

Independent Review on *Environmental & Social Report 2007*

Regarding the Independent Review

Komatsu views the independent review process as crucial for ensuring the integrity and objectivity of its *Environmental & Social Report*. For that reason, Komatsu has received an independent review from Tohatsu Environmental Research Institute Ltd., a member of the

Deloitte Touche Tohmatsu Group. The results are as represented below with regard to the information appearing in the *Environmental & Social Report 2007*.

<http://www.teri.tohmatsu.co.jp/>

(TRANSLATION)

Independent Review Report

June 27, 2007

Mr. Kunio Noji
President and CEO, Komatsu Ltd.

Tohatsu Environmental Research Institute Ltd.
Chief Executive Officer Komuro Masamitsu

1. Scope of the Review

We have reviewed the "Environmental & Social Report 2007" ("Report") prepared by Komatsu Ltd. ("Company"). The purpose of our review was to provide limited assurance from an independent practitioner about whether the material quantitative environmental information for the period from April 1, 2006 to March 31, 2007 included in the Report was accurately measured and calculated, referring to the Environmental Reporting Guidelines -Fiscal Year 2003 version (issued by the Japanese Ministry of the Environment) and GRI Sustainability Reporting Guidelines (2002), in accordance with calculation methods adopted by the Company.

2. Responsibility of the Management

The Report is the responsibility of the Company's management. Our responsibility is to provide our limited assurance with respect to the review performed on the Report from an independent practitioner.

3. Summary of Review

To obtain an adequate and valid standard of basis for providing limited assurance with respect to our conclusions, we performed our review with reference to the International Standard on Assurance Engagements (ISAE) 3000 (issued by the International Federation of Accountants in December 2003) and the Proposed Environmental Report Review Standard (issued by the Japanese Ministry of Environment in March 2004).

The review procedures performed for the material quantitative environmental information for the period from April 1, 2006 to March 31, 2007 included in the Report consisted of: 1) agreeing information to summary tables and supporting documents on a sample basis; 2) interviewing the responsible personnel and the persons in charge; 3) reviewing and agreeing information to the relevant minutes, the Company's regulations, and ISO related documents and so on; 4) site visits; and 5) comparing information with other available supporting internal and external materials.

4. Conclusions

On the basis of the review procedures described in the preceding paragraph, nothing has come to our attention that caused us to believe the material quantitative environmental information for the period from April 1, 2006 to March 31, 2007 included in the Report was not accurately measured or calculated, referring to the Environmental Reporting Guidelines -Fiscal Year 2003 version (issued by the Japanese Ministry of the Environment) and GRI Sustainability Reporting Guidelines (2002), in accordance with calculation methods adopted by the Company.

5. Special Interests

There are no interests between the Company and Tohatsu Environmental Research Institute Ltd. or its engagement personnel, requiring disclosure referred to the provisions of the Certified Public Accountants Law of Japan.

Supplementary Explanation Regarding the Conducting of Independent Review Procedures

As a supplementary explanation, the following provides an overview of the review procedures conducted during an independent review.

Supplementary explanation regarding independent review procedures

Step 1

Formation of plan for review process

Confirmation of items to be included in the report
(1) Scope of information
(2) Information collection process
(3) Information collection method
(4) Level of importance of individual pieces of information
Finalization of items to be reviewed and review methodology

Step 2

Execution of review

Review of offices and persons in charge
Inspections of business units



Conducting a hearing at the Head Office on health and safety (front) and logistics (back)

Step 3

Reporting on review results

Reporting results of review (revisions and suggestions)



Conducting a hearing at the Oyama Plant with the person in charge of efficient utilization of resources

Step 4

Check of final version of report

Follow-up on issues identified during Step 3

Step 5

Submission of independent review report

Submission of independent review report



Inspecting the effluent processing facilities at the Mooka Plant

Supplementary explanation regarding site visits to business units

- Business units visited in this review:
 - Komatsu Ltd. Head Office
 - Oyama Plant
 - Mooka Plant
- Visits to business units take place in a planned rotation. Records for business units not visited during this review were reviewed at the Komatsu Ltd. Head Office