

Message from Top Management



Kunio Noji
President and CEO

A handwritten signature in black ink that reads "Kunio Noji". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

The Basic Stance of Management

Our conventional management policy has remained unchanged since I became Chief Executive Officer in June 2007. That is, we promote self-initiated innovations in management and technology, pursue Quality and Reliability, provide the products—both hardware and software—that customers are happy to own, and maximize our corporate value. We at the Komatsu Group define our corporate value as the total sum of trust given to us by society and all stakeholders. To increase this corporate value, we have defined the following two management goals.

- (1) To maintain our top-level profitability and financial position in the industry and enhance our position in the global marketplace, especially in Greater Asia.
- (2) To continue management, while keeping market value in mind, which reflects the amount of trust given to us by society and shareholders.

To achieve these management goals, we have developed the mid-range management plan “Global Teamwork for 15” for the target year ending March 31, 2010. The title expresses our determination to achieve an operating income ratio of 15% or higher for the fiscal year ending March 31, 2010, as all employees of the Komatsu Group around the world promote teamwork with our partners, that is, sales agencies, suppliers, and customers.

The KOMATSU Way

The KOMATSU Way is a set of core values that we would like to continue upholding in the Komatsu Group into the future even when employees change. I think of it as Komatsu's DNA. While I led The KOMATSU Way Division, we spent about a year and a half compiling the booklet *The KOMATSU Way* which was released in July 2006.

Unlike the business philosophies of other companies, we made The KOMATSU Way to include a wide scope of corporate domains ranging from *Monozukuri* or manufacturing competitiveness to corporate governance. The booklet contains the Top Management section in which we have identified five principles to be spearheaded by top management*. Needless to say, I am committed to carrying out all five myself. With our common values that are grounded in The KOMATSU Way, we are now striving to achieve the mid-range management plan “Global Teamwork for 15.”

*Refer to page 4 of this booklet for further information on the five principles to be spearheaded by top management.

Environmental Activities

We at Komatsu are striving to reduce the environmental impact of all aspects of our business operations, including product development, procurement, manufacturing, logistics, sales, and after-sales service.

In product development, we have made it a top priority to introduce to the market DANTOTSU (Unique and Unrivaled) products featuring outstanding performance that focus in particular on enhancing fuel efficiency. We seek to mitigate global warming by promoting CO₂ emissions reductions across the entire lifecycle of our products. To look at some examples of the development of environment-friendly products, first, in construction and mining equipment we have launched the WA500/600-6 wheel loader, a DANTOTSU product that brings tremendous improvements in fuel efficiency in complying with the Tier 3 emission standards of 2006. In the area of industrial machinery and vehicles, we have received high evaluations from customers as a result of our product development under the theme of energy conservation (CO₂ emissions reductions). Besides introducing the world's first electric hybrid forklift trucks to the market, we also launched a large AC servo press that brings together both significant energy conservation and noise reduction and higher productivity.

As for manufacturing and logistics, in January 2007 we established new plants immediately adjacent to the ports of Hitachinaka and Kanazawa in Japan, dramatically reducing the on-road transport distance for products and therefore reducing the amount of CO₂ emitted through logistics. As we continue the various efforts we have undertaken over the years towards creating environment-friendly plants, we will in the future cooperate further with subsidiaries outside Japan as well as sales agencies, rental companies, and suppliers to strengthen our activities for reducing environmental impact.

Activities for Society

The “Global Teamwork for 15” plan states that in addition to enhanced business performance the Group should facilitate the development of both corporate strength and social responsibility in a well-balanced manner. Social responsibility for the Komatsu Group goes beyond contributing to customers' businesses through its products and services; it extends to strengthening corporate governance and thorough regulatory compliance. We believe that our social responsibility involves making the Group an indispensable partner for a wide range of stakeholders by means of various efforts, such as deepening communication, fostering human resources, and engaging in social contribution activities. We have undertaken a variety of social contribution activities around the world, including the development of a demining machine for anti-personnel landmines using in-house technology to provide recovery assistance to regions suffering damage from landmines.

My mission is to solve management issues one by one through teamwork with all employees, sales agencies, and suppliers of the Komatsu Group, to further reinforce our business foundation and to promote sustainable growth. I will work to increase the trust given to us by stakeholders, with my efforts rooted in The Basic Stance of Management.