

Sustainability

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Sustainability management

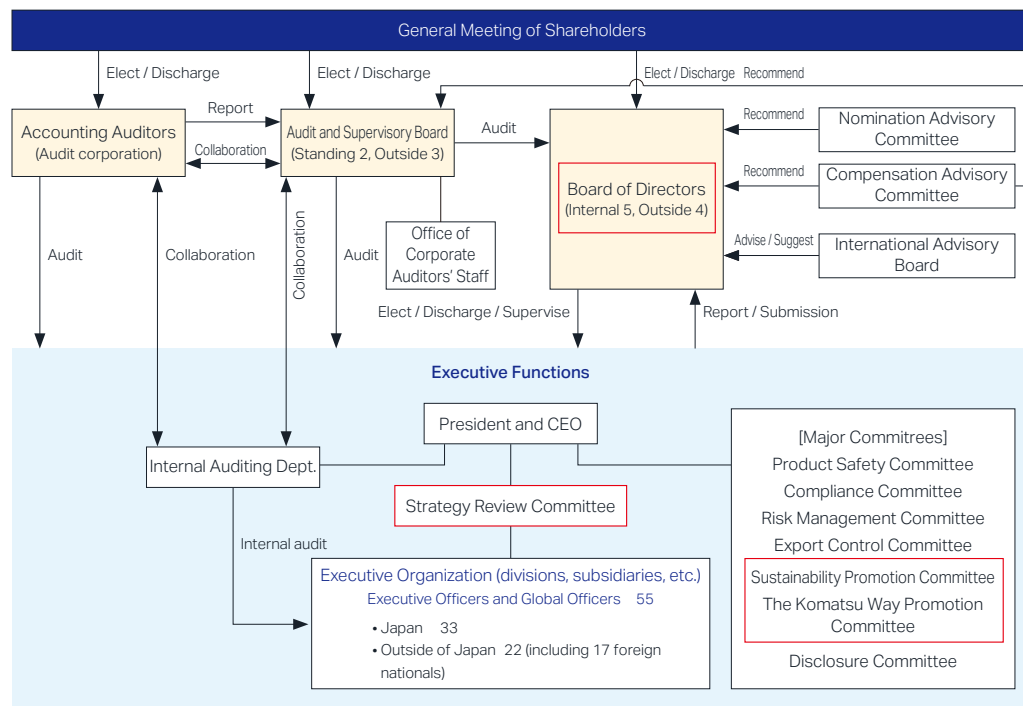
In response to global climate change and various external environmental shifts, Komatsu has developed our Sustainability Policy, aiming to achieve both a more sustainable society and business growth. For a future where people, businesses, and our planet thrive together, we will continue to address issues that are important to both a sustainable society and our business together with our stakeholders to contribute to society. At the same time, we will promote sustainability management by further enhancing our corporate governance as a corporate group that can flexibly respond to changes in society and our external environment.

Sustainability promotion structure

Based on our Sustainability Policy, we established various committees chaired by the President or the Director in charge, and composed of persons responsible for each business and function, to deliberate, decide on, and promote group-wide policies and measures in the areas such as human resources, occupational safety and health, compliance, human rights, and environmental affairs. Specifically, the Komatsu Way Promotion Committee reviews personnel and educational measures, while the Sustainability Promotion Committee deliberates on 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.

Figure: Sustainability promotion system*



*As of June 30, 2024

As part of our mid-term management plan, which has a basic concept to achieve sustainable growth through customer value creation by creating a positive cycle of solving ESG issues and improving profitability, we have included metrics related to reduction of environmental impact and external evaluation for sustainability management as our management targets. We have also selected ten goals which are strongly related to the materialities for us out of the 17 goals of SDGs and linked them to the focused activities of the growth strategy in our mid-term management plan. As to 29 KPIs (key performance indicators) of the focused activities, the status of our achievement is disclosed in the Komatsu Report every year, and these KPIs are also linked to executive compensation. In this manner, we ensure a system to steadily promote sustainability.

Figure: Main sustainability agenda in FY2023

Committees	Month	Main Agenda
Board of Directors	April	<ul style="list-style-type: none"> Progress of the mid-term management plan and activities Reports from the Sustainability Promotion Committee
	October	<ul style="list-style-type: none"> Activities of talent acquisition, human resources development and utilization Global engagement survey results
Strategy Review Committee	As needed	<ul style="list-style-type: none"> Examination of business strategies related to climate change (e.g., R&D of low-carbon and electrified equipment etc.)
Sustainability Promotion Committee	September	<ul style="list-style-type: none"> Human rights policies and activities/Environmental management measures etc.
	January	<ul style="list-style-type: none"> Progress of the mid-term management plan and activities/Next mid-term management targets TCFD/Human rights responses etc.
The Komatsu Way Promotion Committee	September	<ul style="list-style-type: none"> Progress of HR activities in the mid-term management plan Challenges and solutions for global HR
	January	<ul style="list-style-type: none"> Progress of HR activities in the mid-term management plan Talent management initiatives
Risk Management Committee	As needed	<ul style="list-style-type: none"> Identification and organization of corporate risks (environment, human rights, etc.)
Executive Officer Meeting	As needed	<ul style="list-style-type: none"> Management of progress related to management goals

Special feature 3

Promotion of human capital management

Komatsu believes that human resources are one of the most precious assets for creating new value. We continuously invest in human resources based on the philosophy that maximizing the abilities and individuality of our diverse employees leads to innovation and sustainable corporate value enhancement. At the same time, we endeavor to strengthen human capital management by developing measures that align more closely with management strategy.



Executive Officer message

■ For the sustainable growth and development of both employees and the company

Komatsu is promoting management based on our purpose by developing our sustainability policy consisting of three elements: (1) With people; (2) With business and (3) With the planet. Under this policy, we established a global personnel policy calling for diverse people from around the world to contribute to the growth of our business as one team. Under the current mid-term management plan (FY2022-FY2024), we uphold enriching our base of human resources with diversity as one of our key initiatives. We are conducting a variety of measures designed to foster human resources who take on challenges to solve various problems and create new customer value.

In the world today, against the background of environmental changes such as a declining working population, especially in developed countries, and a rising remuneration levels, it has become a pressing issue for

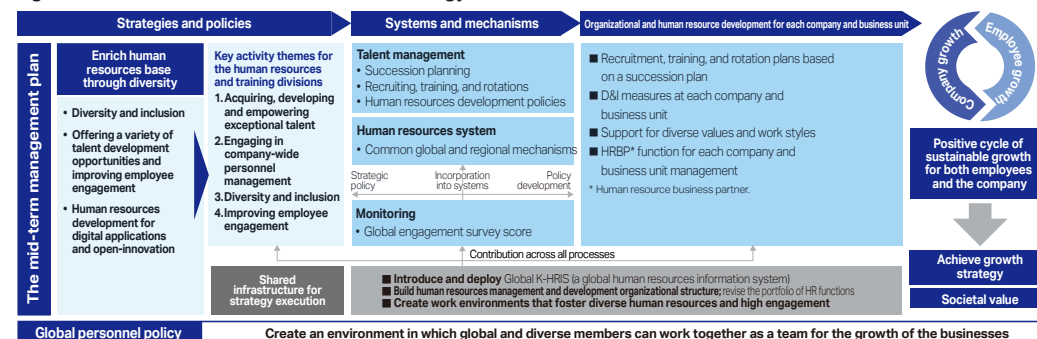
companies to attract and acquire people and develop employee career and skills. Komatsu is no exception to this trend. It is our urgent task to secure human resources by implementing measures such as organizational development focused on skills, further enhancing of diversity and inclusion, and promoting employee well-being. We will focus on making investment in these measures. At the same time, it is essential for us to increase employee engagement globally to achieve sustainable growth. Komatsu has long facilitated human resources management respecting the labor practices of each country and region, as we promoted management localization. Localizing management leadership is part of this effort. As a result, many of the top management positions at our group companies outside of Japan are filled by national employees in the respective regions. On the other hand, since the COVID-19 pandemic,

we recognize that work styles are no longer restricted by physical location, a fact which enables us to utilize human resources effectively beyond national and regional borders, working as a global team to solve common issues. While we respect the circumstances of each region, we will aim to realize an environment in which employees worldwide can make the most of their talents as One Komatsu. It remains unchanged for us to share the values of the Komatsu Way with all employees around the world and value our commitment to quality and reliability and manufacturing and technology innovation. By keeping these efforts in place, we are aiming to achieve our management strategy through global teamwork and create a positive cycle of sustainable growth for both employees and the company.



Mitsuko Yokomoto
Director and Senior Executive Officer (Jomu)
Supervising Human Resources, Education and Sustainability

Figure: The Komatsu human resources strategy



<With people>

Special feature 3 Promotion of human capital management

Figure: 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.

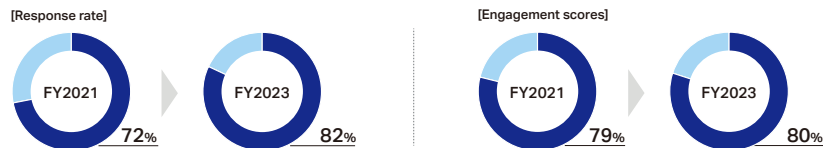
- We shall respect each employee’s human rights, personality, individuality and legally-protected privacy.
- We shall respect diversity and treat and appraise each employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of race, ethnicity, color, sex, sexual 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 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.
- We will not tolerate inappropriate behavior and speech which prevents employees from working effectively and comfortably. In particular, all Komatsu employees must not engage in any type of harassment, including harassment of subordinate personnel, sexual harassment, or harassment related to pregnancy, childbirth, parenting, or nursing care, in or outside of the workplace.
- In designing and implementing Komatsu policies on employment conditions (such as wages, fringe benefits, performance appraisals, and 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.
- We shall comply with all applicable laws and regulations governing employee rights and faithfully accommodate, whenever applicable, conversations or discussions with employees or their representatives.
- We shall not tolerate child labor or forced labor.
- We shall offer terms and conditions of employment that are sufficiently competitive in their respective regions.

Infrastructure supporting global human resources policies

Global engagement survey

We conducted the second survey in June 2023 (68,000 respondents globally 82%; response rate). We saw favorable trends across multiple categories compared with the first survey (conducted in 2021). In particular, the scores in the D&I category increased significantly. We recognize that there is still room for improvement in the categories such as innovation and talent management, which we emphasize. We will continue activities to enhance strengths and improve issues based on action plans formulated by each country and division.

Figure: FY2023 global engagement survey overview

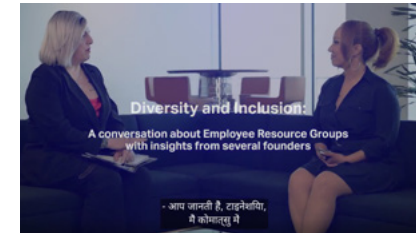


Objectives	To regularly identify and analyze employee engagement globally, clarify our strengths and challenges at that time and take them into consideration when deciding plans for the future.
Survey overview	60 questions related to employee engagement and the factors that influence engagement, including vision (values, management policies), strategy and competitive advantages (goals, policy initiatives), leadership, and well-being (organizational culture, work environment, aspects related to satisfaction, happiness, and mental and physical health).

Diversity and inclusion

Komatsu regards D&I as the driver of innovation. We create workplaces where diverse human resources engage in lively and constructive discussions respecting each other's individuality and talents. We believe making these efforts will enhance the improvement of employee engagement and the transformation of corporate culture, which in turn leads to the creation of innovation and growth of overall company. With this understanding, we endeavor to create an environment in which diverse human resources, including people subject to global rotations, different genders, LGBTQ, people with disabilities, and seniors can play active roles. In addition, we are conducting a variety of measures such as the enrichment of our human resources systems and a systematic approach to human resource development and training.

We also engage actively in activities to promote employee awareness and understanding of D&I. Since FY2022, activities have included a message from the president and 14 PR videos, including best practices from around the company, available in 13 languages.

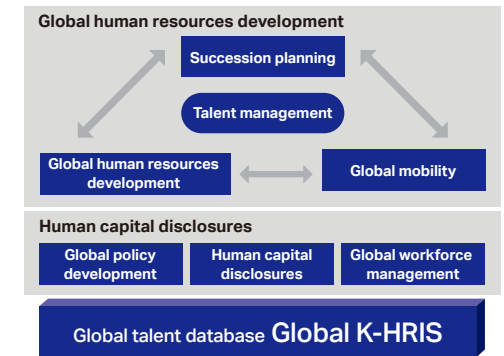


Best D&I practices are introduced by videos with subtitles in multiple languages, and distributed globally. (D&I promotion activities)

Global HR information system

Komatsu has introduced Global K-HRIS, a global HR information system as a foundation supporting human resources management, working to link our global system with local HR systems around the world. We will promote global human resources development and data-driven human capital management by visualizing human resources information for all Group employees. By making these efforts, we are aiming to create an environment in which global and diverse members can work together as a team for the growth of the businesses, maximizing employee and organizational performance.

Figure: Global K-HRIS



Support for self-directed career development

To achieve a positive cycle of employee development and business growth, we believe that it is essential for each employee to take a proactive approach to their career development. Komatsu has shifted focus from conventional business with company-led human resources management to new businesses with management that considers employee will, supporting active career development.

In Japan, we introduced the Career challenge system in January 2024 to connect employees seeking new assignments with departments that have human resources needs. The program encourages approximately 11,000 eligible full-time employees in the mid-grade level and above to register the type of assignment they want to take on in the future. This system makes employees more proactive to the new career opportunities than in the conventionally company-led internal program for open requisition.

<With people>

Special feature 3 Promotion of human capital management

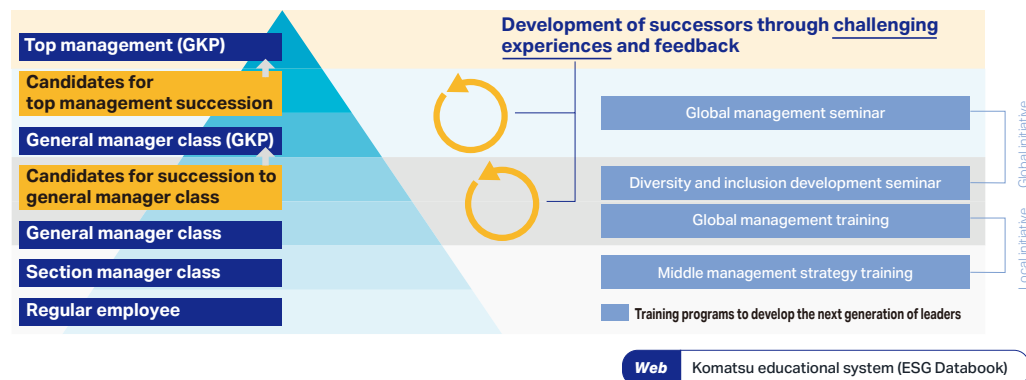
Human resources development and utilization

Global human resources development

As Komatsu conducts businesses worldwide and 90% of sales of construction, mining, and utility equipment business coming from outside of Japan, the development of global leaders is key to our future growth.

We appoint top management of major group companies outside of Japan as Global Officers responsible not only for their respective regional performance, but also for Komatsu Group consolidated management. Furthermore, some of those managers are appointed as Executive Officers of Komatsu Ltd., required to play central roles in Komatsu Group management and we have developed succession plans under which approximately 700 major positions in Japan and overseas are classified as global key positions (GKP). In addition, we have promoted the strategic development of next-generation leaders globally. Such efforts include the global management seminar and the diversity and inclusion development seminar for managers and management candidates. We also have the Komatsu Way leadership development program for middle management professionals who play central roles with respect to business and functional operations.

Figure: Linking succession planning and human resources development



Web Komatsu educational system (ESG Databook)

Global management seminar (GMS)

This program is conducted on a regular basis to foster management-level development at group companies. The purpose of the program is to deepen participants' understanding of global management strategies through discussions with Komatsu's management and among participants, and to develop global leaders who embody management rooted in the Komatsu Way. In the 2023 program, participants discussed and exchanged opinions on management policies from a medium- to long-term perspective under the topic of the Komatsu future vision and proposals for the mid-term management plan for 2030 and beyond.



Group photo of 2023 GMS participants

Diversity and inclusion development seminar (DIDS)

This program is held on a regular basis (third time in 2024) for female candidates serving in global management executive positions. The purpose of this program is to diversify the Komatsu Group management team. Thirteen people from nine countries participated in the program. They worked in groups addressing the topic of what they should do globally and locally to achieve D&I toward innovation. On the final day of the seminar, the participants presented proposals for Komatsu's business as a result of discussions and opinion exchanges with Komatsu management.



Group photo of 2024 DIDS participants

Developing human resources to support the future of our business

The Komatsu Way is the core element of human resources development. Through this shared value, we enhance total quality management (TQM) trainings to sustain the foundation of manufacturing capabilities as well as develop training systems for the level of roles and functions. Moreover, we also focus on developing human resources with digital expertise to keep pace with rapidly advancing technologies.

The Komatsu Way

The Komatsu Way is the very DNA of Komatsu. It defines and stipulates the strengths of Komatsu, the beliefs underlying our strengths, the basic attitudes and manner of action, which have been built through the experiences of our predecessors who tackled and overcame numerous challenges. The Komatsu Way consists of three chapters—(1)Leadership/top management, (2)“Monozukuri” for all employees, and (3)Brand management. This approach better presents our principles in a manner that reflects the roles of specific employees. The Komatsu Way has been translated into 13 languages to foster an understanding among employees of different cultures and customs. We continue activities to gain a wider appreciation of The Komatsu Way for employees to put it into practice.



The Komatsu Way booklet

Web Training hours and cost per employee (ESG Databook)

Commitment to quality and reliability

Komatsu has cultivated organizational capabilities at various workplaces through TQM activities over the years to enhance the competitiveness of our manufacturing operations. In FY2023, Bangkok Komatsu Co., Ltd. (Thailand) received the Deming Prize in recognition of longstanding quality improvement activities. This recognition marks the third time a group company outside Japan has received this award.

We began a TQM Instructor Training Program for employees of group companies outside of Japan to further TQM promotion. The program is conducted both in Japan and other regions to train TQM instructors to work in their respective areas.



With members of Bangkok Komatsu Co. at Deming Prize award ceremony

<With people>

Special feature 3 Promotion of human capital management

Technology innovation

Komatsu conducts the AI engineer development program to foster key individuals to enhance collaboration with various functions in the field of AI, and the DX education program to develop employees who will lead the transformation into sustainable business models. We also launched the innovation training program in FY2023 to develop human resources who learn and practice design thinking and other skills that lead to innovation. We plan to expand the curriculum with reference to advanced technologies and case studies from other companies.



Capstone event of innovation training program in Silicon Valley

Utilizing global human resources

With 70% of our employees working outside of Japan, we must utilize various human resources globally, not only at the top management level, but also throughout the leadership and staff levels in each function. The Komatsu Way Promotion Committee, chaired by the president, includes Executive Officers and Global Officers. The committee discusses future global human resources and education measures. We also hold a regular Global HR Conference in which the HR department managers from major group companies outside of Japan share and discuss common issues and measures across our global operations. Through these activities, we exchange opinions actively regarding the utilization of global human resources beyond regional boundaries, linking the outcomes to considerations of personnel policies. The head office and each region's operations work together to strengthen head office functions through global teamwork as part of our efforts to utilize global human resources. Efforts include the appointment of North American and Australian employees as branding leaders and the appointment of North American and Latin American employees as deputy general managers in charge of human resources at our global head office.

Message

The formula for company sustainable growth is values and people

Greg Elliott

Deputy General Manager,
Human Resources Department, Komatsu Ltd.
Chief Human Resources Officer and EVP,
Komatsu Mining Corp.



Mr. Elliott joined Komatsu Mining in 2017 after serving as CHRO for two Fortune 500 companies. He is CHRO and EVP of Komatsu Mining and also serves as Deputy GM of Komatsu Human Resources Department from April 2022.

Competition in business today is as great as it's ever been, especially given the speed of change brought about by new technologies, such as generative AI, as well as an ever-increasing customer demand for products that generate lower environmental impact. All companies are working to anticipate this customer demand, now and in the future, and to get to the market more quickly and with higher degrees of quality and service. So how does a company distinguish itself from the competition, when most generally have access to the same systems, processes, information sources, consultants, suppliers, etc.? The short answer is values and people. When properly nurtured and grown, this combination cannot be replicated by others.

Prior to joining Komatsu, I researched the company and was drawn to

the Seven Principles of the Komatsu Way that serve as the bedrock of the company's culture. It appeared to me that Komatsu, which was approaching its 100th anniversary, understood that values and people would be the formula for sustainable success. This formula is how the company distinguishes itself from the competition and is a key element of the employee value proposition.

Each principle is critical, but the one that resonates most strongly with me not surprisingly is employee development. At Komatsu, we recognize that for us to adapt to and lead change, our employees must share the company's values and commit to continuous learning. Change also requires that the company provides the right tools and opportunities to employees to leverage each person's unique experience and talents.

Komatsu is a company of over 65,000 employees distributed around the world. Our challenge and opportunity are to unleash the creativity of every single one to develop new products and services that help our customers be even more successful and serve the communities in which we do business.

The company has several valuable global initiatives underway, including a global employee engagement survey, global HRIS implementation, the diversity and inclusion development seminar, and the global management seminar. Three other global initiatives are described in more detail below.

Succession plans

Each year, regional and operational offices around the world identify employees who are being considered and developed for Global Key Positions (GKP). Discussions are held with the top leadership in the region

to select or validate succession candidates who are then slotted into each GKP. The candidate's background, developmental needs and level of readiness are included as part of this process. Having a regular and robust process allows top executive management to have visibility to approximately 700 GKPs and plans to ensure leadership continuity.

Global innovators program

Last year, we launched the global innovators program to accelerate our capabilities around design thinking. The innovators program helps students better understand how design thinking can be a valuable tool in various ways, including how to develop innovative products and services, create new businesses, revitalize an existing brand and establish new processes. Our first cohort was 17 employees from around the world who participated in this program, which included a capstone event held in Silicon Valley with faculty and Komatsu Chairman Tetsuji Ohashi. Each participant presented a case study during this capstone event.

Global mining trainee program

Given some of the unique demands within the mining business, the company recognized the need to accelerate the development of employees who are at the front end of their careers. As a result, the company launched the global mining trainee program (GMTTP). The GMTTP selects candidates from around the world for assignments outside of their home countries. We expect these shorter-term assignments to increase the probability of an employee accepting an overseas opportunity.

<With people>

Special feature 3 Promotion of human capital management

Talent acquisition

■ Recruitment policy and strategy

Our basic policy and strategy is to address issues common across global operations in a coordinated manner. We formulate and implement compensation and recruitment strategies appropriate to each country and region, taking into consideration the respective labor practices and other factors. Globally, we stated and visualized the employee value proposition (EVP), sharing this concept through the Komatsu EVP Playbook. We are also strengthening our efforts to increase the global recognition of the Komatsu brand. These efforts include our partnership with the F1 Williams Racing team and other measures to enhance our ability to attract and acquire employees in each country.

In Japan, we pursue strategic and talented human resources through diverse hiring methods (referrals and alumni, etc.) to secure people who meet our expectations and who can perform assigned tasks immediately.

What is EVP?

EVP represents the values that our company provides to employees, including our mission and vision, corporate values and culture, human resources development system, career development environment, work environments, compensation and benefits, and more. By stating, visualizing, and communicating these values as EVP to employees and job seekers, the program aims to instill our corporate philosophy, increase employee engagement, strengthen competitiveness for employees, and reduce turnover.

Komatsu developed the Komatsu EVP Playbook through discussions based on interviews with employees in each region conducted by a task force consisting of HR and marketing employees in North America, Latin America, Europe, Oceania, Asia, Africa, and Japan. In line with the Playbook, the company pursues human resources recruitment and retention activities tailored to each location.



Komatsu EVP Playbook

■ Recruiting highly skilled human resources in asia

We recruit STEM (science, technology, engineering and mathematics) talent by working with top science and technical universities in Asia and other areas. In addition to hiring people with skills in data analysis, machine learning, communication protocols, etc., we also strengthen training programs for executive candidates whom we expect will assume management roles in overseas offices in the future.



Information exchange among Bina Nusantara University, PT Komatsu Indonesia and Komatsu Ltd. Development Department.

■ Acquiring digital talent

Komatsu has long been involved in IoT for construction machinery. We are stepping up our efforts to attract exceptional talent at EARTHBRAIN Ltd., a DX company launched as a joint venture in 2021 to expand our solutions business. EARTHBRAIN is home to members with diverse backgrounds, from startups, mega-ventures, and overseas (India, Vietnam, etc.). The company is accelerating the development of digital solutions through new offices in North America and Vietnam.



The EARTHBRAIN Development Center in Vietnam

■ Creating attractive workplaces

In January 2024, Komatsu began reconstruction work on our head office building (Akasaka, Minato-ku, Tokyo, Japan). The goal of this reconstruction is to enhance corporate resilience, as stated in the growth strategy section of our mid-term management plan. We will use the new head office building (scheduled for completion in September 2026) to strengthen the functions of the innovation center, including expanded industry-academia collaborations, industry-industry collaborations, and open innovation. The building will also be an important base for attracting talented human resources to support sustainable growth. We will offer more opportunities to engage with Komatsu through new recruiting events and internships that make full use of real-world and online resources.



Exterior view of the new head office



Conceptual diagram of the new head office entrance

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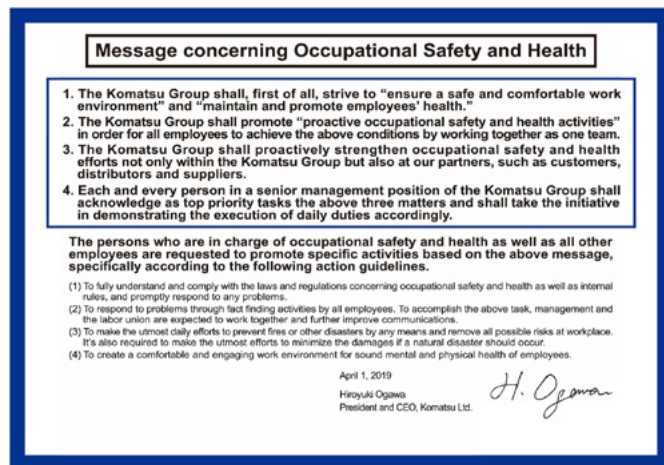
Occupational safety and health and well-being

Safety and health policy

The Komatsu Group outlines the order in which employees should prioritize matters when making decisions. We set safety and health as the highest priority, followed by law (compliance), quality, delivery and costs.

Our President & CEO published the message concerning occupational safety and health to ensure safe and comfortable workplace environments for employees and to maintain and promote employee's health. To implement this on a group-wide basis, we set this message as our global policy for occupational safety and health.

We set a KPI target of reducing the frequency rate of lost time injuries (per million hours) in the mid-term management plan, aiming to realize a safe and secure work environment.



Message concerning occupational safety and health by the President & CEO

P.35 KPIs of the mid-term management plan

Web Occupational safety and health policies (ESG Databook)

Safety and health management

Occupational safety and health are a top priority. We established a structure under the leadership of the President and the Executive Officer in charge of safety and health to share information in a timely manner among group companies, suppliers, and distributors across the world. Should a serious incident occur, we immediately report the incident to the concerned functions, including management, and conduct thorough analyses on the cause of each incident. Visit the link below to see our safety and health management structure.

Web Safety & health management system (ESG Databook)

Safety and health management

The Komatsu Group promotes occupational safety and health activities, such as risk assessments, to prevent work-related injuries and ensure the horizontal deployment of measures to prevent the reoccurrence of previous incidents. In addition, we hold the Komatsu Group safety and health convention, through which activities in each region are reported and best practices are shared to enhance safe workplace environments.



Presentation of good practices at the Komatsu Group safety and health convention (At the Komatsu Way Global Institute)

Health management

In Japan, Komatsu upholds the mid-term health promotion plan and works to improve employee health awareness. This plan enables employees to gather the necessary information to lead healthier lives. We announced the Komatsu health declaration, which provides useful information for employees to improve their health through apps and other methods. In addition, we hold various events for employees, including walking events, weight measurement events and other activities to promote healthy habits. We also make efforts to understand the situation of group companies outside of Japan with different medical conditions, striving to share information with such companies.



Health promotion events for employees (Germany)

Message

Safety activities through the use of apps

We developed an application that allows employees to register hazardous spots found in the plant on their mobile devices and display such information on the map feature of our mobile app. This feature enables employees to identify risks at any time, leading to the prevention of incidents and halving the time spent on countermeasure activities for identified risks. The number of risks identified also increased by 30% from before the introduction of the app, indicating that employees are able to better identify risks and implement countermeasures, leading to human resources development. The application is currently being rolled out to our suppliers.

We will continue our efforts to create safe workplace environments.



Ekkachai Choongan
GM, Safety & Environment Department, Bangkok Komatsu Co., Ltd.

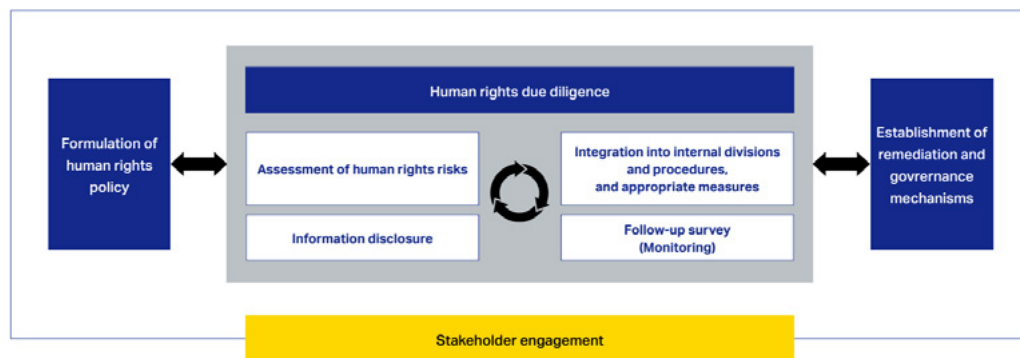
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Business and human rights

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 Business and Human Rights, throughout our global organizations. This policy applies to all business activities and all Komatsu Group employees worldwide, and Komatsu expects and encourages our business partners, including suppliers and distributors, to comply with this policy in their respective operations. To fulfill our corporate social responsibility, Komatsu establishes and operates a human rights due diligence process to identify and assess risks that may arise from our business activities. Through this process, we also take appropriate corrective measures when concerns arise regarding negative impacts on human rights.

Web Business and human rights initiatives (ESG Databook)

Figure: Human rights due diligence process



■ Interview investigations to the Komatsu Group and supply chain

In March 2024, Komatsu visited five suppliers in Japan and exchanged opinions with representatives and others at each company in order to understand the actual status of issues identified in the fiscal 2022 human rights web survey (targeting Komatsu Group companies and suppliers). Komatsu is currently working on establishing the requirement standards for human rights. By taking advantage of the opinions we received during the visits, Komatsu aims to establish more specific and effective requirement standards in line with actual conditions, using revised standards as due diligence evaluation standards in the future.



Visits to Midori-kai (main suppliers)

Recent initiatives on human rights

■ Revision of human rights policy

In September 2023, we revised our human rights policy after deliberations by the Sustainability Promotion Committee. This revision includes the addition of our purpose and the sustainability policy, and clarifies our earnest stance on human rights. We stipulate the prohibition of forced and child labor, as well as our respect for the rights to collective bargaining and freedom of association, which were previously only stipulated in a list. The revised version has been translated into 13 languages and is being disseminated to Komatsu Group companies, suppliers, and distributors.

Web Human rights policy (ESG Databook)

■ Human resource development on human rights

Komatsu conducted basic training on business and human rights for all Komatsu Group employees and advanced training for procurement staff for those in charge of procurement. Training materials were translated into 13 languages and distributed to Komatsu Group companies. In addition, we also held discussions on ESG-related requirements with the Komatsu headquarters marketing team in charge of five different regions. We reviewed our past efforts and exchanged opinions on our approach to responsible sales. We will continue to provide opportunities to raise awareness of human rights throughout the Komatsu Group.

■ Our approach to responsible sales

Komatsu also conducted risk assessments downstream in the value chain and has been holding discussions with distributors and other relevant stakeholders to build our approach to responsible sales.

In September 2022, Komatsu conducted an impact assessment (on-site research) in South Africa. Based on the preliminary desk study, Komatsu South Africa Pty Ltd., which is in charge of sales and service in South Africa, and Komatsu headquarters jointly conducted dialogues with various stakeholders surrounding our business.

■ Enhancement of grievance structure

To strengthen our capacity towards access to remedy, as required by the UN Guiding Principles, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides a platform for redressing grievances. In addition to the existing compliance hotline for employees, we started to operate a remedy window covering the entire value chain, including employees of suppliers and distributors.

Category	Corresponding consultation service
Internal human rights issues	Compliance hotline
Human rights issues in the value chain	JaCER consultation services

Web JaCer web page

<With business>

Enhancement of product safety

It is our primary responsibility to provide safe and reliable products that customers can use with confidence. Based on our management principle of commitment to quality and reliability, we aim to improve the safety of customer sites with a combination of solutions to optimize operational processes and products that are compatible with these solutions.

Web Improving safety of products and solutions (ESG Databook)

Improvement of product safety: Remotely operated bulldozers at mine sites

Stockpile operation at a mine site is the process of feeding collected ore to the next process (crusher, etc.) while shaping the stockpile of collected ore using a large bulldozer. This operation is important, as it affects the productivity of the mine sites significantly and requires skilled operation on dangerous slopes.

Komatsu developed a system to operate bulldozers remotely, beginning commercial operations at an iron mine site in Brazil in 2023.

The operation of bulldozers from remote locations without direct line-of-sight is affected by time delays in video and other information communications, as well as delays in lever operations. These and other limitations make tasks such as slope forming by remote operations difficult. Our system offers high-speed communications of control signal and a combination of ICT machine control and remote control. In this way, we achieve the same level of performance as crewed operation, even from a remote location more than 2 kilometers away.

In trials at the installation site, the system achieved results exceeding the original goals in terms of safety and productivity. As a result, the mine customer decided to make all large bulldozers purchased in the past year compatible with the control system.

We expect to prepare environments in the future where even unskilled operators can operate this remote system safely.



Remotely operated bulldozer for stockpile operations at a mine site.

Operator training

To ensure that Komatsu products are used safely and properly, we dispatch trainers to customer sites to provide operator training. We also propose efficient operation methods to improve productivity at the sites. We train trainers at group companies and distributors effectively through the use of simulators and offer an operator trainer certification system by level.



Training simulator

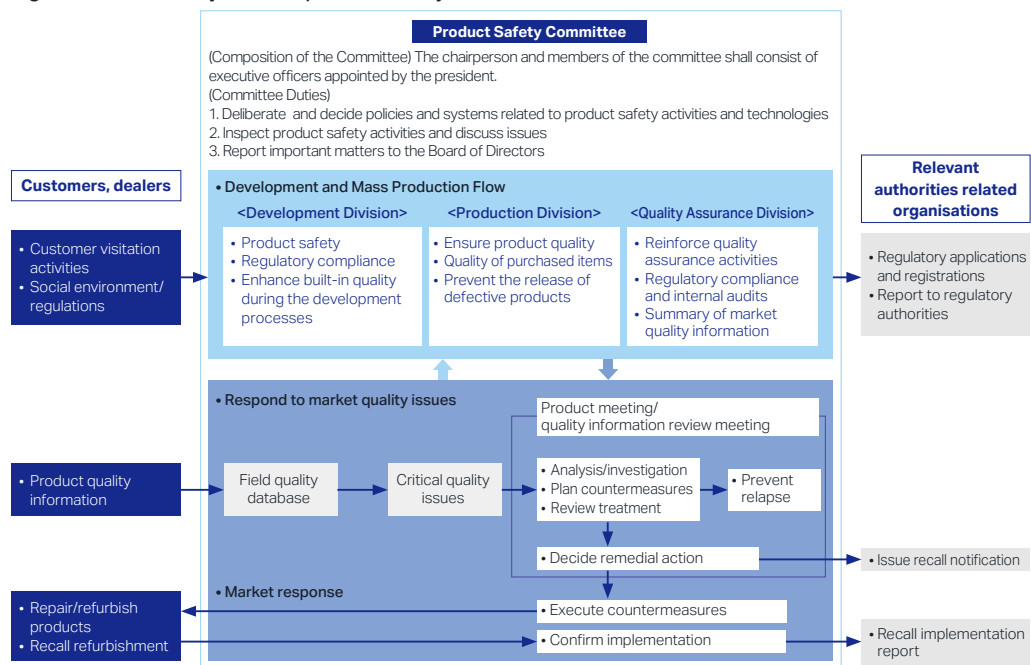
Quality assurance system

At Komatsu Group, all divisions from product planning to development, production, sales, and service work together as one team to create safe and creative products. We conduct review and evaluation meetings at each step of development and production, ranging from product planning to the mass-production stage. Through such processes, we evaluate conformity with required quality standards and design new products to achieve specific goals. In this way, our quality assurance activities ensure quality and reliability. Furthermore, we comply with international standards and the laws and regulations of each country, and strive to provide eco-friendly products and services.

Information system for product safety

The Komatsu Group places the highest priority on safety and security in quality assurance activities. We established a system to detect product safety problems promptly in the market and respond appropriately. We also established a system, mainly through the Product Safety Committee, and continue to improve to ensure improvement measures and decisions are properly implemented by employees and top management: 1) analysis and treatment of the causes of accidents, 2) notification to authorities, and 3) recalling products in the market.

Figure: Information system for product safety



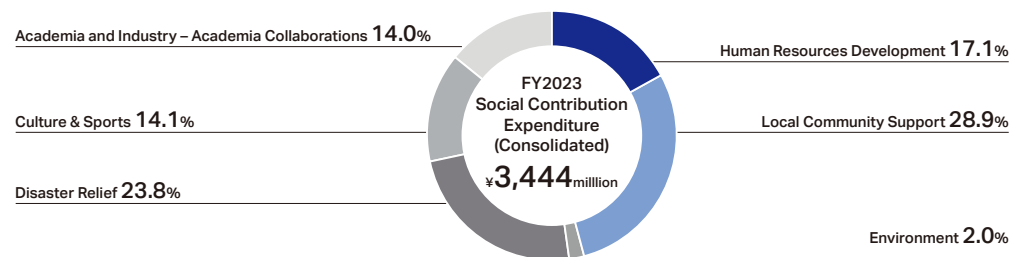
<With business>

Social contribution activities

Undertaking social contribution activities in the communities where we operate is one of our important corporate responsibilities. Based on our sustainability policy, we recognize that contributing to society through business activities is our corporate social responsibility. Leveraging our strengths as a business, we seek to give back to the community and society in general.

Figure: Social contribution activities in FY2023

The following chart shows expenditures for social contribution activities by the Komatsu Group, aggregated based on six general categories.



Break down of social contribution expenditure

Cash contributions	Employee dispatch, etc.	Expense related to providing own facilities for public use*	Expenses related to events for the community	Total
¥2,296 million	¥531 million	¥321 million	¥296 million	¥3,444 million

* Including lending equipment free of charge

■ Clearing anti-personnel landmines

In areas afflicted by anti-personnel landmines, Komatsu has engaged in activities to support community development in work ranging from demining to reconstruction. Komatsu developed demining machines and construction equipment by combining technical expertise and knowledge in manufacturing. Komatsu began this project in Cambodia in 2008, partnering with the authorized NPO Japan Mine Action Service (JMAS). This activity is still ongoing.



(left) Demining machine "D85MS-15"



(middle) Students who attend an elementary school donated by Komatsu



(right) Construction equipment loaned free of charge as part of agricultural CSR activities

Web Received the 21st Corporate Philanthropy Award.

■ Support for victims of the Noto Peninsula earthquake

After the Noto Peninsula earthquake of January 1, 2024, Komatsu lent construction equipment, forklifts, and other equipment free of charge to local governments and aid organizations for emergency rescue, recovery, and reconstruction activities. We also donated food reserves to evacuation centers and contributed 500 million yen to Ishikawa Prefecture and 100 million yen to Toyama Prefecture. Donations from employees and the company were used to support the Komatsu Group employees, suppliers, and distributors affected by the disaster.

Since the collection and disposal of disaster debris is currently an issue in the affected areas, we will continue to provide free-of-charge loans of vehicles and other equipment that match these needs.



Clearing the elementary school grounds at the evacuation center to make it easier to walk.

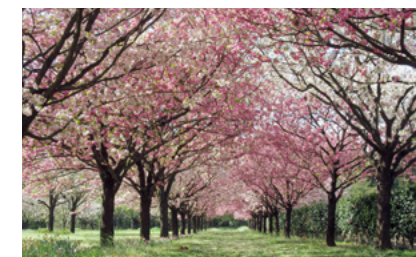


Removing debris to rebuild a damaged sake brewery

* Image courtesy of The Nippon Foundation/Japan Platform

■ Activities of The Flower Association of Japan

The Flower Association of Japan promotes the creation of an enriched environment through the development of cherry blossom sites and flower town development. As part of our social contribution activities, Komatsu has been supporting the activities of the association since its establishment in 1962. The Flower Association of Japan produces cherry tree seedlings at its Yuki Farm in Ibaraki Prefecture, and has delivered more than 2.5 million cherry tree seedlings to overseas and all over Japan to date.



Flower garden by the Flower Association of Japan (Yuki farm, Ibaraki Prefecture, Japan)

Furthermore, based on the knowledge and know-how accumulated on cherry blossoms, they are working to create cherry blossom sites through planting, replanting, maintenance, protection and restoration, human resources development, symposiums, and other activities.

The cherry blossom exhibition garden adjacent to Yuki Farm is home to more than 1,000 cherry trees of about 400 varieties used for research and study. The garden is open to outside experts and the public. In addition, they also engage in flower town development through supporting community-building by utilizing the social nature of flowers, an annual flower town development contest, and flower education for young children.

<With the planet>

Addressing global environmental issues

Komatsu established the Komatsu earth environment charter (currently known as the Komatsu earth and environment policy) in 1992. We consider environmental conservation activities as one of top management priorities, launching proactive initiatives to address climate change and other environmental issues. Recognizing the potential impact of our business activities not only on climate change, but also on our ecosystem, we take steps to maintain our commitment to protect biodiversity. With the establishment of Komatsu declaration on biodiversity in January 2011, Komatsu business units worldwide began activities designed to preserve biodiversity. We continue to pursue ongoing efforts to reduce the environmental impact of our business activities. Komatsu also considers biodiversity when deciding how to use land, such as when building plants. Komatsu is directly involved in the preservation of biodiversity, and, at the same time, we expand one-site, one-theme activities to preserve local ecosystems and conduct restoration activities at former mine sites. To develop a prosperous and comfortable society, as well as to pass on the irreplaceable global environment in a healthy state to the next generation, Komatsu continues to work for environmental conservation by advanced technologies across all business activities. We also contribute to sustainable development by reducing CO₂ emissions from our manufacturing and products, as well as by working to build a recycling-oriented society. Our aim is to achieve carbon neutrality by 2050, reducing CO₂ emissions to net zero.

Web Komatsu earth and environment policy (ESG Databook)

Web Komatsu declaration on biodiversity (ESG Databook)

Climate change initiatives (Disclosure based on TCFD recommendations)

In April 2019, Komatsu announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We advance climate change response measures through climate change risk and opportunity assessments and scenario analyses based on these recommendations, as well as through healthy dialogue with stakeholders.

At the 26th United Nations Climate Change Conference held in the United Kingdom (COP26) in November 2021, an agreement was reached to work toward limiting the average rise in global temperatures to 1.5°C above pre-industrial levels. At COP28, held in November-December 2023, it was agreed to accelerate emission reductions to achieve the 1.5°C target.

Komatsu previously conducted scenario analyses based on scenarios projecting average rises of 2°C or 4°C. However, in light of these global trends and following discussions by the Sustainability Promotion Committee, discussions by the Strategy Review Committee, and reports submitted to the Board of Directors, we decided that the Company would also perform analyses of a scenario projecting a rise of 1.5°C beginning in FY2022. We disclose the results of these analyses annually.



(1) Governance

The Komatsu Group views climate change as an important management issue. We set, and targets for combating climate change, which are discussed by each committee. We incorporate these targets in our business strategies. The roles and discussions of each committee are disclosed in this report under Sustainability Management.

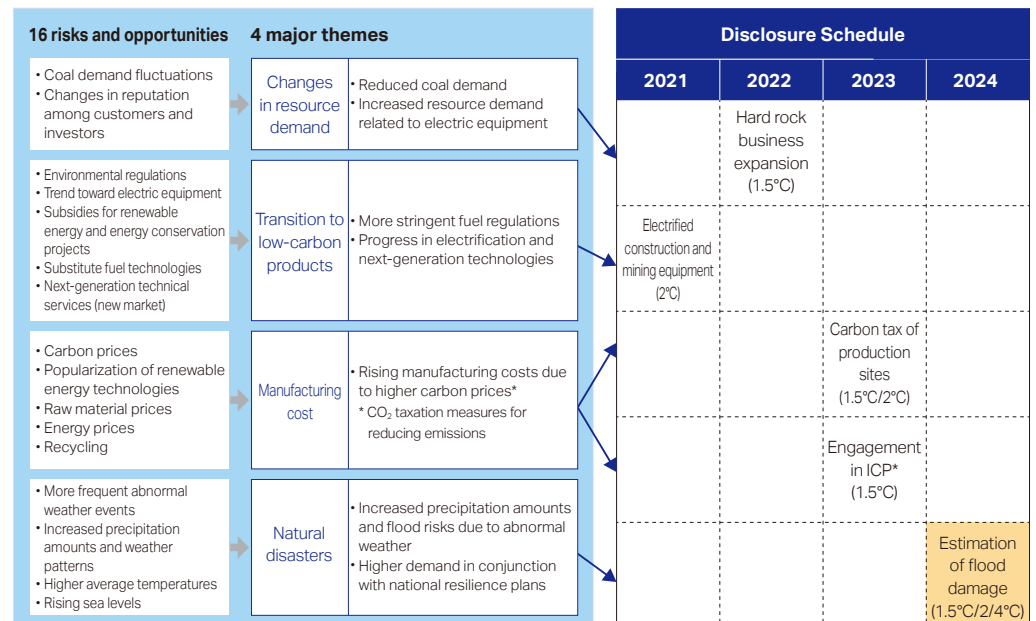
P.45 Sustainability management

(2) Strategies

1) Risk and opportunity identification

In identifying climate change-related risks and opportunities pertaining to the Komatsu Group's business, we referenced the risk and opportunity examples described in Final Report: TCFD recommendations to determine 16 risks and opportunities with the potential to impact the construction and mining equipment business. We then assessed the internal and external factors predicted under the chosen scenarios that may impact earnings, group the identified risks and opportunities into the four major themes below. Since our first TCFD disclosure in 2020, we have focused on these four themes and updated them annually. The themes we have disclosed based on our scenario analysis to date are as follows.

Figure: Risks and opportunities and major themes



*Internal carbon pricing

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Addressing global environmental issues

2) Assumptions for scenario analysis

To gauge the potential impacts of climate change-related risks and opportunities on the Komatsu Group's business, we performed scenario analyses of the aforementioned four major risk and opportunity themes. For these scenario analyses, we selected the 1.5°C scenario, the 2°C scenario, and the 4°C scenario based on the Fifth Assessment Report (Representative Concentration Pathways 2.6 and 8.5) and the Sixth Assessment Report (Shared Socioeconomic Pathways 5-8.5) of the Intergovernmental Panel on Climate Change. We also used the Sustainable Development Scenario, the Stated Policies Scenario, and the Net Zero by 2050 scenario of the International Energy Agency (IEA).

The risks and opportunities associated with changes in resource demand, the transition to low-carbon products, and manufacturing costs were the greatest under the 1.5°C and 2°C scenarios, whereas the risks and opportunities associated with natural disasters were the greatest under the 4°C scenario. Below, we provide information on the risks and opportunities related to each of the four major themes, as well as Komatsu's response to these risks and opportunities.

3) The four major themes

3)-1. Changes in resource demand

Risks	Opportunities
<ul style="list-style-type: none"> ● Regulation of power generation and using by fossil fuels ● Reduced appetite for investing in coal mines ● Massive reductions in coal production volumes ● Reduced Komatsu sales to coal-related customers ● Reduced appetite for investing in coal mines 	<ul style="list-style-type: none"> ● Rapid transition from fossil fuel-powered equipment to electric equipment ● Higher demand for copper and other resources necessary for electric equipment (motors, batteries, fuel cells, etc.) ● Increased Komatsu sales to copper and other relevant mining-related customers in conjunction with the trend toward electric equipment ● Increased investments for improving the efficiency of mining operations

Strategies

The initiatives based on the three pillars of growth strategies of the mid-term management plan are to accelerate growth by means of innovation, maximize earnings power, and enhance corporate resilience. Under these initiatives, Komatsu will capitalize on opportunities created by changes in resource demand to achieve sustainable growth.

<Priority initiatives>

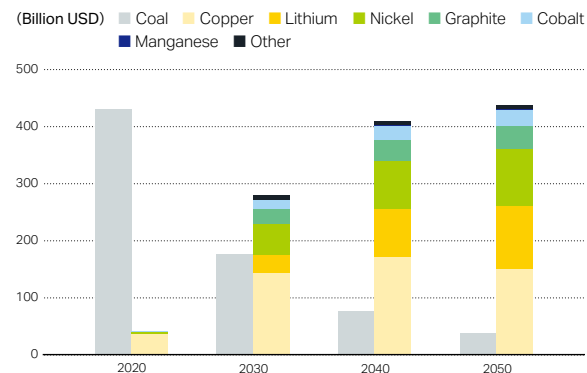
- Expand underground hard rock mining business
- Develop automated and remotely controllable mining equipment to respond quickly to shifts in demand
- Improve productivity through open technology platforms

a) Revision of mining equipment business portfolio in response to shifts in resource demand

Under the IEA's Net Zero by 2050 scenario (1.5°C scenario), demand for coal, a soft rock mineral, is expected to decline to an even greater degree than projected by 2°C scenarios as a result of the decarbonization trend. Conversely, demand is expected to grow for the critical minerals that are imperative to clean energy technologies. Accordingly, the global transition to electrified equipment is anticipated to drive a strong shift in demand toward hard rock minerals like iron, copper, and gold.

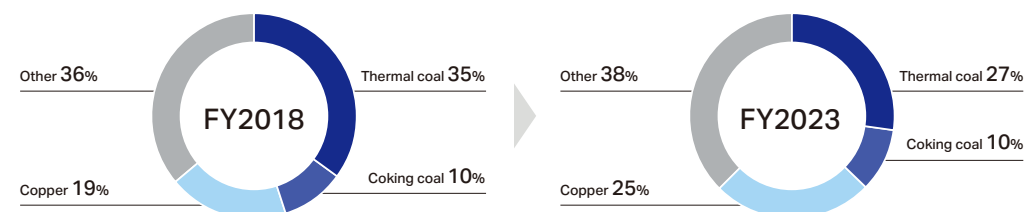
It is possible that changes in global trends could result in temporary shifts in demand. However, the overall trends in demand are expected to advance in this direction. In response to this shift in demand, the Komatsu Group is revising our mining equipment business portfolio by reorganizing underground soft rock mining equipment production and support systems, while expanding the lineup of underground hard rock mining equipment through M&A activities. As a result of these activities, the portion of net sales associated with thermal coal has gradually decreased and the portion related to copper has increased over the last few years.

Figure: Resource demand projections of IEA's 1.5°C scenario (Monetary value basis)*



* Source: Based on IEA data from the IEA (2021) Net 'Zero by 2050 A Roadmap for the Global Energy Sector', <https://www.iea.org/data-and-statistics>. All rights reserved.

Figure: Ratio of sales of Komatsu mining equipment business by target mineral



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Addressing global environmental issues

3)-2. Transition to low-carbon products

Risks	Opportunities
<ul style="list-style-type: none"> ● Higher development and capital investment costs due to emissions restrictions ● Reduced sales due to inability to cater to customer electrification demands ● Substantial changes in technology development and competitive climate including market entry by new competitors ● Long-term diminishment of technological edge as customers begin leading the drive in component development and manufacturing projects 	<ul style="list-style-type: none"> ● Rising demand for electrified equipment, fuel-efficient equipment, and biomass fuel-powered equipment; ability to respond swiftly to impending changes in strategic markets fostered through adaptation in traditional markets ● Growth of equipment restoration (Reman) operations driven by transition to circular economy ● Increased demand for solutions businesses offering emissions-reducing benefits ● Increased product reliability due to securing stable supply sources for high-quality components for storage batteries and others

Strategies

Komatsu is advancing initiatives aimed at achieving carbon neutrality while facilitating the transition to the low-carbon products that the world demands.

<Priority initiatives>

- Develop electrified equipment using batteries, hydrogen fuel cells, and other power sources
- Develop power sources compatible with carbon-neutral fuels and hydrogen
- Deploy Smart Construction and other solutions on a global scale
- Contribute to cyclical businesses through our forestry machinery and Reman businesses

a) Development of electrified machinery equipped with batteries and hydrogen fuel cells

In FY2023, Komatsu introduced four models of electrified construction equipment to the market, including the PC200LCE/210LCE-11, an electric hydraulic excavator with a machine mass in the 20-ton class. Komatsu also developed our first concept machine for an electric forklift powered by a sodium-ion batteries. General Motors and Komatsu are co-developing a hydrogen fuel cell power module for Komatsu's 930E electric drive mining truck, the world's best-selling ultra-class haul truck. We continue to develop low-carbon products for the market toward carbon neutrality.

In December 2023, Komatsu acquired American Battery Solutions (ABS, USA), a battery manufacturer. This acquisition will accelerate the development and production of batteries optimized for Komatsu's construction and mining equipment.



Concept machine for an electric forklift with sodium-ion batteries

b) Development of power sources compatible with carbon-neutral fuels and hydrogen

Komatsu introduced a total of seven models of electrified construction equipment to the market, including tethered electric models, providing customers with a full range of options to help them achieve carbon neutrality. On the other hand, some of the sites where Komatsu's electrified construction equipment is used are located in areas where power distribution networks are not in place, making the development of power supply infrastructure a challenge.

In April 2024, with the cooperation of Denyo Co., Ltd., we developed a concept machine for a generator using a hydrogen-mixed combustion engine (hydrogen-mixed combustion generator) as a power feeder for electric mini excavators. This machine is capable of generating electricity by mixing up to 40% hydrogen with fuel (diesel fuel), reducing carbon dioxide (CO₂) emissions during power generation by up to 40% compared to the use of diesel fuel only. In addition, hydrogenated vegetable oil (HVO fuel)* refined from renewable raw materials can be used as an alternative to diesel fuel, further reducing CO₂ emissions during power generation.

The use of this generator at sites where power distribution networks are not yet in place will help reduce CO₂ emissions while creating a power supply environment. We intend to resolve needs and provide know-how of power supply equipment and issues related to the use of hydrogen through proof-of-concept experiments at the actual sites of our customers.

* Paraffinic fuel refined from renewable raw materials such as waste cooking oil



Portable hydrogen co-firing generator (Concept machine)

<With the planet>

Addressing global environmental issues

c) Develop Smart Construction and other solutions businesses

Working with EARTHRAIN Ltd., a Komatsu Group company, we jointly developed the Smart Construction Teleoperation system for construction equipment, marketing the system in Japan through Komatsu Customer Support Japan Ltd.

This system allows the remote operation of hydraulic excavators from the safety and comfort of an office or other environment. When linked with various Smart Construction solutions, users may operate hydraulic excavators remotely while monitoring the operation of dump trucks and switching between multiple construction machines from a single cockpit. By providing this system to customers, we contribute to improving safety and productivity at construction sites, solving issues such as labor shortages, and reducing CO₂ by optimizing on-site construction.



Space-ship type cockpit for remote control

d) Contribute to cyclical businesses through forestry machinery and Reman businesses

To contribute to the reduction of environmental impact, Komatsu is developing the forestry equipment business, which aims for recycling-oriented forestry, and the component remanufacturing business, which is a component of our remanufacturing business.

P.23 Komatsu strengths: Reman business

P.41 Special feature 2 Contributing to a sustainable and circulating forestry industry

3)-3. Manufacturing costs

Risks	Opportunities
<ul style="list-style-type: none"> Taxation of fossil fuels and CO₂ emissions Higher product purchase prices Rising costs following investment in power generation facilities with low CO₂ emissions 	<ul style="list-style-type: none"> Increased competitiveness through production technologies that reduce CO₂ emissions

Strategies

Komatsu mitigates cost increases by achieving CO₂ reduction and renewable energy targets, while developing production bases with low environmental impact.

<Priority initiatives>

- Create plants with zero environmental impacts
- Encourage environmental investments through internal carbon pricing (ICP)*.

* Framework for increasing the priority of environmental investments through assessments of capital investment returns that treat CO₂ reduction benefits as a value similar to cost reduction benefits

a) Scenario analysis: Impact of carbon taxes under 1.5°C scenario

The 1.5°C scenario projects carbon tax rates that are higher than those predicted by the 2°C scenarios, reflecting high tax rates in both developed and emerging countries in 2030 and ongoing increases thereafter. Higher carbon prices as a result of carbon taxes and other government policies present the risk of future increases to manufacturing costs. Conversely, if Komatsu takes action to achieve CO₂ emissions reduction targets, these efforts will help lower the costs associated with carbon taxes.

Moreover, carbon taxes also influence the prices of fuel used by equipment. Accordingly, Komatsu's initiatives for developing low-carbon products and otherwise reducing CO₂ emissions from product use will contribute to a lower cost burden for customers.

Figure: Projected carbon taxes (\$/ton- CO₂)

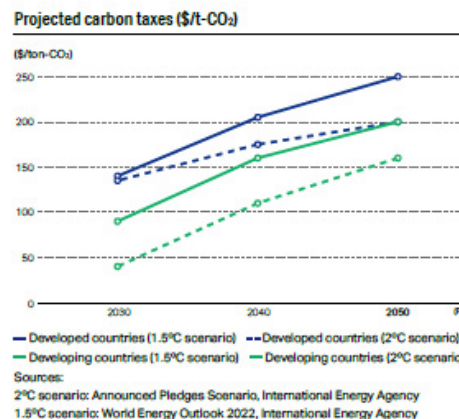
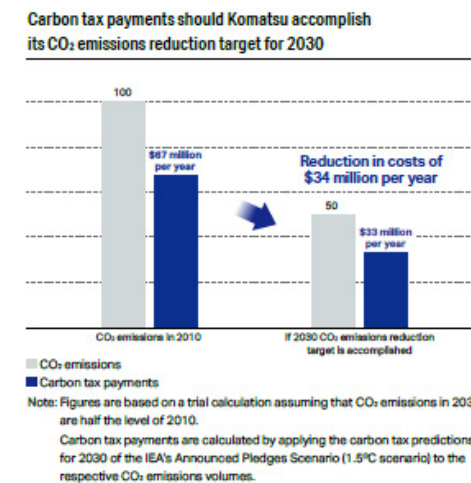


Figure: Carbon tax payments if Komatsu accomplishes CO₂ emissions reduction targets for 2030



<With the planet>

Addressing global environmental issues

3)-4. Natural disasters

Risks	Opportunities
<ul style="list-style-type: none"> Increased frequency and intensity of heavy rain and floods due to abnormal weather Risks of disaster damages to Komatsu plants at high risk of flooding Component supply delays following damages to suppliers from disasters 	<ul style="list-style-type: none"> Increased demand for flood-control works towards national resilience

Strategies

Komatsu will implement countermeasures against heavy rains and flooding across the value chain (response to physical risks).

<Priority initiatives>

- Build production and procurement systems that are resilient to changes in the operating environment (expand multi-sourcing ratio)

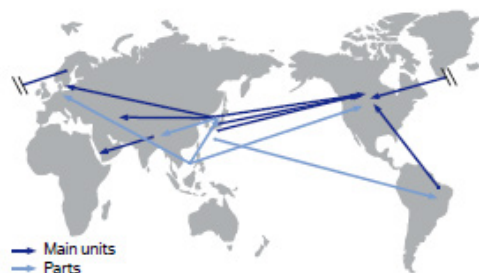
a) Global cross-sourcing and multi-sourcing

To hedge against risks of damage to the factories of Komatsu and suppliers due to heavy rains, floods, and other natural disasters, the Komatsu Group is developing a production and procurement system to maintain business continuity even under extreme circumstances. Specifically, we practice cross-sourcing, which allows us to change manufacturing plants and product destinations flexibly based on changes in the operating environment, and multi-sourcing, through which we purchase the same parts from multiple suppliers.

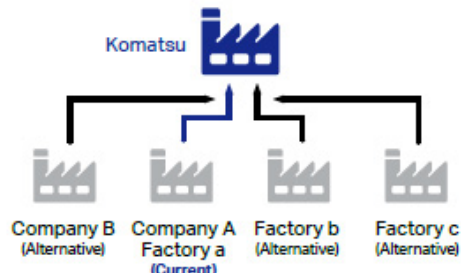
In addition, we established Asia procurement centers at overseas subsidiaries in India, Indonesia, and Thailand in May 2023 to increase the multi-sourcing ratio to further strengthen our supply chain.

Figure: Global cross-sourcing structure and multi-company procurement structure

Global cross-sourcing operation for production



Multi-company procurement system



Special Feature

Predicted increase in frequency and intensity of heavy rainfall

The Komatsu Group has experienced frequent flood damage in Japan and Indonesia in the past. Therefore, we conduct regular flood risk surveys to identify high-risk bases and take necessary measures. The IPCC's Sixth Assessment Report predicts that the frequency and intensity of heavy rainfall will increase dramatically in the future as a result of global warming. In response, Komatsu conducted a flood risk study in 2023 to identify high-risk sites and evaluate the financial impact.

1. Scenario analysis: frequency and intensity of 1-in-10-year heavy rainfall events¹

	[Past] 1850-1900	[Present] 1°C	[Future] Level of global warming		
			1.5°C	2°C	4°C
Frequency of occurrence per decade (Median)	1 time	1.3 times	1.5 times	1.7 times	2.7 times
Strength (Wetted ²)		+6.7%	+10.5%	+14.0%	+30.2%

Global warming 1.5°C projection

- With a global warming of -1.5°C, heavy rains and associated flooding are expected to increase in intensity and become more frequent in most parts of Africa and Asia, North America, and Europe.

Global warming 4°C projection

- The magnitude of drought and heavy rainfall and changes in mean precipitation will increase compared to the case of -1.5°C.
- Heavy rains and associated flooding are expected to intensify and become more frequent in the Pacific Islands and in many parts of North America and Europe.

¹ Based on the IPCC Sixth Assessment Report, Working Group I Summary for Policymakers, Tentative Translation SPM.6 (MEXT and JMA)
² Wetting: An increase in the percentage of water vapor in the atmosphere.

2. Risks

We used hazard maps and other information to estimate the financial impact of shutdowns at domestic and overseas sites.

Assumed Damage and Impact	Financial Impact (single year) Current damage estimates	Initiatives
Decrease in sales due to shutdown of production facilities caused by the flooding	20.4 billion yen - 55.3 billion yen ³	<ul style="list-style-type: none"> To date, we have implemented heavy rainfall countermeasures at domestic and overseas plants at high risk of flooding (e.g., measures for 100 mm/h rainfall in Japan). Assuming a 4°C scenario, the damage from flooding could be severe, so we will evaluate current measures periodically and implement new measures as necessary.

³ Estimates for overseas bases: We assume inundation depths based on hazard maps for domestic bases. We also incorporated damage coefficients for inundation zones in Japan into the calculations.

3. Opportunities

If global warming progresses and flood damage becomes more severe in the future, responses to national land resilience and other measures may become more active, leading to an increase in demand for construction equipment.

<With the planet>

Addressing global environmental issues

Column

Underwater construction of the future

In recent years, there has been a growing need for construction work at the dangerous water's edge and shallow water areas to prevent damage from natural disasters and provide recovery post-disaster. These disasters are becoming more severe and frequent due to climate change, as is the risk of impending massive earthquakes. In addition, the construction industry is experiencing a serious shortage of skilled workers due to declining birthrates and aging populations, especially in Japan.

Komatsu developed a radio-controlled amphibious bulldozer in 1971, selling 36 units globally. Asunaro Aoki Construction owns all five of the units still in operation today, and has accumulated knowledge and construction technologies through more than 1,200 underwater construction projects, including post-disaster reconstruction after the Great East Japan Earthquake.

We are working with Asunaro Aoki to demonstrate underwater electric construction robots that can be operated at depths of up to 50 meters without the aid of skilled technicians using automatic control and ICT functions. In cooperation, we are also striving for the underwater construction of the future, a solution for ultra-remote operation of underwater construction robots from a safe and comfortable office, based on a construction plan optimized by AI analysis that combines 3D survey, design, and construction data and big data, such as weather data and construction history.

We plan to introduce this system at the Future Life Expo: Future City exhibit of the Future Society Showcase Project for Expo 2025 Osaka, Kansai, Japan. We will continue to develop this underwater construction of the future for labor savings, increased efficiency, and improved safety, ensuring everyone can play an active role and perform faster construction work.



Key visual for "Future Life Expo: Future City," of the Future Society Showcase Project. Expo 2025 Osaka, Kansai, Japan

(3) Risk management

The main risks and opportunities related to climate change are described under the individual strategies. Major climate change-related risks are incorporated into the Risk Management Rules and other aspects of the Group-wide risk management process and managed as an element of corporate risks.

P.77 Risk management

Web Major risks and assessment (ESG Databook)

(4) Indicators and targets

Medium- to long-term targets

Index	Target
Reduction of environmental impact	• CO ₂ emissions Decrease by 50% by 2030 from 2010 <i>Carbon neutrality by 2050 (challenging goal)</i>
	• Renewable energy use Increase to 50% of total energy use by 2030

We are accelerating our efforts to become carbon neutral. For our product development roadmap, please refer to Special Feature 1: Medium- to Long-term R&D Strategy.

P.37 Special feature 1 Medium- to long-term R&D strategies

Please click here to see the results of our activities in FY2023, including the status of our environmental investments.

Web Environmental data (ESG Databook)

Nature conservation efforts - Transplanting trees from the head office rooftop garden

Komatsu's head office building is under reconstruction (completion of the new building scheduled for September, 2026). We undertook a project to transplant many of the trees and plants that have grown together with the building and employees since completion in 1966. In November 2023, we held a rescue event to save many plants in the rooftop garden, with the participation of the president and many other employees. The destinations of the rescued plants varied, with some taken home by employees and others transplanted to Yuki Farm in Ibaraki Prefecture. All 250 pots prepared by the secretariat for the event were used to transplant the plants.

Since large, well-grown trees such as cherry, birch, and goby could not be loaded onto elevators, we made arrangements to close the road in front of the Komatsu to traffic late at night in January 2024. We used a large crane to unload the trees and transport them to the farm. As of the end of this 10-month project, approximately 120 trees and more than 300 plants and trees from the rooftop garden were moved to the Yuki Farm.



Plant rescue event in which the president also participated



Trees being removed by crane