

For Immediate Release



Komatsu Ltd.

Date: May 7, 2008

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Komatsu to Restructure Japanese Operations of Komatsu Utility Co., Ltd.

Komatsu Utility Co., Ltd. (President: Susumu Isoda), a Tokyo-based wholly owned subsidiary of Komatsu Ltd. (President & CEO: Kunio Noji), engaging in the production and sale of forklift trucks and mini construction equipment, is going to restructure its operations in Japan. Specifically, Komatsu Utility plans to transfer, in February 2009, the production of mini hydraulic excavators from the Kawagoe Plant (Location: Kawagoe City, Saitama Prefecture) to the Tochigi Plant (Oyama City, Tochigi Prefecture) in order to consolidate its domestic production. At about the same time, Komatsu Utility is going to relocate its head office functions in Tokyo to the Tochigi Plant.

In April 2007, the Komatsu Group integrated management of Komatsu Forklift Co., Ltd. and Komatsu Zenoah Co. and positioned the forklift truck and mini construction equipment businesses as the utility equipment business. By utilizing the management resources of the two comprehensively and efficiently, the Komatsu Group has been working to enhance their product competitiveness and profitability.

Komatsu Utility has already been producing both forklift trucks and mini wheel loaders in the same line at the Tochigi Plant. In September 2007, Komatsu Utility also integrated the production of both forklift trucks and mini hydraulic excavators in the same line at a Chinese plant. By transferring the production of mini hydraulic excavators in Japan, Komatsu Utility will consolidate the development and production of forklift trucks and mini construction equipment and further generate synergy in development, production and purchasing. With respect to mini hydraulic excavators to be transferred, Komatsu Utility is going to produce them in a new assembly line to ensure unrivaled production efficiency. By transferring and consolidating the head office functions at the Tochigi Plant, Komatsu Utility will enhance a sense of togetherness with the manufacturing workplace and further promote operational efficiency.

Prior to the transfer, Komatsu Utility will transfer the production of large forklift trucks to Komatsu's Mooka Plant where articulated dump trucks are produced. Concerning powertrain components, such as axles and transmissions, Komatsu Utility is going to transfer their production to the Mooka Plant, the Awazu Plant and their suppliers, where corresponding components for construction equipment are manufactured. In this way, the Komatsu Group should be able to more extensively promote technology utilization as a whole.

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Komatsu estimates that about 3.2 billion for capital investments will be required for this restructuring project.

Outline of the Transfer

Applicable to Transfer	Currently	Future
Mini hydraulic excavators	KU's Kawagoe Plant	KU's Tochigi Plant Yokokura Shinden 110, Oyama City, Tochigi Prefecture
Large forklift trucks (Payload capacity: 10 tons and above)	KU's Tochigi Plant	Komatsu's Mooka Plant Matsuyama-cho 26, Mooka City, Tochigi Prefecture
Transmissions for forklift trucks	KU's Tochigi Plant	Komatsu's Awazu Plant and other Futus-machi Tsu 23, Komatsu City, Ishikawa Prefecture
Axels for forklift trucks	KU's Tochigi Plant	Komatsu's Mooka Plant and other
Head office and marketing functions	Minato-ku, Tokyo	KU's Tochigi Plant

Note: KU stands for Komatsu Utility Co., Ltd.

Projection of Future Business Results

The concerned restructuring will have a very minimal impact materially on Komatsu's consolidated business results.

Future Use of the Kawagoe Plant

At present, Komatsu Utility has no definite plans concerning future use of the Kawagoe Plant after production transfer.

Outline of Komatsu Utility Co., Ltd.

Name: Komatsu Utility Co., Ltd.
 Established: December 1945
 Address: 2-4-1 Shibakoen, Minato-ku, Tokyo
 Representative: Susumu Isoda, President
 Line of operations: Manufacture and sale of forklift trucks and mini construction equipment
 Shareholder: Komatsu Ltd. (100%)
 Paid-in capital: 13 billion
 Annual sales: 187.1 billion (For the year ended March 31, 2008 on a consolidated basis)
 Number of employees: 3,734 (As of March 31, 2008 on a consolidated basis)

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