

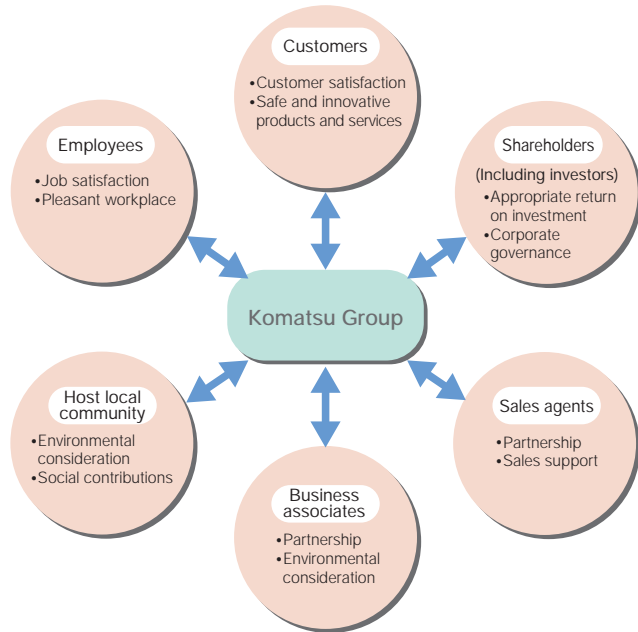
Communication with Company Stakeholders

Komatsu recognizes its stakeholders as equal and steady partners. Thus the company discloses accurate information in an appropriate and equitable manner and works to build and maintain a long-term, proper, and sincere trust relationship with its stakeholders.

Stakeholders

The Komatsu Group takes advantage of various opportunities to communicate with a large number of stakeholders. The Group listens to the expectations and demands of its various stakeholders, first of all its customers, in addition to its shareholders, sales agents, business associates, members of the host local community, and of course its employees. It also works to create a solid partnership with them.

Komatsu's Relationship with its Stakeholders



Communication with Customers

Komatsu considers communication with its customers to be of great value to ensure that its products can be used safely and with peace of mind. In particular, in order for its construction equipment to be put to the greatest possible use by its customers, Komatsu has assembled a large collection of construction and environmental recycling equipment at the Komatsu Techno Center in the city of Izu, Shizuoka Prefecture, and welcomes customers to visit for inspection tours and test-drive these machines. In addition, the company conducts study sessions on a wide variety of topics, including explanations of means for improving operational skills, operating techniques to limit fuel consumption, and new products with features never before offered, among other topics.



- Overview of the Komatsu Techno Center
- Demonstration area: 14,000 m²
- Excavation area: 4,000 m²
- Outside track: 900 m × 10 m
- All-weather demonstration viewing stand
- Demonstration models: Approx. 40 types

Customers from a major construction firm during a research trip to the Techno Center

Maximizing Customer Satisfaction

In order to determine whether its quality assurance activities are actually contributing to increased customer satisfaction, Komatsu conducts checks of customer satisfaction on a regular basis. Komatsu takes the valuable opinions, needs, and evaluations of its customers very seriously and uses them to improve quality assurance activities even further.

Method for Ascertaining the Extent to Which Customers Are Satisfied

- (1) After the sale of new products or improved models of vehicles, sales and service representatives visit the customers directly and interview them regarding the vehicle
- (2) Komatsu collects input from the customer or the sales agent on survey items it sets forth
- (3) Sales and service representatives of Komatsu's sales agents, in the course of their day-to-day interactions with customers, listen to points brought up by the customers during visits and contact Komatsu regarding those points, treating them as business information

Communication with Shareholders

In addition to providing accurate information in a timely way, Komatsu seeks to further enhance its managerial transparency through its investor relations (IR) efforts actively conducted both domestically and overseas. At the time of mid-term and term-end earnings announcements, as a rule the company conducts explanatory sessions for analysts and institutional investors on the same day that earnings are announced. Furthermore, for the benefit of overseas investors, explanatory sessions are conducted two to three times annually, with primary focus given to the U.S., Europe, and Asia.

Shareholders' Meetings

Komatsu convenes shareholders' meetings twice annually in Japan, at two different locations, with representatives explaining the company's performance and management strategy. In 2005 these meetings were conducted in Osaka in November and Kanazawa in December, with the Osaka meeting drawing some 1,300 attendees, the highest number in company history, and the Kanazawa meeting enjoying 420 people in attendance. At these meetings the company fielded questions concerning such topics as forecasts for future performance, efforts towards enhanced compliance, and manufacturing to be conducted at the new Kanazawa Plant now under construction. Since their launch in 1997, these meetings have been convened 21 times, with over 6,400 shareholders participating to date.

Information Disclosure on the Komatsu Website

Soon after their publication, Komatsu makes sales and profit gains reports, annual reports, the company fact book, financial statements, mid-year reports, reports on business operations, and various types of IR materials available on its website in a section titled "Investor Relations."

Since the term ending March 2006, the company has made available



on its website footage of an interview with President and CEO Masahiro Sakane on settlement of accounts to boost communication with its stakeholders.

Shareholders' meeting convened in Osaka

Partnerships with Sales Agents

Komatsu is also pursuing corporate social responsibility (CSR)-related activities which are guided by an emphasis on safety and the environment in the sales and service divisions.

As one example of these activities, in April 2005, Komatsu distributed to 33 domestic sales agencies and 25 Group rental companies "A Management System for Occupational Safety and Health: A Manual for Komatsu Sales Agencies and Rental Companies" and "Environmental Guidelines: A Manual for Komatsu Sales Agencies and Rental Companies," introducing the system and guidelines to these companies across the country.

With the Management System for Occupational Safety and the Health and Environmental Guidelines that have adopted a PDCA (Plan-Do-Check-Action) approach, Komatsu will enjoy improvements in safety and the environment through the repeating of that cyclical approach.

Komatsu has set as a goal the steady expansion of PDCA activities into these agencies and companies to which the Management System and Guidelines have been distributed, adopting a cooperative structure through which there are follow-up checkups on management systems, explanations of the contents of the Environmental Guidelines, checks of the state of implementation during diagnoses regarding safety and environmental compliance, and, when necessary, guidance and study sessions conducted directly onsite. In addition, Komatsu provides backup support for these agencies and companies in safety and the environment, such as through safety promotion activities when industrial accidents occur at these companies, informing them of revisions made to safety- and environment-related laws, and the distribution of the Safety and Environment Newsletter.

Efforts to Improve Environmental Awareness in Close Cooperation with Business Associates

Komatsu urges its business associates to establish and maintain a system by which the companies can be certain of complying with environmental regulations. In order to support a change in awareness at its business associates, Komatsu conducted the following kinds of environmental education.

Promotion of Activities to Enhance Environmental Awareness

In order to enhance environmental awareness at its business associates, every year Komatsu conducts study tours of companies with particular excellence in environmental management and seminars and lectures on the environment. In FY2005, 78 persons from 59 companies participated in these activities. Komatsu will continue to work to enhance environmental awareness.

Relationship with the Host Local Community

A company cannot continue to operate without a good relationship with the people in the host local community. Komatsu pursues harmonization of interests with the local community through close dialogue and strives to be a company that is as open as possible and that contributes to the community as a responsible corporate citizen.

Ishikawa Regional Sports Festival at the Komatsu Dome

The Awazu Plant sponsored a large-scale sports festival held in November 2005, with Group and partner companies from around Ishikawa Prefecture also taking part. Some 2,000 participants, including the companies' employees and their family members, thoroughly enjoyed the 11 competitive events. At the festival site, the commerce and industry association for the Awazu Station area set up stalls, enabling the participants to interact with the people in the host local community.



Participants parade onto the field to start the Ishikawa Regional Sports Festival

Kids' Tour of Working Vehicles

The Komatsu Techno Center in the city of Izu, Shizuoka Prefecture, holds a "Kids' Tour of Working Vehicles" every year during the spring and summer vacation, with children and their parents from around the country enjoying demonstrations of construction equipment and study tours of exhibits. In FY2005, Kids' Tours were held over two days in April 2005, three days in August, and three days the following March, with a total of approximately 2,300 parents and children participating.



- Hydraulic excavator: PC400-7
Weight: 42.4 tons
Flywheel horsepower: 257 kW (350 PS)
Bucket capacity: 1.9 m³



- Dump truck: HD985-3
Payload capacity: 100 tons
Weight when empty: 79.8 tons
Flywheel horsepower: 753 kW (1,024 PS)



- Hydraulic excavator: PC01-1 (the smallest-class hydraulic excavator in the world)
Weight: 300 kg
Flywheel horsepower: 2.6 kW (3.5 PS)
Bucket capacity: 0.008 m³

Visitors are able to ride in the driver's seat on hydraulic excavators and dump trucks

Communication with Company Employees

Twice every year, the President and CEO of Komatsu himself visits Komatsu's business units to explain to all its employees the state of the company, and the session held at the Head Office is conveyed to Komatsu's inter-offices and subsidiaries around the globe. This communication is not merely one-way explanations from the company head to the employees; instead, it includes opportunities for the employees to ask questions and give their views regarding managerial issues or day-to-day operations, thus representing true two-way communication.



Meeting with the President