

## CSR DIGEST | 2013



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### Editorial Policy

- The “CSR Digest 2013” is an abridged report of our initiatives relating to three CSR themes, and is based on the “Komatsu Report 2013”.
- In each theme, we presented the main initiatives or a representative activity.
- “Komatsu Report” and this “CSR Digest” can be viewed in PDF format on our website. Our website also provides: (1) general information, such as policies and general rules, (2) information on ongoing activities and initiatives, and (3) a comprehensive disclosure of details and related information.  
(Komatsu CSR on Web <http://www.komatsu.com/CompanyInfo/csr>)
- This report principally covers data for the period from April 2012 to the end of March 2013, with some information from after April 2013.
- Subsequent Reporting Schedule : Expected July 2014

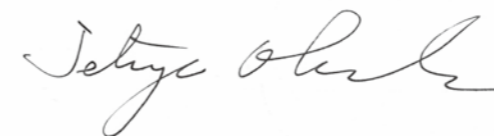
## Message from Top Management

# Committed to Work for Society through Core Businesses

By providing our products and service, for example, construction equipment to develop cities, mining equipment to obtain commodities, and forest machines needed to produce lumber and pulp, we are helping people improve their lives around the world. In the course of our business operation, we foster the growth of local people with maintenance skills for our machines, thereby contributing to the vitalization of local human resources and communities. Therefore, I believe our business on a global scale itself represents CSR efforts.

Under the growth strategies based on innovation in the new mid-range management plan, we are going to facilitate the development and market introduction of products which feature leading-edge ICT advantages, such as Machine Control/Guidance construction equipment designed to streamline and eventually automate construction jobsites, Autonomous Haulage System which contributes to improved safety and yields, and fleet control systems for forest machines. Through these efforts, we are determined to change our customers' jobsites together with them and create new values through innovation. I feel this is also our big responsibility.

When engaging in these businesses, we must make the utmost emphasis on safety as a manufacturer. Safety is a CSR by itself, and is also our commitment to ourselves, families and all colleagues around us. Furthermore, compliance is our commitment to local communities, and quality is our commitment to customers. Without these three commitments, I believe no company can exist. I would like to manage Komatsu for sustainable growth, as we make progress in business while fulfilling these responsibilities.



Tetsuji Ohashi  
President and CEO



We support the  
Global Compact Initiative.

WE SUPPORT

# Our Approach to CSR



## CSR Theme Formulation Process

### Selecting CSR Priorities

In FY 2010, Komatsu formulated CSR themes with the help of BSR (Business for Social Responsibility), a US-based NPO.

The first step of the process was to select key CSR priorities that would allow us to contribute through our core business. CSR issues relevant to Komatsu's business were selected from a large number of social issues focusing on those that are important to both to our business and to our stakeholders.

#### Our CSR Priorities

Products, Services, and Customers	Environment
Products that enhance safety	Environmentally-friendly products
Responsible marketing and customer care	Environmental efficiency (facilities, such as plants, and job sites)
	Remanufacturing
Employees	Human Rights
Human resource development	Respecting human rights
Safety and health	Equal employment
Respecting employees	
Ethics and Governance	Local Community
Cooperation with stakeholders	Development of local communities
Corporate governance and compliance	Disaster relief
Compliance with social norms of business partners	Improving local residents' quality of life

### Komatsu's CSR Themes and Key Business Activities

After discussions internally and with BSR regarding CSR priorities, we defined three CSR themes that could be shared on a global level. Based on the current Mid-Range Management Plan, key CSR activities relating to the CSR themes were also identified.

#### Our CSR Themes and Key Business Activities

##### 1. Enhancing Quality of Life – Providing products required by society –

- Providing products and services that contribute to infrastructure development and improve quality of life
- Improving productivity, safety, and efficiency and enhancing energy conservation through the use of Information and Communication Technology (ICT)
- Improving environmental efficiency at operation sites and facilities, such as plants
- Reducing our impact on the environment throughout the product life cycle
- Enhancing safety for society, customers, employees, and business partners

##### 2. Developing People

- Contributing to human resource development in local communities
- Enhancing our employees and suppliers through The KOMATSU Way
- Enhancing our employees and distributors through "Brand Management"

##### 3. Growing with Society

- Engaging in dialogue with our stakeholders
- Providing social contributions through the use of our core technologies and resources (e.g., disaster relief or activities to remove anti-personnel land mines)
- Contributing to local communities where we do business
- Strengthening our corporate governance and compliance
- Promoting compliance with environmental, labor, and social norms within our group and among business partners

## Organization Related to CSR

We have structured our organization to ensure that CSR is integral to how we conduct our daily business throughout our entire operations. Our CSR organization reports to the president and CEO of Komatsu. In

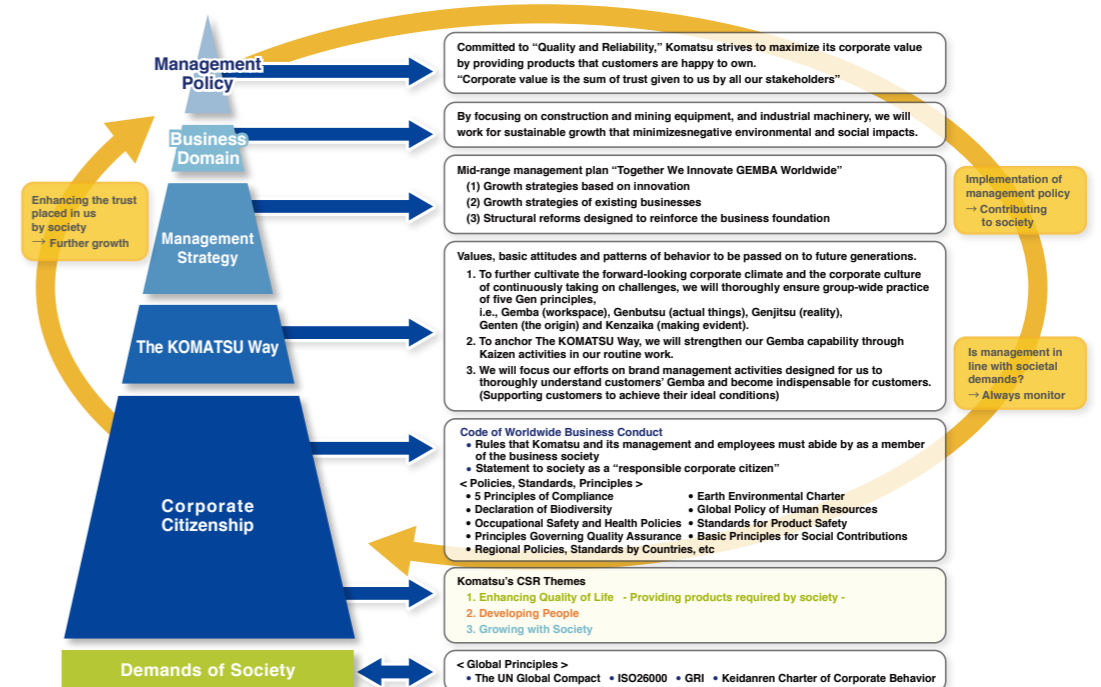
addition, our CSR Department, with the support of the CSR Committee that includes senior leaders from across the company, plans and guides our day-to-day CSR activities.



## Incorporating CSR Into Management

Through dialogue with stakeholders both inside and outside the company, we will focus on our CSR themes and further develop these

themes and key activities. In this way we hope to enhance the trust placed in us by society as we pursue sustainable growth.



# Komatsu's CSR Themes, Key Activities and Examples of Concrete Initiatives

Examples of Komatsu's CSR themes and key activities and concrete examples of initiatives are summarized below. Activities, policies, etc. not included in the table below are introduced on the Komatsu CSR website.

CSR Themes and Key Business Activities	Examples of Concrete Initiatives
<b>1. Enhancing Quality of Life -Providing products required by society-</b>	
<ul style="list-style-type: none"> <li>• Providing products and services that contribute to infrastructure development and improve quality of life</li> <li>• Improving productivity, safety, and efficiency and enhancing energy conservation through the use of ICT</li> <li>• Improving environmental efficiency at operation sites and plants</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Construction Equipment of the next-generation utilizing ICT</b></li> <li>■ <b>Biodiesel Fuel (BDF) Project</b></li> <li>■ <b>Introducing environmentally-friendly products and services to the market</b> <ul style="list-style-type: none"> <li>• Line up of Tier4 machinery</li> <li>• New hydraulic drive forklift 'FH Series'</li> <li>• Developing the latest engine technology</li> <li>• Fiber laser cutting machine and miniature servo press</li> </ul> </li> <li>■ <b>Reducing the CO<sub>2</sub> emissions and effective utilization of resources in business units</b> <ul style="list-style-type: none"> <li>• Energy saving project (Realizing lower energy requirements, revamping production and alternative energy sources)</li> <li>• Expanding Komatsu's energy-saving activities to suppliers</li> <li>• 'Zero emissions' activities</li> <li>• Saving water resources</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>■ <b>Taking measures to maintain biodiversity at business units and facilities</b></li> </ul>
	<ul style="list-style-type: none"> <li>• Reducing environmental impact throughout the product life cycle</li> </ul>
<ul style="list-style-type: none"> <li>• Enhancing safety for customers, society, employees, and business partners</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Increasing the safety of products, services, and workplace</b> <ul style="list-style-type: none"> <li>• Enhancing Quality and Reliability</li> <li>• Holding training sessions for customers</li> <li>• Pursuing initiatives that deal with occupational health and safety at the workplace</li> </ul> </li> </ul>
<b>2. Developing People</b>	
<ul style="list-style-type: none"> <li>• Contributing to human resource development in local communities</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Developing human resources related to acquiring skills for servicing construction equipment</b> <ul style="list-style-type: none"> <li>• Developing human resources in Africa, China and Myanmar</li> </ul> </li> <li>■ <b>Cultivating the Next Generation</b> <ul style="list-style-type: none"> <li>• Social Contribution Efforts in Germany, Japan and Sweden</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Enhancing our employees and suppliers through The KOMATSU Way</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>The KOMATSU Way and human resource development</b></li> </ul>
<ul style="list-style-type: none"> <li>• Enhancing our employees and distributors through "Brand Management"</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Brand Management initiatives</b></li> </ul>
<b>3. Growing with Society</b>	
<ul style="list-style-type: none"> <li>• Engaging in dialogues with our stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Communicating with stakeholders</b> <ul style="list-style-type: none"> <li>• Dialogue with stakeholders</li> <li>• Communicating with shareholders, local society and employees.</li> <li>• Communicating with business partners in the supply chain</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Providing social contributions through the use of our core technologies and resources</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Disaster relief reconstruction after the Tohoku earthquake and tsunami</b></li> <li>■ <b>Project for Creating Safe Villages</b></li> </ul>
<ul style="list-style-type: none"> <li>• Contributing to local communities where we do business</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Global social contribution programs tailored to the needs of each region</b> <ul style="list-style-type: none"> <li>• Cultivating the Next Generation in Germany, Japan and Sweden</li> <li>• Supporting the Flower Association of Japan and Promoting Sports</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Strengthening corporate governance and compliance</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Ensuring compliance by top management and all employees</b> <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Promoting Compliance</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Promoting compliance with environmental, labor, and social norms within our group and among business partners</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Initiatives that address CSR Procurement</b> <ul style="list-style-type: none"> <li>• Establishing CSR procurement guidelines and bringing awareness to business partners</li> <li>• Pursuing environmental initiatives jointly with business partners</li> </ul> </li> </ul>

# Comparative Tables with Global Principles

We believe that a corporation must continuously check whether its business activities are aligned with the demands of society.

We bolster our CSR review cycle by adhering to regional, national, and international guidelines and principles, such as those provided by the UN Global Compact and the International Organization for Standardization (ISO).

around the world, Komatsu is a signatory to the UN Global Compact.

We and our business partners will act through our supply chain in consideration of this voluntary code of conduct.

Each principle of GC is cross-referenced to Komatsu's internal guidelines as following table.



The UN Global Compact is a voluntary code of conduct in the four areas of human rights, labor, environment, and anti-corruption promoted by the United Nations for adoption by companies.

## Relationship of Komatsu's CSR activities with the Principles of the Global Compact

Recognizing our responsibility as a company with business involving

### Human Rights

The United Nations Global Compact The Ten Principles		Komatsu's Internal Guidelines
Principle One	Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> <li>■ <b>Global Policy on Human Resources Management (Komatsu's Worldwide Code of Business Conduct 5(A))</b> <ul style="list-style-type: none"> <li>• Respect each employee's fundamental human rights</li> <li>• Achieve a balance between work and personal life</li> </ul> </li> <li>■ <b>What we would like to ask our business partners in the supply chain (Komatsu Group CSR Procurement Guidelines (5))</b> <ul style="list-style-type: none"> <li>• Respect human rights</li> </ul> </li> </ul>
Principle Two	Businesses should make sure they are not complicit in human rights abuses.	

### Labour

The United Nations Global Compact The Ten Principles		Komatsu's Internal Guidelines
Principle Three	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> <li>■ <b>Global Global Policy on Human Resources Management (Komatsu's Worldwide Code of Business Conduct 5(A))</b> <ul style="list-style-type: none"> <li>• Conversations or discussions with employees or their representatives</li> <li>• Shall not tolerate child labor or forced labor</li> <li>• Promote equal opportunities for employment and eliminate discrimination/harassment in the workplace</li> </ul> </li> <li>■ <b>Occupational Safety and Health Policies (Komatsu's Worldwide Code of Business Conduct 5(B))</b> <ul style="list-style-type: none"> <li>• Realize a safe and comfortable work environment</li> </ul> </li> <li>■ <b>What we would like to ask our business partners in the supply chain (Komatsu Group CSR Procurement Guidelines (5))</b> <ul style="list-style-type: none"> <li>• Never get involved in any child or forced labor</li> <li>• Create a work environment where there is no discrimination or harassment</li> <li>• Build up an occupational safety and health operational structure</li> <li>• Establish a fair and just personnel system</li> </ul> </li> </ul>
Principle Four	Businesses should eliminate all forms of forced and compulsory labour;	
Principle Five	Businesses should eliminate the effective abolition of child labour; and	
Principle Six	Businesses should eliminate discrimination in respect of employment and occupation.	

### Environment

The United Nations Global Compact The Ten Principles		Komatsu's Internal Guidelines
Principle Seven	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> <li>■ <b>Management Principles (Komatsu's Worldwide Code of Business Conduct 1)</b> <ul style="list-style-type: none"> <li>• Provide products, services and systems that are environment-friendly, safe and innovative</li> </ul> </li> <li>■ <b>Environment Protection (Komatsu's Worldwide Code of Business Conduct 6)</b></li> <li>■ <b>Komatsu Earth Environmental Charter</b> <ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Establishment of a Sound Material-Cycle Society</li> <li>• Conservation of Air, Water and Other Environments as well as Management of Chemical Substances</li> <li>• Biodiversity</li> <li>• Framework of Global, Group-wide Environmental Management System</li> <li>• Environmental Education and Communication</li> </ul> </li> <li>■ <b>Declaration of Biodiversity by Komatsu</b></li> <li>■ <b>What we would like to ask our business partners in the supply chain (Komatsu Group CSR Procurement Guidelines (4))</b> <ul style="list-style-type: none"> <li>• Reduce environmental impact, manage chemical substances and build up environmental management systems</li> </ul> </li> </ul>
Principle Eight	Businesses should undertake initiatives to promote greater environmental responsibility; and	
Principle Nine	Businesses should encourage the development and diffusion of environmentally friendly technologies.	

## Our Approach to CSR

### ■ Anti-Corruption

The United Nations Global Compact The Ten Principles		Komatsu's Internal Guidelines
Principle Ten	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>■ <b>Free and Fair Trade (Komatsu's Worldwide Code of Business Conduct 4)</b> <ul style="list-style-type: none"> <li>• Fair Competition</li> <li>• Refrain from following the custom when there is conflict</li> <li>• Appropriate Sociality</li> <li>• Fair and proper relationship with governmental agencies</li> </ul> </li> <li>■ <b>What we would like to ask our business partners in the supply chain (Komatsu Group CSR Procurement Guidelines (6))</b> <ul style="list-style-type: none"> <li>• Engage in free and fair competition and business transactions</li> <li>• Never accept inappropriate cash, gifts or other favors</li> </ul> </li> </ul>

### Relationship of Komatsu's CSR Priorities with ISO26000

Komatsu undertook a materiality assessment with the support of Business for Social Responsibility (BSR), a nonprofit organization.

We identified a set of CSR issues and prioritize these CSR issues by their relevance to our business and their importance to our stakeholders.

Komatsu's CSR priorities are cross-referenced to ISO26000 core subjects/issues as following table.

### ■ Organizational Governance

ISO26000 Issues	Komatsu's CSR Priorities
Organizational Governance	<ul style="list-style-type: none"> <li>• Cooperation with stakeholders</li> <li>• Corporate Governance</li> <li>• Compliance</li> <li>• Compliance with social norms including business partners</li> </ul>

### ■ Human Rights

ISO26000 Issues	Komatsu's CSR Priorities
<ol style="list-style-type: none"> <li>1. Due diligence</li> <li>2. Human rights risk situations</li> <li>3. Avoidance of complicity</li> <li>4. Resolving grievances</li> <li>5. Discrimination and vulnerable groups</li> <li>6. Civil and political rights</li> <li>7. Economic, social and cultural rights</li> <li>8. Fundamental principles and rights at work</li> </ol>	<ul style="list-style-type: none"> <li>• Respecting human rights</li> <li>• Compliance with social norms including business partners</li> <li>• Development of local communities</li> <li>• Disaster relief</li> <li>• Improving local residents' quality of life</li> </ul>

### ■ Labour Practices

ISO26000 Issues	Komatsu's CSR Priorities
<ol style="list-style-type: none"> <li>1. Employment and employment relationships</li> <li>2. Conditions of work and social protection</li> <li>3. Social dialogue</li> <li>4. Health and safety at work</li> <li>5. Human development and training in the workplace</li> </ol>	<ul style="list-style-type: none"> <li>• Equal employment</li> <li>• Safety and health</li> <li>• Human resource development</li> <li>• Compliance with social norms including business partners</li> </ul>

### ■ The Environment

ISO26000 Issues	Komatsu's CSR Priorities
<ol style="list-style-type: none"> <li>1. Prevention of pollution</li> <li>2. Sustainable resource use</li> <li>3. Climate change mitigation and adaptation</li> <li>4. Protection of the environment, biodiversity and restoration of natural habitats</li> </ol>	<ul style="list-style-type: none"> <li>• Environmental-friendly products</li> <li>• Environmental efficiency (facilities, such as plants, and operation sites)</li> <li>• Remanufacturing</li> </ul>

## Our Approach to CSR

### ■ Fair Operating Practices

ISO26000 Issues	Komatsu's CSR Priorities
<ol style="list-style-type: none"> <li>1. Anti-corruption</li> <li>2. Responsible political involvement</li> <li>3. Fair competition</li> <li>4. Promoting social responsibility in the value chain</li> <li>5. Respect for property rights</li> </ol>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Compliance</li> <li>• Compliance with social norms including business partners</li> </ul>

### ■ Consumer Issues

ISO26000 Issues	Komatsu's CSR Priorities
<ol style="list-style-type: none"> <li>1. Fair marketing, factual and unbiased information and fair contractual practices</li> <li>2. Protecting consumers' health and safety</li> <li>3. Sustainable consumption</li> <li>4. Consumer service, support, and complaint and dispute resolution</li> <li>5. Consumer data protection and privacy</li> <li>6. Access to essential services</li> <li>7. Education and awareness</li> </ol>	<ul style="list-style-type: none"> <li>• Products that enhance safety</li> <li>• Responsible marketing and customer care</li> <li>• Environmental-friendly products</li> <li>• Remanufacturing</li> </ul>

### ■ Community Involvement and Development

ISO26000 Issues	Komatsu's CSR Priorities
<ol style="list-style-type: none"> <li>1. Community involvement</li> <li>2. Education and culture</li> <li>3. Employment creation and skills development</li> <li>4. Technology development and access</li> <li>5. Wealth and income creation</li> <li>6. Health</li> <li>7. Social investment</li> </ol>	<ul style="list-style-type: none"> <li>• Development of local communities</li> <li>• Disaster relief</li> <li>• Improving local residents' quality of life</li> <li>• Human resources development</li> </ul>

### Recent External Commendations and Evaluations

#### ■ Recent External Commendations and Evaluations on Komatsu's Environmental Conservation and Social Activities

2013	<b>January</b> <ul style="list-style-type: none"> <li>• Komatsu is ranked 19th among 438 companies in the 16th Corporate Environmental Management Ranking by Nikkei Inc.</li> </ul>
	<b>March</b> <ul style="list-style-type: none"> <li>• Komatsu is ranked 21st among 1,116 companies in the CSR Corporate Ranking by Toyo Keizai Inc.</li> <li>• Komatsu is ranked 5th among 616 companies in the Corporate Integrity and Transparency Assessment by Integrex Inc.</li> </ul>
2012	<b>January</b> <ul style="list-style-type: none"> <li>• Komatsu is ranked 38th among 449 companies in the 15th Corporate Environmental Management Ranking by Nikkei Inc.</li> <li>• Komatsu's "CSR &amp; Environmental Report 2011" receives the award of excellence at the 15th Green Reporting Awards, organized by the Green Reporting Forum and Toyo Keizai Inc.</li> <li>• Komatsu is ranked 19th among 1,117 companies in the CSR Corporate Ranking by Toyo Keizai Inc.</li> <li>• Komatsu is ranked 4th among 611 companies in the Corporate Integrity and Transparency Assessment by Integrex Inc.</li> </ul>
	<b>March</b> <ul style="list-style-type: none"> <li>• Komatsu Asia &amp; Pacific Pte Ltd. (KAP) is the Merit Winner of the Singapore Environment Achievement Award (Manufacturing)</li> </ul>
	<b>August</b> <ul style="list-style-type: none"> <li>• Komatsu is recognized by the Tokyo Stock Exchange as a Company Appropriately Responding to "ESG" issues"</li> </ul>
	<b>September</b> <ul style="list-style-type: none"> <li>• Komatsu is ranked 3rd among 1,020 companies according to the "NICES" company-rating system by Nikkei Inc.</li> </ul>
	<b>December</b> <ul style="list-style-type: none"> <li>• Komatsu is ranked 3rd among 1,020 companies according to the "NICES" company-rating system by Nikkei Inc.</li> </ul>

### Commendations from Socially Responsible Investing (SRI) Assessment Bodies (Globally)

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

Selected for inclusion in the Dow Jones Sustainability Indices (DJSI), SRI share price indexes developed by S&P Dow Jones Indices (U.S.) and Robeco SAM (Switzerland)

MS-SRI | モーニングスター社会的責任投資評価指数  
Morningstar Socially Responsible Investment Index

Selected for inclusion in the listing of SRI issues developed by Morningstar (Japan)

Corporate Responsibility  
rated by  
oekom | re | se | ar | ch

Rated as "Prime" among 35 machinery companies in 2012 social responsibility ratings by Oekom, a Germany-based independent CSR assessment company.



We support THE GLOBAL COMPACT

# Enhancing Quality of Life

—Providing products required by society—

## Key Activities

- Providing products and services that contribute to infrastructure development and improve quality of life
- Improving productivity, safety, and efficiency and enhancing energy conservation through the use of information and communication technology (ICT)
- Improving environmental efficiency at operation sites and plants
- Reducing environmental impact throughout the product life cycle
- Enhancing safety among society, customers, employees, and business partners



## Working for Society through Core Businesses

### Contributing to Infrastructure Development and Improving Quality of Life

Komatsu products, such as construction equipment and mining equipment, help build nations and develop comfortable living environments around the world. Construction equipment helps implement the infrastructure for people's livelihoods, through the building of roads and commercial facilities, and the construction of harbors and embankments.

Komatsu products are also prominent in forestry, helping to produce pulp and lumber, and in mines that produce resources, such as metal ore and coal.

#### Civil Engineering and Construction



#### Forestry



#### Mines



### Business Development Focusing on "Environment, Safety and ICT"

Komatsu focuses on "Environment, Safety and ICT" when providing those products and services above, striving to become a necessary presence for our customers by fulfilling their needs. We are committed to our mission of helping people around the world to enhance their quality of life. Initiatives that reflect this mission are given below, as examples of how we are meeting the needs of our civil engineering and construction customers.

### Enhancing Quality of Life through Civil Engineering and Construction Business

#### Komatsu's Initiatives

- Provide high-quality construction equipment
- Provide equipment maintenance with out interrupting machine operation
- Provide eco-friendly equipment
- Provide highly functional construction solutions



Provide optimum service through a remote vehicle management system (KOMTRAX)

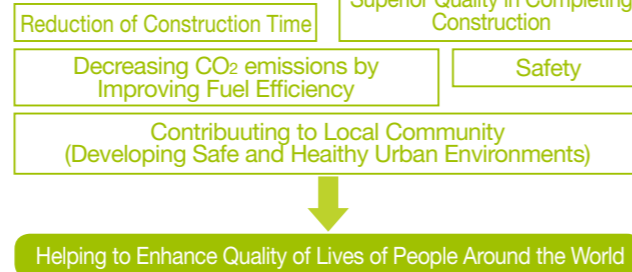


Hybrid excavator that have 25% higher efficiency than conventional vehicles



Automation of equipment using high performance GPS

#### Solutions to Societal Issues



Komatsu provides products and services that are needed by our customers and by society. The theme "Enhancing Quality of Life," while at the same time taking the environment and safety into account.

## Enhancing Quality of Life —Providing products required by society—

# Improving Productivity, Safety and Efficiency through the Use of ICT

### The world's first Machine Control dozer with fully automatic blade control

In April 2013, we unveiled the world's first Machine Control dozer with fully automatic blade control, D61PXI-23, at the Bauma 2013 International Trade Fair in Germany.

The built-in 3D automatic blade control of the dozer receives real-time information of the blade position from the GNSS\* and controls the blade according to 3D CAD construction data with the coordinates computed from design drawings. Therefore, the operator just needs to move the dozer toward the work target displayed on the monitor panel. The rest of his/her work is done by the dozer itself, automatically and seamlessly, from rough dozing to finish grading, as if it were operated by a veteran operator.

Thanks to the revolutionary, ongoing advancement of ICT and GNSS technology, our industrial pace-setting dozer also enables our customers to manage their jobsite conditions, such as work progress, as it is equipped with the survey function for earthmoving work. As our customers and we share our respective areas of expertise to "visualize" their jobsite operations based on data transmitted from our Machine Control construction equipment, we believe that in the near future we will be able to innovate and realize ideal jobsite operations, which feature unprecedented safety, productivity and efficiency.



•• ICT-intensive Bulldozer D61PXI-23

\* GNSS: Global Navigation Satellite System is a general term for navigation systems, which are developed by different countries, e.g., GPS by the United States and GLONASS by Russian Republic.

### Hydraulic Drive Forklift -Environmental-Friendly and Easy to Operate

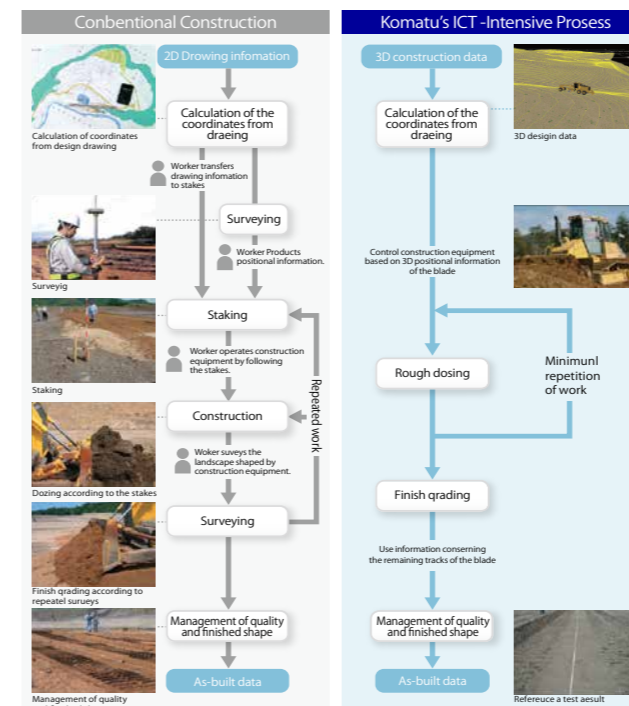
The new forklift models FH40-1, FH45-1, and FH50-1 announced in July 2012 are more environmental-friendly and easy to operate. Komatsu has received 200 orders for these models as of March 2013. The electronically controlled Hydro-Static Transmission (HST, hydraulics powered transmission) technology, developed by Komatsu achieves unprecedented fuel efficiency by reducing fuel consumption by up to 30% compared to our previous models. The new forklift models are equipped for the first time with KOMTRAX, a remote equipment and fleet monitoring system, to support our customers fleet management operations. Trial units are currently being tested abroad in the United States, CIS, and Indonesia, with great feedback on their low fuel consumption.

In February 2013, Komatsu was awarded the Japan Machinery Federation Chairman Award given in recognition for the development or application of industrial machinery with significant energy conservation effects.



•• Hydraulic Drive Forklift FH50-1

### Process of Komatsu's ICT-Intensive Construction



Pursuing Environmental Management

# Komatsu's Relationship with the Environment

Komatsu promotes environmentally-friendly activities throughout the entire Group to realize its vision of "What Komatsu Can Do and What It Must Do" for the environment and sustainable development.

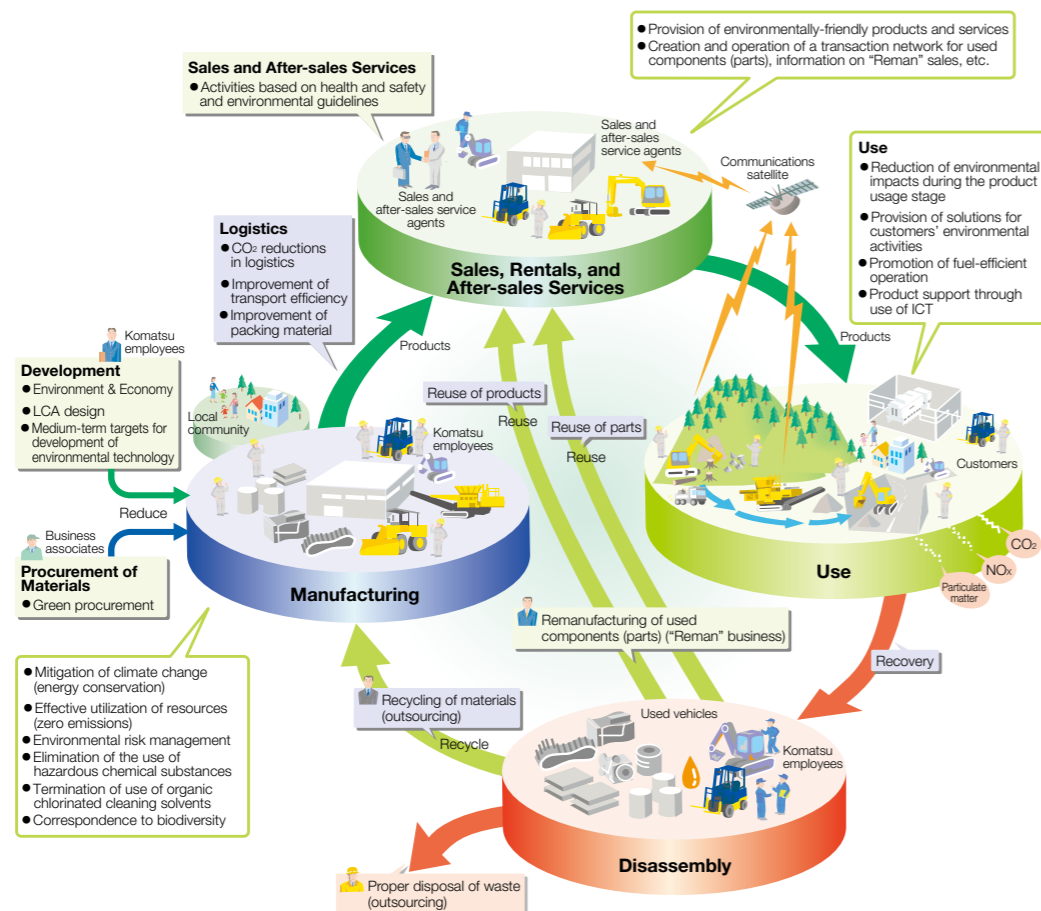
In recognition of the fact that our business activities affect the environment on a regional and global level, we, at Komatsu, have placed the focus on the following four key areas:

- 1) Climate Change
- 2) Establishment of a Sound Material-Cycle Society
- 3) Conservation of Air, Water and Other Natural Resources as well as Management of Chemical Substances
- 4) Biodiversity

In line with the Komatsu Earth Environment Charter revised in 2010, the Komatsu Group embarks on global initiatives across business areas guided by the fundamental principles of

- (1) Contributions to Realization of Sustainable Society,
- (2) Simultaneous Realization of Environmental and Economic Performance, and
- (3) Observance of Corporate Social Responsibility.

## Relationship of the Komatsu Group's Business Activities with the Environment



Pursuing Environmental Management

# Komatsu Earth Environment Charter

## Corporate Principles

### 1. Contributions to Realization of Sustainable Society

Mankind must not only promote the further growth of a rich and comfortable society but also pass down this indispensable environment of our planet earth to future generations in a sound and healthy condition.

We, at the Komatsu Group, define environmental conservation efforts as one of the highest priority management tasks, and endeavor to contribute to the sustainable growth of society by integrating advanced technologies into environmental conservation efforts in all our business activities. This is represented by our hybrid construction equipment which features a substantial reduction of CO<sub>2</sub> emissions while in operation and by our superior manufacturing.

### 2. Simultaneous Realization of Environmental and Economic Performance

We are committed to improving both environmental performance and economic efficiency, as a group of companies working toward superior manufacturing for customer satisfaction. To this end, we constantly take up the challenge of advancing technologies to develop creative products that improve both environmental performance throughout the product's life cycle and the product's economic performance at the same time.

### 3. Observance of Corporate Social Responsibility

Each company of the Komatsu Group promotes environmental conservation by not only complying with the applicable laws and regulations of the concerned host community, region and country but also by establishing its voluntary standards which consider global and local environmental concerns. Each company of the Group also strives to fulfill its corporate social responsibility by actively participating in local environmental conservation programs and thereby promoting close-knit communication with local communities, while striving to become a company trusted by all Komatsu stakeholders.

## Guidelines for Corporate Activity

### 1. Basic Stances on Earth Environmental Problems

We, at the Komatsu Group, work for sustainable society and earth environment through our global business operations by addressing the following four environmental problems with the stances discussed below.

#### 1) Climate Change

We will reduce the use of energy and emissions of greenhouse gas in all phases of our business activities ranging from research and development, procurement, production and logistics to sales and service as well as in the total life cycle of our products and services.

#### 2) Establishment of a Sound Material-Cycle Society

Through our business processes, we work to minimize the use of

natural resources, such as materials and water, promote their re-use or recycle them as much as possible, and expand Zero Emissions from our manufacturing activities around the world. At the same time we ensure the thorough management of waste materials in all our business domains, including our suppliers and distributors. We also continuously work to increase the recyclability rate of products at the time of disposal.

### 3) Conservation of Air, Water and Other Environments as well as Management of Chemical Substances

We comply with not only local laws and regulations but also with our established standards concerning the conservation of water quality, prevention of air pollution, noise and vibrations.

As much as possible, we also ensure the thorough management of chemical substances for use in our business activities, while continuously reducing the use of potentially harmful chemical substances or replacing them with alternative substances for discontinuation of their use.

### 4) Biodiversity

We recognize biodiversity as one of the important issues concerning the earth environment, evaluate, understand and analyze impact on it in all our business domains, and work on our tasks according to the criteria of the highest impact and/or the most effective actions.

## 2. Framework of Global, Group-wide Environmental Management System

The Komatsu Head Office, as well as the manufacturing facilities and main companies of the Komatsu Group, already with ISO certifications, will work to maintain and improve their environmental management system, while other manufacturing facilities and suppliers will also work to establish their environmental management systems and reduce their environmental impact.

The Komatsu Environmental Committee develops environmental action plans and common guidelines for the Komatsu Group. Based on these Group-wide plans and guidelines, each division or company sets up its own mid- to long-term targets, develops and implements specific action plans, reviews them regularly and works to continuously improve them.

## 3. Environmental Education and Communication

We believe that it is important to enhance the environmental awareness of each and every employee and thereby actively promote environmental awareness and education programs for all employees.

We will gather environment-related information concerning not only our manufacturing facilities but also other related entities, such as major affiliated companies and suppliers, and strive to disclose such information, thereby facilitating proactive communication with all our stakeholders, such as customers, employees, local communities and suppliers and further expanding the content of environmental communication.

Mitigating Climate Change

# Halving Electricity Usage Project

## Power-Saving Activities

Komatsu has continuously pursued both productivity improvements and energy-saving activities.

After experiencing electric power shortages in the service areas of Tokyo Electric Power Co., Inc. and Tohoku Electric Power Co., Inc. several months after the Great East Japan Earthquake in 2011, it was anticipated that electric power shortages would occur in 2012 or later.

By detailed analysis of the use situation of electric power, it has discerned that it is possible to reduce 50% or more of electric power finally.

Our new goal is to cut summertime peak electric power needs by 50% compared to consumption levels in the summer of 2010. We plan to limit consumption to reduce the environmental impact.

## Approach to Power-Saving

The fundamental methods for power reduction that we will use are:

- (1) Control use of electricity to eliminate waste by realizing lower energy requirements,
- (2) Revamping production and
- (3) Use alternative energy sources

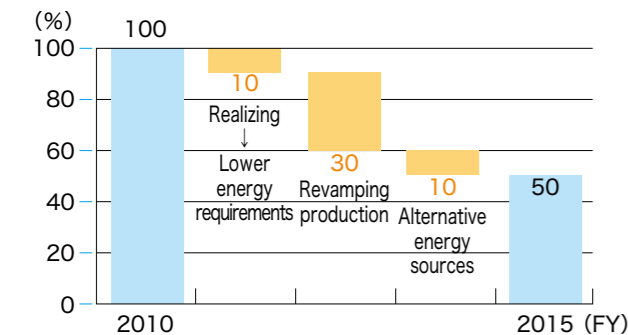
### (1) Reducing waste by realizing lower energy requirements

We construct a system that will automatically tracks power consumption by domestic Komatsu plants, and send this information to the head office, to be made available for company-wide viewing.

In addition we are working on making it possible to visualize in even more detail the power usage of each Komatsu building and facility.

Visualizing where power usage occurs will enable us to discover where power is being wasted, which facilities have poor energy efficiency, and the correlation between power usage and production activity. This will help us move ahead with our power-saving activities more effectively.

In addition, we are promoting our activities to visitors and conducting awareness campaigns to general staff through digital signage in places like the office lobby.



### (2) Production Reform

About 60% of Komatsu production plants' power consumption by processing parts.

Komatsu has several manufacturing processes including machine processing and welding. In each area we are working to reduce power usage by improving equipment, as well as by increasing efficiency in the manufacturing process.

### (3) Using alternative energy

Komatsu has installed solar panels on the rooftop of buildings to generate solar power.

We are also working on finding ways of taking advantage of renewable energy, such as using the stabilized temperature of groundwater to help with air conditioning.



●● Awazu Development Center

### New energy-saving buildings

While implementing power usage reduction activities company-wide, we found that if we incorporate energy-saving technology in structures being rebuilt, it would be possible to reduce power consumption by about 50% in places such as office buildings and assembly plants, where the primary power consumption is due to lighting and air conditioning. Because over 60% of Komatsu production buildings were built over 40 years ago, there have been cases where the narrow spacing between posts inhibits the construction of efficient production systems.

Therefore, we have decided to move forward with the integrated renewal of production buildings.

In addition to utilizing the latest energy-saving technologies, we are aiming for significant improvement in production efficiency by incorporating production reform (streamlining) and reducing power consumption by decreasing overall square footage of buildings.

Starting with construction on the Awazu Plant in 2013, we are expecting to invest 30-40 billion yen by 2020.

### Basic Ideas

- (1) Use the latest energy-saving technology to achieve 50% reduction in power usage
- (2) Increase efficiency by production reform, and reduce size of facilities by 30%
- (3) Construct new buildings that use natural energy (sunlight, groundwater, etc.) more effectively

# Enhanced Safety

Safety is one of the most important issues at Komatsu as we expand our business. In addition to enhancing the safety of our products and services, we also emphasize safety at customer sites and the workplaces of our employees and business partners.

## Enhanced Safety at Customer Sites

ICT, environment, and safety are very important considerations in Komatsu's product development. In addition to supplying products that provide superior safety performance, we also strive to prevent accidents and failures. We do this by making recommendations and holding lectures together with our distributors to ensure that the machinery at customer worksites is operated safely.

Content of Safety Workshops (based on case studies of construction equipment sales in Japan)

- Know-how in safety management and risk aversion
- Safety measures based on past experience
- Safe operation of different types of construction equipment.

### Initiatives for Business Partners

Please refer to "Together with Business Partners."

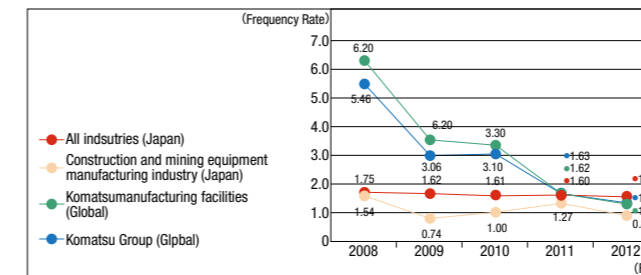
### Initiatives to Ensure the Health and Safety of Employees

Our company issues our president's message on occupational health and safety, and in April 2011, "Occupational Safety and Health Policies" were newly incorporated in Komatsu's Worldwide Code of Business Conduct. These policies will be promoted through joint activities by the company and its employees.

>> <http://www.komatsu.com/CompanyInfo/profile/conduct/#c05>

The Group will foster occupational safety, mainly through small "zero-accidents" activities held on a full participation basis. While continuing to upgrade safety-related education and training, the Group aims to support safety activities at Group companies around the globe. We will continue to strengthen our Group-wide health and safety system and also implement mental and physical healthcare management to promote employee health.

>> <http://www.komatsu.com/CompanyInfo/csr/2013/1-1.html>



1. The data for work hours at Komatsu Manufacturing Facilities production plants are based on data from 22 domestic and main overseas companies.  
2. The scope of KOMATSU Group includes KOMATSU production plants, Japan domestic dealers, of which for 2010 includes only construction machinery, then extended to include forklifts in 2011.

## Voice

### Under the Slogan "Full Participation," 1,200 Employees Strive for Zero Accidents

**Yuichi Matsumoto**  
General Manager, Safety & Environment, Administration Department, Komatsu Forklift Japan Ltd.



Komatsu Forklift Japan was established in October 2009 through the merger of nine Group forklift sales companies in Japan that had previously operated independently. At first, the new company experienced some tension over differing approaches and business cultures related to safety. These differences were ultimately overcome, and a company-wide system was established by 2012 to manage occupational safety and health under the following principles.

- [1] We will make safety our top priority.
- [2] We will deliver safety and security to continuously earn customer trust and loyalty.
- [3] We will fully comply with our rules. (pertaining to required safety equipment and protective gear and full adherence to operational standards)

Within this framework, we engage in the following activities under the slogan "full participation."

### 1. Occupational safety and health conventions where all employees participate

A convention is held nine times around the country so that all employees can hear about policies governing occupational safety and health activities from the president, reports on contingency planning case studies and lectures on safety and health. The objective of this convention is to raise employee awareness about occupational safety and health.

### 2. Sharing of "Hiyari-Hatto" (close call) incidents, training to anticipate potential dangers and simulations of dangerous situations

Morning safety assemblies and safety training sessions are conducted at each site under the supervision of regional safety promotion officers. The participants share local examples of "Hiyari-Hatto" incidents, are trained to anticipate potential dangers, and take part in simulations of dangerous situations aimed at preventing accidents.

### 3. Safety patrols to ensure thorough site improvements

The president periodically visits sites across the nation in an ongoing effort to improve safety and ensure that safety procedures and the 5Ss\* are being implemented at company sites as well as during forklift maintenance at customer sites.

As a result of these activities, we were able to reduce the number of accidents in FY2012 by 35% from the previous year.

We intend to draw the full participation of all employees so that efforts are continuously made every day to deliver safety and security and thereby continue earning the trust and loyalty of our customers.

\*Seiri (sorting), seiton (setting in order), seiso (systematic cleaning), seiketsu (standardizing) and shitsuke (sustaining)



# Developing People

## Key Activities

- Contributing to human resource development in local communities
- Enhancing our employees and suppliers through The KOMATSU Way
- Enhancing our employees and distributors through brand management



## Pursuing Community Based Human Resource Development around the World

### Training Service Personnel in Regions where We are Established as a Responsible Manufacturer

"Developing People" is one of Komatsu's core CSR themes. Our initiatives in this area focus on supporting human resource development in the locations around the world where we do business. Wherever our operations take us, mechanics are required to service and maintain construction equipment in good operating condition. As the company that sells this equipment, we believe we are responsible for cultivating the human resources needed to service it. Under this principle, we have opened training centers around the world to develop servicepersons and at the same time provide opportunities for these trainees to acquire the skills they need to qualify as mechanics.



•• Support Center in Tanzania for developing distributor service personnel

### Human Resource Development to Meet Regional Needs

Komatsu develops human resources in a way that best meets the specific needs of each region. In Africa, for example, where more mechanics are required due to rising demand for our products, we cultivate work-ready personnel by collaborating with sales and service distributors and by sharing our training expertise. In China, Komatsu offers a specialized course at a university in Shandong Province to train newly recruited service personnel in an effort to more quickly turn out a greater number of mechanics. And in Myanmar, we are addressing the need for teachers who can train mechanics by collaborating with a local university and setting up a course to prepare

teachers to provide specialized training for construction equipment. In addition to these efforts, Komatsu contributes to society through the use of our core technologies and resources by pursuing initiatives for empowering the younger generation which will shoulder the future of manufacturing.



•• Komatsu Training Center in Nairobi set up at a distributor's office •• Training course in Myanmar

### Cultivating the Next Generation at KOHAG Germany

Komatsu Hanomag GmbH (KOHAG) signed an agreement with four local elementary schools to promote technical education starting in December 2011. The agreement reflects national- and provincial-level initiatives to avoid a skills shortage in technological expertise and better equipping the next generation. KOHAG provided five toolkits developed by a German NGO free of charge to each school. KOHAG employees have been mentoring teachers on how students can use the toolkits in the classroom and provide follow-up assistance.

The toolkits, which contain tools such as screwdrivers, parts such as bolts and electrical circuits, construction materials such as boards and wheels, and an instruction manual, enable students to learn the basics of construction, automotive engineering and electricity. After the class, children are invited to the KOHAG factory to see for themselves the principles they have learned by observing actual machines.



•• KOHAG employee providing advice to elementary school teachers •• Children visiting KOHAG after class

### Retired Employees Engage in Activities at Komatsu's Birthplace

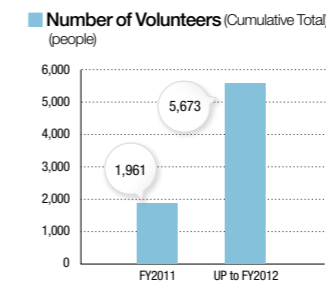
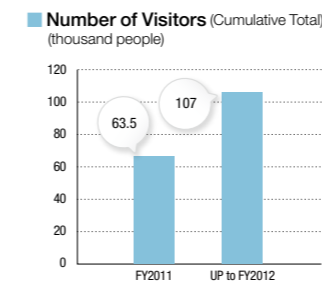
The "Komatsu Green Park" was opened in 2011 in Komatsu City, Ishikawa Prefecture - the birthplace of Komatsu - to provide an educational environment for future generations and particularly local elementary school children. The park contributes to the sound development of the children through nature hikes in its satoyama zone and science classes. The program is unique in that it is primarily staffed by retired Komatsu employees through an incorporated NPO, with four divisions that plan and conduct the nature hikes, science classes and cleanup activities and support local events. A total of 283 former employees have registered with the NPO, and the park has received over 100,000 visitors.



•• A robot competition during a science class, where children can enjoy learning how thermoelectric devices work



•• Exploring nature in the park's satoyama zone



### Social Contribution Efforts in Umeå, Sweden

Sweden's Komatsu Forest AB has extended a donation to the Technical College at the local Dragoon School to benefit the City of Umeå and neighboring regions. Facilities and equipment were replaced in one of the school's areas, which was named the Komatsu Technical Center in September 2012. The center has a manufacturing line equipped with the most advanced industrial robots as well as a welding workshop for training and an information processing center. A course has been added to the school curriculum to teach the KOMATSU Way of manufacturing and a scholarship was established so that outstanding students could come to Japan and experience manufacturing at Komatsu. The donation has helped to create a highly advanced educational environment with technologies similar to those used by leading corporations.

As the Komatsu Technical Center generates human resources capable of forming the backbone of manufacturing and attracts young, competent people, Umeå is expected to thrive as a major center for manufacturing education.



•• All equipment was replaced on the manufacturing line, now closely associated with Komatsu know-how.

### Voice A Technical Training Program of the Highest Standards in Europe

Support from Komatsu is contributing to enhanced competitiveness and the sustainable development of Umeå

**Mr. Mikael Öhlund**  
City Chief Executive, City of Umeå



Umeå is northern Sweden's largest city and among the country's hottest spots for growth. It is also the European Capital of Culture 2014.

One of the greatest challenges facing Umeå is long-term access to technical and industrial competence. Consequently, Komatsu's donation to the Dragoon School Technology Centre is extremely important for future industrial development in the region.

We are convinced that the donation will give Umeå one of the best technical training programs in Sweden. We have already noticed that the Technology Centre's courses are attracting more young people. This will strengthen the competitiveness of industrial companies. By enabling Umeå to reinforce its position as a leading industrial region, Komatsu's donation also contributes to Umeå's continued growth.

As regards courses tailored to industry, the Dragoon School

Technology Centre is now an arena of the highest European level. Komatsu's donation has played a pivotal role here. The investment greatly contributes to making Umeå an attractive industrial city in which the Technology Centre plays an important role in driving Umeå's development.

We have been overwhelmed by Komatsu's obligingness and the close collaboration that has emerged. For many years, the municipality of Umeå has worked ambitiously toward long-term sustainable development. In Komatsu we have found a partner with whom we can work hand in hand to achieve our ambitions. We feel this is an excellent example of how communities and trade and industry can build the future together. With mutual respect for each other's roles, we want to build further on these success factors.

In the ways outlined above, the municipality of Umeå and our region are becoming ever more attractive for study and work. At the same time, with training courses that respond directly to the challenges of working life, we can supply companies with the skills they need. All this contributes to creating the conditions for Umeå to continue as a force for growth in northern Sweden. A shining and concrete example of this is that, to everyone's delight, several Dragoon School students, on passing their exams, have now been employed by Komatsu Forest.

# Creating the Right Working Conditions for Everyone

Employees of the Komatsu Group companies are an indispensable asset for the Group, which seeks to foster a safe and comfortable working environment, while maximizing opportunities for employees.

## Global Personnel Policy

Personnel systems reflect the history and culture of each particular region. It is therefore important to recognize and understand those differences.

Based on the basic policy outlined below, the members of the Komatsu Group are creating a personnel system tailored to the needs and reflecting the circumstances of each particular region.

- (1) We shall respect each employee's fundamental human rights, inherent personality, individuality, and legally protected privacy.
- (2) We shall treat and appraise each individual employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of nationality, race, religion, age, gender, physical or mental disability or other legally protected attributes that are irrelevant to his or her performance. We shall vigorously endeavor to promote equal opportunities for employment and eliminate harassment in the workplace.
- (3) We shall endeavor to provide employees with workplaces where they can seek a good balance between their private and professional lives, while effectively accomplishing their respective tasks with satisfaction and pride.
- (4) We shall endeavor to design and administer the system of human resource management in a manner that is most reasonable and persuasive to the employees. We shall make such systems open and clearly explain them to the employees to the maximum extent practicable.
- (5) Komatsu Group companies shall comply with all applicable laws and regulations governing employee rights in the jurisdictions in which they operate, and faithfully accommodate, wherever applicable, conversations or discussions with employees or their representatives.
- (6) We shall not tolerate child labor or forced labor.
- (7) Komatsu Group companies shall endeavor to offer to their respective employees those terms and conditions for employment that are sufficiently competitive in their respective regions.

## Enhancing Work-Life Balance

**Reducing the Total Number of Working Hours**  
Reducing the total number of working hours is a key factor in achieving a healthy work-life balance for employees.

In Japan, for example, Komatsu has worked in coordination with labor unions on this issue to formulate numerical targets, which are now set at 2,100 or fewer working hours per year and at least 16 days of paid leave taken per year. Efforts are continuing to achieve efficient working conditions through measures such as the formulation of an activity schedule for each workplace.

In 1991, an employee volunteer incentive program was established, providing for a maximum of two years of paid leave and a maximum of 12 days per year of special leave. Furthermore, as of 2012, the company has awarded the President's Volunteer Award to 39 employees who dedicated themselves to outstanding long-term service to society. As for support for reconstruction in the areas devastated by the recent Great East Japan Earthquake, the company cooperated with the labor unions to pay a transportation allowance to employees traveling to the disaster-stricken region as volunteers.

### Main Programs and Measures Designed to Enhance Work-Life Balance

Program/Measure	Description	
Childcare support	Childcare leave program	Available for a maximum of three years from the birth of the child to the time the child enters nursery school. Also available for a maximum of three years for children up to the third year of elementary school in cases where a spouse is transferred, etc.
	Pregnancy, maternity and childcare leave	5 days during pregnancy (for women) 5 days when an employee's wife delivers (for men) 5 days for infant care (for both men and women)
	Part-time work	Shortening of working hours by a maximum of 3 hours per day to allow for care of children up to the third grade of elementary school
	Allowance toward the cost of using childcare services	Allowance toward the cost of childcare for infants up to age 2 before entering nursery school (10,000 yen/month)
	Nursing leave	5 days for nursing care of one child up to the third grade of elementary school, and 10 days for the second child onward
Care support	Family-care leave program	A maximum of 3 years available to employees taking care of family members
	Part-time work	Shortening of working hours by a maximum of 3 hours per day
	Care leave	5 days per year for attending to one family member in need of nursing care, and 10 days for the second family member onward
Other leave programs	Accumulated annual leave	Accumulation of a maximum of 40 days of unused annual leave An employee can add 5 new days of accumulated leave, not to exceed 10 days per year Can be used as sick leave, to take care of sick preschool children, or for care of family members
	Flexible leave	Provided to encourage employees to take 5 consecutive days of leave for the mental and physical rejuvenation Employees receive an additional 5 days of annual leave and a travel voucher upon completion of their 15th, 25th and 35th year of continued service
	Volunteer incentive program	Long-term paid leave of up to 2 years, or short-term paid leave of 12 days per year

# The KOMATSU Way and Human Resource Development

The development of global human resources is an ongoing theme for the Komatsu Group. In addition to disseminating education in the KOMATSU Way so that it can be shared by employees worldwide, the company has set up a system geared toward training professionals in various fields.

## Revision of the KOMATSU Way

We distributed the second edition of the KOMATSU Way in November 2011 and held briefings for managers at our plants and subsidiaries in Japan to explain the revised content.

Our overseas subsidiaries have been translating the second edition of the KOMATSU Way into the languages of their locations, and the translations for major subsidiaries were completed before March 2013.



●● Thai and Chinese versions of The KOMATSU Way; more language versions will be made available.



●● KOMATSU Way briefing at the Ibaraki Plant



●● Briefing at Bangkok Komatsu

**The KOMATSU Way, Second Edition**

- I. Introduction / What is the KOMATSU Way?
- II. Top Management
- III. "Monozukuri" for all employees
- IV. Brand Management

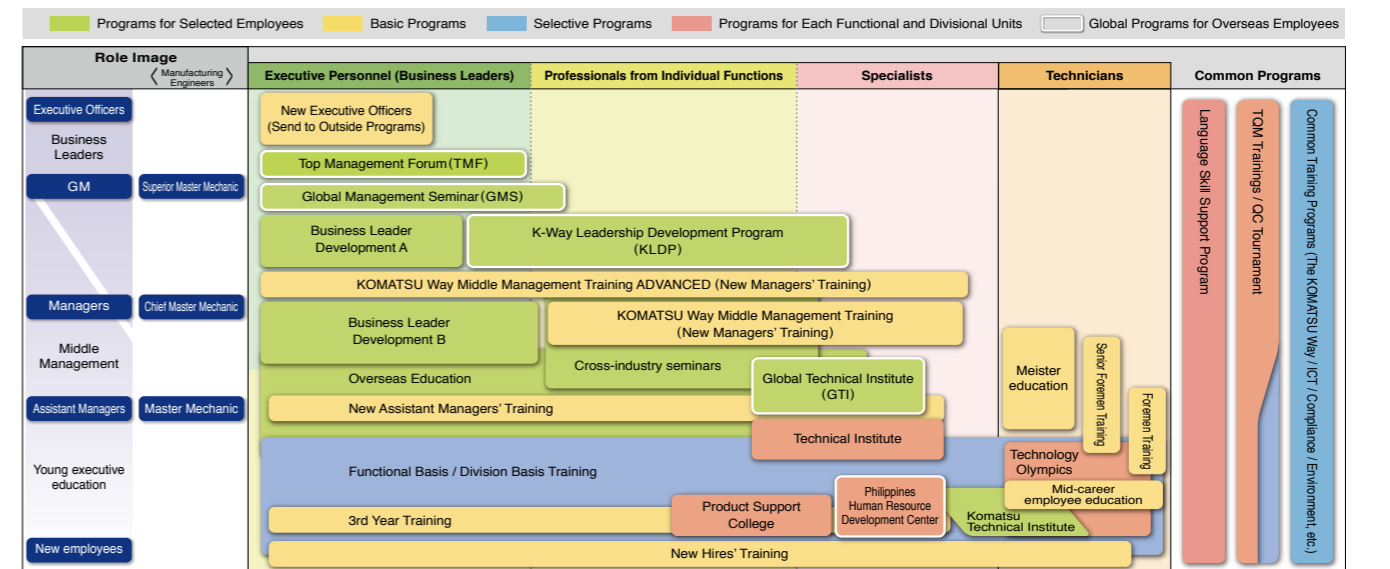
**Key themes of the Management Section (Summary)**

- Top management shall act with awareness of CSR, always have familiarity with the workplace, and formulate management policy based on analysis of data from the workplace.
- Make sure to hold board meetings regularly. Thoroughly discuss the agenda items through these steps: Reporting / Discussions / Resolutions.
- Top management should explain, in their own words, the current conditions and future direction of the company to all the stakeholders including employees.

## Human Resource Development and Training Structure

Komatsu strives for sustainable growth of both the company and employees through human resource development. Our policy is that "each employee should set high goals and be self-reliant and self-motivated in acquiring knowledge and skills" and that "the company should support employee career development through the implementation of necessary education for both the company and employees in a focused manner."

While fulfilling the education of professionals in a variety of fields, the company also supports the acquisition of knowledge and skills at every level at the company. Regular explanatory sessions and discussions are convened at Group companies to disseminate the KOMATSU Way and incorporate it into human resource development around the world at each level of the company hierarchy, as well as to allow this knowledge to be handed down to younger generations.



●● The Komatsu Education System

# Growing with Society

## Key Activities

- Engaging in dialogues with our stakeholders
- Providing social contributions through the use of our core technologies and resources (e.g., disaster relief or activities to remove antipersonnel land mines)
- Contributing to our local communities where we do business
- Strengthening our corporate governance and compliance
- Promoting compliance with environmental, labor, and social norms within our group and among business partners



## Continuing the Reconstruction of Areas Stricken by the Great East Japan Earthquake

### Serving the Changing Needs of Disaster Areas, Step by Step

Komatsu has continued to offer support through its core business that directly serves the changing needs of areas affected by the Great East Japan Earthquake.

In the immediate aftermath of the earthquake, we set up our Tohoku Operation Department in Sendai City, Miyagi Prefecture. This led to a cooperative effort with governments in the affected areas to identify the needs and support reconstruction, primarily by meeting requests for rent-free construction equipment and temporary housing. Currently, support and cooperation for full-scale reconstruction are essential, and we continue to provide practical, step-by-step support as the situation requires.



•• The Tohoku Operation Department served as a base for evaluating local needs and providing quick support.

### Providing Direct Support and then Facilitating the Recovery of Local Communities

#### ■ First Stage Direct support for earthquake and tsunami victims

Immediately after the earthquake, the most urgent challenges were to remove the scattered debris and restore damaged roads. To aid in these efforts, Komatsu gathered 264 pieces of construction equipment from around the country and loaned them free of charge. In addition, 671 employees from the sales and support divisions helped operate the equipment at 55 sites in the disaster-stricken prefectures of Iwate, Miyagi and Fukushima.

#### ■ Second Stage Recovery of local communities

As finding a "space to pursue everyday life" became a top priority for residents of the disaster-stricken areas, Komatsu began contributing to local recovery efforts by providing temporary container houses and prefabricated housing free of charge. Local communities are using these facilities as schools, kindergartens, post offices and clinics.



•• Hydraulic excavator in operation in Onagawa, Miyagi Prefecture, where removal of debris was a pressing need



•• Temporary post office provided by Komatsu in Rikuzentakata City, Iwate Prefecture

### Today: Supporting Full-Scale Reconstruction

We are now in the third stage of assisting in the full-scale reconstruction. Komatsu donated forklifts to the NPO "Signal of Hope" to support the recovery of local industry. About 60 forklifts are now in service at damaged fisheries facilities. We also established

the Komatsu Safety Training Center, Miyagi Center and cover half of the tuition to train much needed construction equipment operators and assist disaster victims' in finding employment. More than 4,700 students have already participated in the training, many of whom are now demonstrating their skills at recovery and reconstruction sites.

Providing aid to students who will play important roles in manufacturing is another endeavor we are currently involved with. As part of this initiative, we provide "Komatsu Scholarships" through the Institute of National Colleges of Technology, Japan to students of national technical colleges in the Tohoku and Northern Kanto regions, which were stricken by the disaster. In addition, we established the "Rio Tinto-Komatsu Scholarship" in collaboration with the mineral resource mining company Rio Tinto and a Komatsu customer, and provided them to students at National University Corporation Tohoku University.



•• Forklift donated to support the recovery of the fisheries industry



•• Komatsu Safety Training Center, Miyagi Center, in Natori City, Miyagi Prefecture

### Harnessing Our Advanced Technology as a Manufacturer to Support Reconstruction

Komatsu is supporting reconstruction efforts by harnessing our advanced technology, which we have developed as a manufacturer of construction machinery. Komatsu sent radio-controlled equipment to remove rubble and debris at the Fukushima Daiichi Nuclear Power Station. Regarding the removal of radioactive materials, there are strong expectations for computer-aided bulldozers that utilize ICT to automatically excavate surface soil to a fixed, preset depth.

Construction equipment on ships cannot be used at many reconstruction sites, such as shallow areas of rivers, debris-cluttered riverbanks and small fishing ports. In order to reach these sites, we refurbished our amphibious bulldozer for the first time in 20 years. The bulldozer was developed in 1971 as an alternative to mounting construction equipment on boats for work in shallow waters at the mouths of rivers or in bay areas, but its production has since been discontinued. We selected and upgraded one of five amphibious bulldozers still in service and then dispatched it for use in a recovery effort on a bridge that had been damaged by the earthquake. This radio-controlled bulldozer can be used not only on land but also as deep as seven meters underwater, and is currently being operated at reconstruction sites that are difficult for ships to reach.

Looking ahead, we will continue to support full-scale reconstruction efforts by leveraging the Komatsu Group's management assets.



•• Amphibious bulldozer in operation in the Natori River in Miyagi Prefecture

### Voice

#### Return of the Amphibious Bulldozer

Leading the recovery and reconstruction of damaged fishing ports, bays and rivers

**Mr. Masaki Umakakeba,**  
Civil Engineering Technology Dept.,  
Aoki Asunaro Construction Co., Ltd.



I was speechless as the current of the Natori River reversed and swallowed nearby houses. The tsunami was of unprecedented size! At a little after 3 p.m. on March 11, 2011, a stunning scene was unfolding before me on a monitor in the lobby of New Chitose Airport. Although two years have passed since that day, the coastal areas of Sanriku, Miyagi and Fukushima seem far from recovery.

Since the first amphibious bulldozer was developed in 1971, I have

been involved in construction work for breeding zones, fishing ports, bay areas and riverbanks on the northern coast of Iwate Prefecture, which was devastated by the tsunami. The five amphibious bulldozers still in service, however, were worn out from long use and required one repair after another. Two years ago, the people at Komatsu stood up for earthquake reconstruction and completed a major refurbishment of the bulldozer. Komatsu factory staff who worked on the repairs were amazed at the sophisticated technology used in 1971.

We are still receiving requests to dispatch equipment to construction sites for recovery and reconstruction and for use in shallow waters and the sea. With help from my good partners at Komatsu, I hope to pass along the amphibious bulldozer and its outstanding performance to the next generation.

## Dialogue with Our Stakeholders

In addition to maintaining a dialogue with all of our stakeholders, including employees, business partners, investors, shareholders and local communities, we also invite stakeholders from outside the company to voice their opinions on Komatsu's management and business.

### Global Dialogue with Our Stakeholders

In February 2012, we invited stakeholders from international non-profit organizations as well as local governments and universities in Japan to a dialogue at our Osaka Plant. Under the theme of "Envisioning the manufacturing base of the 21st century," participants discussed issues

such as "What does society expect from the Osaka Plant, which we call the 'mother plant' of Komatsu's global production?" and "How can we continue to contribute to society over the long term?" Valuable insights we gained from stakeholder opinions included the importance of maintaining transparent communication and conducting CSR activities throughout the supply chain.



●● Stakeholder dialogue at the Osaka Plant

### Exchange between Industry-Academia Collaboration Partners

While partnering with major universities in Japan, Komatsu also promotes industry-academia collaborations in China with Shandong University and Tongji University through joint research, internships and other projects. In April 2012, we invited Tongji University faculty members involved in research, career guidance and student internships to Komatsu (Changzhou) Construction Machinery Corp. and the KC Techno Center in Changzhou. We provided an overview of our construction equipment and held a dialogue between Komatsu and

guests on developing skilled human resources through efforts such as offering specialized courses, providing student internship procedures and sharing laboratory resources.

In November 2012 and March 2013, meetings were held to present the joint research results of Komatsu's partner universities and the company. The researchers shared technical reports and engaged in a discussion that included student participation.

The proposals and opinions solicited through these discussions are both helpful and unique, and we will make efforts to see them reflected in our business and operations.



●● Tour of the KC Techno Center



●● Presentation of joint research results from Tongji University and Komatsu

## Together with Business Partners – Initiative for CSR Procurement –

Business partners that supply materials, parts and components are important in helping to sustain Komatsu's manufacturing activities. Komatsu encourages its partners to abide by social norms while working toward CSR procurement.

### Establishment and Dissemination of the CSR Procurement Guidelines

Komatsu has consistently worked with its business partners on environmental and workplace safety-related activities. Following the release of the ISO26000 international guidelines on corporate social responsibility in November 2010, we established our CSR Procurement Guidelines in August 2011 to explain the priority CSR issues we would like our business partners to address.

These guidelines are intended to deepen the awareness of our business partners about corporate social responsibility so that we can mobilize the entire supply chain to accelerate the pace of CSR activities.

The Komatsu Midori-kai group is an association of 164 major business partners in Japan that supply roughly 75% of the products Komatsu purchases within Japan. Top management at these companies regularly gather for meetings, including general conferences, roundtable discussions for managers and informal New Year's business functions. On each occasion, we emphasize the importance

of CSR under our CSR guidelines to build greater awareness of CSR management.

In addition, we have begun publishing CSR Communication, a periodic journal that introduces specific examples of CSR case studies to member companies of the Komatsu Midori-kai group and other domestic business partners. Since May 2011, CSR Communication has been posted twice a month on our website for business partners in an effort to consistently promote CSR.

### Overseas Activities

Midori-kai groups have also been organized outside Japan by our major business partners in North America, Europe and China. There are currently 37 member companies in North America, 51 in Europe and 62 in China. Overseas group members participate as observers in the general conference held by the Midori-kai group in Japan, and an exchange between members from different regions is already taking place. We expect overseas members to draw upon the actions of the Japanese Midori-kai group to develop their own CSR activities that reflect the characteristics of each region.

### Topics

#### Initiative on Conflict Minerals

##### ■ Background on Regulations against Conflict Minerals

The term "conflict minerals" is used in reference to four minerals - tin, tungsten, tantalum and gold (abbreviated as "3TG"). Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010 mandates that companies listed on U.S. stock exchanges report to the Securities and Exchange Commission when conflict minerals from the Democratic Republic of Congo (DRC) or its neighboring countries are necessary for the functionality or production of a product. The act is directed at cutting off sources of funding for military groups in the DRC, which has been ravaged by domestic conflict since 1996.

##### ■ Komatsu's Policy on Conflict Minerals

Komatsu has adopted a policy of not using conflict minerals produced by the DRC or its neighbors (Angola, Central African Republic, Republic of the Congo, Rwanda, Southern Sudan, Tanzania, Uganda and Zambia) modeled after the U.S. Wall Street Reform and Consumer Protection Act and from our corporate social responsibility perspective.

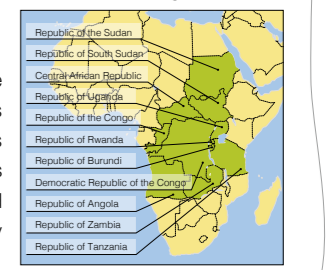
During the regular meetings we hold with our suppliers at each Komatsu plant in Japan, we explain this policy as well as Komatsu's response to the conflict minerals issue and related requests to our



●● Member companies attended a meeting with other construction equipment companies in June 2013 in Detroit, U.S.A. and delivered a presentation on conflict minerals

suppliers. With the cooperation of suppliers, we are now conducting a country-of-origin survey to determine the location of origin of the conflict minerals we use.

Looking ahead, we will conduct a more detailed survey that includes refineries in its scope and continue taking steps to prevent the use of conflict minerals from the DRC and its neighbors and thereby restrict funding for military groups.



●● Countries Associated with Conflict Minerals

## Frameworks for Promoting Compliance

Following the principle that compliance is a top priority, Komatsu will ensure that it fully understands and complies with business rules while also reinforcing its compliance system.

### Strengthening Compliance

To ensure that the entire Komatsu Group fully understands the rules of the business community, Komatsu has appointed an executive officer in charge of compliance and established the Compliance Department to handle this area exclusively. The Compliance Committee, chaired by the President and CEO, reviews the Group's action policies and important issues while regularly reporting on the status of compliance-related activities to the Board of Directors.

### Komatsu's Code of Worldwide Business Conduct

The company has formulated Komatsu's Code of Worldwide Business Conduct (established in 1998 and revised seven times to date) as a compilation of best business practices to be observed by officers and employees of Komatsu Group companies both in and outside Japan. The code addresses topics such as free and fair business practices, appropriate relationships between the company and employees, endeavors for the global environment, the handling of information and the establishment of an internal control structure. The text of the code has been released to the public in its entirety.

Komatsu considers CSR as a key responsibility, and Komatsu's Worldwide Code of Business Conduct clearly conveys our policy of giving full weight to CSR. The pillar of Komatsu's CSR activities is based on constant repetition of the following process, outlined in the Code of Worldwide Business Conduct: (1) Establish the Code of Business Conduct, (2) Implement the Code of Business Conduct, (3) Determine the Code's current status and (4) Address inadequacies.

#### Process for Compliance Activities

##### (1) Establish the Code of Business Conduct

Formulate Komatsu's Worldwide Code of Business Conduct as a foundation for compliance activities and revise this code (currently in its 8th edition) as required to reflect social change.

##### (2) Implement the Code of Business Conduct

Implement the Code of Conduct through education that corresponds to employee rank and the types of operations in which they are involved, and by communicating information in accordance with Komatsu's Worldwide Code of Business Conduct.

##### (3) Determine the Code's current status

Determine the level at which Komatsu's Worldwide Code of

Business Conduct is being applied by having all business units regularly report on their use of the code and by conducting audits and enhancing the Internal Reporting System.

##### (4) Address inadequacies

Any issues identified during the above activities will be addressed in accordance with Komatsu's Worldwide Code of Business Conduct and preventive measures will be implemented.

### Toward Thorough Compliance

For continual awareness of compliance among employees, the Group is working to raise their knowledge of best business practices by displaying in every Komatsu Group business unit posters that list "The Five Principles of Compliance," a condensed version of the code of basic conduct related to compliance. Beyond this, we strive to provide effective awareness-raising through the use of e-Learning and well-developed, compliance-related education and training that correspond to employee rank and the types of operations in which they are involved. Moreover, the Group not only conducts financial audits, but we also undertake compliance risk auditing of our business units and Group companies to monitor compliance in important areas such as safety and environmental practices, which enables us to detect risks early and make improvements.

### Internal Reporting System

Komatsu has set up consultation offices both internally at Komatsu Group companies and externally at law firms, collectively known as the Employee Business Rule Consultation Offices, in order to respond to consultations with or reporting from Group company employees pertaining to best business practices or questionable actions. We promote active consultation and reporting by clearly stating in Komatsu's Worldwide Code of Business Conduct and Group company workplace rules that employees who use the system for appropriate reporting will not be treated unfairly in any way as a result of that action.

### State of Compliance in FY2012

The Komatsu Group experienced no substantial compliance-related infractions or incidents in FY2012.

## Risk Management

While Komatsu continues to make efforts to improve corporate value, it recognizes issues related to compliance, in particular the environment, product quality, accidents and information security, as risk factors for sustainable growth and is therefore implementing the following countermeasures.

### Basic Principles and System for Risk Management

- Komatsu has established Risk Management Rules to correctly recognize and manage risks, for which the company has appointed personnel in charge of individual risks, further promoting the build-up of a solid foundation for risk management.
- Komatsu has established a Risk Management Committee to devise risk management policies of the Komatsu Group, evaluate 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.
- Komatsu will establish an emergency headquarters when serious risks surface and work to minimize damage(s) and implement appropriate measures.

### Implementing a Business Continuity Plan

Komatsu has formulated a business continuity plan (BCP) to carry out major operations without suspension, or restore them after a short suspension, should a disaster or accident occur.

At the Head Office, we conduct regular drills to ensure that employees are capable of taking appropriate action in the event of a real emergency, assuming the occurrence of an earthquake striking beneath the greater Tokyo metropolitan area, a disaster considered to be highly probable.

All our plants have been enhancing the seismic strength of their buildings and facilities while developing measures against torrential rainfall in accordance with the plans each plant has formulated.

Moreover, in the event of an outbreak and subsequent epidemic of a new strain of influenza, a specialized committee will be set up to implement appropriate measures. We also strive to deepen employees' understanding by providing an action manual on how to prevent and respond to an outbreak, and related education.

### Promoting Risk Management throughout the Group

To reinforce the risk management structure across the Group, Komatsu is working to enhance the level of management at each Group company by establishing reporting lines and manuals related to risk and through explanatory meetings and study sessions on risk management and BCPs.

We are also strengthening our Group-wide system for communications in times of emergency by introducing tools such as an emergency contact and employee safety confirmation system and a wide range

two-way radio and by conducting regular drills on using the system and securing communications.



●● Drill for a first stage response by the interim emergency headquarters at the Head Office



●● Rescue drill with the Tochigi Prefectural Aviation Firefighting Team at the Oyama Plant using a disaster prevention helicopter

### Consolidating Information Security

With the Information Security Committee at its core, Komatsu is developing a structure for information security for the entire Group and implementing various control measures. As part of this, we distribute an Information Security Guidebook to all employees in order to raise their awareness of thorough compliance with the rules.

Additional measures have included the establishment of a protective framework for our system to prevent information from being falsified, destroyed, leaked or lost due to negligence or unauthorized access from outside the company.

Moreover, we undertake information security audits to confirm that measures are being effectively implemented, and to discover defects and make the required improvements.



●● Information Security Guidebook

# Corporate Governance

## Basic Stance

We, at Komatsu Ltd., believe our corporate value is the total sum of trust given to us by society and all stakeholders. To become a company which enjoys more trust from shareholders and all other stakeholders, we are working to strengthen corporate governance,

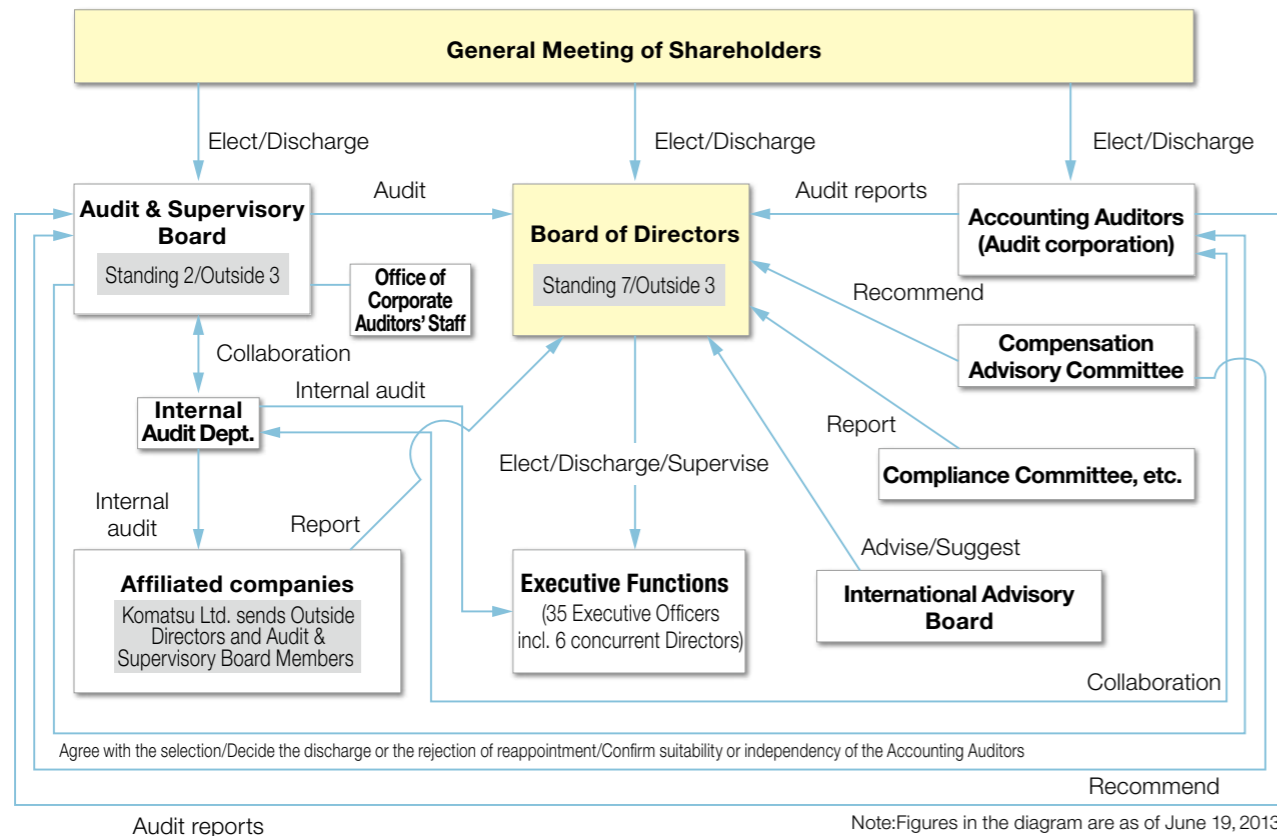
improve management efficiency, advocate corporate ethics and ensure sound management on a group-wide basis. To further improve the transparency of management for our shareholders and investors, we disclose information in a fair and timely manner and actively engage in investor relations' activities by holding meetings with shareholders and investors.

## Establishment and Improvement of Corporate Governance

In 1999 Komatsu Ltd. introduced the Executive Officer System and has been working to separate management decision making and supervisory functions from executive functions to the extent permitted by laws and regulations. At the same time, we also limit the Board of Directors to a small number of members and appoint Outside Directors

and Outside Audit & Supervisory Board Members. To improve the effectiveness of discussions at meetings of the Board of Directors, we have worked to reform their operational aspect, primarily by putting in place a system to ensure thorough discussions of important management matters and prompt decision making. We have also established the International Advisory Board (IAB) as a means to supplement executive functions.

### Corporate Governance of Komatsu



## Organizational Profile

### Board of Directors

Komatsu Ltd. holds Board of Directors' meetings periodically at least once every month. The Board of Directors deliberates and makes

resolutions on important matters, determines management policies of Komatsu, and rigorously controls and supervises the execution of duties by all members of the executive management team including Representative Directors. Of the 10 Directors on the Board, three are Outside Directors to ensure transparent and objective management.

### Outside Directors (As of June 19, 2013)

Name	Title	Reasons for Selection
Kensuke Hotta	Chairman and Representative Director of Greenhill & Co. Japan Ltd. Chairman and Representative Director of Hotta Partners Inc.	Having served as Representative Director of The Sumitomo Bank, Ltd. (name at the time) and having experience as Representative Director of Morgan Stanley Japan Securities Co., Ltd. (name at the time), Mr. Kensuke Hotta has been active internationally in the financial field and has considerable insight and rich experience in the business world. Using this insight and experience, his proposals concerning the overall management of the Company are expected to contribute to sustaining and improving transparency and soundness of management and enhancing corporate governance. Therefore, we have elected him as an Outside Director.
Noriaki Kano	Professor Emeritus at Tokyo University of Science	Having served as President of the Japanese Society for Quality Control, Dr. Noriaki Kano has been active internationally as a specialist of quality control and has considerable insight and rich experience. Using this insight and experience, his proposals concerning the overall management of the Company are expected to pursue higher "Quality and Reliability," the fundamentals of the Company's management, and enhance corporate value. Therefore, we have elected him as an Outside Director.
Kouichi Ikeda	Corporate Advisor of Asahi Group Holdings, Ltd.	Having served as Representative Director of Asahi Breweries, Ltd. (name at the time), Mr. Kouichi Ikeda has considerable insight and rich experience in the business world. Using this insight and experience, his proposals concerning the overall management of the Company are expected to contribute to sustaining and improving transparency and soundness of management and enhancing corporate governance. Therefore, we have elected him as an Outside Director.

### Audit & Supervisory Board

The Audit & Supervisory Board determines such matters as audit policies and the division of duties among Audit & Supervisory Board Members. Each Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings, and audits the execution of duties by Directors. Meetings of the Audit & Supervisory Board are in principle held periodically at least once every month, and the Board performs

appropriate audits by such means as hearing reports from members of the executive management team on their execution of duties. The Company has also established the Office of Corporate Auditors' Staff to assist the Audit & Supervisory Board Members in their duties. At least half of the five Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members.

### Outside Audit & Supervisory Board Members (As of June 19, 2013)

Name	Title	Reasons for Selection
Makoto Okitsu	Advisor of Teijin Limited	Having served as Representative Director of Teijin Limited and Nabtesco Corporation, Mr. Makoto Okitsu has considerable insight and profound experience in the business world. Using this experience, we expect him to execute his duties as Outside Audit & Supervisory Board Member from the standpoint of a specialist. Therefore, we have elected him as Outside Audit & Supervisory Board Member.
Hiroyuki Kamano	Partner (Attorney at law) of Kamano Sogo Law Offices	Having served as an international attorney at law, Mr. Hiroyuki Kamano has rich experience in the field of international legal affairs. Using this experience, we expect him to execute his duties as Outside Audit & Supervisory Board Member from the standpoint of a specialist. Therefore, we have elected him as Outside Audit & Supervisory Board Member.
Kunihiro Matsuo	Attorney at law	Having served as Prosecutor-General of the Supreme Public Prosecutors Office, Mr. Kunihiro Matsuo has rich experience in the legal profession. Using this experience, we expect him to execute his duties as Outside Audit & Supervisory Board Member from the standpoint of a specialist. Therefore, we have elected him as Outside Audit & Supervisory Board Member.

## Compliance

We have established the Compliance Committee as the group to oversee compliance, and it regularly reports its reviews and activities to the Board of Directors. We shall also establish a system to ensure Directors and employees thorough compliance to business rules as well as laws and regulations through a variety of measures, including the provision of Komatsu Code

of Worldwide Business Conduct, appointment of the Executive Officer in charge of compliance, and establishment of the Compliance Department. Through all of these, we work to supervise, educate and train Directors, Audit & Supervisory Board Members and employees. In addition, we 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 penalized.

# Project for Creating Safe Villages – Turning a Field of Mines into a Place to Live. We Help People Sustain Themselves and Thrive. –

Using its expertise in construction equipment technology, Komatsu is supporting demining work in areas plagued by anti-personnel landmines. Komatsu also participates in community development projects to revitalize affected areas.

## Restoring Safety to the Land and Supporting the Construction of Basic Infrastructure toward Self-Reliance and Development of Communities

Since 2008, Komatsu has been working jointly with the Japan Mine Action Service (JMAS), an incorporated non-profit organization (NPO), on a community-development project to demine and rebuild areas affected by anti-personnel landmines in Cambodia and Angola.

Komatsu provides demining and construction machinery, developed



●● Komatsu demining machine for removal of anti-personnel mines

## Project for Creating Safe Villages in Cambodia

Over the past five years, we have completed demining efforts and rejuvenated areas spanning five villages. We have also removed landmines from an area of approximately 450 ha, repaired and built roads stretching 20 kilometers, dug around 40 detention basins, created settlements for 500 families and constructed four elementary schools. As a result, minefields have been resuscitated into farmland and distribution routes have been established, enabling many villagers to sell their agricultural products and become self-sustaining, thereby raising their living standards.



●● Cornfields spread out across the safe land and the Komatsu School



●● Children at a settlement

through our expertise and Monozukuri (manufacturing) knowledge as a construction equipment manufacturer.

After demining, we begin development of the safe land for agricultural use utilizing our construction equipment. We also implement community rejuvenation and reconstruction projects that include digging detention basins, building elementary schools, and repairing and building roads and bridges to support the construction of basic infrastructure so that communities will be able to sustain themselves and thrive.



●● Komatsu construction equipment for building infrastructure

## Project for Rebuilding Communities in Angola, Africa

Since FY2009 we have also been participating with JMAS in a demining and community rebuilding project in Angola, West Africa. We have demined approximately 100 ha and offered support to the local people, including cleanup activities and efforts to improve their perception of agriculture. Plans are currently underway to move the state capital to the mine-cleared part of Mabubas.



●● Removing landmines in Angola



●● Plan for constructing a water purification plant as part of the effort to move the state capital

## Environmental and Social Activities to Date

### Overview of Komatsu's Environmental and Social Activities to Date

1962	Began continuous support for the Flower Association of Japan since its founding		Agreement concluded with Japanese NPO Japan Mine Action Service (JMAS)
	Earth Environment Committee established		The Komatsu Group in Japan acquire ISO14001 integrated certification
1991	Company name changed in Japanese public relations to "Komatsu," with new corporate brand logotype	2008	Development of PC200-8 hybrid hydraulic excavator announced
1992	Komatsu Earth Environment Charter and Environmental Action Plan formulated		Signed the United Nations Global Compact
	First Environmental Report published		Started Angola local reconstruction project with JMAS
1994	Board of Corporate Auditors established	2009	PBZ and PAS series of press brakes acquire MF eco machine* certification
1995	Komatsu establishes the International Advisory Board (IAB).		Basic agreement reached between Komatsu, Adaro and UT on the biodiesel project in Indonesia *The MF Eco machine Certification System is an eco-label established by the Japan Forming Machinery Association.
1997	Oyama Plant becomes first in Japanese construction equipment industry to acquire ISO14001 certification	2010	New medium and long-term targets are set to reduce CO <sub>2</sub> emissions from manufacturing facilities
	Ethics Committee established (Renamed as Compliance Committee later)		Komatsu Earth Environment Charter is revised
1998	First edition of Komatsu's Code of Worldwide Business Conduct published		Vehicle equipped with a new type of engine that meets Tier4 emission standards for Japan, the U.S.A. and Europe is introduced in the North American Market
	Executive Officer system established; Board of Directors reorganized (Outside directors system introduced).		Komatsu's "Declaration of Biodiversity" is established
1999	Compensation Council established		Komatsu establishes "the Komatsu Scholarship" to the students who have suffered financially from the Great East Japan Earthquake and tsunamis.
	First Global Environmental Affairs Meeting convened	2011	Local reconstruction project in Cambodia is completed with JMAS
2000	Environmental Report again published; published annually thereafter		CSR themes are defined.
2001	Compliance Department established		"Komatsu Green Park" opens in Komatsu City, the company's birthplace
2002	All seven Komatsu Group manufacturing facilities in Japan acquire ISO14001 certification		Eighth edition of Komatsu's Worldwide Code of Business Conduct published
2003	Environmental Affairs Department established		Held the opening ceremony of the pilot plant for the Biodiesel Fuel Project to be implemented by Komatsu, Adaro, and UT
2004	Corporate Social Responsibility Department established		Komatsu's "CSR Procurement Guideline" is established
2005	First European Health, Safety, and Environment Meeting convened	2012	Established the "Komatsu Kids Oyama" nursery center in the Oyama Plant
	All Komatsu Group manufacturing facilities in Japan attain "zero emissions"		The number of visitors to "Komatsu-no-Mori" exceeds hundred thousand.
2006	The KOMATSU Way explicitly defined and promotion activities launched	2013	Hybrid AC Servo press [H1F Series] acquired MF eco machine certification
2007	Seventh edition of Komatsu's Code of Worldwide Business Conduct published		

# Corporate Information

## ■ Corporate profile

Company Name	Komatsu Ltd.
Head Office	2-3-6, Akasaka, Minato-ku, Tokyo 107-8414, Japan
Established	May 13, 1921
Representative	President and Chief Executive Officer Tetsuji Ohashi
Common Stock	Consolidated 67,870 million yen Non-Consolidated 70,120 million yen
Net Sales	¥1,884.9 billion (Consolidated for fiscal year ended March 31, 2013)
Main Lines of Business	Development, manufacture and sale of construction equipment, utility equipment (small construction equipment), forestry equipment, industrial machinery, etc.
Number of Group Companies	147 (Komatsu Ltd. and affiliated companies)

## ■ Number of employees

Consolidated	46,730 (Komatsu Ltd. and affiliated companies)
Non-consolidated	9,921

## ■ Number of employees by region

Japan	19,172
The Americas	11,358
Europe and CIS	3,518
China	4,717
Asia (ex.Japan and China) and Oceania	6,609
Middle East and Africa	1,356

## ■ Changes and breakdown of sales

