KOMATSU

Komatsu ESG Databook 2025

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Editorial Policy

In principle, the period covered by the information on the sustainability website is from April 2024 to March 2025, but ongoing initiatives may include information outside the period covered.
The reports principally cover all our domestic and overseas consolidated Group companies and if the scope is different from the above, we stated the scope of report in each page.
The date of the previous report is August 2024. The date of the latest report is August 2025. The next issue will be published in July 2026.
Please use this form to send us any questions regarding our reports.
The reports contain Disclosures items referring to the GRI Standards. You can see a list of the Standard Disclosures and their location in our report here.
Komatsu has received an independent practitioner's assurance on important quantitative data in environmental reporting, which can be viewed here.

Sustainability policy 003

Our priority on sustainability management aims to generate a positive cycle of creating new value to address social issues and improve profitability.
With our “Sustainability policy” serving as a guideline for the achievement of a sustainable society and business growth, we are committed to meeting the challenge of climate change and other social issues, and we will fulfill our social and environmental responsibilities as a global company through our business activities.

Sustainability policy

Since Komatsu's founding, we have always pursued "Quality and Reliability", and have made efforts to build strong relationships of trust with our stakeholders based on our "Management Principle" of maximizing the total sum of trust from all stakeholders, including society.
Our pursuit of coexistence has been handed down through generations, and our basic stance is to contribute to society through business activities.
Our purpose is "Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses, and our planet thrive together".
We will continue to address issues that are important to both a sustainable society and our business, grow as a corporate group that can flexibly respond to changes in society and the external environment, further enhance our corporate governance, and contribute to society with our stakeholders.

What we do to empower a sustainable future where people, businesses, and our planet thrive together

With people

- We provide an environment where diverse and global employees can work safely and healthily as one team, with respect for each individual, and with satisfaction and pride.
- We nurture employees who can take on challenges in various jobsites and regions, create new value together with customers, and contribute to the realization of a sustainable society.
- As Komatsu Group, we shall respect human rights related to all of our business activities.

With business

- We contribute to society through our business activities by providing our customers with safe and highly productive products, services and solutions that realize sustainable infrastructure development, resource development and a recycling-oriented society.
- We build relationships with our business partners and local communities that enable mutual trust, fairness, co-existence and co-prosperity.
- We comply with the rules of society, including laws and regulations, and strive to respond sincerely to the requests and expectations of all stakeholders, including society.

With the planet

- Through all of our business activities, we strive to reduce our environmental impact and preserve the global environment through the use of advanced technologies.
- We strive to increase both global environmental conservation and business growth through manufacturing and technological innovation.
- We pursue collaboration and value creation with our stakeholders towards a sustainable planet and future.

April 1, 2025
Komatsu Ltd.
President and Chief Executive Officer

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Materiality

Komatsu positions the resolution of social issues through business activities as our fundamental stance under the Sustainability Policy. We have reviewed the material issues our company should address as follows and identified 18 items across six areas.

■ Materiality definition and identification

Komatsu positions the creation of new customer value, based on our purpose, as the foundation for generating a positive cycle of solving social issues and improving profitability. This approach serves as the core concept of the Strategic Growth Plan to achieve sustainable growth. With the formulation of our new Strategic Growth Plan, we reviewed our materialities for the first time in three years with regard to the issues for our company to address.

The review adopted the concept of double materiality, which evaluates both financial impact and environmental and social impact. Komatsu analyzed business impact and environmental and social impact, defining 18 materialities across six areas. We also incorporated these items in the priority initiatives of the new Strategic Growth Plan announced in April 2025.

Going forward, Komatsu will undertake regular materiality analyses and reflect the identified sustainability-related business risks and opportunities in management initiatives to respond flexibly to changes in the operating and management environment.

Process of revising materialities

Komatsu followed the processes to revise and identify our materialities with support from the Business for Social Responsibility (BSR; a U.S.-based NPO), as a third-party aid.

1) Identification of sustainability issues

We compiled a list of 39 items based on past materiality analyses, international targets and standards, reporting frameworks, management philosophy and strategies, and stakeholder materiality.

2) Evaluation of issues based on double materiality

We interviewed 26 internal and external stakeholders regarding the identified sustainability issues. We then evaluated and mapped these issues based on qualitative input from the interviews, public Komatsu disclosures, and general risk information. Our evaluations incorporated social and environmental perspectives, as well as business perspectives, to map issues based on their potential impact and likelihood.

3) Identification of materialities

Based on the evaluation results, we identified 18 materialities with a particularly large impact across six areas: employees, human rights, customers, ethics and governance, communities, and the environment.

4) Board of Directors' approval of the Strategic Growth Plan (including materiality)

We confirmed the alignment of the identified materialities with our Sustainability Policy and the SDGs. The Board of Directors then approved these items, which we positioned in the Strategic Growth Plan as issues to address in pursuit of sustainable growth through a positive cycle of solving social issues and improving profitability.

We also established key performance indicators (KPIs) to ensure steady execution of materiality initiatives. We will disclose progress on these KPIs in the Komatsu Report.

* External: Institutional investors, the United Nations Development Programme, environmental organizations (Global Environmental Forum), customers, suppliers, and others

* Internal: Officers (directors, executive officers, including global officers)

Importance assessment mapping

Materiality map

Specific challenges

Employees	1 Occupational safety and health, well-being 2 Talent acquisition, skills development, retention 3 Fair labor practices 4 D&I
Human rights	5 Respect for human rights
Customers	6 Customer value creation through workplace optimization 7 Product safety and quality 8 Value chain continuity 9 AI and DX 10 Business strategy to ensure competitive edge and profitability
Ethics and governance	11 Privacy and data protection, cybersecurity 12 Governance aligned with business changes 13 Compliance
Communities	14 Contribution to local communities
Environment	15 Climate change 16 Resource circulation 17 Nature positive 18 Preserving forests through business activities

Risks and opportunities for identified materialities

Komatsu identified major risks, opportunities, and policy directions through the materiality assessment process. We reflected these items in the development of priority initiatives under the Strategic Growth Plan. Refer to the appropriate page for specific information regarding KPIs.

	Major risks	Major opportunities	Policy direction
Employees	▪ Labor shortages caused by difficulties in talent acquisition and employee outflow ▪ Impact on employees from lack of appropriate occupational health and safety and fair labor practices	▪ Improved retention through diverse talent acquisition, utilization, and capability development ▪ Improved retention through enhanced occupational health and safety and fair labor conditions	▪ Ensuring talent acquisition through greater recognition and strengthening global talent development ▪ Strengthening partnerships and driving innovation through external collaboration ▪ Enhancing occupational health and safety and well-being
Human rights	▪ Negative impact on employees and corporate reputation due to child and forced labor ▪ Negative impact on employees and corporate reputation due to jobsite harassment	▪ Enhanced corporate credibility through proper human rights due diligence	▪ Strengthening human rights due diligence upstream, Komatsu, and downstream
Customers	▪ Loss of trust from customers and society due to insufficient product safety or quality ▪ Supply chain instability caused by political, economic, or natural disruptions ▪ Risk of failing to contribute to customers due to changes in technology or market conditions	▪ Minimizing the impact of changed in the external environment and continuing to provide a stable supply to customers ▪ Improving productivity and efficiency through AI utilization and digital transformation (DX)	▪ Providing solutions that optimize customer construction and fleet management ▪ Providing solution-integrated products equipped with automation and other advanced technologies ▪ Advancing BCP and expanding cross-sourcing and multi-sourcing ▪ Enhancing productivity and creating value through AI and DX across all areas
Ethics and governance	▪ Legal issues and reputational damage resulting from lack of corporate ethics ▪ Loss of trust from customers and society due to inadequate data management or cybersecurity	▪ Greater business opportunities through enhanced governance that matches the globalization and diversification of business	▪ Ensuring appropriate privacy and data protection and cybersecurity ▪ Enhancing governance in response to changes in business
Communities	▪ Legal violations and damage to corporate reputation caused by infringement of the rights of local communities and indigenous peoples	▪ Enhancing corporate image and ensuring business continuity through charitable and volunteer activities in local communities	▪ Respecting the rights of local communities and indigenous peoples at all business sites ▪ Active contributions to local communities
Environment	▪ Increased costs and damage to corporate reputation resulting from insufficient action on climate change ▪ Loss of business opportunities due to failure to meet customer demand for low-carbon products	▪ Maintaining competitiveness and enhancing social reputation by meeting customer expectations for low-carbon products ▪ Contributing to forest conservation and establishing new business pillars through more efficient forestry operations using forestry machinery	▪ Developing business models for low-carbon products and solutions ▪ Expanding the forestry machinery and reman businesses

Risk management

The management principle of Komatsu is to maximize its corporate value through the commitment to "Quality and Reliability." Any uncertainty that hinders this pursuit is considered a "risk," and measures are taken to address all risks threatening the sustainable development of the Komatsu Group.

1. Major Risks and Assessment

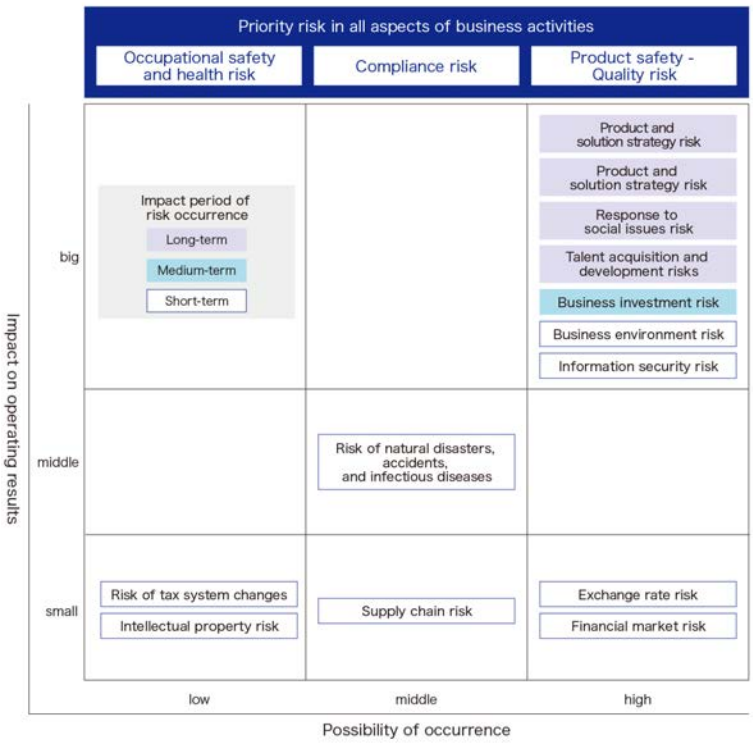
Komatsu identifies risks that may affect its business activities from an enterprise-wide perspective and evaluates them based on "impact on business performance," "likelihood of occurrence," and "impact duration in case of risk occurrence," to determine the priority of risks. Furthermore, the company identifies "corporate risks," which are significant enterprise-wide risks, and "regional risks," which are specific to the business activities of each country and region. After determining the responsible departments for countermeasures, activities are carried out to avoid or minimize risks and maximize opportunities. In FY2024, risks and opportunities were identified and evaluated based on changes in the business environment, reflecting the materiality analysis conducted during the formulation of the new mid-term management plan (2025–2027).

To further strengthen its risk management, Komatsu has established a Risk Management Committee, chaired by the President, with the Executive Officer Supervising General Affairs as Vice Chairman and the Risk Management Group of the General Affairs Department acting as the Secretariat. This committee is responsible for developing a comprehensive corporate policy on risk management, identifying "corporate risks" through the selection and evaluation of risks from an enterprise-wide perspective, inspecting and following up on the implementation status of risk countermeasures, and controlling risks when they materialize. In FY2024, the committee was convened in June, October, and February, and the content of its deliberations and activities is regularly reported to the Board of Directors.

(1) Risk map (risk prioritization)

The risk map (risk prioritization) based on FY2024 risk assessment results is as follows. For details on the risks, please refer to the 156th Securities Report.

Figure: Risks factors



Risk assessment results (change from previous year)

Category	Item	Impact on operating results	Possibility of occurrence	Impact period
Strategic risk	Product and solution strategy	Big	High	Long-term
	Business environment	Big	High	Short-term
	Business investment	Medium → Big	Medium → High	Medium-term
	Response to social issues	Big	High	Long-term
Operational risk	Supply chain	Medium → Small	Medium	Short-term
	Talent acquisition and development	Big	High	Long-term
	Information security	Medium → Big	High	Short-term
	Intellectual property	Small	Low	Short-term
Financial risk	Fluctuations in financial markets	Small	High	Short-term
	Changes in tax systems	Small	Low	Short-term
	Foreign exchange fluctuations	Small	High	Short-term
Hazard risk	War, terrorism, and geopolitical	Big	High	Long-term
	Natural disasters, accidents, and infectious diseases	Medium	Medium	Short-term

(2) Overview, impact, and countermeasures for "Corporate risks" and "regional risks"

The corporate risks for FY2024 are as follows.

Risks related to product and solution strategies	
Risk description	Komatsu defines its purpose as “creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses, and our planet thrive together.” In line with anticipated future market and societal needs, we are promoting the creation and market introduction of new products and solutions, such as electrified machinery, Smart Construction, mine automation (e.g., AHS), and data-driven businesses (e.g., KOMTRAX). However, as the global movement toward low-carbon technologies and electrification accelerates, we face the risk of losing competitiveness in the market if we are unable to develop products and solutions that meet customer needs by the time they are required by the market, or if our developed offerings fail to gain customer acceptance. In particular, if electrification becomes mainstream in the market, our business model itself must evolve in response to such changes. Failure to adapt may not only result in the loss of existing revenue sources but also lead to a decline in our overall market competitiveness.
Impact on Business	If we are unable to provide products and solutions that maintain an advantage over competitors, it could affect our business performance, and this impact could be prolonged.

Risks related to product and solution strategies	
Risk mitigation actions	From 2020 to 2024, Komatsu introduced seven models of electrified construction equipment, primarily in the European and Japanese markets. Going forward, we aim to expand the product lineup to offer more options for customers. To address the challenge of charging infrastructure for electrified equipment, we have begun a proof-of-concept (PoC) project for a power supply unit for electric mini excavators, jointly developed with partner companies using hydrogen co-firing engine technology. At bauma 2025 held in Germany in April 2025, under the themes of innovation, sustainability, and digitalization, Komatsu exhibited the European model of our next-generation hydraulic excavator, the PC220LCi-12, for the first time. We also showcased five models of electric excavators, our new-generation wheel loaders WA485-11/WA475-11 with significantly improved fuel efficiency, as well as various charging and storage solutions tailored to diverse jobsite needs. To accelerate technological innovation, Komatsu acquired American Battery Solutions Inc. (ABS), a U.S.-based battery manufacturer, in 2023. This acquisition enables us to integrate ABS's battery technology with Komatsu's expertise, advancing the development and production of batteries for construction and mining equipment adapted to various environments. We are now working to expand the use of ABS batteries across more equipment models and promote in-house production of key components for electrified construction equipment. These efforts also contribute to the establishment of a value chain business that supports the entire lifecycle of electrified construction equipment. In addition, in 2024, as a new initiative to reduce environmental impact, Komatsu is collaborating with Vale, a major mining company in Brazil, and Cummins, a leading U.S.-based engine manufacturer, to develop engines for our ultra-large dump trucks capable of operating on a diesel-ethanol blended fuel. Through this collaboration, we aim to gradually convert Komatsu's 830E and 930E trucks operating at Vale's mine sites to a lower-emission dual-fuel specification over the coming years, thereby contributing to CO_2 reduction and enhancing sustainability in mining operations. Furthermore, Komatsu has developed a concept model of its flagship mining truck, the HD785, equipped with a hydrogen-only engine and has started demonstration testing at its Ibaraki Plant. This is the world's first attempt to install a hydrogen engine in a large dump truck. Through this trial, we aim to accumulate knowledge on the use of hydrogen engines, which will support the development of future "hydrogen-powered construction equipment." In this way, we are advancing the development and deployment of new power sources to achieve carbon neutrality. We are jointly developing the hydrogen engine with KEYOU GmbH, a German startup, and the demonstration project includes data collection on performance, continuous operation time, and fuel efficiency, along with safety verification. We also plan to address issues such as hydrogen infrastructure and safety management through collaboration with industry associations and relevant stakeholders. In addition, Komatsu operates a global remanufacturing (reman) business that collects and regenerates components such as engines and transmissions after long-term use at customer sites. This resource-circulating business is a key element of our component strategy. In November 2023, we began remanufacturing key components (capacitors and inverters) of hybrid hydraulic excavators in Japan. As a result, nearly all key components developed and produced in-house by Komatsu are now eligible for remanufacturing, contributing to both cost savings and environmental impact reduction. To grow our solution business, we established a new company, EARTHBRAIN Ltd., in April 2021, in collaboration with NTT Docomo, Sony Semiconductor Solutions Corporation, and Nomura Research Institute, Ltd. As workstyle reforms are required at construction sites worldwide, we are promoting DX (Digital Transformation) in the construction industry, aiming to improve safety, productivity, and environmental performance. For example, we jointly developed a remote control system for construction equipment with EARTHBRAIN and started providing it to customers in March 2023. This system, through its integration with Smart Construction Fleet and 3D Machine Guidance, helps to maximize work efficiency and enhance safety. In addition to expanding the sales of ICT construction equipment, we also expanded our business by promoting "Smart Construction 3D Machine Guidance," which allows for the retrofitting of ICT functions such as machine guidance, in overseas markets. In December 2024, we launched a fully redesigned 20-ton class hydraulic excavator—our mainstay model for civil engineering—as the "PC200i-12." This next-generation hydraulic excavator comes standard with 3D Machine Guidance that integrates with Smart Construction®, enabling improved safety and productivity. It is also designed to allow even less-experienced operators to work with less stress. Moreover, it contributes to workstyle reforms in the construction industry by enabling progress monitoring and analysis without having to visit the job site. With respect to promoting automation at mine sites, we have steadily advanced the introduction of the Autonomous Haulage System (AHS) for mining operations, reaching a cumulative total of 862 units in operation as of the end of March 2025. Furthermore, aiming to balance both safety and productivity, we began efforts in June 2020 to introduce remote-controlled bulldozers for mines and, in May 2023, started commercial operation of the large ICT bulldozer "D375Ai-8 Remote Control Specification."

Risks associated with addressing social issues （a）Response to climate change	
Risk description	Our company operates globally and recognizes various social issues, including climate change, water resource depletion, and human rights concerns. While we aim to address these issues sincerely and fulfill our social and environmental responsibilities as a global company, contributing to society through our business activities, there is a risk that our efforts may be deemed insufficient by society. This perception could negatively impact our business performance by damaging our brand image and social credibility.
Impact on business	We have long prioritized environmental initiatives as one of our top management priorities. In 2021, we declared our goal to achieve carbon neutrality by 2050, and in our medium-term management plan launched in April 2025, we set this declaration as a challenge goal and actively pursued related activities. However, if our responses to social issues are deemed inadequate by stakeholders, it could affect our business performance and potentially prolong these impacts.
Risk mitigation actions	To reduce the risks of climate change, Komatsu is working to significantly reduce emissions during product operation—which account for the majority of CO_2 emissions over the entire lifecycle—by advancing the market introduction of electrified construction equipment and conducting pioneering research into fuel cells and hydrogen engines. In the mining sector, we are developing "power agnostic trucks" that can run on a variety of energy sources, in collaboration with 12 major resource companies as part of a GHG Alliance. We are also promoting activities to achieve a low-carbon society as an industry leader by enabling highly efficient operations through autonomous driving and remote operation powered by advanced digital technologies. Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we evaluate climate-related risks and opportunities for Komatsu and conduct scenario analysis to enhance our resilience. At the same time, we actively promote our climate change and water security initiatives through constructive dialogue with stakeholders. Through these efforts, we aim to achieve ambitious targets: by 2030, we plan to reduce CO_2 emissions by 50% compared to 2010 levels and raise the use of renewable energy to 50%. These goals are milestones toward our challenge target of achieving carbon neutrality by 2050—effectively net-zero CO_2 emissions, where emissions are balanced with absorption.
(b) Reputational risk related to the forestry equipment business	
Risk description	Forests play a vital role in mitigating climate change by absorbing carbon dioxide from the atmosphere. One of the benefits derived from forests is timber, which can store the carbon absorbed during tree growth for extended periods unless burned. As timber and paper are renewable materials, they have recently attracted attention as alternatives to plastic. These advantages can be achieved at relatively low cost, thus requiring healthy forest cultivation and proper forest management. Meanwhile, forestry remains one of the most hazardous industries globally, and the introduction of forestry equipment is essential for improving both operational efficiency and worker safety. Mechanization contributes to the realization of safer and more sustainable forestry practices. In light of this external environment, Komatsu aims to contribute to a circular forestry model that promotes the sustainable use and regeneration of forest resources while pursuing harmony among the environment, the economy, and society. However, if the importance of sustainably using and regenerating forest resources is not effectively communicated, our initiatives and the essential role of forestry may be misunderstood. In particular, if logging equipments or logging scenes are disproportionately emphasized, it may lead to the misconception that Komatsu is contributing to deforestation or neglecting environmental considerations. Such misunderstandings may result in reputational risk, where our environmental efforts and social responsibilities are misinterpreted or undervalued.
Impact on business	Komatsu positions the forestry equipment business as its third pillar, following the construction and mining equipment businesses, and is actively working to strengthen it. This business is being expanded through mergers and acquisitions, offering equipment for logging, processing, forwarding, and planting, as well as fleet management and solutions for logging and timber transport. However, if the aforementioned risks materialize and our environmental considerations are perceived as insufficient, we may lose support from environmentally conscious customers and investors. This could damage our brand value, lead to reduced business transactions, and ultimately result in a decline in sales. Furthermore, as ESG and environmental regulations are tightened, increased compliance costs could reduce the profitability and competitiveness of the business, negatively impacting our overall growth strategy.
Risk mitigation actions	Komatsu believes it is essential to properly communicate the significance of forestry equipment in supporting sustainable forest management and promoting circular forestry. We actively share the positive aspects of forestry, such as our reforestation efforts following logging, the carbon fixation benefits of timber, enhanced safety through mechanization, and the efficient carbon absorption capabilities of forests. To demonstrate our commitment to environmental and social responsibility, we are also enhancing our information disclosure in line with ESG and SDGs frameworks. In addition to reducing CO_2 emissions from construction and mining equipment, Komatsu recognizes the environmental protection role of forests and the growing importance of circular economy initiatives. Since forest management and planting still rely heavily on manual labor, we are developing afforestation equipment such as the Planter and our Smart Forestry solutions. These innovations aim to improve operational efficiency, establish a regeneration cycle, and support sustainable and high-quality forest management. Moreover, Komatsu is undertaking reforestation and land rehabilitation initiatives on former mine sites to expand green areas. Our employees are engaged in tree-planting activities not only in North America but also in countries such as China and Indonesia, contributing to local environmental restoration.

Product safety and quality risk	
Risk description	Komatsu strives to maintain and improve product quality and reliability based on strict internal standards. During both the design and quality verification stages, we anticipate a wide range of potential hazards—not only those that could cause harm to people but also those that could impact property, the environment, and society. We also consider hazards throughout the product lifecycle, from shipment to disposal, and those arising from diverse usage patterns. We implement protection measures such as intrinsic safety design and additional safeguards. However, in recent years, product regulations and standards across various countries and regions have become increasingly stringent. Compliance is now required for a broad spectrum of regulations, including emissions standards, radio certifications for ICT construction equipment, and the EU's Cyber Resilience Act, among others. If our response to such product regulations and standards is delayed, it could result in lost business opportunities. Additionally, in the event of an unexpected accident caused by product defects in design or manufacturing, there is a risk of incurring compensation costs and damaging the Komatsu Group's reputation and credibility, which may adversely affect its business performance.
Impact on business	Under our basic stance of "commitment to Quality and Reliability," we place the highest priority on ensuring "safety" and "peace of mind" in our quality assurance activities. However, if a serious safety or quality issue were to arise, particularly given our global business operations, it could have a significant impact—such as loss of business opportunities, deterioration of brand image, erosion of customer trust, and reduced market share. Furthermore, product recalls, sales suspensions, and compensation to customers may increase financial burden. In addition to the economic costs, such safety or quality risks could inflict long-term reputational damage, ultimately harming future business opportunities.
Risk Mitigation Actions	Komatsu's production framework is structured so that the research and development (design), manufacturing (production), and quality assurance (verification) departments operate independently. This enables mutual oversight and shared quality-related information across departments, thereby strengthening overall governance. From product planning through to development, production, sales, and after-sales service, all departments work in an integrated manner to consistently deliver safe, high-quality products. At each stage of development and production, we evaluate product conformity through multiple review and assessment meetings and implement robust processes to meet defined targets. These initiatives form the foundation of our quality assurance activities aimed at securing "quality and reliability." Through this approach, we strive to offer environmentally friendly products and services, ensure compliance with international standards and legal regulations, and enhance both customer safety and satisfaction. In addition, we are incorporating safety assistance systems such as collision avoidance through human and object detection, and devices to help prevent tip-over accidents, thereby further enhancing product safety. To address increasingly strict regulations and standards in each country and region, we have established a dedicated Regulatory Compliance Department within our development function. This team manages a regulatory database and promotes systemization of compliance-related tasks. Specifically, regarding engine emissions regulations, we have separated the testing function from the certification and application management function to enhance organizational independence, improve accuracy, prevent misconduct, and strengthen early detection of anomalies. In addition, to stay updated on the latest regulatory developments in each region, we engage external consultants to collect and analyze relevant information. Regulatory personnel are assigned to major overseas sites and work closely with local law firms to strengthen our legal compliance systems.

Supply chain risks	
Risk description	Under the philosophy of aiming to build a Win-Win relationship with our business partners, who are on an equal footing with us, and encouraging each other, Komatsu evaluates and selects suppliers accordingly. However, if our efforts toward sustainable and responsible procurement are deemed insufficient for any reason within the supply chain, there is a risk that the Komatsu Group's brand image and credibility may deteriorate. In addition, the Komatsu Group's procurement of parts and materials is affected by fluctuations in raw material markets and energy prices. Sharp increases in the cost of materials such as steel, or energy such as crude oil and electricity, can lead to higher manufacturing costs. Furthermore, shortages of parts or materials, supplier bankruptcies or discontinued production, multilateral trade restrictions, or disruptions in international logistics may hinder timely procurement and production, resulting in reduced production efficiency and lost sales opportunities. Prolonged disruptions in global supply chains, unexpected surges in material or energy prices, and sustained supply shortages also pose risks of adverse impact on the Group's business performance.

Supply chain risks	
Impact on business	In the construction and mining equipment business, Komatsu conducts business with approximately 2,700 primary suppliers worldwide. Establishing strong partnerships with these suppliers is crucial for the company's business operations. However, if a supplier fails to comply with regulations or address environmental issues, it could disrupt the procurement of raw materials or continuity of production. Procurement from suppliers accounts for a large portion of Komatsu's manufacturing costs. For major construction equipment such as medium-sized hydraulic excavators, this ratio reaches approximately 90%. Supply chain-related risks are diverse and include the financial and SLQDC conditions of individual suppliers, natural disasters, pandemics, international trade disputes, and export/import regulations. The occurrence of such risks could lead to production stoppages, increased costs, and ultimately result in delivery delays and declines in quality, affecting customer satisfaction.
Risk mitigation actions	In 2020, Komatsu formulated the "Partnership Declaration" to promote mutual growth and added value in the supply chain. Through this declaration, the company is strengthening collaboration with business partners and building new partnerships. Since 2022, Komatsu has held price negotiations with all primary domestic suppliers, including auxiliary material manufacturers, to ensure fair procurement pricing. In FY2024, the company continued such negotiations with 1,207 suppliers and made necessary price adjustments. Komatsu plans to maintain annual price negotiations going forward. To ensure proper procurement practices, Komatsu has established a "whistleblowing system for suppliers" to receive inquiries and reports from suppliers, including those related to violations of the Subcontract Act. This enables the company to quickly identify and correct compliance or transactional issues. In response to Japan's 2024 logistics reforms, Komatsu also set up a "whistleblowing system for drivers", allowing truck drivers to consult about transportation-related issues. This system enables the company to collect and appropriately address feedback and concerns from external parties. For key suppliers, Komatsu conducts regular risk assessments to visualize potential risks and promote mitigation efforts. Specifically, the company monitors the operating status of members of the Midori-kai on a monthly basis and provides necessary support in response to business conditions. In 2020, Komatsu also declared its commitment to logistics improvement and joined the Ministry of Land, Infrastructure, Transport and Tourism's "White Logistics" initiative. The company continues its efforts to realize sustainable logistics by reducing driver work hours through modal shifts and optimized unloading layouts, as well as striving for appropriate freight pricing. To strengthen a resilient production and procurement system that can withstand risks of plant damage caused by natural disasters such as heavy rainfall or flooding, Komatsu has implemented global cross-sourcing, allowing for flexible changes to production sites and supply destinations in response to external conditions. The company also employs multi-sourcing by procuring parts from multiple suppliers, thereby building a system capable of maintaining operations during emergencies. In 2023, Komatsu reinforced its Asia Procurement Center and expanded local sourcing in ASEAN and South Asia. To reduce dependency on specific regions, the company is also promoting global multi-sourcing, including parallel ordering from suppliers in multiple regions by utilizing cross-sourcing.

Risks associated with talent acquisition and development	
Risk description	At our company, we consider talent to be one of the critical management resources that generate new value. Under this belief, we continuously invest in our workforce, aiming for sustainable growth and development of both the company and employees, in alignment with internal and external environmental changes and management policies. However, due to the declining labor force, a decrease in experienced engineers, and a shortage of engineering talent—particularly in key areas such as digital technology and EV-related technology—the competition for talent acquisition is intensifying globally. If we fail to secure these talents as planned or develop employees with the skills required in these specialized fields and secure the capabilities necessary for product research and development, our ability to execute our business plans and achieve sustainable growth could be significantly impacted.
Impact on business	Our medium-term management plan is built on three pillars: 1) Co-creating value through innovation, 2) Pursuing growth and profitability, and 3) Transforming the management foundation. As part of the management foundation transformation, we have positioned "attracting and empowering talent to support business growth" as a key initiative. In driving this initiative, it is essential to acquire and develop digital talents, particularly those proficient in areas such as software development. If the acquisition and development of such talent do not proceed as planned, it could impact the execution of the medium-term management plan and the company's sustainable growth. In progressing our solution business, it is essential to speed up technological innovation by integrating our core technologies with external knowledge through partnerships and M&A. If these do not proceed as planned, it could impact the medium-term management plan and the company's sustainable growth. In a challenging environment for talent acquisition, the retention and development of acquired employees become critical. Without understanding and addressing employee engagement appropriately, there is a risk of increased talent turnover due to declining engagement, affecting the company's sustainable growth.

Risks associated with talent acquisition and development	
Risk mitigation actions	We promote Diversity & Inclusion to create a workplace where diverse employees can work with peace of mind, fostering an environment conducive to innovation, enhancing individual motivation, and driving cultural change for overall company growth. As part of this, we are improving the ratio of female employees, supporting LGBTQ, and promoting the employment of people with disabilities while disclosing human capital information. With the reconstruction of our headquarters building, we aim to strengthen our functions as an urban innovation center that revitalizes co-creation and collaboration activities, including industry-academia collaboration and open innovation. Additionally, to secure outstanding talent, we position our global headquarters as a key recruitment hub, expanding opportunities to experience Komatsu through new recruitment events and internships utilizing both real and online formats, thereby enhancing our recruitment capabilities. Due to the difficulty in acquiring digital talents, we are advancing internal development. Since 2019, we have been implementing the "AI Talent Development Program" with a unique curriculum to cultivate talents with knowledge and skills in AI, the ability to convert customer business challenges into AI-solvable problems, and the capability to drive projects in collaboration with leading companies. Furthermore, we regularly conduct engagement surveys globally to understand, analyze, and address employee engagement, identifying strengths and challenges by region and organization, and reflecting these insights in HR policies.

Information security risk	
Risk description	In recent years, cyberattacks have rapidly become more sophisticated and deceptive, posing an increasingly urgent and serious threat. Techniques such as unauthorized access, ransomware, phishing, and DDoS attacks have evolved, and if affected, companies face risks such as operational disruptions and information leaks. These incidents can result in the loss of customer trust, damage to brand value, legal penalties, and an increased risk of litigation, thereby having a significant impact on corporate management. Furthermore, many countries and regions have recently enacted or tightened laws and regulations concerning privacy protection, cybersecurity, and economic security—including personal data protection, cybersecurity enforcement, and data localization. If Komatsu fails to comply with these requirements, it may incur legal liabilities and suffer adverse effects on its credibility, brand image, and relationships with customers.
Impact on business	Komatsu is actively engaged in IoT-related businesses such as “connected factories” utilizing ICT, electrified construction equipment, Smart Construction, automation of mining equipment (e.g., AHS), and data-driven solutions (e.g., KOMTRAX). At the same time, however, the growing sophistication of cyberattacks has increased the risk of these systems being targeted. Although we have implemented multiple countermeasures to reduce the risk of unauthorized control, if a cyberattack were to result in a major information leak or system shutdown, our information security measures could be perceived as inadequate. This may lead to suspension of transactions by customers or reluctance to share data, thereby hindering our solution business. In addition, Komatsu operates globally in its construction and vehicle businesses through 62 production bases, 56 sales sites, and 208 dealers and service providers in 151 countries. Should we fail to meet strengthened legal and regulatory requirements in any of these countries or regions, it could result in legal liability due to non-compliance and cause serious damage to our credibility and business performance.
Risk mitigation actions	To address these risks, Komatsu has established and operates 19 CSIRTs (Computer Security Incident Response Teams) globally to ensure prompt response, minimize damage, and enable swift recovery in the event of an incident. In FY2023, we also launched a FSIRT (Factory Security Incident Response Team) to handle risks specific to production sites. The FSIRT conducts security monitoring of factory networks and production equipment and implements incident response drills to ensure the continuity of manufacturing operations. In the event of a cyber incident at a factory, the FSIRT works closely with the CSIRT to respond effectively. To continue delivering secure products to our customers, we promote the “Security by Design” approach, embedding security considerations from the product planning and design stages. We are also building systems to manage vulnerability information and establish response processes, aiming to ensure security throughout the entire product lifecycle. In addition, we closely monitor global regulatory trends such as the Cyber Resilience Act (CRA) and the NIS2 Directive, as well as evolving customer requirements, and are working to develop the necessary processes to comply with them. Furthermore, we are enhancing collaboration with dealers and suppliers in our supply chain to promote cyber resilience across the entire Komatsu Group and its value chain.

Geopolitical risks	
Risk description	Our company operates globally, with development, production, and sales bases in various countries worldwide. Social, political, and military tensions in specific regions can potentially impact our business. We monitor and analyze political and economic conditions, as well as regulatory trends in each country, to minimize the impact of diverse geopolitical risks, such as resource price fluctuations, import/export regulations, and supply chain disruptions. However, with the ongoing global political divisions and rising military tensions, there is a growing risk of supply chain disruptions and impacts on financial and economic stability. In response, we continue to gather and analyze information on the latest developments in economic security-related laws and regulations, including the Economic Security Promotion Act in Japan. Nevertheless, if we face unexpected situations, there remains a risk of adverse effects on our business performance.
Impact on Business	Considering the Russia-Ukraine situation, Komatsu has halted shipments of main units, parts, and components to Russia and suspended operations of its production subsidiary in Russia. The business environment in the CIS (including Russia, Belarus, and six non-sanctioned countries) remains uncertain. Continued inability to support customers in these resource-rich Central Asian countries could impact future business. Our electronics-related products incorporate advanced technologies, some of which are subject to export controls under the Export Trade Control Order. While the current impact is minimal, further tightening of regulations could result in lost sales opportunities and hinder service support, affecting our business.
Risk mitigation actions	To address such risks, Komatsu has established a flexible production structure known as global cross-sourcing, which allows for the mutual supply of products and components across regions. This system enables us to supply products and parts from optimal locations to each market by considering factors such as foreign exchange fluctuations, production capacity at each site, cost competitiveness, and regional demand trends. In addition, we are strengthening multi-sourcing, which secures multiple procurement sources for the same parts to diversify and mitigate risk. As part of our response to the Russia–Ukraine situation, we established Komatsu Central Asia LLP, a wholly owned subsidiary in Kazakhstan, recognizing the importance of the six non-sanctioned CIS countries located in resource-rich Central Asia. This new company is responsible for sales and service functions in the Central Asian region and is expected to further expand our sales and profitability. We have also set up a dedicated department to monitor changes to the Export Trade Control Order, enabling the prompt collection of information and its timely sharing with relevant business units to ensure appropriate responses. Regarding export controls on advanced technologies, we aim to offset any sales declines by developing markets outside regulated regions, enhancing product differentiation, improving capabilities with long-life modules, and increasing the profitability of the parts business, thereby diversifying and expanding revenue sources.

Risks associated with AI utilization	
Risk description	The evolution of AI has the potential to change the fundamental assumptions of our business. Its effective utilization is essential to Komatsu's strategy, which is built on three pillars: (1) Co-creating value through innovation, (2) Pursuing growth and profitability, and (3) Transforming the management foundation. Failure to strategically incorporate AI may result in the loss of new business opportunities and reduced competitiveness of our products and services.
Impact on Business	Generative AI is a rapidly evolving field, and there is much public debate about its opportunities and risks. Rather than viewing these changes as threats, we need to see them as opportunities and make effective use of generative AI. If we fail to respond swiftly to these rapid technological changes and improve productivity and efficiency for our company, clients, and agents, it could affect our competitiveness. Conversely, incorrect use of generative AI could lead to information leaks due to the input of confidential information or violations of others' rights.
Risk mitigation actions	To strengthen coordination among our global bases and promptly respond to changes brought about by generative AI utilization, we have established a cross-departmental project led by the Chief Technology Officer (CTO). This project ensures we quickly adapt to changes through generative AI utilization. By developing and implementing advanced use cases, we gain knowledge and capabilities in new generative AI technologies and ensure safe implementation. Furthermore, as part of our risk management for generative AI usage, we have established global generative AI usage policies and rules, along with conducting internal training based on these guidelines. This approach ensures we prevent information leaks and rights violations while safely incorporating generative AI into our business.

Regional risks for FY2024

Risk related to local communities and Indigenous peoples' rights	
Risk description	As it becomes increasingly important for companies to respect human rights and act responsibly, the emergence of human rights violations in business activities can lead to community backlash, boycotts, social criticism, loss of corporate reputation, business delays or interruptions, and cessation of transactions. In the mining business in particular, customers expect respect for the rights of Indigenous peoples. If Komatsu's products are used in ways that infringe on those rights, the business could be adversely affected. Moreover, there is a reputational risk of being perceived as a company that lacks sufficient consideration for Indigenous rights.
Impact on business	Of Komatsu's revenue of 4.1 trillion yen for the fiscal year ending March 2025, approximately 1.9 trillion yen is derived from mining equipment, meaning that sales from the mining business account for about half of the company's total revenue. Given this, if our efforts to respect the rights of local communities and Indigenous peoples are insufficient or if we fail to address related issues appropriately, it could lead to decreased sales or slowed growth. Such outcomes may result in significant losses to Komatsu's financial performance.
Risk mitigation actions	In 2019, Komatsu established the "Policy on Human Rights," declaring that it would conduct business globally in compliance with international standards for human rights respect. This policy is reflected in the "Komatsu Code of Conduct" and is thoroughly communicated to all employees across the global group. Based on this human rights policy, we continuously identify, prevent, mitigate, and address human rights issues in business activities through due diligence, in collaboration with external experts. In FY2022, we conducted web-based human rights surveys targeting all Group companies both in Japan and overseas, as well as major suppliers. The results were feedbacked to the responding companies, and we are working on risk mitigation measures. In addition, we conducted an impact assessment in the Republic of South Africa, where we engaged in focused discussions on human rights with various stakeholders. These discussions led to meaningful results, including the sharing of challenges and values with customers and a deeper mutual understanding. As part of our stakeholder engagement efforts in downstream business, in FY2024 we held meetings with an independent distributor covering West African countries. These discussions extended beyond human rights to cover a wide range of sustainability-related topics, including environmental initiatives, local talent development, and community contribution activities. Furthermore, Komatsu is working to foster human capital in regions where human resource development has become a societal issue, in collaboration with governments, local authorities, and customers. In our mining business, for example, we are implementing proprietary human resource development programs in countries such as those in South America and the Republic of South Africa. These programs are designed to provide basic education and practical technical training to people who have limited access to educational opportunities due to various national and regional circumstances. Going forward, Komatsu remains committed to respecting the rights of local communities and Indigenous peoples through its global operations, contributing to the realization of a sustainable society.

2. Our specific initiatives

(1) Response to economic security

Greater political divisions globally may lead to tighter regulations in some countries. The Komatsu Group collects and analyzes information on trends related to the Economic Security Promotion Act and other economic security-related regulations.

(2) Compliance risk audits

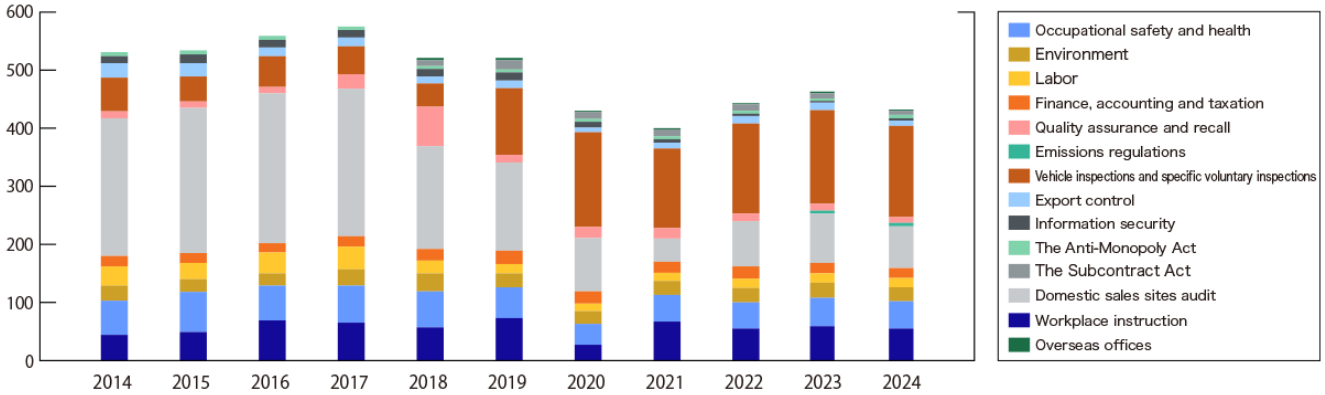
As part of its risk management activities, Komatsu has been conducting compliance risk audits (CR audits) since FY2008. These audits cover areas not included in J-SOX audits, which are conducted in accordance with the Financial Instruments and Exchange Act of Japan to evaluate internal controls related to financial reporting, and are intended to visualize potential compliance risks within the company, with a particular focus on confirming and evaluating the status of legal compliance. Our internal specialist team conducts periodic internal audits (targeting one full cycle every three years), focusing on Komatsu and its Japanese and overseas affiliates, independently owned distributors in Japan, business partners, and domestic distributors. Through these activities, we aim to further enhance the management level and compliance awareness of each company and department. We continually review audit areas and methods to respond to changes in the business environment and strive to improve the quality of CR audits. The status of CR audits is reported monthly to the president and annually to the board of directors.

The audited items in FY2024 are:

1. Occupational safety and health, 2. Environment, 3. Labor, 4. Finance, accounting and taxation, 5. Quality assurance and recall, 6. Emissions regulations, 7. Vehicle inspections and specific voluntary inspections (inspections required by law), 8. Export control, 9. Information security, 10. The Anti-Monopoly Act, 11. The Subcontract Act

In addition, as cross-sectional CR audits covering the above areas, we implement field instruction sessions at each sales company base (Occupational safety and health; Environment; Vehicle inspections and specific voluntary inspections), sales office audits (Finance and accounting, Labor, Information security), and audits of overseas representative offices (Occupational safety and health; Labor; Finance and accounting; Information security).

Implementation of compliance risk audits (Number of audits conducted annually)



Structure for promoting sustainability

A dedicated organization to promote sustainability

Komatsu has established the Sustainability Promotion Division, an organization under the direct control of the President, to oversee activities relating to the promotion of the group's sustainability-oriented management. The Sustainability Promotion Division aims to enhance the Komatsu Group's commitment to ESG management by formulating and planning policies and measures related to the environment and society, thus enabling all divisions and companies within the group to actively engage in sustainability initiatives.

Sustainability-related committees

The Sustainability Promotion Committee, chaired by the President, is held once a year (and at other times as needed) to deliberate and decide on the planning and promotion of sustainability measures for the Komatsu Group, environmental and CSR policies, and important initiatives and activities, thereby facilitating their implementation.

Furthermore, the deliberations of the Sustainability Promotion Committee are regularly reported to and reviewed by the Board of Directors.

Additionally, for each sustainability-related issue, such as human resources, occupational safety and health, compliance, human rights, and the environment, a committee chaired by the President or a responsible executive officer is established, composed of representatives from various business and functional divisions. These committees aim to discuss, decide, and promote policies and measures across the group. Specifically, the Komatsu Way Committee reviews personnel and educational measures, the Sustainability Promotion Committee discusses measures related to the environment and human rights. In addition, the Strategy Review Committee deliberates on business strategies for carbon neutrality and decarbonization. The deliberations by the above-mentioned committees and business strategies are regularly reported to and discussed by the Board of Directors.

Global information sharing

We provide opportunities for people to exchange opinions and frequently share information regarding the things that Komatsu believes is the CSR of today. For example, global CSR meetings and virtual meetings are regularly convened including about 30 managers and other people in charge of CSR activities from our overseas subsidiaries. In the future, by collecting various opinions from various areas of the world, we will create a system to comprehensively understand and share what is required on the front lines of the business sites.

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FY2024: Key discussions on sustainability

Meeting names	Month held	Main agenda items
Board of Directors	April	▪ Report from the Sustainability Promotion Committee
	October	▪ Sustainability targets in the next mid-term management plan ▪ Progress on key initiatives of the Human Resources Division under the mid-term management plan / Targets for the next mid-term management plan ▪ Initiatives for human capital management
Strategy review meeting	As needed	▪ Discussion of business strategies related to climate change (e.g., development of low-carbon and electrified products)
Executive Officer meeting	January	▪ Progress management towards business goals ▪ Lecture on human capital by external experts
Risk management committee	As needed	▪ Identification and organization of corporate risks
Komatsu Way promotion committee	September	▪ Progress on key HR initiatives in the mid-term management plan ▪ Challenges faced by the global HR division and proposed solutions
	January	▪ Progress on key HR initiatives in the mid-term management plan ▪ Challenges faced by the Japan-focused HR division and proposed solutions
Sustainability promotion committee	August	▪ Targets for the next mid-term management plan ▪ Human rights initiatives / environmental management measures, etc.
	January	▪ Progress on medium-term management plan activities ▪ Disclosures related to sustainability
	March	▪ Progress of mid-term management plan initiatives related to climate change

Dialogue with stakeholders

Creating a variety of opportunities for dialogue

Engaging in dialogues with our stakeholders is essential for determining the relative effectiveness of Komatsu's management and business operations in terms of meeting social needs. Every department that has direct contact with our stakeholders strives to create an environment of transparency and integrity by detailing our company's current situation, receiving feedback, and engaging in effective discussions.

Stakeholders	Purposes	Examples of meetings and activities	Frequency
Customers	Collaborate to realize customers' goals and fulfill corporate responsibility	› Brand Management Activities	Daily
	Collaborate to resolve issues in society and in the regions where we operate, and participate in local activities		Daily
Business partners	Explanation by the President on business performance, policies and strategies	› Various meetings with Midori-kai	2 times a year
	Conduct safety patrols and provide opportunities such as for support of efforts for obtaining certification		As needed
Distributors	Explanation by the President on business performance, policies and strategies	Distributor meetings in each region	5 times a year
Employees	Explanation by the President on business performance and policies	› Meeting with the President	2 times a year
		› Sharing Q&A session content with global employees via the intranet	As needed
	Dialogue with the labor union and employee representatives to improve the workplace environment	Regular Meetings between Management and Labor Union	As needed
Local community	Explanation of initiatives related to operations, the environment and safety	Meetings with residents of the local community near the plant	As needed
	Activities to resolve local issues based on employee suggestions	Voluntary activities by employees	Daily

Stakeholders	Purposes	Examples of meetings and activities	Frequency
Industry-academia collaboration partners	Exchange of ideas and opinions between representatives such as university professors and our Chief Technology Officer	Komatsu Science and Technology Collaboration Council	Biannually
Investors	CEO and CFO explanation of business performance, policies and strategies	› IR Meetings	Japan: Daily Overseas: Several times a year
	Respond to inquiries and SRI surveys	› SRI Surveys	Daily
Individual shareholders	CEO and CFO explanation of business performance, policies and strategies	› Shareholders Meetings	2 times a year, held in Japan (held online since FY2020)
	Plant tours and explanation of operations	› Plant tours for shareholders	About dozen times a year in Japan

Communication with shareholders and investors

Operating within our commitment to high managerial transparency, through proactive investor relations (IR) activities on a global scale, Komatsu discloses information in a proper and timely manner and engage in two-way communication.

1. Activities for corporate investors and securities analysts

On the same day that quarterly business results are announced, the company holds explanatory sessions for corporate investors and securities analysts (we also release this information on our website). Overseas, we provide institutional investors in regions such as North America, Europe, Asia, and the Middle East, with explanations about our business performance and other matters through investor visits, participation in overseas conferences hosted by securities firms, or online meetings.

2. Informational meeting for individual shareholders

Komatsu periodically holds shareholders' meetings to explain the current status and future prospects of the Komatsu Group and the progress of the mid-term management plan to our shareholders. Since its inception in 1997, we have held 56 shareholder meetings, attended by about 17,000 shareholders in total. In FY2024, we held a meeting in Nagoya City in Aichi Prefecture in December. Senior management provided an overview of the company's business and engaged in communication with shareholders. We received many questions from shareholders regarding the progress and evaluation of the medium-term management plan, future global business strategies, the development status of new technologies aimed at achieving carbon neutrality, and shareholder return policies, fostering a two-way dialogue.

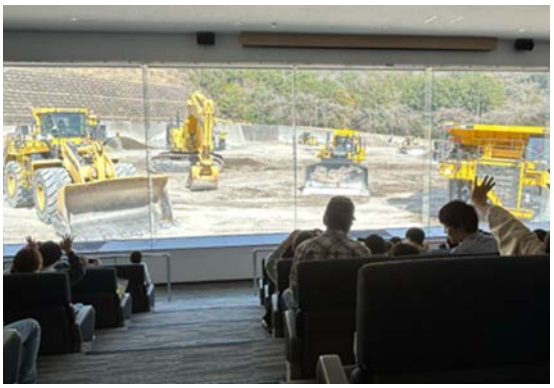
Shareholders' meeting held in Nagoya City

3. Plant tours for individual shareholders

Komatsu holds plant tours for individual shareholders and Techno Center tours for children to deepen their understanding of our business activities. In FY2024, we held plant tours for a total of 10 events at the Awazu Plant (Ishikawa Prefecture), Osaka Plant (Osaka Prefecture), Ibaraki Plant (Ibaraki Prefecture), Oyama Plant (Tochigi Prefecture), and Techno Center (Shizuoka Prefecture). Additionally, in August, we hosted an online factory tour.

Tour held at Oyama Plant

Tour held at Osaka Plant



Tour held at Techno Center

Tour held at Techno Center

4. Meetings for individual investors

Komatsu holds meetings for individual investors through securities firms to explain the current status of the Komatsu Group, its future outlook, and progress on the mid-term management plan. In FY2024, five sessions were held online.

A shot from an online meeting for individual investors

5. President interview

Online videos featuring the President of Komatsu explaining the company's strengths, future outlook, and key initiatives under the mid-term management plan were released three times in FY2024.

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Major IR activities in FY2024

		Venue / Number of events held	Reference information: Number of participants, etc.
For corporate investors and securities analysts	Financial results briefing	4	
	Small meetings	7	
	Business and ESG briefing	1	Theme 1. CFO Session 2. Forestry equipment business 3. Aftermarket (parts business)
	Plant tours	Osaka Plant: 1	
	Overseas IR	Asia: 2 North America: 2 Europe: 1 Middle East: 1	
	Respond to interviews	302	
For individual investors and shareholders	Shareholder meeting	Nagoya City in Aichi Prefecture: 1	529 people in total
	Plant tours	Awazu Plant: 2 Osaka Plant: 2 Ibaraki Plant: 2 Oyama/Tochigi Plant: 2 Techno Center: 2 Online: 1	2,547 people in total
	Meeting for individual investors:	Online: 5	Viewed live or on demand by a total of 9,741 people
	President interview	3 sessions	5,232 total views

Documents and other materials used in the meetings can be viewed on the following site. (Available only in Japanese)
The events are held only in Japan.

› Website "Investor relations"

Communication with employees

Within Komatsu, the President convenes a “Meeting with the President” periodically at each business site in Japan. At these meetings, the president directly explains the business environment and related issues, and also takes part in a Q&A session held for employees. These meetings held at our headquarters in Tokyo are simultaneously streamed online over other business units in Japan and are also translated into English for sharing among the Komatsu Group employees around the world.

Employee meeting held at the head office

Communication with local communities (efforts in Japan)

To deepen the understanding of our business activities among local residents and the families of our employees, we regularly hold "Plant Fairs." In FY2024, these events were held at eight locations, attracting approximately 61,600 visitors.
Due to the COVID-19 pandemic, we were forced to cancel these events after 2020, but in FY2023, we resumed them for the community and our employees and their families, just as we did before.

Venue Name	Number of visitors (approx.)
Himi Plant	Local residents and employees & their families: approx. 5,500
Awazu Plant	Same as above: approx. 10,000
Kanazawa Plant	Same as above: approx. 6,000*
Koriyama Plant	Same as above: approx. 1,600
Ibaraki Plant	Same as above: approx. 7,000
Shonan Plant	Same as above: approx. 6,500
Oyama and Tochigi Plants	Same as above: approx. 13,000
Osaka Plant	Same as above: approx. 12,000

* Held as part of "Port Festa" at Kanazawa Port

Major achievements

KPIs for solving social issues

We aim to create a positive cycle of solving social issues and improving profitability through our business activities under our Sustainability Policy. Our Strategic Growth Plan identified 10 relevant SDGs we selected and sets KPIs tied to the three pillars of our growth strategy. The Komatsu Report discloses our progress toward accomplishing these KPIs.

Category	SDGs	Materiality	No.	Key activities	KPIs	FY2027 targets
With people	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS	●Employees ●Human rights	1	Create safe and secure work environments; support employee health	Occupational accident frequency rate (per one million hours)	Continue to decrease from the three-year average frequency rate of 1.17 during the previous mid-term management plan period (performance disclosed)
			2	Create workplaces where all individuals can shine as their authentic selves, wherever they are	Engagement surveys (1) Improvement of eNPS*1 (2) Global score for sustainable engagement*2 *1 Indicator measuring employee sense of attachment to the company *2 Scores represent the rate of positive responses.	(1) Continuous improvement (score higher than previous survey) (2) 85
			3		(1) Ratio of full-time female employees (global) (2) Ratio of women in managerial positions (global)	(1) 17.0% (2) 14.0%
			4		Ratio of employees with disabilities	2.7% (single year, Japan)
			5	Create environments and develop human resources to foster innovation	Enrich the succession planning (efforts to build diversity-conscious talent pools in each region)	Improved readiness rate and secured diverse pool of talent
			6		(1) Global score for Innovation in the engagement survey (2) Training and growth support for digital talent and leadership driving strategic digital implementation initiatives	(1) Continuous improvement (score higher than previous survey) (2) Global headquarters and group companies in Japan: 220 participants per year
			7		Certified personnel ratio under the solutions sales and mechanic certification program (proficiency assessments by region)	70%
			8	Respect human rights across all business activities	Conducted human rights due diligence in the following three areas i. Upstream ii. Komatsu Group iii. Downstream	Disclose results

Category	SDGs	Materiality	No.	Key activities	KPIs	FY2027 targets
With business		●Customers ●Ethics and governance ●Communities	9	Enhance product safety	Plan, develop, and market safety equipment	Disclose results
				Expand Industrial Komtrax* contents * Equipment operation management system	Number of large press predictive maintenance contracts	75 lines (single year)
			10	Improve jobsite productivity through Smart Construction	Rate of ICT machine* adoption * Hydraulic excavators and bulldozers equipped with 3D machine control and 3D machine guidance functions	47%
			11		Smart Construction support center customer satisfaction	90%
			12	Provide solutions for sustainable resource development (mining)	Cumulative Autonomous Haulage System (AHS) installations in mines	1,000 units (aggregate)
			13		Cumulative number of mines in commercial operation on the new platform (open technology platform)	40 sites (aggregate)
			14		Completed trials of Mining TBM*, a new tunnel boring method * Tunnel-boring machines	Completed trials at customer sites
			15		Hard rock mining business sales	US$400 million (single year)
			16	Provide solutions for better jobsite safety and productivity (automation, autonomous operation, remote operation)	Accelerate automation and remote control of construction and mining equipment	Disclose results
			17	Build value chains adaptable to changes in the environment and demand	Aftermarket business sales growth rate	+15% (compared with FY2024; foreign exchange rates fixed)
			18		Multi-site parts sourcing ratio for 20-ton class hydraulic excavators (produced by major overseas subsidiaries)	95%
			19	Enhance governance and ensure thorough compliance	Initiatives to improve management efficiency, ensure sound management, and enhance transparency	Disclose results
					Full revision of the Komatsu's Worldwide Code of Business (13th Edition) ■ Deployment in 18 languages globally ■ Improved global e-learning participation rate	
			20	Continue social contribution activities	Ongoing social contribution activities (contribution to communities, landmine removal, disaster recovery support)	Disclose results

Category	SDGs	Materiality	No.	Key activities	KPIs	FY2027 targets
With the planet	7, 9, 12, 13, 15, 17	●Environment	21	Implement efforts to become carbon neutrality	Reduce CO_2 from production	Reduce by 39% (compared with FY2010 levels, total volume)
			22		Reduce CO_2 from product use	Reduce by 32% (compared with FY2010 levels, intensity basis)
			23		Rate of renewable energy use	40%
			24		Number of product models introduced to the market aimed at carbon neutrality	Disclose results
			25	Reduce environmental impact through business activities (industrial machinery business)	Unit sales of power generation units with thermoelectric elements	150 units (single year)
					Number of machine tools sold contributing to electric vehicle production (1. FSW units, 2. large processing machine for aluminum giga die-cast parts)	(1) 7 units (single year) (2) 15 units (single year)
					Extended lifetime of light source modules (chambers) for semiconductor lithography (① ArF immersion light sources, ② KrF light sources)	(1) +20% (to be introduced to market in Q1 FY2027) (2) +30% (to be introduced to market in Q2 FY2026)
				Drive circular economies	Reman and rebuild business sales growth rate * Component repairs and overhauls performed by authorized Komatsu distributors using genuine parts, based on customer needs	+5.2% (compared with FY2024; foreign exchange rates fixed)
			26	Provide solutions that support sustainable, circular forestry businesses	(1) Forestry machinery business sales growth rate (2) Annual increase in trees planted using tree-planting machinery sold during the fiscal year (based on additional planting capacity)	(1) +27.1% (compared with FY2024; foreign exchange rates fixed) (2) +60 million (compared with FY2024)
			27		Smart Forestry solution contract rate	62%
			28	Nature-positive activities	Nature-positive activity planning and framework development	Water consumption
					Water consumption	Reduce to 30% or less (compared with FY2010 levels)
			29	Contribute to solving global food challenges	Number of agricultural construction machines in operation * Agricultural bulldozers used in farming	100 units (single year)

Category	SDGs	Materiality	No.	Key activities	KPIs	FY2027 targets
General		General	30	Obtain top-tier external sustainability ratings within the industry	(1) CDP (2) Dow Jones Best-in-Class Indices	(1) Selected for A-list for both climate change and water security (2) Selected for World and Asia Pacific

Performances of FY 2022 to 2024 against KPIs in the med-term management plan for FY 2022 to 2024 are as follows:

	Sustainability Policy	Materiality		SDGs
With people	▪ We provide an environment where diverse and global employees can work safely and healthily as one team, with respect for each individual, and with satisfaction and pride. ▪ We nurture employees who can take on challenges in various job sites and regions, create new value together with customers, and contribute to the realization of a sustainable society. ▪ As the Komatsu Group, we shall respect human rights related to all of our business activities.	Employees	Occupational safety and health and well-being	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS
			Employee engagement and job satisfaction	
			Diversity and Inclusion	
			Skills development	
		Human Rights	Respect for human rights	

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Employees							
Occupational safety and health and well-being							
	Build workplaces that are safe and secure	1	▪ Frequency rate of lost work time accidents（per 1 million hours）	Continue to decrease from the three-year average frequency rate of 0.65 during the previous mid-term management plan period (Performance disclosed)	0.80	0.62	0.96
Employee engagement and job satisfaction							
	Increase employee engagement	2	▪ Global engagement survey score	1) Japan score: 75 or more 2) Global score: 85 or more Notes: 1) Scores represents the rate of positive responses. 2) These surveys are conducted once every two years (next : FY25).	Implemented action plan based on FY2021 survey results	Conducted second global engagement survey 1) Japan score: 69 2) Global score: 80	Conducted third engagement survey (FY2025) 1) Japan score: 71 2) Global score: 81
Diversity and Inclusion							
	Promote diversity and inclusion	3	▪ Indicators related to female employees 1) Ratio of full-time female employees (consolidated) 2) Ratio of female managers (consolidated)	1) 17.0% or more (as of March 30, 2025) 2) 13.0% or more (as of March 30, 2025)	1) 14.1% (as of March 31, 2023) 2) 10.3% (as of March 31, 2023)	1) 14.5% (as of March 31, 2024) 2) 11.1% (as of March 31, 2024)	1) 14.9% (as of March 31, 2025) 2) 11.9% (as of March 31, 2025)
		4	▪ Ratio of employees with disabilities	2.5% or more (single year, Japan)	2.42%	2.48%	2.6% (single year, Japan)

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Employees							
Skills development							
	Develop individuals' skills and achieve business growth	5	▪ Succession plans	Increased succession planning for senior management positions at Komatsu group companies outside of Japan	Defined global key position(GKP) and formulated succession plans	Support development and provide oppotunities for global key position(GKP)	Increased succession planning for senior management positions at Komatsu Group companies outside of Japan (Used to select personnel for development of executive candidates)
		6	▪ Development of human resources with digital transformation and AI skills	Number of training recipients (three-year aggregate) 1) Digital transformation : 900 for entry-level, 180 for practical 2) AI : 90 for entry-level, 30 for practical	Number of training recipients 1) Digital transformation: 5,341 for entry-level* , 44 for practical 2) AI: 30 for entry-level, 10 for practical Notes: * We administer the entry-level digital transformation course to a wider range of employees via video lectures	Number of recipients (two-year aggregate) 1) Digital transformation: 5,643 for entry-level* , 84 for practical 2) AI: 60 for entry-level, 20 for practical Notes: * We administer the entry-level digital transformation course to a wider range of employees via video lectures	Number of training recipients (three-year aggregate) 1) Digital transformation: 22,074 for entry-level*, 192 for practical 2) AI: 99 for entry-level, 34 for practical * DX entry-level courses are offered to all employees as mandatory training
		7	▪ Cultivation of Smart Construction consultants	1,000 (aggregate)	867	953	1,414 (aggregate)
Human Rights							
Respect for human rights							
	Promote human rights due diligence	8	▪ Human rights due diligence activities	Conducted due diligence activities for the following three areas (1) Internal (2) Procurement supply chain (3) Sales	(1) Internal:Online surveys targeting all Group companies (2) Procurement supply chain: Online surveys targeting major suppliers (3) Sales: On-site impact assessment in South Africa	(1) Internal: Basic training on business and human rights (2) Procurement supply chain: (I) Training for the Procurement Division (II) Interviews with major suppliers (3) Sales: Discussions with the marketing department	Enhancement of grievance structure: Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) (1) Internal: Basic training on business and human rights (2) Procurement: Training for procurement staff (3) Sales: Visited distributors under the West African region, etc.

	Sustainability Policy	Materiality		SDGs
With business	▪ We contribute to society through our business activities by providing our customers with safe and highly productive products, services, and solutions that realize sustainable infrastructure development, resource development, and a recycling-oriented society. ▪ We build relationships with our business partners and local communities that enable mutual trust, fairness, co-existence, and co-prosperity. ▪ We comply with the rules of society, including laws and regulations, and strive to respond sincerely to the requests and expectations of all stakeholders, including society.	Customers	Product safety and quality Provision of solutions	9, 11, 12, 17
		Ethics / Governance	Governance / Compliance	
		Communities	Contributions to local communities	

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Customers							
Product safety and quality Provision of solutions							
	Enhancement of product safety	9	▪ Development of safety devices and expansion of our range of marketed models equipped with safety devices (KomVision, etc.)	Expand range of marketed models equipped with safety devices	Completed introduction in three small-sized wheel loader models	Drowsiness detection system: Installed in HD785-7 retrofit in Europe and Southeast Asia (Philippines). Already deployed on current rigid dump trucks, except for some models.	Installed an object avoidance system capable of detecting people and objects using KomVision in the PC200i-12
	Improve productivity of construction workplaces by promoting Smart Construction	10	▪ Overseas sales of ICT-intensive models	2,700 units (single year)	2,448	2,038	1,845 units (single year)
		11	▪ Number of workplaces using Smart Construction (global total)	13,000 workplaces (single year)	8,955	11,740	8,945 workplaces (single year)
		12	▪ Enhancement and optimization of processes of construction work places	Ratio of workplaces using Smart Construction that implement solution Level 3 or higher: 15%(single year)	20%	22%	34% (single year)
	Provision of products and solutions that enable sustainable resource development (mining equipment)	13	▪ Aggregate number of AHS units deployed	790 units (aggregate, upward revision from prior target of 740 units)	643	727	862 units (aggregate)
		14	▪ Optimization of operations at mine sites	Introduce and promote open technology platforms	Completed phase one development and commenced trials at customer workplaces	Conducted trials at multiple customer workplaces	Introduce open technology platforms to selected users on a trial basis

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Customers							
Product safety and quality Provision of solutions							
	Provision of products and solutions that enable sustainable resource development (mining equipment)	15	▪ Augmentation of hard rock mining product lineup	Expand product lineup and execute trials, including those for new methods (mechanical cutting)	▪ Load haul dump machines: Completed development of one model ▪ Mechanical cutters: Advanced trials at customer workplaces and launched for specific customers ▪ Mining tunnel boring machine: Production of trial units assembly	▪ Mechanical cutters: Continued operation at customer workplaces with trial units and completed the first commercial unit assembly ▪ Mining tunnel boring machines: Completion of trial unit assembly	▪ Expansion of product lineup: Introduction of new load haul dump machines and mining trucks ▪ New methods 1) Mechanical cutters: Trials completed 2) Mining tunnel boring machine: Continued outdoor quality checks of trial unit
		16	▪ Expansion of hard rock mining business	Net sales: US$ 300 million (threefold increase from FY2021)	Net sales: US$100 million	Net sales: US$80 million	Net sales: US$140 million
	Solutions for improving safety and productivity at customer workplaces (automation, autonomous operation, remote operation)	17	▪ Development of automated construction and mining equipment	Expand the number of marketed models (including new developments)	▪ Hydraulic excavators: Tests conducted on equipment jointly developed with customers ▪ Mining bulldozers: Completed remote control trials at customer workplaces and conducted automated operation trials	▪ Hydraulic excavators: Test conducted on equipment jointly developed with automatic excavation function for specific locations ▪ Mining bulldozers: Advanced research on linking bulldozers with a remote control system with Autonomous Haulage System(AHS) for mines underway	Hydraulic excavators: Introduced the PC200i-12
	Building of value chain adaptable to environmental and demand changes	18	▪ Expansion of aftermarket business (pursuit of business growth and response to volatility)	Sales growth rate: 15% (compared with FY2021, foreign exchange rates fixed)	Sales growth rate: 13.5%(compared with FY2021, foreign exchange rates fixed)	Sales growth rate: +20% (compared with FY2021, foreign exchange rates fixed)	Sales growth rate: +23% (compared with FY2021, foreign exchange rates fixed)
		19	▪ Multi-sourcing ratio (implementation of business continuity measures across the supply chain)	92% (82% in FY2021)	85%	91%	92%

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Ethics / Governance							
Governance / Compliance							
	Strengthen governance and ensure thorough compliance	20	▪ Enhanced governance and enforced compliance	Disclose initiative results	▪ Enhanced disclosures based on Japan's Corporate Governance Code (business portfolio, skill matrix) ▪ Conducted global e-learning program on Komatsu's Worldwide Code of Business Conduct (in 12 languages)	▪ Appointed third-party to the evaluation analysis in the evaluation process of the effectiveness of the Board of Directors ▪ Conducted global e-learning program on Komatsu's Worldwide Code of Business Conduct (in 12 languages)	▪ Held overseas Board of Directors meetings and visits to overseas customer sites and offices by the attending executives ▪ Revised Komatsu's Worldwide Code of Business Conduct and its global implementation.Entrenched conduct standards by conducting global e-learning
Communities							
Contributions to local communities							
	Contributions to communities through business and disaster relief support	21	▪ Ongoing social contribution activities	Disclose activity results	▪ Continued demining project ▪ Provided 30 million yen in relief support following the earthquakes in Turkey and Syria ▪ Continued forest restoration projects at former mine sites in North America ▪ Continued providing support for regional human resource development programs with Cummins Inc. (Chile, Peru, South Africa, and Australia)	▪ Continued demining project ▪ Provided relief support following the Noto Peninsula earthquake (I) Donated 600 million yen (II) Lent equipment in affected areas free-of-charge (III) Provided disaster supplies (emergency food, etc.) ▪ Continued forest restoration projects at former mine sites in North America ▪ Continued providing support for regional human resource development programs with Cummins Inc. (Chile, Peru, South Africa, and Australia)	▪ Continued demining project ▪ Provided relief support following the Noto Peninsula earthquake (lent equipment in affected areas free of charge)* * Total support in FY2023 and FY2024 totaled ¥1.3 billion, including donations ▪ Provided ¥10 million for the earthquake off the coast of eastern Taiwan ▪ Continued forest reforestation projects at former mine sites in North America ▪ Continued providing support for regional human resource development programs with Cummins, Inc. (Chile, Peru, Australia)

	Sustainability Policy	Materiality		SDGs
With the planet	▪ Through all of our business activities, we strive to reduce our environmental impact and preserve the global environment through the use of advanced technologies. ▪ We strive to increase both global environmental conservation and business growth through manufacturing and technological innovation. ▪ We pursue collaboration and value creation with our stakeholders toward a sustainable planet and future.	Environment	Reduction of energy usage and GHG emissions	
			Development of low-carbon / low-emissions products, solutions, and business models	
			Forest conservation through business activities	
			Resource recycling and remanufacturing	

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Environment							
Development of low-carbon/low-emissions products, solutions, and business models							
	Plants with zero environmental impacts	22	▪ CO_2 emissions from production (compared with FY2010 levels)	Reduce by 45% (compared with FY2010 levels)	Reduced by 43%	Reduced by 51%	Reduced by 55%
		23	▪ Water consumption (compared with FY2010 level)	70% reduction (compared with FY2010 level)	Reduced by 69%	Reduced by 67%	Reduced by 72%
		24	▪ Rate of renewable energy use	20%	17%	25%	31%
Reduction of energy usage and GHG emissions							
	Reduction of CO_2 emissions at customer workplaces	25	CO_2 emissions from product use (compared with FY2010 levels)	Reduced by 24% (compared with FY2010 levels)	Reduced by 21%	Reduced by 22%	Reduced by 23%
		26	▪ Electrification of construction and mining equipment	Expand models in the development phase and on the market	▪ Launched one model ▪ Completion of development of two models	Launched three models	Launched two models
Forest conservation through business activities							
	Provision of solutions that support sustainable, cyclic forestry businesses	27	▪ Growth of forestry machiney business (process mechanization)	1) Sales growth rate : 50% (compared with FY2021, foreign exchange rates fixed) 2) Number of tree planting machines introduced : 30 (single year)	1) Sales growth rate: 22.1% (compared with FY2021, foreign exchange rates fixed) 2) Number of tree planting machines introduced: 5 units	1) Sales growth rate : 28% (compared with FY2021, foreign exchange rates fixed) 2) Number of tree planting machines introduced: 9 units	1) Sales growth rate: 36% (compared with FY2021, foreign exchange rates fixed) 2) Number of tree planting machines introduced: 11 (single year)
		28	▪ Promotion of forest management solutions (development of a business model combining forestry and decarbonization)	Forest area : 60,000ha(forest management solutions applied)	Completed proof-of-concept tests for remote sensing solutions and selected partners	Forest area: 23,705 ha	Forest area: 23,946 ha

Materiality	Key activity themes	No.	KPIs	FY2024 targets	FY2022 KPI results	FY2023 KPI results	FY2024 KPI results
Environment							
	Resource recycling and remanufacturing						
	Promotion of recycling-oriented business	29	▪ Expansion of Reman business	Sales growth rate: 25% (compared with FY2021, foreign exchange rates fixed)	Sales growth rate: 16.5%(compared with FY2021, foreign exchange rates fixed)	Sales growth rate: 35% (compared with FY2021, foreign exchange rates fixed)	Sales growth rate: 47% (compared with FY2021, foreign exchange rates fixed)

External recognition (as of August 22, 2025)

(1) External recognitions for CSR activities (Recognitions for SRI)

[Global]

[CDP]
An NPO that was established in the United Kingdom in 2000 and engages in the surveying and global disclosure of corporate initiatives with respect to reduce greenhouse gas (GHG) emissions and climate change, while simultaneously analyzing and evaluating the surveyed details. In 2016, it started to run a system selecting A-list companies as global leaders in terms of the implementation of action on climate change, water security and others.

[Trends in the selection of the company over the last three years]

	2022	2023	2024
CDP Climate Change	A	A	A
CDP Water Security	A	A	A

[Dow Jones Best-in-Class Indices]
(previously known as Dow Jones Sustainability Indices (DJSI))
The sustainability indices were selected by S&P Dow Jones Indices LLC of the United States. They analyze and evaluate corporate sustainability from the three perspectives of the governance & economic, the environment and the society to select high-ranking companies in each industrial sector.

[Trends in the selection of the Company over the last three years]
Komatsu has been selected as a constituent of the "World Index" for consecutive years since 2006.

	2022	2023	2024
	World	World	World

[MSCI ESG Leaders Indexes*1]
(previously known as MSCI Selection Indexes)
The Socially Responsible Investment indexes were developed by U.S.-based MSCI (Morgan Stanley Capital International), Inc.

[Trends in the selection of the company over the last three years]
Komatsu has been selected for consecutive years.

[ISS ESG]
The corporate sustainability rating indexes were developed by U.S.-based ISS group.

[Trends in the selection of the company over the last three years]
Komatsu has been consecutively awarded "Prime" status in the machinery sector.

[Japan]

[FTSE Blossom Japan index*2]
The index, which was established by U.K.-based FTSE Russell, selects Japanese companies that implement excellent programs to facilitate ESG.

[Trends in the selection of the company over the last three years]
Komatsu has been selected for consecutive years.

[MSCI Nihonkabu ESG select leaders index*1]
The index is part of those established by U.S.-based MSCI Inc., aimed at selecting Japanese companies with relatively high ESG ratings.

[Trends in the selection of the company over the last three years]
Komatsu has been selected for consecutive years.

[MSCI Japan empowering women index*1]
The index is part of those established by U.S.-based MSCI Inc., aimed at selecting listed Japanese companies that promote a high level of gender diversity.

[Trends in the selection of the company over the last three years]
Komatsu has been selected for consecutive years.

[S&P/JPX carbon efficient index]
The index is offered by S&P Dow Jones Indices and the Tokyo Stock Exchange for member companies in the Tokyo Stock Price Index (TOPIX). It decides on the investment weights to be applied to such member companies with a focus on the disclosure of environmental information and level of carbon efficiency (carbon emissions per sales).

[Trends in the selection of the company over the last three years]
Komatsu has been selected as index constituent for consecutive years.

[Certifications]

[SBT]
SBT (Science based targets, namely, science-based emission reduction targets) is an initiative advocated by the CDP, the United Nations Global Compact, the World Wildlife Fund and the World Resources Institute. It certifies companies that have established reduction targets compatible with scientific knowledge aiming to achieve the target established under the Paris Agreement of keeping the average rise in global temperature due to climate change below two degrees from the pre-Industrial Revolution levels in the worst-case scenario.
Komatsu's CO_2 reduction targets were certified as SBT in April 2017.
Please click here for further details about Komatsu's CO_2 reduction and SBT.

[DX Platinum Companies 2023-2025]
The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) select certain companies listed on TSE as "Digital Transformation (DX) Stocks Selection" for their accomplishments achieved by creating internal systems for promoting digital transformation (DX)* and excellent use of digital technologies leading to the enhancement of corporate value.
In FY2023, the company was selected as one of the newly established "DX Platinum Companies 2023-2025" as "a company that has continued to make particularly outstanding efforts since the program's inception."

* Digital transformation: A company establishing a competitive advantage by utilizing data and digital technology in response to intense changes in the business environment to transform products services and business models based on the needs of customers and society, and transform operations themselves, organizations, processes and corporate culture.

[EcoVadis]
EcoVadis, a French company, evaluates the sustainability of global supplier companies from four perspectives: environment, labor & human rights, ethics, and Sustainable Procurement impacts.
Komatsu has achieved the "Bronze" rating in the latest survey.

*1 THE INCLUSION OF KOMATSU LTD IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF KOMATSU LTD BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

*2 FTSE Russell confirms that Komatsu has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

(2) Recognitions of IR activities

[Excellent Disclosure Companies by The Securities Analysts Association of Japan]
Securities analysts developed objective evaluation criteria to decide on the ranking of companies in terms of its quality, quantity, timing and other factors of corporate disclosures, and based on which established the Award for Excellence in Corporate Disclosure from the Securities Analysts program. The program has been implemented since 1955.
Komatsu received the 2022 Award for Excellence in Corporate Disclosure (first place in the machinery section).
The award is given every other year and this is the 13th time Komatsu has received the award.

[2024 Best IR Award]
The Japan Investor Relations Association selects the member companies that conduct excellent IR activities for the "Best IR Awards," and the "IR Grand Prix Award" to companies that have received the "Best IR Awards" for the third time.
In 2024, we were selected for the "Best IR Awards."
This is the eighth time that we have been selected the "Best IR Awards" following 2007, 2008, 2010, 2013, 2016, 2017 and 2020, in addition the "IR Grand Prix Award" twice in 2010 and 2017.

[2023 Greatest IR Improvement Premium Company]
The Japan Investor Relations Association selects member companies that have consistently received high evaluations from the screening committee members during the screening period (17 years from 2007 to 2023) and have been recognized for their efforts to improve their IR as the Greatest IR Improvement Premium Company.
Komatsu has been selected for this selection.

[2023 Best Continual IR Efforts Premium Company]
The Japan Investor Relations Association selects member companies that have continuously applied for the Best IR Award during the screening period (17 years from 2007 to 2023) and have been recognized as having continued their IR activities over the medium to long term as the Best Continual IR Efforts Premium Company.
Komatsu has been selected for this selection.

[Tokyo Stock Exchange (TSE) "the corporate value improvement award" grand prix]
TSE created the Award program in FY2012, designed to annually award the companies which have achieved high corporate value by practicing management of improving corporate value through initiatives that consider capital cost and other investor concerns.
Komatsu was selected for the Grand Prix award of the 8th Corporate Value Improvement Award (FY2019) from all listed companies (about 3,650).

(3) Endorsement of initiatives

[UN Global Compact]
The Global Compact, which is an initiative advocated at the World Economic Forum in 1999, requests that companies comply with and practice 10 principles with respect to human rights, labor, the environment and anti-corruption. Komatsu expressed its support for the United Nations Global Compact in November 2008.

[WBCSD]
The World Business Council for Sustainable Development (WBCSD), whose members include more than 200 companies worldwide, is an organization that creates surveys and proposals on the economy, the environment and society with a focus on sustainable development. In addition, it works actively to implement SDGs.
Komatsu decided to support WBCSD in 2010 and has been cooperating in its activities.

[TCFD]
The Task Force on Climate-Related Financial Disclosures (TCFD), which is an initiative established by the Financial Stability Board in June 2017, requests that companies disclose climate-related information that may affect financial matters from the four perspectives of governance, strategy, risk management and metrics/targets.
Komatsu expressed its support for TCFD in April 2019 and has disclosed information in compliance with the request.

Comparison with global principles

What Komatsu considers to be material issues are listed in our CSR Priorities, each of which are in line with international standards such as the ISO26000 and the United Nations Global Compact.
Details on these standards can be found in "Komatsu's Worldwide Code of Business Conduct " and the "CSR Procurement Guidelines,".

ISO26000 core subjects /issues	UNGC 10 principles	Komatsu's materiality	Incorporation into Komatsu's internal guidelines ■: Items of Komatsu's worldwide code of business conduct ●: Items of Komatsu group CSR procurement guidelines
Organizational governance		**[Ethics / Governance]** ▪ Corporate Governance ▪ Compliance	▪ ■●"Quality and Reliability" of organizational structure, business operations, employees and management ▪ ■●Emphasis on corporate governance ▪ ■●Compliance with the rules of business society
Human rights	**Human Rights** Principle 1 Principle 2	**[Human rights]** ▪ Respect for human rights **[Communities]** Contributions to local communities	▪ ■●Respect for human rights ▪ ■●Promotion of work-life balance
Labour practices	**Labour** Principle 3 Principle 4 Principle 5 Principle 6	**[Employees]** ▪ Occupational Safety and Health ▪ Enhancement of employee engagement ▪ Promotion of Diversity & Inclusion ▪ Talent development **[Human rights]** ▪ Respect for human rights	▪ ■●Conversations or discussions with employees or their representatives ▪ ■●Zero tolerance for child labor and forced labor ▪ ■●Promotion of equal opportunities for employment, with zero tolerance for discrimination and any kind of harassment ▪ ■●Ensuring a safe and comfortable work environment ▪ ■●Human resources management in fair and impartial manner

ISO26000 core subjects /issues	UNGC 10 principles	Komatsu's materiality	Incorporation into Komatsu's internal guidelines ■: Items of Komatsu's worldwide code of business conduct ●: Items of Komatsu group CSR procurement guidelines
The environment	**Environment** Principle 7 Principle 8 Principle 9	**[Environment]** ▪ Development of solutions for low carbon and reduced environmental impact ▪ Resource recycling and remanufacturing ▪ Reduction of energy consumption ▪ Contribution to forest conservation through business activities	▪ ■●Providing products, services and systems that are environmentally-conscious ▪ ■●Environmental protection ▪ ■Komatsu Earth Environmental Charter ▪ ■Declaration of Conservation of Biodiversity ▪ ●Reducing environmental impact, managing chemical substances and building up environmental management systems
Fair operating practices	**Anti-Corruption** Principle 10	**[Ethics / Governance]** ▪ Corporate Governance ▪ Compliance	▪ ■●Fair and appropriate business operations ▪ ■Fair and proper relationship with governmental bodies and agencies ▪ ■●Never providing, offering or promising inappropriate money, goods or favors
Consumer issues		**[Customers]** ▪ Provision of solutions ▪ Product safety and quality **[Environment]** ▪ Development of solutions for low carbon and reduced environmental impact ▪ Resource recycling and remanufacturing ▪ Reduction of energy consumption ▪ Contribution to forest conservation through business activities	▪ ■Providing environmentally conscious, safe, and innovative products, services, and systems with the customer's perspective in mind ▪ ■●Initiatives for the global environment ▪ ■●Reduction of environmental impact, proper management of chemical substances, and establishment of environmental management systems
Community involvement and development		**[Communities]** ▪ Contributions to local communities	▪ ■●To fully understand its social responsibilities as a corporate citizen ▪ ■Groupwide social contribution (5 Basic Principles for Social Contribution) ▪ ■●Good harmony with local communities

ESG finance

Sustainability-linked bond

In October 2022, Komatsu issued a Sustainability-Linked Bond (USD-denominated senior unsecured straight bond, hereafter "SLB").
SLBs are bonds whose terms and conditions vary depending on the achievement status of pre-determined Key Performance Indicators (KPIs)(*1) set by the issuer.
Under its three-year Mid-Term Management Plan titled "Driving value with ambition", which concludes in the fiscal year ending March 31, 2028, Komatsu aims to create customer value through a positive cycle of solving social issues and enhancing profitability via growth strategies. Through the issuance of this SLB, Komatsu intends to further accelerate its sustainability management initiatives toward achieving sustainable growth.

*1: KPI: Key performance indicators

Outline of the Bonds

	Sustainability-Linked Bonds (USD Denominated Senior Unsecured Straight Bonds)
1. Issuer	Komatsu Finance America Inc.
2. Guarantor	Komatsu Ltd.
3. Issuance amount	USD 600 million
4. KPI/SPT *2	SPT1.1: 45% reduction of the Scope 1+2 CO_2 emissions (Intensity) (KPI1) from production by March 31, 2025 from 2010 baseline SPT2.1: 24% reduction of the Scope 3 CO_2 emissions (Intensity) (KPI2) from use of products by March 31, 2025 from 2010 baseline
5. Interest rate	5.499% per year during the period from and including October 6, 2022 until October 5, 2025 From and including October 6, 2025, the interest rate shall be increased by 10 bps if SPT 1.1 has not been satisfied and increased by 15 bps if SPT 2.1 has not been satisfied as of March 31, 2025
6. Interest payment date	April 6 and October 6 every year from and including April 6, 2023
7. Term	5 years
8. Maturity date	October 6, 2027
9. Payment date	October 6, 2022
10. Use of proceeds	To be allocated for the redemption of outstanding bonds and general business purposes
11. Offering method	Offerings in overseas markets, primarily in the U.S., Europe and Asia (In the U.S., however, sales are solely for Qualified Institutional Buyers in accordance with Rule 144A under the U.S. Securities Act of 1933)

12. Market	Singapore Exchange Securities Trading Limited
13. Credit Rating	A2 (Moody's) A (S&P)

*2 SPT:
Sustainability performance targets, which are measurable target figures of KPIs over the specific time period as stated by the issuer

› Komatsu Sustainability-Linked Bond Framework（1.78MB）

Second party opinion of Sustainability-Linked Bond eligibility

With respect to eligibility against the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Bond Guidelines (2022), Komatsu has obtained a second party opinion from DNV Business Assurance Japan K.K. , an internationally recognized third-party organization with expertise in this field.

› Second party opinion（1.53MB）

Reporting

Komatsu reports the performance of the KPI/SPT on an annual basis.
In addition, the external verification result is attached.

【Performance of KPI/SPT】

KPI	SPT	Performance	
	March 31, 2025	March 31, 2024	March 31, 2023
KPI1: CO_2 emissions (Intensity) from production	SPT1.1: 45% reduction from 2010 baseline	51% reduction from the same	43% reduction from the same
KPI2: CO_2 emissions (Intensity) from use of products	SPT2.1: 24% reduction from 2010 baseline	22% reduction from the same	21% reduction from the same

【Verification】

Komatsu obtains an annual verification of the performance of the KPI/SPT from DNV Business Assurance JAPAN K.K..

› External Verification Report (Issued October 2023)（104KB）

› External Verification Report (Issued September 2024)（104KB）

With people

Komatsu's initiatives for human capital management 047

Promoting diversity and inclusion 055

Offering of a variety of talent development opportunities and improvement of employee engagement 063

Develop digital and open innovation promotion human resources 072

Occupational safety and health 074

Human rights policy 085

Business and human rights 087

Komatsu's initiatives for human capital management

Komatsu regards human resources as one of the most important management resources for creating new value, and thus we are continuously investing in human resources. Specifically, we invest in human resources through wages, allowances, bonuses, benefits, and the expansion of human resource development programs. By continuously engaging in these activities, we aim to achieve sustainable growth and development for both the company and its employees, while also being aware of the changes in the internal and external environment and their connection with management policies.
In 2006, Komatsu formulated the Komatsu Way as a shared set of values for its employees worldwide to promote global development and sustainable growth. We are now working to disseminate the Komatsu Way to employees of diverse cultures and customs. We are continuing our human resource development efforts based on these activities.

Promotion system for various policies and measures

Komatsu holds the "Komatsu Way Committee" twice a year (or more as necessary), chaired by the President and composed of responsible persons from each business and function, to deliberate, decide on, and promote the execution of policies and important measures regarding human resources, labor affairs, education and human resources development, and employee benefits for the entire group. Furthermore, the content of the deliberations of the Komatsu Way Committee is reported to the Board of Directors for consideration.

Global personnel policy

Komatsu Group companies have established a personnel management system that can be tailored to the unique needs and circumstances of each region based on the following basic policy, with the aim of realizing an environment in which diverse human resources worldwide can contribute to business growth as a team.

1. We shall respect each employee's human rights, personality, individuality and legally-protected privacy;
2. We shall respect diversity and treat and appraise each and every employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of race, ethnicity, color, sex, sexual orientation, gender identity, age, religion, national ancestry, disability, marital status or other legally protected status. We shall vigorously promote equal opportunities for employment*;
3. We shall give due consideration to work-life balance and physical/mental health, and endeavor to provide the employees with workplaces where they can effectively accomplish their tasks with satisfaction and pride;
4. We will not tolerate inappropriate behavior and speech which prevents employees from working effectively and comfortably. In particular, all Komatsu employees must not do any type of harassment including harassment of subordinate personnel, sexual harassment, or harassment related to pregnancy, childbirth, parenting, or nursing care, in and outside of workplace;
5. In designing and implementing Komatsu policies on employment conditions (such as wages, fringe benefits, performance appraisal, promotions), we shall assure that such policies are, and are understood to be, fairly and clearly implemented. Such policies shall be accurately communicated to employees and, to the extent practicable, made open and accessible;

6. We shall comply with all applicable laws and regulations governing employees' rights and faithfully accommodate, whenever applicable, conversations or discussions with employees or their representatives;
7. We shall not tolerate child labor or forced labor; and
8. We shall offer terms and conditions of employment that are sufficiently competitive in their respective regions.

* "Any action violating human rights (harassment of subordinate personnel, sexual harassment or other harassment related to pregnancy, childbirth, parenting or nursing care)" is specified as grounds for disciplinary action.

About the Komatsu Way

The Komatsu Way is a codified statement of the values that all employees of the Komatsu Group—including management—should continuously inherit and uphold. It articulates "Komatsu's strengths," the "beliefs that support those strengths," the "basic mindset and perspectives to be maintained," and the "style of behavior," all of which were built by our predecessors based on the spirit of our founder throughout Komatsu's history of growth and development. We actively promote the transmission and embedding of the Komatsu Way across the organization to ensure its continued presence for future generations.

The Komatsu Way/TQM promotion activities

To disseminate and practice the Komatsu Way at all Komatsu Group companies around the world, we are conducting various promotion activities and human resource development programs. Employees' understanding of the Komatsu Way is deepened via training sessions and the creation of opportunities for exposition and group debates. We foster interpersonal communication between employees at such sessions to minimize generational gaps, allowing for a more effective "trickle-down" spread of this knowledge. Since 2007, Komatsu has been engaged in brand management activities to "be indispensable to our customers and continue to be their partner of choice". This objective is accomplished by visiting customer workplaces to understand their ideals and to build relationships that enable us to work together with them to help achieve their goals through concerted efforts by Komatsu Group and its distributors. In January 2025, we released the fourth edition of the Komatsu Way, revising its content to align with changes in internal and external environments and to clarify its connection with Komatsu's purpose and values. To further promote global understanding and implementation of the Komatsu Way across different customs and cultures, we have translated the booklet and a promotional video into 13 languages, including Japanese and English. As part of our efforts to promote Total Quality Management (TQM), we conducted the second session of the local instructor development program launched in FY2023, helping to cultivate TQM instructors globally.

In Japan, we continue to enhance awareness of the Komatsu Way through stratified education programs, including group training sessions, online training, and e-learning modules.

We will continue to provide training and development for all employees and systematically promote the global dissemination and integration of the Komatsu Way and TQM. Through these initiatives, we aim to foster employees who embody the Komatsu Way and carry it forward to the next generation, contributing to the sustainable growth of the entire Komatsu Group.

Harassment prevention initiatives

Komatsu Group is committed to eliminating and preventing all forms of discrimination and harassment. Each of our business site has a designated harassment consultation desk, and we have established a system to promptly address issues as they arise. When a consultation is received, we conduct a careful investigation with utmost respect for the privacy of the individual seeking guidance, implement any necessary corrective measures, and take action to prevent recurrence, while also providing follow-up support to the person who raised the concern. Additionally, we regularly conduct anti-discrimination and harassment prevention training for all employees across all levels. This fosters a deeper understanding of discrimination and harassment issues among our staff, encouraging empathy and consideration for each other's positions, and contributing to the creation of a safe and healthy work environment.

Facts about the initiative in FY2024

Number of harassment-related reports received (in Japan)	34
Anti-discrimination and harassment prevention training (in Japan) (e-learning and group learning)	▪ Basic education ▪ New executive officer's program ▪ Managerial-level refresher training ▪ New managerial-level employee training ▪ Foremen training ▪ Assistant manager training ▪ Assistant foremen training ▪ Mid-level employee training ▪ Third- and seventh-year employee training ▪ New employee training

Brand management initiatives

What are brand management initiatives?

Becoming invaluable to our customers, who both create and assess our corporate value

Komatsu defines corporate value as the total sum of trust given to us by society and all our stakeholders, and our management principle is to enhance this corporate value.

Having grouped our various stakeholders into two distinct categories, while the former is responsible for employees, affiliate companies, sales / service shops, etc., the latter includes society, shareholders, investors, media, etc. We have come to the conclusion that it is only our customers who take on both of these roles. Customers create corporate value by purchasing our products, and assess our corporate value through the use and evaluation of our products (which returns to us via feedback).

We have thus redefined the meaning of "heightening the trust placed in us from our customers", into a commitment to "increase the trust placed in us to a degree at which our company is indispensable to our customers, in order to guarantee complete customer loyalty and retention". As of FY 2007, we have begun initiatives designed to mold our brand into one that conceptualizes this vision.

Realizing our customers' vision and mission "from the customer's perspective"

Our brand management (BM) activities are built on the fundamental principle of "from the customer's perspective." While marketing often involves considering differentiation from competitors and market positioning, viewing things from the "customer's perspective" means first and foremost understanding the customer's ideals, mission, and goals—and focusing on how to help them achieve these.
To realize the customer's goals, we are engaged in activities designed to develop and deliver our own management resources and capabilities. These initiatives have traditionally relied more on experience and intuition, but in Komatsu's BM activities, we utilize a variety of tools and methods to visualize case studies, accumulate know-how, and pass it on to the next generation.

Recent activities and future plans

Brand management activities, now in their 19th year since launching in 2007, have expanded globally across Komatsu's construction and mining equipment business as well as forestry equipment operations. The principles underpinning these activities have been incorporated into the Komatsu Way as the Brand Management Edition—a set of values to be continuously passed down and practiced by all employees at their worksites and workplaces throughout the Komatsu Group.

In the latest 4th edition of the Komatsu Way, we have added a new message stating that brand management (BM) activities are a company-wide initiative involving departments such as sales, production, development, and administration working together as one. Promoting BM activities through cross-functional teams has strengthened organizational capabilities and broadened the range of solutions Komatsu delivers to its customers. Komatsu will continue to advance BM activities as a united global team.

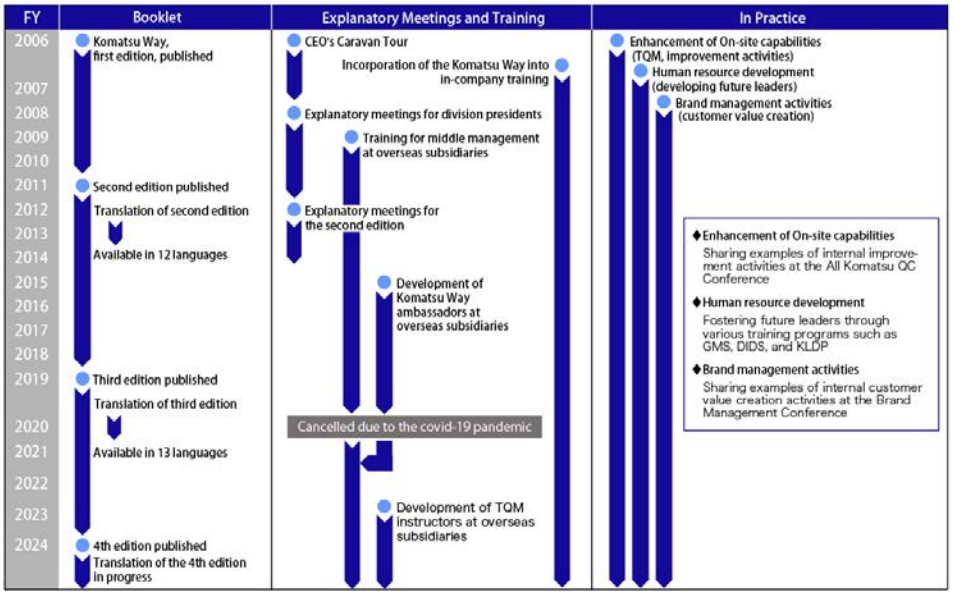
Global BM Workshop (Komatsu City, Ishikawa Prefecture, October 2024)

DATA

(1) Educational training that pertains to Komatsu Way/TQM in FY2024

Name of training course	Course participants	Targets	Training dates (in FY2024)	Number of participants/ cases(in FY2024)
Komatsu Way training	Training content tailored to each job level	To promote understanding and practice of the Komatsu Way	Year round	1,245
Education for mid-level managers of overseas subsidiaries (Komatsu Way leadership development program)	Mid-level managers of overseas subsidiaries expected to be responsible for the core business/functions	To train up local leaders who understand and practice the Komatsu Way	Not implemented in FY2024 (Scheduled for FY2025)	—
TQM training: Introductory, Basic, Intermediate, Advanced, and Manager Levels (Japan)	Training content tailored to each job level	To promote understanding and practice of TQM	Year round	1,833
TQM training (for overseas subsidiaries)	Employees of overseas subsidiaries	To promote understanding and practice of TQM at our overseas subsidiaries	February 2025	29
TQM instructor development training	Employees of overseas subsidiaries	To train local instructors capable of conducting TQM training in each region and company	November 2024	11
QC Circle promotion officer training	QC Circle promotion office and promotion officers	To revitalize QC Circle activities and learn smooth operation methods	June and July 2024	35
QC Circle leader training	QC Circle leader	To learn the mindset and methods necessary for QC Circle activities	February and March 2025	106
All Komatsu QC convention	Selected from the Komatsu Group in Japan and overseas	To present improvement activities as OJT and strengthen awareness of the Komatsu Way practices	November 2024	91 improvement presentations (including 31 from overseas) Number of attendees: approximately 800

(2) The Komatsu Way-history of dissemination activities



Other data on human resources

* Above data are on the non-consolidated basis except item (2).
  Numbers of employees and all other numbers shown are as of the end of each fiscal year, except as otherwise noted.

(1) Number of employees (Non-consolidated basis)

	FY2022	FY2023	FY2024
Total	12,208	12,285	12,344
Male	10,760	10,771	10,804
Female	1,448	1,514	1,540

(2) Number of employees (Consolidated basis)

	FY2022	FY2023	FY2024
Total	64,343	65,783	66,697
employees working outside Japan	44,040	45,272	46,464

(3) Average age

	FY2022	FY2023	FY2024
Total	40.9	41.2	41.5
Male	41.0	41.4	41.7
Female	39.9	39.9	40.0

(4) Years of continuous employment

	FY2022	FY2023	FY2024
Total	16.4	16.7	16.9
Male	16.7	17.1	17.3
Female	13.9	13.8	13.9

(5) Number of employees by age

	Total	Male	Female
Total	12,344	10,804	1,540
Over 60	593	515	78
50-59	2,771	2,375	396
40-49	3,440	3,145	295
30-39	3,611	3,275	336
Under 30	1,929	1,494	435

(6) Annual total remuneration (average)

	Total	Male	Female
FY2024	8,591,258(Yen)	8,832,771(Yen)	6,981,219(Yen)

* Minimum wages set by age
* There are no wage rules or other institutional differences based on gender. The above gender differences are due to differences in labor composition, such as the percentage of women in management positions and job levels, and length of service.

(7) New graduates employment

	Total		Employment category								
		Excluding blue-collar work	College graduate			Junior college graduate			High-school graduate		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
FY2023	290	192	161	109	52	15	12	3	114	88	26
FY2024	301	210	184	136	48	19	14	5	98	75	23
FY2025	293	206	183	143	40	11	9	2	99	76	23

* As of April 1 of each fiscal year

(8) Mid-career employment (As of August 8, 2025)

	Total		Mid-career employment ratio		Employment category					
					College graduate			Others		
	Total	Excluding blue-collar work	Total	Excluding blue-collar work	Total	Male	Female	Total	Male	Female
FY2022	87	42	26%	20%	40	32	8	47	44	3
FY2023	198	96	41%	33%	110	90	20	88	74	14
FY2024	158	85	34%	29%	86	66	20	72	62	10

(9) Employee turnover

	Total	Male	Female
FY2021	200(1.54%/1.31%)	160	40
FY2022	200(1.53%/1.36%)	163	37
FY2023	203(1.49%/1.26%)	166	37
FY2024	200(1.44%/1.26%)	174	26

* The figures in parentheses in the table are (total turnover rate/voluntary turnover rate). The voluntary turnover rate does not include those who retire at retirement age.
* Period covered: April to March of each fiscal year

(10) Retention of new employees

	Total	Male	Female
New graduate hires in FY2022	254	186	68
Employees remaining as of FY2025	239	173	66
Employees who left within three years (turnover rate)	15 (5.9%)	13	2

* "Employees remaining as of FY2025" refers to the status as of April 1, 2025.

Promoting diversity and inclusion

At Komatsu, we regard Diversity & Inclusion (D&I) as a source of innovation. We believe that fostering an environment where individuals can recognize and leverage one another's unique qualities and capabilities leads to innovation and, ultimately, to the growth of the entire company. Accordingly, we promote D&I by creating a workplace where diverse talent can thrive and by expanding various systems to support diverse working styles and work-life balance. To raise employee awareness, we also carry out D&I literacy enhancement activities through promotional content such as videos and columns. In FY2024, we held a seminar on Emotional Intelligence (EQ) aimed at improving interpersonal relationships in the workplace, following previous seminars on unconscious bias in FY2022 and psychological safety in FY2023, targeting all managers across the Komatsu Group in Japan. In addition, we launched a global e-learning program that explores the connection between D&I and innovation through the lens of the Komatsu Way.

Example of global e-learning materials

Global human resource development and promotion

With operations spanning the globe, approximately 90% of Komatsu's consolidated revenue is generated overseas, and about 70% of our employees work outside Japan. For Komatsu, developing global leaders is a key driver of sustainable growth. In many of our overseas subsidiaries, national (local) employees are entrusted with top management roles. Furthermore, the heads of major overseas subsidiaries are appointed as "global officers", bearing responsibility not only for their respective regions but also for contributing to the overall management of the Komatsu Group. Among these global officers, those who play central roles in the Group's leadership are appointed as Executive Officers of Komatsu Ltd. Additionally, individuals who play a central role in the management of the Komatsu Group are appointed as our executive officers. Komatsu has created approximately 700 "Global Key Positions" in Japan and overseas and developed a succession plan for these positions. We are also aiming to foster the systematic cultivation of next-generation leaders who will be responsible for global management through programs such as the "Global Management Seminar" for management-level employees and candidates, and "Komatsu Way leadership development training" for mid-level employees who play key roles in our businesses and functions. Additionally, Komatsu trains engineers who provide continuous product support at customers' sites around the world. The Komatsu Philippines Corporation, a specialized educational institution, has trained over 150 engineers. Graduates of the training program, which lasts about six years, are subsequently employed as "global engineers" and work around the world.

Promoting gender diversity

As part of our gender diversity initiatives, we have set target values for the ratio of women among regular employees and the ratio of women in management positions as global consolidated KPIs. Toward achieving these targets, we are implementing a range of measures, including the proactive recruitment of women, structured development through training programs, the creation of environments that support continued career growth, and the active appointment of women to roles with greater responsibility and authority. These initiatives not only promote the advancement of women but also contribute to building a workplace environment where everyone can work comfortably and fully demonstrate their abilities. Komatsu will continue to promote these efforts across the entire Group.

DATA

(1) Diversity of management

		FY2024	Female employees (Female employees percentage)	Non-Japanese employees (Non-Japanese employees percentage)	Mid-career employees (Mid-career employees percentage)
Directors and Global officers		58	3 (5.2%)	16 (27.6%)	11 (19.0%)
	Executive officers (in Japan)*	30	2 (6.7%)	0 (0.0%)	1 (3.3%)
Management position		1,905	172 (9.0%)	16 (0.9%)	418 (22.3%)
	General managers	406	15 (3.7%)	0 (0.0%)	58 (14.3%)

* Komatsu's non-consolidated data as of the end of fiscal year.
* Directors and global officers exclude outside directors and outside auditors.
* Percentage of director and global officer posts filled by internal personnel: 100%
* Management positions include executive officers.
* Executive officers (in Japan) do not include those who also serve as directors.

(2) Women employees

	FY2022	FY2023	FY2024
Global (Consolidated)			
Ratio of women employed	14.1%	14.5%	14.9%
Ratio of women in management positions	10.3%	11.1%	11.9%
Komatsu Ltd. (Non-consolidated)			
Number (ratio) of women employed	1,507 (12.3%)	1,564 (12.6%)	1,624 (13.0%)
Number (ratio) of women in management positions	341 (9.5%)	376 (10.1%)	411 (10.6%)
Number (ratio) of women managers	149 (8.0%)	163 (8.7%)	172 (9.0%)
Number (ratio) of women junior managers	192 (11.0%)	213 (11.5%)	239 (12.2%)

* Data as of the end of each fiscal year.
* Management positions include executive officers.

Support for LGBTQ

In the "Komatsu's Worldwide Code of Business Conduct," we explicitly prohibit unfair discrimination based on nationality, race, religion, age, sex, disability, sexual orientation, and gender identity, and define discriminatory behavior toward sexual minorities as a form of harassment subject to disciplinary action. Additionally, we have established an in-house counseling desk for LGBTQ individuals, recognized same-sex partnerships, and expanded the scope of welfare benefits. Furthermore, we are working to promote understanding of LGBTQ issues and create a comfortable work environment for everyone by providing education to all domestic Komatsu Group managers and distributing videos to all employees.

e-learning

LGBTQ video

Promoting the employment of persons with disabilities

Komatsu promotes the employment of persons with disabilities across the Group and has set the employment rate as a KPI in its mid-term management plan.
In March 2008, Komatsu established the Business Creation Center (BCC) within the Human Resources Department in Japan as a dedicated organizational entity for promoting the hiring of persons with disabilities. Persons with intellectual or developmental disabilities are employed by the BCC in eleven locations in Japan. By having BCC perform previously outsourced operations and desk work, the initiative contributes both to expanding BCC's job scope and improving the overall operational efficiency of the company. Advisors are assigned to each business site to provide training and guidance on daily tasks. Employees at BCC are not simply given tasks—they participate in semi-annual goal-setting interviews like other employees, and differences in compensation are based on individual performance evaluations. This system encourages each individual to work toward their own goals and fosters development toward greater independence and self-sufficiency.
Through such efforts, Komatsu is not merely focused on achieving a numerical employment ratio. Rather, we aim to create a workplace where employees with disabilities and other staff members work together, fostering an environment where everyone can find fulfillment in their work.

DATA

	FY2022	FY2023	FY2024
Employment ratio of persons with disabilities	2.73%	2.72%	2.78%
Number of BCC locations	11	10	10
Number of BCC staff members	165	165	169

* The data for Komatsu Ltd. (non-consolidated). As of June 1st of each fiscal year.
* The number of employees does not include advisors.
* As of April 2025, the number of locations has been changed to 11.

Promoting hiring of retired employees

As Japan's birthrate declines and its population ages, we believe that efforts to improve employee productivity across all generations and to strengthen our older workforce are not only a response to societal realities but also a way to ensure our sustainable growth. Komatsu has been promoting initiatives to achieve the above, including the introduction of a post-retirement reemployment system in 2006 and the reemployment of all applicants up to the age of 65 (for general employees) since 2013. In 2021, Komatsu implemented an optional retirement age system for the entire Komatsu Group in Japan, which allows employees to choose the maximum retirement age of 65. Moreover, Komatsu is expanding its support framework to enable employees to continue to work at Komatsu and realize their optimal work styles based on their values by providing training opportunities for employees to reflect on their career and life, a paid leave system for skills development, and a financial aid system.

Systems and measures of employment and career support for the elderly

Systems and Measures	Content
Selective Retirement System	Employees can choose to retire at age 60, 62 (management), or 65 (general employees). Employees who choose to retire at age 62 or 65 receive the same benefits as those who retire before age 60.
Part-time Work System	This system allows employees to work part-time when they choose to retire at age 60 or 62 and are rehired after retirement. Working hours can be set from 1/2 to 3/4 those of full-time employees and working hours per day and working days per week can be decided.
Second Job System	Part-time employees who have been rehired after retirement can work a second job under certain conditions to support their careers.
Career Support System	(1) Career Life Plan Seminar All employees aged 45 and older are encouraged to develop an independent and autonomous career vision by considering their work prospects, work style, lifestyle, and financial plan. (2) Outplacement Support System A skills development leave system and outplacement services for employees aged 45 and over who want to progress their careers outside the company.

DATA

	FY2022	FY2023	FY2024
Reached age 60	355	301	265
Continued employment after age 60	325	282	244
Chose to retire at age 62 or 65	292	262	227
Rehired after retirement at age 60	33	20	17
Retired at age 60 (Retirement rate at age 60)	30 (8.5%)	19 (6.3%)	21 (7.9%)

* Data for Komatsu Ltd. (non-consolidated).

* People rehired after retirement include those rehired within the Komatsu Group.

Realization of diverse work styles

To support employees to pursue diverse work styles, we promote flexible and autonomous working that is not restricted by location or time. This includes the expansion of the "telework system" in FY2020 to allow employees to continue their careers and improve productivity and the abolition of core hours in the "flextime system" in FY2021.

Main system and measure

Main System and Measures		Content
Creation of diverse work styles	Flextime system	Flexible work hours (5:00~22:00) with flexible start and end times (no core time).
	Discretionary work system	A work system for employees who engage in highly discretionary work, such as R&D. Under this system, employees can execute their work at their discretion.
	Telework system	Work from home as often as desired to support career continuity and increased productivity. Telework allowance paid.

Promotion of work-life balance and support for childcare, family care, and medical treatment

Komatsu promotes work-life balance among its employees by reducing total working hours and establishing various support systems. To reduce working hours, Komatsu has worked with the labor union to set the targets of "less than 2,100 working hours per year and at least 20 days of annual paid leave for all employees" based on the 36 Agreement. Moreover in the development of our employee systems, we promote initiatives to not only help employees achieve a work-life balance but also safe and healthy work styles, for example, using the "Interval System" between workdays.
We have also expanded our safety net by providing more leave and leave of absence than legally required to cover childcare, family care, and personal injury or illness. Furthermore, we have implemented, a "Life Support Leave" system that can be used for various life events in addition to annual paid leave. To complement these efforts, we have implemented support measures to create an environment that allows employees to use our systems and measures easily according to their circumstances.

Main systems and programs

Systems and Programs		Content
Child-care system	Childcare leave	Available for a maximum of three years from the birth of the child to the time the child enters nursery school. Paid leave is available until the child is 2 years old (about 104 weeks) and can be taken in installments. (The statutory leave period is up to two years.) Also available for a maximum of three years for the care of a child up to the third grade of elementary school in cases such as a spouse's job transfer.
	Part-time work	Working hours can be reduced by up to three hours per day for the care of a child up to the end of elementary school. The leave can be taken in installments. (Statutory coverage applies only to children not yet in elementary school.)
	Paternity leave	Up to 4 weeks (28 days) within 8 weeks after the birth of a child is available and can be taken in installments. Paid leave is available until the child is 2 years old.
	Subsidies for childcare expenses	Allowance toward the cost of childcare for infants up to age two before entering nursery school (10,000 yen/month).
	Leave for caring for a sick child and related purposes	Five days for the nursing care of one child up to the third grade of elementary school and ten days for the second child onward (paid leave).
	Development of childcare facilities	Babysitting and other childcare services, as well as on-site day-care facilities, are available. Additionally, health management rooms located at each site offer private rooms for childcare and can be used for multiple purposes, such as freezing breast milk.
Family-care system	Family-care leave program	A maximum of three years is available for employees taking care of family members, which can be taken in installments. Paid leave is available for a total of 93 days. (The statutory leave period is a total of 93 days.)
	Part-time work	Shortening of working hours by a maximum of three hours per day, which can be taken for up to three years in total and can be taken in installments.
	Family-care leave	Five days per year for attending to one family member in need of nursing care, and ten days for the second family member onward (paid leave).
Other types of leave system	Paid vacation	Statutory annual paid leave is granted for 10 days per year if the attendance rate is 80% or more at the end of the first 6 months of employment Komatsu grants 20 days per year from the time of joining the company (in principle). Leave can be taken in half-day increments.
	Life support leave	Can be used as sick leave, pregnancy leave, child-care leave or for care of family members. An employee may add five new days of accumulated leave per year. A maximum of 40 days of unused annual leave may be accumulated. Child-care leave may be used for school events for children aged up to third grade in junior high school.
	Flexible leave for refreshment	Provided to encourage employees to take five consecutive days of leave for mental and physical refreshment. Employees receive an additional five days of annual leave and a travel voucher upon completion of their 15th, 25th and 35th year of continued service.
	Interval system	To provide rest time after the end of the workday to ensure that employees can sleep and enjoy personal time. Provisions to ensure at least 10 hours between shifts (interval).
	Volunteer incentive program	Long-term paid leave of up to two years, or short-term paid leave of 12 days per year.
	Spousal transfer occupational leave system	Acquisition for up to three years per spousal transfer (Acquisition up to one per employee).
	Leave for infertility treatment	Each employee is permitted leave of up to a whole year for infertility treatment.
	Part-time work for personal injury or illness	Up to 3 hours per day (up to 5 hours per day if approved by the company under special circumstances) for periodic hospital visits due to personal injury or illness; these can be taken for up to 6 months.

Main support and measures

Support and Measures		Content
Child-care support	Childcare service during in-house training	Provision of childcare services during in-house training at the Komatsu Way Training Center (Komatsu City, Ishikawa Prefecture), a training facility that serves as a human resources development facility for Komatsu Group employees globally.
	Childcare support seminar	To support the balance between childcare and work, we hold childcare seminars aimed at supporting employees who are parents and promoting understanding among their bosses and co-workers.
	Creating an environment for male paternity leave	To raise awareness among male employees about participating in childcare and to promote understanding among superiors, coworkers, and others around them, we have implemented e-learning programs on taking childcare leave and released interview videos of male employees who have taken childcare leave.
Family-care support	Family-care seminar	Seminars conducted by experts, either online or in person, to provide opportunities for employees to think about how to prepare for family care and how to balance it with their work.
	Individual consultation	Individual consultations with external experts have been held monthly to provide tailored for employees.
Treatment support	Consultation service for balancing treatment and work	To support employees' health and safety, a consultation desk has been set up at each site for those wanting to discuss balancing their medical treatment and work. We have also introduced various systems including fertility treatment leave to create a safe and secure working environment for those needing medical treatment.

DATA

* Data for Komatsu Ltd. on a non-consolidated basis (full-time employees)

(1) Parental leave

	FY2022	FY2023	FY2024
Number of employees taking childcare leave (total)*1	184	217	229
Paternal leave	121	160	173
Maternal leave	63	57	56
Percentage of employees taking childcare leave (total)*1	34.5%	45.0%	50.1%
Paternal leave	25.7%	37.6%	43.2%
Maternal leave	100%	100%	98.2%
Return rate of employees from childcare leave	99.9%	100%	98.9%
Number and percentage of employees taking leave or leave of absence, including those taking childcare-related leave other than childcare leave*2	361（76.9%）	349（82.1%）	328（82.0%）

*1 Employees who had a child within each fiscal year.

*2 In addition to childcare leave, we have a system that grants necessary leave for childcare, childbirth, nursing care, injury or illness, etc. Male employees who had a child within each fiscal year (acquisition percentage in parentheses).

(2) Family-care leave

	FY2022	FY2023	FY2024
Family-care leaves	7	2	3

(3) Paid vacation

	FY2022	FY2023	FY2024
Average days granted	20.0	20.0	20.0
Average days taken	20.8	20.9	20.8
Average ratio	104.0%	105.0%	104.0%

(4) Volunteer time off (VTO)

	FY2022	FY2023	FY2024
Number of VTO users	32	42	44
VTO in long-term	0	1	1

Offering of a variety of talent development opportunities and improvement of employee engagement

Improving employee engagement is essential for the company's sustainable growth. We have conducted a global engagement survey of our employees worldwide, and are working to develop human resource policies that reflect the strengths and challenges of each region and organization. We will continue to monitor and analyze employee engagement and respond to ever-changing challenges to create an environment in which each and every one of our employees can work with more vitality and enthusiasm.

We are also working to provide a variety of skill development opportunities, including training for employees to become professionals in their fields and support for the acquisition of the knowledge and skills required at each level. Furthermore, to support employees' proactive challenges and autonomous career development, we will roll out the Career Development Program (CDP) from FY2023 and strengthen the connection between personnel policies and support for employees' career development.

Improvement of employee engagement

In 2021, Komatsu initiated a global engagement survey of its domestic and overseas Group companies. Each division has formulated an action plan to address the issues raised in the survey and is steadily implementing these plans. The second survey was conducted in FY2023, followed by the third in FY2025. We will continue to carry out these surveys on a regular and ongoing basis, while also focusing on employees' intentions and motivation, and reflecting them in initiatives that promote more voluntary and self-directed challenges.

Overview of global engagement survey in FY2023

Number of respondent	82% of the Employees (about 68,000 employees) of Komatsu and its Group companies in Japan and other countries responded
Objectives	To regularly identify and analyze employee engagement, clarify our strengths and challenges at that time and take them into consideration when discussing and deciding plans for the future
Survey overview	60 questions related to employee engagement and its influencing factors, including vision (values, management policies), strategy and sources of competitive advantage (goal-setting, policy deployment), leadership, and well-being—including organizational culture, work environment, satisfaction, happiness, sense of purpose, and mental and physical health, including perceived stress and emotional well-being.
Methodology	Anonymous online survey
Results	Engagement Score Overseas: 80, Japan: 69 (Score is the percentage of positive responses)

* Engagement score KPI set in the mid-term management plan (target for FY2023)
  Overseas: 85 or higher; Japan: 75 or higher

* The engagement-related KPI scores and survey results for FY2025 are scheduled to be disclosed in the Integrated Report to be published in September 2025.

Fair and appropriate evaluation / Personnel system that accurately recognizes employee abilities and achievements

A key to creating a workplace where employees can work with peace of mind lies in how fairly they are treated and compensated. Komatsu's personnel management system reflects individual abilities and performance, and maintaining fair and appropriate evaluations for each employee is essential. To this end, we reliably implement evaluator training for all managers, as well as training for general employees who are subject to evaluation. At each business site, we also hold evaluation system management committee meetings jointly with labor unions to ensure that evaluations are properly conducted. Evaluation results are provided as feedback to both managers and general employees, and a dedicated contact point has been established to handle employee grievances and concerns.

Target management system

Overview	Interviews are conducted between supervisors and employees to establish work goals at the start of the period and conduct a retrospective review at the end of the period. Based on the primary evaluation by the direct supervisor, an Evaluation and Development Committee is convened at the departmental level. The final evaluation is determined through a multi-person, multi-faceted assessment and relative evaluation.
Frequency	General employees are evaluated twice a year, while managers are evaluated once per fiscal year. Regardless of this schedule, continuous dialogue and feedback between supervisors and subordinates is encouraged to promote talent development and to manage and improve work processes. Additionally, interviews for target management are conducted on a case-by-case basis in the event of changes in targets due to transfers or alterations in job responsibilities.
Target	Full-time employees (general employees and managers)

Condition of labor unions

Komatsu, a signatory to the United Nations Global Compact, regards freedom of association and the right to collective bargaining as among the fundamental human rights that must be respected. In Japan, the Komatsu Labor Union consists of approximately 11,400 members and operates through eight local branches nationwide. The union operates under a union shop system, with a unionization rate of 78.6% (calculated as the number of union members divided by the total number of employees, including management and other non-union members).
The Komatsu Labor Union is affiliated with the All Komatsu Workers Union, which in turn is a member of JAM (the Japanese Association of Metal, Machinery and Manufacturing Workers), an industrial labor federation. In Japan, 11 of our consolidated subsidiaries and affiliates have labor unions affiliated with the All Komatsu Workers Union, with a total of approximately 6,700 members. We also comply with labor rights laws in each country, and engage in sincere dialogue and consultation with individual employees and their representatives.

Support for autonomous career development

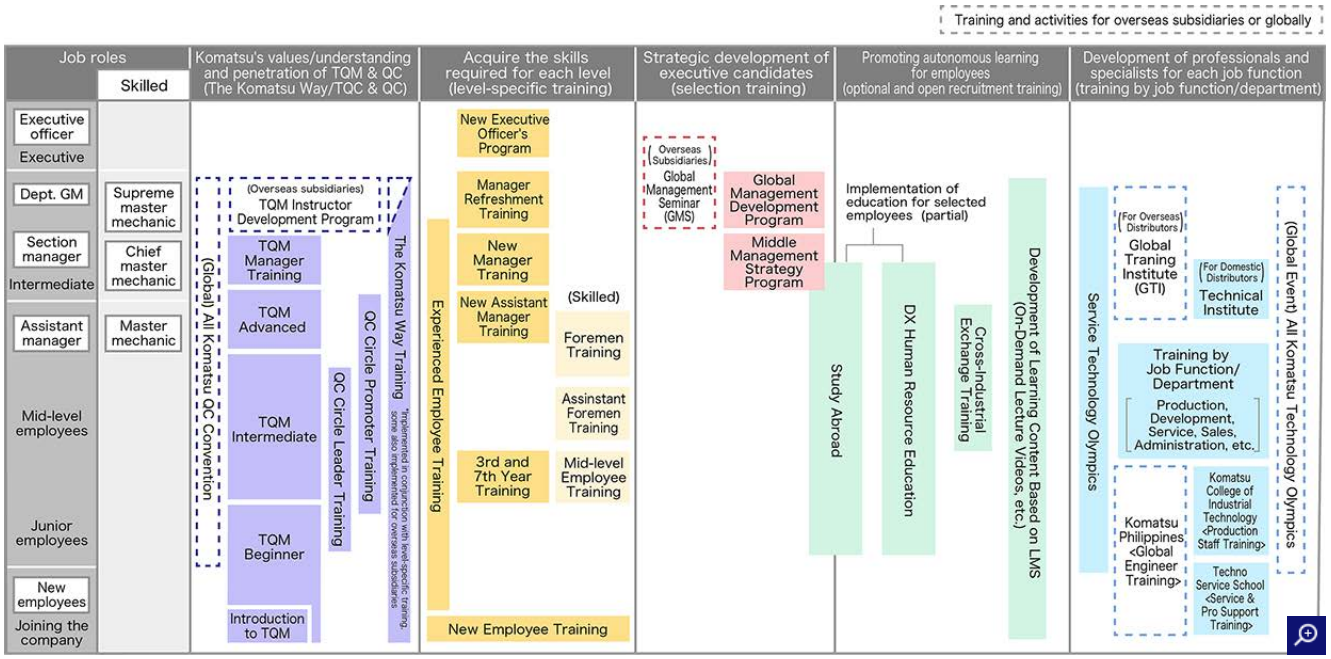
To achieve sustainable growth in a rapidly-changing business context and an increasingly uncertain social environment, we must acquire, develop and increase the engagement of “human resources who break conventional methods and the status quo and create new things and services” and “human resources who can take on challenges autonomously and proactively." To this end, we will promote a variety of measures to realize a positive cycle of sustainable growth for both employees and the company.

Main system and measures

Main System and Measures		Content
Support for career development	Career Development Program（CDP）	Once a year, supervisors and subordinates engage in career discussions to align goals, promote the right person in the right position, provide suitable growth opportunities, and support employees’ proactive efforts and autonomous career development.
	Career challenge program	A system that allows employees who wish to take on new roles to register their desired departments, job types, and past experience in a dedicated database, enabling matching with departments seeking talent.
	Internal job posting system	Posts of the "Challenge Support Type" for taking on challenges in new business areas and "Hometown Personnel Type" for pursuing a new career due to family circumstances. If the employee meets the application and personnel specifications set by the relevant department, they can apply to transfer to other departments.
	Study reserch program	A program designed to enable employees to acquire specialized skills and knowledge not typically available through standard training. Eligible employees may apply to study at universities or research institutes in Japan or abroad.
	Subsidizing certifications	Employees who pass technical skills tests (national certifications) receive partial or full subsidies for the examination cost.
	Skill Up Library	An initiative to promote self-directed learning through a wide range of online courses and video lectures across various subjects.
	Cross-Industry exchange training	Provides opportunities to gain insights not available within the company and to broaden perspectives through interaction with people from other industries.
	Career development training courses	In-house language courses and partial subsidies for correspondence courses and various certification exams designated by the company.
	Employee award programs for distinguished achievement	Various award programs, including performance improvement award, project award, individual merit award, health and safety award, technical merit award, and volunteer award.
	Sabbatical leave program	This program supports employees' "learning outside the company" at educational institutions, etc., for the purpose of acquiring new knowledge. Employees can take up to three years of leave, limited to once per person.

Provide various opportunities for skill development

Employee training is based on the principle of training according to job function and department, and our primary aim is to develop professionals in their field.
The knowledge required at all levels (The Komatsu Way, TQM, etc.) is transmitted through compulsory training by job rank and is implemented across functions and departments.



DATA

Training hours and costs per employee

Items		FY2022	FY2023	FY2024
Average hours per FTE	Non-consolidated	54	54	54
	Consolidated	46	49	56
Average spent per FTE	Non-consolidated	JPY230,000	JPY236,000	JPY253,000
	Consolidated	JPY97,000	JPY108,000	JPY122,000

Training program overview

Name of training program	Target participants	Objective	Implementation period (FY2024)	Number of participants (FY2024)
Global management seminar (GMS)	Senior executives and successors of overseas subsidiaries	To deepen the understanding of Komatsu's strategies and leadership among senior executives of overseas subsidiaries through discussions with Komatsu executives and internal/ external lecturers.	'March 2025	12
Global management development program	Junior general managers in Komatsu Group	To develop future executive candidates by dispatching them to overseas business schools (2–6 weeks) to build global leadership skills.	Year-round	11
Middle management strategy program	Junior managers in Komatsu Group	To develop future senior executives by proposing cross-functional business strategies through group research and presenting them to senior executives.	June 2024 – January 2025	33
New executive officer's program	Newly appointed domestic executives (e.g., executive officers)	To enhance the capabilities required of management executives.	Year-round	8
Manager refreshment training	Current managers in Komatsu Group	To encourage objective and holistic self-reflection through 360-degree feedback, thereby promoting improved methods for guiding subordinates and enhancing workplace communication.	November 2024 – February 2025	919
New manager training	Newly appointed managers in Komatsu Group	To understand and acquire four management roles (task completion, task improvement, subordinate development, organizational activation) and the four key elements of management (task management, OJT-based development, safety/ health & compliance, Komatsu Way).	July 2024 – February 2025	244
Assistant manager training	Newly promoted assistant managers in the Komatsu Group	To enhance the advanced job performance and problem-solving skills of newly promoted assistant managers and to strengthen their leadership foundation—especially in communication—in order to contribute to improving the overall organizational performance.	October 2024 – January 2025	365

Name of training program	Target participants	Objective	Implementation period (FY2024)	Number of participants (FY2024)
3rd and 7th year training	3rd and 7th year employees in Komatsu Group	To help employees in their 3rd and 7th year understand the mindset and behaviors expected of Komatsu Group employees and to acquire the knowledge, skills, and perspectives needed for future career development, while enabling them to carry out their assigned duties swiftly and accurately.	June 2024 – October 2024	292
Experienced employee training	Experienced hires and newly appointed permanent employees (from fixed-term contracts) in the Komatsu Group	To ensure awareness of safety, health, and compliance, and to acquire basic knowledge of Komatsu's work practices.	Available anytime via e-Learning	119
New employee training	New employees in Komatsu Group	To provide new hires, including group companies, with basic duties, knowledge, mindset, and skills required as working professionals.	April – May 2024	351
Foremen training	Newly appointed foremen in the Komatsu Group	To acquire the essential knowledge required as on-site supervisors and to develop the necessary capabilities to fulfill their roles as foremen.	July 2024 – February 2025	45
Assistant foremen training	Newly appointed assistant foremen in the Komatsu Group	To acquire the essential knowledge and skills required as frontline supervisors managing subordinates for the first time.	July 2024 – February 2025	91
Mid-level employee training	Field employees (7th year of regular hire, 3rd year of experienced hire)	To acquire basic knowledge of safety and health, the Komatsu Way, and quality management, aiming to further enhance on-site capabilities.	Year-round (schedule varies by business site)	113

Enhancing the technical capabilities of our manufacturing operations

Komatsu has divided the techniques and skills that we have judged to be worth passing on into 11 fields, each comprising 24 specific competencies, and has established a Technical Skills Improvement Committee for each field. Komatsu plans and operates activities to improve the skills of employees at all levels, from new recruits to highly skilled technicians.

In FY2006, Komatsu established the Meister system to pass down technical know-how at manufacturing sites. Since then, highly skilled technicians in each field have been certified as Meisters, and are tasked with guiding and training engineers at domestic plants, overseas subsidiaries as well as business partners.
We have designated the third Saturday of every October as "Technical Day", holding technical competitions for employees from all areas of Komatsu. These include personnel from overseas subsidiaries and business associates, who come together to maintain and improve the overall technical capabilities of the Komatsu Group through mutual dedication to studying.

DATA

All-Komatsu technology Olympics participation results

Category	FY2022	FY2023	FY2024
Number of participants	181	192	227
From overseas	21 (7 countries)	32 (9 countries)	33 (9 countries)

* Due to the impact of COVID-19, regional competitions were held in 2022.

* Since FY2023, the competition has been held in Japan, including participants from overseas subsidiaries.

Service personnel human resource development

Establishing a framework led by department for Promotion of Distributor HR Development

Our service personnel, who support the operation of our products delivered to customers, take essential responsibility for the Komatsu values of "Quality and Reliability." Komatsu thus has established specialized department called the Promotion of Distributor HR Development, which is dedicated to developing both internal human resources and service personnel at distributors around the world.

First, as part of our internal service personnel training and development programs, we operate the "Techno Service School" to train our Japanese staff, and the " the Komatsu Philippines Human Resources Development Center" to train our Filipino staff. We provide planned staff development through a job rotation system within the company, including overseas assignments.

We have established training centers in 22 locations in 15 countries worldwide to support the development of our distributors' sales and service personnel, not only in marketing, service, and operator skills but also in management development and training for improvement activities.

The human resource development programs conducted at each training center are planned or supported by Komatsu, depending on the content. Komatsu provides curricula and training materials for basic training courses on products and services, and the local companies (Komatsu subsidiaries or distributors) conduct actual training. We also provide advanced training courses by inviting managers and senior service personnel to Japan, as well as special technical training courses provided by the training centers (mother training centers) which have specialized skills. Having set up these training environments and assessing the quality of our distributors through small exams, we have been providing practical training opportunities that bring synergy to sales promotion activities.

In recent years, we have further advanced the hybridization of online and in-person training programs, conducting more than 400 training sessions worldwide, with over 5,000 distributor staff in attendance.

TOPICS

Development of a simulator

Ensuring safety, training operators, and maximizing productivity are top priority issues at customer worksites, which are always associated with a certain risk of accidents. Komatsu is working to help solve these issues at worksites by utilizing simulators. The Department for the Promotion of Distributor HR Development has developed a simulator that enables training in a virtual reality (VR) space using pedals and controllers installed in the same manner as in actual machines. By providing training for operators using this simulator, we are helping to develop human resources for customers and distributors, improve safety at work sites, and enhance construction efficiency.

Simulator developed

Training Filipino engineers at KPC

Komatsu Philippines Corporation (KPC), formerly known as Komatsu Human Resources Development Center, is now in its 16th year since its establishment in the Philippines. KPC recruits Filipino students who have graduated from science and engineering universities in the Philippines and trains them over six years to become engineers who can work globally. Most recently, we established a new training facility (see photo below) in 2021 to strengthen our human resource development function. We will continue to utilize the new training facility to further enhance our training, and we are committed to expanding our business by developing our human resources.

Developing digital and open innovation promotion human resources

For the development of digital human resources, Komatsu has structured a comprehensive training system, starting from basic education for all employees to practical, selective programs, all based on a clearly defined vision of the ideal digital talent. Specific initiatives include training programs for developing business transformation leaders, programs to learn problem-solving skills using digital technologies, and programs that support employees in autonomously acquiring the skills they need. These efforts are contributing to employee reskilling and the growth of our business.

The "AI human resource education" program is updated annually to enhance employees' problem-solving capabilities in business and project settings, thereby promoting practical applications. The "DX human resource education" program aims to raise skill levels across the organization by providing learning opportunities to all employees. In addition, as part of initiatives to improve operational efficiency through DX and the use of generative AI, we have launched an e-learning program for all Group employees to improve DX literacy. This training is designed to deepen understanding of the organizational mindset required for DX promotion, as well as to build foundational knowledge of generative AI for practical workplace use. To foster open innovation promotion human resources, we continue to implement and utilize internal and external programs aimed at accelerating collaboration among industry, government, and academia. Since FY2023, we have been dispatching employees, including those from overseas subsidiaries, to external programs to learn design thinking—a critical cognitive process for creating innovation. In FY2024, we are conducting follow-up sessions for program participants, continuing our efforts to strengthen these capabilities.

To generate customer value that creates a virtuous cycle of solving ESG issues and improving profitability, promoting digital transformation (DX) across all areas is essential. We will continue to develop the human resources needed to produce DANTOTSU Products, DANTOTSU Services, and DANTOTSU Solutions.

Program overview

Education overview

Type of education		Objective	Curriculum outline and objectives	Course participants	Start year
DX human resource education	(Entry level)	Cultivating talents who can adapt to digital transformation in various fields.	1. Acquire DX concepts and basic knowledge 2. Practical problem-solving using digital technology	All employees including Komatsu Group companies in Japan	FY2022
	(Practice level)		Acquire ICT planning and system development management methods	Selection of engineers and professionals	FY2022
AI human resource education	(Entry level)	In addition to acquiring knowledge and skills related to AI, we aim to develop talents who can solve customers' business challenges using AI.	1. Acquire problem-solving processes and methods using AI 2. Plan practical application themes	All employees including Komatsu Group companies in Japan	FY2019
	(Practice level)		Specific proposals for trialing and practical application of problem-solving processes, such as AI design	Selection of engineers and professionals	FY2019

DATA

Number of participants

Type of education		FY2020	FY2021	FY2022	FY2023	FY2024	Total
DX human resource education	(Entry level)	-	-	5,341	302	16,431	22,074
	(Practice level)	-	-	44	40	108	192
AI human resource education	(Entry level)	30	30	30	30	39	159
	(Practice level)	10	10	10	10	14	54

* Set KPI of cumulative number of participants for 3 years from FY2022 to FY2024 in the mid-term management plan.
  DX human resource education: 900 participants in the entry level, 180 participants in the practice level
  AI human resource education: 30 participants in the entry level, 90 participants in the practice level
* For the introductory DX human resource education, an overview video on DX was made available to all employees in FY2022. In FY2024, the training is being conducted as mandatory education.

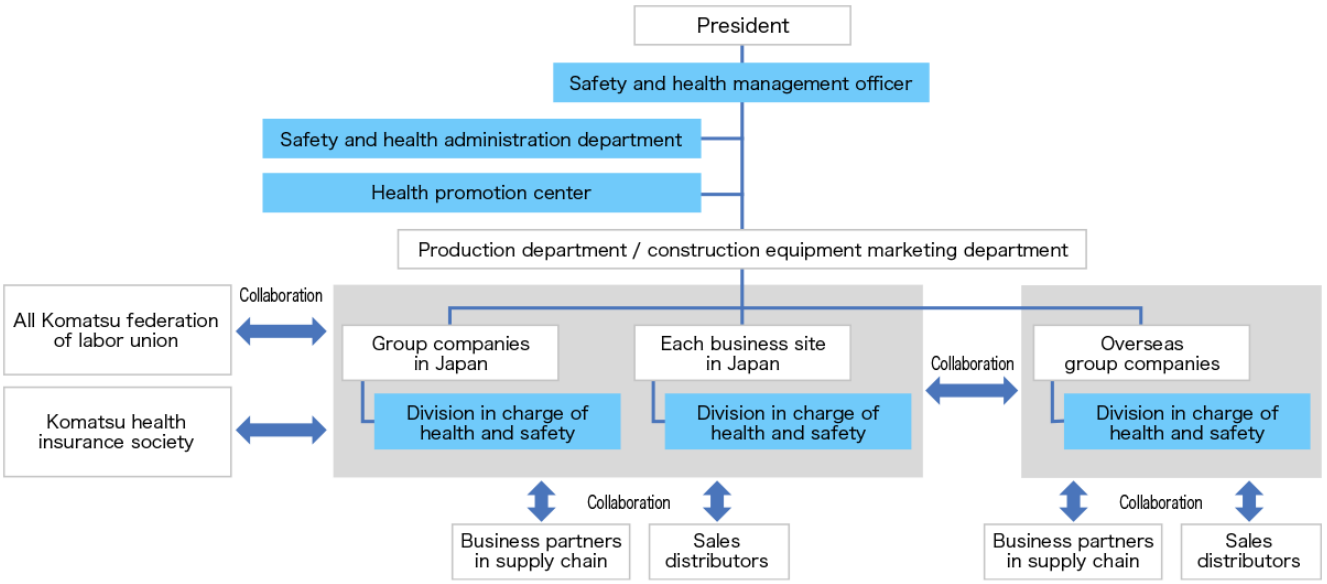
Occupational safety and health

Occupational safety and health is a core component in Komatsu's business operations. In line with this commitment, Komatsu thus enhances safety at the workplace for our employees and business partners.

Safety, health, and health management promotion structure

Organization

The Komatsu Group promotes safety, health, and health management as per the following structure.



Meeting committee structure

The Komatsu Group holds various meetings to discuss and share information on safety, health, and health management, including the following:

Group Safety and Health Conference

This conference convenes with the aim to increase awareness regarding safety and health for employees of the Komatsu Group and partner companies while raising the level of safety and health activities. It involves sharing activity policies, priority items, and outstanding safety and health activities, and disseminating this information within individual departments. The conference also includes the presentation of presidential awards related to safety and health.

Group Safety and Health Committee (Japan)

This committee, comprising both labor and management, investigates, deliberates, and decides on fundamental measures to eliminate workplace risks and prevent health hazards.

Major items to be examined and discussed:

- Formulation of safety and health regulations
- Discuss and decide on annual activity policies and manage progress of activities, etc.

Global Conference for Safety and Health in the Community

We shall share and discuss information on safety, health, and the environment in each region globally, leading it to the safe and healthy activities of each overseas subsidiary. In FY2024, we held the conferences in North America, Latin America, Europe, Asia and China.

Meeting on Mid-Term Health Planning (Japan)

- Formulates and makes proposals for all company policies related with safety and health practices.
- Summarizes health management activities of each company and business location.

Health Promotion Committee (Japan)

This committee consists of business owners and employees (organized by Komatsu Union) as well as the Health Insurance Society. This occasion affirms a common recognition of "Health", and formulates measures and policies aimed to enhance the health care for employees and their families.

Basic policy on safety, health, and health management

As a guiding principle for employee actions, “Safety & Health, Compliance, Quality, Delivery, Cost” are prioritized, with safety and health taking precedence. Additionally, based on the President’s “Message concerning Occupational Safety and Health,” the entire group is committed to ensuring a safe and secure work environment and promoting the maintenance and improvement of employee health. To achieve this, all employees work together to actively advance safety and health management activities under the established “Safety and Health Policy.”

Occupational Health and Safety Message

1. The Komatsu Group shall comply with the SLQDC's (Safety, Law, Quality, Delivery, Cost) priorities, first of all to “ensure a safe and secure work environment for employees” as well as to “maintain and promote the health of employees.
2. The Komatsu Group shall promote “proactive occupational health and safety activities” in order for all employees to achieve the above conditions by working together as one team.
3. The Komatsu Group shall proactively strengthen occupational health and safety efforts not only within the Komatsu Group but also at our partners, such as customers, distributors and suppliers.
4. Every individual in a management position within the Komatsu Group must recognize the above-mentioned three matters as their highest priority tasks and take the lead in executing daily responsibilities accordingly.

Personnel who oversee occupational health and safety as well as all other employees are requested to promote specific activities based on the above message, while applying the following guidelines.

(1) Fully understand and comply with the laws and regulations concerning occupational safety and health (Including notices, guidelines, administrative notices and guidance) as well as internal regulations and rules (15 items of basic safe work, work standards and safety lessons learned) and promptly respond to any problems.

(2) Respond to problems through fact finding activities with all employees. To accomplish the above task, management and the labor unions are expected to work together and further improve communications.

(3) Eliminate risks on site by ensuring the health and safety management system functions (acquisition of ISO 45001 in principle) to prevent incidents such as labor related injuries and fires. Regarding natural disasters, we will do our utmost to minimize damage.

(4) To establish a comfortable and engaging work environment that promotes the mental and physical well-being of employees.

日本語 English

April 1, 2025
Takuya Imayoshi
President and CEO, Komatsu Ltd.

KOMATSU

Komatsu's health initiatives began in earnest in 2014 with the announcement of the Komatsu Health Declaration and the launch of the Five-Year Health Development Plan. This plan was based on the belief that simply "managing" health is not sufficient for employees to lead fulfilling lives both during and after their careers. Instead, it aims to foster a culture of health in which employees are encouraged to pay attention to their own health and that of their colleagues, think critically about what is needed, and take proactive action—this is what we define as health literacy*.

In FY2019, we launched the Second Health Development Plan, which has been actively promoted in the years since. From FY2025, we have begun implementing the Third Health Development Plan, which introduces new initiatives.

In the latter half of the Second Plan, we expanded our efforts beyond the domestic Group to include overseas Group companies as well. As a result, our activities to build a global culture of health are steadily gaining momentum across Komatsu worldwide.

* Capability of voluntarily practicing healthy actions (lifestyle improvement/maintaining an appropriate exercise regimen and diet, etc.)

Komatsu Health Declaration

We support the daily 'health promotion' of our employees working with in the Komatsu group, and we are committed to providing a workplace environment where everyone can live a healthy, vibrant life, both mentally and physically.

日本語 English

April 1, 2025
Takuya Imayoshi
President and CEO, Komatsu Ltd.

KOMATSU

Occupational safety and health policies

1. Observe the laws and regulations concerning occupational safety and health as well as internal rules, key items common to the Komatsu Group about occupational safety and health, and particularly items agreed as a result of labor-management consultations in each workplace.
2. Set up targets for activities based on occupational safety and health policies, review their progress, and endeavor to continuously improve and enhance occupational safety and health activities.
3. Carry out occupational safety and health activities in management-and-labor partnership on a full participation basis and keep good communication with stakeholders with regard to occupational safety and health.
4. Identify and evaluate the risk for occupational safety and health of a workplace and take appropriate actions accordingly.
5. Actively promote employees' healthcare management and support the maintenance and promotion of employees' health.
6. Actively promote education, training and qualification acquisition necessary for employees' occupational safety and health activities, and endeavor to develop human resources for safely carrying out their responsibilities in the workplace.
7. Subject to appropriate protection of personal information, publicly offer the knowledge and information about occupational safety and health activities obtained through the business activities in order to secure safety and health in society.

Safety, health, and health management initiatives

Safety and health key initiatives of Komatsu group in FY2024

We set key activity items and our target values and are promoting the following activities throughout the Komatsu Group.

Safety and health management]

Major disaster elimination activities

- Enhancement of compliance risk management.
- Elimination of accidents involving inexperienced workers
- Activities to maintain and improve occupational safety and health management systems.

Health management]

Global Health Management Activities

Improvement of employees' health literacy

- Extension of healthy life expectancy
  - ▷ Tobacco-related diseases
  - ▷ Lifestyle improvement
- Mental health

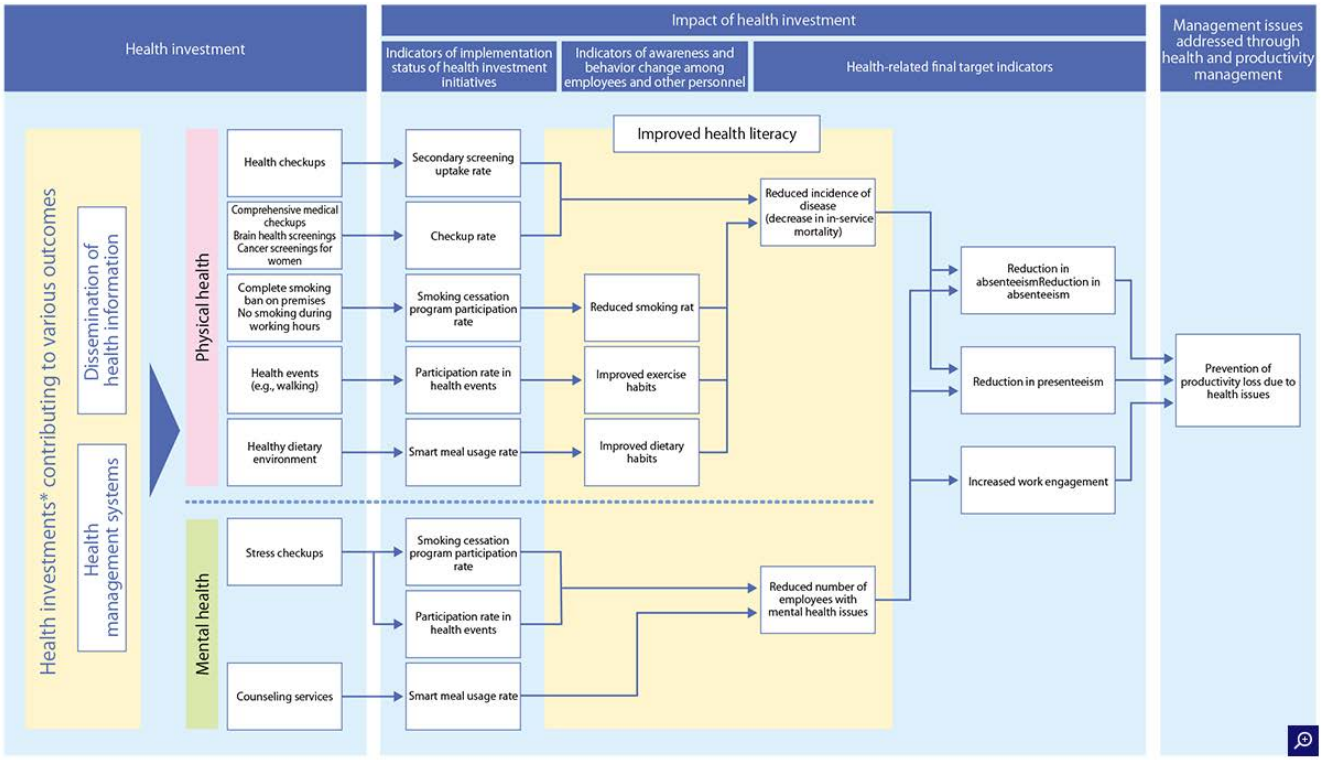
Working to achieve a mid-term health development plan

Since FY2014, the Komatsu Group has implemented the Five-Year Health Development Plan to "implement outstanding health management" and "improve employees' health literacy*.

In FY2019, the Second Health Development Plan was launched to further advance the initiatives of the previous mid-term plan. This plan promoted the development of a lifelong culture of health by enhancing support for work-life balance, strengthening primary prevention (such as improving lifestyle habits), and introducing ICT tools to improve health-related systems and environments.

Starting in FY2025, the Third Health Development Plan will be launched. Building upon the results and challenges identified in the Second Plan and the framework of the Health Management Map, we will continue to advance the creation of a culture of health throughout the company.

Health strategy map



Major accomplishments in FY2024 are listed below:

Item	Initiative	KPI	Result		Goals (FY2025)
			FY2023	FY2024	
Improvement of Health Literacy	Enhancing the ability to acquire, understand, select, and utilize accurate health information necessary for individuals to engage in proactive health behaviors	Communicative and Critical Health Literacy Scale*1	3.55	3.55	3.7 or higher
Cancer and lifestyle diseases	Increase the percentage of employees using the various health checkup consultations for the early detection and treatment of cancer and lifestyle diseases and the prevention of severe diseases	Regular check-up percentage	100%	100%	-
		(Reference) Secondary health check-up percentage	98.9%	97.3%	100%
		Milestone checkup consultation percentage	84.4%	86.3%	95% or more
		Female cancer checkup consultation percentage	58.2%	56.6%	80% or more
Tobacco-related diseases	Reduce secondary exposure to cigarette smoke and smoking percentage	Percent of the Komatsu Group in Japan that smokes	28.5%	26.1%	Not more than the national average of smokers (16.7%)

Item	Initiative	KPI	Result		Goals (FY2025)
			FY2023	FY2024	
Lifestyle improvement	Establish a system or environment that leads to the improvement of motivation to improve or promote the healthy lifestyles of employees (e.g. diet and exercise)	Percent of employees with Healthy Action Competency*2	53.8%	54.7%	60% or more
Mental health	Reduce the number of individuals with mental disorders, provide early care, appropriately support their return to workplaces, and create a happy and vigorous workplace	Percentage responding to our recommendation to interview employees under high stress	97.7%	99.4%	100%
		(Reference) Stress check implementation percentage	98.6%	99.0%	-
		Percentage responding to high-stress workplaces	100.0%	100.0%	100%

(Scope of aggregation: All employees of the Komatsu Group in Japan)

*1 The figures are calculated based on the average score out of 5 for the five questions in the questionnaire (1. Information collection, 2. Information selection, 3. Understanding and communication, 4. Reliability assessment, 5. Planning and action).
*2 Capability of voluntarily practicing healthy actions (lifestyle improvement/maintaining an appropriate exercise regimen and diet, etc.)

Item	Initiative	Result		
		FY2023	FY2024	
Absenteeism	Average number of days lost per employee per year due to mental health issues	1.52 days/year	1.59 days/year	*3
Presenteeism	Evaluate one's own work performance over the past four weeks, assuming 100% performance when there is no illness or injury Presenteeism = 100 - Average score of all employees	14.8%	15.2%	*4

*3 FY2023: Number of subjects: 23,028 people FY2024: Number of subjects: 22,248 people
*4 FY2023: Number of participants: 21,334 people (response rate: 98.5%) FY2024: Number of participants: 21,402 people (response rate: 99.2%)

Introduction of the Komatsu health promotion 100 (KHP100)

As part of the "Lifestyle Improvement Promotion" of the "Second Health Promotion Plan," in FY 2021, we launched the Komatsu Health Promotion 100 (KHP100) in cooperation with the Komatsu Health Insurance Association to further promote employees' health and health literacy.
Under KHP100, we distribute wearable devices to employees who wish to use them to visualize their physical activity and exercise. We also offer walking and other health events on a health portal that can be linked to the device, providing employees with opportunities to change their health-related behavior.

Komatsu certified as “Sports Yell Company 2025”

Komatsu has been certified as a “Sports Yell Company 2025” by the Japan Sports Agency in recognition of its initiatives such as KHP100, which aim to promote employee health. This marks the second consecutive year Komatsu has received this award, following its first in 2023.

The "Sports Yell Company" is a system that recognizes companies that are actively engaged in promoting sporting activities to enhance employees’ health, encourage hard-working people to play sports, and foster social momentum for sports.

Supporting supplier's safety activities

For details on the safety activities for the member companies of Midori-kai, an organization made up of our business partners (suppliers), please click "Support for Member Companies of the Komatsu Midori-kai" .

Komatsu Health & Well-being Report

Komatsu published its first Health & Well-being Report in July 2025, with the aim of introducing and disclosing its health-related initiatives and data both internally and externally, thereby raising awareness and enhancing employee consciousness around health and well-being. The report outlines Komatsu’s objectives, policies, and progress in promoting health and well-being, along with related initiatives, achievements, and data. Going forward, we plan to publish the report regularly in line with the progress of our health promotion plans.

* The English version will be released later.

Status in FY2024

Educational training for occupational safety and health (in Japan)

Education regarding mental health

Contents	FY2024 Practice
Based on the rules of the Industrial Safety and Health Act, educational training for mental health is conducted. Stress tests were started in FY2006, and stress awareness training were started in FY2007 and is being held for the employees of all Group companies in Japan.	▪ Stress tests/awareness training implemented in 13 companies, with approximately 22,652 employees ▪ “Support Letter for the Heart”, which is motivational material for management personnel, is distributed every other month (even months) to management personnel within the Group.

Education based on job levels

Contents	FY2024 Practice
Safety and Health education and mental health education is provided to each level of Komatsu Group companies in Japan including new employees.	New employees (351 people)* Third-year / Seventh-year employees (292 people) Mid-career recruitment (119 people) New assistant managers (365 people) Foremen/senior foremen (45 people) Assistant Foremen (45 people) New managers (244 people)

* Total for head office employees

Education based on Function

Contents	FY2024 Practice
Safety and health education is provided according to function to the production managers, Production Engineering Division, and workplace safety and health promotors of Komatsu group companies in Japan.	Safety and health practical training for production managers (21 trainees) Education for production engineers (55 trainees) ISO 45001 standards understanding training (46 trainees) ISO 45001 internal auditor development training (113 trainees) ISO 45001 internal auditor level-up training (34 trainees)

Number of major work-related accidents (fatal)

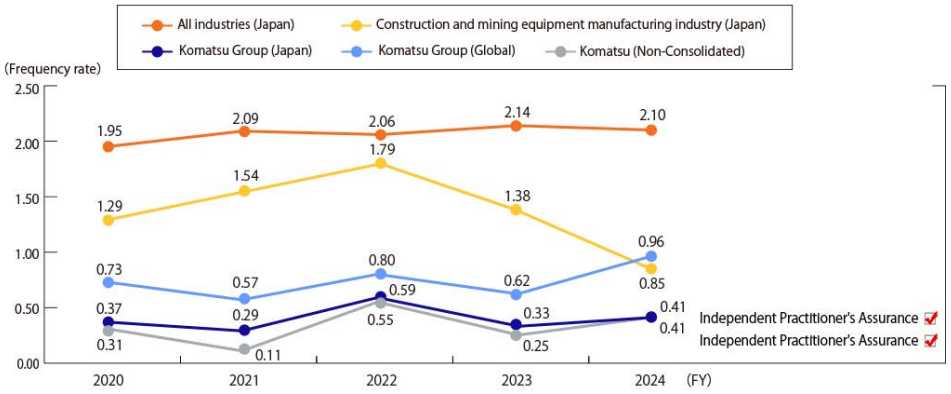
		FY2020	FY2021	FY2022	FY2023	FY2024
Komatsu group consolidated companies	Subtotal	3	0	2	0	0
	Japan	0	0	0	0	0
	Overseas	3	0	2	0	0
Non-consolidated sales companies	Subtotal	1	0	0	0	0
	Japan	1	0	0	0	0
	Overseas	0	0	0	0	0
Contractors	Subtotal	1	0	1	0	0
	Japan	0	0	0	0	0
	Overseas	1	0	1	0	0
Total		5	0	3	0	0

The Komatsu Group thoroughly analyzes the causes of each incident and shares preventive measures across all relevant operations to prevent recurrence.

We take these accidents very seriously, and will continue to actively engage in appropriate safety and health activities to ensure that such accidents will not occur again.

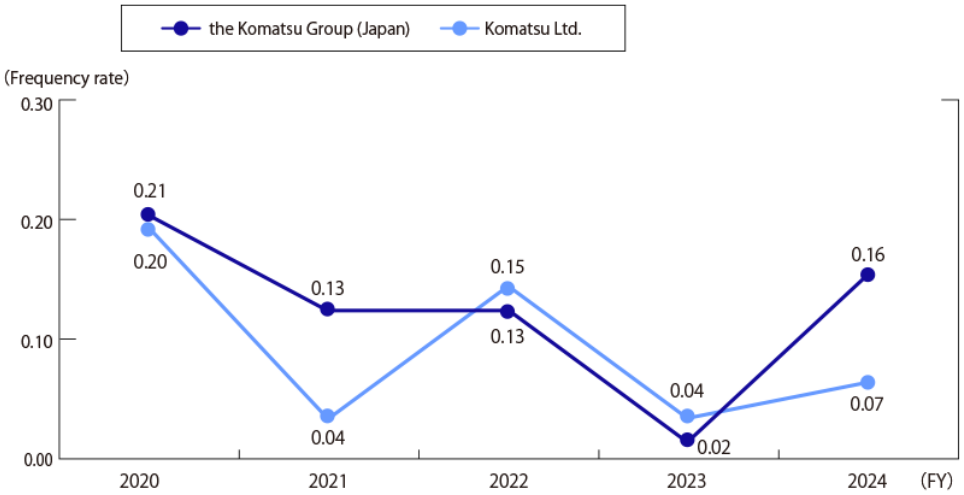
Data

Incidence rate of occupational accidents (Frequency rate of lost worktime)



1. The data for all industries (Japan) and construction and mining equipment manufacturing industry (Japan) are provided by the Ministry of Health, Labour and Welfare.
2. The scope of the Komatsu Group (Japan) includes Komatsu Ltd. and group companies in Japan, with the addition of Komatsu Safety Training Center, KCS, and KBS from FY2023.
3. The scope of the Komatsu Group (global) includes "Komatsu Group (Japan)" and overseas production plants.

Frequency of occupational accidents (occupational illness frequency rate)



1. Occupational illness frequency rate (OIFR): Number of occupational illness absences (times) / Total of working hours (hours) x 1,000,0000
2. Occupational illness: Back problems, heat illnesses, chemical poisonings, infection, etc. specified by the Ministry of Health, Labour and Welfare
3. Komatsu Group (Japan): Komatsu alone + group companies in Japan

Occupational Safety and Health Management System ceritification and renewal of certification

Since FY2007, in Japan, the Komatsu Group has taken steps to acquire or renew OSHMS certification at each business site and has been working to obtain ISO 45001 integrated international standards certification since FY2018. The Osaka Plant acquired ISO 45001 integrated international standards certification for the first time in April 2019 and other divisions and Group companies acquired this certification in April 2020. We have also taken steps to acquire or renew OHSAS 18001 certification for our overseas facilities and have been working to obtain ISO 45001 certification since FY2018.

ISO 45001 certification requires the following activities to be properly managed by the company's occupational safety and health management system:

- Occupational safety and health risks and hazards assessments to identify potential hazards in the workplace.
- Prioritization and integration of action plans with quantitative targets to address occupational safety and health risks.
- Actions to prepare for and respond to emergencies.
- Assessment of progress toward goals for reducing and preventing health risks.
- Internal audit.
- Investigation of occupational injuries, illnesses, and accidents.
- Occupational safety and health activities for employees and other stakeholders to raise awareness and reduce occupational safety and health accidents.
- Introduction of occupational safety and health standards in procurement and contractual requirements.

In Japan

* As of March 31, 2025

Certified business locations*		First year of certification
Komatsu	Osaka Plant	2019
	Head Office	2020
	Awazu Plant	
	Kanazawa Plant	
	Ibaraki Plant	
	Oyama Plant	
	Tochigi Plant	
	Koriyama Plant	
	Shonan Plant	
	Himi Plant	
	Shiga Plant	
	Field Testing Department	
Group Company	GIGAPHOTON	
	KELK	
	Komatsu NTC	
	KOMATSU LOGISTICS Head Office	2022
	Komatsu Safety Training Center Ltd.	2024
	Komatsu Customer Support Co., Ltd.	

Overseas

Certified business locations*	First year of certification
Komatsu Chile SA	2018
Komatsu America Chattanooga Manufacturing Operation	2019
Komatsu America Newberry Manufacturing Operation	
Komatsu UK	
Komatsu Italia Manufacturing	
Hensley Lingfeng Co., Ltd.	
Bangkok Komatsu Co., Ltd.	
Komatsu America Peoria Manufacturing Operation	2020
Komatsu Mining Peru	
Komatsu Mining Wadeville	
Komatsu Mining Tianjin	
Komatsu Germany (Construction Division)	
Komatsu Germany (Mining Division)	
PT Komatsu Indonesia	
PT Komatsu Undercarriage Indonesia	
Komatsu Shandong Construction Machinery Corp.	
Komatsu Mining Longview	2021
Hensley Industries, Inc.	
Komatsu Changzhou Construction Machinery Corp.	
Komatsu (Shuozhou) Remanufacture Ltd.	
Komatsu Dalian Machine Tool	
Komatsu do Brasil Ltda.	2022
DESARROLLOS TECHNOLOGICOS S.A	
Komasu Manufacturing Rus LLC	
Komatsu South Africa (Remanufacturing center)	
Distribuidora Cummins Chile S.A.	
PT Komatsu Marketing and Support Indonesia	2023
Komatsu Australia Pty Ltd.	2024
Komatsu Brasil International Ltda. (KBI)	
Komatsu Colombia S.A.S	

Human rights policy

In September 2019, Komatsu established our Human Rights Policy (revised in September 2023) and declared that we endeavor to conduct our business respecting human rights in compliance with the United Nations Guiding Principles on Business and Human Rights, and to apply respect for human rights in accordance with international standards throughout our global organization. Based on this policy, Komatsu develops and implements measures to prevent and mitigate negative impacts on the Group and our business partners' human rights, including suppliers, sales and service distributors, and further improves its processes to correct potential negative impacts on human rights.
This human rights policy has been incorporated into the Komatsu's Worldwide Code of Business Conduct (revised in 2024) and is thoroughly communicated by all Komatsu Group employees worldwide.

Human rights policy

1. Scope of application
   This policy applies to all business activities and all employees of the Group worldwide.
   Furthermore, our business partners including suppliers and distributors are also expected and encouraged to comply with the policy in their own operations.
2. Respect for human rights
   Our purpose is "Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses and our planet thrive together." The sustainability policy based on this purpose advocates the realization of a sustainable society and growth of business, and clearly declares that as Komatsu Group, we shall respect human rights related to all of our business activities.
   We believe that it is essential to ensure that respect for human rights is firmly embedded within our company and therefore applies the human rights policy to Komatsu's worldwide operations to conduct its business. This policy is formulated based on international human rights principles encompassed by the Universal Declaration of Human Rights. In addition to promoting business activities in line with this philosophy, we promote activities that respect human rights in accordance with the "United Nations (UN) Guiding Principles on Business and Human Rights" and the "ILO Core Labour Standards". Komatsu Group will comply with the laws and regulations of all countries where it conducts its business activities. Where established international human rights norm exists as well as national laws, we will follow the higher standard; where they are in conflict and will seek ways to respect internationally recognized human rights to the greatest extent possible.
   - Health safety
     We will, first of all, strive to "ensure a safe and comfortable work environment" and "maintain and promote employees' health", aiming to create a bright and vibrant work environment ensuring mental and physical health.
   - Prohibition of discrimination and harassment
     We shall respect diversity and treat and appraise each and every employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of race, ethnicity, color, sex, sexual orientation, gender identity, age, religion, national ancestry, disability, marital status or other legally protected status. We shall vigorously promote equal opportunities for employment. We shall not tolerate inappropriate behavior and speech which prevents employees from working effectively and comfortably, or any type of harassment including harassment towards subordinate personnel, sexual harassment, or harassment related to pregnancy, childbirth, parenting, or nursing care, in and outside of workplace.

- Prohibition of child labor
  We shall not tolerate all forms of child labor. Furthermore, we will not assign young workers to late-night or overtime work, or to tasks that threaten their health or safety.
- Prohibition of forced labor
  We shall not tolerate all forms of forced labor including bonded labor and human trafficking.
- Freedom of association and right to collective bargaining
  We respect the rights of workers concerning activities related to freedom of association and collective bargaining in accordance with the laws and regulations applicable to the countries and regions where it conducts business activities. Even in cases where freedom of association and the right to collective bargaining are restricted by the laws and regulations of each country or region, we will faithfully accommodate, whenever applicable, dialogue and discussion with employees or their representatives.
- Working hours and wages
  We comply with all the laws and regulations on working hours and wages applicable to the countries and regions where it conducts business activities and pays wages above the level at which employees can fulfill a minimum level of living. Furthermore, we set working conditions including wage levels that are competitive in each region.

3. Stakeholder engagement
   When we talk about "stakeholders", we refer collectively to all parties that are affected by our business activities. Stakeholders include customers, shareholders, investors, distributors, suppliers, local communities and employees. We will consult with independent external knowledge on human rights issues and respect dialogue and discussions with internal and external stakeholders to understand human rights related issues. We will regularly and publicly communicate our activities on human rights based on this policy through our reports and/or Group website.
4. Local communities
   Companies cannot continue to exist without maintaining good harmony with the local community. We wish to be the most transparent company which actively seeks harmonious balance of interests with the local communities through close communication and contributes to the local communities as a valued corporate citizen.
5. Human rights due diligence
   We conduct human rights risk assessments for our existing and new construction/mining equipment and forestry machinery businesses worldwide based on international norms such as the "UN Guiding Principles on Business and Human Rights" with the help of external experts. In addition to risk assessments, we will conduct CSR procurement assessments for suppliers and promote CSR procurement through improvement activities based on the results of the assessments. We will also perform risk assessments downstream in the value chain with the aim of proceeding with dialogue with all relevant stakeholders including distributors, and building an approach directed at responsible sales.
6. Guidance for employees
   In order to ensure the effectiveness of this policy, we will conduct appropriate training and activities to raise awareness in employees throughout the Group.
7. Remedy
   We have established and maintained a Global Compliance Hotline at our headquarters to take reports relating to non-compliance, including regarding human rights issues and make this Hotline number known to all Komatsu Group employees. Any employee who believes a conflict arises between this policy and the laws, customs, or practices of the place where they work, or who has questions about this policy or would like to confidentially report a potential violation of this policy, should raise those questions and concerns with the Hotline anonymously. In addition to the Hotline for Komatsu Group employees, anyone other than Komatsu Group employees who become aware of any circumstance or action that violates or appears to violate this policy or applicable law with respect to human rights, can file a report anonymously. They can contact us at https://www.komatsu.jp/en/inquiry/ or call at +81-3-6849-9701.

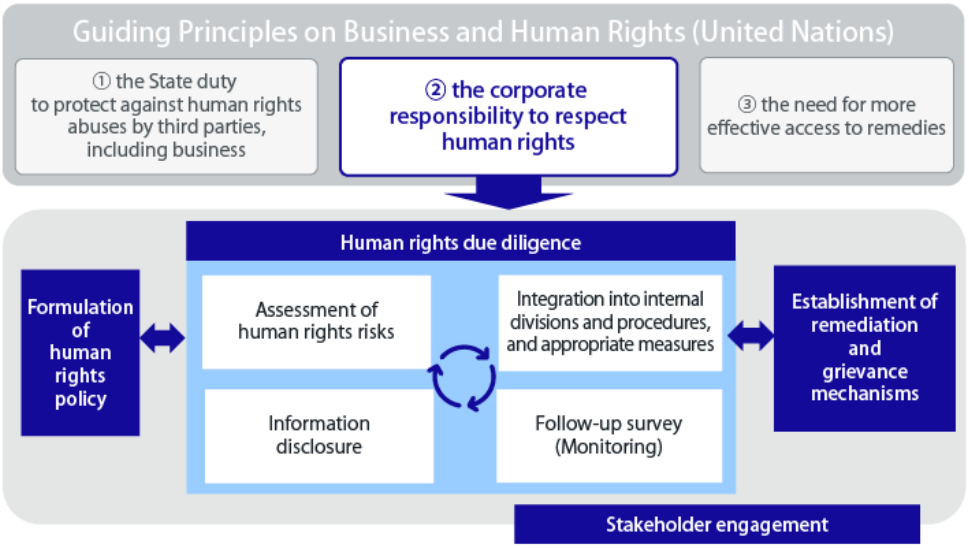
Established: September 2019
Revised: September 2023

* This policy has been approved by the Sustainability Promotion Committee, chaired by the president.

Business and human rights

We respect human rights related to our business activities in accordance with international human rights standards, including the United Nations Guiding Principles on Business and Human Rights. We also prevent and mitigate the occurrence of negative impacts on human rights and establish following processes for corrective measures if it becomes clear that we have caused or been involved in such impacts.

【Komatsu group human rights management system】



Assessment of human rights risks: Identifying potential risks continuously based on the requirements of domestic and international laws and regulations on human rights.

- **Main human rights issues covered in risk assessment**: Prohibition of child labor, forced labor, and excessive working hours; freedom of association; the right to collective bargaining; prohibition of discrimination and harassment; minimum wage; occupational safety and health, etc.
- **Key stakeholders in risk assessment**: Komatsu Group companies, suppliers, distributors, business partners, local communities, etc.

Integration into internal divisions and procedures, and appropriate measures: Adoption of improvement activities based on risk assessment evaluation results (appropriate actions to prevent or reduce identified risks and integration of these actions into internal divisions and procedures).

Follow-up survey (Monitoring): Monitoring of the status and effectiveness of risk prevention/mitigation measures and the prevention of the recurrence of incidents.

Information disclosure: Disclosure of information on web pages and in reports to provide an overview of risk assessment efforts and the actions taken to address identified risks.

1. Formulation of human rights policy

In September 2019, Komatsu established our human rights policy (revised in September 2023), declaring our endeavors to conduct business with respect for human rights in accordance with international standards, including the United Nations Guiding Principles on Busines and Human Rights, throughout our global organization. This policy applies to all Komatsu Group activities, and Komatsu encourages our business partners, including suppliers, sales and service distributors, to engage in their respective business activities based on this policy.

In September 2023, the Human rights policy was revised following discussions by the Sustainability Promotion Committee and final approval by the President. The revised policy incorporates Komatsu's "Purpose" and "Sustainability policy," clearly articulating the company's stance by stipulating the prohibition of forced labor and child labor and respecting freedom of association and right to collective bargaining. The revised version has been translated into 13 languages and disseminated to Komatsu Group companies and partner companies (suppliers and distributors).

› Komatsu's "Human rights policy"

2. Promotion structure

Since human rights management activities are closely related to the operations of each department, including human resources, procurement, occupational safety, and marketing, the Sustainability Promotion Division serves as the secretariat and promotes human rights management in cooperation with each department. Human rights policies, measures, and activities are discussed and decided by the Sustainability Promotion Committee, and the discussions are reported to the Board of Directors at least once a year.

3. Human rights due diligence

We operate a human rights due diligence process to identify, prevent, and mitigate any human rights abuses and explain how we address human rights issues in our business activities.

【Summary of human rights due diligence conducted to date】

2014	Conducted assessments with the assistance of external specialist Business for Social Responsibility (BSR) to evaluate human rights risks pertaining to the construction and mining equipment business, as well as the forestry machinery business, both of which we develop on a global scale.
2017	Conducted the second human rights risk assessment with the assistance of BSR. In conducting the assessment, we referred to the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.
2019	Established the “Human rights policy.”
2020	Conducted a systematic human rights risk assessment on a global scale with support from external specialist, CSR Europe, targeting our downstream business (machinery and spare parts sales) of the construction and mining equipment business, as well as the forestry machinery business. Assessed relevant issues pertaining to discrimination based on race, ethnicity, or country of origin; forced labor; freedom of association; and fair labor conditions, in light of the characteristics of our businesses. Identified potential issues and priorities by business and by region.
2021	Prioritized the human rights issues facing Komatsu, and approved plans to administer written questionnaires to Komatsu Group companies and suppliers, and performed an on-site impact assessment of downstream operations.
2022	- Conducted a human rights web survey targeting the Komatsu Group and major suppliers. - Performed an on-site impact assessment of downstream businesses in South Africa.
2023	- Revised the "Human rights policy." - Conducted basic training on business and human rights for all Group employees, as well as supplier human rights training for procurement staff within the Group. - Held open discussions with Komatsu headquarters marketing representatives in charge of each region. - Visited suppliers in Japan and exchanged opinions on the status of their initiatives and the new draft of the human rights guidelines.
2024	- As part of stakeholder engagement in the downstream business, we held a dialogue with an independent distributor serving the West Africa region and other countries. The discussion covered a wide range of sustainability topics, including not only human rights initiatives but also environmental measures, local human resource development, and social contribution activities. - Continued basic training on business and human rights for all Group employees, as well as supplier human rights training for procurement staff within the Group. - Expanded the “opinion exchange meetings” launched in 2023 with headquarters marketing personnel. In addition to the construction equipment marketing division, the initiative was extended to include staff responsible for mining and forestry equipment to further facilitate the exchange of information and opinions.

We will strengthen the identification of human rights risks and issues by conducting constant risk assessments throughout our business.

a. Internal and supply chain human rights due diligence

(1) Human rights risk assessment and impact assessment

Assessment of Komatsu Group and the supply chain

From FY2020 to FY2021, we have conducted a Self-Assessment Questionnaire (SAQ) on CSR activities, including human rights, among 156 Midori-kai supplier companies in order to further promote CSR in our supply chain and reconfirm that all parties remain fully aware of the guidelines. We confirmed their recognition of the CSR procurement guidelines and the status of their CSR activities, and followed up on the survey results on an individual basis.

* Midori-kai: A supplier organization that is considered particularly important to our business and has been established in Japan, the U.S., Europe, China, and Thailand. The amount procured from Midori-kai accounts for approximately 70% of the total.

In FY2022, we conducted a web-based human rights survey of all Group companies and Midori-kai supplier companies in Japan and overseas. To ensure objectivity in this survey, we received support from an external consultant to create questions and analyze the results based on the UN Guiding Principles on Business and Human Rights and other international rules.
Although no serious human rights violations were found, some challenges such as insufficient awareness of the human rights policies and grievance mechanisms were identified. To mitigate these risks, a feedback report was distributed to all respondents and the results were shared.

DATA Human rights assessment results for group companies and suppliers

Period	Human rights web survey in FY2022	
	From October 2022 to February 2023	
Content	11 categories, 106 questions in total	
Number of respondents	84 Komatsu Group sites in 48 countries*1 (all Komatsu Group companies)	Midori-kai suppliers 292 companies in 4 countries*2
	Total 376	
Response rate	100% (total 84)	72.9% (total 213)

*1 All consolidated companies are aggregated to 84 for the survey, depending on the country/region and the business.

*2 In Europe, discussions on the legislation of human rights due diligence are currently underway. Komatsu plans to conduct future investigations in accordance with the finalized legal frameworks.

Supplier visits and meetings

To understand the actual issues identified in the FY2022 human rights web survey (targeting Komatsu Group and Midori-kai suppliers), we visited five suppliers in Japan in March 2024 and exchanged views with their representatives and staff. Komatsu has been working on establishing human rights requirements. We aim to set more specific and effective requirements based on the feedback received during these visits, which will serve as the future due diligence evaluation criteria.

Screening

In our global operations, we have established a screening system to check and regulate transactions with partners designated specified in our sanction lists and other documents. We are ensuring compliance with international laws and regulations (such as embargoes).

Response to conflict minerals

In line with our corporate social responsibilities, Komatsu is continuing its efforts to avoid using conflict materials produced in the Democratic Republic of Congo (DRC) or its neighbors, as these pose a human risk when mined. We have informed our business partners of this policy through the Komatsu Green Procurement Guidelines. Working hand-in-hand with suppliers, we conducted a country-of-origin survey to determine the location of origin of our materials. Komatsu continuously investigates the subject minerals using the RMAP* and other processes. As the number of minerals of concern is increasing, we are taking action while monitoring the laws and regulations of each country.

* RMAP (Responsible Minerals Assurance Process): A process proposed by the Responsible Minerals Initiative (RMI), an international organization.

› Komatsu Green Procurement Guidelines

Response to UK modern slavery act

In response to the "Modern Slavery Act 2015" being enacted by the UK in October 2015, Komatsu UK Ltd. revised its “Slavery and Human Trafficking Statement for the Financial Year 2015.” disclosed on the web site. Recognizing the possibility of the risk of human rights violations occurring in Komatsu's business operations and its supply chains, this statement reports how such an issue will be properly managed.

› Komatsu UK Ltd. website

(2) Integration into internal departments and procedures and appropriate measures

As a measure to address human rights risks, Komatsu launched training programs in FY2023: a business and human rights basic education for all employees and procurement staff. These programs are being continuously implemented and updated as necessary.

(3) Follow-up surveys

We repeatedly conduct risk assessments and continuously follow up on identified risks.

(4) Disclosure of information

In the "Komatsu’s Worldwide Code of Business Conduct," we declare that we shall proactively disclose information, except in cases involving confidentiality or trade secrets. We will also make efforts to disclose relevant information on human rights issues to improve transparency and fairness.

b. Human rights due diligence in downstream business

We continue our efforts to establish a "responsible sales" approach, considering human rights in our downstream business, i.e., sales and service of products and spare parts.

[Activities in 2022] On-site impact assessment in South Africa

Based on the results of the risk assessments conducted up to the previous year, we have been conducting on-site impact assessments of our business operations on human rights since 2022.

In September 2022, we conducted an on-site impact assessment in South Africa with the support of CSR Europe. The assessment was conducted in cooperation with Komatsu Ltd. and Komatsu South Africa (Pty) Ltd., which oversees sales and services in South Africa. Based on desk research conducted in advance, the on-site impact assessment was carried out to hold dialogues with stakeholders involved in our business in South Africa. No major human rights risks were identified, and intensive discussions on human rights were held, enabling us and our customers to share awareness and deepen the understanding of issues and values.

DATA Downstream impact assessment results

	FY2022
Country	South Africa
Number of interviews	Individual interviews: 7 companies/organizations (customers: 5, NGOs: 2) Dialogue with stakeholders: 12 companies/organizations (customers, potential customers, NGOs, mining industry associations, chambers of commerce, vocational training institutions, university associate professors, etc.)

4. Correction and grievance mechanisms

Komatsu has established a "Global Compliance Hotline" at its headquarters, which can be used to report any violation of human rights issues, and has made this hotline known to all Komatsu Group employees. The hotline also accepts reports of violations or suspected violations of human rights policies and laws, as well as reports of non-compliance or suspected non-compliance in procurement activities, to whom anyone can contact anonymously if he or she becomes aware of facts that may indicate a violation or suspected violation. The "Five Principles of Compliance," which all Komatsu Group companies and their employees must follow, making it clear that employees who use the system for appropriate reporting will not be treated unfairly in any way as a result of their action.

› Compliance hotline (Internal reporting system)

In addition, to broadly receive and respond to inquiries—particularly those from external stakeholders—regarding human rights issues across the entire value chain, Komatsu joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in 2024. In July 2024, we received a report via JaCER alleging “forced labor at a supplier.” The report concerned the alleged mistreatment (forced labor) of foreign workers at a plastic parts manufacturer in Malaysia that was suspected of being a Komatsu supplier. Upon verification, it was confirmed that Komatsu has had no business relationship with the company, and the case was closed.

Going forward, Komatsu will continue working toward the establishment of fair and transparent grievance mechanisms by actively collecting opinions and inquiries on human rights both internally and externally.

› JaCER Grievance Platform

JaCER
一般社団法人ビジネスと人権対話救済機構

5. Internal training

Since FY2023, we have been conducting “Basic training on business and human rights” for all Group employees and “Procurement staff training” for employees at procurement departments through online e-learning. The training materials were translated into 13 languages and distributed to each Komatsu Group company. In addition, we have continued to hold “opinion exchange meetings” with Komatsu headquarters marketing personnel, where we introduce past initiatives and engage in mutual exchange of opinions and information on approaches to responsible sales. We will continue to provide human rights training and work to raise human rights awareness throughout the entire Komatsu Group.

Revitalization of local communities (social contribution activities)

We believe that revitalizing the local economy will also help solving potential human rights issues. Through human resource development utilizing our core skills, we continue to focus on education at training centers around the world, and support regional vocational training schools through our social contribution programs in ways such as providing curriculums and training tools. This is expected to further reduce the risks of product-related accidents and misuse.

› Developing people needed by the community

Examples of specific human rights due diligence activities

Komatsu has identified Myanmar as a region with potential human rights risks, and since 2019, we have conducted due diligence involving external experts to identify issues and discuss appropriate responses. Based on the outcome of those discussions, we made a decision in 2019 to discontinue the sales of mining equipment to the jade mining market in Myanmar. We also ceased operations of our local mining equipment maintenance subsidiary and have completed the liquidation process. We will continue to collaborate with our distributor in Myanmar and external experts to implement effective measures that strengthen respect for human rights in our business operations.

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Enhancing safety through products and solutions

Komatsu defines its strategic vision as a “solution partner that creates safe, highly productive, and clean workplaces.” Recognizing that improving safety at customer worksites where our products operate is a significant social issue, we have positioned the planning, development, and implementation of safety equipment and solutions as one of our key KPIs for addressing such challenges, and we continue to actively promote their advancement.

In 2013, Komatsu introduced ICT bulldozers with automated work equipment control, followed by ICT hydraulic excavators in 2014. These not only enhance productivity in civil engineering worksites through Smart Construction, but also contribute to worksite safety by eliminating the need for manual staking and surveying.

In the mining equipment sector, Komatsu was the first to bring the Autonomous Haulage System (AHS) to market. By combining advanced technologies such as communications satellites, radar, and sensors, we continue to meet customers' needs for safe, productive, and clean sites free of human intervention.

Examples of safety initiatives

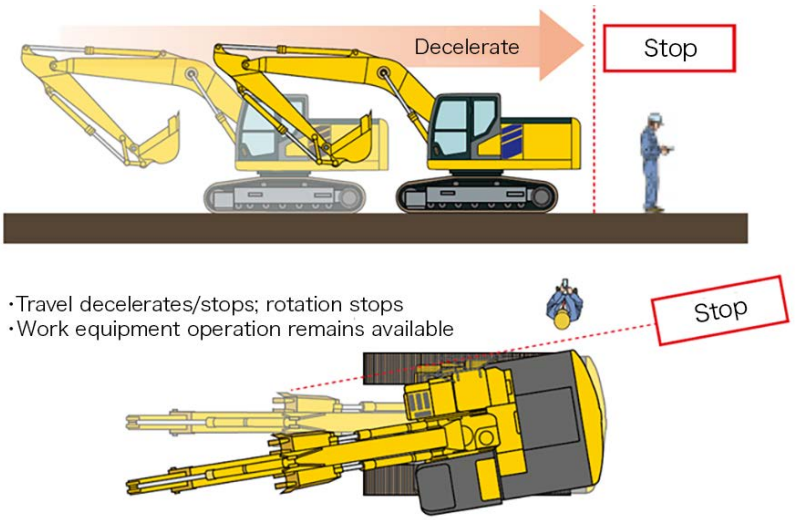
Evolution of systems to reduce contact accidents

Komatsu has developed "KomVision," a system that uses onboard cameras and vehicle control technology to detect and alert operators when a person approaches a machine in operation. Since 2019, the system has been standard equipment on hydraulic excavators, and obstacle detection systems have since been introduced to dump trucks, wheel loaders, and motor graders.

The hydraulic excavator PC200i-12, launched in December 2024, features an upgraded KomVision with a new "human + object detection mode" that detects not only people but also objects such as forklifts and vehicles. The addition of a quasi-millimeter wave radar has significantly improved detection accuracy.

When a person or object is detected near the machine during travel or turning, the system alerts the operator via the in-cab monitor and controls machine operations, stopping the machine during low-speed travel to help prevent collisions at the work site.

The system, offered as an option on the new WA380-8 and WA475-11 wheel loaders, detects nearby people, cargo, or vehicles while reversing, warns the operator, and automatically engages the brakes to decelerate or stop the machine when a collision risk is identified. It is designed to suit the unique structure and use conditions of wheel loaders, predicting movement direction based on steering angle. It also disables ground detection alerts automatically when performing tasks such as shoveling on uphill slopes to prevent false alarms from terrain near the machine's rear.



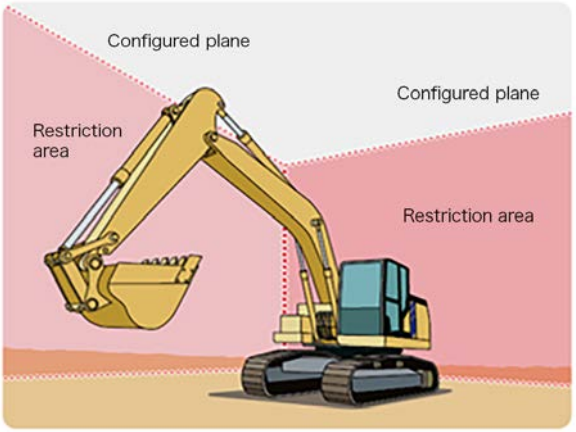
KomVision human detection function

This system is not designed to prevent collisions under all conditions and has performance limitations.

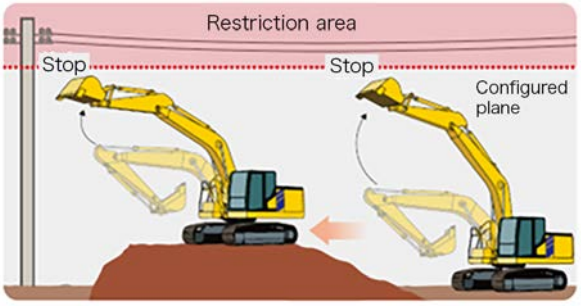
- Before using this system, be sure to read the operator's manual thoroughly, understand the system, and use it correctly.
- This system is not intended to prevent operator inattentiveness, such as distracted or careless operation.
- The system does not operate if obstacles are outside the detection area, such as in blind spots or outside the camera's range of motion.
- Detection may not function properly depending on the condition of the object (e.g., running or crouching posture, clothing with low contrast), camera condition (e.g., dirt or fog on the lens), or the work environment (e.g., poor weather, low lighting, backlighting, nighttime, vapor or smoke in the air).
- Under the following conditions, the machine may stop suddenly due to system activation and become unstable. Always ensure surrounding safety when operating:
  - Traveling with suspended loads
  - Working on steep slopes
  - Operating on slippery surfaces or soft ground
- During loading or unloading onto a trailer, the machine may stop abruptly and become unstable due to the system. In such cases, please turn OFF the machine stop control function.
- The radar system complies with Japan's Radio Law and is shipped with national certification. Modification or use of a damaged radar unit is a legal violation and subject to penalties. If the radar is damaged, please contact an authorized Komatsu distributor for repair.

Geofencing

The PC200i-12 hydraulic excavator is also equipped with a new geofencing system that sets a virtual work restriction area around the machine. If the body or equipment approaches the restricted zone during operation, the machine automatically stops. Since the system incorporates elevation data, there is no need to reset the restriction area even when moving onto embankments. This helps avoid damage to overhead power lines, walls of nearby homes, and underground pipes, while also eliminating the need for monitoring personnel, thereby improving worksite safety.



Virtual restricted area defined by geofencing (illustration)



Elevation data automatically adjusts the restricted area

Machine rollover warning system

Construction and mining equipment often operate on slopes, uneven terrain, or soft ground, where changes in load center during work can increase rollover risk — making it a key safety issue.

Komatsu's CD110R-3, launched in 2023, became the industry's first full-rotation crawler carrier equipped with safety functions to reduce rollover risk. It uses an inertial measurement unit (IMU) to monitor tilt angle and alerts the operator when steep slopes are detected. In addition to the rollover warning, the machine is equipped with various safety-enhancing functions, including overload alerts, a raised dump body warning, and enhanced visibility through monitor displays.

The new PC200i-12 hydraulic excavator includes a rollover warning system that calculates the machine's center of gravity and monitors the working equipment's status to assess rollover risk and issue warnings.

The WA380-8 wheel loader comes standard with a warning system that alerts operators with a buzzer and indicator light when working on a slope at low speed and a rollover risk is present.

CD110R-3 equipped with a vehicle rollover warning system

WA380-8

Drowsiness detection system for off-road dump trucks

As a safety support function for dump trucks that operate for long hours at mining and quarry sites, this system uses a dashboard-mounted camera to monitor the operator's face and posture. If drowsiness, distraction, or improper driving posture is detected, it alerts the operator with a warning voice and buzzer. The system also emits periodic voice prompts to check the operator's condition and, if no acknowledgment (such as hand movement in front of the camera) is detected, it prompts the operator to take a break.

Introduction of forklifts with guidance and semi-auto functions for container handling

Since April 2023, Komatsu has been working with Japan Freight Railway Company to reduce operator workload and improve efficiency in handling large containers widely used in freight rail transport. In December 2024, we began deploying 21 forklifts equipped with guidance and semi-auto functions at 15 freight terminals nationwide.

The guidance system uses multiple onboard cameras to display the fork's height and center position—difficult for the operator to see directly—on an in-cab monitor. The system also supports the operator with an indicator that shows the inclination of the fork's top surface and a warning function that alerts the operator if the container is not securely engaged.

The semi-auto function utilizes LiDAR sensors and proprietary object recognition technology to align the forklift with a container and automatically insert the forks to within about 20 cm, using only the accelerator.

These features are expected to greatly reduce operator workload, prevent accidents such as container collisions or drops, and help address the growing shortage of skilled forklift operators.

In-cab monitor display

Forklift equipped with new features

Quality assurance - Our responsibility to customers -

Komatsu's commitment to quality and reliability is encapsulated within the fundamental principle of “Monozukuri” (manufacturing competitiveness). With this in mind, we are dedicated to maintaining a portfolio of first-class products-both hardware and software–that builds on customer satisfaction. Our basic managerial policies have a strong focus on customer-centricity, creating a manufacturing ecosystem that places customer satisfaction at the forefront of its priorities. We maintain the standards of quality that have become an integral part of our organizational culture through a continuous process of assessment and refinement that takes place across all areas of our production process.

Our quality management systems touch on a number of specific fields, such as the global environment, quality assurance, and the education and training of our personnel. We also evaluate our performance in these areas using a number of key performance indicators.

Our basic approach to quality assurance

Komatsu's basic approach to quality assurance is to "ensure customer satisfaction by providing products that meet customer needs and effectively conducting support activities to ensure these products fully function, in cooperation with affiliates, cooperating companies, distributors, dealers, and all other Komatsu entities across all activities from planning, development, production, sales, to after-sales service."

Mechanisms for quality assurance

Komatsu employees across all areas of our operations, from product planning to development, manufacturing, sales, and after-sales service, work together as a single cohesive unit to ensure that the products we develop are safe, innovative, and of high quality. Our unique “monozukuri” system enables the creation and subsequent introduction of highly competitive DANTOTSU products into the market, whilst maintaining our significant competitive advantage through goods and services with a wide array of substantial features.

At each step of the development and manufacturing process, various meetings and evaluations are conducted to assess conformity and promote activities aimed at achieving goals, ensuring quality and reliability through rigorous quality assurance activities.

Through these efforts, Komatsu provides products and services that consider the global environment, comply with international standards and regulations of various countries, and strive to improve customer safety and satisfaction.

Structure for quality assurance

The majority of Komatsu's products, such as construction and mining equipment, utility equipment (compact machines), forest machines, and industrial machinery, are used as manufacturing equipment at customer work sites. These products are required to contribute to customers' operations with high utilization rates and productivity over long hours every day. Reflecting these product characteristics, Komatsu's sales and service staff visit customers directly to provide detailed advice and maintenance activities related to products and work methods. They also collect customer feedback and requests about the products and quickly relay this information to the relevant departments to enhance customer satisfaction.

Komatsu also maintains comprehensive databases on market information regarding product quality. Company staff are able to utilize this wealth of information to ensure the rapid resolution of quality-related issues, should they be raised.

Using ICT to support customers throughout the product lifecycle

Komatsu uses ICT-based remote vehicle management systems in order to track the current status of a vehicle's health, its operating status, and other relevant information metrics. Komatsu has equipped general construction equipment with Komtrax and large mining equipment with Komtrax Plus. By utilizing this information in products and services, Komatsu contributes to improving the operating rates of customers' vehicles and reducing maintenance costs, thus providing comprehensive lifecycle support.

Quality assurance activities at the global level

The goal of Komatsu's global quality assurance activities is to achieve a unified quality level at all locations worldwide. To this end, we engage in activities aimed at standardized technical drawings, manufacturing systems, inspection methods, information collection, and quality management across all regions.

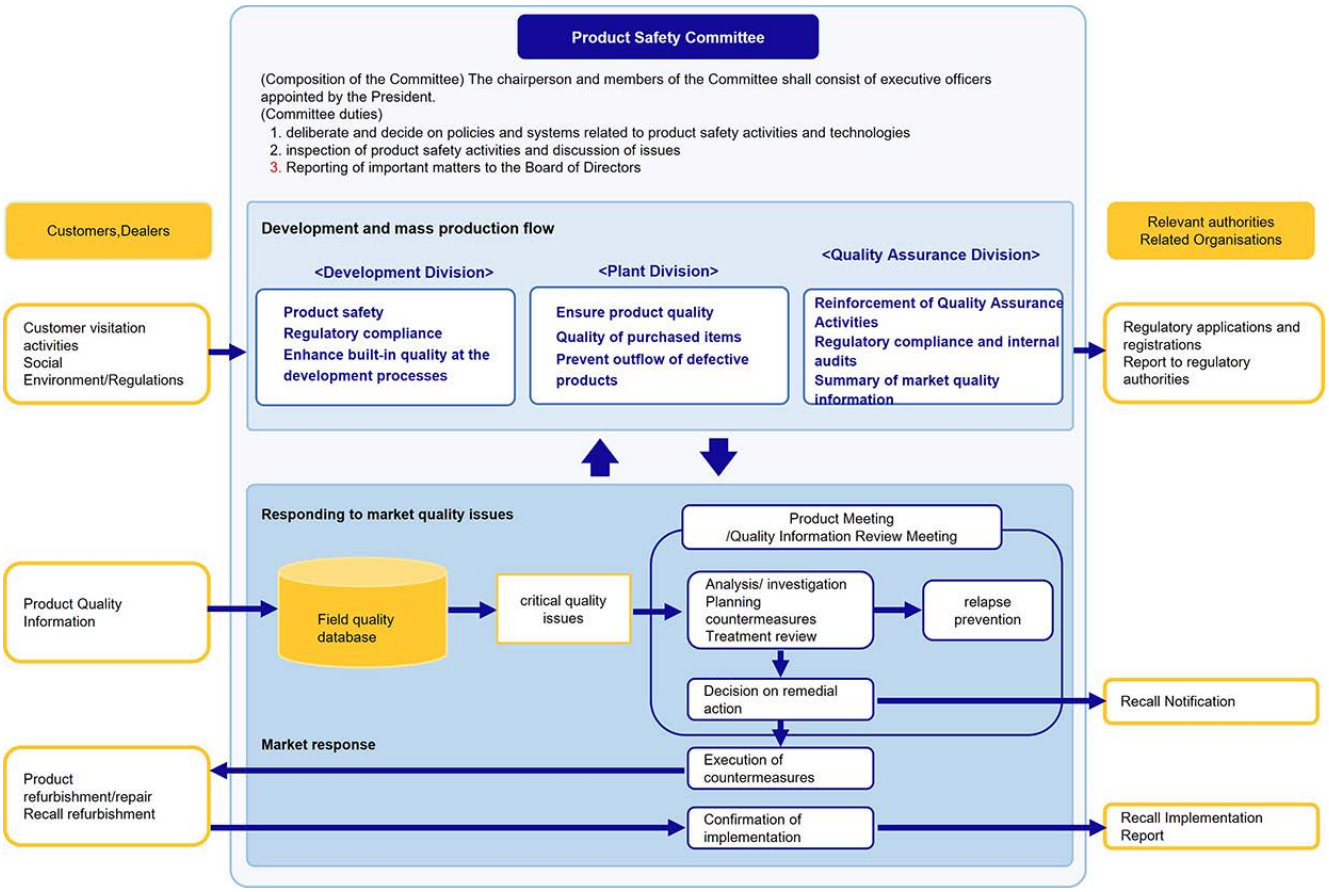
Komatsu has a number of manufacturing facilities that it refers to as “Mother plants”. These plants have product development capabilities and serve as the central hub for global product development initiatives using cutting-edge technologies and techniques. Any form of progress or advancement that is conceived at a “Mother plant” is immediately disseminated to other Komatsu manufacturing locations around the world, creating a uniform ecosystem that promotes technological development and enhances product quality.

Promoting product safety activities to ensure safety and reliability

Komatsu prioritizes safety and reliability of our products as the most important issues in its quality assurance activities. By establishing product safety action standards and guidelines, and ensuring that all employees comply with them as a united team, we aim to provide products that are safe, reliable for long-term use.

Information system for product safety

To quickly detect product safety issues in the market, Komatsu has established an information system for product safety to ensure rapid responses. Centered around the company-wide product safety committee, we have built a system that allows for the rapid execution of a series of activities, including (1) analysis and handling of accident causes, (2) communication with relevant government authorities, and (3) making decisions on corrective measures such as product recalls, involving top management to continually make improvements.



Providing product safety information to customers

The methods for providing product safety information to customers are as follows:

1. Information on the product or in the user manual
2. Explanations provided by sales dealers to customers
3. Efforts made on a case-by-case basis, such as visits by engineers or top management to customers when necessary

Recall management system

Komatsu strictly oversees compliance with legal requirements. Should a defect be found in its products, the company initiates prompt correction measures and moves forward with proactive information disclosure, and strive to ensure safety in the market.

Procedure regarding recalls

1. Obtain defect information from the market
2. Proposal for rectification of the situation based on information regarding the defect; decision regarding what measures the company will take toward the market
3. File a notice with relevant authorities as provided under the law
4. Inform customers through appropriate channels
5. Take appropriate corrective measures including, for example, repairs, replacements
6. Grasp the progress situation of the corrective measures

System to deal with recalls appropriately

1. Strengthening of information collecting systems on product quality in the market
2. Promotion of technical verification of the problem involved in the recall and timely decision making
3. Promotion of early resolution in compliance with laws and regulations (notification to authorities, information disclosure, recall collection, etc.)
4. Grasp the progress situation of the corrective measures
5. Regular auditing of recall-related operations

Komatsu strictly oversees compliance with legal requirements. Should a defect be found in its products or services, the company initiates prompt correction measures and moves forward with proactive information disclosure.

[DATA] Number of Recalls

	FY2022	FY2023	FY2024
Number of recalls issued (cases)	13	7	6
Number of units (units)	6,483	5,062	2,532

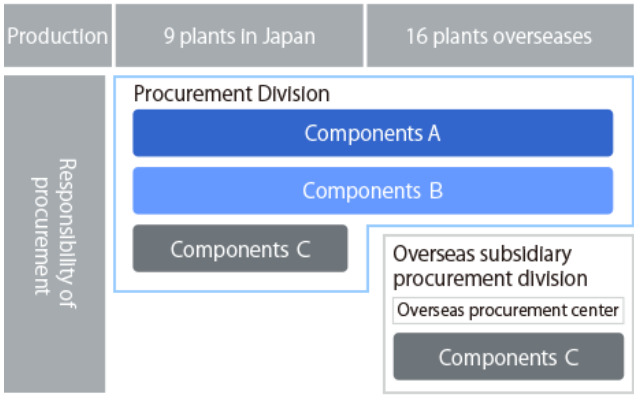
* Recalls: Figures cover models operable on public roads in Japan and represent the number of recall cases and units reported to the Ministry of Land, Infrastructure, Transport and Tourism.

Procurement promotion system and supply chain overview

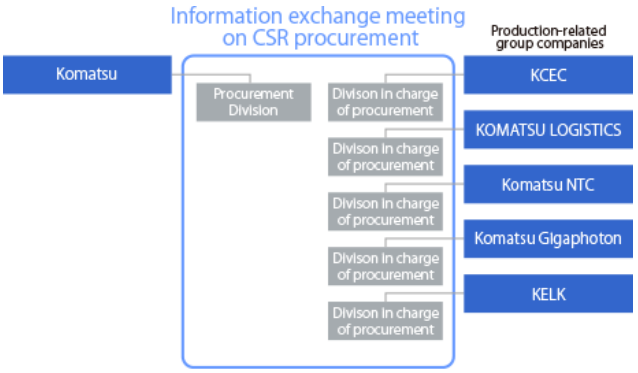
Our business partners are important members of our value chain, who supply the materials, parts and components necessary for the continued operation of our manufacturing enterprise. At Komatsu, we aim to build a Win-Win relationship with our business partners by making interactive efforts under a relationship of mutual trust. Along with the expansion of our global operation, our supply chain has also been expanding all over the world. Taking seriously the recent gain of momentum for the spread of CSR in the overall supply chain, we are working to realize CSR procurement globally by being proactive in providing intense support for the CSR initiatives of our business partners.

1. Promotion system and human resource development in procurement departments

Komatsu employs a centralized procurement system where the Procurement Division deals with almost all the components and materials used in multiple plants in Japan. For overseas production, A- and B-category components as specified in the component categories described above are dealt with by the Procurement Division, and the C components are dealt with by the procurement departments of overseas subsidiaries. In addition, we have established an overseas procurement center within each site in the U.S., Europe, China, and Asia to ensure the penetration of the policies of the Procurement Division and ensure the consistency of the procurement activities of each overseas subsidiary. We are also using this system for global supply chain management and the promotion of CSR procurement. Furthermore, we hold meetings to exchange information with the procurement departments of production-related group companies on a regular basis to respond to common issues on a group-wide basis.



Categories for the division of roles for procurement departments



Meetings for the exchange of information with group companies

Developing procurement staff responsible for CSR procurement is also a key issue. The Komatsu Way – Procurement Edition outlines essential fundamentals for promoting global procurement, especially the core principles and code of conduct to keep in mind when working with partner companies. In addition, we have been facing significant changes in laws and regulations of Japan and other countries on business transactions, employment and labor, environmental protection, export control and other matters. Responsible persons from the procurement department are required to understand these trends and reflect them appropriately in their daily procurement activities. In 2023, Komatsu conducted compliance refresher training and human rights education for a total of 538 managers and other employees in the procurement division. This training aimed to update their understanding of CSR procurement and share the importance of further raising awareness across the entire division. Going forward, Komatsu continues to ensure thorough understanding through group training and e-learning tailored to each job class, from new employees to managers.

Komatsu Way procurement

1.Relationships with cooperative companies
(1) Cooperative companies are equal partners
(2) Keep communication
2.Improvement of the level of cooperation with companies
(1) Procurement in the style of agricultural peoples
(2) Maintain tense relationships with cooperative companies
3.The Mind Set of Buyers
(1) The procurement division is a representative of our company and related companies
(2) Suppliers shall be selected based on fair-mindedness and competition
(3) Do not return externally produced products to the company
(4) Do not reduce costs unreasonably
(5) Buyer's work sites are within cooperative companies

Komatsu Way procurement

2. Categories of procured items and components, and production and procurement policies

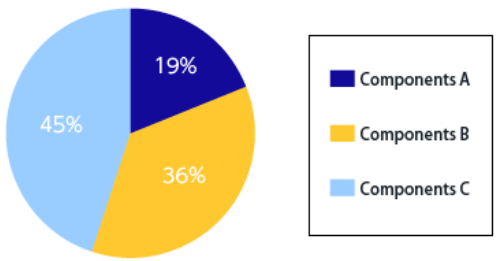
Komatsu's general production policy is to manufacture products directly within the area of demand. We have 46 of our 58 plants related to construction or mining equipment overseas.
Concerning components, parts, materials and other items, we are promoting local procurement proactively based on production and procurement policies that we set in accordance with the characteristics of each.
Above all, for Components B and C listed below, we are expanding cross sourcing between regions to respond flexibly to changes in the international trade environment such as exchange rate fluctuations, FTA and EPA, and import/export regulations aiming for globally optimal procurement.

Production and procurement policies for components and parts used in construction and mining equipment

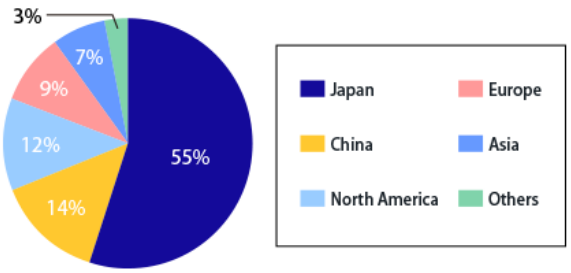
Category	Definition	Production and procurement policy	Examples of parts
Components A	Key components for differentiation that determine product quality and functions	Permanent development and production in Japan (supply from Japan to the world)	Engines, transmissions, axles, hydraulic equipment, and electronic equipment
Components B	Components that we need to purchase intensively from certified suppliers from the viewpoints of functions, quality, and investment	Optimal procurement from 2 or 3 regions in the world	Floor parts of cabin, cooling parts, undercarriage parts, cylinders, high-pressure hoses, tires, rims, and operator's seats
Components C	Parts with relatively low levels of technological difficulty, which should desirably be produced or procured close to the assembly plant	Local procurement	Thick/ thin sheet-metal parts, machined parts, and cast and wrought products as materials

The breakdown of procurement in monetary terms in the construction and mining equipment business of the Komatsu Group in FY2023 is shown below.

Components Types by Percentage of Procurement in Monetary Terms



Origin of components by Percentage of Procurement in Monetary Terms



3. Supplier structure and the Komatsu Midori-kai

In the construction and mining equipment business, Komatsu collaborates with approximately 2,700 partner companies (primary suppliers) worldwide. From this pool, we select priority suppliers through a screening process that considers ESG, country, industry, product-specific risks, and business relevance. These evaluations include factors such as the management philosophy and ethos of top management, SLQDC* performance including development and proposal capabilities in transactions with Komatsu, the strategic and technical importance of supplied items, transaction history, and scale with Komatsu. We then form the Komatsu Midori-kai, a group of particularly critical partners, from this evaluation. The Komatsu Midori-kai currently operates in five regions: Japan, China, Thailand, North America, and Europe, and procurement from its member companies accounts for 74% of Komatsu's total procurement by value as of FY2024. Each regional Midori-kai collaborates with local Komatsu manufacturing plants to promote region-specific activities, holding regular meetings to enhance understanding of Komatsu's business and facilitate communication between Komatsu executives and member company leaders. The annual Komatsu Midori-kai General Meeting held in Japan in November attracts participation from both Japanese and many overseas member companies. During this meeting, Komatsu executives provide business briefings and outline our global procurement policies and priority activities. To support member companies in enhancing their competitiveness, the Komatsu Midori-kai in Japan and China organizes members into groups (subcommittees) by their supply items. These groups engage in cooperative improvement activities focused on common themes such as safety, the environment, and advanced production technology. Successful improvement cases are shared among companies within the same group to facilitate the horizontal spread of knowledge and best practices.

* SLQDC: abbreviation for Safety, compliance with the Law, Quality, Delivery and Cost

Midori-kai general meeting

Global Midori-kai executive roundtable

For more information on Komatsu's initiatives for Midori-kai member companies, please refer to the following page.

› Support for member companies of the Komatsu Midori-kai (management and society)

› Support for member companies of the Komatsu Midori-kai（environment）

Detail of critical suppliers

Area		Number of Critical Suppliers						
		Total	Sub-contracted*1		Proprietary parts*2			
			Invested by Komatsu	Highly depend on business w/ t Komatsu	Invested by Komatsu	Highly depend on business w/ t Komatsu	Big enterprise	Trading firm, Material
Midori-kai	Japan	155	6	86	2	7	43	11
	China	63	2	37	1	4	14	5
	Thailand	32		19	1		10	2
	USA	44	1	15		1	19	8
	EU	40		4			34	2
	sub total	334	9	161	4	12	120	28
Non Midori-kai	Japan	1	1					
	USA	1					1	
	EU	1					1	
	Indonesia	4	1	1				2
	India	18		4			14	
	Vietnum	4		3		1		
	Philippines	1					1	
	sub total	30	2	8	0	1	17	2
G.Total		364	11	169	4	13	137	30

*1 Business partners who manufacture goods based on drawings and/or specifications from Komatsu (mostly medium and small enterprises)

*2 Business partners who manufacture goods based on their own drawings and/or specifications (mostly major companies)

Classification and breakdown of critical suppliers

Category			Number of Company		Annual Purchase amount
1	Total Tier 1 suppliers		2,724	100%	100%
2	Critical suppliers*	Level-3	364	13%	74%
3		Level-2	197	7%	63%
4		Level-1	15	1%	8%

* Number of upper "Level" includes those of lower "Level".
Level-1: Critical suppliers of which shares Komatsu G. invests in.
Level-2: Critical suppliers who depend highly on business with Komatsu.
Level-3: All of Critical suppliers.

Outline of procurement policy and supply chain

Our business partners are important members of our value chain, who supply the materials, parts and components necessary for the continued operation of our manufacturing enterprise. At Komatsu, we aim to build a Win-Win relationship with our business partners by making interactive efforts under a relationship of mutual trust. Along with the expansion of our global operation, our supply chain has also been expanding all over the world. Taking seriously the recent gain of momentum for the spread of CSR in the overall supply chain, we are working to realize CSR procurement globally by being proactive in providing intense support for the CSR initiatives of our business partners.

1. Basic policy for procurement

Komatsu's procurement policy is based on the philosophy of aiming to build a Win-Win relationship with our business partners, who are on an equal footing with us, and encouraging each other. The policy aims to evaluate and select suppliers in a fair and equitable manner from a SLQDC (Occupational health & Safety, Compliance with the Law, Quality, Production capacity & delivery and Cost competitiveness) and ESG perspective.

As evaluation criteria for selecting suppliers and evaluating ongoing transactions, Komatsu has established CSR Procurement Guidelines and Green Procurement Guidelines, which are published on our website. In addition to making these guidelines known to our suppliers, we strive to ensure that their business activities align with these guidelines by providing necessary support and guidance. Our support and guidance include the following examples:

- Providing employee education curriculum and training on relevant laws and international rules.
- Offering support to help suppliers build a promotion system (e.g., formulating operation rules), auditing and advising on the operation status.
- Awarding prizes and rewards to business partners that have made significant progress in CSR activities.

2. CSR procurement guidelines

To promote CSR activities throughout the supply chain, we established and released the "CSR Procurement Guidelines" in 2011. These guidelines, in line with international standards such as ISO 26000 and the 10 principles of the United Nations Global Compact, integrate Komatsu's code of conduct and the Komatsu Way. They outline the expectations we have for our business partners, covering a broad range of ESG issues, including corporate governance, compliance, environmental protection, human rights and labor, corporate ethics, social contribution, and coexistence with local communities. Efforts to comply with these guidelines are incorporated into our business contracts with partners. If a clear violation of these guidelines is identified at a partner company, and appropriate corrective actions are not taken within a certain period of time, we may suspend or terminate our business relationship with that company.

Request to business partners regarding the guidelines

In accordance with the Komatsu Code of Worldwide Business Conduct (established in 1988), all companies of the Komatsu Group have worked together in pursuit of thorough compliance. Moreover, Komatsu has focused on corporate social responsibility (CSR) in its business management with the aim of coexisting with society and achieving sustainable growth. As part of this effort, Komatsu has participated in the Global Compact, a voluntary principle of action in relation to "human rights, labor, environment and prevention of corruption" advocated by the United Nations, since November 2008 and has also expressed its position as a global enterprise on critical issues confronting international society faces.
Against this backdrop, ISO26000 was officially issued in November 2010 to provide international guidance on social responsibility. Komatsu sincerely reacts to the issues set forth in ISO26000 and will exercise leadership so that social responsibility will be borne throughout the entire value chain.
According to the Komatsu Code of Worldwide Business Conduct, we shall "seek to establish long-lasting stable relationships on the basis of mutual trust" by considering business partners to be important partners of the Komatsu Group. The revision in April 2011 added statements that we shall encourage business partners to follow the spirit of Komatsu Code of Worldwide Business Conduct and that the criteria for the selection of business partners shall include their compliance with rules of business society.
The CSR Procurement Guidelines contain a list of practices recommended for our business partners in line with the basic policy above, covering compliance and CSR. Since its establishment in 2011, we have revised it to address new issues that meet the social needs. Companies of the Komatsu Group are kindly requested to take note of and incorporate the guidelines into their management principles and unfailingly promote CSR. Moreover, we hope that these companies make similar requests to their suppliers.

April 1, 2025
Daisuke Ban, President of Komatsu Procurement Division

Komatsu group CSR procurement guidelines

(Established on August 30, 2011; Revised on April 1, 2019, on April 1, 2021 and on April 1, 2024)

1. Operations for sound management

(1) Build a system or operational structure designed to meet various risks.
(2) Establish legal and transparent decision-making processes concerning management.
(3) Conduct appropriate accounting procedures, tax ling and settlement of accounts.
(4) Place importance on communication with stakeholders (customers, shareholders, business partners,employees, community etc.).
(5) Ensure that top management will be notied promptly when any abnormal condition develops and that your company will be able to promptly and accurately respond to the situation(s).
(6) Fulll accountability to society through active disclosure of corporate information.
(7) Properly handle the personal information of customers, business partners and employees. Take appropriate measures for information security to ensure that the condential business information provided by Komatsu or by business partners will not be leaked, lost or destroyed.
(8) Create an eective BCP so that, even in the event of large-scale natural disaster, infectious disease pandemic or any other emergency, we can appropriately take initial measures to ensure the safety of employees, quickly restore business operations and fulll our responsibility to supply customers with products.

2. Thorough enforcement of compliance

(1) Engage in business operations while complying with the laws and regulations, as well as the rules of the business community in the countries and regions where we conduct business operations. In addition, make eorts to respect internationally accepted standards.
(2) Dene a code of conduct, comprising company rules, under the leadership of senior management, and develop a corporate climate that places top priority on compliance.
(3) Establish a compliance regime, in accordance with the scale and characteristics of the company, that prevents the company, executives, and employees from engaging in illegal conduct, and promptly addresses situations where issues have occurred (e.g. a whistle-blowing system).

3. Product safety, QCD and technology innovation

(1) Comply with the laws and regulations concerning product safety and deliver products and services which will oer safety and peace of mind to customers.
(2) In addition to maintaining the quality and cost competitiveness of products and services which your company delivers to customers, stand by the agreed upon date of delivery and supply your products in a stable manner.
(3) Establish a quality management system and make eorts to maintain and improve it.
(4) Constantly engage in technology development and provide innovative, safe and environmental-friendly products and services.

4. Considerations for the environment

(1) Continue efforts to reduce environmental impact resulting from business operations.
(2) Appropriately manage chemical substances contained in products.
(3) Build up environmental management systems such as the ISO14000 series and "Eco Stage."
(4) Pollutant air and water, other wastes, noise, vibration, etc. that affect the health and living environment of community, must be appropriately managed and disposed of in accordance with relevant laws and regulations.

5. Measures to respect human rights, appropriate labor conditions and occupational safety and health

(1) Respect human rights including the rights to freedom of association and collective bargaining.
(2) Never get involved, directly or indirectly, in any child or forced labor.
(3) Create a work environment where there is no discrimination or harassment in any aspect of employment.
(4) Respect the rights of workers, through payment of fair wages and proper working hours management.
(5) Establish a system for occupational labor health and safety, under the leadership of top management, and create a working environment where all employees can work safely and healthily.
(6) Establish fair and equitable human resource system, and pay attention to human resource development and employee education as well.
(7) Give consideration to improving communication between top management and employees.
(8) Prevent using raw materials (such as conflict minerals, deforestation, etc.) that may cause social issues by combining environment and human rights.

6. Fair business practices

(1) Comply with all related laws and regulations and engage in free and fair competition and business transactions.
(2) Respect intellectual properties of other parties and work to prevent infringement thereof.
(3) Never accept inappropriate cash, gifts or other favors from any civil servant or stakeholder (customer or business partner) either domestically or internationally.
(4) Carry out proper foreign trade transactions (goods and technologies) while complying with the related laws and regulations.
(5) Never have any relationship with antisocial forces or groups.
(6) Never engage in any transactions that may result in a conflict of interest or that may have the potential.

7. Social contributions and co-existence with the local community

(1) Engage in social contribution activities based on your company's management principle(s) and support employees' volunteer activities.
(2) Place importance on co-existence with local communities which is the foundation of your business, and proactively support the growth of local communities.

8. Spread of the guidelines throughout the entire supply chain

(1) Encourage business partners of the company to observe the items stipulated in the guidelines. Make efforts to encourage the spread of these guidelines into the entire supply chain.

* These guidelines will be revised as needed.

3. Green procurement guidelines

The Green Procurement Guidelines are a supplementary addition to the environment-related issues included in the CSR Procurement Guidelines. In 1992, Komatsu established the "Komatsu Earth and Environment Policy," declaring its commitment to environmentally conscious business activities to achieve a sustainable society.

Through these guidelines, we prioritize green procurement of raw materials and procured components/parts, which are essential elements in our production. We also encourage our business partners to engage in environmental management and activities to reduce environmental impact.

› Komatsu green procurement guidelines(1.25MB)

In relation to these guidelines, we have also conducted the following surveys in our supply chain.

(1) Conflict minerals (U.S. Dodd-Frank Act)

From a CSR perspective, Komatsu has a policy of not using "conflict minerals," such as tin, tantalum, tungsten, and gold (3TG), sourced from the Democratic Republic of Congo and surrounding countries. This policy is communicated to our business partners through the "Green Procurement Guidelines." Between 2011 and 2014, using the Japan Auto Parts Industries Association (JAPIA) survey template (JAPIA sheet), we conducted investigations on the content and origin (upstream smelters) of these minerals in parts supplied by our partners. The results indicated that the amount of these minerals used in our products is negligible, and we have not used any "conflict minerals." Since then, we have continued to monitor this issue through CSR-related SAQ questionnaires and human rights due diligence surveys.
In the future, if the use of "conflict minerals" is identified in our company or among our business partners, we will promptly switch to procurement from smelters certified by RMI.

(2) REACH regulation

The REACH regulation governs the registration, evaluation, authorization, and restriction of chemical substances in the EU. Companies that manufacture target chemical substances in the EU or export finished products containing target chemical substances to the EU must comply with this regulation and apply for registration and authorization if the annual use of these substances exceeds certain amounts. Substances subject to the regulation, especially those classified as Substances of Very High Concern (SVHC), are updated annually. Like our approach to conflict minerals, Komatsu uses JAPIA sheets to survey the content of regulated substances in each component from our business partners and reports the findings to the EU authorities. Additionally, we work closely with our partners to reduce the use of SVHCs and to transition to verified safe alternative substances.

4. Partnership declaration

The Partnership Declaration is our voluntary code of conduct and states that a large company, or parent enterprise, shall partner and cooperate with small and medium companies with the aim of facilitating their coexistence and coprosperity and shall, in fair dealing with the small and medium companies, enhance the added value of the supply chain overall.
Komatsu announced the declaration in August 2020, expressing its support for the activities implemented by the Cabinet Office, the Small and Medium Enterprise Agency and different economic organizations.
Komatsu complies with the rules and regulations stated in the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and in the promotional standards of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. Moreover, Komatsu will continue to help its business partners to become organizationally stronger by providing support for their efforts to enhance productivity and streamline work with the use of ICT and by providing training programs.

In July 2022, the basic principles (Article 3) of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises were revised. In response, Komatsu issued a letter to /en/csrall domestic Tier-1 suppliers, including sub-materials suppliers, encouraging them to reflect fluctuating raw material, energy, and labor costs in product prices. We are actively promoting the optimization of purchasing prices. In 2024, we held price negotiations with 1,207 companies and proactively implemented necessary price adjustments. We will continue to hold price negotiations with our suppliers at least once a year from 2025 onwards.

In January 2023, we launched the "Supplier Portal (KOMATSU Global portal)," a website for sharing information with our business partners. This site allows both our employees and business partners to share daily order and production data, and utilize tools that facilitate data processing and analysis. By using this portal, it is possible to detect fluctuations in production and orders, and anticipate the demand for intermittent production parts. Additionally, it enables the monitoring of management indicators such as delivery date achievement rates and defect rates. As of May 2025, approximately 1,100 companies are using the website. Moving forward, we will continue to enhance the portal's functionality and expand its content, striving to strengthen information sharing.

* Komatsu updated the Partnership Declaration on January 20, 2025.

Logo of Partnership Declaration

› The partnership declaration *only available in Japanese（164KB）

Please access the following website to read the Partnership Declaration.

› National association of small and Medium enterprise promotion organizations *only available in Japanese

Risk Assessment in the supply chain

Procurement from business partners accounts for a substantial percentage of our production costs, reaching nearly 90% for medium-sized hydraulic shovels, a typical piece of construction machinery. Therefore, for the stable continuation of our business activities, it is essential to identify and respond to risks in our supply chain at an early stage. There are a wide range of risks in the supply chain, including the management of business partners, their SLQDC status, natural disasters, pandemics, international trade conflicts, and import/export regulations. Komatsu visualizes risks through regular risk assessments that we conduct, particularly for critical suppliers, and we are carrying out activities to mitigate those risks. In the construction machinery industry, the market has been in a downturn since the second half of 2023. Komatsu monitors the load status of Midori-kai companies in Japan on a monthly basis, closely observing the impact on each company's management and providing necessary support. Starting in 2024, the overtime work limit regulations will also apply to the transportation industry, raising concerns about a nationwide shortage of transportation capacity. In 2020, Komatsu announced its declaration of voluntary action to improve logistics based on mutual understanding and cooperation with suppliers and logistics companies, and joined the "White Logistics" promotion campaign by the Ministry of Land, Infrastructure, Transport and Tourism. We are continuously working towards sustainable logistics by reducing long-distance transportation through the use of modal shifts, optimizing loading and unloading area layouts to reduce driver working hours, and striving to set appropriate freight rates.

1. Prior to commencing a transaction

When determining whether to start a business with a new business partner, we conduct a preliminary evaluation of the company by researching public information, performing interviews, and conducting on-site audits. We also utilize the new supplier evaluation checklist to assess both the basic SLQDC criteria and ESG aspects of the company.

Compliance with the aforementioned CSR Procurement Guidelines and understanding of the Green Procurement Guidelines are also included in the evaluation items, with the highest weighting assigned to ESG-related categories. We prioritize procurement from business partners with high ESG performance.

Suppliers with an ESG score below 50% are excluded from contracting.

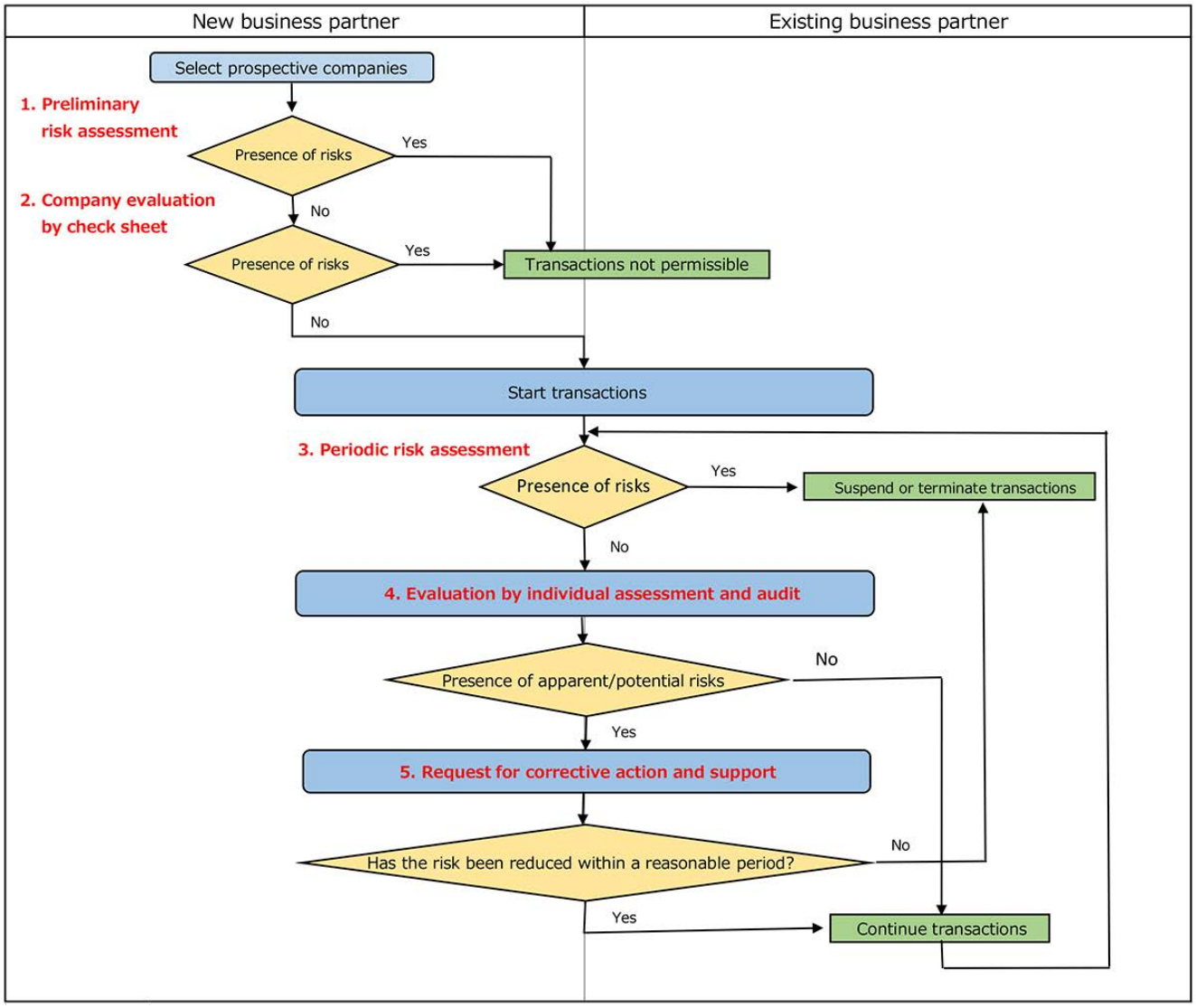
Weight of points for new supplier evaluation by item

Category	Evaluation item	Weight (%)
ESG	Occupational health and safety, environment, compliance, export control, information security	27%
General management	Management policy, organization, financial structure, employee training, etc.	24%
Production capacity	Production planning to progress management and delivery management system, procurement ability, and outsourcing management	20%
Technical superiority	Development capability, cost efficiency, and maintenance ability, etc.	16%
Quality	Assurance system, on-site management, initial product management, etc.	12%
Total		100%

2. Risk assessment process for business partners

We conduct regular risk assessments using specialized external databases to screen new and existing business partners for compliance purposes. This process includes verifying whether business partners are associated with high-risk customers, regulated countries, regulated items and technologies in terms of export control, and whether they have any connections with or involvement in anti-social forces. We utilize public information and quarterly surveys to evaluate the financial and management status of potential suppliers. If companies of concern are identified, we employ credit reporting agencies to conduct further verification. In terms of CSR and ESG, we regularly verify compliance with occupational health, environmental laws and regulations, antimonopoly acts, subcontracting laws, and immigration acts through government agencies and related local authorities' websites. As part of our risk management processes for raw material procurement in the construction machinery industry, we also continue to conduct investigations on the countries of origin of conflict minerals.

Risk assessment process for business partners



Key risk assessments and implementation status for suppliers

Category	No	Objective		Content	Measures to check	Frequency	Target (○ to be implemented)					Implementation status in FY2024*1		
							Critical suppliers (Tier 1 suppliers only)			Other Tier 1 suppliers		Number of companies	Number of companies subject to individual follow-up	Number of companies with completed or planned corrective actions
							Level-1	Level-2	Level-3	Japan	Overseas			
Compliance	1	Determine companies of concern for export control.		Check whether the company falls under or is related to the list of companies of concern published by Japanese and overseas government agencies.	Chaser search in the CISTEC database.	Once a year	○	○	○	○	○	2,148	0	-
	2	Determine association with anti-social forces.		Check whether the company falls under or is related to anti-social forces.	Verify through public information and specialized agencies.	Twice a year	○	○	○	○		2,207	0	-
Management	3	Confirm management status.	Credit investigation	Confirm management and financial status.	Public financial information and reports from private credit investigation agencies.	As needed	○	○	○	○	○	2,207	0	-
	4		Periodic survey of business conditions	Surveys on profit and loss, employment, operation rate, investment, and overall management.	Questionnaires	Quarterly	○	○						
ESG	5	Check for violations of labor, environment, antitrust, subcontracting, immigration, and other laws and regulations.			Search for cases of violations announced by the Labor Standards Bureau, local governments, Japan Fair Trade Commission, Immigration Bureau, etc.	Monthly	○ (Japan)	○ (Japan)	○ (Japan)	○		2,207	0	-
BCP	6	Identify any risk of natural disasters (flooding, tsunami, landslide, etc.) based on business location.			Check hazard maps published by the Ministry of Land, Infrastructure, Transportation and Tourism, and Aqueduct.	Once every 3 years	○	○	○	○	○	1,326 (Japan)	0	-

*1 If annual surveys are not performed, the most recent survey results are shown.

3. Risk assessment, audit, and support for corrective and improvement activities for key business partners

To address the potential risks identified in the supply chain, Komatsu conducts risk assessments and audits, in addition to the previously mentioned assessments, based on the importance of our business partners. These risk assessments and audits, conducted by our experts, cover individual areas of business activities. They are carried out through both desktop surveys and on-site surveys. The table below outlines the content, scope, and implementation status of these assessments and audits in FY2024.
We report apparent and potential ESG risks identified through these risk assessments and audits to our business partners, request them to develop corrective plans, and implement appropriate measures within a reasonable period. If it is difficult for the partners to address these issues independently, Komatsu provides guidance and support, with our experts assisting upon request. In FY2024, we supported 28companies. No business partners were terminated due to significant negative impacts resulting from these risk assessments, audits, and corrective actions in FY2024.

The status and results of these processes, especially concerning significant risks, are reported regularly to our management by the Procurement Division through monthly reports, including the details and progress of corrective measures.

We then incorporate the results of these assessments and audits into our purchasing policies to maintain consistency between our supplier code of conduct and purchasing activities.

In parallel with these individual corrective activities, we continue to support our partners in improving their overall understanding and response capabilities in CSR activities by providing various educational and training programs for employees, as well as publishing and offering e-learning resources.

In FY2024, we provided human rights education to approximately 500 employees.

We also recommend obtaining official certification from external third-party organizations to enhance environmental management and health and safety activities.

Major individual risk assessments and audits of business partners

Category	No.	Content		Measures to check	Freuency	Target (○ to be implemented)					Implementation status in FY2024		
						Critical suppliers (Tier 1 suppliers only)			Other Tier 1 suppliers		Number of companies	Number of companies with corrective action plans formulated	Completed corrective actions
						Level-1	Level-2	Level-3	Japan	Overseas			
General	1	Strengthen interactive communication through Midori-kai activities	(1) Interaction among company leaders at regular meetings.	Meeting	Twice a year	○	○	○			334	-	-
			(2) Promote activities to improve productivity, energy conservation, etc. through subcommittees.	Plant visit, activity briefing, etc.	all-year						219	-	-
Management and QCD	2	Corporate evaluation	Evaluate annual SLQDC and ESG performance	KPI result	Annually	○	○	○			334	0	0
			Evaluate the factor about the above and corporate management	KPI result, management interview		○	○				98	0	0
	3	Quality audit and heat treatment audit (only for companies with safety parts and heat treatment processes)	Confirm quality assurance system and process control status.	Written survey, onsite audit, voucher check, etc.	Annually (designated companies)	○	○	○	○	○	Heat treatment audit 337	0	0
	4	Monthly operation capacity check	Confirm monthly operation capacity forecast and the way to forecast.	Written survey, management interview	Monthly	○ Japan	○ Japan				165+α*1	0	0

Category	No.	Content		Measures to check	Freuency	Target (○ to be implemented)					Implementation status in FY2024		
						Critical suppliers (Tier 1 suppliers only)			Other Tier 1 suppliers		Number of companies	Number of companies with corrective action plans formulated	Completed corrective actions
						Level-1	Level-2	Level-3	Japan	Overseas			
Compliance and ESG	5	Compliance risk (CR) audit on important process	Identify potential risks in the areas of accounting and finance, labor management, procurement (subcontracting law), and information security.	Written survey, onsite audit, voucher check, etc.	Once every 2 years	○					4	2	2
	6	Survey on the employment status of overseas workers	Survey on compliance with laws and regulations regarding employment of overseas workers (including trainees).	Questionnaire and interview	Annually	○	○				-	-	-
	7	Occupational health and safety level assessment (including compliance check)	Confirm organizational structure to promote occupational safety and health activities, compliance with labor-related laws and regulations, and evaluation of activities.	Onsite audit such as safety patrol, interview with management and safety managers, etc.	Twice a year	○	○				98	15	15
	8	Promote acquisition of environmental management system (EMS) and environmental education	Mandate acquisition of third-party certification for environmental management	Written survey, onsite audit, Interview with management and environmental officers, etc.	Annually	○	○	○ EMS			98	0	0
			Implemate education on the latest environmental laws and regulations	Online education	Annually	○	○				98	4	4
	9	CSR SAQ survey	Self-assessment of overall CSR using a checklist.	Questionnaire and interview	Once every 3 years	○	○	○			-	-	-
	10	Risk survey on human rights	Self-assessment focused on human rights and occupational health and safety using a checklist.		Once every 2 years	○	○	○			-	-	-

*1 Check with Tier 2 and subsequent suppliers if risk is anticipated.

Examples of corrective action support for business partners

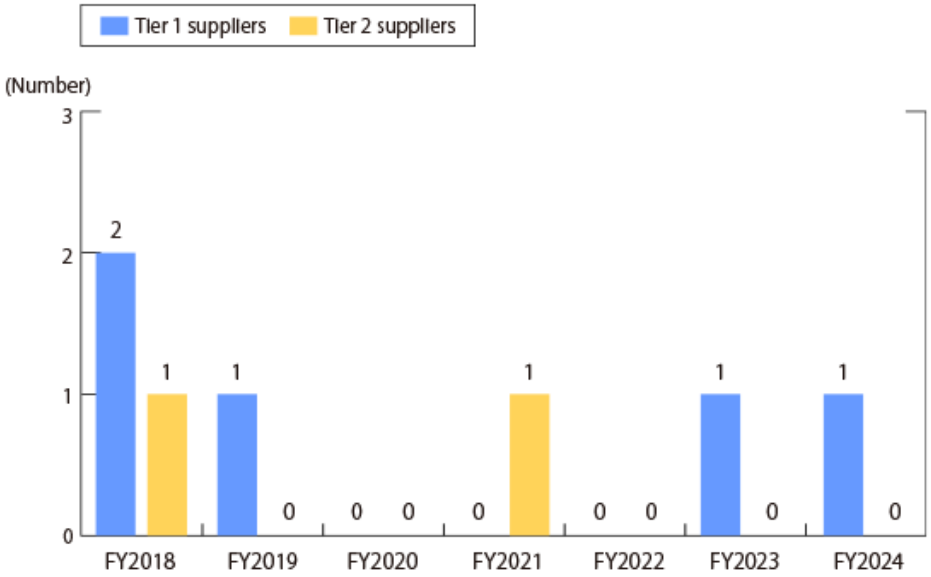
Category	No.	Major support	Content
Management	1	Cash management support	Advance payment, cash payment, etc.
			Purchase of excess inventory, advanced ordering & receiving, etc.
			Purchase of production equipment, lending, etc.
	2	Human resource support	Dispatch of managers and technical instructors on secondment, acceptance of training at our company, etc.
	3	Provision of education and training programs	For managers and general employees

4. Komatsu's whistleblowing system for suppliers

At Komatsu, we launched a whistleblowing system for suppliers in March 2017 to accept whistleblowing reports from suppliers on acts in procurement activities of the Komatsu Group which are violating or alleged to be violating laws and regulations. Matters reported via dedicated contacts, which we set up inside and outside the company, are handled by a department in a neutral position. This department investigates and verifies facts to take corrective measures promptly. We have pledged to ensure that business partners who submit whistleblower reports do not receive disadvantageous treatment because the report has been made.

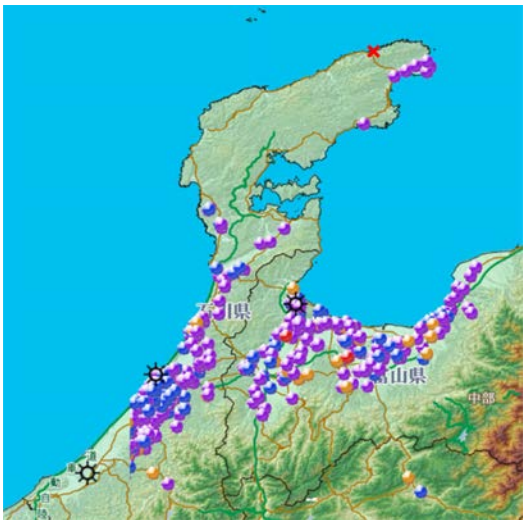
› Komatsu's whistleblowing system for suppliers(171KB)

Changes in reported cases



5. Risk Assessment in the supply chain

To respond to the increasingly frequent and diverse natural disasters in recent years, we have been operating a supply chain management system in Japan linked to disaster information from the Japan Meteorological Agency since 2012. This system aims to quickly assess the impact of natural disasters, such as earthquakes, tsunamis, and typhoons, on our business partners and our supply chain. We have built a database of locations and production details for over 20,000 sites managed by 7,662 business partners, including secondary and subsequent suppliers, thereby visualizing the risks of supply disruptions caused by disasters and enabling us to take prompt and targeted actions. During the Noto Peninsula earthquake on January 1, 2024, this system allowed us to quickly check the status of affected business partners and, where support was requested, dispatch building and equipment maintenance personnel from Komatsu to assist in rapid disaster recovery.



Epicenter of the Noto Peninsula Earthquake in January 2024 and the Cooperative Company Distribution Map

In 2019, our supply chain was greatly impacted by the flooding of rivers caused by Typhoon Hagibis (No. 19), which damaged multiple business partners. In light of this, we linked the Komatsu supply chain management system to the hazard maps released by the Ministry of Land, Infrastructure, Transport and Tourism to understand in advance the potential location-related risks faced by our business partners. We have taken measures for our business partners with location-related risks; for example, backing up to store welding and processing programs and important production data (BOM, tooling lists, production drawings, jig and tool drawings, etc.), and building up safety stock and securing alternative suppliers in response to the BCP status of each company.

In addition, since 2020, the global supply chain has been severely disrupted due to the shortage of semiconductors in a wide range of industries, COVID-19 lockdown, US-China decoupling and disruptions in international logistics. Moreover, the reduction in model changeover periods in automobiles and home appliances has increased the risk of sudden production discontinuation of construction machinery parts, especially electrical and electronic parts. We have addressed these emerging risks by strengthening inventory management including at the distribution stage, promoting replacement with stably available general-purpose semiconductors and parts, expanding the scope of pre-orders and forecasts for critical parts, accumulating inventory, and adopting alternative components. We are expanding our Asian Procurement Center to further increase local procurement in ASEAN member countries and South Asia in 2023. We are also promoting multi-sourcing policy, even in cross-sourcing activity (placing concurrent orders with suppliers in multiple regions), to reduce the risk of over-reliance on procurement from a specific region.

Disaster recovery support (lending electric generators)

Disaster recovery support(assisting the centering of working machines)

Information security measures in the supply chain are also an urgent issue. In 2021, Komatsu established information security guidelines for business partners to clarify the standards we require of our suppliers. We also provided e-learning education to 155 Midori-kai companies in Japan. At the same time, we conducted security assessments using self-check sheets, and followed up individually with suppliers where issues were identified. Starting in 2024, we have also begun recommending and promoting the implementation of Endpoint Detection and Response (EDR) solutions—which include behavior-based threat detection—to Midori-kai subcontractors in Japan, further strengthening security measures across the entire supply chain.

Implementation status of information security self-check

	FY2022	FY2023	FY2024
Number of companies implementing self-check sheets	156	156	155

* Shifted from a company-wide approach to an individualized approach as of FY2023.

6. Awareness building activities to ensure the penetration of CSR into the supply chain

To raise our business partners' awareness of Komatsu's CSR procurement guidelines, we are carrying out awareness building activities around Compliance and BCP at the Komatsu Midori-kai meetings and monthly business meeting held in each office. In addition, "CSR Report" issued for Midori-kai member companies shares CSR-related "Everybody's Compliance" articles which are published for the employees of the Komatsu Group, and information regarding the revision of related laws and regulations in Japan and other countries. To ensure the further penetration of CSR in the supply chain, in FY2021, we conducted an SAQ survey on CSR activities using the standard survey tool released by the Global Compact Network Japan (GCNJ), of which Komatsu is a participant. The survey was designed to gather data from 156 Midori-kai companies. To date, 153 companies have submitted their responses. From this data, we can confirm that 95% of the respondent companies are aware of our CSR procurement guidelines.
Moreover, in FY2022, as part of our human rights due diligence, we conducted a human rights risk survey across a total of 292 Midori-kai companies in Japan and overseas. Based on the UN Guiding Principles on Business and Human Rights and other international norms, we collected responses on a dedicated website regarding the status of human rights initiatives in 11 categories, including human rights management, occupational safety and health, and working conditions. To ensure objectivity, the entire survey process from question formulation to results analysis was conducted and overseen by outside experts. We prepared company-specific reports translated into the respective local languages, outlining the issues identified through the assessment and the corresponding responses, and provided individual feedback.
In FY 2023, we visited five companies in the domestic Midori-kai and conducted interviews and discussions with external experts to develop human rights guidelines for our business partners. Based on the feedback from each company, we will reflect their input in the guidelines.

In FY2024, under the guidance of external experts, we carried out preparatory activities to address disclosure requirements and due diligence expectations, particularly in Europe.

Questionnaire items

No	Themes	Questionnaire items
1	Human rights management	Commitment to human rights, establishing human rights due diligence system, complaint handling mechanisms
2	Work environment and human rights	Prohibition of discrimination and inhumane treatment, prohibition of child labor and consideration for young workers, prohibition of forced labor Employment and labor relations, personal information protection, proper management of working hours, welfare, wages, respect for workers' rights to organize
3	Occupational health and safety	Occupational health and safety policies and management, workplace safety measures and environmental improvements, measures to address workers' health risks
4	Community impact	Impact on the community

Support for member companies of the Komatsu Midori-kai (management and society)

Komatsu supports Midori-Kai member companies in a variety of ways. Main support activities that we have carried out are described below.

1. Safety

Komatsu provides support for the establishment of systems for safety activities and improvement of the activity level to 99 companies, the majority of which are custom goods suppliers out of the Midori-kai in Japan. The support includes continuous safety patrols by specialists from Komatsu, sharing information and horizontal application of occupational safety measures conducted by other companies, the introduction of management system, and so on. These activities are also carried out at the Midori-kai in China.
In addition, due to our business partners' labor shortages, there has been an increase in the number of foreigners, older adults, and women working onsite. Some of the workers from these groups have sustained injuries. In response, we have continued to provide support by making safety and health-related documents, such as work standards, available in multiple languages and creating a workplace environment that is less physically demanding for the elderly and female employees.

(1) Komatsu experts conducting safety patrols

Using check sheets and on-site patrols, we conduct surveys to ensure compliance, particularly with laws (e.g., reports and inspections), unsafe locations on-site, and the existence of unsafe actions. If any issues are identified, we request the submission of a countermeasure report that details measures to prevent recurrence, followed up accordingly. From FY2018, we reviewed the check sheets and evaluation criteria to evaluate the activities of Midori-kai member companies using the same standards company-wide and follow-up (One-rank-up Activities) to improve the activity levels of each company annually. From FY2023, we created more site-focused check sheets to conduct safety activity checks at each company's site from the same perspective, strengthening our bottom-up activities.
In the follow-up, we also train on-site supervisors of business partners through fixed-point observation of work cycles on site and joint implementation of risk assessments.
To eliminate serious accidents, we regularly conduct comprehensive inspections of the safety devices installed on automated lines and machines and the operation of these devices, forklift and crane operations, and the status of the standards established for working in high places, using a unified check sheet. In particular, we are promoting safety measures for automated lines and machines, due to the policy to secure safety, not only by operators' caution but by machines' function and/or mechanism.

(2) Encouraging business partners to implement mutual safety patrols

One of the Midori-kai committee activities is the implementation of mutual safety patrols by business partners with similar business standpoints. We also put a lot of weight on inspecting from perspectives specific to each business category (e.g. the handling of heavy goods or the risks of touching hot surfaces).

(3) Connecting and information sharing through safety activities in Komatsu

Executives from the Midori-kai member companies in Japan participate in the Komatsu Group Safety and Health Conference, which is held in June every year. Excellent Zero Accident circles selected from Japanese and Chinese Midori-kai member companies provide presentations about their activities. In addition, we open the Safety Dojo (Safety Training Hall), a facility included in each Komatsu plant, to our business partners, aiming to improve the safety awareness of the employees of each company through danger simulation experiences and danger prediction training.

(4) Focused guidance for companies with repeated accidents

We select companies that have had repeated accidents as target companies for Special Safety Activities, proposing specific improvements according to each company's situation. We share the activity promotion plans created by each company and provide special support and guidance.

(5) Introducing labor safety and health management systems

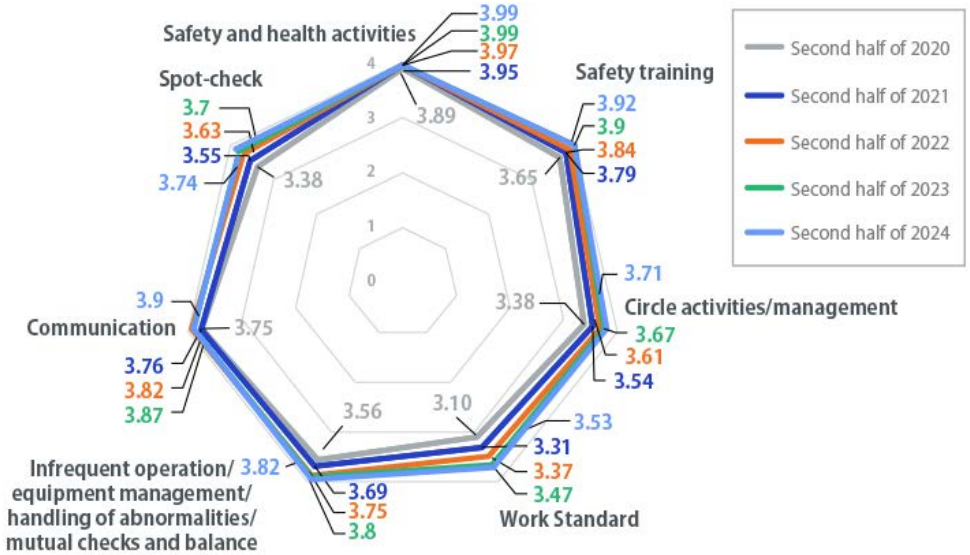
To elevate the level of activities at each company, we support them in acquiring occupational safety and health management systems, including ISO and OSHMS certification. In 2015, 97 companies adopted the Japan Industrial Safety and Health Association (JISHA)'s Workplace Safety Health Impact Project for small and medium-sized enterprises to objectively evaluate their compliance with safety and health laws through independent certified auditing bodies. For identified issues, we help develop corrective action plans, and Komatsu offers improvement guidance and support, leveraging our experts in response to requests from partner companies.

Risk assessment training

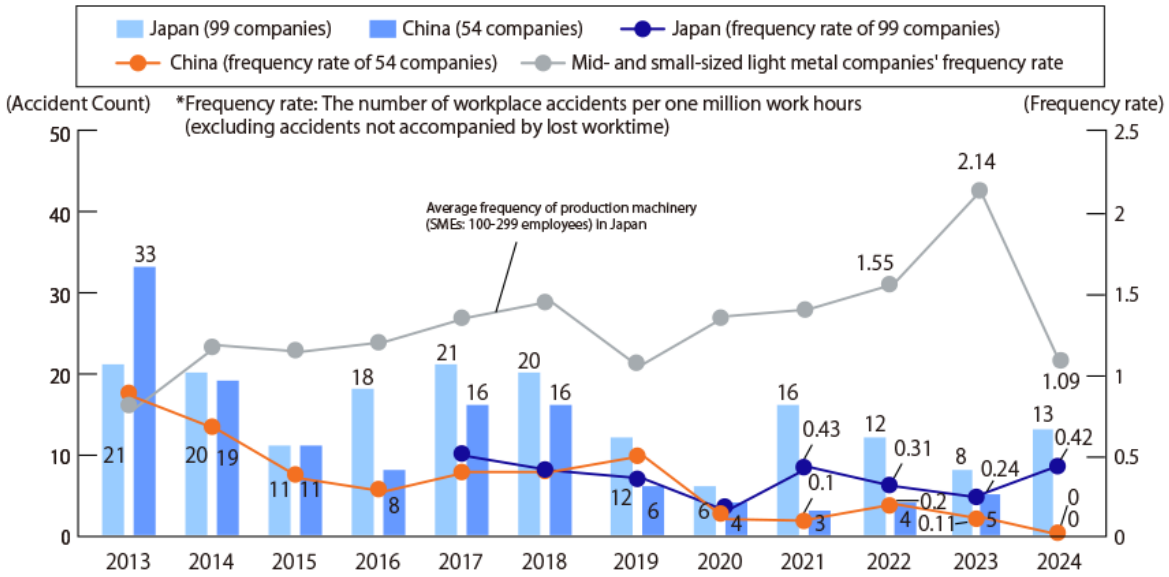
Group performing a mutual safety patrol

Presentation by Sekigahara factory at a Komatsu safety meeting

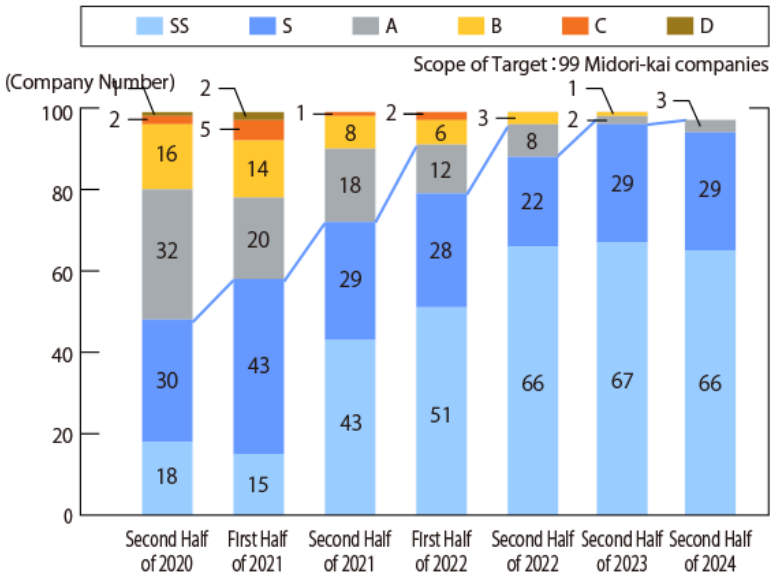
Changes in the results of safety activity evaluations from 2020 to 2024 (99 Midori-kai member companies, 116 offices)



Changes in the number of accidents at Midori-kai member companies in Japan and China



Status of one-rank-up activities



Rank	Rating Points	Level
SS	≧3.75	Better than Komatsu
S	3.5～3.74	Equivalent to Komatsu
A	3.25～3.49	Lacking 1 or 2 items
B	3.0～3.24	Needs improvement
C	2.75～2.99	Needs big improvement
D	<2.75	Fundamental reform required

2. Compliance

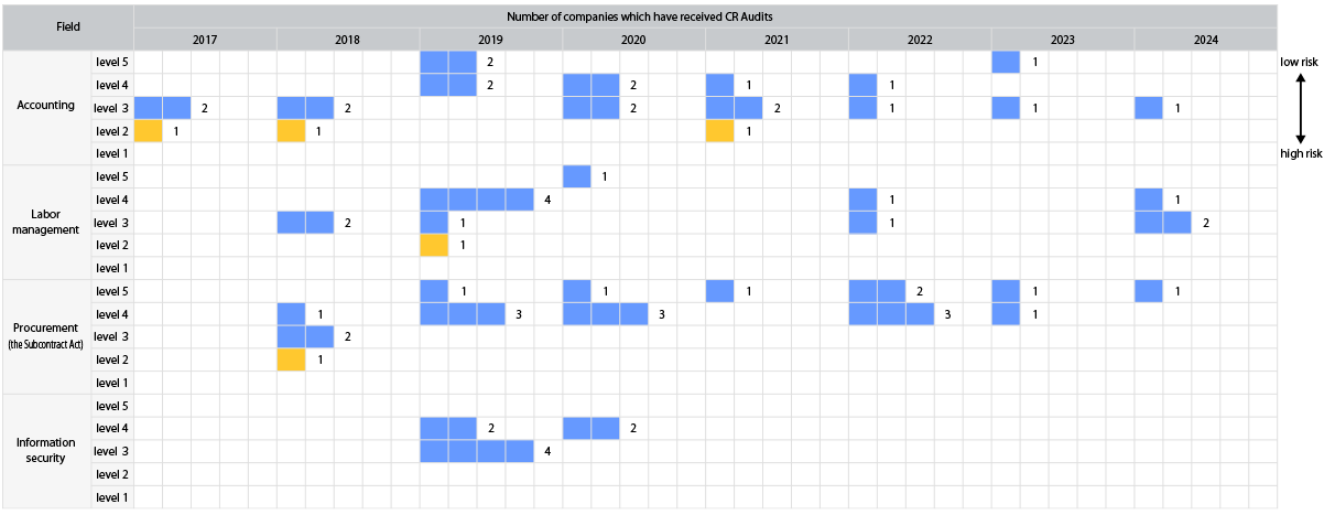
The Komatsu Group conducts compliance and risk audits (CR audits) and has extended these audits to 16 business partners in which Komatsu holds minority stakes since 2016. The audits cover four fields: accounting, labor management, procurement (Subcontract Act), and information security. They aim to identify potential risks and implement corrective measures. Compliance with relevant laws and regulations, the setting and operation of business rules, segregation of duties, decision-making authorities, and the inspection of related documents and on-site examinations are all part of the process to identify and address potential risks.

Voluntary establishment of compliance systems by business partners is essential for promoting CSR procurement. We believe that such a system should desirably be established by 1) formulating rules (establishing codes of conduct of each company), 2) building a structure for promoting CSR procurement (including the appointment of persons in charge of CSR procurement and practical affairs), 3) introducing a whistleblowing system, and then 4) providing employees with awareness training. Under this policy, we provided support to 99 companies, mainly custom goods suppliers belonging to the Midori-kai, for their establishment of compliance systems by providing practical examples at Komatsu and employee training materials, etc. As of the end of FY2021, we have completed support activities for all of the companies. The follow-up after completion of the support activities and the inspection of the status of the activities of major business partners will involve a SAQ survey.
In FY2023, no serious violations of Japanese labor-related laws and regulations or environmental violations were reported by any of Japan Midori-kai's 156 companies.

The problems found by CR audit and countermeasures (2017-2024)

Items	Problem found by audit	Countermeasures
Finance & accounting	Workflow, operational guidelines, and decision-making authority are either not set or insufficiently defined	Establish and review workflow and guidelines, provide guidance for physical inventory implementation, etc.
	Physical inventory (including fixed assets) is either not conducted or not performed regularly and timely	
	The rules for the disposal and forced evaluation loss of idle assets are unclear	Separate approvers and applicants, etc.
	Management of company official seals, password updates for the accounting system, and access control are inadequate	
Labor management	Deficiencies in subcontractor agreements with self-employed person	Switch to direct employment, review time card operations, etc.
	Handling of fractions (less than 30 minutes) in working hours management	
Procurement (Subcontract Act)	Lack of necessary information in order forms (Article 3 documents): provisional price, payment terms, etc.	Review order forms and supplementary documents, review workflows, etc.
	Risk of delayed payments (within 60 days of receipt)	
	Risk of early offsetting of the cost of supplied materials	
	Violation of the prohibition on subcontract payment reductions (reduction of the equivalent amount of discount fees due to cash payments)	
	Unclear rules for obtaining evidence of counterparty consent when canceling orders	

Result of CR audit to level-1 critical suppliers



3. Personnel development

Komatsu believes that the greatest support we can provide to Midori-kai member companies is human resource development, and thus, we offer various programs tailored to different levels within the organization (see table below). From FY2020 to FY2022, we had to cancel most face-to-face training programs due to the COVID-19 pandemic. As an alternative, we provided remote education curricula using online meeting systems, which could also be utilized as employee training materials by Midori-kai companies. Since 2023, we have resumed in-person training and have been implementing a hybrid approach that combines both remote and face-to-face learning. In recent years, we have particularly focused on "Management Salons" and "Skills Transfer Activities." The Management Salons aim to develop young managers who have recently taken on new business responsibilities. During these sessions, Komatsu executives and company managers analyze the current strengths and weaknesses of each company and exchange views on their medium-term management visions, aligning and sharing policies and ideas. Skills Transfer Activities are designed to facilitate the improvement and succession of on-site skills. Through these activities, we assist companies in building systems for promoting skills transfer and skills evaluation, and in developing instructors in key skill areas by sharing Komatsu's expertise.

Training and Other Programs for Midori-kai Member Companies

Target job level	Program	Outline	Major achievements	FY2024 results
Management	Commissioned training	Komatsu accepts sons and daughters of corporate managers of member companies and provides them with on-the-job training for up to five years.	58 trainees have been accepted since 1972.	2 person
	Middle management training	Komatsu's training program for its executive candidates is open to candidates for member company successor. Duration of the training is seven months.	31 people have participated since 2005.	1 person
	Management Salons	Young corporate managers of member companies make presentations on medium-term management visions of their respective companies, which are discussed and shared with Komatsu.	Provided to a total of 37 companies since 2014	5 companies
Employees in managerial positions	Managerial training	For newly appointed managers and on-site job leaders (e.g. general managers of centers and team leaders)	Around 40 people participate every year.	53 people
	Leader training (for field managers)	Exclusive training programs for the Midori-kai. The training is provided two times a year.	Around 60 people participate every year.	70 people

Target job level	Program	Outline	Major achievements	FY2024 results
Representatives	Komatsu Technical Institute	Intended for leader candidates related to production engineering and manufacturing who are aged 30 or younger. It is a boarding school which provides a two-year program.	33 people have entered since 2008.	Zero
	Production engineer training	It is an exclusive training program for the Midori-kai on sheet metal processing and mechanical engineering. Five-day training is provided once a year.	Around 40 people participate every year.	19 people
Skilled workers	Instructor training	A 30-day program for candidates for skilled instructors of each company	170 people have participated since 2015.	21 people
	Inspection training school	Inspection skills training and classroom lectures	Held as needed	79 people
Others	All Komatsu QC competition	Participants are selected from among the Midori-kai members.	Around 20 companies participate every year.	5 companies
	All Komatsu skills competition (Advanced Technique Contest)	Participants are selected from among the Midori-kai members.		29 people 18 companies
	All Komatsu Safety Competition	Participants are selected from among the Midori-kai members (report on Excellent Zero Accident circles' activities).	Around 5 companies participate every year.	4 companies

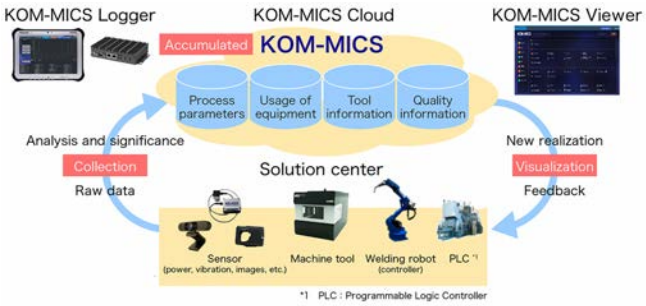
Instructor training (classroom instruction)

Instructor training (practical instruction)

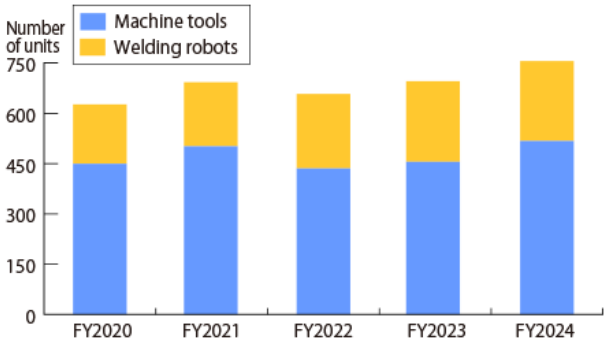
4. Supporting productivity improvement activities by using ICT

Addressing the issue of the labor shortage, which has been growing more serious in recent years, is an urgent task for Komatsu and members of the Midori-kai. Komatsu continues to promote the networking of production sites and facilities using ICT (KOM-MICS) and improving productivity and labor efficiency through its application. As a countermeasure against the labor shortage, we are expanding these activities to members of the Midori-kai. Through tools such as the KOM-MICS Logger, developed by Komatsu, data on operational status and operating conditions from machine tools and welding robots are automatically collected from each company's controllers and accumulated on the network. These data are then processed and edited on a PC using applications designed for specific purposes, visualizing issues related to improving operating rates and leading to collaborative analysis and implementation of improvement measures.

Outline of KOM-MICS



Change in the number of KOM-MICS Loggers installed

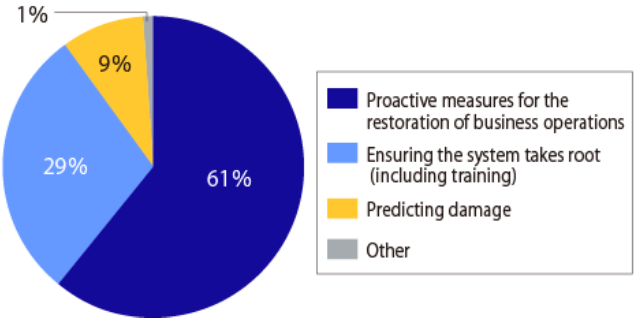


5. BCP to prepare for natural disasters

In addition to the frequent occurrence of natural disasters such as earthquakes, heavy rains, and typhoons in recent years, new threats such as the COVID-19 pandemic and cyberattacks have also become apparent. The importance of establishing a BCP system for the supply chain is increasingly critical. Starting after the Great East Japan Earthquake in 2011, Komatsu has provided support by implementing measures to withstand earthquakes and water damage, etc. at the buildings and facilities of 104 companies, mainly custom goods suppliers belonging to the Midori-kai. In addition to these tangible measures, it is also necessary to strengthen intangible measures, including the establishment of an initial response system by creating a BCP manual, etc., and a system for facilitating early restoration of business operations. Since FY 2019, we have held BCP workshops for 104 Midori-kai member companies, mainly focusing on support for the establishment of their own initial response systems.
In the future, we will extend our support to activities to enable the system take root through simulations and other activities, something that many of our business partners believe necessary for the promotion of BCP, and to proactively prepare to restore business operations (e.g. the sharing of information, dispersion of in-house production capacity, consideration of collaboration with other companies in the same industry).

BCP workshops

Issues to consider when advancing the company's BCP (responses obtained from 87 Midori-kai companies)



Issues to consider when creating BCP

Support for member companies of the Komatsu Midori-kai（environment）

1． Support for those obtaining environmental management certifications

We have requested all member companies of the Midori-kai in Japan and China to obtain certifications for environmental management systems (EMS), such as ISO14001 and Eco-Stage, and provided them with instructions and support for obtaining the certifications. In Japan, all 156 member companies have obtained the certifications, and we began to check the renewal status of the certifications in 2018. In China, a total of 60 companies have already obtained the certifications. We encourage Midori-kai companies in the U.S., Europe, and Thailand to obtain similar certifications.

Over ten years have already passed since the Midori-kai members in Japan obtained the certifications. Like in the case of the safety and health activities, it is important to follow-up the status of the certifications in each company's business activities. To realize this, we started environmental audits for the outsourcing companies of the Midori-kai from 2021, and 4 companies were audited by 2023. Through written surveys on compliance with environment-related laws and regulations, etc., and on-site inspections at each company's offices, we evaluate how well EMS has been established on site and promote activities to support further improvements. Since FY2022, we have expanded check sheet-based voluntary verification to all Midori-kai outsourcing companies in Japan and have held study sessions on environmental laws and regulations. In FY2023, we conducted specialized training focused on the Water Pollution Control Act and the Sewerage Act, which were identified as having the most relevant facilities through our written surveys. We will continue to increase the number of onsite audits, especially for companies bearing anticipated risks.

Environmental audits

Onsite audit

Documents screening

Number of Midori-kai member companies with EMS certifications (as of the end of April 2025)

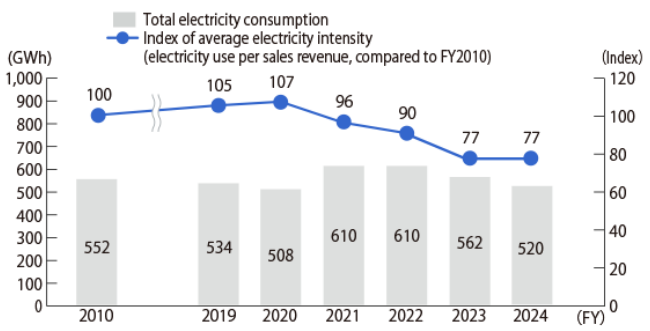
Region	Number of member companies	Number of companies which have obtained certification						Percentage of companies with certification	
		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Target	FY2025 Target	FY2024 Progress
Japan	156	156	156	156	156	155	156	100%	100%
China	63	58	60	60	60	60	63	100%	95%
Thailand	32	16	16	18	20	20	30	95%	63%
North America	44	19	27	27	27	27	42	95%	61%
Europe	40	34	34	35	35	35	38	95%	88%
Total	335	283	293	296	298	297	329	98%	89%

2. Responding to climate change: reducing greenhouse gas emissions in the supply chain

Komatsu has set a mid-term ESG target of 50% reduction in CO_2 emissions in products and production (compared to 2010) by FY2030 and promotes improvement activities. In recent years, we have emphasized the importance of reducing CO_2 emissions in the entire supply chain related to its own business, and worked to reduce CO_2 emissions from manufacturing process of purchased parts and materials, which account for about 10% of indirect CO_2 emissions (Scope 3) other than Scope 1 and 2.
From 2012 to 2016, in response to tight power supply and demand and the steep increase in electricity costs following the Great East Japan Earthquake, we began to roll out activities to reduce the power consumption of 96 Midori-kai companies in Japan by setting a target reduction in electricity consumption of at least 15% compared to 2010. Despite comparative obstacles due to large fluctuations in production volumes and new capital investments, we almost achieved our target by the end of FY2016. As a result of the expansion of these activities across all our suppliers, some suppliers won the ECCJ Energy Conservation Grand Prize Award. Since 2017, we have worked to maintain and improve the level of reduction through independent improvements at each company. Since FY2019, we have also been providing concrete support for the reduction of CO_2 emissions in all kinds of energy use, including electricity, heavy oil, and gas, targeting the top ten highest-emitting casting, forging, and heat treatment companies. From FY2023, we have requested that all of 156 Midori-kai companies set mid- and long-term reduction targets in accordance with the SBT and implement tangible improvement activities. In particular, in parallel with this effort, CO_2 reduction activities have been initiated with 92 external partner companies affiliated with the Midori-kai group, setting a common target of reducing CO_2 emissions by 20% on an intensity basis by FY2030 compared to FY2022. With the start of activities in FY2022, we introduced our latest case studies of improvements. We are promoting CO_2 reduction through technical exchange meetings and other activities in collaboration with our improvement promotion division and the Midori-kai committee. Starting FY2023, especially for forging and casting manufacturers with high CO_2 emissions, we actively promoted improvement activities by sharing improvement content through on-site visits and holding case sharing meetings among companies. The progress of each activity is monitored through periodic CO_2 emissions surveys and SAQ questionnaires.

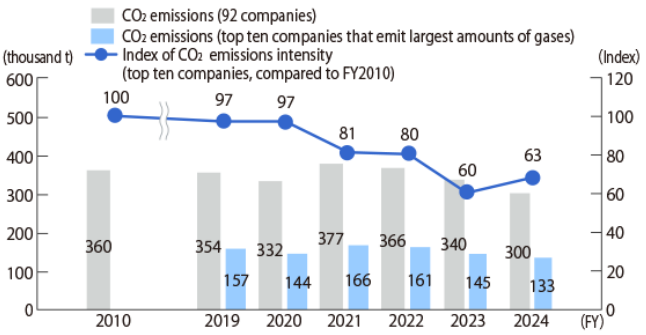
Changes in electricity consumption (Midori-kai 92 companies)

Independent practitioner's assurance



Change in CO_2 emissions (Midori-kai 92 companies)

Independent practitioner's assurance



Status of setting of targets for the reduction of GHG emissions (155 companies in the Midori-kai)

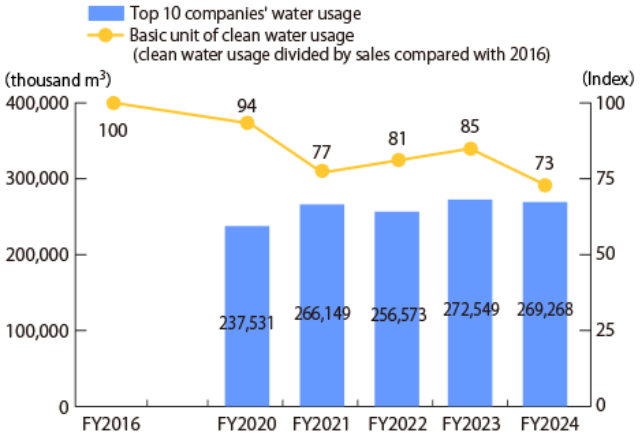
	Already set	Not set/not answered yet
Short-term target	142	13
Medium- and long-term target	61	74

3. Addressing water risks

We are inspecting 135 offices of 96 Midori-kai members in Japan to understand their general water risks, including the above-mentioned flood and tsunami risks, location environments, potential and actual water intake/discharge capacities, water quality, and how they address these issues. We also use Aqueduct in these analyses. In response to these investigations, we have been conducting activities to reduce water consumption since FY2017. In these activities, the top ten companies in the consumption of clean water are considered to be model companies and we present Komatsu improvement examples and provide guidance on improvement through on-site visits, with a target of 15% reduction of water consumption by FY2021. In FY2018, the target was achieved. Since then, we have voluntarily stayed aware of the amount of water used and have extended the activities to other Midori-kai companies through the distribution of improvement examples from Komatsu and ten other companies. We have also conducted environmental audits and confirmed compliance with the Water Pollution Control Act and other water-related laws and regulations since FY2020.

On-site investigation of water risks

Changes in clean water usage by Midori-kai's top 10 companies



4. Responding to environmental regulations in China

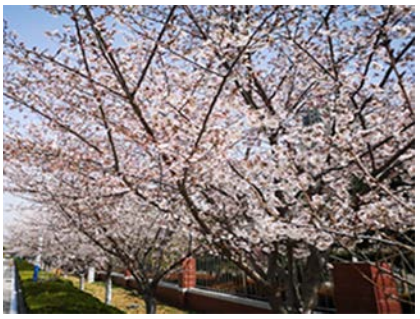
The basic goal of the environmental regulations in China is the elimination of three things: exhaust gases, discharged water, and solid waste. However, when operating under those regulations, the regulations and standards set forth by each local government have priority. Regarding discharged water from plants, to address the aggravated water pollution in rivers and lakes, the standards for BOD/COD (Biochemical Oxygen Demand/Chemical Oxygen Demand), which are indexes of amounts of organic substances in discharged water, are strict when compared to the country-wide standards in Japan, and there is an increasing number of cases where centralized water treatment systems for discharged water, etc. need to be installed.
Komatsu checks the regulatory compliance status of the Midori-kai members in China on a regular basis.

An example of measures to meet regulations in China (Daikyo Machinery Shandong Co., Ltd.: Installation of a welding fume dust collector and exhaust air ducts)

In addition, in China, extremely tough environmental regulations were imposed in 2015, mainly in the coastal areas, aiming to improve air pollution issues (PM2.5) drastically. As a result, companies engaging in businesses such as painting, welding, casting and plating are required to take thorough measures to reduce exhaust air, smoke and soot (including VOCs). Working together with member companies of the Midori-kai in China, we provide support for complying with the regulations, including the installation of facilities. As a result of measures taken by the companies, 18 companies had been certified as exempt from the regulations (as green companies) as of March 31, 2022. We will continue to work with each company to reduce risks to our business continuity.

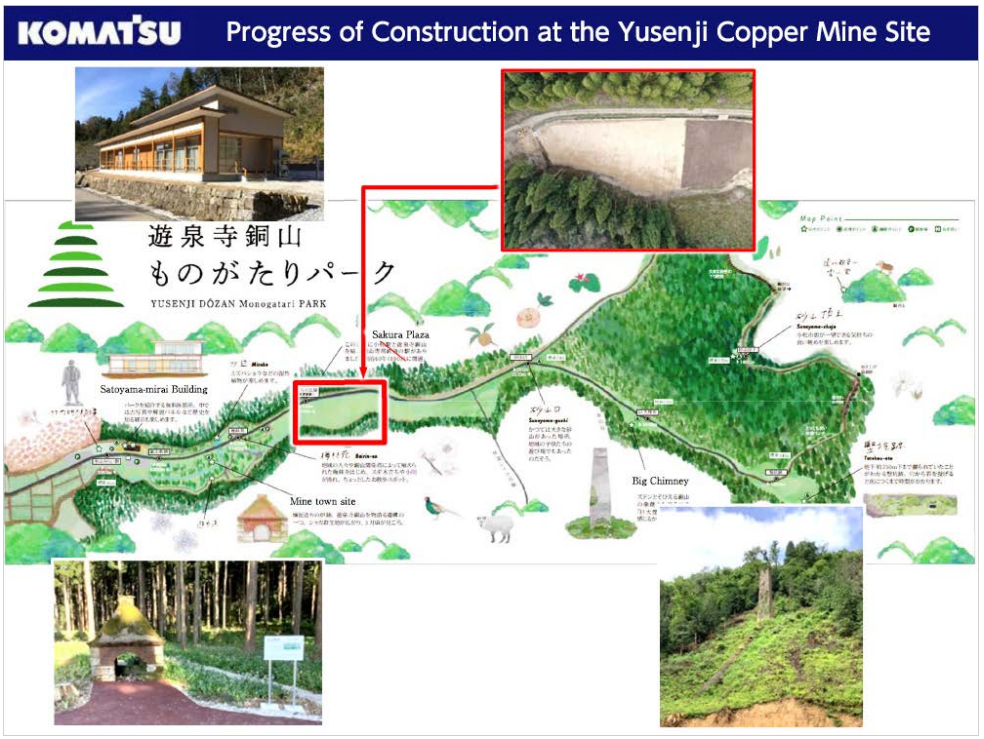
5. Dealing with biodiversity

In 2011, Komatsu announced the "Declaration of Biodiversity by Komatsu," which outlines our commitment to reducing environmental impact through business activities and promoting conservation through social contribution efforts. Midori-kai member companies support this policy and collaborate with us to engage in environmental conservation and other community contribution activities across various regions. Since FY2021, Komatsu has been encouraging member companies to develop their own initiatives tailored to local conditions by providing education programs. In addition, we collect annual reports from each company on their activities and share these examples among all members to promote mutual learning and the dissemination of best practices.



Cherry tree planting activity in China (Jining, Shandong Province)

Support for construction and environmental conservation of the Yusen-ji copper mine in Komatsu City, Ishikawa prefecture



Corporate governance

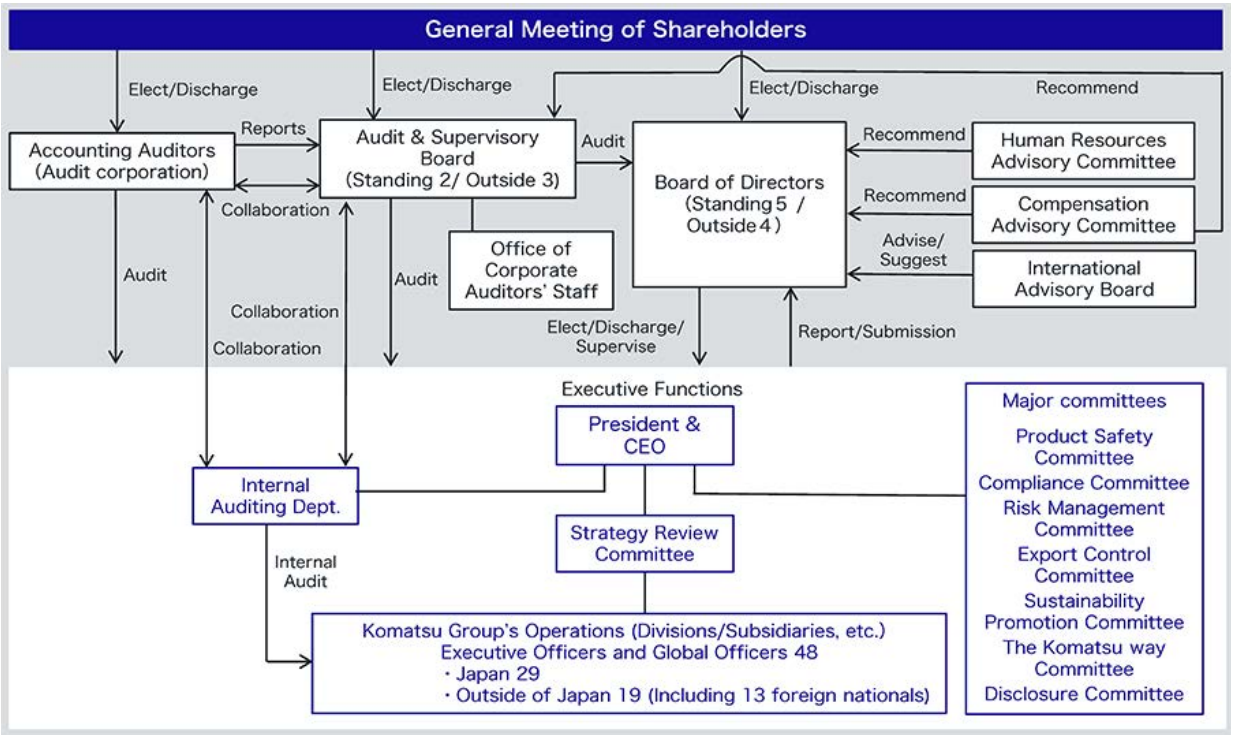
Basic approach to corporate governance

Our management principle is to maximize the total sum of trust given to us by society and all our stakeholders through our commitment to quality and reliability. To become a company which enjoys more trust from all the stakeholders, the Company is working to strengthen corporate governance, improve management efficiency, advocate corporate ethics and ensure sound management on a group-wide basis. To further improve the transparency of management for its shareholders and investors, the Company discloses information in a fair and timely manner and actively engages in investor relations' activities by holding meetings with shareholders and investors.

Corporate governance framework

The Company positions the Board of Directors as the core of corporate governance. To enhance the effectiveness of discussions at meetings of the Board of Directors, the Company has worked to put in place a system to ensure thorough discussions of important management matters and prompt decision making, and reform their operational aspect. Having introduced the Executive Officer System in 1999, the Company has separated management decision making and supervisory functions from executive functions to the extent permitted by laws and regulations, and limiting the Board of Directors to a small number of members while appointing both Outside Directors and Outside Audit & Supervisory Board Members to ensure objectivity and the soundness of management.

Corporate governance of the company (As of June 30, 2025)



For further information, please refer to the following links.

› Corporate Governance Report (593KB)

Disclosure based on each principle of the Corporate Governance Code, status of corporate governance (directors, auditors, independent directors, incentives, directors' remuneration), etc.

› Komatsu Report

Message from outside directors, activities of the board of directors, summary of results of the board of the directors effectiveness assessment, corporate governance reform, activities of outside directors, advisory committee activities, succession plan, executive compensation system, etc.

Corporate governance indicators

* As of March 31, Fiscal-Year end

Corporate Governance											
			Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of Directors *Entering the number of people after the ordinary general meeting of shareholders	Number of Internal Directors	Women	Members	0	1	1	1	0	0	1	1
		Men		5	4	4	4	5	5	4	4
		Total		5	5	5	5	5	5	5	5
	Number of Independent Directors	Women		0	0	0	0	1	1	1	1
		Men		3	3	3	3	3	3	3	3
		Total		3	3	3	3	4	4	4	4
	Total			8	8	8	8	9	9	9	9
Number of Corporate Executive Officers on the Board			Members	4	4	4	4	4	4	4	4
% of Corporate Executive Officers on the Board			%	50	50	50	50	44	44	44	44
% of Independent Directors on the Board				38	38	38	38	44	44	44	44
% of Women on the Board				0	13	13	13	11	11	22	22
Number of Audit & Supervisory Board Members	Number of Internal Members	Women	Members	0	0	0	0	0	0	0	0
		Men		2	2	2	2	2	2	2	2
		Total		2	2	2	2	2	2	2	2
	Number of Independent Members	Women		1	1	1	1	1	1	1	1
		Men		2	2	2	2	2	2	2	2
		Total		3	3	3	3	3	3	3	3
	Total			5	5	5	5	5	5	5	5
% of Independent Audit & Supervisory Board Members			%	60	60	60	60	60	60	60	60
% of Female Audit & Supervisory Board Members				20	20	20	20	20	20	20	20
Average Age of Board Members			Age	63.2	63.2	60.6	61.6	61.6	62.6	63.0	61.8
Term Limits for Board Members			Years	1	1	1	1	1	1	1	1
Number of Board Meetings			Times	15	15	15	15	15	15	16	15
Board Meeting Attendance			%	100	100	99	100	100	100	99	100
Attendance of Independent Directors at Board Meetings			%	100	100	100	100	100	100	98	100
Number of Directors Attending Less Than 75% of Board Meetings			Members	0	0	0	0	0	0	0	0
Number of Audit Committee Meetings			Times	15	15	15	15	15	15	15	15
Audit Committee Meeting Attendance			%	100	99	100	100	100	100	100	100
Attendance of Independent Auditors at Board Meetings			%	100	98	100	100	100	100	100	100
Number of Auditors Attending Less Than 75% of Board Meetings			Members	0	0	0	0	0	0	0	0

Corporate Governance											
			Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of Executive Officers *Excl. Board Members	Women		Members	2	1	2	2	2	2	2	2
	Men			30	29	31	26	25	28	29	28
	Total			32	30	33	28	27	30	31	30
Ratio of Female Executive Officers			%	6	3	6	7	7	7	6	7
Number of Executive Officers (Global Officers)	Women		Members	0	0	0	0	0	0	0	0
	Men			27	29	26	28	27	27	22	21
	Total			27	29	26	28	27	27	22	21
Human Resource Advisory Committee Members	Number of Internal Members	Women	Members	0	0	0	0	0	0	0	0
		Men		2	2	2	2	2	2	2	2
		Total		2	2	2	2	2	2	2	2
	Number of Independent Members	Women		0	0	0	0	1	1	1	1
		Men		3	3	3	3	3	3	3	3
		Total		3	3	3	3	4	4	4	4
	Total			5	5	5	5	6	6	6	6
Number of Human Resource Advisory Committee Meetings			Times	1	2	3	2	5	3	3	3
Human Resource Advisory Committee Meeting Attendance			%	100	100	100	100	100	100	100	100
Number of Compensation Advisory Committee Members	Number of Internal Members	Women	Members	0	0	0	0	0	0	0	0
		Men		1	1	1	1	1	1	1	1
		Total		1	1	1	1	1	1	1	1
	Number of Independent Members	Women		1	1	1	1	2	2	1	1
		Men		3	3	3	6	6	6	4	4
		Total		4	4	4	7	8	8	5	5
	Total			5	5	5	8	9	9	6	6
Number of Compensation Advisory Committee Meetings			Times	2	1	1	1	1	4	4	3
Compensation Advisory Committee Meeting Attendance			%	100	100	100	100	100	100	100	100

Compensation										
		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Compensation of Chief Executive Officer	Basic Remuneration	Millions of Yen	100	102	103	103	103	116	120	125
	Performance-Based Bonus in Cash		73	93	41	28	65	120	120	126
	Performance-Based Remuneration (Stock-Based)		19	99	46	35	57	87	99	147
	Total		192	294	190	166	224	323	339	398
Compensation of Directors *Excluding External Directors *Including those who retired during the term	Basic Remunerations		357	357	345	331	331	359	372	384
	Stock Options		0	0	0	0	0	0	0	0
	Performance-Based Bonuses in Cash		246	310	130	88	207	369	369	389
	Performance-Based Remunerations (Stock-Based)		68	300	147	108	182	249	278	454
	Total		671	967	622	527	720	977	1019	1227
Compensation of Audit & Supervisory Board Members *Excluding External Audit & Supervisory Board Members *Including those who retired during the term	Basic Remunerations		86	87	87	87	87	90	90	95
	Stock Options		0	0	0	0	0	0	0	0
	Performance-Based Bonuses in Cash		0	0	0	0	0	0	0	0
	Performance-Based Remunerations (Stock-Based)		0	0	0	0	0	0	0	0
	Total		86	87	87	87	87	90	90	95
Compensation of External Directors and External Audit & Supervisory Board Members	Basic Remunerations		85	103	108	109	122	146	151	158
	Stock Options		0	0	0	0	0	0	0	0
	Performance-Based Bonuses in Cash		9	0	0	0	0	0	0	0
	Performance-Based Remunerations (Stock-Based)		5	0	0	0	0	0	0	0
	Total		99	103	108	109	122	146	151	158

Shareholder Rights	
Anti-Takeover Measures	None

Compliance		
Malus and clawback system	Yes	In the event of a significant revision of financial statements or an event that has a significant impact on the reputation of the Company due to the execution of business by Directors, the performance-based renumeration paid to the Internal Directors could be required to be reduced, confiscated or refunded. In principle, the content of the refund request, etc. will be decided by the Board of Directors after the deliberation by the Compensation Advisory Committee according to each event.

	Unit	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Political Contributions	Millions of Yen		8	8	8	8	8	

Compliance

While Komatsu is expected to achieve its own sound and sustainable growth as a global corporation, a growing number of stakeholders also expect Komatsu to give due consideration to the environmental and social impacts of its business activities, products and services, and to make positive contributions to the sustainable development of society. Komatsu believes that meeting these expectations is our social responsibility as a good corporate citizen.

For Komatsu to continue to earn the trust of society, each and every employee of Komatsu is required to act in good faith, ethically and in compliance with laws, regulations and other rules generally recognized and respected by society (the “Rules”).

To make certain that the entire Komatsu Group complies with the rules of the business community, Komatsu has appointed an executive officer at the head office in charge of compliance, and has established the Compliance Department to handle this issue exclusively. Additionally, the company has set up a Compliance Committee chaired by the president and CEO, which deliberates and decides on policies and important measures related to compliance for Komatsu and the entire Komatsu Group. This committee also promotes the implementation of these measures and regularly reports the progress of compliance activities to the board of directors.

Komatsu proceeding with compliance activities as follows.

1. Formulate the Code

■ Komatsu's Worldwide Code of Business Conduct

The company has formulated Komatsu's Worldwide Code of Business Conduct (established in 1998 and revised 11 times to date) as a compilation of best business practices to be observed by officers and employees of Komatsu Group companies around the globe. Revisions to the Code are deliberated by the Compliance Committee and finalized with approval by the Representative Director and President through the company’s formal decision-making process.

Part 1 of “Komatsu’s Worldwide Code of Business Conduct” (the “Code”) provides principles and standards for responsible business conduct that Komatsu follows to fulfill its social responsibilities.

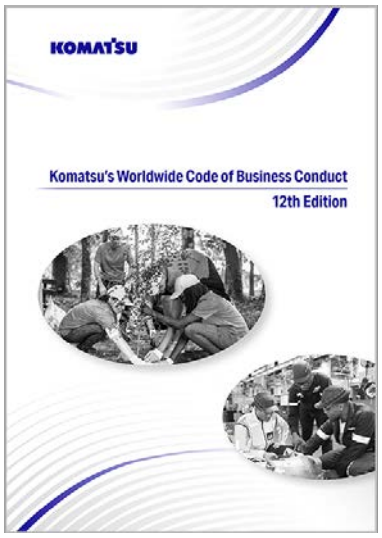
Part 2 of the Code lists the basic rules that should be followed anywhere in the world among the wide range of rules in the business community, along with examples, and provides a code of conduct that all Komatsu Group employees should follow.

If any actions are discovered to be in violation of "Komatsu's Worldwide Code of Business Conduct," disciplinary measures such as salary reduction and suspension of pay raises will be taken according to the employment regulations. Such actions will also be taken into consideration in performance evaluations.

Komatsu considers CSR as a key responsibility, which is shown by Komatsu's Worldwide Code of Business Conduct clearly focusing on the importance of CSR.

The compliance system for the Code of Conduct is regularly audited by an auditing company.

Cover of the 12th Edition (Latest Version)



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(2) Shareholders and Investors
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14. Financial Controls and Records

15. Prohibition of Insider Trading

Komatsu's Worldwide Code of Business Conduct is available at:

› Komatsu's Worldwide Code of Business Conduct

Established	January 1, 1998
Last revised	April 1, 2024 (12th edition)
Languages	**18 languages** Japanese, English, Chinese, Spanish, Portuguese, German, Dutch, Italian, Polish, French, Swedish, Finnish, Indonesian, Thai, Russian, Tamil, Taiwanese, Korean

■ Five Principles of Compliance

The "Five Principles of Compliance" (the “Five Principles”) are the fundamental compliance actions that must be adhered to by all companies and employees within the Komatsu Group. These principles, summarized in short phrases, were established in 2006 and have been revised once since then.

To ensure employees are reminded of and follow the “Five Principles” daily, posters are displayed in the workplace.

2. Implement the Code

■ Various training programs

Komatsu systematically implements hierarchical training programs across various levels of officials and employees. These programs are conducted as needed within domestic affiliated companies, overseas subsidiaries, construction equipment DB and forklift dealers, as well as partner companies.

Scene from an educational training session

	Educational targets
Komatsu group (Overseas and Japan)	All employees
Komatsu and domestic affiliated companies	Executive officers
	Employees at all hierarchical levels
	Employees scheduled for overseas assignments
	Factories and business headquarters
Overseas subsidiaries	Managerial level
Construction equipment DB and forklift dealers	For managers / all employees
Partner companies	For managers / leaders

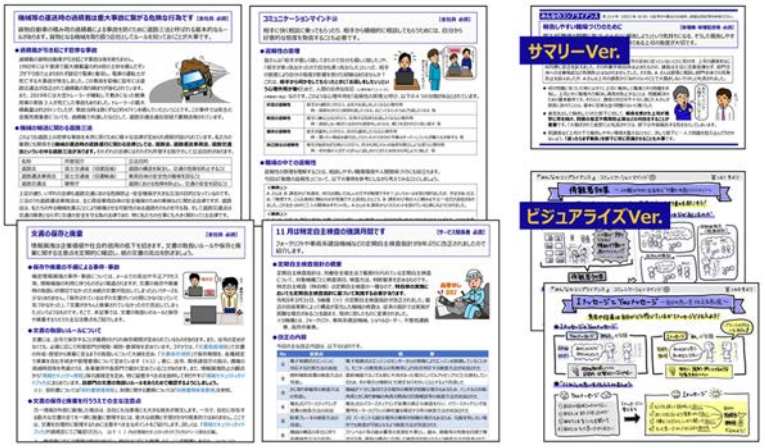
	Number of participants
Global training on the code of conduct (e-learning and group training)	Approx. 27,130 people
<Group training (overseas)> Individual training by request	Approx. 130 people (with instructors dispatched from Japan)
<Group training (in Japan)> ・Level-based training ・Individual training by request	 1,490 people 4,440 people

■ Compliance for Everyone

"Compliance for Everyone " is a monthly information magazine on compliance. Since it was first published in 2006, this magazine has kept being distributed to all Komatsu Group employees on the first working day of each month.

The magazine covers a wide range of topics beneficial to all employees, from legal matters to communication, manners, morals, and ways of thinking.

In addition to the regular edition, a summary edition highlighting key points for use in morning assemblies and meetings, and a visualized edition visualizing the content are published as well.



Compliance for Everyone

■ Compliance portal

The "Compliance Portal" is an intranet platform where Komatsu Group employees can access essential information about compliance. It includes details on the "Compliance Hotline" and the "Komatsu's Worldwide Code of Business Conduct," as well as educational materials and relevant regulations. This portal is used to share information and ensure that all Komatsu Group employees are well-informed about compliance matters.

Compliance portal top page

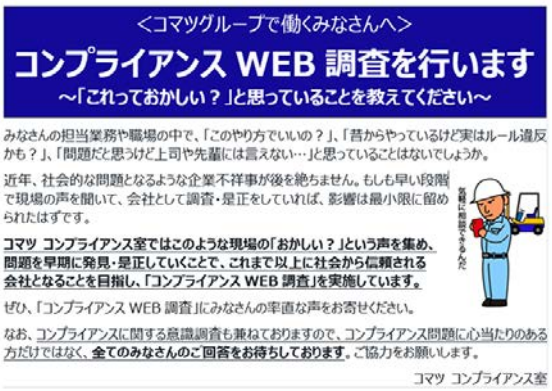
3. Understanding the actual situation

■ Visualization survey

The purpose of these measures is to facilitate the early detection, correction, and prevention of potential compliance issues within the workplace. This involves gathering information during regular operations to identify any actions that might violate laws, internal regulations, or business society rules.

【Workplace Compliance Interview】
The aim of these interviews is to provide opportunities for supervisors and subordinates to discuss and reflect on compliance issues. This is done through a formal interview format to ensure thorough communication and understanding.

【Web Survey】
These surveys, conducted in questionnaire format, target all employees of Komatsu and its group companies on a biennial and alternating basis. They also serve as compliance awareness surveys.



Web survey invitation flyer and questionnaire form screen

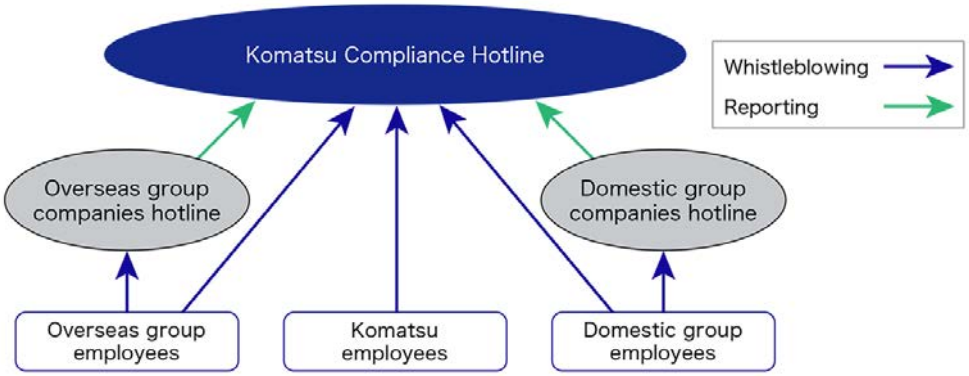
■ Compliance hotline (Internal reporting system)

To address inquiries and reports from group employees regarding rules of business conduct, we have established a Global Compliance Hotline at our headquarters as a point of contact. This aims to detect and correct issues at an early stage. The hotline includes both an internal contact managed by the Compliance Department and an external contact operated by an independent specialist organization. The Compliance Department investigates all reports, regardless of the contact point used, in cooperation with relevant departments. For particularly serious cases, investigations may be outsourced to external lawyers. Additionally, Komatsu Group companies have set up and operate regional compliance hotlines to ensure that all employees in each region can make inquiries or reports. The availability of the hotline is communicated through global training on “Komatsu’s Worldwide Code of Business Conduct.”

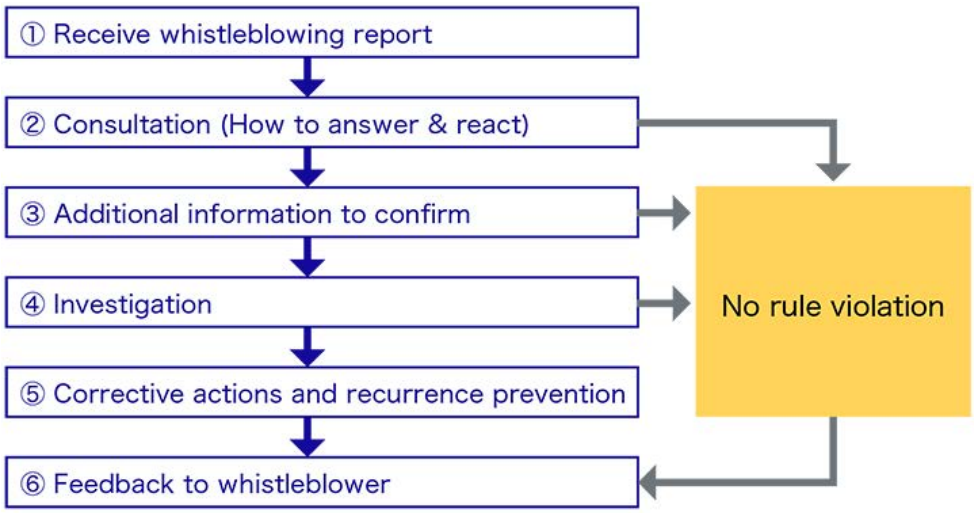
It is clearly stated in “Komatsu’s Worldwide Code of Business Conduct,” the “Five Principles of Compliance,” and each company’s employment regulations that employees who make legitimate reports will not suffer any disadvantage as a result of such reporting. This encourages active use of the system. Measures are also taken to protect the confidentiality of information related to reports by giving careful consideration to investigation procedures.

The system is available to all individuals regardless of employment type (full-time, temporary, dispatched, part-time, etc.). It is also accessible to business partners and to former employees within one year of leaving the company, if the report concerns Komatsu. Anonymous reports are also accepted.

Internal whistleblowing hotline



Whistleblowing process



■ Compliance risk audit

As part of our risk management activities, Komatsu has been conducting compliance risk audits (CR Audits) since FY 2008.

› For details, please refer to the link provided.

■ External consultation hotlines

We have established various external consultation hotlines. To maintain appropriate procurement activities within the Komatsu Group, “Supplier Consultation Hotline” is established to address and rectify issues reported by suppliers, particularly those concerning violations of the Subcontract Act. "Driver Consultation Hotline," is also established to specifically address transportation-related inquiries from drivers in response to the 2024 Logistics Issue. These hotlines aim to identify and resolve individual problems effectively.

4. Reacting to contingencies

If any issues arise, we take prompt corrective actions, investigate the root cause, and strive to prevent recurrence.

1. Number of compliance violations in FY 2024

Item		Scope	FY2024	Unit
Number of violations of Komatsu's Code of Business Conduct*1	Corruption or Briber	Global	0	case(s)
	Discrimination or Harassment	Global	3	
	Customer privacy data	Global	0	
	Conflict of interest	Global	0	
	Money laundering or Insider trading	Global	0	

*1 Compliance violations that involve legal violations, fines, or settlements.

2. Regarding anti-corruption

Number of employees who were dismissed because of conflict with Komatsu's anti-corruption policy (global)	FY 2024: Zero
Fines imposed on Komatsu related to corruption / amount of penalties (global)	FY 2024: Zero
Number of employee training sessions on anti-corruption prevention (in Japan)	FY 2024: 12 times Approx. 120 people (planned overseas assignment)
Establishment of internal reporting system related to corruption (global)	Prevention of corruption is specified in "Komatsu's Worldwide Code of Business Conduct" as a key priority issue. If there is any suspicion or concern involving corruption or the violation of business society rules, concerned parties are invited to use the Global Compliance Hotlines established at the Komatsu Head Office or within each region to report the problem.

Information security

Komatsu recognizes that threats to information security are becoming increasingly sophisticated and complex each year. To enhance the overall information security level of the Group, we have clarified our policies regarding the establishment of management frameworks, protection of information assets, strengthening of system security, monitoring of networks and systems, and training and education for employees, and we are implementing corresponding activities.

In FY2024, there were no incidents that had a significant impact on our business.

1. Management and promotion system

Komatsu operates a global CSIRT (Computer Security Incident Response Team) that covers Komatsu's operations worldwide to establish and maintain an organizational structure for information security, including the capability to respond to cyberattacks. The CSIRT is responsible for promoting preventive measures—such as threat intelligence gathering, implementation of technical countermeasures, and employee training—to reduce the likelihood of information security incidents. In the event of an incident, the CSIRT leads a swift response to minimize damage and restore systems as quickly as possible. Komatsu has also established Security Operation Centers (SOCs) in each global region to continuously monitor systems and networks.

Given that a prompt initial response is critical in mitigating the impact of cyberattacks, Komatsu has developed a structure for early detection and escalation. This includes a dedicated reporting channel for employees and a monitoring system operated by SOCs to detect signs of suspicious activity across global operations. These mechanisms enable the CSIRT to promptly receive alerts and lead a consistent and coordinated response—from initial containment and root cause analysis to the development of preventive measures to avoid recurrence. In the event of a major incident, the CSIRT immediately reports to the Risk Management Committee, which includes the President and members of the Board of Directors. This ensures that appropriate actions can be taken promptly based on senior management decisions.

Recognizing that cyberattacks pose a significant threat to business continuity, Komatsu has established incident response manuals and conducts regular cyber-BCP (Business Continuity Plan) drills to enhance its emergency readiness and ensure operational resilience.

To protect production operations, Komatsu has established Factory Security Incident Response Teams (FSIRTs) at each manufacturing site. FSIRTs are responsible for building response frameworks against cyber threats targeting factory networks and equipment, and for enhancing frontline capabilities through regular training. In the event of an incident at a production site, FSIRTs work closely with CSIRT to minimize impact and support a swift recovery of operations.

In response to the growing importance of product security, Komatsu promotes a "Secure by Design" approach by integrating security into product planning and design stages. The company also ensures proper management of vulnerability information and maintains response processes in the event vulnerabilities are identified, thereby securing products throughout the entire lifecycle.

These initiatives are reported regularly to the Risk Management Committee, and material issues are escalated to the Board of Directors. Through this governance framework, Komatsu ensures appropriate oversight and management of information security across the Group.

2. Protection of information assets

To appropriately protect the company's information assets, including personal and confidential information, Komatsu classifies and ranks information based on its importance, implements security measures such as access restrictions for storage locations and data encryption, and manages this information appropriately.

Komatsu recognizes that the proper protection of personal information—including that of customers, business partners, and employees—is essential for conducting business. We have established and comply with our "Global Privacy Policy" and ensure proper handling through e-learning programs and internal audits. We also work to protect personal information overseas in line with legal and societal requirements in each country and region, such as compliance with the General Data Protection Regulation (GDPR) in Europe.

3. System countermeasures

To prevent information leaks caused by cyber threats such as unauthorized access and computer virus infections, Komatsu implements system measures based on a multilayered defense (Defense in Depth) approach. In particular, for access from outside the company—including telework—we have introduced access control mechanisms that combine multi-factor authentication (MFA) and device authentication. This ensures that users are not only personally verified but are also restricted to using only devices authorized for business use, thereby reducing the risk of unauthorized access.
To enhance early detection of cyber risks and strengthen response capabilities, Komatsu is undertaking the following ongoing initiatives:
First, with regard to vulnerability assessments, monthly evaluations are conducted on internet-facing servers and critical internal systems. These assessments include automated scanning, and the results are visualized and centrally managed using a control ledger. Identified vulnerabilities are addressed by the responsible system departments based on their priority.
Second, penetration testing is performed once or twice a year by external specialized vendors. The testing specifications and scope are reviewed as needed to support continuous improvement.
Through these initiatives, Komatsu is enhancing its capabilities to detect early signs of cyberattacks and to conduct appropriate analysis and response.

4. Education and training

At Komatsu, appropriate handling of information is clearly defined as a standard of conduct to be followed by all employees, who are expected to actively engage in the proper protection and management of information. Recognizing that information security requires not only organizational and system-level measures but also individual responsibility, Komatsu promotes adherence to fundamental practices and continuous improvement of employee knowledge. In the event of a security incident, employees are required to promptly report to the CSIRT. To ensure that these principles and behaviors are well understood and practiced, Komatsu provides regular e-learning programs for all employees. In addition, targeted email attack simulations are conducted several times a year to strengthen awareness and preparedness.

These e-learning programs and training exercises are conducted not only in Japan but also at overseas subsidiaries, as part of Komatsu's efforts to strengthen information security across its global operations.

5. Information security audits

By conducting audits related to information security, Komatsu is working to enhance the overall information security level across the Komatsu Group. These audits are carried out by Komatsu employees with specialized expertise, who also provide advice to increase their effectiveness. By serving as independent third parties with no direct interest, the audits maintain independence and fairness.

6. Efforts to improve information security across the supply chain

Komatsu requests that not only our company and group companies but also dealers and partner companies that share our business secrets manage information security in line with our policies. We also provide ongoing and effective support. We recommend periodic checks and interviews using checklists and the use of designated information security materials to our dealers and partner companies regarding system measures and proper information management methods. Through these activities, we share the necessity of proper information system management for handling business secrets and ensuring stable business continuity with all stakeholders, aiming to reduce risks.

With the planet

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Our concept of environmental activities and promotion system

We, at the Komatsu Group clearly defines the basic policies of environmental conservation, which will be the guidelines of business activities, when engaging in business activities while working to realize a sustainable society, and promotes environmental conservation activities.

Komatsu Earth and Environment Policy (June 2022 revision)

Corporate Principles

1. Contributions to Realization of a Sustainable Society

Humankind must not only promote the further development of a prosperous and comfortable society but also pass down our planet earth and its indispensable environment to future generations in a sound and healthy condition.
We at the Komatsu Group define environmental conservation efforts as one of the highest priority management tasks, and endeavor to contribute to the sustainable growth of society by integrating advanced technologies into environmental conservation efforts in all our business activities. We also aim to achieve carbon neutrality with net zero CO_2 emissions by 2050, and contribute to sustainable development through efforts to reduce CO_2 emissions from products and in our manufacturing, and to establish a recycling-oriented society.

2. Simultaneous Realization of Environmental and Economic Performance

As a group of companies working to improve our manufacturing for the satisfaction of our customers, we at the Komatsu Group are committed to improving both our environmental performance and economic efficiency. To this end, we are constantly engaged in technology innovation to provide economical products, services and solutions through improving fuel efficiency at our customers' workplaces and strengthening their cyclical businesses, while striving to minimize the environmental impacts related to the entire lifecycle of products from production to disposal.

3. Observance of Corporate Social Responsibility

We at the Komatsu Group promote environmental conservation by not only complying with the applicable laws and regulations of our host communities, regions and countries but also by establishing our own voluntary standards addressing global and local environmental concerns. Each company of the Group also strives to fulfill our collective corporate social responsibility and create value toward a sustainable planet and future through participating in environmental conservation activities in each region, disclosing environment-related information to society, and maintaining close communications with our stakeholders.

Guidelines for Corporate Activity

1. Initiatives for the Earth and Environment

We at the Komatsu Group contribute to sustainable development and climate change mitigation and adaptation through the following initiatives.

1)Response to Climate Change

We will reduce the amount of energy used and greenhouse gas emissions generated across the entire lifecycle of our business. We do not limit ourselves to cutting emissions from our bases and from the use of our products. Rather, we broaden the target to include customer workplaces in their entirety.

2)Establishment of a Recycling-oriented Society

Through our business processes, we work to minimize the use of natural resources such as materials and water, promote their reuse, or recycle them as much as possible. At the same time, we ensure the comprehensive reduction of waste in all business areas. We also contribute to the establishment of a recycling-oriented society by strengthening our forestry machinery business, which supports a sustainable forest management cycle of planting, cultivating and harvesting, as well as our remanufacturing (Reman) operations, which involve the refurbishment and reuse of components.

3)Conservation of Air, Water and Other Natural Systems as well as Management of Chemical Substances

We comply with not only local laws and regulations but also with our own established standards concerning the conservation of water quality and the prevention of air pollution, noise and vibrations.
As much as possible, we also ensure the comprehensive management of chemical substances used in our business activities, while continuously working to reduce the use of potentially harmful chemical substances or replace them with alternatives for the discontinuation of their use.

4)Response to Biodiversity

We recognize biodiversity as an important environmental issue, evaluate, understand and analyze impacts on it in all our business areas, and work on our tasks according to the criteria of highest impact and/or most effective actions.

2. Framework of Global, Group-wide Environmental Management System

Komatsu and major companies of the Komatsu Group will establish an Environmental Management System, and will work to maintain and improve environmental activities. Other group companies and suppliers will also work to establish environmental management systems that help to maintain and improve environmental activities.
Each company or business unit of the Komatsu Group will set its own mid- and long-term targets in accordance with the mid- and long-term targets set based on the Komatsu strategic growth plan, and will develop and implement specific activity plans. Top management will regularly review targets, activity plans and status, and work on continuous improvement.

3. Environmental Education and Communication

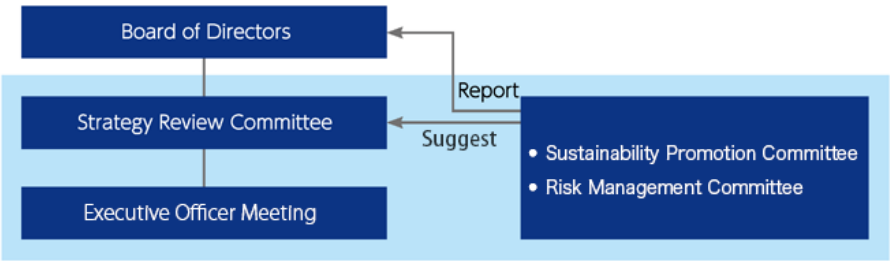
We at the Komatsu Group believe that it is important to enhance the environmental awareness of each employee. To this end, we will actively promote environmental awareness and education programs among all employees.
We will gather environment-related information from each company or business unit of the Komatsu Group, and strive to disclose information concerning all business activities. We will also facilitate proactive dialogues with all our stakeholders, such as customers, employees, local communities and suppliers, thereby further improving the content of our environmental communication.

* This policy has been approved by the Sustainability Promotion Committee, chaired by the president.

Organizational chart of the environmental management structure

Among our important business challenges, the Komatsu Group includes climate change in the objectives of our business strategies.
The Sustainability Promotion Committee and the Risk Management Committee all discuss climate change and provide advice to the Strategy Review Committee and reports to the Board of Directors, who establish a system that realizes appropriate supervision.
In addition, the Executive Officer Meeting controls progress in the achievement of the objectives.

System for reporting and reviewing environment-related issues, including climate change



Main themes regarding the environment, including climate change

Body	Chairperson	Major discussion items related to climate change
Board of Directors	Chairman of the Board	▪ Discussions regarding goal of achieving carbon neutrality by 2050 ▪ Establishment of Sustainability Policy ▪ Formulation of new strategic growth plan ▪ Report from the Sustainability Promotion Committee ▪ Reports from research, development, and product planning divisions and the Chief Technology Officer ▪ Reports from production and procurement divisions ▪ Strategic Growth plan progress report
Strategy Review Committee	President	▪ Low-carbon product development strategies ▪ Mining business growth strategies ▪ Forestry machinery business growth strategies ▪ Smart Construction growth strategies ▪ Growth strategies for major production bases ▪ Report from the Sustainability Promotion Committee ▪ Reports from the Risk Management Committee
The Executive Officer Meeting	President	▪ Progress in product development (including climate change-related KPIs)

Body	Chairperson	Major discussion items related to climate change
Sustainability Promotion Committee	President	▪ Initiatives for addressing ESG issues ▪ CSR activity reports ▪ Deliberations and reports regarding important environmental matters and key performance indicators (KPIs) ▪ Revision of environmental policies
Risk Management Committee	Executive officer supervising general affairs	▪ Report on responses to natural disaster risks

Mid- to long-term targets and progress

Komatsu has launched its new medium-term management plan starting in FY2025. Under this plan, the company has set KPIs for addressing social challenges and indicated its aim to achieve sustainable growth through a positive cycle of solving social issues and enhancing profitability through growth strategies.
By 2030, Komatsu aims to reduce CO_2 emissions from product use and production activities by 50%.
The 2030 targets, including other indicators, are as follows:

Mid- and long-term targets

Area	Application	Object	Index	Base Year	2030 Targets	FY2024 Achievements and Progress
Products	Construction Equipment Mining Equipment Forest machines etc.	CO_2	Fuel consumption reduction	2010	50% reduction*1	23% reduction
Production	Domestic and overseas production bases	CO_2	Improvement rate of Intensity	2010	50% reduction (Index 50)	55% reduction (Index 45)
		Electricity	Ratio of renewable energy in total electricity usage	-	50%	31%
		Water	Improvement rate of Intensity	2010	2030 target: 70% reduction (Index 30)	72% reduction (Index 28)
		Waste	Improvement rate of Intensity	2010	40% reduction (Index 60)	58% reduction (Index 42)
Logistics	Japan	CO_2	Improvement rate of Intensity	2006	23% reduction (Index 77)	19% reduction (Index 81)*2
External evaluation	-	-	External evaluation	-	CDP A List (Climate, Water) DJSI World	CDP Climate：A Water：A DJSI World: Selected

*1 ：The CO_2 target was changed to emissions.

*2 ：For progress (results), the conventional emission factor was used in FY2024.

Acquiring ISO14001

Komatsu has implemented a Group-wide initiative to acquire ISO14001 certification, an international standard for environmental management systems. The objective is to enhance management quality by strengthening systematic steps towards environmental conservation.

《Komatsu ISO Certification Status》 *Except KMC	
From 1997	Production sites in Japan and other countries began to acquire certifications individually.
2008	The Komatsu Group in Japan acquires integrated certification.
2015	Main production sites in overseas countries achieve 100% certification.
From 2018	Sales and service divisions are added to integrated certification in Japan. 2018: Komatsu Customer Support Japan Ltd. 2019: Four bases (Nagoya, Osaka, Hiroshima, Fukuoka) of Komatsu Industries Corp. 2022:One base（Kantou）of Komatsu Industries Corp.

* The ISO 14001 certification coverage rate across our production sites is 93%, with the remaining 7% covered by internal audits conducted by specialists. This figure was derived by calculating the ratio of certified employees to our total headcount.

ISO14001:2015 Domestic Integrated Certification

Certificate JP97/009833
The management system of
Komatsu Ltd.
Head Office Shiodome Building, 1-2-20, Kaigan, Minato-ku, Tokyo Japan
has been assessed and certified as meeting the requirements of
ISO 14001:2015
For the following activities
Research, development, design, manufacturing, logistics, marketing and product support of construction and mining equipment, industrial machinery, special specification's equipment, machine tools, engines, hydraulic equipment, casting products, forklifts, excimer lasers, and electronic equipment for construction and mining equipment
This certificate is valid from 19 May 2024 until 19 May 2027 and remains valid subject to satisfactory surveillance audits.
Issue 22: Certified since 19 May 1997
Certified activities performed by additional sites are listed on subsequent pages.
Authorised by
Jonathan Hall
Global Head - Certification Services
SGS United Kingdom Ltd
Rosemore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 350-6666 - www.sgs.com
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Scope of the integrated certification in Japan

- Scope of the Integrated Certification in Japan (208KB)

Global operations list of certified sites

- Global Operations List of certified sites（125KB）

Environmental policies of plants in Japan

- Awazu Plant (404KB)
- Kanazawa Plant (368KB)
- Osaka Plant (260KB)
- Oyama Plant (932KB)
- Ibaraki Plant (160KB)
- Koriyama Plant (260KB)
- Himi Plant (212KB)
- Shiga Plant (216KB)
- Hiratsuka district (188KB)
- Techno Center (464KB)
- Test Engineering Center (2MB)

Relationship between business activities and the environment

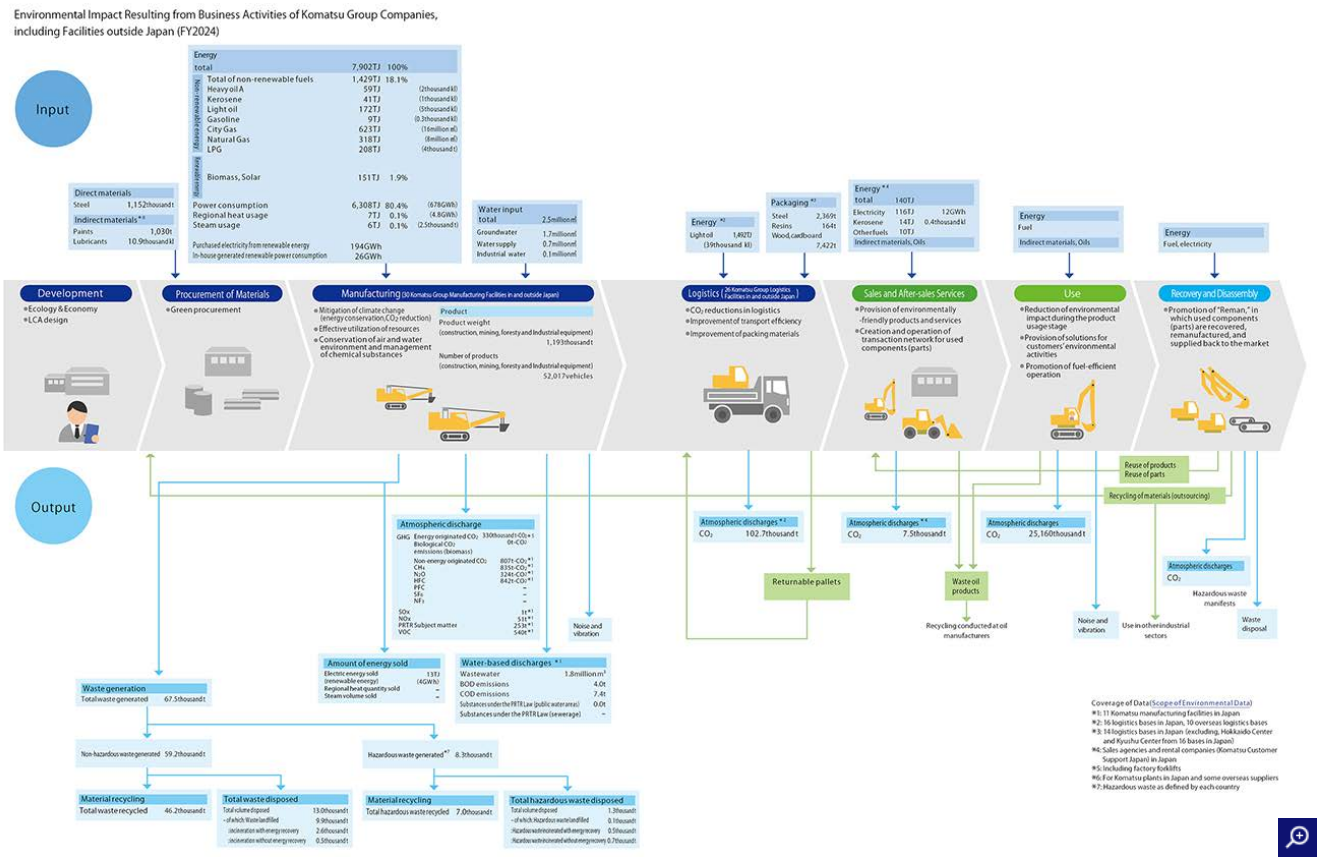
Inputs and outputs in the product life cycle

The Komatsu Group procures various parts and materials and, through the manufacturing process, utilizes the earth's resources, including raw materials, water, energy, and chemical substances, among others, to provide products to customers. Such business activities have the potential to impact the environment at each stage in the process.

The Komatsu Group will continue to provide high value-added products and services while assessing the environmental impacts resulting from its business activities, formulating medium- and long-term objectives, and introducing measures to reduce such impacts.

Environmental Impact Resulting from Business Activities of Komatsu Group Companies, including Facilities outside Japan (FY2024)

Independent Practitioner's Assurance

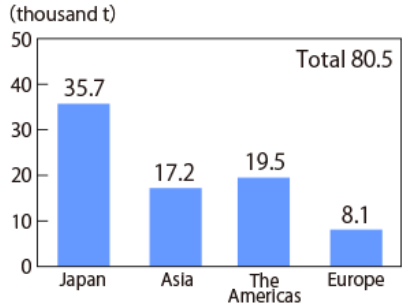


Environmental Impact Resulting from Business Activities of Komatsu Group Companies, including Facilities outside Japan (FY2024)(520KB)

Environmental impact indicators by region

Scope1 : CO_2 emitted directly by manufacturing facilities

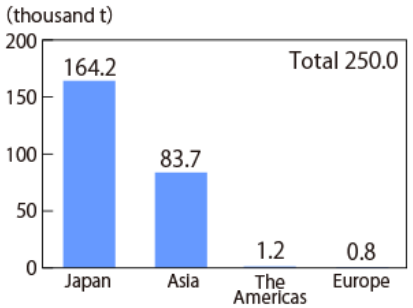
Independent Practitioner's Assurance ☑



(by using generators, boilers, etc.)

Scope2: CO_2 emitted indirectly by manufacturing facilities

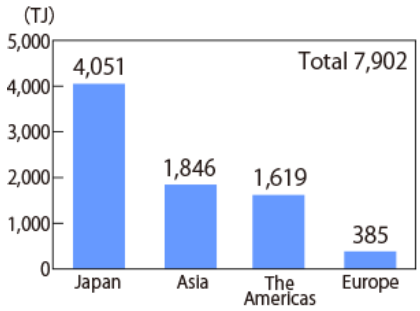
Independent Practitioner's Assurance ☑



(by purchasing electricity, steam and hot water)

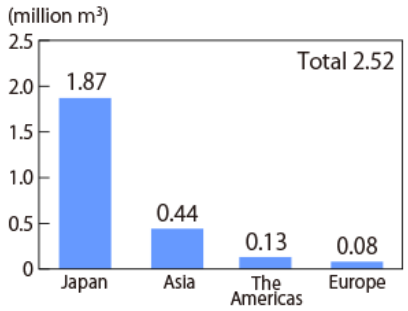
Energy

Independent Practitioner's Assurance ☑



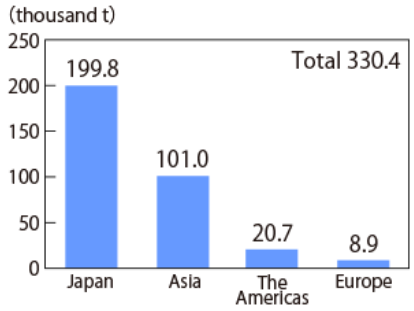
Water Input

Independent Practitioner's Assurance ☑



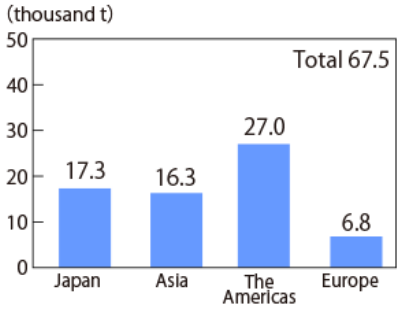
Energy related CO_2（Scope1 and Scope2)

Independent Practitioner's Assurance ☑



Waste generation

Independent Practitioner's Assurance ☑



Climate change

Mitigating climate change through products and service

Reducing CO_2 emissions from construction equipment

The main bulk of CO_2 emissions produced throughout the lifecycle of our construction equipment is centered on product operation, during which approximately 80 to 90% of emissions are produced. We have acknowledged this fact, and are working to reduce these operational emissions through three different initiatives: “DANTOTSU Products”, “DANTOTSU Service”, and “DANTOTSU Solutions”.

Step1: reduction of CO_2 emissions through Products

We provide products with excellent fuel efficiency and electrification technologies that contribute to reducing CO_2 emissions from our machines.

As of April 2025, eight models of our battery-powered and cable-powered electric hydraulic excavators have been certified under the “GX Construction Machinery Certification System”, which was launched by Japan’s Ministry of Land, Infrastructure, Transport and Tourism to promote decarbonization at construction sites through the adoption of electric construction equipment.

In addition, as of April 2025, 25 models of construction equipments with excellent fuel efficiency —including the bulldozer D71PX-24, the hydraulic excavator PC200i-12, and the wheel loader WA150-8—have been certified as “Construction Machines Fulfilling Fuel Economy Standards” by the Ministry, recognizing their outstanding fuel performance.

PC30E-6

Step2: reduction of CO_2 emission by products through Service (Komtrax)

The Komatsu Tracking System “Komtrax” is a system developed by Komatsu that automatically gathers the operational information/health information of our construction vehicles that operate all over the world, making it possible to then monitor/manage/analyze the vehicles remotely. Information with regards to operation times, fuel consumption, and other such relevant data is communicated to our customers via the internet, which is then analyzed to create opportunities for improvement. This enhanced operational efficiency helps to reduce fuel consumption, which results in a reduction in overall CO_2 emissions.

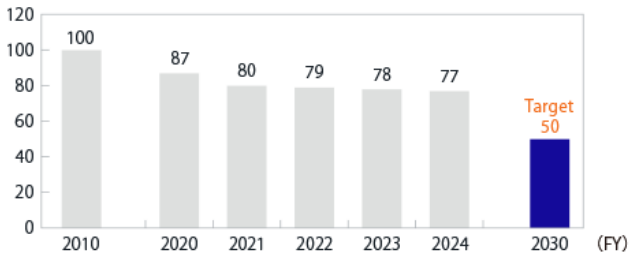
Step3: reduction of CO_2 emissions for overall construction work through Solutions (providing solutions with Smart Construction)

In 2013, Komatsu introduced the world's first automatic blade control ICT bulldozer, D61PXi-23, to the North American, European, and Japanese markets. Following this, in 2014, Komatsu developed and released a hydraulic excavator with semiautomatic control functions (PC210LCi-10 for North America and Europe, and PC200i-10 for Japan). Preliminary calculations based on in-house testing were promising, with construction data for ICT hydraulic excavators showing that fore-slope shaping work using the PC200i-10 resulted in an approximate reduction of 30% in fuel consumption. In addition, the same testing showed that ICT bulldozers (like the D61DXi-23) used in land preparation work resulted in an approximate reduction of 25% in fuel consumption. Our testing with hydraulic excavators also showcased a significant decrease in CO_2 emissions.
To consolidate our efforts in this sector, Komatsu is implementing "Smart Construction", a system that uses ICT-type construction machines alongside drones and 3D scanners to take real-time topography measurements. This initiative helps showcase the efficiency of our machines by recording progress in construction sites and other relevant performance indicators.

Reducing CO_2 emissions from product operation

Komatsu has set the target of reducing the CO_2 emissions from the operation of products (such as construction, mine, and forestry equipment) by 50% by FY2030 (compared to FY2010).
To evaluate progress toward this goal, we compared the performance of the current year's products to the products of the base year (FY2010) and estimated CO_2 reductions through the improvement of fuel consumption and work efficiency. The products of FY2024 achieved a CO_2 reduction of 23%, compared to the base year.

CO_2 emission index for product operations Independent Practitioner's Assurance



Accelerating the electrification of on-site operations towards achieving carbon neutrality

Komatsu and Honda jointly developed the electric micro excavator "PC01E-2"

This model is a next-generation version of the electric micro excavator "PC01E-1" (hereinafter referred to as the "previous model"), which was introduced to the domestic market as a rental unit in March 2022. Like the PC05E-1, which was launched in October 2023, this model is equipped with a removable portable battery "Honda Mobile Power Pack e:" (*1) and an electric power unit "eGX" (*2) as its power source.

Since the introduction of the previous model, it has been well received for its quiet operation, zero emissions, and the convenience of requiring only battery replacement instead of fuel refills. Additionally, it offers comparable excavation performance to the engine-powered model "PC01-1". For this model change, we specifically incorporated requests for slimming down the rear section. The number of batteries has been reduced from two to one and positioned in the center of the vehicle (midship layout). As a result, the overall length is about 20 cm more compact than the previous model, while achieving greater stability than the engine-powered "PC01-1", further enhancing usability. This model has already been certified under the Ministry of Land, Infrastructure, Transport and Tourism's GX Construction Machinery Certification System (*3), making it the 8th certified model from Komatsu. Komatsu will continue to work on developing products and solutions that meet customers' needs for reducing environmental impact.

*1 Honda Mobile Power Pack e: A detachable portable battery developed by Honda.

*2 Electric Power Unit "eGX": A power source developed by Honda that includes an electric motor, control unit, and inverter.

*3 GX Construction Machinery Certification System: A system designed to promote the widespread use of GX construction machinery to contribute to carbon neutrality, reduce CO_2 emissions in construction activities, and contribute to global environmental conservation.

PC01E-2 Front view

PC01E-2 Rear view

Reducing CO_2 emissions in manufacturing operations

As part of our efforts to address climate change, Komatsu promotes activities to reduce CO_2 emissions per unit of internal manufacturing value, using this as a key indicator, for all energy used in research, development, and production at our global locations, including electricity, gas, and oil.

In FY2024, energy-saving improvements focused on high-load plants in Japan and overseas (such as those for casting, forging, heat treatment, and machining), the expansion of solar and biomass power facilities, and increased purchases of green electricity overseas have significantly reduced our CO_2 emissions per unit. Additionally, the proportion of renewable energy used in our electricity increased to 31%.

Since FY2021, Komatsu has set an internal carbon pricing (ICP)* of USD 300 per ton of CO_2 and has applied it to decision-making for energy-saving and renewable energy investments related to Scope 1 and Scope 2, thereby promoting environmental improvement investments.

* The basis and calculation method for the price were considered in accordance with the "Guideline for Utilizing Internal Carbon Pricing" (Ministry of the Environment, March 2020). Among the four pricing approaches described in the guideline, the price was determined based on "internal discussions aimed at promoting decarbonization investments."

Item	FY2023	FY2024	Target of FY2030
CO_2 emissions basic unit (compared to FY2010)	49	45	50
The rate of renewable energy use	25%	31%	50%

Major achievements in FY2024

Japan

- Improved productivity and energy efficiency of utility facilities
- Expansion of photovoltaic facilities and biomass power generation

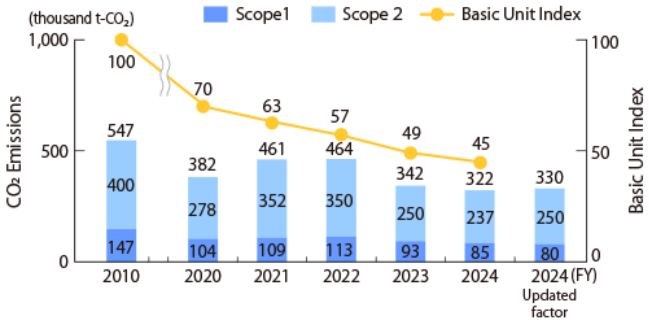
Overseas

- Improved power factor of electric power facilities and forging methods
- Expansion of photovoltaic facilities and green electricity purchases

CO_2 emissions, energy indicators in production activities

Energy related CO_2 emissions

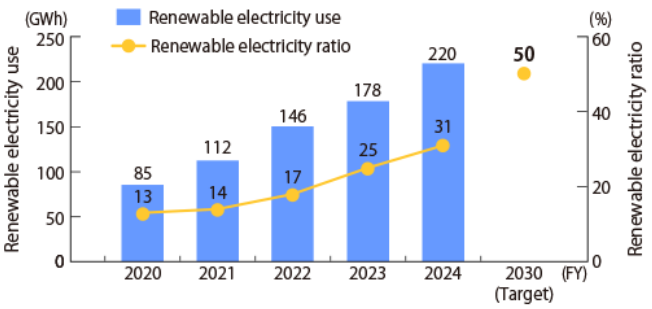
Independent Practitioner's Assurance



* To allow comparison with the 2010 base year, index values from 2010 to 2024 were calculated using 2010 as the fixed base. The 2024 value (with new indexing) was calculated in accordance with the Calculation methodology for key environmental data.

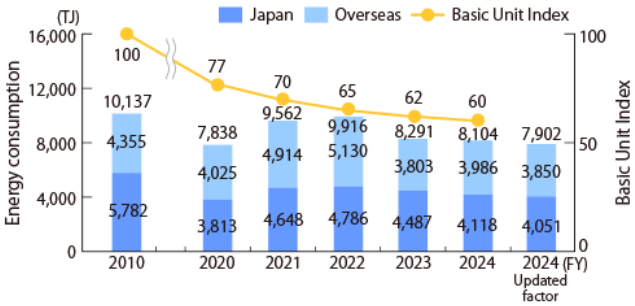
The amount and ratio of renewable electricity

Independent Practitioner's Assurance



Energy consumption

Independent Practitioner's Assurance



* To allow comparison with the 2010 base year, index values from 2010 to 2024 were calculated using 2010 as the fixed base. The 2024 value (with new indexing) was calculated in accordance with the Calculation methodology for key environmental data.

Significant CO_2 Reduction by Hydraulic Hammer Conversion

PT Komatsu Undercarriage Indonesia (KUI), which manufactures and sells crawler components and parts for construction and mining equipment, is Komatsu's third-largest CO_2-emitting plant. The highest emissions come from the forging plant, making up 85% of KUI's total emissions, and 23% of the forging plant's emissions come from air compressor use.

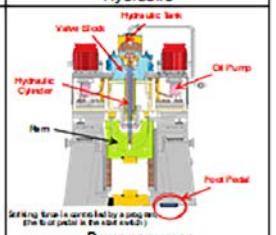
Forging is an energy-intensive process, especially when using conventional pneumatic hammers that require large amounts of compressed air and electricity. These systems are less efficient because of significant energy loss during air compression and distribution.

Since FY2018, KUI has been working to reduce CO_2 emissions, especially in the forging process, by replacing pneumatic (air drop) forging hammers with energy-efficient hydraulic forging hammers. Hydraulic hammers offer higher operational efficiency and significantly reduce unnecessary energy consumption. KUI initiated a project to replace several pneumatic forging hammers with hydraulic forging hammers.

Through this improvement:

- In FY2021, the 3T pneumatic hammer was converted to a 63kJ hydraulic hammer, achieving a CO_2 emission reduction of about 400 tons per year.
- In FY2023, the 3.2T hammer was upgraded to an 80kJ hydraulic hammer, achieving an estimated CO_2 emission reduction of about 400 tons per year.
- Further ongoing conversion projects in FY2025, such as upgrading the 6T hammer to a 160kJ hydraulic system, which are expected to have a significant CO_2 reduction effect annually after completion.

Overall, the hammer conversion plan is expected to reduce KUI's forging plant emissions by 5 kT CO_2 by FY2029, contributing significantly to KUI's carbon neutrality targets. By continuously upgrading to more efficient equipment, KUI demonstrates a strong commitment to environmental sustainability while maintaining production performance.

	Previous Method	New Method
Method	Pneumatic	Hydraulic
Visualization	Power source: Compressed air	 Power source: High pressure Oil
Power (kW)	225	180

Reduction CO_2 emissions in logistics

CO_2 emissions reduction conditions in global transport

(Basic unit of CO_2 emissions per cargo weight)

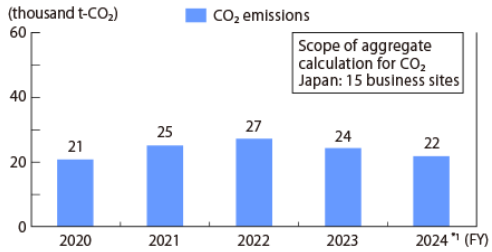
Komatsu is promoting modal shift to use coastal vessels and railways in domestic transportation while enhancing transportation efficiency by improving the loading ratio. Additionally, to shorten transportation distances to ports for export products, we actively use Kanazawa and Hitachinaka ports, which are located near our manufacturing sites.

In FY2024, modal shift improvements progressed particularly well in Japan, and CO_2 emissions from domestic transportation totaled 21.7 thousand t-CO_2. As a result, the Intensity per ton-kilometer was reduced by 1 point compared to the previous year. On the other hand, in overseas operations, a decline in production volume led to a total of 30.1 thousand t-CO_2 emissions from transportation, with the Intensity per cargo weight deteriorating by 1 point from the previous year.

Komatsu will continue working to improve transport efficiency both domestically and globally, and remain committed to reducing CO_2 emissions associated with logistics.

CO_2 emissions in transport Japan

Independent Practitioner's Assurance

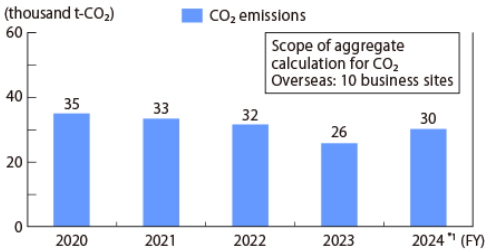


*1 : The CO_2 emission factor was revised based on actual values for FY2024.

*2 : Graph excluding procurement logistics.

CO_2 emissions in transport Overseas

Independent Practitioner's Assurance



*1 : The CO_2 emission factor was revised based on actual values for FY2024.

*2 : Graph excluding procurement logistics.

Komatsu introduces AutoStore technology at its parts center

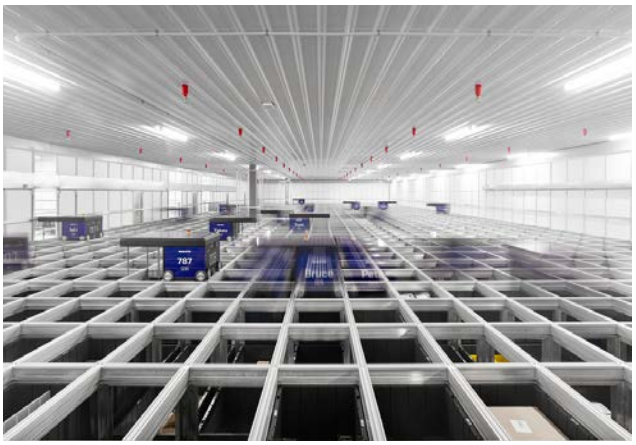
AutoStore is the latest initiative by Komatsu Australia Pty.Ltd (KAL) and has been implemented at the Melbourne Fulfillment Center (FC) in Victoria, Australia. This technology automates the entire distribution process by using robots to automatically store and retrieve parts.

By having robots deliver items directly to the picking stations instead of pickers spending considerable time searching for products and walking, the overall picking time is significantly reduced.

Each robot is highly efficient, consuming only 0.1 kilowatts (kW) of power per hour. Six robots consume about the same amount of energy as one toaster.
* The six robots have been named Wombat, Bruce, Pete, Takeu, Yuse, and Ishi. For example, if this solution operates 12 hours per week over 52 weeks annually, the total annual electricity consumption would be 3,744 kilowatt-hours (kWh), which corresponds to less than 10 kWh per day.

This compact and space-saving system has further improved efficiency, enabling the consolidation of all construction spare parts storage into a single facility.

Entire facility



AutoStore

For the creation of a recycling-based society

Development of our “Reman” remanufacturing business

Global Reman business operating at 45 sites in 16 countries

"Reman" is short for "Remanufacturing," meaning regeneration.
This business involves collecting components from construction and mining equipment that have been in operation for extended periods. These components are then remanufactured at Reman plants to restore them to a like-new condition and are provided to customers in line with overhaul timing (disassembly, inspection, and repair). Mining equipment, which is the primary focus of the Reman business, is typically used for 10 to 15 years, and multiple overhauls—including 2 to 3 component replacements—are essential throughout its lifecycle (total operating hours).
Reman products offer the same level of quality as new components, but at a lower cost. Komatsu's Reman business continues to grow as a resource-circulating business that contributes to environmental conservation while also helping customers reduce their lifecycle costs.

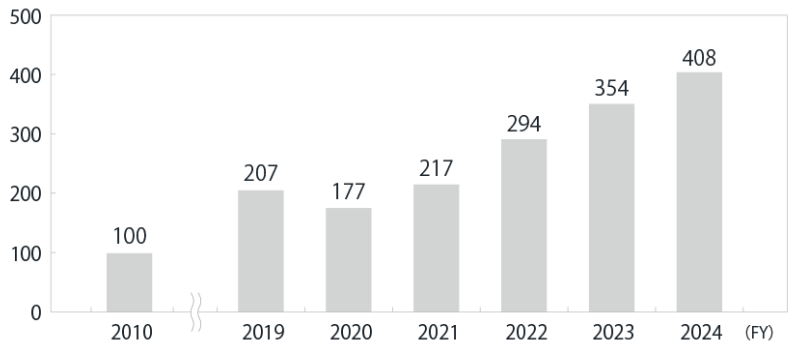
The Reman business model leverages Komatsu’s strength in developing and manufacturing key components such as engines, transmissions, and motors in-house. This enables components to be remanufactured according to the original design and production specifications, resulting in Reman products that are competitive in terms of quality, lead time, and cost. In addition, information such as component durability obtained during disassembly is fed back to the development division to support product development, quality improvement, and enhanced serviceability.

A 4-win business for customers, the global environment, distributors, and Komatsu

The Reman business creates value not only for customers, but also for the global environment, distributors, and Komatsu.

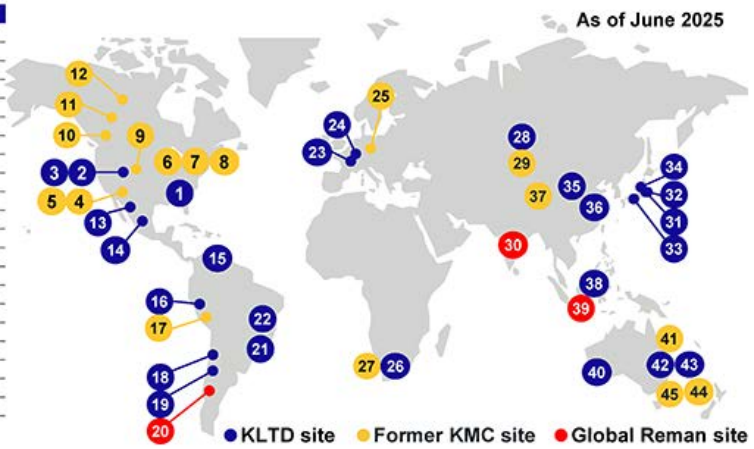
1. Customers: By choosing Reman products, customers can reduce the lifecycle costs of their machines. Minimizing machine downtime also contributes to improved productivity.
2. The Global Environment: By reusing collected components instead of discarding them, it is estimated that approximately 47,355 tons of CO_2 emissions were avoided in FY2024 compared to producing new components.
3. Distributors: Promoting Reman as a key feature can help expand new machine sales, improve profitability, and strengthen customer relationships.
4. Komatsu: Supporting customer problem-solving and maximizing customer value leads to continued customer choice of Komatsu. In addition to being highly profitable, the Reman business also contributes to product quality improvement through data obtained from collected components, which is used in new product development.

Changes in Reman sales (base FY 2010 = 100)



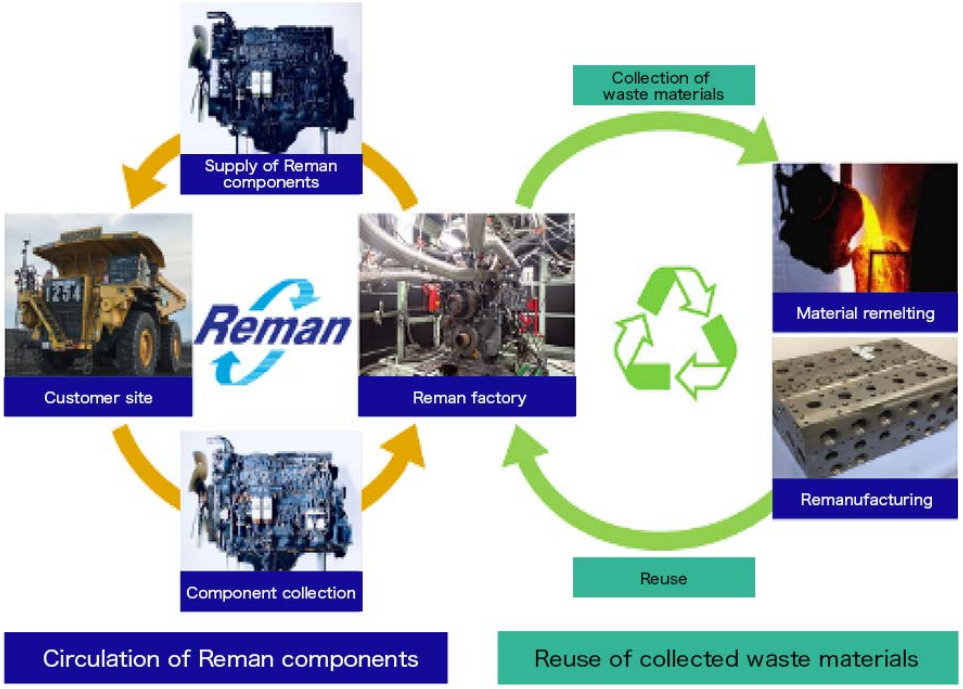
Reman factories and centers map

Country	No.	Location
USA	1	Chattanooga
	2	Salt Lake City
	3	Elko
	4	Gillette
	5	Mesa
	6	Homer City
	7	Lebanon
	8	Duffield
	9	Wellington
Canada	10	Sparwood
	11	Edmonton
	12	Fort McMurrey
Mexico	13	Cananea
	14	Monterrey
Colombia	15	Barranquilla
Peru	16	Lima
	17	La Joya
Chile	18	Iquique
	19	La Negra
	20	Santiago
Brazil	21	Suzano
	22	Belo Horizonte



Country	No.	Location
Germany	23	Hannover
	24	Dusseldorf
Poland	25	Tychy
South Africa	26	Johannesburg
	27	Wadeville
Russia	28	Kuzbass
	29	Novokznetsk
India	30	Chennai
Japan	31	Oyama
	32	Koriyama
	33	Yamaguchi
	34	Awazu
China	35	Shanxi
	36	Shandong
	37	Baotou
Indonesia	38	Balikpapan
	39	Jakarta
Australia	40	Perth
	41	Rockhampton
	42	Wacol
	43	Hemmant
	44	Hunter Valley
	45	Moss Vale

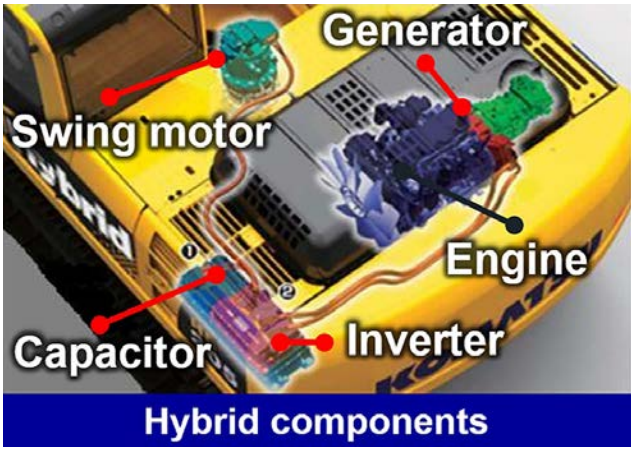
CO_2 reduction through Reman processes and business operations



Driving further growth through next-generation remanufactured products

Komatsu has been working to reduce CO_2 emissions from its products by developing highly fuel-efficient equipment such as hybrid hydraulic excavators and diesel-electric vehicles. Along with the increase in the number of these units in operation, Komatsu started remanufacturing key components (capacitors and inverters) for hybrid hydraulic excavators in November 2023 as part of its remanufacturing business. This initiative now enables remanufacturing support for almost all key components developed and produced by Komatsu, including some products deployed only in limited regions.

Looking ahead, in line with the electrification of construction machinery to achieve carbon neutrality, Komatsu is also expanding its remanufacturing menu to cover batteries and other related components. Through collaboration with various partners, Komatsu aims to accumulate technological expertise and explore new opportunities in the remanufacturing business.



Hybrid components

Hybrid construction machinery

Effective use of critical materials in products

Komatsu is working on the conservation and effective use of limited resources by reusing critical materials used in products, etc.
An increasing number of diesel engines, which are used in construction machines, are now equipped with exhaust gas processing devices to reduce the density of NOx (nitrogen oxide) and PM (particulate matter) in exhaust gases. The exhaust gas processing devices use noble metals as a catalyst to reduce the density of NOx and PM. To effectively use these resources, Oyama Plant in Japan, for example, collects the exhaust gas processing devices of construction machines that have been replaced and recycles the noble metals in them. They are also recycling other critical materials to make them reusable, ensuring their effective use and aiming to reduce the consumption of new critical materials.

Activities to effectively utilize resources (waste)

Komatsu promotes initiatives to reduce waste emissions while also advancing “zero emission” activities aimed at recycling and effectively utilizing the waste we generate.
At our domestic production sites, we are working on converting waste plastics into valuable resources, reducing wood waste by improving transport packaging, and reusing packaging materials. Overseas, we are also actively promoting recycling by separating waste. In FY2024, we promoted the effective use of sand used in casting processes and worked to reduce plastic waste, including packaging materials. These efforts significantly reduced total waste emissions. As a result, the Intensity of waste emissions was reduced by 58% compared to FY2010.

Item	FY2023	FY2024	Target of FY2030
Index of waste generated per unit (Reference year: 2010)	46	42	60

Major activities in the previous fiscal year

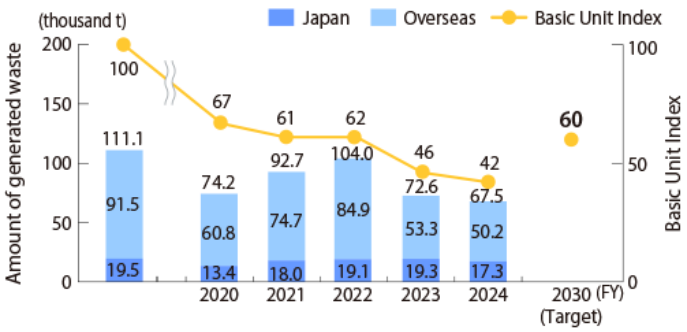
《Japan》

- Reduction of wood chips through packing mode improvements for items procured overseas
- Promotion of waste sorting by plastic type to turn waste plastics into valuable commodities

《Overseas》

- Effective use of sand in the casting process

Amount of generated waste Independent Practitioner's Assurance



Activities to effectively utilize resources (water resources)

Given that our plants in the Hokuriku area of Japan use particularly large amounts of water, Komatsu continues to optimize water use for snow melting purposes during winter, while improving water efficiency in production processes—such as recycling cooling water and converting water-cooled systems to air-cooled ones—in order to reduce the volume of newly introduced water.

In FY2024, we significantly reduced the total water input compared to the previous year, achieving a 72% reduction in the Intensity compared to FY2010.

Item	FY2023	FY2024	Target of FY2030
Index of water input volume per unit (Reference year: 2010)	33	28	30

Major activities in the previous fiscal year

《Japan》

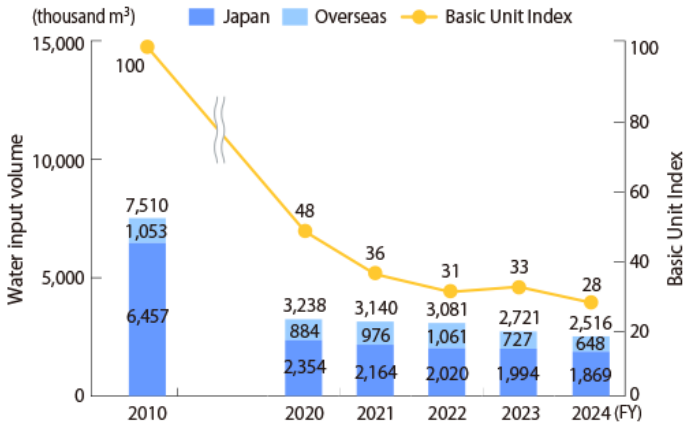
- Recycling cooling water for heat treatment facilities and air-cooling compressors
- Optimization of water use for snow melting; installation of water-saving nozzles in welfare buildings

《Overseas》

- Use of rainwater and recycled water for sprinklers

Water input in production activities

Water input volume Independent Practitioner's Assurance



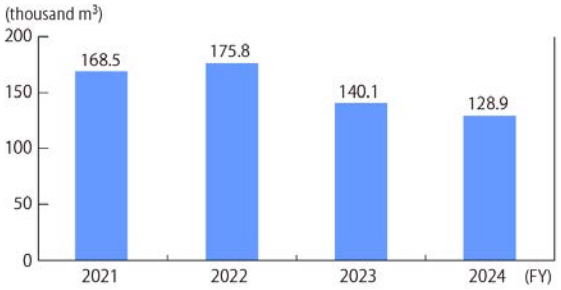
Water recycling and conservation initiatives

At Komatsu Indonesia (KI), we are committed to reducing environmental impact and preserving the environment through all of our business activities.
One of our key initiatives is water conservation.
As part of this effort, Komatsu Indonesia began recycling water in 2013 by installing an ultrafiltration (UF) filter at our wastewater treatment facility to remove even fine particles.
The treated and recovered water is reused for both domestic and industrial purposes.
To further increase the volume of recycled water, we introduced a rainwater harvesting system.
This system collects rainwater in storage tanks, purifies it, and produces clean water for use.

As a result of these efforts, over the past 10 years, we have improved our water recycling rate to approximately 50% of total water input.
We have also continued to expand our recycling capacity by increasing the UF filter's capacity and installing lamella clarifiers to enhance the efficiency of solid-liquid separation.
These efforts have contributed to raising our water recycling rate to 70%.

More recently, we introduced a system that directly uses water from on-site ponds for irrigating green spaces, significantly reducing overall water consumption.
Komatsu Indonesia remains committed to these initiatives and to continuous improvement. We regard efficient water use as a top priority and will continue to advance our water conservation activities.

Total Water Consumption (KI)



Environmental initiatives at sales and service companies

Support for sales and service divisions in developing environmental management systems

Komatsu also continues to be committed to safety and the environment in the sales activities of Komatsu Group sales companies for construction equipment and forklifts. In FY2024, to further raise awareness of environmental management, we supported the development of environmental management systems and provided assistance in improving workplace practices. Additionally, we conducted on-site checks for compliance with laws and regulations and held follow-up study sessions to ensure continuous improvement.

Furthermore, to enhance information sharing, we are enriching the intranet—established for Komatsu Group sales companies—with essential content such as legal revision updates, guidelines, and training materials. We also provided e-learning programs on industrial waste management.

Item	FY2023	FY2024*1
CO_2（kt-CO_2）	7.1	7.5

*1 : Emission factors were revised from the previous fiscal year.

Acquisition of ISO14001 certification

Komatsu Customer Support Co., Ltd. (KCSJ) continued its efforts in FY2024 to renew certification for ISO 14001, the international standard. We promoted environmental improvement activities mainly at our certified sites, including at the Head Office of each company, implemented standardized environmental improvement initiatives at other sites, and successively renewed the certification of all companies, including Head Offices, as planned.

Activities based on the environmental guidelines

We distribute our "Environmental Guidelines" to all of our sales sites, and follow the guidelines in pushing forward with our environmental activities. The guidelines summarize the rules and standards that should be observed at the workplaces of our sales and rental companies in compliance with the law and also to avoid negatively impacting neighbors in terms of waste disposal, wastewater treatment, control of noise and vibration and other problems deeply related to the environment. Representatives of Komatsu and a relevant company jointly visit our sites (including on-site checks partly performed on a remote basis), provide guidance to on-site workers and develop proposals for improvement so that the environmental guidelines can be consistently complied with.

Emergency Training

Proper discharge of waste

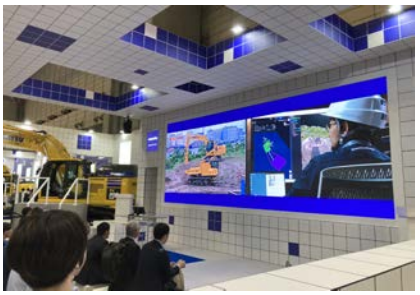
The waste discharge compliance management system (which centralizes the management of electronic manifests, consignment contracts, permits, and more) has been introduced and has implemented unified operations in all KCSJ companies and some Komatsu Group sales companies. This has enabled all divisions to visualize the management control status of the waste generated at each site and to manage the system properly.

Reduction of environmental impact in our regular operations

- Supporting the sale of environmentally friendly products -

Komatsu has focused on promoting the sales of eco-friendly machines, such as those equipped with Tier 4 Final-compliant engines, ICT construction equipment, and battery-powered forklifts, aiming to reduce environmental impact through our sales and service operations. Moreover, since FY2021, we have introduced electric hydraulic excavators to the market and have been making proposals to environmentally conscious customers.

Additionally, Komatsu Group sales companies are promoting the Smart Construction Retrofit Kit, which retrofits conventional construction machinery with ICT functions, are actively promoting Smart Construction methods, and are working to reduce their environmental impact by improving on-site work efficiency. KCSJ has established IoT Centers throughout Japan where users can explore the functions of ICT construction machines and experience the Smart Construction method and is striving to increase awareness of construction methods with a reduced environmental impact.



Promotional activities for environmentally friendly products through exhibitions

Environmental risk management

Promoting legal compliance, and pollution mitigation and prevention

Komatsu complies with national and local laws and regulations and ensures that it periodically reports and maintains measurement results.
In FY2024, there were three minor violations of environmental regulations in Japan. No fines were imposed, and all issues have been resolved. There were no environmental violations at our overseas sites.

Addressing soil and groundwater contamination

Komatsu has established guidelines for testing soil and groundwater, inspects any business unit that is scheduled to be sold, closed, or removed pursuant to laws and regulations, and takes purification measures upon confirmation by local authorities if contamination is discovered.
We voluntarily investigate business units in operation in order to test for contamination stemming from VOCs in cleaning solvents, etc. used in the past.
We have been surveying soil and groundwater for VOC contamination at domestic business units since 2005, and have implemented countermeasures at any sites that have been found to be contaminated. We use methods that facilitate the cleaning process in the shortest period of time possible.
We will continue to thoroughly clean-up and regularly monitor groundwater at site boundaries to ensure that there is no outflow of groundwater that has exceeded the standard outside the premises.

Managing PCB (Polychlorinated Biphenyl) waste

At our sites in Japan, PCB-containing waste—such as transformers and fluorescent lamp ballasts—is properly stored and disposed of in accordance with the “Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes” and the “Waste Management and Public Cleansing Law.”

While Komatsu completed the disposal of high-concentration PCB waste by the legal deadline (end of March 2023), some high-concentration PCB-containing fluorescent lamp ballasts were discovered in April 2025 in older buildings at a few sites. These were promptly reported to the relevant authorities, and based on their guidance, we plan to complete the disposal within this fiscal year. We have also shared this case internally to prevent recurrence and will appropriately address any similar cases, should they arise.

Regarding low-concentration PCB waste, we will continue to dispose of it in a planned and systematic manner.

Management of chemical substances and pollution prevention

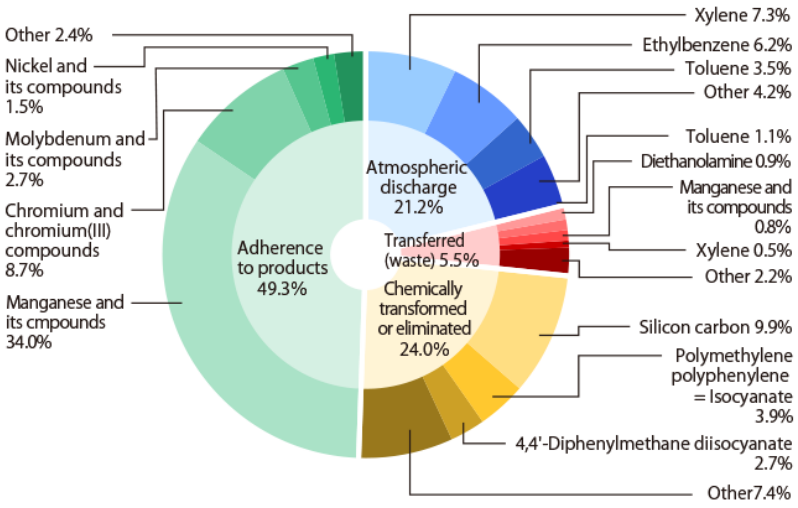
Reducing the amount of PRTR-related substances

In FY2024, the number of PRTR* substances with a handling volume of 1 ton or more (0.5 tons or more for Class 1 Designated Chemical Substances) increased 4 from the previous fiscal year, reaching a total of 29 substances. This increase is due to the addition of new substances subject to PRTR following the revision of the PRTR law.
The three substances, xylene, ethyl benzene, and toluene, account for approximately 80% of the emissions from Komatsu and Komatsu Group production sites, with most of these emissions being released into the atmosphere.
In FY2024, each business site has been making improvements by switching to paints and thinners with lower PRTR Class 1 content, resulting in a reduction in the handling volume.
In FY2025, we will continue to switch to sub-materials with lower PRTR Class 1 content, improve coating efficiency, reduce coating film thickness, and recycle paint thinner.

* PRTR: Law designed to mandate the disclosure of the amount of specific chemical substances released into the environment to promote the management of such substances (The notification system based on the PRTR Law)

Breakdown of the amount of PRTR-related substances released and transferred from Komatsu group manufacturing facilities in Japan

Komatsu Group Manufacturing Facilities in Japan Independent Practitioner's Assurance

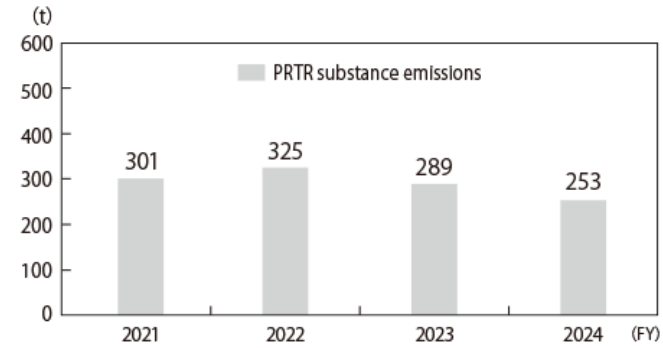


Note: Substances subject to notification from FY2023 onwards, handled in quantities of 1 ton or more (however, 0.5 ton or more for specific type 1 substances)

* Totals may not match exactly due to rounded decimals in individual categories.

Amount of PRTR-related substances released into the atmosphere

Komatsu Group Manufacturing Facilities in Japan Independent Practitioner's Assurance



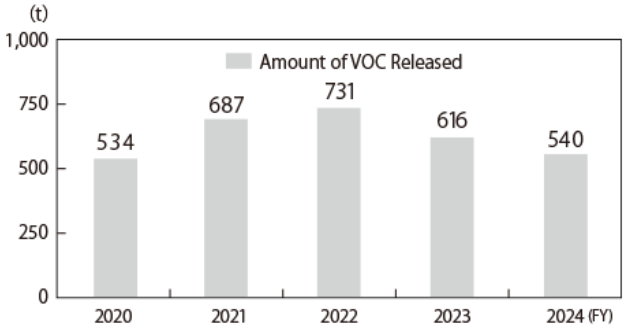
NOTE: Substances handled in quantities 1 ton or more (0.5 tons or more for Class 1 specified)

Reducing VOC Emissions

The majority of VOC emissions are from VOCs contained in paint and thinner, such as xylene and ethyl benzene. In FY2024, VOC emissions decreased by approximately 12% compared to FY2023. We will continue our efforts to reduce VOC emissions in the future.

Amount of VOC Released

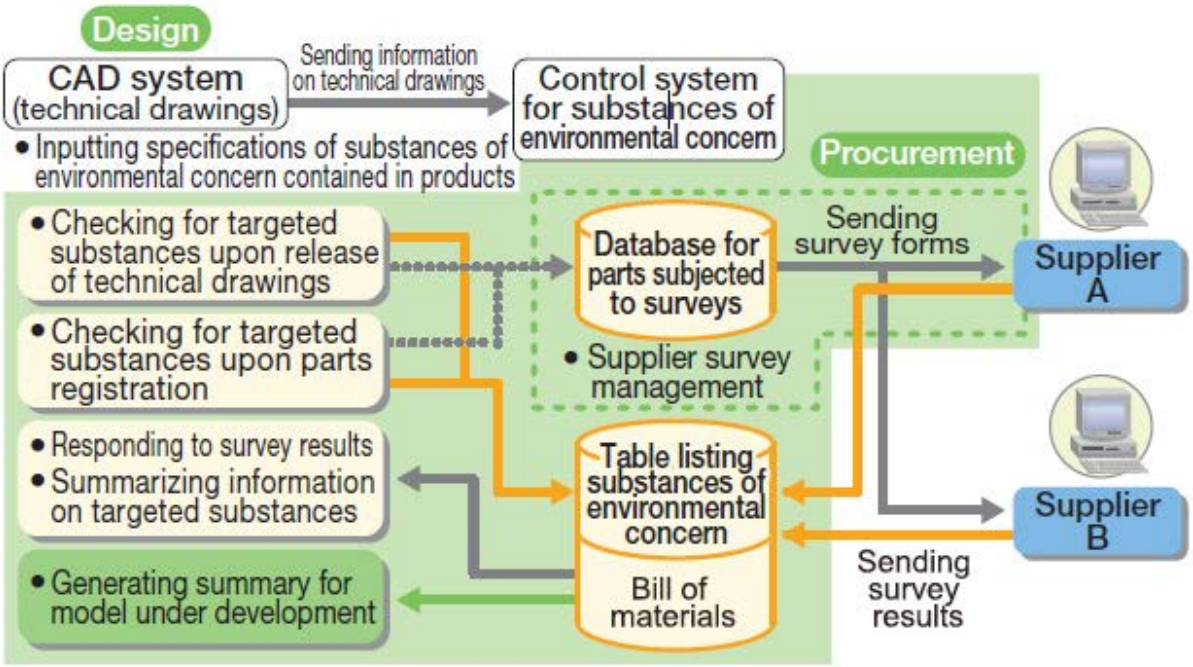
Komatsu Group Manufacturing Facilities in Japan Independent Practitioner's Assurance



Reducing the use of substances of environmental concern and complying with the EU REACH and SCIP regulation

Komatsu is aware of the harmful environmental impacts that certain materials possess, and has made continuous efforts from an early stage to reduce the use of a number of such substances. These included asbestos, lead, and other such items. In FY 1999, we created our own list of banned and limited-use substances (Refer to "Substances of Environmental Concern Banned or to Be Reduced for Use in Products"), which was based in part on Japanese legislation (Japanese Law Concerning the Examination and Regulation of Manufacture of Chemical Substances Control) that banned a number of chemical materials as well as regulatory measures in other countries.
We have also implemented more stringent measures in the control of substances that raise environmental concerns. In compliance with REACH[*1] and SCIP[*2], we began revisions of our FY 1999 listing of banned and limited-use substances. We have also collaborated with suppliers to create a regulatory system that strengthens control of potentially harmful materials being used for production. We have rolled this system out in Japan and Europe, with plans to continue implementation in other areas of operation.
Through the use of this system, we identify SVHC (substances of very high concern) in not only vehicles for export to the EU or produced at local EU companies, but also in vehicles currently in production and in newly developed vehicles. Furthermore, we also regularly check for new SVHCs to be added to the list.
As of May 2025, there are 247 SVHCs registered, with the list being revised every six months. We expect this number to increase to about 1,500 in the future. We have also devised a workflow to monitor control of these substances.

Control system for substances of environmental concern



Substances of environmental concern that are banned, or are to see reduced use in production

Rank	Number	Chemical Substance		
Banned	21	▪ Hexavalent Chromium ▪ PBB/PBDE/DBDE *4/HBCDD ▪ PCB ▪ Trichloroethylene ▪ PFOS (Perfluorooctane sulfonate) ▪ Pentachlorothiophenol *4	▪ Cadmium ▪ Tri-substituted Organostannic Compounds ▪ Asbestos ▪ Triethanolamine ▪ RCF (Fire-Resistant Ceramic Fibers) (Alumina and Scilica Types) ▪ Hexachlorobutadiene *4	▪ Mercury ▪ Sulfur Hexafluoride *4 ▪ Specified CFCs/Alternative CFCs (HCFC) ▪ Hexachlorobenzene ▪ 2,4,6-Tri-tert-butylphenol *4
To be reduced (Subject to limited use)	15	▪ Lead ▪ Alternative CFCs (HFC) ▪ Polycyclic Aromatic Hydrocarbons (PAH) ▪ BNST	▪ Arsenic ▪ Specified phthalate ester (DEHP/DBP/BBP/DIBP) *3 ▪ Methanol ▪ DOTE	▪ Selenium ▪ Specified Chlorinated Flame Retardents (TCEP) ▪ DZ ▪ UV327
Substances of Very High Concern (SVHC) under EU REACH Regulations	(247)*5	Komatsu controls the use of the following substances, which might be used in Komatsu products. ▪ DEHP/DBP/BBP/DIBP etc (5 substances) ▪ Specified Lead Compounds (4 substances)	▪ HBCDD/DBDE/ Trisphosphates (2-Chloroethyl) ▪ DOTE	▪ RCF ▪ UV327

*1 REACH: EU regulations for the Registration, Evaluation, Authorization and Restriction of Chemicals

*2 SCIP (Substances of Concern In articles as such or in complex objects (Products))

*3 Diethylhexyl phthalate, dibutyl phthalate, benzyl butyl phthalate, diisobutyl phthalate

*4 Review for stricter limits due to regulatory trends.

*5 The number of substances registered up until May, 2025. Includes materials that are not contained in Komatsu construction equipment

We are reducing and ending our use of substances of environmental concern.

NOx and PM emitted from products

To reduce the NOx (nitrogen oxide) and PM (particulate matter) contained in the exhaust gases of diesel engines, which are used in construction equipment and other machinery, new emission control regulations have been established, and we have been developing products that emit cleaner exhaust gasses. About 73% of the construction machinery manufactured in FY2024 complies with regulations equal to or more stringent than U.S. Tier 3 and EU Stage IIIA regulations. As a result, the average NOx and PM emitted by the construction equipment products produced by Komatsu are shown below:

Average emission value of NOx and PM Independent Practitioner's Assurance

	FY2022	FY2023	FY2024
NOx(g/kWh)	3.5	3.7	3.9
PM(g/kWh)	0.17	0.19	0.19

Komatsu's efforts regarding water

Due to climate change, population growth and other phenomena brought by global warming, risks of river flooding, droughts, water shortages and other water-related problems have surfaced all over the world and are becoming more serious every year.
The Komatsu Group believes that everyone has the right to access to safe and sanitary water, and we respect it as one of the most important rights. We also fully understands that we depend on that water and our business operations are influenced by and exert influence on the quantity and quality of that water.
Therefore, we engage in production activities that minimize environmental impact, provide good products and services and take appropriate actions to mitigate water-related risks in an effort to conserve local water resources and ensure that the water stays safe. It is our goal to promote these activities at All Komatsu and lead to the conservation of the global environment.

Basic initiatives

1. In our production activities, to reduce water consumption in cleaning and other processes, we set objectives and are continually carrying out water reduction activities. In addition, we promote the introduction of water circulation systems that collect used water for recycling at selected bases to increase the efficiency of water use. When returning the water discharged from production and sales bases to nature, we dispose of it in compliance with national and regional laws and regulations and also the management standards we have established.
2. Using construction machines equipped with ICT and other advanced technologies, we contribute to measures mitigating water-related risks such as safe and efficient shore protection work and disaster-relief work.
3. We regularly carry out water-related risk surveys at our production bases, sales bases, and suppliers and take appropriate measures to mitigate risk.
4. We provide quality drinking water and sanitary services to those involved in our business, including the local community.
5. We learn about water together with stakeholders to raise our awareness of water and our responsibilities and aim to realize better planet and future.
6. We carry out water-related initiatives and proactively disclose achievements.

Through these initiatives, we contribute to the SDGs, a set of common goals for the world.

Actions against water-related risks

Based on the Komatsu Earth Environment Charter, the Komatsu Group has promoted the reduction of water usage, recycling, and activities focused on water quality protection. In 2023, we conducted a "Water Risk Survey" at 58 key business sites, both domestic and international, regardless of production status. This survey included: (1) the identification of general and objective water risks using the WRI Aqueduct, and (2) a subjective awareness survey of water risks deemed important by Komatsu. By combining these two approaches, we achieved a more comprehensive "Water Risk Survey."
The results of this "Water Risk Survey" revealed that some areas within the Komatsu Group face significant risks, such as water scarcity (water stress) and disaster risks from river flooding. Moving forward, we will continue to conduct regular "Water Risk Surveys" to update and address water-related issues within the Komatsu Group.

Water stress risk survey

Using WRI Aqueduct, we surveyed the water stress risks at 30 main domestic and international production bases of the Komatsu Group, focusing on the use of water resources necessary for production activities, including clean water (tap water/city water), industrial water (clean water for industrial use), and well water.

As of 2023, the business locations rated as having high or middle-to-high water stress risks accounted for approximately 6% of our total water usage. While about 68% of the water used by Komatsu overall is well water, we found that all the water used in the locations with high water stress risks is clean water. This underscores the importance of reducing water usage and increasing water recycling to secure water resources in these areas.

We will effectively use these survey results for activities we have conventionally engaged in, such as the promotion of water usage (input volume) reduction and recycling, adaptation to physical risks of heavy rain and flood, aiming to reduce the water-related risks the Komatsu Group is exposed to. In addition, when planning the construction of a new business base or the transfer of a base, we will survey water stress in that area to identify the risk level.

Domestic case studies (Oyama and Tochigi plants)

We have initiated the construction of multiple safety measures against the risks imposed by heavy rain. These include the building of three reservoirs (capable of holding up to an hour's worth of 100mm/h rainfall), installation of heavy rainfall water pipes, the construction of underground reservoirs, and the widening of rainwater drainage ways. In addition to this, we have installed water block walls and stop bars to prevent water from flowing outside of the premises.

* Our reservoirs also serve to alleviate the surrounding district's lack of drainage capacity.

Current Status of Reservoirs:

1. Oyama Plant 20,000 ton 10,000 ton and 4,000 ton reservoirs
2. Tochigi Plant 12,000 ton reservoir

International case studies (KIPL: Komatsu India Pvt. Ltd.; and KRA: Komatsu Remanufacturing Asia)

KIPL: Flooding from rivers may enter the parts warehouse and remanufacturing store during heavy rainfall. The following measures have been taken to prevent the entry of river flood water:

1. Installation of a rainwater drainage ditch outside the parts warehouse and remanufacturing store;
2. Installation of a rainwater drainage ditch around the test track and water treatment facility (by 2024).

KRA: This area receives heavy rainfall and is located in a canyon, so large amounts of water may enter the site. The following measures have been taken to prevent the entry of water:

1. Installation of a protective wall to prevent the entry of water from the plant entrance;
2. Installation of a concrete wall and drainage ditch.

Our water-related risk survey was conducted at the operations of one of our main supply chain companies (Midori-kai), and Midori-kai has made collaborative efforts in our water-related risk reduction activities since FY2017.

Compliance and risk audit at overseas group companies

Komatsu has been conducting planned compliance and risk audits (CR audits) since FY2007 to prevent risks at overseas subsidiaries.

In FY2024, we conducted audits in Indonesia. The audits were carried out with the support of environmental managers at mother plants in Japan, after verifying the self-check sheets prepared by the local subsidiaries. The results showed that none of the companies had any major problems that could lead to environmental risks, and they were all actively engaged in activities to reduce their environmental impact.

We will continue to conduct follow-up audits and expand environmental audits to local subsidiaries in other regions.

Past Environment Audits

Year	Area	Year	Area
2007	China	2016	India and Indonesia
2008	—	2017	Russia and China
2009	Thailand and Indonesia	2018	Indonesia and Brazil
2010	India	2019	China and the United States
2011	Brazil	2020	Europe
2012	Russia and Czech Republic	2021	China and Europe
2013	United State	2022	Southeast Asia and the United States
2014	United States and Brazil	2023	Europe, China, and North America
2015	Thailand	2024	Indonesia

Holding global and regional environment meetings

At Komatsu, we hold a global environment meeting in Japan (at the Komatsu Way Global Institute) once every three years. In the remaining two years, we organize regional environment meetings in each area. These meetings provide opportunities to exchange information and discuss region-specific challenges, with the aim of enhancing compliance and environmental impact reduction efforts at each site.

In FY2024, we held the global environment meeting for the first time in six years, as it had been postponed several times due to the COVID-19 pandemic. A total of 55 environmental representatives from Komatsu Group companies and sites in Japan and overseas participated. The meeting served as a forum for sharing the latest updates on environmental initiatives at each company and global environmental trends, as well as discussing the environmental actions we should pursue going forward. During the meeting, participants also visited key sites including the Awazu Plant and the Komatsu Toyama sales office.

Through initiatives like this, we aim to further revitalize environmental activities across the Komatsu Group.

Biodiversity initiatives

Recognizing the potential impact of our business activities on our ecosystem, we have taken steps to maintaining our commitment to protect biodiversity in our areas of operation.

Initiatives that deal with biodiversity

With the establishment of Komatsu's “Declaration of Biodiversity” and “Biodiversity Guideline” in January 2011, Komatsu has been actively engaged in biodiversity conservation and restoration activities across all of its global business sites. These efforts are promoted both by Komatsu and in cooperation with suppliers, customers, and partners who support the Declaration.

Recognizing that its business activities both depend on and impact biodiversity, Komatsu promotes conservation and restoration initiatives from two main perspectives.
First, the company continues to steadily advance its long-standing efforts to reduce the environmental impact of its operations. In addition, Komatsu has made it mandatory to consider biodiversity in land use decisions, such as during the construction of factories.
Second, Komatsu directly engages in biodiversity conservation and restoration through its “One Site, One Theme” initiative, which also aims to raise employee awareness by encouraging site-specific consideration of local ecosystems.

In response to evolving societal expectations, Komatsu refers to the framework of the Taskforce on Nature-related Financial Disclosures (TNFD) to identify and assess the nature-related dependencies, impacts, and risks associated with its overall business activities. Based on these assessments, Komatsu is further strengthening its efforts to conserve and restore biodiversity.

Komatsu Declaration on Biodiversity (Revised June 2023)

Komatsu recognizes that its business activities are dependent on and influence the biodiversity of ecosystems.
Based on this understanding, Komatsu strives to take actions in accordance with the guiding principles described below, as it shares a sense of responsibility regarding the biodiversity crisis, and strives to conserve diverse resources and promote their sustainable use.

I(Recognition by Management)

Komatsu recognizes that the conservation and maintenance of biodiversity are important management tasks.

II(Initiatives)

Komatsu shall promote its biodiversity activities integrally with those to address climate change issues from the following two perspectives.

1. Komatsu shall reduce the environmental impact of its business activities which are affecting biodiversity.
   (1) Reduction of environmental impact of products
   (2) Reduction of direct environmental impact from products throughout their lifecycle.
   (3) Contribution to sustainable forestry management by promoting mechanization of all processes from planting, cultivating, and harvesting trees.
   (4) Consideration for biodiversity in land use
   In particular, avoid operational activities in areas and near sites of containing globally or nationally important biodiversity.
2. Komatsu shall work for the conservation and maintenance of biodiversity through its social contribution activities.

III(Operation)

Komatsu shall promote activities by means of a step-by-step approach, taking feasibility into consideration.

IV(Working with the external partners)

In order to protect biodiversity in the regions in which we operate, Komatsu will undertake activities together with administrative agencies, local citizens, NGOs and other entities; by doing so we aim to become a corporation local communities can be proud of.

V(Full participation activities)

Komatsu will promulgate the importance of biodiversity to all employees and undertake activities with their full participation. We will involve our suppliers and dealers as well as customers related to the lifecycle of Komatsu products in these activities and promote our initiatives on a global group-wide scale.

VI(Communication)

Komatsu will educate and disclose related information to employees. In addition, Komatsu will actively disclose information on activities being undertaken and work to contribute to heightening the level of societal awareness of the importance of biodiversity.

*Sites containing globally or nationally important biodiversity:

- Species classified as Critically Endangered, Endangered, or Vulnerable on the IUCN Red List, endemic species
- Internationally recognized areas: World Heritage sites, Ramsar Wetlands, UNESCO MAB
- Nationally important biodiversity can include legally protected areas, habitats, and species.

* This declaration has been approved by the Board of Directors.

* The scope of this declaration applies to the Komatsu Group, suppliers, customers, and partners.

Biodiversity activities

Komatsu established its “Declaration of Biodiversity” and “Biodiversity Guideline” in January 2011. Over the past decade, under the banner of “One Site, One Theme,” Komatsu’s domestic and overseas sites—including plants and offices—have consistently engaged in biodiversity-related activities.
In alignment with international frameworks such as the Convention on Biological Diversity, Komatsu complies with relevant laws and regulations of each country in which it operates, including those prohibiting illegal logging, and actively works to conserve and restore biodiversity in its operational regions. From 1992 to 2006, Komatsu carried out a reforestation project in Indonesia. Since then, we have continued our collaboration with local communities through initiatives such as transferring seedling cultivation technologies, distributing cuttings, managing experimental forests, and hosting local students and international researchers.
In addition, through Komatsu’s resource-circulating business Reman (remanufacturing), we are steadily promoting the reuse of recovered materials and the restoration of former mining sites, thereby contributing to environmental impact reduction through our business activities.
The year 2020 marked a decade since the Convention on Biological Diversity’s COP10 and the adoption of the Aichi Targets. Similarly, 2021 marked the 10th anniversary of Komatsu’s Declaration of Biodiversity. To mark these milestones, we conducted a biodiversity survey across the Komatsu Group by distributing a questionnaire. The objective was to assess current biodiversity initiatives, identify future challenges, and reaffirm our direction for the years ahead.
The results of the survey, showing the status of each site’s activities, are provided below.

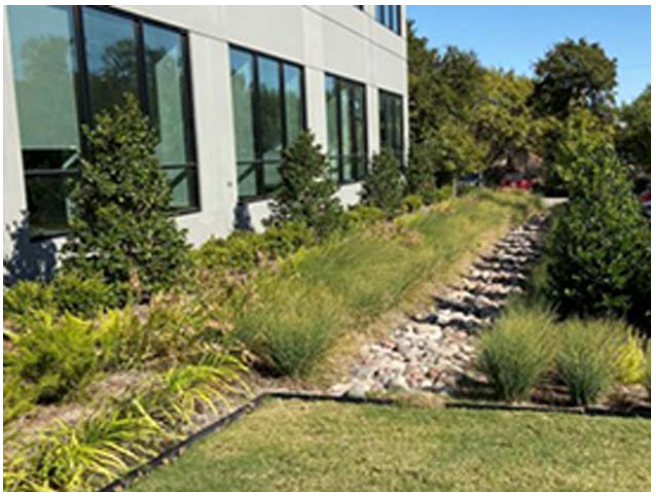
- The management at each site recognizes and understands biodiversity conservation and restoration as a key management issue, and all employees are actively involved in related activities.
- These activities also serve as environmental education for the next generation, including employees' children and local youth. By promoting them in collaboration with local governments and communities, the initiatives not only gain public understanding but also foster a sense of pride within the community.
- Recognizing that these efforts are closely linked to the realization of a nature-positive society, Komatsu sets and implements improvement targets not only for biodiversity conservation and restoration in the narrow sense, but also for reducing CO_2 emissions, water usage, and waste throughout the entire life cycle of our operations.

Looking ahead, we aim to expand biodiversity conservation and restoration efforts across the full value chain. To this end, we will communicate our approach to suppliers and encourage their proactive participation in these initiatives.

[Examples in Japan and other countries]

1. Land use consideration

Koriyama Plant: Biotope on the premises



Hensley's Dallas facility：Bioswale

2. Community contribution

Oyama site: Tide prevention forest restoration volunteer project in Iwaki

Planting a tree in Inner Mongolia (China)

3. Ecosystem conservation

Oyama Plant: Around the Manabi-no Mori

Rare vegetation preserve on the plant's premises (Indonesia)

4. An example of activities at our business sites (PT Komatsu Indonesia)

PT Komatsu Indonesia is working to conserve biodiversity to realize a sustainable society as a manufacturing company. The company has been promoting a reforestation project in a forest reserve in West Java, Indonesia, to cultivate different species of trees in an area of approximately 268 hectares. In addition to enriching the existing ecosystem, these activities have also helped to conserve various species of flora and fauna. In addition, Komatsu has enriched the ecosystem at its Indonesian site to grow about 40 different species of trees and plants, coexist with plants and animals in reservoirs and encourage birds to settle in the area. Recognizing that Komatsu's business activities depend on and affect biodiversity, the company will continue its efforts to contribute to biodiversity conservation.

Improvement of the riparian environment in PT Komatsu Indonesia

Data

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Environmental data

1. Changes in major environmental data

Independent Practitioner's Assurance

Item	FY2020	FY2021	FY2022	FY2023	FY2024	Unit
Scope1 CO_2 emission	104	109	113	93	80	thousand t
Scope2 CO_2 emission	278	352	350	250	250	thousand t
Scope1+2 emission	382	461	464	342	330	thousand t
Scope3 CO_2 emission	21,729	30,893	34,271	30,425	28,509	thousand t
Energy consumption	7,838	9,612	9,916	8,291	7,902	TJ
Renewable electricity use	84.7	111.8	145.7	177.5	219.6	GW h
Renewable electricity ratio	13	14	17	25	31	%
Generated waste	74.2	92.7	104.0	72.6	67.5	thousand t
(Included) Hazardous waste generated	-	-	11.0	8.7	8.3	thousand t
Water input	3,238	3,140	3,081	2,721	2,516	thousand m^3

Note: The above data show total data for manufacturing sites

The CO_2 and Energy FY2024 value (with new indexing) was calculated in accordance with the Calculation methodology for key environmental data.

2. Manufacturing sites

Independent Practitioner's Assurance

Total of Manufacturing Sites

	Item	Actual value	
Energy consumption	Purchased electricity	678	GWh
	Light oil,Gasoline, et al.	7,531	kℓ
	Gas	23,945	thousand m^3
	LPG	4,144	t
	District heating	5	GWh
	Steam	2,474	t
	Total energy consumption	7,902	TJ
	CO_2	330	thousand t-CO_2
	Private Power generation	27	GWh
Water input		2,516	thousand m^3
Total emissions of waste		67,528	t

Independent Practitioner's Assurance

Japan

	Item	Actual value
Environmental impact	Total CO_2 emissions	200 thousand t-CO_2
	NOx total amount	51 t
	SOx total amount	1 t
	Total emissions of waste	17,342 t
	BOD emissions	4 t
	COD emissions	7 t
	Wastewater	1,762 thousand m^3
	Output of in-house power generation	12 GWh

	Item	Actual consumption	Converted to calorie equivalents (TJ)
Energy consumption	Purchased electricity	361 GWh	3,363
	Heavy oil A	1,511 kℓ	59
	Kerosene	1,125 kℓ	41
	Light oil	2,836 kℓ	104
	Gas	5,498 thousand m^3	217
	LPG	3,262 t	163
	Gasoline	146 kℓ	5
	Biomass, Solar	-	99
	Total		4,051
Water input	Groundwater	1,639 thousand m^3	
	Industrial water	0 thousand m^3	
	Supply water	230 thousand m^3	
	Total	1,869 thousand m^3	

*1) Total emissions of waste are expressed as a composite of the amount recycled and the amount disposed.

*2) Output of in-house power generation includes electricity sold.

Independent Practitioner's Assurance

	Item	The Americas actual value	Europe actual value	Asia actual value
Energy consumption	Purchased electricity	134 GWh	24 GWh	159 GWh
	Light oil,Gasoline, et al.	769 kℓ	414 kℓ	730 kℓ
	Gas	8,222 thousand m^3	3,441 thousand m^3	6,785 thousand m^3
	LPG	338 t	1 t	543 t
	District heating	- GWh	5 GWh	- GWh
	Steam	- t	- t	2,474 t
	Total energy consumption	1,619 TJ	385 TJ	1,846 TJ
	CO_2	21 thousand t-CO_2	9 thousand t-CO_2	101 thousand t-CO_2
	Private Power generation	3 GWh	2 GWh	10 GWh
Water input		127 thousand m^3	81 thousand m^3	440 thousand m^3
Total emissions of waste		27,002 t	6,843 t	16,341 t

*1) Total emissions of waste are expressed as a composite of the amount recycled and the amount disposed.

*2) Output of in-house power generation includes electricity sold.

Independent Practitioner's Assurance

Scope-2 CO_2 emissions (Total of production sites)

Standard	CO_2(thousand t)
Location-based	306
Market-based	250

3. Sales and after-sales sites

Independent Practitioner's Assurance

FY2024 Komatsu Customer Support Japan Ltd. Environmental performance data

Company Name	Komatsu Customer Support Japan Ltd.
Location	Shirokane, Minato-ku, Tokyo
Activities	Sale, service and rental of construction equipment and forklift trucks
Number of bases	169
Number of employees	4,501
Data of ISO14001 certification acquisition	May 2018

	Item	Actual value
Environmental impact	Total CO_2 emissions	7.5 thousand t-CO_2
	Total emissions of waste	11,375 t
	Amount recycled	9,804 t
	Recycling rate	83.5 %

	Item	Actual consumption	Converted to calorie equivalents (TJ)
Energy consumption	Electricity	12.5 GWh	116.1
	Heavy oil A	131 kℓ	5.1
	Kerosene	371 kℓ	13.6
	Light oil	65 kℓ	2.5
	Gasoline	7 kℓ	0.2
	LPG	15 t	0.8
	City gas	45 thousand m^3	1.8
	Total		140.0

4. Other sites

Independent Practitioner's Assurance

	Site data of non-manufacturing divisions		
Manufacturing facility included	Head Office, Manda area, Field Testing Department, Techno Center, General Education Center, and five recreation facilities		
Environmental impact	**Item**	**Actual value**	
	Total CO_2 emissions	3.2 thousand t-CO_2	
Energy consumption	**Item**	**Actual consumption**	**Converted to calorie equivalents (TJ)**
	Purchased electricity	4.6 GWh	42.7
	Kerosene	23 kℓ	0.8
	Light oil	292 kℓ	11.1
	LPG	83 t	4.2
	Gasoline	2 kℓ	0.1
	Total		58.8

Amount of CO_2 emissions by Scope3

Independent Practitioner's Assurance

Category	Rate (%)	Summary Data thousand t-CO_2
Scope3 (1)Manufacturing of Purchasable Goods	9.5	2,703
Scope3 (2)Capital Goods Construction and others	0.7	206
Scope3 (3)Fuel Procurement	0.4	116
Scope3 (4)Upstream Transportation disposal	0.4	102
Scope3 (5)Waste Transportation	0.0	13
Scope3 (6)Business Trips	0.5	147
Scope3 (7)Commuting	0.2	47
Scope3 (8)Upstream Leased Assets Operation	-	-
Scope3 (9)Downstream Transportation	-	-
Scope3 (10)Processing Sold Products	-	-
Scope3 (11)Customer Use	88.3	25,160
Scope3 (12)Product disposal	0.1	16
Scope3 (13)Downstream Leased Assets Operation	-	-
Scope3 (14)Franchise Member Companies	-	-
Scope3 (15)Investment Management	-	-
Total CO_2Emission Amount (thousand t-CO_2/year)	100.0	28,509

The above data show total data for manufacturing sites.

Due to the decimal values in each category, the totals may not match.

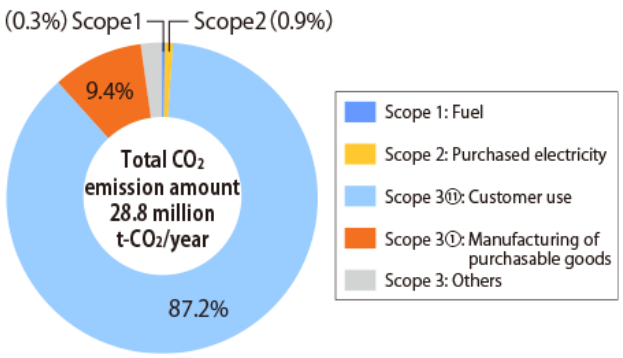
Category 8 is included in the calculation for Scope 1 and 2.

Category 9 is included in the calculation for Category 4.

Category 13 is included in the calculation for Category 11.

There are no activities subject to calculation for Categories 14 and 15.

Reference: Pie chart for Scope 1, 2, and 3 Independent Practitioner's Assurance



The Scope 1 and 2 data in the graph above cover manufacturing sites.

SBT (Science-Based Targets) approved

SBT (Science-Based Targets) approved

Komatsu's CO_2 reduction objectives have renewed certification by SBT as of March, 2025.
Science-Based Targets (SBTs) are greenhouse gas emission reduction targets consistent with the requirement of COP21 (Paris Agreement).

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Komatsu's SBT are as follows

1. SCOPE1+2: Total -59% (Target Year 2034; Base Year 2022)
2. SCOPE3: Total -35% (Target Year 2034; Base Year 2022)

* The boundary of the target includes land-related emissions and removals from bioenergy feedstocks.

Independent Practitioner's Assurance

Progress of SBT

		Base year (2022)	FY2024	
			Emission amount	Rate of change (from base year)
Scope1+2		524 (thousand t-CO_2)	385 (thousand t-CO_2)	-26%
Breakdown	Scope1	128 (thousand t-CO_2)	94 (thousand t-CO_2)	-27%
	Scope2	396 (thousand t-CO_2)	292 (thousand t-CO_2)	-26%
Scope3		30,361 (thousand t-CO_2)	25,160 (thousand t-CO_2)	-17%

* Scope1+2 includes manufacturing sites and major sales sites etc.
* Scope 3 refers to category 11 (use of sold products) and category 3 (fuel- and energy-related activities).
* Scope 1 and 2 emission amounts may not match exactly due to the use of decimal points.
* Bioenergy-related emissions in FY2024 amounted to 10 thousand t-CO_2. This figure is not included in the above table and is not subject to third-party assurance.

Environmental education

Komatsu follows a basic educational framework in which general knowledge education is overseen by the Head Office, while specific training that reflects the unique characteristics of each division is conducted by the respective business units. In particular, the Newly appointed manager training (by function), New employees training, and Development and manufacturing (introductory) courses include content related to energy efficiency, waste reduction, and water use reduction.

In FY2024 we focused on online training programs to develop and enhance the skills of internal auditors in environmental and safety practices.
Environmental education for newly appointed managerial employees, which has been conducted since FY2014, is also provided through online training.
While we already meet the legally required number of personnel with environment-related certifications, we are actively promoting planned acquisition to further increase this number.

Courses in environmental education and training in Japan (excluding general environmental courses) *

Independent Practitioner's Assurance

Hosted by	No.	Course name	Target	Participants		
				FY2022	FY2023	FY2024
Head office	1	Newly appointed manager training	Komatsu Group newly appointed managers	213	230	245
	2	Training new employees	New Employees (Komatsu and affiliates)	288	321	349
	3	Advanced environmental education (held every two years)	Environmental specialists (Komatsu and affiliates)	-	11	-
	4	Overview of the ISO14000 series	Managers (Komatsu, affiliates, and business associates))	259	352	365
	5	Training of internal auditors / Refresher courses	Environmental auditors (Komatsu, affiliates, and business associates)	190	163	155
	6	Explanation of Environmental Regulations and Risks	Managers and employees	-	-	-
	7	Development and manufacturing (introductory)	Development and manufacturing staff (for second-year employees)	140	167	176

Hosted by	No.	Course name	Target	Participants		
				FY2022	FY2023	FY2024
Head office	8	Environmental training for manufacturing engineers	Assistant foremen/ foremen/ manufacturing engineers/ students of Komatsu Institute of Technology	129	145	133
	9	Lectures on the environment, experience-oriented education	Komatsu Group employees	411	1,023	782
Divisions overseeing environmental management at plants	1	Education in the basics of auditing	Managers and employees	35	78	69
	2	Overview of the ISO14000 series	Managers and employees	175	598	519
	3	Training of internal auditors	Environmental auditors	5	-	-
	4	Training new employees	New Employees	1,605	1,833	1,291
	5	Regulatory education and personnel exchange	Employees (and other participants)	247	272	294
	6	Specialist training	Environmental conservation practitioners (persons involved in regulatory affairs, etc.)	581	720	808

* In addition to the education and training courses listed above, Komatsu also held courses dealing with environmental issues intended for sales agents.

Number of persons having environment-related certificate

Independent Practitioner's Assurance

Komatsu and Komatsu Group manufacturing facilities in Japan
(including Head office, Advanced and Core Technology Center, Field Testing Department)

Certificate name	Number of persons with certificate*		
	FY2022	FY2023	FY2024
Pollution control administrators	202 (35)	190 (35)	196 (32)
Energy administrators	34 (9)	31 (9)	33 (11)

* Figures in parentheses indicate the number of officers required.

Environmental accounting

Komatsu fully reports on the content of our environmental accounting systems in order to obtain an objective and accurate evaluation of our environmental conservation activities.

Environmental costs (investments and expenses)

Independent Practitioner's Assurance

Komatsu and Komatsu Group manufacturing facilities in Japan (except group companies in the facilities), Field Testing Department

Category		Investment			Expenses		
		FY2023	FY2024		FY2023	FY2024	
		Investment*1 (millions of yen)	Investment*1 (millions of yen)	Contents	Expenses*1 (millions of yen)	Expenses*1 (millions of yen)	Contents
1.Business area cost		2,500	2,534		2,242	2,108	
Breakdown	(1). Pollution prevention cost	245	561	▪ Upgrading Wastewater Separator Measurement Instruments, etc.	326	321	▪ Environmental measurement and sludge/soil treatment costs
	(2). Global environmental conservation cost	1,999	1,860	▪ Introducing Solar Power Generation, etc.	867	796	▪ Biomass boiler fuel and other facilities maintenance costs, etc.
	(3). Resource circulation cost	255	112	▪ Upgrading Waste Liquid Concentration Equipment, etc.	1,048	990	▪ Waste material processing cost
2.Upstream/ downstream cost		3	1	▪ Manufacturing Transport and Fixation Jigs, etc.	656	764	▪ Reduction of the environmental impact of mass-production units
3.Administration cost		50	28	▪ Introducing a Power Visualization System, etc.	1,189	1,292	▪ Cost of creating green spaces and beautifying manufacturing sites ▪ Biodiversity survey costs

Category	Investment			Expenses		
	FY2023	FY2024		FY2023	FY2024	
	Investment*1 (millions of yen)	Investment*1 (millions of yen)	Contents	Expenses*1 (millions of yen)	Expenses*1 (millions of yen)	Contents
4.R&D cost	6,490	7,971	▪ Implementing Measures for Faster Spindle Break-in Operation, etc.	27,896	26,981	▪ Development, Design, and Testing of Environmentally Friendly Solutions ▪ Depreciation of investment in development facilities
5.Social activity cost	3	0		25	11	▪ Cost of community beautification activities ▪ Membership fee for local environmental groups
6.Environmental remediation cost	0	1		234	261	▪ Soil contamination remediation costs
Total	**9,046**	**10,534**		**32,242**	**31,416**	

*1 All figures are rounded off to the nearest million yen.

Environmental effects

Independent Practitioner's Assurance

Environmental impact reduction effects

Komatsu and Komatsu Group manufacturing facilities in Japan (except group companies in the facilities), Field Testing Department

Items of environmental impact	Change of amount (t/year)	Rate of year-on-year changes (%)
CO_2 emissions	-5,130	-3
Water input	-125	-7
Waste materials generation	-1,968	-11

Economic benefits

Komatsu and Komatsu Group manufacturing facilities in Japan (except group companies in the facilities), Field Testing Department

Tangible benefits			Avoidance benefits of environmental risks*2	Contribution to profits*2
Type	Monetary value*1 (millions of yen)	Major activities		
Energy conservation	408	Expanding Solar Power Generation Facilities, etc.	* In FY2024, there were no major accidents or legal infractions that would contaminate the environment. * No litigation costs were required in Japan during FY2024.	▪ Proceeds from mobile recycling equipment ▪ Proceeds from value added due to reduced environmental impact of products
Resource conservation	58	Reduce heavy oil for heating and cooling by biomass utilization		
Waste materials reduction	70	Control the amount of waste generated and promotion of recycling through thoroughgoing sorting		
Gain on sale of valuables	547	Sale of scrap, used paper, waste oil, etc.		
Other	0	-		
Total	**1,082**			

*1 Figures are rounded off to the nearest million yen.

*2 Komatsu used statements instead of numeral figures to describe the "Avoidance benefits of environmental risks" and the "Contribution to profits". We will give further consideration to the interpretation and the understanding of efficiency.

Effects on society *1

Environmental impact reduction effects	Tangible benefits
▪ Environmental impact reduction resulting from on-site recycling methods ▪ Environmental impact reduction resulting from product operation ▪ Waste components reduction resulting from "Reman" business	▪ Reduction of expenses for processing waste materials ▪ Savings in operating and maintenance costs ▪ Reduction of repair costs

*1 We are aware of the potential impacts on society that could arise from the use of our products. Qualitative information regarding the most significant effects are referenced here.

Major environmental achievements in FY2024

Environmental management

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
Public relations of environmental activities	CDP evaluation	-	Climate : A Water : A	Climate : A Water : A	
Public relations of environmental activities	Publication of ESG Data Book	-	Publishing	Published(August)	

Research & Development

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
Development of low-emission construction machinery and industrial vehicles (Compliance with emission control regulations)			- Development of Tier 4 regulation-compliant vehicles - Development of Stage V regulation-compliant vehicles	- Continued development - Continued development	
Reduction of CO_2 emissions from products (Promotion of fuel efficiency improvement during product operation)	CO_2 emissions reduction (unit: %)	2010	- Reduction of CO_2 emissions from use of products (construction machinery, mining machines) Goal: 24% reduction	- Continued development Achievement: 23% reduction	Goal for 2030: 50% reduction
Reduction of CO_2 emissions from construction machinery and industrial vehicles (changing to BDF biofuel)			- Use of B50-compliant mixed light oil	- Continued development	
Improvement of recycling percentage of construction machinery and industrial vehicles			- Achieve 99% or more in the next developed vehicle	- Achieved in developed vehicles (for production and sales in Japan)	

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
Thorough management and reduction of materials with environmental burdens in construction machinery and industrial vehicles			- Reduction of the volume of hazardous substances in the next vehicle to be developed (Maintaining a 90% reduction compared to 1998) - Operating a system that manages hazardous substances per part (REACH Compliant)	- Maintained 90% reduction of lead usage compared to 1998 - Added new SVHC, which are specified in REACH and managed use statuses of SVHC. Used the system to record data of the models for the EU and the models mass-produced or developed in the EU (Investigated substances contained in each part)	

Production

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
CO_2 emissions	Improvement of Intensity	2010	45% reduction (Index 55)	55% reduction (Index 45)	Goal for 2030: 50% reduction
Recyclable energy usage	Percentage of electricity consumed		20%	31%	Goal for 2030: 50%
Water input volume	Improvement of Intensity	2010	70% reduction (Index 30)	72% reduction (Index 28)	Goal for 2030: 70% reduction
Waste generated	Improvement of Intensity	2010	40% reduction (Index 60)	58% reduction (Index 42)	Goal for 2030: 40% reduction

Logistics

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
Improvement of CO_2 emissions per cargo weight (index) from domestic transportation of products and parts	Improvement per Intensity	2006	18% reduction (Index: 82)	19% reduction (Index: 81)	Goal for 2030: 23% reduction (Index: 77)

* : Index based on the conventional coefficient

Procurement

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
Activities to reduce CO_2 emissions	-	-	Expand to 92 Midori-kai member companies	Continued to expand to all 92 member companies	
Activities to reduce water consumption (10 companies)	-	-	Reduce clean water use 15% or more	27% reduction	

Sales & Services

Theme	Index	Reference year	FY2024 Goal	FY2024 Achievement	Remarks
Implementation of measures to prevent oil leakage	-	-	All KCSJ bases	All KCSJ bases	Installation of sandbags, drainage route maps, and emergency contact networks; implementation of emergency drills.
Introduction of waste management systems	-	-	All KCSJ companies (7 companies) Komatsu Group sales companies (10 companies)	Implemented at 17 companies	
Provision of environmental education	Number of bases where on-site instruction workshops were held	-	56 bases	54 bases	
Sales expansion of environmental products	-Sales expansion activities for Tier4 models -Sales expansion activities for FE	-	-Sales plan criteria for FY 2024 -Sales plan criteria for FY 2024	-81.8% of the criteria -91.2% of the criteria	
Promotion of Smart Construction work	Number of Smart Construction sites	-	BP for FY 2024	65.4% of the criteria	

Scope of environmental data/calculation standards

Komatsu Group manufacturing facilities in Japan

- Komatsu Group manufacturing facilities in Japan, with a focus on the following 11 plants

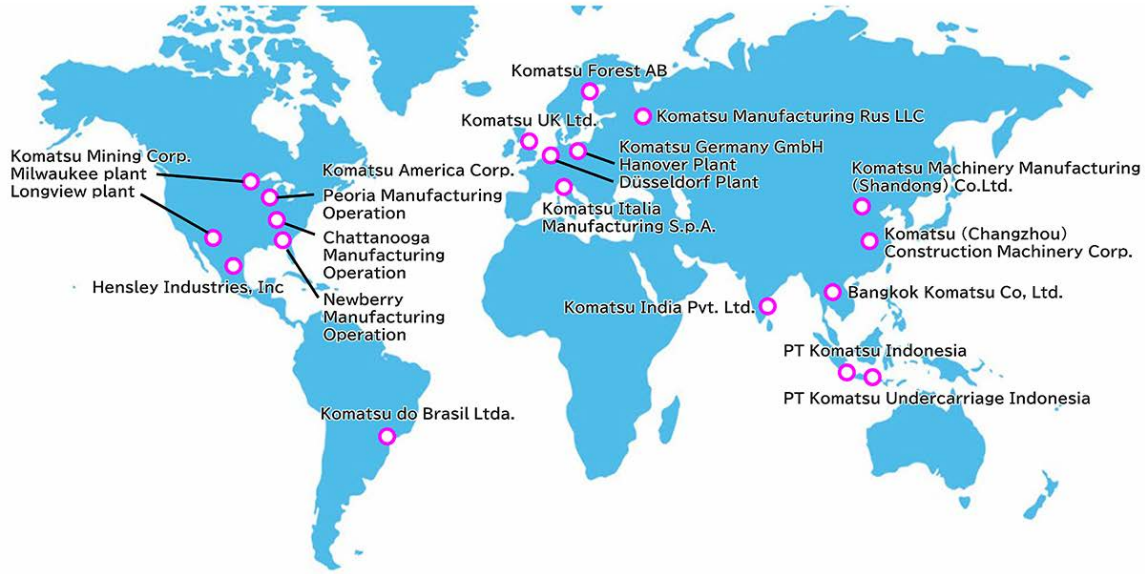
Awazu Plant, Kanazawa Plant [including Kanazawa-Daiichi Plant and Kanazawa-Daini Plant], Osaka Plant [including Rokko Plant], Ibaraki Plant, Oyama Plant [including Komatsu Cummins Engine Co., Ltd., Industrial Power Alliance Ltd. and GIGAPHOTON, Inc.], Koriyama Plant, Shonan Plant [including KELK Ltd.], Tochigi Plant, Himi Plant, Shiga Plant [including Shiga-daiichi plant and Shiga-Daini Plant], Komatsu NTC Ltd.

- Logistics offices in Japan: the following 16 plants and centers

Awazu Plant, Osaka Plant, Rokko Plant, Ibaraki Plant, Tochigi Plant, Kanazawa Plant, Shonan Plant, Oyama Plant, Koriyama Plant, Himi Plant, Shiga Plant, Komatsu Logistics Corp. (Kanto Hokyu Center, Kansai Hokyu Center, Awazu Hokyu Center, Hokkaido Center and Kyushu Center)

Komatsu Group manufacturing facilities outside Japan

- Komatsu Group manufacturing facilities outside Japan, specifically the 19 business units appearing on the world map below.



- Overseas logistics offices: the following 10 companies

Komatsu Americas Corp. [Chattanooga][Peoria], Komatsu do Brasil Ltda., Komatsu UK Ltd., Komatsu Germany GmbH [Düsseldorf], Komatsu (Changzhou) Construction Machinery Co., Ltd., Komatsu Machinery Manufacturing (Shandong) Co.Ltd., PT Komatsu Indonesia, Bangkok Komatsu Co., Ltd. and Komatsu India Pvt. Ltd

- Komatsu Group manufacturing facilities including overseas: All 30 facilities listed above (11 in Japan and 19 overseas).

Guidelines

- "Environmental Report Guidelines 2018" (Ministry of the Environment of Japan)
- Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver 2.5 (Ministry of the Environment and Ministry of the Economy, Trade and Industry of Japan)
- Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver 3.5 (Ministry of the Environment and Ministry of the Economy, Trade and Industry of Japan)

GRI Standards

See the GRI content index

› GRI Standards INDEX

Period covered

Primarily, this report covers data acquired from April 2024 to the end of March 2025, with a portion of information that involves data acquired after April 2025.

Calculation methodology for key environmental data

Classification	Item		Calculation method
GHG Energy	Energy		Energy = (fuel, electric energy, etc.) x energy conversion factor ▪ Conversion factors for fuel and electricity: Standard heating value of the Agency for Natural Resources and Energy (2023 value revised in March 2025) ▪ Regional heat: site reported value (1.54 GJ / MWh)
	GHG		Energy originated CO_2 = (fuel quantity, electricity quantity) x CO_2 emission factor Non-energy originated GHG = Gas emissions x Global warming potential (GWP) ▪ CO_2 emission factor Electricity: Japan;Ministry of the Environment, Ministry of Economy, Trade and Industry Emission Factor by Electric Utility (for FY2025 Submission) Overseas;2022 value of IEA CO_2 EMISSIONS FROM FUEL COMBUSTION 2024 Fuel: Japan,Overseas;Ministry of the Environment, Ministry of Economy, Trade and Industry, Greenhouse gas emissions calculation and report manual Ver 6.0 ▪ GWP: Value of greenhouse gas emissions calculation, reporting and publication system
	Energy, CO_2 emission in basic unit		Basic unit for each plant = (energy, CO_2) / (Internal manufacturing value), index is a value with base year 100. Base year: 2010 Total basic unit index = weighted average of the percentage improvement in basic units of each plant from the base year by the energy consumption ratio or the CO_2 emissions ratio in the base year.
	Location-based Scope 2		CO_2 emission = purchased electricity quantity x CO_2 emission factor ▪ CO_2 emission factor: Japan; Ministry of the Environment, Ministry of Economy, Trade and Industry Emission Factor by Electric Utility Substitution Value Overseas; 2022 value of IEA CO_2 EMISSIONS FROM FUEL COMBUSTION 2024
	Market-based Scope 2		CO_2 emission = purchased electricity quantity x CO_2 emission factor ▪ CO_2 emission factor: Japan; Emission Factor by Electric Power Company Overseas; 2022 value of IEA CO_2 EMISSIONS FROM FUEL COMBUSTION 2024 However, the electricity generated from renewable energy source has zero emission factors
	Scope3	C1	Purchased product service: Product production weight x emission factor + CO_2 emissions from business partners + emissions from packaging material production
		C2	Capital goods: capital investment amount x emission factor
		C3	Fuel- and energy-related activities not included in Scope 1 or 2: amount of purchased fuel x upstream emission factor + amount of purchased electricity x upstream emission factor
		C4	Transportation, Delivery (upstream): Fuel consumption for procurement logistics x emission factor + fuel consumption for product transportation x emission factor

Classification	Item		Calculation method
GHG Energy	Scope3	C5	Waste from operations: Waste volume x emission factor (based on Komatsu's performance survey) + emissions from waste transportation
		C6	Business trip: travel expenses x emission factor
		C7	Employer commuting: commuting expenses x emission factor
		C11	Use of products sold: Σ (Production volume per product model x Fuel consumption(L/h) x Product life(h) x Emission factor)
		C12	Disposal of products sold: Product weight x Emission factor
			Emission factor C1, C2, C3, C4, C6, C7, C11, C12: Emission basic unit database (Ver 3.5) for calculating greenhouse gas emissions of organizations through the supply chain of the Ministry of the Environment C3 fuel and electricity: Carbon Footprint Communication Program Basic Database (Ver 1.01)
	CO_2 emissions index during product operation		CO_2 emissions index estimated based on changes in product fuel consumption reduction, etc. in the aggregate year, with 2010 as the base year and no change in product composition from the base year.
Exhaust	SOx Emissions		Total for heavy oil, kerosene, light oil and coke: Calculated from fuel quantity x sulfur content in fuel
	NOx Emissions		Total for heavy oil, kerosene, light oil, city gas, and LPG: Calculated from Exhaust gas quantity x NOx concentration
Drainage	BOD Emissions		Calculated from Wastewater x BOD Average Concentration Measurement Value
	COD Emissions		Calculated from Wastewater x COD average concentration measured value
Water	Amount of water used		Total amount of water intake, including clean water, industrial water and groundwater
	Intensity of water input		Intensity at a plant = (amount of water used) / (internal manufacturing value); the base year of the index is 100. Base year: 2010(KMC base year : 2018) Total basic unit index = weighted average of percentage improvement in basic units of each plant from the base year by the ratio of water input in the base year.
Waste	Amount of waste		Total amount of waste excluding valuables
	Waste intensity		Intensity at a plant = (amount of waste) / (internal manufacturing value); the base year of the index is 100. Base year: 2010(KMC base year : 2018) Total basic unit index = weighted average of percentage improvement in basic units of each plant from the base year by the ratio of waste amount in the base year.
PRTR materials	Amount of these materials emitted or moved		Multiply the number of secondary materials used by the content of specified chemical substances and the rate of emissions and movement in accordance with the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act).

Coverage of key data

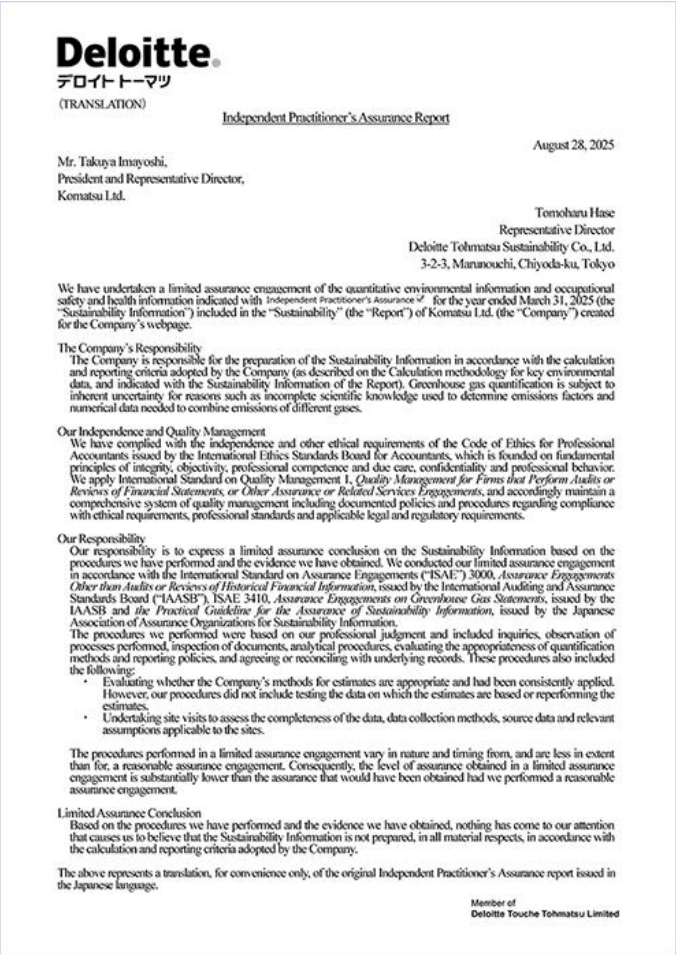
The coverage rate of key data was calculated using headcount as an indicator.

Data coverage at production sites: 97%

Independent practitioner's assurance

Komatsu views an independent practitioner's assurance process as crucial for ensuring the reliability of the quantitative environmental information and occupational safety and health information for the 2024 fiscal year described on its "Sustainability webpage". For this reason, Komatsu has received an independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd., an affiliate of the Deloitte Touche Tohmatsu LLC.

› Deloitte Tohmatsu Sustainability Co., Ltd.



Deloitte.
デロイト トーマツ
(TRANSLATION)

Independent Practitioner's Assurance Report

August 28, 2025

Mr. Takuya Imayoshi,
President and Representative Director,
Komatsu Ltd.

Tomoharu Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the quantitative environmental information and occupational safety and health information indicated with Independent Practitioner's Assurance ☑ for the year ended March 31, 2025 (the "Sustainability Information") included in the "Sustainability" (the "Report") of Komatsu Ltd. (the "Company") created for the Company's webpage.

The Company's Responsibility
The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting criteria adopted by the Company (as described on the Calculation methodology for key environmental data, and indicated with the Sustainability Information of the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Management
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and *the Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.
The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting criteria adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

› Independent Assurance Report (PDF：112KB)

Points of an independent practitioner's assurance

Komatsu has received an independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. for this Web data, which is marked by the Independent Practitioner's Assurance ☑ where appropriate.

Social Contribution Activities

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Accomplishments and approaches for social contribution activities

Komatsu believes that contributing to the communities where it operates is one of its corporate responsibilities. Under our sustainability policy, we recognize "contributing to society through our business activities" as a part of our corporate social responsibility, and we actively engage in initiatives that leverage our business characteristics to benefit local communities.

Based on this approach, we have conducted discussions to determine what kinds of initiatives would provide value to both society and Komatsu, and have identified our material issues accordingly.

Materiality

Category	Material issues	Key themes
With people	Employees	Creating a safe and secure work environment and promoting employee health and well-being
	Human rights	Creating an environment where diverse individuals can thrive not only locally but also globally
With business	Customers Ethics & Governance Local communities	Enhancing product safety
		Improving productivity at construction sites through Smart Construction®
		Providing solutions that support sustainable resource development (mining)
		Providing solutions that enhance safety and productivity (automation, autonomy, and remote operation)
		Building value chains that are responsive to environmental and demand changes
		Continuing community contribution activities
With the earth	Environment	Promoting carbon neutrality
		Reducing environmental impact through business activities (remanufacturing business)
		Providing solutions to support sustainable, recycling-oriented forestry business
		Promoting circular economy business

Basic approaches to social contribution (from “Komatsu’s worldwide code of business conduct”)

CSR (Corporate Social Responsibility) is a multi-faceted topic, of which specific elements pertaining to the different aspects of its implementation are subject to change according to country, region, or business practices. However, regardless of these variations, the underlying axioms that drive these initiatives remain the same: companies must co-exist in harmony with society, responding to expectations and building a relationship of mutual trust. As mentioned in other sections of this report, one of the principles that guides the Komatsu Group on a global scale is the understanding that Komatsu should fulfill its corporate social responsibilities through integration of CSR into our business operations. We further build on that belief by defining clear requirements for good corporate citizenship: a company should live up to societal expectations by promoting harmony and making real contributions for the benefit of the community in which it operates. Komatsu is proud to report that we live up to these high standards, and are proactively engaged in social contributory activities across multiple regions.

Governance regarding donations

Whenever we start a new project, we evaluate its ability to benefit both Komatsu’s business operations and its stakeholders. In our implementation of our CSR activities (including donations), we introduced a check sheet in FY2013 to be used by the Sustainability Promotion Division, functioning as an administrative office, to quantitatively evaluate the effects of the activities from both aspects, and involved officers review this evaluation to ensure the effective monitoring of our CSR activities.

5 Basic principles for social contribution (from "Komatsu's worldwide code of business conduct")

Aims:

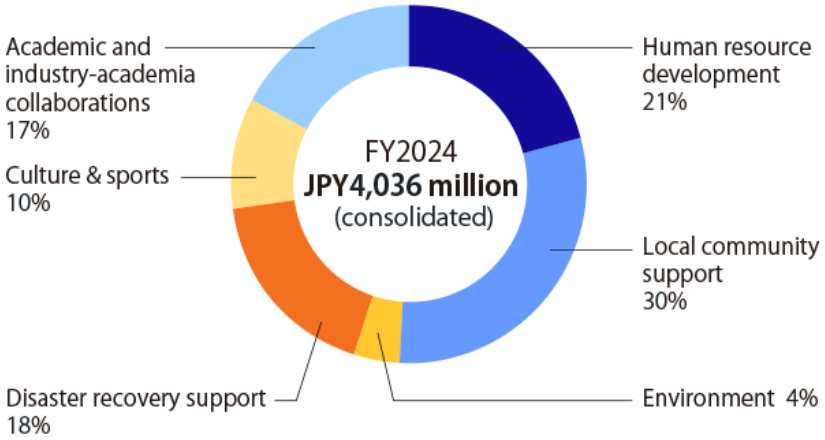
To clarify the responsibilities of Komatsu Group and its employees as members of the local community and guide their activities for social contribution accordingly.

Principles: Activities for social contribution should:

- have continuity;
- be reasonable to employees; and
- contribute to the advancement of public welfare;
- not be designed to advertise our products or services.
- be voluntary (not forced);

Social contribution expenditures of the Komatsu group in FY2024

We have divided and summarized the results of our social contributions into 6 general categories. These can be found in the infographic below:



Type of social contribution expenditure

(Millions of yen)

Cash contributions	1,551
Time contributions	1,055
In-kind donation	1,284
Management overheads	146
Total	**4,036**

Nurturing the next generation

The Komatsu Group acknowledges that a company, as a good corporate citizen, should live up to the expectations of the society by promoting harmonious relations with, and contributing to the benefit of, the community in which it operates. Accordingly, we shall be proactively and continuously engaged in reginal activities for social contribution. Nurturing the next generation of children is one of these initiatives.

Efforts for nurturing children and environmental conservation at Komatsu no Mori

Komatsu no Mori was established on May 13, 2011, in Komatsu City, Ishikawa Prefecture, to commemorate Komatsu's 90th anniversary. It aims to foster the healthy development of children in local communities and preserve the natural environment through activities such as nature observation in the satoyama (undeveloped woodland near populated area), science and manufacturing classes at the Waku-Waku Komatsu Kan, and social studies field trips for elementary schools. The Waku-Waku Komatsu Kan and the NPO Midori-no-Komatsu Sukusuku-kai jointly operate Komatsu no Mori, with over 290 volunteers, including former employees of the Komatsu Awazu Plant, participating in these activities.

Satoyama event committee
This committee plans and executes events that allow children to experience the joy of playing in nature through activities such as observing plants and animals in the satoyama and rice cultivation in the fields.

Rice planting experience

Firefly larva observation session

Sweet potato seedling planting

Satoyama green committee
This committee assists in maintaining the satoyama by cleaning up lawns, collecting fallen leaves, tending to flower beds, and planting seasonal flowers in the Satoyama, Plaza, and Stream Zone. They also conduct floral education activities in collaboration with local preschool and daycare center children.

Flower education: Flower bed creation

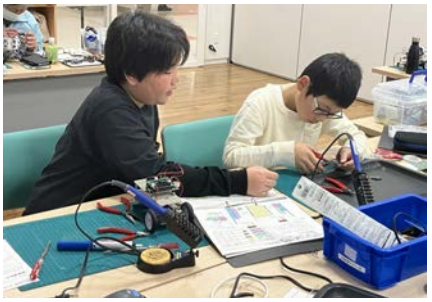
Flower education: Seed sowing

Garden maintenance

Sukusuku classroom committee
At the Waku-Waku Komatsu Future Pavilion, we organize and implement curriculums for elementary school children that inspire interest in science and manufacturing through learning, crafting, and experiments.

Crafting at science class

Science class in Cambodia


Class Lecture at Komatsu tutoring class

Support committee
This committee supports the operation of Komatsu no Mori and Waku-Waku Komatsu Kan by organizing activities such as rides on the ultra-large mining machines 930E and PC4000, and operating the electric mini shovel, as well as assisting visitors and events.

Construction equipment simulation game

Hands-on mini excavator operation

Waku-Waku construction equipment festival

Komatsu Marketing and Support Indonesia: Environmental education

In October 2024, Komatsu Marketing and Support Indonesia (KMSI) held a Komatsu Class (environmental education session) at an elementary school in Banjarmasin City. During the session, KMSI staff provided education about waste management with the concept of 3R (Reduce, Reuse, Recycle). To enhance students' motivation to learn, stationery was distributed, and scholarships were awarded to high-achieving students. Additionally, the aging ceiling of the school building (staff room) was repaired, creating a better working environment for the teachers. This initiative received positive feedback from school officials and surrounding community, and the students actively participated, generating a strong and favorable response.

Developing people needed by the community

When we asked ourselves:"What sort of social contribution activities would meet the needs of regional communities and make the best use of Komatsu's strengths?" We arrived at the answer: "developing people." We are working in cooperation with several entities such as national and local governments as well as schools, to carry out human resource development programs that are tailored to each region's needs and enable participants to acquire skills that will open up various employment opportunities.

Various areas and forms of support

Developing Human Resources Tailored to Regional Needs Worldwide

Using the skills and know-how cultivated through business activities, Komatsu supports the development of human resources that are needed not only within our company, but also in local communities.

Expectations for human resource development can vary greatly from community to community. At Komatsu, as we do business on a global scale, we make efforts to understand what each community needs and work on providing that support accordingly in various areas and in different forms.

The pyramid graph below shows the areas in which Komatsu is supporting human resource development. It also shows that the closer you get to the top of the pyramid, the more closely linked the program is with Komatsu businesses. The base of the pyramid shows our active support of activities such as science classes in elementary schools, mainly in different parts of Japan, USA and Europe. The next level up is to provide basic education, which consists of our support towards people who cannot or were not able to receive the level of education necessary to find employment, due to circumstances specific to their country or region. We currently run such programs in Chile and South Africa. At the next level, we support universities and vocational training schools in many regions by providing Komatsu's curriculum and equipment, as well as instructors. At the top of the pyramid, we are working with national and local governments and with our customers to develop human resources, particularly in regions where human resource development is a social challenge.

The actual content of the support includes dispatching instructors and trainers; providing educational materials, equipment and facilities; accepting apprentices; and various other means utilizing the full potential of our know-how.

Support for developing human resources

Dispatching instructors

Providing educational materials and equipment

Providing facilities and supporting operations

Accepting apprentices

Komatsu Brazil International: Maintenance training program

Komatsu Brazil International Ltda. (KBI) has partnered with two vocational training institutions—SENAI and Sophie Link Kolping Brasil—to implement the Komatsu Immersion Program (KIP), a vocational training initiative focused on mining machinery maintenance (mechanical engineering, electrical engineering, and welding).

This three-month program was initially launched in a northern Brazilian state and has since expanded to one southern state, currently operating in two regions to support people in underdeveloped communities. To date, 478 participants have successfully completed the program, and approximately 60% have been employed by Komatsu. Notably, 30% of those employed are women, contributing to greater gender diversity in the mining industry.

This program is designed to equip participants with the skills needed to succeed in a broad and competitive job market. Through this initiative, Komatsu Brazil International (KBI) not only secures a workforce of highly skilled technicians but also provides valuable opportunities for individuals in local communities, contributing to long-term community development.

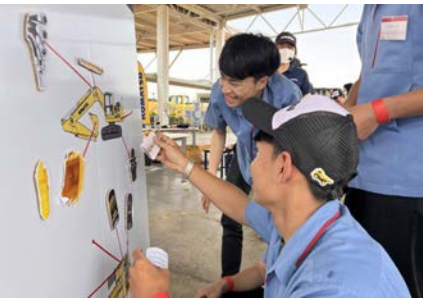
Komatsu Parts Asia: Training for engineering students

In February 2024, Komatsu Parts Asia Co., Ltd. (KPAC) invited over 100 students from three nearby technical institutions—King Mongkut's Institute of Technology Ladkrabang, Burapha University, and Eastern College of Technology—to the Asia Training & Demonstration Center (ATDC) under the theme "Empowering the Future Through Education and Community."

Through presentations on Komatsu's sustainability initiatives, demonstrations of construction and mining machinery, and guided facility tours, the students gained a deeper understanding of our business. Additionally, we set up three learning stations where participants could experience Komatsu's technologies and products firsthand, further enhancing their understanding of our operations.

1. Hybrid technology station: Introduction to technology using HB365LC-1 Hybrid Hydraulic Excavator
2. Parts Identification Exercise: experiential learning where participants actually identify parts
3. Machine Interaction in the DEMO Field: explore the machines, physical contact with the displayed equipment, and receive explanations from Operator Trainers.

KPAC hope to foster a deeper connection between education, community empowerment.



Collaboration with Cummins Inc.

We believe that collaborative CSR activities deliver more effective outcomes than those conducted alone, by sharing the people, know-how, and other resources of each company. In promoting social contribution activities in the past, Komatsu has collaborated with entities such as non-profit organizations that have their own unique know-how. In 2016, we agreed with our business partner, Cummins Inc. in the U.S., to collaborate in the field of local human resource development.

Komatsu and Cummins' common objective

Komatsu and Cummins Inc., a major engine manufacturer in the U.S., have built a strong relationship of trust over the years as partners in the engine business. Both companies have already expended much energy into supporting human resource development in local communities as part of social contribution activities, and have already collaborated in several areas. One of the main programs is Technical Education for Communities (TEC). Both companies have partnered through contract to utilize their pool of resources and best practices, to expand the support of human resource development globally.

South Africa (ended in 2024)

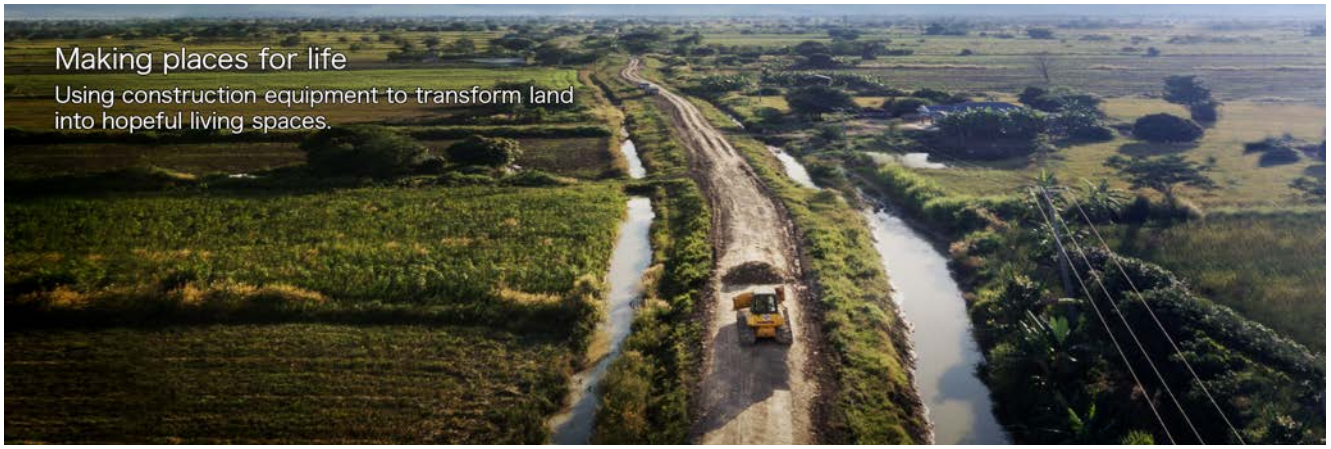
Salt Lake City, USA

Peru

Cummins Profile

Corporate name	Cummins Inc.
Established	1919
Headquarters	Columbus, Indiana, U.S.
Business segments	Engine, Power systems, Components, Distribution
URL	http://www.cummins.com/

Clearing anti-personnel landmines and community development support



In the areas afflicted by anti-personnel landmines, Komatsu has engaged in activities to support community development throughout the process from demining to reconstruction. Utilizing Komatsu's demining machines and construction equipment, developed by combining its technical expertise, knowledge and experience in manufacturing, Komatsu started its project in Cambodia in 2008 partnering with the authorized NPO "Japan Mine Action Service" (JMAS) and another project in Laos in 2016.

From a land contaminated with dangerous landmines to a land where people can live in safety and security, and further on to a land with added value through the construction of roads and elementary schools. Komatsu will continue to promote activities that contribute to the independent reconstruction of the entire community by providing support through construction equipment, which is our core business.

- Cambodia -

Demining dozer

Clear landmines from the vast tracts of land. In the aftermath of war and civil war, landmines and unexploded ordinance remain in many areas in Cambodia. Still today citizens continue to suffer severe injuries and even death from landmines. Buried in the vast tracts of land near the Thai border in the northwestern part of the country are countless anti-personnel landmines, preventing restoration and development. In order for people to return to the abandoned farmlands and deserted villages, our clearing of the landmines and making the land safe to live and walk upon must be our first task.

Visit our specialised webpage to learn more at › Demining dozer

Farmland & Infrastructure-reconstruction

By restoring farmland and roads, people regain their livelihoods. The Project does not end with the clearing of landmines. That step only restores the land's ability to fulfill its role in the development of farmlands or construction of roads. The two main crops of Cambodia are rice and cassava. For efficient cultivation and harvesting, land intended for rice paddy-use needs to have the unevenness of the ground and other irregularities eliminated. The result of using bulldozers equipped with ICT to level the land and prepare it for rice paddy cultivation and harvesting is a nearly doubling of yield. In addition, irrigation canals and reservoirs have been created to alleviate water shortages. Previously farming in the dry season was not possible. Now more and more farmers are enjoying access to water from irrigation canals for their crops. Moreover, construction of a network of new and improved roads connects farmers not only with towns and the region but also with vital lifelines. The impact of all these improvements is large. People living in villages are choosing to stay. Those who left to find work in other countries are returning to build prosperous lives on the reborn land. Soon the newly constructed roads will be busy with people coming and going between home and villages alive with hope and vitality.

Visit our specialised webpage to learn more at › Farmland & Infrastructure-reconstruction

School construction

"Learning is creating your future". That is what the principal of a local elementary school said to his students. There was a child who gave up going to school because the school in the minefield was far away. There were also schools where the school buildings were so dilapidated that it was difficult to study. It has been more than ten years since we started building elementary schools. Some children have graduated from the first and second schools and are now college students. A small bud seemed to open into a large flower. People gather in places that used to be minefields, schools are built, and students learn. Each person will find their own dream. That's why children's smiles shine so brightly.

Visit our specialised webpage to learn more at › School construction

News: Scholarship program launched

Komatsu has been involved in the construction of a total of 10 elementary schools in Cambodia, as of April 2025. All of these elementary schools were built on former minefields, and many of the students are from economically disadvantaged families. However, after graduating from elementary school, some students have begun to pursue higher education. Therefore, Komatsu launched a new scholarship program in FY2022 for students graduated from these Komatsu-built elementary schools. In FY2024, 21 students utilized the program, and in FY2025, 25 students are benefiting from it.

University students attending school on scholarships

News: Second study tour held

In May 2024, a study tour was conducted to visit demining sites and reconstruction areas, targeting Komatsu Group employees and their families. The tour, which focused mainly on employee-participation CSR activities, welcomed a total of 45 employees and their families. In addition to observing Komatsu construction equipment at work in minefields, agricultural lands, and infrastructure development sites, the group visited an elementary school built with Komatsu's support. At the schools, participants engaged in activities such as painting, repairing desks, and interacting with students through science experiments and a tug-of-war game.

- Laos -

We started support of unexploded ordnance disposal activities in 2016 in Xiangkhouang province, northern Laos.
In Laos, more than 30% of the land is contaminated with unexploded ordnances, mostly cluster munitions, which harm children and farmers every year. Komatsu plays its part by offering the necessary machines free of charge for the mechanized operations jointly conducted by UXO-LAO (a Lao unexploded ordnance disposal squad) and the Japan Mine Action Service (JMAS), alongside engineering support for the machines it provides.

Visiting lectures in Japan

As part of the "Visiting Lecture" initiative, Komatsu employees visit schools in Japan to introduce the activities of the demining project to a wide range of young people, from elementary school students to university students. As of March 2025, we have conducted approximately 140 lectures, reaching about 12,000 students, including those held online.

Feedback from high school students included comments like, "I learned that Komatsu, a construction machinery company, is extending its support to regions such as Cambodia by collaborating with the government and JMAS. I realized that many fields hold great potential. Working with various people can expand possibilities in many directions, which is something I want to keep in mind moving forward," and "Even when we talk about 'social contribution' or 'international contribution,' I realized there are countless issues and many organizations and people striving to solve these issues. I have a big dream of being involved in international contribution in the future, and I now understand that there are many paths besides the one I am currently thinking of pursuing."

Komatsu will continue to provide visiting lectures to inspire children, who will lead the future, to think about world peace, their future, and their lives.

Visiting lectures at junior high schools in Japan

Application to attend a visiting lecture

› Download the Komatsu Visiting Lecture/Online Class application form

Read the following before applying:

- Reservations are on a first-come-first-served basis. We advise you to apply early.
- Please apply at least one month prior to the lecture.
- In consideration of the topics discussed in the lectures, we do not approve applications from students in their 4th year of elementary school or younger.
- Your application may not be approved if we receive too many applications or for our own business reasons. If this happens, we will contact you before the lecture.
- Please note that lectures may be postponed or cancelled due to other unforeseen circumstances.

History of demining activities (international treaties, Japanese government and Komatsu)

Year	Activity (international treaties and activities of the Japanese government are underlined)
1998	Komatsu develops old timber removal machine for demining in Cambodia
1999	Entry into force of the Ottawa Treaty (the Mine Ban Convention)
2002	The Japanese government has announced to exempt demining equipment for anti-personnel landmine from the Three Principles on Arms Exports.
2003	Development of demining equipment for anti-personnel landmine funded by the Ministry of Economy, Trade and Industry and NEDO (Figure (1) below)
2004	With support from the Ministry of Foreign Affairs of Japan, Komatsu conducts on-site testing in Afghanistan
2006	With support from the Ministry of Foreign Affairs of Japan, Komatsu conducts on-site testing in Cambodia
2007	The first demining equipment for anti-personnel landmine introduced in Afghanistan (Japanese government ODA)
2008	Komatsu begins the Cambodia reconstruction project together with the JMAS, NPO
2009	Komatsu begins the Angola reconstruction project together with the JMAS, NPO
2010	Entry into force of the Oslo Treaty (the treaty banning Cluster Munitions)
2015	Komatsu develops demining equipment for anti-personnel landmine (Figure (2) below)
2016	Komatsu begins the Laos reconstruction project together with the JMAS, NPO
2017	Komatsu completes the Angola reconstruction project
2019	Komatsu constructs 9th elementary school in Cambodia, and the 1st in Laos.
2020	Komatsu begins the agriculture CSR project in Cambodia
2022	Komatsu constructs 10th elementary school in Cambodia
2022	Start scholarships to support university enrollment for graduates of elementary schools built in Cambodia
2025	Start scholarships to students enrolled in the Heavy Equipment Maintenance Department at CFPT-SJ in Senegal
2025	Demining equipment for anti-personnel landmine introduced in Senegal (Japanese government ODA)

(1) Demining equipment for anti-personnel landmine

(2) Demining equipment for anti-personnel landmine and cluster submunition

Disaster relief

Many of Komatsu's products (especially construction equipment) are vital for recovery and reconstruction in the wake of a natural disaster.

In the event of an emergency, we promptly grasp the local situation and support disaster recovery in a substantial way, such as providing equipment needed by the disaster area. The latest activities are as follows:

Assistance for people affected by the Noto Peninsula Earthquake in 2024

In January 2024, an earthquake centered in the Noto Peninsula of Ishikawa Prefecture caused significant damage to the community.

In consideration of the extensive damage caused, Komatsu made a total donation of totaling JPY600 million (JPY500 million for Ishikawa Prefecture and JPY100 million for Toyama Prefecture) to provide emergency aid for the affected areas and people. In addition, in line with requests from the affected areas, we have been continuously providing support, including free-of-charge lending of equipment such as construction machinery, forklifts and generators, as well as personnel support to our suppliers that have been affected by the disaster.

Furthermore, Komatsu and the Federation of All Komatsu Workers' Unions jointly solicited donations from Komatsu Group employees and made a "matching donation" in which Komatsu donated an amount corresponding to the amount of the donation by the employees.

Komatsu was established in May 1921 in Komatsu City, Ishikawa Prefecture. Today, we operate in a total of four production bases in Ishikawa and Toyama Prefectures. We have also been actively engaged in business activities deeply rooted in the local community, collaborating with numerous local suppliers and distributors. Our pursuit of coexistence with local communities has been handed down through generations, and our basic stance is to contribute to society through business activities.

Moving forward, we will continue to provide the necessary support to contribute to the prompt restoration of the affected areas.

© Image courtesy : Vnet / Japan Platform

© Image courtesy : Vnet / Japan Platform

North America Hurricane Response

The fall of 2024 proved to be one of natural disaster and serious impact across the United States.

Hurricane Helene, a Category 4 hurricane, made landfall in the Big Bend area of Florida. Just weeks following this catastrophic event, a Category 5 Hurricane Milton made landfall.

After these disasters, communities were inundated with flood waters, damaged by powerful winds and tornadoes and left without power or resources. The destruction impacted homes, roads and infrastructure, and entire communities.

Komatsu America Corp. (KAC) collaborated with local communities to compile a Wish list to hear the needs of disaster victims and delivered relief supplies to individuals, families, nonprofit organizations, and donation centers.

KAC donated $100,000 to the American Red Cross to support disaster relief efforts following Hurricanes Helen and Milton. Additionally, KAC encouraged individual employee donations, and many employees contributed to the relief efforts.

Support for Flood Recovery in Thailand

In the rainy season of 2024, large-scale flooding affected northern, northeastern, and central Thailand. The damage was particularly severe in Chiang Rai and Chiang Mai.

Bangkok Komatsu Co., Ltd. (BKC) has allocated some construction machinery with expert operators to Chiang Rai and Chiang Mai. These machines are being used to help remove mud and debris that have accumulated in public areas and residential neighborhoods due to the flooding. In addition, BKC and our partners have come together to donate funds, emergency supplies, and used computers to support local residents and schools affected by the disaster.

Cooperation with pro bono workers*

* Pro bono: Initiatives and organizations to apply specialized job experiences and knowledge in volunteer activities.

In Japan, Komatsu has mainly assisted in areas affected by earthquakes. For wind and flood damage, which have increased in recent years, the damage is concentrated in limited areas or villages in many cases, and thus, we could not provide assistance in a more detailed manner in some cases.

Komatsu is providing the following support, including the provision of equipment and supplies.

Supporting Areas Stricken by Typhoon No. 19 in 2019: Donating a used PC30MR to OPENJAPAN

Support for OPENJAPAN, a construction skill NPO providing grassroots support in affected areas

OPENJAPAN (head office: Miyagi prefecture) is a group of volunteers who have expertise in construction and civil engineering. They quickly rush to affected areas around Japan to clean up affected houses as well as conduct recovery and reconstruction work. Though many of the volunteers possess a great deal of skill to operate construction vehicles, recovery from disasters also requires the relevant expertise. Through daily training, they aim to carry out safe and effective recovery and reconstruction operations.

In response to a request from the Marumori-machi government in Miyagi prefecture, which suffered extensive damage, and after hearing from the people on-site about their needs, Komatsu donated a used compact excavator PC30MR, as well as rental costs for heavy equipment, fuel, and materials (e.g. blue tarps and crane tools) that were necessary for the OPENJAPAN activities in Marumori-machi so that they can be used for not only the reconstruction support activities in Marumori-machi, but also future training.

Komatsu's initiatives for the social issues

There are various social issues in the world in each region.

As the Komatsu Group develops its business globally, we listen to the voices of people living in the various local communities in our areas of operation, and actively carry out support activities to improve the living standards. We consider conducting such social contribution activities as a responsibility of doing business around the world.

Peoria Manufacturing Operation, Komatsu America Corp.:

This spring, Peoria Manufacturing Operation (PMO), Komatsu America Corp. welcomed students from local schools for an engaging and educational experience. In April, 70 seventh-grade students from Lincoln Elementary School visited PMO, followed by 30 sophomores from Metamora High School in May. During their visits, students attended presentations that highlighted the role of mining and the diverse career opportunities within the industry. They also toured the factory and enjoyed a memorable photo opportunity in front of the massive 980E monument truck. Feedback from the students was overwhelmingly positive, with comments such as “It was fun and educational” and “I can see career possibilities in my community.”

American Battery Solutions, Inc. :

American Battery Solutions, Inc. (ABS) participated in the “Blankets With Care” program as part of its community support efforts. This initiative delivers handmade blankets to local residents in need of daily living support. The company covered the cost of materials, and employees from each department collaborated to create the blankets. Each team planned, coordinated, and brought creativity to the project, making the experience both meaningful and enjoyable. The program not only provided physical warmth, but also conveyed compassion and a sense of comfort to those who received the blankets.

Komatsu Pakistan Soft (Pvt.) Ltd.:

In 2025, Komatsu Pakistan Soft (Pvt.) Ltd. (KPS) provided essential mobility aids—including wheelchairs and stretchers—to the Pakistan Institute of Medical Sciences (PIMS). These contributions aim to enhance patient comfort, dignity, and care, while supporting the vital role that local healthcare facilities play in the community.

Additionally, KPS donated blood testing kits and blood bags to the Sundas Foundation. These items are crucial to ensuring that donated blood is safely and appropriately used for transfusions.

Through its support for medical and diagnostic services, KPS continues to contribute to life-saving efforts in the region.

An employee-participatory social contribution program "One World One Komatsu"

Komatsu recognizes “contributing to society through our business activities” as part of our corporate social responsibility and engages in initiatives that leverage our business characteristics to benefit local communities. In 2021, the year Komatsu celebrated its 100th anniversary, we launched the "One World One Komatsu" employee-participation social contribution program as the Komatsu Group's first global initiative open to all employees.
The theme of "One World One Komatsu" is "Environment and Sustainability," which is a common issue around the world and has a high affinity with our business, and each and every employee will take part in activities that are familiar to them in their daily lives, such as "reducing water consumption" and "turning off lights in unused rooms. In order to promote these activities, we have set up a dedicated platform that allows the entire group to consolidate the activities of each individual. This new platform can be easily logged in from a PC or smartphone. Komatsu will continue to promote activities for a sustainable planet by fostering a sense of unity among Komatsu Group employees around the world, transcending differences in countries and languages, and working toward a common goal.

Four priority themes of "One World One Komatsu”

Reduction of CO_2 emission
Water conservation
Renewable energy
Reduction of waste

Komatsu global watch party – June 2025

In celebration of Earth Day (April 22), designated by the United Nations, Komatsu held a “Global Watch Party” in June 2025. The event featured a video compilation showcasing volunteer activities conducted by employees around the world, which was viewed at locations across the Komatsu Group. The video is also available online with English.

› Earth Day 2025 (English)

One World One Komatsu 2024 contest

The “One World One Komatsu 2024” contest, held during 2024, received entries from more than 120 employees around the world who submitted reports on their own volunteer activities. Winners were selected in each of 10 categories (9 individuals and 1 team).

Winners of the 2024 contest

* Winners' organizational affiliations are based on their positions as of 2024.

Laurie Naveaux, Komatsu Australia Pty. Ltd.

Award Category：Human Rights

Providing sustainable, safe and low-cost housing

A volunteer firefighter since 2008 across France, New Caledonia and Australia, Laurie organized Hazmat drills in Noumea to enhance emergency preparedness. In 2021, she co-led International Women’s Day celebrations to promote gender equality in a male-dominated industry. As a female firefighter and LGBTQ+ advocate, Laurie challenges discrimination and fosters inclusivity. She launched Movember and Pink June campaigns for health awareness and led Earth Day activities linking environmental stewardship to human rights. She also increases her social equity impact through ethical consumption, supporting local producers and second-hand shopping.

Eliecer Jovani Sandoval Rodríguez, Komatsu Chile S.A.

Award Category：Diversity & Inclusion

Supporting special needs children through sport

Through his CLUB LKF, Eliecer offers boxing and kickboxing workshops for socially vulnerable children who are often denied access to sporting spaces because of their limited resources or perceived disabilities, including Down syndrome, autism spectrum diagnoses and mental illness. Through the power of sport and discipline it entails, Eliecer said, he has seen children emerge from depression and improve their daily lives, providing an outlet that has a great ripple effect for the community by creating true diversity, equality and inclusion.

Kathryn Kauffman, Komatsu North America Corp.

Award Category：Community Development

Science, art and technology kits support local students

This Covid era-inspired project started with 70 marshmallow launcher kits for local students. Today, Kathryn and her team have expanded their effort to include an estimated 100 fifth graders alone, using 100 percent recyclable kits focused on the One World One Komatsu mission of sustainability. Each STEAM kit (Science, Technology, Engineering, Art and Mathematics) includes supplies and instructions for a science experiment, as well as wildflower seeds to support local pollinators, a handout with information on sustainability and Komatsu stickers. The handout publisher also uses recycled materials and plants trees for each kit order.

Agustin Ramos Aguilar, Komatsu Forest AB, Brazil

Award Category：Sustainable Solutions

Family passion supports orchid conservation and research

A family passion spanning 40 years blossomed into this one-of-a-kind conservation project focused on mapping, studying and rescuing orchids, which are under threat of reforestation, excessive harvesting and climate change. Partnering with universities in Mexico and Brazil, Agustín's project grew from trips into forest into an academic effort to produce digital files to aide in species identification, reproduce seeds from vulnerable species, developing a smart greenhouse system — all while discovering new orchid species and building a nature preserve on the family ranch.

Sebastian Guevara Diaz, Komatsu Colombia S.A.S.

Award Category：Carbon Conscious

Contributing to CO_2 reduction through tree planting

Sebastian's submission underscores the "small actions, big impact" tenet of One World, One Komatsu in a project that generated a clear and profound impact. He planted 50 trees, helping remove more than 500 kilograms of carbon dioxide from the air while putting in many hours of volunteer work. As Sebastian said, "(This) is not just a number; it is a cleaner future, it is fresher air, better views, a feeling that you are contributing and connecting with life that cannot be described."

Olivia Ratner, Komatsu Europe International N.V.

Award Category：Water Wise

Saving water through timed showers, water re-use and habit tracking

Olivia took 110 five-minute showers over five months. But, more than that, she learned the source of her household water, calculated water tank capacity and the cost to generate that supply, and charted refill time to boost efficiency. Over five months, she took lessons from her data — and practice of using grey water for plants and mopping — and then shared with her husband and houseguests to amplify her impact.

Christina Milde, Komatsu Germany GmbH

Award Category：Energy Enthusiast

Renewable energy home renovation supports sustainability

Christina turned a home renovation project into a sustainability opportunity. Combining technology and energy management, including energy-efficient windows, home insulation, an earth-based heat pump power by solar panels, smart appliances and an energy monitoring system, the combined effect will result in energy savings for years to come, reduce their household environmental footprint and serve as an example for friends and family to do the same.

Piyush Paratkar, Komatsu India Pvt. Ltd.

Award Category：Waste Watcher

Trash pick-ups, recycling, litter prevention: Small actions, big impact

Through weekly trash pick-ups, Piyush and his Nagpur Ploggers volunteer team collected 780 kilograms of plastic waste, 1.8 kilograms of cigarette butts, 770 plastic bottles and 490 glass containers. They also worked with local schools to turn 600 kilograms of plastic waste into 2,400 eco-bricks and used funding from Komatsu to establish a JUMBO trash bin project, leading to 15 giant trash bins installed in public spaces in Nagpur. Finally, their Chalk of Shame initiative, which combined chalk circles to identify litter and messages for people who discarded trash, was an innovative, artistic and non-confrontational way to deter littering.

Mirco Battistella, Komatsu Italia Manufacturing S.p.A.

Award Category：Volunteer of the year

Community builds teamwork, pioneers new inclusive sport

As the organizer of Polisportiva Redentore Este, Mirco works with about 100 volunteers and 500 athletes, providing a powerful tool for inclusion and integration in the community of Este. The young athletes of Polisportiva can play a variety of games and athletics, including the newest sport, baskin. A combination of the words “basketball” and “integration,” baskin brings disabled and able-bodied players together. The result goes beyond mere sport, creating a culture of social inclusion that ripples throughout the community.

Keith Seymour, Roger Caristo, Jaouen Le Touze and Jean Cote, Komatsu North America Corp., Canada

Award Category：Team Effort

Komatsu team, customers support horse rescue

Keith Seymour, Roger Caristo, Jaouen Le Touze and Jean Cote, all from Komatsu Canada, dedicated a full day to supporting A Horse Tale, a Quebec-based nonprofit that rescues retired and abandoned horses while also providing therapy and education programs for autistic and special needs children. Inspired by his wife’s weekly volunteer work, Keith organized the effort as a team-building initiative. The group dismantled a one-acre wooden fence and coordinated support from Sable Chevrier, a Komatsu customers, who provided land work, donated equipment and sourced materials to improve the paddocks and stables. The effort strengthened community ties, benefited both people and animals and laid the foundation for another volunteer day in the spring.

Promoting sports—the Komatsu women's judo club

Founded in 1991 as part of social contribution activities during the 70th anniversary of the company founding, the Komatsu Women's Judo Club is celebrating its 34th year. Over this period, including alumnae, about 100 athletes have competed in tournaments worldwide. The club has actively engaged in promoting and developing judo by welcoming foreign athletes and providing judo instruction both domestically and internationally.

Results of club activities in FY 2024

The Judo competition of the Paris 2024 Olympic Games was held from July 27 to August 3 in Paris, France. Two Komatsu-affiliated athletes competed: Lien Chen-ling (57 kg) representing Taiwan and Miku Takaichi (63 kg) representing Japan.

Both athletes made their third consecutive Olympic appearance, following the Rio 2016 and Tokyo 2020 Games. On Day 3, Lien Chen-ling won her opening match by ippon using her specialty in groundwork. In the second round, she faced an opponent known for strong throwing techniques and was narrowly defeated by waza-ari. Despite the loss, her bright and graceful demeanor after the match left a lasting impression. Miku Takaichi appeared on Day 4 of the competition. She won her first match by scoring a waza-ari with a foot technique and securing an ippon through osaekomi. In the second round, she controlled the match and forced her opponent into two shido penalties. However, during the golden score period, she was thrown with seoi-nage and lost by waza-ari in a close contest.

Takaichi also competed in the Mixed Team event held on the final day of the Games. Participating in the 70 kg division, she won her bout against Spain in the first round. When the match was tied and went to a deciding bout, she was selected again and secured victory with an ippon by kosoto-gari, bringing the win to Team Japan. In the final match against host country France, Takaichi faced her long-time rival Clarisse Agbegnenou in an intense showdown. Although she was narrowly defeated, her performance contributed to Japan's silver medal finish.

In domestic tournaments, Wakaba Tomita (over 78 kg) won her fifth consecutive title at the All-Japan Selected Judo Championships in April, and Hibiki Shiraishi (52 kg) claimed her third straight championship. Both athletes were selected to represent Japan at the 2024 World Judo Championships held in Abu Dhabi in May. Tomita achieved her long-awaited first world title by winning the final match by ippon. In her World Championship debut, Shiraishi narrowly lost in the bronze medal match and finished in fifth place.

Lien Chen-ling (Taiwan), Women's 57 kg category

Miku Takaichi (Japan), Women's 63 kg category

Mixed team final: Japan vs. France – 70 kg category: Takaichi vs. Agbegnenou

Miku Takaichi, Silver medalist in the Paris Olympic mixed team competition

Wakaba Tomita, Gold medalist at the World Judo Championships (Over 78 kg category)

› Komatsu Women's Judo Club

Social contribution activities through judo

The Komatsu Women's Judo Club continues to coach the Komatsu Kids Judo Club locally and hosts judo classes worldwide, including in Japan, to promote judo and foster the next generation of judoka.

In FY2024, we were able to resume judo classes that had been suspended due to global circumstances and the COVID-19 pandemic. During our visit to Komatsu Middle East (KME), we held a judo class in Dubai and engaged in meaningful exchanges with local children. In March, we participated in an International Women's Day event at Komatsu Australia Pty Ltd. (KAL), where our athletes demonstrated judo techniques. In Japan, we gave live judo demonstrations at events held at the Ibaraki Plant and in Ishikawa Prefecture in November. These events allowed us to build bonds of friendship and understanding with participants through judo. We will continue our efforts to promote judo around the world.

Athletes demonstrating Judo techniques at the global conference in Ishikawa, Japan

Participants trying Judo throwing techniques

Children participating in a Judo class in Dubai

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GRI content index

Statement of use	Komatsu has reported the information cited in this GRI content index for the period April 1, 2024 to March 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Company info Global locations Industries we support Innovation
	2-2 Entities included in the organization's sustainability reporting	Annual Securities Report Overview of Subsidiaries and Affiliates Global locations
	2-3 Reporting period, frequency and contact point	ESG Databook: Editorial policy Contact for inquiries
	2-4 Restatements of information	
	2-5 External assurance	ESG Databook: Independent practitioner's assurance
	2-6 Activities, value chain and other business relationships	Company info Industries we support Innovation Global locations Performance by business division / region (full year) ESG Databook: Procurement promotion system and supply chain overview
	2-7 Employees	Company info ESG Databook: The Komatsu Way and policy on human resource development
	2-8 Workers who are not employees	–
	2-9 Governance structure and composition	Articles of incorporation Komatsu Report (Corporate governance) Corporate Governance Report ESG Databook: Corporate governance ESG Databook: Corporate governance indicators ESG Databook: Structure for promoting sustainability ESG Databook: Organizational chart of the environmental management structure
	2-10 Nomination and selection of the highest governance body	Articles of incorporation Corporate Governance Report Notice of convocation Results of the Exercise of Voting Rights (Extraordinary Report)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Management team Komatsu Report (Corporate governance) Corporate Governance Report ESG Databook: Corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Databook: Dialogue with our stakeholders ESG Databook: Materiality analysis Komatsu Report (Corporate governance) ESG Databook: Structure for promoting sustainability ESG Databook: Organizational chart of the environmental management structure Komatsu Report (TCFD)
	2-13 Delegation of responsibility for managing impacts	ESG Databook: Structure for promoting sustainability ESG Databook: Organizational chart of the environmental management structure
	2-14 Role of the highest governance body in sustainability reporting	ESG Databook: Structure for promoting sustainability
	2-15 Conflicts of interest	Komatsu's Worldwide Code of Business Conduct Corporate Governance Report
	2-16 Communication of critical concerns	ESG Databook: Risk management
	2-17 Collective knowledge of the highest governance body	Notice of convocation Komatsu Report (Corporate governance)
	2-18 Evaluation of the performance of the highest governance body	Komatsu Report (Corporate governance) Corporate Governance Report
	2-19 Remuneration policies	Annual Securities Report : Compensation Notice of Convocation Policy, etc. regarding the determination remuneration, etc. for individual Directors
	2-20 Process to determine remuneration	Annual Securities Report : Compensation Notice of Convocation Policy, etc. regarding the determination remuneration, etc. for individual Directors
	2-21 Annual total compensation ratio	—
	2-22 Statement on sustainable development strategy	Komatsu Report(Message from the President) Investor Relations: President interview
	2-23 Policy commitments	Corporate Governance Report ESG Databook: Risk management ESG Databook: Compliance ESG Databook: Promoting legal compliance, and pollution mitigation and prevention ESG Databook: Management of chemical substances and pollution prevention Komatsu's Worldwide Code of Business Conduct ESG Databook: The Komatsu Way and policy on human resource development

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Komatsu's Worldwide Code of Business Conduct CSR procurement guidelines
	2-25 Processes to remediate negative impacts	ESG Databook: Materiality analysis
	2-26 Mechanisms for seeking advice and raising concerns	ESG Databook: Compliance
	2-27 Compliance with laws and regulations	ESG Databook: Environmental risk management
	2-28 Membership associations	—
	2-29 Approach to stakeholder engagement	ESG Databook: Dialogue with our stakeholders Investor Relations: Shareholder events (Japanese)
	2-30 Collective bargaining agreements	ESG Databook: Condition of labor unions
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Databook: Materiality analysis
	3-2 List of material topics	ESG Databook: Materiality analysis Komatsu Report (TCFD)
	3-3 Management of material topics	ESG Databook: Materiality analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	ESG Databook: The Komatsu way and policy on human resource development (remuneration data) ESG Databook: Promoting diversity and inclusion (Work-life balance data) Annual Securities Report: Income Taxes ESG Databook: Developing people needed by the community ESG Databook: Komatsu's initiatives for social issues ESG Databook: Disaster relief
	201-2 Financial implications and other risks and opportunities due to climate change	Komatsu Report (TCFD) ESG Databook: Mitigating climate change through products and services ESG Databook: Reducing CO_2 emissions in manufacturing operations
	201-3 Defined benefit plan obligations and other retirement plans	Annual Securities Report: Pension and Retirement Benefits
	201-4 Financial assistance received from government	—
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	—
	202-2 Proportion of senior management hired from the local community	ESG Databook: Promoting diversity and inclusion

GRI STANDARD	DISCLOSURE	LOCATION
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	ESG Databook: Komatsu's initiatives for social issues ESG Databook: Disaster relief
	203-2 Significant indirect economic impacts	Smart construction (Japanese) Investor Relations: President interview ESG Databook: Developing people needed by the community ESG Databook: Komatsu's initiatives for social issues ESG Databook: Disaster relief
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	ESG Databook: Procurement promotion system and supply chain overview
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	—
	205-2 Communication and training about anti-corruption policies and procedures	ESG Databook: Compliance
	205-3 Confirmed incidents of corruption and actions taken	ESG Databook: Compliance
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	(None for FY2024)
GRI 207: Tax 2019	207-1 Approach to tax	Annual Securities Report: Financial Information
	207-2 Tax governance, control, and risk management	Annual Securities Report: Financial Information
	207-3 Stakeholder engagement and management of concerns related to tax	Annual Securities Report: Financial Information
	207-4 Country-by-country reporting	Annual Securities Report: Financial Information
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESG Databook: Inputs and outputs in the product life cycle
	301-2 Recycled input materials used	ESG Databook: Activities to effectively utilize resources in production
	301-3 Reclaimed products and their packaging materials	ESG Databook: Activities to effectively utilize resources in production
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Databook: Inputs and outputs in the product life cycle Scope of environmental data/calculation standards
	302-2 Energy consumption outside of the organization	—
	302-3 Energy intensity	ESG Databook, Environmental data ESG Databook: Inputs and outputs in the product life cycle
	302-4 Reduction of energy consumption	ESG Databook, Environmental data ESG Databook: Inputs and outputs in the product life cycle
	302-5 Reductions in energy requirements of products and services	ESG Databook: Mitigating climate change through products and services

GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	› ESG Databook, Komatsu's efforts regarding water
	303-2 Management of water discharge-related impacts	› ESG Databook, Komatsu's efforts regarding water
	303-3 Water withdrawal	› ESG Databook, Environmental impact indicators › ESG Databook, Komatsu's efforts regarding water
	303-4 Water discharge	› ESG Databook, Komatsu's efforts regarding water
	303-5 Water consumption	› ESG Databook: Inputs and outputs in the product life cycle
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
	304-2 Significant impacts of activities, products and services on biodiversity	—
	304-3 Habitats protected or restored	—
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	› ESG Databook, Environmental impact indicators › ESG Databook, Calculation standards
	305-2 Energy indirect (Scope 2) GHG emissions	› ESG Databook, Environmental impact indicators › ESG Databook, Calculation standards
	305-3 Other indirect (Scope 3) GHG emissions	› Amount of CO_2 emissions by scope 3 › Amount of CO_2 emissions by scope3 › Scope of environmental data/calculation standards
	305-4 GHG emissions intensity	› ESG Databook: Reducing CO_2 emissions in manufacturing operations
	305-5 Reduction of GHG emissions	—
	305-6 Emissions of ozone-depleting substances (ODS)	—
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	› ESG Databook: Inputs and outputs in the product life cycle › Scope of environmental data/calculation standards
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	› ESG Databook: Inputs and outputs in the product life cycle
	306-2 Management of significant waste-related impacts	› ESG Databook: Development of our "Reman" remanufacturing business › ESG Databook: Green procurement guidelines
	306-3 Waste generated	› ESG Databook: Activities to effectively utilize resources in production (1. waste) › ESG Databook: Inputs and outputs in the product life cycle
	306-4 Waste diverted from disposal	—
	306-5 Waste directed to disposal	› ESG Databook: Activities to effectively utilize resources in production (1. waste) › ESG Databook: Inputs and outputs in the product life cycle

GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	—
	308-2 Negative environmental impacts in the supply chain and actions taken	—
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	› ESG Databook: The Komatsu Way and policy on human resource development (Data on employment and turnover)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
	401-3 Parental leave	› ESG Databook: Promoting diversity and inclusion (Data on pregnancy and childcare leaves)
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	› ESG Databook: Occupational safety and health
	403-2 Hazard identification, risk assessment, and incident investigation	› ESG Databook: Occupational safety and health
	403-3 Occupational health services	› ESG Databook: Occupational safety and health
	403-4 Worker participation, consultation, and communication on occupational health and safety	› ESG Databook: Occupational safety and health
	403-5 Worker training on occupational health and safety	› ESG Databook: Occupational safety and health
	403-6 Promotion of worker health	› ESG Databook: Occupational safety and health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	› ESG Databook: Occupational safety and health
	403-8 Workers covered by an occupational health and safety management system	› ESG Databook: Occupational safety and health
	403-9 Work-related injuries	› ESG Databook: Occupational safety and health
	403-10 Work-related ill health	› ESG Databook: Occupational safety and health
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	› ESG Databook: Offering of a variety of talent development opportunities and improvement of employee engagement (Data on employee training)
	404-2 Programs for upgrading employee skills and transition assistance programs	› ESG Databook: Develop digital and open innovation promotion human resources › ESG Databook: Offering of a variety of talent development opportunities and improvement of employee engagement
	404-3 Percentage of employees receiving regular performance and career development reviews	› ESG Databook: Offering of a variety of talent development opportunities and improvement of employee engagement

GRI STANDARD	DISCLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Databook: Promoting diversity and inclusion
	405-2 Ratio of basic salary and remuneration of women to men	ESG Databook: The Komatsu way and policy on human resource development（Annual total remuneration）
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	(None for FY2024)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ESG Databook: Human rights policy ESG Databook: Business and human rights ESG Databook: CSR procurement guidelines Risk Assessment in the supply chain ESG Databook: Offering of a variety of talent development opprtunities and improvement of employee engagement (Condition of labor unions)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	ESG Databook: Human rights policy ESG Databook: Business and human rights ESG Databook: CSR procurement guidelines Risk Assessment in the supply chain
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESG Databook: Human rights policy ESG Databook: Business and human rights ESG Databook: CSR procurement guidelines Risk Assessment in the supply chain
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	ESG Databook: Human rights policy ESG Databook: Business and human rights
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	(None for FY2024)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Databook: Business and human rights EESG Databook: Developing people needed by the community ESG Databook: Komatsu's initiatives for social issues ESG Databook: Disaster relief
	413-2 Operations with significant actual and potential negative impacts on local communities	ESG Databook: Developing people needed by the community
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Databook: Human rights policy ESG Databook: Business and human rights ESG Databook: CSR procurement guidelines ESG Databook: Outline of procurement policy and supply chain
	414-2 Negative social impacts in the supply chain and actions taken	ESG Databook: Human rights policy ESG Databook: Business and human rights ESG Databook: CSR procurement guidelines ESG Databook: Outline of procurement policy and supply chain
GRI 415: Public Policy 2016	415-1 Political contributions	Political contributions

GRI STANDARD	DISCLOSURE	LOCATION
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	ESG Databook: Improving safety of products and solutions
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	(None for FY2024)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	—
	417-2 Incidents of non-compliance concerning product and service information and labeling	(None for FY2024)
	417-3 Incidents of non-compliance concerning marketing communications	(None for FY2024)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	(None for FY2024)

SASB content index

Topic	Accounting metric	Reference	Code
Energy management	(1) Total energy consumed	Environmental impact resulting from business activities	RT-IG-130a.1
	(2) Percentage gridelectricity	Environmental impact resulting from business activities	
	(3) Percentage renewable	Reducing CO_2 emissions in manufacturing operations	
Employee health & safety	(1) Total recordable incident rate (TRIR)	Occupational safety and health	RT-IG-320a.1
	(2) Employee fatality rate	Occupational safety and health	
	(3) Near miss frequency rate (NMFR)	-	
Fuel economy & emissions in use-phase	(1) Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	N/A	RT-IG-410a.1
	(2) Sales-weighted fuel efficiency for non-road equipment	Reducing CO_2 emissions from product operation	RT-IG-410a.2
	(3) Sales-weighted fuel efficiency for stationary generators	N/A	RT-IG-410a.3
	NOx、PM Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	NOx and PM emitted from products	RT-IG-410a.4
Materials sourcing	Description of the management of risks associated with the use of critical materials	Effective use of critical materials in products	RT-IG-440a.1
Remanufacturing design & services	Revenue from remanufactured products and remanufacturing services	Development of our "reman" remanufacturing business	RT-IG-440b.1

Topic	Accounting metric	Reference	Code
Activity metric	Number of units produced by product category	Environmental impact resulting from business activities	RT-IG-000.A
	Number of employees	Company info	RT-IG-000.B