3 years has passed since KOMATSU started the “Development and Market Introduction of Unique and Unrivaled Products” under the slogan “Successful Reform Effort Based on Spirit of Manufacturers”. Osaka Plant also started activities to greatly change its organization and working methods in 2002 and has been making efforts to develop perfect machines that meet the strict requirements of “unique and unrivaled product competitiveness”, “great and unrivaled cost reduction” and “excellent and unrivaled initial quality”. As a result, we succeeded in putting 3 models of “unique and unrivaled product” on the market.

1. **PC400-7 Hydraulic Excavator (Full Production Started in August, 2003)**
   The development divisions of engine, hydraulic equipment and whole machine and the test engineering division closely cooperated and succeeded in as high as 17% reduction of fuel consumption. In addition, affiliated companies, the development divisions and the manufacturing plants have cut production cost to a large extent in close cooperation.

2. **D475A-5 Crawler Dozer (Full Production Started in July, 2003)**
   Closely cooperating with interior parts manufacturers, we determined to employ sound absorption material best suited to crawler dozer and succeeded in as high as 10% of noise reduction. We also determined to employ long-life parts to greatly cut repair and maintenance costs.

3. **BR380JG-1 Mobile Crusher (Full Production Started in August, 2003)**
   Closely cooperating with hydraulic equipment manufacturers, we developed an original jaw crusher and succeeded in as high as 30% improvement of treatment capacity. We also developed the crusher protection mechanism with hydraulic lock cylinders for the first time in the world and succeeded in cutting maintenance cost and improving quality to a large extent.

We attribute our success with these models to synergetic activities of many related divisions and thank the staff of Research, Development, Purchasing, Production, Quality Assurance, Marketing and many other related divisions for their hearty and close cooperation. At the same time, we must not forget that it is not we manufacturers but users who finally judge whether or not they are truly “unique and unrivaled products”. Well, the development of “unique and unrivaled products” that represent Osaka Plant, new models of hydraulic excavators and crawler dozers, is approaching its final stage. Now we must make a great step forward again (aiming at wider, more synergetic and global activities). Our new challenges are new features and new technologies that are required to implement “unique and unrivaled products”, which bases on worldwide survey by Marketing and Sales Divisions. It is these new technologies that clearly differentiate KOMATSU products from rivals. However, it requires much time to put new technologies to practical use. We can succeed in putting new technologies to practical use only after repeating trial and error again and again. There are many technologies that were developed but not applied to the “unique and unrivaled products”. KOMATSU’s corporate culture is “the spirit for challenge without being afraid to failure”. It is the path KOMATSU should choose toward the future not to develop low-price products that depend only on low labor cost but to develop “unique and unrivaled products” that fully utilize advanced technologies and cannot be copied by other companies, so we believe.

We hope that all engineers of KOMATSU Group continue to persistently challenge difficulties to the end to realize their dream.