

Activities for Society



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Sustainable growth can be achieved when a company aims to improve its business performance and when the company enjoys trust and support from society and prospers along with it.

Komatsu has adopted the basic managerial approach that corporate value is the total sum of trust given to it by society and all corporate stakeholders. To strengthen this trust, the company complies with laws and regulations as a matter of course. It extends these efforts to conserving the environment in its business operations, holding dialogues with company stakeholders, and contributing to society by enhancing culture and education, developing the local community, promoting sports, enabling communities to recover from disasters, and providing humanitarian assistance to disaster-impacted areas.

Komatsu is dedicated to increasing corporate value and pursuing sustainable growth as the company promotes both strong global, Group-wide business operations and activities for society.

Communication with Stakeholders

Taking advantage of various opportunities for communication with stakeholders, Komatsu strengthens partnerships with them while also incorporating their views into business operations.

Communication with Shareholders

Along with striving for high managerial transparency, Komatsu provides proper and timely information through constructive approaches to investor relations (IR) around the world. On the same day that quarterly business results are announced, the company holds explanatory sessions in Japan for institutional investors and securities analysts and also releases this information on its website. Corporate representatives visit institutional investors outside Japan, primarily in the U.S., Europe, and Asia, to explain recent business performance and other critical information.

■ Shareholders' Meetings

To furnish an opportunity to communicate with individual shareholders, Komatsu convenes shareholders' meetings in major cities in Japan two to three times annually, with top management explaining the company's performance and management strategy. Shareholders' meetings were held in December 2007 in the cities of Nagoya in Aichi Prefecture and Hiroshima in Hiroshima Prefecture with some 900 and 300 shareholders attending, respectively. A wide range of questions was answered, covering such topics as the business environment surrounding Komatsu and the company's business performance and social contribution activities. Since their launch in 1997, these meetings have been convened 25 times, with over 8,000 shareholders participating to date.



Shareholders' meeting convened in Hiroshima in December 2007

■ Plant Tour for Shareholders

Komatsu held a plant tour for individual shareholders at the Awazu Plant in Ishikawa Prefecture, Japan in September 2007, drawing about 90 participants. Attendees toured wheel loader and newly constructed transmission sections at the plant and watched a demonstration at the testing area.



Tour for shareholders held at the Awazu Plant in September 2007

They could examine hydraulic excavators and other construction equipment in greater detail.

■ Information Disclosure on the Komatsu Website

Komatsu makes sales and profit gains reports, financial statements, annual reports, and other types of IR materials available on its website in a section titled "Investor Relations." The website introduces the presentation materials and a spoken explanation regarding the announcement of consolidated business results. Komatsu also broadcasts footage of interviews with the President and CEO on a quarterly basis to explain the company's business activities directly from the top management in an easy-to-understand way.

- **Komatsu "Investor Relations" website**
<http://www.komatsu.com/CompanyInfo/ir/>

■ External Evaluations of IR Activities at Komatsu

External organizations have provided Komatsu with the following evaluations of its IR efforts. Komatsu is committed to conducting IR endeavors to the fullest possible extent.

- Received the 12th Annual Excellent IR Companies Award from the Japan Investor Relations Association
- Recognized by Nikko Investor Relations Co., Ltd. as having the most outstanding website in the FY2007 Ranking Survey of Degree of Excellence of Web Sites of All Listed Companies
- Recognized by Daiwa Investor Relations Co. Ltd. as one of 296 companies having an excellent IR website
- Ranked 51st (overall ranking) in Investor Relations Site Ranking for 2008 by Gomez Consulting Co., Ltd.

Communication with the Local Community

A company cannot continue to operate without a good relationship with the people in the local community. Each of Komatsu's business units tries to harmonize its interests with the local community and make the company open to society as a responsible corporate citizen.

Komatsu manufacturing facilities in Japan host regular opportunities to interact with representatives of residents' associations from the surrounding community. For the community to gain a better understanding of its business activities, each manufacturing facility assertively seeks to bring representatives from the city and prefecture to tour the plant and participate in discussions. The company also

regularly holds “open house” days at each manufacturing facility and “Kids’ Tours of Working Vehicles” at the Komatsu Techno Center in Izu, Shizuoka Prefecture (see page 28 for more detailed information).

Communication with Employees

Once every six months, the President and CEO convenes a “Meeting with the President” at each business unit in Japan. Komatsu top management explains the state of the company to all employees at the unit, employing an active question and answer format. These meetings are opportunities for top management and employees to interact with each other directly.

The content of these meetings held at the Head Office is simultaneously transmitted by TV broadcast to other business units in Japan and later published on the company Intranet in English to share it with Komatsu Group employees around the world.



Meeting with the President held at the Head Office in May 2008 on the day after the announcement of term-end business results

Communication with Business Associates and Sales Agents

Partnerships with business associates and sales agents (responsible for sales and after-sales service) form the foundation of the Komatsu Group’s business operations. Each division at the company responsible for dealing with business partners exchanges information with them constructively, facilitating steady and stable relationships of trust.

Strengthening Partnerships with Business Associates

The Komatsu “Midori-kai” group, an association of the company’s business associates in Japan, has 162 member companies, which supply roughly 70% of Komatsu’s total procurement in Japan. Komatsu holds various events to foster communication with Midori-kai group members, convening general conferences, round-table discussions

for managers, and New Year’s informal business functions. These three annual meetings are attended by representatives from each Midori-kai group company as well as Komatsu’s top management, providing a forum for interaction and exchanges of opinions. In addition to the Chinese version of the Midori-kai group that is already active, European and North American versions were launched in 2007, covering more than 100 companies outside Japan in total. Komatsu intends to establish an association of business associates in Asia (other than Japan and China) and strengthen global partnerships with business associates.



North American version of the Midori-kai group established in June 2007

Communication with Sales Agents

To enhance Quality and Reliability in products and services (see P. 34) through closer communication with customers, Komatsu and its subsidiaries in countries other than Japan must strengthen their teamwork with sales and service agents.

Every year, Komatsu convenes a distributors meeting in each country and region. Communication with these agents is deepened through the participation of Komatsu’s top management, or representatives of subsidiaries in countries other than Japan.



Top management visited Sydney, Australia in April 2008. Approximately 200 managers and local employees of Komatsu’s Australian distributor listened to a presentation on The KOMATSU Way, followed by discussions.

Social Action Plan and Results for FY2007

Implementation policies	Results for FY2007	Medium- and long-term objectives	Further information
1. Employee affairs • Create pleasant work environments	• Reinforced a program to support the fostering of the next generation • Formulated concrete action plans to reduce employees’ total number of actual working hours • Established a specialized center to promote hiring of persons with disabilities	Further implement these activities	P. 24
2. Education and training • Develop human resources globally	• Fostered the skills and knowledge of non-Japanese company executives on an ongoing basis (twice annually) • Shared The KOMATSU Way and extended TQM education company-wide	Establish/deepen understanding of The KOMATSU Way Foster business leaders globally Promote TQM education globally	P. 24–25
3. Health and safety • Provide safe work environments that enable peace of mind	• Acquired OSHMS certification at Komatsu Ltd. Awazu and Osaka Plants	Further implement these activities	P. 26
4. Communication • Communicate with company stakeholders • Establish relationship of trust through timely information disclosure	• Conducted a plant tour for individual shareholders at the Awazu Plant in Ishikawa Prefecture, Japan • Convened shareholders’ meetings in Nagoya and Hiroshima, Japan • Provided more substantial online information for shareholders and investors	Further implement these activities	P. 22
5. Social contributions • Promote social contribution activities as a member of the local community	• Provided assistance to areas affected by large-scale natural disasters (one instance) • Promoted culture, education, and development of the local community continually • Promoted sports continually	Further implement these activities	P. 27–29