

May 28, 2025

Dear Shareholders:

Notice of Convocation of the  
156th Ordinary General Meeting of Shareholders  
of Komatsu Ltd.

Komatsu Ltd.

(Translation)

- Notes: 1. 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.
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.

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\* Parts of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements have been posted separately on our website (<https://www.komatsu.jp/ja/ir>).  
*Information in English has been posted on our English website (<https://www.komatsu.jp/en/ir>).*

## To All Our Shareholders



President

A handwritten signature in black ink, reading "T. Imayoshi".

Thank you for your continuous support of the business of the Komatsu Group.

My name is Takuya Imayoshi and I assumed the role of President and Representative Director on April 1, 2025.

Komatsu defined its purpose, values, and brand promise (tagline) of “Creating value together” when celebrating its 100<sup>th</sup> anniversary in 2021. Our ongoing “management principle” to achieving this is to pursue “quality and reliability” and to maximize the total trust (i.e., corporate value) from society at large and all stakeholders surrounding us.

I hereby provide notice of convocation of the 156th Ordinary General Meeting of Shareholders, which is to be held on June 19, 2025. We look forward to seeing you at the meeting. We kindly ask shareholders who are unable to attend the meeting on the day to exercise their voting rights by either conventional postal delivery or via the Internet.

During the three-year period covered by the mid-term management plan ended in fiscal year 2024, demand for new construction and mining equipment continued its downward trend, but by enhancing our ability to respond to risk, we steadily implemented a growth strategy with an eye to the future. We proceeded with building a business structure that is less susceptible to the external environment, and with the tailwind of improved selling prices and the depreciation of the Japanese yen, the Company increased revenues for the fourth consecutive year, marking record high sales in fiscal year 2024.

In fiscal year 2025, we launched a new Strategic Growth Plan, “Driving value with ambition,” for which I was the Executive Officer in charge of its formulation.

The title is based on a vision that redefines “a collaborative partner committed to optimizing safe, productive, and clean workplaces” and incorporates the meaning of taking on the challenge of value creation to impact society at large.

In the growth strategy, we have identified three pillars, 1) Create customer value through innovation, 2) Drive growth and profitability, and 3) Transform our business foundation. Backcasting from our vision, we view the shift toward a decarbonized society and advance in digital technologies as key business opportunities. We are also committed to strengthening efforts to enhance resilience against external factors amid growing uncertainty mainly from geopolitical risks and tariffs in global trade policies. For the management targets, we introduced a new numerical target for free cash flow. We will strive to secure profits and invest for future growth while providing stable returns to our shareholders.

Under this mid-term management plan, we will join the force of global and diverse human resources and undertake initiatives to create new customer value. We will aim for sustained business growth through a positive cycle of solving social issues and increasing profit.

Finally, I would like to take the opportunity to ask our shareholders for your kind and continuous support.

May 2025

**NOTICE OF CONVOCATION OF THE**  
**ONE HUNDRED AND FIFTY-SIXTH (156TH)**  
**ORDINARY GENERAL MEETING OF SHAREHOLDERS**  
**OF KOMATSU LTD.**

Securities Code: 6301

May 28, 2025

(Date of disclosure for electronic provision: May 22, 2025)

Dear Shareholders:

Please be advised that the 156th Ordinary General Meeting of Shareholders of Komatsu Ltd. (hereinafter the “Company”) will be held in accordance with the particulars indicated in the attachment hereto.

When convening the General Meeting of Shareholders, the Company takes measures for providing information in electronic format, and posts the items subject to measures for electronic provision on the following websites:

The Company’s website

<https://www.komatsu.jp/en/ir/>

(From the above website, select “Stock, rating information,” and then “General meeting of shareholders.”)

TSE website

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(On the TSE website, enter “Komatsu Ltd.” in “Issue name (company name)” or the Company’s securities code “6301” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.”)

Website for posted informational materials for the general meeting of shareholders

<https://d.sokai.jp/6301/teiji/> (in Japanese only)

If you are unable to attend the meeting in person, you may exercise your voting rights in advance by conventional postal delivery or via the Internet. We accordingly ask that you exercise your voting rights by 5:45 p.m. on Wednesday, June 18, 2025 (Japan time), upon having reviewed the “Reference Documents for the General Meeting of Shareholders” among the items subject to measures for electronic provision.

Sincerely,

Takuya Imayoshi

President

Komatsu Ltd.

2-20, Kaigan 1-chome, Minato-ku, Tokyo

## **Details**

**1. Date and Time:** Thursday, June 19, 2025 at 10:00 a.m. (Japan time)

**2. Place:** “Kujaku-no-ma,” (main venue), 2nd floor of the Main Building,  
Imperial Hotel Tokyo  
1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo

**3. Purpose:**

**Items to Be Reported**

- (1) The Business Report and the Consolidated Financial Statements for the 156th fiscal year (April 1, 2024 – March 31, 2025), as well as the Audit Results Report of the Accounting Auditors and the Audit & Supervisory Board on the Consolidated Financial Statements
- (2) The Non-Consolidated Financial Statements for the 156th fiscal year (April 1, 2024 – March 31, 2025)

**Items to Be Resolved**

- Item 1:** Appropriation of Surplus
- Item 2:** Election of Nine (9) Directors
- Item 3:** Election of Two (2) Audit & Supervisory Board Members

## Guidance on Methods for Exercise of Voting Rights

### Exercise of voting rights in advance

By conventional postal delivery	
Deadline for exercising voting rights:	To arrive at the Company by 5:45 p.m. on Wednesday, June 18, 2025 (Japan time)
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.	

Via the Internet*	
Deadline for exercising voting rights:	To be performed by 5:45 p.m. on Wednesday, June 18, 2025 (Japan time)
Website designated by the Company:	<a href="https://evote.tr.mufg.jp/">https://evote.tr.mufg.jp/</a>
Please indicate “for” or “against” for each agenda item.	

- 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 and only in the Japanese language. 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).*

### Physically attending on the day of the General Meeting of Shareholders

Attendance at the General Meeting of Shareholders	
Date and time:	Thursday, June 19, 2025 at 10:00 a.m. (Japan time)
The reception desk is scheduled to open at 9:00 a.m.	
Please bring the enclosed Card for Exercising Voting Rights and submit it at reception.	

- If you physically attend on the day, your votes exercised beforehand will be nullified.

## 4. Handling of Votes

- (1) If neither approval nor disapproval of each proposal is indicated on the Card for Exercising Voting Rights, the Company will deem that you indicated your approval of the proposal.
- (2) 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 votes via the Internet, etc., the last votes shall prevail.
- (3) If you diversely exercise your voting rights, you are required to notify the Company of the details and the reasons for this in writing or via the Internet.

End

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the websites mentioned on page 1.  
\*Information in English has been posted on our English website (<https://www.komatsu.jp/en/ir>).
- Paper-based documents stating items subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents. However, those documents do not include the following matters in accordance with the provisions of laws and regulations and the Company's Articles of Incorporation.

1	Business Report	Financial Position and Profit/Loss Trends Major Lines of Business Principal Offices and Plants Employees Main Lenders Matters Regarding Stock Acquisition Rights of the Company, etc. Systems for Ensuring the Properness of Operations and Outline of Management of such Systems Status of Accounting Auditors
2	Consolidated Financial Statements	Consolidated Statement of Equity Notes to Consolidated Financial Statements
3	Non-Consolidated Financial Statements	Non-Consolidated Balance Sheet Non-Consolidated Statement of Income Non-Consolidated Statement of Changes in Net Assets Notes to Non-Consolidated Financial Statements
4	Auditors' Report	Independent Auditor's Report on Non-Consolidated Financial Statements

The paper-based documents sent to shareholders who have requested the delivery thereof represent part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their respective audit reports.

## **Reference Documents for the General Meeting of Shareholders**

### **Proposed Items to Be Resolved and Reference Information:**

#### **Item 1: Appropriation of Surplus**

The Company is establishing a sound financial position and strengthening its competitiveness to sustainably increase its corporate value. Concerning cash dividends to shareholders, the Company maintains the policy of striving to continue stable dividends by comprehensively considering consolidated business results, future investment plans, cash flows and other related factors.

For the 156th fiscal year, based on the dividend policy of a consolidated payout ratio of 40% or higher, as well as in consideration of the Company's business performance for this fiscal year and future business developments, 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 107 per one (1) common share of the Company (an increase of JPY 12 per one (1) common share of the Company over the previous fiscal year) Total amount of the dividend assets: JPY 98,823,178,235
(3) Effective date of dividends of surplus	Friday, June 20, 2025

Accordingly, combined with the interim dividend of JPY 83 per one (1) common share of the Company, the annual dividend will be JPY 190 per one (1) common share of the Company for this fiscal year, an increase of JPY 23 per one (1) common share of the Company over the previous fiscal year. The consolidated payout ratio is 40.1%.

#### **<Reference> Policy of dividends for the 157th fiscal year and beyond**

Following the new three-year Strategic Growth Plan, "Driving value with ambition," from April 2025 to March 2028, the Company has set its policy of dividends for the 157th fiscal year and beyond as follows.

The Company is establishing a sound financial position and strengthening its competitiveness to sustainably increase its corporate value. Concerning cash dividends to shareholders, the Company maintains the policy of striving to continue stable dividends by comprehensively considering consolidated business results, future investment plans, cash flows and other related factors. Specifically, the Company's policy is to achieve a consolidated payout ratio of 40% or higher.



**Item 2: Election of Nine (9) Directors**

The terms of office of all of the nine (9) Directors will expire as of the close of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes that nine (9) Directors (including four (4) Outside Directors) be elected.

The candidates for the positions are as follows:

No. of Candi- date	Name	(Reference)	
		Position and in Charge, etc. at the Company (As of May 15, 2025)	Attendance rate of the Meetings of the Board of Directors held during the fiscal year ended March 31, 2025
1	<a href="#">Reelection</a> <b>Mr. Hiroyuki Ogawa</b>	Chairman of the Board Member of Human Resources Advisory Committee Member of Compensation Advisory Committee	100%
2	<a href="#">Reelection</a> <b>Mr. Takuya Imayoshi</b>	President and Representative Director Chief Executive Officer (CEO) Member of Human Resources Advisory Committee	100%
3	<a href="#">Reelection</a> <b>Mr. Takeshi Horikoshi</b>	Representative Director and Senior Executive Officer Chief Financial Officer (CFO)	100%
4	<a href="#">Reelection</a> <b>Ms. Mitsuko Yokomoto</b>	Director and Senior Executive Officer Supervising Human Resources, Education, Safety & Health Care and Sustainability	100%
5	<a href="#">Reelection</a> Outside Director Independent <b>Mr. Takeshi Kunibe</b>	Director Chairman of Human Resources Advisory Committee Chairman of Compensation Advisory Committee	100%
6	<a href="#">Reelection</a> Outside Director Independent <b>Mr. Arthur M. Mitchell</b>	Director Member of Human Resources Advisory Committee Member of Compensation Advisory Committee	100%
7	<a href="#">Reelection</a> Outside Director Independent <b>Ms. Naoko Saiki</b>	Director Member of Human Resources Advisory Committee Member of Compensation Advisory Committee	100%
8	<a href="#">Reelection</a> Outside Director Independent <b>Mr. Michitaka Sawada</b>	Director Member of Human Resources Advisory Committee Member of Compensation Advisory Committee	100%
9	<a href="#">New Candidate</a> <b>Mr. Taisuke Kusaba</b>	Senior Executive Officer Chief Technology Officer (CTO) Supervising Research & Development	—

Outside Director: Candidate for Outside Director


Independent: Candidate for Director who meets the Company's independence standards and for whom the Company has submitted an Independent Directors Notification to the Tokyo Stock Exchange (*the Japanese stock exchange on which the Company's shares are listed*).

**<Reference> Policies and Procedures for Nominating Directors and Audit & Supervisory Board Members of the Company**

The policy of the Board of Directors of the Company is to elect multiple members with abundant experience, sophisticated knowledge and expertise from inside and outside the Company to carry out appropriate decision-making and management supervision. Moreover, taking into consideration diversity, such as in gender and nationality, and in order to increase the objectivity and transparency of its judgment in deciding on its selection of candidates as Directors and Audit & Supervisory Board Members, the Board of Directors made the selection based upon discussions and resolutions of, and upon the recommendation from, the Human Resources Advisory Committee, consisting of four (4) Outside Directors (one (1) of whom is Chairman of the Committee), the Chairman of the Board and the President. The Human Resources Advisory Committee also discusses appointments and removals of the President (CEO) and executive officers and the human resource development policy.


When judging whether or not to accept the proposal for the selection of Directors and Audit & Supervisory Board Members who are appointed from within the Company, candidates' knowledge and expertise cultivated over their careers as well as their accumulated experience is taken into account. As such, short summaries of their careers are provided.

The Company emphasizes independence when selecting Outside Directors and Outside Audit & Supervisory Board Members and has therefore established its own "Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members." Details are given in "<Reference> The Company's Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members."

	<b>1. <u>Reelection</u></b>	<b>Hiroyuki Ogawa</b>	(March 23, 1961)
	▶ Number of Year(s) in Office:	7 years	
	▶ Attendance of the Meetings of the Board of Directors:	15/15 (100%)	
	▶ Number of Shares of the Company Held:	169,900 shares	
	(Of which, the number of shares to be delivered under the performance-linked stock-based remuneration system)	(29,000 shares)	
	▶ Important Concurrent Positions Held in Other Organizations:	None	
	▶ Special Interests between the Candidate and the Company:	None	


Career summary and positions	
4/1985	Joined the Company Production Engineering Section, Production Engineering Department of Kawasaki Plant
4/2004	Plant Manager of Chattanooga Manufacturing Operation, Komatsu America Corp.
4/2007	General Manager of Planning & Coordination Department of Osaka Plant, Production Division
4/2010	Took office as Executive Officer Plant Manager of Ibaraki Plant, Production Division
4/2013	President of Procurement Division in Production Division
4/2014	Representative of All Indonesia Operations Chairman of PT Komatsu Marketing & Support Indonesia (until 3/2016)
4/2015	Took office as Senior Executive Officer
4/2016	President of Production Division
4/2018	Took office as Senior Executive Officer
6/2018	Took office as Director and Senior Executive Officer
4/2019	Took office as President, Representative Director and CEO
4/2025	Took office as Chairman of the Board (current)

Reason for nomination as candidate for Director	
<p>Mr. Hiroyuki Ogawa has served in important positions in the production departments and as Representative of All Indonesia Operations. Over the last six years since April 2019, he has been promoting digital transformation and carbon neutrality at construction sites, demonstrating leadership with regard to business continuation, etc. during the COVID-19 pandemic and responding to geopolitical risks as President and CEO.</p> <p>Based on his abundant experience in the Company's business and considerable knowledge regarding corporate management, the Company has deemed him appropriate as a member of the Board of Directors of the Company. Therefore, the Company nominates him as a candidate for Director.</p>	

	<b>2. <a href="#">Reelection</a> Takuya Imayoshi</b> (November 14, 1963)
	▶ Number of Year(s) in Office: 1 year
	▶ Attendance of the Meetings of the Board of Directors: 11/11 (100%)
	▶ Number of Shares of the Company Held: 42,500 shares (Of which, the number of shares to be delivered under the performance-linked stock-based remuneration system) (12,200 shares)
	▶ In Charge at the Company: Chief Executive Officer (CEO)
	▶ Important Concurrent Positions Held in Other Organizations: None ▶ Special Interests between the Candidate and the Company: None

Career summary and positions	
4/1987	Joined the Company Accounting Section, Administration Department of Awazu Plant
8/1998	Komatsu America Corp. (until 7/2004)
6/2010	Komatsu (China) Ltd. (until 8/2013)
5/2016	General Manager of Finance & Treasury Department
4/2017	General Manager of Finance & Treasury Department and President of Global Retail Finance Business Division
4/2018	Took office as Executive Officer General Manager of Business Coordination Department
4/2021	Took office as Senior Executive Officer Representative of All China Operations and Chairman of Komatsu (China) Ltd.
4/2024	Took office as Senior Executive Officer (Supervising Business Coordination, Responsible for the Mid-Term Management Plan)
6/2024	Took office as Director and Senior Executive Officer
4/2025	Took office as President and Representative Director (current) CEO (current)

Reason for nomination as candidate for Director
<p>Mr. Takuya Imayoshi has served in important positions in the accounting, finance, and business coordination departments, while also being involved in business strategy, formulation of the mid-term management plan, M&amp;A and other matters. He has assumed important responsibilities within the Company as Representative of All China Operations leading structural reforms of the Chinese business since April 2021, and has been responsible for formulating the new mid-term management plan since April 2024. Having been stationed in the United States and in China, he also has hands-on experience and wide-ranging knowledge at the global level.</p> <p>Based on his abundant experience regarding the Company's business and knowledge of corporate strategies, the Company has deemed him appropriate as a member of the Board of Directors of the Company. Therefore, the Company nominates him as a candidate for Director.</p>

	<b>3. <span style="border: 1px solid black; padding: 0 2px;">Reelection</span> Takeshi Horikoshi</b>	(August 1, 1961)
	▶ Number of Year(s) in Office:	4 years
	▶ Attendance of the Meetings of the Board of Directors:	15/15 (100%)
	▶ Number of Shares of the Company Held:	63,200 shares
	(Of which, the number of shares to be delivered under the performance-linked stock-based remuneration system)	(12,200 shares)
	▶ In Charge at the Company:	Chief Financial Officer (CFO)
	▶ Important Concurrent Positions Held in Other Organizations:	None
	▶ Special Interests between the Candidate and the Company:	None


#### Career summary and positions

4/1985	Joined the Company
	Accounting Section, Administration Department of Osaka Plant
2/1996	Komatsu UK Ltd.
9/1998	Komatsu France S.A.S (until 5/2003)
11/2008	Komatsu Europe International N.V. (until 11/2011)
6/2012	General Manager of Finance & Treasury Department
5/2016	General Manager of Corporate Controlling Department
4/2017	Took office as Executive Officer
4/2018	CFO (current)
4/2020	Took office as Senior Executive Officer
6/2021	Took office as Director and Senior Executive Officer
4/2023	Took office as Director and Senior Executive Officer
4/2024	Took office as Representative Director and Senior Executive Officer (current)

#### Reason for nomination as candidate for Director

Mr. Takeshi Horikoshi has served in important positions in accounting and finance related departments and is well versed in the operations of performance management, M&A, corporate planning, etc. Since April 2018, he has assumed significant responsibility in the fields of overall accounting, information disclosure, corporate governance, internal control, risk management, etc. as CFO.

Based on his abundant experience and knowledge regarding the Company's business, the Company has deemed him appropriate as a member of the Board of Directors of the Company. Therefore, the Company nominates him as a candidate for Director.

	<b>4. <a href="#">Reelection</a> Mitsuko Yokomoto</b> (January 6, 1963)
	▶ Number of Year(s) in Office: 2 years
	▶ Attendance of the Meetings of the Board of Directors: 15/15 (100%)
	▶ Number of Shares of the Company Held: 41,200 shares <small>(Of which, the number of shares to be delivered under the performance-linked stock-based remuneration system)</small> (9,800 shares)
	▶ In Charge at the Company: Supervising Human Resources, Education, Safety & Health Care and Sustainability
	▶ Important Concurrent Positions Held in Other Organizations: None
	▶ Special Interests between the Candidate and the Company: None


#### Career summary and positions

4/1985	Joined the Company Human Resources Section, Human Resources Department
4/2011	General Manager of General Affairs Department of Gigaphoton Inc.
5/2015	General Manager of General Affairs Department of Shonan Plant, Production Division
4/2018	General Manager of General Affairs Department
4/2019	Took office as Executive Officer (Responsible for Risk Management)
4/2021	Took office as Senior Executive Officer (current) President of Sustainability Promotion Division
4/2023	Senior Executive Officer (Supervising Human Resources, Education and Sustainability)
6/2023	Took office as Director and Senior Executive Officer (current)
4/2025	Senior Executive Officer (Supervising Human Resources, Education, Safety & Health Care and Sustainability) (current)

#### Reason for nomination as candidate for Director

Ms. Mitsuko Yokomoto has held key positions in the human resources and general affairs departments, serving as General Manager of the General Affairs Department, and Executive Officer responsible for risk management. She has assumed important responsibilities in promoting sustainable management of the Company as President of the Sustainability Promotion Division since April 2021, Executive Officer supervising human resources, education, and sustainability since April 2023, and Executive Officer supervising safety & health care since April 2025.

Based on her abundant experience and knowledge regarding the Company's business, the Company has deemed her appropriate as a member of the Board of Directors of the Company. Therefore, the Company nominates her as a candidate for Director.

<div>Outside Director Independent</div> 	<b>5. <a href="#">Reelection</a> Takeshi Kunibe</b> (March 8, 1954)
	▶ Number of Year(s) in Office: 5 years
	▶ Attendance of the Meetings of the Board of Directors: 15/15 (100%)
	▶ Number of Shares of the Company Held: 0 shares
	▶ Important Concurrent Positions Held in Other Organizations: Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. (scheduled to retire in June 2025) Outside Member of the Board of TAISHO PHARMACEUTICAL HOLDINGS CO., LTD. Outside Director/Audit & Supervisory Committee Member of Nankai Electric Railway Co., Ltd.
	▶ Special Interests between the Candidate and the Company: None

Career summary and positions	
4/1976	Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation, hereinafter “SMBC”)
6/2003	Took office as Executive Officer of SMBC
10/2006	Took office as Managing Executive Officer of SMBC
4/2007	Took office as Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. (hereinafter “SMFG”)
6/2007	Took office as Director of SMFG
4/2009	Took office as Director and Senior Managing Executive Officer of SMBC
4/2011	Took office as Representative Director, President and Chief Executive Officer of SMBC
4/2017	Took office as Representative Director and President of SMFG Retired from Director of SMBC
6/2017	Took office as Director President and Representative Executive Officer of SMFG
4/2019	Took office as Chairman of the Board of SMFG (current)
6/2020	Took office as Director of the Company (current)
10/2021	Took office as Chairman of the Board of SMBC
4/2023	Retired from Director of SMBC

Reason for nomination as candidate for Outside Director and overview of the role expected
Mr. Takeshi Kunibe has considerable knowledge and rich experience in the business world, including the fields of finance and group company management, etc., having served as Representative Director, President and Chief Executive Officer of SMBC, as well as Representative Director and President, Director President, Representative Executive Officer and Chairman of the Board of SMFG. 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 as well as enhancing corporate governance. Therefore, the Company nominates him as a candidate for Outside Director.

Matters regarding independence
Mr. Takeshi Kunibe is unlikely to have a conflict of interest with general shareholders. For this reason, the Company considers him as an Independent Director and has submitted the relevant notification to the Tokyo Stock Exchange. Mr. Kunibe serves as Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. He also served as Representative Director, President and Chief Executive Officer of Sumitomo Mitsui Banking Corporation from April 2011 to April 2017, but has had no involvement in the execution of business at the said bank since his retirement in April 2017. 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 217.5 billion, which was 18.9% of the balance of interest-bearing debt.


Facts in violation of laws and regulations or the Articles of Incorporation or facts of any other unreasonable execution of business at other corporations
Mr. Takeshi Kunibe serves as Director of Sumitomo Mitsui Financial Group, Inc., and served as Director of Sumitomo Mitsui Banking Corporation. In October 2022, administrative actions under the Financial Instruments and Exchange Act of Japan were imposed on Sumitomo Mitsui Financial Group, Inc. and its subsidiary SMBC Nikko

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Securities Inc. by the Financial Services Agency with regard to the violation of Article 159, Paragraph 3 of the Financial Instruments and Exchange Act of Japan (illegal stabilization transactions) by former executive officers and employees of SMBC Nikko Securities Inc. In addition, SMBC Nikko Securities Inc. was convicted by the Tokyo District Court in relation to this incident in February 2023, and this ruling was finalized. Furthermore, in October 2022, administrative actions under the Financial Instruments and Exchange Act of Japan were imposed on SMBC Nikko Securities Inc. by the Financial Services Agency with regard to the exchange of non-disclosure information between executive officers and employees of the said company and those of Sumitomo Mitsui Banking Corporation, a subsidiary of Sumitomo Mitsui Financial Group, Inc., and Sumitomo Mitsui Financial Group, Inc. and Sumitomo Mitsui Banking Corporation received orders to submit a report under the Financial Instruments and Exchange Act and the Banking Act of Japan from the Financial Services Agency in relation to this incident. Although Mr. Takeshi Kunibe was unaware of the incidents, he has constantly stated the importance of legal compliance, ensuring appropriateness of business operations, risk management, etc. at meetings of the Board of Directors and each committee and at other opportunities and made recommendations on strict implementation thereof. After the incidents were discovered, he has also promoted initiatives for development and implementation of effective recurrence prevention measures, further strengthening of the SMBC Group's legal compliance and internal management systems, and creation of sound corporate culture through deliberations at meetings of the Board of Directors and each committee and at other opportunities, etc.

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<div>Outside Director Independent</div> 	<b>6. <a href="#">Reelection</a> Arthur M. Mitchell</b> (July 23, 1947)
	▶ Number of Year(s) in Office: 5 years
	▶ Attendance of the Meetings of the Board of Directors: 15/15 (100%)
	▶ Number of Shares of the Company Held: 0 shares
	▶ Important Concurrent Positions Held in Other Organizations: None
	▶ Special Interests between the Candidate and the Company: None

#### Career summary and positions

7/1976	Registered as attorney at law in New York State, U.S. (current)
1/2003	Took office as General Counsel of Asian Development Bank
9/2007	Joined White & Case LLP
1/2008	Registered as registered foreign lawyer in Japan (current) Registered foreign lawyer of White & Case LLP (current)
6/2020	Took office as Director of the Company (current)

#### Reason for nomination as candidate for Outside Director and overview of the role expected

Mr. Arthur M. Mitchell has worked for many years as a New York state attorney and foreign law attorney in Japan and has considerable knowledge and rich experience in the field of international legal affairs.

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. Mitchell 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. Arthur M. Mitchell is unlikely to have a conflict of interest with general shareholders. For this reason, the Company considers him as an Independent Director and has submitted the relevant notification to the Tokyo Stock Exchange.

#### Facts in violation of laws and regulations or the Articles of Incorporation or facts of any other unreasonable execution of business at other corporations


From June 2015 to June 2023, Mr. Arthur M. Mitchell served as Outside Director of Sumitomo Mitsui Financial Group, Inc. In October 2022, administrative actions under the Financial Instruments and Exchange Act of Japan were imposed on Sumitomo Mitsui Financial Group, Inc. and its subsidiary SMBC Nikko Securities Inc. by the Financial Services Agency with regard to the violation of Article 159, Paragraph 3 of the Financial Instruments and Exchange Act of Japan (illegal stabilization transactions) by former executive officers and employees of SMBC Nikko Securities Inc. In addition, SMBC Nikko Securities Inc. was convicted by the Tokyo District Court in relation to this incident in February 2023, and this ruling was finalized. Furthermore, in October 2022, administrative actions under the Financial Instruments and Exchange Act of Japan were imposed on SMBC Nikko Securities Inc. by the Financial Services Agency with regard to the exchange of non-disclosure information between executive officers and employees of the said company and those of Sumitomo Mitsui Banking Corporation, a subsidiary of Sumitomo Mitsui Financial Group, Inc., and Sumitomo Mitsui Financial Group, Inc. and Sumitomo Mitsui Banking Corporation received orders to submit a report under the Financial Instruments and Exchange Act and the Banking Act of Japan from the Financial Services Agency in relation to this incident. Although Mr. Arthur M. Mitchell was unaware of the incidents, he had constantly stated the importance of legal compliance, ensuring appropriateness of business operations, risk management, etc. at meetings of the Board of Directors and each committee and at other opportunities and made recommendations on strict implementation thereof. After the incidents were discovered, he had also promoted initiatives for development and implementation of effective recurrence prevention measures, further strengthening of the SMBC Group's legal compliance and internal management systems, and creation of sound corporate culture through deliberations at meetings of the Board of Directors and each committee and other opportunities, etc.

<div>Outside Director Independent</div> 	<b>7. <a href="#">Reelection</a></b>	<b>Naoko Saiki</b>	(October 11, 1958)
	▶ Number of Year(s) in Office:	4 years	
	▶ Attendance of the Meetings of the Board of Directors:	15/15 (100%)	
	▶ Number of Shares of the Company Held:	0 shares	
	▶ Important Concurrent Positions Held in Other Organizations:	Outside Director of Sojitz Corporation (scheduled to retire in June 2025) Outside Member of the Board of Directors of Development Bank of Japan Inc. Outside Director of Sankyu Inc.	
	▶ Special Interests between the Candidate and the Company:	None	

Career summary and positions	
4/1982	Joined the Ministry of Foreign Affairs (hereinafter “MOFA”)
7/2014	Took office as Director-General, Economic Affairs Bureau, MOFA and Councillor, Cabinet Secretariat
10/2015	Took office as Director-General, International Legal Affairs Bureau, MOFA
7/2017	Took office as Director-General, Foreign Service Training Institute, MOFA
1/2019	Retired from MOFA
4/2020	Took office as Visiting Professor, Graduate School of Public Policy, The University of Tokyo
6/2021	Took office as Director of the Company (current)
4/2023	Special Assistant to the Minister for Foreign Affairs (current)
Reason for nomination as candidate for Outside Director and overview of the role expected	
<p>Ms. Naoko Saiki has considerable knowledge and abundant experience in international affairs, international law, and the field of economics as she served in positions such as Director-General of the Economic Affairs Bureau and Director-General of the International Legal Affairs Bureau at MOFA.</p> <p>Utilizing this knowledge and experience, her recommendations concerning the overall management of the Company are expected to contribute to the enhancement of medium- to long-term corporate value of the Company. Therefore, the Company nominates her as a candidate for Outside Director.</p> <p>Although Ms. Saiki 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 Director adequately because of the reasons above.</p>	
Matters regarding independence	
<p>Ms. Naoko Saiki is unlikely to have a conflict of interest with general shareholders. For this reason, the Company considers her as an Independent Director and has submitted the relevant notification to the Tokyo Stock Exchange.</p>	

<div>Outside Director Independent</div> 	<b>8. <a href="#">Reelection</a> Michitaka Sawada</b> (December 20, 1955)
	▶ Number of Year(s) in Office: 3 years
	▶ Attendance of the Meetings of the Board of Directors: 15/15 (100%)
	▶ Number of Shares of the Company Held: 0 shares
	▶ Important Concurrent Positions Held in Other Organizations: Outside Director of Panasonic Holdings Corporation Outside Director of Nitto Denko Corporation
	▶ Special Interests between the Candidate and the Company: None

Career summary and positions	
4/1981	Joined Kao Soap Co., Ltd. (currently Kao Corporation)
6/2006	Took office as Executive Officer of Kao Corporation
6/2008	Took office as Director, Executive Officer of Kao Corporation
6/2012	Took office as Representative Director, President and Chief Executive Officer of Kao Corporation
1/2021	Took office as Director, Chair of Kao Corporation
6/2022	Took office as Director of the Company (current)
3/2024	Retired from Director of Kao Corporation Took office as Executive Advisor of Kao Corporation (current)
Reason for nomination as candidate for Outside Director and overview of the role expected	
<p>Mr. Michitaka Sawada has considerable knowledge and rich experience in the business world having engaged in global group corporate management and ESG management, as Representative Director, President and Chief Executive Officer of Kao Corporation and Director, Chair of Kao Corporation.</p> <p>Utilizing this knowledge and experience, his recommendations concerning the overall management of the Company are expected to contribute to the enhancement of medium- to long-term corporate value of the Company. Therefore, the Company nominates him as a candidate for Outside Director.</p>	
Matters regarding independence	
<p>Mr. Michitaka Sawada is unlikely to have a conflict of interest with general shareholders. For this reason, the Company considers him as an Independent Director and has submitted the relevant notification to the Tokyo Stock Exchange.</p>	

	<b>9.</b>	<b>New Candidate</b>	<b>Taisuke Kusaba</b>	(November 2, 1965)
	▶ Number of Shares of the Company Held:		32,500 shares	
	(Of which, the number of shares to be delivered under the performance-linked stock-based remuneration system)		(3,300 shares)	
	▶ In Charge at the Company:		Chief Technology Officer (CTO) Supervising Research & Development	
	▶ Important Concurrent Positions Held in Other Organizations:		None	
	▶ Special Interests between the Candidate and the Company:		None	

Career summary and positions	
4/1989	Joined the Company Corporate Controlling Department in Osaka Development Center, Product Development Department, Technology Division
8/1996	Purdue University, U.S. (until 2/1998)
4/2005	Komatsu UK Ltd. (until 3/2008)
4/2016	Took office as Executive Officer
4/2017	General Manager of Construction Equipment Technical Center 1, Development Division
4/2018	General Manager of Vehicle Development Center 3, Development Division
5/2020	President and Chief Operating Officer (COO) of Komatsu America Corp.
4/2023	Took office as Senior Executive Officer CTO (current) President of Development Division
4/2025	Senior Executive Officer (Supervising Research & Development) (current)
Reason for nomination as candidate for Director	
<p>Mr. Taisuke Kusaba has served in important positions in research and development departments, and from May 2020, he served as President of the subsidiary overseeing operations in North America, where he was involved in marketing in a key market. Since April 2023, he has assumed significant responsibility in driving innovation within the Company, such as by leading the global research and development system as CTO and President of the Development Division.</p> <p>Based on his abundant experience and knowledge regarding the Company's business, the Company has deemed him appropriate as a member of the Board of Directors of the Company. Therefore, the Company nominates him as a candidate for Director.</p>	

Notes:

- Meeting attendance above shows attendance of the meetings of the Board of Directors held during the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025). As Mr. Takuya Imayoshi was elected at the 155th Ordinary General Meeting of Shareholders held in June 2024, his maximum number of meetings of attendance is different from that of the other Directors.
- The names of divisions and other bodies in the Company in "Career summary and positions" above show those that were applicable at each relevant time period.
- The Company has entered into an agreement with Mr. Takeshi Kunibe, Mr. Arthur M. Mitchell, Ms. Naoko Saiki and Mr. Michitaka Sawada that limits their liability for damages caused by their negligence 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 of the Company. If their reelections 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.
- The Company has entered into a company indemnification agreement with its incumbent Directors in accordance with the provisions of Article 430-2, Paragraph 1 of the Companies Act of Japan, thereby providing that the Company shall indemnify expenses set forth in Article 430-2, Paragraph 1, Item 1 of the same, and losses set forth in Article 430-2, Paragraph 1, Item 2 of the same, within the scope permitted by laws and regulations. If the reelections of the candidates who are incumbent Directors are approved, the Company intends to continue the aforesaid agreements. If the election of new candidate Mr. Taisuke Kusaba is approved, the Company intends to enter into the same company indemnification agreement with him.

5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act of Japan with an insurance company. This policy covers amounts of indemnification and litigation expenses, etc. borne by the insured person that are incurred through a shareholders' derivative suit, company lawsuit or third-party lawsuit. If this item is approved, all candidates for Director will be included as insured persons in this policy. In addition, when the policy is renewed, the Company plans to renew the policy on the same terms.
6. The number of shares of the Company held by each candidate includes the number of shares to be granted under the stock-based remuneration system after the candidate's retirement or leaving the company (i.e., the number of stock-based remuneration points as determined by the candidate's performance according to the performance-linked stock-based remuneration system). This number is shown within parentheses. For an overview of the Company's remuneration system for Directors, please refer to "3. (3) 5) Remuneration for Directors and Audit & Supervisory Board Members" in the Business Report.

### Item 3: Election of Two (2) Audit & Supervisory Board Members

The terms of office of Mr. Yasuhiro Inagaki and Mr. Kotaro Ohno as Audit & Supervisory Board Member will expire as of the close of this Ordinary General Meeting of Shareholders.


Accordingly, the Company proposes that two (2) Audit & Supervisory Board Members (including one (1) Outside Audit & Supervisory Board Member) be elected. If this item is approved, the Company's Audit & Supervisory Board will consist of 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:

Outside Audit & Supervisory Board Member: Candidate for Outside Audit & Supervisory Board Member

Independent: Candidate for Audit & Supervisory Board Member who meets the Company's independence standards and for whom the Company plans to submit an Independent Audit & Supervisory Board Member Notification to the Tokyo Stock Exchange (*the Japanese stock exchange on which the Company's shares are listed*).

	<b>1.</b> <span style="border: 1px solid green; padding: 2px;">New Candidate</span>	<b>Keiko Fujiwara</b>	(August 22, 1965)
	▶ Number of Shares of the Company Held:	44,800 shares	
	(Of which, the number of shares to be delivered under the performance-linked stock-based remuneration system)	(3,300 shares)	
	▶ Important Concurrent Positions Held in Other Organizations:	None	
	▶ Special Interests between the Candidate and the Company:	None	


#### Career summary and positions

4/1988	Joined the Company Corporate Planning Division
1/1995	NS Komatsu Pty Ltd (currently Komatsu Australia Pty Ltd) (until 7/1998)
1/2003	Komatsu Europe International N.V. (until 3/2006)
9/2008	General Manager of Americas & European Business Department, Construction Equipment & Regional Marketing Division
4/2012	Took office as Executive Officer President of Komatsu Europe International N.V.
4/2016	General Manager of Department for Promotion of Distributor HR Development, Construction Equipment & Regional Marketing Division
4/2021	General Manager of Business Reform Department, Construction Equipment Solution Division
4/2022	Took office as Senior Executive Officer President of Construction Equipment Solution Division
4/2025	Advisor to President (current)

#### Reason for nomination as candidate for Audit & Supervisory Board Member

Ms. Keiko Fujiwara possesses global experience and expertise on a wide range of subjects, having served in important positions in marketing, including as President of the subsidiary overseeing operations in Europe. In addition, she has been involved in promoting the development of human resources at agencies, and since April 2022, she has promoted the solutions business as President of the Construction Equipment Solution Division.

Based on her rich experience and knowledge regarding the Company's business, the Company has deemed that she will be able to execute her duties as an Audit & Supervisory Board Member. Therefore, the Company nominates her as a candidate for Audit & Supervisory Board Member.

Outside Audit & Supervisory Board Member Independent  	<b>2.</b> <span>New Candidate</span>	<b>Yukio Kai</b>	(September 26, 1959)
	▶ Number of Shares of the Company Held:	0 shares	
	▶ Important Concurrent Positions Held in Other Organizations:	None	
	▶ Special Interests between the Candidate and the Company:	None	

#### Career summary and positions

4/1984	Appointed as Prosecutor
7/2021	Took office as Superintending Prosecutor of Tokyo High Public Prosecutors Office
6/2022	Took office as Prosecutor-General
7/2024	Retired from Prosecutor
10/2024	Attorney at law of Yukio Kai Law Office (current)

#### Reason for nomination as candidate for Outside Audit & Supervisory Board Member

Having served as Prosecutor-General, Mr. Yukio Kai has considerable knowledge and abundant experience in the legal profession. Utilizing this knowledge and experience, the Company expects him to execute his duties as Outside Audit & Supervisory Board Member from the standpoint of a specialist. Therefore, the Company nominates him as a candidate for Outside Audit & Supervisory Board Member.

Although Mr. Kai 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 Audit & Supervisory Board Member adequately because of the reasons above.

#### Matters regarding independence

Mr. Yukio Kai is unlikely to have a conflict of interest with general shareholders. For this reason, the Company considers him as an Independent Audit & Supervisory Board Member and plans to submit the relevant notification to the Tokyo Stock Exchange.

Notes:

1. The names of divisions and other bodies in the Company in “Career summary and positions” above show those that were applicable at each relevant time period.
2. The Company intends to enter into an agreement with Ms. Keiko Fujiwara and Mr. Yukio Kai that limits their liability for damages caused by their negligence 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 of the Company if their elections are approved. The maximum liability amount specified in this agreement shall be equivalent to the amount stipulated by laws and regulations.
3. The Company has entered into a company indemnification agreement with its incumbent Audit & Supervisory Board Members in accordance with the provisions of Article 430-2, Paragraph 1 of the Companies Act of Japan, thereby providing that the Company shall indemnify expenses set forth in Article 430-2, Paragraph 1, Item 1 of the same, and losses set forth in Article 430-2, Paragraph 1, Item 2 of the same, within the scope permitted by laws and regulations. If the elections of new candidates Ms. Keiko Fujiwara and Mr. Yukio Kai are approved, the Company intends to enter into the same company indemnification agreement with them.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act of Japan with an insurance company. This policy covers amounts of indemnification and litigation expenses, etc. borne by the insured person that are incurred through a shareholders’ derivative suit, company lawsuit or third-party lawsuit. If this item is approved, both candidates for Audit & Supervisory Board Member will be included as insured persons in this policy. In addition, when the policy is renewed, the Company plans to renew the policy on the same terms.
5. The number of shares of the Company held by Ms. Keiko Fujiwara includes the number of shares to be granted under the stock-based remuneration system after her retirement or leaving the company (i.e., the number of stock-based remuneration points as determined by her performance according to the performance-linked stock-based remuneration system). This number is shown within parentheses.  
For an overview of the Company’s remuneration system for Audit & Supervisory Board Members, please refer to “3. (3) 5 Remuneration for Directors and Audit & Supervisory Board Members” in the Business Report.



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

If Item 3 is approved and adopted the composition of the Company's Audit & Supervisory Board will be as follows.

Name	Position, etc., at the Company (As of May 15, 2025)	Attendance rate of the Meetings of the Board of Directors held during the fiscal year ended March 31, 2025	Attendance rate of the Meetings of the Audit & Supervisory Board held during the fiscal year ended March 31, 2025
<b>Mr. Mitsuo Nakao</b>	Standing Audit & Supervisory Board Member	100%	100%
<span style="color: green;">New Candidate</span> <b>Ms. Keiko Fujiwara</b>	Advisor to President	—	—
Outside Audit & Supervisory Board Member Independent <b>Mr. Tatsuro Kosaka</b>	Audit & Supervisory Board Member	100%	100%
Outside Audit & Supervisory Board Member Independent <b>Ms. Mariko Matsumura</b>	Audit & Supervisory Board Member	100%	100%
<span style="color: green;">New Candidate</span> Outside Audit & Supervisory Board Member Independent <b>Mr. Yukio Kai</b>	—	—	—

Outside: Outside Audit & Supervisory Board Member (Including candidates)

Independent: Audit & Supervisory Board Member who meets the Company's independence standards and for whom the Company has submitted or plans to submit an Independent Audit & Supervisory Board Member Notification to the Tokyo Stock Exchange (*the Japanese stock exchange on which the Company's shares are listed*).

## <Reference>

In order to achieve the growth strategies set out in the Strategic Growth Plan, the following seven topics are defined as areas for focus and supervision by the Directors and Audit & Supervisory Board Members with respect to management of the Company.

Three pillars of growth strategies of the Strategic Growth Plan	Driving value with ambition					
	1. Create customer value through innovation Investing in our future		2. Drive growth and profitability Profit structure		3. Transform our business foundation Resilience	
Topics on which Directors and Audit & Supervisory Board Members are to focus particular attention and supervision	Corporate Management	Sales & Marketing	Corporate Management	Sales & Marketing	Corporate Management	Legal Affairs & Compliance
	Innovative Technologies/AI/DX Environments	Global	Finance/Economics	Global	Human Rights/Human Resources & Human Resource Development	Global

Seven topics of focus and supervision by the Company's Directors and Audit & Supervisory Board Members of the Company

Topic	Reasons for selection and content
Corporate Management	The ability to oversee resource allocation across the Company's business segments holistically, and to identify investments in growth areas
Finance/Economics	The ability to identify and oversee growth and profitability in new and existing areas of business areas from a financial perspective
Innovative Technologies/AI/DX Environments	The ability to oversee a positive cycle of improving profitability through innovation from technology (production development), AI and DX and through solving social issues, including environmental issues
Sales & Marketing	The ability to identify risks/opportunities in the external environment of our global, multi-site business
Human Rights/Human Resources & Human Resource Development	The ability to oversee the protection of human rights as it relates to all our business activities and the ability to identify measures to acquire and enable the success of talent needed to support business growth
Legal Affairs & Compliance	The ability to oversee legal and compliance matters to support the sustainable growth of new and existing businesses
Global	The ability to anticipate and oversee risks/opportunities in global business development from a variety of perspectives (supply chain, geopolitics, etc.)

**<Reference> Skill matrix for Directors and Audit & Supervisory Board Members of the Company  
(including candidates)**

This skill matrix presents categories of skills that the Board of Directors has deemed particularly worthy of focus and oversight by the respective Directors and Audit & Supervisory Board Members with respect to management of the Company, upon having taken into account the primary abilities and expertise of each individual.

Name		Corporate Management	Finance/Economics	Innovative Technologies/AI/DX Environments	Sales & Marketing	Human Rights/ Human Resources & Human Resource Development	Legal Affairs & Compliance	Global
Directors	<b>Hiroyuki Ogawa</b>	●		●	●		●	●
	<b>Takuya Imayoshi</b>	●	●	●	●	●	●	●
	<b>Takeshi Horikoshi</b>		●				●	●
	<b>Mitsuko Yokomoto</b>			●		●	●	
	<b>Taisuke Kusaba</b>			●	●		●	●
	Outside Director Independent <b>Takeshi Kunibe</b>	●	●	●				
	Outside Director Independent <b>Arthur M. Mitchell</b>						●	●
	Outside Director Independent <b>Naoko Saiki</b>					●	●	●
	Outside Director Independent <b>Michitaka Sawada</b>	●		●	●	●		
	<b>Mitsuo Nakao</b>		●					●
Audit & Supervisory Board Members	<b>Keiko Fujiwara</b>				●	●		●
	Outside Audit & Supervisory Board Member Independent <b>Tatsuro Kosaka</b>	●		●	●			
	Outside Audit & Supervisory Board Member Independent <b>Mariko Matsumura</b>					●	●	
	Outside Audit & Supervisory Board Member Independent <b>Yukio Kai</b>					●	●	

	Name	Reason for selection
Directors	<b>Hiroyuki Ogawa</b>	• Has held various important positions in the production departments, and has served as Representative of All Indonesia Operations and President of the Company. He oversees overall governance as Chairman
	<b>Takuya Imayoshi</b>	• As President and CEO, he focuses on, and supervises, all aspects of achieving the Company's growth strategies
	<b>Takeshi Horikoshi</b>	• Has held key positions in the accounting and finance related departments • Hands-on experience in Europe and on M&As
	<b>Mitsuko Yokomoto</b>	• Experience in the fields of human resources and general affairs, compliance and sustainability
	<b>Taisuke Kusaba</b>	• Has held key positions in the research and development departments • Marketing experience as President of the Company's North American subsidiary
	Outside Director Independent <b>Takeshi Kunibe</b>	• Knowledge and experience in the business world, including the fields of finance and group company management
	Outside Director Independent <b>Arthur M. Mitchell</b>	• Knowledge and experience in the field of international legal affairs as an attorney
	Outside Director Independent <b>Naoko Saiki</b>	• Knowledge and experience in the fields of international affairs, international law and economics
	Outside Director Independent <b>Michitaka Sawada</b>	• Experience in the business world, including global group corporate management and ESG management practices
Audit & Supervisory Board Members	<b>Mitsuo Nakao</b>	• Knowledge in the fields of accounting and finance • Hands-on experience in Europe and Latin America
	<b>Keiko Fujiwara</b>	• Has held key positions in marketing, such as President of the Company's European subsidiary • Experience in promoting the development of human resources at agencies
	Outside Audit & Supervisory Board Member Independent <b>Tatsuro Kosaka</b>	• Knowledge and experience in the business world as a top executive
	Outside Audit & Supervisory Board Member Independent <b>Mariko Matsumura</b>	• Knowledge and experience in the legal and compliance fields as an attorney
	Outside Audit & Supervisory Board Member Independent <b>Yukio Kai</b>	• Served as the Prosecutor-General, with knowledge and experience in the legal profession

Outside: Outside Director and Outside Audit & Supervisory Board Member (Including candidates)

Independent: Director or Audit & Supervisory Board Member who meets the Company's independence standards and for whom the Company has submitted or plans to submit an Independent Director or Audit & Supervisory Board Member Notification to the Tokyo Stock Exchange (*the Japanese stock exchange on which the Company's shares are listed*). (Including candidates)

## <Reference> The Company's Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members

The Board of Directors of the Company has determined the independence standards for Outside Directors and Outside Audit & Supervisory Board Members (collectively, "Outside Board Members") as follows.

### 1. Basic stance:

Independent Outside Board Members are defined as Outside Board Members who have no potential conflict of interest with ordinary shareholders of the Company.

In the event that they are critically controlled by the top management of the Company or they can critically control the top management of the Company, they are deemed to have a conflict of interest with ordinary shareholders of the Company. Therefore, the Board of Directors determines that they have no independence from the Company.

### 2. Independence standards:

Based on "1. Basic stance" above, the Board of Directors determines an Outside Board Member who is listed below has no independence from the Company.

- 1) Person engaged in transactions or execution of business with the Company or its subsidiary as his/her major business partner

This is applicable to a business partner or a person engaged in business execution with the Company or its subsidiary, and the Company or its subsidiary can give significant influence on decision making of the concerned partner or person. Specifically, in the event that the sales, revenues, etc. generated from business with the Company or its subsidiary account for a considerable portion of total sales, revenues, etc. of the concerned company, the Board of Directors of the Company determines the concerned company has no independence from the Company.

Through its departments engaged in business transactions with the companies where candidates for Outside Board Members are concurrently employed (or execute business thereof), the Company annually reviews the business relationship of these companies by making direct inquiries to the concerned companies and implementing other means, thereby evaluating their independence from the Company.

- 2) Main business partner of the Company or person engaged in business execution thereof

This is applicable to a business partner or a person engaged in business execution with the Company, and the concerned business partner or person engaged in business execution thereof can give significant influence on the Company's decision making. Specifically, in the event that the Company generates sales, revenues, etc. from its business with the concerned business partner, which account for a considerable portion of total sales, revenues, etc. of the Company, the Board of Directors of the Company determines the concerned business partner or person has no independence from the Company.

The Company annually discusses with its departments engaging in business with the companies where candidates for Outside Board Members are concurrently employed (or execute business thereof), and evaluates their independence from the Company.

- 3) Consultant(s), certified public accountant(s), lawyer(s) or other professional(s) obtaining large amounts of money or other financial benefits, other than remunerations of Outside Board Members of the Company (when such financial benefits are obtained by an incorporated entity, this matter applies to a person belonging to such organization)

With respect to large amounts of money or other financial benefits, the Company determines independence in accordance with "large amounts of money or other financial benefits" stipulated in Article 74, Paragraph 4, Item 7, (d) or Article 76, Paragraph 4, Item 6, (d) of the Regulation for Enforcement of the Companies Act of Japan.

In the case that the concerned professional who obtains large amounts of money or other financial benefits belongs to an incorporated entity and that such organization depends heavily on fees paid by the Company, the Board of Directors determines the concerned professional has no independence from the Company.

- 4) Person who is applicable to any of 1) through 3) above for last one year

- 5) Spouse or relative in second degree of an important person among the following persons

- a. Person to whom 1) through 4) above are applicable
- b. Person engaged in business execution of subsidiaries of the Company
- c. Director engaged in non-business execution of subsidiaries of the Company (limited to determining Outside Audit & Supervisory Board Members)
- d. Person to whom b or c above is applicable for the past one year
- e. Person who engaged in business execution of the Company for the past one year
- f. Director of the Company engaged in non-business execution for the past one year (limited to determining Outside Audit & Supervisory Board Members)

End

## **Business Report**

(April 1, 2024 - March 31, 2025)

### **1. Current Conditions of Komatsu**

#### **(1) Outline of Operations and Business Results**

Komatsu Ltd. (“Company”) and its consolidated subsidiaries (together “Komatsu”) were engaged in the three-year, mid-term management plan, “DANTOTSU Value – *Together, to ‘The Next’ for sustainable growth,*” in April 2022 to create new values for the next 100 years. Under this management plan for the target fiscal year ended March 31, 2025, Komatsu upholds three pillars of growth strategies of 1) Accelerate growth by means of innovation, 2) Maximize earnings power, and 3) Enhance corporate resilience. Komatsu has been working toward creating an operational structure that is resilient to fluctuations in demand, thereby aiming for sustainable growth through a positive cycle of improving profitability and solving ESG issues through the creation of customer value.

For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025), consolidated net sales for the year increased by 6.2% from the previous fiscal year to JPY 4,104.4 billion. Concerning profits, operating income increased by 8.2% from the previous fiscal year to JPY 657.1 billion supported by an increase in profits in the construction, mining and utility equipment segment due to effects of improved selling prices and the depreciation of the Japanese yen despite reduced sales volume and cost increase. Operating income ratio was 16.0%, up 0.3 percentage points from the previous fiscal year. Income before income taxes and equity in earnings of affiliated companies increased by 5.1% from the previous fiscal year to JPY 604.8 billion. Net income attributable to Komatsu Ltd. increased by 11.7% from the previous fiscal year to JPY 439.6 billion.

	155th Fiscal Year (April 2023 – March 2024)	Changes from 155th Fiscal Year	156th Fiscal Year (April 2024 – March 2025)
Net sales	JPY 3,865.1 billion	+6.2%	JPY 4,104.4 billion
Operating income	JPY 607.2 billion	+8.2%	JPY 657.1 billion
Income before income taxes and equity in earnings of affiliated companies	JPY 575.7 billion	+5.1%	JPY 604.8 billion
Net income attributable to Komatsu Ltd.	JPY 393.4 billion	+11.7%	JPY 439.6 billion

Note: The Consolidated Financial Statements of the Company are prepared in accordance with Article 120-3, Paragraph 1 of the Regulations on Corporate Accounting 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]

	156th Fiscal Year (April 2024 – March 2025)	Changes from 155th Fiscal Year
Sales	JPY 3,798.2 billion	+5.1%
Segment profit	JPY 598.9 billion	+4.3%

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

In the construction, mining and utility equipment segment, while sales for construction equipment decreased, that for mining equipment increased. There were also factors such as the impact of the depreciation of the Japanese yen and the effect of improved selling prices in most regions of the world. As a result, sales increased by 5.1% from the previous fiscal year to JPY 3,798.2 billion. Segment profit increased by 4.3% from the previous fiscal year to JPY 598.9 billion.

Under the “Accelerate growth by means of innovation” strategy, one of the three pillars of the mid-term management plan’s growth strategies, the Company is steadily promoting efforts to digitize the world’s workplaces through “products (automation and autonomous operation of construction and mining equipment)” and “solutions (optimization of overall work site processes).” As of March 31, 2025, the accumulated number of Autonomous Haulage Systems (AHS) mining trucks adopted reached 862 units. In addition, as of March 31, 2025, the cumulative total number of workplaces where “Smart Construction,” a digital solution for construction sites, has been introduced reached 46,364 sites (including sites outside of Japan).

As part of our efforts toward carbon neutrality, we have developed the “WX04B,” a battery-electric powered load-haul-dump and the Company’s first piece of electric construction equipment. It can operate for up to four hours on a single charge, and the battery can be replaced easily and safely. The Company has additionally announced battery-powered electric versions of two models, the small-class “ZJ21” jumbo drill and “ZB21” bolter.



[Battery-electric powered load-haul-dump WX04B]



[Concept machine for the HD785 large dump truck equipped with a hydrogen combustion engine]

To accelerate the development and utilization of new power sources, we collaborated with KEYOU GmbH from Germany to jointly develop a concept model of the “HD785”—a large dump truck equipped with a hydrogen combustion engine, in addition to electric construction equipment. This marks the world’s first\* attempt to equip a large dump truck with a hydrogen combustion engine.

\*According to the Company’s research

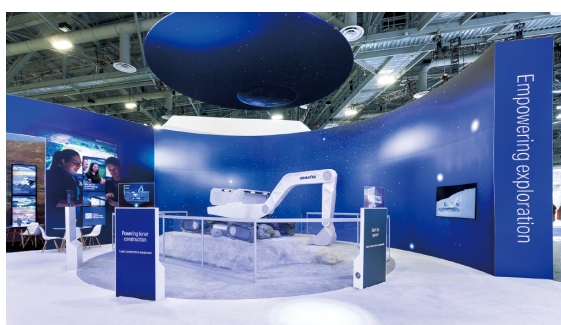


Moreover, to accelerate the realization of developing safe, highly productive, smart and clean workplaces of the future, we collaborated with our subsidiary EARTHBRAIN Ltd. to jointly develop the “Smart Construction Teleoperation” remote control system for construction equipment, and the system has been launched.



[Smart Construction Teleoperation cockpit]

Furthermore, we are working on developing construction equipment for use in extreme environments on the moon and underwater, exhibiting for the first time at “Consumer Electronics Show 2025,” one of the world’s biggest technology trade fairs and a suitable venue for disseminating information to the people who will lead the technological innovation of the future. We displayed both a mock-up of a lunar construction machine and a concept machine for an underwater construction robot.



[Lunar construction equipment utilizing digital twin technology]



[Concept machine for an underwater construction robot]



[PC200i-12 hydraulic excavator equipped with 3D machine guidance as standard]

Under the “Maximize earnings power” strategy, we fully redesigned our 20-ton class hydraulic excavators, our mainstay models in the civil engineering field, launching the new-generation “PC200i-12,” which is equipped with the 3D machine guidance necessary for ICT construction as a standard feature, in December 2024. Customers will be able to switch to 3D machine controls to fulfill the diverse requirements of ICT construction.

From the viewpoint of future sustainable growth of the construction and mining equipment business in Southeast Asia and Papua New Guinea, the Company acquired all of the shares that UMW Corporation (“UMW”) holds in UMW Komatsu Heavy Equipment (“UKHE”), which is a subsidiary of UMW and an affiliated company, accounted for by the equity method, of the Company, and thereby made UKHE a wholly owned subsidiary of the Company.

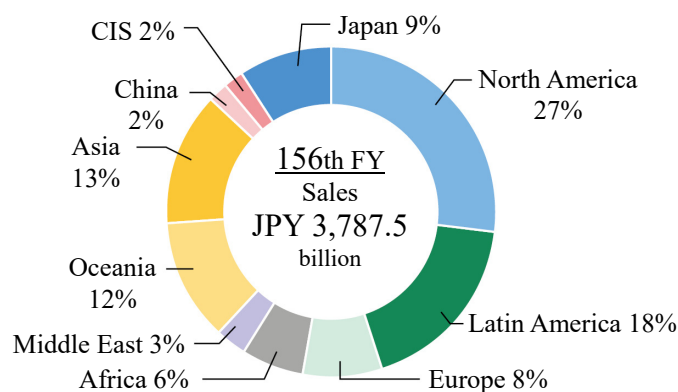
In July 2024, we completed the acquisition of GHH (a German manufacturer of underground mining equipment) to strengthen our underground hard rock mining business.

As part of the “Enhancing corporate resilience” strategy, we newly established Komatsu North America



Corp. to consolidate Komatsu America Corp.'s construction and mining equipment sales and service functions in North America, as well as Komatsu Mining Corp.'s mining equipment sales and service functions in North America. This will ensure greater convenience for customers and further enhance governance by allowing Komatsu America Corp. to focus on supervising operations for the North America.

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



		156th Fiscal Year (April 2024 – March 2025)	Changes from 155th Fiscal Year
The Americas	North America	JPY 1,026.4 billion	+3.4%
	Latin America	JPY 683.6 billion	+3.5%
Europe, Africa and Middle East	Europe	JPY 310.4 billion	(1.4)%
	Africa	JPY 221.1 billion	+0.7%
	Middle East	JPY 114.6 billion	(2.5)%
	Oceania	JPY 458.7 billion	+24.2%
Oceania, Asia and CIS	Asia*	JPY 501.3 billion	+14.1%
	China	JPY 80.2 billion	+14.2%
	CIS	JPY 61.5 billion	(7.7)%
	Japan	JPY 329.6 billion	(3.1)%

\* Excludes Japan and China

[Retail Finance]

	156th Fiscal Year (April 2024 – March 2025)	Changes from 155th Fiscal Year
Revenues	JPY 123.2 billion	+19.0%
Segment profit	JPY 29.4 billion	+21.4%

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

In the retail finance segment, revenues increased by 19.0% from the previous fiscal year, to JPY 123.2 billion, reflecting such factors as a rise in the interest income ratio, the Japanese yen's depreciation and an increase in financing receivables. Segment profit increased by 21.4% from the previous fiscal year to JPY 29.4 billion. ROA,\* which shows the profitability and efficiency of assets, was 2.2% (up 0.2 percentage point from the previous fiscal year).

\*ROA= Segment profit /[(total assets at the beginning of the fiscal year + total assets at the end of the fiscal year)/2]

[Industrial Machinery and Others]

	156th Fiscal Year (April 2024 – March 2025)	Changes from 155th Fiscal Year
Sales	JPY 223.6 billion	+14.3%
Segment profit	JPY 27.4 billion	+166.5%

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

In the industrial machinery and others segment, sales increased by 14.3% from the previous fiscal year, to JPY 223.6 billion, primarily supported by increased sales of large presses and machine tools for the automobile industry and increased maintenance revenues in the excimer laser-related business for the semiconductor industry. Segment profit amounted to JPY 27.4 billion, an increase of 166.5% from the previous fiscal year.

In October 2024, our subsidiary KELK Ltd. launched the “KSGD-SV10,” the world’s first thermoelectric EH vibration monitoring device capable of achieving a transmission range of approximately 500 m.

In November 2024, our subsidiary Komatsu NTC Ltd. launched the “KV420L” Large Vertical Machining Center for machining aluminum giga-cast parts, which was developed as a dedicated machining center for processing aluminum giga-cast parts that are increasingly used in electric vehicles.



[KV420L Large Vertical Machining Center for machining aluminum giga-cast parts]

## (2) Capital Investment

Capital investment increased by JPY 4.2 billion from the previous fiscal year to JPY 184.2 billion.

### 1) Breakdown by Segment

Segment	Invested Amounts (JPY billion)
Construction, Mining and Utility Equipment	144.3
Retail Finance	32.9
Industrial Machinery and Others	6.9
Total	184.2

### 2) Main Facilities Completed in the Fiscal Year Ended March 31, 2025

No items to report.

### 3) New Construction, Expansions and Overhauls of Main Facilities in Progress in the Fiscal Year Ended March 31, 2025

Segment	Main Facilities
Construction, Mining and Utility Equipment	<p>Osaka Plant: Construction of Welding Plant</p> <ul style="list-style-type: none"><li>Facility overview: production facility for large components used in construction equipment</li></ul> <p>Komatsu Machinery Manufacturing (Shandong) Co., Ltd.: Relocating Plant (China)</p> <ul style="list-style-type: none"><li>Facility overview: production facility for construction equipment and components used in construction equipment</li></ul> <p>Komatsu Germany GmbH: Construction of Hydraulic Excavator Production Plant (Germany)</p> <ul style="list-style-type: none"><li>Facility overview: production facility for construction equipment and components used in construction equipment</li></ul>

In January 2024, the Company began rebuilding its head office building. The Company will investigate the functions and roles that will be required of the building going forward in its role as global head office, work to reduce CO<sub>2</sub> emissions in order to achieve carbon neutrality, strengthen communication functions with all stakeholders, and enhance capabilities of disseminating the corporate brand. Premised on the belief that employees can have diverse ways of working, we will also take steps to achieve a working environment that generates innovation.

## (3) Financing

In the fiscal year ended March 31, 2025, in order to appropriate funds for working capital and capital investment, the Company procured funds mainly by the issuance of commercial paper and bonds, as well as through borrowings from financial institutions.

The balance of interest-bearing debt at the fiscal year-end decreased by JPY 48.8 billion from the previous fiscal year-end to JPY 1,150.6 billion.

In addition, the net debt-to-equity ratio\* at the fiscal year-end was 0.24, compared to 0.26 at the previous fiscal year-end.

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

#### (4) Issues Ahead

The Komatsu Group defines its purpose to be “creating value through manufacturing and technology innovation to empower a sustainable future where people, business and our planet thrive together.” The Company’s “management principle” to achieving this is to pursue “quality and reliability” and to maximize the total trust from society at large and all stakeholders surrounding us.

As a strategy to implement this management principle, the Company has formulated a mid-term management plan to create a positive cycle of solving social issues and improving profitability through the creation of customer value, thereby achieving sustainable growth.

The Komatsu Group has worked on a mid-term management plan “DANTOTSU Value – *Together, to ‘The Next’ for sustainable growth*,” which covered the three-years from April 2022 to March 2025. During this period despite the downward trend in demand for construction equipment, demand for mining equipment remained steady. There were also factors such as the impact of exchange rates and the effect of improvements in selling prices in most regions of the world. Consequently, FY2024, the final year of the mid-term management plan, marked record high sales and profits for the third consecutive year.

In the mid-term management plan, the Company is striving to achieve its vision of developing “safe, highly productive, smart and clean workplaces of the future with customers.” To this end, the Company is working to create DANTOTSU Value (New Customer Value) which integrates DANTOTSU Products (advancement of machines), DANTOTSU Service (advancement of machine operations), and DANTOTSU Solutions (optimization of workplace operations), and achieved the indicator levels for each of the management targets: “growth,” “profitability,” “efficiency,” “sound financial position,” “ESG” evaluation by external organizations, and “shareholder return.”

The Komatsu Group launched its new three-year mid-term management plan, Strategic Growth Plan (FY2025-FY2027) with the title “Driving value with ambition,” in April 2025.

In the Strategic Growth Plan, the Company aims to embrace one of its core values, “Ambition,” by taking bold measures to pursue group-wide growth through the co-creation of new value with customers and stakeholders.

The Strategic Growth Plan redefines the Company vision of becoming a collaborative partner committed to optimizing safe, productive, and clean workplaces. Komatsu will further evolve its solutions (e.g., Smart Construction and Autonomous Haulage System (AHS)) with more advanced products compatible with them and deliver new value to optimize customer job sites.

Our vision, key activities



\*SDV: Abbreviation for software defined vehicle

The Komatsu growth strategy consists of (1) Creating customer value through innovation, (2) Driving growth and profitability, and (3) Transforming the Komatsu business foundation. Backcasting from its vision, Komatsu views the shift toward a decarbonized society and advances in digital technologies as key business opportunities. The Company is also committed to strengthening efforts to enhance resilience against external factors amid growing uncertainty mainly from geopolitical risks and tariffs in global trade policies.

(1) Create customer value through innovation

Further develop solutions while actively addressing diverse power sources and pursuing more advanced automation and remote operations.

(2) Drive growth and profitability

Strengthen regional product competitiveness and expand value chain business, with a focus on growth markets in Asia and Africa.

(3) Transform the Komatsu business foundation

Accelerate the use of AI and digital transformation, strengthening management infrastructure such as revamping business IT systems on a group-wide basis, and developing a solutions platform for distributors.

Our vision

**A collaborative partner committed to optimizing safe, productive, and clean workplaces**

Theme

**Driving value with ambition**

Three growth strategy pillars

**1 Create customer value through innovation** Investing in our future

- Co-create new value through strategic investments, new technologies, developing new business areas, and solutions
- Deliver manufacturing and technology innovation through AI and other technologies for carbon neutrality and customer workplace optimization

**2 Drive growth and profitability** Profit structure

- Achieve growth and profitability through advanced workplace operations
- Expand value chain businesses, using AI and DX for labor-savings and optimization
- Achieve growth through marketing strategies optimized to business, region, and country

**3 Transform our business foundation** Resilience

- Acquire and enable the success of talent needed to support business growth
- Strengthen our brand through enhanced branding activities
- Introduce bold and agile initiatives to streamline business infrastructure (systems and processes) through AI and DX

(Key initiatives of the growth strategy)

	Mining	Construction	Forestry machinery	Industrial machinery, others
<b>1</b> Create customer value through innovation	<b>Compatibility with various power sources</b> <ul style="list-style-type: none"> <li>• Accelerate ecosystem strategy for decarbonization</li> </ul>	<b>Accelerate product development toward carbon neutrality</b> <ul style="list-style-type: none"> <li>• Introduce automation and remote control for non-crewed construction</li> </ul>	<b>Develop HEV and BEV vehicles toward electrification</b> <ul style="list-style-type: none"> <li>• Develop autonomous forest driving technology having environment detection</li> </ul>	
	<b>Advancements in automation and remote control</b> <ul style="list-style-type: none"> <li>• Develop SDV machines with high solutions affinity</li> <li>• Drive automation of mine operation (incl. advance AHS)</li> </ul>	<b>Create a support infrastructure toward Smart Construction growth</b> <ul style="list-style-type: none"> <li>• Improve competitiveness of next-generation components</li> </ul>	<b>Establish a forestry solutions business model</b> <ul style="list-style-type: none"> <li>• Win wider adoption of afforestation/forestry technology and machinery for circular forestry</li> </ul>	<b>Provide support for excimer laser oscillation frequency and output power increases</b> <ul style="list-style-type: none"> <li>• Improve the performance of power generation units using thermoelectric elements</li> </ul>
	<b>Expand Open Technology Platform and popularize apps</b> <ul style="list-style-type: none"> <li>• Expand business in emerging mining markets (Africa, Middle East, etc.)</li> </ul>	<b>Strengthen product planning (Asia, Africa, etc.)</b> <ul style="list-style-type: none"> <li>• Establish core operational facilities to strengthen customer and dealer support (Africa)</li> </ul>	<b>Expand FTL* product lineup (North America)</b> <ul style="list-style-type: none"> <li>• Develop emerging forestry markets (Asia, Eastern Europe, etc.)</li> </ul>	
<b>2</b> Drive growth and profitability	<b>Stronger product and support capabilities by region</b> <ul style="list-style-type: none"> <li>• Strengthen our Reman/rebuild businesses</li> <li>• Grow sales of attachments and undercarriage components (GET/UC)</li> </ul>	<b>Step up key component strategies</b> <ul style="list-style-type: none"> <li>• Build Lifecycle Reliable Support infrastructure for construction; develop mining and forestry machinery</li> </ul>	<b>Enhance after service for press machines and sheet metal machines</b> <ul style="list-style-type: none"> <li>• Solve issues in the workplace through expanded Komtrax content</li> </ul>	
	<b>Stronger aftermarket</b> <ul style="list-style-type: none"> <li>• Expand lineup and sales network of hard rock products; develop new underground extraction methods</li> </ul>	<b>Increase customer value through DX and provide greater support to distributors (North America)</b> <ul style="list-style-type: none"> <li>• Expand CTL** sales further in Europe and the Americas</li> <li>• Pursue DX through a forest land communication network</li> </ul>	<b>Develop automotive battery business process strategy and grow sales</b> <ul style="list-style-type: none"> <li></li> </ul>	
<b>3</b> Transform our business foundation	<b>Create workplaces where all individuals can shine as their authentic selves, wherever they are</b> <ul style="list-style-type: none"> <li>• Increase brand recognition</li> <li>• Enterprise Risk Management, BCP (cyber security/regulatory compliance)</li> </ul>		<b>Reform our core system to establish and optimally integrated environment for the group overall</b> <ul style="list-style-type: none"> <li>• Utilize AI and DX to develop and implement a solutions platform for distributors</li> <li>• Review legacy management (management with awareness of the three axes of business, function, and region; do away with traditional/strategic market segmentation)</li> </ul>	

\*Full tree length (FTL) method: Felled trees hauled out as-is; processed into fixed length logs at another location

\*\*Cut-to-length (CTL) method: Felled trees cut to fixed-length logs in place in the forest and then hauled out



## Targets of Strategic Growth Plan

Komatsu continues to target business growth above industry levels and industry-leading profitability, while maintaining a return on equity (ROE) target of over 10%, exceeding the cost of shareholders' equity. The Company added free cash flow (FCF) as a new target, aiming for a three-year cumulative goal of JPY 1 trillion to further secure earnings and continue strategic investments in growth areas. Other changes from previous management targets include revising the net D/E ratio target for the Retail Finance business from below five times to below six times.

The Company shareholder return policy continues to be a consolidated dividend payout ratio of 40% or more. Komatsu intends to conduct share buybacks in a timely manner, balanced by considerations of financial soundness and its shareholders' equity ratio.

For non-financial targets, Komatsu continues to pursue its 2030 CO<sub>2</sub> reduction goal and 2050 carbon neutrality challenging target to reduce environmental impact. Komatsu also identified key social issues to address from the perspective of double materiality and established 30 related KPIs. Details will be disclosed in the Integrated Report scheduled for publication in September.

Category	Item	Indicator	Target
Financial	Growth	Sales growth rate	Growth rate above the industry average
	Profitability	Operating profit ratio	Top profit ratio in the industry
		FCF	3-year cumulative: 1 trillion yen (excluding M&A-related expenditures)
	Efficiency	ROE <sup>*1</sup>	10% or higher
	Retail finance business	ROA <sup>*2</sup>	1.5% to 2.0%
		Net D/E Ratio <sup>*3</sup>	6 times or less
Non-financial	Shareholder returns	Consolidated payout ratio	•40% or more (consolidated) •Timely share buybacks based on an overall balance of financial soundness, shareholders' equity ratio, and other factors
		KPI for solving social issues	Overall evaluation (including evaluations by external organizations) of progress in 30 social solution KPIs
Non-financial	Resolution of social issues	Reduction of environmental impact	•Decrease CO <sub>2</sub> emissions from Komatsu (total): 50% reduction by FY2030 (compared to FY2010) •Decrease CO <sub>2</sub> emissions from product use (intensity): 50% reduction by FY2030 (compared to FY2010) •<Stretch goal> Become carbon neutral by FY2050 •Renewable energy use : 50% of total energy use by FY2030

\*1 ROE=Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning of the fiscal year + Komatsu Ltd. shareholders' equity at the end of the fiscal year)/2]

\*2 ROA= Segment profit /[(total assets at the beginning of the fiscal year + total assets at the end of the fiscal year)/2]

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

Category	Materiality	Key activities	KPI
With people	<ul style="list-style-type: none"> <li>Employees</li> <li>Human rights</li> </ul>	Create safe and secure work environments; support employee health	Occupational accident frequency rate (per one million hours)
		Create workplaces where all individuals can shine as their authentic selves, wherever they are	①Ratio of full-time female employees (global) ②Ratio of women in managerial positions (global)
With business	<ul style="list-style-type: none"> <li>Customers</li> <li>Ethics and governance</li> <li>Communities</li> </ul>	Enhance product safety	Plan, develop, and market safety equipment
		Improve jobsite productivity through Smart Construction	Rate of ICT machine* adoption
		Provide solutions for sustainable resource development (mining)	Cumulative Autonomous Haulage System (AHS) installations in mines Hard rock business sales
		Provide solutions for better jobsite safety and productivity (automation, autonomous operation, remote operation)	Accelerate automation and remote control of construction and mining equipment
		Build value chains adaptable to changes in the environment and demand	Aftermarket business sales growth rate
		Continue social contribution activities	Ongoing social contribution activities (contribution to communities, landmine removal, disaster recovery support)
With the planet	<ul style="list-style-type: none"> <li>Environment</li> </ul>	Effort to become carbon neutral	Reduce CO <sub>2</sub> from production Reduce CO <sub>2</sub> from product use
		Reduce environmental impact through business activities (industrial machinery business)	Unit sales of power generation units with thermoelectric elements
		Provide solutions that support sustainable, circular forestry businesses	①Forestry machinery business sales growth rate ②Annual increase in trees planted using tree-planting machinery
		Drive circular economies	Reman and rebuild business sales growth rate

\*Hydraulic excavators and bulldozers equipped with 3D machine control and 3D machine guidance functions

Please see the following for information on our sustainability policies and initiatives.

- Sustainability website : <https://www.komatsu.jp/en/sustainability>
  - Komatsu Report (integrated report) : <https://www.komatsu.jp/en/ir/library/annual>
  - Business activities in line with our Sustainability Policy
- With people : <https://www.komatsu.jp/en/sustainability/people>
- With business : <https://www.komatsu.jp/en/sustainability/business>
- With the planet : <https://www.komatsu.jp/en/sustainability/planet>

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

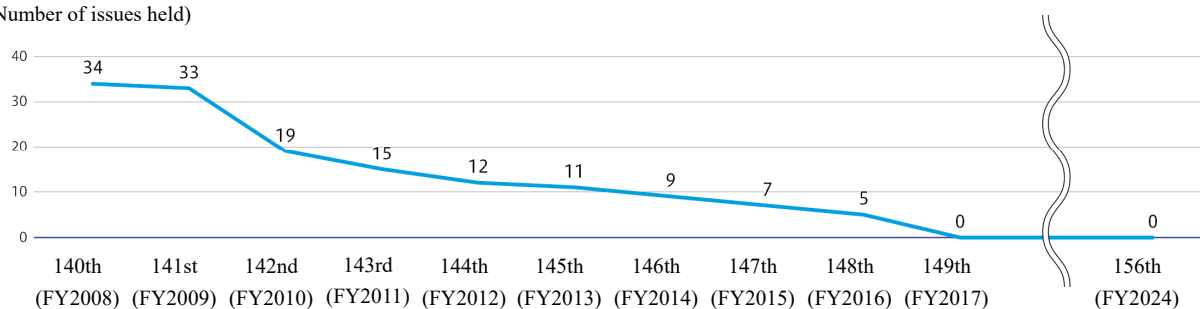
No items to report.

### (Reference: Policy on the Company's Strategic-shareholdings)

The Company shall not hold shares of listed companies, except in cases where it is necessary for business relationships with investors or cooperation with the Company, from the viewpoint of preventing risk due to stock price fluctuations and increasing asset efficiency.

### Successive reduction of strategic-shareholdings (non-consolidated basis)

(Number of issues held)





## (6) Status of Principal Subsidiaries

### 1) Principal Subsidiaries (As of March 31, 2025)

Name	Location of Offices and Plants	Capital	Investment Ratio (%)	Main Businesses
Komatsu Customer Support Japan Ltd.	Head Office (Minato-ku, Tokyo)	JPY 950 mil	100.0	Sale and servicing of construction equipment and industrial vehicles Rental of construction equipment, etc.
Komatsu Logistics Corp.	Head Office (Minato-ku, Tokyo)	JPY 1,080 mil	100.0	Transportation, warehousing, packing and other services
Komatsu Business Support Ltd.	Head Office (Minato-ku, Tokyo)	JPY 1,770 mil	100.0	Retail financing of construction and mining equipment
Komatsu Industries Corp.	Head Office (Kanazawa City, Ishikawa)	JPY 990 mil	100.0	Development, 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.
Gigaphoton Inc.	Head Office /Plant (Oyama City, Tochigi)	JPY 5,000 mil	100.0	Development, manufacture, sale and servicing of excimer laser used for lithography tools in semiconductor manufacturing
Komatsu America Corp.	Head Office /Plant (U.S.)	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 (U.S.)	USD 2 thou	*100.0	Manufacture and sale of construction and mining equipment parts
Komatsu Mining Corp.	Head Office (U.S.)	USD 5 thou	*100.0	Overall management of mining equipment business
Joy Global Underground Mining LLC (Note 2)	Head Office /Plant (U.S.)	USD 1,406 mil	*100.0	Manufacture, sale and servicing of mining equipment
Joy Global Surface Mining Inc	Head Office /Plant (U.S.)	USD 1 thou	*100.0	Manufacture, sale and servicing of mining equipment
Joy Global Longview Operations LLC (Note 3)	Head Office /Plant (U.S.)	USD 1,005 mil	*100.0	Manufacture, sale and servicing of mining equipment
Komatsu do Brasil Ltda.	Head Office /Plant (Brazil)	BRL 148 mil	*100.0	Manufacture of construction equipment and casting products
Komatsu Brasil International Ltda.	Head Office (Brazil)	BRL 351 mil	*100.0	Sale and servicing of construction and mining equipment
Komatsu Holding South America Ltda.	Head Office (Chile)	USD 156 mil	*100.0	Sale and servicing of construction and mining equipment
Komatsu Cummins Chile Ltda.	Head Office (Chile)	USD 35 mil	*81.4	Sale and servicing of construction and mining equipment

Name	Location of Offices and Plants	Capital	Investment Ratio (%)	Main Businesses
Joy Global (Chile) S.A.	Head Office /Plant (Chile)	USD 1,958 thou	*100.0	Manufacture, sale and servicing of mining equipment
Komatsu Financial Limited Partnership (Note 4)	Head Office (U.S.)	–	*100.0	Retail financing 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 UK Ltd.	Head Office /Plant (UK)	GBP 23 mil	*100.0	Manufacture of construction equipment
Komatsu Germany GmbH	Head Office /Plant (Germany)	EUR 24 mil	*100.0	Manufacture and sale of construction and 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 Financial Europe N.V.	Head Office (Belgium)	EUR 80 mil	*100.0	Retail financing of construction and mining equipment
Komatsu (China) Ltd.	Head Office (China)	USD 172 mil	100.0	Sale of construction and mining equipment and supervision in China
Komatsu (Changzhou) Construction Machinery Corp.	Head Office /Plant (China)	USD 79 mil	*100.0	Manufacture of construction equipment, casting products and metal forging and stamping presses
Komatsu Machinery Manufacturing (Shandong) Co., Ltd.	Head Office /Plant (China)	USD 245 mil	*100.0	Manufacture of construction equipment and components for construction 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 India Pvt. Ltd.	Head Office /Plant (India)	INR 10,963 mil	*100.0	Manufacture and sale of construction and mining equipment
Komatsu Australia Pty Ltd	Head Office (Australia)	AUD 22 mil	*62.0	Sale and servicing of construction and mining equipment
Joy Global Australia Holding Company Pty Ltd	Head Office (Australia)	AUD 443 mil	*100.0	Roles as holding company of Joy Global Australia Pty Ltd

Name	Location of Offices and Plants	Capital	Investment Ratio (%)	Main Businesses
Joy Global Australia Pty Ltd	Head Office /Plant (Australia)	AUD 608 mil	*100.0	Manufacture, sale and servicing of mining equipment
Komatsu South Africa (Pty) Ltd.	Head Office (South Africa)	ZAR 186 mil	*74.9	Sale and servicing of construction and mining equipment
Komatsu Australia Corporate Finance Pty Ltd	Head Office (Australia)	AUD 49 mil	*62.0	Retail financing of construction and mining 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. Joy Global Underground Mining LLC is a limited liability company based on the state law of Delaware, the U.S., and the Company invests in it through subsidiaries. Its paid-in capital is presented as its capital.
3. Joy Global Longview Operations LLC is a limited liability company based on the state law of Texas, the U.S., and the Company invests in it through subsidiaries. Its paid-in capital is presented as its capital.
4. 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 857 million.
5. The number of consolidated subsidiaries of the Company, including those listed above, is 217, and the number of affiliated companies accounted for by the equity method is 41.

2) Others (update on important combination)

- i) In June 2024, the Company resolved to reorganize the capital relationship between a wholly owned subsidiary of Komatsu America Corp. and Komatsu America Corp.'s Latin American subsidiaries (i.e., the Company's sub-subsidiaries) to place said Latin American subsidiaries under the direct control of the Company.
- ii) In October 2024, the Company acquired all of the shares that UMW Corporation Sdn. Bhd. ("UMW") holds in UMW Komatsu Heavy Equipment Sdn. Bhd. ("UKHE"), which is a subsidiary of UMW and an affiliated company, accounted for by the equity method, of the Company, and thereby made UKHE a wholly owned subsidiary of the Company.
- iii) In February 2025, the Company resolved to transfer parts of the business of Komatsu America Corp. (a wholly owned subsidiary of Komatsu Ltd.) and Komatsu Mining Corp. (a wholly owned subsidiary of Komatsu America Corp., and therefore a wholly owned sub-subsidiary of Komatsu Ltd.) to Komatsu North America Corp., which was newly established by Komatsu America Corp.

## 2. Matters Regarding the Shares of the Company (As of March 31, 2025)

- (1) Number of shares authorized to be issued: 3,955,000,000 shares
- (2) Total number of shares issued and outstanding: 923,581,105 shares  
(excluding 27,372,015 shares of treasury stock)
- (3) Number of shareholders: 286,333
- (4) Major shareholders (top ten)

Name of Shareholders	Number of Shares Held (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	167,684	18.15
Custody Bank of Japan, Ltd. (Trust Account)	68,850	7.45
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (standing proxy: Sumitomo Mitsui Banking Corporation)	28,570	3.09
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	25,793	2.79
STATE STREET BANK WEST CLIENT - TREATY 505234 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	20,568	2.22
Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd.)	18,638	2.01
JPMorgan Securities Japan Co., Ltd.	16,937	1.83
Taiyo Life Insurance Company	14,200	1.53
STATE STREET BANK AND TRUST COMPANY 505223 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	13,577	1.47
JP MORGAN CHASE BANK 385781 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	12,630	1.36

### Notes:

- Shareholding ratio is calculated by subtracting treasury stock.
- Although the Company holds 27,372 thousand shares of treasury stock, it is excluded from the major shareholders listed above.

**(5) Status of shares delivered to Directors and Audit & Supervisory Board Members of the Company as consideration for their execution of duties during the fiscal year ended March 31, 2025**

There are no details of stock-based remuneration granted during the fiscal year ended March 31, 2025.

**(6) Other significant matters regarding the shares of the Company**

- 1) At a meeting of the Board of Directors held on April 26, 2024, the Company resolved to repurchase and cancel treasury stock, implementing the resolution as follows.
  - i) Details of share buyback
    - a. Class of shares repurchased Common stock
    - b. Total number of shares repurchased 22,857,500 shares
    - c. Total purchase price JPY 99,999,787,283
    - d. Period of buyback April 30, 2024 to August 8, 2024
    - e. Method of buyback Purchase at the Tokyo Stock Exchange
  - ii) Details of cancellation of treasury stock
    - a. Class of shares canceled Common stock
    - b. Total number of shares canceled 22,857,500 shares (All shares repurchased)
    - c. Date of cancellation October 30, 2024
- 2) Based on resolutions of the Board of Directors meeting held on April 26, 2024 and the 155th Ordinary General Meeting of Shareholders held on June 19, 2024, the Company introduced a trust-type stock-based remuneration system (Board Incentive Plan, or BIP, Trust) for Directors (excluding Outside Directors). As of March 31, 2025, the BIP Trust's trust account holds a total of 118,100 shares of the Company.
- 3) Based on a resolution of the Board of Directors meeting held on April 26, 2024, the Company introduced a trust-type stock-based remuneration system (an Employee Stock Ownership Plan, or ESOP, Trust) for employees who satisfy certain criteria. As of March 31, 2025, the trust account of the ESOP Trust holds a total of 190,900 shares of the Company.

### 3. Corporate Governance, Directors and Audit & Supervisory Board Members, etc.

#### (1) Basic Views on Corporate Governance

The Company's management principle is to pursue "quality and reliability" and to maximize the total trust from society at large and all stakeholders surrounding us. To become a company which enjoys more trust from shareholders and all other stakeholders, we are working to strengthen corporate governance, improve management efficiency, advocate corporate ethics and ensure sound management on a group-wide basis.

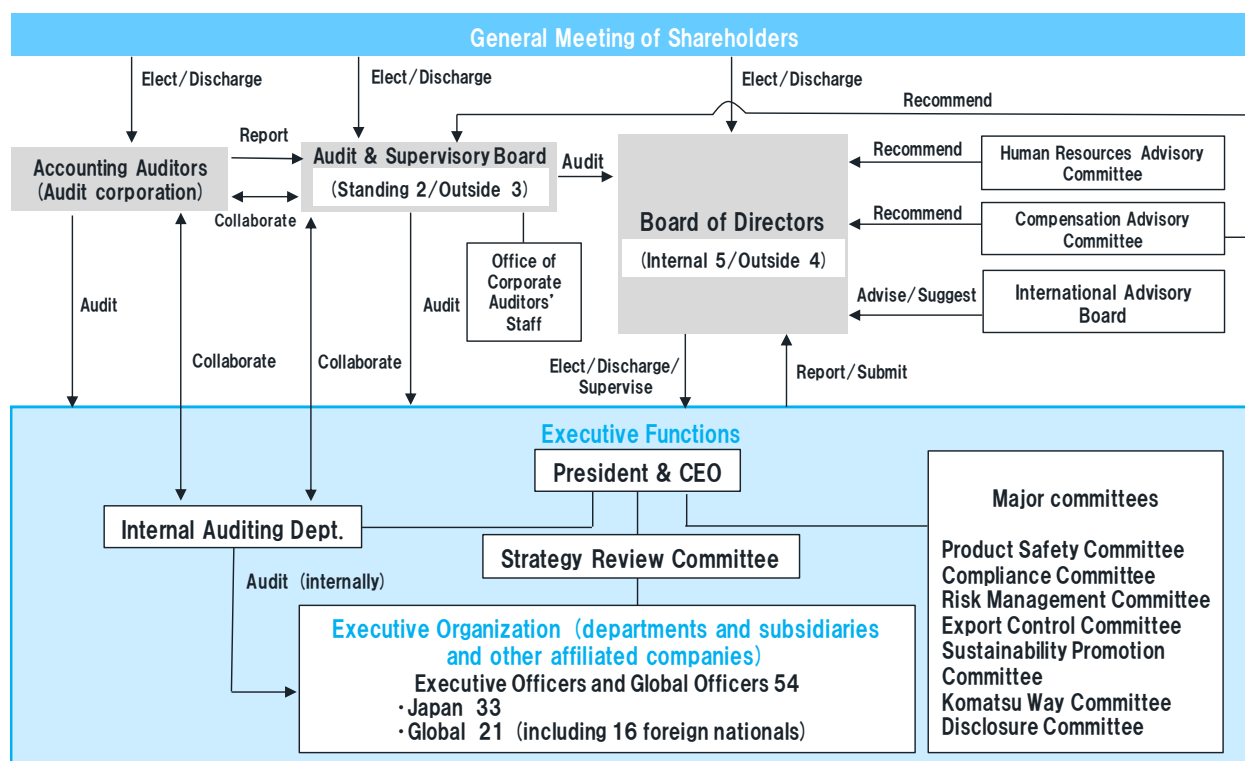
#### (2) Corporate Governance System of the Company

At the Company, the Board of Directors is positioned as the core of corporate governance and, to improve the effectiveness of discussions at meetings of the Board of Directors, the Company has worked to put in place a system to ensure thorough discussions of important management matters and prompt decision making and reform their operational aspect. Having introduced the Executive Officer (*Shikko Yakuin*) System in 1999, the Company has separated management decision making and supervisory functions from executive functions to the extent permitted by laws and regulations, limiting the Board of Directors to a small number of members while appointing both Outside Directors and Outside Audit & Supervisory Board Members to ensure objectivity and soundness of management.

The Company strives to make improvements to increase the effectiveness of the Board of Directors and conducts an annual evaluation and analysis of the effectiveness of the Board of Directors. In the fiscal year ended March 31, 2025, the evaluation and analysis focused on (1) roles and functions of the Board of Directors, (2) the size and composition of the Board of Directors, (3) arrangement of meeting agendas, (4) reports and explanations, provision of information, and follow-up, (5) meeting discussions, (6) understanding of the business/communication and (7) self-evaluations. In the results of the evaluation and analysis no material issues were indicated with regard to effectiveness, with the Board achieving generally high levels in all evaluation items.

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

Corporate governance of the Company



Note: The above diagram is as of March 31, 2025.

### (3) Directors and Audit & Supervisory Board Members of the Company

1) Names, etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2025)

Position	Name	In Charge at the Company and/or Important Concurrent Positions Held in Other Organizations
Chairman of the Board	Tetsuji Ohashi	Outside Director of Yamaha Motor Co., Ltd.* Outside Member of the Board of Nomura Research Institute, Ltd.* Outside Director of Asahi Group Holdings, Ltd.*
President and Representative Director	Hiroyuki Ogawa	Chief Executive Officer (CEO)
Representative Director and Senior Executive Officer	Takeshi Horikoshi	Chief Financial Officer (CFO)
Director and Senior Executive Officer	Takuya Imayoshi	Supervising Business Coordination Responsible for the Mid-Term Management Plan
Director and Senior Executive Officer	Mitsuko Yokomoto	Supervising Human Resources, Education and Sustainability
Director	Takeshi Kunibe	Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.* Outside Member of the Board of TAISHO PHARMACEUTICAL HOLDINGS CO., LTD.* Outside Director/Audit & Supervisory Committee Member of Nankai Electric Railway Co., Ltd.*
Director	Arthur M. Mitchell	Registered foreign lawyer of White & Case LLP
Director	Naoko Saiki	Special Assistant to the Minister for Foreign Affairs Outside Director of Sojitz Corporation* Outside Member of the Board of Directors of Development Bank of Japan Inc.* Outside Director of Sankyu Inc.*
Director	Michitaka Sawada	Executive Advisor of Kao Corporation Outside Director of Panasonic Holdings Corporation* Outside Director of Nitto Denko Corporation*
Standing Audit & Supervisory Board Member	Yasuhiro Inagaki	—
Standing Audit & Supervisory Board Member	Mitsuo Nakao	—
Audit & Supervisory Board Member	Kotaro Ohno	Advisor of Atsumi & Sakai Outside Director of Mizuho Financial Group, Inc.*
Audit & Supervisory Board Member	Tatsuro Kosaka	Senior Advisor of Chugai Pharmaceutical Co., Ltd. Outside Director of Mitsubishi Electric Corporation*
Audit & Supervisory Board Member	Mariko Matsumura	Partner, Shinwa Sohgo Law Offices Outside Member of the Board of Meiji Holdings Co., Ltd.* Outside Director of SODA NIKKA CO., LTD.* Outside Audit and Supervisory Board Member of Japan Airlines Co., Ltd.*

Notes:

1. Directors Takeshi Kunibe, Arthur M. Mitchell, Naoko Saiki and Michitaka Sawada are Outside Directors.
2. Audit & Supervisory Board Members Kotaro Ohno, Tatsuro Kosaka and Mariko Matsumura are Outside Audit & Supervisory Board Members.

3. An asterisk (\*) indicates important concurrent positions held in other organizations.
4. Regarding important concurrent positions held by Outside Directors and Outside Audit & Supervisory Board Members in other organizations, there are no particular business relationships, etc. between the Company and other organizations at which Outside Directors and Outside Audit & Supervisory Board Members hold concurrent positions.
5. Standing Audit & Supervisory Board Member Mitsuo Nakao has long engaged in accounting-related duties at the Company and has considerable profound knowledge concerning financial affairs and accounting.
6. The Company employs the Executive Officer (*Shikko Yakuin*) System.
7. Ms. Mariko Matsumura's name on her family register is Mariko Hosoi.

## 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 Company's Articles of Incorporation, the Company has entered into agreements with Outside Directors and Audit & Supervisory Board Members that limit their liability for damages caused by their negligence of duty under Article 423, Paragraph 1 of the same. The maximum liability amount specified in these agreements shall be equivalent to the amount stipulated by laws and regulations.

## 3) Outline of Contents of Company Indemnification Agreement

The Company has entered into a company indemnification agreement in accordance with the provisions of Article 430-2, Paragraph 1 of the Companies Act of Japan with Directors Tetsuji Ohashi, Hiroyuki Ogawa, Takeshi Horikoshi, Takuya Imayoshi, Mitsuko Yokomoto, Takeshi Kunibe, Arthur M. Mitchell, Naoko Saiki, and Michitaka Sawada, and Audit & Supervisory Board Members Yasuhiro Inagaki, Mitsuo Nakao, Kotaro Ohno, Tatsuro Kosaka, and Mariko Matsumura, thereby providing that the Company shall indemnify expenses set forth in Article 430-2, Paragraph 1, Item 1 of the same and losses set forth in Article 430-2, Paragraph 1, Item 2 of the same, within the scope permitted by laws and regulations. However, in order to ensure that appropriate execution of duties by the Directors and Audit & Supervisory Board Members of the Company is not impaired due to such company indemnification agreement, a refund may be requested for a monetary sum equivalent to the indemnified amount if such Director or Audit & Supervisory Board Member violates the provisions of laws and regulations or otherwise incurs liability as a result of he or she having acted in bad faith or with gross negligence in regard to his or her execution of duties.

## 4) Outline of Contents of Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act of Japan with an insurance company, whereby those listed as insured persons include the Directors, Audit & Supervisory Board Members, and executive officers of the Company and its consolidated subsidiaries. The insurance policy covers damages which may arise should an insured person incur liability in relation to his or her execution of duties or otherwise become subject to a claim pertaining to pursuit of such liability. However, in order to ensure that the appropriate execution of duties by the insured persons is not impaired, coverage is not provided under certain circumstances such as when there are damages arising from an insured person's involvement in criminal acts or acts committed with the knowledge that they may violate laws and regulations, nor is coverage provided with respect to portions of amounts of damages not exceeding deductibles. Insurance premiums shall be assumed by the Company and its consolidated subsidiaries.



## 5) Remuneration for Directors and Audit & Supervisory Board Members

### i) Policy, etc. regarding the determination of remuneration, etc. for individual Directors

At its meeting of the Board of Directors held on April 28, 2025, the Company passed a resolution on its policy regarding the determination of remuneration, etc. for individual Directors of the Company (the “Determination Policy”), upon having consulted with and accordingly reported to the Compensation Advisory Committee, which consists of five (5) external members (four (4) Outside Directors, one (1) Outside Audit & Supervisory Board Member) and one (1) internal member. The outline, etc. of the details of the Determination Policy are as follows:

In an effort to maintain a highly objective and transparent remuneration system, the Compensation Advisory Committee deliberates on the policy and levels of remuneration for Directors of the Company. Then, taking the Committee’s reports and recommendations into consideration, the Board of Directors shall decide on the total amount of remuneration within the range previously determined by resolution of the General Meeting of Shareholders.

The remuneration for Directors excluding the Outside Directors (hereinafter “Internal Director”) comprises basic remuneration (fixed remuneration) and performance-based remuneration linked to the Company’s consolidated performance for a single fiscal year (bonus in cash and the Stock-Based Remuneration A) as well as the performance-based remuneration (Stock-Based Remuneration B) that will reflect the degree of achievement of the targets raised in the mid-term management plan, so that it will further contribute to the enhancement of the medium- and long-term corporate value of the Company by linking the remuneration to performance.

The remuneration for Outside Directors only consists of basic remuneration (fixed remuneration) designed to support their role of making recommendations with respect to the overall management of the Company as a member of the Board of Directors.

Regarding basic remuneration and cash bonuses within the remuneration stated above, the Compensation Advisory Committee reports monthly remuneration levels and levels of cash bonuses (number of times of monthly remuneration) by position to the Board of Directors after deliberation, and the Company makes a decision on the monthly remuneration levels and levels of cash bonuses (number of times of monthly remuneration) by position based on the details of this report at a meeting of the Board of Directors. The calculation and determination of the amount of individual basic remuneration (monthly remuneration) and the amount of cash bonus in accordance with such decision are delegated to the Chairman of the Board and the President and Representative Director pursuant to the resolution passed at a meeting of the Board of Directors. This authority has been delegated given that the monthly remuneration levels and levels of cash bonus (number of times of monthly remuneration) by position shall be deliberated and resolved by the Compensation Advisory Committee, and the Company has deemed it appropriate for decisions based on such outcomes with respect to individual amounts of basic remuneration and cash bonus to become subject to discussion involving the Chairman of the Board as well as the President and Representative Director, drawing on their comprehensive perspective of the Company’s overall business operations, rather than by engaging in further deliberation and decision-making entailing consultation by the Board of Directors.

The remuneration for Audit & Supervisory Board Members only consists of basic remuneration (fixed remuneration) designed to support their independent position with authority to audit the execution of duties by Directors without being fettered by the movements of corporate performance of the Company. The specific total amount of remuneration shall be determined by discussions among the Audit & Supervisory Board Members within the range previously determined by resolution of the General Meeting of Shareholders, taking reports and recommendations of the Compensation Advisory Committee into consideration.

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

Note: In accordance with changes of Representative Directors, a resolution of the Board of Directors passed on April 28, 2025 reaffirmed the delegation of authority to the Chairman of the Board and the President and Representative Director to calculate and determine the amount of individual basic remuneration (monthly remuneration) and the amount of cash bonus.

[System of Remuneration for Internal Directors]

Monetary Remuneration		Non-Monetary remuneration	
Basic Remuneration (Fixed Remuneration)	Performance-Based Remuneration		
	Performance-Based Remuneration for a Single Year (Monthly Remuneration (for stock-based remuneration, Base Amount by Position) x 0 ~ 27)		Performance-Based Remuneration Linked to Performance of Mid-Term Management Plan (Base Amount by Position x 0 ~ 3)
Monthly Remuneration x 12	Bonus in Cash (0 ~ 12 months)	Stock-Based Remuneration A (0 ~ 15 months) Board Incentive Plan Trust	Stock-Based Remuneration B (0 ~ 3 months) Board Incentive Plan Trust

a) Basic Remuneration

With regard to levels of monthly remuneration as basic remuneration, a comparison to positions at other key, globally active manufacturers in Japan is made by the Compensation Advisory Committee and is reflected in its reports and recommendations. Subsequently, monthly remuneration levels by position will be decided by the Board of Directors based on these reports and recommendations.

b) Performance-Based Remuneration for a Single Year

The total amount paid for performance-based remuneration shall be calculated each year by evaluating the single-fiscal-year consolidated performance against the basic indicators, comprising consolidated ROE<sup>\*1</sup>, consolidated ROA<sup>\*2</sup> and the consolidated operating income ratio, using the respective percentages indicated in the table below as benchmarks and making adjustments for growth (growth rate of consolidated sales).

[Indicators with respect to single-fiscal-year consolidated performance-based remuneration]

	Indicator	Ratio
Basic Indicators	Consolidated ROE <sup>*1</sup>	50%
	Consolidated ROA <sup>*2</sup>	25%
	Consolidated operating income ratio	25%
Adjustment Indicators	Adjustment according to growth rate of consolidated sales	

\*1 ROE=Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning of the fiscal year + 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 of the fiscal year + total assets at the end of the fiscal year)/2]

The Company selected such performance indicators upon having deemed them appropriate as quantitative values that reflect the entire Komatsu Group's efficiency and growth. In this regard, the Board of Directors made its decisions per deliberations of the Compensation Advisory Committee, taking into account factors that include past valuation indicators and potential continuity.

Such performance indicators may be changed in the future by a resolution of the Board of Directors.

For the fiscal year ended March 31, 2025, the Company's actual results regarding its performance indicators consist of consolidated ROE of 14.2%, consolidated ROA of 10.6%, consolidated operating income ratio of 16.0%, and growth rate of consolidated sales of 6.2%. The Company accordingly determined the payment level based on such results.

With regards to the single-fiscal-year consolidated performance-based remuneration levels, the upper limit shall be 27 times the monthly remuneration (for stock-based remuneration, base amount by position) of the Director and the lower limit shall be zero (0) (remuneration in this case will comprise only the basic remuneration).

A certain portion of the total paid amount of performance-based remuneration linked to the Company's consolidated performance for a single year shall be paid in the form of a cash bonus and the amount remaining after deducting the cash bonus shall be paid as stock-based remuneration based on a resolution passed at a meeting of the Board of Directors, in order to further promote the same perspective on corporate value with the shareholders (Stock-Based Remuneration A); provided, however, that for the cash bonus, the upper limit shall be the equivalent of 12 months of the monthly remuneration and, for any amount exceeding the 12 month limit, the Company shall pay the Stock-Based Remuneration A in substitution for the cash bonus. Stock-Based Remuneration A shall be a trust-type stock-based remuneration (Board Incentive Plan Trust), with the number of share delivery points (hereinafter, "points") being determined and points being granted to eligible Internal Directors of the Company (hereinafter, "Eligible Directors") each fiscal year. When an Eligible Director retires, the shares of the Company equivalent to the number of points granted up to the time of retirement and an amount of money equivalent to the converted value of such shares of the Company (hereinafter, the "Company's Shares, etc.") are delivered or paid (hereinafter, "delivered, etc.") to them.

- c) Performance-Based Remuneration Linked to Performance of Mid-Term Management Plan
- The Company will pay Eligible Directors the equivalent of three times the base amount by position every fiscal year as remuneration linked to the period of the Company's mid-term management plan as stock-based remuneration (Stock-Based Remuneration B). Stock-Based Remuneration B shall be a trust-type stock-based remuneration (BIP Trust), with single-year points allotted to Eligible Directors every fiscal year in accordance with their position. After the conclusion of the mid-term management plan period, the single-year points allocated to Eligible Directors are totaled, and this total value is multiplied by the performance-linked coefficient corresponding to the achievement status of the mid-term management plan targets, etc. to calculate the number of performance-linked points and to decide the number of points to be granted. When an Eligible Director retires, a number of the Company's Shares, etc. equivalent to the number of points granted up to the time of retirement is delivered, etc. to them. If an Eligible Director retires during the period of the mid-term management plan, the single-year points granted during the period of the mid-term management plan are totaled, and this total value is multiplied by the performance-linked coefficient corresponding to the achievement status of the mid-term management plan targets, etc. at the time of retirement to calculate the number of performance-linked points and to decide the number of points to be granted.

[Key indicators with respect to performance-based remuneration linked to performance of mid-term management plan]

	Index	Results
Growth	Sales growth rate	Increase of 6.2%
Profitability	Operating income ratio	16.0%
Efficiency	ROE <sup>*1</sup>	14.2%
Sound financial position	Net debt-to-equity ratio <sup>*2</sup>	0.24
Retail finance business	ROA <sup>*3</sup>	2.2%
	Net debt-to-equity ratio <sup>*2</sup>	4.51
ESG	Reduction of environmental impact	Reduction of CO <sub>2</sub> emissions through product use (relative to 2010): 23% decrease (expected)
		Reduction of CO <sub>2</sub> emissions through production (relative to 2010): 53% decrease (expected)
		Renewable energy use: 31% (expected)
	Evaluation by external organizations	Selected for DJSI <sup>*4</sup>
		Selected for CDP <sup>*5</sup> A-list (Climate Changes and Water Security)

\*1 ROE=Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning of the fiscal year + 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

\*3 ROA=Segment profit /[(total assets at the beginning of the fiscal year + total assets at the end of the fiscal year)/2]

\*4 DJSI (Dow Jones Sustainability Indices): ESG investment indices of S&P Dow Jones Indices LLC of U.S.

\*5 CDP: International non-profit organization which advocates the reduction of greenhouse gas emissions and protection of water resources and forests by companies and governments.

Given that such remuneration constitutes performance-based remuneration under the mid-term management plan, the Company has selected these performance indicators having deemed them to be appropriate after comprehensively taking these performance indicators into consideration in order to multilaterally reflect in Directors' remuneration the Company's performance while paying close attention to growth and profitability in light of the goal of this remuneration system, which is to further contribute to the increase of medium- to long-term corporate value, after connecting it to the management targets established in the mid-term management plan.

The performance indicators that are the basis of the calculation of this remuneration are subject to change per resolution of the Board of Directors.

(Reference: Details of Stock-Based Remuneration System by Board Incentive Plan Trust)

#### (1) Overview of the Plan

Stock-Based Remuneration System by Board Incentive Plan Trust (hereinafter, "the Plan") is a stock-based remuneration system for Directors excluding the Outside Directors under which the Company contributes money to a trust equivalent to the amount of remuneration for Directors, and shares of the Company's Shares, etc. delivered, etc. as remuneration for Directors depending on the individual's position and the degree of achievement of performance targets, etc.

(i) Persons eligible for delivery, etc. of the Company's Shares, etc. in the scope of the Plan		<ul style="list-style-type: none"> <li>• Directors of the Company (excluding Outside Directors)</li> </ul>
(ii) Impact of the shares of the Company in the scope of the Plan on the total number of shares issued and outstanding	Upper limit of money to be contributed by the Company (as per (2) below)	<ul style="list-style-type: none"> <li>• The amount obtained by multiplying JPY 820 million by the number of fiscal years in the subject period</li> <li>• In the initial subject period (one fiscal year ended March 31, 2025), the upper limit is JPY 820 million, corresponding to one fiscal year. For the subsequent subject periods, if the number of fiscal years covered by the mid-term management plan is three, the upper limit will be JPY 2,460 million, corresponding to three fiscal years.</li> </ul>
	Upper limit of the number of the Company's Shares, etc. to be delivered, etc. to Directors, and the method of acquiring shares of the Company (as per (2) and (3) below)	<ul style="list-style-type: none"> <li>• The number of shares obtained by multiplying 364,000 by the number of fiscal years in the subject period</li> <li>• In the initial subject period, the upper limit of shares corresponding to one fiscal year is 364,000 shares. For the subsequent subject periods, if the number of fiscal years covered by the mid-term management plan is three, the upper limit will be 1,092,000 shares, corresponding to three fiscal years.</li> <li>• The ratio of the above number of shares per fiscal year (364,000) to the total number of shares of the Company issued and outstanding (as of March 31, 2024, after deducting treasury shares) is approximately 0.038%.</li> <li>• Because the shares of the Company will be acquired from the stock market, no dilution will occur.</li> </ul>
(iii) Details of performance achievement conditions (as per (3) below)		<ul style="list-style-type: none"> <li>• Varies within a given range in accordance with performance, etc. of the Company for a single year, the achievement status of the target values raised in the mid-term management plan, etc.</li> <li>• In the initial subject period, the indicators used to evaluate performance, etc. in a single year include consolidated ROE, consolidated ROA, the consolidated operating income ratio, and the growth rate of consolidated sales.</li> <li>• In the initial subject period, the indicators used to evaluate the achievement status of the target values raised in the mid-term management plan, etc. are the sales growth rate, operating income ratio, ROE, net debt-to-equity ratio, and ROA and net debt-to-equity ratio in the retail finance business, as well as ESG indicators (indicators related to the reduction of environmental impacts and to evaluation by external organizations).</li> <li>• Depending on the achievement ratio of performance targets, the figure could vary from 0% to 100% during the initial subject period.</li> </ul>
(iv) Timing of delivery, etc. of the Company's Shares, etc. to Directors (as per (4) below)		<ul style="list-style-type: none"> <li>• Upon retirement</li> </ul>

(2) Upper Limit, etc. of Money to Be Contributed by the Company

In principle, the period covered by the Plan shall be the fiscal years covered by a mid-term management plan of the Company (hereinafter the “Subject Period”). The initial Subject Period shall consist of only the one fiscal year ended March 31, 2025.

After setting the upper limit of the trust money to be contributed by the Company for remuneration of Directors over each Subject Period to an amount obtained by multiplying JPY 820 million by the number of fiscal years in the Subject Period in question, the Company contributes the trust money as remuneration for Directors, and establishes a trust, the period of which corresponds to the Subject Period (hereinafter, “the Trust”), and whose beneficiaries are the Directors who meet the beneficiary requirements. In accordance with the instructions of the trust administrator, the Trust will use the trust money as funds to acquire shares of the Company from the stock market. During the Subject Period, the Company will grant Directors a number of points as set out in (3) below, and the Trust will deliver, etc. the Company’s Shares, etc. in a number equivalent to the number of points granted, at certain timing determined in advance. Upon expiry of the trust period, the Company may continue the Trust by making amendments to the trust agreement and making additional contributions to the Trust. In such case, in principle, a new Subject Period will be established for the corresponding fiscal years in the Company’s mid-term management plan at that time, and the trust period of the Trust will be extended for the period corresponding to the new Subject Period. The Company will make additional contributions to the Trust within the upper limit of trust money to be contributed to the Trust for which approval by resolution of the 155th Ordinary General Meeting of Shareholders held on June 19, 2024, has been obtained and will continue granting points and delivering, etc. the Company’s Shares, etc. to Directors during the new Subject Period. In such cases where such additional contributions are to be made when there are any of shares of the Company (excluding the shares of the Company equivalent to points granted to Directors that are yet to be delivered, etc.) and money remaining in the trust assets (excluding funds corresponding to distributions kept in the trust equivalent to points granted to Directors listed in (7), hereinafter referred to as “Residual Shares, etc.” together with the shares of the Company) at the last day of the trust period prior to the extension, the sum of the value of the Residual Shares, etc. and additional trust money to be contributed shall be within the amount obtained by multiplying JPY 820 million by the number of fiscal years within the Subject Period. Such an extension of the trust period will not be limited to one time only, and the trust period for the Trust may subsequently be re-extended in the same manner.

(3) Calculation Method and Upper Limit of the Number of the Company’s Shares, etc. Delivered, etc. to Directors

The number of the Company’s Shares, etc. delivered, etc. to Directors is established according to the number of “share delivery points.” One of shares of the Company is exchanged for each share delivery point, and fractional points of less than one point are rounded down. However, in the case that there is a stock split or stock merger for shares of the Company during the trust period, the number of the Company’s Shares, etc. for each share delivery point and the upper limit of the number of shares delivered, etc. will be adjusted according to the stock split ratio, stock merger ratio, etc. Share delivery points are calculated as follows.

(A) Stock-Based Remuneration A: Performance-Based Remuneration for a Single Year

Based on the Company’s performance, etc. for a single year\*, the number of points is decided and granted each fiscal year to Directors.

\* The number of points fluctuates within a given range according to the degree of achievement of performance targets, etc. In the initial Subject Period, the indicators used to evaluate the degree of achievement of performance targets include consolidated ROE, consolidated ROA, the consolidated operating income ratio, and the growth rate of consolidated sales. Furthermore, the range of fluctuation according to the achievement ratio of the performance targets is within 0-100% during the initial Subject Period. These indicators and range of fluctuations may be changed based on a resolution by the Board of Directors.

(B) Stock-Based Remuneration B: Performance-Based Remuneration Linked to Performance of Mid-Term Management Plan

For the corresponding period in the Company's mid-term management plan, Directors are allocated single-year points each fiscal year based on their position. After the conclusion of the Subject Period, the single-year points allocated to the Directors are totaled, and this total value is multiplied by the performance-linked coefficient corresponding to the achievement status\* of the mid-term management plan targets, etc. to calculate the number of performance-linked points and to decide the number of points to be granted. If Directors who meet the beneficiary requirements retire from their position during the period of the mid-term management plan, where the Company's Shares, etc. have been delivered, etc. to these Directors, the total value of single-year points granted during the Subject Period is multiplied by the performance-linked coefficient corresponding to the achievement status of the mid-term management plan targets, etc. at the time point that the Directors met the beneficiary requirements to calculate the number of performance-linked points and to decide the number of points to be granted.

\* The number of points fluctuates within a given range according to the degree of achievement of performance targets, etc. The indicators related to the degree of achievement of performance targets include key indicators for the achievement of performance targets in the mid-term management plan and other indicators established by the Board of Directors, and in the initial Subject Period, the indicators used are the sales growth rate, operating income ratio, ROE, net debt-to-equity ratio, and ROA and net debt-to-equity ratio in the retail finance business, as well as ESG indicators (indicators related to reduction of environmental impact and to evaluation by external organizations). Furthermore, the range of fluctuation according to the achievement ratio of the performance targets is within 0-100% during the initial Subject Period. If a new mid-term management plan is formulated in the future, these indicators and range of fluctuations may be changed based on a resolution by the Board of Directors. The upper limit of the number of the Company's Shares, etc. to be delivered, etc. to Directors for the Subject Period under the Trust (the number of points to be granted to Directors), shall be the number of shares obtained by multiplying 364,000 by the number of fiscal years in the Subject Period. The upper limit of the number of the Company's Shares, etc. delivered, etc. to Directors is set after taking into account the upper limit of the above-mentioned money to be contributed by the Company and trends in the share price of the Company.

- (4) Method and Timing of Delivering, etc. the Company's Shares, etc. to Directors  
Where the Directors who meet the beneficiary requirements retire, according to the predetermined beneficiary determination procedures, a number of the Company's Shares, etc. corresponding to the number of share delivery points granted to such Directors up until their retirement will be delivered, etc. from the Trust. At such time, shares of the Company equivalent to a certain proportion of their share delivery points will be delivered, etc. to the Directors with the remaining points converted into cash in the Trust, and the Directors will receive the monetary equivalent.  
If Directors who meet the beneficiary requirements die in their term of office during the Subject Period, in principle shares of the Company corresponding to the number of share delivery points at the time of their death will all be converted to cash within the Trust, and the heir of the Directors in question will receive the monetary equivalent.
- (5) Malus and Clawback System  
Where a material revision to the Company's financial statements or an incident that has a material impact on the Company's reputation takes place due to the execution of duties by Directors, beneficiary rights associated with shares of the Company that were planned to be delivered, etc. to the Directors in question may be confiscated (malus), or the Company may request that money corresponding to the Company's Shares, etc. that has already been delivered, etc. be returned (clawback).
- (6) Exercising Voting Rights Related to the Company's Shares Under the Trust  
To ensure the neutrality of corporate management, voting rights shall not be exercised for shares of the Company held in the Trust (shares of the Company prior to being delivered, etc. to Directors) during the trust period.

(7) Treatment of Dividends of the Company's Shares Under the Trust

Dividends paid for shares of the Company held in the Trust will be received by the Trust and allocated to the trust fees and trust expenses of the Trust. Moreover, funds corresponding to the amount of dividends per share for each point corresponding to the total number of share delivery points for Directors on each dividend record date during the Subject Period will be held in the Trust and paid to Directors together with the Company's Shares, etc. delivered, etc. in accordance with (4) above.

(8) Other Details of the Plan

Other details related to the Plan will be determined by the Board of Directors each time the Trust is established, the trust agreement is changed, or additional contributions to the Trust are made.

d) Malus and Clawback System

The Company resolved on Malus (reduction / confiscation) and Clawback (return) system at the meeting of the Board of Directors held on April 28, 2022. In the event of a significant revision of financial statements or an event that has a significant impact on the reputation of the Company due to the execution of business by Directors, the performance-based remuneration paid to the Internal Directors could be required to be reduced, confiscated, or refunded. In principle, the content of the refund request, etc. will be decided by the Board of Directors after deliberation by the Compensation Advisory Committee according to each event.



ii) Remuneration for Directors and Audit & Supervisory Board Members for the Fiscal Year ended March 31, 2025

Classification	Number of Persons Paid	Fixed Remuneration	Performance-Based Remuneration, etc.		Total Amount of Remuneration, etc. Paid
		Monetary Remuneration		Non-monetary Remuneration, etc.	
		Basic Remuneration	Bonus in Cash	Stock-Based Remuneration (Note 3)	
Director	10	JPY 474 mil	JPY 389 mil	JPY 454 mil	JPY 1,317 mil
(Outside Director included above)	4	JPY 90 mil	—	—	JPY 90 mil
Audit & Supervisory Board Member	6	JPY 163 mil	—	—	JPY 163 mil
(Outside Audit & Supervisory Board Member included above)	3	JPY 68 mil	—	—	JPY 68 mil
Total	16	JPY 636 mil	JPY 389 mil	JPY 454 mil	JPY 1,480 mil
(Outside Director and Outside Audit & Supervisory Board Member included above)	7	JPY 158 mil	—	—	JPY 158 mil

Notes:

- As of the end of the fiscal year ended March 31, 2025, there are nine (9) Directors (four (4) 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 one (1) Director and one (1) Audit & Supervisory Board Member who have retired as of the close of the 155th Ordinary General Meeting of Shareholders on June 19, 2024.
- It was resolved at the 155th Ordinary General Meeting of Shareholders, held on June 19, 2024, that the maximum amount of remuneration to be paid to Directors per year, which is the total of basic remuneration and bonus in cash, shall not exceed JPY 2.0 billion (of which payment to the Outside Directors shall not exceed JPY 200 million per year) and that the maximum amount of remuneration to be paid to Audit & Supervisory Board Members shall not exceed JPY 250 million. As of the end of this Ordinary General Meeting of Shareholders, there are nine (9) Directors (of which four (4) are Outside Directors) and five (5) Audit & Supervisory Board Members (of which three (3) are Outside Audit & Supervisory Board Members). An additional resolution was passed at the same Ordinary General Meeting of Shareholders to introduce a performance-linked stock-based remuneration system using a trust (Directors' BIP Trust) for Internal Directors and to set the upper limit of trust money to be contributed as remuneration to Directors under this plan at JPY 820 million multiplied by the number of fiscal years during the subject period. Note that each of the aforementioned remuneration amounts resolved by the shareholders does not include the salary as employees for Directors who are concurrently employees.
- Stock-based remuneration in the table above represents the amount recognized as expenses during the fiscal year ended March 31, 2025, in relation to share delivery points granted under the Directors' BIP Trust.
- Directors who are concurrently employees do not receive salary as employees.
- Amounts of less than JPY one (1) million are rounded to the nearest million yen.
- Details regarding remuneration, etc. for individual Directors of the Company have been reported to the Board of Directors upon deliberation with respect to the monthly remuneration levels by position and levels of cash bonus (number of times of monthly remuneration), subsequent to the Compensation Advisory Committee having engaged in deliberations encompassing the perspective of consistency with the Determination Policy. The Company's Board of Directors (as well as both the Chairman of the Board

(Mr. Tetsuji Ohashi during the fiscal year ended March 31, 2025) and the President and Representative Director (Mr. Hiroyuki Ogawa during the fiscal year ended March 31, 2025) delegated such authority) has determined the amounts of remuneration for individual Directors based on reports and recommendations of the Compensation Advisory Committee, upon having confirmed appropriateness of the deliberation process of the Compensation Advisory Committee and the details of the reports and recommendations. As such, the Company's Board of Directors deems that details of remuneration, etc. for individual Directors pertaining to the fiscal year ended March 31, 2025 are in alignment with the Determination Policy.

6) Major Activities of Outside Directors and Outside Audit & Supervisory Board Members in the Fiscal Year ended March 31, 2025, etc.

The status of major activities of Outside Directors and Outside Audit & Supervisory Board Members in the fiscal year ended March 31, 2025 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 Independent 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	Takeshi Kunibe <Independent Director>
Attendance of the Meetings	Meeting of the Board of Directors 100% (15 meetings out of the 15 meetings held)
Details of Major Activities and Overview of Duties Performed in Relation to Roles Outside Directors Are Expected to Serve	Mr. Takeshi Kunibe has worked as Representative Director, President of Sumitomo Mitsui Banking Corporation and Representative Director and President as well as Director President and Representative Executive Officer of Sumitomo Mitsui Financial Group, Inc. and serves as Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. He has been actively expressing a wide range of opinions at the meetings of the Board of Directors mainly from the standpoint of contributing to sustaining and improving transparency and soundness of management as well as enhancing corporate governance. During the fiscal year ended March 31, 2025, he accordingly provided comments based on his rich experience in the business world, particularly concerning such issues as monetary and financial management, the impact on business by geopolitical risks, and global growth strategy. He also served as Chairman of the Company's Human Resources Advisory Committee and the Compensation Advisory Committee.

Name	Arthur M. Mitchell <Independent Director>
Attendance of the Meetings	Meeting of the Board of Directors 100% (15 meetings out of the 15 meetings held)
Details of Major Activities and Overview of Duties Performed in Relation to Roles Outside Directors Are Expected to Serve	Mr. Arthur M. Mitchell has worked for many years as a New York state attorney and foreign law attorney in Japan. He has been actively expressing a wide range of opinions at the meetings of the Board of Directors mainly from the standpoint of mitigating and avoiding risk in the Company's global business operations and contributing to the enhancement of the Company's medium- and long-term corporate value. During the fiscal year ended March 31, 2025, he accordingly provided comments based on his international perspective and professional standpoint, particularly concerning such issues as the impact on business from the U.S. economic situation, the active use of AI and the risks involved, and responses to cyber-attacks. In addition, he was a member of the Company's Human Resources Advisory Committee and the Compensation Advisory Committee.

Name	Naoko Saiki <Independent Director>
Attendance of the Meetings	Meeting of the Board of Directors 100% (15 meetings out of the 15 meetings held)
Details of Major Activities and Overview of Duties Performed in Relation to Roles Outside Directors Are Expected to Serve	Ms. Naoko Saiki has considerable knowledge and abundant experience in international affairs, international law, and the field of economics as she served in positions such as Director-General of the Economic Affairs Bureau and Director-General of the International Legal Affairs Bureau at MOFA. She has been actively expressing a wide range of opinions at the meetings of the Board of Directors mainly from the standpoint of contributing to the enhancement of the Company's medium- and long-term corporate value. During the fiscal year ended March 31, 2025, she accordingly provided comments based on her international perspective and professional standpoint, particularly concerning such issues as strengthening governance systems, global business strategy, and securing diverse human resources. In addition, she was a member of the Company's Human Resources Advisory Committee and the Compensation Advisory Committee.

Name	Michitaka Sawada <Independent Director>
Attendance of the Meetings	Meeting of the Board of Directors 100% (15 meetings out of the 15 meetings held)
Details of Major Activities and Overview of Duties Performed in Relation to Roles Outside Directors Are Expected to Serve	Mr. Michitaka Sawada has considerable knowledge and rich experience in the business world having engaged in global group corporate management and ESG management, as Representative Director, President and Chief Executive Officer of Kao Corporation and Director, Chair of Kao Corporation. He has been actively expressing a wide range of opinions at the meetings of the Board of Directors mainly from the standpoint of contributing to the enhancement of the Company's medium- and long-term corporate value. During the fiscal year ended March 31, 2025, he accordingly provided comments based on his rich experience in the business world, particularly concerning such issues as initiatives to address sustainability issues, enhancement of information management systems, and improving levels of human capital. In addition, he was a member of the Company's Human Resources Advisory Committee and the Compensation Advisory Committee.

ii) Outside Audit & Supervisory Board Members

Name	Kotaro Ohno <Independent Audit & Supervisory Board Member>
Attendance of 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. Kotaro Ohno possesses rich experience in the legal profession. During the fiscal year ended March 31, 2025, based on his professional standpoint, he provided comments at meetings of the Board of Directors and meetings of the Audit & Supervisory Board concerning such issues as addressing compliance problems, the globalization of senior management, and group-wide auditing systems. In addition, he was a member of the Company's Compensation Advisory Committee and an observer of the Compliance Committee, and conducted on-site inspections of subsidiaries of the Company.

Name	Tatsuro Kosaka <Independent Audit & Supervisory Board Member>
Attendance of 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. Tatsuro Kosaka has considerable knowledge and rich experience in the business world. During the fiscal year ended March 31, 2025, based on his professional standpoint, he provided comments at meetings of the Board of Directors and meetings of the Audit & Supervisory Board concerning such issues as the utilization of investments to enhance competitiveness, risks that could have an impact on our business, and the promotion of personnel with expertise. He also conducted on-site inspections of subsidiaries of the Company.

Name	Mariko Matsumura <Independent Audit & Supervisory Board Member>
Attendance of 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	Ms. Mariko Matsumura possesses considerable knowledge and rich experience in the fields of legal affairs and compliance. During the fiscal year ended March 31, 2025, based on her professional standpoint, she provided comments at the meetings of the Board of Directors and meetings of the Audit & Supervisory Board concerning such issues as governance systems, including those of subsidiaries, ensuring the effectiveness of compliance systems, and employee safety and health management. She also conducted on-site inspections of subsidiaries of the Company.

End

## Consolidated Financial Statements

### Consolidated Balance Sheet

(As of March 31, 2025)

	(JPY million)	
	(Reference)	
	156th Fiscal Year	155th Fiscal Year
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	385,569	403,178
Trade notes and accounts receivable, net	1,274,209	1,263,542
Inventories	1,406,658	1,438,695
Other current assets	231,867	208,773
Total current assets	3,298,303	3,314,188
Long-term trade receivables, net	808,324	688,260
Investments:		
Investments in and advances to affiliated companies	81,167	67,325
Investment securities	10,636	10,267
Other	3,623	3,975
Total investments	95,426	81,567
Property, plant and equipment-less accumulated depreciation	914,283	908,055
Operating lease right-of-use assets	67,684	69,236
Goodwill	245,833	248,393
Other intangible assets-less accumulated amortization	169,953	180,403
Deferred income taxes and other assets	173,717	146,554
Total assets	5,773,523	5,636,656

	(JPY million)	
	(Reference)	
	156th Fiscal Year	155th Fiscal Year
<b>Liabilities</b>		
Current liabilities:		
Short-term debt	376,326	440,619
Current maturities of long-term debt	278,082	140,359
Trade notes, bills and accounts payable	334,929	320,312
Income taxes payable	87,525	69,638
Current operating lease liabilities	19,392	19,603
Other current liabilities	553,106	535,668
Total current liabilities	1,649,360	1,526,199
Long-term liabilities:		
Long-term debt	496,189	618,392
Liability for pension and retirement benefits	68,900	87,933
Long-term operating lease liabilities	50,713	51,441
Deferred income taxes and other liabilities	163,508	154,239
Total long-term liabilities	779,310	912,005
Total liabilities	2,428,670	2,438,204
<b>Equity</b>		
Komatsu Ltd. shareholders' equity		
Common stock	70,336	70,336
Capital surplus	136,525	136,500
Retained earnings:		
Appropriated for legal reserve	49,421	48,979
Unappropriated	2,572,425	2,367,020
Accumulated other comprehensive income (loss)	427,354	459,865
Treasury stock, at cost	(82,662)	(49,131)
Total Komatsu Ltd. shareholders' equity	3,173,399	3,033,569
Noncontrolling interests	171,454	164,883
Total equity	3,344,853	3,198,452
Total liabilities and equity	5,773,523	5,636,656

## **Consolidated Statement of Income**

(From April 1, 2024 to March 31, 2025)

	(JPY million)	
	(Reference)	
	156th Fiscal Year	155th Fiscal Year
Net sales	4,104,395	3,865,122
Cost of sales	2,782,012	2,654,914
Selling, general and administrative expenses	658,856	604,534
Impairment loss on long-lived assets	2,031	6,108
Other operating income (expenses), net	(4,371)	7,628
Operating income	657,125	607,194
Other income (expenses), net:		
Interest and dividend income	27,325	21,146
Interest expense	(57,594)	(54,506)
Other, net	(22,018)	1,829
Total	(52,287)	(31,531)
Income before income taxes and equity in earnings of affiliated companies	604,838	575,663
Income taxes:		
Current	175,256	170,844
Deferred	(29,629)	(3,264)
Total	145,627	167,580
Income before equity in earnings of affiliated companies	459,211	408,083
Equity in earnings of affiliated companies	9,521	8,273
Net income	468,732	416,356
Less: Net income attributable to noncontrolling interests	29,118	22,930
Net income attributable to Komatsu Ltd.	439,614	393,426



## Auditors' Report

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

### Independent Auditor's Report

May 9, 2025

The Board of Directors  
Komatsu Ltd.

KPMG AZSA LLC  
Tokyo Office

Masakazu Hattori  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Tomoo Nishigori  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Daisuke Toyama  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

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, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444, Paragraph 4 of the Companies Act of Japan.

In our opinion, the consolidated financial statements referred to above, pursuant to the accounting standards, which omit certain disclosure items required under the accounting principles generally accepted in the United States of America (hereinafter "U.S. GAAP") in accordance with the provision of second sentence of Article 120, Paragraph 1 of the Regulations on Corporate Accounting of Japan, as applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the said Regulations, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other contents**

Other contents are the Business Report and supplementary schedules. Management is responsible for creating and disclosing other contents. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for monitoring the execution of duties by the Directors in the development and operation of the reporting process for other contents.

The subject of our audit opinion on the consolidated financial statements does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility of auditing consolidated financial statements is to read through the other contents, and in the process of reading, consider whether there is any significant difference between the other contents and the consolidated financial statements or the knowledge gained through the process of auditing, and also pay attention to whether there are any other signs of material error in the other contents other than such significant differences.

If we determine that there is a material error in the other contents based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other contents.

### **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the accounting standards, which omit certain disclosure items required under U.S. GAAP in accordance with the provision of the second sentence of Article 120, Paragraph 1 of the Regulations on Corporate Accounting of Japan, as applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the said Regulations, and for the development and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that is free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and for disclosing, as necessary, matters related to going concern, pursuant to the accounting standards, which

omit certain disclosure items required under U.S. GAAP in accordance with the provision of the second sentence of Article 120, Paragraph 1 of the Regulations on Corporate Accounting of Japan, as applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the said Regulations.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are pursuant to the accounting standards, which omit certain disclosure items required under U.S. GAAP in accordance with the provision of the second sentence of Article 120, Paragraph 1 of the Regulations on Corporate Accounting of Japan, as applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the said Regulations, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Other Matter**

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries 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

## **Audit & Supervisory Board's Report**

Regarding the execution of duties by the Directors for the 156th Fiscal Year from April 1, 2024 to March 31, 2025, 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

- (1) 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.
- (2) 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 conducted audits by the following methods.
  - 1) Audit & Supervisory Board Members 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. 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.
  - 2) 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 and its subsidiaries stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Regulations 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.
  - 3) 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 Regulations on Corporate Accounting of Japan) is organized in accordance with the “Quality Management Standards Regarding Audits” (Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and supplementary schedules thereof, 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, 2025

#### The Audit & Supervisory Board

Yasuhiro Inagaki (Seal)  
Standing Audit & Supervisory Board Member

Mitsuo Nakao (Seal)  
Standing Audit & Supervisory Board Member

Kotaro Ohno (Seal)  
Audit & Supervisory Board Member

Tatsuro Kosaka (Seal)  
Audit & Supervisory Board Member

Mariko Matsumura (Seal)  
Audit & Supervisory Board Member

(Note) Audit & Supervisory Board Members Kotaro Ohno, Tatsuro Kosaka and Mariko Matsumura are Outside Audit & Supervisory Board Members as stipulated in the Companies Act of Japan.

End

Date of disclosure for electronic provision: May 22, 2025

Dear Shareholders:

**Items Excluded From Paper-Based Documents Delivered Upon  
Request Concerning  
Notice of Convocation of the  
156th Ordinary General Meeting of Shareholders  
of Komatsu Ltd.**

Komatsu Ltd. (hereinafter the “Company”) has excluded the items listed below from the paper-based documents delivered to shareholders who have made a request for delivery of documents stating items for which measures for providing information in electronic format are to be taken as part of its provision of notice of convocation of the 156th Ordinary General Meeting of Shareholders of the Company in accordance with relevant laws and regulations and with 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
  - 4. Employees
  - 5. Main Lenders
  - 6. Matters Regarding Stock Acquisition Rights of the Company, etc.
  - 7. Systems for Ensuring the Properness of Operations and Outline of Management of such Systems
  - 8. Status of Accounting Auditors
- II Consolidated Financial Statements
  - 1. Consolidated Statement of Equity
  - 2. Notes to Consolidated Financial Statements
- III Non-Consolidated Financial Statements
  - 1. Non-Consolidated Balance Sheet
  - 2. Non-Consolidated Statement of Income
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- IV Auditors’ Report
  - Independent Auditor’s Report on Non-Consolidated Financial Statements

*Information in English has been posted on our English website (<https://www.komatsu.jp/en/ir>).*

**Komatsu Ltd.**

(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.

## I. Business Report

### 1. Financial Position and Profit/Loss Trends

	153rd Fiscal Year (April 2021 - March 2022)	154th Fiscal Year (April 2022 - March 2023)	155th Fiscal Year (April 2023 - March 2024)	156th Fiscal Year (April 2024 - March 2025)
Net sales (JPY billion)	2,802.3	3,543.5	3,865.1	4,104.4
Operating income (JPY billion)	317.0	490.7	607.2	657.1
Income before income taxes and equity in earnings of affiliated companies (JPY billion)	324.5	476.4	575.7	604.8
Net income attributable to Komatsu Ltd. (JPY billion)	224.9	326.4	393.4	439.6
Net income attributable to Komatsu Ltd. Per share (JPY)	237.97	345.22	415.96	473.44
ROE <sup>*1</sup> (%)	10.9	13.7	14.1	14.2
ROA <sup>*2</sup> (%)	8.0	10.3	11.0	10.6
Total assets (JPY billion)	4,347.5	4,875.8	5,636.7	5,773.5
Komatsu Ltd. shareholders' equity (JPY billion)	2,232.5	2,539.6	3,033.6	3,173.4

\*1 ROE=Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning of the fiscal year + 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 of the fiscal year + 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 after deducting the average total number of shares of treasury stock during the fiscal year from the average total number of shares outstanding during the fiscal year.

## **2. Major Lines of Business** (As of March 31, 2025)

Segment	Principal Products and Businesses	
Construction, Mining and Utility Equipment	Excavating Equipment	Hydraulic excavators, rope shovels, mini excavators, backhoe loaders, and blasthole drills
	Loading Equipment	Wheel loaders, mini wheel loaders, and skid-steer loaders
	Grading and Roadbed Preparation Equipment	Bulldozers and motor graders
	Hauling Equipment	Off-highway dump trucks, articulated dump trucks, and crawler carriers
	Forestry Equipment	Harvesters, forwarders, feller bunchers, log loaders, and planters
	Tunneling Machines	Shield machines and tunnel-boring machines
	Underground Mining Equipment	Continuous miners, shearers, load haul dumps, trucks, jumbo drills, and drifters
	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, hydraulic equipment, and batteries
	Casting Products	Steel castings and iron castings
	Logistics	Transportation, warehousing, and packing
	Solution Business	Autonomous Haulage System (AHS) for unmanned dump truck operation, fleet management systems, mining equipment simulators, underground mining communication devices, Smart Construction, KOMTRAX, forestry management solutions, and simulators for construction and forestry equipment
Retail Finance	Retail Financing	Leasing and installment of construction and mining equipment
Industrial Machinery and Others	Metal Forging and Stamping Presses	Servo presses and mechanical presses
	Sheet-Metal Machines	Laser cutting machines, fine-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
	Optical Machinery	Excimer laser used for lithography tools in semiconductor manufacturing

### **3. Principal Offices and Plants** (As of March 31, 2025)

#### **(1) The Company**

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

Note: The bases belonging to the Development Division that are annexed to plants are included in respective plants.

#### **(2) Principal Subsidiaries**

Name	Location of Offices and Plants
Komatsu Customer Support Japan Ltd.	Head Office (Minato-ku, Tokyo)
Komatsu Logistics Corp.	Head Office (Minato-ku, Tokyo)
Komatsu Business Support Ltd.	Head Office (Minato-ku, Tokyo)
Komatsu Industries Corp.	Head Office (Kanazawa City, Ishikawa)
Komatsu NTC Ltd.	Head Office / Plant (Nanto City, Toyama)
Gigaphoton Inc.	Head Office / Plant (Oyama City, Tochigi)
Komatsu America Corp.	Head Office / Plant (U.S.)
Hensley Industries, Inc.	Head Office / Plant (U.S.)
Komatsu Mining Corp.	Head Office (U.S.)
Joy Global Underground Mining LLC	Head Office / Plant (U.S.)
Joy Global Surface Mining Inc	Head Office / Plant (U.S.)
Joy Global Longview Operations LLC	Head Office / Plant (U.S.)
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)
Joy Global (Chile) S.A.	Head Office / Plant (Chile)
Komatsu Financial Limited Partnership	Head Office (U.S.)
Komatsu Europe International N.V.	Head Office (Belgium)
Komatsu UK Ltd.	Head Office / Plant (UK)
Komatsu 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 Financial Europe N.V.	Head Office (Belgium)
Komatsu (China) Ltd.	Head Office (China)
Komatsu (Changzhou) Construction Machinery Corp.	Head Office / Plant (China)
Komatsu Machinery Manufacturing (Shandong) Co., Ltd.	Head Office / Plant (China)
PT Komatsu Indonesia	Head Office / Plant (Indonesia)
PT Komatsu Marketing & Support Indonesia	Head Office (Indonesia)
Bangkok Komatsu Co., Ltd.	Head Office / Plant (Thailand)



Name	Location of Offices and Plants
Komatsu India Pvt. Ltd.	Head Office / Plant (India)
Komatsu Australia Pty Ltd	Head Office (Australia)
Joy Global Australia Holding Company Pty Ltd	Head Office (Australia)
Joy Global Australia Pty Ltd	Head Office / Plant (Australia)
Komatsu South Africa (Pty) Ltd.	Head Office (South Africa)
Komatsu Australia Corporate Finance Pty Ltd	Head Office (Australia)

**4. Employees** (As of March 31, 2025)

Segment	Number of Employees
Construction, Mining and Utility Equipment	61,380
Retail Finance	265
Industrial Machinery and Others	4,284
Others (Note 2)	768
Total	66,697

Notes:

1. The total number of employees increased by 959 from the end of the previous fiscal year.
2. “Others” above includes the number of administrative employees who cannot be classified into the above three (3) segments.

**5. Main Lenders** (As of March 31, 2025)

Name of Lender	Balance of Loans (JPY billion)
Sumitomo Mitsui Banking Corporation	217.5
MUFG Bank, Ltd.	159.3
Mizuho Bank, Ltd.	80.0
The Norinchukin Bank	70.7

**6. Matters Regarding Stock Acquisition Rights of the Company, etc.****(1) Status of Stock Acquisition Rights (As of March 31, 2025)**

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. 28 Stock Acquisition Rights (August 1, 2017)	112	11,200 shares (100 shares)	Without consideration	JPY 1	From August 1, 2020 to July 31, 2025
Total	112	11,200 shares	[Reference: Total number of issued shares: 923,581,105 shares (excluding treasury stock)]		

## Notes:

1. The type of shares subject to Stock Acquisition Rights is common stock of the Company.
2. “Exercise price” above means the “amount of assets to be paid upon exercise of Stock Acquisition Rights.”
3. During the fiscal year ended March 31, 2025, no stock acquisition rights were issued.

**(2) Stock Acquisition Rights Held by Directors and Audit & Supervisory Board Members of the Company (As of March 31, 2025)**

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

No items to report.

2) Stock Acquisition Rights Held by Outside Directors

No items to report.

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

No items to report.

**(3) Stock Acquisition Rights Issued During the Fiscal Year Ended March 31, 2025 to Employees of the Company and Directors of the Subsidiaries of the Company**

No items to report.

## **7. Systems for Ensuring the Properness of Operations and Outline of Management of such Systems**

### **(1) 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 of the Company are as follows:

#### **1 Basic Policy on Internal Control**

The Company defines its corporate value as the total sum of trust given to it 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 approval 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 enhance its corporate value, the Company is implementing the following countermeasures to address any risks that threaten its sustainable growth.

- 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 a Risk Management Committee to devise risk management policies of the Komatsu Group, select and assess risks from an enterprise-wide perspective, inspect and follow up on 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 designate enterprise-wide significant risks as "Corporate Risks" and they shall be discussed by the Risk Management Committee, which shall report to the Board of Directors on the nature, priority, and status of risk countermeasures.
- iv) 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 Matters to be Referred to a Meeting of the Board of Directors, 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 at 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 that Directors and employees thoroughly comply with business rules as well as laws and regulations through a variety of measures, including the provision of Komatsu's Worldwide Code of Business Conduct, which expresses the guidelines for business conduct and the fundamental rules of business community to be followed by all Directors and employees, appointment of the Executive Officer in charge of compliance, and establishment of the Compliance Department. Through all of these, the Company works 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 Komatsu's Worldwide Code of Business Conduct, as the code to be applied by all companies affiliated with Komatsu. Based on these regulations and Komatsu's Worldwide Code of Business Conduct, 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 Komatsu 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 Komatsu 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 Matters to Be Referred to a Meeting of the Board of Directors, 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 shall also read circulars sent around to obtain the approval of executives, and essential prior settlement documents, both of which are important decision-making documents of the Company.
- 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

The Komatsu Group rejects any relationships with groups or individuals pursuing economic interests by means of violence, intimidation, or deceptive methods, or any other organized crime groups, and take a resolute stand against any and all demands from them. The Komatsu Group organizes and maintains an internal system to support this policy.

## (2) Outline of Management of Systems Ensuring the Properness of Operations in Fiscal Year Ended March 31, 2025

<b>Overall Internal Control System</b>	Outline
	Based on the Basic Policy on Internal Controls, the Company is upgrading its internal control systems on a group worldwide basis that includes subsidiaries.
	Relevant "Systems for Ensuring the Properness of Operations"
	1 Basic Policy on Internal Controls
<b>Directors' Execution of Duties</b>	Outline
	1) The Board of Directors met 15 times during the fiscal year. The Board made decisions on important management matters based on the Standards for Matters to be Referred to a Meeting of the Board of Directors and reported on business execution. Business execution reports cover virtually 100% of businesses on a consolidated net sales basis. Even extremely small-scale businesses are reported at meetings of the Board of Directors, mainly with respect to safety, compliance, and risk. Sufficient time is secured to ensure full discussions at meetings of the Board of Directors and the Company has adopted a process of raising important matters for discussion and decision-making on predetermined days over two meetings of the Board of Directors.
	2) The Board of Directors also receives a monthly report from the President regarding recent important matters and topics, such as safety, compliance, and risk. The CFO also reports each month on the status of sales, profits and losses, orders received, and borrowings.
	3) Meetings of Outside Directors and Outside Audit & Supervisory Board Members were held twice, where they exchanged opinions about management issues from an independent and objective standpoint. Furthermore, they discussed such matters with relevant officers including the President and shared the understanding and recognition of management issues.
	4) The records of the Board of Directors meetings and other approval documents (such as <i>ringisho</i> ) are retained and managed appropriately in accordance with internal regulations on document management.
	Relevant "Systems for Ensuring the Properness of Operations"
	2 Systems for Retention and Management of Information Related to Directors' Execution of Duties
	4 Systems for Ensuring Efficient Execution of Duties by Directors

<b>Risk Management</b>	<b>Outline</b>
	<p>The Risk Management Committee met three (3) times during the fiscal year. Based on unearthing and evaluating risks from an organization-wide perspective, the Committee designated serious risks for the organization as a whole as corporate risks, assessed the status of implementation of risk measures, and worked to prevent risks from emerging. It also reported on its reviews and activities to the Board of Directors. The Committee also worked to improve the risk management systems on a group worldwide basis including at subsidiaries.</p> <p>In the fiscal year ended March 31, 2025, the Committee designated corporate risks based on the materiality analysis conducted during the formulation of the next mid-term management plan, and evaluated the effectiveness of the activities to mitigate risks for the four risks for which further activities and measures are necessary.</p>
	Relevant “Systems for Ensuring the Properness of Operations”
	<p>3 Rules and Other Systems for Risk Management</p> <p>6-2 Rules and Other Systems for Risk Management at Subsidiaries</p>
<b>Compliance</b>	<b>Outline</b>
	<p>The Compliance Committee conducts various activities in Japan and overseas, such as revising Komatsu’s Worldwide Code of Business Conduct, providing various education and disseminating information, and upgrading and operating the internal reporting system. It also reports on its reviews and activities to the Board of Directors. The Compliance Committee met twice in the fiscal year ended March 31, 2025. The Committee also conducted a “visualization survey” of latent risks. The Company bulletin “Compliance for Everyone” has been continually published each month since 2006, making this year its 20th year. The Committee has been working to expand its distribution to include overseas subsidiaries as well. The Committee also conducts periodic audits with regard to major compliance risks and strives to prevent them from surfacing.</p>
	Relevant “Systems for Ensuring the Properness of Operations”
	<p>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</p> <p>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</p>
<b>Management of Subsidiaries</b>	<b>Outline</b>
	<p>1) To strengthen the Group’s corporate governance, the Company dispatches its executive officers and board members of regional headquarters companies, etc. to serve as Directors and Audit &amp; Supervisory Board Members at its 42 main subsidiaries (11 in Japan, 31 overseas) to monitor their management. The divisions of the Company in charge of each subsidiary also conduct constant checks on the status of the subsidiaries’ Board of Directors meetings.</p> <p>2) The Boards of Directors resolved to implement the Basic Policy on Internal Controls at the Company’s 42 main subsidiaries to further increase the internal controls for the entire Group. The status of the Policy’s implementation is confirmed by the Company’s Board of Directors and the Company is working to improve it. Other subsidiaries will also establish internal control systems.</p> <p>3) In accordance with the Affiliated Company Regulations and relevant rules, when subsidiaries executed matters that had a significant impact on consolidated business operations, such actions were subject to the condition that the Company receive notification or provide approval beforehand.</p>
	Relevant “Systems for Ensuring the Properness of Operations”
	6 Systems for Ensuring the Proper Operation of Komatsu Comprising the Company and Its Subsidiaries

	<p>6-1 Systems for Ensuring Items Related to the Implementation of Duties by Directors and Other Employees at Subsidiaries Are Reported to the Company</p> <p>6-3 Systems for Ensuring Efficient Execution of Duties by Directors and Other Employees at Subsidiaries</p>
<b>Audit &amp; Supervisory Board Members</b>	Outline
	<p>Audit &amp; Supervisory Board Members attend important meetings such as meetings of the Board of Directors, Strategy Review Committee, Compliance Committee, and Risk Management Committee, visit and inspect offices and plants of the Company and its subsidiaries, exchange opinions with the representative directors, other Directors and Audit &amp; Supervisory Board Members, and management of the Company and its main subsidiaries, and hold liaison meetings and individual interviews with the standing Audit &amp; Supervisory Board Members of subsidiaries in Japan. Through these activities, they monitor the upgrading and implementation status of the internal control system.</p> <p>They also periodically exchange opinions with the Internal Auditing Department and the Accounting Auditors and maintain close contact to enhance the effectiveness of audits.</p> <p>The Company has allocated the required employees to the Office of Corporate Auditors' Staff to assist the Audit &amp; Supervisory Board Members in their duties and allocates, and appropriately manages and executes, a budget to cover the anticipated expenses necessary for execution of the Audit &amp; Supervisory Board Members' duties based on the audit plan.</p>
	Relevant "Systems for Ensuring the Properness of Operations"
	<p>7 Employees Assisting Audit &amp; Supervisory Board Members for Execution of Their Duties, When They Ask for Such Employees</p> <p>8 Matters Regarding the Independence of the Assistants to Audit &amp; Supervisory Board Members from Directors and the Effectiveness of Instructions Issued to the Assistants</p> <p>9 Systems for Directors and Employees Reporting to Audit &amp; Supervisory Board Members; Systems Relating to Other Reports to Audit &amp; Supervisory Board Members and Ensuring Effective Audits by Audit &amp; Supervisory Board Members</p> <p>9-1 Systems to Ensure Reports from Directors, Audit &amp; Supervisory Board Members and Employees of Subsidiaries Are Passed, Directly or via a Person Receiving such Reports, to Audit &amp; Supervisory Board Members of the Company</p> <p>9-2 Systems to Ensure Individuals Who Provide Reports to Audit &amp; Supervisory Board Members are not Given any Disadvantageous Treatment for the Provision Thereof</p> <p>10 Advance Payments and Reimbursements for Expenses Incurred by Audit &amp; Supervisory Board Members Executing Duties and Policy Related to Expenses or Debts Incurred by Executing Duties</p>
<b>Elimination of Antisocial Forces</b>	Outline
	<p>Business contracts of Komatsu Group companies incorporate clauses excluding antisocial forces. In Japan, we conduct checks on business partners in accordance with the government's "Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces."</p>
	Relevant "Systems for Ensuring the Properness of Operations"
	11 Basic Policy Pertaining to the Elimination of Antisocial Forces

## **8. Status of Accounting Auditors**

### **(1) Name of Accounting Auditors**

KPMG AZSA LLC

### **(2) Amount of Remuneration for Accounting Auditors**

Remuneration for the Accounting Auditor of the Company in the fiscal year ended March 31, 2025:	JPY 477 million
Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor:	JPY 784 million

Notes:

1. The Audit & Supervisory Board, based upon the “Practical Guidelines for Cooperation with Financial Auditors,” etc. released by the Japan Audit & Supervisory Board Members Association, and having obtained necessary materials and having received reports from related departments and the Accounting Auditor, conducts confirmation of the auditing plans of the Accounting Auditor, the status of execution of duties, the trends in actual remuneration amount, the grounds for calculation of remuneration estimates and other matters and, having investigated appropriateness of remuneration, etc. for the Accounting Auditor, gives consent in accordance with Article 399, Paragraph 1 of the Companies Act of Japan.
2. The amount of remuneration for the Accounting Auditor of the Company in the fiscal year ended March 31, 2025 includes 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 Act of Japan, because the two kinds of remuneration are not clearly separated from each other in the audit contract concluded between the Company and the Accounting Auditor and cannot be recorded separately.
3. Among principal subsidiaries of the Company, thirty-one (31) overseas subsidiaries 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 the preparation of comfort letters for the issuance of bonds and euro medium-term notes, 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.

## II Consolidated Financial Statements

### 1. Consolidated Statement of Equity

(From April 1, 2024 to March 31, 2025)

(JPY million)

	Common stock	Capital surplus	Retained earnings		Accumulated other comprehensive income (loss)
			Appropriated for legal reserve	Unappropriated	
Balance at March 31, 2024	70,336	136,500	48,979	2,367,020	459,865
Cash dividends				(166,565)	
Transfer to retained earnings appropriated for legal reserve			442	(442)	
Other changes		(676)			
Comprehensive income (loss):					
Net income				439,614	
Other comprehensive income (loss), for the period, net of tax					
Foreign currency translation adjustments					(41,319)
Pension liability adjustments					7,117
Net unrealized holding gains (losses) on derivative instruments					1,691
Comprehensive income					
Exercise of stock acquisition rights		(97)			
Purchase of treasury stock					
Sales of treasury stock		(12)			
Cancellation of treasury stock		(434)		(67,202)	
Share-based payment		1,244			
Balance at March 31, 2025	70,336	136,525	49,421	2,572,425	427,354

	Treasury stock	Total Komatsu Ltd. shareholders' equity	Non-controlling interests	Total equity
Balance at March 31, 2024	(49,131)	3,033,569	164,883	3,198,452
Cash dividends		(166,565)	(19,474)	(186,039)
Transfer to retained earnings appropriated for legal reserve		—		—
Other changes		(676)	671	(5)
Comprehensive income (loss):				
Net income		439,614	29,118	468,732
Other comprehensive income (loss), for the period, net of tax				
Foreign currency translation adjustments		(41,319)	(3,539)	(44,858)
Pension liability adjustments		7,117	(17)	7,100
Net unrealized holding gains (losses) on derivative instruments		1,691	(188)	1,503
Comprehensive income		407,103	25,374	432,477
Exercise of stock acquisition rights		(97)		(97)
Purchase of treasury stock	(101,279)	(101,279)		(101,279)
Sales of treasury stock	112	100		100
Cancellation of treasury stock	67,636	—		—
Share-based payment		1,244		1,244
Balance at March 31, 2025	(82,662)	3,173,399	171,454	3,344,853

## **2. Notes to Consolidated Financial Statements**

### **Notes Concerning the 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: 217 companies  
(New additions: 15 companies, exclusions: 6 companies)
- (2) Number of affiliated companies accounted for by the equity method: 41 companies  
(New additions: None, exclusions: 1 company)

#### **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 120-3, Paragraph 1 of the Regulations on Corporate Accounting 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 provision of the second sentence of Article 120, Paragraph 1, as applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the said Regulations.

##### **(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 mainly 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<sup>TM</sup> (hereinafter “Codification”) Topic 321, “Investments–Equity Securities.”

Equity securities:

Komatsu measures equity securities without readily determinable fair values at the carrying amount after the write-down due to impairment, except for investments which are measured at net asset value per share. If Komatsu identifies observable price changes in orderly transactions for identical or similar investments issued by the same issuer, Komatsu measures the equity security at fair value as of the date that the observable transaction occurred.

##### **(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 not amortized and reviewed for impairment at least annually.

(5) Allowances

Allowance for credit losses:

In accordance with Codification Topic 326, “Financial Instruments–Credit Losses,” to prepare for credit losses on trade receivables, etc., allowance for credit losses is made on current expected credit loss model.

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 larger) is amortized on a straight-line basis over the average remaining service period of employees at the time of occurrence.

(6) Revenue Recognition

Komatsu recognizes revenue based on the following five steps in accordance with Codification Topic 606, “Revenue from Contracts with Customers.”

Step 1: Identify the contracts with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The details are as described in “Notes Concerning Revenue Recognition.”

Taxes collected from customers and paid to governmental authorities including consumption taxes are excluded from revenue.

**Notes Concerning Revenue Recognition**

Komatsu (the Company and its consolidated subsidiaries) engages in the business activities of sales of products, services and retail financing for customers in Japan and overseas, under three operating segments: the “Construction, Mining and Utility Equipment” operating segment, the “Retail Finance” operating segment and the “Industrial Machinery and Others” operating segment. In these business activities, Komatsu provides goods or services identified in contracts with customers. Komatsu recognizes revenue when or as control over these goods or services is transferred to the customer at the amount of the transaction price that reflects the consideration to which it expects to be entitled. When two or more goods or services are provided to the same customer, Komatsu identifies performance obligations in a single contract or combined contracts and allocates the transaction price to each identified performance obligations based on relative stand-alone selling prices.

For sale of equipment, parts, attachment and others, revenue is recognized when the customers accept the goods or services. Conditions for acceptance, such as shipping, receipt by customers, completion of installation or completion of performance test, depend on contracts or arrangements with customers and the like. The consideration for those transactions is generally collected within three months after the performance obligation is satisfied.

For services such as periodic check, maintenance, and repair and other services, revenue is recognized when provision of the service is completed, or over the period for which the service is provided. Conditions for completion of service provision, including receipt of completion report, depend on contracts or arrangements with customers and the like. The consideration for those transactions is generally collected within three months after the performance obligation is satisfied.

Komatsu's certain consolidated subsidiaries have signed long-term maintenance contracts with their customers, in which case the customers receive services and simultaneously consume them as the performance obligations are satisfied. Thus, revenue from such services is recognized over the period of the contract with the customer in accordance with the progress percentage on the basis of costs incurred, which appropriately represents the transfer of control to the customer.

Shipping and handling activities occurring after control over equipment has transferred to a customer are not identified as services.

Certain transaction prices include variable consideration such as future discounts and sales returns. Variable consideration is an estimate of the expected value or the most likely amount, to the extent that it is probable that a significant reversal in cumulative revenue recognized up to that point will not occur when the uncertainty associated with the variable consideration is subsequently resolved. When the period between when control over goods or services is transferred to the customer and when the customer pays for the goods or services is expected to be one year or less at the inception of the contract, Komatsu does not make any adjustment for the effect of time value of consideration.

Komatsu is obligated to accept parts returned from customers for a certain period after the sale. In consideration of the relevant historical return result and other factors, Komatsu's right to recover parts from customers is recognized in other current assets as a return asset, and also a refund liability is recognized in other current liabilities for its obligation to refund the customers upon return of parts.

With regard to transactions with combination of products, periodic check, maintenance and others, performance obligations are identified in a single contract or combined contracts. Transaction price is allocated to each identified performance obligation according to the proportion of stand-alone selling price that is determined based on observable price such as contract amount, and estimated cost including historical experience.

After the products are sold or delivered, Komatsu repairs the sold products and replaces parts free of charge for a certain period in accordance with the contract. Thus, in order to provide for disbursement of the after-sales service costs, provision for product warranties is recognized based on the relevant historical result. In addition to this standard warranty, Komatsu offers a package of extended warranty for power line (engine & power systems and hydraulic system) upon the purchase of a product and free maintenance service as a service program to maintain the performance of construction equipment over a longer period of time. Komatsu determines this program to be a service-type warranty, and identifies a separate performance obligation for recognizing revenue from this program.

As the costs incurred to obtain a contract with a customer are to be amortized within one year, they are expensed as incurred by applying a practical expedient on the costs for obtaining a contract with a customer.



(i) Disaggregation of revenue

Revenue from contracts with customers and other sources are as follows.

Revenue recognized from contracts with customers	JPY	3,815,156 million
Revenue recognized from other sources	JPY	289,239 million
Total	JPY	4,104,395 million

Revenue recognized from other sources primarily comprises revenue recognized from lease contracts and financial income such as interest income.

The disaggregation of revenue by operating and geographic segment are as follows.

(JPY million)

	Japan	The Americas	Europe and CIS	China	Asia (excluding Japan and China) and Oceania	Middle East and Africa	Total
Construction, Mining and Utility Equipment	329,628	1,709,953	371,912	80,171	960,036	335,786	3,787,486
Retail Finance	1,322	68,032	9,606	721	13,289	3,250	96,220
Industrial Machinery and Others	105,655	33,224	13,104	25,723	42,518	465	220,689
Total	436,605	1,811,209	394,622	106,615	1,015,843	339,501	4,104,395

The amounts classified into revenue recognized from other sources within the net sales of the Construction, Mining and Utility Equipment operating segment are JPY 27,357 million in Japan, JPY 58,180 million in the Americas, JPY 61,982 million in Europe and CIS, JPY 10,780 million in China, JPY 18,818 million in Asia (excluding Japan and China) and Oceania, and JPY 18,398 million in Middle East and Africa. Net sales of the Retail Finance operating segment are primarily the amounts classified into revenue recognized from other sources.

(ii) Contract balances

Contract balances arising from contracts with customers are as follows:

Receivables <sup>*1</sup>	JPY	1,793,660 million
Contract assets <sup>*2</sup>	JPY	6,390 million
Contract liabilities <sup>*3</sup>	JPY	222,993 million

Notes:

1. Receivables are included in trade notes and accounts receivable, net and long-term trade receivables, net in the accompanying consolidated balance sheet. These amounts are before deducting allowance for credit losses.
2. Contract assets are included in trade notes and accounts receivable, net in the accompanying consolidated balance sheet. These amounts are before deducting allowance for credit losses.
3. Contract liabilities are included in other current liabilities and deferred income taxes and other liabilities in the accompanying consolidated balance sheet.

Komatsu's contract assets mainly relate to its right to consideration for product sales contracts in the industrial machinery and others business, for which the performance obligation has been satisfied but the invoicing conditions have not been satisfied as of a reporting date. Contract assets are reclassified to receivables when the right to consideration becomes unconditional.

Komatsu's contract liabilities are those arising from all or part of the consideration received from the customers before the corresponding performance obligation is satisfied. The main components of the contract liabilities are unearned revenue and advances received. Komatsu recognizes unearned revenue by identifying separate performance obligations such as extended warranties.

Advances received from the customers are recognized in long-term maintenance contracts for which revenue is recognized over the contract period, and also in product sales contracts for large press machines and the like for which revenue is recognized upon acceptance of the customers. Revenue recognized for the fiscal year ended March 31, 2025 that was included in the contract liability balance as of March 31, 2024 was JPY 137,229 million.

The amount of revenue recognized from the performance obligations satisfied or partially satisfied in the past and the amount of impairment losses recognized for receivables and contract assets are immaterial. Additionally, there were no significant changes in contract assets and contract liabilities for contracts with customers.

(iii) Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the remaining performance obligations that have original expected durations greater than one year was JPY 368,293 million, of which JPY 220,433 million is expected to be recognized as revenue in the fiscal year ending March 31, 2026.

### Notes Concerning Accounting Estimates

Komatsu has made a number of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses presented in consolidated financial statements prepared in accordance with U.S. GAAP. Actual results could differ from the estimates and assumptions. Komatsu has identified several areas where it believes estimates and assumptions are particularly critical to the consolidated financial statements. These are the determination of the useful lives of property, plant and equipment, calculation of the amount of expected credit losses and provision for product warranties, tests of impairment of long-lived assets and goodwill, calculation of liabilities and expenses for pension and retirement benefits, measurement of fair value of financial instruments, judgment regarding the likelihood of recovery of deferred tax assets, uncertainties with regard to income taxes, and other contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates.

Regarding the impact of the disruption and so forth in financial sector and world economy caused by the Ukraine situation and tariff policies of each country on Komatsu's financial position and results of operations, there is uncertainty regarding when such conditions will improve, among other factors. Nevertheless, Komatsu has assumed that a certain level of impact from the Ukraine situation and tariff policies of each country will continue in the future, based on the information which is available at present and our predictions. Komatsu is making its best estimates taking in the assumptions to assess the calculation of expected credit losses, the likelihood of recovery of deferred tax assets and the impairment losses on long-lived assets and goodwill given these items are relatively material among the accounting estimates. However, if actual future trends deviate from the assumption, Komatsu's financial position and results of operations may be adversely affected.

### Notes to Consolidated Balance Sheet

- (1) Allowance for credit losses on trade notes and accounts receivable and long-term trade receivables:  
JPY 36,458 million
- (2) Accumulated depreciation of property, plant and equipment:  
JPY 1,099,376 million
- (3) Accumulated other comprehensive income (loss) consists of foreign currency translation adjustments, pension liability adjustments and net unrealized holding gains (losses) on derivative instruments.

(4) Guarantee obligations

Guarantee obligations for borrowings made by employees, affiliated companies, and others: JPY 13,929 million

Guarantee obligations for subsidiaries to perform the obligations of the terms and conditions of contracts JPY 20,193 million

**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 forward foreign exchange contracts and currency swap contracts based on foreign currency cash flow projections. 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

Codification Topic 820 “Fair Value Measurement” defines that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly
- Level 3: Unobservable inputs for the assets or liabilities

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

(1) Cash and cash equivalents, Trade notes and accounts receivable, net, Miscellaneous accounts receivable, Short-term debt, 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. Therefore, they are not included in the table below. Cash and cash equivalents are classified as fair value level 1, whereas trade notes and accounts receivable, net,

miscellaneous accounts receivable, short-term debt, and trade notes, bills and accounts payable are classified as fair value level 2. Miscellaneous accounts receivable are included in current assets in the consolidated balance sheet.

(2) Long-term trade receivables, net, excluding lease receivables

Fair values of long-term trade receivables are measured by discounting future cash flows at interest rate at the end of the fiscal year that should be applied to trade receivables with similar maturities.

(3) 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 market borrowing rate at the end of the fiscal year that should be applied to borrowings with similar maturities.

(4) Derivatives

Derivatives primarily represent foreign exchange contracts and interest rate swap contracts. Fair values of foreign exchange contracts are measured based on a valuation model that discounts cash flows resulting from the differential between the contract rate and the market-based forward rate. Fair values of interest rate swap contracts are based on a valuation model that discounts cash flows based on the terms of the contract and the swap curves.

(JPY million)

	Consolidated balance sheet amount	Fair value	Balance	Fair value level
Assets				
Long-term trade receivables, net, excluding lease receivables	614,914	620,041	5,127	Level 2
Derivatives - Assets	6,661	6,661	—	Level 2
Liabilities				
Long-term debt, including current portion	774,271	761,474	(12,797)	Level 2
Derivatives - Liabilities	6,301	6,301	—	Level 2

Note: Unlisted investment securities (consolidated balance sheet amount: JPY 10,636 million) are primarily non-marketable equity securities with no readily determinable fair value, and therefore are not included in the table above.

## Notes Concerning Investment and Rental Property

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

## Notes Concerning Per Share Information

(1) Komatsu Ltd. shareholders' equity per share	JPY	3,438.70
(2) Basic net income attributable to Komatsu Ltd. per share	JPY	473.44
(3) Diluted net income attributable to Komatsu Ltd. per share	JPY	473.42

## Notes Concerning Subsequent Events

(Share buyback and cancellation of treasury stock)

The Company resolved at a meeting of the board of directors held on April 28, 2025 to repurchase its shares of common stock pursuant to Article 156 of the Companies Act of Japan (the "Companies Act") as applied pursuant to Article 165, Paragraph 3 of the Companies Act. It has also resolved to cancel its shares of treasury stock pursuant to Article 178 of the Companies Act.

- (1) Purpose of the share buyback and cancellation of treasury stock  
The Company has decided to repurchase its shares of common stock from the viewpoint of increasing its corporate value and shareholder returns taking into consideration the current capital efficiency, financial soundness, and other factors. In addition, the Company has decided to cancel its shares of treasury stock to be repurchased after comprehensively considering the specific use of the shares and the reasons for holding them.
- (2) Details of share buyback
  - (i) Class of shares to be repurchased Common stock
  - (ii) Total number of shares to be repurchased Up to 40 million shares  
(represents up to 4.3% of the total number of outstanding shares (excluding treasury stock))
  - (iii) Total purchase price for buyback of shares Up to 100 billion yen
  - (iv) Period of buyback April 30, 2025 to November 28, 2025
  - (v) Method of buyback Purchase at the Tokyo Stock Exchange
- (3) Details of cancellation of treasury stock
  - (i) Class of shares to be canceled Common stock
  - (ii) Number of shares to be canceled All shares repurchased
  - (iii) Planned date of cancellation December 29, 2025

## 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 Balance Sheet

(As of March 31, 2025)

	(JPY million)	
	(Reference)	
	156th Fiscal Year	155th Fiscal Year
<b>Assets</b>		
Current assets:		
Cash and deposits	224,642	249,003
Notes receivable-trade	1,494	1,750
Accounts receivable-trade	256,216	202,741
Merchandise and finished goods	57,840	67,118
Work in process	75,135	65,737
Raw materials and supplies	6,603	5,053
Prepaid expenses	8,003	10,217
Short-term loans receivable	11,519	21,386
Miscellaneous accounts receivable	76,689	25,496
Other current assets	3,569	3,556
Allowance for doubtful accounts	(375)	(375)
Total current assets	721,340	651,687
Non-current assets:		
Property, plant and equipment:		
Buildings	101,238	101,329
Structures	15,988	15,784
Machinery and equipment	55,628	51,748
Vehicles	926	882
Tools, furniture and fixtures	12,674	12,306
Rental equipment	33,222	37,745
Land	45,962	45,972
Construction in progress	10,935	7,898
Total property, plant and equipment	276,576	273,668
Intangible assets:		
Software	30,334	28,600
Other intangible assets	269	325
Total intangible assets	30,603	28,926
Investments and other assets:		
Investment securities	3,481	3,168
Stocks of subsidiaries and affiliates	410,397	398,097
Investments in capital of subsidiaries and affiliates	41,913	41,913
Long-term loans receivable	18,177	16,833
Long-term prepaid expenses	4,643	3,233
Deferred tax assets	27,271	27,144
Other investments	13,225	10,932
Allowance for doubtful accounts	(889)	(891)
Allowance for investment loss	(64)	(6)
Total investments and other assets	518,155	500,425
Total non-current assets	825,336	803,020
Total assets	1,546,676	1,454,707

	(JPY million)	
	(Reference)	
	156th Fiscal Year	155th Fiscal Year
<b>Liabilities</b>		
Current liabilities:		
Accounts payable-trade	104,472	98,112
Short-term loans payable	70,390	8,500
Commercial papers	46,000	40,000
Current portion of bonds payable	10,000	20,000
Accounts payable-other	13,148	13,751
Accrued expenses	34,742	33,437
Income taxes payable	38,178	18,756
Deposits received	60,024	48,760
Provision for bonuses	13,735	13,851
Provision for directors' bonuses	362	356
Provision for product warranties	8,841	9,192
Other current liabilities	12,179	12,598
Total current liabilities	412,073	317,317
Non-current liabilities:		
Bonds payable	80,000	50,000
Long-term loans payable	38,500	49,500
Long-term income taxes payable	1,178	—
Provision for product warranties	2,603	3,127
Provision for retirement benefits	44,222	44,605
Provision for stock-based remuneration	1,243	—
Asset retirement obligations	632	632
Other long-term liabilities	15,418	17,532
Total non-current liabilities	183,798	165,397
Total liabilities	595,872	482,714
<b>Net Assets</b>		
Shareholders' equity:		
Capital stock	72,795	72,795
Capital surplus:	142,814	143,260
Legal capital surplus	142,814	142,814
Other capital surplus	—	446
Retained earnings:		
Legal retained earnings	18,036	18,036
Other retained earnings:	798,746	786,647
Reserve for advanced depreciation of non-current assets	10,484	10,844
General reserve	210,359	210,359
Retained earnings brought forward	577,903	565,443
Total retained earnings	816,783	804,684
Treasury stock	(82,222)	(48,719)
Total shareholders' equity	950,170	972,020
Valuation and translation adjustments:		
Deferred gains or losses on hedges	604	(154)
Total valuation and translation adjustments	604	(154)
Stock acquisition rights:		
Stock acquisition rights	29	127
Total stock acquisition rights	29	127
Total net assets	950,803	971,992
Total liabilities and net assets	1,546,676	1,454,707

**2. Non-Consolidated Statement of Income**

(From April 1, 2024 to March 31, 2025)

	(JPY million)	
	(Reference)	
	156th Fiscal Year	155th Fiscal Year
Net sales	1,143,406	1,161,966
Cost of sales	819,677	858,846
Gross profit	323,729	303,119
Selling, general and administrative expenses	173,985	168,209
Operating income	149,744	134,910
Non-operating income:		
Interest and dividends income	114,267	103,142
Other non-operating income	887	2,580
Non-operating expenses:		
Interest expenses	1,520	297
Other non-operating expenses	13,476	6,635
Ordinary income	249,902	233,701
Extraordinary income:		
Gain on sales of land	—	396
Reversal of allowance for investment loss	—	532
Transfer pricing taxation adjustment	50,760	—
Extraordinary losses:		
Expenses related to the disaster	866	847
Income before income taxes	299,796	233,782
Income taxes:		
Income taxes-current	54,390	37,204
Income taxes-deferred	(459)	(1,870)
Net income	245,865	198,449



### 3. Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2024 to March 31, 2025)

(JPY million)

(\$ in millions)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at March 31, 2024	72,795	142,814	446	143,260	18,036	10,844	210,359	565,443
Changes of items during the period								
Reversal of reserve for advanced depreciation of non-current assets						(360)		360
Dividends from surplus								(166,564)
Net income								245,865
Purchase of treasury stock								
Disposal of treasury stock			(12)	(12)				
Cancellation of treasury stock			(433)	(433)				(67,201)
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	(446)	(446)	—	(360)	—	12,459
Balance at March 31, 2025	72,795	142,814	—	142,814	18,036	10,484	210,359	577,903

(JPY million)

(51.1 million)

	Shareholders' equity			Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments		
	Total retained earnings						
Balance at March 31, 2024	804,684	(48,719)	972,020	(154)	(154)	127	971,992
Changes of items during the period							
Reversal of reserve for advanced depreciation of non-current assets	—		—				—
Dividends from surplus	(166,564)		(166,564)				(166,564)
Net income	245,865		245,865				245,865
Purchase of treasury stock		(101,250)	(101,250)				(101,250)
Disposal of treasury stock		111	99				99
Cancellation of treasury stock	(67,201)	67,635	—				—
Net changes of items other than shareholders' equity				758	758	(98)	660
Total changes of items during the period	12,099	(33,502)	(21,849)	758	758	(98)	(21,188)
Balance at March 31, 2025	816,783	(82,222)	950,170	604	604	29	950,803

#### **4. 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, etc. whose market price 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
- (4) Allowances and provisions
  - 1) Allowance for doubtful accounts
    - To cover possible credit losses on accounts receivable 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.
  - 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 ended March 31, 2025.
  - 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 ended March 31, 2025.
  - 5) Provision for product warranties
    - Provision for product warranties is provided for product after-sales service expenses based on the historical performance, etc.

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 end of the fiscal year ended March 31, 2025.

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 ended March 31, 2025. Past service cost is amortized at the lump-sum amount in the fiscal year when it is incurred. Actuarial loss is amortized in an amount proportionally appropriated on a straight-line basis over a certain number of years (10 years), which is shorter than the average remaining service period of employees, beginning with the following fiscal year when the difference is recognized.

7) Provision for stock-based remuneration

Recorded based on the projected benefit at the end of the fiscal year ended March 31, 2025 in order to provide for stock-based remuneration benefits from trust-type stock-based remuneration system.

(5) Accounting for income and expenses

The Company recognizes revenue by adopting the following five steps in accordance with “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021).

Step 1: Identify the contracts with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The details are as described in “Notes Concerning Revenue Recognition.”

### Notes Concerning Revenue Recognition

The Company engages in the business activities of sales of products and services of construction equipment, industrial machinery, etc. in Japan and overseas. In these business activities, the Company provides goods or services identified in contracts with customers. The Company recognizes revenue when or as control over these goods or services is transferred to the customer at the amount of the transaction price that reflects the consideration to which it expects to be entitled. When two or more goods or services are provided to the same customer, the Company identifies performance obligations in a single contract or combined contracts and allocates the transaction price to each identified performance obligation based on relative stand-alone selling prices.

For sale of equipment, parts, attachments and others, revenue is recognized when the customers accept the goods or services.

Conditions for acceptance, such as shipping, receipt by customers, completion of installation or completion of a performance test, depend on contracts or arrangements with customers and the like.

The consideration for those transactions is generally collected within three months after the performance obligation is satisfied.

For services such as periodic checks, maintenance, and repair and other services, revenue is recognized when provision of the service is completed or over the period for which the service is provided. Conditions for completion of providing the service, including receipt of a completion report, depend on contracts or

arrangements with customers and the like. The consideration for those transactions is generally collected within three months after the performance obligation is satisfied.

The Company has signed long-term maintenance contracts with its customers, in which case the customers receive services and simultaneously consume them as the performance obligations are satisfied. Thus, revenue from such services is recognized over the period of the contract with the customer in accordance with the progress percentage on the basis of costs incurred, which appropriately represents the transfer of control to the customer.

Royalties received for licensing to customers (mainly affiliates) are recognized as revenue based on the amount used by the customer in principle.

Certain transaction prices include variable consideration such as future discounts and sales returns. Variable consideration is an estimate of the expected value or the most likely amount, to the extent that it is probable that a significant reversal in cumulative revenue recognized up to that point will not occur when the uncertainty associated with the variable consideration is subsequently resolved. When the period between when control over goods or services is transferred to the customer and when the customer pays for the goods or services is expected to be one year or less at the inception of the contract, the Company does not make any adjustment for the effect of time value of consideration.

The Company is obligated to accept parts returned from customers for a certain period after the sale. In consideration of the relevant historical return result and other factors, the Company's right to recover parts from customers is recognized in other current assets and other investments as a return asset, and also a refund liability is recognized in other current liabilities and other long-term liabilities for its obligation to provide a refund to the customers upon return of parts.

With regard to transactions with combination of products, periodic checks, maintenance and others, performance obligations are identified in a single contract or combined contracts. Transaction price is allocated to each identified performance obligation according to the proportion of stand-alone selling price that is determined based on observable price such as contract amount and estimated cost including historical experience.

After the products are sold or delivered, the Company repairs the sold product and replaces parts free of charge for a certain period in accordance with the contract. Thus, in order to provide for disbursement of the after-sales service costs, provision for product warranties is recognized based on the relevant historical result.

In addition to this standard warranty, the Company offers an extended warranty package for power lines (engine and power systems and hydraulic systems) upon the purchase of a product and free maintenance service as a service program to maintain the performance of construction equipment over a longer period of time.

The Company determines this program to be a service-type warranty and identifies a separate performance obligation for recognizing revenue from this program.

## **Notes to Accounting Estimates**

Recoverability of deferred tax assets

Amount recorded in financial statements for the fiscal year ended March 31, 2025

The Company applies tax effect accounting to temporary differences arising from a difference in tax and accounting treatment and records deferred tax assets on the balance sheet. The amount recorded in the fiscal year ended March 31, 2025 is JPY 27,271 million.

#### Other information

- (1) Calculation method of amount recorded in financial statements for the fiscal year ended March 31, 2025

The Company recognizes deferred tax assets to the extent of deductible temporary differences that are allowed to reduce the tax amount payable into the future.

- (2) Major assumptions used in the calculation of the amounts recorded in financial statements for the fiscal year ended March 31, 2025

Estimates of future taxable income used to evaluate the recoverability of deferred tax assets are determined based on business plans; however, of these business plans, the forecasts of future sales and profits include trends of prices, exchange rates and interest rates, trends of demand for construction equipment in each country under the uncertain economic situation, and trends of international taxation systems, including transfer pricing taxation and the tariff policies of each country, that could impact taxable income, as major assumptions.

#### Impact on financial statements for the following fiscal year

A decrease in future taxable income may result in reducing the amount of deferred tax assets.

### Notes to Additional Information

#### Trust-type stock-based remuneration system

- (1) Overview of transaction

The Company introduced trust-type stock-based remuneration system as a performance-linked stock-based remuneration system from the fiscal year ended March 31, 2025.

The Plan delivers or pays, depending on the degree of achievement of performance targets, etc., the shares of the Company acquired by the Board Incentive Plan Trust for Directors of the Company and Directors of affiliated companies and by the Employee Stock Ownership Plan Trust for eligible employees of the Company and an amount of money equivalent to the converted value of such shares of the Company.

In accounting for the trusts, the gross method is adopted in line with the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015).

- (2) The Company’s shares remaining in the Board Incentive Plan Trust and the Employee Stock Ownership Plan Trust

The shares of the Company remaining in the Board Incentive Plan Trust and the Employee Stock Ownership Plan Trust are recorded as Treasury stock under Equity.

The number and book value of such shares were 309,000 shares and JPY 1,224 million at the end of the fiscal year ended March 31, 2025.

In addition, the dividends pertaining to the Treasury stock held by the Board Incentive Plan Trust and Employee Stock Ownership Plan Trust were JPY 25 million for the fiscal year ended March 31, 2025.

## Notes to Non-Consolidated Balance Sheet

- (1) Accumulated depreciation of property, plant and equipment: JPY 519,390 million
- (2) Contingent liabilities
- Balance of guarantees for bonds and debt for borrowings from financial institutions by subsidiaries and affiliates: JPY 250,065 million
- Balance of guarantees for debt for borrowings from financial institutions by employees (home loans): JPY 237 million
- Balance of keep-well agreements for the bonds of subsidiaries and affiliates: JPY 137,159 million
- Balance of guarantees for loans financed by subsidiaries and affiliates: JPY 3,931 million
- Balance of guarantees for joint research in which subsidiaries and affiliates have participated: JPY 6 million
- (3) Receivables from and debts payable to subsidiaries and affiliates
- Short-term receivables from subsidiaries and affiliates: JPY 260,349 million
- Short-term debts payable to subsidiaries and affiliates: JPY 97,401 million
- Long-term receivables from subsidiaries and affiliates: JPY 18,177 million

## Notes to Non-Consolidated Statement of Income

- (1) Trading with subsidiaries and affiliates
- Sales: JPY 940,146 million
- Purchases: JPY 157,334 million
- Trading other than operating transactions: JPY 172,214 million
- (2) Transfer pricing taxation adjustment
- The adjustment made in the amount payable between the Company and Komatsu America Corp. based on the agreements of the prior confirmation applications submitted for approval regarding transfer pricing.
- (3) Expenses related to the disaster
- They are expenses for support for areas affected by the Noto Peninsula Earthquake in 2024, and others.

## Notes to Non-Consolidated Statement of Changes in Net Assets

- (1) Type and number of shares issued

Type	Number of Shares at the Beginning of the Fiscal Year ended March 31, 2025	Increase During the Fiscal Year ended March 31, 2025	Decrease During the Fiscal Year ended March 31, 2025	Number of Shares at the End of the Fiscal Year ended March 31, 2025
Common stock*	973,810,620	—	22,857,500	950,953,120

Note: The 22,857,500-share decrease in the number of shares of common stock is due to the cancellation of treasury stock.

(2) Type and number of treasury stock

Type	Number of Shares at the Beginning of the Fiscal Year ended March 31, 2025	Increase During the Fiscal Year ended March 31, 2025	Decrease During the Fiscal Year ended March 31, 2025	Number of Shares at the End of the Fiscal Year ended March 31, 2025
Common stock <sup>*1, 2</sup>	27,411,301	23,172,383	22,902,669	27,681,015

Notes:

1. The 23,172,383-share increase in the number of shares of common stock held as treasury stock consists of the following:
  - 1) 22,857,500 shares due to the purchase based on resolutions by the Board of Directors
  - 2) 309,000 shares due to the purchase of the shares of the Company by the Board Incentive Plan Trust and the Employee Stock Ownership Plan Trust
  - 3) 5,883 shares due to the purchase of shares constituting less than one unit of shares
2. The 22,902,669-share decrease in the number of shares of common stock held as treasury stock consists of the following:
  - 1) 22,857,500 shares by the cancellation of treasury stock
  - 2) 44,900 shares by the exercise of stock options
  - 3) 269 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 19, 2024	Common stock	89,907	95	March 31, 2024	June 20, 2024
Meeting of the Board of Directors held on October 29, 2024	Common stock	76,656	83	September 30, 2024	December 2, 2024

2) Dividends for which the record date is in the fiscal year ended March 31, 2025 and effective date is in the fiscal year ending March 31, 2026

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 19, 2025	Common stock	Retained earnings	98,823	107	March 31, 2025	June 20, 2025



(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 the Beginning of the Fiscal Year ended March 31, 2025	Increase During the Fiscal Year ended March 31, 2025	Decrease During the Fiscal Year ended March 31, 2025	Number of Shares at the End of the Fiscal Year ended March 31, 2025
2016 Stock Acquisition Rights <sup>*1, 2</sup>	Common stock	21,200	—	21,200	—
2017 Stock Acquisition Rights <sup>*1, 2</sup>	Common stock	34,900	—	23,700	11,200

Notes:

1. The Stock Acquisition Rights 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 ended March 31, 2025 for the Stock Acquisition Rights is due to exercise of Stock Acquisition Rights.

## Notes Concerning Tax Effect Accounting

### (1) Major reasons for the accrual of deferred tax assets and deferred tax liabilities

#### (Deferred tax assets)

Provision for product warranties	JPY	3,513	million
Inventories	JPY	921	million
Accrued enterprise tax	JPY	2,076	million
Provision for bonuses	JPY	4,189	million
Provision for retirement benefits	JPY	10,998	million
Investment securities and stocks of subsidiaries and affiliates	JPY	4,372	million
Excess over depreciation limit	JPY	1,360	million
Return assets and refund liabilities	JPY	1,064	million
Accrued expenses	JPY	2,652	million
Prepaid expenses	JPY	3,514	million
Others	JPY	4,970	million
Subtotal deferred tax assets	JPY	39,635	million
Less valuation allowance	JPY	(5,751)	million
Total deferred tax assets	JPY	33,883	million

#### (Deferred tax liabilities)

Reserve for advanced depreciation of non-current assets	JPY	(4,846)	million
Deferred gains or losses on hedges	JPY	(265)	million
Others	JPY	(1,500)	million
Total deferred tax liabilities	JPY	(6,612)	million
Net deferred tax assets	JPY	27,271	million

### (2) Accounting for income tax and local income tax and deferred tax accounting

The Company has applied the group tax sharing system. In addition, the Company conducts treatment for accounting for income tax and local income tax or for deferred tax accounting related thereto, and disclosure of them in accordance with the “Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021).

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

Due to the enactment of the “Act Partially Amending the Income Tax Act” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Consequently, the deferred tax assets and deferred tax liabilities for which the temporary differences are expected to be reversed from the fiscal years commencing April 1, 2026 are calculated with the effective statutory tax rate changed from 30.50% to 31.38%.

The impact of this change in the amount of deferred tax assets (the amount after deducting deferred tax liabilities) for the fiscal year ended March 31, 2025 is immaterial.

## 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	Sale of products, etc.*1	203,529	Accounts receivable-trade	15,646
				Transfer pricing taxation adjustment*2	50,760	Miscellaneous accounts receivable	50,652
	Komatsu Customer Support Japan Ltd.	Holding directly 100%	Sale of the Company's products	Sale of products, etc.*1	202,691	Accounts receivable-trade	58,514
	Komatsu Middle East FZE	Holding directly 100%	Sale of the Company's products	Sale of products, etc.*1	75,226	Accounts receivable-trade	25,178
	Komatsu South Africa (Pty) Ltd.	Holding indirectly 100%	Sale of the Company's products	Sale of products, etc.*1	23,886	Accounts receivable-trade	10,818
	Komatsu Business Support Ltd.	Holding directly 100%	Retail financing of the Company's products	Cash Management System lending*3	29,043	Short-term loans receivable	11,304
						Long-term loans receivable	18,177
	EARTHBRAIN Ltd.	Holding directly 54.5%	Dispatched Director	Cash Management System borrowing*3	17,136	Deposits received	17,119
	Komatsu Industries Corp.	Holding directly 100%	Sale of the Company's products	Cash Management System borrowing*3	12,084	Deposits received	14,953
	Komatsu Finance America Inc.	Holding indirectly 100%	Financing within Komatsu Group, fundraising, etc.	Guarantee obligation*4	233,306	—	—

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. For the transfer pricing taxation adjustment, the adjustment made in the amount payable between the Company and Komatsu America Corp. based on the agreements of the prior confirmation applications submitted for approval regarding transfer pricing is recorded as extraordinary income.
3. 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 ended March 31, 2025 because the transactions are repetitive.
4. The guarantee obligation applies to bonds issued by Komatsu Finance America Inc.

### Notes Concerning Per Share Information

- |                          |              |
|--------------------------|--------------|
| (1) Net assets per share | JPY 1,029.79 |
| (2) Net income per share | JPY 264.66   |

Note: For the fiscal year ended March 31, 2025, the shares of the Company held by the Board Incentive Plan Trust and the Employee Stock Ownership Plan Trust are included in the number of treasury stock excluded in calculating per share information.

**Notes Concerning Subsequent Events**

(Share buyback and cancellation of treasury stock)

Detail is omitted because it is the same as presented in “Notes Concerning Subsequent Events” under the Notes to Consolidated Financial Statements.

**Other Notes**

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

## IV Auditor's Report

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

### Independent Auditor's Report

May 9, 2025

The Board of Directors  
Komatsu Ltd.

KPMG AZSA LLC  
Tokyo Office

Masakazu Hattori  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Tomoo Nishigori  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Daisuke Toyama  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the non-consolidated 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 (hereafter collectively referred to as the "non-consolidated financial statements, etc.") of Komatsu Ltd. as of March 31, 2025 and for the 156th fiscal year from April 1, 2024 to March 31, 2025, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

In our opinion, the non-consolidated financial statements, etc. 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 non-consolidated financial statements, etc. were prepared in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other contents**

Other contents are the Business Report and supplementary schedules. Management is responsible for creating and disclosing other contents. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for monitoring the execution of duties by the Directors in the development and operation of the reporting process for other contents.

The subject of our audit opinion on the non-consolidated financial statements, etc. does not include the other contents, and we do not express an opinion on the other contents.

Our responsibility of auditing non-consolidated financial statements, etc. is to read through the other contents, and in the process of reading, consider whether there is any significant difference between the other contents and the non-consolidated financial statements, etc. or the knowledge gained through the process of auditing, and also pay attention to whether there are any other signs of material error in the other contents other than such significant differences.

If we determine that there is a material error in the other contents based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding the other contents.

#### **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-Consolidated Financial Statements, etc.**

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

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

**Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, etc.**

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements or, if the notes to the non-consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**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