April 30, 2021

To All

Company name	Komatsu Ltd.
Name of Representative	Hiroyuki Ogawa, President and CEO (Code: First Section of TSE 6301)
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Notice Concerning Company Split (Simplified Absorption-Type Company Split) to Transfer a Portion of Rights, Obligations, Etc. of Smart Construction business to Komatsu's Wholly-Owned Subsidiary

Komatsu Ltd. (hereafter "Komatsu") hereby announces that the Board of Directors, at its meeting held on April 30, 2021, resolved to transfer a portion of Komatsu's rights, obligations, etc. relating to its Smart Construction business to LANDLOG Ltd. (hereafter "LANDLOG"), by way of a company split (absorption-type company split) with an effective date of July 1, 2021 (scheduled) (hereafter the "Company Split") (The absorption-type company split agreement pertaining to the Company Split shall be referred to as the "Company Split Agreement."). As the Company Split is going to take place in the form of a simplified absorption-type company split in which Komatsu's wholly-owned subsidiary will be the successor company, certain matters and descriptions are omitted from the disclosure below.

I. Background, Purposes, Etc. of the Company Split

In February 2015, Komatsu launched "SMARTCONSTRUCTION", a solution service that solves the serious labor shortage issue in the Japanese construction industry. As of the end of March 2021, Komatsu has introduced this service to more than 13,000 domestic sites.

Komatsu established LANDLOG in October 2017. Then LANDLOG established the open platform "LANDLOG" that is available as the basis for SMARTCONSTRUCTION services for the many service providers who, like as Komatsu, are working to solve issues in the construction industry, aiming for accelerating the solution of the construction industry and achieving a safe, productive and

future construction worksite as soon as possible.

Subsequently, Komatsu began introducing "DX SMARTCONSTRUCTION" in Japan, North America, Europe and Australia, successively from April 2020, which may, by utilizing digital technology throughout the entire construction process, bring about significant change from the previous solution services with partial digitization in the construction process and achieve dramatic improvements in safety, productivity and environmental performance. DX SMARTCONSTRUCTION consists of (i) LANDLOG, the open platform, (ii) four devices, including "SMARTCONSTRUCTION Retrofit", which can be connected to LANDLOG and allows worksites to be digitized inexpensively, highly precisely, quickly and easily, and (iii) eight apps that optimize operations in the construction process.

After the Company Split, LANDLOG will change its corporate name to "EARTHBRAIN Ltd." It will expand its business domains and renew its management structure to accelerate the further evolution of "DX SMARTCONSTRUCTION" which has been developed by Komatsu, and will create new value through digital transformation at construction sites around the world, aiming to realize "safe, productive, smart and clean sites" as early as possible, even just a day sooner.

"EARTHBRAIN Ltd." will issue its new shares through a third-party allocation to NTT DOCOMO, INC., Sony Semiconductor Solutions Corporation and Nomura Research Institute, Ltd., and its business will be operated as a joint venture business by Komatsu and these three companies.

II. Information Regarding the Company Split

1. Outline of the Company Split

(1) Schedule of the Company Split

Date of resolution of the Board of Directors (by Komatsu): April 30, 2021

Date of resolution of the Board of Directors (by LANDLOG): April 30, 2021

Date of execution of the Company Split Agreement: May 11, 2021 (scheduled)

Date of resolution at the general meeting of shareholders (by LANDLOG): June 4, 2021 (scheduled)

Effective date of the Company Split: July 1, 2021 (scheduled)

The Company Split falls under "simplified absorption-type company split" as provided under Article 784, Paragraph 2 of the Companies Act. Accordingly, Komatsu will not hold a general meeting of shareholders concerning the approval of the Company Split Agreement.

(2) Form of the Company Split

The Company Split is an absorption-type company split (a simplified absorption-type company

split) in which Komatsu is the splitting company and LANDLOG is the successor company.

(3) Details of allocation related to the Company Split

Upon the Company Split, LANDLOG will issue 26,460 common stocks, all of which will be allocated to Komatsu.

(4) Treatment of the stock acquisition rights and the bonds with stock acquisition rights upon the Company Split

There will be no change in the treatment of the stock acquisition rights issued by Komatsu. There is no existing bond with stock acquisition rights issued by Komatsu.

(5) Increase or decrease in stated capital as a result of the Company Split

There will be no change in the stated capital of Komatsu as a result of the Company Split.

(6) Rights and obligations to be transferred to the successor company

Among the rights, obligations, etc. held by Komatsu in relation to its Smart Construction business, those stipulated in the Company Split Agreement will be transferred to LANDLOG.

(7) Prospects for performance of liabilities

Komatsu has determined that the liabilities to be borne by LANDLOG after the Company Split are expected to be performed by LANDLOG with no problems.

2. Overview of the companies involved in the Company Split

	Splitting company (As of March 31, 2021)	Successor company (As of April 30, 2021)
Corporate Name	Komatsu Ltd.	LANDLOG Ltd.
Head office	2-3-6, Akasaka, Minato-ku, Tokyo	2-11-8, Shibadaimon, Minato-ku, Tokyo
Job title and name of representative	President and CEO Hiroyuki Ogawa	Representative Director and President Kosaku Igawa
Business	Manufacture and sale of construction and mining equipment, utilities (small equipment), forest machines and industrial machinery.	Planning, development, operation and commercialization of platforms for collecting, compiling and storing

			various data related to construction and production processes. Planning, development, operation and commercialization of data generation systems that generate, analyze and store various data related to construction and production processes.	
Capital stock	71,322 million yen		150 million yen	
Date of establishment	May 13, 1921		October 5, 2017	
Number of shares issued and outstanding	972,887,610 shares		10,000 shares	
Date of the end of fiscal year	March 31		March 31	
Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)	9.15%	Komatsu Ltd.	100%
	Custody Bank of Japan, Ltd. (Trust Account)	5.94%		
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	3.23%		

	JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd., settlement business department)	2.90%		
	Taiyo Life Insurance Company	2.87%		

Financial position and operating results for the previous fiscal year (ended in March 2020)		
	FY ended in March 2020 (Consolidated)	FY ended in March 2020 (Non-consolidated)
Net assets	1,856,225 million yen	42 million yen
Total assets	3,653,686 million yen	367 million yen
Net assets per share	1,875.47 yen (Note 1)	4,233 yen
Sales	2,444,870 million yen	394 million yen
Operating income	250,707 million yen	18 million yen
Ordinary income (loss)	223,114 million yen (Note 2)	(1 million yen)
Net income (loss) attributable to owners of the parent	153,844 million yen	(1 million yen)
Net income (loss) per share	162.93 yen	(229 yen)

(Note 1) “Komatsu Ltd. shareholders’ equity per share” on Komatsu’s consolidated financial statements is presented in this table instead of “Net assets per share” for Komatsu.

(Note 2) Komatsu’s consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in the United States of America. Therefore, “Income before income taxes and equity in earnings of affiliated companies” on Komatsu’s consolidated financial statements is presented in this table instead of “Ordinary income” for Komatsu.

3. Overview of the business to be split off

(1) Business of the division to be split off

A portion of Komatsu’s rights, obligations, etc. relating to its Smart Construction business.

(2) Operating results pertaining to the division to be split off

The division to be split off is a portion of Komatsu's rights, obligations, etc. relating to its Smart Construction business and the division is still at the stage of its development. Therefore, there are no operating results pertaining to the division.

(3) Items and amounts of assets and obligations to be split off

Assets		Liabilities	
Item	Book value (hundred million yen)	Item	Book value (hundred million yen)
Current assets	3.8	Current liabilities	—
Fixed assets	60	Fixed liabilities	—
Total	63.8	Total	—

The above items and book values have been estimated based on the amounts as of March 31, 2021, and the actual amounts to be split off are different from the above.

4. Status of the splitting company after the Company Split

There will be no change due to the Company Split in the name, location, job title and name of representative, scope of business, capital stock and fiscal year of Komatsu as the splitting company.

5. Status of the successor company after the Company Split

There will be no change due to the Company Split in the name, location, job title and name of representative, scope of business, capital stock and fiscal year of LANDLOG as the successor company; however, please note that LANDLOG will change its corporate name to "EARTHBRAIN Ltd." on July 1, 2021 (scheduled).

6. Future outlook

The effect of the Company Split on Komatsu's consolidated operating results is expected to be minor since the parties of the Company Split are Komatsu and its wholly-owned subsidiary.

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