

# Environmental Risk Management

Komatsu is committed to thoroughly implementing measures that mitigate and prevent pollution, in strict compliance with the legal requirements of national and local authorities, to minimize the environmental risks that accompany manufacturing activities.

## Promoting Compliance and Pollution Mitigation and Prevention

Komatsu Group companies are responsible for periodically reporting and archiving environmental measurement results, in strict compliance with applicable laws and regulations of national and local authorities. In FY2010, the Komatsu Group experienced a single minor environmental infraction in Japan and corrective measures have been completed for this case. The Group had no major accidents where the environment was polluted in Japan.

## Addressing Soil and Groundwater Contamination

Komatsu has established guidelines in Japan for testing soil and groundwater, and performs investigations according to applicable laws and regulations at business units that are to be sold, closed, or demolished. If pollution is found, the Company takes appropriate measures under the supervision of local authorities. Komatsu has also performed voluntary investigations at currently operating business units, to check for contamination from volatile organic compounds (VOCs), which had been used in previous years in cleaning solvents and in other applications. Komatsu has been surveying soil and groundwater for VOC contamination at Group business units in Japan since 2005. All business units where contamination was detected have implemented countermeasures. The Company chose methods that would clean up the sites in as short a time as possible. Work at the Oyama Plant was completed in FY2009. With the demolition and removal of the former Development Center at the Osaka Plant in FY2010, an investigation was carried out according to the Soil Contamination Countermeasures Act and the results were reported to public authorities. The site was declared a so-called "designated lot subject to notification in case of changes", because the levels of lead and other substances exceeded standard values. The notification prescribed by the law was issued, and the required countermeasures have been completed. The history of the detected substances cannot be ascertained, and it is not clear what caused these substances to exceed the standard. Komatsu will continue to take reliable clean-up measures and maintain its monitoring of site boundaries to ensure that groundwater that does not meet environmental standards is contained within the premises.

## Status of Soil and Groundwater Cleanup in Japan

Business unit	Presence of contamination	Cleanup method	Cleanup status
Awazu Plant	Yes	Excavation and removal, soil vapor extraction, groundwater withdrawal and aeration, bioremediation	In process
Komatsu Plant (formerly)	Yes	Excavation and removal, groundwater withdrawal and aeration, bioremediation	In process
Osaka Plant	Yes	Soil vapor extraction, air sparging, groundwater withdrawal and aeration, bioremediation	In process
Shonan Plant	Yes	Excavation and removal, groundwater withdrawal and aeration	In process
Tochigi Plant	Yes	Excavation and removal, bioremediation	In process

\*Surveys revealed no contamination for the Koriyama Plant, Research Division in Hiratsuka, Techno Center in Izu and Field Testing Department in Oita.

## Managing PCB Waste

Komatsu conducts appropriate storage and management of PCB waste, such as transformers and capacitors in accordance with Japan's Law Concerning Special Measures Against PCB Waste and its Waste Disposal and Public Cleansing Law. In FY2008, Komatsu began entrusting PCB disposal to the Japan Environmental Safety Corporation (JESCO). A total of 95 PCB-containing capacitors had been disposed of by FY2009. Another 69 capacitors were disposed of in FY2010. When JESCO started its ballast disposal operations at its Kyushu facility, Komatsu re-examined the PCB-containing lamp ballasts, which include fluorescent lamps, used at all its facilities. The investigation revealed that there were approximately 3,300 PCB-containing lamp ballasts in use. These disposal efforts are scheduled to continue in 2011.



Transformers being removed from the Osaka Plant for disposal

## Number of PCB-containing Transformers and Capacitors in Storage

Company	Site	Number of disposal in FY2010	Number of storage	
			High density	Low density
Komatsu Ltd.	Head office	0	0	7
	Awazu Plant	0	67	112
	Osaka Plant	52	59	59
	Oyama Plant	0	309	6
	Mooka Plant	0	0	5
	Shonan Plant	0	2	1
	Field Testing Department	0	0	3
	Construction & Mining Equipment Marketing Division	0	4	0
Subtotal of Komatsu		52	441	193
Komatsu Utility Co., Ltd.		15	20	11
Komatsu Castex Ltd.		0	0	20
Komatsu NTC Ltd.		0	31	0
Komatsu Cabtec Co., Ltd.		0	2	12
Komatsu House Ltd.		0	1	4
Komatsu Construction Equipment Sales and Service Japan Ltd.		2	18	19
Komatsu Rental Ltd.		0	0	1
Total of Komatsu group		17	72	67
Total		69	513	260

\*The Komatsu Plant's share has been transferred to the Awazu Plant.  
 High-concentration waste from Osaka Plant will be disposed of within 2011.  
 \*The former Kawagoe Plant's share is included in the Head office.

## Reducing amount of PRTR-related substances and VOC released

Most of released PRTR-related substances and VOC are VOC used in paint. In FY2010, the amount of such substances released increased as production increased. Komatsu is making efforts to reduce the amount by (1) shifting to high solid paint and (2) improving coating efficiency. (See figures and tables in P26.)