

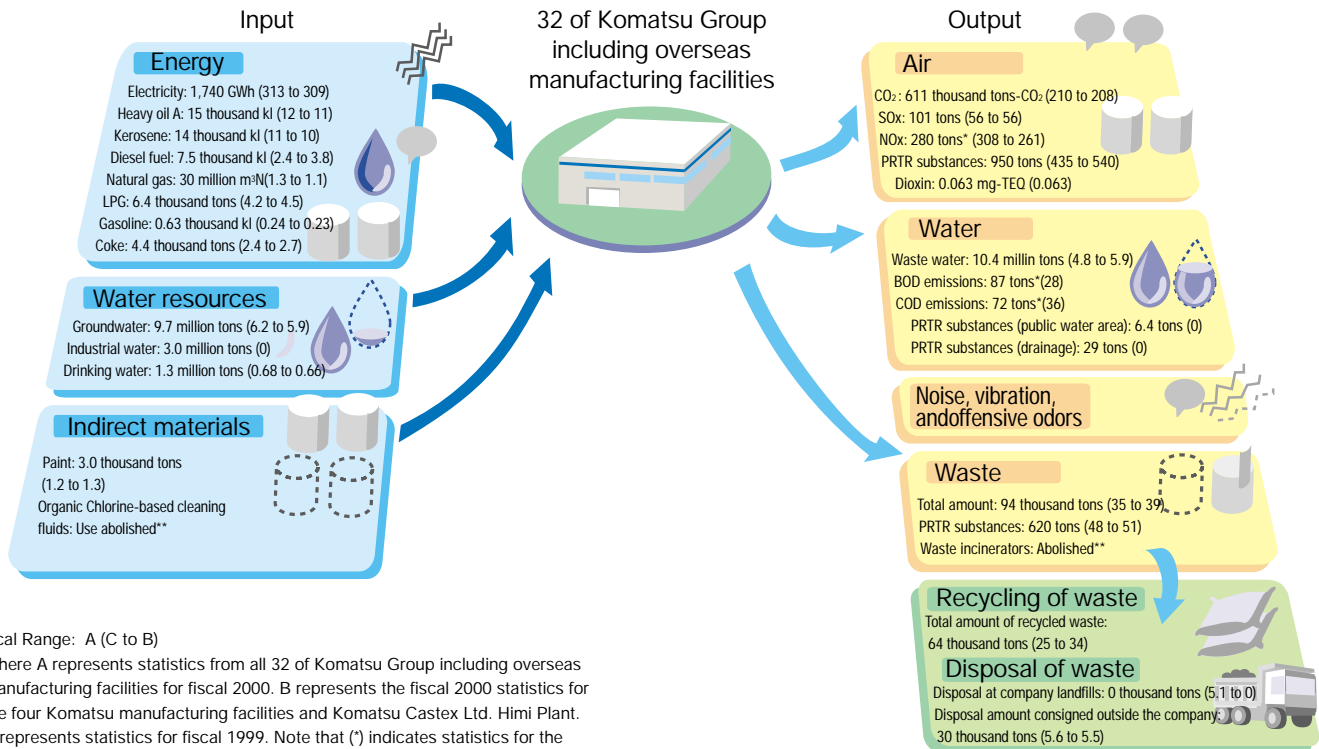
Environmental Conservation in Manufacturing

Komatsu is focusing its efforts on the following environmental conservation issues as key targets of its manufacturing operations.

1. Energy conservation
2. Zero Emissions activities designed to use resources more efficiently
3. Chemical substance management and reduction
4. Development of environment-friendly technologies

5. Compliance with regulations and pollution preventing activities
 - Protection of the ozone layer
 - Eliminating the use of organic chlorine-based chemical compounds
 - Permanent measures regarding underground tanks
 - Elimination of waste incinerators
 - Closure of company-owned waste landfills
6. Environment-conscious procurement
7. Improvement of logistics

Environmental Conservation Activities in Manufacturing (Fiscal 2000)



Statistical Range: A (C to B)

Where A represents statistics from all 32 of Komatsu Group including overseas manufacturing facilities for fiscal 2000. B represents the fiscal 2000 statistics for the four Komatsu manufacturing facilities and Komatsu Castex Ltd. Himi Plant. C represents statistics for fiscal 1999. Note that (*) indicates statistics for the 14 Komatsu Group manufacturing facilities in Japan and (**) indicates statistics for the four Komatsu manufacturing facilities.

CO₂ emissions: Figures for power and heavy oil (Energy section of Input column) are calculated using the "CO₂ coefficient" (specified in Environmental Agency calculation guidelines based on the Global Warming Measures Law).

SO_x emissions: Calculated by multiplying [S percentage] (based on element tables of suppliers) by the volumes of heavy oil, kerosene, diesel fuel and coke.

NO_x emissions: Calculated by multiplying [nitrogen oxides emissions units] (obtained at each facility Komatsu) by heavy oil, kerosene, diesel fuel, natural gas and LPG used.

Zero Emissions Activities at Oyama Plant

The Oyama Plant was the first in the Komatsu Group to acquire ISO14001 certification in fiscal 1997. Since fiscal 1999, this plant has served as the model plant for the entire Komatsu Group's Zero Emissions activities. By November 2000, the Oyama Plant has reached the targets. It reduced the volume of waste diverted to landfill or incineration to the zero level (less than 1 percent).

Emission/transfer of substances covered by PRTR :

The PRTR Law is designed to mandate disclosure of the volumes of specific technical substances released into the environment in order to promote management of such substances.

In accordance with this law, volumes released are calculated by the ratio of content of such specific chemical substances contained in secondary materials multiplied by the discharge or transfer rate. Released volumes were calculated in accordance with Federation of Economic Organizations PRTR guidelines for fiscal 1999.

Disposed at the Oyama Plant

