

## Foreword

### Going forward with high aspirations

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We at Komatsu have high aspirations for DANTOTSU. We define DANTOTSU products as the products with features which no companies can catch up with for several years with respect to safety, environmental performance, ICT and economy (productivity). In this expression of DANTOTSU, we place an overwhelming value on our determination which prevents other companies from coming close.

Recently, IoT and AI are becoming more and more important to the manufacturing industry. Back in February 2015, we launched the SMARTCONSTRUCTION business, thereby promoting ICT applications to construction jobsite operations, and in October last year, we launched LANDLOG, our platform connecting the entire process of construction. To promote our production efficiency, we are making efforts to connect manufacturing machines in our plants, as well as those of the Komatsu Group and suppliers. To ensure our customers' growth, (i.e., our growth), we need to provide them with DANTOTSU solutions which cover not only hardware but also software and platforms. Let me now go back to DANTOTSU for a quick review.

Today, we can see an industrial shift from hardware to software to make profits. There are already some manufacturers which focus their assets on software rather than hardware. While they are making efforts according to their respective strategies, I believe that our DANTOTSU solutions will be created by integrating DANTOTSU hardware and software, developed after thinking dedicatedly and thoroughly about customers' tasks. However excellent any given software may be, its value will change drastically by a difference in the level of hardware. We must work on the development of DANTOTSU software, but, at the same time, we must also develop DANTOTSU hardware which decisively stays ahead of other companies for several years.

Let me advocate for taking up bold changes for novel ideas, further refining our advanced technologies, and creating new value by innovatively integrating available technologies. All are important in development. We will pay careful attention to and think deeply about how our machines are being used at jobsites, take necessary risks and squarely tackle strenuous tasks. I am convinced that our culture of this sincere and never give-up spirit and power of completion will bring about DANTOTSU.

Nevertheless, we need to take on new challenges in order for us to create DANTOTSU continuously into the future. Our business environment is very rapidly changing. The future will be dynamically shaped by changing values on the part of customers, breath-taking progress of technologies, and AI-related technologies, in particular. Against this backdrop, we will witness many things to which we cannot respond on the continuum of our success stories of the past. I believe it is high time for us to fundamentally reform and change our current systems, tools and approaches to development. I am committed to boldly reforming and changing development operations and systems for our sustainable growth.

I also believe that the importance of collaboration with others in different fields is becoming ever more important for us. With respect to technology issues, for example, while mechanical core technologies (including metallurgy, metals and forging) are important for us to develop DANTOTSU hardware, a recent problem is the fact that the number of universities which conduct research in these technologies is declining (endangered fields). To promote progress in these fields, it is becoming more important for industries and organizations, both public and private, to collaborate. Through collaboration, we will also need to develop human resources.

To develop DANTOTSU software, our own resources are limited. To provide solutions, which reflect exhaustive consideration for customers' tasks and issues, before anybody else does it, open innovation is very important.

Development teams, capable of continuously developing DANTOTSU products, need to have high aspirations and indomitable spirit. I would like to create development teams which constantly uphold high aspirations to make meaningful contributions to society and customers, continuously develop DANTOTSU products, and take powerful steps forward.