

## Foreword

### Environmental Strategy



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Environmental problems intensifying worldwide are being widely discussed, including aspects such as progressive global warming caused by greenhouse gases, the shortage of water resources in developing countries, and environmental contamination behind the rapid economic development of new emerging countries.

At Komatsu, consideration of the environment has been prioritized in “the development of Dantotsu products” and the “design of products that exhibit Dantotsu characteristics from the environmental aspect” has been reinforced adopting environmental measures that excel over products of its competitor companies.

In emission gas regulation especially, the task of developing products that meet Tier3 has been completed in recent years and the development task to clear the next Tier4 is fast approaching imminently. Maximizing Komatsu’s strengths in the development and production of key components of construction machinery by itself (engines, power lines, hydraulic equipment and electronic equipment) and teamwork of the Company as a whole including a network of its subcontractors, efforts to bring product development of a high goal to a success are continuing.

In 2008, Japan will host the G8 Summit meeting at Lake Toya in Hokkaido. The year 2008 is said to be the year in which the leadership of Japan in the environmental field will be tested. The Government of Japan has set a long-term goal for greenhouse gas reductions in a bid to gain the leadership as a “nation that propels environmental protection” as a national policy. At the same time, the European Union (EU) and other entities have also set high goals and are actively promoting environmental measures. One of the reasons why the countries and entities show a positive attitude toward the environment is said to be aimed at gaining the competitive power of their enterprises through international standardization of their environmental standards.

Now is an important time for Komatsu to reconsider its environmental strategies as efforts and investments in the next 20 to 30 years will become a global issue for environmental problems.

It will be necessary for the engineers and technology-related divisions and departments of Komatsu to face the reality that “the environment has become a matter of economy and business” and to consider its technology strategies by focusing more on the keyword “environment.”

New technology development and solutions to deal with future scenarios such as a serious food crisis will become visible when facts that are taking place in various regions (sites) of the world are faced sensitively and strategies to cope with them are mapped out.

This is true of the product development technology and of the production technology alike.

It is hoped to further enhance the total enterprise capability for manufacturing through companywide teamwork of Komatsu by continuing the challenge based on Komatsu’s technological strength.