In Commemoration of Komatsu’s 90th Anniversary
Message from the President

Meeting Constant Challenges Underscored by Excellent Technologies and Human Resources

First of all, I would like to express my deepest appreciation for the support you have given us from across the world after the Great East Japan Earthquake on March 11, 2011. We apologize for any inconvenience caused by delays in shipments due to what was reportedly the most powerful earthquake to hit Japan in recorded history. Although we have been facing many unexpected difficulties, challenges have made us stronger throughout our long history. The greater the challenge, the more determined we are to overcome it. Such determination has enabled our corporate organization to grow dramatically.

The image on the cover of this issue may seem unfamiliar to many of you. The restored building in the photograph is Komatsu’s very first Head Office. This year, we celebrate our 90th anniversary. Since our establishment in 1921, Komatsu has made great leaps forward. What remains unchanged is our corporate spirit and philosophy summed up in The KOMATSU Way, which details fundamental principles that underlie Komatsu Group operations worldwide.
One of the most important elements is our “Brand Management.” Komatsu intends to be an indispensable partner to its customers by continuing to provide a comprehensive range of invaluable products and services. To this end, we recognize the importance of raising the levels of our people and technologies. Accordingly, we are focusing on the following three projects coinciding with our 90th anniversary, as detailed in this issue.

(1) Establishment of the KOMATSU Way Global Institute at the former Komatsu Plant site in Komatsu City, Ishikawa Prefecture

(2) Construction of the Osaka Technical Center within the site of our Osaka Plant in Hirakata City, Osaka Prefecture

(3) Establishment of the Komatsu (China) Techno Center in Changzhou City, China

In closing, on behalf of the entire Komatsu Group, I would like to express my sincere appreciation and gratitude to all of you for your continued support and patronage.

Kunio Noji
President and CEO, Komatsu Ltd.
In May 2011, Komatsu celebrated its 90th anniversary. Stepping into the next decade approaching its 100th anniversary and firmly focusing on the future, Komatsu has renewed its commitment to further nurture the people and technologies that are management’s most important resources. In this issue of Views, we introduce several projects aimed at advancing these goals.
The Komatsu-no-Mori (Komatsu Green Park) has been opened at the former Komatsu Plant site in Komatsu City, Ishikawa Prefecture, not only as a global human resource training base of the Komatsu Group but also as a space to contribute to the local community, particularly fostering the growth of children.

The KOMATSU Way Global Institute was established within the Komatsu-no-Mori premises. The major function of the institute is to consolidate and conduct general and service engineers training programs, which were typically offered at in-house facilities in Tochigi Prefecture and Osaka Prefecture. Group-wide meetings, including global meetings, are held at the institute. With particular respect to service engineer training, the institute is developing new programs and materials in anticipation of further expansion of strategic markets and the advancement of information and communication technologies (ICT), and is strengthening its role as a global training center. At the Techno Training Center, which reuses the former building for constructing large presses, Komatsu provides service engineers with practical training for construction equipment, forklift trucks and industrial machinery.
Also, within the Komatsu-no-Mori premises and open to the public are the Waku-waku Komatsu Kan (Kids Pavilion); the Genki-Satoyama, a domestic woodland featuring re-creations of indigenous environs of the local region; and an exhibition space for a 930E-2 model of the world’s largest class of dump trucks.

■ The Waku-waku Komatsu Kan (Exciting Komatsu Pavilion)
The Waku-waku Komatsu Kan is a two-story building featuring a replica of the original Head Office building. The first floor offers exhibits and the experience of construction equipment and industrial machinery and their technologies with dioramas, 3-D theater, technology insights and other facilities available to visitors. The second floor is a workshop for children in conjunction with Komatsu’s long-term commitment to provide a variety of educational programs designed to get youngsters interested in the sciences and manufacturing.

■ Genki-Satoyama
The Genki-Satoyama is divided into four zones: 1) Genki-Satoyama zone where visitors can actually experience the natural environs of the local region; 2) brook zone with a variety of aquatic plants, insects and birds; 3) playground zone in the center; and 4) cherry tree zone adjacent to the Waku-waku Komatsu-Kan.

■ Exhibition of the Komatsu 930E-2 Super-Large Dump Truck
The world’s largest class of Komatsu 930E-2 super-large dump trucks are developed and manufactured at the Peoria Manufacturing Operation of Komatsu America Corp., a wholly owned subsidiary of Komatsu Ltd. The exhibited model is 7.3 m (24 ft) tall and capable of carrying a maximum load of 297 tonnes (327 U.S. tons). All these models are being deployed to haul excavated soil in large-scale mines around the world. This exhibited model is the first one to appear in Japan and was actually used in a copper mine in Chile.
In September 2010, a Komatsu 930E-2 dump truck set out on a journey from Chile, the world’s top copper-producing nation, for permanent exhibition at the Komatsu-no-Mori site in Ishikawa Prefecture.

**Transporting the 930E-2 Dump Truck**

1. Confirming disassembly of 930E-2 in Lampa, Chile
2. Completing loading on mafi roll trailers
3. Embarking on transport of 930E-2 on mafi roll trailers
4. Boarding the ship
5. Arriving at Kobe Port (upper structure)
6. Arriving at Kobe Port (front and rear axles)
7. Unloading upper structure at Kanazawa Port
8. Delivering upper structure to Komatsu-no-Mori site
9. Delivering tires on a special transport vehicle
10. Completing reassembly of upper structure and repainting
11. Fitting the radiator
12. Placing upper structure on pedestal
13. Fitting the tires
14. Nearing completion
15. Reassembled 930E-2 on display
The Osaka Plant, where Komatsu’s flagship PC200 and other large and medium-sized hydraulic excavators as well as bulldozers are developed and manufactured, is also where leading global technology development and manufacturing process reforms are conducted. By establishing the new Osaka Technical Center within the Osaka Plant premises, Komatsu intends to augment its mother plant development and production capabilities. The Osaka Technical Center utilizes leading-edge ICT to enhance Komatsu’s global operations structure, including hansei (sales and production management) and customer support activities.

The Osaka Technical Center features an attractive, partition-free office space, which is designed with maximum attention to creating an “organic” bond between the environment and workforce.

The building’s dynamic appearance features beams and columns forming a grid-like structure. Its glass walls maximize entry of natural light and make the office space bright and pleasant. The building has a steel-framed reinforced concrete structure with excellent earthquake resistance.

Located on the third floor is the Global Hansei Operation Center for overseeing global sales and production of construction and mining equipment. The operation center monitors the operating status of Komatsu’s construction equipment around the globe via the KOMTRAX machine tracking system. Equipped with the latest ICT infrastructures, such as webcams to monitor the operations of production lines in Japan and overseas, the operation center runs a system to collect the latest sales, production and inventory data from around the world in a timely manner.

In addition to the development department, the Osaka Technical Center now hosts the production department, thereby promoting and reinforcing interdepartmental communications and close collaboration. This, in turn, is expected to augment the roles of the Osaka Plant as a global base for development and manufacturing process reforms.
With the Chinese market showing strong, steady growth, it has become increasingly important to provide customers and distributors with opportunities to understand and familiarize themselves with the performance, effective usage and operating procedures of the Komatsu Group’s products, including the full lineup of construction equipment. For this reason, Komatsu set up and started operations of the Komatsu (China) Techno Center (KC Techno Center) in Changzhou City in China’s Jiangsu province in January 2011. The center provides a variety of training programs for Komatsu Group companies, distributors and users along with conducting on-site demonstrations of Komatsu’s full lineup of construction equipment for customers.

The KC Techno Center hosts the KC Demonstration Center (for the Komatsu Group’s products), KC Training Center and KC Used Equipment & Rebuild Center (for handling used equipment and Reman [remanufactured] products). Komatsu (Changzhou) Construction Machinery Corp. (KCCM), one of the major production bases in China, has also relocated to the area within the same premises as the KC Techno Center. By locating a production base and a technical center near each other, Komatsu offers a one-stop opportunity for customers to learn how Komatsu products are manufactured and how they excel in quality. Komatsu thereby intends to augment the support structure for customers and distributors as well as improve Komatsu employees’ skills and expertise.

- **KC Demonstration Center**

In China, hydraulic excavators and wheel loaders are the predominant machines in the construction equipment market. Komatsu expects an expanding range of construction equipment that is diverse both in size and type will be used in
China, as the country accelerates its infrastructure construction, particularly public work projects in urban areas. The KC Demonstration Center highlights the excellent performance of Komatsu’s construction equipment and shows how each machine is used for particular construction methods. At the same time, it serves as a place for customers to see that Komatsu manufactures and offers a full lineup of construction equipment.

The center has a construction equipment exhibition area showcasing Komatsu models manufactured locally in China, where customers can actually touch and test-drive equipment. The exhibition area also displays Komatsu Group products, such as a shield machine mock-up, press machinery, hybrid forklift truck and power generator, emphasizing comprehensive strengths common throughout the entire Komatsu Group that extend even beyond construction equipment.

**KC Training Center**

From early on, Komatsu has been committed to improving skills of its service engineers. To this end, Komatsu set up the Service Training Center in Guangzhou in Guangdong province in 1994 and the Changzhou Training Center within the premises of KCCM in 1998. In addition to raising the skill levels of service engineers, the KC Training Center offers employee training programs for the Komatsu Group and its distributors to help people quickly obtain required skill sets. The center also offers a range of theme-based business training programs in the areas of product development, production and procurement, sales, product support services, financial affairs, business administration, personnel management and total quality management for the employees and management executives of Komatsu’s affiliated companies in China, and familiarizes them with The KOMATSU Way.
The primary tasks of the KC Used Equipment & Rebuild Center are to support used equipment management at distributors and Komatsu’s Reman business. Formerly known as Nanjing Komatsu Rebuild Co., Ltd. (NKR), the center was relocated to Changzhou in November 2010 and began operations anew as Komatsu (Changzhou) Rebuild Co., Ltd. (KCR). The center will strive to smoothly handle rebuilding of traded-in used equipment, which is expected to increase year by year in China; engage in import and sales of designated used equipment from Japan; and manage sales of remanufactured main components.
Komatsu (Changzhou) Construction Machinery Corp. (KCCM) has relocated to a new plant built about 8 km (4.9 mi) west of its previous plant’s location.

At 280,000 m² (3,013,920 ft²), the new plant site is twice as large as the previous site. To its west lies the Komatsu (China) Techno Center with a site area of 210,000 m² (2,260,440 ft²). The 80,000-m² (861,120-ft²) area on the east side is occupied by operations of business partners, including 40,000 m² (430,560 ft²) for Komatsu Construction Attachment Changzhou Co., Ltd. (KCAC), Changzhou TAGAMI EX Co., Ltd. and Changzhou Uchimura Machinery Co., Ltd. The Komatsu Group thereby has a major base of operations in Changzhou, China, totaling 580,000 m² (6,243,120 ft²).

The annual production capacity of the new plant is approximately 10,220 units (8 hours/day basis), more than twice that of the previous plant. In response to increasing demand for large construction equipment and industrial machinery, KCCM has added 10 models of mining equipment, presses and sheet-metal machines to its lineup and currently manufactures a total of 23 models, including the flagship PC360 hydraulic excavator, WA380 wheel loader and HD series of dump trucks.

At KCCM, more than 800 employees work as a team in steady pursuit of even higher Komatsu product quality and reliability. By fostering Monodzukuri (manufacturing competitiveness), they strive to earn trust from customers in China as well as fellow Komatsu Group co-workers around the world.
On April 21, 2011, Komatsu Ltd. received the Fiscal 2010 JSME Medal for New Technology conferred by the Japan Society of Mechanical Engineers (JSME) for the development of the hybrid system for construction equipment at an award ceremony held as part of JSME’s general meeting. Established in 1958 to encourage the growth of Japan’s mechanical engineering and industry, the JSME award is one of the most prestigious technology awards in Japan. This marks the second time for Komatsu to receive this honor.

Komatsu’s hybrid system for construction equipment reduces fuel consumption and CO₂ emissions. Its electric motor that turns the upper structure of the hybrid excavator converts kinematic energy, which is regenerated when the turning of the upper structure slows down, into electric energy. This electric energy is then stored in the capacitor and reused for the next turning of the upper structure. It is also reused through the power-generating motor as supplementary energy to accelerate the engine revolution speed. Construction equipment generates over 90% of total CO₂ emissions due to the fuel which is consumed when it is used by customers throughout its lifecycle of production, use and disposal. Thus, lowered fuel consumption directly reduces CO₂ emissions.

For the JSME Medal for New Technology, the JSME evaluates not only a technology’s originality and excellence but also its social contribution and the business it generates. Komatsu’s introduction of its world’s first hybrid excavator in June 2008 was followed by the December 2010 sales launch in Japan of its new HB205 and HB215LC models, which feature improved general-purpose applicability and productivity. The JSME Medal reflects the technological excellence of Komatsu’s hybrid system and strong sales of the first models to employ it.

As a leading construction equipment company, Komatsu will broaden its hybrid excavator model range and apply the hybrid system to other construction equipment. Such specific models can help provide solutions to reduce ecological impact in response to the growing need for better environmental protection throughout the world.
The U.S. city of Las Vegas, Nevada, hosted the 2011 CONEXPO-CON/AGG exposition, globally the largest construction industry show this year with over 2,400 exhibitors utilizing more than 217,391 m² (2.34 million ft²) of indoor and outdoor exhibit space. Nearly 120,000 registered attendees passed through the massive venue over the five-day show held from March 22 to 26. International registrations accounted for a record 24% of the total attendance, representing more than 150 countries.

Komatsu’s participation at this year’s show included a 2,788-m² (30,000-ft²) booth for exhibiting 24 units of construction equipment, from the PC37 and WA50 to the WA600 and HD605. Seven of the units were powered by Tier 4 Interim engines and a Tier 4 engine with a cutaway Komatsu Diesel Particulate Filter (KDPF) and Komatsu Variable Geometry Turbocharger (KVGT) generated tremendous customer attention. In addition, one unit of forestry equipment and two units of forklift trucks were also shown, drawing a great response from attendees.

This presented an opportunity for customers to see the new Hybrid HB215LC-1 second-generation excavator, which offers significant savings in fuel and CO2 emissions. The Komatsu crew working the Hybrid spent most of their days talking with customers who were interested in and amazed by Komatsu’s unique hybrid technology.

Parts and service customer support area
The Komatsu theme for the show was “Proven Commitment—Proven Results” and stressed the following points:

**Commitment:**
- To listen to our customers’ needs
- To be customer-focused
- To provide productive, eco-friendly customer solutions

**Results:**
- Provide high-value products and services
- Increase operational and business efficiencies
- Positively impact the customer’s bottom line through everything we do

Although there are still significant challenges in the global construction industry and the overall economy, the customers who came to the Komatsu exhibit were very optimistic about an economic upturn. Most visitors to the Komatsu booth stated that they came to see the latest equipment, technologies and innovations that could help their business. These individuals left the Komatsu exhibit with a clearer understanding of how Komatsu can be a partner which can help them achieve the next level of success that they aspire to anywhere in the world.

The next major equipment show in North America will be MINExpo in September 2012.
On February 18, 2011, Komatsu Mining Germany GmbH (KMG) was highly honored to receive Düsseldorf’s annual carnival prince and princess. The regional tradition of the Rhineland Carnival can be traced back centuries. Dressed in pseudo-military uniforms and organized in individual clubs, the citizens of that era engaged in revolutionary behavior that was a means of poking fun at their masters, and they reinforced this by electing the prince and princess as their leaders. The humor of the occasion was a means of protecting the participants against lawsuits and even imprisonment by the ruling classes. Luckily, military suppression is now a thing of the past. The carnival clubs have survived, however, and parodying politicians or public misbehavior in carnival speeches, songs and parades has remained a tradition.

The reception took place in the new test building on the KMG factory premises. The test building, which can easily contain a fully assembled PC8000, a hydraulic excavator with more than 750-tonne (827-U.S.-ton) operating weight, was converted into a ceremony hall for the reception. KMG employees prepared a 38-m³ (50-yd³) face shovel bucket in order to provide a suitable background for shooting a photo of the official guests as well as the KMG board of directors. Decorations, a large catering area and a professional sound system with DJ were provided to host the prince and princess and their guards, befitting the royal presence.

After an introduction by Dr. Norbert Walther, KMG managing director and president, the carnival prince and princess entered the proceedings by praising KMG as an employer, the mining business and the fantastic reception they received. All KMG top representatives were awarded a medal in acknowledgment of KMG’s engagement in business and social activities. The favor was returned when Dr. Walther awarded the carnival prince, princess and officials with the first ever carnival medal depicting an excavator. Several local and regional journalists covered the event.

The reception was a great success for all parties involved and enabled KMG to demonstrate its basic stance regarding pro bono activities and corporate social responsibilities according to the Komatsu worldwide code of business conduct.