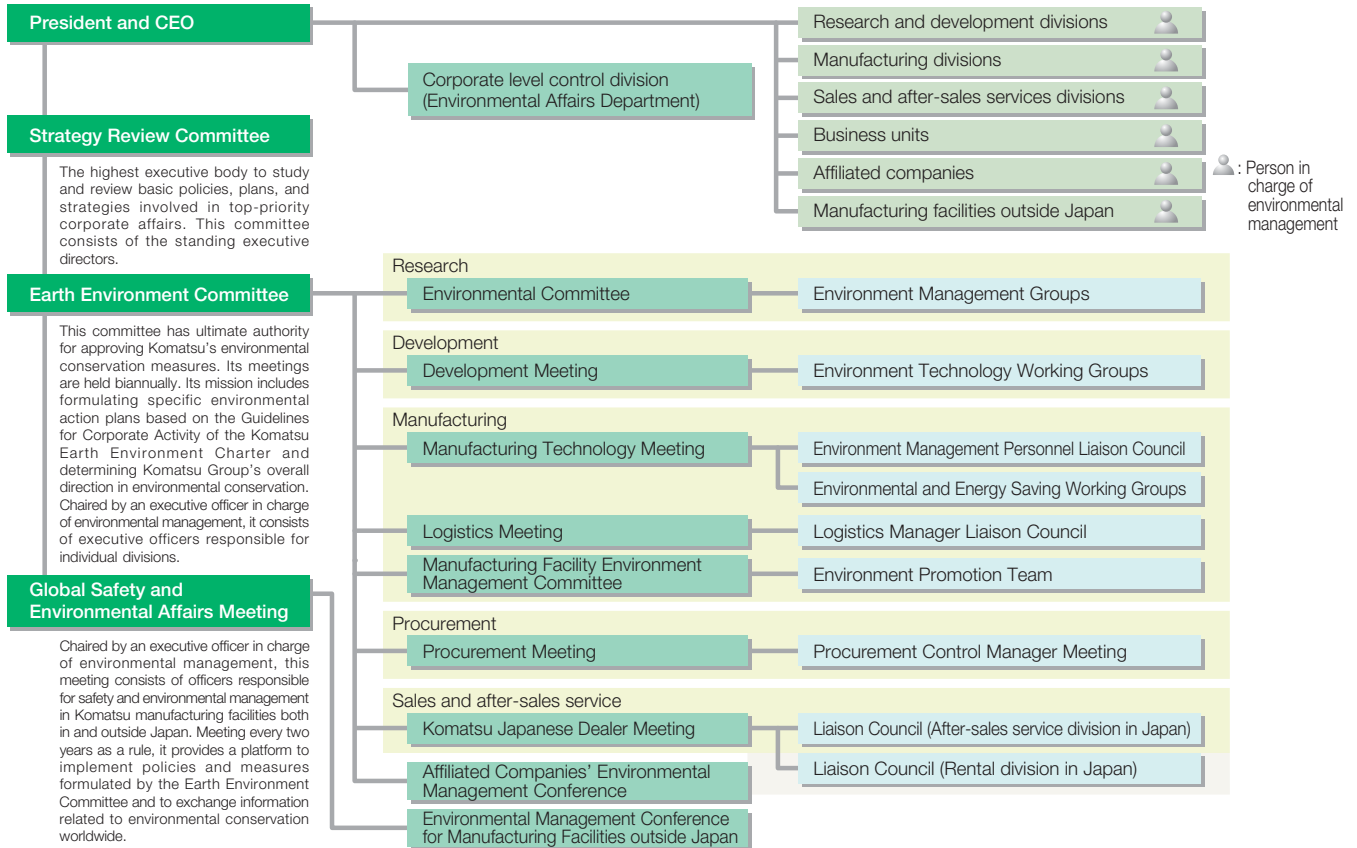


Environmental Management Structure

Organizational Chart of the Environmental Management Structure



Acquiring ISO14001

Komatsu has been engaged in a Group-wide initiative to acquire ISO14001 certification, an international standard for environmental management systems, with a view to enhancing management quality through strengthening systematic steps towards environmental conservation.

Since 1997 the Oyama Plant and other manufacturing facilities both inside and outside Japan have been certified individually. In FY2005, Komatsu Ltd.'s (the parent company's) four plants (the Awazu, Osaka, Mooka, and Oyama Plants) acquired integrated certification managed by the General Manager of manufacturing division. This represented the first step towards integrated certification for the entire Group. As the second step, in FY2007 Komatsu added its major affiliates in Japan and non-manufacturing facilities not previously certified—notably the Head Office, Research Division, Techno Center, and Field Testing Department—to the above four plants, with integrated certification attained by the Group in Japan in May 2008.

Upon completing the renewal audit in March 2009, Komatsu Cabtec Co., Ltd.



and Komatsu Logistics Corp. were included in the integrated certification. The Group seeks to expand the scope of its integrated certification still further, covering Komatsu NTC Ltd. (including Lossev Technology Corporation, Toyama Kiko Corporation, and D.S.K. Co., Ltd.), Komatsu House Ltd., Komatsu Construction Equipment Sales and Service Japan Ltd., and Komatsu Rental Japan Ltd. in the future.

Environmental Education and Training

The Komatsu Group's fundamental education system distributes the responsibility for education such that the parent company develops educational materials and provides educational services on commonly relevant academic issues for use by Komatsu Group companies, whereas instruction regarding more hands-on matters, including unique features and points particular to individual divisions, are conducted by relevant divisions.

In FY2008, Komatsu administered the curriculum for environmental education and training in the same manner as in FY2007. Additionally, the company organized an environmental training program for manufacturing engineers and an experience-oriented session that also offered employees an environmental volunteering opportunity*. Komatsu encourages employees to obtain a suitable environment-related certificate recognized by public institutions.

*For example, some 120 employees of the Mooka plant worked as volunteers to maintain the local forest in cooperation with the city of Moka's environmental affairs section.

Holding the Fourth Global Safety and Environmental Affairs Meeting

Komatsu convened the Fourth Global Safety and Environmental Affairs Meeting in Japan from September 9 through 12, 2008. The meeting was attended by 25 persons in charge of safety and environmental management representing 22 subsidiaries in 12 countries outside Japan along with managers at Komatsu Ltd. Awazu, Osaka, and Mooka Plants and Komatsu Castex Ltd. Himi Plants in Japan.

The two-day meeting at the Head Office devoted, for the first time, one day to occupational health and safety and another to environmental conservation for facilitating exchanges of views on concrete themes.

After the meeting at the Head Office, participants toured the Mooka and Ibaraki Plants on the third day and the Research Division in the city of Hiratsuka, Kanagawa Prefecture on the fourth day, where they could observe advanced research facilities for emissions and noise reduction, among others.

The Komatsu Group intends to use this Meeting as an opportunity to form more robust frameworks for exchanges of views at the global level.



Meeting at the Head Office in Tokyo



Tour of the Mooka Plant

Supporting Environmental Activities at Komatsu Group Sales Agencies and Rental Companies in Japan

Komatsu supports the environmental activities at Group sales agencies and rental companies in Japan through education and guidance on ways to enhance their environmental management.

In April 2005, Komatsu introduced the *Environmental Guidelines: A Manual for Komatsu Sales Agencies and Rental Companies* by distributing it to its 33 sales agencies and 25 rental companies in Japan at the time. These guidelines compiled points and standards to be observed for environmental issues directly pertinent to operations at sales agencies and rental companies such as waste treatment, waste oil treatment, oil management, and treatment of waste-

water from washing vehicles.

In order to have all sales agencies and rental companies comply faithfully with these guidelines, Komatsu held two sessions at agencies and companies that had implemented the guidelines in FY2008 in continuation of sessions held in FY2007, finishing the series of sessions at all relevant agencies and companies.

Komatsu provides cooperative assistance in reviewing the environmental aspects of operations, conditions, and equipment at relevant business sites of agencies and companies, giving on-site guidance and proposing remedial actions tailored to each site. This is done through joint visits to each of these sites by persons in charge of environmental management at Komatsu and its sales agencies and rental companies. In FY2008, 178 sites received this assistance. Komatsu also gives advice on the introduction or improvement of facilities to support agencies and companies in making their facilities more environment-friendly. A *Safety and Environment Newsletter* and other means are used to provide them with environment-related information on a regular basis.

As a result of this assistance, awareness of the environment has risen at agencies and companies and various improvements have been underway.

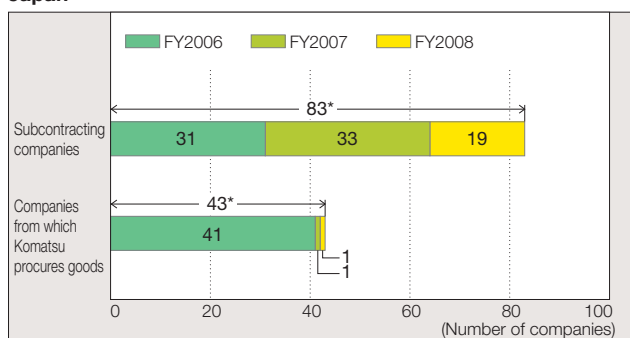


A station for washing vehicles with high walls to minimize the impacts on the surrounding community of the sound and water during washing (Fukuoka Nishi branch of Komatsu Rental Japan Ltd.)

Supporting Suppliers in Introducing Environmental Management Systems

To reinforce environmental management at suppliers, Komatsu required its business associates to acquire certification in ISO 14001 or an alternate environmental management system (EMS) by FY2008. Thanks in part to support from the procurement division at Komatsu, all of the 126 business associates in Japan that had been requested by Komatsu in FY2006 to pursue EMS certification had acquired it by FY2008.

EMS Certification Acquisition by Major Business Associates in Japan



*Companies that had been requested in FY2006 to acquire EMS certification