



February 14, 2022

Company name	Komatsu Ltd.
Name of Representative	Hiroyuki Ogawa, President and CEO
Contact	(Code: First Section of TSE 6301) General Manager of Corporate Communications Department, Sustainability Promotion Division Chizuko Yamashita (Telephone: +81-3-5561-2616)

Notice Concerning Merger (Simplified Absorption-Type Merger and Short-Form Merger) of Subsidiary

Komatsu Ltd. (hereafter “Komatsu”) hereby announces that the Board of Directors, at its meeting held on February 14, 2022, resolved to execute absorption-type merger of Komatsu Cabtec Co., Ltd. (hereafter “Komatsu Cabtec”), its wholly owned subsidiary which manufactures cabs (operator cabins) and engine after treatment equipment of construction equipment, with an effective date of October 1, 2022. As this merger is going to take place in the form of a simplified absorption-type merger of Komatsu’s wholly owned subsidiary, certain matters and descriptions are omitted from the disclosure below.

1. Purposes of the Merger

Komatsu Cabtec manufactures and supplies cabs and engine after treatment equipment of construction equipment. Since 2006 when Komatsu made Komatsu Cabtec a consolidated subsidiary by acquiring its shares, Komatsu Cabtec has unfailingly performed its role of providing a steady supply to Komatsu and improving its products as a subsidiary equipped with development and production technologies of thin-plate parts of cabs. Cabs are a strategically important component of construction equipment. Under the current plan after the merger, Komatsu Cabtec will become one of Komatsu’s Mother plants, which is responsible for thin-plate parts, including cabs. Through this merger, Komatsu will work to further strengthen and facilitate its technology development and global-scale procurement for production, thereby enhancing its product and manufacturing competitiveness.

2. Outline of the Merger

(1) Schedule

Date of resolution of the Board of Directors (by Komatsu and Komatsu Cabtec): February 14, 2022

Date of signing the merger agreement: February 14, 2022

Planned date of implementing the merger (Effective date of the Merger): October 1, 2022

With respect to Komatsu, the merger falls under “simplified absorption-type merger” as stipulated in Article 796, Paragraph 2 of the Companies Act of Japan, and for Komatsu Cabtec, “short-form merger” as stipulated in Article 784, Paragraph 1 of the Companies Act of Japan. Accordingly, either Komatsu or Komatsu Cabtec will not hold a respective general meeting of shareholders concerning the approval of the merger agreement.

(2) Form of the merger

Under this absorption-type merger, Komatsu will be the surviving company. Komatsu Cabtec will be dissolved.

(3) Details of allocation related to the merger

No shares or money, etc. will be allotted as a result of the merger.

(4) Treatment of the absorbed company’s stock acquisition rights and bonds with stock acquisition rights

There are no existing stock acquisition rights or bond with stock acquisition rights issued by Komatsu Cabtec.

3. Overview of the Companies Involved in the Merger (as of September 30, 2021)

	Surviving company		Dissolved company	
Corporate name	Komatsu Ltd.		Komatsu Cabtec Co., Ltd.	
Head office	2-3-6, Akasaka, Minato-ku, Tokyo, Japan		1166, Yakushi, Ryuou-cho, Gamou-gun, Shiga, Japan	
Job title and name of representative	President and CEO Hiroyuki Ogawa		Representative Director and President Seiji Bandou	
Line of business	Manufacture and sale of construction and mining equipment, utilities (small equipment), forest machines, and industrial machinery, etc.		Manufacture of cabs and engine after treatment equipment of construction equipment	
Capital stock	JPY 71,678 million		JPY 300 million	
Established	May 13, 1921		September 15, 1918	
No. of shares issued and outstanding	973,145,800 shares		600,000 shares	
Fiscal year-end date	March 31		March 31	
Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.71%	Komatsu Ltd.	100%
	Custody Bank of Japan, Ltd. (Trust	6.12%		

	Account)		
	Taiyo Life Insurance Company	2.87%	
	STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	2.65%	
	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2.25%	

Financial position and operating results for the previous fiscal year (ended in March 2021)

	FY ended March 2021 (Consolidated)	FY ended March 2021 (Non-consolidated)
Total assets	JPY 3,784,841 million	JPY 7,143 million
Net assets	JPY 2,012,025 million	JPY 3,143 million
Shareholders' equity per share	JPY 2,023.34	JPY 5,239.68
Sales	JPY 2,189,512 million	JPY 14,315 million
Operating income	JPY 167,328 million	JPY 130 million
Income before income taxes and equity in earnings of affiliated companies	JPY 162,775 million	JPY 111 million
Net income for the year	JPY 106,237 million* ¹	JPY 92 million
Net income per share	JPY 112.43* ¹	JPY 154.52

Note *1: "Net income" is equivalent to "Net income attributable to Komatsu Ltd." in accordance with ASC 810, FASB Accounting Standards.

4. Status after the Merger

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

5. Future Outlook of Business Results

There will be no effects on Komatsu's consolidated business results due to the merger with a wholly owned subsidiary.

Reference: Projection of Komatsu's consolidated business results for the current fiscal year (disclosed on October 28, 2021)

	Net sales	Operating income	Income before income taxes and equity in earnings of affiliated companies	Net income attributable to Komatsu Ltd.	Net income attributable to Komatsu Ltd. per share
Projection (The current fiscal year ending March 2022)	JPY 2,683,000 million	JPY 282,000 million	JPY 277,000 million	JPY 187,000 million	JPY 197.85

(End)