

The Basic Stance of Management

The entire Komatsu Group pursues Quality and Reliability and has the maximization of corporate value as a basic principle of management, promoting management that emphasizes corporate governance.

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The cornerstone of Komatsu's management is commitment to Quality and Reliability for maximization of its corporate value. This policy not only applies to the Komatsu Group's products and services but also extends to all other aspects of the Group, including organizations, businesses, employees, and management.

Principles that Enhance Quality and Reliability

The Komatsu Group has established the following five points as principles reflecting what should be done in order to enhance its Quality and Reliability.

1. Provide environment-friendly, safe and innovative products and services from the viewpoint of our customers
2. Promote self-initiated innovations in technology and management
3. Promote consolidated management from global perspective
4. Work for the community as a responsible corporate citizen
5. Provide employees with opportunities for challenge and creativity

Emphasis on Corporate Governance

To maximize our corporate value, it is important for us to design a framework in which we can enhance our corporate value in a continuous, steadfast manner. This task calls for not only maximizing the market value of Komatsu by increasing the stock price and working to expand sales and profits but also striving to satisfy stakeholders, especially customers, to the fullest extent.

Top management officers of Komatsu Group companies are expected to have full awareness of Corporate Social Responsibility ("CSR"), eliminate risky business with no substance and conduct steady management, while making constant efforts to ensure the Quality and Reliability of management. They are also expected to promote corporate governance-driven management by revitalizing the Board of Directors, establishing an internal controls system, enhancing the transparency and soundness of management, and implementing other related measures.

All employees of Komatsu Group companies are expected not to postpone but to promptly work on solutions and corrections when they discover issues and/or problems related to the Rules in all business areas and domains.

Promotion of the "Spirit of Manufacturers"

It is extremely important for Komatsu as a manufacturer to promote reform based on the "Spirit of Manufacturers" concept in order to enhance its competitiveness.

This concept means that we, as a manufacturer, must provide products (hardware and software) that make our customers feel satisfied. It also means that we have to rise to every challenge and to produce safe and innovative products in the spirit of unified teamwork of all employees, from research and development, procurement, production and sales through after-sales service. It also emphasizes that we must care about environmental friendliness in all our activities through a product's lifecycle.

Establishment of the Corporate Social Responsibility (CSR) Department

In May of 2004, Komatsu established a Corporate Social Responsibility (CSR) Department within the Corporate Planning Division. This Department has corporate-level authority and responsibility for compliance and for the conducting of business administration that takes Komatsu's stakeholders fully into account. Its establishment solidified trust in the company that extends globally and reaches throughout the entire Komatsu Group. In April 2006 the CSR Department became a separate entity from the Corporate Planning Division, reporting directly to the office of the President.

Organization Related to Corporate Social Responsibility

"Corporate social responsibility" means either the responsibility that the company holds towards the greater society, or activities that enable a company to continue to receive the trust of society. The Komatsu Group is pursuing Corporate Social Responsibility through the organization set forth below.

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