Komatsu Report 2026

Contents

Browsing this interactive PDF

Clicking a section name at the top of each page will navigate to that section. In addition, navigation buttons are provided in the upper right corner of each page.

- .... Navigates to the Contents page.
- .... Returns to the previous page you were on.
- .... Navigates to the previous or next page.

Pages also provide links to jump to reference pages.

- Web .... Jumps to a relevant external page related to the content.
- P.00 .... Jump to relevant page of the report.

About Komatsu Report

Role of this Report

The Komatsu Report (Integrated Report) is an annual report issued to investors, shareholders, and other stakeholders.
The purpose of this report is to provide an easy-to-understand explanation of the progress of the Group's sustainability-oriented management and growth strategies from the perspectives of both financial and non-financial information.

Medium- to long-term perspective

Financial information

Non-financial information

Komatsu Report (Integrated Report)

A report introducing our efforts to achieve sustainable growth


Annual Securities Report

KOMATSU LTD.

Annual Securities Report

A report focusing on our financial information, including our business overview and consolidated financial statements

Corporate Governance Report

A report based on the Corporate Governance Code (corporate governance guidelines)

Sales and profits gains report

A report summarizing operating results and financial information

ESG Databook

Comprehensive report summarizing our ESG-related activities

Results

Editorial policy

Reporting period
April 1, 2025 - March 31, 2026
- This report also includes information on activities after the reporting period in order to provide readers with the latest information.
- "FY2025" and "the fiscal year ended March 31, 2026" refer to the period from April 1, 2025 to March 31, 2026, unless otherwise noted.

Organizations for reporting
- Komatsu Ltd. and consolidated group companies

Reference guidelines
- IFRS Foundation, "International Integrated Reporting Framework"
- Ministry of Economy, Trade and Industry, "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0" etc.

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. Actual results may differ significantly from the predictions, plans, and forecasts stated herein due to changes in various factors. These factors include changes in economic conditions and product demand in major markets, foreign exchange rate fluctuations, and changes in domestic and international regulations, accounting standards, and practices.

Founding principles

Meitaro Takeuchi (1860-1928) from Sukumo City, Kochi Prefecture co-founded Takeuchi Mining Industry Company with his father in 1894 and began mine management. In 1900, he visited the Paris Universal Exposition, where he was struck by the advanced industrial technologies of European countries. This experience deepened his conviction in the critical importance of developing the machinery industry in Japan. Takeuchi gradually shifted his focus from mining management to industrial manufacturing, guided by the belief that no nation develops without development of the machine industry. He founded Komatsu Iron Works Ltd., the predecessor of today's Komatsu, in Komatsu City, Ishikawa Prefecture in 1917, to manufacture mining equipment for the Yusenji Copper Mine, which he was managing at the time. Later, Komatsu Iron Works separated from Takeuchi Mining Industry Company and became Komatsu Ltd. in 1921.

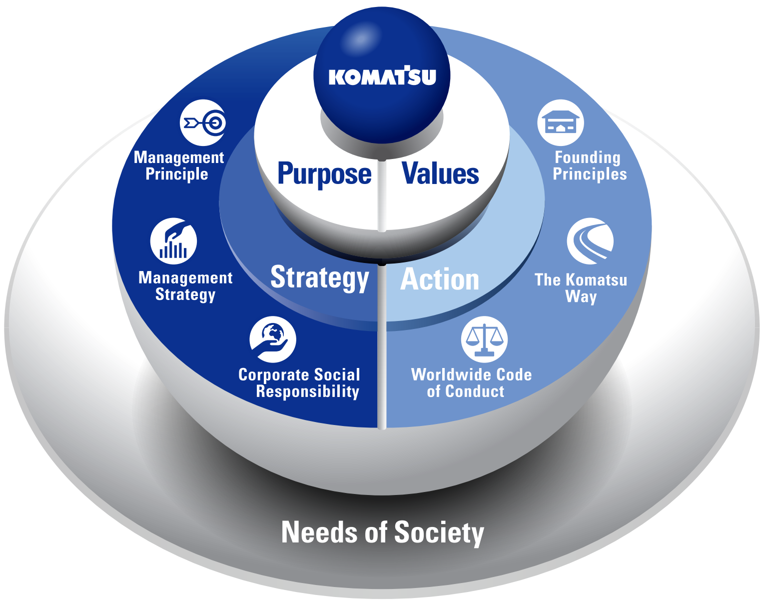
When founded, Komatsu carried forward the philosophy of Komatsu Iron Works, "high quality transcends national boundaries." Under this belief, we upheld four founding principles: quality first, technological innovation, human resources development, and global expansion.

Takeuchi dedicated his life in this way to building a company with a global perspective and to advancing Japan's machinery industry and human resources development. His ambitious spirit and commitment to continual progress in technology live on in Komatsu corporate values and continue to be passed down to employees today. We will continue to commit ourselves to Quality and Reliability in order to maximize the total sum of trust given to us by society and all stakeholders as our Management Principle, and maintain our commitment to contributing to society through business activities.

The Yusenji Copper Mine at the time. The buildings in the foreground were workshops where machinery inside the mine was repaired and mine carts were manufactured.
They later became Komatsu Iron Works and then Komatsu Ltd.

Corporate identity

With the globalization of our business and the growing diversity of our stakeholders and employees, we will clearly articulate what Komatsu values and aspires to, ensuring consistent corporate activities across our global operations.



Our purpose

Our mission and vision

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

Our values

The values we cherish

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 transparently.

Our promise

Together with you, we can create new values and work towards a sustainable future. (The design's emphasis on "together" indicates the importance we place on partnership.)

Creating value **together**

Strategy and action

Guidelines shaping shared understanding behind business activities

Strategy

Management Principle
We will maximize the trust given to us by our stakeholders and society through a commitment to Quality and Reliability. Our Management Principle shows our basic stance regarding business administration.

Management strategy
Komatsu implements the Strategic Growth Plan (FY2025-FY2027), *Driving value with ambition*, based on our Management Principle and corporate social responsibility. This plan aims to achieve sustainable growth through a positive cycle of creating new value to solve social issues and improve profitability.

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.

Action

Founding principles
Global Expansion, Quality First, Technological Innovation, and Employee Development 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. Based on the founder's spirit, it defines the strengths that Komatsu predecessors have built, the beliefs that support those strengths, the basic mindset, and the perspectives we should have.

Komatsu's Worldwide Code of Business Conduct
Compliance with the rules of the 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.

CEO message

Turning change into strength and continuing our pursuit of growth
Achieving sustainable growth through continuous improvement and innovation

Our understanding of the external environment

Resilient management that turns change into strength

One year has already passed since I assumed the position of President in April 2025. Looking back on the past year, I have seen firsthand how rapidly the global environment is changing and how traditional assumptions and values are being reshaped. Changes in policies and regulations across countries and regions, escalating geopolitical risks, and supply chain disruptions are altering the very foundations of corporate management and putting pressure on global companies to demonstrate an even higher level of adaptability than before.

Success in such times requires a flexible management structure built on the assumption that change is constant. A company's ability to assess changing conditions across businesses and regions and reevaluate operations as necessary is more important now than ever across development, procurement, production, and sales functions. Strengthening resilience in procurement and production is one area I consider particularly important. A company must be able to make flexible and timely improvements to the systems and management structures that support procurement and production in response to changes in demand, supply chain challenges, and shifts in regional business environments.

Komatsu has built a flexible supply system through cross-sourcing and multi-sourcing strategies as part of our global operations. We have spent this past year responding to various challenges, including procurement risks related to rare earth materials, semiconductor shortages, and procurement risks for petroleum-derived materials stemming from the situation in the Middle East. In addressing these challenges, we gained greater visibility into areas that had previously been difficult to fully track, including the materials and components across our supply chain and even paints used by our suppliers, and elevated the overall level of our procurement management. These efforts ultimately led to improvements in cost of sales and other benefits, and we are leveraging these initiatives not only for crisis response but also to strengthen our competitiveness.

Komatsu has faced many challenges over the years, including economic fluctuations, changes in market conditions, natural disasters, and supply chain disruptions. Our experiences have consistently revealed new opportunities for improvement and learning. The key here is not just to respond to crises with short-term fixes, but as opportunities to strengthen organizational capabilities and competitiveness. For Komatsu, this is what resilience is all about. Growth requires more than a defensive approach. Deciding where to invest to drive future growth has become increasingly challenging, but I believe challenging times also create opportunities for growth and intend to continue investing with an eye to the future.

Strategic Growth Plan

Executing our growth strategy and laying the groundwork for the next transformation

Our Strategic Growth Plan (FY2025-FY2027), *Driving value with ambition*, sets forth our vision to become a collaborative partner committed to optimizing safe, productive, and clean workplaces. We pursue this vision through three pillars: (1) Create customer value through innovation; (2) Drive growth and profitability; and (3) Transform our business foundation. Projects identified as priority initiatives have made steady progress over the past year.

Creating customer value through innovation requires stronger development capabilities and faster time to market than ever before as the pace of technological advancement and competition continues to accelerate. The path toward electrification and market adoption remains uncertain, but the underlying direction of technological development, including support for diverse power sources, remains unchanged. In fact, customer expectations continue to rise, driven not only by the need to achieve carbon neutrality but also against the backdrop of increasing energy costs. Komatsu works in all directions to develop products to meet these diverse needs. In automation and remote operation, we began collaborating with Applied Intuition on SDVs*1 for mining equipment. We are also working with EARTHBRAIN Ltd., one of our group companies, and TIER IV, Inc. to automate dump truck operations at construction and quarry sites. We will continue to accelerate development through partnerships with external companies that possess advanced technologies.

Awareness and adoption of ICT-enabled construction are also steadily increasing at construction sites. More customer jobsites are adopting Smart Construction, first launched by Komatsu in 2015, amid acute labor shortages and growing awareness of safety. We support the adoption of Smart Construction through personnel dispatch and training programs for distributors while also expanding these efforts globally. Although adoption varies across countries and regions, I

CEO message

expect broader adoption in the years ahead.

Komatsu continues to invest in growth markets and expand our businesses under our second pillar, driving growth and profitability. However, we must also pursue additional avenues for growth as growth rates in construction and mining equipment markets remain limited. A key area in this regard is the aftermarket business, which generates relatively stable earnings compared with the more economically sensitive new equipment market. Komatsu aims to become a collaborative partner that delivers value throughout the entire lifecycle of customer equipment, and strengthening the aftermarket business is a key part of that effort. Our reman business*[2] plays a particularly important part in supporting our customers' equipment over the long term. This business allows us to accumulate insights into the condition and deterioration of machines and components and connect those insights to technology development and service improvements. In 2026, we acquired the reman business of SRC of Lexington (U.S.) in anticipation of growing demand in North America and to strengthen the global supply capacity for remanufactured products.

Competitive environments and customer needs differ significantly across regions. Rather than Komatsu applying a uniform approach from Japan, each region must drive business by taking the initiative in identifying sources of competitive advantage and growth opportunities. Distributors are key partners that work closest with regional customers and deliver Komatsu value through products, services, and solutions. In Southeast Asia, one of our key growth markets, we are strengthening our sales and service structure after reorganizing our distributor network last year. Under our third pillar, transforming our business foundation, we continue to make steady progress on key initiatives, including our Enterprise Resource Planning (ERP) system upgrade project.

*1 Software Defined Vehicle: Next-generation equipment in which software, rather than hardware, defines functions and value.
*2 Remanufacturing business: A circular business model in which components recovered from heavily used construction and mining equipment are restored to like-new condition and offered to customers at reasonable prices to coincide with overhaul timing, including disassembly, inspection, and repair. The business leverages Komatsu's strength in developing and manufacturing key components in-house.

Challenging our legacy

Leveraging our strengths while continuing to adapt to change

Komatsu's strength lies in comprehensive capabilities. We deliver value through both products and solutions, offering a broad lineup of construction and mining equipment alongside solutions that improve the overall safety and productivity of jobsites. We also possess strengths across the entire value chain, including technical capabilities that enable in-house development and production of key components, a global network of distributors, and, particularly in our mining equipment business, a detailed sales and service system provided by directly managed distributors. Our strengths in these areas allow us to build long-term relationships with our customers and deliver continuous value. We must also continue to uphold the Komatsu Way, the values we reaffirmed as part of our 100th anniversary, and the principles embodied in SLQDC*[3]. At the same time, rapid change requires us to rethink how we view our organization and businesses. Since becoming President, I have revisited two assumptions in particular.

The first is our traditional market classification, which categorized Japan, North America, and Europe as traditional markets and all other regions as strategic markets. Komatsu previously categorized markets based on certain assumptions, but this framework became fixed over time, giving rise to concerns that we would lose opportunities to reassess regional realities and competitive priorities. These concerns are exactly why we need to step outside the framework and reassess opportunities and risks in light of changing market conditions and evolving customer needs.

The second is the addition of a business axis, which includes mining, construction, and other functions, to our traditional functional and regional axes, creating a three-axis management framework. The agility of the company structure, which centered on functional headquarters in Japan, became increasingly difficult to manage as Komatsu expanded globally through acquisitions and added a broader range of businesses and products. Take the mining business, for example, which accounts for half of construction, mining and utility equipment sales. Since acquiring Joy Global Inc. in 2017, the mining business has operated under a direct sales and direct service model with directly managed distributors. This model differs significantly from the construction business model, which relies on independent distributors. This difference in business models prompted us to add a business axis to our management framework to help both businesses learn from each other's strengths and enhance competitiveness. The addition of this third axis may not have dramatically changed the organizational structure, but our approach to management has already begun to change.

Beyond these two changes, we are also rethinking our approach to development. Our strength in in-house development has driven Komatsu's growth for many years, but rapid advances in technology have made it increasingly difficult to address every challenge using only internal resources. We have therefore maintained our policy of developing and manufacturing key components in-house in recent years while strengthening our development capabilities and accelerating time to market through collaboration with external partners. On a regional level, we are making greater use of development resources across regions in addition to our traditional development structure centered on Japan, North America, and Europe. Local development initiatives are underway, and results are beginning to emerge. In India, for example, we launched sales for a compact hydraulic excavator developed locally, marking our first locally developed model. Faster reflection of regional needs in our products, combined with a diverse range of technologies and expertise, will strengthen our development capabilities.

What matters in driving these changes is not simply changing organizational structures but continuing to think about underlying purpose. Komatsu is an earnest company with a sincere corporate culture. Our culture is rooted in Total Quality Control (TQC), with a strong emphasis on operating and managing business in accordance with established rules. But responsiveness and agility suffer when following the manual becomes the objective. Continually asking why a rule exists in the first place is key. We cannot respond to rapid changes without first understanding the underlying circumstances and then thinking and acting independently. I regularly encourage employees to avoid falling into old ways of thinking and to act based on a clear understanding of what truly matters.

Living in times of rapid change requires us to continue evolving the way we think rather than remain bound by past successes or long-held assumptions. I believe this mindset will further strengthen Komatsu's comprehensive capabilities and support sustainable growth.

*3 Safety & Health, Law, Quality, Delivery, and Cost: The order of priorities that guides decision-making across the Komatsu Group.

Touring the Komatsu do Brazil Ltda. plant

CEO message

The key to growth

Creating competitive advantage in the AI era

I believe the impact of advances in AI differs fundamentally from earlier waves of IT adoption and digital transformation. Though AI holds the potential to reshape the very nature of business and society, realizing that potential requires a clear understanding of both the technology itself and the risks such technology presents.

I have always believed in understanding the underlying reality for myself rather than being swayed by something I do not fully understand. Earning the G Certification*4 was part of that effort. Studying the history, structure, governance, limitations, and risks of AI reinforced my belief that generative AI is not simply another technology. Generative AI has the potential to reshape how businesses operate and how society functions. At the same time, studying AI reinforced my belief that AI is ultimately a tool and that people must remain responsible for making final decisions.

Against this backdrop, I believe Komatsu is well positioned to build a significant competitive advantage in the age of AI. The value of AI depends largely on access to unique data and the hardware needed to generate that data. Not only does Komatsu possess both, but our technologies are also already broadly accepted across society. We have spent many years leveraging ICT and data to create value through services including Komtrax (equipment operation tracking and management system), KOM-MICS (manufacturing operations visualization system), Autonomous Haulage System (AHS), and Smart Construction. The machine operating data, construction data, and field expertise accumulated through these services represent important assets and a key source of our competitive strength.

We intend to further expand the volume and types of data acquired through machinery as we continue to advance the SDV capabilities of our construction and mining equipment, enabling software to further enhance machine performance and customer value. Leveraging AI will allow us to make even greater use of this data and the knowledge gained from jobsites, helping us further improve quality, strengthen our services, and deliver greater value to customers.

AI is also an important factor in achieving our vision to become a collaborative partner committed to optimizing safe, productive, and clean workplaces, as set out in the Strategic Growth Plan. We therefore view AI as a company-wide priority, working under the leadership of our CTO to accelerate the adoption and use of AI across development, production, services, and back-office operations, while simultaneously establishing relevant guidelines. Looking ahead, we will continue to take on this challenge as a united company, ensuring that advances in AI translate into lasting competitive advantage for Komatsu.

*4 The G Certification is a certification examination administered by the Japan Deep Learning Association (JDLA) that assesses foundational knowledge and literacy in AI and deep learning for business applications.

Meeting with institutional investors during overseas IR activities

Dialogue with shareholders and investors

Evolving management through dialogue with capital markets

Komatsu defines corporate value as the total sum of trust given to us by society and all stakeholders. Deepening relationships of trust with our shareholders and investors is a key management responsibility. We have therefore consistently demonstrated a clear commitment to having top management personally lead our investor relations activities, and our consistent efforts have resulted in high praise from the capital market. Having previously served as an IR manager myself, I fully recognize the importance of engaging in meaningful dialogue with investors.

Dialogue with investors allows us to understand market reactions, as well as priorities and trends among investors. We added a free cash flow target to the Strategic Growth Plan in response to growing investor expectations regarding capital efficiency and cash flow generation. We have also conducted share buybacks for three consecutive years as part of our commitment to shareholder returns.

Looking ahead, we intend to continue using dialogue with the capital markets to provide a clearer picture of how we create value. Komatsu does not simply provide equipment that supports infrastructure development and resource extraction. We are also a collaborative partner that helps address the challenges our customers face. We create ongoing value that enhances jobsite productivity and safety by combining the value of our products and solutions.

We will continue to communicate our multi-layered strengths and growth strategy in a clear and consistent manner while maintaining constructive dialogue with investors. Through these efforts, we aim to deepen trust and enhance corporate value over the medium to long term.

Sustainability initiatives

Turning our responses to social issues into sustainable growth

Enhancing stakeholder trust requires growth and profitability, as well as the governance and sustainability initiatives that support both. To this end, we assess the material issues that require our attention, taking into consideration social and environmental impact, and incorporate these issues into the Strategic Growth Plan.

Among our material issues, people are an important management

CEO message

resource for creating new value. Enhancing employee engagement and creating environments that enable every employee to perform at their full potential are therefore ongoing management priorities. Komatsu has grown through global business expansion and M&A. As a result, our overseas operations account for approximately 90% of our revenue, and about 70% of our approximately 67,000 employees work outside Japan. Although we have continued to support the active participation of global talent and strengthen the globalization of our headquarters functions, I believe innovation and sustainable growth in corporate value depend on bringing diverse perspectives and values into management and business operations rather than relying on a Japan-centered mindset. Guided by this belief, I will continue to further drive our global efforts.

In the environmental sector, carbon neutrality is one of Komatsu's major focus areas. At the same time, customers are looking for more than environmental performance alone. The rising energy prices in recent years have increased demand for lower fuel and operating costs. These changes also create a major opportunity to solve social issues while delivering value to customers. In addition to electrification, Komatsu works in all directions to develop a broad range of technologies, including hydrogen and hybrid solutions, to provide each customer with the option best suited to their needs.

The circular economy is another important area of focus. Our reman business not only delivers value to customers but also supports the efficient use of finite resources through a circular business model. Furthermore, our forestry machinery business also holds great potential. Forestry, which relies on the cyclical use of forest resources through harvesting, replanting, and cultivation, plays an essential role in building a sustainable society. Komatsu will continue supporting the development of this industry through our forestry machinery and digital solutions.


Awards ceremony for the One World One Komatsu employee-driven social contribution program contest


Group photo with local employees at the 30th anniversary ceremony of Bangkok Komatsu Co., Ltd.

Addressing social challenges is both a corporate responsibility and a source of new growth opportunities. We will continue creating value through our businesses and translating that value into sustainable growth.

A message to our stakeholders

Learning from jobsites and continuing to challenge ourselves

Looking back on the various roles I have held throughout my career, many of the principles that guide me today can be traced to my early experiences. I enjoyed improving operational efficiency and refining cost accounting systems during my time in the accounting division. Although new systems sometimes faced resistance, we drove improvements through ongoing discussions. My commitment to understanding the fundamentals of a challenge and pursuing improvement has remained unchanged ever since. My assignment in the United States in 1998 also gave me firsthand experience with the challenges of raising capital during a period of contraction in the capital markets. As I worked to secure funding, I gained a deep appreciation for the importance of cash and learned the value of challenging conventional approaches and rethinking underlying systems when necessary.

These experiences taught me the importance of seeing firsthand what is happening in the jobsite. I continue to put that lesson into practice by visiting jobsites whenever possible and listening directly to our customers, partners, and employees. Each month, I report to the Board of Directors how I allocated my time during the previous month. Roughly 40% of my time is spent on internal management activities, and another 30% on engagement with stakeholders through investor relations activities, plant visits, and meetings with customers. The remaining 30% of my time is spent on travel. Jobsites hold the clues to improvement and the next stage of growth, so I will continue to spend as much time as possible meeting with a wide range of stakeholders and value every opportunity to hear their views firsthand.

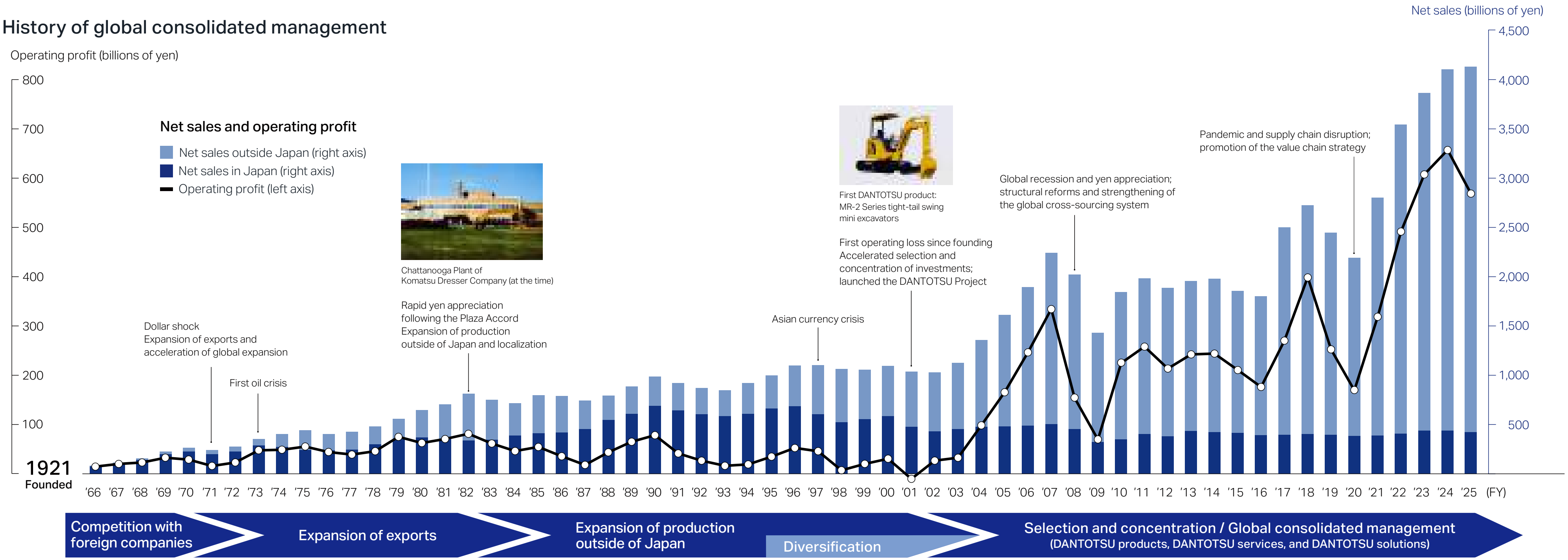
Komatsu benefits from a unique combination of strengths cultivated over many years. We are committed to turning change into opportunities for growth by bringing together our products, technologies, services, and solutions, as well as the expertise of our employees and partners around the world. We will continue challenging ourselves to meet the expectations of all stakeholders.

Value creation story

History of value creation

Since our founding in 1921, Komatsu has been a pioneer in M&A to accelerate growth while expanding our business domain.

History of global consolidated management



M&A history

Acquiring technology | Strengthening our value chain

1961
Entered a technology tie-up for diesel engines with Cummins Engine Co., Inc. (U.S.)

1988
Established a joint venture company with Dresser Industries, Inc. (U.S.) to acquire the ultra-large electric dump truck business

1995
Established a joint venture company with Mannesmann DEMAG AG (Germany) to acquire the ultra-large hydraulic excavator business

1996
Acquired an equity interest in Modular Mining Systems, Inc. (U.S.), a developer of fleet management systems for mining equipment

2000
Acquired Hensley Industries, Inc. (U.S.), a manufacturer of parts for construction and mining equipment

2004
Acquired Partek Forest AB (Sweden), a manufacturer and distributor of forestry equipment

2011
Acquired DTSA (Chile), a manufacturer of dump truck bodies

2015
Acquired Lehnhoff Hart Stahl GmbH (Germany), a manufacturer of attachments

2017
Acquired Joy Global Inc. (U.S.), a leading manufacturer of mining equipment

2019
Acquired TimberPro Inc. (U.S.), a manufacturer of forestry equipment

2019
Acquired Immersive Technologies Pty Limited (Australia), an operator training company for mining customers

2021
Established EARTHBRAIN Ltd. (a joint venture company) to handle the planning and development of our solutions business

2022
Acquired Mine Site Technologies Pty Ltd. (Australia), a company that handles communications equipment for underground mines

2022
Acquired Bracke Forest AB (Sweden), a manufacturer of tree-planting attachments

2023
Acquired American Battery Solutions, Inc. (U.S.), a manufacturer of batteries

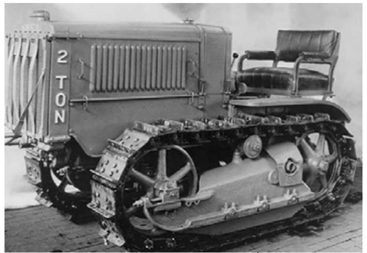
2024
Acquired GHH Group GmbH (Germany), a manufacturer of underground mining equipment

2026
Acquired the parts remanufacturing business from SRC of Lexington, Inc. (U.S.)

History of value creation

Product evolution

1931
Produced the first tractor in Japan
In response to a request from the Ministry of Agriculture and Forestry, Komatsu took on the challenge of developing farm tractors in Japan and completed the first tractor in Japan.



2008
Introduced the world's first hybrid hydraulic excavator to the market
Komatsu launched sales for the world's first hybrid hydraulic excavators. This proprietary system reduced fuel consumption by approximately 25% compared to conventional models.

2013
Introduced the world's first ICT construction equipment to the market
Komatsu introduced ICT bulldozers to the market, offering the world's first automated blade control. In 2014, we introduced ICT hydraulic excavators to the market.

2020
Standardized human-detection collision mitigation systems
Komatsu became the first in the industry to introduce hydraulic excavators equipped as standard with KomVision, our in-house human detection and collision mitigation system. We support safety at construction jobsites through this system.

Introduced battery-powered mini excavators to the market
Komatsu began introducing battery-powered mini excavators for rental on the Japanese market. These advanced models will play a role in the future expansion of human- and eco-friendly equipment.

2024
Introduced new-generation ICT hydraulic excavator PC200i-12 to the market
Komatsu fully remodeled the 20-ton-class hydraulic excavator and introduced it to the market. This standard ICT construction model delivers high-precision semi-automation.

2025
Introduced the world's largest* super-large hydraulic excavator, PC9000
Komatsu developed PC9000, one of the world's largest super-large hydraulic excavators. The model is designed for optimal loading of the 980E, Komatsu's largest dump truck.

* According to Komatsu research, the world's largest hydraulic excavator by machine mass.

Evolution of solutions

1995
Started the reman business
Komatsu is expanding the reman business globally as a resource-recycling business that remanufactures and supplies components collected from customers.

2001
Standardized Komtrax (equipment operation management system)
Komatsu standardized Komtrax, an equipment operation management system that enables users to view construction equipment information remotely, on models for the Japanese market. We subsequently expanded the system to other regions, and it is currently installed on approximately 840,000 units of Komatsu construction equipment (as of June 30, 2026).

KOMTRAX

2008
Deployed the world's first commercial Autonomous Haulage System (AHS) for mining dump trucks
Komatsu introduced trial systems in Chile in 2005 and successfully launched the world's first commercial AHS in 2008. In 2026, cumulative installations surpassed 1,000 units.

2015
Launched Smart Construction
Smart Construction is a solution that visualizes construction jobsite processes using digital technologies and helps resolve issues regarding safety, productivity, and environmental adaptability.

2021
Launched sales of KOM-MICS (manufacturing operations visualization system)
KOM-MICS is a system that collects and analyzes operating data from machine tools and other equipment to support visualization of factory operating status and the planning of measures for optimization.

2025
Accelerated technology development with partners to advance automation in construction and mining equipment
Komatsu began collaborating with a company possessing advanced AI and simulation technologies to develop Software Defined Vehicles (SDVs) and automated vehicle platforms for next-generation mining equipment. For civil engineering and quarry jobsites, we also launched a collaboration with partners, including group companies, to automate dump truck operations.

Value creation process

Our business is supported by a wide range of internal and external capital. Komatsu invests this capital in our business while maximizing value and generating a positive cycle of solving social issues and improving profitability to achieve sustainable growth.

Inputs

■ Financial capital

Shareholders' equity: ¥3,510.8 billion

Interest-bearing debt: ¥1,341.0 billion

■ Human capital

Consolidated number of employees: 67,279

Ratio of employees working outside Japan: 70.0%

Training investments per employee: ¥145,000/year

■ Intellectual capital

Development bases: 9 production bases with development functions

R&D expenses: ¥121.2 billion (2.9% of net sales)

Utilization of information: Approx. 840,000 units equipped with Komtrax* (as of June 30, 2026)

*Equipment operation management system

■ Manufacturing capital

Production bases: 69

Capital investments: ¥147.7 billion (excluding rental assets)

■ Social capital

Equipment population over past 10 years*1: Approx. 570,000 units

Sales and service distributors*2: 207 distributors in 152 countries

Suppliers: Approx. 2,700

*1 Estimate of construction and mining equipment operating at customer jobsites based on aggregate 10-year sales volumes

*2 Construction, mining and utility equipment

■ Natural capital

Energy use: 4.1 PJ*

Water use: 2,762 thousand m³

* The method used to convert electricity consumption into energy use has been changed from the primary-energy conversion method under Japan's Energy Conservation Act to a method based on actual energy consumption.

Business model

A collaborative partner committed to optimizing safe, productive, and clean workplaces

Providing solutions to customer issues

Developing solutions to optimize customer jobsites
- Smart Construction
- Fleet management system (mining and quarry)
- Smart Forestry

Reduction of environmental impact
- Next-generation power sources (batteries, hydrogen, etc.)
- Development of power agnostic dump trucks
- Expansion of hybrid and diesel-electric models

Product planning and development in response to market needs
- Two-line model strategy
- Regional development centers

Creating products aligned with solutions

Improved safety and productivity
- ICT construction equipment
- Autonomous Haulage System (AHS)
- Human and object detection and collision mitigation systems

Full lineup of products
- Addressing diverse customer needs
- Proposal of optimal product combinations

In-house development and production of key components
- Incorporation of technological innovation
- Enhancement of reman technology

Supporting customers throughout product lifecycle

Co-creation with customers to evolve solutions
- Partnership programs
- Smart Construction consultants

Lifecycle support driven through Komtrax
- Periodic maintenance
- Increase in extended warranty contracts
- Optimal overhaul timing proposals

Strengthening aftermarket business
- Enhancing our reman and rebuild businesses
- Sales expansion of parts and attachments

Foundation for value creation

M&A and open innovation
- Software and environmental technologies
- Automation and remote operation technologies

Mother plant structure and total quality control
- Cross-sourcing and multi-sourcing system
- Skill transfer

Product support system
- Supply system for spare parts
- Serial number management platform

Digital transformation (development DX, production DX, service DX) and utilization of AI

Development lead time reduction, production innovation, and AI-driven predictive maintenance

Sustainability Policy P.46 Sustainability Policy

Founding principles | The Komatsu Way | Komatsu's Worldwide Code of Business Conduct

Outputs

Management targets

Financial

■ Growth

Sales growth rate: +0.7%

■ Profitability

Operating profit ratio: 13.7%

Free Cash Flow (excluding M&A-related expenditures): ¥263.2 billion

■ Efficiency

ROE: 11.3%

■ Retail finance business

ROA: 2.4%

Net D/E ratio: 4.45

■ Shareholder returns

Consolidated payout ratio: 45.9%

Share buybacks of ¥100.0 billion

Non-financial

■ Resolution of social issues

KPI for solving social issues

Progressing steadily toward targets

Reduction of environmental impact

Reduce CO_2 from production (compared with 2010): (48)%

Reduce CO_2 from product use (compared with 2010): (23)%

Rate of renewable energy use: 36%

Outcomes

Employees
- Occupational safety and health, well-being
- Talent acquisition, skills development, retention
- Fair labor practices
- Diversity and inclusion

Human rights
- Respect for human rights

Customers
- Customer value creation through jobsite optimization
- Product safety and quality
- Value chain continuity
- AI and DX
- Business strategy to ensure competitive edge and profitability

Ethics and governance
- Privacy and data protection, cybersecurity
- Governance aligned with business changes
- Compliance

Communities
- Contribution to local communities

Environment
- Climate change
- Resource circulation
- Nature positive
- Preserving forests through business activities

Note: Amounts are on a consolidated basis and either for fiscal 2025 results or as of March 31, 2026, unless otherwise noted.

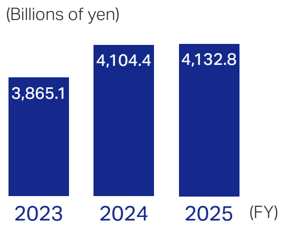
Komatsu at a glance

* All figures are as of March 31, 2026, unless otherwise noted.

Financial information

Consolidated net sales

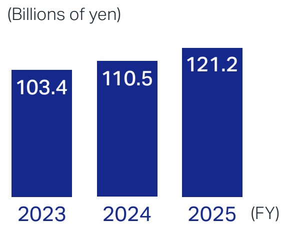
¥4,132.8 billion YoY ↑ ¥28.4 billion



Consolidated net sales reached a record high for the fifth consecutive year, despite a decline in demand for mining equipment. This result was driven by increased sales of construction equipment and improved selling prices.

Research and development expenses

¥121.2 billion YoY ↑ ¥10.7 billion



Research and development expenses increased by ¥10.7 billion from the previous year, driven by focused investments in compatibility with diverse power sources and automation development. These expenses accounted for 2.9% of net sales.

PBR

1.54 times

Komatsu strives to enhance corporate value by aligning each component of PBR with the management targets set in the Strategic Growth Plan.

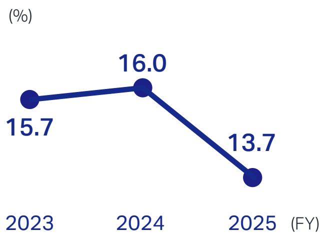
ROE

11.3% YoY ↓ 2.9 Pt.

Komatsu has set a Return on Equity (ROE) management target of 10% or higher and achieved this target for fiscal 2025.

Consolidated operating profit ratio

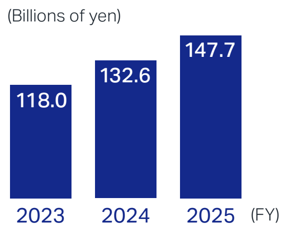
13.7% vs. previous ↓ 2.3 Pt.



Although Komatsu worked to improve selling prices, the effects of lower sales volume, changes in product mix, and higher costs due to U.S. tariffs more than offset these efforts, resulting in a decline in profit most recently.

Capital investment (excluding rental assets)

¥147.7 billion YoY ↑ ¥15.1 billion



Capital investment increased by ¥15.1 billion from the previous year, driven by investments in production and sales sites as well as the rebuilding of the head office.

Total payout ratio

72%

Under the Strategic Growth Plan, Komatsu has set targets to maintain a consolidated payout ratio of 40% or higher to ensure stable dividends, and to execute share buybacks in a timely manner based on a comprehensive assessment of financial soundness, shareholders' equity ratio, and other factors.

Free Cash Flow (FCF)

¥249.7 billion YoY ↓ ¥56.8 billion

Komatsu has set a three-year cumulative Free Cash Flow target of ¥1 trillion from fiscal 2025 to fiscal 2027, excluding M&A-related expenditures, to secure earnings and continue proactive growth investments.

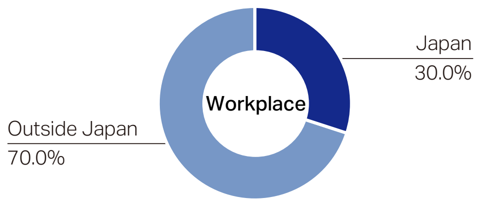
Komatsu at a glance

* All figures are as of March 31, 2026, unless otherwise noted.

Non-financial information

Consolidated number of employees

67,279



Approximately 70% of Komatsu Group employees work outside Japan. Employees with diverse backgrounds demonstrate global teamwork and contribute to creating value for customers.

Global engagement survey (FY2025)

81 YoY +1

Global score of sustainable engagement

Komatsu regularly identifies and analyzes global employee engagement, clarifies current strengths and challenges, and takes them into consideration when deciding plans for the future.

Production bases

69 bases across **17** countries

(Construction, mining and utility equipment and industrial machinery and others)

Based on the mother plant structure with product development functions, Komatsu has established a global production and supply structure that ensures consistent product quality worldwide.

Sales bases

207 bases across **152** countries

(Construction, mining and utility equipment)

Komatsu establishes sales and service locations globally, enabling us to provide attentive support to customers throughout the equipment lifecycle, from initial product sales to after-sales service.

Number of companies participating in Midori-kai, key suppliers (global)

321

Komatsu established Midori-kai, a group comprising key suppliers in parts procurement. Founded on mutual trust, member companies work together to drive productivity improvements and human resource development initiatives.

Number of units equipped with Komtrax (equipment operation management system)

Approx. **840,000** units

(As of June 30, 2026)

Since Komatsu introduced Komtrax as a standard feature in 2001, we have supported the visualization of equipment information worldwide and helped customers operate their machines more efficiently.

Business overview

Komatsu's business consists of three main business segments. These segments are the construction, mining and utility equipment segment (¥3,806.0 billion in segment sales in fiscal 2025), the retail finance segment (¥126.1 billion), and the industrial machinery and others segment (¥238.8 billion).

Business outline of Komatsu

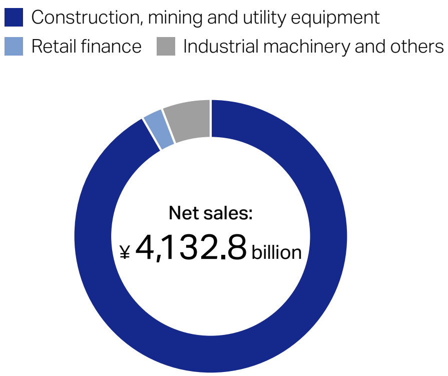
Komatsu is a full-line manufacturer of construction and mining equipment with a broad lineup ranging from small to large products. In the construction, mining and utility equipment segment, we develop, manufacture, sell, and service equipment to meet diverse customer needs. Our main products are construction equipment used in construction and civil engineering, including small and medium-sized hydraulic excavators, bulldozers, wheel loaders, forklifts, and forestry machinery, as well as mining equipment used at mine jobsites, including large dump trucks and ultra-large hydraulic excavators. The sales ratio outside Japan amounted to 92% in fiscal 2025. Sales composition by region is diverse, led mainly by the large markets in North America and Latin America.

The retail finance segment offers installment payments, leases, and other forms of financing to support customers purchasing construction and mining equipment.

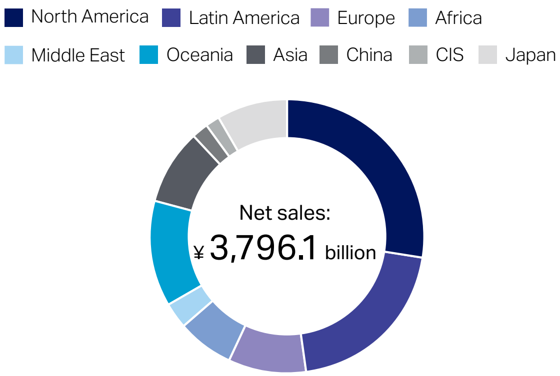
The industrial machinery and others segment develops, manufactures, sells, and services presses, sheet-metal machinery, and machine tools for the automotive industry, as well as excimer lasers and temperature control equipment for the semiconductor industry.

FY2025 results

Breakdown of net sales by segment



Construction, mining and utility equipment sales by region (based on external customers, after elimination of intersegment transactions)

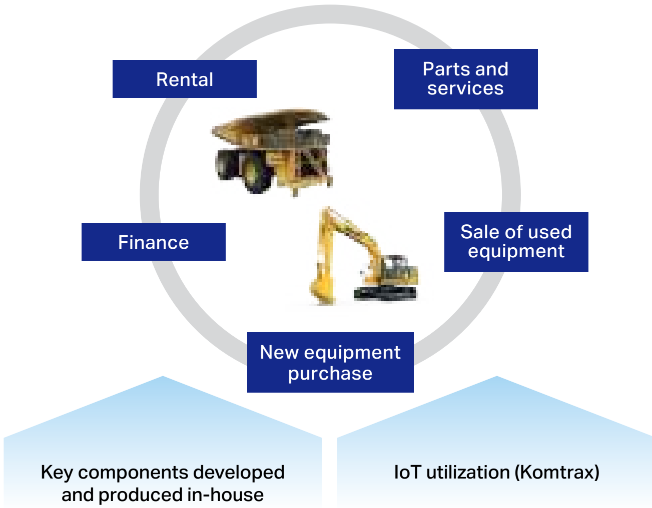


Construction and mining equipment business model

Komatsu centrally manages development, production, operation, repair history, and other information on construction and mining equipment through a serial number management platform. We provide services and solutions throughout the entire lifecycle of equipment, from when customers purchase equipment until they sell it as used equipment. In this way, we develop a value chain business that supports customers' equipment management. Specifically, we offer a wide range of support, including proposals on the most suitable equipment acquisition method, operator training to improve fuel efficiency and productivity, periodic maintenance, sales of spare parts, remote monitoring of equipment operation, repairs, and proposals on the optimal timing for overhauls, including disassembly, inspection, and repair.

Komatsu develops and produces key components in-house and leverages our strength in utilizing the abundant machinery operational data obtained through Komtrax, the equipment operation management system. By providing solutions that help solve customer issues, we will further expand our aftermarket (parts and services) business.

Construction and mining equipment value chain business model



Business overview

Construction, mining and utility equipment

■ Construction equipment

In developed countries, against the backdrop of social issues such as climate change and labor shortages, Komatsu provides electrified construction equipment and construction equipment equipped with automation and remote operation functions that support construction efficiency. We also offer Smart Construction, a digital solution that visualizes entire construction jobsites and supports construction process optimization. The PC200i-12 ICT hydraulic excavator, launched in 2024, comes equipped with standard 3D construction functionality. By accelerating the spread and expansion of ICT construction, it contributes to improved productivity at construction jobsites.

In emerging countries, customers focus on machine robustness, cost, and fuel efficiency, while also having diverse needs depending on applications and work content. To meet these various customer needs, we have introduced a two-line strategy featuring the CE Model, developed mainly for light-duty work such as urban civil engineering, and standard models.

Komatsu is also conducting research and development on diverse power sources in response to carbon neutrality. In February 2026, we conducted Japan's first demonstration test of a medium-sized hydraulic excavator equipped with a hydrogen fuel cell at a customer construction jobsite.

Web On-site PoC test of a hydrogen fuel cell-powered hydraulic excavator

■ Mining equipment

Major markets include countries rich in natural resources, such as North America, Latin America, Oceania, Africa, and Indonesia. At mine jobsites, equipment must operate continuously for long hours in harsh environments. To improve safety and productivity, Komatsu launched the commercial operation of Autonomous Haulage System (AHS) for mining in 2008. In 2026, we exceeded a deployment of 1,000 ultra-class autonomous haul trucks equipped with AHS, the first such achievement in the world. In addition, as a solution to optimize entire mine jobsites, Komatsu is promoting the commercial operation of the Open Technology Platform, a comprehensive framework that connects vehicles, mine sites, and entire mining operations and enables data analysis. The lifecycle of mining equipment is 10 to 15 years long, and customers choose equipment based on product quality, durability, and the services offered to ensure stable operation. Komatsu is bringing distributors under direct management and strengthening our aftermarket business.

As part of carbon neutrality initiatives at mine jobsites, in July 2025 the world's first operation began of a power agnostic truck, which enables diverse power sources such as diesel, batteries, and hydrogen to be swapped on the same vehicle platform. We are also accelerating expansion of our product lineup in anticipation of growing demand for underground mining methods for copper and gold.

Web Komatsu reaches 1,000 cumulative AHS-equipped autonomous haul trucks

Main products

Construction equipment


ICT hydraulic excavators


ICT bulldozers


Wheel loaders

Mining equipment

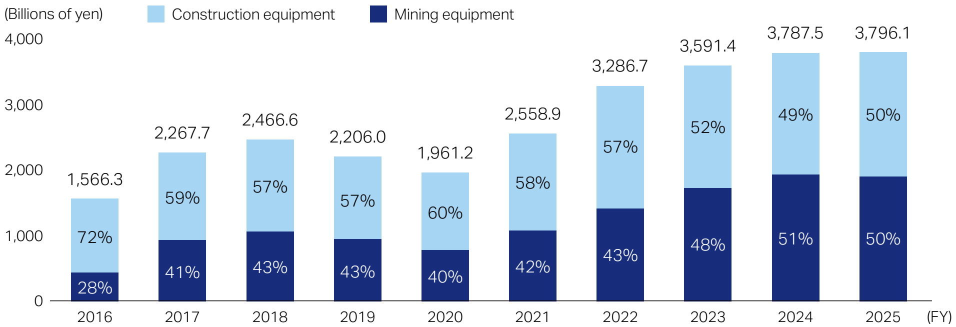

Electric dump truck


Electric rope shovels


LHDs (Load-Haul-Dump)

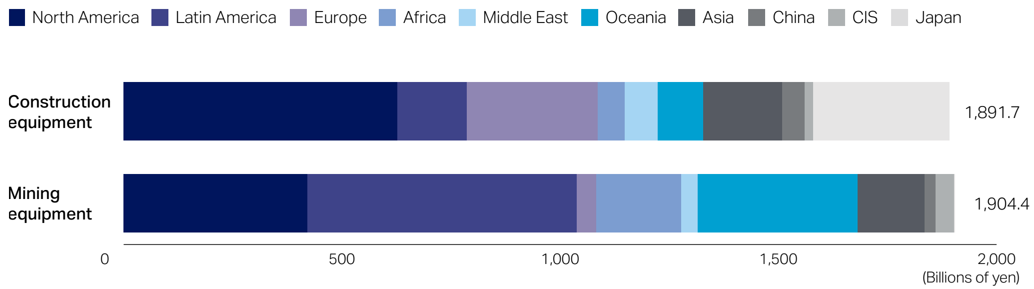
Construction, mining and utility equipment sales (by construction equipment and mining equipment)

Mining equipment has grown to account for half of sales in the construction, mining and utility equipment business.



Construction, mining and utility equipment business sales composition by region (FY2025)

Construction equipment is mainly sold in North America, Europe, and Japan, while mining equipment is mainly sold in North America, Latin America, Oceania, Africa, and Asia.



Business overview

Construction, mining and utility equipment

Aftermarket business (parts and services)

Our aftermarket business contributes to optimizing customers' equipment operation and lifecycle costs after the sale of equipment through spare parts and attachment sales, periodic maintenance, and overhauls, including disassembly, inspection, and repair. In addition to expanding extended warranty contracts with maintenance and our lineup of attachments, we are improving added value across the entire value chain after new equipment sales on a global basis through predictive maintenance using data from Komtrax and AI-based troubleshooting.

The remanufacturing (reman) business is also a core part of the aftermarket business. In this business, components are collected from construction and mining equipment that has operated for long hours, remanufactured at plants to like-new condition, and offered at a more reasonable price than new components. This not only makes them more affordable but also helps reduce environmental impact through resource reuse.

This circular business leverages Komatsu's strength in developing and producing key components in-house. By understanding the deterioration condition of collected components, we also connect this insight to technological development and service improvement. In 2026, Komatsu acquired the reman business of SRC of Lexington in the U.S. to strengthen global supply capabilities for reman products.

Parts and services account for 52% of sales in the construction, mining and utility equipment business in fiscal 2025. In mining equipment in particular, parts and services account for approximately two-thirds of sales. Because this business is highly profitable and is expected to generate stable earnings according to equipment population and operation hours, we will continue strengthening it to build a profit structure that is less susceptible to fluctuations in demand for new equipment.

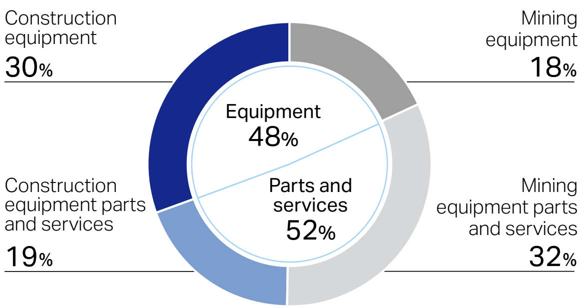
Main products


Consumable parts (tooth)

Service at distributor

Construction, mining and utility equipment sales (equipment and aftermarket ratio)

Aftermarket sales account for more than half of sales in the construction, mining and utility equipment business.



Forestry machinery

Major markets include Europe, mainly the Nordics, as well as North America, Brazil, and Indonesia. Demand for timber is rising as the world population grows, and environmental afforestation is also increasing to absorb CO_2. There is also a growing need for mechanization in processes such as tree planting, silviculture, and extraction from the perspectives of safety and efficiency in operations. Against this backdrop, Komatsu positions the forestry machinery business as a business that contributes to sustainable forest management and circular forestry, and is working to expand the business. In addition to forestry mechanization, we will provide Smart Forestry, a digital solution that utilizes data on forests, machinery, and operations, to help improve safety and productivity at customer jobsites and achieve carbon neutrality.

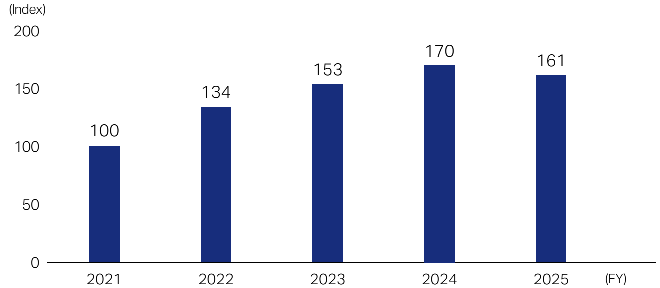
In addition, we used impact accounting to estimate the monetary value of the non-financial benefits of this business. The analysis suggests that the business may have generated approximately ¥1.27 trillion in social impact worldwide.

Main products


Harvesters


Forwarders

Forestry machinery sales
Index: FY2021 = 100; actual exchange rate



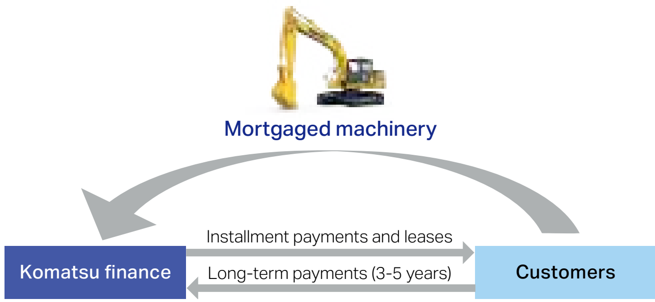
Business overview

Retail finance

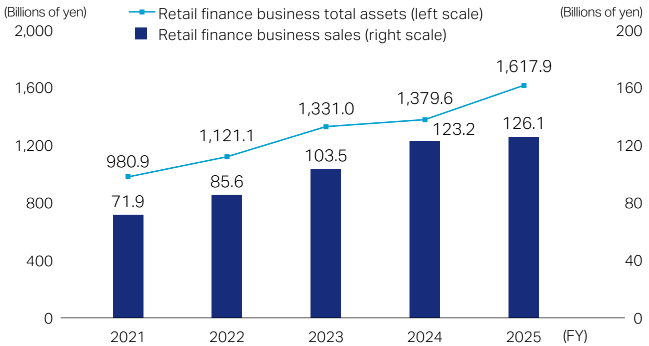
Retail finance offers financing options in the form of installment payments, leases, and other methods to customers looking to purchase construction and mining equipment. We leverage the manufacturer strengths of Komtrax and resale capability of used equipment to expand the regions in which we operate, particularly in North America. Currently, we have 13 finance subsidiaries across the world that cover approximately 70% of global demand, with assets totaling ¥1.6 trillion. We strive to maintain profitability and soundness based on ROA, net debt-to-equity ratio, and other indicators, while actively expanding regional coverage in Asia and Africa, where future growth is expected, and supporting the forestry machinery business.

Retail finance business model

Retail finance
Financing for customers by mortgaging Komatsu products



Retail finance business sales



Industrial machinery and others

■ Semiconductor manufacturing equipment

GIGAPHOTON Inc. develops, manufactures, sells, and services excimer lasers used as light sources for lithography systems in semiconductor manufacturing equipment. KELK Ltd. develops, manufactures, and sells thermoelectric devices and temperature control devices used in semiconductor manufacturing equipment. In fiscal 2024, KELK launched the world's first sensor device for monitoring production equipment that requires no external power supply or battery and achieves a 500-meter communication range by using this thermoelectric technology.

The semiconductor market is expected to grow over the medium to long term as the world transitions to a digital society driven by demand from generative AI-related fields, data centers, automotive control systems including Advanced Driver-Assistance Systems (ADAS), high-speed 5G communications base stations, and medical equipment.

Both companies strive to meet the needs of a growing market and increase the competitiveness of their excimer lasers and temperature control equipment while maintaining high profitability and expanding their businesses.

Main products
Semiconductor manufacturing equipment

Excimer lasers (GIGAPHOTON)

Battery-free thermoelectric energy-harvesting vibration sensor devices (KELK)

Presses, sheet-metal machinery and machine tools

Large-size AC servo presses (Komatsu Industries)

Processing machine for the gigacasting method (Komatsu NTC)

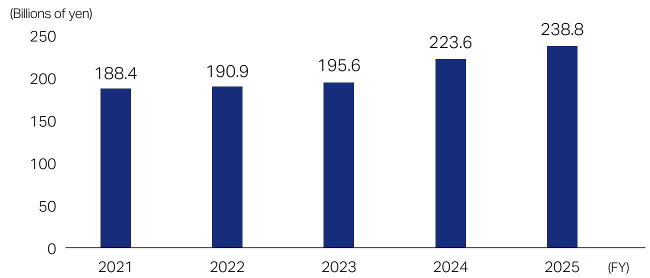
■ Presses, sheet-metal machinery, and machine tools

Komatsu Industries Corp. and Komatsu NTC Ltd. provide products and solutions that support customer production sites, mainly in the automotive industry.

Komatsu Industries Corp. develops, sells, and services a wide variety of presses and sheet-metal machinery, ranging from small to large models. Since 2009, the company has equipped machines with Komtrax for industrial machinery as a standard feature and remotely manages machine operating conditions. Press machines operate for approximately 30 years. To support predictive maintenance, Komatsu Industries analyzes data collected through Komtrax for industrial machinery, identifies component deterioration in drive components, and visualizes remaining service life. In 2018, the company developed an AI-based predictive maintenance system and began offering a service that analyzes control data collected through Komtrax for industrial machinery using AI to estimate with high accuracy components likely to require repair or replacement.

Komatsu NTC Ltd. develops, designs, manufactures, sells, and services machine tools such as machining centers and grinders, automation lines, battery manufacturing-related equipment such as laser tab molding machines, wire saws for silicon wafer processing for the semiconductor industry, and image processing-related equipment. In fiscal 2024, Komatsu NTC developed a dedicated processing machine for aluminum components formed using the gigacasting method, which is seeing wider adoption in electric vehicle manufacturing.

Industrial machinery and others business sales



Materiality

Komatsu positions the resolution of social issues through business activities as our fundamental stance under the Sustainability Policy. We have identified 18 items across six areas as the important issues, or materialities, that Komatsu should address.

Background to materiality identification

Komatsu positions the creation of new customer value, based on our purpose, as the foundation for generating a positive cycle of solving social issues and improving profitability. This approach serves as the core concept of the Strategic Growth Plan to achieve sustainable growth. In 2024, in conjunction with the formulation of the current Strategic Growth Plan, we reviewed the materialities that our company should address.

The review adopted the concept of double materiality, which evaluates both financial impact and social and environmental impact. Komatsu analyzed both business impact and social and environmental impact. We incorporated these items in the priority initiatives of the Strategic Growth Plan.

Going forward, Komatsu will undertake regular materiality analyses and reflect the identified sustainability-related business risks and opportunities in management initiatives to respond flexibly to changes in the operating and management environment.

P.28 Strategic Growth Plan

Importance assessment mapping and identified materialities

Materiality map

Specific challenges

Employees	1 Occupational safety and health, well-being 2 Talent acquisition, skills development, retention	3 Fair labor practices 4 D&I
Human rights	5 Respect for human rights	
Customers	6 Customer value creation through workplace optimization 7 Product safety and quality 8 Value chain continuity	9 AI and DX 10 Business strategy to ensure competitive edge and profitability
Ethics and governance	11 Privacy and data protection, cybersecurity 12 Governance aligned with business changes	13 Compliance
Communities	14 Contribution to local communities	
Environment	15 Climate change 16 Resource circulation 17 Nature positive	18 Preserving forests through business activities

Process of revising materialities

Komatsu reviewed materialities through the following process, with third-party support from Business for Social Responsibility (BSR), a U.S.-based nonprofit organization.

1) Identification of sustainability issues

We compiled a list of 39 items based on previous materiality assessments, international goals and standards, reporting frameworks, management philosophy and strategies, and issues considered important by stakeholders.

2) Evaluation of issues based on double materiality

We interviewed 26 internal and external stakeholders regarding the identified sustainability issues. Drawing on qualitative insights from these interviews, our public disclosures, and publicly available risk information, we evaluated and mapped each issue from both social and environmental perspectives and business perspectives, assessing each in terms of its potential impact and likelihood.

3) Identification of materialities

Based on the evaluation outcomes, we identified 18 materialities with a particularly large impact across six areas: employees, human rights, customers, ethics and governance, communities, and the environment.

4) Board of Directors' approval of the Strategic Growth Plan, including materiality

We confirmed the alignment of the identified materialities with our Sustainability Policy and the SDGs. The Board of Directors then approved these items and incorporated them into the Strategic Growth Plan as key issues to address in pursuit of sustainable growth through a positive cycle of solving social issues and improving profitability.

We also established key performance indicators (KPIs) to measure the progress and results of initiatives aimed at solving social issues for each materiality. We will disclose progress on these KPIs in the Komatsu Report.

P.32 KPIs for solving social issues

* External: Institutional investors, the United Nations Development Programme, environmental organizations (Global Environmental Forum), customers, suppliers, and others
Internal: Officers (Directors and Executive Officers, including Global Officers)

Materiality

Risks and opportunities for identified materialities

Komatsu identified major risks, opportunities, and policy directions through the materiality assessment process. We reflected these items in the development of priority initiatives under the Strategic Growth Plan. We established KPIs for these initiatives and disclose progress in the Komatsu Report. Refer to the appropriate page for KPIs for solving social issues.

P.32 KPIs for solving social issues

	Major risks	Major opportunities	Policy direction
Employees	• Labor shortages caused by difficulties in talent acquisition and employee outflow • Impact on employees from lack of appropriate occupational health and safety and fair labor practices	• Improved retention through diverse talent acquisition, utilization, and capability development • Improved retention through enhanced occupational health and safety and fair labor conditions	• Ensuring talent acquisition through greater recognition and strengthening global talent development • Strengthening partnerships and driving innovation through external collaboration • Enhancing occupational health and safety and well-being
Human rights	• Negative impact on employees and corporate reputation due to child and forced labor • Negative impact on employees and corporate reputation due to harassment	• Enhanced corporate credibility through proper human rights due diligence	• Strengthening human rights due diligence upstream, within Komatsu, and downstream
Customers	• Loss of trust from customers and society due to insufficient product safety or quality • Supply chain instability caused by political, economic, or natural disruptions • Risk of failing to contribute to customers due to changes in technology or market conditions	• Minimizing the impact of changes in the external environment and continuing to provide a stable supply to customers • Improving productivity and efficiency through AI utilization and digital transformation (DX)	• Providing solutions that optimize customer construction and fleet management • Providing solution-integrated products equipped with automation and other advanced technologies • Ensuring business continuity and expanding cross-sourcing and multi-sourcing • Enhancing productivity and creating value through AI and DX across all areas
Ethics and governance	• Legal issues and reputational damage resulting from lack of corporate ethics • Loss of trust from customers and society due to inadequate data management or cybersecurity	• Greater business opportunities through enhanced governance that matches the globalization and diversification of business	• Ensuring appropriate privacy and data protection and cybersecurity • Enhancing governance in response to changes in business
Communities	• Legal violations and damage to corporate reputation caused by infringement of the rights of local communities and indigenous peoples	• Building trust and ensuring business continuity through charitable and volunteer activities in local communities	• Respecting the rights of local communities and indigenous peoples at all business sites • Active contributions to local communities, including disaster recovery support
Environment	• Increased costs and damage to corporate reputation resulting from insufficient action on climate change • Loss of business opportunities due to failure to meet customer demand for low-carbon products	• Maintaining competitiveness and enhancing social reputation by meeting customer expectations for low-carbon products • Contributing to forest conservation and establishing new business pillars through more efficient forestry operations using forestry machinery	• Developing business models for low-carbon products and solutions • Expanding the forestry machinery and reman businesses

Strategic Growth Plan

CFO message

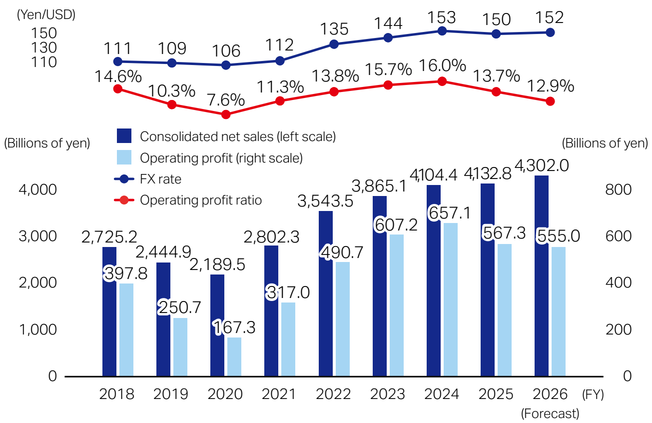
I assumed the role of CFO in April 2026.
Uncertainty surrounding Komatsu's business environment has increased further, driven by U.S. tariff policies and heightened geopolitical risks, etc. As CFO, I am acutely aware of the responsibility that comes with navigating the Company through this environment.
Our finance and accounting functions play a far broader role than accurately measuring and reporting financial performance. We must identify changes in the external environment early, provide management with the insights needed to make informed decisions, and allocate capital with a strong focus on capital efficiency to support sustainable improvements in corporate value.
In this message, I review our fiscal 2025 performance and discuss the outlook and key challenges for fiscal 2026. I also explain how Komatsu has strengthened profitability, cash generation, and capital efficiency to achieve sustainable growth in corporate value despite an increasingly uncertain operating environment.

Review of FY2025

Fiscal 2025 was the first year of the Strategic Growth Plan (FY2025-FY2027), *Driving value with ambition.* Consolidated net sales reached a record high for a fifth consecutive year, supported by improved selling prices. Operating profit declined, mainly due to the impact of U.S. tariffs (Figures 1 and 2).

Looking at performance by segment, construction, mining and utility equipment posted higher sales and lower profit. Retail finance and industrial machinery and others saw stronger growth than construction, mining and utility equipment, and maintained solid profit margins (Figures 3 and 4).

Figure 1: Net sales and operating profit
Posted record-high net sales for a fifth consecutive year in FY2025.



Earnings per share also remained high, showing that Komatsu continues to maintain the earnings power needed to support shareholder returns (Figure 5).

At Komatsu, we view corporate value through the lens of Price-to-Book Ratio (PBR) and manage the underlying drivers of PBR to enhance corporate value. We break PBR down into Price-earnings Ratio (PER) and Return on Equity (ROE) to identify management priorities. PER is analyzed in terms of the cost of capital and expected cash flow growth rate, while ROE is broken down into net income ratio, total asset turnover, and financial leverage (Figure 6).

Figure 2: Factors influencing segment net sales and profit in the construction, mining and utility equipment business
Net sales reached a record high, driven by improved selling prices, while profit declined mainly due to the impact of tariffs.

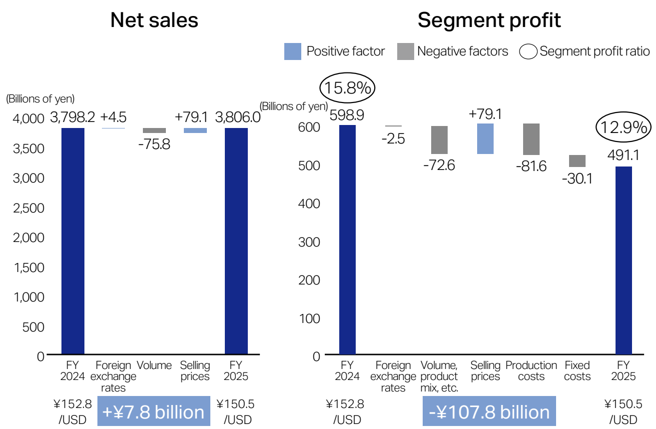


Figure 3: Segment net sales growth rates (YoY)
Recent strong growth in retail finance and industrial machinery and others.

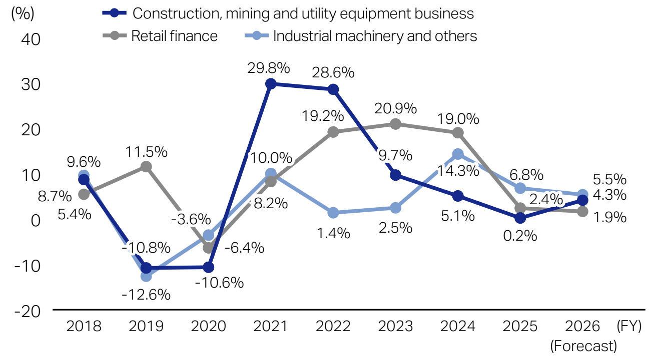
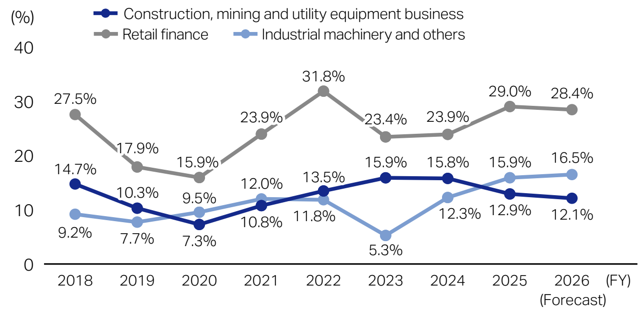


Figure 4: Profit margin by segment
Retail finance and industrial machinery and others maintained solid profit margins in FY2025.



CFO message

Our Strategic Growth Plan sets five financial objectives based on this framework: growth, profitability, efficiency, retail finance, and shareholder returns. These objectives are designed to ensure that every initiative aimed at enhancing corporate value is covered within our management framework (Figure 6).

Komatsu made solid progress in capital efficiency in fiscal 2025, with ROE exceeding the target of 10%. Free Cash Flow (FCF), however, remained below plan, mainly due to the impact of tariffs (Figure 6). Looking ahead, we will work to improve profitability and strengthen cash generation, including through more appropriate working capital management.

Figure 5: Net income attributable to Komatsu Ltd. per share

Remained at a high level since FY2022.

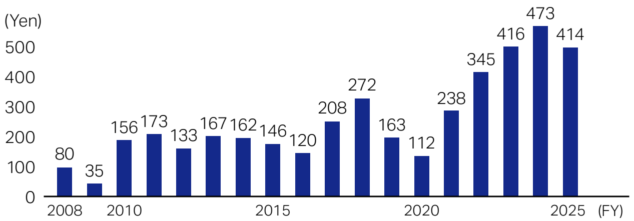


Figure 6: Management targets in the Strategic Growth Plan

We break down PBR into PER and ROE to identify key management priorities.

Item	Strategic Growth Plan (FY2025 - FY2027)		FY2025 status	PBR components (indicators of increased corporate value)
	Indicator	Management target		
Growth	Sales growth rate	Growth rate above the industry average	+0.7%	2) Expected cash flow growth rate
Profitability	Operating profit ratio	Top profit ratio in the industry	13.7%	3) Net income ratio
	FCF	3-year total: 1 trillion yen (excluding M&A-related expenditures)	¥263.2 billion	4) Total asset turnover
Efficiency	ROE	10% or higher	11.3%	4) Total asset turnover
Retail finance business	ROA	1.5%–2.0%	2.4%	3) Net income ratio
	Net D/E ratio	6 times or less	4.45	5) Financial leverage
Shareholder returns	Consolidated payout ratio	40% or more	45.9%	1) Cost of capital
		Timely share buybacks based on an overall balance of financial soundness, shareholders' equity ratio, and other factors	¥100 billion in share buybacks	5) Financial leverage

$$\text{PBR} = \text{PER} \times \text{ROE}$$

$$\text{PER} = \frac{1}{\text{1) Cost of capital} - \text{2) Expected cash flow growth rate}}$$

$$\text{ROE} = \text{3) Net income ratio} \times \text{4) Total asset turnover} \times \text{5) Financial leverage}$$

Outlook for fiscal 2026

I expect uncertainty to remain high in fiscal 2026, driven by U.S. tariffs and geopolitical developments in the Middle East. Net sales are expected to reach a record high as global demand for construction equipment remains resilient.

While we continue to pursue price improvement, operating profit will likely decline, driven by the growing impact of U.S. tariffs (Figure 1). Achieving steady improvements in corporate value in this environment will require continued improvements in profitability and capital efficiency. This makes resilience, our ability to respond effectively to external change, an increasingly important source of corporate value.

The financial strategy underpinning Komatsu's resilience

Komatsu has faced currency fluctuations, financial crises, and pandemics over the years. Each time, we have overcome these external changes and balanced growth with stability by reviewing our business structure and strengthening our earnings power.

The following sections introduce some of the key initiatives we have implemented over the years.

1) Business portfolio and geographic diversification

Portfolio optimization and strategic focus

In the 1990s, the construction equipment market was widely viewed as having limited growth potential as markets in Japan, the United States, and Europe matured and demand stagnated. Like many of our peers, Komatsu pursued growth through diversification and new businesses. We fundamentally shifted our strategy in the early 2000s to one that focused on the construction, mining and utility equipment business and the industrial machinery and others business, where we saw clear potential for synergies. This shift not only strengthened profitability but also enabled us to concentrate resources on our areas of competitive strength and improve management efficiency.

Overseas sales expansion

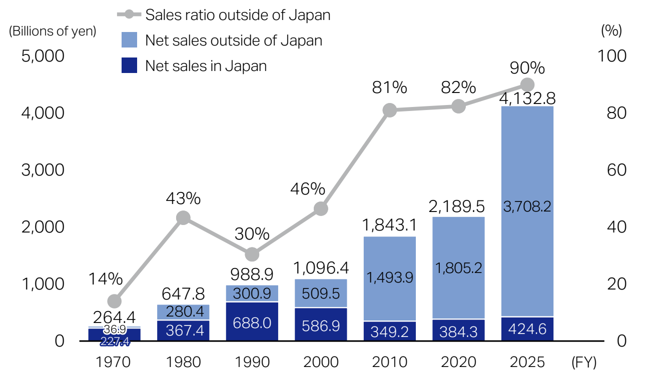
While concentrating our business portfolio on areas of competitive strength, Komatsu also built a business foundation that does not rely excessively on any single market.

Today, overseas markets account for around 90% of our sales. Until the 1960s, nearly all of our sales were generated in Japan. In the 1970s, we began full-scale efforts to expand into overseas markets. We leveraged M&A while broadening our product lineup and expanded sales outside of Japan. Exports from Japan initially drove this expansion, but rising overseas demand and the appreciation of the yen accelerated our shift toward local production in the 1980s. As a result, our overseas sales have consistently exceeded domestic sales since the 2000s (Figure 7).

Today, our high sales ratio outside of Japan is not only the result of this growth but also a foundation for stable business performance. Geographically diversifying our businesses enables us to reduce the impact that slower demand or currency fluctuations in any single region can have on consolidated performance, making us better equipped to respond to changes in the business environment.

Figure 7: Net sales outside of Japan

The sales ratio outside of Japan has steadily increased, with overseas markets now accounting for approximately 90% of total sales.



2) Profit structure stabilization

Aftermarket business expansion driven by growth in the mining equipment business

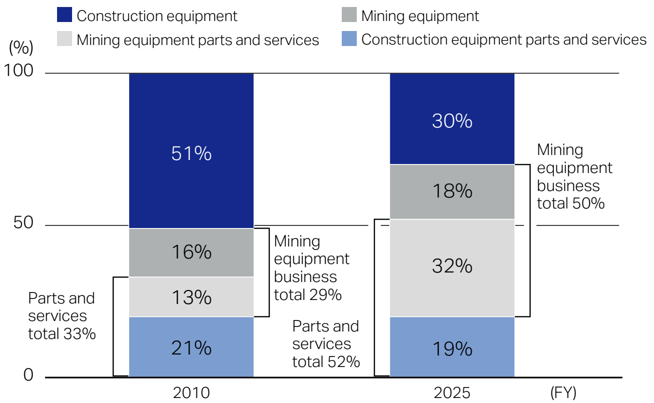
Establishing a profit structure less susceptible to fluctuations in demand has been an important management priority in the construction and mining equipment markets, where demand for new equipment fluctuates significantly. Komatsu has addressed this challenge by increasing the share of sales generated by the mining equipment business. Unlike construction equipment, mining equipment is designed for long periods of continuous operation. As a result, the mining equipment business generates recurring aftermarket revenue from parts and services, in addition to initial equipment sales. Growth in our mining equipment business has therefore also expanded our aftermarket business for parts and services.

The sales mix of the mining equipment business, including

CFO message

equipment, parts, and services, increased between fiscal 2010 and fiscal 2025. The sales composition of parts and services within construction, mining and utility equipment also rose during this period (Figure 8). I believe these changes in our business portfolio have made our profit structure less dependent on fluctuations in demand for new equipment.

Figure 8: Construction, mining and utility equipment sales composition
The aftermarket business (parts and services) now accounts for approximately half of total sales.



Retail finance business expansion

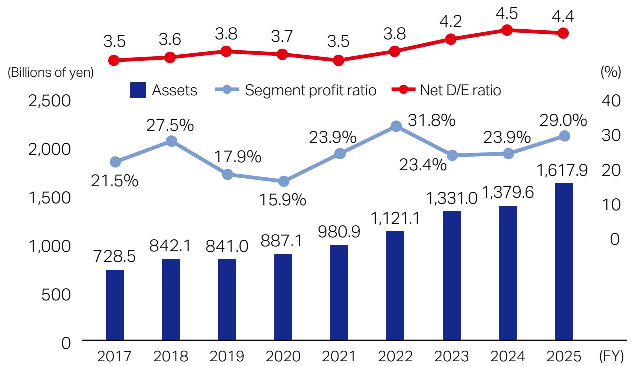
Komatsu established the current three-segment structure in 2016 by separating retail finance business from construction, mining and utility equipment. The retail finance business, which provides financing solutions to customers purchasing Komatsu products, originated in 1988 with the establishment of a joint venture with Dresser in the U.S. and the acquisition of the company's finance subsidiaries.

Komtrax (equipment operation management system) subsequently became standard equipment on Komatsu products used as collateral. This shift enabled us to gradually expand the business beyond the U.S. beginning in 2004. The retail finance business has grown as an important sales tool for construction and mining equipment by using Komtrax technology to monitor machine location and operating status and improve the effectiveness of credit protection. In recent years, we have continued to expand the geographic reach of the business. We began offering financing in the U.K. in fiscal 2025, and our finance subsidiary in South Africa is scheduled to commence operations in fiscal 2026 (Figure 9).

Retail finance generates higher profit margins than other segments and contributes to improving ROE through a higher net income ratio and the effective use of financial leverage. Like the aftermarket business, interest income also supports a more resilient profit structure through a relatively stable source of earnings less affected by demand fluctuations for new equipment.

Komatsu previously prioritized financial soundness by maintaining a net debt-to-equity ratio target of 5.0 times or less. However, the current Strategic Growth Plan raises this target to 6.0 times or less, reflecting our plans to further expand the business and the expertise we have developed in risk management. Looking ahead, Komatsu is committed to monitoring financial soundness while balancing profitability and growth.

Figure 9: Retail finance business financial performance
Expanding asset size while controlling net debt-to-equity ratio.



3) Decision-making enhancement through SVM control

SVM control introduction

Komatsu began adopting international management accounting practices through acquisitions of companies outside of Japan in the 1970s. These practices differed from Japan's traditional full-cost accounting approach. Following the Asian financial crisis in 1997, reviewing our fixed cost structure became an urgent priority as sales declined sharply and exposed our high ratio of selling, general and administrative expenses as a competitive weakness. We reviewed our traditional full-cost accounting approach, under which product costs fluctuate with production volume, and introduced the concept of direct costing, widely used overseas. This change aligned with Komatsu's shift to a business strategy focused on business selection and concentration during this time. Komatsu refers to this management accounting system as Standard Variable Margin (SVM) control. We fully introduced SVM control in 2002 after standardizing the definitions of variable costs and fixed costs across our global operations.

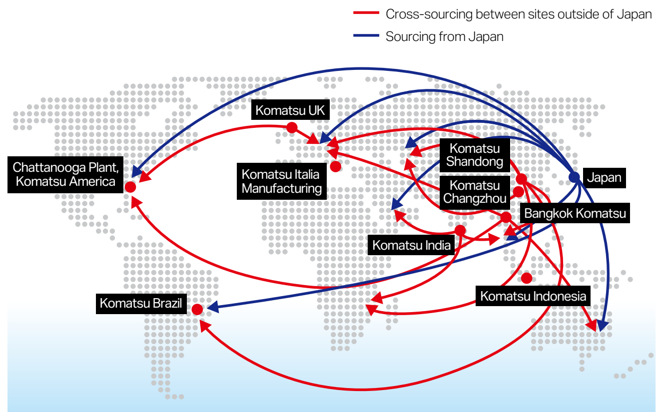
Introducing SVM control made it possible to compare profitability across regions worldwide and understand variable costs and fixed costs using a common standard. This method also makes it easier to see the level for fixed costs to secure profit ratios, helping us take action quickly in response to sales fluctuations. SVM control also played an important role in significantly reducing fixed costs through factory closures and other structural reforms during the global financial crisis.

Global cross-sourcing initiatives

Komatsu established a global cross-sourcing system to strengthen our ability to respond to exchange rate risks, such as the rapid appreciation of the yen in 2011, as well as sharp fluctuations in demand (Figure 10). This system allows multiple production sites around the world to manufacture products to the same specifications and quality standards. As a result, we can shift production to the most appropriate location in response to changes in exchange rates, demand, and production loads, helping maintain profitability while improving investment efficiency.

SVM control played a key role in making this cross-sourcing network work effectively. SVM control enables us to evaluate profitability across production sites using a common framework, making it easier to determine the most appropriate production location and quickly reallocate production in response to changes in exchange rates and demand.

Figure 10: Global sourcing for hydraulic excavators
Built a global cross-sourcing system capable of supplying products from production sites around the world to each market.



CFO message

4) Cash generation and capital efficiency management

Free Cash Flow (FCF) management introduction

Although Komatsu emphasizes ROE on a consolidated basis, ROE is not suitable as a common management indicator for subsidiaries. This difference is due in part to differences in business characteristics and local regulatory requirements that result in different capital levels. Further, asset efficiency is important in construction, mining and utility equipment, where demand fluctuates significantly and assets include accounts receivable and inventories. To this end, we introduced Return on Invested Capital (ROIC) in fiscal 2017 to complement SVM control, which focuses on profitability management. However, ROIC is a ratio-based indicator, making it difficult for business divisions to directly recognize the impact of improvement efforts.

We therefore introduced FCF as a management indicator for all group companies in fiscal 2023 to improve consolidated ROIC. FCF enables each company to understand asset efficiency in monetary terms rather than as a ratio, making improvement priorities easier to identify. We also break down the sources of FCF generation into four components: 1) profit, 2) working capital, 3) fixed assets (depreciation and amortization minus capital expenditures), and 4) M&A. In doing so, we clarify areas requiring improvement and the monetary impact, helping maximize future cash flows (Figure 11).

5) Selling price improvements

The business environment between fiscal 2017 and fiscal 2021 was challenging, marked by demand fluctuations and the COVID-19 pandemic. During this period, Komatsu sought to maintain a resilient earnings structure by keeping fixed costs broadly flat. In fiscal 2022, cost of sales began rising due to global inflation, and Komatsu strategically invested in priority areas, including increased research and development to support future growth. As a result, fixed costs also began to increase. We have made proactive sales price improvements to absorb these increases in costs and fixed costs.

A comparison of the cumulative changes in selling prices and cost of sales and fixed costs, using fiscal 2021 as the baseline, showed that cumulative selling price increases exceeded cumulative increases in cost of sales and fixed costs for the first time in the fourth quarter of fiscal 2023. In fiscal 2025, however, U.S. tariffs put significant upward pressure on cost of sales. As a result, increases in cost of sales and fixed costs once again exceeded the benefits of our selling price improvements, causing the cumulative profit impact to turn negative. We will continue improving selling prices while reducing cost of sales and appropriately managing fixed costs to restore and further enhance profitability (Figure 12).

6) Financial foundation reinforcement

Global cash management system introduction

Komatsu introduced a global cash management system in fiscal 2007 for operations spanning multiple currencies and locations. Global cash management systems help reduce external borrowing while improving capital efficiency by providing a centralized view of cash balances and cash inflows and outflows across group companies worldwide, allowing surplus cash and funding needs to be managed within the Group.

When Komatsu introduced this system in 2007, global cash management systems were not yet widely adopted by Japanese companies. Most companies managed funds only within Japan or on a regional basis.

Such forward-looking initiatives have enabled Komatsu to achieve global visibility over cash positions and centralized cash management. Komatsu has also improved capital efficiency during normal operations while establishing a framework for securing liquidity quickly during times of crisis.

We have further integrated regional cash management systems with our global cash management system to create a unified framework across regions. We also improve capital efficiency by integrating newly acquired companies into the system and rapidly integrating their cash management following acquisitions.

Figure 11: Free cash flow

Breaking down FCF into profit, working capital, fixed assets, and M&A to use as a management indicator for group companies.

Free cash flow = (Operating profit × [1 - Effective tax rate] + [Net working capital] + [Depreciation and amortization - Capital expenditures] - [M&A investments])
1) Profit | 2) Working capital | 3) Fixed assets | 4) M&A

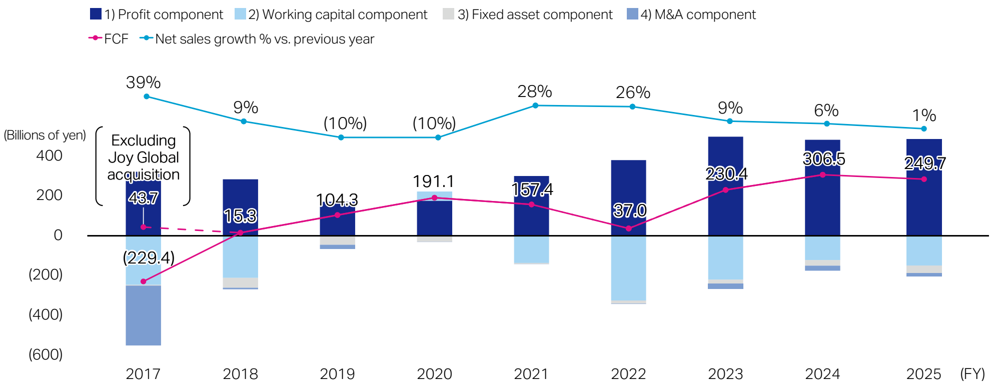
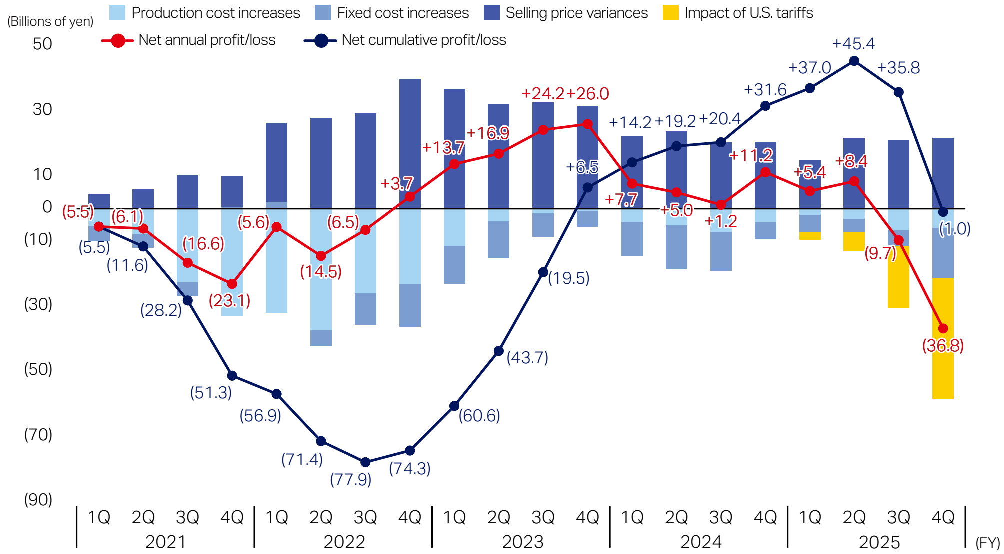


Figure 12: Improvement in selling prices and increased production cost, fixed costs

Improvements in selling price and cost continue to absorb increases in cost of sales and fixed costs.



CFO message

International taxation effort enhancement

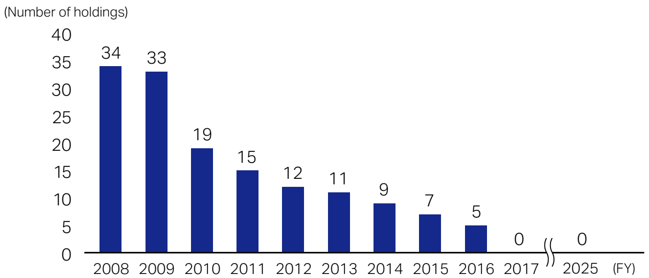
Komatsu expanded ownership interest in the joint venture established with Dresser Inc. (U.S.) in 1988 (now Komatsu America Corp.). Following this expansion, we began exploring the use of Advance Pricing Arrangements (APAs), under which taxpayers and tax authorities agree in advance on transfer pricing methodologies for transactions with subsidiaries outside of Japan. Beginning with the first Japan-U.S. APA agreement in 1996, Komatsu subsequently concluded APA agreements with Australia and Belgium, expanding APA coverage to approximately half of sales from Japan to subsidiaries outside of Japan. Such initiatives have reduced uncertainty surrounding transfer pricing while supporting the stable operation of overseas businesses and improving financial predictability.

Strategic shareholdings reduction

We began reviewing strategic shareholdings early in fiscal 2009 to reduce share price fluctuation risk and improve asset efficiency. As a result, we sold all listed shares held as strategic shareholdings by the end of fiscal 2017 (Figure 13). This reduction in strategic shareholdings also aligns with our current approach to cash allocation, which emphasizes capital efficiency and prioritizes the allocation of limited management resources to growth investments and shareholder returns.

Figure 13: Reduction in strategic shareholdings (Komatsu, non-consolidated)

Divested all strategic shareholdings by FY2017.



Funding source diversification

Komatsu has also been working to diversify our funding sources. As part of this effort, we issued our first green bond in July 2020 to finance environmentally beneficial investments. In fiscal 2022, we issued Japan's first foreign currency-denominated sustainability-linked bond, under which the interest rate increases if sustainability targets are not achieved. In July 2026, we also issued a green bond to finance the rebuilding of the Komatsu headquarters building, which features high energy-efficiency performance (Figure 14).

These initiatives not only diversify our funding sources but also expand opportunities for dialogue with a broader range of investors who share an interest in our initiatives.

Figure 14: Overview of green bonds

Using green bonds to finance the redevelopment of Komatsu headquarters building.

Maturity and issue amount	3 years, ¥20 billion
Interest rate	1.782% per annum
Pricing date/payment date	July 3, 2026 / July 9, 2026
Use of proceeds	Rebuilding of the headquarters

Rendering of the new headquarters building

7) M&A enhancement

We completed the largest acquisition in our history in fiscal 2017 with the approximately ¥300 billion acquisition of Joy Global Inc. We pursue M&A proactively, positioning mergers and acquisitions as one of the key tools for realizing our long-term business portfolio vision. Today, approximately 30% of our consolidated net sales comes from businesses acquired through M&A (Figure 15).

At the moment, our priority areas include the solutions business, the underground hard rock mining business, components including electrification, and the forestry machinery business (Figure 16).

Conducting M&A in these areas will enable us to capture future growth opportunities while building a business portfolio that is more resilient to economic cycles and changes in market structure. In other words, M&A is not merely a means of expanding scale, but also a strategic tool for transitioning to a future-oriented business structure.

Following each acquisition, Komatsu works to generate expected synergies while deepening mutual understanding with the acquired company. We also compare the acquired company's Return on Investment (ROI) with Weighted Average Cost of Capital (WACC), continuously assess synergy contributions to consolidated performance, and regularly monitor each acquisition's contribution to enhancing corporate value.

Figure 15: Sales of companies acquired by Komatsu

Companies acquired since 1993 accounted for roughly 30% of consolidated net sales FY2025.

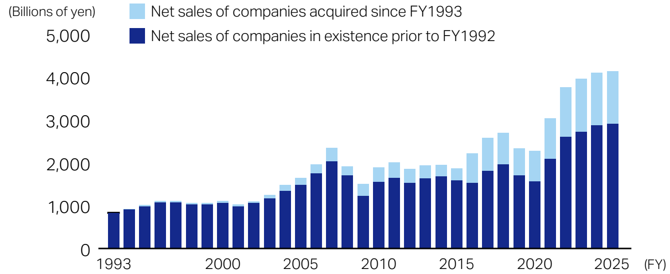


Figure 16: M&A mapping

Actively utilizing M&A to achieve the future vision for our business portfolio.

	Construction and mining equipment				Forestry machinery
	Solutions business	Underground hard rock mining equipment	Components including electrification	Distributors	
FY2019	Immersive Technologies	Timberrock International			TimberPro
FY2020					
FY2021				Tramac	
FY2022	Mine Site Technologies				Bracke Forest
FY2023	iVolve		American Battery Solutions		
FY2024	Octodots Analytics	GHH Group		UMW Komatsu Heavy Equipment	
FY2025			SRC of Lexington		
FY2026					Malwa

CFO message

Cash allocation and shareholder returns

Komatsu has long allocated operating cash flow to one of three uses: (1) Capital investment (investment for growth), (2) Shareholder returns, and (3) Balance sheet improvement (preparation for future M&A).

Prioritizing investments for future growth is imperative to our ability to continue issuing consistent shareholder returns. For this reason, our basic approach is to allocate around 50% of operating cash flow to capital investment, while preparing for future M&A (Figure 17).

Our approach to shareholder returns centers on stable dividends. At the same time, we conduct timely share buybacks, balanced by considerations of financial soundness and shareholders' equity ratio. Komatsu has conducted ¥100 billion in share buybacks in each of the three consecutive fiscal years beginning fiscal 2024 (Figure 18). This approach to capital allocation balances near-term shareholder returns, medium- to long-term growth investment, and financial flexibility to prepare for future uncertainty.

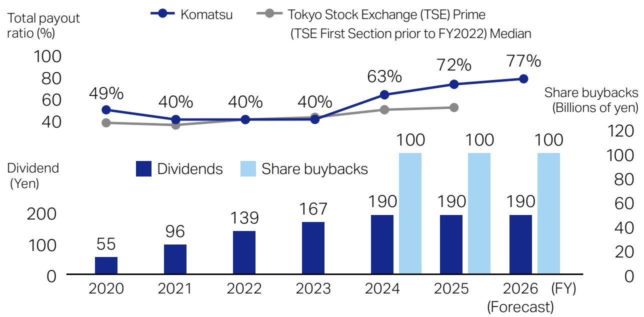
Figure 17: Basic approach to cash allocation

Allocating roughly 50% of operating CF to capital expenditures as growth investments.

Operating cash flow				
Capital investments	Standard investments	35-45%	Allocate around 50% of operating cash flow to investments for growth
	Lease/rental investments	5-15%	
	Total	Around 50%	
Shareholder returns		Around 40%	Consolidated payout ratio of 40% or more and timely share buybacks
Prepare for future M&A		Around 10%	Constant examination of external resources

Figure 18: Dividends, share buybacks, and total payout ratio

Conducting ¥100 billion in share buybacks in each of the three consecutive years beginning fiscal 2024.



IR activity enhancement

1) Geopolitical and trade policy risk measures

U.S. tariff policies, rising tensions in the Middle East, and other recent developments have significantly heightened uncertainty surrounding our business environment. We do not underestimate the potential impact of such external developments. Instead, we carefully assess available information, promptly reflect the expected impact in our earnings forecasts, and publicly disclose the updated forecasts. The key here is to identify uncertainty at an early stage, clearly communicate the assumptions underlying our forecasts, and provide stakeholders with sincere, transparent, and consistent explanations. Komatsu also continues to implement supply chain adjustments, selling price improvements, and other practical measures to mitigate the impact on earnings.

2) Non-financial impact quantification

Enhancing corporate value requires more than financial information. Understanding the value our business activities create for society and incorporating those insights into management are equally important. Our finance and accounting functions are taking on the challenge of quantifying the value created in non-financial areas.

As part of this effort, we turned our attention to the forestry machinery business, one of the priority areas in the Strategic Growth Plan. Circular forestry refers to balancing the preservation of forest functions with the sustainable use of timber resources. As the importance of this approach continues to grow, our forestry machinery business helps expand circular forestry by mechanizing and improving efficiency across a broad range of forestry operations. This business also helps address social challenges, including reducing the risk of workplace accidents and alleviating labor shortages.

Building on our previous work on Autonomous Haulage System (AHS), we used impact accounting* to estimate the monetary value of the benefits of mechanization in fiscal 2024 based on certain assumptions. The analysis suggests that these activities may have generated approximately ¥1.27 trillion in social impact worldwide during the same year (Figure 19).

Komatsu will continue to drive sustainable growth in corporate value by evolving our efforts to connect financial and non-financial value, leveraging those insights in management decision-making and dialogue with stakeholders.

* Analyses conducted jointly with ABeam Consulting Ltd.

Web AHS impact accounting (Komatsu Report 2025, P.42)

Figure 19: Example of impact accounting logic for forestry machinery

Forestry machinery generates approximately ¥1.27 trillion in impact annually worldwide.

Impact area		Calculation details
Productivity		• Increased timber production through mechanization • Labor cost savings from reduced workforce requirements • Higher fuel costs
Safety		Reduced risk of workplace accidents
Environmental impact	During use	CO_2 emissions costs during product operation
		CO_2 absorption through tree planting and silviculture
	During disposal	CO_2 emissions costs associated with product disposal
Total		Approx. ¥1,270 billion

* We quantify the impact of mechanization in the forestry machinery business by comparing mechanized operations with conventional harvesting methods that primarily use chainsaws and other handheld equipment.
* Social value created by the forestry machinery business results from a combination of multiple machines and processes, including those provided by other companies. Accordingly, our calculations exclude the portion attributable to other companies.

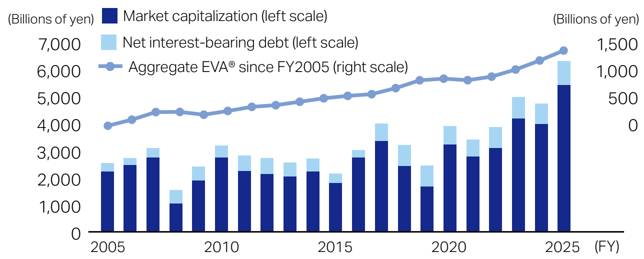
Future corporate value enhancement

Komatsu has continued to improve profitability, cash generation, and capital efficiency in response to changes in the external environment. As a result, corporate value, as reflected in market capitalization and Economic Value Added (after-tax operating profit less the cost of capital; EVA®), has improved over the medium to long term (Figure 20).

Looking ahead, we will strive to continue to accurately identify changes in the external environment, improve the quality of information that supports management decision-making, and maintain disciplined capital allocation based on sound financial principles. We are committed to continuing to invest in future growth, even in a rapidly changing business environment. We will support further improvements in corporate value through our finance and accounting-related functions while sharing the results of those investments with our stakeholders.

Figure 20: Corporate value and EVA®

Corporate value increasing over the medium to long term.



Strategic Growth Plan (FY2025 - FY2027) Driving value with ambition

Even in an increasingly complex business environment, Komatsu works with customers and other stakeholders toward new value creation and sustainable growth across the Komatsu Group, based on ambition, one of our values. As a collaborative partner with our customers, we aim to create safe, productive, and clean workplaces throughout the world.

Role of the Strategic Growth Plan

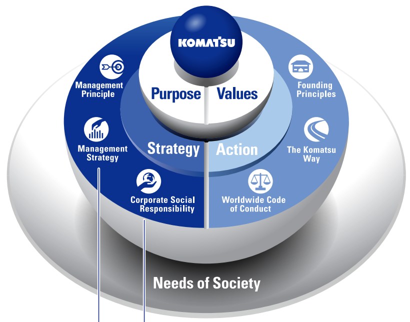
Komatsu launched its three-year Strategic Growth Plan (FY2025–FY2027), *Driving value with ambition*, in April 2025.

We formulated this Strategic Growth Plan based on our purpose and values, which we defined for our 100th anniversary, building on our Management Principle of commitment to Quality and Reliability, and a drive to maximize corporate value. Our growth plan also reflects Komatsu corporate social responsibility as described in our Sustainability Policy. Built on this foundation, the growth plan will guide us as we achieve sustainable growth through a positive cycle of solving social issues and improving profitability.

Toward realizing our vision

The Strategic Growth Plan defines our vision of becoming a collaborative partner committed to optimizing safe, productive, and clean workplaces.

To realize this vision, we create advancements in products and solutions through innovation, DX, and a growing value chain business, investing in our people, and forging greater partnerships at the same time.



Sustainability Policy

FY2022 - FY2024 plan	Strategic Growth Plan (FY2025 - FY2027)	FY2030
DANTOTSU Value - *Together, to* ***"The Next"*** *for sustainable growth*	Driving value with ambition	

Approaches to growth strategy

As we work to realize our vision, the external environment surrounding Komatsu is becoming increasingly complex and uncertain as political, economic, and other risks interact with rapid advances in AI technology and evolving efforts toward carbon neutrality.

We project moderate growth for our core construction and mining equipment business over the medium to long term amid population growth and urbanization in emerging countries. However, external risks over the short term will mean heightened volatility.

Under this environment, we identified three pillars of our growth strategy to pursue new value creation and sustainable growth. These pillars are 1) Create customer value through innovation, 2) Drive growth and profitability, and 3) Transform our business foundation. Through these growth strategies, we are ambitiously striving to create customer value that generates a positive cycle of solving social issues and improving profitability.

Roadmap to our vision within the Strategic Growth Plan

* SDV: Software Defined Vehicle

Three growth strategy pillars

1. Create customer value through innovation — Investing in our future

- Co-create new value through strategic investments, new technologies, developing new business areas, and solutions
- Deliver manufacturing and technology innovation through AI and other technologies for carbon neutrality and customer workplace optimization

2. Drive growth and profitability — Profit structure

- Achieve growth and profitability through advanced workplace operations
- Expand value chain businesses, using AI and DX for labor-savings and optimization
- Achieve growth through marketing strategies optimized to business, region, and country

3. Transform our business foundation — Resilience

- Acquire and enable the success of talent needed to support business growth
- Strengthen our brand through enhanced branding activities
- Introduce bold and agile initiatives to streamline business infrastructure (systems and processes) through AI and DX

Strategic Growth Plan (FY2025 - FY2027) Driving value with ambition

Three growth strategy pillars

The Komatsu Group promotes initiatives to realize our vision of becoming a collaborative partner committed to optimizing safe, productive, and clean workplaces, based on the following three growth strategy pillars.

1) Create customer value through innovation

We continue making strategic investments with a view to future growth, aiming to generate new value through not only Komatsu technologies but also by integrating external expertise.

In mining equipment, we began collaborating with Applied Intuition on the development of Software Defined Vehicle (SDV) architecture and an automated vehicle platform. By combining Applied Intuition's advanced AI and simulation technologies with the autonomous driving technologies Komatsu has developed, we are advancing the development of mining equipment that can think, learn, and evolve.

Collaboration to deliver step-change capabilities through software-defined vehicle and autonomy platform

In construction equipment, we are also collaborating with TIER IV, Inc. and EARTHBRAIN Ltd. to promote development aimed at practical application of autonomous driving technologies for construction equipment.

By realizing autonomous driving and smarter workplaces, we are addressing customer workplace challenges as a collaborative partner, including labor savings, improved safety, and reduced environmental impact through greater work efficiency.

We are also actively working on compatibility with diverse power sources to achieve carbon neutrality. At the Aitik copper mine, one of Europe's largest copper mines owned by Swedish resource company Boliden, we began operation of the diesel trolley truck 930E as part of the world's first* power agnostic truck series, which offers excellent compatibility with diverse power sources.

We also conducted Japan's first on-site PoC for a medium-sized hydraulic excavator equipped with a hydrogen fuel cell system, jointly with Obayashi Corporation and Iwatani Corporation. We are working to provide optimal solutions to customers according to region and application.

* Based on Komatsu research

2) Drive growth and profitability

We are committed to maximizing profit opportunities in existing businesses to drive further growth and improve profitability.

As a cross-business theme, we are strengthening product competitiveness and support capabilities in regions expected to see significant growth, including Asia, Africa, and the Middle East. In construction equipment, in particular, we are identifying region-specific competitive factors and responding accordingly to meet increasingly diverse customer needs.

In mining equipment, the number of ultra-class autonomous haul trucks equipped with Komatsu's Autonomous Haulage System (AHS) has reached 1,000. AHS has earned high recognition from major resource companies around the world for both its safety and productivity. In Africa, where demand has been expanding in recent years, we are also preparing to establish a new training facility for construction equipment mechanics and operators in Côte d'Ivoire.

In February 2026, Komatsu acquired the reman business of SRC of Lexington, Inc. in the United States. The reman business has expanded significantly as a circular business that helps customers lower total lifecycle costs while supporting resource efficiency through reuse. With our own dedicated reman facility in North America, one of the world's largest construction and mining equipment markets, Komatsu will further strengthen our reman business in the region while expanding global supply capacity to support growing demand for reman products, with the aim of increasing sales and improving profitability.

In industrial machinery, we will flexibly design and manufacture equipment used in automotive battery production processes, such as cell and module processes where demand is high and stringent quality is required, to meet diverse customer requirements.

SRC of Lexington, Inc. headquarters

3) Transform our business foundation

We are committed to strengthening the resilience of our business foundation by transforming our business infrastructure.

To build attractive workplaces that enable us to secure and retain excellent talent, we promote Diversity and Inclusion (D&I) and develop psychologically safe environments. We also conduct engagement surveys regularly and strive to improve sustainable engagement globally. We are working to reform core systems to enable seamless information sharing within the Group and group-wide decision-making optimized as a whole. We also promote business transformation through AI and DX and are developing and implementing a solution platform that provides one-stop services to customers and distributors.

From a risk management perspective, we are working to embed Enterprise Risk Management (ERM) activities, which we have rolled forward annually since 2023, while also building a flexible production and procurement structure through further promotion of cross-sourcing and multi-sourcing, enhancing our adaptability to changes in the business environment.

In addition to strengthening these business foundations, we position our brand as a source of corporate growth and stakeholder engagement, and we are also working to enhance brand awareness. The animation "A Story of Landmine Clearance in Cambodia", created as part of global branding initiatives aimed at expanding recognition among new audiences, won a bronze award in the Breaking Sector Convention category at the 2025 London International Awards (LIA). Through our partnership with Atlassian Williams Racing, we implemented employee participation programs and educational support in STEM fields, promoting activities that strengthen our brand while contributing to the development of next-generation talent and improved engagement.

A scene from A Story of Landmine Clearance in Cambodia and the award trophy

Medium- to long-term direction of portfolio transformation

The diagram below shows our medium- to long-term direction of our business portfolio transformation, as defined through priority initiatives in the formulation of the Strategic Growth Plan.

We will improve growth and profitability further in our core business of mining and construction equipment businesses through evolved and more widely adopted solutions that integrate product and solutions value. At the same time, we plan to grow our aftermarket business and strengthen product planning in growth regions.

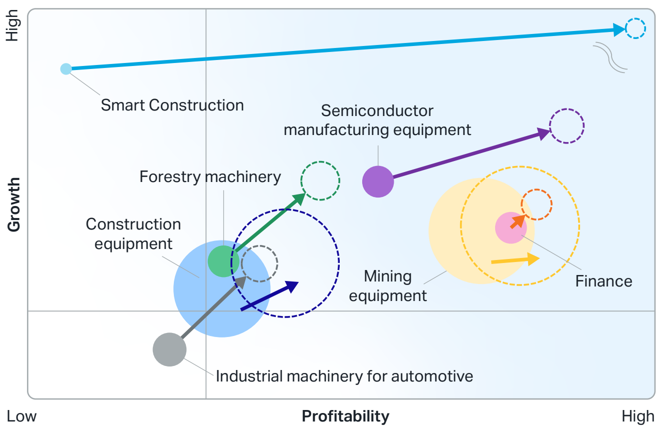
The forestry machinery business will continue to grow stronger, playing a role as the third pillar of our business, together with mining and construction equipment.

We intend to improve our already-high profit structure in the semiconductor manufacturing equipment business, keeping an eye on geopolitical risks and taking advantage of high market growth.

Our industrial machinery business in the automotive sector will grow and become more profitable as we deepen aftermarket services and expand our automotive battery business.

We will continue strengthening existing businesses, including through M&A, while also exploring new business domains to support future growth.

Business portfolio



• Size of colored bubbles indicates the most recent relative sales volume for each business segment.
• Size of dotted bubbles indicates the medium- to long-term direction targeted by each business segment.

Exploring new business opportunities


Lunar construction equipment


Underwater construction robots


Mine jobsite optimization


Digital twin for forestry solutions

Strategic Growth Plan (FY2025 - FY2027) Driving value with ambition

Management targets

We categorize management targets into financial and non-financial targets to clarify our stance of pursuing sustainable growth through a positive cycle of solving social issues and improving profitability.

For financial targets, we basically continue the targets and indicators for growth, profitability, and efficiency set under the previous mid-term management plan. We added Free Cash Flow to secure earnings while continuing growth investments, and set a target of 1 trillion yen in cumulative Free Cash Flow (FCF) over three years (excluding M&A-related expenditures).

For the retail finance business, we set targets that reflect greater leverage in view of future coverage expansion in emerging countries such as Africa.

Our shareholder return policy continues to be a consolidated dividend payout ratio of 40% or more. Komatsu intends to conduct share buybacks in a timely manner, balanced by considerations of financial soundness and its shareholders' equity ratio.

Refer to the CFO message for more information on our financial targets.

P.22 CFO message - Management targets

For non-financial targets, we aim to capture a broader framework of challenges to be addressed. To this end, we defined priority initiatives under the Strategic Growth Plan that contribute to solving social issues, established 30 related KPIs, and position the management target as the overall KPI achievement level of each activity topic. External evaluations, which served as management targets under the previous mid-term management plan, are now positioned as KPIs under these priority initiatives.

Indicators related to reducing environmental impact, including CO_2 emissions reductions, remain as separate items and targets of particular importance to our organization. Refer to ESG Databook 2026 for more details on medium- to long-term indicators and targets.

Web Medium- to long-term targets and progress (ESG Databook, P.159)

Management targets in the Strategic Growth Plan

<table>
<tr><th>Category</th><th>Item</th><th>Indicator</th><th colspan="2">Target</th><th>FY2025 results</th></tr>
<tr><td rowspan="8">Financial</td><td>Growth</td><td>Sales growth rate</td><td colspan="2">Growth rate above the industry average</td><td>+0.7%</td></tr>
<tr><td rowspan="2">Profitability</td><td>Operating profit ratio</td><td colspan="2">Top profit ratio in the industry</td><td>13.7%</td></tr>
<tr><td>FCF</td><td colspan="2">3-year cumulative: 1 trillion yen (excluding M&A-related expenditures)</td><td>263.2 billion yen</td></tr>
<tr><td>Efficiency</td><td>ROE</td><td colspan="2">10% or higher</td><td>11.3%</td></tr>
<tr><td rowspan="2">Retail finance business</td><td>ROA</td><td colspan="2">1.5% to 2.0%</td><td>2.4%</td></tr>
<tr><td>Net D/E ratio</td><td colspan="2">6 times or less</td><td>4.45</td></tr>
<tr><td>Shareholder returns</td><td>Consolidated payout ratio</td><td colspan="2">• 40% or more (consolidated)
• Timely share buybacks based on an overall balance of financial soundness, shareholders' equity ratio, and other factors</td><td>45.9%; 100.0 billion yen in share buybacks</td></tr>
<tr><td colspan="5"></td></tr>
<tr><td rowspan="4">Non-financial</td><td rowspan="4">Resolution of social issues</td><td>KPI for solving social issues</td><td colspan="2">Overall evaluation (including the reduction of environmental impact and evaluations by external organizations) of progress in 30 social solution KPIs</td><td>Progress is on track toward the goal</td></tr>
<tr><td rowspan="3">Reduction of environmental impact</td><td rowspan="3">• Decrease CO_2 emissions : 50% reduction by FY2030 (compared to FY2010)
• Renewable energy use : 50% of total energy use by FY2030</td><td>Reduce CO_2 from production</td><td>(48)%</td></tr>
<tr><td>Reduce CO_2 from product use</td><td>(23)%</td></tr>
<tr><td>Rate of renewable energy use</td><td>36%</td></tr>
</table>

KPIs for solving social issues

We aim to create a positive cycle of solving social issues and improving profitability through our business activities under our Sustainability Policy. For key issues (materiality), we have set KPIs for solving social issues based on the three pillars of our growth strategy under the Strategic Growth Plan, and are steadily measuring the progress and outcomes of these initiatives. We have also selected and organized 10 highly relevant goals from among the Sustainable Development Goals (SDGs).

P.19 Materiality

Category	SDGs	Materiality	No.	Key activity	KPIs	FY2025 results	FY2027 targets
With people	5, 8, 10, 17	● Employees ● Human rights	1	Create safe and secure work environments; support employee health	Occupational accident frequency rate (per one million hours)	0.91	Continue to decrease from the three-year average frequency rate of 0.81 during the previous mid-term management plan period (performance disclosed) *Revised the target disclosed in the previous fiscal year
			2	Create workplaces where all individuals can shine as their authentic selves, wherever they are	Engagement surveys 1) Improvement of eNPS*1 2) Global score for sustainable engagement*2 *1 Indicator measuring employee sense of attachment to the company. *2 Scores represent the rate of positive responses.	1) Global score 9*1, +5 compared with previous survey*2 2) Global score 81*1, +1 compared with previous survey*2 *1 FY2025 survey results. *2 Conducted in FY2023.	1) Continuous improvement (score higher than previous survey) 2) 85
			3		1) Ratio of full-time female employees (global) 2) Ratio of women in managerial positions (global)	1) 15.2% 2) 11.7%	1) 17.0% 2) 14.0%
			4		Ratio of employees with disabilities	2.63% (single year, Japan)	2.7% (single year, Japan)
			5	Create environments and develop human resources to foster innovation	Enrich succession planning (efforts to build diversity-conscious talent pools in each region)	Reassessment and job evaluation of Global Key Positions (GKP)* is underway. * Approximately 700 key positions globally are designated as GKP, and succession plans are being formulated.	Improved readiness rate and secured diverse pool of talent
			6		1) Global score for Innovation in the engagement survey 2) Training and growth support for digital talent and leadership driving strategic digital implementation initiatives	1) Global score 68, +1 compared with previous survey; FY2025 survey results. 2) Global headquarters and group companies in Japan: 537 participants per year	1) Continuous improvement (score higher than previous survey) 2) Global headquarters and group companies in Japan: 220 participants per year
			7		Certified personnel ratio under the solutions sales and mechanic certification program (proficiency assessments by region)	48%	70%
			8	Respect human rights across all business activities	Conducted human rights due diligence in the following three areas: i) Upstream, ii) Komatsu Group, and iii) Downstream	Continued initiatives to respect human rights. In particular, risk assessments and gap analyses were conducted in preparation for the EU Corporate Sustainability Due Diligence Directive (CSDDD). i) As part of risk assessment, dialogue sessions were held on human rights and environmental issues with major domestic suppliers. ii) Basic education on business and human rights and education for procurement personnel were conducted. iii) Dialogue sessions with the marketing representatives were held.	Disclose results
With business	9, 11, 12, 17	● Customers ● Ethics and governance ● Communities	9	Enhance product safety	Plan, develop, and market safety equipment	Models equipped with safety equipment have been introduced to the market 1) Rollover prevention system: HM460-6 2) KomVision machine surroundings camera system: WA470/475/480/485-11, D175AX-10, HM460-6, PC128US/USi-12, and PC138US/USi-12 3) Rollover avoidance alerts and KomVision Object avoidance: PC128US/USi-12 and PC138US/USi-12	Disclose results
			9	Expand Industrial Komtrax* contents * Equipment operation management system	Number of large press predictive maintenance contracts	57 lines (aggregate)	75 lines (aggregate)
			10	Improve workplace productivity through Smart Construction	Rate of ICT machine* adoption. * Hydraulic excavators and bulldozers equipped with 3D machine control and 3D machine guidance functions	29%	47%
			11		Smart Construction support center customer satisfaction	95%	90%
			12	Provide solutions for sustainable resource development (mining)	Cumulative Autonomous Haulage System (AHS) installations in mines	1,016 units (aggregate)	1,200 units (aggregate)
			13		Cumulative number of mines in commercial operation on the new platform (Open Technology Platform)	Orders received from 8 sites	40 sites (aggregate)
			14		Provide solutions for sustainable resource development (mining) Completed trials of mining TBM*, a new tunnel boring method *Tunnel Boring Machines	Continued outdoor quality confirmation for trial machine	Completed trials at customer sites
			15		Hard rock mining business sales	US$198 million (single year)	US$400 million (single year)

KPIs for solving social issues

Category	SDGs	Materiality	No.	Key activity	KPIs	FY2025 results	FY2027 targets
With business		● Customers ● Ethics and governance ● Communities	16	Provide solutions for better workplace safety and productivity (automation, autonomous operation, remote operation)	Accelerate automation and remote operation of construction and mining equipment	• Verified HM400 automation technology • Completed development of PC200i-12 remote system specifications • Completed development of the excavator soil spreading function at embankment sites • Developing bulldozer soil leveling function • Developing Autonomous Light Vehicle for AHS	Disclose results
			17	Build value chains adaptable to changes in the environment and demand	Aftermarket business sales growth rate	-1.6% (compared with FY2024, foreign exchange rates fixed)	+15% (compared with FY2024, foreign exchange rates fixed)
			18		Multi-site parts sourcing ratio for 20-ton class hydraulic excavators (produced by major overseas subsidiaries)	93%	95%
			19	Enhance governance and ensure thorough compliance	Initiatives to improve management efficiency, ensure sound management, and enhance transparency	Expanded governance-related disclosures on websites and other channels	Disclose results
					Full revision of the Komatsu's Worldwide Code of Business Conduct (13th edition) • Global deployment in 18 languages • Improved global e-learning participation rate	Revision policy for the 13th edition was determined, and the current edition was reviewed	
			20	Continue social contribution activities	Continue social contribution activities, including contribution to communities, landmine removal, and disaster recovery support	• Continued landmine removal projects in Cambodia and Laos, and newly introduced a project in Senegal • Began scholarship support for CFPT vocational training school in Senegal • Provided 10 million yen in support for the 2025 Myanmar earthquake • Renewed CSR collaboration agreement with Cummins Inc.	Disclose results
With the planet		● Environment	21	Implement efforts to become carbon neutrality	Reduce CO_2 from production	Reduced by 48% (compared with FY2010 levels, total volume)	Reduce by 39% (compared with FY2010 levels, total volume)
			22		Reduce CO_2 from product use	Reduced by 23% (compared with FY2010 levels, intensity basis)	Reduce by 32% (compared with FY2010 levels, intensity basis)
			23		Rate of renewable energy use	36%	40%
			24		Number of product models introduced to the market aimed at carbon neutrality	Commercialized: 2 models, PC26E-6 and PC33MRE-6	Disclose results
			25	Reduce environmental impact through business activities (industrial machinery business)	Unit sales of power generation units with thermoelectric elements	6 units (single year)	150 units (single year)
					Number of machine tools sold contributing to electric vehicle production (1. FSW units 2. large processing machine for aluminum giga die-cast parts)	1) 6 units (single year) 2) 0 units (single year)	1) 7 units (single year) 2) 15 units (single year)
					Extended lifetime of light source modules (chambers) for semiconductor lithography (1. ArF immersion light sources, 2. KrF light sources)	1) Development ongoing 2) Development ongoing	1) +20% (to be introduced to market in Q1 FY2027) 2) +30% (to be introduced to market in Q2 FY2026)
				Drive circular economies	Reman and rebuild* business sales growth rate * Component repairs and overhauls performed by authorized Komatsu distributors using genuine parts, based on customer needs.	+0.5% (compared with FY2024, foreign exchange rates fixed)	+5.2% (compared with FY2024, foreign exchange rates fixed)
			26	Provide solutions that support sustainable, circular forestry businesses	1) Forestry machinery business sales growth rate 2) Annual increase in trees planted using tree-planting machinery sold during the fiscal year (based on additional planting capacity)	1) -9.6% (compared with FY2024, foreign exchange rates fixed) 2) +0.5 million (compared with FY2024)	1) +27.1% (compared with FY2024, foreign exchange rates fixed) 2) +60 million (compared with FY2024)
			27		Smart Forestry solution contract rate	62.3%	62%
			28	Nature-positive activities	Nature-positive activity planning and framework development	Organized the desired state and current status for nature-positive activities and developed an activity plan. Examples of nature-related initiatives were disclosed in Komatsu Report 2025.	Disclose results
					Water consumption	29% (compared with FY2010 levels)	30% or less (compared with FY2010 levels)
			29	Contribute to solving global food challenges	Number of agricultural construction machines* in operation *Agricultural bulldozers used in farming.	23 units (single year)	100 units (single year)
General		General	30	Obtain top-tier external sustainability ratings within the industry	1) CDP 2) Dow Jones Best-in-Class Indices	1) Selected for the A-List for both climate change and water security 2) Selected for World and Asia Pacific	1) Selected for the A-List for both climate change and water security 2) Selected for World and Asia Pacific

Special feature 1: Project story

A future pioneered by automation and remote operation

Komatsu established a goal under the Strategic Growth Plan (FY2025-FY2027) to create new customer value through the evolution of product and solution value. One of the key strategic initiatives is the automation and remote operation of construction and mining equipment. While demand is rising in the construction equipment business, labor shortages in the civil engineering and construction industries are becoming worse, making productivity improvement an urgent priority. As demand for critical minerals continues to rise, automation technologies that support stable, long-hour operations at mine jobsites have become essential. Komatsu addresses these customer challenges by combining automation and remote operation technologies for construction and mining equipment with solutions that optimize the entire construction workflow and jobsite operations. In this special feature, we showcase Komatsu's progress in automation and remote operation and our efforts to help customers solve their operational challenges through candid perspectives from customers who have adopted and are using these technologies.

The civil engineering and construction industry environment and Komatsu initiatives

The civil engineering and construction industries are experiencing a severe labor shortage as the workforce ages. At the same time, addressing aging infrastructure and responding to the increasing frequency and severity of natural disasters has become a pressing issue. As a result, challenges at jobsites are becoming increasingly complex. These trends are common across the world. Demand for construction projects is rising due to social infrastructure upgrades, the development of energy-related facilities, and increased investment in digital infrastructure. Amid these developments, securing a sufficient workforce remains a major challenge. In addition to the need to improve productivity, demand is growing for automation and remote operation technologies that improve safety at disaster recovery sites and hazardous jobsites.

In response to these jobsite challenges faced by our customers, Komatsu began developing automation and remote operation technologies from very early on. In the 1960s, we began developing a wireless remote operation system for bulldozers to reduce the risk of people working in hazardous jobsites. We subsequently applied this technology to the development of the world's first underwater bulldozer. In 2013, Komatsu introduced ICT construction equipment to the market. In this effort, we were the first in the world to achieve semi-automated operations for attachments using machine control technology. This technology makes high-precision construction possible, even without the skills of a seasoned operator.

Radio-controlled bulldozer used for slag handling at a steelworks (D125AR)

In 2015, we began offering Smart Construction, a solution that uses digital technology to visualize the entire construction process and support the optimization of construction jobsites. In addition to improving construction accuracy through the use of advanced equipment, we help our customers solve their challenges by leveraging construction data to enhance overall jobsite productivity.

Innovative solutions reshaping the industry
Smart Construction Teleoperation Mobility Office

In addition to addressing labor shortages, the civil engineering and construction sectors have shown growing interest in improving safety and productivity for environments that allow a diverse workforce to thrive. Consequently, there have been high expectations for technologies that improve working conditions on jobsites to enhance the appeal of working in the industry. In response to this feedback, in 2022, Komatsu began developing Smart Construction Teleoperation, a remote operation system for construction equipment. We launched Smart Construction Teleoperation in 2024. EARTHBRAIN Ltd. led the development, serving as a group company spun off from Komatsu to accelerate the digitization of jobsites and improve productivity.

Smart Construction Teleoperation is a system that allows users to remotely operate hydraulic excavators from regular offices or other safe and comfortable environments. The system allows for switching between multiple pieces of construction equipment from a single cockpit, contributing to labor savings and improved operational efficiency at the jobsite. The system combines proven Komatsu remote operation technology with the video and communication technologies of partner companies. In June 2026, Komatsu launched the PC200i-12 Remote System Specification. This specification provides ICT machine control functions, even during remote operation, enhancing remote construction operations further.

The system also features the ability to proceed with construction while monitoring the overall status of the site by linking with Smart Construction technology. For example, operators can integrate Smart Construction Fleet, a system that manages dump truck operations and dispatching, to work while checking truck locations and estimated arrival times. This configuration allows users to optimize the timing of excavation and transportation, which reduces downtime and improves overall jobsite productivity.

In 2024, the Company launched the Mobility Office. This system is designed to be installed inside a large van and features the Smart Construction Teleoperation cockpit system, allowing operators to travel to locations near jobsites and perform remote construction work. In the event of a disaster, the Mobility Office can be deployed quickly to affected areas, using survey data collected via drones and other means to assess the jobsite situation. From there, the Mobility Office assists in formulating recovery plans and supports initial response operations in hazardous areas.

By combining remote operation technology with digital solutions, Komatsu improves safety and productivity, helping solve the challenges customers face at jobsites.

PC200i-12 Remote System Specification

Smart Construction Teleoperation cockpit

Customer comments on Smart Construction Teleoperation

Hirose Co., Ltd. (Niigata Prefecture)

Tokuo Hirose, president and CEO (left)
Masato Hoshino (right), general manager, Construction Systems Management Department, Civil Engineering Division

Standing still means falling behind: Remote operation is an investment in the future

Since our founding in 1954, we have operated as a general contractor engaged in construction projects and public infrastructure development. We have always believed in the important stance that standing still means falling behind. Given this stance, we have actively pursued digital transformation (DX) initiatives and received the Infrastructure DX Award from the Ministry of Land, Infrastructure, Transport and Tourism in 2023. However, we do not rest on our laurels. As we were exploring further ways to transform our business, we came across Smart Construction Teleoperation.

The deciding factor in our decision to adopt the system was a demonstration event in Ehime Prefecture. Not only did I operate the hydraulic excavator right in front of me, but I also controlled a second machine located far away at the Komatsu IoT Center Tokyo (Mihama Ward, Chiba City, Chiba Prefecture). I knew intuitively that this technology was going to be useful.

After the installation, we set up a showroom in conjunction with the expansion of our new office building. Our installation has been featured not only by industry insiders, but also on local information websites. It's not uncommon for people to visit us from outside the prefecture. We see the system as a valuable investment in the future from the perspectives of talent acquisition and corporate visibility. Currently, we use Smart Construction Teleoperation in excavation work to prevent river flooding. Under this system, one operator is stationed at the jobsite to handle preparations and coordination, while another operator controls the system remotely from the cockpit at headquarters. Travel time, which used to be an hour each way, has been reduced significantly, leading to greater efficiency in construction.

We expect that our employees will use remote operation as an opportunity to gain a greater awareness of the need to improve productivity. I encourage employees to use the time freed up by our DX efforts for self-improvement. In this way, employees will contribute positively to our overall competitiveness.

Remote operation from the head office using Smart Construction Teleoperation

A true improvement in the work environment

Operators Hirai (left) and Kobayashi (right)

I used to work in a completely different industry. I'd always wanted to try operating large machinery, and when I came across a job posting for a remote operator on a job search site, I took the opportunity to change careers. When I visited the company for a tour, I saw female operators hard at work and thought that maybe I could do that, too. That's when I decided to join the company. The appeal of remote operation is the ease of use that encourages even people with little experience operating construction equipment to give it a try. At first, I was a little confused by the depth perception and the differences compared to the actual piece of equipment. But once I got used to it, I was able to work without any problems. If I may be so bold, I think the system would be safer and easier to use if the camera position and control levers were improved. (Ms. Hirai)

I've also noticed an improved work environment. Although the effects of weather and dust on the jobsite remain an issue, working in the cockpit is comfortable. The absence of equipment vibrations means less physical strain. Since you can step away from your desk when necessary, you also have a better mental environment. This type of work style makes it easier to continue one's career, even when dealing with life events such as childbirth and child-rearing. I look forward to seeing this environment expand and help people from diverse backgrounds thrive. (Ms. Kobayashi)

Comments from Mobility Office customers

Koujigumi Co., Ltd. (Hiroshima Prefecture)

Naotoshi Hiyama (left), executive vice president and head of the Corporate Planning Office
Hisao Konishi (right), general manager of the Civil Engineering Division

Mobile DX hub exceeded expectations for convenience

Since our founding in 1882, we have spent the following 140 years growing alongside our communities. With civil engineering and construction as our two main businesses, we have been involved in the construction of numerous landmarks that represent Hiroshima. During the torrential rain disasters of 2014 and 2018, we played a leading role in recovery efforts, working on the front lines to ensure the safety of the local community. Even before the Ministry of Land, Infrastructure, Transport and Tourism launched the i-Construction initiative, our company was making advancements in ICT and DX efforts, adopting cutting-edge technologies such as 3D models, autonomous drones, 3D printers, and AR/VR, continuing to enhance our appeal and value as a business. Thanks in part to these efforts, employees in their 20s now make up between 30% and 40% of our workforce, and our organization has evolved into one that attracts interest from younger workers.

I had been following Komatsu's Smart Construction Teleoperation for some time, and I came to feel that Mobility Office held great potential for us. In particular, I had high expectations that the technology would improve safety at hazardous jobsites, including mountainous areas or steep slopes, as well as reduce the physical strain of working in the extreme heat of summer and the bitter cold of winter. Once we actually put the technology into use, we found that the access to a mobile system that eliminated the need to set up equipment at each jobsite provided a convenience that exceeded our expectations.

Going forward, we plan to expand the scope of remote construction operations, while keeping in mind the potential of implementation at multiple jobsites. The Mobility Office includes a mobile DX hub, which integrates with various Smart Construction solutions to handle tasks ranging from progress management to the verification of survey data. We used remote construction for slope stabilization work in the Yokote district of the Kagikake Pass Road project, which we were contracted to perform in fiscal 2024. This case was recognized as an example of Infrastructure DX by the Chugoku Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.

Komatsu is not only a reliable construction equipment manufacturer, but also a partner who shares our passion for improving jobsites. They work with us to solve the challenges we face. As a local general contractor, we hope to contribute to the development of the regional construction industry as a model of DX.

Exterior of the Mobility Office (left) and operating space inside the vehicle (right)

The potential to transform jobsite productivity in significant ways

Yasunori Takamori
Machine operator
Takamori Industries, Co., Ltd.

I have been working as an operator for more than 20 years. When I first tried remote operation functions, the experience definitely felt a little strange. For example, there was no physical vibration typical for construction equipment. We've spent many years working while feeling the vibrations and hearing the sounds of the equipment. Operating equipment from a screen was a bit confusing at first, until getting used to it.

The more experience I gained at the controls, the more natural everything felt. I expect that younger people will actually find it easy to adapt to the technology without feeling any discomfort. Now that I've used the system, I'm starting to appreciate the unique benefits of remote operation. What I find particularly appealing is how comfortable the work environment is. The cab is fully air-conditioned, allowing us to work comfortably even under harsh summer and winter conditions. This environment has reduced the physical strain enormously. On the other hand, depth perception on the screen is a challenge, and there are still some aspects that will take getting used to compared to operating the actual equipment. We are using the technology primarily for slope grading and other tasks. But we expect that improvements, such as enhanced camera views, will improve operational efficiency even more.

In the future, a single operator will likely manage and oversee construction at multiple jobsites. This development has the potential to transform jobsite productivity significantly—we think the possibilities are endless.

Developing next-generation technologies to address customer jobsite challenges

While Komatsu moves forward with the practical application of remote operation technology, we are also accelerating the development of autonomous driving technology for construction equipment. In 2025, three companies—TIER IV, Inc. a firm involved in developing autonomous driving software, EARTHBRAIN Ltd., and Komatsu—began a collaboration to commercialize autonomous technology for the HM400 articulated dump truck and the HD785 rigid dump truck for use at civil engineering and quarrying sites. Looking toward commercialization by the end of fiscal 2027, we are currently conducting field trials and demonstrations.

As the terrain and construction conditions at jobsites change from day to day, autonomous driving that relies solely on pre-set maps and routes is not adequate. For this reason, we are also conducting tests on tasks specific to dump trucks in addition to basic operations such as driving and stopping. These tests—including loading, hauling, and unloading tests—will help us ensure the trucks can adapt to changes in the jobsite environment.

As the development of autonomous driving technology advances worldwide, Komatsu's strengths extend beyond autonomous driving technology. Over the 10 years since launching Smart Construction, we have continued to evolve solutions to optimize the entire construction process at the jobsite. The Komatsu strengths lie in our ability to leverage the insights and data obtained from customer jobsites to adapt flexibly to construction conditions that change day-to-day, achieving autonomous operations that work at the jobsite.

Komatsu will continue to contribute to improvements in customer safety and productivity by combining remote operation technology, autonomous driving technology, and digital solutions that optimize the entire construction process.

The HM400 articulated dump truck used in autonomous driving tests

The value of AHS in paving the way for mining operations

Demand for critical minerals in the mining industry, including copper and lithium, continues to rise globally in response to advancements in electrification and the expansion of renewable energy infrastructure. Stable, long-term operation under harsh conditions is essential at the mine jobsites that support this demand. And since even the slightest operating error can lead to a serious accident, ensuring safety within the mine while maximizing productivity has become one of the most critical challenges for our customers. Amid these developments, demand for automation technology is growing in the context of improved safety and productivity.

Komatsu began conducting basic research on autonomous driving in the mid-1970s. In the 1990s, the Group welcomed Modular Mining Systems (MMS; U.S.A.), a company known for its fleet management system (FMS)*1. Komatsu subsequently integrated the Komatsu vehicle control technology with MMS's fleet operations management technology. Following many years of development toward practical application, we launched the world's first commercial Autonomous Haulage System (AHS; a driverless dump truck operation system for mines) in 2008. We continued to upgrade functions and make improvements tailored to the specific challenges of each jobsite, and, as of April 2026, the cumulative number of ultra-large driverless dump trucks deployed in mines surpassed 1,000 units.

The AHS central control system monitors and manages all elements of the mine jobsite operation while tracking the location and operating status of each vehicle in real time. Using location data from systems such as the Global Navigation Satellite System (GNSS), the dump trucks travel autonomously to transport and unload materials. The system minimizes the frequency of workers entering hazardous areas, and Komatsu has maintained an AHS safety record of zero personal injuries since the launch of the system.

In addition, the DISPATCH fleet management system determines the optimal destination for each truck based on traffic conditions at the mine. At the same time, the FrontRunner vehicle control system automatically guides the trucks according to instructions from DISPATCH to minimize human error and inconsistencies. As a result, waiting times during the loading and hauling processes and downtime during operator shift changes are much shorter, which contributes to improved and more stable productivity. Using optimal vehicle control technology to minimize sudden acceleration and sharp turns, the system extends tire life and improves fuel efficiency, which contributes to a reduced environmental impact. Since mining equipment is used for 10 to 15 years or so, Komatsu and our distributors provide detailed support tailored to each mine to ensure stable operations, building relationships of trust with customers.

In this way, AHS creates value in social and economic terms by improving safety and productivity at mine sites and reducing environmental impact. Komatsu adopted impact accounting*2 in fiscal 2025, and we calculated that AHS generated approximately ¥360 billion in social value globally during fiscal 2024. Customers who have used AHS for many years have appreciated the value that the system provides.

How AHS works

*1 A solution that automatically calculates and proposes dump truck routing to optimize mining operations
*2 An accounting method that quantifies the impact (both positive and negative) that a company has on society and the environment in numerical or monetary terms, evaluated alongside financial information

Comments from Group Company and customer

John Ward III
SVP, Mining and Company Stores
Komatsu North America

Advancing autonomy through customer collaboration

In April 2026, Komatsu marked a significant milestone with the deployment of its 1,000th autonomous ultra-class haul truck. The milestone vehicle, a Komatsu 930E-5AT, was commissioned at Barrick Mining Corporation's Nevada Gold Mines (US). This achievement reflects both the continued development of autonomous haulage technology and the enduring customer partnerships that have shaped its evolution.

The mining industry is responding to rising demand for critical minerals while managing labor constraints, increasingly complex operating conditions, and growing expectations for safety and sustainability. Meeting these challenges requires more than advanced equipment. It calls for close collaboration with customers to develop practical solutions that deliver lasting value across the mining value chain.

Komatsu believes that innovation creates the greatest value when it is developed in partnership with customers. Since the commercial introduction of the FrontRunner Autonomous Haulage System (AHS), we have continuously enhanced the solution using operational insights gained at mine sites around the world. This collaborative approach has enabled FrontRunner AHS to support safer working environments, improve operational consistency, and contribute to more efficient use of energy and other resources.

Commenting on the partnership, Barrick said:

FrontRunner has elevated both the quality of work for our people and the way we meet production goals at our Nevada operations. By transitioning operators away from haulage activities and enabling more predictable operations, autonomy supports safer, more skilled roles while helping us use energy more efficiently and reduce our environmental footprint. Together with Komatsu, we see a significant opportunity to advance productivity further while benefiting our workforce and community.

This perspective illustrates that the value of autonomy extends beyond the automation of individual tasks. Autonomous haulage can help move people away from higher-risk activities and create opportunities for more skilled roles, while supporting stable, efficient, and increasingly sustainable operations. Realizing these benefits depends on continuous collaboration, shared learning, and a long-term commitment to operational improvement.

The deployment of our 1,000th autonomous haul truck represents an important point in Komatsu's autonomy journey, rather than its conclusion. We will continue to work closely with customers and distributors worldwide to develop solutions that address real operating challenges and contribute to safer, more productive, and more sustainable mining.

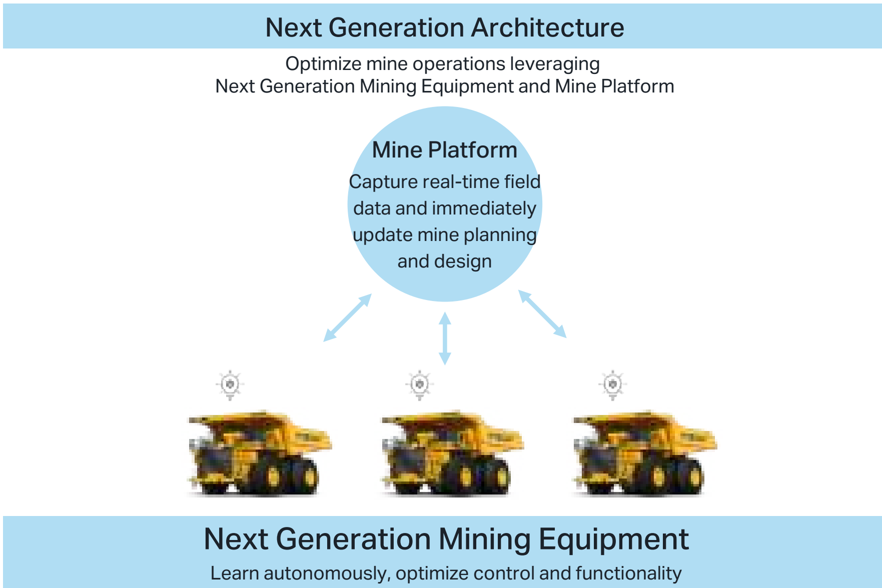
Komatsu AHS trucks operating at Nevada Gold Mines

Developing next-generation technologies to address challenges at mine sites

The introduction of AHS has resulted in steadily improving safety and productivity at mine sites. At the same time, a new challenge has emerged: to enhance performance and functionality while minimizing machine downtime, all while adapting flexibly to the varying topography, road conditions, and mining conditions at each mine. To address these challenges, Komatsu aims to enhance value further through software that continuously improves functionality and optimizes the entire mining operation.

As part of these efforts, Komatsu began developing the SDV*3 architecture together with Applied Intuition in 2025. The collaborative project will serve as the foundation for next-generation mining machinery (SDV) and an automated vehicle platform. Komatsu pursues the creation of next-generation mining equipment that continues to learn about mine site characteristics and changing conditions, optimizing controls and improving functions in response to each specific environment. Through this approach, we strive to achieve more stable operations and ongoing performance improvements, all while adapting to the unique conditions at each mine site.

The future of mine sites



SDV architecture enables flexible and timely software updates throughout the lifecycle of mining equipment. Through this approach, Komatsu delivers new value to the industry, building a foundation for continuous performance and functionality improvements together with minimized machine downtime.

Komatsu is also advancing the development of a platform that integrates all aspects of mining operations. By integrating the mining platform with next-generation mining equipment, users can monitor mine site conditions in real time and incorporate that information into mining plans and mine design. The system will visualize discrepancies between plans and actual progress, contributing to mine operation optimization. Komatsu connects people, machinery, and data through digital technology integrated into a single system. Through this approach, we will create next-generation mining operations that are safer, more efficient, and more sustainable than ever.

Komatsu views the development of next-generation mining equipment as a key growth investment toward new customer value in the mining equipment business. As a collaborative partner committed to optimizing safe, productive, and clean workplaces, we will accelerate technological innovation.

*3 Software Defined Vehicle: A vehicle whose functions can be expanded through software updates

Special feature 2: Project story

AI connecting frontline insights

Advances in AI technology are transforming the nature of business activities in significant ways. Failing to make use of AI has become a competitive risk in recent years, amid increasingly high expectations by customers for service quality and a changing competitive landscape. With this understanding, Komatsu has incorporated AI utilization and digital transformation into our Strategic Growth Plan. We established an in-house AI working team to enhance the sophistication and speed of operations. Under this working team, employees representing a wide range of departments work together to drive business transformation through the use of AI.

■ Enterprise-wide initiative to make AI a trusted work partner

Since the emergence and widespread adoption of generative AI, AI technology has continued to evolve rapidly. We are now in a transitional period that is transforming the way we conduct business and deliver services in fundamental ways. Amid these developments, companies are expected to respond more quickly and effectively than ever before. At Komatsu, we view this change not as a risk, but as an opportunity to create new value. In fiscal 2024, we established a global working team led by the CTO to coordinate generative AI initiatives across countries and departments, as well as to provide a framework for sharing best practices. The Strategic Growth Plan we announced in fiscal 2025 incorporates the use of AI into all priority initiatives of the three pillars of the growth strategy, treating AI as a critical foundation for company-wide transformation.

In fiscal 2026, we began full-scale efforts in Japan to build a company-wide, reusable infrastructure to accelerate the adoption of AI. As part of the process, we integrated data and insights accumulated across various operational areas, including development, production, and services. We intend to expand the use of AI globally in the future, building on the framework we establish in Japan. We will also designate AI Champions (specialists who promote AI adoption, lead efforts to improve operations, and embed AI into our corporate culture) at each workplace, striving to expand AI adoption through initiatives integrated with the operational expertise of each division. Through these initiatives, we aim to embed AI into day-to-day operations and establish AI as a trusted work partner for employees across the company.

By using AI to organize and leverage our accumulated data, experience, and expertise, and transform these assets into intellectual assets available across the entire organization, we will not only improve operational efficiency, but also foster new ideas and drive innovation. In the following pages, we will highlight specific use cases of AI in the areas of quality assurance, distributors, and industrial machinery.

Asia workshop (Indonesia) helping participants acquire skills in generative AI and other areas

Quality Assurance Project (see P.40)

Special feature 2: Project story AI connecting frontline insights

Quality assurance case study: Using AI to streamline the organization and analysis of vast amounts of quality data

The Quality Assurance Division is responsible for collecting quality data from the market and from manufacturing processes to identify the causes of issues based on risk and severity, solving issues and driving continuous improvement. This initiative is a priority activity that ensures the Quality and Reliability of Komatsu products. If a quality-related issue is identified in a product that is in operation at a customers' jobsite, the distributor's service agent reports the matter to the Quality Assurance Department within each plant. Each plant receives reports from around the world, which are then managed centrally. The members of the Quality Assurance Department in each plant carefully review the content of these reports. In these cases, we classify the information to determine whether the incident is related to past cases or whether it is a new issue. Based on the level of risk and severity, we work with the relevant departments to identify the cause and prevent recurrence.

Meanwhile, this classification process is very time-consuming. Since the reports are prepared by representatives from each country and region, there are variances in content and wording. Furthermore, given the wide variety of products involved, operating environments, and circumstances, specialized knowledge and experience are required to determine the relevance to past cases. As a result, processing times vary depending on the staff member, and establishing a system to facilitate the smooth use of quality information had become a challenge.

To address these challenges, Komatsu introduced a system that uses generative AI to automatically classify product quality information and detect early signs of critical quality issues. AI analyzes the quality-related information collected by the Quality Assurance Department and presents classified results based on similarities to past cases and the type of incident in question. With the final decision made by a human, the system combines AI-driven efficiency with expert judgment. We began a pilot program at the Oyama and Osaka plants in September 2024, and we are expanding the system to additional locations.

To date, we have observed that decision-making processes have become more efficient, particularly among less experienced staff members. By assisting with comparisons to past cases and classification, AI reduces the burden of reviewing and evaluating a large number of reports. This system helps Quality Assurance Department staff devote time to higher-value-added tasks, such as investigating causes and developing response measures. Going forward, we aim to improve customer satisfaction by enhancing diagnostic accuracy and usability while ensuring a rapid response.

Operating procedures before and after AI

Confirm quality-related issue

Service representative from the distributor reports product quality information to the Quality Assurance Department

Before improvement	After improvement
Quality Assurance Department verifies product quality information on a case-by-case basis	AI: Compiles information on the observed behavior and trouble
Compiles details on the observed behavior and trouble	AI: Cross-checks with major quality issues in the past
Determines any connection to past cases	AI: Provides similar cases and classified candidate lists
Conducts classification	

Shares with relevant departments based on risk and importance
Investigates cause and develops recurrence prevention measures

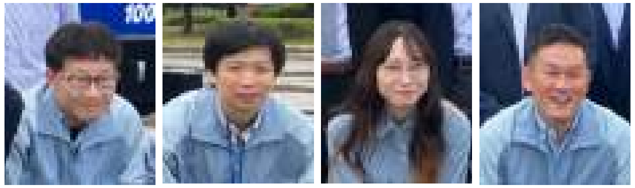
Project member comments

During the application development process, the Quality Assurance Division and the department responsible for system development worked together, discussing challenges during weekly meetings as they moved forward with development. Initially, the AI demonstrated insufficient accuracy, and there were many instances where we did not achieve the expected results. However, the team has continued to improve accuracy by analyzing the causes of incorrect determinations and by reviewing instructions and decision logic. The foundation for implementation was built through repeated improvements based on collaboration between the departments responsible for understanding on-site operations and the departments responsible for system technology development.

At present, the tool is proving effective as a means of streamlining the decision-making process by comparing situations to past cases and assisting with classification decisions. The tool has been particularly effective for employees who have limited work experience. On the other hand, some veteran employees are asking for further improvements in accuracy. For everyone to accept and make use of AI-based decisions, we must clearly explain the rationale and refine performance to a level that is easily applied to practical decision-making.

To improve decision-making accuracy, we must not only improve the AI itself, but also enhance the quality of the input data. Any missing items or inconsistencies in the product quality information make it difficult for the AI to accurately interpret the details and the circumstances under which an issue occurred. For this reason, the service department has also begun initiatives aimed at improving the accuracy of information included in reports.

Moving forward, all departments will work together to improve both the input data and the decision-making logic, with the goal of developing an application that is better suited to day-to-day operations. With AI as a work partner to support on-site decision-making, we can identify quality issues quickly and implement prompt response measures, enhancing the Quality and Reliability of Komatsu products even further.



Project members (from left)
Eisuke Yamamoto, Manager, Engine Quality Assurance Section, Quality Assurance Department, Oyama Plant
Mitsuhiro Kiya, Assistant to the Manager, Product Support Section, Quality Assurance Department, Awazu Plant
Momo Shimoju, Regulation and Certification Group, Quality Assurance Division
Minoru Shimizu, Project Manager, Manufacturing System Promotion #1, System Development Department #2, Information Strategy Division

Distributor case study: Reducing uncertainty in troubleshooting and facilitating a swift initial response

Construction and mining equipment is typically used for 10 to 15 years after purchase. After-sales services, such as regular maintenance, the supply of replacement parts, repairs, and overhauls, are a constant need throughout those years of use. The distributor who supports this long-term usage represents the closest point of contact with customers. The job of the distributor is to ensure the stable operation of the equipment. The distributor also plays a vital role in understanding the characteristics of local markets and on-site needs, and providing feedback that informs business strategy.

The repair process begins with a customer inquiry, followed by an initial response, such as gathering details about the trouble. The initial response is followed by on-site diagnosis, order processing, and repairs. The initial response phase, in particular, requires a search through vast amounts of manuals and documentation to find the repair procedures and parts information that match the specific machine in question. Meanwhile, specifications vary by model and generation. Simply finding accurate information can be a challenge; more so for less experienced staff. While workers sift through the information, customers are kept waiting. Sometimes issues cannot be fixed on-site, resulting in rework and longer repair times. At the same time, Japan's declining birthrate, aging population, and employee turnover caused by early resignations overseas have reduced the number of skilled service technicians (mechanics). As a result, ensuring consistent service has become a critical challenge in maintaining and improving the high-quality nature of Komatsu product support, which has been one of our traditional key strengths.

In response to these challenges, Komatsu embarked on a business transformation initiative incorporating generative AI. We developed an AI bot that automatically collects and displays the necessary information based on the input of a vast database of troubleshooting manuals and past case studies into the generative AI system. Time studies conducted at our subsidiaries outside of Japan have shown that the search time required for fault diagnosis has been reduced by between 30% and 40%. And, since the traditional manuals were primarily in Japanese and English, the language barrier posed a challenge for mechanics in other countries and regions. The AI bot has made it easier for users to ask and answer questions in their native languages, leading to improved operational efficiency.

Contributing to improving the efficiency and accuracy of our initial response has reduced equipment downtime and contributed to improved customer productivity, fostering even stronger trust in Komatsu. As it becomes increasingly difficult to differentiate products based on features alone, Komatsu strives to leverage strength in providing total solutions that include high-quality, personalized service. Our aim is to enhance on-site decision-making and response speed dramatically through advanced multimodal systems that use both visual and audio information, in addition to systems where AI autonomously performs tasks based on user inquiries.

AI bot in action at distributors

Mechanic using the AI Bot app at a customer site (illustrative image)

Distributor comments

The distributor in Finland has seen a tangible reduction in the workload associated with investigating fault codes that indicate equipment malfunctions.

Previously, we had to switch back and forth between multiple systems and troubleshooting manuals to find the right information, and identifying the relevant parts also took a lot of time.

Since implementing the AI bot, we've found that simply entering error codes or parts information allows us to quickly access the information we need. We've really noticed how the system has helped us respond to customers more quickly.

In addition, the ability to ask and answer questions in Finnish is highly valued on the jobsite.

Jaakko Ranta
Product Support Sales Representative
Suomen Rakennuskone Oy
Finland

As a distributor in Portugal, Cimertex SA has found the AI bot to be extremely effective. In the past, mechanics had to wait for responses from the back office or search through manuals to address customer questions and requests. Now, mechanics use the AI bot on their own to instantly access the information they need. The multilingual support allows field staff to access technical information in their native language, which is a great help for those who are not fluent in English.

Thanks to the AI bot, access to technical information has improved and initial response times have been shortened. We are using the tool more frequently to support efficiency in service operations. We look forward to the addition of new features in the future, such as parts images, videos, diagrams, and voice input.

Tiago Moreira
Technical Trainer and Service Support
Cimertex SA
Portugal

Case Study: Komatsu Industries Corp.—Using AI to detect early signs of equipment malfunctions to create factories with zero unplanned downtime

Komatsu Industries Corp. is a comprehensive manufacturer that supplies metal forming machinery (e.g., sheet metal machinery) primarily consisting of press machines that range in size from small to large sizes. The company ships products to a wide range of manufacturing sectors, but mainly to the automotive industry, the electrical equipment industry, and the general machinery sector. In addition to construction equipment, the Komatsu Group endeavors to enhance value through the use of data and AI in the industrial machinery sector as well.

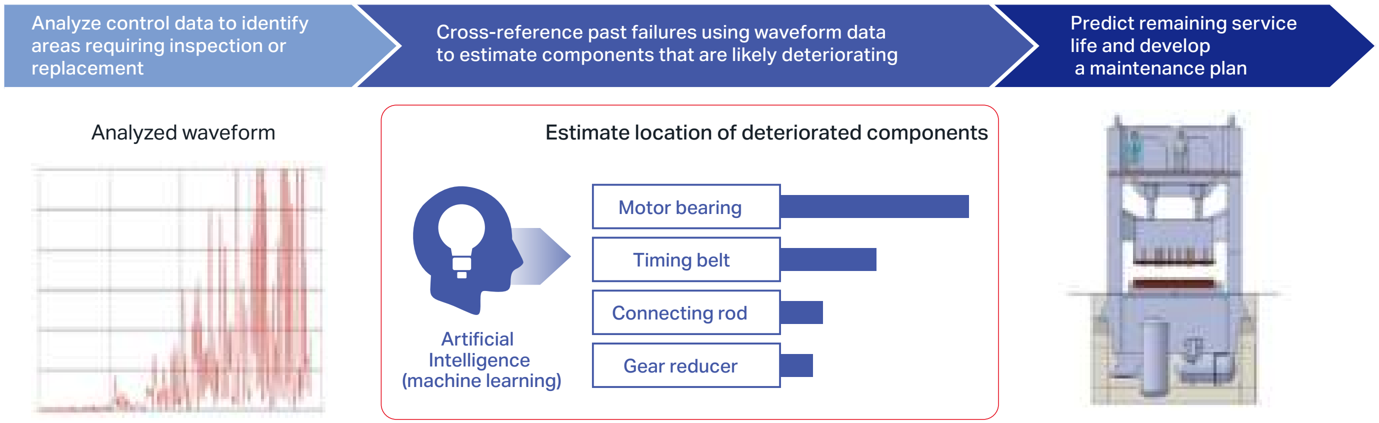
Press machines sit at the very beginning of production lines for automobiles and other products, and the operational status of these machines has a significant impact on overall production. Since a machine shutdown leads to a halt of the entire production line, including downstream processes, maintaining stable operations is a critical challenge. On the other hand, it has been traditionally difficult to accurately assess the condition of parts in advance. Accordingly, maintenance efforts had to rely on reactive maintenance, replacing parts only after they broke, or preventive maintenance, replacing parts at set intervals. As a result, production losses due to unplanned shutdowns and increased costs due to replacing still-usable parts have become major challenges.

In response to these challenges, Komatsu Industries is developing a predictive maintenance system that utilizes AI. The foundation for this system is Komtrax for industrial machinery, which collects real-time data on machine operating conditions. Since its release in 2009, Komtrax for industrial machinery has been installed in approximately 3,000 units of industrial machinery worldwide, collecting a variety of data that includes operating hours and alert information. In 2018, Komatsu Industries began developing a predictive maintenance system that uses detailed Komtrax for industrial machinery control data for advanced condition monitoring and diagnostics. Following trial operations at the jobsites of several customers, the upgraded system was released in 2020.

The system quantifies the condition of components based on control data acquired by Komtrax for industrial machinery, after which AI compares the data with past failures to identify components with a high likelihood of degradation. Analysis results are visualized in terms of remaining service life, allowing customers to make planned maintenance decisions, such as scheduling work when the line will be down for an extended period. Before the introduction of AI, even skilled technicians found it difficult to determine whether components were deteriorating. In many instances, parts were replaced just to be safe. Now, however, customers make evidence-based decisions, which helps prevent unexpected shutdowns and optimizes costs.

The effectiveness of the system has been well received by customers, and the technology received the MF Technology Excellence Award (sponsored by the Japan Forming Machinery Association) in 2024. The awards recognize outstanding contributions to the advancement of forming technologies. Detection accuracy at present is approximately 80 percent, and Komatsu Industries is working to improve accuracy further and expand the range of supported models and parts. Komatsu Industries will continue to support stable operations and improved productivity through the advanced use of data accumulated in Komtrax for industrial machinery, helping customers create new value.

Predictive maintenance using AI



Future uses of generative AI

The rapid evolution of generative AI is changing market needs and the competitive landscape in dramatic ways. The value that customers seek is becoming increasingly sophisticated, and the scope of competition, both in terms of rivals and market segments, is expanding. To adapt to these changes, we must not simply think in terms of an extension of existing business. Rather, we must redefine our businesses themselves and take a brand-new look at the nature and quality of the work performed by each individual.

The initiatives in the fields of quality assurance, distributors, and industrial machinery featured in this special feature are just the first steps. By using AI to analyze and learn from data gathered at the jobsite and create insights, we improve the accuracy of decision-making, shorten response times, and generate new ways of working.

The important thing to note is that the use of AI is not limited to a few specialized divisions. Every employee must first learn how to use generative AI effectively, taking ownership of their work and thinking about how to transform their processes.

Komatsu is taking on the challenge of creating new value by utilizing generative AI as a work partner, combining AI with human judgment and technical expertise.

Every employee is an agent of change, and in parallel, Komatsu works alongside customers to shape the future as a collaborative partner committed to optimizing safe, productive, and clean workplaces.

Global working team meeting

Research and development strategy

Komatsu has continued to grow by creating new value through manufacturing and technology innovation. This section highlights the initiatives of the Manufacturing Engineering Development Center (the Center), which supports Komatsu's Quality and Reliability through the development of advanced production technologies, as well as intellectual property activities that support stronger future competitiveness by protecting technological and brand value.

R&D structure

The Komatsu Manufacturing Engineering Development Center supports our manufacturing operations by conducting R&D in materials and production technologies that address challenges unique to construction and mining equipment, while also evaluating emerging technologies. The Center develops technologies that enhance safety and productivity, including production automation and remote operation technologies. At the same time, the Center develops and validates the equipment, tools, machinery, and systems needed to implement new technologies and rolls out the outcomes of these efforts across production sites in Japan and overseas. Furthermore, the Center helps enhance product competitiveness by analyzing operating data from Komtrax, an equipment operation management system, and component sensors and feeding insights on customer usage patterns and jobsite-level challenges back into product planning and product development.

The Intellectual Property Department protects and leverages the technologies and brand value created by research and development departments, including the Center. Komatsu positions intellectual property as an important management resource that supports medium- to long-term corporate value enhancement and implements an intellectual property strategy aligned with management strategy. The Intellectual Property Department supports the creation of strong patent portfolios in priority technology areas while protecting the Komatsu brand globally, combating counterfeit products, and transforming operations through AI. In this way, the Department helps enhance technological and brand value and strengthens business competitiveness.

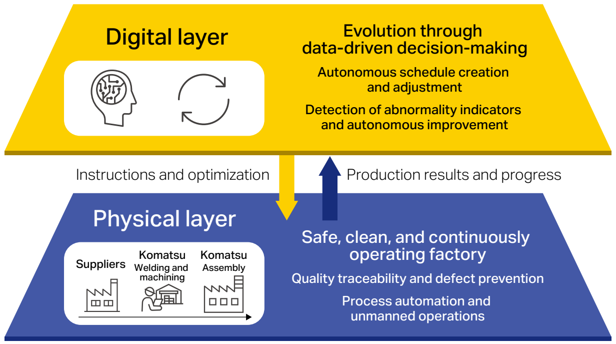
Manufacturing engineering development initiatives

Production DX through KOM-MICS

The Manufacturing Engineering Development Center implements production digital transformation (DX) through digital technologies. The foundation of these efforts is KOM-MICS, a manufacturing operations visualization system and digital platform that monitors real-time factory operations and supports continuous improvement on the production floor. KOM-MICS collects and digitizes real-time, frontline factory data on equipment, processes, personnel, and products, giving us clear visibility into production operations and enabling continuous improvement. The system also connects with suppliers, enabling us to identify production-process issues and bottlenecks that were previously difficult to detect based on production-site data, improve production efficiency, and optimize the supply chain. KOM-MICS also provides visibility into production progress and helps us detect abnormalities and changes at an early stage, enabling faster decision-making and more flexible responses. We use these capabilities to build a production system that can respond flexibly to changes in demand and parts supply. We also work with subsidiaries outside of Japan to share expertise and improvement practices across production sites, with the goal of optimizing production globally.

Looking ahead, Komatsu will use generative AI and other technologies to create an environment in which people can shift to more creative, higher value-added work. We will establish a production system that evolves autonomously through the integration of factory-floor operations and data, transforming production itself and further strengthening our competitiveness.

Conceptual image of a factory that autonomously carries out improvement activities, as envisioned through production DX

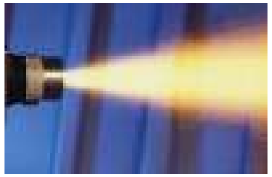


Remanufacturing (reman)

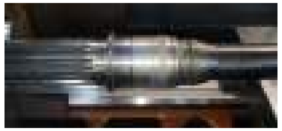
Komatsu operates a remanufacturing (reman) business that collects key components, such as engines and powertrains, from construction and mining equipment used by customers and restores them to like-new quality by repairing damaged areas. Reman not only enables us to provide high-quality components at a reasonable cost, but also reduces CO_2 emissions and environmental impact by reusing recovered components rather than disposing of them as waste.

The Manufacturing Engineering Development Center conducts R&D on repair technologies that enable the remanufacturing of a wide range of parts.

Most parts requiring repair are damaged by wear, and the amount of wear can exceed 1 mm, depending on the operating hours and the loads applied to the component. We restore these parts using overlay coating, which adds metal to worn areas to restore the original thickness, followed by machining to return the parts to their original dimensions for reuse. However, quality requirements vary from part to part. Restoring like-new quality requires the optimal combination of materials and repair methods. The Center therefore develops the optimal overlay coating processes, overlay materials, and machining processes for the quality requirements of each part. We also deploy these technologies to Reman sites worldwide, where they are applied to a wide range of parts, including shafts and couplings, enabling the restoration of various types of components.


Example of overlay coating technology

Damaged parts before repair


Shaft


Coupling

Research and development strategy

Intellectual property strategy

Protecting the value of our technology

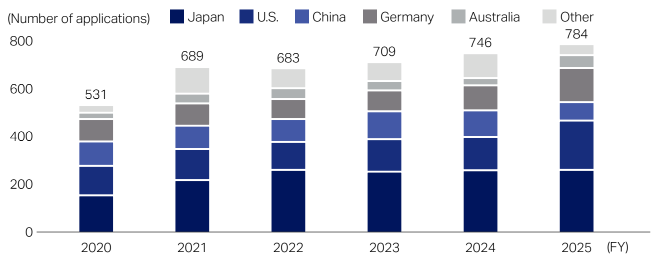
■ Strengthening patent portfolios in automation, remote operation, and electrification technologies

Komatsu strengthens our patent portfolio through global patent applications to protect the technologies that form the foundation of our competitive advantage. We continue to secure patent rights in Japan, the United States, Europe, and Australia while also pursuing patent protection in Asia, South America, and other regions with growth potential in line with the development of our business.

Automation, remote operation, and electrification are our key focus areas. In automation and remote operation, we pursue patent protection for control technologies, remote operation, and construction and fleet operation support technologies that improve safety, reduce labor requirements, and increase productivity at construction and mine jobsites. In electrification, we strengthen our patent portfolio for electric components, energy management, charging and power supply technologies, and equipment control technologies that support the transition to a decarbonized society. We also strive to enhance the quality of our patent portfolio through rigorous reviews based on business contribution and technological importance.

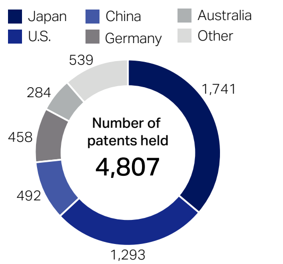
Number of patent applications

We are strengthening our global patent filing activities.



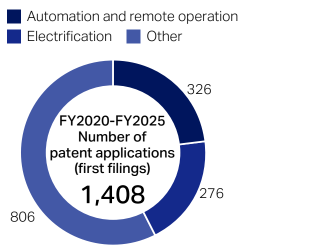
Number of patents held by country

Approximately two-thirds of our patents are overseas patents, reflecting our global patent protection.



Breakdown of patent applications by technical field

We focus on strengthening patent portfolios in automation, remote operation, and electrification technologies, which account for approximately 40% of all patent applications.



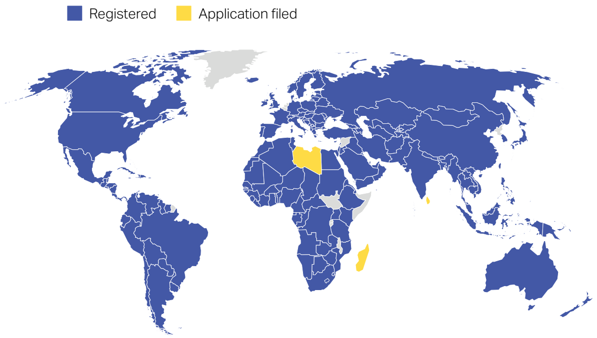
Protecting brand value

■ Protecting brand trust through global trademark protection

Komatsu views the longstanding trust in our brand as an important asset that supports global business growth. We systematically secure trademark rights for the Komatsu logo in key markets and in countries and regions where we anticipate future business expansion. We also expand trademark protection in line with our evolving business strategy, which now extends beyond construction and mining equipment, forestry machinery, industrial machinery, and parts and services to include solutions, data-driven services, remote management, and construction support. We work closely with relevant departments on product, service, and solution names, as well as new brand expressions, to ensure brand consistency and reduce the risk of unauthorized use and confusion.

Trademark application and registration status of the Komatsu logo

We maintain and strengthen brand value by securing trademark rights in approximately 150 countries and regions.



Protecting customer safety and ensuring peace of mind

■ Strengthening anti-counterfeiting measures across markets, manufacturing and supply networks, customs, and e-commerce platforms

Anti-counterfeiting measures play an important role not only in protecting brand value, but also in ensuring customer safety and safeguarding the aftermarket business. Komatsu works closely with relevant authorities to investigate and address counterfeit products in the marketplace, implement countermeasures across manufacturing and supply networks, prevent the importation of counterfeit products through customs enforcement, and monitor online channels, including e-commerce platforms. We also strengthen our efforts to remove infringing content and exercise intellectual property rights. Taking action at each stage allows us to protect customer safety and ensure peace of mind while maintaining trust in the Komatsu brand.

Examples of anti-counterfeiting measures

We protect brand value by preventing the distribution of counterfeit products.

Counterfeit monitor Counterfeit filter

Transforming intellectual property operations through AI

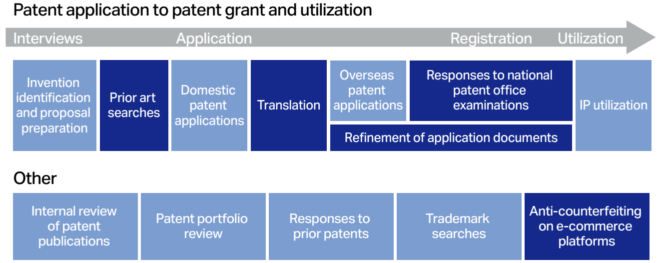
■ Shifting resources from routine tasks to strategic operations

Komatsu uses AI to enhance and streamline our intellectual property operations. We use AI for prior art searches, translation, responses to office actions from patent offices worldwide, analysis of third-party patents and business trends, and the detection of counterfeit products on e-commerce platforms. Using AI in these areas helps optimize costs, shorten lead times, and improve quality. We redirect the time and human resources gained through greater efficiency in routine and repetitive tasks to more strategic operations, including capturing inventions, the development of global patent filing strategies, patent portfolio analysis, and more advanced anti-counterfeiting measures. This shift of resources enables us to enhance medium- to long-term corporate value by evolving intellectual property activities beyond the acquisition and maintenance of rights into activities that support business, R&D, and brand strategies.

Expanding the use of AI in intellectual property operations

We leverage AI across intellectual property operations, embedding it into high-impact processes.

Patent application to patent grant and utilization



* We use AI across all of the operations listed above.
Blue squares (■) indicate operations that benefit most from AI.

Sustainability

Sustainability Policy

The Komatsu Sustainability Policy articulates our clear commitment to addressing climate change and social demands. We strive to contribute to society through our business activities while fulfilling our responsibility to society and the environment.

Sustainability Policy Business continuity guidelines for business activities

Since founding, we have committed ourselves to Quality and Reliability in order to maximize the total sum of trust from all stakeholders, including society. Based on this Management Principle, we have made efforts to build strong relationships of trust with our stakeholders.

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 in various jobsites and 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 towards a sustainable planet and future.

Endorsement for initiatives

Komatsu expressed support for the UNGC (United Nations Global Compact) in 2008. Visit the following website for more information on how our initiatives relate to the Ten Principles of the UNGC.

Web Comparison with global principles (ESG Databook, P.37)

Komatsu expressed support for the WBCSD (World Business Council for Sustainable Development) in 2010 and has participated in its activities.

Komatsu expressed support for the TCFD (Task Force on Climate-related Financial Disclosures) in 2019 and has disclosed information in compliance with the request.

Sustainability management

Komatsu works to solve social issues under our Sustainability Policy by providing high-quality, high-efficiency products, services, and solutions that take the environment and safety into consideration. We will continue to pursue sustainability-focused management and aim for sustainable growth by creating a positive cycle of solving social issues and improving profitability through new customer value creation.

Structure for promoting sustainability

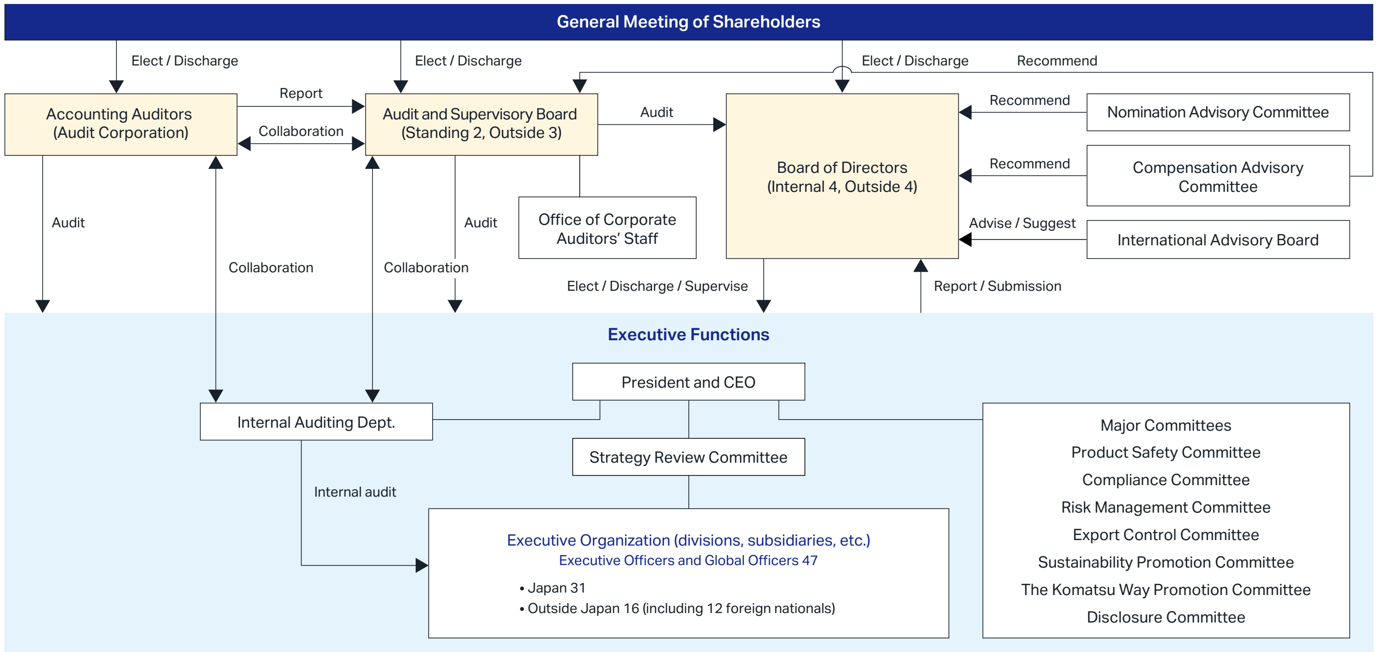
Based on our Sustainability Policy, we established committees chaired by the President or the director in charge, and composed of persons responsible for each business and function, to deliberate, decide on, and promote group-wide policies and measures in the areas such as human resources, occupational safety and health, compliance, human rights, and environmental affairs. For example, the Komatsu Way Promotion Committee reviews personnel and educational measures, and the Sustainability Promotion Committee deliberates on measures related to the environment and human rights. In addition, the Strategy Review Committee deliberates on business strategies for carbon neutrality and resource circulation.

Important sustainability issues and related business strategies are regularly reported to and discussed by the Board of Directors at least once a year.

The Strategic Growth Plan sets activity themes and key performance indicators (KPIs) for solving significant social issues based on our materiality. We disclose progress of these KPIs in the Komatsu Report and link results to executive compensation, creating a structure that steadily advances sustainability.

P.32 KPIs for solving social issues

Sustainability promotion structure (as of June 30, 2026)



Main sustainability agenda items in fiscal 2025

Committees	Month	Main agenda
Board of Directors	April	• Review of the previous mid-term management plan • Responses to changes in the sustainability-related environment surrounding companies • Sharing the Sustainability Promotion Division's activities and implementation approach under the Strategic Growth Plan
	November	• Progress management of the Sustainability Promotion Division's activities under the Strategic Growth Plan
Strategy Review Committee	As needed	• Examination of business strategies related to climate change and resource circulation (R&D of low-carbon and electrified equipment etc.)
Executive Officer Meeting	As needed	• Management of progress related to management targets
	December	• Lecture on human rights compliance by outside experts
Compliance Committee	September	• Reports on regular compliance activities and project activities
	February	• Reports on compliance issues
Risk Management Committee	November	• Identification and organization of corporate risks
	February	
The Komatsu Way Promotion Committee	September	• Progress of HR department activities in the Strategic Growth Plan • Challenges and solutions for global human resources
	January	• Progress of HR department activities in the Strategic Growth Plan • Challenges and solutions for the HR department, primarily in Japan
Sustainability Promotion Committee	September	• Non-financial information disclosure • Human rights response / environmental measures (nature-positive activity plan)
	January	• Progress of activities under the Strategic Growth Plan (reducing CO_2 emissions from product use, etc.) • Social contribution activities / non-financial information disclosures

<With people>

Human capital

Komatsu positions our human resources as important management assets that create new value and pursues human capital investment in alignment with our management strategies. Under the Strategic Growth Plan launched in fiscal 2025, we implement initiatives to acquire and enable the success of talent needed to support business growth as part of the transformation of our business foundation, one of our growth strategies.

Approach to human capital investment under the Strategic Growth Plan

Komatsu established a Global HR vision to create an environment in which global and diverse members can work together as a team for the growth of the business. Under this vision, we seek to enhance corporate value sustainably driven by a positive cycle of growth for both the company and our employees. Our Company perspective focuses on 1) secure talent, 2) right people, right place, 3) development of future leaders, and 4) cost management. Our individual employee perspective emphasizes 1) joining an attractive workplace, 2) engaging in a challenging and/or meaningful job, 3) continuous growth and development, and 4) fair rewards and meaningful recognition. Based on both perspectives, we aim to maximize a Komatsu employee experience through a uniquely Komatsu employee journey (career development).

To realize this vision, we have set forth the priority initiatives undertaken by our human resources and HR development divisions to include creating workplaces where all individuals can shine as their authentic selves, wherever they are. To build foundations supporting these initiatives, we continue to create a physically and mentally safe workplace, advance the digital transformation of HR, and pursue diversity and inclusion (D&I). Komatsu also formulates and implements action plans based on regular engagement surveys, assesses the effectiveness of these plans, and utilizes the results in subsequent initiatives. Komatsu also works to embed the Komatsu Way—behavioral guidelines for putting Our Values into practice—among employees around the world, across diverse cultures and customs.

Global HR Strategy and priority initiatives in the Strategic Growth Plan

Global HR Vision

To create an environment in which global and diverse members can work together as a team for the growth of the business

Global HR Strategy

Company view	Secure talent	Right people, right place	Development of future leaders	Cost management	Company growth
					Sustainable growth driven by a positive cycle
Individual view	Joining an attractive workplace	Engaging in a challenging and/or meaningful job	Continuous growth & development	Fair rewards & meaningful recognition	Individual growth

[Three growth strategy pillars]

- Create customer value through innovation
- Drive growth and profitability
- Transform our business foundation

[HR Strategic Growth Plan]

Strategic Growth Plan

Target	Promote activities aimed at maximizing employee experience through employee journey in line with the style of Komatsu	+	Foundation to maximize the employee experience Create a physically and mentally safe workplace Pursue D&I, etc.
Priority initiatives	Create workplaces where all individuals can shine as their authentic selves, wherever they are		Assessing effectiveness through regular engagement surveys

Implementation framework

Komatsu implements the priority initiatives of our Strategic Growth Plan to adapt to a rapidly changing business environment. We incorporate a human resources perspective into our analysis of the external environment surrounding our company to determine the direction of our human resources strategy and the personnel and training measures needed to support that strategy. We advance various initiatives under our human resources strategies through two approaches: initiatives implemented globally across the entire Group and initiatives advanced effectively and efficiently according to the characteristics of each region and business. The Komatsu Way Promotion Committee serves as the forum to discuss various HR initiatives. Chaired by the President, the committee brings together Executive Officers and Global Officers from Japan and overseas to discuss our human resources strategy, as well as HR and talent development initiatives. We also hold a regular Global HR Meeting attended by HR leaders from Japan and major Group companies around the world. These meetings provide a forum to develop a common understanding of key challenges, discuss HR initiatives, and exchange insights gained through implementing those initiatives.

Global HR Meeting (held in June 2025)

Approximately 40 heads of HR departments and other participants from major Group companies outside of Japan gathered to discuss the direction of our global human resources strategy, various HR initiatives, and projects involving multiple countries. In addition to these meetings, we hold regular discussions with the HR department of each group company outside of Japan to exchange views on each company's challenges and initiatives in greater depth.

Participants in the Global HR Meeting

<With people> Human capital

Initiatives to maximize the employee experience

Our efforts to build a foundation for these initiatives include creating a physically and mentally safe workplace and pursuing diversity and inclusion. We also use global engagement surveys to understand the effectiveness and challenges in these efforts and incorporate our findings into specific measures within our priority initiatives.

Promotion of diversity and inclusion

Komatsu communicates a top message that diversity and inclusion (D&I) sparks imagination, fuels ambition, and drives innovation. Under this message, we believe that creating an environment in which employees recognize and leverage each other's individuality and capabilities leads to the creation of innovation and, ultimately, the growth of the Company as a whole. Based on this belief, we pursue D&I by developing an environment in which diverse talent can thrive, supporting diverse working styles, and enhancing various systems that help employees balance work with childcare, family care, and medical treatment. In addition, to deepen employees' understanding of diversity and respect for individuality and to foster a workplace where everyone can work with confidence, we conduct D&I Literacy Enhancement Activities, including the distribution of D&I-related videos (such as top messages, basic knowledge, and workplace case studies) and articles. These videos have been translated into 13 languages and are distributed globally.

Global engagement survey

Enhancing employee engagement to create a positive cycle of growth for employees and the company is essential to enhancing Komatsu's corporate value and earning greater trust from our stakeholders. To this end, we have regularly conducted global engagement surveys since fiscal 2021, with the third survey conducted in June 2025. Compared with the previous survey, our sustainable engagement score improved to 81 on a global basis as a result of our initiatives. Numerous other categories also exceeded previous results. The Strategic Growth Plan sets forth the global sustainable engagement score, the global eNPS score (an indicator measuring employees' loyalty to the Company), and the global innovation score as KPIs. Komatsu will continue enhancing engagement by steadily implementing action plans based on detailed analysis for each country and department, further building on our strengths, and addressing areas requiring improvement.

Sustainable engagement score

	2021		2023		2025 (FY)
Global	79	▶	80	▶	81

Action plan case study

Each region and department develops and implements action plans tailored to its challenges based on the results of the global engagement survey. Komatsu Africa Holdings (Pty) Ltd., which operates in Southern Africa, identified rewarding employees who drive innovation as a key management priority based on the survey results. The company introduced a new Managing Directors' Award program to address this challenge. This program recognizes teams whose innovative initiatives have made significant contributions to business growth, skilled employees who have demonstrated outstanding performance throughout the year, and employees who exemplify Komatsu's values to a high degree. The program also fosters a culture that encourages each employee to take on new challenges while enhancing the motivation of high-performing employees. Komatsu Africa Holdings holds the awards ceremony as part of a company-wide town hall meeting to encourage communication among employees and share knowledge across the organization.

Awards ceremony

Priority initiatives in the human resources strategy under the Strategic Growth Plan

Creating workplaces where all individuals can shine as their authentic selves, wherever they are is the highest priority for the human resources and HR development division. We identify this initiative as a priority initiative in transforming our business foundation, one of the three growth strategy pillars in the Strategic Growth Plan. Sustainably enhancing corporate value requires not only attracting and retaining the talent needed to support business growth but also creating a workplace where every employee can continue working while finding purpose and opportunities for growth. To this end, we enhance our efforts to attract talented employees by articulating the value we offer employees in the Komatsu EVP Playbook*, sharing the playbook globally, and implementing talent attraction and retention measures tailored to local needs. We also implement efforts to increase the recognition of the Komatsu brand. These efforts include our partnership with the Atlassian Williams F1 team and other measures to enhance our ability to attract and acquire employees in each country. Furthermore, Komatsu regards the systematic development of talent capable of leading our global business and opportunities to gain experience across countries and regions as key priorities. We strengthen our succession planning and expand global mobility to support these efforts. Our efforts also extend to creating an environment in which all of our employees, including those who work at our gemba (field offices and sites), as well as those who are active across national and regional borders, can maximize their abilities. Key initiatives include analyzing and disclosing human capital data through our human resources information system and expanding education and training opportunities.

* EVP (employee value proposition): Represents the values that our company provides to employees, including our mission and vision, corporate values and culture, human resources development system, career development environment, work environments, compensation and benefits, and more.

Onboarding initiatives to support the retention and early success of mid-career hires

Our efforts to attract and retain talent include creating an environment where mid-career hires with diverse backgrounds can quickly adapt to the organization and continue working with confidence. Komatsu has established onboarding initiatives that provide consistent support from the job offer stage through a certain period after joining the Company. These initiatives address new employees' concerns

<With people> Human capital

about entering a new environment and support smooth relationship-building within the organization and understanding of job responsibilities. Before new employees join the Company, we provide opportunities for communication to ensure that new employees can begin work with confidence from the first day. Upon joining Komatsu, the assigned department and the HR department work together to provide an accessible support structure, regular opportunities for dialogue, and group training opportunities such as onboarding forums. Through these onboarding initiatives, we help each employee realize individual potential while driving sustainable corporate growth.

Enhancement of succession planning

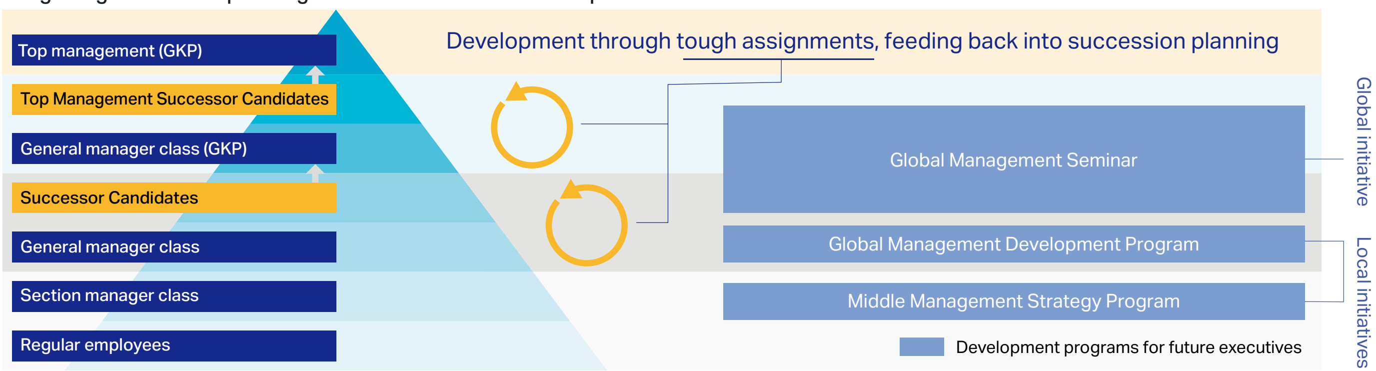
For the Komatsu Group, which operates globally and generates approximately 90% of our total sales outside Japan and has approximately 70% of all employees working outside Japan, the development of global leaders is a key to growth. Heads of major regional subsidiaries are appointed as Global Officers, who are responsible not only for their respective regions but also for part of the Group's consolidated management. In addition, from among these Global Officers, appropriate individuals are selected and appointed as executive officers of Komatsu to assume core management responsibilities. Furthermore, approximately 700 key positions worldwide are designated as Global Key Positions (GKPs), for which succession plans are formulated and updated annually on a rolling basis, while discussions are held regarding future development plans. In conjunction with these succession plans, Komatsu also regularly conducts the Global Management Seminar (GMS) for current and candidate management executives. At GMS, we encourage a deeper understanding of Komatsu's global management strategies through discussions with Komatsu's top management. Participants learn management theory through case-method learning led by an external business school lecturer, broaden their business perspectives, and exchange views on the future of Komatsu with fellow participants. Through these initiatives, we strive to develop global leaders capable of practicing management rooted in the Komatsu Way.

Expansion of global mobility

Throughout our long history, Komatsu has assigned many Japanese expatriates to work around the world. Today, however, we do not limit our efforts to dispatching employees from Japan to overseas locations. We pursue global mobility (international personnel transfers) to achieve a borderless approach to placing the right people in the right roles. We launched the Global Mining Talent Program in fiscal 2024 to support these efforts. The program is a training program designed to develop next-generation talent in the mining equipment business. Through this program, Komatsu provides opportunities for cross-border practical training to personnel expected to lead each region in the future. We have sent five employees to two countries to date, helping participants gain a deeper understanding of the mining equipment business through practical experience in a global environment. The second Global Mining Talent Program will take place in fiscal 2026. We plan to send one employee from Indonesia to Japan, one employee from Brazil to Germany, and one employee from South Africa to Brazil. We also hold networking events for participants from the first and second programs to help them build networks through the program. Through these initiatives, we will strengthen the competitiveness of the business as a whole by pursuing further global mobility in the mining equipment business and cultivating global talent who will lead the future.

Global Mining Talent Program

Integrating succession planning and human resources development



Development of human resources to foster innovation

Komatsu strives to maintain and strengthen our competitiveness through innovation that leads to value co-creation. To this end, we regard innovation as a key indicator in the global engagement survey and work globally to develop human resources and create environments related to data and digital technologies.

With respect to human resources development, we defined the talent profiles we seek to develop through education and established an integrated educational framework ranging from basic training programs for all Komatsu employees to selective practical programs. Specifically, we provide training to develop business reform leaders, training to acquire problem-solving skills using digital technologies, and programs through which each participant can autonomously learn the skills they need.

In addition, through the activities of a global working team that is building a foundation for the use of generative AI, we are working to create an environment in which generative AI can be put into practice in each workplace. In fiscal 2025, we implemented literacy training for all Group employees on ways of working based on the use of generative AI. Through these initiatives, Komatsu will continue fostering a corporate culture in which all employees see generative AI as relevant to their own work and actively use the technology.

Innovation score

	2021	2023	2025 (FY)
Global	64	67	68

<With people> Human capital

Health and safety policy and implementation framework

Komatsu makes decisions prioritizing the principles of Safety & Health, Law, Quality, Delivery, and Cost, clearly stating in our code of business conduct that safety and health take precedence over all other priorities, and has made these priorities known to employees. In accordance with the Message concerning Occupational Health and Safety by the President, we also work continuously to provide a safe and secure work environment where employees can work with confidence while maintaining and improving the health of every employee. We established a health and safety policy to support these efforts, in which we clearly state every employee's responsibility to work together and take an active role in health and safety management activities.

The system for health and safety management is led by the President and the Executive Officer supervising safety and health. Under this system, we share information globally and in a timely manner not only within Komatsu but also with business partners, including supplier companies and distributors. The Board of Directors also receives regular reports on occupational health and safety initiatives and discusses these matters as needed.

The Strategic Growth Plan sets forth the continuous reduction of Lost-Time Injury Frequency Rate (LTIFR; per million hours) as a KPI for solving social issues. Through this KPI, we strive to create a safe and secure work environment while maintaining and improving employee health.

Web Lost time injury frequency rate (ESG Databook, p.81)

Training at Bangkok Komatsu Co., Ltd.

Health and safety initiatives

Under our health and safety policy, Komatsu complies with applicable laws, regulations, and internal rules. We work to prevent similar workplace incidents from recurring by analyzing the causes of past incidents and sharing corrective measures across the Company.

In addition, Komatsu establishes occupational health and safety management systems and works to obtain ISO 45001 certification to reduce workplace safety risks and prevent incidents. We strive to mitigate potential risks through risk assessments and pre-work hazard prediction activities, as well as various internal training programs to enhance employee safety awareness.

In fiscal 2025, multiple departments at Komatsu America Corp. and Komatsu Mining Corp. jointly developed a Virtual Reality Safety Dojo deployable on a global scale. This virtual dojo combines conventional training with the latest virtual technology to recreate actual work environments and high-risk scenarios in a virtual reality setting, delivering immersive training that provides a high level of understanding and knowledge retention.

The virtual dojo also delivers standardized training in a compact space, making it possible to provide consistent safety education across global locations, including smaller sites. Looking ahead, we will continue expanding the program globally while incorporating haptic technology to create a more immersive and practical training experience.

Virtual Reality Safety Dojo fire extinguishing training

Health management initiatives

Supporting employee well-being is a shared priority around the world. Komatsu supports the daily health of our employees while creating a workplace where everyone can work in good physical and mental health with a positive and energetic attitude.

In Japan, we launched the Health Promotion Plan in 2014 while strengthening our in-house healthcare system to foster a culture of health in which employees take ownership of the decisions and actions needed to lead healthier lives. We have since continued updating the plan to reflect progress against our goals and changing circumstances, and launched the 3rd Health Promotion Plan in fiscal 2025. We carry out ongoing measures to improve health literacy, prevent cancer and lifestyle-related diseases, reduce tobacco use, and support mental health.

The launch of the 3rd Health Promotion Plan in fiscal 2025 also marked the publication of the first Komatsu Health & Well-Being Report. The report reviews the progress and achievements of our health initiatives to date and provides a foundation for the next stage of initiatives.

Web Komatsu Health & Well-Being Report

Komatsu Health & Well-Being Report

<With people>

Business and human rights

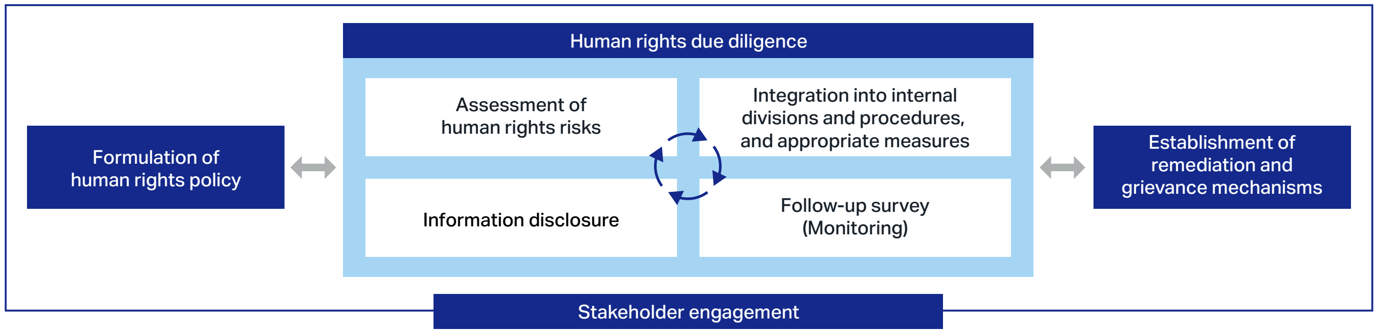
In September 2019, Komatsu established our human rights policy (revised in September 2023), declaring our endeavors to conduct business with respect for human rights in accordance with international standards, including the United Nations Guiding Principles on Business and Human Rights, throughout our global organizations. This policy applies to all Group business activities and all Group employees worldwide, and Komatsu encourages our suppliers, sales and service distributors, and other business partners, to engage in their respective business activities based on this policy.

Human rights due diligence

To fulfill our corporate social responsibility, Komatsu establishes and operates a human rights due diligence process to identify and assess risks that may arise from our business activities. Through this process, we will also take appropriate corrective measures should concerns arise regarding negative impacts on human rights.

As a major initiative in 2025, we conducted a gap analysis between the requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD) and Komatsu's initiatives to date. In preparation for the future application of the CSDDD, we have identified priority items to address and are taking actions accordingly. At the same time, we mapped the business activities of Komatsu, group companies, and business partners across the value chain, and conducted human rights and environmental risk assessments in the construction and mining equipment and industrial machinery businesses to identify areas requiring particular attention. Since risks were assessed as relatively high in the area of human rights regarding materials procurement, we are preparing to conduct further surveys and analyses focused on the upstream supply chain.

Human rights due diligence process



Web Komatsu's business and human rights initiatives (ESG Databook, p.86)

Stakeholder engagement

Komatsu is committed to stakeholder engagement as part of our human rights and environmental due diligence process, which includes assessing negative impacts, setting priorities, and developing preventive plans. From January to February 2026, we visited the headquarters of four suppliers in Japan and exchanged opinions with representatives and persons in charge at each company regarding the status of their human rights and environmental initiatives. As a result, we confirmed that each company is taking careful and considerate steps in its human rights and environmental initiatives.

Value chain mapping in preparation for CSDDD

			Upstream		Own operations and group companies	Downstream
			Development	Materials procurement	Production and assembly	Transportation and storage
Risk assessment	Construction and mining equipment	Human rights	Very low	High	Medium	Low
		Environment	Low	Medium	Low	Low
	Industrial machinery	Human rights	Very low	High	Low	Low
		Environment	Low	Medium	Low	Low

Major human rights initiatives

Formulation of human rights policy	• Established the human rights policy (2019) and revised it (2023) • Reflected respect for human rights in Komatsu's Worldwide Code of Business Conduct and Global HR Policy • Incorporated respect for human rights into the CSR Procurement Guidelines
Human rights due diligence	• Conducted value chain risk assessments (2014, 2017, 2020, and 2025) • Conducted a web survey targeting the Komatsu Group and Midori-kai suppliers (2022) • Performed an impact assessment of downstream operations in South Africa (2022) • Conducted human rights e-learning (for all employees and procurement departments, from 2023) • Incorporated provisions on respect for human rights when renewing supplier and distributor agreements
Establishment of remediation and grievance mechanisms	• Compliance hotline and Proper Transactions Act hotline • Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as an external inquiry response channel
Stakeholder engagement	• Visits to suppliers in Japan to exchange opinions • Exchange of opinions with distributors and customers outside Japan • Held open discussions with Komatsu headquarters marketing representatives (from 2023)

<With business>

Enhancement of product safety

Providing customers with safe and reliable products is our primary responsibility as a manufacturer. Under our commitment to Quality and Reliability in the Komatsu Way, we work to improve quality and provide products that customers can use with confidence. We also aim to create value that improves the safety of customer jobsites with a combination of solutions to optimize operational processes and products that are compatible with these solutions.

■ Quality assurance system

All Komatsu divisions, from product planning to development, production, sales, and services, work together as one team to create safe and creative products. We conduct review and evaluation meetings at each step of development and production, ranging from product planning to the mass-production stage. Through such processes, we evaluate conformity with required quality standards and design new products to achieve specific goals. In this way, our quality assurance activities ensure conformance with Komatsu brand quality levels. Furthermore, we comply with international standards and the laws and regulations of each country, and strive to provide eco-friendly products and services.

■ Product safety information sharing framework

Komatsu places the highest priority on safety and security in quality assurance activities. We established a system to detect product safety problems promptly in the market and respond appropriately. We also established a system, mainly through the Product Safety Committee, and continue to improve to ensure employees and top management implement the following improvement measures and decisions properly: 1) analysis and treatment of the causes of accidents, 2) notification to authorities, and 3) recalling products in the market.

For details on quality assurance, please refer to the following website.

Web Quality and reliability - Our responsibility to customers - (ESG Databook, P.98)

■ Enhancing safety through products and solutions

Komatsu defines the vision we aim to achieve through our business strategy as becoming a collaborative partner committed to optimizing safe, productive, and clean workplaces. In particular, enhancing safety at customer jobsites where Komatsu products operate is an important social issue. Accordingly, we position the planning, development, and introduction of safety equipment, including safe products and solutions that improve safety, as one of our KPIs for solving social issues, and we continue to actively pursue their development.

(1) Rollover Prevention System for articulated dump trucks
Articulated dump trucks are primarily used to transport earth and other materials at construction sites with uneven or rough terrain. Because the vehicle's center of gravity can shift while traveling over uneven ground or during dumping operations, reducing the risk of rollover is a critical safety concern. The HM460-6, launched in 2026, is equipped with a Rollover Prevention System designed to help reduce this risk. The system continuously monitors vehicle speed and operating conditions. When it detects conditions that may increase the risk of rollover during turning or dumping operations, it provides warnings to the operator and automatically controls vehicle speed and dumping functions. These features help enhance operational safety and reduce the likelihood of rollover incidents.

HM460-6 articulated dump truck traveling over rough terrain

(2) KomVision, All Around Monitoring System
At construction jobsites, where conditions change daily as work progresses, workers from many different trades and construction equipment often operate in the same area, and the risk of contact between people and construction equipment is always present. The KomVision machine surround camera system uses four cameras installed at the front, rear, left, and right sides of construction equipment to display a bird's-eye view including the area around the vehicle on a large monitor in the operator's seat. This system has also been installed on two models: the WA470-11/WA480-11 wheel loaders launched in 2025 and the HM460-6 articulated dump truck launched in 2026. Both models have cab designs that reduce blind spots from the operator's seat. By supplementing forward visibility when starting, left and right visibility when turning, and rear visibility when reversing, this function further reduces blind spots and contributes to safe operation by helping operators avoid contact with people and objects and understand the surrounding terrain.

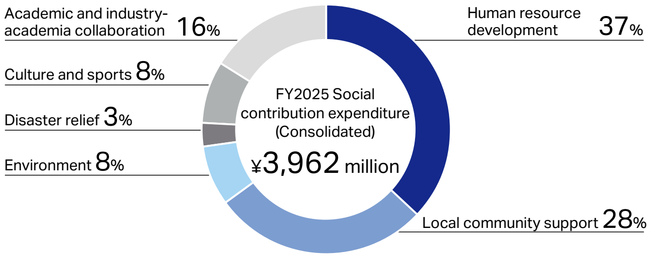
Bird's-eye view image and installed cameras of the WA470-11 wheel loader

<With business>

Social contribution activities

Undertaking social contribution activities in the communities where we operate is one of our important corporate responsibilities. Based on our Sustainability Policy, we recognize that contributing to society through business activities is our corporate social responsibility. We leverage the characteristics of our business and seek to contribute to local communities.

Social contribution activities in FY2025



■ Scholarship support program in Senegal

In July 2025, as part of our human resource development initiatives, Komatsu signed an agreement for scholarship support with the Centre de Formation Professionnelle et Technique SENEGAL-JAPON (CFPT-SJ). CFPT-SJ is one of the leading vocational training schools in West Africa and plays an important role as a center for human resource development in the region. This support provides tuition-equivalent scholarships for two years to privately funded students enrolled in CFPT-SJ's Heavy Equipment Maintenance Program. Ten students received scholarships in 2025. Through this support, Komatsu will promote the sustainable development of technical human resources in Africa.

Classroom scene in CFPT-SJ's Heavy Equipment Maintenance Program

■ Demining and reconstruction project

Komatsu developed demining equipment by combining technical expertise and knowledge in manufacturing. Since 2008, we have supported reconstruction activities in Cambodia in partnership with the authorized NPO Japan Mine Action Service (JMAS). By lending demining equipment for anti-personnel landmines and construction equipment free of charge, we are promoting community reconstruction in the region with a focus on three categories: clearing landmines, developing agricultural fields and infrastructure, and constructing schools. As of the end of March 2026, landmine clearance had been completed on a cumulative total of 5,321 ha of land. In fiscal 2025, two elementary schools were also built, bringing the cumulative total of elementary schools built to 12.

Results of activities in Cambodia (cumulative as of March 31, 2026)

Landmine clearance area	5,321ha
Road construction and maintenance	112km
Rice field leveling	270ha
Elementary schools built	12

The 11th elementary school built by Komatsu in Cambodia

■ CSR collaboration agreement with Cummins Inc.

In March 2026, Komatsu renewed the CSR collaboration agreement we signed in 2016 with Cummins Inc., a global leader in power technology. This agreement provides a comprehensive framework for jointly promoting human resource development and community contribution programs in the field of CSR. Based on their partnership in construction equipment and engine technologies, the two companies have supported the creation of employment opportunities for young people through practical technical and vocational education. The program is currently deployed at 30 sites in 14 countries and has produced more than 1,200 graduates. In April 2026, employees of both companies also participated as volunteers in a tree-planting activity in Australia organized by Landcare Australia, an NPO engaged in environmental conservation activities, contributing to the restoration of the natural environment around rivers in collaboration with local communities.

Through this renewal of the collaboration agreement, the two companies reaffirmed their shared commitment to long-term community contribution activities. They will further strengthen partnerships with educational institutions and other organizations, while creating social contribution activities that employees of both companies can easily participate in and opportunities for initiatives in human resource development linked to their respective business activities.

Tree-planting activity joined by employees of Cummins Inc. and Komatsu

<With the planet>

Addressing global environmental issues

Komatsu believes that natural capital is an essential element for creating a positive cycle of solving social issues and improving profitability through our growth strategies, as well as for achieving sustainable growth. To pass on a healthy planet — the only one we have — to the next generation, we consider environmental conservation activities as one of our top management priorities and work to protect the environment in all of our business activities.

Basic approach to global environmental issues

Komatsu established the Komatsu Earth and Environment Policy in 1992 and has positioned environmental conservation activities as an issue of utmost priority in management, proactively addressing climate change and other environmental issues a step ahead of our peers. Furthermore, recognizing the impact of our business activities not only on climate change but also on ecosystems, we established the Komatsu Declaration on Biodiversity and Biodiversity Guideline in 2011, and have been engaged in global activities to preserve biodiversity.

Web Komatsu Earth and Environment Policy (ESG Databook, P.156)

Web Komatsu Declaration on Biodiversity and Biodiversity Guideline (ESG Databook, P.195)

Climate change initiatives (disclosure based on TCFD recommendations)

In April 2019, Komatsu announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We advance climate change response measures through climate change risk and opportunity assessments and scenario analyses based on these recommendations, as well as through healthy dialogue with stakeholders.

At the 26th United Nations Climate Change Conference (COP26) held in November 2021, an agreement was reached to work toward limiting the average rise in global temperatures to 1.5°C above pre-industrial levels. Furthermore, at COP28, held in November and December 2023, it was agreed to accelerate reductions in greenhouse gas emissions, including CO_2, to achieve the 1.5°C target.

In light of these global trends, in addition to the conventional 2°C and 4°C scenarios, Komatsu has disclosed the results of analyses annually, including the 1.5°C scenario since fiscal 2022.

(1) Governance

The Komatsu Group recognizes climate change and nature-related initiatives as an important management issue. We have incorporated targets for combating climate change and supporting nature into our business strategies, which are discussed at respective committees. See *Sustainability management* for the agenda items discussed by each committee.

P.47 Sustainability management

(2) Strategies

1) Risk and opportunity identification

In identifying climate change-related risks and opportunities pertaining to the Komatsu Group's business, we referenced the risk and opportunity examples described in *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures*. The scope of our analysis covered the overall business of the Komatsu Group, and we identified 16 risks and opportunities centered on the construction and mining equipment business, where the impact is particularly significant. We then assessed internal factors that affect sales and earnings and external factors assumed under the scenarios, grouping them into four major themes: changes in resource demand, transition to low-carbon products, manufacturing costs, and natural disasters.

Since our first TCFD disclosure in 2020, we have focused on these four themes and updated them annually. See the chart below and the referenced website for scenario analyses disclosed to date.

Web Scenario analysis of the four themes (ESG Databook, P.191)

2) Assumptions for scenario analysis

To gauge the potential impacts of risks and opportunities on the Komatsu Group, we performed scenario analyses for the four themes described above. For these analyses, we selected the 1.5°C, 2°C, and 4°C scenarios based on the *Fifth Assessment Report (Representative Concentration Pathways 2.6 and 8.5)* and the *Sixth Assessment Report (Shared Socioeconomic Pathway 5-8.5)* of the Intergovernmental Panel on Climate Change, as well as the *Sustainable Development Scenario, the Stated Policies Scenario**1*, and the Net Zero by 2050**2 of the International Energy Agency (IEA).

Identified risks and opportunities in climate change

16 risks and opportunities	4 major themes		Scenario analysis disclosures (FY)
• Coal demand fluctuations • Changes in reputation among customers and investors	Changes in resource demand	• Reduced coal demand • Increased resource demand related to electrification	• Hard rock business expansion (1.5°C) (2022)
• Environmental regulations • Trend toward electrification • Subsidies for renewable energy and energy conservation projects • Substitute fuel technologies • Next-generation technical services (new market)	Transition to low-carbon products	• More stringent fuel regulations • Progress in electrification and next-generation technologies	• Electrified construction and mining equipment (2°C) (2021) • Battery strategy for stable development of electric construction equipment (1.5°C) (2025)
• Carbon prices • Popularization of renewable energy technologies • Raw material prices • Energy prices • Recycling	Manufacturing costs	• Rising manufacturing costs due to higher carbon prices* * CO_2 taxation measures for reducing emission	• Carbon tax on production sites (1.5°C/2°C) (2023) • Engagement in ICP*3 (1.5°C) (2023)
• More frequent abnormal weather events • Increased precipitation amounts and fluctuating weather patterns • Higher average temperatures • Rising sea levels	Natural disasters	• Increased precipitation and flood risks due to abnormal weather • Higher demand in conjunction with national resilience plans	• Estimation of flood damage (1.5°C/2°C/4°C) (2024)

*1 STEPS (The Stated Policies Scenario): One of the outlooks published by the IEA. This scenario assumes that policies and regulations currently announced by governments will continue in the future.
*2 NZE (Net Zero Emissions by 2050 Scenario): One of the outlooks published by the IEA. This scenario assumes that global CO_2 emissions will reach net zero by 2050.
*3 ICP (Internal Carbon Pricing) Framework for increasing the priority of environmental investments through assessments of capital investment returns that position CO_2 reduction benefits as a value similar to cost reduction benefits.

<With the planet> Addressing global environmental issues

3) Risks, opportunities, and strategies for each of the four themes

	Theme 1: Changes in resource demand
Risks	• Regulation of power generation from and use of fossil fuels • Massive reductions in coal production volumes • Reduced appetite for investment in coal mines • Reduced sales by Komatsu to coal-related customers
Opportunities	• Rapid transition from fossil fuel-powered equipment to electric equipment • Higher demand for copper and other resources necessary for electric equipment (motors, batteries, fuel cells, etc.) • Increased sales by Komatsu to copper and other relevant mining-related customers in conjunction with the trend toward electric equipment • Increased investment for improving the efficiency of mining operations
Strategies	Komatsu will achieve sustainable growth by capitalizing on opportunities presented by changes in demand for resources based on the business portfolio outlined in the Strategic Growth Plan. <Priority initiatives> • Expand underground hard rock mining business • Develop automated and remote operable mining equipment to quickly respond to shifts in demand • Improve productivity through open technology platforms

<Next-generation mining truck field trials at copper mine>

A next-generation mining truck, the Power Agnostic Truck, started field trials at one of Europe's largest copper mines. The truck adopts a modular design that enables the truck's power source to be changed from diesel to various alternatives, such as batteries and hydrogen. In the future, this type of truck will allow customers to switch flexibly to power sources with lower environmental impact according to their needs.

	Theme 2: Transition to low-carbon products
Risks	• Higher development and capital investment costs due to emissions restrictions • Reduced sales due to inability to cater to customer electrification demands • Substantial changes in technology development and competitive climate, including market entry by new competitors • Long-term diminishment of technological edge as customers begin leading the development and manufacturing of drive components
Opportunities	• Increased sales from rising demand for electrified construction equipment, fuel-efficient equipment, and biomass fuel-powered equipment; using adaptation in advanced markets/with customers to stay ahead of changes in other markets • Growth of reman operations driven by transition to circular economy • Increased demand for solutions businesses with emissions-reducing benefits • Increased product reliability due to securing stable supply sources and partners with mass production benefits for high-quality components for storage batteries and other power sources
Strategies	Komatsu is advancing initiatives aimed at achieving carbon neutrality while facilitating the transition to the low-carbon products the world demands. <Priority initiatives> • Develop electrified equipment using batteries, hydrogen fuel cells, and other power sources • Develop power sources compatible with carbon-neutral fuels and hydrogen • Deploy Smart Construction and other solutions on a global scale • Contribute to cyclical businesses through forestry machinery and the reman businesses

<On-site PoC test of a hydrogen fuel cell-powered hydraulic excavator>

Together with Obayashi Corporation and Iwatani Corporation, Komatsu conducted Japan's first on-site proof of concept test of a hydraulic excavator equipped with a hydrogen fuel cell system at a construction jobsite. In addition to confirming operating performance comparable to conventional diesel-powered models, the test confirmed improvements to the work environment through lower noise and reduced vibration, and reaffirmed challenges related to hydrogen supply, refueling methods, and practical operation.

	Theme 3: Manufacturing costs
Risks	• Taxation of fossil fuels and CO_2 emissions • Increase in prices of purchased goods • Cost increases due to investment in facilities with low CO_2 emissions
Opportunities	• Increased competitiveness through manufacturing technologies that reduce CO_2 emissions
Strategies	Komatsu will work to mitigate cost increases by achieving CO_2 reduction and renewable energy use targets while developing production bases with low environmental impact. <Priority initiatives> • Create plants with zero environmental impact • Use internal carbon pricing (ICP; set price of $300* per ton of CO_2) for energy conservation and renewable energy capital investment decisions for Scope 1 and 2, promoting investment in CO_2 reduction * In setting the price, the basis for the price and the calculation method were considered based on the *Guidelines for the Use of Internal Carbon Pricing* (Ministry of the Environment, March 2020). The price was set using internal discussions toward a price that encourages decarbonization investments as one of four price-setting methods.

<New smart assembly plant in Indonesia>

Komatsu Indonesia inaugurated a new smart assembly plant to strengthen its competitiveness and reduce CO_2 emissions in Indonesia. The plant utilizes a Smart Factory concept, integrating automation and digitalization across production processes. The plant also utilizes Automatic Guided Vehicles (AGVs) for the component supply system, improving productivity and efficiency while reducing environmental impact.

<With the planet> Addressing global environmental issues

Theme 4: Natural disasters	
Risks	• Increased frequency and intensity of heavy rain and floods due to abnormal weather • Suspension of operations due to damage at Komatsu plants • Parts supply delays following damages to suppliers from disasters
Opportunities	• Increased demand for flood-control and other construction work towards national resilience
Strategies	Komatsu will implement countermeasures against heavy rains and flooding across the value chain (response to physical risks). <Priority initiatives> • Komatsu will build production and procurement systems that are resilient to changes in the operating environment (expand multi-sourcing ratio).

<Underwater construction robot demonstrates underwater construction of the future>

In recent years, there has been a growing need for construction work in coastal and shallow water areas in order to respond to disaster prevention and post-disaster recovery from natural disasters. Komatsu began mass production of radio-controlled amphibious bulldozers in 1971, and these machines have been used in underwater construction projects, including the post-disaster reconstruction after the Great East Japan Earthquake.

Amphibious bulldozer performing dredging work at a dam

Currently, to improve responsiveness to the natural disasters described above and to help solve social issues such as shortages of workers in construction due to the declining birthrate and aging population, Komatsu is working with underwater construction expert Asunaro Aoki Construction Co., Ltd., to develop an electric underwater construction robot evolved from the amphibious bulldozer. By using automatic control and ICT functions, the robot is designed for highly efficient and accurate underwater construction through remote operation from a safe and comfortable office, without requiring skilled techniques. A concept machine was produced in July 2023, and testing has been conducted in rivers and fishing ports.

Underwater construction robot concept machine testing at a port

At Expo 2025 Osaka, Kansai, Japan, Komatsu and Asunaro Aoki Construction Co., Ltd. held an exhibit under the theme Underwater Construction of the Future, presenting a future in which underwater construction using underwater construction robots protects lives and livelihoods. In addition to disaster prevention and disaster recovery, these robots are expected to contribute to a decarbonized society through underwater construction related to renewable energy and the creation of seagrass beds and tidal flats. Komatsu will continue working to realize construction using underwater construction robots.

Exhibition at Expo 2025 Osaka, Kansai, Japan

(3) Risk management

Major risks and opportunities related to climate change and nature are described in individual strategies. These risks and opportunities are incorporated into the risk management processes of the entire Komatsu Group, including the risk management rules, and the individual strategies and priority initiatives are managed as an element of corporate risks.

(4) Indicators and targets

Indicator	Target
Reduction of environmental impact	• Decrease CO_2 emissions from Komatsu (total): 50% reduction by FY2030 (compared to FY2010) Decrease CO_2 emissions from product use (intensity): 50% reduction by FY2030 (compared to FY2010) <Stretch goal > Become carbon neutral by FY2050 • Renewable energy use: 50% of total energy use by FY2030

Regarding nature-related indicators and targets other than climate change, we have established targets for water consumption, waste volume, and other items. Refer to the ESG Databook 2026 for details.

Web Medium- to long-term targets and progress (ESG Databook, P.159)

For information on the results of environmental investments and other activities in fiscal 2025, please refer to the following website.

Web Major environmental achievements in FY2025 (ESG Databook, P.212)

<With the planet> Addressing global environmental issues

■ Nature-related initiatives

In December 2022, the United Nations Biodiversity Conference of the Parties (COP15) to the UN Convention on Biological Diversity (CBD) adopted the goal of a nature-positive world by 2030 (halting and reversing biodiversity loss). Komatsu has designated nature-positive activities as one priority initiative in the Strategic Growth Plan and is strengthening biodiversity conservation initiatives through our products, services, solutions, and the entire value chain.

(1) Understanding nature-related dependencies and impacts

To understand the relationship between overall business activities and nature, Komatsu conducted screening by industry and production process using ENCORE, a tool for analyzing dependencies on and impacts on natural capital. We also referenced the Taskforce on Nature-related Financial Disclosures (TNFD) in this process. The scope of our screening covered upstream activities, direct operations, and downstream product use of the construction, mining and utility equipment business, which accounts for approximately 90% of consolidated net sales.

<Scope>

- Major upstream raw materials and activities:
  oil and gas, mining and steelmaking, chemicals, tires and rubber, and logistics
- Direct operations: machinery assembly, and metal processing
- Major downstream product use: construction equipment, mining equipment, and forestry machinery

As a result of the screening, we confirmed that the items shown in the table below have relatively large dependencies and impacts on nature in upstream activities, direct operations, and downstream product use.

Major items identified as significant nature-related dependencies and impacts

Category	Direct operations (metal processing process)	Major upstream raw materials and activities / Major downstream product use
Dependencies on nature (benefits that our business activities receive from nature)	• Securing a stable water supply • An environment where fluctuations in water flow are controlled	• Stable rainfall patterns • An environment where water quality is purified and maintained • An environment where soil erosion is controlled and the ground is stable • A globally stable climate
Impacts on nature (changes that our business activities cause in nature)	• Emissions of greenhouse gases and air pollutants • Pollution loads affecting soil and water quality • Disturbance from noise, light, and other factors	• Pollution loads affecting soil and water quality • Disturbance from noise, light, and other factors • Environmental impacts on freshwater resources

(2) Our response to environmental categories with large nature-related dependencies and impacts

We recognize that nature-related matters cannot be assessed across the entire business using uniform indicators and that responses based on site-specific conditions are important. For direct operations, we also used the WWF Biodiversity Risk Filter* to understand the relationship between biodiversity-related risks at major production sites and in nearby areas and the important items identified through ENCORE. Regarding water-related dependencies on nature and pollution-related impacts on nature, which were identified through ENCORE as relatively high, we compared natural conditions with the locations of production sites and confirmed that pollution-related impacts require attention even after considering the characteristics of the locations.

Under the Komatsu earth and environment policy, we have set KPIs for CO_2 emission reductions and water consumption and have worked to achieve these targets across the Group. Nature-related risks, including biodiversity, are incorporated into our company-wide risk management process and reviewed. For environmental pollution risks, such as air, soil, groundwater, and noise, we ensure strict compliance not only, within the framework of ISO 14001, with environmental laws and regulations in each region but also with our own standards. In M&A, we conduct environmental due diligence to confirm compliance with laws and regulations and identify potential environmental pollution risks.

Through this analysis, we reaffirmed that dependence on nature is a prerequisite for business activities and confirmed that the environmental initiatives we have promoted to date are also consistent with responses to nature-related issues.

Web Climate change (ESG Databook, P.164)
Web Environmental risk management (ESG Databook, P.180)
Web Acquiring ISO14001 (ESG Databook, P.160)

Based on the CSR Procurement Guidelines and Komatsu Green Procurement Guidelines, we are promoting environmentally conscious procurement of raw materials and parts, as well as working with suppliers to encourage environmental management certification and reduce environmental impact. Going forward, we will further enhance dialogue with suppliers, discussing nature-related matters and increasing the effectiveness of these initiatives, leading to risk reduction and opportunity creation upstream.

We support customers in reducing environmental impact at construction and mining jobsites by providing products, services, and solutions. Through products that contribute to decarbonization, solutions that support operational improvements, and visualized operating data, we help reduce resource use at jobsites. At jobsites where consideration for soil and water environments is required, we support appropriate construction planning and operations and work to reduce impacts on nature.

We also contribute to building a circular society through the reman and rebuild businesses, which help curb the input of primary resources by remanufacturing and reusing components, and through the forestry machinery business, which supports circular forestry that uses forest resources sustainably. We position these businesses as initiatives that are expected to reduce nature-related risks and contribute to nature-positive outcomes.

Web Outline of procurement policy and supply chain (ESG Databook, P.106)
Web Support for Midori-kai member companies (environmental initiatives) (ESG Databook, P.133)
Web Environmental initiatives at sales and service companies (ESG Databook, P.178)
Web For the creation of a recycling-based society (ESG Databook, P.172)

We pursue a one-site, one-theme initiative tailored to the unique ecosystems of each region. Working with stakeholders, we engage in efforts worldwide that extend beyond our own sites. These efforts include restoring forests and farmland at former mine sites and creating green spaces through reforestation. Komatsu will continue to explore ways to expand this initiative from the perspective of creating value through our businesses. At the same time, we will accelerate efforts to contribute to nature-positive outcomes through collaboration with suppliers, customers, and other stakeholders. Considering the dependencies and impacts on nature that we have already identified through this process, we expect to enhance business resilience further by identifying and evaluating nature-related risks and opportunities.

Web Biodiversity activities (ESG Databook, P.197)

Mangrove environmental conservation activities in Indonesia

* WWF Biodiversity Risk Filter: A tool for screening and assessing biodiversity-related risks across a company's operations, including its business sites and supply chain.

<With the planet> Addressing global environmental issues

Providing solutions that support sustainable circular forestry

Forests play an important role in the global environment. For example, forests function to absorb CO_2, store carbon, and conserve biodiversity. At the same time, demand for construction timber is expected to increase as the global population grows, while demand for pulpwood and other wood-based materials as alternatives to plastics is also expected to grow over the medium to long term. These developments demand greater levels of circular forestry, which promotes the sustainable use of timber resources while maintaining the environmental functions of forests.

Circular forestry is an approach that maintains a sustainable cycle of timber harvest, planting new seedlings on harvested sites, properly managing seedling growth, and harvesting the resulting trees as timber. This cycle balances forest functions with the sustainable use of timber resources.

However, expanding circular forestry requires solutions to long-standing challenges: additional costs for reforestation, a declining workforce, and the need to secure safe, efficient working environments.

Komatsu has been addressing these challenges through the mechanization of forestry and forest management solutions to improve safety and productivity in each stage of forest management. Our activities contribute to the wider adoption of circular forestry.

We continue to expand our product lineup for the mechanization of forestry. In 2026, we acquired Malwa Forest AB, a company that offers lightweight and compact forestry machinery suited to thinning operations. Healthy tree development requires proper thinning; however, thinning operations can damage tree roots, which may negatively affect growth. In the Nordic region, in particular, soil remains soft for longer periods due to snowmelt and heavy rainfall associated with climate change. Malwa Forest products minimize the need for forest roads and work spaces required for operations, facilitating efficient thinning and reducing impact on soil and trees.

In addition to expanding our lineup, Komatsu is also automating forestry machinery. In Europe, Komatsu unveiled a concept machine equipped with operator-assist functions in 2025. Currently, operators control machine motion while loading timber. Under this concept, the automation of motion allows operators to focus on loading operations, which improves productivity. Onboard sensors detect people nearby and improve jobsite safety by reducing the risk of contact accidents. Komatsu will continue research and development in forestry mechanization and automation, contributing to value creation throughout the circular forestry process.

Komatsu digitalizes forestry to support improved safety and productivity in forest management solutions across the harvesting, collecting, and extracting processes.

At the core of these efforts is the Smart Forestry connected service. This service centrally manages information obtained from forestry machinery centrally in the cloud, supporting forest management and work process optimization. By consolidating location information, operating status, production output and other data obtained from forestry machinery through the cloud, the service optimizes machine placement, prevents duplicate work via information sharing among workers, and reduces downtime through planned maintenance. The result is improved productivity at forestry jobsites.

We are developing a new system to improve productivity further. The system will provide consistent support across the entire circular forestry process, from assessing forest resources to harvesting, extraction, and reforestation planning. The system uses digital information to quantitatively manage the circular use of forest resources, support advanced decision-making that previously depended on experience and intuition, and contribute to efficient forest management.

Together with customers, distributors, and local communities, Komatsu contributes to the expansion of circular forestry through advancements in forest management, improved safety, and greater productivity at customer jobsites based on forestry operation mechanization, automation, and the use of data. We pursue these efforts under a KPI-related activity theme for solving social issues, namely, to provide solutions that support sustainable, circular forestry businesses.

Hydraulic excavator for tree planting operations

Malwa Forest harvester on a snow-covered forest road

Sharing work processes using Smart Forestry services

Governance

Message from the Chairman of the Board of Directors

Proactive and protective governance Supporting efforts to enhance corporate value and drive the next stage of growth

Hiroyuki Ogawa
Chairman of the Board

Governance rooted in gemba-oriented management and manufacturing excellence

The Komatsu Group management principle is our commitment to Quality and Reliability to enhance the total sum of trust given to us by all stakeholders, including society, customers, and shareholders. Based on this principle, the Board of Directors plays a role in improving the quality of decision-making by appropriately overseeing and facilitating management's decision-making and execution and by raising the key matters necessary to enhance corporate value over the medium to long term.

The President and Representative Director of Komatsu bears ultimate responsibility for business execution, while the Chairman of the Board focuses on leading the Board from the perspective of supporting business execution. Discussions around governance often focus on systems and structures, but Komatsu believes that governance must remain rooted in our commitment to gemba-oriented management and manufacturing excellence. Our discussions on strategy, risk management, and capital efficiency extend beyond financial metrics and governance structures to include the challenges and needs of customer jobsites and ways to further improve safety, quality, and productivity. A strategy cannot drive growth, no matter how compelling, unless we can translate that strategy into action. I believe the Board of Directors becomes truly effective when discussions remain grounded in real jobsites and business conditions, whether addressing supply chain risks arising from international conflicts or product development that creates customer value. My ability to guide these discussions from a broad perspective reflects the value of having a Chairman with firsthand experience in business execution.

Creating value for customers is one of the most important priorities for Komatsu today. Simply improving product performance will no longer provide sufficient differentiation. Success will depend on how much value we can create at customer jobsites by combining the manufacturing excellence Komatsu has built over many years with digital technologies and solutions. The Board of Directors will continue to deepen discussions on where Komatsu can best leverage company strengths and how those strengths can drive profitability while enhancing corporate value through the resolution of social issues.

My career at Komatsu has included roles in engineering, production, procurement, overseas operations, and executive leadership. Those experiences have taught me that Komatsu's strengths lie not only in products and technologies, but also in the execution capabilities at our jobsites to support these products and technologies, our ability to continuously improve as an organization, and our ability to develop talent. As Chairman of the Board, I want to emphasize the importance of discussion points that go beyond capital efficiency and management performance indicators to examine the real jobsite conditions and practices that drive those results.

Proactive and protective governance through free and open discussion

The Komatsu Board of Directors is comprised of members with diverse nationalities, genders, areas of expertise, and professional experience. This diversity in expertise and experience fosters active discussion on management challenges, risks, and the status of strategy execution. The Chairman of the Board plays an important role in bringing these diverse perspectives into Board discussions and channeling constructive and candid dialogue with management toward discussions that support Komatsu's goal of generating a positive cycle of solving social issues and improving profitability. This role helps strengthen the effectiveness of Board oversight and enhance corporate value over the medium to long term.

One initiative I consider particularly important is the President's Report delivered at the beginning of each Board meeting. The President personally devotes nearly an hour to sharing the latest information and insights into key issues with Board members, including updates on compliance, risk, current management challenges, changes in the business environment, and dialogue with stakeholders. These sessions help outside directors and Audit & Supervisory Board Members gain a deeper understanding of Komatsu's business and management challenges and engage in meaningful discussion. I myself have valued this time very highly since my time as president. As Chairman, I believe one of my most important responsibilities is to create an environment where all participants can exchange views freely, maintain a healthy level of tension with executive management, and carry out timely and appropriate oversight and monitoring.

Governance has both proactive and protective dimensions. Rigorous compliance, risk management, and internal controls are fundamental requirements in governance. Beyond that, the Board must engage in constructive discussions on growth investments, business portfolio reviews, technological innovation, human resources strategy, and other areas that enhance corporate value. The Board must then also provide direction and monitor execution. As Chairman, I aim to do more than oversee and advise. I aim to help clarify where senior management should take on challenges, assess whether those challenges will enhance corporate value, and maintain a perspective that supports appropriate risk-taking.

I will continue to evaluate ways to strengthen our governance, including changes to our governance structure when appropriate. In doing so, we will continually ask what framework would be most effective for the sustainable growth of Komatsu and how the Board can further enhance the quality of business management.

Our people are the foundation of our competitiveness

Komatsu has continued to grow throughout our more than 100-year history by turning crises into opportunities whenever we faced adversity. Our people are the key foundation of our competitiveness. Achieving sustainable growth, even in an increasingly uncertain world, depends on developing talent who can combine practical knowledge gained at the jobsite with new ideas and take on challenges with determination. The Board of Directors examines and discusses whether we have created an environment where diverse talent can take on challenges and demonstrate their capabilities, and whether our talent strategy and organizational management function effectively as a management foundation that will support the next 10 to 20 years.

Komatsu is a company that has remained rooted in the jobsite, refined manufacturing capabilities, nurtured people, and turned crises into opportunities for growth. We will continue to value these defining characteristics of the company while engaging in free and open discussion on the issues that matter most as a Board and working to enhance sustainable corporate value.

A discussion with Outside Board Members - Improving decision-making through diverse perspectives

Komatsu invited an Outside Board Member and Outside Member of the Audit & Supervisory Board to take part in a discussion in June 2026. The members offered their views on the effectiveness of the Board of Directors, the company's medium- to long-term strategy, and the expectations and challenges facing Komatsu as the company strives for sustainable growth and enhanced corporate value.

Navigating an era of high uncertainty - Insights from outside members lead to deeper questions -

Sawada: Fiscal 2025 was the first year of the Strategic Growth Plan, *Driving value with ambition*. A series of events impacted the company's business over the past year, including U.S. tariff policies, escalating tensions in the Middle East, and risks surrounding the Strait of Hormuz. The Board of Directors held extensive discussions from various perspectives on how best to interpret and respond to these external factors. We also discussed how these events might affect the achievement of the Strategic Growth Plan. The situation regarding tariffs, for example, shifts so quickly that a single discussion cannot provide a permanent resolution. I recall that we held in-depth discussions on the current situation, the next steps, and the decision to revisit the issue based on any new developments. When we talked about the escalating tensions in the Middle East, we suggested that Komatsu extend its focus beyond the direct impact on the company to encompass procurement risks among the company's suppliers. During Board meetings, we discussed how to ensure resilience across the entire supply chain.

Kai: The Board received reports from Komatsu management about U.S. tariff policies fairly early on, and we continued to discuss measures in response to the impact of tariffs on the supply chain. Although the situation continues to evolve, we recognize that management shares information in a timely and appropriate manner, which allows the Board to provide relevant advice.

Sawada: Overall, I think Komatsu is executing on the Strategic Growth Plan effectively. At the same time, I'm concerned whether cross-functional areas, including human capital, ESG, compliance, and risk management, are operating effectively. As Outside Directors, we don't always have a complete picture. To what extent can we infer to those areas that are not visible based on discussion and probing questions to uncover those details? Given the limited time available, it's important to know how to ask questions from different perspectives. So, in this context, I feel highly positive that the Komatsu Board fosters an atmosphere for members to express their opinions freely from a variety of perspectives.

Kai: I began participating in Board meetings as an Outside Audit & Supervisory Board Member in June of last year. What has impressed me in particular is how the company reports on business conditions from a variety of aspects, including by business, by region, and by function. Board members ask questions and offer comments reflecting their diverse experiences, and the meetings ensure there's enough time to exchange views on key management issues. I'm also impressed that company management raises issues and provides reports at the very early stages. Rather than concluding a matter after a single discussion, there is room for ongoing discussions regarding the direction of responses and specific measures. I think the Board of Directors functions effectively as a body that oversees and advises corporate management.

Sawada: Two components of Strategic Growth Plan are critical: Steady growth of existing businesses and the next pillars of growth. Simply formulating a strategy is not enough. Within the limited timeframe of three years, the company must monitor progress with a sense of urgency, making improvements wherever necessary. As the Board of Directors, we are responsible for answering the trust placed in us by the shareholders. Ultimately, we must link our efforts to improved business performance and capital efficiency, ensuring that these improvements are reflected in the stock price. To that end, Komatsu must grow its existing businesses, while showing the clear vision and roadmap of the next pillars of growth.

Kai: One of Komatsu's major strengths is the trust earned from customers in a business focused on construction equipment. I think it's important to hold deeper discussions on innovation—technological and otherwise—to strengthen that trust further. Customer needs are shifting toward electrification, automation, and remote operation. In light of this shift, what value can Komatsu provide, and how can the company contribute to value creation for its customers? I think that we need to engage in deeper talks about the technologies and solutions that serve as the source of competitiveness at Komatsu.

Cultivating the next pillars of growth and communicating from the perspective of the shareholder

Sawada: Stock prices reflect the expectations that shareholders and investors have for the future. How to meet those expectations and enhance corporate value is something we must discuss. Cultivating the next pillars of growth is a key topic of Strategic Growth Plan. However, this idea must not remain a vague concept, but be presented as a concrete vision with a specific roadmap. Board meeting discussions reflect our awareness of this point.

Kai: It's important to explain clearly to shareholders and investors how growth investments will lead to an increase in corporate value. Board meeting discussions include various perspectives on how to enhance growth, improve profitability, and improve capital efficiency.

Sawada: I think that Komatsu has taken a proactive approach to dialogue with stakeholders, even before such social expectations emerged. At the same time, disclosing information actively carries a certain risk. Even so, I think the company's willingness to communicate actively from the perspective of shareholders and investors is commendable.

Kai: One area requiring further development is the company's response to sustainability disclosure requirements. Komatsu must establish a system to identify and communicate the required information accurately and appropriately. I understand that Komatsu is already making significant progress, but I believe the company needs to step up efforts in this area.

Sawada: Effective disclosure is not simply a matter of adding more pages of data. The more thoroughly the company approaches disclosure, the more information is included. I think, however, that the company can distill the information more concisely, while still conveying the message clearly.

Making risk a personal matter supports defensive governance

Kai: Komatsu adopted enterprise risk management (ERM) in 2023 as part of efforts in this area. The Board of Directors receives regular reports on the status of these initiatives and the results of assessments. We also discuss issues from a comprehensive perspective, including ensuring employee safety, dealing with the impact of developments in the Middle East on procurement, and logistics, and aspects related to cybersecurity.

Sawada: The idea of risk management is not to eliminate risk entirely, but to prevent any risks that do arise from escalating into a crisis. Some risks should be taken proactively and others should be avoided. It's important to know the difference and take appropriate action before risks become serious. I think that Komatsu is making a solid effort in this area. A more critical issue is whether the company embraces this mindset at the operational level and whether every employee takes personal responsibility. Risk management can only truly function when it is internalized and put into practice at the jobsite.

Kai: I'm reminded of the importance of internalizing risk at the jobsite every time the president reports to the Board about his jobsite visits. The company shares specifics about conversations with employees and the messages conveyed, demonstrating a clear commitment to communicating the Komatsu management philosophy to everyone at the jobsite. We will continue to monitor how these initiatives are received and internalized at the jobsite.

Sawada: An effective Board of Directors is one that exercises governance to oversee and support management. In this way, the Board contributes to business performance and capital efficiency,

which in turn leads to greater shareholder value and corporate value. Governance can be both proactive and defensive. Proactive governance means leveraging a company's strengths and technological capabilities to drive growth. Defensive governance involves managing risks and preventing risks from escalating into a crisis. The Board of Directors, which consists of members with diverse expertise and experiences, engages in frank discussions, overseeing and supporting the executive team through this dual approach.

The strength of Komatsu is in handling difficult tasks with discipline

Kai: I think Komatsu's strength lies in its earnest and conscientious approach. I might go so far as to say that Komatsu is scrupulously earnest. The corporate culture is one of dealing with every matter earnestly, and I believe that this attitude is what has earned the trust of so many customers.
Sawada: I see Komatsu's strength as the ability to handle difficult tasks with discipline. My view might be a bit different than earnestness: Komatsu is the kind of company that accomplishes tasks other companies would consider too challenging. I believe this attitude is what fosters trust and a sense of security. And this same attitude is reflected in the way the Board conducts business. The company distributes meeting materials and explanatory videos in advance, ensuring that we can devote limited time to substantive discussions. Doing things like this as a matter of course is what makes Komatsu who it is.
Kai: The company provides comprehensive support to new Outside Directors and Audit & Supervisory Board Members. After I was named to the Board, Komatsu provided detailed information, ranging from the company's basic operations to current management challenges. These explanations allowed me to participate intelligently in Board discussions.
Sawada: The minutes of Board meetings are very high quality. Rather than a word-by-word transcription, the minutes provide an accurate summary of the key points of questions and answers.
Kai: At the same time, I worry that the demands of this earnest approach might place an excessive workload on staff. I think Komatsu should review areas to improve efficiency while maintaining quality.
Sawada: I think AI and other new technologies may help in that area. However, even as the company strives for greater efficiency, standards should remain high. Hopefully we can streamline effectively without compromising quality, using the efficiency gains to enhance the quality of Board meeting discussions further.

People willing to take risks and rise to the challenge are the ones who will build the pillars of new growth

Kai: Komatsu is definitely a company built on its people. Securing and developing talent will be a major issue impacting future growth, amid today's declining birthrate and an aging population. In addition to new graduates, the company has focused on hiring experienced professionals and onboarding, and will emphasize taking a more integrated approach from talent acquisition to development and retention.
Sawada: As a global company, Komatsu places great importance on overseas assignments and gaining a variety of international experiences. The same applies to the discussions in the Nomination Advisory Committee. Given that 90% of the company's business is conducted outside Japan, international experience is an essential quality for the people who will lead the company in the future. At the same time, it's difficult for people without overseas experience to develop global skills. Of course, international experience is highly valued in departments such as research and development, business operations, and sales. But the company must also develop people with a global perspective in cross-functional departments, including human resources and other corporate functions.
Kai: As you said, it's important to develop people in Japan, but the company should be proactive in promoting human resources from overseas. To this end, Komatsu needs to adopt the same evaluation criteria worldwide. In other words, evaluate and promote people based on the same standards. It's not an easy task, but it seems that Komatsu is working hard to achieve results in this area. The external environment is changing even more rapidly, and the burden and pressure on each employee continue to rise. This is exactly why it's important for the company to create an environment where employees take on new challenges with confidence. Komatsu is implementing various initiatives to improve psychological safety and conduct engagement surveys, but I think the company needs to continue focusing on creating an environment that supports employees.
Sawada: Komatsu needs people who think bigger and take bold action if the company is to build the next pillars of growth. Simply put, the company needs people who are willing to take risks and take on new challenges. I believe that if Komatsu can nurture this type of talent while building on its strengths, the combination will lead to even greater growth.

A discussion with Outside Board Members

The role of Outside Directors: Drawing on experience to identify emerging risks

Sawada: Komatsu directors receive a wide range of information at the earliest stages, and Board meetings have become a forum for frank discussions, including opinions from Outside Directors. The president shares information candidly—even bad news—allowing the opportunity to air opinions and engage in discussions. Komatsu has a bad-news-first type of culture. Approaching discussions from that direction is a key factor in ensuring the effectiveness of the Board of Directors.
Kai: I think we receive reports as soon as risks or concerns emerge, even outside of Board meetings when necessary. The key is not to view reported incidents as isolated events, but to look deeper for any underlying organizational or operational issues. I attend Compliance Committee meetings as an Outside Member of the Audit & Supervisory Board. The reports in these meetings are extremely detailed, and I make recommendations to the Board based on trends described in these reports.
Sawada: That's a very important point. Society's expectations related to compliance have changed significantly, becoming much more stringent. Matters that might once have been dismissed are no longer tolerated. What used to be common sense, or the norm, no longer applies. Within a corporate organization, people tend to act based on past experience and conventional wisdom. If those assumptions fall out of step with broader societal expectations, the consequences could become irreversible.

Kai: I feel strongly about this, as I've seen it in my own experience. At the Public Prosecutors' Office and the Ministry of Justice, I dealt with a wide range of cases involving legal perspectives and organizational management. In many cases, we receive Board meeting reports that involve challenges seemingly common to all organizations. Certain people in modern society will feel intense pressure from their organization or from the work itself, even in the absence of overt harassment. Outside Directors must monitor whether the organization is managed in a sound and open manner.
Sawada: In addition to my background in technology, I have experience as a business leader managing risks involving significant social implications. I have a certain level of understanding regarding technological issues discussed at Board meetings, and I hope to contribute my perspective on mitigating risks before they escalate into crises. I understand that one reason I was asked to serve as an Outside Director was the expectation that I would bring a B to C perspective to Komatsu, a B to B company. In other words, I'm here to offer a viewpoint more closely associated with everyday people and consumers. Perspectives such as how Komatsu is viewed not only by customers, but also by society and the general public. Lacking this perspective could lead to Komatsu's internal values becoming disconnected from the outside world. One of my roles is to bring these outside perspectives to the Board.
Kai: Something on my mind lately is the major impact of risk on business management. Of course, incidents can occur in any organization. What matters beyond the severity is how the organization responds. Management decisions on how to respond and rectify situations have a significant impact on corporate value. This is exactly why companies should include Outside Directors in discussions and listen to perspectives from "ordinary" people. Identifying risks and challenges can present an opportunity to steer an organization in a better direction. It is important to identify underlying causes and use that understanding to implement the necessary improvements. I think Komatsu management treats questions raised at Board meetings seriously, taking the necessary actions in response.

Leveraging Komatsu's strengths to drive the next phase of growth

Sawada: I hope that Komatsu never loses the strengths that make it a great company. The company continued to grow while overcoming numerous environmental changes. Now, the company must determine the next pillars of growth to enhance Komatsu's global

presence further. It certainly won't be easy. But we have high expectations. Developing forestry into a next pillar of business will be no easy task. And there are other areas, including underwater construction equipment and space development. These are markets yet to be established, but where Komatsu is making progress with an eye toward future potential. I believe sincerely that Komatsu's employees are up to the task. And as Outside Directors, we are committed to fully supporting employees as they take on the challenge.
Kai: The pace of technological innovation is only getting faster. Komatsu must not only keep up with these changes, but also stay ahead. We hope to focus more on these areas, and we expect the initiatives already underway will lead to concrete results as soon as possible.
Sawada: I want the stakeholders to understand that if Komatsu leverages its strengths fully, the company will move in the direction that stakeholders expect. Komatsu is a company that performs best when the going gets tough. It is exactly in these times of major change in the business environment that Komatsu's strengths really shine. For our part, we will hold in-depth discussions from diverse perspectives, overseeing and supporting management to ensure the management team's commitment to embracing change yields tangible results. We encourage all stakeholders to look forward to what Komatsu will achieve in the years ahead.

Directors, Audit & Supervisory Board Members, and Executive Officers

Directors (as of June 30, 2026)

Hiroyuki Ogawa
Chairman of the Board

Number of year(s) in office	8 years
Number of shares of the Company held	198 thousand shares
Important concurrent positions held in other organizations, etc.	Outside Director of Tadano Ltd. Outside Director of Asahi Kasei Corporation
4/1985	Joined the Company
4/2025	Took office as Chairman of the Board (current)

Major career history
Mr. Hiroyuki Ogawa has served in important positions in the production departments and as Representative of All Indonesia Operations. Over the last six years since April 2019, he attained significant achievements for the increase of corporate value as President and CEO. Currently, he takes on the management supervision as Chairman and contributes to corporate governance as Chairman of the Board of Directors and member of the Nomination Advisory Committee and the Compensation Advisory Committee.

Takuya Imayoshi
President and Representative Director, Chief Executive Officer (CEO)

Number of year(s) in office	2 years
Number of shares of the Company held	69 thousand shares
Important concurrent positions held in other organizations, etc.	None
4/1987	Joined the Company
4/2025	Took office as President and Representative Director (current) CEO (current)

CEO

Major career history
Mr. Takuya Imayoshi has served in important positions in the accounting, finance, and business coordination departments, while also serving as Representative of All China Operations. He has served as President and CEO of the Company since April 2025, demonstrating leadership in steering global management amid a rapidly changing external environment, including promoting the automation and remote operation of construction and mining sites through DX and AI, expanding value chain businesses, and driving initiatives toward the realization of carbon neutrality.

Taisuke Kusaba
Representative Director and Senior Executive Officer (Senmu)
Chief Technology Officer (CTO)

Number of year(s) in office	1 year
Number of shares of the Company held	41 thousand shares
Important concurrent positions held in other organizations, etc.	None
4/1989	Joined the Company
4/2026	Took office as Representative Director and Senior Executive Officer (Senmu) (current)

Chief Technology Officer (CTO), Supervising Research & Development

Major career history
Mr. Taisuke Kusaba has served in important positions in research and development departments, and from May 2020, he served as President of the subsidiary overseeing operations in North America, where he was involved in marketing in a key market. He has assumed significant responsibility in driving innovation within the Company, such as by leading the global research and development system as CTO and President of the Development Division since April 2023 and CTO and Executive Officer supervising research & development since April 2025.

Mitsuko Yokomoto
Director and Senior Executive Officer (Senmu)

Number of year(s) in office	3 years
Number of shares of the Company held	51 thousand shares
Important concurrent positions held in other organizations, etc.	None
4/1985	Joined the Company
4/2026	Took office as Director and Senior Executive Officer (Senmu) (current)

Supervising Human Resources, Education, Safety & Health Care, and Sustainability

Major career history
Ms. Mitsuko Yokomoto has held key positions in the human resources and general affairs departments, serving as General Manager of the General Affairs Department and Executive Officer responsible for risk management. She has assumed important responsibilities in promoting sustainable management of the Company as President of the Sustainability Promotion Division since April 2021, Executive Officer supervising human resources, education, and sustainability since April 2023, and Executive Officer supervising safety & health care since April 2025.

Takeshi Kunibe
Outside Director

Number of year(s) in office	6 years
Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	Honorary Advisor of Sumitomo Mitsui Financial Group, Inc. Outside Member of the Board of TAISHO PHARMACEUTICAL HOLDINGS CO., LTD. Outside Director/Audit & Supervisory Committee Member of NANKAI Co., Ltd. Outside Director of The Royal Hotel, Limited Outside Director of FAST RETAILING CO., LTD.
6/2020	Took office as Director of the Company (current)

Major career history
Mr. Takeshi Kunibe has considerable knowledge and rich experience in the business world, including the fields of finance and group company management, etc., having served as Representative Director, President and Chief Executive Officer of Sumitomo Mitsui Banking Corporation, as well as Representative Director and President, Director President, Representative Executive Officer and Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.

Naoko Saiki
Outside Director

Number of year(s) in office	5 years
Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	Special Assistant to the Minister for Foreign Affairs Outside Member of the Board of Directors of Development Bank of Japan Inc. Outside Director of Sankyu Inc. Outside Director of INPEX CORPORATION
6/2021	Took office as Director of the Company (current)

Major career history
Ms. Naoko Saiki has considerable knowledge and abundant experience in international affairs, international law, and the field of economics as she served in positions such as Director-General of the Economic Affairs Bureau and Director-General of the International Legal Affairs Bureau at the Ministry of Foreign Affairs.

Michitaka Sawada
Outside Director

Number of year(s) in office	4 years
Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	Executive Advisor of Kao Corporation Outside Director of Panasonic Holdings Corporation Outside Director of Nitto Denko Corporation
6/2022	Took office as Director of the Company (current)

Major career history
Mr. Michitaka Sawada has considerable knowledge and rich experience in the business world having engaged in global group corporate management and ESG management, as Representative Director, President and Chief Executive Officer of Kao Corporation and Director, Chair of Kao Corporation.

NEW

Thomas M. Clark
Outside Director

Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	General Counsel, Asian Development Bank
6/2026	Took office as Director of the Company (current)

Major career history
Mr. Thomas M. Clark is registered as an attorney in the states of Massachusetts and New York, as well as the District of Columbia in the United States, and has worked for many years as a professional in legal affairs in global companies. He has also been involved in overseeing legal and policy functions at Multilateral Development Bank, and has considerable knowledge and rich experience in the fields of international legal affairs and finance.

Audit & Supervisory Board Members (as of June 30, 2026)

Mitsuo Nakao
Standing Audit & Supervisory Board Member

Number of year(s) in office	2 years
Number of shares of the Company held	13 thousand shares
Important concurrent positions held in other organizations, etc.	None
4/1992	Joined the Company
6/2024	Took office as Standing Audit & Supervisory Board Member (current)

Major career history
Mr. Mitsuo Nakao has specialist knowledge gained from his many years engaged in operations and serving in important positions related to accounting, finance and investor relations, as well as hands-on experience at the global level derived from being stationed in Europe and Latin America.

Keiko Fujiwara
Standing Audit & Supervisory Board Member

Number of year(s) in office	1 year
Number of shares of the Company held	43 thousand shares
Important concurrent positions held in other organizations, etc.	None
4/1988	Joined the Company
6/2025	Took office as Standing Audit & Supervisory Board Member (current)

Major career history
Ms. Keiko Fujiwara possesses global experience and expertise on a wide range of subjects, having served in important positions in marketing, including as President of the subsidiary overseeing operations in Europe. In addition, she has been involved in promoting the development of human resources at distributors, and since April 2022, she has promoted the solutions business as President of the Construction Equipment Solution Division.

Tatsuro Kosaka
Outside Audit & Supervisory Board Member

Number of year(s) in office	4 years
Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	Senior Advisor of Chugai Pharmaceutical Co., Ltd. Outside Director of Mitsubishi Electric Corporation
6/2022	Took office as Audit & Supervisory Board Member of the Company (current)

Major career history
Mr. Tatsuro Kosaka has considerable knowledge and rich experience in the business world having engaged in global corporate management as Representative Director, President of Chugai Pharmaceutical Co., Ltd. and Representative Director, Chairman of Chugai Pharmaceutical Co., Ltd.

Mariko Matsumura
Outside Audit & Supervisory Board Member

Number of year(s) in office	3 years
Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	Partner, Shinwa Sohgoh Law Offices Outside Director of SODA NIKKA CO., LTD. Outside Audit and Supervisory Board Member of Japan Airlines Co., Ltd.
6/2023	Took office as Audit & Supervisory Board Member of the Company (current)

Major career history
Ms. Mariko Matsumura is an attorney at Shinwa Sohgoh Law Offices and has considerable knowledge and abundant experience in the legal and compliance fields, including serving as President of the Dai-Ichi Tokyo Bar Association.

Yukio Kai
Outside Audit & Supervisory Board Member

Number of year(s) in office	1 year
Number of shares of the Company held	0 shares
Important concurrent positions held in other organizations, etc.	Attorney at law of Yukio Kai Law Office External Director, Audit & Supervisory Committee Member of Hankyu Hanshin Holdings, Inc.
6/2025	Took office as Audit & Supervisory Board Member of the Company (current)

Major career history
Having served as Prosecutor-General, Mr. Yukio Kai has considerable knowledge and abundant experience in the legal profession.

Please refer to the list of officers on the Company's website for the career histories and other information of Directors and Audit & Supervisory Board Members.

Web Management team

* The number of shares of Company stock held as stated on this page includes the number of shares scheduled to be granted under the stock compensation plan.

Directors, Audit & Supervisory Board Members, and Executive Officers

Executive Officers (Japan) (as of June 30, 2026)

Senior Executive Officer (Senmu)

Yasuji Nishiura
President, Construction Equipment & Regional Marketing Division
Supervising Brand Strategy

Senior Executive Officers (Jomu)

Masami Naruse
President, Quality Assurance Division

Chikashi Shike
President, Solution Division

Jun Taniguchi
President, Development Division

Naoyuki Sakurai
President, Aftermarket Business Division

Norihiko Tanigawa
President, Production Division
Responsible for Logistics

Executive Officers

Takashi Yasukawa
Osaka Plant Manager, Production Division

Kosei Okamoto
Vice President, Development Division
GM, Product Safety & Security Department, Development Division

Hiroyuki Umeda
President, Forest and Agriculture Business Division

Takayuki Furukoshi
Supervising Industrial Machinery Business
Chairman of the Board, Komatsu NTC Ltd.

Terumasa Imajo
President, Product Marketing Division

Masaki Shinohara
Vice President, Development Division

Shinichi Araie
Awazu Plant Manager, Production Division

Yoshie Ideura
President, Sustainability Promotion Division

Masafumi Murakami
Supervising Legal, General Affairs & Compliance
GM, Komatsu Economic Strategy Research Center

Seiichiro Harada
GM, Manufacturing Engineering Development Center, Production Division
Supervising Simultaneous Engineering Planning

Kiyoshi Hishinuma
GM, Business Coordination Department

Koji Yanagi
Vice President, Product Marketing Division

Junya Ankyu
President, Japanese Business Division, Construction Equipment & Regional Marketing Division
Chairman of the Board, Komatsu Customer Support Japan Ltd.

Ryo Asahara
President, Information Strategy Division
Responsible for Information Security
GM, Global ERP Implementation Preparation Office, Business Coordination Department

Shingo Hori
Vice President, Mining Business Division

Mitsutoshi Yashiki
President, Defense Systems Division

Akira Sato
GM, Human Resources Department
GM, Global HR Unit, Human Resources Department

Hiroshi Hosotani
CFO

Koichiro Fukushima
Ibaraki Plant Manager, Production Division

Daisuke Ban
President, Procurement Division, Production Division

Toshiyuki Ota
Vice President, Development Division

Go Kamada
Oyama Plant Manager, Production Division
President and Representative Director, Komatsu Cummins Engine Co., Ltd.

Executive Officers (Outside of Japan) (as of June 30, 2026)

* Executive Officers outside of Japan currently serve as Global Officers.

North America

Senior Executive Officer (Jomu)

Peter Salditt
President, Mining Business Division, Komatsu Ltd.
CEO, Komatsu Mining Technologies

Executive Officers

Kozo Okuda
CEO, Komatsu America Corp.
COO, Komatsu North America Corp.

Osamu Kitajima
North America CTO, Komatsu America Corp.
Technical Director, Komatsu North America Corp.
Technical Director, Komatsu Mining Technologies

Europe/CIS

Executive Officers

Tadashi Maeda
President and CEO, Komatsu Europe International N.V.

Göksel Güner
COO, Komatsu Europe International N.V.

Toru Sunada
President, Komatsu CIS, LLC
Representative of Russian Operations

Asia/Oceania

Executive Officers

Sean Taylor
President and Managing Director, Komatsu Australia Pty. Ltd.

Global Officers (as of June 30, 2026)

North America

Rodney Bull
CEO, Komatsu North America Corp.

John Koetz
COO, Komatsu Mining Technologies

Latin America

Darko Louit
CEO, Komatsu Cummins Chile Ltda.
CEO, Komatsu Holding South America Ltda.

Europe

Ansgar Thole
President and Managing Director, Komatsu Germany GmbH

David Bazzi
Managing Director, Komatsu Italia Manufacturing S.p.A.

Jens Bengtsson
CEO, Komatsu Forest AB
Vice President, Forest & Agriculture Business Division, Komatsu Ltd.

Asia/Oceania

Charoen Ruengwilai
President, Bangkok Komatsu Co., Ltd.

Jamalludin
President and CEO, PT Komatsu Indonesia

China

Chunjiang Fei
Chairman, President and CEO, Komatsu (China) Ltd.

Japan

Yuji Yoshizawa
Vice President, Japanese Business Division, Construction Equipment & Regional Marketing Division, Komatsu Ltd.
President and Representative Director, Komatsu Customer Support Japan Ltd.

Directors, Audit & Supervisory Board Members, and Executive Officers

Seven topics of focus and supervision by Directors and Audit & Supervisory Board Members of the Company

In order to achieve the growth strategies set out in the Strategic Growth Plan, the following seven topics are defined as areas for focus and supervision by the Directors and Audit & Supervisory Board Members with respect to management of the Company.

Three growth strategy pillars of the Strategic Growth Plan	Driving value with ambition					
	1. Create customer value through innovation Investing in our future		2. Drive growth and profitability Profit structure		3. Transform the Komatsu business foundation Resilience	
Topics on which Directors and Audit & Supervisory Board Members are to focus particular attention and supervision	Corporate Management	Sales & Marketing	Corporate Management	Sales & Marketing	Corporate Management	Legal Affairs & Compliance
	Innovative Technologies/ AI/DX Environments	Global	Finance/ Economics	Global	Human Rights/ Human Resources & Human Resource Development	Global

Seven topics of focus and supervision by the Company's Directors and Audit & Supervisory Board Members

Topic	Reasons for selection and content
Corporate Management	The ability to oversee resource allocation across the Company's business segments holistically and to identify investments in growth areas
Finance/ Economics	The ability to identify and oversee growth and profitability in new and existing business areas from a financial perspective
Innovative Technologies/ AI/DX Environments	The ability to oversee a positive cycle of improving profitability through innovation from technology (production development), AI and DX and through solving social issues, including environmental issues
Sales & Marketing	The ability to identify risks/opportunities in the external environment of our global, multi-site business
Human Rights/ Human Resources & Human Resource Development	The ability to oversee the protection of human rights as it relates to all our business activities and the ability to identify measures to acquire and enable the success of talent needed to support business growth
Legal Affairs & Compliance	The ability to oversee legal and compliance matters to support the sustainable growth of new and existing businesses
Global	The ability to anticipate and oversee risks/opportunities in global business development from a variety of perspectives (supply chain, geopolitics, etc.)

Skills matrix for Directors and Audit & Supervisory Board Members of the Company

This skill matrix presents categories of skills that the Board of Directors has deemed particularly worthy of focus and oversight by the respective Directors and Audit & Supervisory Board Members with respect to management of the Company, upon having taken into account the primary abilities and expertise of each individual.

	Name	Corporate Management	Finance/ Economics	Innovative Technologies/ AI/DX Environments	Sales & Marketing	Human rights/ Human Resources & Human Resource Development	Legal Affairs & Compliance	Global	Reason for selection
Directors	Hiroyuki Ogawa	●		●	●		●	●	• Has held various important positions in the production departments, and has served as Representative of All Indonesia Operations and President of the Company. He oversees overall governance as Chairman
	Takuya Imayoshi	●	●	●	●	●	●	●	• As President and CEO, he focuses on and supervises, all aspects of achieving the Company's growth strategies
	Taisuke Kusaba			●	●		●	●	• Has held key positions in the research and development departments • Marketing experience as President of the Company's North American subsidiary
	Mitsuko Yokomoto			●		●	●		• Experience in the fields of human resources and general affairs, compliance and sustainability
	Takeshi Kunibe Outside Independent	●	●	●					• Knowledge and experience in the business world, including the fields of finance and group company management
	Naoko Saiki Outside Independent					●	●	●	• Knowledge and experience in the fields of international affairs, international law and economics
	Michitaka Sawada Outside Independent	●		●	●	●			• Experience in the business world, including global group corporate management and ESG management practices
	Thomas M. Clark Outside Independent		●				●	●	• Knowledge and experience gained through overseeing legal and policy functions at Multilateral Development Bank and global corporations
Audit & Supervisory Board Members	Mitsuo Nakao		●					●	• Knowledge in the fields of accounting and finance • Hands-on experience in Europe and Latin America
	Keiko Fujiwara				●	●		●	• Has held key positions in marketing, such as President of the Company's European subsidiary • Experience in promoting the development of human resources at agencies
	Tatsuro Kosaka Outside Independent	●		●	●				• Knowledge and experience in the business world as a top executive
	Mariko Matsumura Outside Independent					●	●		• Knowledge and experience in the legal and compliance fields as an attorney
	Yukio Kai Outside Independent					●	●		• Served as the Prosecutor-General, with knowledge and experience in the legal profession

Outside : Outside Director, Outside Audit & Supervisory Board Member
Independent : Director or Audit & Supervisory Board Member who meets the Company's independence standards and for whom the Company has submitted an Independent Director or Audit & Supervisory Board Member Notification to the Tokyo Stock Exchange (the Japanese stock exchange on which the Company's shares are listed).

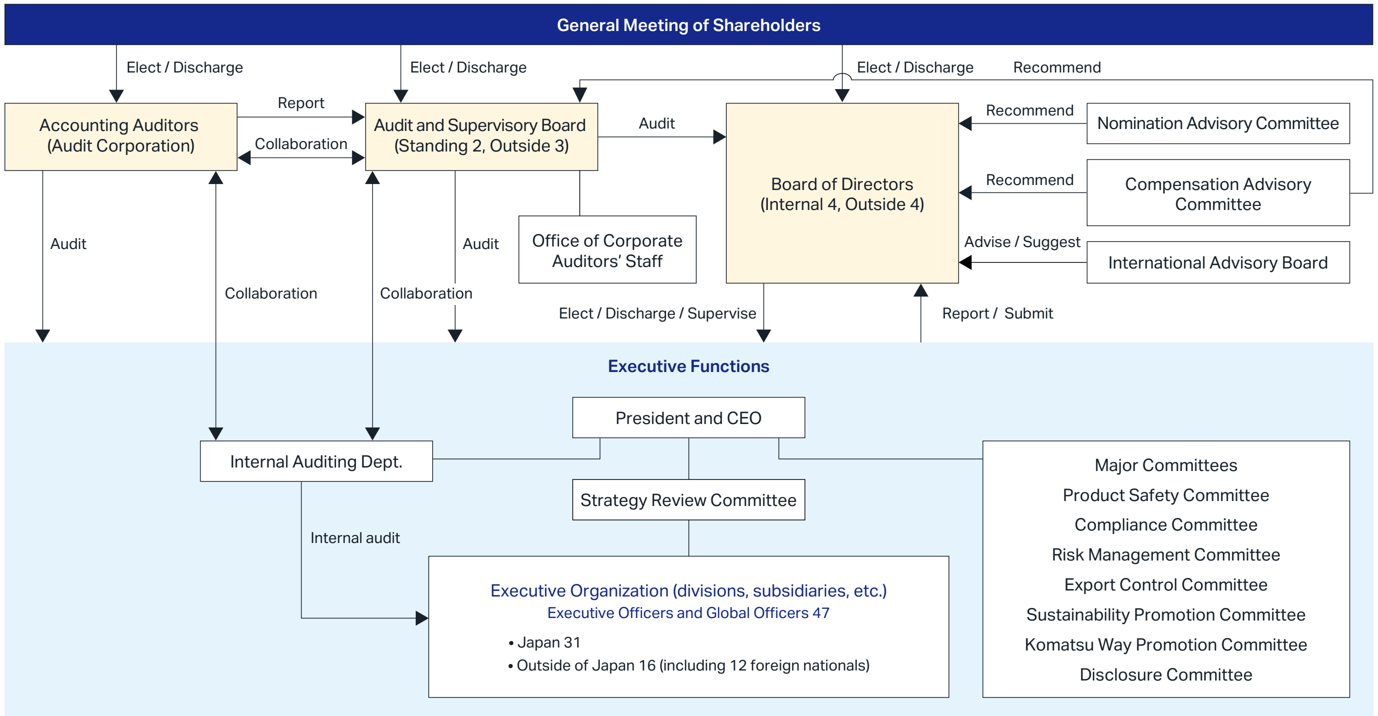
Corporate governance

The Komatsu Management Principle has been to commit ourselves to Quality and Reliability and to maximize the total sum of trust given to us by society and all stakeholders. To become a company that enjoys more trust from all stakeholders, Komatsu is working to strengthen corporate governance, improve management efficiency, advocate corporate ethics, and ensure sound management on a group-wide basis.

■ Corporate governance framework

At Komatsu, the Board of Directors is positioned as the core of corporate governance, and to improve the effectiveness of discussions at meetings of the Board of Directors, we have worked to put in place a system to ensure thorough discussions of important management matters and prompt decision-making, and reform their operational aspect. Having introduced the executive officer (*shikko yakuin*) system in 1999, we have separated management decision-making and supervisory functions from executive functions to the extent permitted by laws and regulations, limiting the Board of Directors to a small number of members while appointing Outside Directors and Outside Audit & Supervisory Board Members to ensure objectivity and sound management.

Corporate governance chart



*As of June 30, 2026.

Corporate governance

Strengthening corporate governance

Komatsu has proceeded to implement reforms to our corporate governance system in order to ensure effective and adequate performance of matters related to management decision making and oversight. Specific reforms have included separation of corporate management from business execution, enhancement of corporate management decision-making by the Board of Directors, strict management and supervision of business execution, measures undertaken by Outside Directors to improve transparency and objectivity of management, and measures undertaken by the Audit & Supervisory Board to appropriately audit Directors' execution of duties. As a means of supplementing business execution, we established the International Advisory Board (IAB) in 1995. Through the IAB, we aim to secure objective advice and suggestions from experts about how to function as a global company by exchanging opinions and holding discussions. Going forward, we will continue to enhance the effectiveness of the Board of Directors while appointing Outside Directors to ensure transparency and soundness and promoting openness and accountability in management.

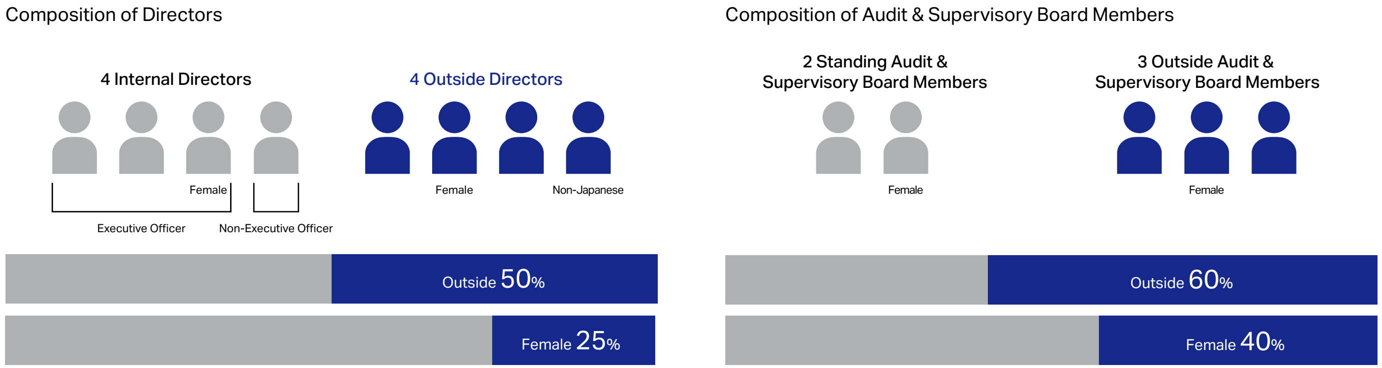
Number of Directors

28 (0 Outside Directors) → 1999: 8 (1 Outside Director) → 2003: 8 (2 Outside Directors) → 2005: 10 (3 Outside Directors) → 2017: 8 (3 Outside Directors) → 2021: 9 (4 Outside Directors) → 2026: 8 (4 Outside Directors)

Number of Audit & Supervisory Board Members

3 (1 Outside Member) → 1994: 4 (2 Outside Members) → 2006: 5 (3 Outside Members)

Composition of Directors and Audit & Supervisory Board Members (As of June 30, 2026)



Other organizations and systems

Organization / System	Establishment	Overview
Nomination Advisory Committee	2015	The Nomination Advisory Committee deliberates matters related to the nomination of candidates for positions as Directors and Audit & Supervisory Board Members and the appointment and dismissal of the President and other executive officers and reports the results of these discussions to the Board of Directors. Current members: Four Outside Directors, including the chairman, Chairman of the Board, and President
Compensation Advisory Committee	1999	The Compensation Advisory Committee is responsible for deliberating policies and levels for compensation of Directors and Audit & Supervisory Board Members and reporting the results of these discussions to the Board of Directors and the Audit & Supervisory Board. Current members: Four Outside Directors, including the chairman; one Outside Audit & Supervisory Board Member; and the Chairman of the Board
International Advisory Board (IAB)	1995	The IAB was established to incorporate the objective advice and suggestions of external experts on the management and corporate activities expected of a global company into the discussions of the Board of Directors.
Executive Officer System	1999	The Executive Officer System was introduced to separate supervisory functions from executive functions. This system has enabled the Company to limit the Board of Directors to a small number of members.
Global Officers	2016	Global Officers were appointed to senior management positions at major subsidiaries in and outside of Japan to facilitate the consolidated management of the Komatsu Group.

Corporate governance

Board of Directors

The Company holds Board of Directors' meetings periodically, at least once every month. The Board of Directors deliberates and makes resolutions on important matters, determines management policies of the Komatsu Group, and rigorously controls and supervises the execution of duties by all members of the executive management team including Representative Directors. As of June 30, 2026, of the eight Directors on the Board, four are Outside Directors to ensure transparent and objective management. The members of the Board of Directors for fiscal 2025 are as listed in table *1) Meeting frequency and attendance*. The Chairman of the Board presides over Board meetings. The Board of Directors makes decisions on important management matters based on the Standards for Matters to be Referred to a Meeting of the Board of Directors and reports on business execution. The Board holds free discussions on topics related to medium- and long-term issues both during and outside Board of Directors meetings. To ensure thorough discussions by the Board of Directors, the Company allocates ample time for detailed discussions and has adopted a process in which important agenda items are submitted twice: first for discussion and then for resolution. While the business execution reports in Board meetings cover virtually 100% of businesses on a consolidated revenue basis, details of very small operations are also reported, focusing on safety, compliance, and risk matters. The President reports at Board of Directors meetings monthly regarding the most recent important matters and topics, including safety, compliance, and risk. The CFO also reports monthly on the status of sales, profit and loss, orders received, and borrowings.

(1) Activities of the Board of Directors

1) Meeting frequency and attendance

During fiscal 2025, the Company held 15 meetings of the Board of Directors, and the attendance of individual directors is shown as follows.

Directors	Attendance / Meetings held	Attendance rate
Tetsuji Ohashi[*1]	4/4	100%
Hiroyuki Ogawa	15/15	100%
Takuya Imayoshi	15/15	100%
Takeshi Horikoshi	15/15	100%
Mitsuko Yokomoto	15/15	100%
Taisuke Kusaba	11/11[*2]	100%
Takeshi Kunibe	14/15	93%
Arthur M. Mitchell	15/15	100%
Naoko Saiki	15/15	100%
Michitaka Sawada	15/15	100%

Audit & Supervisory Board Members	Attendance / Meetings held	Attendance rate
Yasuhiro Inagaki[*1]	4/4	100%
Mitsuo Nakao	15/15	100%
Keiko Fujiwara	11/11[*2]	100%
Kotaro Ohno[*1]	4/4	100%
Tatsuro Kosaka	15/15	100%
Mariko Matsumura	15/15	100%
Yukio Kai	11/11[*2]	100%

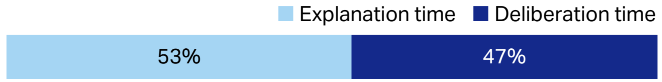
*1 Tetsuji Ohashi, Yasuhiro Inagaki, and Kotaro Ohno retired at the 156th Ordinary General Meeting of Shareholders held in June 2025.
*2 Attendance is shown for meetings of the Board of Directors held after their election at the Ordinary General Meeting of Shareholders.

2) Number of agenda items for Board of Directors meetings in FY2025

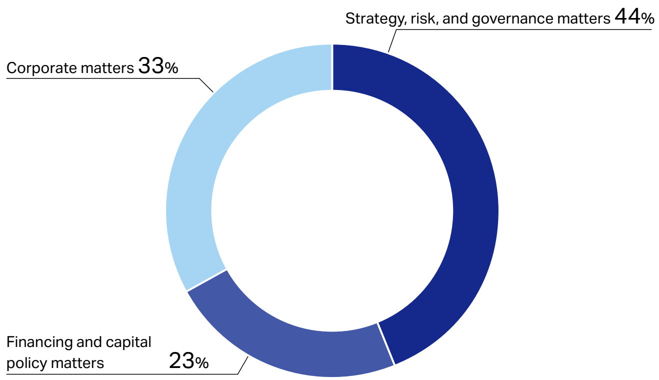
Details of agenda in fiscal 2025 are as follows.

Number of agenda items	Resolutions	27
	Discussions	5
	Reports	43

The ratio of explanation time compared with deliberation time for Board of Director resolutions, discussions, and reports was as follows:



The breakdown of agenda items by topic (based on time) is as follows.



Support systems for Outside Directors and Outside Audit & Supervisory Board Members

The support systems for Outside Directors and Outside Audit & Supervisory Board Members include the following.

Distribution of materials and pre-meeting briefings	As a general rule, the Company provides materials for Board of Directors meetings to Outside Directors and Outside Audit & Supervisory Board Members in advance to ensure sufficient time for review and consideration. For newly appointed Outside Directors and Outside Audit & Supervisory Board Members, the concerned departments conduct explanatory meetings on the agenda items to be discussed at meetings of the Board of Directors, as needed. Such meetings are attended by the Secretariat of the Board of Directors and held prior to Board of Directors meetings.
Agenda submission process	With respect to matters that may be of particular importance, the Board of Directors discusses them at the Board of Directors meeting held prior to the meeting where such matters are scheduled for resolution. This approach ensures that the Directors have sufficient time to review the matters and consider points noted in prior discussions before making decisions.
Material database	The Company has built a database that houses materials, minutes, and other information on past Board of Directors and other major committee meetings. This database can be accessed by all members of the Board of Directors and the Audit & Supervisory Board Members, including outside members. The Company has also built a database to manage materials and minutes of past meetings of the Audit & Supervisory Board. This database can be accessed by all Audit & Supervisory Board Members, including outside members.

Evaluation of the effectiveness of the Board of Directors

The results of the evaluation of the effectiveness of the Board of Directors conducted in fiscal 2025 were as follows.

1) Process of analysis and evaluation

At the Board of Directors, the evaluation method for the effectiveness of the Board of Directors in fiscal 2025 was confirmed based on the evaluation methods and results from the previous fiscal year.

To ensure objectivity and transparency, we engaged a third-party organization once every three years to participate in the effectiveness evaluation. Most recently, we engaged a third-party organization to conduct an evaluation of the effectiveness for fiscal 2023.

Outline of evaluation of the effectiveness of the Board of Directors

Subjects	All nine Directors and all five Audit & Supervisory Board Members
Conduction / Evaluation	1) Questionnaire filled out by the subjects 2) Discussions by Outside Directors and Outside Audit & Supervisory Board Members 3) Discussions by Internal Directors and Standing Audit & Supervisory Board Members 4) Analysis and evaluation based on items 1) through 3) , above, followed by planning and drafting of a proposal for holding a Board of Directors meeting 5) Report and discussion at the Board of Directors meeting
Questions (major categories)	1) Roles and functions of the Board of Directors 2) Size and composition of the Board of Directors 3) Proceedings of Board meetings (agenda setting) 4) Proceedings of Board meetings (reporting and explanation, provision of information, follow-up) 5) Discussion at Board meetings 6) Business understanding and communication 7) Self-evaluation

2) Outline of evaluation results

After reviewing the discussion by the Board of Directors, based on the analysis of the questionnaires and discussions arranged as part of the evaluations of effectiveness, the Company has confirmed that the effectiveness of the Komatsu Board of Directors remains ensured with a generally high level in regard to each of the evaluation items.

Items highly evaluated were mainly as follows.

1) Timely provision of information and explanation of management issues through the President's report made at the beginning of Board meetings
2) Provision of explanatory videos in advance of Board meetings to simplify explanations on the day of the meeting and to ensure sufficient time for discussion
3) Frank and multifaceted discussions by members with diverse backgrounds and knowledge
4) Exchange of information and sharing of insights among Outside Directors outside the Board of Directors meeting
5) Timely provision of materials and enhanced pre-meeting briefings

Issues for further consideration going forward are as follows.

1) Continuation and enhancement of discussions on medium- and long-term issues (business portfolio, changes in the internal and external environment, human capital, etc.) to enhance corporate value
2) Continuation of clarification of discussion themes in agenda for reports, concise reports focusing on the day's key discussion points, etc.
3) Enhancement of opportunities for free discussions and other discussions outside Board of Directors meetings

In fiscal 2026, the Company will work on these points to achieve an even more effective Board of Directors.

Corporate governance

International Advisory Board (IAB)

Komatsu established the International Advisory Board (IAB) in 1995 to incorporate objective advice and suggestions from external experts into the Board of Directors concerning management and operations of Komatsu as a global company. The IAB has met a total of 41 times through meetings of traditional bodies and new organizations combined. In fiscal 2025, amid increasing uncertainty in the external environment, including rapid technological advancement and trends toward carbon neutrality, Komatsu received advice and suggestions on priorities based on technology strategy, positioning in competitive strategy, approaches to competitive advantage, and speed-oriented customer value creation.

Going forward, we will continue to enhance corporate value by improving management and strengthening corporate governance further, making use of advice from an international and multifaceted perspective.

International Advisory Board (IAB) meeting

Advisors of the 9th session (current)

John Paul Bilbrey
Former Chairman, President & CEO, Hershey Company

Baba N Kalyani
Chairman & Managing Director, Bharat Forge Ltd.

Heinz-Gerhard Wente
Former CEO of ContiTech AG and Member of the Executive Board of Continental AG
Former Chairman of the Supervisory Board of Salzgitter AG

Activities outside the Board of Directors

Outside Board meetings, Board members also participate in the following activities.

1) Free discussions involving Board members were arranged centering on the topic of medium- to long-term management issues (twice in fiscal 2025).
2) Outside Directors and Outside Audit & Supervisory Board Members held meetings at which these Outside Board Members shared opinions regarding management issues from their objective and independent standpoints. Discussions with the President and relevant Internal Directors were also arranged to foster a shared understanding.
3) We conduct business site tours to provide opportunities for Outside Directors and Outside Audit & Supervisory Board Members to gain a deeper understanding of the Group's businesses through activities such as exchanging opinions with employees. In fiscal 2025, we visited customer jobsites in Japan and attended an exhibition of forestry machinery.

Visit to a customer jobsite in Hokkaido

Visit to a forestry machinery exhibition held in Miyagi Prefecture

Corporate governance

Audit & Supervisory Board

1) Frequency of and attendance at meetings of the Audit & Supervisory Board

In fiscal 2025, 15 meetings of the Audit & Supervisory Board were held, and the attendance of individual Audit & Supervisory Board Members was as follows.

Frequency of and attendance at meetings of the Audit & Supervisory Board

Name	Attendance / Meetings held	Attendance rate
Yasuhiro Inagaki*1	4/4	100%
Mitsuo Nakao	15/15	100%
Keiko Fujiwara	11/11*2	100%
Kotaro Ohno*1	4/4	100%
Tatsuro Kosaka	15/15	100%
Mariko Matsumura	15/15	100%
Yukio Kai	11/11*2	100%

*1 Yasuhiro Inagaki and Kotaro Ohno retired at the 156th Ordinary General Meeting of Shareholders held in June 2025.
*2 Attendance is shown for meetings of the Audit & Supervisory Board held after their election at the Ordinary General Meeting of Shareholders.

2) Details of discussions at meetings of the Audit & Supervisory Board

Details of discussions at meetings of the Audit & Supervisory Board in fiscal 2025 are as follows.

1) Made resolutions after deliberation on the audit policy, audit method, key audit matters, allocation of duties, and audit report
2) Conferred with the independent auditor to identify Key Audit Matters (KAMs) in the audit and confirmed that these were disclosed properly
3) Discussed and confirmed the method of the independent auditor's audit, the appropriateness of the results, and the independence of the independent auditor
4) Discussed the appointment or dismissal of the independent auditor and passed a resolution for reappointment
5) Received reports on internal audit results of the Company and subsidiaries from the Internal Auditing Department and offered appropriate opinions and discussed said matters
6) Received a report from the Compliance Department on the status of its activities and offered appropriate opinions and discussed said matters
7) Investigated the status of implementation of the basic policy on internal controls and confirmed no issues
8) Discussed and passed resolutions regarding the revision of the Company's Audit & Supervisory Board regulations and audit standards for Audit & Supervisory Board Members in light of revisions of laws and regulations
9) The Audit & Supervisory Board also discussed and implemented improvements for efficient and effective operation of the Audit & Supervisory Board and audit duties

3) Activities of Audit & Supervisory Board Members

In accordance with the audit policies, assignment of duties, and other matters determined by the Audit & Supervisory Board, the Audit & Supervisory Board Members attended important meetings of the Board of Directors, the Strategy Review Committee, the Compliance Committee, the Risk Management Committee, and other bodies, and inspected and confirmed business operations and assets through review of important resolution documents and associated information as well as on-site inspection of the Company and subsidiaries.

Moreover, the Audit & Supervisory Board Members endeavored to communicate and exchange information with Representative Directors, other Directors and Audit & Supervisory Board Members, and the management of the Company and subsidiaries, and received explanations and reports on execution of their duties and the status of businesses and also periodically received explanations and reports on the establishment, improvement, and operation of internal control systems and expressed opinions as needed. In addition, the Audit & Supervisory Board Members worked to improve the environment for auditing through liaison meetings and individual interviews with the Internal Auditing Department and subsidiaries' standing Audit & Supervisory Board Members while maintaining close contact to enhance effectiveness.

Furthermore, Audit & Supervisory Board Members also monitored and verified whether the independent auditor maintained its independent position and implemented appropriate audits, received reports on the execution of duties from the firm, and requested an explanation as needed.

Corporate governance

Activities of advisory committees

Nomination Advisory Committee

The Nomination Advisory Committee (66.7% outside members) consists of four Outside Directors (including the chairman of the committee) and two Internal Directors (the Chairman of the Board and the President). The committee deliberates the nominations of candidates for Directors and Audit & Supervisory Board Members, as well as the selection and dismissal of Executive Officers, including the President (CEO), and reports and makes recommendations to the Board of Directors. In selecting candidates, the committee also considers the proportions of inside and outside members among Directors and Audit & Supervisory Board Members, the expertise, knowledge, and experience expected to contribute to the realization of management strategies such as the Strategic Growth Plan, the Board of Directors' overall skill matrix based on these factors, and diversity in terms of gender, nationality, etc. Based on the reports received, the Board of Directors deliberates and decides on the nomination of candidates for Directors and Audit & Supervisory Board Members, as well as the selection and dismissal of Executive Officers.

Compensation Advisory Committee

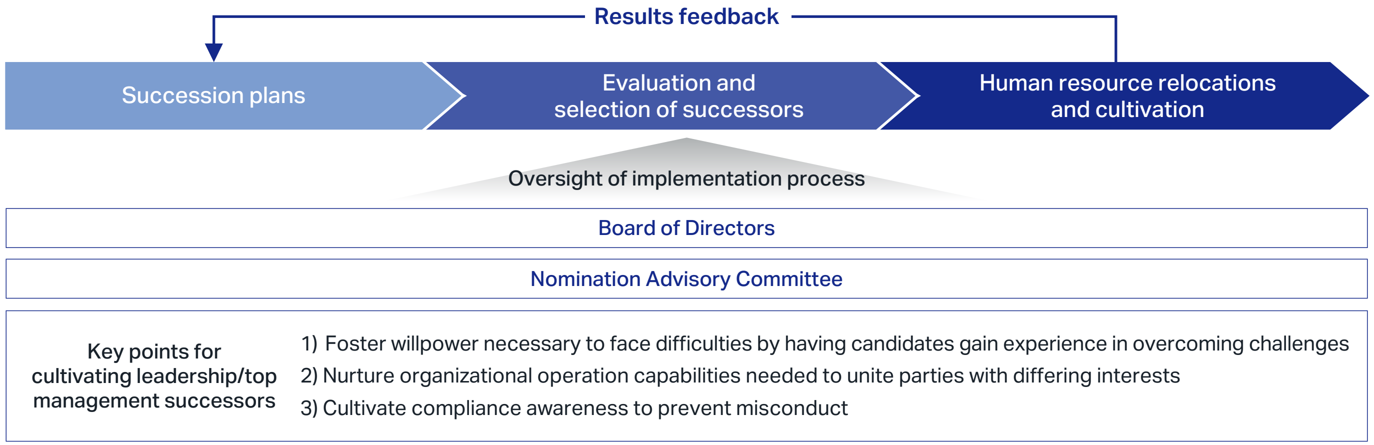
For greater objectivity and transparency in Director and Audit & Supervisory Board Member compensation, the Compensation Advisory Committee (83.3% outside members), which consists of five outside members (four Outside Directors (including the Chairman of the committee) and one Outside Audit & Supervisory Board Member) and one Internal Director (the Chairman of the Board), deliberates compensation policies and compensation levels. Based on reports received from the committee, the Board of Directors determines compensation for Directors and the Audit & Supervisory Board Members discuss and determine compensation for Audit & Supervisory Board Members within the scope of total compensation resolved in advance at the general meeting of shareholders.

Succession plans

One of the items contained in the guidelines for Leadership/Top Management that has been clearly delineated in The Komatsu Way is "continue to think about your succession plan." In order to ensure that Komatsu's management values are transmitted to the next generation, the basic requirements for candidates for the position of President are discussed and clearly defined by the Nomination Advisory Committee. In addition, successors for important global positions up to and including that of the President are decided through the annual implementation of succession plans (see chart at right). Selected candidates are assigned to challenging tasks and granted even larger roles in the organization to systematically develop them in an environment that encourages the pursuit of mutual growth.

	Nomination Advisory Committee	Compensation Advisory Committee
Membership	Six members (including Chairman) <Chairman> Outside Director — Takeshi Kunibe <Committee Members> Outside Director — Naoko Saiki Outside Director — Michitaka Sawada Outside Director — Thomas M. Clark Chairman of the Board — Hiroyuki Ogawa President and Representative Director — Takuya Imayoshi	Six members (including Chairman) <Chairman> Outside Director — Takeshi Kunibe <Committee Members> Outside Director — Naoko Saiki Outside Director — Michitaka Sawada Outside Director — Thomas M. Clark Outside Audit & Supervisory Board Member — Yukio Kai Chairman of the Board — Hiroyuki Ogawa
Purpose	Deliberation, resolution, and reporting to the Board of Directors on selection of the next President (CEO) and human resource development methods, succession plans, and appointment and dismissal of Directors	Deliberation, resolution, and reporting to the Board of Directors and Audit & Supervisory Board on remuneration systems for Directors, Audit & Supervisory Board Members, and Executive Officers to ensure objectivity and transparency
Meetings in FY2025	4	4
Agenda items in FY2025	• Development of candidates for the next President (CEO) • Nomination of candidates for Directors and Audit & Supervisory Board Members for FY2026 • Skills matrixes for Directors and Audit & Supervisory Board Members • Reporting of candidates for Executive Officers • The operational structure of the Nomination Advisory Committee and Compensation Advisory Committee for FY2026, etc.	• The basic remuneration levels for Directors and Audit & Supervisory Board Members for FY2026 • Evaluation indexes for performance-based remuneration for Directors for FY2025 • Evaluations of performance based remuneration under the mid-term management plan for the period from FY2022 to 2024 • Performance-based remuneration during the FY2025 to 2027 Strategic Growth Plan period, etc.

Succession plans



Corporate governance

Remuneration systems

In an effort to maintain an objective and transparent remuneration system, the remuneration for Directors is determined by the Board of Directors, while remuneration for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members. With regard to the level of monthly remuneration paid as basic remuneration, comparison by position at other key, globally active manufacturers in Japan is made by the Compensation Advisory Committee and is reflected in its reports and recommendations. The remuneration for Directors excluding the Outside Directors (hereinafter "Internal Directors") comprises basic remuneration (fixed remuneration) and performance-based remuneration linked to the Company's consolidated performance for a single fiscal year (bonus in cash and the stock-based remuneration A) as well as the performance based remuneration (stock-based remuneration B) that will reflect the degree of achievement of the targets raised in the Strategic Growth Plan, so that it will further contribute to the enhancement of the medium- and long-term corporate value of the Company, by linking the remuneration. The remuneration for Outside Directors only consists of basic remuneration in consideration of their role as members of the Board of Directors to make recommendations on overall management. Furthermore, the remuneration for Audit & Supervisory Board Members only consists of basic (fixed remuneration) designed to support their independent position with authority to audit the execution of duties by Directors without getting fettered by the movements of corporate performance of the Company. The retirement allowance system for Directors and Audit & Supervisory Board Members was terminated as of June 2007.

Remuneration structure for Internal Directors

Monetary remuneration	Non-monetary remuneration		
Basic remuneration (Fixed remuneration)	Performance-based remuneration		
	Performance-based remuneration for a single year (Monthly remuneration (Base amount by position for stock-based remuneration) x 0-27 months)		Strategic Growth Plan performance-based remuneration (Base amount by position x 0-3 months)
	0-12 months	0-15 months	
Monthly remuneration x 12 months	Bonus in cash	Stock-based remuneration A: BIP trust (Delivered upon retirement)	Stock-based remuneration B: BIP trust (Delivered upon retirement)

Remuneration structure for Outside Directors and Audit & Supervisory Board Members

Monetary remuneration
Basic remuneration (Fixed remuneration)
Monthly remuneration x 12 months

Not influenced by Company performance (Fixed remuneration only)

Performance-based remuneration for a single fiscal year

The basic consolidated performance indicators for a single fiscal year will be consolidated ROE*1, consolidated ROA*2, and consolidated operating profit ratio. The plan will also take growth potential (consolidated sales growth rate) into account and evaluate performance based on the ratios shown in the table below to calculate the total amount of performance-based remuneration paid each year. A certain percentage of the total amount of consolidated performance-based remuneration paid in a single fiscal year shall be paid as a cash bonus. The remainder, less said cash bonus, shall be paid as stock-based remuneration subject to a resolution of the Board of Directors (stock-based remuneration A). The goal here is to encourage the sharing of common values with shareholders. However, the maximum cash bonus shall be equivalent to 12 months of monthly remuneration. Any portion exceeding 12 months shall be paid as stock-based remuneration A in lieu of cash. Stock-based remuneration A shall be a trust-type stock-based remuneration (board incentive plan (BIP) trust for Directors), and the number of share delivery points shall be determined and granted to eligible Internal Directors each fiscal year. When an eligible Director retires, the Director in question will be paid for the number of Company shares equivalent to the number of the points granted at the time of retirement in a monetary amount equivalent to the cash proceeds from the conversion of the Company shares.

Consolidated performance-based remuneration indicators for a single fiscal year

	Indicator	Ratio
Basic indicator	Consolidated ROE*1	50%
	Consolidated ROA*2	25%
	Consolidated operating profit ratio	25%
Adjustment indicator	Adjusted by consolidated sales growth	

*1 ROE = Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning of the fiscal year + Komatsu Ltd. shareholders' equity at the end of the fiscal year)/2]
*2 ROA = Income before income taxes and equity in earnings of affiliated companies/[(total assets at the beginning of the fiscal year + total assets at the end of the fiscal year)/2]

Performance-based remuneration linked to performance of the Strategic Growth Plan

Komatsu will pay eligible Directors the equivalent of a three-month portion of the base amount by position every fiscal year as remuneration linked to the period of the Company's Strategic Growth Plan by granting stock-based remuneration (stock-based remuneration B). Stock-based remuneration B shall be a trust-type stock-based remuneration plan (BIP trust for Directors), and single fiscal year points shall be allocated to eligible Directors each fiscal year in accordance with their position in the Company. After the end of the period of Strategic Growth Plan in question, the number of points to be granted will be determined by calculating the cumulative total of single-year points granted to eligible Directors and multiplying this cumulative total by a performance-based coefficient based on the achievement of the Strategic Growth Plan targets and other factors. Upon retirement, the Director in question will receive Company shares equivalent in number to the points granted up to the time of retirement, as well as a monetary amount equivalent to the cash proceeds from the conversion of Company shares.

Indicators for performance-based remuneration linked to performance of the Strategic Growth Plan

Category	Item	Indicator	Target	Ratio
Financial	Growth	Sales growth rate	Growth rate above the industry's average	30%
	Profitability	Operating profit ratio	Top profit ratio in the industry	25%
		FCF	3-year cumulative: 1 trillion yen (excluding M&A-related expenditures)	10%
	Efficiency	ROE*1	10% or higher	10%
	Retail finance business	ROA*2	1.5% to 2.0%	5%
		Net D/E ratio*3	6 times or less	
Non-financial	Resolution of social issues	KPI for solving social issues Reduction of environmental impact	Overall assessment of the achievement of KPIs (30 items) for solving social issues (including the reduction of environmental impact and evaluations by external organizations)	20%

*1 ROE = Net income attributable to Komatsu Ltd. for the year/[(Komatsu Ltd. shareholders' equity at the beginning of the fiscal year + Komatsu Ltd. shareholders' equity at the end of the fiscal year)/2]
*2 ROA = Segment profit /[(total assets at the beginning of the fiscal year + total assets at the end of the fiscal year)/2]
*3 Net D/E ratio = (Interest-bearing debt – Cash and cash equivalents – Time deposits) / Komatsu Ltd. shareholders' equity

P.31 Management targets in the Strategic Growth Plan

Malus and clawback system

Komatsu resolved to adopt a malus (reduction or confiscation) and clawback (return) system at a meeting of the Board of Directors held on April 28, 2022. In the event of a significant revision of financial statements or an event that has a significant impact on the reputation of the Company due to the execution of business by Directors, the performance-based remuneration paid to Internal Directors could be required to be reduced or confiscated, or returned. In principle, the content of the refund, etc., will be decided by the Board of Directors after deliberation by the Compensation Advisory Committee according to each event.

Risk management

Recent years have seen increasingly rapid social changes, resulting in a heightened sense of uncertainty regarding the future.
In response to these challenges, Komatsu has established a risk management system that facilitates the appropriate identification of business risks and opportunities, enabling effective responses.

■ Basic policy

The Komatsu Management Principle is our commitment to Quality and Reliability to maximize the total sum of trust given to us by society and our stakeholders. We regard all uncertainty that impedes this principle as a risk.

In order to support strategic decision-making and smooth business operations appropriately, Komatsu has established a Risk Appetite Statement, which is a policy to respond to risks and ensures that all employees make decisions and take actions based on this statement. In developing the Risk Appetite Statement, the Risk Management Committee deliberates and decides on the statement, and reports on the deliberation to the Board of Directors. Komatsu considers changes in the business environment not only as risks but also as opportunities for corporate growth, and has incorporated into the Risk Appetite our intention to proactively take on challenges with the aim of securing competitive advantage.

Risk Appetite Statement

Safety/Health and compliance

At the Komatsu Group, SLQDC is the priority order given to all executives and employees when making decisions. (Safety (and Health) > Law (Compliance) > Quality > Delivery > Cost)

We do not tolerate any risks that may interfere with our priority of safety, health, and compliance.

Pursuit of innovation

The Komatsu Group has defined our purpose as "creating value through manufacturing and technology innovation to empower a sustainable future where people, businesses, and our planet thrive together."

In order to achieve this, we are proactively taking on challenges while implementing appropriate measures to control risks.

Customer value

The Komatsu Group's vision is to become a collaborative partner committed to optimizing safe, productive, and clean workplaces.

We strive to reduce and avoid risks that could impede the effectiveness, safety, and quality assurance of any products and solutions provided to customers.

Furthermore, we will actively take on challenges by perceiving the creation of customer value as an opportunity for solving social issues, improving profits, and achieving sustainable growth.

Corporate social responsibility

The Komatsu Group will "contribute to a sustainable future by addressing social issues through our business activities" based on its basic policy for social contribution.

We will strive to reduce and avoid risks that may damage public trust by promoting initiatives to respect human rights, enhance low-carbon, and reduce environmental impacts.

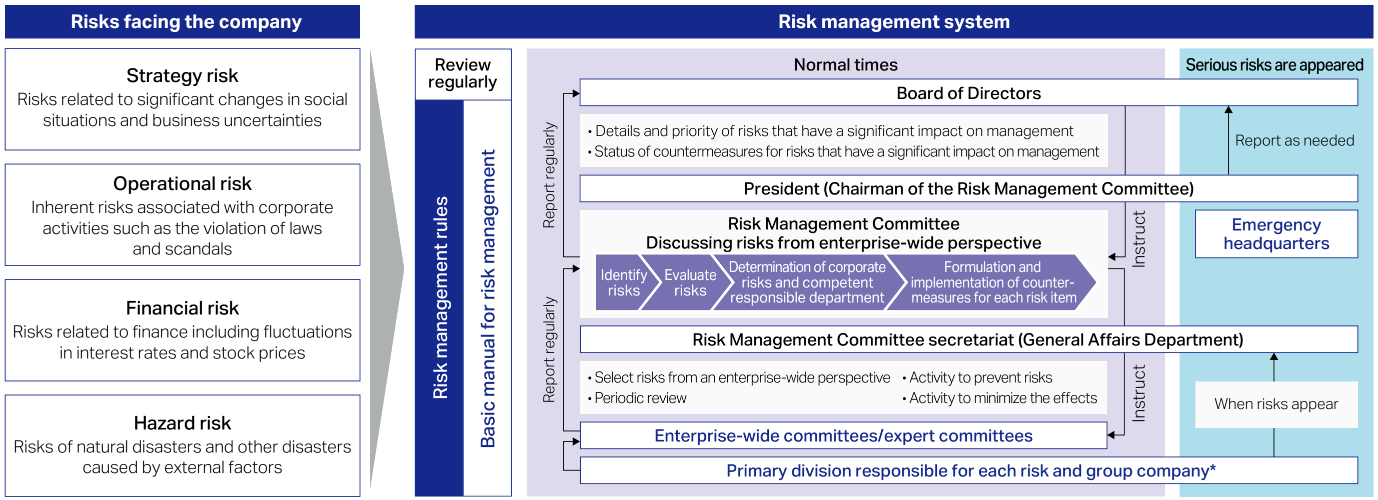
Furthermore, we will actively take on challenges while viewing the resolution of social issues through growth strategies as an opportunity to expand our presence in the market.

■ Risk management system

Komatsu has introduced Enterprise Risk Management (ERM) to identify all risks and opportunities surrounding Komatsu and prepare for them in normal times to respond accurately to the ever-changing business environment and risks. In addition, the Company has established the risk management rules and the basic manual for risk management as rules for the proper recognition and management of risks. Based on the above, Komatsu has established the Risk Management Committee, which is chaired by the President. This committee formulates Komatsu's overall risk management policies each year, identifies corporate risks by selecting and evaluating risks from an enterprise-level perspective, checks and follows up on the implementation of risk countermeasures, and controls risks when they materialize. The committee regularly reports on its deliberations and activities to the Board of Directors.

Furthermore, in the event that a serious risk materializes, an emergency headquarters headed by the President and composed of relevant executives and business division heads is established to take appropriate measures to minimize damage.

Risk management system



* In accordance with the basic manual for risk management, we designate the competent department and expert committee for each risk item. The head of the competent department serves as the risk management officer, implementing measures to prevent risks and minimize damage.

Risk management

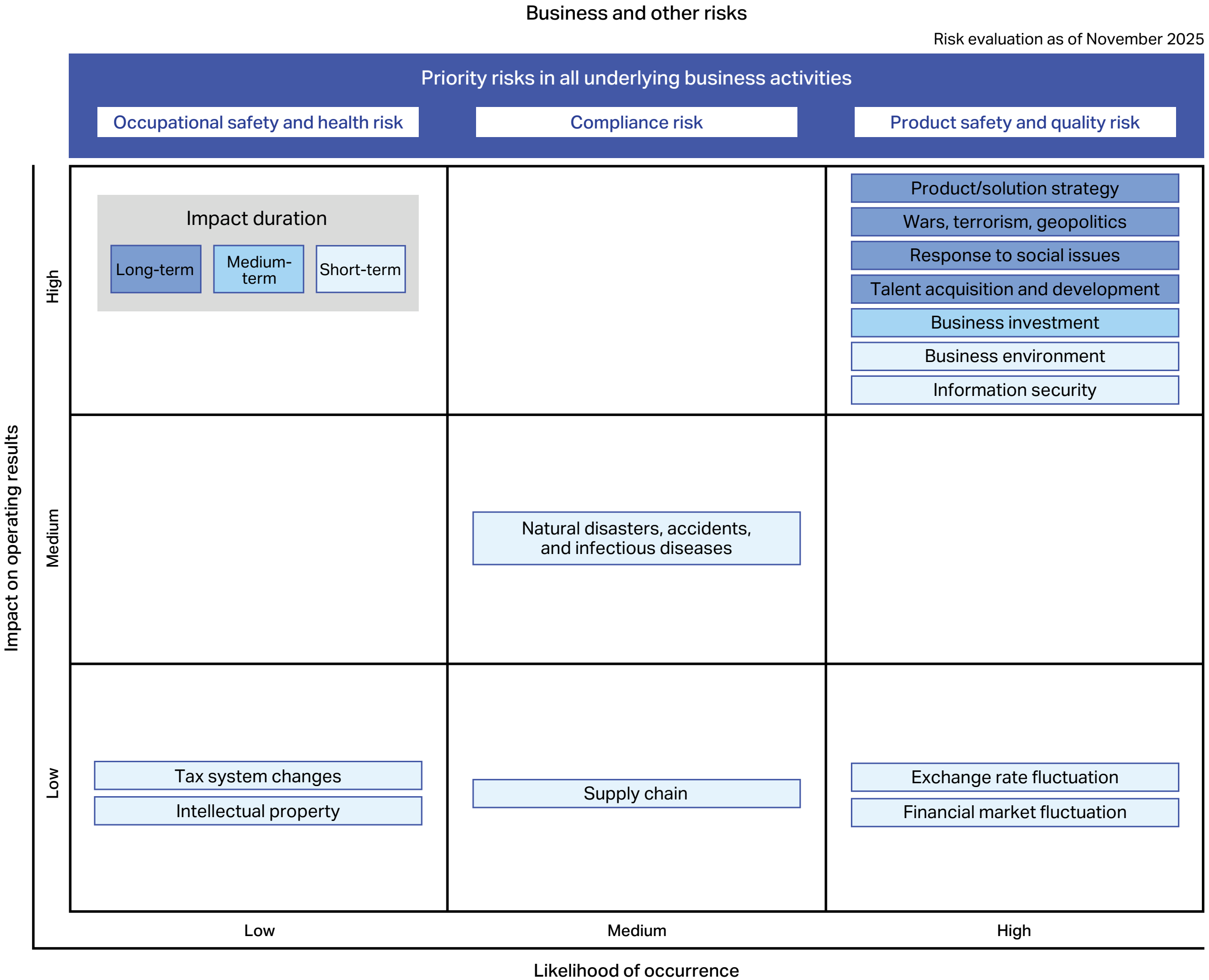
Major risks and assessments

Komatsu identifies risks that may affect our business activities from an enterprise-level and cross-sectional perspective, evaluating and prioritizing each in terms of impact on operating results, likelihood of occurrence, and impact duration. We also identify corporate risks, which are significant risks on the enterprise level, and regional risks that may have a significant impact on the business of specific countries and regions. After determining the responsible department for countermeasures, we implement appropriate measures to avoid and minimize risks, as well as maximize opportunities. In fiscal 2025, the Risk Management Committee met twice to identify risks and opportunities reflecting changes in the business environment and evaluate their priority. The risk map (risk prioritization) based on the results of risk assessment in fiscal 2025 is shown below.

Risk assessment results

Category	Item	Impact on operating results	Likelihood of occurrence	Impact duration
Strategy risk	Product/solution strategy	High	High	Long-term
	Business environment	High	High	Short-term
	Business investment	High	High	Medium-term
	Response to social issues	High	High	Long-term
Operational risk	Supply chain	Low	Medium	Short-term
	Talent acquisition and development	High	High	Long-term
	Information security	High	High	Short-term
	Intellectual property	Low	Low	Short-term
Financial risk	Financial market fluctuation	Low	High	Short-term
	Tax system changes	Low	Low	Short-term
	Exchange rate fluctuation	Low	High	Short-term
Hazard risk	Wars, terrorism, and geopolitics	High	High	Long-term
	Natural disasters, accidents, and infectious diseases	Medium	Medium	Short-term

Risk map (risk prioritization)



Web Risk Factors (Annual Securities Report for the 157th Fiscal Year, P.30)

Web Overview, impact, and countermeasures for “corporate risks” and “regional risks” (ESG Databook, P.10)

Information security

Komatsu recognizes that threats to information security are becoming increasingly sophisticated and complex each year. Accordingly, we have clarified policies across the Group for establishing management systems, protecting information assets, strengthening system security, monitoring networks and systems, and educating and training employees, and have established a management and promotion system.

Information security policy

The Komatsu Group regards the proper protection of information assets as a critical responsibility. To earn and maintain the trust of all our stakeholders, we are committed to maintaining and strengthening information security and pursuing continuous improvements based on the following policies.

Information security policy

1. **Establishment of an Information Security Framework**
   We clearly define responsibilities and authorities related to information security across the entire Komatsu Group. Under the leadership of the top management, we promote the establishment, operation, maintenance, and continuous improvement of our information security management system.
2. **Protection of Information Assets**
   To ensure the confidentiality, integrity, and availability of information assets, we conduct systematic risk assessments and implement appropriate measures based on the results. All Komatsu Group employees understand the importance of information security and act responsibly.
3. **Security Measures for Information Systems**
   We implement appropriate measures to protect our information systems and maintain and improve information security. In addition, we appropriately monitor networks and systems and respond promptly to incidents of unauthorized access or abnormal events.
4. **Management of Information Security Incidents**
   In the event of an information security incident, we respond swiftly to minimize damage, restore operations quickly, and prevent recurrence.
5. **Ensuring Information Security Across the Supply Chain**
   We work to identify information security risks across the entire Komatsu Group's supply chain, including distributors and business partners, and request appropriate information security management.
6. **Education and Training**
   We regularly provide education and training to all Komatsu Group employees to raise awareness of information security and strengthen their ability to respond effectively.
7. **Legal and Regulatory Compliance**
   We take appropriate actions in accordance with the applicable laws, regulations, and contractual obligations in each country and region. Furthermore, we verify the operational status of information security through regular audits and pursue continuous improvements.

Management and promotion system

Komatsu has established and operates a CSIRT (Computer Security Incident Response Team) covering our sites worldwide as part of our organizational framework for information security, including the capability to respond to cyberattacks.

The CSIRT works on an ongoing basis to prevent information security incidents through threat intelligence gathering, implementation of technical countermeasures, and employee training. In the event of an incident, the CSIRT aims to respond quickly, minimize damage, and restore systems as quickly as possible. Komatsu has also established SOC (Security Operation Center) in each global region to monitor systems and networks.

Because prompt initial response is critical to mitigating the impact of cyberattacks, Komatsu has established employee reporting channels and a framework for detecting anomalous activity through SOC monitoring. These reporting channels and SOC monitoring enable the CSIRT and SOC to promptly take initial response actions according to their respective roles and handle the response process consistently, from root cause analysis to the development of measures to prevent recurrence. In the event of a major incident, Komatsu promptly reports the incident to the Risk Management Committee, which includes the President, Directors, and the officer responsible for information security, and has established a structure to take appropriate action based on management decisions. In addition, to prepare for business continuity risks caused by cyberattacks, Komatsu is working to strengthen its emergency response capabilities by developing incident response manuals and conducting regular cyber-BCP drills.

To support the continuity of production operations, Komatsu has established FSIRT (Factory Security Incident Response Team) at each manufacturing site and established response frameworks to prepare for cyberattacks on factory networks and production equipment. In the event of an incident, the relevant FSIRT and the CSIRT work closely together to minimize damage and support the swift resumption of production.

In addition, to continue providing customers with safe and secure products and solutions, Komatsu incorporates security from the planning and development stages, while also ensuring the appropriate management of vulnerability information and maintaining response processes for when vulnerabilities are discovered.

Komatsu appropriately manages information security across the Group under senior management oversight by regularly reporting these initiatives to the Risk Management Committee and reporting material issues to the Board of Directors.

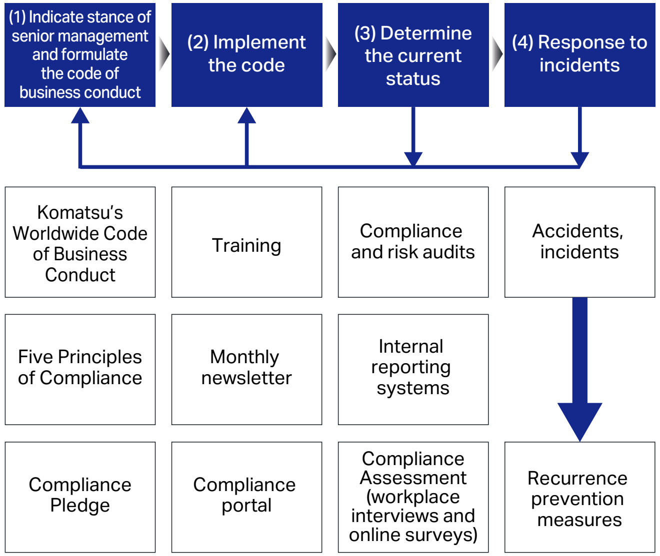
Compliance

In order to continue to earn the trust of society, Komatsu believes that each and every employee must act honestly and ethically in compliance with all applicable laws, regulations, and rules that are generally respected by society.

■ Compliance promotion structure and process

In order to ensure that the entire Komatsu Group complies with rules generally recognized and respected by society, we have appointed an executive officer in charge of compliance at Komatsu's headquarters and established the Compliance Department as a specialized department. In addition, Komatsu has established the Compliance Committee, chaired by the President, to deliberate and determine compliance policies and important measures for Komatsu and the Komatsu Group as a whole, to promote their implementation, and to report periodically to the Board of Directors on the status of promotion of compliance activities.

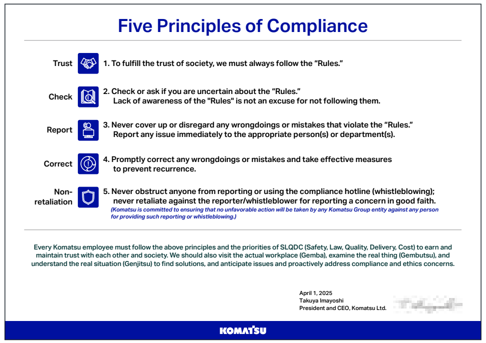
Compliance activities process



■ Initiatives based on the compliance activities process

(1) Indicate stance of senior management and formulate the code of business conduct: Establishing and implementing Komatsu's Worldwide Code of Business Conduct and Five Principles of Compliance

Komatsu's Worldwide Code of Business Conduct lists corporate conduct guidelines that the Komatsu Group must observe to fulfill our social responsibilities, as well as basic rules that should be followed anywhere in the world among the wide range of rules followed in the business community. It is now available in 18 languages worldwide, including Japanese and English. In addition, we have established the Five Principles of Compliance, which summarize the fundamental compliance actions of the Komatsu Group to ensure that each and every employee is always aware of the importance of compliance in their actions.



Five Principles of Compliance

Trust — 1. To fulfill the trust of society, we must always follow the "Rules."

Check — 2. Check or ask if you are uncertain about the "Rules." Lack of awareness of the "Rules" is not an excuse for not following them.

Report — 3. Never cover up or disregard any wrongdoings or mistakes that violate the "Rules." Report any issue immediately to the appropriate person(s) or department(s).

Correct — 4. Promptly correct any wrongdoings or mistakes and take effective measures to prevent recurrence.

Non-retaliation — 5. Never obstruct anyone from reporting or using the compliance hotline (whistleblowing); never retaliate against the reporter/whistleblower for reporting a concern in good faith.
(Komatsu is committed to ensuring that no unfavorable action will be taken by any Komatsu Group entity against any person for providing such reporting or whistleblowing.)

Every Komatsu employee must follow the above principles and the priorities of SLQDC (Safety, Law, Quality, Delivery, Cost) to earn and maintain trust with each other and society. We should also visit the actual workplace (Gemba), examine the real thing (Gembutsu), and understand the real situation (Genjitsu) to find solutions, and anticipate issues and proactively address compliance and ethics concerns.

April 1, 2025
Takuya Imayoshi
President and CEO, Komatsu Ltd.

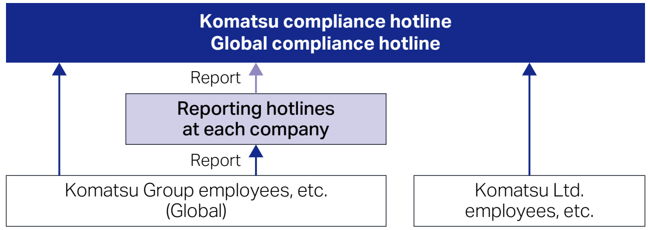
KOMATSU

(2) Implement the code: Efforts to foster compliance awareness

Training on Komatsu's Worldwide Code of Business Conduct is provided to all Komatsu Group employees in 14 languages. In Japan, a monthly newsletter containing compliance-related information has been distributed every month since its first issue in 2006 to deepen understanding of compliance. A wide range of topics are covered, including legal issues, communication, business manners and ethics, and our approaches. Our subsidiaries outside Japan are also carrying out activities similar to those in Japan, and we provide some Japanese articles to these subsidiaries as part of our activities.

(3) Determine the current status: Use of internal reporting hotlines

Komatsu has established a global compliance hotline at our headquarters to handle consultations and reports from all employees concerning rules in business community. Group companies have also established and operate compliance hotlines in each region to detect and correct problems as early as possible. Komatsu's Worldwide Code of Business Conduct and Five Principles of Compliance, as well as the employment regulations of each company, clearly stipulate that employees who report legitimate concerns through this system will not be subject to any disadvantages due to their reports, thereby encouraging consultation and reporting.



(4) Response to incidents: Corrective actions, Prevention of recurrence, and Organization-wide Deployment

When problems are identified, Komatsu promptly corrects them, investigates underlying causes, implements effective measures to prevent recurrence, and makes continuous improvements. In addition to responding to individual problems, Komatsu analyzes them and identifies matters that should be shared across the organization. By sharing summaries of such cases throughout the Group, we help business units and group companies identify similar issues and prevent them from occurring. These findings are also incorporated into internal audit items for the early detection of potential issues.

For details on compliance initiatives, please refer to the ESG Databook 2026.

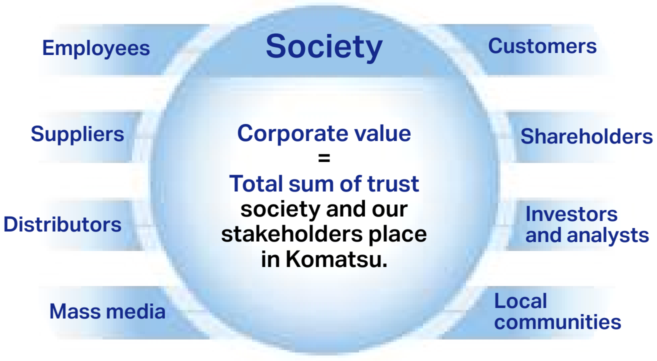
Web Compliance initiatives (ESG Data Book, P.144)

Stakeholder engagement

To continue to be a company trusted by all of our stakeholders, we emphasize fair and timely information disclosure and top management engaging directly with stakeholders. We are committed to transparent communication.

Stakeholder dialogue opportunities

We also provide appropriate communication opportunities for each stakeholder and engage in interactive communication. Through these activities, we identify customer issues, share the direction the Group should take and the challenges we face, and promote greater understanding of the Group.



Stakeholder	Dialogue opportunities
Distributors	Distributor meetings
Suppliers	Komatsu Midori-kai Executive meetings
Employees	Townhall meetings with the President
Customers	Visits by top management
Shareholders	General Meeting of Shareholders Briefing session with shareholders
Investors and analysts	Visits to investors worldwide Analyst meetings Financial results briefings
Mass media	Interviews
Local communities	Meetings with governors, mayors, etc.

Topics of activities in FY2025

Direct dialogue with employees (Townhall meetings with the President)
As the President's first year in office and the first year of the Strategic Growth Plan, we placed particular emphasis on townhall meetings.

In Japan, townhall meetings were held twice at the head office and 15 times at works and other business sites. Outside Japan, meetings were held at four locations in Brazil, Sweden, Chile, and North America, with more than 10,000 employees participating in total, including those connected simultaneously. The President personally explained the concept behind the Strategic Growth Plan and the business outlook, and directly answered questions on a wide range of topics, including the direction of growth, AI utilization, and human resource development. Archived videos were also made available in Japanese and English after the meetings.

Based on post-meeting questionnaires, we also released accounting-related training videos for employees and linked these efforts to initiatives designed to deepen understanding of the President's explanations.

Through ongoing dialogue, we share an understanding of the Company's direction globally and work to improve employee engagement.

Townhall meeting at Komatsu do Brasil Ltda.

Dialogue with suppliers (Komatsu Midori-kai Executive meetings)
Komatsu selects important suppliers that support our production bases around the world as Midori-kai companies in each region and works to build long-term partnerships with them.

At the Komatsu Midori-kai Executive meeting held annually in Japan, top management explains Komatsu's business performance and policies, while participants exchange opinions on the future direction of the supply chain. In fiscal 2025, a total of 502 people from 220 suppliers in Japan, Europe, North America, China, and Thailand participated. The President personally explained Komatsu's Strategic Growth Plan, and participants deepened discussions on responses to changes in the market environment. We also recognized four companies that made outstanding contributions and expressed our appreciation for their efforts and contributions to date.

Komatsu will continue working together with Midori-kai companies to provide better products and services.


Recognizing four companies for outstanding contributions

11-year summary

(Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	1,854,964	1,802,989	2,501,107	2,725,243	2,444,870	2,189,512	2,802,323	3,543,475	3,865,122	4,104,395	4,132,751
Operating profit	208,577	174,097	268,503	397,806	250,707	167,328	317,015	490,685	607,194	657,125	567,323
Operating profit ratio (%)	11.2	9.7	10.7	14.6	10.3	7.6	11.3	13.8	15.7	16.0	13.7
Income before income taxes and equity in earnings of affiliated companies	204,881	166,469	291,807	377,471	223,114	162,775	324,568	476,434	575,663	604,838	537,258
Net income attributable to Komatsu Ltd.	137,426	113,381	196,410	256,491	153,844	106,237	224,927	326,398	393,426	439,614	376,391
Capital investment*1	160,051	142,006	145,668	179,210	166,552	163,174	147,762	161,563	179,999	184,166	183,024
Depreciation and amortization*1	111,174	103,219	132,442	129,860	129,525	130,432	133,256	146,478	153,728	159,304	158,430
Research and development expenses	70,736	70,507	73,625	73,447	74,761	73,840	77,478	90,628	103,441	110,472	121,177
Total assets	2,614,654	2,656,482	3,372,538	3,638,219	3,653,686	3,784,841	4,347,522	4,875,847	5,636,656	5,773,523	6,423,941
Shareholders' equity	1,517,414	1,576,674	1,664,540	1,815,582	1,771,606	1,912,297	2,232,511	2,539,641	3,033,569	3,173,399	3,510,768
Shareholders' equity ratio (%)	58.0	59.4	49.4	49.9	48.5	50.5	51.4	52.1	53.8	55.0	54.7
Net interest-bearing debt*2	349,081	286,512	663,740	779,890	762,705	666,856	630,710	763,787	796,192	765,028	901,330
Net debt-to-equity ratio (times)	0.23	0.18	0.40	0.43	0.43	0.35	0.28	0.30	0.26	0.24	0.26
Net cash provided by operating activities	319,634	256,126	148,394	202,548	295,181	354,129	300,970	206,474	434,778	517,167	448,963
Net cash used in investing activities	(148,642)	(133,299)	(377,745)	(187,204)	(190,930)	(163,057)	(143,569)	(169,518)	(204,419)	(210,669)	(199,232)
Net cash provided by (used in) financing activities	(173,079)	(107,718)	243,949	(3,660)	(3,457)	(199,667)	(93,868)	(66,613)	(122,037)	(321,424)	(208,536)
Cash and cash equivalents, end of year	106,259	119,901	144,397	148,479	247,616	241,803	315,360	289,975	403,178	385,569	439,701
Number of common shares issued (thousands of shares)	971,967	971,967	971,967	972,252	972,581	972,887	973,145	973,450	973,810	950,953	930,341
Net income attributable to Komatsu Ltd. per share (yen)	145.80	120.26	208.25	271.81	162.93	112.43	237.97	345.22	415.96	473.44	413.9
Cash dividends per share (yen)	58.0	58.0	84.0	110.0	94.0	55.0	96.0	139.0	167.0	190.0	190.0
Consolidated payout ratio (%)	39.8	48.2	40.3	40.5	57.7	48.9	40.3	40.3	40.1	40.1	45.9
ROA (%)	7.6	6.3	9.7	10.8	6.1	4.4	8.0	10.3	11.0	10.6	8.8
ROE (%)	9.0	7.3	12.1	14.7	8.6	5.8	10.9	13.7	14.1	14.2	11.3
Exchange rate for the U.S. dollar (yen)*3	121	109	111	111	109	106	112	135	144	153	150
Exchange rate for the euro (yen)*3	132	119	130	129	121	123	130	140	156	163	174
Exchange rate for the Australian dollar (yen)*3	—	—	—	—	—	—	83	93	95	100	99
Number of employees (consolidated)	47,017	47,204	59,632	61,908	62,823	61,564	62,774	64,343	65,738	66,697	67,279
Ratio of employees working outside Japan (%)	60.7	62.7	66.7	68.4	68.4	67.5	67.7	68.4	68.9	69.7	70.0
CO_2 emissions (thousand tons)*4	342	384	459	519	404	382	461	464	342	330	299
Waste generated (thousand tons)	62.4	83.5	113.1	117.8	95.6	74.2	92.7	104.0	72.6	67.5	67.9
Volume of water used (thousand m^3)	3,761	3,469	4,059	3,963	3,570	3,238	3,140	3,081	2,721	2,516	2,762

*1 Capital investment is for property, plant and equipment only. Depreciation is the total of depreciation on property, plant and equipment and intangible assets.
*2 Net interest-bearing debt = Interest-bearing debt – Cash and cash equivalents – Time deposits
*3 Average exchange rates for the fiscal year
*4 Figures for Scope 1+2 (in-house direct and indirect emissions) are shown.

Company information (as of March 31, 2026)

Company name
Komatsu Ltd.

Head office
〒105-8316
Shiodome Building, 2-20, Kaigan 1-chome,
Minato-ku, Tokyo, Japan

Established
May 13, 1921

Common stock
Consolidated 70,317 million yen (according to U.S. GAAP)

Number of employees
Consolidated: 67,279
Non-consolidated: 12,435
Average age: 41.7*
Average length of service: 17.1 years*
*Non-consolidated

Number of issued shares
930,340,620 (including treasury stock)

Number of shareholders
274,815

One unit of shares
100

Stock listings
Tokyo Stock Exchange Prime Market

Transfer agent
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Depositaries (ADRs)
The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
U.S.A.
Tel: +1-(201)-680-6825 for international calls and
888-269-2377
(888-BNY-ADRS) for calls within U.S.A.
URL: https://www.adrbnymellon.com/
Ticker Symbol: KMTUY

Major shareholders

Shareholder name	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	154,497	17.11
Custody Bank of Japan, Ltd. (Trust Account)	57,340	6.35
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	26,314	2.91
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (standing proxy: Sumitomo Mitsui Banking Corporation)	25,398	2.81
Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd.)	18,638	2.06
THE CHASE MANHATTAN BANK,N.A. LONDONSECS LENDING OMNIBUS ACCOUNT (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	17,644	1.95
JP MORGAN CHASE BANK 385642 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	13,586	1.50
JP MORGAN CHASE BANK 385781 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	13,158	1.45
BNYM AS AGT/CLTS NON TREATY JASDEC (standing proxy: MUFG Bank, Ltd.)	12,178	1.34
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	11,292	1.25

* Shareholding ratio is calculated by subtracting treasury stock.
* Although the Company holds 27,377 thousand shares of treasury stock, it is excluded from the major shareholders listed above.

Stock information (including treasury stock)

Owner	Shareholding ratio	Number of shares	Number of shareholders
Financial	31.1%	289,433,376	178
Foreign	44.4%	413,945,344	1,530
Individual and other	17.8%	165,677,427	271,212
Corporate	1.8%	16,954,248	1,817
Securities	4.7%	44,330,225	78

*The figures of shareholding ratio have been rounded down to the first decimal place.
*Treasury stock (27,377 thousand shares) included under Individual and other.

Web Stock, rating information

External recognition (as of May 1, 2026)

Dow Jones Best-in-Class World Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Dow Jones Best-in-Class Asia Pacific Index

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

Web External recognition (ESG Databook, P.32)

The inclusion of Komatsu in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Komatsu by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

FTSE Russell confirms that Komatsu has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Russell confirms that Komatsu has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. The FTSE JPX Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

EcoVadis:https://recognition.ecovadis.com/ZoDTnnpG3UitohXH0eeSbQ
FTSE Blossom Index Series:https://www.lseg.com/en/ftse-russell/indices/blossom-japan

Komatsu
Shiodome Building, 1-2-20, Kaigan, Minato-ku, Tokyo 105-8316, Japan
https://www.komatsu.jp/en
Corporate Communications Department
Sustainability Promotion Division
E-mail : JP00MB_info@global.komatsu