

KOMATSU LTD
Form 20-F/A
July 19, 2007
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F/A
Amendment No. 1

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2007

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

COMMISSION FILE NUMBER: 1-7239

KABUSHIKI KAISHA KOMATSU SEISAKUSHO

(Exact name of registrant as specified in its charter)

KOMATSU LTD.

(Translation of registrant's name into English)

JAPAN

(Jurisdiction of incorporation or organization)

2-3-6 Akasaka, Minato-ku, Tokyo 107-8414, Japan

(Address of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	N/A

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

Common Stock*

*4,108,564 American Depositary Shares evidenced by American Depositary Receipts, each American Depositary Share representing 4 shares of Common Stock of Komatsu.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

994,368,068 shares (excluding 4,375,992 shares of Treasury Stock)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Edgar Filing: KOMATSU LTD - Form 20-F/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes , No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which financial statement item the registrant has elected to follow. Item 17 , Item 18 .

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes , No

Table of Contents

In this document, Komatsu Ltd. is hereinafter referred to as the Company, and together with its consolidated subsidiaries, as Komatsu.

Cautionary Statement with respect to forward-looking statements:

This Annual Report contains forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results and business strategies. These statements can be identified by the use of terms such as will, believes, should, projects, plans, expects and similar terms and expressions that identify events or expectations. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured. Any forward-looking statements speak only as of the date of this Annual Report, and the Company assumes no duty to update such statements.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for Komatsu's principal products, owing to changes in the economic conditions in Komatsu's principal markets; changes in exchange rates or the impact of increased competition; unanticipated costs or delays encountered in achieving Komatsu's objectives with respect to globalized product sourcing and new information technology tools; uncertainties as to the results of Komatsu's research and development efforts and its ability to access and protect certain intellectual property rights; the impact of regulatory changes and accounting principles and practices; and the introduction, success and timing of business initiatives and strategies.

Table of Contents

Table of Contents

<u>EXPLANATORY NOTE</u>	1
Item 18. <u>FINANCIAL STATEMENTS</u>	2
Item 19. <u>EXHIBITS</u>	3

Table of Contents

EXPLANATORY NOTE

This Amendment No. 1 to the Annual Report on Form 20-F for the fiscal year ended March 31, 2007 of Komatsu Ltd. is filed to amend the original Annual Report on Form 20-F for the fiscal year ended March 31, 2007 filed on July 5, 2007 for the purpose of correcting the Reports of Independent Registered Public Accounting Firm, which are set forth on pages F-2 and F-3.

Table of Contents

Item 18. Financial Statements

See Consolidated Financial Statements which are filed as part of this Amendment No. 1 to Annual Report on Form 20-F.

Table of Contents

Item 19. Exhibits

- 12 a. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of CEO of the Company
- 12 b. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of CFO of the Company
- 13 a. Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of CEO of the Company
- 13 b. Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of CFO of the Company

Table of Contents

SIGNATURES

The registrant hereby certifies that it meets all of its requirements for filing on Form 20-F as amended by this Form 20-F/A (Amendment No. 1) and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to the Annual Report on Form 20-F on its behalf.

KOMATSU LTD.

Date: July 19, 2007

By: /s/ KENJI KINOSHITA
Name: Kenji Kinoshita
Position: Director, Senior Executive Officer and
Chief Financial Officer

Table of Contents

KOMATSU LTD. AND CONSOLIDATED SUBSIDIARIES

INDEX TO

CONSOLIDATED FINANCIAL STATEMENTS

<u>Reports of Independent Registered Public Accounting Firm</u>	F-2 and F-3
<u>Consolidated Balance Sheets as of March 31, 2007 and 2006</u>	F-4 and F-5
<u>Consolidated Statements of Income for the Years Ended March 31, 2007, 2006 and 2005</u>	F-6
<u>Consolidated Statements of Shareholders' Equity for the Years Ended March 31, 2007, 2006 and 2005</u>	F-7
<u>Consolidated Statements of Cash Flows for the Years Ended March 31, 2007, 2006 and 2005</u>	F-8
<u>Notes to Consolidated Financial Statements</u>	F-9 to F-41

F-1

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Komatsu Ltd.:

We have audited the accompanying consolidated balance sheets of Komatsu Ltd. and subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended March 31, 2007, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Komatsu Ltd. and subsidiaries as of March 31, 2007 and 2006, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2007, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 29, 2007 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

The accompanying consolidated financial statements as of and for the year ended March 31, 2007 have been translated into United States dollars solely for convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements, expressed in yen, have been translated into dollars on the basis set forth in Note 1 to the consolidated financial statements.

/s/ KPMG AZSA & Co.

Tokyo, Japan

June 29, 2007

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Komatsu Ltd.:

We have audited management's assessment, included in the Management's Report on Internal Control over Financial Reporting, which appears in Item 15, that Komatsu Ltd. and subsidiaries maintained effective internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Komatsu Ltd. and subsidiaries maintained effective internal control over financial reporting as of March 31, 2007, is fairly stated, in all material respects, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, Komatsu Ltd. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Komatsu Ltd. and subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, shareholders equity and cash flows for each of the years in the three-year period ended March 31, 2007, expressed in Japanese yen, and our report dated June 29, 2007 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG AZSA & Co.

Tokyo, Japan

June 29, 2007

F-3

Table of ContentsConsolidated Balance Sheets

Komatsu Ltd. and Consolidated Subsidiaries

March 31, 2007 and 2006

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	2006	2007
Current assets			
Cash and cash equivalents (Note 10)	¥ 92,199	¥ 69,997	\$ 781,347
Time deposits	54	54	458
Trade notes and accounts receivable, less allowance for doubtful receivables of ¥11,808 million (\$100,068 thousand) in 2007 and ¥11,786 million in 2006 (Notes 1, 5 and 25)	478,063	397,998	4,051,381
Inventories (Notes 1 and 6)	437,894	370,074	3,710,966
Assets held for sale (Note 4)	16,321		138,314
Deferred income taxes and other current assets (Notes 1, 7, 16, 20, 21, 23 and 25)	119,214	109,778	1,010,288
Total current assets	1,143,745	947,901	9,692,754
Long-term trade receivables (Note 5)	73,669	72,844	624,314
Investments			
Investments in and advances to affiliated companies (Notes 1 and 8)	36,688	21,726	310,915
Investment securities (Notes 1, 7 and 21)	108,173	94,744	916,720
Other	10,285	9,047	87,162
Total investments	155,146	125,517	1,314,797
Property, plant and equipment less accumulated depreciation (Notes 1, 9, 10 and 17)	388,393	400,667	3,291,466
Goodwill (Notes 1 and 11)	20,594	22,000	174,525
Other intangible assets (Notes 1 and 11)	25,243	25,418	213,924
Deferred income taxes and other assets (Notes 1, 16, 20, 21 and 25)	37,192	57,778	315,186
	¥ 1,843,982	¥ 1,652,125	\$ 15,626,966

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

Table of Contents

Liabilities and Shareholders Equity	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	2006	2007
Current liabilities			
Short-term debt (Note 12)	¥ 102,248	¥ 98,130	\$ 866,508
Current maturities of long-term debt (Notes 10, 12, 17 and 21)	72,486	84,580	614,288
Trade notes and accounts payable	365,065	304,776	3,093,771
Income taxes payable (Note 16)	54,933	37,004	465,534
Liabilities held for sale (Note 4)	7,919		67,110
Deferred income taxes and other current liabilities (Notes 1, 16, 20 and 21)	182,529	164,353	1,546,857
Total current liabilities	785,180	688,843	6,654,068
Long-term liabilities			
Long-term debt (Notes 10, 12, 17 and 21)	174,340	195,203	1,477,458
Liability for pension and retirement benefits (Notes 1 and 13)	37,783	45,148	320,195
Deferred income taxes and other liabilities (Notes 1, 16, 20 and 21)	50,188	52,065	425,322
Total long-term liabilities	262,311	292,416	2,222,975
Minority interests	19,774	47,869	167,576
Commitments and contingent liabilities (Note 19)			
Shareholders equity (Notes 1 and 14)			
Common stock:			
Authorized 3,955,000,000 shares in 2007 and 2006			
Issued 998,744,060 shares in 2007 and 2006			
Outstanding 993,786,759 shares in 2007 and 993,645,492 shares in 2006	67,870	67,870	575,169
Capital surplus	137,155	136,137	1,162,331
Retained earnings:			
Appropriated for legal reserve	24,267	23,416	205,653
Unappropriated	517,450	376,522	4,385,169
Accumulated other comprehensive income (loss) (Notes 1, 7, 13 and 15)	33,501	23,095	283,907
Treasury stock at cost, 4,957,301 shares in 2007 and 5,098,568 shares in 2006 (Note 14)	(3,526)	(4,043)	(29,882)
Total shareholders equity	776,717	622,997	6,582,347
	¥ 1,843,982	¥ 1,652,125	\$ 15,626,966

Table of ContentsConsolidated Statements of Income

Komatsu Ltd. and Consolidated Subsidiaries

Years ended March 31, 2007, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars	
	2006	2005	(Note 1)	
	2007	(Note 1)	(Note 1)	2007
Net sales (Notes 1 and 8)	¥ 1,893,343	¥ 1,612,140	¥ 1,356,071	\$ 16,045,280
Cost of sales (Notes 17 and 24)	1,356,511	1,185,240	1,009,859	11,495,856
Selling, general and administrative expenses (Notes 17 and 24)	287,086	262,399	252,011	2,432,933
Impairment loss on long-lived assets held for use (Note 1)	81	4,791	4,200	686
Impairment loss on goodwill (Note 1 and 11)		3,041		
Other operating income (expenses) (Note 24)	(4,924)	6,759	5,861	(41,729)
Operating income	244,741	163,428	95,862	2,074,076
Other income (expenses) (Note 24)	(8,250)	(7,649)	(3,993)	(69,915)
Interest and dividend income	8,532	6,824	5,138	72,305
Interest expense	(15,485)	(12,208)	(10,611)	(131,229)
Other net	(1,297)	(2,265)	1,480	(10,991)
Income from continuing operations before income taxes, minority interests and equity in earnings of affiliated companies	236,491	155,779	91,869	2,004,161
Income taxes (Notes 1 and 16)				
Current	76,102	45,751	16,056	644,932
Deferred	3,643	(1,781)	18,229	30,873
Total	79,745	43,970	34,285	675,805