

Reducing Environmental Impact

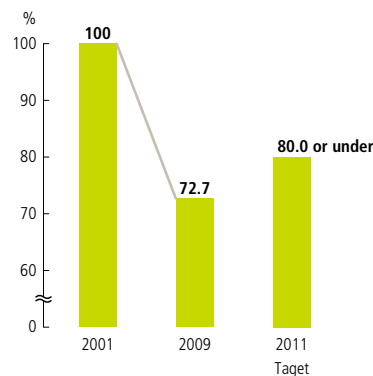
By positioning environmental problems as one of its top-priority management tasks, the Komatsu Group has worked organizationally to develop solutions over the years. In 1991, the Komatsu Group established the Earth Environment Committee chaired by President (currently, Executive Officer supervising environmental conservation efforts) of Komatsu Ltd. and created its environmental management structure. In 1992, the Komatsu Group formulated the Komatsu Earth Environment Charter. Since then, the Komatsu Group has pursued what it can and must do in order

to ensure sustainable growth of natural environment and society, while promoting corporate social responsibility-conscious efforts increasingly from a global perspective. With respect to climate change, the most serious environmental problem today, the Komatsu Group has been making aggressive efforts to reduce CO₂ emissions through the product lifecycle which involves not only production and transportation but also supply of fuel-economy products designed to make contributions to customers' environmental conservation efforts.

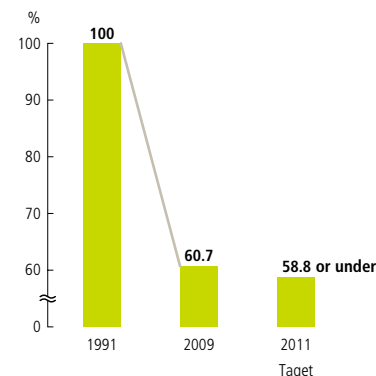
[Specific Efforts to Reduce CO₂ Emissions]

	Description	Reduced Effects
Development	<ul style="list-style-type: none"> PC200-8 Hybrid hydraulic excavator Hybrid electric forklift trucks (1-ton and 2-ton classes) D65EX-16 medium-sized bulldozer 	Down 25% on average* Down 20% (1-ton class) and 30% (2-ton class) at maximum* Down 25% on average*
Production	<ul style="list-style-type: none"> Working to reduce CO₂ emissions per unit of production value by 20% before the end of fiscal 2011 from fiscal 2001 as a mid- to long-range target. Implementing a variety of improvement activities horizontally under the leadership of All Komatsu Energy Saving Working Group. 	CO ₂ emissions per production value: Down 27.3% in fiscal 2009 from fiscal 2001
Logistics	<ul style="list-style-type: none"> Using two new plants (Ibaraki and Kanazawa) adjacent to ports and promoting modal shifts from trucks to oceangoing vessels, railway cars and other means of transportation with less impact on the environment. 	Logistics-related CO ₂ emissions per unit of net sales: Down 39.3% in fiscal 2009 from fiscal 1991

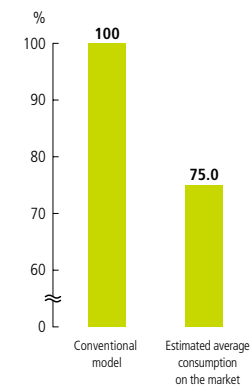
Reduction of CO₂ Emissions in Production



Reduction of CO₂ Emissions in Logistics



Reduction of Fuel Consumption by PC200-8 Hybrid



*Tested by Komatsu with its conventional model of the same class

Years ended March 31



We are developing dump trucks capable of using biodiesel fuel.



Jatropha

Reduction of CO₂ Emissions by Using Biodiesel Fuel

We are also working to reduce CO₂ emissions by using biodiesel fuel to operate construction and mining equipment. It is regarded that biodiesel fuel will not increase the amount of CO₂ in the air because the concerned plants absorbed CO₂ while growing. We are planning to embark on verification tests of dump trucks (payload: 90-ton class) at a coal mine in Indonesia by using biodiesel fuel made from Jatropha and other plants, by the end of fiscal 2009. Looking further ahead, we should be able to reduce about 200,000 tons of CO₂ emissions which are equivalent to two thirds of CO₂ emissions generated per year by all plants of the Komatsu Group in Japan, when we replace 20% of the currently used diesel fuel with biodiesel fuel to operate dump trucks on a scale of 1,000 units.

Social Contribution Efforts

In addition to improving our business performance, we believe that promotion of harmony with society and social contributions will enhance our corporate value in a long term. Based on this belief, we are actively and continuously involved in social contribution activities as our group-wide efforts. We will continue to promote sustainable growth and enhance our corporate value as we engage in group-wide business activities and social contribution efforts as two wheels of one cart.

Supporting the Flower Association of Japan

We have been supporting the Flower Association of Japan since its establishment in 1962 as a non-profit organization primarily to develop cherry blossom viewing parks under its slogan of "soothing people's hearts by flowers."

During the last 47 years, the Association has grown over 2.2 million saplings of cherry trees and donated them for parks, streets, schools and other public-interest facilities around the world in order to promote community development for aesthetic environs. Based on accumulated know-how in cherry trees, the Association is involved in the protection and revitalization of cherry trees together with fans of cherry trees.



The Association's farm to exhibit cherry trees in Yuki City, Ibaraki Prefecture

Promoting Sports through Judo

We established the Komatsu Women's Judo Team in April 1991 as one of the commemorative projects for our 70th anniversary. Since then, our team has built on winning records, including the championship for 7 times in the team competition events sponsored by the All-Japan Businessmen's Judo Federation and excellent results in competitions in the individuals events in Japan and abroad. Our team also offers judo lessons to children twice a week and actively receives judo teams from abroad for joint trainings. Through these activities, our team supports the sound growth of children and international promotion and development of judo. In the summer of 2008, Ayumi Tanimoto won the Gold Medal in the women's 63kg category in the Beijing Olympic Game, following the same color medal in Athens. Ayumi is the only Olympic judo champion to receive two gold medals by winning all matches by all Ippon in two straight Olympic Games.



Komatsu Women's Judo Team

Joining the UN Global Compact

In November 2008, we joined the UN Global Compact which advocates the ten principles of human rights, labor standards, environment and anti-corruption. As a global corporate entity working to further improve our corporate value, we have expressed, around the world, our commitment to fulfilling corporate social responsibility.



Note: See Environmental & Social Report 2009 for more information concerning Komatsu Group's efforts.

URL: <http://www.komatsu.com/CompanyInfo/csr/>

CSR Efforts Abroad

The Komatsu Group generates over 75% of total sales overseas today, and we are thus expected to fulfill social responsibilities as a respectable corporate citizen in all regions where we engage in business. With full awareness of such responsibilities as a global company, we are making steady CSR efforts in different parts of the world by incorporating the opinions of local stakeholders.

India: L&T-Komatsu Ltd. Based on its policy to support local activities related to medical care, welfare and community development, L&T-Komatsu has supported construction of schools and promotion of medical care and other activities since 2006.

South Africa: Komatsu Southern Africa (Pty) Ltd. Komatsu South Africa and DenRon Quarries jointly established the Komatsu DenRon Community Development Centre in 2007, where unemployed young people can learn basic educational skills to find employment.

United Kingdom: Komatsu UK Ltd. Komatsu UK established the Northern Komatsu Pinetree Centre on its premises about 20 years ago. The Centre offers vocational training to disabled persons in an effort to support their employment.



Health check-up offered at a local health camp in India

Demining Anti-Personnel Landmines:

Project to Reconstruct Safe Village Completed in Cambodia



As part of our social contribution efforts, since January 2008 we have supported community development projects undertaken by Japan Mine Action Service (JMAS), a non-governmental organization, to demine the landmine-infected areas and reconstruct communities. In March 2009, we completed the project to reconstruct a safe village in Battambang District, Cambodia, our first joint project with JMAS.

Project Begun in 2008

The village of Reak Smey Sangha in Battambang District has a population of 300 or 73 families. The entire area, except for roads, was infected with landmines. Although it's so dangerous, some people don't want to leave their village after living there for many years and they are forced to make a living by growing mainly corn. In July 2008, we began this project to remove all landmines placed in the ground in an area of about 41 hectares by using Komatsu-developed demining machine and manpower combined and to reconstruct a village with safe environs.

The project leader and some staff members from JMAS stayed in the village and teamed up with members of the Cambodia Mine Action Centre (CMAC) who are well experienced in manual removal of landmines. In addition to the demining machine, we lent a hydraulic excavator and a bulldozer free of charge for excavation and leveling work of the ground. We also offered trainings for CMAC members to operate and repair construction equipment.

In eight months from the start of the project, 111 landmines were demined. Demined land was converted into farm land, and reservoirs for agricultural use were built. The project team also



Hands-on training of CMAC members for maintenance of our demining machine

built and repaired roads, installed pipes from ponds to prevent them from over-flooding and restored the elementary school.

Revitalization of the Village

As the reconstruction project advanced, there was a big change in the traffic of people and cars in the village. After the elementary school was renovated, the square in front of the school became a meeting place for village people. Thanks to repaired roads, more children come to school and trucks come into the village to load corn at a new storage site. More people come from neighboring villages and a general merchandise store has been enlarged. There are always some people outside today.

Future Projects

We are going to extend our experience and know-how gained from this project horizontally to a project in which JMAS is already engaged and a community reconstruction project scheduled to start in the village of Kilo, Battambang District in early summer of 2009.

We are continuing our efforts to give a hand for demining landmine-infected areas and transforming them into safe land so that affected communities will be able to start reconstruction.

Social Contributions through Komatsu-made Demining Machines

- March 1999:** Ottawa Treaty (Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction)
- August 2002:** The Japanese government interpreted that demining machines for anti-personnel landmines are not applicable to weapons.
- March 2003:** Komatsu applied for the public offering of subsidies of Japan's Ministry of Economy, Trade and Industry and The New Energy and Industrial Technology Development Organization (NEDO) and embarked on the development of demining machines
- 2004–2006:** Tested the prototype in Afghanistan and Cambodia supported by Japan's Ministry of Foreign Affairs.
- July 2007:** Delivered the first model to Afghanistan (delivered to an NGO based on the Japanese government's ODA donation).
- January 2008:** Signed contract with Japan Mine Action Service (JMAS), a non-governmental organization.
- March 2008:** Delivered the second model to Cambodia.
- June 2008:** Delivered the third model to Cambodia (the community reconstruction project in the village of Reak Smey Sangha in Battambang District).
- October 2008:** Delivered the fourth model to Angola (the community reconstruction project in the village of Mabubas in Bengo)
- Early summer, 2009:** Planning to start the community reconstruction 2009 project in the village of Kilo in Battambang District, Cambodia.