

Resolution of ESG Issues through Growth Strategies

Developing People

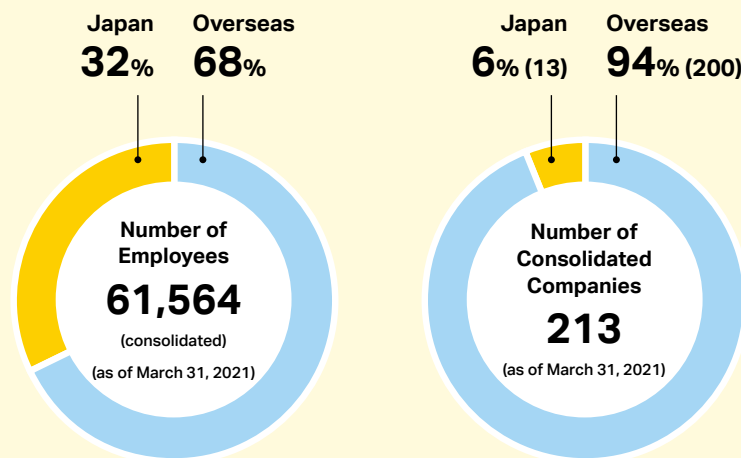
Founder Meitaro Takeuchi established Komatsu Ltd. in Komatsu City, Ishikawa Prefecture roughly a century ago. Having witnessed Europe's cutting-edge technologies at that time, Takeuchi put forth the four management principles of global expansion, quality first, technological innovation, and human resource development. The commitment to the development of human resources, an invaluable asset to Komatsu, lives on in the Company today.



Komatsu's global engineers active in various fields

Employees Supporting Komatsu as a Global Company

Komatsu develops its operations around the world, and approximately 70% of its employees are not Japanese. Accordingly, developing human resources that are rooted in the communities they serve while promoting mutual acceptance of the values and cultures of various countries and regions is becoming increasingly important. Operations around the world must be instilled with Komatsu's manufacturing competitiveness, which includes the values that support Komatsu and workplace improvement, driven by employees.



The Komatsu Way



The Komatsu Way is the very DNA of Komatsu, an expression of the strengths of Komatsu, the beliefs supporting these strengths, the basic attitudes, and the patterns of behaviors established based on the experiences of our predecessors as they proceeded to tackle the challenges facing them.

Komatsu seeks to develop its operations on a global scale and to become a stronger company and grow. To accomplish these objectives, it will be crucial for us to transmit The Komatsu Way to employees with different cultures and customs around the world and to implement these principles in a manner that aligns employees along the same vector. In 2020, an English-language e-learning program pertaining to The Komatsu Way was launched, and we completed the translation of the third version of The Komatsu Way into nine languages, posing us to further entrench this doctrine throughout our global operations.

1 Leadership/Top Management

Leaders must be directly involved in the workplaces and manage businesses with an emphasis on contributing to the entire Group, including distributors and suppliers. We have also defined guidelines for leaders related to actively engaging in regular board meetings, communicating with stakeholders, complying with rules of the business community, managing risks, and grooming successors for management positions.

2 "Monozukuri" for All Employees

Komatsu aims to pass on the manufacturing competitiveness, perspectives, and values that, based on total quality management, have continued to drive Komatsu's competitiveness and support its growth. We look to transmit these principles through a joint effort encompassing all internal divisions as well as our suppliers, distributors, and other partners and to continue promoting involvement by all of these parties.

3 Brand Management (Customer Value Creation Activities)

Komatsu defines "Brand Management" as all the activities that "make Komatsu indispensable to our customers." This objective is accomplished by visiting customer workplaces to understand the ideal state of these customers and to build relationships that enable us to work together with them to help achieve their goals through concerted efforts by the Group and its distributors.

Global Engineer Cultivation and Empowerment

In the 2000s, resource demand began surging, stimulating growth in Komatsu's mining equipment business and simultaneously creating a need for the cultivation of staff that can provide ongoing support at active customer workplaces around the world. To address this need, Komatsu looked beyond Japan, with its shrinking workforce, to seek out human resources overseas. As part of this undertaking, we adopted English as our official Company language and turned our attention to the Philippines, where we were able to find human resources that were highly proficient at adapting to overseas assignments. We thus commenced a recruitment campaign aimed at acquiring talented human resources that had graduated from local technical universities in this country.

The Komatsu Human Resources Development Center was established in November 2008 as a venue for recruiting and cultivating such talent and was later incorporated locally as Komatsu Philippines Corporation in November 2019. To date, this company has hired more than 150 engineers as it has proceeded to expand its systems. The training program at Komatsu Philippines involves a six-year curriculum comprising a 17-month basic product and service course, a seven-month training period at factories in Japan, and four years of training at overseas mines. Individuals who have completed this program are officially hired as global engineers.

Today, global engineers are active in more than 20 countries worldwide, using their experience and technical knowledge to make contributions at active customer workplaces as well as at domestic service process improvement divisions and as technical training instructors teaching distributors.



New building of Komatsu Philippines Corporation



Global engineer providing online training on fuel-efficient operation

AI Education for Developing Key Personnel for AI Field Coordination

Artificial intelligence (AI) technologies are used in various fields for purposes such as maximizing the value of customer operations and reforming in-house processes. The speed of progress in AI technologies is increasing exponentially. For this reason, it is crucial for us to develop in-house capacities for addressing the AI-related issues seen in specific business fields and to coordinate with external partners boasting advanced technologies.

Based on this recognition, Komatsu launched dedicated programs for cultivating key personnel in the AI field in 2019 with an eye to future expansion in the scope of coordination with external partners in this field. These programs include a basic program, which gives participants the ability to experience the process that spans from the definition of issues from a customer perspective to theme planning, and an advanced course, in which participants actually address issues through writing software. Through these two programs, we develop human resources capable of identifying pertinent themes from customer-oriented and business perspectives and playing a central leadership role in internal and external coordination.

Requirements of Key AI Coordination Personnel



Global Engagement Survey

Continuous employee engagement is imperative to the ongoing growth of a company. For this reason, Komatsu conducted a global engagement survey in April 2021 with the aim of periodically tracking and analyzing trends in employee engagement to gain an understanding of the constantly changing issues in this regard to be reflected in human resource measures. This survey targeted both domestic and Group companies.

Taking the form of an anonymous online questionnaire, the survey featured questions on such engagement-related topics as vision, strategic and competitive advantage, leadership, and corporate culture and workplace environment.

The results of the survey were analyzed by region and by organization to clearly identify the strengths of Komatsu and the issues it faces. This information will be reflected in human resource measures and training and education programs to help make Komatsu a place where employees feel motivated and empowered.

