

Social Contributions

As a responsible corporate citizen, Komatsu seeks to act in harmony with people to bring about an enriched society. Formulating five basic principles, the company has undertaken social contribution programs in four distinct areas.

Basic Stance on Social Contributions

Komatsu believes that raising the Group's corporate value over the long term involves more than just managing its business operations. It must also contribute harmoniously to society as a responsible corporate citizen. The Group as a whole proactively engages with society on a continuing basis to fulfill one part of its corporate social responsibilities.

Komatsu's basic stance on social contributions (the purpose and the five basic principles concerning social contributions) is as follows.

Purpose

The Komatsu Group and its employees will contribute to society as members of the local community.

Basic Principles

Contributions shall be:

- Consistent
- In the public interest
- Voluntary
- Acceptable by employees
- Not aimed at advertisement

Major Areas of Activities

Komatsu's main activities for social contributions are in the following areas.

- Supporting the Flower Association of Japan
- Promoting culture and education and local community developments
- Promoting sports
- Providing humanitarian assistance and recovery from disasters

Supporting the Flower Association of Japan

As one of its contributions to society, Komatsu has been supporting the Flower Association of Japan since its founding in 1962. Through the cultivation and nurture of cherry trees, the Association is helping engender a beautiful natural environment and an enriched society.



Komatsu opens its Head Office (Minato-ku in Tokyo, Japan) rooftop gardens to the public every Friday from 2 PM to 4 PM. Visitors to the Western-style deck gardens and the cherry tree gardens, maintained by the Flower Association of Japan, can enjoy the flowers blooming in each season.

Creating Places Renowned for Cherry Blossom Viewing

Ever since its founding, the Flower Association of Japan has endeavored to preserve beautiful local environments, focusing on the donation of some 2.2 million cherry tree saplings and the protection and management of established cherry trees. The Association launched a model undertaking in 2002 to preserve notable venues for viewing cherry blossoms for future generations. Since 2007 it has conducted surveys on how the trees in these locations have fared and held classes for local residents on how to preserve and care for the trees. Through these activities, the Association is empowering communities to create notable sites for cherry blossom viewing.

National Cherry Tree Symposium

Every year, the Flower Association of Japan holds the National Cherry Tree Symposium as a forum for the presentation of various research findings related to cherry trees. The 2008 Symposium was held on

May 9–10 in the city of Kitami, Hokkaido Prefecture in Japan, with some 500 people participating, including cherry tree researchers from around the country and representatives of local governments with notable sites for cherry blossom viewing. Topics included reports on the preservation of notable cherry blossom viewing sites as well as on activities to revitalize local tourism in which cherry blossom viewing was the main attraction.

Creating Local Communities Rich in Flowers

Activities to make local communities richer in flowers are in line with the fundamental philosophy of coexistence between the natural environment and human beings. By building a sound resource-recycling society and a living environment that is beautiful and comfortable, the Flower Association of Japan aims to raise the quality of life for local residents. The Association serves as the secretariat for the Competition of Japan in Bloom (sponsored by the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Land, Infrastructure and Transport) held in October every year, with over 1,200 entries fielded annually.



Creating local communities rich in flowers

Reinforcing Activities to Raise Awareness

The Flower Association of Japan dispatches speakers to workshops sponsored by local governments to boost projects to foster notable sites for cherry blossom viewing and local communities rich in flowers. The Association has released a CD-ROM on the topic of creating popular cherry blossom viewing sites.

Releasing a CD-ROM

A CD-ROM was released to mark the 45th anniversary of the founding of the Flower Association of Japan. Through this CD-ROM, non-specialists can understand and take part in the creation of noteworthy sites for viewing cherry blossoms.

This CD-ROM introduces some 380 kinds of cherry trees and features simulations of growing cherry trees in typical neighborhoods. It also has a section in which viewers can come to understand techniques used to revitalize cherry trees at famous viewing locations that no longer have many blossoms. This CD-ROM presents an opportunity for viewers to enjoy deepening their knowledge about cherry trees while developing a greater interest in famous cherry blossom viewing sites nearby.



Supporting Education and Learning

Industry-academia Collaboration

Komatsu has entered into industry-academia collaboration agreements with four universities in Japan and China, namely Shandong University (China, 2003), Yokohama National University (Japan, 2004), The Graduate School of Engineering of Osaka University (Japan, 2005), and Kanazawa University Graduate School of Natural Science & Technology (Japan, 2005). In addition to pursuing leading-edge technologies collaboratively, through partnerships with nearby Komatsu business units, Komatsu assists in returning some of the benefits of these activities to the local communities. The company also concluded agreements to convene the Osaka University-Komatsu Joint Research Symposium in cooperation with The Graduate School of Engineering of Osaka University in 2006 and Lectures on Creating Industrial Machines, the

first session of a series called Lectures in Cooperation with Society, held jointly with the School of Engineering of The University of Tokyo in 2007. In convening these fora, Komatsu aims to research technologies for an increasingly diverse society while also nurturing human resources who will advance academic and societal developments.

■ **Dispatching Lecturers to Universities and Engaging in Joint Research**

Komatsu dispatches lecturers upon request to instruct university students in internal corporate technology development and corporate management. The company is also involved in joint research to pursue state-of-the-art and future-looking technologies, after discussing the intersection of Komatsu's "needs" and the university's "seeds."

■ **Study Tours of Plants for Elementary and Junior High School Students**

In response to requests for social studies-related study tours from local elementary and junior high schools in Japan, Komatsu conducts study tours to see its plants and recycling operations and provides opportunities to ride construction equipment.

Promoting Sports

■ **Komatsu Women's Judo Club**

The Komatsu Women's Judo Club was founded in April 1991 as part of the company's 70th anniversary commemorative activities. Since that time the club has won the championship of the All Japan Company Judo Club Competition four times. Members of the club have also demonstrated a record of excellence in individual competitions both in and outside of Japan, with one wrestler winning a gold medal at the Athens Olympics in 2004, among other awards. The club gladly offers non-Japanese teams opportunities to practice with its members, thereby contributing to the spread and development of judo around the world. Ayumi Tanimoto has qualified to participate in the under-63 kg class at the Beijing Olympics in the summer of 2008.



The Komatsu Women's Judo Club

■ **Establishing a Dojo in Jining (China)**

In November 2007, Komatsu donated support for the establishment of the Jining Komatsu Judo Facility in the city of Jining, Shandong Province, China. Judo wrestlers from Jining were also invited to Japan to participate in joint training sessions with the Komatsu Women's Judo Club.

In 1995, Komatsu founded Komatsu Shantui Construction Machinery Co., Ltd., a manufacturing site, in Jining. Because Jining is now the home of Komatsu's three manufacturing subsidiaries, Komatsu wanted to deepen its relationship with the city. Judo was a natural choice to promote exchanges, as a sport that Komatsu has been supporting.



Supporting the establishment of the Jining Komatsu Judo Facility

Providing Humanitarian Assistance and Recovery from Disasters

■ **Developing Demining Machines for Anti-personnel Landmines**

Making use of technologies developed for construction equipment, Komatsu has been developing vehicles that safely and efficiently remove dangerous anti-personnel landmines remaining in regions of conflict around the world. For further information, please refer to the "Special Story" on page 21.

■ **Providing Recovery Assistance in Areas Impacted by Natural Disasters**

Komatsu provides various types of assistance so that areas impacted by natural disasters can recover as early as possible. The company donates or lends construction equipment and prefabricated houses necessary for rescue and recovery activities. Komatsu also dispatches personnel and makes monetary donations.

■ **Activities in FY2007**

- Niigata-ken Chuetsu-oki Earthquake (Japan, July 2007)
 - Provided a temporary building for Handa nursery school in the city of Kashiwazaki
 - Provided condolence money to employees suffering from the earthquake through a donation matching system
 - Donated 20 million yen to Niigata Prefecture



Ceremony to present a temporary building to the Handa nursery school in Kashiwazaki

Contributing to Local Communities

■ **Business Units Open to the Public**

In addition to opening up its gymnasium, field, tennis courts, and various other recreational facilities, Komatsu hosts various events so as to foster harmony and a spirit of coexistence with local communities.

■ **"Open House" Day**

Komatsu convenes "open house" days at its business units on a regular basis, taking advantage of various events to enhance the local community's understanding of its business operations.

■ **Kids' Tour of Working Vehicles at the Komatsu Techno Center**

Twice a year, the Komatsu Techno Center (Izu in Shizuoka Prefecture, Japan) runs a "Kids' Tour of Working Vehicles," which allows the children to come into direct contact with large construction equipment. Through this tour Komatsu aims to foster children's dreams and furnish an opportunity for parents and children to play together, thereby encouraging deeper understanding towards construction equipment and Komatsu's corporate ideal.



Kids' Tour of Working Vehicles

Social Contribution Activities around the World (FY2007)

Each of the Komatsu Group manufacturing facilities outside Japan carries out social contribution activities in keeping with the circumstances of their country and region.

The United States

Participating in a Trinity River Cleanup Event in Dallas

In September 2007, an event was organized to clean up the basin of the Trinity River, which flows through Dallas, Texas. The Trinity River runs through the site of Hensley Industries, Inc., Komatsu's wholly owned subsidiary. Hensley provided financial and technical support and formed a team of employee volunteers to join with other Dallas citizen volunteers to pick up trash and other waste. Cleaning the river basin contributes to the safety of the local residents and surrounding wildlife. It will also markedly reduce the likelihood of people dumping trash there, according to survey results. The campaign collected about 22,000 lbs (9,900 kg) of trash and general waste, 7,540 lbs (3,400 kg) of empty cans and bottles, and 20,000 lbs (9,000 kg) of discarded tires in a single day.



Participating in the "Day of Caring"

In October 2007, employees from the Chattanooga Manufacturing Operation at Komatsu America Corp. (KAC) participated in the Chattanooga community support event known as the "Day of Caring."

This event has been run continually since 1986 to build homes for residents in need. Low-cost homes for low-income families can be built through the generosity of construction work done by volunteers. Twenty-five KAC volunteers participated in the day's events, helping in the finishing touches including painting, attaching doorknobs, and other tasks.



China

Social Contribution Fund for Sustaining Education Support

To invigorate social contribution activities still further, Komatsu's 14 Chinese subsidiaries established the Komatsu China Group Social Contributions Fund in March 2007. Using source capital contributed by the 14 subsidiaries and donated by their employees, the fund made its first disbursement to four schools across four provinces for a total of one million RMB (approx. 15 million Japanese yen). The Fund for the Development of Chinese Youth served as the intermediary, with each of the schools receiving 250,000 RMB (approx. 3.75 million Japanese yen). In March 2008, a ceremony was held when construction began on one of the four schoolhouses, the Beiguang Xiaosong Xiwang Elementary School (Komatsu Beiguang

Elementary School of Hope) in Yonsheng-xian, Yongbeizhen, Yunnan Province. This two-story schoolhouse will be completed in early 2009.



Indonesia

Providing Assistance to Flooding Victims in East Java

PT Komatsu Indonesia Tbk (KI) distributed relief to the severely flooded province in East Java in January 2008 after heavy rains caused the Bengawan Solo River to overflow. The floods caused extensive damage to homes, schools, and other buildings in the region. In response, KI dispatched employee volunteers directly to the stricken area, where they distributed food, clothing, blankets, and other relief supplies to the refugees. KI instituted a social contributions fund in 2005. Since then, it has been expanding its social contribution activities under the three major themes of contributions to the local community, a scholarship system, and natural disaster recovery. It was through this fund that KI gave assistance towards the flooding victims in East Java.



South Africa

Founding a Job Skills Training Center

Komatsu Southern Africa (Pty) Ltd. (KSAf) has established a job skills training center in the Plettenberg Bay area on the country's southern coast. Called the Komatsu DenRon Community Development Centre, this institution targets people unable to find work.

An opening ceremony for the joint project was held in July 2007. Local building materials/stone quarry company DenRon provided the premises and KSAf is covering the costs of the instructors, staff, and other human resources. Once the students have mastered basic academic skills, they complete literacy, numeracy, and computer skills training courses at the Centre. All courses have four levels, each with at least 120 hours of instruction.

Thirty-eight students are currently enrolled, and 18 graduates of the program have found jobs in various fields. KSAf continues to be involved in projects that contribute to the local community, giving people technical skills and a sense of self-worth. For further information on KSAf's social contributions, please refer to the "Special Story" on page 20.

