



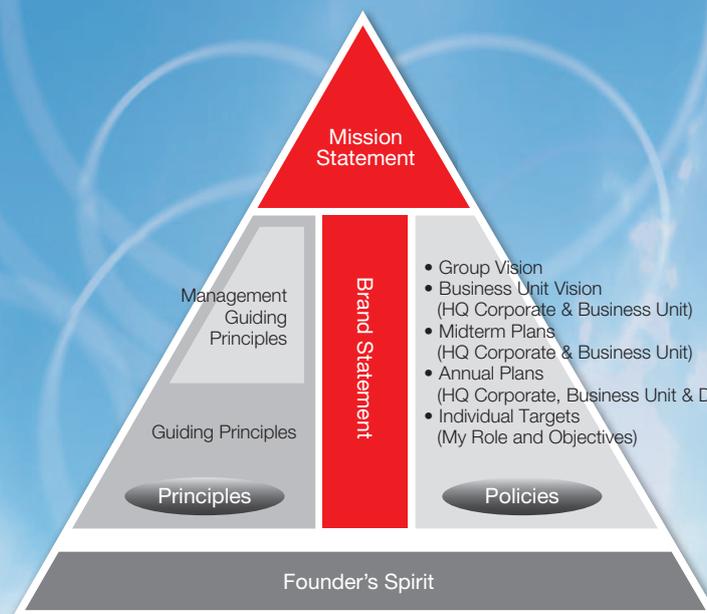
YANMAR

Corporate Social Responsibility Report
2013



Mission Statement

We strive to provide sustainable solutions for needs which are essential to human life. We focus on the challenges our customers face in food production and harnessing power, thereby enriching people's lives for all our tomorrows.



Guiding Principles (YANMAR 11)

1. Focus on the Customer

Ask yourself where customer value lies, and use the answer in delivering optimal solutions.

2. Grasp the Real Situation

Investigate what the actual situation is. Penetrate beyond pre-conceptions and check the actual place, the actual part and the actual condition to get to the truth.

3. Success through Perseverance

Achieve excellent results through follow up and perseverance. Never give up.

4. Initiative

Be proactive with minimal supervision and prompting. Start the ball rolling.

5. Winning Speed

Act swiftly to capitalize on global opportunities.

6. Imagine and Do

Be creative and question the accepted way of doing things. Don't only accept what worked yesterday.

7. Teamwork

Work together and remove internal barriers for our common goals. Think globally and act locally.

8. Open and Honest Communication

Encourage differing views to reach optimal solutions. Don't just follow the general consensus.

9. Global Challenge

Strive for innovation and continuous improvement to be world class. Don't get too comfortable.

10. Personal Development

Set goals and challenge yourself to improve.

11. Social Responsibility

Always act with integrity. Serve and improve the community and the environment.

For all YANMAR employees

The Guiding Principles function as a guideline for the actions and decision making we use to achieve the Mission Statement. They place the principles in order, from activities related to our highly valued customers to the self-improvement and compliance activities necessary for business operations.

Brand Statement

Solutioneering Together

The Brand Statement concisely expresses the essence of the YANMAR Group's Mission Statement in response to changing times and communicates it for internal and external use. It promises customers an enduring commitment to the value provided by the YANMAR Brand and indicates the directions of our business activities.

Group Vision

Maximize Lifecycle Value for the Customer to Win Their Lasting Trust

The Group Vision, which connects the Mission Statement and the Business Unit Vision, suggests the direction we should pursue and conveys our approach to providing value to our customers.

Founder's Spirit

Grateful to serve for a better world To conserve fuel is to serve mankind

The Founder's Spirit is the origin of YANMAR's corporate activities and, at the same time, YANMAR's DNA. These concepts have been handed down from our founder Magokichi Yamaoka for generations and must be passed onto future members of the YANMAR family.

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●The word "Solutioneering" was coined from Solution and Engineering. Through our command of engineering, we seek to create solutions to the problems our customers face.

The Yanmar Group: Our Business Domains

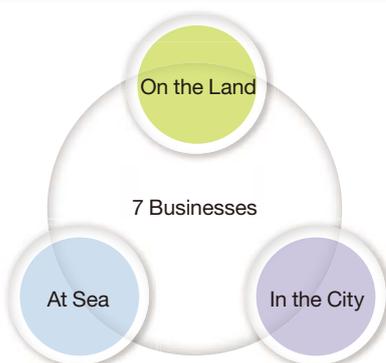
Providing Solutions in 3 Fields

Yanmar provides solutions on the land, at sea and in the city. Whether it be versatile construction machinery, highly efficient energy generation, our original component business, the driving force of our industrial engines, the high-quality and reliability of our large power products, or marine products in harmony with the environment, Yanmar is hard at work, providing diverse solutions to serve customers on land, at sea and in the city.

On the Land

Agriculture supports life. We are engaged in the pursuit of abundant "food" through the development of agricultural machinery for farmers ranging from professionals to hobbyists. In Japan and overseas, with a focus on Asia, we're introducing integrated, mechanized farming methods towards furthering the industrialization of agriculture.

Tractors 	Hydraulic equipment 	Biomass generation plants 
Combines 	Transmissions 	Grain silos 
Rice transplanters 	Compact diesel engines for industrial use 	Unmanned helicopters 



Industrial Engine Business

⇒ Environmentally-oriented Products (p. 36)

As a pioneer in producing compact diesel engines for industrial use, we develop, manufacture, sell, and provide after-sales servicing for our top-class products.

•Products: Compact diesel engines for industrial use, precision components for fuel injection systems, etc.

Large Engine Business

⇒ Environmentally-oriented Products (p. 36)

Development, production, sales, and services are unified, and a business model that aims to increase customer value (LCV) is being developed.

•Products: Marine propulsion and auxiliary diesel engines for ocean-going vessels, land-use diesel engines, gas engines and gas turbines and products related to these systems

Marine Business

⇒ Environmentally-oriented Products (p. 36-37)

We're providing the global market with commercial and pleasure boat engines that have powerful and stable performance and are highly economical and reliable.

•Products: Small and medium marine diesel engines and related products, marine environment products, FRP pleasure boats, small fishing boats, fish tanks and pontoons, etc.

At Sea

From marine leisure to solutions for the largest working boats, Yanmar develops marine engines and propulsion systems for safe passage of the seas in harmony with the environment. Revitalizing the fishing industry, we are developing aquaculture technology towards our ultimate goal of coexistence between humans and the marine environment.



In the City

With technology ranging from renewables through cogeneration systems that harness heat and electrical energy, Yanmar will deliver the best energy solution for the application, whether business, public facilities, or residential.



Agricultural Machinery Business

⇒ Environmentally-oriented Products (p. 37)

We offer products that employ the latest technologies, such as I-HMT (electronically controlled hydraulic continuously variable transmission) and ICT (Information Communication Technology) to monitor the operating conditions of farm equipment.

•Products: Tractors, combines, rice transplanters, power tillers, cultivators, farm facilities, fruit sorting machinery, unmanned helicopters, products and materials related to agricultural use, etc.

Energy System Business

⇒ Environmentally-oriented Products (p. 38)

We deploy high-technology solutions in the form of GHPs, cogeneration systems, emergency generators and other energy-saving and disaster response equipment. We're also expanding into new markets, such as solar power generation.

•Products: Micro cogeneration systems, gas heat pumps, main and standby generators, pump drive systems, solar power generation systems, etc.

Construction Machinery Business

⇒ Environmentally-oriented Products (p. 38)

We offer a wide variety of high performance compact construction equipment and general-purpose machinery such as the ViO series of True Zero Tail Swing excavators, the Σ series of boom excavators, portable generators, light towers, etc.

•Products: Backhoes, wheel loaders, carriers, small generators, light towers, etc.

Component Business

⇒ Environmentally-oriented Products (p. 38)

Along with proprietary hydraulic control and gear processing technologies, we are collaborating with various Group companies in the manufacture of distinctive products, such as continuously variable hydromechanical transmissions.

•Products: Hydraulic equipment, gears, transmissions, marine gears, machine tools, etc.

Top Message

Standing on the starting line of the 101st year since our founding, we have our focus on Yanmar in its 200th year. In the fields of “food production” and “harnessing power”, on which life itself is based, we are aiming to be an enterprise that contributes to the realization of a sustainable society, providing our customers with the highest quality products and services that only we can create.

Our Group, which marked its centenary in March 2012, has started to undertake measures for new growth, allowing us to take further strides ahead. As we reached our centennial, we released a new “Mission Statement,” which clearly indicates the future direction of the Yanmar Group. Therefore, to turn the Mission into reality, I want everyone to tackle their work with creativity, and transform the corporate Group so that it provides surprise and happiness that rise beyond the expectations and imagination of our customers.

Looking back on the previous year, there were some highlights, such as the London Summer Olympics and a gradual recovery in the U.S. economy. However, the management environment remains uncertain, with the long-term nature of Europe’s debt problem and the slowdown in emerging economies among factors that defy prediction. To respond to this situation, we will remain cautious and steer our management in the direction of further growth for the Group.

In addition, the situation for Japan’s industrial sector is clearly not a cause for celebration, with instabilities in the nation’s electricity supply resulting from the effects of the 2011 Great East Japan Earthquake among factors undermining confident growth.

Although recovery from the disaster is progressing, with many victims and families still enduring harsh conditions, Yanmar will continue to provide support to recovery efforts.

In the meantime, we are moving forward with specific efforts based on the new Mission Statement. One of them is the “Premium Brand Project,” which got under way from 2013. This is a project with close ties to the Company’s Mission, and it contributes to Solutioneering for our customers. We want to build a new corporate image, while launching premium activities for the brand through our products, after-sales and communication, in order to earn the unwavering trust of our customers throughout the world.

“Premium Brand” definitely does not mean that we’re “aiming to become a luxury brand.” Implicit in the meaning is the idea of an existence that provides not just “satisfaction” — even though there is the expression “customer satisfaction” — but an experience that moves our customers, providing surprise and happiness that rise beyond the expectations and imagination of our customers. The task of turning this into reality falls on each and every one of us through our steady efforts in our daily work. We will also move forward in making our

customers’ satisfaction an utmost priority so that we can provide them with the “highest level of added value, as only Yanmar can.”

On the other hand, I want each and every employee of the Company to have pride in Yanmar through these activities, and for them to be able to make a variety of proposals that prove useful for solving problems faced by our customers.

In order for Group employees from around the world to have the correct appreciation for Yanmar’s new activities and to learn and develop the necessary approach to solving the problems our customers face, the Global Human Resources Development Institute was established in Nagahama City, Japan, the birthplace of our founder, Magokichi Yamaoka. The institute is implementing educational programs that include technical training, management philosophy and our new Mission Statement, with the aim of contributing value to our customers. The Yanmar Museum, which showcases the efforts of our Group over the past 100 years and into the future, opened right next to the institute. The museum follows the history of our support of industry through development of our core diesel engine technology and the machinery supported by it, in pursuit of energy efficiency and harmony with nature. Through exciting and engaging exhibits and a range of hands-on activities, we aim to share our passion for industry with museum visitors. We hope to see you there soon.

Both the museum and institute also make use of our highly efficient generators which boast outstanding energy-saving characteristics. We aim to manage these facilities in cooperation with the local community to invigorate regional economies and preserve the environment.

The first half of this year’s report talks about measures for growth. Here we introduce an outline of the activities undertaken towards establishment of a Premium Brand, and realization of the Mission Statement. These activities, tackled by all the Group employees around the world, are illustrated with case studies of Solutioneering to solve customers’ problems. The second half of the report introduces some of our environmental-conservation and social-contribution activities towards the realization of a sustainable society. I look forward to hearing your frank and honest opinions on this report.

Thank you very much for your continuing support.

A full-length portrait of a man with dark hair, wearing a dark blue suit, white shirt, and patterned tie. He is standing against a dark grey background.

Takehito Yamaoka
President,
Yanmar Co., Ltd.

山岡健人

PREMIUM BRAND PROJECT



Yanmar Premium Brand Project

We will commit ourselves to contributing to our customers and to society as we look to the next century.

Having celebrated 100 years of operation in 2012, Yanmar Co., Ltd. looks towards the next century, embarking on a new growth strategy. The basis of this growth strategy is to leverage the power of Solutioneering, surprising and delighting customers with products and services that exceed their expectations. Raising the value of our industry itself, Yanmar is set to progress to the Premium level of business.

Project Aim

Founded in 1912, Yanmar went on to succeed in creating the world's first commercially viable small diesel engine in 1933. It was our founder, Magokichi Yamaoka's earnest desire to: "Free farmers from their toil" that brought forth new value to dramatically ease the burden of agricultural work on farmers and establish a century of Yanmar at the forefront of technology. Innovation to enrich people's lives. That's the essence of Yanmar – its DNA. Our business has grown from agriculture to encompass Marine Industry, Construction Equipment and Energy, and continues to expand around the world.

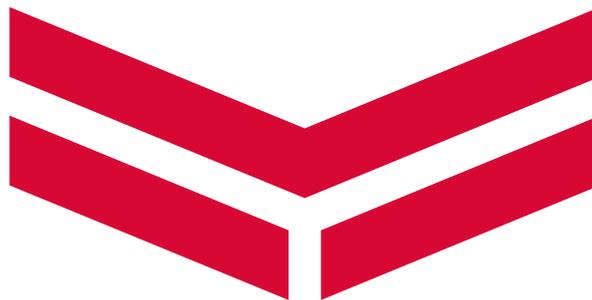
Now Yanmar turns to its next century, progressing to a new

stage. A century of developing and honing its world-leading technological capabilities. 360° customer support: a complete and thorough approach to service, from every possible perspective. And finally, anticipating and realizing the customer's true needs; knowing, before the customer does themselves what it is they want. Concept after concept – a never ending stream of breathtaking innovation. Constantly providing solutions beyond customer expectations, delivering satisfaction with service one step ahead of customer needs, unique in all the world. This is the Premium Brand to which Yanmar, with its philosophy of Solutioneering, aspires.

Conveying our new brand identity

We will be announcing our new vision to the world through products and services, events, and through every media at our disposal. To this end we recast our brand identity. From a unified communications platform, we'll be bringing the world a welcome surprise.

While being the initial character in Yanmar's name, "Y" is also a representation of the wings of the Oni-Yanma, a Japanese dragonfly symbolic of wealth and abundance, from which Yanmar's corporate name was coined. The intent of this rapidly advancing brand is expressed in these two motifs. The angular form suggests carving out a future with advanced technology that is both sophisticated and innovative. The red of Yanmar's corporate color is also evocative of "pioneering spirit", "challenge", "passion" and "abundance".



FLYING Y

The three creators cooperating in the project

These substantial activities are receiving the assistance of the world-renowned Kashiwa Sato, Ken Okuyama and Naoki Takizawa.

Kashiwa Sato is overseeing communication, while Ken Okuyama is in charge of product design in his role as Director of Yanmar Holdings Co., Ltd. In addition, a new line of

innovative agricultural and marine wear has been introduced by world fashion designer Naoki Takizawa, heralding the beginning of a new era for the Yanmar brand. Further building on its strengths, Yanmar advances boldly into the future towards redefining itself in a global context.

Kashiwa Sato

Creative Director /
CEO, SAMURAI INC.



Born in Tokyo, Japan, 1965. Established SAMURAI after working for Hakuholdo. Major works include the symbol mark design for National Art Center Tokyo, branding creative direction for Uniqlo, Rakuten Group, Seven Eleven Japan, and Imabari Towel, total creative direction for Cup Noodle Museum and Fuji Kindergarten. Winner of various awards including Mainichi Design Award and Tokyo ADC Grand Prix. Visiting professor at Tama Art University. Author of bestseller "Kashiwa Sato's Ultimate Method for Reaching The Essentials" (Nikkei Publishing, Inc.), etc.

Ken Okuyama

Industrial Designer /
CEO, KEN OKUYAMA DESIGN



Born in Yamagata, Japan, 1959. Ken has worked as a Chief Designer for General Motors, a Senior Designer for Porsche AG, and a Design Director for Pininfarina S.p.A., being responsible for Ferrari Enzo, Maserati Quattroporte and many cars. He is also known for numerous products such as motorcycles, furniture, robots and architecture. In 2007, KEN OKUYAMA DESIGN was founded providing business consultancy to many corporations. Ken also produces cars, eyewear, interior products under his original brand. He is currently a visiting professor at several universities and also publishes many books.

Naoki Takizawa

Fashion Designer /
Representative of Naoki Takizawa
Design Inc.



Born in Tokyo, Japan, 1960. Creative director at ISSEY MIYAKE Men's Line from 1993 to 2007, and Women's Line from 2000 to 2007. Established Naoki Takizawa Design Inc. in 2006. After independence, Takizawa has been involved in design direction and brand renewal of world-famous brands like Uniqlo (2011-). He is also known for designing uniforms for museums, restaurants, enterprises and various cultural facilities. Project professor, the University Museum, the University of Tokyo (2009-2013) and Part-time professor, School of Culture, Media and Society, Waseda University (2011-). Awarded the title of Chevalier dans l'Ordre des Arts et des Lettres (Knight in the Order of Arts and Literature) for Museum Curtain design of Musée du quai Branly in Paris in 2007.



On July 25, 2013, Yanmar held a grand event at the Westin Hotel in Osaka to announce the recently established “Yanmar Premium Brand Project”.

The event was attended by more than 200 guests from various Yanmar Group companies in Japan and overseas, along with some of our major distributors in Asia and Oceania.

With world renowned industrial designer Ken Okuyama, creative director Kashiwa Sato and fashion designer Naoki Takizawa at the helm, Yanmar is stepping into a new century of business, ready to transform towards a truly global enterprise that anticipates and exceeds customer expectations and delivers value like never before.

New concept products

Y-CONCEPT X39 EXPRESS CRUISER

Towards the next century of business, Yanmar is developing a new 6 cylinder diesel engine. This exceedingly compact new engine generates class-leading power of 100mhp per liter. Two of the new engines help the X39 achieve a top speed of 43 knots. Designated the Express Cruiser, the high-performance X39 features a sporty design and is outfitted with a well-appointed interior, including two bedrooms, that ensure two couples a smooth ride in the lap of luxury. In terms of design, it features a striking pearl white and metallic red color scheme, along with a retractable hard top and a multitude of other innovative elements.



Y-CONCEPT YT01 ADVANCED TRACTOR

This novel tractor is Yanmar’s proposal for the next generation of agricultural machinery. With a rearward tapered bonnet and rounded cabin, the tractor is designed to enhance visibility and user comfort. Metallic touches added to the standard Yanmar red are evocative of product durability and contribute to a sense of style and distinctiveness. Equipped with an unmanned work system, the tractor allows the user to carry out a variety of tasks at the same time, contributing substantially to improved work efficiency.



New concept wear

■ Y-CONCEPT MW01 PREMIUM MARINE WEAR

Marine wear must be able to withstand the fierce conditions encountered at sea and afford the wearer functionality in the narrow spaces of a vessel's interior, all the while projecting a stylish and fashionable image. In order to craft wear that offers protection against the marine environment, particular attention was taken in selecting fabrics. Light, soft, and flexible materials were selected for comfort, and innovative techniques were used to make a windproof and waterproof fabric that is airy, yet be able to retain heat. The application of unique sewing techniques, realized complete water resistance. In addition, the new marine wear was tailored with 3D cutting techniques to suit the wearer's body movements and allow greater freedom of action in the close onboard spaces of the marine environment. The titanium white of the body is the color of the luminous horizon, while the thin line of the strong red known as "AKANE (madder)" represents the color of the sun at dawn and dusk. Use of AKANE in the zipper and logo mark depict the speed of the cruiser floating on the sea.



■ Y-CONCEPT AW01 PREMIUM AGRICULTURAL WEAR

Let's make agricultural wear that rocks!" With these words, the design process began. It goes without saying that for this wear too, the emphasis is on functionality, rather than a fashionable image. In the design phase we visited agricultural communities to hear from the users themselves. Through this research, we began to flesh out the framework of the design. Using a lighter fabric we hoped to ease burden of farm work, and we researched different cuttings eliminating the stresses resulting from each movement to make daily routines more enjoyable. Our goal is to design "cool and edgy clothes", not just "work outfits". Color is an important design element. Titanium Brown was chosen as the base color, inspired by the colors of the land where the farmer toils daily, and the designs of Yanmar's next generation of cultivation machinery. On top of this foundation, the women's wear adopts a lively pink highlight, with the men's designs taking a black accent.



Communication strategies that convey the appeal of the farming and fishing industries

In recent years, increasing numbers of people are becoming particular about the quality and safety of the food they eat. With people looking to live richer lives, in harmony with nature, it's clear that values have changed significantly.

There is growing interest in urban agriculture and fisheries and people are looking to realize greater value from their industry. As a company that has long been involved in supporting food production, this is a wish dear to our heart. And now, practical steps towards this goal are being taken.

A first step was the launch of a TV program in Japan on the theme of food, in April 2013, followed up by open-air markets in Tokyo and Osaka to put producers in touch with consumers. One of the goals is to give producers a chance to illustrate exactly what it is that is special about the produce on display, thereby bringing consumers and producers closer together.

As the creator of a "New Agriculture", Yanmar looks to tomorrow and a stronger agricultural industry. Yanmar's work is enriching people's lives, supporting the future of food production in fisheries and other domains.



Mission Seminars Japan

The Yanmar Group decided on its new Mission Statement and Guiding Principles in January 2012. From July 2012 to March 2013, Mission seminars were held at 94 locations in Japan and 15 locations overseas to give Group employees a correct understanding of them.

These seminars are planned to continue so that each and every employee deepens their understanding, further leading to enhanced initiative and contribution.

■ Implementation of the Mission seminars in Japan during fiscal 2012



Yanmar Agricultural Equipment Sales Co., Ltd. (Shimane)



Yanmar Co., Ltd. / Agricultural Machinery & Equipment Division (Okayama)



Yanmar Engineering Co., Ltd. / (Fukuoka)



Yanmar Agricultural Equipment Sales Co., Ltd. (Kagoshima)



Yanmar Agricultural Equipment Sales Co., Ltd. (Oita)



Yanmar Energy System Co., Ltd. / Head Office (Osaka)



Hokkaido

Tohoku

Kanto



Yanmar Agricultural
Equipment Sales Co., Ltd.
(Iwate)



Yanmar Energy System Co., Ltd. (Miyagi)



Yanmar Agricultural Equipment
Sales Co., Ltd. (Fukushima)



New Delta Industrial Co., Ltd.
(Shizuoka)



Yanmar Agricultural Equipment Sales Co., Ltd. /
(Saitama)



Yanmar Co., Ltd./
Head Office (Osaka)



Yanmar Co., Ltd./
Agricultural Machinery &
Equipment Division (Shiga)



Yanmar Co., Ltd./ Large Power Products Operations Division (Hyogo)

■ Companies implementing the seminars (July 2012-March 2013)

Yanmar Co., Ltd.

- Power System Operations Division
- Large Power Products Operations Division
- Marine Operations Division
- Agricultural Machinery & Equipment Division
- Research & Development Center
- Tokyo Office

Yanmar Agricultural Equipment Sales Co., Ltd.

Yanmar Agricultural Machinery Manufacturing Co., Ltd.

Kanzaki Kokyukoki Mfg. Co., Ltd.

Yanmar Energy System Co., Ltd.

Yanmar Energy System Mfg. Co., Ltd.

Yanmar Construction Equipment Co., Ltd.

Yanmar Marine System Co., Ltd.

Yanmar Shipbuilding & Engineering Co., Ltd.

Yanmar Casting Technology Co., Ltd.

Yanmar Engineering Co., Ltd.

Hokuto Yanmar Co., Ltd.

New Delta Industrial Co., Ltd.

Kyoritsu Irrigate Co., Ltd.

Yanmar Green System Co., Ltd.

Yanmar Heli & Agri Co., Ltd.

Yanmar Logistics Service Co., Ltd.

Yanmar Information System Service Co., Ltd.

Yanmar Business Service Co., Ltd.

Yanmar Credit Service Co., Ltd.

Kohrin Engineering Co., Ltd.

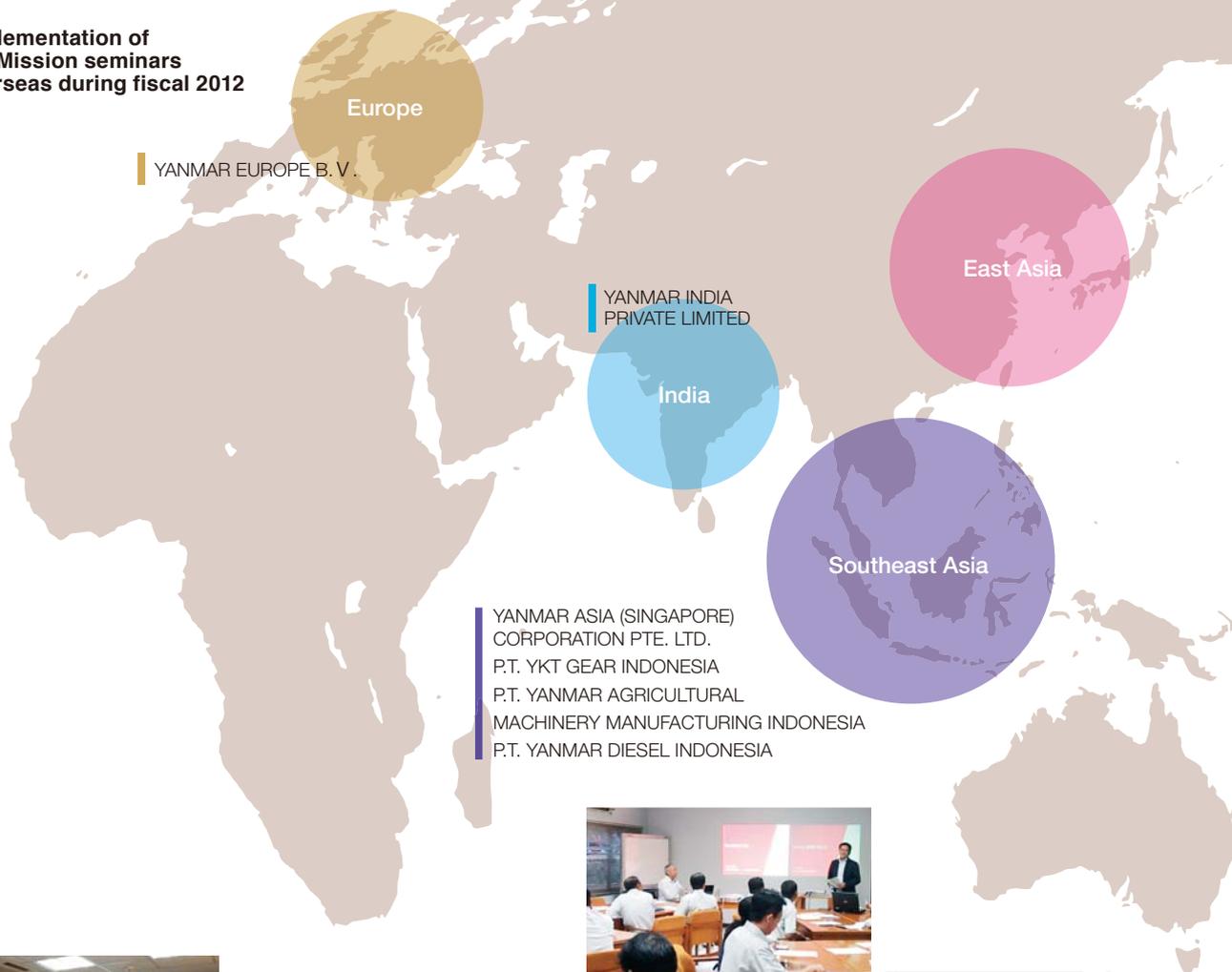
Mission Seminars Overseas

The Mission seminars were held overseas for all company employees after all of the materials were translated into the local languages. In addition to covering the same content as the seminars in Japan, the events also served as an opportunity to learn about Yanmar's 100 years of history. The aim was to foster a sense of unity within the Group, by sharing the Mission Statement and Guiding Principles throughout the entire Yanmar Group.



YANMAR AGRICULTURAL MACHINERY (KOREA) CO., LTD.

■ **Implementation of the Mission seminars overseas during fiscal 2012**



YANMAR ASIA (SINGAPORE) CORPORATION PTE. LTD.



P.T. YKT GEAR INDONESIA



P.T. YANMAR AGRICULTURAL MACHINERY MANUFACTURING INDONESIA



P.T. YANMAR DIESEL INDONESIA



HARBIN YANMAR AGRICULTURAL EQUIPMENT CO., LTD.



YANMAR ENGINE (SHANGHAI) CO., LTD.



North America

YANMAR AGRICULTURAL MACHINERY (KOREA) CO., LTD.
 YANMAR ENGINE (SHANDONG) CO., LTD.
 YANMAR ENGINE (SHANGHAI) CO., LTD.
 HARBIN YANMAR AGRICULTURAL EQUIPMENT CO., LTD.

YANMAR S.P. CO., LTD.
 YANMAR CAPITAL (THAILAND) CO., LTD.
 YANMAR KOTA KINABALU R&D CENTER SDN. BHD.



YANMAR S.P. CO., LTD.



YANMAR CAPITAL (THAILAND) CO., LTD.

YANMAR AMERICA CORPORATION
 TUFF TORQ CORPORATION



YANMAR AMERICA CORPORATION



TUFF TORQ CORPORATION



Central and South America

YANMAR SOUTH AMERICA INDUSTRIA DE MAQUINAS LTDA.

From Project leaders

Takeshi Miyajima Planning and Strategy Unit, Yanmar Holdings Co., Ltd.

The existence of the Mission Statement, which underscores the social significance of Yanmar's business activities, and the Guiding Principles, which turn the Mission into reality, is essential.

It is necessary that all Group employees understand the Mission Statement and Guiding Principles.

That is why these seminars were held in various locations, after the materials were translated into local languages so that employees working overseas, not just in Japan, could appreciate them.

The seminars, involving all employees, were on a scale never before seen.

Sustained activities are indispensable so that each and every employee can have confidence and pride in their duties, enhance their abilities to take action on a daily basis and demonstrate Yanmar's comprehensive power.

In fiscal 2013, we would like to further enhance seminar content, increase employee awareness, and solve problems along with our customers by uncovering issues that even they are unaware of.



Yanmar Museum covers 100 years of history and the future



Special Feature 1



The Yanmar Museum opened on March 21, 2013, in Nagahama City, Shiga Prefecture. The museum, established as a centennial project to mark the company's founding, is interactive. Visitors can have fun while they learn about nature and science, including the diesel engine. It also conveys the thoughts and ideas of the company founder to the present.



YANMAR
MUSEUM

The three lines that make up the museum's logo represent the sea, the earth and the city.

Introducing initiatives toward the history of manufacturing ('monozukuri') and the future

The Yanmar Museum is interactive, fusing entertainment with learning. It was established in Nagahama City, the birthplace of company founder Magokichi Yamaoka, as one of the initiatives to mark 100 years since the company's founding.

When conceived, the museum aimed to have a design that would appeal to the rest of the world, a hub to transmit the corporate brand. Covering a floor-space of approximately 3,000 m², the museum introduces the history of manufacturing as it relates to food production and harnessing power in the core domains Yanmar operates in, "the sea," "the land" and "the city," as well as our initiatives for the future.

In addition to company employees, former employees who have since retired, participate in operating the museum as volunteers. They attempt to convey Yanmar's philosophy and programs to visitors in terms that are easy to understand. Thanks to their hard work, the museum has received a warm reception, with over 60,000 visitors (as of August 2013) since it opened.



■ Yanmar Museum details

Address: 6-50 Sanwacho, Nagahama City, Shiga Prefecture (10 min walk from JR Nagahama Station)
 Tel: 0749-62-8887
 Hours: 10:00- 18:00 (last reception 17:00)
 Closed Mondays (or Tuesday when Monday is a holiday), and from December 29 to January 3

A design that pays heed to Nagahama's scenery and natural environment

The building's design emphasizes an appreciation toward Nagahama City, which is blessed with a natural landscape and numerous historical assets. This is especially the case with the harmony of the "fence of an old ship's timber" and the "black wall," which symbolize the beautiful townscape. These features are incorporated as motifs in the exterior walls. The building's grounds are surrounded by a "flower bowl," or basin, in keeping with a "town of water."

A major feature is how the entire building was designed with the

environment in mind. Along with energy savings from a high level of insulation provided by greenery in the rooftop garden, a system that eases the heat island phenomenon is also part of the structure. In addition, the installation of a biotope allows visitors to learn about the ecosystem and structures formed by nature. In addition, the design aims to balance ecology with economy by its use of the company's energy-saving devices: gas-heat pump air conditioners, a microgeneration system, solar-power generation systems and LED lighting.

At the opening of the Yanmar Museum



Fumihiko Kobayashi
 General Manager of the Yanmar Museum

We were able to launch thanks to a huge amount of cooperation and expectations from a large number of people, including the municipality of Nagahama. After we opened, we got off to a smooth start, with 60,000 people visiting us during a roughly five-month period. The features that really prove popular among the visitors are interactive experiences of operating a mini excavator and pleasure boat simulator. They highly appreciated the fact they were able not just to touch items that they normally don't come into contact with, but to operate them as well.

The sight of large numbers of kids sitting on the tractors' seats and having so much fun operating the levers convinced me that I was in the presence of children who would one day push forward development and manufacturing.

Although we are but at the beginning of our journey, I would like to make it a success as a place for transmitting information, making contributions to the local area and also as a project for learning.





An exhibition area for having fun while learning about nature and science

The Exhibition Area in the museum offers content that allows visitors to experience the mysteries of nature and science, along with introducing the path of history that our company has taken. In addition, visitors can learn about various initiatives in food production and harnessing power.

To start with, a diesel engine by the German company MAN, from which the world's first compact diesel engine was developed by Yanmar, is exhibited at the entrance. In addition, there is the Magokichi Yamaoka Memorial, which conveys the founder's manufacturing spirit from the past to today. The Exhibition Area comprises the Engine Theater, Agricultural Zone, Engineering Zone, Marine Zone and Energy System Zone. Actual products are on display in

each of the spaces. Digging can be experienced on an actual mini excavator while boat operations on a simulator. In the Energy section, visitors can learn about the latest energy-saving systems through a video game approach.

The facility also has a Workshop where cooking lessons that use locally grown rice and vegetables are held; the outdoor Yanmar Terrace, which includes a biotope and a footbath; the Museum Café & Shop, which sells original goods and other items and where cakes can be sampled; and a multipurpose Meeting Room with a capacity of up to 160 people.

The opening of the 'Yanmar Museum Agriculture Park' where the joys of farming can be experienced firsthand

The Agriculture Park, located across from JR Tamura Station, the next station along from JR Nagahama Station, was opened as a workshop for the museum. Visitors can experience the growing and harvesting of rice and vegetables, as well as cooking that uses the harvested crops.

In May, not long after it opened, a "parents and kids interactive planting" event was held. With the Agriculture Park as a base, Yanmar is working on activities to promote agriculture in the future, through links with local farmers and the nearby Nagahama Institute of Bio-science and Technology.



A multitude of exhibits to entertain and inspire



Magokichi Yamaoka Memorial Room



Engine Theater



Agricultural Zone



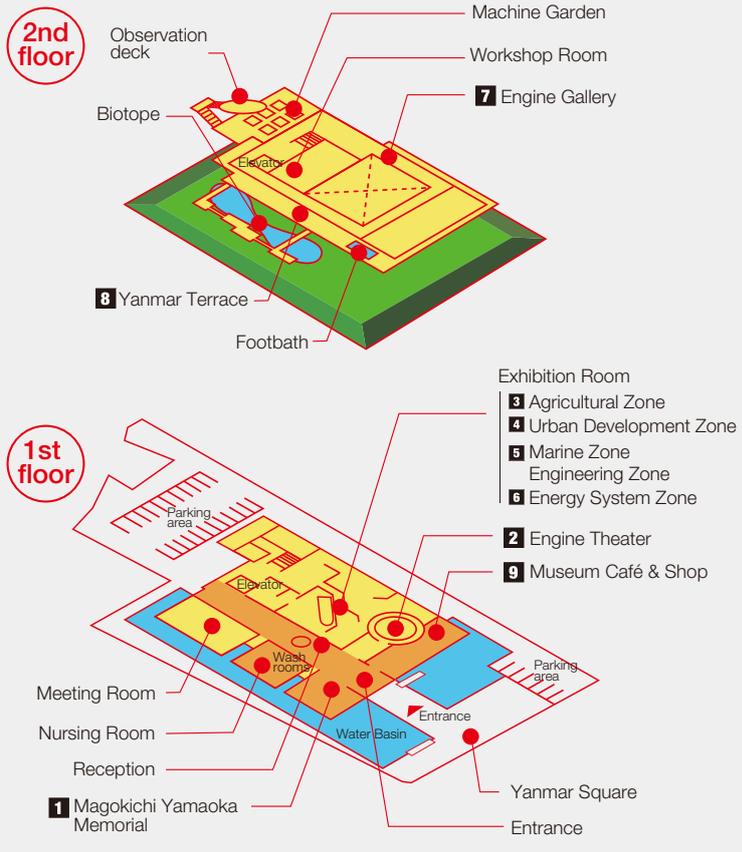
Urban Planning Zone



Marine Zone



Energy Zone



Engine Gallery



Yanmar Terrace



Museum Café & Shop

Workshops

Classroom for cooking using locally produced rice, vegetables and other items

Along with deepening our ties with local communities, we hold workshops in order to spread a greater interest in agriculture. We conduct practical lessons for a variety of cooking styles that use local rice, vegetables and other items.



Observing living things in the biotope

Visitors can learn about ecosystem while coming into contact with nature by observing insects, fish and other living things that inhabit the biotope on the second floor of Yanmar Terrace.



Let's make candles from beeswax!

Candles are made using wax collected from bee hives then heated and compressed. The activities of the Osaka Honey Bee Project, which is supported by Yanmar, and the role of honeybees in the ecosystem are also introduced.



Experiencing energy

In this workshop on energy, visitors make motors and saline-solution batteries to study magnetic fields that occur around magnets and electrical currents.





“SmartAssist,” enables us to offer high-quality service by keeping watch on each and every product

Special Feature 2



Yanmar is engaged in the step by step development of “SmartAssist,” a new “machine to machine” service (of communication between devices), as it adapts to the era of ICT (Information and Communications Technology), giving it a lead in the market. We are working on providing “No down-time service”. We respond quickly when trouble occurs and take preventative action against accidents, as we utilize advanced communication infrastructure and accurately grasp the operational status of each and every one of our products.

SMARTASSIST

Development background and aims

With the goal of maintaining the best condition of each and every product that is being actively used throughout the world, Yanmar has developed its SmartAssist next-generation service system that makes full use of ICT (Information and Communications Technology).

Conducting inspections and maintenance of agricultural and construction machinery, boats and so on has been done through Yanmar’s service network. Machinery that goes uninspected or unmaintained, even when inspection or maintenance is necessary, can experience unforeseen accidents during operation. The customer then has no choice but to suspend work until repairs are completed.

We have been recommending that inspections and maintenance be conducted on a regular basis to prevent machinery going out of service due to breakdowns. However, explanations to our customers regarding which machinery requires inspections or maintenance have been insufficient. That is why we developed SmartAssist, which is able to conduct the appropriate type of inspection and maintenance. This allows us to grasp the condition of each and every unit of machinery, which



Status of service provision and results in the agricultural machinery and equipment business

differs widely based on conditions of use. With numerical-based, highly precise services, we aim to not only avoid mechanical breakdowns, but also to achieve the twin goals of giving products longer lifespan while reducing lifecycle costs.



We launched services in Japan in January 2013 for large-scale agricultural machinery. By grasping the operational status and condition of the machines, we are aiming to respond quickly when troubles occur, take preventative action against accidents and provide an industry-leading “No down-time service”. To achieve this, we constructed a system that allows us to share with our customers information related to the machines’ operational status. A website for customers related to SmartAssist has been set up, along with the active development of a proposal on maintenance that is based on record-keeping. The customers’ website features a function that sends alarms by mobile-phone email in the event machines are operated illicitly, as in the case of theft. From July, we have been

cooperating with Sorimachi Co., a leading developer of agricultural accounting software, and running a data-linked service in conjunction with “Facefarm,” a cultivation management system.

Customers who have contracts with SmartAssist have sent us a number of favorable comments, including this one: “I got the feeling that my machine wasn’t working properly, and just as I was about to contact the store, I received a call from a Yanmar service staff member. They quickly replaced the needed parts and did the repairs. I received a response right at the best possible time, which cleared away my worries over the machine stopping and gave me a feeling of assurance.”

Voices from the field

Yuji Sato Member of the SmartAssist Remote Promotion Project
Agricultural Machinery & Equipment Division, Yanmar Co., Ltd.

I am in charge of promoting the development and on-site use of SmartAssist in the agricultural business. My mission is to utilize my work experience that has been cultivated at service locations to develop information and content that is useful to our customers. I will be continuing to support Yanmar’s sales and service staff members who work at the service locations through SmartAssist, while also cooperating with people at the sites and working on the development of systems, so that we can quickly provide high value-added service for our customers.





Status of service provision and results in the construction equipment business

The SmartAssist service for compact hydraulic excavators was launched in Japan in May 2013 in the construction equipment business. To start with, the service is offered as an option for 3-ton class machines. As the SmartAssist options are established step by step, the plan is to have them as a standard feature.

The biggest customers for the construction equipment business are the rental companies that carry out development throughout Japan as well as in regions. Technical staff members of those companies currently conduct regular maintenance. But some issues have emerged, including: accident responses of machines being rented for long periods, grasping the actual condition of owned machines and also

the lending of these machines under the best conditions. Therefore, through the practical application of SmartAssist, we can make precise responses to the construction-machinery rental companies by providing management functions for the machines' operational status through the Internet from a website screen.

Technology managers at these companies are looking forward to the development of rental services that use SmartAssist. They have made comments to the effect: "We're able to grasp the periods and items needed for maintenance, and we can systematically implement inspections and maintenance while observing operational status, even for machines being rented. We can respond quickly, because we're able to

accurately grasp the sites where malfunctions take place, even when rented machinery unexpected experiences accidents."



Voices from the field

Nobuaki Yamada

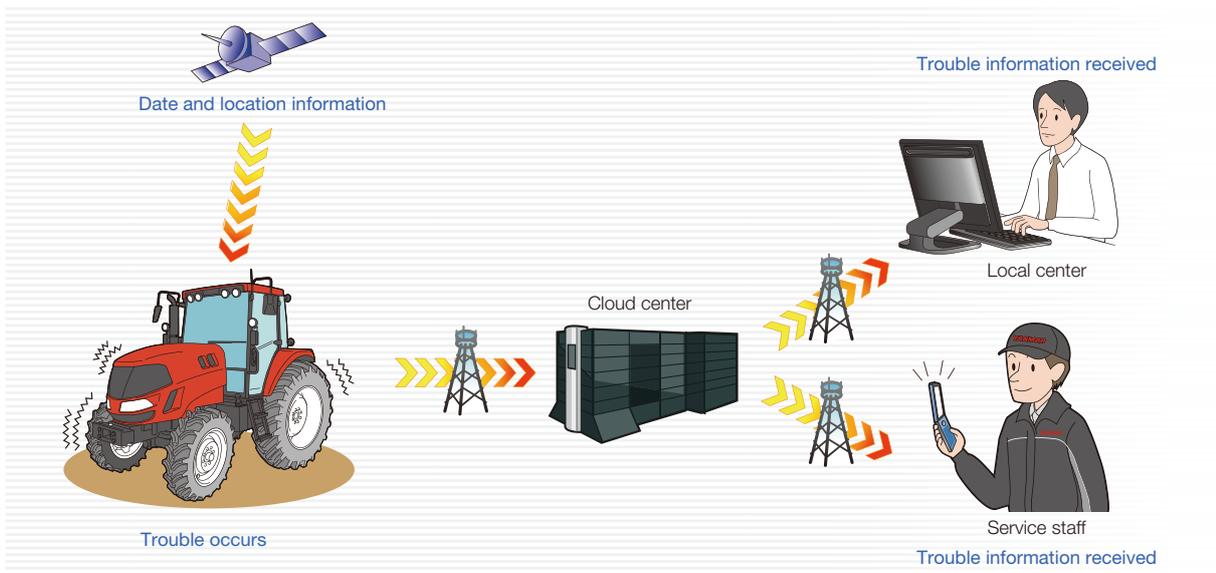
Manager, Service Information Section, Customer Support Dept., Marketing Div. Yanmar Construction Equipment Co., Ltd.

In the construction equipment business, we are working on the practical application of SmartAssist and the development of new business models. Our role is to deal with the requests and issues from each one of our customers who use Yanmar's construction machines.

Through the practical application of SmartAssist, I believe that the scope of solutions can be greatly broadened for the unrealizable issues of the past. I am aiming at building unwavering, trusting relationships with our customers by solving their problems.



■ Outline of the SmartAssist system ■



■ Outline of the website's functions for customers ■



The evolution of the practical use of SmartAssist

Yanmar's products are currently in operation throughout the world. Given this situation, the development target for SmartAssist is for all of Yanmar's businesses, as we envision all of the regions where the machines are being operated. The technology behind "machine to machine" (communication between devices), which is the system

platform, has been cultivated through energy-system business spanning 20 years. In addition, we developed this to fit with mobile communications based on the progress achieved in infrastructure for mobile phone communications networks.

Furthermore, the services that utilize SmartAssist are currently expanding

efforts for the marine business and for regions overseas. Along with the staff members who are working at the service locations, we will build a closer relationship with our customers by keeping watch on the usage condition of each and every Yanmar product in operation throughout every region in the world.



Aiming to nurture human resources who can be active on the global stage

Special Feature 3



Fostering employee education towards enhanced business growth worldwide

The Global Human Resources Development Institute was established as an educational and training institution for Yanmar Group employees from throughout the world. It is aimed at providing further growth to the various businesses being developing globally, through training here by sharing Yanmar's corporate culture and way of thinking. In addition, its objectives are to nurture human resources tasked with next-generation management and to further improve Group employees' knowledge and skills by holding training related to technology and quality.

The facility will become a hub and support an ability-development system for the entire Group for nurturing human resources who can take an active part in global business and who possess the desire to actively take on challenges for any endeavor. The idea is to have education that extensively develops human qualities, along with acquiring basic technical skills for reinforcing our "monozukuri" (manufacturing) power and acquiring knowledge associated with work duties.

The Global Human Resources Development Institute was completed in Nagahama City, Shiga Prefecture, in March 2013. The facility was established as a place for employees of the Yanmar Group from throughout the world to learn about the Group's management philosophy, mission and other topics through an integrated educational program. It will offer all employees the opportunity to learn systematically as well as in a multi-staged approach through classroom and technical training.

The entrance to the Global Human Resource Development Institute is marked by the words of the late Tadao Yamaoka, Honorary Chairman of Yanmar Co., who said, "Quality is at the heart of the manufacturer."





■ Global Human Resources Development Institute

Address: Hirakatacho 856, Nagahama City, Shiga Prefecture
 Building: Reinforced concrete construction, 3 stories
 Total floor space: approx. 2,500m²
 Facilities:
 Laboratories: 4, Total floor space: 510m²
 Training rooms: 6 Max. Capacity: 180
 Reception rooms: 2

Deploying the Mission Statement through classroom study

In 2012, on the occasion of the centenary of the company's founding, the Yanmar Group announced its "New Mission Statement" that proclaimed the role of business fields, values and social contributions that need to move forward in the future. For the company to grow and develop worldwide, all Group employees will be required to reconfirm their existence in society and their social mission, fuse their spirit and actions into

one, and demonstrate each individual person's strengths to the fullest extent possible. Therefore, we are working hard on instilling the Mission Statement through classroom study so that it can be put into practice in the day-to-day work of all Group employees.

A curriculum has been specifically prepared for solving our customers' problems.

As we look forward to the next 100

years of prosperity, we are envisioning the future problems surrounding our customers and are pursuing measures in response. The nurturing of human resources tasked with the management of the future is also an important theme. We are working hard on nurturing leaders who can put the spirit of our founder and the Mission Statement in practice, as we aim to contribute not just to Japan but to the world.

■ Main roles of the Global Human Resources Development Institute ■

1. Nurturing next-generation management human resources/global human resources

We will implement a career development program whose pillars will be management skills, management thinking and management sense, in order to improve management abilities.

2. Dissemination of corporate philosophy system among Group employees

We will conduct education for employees at each of the Group's companies in various areas of the world so that we can deploy worldwide our corporate philosophy systems, revised in 2012.

3. Improving problem-solving abilities

We will hold programs on problem-solving abilities for a variety of issues, based on "YWK" (the Yanmar Way by Kaizen) so that we can have human resources who can contribute to solving our customers' problems and show successful results.

4. Holding training for acquiring expertise

We will hold programs for step-by-step skill acquisition, from technical knowledge required for development and production, including basic training for product technologies developed in each business field, ranging from basic to high levels.

5. Raise employee awareness regarding corporate philosophy and practices through assertive personnel exchanges

We will implement sharing of real-world cases of our philosophy and development programs in order to create an appreciation and instill in Group employees throughout the world our corporate philosophy and policy development systems that were revised in 2012 on the occasion of our centenary.



Technical training for Group employees worldwide

For many years, Yanmar has maintained a corporate approach by which it continues basic technical education. This began in 1951 with the “agricultural machinery course,” which company founder Magokichi Yamaoka was involved in, about engines for end users and dealers. He had dedicated his life to spreading the use of agricultural machinery and making diesel engines compact in the hope of reducing the amount of labor for farmers.

Yanmar Training Center has inherited the aspirations of our founder and has been tasked with basic technical training in all our business fields. Going forward, the Global Human Resources Development Institute will carry on this role.

Basic engine training is conducted for employees at the various local subsidiaries. Employees who complete their studies become engine trainers for the sales networks and end users in

their own regions, and so technology fostered by the basic engine training is developed in the markets. Each and every employee becomes an evangelist regarding the construction of global sales service networks.

The role of the technical training at the Global Human Resources Development Institute does not end with the basic engine training. The spirit to pursue outstanding monozukuri is indispensable if our customers throughout the world are to use our products and services. That is why we want to nurture Yanmar Group’s global human resources through the two wheels of management training that includes education in philosophy and technical training.



Yanmar Holds the 1st Global QC Circle/ KAIZEN Convention

On March 19, 2013 the Quality Assurance Dept., Yanmar Co., Ltd. held the 1st Global QC Circle/ KAIZEN Convention, with the participation of more than 170 parties from throughout the Yanmar Group, on the premises of the Yanmar Museum and Global Human Resources Development Institute, in the city of Nagahama, Japan, the birthplace of our founder, Magokichi Yamaoka.

Although QC Circle meetings have been held annually in Japan with the participation of Yanmar domestic companies, this was the first global convention.

The event included a guest presentation by the Chairman of Sanden Corporation, Masayoshi Ushikubo, 2007 laureate of the Deming Prize for personal achievements in TQM implementation and promotion.

The participating teams made presentations on their latest quality improvements and contributions to the overall operations at their local factories. There were 6 overseas teams and 4 from Japan.

In a ceremony honored by the presence of President Yamaoka, the Gold Award went to the Power System Operations Division and Yanmar

Agricultural Equipment (China) Co., Ltd.

From 2014 the tournament is scheduled to expand into a global award to include non-manufacturing departments as well.



Project team members who managed the tournament



An address from Chairman Ushikubo gives the keynote speech.



The participating teams

2013 awards

GOLD: 2 teams

- Power System Operations Division
Topic: "Reduction of metal shavings defects on the MP2 pump line"
- Yanmar Agricultural Equipment (China) Co., Ltd.
Topic: "Quality improvement on seeding tray assembly of rice transplanters"

SILVER: 2 teams

- Yanmar Kota Kinabalu R&D Center Sdn. Bhd.
Topic: "YWK in YKRC"
- Yanmar S.P. Co., Ltd.
Topic: "Line stop reduction at M9 tractor assembly process to Zero"

BRONZE: 4 teams

- Yanmar Casting Technology Co., Ltd.
Topic: "Shortening casting cycle time"
- Large Power Products Operations Division
Topic: "Time reduction in the replacement of valve springs and spring retainers in N330 engines"
- Seirei Industry Co., Ltd.
Topic: "The elimination of tightening defects in combines"
- P.T. YKT Gear Indonesia
Topic: "Towards zero-complaint: highest quality gear production"

SPECIAL: 2 teams

- Yanmar America Corporation
Topic: "Logistics cost down through new streamlined process"
- Yanmar Construction Equipment Europe S.A.S.
Topic: "Productivity increase in boom & arm welding line"

From the winners	Kenta Fujimori	Machinery Group, Biwa Plant, Manufacturing Management Dept., Power System Operations Division
<p>In my presentation, I took up the lingering problem, which lasted for many years while I was at the Yamamoto Plant, of defective manufacturing, and I reported on measures for reducing it. When I look back on it, I feel that the dogged attitude of my colleagues, who used to say "no way we're giving up on this," led to the big achievement of doing an epoch-making review of the machining method. This was while the issues of a transfer of production lines due to reorganization of the factory and a job rotation took place one after another.</p> <p>Also, on the day of the presentations, I learned a lot of things from the other presentations about their activities, making it a very valuable opportunity. In the future as well, I would like to take up the same challenge, working right to the finish and utilizing my experiences.</p>		
		

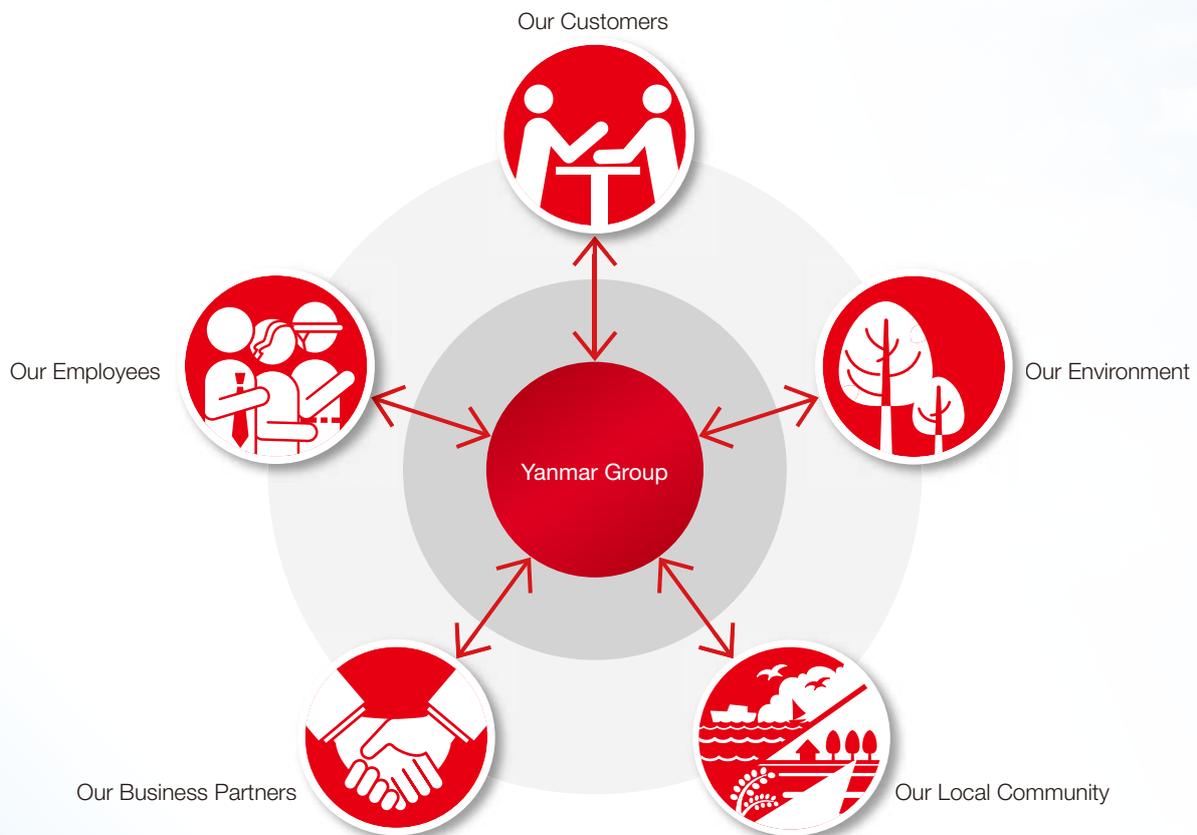
From the winners	Zhou Xu Feng	Chief Manager, Production Dept., Manufacturing Management Dept., Yanmar Agricultural Equipment (China) Co., Ltd.
<p>We received lots of support in the latest presentations, from the implementation of Kaizen activities to participation in the tournament. In particular, as an activity to support YWK and through technological guidance from Japan, I learned about many different methods, concerning Kaizen activities, such as Kaizen within processes, line balance Kaizen, and so on.</p> <p>I always feel a sense of admiration toward high levels of Kaizen after getting the chance to learn on-site in Japan so many times. We must catch up to Japan's level as quickly as we can. At Agricultural Equipment (China) Co., Ltd. we are working hard on Kaizen activities with the cooperation of all the employees, amid an ongoing surge in the number of product models and production volumes.</p>		
		

Yanmar Group CSR Activities

Promoting CSR through Discussions with Stakeholders

The Yanmar Group places great importance on performing its Corporate Social Responsibility (CSR) duties to meet the expectations of its many stakeholders (those with an interest in or connection to the Yanmar Group). It is our Mission Statement that guides our actions and acts as a cohesive force for the Group towards achievement of these duties.

Engaging in sincere discussions with our stakeholders both in Japan and around the world, we strive towards the implementation of our Mission Statement. By meeting our social responsibilities as a corporation, we are working to increase the value of the Yanmar Group, and, through our efforts, we are contributing to the creation and growth of a sustainable society.



Stakeholder initiatives

Stakeholders	Outline of initiatives	Related pages
 <p>All Our Stakeholders</p>	<p>In order for Yanmar to continuously increase its corporate value, we need to be able to make quick decisions and accurately assign responsibility. Yanmar has organized a system of corporate governance that ensures healthy management systems with a high degree of transparency as well as strong internal controls. Yanmar is striving to build a better relationship with its stakeholders, through measures such as handling information disclosure in a timely and appropriate manner via the company website.</p>	<p>Organizational Governance P28</p>
 <p>Our Customers</p>	<p>We prize the ties of trust that we have with our customers around the world. Implementing our proprietary quality assurance systems and the principles of universal design, Yanmar strives to create inspiring value to drive both ourselves and our customers forward. Moreover, we are planning to develop a system that can respond more rapidly to feedback from our customers as well as improving our after-sales services.</p>	<p>Consumer Issues P44</p>
 <p>Our Employees</p>	<p>We aim to foster human resources that can play an active role globally and we place importance on initiative and creativity. At the same time, we cherish diversity in our employees and support this in a number of ways. Moreover, we have implemented measures to improve the work/life balance, and promote healthy lifestyles for our employees and have reinforced health and safety supervision in the workplace.</p>	<p>Human Rights and Labour Practices P30</p>
 <p>Our Business Partners</p>	<ul style="list-style-type: none"> ■ Our Sales Offices and Agents Our network of sales offices and agents covers all of Japan as well as locations worldwide and helps us share information about our products as well as spread our management philosophy. Our aim is to become the No. 1 company in the world in terms of customer satisfaction. ■ Our Suppliers In order to further deepen mutual understanding with our suppliers both at home and overseas, we take a variety of approaches to communication. We are taking the lead in developing partnerships with enterprising businesses involved in the protection of the natural environment all over the world, as well as promoting Green Procurement (procurement that is sensitive to the environment). 	<p>Fair Operating Practices P42</p>
 <p>Our Local Community</p>	<p>Our aim is to move in step with our local community and society at large, and, as a result, we are committed to making contributions, both at home and overseas, through reinvigorating agriculture, supporting education and sports, as well as donations, etc.</p>	<p>Community Involvement and Development P46</p>
 <p>Our Environment</p>	<p>Based on the theme of “Coexisting with Nature,” Yanmar is dedicated to developing environmentally-oriented products, pursuing production processes that preserve the environment and engaging in environmental communication activities.</p>	<p>The Environment P32</p>

The Yanmar Group is working to increase the transparency of its management processes as well as promoting the completion of its internal control system and strengthening our management systems to prevent risks before they become apparent.

Corporate governance system

Yanmar has created a corporate-governance system complete with a sound management system with a high degree of transparency and with an internal-control system for speedy decision-making and clear allocation of responsibility. The efforts are aimed at the ongoing improvement of corporate value.

With a view to ensuring dramatic and widespread growth, we will transform to a structure that strengthens the competitiveness of our core businesses and facilitates ever more sophisticated global management.

Under the supervision of the Board of Directors of Yanmar Holdings Co., Ltd., the Group Strategy Committee was established to discuss and decide on the direction of the Yanmar Group as a whole, as well as matters related to management issues. The Group Strategy Committee delivers management of the Yanmar Group in an effective and efficient manner.

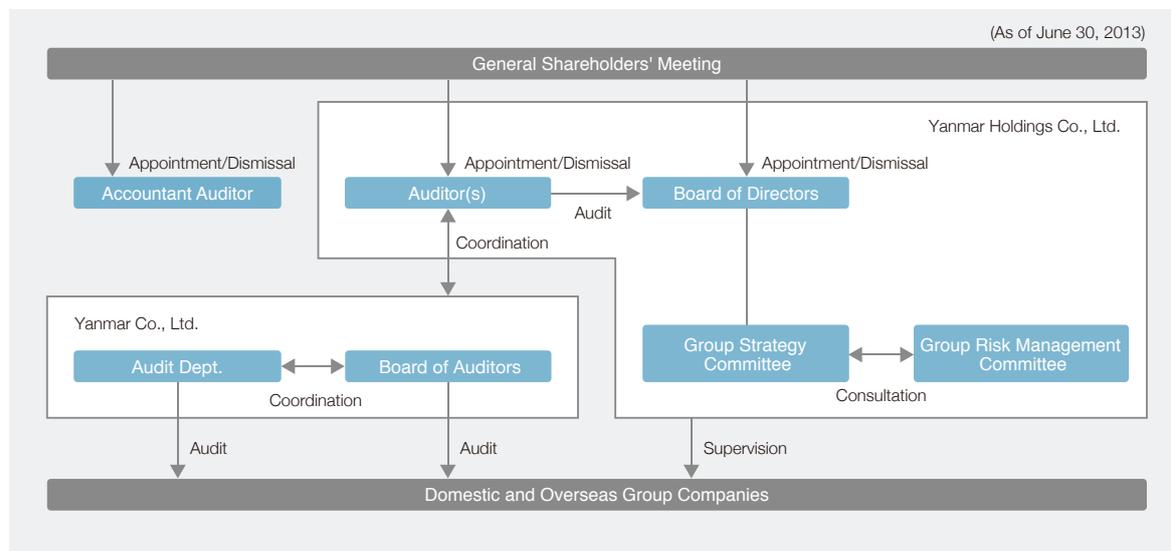
Moreover, the Group Risk Management Committee was established to act as an advisory body to the Group Strategy Committee. The Group Risk Management Committee manages risk pertaining to the business activities of the Yanmar Group.

The role of Auditor of Yanmar Holdings Co., Ltd. is to supervise the execution of the duties of the holding company's executives as well as coordinating with the Board of Auditors and Audit Department of Yanmar Co., Ltd. to audit the status of corporate management across the Yanmar Group as a whole. Furthermore, an external auditing corporation is providing an audit of the company's accounts, as well as providing third party verification of the suitability and legal compliance of the accounting procedures and internal controls related to company accounts as implemented at Yanmar Holdings Co., Ltd.

Basic Policies for Formation of the Internal Control System (outline)

- A system to ensure that the execution of professional duties by board members and employees conform to the law and to our Articles of Incorporation
- A system concerned with the storage and management of information related to the execution of professional duties by board members
- Regulations and other systems concerned with controlling the danger of losses
- A system to ensure that the execution of professional duties by board members is conducted efficiently
- A system to ensure the appropriate nature of business operations for the corporate Group overall
- A system to ensure that the auditors' duties are being carried out efficiently, and securement of the independence of the auditors' assistant

Corporate Governance Organization Chart



Risk management promotion

Yanmar has established a Group Risk Management Committee. The goal is to manage and carry out measures to deal with the various risks that business operations can become involved in. The committee studies the policies and direction for overall risk-management efforts and holds conferences that cover the subject of risk-management promotion and its countermeasures.

In April 2013, in accordance with the establishment of Yanmar Holdings Co., Ltd., the Group Risk Management Committee, as the body charged with managing the risk associated with the company's business activities, began its activities under the new system.

Under the supervision of the Group Risk Management Committee, 8 separate dedicated functional subcommittees were established, each tasked with monitoring risk in a specific sector or area, and each of the organizations (companies) under the umbrella of the Yanmar Group has been tasked with developing

measures to prevent risks and to stop reoccurrence of risk in their respective functions.

Diagram of the Risk Management Promotion System

(As of June 30, 2013)



● Using the Risk Case Report Database

Risk-management officers enter progress made on cases that occur within the Yanmar Group companies whenever such cases occur. The content is shared among the top management echelon. Thirteen cases were reported in fiscal 2012.

● Reappraising our emergency response protocols

As part of the company's efforts to overhaul their first-response system in an emergency situation, the company's protocols for how to respond to emergencies underwent reappraisal. In the event of a disaster, accident or incident that required an emergency response, an emergency response system was established, whereby the appropriate response could be ascertained in accordance with the emergency response protocols and the crisis level.

● Using the Emergency Communication Network

An emergency communication network is available to respond to emergency situations occurring on holidays and late at night, with tests conducted to the network every three months. Furthermore, in the event that the emergency communication network is not functioning, the Yanmar Emergency Response Center was established as a back-up system to provide a response 24-hours a day.

● Applying the Safety Confirmation System

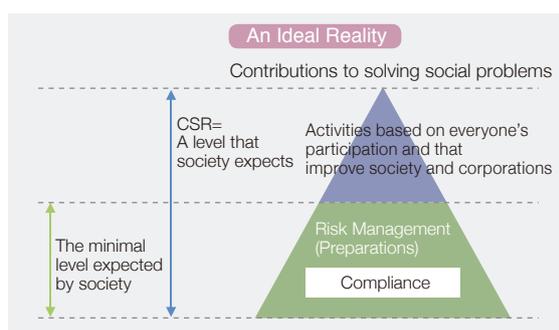
In the event of a natural disaster caused by an earthquake, the wind or rain/water, the system will serve to confirm the safety of Yanmar employees and their families, as well as the status of damage following the disaster. During FY2012, there were 12 reports following earthquakes of a seismic intensity of just under 5 or above, and the safety of Yanmar employees and their families was confirmed. Furthermore, in January and September each year all employees in the Yanmar Group hold a training exercise in order to prepare for an actual event.

Promotion of CSR activities

Yanmar established its "CSR Department" in March 2008 in order to promote CSR as an activity to be undertaken by the entire Group. The department is involved in setting the direction of the Yanmar Group's CSR activities and in communication both inside and outside the company.

With regard to employees of the Yanmar Group, articles related to CSR — *Minna de Kangaeyo! CSR* (Let's Think About CSR Together!) — appear in the internal Group Publication. Articles address topical issues and also serve to promote CSR activities.

■ Involvement With CSR and Other Activities



The Yanmar Group respects the personality and diversity of all our employees, as well as ensuring that our employees can work in a safe working environment that is also a lively and pleasant place to work.

Basic policy toward personnel

In order for Yanmar to survive amid global competition, we want to build up not just our products but also our human resources, called “true Yanmar

employees,” through recognizing the need for each of the organizations and individuals to grow in strength.

- In addition to securing, training and deploying the personnel we need to realize our corporate mission and corporate strategy, we are looking to maximize the passion our employees have for their work as well as the capabilities of the employees of the Yanmar Group through motivating them in their activities towards realizing our mission.
- With the aim of increasing the degree of satisfaction felt by employees of the Yanmar Group, we are looking to manage the company in a fair and just manner with due consideration for the work–life balance.

Employing diverse human resources

Yanmar employs a variety of human resources for the purpose of “securing professional human resources who can work globally, regardless of nationality, gender or age.” At the end of March 2013 Yanmar had 3,314 employees, of which non-Japanese employees numbered 32 as well as 423 female employees (12.8%).

There are also 224 employees that have been re-employed following retirement.

As we continue to expand employment opportunities for persons with disabilities, we are also taking steps to increase the rate that disabled employees stay at the company after they have joined Yanmar.

Global talent development

Yanmar is supporting systems of skill development throughout the Group with the view of nurturing human resources who are suited to the expanding realm of global business.

In addition to training basic skills at factories in order

to bolster our manufacturing power, we are also conducting education aimed at broadening our employees’ characters, through such programs that encourage the teaching of knowledge in related fields of business.

● Flexible as well as systematic deployment of human resources

We deploy and exchange our human resources flexibly and systematically. Apart from regular personnel changes, Yanmar has also introduced a “personal reporting system concerning changes,” by which the people concerned directly report their desired changes to the human-resource offices; the “Yanmar Dreams

Come True Program,” an in-house recruiting system; and also the “Career Development Program,” which is a skills-development program that systematically nurtures human resources who possess broad perspectives as well as high levels of knowledge about their profession.

● Nurturing human resources capable of thinking proactively from the position of the customer

Yanmar offers opportunities for skill development, through such things as “(basic) engineer education,” “selective workshops” and “correspondence education,”

in order to train human resources capable of successfully contributing to customers’ problem solving.

● Nurturing human resources capable of business on a global scale

We are engaged in training and fostering human resources capable of performing on a global stage, starting with personnel exchange programs with our offices overseas, and through language training programs, training for overseas business skills (such as

programs in English composition, giving presentations and engaging in negotiations in English, etc.), and training for foreign postings (problem solving, overseas risk management training, etc.).

● Nurturing human resources responsible for management

Yanmar is implementing management training to improve the management skills of human resources who will be tasked with corporate management responsibilities

in the future. We also support skill development for overseas communication, leadership and other subjects.

Work-life balance

Yanmar is striving to create a workplace where employees can continue to work with peace of mind, where they are making the most of their abilities both at work and at home, through solid systems that provide time off work for people raising children and providing nursing care as well as a system of storing up paid leave days. Moreover, we are introducing a system whereby women that leave their jobs due to marriage or childbirth can return to the workplace.

In FY2012, 36 Yanmar employees took childcare leave, 34 employees used the shorter working hours system, 24 employees took maternity leave and 5 employees took special leave to provide nursing care.

In order to achieve a better work-life balance and to improve efficiency at work, some sections of our research and development and staffing departments have implemented a flextime system and a system of flexible working hours.

Health improvement

Yanmar operates training sessions for those in high-level leadership positions, which include a broad explanation of mental health and self-awareness and awareness by surrounding people.

Furthermore, Yanmar arranges for a lecture on health to be delivered once a year by Dr. Kondo of the Industrial Medicine Kondo Clinic.

The Health Management and Promotion Committee at

Yanmar is made up of representatives from the health insurance union, the Human Resource Division, the business headquarters General Affairs Dept., and labor union members. The Committee holds meetings on matters related to the promotion of health (such as periodic medical checks and measures to mitigate metabolic syndrome, etc.).

Labor-management relationship

Yanmar maintains a stable relationship with the Yanmar Labor Union and the Yanmar Employee Union, and engages in periodic negotiations and discussions on the workplace environment and employee working conditions, etc.

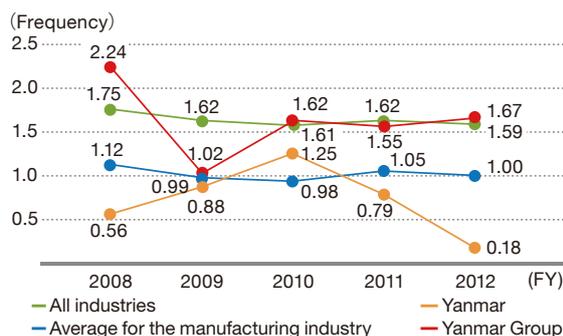
We also have the opportunities to explain and discuss the financial conditions of the company by holding meetings to explain the corporate condition and other labor-management meetings, etc.

Occupational health and safety

Each plant at Yanmar utilizes its own management system since the working environment differs from plant to plant.

Each plant has a health and safety committee that works towards reinforcing health and safety management through organizing health and safety patrols, etc. as well as planning the thorough implementation of health and safety practices in the workplace, in addition to education and training seminars and workplace-based training to improve accident and disaster prevention.

Occupational Hazard Statistics



Topics

Opening of a "Safety-Sensible School" at the Large Power Products Operations Division

In June 2012, a "Safety-Sensible School" was set up with the aim of realizing zero accidents in the workplace. From July 2012 onwards, all employees working at the Amagasaki Plant (including employees working at affiliated corporations located inside the plant campus) – totaling approx. 900 people – were enrolled in a safety-training course. The school itself consisted of lectures, as well as simulations where 5 different types of installed equipment were used to simulate accidents, such as being caught by machinery, falling at the workplace, etc. In the latter half of FY2012, employees at other business divisions were enrolled on the safety-training course. By continuing this program of training, Yanmar is striving to increase awareness about safety as well as improving skills on how to avoid crisis situations.



The Yanmar Group has identified the protection of the global environment as one of the most important management policies, and as a result the Company is promoting environmental management and sensitivity towards the environment as a fundamental part of its business activities.

Deciding on the Group's Environmental Vision 2020

The Yanmar Group has drawn up its Environmental Vision 2020 as we approach FY2020, the international target year for reducing global-warming gases.

The plan has set the direction for the Group's environmental activities.

Group's Environmental Vision 2020

The Yanmar Group is conscious of the fact it handles products that can have an environmental impact. As a pioneer in energy technology, we are working towards the realization of a sustainable society.



1 Preventing Global Warming

- We contribute to reducing the emissions of greenhouse gases through energy conservation, the creation of energy-conserving products and the extensive use of biomass fuels. In addition, we carry out thorough improvements in the efficiency of current products. Through these efforts, we aim to cut emissions of greenhouse gases throughout the product lifecycles by 25% on average (compared to 1990 levels).
- We aim to cut emissions of greenhouse gases stemming from business activities by 25% (compared to 1990 levels).

2 Contributing to an Environmentally Sustainable Society

- We carry out reductions in the amount of industrial waste for landfill disposal stemming from business activities.
- We strive to improve our input rate of recycled resources to whole input resources for our business activities.
- We carry out design work that is in harmony with the environment and strive toward improvements in the 3R (reduce, reuse, recycle) of our products.

3 Reducing and Controlling Environmental Hazardous Substances

- At production sites, we implement cuts in substances that place a burden on the environment.
- Within the supply chain, we control substances used in products that place a burden on the environment and offer products and services that conform to the latest regulations on chemicals.

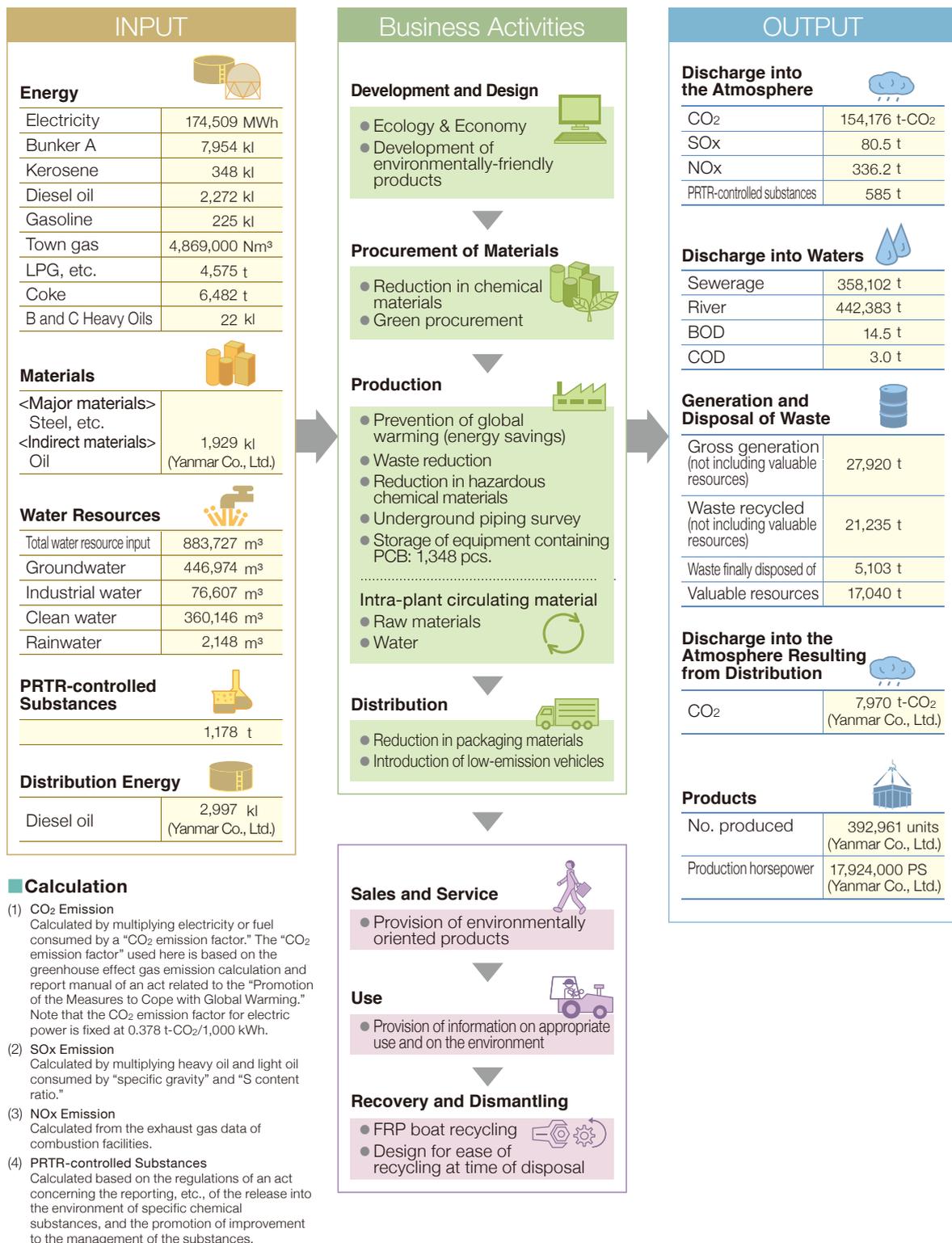
4 Working on Biodiversity

- We strive toward business activities that are capable of co-existing with nature.
- We contribute to preserving the eco-system through offering new products and services.

Overview of environmental load

The Yanmar Group understands the need to quantitatively measure and ascertain the environmental loads created by all stages of its business activities, namely from raw material procurement to production, transportation, distribution, use and disposal. It is also essential that we strive as required to reduce these loads.

In fiscal year 2012, environmental loads continued to be measured at production plants of Group companies to gather the necessary data. We will be striving to analyze and determine the environmental loads created at each stage of the product life cycle.



Targets of the 3rd Environmental Mid-term Plan (2011 - 2015) and the Status of Achievement

Category	Item	Mid-term targets (2015)	2012 Group Goals	
Environmental conservation structure	Expansion of the Group Global Environmental Committee's scope	<ol style="list-style-type: none"> Expand activities for domestic and overseas companies Global Environmental Committee Meeting to be held Establishment of overseas environmental committees in every region 	<ul style="list-style-type: none"> Continued expansion of the scope of environmental data coverage (on domestic offices and overseas companies) Promotion of concerted environmental conservation activities across the Yanmar Group 	
Environmental Management	Mutual support for activities within the Group	<ol style="list-style-type: none"> Environmental education by environmental staff to be mutually implemented Environmental conservation activities through mutual cooperation among business units to be implemented Implementation of environmental compliance audit by environmental staff 	<ul style="list-style-type: none"> Realizing environmental conservation activities through mutual cooperation among entities Strengthening information exchanges related to environmental-conservation activities Joint implementation of the Environmental Compliance Audit 	
	Strengthening of environmental conservation efforts at domestic and overseas companies	Expansion of items of environment data and of environmental conservation activities	<ul style="list-style-type: none"> Expanding the introduction of environmental management information systems to domestic offices and overseas companies Following-up on developing the Group environmental policy 	
Responses to greenhouse gas emissions	1) Reducing emissions from products			
	Determining and reducing the amount of greenhouse gas emissions throughout entire product lifecycle	<ol style="list-style-type: none"> Establishment of methods to determine emission volume Reduction of energy consumption and emission volume (15% reduction compared to FY 1990) 	<ul style="list-style-type: none"> Continued introduction and development of lifecycle assessments (LCA) 1) Analysis of the previous FY; development for other products 2) Examination of Group product emission amounts as of FY1990 	
	Introduction of new methods for reducing greenhouse gas emissions	<ol style="list-style-type: none"> Development of carbon-neutral products Examination of introduction of carbon footprints 	<ul style="list-style-type: none"> Examine the introduction of renewable energy Examine the electrification and hybridization of work machinery/equipment Surveys into social demands and trends within the industry Examine the possibility of implementation to Group products 	
	Acquisition of certifications related to the environment for products	<ol style="list-style-type: none"> Compliance with regulations that cover the exhaust emissions of engines Certifications related to energy-savings and environmental-burden reduction of work equipment to be acquired Environmentally oriented goods to be developed/commercialized 	<ul style="list-style-type: none"> Attainment at early date of emission gas regulations Examination of certification (such as labels indicating energy saving) acquisition for products Increase in sales of environment-oriented products 	
	2) Reduction of emissions from business activities			
	Reduction of greenhouse gas emissions produced at domestic production sites	Reduction of energy consumption and greenhouse-gas emissions in unit requirements to be 13% from FY2005 (1.3% each year) [Converted to total volume: 15% reduction from FY2005 (1.5% each year)]	<ul style="list-style-type: none"> Reduction of at least 9.1% (a total volume of 10.5%) from FY2005 in unit requirements Development of "Visualization of Electric Power" across each company in the Yanmar Group 	
	Reduction of greenhouse gas emissions generated at logistics stage	<ol style="list-style-type: none"> Scope of data compilation to be expanded Reductions of energy consumption and greenhouse gas emissions in unit requirements to be 36% from FY2009 (6.0% each year) [Converted to total volume: 6.6% reduction from FY2009 (1.1% each year)] 	<ul style="list-style-type: none"> Expansion of the scope of logistics data compilation Examine reducing domestic transportation through more efficient operations Reduction of at least 18% (a total volume of 3.3%) from FY2009 in unit requirements 	
	Reduction of greenhouse gas emissions produced at domestic and overseas companies	<ol style="list-style-type: none"> Scope of data compilation to be expanded Reductions of energy consumption and greenhouse-gas emissions at domestic offices in unit requirements to be 36% from FY2009 (6.0% each year) [Converted to total volume: 24% reduction from FY2009 (4.0% each year)] 	<ul style="list-style-type: none"> Expansion of data compilation bases Reduction in unit requirements of at least 18% (a total volume of 12%) from FY2009 	
	Contributions to a society that recycles	Improvements to input rates of recycled resources	<ol style="list-style-type: none"> Scope of determination for new resources inputs to be expanded Amount of water-supply resources inputs in unit requirements to be reduced 40% from FY2005 (4% each year) Amount of paper resources inputs as unit requirements to be reduced 20% from FY2005 (2% each year) Volume of total resources inputs and recycled-resource utilization rates to FY2014 to be determined Reduction targets for new resources-input rates to be established 	<ul style="list-style-type: none"> Survey on present situation with Yanmar Proposal of data compilation implementation plan regarding total resource inputs and waste Reduction of at least 28% from FY2005 in unit requirements Reduction of at least 14% from FY2005 in unit requirements — —
			Improvements to green purchasing rates	Green purchasing rate of office supplies, etc. to achieve 70% or greater increase
Reduction of landfill disposal volume of waste			<ol style="list-style-type: none"> Total volume of waste produced in unit requirements to be reduced 20% from FY2005 (2% each year) Volume of landfill disposal to be just under 5% of all waste and other items produced. (Just under 1% for each of Yanmar's business units.) Recycle rate of waste at least 70% 	<ul style="list-style-type: none"> Reduction of at least 14% from FY2005 in unit requirements Creation of an information sharing system related to reduction of waste, etc. Obtain a grasp of waste volume data for domestic offices
Introduction of environmentally harmonious designs			<ol style="list-style-type: none"> Introduction of design techniques that consider reuse of products, and labor-savings in separation and collection during waste disposal Environmental burden analysis by lifecycle assessments (LCA) 	<ul style="list-style-type: none"> Formulate rules and regulations toward 3R implementation; raise awareness across the Group
Reductions of substances with environmental burden at production sites			<ol style="list-style-type: none"> Volume of PRTR substances handled in unit requirements to be reduced by 20% from FY2005 (2% each year) Disposal of PCB to end (by 2016) 	<ul style="list-style-type: none"> Reduction of at least 14% from FY2005 in unit requirements Controls and early disposal of products using a high density of PCB Examination of disposal methods for products using a low density of PCB
Responses to environmentally hazardous substances	Implementation of information management for environmentally hazardous substances contained in products	<ol style="list-style-type: none"> Creation of information-management system Creation of information-management system that includes supply chain 	<ul style="list-style-type: none"> Implementation of a chemical substances survey using a survey system Respond to inquiries from business partners and customers 	
	Promotion of reduction of environmentally hazardous substances used in business activities	<ol style="list-style-type: none"> Creation of law-compliance system for regulated environmentally hazardous substances Switchover to be completed for voluntarily regulated environmentally hazardous substances 	<ul style="list-style-type: none"> Continue to maintain a grasp of trends of regulations in the law and treaties as well as promoting compliance across the Group Management of latest version of green procurement guidelines and in-house regulations Promotion of switching over from using 4 voluntarily controlled substances as well as substances prohibited by various laws Survey of chemical substances based on green procurement guidelines; collection of survey results 	
	Tackling efforts in business activities to achieve co-existence with nature	<ol style="list-style-type: none"> Voluntary standards to be decided, maintained and managed on environmental burden to air and water Planting and cleaning activities at business sites and their vicinities implemented Creation of new energies to replace fossil fuels 	<ul style="list-style-type: none"> Establishment and review of voluntary standards taking into account the social climate Expand green areas at business sites and buildings, as well as area of environmental facilities Promote exchanges with regional residents through cleanup activities — 	
Social contribution	Offering of products and services that contribute to eco-system conservation	<ol style="list-style-type: none"> New businesses linked to conservation of eco-system to be developed Environments that grow organisms anew through regional interchange to be presented 	<ul style="list-style-type: none"> Continue with the implementation of activities that contribute to the conservation of ecosystems, such as the honeybee project, etc. Proposing new contribution activities that utilize business activities and regional exchanges 	
	Continued contributions to residents in vicinity of company sites	<ol style="list-style-type: none"> Joint volunteer activities with nearby residents Friendship activities with customers, nearby residents to be implemented 	<ul style="list-style-type: none"> Implementation of at least one event at one business site Continue to open business sites to the public; hold and support friendship events Contribute to the local community through events linked to our 100th anniversary 	

 Target achieved
  Partly achieved (more than 70%)
  Not achieved (less than 70%)

2012 Group Results	Evaluation	2013 Group Goals	Related information
<ul style="list-style-type: none"> Added (locations and items) to the scope of environmental data compilation of domestic offices and overseas companies Held international conferences with the collaboration of each business body and local subsidiary or affiliate company unifying local organizations. 		<ul style="list-style-type: none"> Expanded the scope of environmental data compilation (for domestic offices and overseas companies) Developed a Group Environment Policy; collaboration with each business on implementing conservation activities 	—
(No notable results from activities)		<ul style="list-style-type: none"> Promotion of environmental conservation activities through mutual cooperation among entities Reinforce the information exchange systems for environmental preservation activities (Visits to companies more advanced in this process; organize study groups, etc.) 	—
(Independent implementation by the Environmental Bureau)		<ul style="list-style-type: none"> Joint implementation of Environmental Compliance Audit 	—
<ul style="list-style-type: none"> Implemented follow-up activities through international conferences 		<ul style="list-style-type: none"> Follow-up with work processes at each business once the Group environmental policy has been developed Regular meetings held for people responsible for environmental preservation for each overseas location 	—
<ul style="list-style-type: none"> Developed from representative products (back hoe) into other products (loaders, etc.) Implementation of product emission amount estimates as of FY1990 		<ul style="list-style-type: none"> Introduce and continue development of Life Cycle Assessment (LCA) <ol style="list-style-type: none"> 1) Test implementation of LCA analysis for the Group's representative products 2) Expand to each business through LCA workshop activities 3) Creation of a LCA Procedure Manual (Yanmar Standard PCR) 	P39
<ul style="list-style-type: none"> Development and sale of energy systems including renewable energy Examine of electrification and hybridization 		<ul style="list-style-type: none"> Investigation and examination of implementation possibilities for renewable energy Trial and examination of the electrification and hybridization of work machinery/equipment 	—
<ul style="list-style-type: none"> Information compilation utilizing activities in the industry and information services 		<ul style="list-style-type: none"> Investigation of the social climate and trends set by competitors Examine feasibility of introduction to Group products 	—
<ul style="list-style-type: none"> Attainment at early date of certification on emission gas regulations 		<ul style="list-style-type: none"> Compliance with exhaust gas emission regulations Investigation into trends related to the verification of energy-saving labels; examine developing this for Group products 	—
<ul style="list-style-type: none"> 36 billion yen in FY2011 → 50 billion yen in FY2012 Review of standards related to environmental products (definition stipulated) 		<ul style="list-style-type: none"> Increase the proportion of products sold that are environmentally-oriented and environmentally-sensitive 	P36-38
<ul style="list-style-type: none"> Amount of energy used: reduction of 11.0% in unit requirements Amount of greenhouse gas emissions: reduction of 1.9% in unit requirements Introduction of energy saving promotion case studies at production facilities through the implementation of the "Visualization of Electric Power" 		<ul style="list-style-type: none"> Reduction of at least 10.4% (a total volume of 12.0%) from FY2005 in unit requirements Broaden the scope of implementation of the "Visualization of Electric Power" and analyze the actual results; horizontal expansion of this concept across the Yanmar Group Strengthen coordination with internal projects Share information related to activities undertaken by internal committees; make preparations for energy saving plans 	P39
<ul style="list-style-type: none"> Started to compile logistics data related to the construction equipment business 		<ul style="list-style-type: none"> Expand the scope of data compilation for logistics related to Yanmar and Yanmar Group products and components 	—
<ul style="list-style-type: none"> Amount of energy used: reduction of 5.3% in unit requirements (a 5.0% decrease compared with the previous fiscal year) Amount of greenhouse gas emissions: reduction of 4.3% in unit requirements (a 5.0% decrease compared with the previous fiscal year) 		<ul style="list-style-type: none"> Reduce by at least 24% (4.4% of the total volume) per unit requirement compared with FY2009 (Property of Yanmar) 	P39
<ul style="list-style-type: none"> Expanded scope of data compilation centered on overseas companies 		<ul style="list-style-type: none"> Guidance to each business group still not compiling data Investigate trends overseas with regard to laws related to greenhouse gases 	—
<ul style="list-style-type: none"> Domestic companies: Amount of energy used; total volume of ± 0.0% Amount of greenhouse gas emissions; total volume of + 8.7% Overseas companies: Started to compile data centered on manufacturing companies 		<ul style="list-style-type: none"> Reduction of at least 24% (a total volume of 16.0%) from FY2009 in unit requirements 	P39
(No notable results from activities)		<ul style="list-style-type: none"> Undertake an investigation into the current status of Yanmar and the trends of other brands/ companies Planning and presentation of data compilation implementation plan on resource input volume and waste disposal data 	—
<ul style="list-style-type: none"> Reduction of 47.2% in unit requirements 		<ul style="list-style-type: none"> Amount of water-supply resources inputs in unit requirements to be reduced at least 32% from FY2005 	P41
<ul style="list-style-type: none"> Increase of 1.1% in unit requirements 		<ul style="list-style-type: none"> Amount of paper resources inputs in unit requirements to be reduced at least 16% from FY2005 	—
—	—	—	—
—	—	—	—
<ul style="list-style-type: none"> Green purchasing rate of 71.7% 		<ul style="list-style-type: none"> Begin compiling data from bases that have yet to start Determine goods eligible for green purchasing 	—
<ul style="list-style-type: none"> Reduction of 5.3% in unit requirements Final disposal rate: 11.4% Resource recycling rate: 85.2% Implementing work support for domestic businesses 		<ul style="list-style-type: none"> At least 16% reduction from FY2005 in unit requirements Construction a source (database, etc.) for sharing information related to reducing the amount of waste, etc. Support work processes to gain a better grasp as to the waste emissions data for domestic sales companies 	P41
<ul style="list-style-type: none"> Review of product assessment regulations; start of evaluations based on standardized criteria across the Group (including an evaluations of how recycling has been considered as part of product design) 		<ul style="list-style-type: none"> Establish specifications for 3R implementation, and make them known throughout all relevant departments 	—
<ul style="list-style-type: none"> Reduction of 16.5% in unit requirements 		<ul style="list-style-type: none"> Reduction of at least 16% from FY2005 in unit requirements 	P40
<ul style="list-style-type: none"> Continuation of controls and early disposal of products using high-density PCB Support for the development of new disposal technology for PCB 		<ul style="list-style-type: none"> Management of products with high density of PCB and decide on a timeframe for their treatment Examine thorough management and treatment methods for products with low PCB density 	—
<ul style="list-style-type: none"> Implementation of a survey to check on standard criteria as applied across the Group Results collected from the survey; provision of information 		<ul style="list-style-type: none"> Implement an investigation with regard to compliance with REACH regulations relating to investigation systems used across the Group Respond to inquiries from clients and customers 	P40
<ul style="list-style-type: none"> Revision of green procurement guidelines and internal standards 		<ul style="list-style-type: none"> Attain a grasp of regulatory trends in laws, treaties as well as transmitting this information to all the companies in the Group Implement management of the latest versions of the voluntary regulations (such as green procurement guidelines, YIS standards, etc.) 	P40
<ul style="list-style-type: none"> Switchover implemented on substances yet to be switched over Implementation of a survey to check on standard criteria as applied across the Group 		<ul style="list-style-type: none"> Promote switchover from substances whose use is banned under the voluntary regulations for 4 substances and under the other regulations Implement survey on chemical substances based on green procurement guidelines and compile the results 	—
<ul style="list-style-type: none"> Revision of voluntary standards that are sensitive to the social climate and the surrounding environment 		<ul style="list-style-type: none"> Regular reviews of voluntary emissions standards in accordance with the social climate 	P40
<ul style="list-style-type: none"> Planting and greenery promoted mostly at plants Cleanup activities expanded for plants and surrounding areas 		<ul style="list-style-type: none"> Expand greenery at business sites and buildings and the area of environmental facilities Promote exchanges with regional residents through cleanup activities 	P51
<ul style="list-style-type: none"> Develop products that make use of renewable energy, such as biomass and sunlight, etc.; implementation of marketing proposals therein Examination of the electrification of work equipment 		—	—
<ul style="list-style-type: none"> Continuation of honeybee project Participation in the Lake Biwa Reed Field Planting Project 		<ul style="list-style-type: none"> Plan and implement activities that can contribute to the preservation of ecosystems Proposing new contribution activities that utilize business activities and regional exchanges 	P50
<ul style="list-style-type: none"> Planning, implementation of volunteer activities, mainly local cleanup campaigns 		<ul style="list-style-type: none"> Implementation of at least one event at one business site 	P51-53
<ul style="list-style-type: none"> Implementation of opening business locations and grounds to the public, invites extended to local residents, plant tours and holding friendship events Opening of the Yanmar Museum 		<ul style="list-style-type: none"> Provide opportunities to open business sites to the public (plant visits, general public access to welfare facilities, etc.) Be active in holding and supporting friendship events 	—

Yanmar's Environmentally Oriented Products

Industrial Engine Business

TNV Series Vertical Water-Cooled Diesel Engines

The first small engine to attain certification in accordance with Swiss regulations – the toughest in the world

Yanmar integrated a common rail fuel injection system, a new diesel particulate filter (DPF) and employed an optimized exhaust gas recirculation (EGR) system to become the first in the world to achieve certification for Swiss standards on exhaust gas emissions (for engine output in the 19-37kW class) in accordance with the Atmospheric Pollution Prevention Law of Switzerland, said to be the toughest set of regulations of its kind in the world. Europe and the US have regulations controlling the mass of particulate substances such as soot, etc., that can be released as part of exhaust emissions, but the Swiss regulation actually regulates the number of particles, which is a new approach to this legislation and in the future it is expected that this concept will be taken up by countries around the world.

Going forward, Yanmar will strive to implement timely solutions to stricter environmental regulations and to be the manufacturer of the cleanest diesel engines in the world as well as supplying industrial machinery manufacturers around the world with our engines.



4TNV88C

Large Engine Business

Marine Propulsion Engine 6EY17W

Environmentally-sensitive, high performance engine that has evolved into a highly reliable, economic engine



6EY17W

By incorporating the latest technology, such as a high-pressure Miller cycle system, etc. the output and torque of the 6EY17W are sufficient for it to be incorporated as the main propulsion engine for fishing boats and tugboats, At the same time it realized low fuel consumption and low emissions in compliance with IMO (International Maritime Organization) Tier 2 regulations which require 20 percent cut in NOx emissions,

This high performance, environmentally sensitive engine contributes significantly to increasing customer lifetime value (LCV).

Marine Business

Diesel Engine for Sailboats – New JH Series

The introduction of the common rail system delivers both regulatory compliance and an outstanding commodity value

The new engines comply with EPA Tier 3 in force as of 2014, without any EGR system or exhaust after-treatment device.

Compared with previous models, the new JH engines deliver a 20% reduction in NOx emissions and a 40% cut in PM, achieving quiet running, low fuel consumption and outstanding start-up performance.

It is not just about the performance; these new models are easier to maintain due to improvements such as the positioning of the seawater pump and the changes made to the length of the oil level gauge, etc.



4JH57

This versatile boat functions as a fishing vessel with cruiser-like comfort

Responding to the needs of the market for a fishing cruiser, the popular EX33 has returned with the first fly bridge (FB) specifications in its class. The hull is fashioned from FRP (fiberglass reinforced plastic), giving the vessel a lighter weight as well as a long service life, and thanks to noise reduction and low vibration technology, the cabin interior is quieter.

Furthermore, the EX33 II delivers improvements in safety and energy saving, with a flooding alarm fitted as standard as well as LED lighting fixtures.



Equipped with an environmentally friendly, highly efficient engine, farm work has never been easier thanks to the comfort cabin and the FDS steering wheel



The crawler delivers outstanding traction as well as low ground impact, making it perfect for working in irrigated fields or when serious pulling power is called for. Moreover, the CT1010 comes equipped with a quiet, spacious comfort cabin and the FDS steering wheel that ensures superior maneuverability.

The engine features a high degree of electronic controls as well as a high pressure fuel common rail (pressure accumulating chamber), which means that when and where it is needed, the engine can call upon the optimal amount of ultra high-pressure fuel injection for complete fuel combustion, delivering excellent fuel efficiency, as well as making clean emissions and high power output a possibility.

The RG Series has been bolstered and is now both economic and friendly to the environment

Featuring HMT (electronically controlled hydraulic continuously variable transmission) for excellent transmission efficiency, these rice transplanters offer an approx. 25% savings in fuel consumption compared with similar gasoline engine models. When replenishing the rice seedlings, the new RG Series models automatically slow the engine revolutions. The fertilizer distributor is fitted with an eco-sensitive feeding mechanism that stops the blower. The result is low fuel consumption and low noise (less than 70dB) delivered by these new additions to the RG Series of rice transplanters that are aimed at professional rice farmers.

All of the models in the RG Series feature excellent fuel efficiency with minimal CO₂ emissions and large displacement diesel engines, and profitability has been raised due to increased efficiency that comes from adding 5- or 7-row models with easier after-treatment to the series.



Yanmar's Environmentally Oriented Products

Energy System Business

AP- Mid-sized D-Series AP155D/230D/280D/375D

Reduction in black smoke on engine start; compact new design takes up 20% less floor space

The mid-sized D-Series AP generators come equipped with electronically-controlled engines, which means that the black smoke that appeared when the engine started up on previous models has been reduced by over 75%. Also, as the speed regulation has been improved, the new models are now able to supply electric power sensitive to frequency fluctuations.

Moreover, the new models are more compact, delivering a reduction of approx. 20% in floor space, making the AP D-Series perfect for meeting updated demand in existing buildings, as well as being much easier to transport and install into small spaces.



Construction Machinery Business

Crawler Backhoe ViO45-6/ViO55-6

Efficient hydraulic circuits and a fuel-efficient engine deliver compliance with environmental regulations as well as low fuel consumption



Featuring a clean diesel engine that complies with the latest exhaust gas emission regulations, a new and highly efficient hydraulic system as well as electronic engine controls, the ViO45-6/ViO55-6 crawler backhoes deliver high-level energy-saving performance, in addition to compliance with strict environmental regulations and low fuel consumption. Moreover, the new models feature universal design concepts in the control of the equipment itself, making them easy and comfortable for more people to operate.

* Low fuel consumption: Electronic engine controls and efficient hydraulic circuits result in a 30% reduction in fuel consumption compared with conventional models. Running the backhoe using the eco-mode function results in a 40% reduction.

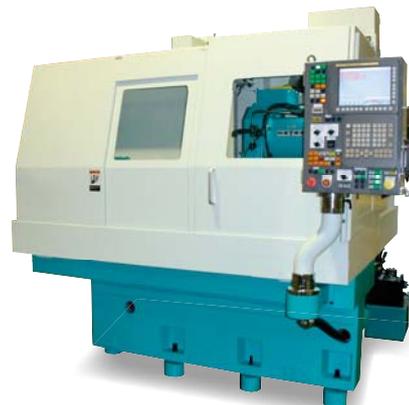
Component Business

Machine Tool – Gear Honing Machine GFC α

An evolution in functionality and maneuverability for the work environment

A gear-honing machine ensures that the teeth of the gears that fit into a transmission are finished to highly precise dimensions. With the ongoing hybridization and electrification of automobiles, the need for transmissions that can operate with minimal vibrations and noise is increasing. After hardening, the teeth of the gears are honed and it is this step – namely the processing of the gear teeth – that can contribute to how well the transmission can run with low vibration and low noise.

Furthermore, the addition of a partition that separates the work exchange area from the processing area in the processing room has delivered improved maneuverability as well as minimizing the area exposed to coolant spray.



Efforts to prevent global warming

● Reducing CO₂ emissions over a product's lifecycle

The Yanmar Group is moving ahead with the introduction of LCA (Life Cycle Assessment) that assigns and quantitatively ascertains the degree of consideration for the environment of a product at each stage of its lifecycle, from the procurement of raw materials, development, production and distribution, through use and consumption to final disposal of the product.

In FY2012 we conducted LCA at our construction machinery departments in order to evaluate the reduction rate in environmental burden of our current models (compared with conventional models). Going forward, Yanmar plans to implement LCA across other product divisions as well, placing more emphasis on employee training in addition to updating and reviewing manuals.

● Reducing CO₂ emissions to realize efficient energy use

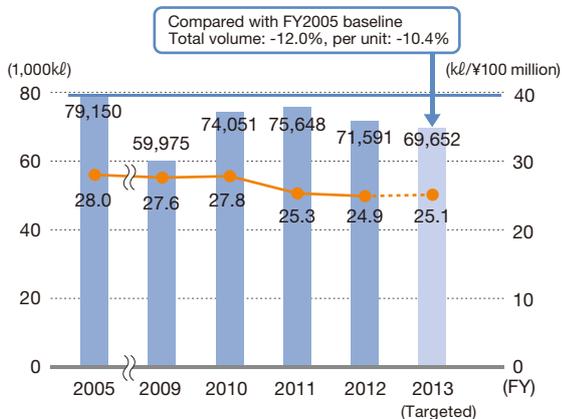
The Yanmar Group's approach is to use power and fuel, and indeed, any kind of energy, efficiently in production at all sites throughout Japan, in order to tackle the challenge of reducing the amount of CO₂ emissions.

The Yanmar Group has also set energy conservation targets for 2015 of a 13% reduction in both total energy consumption and on a per unit basis, with 2005 as the

baseline year, and is pursuing the same reductions in CO₂ emissions.

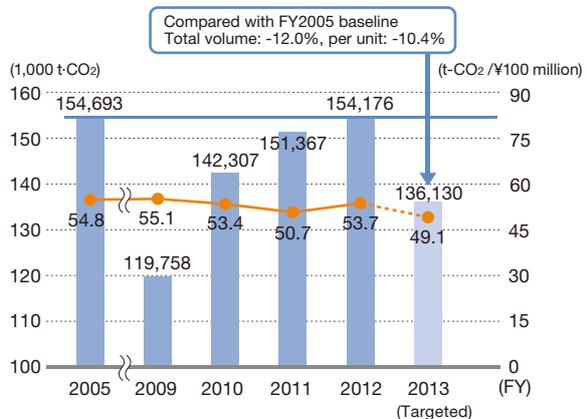
In FY2012, despite a reduction of approx. 4,000kl in the amount of energy used compared with the previous fiscal year, due to the suspended operations of the nuclear power plants in Japan, our CO₂ emissions total showed an increase of approx. 2,800t compared with FY2011.

■ Total Energy Consumption and Consumption per Unit



*Since 2009 this data includes figures from Kohrin Engineering Co., Ltd.

■ Total CO₂ Emissions and CO₂ Emissions per Unit



*Since 2009 this data includes figures from Kohrin Engineering Co., Ltd.

Topics

Biwa Plant wins the "Green Curtain Contest"

Biwa Plant won the "Green Curtain Contest" (Enterprise category) organized by the city of Nagahama, Japan. The contest gathers eco solutions from across the city, with the aim to contribute to global warming prevention. One hundred meters of balloon vine was planted on the southern facade of the Plant to produce a natural green curtain of 3.5m to help offset the summer heat and energy consumption inside the factory. The seeds harvested in autumn were distributed to the locals for home use. Biwa's initiative was valued for its scale, sustained employee efforts and environmental awareness.



Reducing and controlling environmentally hazardous substances

Reduction in chemical substance emission

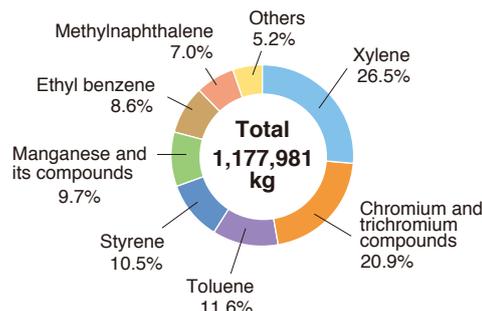
The Yanmar Group is working to manage the quantities consumed and reduce emissions of chemical substances designated under the PRTR Act, as part of its efforts to develop environmentally friendly products and reduce environmental risks.

The amount of PRTR-controlled substances used in FY2012 showed a reduction of 16.5% on a per-unit basis, compared with the baseline year of 2005 however, showed an increase of 0.9% on the previous fiscal year. The bulk of this increase is attributed to the increased use of such substances, centered on our plants that use a large amount of petroleum products (Bunker A, light oils, etc.) , which have been affected by the 2011 revision to the PRTR Act that expanded the scope of the law to cover 462 chemical substances designated as PRTR-controlled substances.

Considering that the chemical substances now designated as PRTR-controlled substances differs

greatly from the baseline year of 2005, we are currently examining changes to the baseline year as well as a review of our administrative practices.

Use of PRTR Substances



Managing environmentally hazardous substances across the entire supply chain

We check materials and parts provided by suppliers for environmentally hazardous substances on the basis of our green procurement guidelines. Since 2008, we have been receiving information from suppliers with regard to environmentally hazardous substances.

In addition, we have constructed a System for Products Containing Environmentally Hazardous Substances to facilitate the integrated management of this data. With regard to voluntarily controlled materials,

our internal application standards have been decided and reductions are progressing systematically.

Voluntarily Controlled Substances

Substances voluntarily controlled by Yanmar

Lead and its compounds, mercury and its compounds, cadmium and its compounds, and hexachromium and its compounds

Legal compliance and prevention of pollution

In order to reduce the burden we place on the environment, the Yanmar Group is focused on compliance with environmental legislation and regulations on a day-to-day basis, in addition to regular checks of data and readings taken to measure the status of environmental pollution, as well as implementing and managing in accordance with our

voluntary limits that are stricter than the legally admissible values.

During FY2012 the Yanmar Group did not violate any environmental legislation. In order to plan to prevent the reoccurrence of prior environmental accidents, we are moving forward with sharing information across the Yanmar Group as well as implementing daily checks, etc.

Consideration for the local environment

In order to prevent the pollution of the air, land and water by the plants of the Yanmar Group, the Group has implemented policies to ensure that the surrounding area and environment are maintained in good order.

For example, the exhaust gases released during endurance testing of engines — our major product — either during development or prior to shipping, pass through an exhaust-gas after-treatment device to ensure that they do not pollute the atmosphere.

Moreover, piping and storage facilities undergo testing on a regular basis and buried pipes are moved above ground into overhead arrangements in order to prevent any seepage of chemical substances or oil from aging facilities contaminating the soil or water, as well as holding training sessions for employees in the event that

they discover that some of these substances have been released into the air or have leaked into the environment.

The Yanmar Group is responding to a need to implement strict measures to counteract noise and odors at our plants, as some of our plants are now located in urban areas due to the impact of ongoing urbanization.

Each plant is making efforts to expand its soundproof facilities, and with respect to the times when there is a real impact on the local environment and community, such as at night or during holidays, the local residents will be contacted prior to the event and the workers will try to refrain from work tasks and processes that cause noise.

Contributions to an environmentally sustainable society

Reducing waste and promoting recycling

The Yanmar Group is making efforts to curb the generation of waste from production processes and also decreasing the total amount of waste disposal by promoting the recycling of waste by type, converting the waste into material with value.

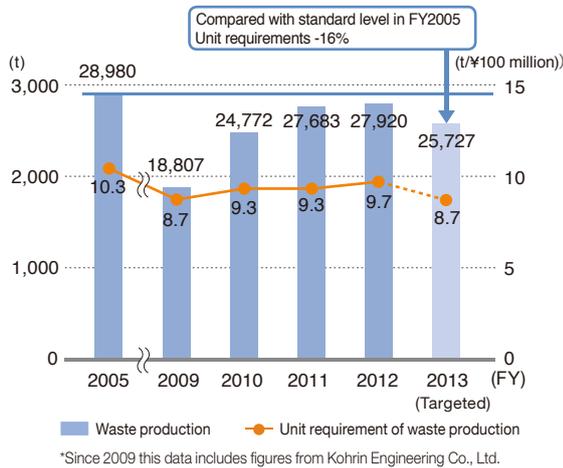
To ensure thorough separation of waste at each plant, employees are frequently informed of the importance of waste separation by a list of waste separation rules posted at necessary locations, including waste storage sites in plants, worksites and offices. Employee-education programs are being implemented and further recycling efforts, including the

introduction of returnable pallets, are taking place.

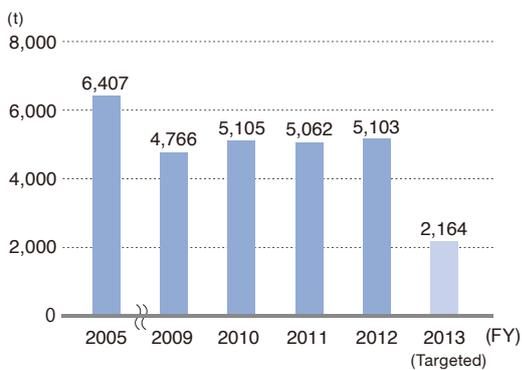
Waste oil is also converted into a valuable resource by using production processes that prevent foreign materials from mixing with the oil. Other actions taken to reduce costs include the reuse of cardboard materials and the recycling of shredded paper waste.

We set a target of a greater than 14% reduction in unit requirement of waste production for FY2012 in comparison with 2005. However the Yanmar Group registered a reduction of 5.1% and so the target was not achieved.

Waste Production and Unit Requirement of Waste Production



Amount of Final Disposal Waste



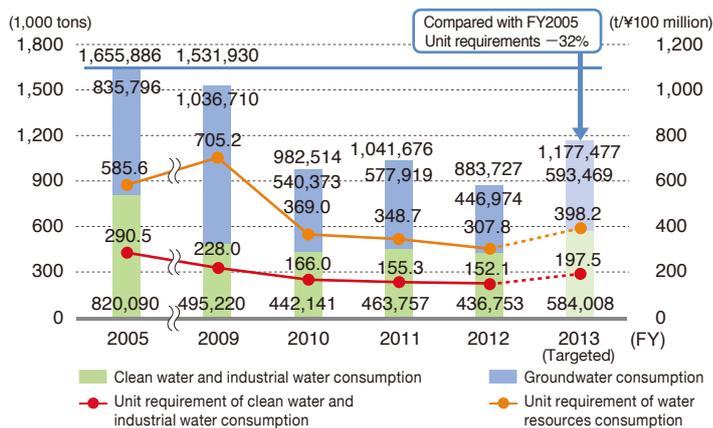
Reduction in water resource consumption

The Yanmar Group is promoting the recycling of factory water as an effort to conserve resources.

With regard to the amount of water resources used, we set a target of a greater than 28% reduction in unit

requirement for FY2012 in comparison with 2005. The Yanmar Group as a whole registered a reduction of 47.2% and so the target was achieved.

Water Consumption and Unit Requirements for Water Consumption



The Yanmar Group is promoting the establishment of a system of internal controls to ensure that our corporate ethics are carried out without exception, as well as building discussion and dialogue with our suppliers to build sound partnerships.

Legal compliance promotion system

At the Yanmar Group, we recognize that spreading awareness of compliance with corporate ethics as well as the law forms are the basis for our CSR activities for all Group employees as well as top management.

In April 2013, the Yanmar Group Risk Management

Committee, as one of several dedicated functional subcommittees, established a Legal Compliance Committee and the company continues to promote activities that reduce the risks related to legal compliance.

● Managing the internal reporting system 'Ethics Hotline'

The Yanmar Group has an internal reporting system that is known as the "Ethics Hotline" and it has been in operation since 2003. The Hotline handles 20 cases a year on average.

Since July 2012, it has been accessible via a free-dial number, making it easier for employees to use. As a result, 28 reports were received during FY2012, of which around 50% were received over the telephone. Separate to the Hotline is the Compliance Committee Secretariat,

which receives around 40 consultations and reports from each of the divisions and departments within the Group.

Internal cases (reports) are reviewed by fact-finding investigations to determine whether they constitute a violation of compliance rules, and if so, measures are applied appropriately and in line with office regulations while measures are tackled to ensure the problems are not repeated.

● Compliance training, public awareness activities

Compliance training is carried out on an annual basis for all employees who have newly joined the company and for all employees who have just taken on a management position. In addition, training at individual offices or seminars on other themes, such as Antitrust Law and Subcontract Law, is conducted when required.

The in-house intranet is used to introduce public awareness activities, such as "Compliance Violation Case Studies that have Occurred in the Past Within Group Companies" and "A Compilation of Taboos Overseas" with the aim of raising corporate ethical awareness.

● Maintaining regular communication with overseas companies

In order to reflect our point of view regarding compliance related to our overseas local companies and the business activities that they engage in, we have established a place where information can be periodically exchanged and shared by CSR managers from our regional headquarters (RHQ), a core component of our overseas business activities, as well as strengthening responses to risk, compliance and related legal affairs, etc.



● Important activities of the Legal Compliance Committee

① Complete examination of written contracts

In FY2012, several legal risks became apparent through the business activities overseas, and as a result the written contracts that the company has with overseas trading partners (contracts that had been concluded or not, as well as clauses of contracts) were subject to a simultaneous examination. Furthermore, guidance was issued for domestic contracts that they have to contain a clause excluding relationships with criminal organizations.

② Revisions to the Yanmar Group Code of Business Conduct

As time passes, strengthening of laws and values are subject to change. In order to reflect these changes, the Code was revised in October 2013 and a new Code distributed to all Group employees in the form of a booklet.

Purchasing measures

● Purchase policy briefing

The Yanmar Group engages in various forms of communication in order to deepen mutual understanding with its suppliers. A purchase policy briefing is held at the beginning of every year for our major suppliers to explain the policies for the fiscal year and the mid-term.

In February 2012, we established cost-reduction targets for five years (2011-2015). In order for the entire Group to fulfill these targets, the suppliers were encouraged to propose various ideas for cost reductions and help us together to review product functions, sharing of parts, and enhancement of productivity.



Fundamental purchase policy

● Reinforcement of Partnerships

From a long-term perspective, we promote the deepening of mutual understanding and trust with suppliers.

● Stable Supply

We audit suppliers in terms of their management situation, productivity, risk avoidance system and supply from overseas bases, provide the necessary instructions concerning those matters, and promote partnerships with suppliers to ensure the stable acquisition and timely delivery of materials and parts from those suppliers.

● Quality Assurance

We aim to ensure the appropriate quality of parts delivered by suppliers by taking various actions, including quality audits and guidance to suppliers, a quality committee, the initial stable management of new products, and implementation of the Quality Priority Management System* and Quality Control Excellent Certification System.

* Quality Priority Management System: System to provide special quality instructions every year to suppliers with low-rated quality evaluations.

● Cost Reduction

We set up cost targets and target cost reduction with this in mind.

● Legal Compliance

We comply with social norms, laws, regulations, and their spirit and ensure thorough compliance with security protection.

● Green procurement

Since the establishment of the Yanmar Green Procurement Guideline, we have been promoting the procurement of safe parts and components designed and produced in an environmentally friendly way while collaborating with our suppliers in various parts of the world.

In selecting suppliers, we prioritize transactions with suppliers enthusiastic about environmental

conservation activities with an established environmental management system in addition to such evaluation items as value, price and delivery time.

● Green Procurement Guideline :

<http://www.yanmar.co.jp/en/csr/report/greenGuideline.html>

● Supporting suppliers' efforts for improvement

The Procurement Department of the Yanmar Group selects several companies each year on the basis of Q (quality), C (cost), and T (time) and provides instructions for improvement.

Furthermore, since FY2007 we have been promoting YWKS activities to enhance the constitutional improvement of suppliers and to reinforce our partnerships with them, toward quality improvement, productivity enhancement and inventory reductions.

Activities with YWKS

(The Yanmar Way by Kaizen for Suppliers)

These activities expand the YWK to suppliers. YWK (Yanmar Way by Kaizen) activities are ongoing improvement activities conducted by the Yanmar Group and specifically include efforts to reduce defect ratios and achieve lead time and production cost reduction at seven divisions and 17 plants in Japan.



Voices from the field

Improving our mindset and increasing our speed - how to engage and win out in global competition



Akira Terai

Administration Group, Production Planning Dept.,
Manufacturing Management Dept., Power System Operations Division

The Power System Operations Division is promoting an approach of overseas manufacturing and domestic realignment. Part of this process involves working with individual suppliers to identify issues and to achieve targets through working collaboratively to make

improvements on the basis of QCT (Quality, Cost and Time). Communication and teamwork is important with regard to YWKS activities.

Furthermore, we hold an annual seminar to report results whereby our suppliers have the opportunity to learn from each other, and our aim is to form strong partnerships with our suppliers through everyday activities.

In order to ensure that we deliver safe, high quality products with a high degree of customer satisfaction, the Yanmar Group has established a quality assurance system based on feedback from the customer.

Efforts to improve quality

● Our fundamental approach

The first priority of the Yanmar Group is aiming to find ways to address and resolve the needs of our customers around the world by considering the customer's problem together and offering solutions. Each employee strives to earn the full trust and satisfaction of customers on a daily basis by responding to the needs of society as well as providing prompt and suitable products and services that solve our customer's problems.

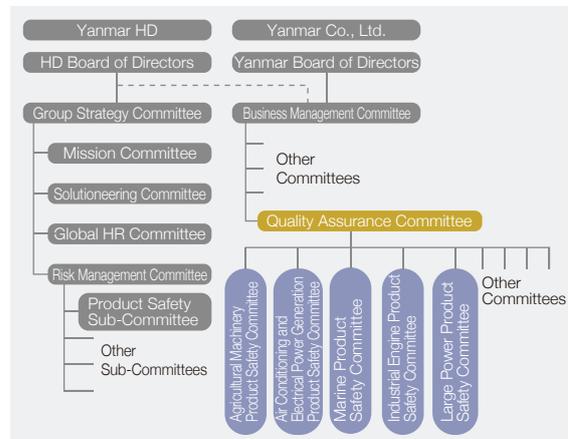
In 1968, we were the engine industry's first winner of the Deming Application Prize, in recognition of the company's commitment to quality management. Using this as a turning point, Yanmar launched its Total Quality Management (TQM) activities and all Yanmar employees continue to strive to improve product quality through activities such as QC circles, etc.

Moreover, at each stage of product planning, development, manufacturing, sales and after-sales service, etc., Yanmar has implemented systematic activities aimed at confirming product safety and quality. In particular, the issue of safety, both at home and abroad, is not merely about adhering to laws and regulations and in response to this issue we have introduced our original, in-house safety standards. Yanmar has also established strict checks on both product quality and safety at each stage of new product development as a form of risk assessment that looks to evaluate hazards before they occur, as well as design reviews that examine product design from a variety of perspectives.

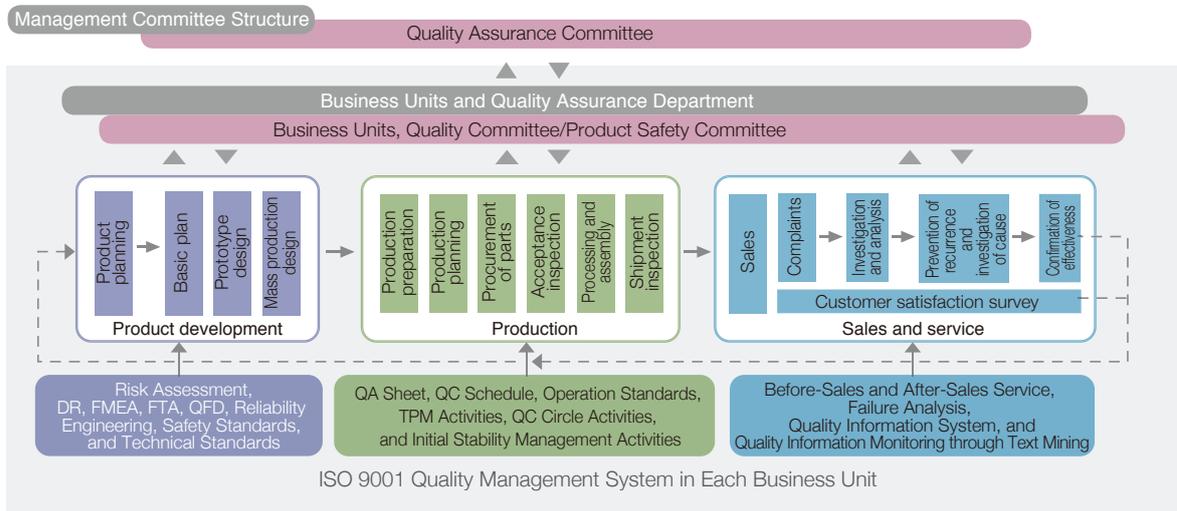
● Our quality assurance system

Yanmar is engaged in the integration of quality assurance activities in all stages of business activities, ranging from the planning and development of products to production, sales and service, with the quality assurance department of each business unit serving as the general contact.

Every business unit has a Product Safety Committee in place to ensure product safety. The entire Group is being monitored for quality assurance by the Group-wide Quality Assurance Committee. We have also obtained ISO 9001 certification at 30 units, including some overseas.



■ Yanmar's Quality Assurance System

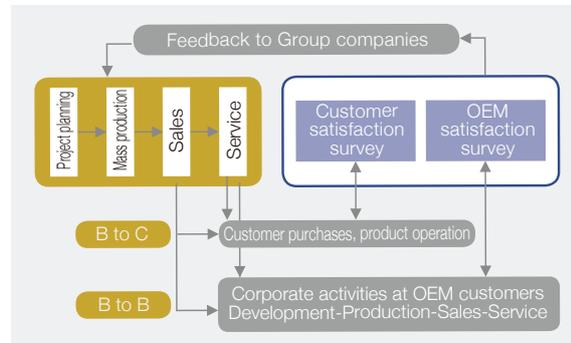


Implementation of a Customer Satisfaction Survey

Each year, Yanmar strives to improve the level of its after-sales services by undertaking an annual questionnaire survey of customers to find out their thoughts on our business, services and products as well as issuing certificates of free inspections of products and service records, etc. In addition to reflecting opinions and requests to the company found in the survey on the planning and development stage of new products, Yanmar also strives to improve and bolster its services and sales accordingly.

Furthermore, by gaining an accurate grasp of customer feedback, Yanmar is implementing measures that serve to maximize customer profit.

Customer Satisfaction Survey

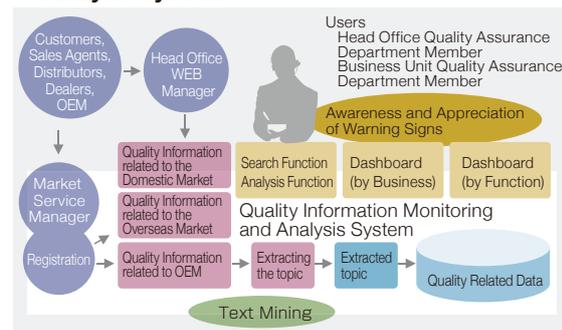


Building a quality information monitoring and analysis system

In order to detect problems related to quality at an early stage, Yanmar has created a quality information monitoring and analysis system both at home (YTIS) and for overseas markets (e-Claim, Warranty-pro, OEM information). This system makes the process of collecting information and identifying important problem areas quicker and more efficient.

In the event of a clear problem related to quality, once all of the information related to this issue has been analyzed, each business department in charge will receive feedback concerning the relevant information.

Quality Information Monitoring and Analysis System



Voices from the field

Aiming to improve the service that we give to our customers; working to undertake CS activities



Akimasa Fujimoto

Manager
YANMAR ASIA (SINGAPORE) CORPORATION PTE. LTD.

We believe our most important goal is to increase lifetime value for the customer. With that in mind, every day we strive to implement CS activities through rapid and accurate analysis of information from customers, upon which we can then make speedy and appropriate proposals.

As part of these efforts, starting last year we began holding technical training seminars using actual equipment and machinery. Furthermore, in order to minimize downtime due to a technical problem with an engine, we are working on improving the level of technical expertise at our sales agents and dealerships.

Response to recalls

In case a problem arises affecting products and action is judged necessary, Yanmar will swiftly implement appropriate actions, including the recovery, repair, inspection or replacement of products with customer safety and damage prevention as top priorities. In case of a recall, we shall notify the relevant organizations^{*1} and disclose this information on our website, and if necessary in recall notices in newspapers. In this way we are continuing to make improvements to our compliance with recall rules.

Important News on Quality (Japanese Only)

<http://www.yanmar.co.jp/important/index.html>

Number of Recalls in Japan^{*2}

FY	2008	2009	2010	2011	2012
Number of recalls	1	8	7	5	8

^{*1} Ministry of Land, Infrastructure, Transport, and Tourism, Ministry of Economy, Trade and Industry, Ministry of Agriculture, Forestry and Fisheries, the Japan Boating Industry Association, etc.

^{*2} Number of reported cases of product recalls based on Land Ministry recalls, improvement measures and the Consumer Product Safety Act.

The Yanmar Group's basic philosophy is to coexist and progress together with society. All of its plants, offices and affiliates, both in Japan and overseas, are working to make unique contributions to their regional communities.

Activities to support recovery efforts in areas affected by the Great East Japan Earthquake and Tsunami

● Steps to restore the Sanriku fishing industry

The tsunami that followed the Great East Japan Earthquake caused devastating damage to the Sanriku coastline. Starting with the fishing boats themselves, the tsunami destroyed everything in its path, including boat moorings and houses. Many lives were lost.

Since immediately after the earthquake, Yanmar Marine System has been working on projects to stimulate a recovery in the fishing industry along the Sanriku coast. As these communities prepare to take delivery of new fishing boats, the activity has gained pace toward the delivery of new fishing vessels and at the same time all of the Yanmar Marine organizations have come together to provide local support services.

It is not a simple task to secure a new fishing boat. The *wasen* or Japanese fishing boat is a different design to a pleasure boat and as such the *wasen* has to be designed from first principles. Furthermore, fitting out these new fishing boats will differ depending on the type of catch and this has to happen at each specific location. As a result of this approach, there is a limit imposed on productivity. However, Yanmar Shipbuilding & Engineering and the Japanese shipbuilding industry as a whole is putting all of its combined efforts into fishing boat production.

Immediately after the earthquake and tsunami, Yanmar Marine System constructed a prefab sales office at Sanriku, which was manned by staff from all over the country on a rotation basis. These staff lived and worked on the Sanriku coast to lead the recovery of the local fishing industry. Currently Yanmar Marine System has two sales offices in the area: the Yamada Sales Office and the Ofunato Sales Office and sales and marketing activities are shared between the two. At the Yamada Sales Office, all of the fishing vessels ordered have already been delivered. At the Ofunato Sales Office, Yanmar Marine System is mobilizing its national support network to assist with delivering fishing vessels as quickly as possible to our customers.

Though delivery of new fishing boats continuing apace, the recovery of the local fishing industry is only

half done. Manufacturing and fitting out these new vessels is only part of the story, these locations also require new moorings and sheds for the boats. Yanmar Marine System is involved in the installation of UV anti-bacterial systems for cleansing ocean-fresh seafood and our mission is to continue to support the recovery of the local fishing industry in these areas.



Temporary repairs at a plant



Fitting out a fishing vessel



Staff at the Sanriku Sales Office

Voices from the field

My wish is that we put smiles back on the faces of the fishermen.



Akinori Watanabe

Manager, Sales Group, Yamada Sales Office,
NE Japan Sales Dept., Yanmar Marine System Co., Ltd.

The earthquake and the ensuing tsunami swept away my family home and I lost my father that day. I was numb in the days that followed. However, the support that our community got from people and

organizations around the country helped us get back on our feet and by taking one small step after another, we are moving forwards recovery. Fishermen are still facing a

challenging environment after the disaster, so we are striving to prepare to deliver new fishing vessels to these communities so that they can get back to work. My wish is that one day we will see the Sanriku fishing industry fully recovered and we will see smiles back on the faces of the fishermen. It is my sincere intention to continue to work with my team at the sales office and for all of us to do our utmost to help the region recover from this disaster.

● **Supporting the recovery of the areas affected by the disaster through cotton cultivation**

Yanmar is collaborating with the Tatton Project, which promotes cotton cultivation as one way of aiding the recovery of the agricultural sector in the areas affected by the Great East Japan Earthquake, through the loan of tractors and other equipment.

The Tatton Project promotes the cultivation of cotton, which is known for its ability to remove salt from the soil, in areas where the agricultural land was contaminated by salt borne in the seawater of the tsunami. The project aims to return these fields to the cultivation of rice and other crops after a few years of cotton cultivation.

In support of these aims, Yanmar has loaned the Tatton Project an EG65 CYUXQW-type tractor as well as a rotary tiller. In December 2012, a cotton field in Fukushima Prefecture was the venue for a ceremony where this equipment was delivered to the farmers participating in the project. Also in attendance at the

ceremony were representatives of the Tatton Project, Yanmar employees as well as the popular air guitar band Golden Bomber. Television crews were on hand to film the ceremony.

Currently, the tractor is being used by a farmers in Higashi-Matsushima, Miyagi Prefecture, to assist them in their efforts to grow cotton on their land. Going forward, the Yanmar Group as a whole is lending its support to this project. The East Japan Company (Yanmar Agricultural Equipment Sales Co., Ltd.) and the Ishinomaki Branch Office of Miyagi Yanmar Shokai KK will provide maintenance services for the tractor.



The customer's voice **The cotton cultivation is on track and we are looking towards restoring our fields**



Mr. Shuichi Atami

The first year we planted a crop of cotton I had no idea about the crop, and after the initial sowing of the seeds I groped my way through the growing season until somehow we made it to harvest time. It was difficult going at times, I feel that it has been really challenging and rewarding. This year, as we had an idea about the yield, we planted cotton on approx. 0.8ha of land. Some of this land was given over to children from the local elementary school so that they could experience farming first-hand. The local

people have become interested in growing cotton and I feel that at long last we are starting to see some hope for our community.

Going forward, we are looking at planting cotton wool in idle land as well as any remaining land that still requires salt removal. Preparing our fields so that they can grow rice and other crops again is the mission of those that survived this tragedy. We are receiving help and support from all over the country, and we are serious in our endeavors to lead a recovery in agriculture.

● **Supporting the recovery of the agricultural sector in areas devastated by heavy rain in Kyushu**

In July 2012 heavy localized downpours affected Kyushu, centered on the northern districts of the island. Communities in Kumamoto Prefecture, Oita Prefecture and Fukuoka Prefecture sustained the worst damage. The farming community in Aso City in Kumamoto Prefecture was calculated to have suffered over 10 billion yen in crop and farming infrastructure damage following the rains.

The Yanmar Group formed a volunteer group to help support communities in the affected areas. 350 employees from Yanmar companies, plants and the head office traveled to these areas and assisted in various tasks, such as removing soil that the rain had washed into greenhouses, etc.

Some three months after these volunteer activities, the

Chairman of the Aso JA cooperative visited the Yanmar Head Office to express his gratitude at the steps taken by Yanmar at that time. Moreover, one year after the rains fell, in early August 2013 the Kumamoto Prefecture Aso Regional Development Bureau contacted Yanmar to request our participation in creating a plan for the ongoing recovery of the agricultural sector in this area.

We feel that our bonds of trust with the local community have deepened as a result of our efforts.



Voices from the field **I felt first-hand the importance of protecting customers and their agricultural work**



Ryota Shimizu Dry field cultivation NAPLA Group, Agri-Support Dept., Agri-Pro Promotion Division, Kyushu Company, Yanmar Agricultural Equipment Sales Co., Ltd.

Last year, I took a full 6-day course as a volunteer helping a community bounce back after flooding and rain damage. When I saw the marks on the inside walls of greenhouses where the water had reached 2m in height, I realized how devastating water damage can be. During my time as a volunteer it was very hot as we worked, but once our work was done the comments from the customers that we helped, such as: "you really helped us out – with your

help we have been able to restart work much sooner than we thought possible" - made me understand how important it was that these customers be allowed to continue their work uninterrupted.

Currently, around 90% of the fields are back to normal, but it will take some more time for people who lost or sustained damage to their homes to fully recover. I feel that we will need to continue in these activities until everything is fully recovered, and hopefully this can happen as soon as possible.

Reinvigorating agriculture

● Call for participants: Yanmar Student Essay Contest

Since 1990 Yanmar has asked for thesis and essay submissions for the Yanmar Student Essay Contest, the purpose being to promote free thinking by young people, who will grow to become future leaders, about the future of farming and farm communities.

The theme for 2012, the 23rd year that the contest has been held, was “The Challenges for the Evolution of Agriculture”. Submissions were sent in from all over Japan, with a total of 74 theses and 499 essays received. The winning entry in the thesis section was submitted by Hidesato Nakamoto, a student in the fourth year of his studies at the Biotic Resources Division at the Ehime University School of Agriculture. His thesis was titled: *The Outlook for Agriculture and its Relationship with Medicine and Welfare – Considered from the Perspective of Horticulture Therapy*. The winning essay was submitted by Masahiro Fujie, a first year student on the Flowers and Fruit Trees Course taught by the Agricultural Business Dept., part of the School of

Agriculture and Forestry at the Gunma Prefectural Institute of Agriculture and Forestry. The essay was titled: *Wishing to Impart my Thoughts about “Agriculture” – A Compass to Show the Way*.



● Supporting the Children’s Painting Exhibition

Yanmar wants to help children discover the wonder of rural life, while encouraging greater interest in the land and the sea. The National Federation of Land Improvement Associations holds an annual painting contest for children based on the theme of “Rural Life: Rice Paddies and Streams” and Yanmar is an enthusiastic supporter of the contest.

In 2012 (the 13th time that the contest has been held) there were 8,745 entries of which 23 were awarded prizes, 92 were officially selected and 38 were awarded prizes from regional organizations. The Yanmar Prize went to Mayu Okubo (a sixth grade student at the Yoshino Elementary School, Kagoshima City, Kagoshima Prefecture) for her entry, titled *The Rice Planting Festival*.



● Launching a membership system farming experience – Yanmar Yuyu Farm

In May 2012, a members-only farming society called the Yanmar Yuyu Farm, opened in Toyono, Osaka Prefecture, so that members could experience farming life in the so-called *satoyama* rural environment.

With the continuing aging of the farming demographic and the lack of labor in the farming sector, there are growing concerns about the amount of land that is being left idle. In order to break this cycle and give a shot in the arm to the domestic farming industry, this initiative borrowed some land located in the Takayama District of Toyono Town that was in danger of being left idle and put it to use as a model farm area where city folk could come and experience farming and agricultural life.

From 2013, two courses are offered – rice cultivation on the “Rice Paddy Experience” course and vegetable cultivation on the “Allotment Experience” course. In addition to these two courses, Yanmar is offering seminars on its agricultural equipment and there are

presentations aimed at forming links between Osaka Prefecture and the local community, lectures on how to make the most of the local resources via the Yanmar Agricultural Resource Recycling Method and the cultivation of traditional local vegetables. The overall aim of this project is to develop deep-rooted bonds with the local community through these agricultural and farming experiences.



Support for sports

● Support for soccer, the game that is loved the world over

Yanmar has been a partner company for Cerezo Osaka for many years and since 2012 Yanmar has been an Official Global Partner of Manchester United, where Shinji Kagawa now plays.

Yanmar has supported Cerezo Osaka since the club first came into being, and as a result Yanmar has also helped support the development of Shinji Kagawa since he first signed for the club as a professional aged 17 up to the present day. Now Shinji plays for one of the leading clubs in world soccer and each match is played on a global stage. Shinji's efforts match the way Yanmar is striving to contribute on a global scale. The stellar career of Shinji Kagawa is a shining example to people

all over the world of the credo: "Have a dream and keep pressing forward — never give up!" Yanmar is proud to be associated with soccer and Shinji Kagawa and we will continue to support the game going forward.



● Supporting a powerful team in the America's Cup

The America's Cup is the world's premier yacht race and is sometimes referred to as "Formula 1 on the Ocean" – and Yanmar is proud to be the Official Technical Partner of the current champion team, Oracle Team USA. The 34th America's Cup was held in September 2013 and Yanmar's contribution was to provide the marine engines and drive sets for two of the chase boats that helped Oracle Team USA to a memorable repeat victory.

Yanmar marine engines are built to be durable and tough, so that they can deliver speed and power despite the tough conditions of the sea. The quality and

performance of our engines on the world's oceans have received positive evaluations.



Photography: Guilain Grenier/ORACLE TEAM USA

Activities to support education – Yamaoka Scholarship Foundation

Yanmar's founder Magokichi Yamaoka established the Yamaoka Scholarship Foundation in 1950 to develop human resources capable of contributing to world peace and prosperity and cultural improvement. So far over 5,200 people have received scholarships from the Foundation and moved on to perform active roles in various fields.

From FY2013, the Foundation launched a new scholarship offered to students in South East Asia, in addition to the regular scholarship grants and loans available to high school, college and university graduate students as well as foreign exchange students in Japan. This new scholarship was awarded

to 15 junior high school students in Thailand and 72 students in Indonesia who are struggling economically as they strive to continue their schooling whilst looking to pursue a career in soccer. A certification ceremony for the scholarship winners was held in Thailand and Indonesia.

■ Registered students (as of June 2013)

Graduate School Students	Foreign Exchange Students	College Students	High School Students	Domestic total
32	12	8	29	81
Thailand	Indonesia	Overseas total		
15	72	87		

*In order to promote diligent study and friendship between the scholarship students, several seminars are planned, such as a Research Presentation Seminar for technical graduate school students and a study tour of UNESCO sites in Japan for foreign exchange students.



Award ceremony for Scholarship Certificates (Japan)



Award ceremony for Scholarship Certificates (Thailand)

Regional activities

● Supporting the Incorporated NPO Osaka Honey Bee Project

The Osaka Honey Bee Project, where honeybees are raised in beehives on the roof of the former Yanmar Osaka Head Office building, was born in September 2010 from a proposal from employees, and has been supported by Yanmar. The aim of the project is to promote urban greenery and preservation of biodiversity through bee-raising activities in urban areas. Any honey that is produced by the bees is used for food education, ensuring that this project plays a role in invigorating the local community. Currently, the project is continuing its activities by borrowing some roof space on the ABC-MART Umeda Building next door, as the new Yanmar Head Office building is under construction.

In urban areas, the lack of insect life to transport pollen means that many trees go unpollinated. The honeybee is a very effective transporter of both tree and flower pollen and their presence means that many trees and flowers produce fruit. The fruit of these pollinated trees attracts bird life. These birds eat the fruit and carry the seeds off to propagate further greenery. Honeybees play a vital role as a key link in the ecosystem.

In the three years since this project launched, our efforts have inspired interest in the natural environment and local communities have had the opportunity to taste the honey produced by these honeybees. Going forward, the Osaka Honey Bee Project will look to actively develop its activities and with this in mind, the Osaka Honey Bee Project successfully attained NPO status in July 2013.

Yanmar supports measures that contribute to creating better places to live – a society where we can see the faces of the people and companies that we are mutually connected with, where nature and the city can coexist.



Taking care of honeybees is a daily task



Umeda Honeybee Project honey at an event



Greenery promotion activities

● Collaborating with the Yodogawa Flower Project

On March 20, 2013 the Chinese Milk Vetch Seed Sowing Event was held on the left bank of the Yodogawa River, near the Yanmar Head Office. This event was held in conjunction by the Kita Ward Office of Osaka City working with Junior Chamber International Osaka and the aim was to add greenery on the left bank of the Yodogawa River, the first step of the Yodogawa Flower Project.

Yanmar also cooperates with this project – a Yanmar tractor was used to till the soil three times and prepare the earth for the seeds. On the day of the event, approx. 200 people, mostly made up of local residents and including Yanmar Group employees, were in attendance. The sowing area was divided into 9 lots and vetch seeds were sown over an approx. 1km long strip of earth.

Going forward, Yanmar fully intends to cooperate with this project and aims to create a pleasant visual environment for the Yodogawa riverbank, as part of the company's contribution to the local community.



Tilling the soil with a Yanmar tractor

Each Yanmar location and group company is active in their home community

● Elementary school children are invited to tour a plant

The Large Power Products Operations Division is implementing a program of plant visits and tours (as the occasion demands) in order for residents local to the Amagasaki Plant to better understand what happens inside the plant.

On August 7, 2013 local elementary school children and their parents were invited to the plant and a visit tour was planned. The usual schedule has the group only looking at the interior of the plant from the entranceway, but this time the tour only differed slightly from the standard route taken through the plant.

On the day, after an initial explanation about Yanmar engines, the tour group went inside the plant and saw core engine components, such as cylinder blocks and crankshafts, being manufactured. They were also able to see other procedures, such as engines being assembled

and test runs of the new engines during the hour or so they spent inside the plant during the tour.



Study visit to a plant

● Participating in a program to plant reeds on the banks of Lake Biwa

In keeping with our support of the Nagahama Amenity Conference (Nagahama City, Shiga Prefecture), Yanmar participates in activities to preserve the local environment. The bonds between Nagahama City and Yanmar are deep and have existed for many years. Currently Yanmar still operates plants in the city and as such the company puts effort into engaging in these activities as part of its contribution to the local community.

On October 27, 2012, reeds were planted along the northeast shoreline of Lake Biwa, which is located in Nagahama City. The aim was to recreate a reed bed that used to grow in this location. These reed communities used to be a key element in the traditional landscape of Lake Biwa, and the reeds played a vital role in the propagation of many species of fish and bird life. Moreover, the reeds were an important resource as they served to purify the water in the lake, as well as preventing soil erosion of the lakeshore and providing the raw materials for a host of day-to-day items, such as the reed screens, etc. On the planting day, approx. 80

employees attended the event, including 6 employees from the Power System Operations Division. Firstly the reed bed had to be prepared, which involved cleaning the lakeshore, then the reed shoots were planted into a special reed shoot mat at the lakeshore site.



Planting reeds

● Transplanting black pines following the closure of the Nagahara Plant

With the closure of the Nagahara Plant (Nagahama City, Shiga Prefecture), the much-loved 31 black pine trees located within the plant grounds were relocated to the site of the Koga Division of Yanmar Casting Technology Co., Ltd. (Konan City, Shiga Prefecture) in March 2013.

In order to be able to transplant all of the 31 pine trees without damaging them, the relocation work was left to a specialist landscaping firm. Once the sites for planting these 31 trees had been selected and prepared in the car park of Koga, the black pines were carefully dug up and transported to their new location, where the transplanting was able to be completed without a hitch.

Some six months have passed since the pine trees were relocated, and we are pleased to report that the black pines are all healthy in their new home. Looking to

the future, there are plans to increase the greenery and protect the environment at Koga, as part of our larger drive to preserve the natural environment.



Transplanted black pines

Social contributions and activities overseas

● A Charity Prize Draw results in donations to the Red Cross (France)

At the end of December 2012, Yanmar Construction Equipment Europe S.A.S held a draw featuring prizes donated by customers and trading partners. Employees

of Yanmar Construction Equipment Europe bought tickets at 1 euro apiece and some of the proceeds were donated to the St. Dizier Municipal Red Cross.

● Donation of engines to a local volunteer organization (The Netherlands)

As part of its efforts to contribute to the regional community, Yanmar Europe B.V. supports the local volunteer group Almeerse Reddings Brigade. Yanmar Europe B.V. is headquartered in the town of Almere and there are several communities living close to the water where environmental factors are becoming a pressing

issue. The Almeerse Reddings Brigade seeks to help these communities through its activities and in order to support the Brigade in its efforts Yanmar Europe B.V. donated two marine engines to the organization, in 2013 through early 2014.

● Supporting a regional fund that seeks to support local community activity (The Netherlands)

Yanmar Europe B.V. is lending its support to Het Almere Fonds, a regional fund that is active in the town of Almere, which is also home to the headquarters of Yanmar Europe B.V. This fund aims to improve the environment surrounding the social economy in Almere and was established to receive funding from prominent

corporations in the region. The fund gives financial support to activities in the economic, cultural and educational fields, with the general aim of stimulating regional activity in and around Almere. Through its donations, Yanmar Europe B.V. is supporting the activities of Het Almere Fonds.

● Inviting local students to visit the workplace (North America)

In March 2013, Tuff Torq Corporation invited students from local schools to visit the work site and see what happens on a typical day at Tuff Torq. On these open days, local companies team up with local schools to invite students into their places of work and to give the students an opportunity to witness how the work gets done and the technologies that are used. This helps the students increase their awareness about work and careers. This program runs every year and 2013 marked the 16th year of the program. On the day, students visited departments such as stock control, machine processing, testing and assembly. Seeing these things first hand serves to increase interest in careers and technology.



● Training employees to react to emergency situations (North America)

In order to prepare for an emergency situation, some employees at Tuff Torq Corporation receive training and accreditation from Red Cross instructors in techniques such as first aid, cardiopulmonary resuscitation, how to operate an AED (automated external defibrillator) device, etc. so that these employees are on-hand at the company in the event of an emergency and can respond accordingly.

In December 2012, first aid training was carried out based on the latest scientific guidelines as issued by the American Occupational Safety and Health Administration (OSHA). Up to now, thankfully the incidents at this workplace have been limited to minor injuries, but the training will continue to be implemented just in case of a major incident.



● **Supporting the community — delivering presents at Christmas (North America)** —————

Tuff Torq Corporation, working together with local elementary schools and kindergartens, helped support activities at Christmas. In December 2012, following discussions with elementary school principals, 10 families were chosen that were struggling financially, such as out of work single mothers, etc. Tuff Torq employees then delivered presents for the children, food and new clothes to each of the chosen families.

At the kindergartens, Tuff Torq participated in a program to give a book to each child. This program aims to spread the enjoyment of reading to all children.



● **Participating in volunteer house building efforts (North America)** —————

Transaxle Manufacturing of America Corporation is supporting NGO Habitat for Humanity in its activities. One of the ways that Habitat helps impoverished regions or areas affected by disaster to recover is through the construction of housing. Transaxle donates money to cover a portion of the construction expenses as well as

sending some employees to Habitat to help in the construction. From the company president down, many employees contribute by giving time on their weekends to come together and help out with the building of these homes.

● **Employees help by providing classes at local elementary schools (North America)** —————

One of the ways that Yanmar America Corporation has found to contribute to the local community is by dispatching employees to local elementary schools to teach classes. The older grades at elementary school appreciate having someone come in and give presentations about their working lives and at the same

time, it gives the students an opportunity to discuss their future career paths with a working adult. Through activities like this, Yanmar America Corp. is contributing to increasing the students' awareness about potential careers.

● **Efforts to boost productivity in local agriculture (North America)** —————

Yanmar America Corporation is active in the towns of Adairsville and Calhoun in Georgia, where they have decided to support the farming industry by using 50 acres of local farmland by providing tractors and other

agricultural equipment free of charge for a period of 5 years. Moreover, the produce taken from these 50 acres has been distributed to approx. 5000 local residents to date.

● **Supporting students striving to attain a GED (North America)** —————

Yanmar America Corp. is working together with Advance Adairsville, a non-profit organization, and in 2013 they started supporting the GED (General Education Diploma, a High School Leaving Certificate) Program for citizens of Adairsville. The aim of promoting the GED Program is to open doors to potential careers

for newly minted GED holders. To date, 81 people have participated in the GED class and 18 participants have since graduated with the GED. Moreover, there are 25 people who have expressed an interest in participating in the classes and the program is expected to continue to produce results going forward.

Corporate Profile

Corporate Profile

Trade name	Yanmar Co., Ltd.
Head Office	Umeda Gate Tower, 1-9, Tsuruno-cho, Kita-ku, Osaka, Japan
Tokyo Office	2-1-1 Yaesu, Chuo-ku, Tokyo, Japan
Founded	March 22, 1912
Capital	¥6.3 billion
President	Takehito Yamaoka
Net Sales (FY2012)	¥577.1 billion (consolidated base) ¥305.7 billion (company base)
Employees (as of March 31, 2013)	16,055 (consolidated base) 3,314 (company base)

FY2012 Highlights

May 2012

- Yanmar Yuyu Farm established in Toyono, Japan



August 2012

- AG6114 and AG7114 combine models received the Machine Industry Design Award by The Nikkan Kogyo Shimbun, Ltd.



October 2012

- The Machining Performance Testing Lab established on the premises of the Maibara Research & Development Center, Yanmar Co., Ltd.



March 2013

- Yanmar Museum established in Nagahama, Japan

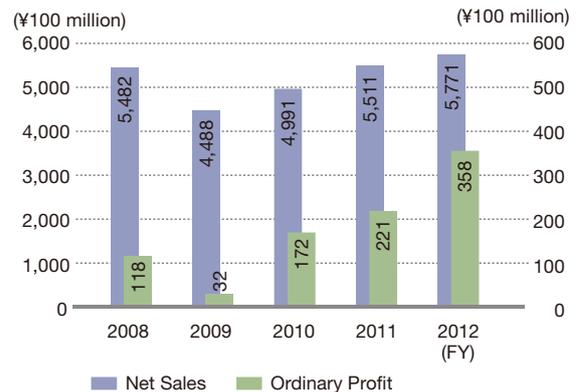


- The Representative Office of Yanmar Co., Ltd. in Can Tho City established in Vietnam

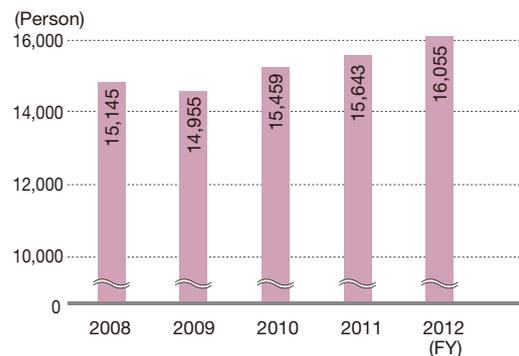


Major Indicators

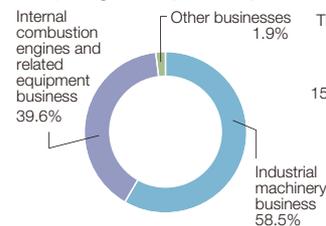
Consolidated Net Sales and Ordinary Profit



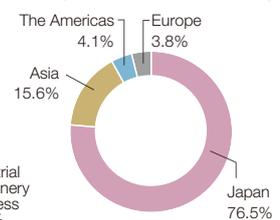
Employees (Consolidated)



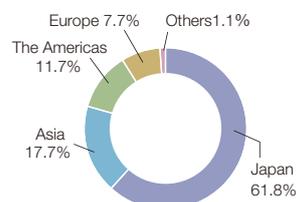
Consolidated Sales Rate by Segment (FY2012)



Employees by Region (as of March 31, 2013)



Consolidated Sales Rate by Region (FY2012)



The Yanmar Group Network

Yanmar Holdings Co., Ltd.

Head Office

Yanmar Co., Ltd.

Head Office

Tokyo Office

Research & Development Center

■ Power System Operations Division

- Biwa Plant ● Yamamoto Plant
- Kinomoto Plant
- Omori Plant ● Nagahara Plant
- Nagahama

■ Large Power Products Operations Division

- Amagasaki Plant

■ Marine Operations Division

- Tsukaguchi Plant

■ Agricultural Machinery & Equipment Division

Group Companies (Japan)

- Yanmar Agricultural Equipment Sales Co., Ltd.
- Hokuto Yanmar Co., Ltd.
- Yanmar Agricultural Machinery Manufacturing Co., Ltd.
- Kanzaki Kokyukoki Mfg. Co., Ltd.
- Yanmar Energy System Co., Ltd.
- Yanmar Energy System Mfg. Co., Ltd.
- Yanmar Construction Equipment Co., Ltd.
- Yanmar Marine System Co., Ltd.
- Yanmar Shipbuilding & Engineering Co., Ltd.
- Yanmar Casting Technology Co., Ltd.
- New Delta Industrial Co., Ltd.
- Kyoritsu Irrigate Co., Ltd.
- Yanmar Logistics Service Co., Ltd.
- Kohrin Engineering Co., Ltd.
- Yanmar Green System Co., Ltd.
- Yanmar Engineering Co., Ltd.

Group Companies (Worldwide)

The Americas

- YANMAR AMERICA CORPORATION
- TUFF TORQ CORPORATION
- TRANSAXLE MANUFACTURING OF AMERICA CORP.
- MASTRY ENGINE CENTER LLC, A YANMAR COMPANY
- YANMAR SOUTH AMERICA INDUSTRIA DE MAQUINAS LTDA.

Europe

- YANMAR EUROPE B.V.
- YANMAR MARINE INTERNATIONAL B.V.
- YANMAR ITALY S.p.A.
- YANMAR CONSTRUCTION EQUIPMENT EUROPE S.A.S.
- YANMAR R&D EUROPE S.R.L.
- YANMAR INTERNATIONAL EUROPE B.V.
- YANMAR BENELUX B.V.
- YANMAR NORGE A.S.
- YANMAR SVERIGE A.B.
- YANMAR EQUIPMENT IBERICA S.L.

Overseas Representative Offices

- YANMAR CO., LTD. - MOSCOW REPRESENTATIVE OFFICE
- THE REPRESENTATIVE OFFICE OF YANMAR CO., LTD. IN CAN THO CITY

Asia

- YANMAR ENGINE (SHANGHAI) CO., LTD.
- YANMAR ENGINE (SHANDONG) CO., LTD.
- YANMAR AGRICULTURAL EQUIPMENT (CHINA) CO., LTD.
- HARBIN YANMAR AGRICULTURAL EQUIPMENT CO., LTD.
- YANMAR AGRICULTURAL MACHINERY (KOREA) CO., LTD.
- YANMAR ASIA (SINGAPORE) CORPORATION PTE. LTD.
- YANMAR S.P. CO., LTD.
- YANMAR CAPITAL (THAILAND) CO., LTD.
- P.T. YANMAR DIESEL INDONESIA
- P.T. YANMAR AGRICULTURAL MACHINERY MANUFACTURING INDONESIA
- P.T. YKT GEAR INDONESIA
- P.T. YANMAR INDONESIA
- P.T. KANZAKI TJOKRO MACHINE TOOLS INDONESIA
- YANMAR INDIA PRIVATE LIMITED
- YANMAR KOTA KINABALU R&D CENTER SDN. BHD.

Editorial Notes

This report is published every year to inform our diverse stakeholders on our approaches and the current state of the Yanmar Group's CSR efforts, and to present company results for fiscal 2012, with the aim of improving CSR activities through two-way communication.

The information carried in this report was selected from the view of its importance to the Group and to society, in line with the core standards of ISO26000*. Numeric data and other details and descriptions of past activities are presented on our website.

* ISO 26000 is a set of international standards on social responsibility published in November 2010 by the International Organization for Standardization (ISO). "ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way." (from the ISO website)

Reference Guidelines

1. "Environmental Report Guidelines (2007)" of the Japanese Ministry of Environment
2. "Sustainability Reporting Guidelines (G3)" of the Global Reporting Initiative
3. ISO26000

Period

The activities and data disclosed in this report are for the period of fiscal year 2012 (March 21, 2012, to March 31, 2013). However, the Report also includes some items occurring in fiscal 2013.

Sites

In general, the information in this report applies to the Yanmar Group as a whole. Information specific to Yanmar Co., Ltd. or any particular area or related company is indicated as such in the text.

The term "Shiga Zone" used in this report refers to our facilities located in Shiga Prefecture, Japan: Biwa, Yamamoto, Kinomoto, Omori, Nagahara and Nagahama. The term "Amagasaki Zone" refers to the Amagasaki Plant and the Tsukaguchi Plant, Japan.

Date of Issue

Published in December 2013 (the next issue is scheduled for October 2014).

The YANMAR logo is centered on the page. It consists of the word "YANMAR" in a bold, red, sans-serif font. The background of the page features large, overlapping, semi-transparent shapes in shades of light blue and light orange, creating a modern, abstract design.

YANMAR

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