

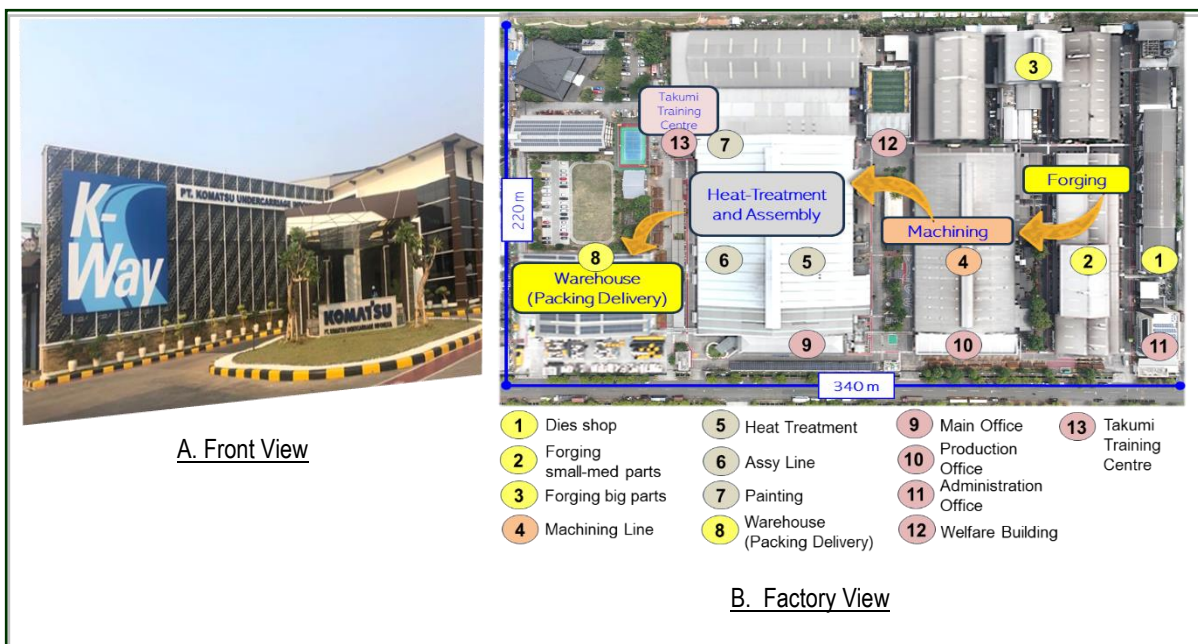
1. Organization Profile

PT. Komatsu Undercarriage Indonesia (KUI) is formed by 2 companies – PT Komatsu Forging Indonesia (PT KOFI) and PT Komatsu Undercarriage Indonesia (PT. KUI) - which was merged on Jan 2, 2012. PT. KOFI (previous name is PT Hokuriku United Forging Industry) was established on Jan 20, 1992 and PT KUI (old) was established on Nov 9, 2000.

KUI's factory is located at Jl. Jababeka XI Blok H-16 Cikarang Industrial Estate, Bekasi 17530 West Java, Indonesia. KUI has land area approximately 74,306 m² with building area is 34,204 m². KUI has two main plants, Forging Plant and Assembly Plant.

KUI operates some major equipment to maintain overall equipment effectiveness and efficiency in production.

Major equipment in Forging Factory such as Forging Line, Heat Treatment Line and Link Machining Line. Major equipment in Assembly Factory such as: Part Machining, Induction Quenching Tempering (IQT), and Assembly (Link, Roller and Idler).

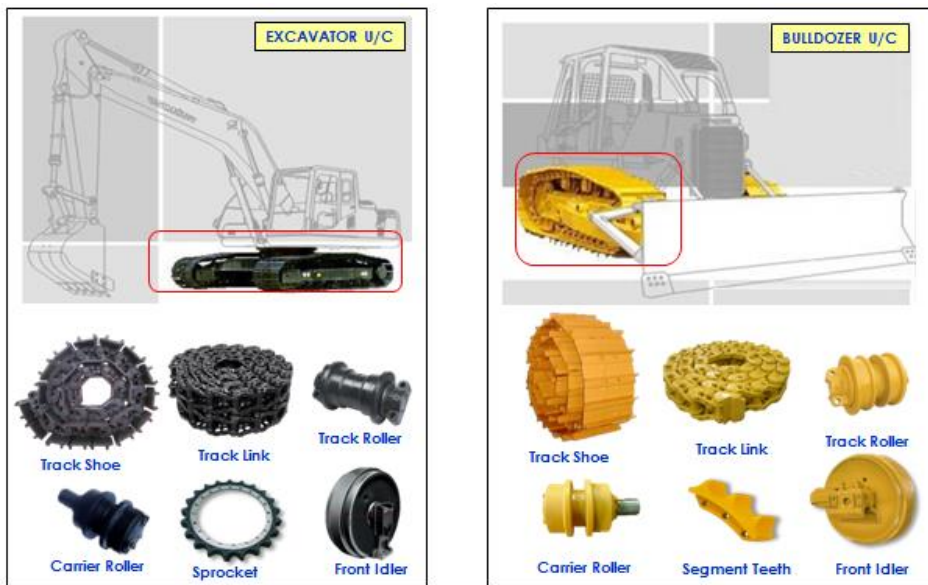


1.1 KUI's Factory

KUI is the first undercarriage company which built the outside from Komatsu Japan; the main reason is because Indonesia is strategic market for Komatsu.

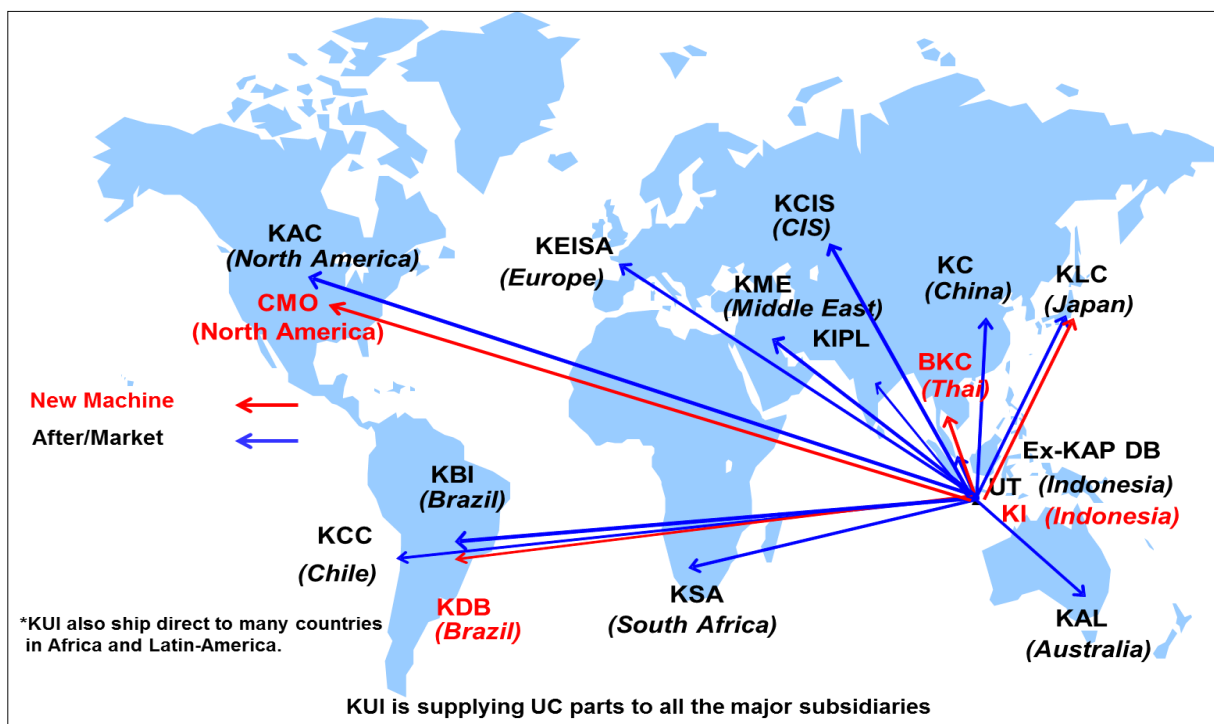
Under Komatsu Ltd. as parent company, KUI produces and supplies undercarriage components mostly for mining and construction equipment. Undercarriage (U/C) components are supporting component for hydraulic excavator and bulldozer such as Track Shoe, Track

Rollers, Idlers, Sprocket, Segment-Teeth, etc. These parts are categorized as consumable parts.



1.2 Undercarriage (U/C) Products

KUI supports Komatsu Group of all over the world by supplying undercarriage component for hydraulic excavator and bulldozer.



1.3 KUI's Shipping Destination

KUI sales to overseas customers approximately 55% including distributors and subsidiaries and another 45% for domestic customers. Total production capacity of KUI is 16,800-unit track link/year with 1,267 employees by the end of year 2018. KUI has received ISO 9001:2015, 14001:2015 and ISO 45001:2018 accreditations.

2. Milestones on the Journey of Manufacturing Excellence

To achieve its vision of becoming a world-class undercarriage company, the organization must address key operational gaps that impact efficiency, productivity, and competitiveness.

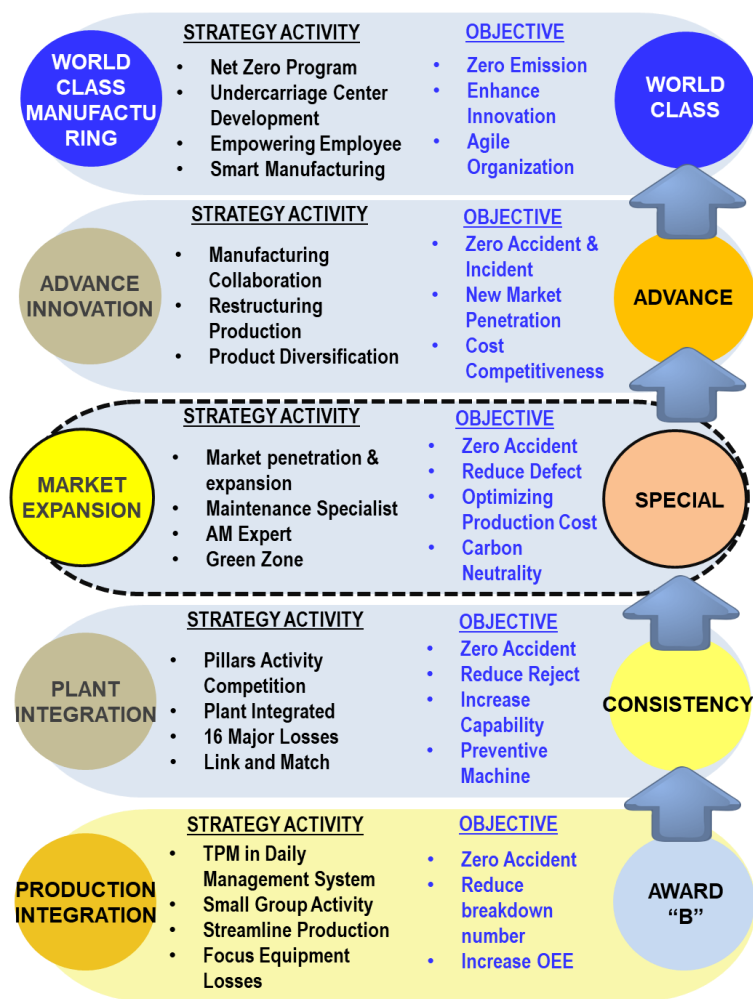
Starting from the background, Internal Factor and External Factor as the gap implementing Total Productive Maintenance (TPM) is essential. TPM will enhance equipment reliability, reduce downtime, and optimize production efficiency. By embedding a culture of proactive maintenance and continuous improvement, the company can strengthen its competitive position, increase productivity, and deliver superior customer solutions.

VISION	To be the world class Undercarriage company, valuable for the Nation and its stakeholder.	
MISSION	<ul style="list-style-type: none"> • Provide the best solution to the customer. • Contribute to the Nation development. • Continuously improving competence in harmony with employee, business partners, and society. 	
BACKGROUND	INTERNAL FACTORS: <ul style="list-style-type: none"> • Integrated Production & Facilities • Near To The Market • Completed Product Range • Integrated Research & Development • Strong Value: 3C, Integrity, Innovation • Insufficient Supplier Capability • Less Efficiency In Operation • Late To Fulfill New Required Capability • Slow Respond Development Product 	EXTERNAL FACTORS: <ul style="list-style-type: none"> • Carbon Neutrality • Economic Recovery • Industrial 4.0 • Digitalization & Diversity • Business Sector Trend • Global Cross Sourcing Coverage • Government Regulation • Tighter Competition • Potential Cost Increase (Energy, Material, Labor). • Establish Competitor Factory • Logistic Issue
OBJECTIVE	Providing Undercarriage Component as well as solution to best support for customer operation	

1.4 KUI Vision-Mission-Objective

Strategy initiatives TPM are essential to achieve long-term sustainability and maintain competitiveness in an evolving market. Market Penetration as key part of defined company strategy supported by three critical elements:

- Market Expansion which aim to broaden presence in existing or new markets,
- New Product Development focuses on developing new products to meet market demand.
- Cost Competitiveness aims to maintain a competitive position in market



1.5 TPM Strategy Toward World Class Manufacturing

Strategic for achieving World-Class Manufacturing, structured into five progressive stages. Each stage outlines strategic activities and their corresponding objectives, leading towards operational excellence:

1. Production Integration
2. Plant Integration
3. Market Expansion
4. Advance Innovation
5. World Class Manufacturing

The journey towards World Class Manufacturing begins with stabilizing the production process in implementing TPM, followed by increasing efficiency, expanding the market, and innovation. The goal is to achieve a sustainable, lean, agile, and competitive manufacturing system that meets the needs and delivers customer satisfaction.

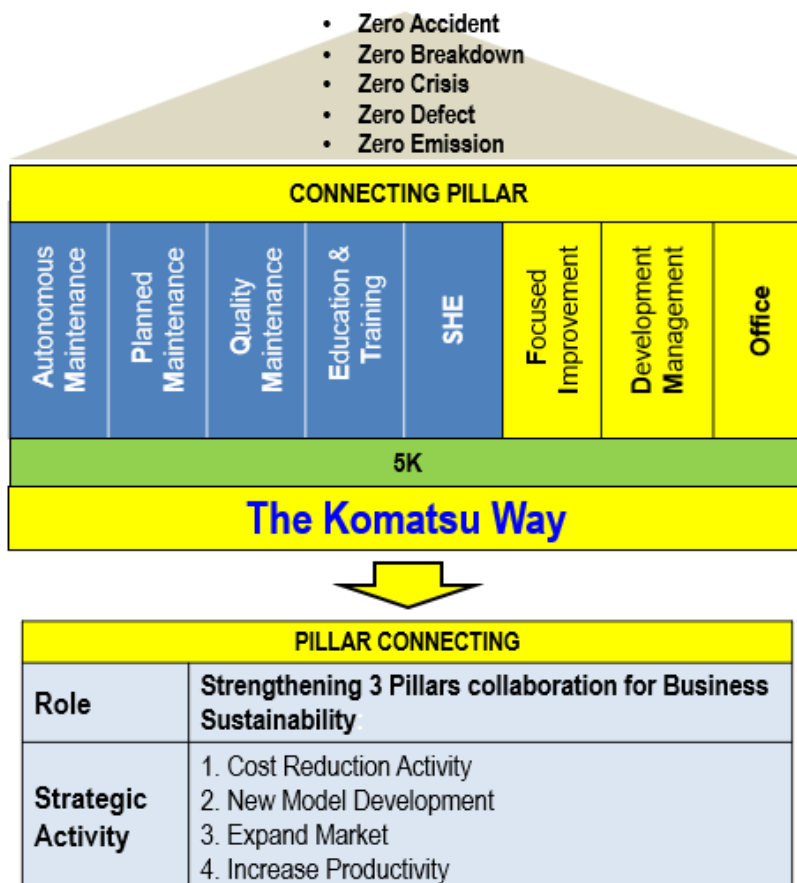
3. Benefit Achieved

INDICATORS	Unit	2013 (BM)	Plan	EXCELLENCE AWARD-B	CONSISTENCY AWARD	SPECIAL AWARD			ADVANCE	WORLD CLASS		
				2018	2021	2022	2023	2024 (end of Sept.)	2027	2030		
SAFETY	LTA	Freq.	1	Plan	0	0	0	0	0	0		
				Actual	0	0	1	0	0			
NON-LTA	Freq.	1	Plan	0	0	0	0	0	0	0		
			Actual	5	2	2	1	2				
LAW	Zero Violation	%	0	Plan	0	0	0	0	0	0		
				Actual	0	0	0	0	0			
QUALITY	Customer Satisfaction Index	Min. %	74	Plan	75	85	85	85	85	92	95	
				Actual	75	89	90	92	92			
	Claim Customer	%	0.15	Plan	0.21	0.14	0.11	0.14	0.14	0.13	0.12	
				Actual	0.14	0.12	0.11	0.14	0.13			
	Defect Reject Rate	%	0.31	Plan	0.21	0.21	0.21	0.20	0.19	0.18	0.17	
				Actual	0.27	0.20	0.19	0.19	0.17			
Defect Repair Rate	%	N/A	Plan	N/A	N/A	N/A	N/A	12.9	10.9	9.0		
			Actual	N/A	N/A	13.97	13.55	12.00				
DELIVERY	Sales	%	130.5	Plan (BP)	160.3	110.8	201.5	241.2	175.5	298.0	400.0	
				Plan (MYO)	176.3	146.8	220.3	184.1	196.5			
				Actual	179.1	173.8	238.7	186.8	98.8			
	Marketshare Global	%	25	Plan	28	35	38	40	45	50	57	
				Actual	30	36	42	42	45			
	OEE	Forging	%	62	Plan	63	81	79	79	84	84	85
					Actual	63	81	79	79	84		
	Heat-Treatment	%	82	Plan	85	86	88	88	86	89	90	
				Actual	79	88	89	85	88			
	Machining	%	72	Plan	80	83	84	84	84	85	87	
				Actual	75	84	84	83	84			
	Assembly	%	81	Plan	85	85	86	88	88	89	90	
				Actual	85	88	88	87	87			
	Productivity	Kg/Man/H	71	Plan	75	71	110	97	75	98	107	
				Actual	79	107	94	73	93			
	MTTR	Hour	3.5	Plan	3.5	2.3	1.9	1.9	1.9	1.5	1.0	
				Actual	2.3	1.9	2.2	2.1	1.8			
	MTBF	Hour	496	Plan	496	511	523	523	523	760	760	
Actual				511	523	456	504	758				
COST	Profitability	Index	100	Plan	132.7	55.1	130.6	129.6	130.6	153.0	152.0	
				Actual	106.1	84.7	123.5	177.6	172.4			
	Cost Reduction Ratio	%	3.3	Plan	3	7.6	9.3	11.1	12.8	14.6	16.3	
Actual				4.6	9.3	11.1	12.8	14.6				
ENVIRONMENT	CO2 Reduction Index (Ton/In-House Production Value).	%	42	Plan	51	53	52	55	58	65	70	
				Actual	52	47	53	57	60			
	Water Reduction (M3/in-House Production Value).	%	28.0	Plan	36	55	56	60	66	68	70	
				Actual	57	51	52	60	67			

The company is progressively moving towards World-Class Manufacturing by enhancing safety, quality, efficiency, sustainability, and market growth. The KPI trends suggest successful implementation of TPM aligning with strategic goals.

3. Key to our Manufacturing Excellence

The Connecting Pillar in TPM serves as a link and enabler for seamless collaboration across different elements of the production system. By integrating TPM strategies with the Connecting Pillar, companies can effectively achieve goals such as cost reduction, innovation, market expansion, and productivity improvement, ensuring World-Class Manufacturing and long-term sustainability.



6. Contact

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