

Together, to "The Next" for sustainable growth

KOMATSU

Komatsu

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2022



DANTOTSU Value

Together, to "The Next" for sustainable growth

To the next stage for the workplace of the future

Ensuring a sustainable future for the next generation

A new chapter of value creation to the next 100 years



Cautionary notice regarding forward-looking statements

This report contains predictions, plans, forecasts, and other forward-looking statements that have been judged by management to be rational based on the information available at the time of publication. Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, changes in economic conditions or product demand in major markets, foreign exchange rate fluctuations, domestic or overseas regulatory revisions, or changes to accounting standards or practices.

Reporting period: April 1, 2021-March 31, 2022

- This report also includes information on activities after the reporting period in order to provide readers
- "FY2021" refers to the period from April 1, 2021 to March 31, 2022, unless otherwise noted.

Editorial policy



Komatsu Report 2022 was published for the purpose of providing clear explanations for all stakeholders on Komatsu's medium- to long-term business strategies and the virtuous cycle generated as the Company resolves environmental, social, and governance (ESG) issues through its business. In preparation of this report, we referenced the International Integrated Reporting Framework released by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment released by the Ministry of Economy, Trade and Industry.

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In conjunction with its 100th anniversary, Komatsu articulated its mission and vision as its purpose together with values. We made our brand promise to customers and all other stakeholders. As our business and strategies diversify further, we will strive to deliver this promise through our global operation.

Our purpose

Creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses and our planet thrive together.

Our values

Ambition

With a "challenging spirit" and without fear of failure, we innovate and always aspire to do more

Perseverance

Even when the work is difficult, we remain committed to our promises and reliably carry them through to completion

Collaboration

Creating value comes from teamwork, inclusion, respect, diversity, and a win-win approach to all relationships

Authenticity

To earn and maintain trust, we always act with sincerity, integrity and honesty, and communicate with transparency

Brand promise

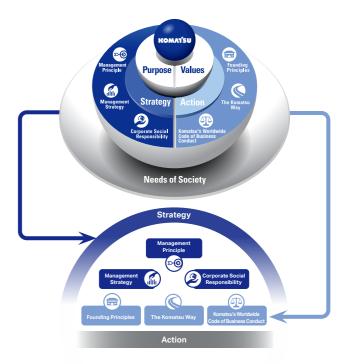
Creating value together

Together with you, we can create new value and work toward a sustainable future.

The design's emphasis on "together" indicates the importance we place on partnership.

Our identity

The corporate identity incorporates pieces that have been created over the company's history: Founding principles, the Komatsu Way, Komatsu's Worldwide Code of Business Conduct, and strategies including the mid-term management plan. Also, our Management Principle forms the basis of our efforts to fulfill our purpose. Strategy for implementing this is the mid-term management plan.



Management Principle



We will maximize the trust given to us by our stakeholders and society through a commitment to quality and reliability.

Management Principle shows our basic stance regarding business administration.

Management Strategy

Our current mid-term management plan, DANTOTSU — Value-Together, to "The Next" for sustainable growth (FY2022–FY2024), aims to generate a positive cycle for resolving ESG issues and improving earnings to achieve sustainable growth.



Corporate Social Responsibility

We believe that our very business is a Corporate Social Responsibility.

The work that we do directly supports the growth and improvement of our communities and society in general.



Founding Principles

"Global Expansion," "Quality First," "Technological Innovation," and "Employee Development." These are the founding principles laid out by our founder, Meitaro Takeuchi (1860–1928), and they continue to be upheld by our organization to this day.



The Komatsu Way

The Komatsu Way was developed to convey our shared values and practices across different cultures, customs, and generations.



Komatsu's Worldwide Code of Business Conduct

Compliance with the rules of business community is considered a top priority at Komatsu. The rules are not limited to laws and regulations but also include rules that are generally recognized and respected in society.

2 Komatsu Report 2022

Komatsu has declared its commitment to practicing management that emphasizes environmental, social, and governance (ESG) factors. Based on this commitment, we are working to resolve ESG issues through our business activities by providing products, services, and solutions that are safe and which offer high quality and high efficiency.

We developed our Sustainability Policy, which demonstrate clearly our earnest stance of responding to climate change and social demands as part of our purpose of existence and further proper sustainability management.

Sustainability policy -

Since Komatsu's founding, we have always pursued "Quality and Reliability," and have made efforts to build strong relationships of trust with our stakeholders based on our "Management Principle" of maximizing the total sum of trust from all stakeholders, including society.

Our pursuit of coexistence has been handed down through generations, and our basic stance is to contribute to society through business activities.

Our purpose is "Creating value through manufacturing and technology innovation to empower a sustainable 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, grow as a corporate group that can flexibly respond to changes in society and the external environment, further enhance our corporate governance, and contribute to society with our stakeholders.

What we do to empower a sustainable future where people, businesses, and our planet thrive together

With people

- We provide an environment where diverse and global employees can work safely and healthily as one team, with respect for each individual, and with satisfaction and pride.
- We nurture employees who can take on challenges at various job sites and in different regions, create new value together with customers, and contribute to the realization of a sustainable society.
- As Komatsu Group, we shall respect human rights related to all of our business activities.

With business

- We contribute to society through our business activities by providing our customers with safe and highly productive products, services, and solutions that realize sustainable infrastructure development, resource development, and a recycling-oriented society.
- We build relationships with our business partners and local communities that enable mutual trust, fairness, co-existence, and co-prosperity.
- We comply with the rules of society, including laws and regulations, and strive to respond sincerely to the requests and expectations of all stakeholders, including society.

With the planet

- Through all of our business activities, we strive to reduce our environmental impact and preserve the global environment through the use of advanced technologies.
- We strive to increase both global environmental conservation and business growth through manufacturing and technological innovation.
- We pursue collaboration and value creation with our stakeholders toward a sustainable planet and future.

H. Ogowan

Komatsu Ltd.
President and Chief Executive Officer

The Sustainability Policy describes one strategy for fulfilling our purpose. As described in this policy, Komatsu is dedicated to addressing issues that are important to realizing a sustainable society and achieving business growth and contributing to the accomplishment of SDGs.

Strategies for fulfilling our ourpose

Strategy to exercise management

principle to achieve our purpose

Management

Strategy

Mid-term management plan

generate a positive cycle for resolving

ESG issues and improving earnings to

Through customer value creation,

achieve sustainable growth.

Strategy

Basic philosophy to achieving our purpose

Management Principle

through a commitment to Quality

and our Reliability.

We will maximize the trust given to us by stakeholders and society

Basic stance on contributions to society

Corporate Social Responsibility

Contribute to a sustainable future by addressing ESG issues through our business activities.

Business continuity guidelines for business activities

Sustainability Policy

Achieve further sustainability for both society and business growth

Komatsu Report 2022