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

May 31, 2011

Dear Shareholders:

Items Disclosed on Internet Concerning Notice of Convocation of the 142nd 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 142nd Ordinary General Meeting of Shareholders of Komatsu Ltd. in accordance with relevant laws and regulations and with Article 16 of the Articles of Incorporation.

1) Notes to Consolidated Statutory Report
2) Notes to Non-Consolidated Statutory Report

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

Komatsu Ltd.

Notes to Consolidated Statutory Report

Basis of Preparation of Consolidated Statutory Report

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

Number of consolidated subsidiaries:	144 companies
Number of affiliated companies accounted for by the equity method:	39 companies

2. Significant Accounting Policies

(1) Basis of preparation of Consolidated Statutory Report

The Consolidated Statutory Report of Komatsu Ltd. and its subsidiaries (hereinafter "Komatsu") is prepared in accordance with Article 3, paragraph 1 of the Supplementary Provisions of the Corporate Accounting Regulations (Ordinance of the Ministry of Justice No. 46 of 2009), and the method of preparation conforms to the accounting principles generally accepted in the United States (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 principally using the declining-balance 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.

(6) Change in accounting policies
Starting from the fiscal year under review, the Company adopted the Accounting Standards Update No. 2009-16, "Accounting for Transfers of Financial Assets." This update eliminates the concept of Qualifying Special Purpose Entities ("QSPE"). The update also applies stricter conditions to the sale process in the transfer of partial economic interest of financial assets, clarifies the conditions for derecognition of financial assets and revises the initial method of measurement of interest that the transferor continues to hold after the transfer of the financial asset. The adoption of this update does not have any material impact on the financial position and results of operation of the Company.
Starting from the fiscal year under review, the Company adopted the Accounting Standards Update No. 2009-17, "Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities." This update prescribes changes to the method for determining the primary beneficiary of a variable interest entity and requires ongoing reassessment of whether or not the enterprise is a primary beneficiary of a variable interest entity. The adoption of this update does not have any material impact on the financial position and results of operation of the Company.

(7) Accounting for consumption taxes
Consumption taxes 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 15,793 million

(2) Accumulated depreciation of property, plant and equipment: JPY 639,368 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:

Cash and cash equivalents	JPY	2 million
Other current assets	JPY	2,574 million
Total	JPY	2,576 million

(5) Guarantee obligations

Guarantee obligations for borrowings made by employees, affiliated companies, customers and others: JPY 99,312 million

Notes Concerning Per Share Information

(1)	Komatsu Ltd. shareholders' equity per share	JPY	954.48
(2)	Basic net income attributable to Komatsu Ltd. per share	JPY	155.77
(3)	Diluted net income attributable to Komatsu Ltd. per share	JPY	155.66

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 an 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, option 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*	Variance
(1) Cash and cash equivalents	84,224	84,224	–
(2) Time deposits	734	734	–
(3) Trade notes and accounts receivable	532,757	532,757	–
(4) Long-term trade receivables	183,270	183,270	–
(5) Investment securities, marketable equity securities	49,372	49,372	–
(6) Trade notes, bills and accounts payable	(308,975)	(308,975)	–
(7) Short-term debt	(130,308)	(130,308)	–
(8) Long-term debt, including current portion	(413,760)	(412,375)	1,385
(9) Derivatives, net	7,055	7,055	–

* 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

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

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

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. Non-marketable equity securities (consolidated balance sheet amount: JPY 11,483 million) are not included in “Investment securities, marketable equity securities” because it is deemed to be extremely difficult to measure their fair values since they do not have market prices and their future cash flows are not estimable.

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 this document are rounded to the nearest million yen.

Notes to Non-Consolidated Statutory Report

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):

Declining-balance 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.
Prior service obligations are 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 averaged 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
Consumption taxes are separately accounted for by excluding them from each transaction amount.

(7) Changes in accounting policies

1) Accounting Standard for Asset Retirement Obligations
Starting from the fiscal year under review, the Company adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008). This change has only a minimal impact on Operating income, Ordinary income and Income before income taxes.

2) Accounting Standards for Business Combinations
Starting from the fiscal year under review, the Company adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23 issued on December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 revised on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 revised on December 26, 2008).

Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: JPY 342,966 million

(2) Contingency liability
Balance of guarantees for debt for borrowings from financial institutions by subsidiaries and affiliates and cooperation companies: JPY 33,335 million

Balance of guarantees for debt for borrowings from financial institutions by employees (home loans): JPY 2,756 million
Balance of keep-well agreements for the bonds of subsidiaries and affiliates: JPY 47,414 million

(3) Receivables from, and debts payable to subsidiaries and affiliates
Short-term receivables from subsidiaries and affiliates: JPY 229,073 million
Short-term debts payable to subsidiaries and affiliates: JPY 112,285 million
Long-term receivables from subsidiaries and affiliates: JPY 5,762 million

Notes to Non-Consolidated Statement of Income

(1) Trading with subsidiaries and affiliates
Sales: JPY 518,596 million
Purchases: JPY 162,724 million
Trading other than operating transactions: JPY 22,776 million

(2) Impairment loss
In the fiscal year under review, the Company recorded an impairment loss for the following asset group.

Application	Type	Region	Impairment Loss (JPY million)
Dormant assets	Software	Kanto area	2,744

As for the Company's asset groups, dormant assets are grouped individually while operating assets are grouped as per management accounting items. After examining fixed 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 under Extraordinary loss. The recoverable amount was calculated using the net selling price.

(3) Expenditure for protection of natural environment
Expenditure for protection of natural environment consisted of 691 million yen of expenses incurred for remediation of soil and 382 million yen of expenses incurred for handling of PCB waste.

(4) Business structure improvement expenses
Business structure improvement expenses consisted of 946 million yen of expenses incurred for removal, relocation and process development of equipment in connection of restructuring the production system and 257 million yen of expenses incurred for sale and disposal of noncurrent assets such as machinery and equipment.

(5) Expenses related to the disaster
Expenses related to the disaster consisted of 800 million yen of expenses incurred for reliefs, 510 million yen of expenses incurred for restoration of damaged assets and 374 million yen of loss on valuation of inventory assets, as a result of the Great East Japan Earthquake.

Notes to Non-Consolidated Statement of Changes in Net Assets

(1) Type and number of shares issued and outstanding

Type	Number of Shares as of March 31, 2010	Number of Shares Increased	Number of Shares Decreased	Number of Shares as of March 31, 2011
Common stock	998,744,060	–	–	998,744,060

(2) Type and number of treasury shares

Type	Number of Shares as of March 31, 2010	Number of Shares Increased	Number of Shares Decreased	Number of Shares as of March 31, 2011
Common stock*1,2	30,157,946	305,845	174,607	30,289,184

Notes:

1. The increase of number of treasury shares of common stock by 305,845 consists of the following.
   1) 290,292 shares by the purchase of shares from unlocatable shareholders
   2) 15,553 shares by the purchases of shares constituting less than one unit of shares
2. The decrease of number of treasury shares of common stock by 174,607 consists of the following.
   1) 174,000 shares by the exercise of stock options
   2) 607 shares by 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 23, 2010	Common stock	7,748	8	March 31, 2010	June 24, 2010
Board of Directors Meeting held on October 28, 2010	Common stock	17,429	18	September 30, 2010	November 26, 2010

2) Among 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 22, 2011	Common stock	Retained earnings	19,369	20	March 31, 2011	June 23, 2011

(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 Previous Fiscal Year-end	Increase During the Fiscal Year	Decrease During the Fiscal Year	Number of Shares at Fiscal Year-end
2004 Stock Acquisition Rights[*1]	Common stock	330,000	–	30,000	300,000
2005 Stock Acquisition Rights[*1]	Common stock	680,000	–	105,000	575,000
2006 Stock Acquisition Rights No. 1[*1, 2]	Common stock	230,000	–	16,000	214,000
2006 Stock Acquisition Rights No. 2 [*2]	Common stock	426,000	–	–	426,000
2007 Stock Acquisition Rights No. 1 [*2]	Common stock	239,000	–	–	239,000
2007 Stock Acquisition Rights No. 2 [*2]	Common stock	323,000	–	–	323,000
2008 Stock Acquisition Rights No. 1 [*2]	Common stock	192,000	–	–	192,000
2008 Stock Acquisition Rights No. 2 [*2]	Common stock	271,000	–	–	271,000
2009 Stock Acquisition Rights No. 1 [*2]	Common stock	239,000	–	–	239,000
2009 Stock Acquisition Rights No. 2 [*1, 2]	Common stock	403,000	–	23,000	380,000
2010 Stock Acquisition Rights No. 1 [*2, 3]	Common stock	–	21,000	–	21,000
2010 Stock Acquisition Rights No. 2 [*2, 3]	Common stock	–	55,800	–	55,800

Notes:

1. The decrease in shares recorded this fiscal year for the Stock Acquisition Rights is due to exercise of Stock Acquisition Rights.
2. Stock Acquisition Rights No. 1 were issued as remuneration for Directors of the Company as per the Corporation Act. Stock Acquisition Rights No. 2 were issued without consideration to employees of the Company or others as per the Corporation Act.
3. The increase in shares recorded this fiscal year for the Stock Acquisition Rights is due to new issue of Stock Acquisition Rights. As of March 31, 2011, the period during which Stock Acquisition Rights may be exercised has not arrived.

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	2,935	million
Inventories	JPY	866	million
Accrued enterprise tax	JPY	1,162	million
Provision for bonuses	JPY	2,403	million
Provision for retirement benefits	JPY	8,009	million
Allowance for investment loss	JPY	11,117	million
Impairment loss	JPY	5,894	million
Investment securities and stocks of subsidiaries and affiliates	JPY	9,449	million
Others	JPY	9,068	million
Subtotal deferred tax assets	JPY	50,906	million
Less valuation allowance	JPY	(19,670)	million
Total deferred tax assets	JPY	31,236	million
(Deferred tax liabilities)			
Reserve for advanced depreciation of non-current assets	JPY	(9,395)	million
Valuation difference on available-for-sale securities	JPY	(10,795)	million
Others	JPY	(471)	million
Total deferred tax liabilities	JPY	(20,661)	million
Net deferred tax assets	JPY	10,574	million

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	5,498	3,458	2,039
Others	2,971	2,422	548
Total	8,469	5,881	2,587

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

Due within one (1) year	JPY	960	million
Due over one (1) year	JPY	1,833	million
Total	JPY	2,794	million

3) Lease expenses, depreciation equivalent and interest expense equivalent

Lease expenses	JPY	1,309	million
Depreciation equivalent	JPY	1,182	million
Interest expense equivalent	JPY	95	million

4) Method for calculating depreciation equivalent amount of expenses
Depreciation equivalent is calculated by the straight-line method over the lease period 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, forklift trucks (vehicles)

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	85,675	Accounts receivable -trade	6,448
	Komatsu (Changzhou) Construction Machinery Corp.	Holding directly 75% indirectly 10%	Manufacture and sale of the Company's products	Sale of products, etc.*1	46,368	Accounts receivable -trade	16,785
	Komatsu Shantui Construction Machinery Co., Ltd.	Holding directly 30% indirectly 30%	Manufacture and sale of the Company's products	Sale of products, etc.*1	46,204	Accounts receivable -trade	16,905
	Komatsu Construction Equipment Sales and Service Japan Ltd.	Holding directly 100%	Sale of the Company's products Dispatched Director	Sale of products, etc.*1	76,928	Accounts receivable -trade	37,106
				Cash Management System lending*2	9,161	Short-term loans receivable	5,500
	Komatsu Rental Ltd.	Holding directly 79%	Rental of the Company's products Dispatched Director	Cash Management System lending*2	35,645	Short-term loans receivable	39,766
						Long-term loans receivable	2,552
	Komatsu Castex Ltd.	Holding directly 100%	Manufacture and sale of steel castings, etc. relating to the Company's products	Cash Management System lending*2	15,091	Short-term loans receivable	10,600
	Komatsu Forklift Japan Ltd.	Holding indirectly 100%	Sale of the Company's products	Cash Management System lending*2	10,765	Short-term loans receivable	9,900
	Komatsu Utility Co., Ltd.	Holding directly 100%	Manufacture and sale of the Company's products Dispatched Director	Cash Management System borrowing*2	25,158	Deposits received	30,320
	Komatsu Logistics Corp.	Holding directly 100%	Transportation, warehousing, baling and other services of the Company's products	Cash Management System borrowing*2	8,328	Deposits received	10,274
	Komatsu NTC Ltd.	Holding directly 100%	Dispatched Director	Cash Management System borrowing*2	6,991	Deposits received	16,700
	Komatsu Europe International N.V.	Holding directly 100%	Sale of the Company's products Dispatched Director	Contribution in kind	10,387	–	–

In the above amounts, consumption taxes 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 of 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.

Notes Concerning Per Share Information

(1)	Net assets per share	JPY	557.04
(2)	Net income per share	JPY	49.85

Notes Concerning Significant Subsequent Events

(1) The Company resolved at a meeting of the Board of Directors held on February 15, 2011 that, effective April 1, 2011, the Company would merge with its wholly owned subsidiary Komatsu Utility Co., Ltd. (consolidated subsidiary) by absorption-type merger. Accordingly, the merger was executed.

1) Overview of the name and line of business of the combined company, legal form of the business combination and the name of the company after the combination and transactions including their purpose

i) Name and line of business of the combined company
Name: Komatsu Utility Co., Ltd.
Line of business: Manufacture and sale of construction equipment and industrial vehicles (forklift trucks)

ii) Legal form of the business combination
Absorption-type merger where the Company is the surviving company

iii) Name of the company after combination
Komatsu Ltd.

iv) Overview of transactions including their purpose
Over the last few years, Komatsu has promoted structural reforms of the utility equipment business. For example, on April 1, 2007, Komatsu Forklift Co., Ltd. and Komatsu Zenoah Co. merged. Under their integrated management, Komatsu enhanced the product competitiveness of forklift trucks and mini construction equipment by reassessing their development operations and generating a synergy of Komatsu technologies. Komatsu reduced costs by consolidating their production and sales operations in Japan and overseas. As a result, Komatsu Utility Co., Ltd. has begun to strengthen its earnings foundation. To accomplish new growth of the utility equipment business, however, Komatsu has decided to speedily reinforce operations in overseas markets and environment-friendly operations in response to global warming, while taking advantage of structural reform benefits of the past. Looking into the future of the utility equipment business, Komatsu believes the promising markets for forklift trucks are to be found overseas, like the construction and mining equipment business. To reinforce their competitiveness on a global basis in a speedy manner, it is indispensable for the Company to operate the forklift truck business by teaming up with its construction and mining equipment business already in global operations and with a wealth of global business expertise.
Concerning the product development of both forklift trucks and mini construction equipment, it is also indispensable for the Company to develop DANTOTSU (unique and unrival) products designed to differentiate themselves from competitors' products. To this

end, their development operation needs to converge with the Company's integrated capability. With the utility equipment business being organizationally integrated with the Company, Komatsu is determined to strengthen the product competitiveness and improve the efficiency of their development.
In addition, Komatsu believes that this organizational integration will further facilitate personnel exchange and improve human resource development and reinforcement.
To promote all these initiatives, Komatsu has decided to carry out an absorption-type merger of Komatsu Utility Co., Ltd. so that Komatsu will be able to conduct the utility equipment business as one organization.

2) Overview of accounting treatments
The absorption-type merger was treated as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 revised on December 26, 2008).

(2) The Company resolved at a meeting of the Board of Directors held on April 27, 2011 that, effective July 1, 2011, the Company would merge with its consolidated subsidiary Komatsu Rental Ltd. (hereinafter "Komatsu Rental") by absorption-type merger.
As Komatsu Rental has excessive liabilities, which are believed to be too large for Komatsu Rental to resolve before the merger, the Company is going to waive JPY 23 billion (planned) its claims in the form of loans to Komatsu Rental prior to the concerned merger and thereby resolve the problem of Komatsu Rental's excessive liabilities. As of the end of this fiscal year, JPY 17.5 billion has been set aside as allowance for doubtful account for the aforementioned renounced claim. The Company owns 79.0% of the total shares of Komatsu Rental and plans to purchase the remaining shares owned by the other shareholder of Komatsu Rental and to make Komatsu Rental a wholly-owned subsidiary of the Company prior to the concerned merger.

1) Overview of the name and line of business of the combined company, legal form of the business combination and the name of the company after the combination and transactions including their purpose
   i) Name and line of business of the combined company
      Name: Komatsu Rental Ltd.
      Line of business: Rental of construction equipment, etc.
   ii) Legal form of the business combination
      Absorption-type merger where the Company is the surviving company
   iii) Name of the company after combination
      Komatsu Ltd.
   iv) Overview of transactions including their purpose
      As the ratio of rental equipment used in civil engineering and construction works has grown steadily in Japan over the years, Komatsu has worked to strengthen its rental and used equipment business, while engaging in sales of new equipment. Komatsu has positioned the rental equipment business as its core operation in Japan and thus worked to meet the changing market environment by proactively applying ICT (Information and Communication Technologies) to the rental business. However, Komatsu needs to reassess the rental business operation today.
      The planned restructuring calls for a reassessment of the roles of the rental business conventionally played by Komatsu Rental in Komatsu. The Company is going to succeed

to the rental equipment assets of Komatsu Rental, while a new wholly owned subsidiary of the Company will take over and engage exclusively in the indispensable rental operation for customers on the Japanese market in order to further improve and streamline customer services.
At the same time, the Company will continue to further enhance its position in Strategic Markets, such as China and Southeast Asia, while expanding the business throughout its entire value chain.

2) Overview of accounting treatments
The absorption-type merger will be treated as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 revised on December 26, 2008).

Other Notes

Amounts less than JPY 1 million in this document are rounded off.