

2008 Highlights

Introducing the Hybrid Hydraulic Excavator

The PC200-8 hybrid hydraulic excavator, the world's first hybrid construction equipment, achieves an approximately 25% reduction in fuel consumption compared to the standard model. Having launched sales in a limited number in June 2008, Komatsu intends to produce 100 vehicles per month starting in October 2009.



▶▶ P. 5

Mitigating Climate Change in Manufacturing Operations

Komatsu has worked to achieve its medium- and long-term targets, aiming at a 20% or more reduction in CO₂ emissions per unit of manufacturing value in manufacturing operations by FY2010 compared to the FY2000 level. The company had already attained its targets in FY2006, and in FY2008 CO₂ emissions per unit of manufacturing value decreased still further, showing a significant improvement at 27.3% compared to the FY2000 level.

CO₂ emission reductions per unit of manufacturing value (compared to FY2000)

Target for FY2010:
20% reductions

Results for FY2008:
27.3% reductions

▶▶ P. 16

Acquiring ISO14001 Integrated Certification for the Komatsu Group in Japan

Komatsu acquired ISO14001 integrated certification, a widely accepted international standard for environmental management, for the Group in Japan in May 2008 by adding the Head Office, Research Division, and other non-manufacturing facilities not previously certified and major affiliates in Japan to its four plants that had already acquired certification.



▶▶ P. 11

The Revolutionary Sigmadozer Digging Blade

The Sigmadozer blade is a digging blade with a shape derived from breakthroughs in excavation theory. It has brought 15% work capacity gains for models with this blade compared to those with conventional blades.



▶▶ P. 13

Undertaking Projects to Remove Anti-personnel Landmines

In March 2009, Komatsu completed the "Project for Developing a Safe Village in Cambodia" being undertaken jointly with the Japan Mine Action Service (JMAS), a non-profit organization registered in Japan. This Special Story introduces a development project to remove landmines and reconstruct local communities.



▶▶ P. 21

Opening the Human Resources Development Center in the Philippines

Komatsu places emphasis on developing human resources around the globe to reinforce its *Monozukuri*, or manufacturing competitiveness, and upgrading product support capabilities encompassing the Komatsu Group. This topic introduces one base fostering human resources, the Komatsu Human Resources Development Center in Manila, the Philippines.



▶▶ P. 29



The Basic Stance of Management at the Komatsu Group is that corporate value is the total sum of trust given to it by society and all stakeholders. The Group conserves the environment in business operations, emphasizes compliance, holds dialogues with stakeholders, and contributes to society through assistance for disaster recovery and other means, all with the aims of sustained growth and maximization of corporate value.

Executive Officers Supervising the Environment and CSR (from left):

Masao Fuchigami

Director and Senior Executive Officer, Supervising Environment, Research, Design & Development and Quality Assurance

Kenji Kinoshita

Director and Senior Executive Officer, Chief Financial Officer Supervising CSR and Corporate Communications & Investor Relations

Masakatsu Hioki

Senior Executive Officer, Supervising Compliance, Legal Affairs, Human Resources and Education and Safety & Health Care

Reducing CO₂ Emissions through Biodiesel Fuels

Komatsu is pursuing sustainable material cycles and local production for local consumption with a view to reducing CO₂ emissions through the utilization of locally produced biodiesel fuels for dump trucks operating at local mines.



▶▶ P. 14

Providing Recovery Assistance after the Earthquake Disaster in Sichuan Province, China

Komatsu provides various types of assistance so that areas impacted by natural disasters can recover as quickly as possible. The company donates or lends construction equipment and facilities necessary for rescue and recovery activities. It also makes monetary donations. Komatsu assisted the areas affected by the great earthquake in Sichuan Province, China in May 2008 by providing monetary donations, construction equipment free of charge, and operators for the equipment.



▶▶ P. 32

Contents

Message from Top Management	1
2008 Highlights	3

Environmental Activities

Special Story 1

Mitigating Climate Change through Construction Equipment	5
Pursuing Environmental Management	7
Mitigating Climate Change	13
Creating a Resource Recycling Society	17
Environmental Risk Management	20

Activities for Society

Special Story 2

Activities to Remove Anti-personnel Landmines	21
---	----

Special Story 3

Creating Places Renowned for Cherry Blossoms and Beautiful Local Environments	23
---	----

Special Story 4

Komatsu's Social Contribution Activities Around the World	25
Developing Together with Employees	27
Communication with Stakeholders	31

Managerial Structure

The Basic Stance of Management	33
Enhancing Corporate Governance, Compliance, and Risk Management	34
Working Together with Business Associates and Customers	36
Quality and Reliability	37

Data

Data on Environmental Impact Resulting from Business Activities	41
Environmental Management	43
Environmental Data by Manufacturing Facility in Japan	45
Environmental Data by Manufacturing Facility outside Japan	49
Environmental Impact Indicators by Region	50
Environmental Accounting	51
Environmental and Social Activities to Date & External Commendations	52
Company Profile	53

Independent Review on <i>Environmental & Social Report 2009</i>	54
---	----

Cover Photos

Components of the Komatsu Hybrid System

Top left: Electric motor to swing the upper structure

Bottom left: Inverter, capacitor

Right: Power generation motor

(between the engine and the hydraulic pump)

See P. 6 for more information on the configuration of this system.