May 18, 2020


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| Company name | Komatsu Ltd. |
| Name of Representative | Hiroyuki Ogawa, President and CEO |
| | (Code: First Section of TSE 6301) |
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# Notice: Difference between Non-consolidated Business Results for FY2019 and Those for the Previous Fiscal Year and Dividends from Retained Earnings

Komatsu Ltd. (President and CEO: Hiroyuki Ogawa) (hereafter "the Company") does not disclose projections of non-consolidated business results. However, please be informed of the difference between non-consolidated business results for the fiscal year ended March 31, 2020 and those for the previous fiscal year as follows.

Please be also informed that the Board of Directors, in its meeting on May 18, 2020, resolved to propose at the 151st ordinary general shareholders' meeting that the Company will change the latest projection of retained earnings with the record date of March 31, 2020 and pay dividends.

Specifics

1. Difference between non-consolidated full-year results for the fiscal year ended March 31, 2020 and those for the previous fiscal year (April 1, 2019 to March 31, 2020)

| | Sales | Ordinary profit | Net income | Net income per share |
|---|---|---|---|---|
| | Million JPY | Million JPY | Million JPY | JPY |
| FY2018 results (A) (Ended March 31, 2019) | 928,967 | 195,534 | 157,754 | 167.10 |
| FY2019 results (B) (Ended March 31, 2020) | 719,292 | 62,008 | 58,316 | 61.73 |
| Difference (B-A) | (209,674) | (133,525) | (99,437) | — |
| Rate of change (%) | (22.6) | (68.3) | (63.0) | — |

[Reasons for the difference]

Concerning non-consolidated business results, sales of construction and mining equipment remained slack in Asia, centering on Indonesia, and dividends from subsidiaries declined for the fiscal year under review. As a result, both sales and profits decreased from the previous fiscal year.

2. Details of dividend

| | Amounts decided | Most recent dividend projection (As of October 30, 2019) | Actual dividends for FY2018 (Ended March 31, 2019) |
|---|---|---|---|
| Record date | March 31, 2020 | Same as on the left | March 31, 2019 |
| Dividend per share | JPY39 | JPY55 | JPY59 |
| Total amount of dividends | JPY36,858 million | ― | JPY55,718 million |
| Effective date | June 19, 2020 | ― | June 19, 2019 |
| Source of dividends | Retained earnings | ― | Retained earnings |

[Reason for the change of projected cash dividend]
Concerning the consolidated business results for the fiscal year ended March 31, 2020, sales mainly in the construction, mining and utility equipment business declined, against the backdrop of reduced demand in Strategic Markets such as Asia, and the coronavirus (COVID-19) pandemic in the four quarter. Net income attributable to Komatsu Ltd. dropped by 40.0% from the previous fiscal year to JPY 153.8 billion. Concerning annual cash dividends for the fiscal year under review, the Company is planning to pay JPY 94 per share by reviewing the business results for the fiscal year under review, as well as current and future business prospects. The consolidated payout ratio will become 57.7%, as the Company maintains its earlier projection. As the Company has already paid the interim dividend of JPY 55, the year-end cash dividend will be JPY 39 per share, JPY 16 short of the latest plan. This dividend amount will be proposed to the 151st ordinary general meeting of shareholders (scheduled for June 18, 2020).

[Reference]

| | Dividend per share | | |
|---|---|---|---|
| Record date | End of the second quarter | Fiscal year-end | Total |
| FY2019 results | JPY55 | JPY39 | JPY94 |
| FY2018 results (Ended March 31, 2019) | JPY51 | JPY59 | JPY110 |

(end)