3) Rules and Other Systems for Risk Management to the Komatsu Group as a whole.

(6)-3 Systems for Ensuring Efficient Execution of Duties by Directors and Other Employees at Subsidiaries

In the case where a subsidiary executes a matter that has a significant impact on the consolidated business operations of the Company, it is necessary either that the Company provides approval beforehand or that the Company receives notification of the matter beforehand in accordance with the Affiliated Company Regulations and relevant rules. In addition, to ensure the Company carries out the efficient operation of the entire Group based on a continual grasp of the status of the affiliated company's status of business execution, the Company receives reports on the affiliated company's standards for the agenda of board meetings, the frequency of board of directors meetings, the status of attendance, and agenda proposals.

(6)-4 Systems for Ensuring that the Execution of Duties by Directors and Employees at Subsidiaries Complies with Laws and Regulations, and the Company's Articles of Incorporation

The internal control systems and compliance systems described in (5) Systems for Ensuring that the Execution of Duties by Directors and Employees Complies with Laws and Regulations, and the Company's Articles of Incorporation are implemented across the Komatsu Group, ensuring that Directors and employees of each company in Komatsu carry out their duties in accordance with laws and regulations and the Company's Articles of Incorporation.

(7) Employees Assisting Audit & Supervisory Board Members for Execution of Their Duties, When They Ask for Such Employees

The Company shall set up the Office of Corporate Auditors' Staff, which shall assist Audit & Supervisory Board Members in their duties, and allocate employees who work as assistants to Audit & Supervisory Board Members either exclusively or concurrently in another position within the Company.

(8) Matters Regarding the Independence of the Assistants to Audit & Supervisory Board Members from Directors and the Effectiveness of Instructions Issued to the Assistants

i) Handling of personnel affairs (employment, appointment and personnel changes) of the employees who belong to the Office of Corporate Auditors' Staff shall be premised on approval of the Standing Audit & Supervisory Board Members.

ii) The employees who exclusively assist the Office of Corporate Auditors' Staff are independent of control and command of the Directors, and their performance shall be rated by the Standing Audit & Supervisory Board Members.

iii) The Company's Standing Audit & Supervisory Board Members shall hold regular meetings with employees of the Office of Corporate Auditors' Staff to confirm the execution of duties by the office.

(9) Systems for Directors and Employees Reporting to Audit & Supervisory Board Members; Systems Relating to Other Reports to Audit & Supervisory Board Members and Ensuring Effective Audits by Audit & Supervisory Board Members

i) In accordance with laws and regulations, Audit & Supervisory Board Members shall receive reports by Directors, Executive Officers and other senior managers concerning the conditions of execution of their respective duties.

ii) In the event that Directors find a serious violation of laws and regulations or other important facts regarding compliance at the Company or affiliated companies of Komatsu, they shall report to the Audit & Supervisory Board Members immediately.

iii) The Audit & Supervisory Board Members shall attend various committees and principal meetings concerning internal control as observers, and also read circulars per management approval sent around to obtain the sanction of executives, which are important decision-making documents of the Company, and essential prior settlement documents.

iv) Audit & Supervisory Board Members may appoint legal counsels and other advisors needed for the execution of their duties.

(9)-1 Systems to Ensure Reports from Directors, Audit & Supervisory Board Members and Employees of Subsidiaries are Passed, Directly or via a Person Receiving such Reports, to Audit & Supervisory Board Members of the Company

Audit & Supervisory Board Members shall attend as observers meetings of committees, including the Strategy Review Committee discussing important management matters of the Company and Group companies, Compliance Committee and Risk Management Committee, respectively discussing compliance matters and risk management matters, and Export Control Committee.

In accordance with the Affiliated Company Regulations and relevant rules, reports provided from affiliated companies regarding business operations, financial position and other important management matters are provided also to Audit & Supervisory Board Members.

The Company's Risk Management Rules and Internal Auditing Rules are applicable to affiliated companies and any important matter is reported to Audit & Supervisory Board Members.

(9)-2 Systems to Ensure Individuals who Provide Reports to Audit & Supervisory Board Members are not Given any Disadvantageous Treatment for the Provision Thereof

It is clearly stated in general rules on compliance regulated by the Company and each Group company that no disadvantageous treatment will arise from the act of reporting or informing, and the Company and each Group company shall operate in accordance with the aforesaid general rules.

(10) Advance Payments and Reimbursements for Expenses Incurred by Audit & Supervisory Board Members Executing Duties and Policy Related to Expenses or Debts Incurred by Executing Duties

The Audit & Supervisory Board, after discussion with the operating department, shall secure the necessary budget to implement audit plans approved by the Audit & Supervisory Board.

On receiving claims from Audit & Supervisory Board Members for expenses to be incurred related to the execution of their duties, the Company shall promptly pay expenses in all cases except where there is no clear connection with the execution of duties of the Audit & Supervisory Board Members.

Audit & Supervisory Board Members and employees assigned to the Office of Corporate Auditors' Staff shall be responsible for managing and implementing costs related to the execution of duties by Audit & Supervisory Board Members.

(11) Basic Policy Pertaining to the Elimination of Antisocial Forces

It shall be the basic policy of the Company to prohibit Komatsu from having any relation whatsoever with antisocial movements or groups that threaten the order and security of civil society, and the Company works on below.

i) The above policy shall be provided in Komatsu Code of Worldwide Business Conduct and diffused throughout the Company as well as each company in Komatsu.

ii) The Company's General Affairs Department of the Head Office shall oversee the policy, working with the police and other specialized external organizations, in accordance with the above policy, to take a firm and organized stand against unwarranted claims by antisocial movements or groups and to prevent any business relationship with those movements or groups.

iii) The Company will do its utmost to collect information and receive education training from the above external organizations and use above information communally both within the Company and among related Group divisions.

Note: The above systems reflect revisions to the Company's systems approved by resolution of the Board of Directors in April 2015. These changes were made following the enforcement of the "Act for Partial Revision of the Companies Act of Japan" (Act No. 90 of 2014) and Ordinance for partial revision of the Ordinance for Enforcement of the Companies Act (Ministry of Justice Ordinance No. 6, 2015) on May 1, 2015.

8. Matters Related to Promoting Localization of Management

Komatsu aims to create a global business by conducting business activities that have a close connection to customers in each market worldwide. To achieve this, the Company is working proactively to localize its management. Specifically, the Company is working to spread the KOMATSU Way in daily business activities and training programs for people hired by overseas subsidiaries, and systematically cultivating and promoting those local employees as executives.

As of April 1, 2015, there were 18 local employees with executive positions at key subsidiaries in a total of 10 countries including countries in North America and Europe, as well as Chile, Australia, and China.

Going forward, we plan to create a unified global workforce using a global remuneration scheme and various activities based on the KOMATSU Way, while also pushing ahead with management localization to support sustained growth in each market worldwide.

9. Matters Regarding Initiatives to Promote Greater Career Development of Women

The Company aims to provide a working environment in which employees are able to sufficiently realize and utilize their abilities regardless of gender, age or other such factors. To this end, the Company is promoting the utilization of women, elderly people, and people with disabilities, and working to spread a work-life balance across the organization. Because the Company considers the low number of female managers in comparison to male managers to be an issue in particular need of further improvement, the Company is vigorously pushing ahead with various measures in this area. These include making concerted efforts to employ and train more women, and providing a working environment in which female employees can continue developing their careers after giving birth.

The number of the Company's individual female managers as of April 1, 2015, was 66 persons (the ratio of female managers was 4.0%, and the number had increased by 40 persons over five fiscal years). The Company will take action to achieve its target of bringing the ratio of female managers to more than 5% by April 2016 and will work to implement these activities across the Komatsu Group.

End

Consolidated Balance Sheet

(As of March 31, 2015)

(JPY million)

	146th Fiscal Year	(Reference) 145th Fiscal Year
Assets		
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	1,493,432
Long-term trade receivables, net	280,138	260,904
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	92,387
Property, plant and equipment-less accumulated depreciation and amortization	743,919	667,347
Goodwill	36,266	36,020
Other intangible assets-less accumulated amortization	58,715	58,532
Deferred income taxes and other assets	54,425	42,934
Total assets	2,798,407	2,651,556

(JPY million)

	146th Fiscal Year	(Reference) 145th Fiscal Year
Liabilities		
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	792,231
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	418,214
Total liabilities	1,199,907	1,210,445
Equity		
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 at cost	(51,936)	(42,211)
Total Komatsu Ltd. shareholders' equity	1,528,966	1,376,391
Noncontrolling interests	69,534	64,720
Total equity	1,598,500	1,441,111
Total liabilities and equity	2,798,407	2,651,556

Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(JPY million)

	146th Fiscal Year	(Reference) 145th Fiscal Year
Net sales	1,978,676	1,953,657
Cost of sales	1,401,193	1,393,048
Selling, general and administrative expenses	336,506	318,404
Other operating income (expenses), net	1,085	(1,710)
Operating income	242,062	240,495
Other income (expenses), net:		
Interest and dividend income	3,266	3,898
Interest expense	(9,328)	(8,831)
Other, net	74	6,494
Total	(5,988)	1,561
Income before income taxes and equity in earnings of affiliated companies	236,074	242,056
Income taxes:		
Current	77,509	73,936
Deferred	986	2,007
Total	78,495	75,943
Income before equity in earnings of affiliated companies	157,579	166,113
Equity in earnings of affiliated companies	3,869	3,491
Net income	161,448	169,604
Less: Net income attributable to noncontrolling interests	7,439	10,086
Net income attributable to Komatsu Ltd.	154,009	159,518

Non-Consolidated Financial Statements are based on Japanese accounting standards.

Non-Consolidated Balance Sheet

(As of March 31, 2015)

(JPY million)

	146th Fiscal Year	(Reference) 145th Fiscal Year
Assets		
Current assets:		
Cash and deposits	149,846	107,953
Notes receivable-trade	951	336
Accounts receivable-trade	189,677	190,057
Merchandise and finished goods	49,988	37,643
Work in process	34,716	37,825
Raw materials and supplies	2,734	3,111
Prepaid expenses	2,891	3,404
Deferred tax assets	10,993	11,079
Short-term loans receivable	68,514	66,303
Accounts receivable-other	11,364	11,229
Other current assets	917	1,021
Allowance for doubtful accounts	(382)	(375)
Total current assets	522,212	469,591
Non-current assets:		
Property, plant and equipment:		
Buildings	81,051	72,219
Structures	14,373	13,023
Machinery and equipment	50,321	52,851
Vehicles	694	652
Tools, furniture and fixtures	9,426	8,439
Rental equipment	67,033	64,302
Land	50,285	50,856
Construction in progress	5,306	9,237
Total property, plant and equipment	278,493	271,583
Intangible assets:		
Software	9,720	8,685
Other intangible assets	1,213	1,547
Total intangible assets	10,934	10,233
Investments and other assets:		
Investment securities	60,602	53,661
Stocks of subsidiaries and affiliates	282,512	286,825
Investments in capital of subsidiaries and affiliates	41,481	40,950
Long-term loans receivable	13,977	25,263
Long-term prepaid expenses	1,172	796
Other investments	7,684	8,965
Allowance for doubtful accounts	(1,531)	(1,600)
Allowance for investment loss	(4,138)	(10,210)
Total investments and other assets	401,760	404,652
Total non-current assets	691,188	686,469
Total assets	1,213,401	1,156,060

(JPY million)

	146th Fiscal Year	(Reference) 145th Fiscal Year
Liabilities		
Current liabilities:		
Notes payable-trade	1	8
Accounts payable-trade	102,696	97,701
Short-term loans payable	45,000	29,000
Commercial papers	64,000	48,000
Current portion of bonds	–	30,000
Accounts payable-other	7,779	9,990
Accrued expenses	19,678	19,466
Income taxes payable	15,870	21,169
Advances received	586	961
Deposits received	50,445	48,998
Provision for bonuses	9,300	8,624
Provision for directors' bonuses	251	218
Provision for product warranties	4,822	4,840
Other current liabilities	3,235	2,894
Total current liabilities	323,666	321,872
Non-current liabilities:		
Bonds payable	80,000	60,000
Long-term loans payable	26,000	51,000
Deferred tax liabilities	7,106	5,475
Provision for product warranties	276	208
Provision for retirement benefits	33,982	30,542
Other long-term liabilities	6,251	3,778
Total non-current liabilities	153,616	151,004
Total liabilities	477,283	472,877
Net Assets		
Shareholders' equity:		
Capital stock	70,120	70,120
Capital surplus:	140,140	140,483
Legal capital surplus	140,140	140,140
Other capital surplus	–	343
Retained earnings:		
Legal retained earnings	18,036	18,036
Other retained earnings:	523,822	466,604
Reserve for special depreciation	557	448
Reserve for advanced depreciation of non-current assets	15,254	14,626
General reserve	210,359	210,359
Retained earnings brought forward	297,651	241,170
Total retained earnings	541,859	484,641
Treasury stock	(51,533)	(41,821)
Total shareholders' equity	700,586	653,423
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	32,479	26,302
Deferred gains or losses on hedges	71	95
Total valuation and translation adjustments	32,550	26,397
Stock acquisition rights:		
Stock acquisition rights	2,981	3,361
Total stock acquisition rights	2,981	3,361
Total net assets	736,118	683,183
Total liabilities and net assets	1,213,401	1,156,060

Non-Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(JPY million)

	146th Fiscal Year	(Reference) 145th Fiscal Year
Net sales	789,867	757,766
Cost of sales	572,538	545,282
Gross profit	217,328	212,484
Selling, general and administrative expenses	126,468	118,010
Operating income	90,860	94,474
Non-operating income:		
Interest and dividends income	67,815	70,082
Other non-operating income	10,571	4,121
Non-operating expenses:		
Interest expenses	983	1,388
Other non-operating expenses	3,817	6,401
Ordinary income	164,446	160,887
Extraordinary income:		
Gain on sales of land	1,947	1,342
Gain on extinguishment of tie-in shares	2,816	–
Gain on sales of investment securities	786	1,892
Gain on sales of subsidiaries and affiliates' stocks	–	97
Extraordinary loss:		
Loss on sales of land	12	56
Impairment loss	6	160
Loss on valuation of investment securities	34	–
Loss on valuation of stocks of subsidiaries and affiliates	3,408	125
Income before income taxes	166,535	163,877
Income taxes:		
Income taxes-current	29,895	27,255
Income taxes-deferred	2,205	2,744
Net income	134,434	133,876

[English Translation of the Independent Auditor's Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 12, 2015

The Board of Directors
Komatsu Ltd.

KPMG AZSA LLC
Hiroshi Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kensuke Sodekawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shin Suzuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity and the related notes of Komatsu Ltd. and its subsidiaries as of March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444, Paragraph 4 of the Companies Act of Japan.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provision of the second sentence of Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, which permits the omission of certain disclosure items required under the accounting principles generally accepted in the United States of America (hereinafter "U.S. GAAP"), and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statements audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which omit some disclosure items required under U.S. GAAP in accordance with the provision of second sentence of Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, present fairly, in all material respects, the financial position and the results of operations of Komatsu Ltd. and its consolidated subsidiaries as of the date and for the period for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan.

END

[English Translation of the Independent Auditor's Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 8, 2015

The Board of Directors
Komatsu Ltd.

KPMG AZSA LLC
Hiroshi Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kensuke Sodekawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shin Suzuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of Komatsu Ltd. as of March 31, 2015 and for the 146th fiscal year from April 1, 2014 to March 31, 2015, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statements audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Komatsu Ltd. as of the date and for the period for which the financial statements and the supplementary schedules were prepared in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan.

END

[English Translation of the Audit & Supervisory Board's Report Originally Issued in the Japanese Language]

Audit & Supervisory Board's Report

Regarding the execution of duties by the Directors for the 146th Fiscal Year from April 1, 2014 to March 31, 2015, we have prepared this Audit Report upon deliberation based on the audit reports prepared by each Audit & Supervisory Board Member and hereby report as follows:

1. Auditing Methods Employed by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Methods

   We established auditing policies, allocation of duties and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding their execution of audits and results thereof, as well as reports from the Directors, other relevant personnel, and the Accounting Auditor regarding execution of their duties, and sought explanations as necessary.

   Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the auditing policies, allocation of duties, and other relevant matters, communicated with such as the Directors, the Internal Auditing Department and other employees, and made efforts to establish the environment for collecting department information and auditing, and participated in the meetings of the Board of Directors and other important meetings, received reports from such as the Directors and employees regarding execution of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and status of assets at the head office and principal offices. In addition, concerning the content of the resolution of the Board of Directors concerning the maintenance of the systems necessary to ensure that the execution of duties by the Directors complies with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of a Stock Company stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Ordinance for Enforcement of the Companies Act of Japan; and concerning the systems that are maintained based on such resolutions (Internal Control Systems): reports were regularly received from Directors and employees and others regarding the status of establishment and operation, and when necessary, explanation was sought and opinions were expressed. With respect to subsidiaries, we communicated and exchanged information with Directors and Audit & Supervisory Board Members of subsidiaries, and received reports with respect to their business from subsidiaries as necessary. Based on the above methods, we examined the Business Report and supplementary schedules thereof for this fiscal year.

   Furthermore, we monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, and we received reports from the Accounting Auditor regarding the execution of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that "the System for ensuring that duties are executed properly" (matters set forth in each item of Article 131 of the Corporate Accounting Regulations of Japan) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary. Based on the above methods, we examined the non-consolidated financial statements ("non-consolidated balance sheet," "non-consolidated statement of income," "non-consolidated statement of changes in net assets," and "notes to non-consolidated financial statements") and supplementary schedules thereof, and consolidated financial statements ("consolidated balance sheet," "consolidated statement of income," "consolidated statement of equity," and "notes to consolidated financial statements") for this fiscal year.

2. Result of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

1) We confirm that the Business Report and supplementary schedules thereof fairly represent the Company's condition in accordance with the related laws and regulations and the Articles of Incorporation.
2) We have found no significant evidence of wrongful acts or violations of either related laws and regulations, or the Articles of Incorporation with regard to the execution of duties by the Directors.
3) We confirm that the content of the resolution of the Board of Directors regarding Internal Control Systems is appropriate. In addition, we have found no matters to remark on in regard to the description of the Internal Control System in the Business Report and the execution of duties by the Directors regarding the Internal Control Systems.

(2) Result of Audit of non-consolidated financial statements and supplementary schedules thereof

We confirm that the methods and results of the audit employed by the Accounting Auditor, KPMG AZSA LLC, are proper.

(3) Result of Audit of consolidated financial statements

We confirm that the methods and results of the audit employed by the Accounting Auditor, KPMG AZSA LLC, are proper.

May 15, 2015

The Audit & Supervisory Board

Makoto Morimoto (Seal)
Standing Audit & Supervisory Board Member

Koji Yamada (Seal)
Standing Audit & Supervisory Board Member

Hiroyuki Kamano (Seal)
Audit & Supervisory Board Member

Kunihiro Matsuo (Seal)
Audit & Supervisory Board Member

Hirohide Yamaguchi (Seal)
Audit & Supervisory Board Member

(Note) Audit & Supervisory Board Members Hiroyuki Kamano, Kunihiro Matsuo and Hirohide Yamaguchi are Outside Audit & Supervisory Board Members as stipulated in the Companies Act of Japan.

END

Reference Materials for the General Meeting of Shareholders

Proposed Items to Be Resolved and Reference Information:

Item 1: Appropriation of Surplus

The Company is building a sound financial position and flexible and agile corporate strength to increase its corporate value. Concerning cash dividends to shareholders, the Company continues to maintain the policy of redistributing profits by considering consolidated business results to strive to continue stable dividends.

For the 146th fiscal year, the Company has set the goal of a consolidated payout ratio of 30% or higher, and following the policy of not decreasing dividends as long as a consolidated payout ratio does not surpass 50%, as well as in consideration of the Company's business performance for this fiscal year and future business development, the Company proposes to pay a year-end dividend of surplus as follows.

(1) Type of the dividend assets
Cash

(2) Matters concerning allotment and total amount of the dividend assets
JPY 29 per one (1) common share of the Company (the same amount as the previous fiscal year)
Total amount of the dividend assets: JPY 27,344,880,158

(3) Effective date of dividends of surplus
Thursday, June 25, 2015

Accordingly, combined with the interim dividend of JPY 29 per one (1) common share of the Company, the annual dividend will be JPY 58 per one (1) common share of the Company for this fiscal year (the same amount as the previous fiscal year). The consolidated payout ratio is 35.8%.

Item 2: Partial Amendments to the Articles of Incorporation

1. Reason of amendments

(1) The "Act for Partial Revision of the Companies Act of Japan" (Act No. 90 of 2014), which came into force on May 1, 2015, newly recognizes the signing of limited liability agreements with not just Outside Directors and Outside Audit & Supervisory Board Members, but also with Directors who have no involvement with the execution of business, etc. of the Company and Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members of the Company. In accordance with these changes, the Company proposes to make necessary amendments to Article 27, Paragraph 2 and Article 34, Paragraph 2 of the current Articles of Incorporation to enable these Directors and Audit & Supervisory Board Members also to perform their expected roles fully. Note that approval has been received from each Audit and Supervisory Board Member for this item's proposal to amend Article 27, Paragraph 2 of the current Articles of Incorporation.

(2) The Company proposes to amend Article 21, Paragraph 2 of the current Articles of Incorporation and newly establish Paragraph 3 of the same article so that the President may be selected not only among Directors but also among Executive Officers in order to allow the optimal management structure to be flexibly built. In relation to this, the Company also proposes to amend Article 15, Paragraphs 1 and 2 of the current Articles of Incorporation that stipulate the person who convenes a General Meeting of Shareholders and the person who presides as the chairperson thereof.

(3) The Company introduced the Executive Officer System in 1999, and has since worked to separate management decision making and supervisory functions from executive functions to the extent permitted by laws and regulations. In conjunction with the amendment in (2) above, the Company proposes to newly establish provisions related to Executive Officers in Article 27 of the Articles of Incorporation to clarify the method to appoint Executive Officers and roles of Executive Officers.

(4) In accordance with the establishment of Article 27 mentioned in (3) above, the Company proposes to change the number of articles in the Articles of Incorporation.

2. Details of amendments

The details of the amendments are as follows:

(The underlined portions indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER III. GENERAL MEETINGS OF SHAREHOLDERS	**CHAPTER III. GENERAL MEETINGS OF SHAREHOLDERS**
Article 15. Person to Convene General Meeting of Shareholders and Person to Preside the Board as Chairman	**Article 15. Person to Convene General Meeting of Shareholders and Person to Preside at the Board as Chairperson**
1. A General Meeting of Shareholders shall be convened by the President, and the President shall act as the chairman thereof.	1. A General Meeting of Shareholders shall be convened by a Director, in the order previously determined by the Board of Directors.
2. In the absence or disability of the President, one of the other Directors in the order previously determined by the Board of Directors may convene the General Meeting of Shareholders and act as the chairman thereof.	2. The President shall act as the chairperson of the General Meeting of Shareholders. In the absence or disability of the President, a Director in the order previously determined by the Board of Directors may act as the chairperson thereof.
CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS	**CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS**
Article 21. Representative Directors, etc.	**Article 21. Representative Directors, etc.**
1. The Board of Directors shall, by its resolution, appoint the Representative Directors who shall represent the Company.	1. The Board of Directors shall, by its resolution, appoint the Representative Directors who shall represent the Company.
2. The Board of Directors may determine, by its resolution, one (1) Chairman and one (1) President from among its members, and may grant special titles to one or more Directors as deemed necessary.	2. The Board of Directors shall determine, by its resolution, one (1) President from among Directors and Executive Officers.
(New)	3. The Board of Directors may determine, by its resolution, one (1) Chairperson from among Directors, and may grant special titles to one or more Directors as deemed necessary.
(New)	**Article 27. Executive Officers** The Board of Directors may determine, by its resolution, Executive Officers and allocate the duties that the Executive Officers shall execute.

Current Articles of Incorporation	Proposed Amendments
Article 27. Exemption from Liability of Directors	**Article 28. Exemption from Liability of Directors**
1. In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act of Japan, the Company may, by a resolution of the Board of Directors, exempt a Director from his/her liability for damages caused by his/her dereliction of duty, within the limits stipulated by laws or regulations.	1. In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act of Japan, the Company may, by a resolution of the Board of Directors, exempt a Director from his/her liability for damages caused by his/her dereliction of duty, within the limits stipulated by laws and regulations.
2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company may enter into agreements with an Outside Director to limit liability for damages caused by his/her dereliction of duty. Provided, however, that the maximum amount of liability of such Outside Directors prescribed in such agreements shall be equal to the minimum liability limit stipulated by laws and regulations.	2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company may enter into agreements with a Director (Excluding Directors who have involvement with the execution of business, etc. of the Company) to limit liability for damages caused by his/her dereliction of duty. Provided, however, that the maximum amount of liability of such Directors (Excluding Directors who have involvement with the execution of business, etc. of the Company) prescribed in such agreements shall be equal to the minimum liability limit stipulated by laws and regulations.
CHAPTER V. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD	**CHAPTER V. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD**
Article 28. to Article 33.	**Article 29. to Article 34.**
(Text omitted)	(Unchanged)
Article 34. Exemption from Liability of Audit & Supervisory Board Members	**Article 35. Exemption from Liability of Audit & Supervisory Board Members**
1. In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act of Japan, the Company may, by a resolution of the Board of Directors, exempt an Audit & Supervisory Board Member from his/her liability for damages caused by his/her dereliction of duty, within the limits stipulated by laws and regulations.	1. In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act of Japan, the Company may, by a resolution of the Board of Directors, exempt an Audit & Supervisory Board Member from his/her liability for damages caused by his/her dereliction of duty, within the limits stipulated by laws and regulations.
2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company may enter into agreements with an Outside Audit & Supervisory Board Member to limit liability for damages caused by his/her dereliction of duty. Provided, however, that the maximum amount of liability of such Outside Audit & Supervisory Board Member prescribed in such agreements shall be equal to the minimum liability limit stipulated by laws and regulations.	2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company may enter into agreements with an Audit & Supervisory Board Member to limit liability for damages caused by his/her dereliction of duty. Provided, however, that the maximum amount of liability of such Audit & Supervisory Board Members prescribed in such agreements shall be equal to the minimum liability limit stipulated by laws and regulations.
Article 35. to Article 38.	**Article 36. to Article 39.**
(Text omitted)	(Unchanged)

Item 3: Election of Ten (10) Directors

The terms of office of all of the ten (10) Directors (including three (3) Outside Directors) will expire as of the close of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes that ten (10) Directors be elected.

The candidates for the positions are as follows:

No. of Candi-date	Name	(Reference)	
		Title (current)	In Charge at the Company (current)
1	Reelection **Kunio Noji**	Chairperson of the Board and Representative Director	–
2	Reelection **Tetsuji Ohashi**	President and Representative Director	CEO[*1]
3	Reelection **Mikio Fujitsuka**	Director and Senior Executive Officer	CFO[*3] Supervising Accounting & Finance and Investor Relations
4	Reelection **Fujitoshi Takamura**	Director and Senior Executive Officer	CTO[*4] Supervising Research & Development
5	Reelection **Hisashi Shinozuka**	Director and Senior Executive Officer	President of Construction & Mining Equipment Marketing Division
6	Reelection **Kazunori Kuromoto**	Director and Senior Executive Officer	President of ICT Solution Division (In charge of ICT-intensive construction, KOMTRAX, AHS and Mining Innovation)
7	Reelection **Masanao Mori**	Director and Senior Executive Officer	Supervising Human Resources & Education and Safety & Health Care
8	Reelection Outside Director Independent **Kouichi Ikeda**	Director	–
9	Reelection Outside Director Independent **Masayuki Oku**	Director	–
10	Reelection Outside Director Independent **Mitoji Yabunaka**	Director	–

Name (Date of Birth)	Career Summary and Position (In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations)
Reelection  **1. Kunio Noji** (November 17, 1946) **Number of Years in Office:** 16 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 117,000 shares	4/1969 Joined the Company Field Testing Department, Technical Division 6/1993 General Manager of Production Control Department, Technical Division in Construction Equipment Division 2/1995 Plant Manager of Chattanooga Manufacturing Operation, Komatsu Dresser Company (now Komatsu America Corp.) (until 2/1997) 3/1997 President of Information Systems Division 6/1997 Took office as Director 6/1999 Resigned as Director, took office as Executive Officer 4/2000 President of Production Division 6/2000 Took office as Senior Executive Officer 6/2001 Took office as Managing Director and Senior Executive Officer 4/2003 Took office as Director and Senior Executive Officer President of Construction & Mining Equipment Marketing Division 6/2007 Took office as President and Representative Director, and CEO[*1] 4/2013 Took office as Chairperson of the Board and Representative Director (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] Outside Director of Ricoh Company, Ltd. Outside Director of NEC Corporation
Reelection  **2. Tetsuji Ohashi** (March 23, 1954) **Number of Years in Office:** 6 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 43,300 shares	4/1977 Joined the Company Product Control Section, Planning & Coordination Department of Awazu Plant 6/1982 Graduate School, Stanford University, USA (until 6/1984) 10/1998 General Manager of Planning & Cooperation Department of Awazu Plant, Production Division 10/2001 Plant Manager of Moka Plant, Production Division 1/2004 President and COO[*2] of Komatsu America Corp. (until 3/2007) 4/2007 Took office as Executive Officer President of Production Division 4/2008 Took office as Senior Executive Officer 6/2009 Took office as Director and Senior Executive Officer 4/2012 Took office as Director and Senior Executive Officer 4/2013 Took office as President and Representative Director (current) CEO[*1] (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] CEO[*1]

Name (Date of Birth)	Career Summary and Position (In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations)
Reelection  **3. Mikio Fujitsuka** (March 13, 1955) **Number of Years in Office:** 4 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 23,600 shares	4/1977 Joined the Company Accounting Section, Administration Department of Awazu Plant 7/1988 Komatsu Australia Pty., Ltd. (until 2/1994) 6/2001 General Manager of Corporate Controlling Department 4/2005 Took office as Executive Officer 4/2008 President of Global Retail Finance Business Division and President and Representative Director of Komatsu Business Support Ltd. 2/2009 General Manager of Corporate Planning Division and President of Global Retail Finance Business Division 4/2010 Took office as Senior Executive Officer 4/2011 CFO[*3] (current) 6/2011 Took office as Director and Senior Executive Officer 4/2013 Took office as Director and Senior Executive Officer (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] CFO[*3] Supervising Accounting & Finance and Investor Relations
Reelection  **4. Fujitoshi Takamura** (December 21, 1954) **Number of Years in Office:** 4 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 34,200 shares	4/1977 Joined the Company Construction Equipment Technical Center of Osaka Plant 6/1982 Brown University, USA (until 6/1984) 4/2004 General Manager of Construction Equipment Technical Center 1, Development Division 4/2006 Took office as Executive Officer 4/2010 Took office as Senior Executive Officer President of Development Division 6/2011 Took office as Director and Senior Executive Officer 4/2013 Took office as Director and Senior Executive Officer (current) 4/2014 CTO[*4] (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] CTO[*4] Supervising Research & Development

Name (Date of Birth)	Career Summary and Position (In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations)
Reelection  **5. Hisashi Shinozuka** (July 16, 1954) **Number of Years in Office:** 2 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 21,900 shares	4/1978 Joined the Company Product Control Section, Planning & Coordination Department of Oyama Plant 6/1981 National Autonomous University of Mexico, Mexico (until 5/1982) 10/1991 General Manager of Istanbul Office, International Division (until 10/1995) 7/1997 Vice President of Komatsu Latin-America Corp. (until 10/2002) 5/2005 General Manager of The Americas & European Business, Construction & Mining Equipment Marketing Division 4/2007 President and COO[*2] of Komatsu America Corp. 4/2011 Took office with status equivalent to a Senior Executive Officer 4/2012 Took office as Senior Executive Officer President of Construction Equipment Marketing Division (current) 6/2013 Took office as Director and Senior Executive Officer (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] President of Construction & Mining Equipment Marketing Division
Reelection  **6. Kazunori Kuromoto** (May 23, 1955) **Number of Years in Office:** 2 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 11,500 shares	4/1980 Joined the Company Technical Center of Awazu Plant 6/1985 Graduate School, University of California, Los Angeles, USA (until 6/1987) 4/2006 General Manager of Construction Equipment Electronics, Development Division 4/2007 Took office as Executive Officer 4/2008 President of AHS Business, Construction & Mining Equipment Marketing Division 4/2009 President of IT Construction Business, Construction & Mining Equipment Marketing Division 4/2012 Took office as Senior Executive Officer President of ICT Business Division 4/2013 President of Global Mining Business Division and President of ICT Business Division 6/2013 Took office as Director and Senior Executive Officer (current) 4/2014 President of ICT Solution Division (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] President of ICT Solution Division (In charge of ICT-intensive construction, KOMTRAX, AHS and Mining Innovation)

Name (Date of Birth)	Career Summary and Position (In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations)
Reelection  **7. Masanao Mori** (February 8, 1958) **Number of Years in Office:** 2 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 15,400 shares	4/1981 Joined the Company Labor Section, Human Resources Department 4/2004 General Manager of General Affairs Department, Engines & Hydraulics Business Division 4/2008 General Manager of Human Resources Department 4/2009 Took office as Executive Officer 4/2013 Took office as Senior Executive Officer 6/2013 Took office as Director and Senior Executive Officer (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] Supervising Human Resources & Education and Safety & Health Care
Reelection Outside Director Independent  **8. Kouichi Ikeda** (April 21, 1940) **Number of Years in Office:** 5 years **Attendance to the Meetings of the Board of Directors:** 15/15 (100%) **Number of Shares of the Company Held:** 0 shares	4/1963 Joined Asahi Breweries, Ltd. (now Asahi Group Holdings, Ltd.) 3/1996 Took office as Director of Asahi Breweries, Ltd. 3/1997 Took office as Managing Director of Asahi Breweries, Ltd. 3/1999 Took office as Senior Managing Director of Asahi Breweries, Ltd. 3/2000 Took office as Senior Managing Executive Officer of Asahi Breweries, Ltd. 3/2001 Took office as Senior Managing Director and Senior Managing Executive Officer of Asahi Breweries, Ltd. 1/2002 Took office as President and COO[*2] of Asahi Breweries, Ltd. 3/2006 Took office as Chairperson of the Board and CEO[*1] of Asahi Breweries, Ltd. 3/2010 Took office as Corporate Advisor of Asahi Breweries, Ltd. 6/2010 Took office as Director of the Company (current) 7/2011 Took office as Corporate Advisor of Asahi Group Holdings, Ltd. (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] Outside Audit & Supervisory Board Member of Sumitomo Chemical Company, Limited
Reason for nomination as candidate for Outside Director	Having served as Representative Director of Asahi Breweries, Ltd. (name at the time), Mr. Kouichi Ikeda has considerable knowledge and rich experience in the business world. Utilizing this knowledge and experience, his recommendations concerning the overall management of the Company are expected to help to sustain and improve transparency and soundness of management and enhance corporate governance. Therefore, the Company nominates him as a candidate for Outside Director.
Matters regarding independence	Mr. Kouichi Ikeda is unlikely to have a conflict of interest with general investors and is considered as an Independent Director.

Name (Date of Birth)	Career Summary and Position (In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations)
Reelection Outside Director Independent  **9. Masayuki Oku** (December 2, 1944) **Number of Years in Office:** 1 year **Attendance to the Meetings of the Board of Directors:** 10/11 (90%) **Number of Shares of the Company Held:** 0 shares	4/1968 Joined The Sumitomo Bank, Ltd. (now Sumitomo Mitsui Banking Corporation, hereinafter the "Bank") 6/1994 Took office as Director of the Bank 11/1998 Took office as Managing Director of the Bank 1/2001 Took office as Representative Director and Senior Managing Director of the Bank 4/2001 Took office as Representative Director and Senior Managing Director of Sumitomo Mitsui Banking Corporation 12/2002 Took office as Representative Director and Senior Managing Director of Sumitomo Mitsui Financial Group, Inc. (hereinafter "SMFG") 6/2003 Took office as Representative Director and Deputy President of Sumitomo Mitsui Banking Corporation 6/2005 Took office as Representative Director and Chairperson of the Board of SMFG Took office as Representative Director and President of Sumitomo Mitsui Banking Corporation 4/2011 Retired from Sumitomo Mitsui Banking Corporation Took office as Chairperson of the Board of SMFG (current) 6/2014 Took office as Director of the Company (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] Chairperson of the Board of Sumitomo Mitsui Financial Group, Inc. Outside Director of Panasonic Corporation Outside Director of Kao Corporation Outside Director of Chugai Pharmaceutical Co., Ltd. Outside Audit & Supervisory Board Member of Nankai Electric Railway Co., Ltd.
Reason for nomination as candidate for Outside Director	Having served as Representative Director of Sumitomo Mitsui Banking Corporation, Mr. Masayuki Oku has been active internationally in the financial field and has considerable knowledge and rich experience in the business world. Utilizing this knowledge and experience, his recommendations concerning the overall management of the Company are expected to contribute to sustaining and improving transparency and soundness of management and enhancing corporate governance. Therefore, the Company nominates him as a candidate for Outside Director.

Matters regarding independence	Mr. Masayuki Oku held the positions of Representative Director and Senior Managing Director, Representative Director and Deputy President, and Representative Director and President of Sumitomo Mitsui Banking Corporation (including the former The Sumitomo Bank, Ltd.), which is one of the lenders of the Company and its consolidated subsidiaries, from January 2001 to April 2011. Because the Company and its consolidated subsidiaries have several lenders and the said bank is only one lender among the several lenders of the Company and its consolidated subsidiaries, the said bank is not a business partner which has a significant impact on the Company's decision making. As of the end of the most recent fiscal year, the balance of loans from the said bank was JPY 97.0 billion, which was 16.5% of the total amount of loans (page 12). Furthermore, more than four (4) years have passed since his retirement from Sumitomo Mitsui Banking Corporation, and he currently has no involvement with the execution of business at the said bank. Accordingly, Mr. Masayuki Oku is unlikely to have a conflict of interest with general investors. For this reason, the Company considers him as an Independent Director.
Facts in violation of laws and regulations or the Articles of Incorporation or facts of any other unreasonable execution of business at the other corporations	Nikko Cordial Securities Inc. (now SMBC Nikko Securities Inc.), where Mr. Masayuki Oku served as a Member of the Board until March 2011, received a Business Improvement Order from the Financial Services Agency (FSA) in April 2011 in connection with an incident where one of the said company's employees defrauded certain customers of their money through means not connected to their accounts at the said company. The said company also received a Business Improvement Order from the FSA in April 2012 following the discovery of inadequate controls over undisclosed corporate information and inappropriate solicitation. Furthermore, the said company received a Business Improvement Order from the FSA in August 2012 in connection with business practices related to undisclosed corporate information that insufficiently addressed the necessary and adequate measures to prevent fraudulent trading.
	Panasonic Corporation, where Mr. Masayuki Oku has served as Outside Director since June 2008, entered into plea agreements with the United States Department of Justice in September 2010 and the Competition Bureau Canada in October 2010, respectively, to pay fines to resolve claims that its household refrigerator compressor business unit engaged in certain anticompetitive activities. In addition, the European Commission notified the said company that it had decided to impose a fine on the said company in December 2011. However, it was before Mr. Oku took office as Outside Director of Panasonic Corporation at the time of the aforesaid violation. In addition, Panasonic Corporation entered into plea agreements with the United States Department of Justice in July 2013 and the Competition Bureau Canada in February 2014, respectively, to pay fines to resolve claims that part of its automotive parts business unit for specific customers engaged in certain anticompetitive activities. While Mr. Oku was not aware of the aforesaid violations until they came to light, he continuously fulfilled his duties through Panasonic Corporation's Board of Directors and other relevant systems from the standpoint of compliance with laws and regulations, and strove to ensure that the said company did not execute business in violation of laws and regulations. Also, after these facts came to light, he has checked the contents of the said company's activities for preventing a recurrence.

Name (Date of Birth)	Career Summary and Position (In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations)
Reelection Outside Director Independent  **10. Mitoji Yabunaka** (January 23, 1948) **Number of Years in Office:** 1 year **Attendance to the Meetings of the Board of Directors:** 11/11 (100%) **Number of Shares of the Company Held:** 0 shares	4/1969 Joined the Ministry of Foreign Affairs (hereinafter "MOFA") 1/2008 Took office as Vice-Minister for Foreign Affairs 8/2010 Took office as Adviser to MOFA (current) 6/2014 Took office as Director of the Company (current) [In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations] Outside Director of Kawasaki Kisen Kaisha, Ltd. Outside Director of Mitsubishi Electric Corporation Outside Director of Takasago Thermal Engineering Co., Ltd.
Reason for nomination as candidate for Outside Director	Having served as Vice-Minister for Foreign Affairs, Mr. Mitoji Yabunaka has been active in such fields as international policy coordination and overseas consular work, and has considerable knowledge and rich experience in international relations. Utilizing this knowledge and experience, his recommendations concerning the overall management of the Company are expected to contribute to the mitigation and avoidance of risk in the Company's global business operations, and to the enhancement of the Company's medium- and long-term corporate value. Therefore, the Company nominates him as a candidate for Outside Director. Although Mr. Yabunaka has no experience in participating in the management of other companies directly, the Company judged that he would be able to execute the duties of Outside Director adequately because of the reasons above.
Matters regarding independence	Mr. Mitoji Yabunaka is unlikely to have a conflict of interest with general investors. For this reason, the Company considers him as an Independent Director.

Facts in violation of laws and regulations or the Articles of Incorporation or facts of any other unreasonable execution of business at the other corporations	In March 2014, Kawasaki Kisen Kaisha, Ltd. ("K" Line), where Mr. Mitoji Yabunaka has served as Outside Director since June 2011 to present, received notification of Cease and Desist orders and Administrative Surcharge orders from the Fair Trade Commission for violating the Anti-Monopoly Act of Japan with respect to the freight transport of automobiles, etc., and entered into a plea agreement with the United States Department of Justice in September 2014, in which it agreed to pay fines. While Mr. Yabunaka was not aware of the aforesaid violation until it came to light, he continuously fulfilled his duties through "K" Line's Board of Directors and other relevant systems from the standpoint of compliance with laws and regulations, and strove to ensure that the said company did not execute business in violation of laws and regulations. Also, after the fact came to light, he has conducted investigation into the aforesaid fact, provided instructions on recurrence prevention and similar activities through the Board of Directors' meetings, etc.
	In November 2012, Mitsubishi Electric Corporation ("Mitsubishi Electric"), where Mr. Mitoji Yabunaka has served as Outside Director since June 2012 to present, received notification of Cease and Desist orders and Administrative Surcharge orders from the Fair Trade Commission for violating the Anti-Monopoly Act of Japan with respect to some transactions of automobile parts etc. In September 2013, Mitsubishi Electric entered into a plea agreement with the U.S. Department of Justice to pay fines, and in August 2014, Mitsubishi Electric received an order from China's National Development and Reform Commission for payment of a surcharge. However, it was before Mr. Yabunaka took office as Outside Director of Mitsubishi Electric at the time of the aforesaid violation. After assuming his office, he has checked on the progress and expressed his opinions concerning status of facts-related investigation and measures for further strengthening the compliance system for recurrence prevention, and similar activities, through the Board of Directors' meetings, etc.
	In November 2014, Takasago Thermal Engineering Co., Ltd. ("TTE"), where Mr. Mitoji Yabunaka has served as Outside Director since June 2014 to present, received a ruling which required TTE to pay a fine and the former employee of TTE received a prison sentence (suspended sentence) from the Tokyo District Court for a violation of the Anti-Monopoly Act of Japan concerning bidding for facility construction for the Hokuriku Shinkansen, and both decisions were final. Moreover, in relation to the aforesaid violation, in January 2015, TTE received a suspension of business order from the Ministry of Land, Infrastructure, Transport and Tourism. However, it was before Mr. Yabunaka took office as Outside Director of TTE at the time of the aforesaid violation. After assuming his office, in addition to providing instructions and expressing his opinions from the standpoint of compliance with laws and regulations, he has also carried out confirmation of the facts, performed thoroughgoing investigation into the cause and provided recommendations for recurrence prevention, and similar activities, through the Board of Directors' meetings, etc.

*1 CEO: Chief Executive Officer
*2 COO: Chief Operating Officer
*3 CFO: Chief Financial Officer
*4 CTO: Chief Technology Officer

Notes:

1. "Number of Years in Office" shown with the candidates for reelection above indicates the period from the day of the General Meeting of Shareholders when such Director was elected for the first time to the day of this Ordinary General Meeting of Shareholders.
2. Mr. Kunio Noji once retired as Director in June 1999 in accordance with the introduction of the Executive Officer System in the same month.
3. The names of divisions and other bodies in the Company in "Career Summary and Position" above show those that were applicable at each relevant time period.

4. Meeting attendance above shows attendance to the meetings of the Board of Directors held during the fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015). As Mr. Masayuki Oku and Mr. Mitoji Yabunaka were elected at the 145th Ordinary General Meeting of Shareholders held in June 2014, their maximum number of meetings of attendance is different from that of the other Directors.
5. There are no special interests between any of the candidates and the Company.
6. Mr. Kouichi Ikeda, Mr. Masayuki Oku and Mr. Mitoji Yabunaka are candidates for Outside Directors. The Company designated Mr. Kouichi Ikeda, Mr. Masayuki Oku and Mr. Mitoji Yabunaka as Independent Directors and submitted the notifications to the Tokyo Stock Exchange in accordance with its regulations and related rules.
7. The Company has entered into an agreement with Mr. Kouichi Ikeda, Mr. Masayuki Oku and Mr. Mitoji Yabunaka that limits their liability for damages caused by their dereliction of duty under Article 423, Paragraph 1 of the Companies Act of Japan, in accordance with Article 427, Paragraph 1 of the same and the Articles of Incorporation. If their re-elections are approved, the Company intends to continue the aforesaid agreement. The maximum liability amount specified in this agreement shall be equivalent to the amount stipulated by laws and regulations.

Item 4: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Hiroyuki Kamano as Audit & Supervisory Board Member will expire as of the close of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes that one (1) Audit & Supervisory Board Member (including one (1) Outside Audit & Supervisory Board Member) be elected. If this election is approved, the Company's Audit & Supervisory Board Members will be five (5) members (including three (3) Outside Audit & Supervisory Board Members).

This item for resolution was reviewed and approved by the Audit & Supervisory Board.

The candidate for the position is as follows:

Name (Date of Birth)	Career Summary and Position (Important Concurrent Positions Held in Other Organizations)
New Candidate for Outside Audit & Supervisory Board Member Independent  **Eiko Shinotsuka** (May 1, 1942) **Number of Shares of the Company Held:** 0 shares	4/1993 Took office as professor at Ochanomizu University 3/2009 Took office as professor emeritus at Ochanomizu University (current) [Important Concurrent Positions Held in Other Organizations] Adviser of National Personnel Authority
Reason for nomination as candidate for Outside Audit & Supervisory Board Member	After engaging in research in economic fields at Japan Center for Economic Research, Ms. Eiko Shinotsuka, in addition to what are listed in the Summary above, has the experience of having served as a Member of the Policy Board of the Bank of Japan, Chairperson of the Cooperation Conference for the Gender Equality Promotion of the Cabinet Office, Executive Director of the Japan Legal Support Center and Commissioner of the National Personnel Authority, etc. and she has held numerous other official posts in public office up until now. Accordingly, she possesses wide-ranging knowledge and abundant experience in fields such as economics, labor relations and law. Utilizing this knowledge and experience, the Company expects her to execute her duties as Outside Audit & Supervisory Board Member from the standpoint of a specialist. Therefore, the Company nominates her as a candidate for Outside Audit & Supervisory Board Member. Although Ms. Shinotsuka has no experience in participating in the management of other companies directly, the Company judged that she would be able to execute the duties of Outside Audit & Supervisory Board Member adequately because of the reason above.
Matters regarding independence	Ms. Eiko Shinotsuka is unlikely to have a conflict of interest with general investors. For this reason, the Company considers her as an Independent Audit & Supervisory Board Member.

Notes:

1. There are no special interests between the candidate and the Company.
2. Ms. Eiko Shinotsuka is a candidate for Outside Audit & Supervisory Board Member. The Company intends to designate Ms. Eiko Shinotsuka as Independent Audit & Supervisory Board Member and submit the notification to the Tokyo Stock Exchange in accordance with its regulations and related rules, provided that this item is approved and adopted at this Ordinary General Meeting of Shareholders.
3. The Company intends to enter into an agreement with Ms. Eiko Shinotsuka that limits her liability for damages caused by her dereliction of duty under Article 423, Paragraph 1 of the Companies Act of Japan, in accordance with Article 427, Paragraph 1 of the same and the Articles of Incorporation, provided that this item is approved and adopted at this Ordinary General Meeting of Shareholders. The maximum liability amount specified in this agreement will be equivalent to the amount stipulated by laws and regulations.

<Reference> Independence of the Company's Audit & Supervisory Board

If Item 4 is approved and adopted, the Company's Audit & Supervisory Board will consist of five (5) members, the majority of which (i.e., three (3) members) will be Outside Audit & Supervisory Board Members, who are also Independent Audit & Supervisory Board Members. The Company's approach to the independence of Outside Audit & Supervisory Board Members is as follows:

Name (Month and year of taking office)	Matters regarding independence
Kunihiro Matsuo (6/2009)	Mr. Kunihiro Matsuo was a party to a legal consultant agreement with the Audit & Supervisory Board of the Company from October 2007 until June 23, 2009, which was the day before his appointment as Outside Audit & Supervisory Board Member of the Company. Mr. Matsuo's legal consultant duties for the Audit & Supervisory Board were only undertaken to help strengthen the functions of Audit & Supervisory Board Members and Audit & Supervisory Board, which have a function of auditing the Board of Directors from an independent standpoint and did not give rise to any interests between Mr. Matsuo and the Board of Directors or in terms of the execution of business. Since the day Mr. Matsuo took office as Audit & Supervisory Board Member of the Company, he has received only the remuneration for Audit & Supervisory Board Member from the Company. In addition, the Company and its consolidated subsidiaries sell industrial machinery to Toyota Motor Corporation, where Mr. Matsuo serves as Outside Audit & Supervisory Board Member. However, the share of sales to the Toyota Motor Corporation is less than 1% of the Company's consolidated net sales in the fiscal year ended March 31, 2015. Furthermore, MITSUI & CO., LTD., where Mr. Matsuo serves as Outside Audit & Supervisory Board Member, contributes capital and provides other financial assistance to some consolidated subsidiaries and distributors, etc. of the Company for the overseas sale and servicing of construction and mining equipment. Since none of these facts is likely to cause a conflict of interest with general investors, Mr. Matsuo is considered as an Independent Audit & Supervisory Board Member.
Hirohide Yamaguchi (6/2014)	Mr. Hirohide Yamaguchi is unlikely to have a conflict of interest with general investors and is considered as an Independent Audit & Supervisory Board Member.
Eiko Shinotsuka (New candidate)	As mentioned in "Matters regarding independence" of Item 4 on page 58.

Item 5: Payment of Bonuses for Directors

Under the Company's remuneration system for Directors*, the Company proposes to pay bonuses within the range of JPY 235 million in total to the ten (10) Directors who were in office as of the end of the 146th fiscal year (of which, JPY 9 million in total to the three (3) Outside Directors).

The Company requests that the details such as the individual amount and timing of payment to each Director shall be left to the decision of the Board of Directors.

*As for the remuneration system for Directors, please refer to "Policy regarding the determination of remuneration" (pages 22 to 23).

Item 6: Giving the Board of Directors the Authority to Issue Stock Acquisition Rights as Stock-Based Remuneration to Employees of the Company and Representative Directors of Major Subsidiaries of the Company

The Company asks for the shareholders' approval to give the Company's Board of Directors the authority to issue Stock Acquisition Rights as "stock-based remuneration" to employees of the Company and Representative Directors of Major Subsidiaries of the Company in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act of Japan.

1. Reasons for Issuing the Stock Acquisition Rights on Preferential Terms and Conditions

   The Company would like to grant Stock Acquisition Rights to employees of the Company and to the Representative Directors of major subsidiaries of the Company without consideration not only for the purposes of raising their morale and their motivation to contribute to the improvement of the consolidated performance of the Company, but also for the purpose of clarifying their incentive to enhance the long-term corporate value of the Company by fostering the same perspective on corporate value with the shareholders. The number of Stock Acquisition Rights to be granted without consideration shall be determined based on the Company's consolidated performance with the same payment criteria of the "stock-based remuneration" as the Directors of the Company.

2. The Features and the Maximum Number of the Stock Acquisition Rights that the Board of Directors Can Decide to Issue under the Authority Granted by a Resolution at this Ordinary General Meeting of Shareholders

(1) The maximum number of the Stock Acquisition Rights for which the terms and conditions of the issuance can be determined based on the authority granted by this Ordinary General Meeting of Shareholders

The maximum number of Stock Acquisition Rights to be issued under the conditions described in '2. (3)' below shall be 1,930 units.

The maximum number of common stock to be issued upon the exercise of the Stock Acquisition Rights shall be 193,000 shares, and if the Number of Shares Granted (defined below) subject to Stock Acquisition Rights is adjusted as provided for in '2. (3)' below, the maximum number of common stock to be issued shall be the number obtained by multiplying the above mentioned maximum number of the Stock Acquisition Rights by the adjusted number of shares in connection with the Stock Acquisition Rights.

(2) The Company may issue Stock Acquisition Rights in question without consideration.

(3) The features of the Stock Acquisition Rights to be issued on the basis of the authority granted by this Ordinary General Meeting of Shareholders

1) Type and number of shares to be issued upon the exercise of Stock Acquisition Rights

The shares to be issued for the Stock Acquisition Rights shall be common stock, and the number of shares subject to one (1) Stock Acquisition Right (hereinafter "Number of Shares Granted") shall be 100 shares. However, after the resolution date of this Item (hereinafter "Resolution Date"), if the Company effects stock split of its common stock (including allotment of common stock to shareholders without consideration; the same applies hereinafter) or effects a stock consolidation, the Number of Shares Granted subject to one (1) Stock Acquisition Right shall be adjusted proportionately, in accordance with the ratio of the stock split or the stock consolidation in question. Also, if it is necessary to adjust the Number of Shares Granted after the Resolution Date for reasons other than the aforementioned reasons, the Company shall adjust the Number of Shares Granted in connection with the aforementioned Stock Acquisition Rights to the extent reasonable.

Fractions of less than one (1) share resulting from the foregoing adjustment shall be rounded down.

2) Amount of assets to be paid upon exercise of the Stock Acquisition Rights

The amount of assets to be paid upon exercise of the Stock Acquisition Rights shall be JPY one (1) per each one (1) share to be transferred upon exercise of the Stock Acquisition Rights, multiplied by the Number of Shares Granted.

3) Exercise period for the Stock Acquisition Rights
From August 3, 2018 to July 31, 2023

4) Matters concerning the increase in paid-in capital and capital surplus in the event of issuance of shares upon the exercise of the Stock Acquisition Rights

i. The amount of paid-in capital increase in the event of the issuance of shares upon the exercise of the Stock Acquisition Rights shall be one half of the maximum amount of capital increase, calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations of Japan. Fractions less than one (1) yen resulting from the calculation shall be rounded up.

ii. An increase in the capital surplus in the event of the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by subtracting the amount of the paid-in capital increase from the maximum amount of the capital increase, as set forth in '4) i' above.

5) Restriction on Acquisition of the Stock Acquisition Rights by Transfer
Acquisition of the Stock Acquisition Rights by transfer shall be required to be approved by the resolution of the Board of Directors of the Company.

6) Provisions pertaining to acquisition of the Stock Acquisition Rights by the Company
The Stock Acquisition Rights do not contain the provisions pertaining to the acquisition by the Company.

7) Conditions for exercising the Stock Acquisition Rights
If a holder of Stock Acquisition Rights who is a Director, Audit & Supervisory Board Member or employee of the Company, or a Director, Audit & Supervisory Board Member or employee of an affiliate of the Company, loses his or her all respective status set above, that person is able to exercise the Stock Acquisition Rights only within three (3) year period from the date they lost such position; provided, however, that the period shall not exceed the original exercise period for the Stock Acquisition Rights described at '3)' above, and the other terms and conditions concerning the exercise of Stock Acquisition Rights shall be decided by the Board of Directors of the Company.

8) In the event where the Company engages in any merger (limited to a case where the Company ceases to exist as the result of the merger), a corporate split in which a division of the Company is merged into an existing company, a corporate split in which a division of the Company is spun off to establish a new company (for both, limited to cases where the Company is split up), or an exchange or transfer of shares (for both, limited to cases where the Company becomes a fully-owned subsidiary) (hereinafter collectively "Restructuring Actions"), each person holding the remaining Stock Acquisition Rights at the time the Restructuring Actions take effect (hereinafter "Remaining Stock Acquisition Rights") shall be granted the Stock Acquisition Rights of the relevant stock companies prescribed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act of Japan (hereinafter "Reorganized Company"), in accordance with the conditions set forth below. In this event, the Remaining Stock Acquisition Rights shall become null and void and new Stock Acquisition Rights in the Reorganized Company shall be issued. However, the new Stock Acquisition Rights shall be granted only if provisions for granting them in accordance with the following conditions (i–viii) are included as conditions in a merger agreement (in which the Company is merged into a Reorganized Company or a Reorganized Company is established as the result of the merger), a corporate split agreement (in which a division of the Company is merged into a Reorganized Company), a plan for a corporate split (in which a division of the Company is spun off to establish a Reorganized Company), and a share exchange agreement or a plan for transfer of shares (in both of which the Company becomes a fully-owned subsidiary of a Reorganized Company).

i. Number of the Stock Acquisition Rights of a Reorganized Company to be granted
Each holder of the Remaining Stock Acquisition Rights shall be granted the Stock Acquisition Rights of a Reorganized Company of which the number is equivalent to the number of such Rights held by such holder at the time the Restructuring Actions take effect.

ii. Type of shares of the Reorganized Company to be issued for the Stock Acquisition Rights
Type of shares subject to the Stock Acquisition Rights shall be common stock of the Reorganized Company.

iii. Number of shares of the Reorganized Company to be issued upon exercise of the Stock Acquisition Rights
The number of shares shall be determined in accordance with '1)' above, after taking into consideration the conditions or other factors concerning the Restructuring Actions.

iv. Amount of assets to be paid upon the exercise of the Stock Acquisition Rights
The amount of assets to be paid upon the exercise of newly granted Stock Acquisition Rights shall be the amount obtained by multiplying JPY one (1) per each one (1) share, by the number of shares to be issued for each acquisition right as determined in '8) iii' above.

v. Exercise period for the Stock Acquisition Rights
The exercise period shall begin on either the first date of the exercise period for the Stock Acquisition Rights stipulated in '3)' above, or on the date that the Restructuring Actions take effect, whichever comes later, and shall continue to the final date of the exercise period for the Stock Acquisition Rights stipulated in '3)' above.

vi. Increase in paid-in capital and capital surplus in the event of the issuance of shares upon exercise of the Stock Acquisition Rights
Such increases shall be determined based on '4)' above.

vii. Restriction on Acquisition of the Stock Acquisition Rights by Transfer
Acquisition of the Stock Acquisition Rights by transfer shall be required to be approved by the Reorganized Company.

viii. Provisions pertaining to acquisition of the Stock Acquisition Rights
The Stock Acquisition Rights do not contain the provisions pertaining to the acquisition of the Stock Acquisition Rights.

9) In case where the number of shares to be issued or transferred to the holders of the Stock Acquisition Rights includes any fraction less than one (1) share, such fraction shall be rounded down.

(4) Delegation of authority to make decisions regarding the issuance of the Stock Acquisition Rights and related matters
In addition to the above provisions, decisions regarding the issuance of the Stock Acquisition Rights and all the relevant details shall be decided by the Board of Directors of the Company which shall be held separately.

End

Komatsu's Approach to CSR

Komatsu Group defines its CSR (Corporate Social Responsibility) activities as "working for society through core business." Komatsu has formulated CSR themes to be addressed on a global level, and is forging ahead with its CSR activities. Furthermore, Komatsu implements the CSR-management cycle, while making sure that these activities are aligned with the demands of the times and of society.

►Feature Article: Protecting the Environment

Activities for environmental conservation through core business

As a part of CSR activities, Komatsu develops and manufactures environmentally friendly products and upgrades to buildings to those adopt the latest energy-saving technologies. Some of these efforts are introduced below.

Producing new vehicles equipped with next-generation engines: Reducing both fuel consumption and air pollutants

Komatsu has introduced a number of models of vehicles equipped with next-generation engines that, while reducing fuel consumption by up to 11% compared to previous models, reduce air pollutants such as NOx (nitrogen oxide) and PM (particulate matter) to approximately one-tenth compared with amounts up until 2011.

One of Komatsu's strong points is our "in-house development and production." It enables us to design components (including engines) and bodies of vehicles that are supposed to equip with the components in best conditions so that we can develop and produce vehicles equipped with next-generation engines rapidly.

Looking forward, Komatsu will continue adopting the latest technology to its original engine technology in order to provide machines with a double advantage of not only reducing environmental impact but also providing economic benefit.



PC490LC-11 equipped with next-generation engine

Upgrading to energy-saving buildings: Saving and generating energy at manufacturing sites

For a long time now, environmental consideration has played an important part in production activities at Komatsu. Particularly after the Great East Japan Earthquake occurred in 2011, we forged ahead with reducing electric power consumption.

As a part of these efforts, we consolidated and renewed manufacturing buildings older than 40 years old that were not energy efficient. Besides, through production renovation, we greatly improved productivity per floor area.



Whole-area pit structure (outlined by the blue border)

Our efforts to renew production building at Awazu Plant are below:

1. Adopting Komatsu's latest original energy-saving technology

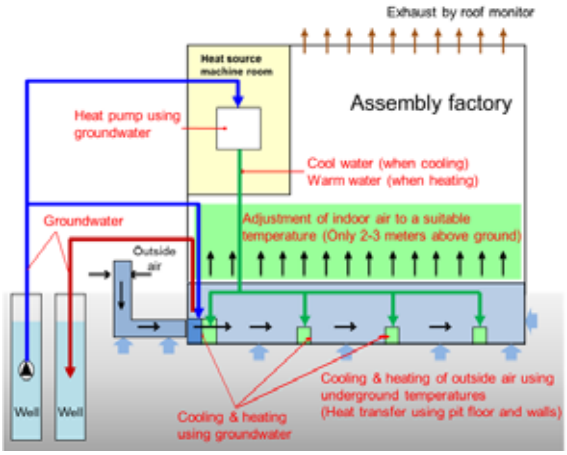
We have built energy-saving buildings that incorporate Komatsu's original activities and general energy-saving activities such as reducing electricity consumption for air conditioning by creating highly airtight and highly insulated buildings, and reducing power consumption for lighting by using LED lighting and ceiling daylighting.

• Air conditioning system using groundwater

Offering constant temperature throughout the year, groundwater can be used for cooling in summer and heating in winter.

• Whole-area pit structure

Space of three-meter high has been established beneath the factory work area.

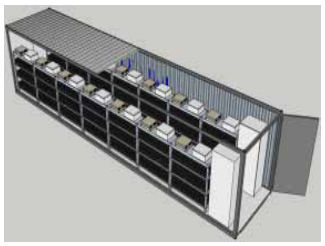


By adopting this system and structure, we have utilized underground temperatures and groundwater for air conditioning and achieved energy savings for air conditioner power consumption.

We have innovatively adopted Komatsu's original technology in various other ways as well. To give some examples, we have established an electric power regeneration system that regenerates electric power into hybrid dedicated capacitors while overhead crane lowering of the load, and then utilize that stored power when lifting the load. As another example, we recharge maintenance-free batteries which are used in our forklift trucks with electricity generated during nighttime, and discharge in daytime for peak-shift. Also, we generate electric power by using heat generated during the gas combustion process of a heat treating furnace using thermoelectric modules manufactured by KELK Ltd., a wholly-owned subsidiary of Komatsu.



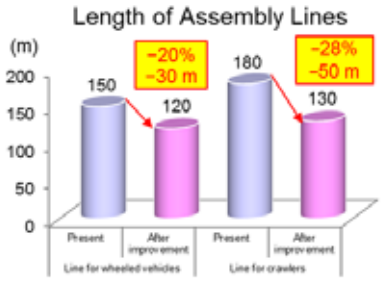
Power generation using thermoelectric modules



Maintenance-free battery storage system

2. Reducing building floor space by improving production efficiency

We aligned two assembly lines in parallel in single new building to improve space efficiency. Those are one for crawlers (such as hydraulic excavators) and another for wheeled vehicles (such as wheel loaders), which were formerly located in two different buildings. Thus, we have achieved efficient utilization of space. In addition, by the other improvement of the productivity of assembly lines, such as the change of the parts layout along the assembly lines or the innovations of overhead crane systems, we could shorten the length of the main lines by 20 to 28%. With reduction of parts placement area and activities mentioned above, we reduced the floor area of the production plant by 30%.





3. Biomass power generation through partnership with local forestry association

Supplied woodchips (7,000 tons annually) from Kaga Forestry Association in Ishikawa Prefecture, and using them as fuel to operate a boiler, we have utilized the generated steam for the air compressor, generator and absorption refrigerator. It is estimated to save about 1,400 megawatt-hours of electric power and about 800 kiloliters of fuel oil a year with this operation.



Biomass power generation building



Boiler

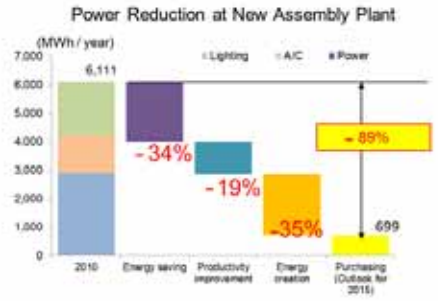


Compressor



Generator





◆ ◆ ◆

Looking forward, Komatsu will continue to forge ahead with activities aimed at both improving productivity and fuel consumption, and protecting environment.

Shareholders are Invited to an Exhibition Following the General Meeting of Shareholders

The Komatsu Group creates world-leading, cutting-edge technology and products under the keyword of "innovation." Besides, we have conducted activities to proactively contribute to society as its member.

After this General Meeting of Shareholders, we hold an exhibition in order to let shareholders be introduced our activities of these aspects. We are looking forward to seeing you at this exhibition.



Last year's exhibition



Intelligent Machine Control construction equipment
PC200i (hydraulic excavator)

Main Exhibits

1. Showcase of Technology, Products and Others Based on Innovation

- SMARTCONSTRUCTION

  * These are solutions that create the Future GEMBA (job sites), i.e. construction sites with high levels of safety and productivity that use ICT to organically interlink the entire site.
- Intelligent Machine Control (iMC) construction equipment (hydraulic excavators, bulldozers)

  * By automation controls in construction equipment, operations can be executed precisely like an expert regardless of experience.
- New forklift trucks
- Wheel loader and engine compliant with the latest emissions regulations
- Press line simulator
- Production reform by factory building renewal

and more

2. Showcase of Activities to Contribute to Society

- Skills training in various regions
- Anti-personnel landmine removal projects
- Supporting agriculture and forestry for revitalization of local communities
- Komatsu Women's Judo Team's activities to contribute to society (A presentation of judo techniques is planned)

and more

- Entry to the exhibition will be limited to shareholders who attend the 146th Ordinary General Meeting of Shareholders.
- There is a possibility that the actual exhibits on the day may be different from the exhibits described above.

(Translation)
This document has been translated from the Japanese original for the convenience of foreign shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

June 2, 2015

Dear Shareholders:

Items Disclosed on Internet Concerning Notice of Convocation of the 146th Ordinary General Meeting of Shareholders of Komatsu Ltd.

Komatsu Ltd. (hereinafter "the Company") has posted information regarding the items listed below on the Company's website (http://www.komatsu.co.jp/); in Japanese language as part of its provision of notice of convocation of the 146th Ordinary General Meeting of Shareholders of Komatsu Ltd. in accordance with relevant laws and regulations and with Article 16 of the Articles of Incorporation of the Company.

I. Business Report
   (1) Financial Position and Profit/Loss Trends
   (2) Major Lines of Business
   (3) Principal Offices and Plants
II. Consolidated Financial Statements
   (1) Consolidated Statement of Equity
   (2) Notes to Consolidated Financial Statements
III. Non-Consolidated Financial Statements
   (1) Non-Consolidated Statement of Changes in Net Assets
   (2) Notes to Non-Consolidated Financial Statements

Information in English has been posted on our English website (http://www.komatsu.com).

Komatsu Ltd.

Items Disclosed on Internet

I. Business Report: "Financial Position and Profit/Loss Trends," "Major Lines of Business," and "Principal Offices and Plants"

(1) Financial Position and Profit/Loss Trends

	143rd Fiscal Year (April 2011 - March 2012)	144th Fiscal Year (April 2012 - March 2013)	145th Fiscal Year (April 2013 - March 2014)	146th Fiscal Year (April 2014 - March 2015)
Net sales (JPY billion)	1,981.7	1,884.9	1,953.6	1,978.6
Operating income (JPY billion)	256.3	211.6	240.4	242.0
Income before income taxes and equity in earnings of affiliated companies (JPY billion)	249.6	204.6	242.0	236.0
Net income attributable to Komatsu Ltd. (JPY billion)	167.0	126.3	159.5	154.0
Net income attributable to Komatsu Ltd. per share (JPY)	173.47	132.64	167.36	162.07
ROE[*1] (%)	17.3	11.5	12.4	10.6
ROA[*2] (%)	11.2	8.5	9.4	8.7
Total assets (JPY billion)	2,320.5	2,517.8	2,651.5	2,798.4
Komatsu Ltd. shareholders' equity (JPY billion)	1,009.6	1,193.1	1,376.3	1,528.9

*1 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]

*2 ROA=Income before income taxes and equity in earnings of affiliated companies/[(total assets at the beginning + total assets at the end of the fiscal year/2]

Note: Net income attributable to Komatsu Ltd. per share is calculated based on the number of shares deducting the average total number of treasury stock during the term from the average total number of shares outstanding during the term.

(2) Major Lines of Business (As of March 31, 2015)

Segment	Principal Products and Businesses	
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 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	Transportation, warehousing and packing
Industrial Machinery and Others	Metal Forging and Stamping Presses	Servo presses and mechanical presses
	Sheet Metal Machines	Laser cutting machines, 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, excimer laser used for lithography tools in semiconductor manufacturing

(3) Principal Offices and Plants (As of March 31, 2015)

1) The Company

Offices	Head Office (Minato-ku, Tokyo), Research Center (Hiratsuka City, Kanagawa)
Plants	Awazu Plant (Komatsu City, Ishikawa), Kanazawa Plant (Kanazawa City, Ishikawa), Osaka Plant (Hirakata City, Osaka), Rokko Plant (Kobe City, Hyogo), Ibaraki Plant (Hitachinaka City, Ibaraki), Shonan Plant (Hiratsuka City, Kanagawa), Oyama Plant (Oyama City, Tochigi), Tochigi Plant (Oyama City, Tochigi), Koriyama Plant (Koriyama City, Fukushima)

2) Principal Subsidiaries

Name	Location of Offices and Plants
Komatsu Castex Ltd.	Head Office / Plant (Himi City, Toyama)
Komatsu Construction Equipment Sales and Service Japan Ltd.	Head Office (Kawasaki City, Kanagawa)
Komatsu Used Equipment Corp.	Head Office (Yokohama City, Kanagawa)
Komatsu Rental Ltd.	Head Office (Yokohama City, Kanagawa)
Komatsu Forklift Japan Ltd.	Head Office (Shinagawa-ku, Tokyo)
Komatsu Logistics Corp.	Head Office (Yokohama City, Kanagawa)
Komatsu Industries Corporation	Head Office (Kanazawa City, Ishikawa)
Komatsu NTC Ltd.	Head Office / Plant (Nanto City, Toyama)
Komatsu Business Support Ltd.	Head Office (Minato-ku, Tokyo)
Gigaphoton Inc.	Head Office / Plant (Oyama City, Tochigi)
Komatsu America Corp.	Head Office / Plant (USA)
Hensley Industries, Inc.	Head Office / Plant (USA)
Komatsu Financial Limited Partnership	Head Office (USA)
Komatsu do Brasil Ltda.	Head Office / Plant (Brazil)
Komatsu Brasil International Ltda.	Head Office (Brazil)
Komatsu Holding South America Ltda.	Head Office (Chile)
Komatsu Cummins Chile Ltda.	Head Office (Chile)
Komatsu Cummins Chile Arrienda S.A.	Head Office (Chile)
Komatsu Europe International N.V.	Head Office (Belgium)
Komatsu Financial Europe N.V.	Head Office (Belgium)
Komatsu UK Ltd.	Head Office / Plant (UK)
Komatsu Hanomag GmbH	Head Office / Plant (Germany)
Komatsu Mining Germany GmbH	Head Office / Plant (Germany)
Komatsu Italia Manufacturing S.p.A.	Head Office / Plant (Italy)
Komatsu Forest AB	Head Office / Plant (Sweden)
Komatsu CIS LLC	Head Office (Russia)
Komatsu South Africa (Pty) Ltd.	Head Office (South Africa)
PT Komatsu Indonesia	Head Office / Plant (Indonesia)
PT Komatsu Marketing & Support Indonesia	Head Office (Indonesia)
Bangkok Komatsu Co., Ltd.	Head Office / Plant (Thailand)
Komatsu Marketing Support Australia Pty Ltd	Head Office (Australia)
Komatsu Australia Pty Ltd	Head Office (Australia)

Name	Location of Offices and Plants
Komatsu Australia Corporate Finance Pty. Ltd.	Head Office (Australia)
Komatsu (China) Ltd.	Head Office (China)
Komatsu (Changzhou) Construction Machinery Corp.	Head Office / Plant (China)
Komatsu Shantui Construction Machinery Co., Ltd.	Head Office / Plant (China)
Komatsu Financial Leasing China Ltd.	Head Office (China)

II. Consolidated Financial Statements

(1) Consolidated Statement of Equity

(From April 1, 2014 to March 31, 2015)

(JPY million)

	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)
			Appropriated for legal reserve	Unappropriated	
Balance at the beginning of current period	67,870	138,984	39,962	1,141,751	30,035
Cash dividends				(55,324)	
Transfer to retained earnings appropriated for legal reserve			1,018	(1,018)	
Other changes		(59)			
Comprehensive income (loss):					
Net income				154,009	
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments					80,304
Net unrealized holding gains (losses) on securities available for sale					4,547
Pension liability adjustments					(2,112)
Net unrealized holding gains (losses) on derivative instruments					244
Comprehensive income (loss)					
Issuance and exercise of stock acquisition rights		115			
Purchase of treasury stock					
Sales of treasury stock		384			
Retirement of treasury stock		(728)		(19,080)	
Balance at the end of current period	67,870	138,696	40,980	1,220,338	113,018

	Treasury stock	Total Komatsu Ltd. shareholders' equity	Non-controlling interests	Total equity
Balance at the beginning of current period	(42,211)	1,376,391	64,720	1,441,111
Cash dividends		(55,324)	(7,534)	(62,858)
Transfer to retained earnings appropriated for legal reserve		—		—
Other changes		(59)	5	(54)
Comprehensive income (loss):				
Net income		154,009	7,439	161,448
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments		80,304	5,056	85,360
Net unrealized holding gains (losses) on securities available for sale		4,547	—	4,547
Pension liability adjustments		(2,112)	(73)	(2,185)
Net unrealized holding gains (losses) on derivative instruments		244	(79)	165
Comprehensive income (loss)		236,992	12,343	249,335
Issuance and exercise of stock acquisition rights		115		115
Purchase of treasury stock	(30,041)	(30,041)		(30,041)
Sales of treasury stock	508	892		892
Retirement of treasury stock	19,808	—		—
Balance at the end of current period	(51,936)	1,528,966	69,534	1,598,500

(2) Notes to Consolidated Financial Statements

Basis of Preparation of Consolidated Financial Statements

1. The number of consolidated subsidiaries and affiliated companies accounted for by the equity method

(1) Number of consolidated subsidiaries: 138 companies

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

2. Significant Accounting Policies

(1) Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements of Komatsu Ltd. and its subsidiaries (hereinafter "Komatsu") are prepared in accordance with Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, and the method of preparation conforms to the accounting principles generally accepted in the United States of America (hereinafter "U.S. GAAP") in terms of terminology and format. However, some description and notes under the mandatory requirements of U.S. GAAP are omitted within the scope of stipulations in the said Paragraph.

(2) Method and basis of valuation of inventories

Inventories are stated at the lower of cost or market. The cost of finished products and work in process is valued by the specific identification method and the cost of raw materials and supplies is stated at periodic average cost. The cost of finished parts is mainly stated using the first-in first-out method.

(3) Method and basis of valuation of investment securities

Komatsu has applied the Financial Accounting Standards Board (FASB) Accounting Standards Codification™ (hereinafter "Codification") Topic 320, "Investments–Debt and Equity Securities."

Available-for-sale securities:

Stated at fair market value based on market prices at the balance sheet date (Unrealized gains and losses are reported, net of applicable income taxes, as a separate component of equity, and the cost of securities sold is determined using the moving-average method).

(4) Depreciation and amortization of fixed assets

Depreciation of property, plant and equipment:

Depreciated using the straight-line method.

Amortization of intangible assets:

Amortized using the straight-line method.

In accordance with Codification Topic 350, "Intangibles–Goodwill and Other," goodwill and other intangible assets whose useful lives cannot be determined are reviewed for impairment at least annually.

(5) Allowances

Allowance for doubtful receivables:

To cover possible credit losses on accounts receivables or loans, an allowance for doubtful receivables is provided in the amount deemed uncollectible, which is calculated on the basis of historical default rates for normal claims, or on the basis of individual assessments for specific claims on obligors threatened with bankruptcy.

Liability for pension and retirement benefits:
In accordance with Codification Topic 715, "Compensation–Retirement Benefits," to prepare for the payment of pension and retirement benefits to employees, a provision is made in the amount deemed necessary as of the balance sheet date based on projected benefit obligations and fair value of the plan assets. Komatsu recognized the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plans in the consolidated balance sheet, with a corresponding adjustment to accumulated other comprehensive income (loss), net of tax.
Prior service cost is amortized on a straight-line basis over the average remaining service period of employees at the time of occurrence of such cost.
Regarding net actuarial loss, an excessive amount of the "corridor" (10% of projected benefit obligations, or fair value of plan assets, whichever is the larger) is amortized on a straight-line basis over the average remaining service period of employees at the time of occurrence.

(6) Accounting for consumption taxes, etc.
Consumption taxes, etc. are separately accounted for by excluding them from each transaction amount.

Notes to Consolidated Balance Sheet

(1) Allowance for doubtful trade notes and accounts receivable and long-term trade receivables: JPY 18,347 million

(2) Accumulated depreciation of property, plant and equipment: JPY 792,122 million

(3) Accumulated other comprehensive income (loss) consists of foreign currency translation adjustments, net unrealized holding gains (losses) on securities available for sale, pension liability adjustments and net unrealized holding gains (losses) on derivative instruments.

(4) Assets pledged as collateral:

Other current assets	JPY	996 million
Total	JPY	996 million

(5) Guarantee obligations

Guarantee obligations for borrowings made by employees, affiliated companies, customers and others: JPY 47,627 million

Notes Concerning Per Share Information

(1) Komatsu Ltd. shareholders' equity per share	JPY	1,622.48
(2) Basic net income attributable to Komatsu Ltd. per share	JPY	162.07
(3) Diluted net income attributable to Komatsu Ltd. per share	JPY	161.86

Notes Concerning Financial Instruments

(1) Status of financial instruments

The basic financial policy of Komatsu is to secure funds necessary for future business activities and maintain proper liquidity. In accordance with this policy, Komatsu principally uses cash flows from operating activities, and also makes bank borrowings and issues commercial papers as necessary, to meet short-term fund demands. In order to flexibly meet medium to long-term fund demands, Komatsu has established an authorized limit of bond issues and a euro medium term note program.

Concerning trade notes and accounts receivable and long-term trade receivables, Komatsu conducts business activities with customers, dealers and associated companies on a global scale and disperses these accounts receivable to prevent the concentration of credit risk. A portion of foreign currency denominated accounts receivable and debts are vulnerable to the risk of foreign exchange fluctuation. To alleviate these risks, Komatsu enters into foreign exchange contracts and currency swap contracts based on foreign currency cash flow projections. Investment securities are equity securities with market value and fair values thereof are determined each quarter. Komatsu enters into interest rate swap contracts and interest rate cap contracts to manage the risk of interest rates on short-term and long-term debt. Derivatives carry a risk of credit loss by nonperformance of contract by the other party in the transaction. However, Komatsu does not assume such possibility due to the high credit rating of the other parties in such transactions. Komatsu does not enter into derivative contracts for the purpose of trading or speculative gain.

(2) Matters concerning fair values of financial instruments

Consolidated balance sheet amounts and fair values of financial instruments, and their variances are as follows:

(JPY million)

	Consolidated balance sheet amount*	Fair value*	Changes
(1) Cash and cash equivalents	105,905	105,905	–
(2) Time deposits	1,407	1,407	–
(3) Trade notes and accounts receivable, net	620,076	620,076	–
(4) Long-term trade receivables, net	280,138	280,138	–
(5) Investment securities, marketable equity securities	65,456	65,456	–
(6) Short-term debt	(191,937)	(191,937)	–
(7) Trade notes, bills and accounts payable	(225,093)	(225,093)	–
(8) Long-term debt, including current portion	(397,192)	(393,997)	3,195
(9) Derivatives, net	(7,698)	(7,698)	–

* The figures in parentheses indicate those posted in liabilities.

Notes:

1. Method of measurement of fair values of financial instruments and matters concerning securities and derivatives

(1) Cash and cash equivalents, (2) Time deposits, and (3) Trade notes and accounts receivable, net

Since these accounts are settled in a short period of time, their consolidated balance sheet amounts approximate their fair values.

(4) Long-term trade receivables, net

Fair values of long-term trade receivables are measured by discounting future cash flows at presently expected discount rates. As a result, their consolidated balance sheet amounts approximate their fair values.

(5) Investment securities, marketable equity securities

Fair values of marketable equity securities whose fair values are estimable are measured based on their market values and the results are reflected as consolidated balance sheet amounts.

(6) Short-term debt and (7) Trade notes, bills and accounts payable

Since these accounts are settled in a short period of time, their consolidated balance sheet amounts approximate their fair values.

(8) Long-term debt, including current portion

Fair values of long-term debt are measured either based on prices on the exchange market or based on the present value of future cash flow for each borrowing calculated by discounting at the borrowing rate at the end of the fiscal year that should be applied to borrowings with similar maturities.

(9) Derivatives, net

Fair values of derivatives mainly consisting of forward foreign exchange contracts and interest rate swap contracts are measured based on quotes obtained from brokers and the results are reflected as consolidated balance sheet amounts.

2. Unlisted investment securities (consolidated balance sheet amount: JPY 7,964 million) are primarily non-marketable equity securities, and therefore are not included in "Investment securities, marketable equity securities."

Notes Concerning Investment and Rental Property

The total amount of land and buildings held by Komatsu as rental property is immaterial.

Significant Subsequent Events

No items to report.

Other Notes

Amounts less than JPY 1 million in the Consolidated Financial Statements and its Notes are rounded to the nearest million yen.

III. Non-Consolidated Financial Statements

(1) Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(JPY million)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	Reserve for special account for advanced depreciation of non-current assets	General reserve
Balance at the beginning of current period	70,120	140,140	343	140,483	18,036	448	14,626	–	210,359
Cumulative effects of changes in accounting policies									
Restated balance	70,120	140,140	343	140,483	18,036	448	14,626	–	210,359
Changes of items during the period									
Provision of reserve for special depreciation						186			
Reversal of reserve for special depreciation						(78)			
Provision of reserve for advanced depreciation of non-current assets							1,135		
Reversal of reserve for advanced depreciation of non-current assets							(506)		
Provision of reserve for special account for advanced depreciation of non-current assets								393	
Reversal of reserve for special account for advanced depreciation of non-current assets								(393)	
Dividends from surplus									
Net income									
Purchase of treasury stock									
Disposal of treasury stock			384	384					
Retirement of treasury stock			(728)	(728)					
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	(343)	(343)	–	108	628	–	–
Balance at the end of current period	70,120	140,140	–	140,140	18,036	557	15,254	–	210,359

(JPY million)

	Shareholders' equity				Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Retained earnings		Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
	Other retained earnings	Total retained earnings							
	Retained earnings brought forward								
Balance at the beginning of current period	241,170	484,641	(41,821)	653,423	26,302	95	26,397	3,361	683,183
Cumulative effects of changes in accounting policies	(2,812)	(2,812)		(2,812)					(2,812)
Restated balance	238,358	481,828	(41,821)	650,611	26,302	95	26,397	3,361	680,370
Changes of items during the period									
Provision of reserve for special depreciation	(186)	–		–					–
Reversal of reserve for special depreciation	78	–		–					–
Provision of reserve for advanced depreciation of non-current assets	(1,135)	–		–					–
Reversal of reserve for advanced depreciation of non-current assets	506	–		–					–
Provision of reserve for special account for advanced depreciation of non-current assets	(393)	–		–					–
Reversal of reserve for special account for advanced depreciation of non-current assets	393	–		–					–
Dividends from surplus	(55,324)	(55,324)		(55,324)					(55,324)
Net income	134,434	134,434		134,434					134,434
Purchase of treasury stock			(30,027)	(30,027)					(30,027)
Disposal of treasury stock			508	892					892
Retirement of treasury stock	(19,079)	(19,079)	19,807	–					–
Net changes of items other than shareholders' equity					6,177	(24)	6,152	(380)	5,772
Total changes of items during the period	59,293	60,030	(9,711)	49,975	6,177	(24)	6,152	(380)	55,747
Balance at the end of current period	297,651	541,859	(51,533)	700,586	32,479	71	32,550	2,981	736,118

(2) Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

(1) Method and basis of valuation of securities

Investments in subsidiaries and affiliated companies:

Stated at cost determined by the moving-average method.

Available-for-sale securities:

Securities whose market value is readily determinable:

Stated at fair market value, based on market quotation at the balance sheet date. (Unrealized gains and losses are reported, net of applicable income taxes, as a separate component of net assets. The cost of securities sold is determined based on the moving-average method.)

Securities whose market value is not readily determinable:

Stated at cost determined by the moving-average method.

(2) Method and basis of valuation of inventories

Merchandise and finished goods, work in process:

Stated at cost (specific identification method).

Raw materials and supplies:

Stated at cost (periodic average method).

The value stated in the balance sheet is computed according to write-downs based on the decreased profitability.

(3) Depreciation of non-current assets

Property, plant and equipment (excluding lease assets):

Straight-line method

Intangible assets (excluding lease assets):

Straight-line method

Lease assets

Lease assets pertaining to finance leases that do not transfer ownership of leased property to the lessee:

Straight-line method over the lease period as the useful life

Finance leases that do not transfer ownership of leased property to the lessee whose transaction commenced on or before March 31, 2008, are accounted for in the same manner as that applicable to operating lease transactions.

(4) Allowances and provisions

1) Allowance for doubtful accounts

To cover possible credit losses on accounts receivables or loans, an allowance for doubtful accounts is provided in the amount deemed uncollectible, which is calculated on the basis of historical default rates for normal claims, or on the basis of individual assessments for specific claims on obligors threatened with bankruptcy.

2) Allowance for investment loss

In order to prepare for losses from investing in domestic and overseas unlisted companies, allowance for investment loss is accounted for by taking into consideration the financial position of the issuer and fluctuation of the foreign exchange of the country of the issuer.

3) Provision for bonuses

Provision for bonuses is provided for payment prospect of bonuses to employees at an amount

considered to be recorded for the fiscal year.

4) Provision for directors' bonuses
Provision for directors' bonuses is provided for payment prospect of bonuses to Directors at an amount considered to be recorded for the fiscal year.

5) Provision for product warranties
Provision for product warranties is provided for product after-sales service expenses based on the historical performance.

6) Provision for retirement benefits
In order to provide for employee retirement benefits, the Company accrues liabilities for severance payments and pension at the amount calculated based on the projected benefit obligations and plan assets at the balance sheet date.
When calculating the projected benefit obligations, the benefit formula basis is used to attribute expected benefits to the period through to the end of the fiscal year. Prior service cost is charged to income when incurred. Actuarial loss is amortized in an amount proportionally appropriated on a straight-line basis over a 10-year period, which is shorter than the average remaining service period of employees, beginning with the following term when the difference is recognized.

(5) Accounting for income and expenses
In principle, the total amount of the sale price is accounted at the time of delivery to the customer for domestic sales, and at the time of lading for exports. For large machinery and other items necessitating installation work, the sale is accounted when the installation is completed.

(6) Accounting for consumption taxes, etc.
Consumption taxes, etc. are separately accounted for by excluding them from each transaction amount.

Notes to Changes in Accounting Policies

Effective from the fiscal year ended March 31, 2015, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015), reviewed its calculation method for projected benefit obligations and current service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining working lives of employees, to one that uses a single weighted average discount rate reflecting the estimated timing and amount of the benefit payment.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the revision to the calculation method for projected benefit obligations and current service costs has been added to or deducted from retained earnings brought forward as of April 1, 2014.

As a result, as of April 1, 2014, retained earnings brought forward decreased by JPY 2,812 million. In addition, operating income, ordinary income and income before income taxes for the fiscal year increased by JPY 275 million respectively.

Net assets per share decreased by JPY 2.85 and net income per share and diluted net income per share for the fiscal year increased by JPY 0.14 and JPY 0.13 respectively.

Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: JPY 406,789 million

(2) Contingency liability

Balance of guarantees for debt for borrowings from financial institutions by subsidiaries and affiliates and cooperation companies: JPY 55,164 million

Balance of guarantees for debt for borrowings from financial institutions by employees (home loans): JPY 1,395 million

Balance of keep-well agreements for the bonds of subsidiaries and affiliates: JPY 113,904 million

(3) Receivables from, and debts payable to subsidiaries and affiliates

Short-term receivables from subsidiaries and affiliates: JPY 230,392 million

Short-term debts payable to subsidiaries and affiliates: JPY 67,017 million

Long-term receivables from subsidiaries and affiliates: JPY 14,733 million

Notes to Non-Consolidated Statement of Income

(1) Trading with subsidiaries and affiliates

Sales: JPY 614,624 million

Purchases: JPY 135,105 million

Trading other than operating transactions: JPY 75,616 million

(2) Gain on extinguishment of tie-in shares

Gain on extinguishment of tie-in shares was provided by the absorption-type merger with the Company's subsidiary Komatsu Diesel Co., Ltd.

(3) Impairment loss

As for the Company's asset groups, dormant assets and rental assets are grouped individually while operating assets are grouped as per management accounting items.

After examining non-current assets based on this grouping for decreases in value, the book value of assets whose fair market value is lower than the book value was lowered to the recoverable amount and the resulting difference was recorded as an impairment loss. The recoverable amount was measured using the net selling price.

In the fiscal year, the Company recorded an impairment loss under extraordinary loss for the following asset group.

Application	Type	Region	Impairment Loss (JPY million)
Dormant assets	Land	Chubu area	6

Notes to Non-Consolidated Statement of Changes in Net Assets

(1) Type and number of shares issued

Type	Number of Shares at Fiscal Year-beginning	Increase During the Fiscal Year	Decrease During the Fiscal Year	Number of Shares at Fiscal Year-end
Common stock*	983,130,260	–	11,162,600	971,967,660

Note:

The decrease in the number of shares issued is due to the retirement of treasury stock.

(2) Type and number of treasury stock

Type	Number of Shares at Fiscal Year-beginning	Increase During the Fiscal Year	Decrease During the Fiscal Year	Number of Shares at Fiscal Year-end
Common stock*1,2	29,377,385	11,175,240	11,511,867	29,040,758

Notes:

1. The 11,175,240-share increase in the number of treasury stock of common stock consists of the following.
   1) 11,162,600 shares by the purchase of shares based on resolutions at the meeting of the Board of Directors
   2) 12,640 shares by the purchase of shares constituting less than one unit of shares
2. The 11,511,867-share decrease in the number of treasury stock of common stock consists of the following.
   1) 11,162,600 shares by the retirement of treasury stock
   2) 349,100 shares by the exercise of stock options
   3) 167 shares by the sales of shares constituting less than one unit of shares

(3) Dividends

1) Payment amount of dividends

Resolution	Type of Shares	Total Dividends (JPY million)	Dividend per Share (JPY)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 18, 2014	Common stock	27,658	29	March 31, 2014	June 19, 2014
Meeting of the Board of Directors held on October 31, 2014	Common stock	27,665	29	September 30, 2014	December 2, 2014

2) Dividends of which record date is in the fiscal year and effective date is in the next fiscal year

Planned Resolution	Type of Shares	Resource of Dividends	Total Dividends (JPY million)	Dividend per Share (JPY)	Record Date	Effective Date
Ordinary General Meeting of Shareholders to be held on June 24, 2015	Common stock	Retained earnings	27,344	29	March 31, 2015	June 25, 2015

(4) Matters concerning Stock Acquisition Rights

Breakdown of Stock Acquisition Rights	Type of Shares Allocated for Stock Acquisition Rights	Number of Shares Allocated for Stock Acquisition Rights			
		Number of Shares at Fiscal Year-beginning	Increase During the Fiscal Year	Decrease During the Fiscal Year	Number of Shares at Fiscal Year-end
2006 Stock Acquisition Rights No. 1 *1, 2	Common stock	187,000	–	187,000	–
2006 Stock Acquisition Rights No. 2 *1, 2	Common stock	283,000	–	283,000	–
2007 Stock Acquisition Rights No. 1 *1, 2	Common stock	181,000	–	68,000	113,000
2007 Stock Acquisition Rights No. 2 *1, 2	Common stock	253,000	–	31,000	222,000
2008 Stock Acquisition Rights No. 1 *1, 2	Common stock	144,000	–	40,000	104,000
2008 Stock Acquisition Rights No. 2 *1, 2	Common stock	206,000	–	53,000	153,000
2009 Stock Acquisition Rights No. 1 *1	Common stock	124,000	–	–	124,000
2009 Stock Acquisition Rights No. 2 *1, 3	Common stock	246,000	–	121,000	125,000
2010 Stock Acquisition Rights No. 1 *1	Common stock	6,400	–	–	6,400
2010 Stock Acquisition Rights No. 2 *1, 3	Common stock	37,400	–	13,600	23,800
2011 Stock Acquisition Rights No. 1 *1, 3	Common stock	87,200	–	17,600	69,600
2011 Stock Acquisition Rights No. 2 *1, 3	Common stock	252,900	–	94,900	158,000
2012 Stock Acquisition Rights No. 1 *1, 4	Common stock	84,300	–	–	84,300
2012 Stock Acquisition Rights No. 2 *1, 4	Common stock	255,500	–	–	255,500
2013 Stock Acquisition Rights No. 1 *1, 4	Common stock	56,100	–	–	56,100
2013 Stock Acquisition Rights No. 2 *1, 4	Common stock	235,800	–	–	235,800

Breakdown of Stock Acquisition Rights	Type of Shares Allocated for Stock Acquisition Rights	Number of Shares Allocated for Stock Acquisition Rights			
		Number of Shares at Fiscal Year-beginning	Increase During the Fiscal Year	Decrease During the Fiscal Year	Number of Shares at Fiscal Year-end
2014 Stock Acquisition Rights No. 1 *1, 4, 5	Common stock	–	58,900	–	58,900
2014 Stock Acquisition Rights No. 2 *1, 4, 5	Common stock	–	216,900	–	216,900

Notes:

1. Stock Acquisition Rights No. 1 were issued as remuneration for Directors of the Company as per the Companies Act of Japan. Stock Acquisition Rights No. 2 were issued without consideration to employees of the Company or others as per the Companies Act of Japan.
2. The decrease in shares recorded during the fiscal year for the Stock Acquisition Rights is due to exercise of Stock Acquisition Rights and to the expiry of the exercise period for Stock Acquisition Rights.
3. The decrease in shares recorded during the fiscal year for the Stock Acquisition Rights is due to exercise of Stock Acquisition Rights.
4. As of March 31, 2015, the period during which Stock Acquisition Rights may be exercised has not arrived.
5. The increase in shares recorded during the fiscal year for the Stock Acquisition Rights is due to new issue of Stock Acquisition Rights.

Notes Concerning Tax Effect Accounting

Major reasons for the accrual of deferred tax assets and deferred tax liabilities

(Deferred tax assets)			
Provision for product warranties	JPY	1,674	million
Inventories	JPY	564	million
Accrued enterprise tax	JPY	1,468	million
Provision for bonuses	JPY	3,058	million
Provision for retirement benefits	JPY	9,514	million
Allowance for investment loss	JPY	1,336	million
Impairment loss	JPY	2,874	million
Investment securities and stocks of subsidiaries and affiliates	JPY	6,539	million
Excess over depreciation limit	JPY	2,063	million
Excess allowance for doubtful accounts	JPY	599	million
Others	JPY	7,508	million
Subtotal deferred tax assets	JPY	37,203	million
Less valuation allowance	JPY	(9,547)	million
Total deferred tax assets	JPY	27,656	million
(Deferred tax liabilities)			
Reserve for advanced depreciation of non-current assets	JPY	(7,345)	million
Valuation difference on available-for-sale securities	JPY	(14,682)	million
Others	JPY	(1,741)	million
Total deferred tax liabilities	JPY	(23,769)	million
Net deferred tax assets	JPY	3,887	million

Note:

Changes in the amounts of deferred tax assets and deferred tax liabilities due to changes in the rates of income taxes

"Act for Partial Revision of the Income Tax Act, etc." (Act No. 9 of 2015) and "Act for Partial Revision of the Local Tax Act, etc." (Act No. 2 of 2015) were promulgated on March 31, 2015 and, effective from the fiscal year beginning on or after April 1, 2015, the income tax rates will be reduced. Accordingly, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will be changed from the previous rate of 35.44% to 32.89% for temporary differences expected to be eliminated in the fiscal year beginning on April 1, 2015, and to 32.12% for temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2016.

As a result of these tax rate changes, deferred tax assets (the amount after deferred tax liabilities are deducted) decreased by JPY 92 million, income taxes-deferred increased by JPY 1,463 million, valuation difference on available-for-sale securities increased by JPY 1,367 million, and deferred gains or losses on hedges increased by JPY 2 million respectively.

Notes Concerning Lease Assets

(1) Leases whose transaction commenced on or before March 31, 2008

1) Equivalents for leased assets (purchase price equivalent, accumulated depreciation equivalent, fiscal year-end amount outstanding equivalent)

(JPY million)

	Purchase Price Equivalent	Accumulated Depreciation Equivalent	Fiscal Year-end Amount Outstanding Equivalent
Machinery and equipment	1,679	1,483	195

2) The present value of future rental expenses under capital leases

Due within one (1) year	JPY	191 million
Due over one (1) year	JPY	34 million
Total	JPY	226 million

3) Lease expenses, depreciation equivalent and interest expense equivalent

Lease expenses	JPY	412 million
Depreciation equivalent	JPY	361 million
Interest expense equivalent	JPY	13 million

4) Method for calculating depreciation equivalent
Depreciation equivalent is calculated by the straight-line method using the lease period as the useful life without residual value.

5) Method for calculating the interest equivalent
The difference between the total lease expenses and the purchase price equivalent is deemed as the interest equivalent and the interest method is used to amortize the interest equivalent for each period.

(2) Leases whose transaction commenced on or after April 1, 2008

1) Type of lease assets
Principally, transformers (Machinery and equipment)

2) Depreciation of lease assets
As described in "(3) Depreciation of non-current assets" under Significant Accounting Policies.

Notes Concerning Related Party Transactions

Subsidiaries and other affiliated companies

(JPY million)

Attribute	Company Name	Holding Voting Rights	Relationship with Related Party	Transaction	Transaction Amount	Category	Outstanding Balance
Subsidiary	Komatsu America Corp.	Holding directly 100%	Manufacture and sale of the Company's products Dispatched Director	Sale of products, etc.*1	156,595	Accounts receivable-trade	15,920
	Komatsu Construction Equipment Sales and Service Japan Ltd.	Holding directly 100%	Sale of the Company's products Dispatched Director	Sale of products, etc.*1	145,434	Accounts receivable-trade	70,582
				Cash Management System borrowing*2	20,269	Deposits received	15,815
	Komatsu Industries Corporation	Holding directly 100%	Sale of the Company's products	Sale of products, etc.*1	33,993	Accounts receivable-trade	15,679
				Cash Management System borrowing *2	13,134	Deposits received	12,011
	Komatsu Business Support Ltd.	Holding directly 100%	Retail financing of the Company's products	Cash Management System lending*2	20,186	Short-term loans receivable	8,476
						Long-term loans receivable	13,927
	Komatsu Rental Ltd.	Holding directly 100%	Rental of the Company's products	Cash Management System lending*2	20,046	Short-term loans receivable	21,689
	Komatsu NTC Ltd.	Holding directly 100%	Dispatched Director	Cash Management System lending*2	14,645	Short-term loans receivable	11,460
	Komatsu India Pvt. Ltd.	Holding directly 30.6% indirectly 69.4%	Manufacture and sale of the Company's products	Guarantee obligation*3	14,133	–	–
	Komatsu Financial Leasing China Ltd.	Holding indirectly 100%	Retail financing of the Company's products	Fund lending*4	–	Short-term loans receivable	9,132

In the above amounts, consumption taxes, etc. are not included in the transaction amounts.

Notes concerning transaction conditions and policies, etc. for their determination

1. Product selling prices and other sales conditions are decided by negotiation, taking into account market conditions.
2. The interest rates on Cash Management System borrowing and lending are reasonably decided taking market interest rates into consideration. Transaction amount shows the average balance during the fiscal year because the transactions are repetitive.
3. The guarantee obligation applies to borrowings from financial institutions.
4. The interest rates on fund lending are reasonably decided taking market interest rates into consideration.

Notes Concerning Per Share Information

(1)	Net assets per share	JPY	777.51
(2)	Net income per share	JPY	141.39

Other Notes

Amounts less than JPY 1 million in the Non-Consolidated Financial Statements and its Notes are rounded down.