

With people



Human resource development initiatives

Having witnessed Europe's cutting-edge technologies at that time, founder Meitaro Takeuchi defined our guiding principles characterized by 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, unchanged from the time of our founding.



Komatsu's global engineers active in various fields

Diversity and inclusion

Komatsu continues to promote the development of a workplace environment in which diverse human resources respect each other's individuality and skills and can work together with one another. These efforts are congruent with the spirit of diversity and inclusion. Promoting these principles contributes to the cultivation of a healthy workplace environment conducive to lively and constructive discussion as well as to improvements in personal motivation and changes to the corporate culture. These advancements are anticipated to generate innovation and thereby drive the growth of the entire organization.

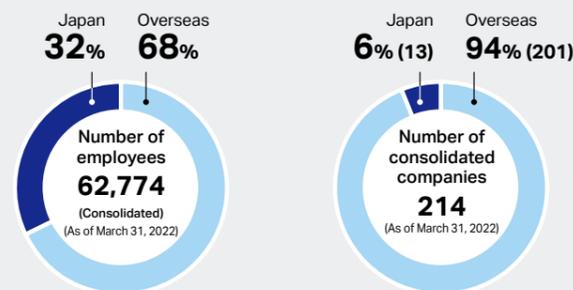
In growth strategies of the mid-term management plan, "Enrich human resources base with diversity" is one of the key initiatives of "Enhance Corporate Resilience", and we are ramping up various initiatives with goals including developing global-scope talent, promoting gender diversity, and improving employee engagement.

Development of global-scope talent

Roughly 70% of Komatsu's employee base comprises non-Japanese individuals, and several senior management positions at major overseas subsidiaries have been filled by locally hired staff following efforts to localize management. In regard to the training of future leaders, we have drawn up a succession plan under which approximately 750 major positions in Japan and overseas are classified as "global key positions." In addition, we have been arranging our Global Management Seminar for management and managerial candidates, implementing our Komatsu Way Leadership Development Program for middle management professionals who are expected to play central roles with respect to business operations and functions, and enacting other programs.

Programs for non-leader employees include the Global Occupational Health and Safety Contest, the All-Komatsu Technology Olympics, the All-Komatsu QC competition, the Global brand management workshop, and other global events that provide employees around the world with opportunities to develop their skills.

In Japan, we are focused on human resources development for digital application and open-innovation. For example, the program for developing AI engineers launched in 2019 uses a unique curriculum to endow participants with knowledge and technologies related to AI. In addition, this program helps foster skills for using AI to resolve customer business issues and to advance projects together with companies at the forefront of technology. In regard to developing human resources for open-innovation, we are conducting and utilizing both internal and external programs in order to accelerate collaboration with government and academic institutions. Such programs for fostering the human resources needed to supply customers with DANTOTSU Products, DANTOTSU Services, and DANTOTSU Solutions will be conducted on an ongoing basis going forward.



Promotion of gender diversity

Komatsu is pushing ahead with various measures for making concerted efforts to employ and train more women and for providing a workplace environment in which female employees can continue developing their careers. Because the Company considers the currently low number of female employees and managers in comparison to male employees and managers to be an issue in need of improvement, it is providing support for a balance between work and life events, such as childbirth, child raising, and caregiving. In addition, Komatsu actively appoints women to positions with more responsibility and authority through means such as by helping them plan their careers and promoting them to managerial roles. The mid-term management plan's global key performance indicators for gender diversity include the ratio of full-time female employees, for which we have set a target of 17.0% or more, and the ratio of female managers, whose target we have set at 13.0% or more. We plan to continue our proactive approach toward promoting gender diversity among Komatsu Group companies around the world. One tool for this quest will be the Diversity & Inclusion Development Seminar (DIDS), a training program intended for female leaders around the world.



Diversity & inclusion development seminar conducted online

Improvement of employee engagement



Improvements to employee engagement are imperative to the ongoing growth of a company. For this reason, Komatsu conducted a global engagement survey of domestic and overseas Group companies in April 2021 so that it could reflect the results of region- and organization-specific strength and issue analyses into human resource measures. We will continue to administer engagement surveys on a regular basis in order to track and analyze trends in employee engagement. This information will be used to respond to the constantly changing issues regarding employee engagement and to help make Komatsu a place where employees feel motivated and empowered.

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 employees with different cultures and customs around the world to understand and exercise the principles espoused by The Komatsu Way.

The Komatsu Way has been translated into 13 languages. E-learning programs are being rolled out on a global basis in order to further entrench The Komatsu Way as a guiding doctrine for employees worldwide.



To better present its principles in a manner that reflects the roles of specific employees, The Komatsu Way is divided into three sections: Leadership / Top Management, "Monozukuri" for All Employees, and Brand Management.

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

Komatsu defines "Brand Management" as all the customer value creation 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 Komatsu Group and its distributors.

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Special feature: Global human resource development

For the purpose of creating value at customer workplaces and production bases around the world, Komatsu regularly holds four global competitions: the Global Occupational Health and Safety Contest, the All-Komatsu Technology Olympics, the All-Komatsu QC competition, and the Global brand management workshop. Through these competitions, employees are encouraged to pursue new heights through healthy rivalry with their peers and to share value and enhance the skills necessary for creating workplace value.

Global occupational health and safety contest

Decision-making at Komatsu prioritizes the principles of SLQDC (Safety, Law, Quality, Delivery, and Cost), based on which we hold the Global Occupational Health and Safety Contest every year in June. This competition is designed to raise the occupational health and safety awareness of employees worldwide through global activities seeking to eliminate occupational accidents. Launched in 1970, the contest was held for its 50th time in 2021. In its 50th iteration, the contest took place through an online venue for the purpose of preventing the spread of COVID-19.

At the 2021 contest, the president reiterated to the domestic and overseas employees in attendance that health and safety are our top priority and reminded all Group members of the importance of the principles of SLQDC. In addition, awards were presented to individuals and workplaces advancing superior initiatives, which contributed to heightened employee motivation. One of the events of the contest is a report on the activities of teams promoting initiatives for eliminating occupational accidents, which has proven to be an invaluable opportunity for sharing information on superior improvement activities and methods throughout the Group. In recent years, around half the participating teams are based overseas, indicating how our commitment to improvement is alive around the world.



Opening address given by the president at the 50th global occupational health and safety contest

All-Komatsu QC competition

Komatsu is advancing global quality control initiatives as part of the commitment to quality and reliability advocated in its Management Principle. November has thus been dubbed as the Month of Quality. The All-Komatsu QC competition is held during this month to promote the further spread and entrenchment of quality control activities. Originally started in 1967, the convention was arranged for the 53rd time in 2021.

At the All-Komatsu QC competition, we present and share information on the quality control activities and successes of domestic and overseas Komatsu Group employees as well as of the employees of partner companies. This approach is taken to drive improvements across our supply chain.

In the midst of the COVID-19 pandemic, the 2020 and 2021 iterations of this event took place online. Simultaneous worldwide broadcasts were used to build a sense of solidarity among participants, making for an online event that was as vivid as those held at physical venues.



Online All-Komatsu QC competition event shown through simultaneous broadcast

First global occupational health and safety contest

The Global Occupational Health and Safety Contest has been contributing to improved health and safety awareness among employee participants since its first iteration in 1970. Komatsu's culture of prioritizing health and safety continues to live on today.



Safety management presentation themes of first global occupational health and safety contest

- Workplace safety management
- Prevention of accidents from crane operation mistakes
- Improvement of safety awareness
- Safety management and orderliness

Teams winning gold awards at 53rd All-Komatsu QC competition



All-Komatsu technology olympics

Production systems are becoming increasingly global as we relocate manufacturing operations overseas. Regardless of the region, production bases require a high degree of on-site technical skills. Based on this recognition, Komatsu has declared the third Saturday of every October as the Day of Technical Skills, on which we hold the All Komatsu Technology Olympics to help enhance the technical skills of employees. This program was launched in 1963, and its 43rd iteration was held in 2021.

The All Komatsu Technology Olympics include competitions in the 11 technical and academic areas of machinery, heat treatment, welding, assembly, coating, parts inspection, performance inspections, mechatronic maintenance, casting, remanufacturing, and electronics. Employees of domestic and overseas Komatsu Group companies as well as of partner companies are invited to take part in these competitions with the goal of improving the level of technical skills across Komatsu's supply chain.

The 2021 iteration of the event was held using new approaches like online judging out of consideration for the COVID-19 pandemic, enabling us to continue this tradition even in the midst of the pandemic. In addition, local competitions were arranged in China, India, Thailand, and Indonesia as part of global improvement activities.



All-Komatsu technology olympics event incorporating online elements

Global brand management workshop

Our brand management activities have the goal of making Komatsu indispensable to our customers. In these activities, we visit the workplaces of customers to learn of their ideals and work toward shared goals through a concerted effort with customers, distributors, and Komatsu Group companies and thereby build stronger ties with customers. Since the launch of these activities in 2007, we have advanced initiatives targeting more than 150 customers in 18 regions around the world.

The Global brand management workshop was established in 2009 as a venue for sharing best practices and promoting teamwork on a global scale. Members of project teams for this competition have come from senior management, division management, overseas subsidiaries, and even distributors.

Despite being held online in 2021 to combat the spread of COVID-19, 225 individuals participated from 20 bases around the world, giving rise to a lively debate on the topic of value creation activities at customer workplaces.



Online Global brand management workshop with participants from 20 bases around the world