

Komatsu Earth Environment Charter (July 2003 revision)

Corporate Principles

1. Contributions to Realization of Sustainable Society

The Komatsu Group recognizes conservation of the earth's environment for a sustainable society as among the most important tasks for mankind in the 21st century.

The Komatsu Group endeavors to contribute to this task by actively integrating environmental conservation into all of its business activities. The Komatsu Group reaffirms its long-term commitment to this effort as an important management priority.

2. Simultaneous Realization of Environmental and Economic Performance

The Komatsu Group is committed to improving both environmental performance and economic efficiency, as a group of companies working toward superior manufacturing for customer satisfaction. To this end, the Group constantly takes up the challenge of advancing technologies to develop creative products that improve both environmental performance throughout the product's life cycle and the product's economic performance at the same time.

3. Observance of Corporate Social Responsibility

Each company of the Komatsu Group seeks to be a respected corporate citizen of the local community in nations around the world. Each company strives to fulfill its corporate social responsibility, including compliance with applicable laws and regulations on environmental conservation, as well as voluntary involvement and participation in community programs to address environmental concerns, and through dialogue and coordination with regulatory authorities, local leaders, and the public. Each of the individual Komatsu Group companies is responsible for fulfilling its independent legal obligations.

Guidelines for Corporate Activity

1. Framework for Global, Group-wide Environmental Management System

1) Production facilities of the Komatsu Group, already with ISO certifications, will work to maintain and improve their environmental management system, while other production facilities, yet to be certified, will strive to acquire ISO certifications as soon as possible.

The Komatsu Group will also work to introduce and improve an environmental management system in all business domains other than production, and to implement a program of continuous improvement in environmental performance and in-house environmental auditing.

2) The Komatsu Environmental Committee develops environmental action plans for the Komatsu Group. Each division or affiliated company of the Komatsu Group is responsible for establishing its own mid- to long-term targets based on Group-wide action plans and for developing and implementing specific action plans.

The Komatsu Environmental Committee also develops common guidelines for an environmental manual for the Komatsu Group, and based on them, each division and affiliated company is responsible for providing for its own rules and procedures in accordance with respective circumstances.

2. Development of Products and Technology with Superior Environmental Quality and Economic Performance

1) The Komatsu Group seeks to develop and provide to customers superior products with world-leading environmental quality and economic performance. The Komatsu Group seeks to meet or surpass emission control performance and other environmental requirements applicable to its construction and mining equipment products. The Komatsu Group establishes common mid-range technology development goals for each business domain, and each development center is responsible for promoting the development of such technologies in a planned manner.

2) The Komatsu Group seeks to develop and provide superior environmental products and systems designed to offer customers optimal solutions in their environmental conservation efforts.

3. Promotion of Zero Emissions

1) The Komatsu Group works to facilitate Zero Emissions manufacturing at all of its manufacturing facilities worldwide by extending such activities as piloted and achieved at its manufacturing facilities in Japan.

The Komatsu Group also works to facilitate Zero Emissions and other environmental activities of its suppliers. To this end, the Komatsu Group seeks to expand its Green Purchase program and also offers technological support when suppliers may need to introduce environmental management systems.

2) The Komatsu Group promotes reduction of environmental impacts of its sales and product support activities. The Komatsu Group offers support to its distributor and affiliated rental companies in Japan by setting up model cases, providing environment-related information, establishing environmental management guidelines and undertaking other activities. For distributors and affiliated rental companies overseas, the Group also strives to extend similar activities, as appropriate considering their respective conditions.

3) The Komatsu Group works to improve life cycle assessment of its products and build a circulation-based business system designed to reduce environmental impact throughout product's life cycle.

4. Management of Environmental Risks and Observance of Corporate Social Responsibility

1) Each division and affiliated company of the Komatsu Group is responsible for observing applicable environmental standards and regulations of the country or region where it is located as well as its own internal policies and standards, and working to improve its capability to anticipate and address environmental impacts.

2) The Komatsu Group promotes the consciousness of Group employees to the importance of environmental conservation and the responsibility of employees to fulfilling the Komatsu Group's commitment to this principle. To this end the Group also promotes education on environmental conservation for employees and special training for environmental management and auditing personnel.

3) The Komatsu Group promotes disclosure of information concerning its performance of environmental conservation activities. Each division and affiliated company of the Group promotes such disclosure as appropriate based on local circumstances.