

Environmental Risk Management

To minimize environmental risks accompanying manufacturing activities, Komatsu is committed to thoroughly implementing pollution mitigation and prevention measures in strict compliance with the legal requirements of national and local authorities.

Promoting Compliance and Pollution Mitigation and Prevention

Komatsu Group companies are responsible for reporting environmental measurement results periodically and archiving them in strict compliance with applicable laws and regulations of national and local authorities. In FY2008, the Komatsu Group experienced three minor environmental infractions in Japan and for all cases corrective measures have been completed. The Group had no major accidents in which the environment was polluted in Japan.

Managing PCB Wastes

Komatsu conducts proper storage and management of PCB wastes such as transformers in accordance with Japan's Law Concerning Special Measures Against PCB Waste and its Waste Disposal and Public Cleansing Law.

With the Japan Environmental Safety Corporation (JESCO) starting PCB waste treatment in Japan in FY2008, Komatsu entrusted treatment of its 79 drums of condensers containing PCBs to JESCO. This figure includes 56 drums from the Head Office, eight from the Mooka Plant, and 15 from the Komatsu Utility Tochigi Plant. The company intends to arrange for early treatment of the remaining PCB wastes in FY2009 and thereafter at JESCO's various locations.

As of March 2009, the Komatsu Group as a whole possessed 596 drums of PCB wastes, including those in low concentrations.

Addressing Soil and Groundwater Contamination

The Earth Environment Committee has established guidelines in Japan for investigating the state of soil and groundwater. Komatsu commences investigations in accordance with applicable laws and regulations at business units that are planned to be sold, closed, or demolished and, if necessary, takes suitable measures under the supervision of the local authority concerned. Komatsu also performed voluntary investigations at business units currently in operation to check for contamination by organic chlorine-based chemical compounds (VOCs), which had in previous years been used in cleaning solvents and otherwise.

In 2005 Komatsu began surveying VOC contamination of soil and groundwater in Japan at Group manufacturing facilities as well as at its Research Division and other non-manufacturing facilities, with all investigations completed by FY2008. All business units at which contamination was detected began remediation work. The company chose remedial methods that could clean up the sites in as short a timeframe as possible.

Komatsu will execute reliable cleanup measures and maintain its monitoring of site boundaries to ensure that groundwater exceeding environmental standards is contained within the premises.

Status of Soil Cleanup in Japan

| Business unit | Cleanup method | Cleanup status | |
|-------------------------------|--|--|------------------------------------|
| Komatsu Ltd. | Awazu Plant | Excavation and removal, soil vapor extraction, groundwater withdrawal and aeration, bioremediation | In process |
| | Komatsu Plant | Excavation and removal, groundwater withdrawal and aeration, bioremediation | In process |
| | Osaka Plant | Soil vapor extraction, air sparging, groundwater withdrawal and aeration, bioremediation | In process |
| | Oyama Plant | Excavation and removal, bioremediation | Scheduled for completion in FY2009 |
| | Shonan Plant | Excavation and removal, groundwater withdrawal and aeration | In process |
| Komatsu Utility Tochigi Plant | Excavation and removal, bioremediation | Remediation work in process | |

Surveys revealed no contamination for the following business units in Japan: Komatsu Ltd. Mooka and Koriyama Plants, Research Division in Hiratsuka, Techno Center in Izu, Field Testing Department in Nozu, Komatsu Utility Kawagoe Plant, and No. 1 and No. 2 Plants of Komatsu Castex.

Renovating Underground Tanks in Japan

Komatsu is systematically replacing underground tanks in Japan in operation more than 20 years with double-walled aboveground tanks and eliminating or consolidating them. In FY2008 one tank subject to renovation at a Group company was taken out of use after the conversion of a kerosene boiler to a gas-fired type. This underground tank is scheduled for removal in the latter half of FY2009. Komatsu will address sequentially underground tanks that newly pass the 20-year mark.

Sadao Nozawa of the Oyama Plant Recognized with the Agency for Natural Resources and Energy Director-General's Award in Japan

Sadao Nozawa of the General Affairs Department at the Oyama Plant was presented with the Agency for Natural Resources and Energy Director-General's Award at the FY2008 Month of Energy Conservation awards ceremony in Japan. This award is in recognition of his efforts at the Oyama Plant, namely, dramatic reductions in energy consumption through utilities improvements and other achievements made

through the assertive use of Energy Service Company (ESCO) services; contributions to the energy savings attained by the Komatsu Group by arranging company-wide energy-saving working groups; and contributions to energy conservation among numerous companies and organizations by allowing external visitors to tour the plant.



Promoting Local Production for Local Consumption at Company Cafeterias

Komatsu has been promoting the local consumption of locally produced foods in menu offerings at the company cafeterias of the Head Office and business units in Japan through the use of ingredients grown nearby. This initiative aims at promoting local industry and reducing CO₂ emissions through improvements in logistics. The Head Office planned a special menu under the theme of "a sampling of tasty dishes from Japan's Kanto region" while business units offered dishes featuring locally harvested rice and vegetables seasoned with locally produced condiments. The Head Office's *anago tendon* (rice topped with deep-



Anago tendon offered at the Head Office cafeteria

fried conger eels) was awarded the Judging Committee's Special Prize (School and Company Cafeteria Category) in the Local Production for Local Consumption Menu Contest sponsored by the Ministry of Agriculture, Forestry and Fisheries of Japan.