



**YANMAR**

# Corporate Social Responsibility Report 2015





# In the coming century, with the technologies of tomorrow.

A growing world population, food security and challenges to our environment.

Facing these problems, we look to the next 100 years.

With our business of Food Production and Harnessing Power, Yanmar has an important duty ahead of us.

Food and Energy are nothing less than the future of society itself.

We are taking our first steps into our next century.

These are the efforts we embark upon as we open up new technologies towards YANMAR's Future in 2112: "YF2112".

In 1912, Yanmar's DNA was born from the desire to use technology to solve the problems facing society.

It is our intention to use this DNA to tackle the challenges of the coming century.

To realize a sustainable society. That is Yanmar's new challenge.

## 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 each fiscal year, 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 ISO 26000\*. 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 (2012)" of the Japanese Ministry of Environment
2. "Sustainability Reporting Guidelines (G3)" of the Global Reporting Initiative
3. ISO 26000

### ■ Period

The activities and data disclosed in this report are for the period of fiscal year 2014 (April 1, 2014, to March 31, 2015). However, the Report also includes some items occurring in fiscal 2015.

### ■ 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.

### ■ Date of Issue

Published in January 2016

(the next issue is tentatively scheduled for January 2017).

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### This booklet

Paper version / PDF version  
(Japanese / English)

An annual report that introduces the CSR activities we have been implementing. (The English version is only available in PDF format)



### CSR Website

<https://www.yanmar.com/global/about/csr/>

More detailed CSR information is available on our website.



### Corporate website

<https://www.yanmar.com/global/>

**Yanmar's corporate website wins a gold medal in the 36th (2015) Japan BtoB Advertising Awards**

The Yanmar corporate website, which underwent a complete revamp in 2014, has received a gold medal in the website (corporate site) division of the 36th (2015) Japan BtoB Advertising Awards. These awards, which have been conferred since 1980 with the aim of promoting the proliferation and development of BtoB advertising, constitute one of the most respected contests in Japan. Our site, which was selected from a total of 343 for which applications were submitted, was praised for its "simple and easy-to-view interface," "the way the wealth of information available is edited to make it easy for the target audience to understand," "the effective use of video content when the need arises," and so on.

## Message from the President

By implementing our Mission Statement with the aim of contributing to the creation of a sustainable society and bringing more prosperity to the people of the world, we aim to become a major global player.

### The challenge to become a major global player

In its Mission Statement, the Yanmar Group declares that it wishes to "strive to provide sustainable solutions for needs which are essential to human life, focus on the challenges our customers face in food production and harnessing power, and thereby enrich people's lives for all our tomorrows". This Mission Statement constitutes a declaration made in 2012, on the occasion of the 100th anniversary of our founding, of the business fields we should pursue, the values we should possess, and the ways in which we should contribute to society, and I believe that the Yanmar Group's raison d'etre is to assertively implement this Mission Statement.

As a milestone for achieving the Mission Statement, we are aiming to become a major global player by 2018. Becoming a major global player means becoming a company whose brand is recognized by customers all over the world. It is an ambitious goal, which also calls for each and every officer and employee to be capable of succeeding globally.

The Yanmar Group has also introduced the "YF2112", a set of initiatives we will be implementing to develop technology that ensures our continued growth over the next 100 years, and has begun looking ahead towards the creation of a sustainable society. YF stands for "YANMAR FUTURE," and it

embodies the wish that Yanmar's DNA, which was born out of a desire to employ technology to address social issues, can be utilized during the next 100 years.

### Yanmar's CSR designed to tackle global social issues

In the fields of food production and harnessing power, which are mentioned in our Mission Statement, there are mountains of social problems both inside and outside Japan, and these problems are expected to become increasingly severe. For example, there is the concern of a food shortage arising due to the population explosion, the problem of increasing environmental impact due to the rises in food production and energy consumption, and the problem of climate change stemming from increasing CO<sub>2</sub> emissions. Viewing these social issues as market needs, we will endeavor to resolve them through business and translate them into growth. CSR as perceived by the Yanmar Group is the execution of business pursuant to our Mission Statement.

The Yanmar Group is steadily putting together an organizational structure capable of tackling these issues. In the field of food production, we have established "Yanmar Agri Solutions" centers in places such as Kyushu and Hokkaido,



## Takehito Yamaoka

President  
YANMAR CO., LTD.

Japan, in order to provide support for efficient agricultural management and the production of high-value-added crops. Overseas, meanwhile, we have set up new companies in India and Vietnam, which are offering solutions that enable people to live more prosperously and more safely through the mechanization of agriculture. In the field of harnessing power, we are developing and marketing compact diesel engines that comply with the Tier 4 emission standards, and are also resolutely taking on the challenge of biomass power generation.

### Providing a unique type of value to customers around the world in a speedy fashion

To enable us to provide customers around the world with a one-and-only type of value that Yanmar alone can deliver, we believe that it is essential to offer employees the opportunity to demonstrate their capabilities to the full by transforming working environments, revamping ways of working, and improving human resources development.

We are therefore expanding bases for transmitting information to customers. These bases include our headquarters in Japan, the YANMAR FLYING-Y BUILDING, and

the Yanmar Remote Support Center, which operates a remote monitoring system. In addition, we have also deployed a new network system that enables employees to share information more easily.

Moreover, when conducting business globally, it is important to understand the culture, history, atmosphere, customs, and so on of the country or territory concerned and to conduct business while respecting diversity. The Yanmar Group has launched a project to promote diversity and established an office to spearhead the transformation of ways of working. In this way, we are working to develop human resources that can succeed globally.

In 2012 we marked our 100th anniversary, and over the past 100 years we have achieved growth by solving our customers' problems. To achieve further growth over the next 100 years, we must continuously create new value and markets. We are therefore going to embrace the challenge of becoming a major global player by paying more consideration to and better meeting the expectations of our various stakeholders, who include not only our customers, but also our employees, business partners, local communities, and even the environment.

I am counting on your continued assistance and cooperation.

# Implementation of Our Mission Statement

## Mission Statement

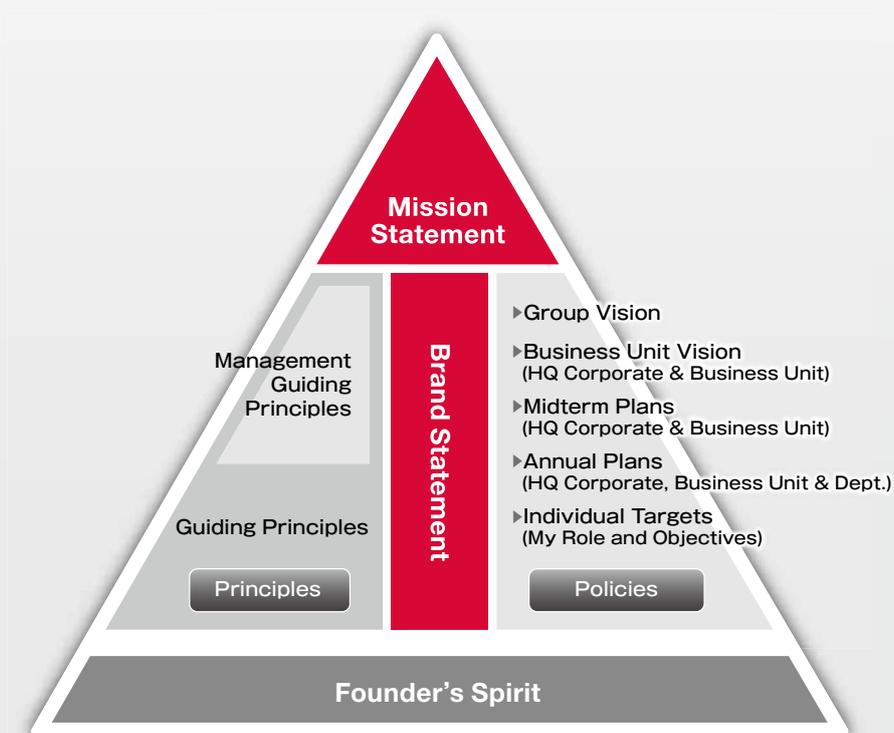
We strive to provide sustainable solutions

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.



## Brand Statement



# A SUSTAINABLE FUTURE

## 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.

## Guiding Principles (YANMAR11)

For all Yanmar employees



- 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.

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.

# To achieve “Mission management,” we are implementing Mission deployment activities globally

With the aim of making sure that all our employees understand our Mission Statement and Guiding Principles (YANMAR11), which we formulated in 2012, and incorporate them into their action, we have been implementing a variety of Mission deployment activities on an ongoing basis. By running events such as Mission Seminars, which are held throughout the Yanmar Group, and the YWK Global Convention, at which employees present the results of their kaizen continuous improvement activities, we aim to change the attitudes and behaviors of employees and help to solve customers' problems.

### Mission deployment activities

#### Understanding

##### “Mission Seminars” held worldwide

To ensure that the Yanmar Group's Mission Statement and Guiding Principles are properly understood, in FY2014 119 of these sessions were held worldwide for a total of 2,271 participants. They also featured discussions concerning questions such as how our Mission and Guiding Principles relate to one's own work and what we ought to do to optimize employee potential.



#### Action

##### Providing solutions that are optimal for customers

By ensuring that all Group employees conduct themselves with an awareness of our Mission and Guiding Principles, we are endeavoring to ensure that we are capable of providing solutions that are optimal for customers.



## Mission Seminars

# 119 seminars, 2,271 employees

## YWK Global Convention

# 1,174 teams

### Sharing

YWK Global Convention: An opportunity to share a culture of personally taking on challenges on a global scale

YWK stands for "Yanmar Way by Kaizen," which is an initiative that involves making smart, successive improvements in order to strengthen the company and thereby achieve our Mission and Vision. By sharing information about and praising each other's activities, employees can educate each other globally. The goal is to foster a culture in which each and every employee makes improvements and takes on challenges independently. At the convention, 24 teams selected from a total of 1,174 entrants presented their achievements.



### Implementation

#### From our employees

It was a good opportunity for the participants to influence each other

The best thing about the YWK Global Convention was being able to share YWK initiatives with teams who had gathered from all over the world. I think it's great that we were able to see how other teams had delivered improvements. It was a good opportunity for employees who had succeeded in making improvements to influence each other.

In addition, the convention made me feel that my efforts to make improvements were being appreciated, and therefore boosted my motivation. I intend to share this experience with my colleagues at TUFF TORQ CORPORATION and continue to work on my making improvements so that I can also participate in next year's convention.



**Jeff Caudill**  
TUFF TORQ CORPORATION

# The Yanmar Group's CSR

The Yanmar Group's CSR activities are aimed at focusing on the challenges our customers face and enriching people's lives for all our tomorrows through Solution, the combination of leading-edge engineering capabilities and bold planning and solution-delivering capabilities, in the fields of food production and harnessing power.

These represent the implementation of our Mission Statement. Through our CSR activities, we aim to enhance value for stakeholders and contribute to the establishment of a sustainable society.

## Enriching people's lives

Our Business Domains

Helping to solve

Meeting needs which are essential to human life



### Food production

With a focus on mechanization and labor saving, we are working to support food production and living by providing solutions that deliver low-cost and highly-efficient farming methods to various areas of agriculture, including rice farming, crop farming, and dairy farming.



### Harnessing power

By developing energy-efficient, eco-friendly hybrid propulsion systems and engines, and popularizing energy systems such as co-generation and GHP systems, we are working to enrich people's lives.

## Yanmar's stakeholders

By engaging in dialog with its various stakeholders and implementing its Mission Statement, the Yanmar Group aims to contribute to the creation and development of a sustainable society.



### Our Customers

We endeavor to earn the trust of our customers by swiftly developing and supplying them with safe, high-quality products that address the challenges they face.



### Our Employees

We cherish the individuality and diversity of our employees, and are working to create a safe and comfortable workplace and develop global human resources.

for all our tomorrows

society's problems

Our Strengths

Solution



### Bold planning and solution-delivering capabilities

To deliver high levels of quality and provide customers with real satisfaction, our employees aim to demonstrate spontaneity and creativity to deliver the optimum solutions to customers.



### Leading-edge engineering capabilities

By inheriting the DNA of our founder, who succeeded in developing and commercializing the world's first small diesel engine, and applying the world-leading engineering capabilities we have accumulated, we aim to address the challenges that customers face.



### Our Business Partners

We are deepening communication and building strong partnerships with our distributors, dealers and suppliers in Japan and overseas.



### Our Local Community

With the aim of moving in step and coexisting with our local community, we are engaged in various activities with residents to address local challenges.



### Our Environment

To create a sustainable society, we are working to halt global warming, use resources more effectively, reduce pollution, and safeguard biodiversity.

# Promoting new ways of working with the aim of delivering a level of value that exceeds expectations

Through the sharing and effective use of information at the global level, the Yanmar Group is transforming ways of working with the aim of increasing the productivity of individual employees and enabling the comprehensive capabilities of organizations to be demonstrated to the full.

In order to implement three new ways of working, “dokodemo (anywhere) work,” “co-work,” and “knowledge work,” we have introduced a communication tool called “Y-Square.” The office layout of the YANMAR FLYING-Y BUILDING also supports these ways of working, and through our activities there, we will endeavor to deliver a level of value that surpasses the expectations of our customers.



Area for meeting and working standing up

## Creating a communication infrastructure that generates the kind of value only Yanmar can produce

Yanmar has set its sights on becoming a “major global player,” i.e., a company whose brand is recognized by customers the world over, by the year 2018. To achieve further growth over the next 100 years, it will be essential to continuously create new value and markets globally.

For this reason, Yanmar has redesigned its ways of working from scratch. We will be implementing three ways of working to achieve the objective of speedily providing customers with the kind of value that only Yanmar can deliver by obtaining information on market

changes and customer problems in a timely fashion and sharing/collaborating at a cross-organizational level.

The three ways of working are “dokodemo (anywhere) work,” where work can be performed in any location, “co-work,” where collaboration occurs at the global level and work is performed based on the wisdom of the many, and “knowledge work,” where information and knowledge that is already available is concentrated and utilized effectively.

 **From our executives**

By implementing the new ways of working, we will enhance the combined capabilities of the Group to deliver Solution that exceeds customer expectations.

**N. Kobayashi**  
 Managing Director  
 General Manager  
 Human Resources,  
 General Affairs &  
 Legal Unit  
 YANMAR CO., LTD.

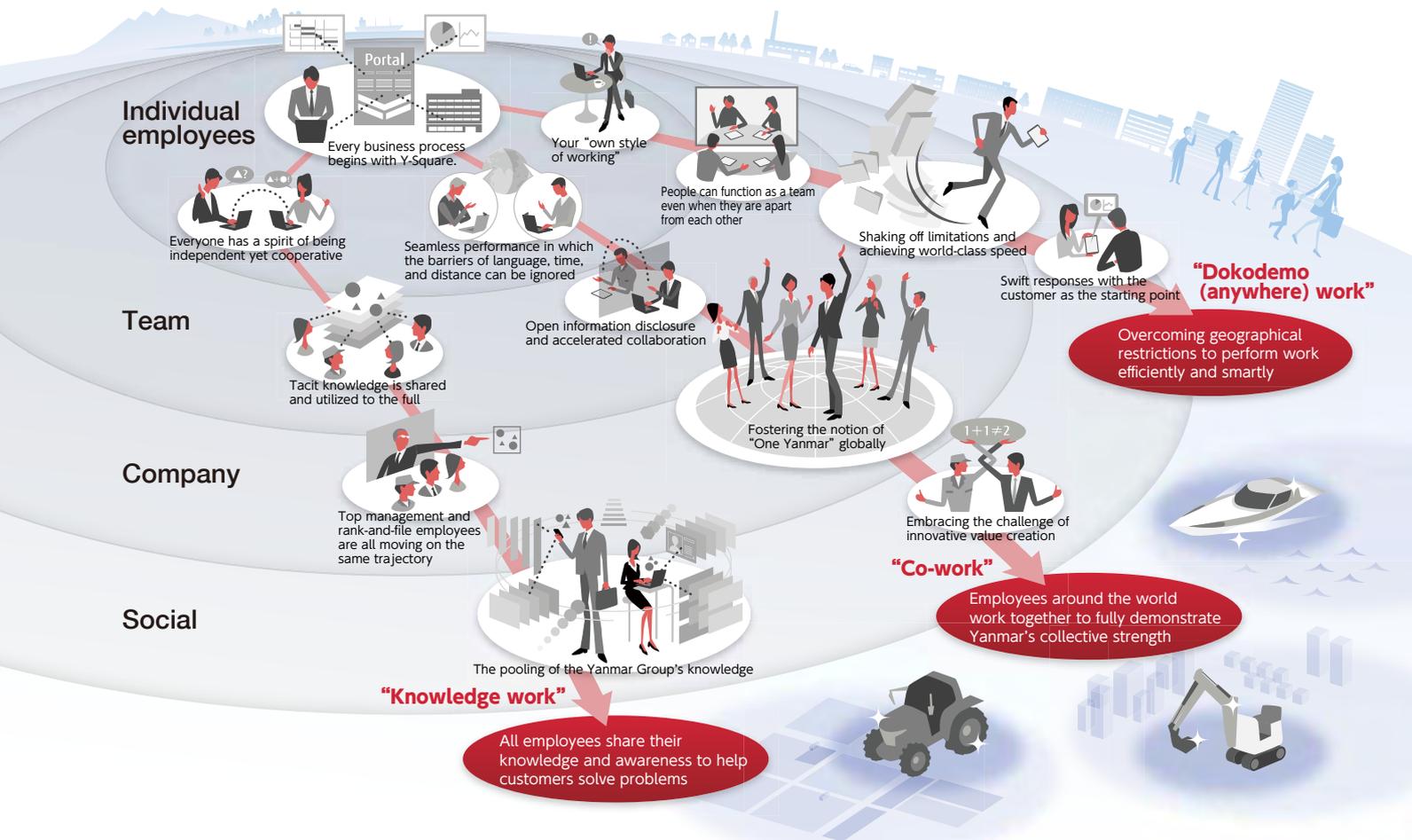


One of the problems with our previous way of working was that even if you had come up with a fantastic idea or example, it was difficult to convey information about it to other Group companies, including ones overseas. This was because the computer systems used by our overseas subsidiaries differed from those in Japan, so we couldn't search for information within the Group. Moreover, because employees couldn't access the information they needed when they were out of the office or at another office, it was hard for them to do their jobs. As a result of this, we used to have to hold a lot of internal meetings.

Therefore, as an image for the kind of transformation we wish to implement, we chose three concepts: "dokodemo (anywhere) work," "co-work," and "knowledge work." Based on these concepts, we will implement the core concepts of "reliability," "efficiency," "innovativeness," and "knowhow combination."

The implementation of the first, "dokodemo (anywhere) work," will not only make the work performed by each individual more efficient, but will also lead to faster decision-making. The implementation of the second, "co-work," will facilitate the pooling of knowledge through collaboration across organizations and regions, and should enable work that is difficult for a single department to handle and higher-value-added work to be performed. The third, "knowledge work," will enable revolutionary ideas to be generated in a short space of time by allowing all employees to share and utilize knowledge and information.

By deploying these three ways of working as a ripple spreading outwards, we will enhance the combined strength of the Group to deliver Solution that surpasses the expectations of customers.



**"Dokodemo (anywhere) work"**  
 Decisions can be made quickly even during business negotiations with customers

**"Co-work"**  
 The collective strength of the Group allows precise proposals to be made in a short period of time

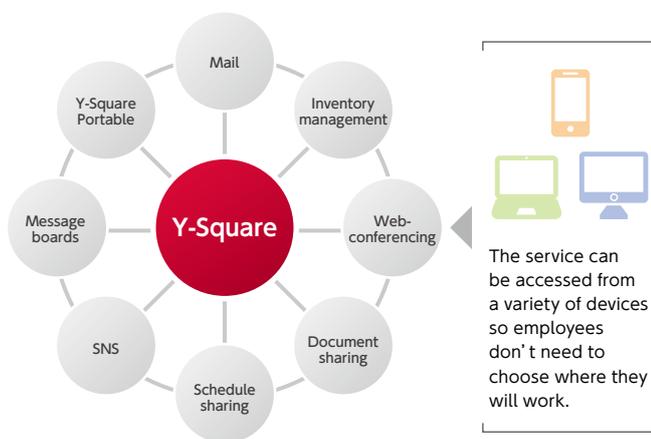
**"Knowledge work"**  
 Innovations based on ideas from other departments emerge more easily

# New ways of working that enable employees to unleash their capabilities to the full through global information sharing and swift information utilization

## A tool for implementing the new ways of working: Y-Square

To establish a structure for responding swiftly to changes in the global market environment and providing customers with even higher levels of satisfaction, we felt that it was necessary to evolve the Yanmar Group into a robust organization in which all employees can demonstrate their hidden capabilities. We have introduced "Y-Square" with the aim of facilitating the sharing information across national and regional borders, making business processes more efficient, and reinforcing organizational capabilities.

Y-Square is a groupware service that is based on Microsoft's Office365, and we have formulated common rules for all Yanmar Group companies concerning its use. Entering through a Group-wide portal site, employees can take advantage of a range of communication tools, such as chat and web-conferencing, as the need arises. The service also serves as a tool for making work more efficient, as it allows employees to swiftly coordinate meetings and schedules and notify other employees of them as well as to share and work jointly on materials and documents.



## A new office layout for facilitating the new ways of working

The YANMAR FLYING-Y BUILDING is designed based on a "ripple" concept. The floors are linked by a bright red spiral staircase called the "Eco Cylinder," which is designed to look like a cylinder from an engine. The layout is based on the idea of energy radiating out from this centerpiece. It offers flexibility, as individual employees can choose where to work independently based on the work they intend to perform. The work locations available include quiet areas where it is easy to concentrate, areas where employees can communicate with others, and areas where meetings can be held.

And with the introduction of new ways of working in mind, part of the office layout reflects the opinions of the members of a project, most of whom were young employees. For example, based on the theme of "creating an atmosphere in which people can express their ideas," there are small spaces where employees can sit alone in quiet contemplation, spaces in which employees can get together as pairs or groups of three for a 10-20-minute open discussion, and so on. There are also rooms in which all the walls are whiteboards, which enables employees to discuss things while writing and drawing.



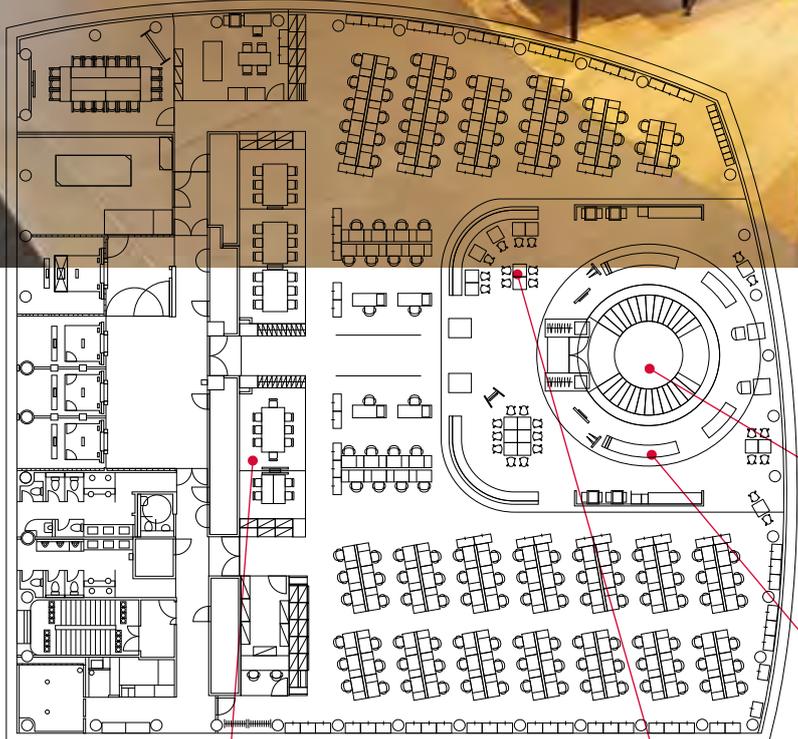
Project members holding a workshop

### TOPICS

## Received a New Office Promotion Award and the Chief of Kinki Bureau of Economy, Trade and Industry Ministry Award in the Nikkei New Office Awards

The YANMAR FLYING-Y BUILDING has received a New Office Promotion Award and the Chief of Kinki Bureau of Economy, Trade and Industry Ministry Award in the 28th Nikkei New Office Awards. The Nikkei New Office Awards, which are conferred jointly by Nikkei Inc. and the New Office Promotion Association and aimed at promoting the construction of "new offices." The awards are bestowed upon comfortable and functional offices that demonstrate creativity and ingenuity.

13 offices, including the YANMAR FLYING-Y BUILDING, were selected from a total of 134 entrants. They were chosen for their heavy use of eco-friendly equipment, designs that make it easier for employees to communicate with one another, and so on. Our building also received the Chief of Kinki Bureau of Economy, Trade and Industry Ministry Award, which is the top award for the Kinki region.



**Employee dining room: Premium Marche Café**  
 A dining space has been installed around the Bee Garden (on the 12th floor). The Bee Garden is there as part of the Osaka Honey Bee Project.



**Internal spiral staircase: Eco Cylinder**  
 By linking the floors between the 6th and the 12th with a spiral staircase, employees from different departments can communicate with each other smoothly.



**Conference rooms equipped with remote conferencing systems**  
 Employees can not only hold meetings with people at our sites around Japan, but also with people from Group companies all over the world.



**Collaborative area next to the Eco Cylinder**  
 Employees can use this area to get together for simple meetings for exchanging ideas, and so on.



**Area for meeting and working standing up**  
 By having meetings or performing work while standing up, employees can improve their health and their work efficiency.

**From our employees** | Example of the implementation of "new ways of working"

Since we moved to the new office building and Y-Square was introduced, the ways in which we work have begun to change significantly. In the new communication spaces, we can exchange information at any time, and this has improved communication within the company.

In addition, because we can use Y-Square to share documents, hold online meetings with other departments (and eventually overseas), and coordinate tasks smoothly,

we can perform the same work whether we are at the company or elsewhere. I therefore intend to go beyond organizational and process-related barriers and make active use of shared information, which is the product of wisdom gathered from throughout the Group.

**T. Akagawa**  
 Work Style Innovation Office, Corporate Planning Division  
 YANMAR CO., LTD.



# Delivering new value from agriculture with the aim of promoting resource recycling in the agricultural sector

In the field of “food production,” which is contained in the Yanmar Group Mission Statement, we are aiming to become a “resource-recycling-based solutions company” that provides customers with the highest levels of satisfaction in the world.

In Japan, we have established Agri Solutions centers in Kumamoto and Hokkaido, which provide customers with comprehensive agricultural management support. Overseas, meanwhile, with the aim of contributing to the modernization of agriculture and improving the quality of farmers’ lives, we have set up research facilities in Vietnam and Indonesia and new companies in India, Vietnam, and the Philippines. In this way, we are establishing an organizational structure for delivering new value from agriculture.

## Solving various social issues relating to agriculture through “Solutioneering.”

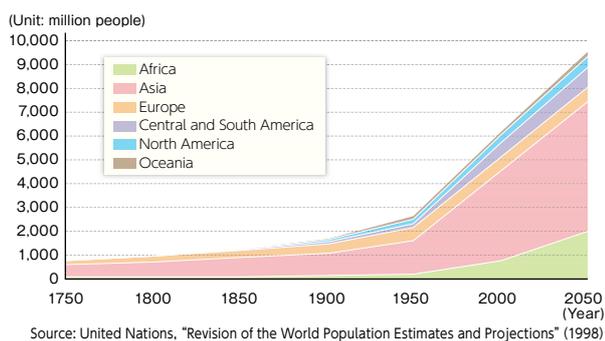
The world’s population is increasing rapidly at the moment. Estimates from organizations such as the United Nations state that if the current pace of population growth continues, the population of the world will top 9 billion people in 2050. This is expected to cause a breakdown in the global supply and demand balance for food and result in severe food shortages. Another problem that has emerged in recent years is climate change resulting from increases in CO<sub>2</sub> emissions. This is resulting in abnormal weather phenomena such as localized rainstorms and high temperatures around the

world, and factors such as unpredictable weather conditions are beginning to have an impact on agriculture.

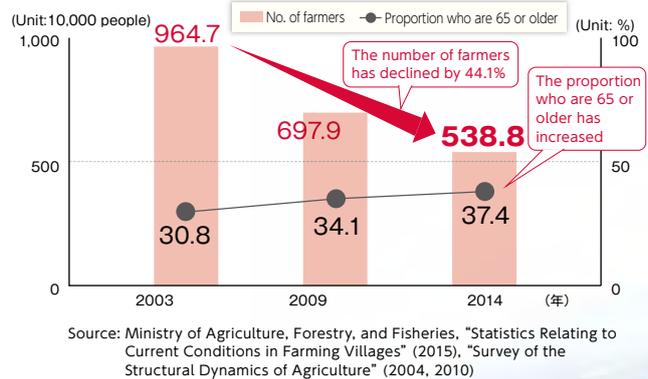
In Japan, meanwhile, the number of farmers is declining each year. Around 40% of farmers are 65 or older, i.e. are elderly, and problems such as a lack of successors are causing farmers to abandon the profession. In addition, Japan’s food self-sufficiency ratio in terms of calories is now under 40%, and Japan’s food miles are the highest of any advanced country due to produce such as grains, and soy beans being imported from faraway locations.

### Major social issues relating to agriculture

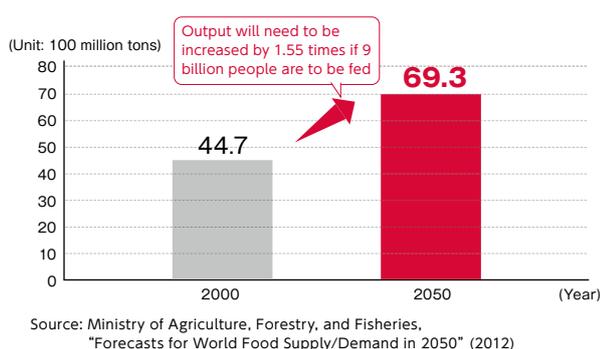
#### World Population Growth



#### No. of Farmers and Proportion of Whom are 65 Years or Older



#### Forecast for World Food Demand



 **From our executives**

**We will provide innovative solutions with the aim of creating a sustainable, resource-recycling-based agricultural industry**

**T. Suzuki**  
 General Manager  
 Agricultural Operations  
 Business  
 YANMAR CO., LTD.



In the Agricultural Operations Business, we view "resource-recycling agriculture" as a key theme. Given the outlook for the future, it is going to be necessary to transform agriculture from an industry that just consumes resources to one that is based on sustainable resource recycling. At the same time, we also need to think about ways of making agriculture a more attractive and profitable industry. Therefore, with the aim of contributing to the resolving of various social issues, the Yanmar Group is putting in place a new organizational structure in Japan and overseas, and has begun offering innovative solutions.

In Japan, we have opened Agri Solutions centers in Kumamoto and Hokkaido, and with "No down-time service" as our slogan, we are providing support covering every aspect of agricultural management, from product maintenance using our ICT-driven "SmartAssist System" to soil analysis and advice on the use of agricultural chemicals and fertilizers. Overseas, meanwhile, we

have established new companies in India, Vietnam, and the Philippines, and by providing guidance on mechanization and the agricultural industry in such a way as to suit the country or territory concerned, we are helping to modernize agriculture and improve the quality of farmers' lives.

We are also working actively to create products that make agriculture more appealing and to raise the overall value of the agricultural sector. We are developing and marketing tractors that are completely different from previous models with respect to design and method of use, organizing "Yanmar Premium Marches" up and down the country to serve as an opportunity for directly connecting consumers and producers, and so on. Through these initiatives, we are therefore taking action to create and disseminate a new type of agriculture.

**Yanmar's approach**

The Yanmar Group is intent on resolving the various social issues relating to agriculture through "Solutioneering" (bold planning/proposal capabilities coupled with advanced engineering capabilities) and thereby making agriculture more based on resource recycling. In addition to selling and promoting tractors, combine harvesters, rice transplanters, and so on that increase efficiency and save labor in agriculture, we have put together a structure and mechanism for combining the know-how we have accumulated over the years to provide comprehensive support for agricultural management. And by raising productivity, improving the quality of farm produce, and promoting the establishment of a resource-recycling-based agricultural sector, we are taking on the challenge of solving the problems faced in Japan and in other countries.

**Becoming a resource-recycling agriculture solutions company that provides the highest levels of customer satisfaction in the world**



**Support for agricultural management through close communication with customers** .....▶ P16

**Improving agriculture in Vietnam with "improving the lives of farmers" as our top priority** .....▶ P18



● in Japan

## Support for agricultural management through close communication with customers

### Disseminating a new model for agriculture Yanmar Agri Solutions Centers

With people becoming more concerned about food safety, and the agricultural sector undergoing a restructuring, agricultural management also needs to change to match the needs of the age. The needs of customers are diverse. The range from agricultural processes that have low environmental impact, the stable harvesting of high-value-added farm produce, and higher incomes as a result of more efficient agricultural management.

So with the aim of providing such customers with total support with their agricultural management, we have established service centers, called "Yanmar Agri Solutions Centers," in two locations, Kumamoto and Hokkaido. The Kumamoto center provides solutions for operators of large farms. For example, it features the nation's

largest repair shop, meaning that it will be able to cope when agricultural machinery becomes larger. It is also staffed by highly-qualified mechanics.

The Hokkaido center, meanwhile, contains a large showroom that can be used for providing consultations on various matters, disseminating information, displaying new products, providing information about agriculture, hosting seminars, and selling branded goods. It also features a field where customers can try out new products. Going forward, we will be accurately identifying the different issues that our customers face in each region, helping them resolve these issues through solutions that only Yanmar can deliver, and actively disseminating a new model for agriculture.

#### ■ Consultations available concerning every aspect of agriculture

Seminars (covering topics such as safety, subsidized agricultural projects, soil maintenance, agricultural machinery maintenance, and self-care) are held periodically for agricultural managers and employees of the Yanmar Group.



#### ■ "Dash 30 Support 24" service ensures customers never have to stop working

With this speedy service, we respond to repair requests within 30 minutes and complete the repair within 24 hours. Our service vehicles, which we call "Doctor Agris" are packed with a range of equipment, which gives them the flexibility to also perform periodic checks and maintenance.



Solutions for farmers

#### ■ Proposing ways of increasing work efficiency in agriculture, which is becoming larger scale and more complex

Various proposals for improving the efficiency of work, which is being conducted on a larger scale and is becoming more complex, are offered in response to recent changes in the forms of agriculture. These changes include larger farms and the combination of farms.



#### ■ Tours available at one of the largest facilities in Japan

The Hokkaido center is one of the largest in Japan, and tours of its facilities are offered from time to time. Participants can visit the Knowledge Center, where they can access the latest information from the world of agriculture, and try out the newest agricultural machinery in a large test facility that covers an area of around 3ha.





YANMAR FLYING-Y BUILDING



### Kumamoto

- Address: 1736-2 Aza-otani, Oaza-hirakawa, Ozu-machi, Kikuchi-gun, Kumamoto
- Tel: +81-96-293-0119
- Total area of site: approx. 7,900㎡



### Hokkaido

- Address: 10-6 Koei-cho, Ebetsu-shi, Hokkaido
- Tel: +81-11-381-2300
- Total area of site: approx. 60,000㎡

## From our employees

### We receive a lot of visitors, including families with young children

The Agri Solutions Center, which is now one year old, receives large numbers of visitors. Families with young children are among them, and I feel delighted when I see the happy faces of children having their photograph taken while sitting on a tractor. Going forward, I want to make it a facility for providing a variety of information and hands-on

experiences not only for professional farmers, but also people who have just started working in agriculture, female farm workers, local residents, and students.

### K. Ueda

Hokkaido Agri Solutions Center  
YANMAR AGRI JAPAN CO., LTD.



★ in Vietnam

## Enhancing agriculture in Vietnam with “improving the lives of farmers” as our top priority

### Delivering solutions to enrich lives in Vietnam – a major agricultural nation

Vietnam is the number-two country in the world for both rice exports and coffee production, and has been enjoying a long period of economic growth, with an annual GDP growth rate of over 5%. Going forward, progress is expected to be made with the mechanization of agriculture, which should further increase the volume of farm produce harvested. In March 2013 the Yanmar Group established YANMAR AGRICULTURAL RESEARCH INSTITUTE VIETNAM (YARIV), an agricultural research facility, in the country. Since then the facility has been conducting surveys of agriculture and the social environment that surrounds it. The research facility has declared that the top priority in its basic policy is to “improve the lives of farmers.” Its intention is not so much to mechanize agriculture as to contribute to the development of Vietnamese agriculture as a whole by providing products and services that

improve the quality of life for Vietnamese farmers and by helping them to enhance quality, including safety, and raise productivity.

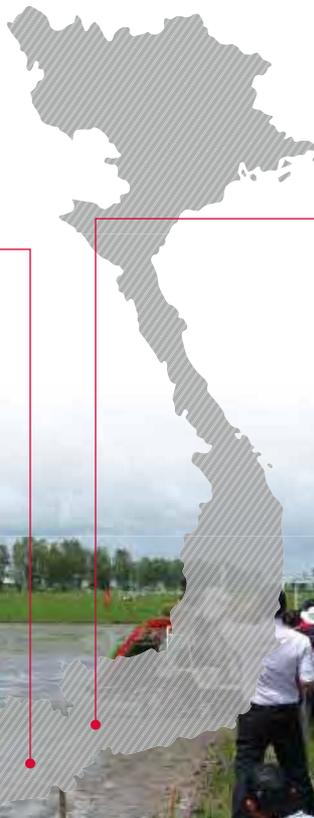
Based on the results of surveys conducted in various parts of Vietnam, we intend to anticipate the future of agriculture and provide solutions that can deliver more prosperous lives to people involved in food production. To this end, we are planning products that can help customers solve problems, providing agriculture-related advice to contribute to the development of rural areas, playing an active part in joint industry-government-academia projects.

In April 2014 we established a local subsidiary, YANMAR AGRICULTURAL MACHINERY VIETNAM CO., LTD. This new subsidiary will work with the research facility to develop the local market and take swifter action to resolve issues.



**YANMAR AGRICULTURAL RESEARCH INSTITUTE VIETNAM**

- President: Truong Chi Thanh
- Location: Can Tho
- Business scope: Surveying/research related to agriculture



**YANMAR AGRICULTURAL MACHINERY VIETNAM CO., LTD.**

- President: Y. Okada
- Location: Ho Chi Minh
- Business scope: Sale and service of agricultural machinery





## Identifying optimal methods of cultivation for each region and proposing suitable mechanization solutions

The survey we conducted in FY2013 focused not only on basic matters such as farmers, farm villages, and rice distribution, but also on comparative evaluations of the transplantation and direct-sowing methods of rice cultivation. Even in the Mekong Delta region, which is located in the south of Vietnam, a variety of rice cultivation methods can be observed. Agricultural methods that would be unthinkable in Japan were seen. These included the joint cultivation of rice and crayfish, salty soil, highly acidic soil, and glutinous rice with long seedlings.

In promoting mechanization in Vietnam, it is important that the Yanmar Group identifies optimal cultivation methods for each region and propose mechanization solutions that are suited to those

methods. Regarding the mechanization of rice planting for example, wetlands that are inhabited by crayfish, the optimal method of mechanization is to replace traditional planting by hand with planting by lightweight rice planting machines that are pushed by their operators.

In addition, farmers in many regions object to sparse planting, whereby a space is kept between the plants, so YARIV performed a comparative evaluation of a more than 20 different patterns.

It will provide data like this to farmers and the local agricultural authorities, and after gaining their understanding of which cultivation methods are suitable in each area, it will propose optimal mechanization solutions and cultivation methods.

## Aiming to be a research facility that serves as an authority for improving agriculture in Vietnam

The FY2014 survey examined the situation with farmers in great detail. The types of farmers are diversifying. They include ordinary farmers, farmers who cultivate produce for an agricultural corporation, "trang trai" farmers (certified large-scale farmers), and corporations that invest directly in agriculture. In addition, the area surveyed was expanded to include the central and northern parts of the country. Furthermore, regarding the comparative evaluation of rice transplanting and direct-sowing, empirical tests and demonstrations were performed in conjunction with the agricultural authorities. We also produced more reliable data and engaged in activities that would lead to the sale of rice planting machines.

We also conducted research on agricultural chemicals and soil,

created the foundation for an agricultural database, studied biomass raw materials and conducted a feasibility study concerning their commercialization in accordance with the Vietnamese government's strategy, and participated in investigations into the possibility of establishing research clusters for the processing of farm produce and foods. We also took part in studies toward the formulation of an agricultural action plan involving the JICA (Japan International Cooperation Agency) and the national governments of Japan and Vietnam.

YARIV will continue to spearhead both hard (infrastructure) and soft (people) initiatives, with the aim of being a research facility that serves as an authority for improving agriculture in Vietnam.

### From our employees

## Leveraging two strengths to provide farmers with new technology and help increase their incomes

Nowadays Vietnamese Agricultural Industry has many hot issues, such as to develop high quality Vietnamese Rice, shift to other profitable agricultural products from rice, usage of agricultural residues, etc. Finding solutions for such issues, YARIV has been a part of contribution to the safe agricultural production while accelerate mechanization as the government policy. Located in the main campus of Can Tho university in the city, the heart of Mekong Delta, YARIV can easily connect to the farmers, listening to their needs and fulfill their demands. Till now, YARIV has the adequate knowledge of the local situation, particularly in

mechanization and agricultural production activities. YARIV also build a strong local network to exchange information effectively between people and organizations. These two things will be easier for implementing YARIV expectations to bring the farmers new techniques and practices for a better profitable farming going with a sustainable development. Being a YARIV member, I am proud of my work to support YARIV missions helping the farmers towards the development Vietnamese agricultural sector, especially in the Mekong Delta, my hometown.



**Pham Thuy Mai Phuong**  
Planning Manager  
YANMAR AGRICULTURAL RESEARCH  
INSTITUTE VIETNAM

# Providing year-round support to our global customers

With the aim of further enhancing customer satisfaction, in April 2015 we launched operations at the Yanmar Remote Support Center, which employs ICT to deliver next-generation services.

Covering all the Yanmar Group's businesses, the center remotely monitors customers' products 24 hours a day 365 days a year. Not only is it working to deal with machine faults swiftly and prevent theft, it is also providing an advanced preventative maintenance service that employs information collected on a day-to-day basis from all our customers. In this way, the center will endeavor to provide service so that customers never have to stop working.



## Yanmar Remote Support Center: Utilizing ICT to deliver a next-generation service

The Yanmar Remote Support Center constitutes an evolution of the functions of the Remote Monitoring Center operated by Yanmar Energy System. We established it in order to expand service coverage to include all businesses and thereby provide customers with comprehensive support.

Yanmar had previously developed three remote monitoring systems: "RESS," which monitors regular power generators, GHP air conditioning systems and other energy systems, "SHIPS SUPPORTER," which assists with the operation of ship engines from

the land, and "SmartAssist," which gathers and utilizes information on the operation and condition of agricultural and construction machinery.

At the Yanmar Remote Support Center, these systems have been centralized in a single location. By utilizing the know-how we have gained through the operation of each system, we intend to move steadily and speedily to develop new services that precisely meet the needs of customers, build an optimal infrastructure, predict faults through the use of big data, and so on.



## From our executives

### Providing a level of service that is one step ahead through 24-hour remote monitoring and information collection

The Yanmar Remote Support Center came about due to the fact that on the occasion of our 100th anniversary, we had set out a direction calling for our after-sales service to be further strengthened. To realize the hopes of customers, namely that they need to be able to use equipment when they want to use it and that it should work properly, we monitor approximately 12,000 agricultural and construction machines 24 hours a day and gather information on them.

Remote monitoring has a long history that goes back to 1984. It began with the remote monitoring from Naha of power generators installed on remote, difficult-to-reach islands in Okinawa Prefecture. Initially it served local needs, but the system, which allowed the condition of a machine to be monitored remotely, i.e.

without actually going out to inspect it, soon gained a reputation, and the business was rolled out nationwide.

In addition to monitoring problems with the conditions of machines and theft, in the future we intend to go one step further and provide services that predict failures before they occur and supply data relating to rice yields, the amount of water contained in rice fields. If data can be compiled for each customer, it will be possible to make proposals to individual customers that meet their needs, and enable us to provide them with information not only when a fault occurs but when the machine is operating normally, too. We will also be able to advise them when parts need replacing.

### F. Kobayashi

Executive Managing Officer  
General Manager  
Global Customer Service Unit  
YANMAR CO., LTD.



## Structure and functions of the Yanmar Remote Support Center



Back office

Emergency power generator

Monitor room

Presentation room

### ► One-stop management of three remote monitoring systems

#### Energy systems



Developed in 1984 with the aim of monitoring emergency power generators in Okinawa Prefecture, which contains a large number of remote islands. The system allowed telephone lines to be used to provide notifications of problems 24 hours a day. Now a range of services are offered, including monitoring of regular power generators, GHP air conditioning systems and other energy systems.

#### Marine products



Developed in 2006 with the aim of stepping up land-based services for the ship engine market. Ships, ship operators, and Yanmar are connected via an IT communications network. This allows information to be shared and swift and precise support to be provided from the land.

#### Agricultural machinery and construction machinery



This service, which allows information on the operation and condition of machines equipped with GPS and telecommunications devices to be gathered and utilized, was launched in the domestic agricultural machinery market and for construction machinery in 2013. Going forward, the service will be expanded to also cover marine pleasure craft and machine tools.

## From our stakeholders

The service gives me peace of mind because I know I can rely on it in the case of an emergency



Mr. K. Yakiyama  
YAMABIKO  
NOSAN CO., LTD.

I purchased a tractor equipped with SmartAssist, and it gives me peace of mind because it informs me immediately by telephone or email whenever a problem occurs. During the busy seasons, I sometimes work until late at night or from very early in the morning, and I sometimes operate the tractor for longer than the maximum operating time I have set. When that happens, I can get a notification by telephone of whether the tractor is operating normally or not. There have also been cases of tractors being stolen in this area, so I feel that this service is something I can depend on in emergencies.



The customer is informed as soon as a problem occurs with a machine





# Making management more transparent and strengthening our management systems



No. of outside directors **1**



Eight expert committees manage risks **8**

## Corporate governance system

### Our fundamental approach

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.

### Enhancing fairness, objectivity, and transparency in management through the appointment of highly-independent outside directors

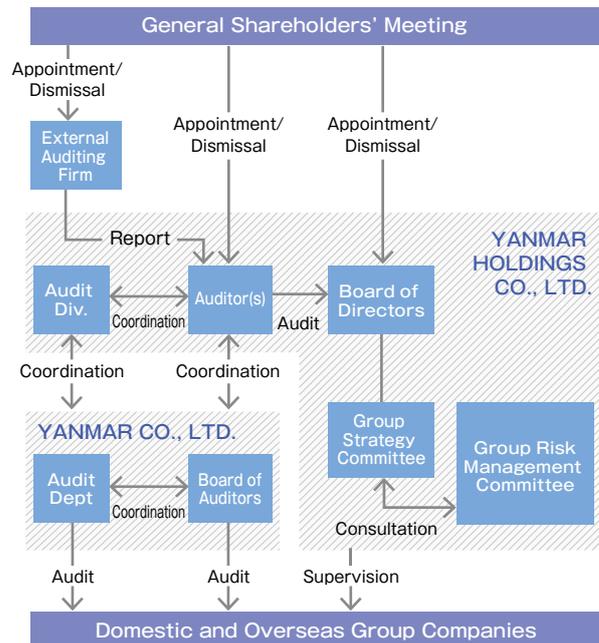
With the aim of separating Group management and business execution, in 2013 we adopted a holding company structure. As of June 30, 2015, the Board of Directors of the holding company, YANMAR HOLDINGS CO., LTD., contains five directors, one of whom is a highly-independent outside director, making our management fairer, more objective, and more transparent.

Under the supervision of the Board of Directors of YANMAR HOLDINGS CO., LTD., the Group Strategy Committee discusses and decides on the direction of the Yanmar Group as a whole and addresses management issues, enabling the Group to be managed efficiently and effectively. Moreover, the Group Risk Management Committee, which was established to act as an advisory body to the Group Strategy Committee, manages key risks pertaining to the business activities of the Group.

The role of the Corporate Auditor of YANMAR HOLDINGS CO.,

LTD. is to supervise the execution of duties by the holding company's directors and work with the Board of Auditors and Audit Division of YANMAR CO., LTD. to audit the status of corporate management across the Group as a whole. Furthermore, an external auditing firm audits our accounts and provides third-party verification of the suitability and legal compliance of our accounting practices and the internal controls that relate to them.

### ▶ Corporate Governance Organization Chart (As of June 30, 2015)



## 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

## Risk management

### Basic approach

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.

### Tackling risks relating to business activities through the Group Risk Management Committee

The Group Risk Management Committee, which was formed in conjunction with the establishment of YANMAR HOLDINGS CO., LTD. and meets twice a year, handles risks associated with business activities. Under the supervision of the Group Risk Management Committee are eight expert committees tasked with managing risks in different functional areas. These expert committees devise measures for individual organizations (companies) within the Group to prevent occurrences and recurrences of risk events relating to each function. Meetings of the committees are organized by the corporate departments in charge of them, and their members comprise representatives of each business entity and company.

### Diagram of the Risk Management Promotion System (As of June 30, 2015)



### Using the Risk Case Report Database

If a risk case occurs within the Yanmar Group, the risk manager responsible for dealing with it enters information on progress with measures to tackle it as soon as it arises, enabling information on progress to be shared with top management in real time. In FY2014 four cases were reported.

### Establishing emergency response systems

As part of our efforts to overhaul our initial-response system for emergencies, we reappraised our protocols for responding to emergencies. When a disaster, accident, or incident requiring an emergency response occurs, an emergency response system is established. This system is based on the protocols and reflects the crisis level. In addition, to prepare for emergencies occurring on holidays or during the night, we have prepared an emergency communication network. And to serve as a back-up system in case the emergency contact network fails to function, we have also established the Yanmar Emergency Response Center, which can receive reports 24 hours a day.

### Applying the Safety Confirmation System

In the event of a natural disaster caused by an earthquake, wind, rain, etc. this system allows the safety of employees and their families to be confirmed and messages to be sent to all of them. During FY2014, messages were sent on eight occasions following earthquakes with 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 Group employees take part in disaster drills in order to prepare for an actual event. The system also allows messages to be sent to each business site, and each site uses it for urgent communications.



From our employees >> F. Shirasaki General Affairs Division  
YANMAR CO., LTD.

### We are working to identify and analyze latent risks, share them within the entire Group, and make improvements.

The General Affairs Division takes action to reduce the risk of disasters and accidents throughout the Group, and also handles crisis management as the headquarters for dealing with disasters when they occur. In FY2014 I toured all the Group's production facilities with an expert and identified and analyzed latent risks.

I provided the results to each facility in the form of feedback, shared them with all the companies in the Group, and am now performing follow-up monitoring of the improvements that have been made. In the future I intend to continue endeavoring to perform swift and precise crisis management by mitigating risks before they occur, employing a safety confirmation system, and so on.



## Respecting individuality and diversity, and working to create safe and comfortable working environments



No. of people who took childcare leave **39**



No. of people who took various types of training for adapting to globalization A total of **350**

### Basic policy toward personnel

In addition to continuously producing “human resources that can succeed worldwide,” which are essential for ensuring that the Yanmar Group can overcome every wall and barrier, be trusted by customers, and achieve significant growth, we will provide a comfortable working life for all employees of the Yanmar Group.

## Promoting diversity

### Taking action to increase diversity as part of our globalization strategy

With the aim of “securing professional human resources who can succeed worldwide regardless of nationality, gender, or age,” the Yanmar Group is endeavoring to hire a variety of employees and promote diversity.

Diversity at Yanmar refers to accepting and respecting differences in lifestyles, cultures, careers, nationality, gender, and so on, and making full use of the capabilities of employees in order to improve the performance of the company.

We aim to become an organization in which the capabilities, individuality, and values of each individual are utilized effectively, and with the goal of becoming a company in which all Group employees can work with pride and enthusiasm, in April 2015, we established an office to promote changes in the way we work in the Corporate Planning Division, which is part of the Yanmar Corporate Planning Unit.

The Work Style Innovation Office aims to make the Yanmar Group an “easier place to work” and a “more motivating place to work” for our diverse human resources. To that end, the Office plans to implement and promote a variety of measures while also taking on board suggestions from previous projects related to diversity and ways of working.

### Providing opportunities for female employees

As of the end of March 2015, 431 (12.9%) of Yanmar’s 3,342 employees were women.

With the aim of making it easier for female employees to succeed by allowing them to work in diverse ways, we have expanded our childcare leave scheme to also cover male employees. This will ease some of the childcare burden on women, which in society until now has been heavy. By allowing male employees to also take childcare leave, we are deepening understanding within the company toward diversity in ways of working for both women and men.



Female employees as a proportion of the workforce **12.9%**

■ **Promoting the employment of persons with disabilities**

We are providing more employment opportunities for persons with disabilities, and are also taking steps to increase the retention rate of disabled employees.

In addition, YANMAR SYMBIOSIS CO., LTD., a special subsidiary, operates two businesses, Agriculture Solutions and Office Support, through which it is working to help persons with disabilities to become more independent and to coexist with the local community (for more details, please see pp. 26-27).

■ **Providing opportunities for older employees**

In FY2014 Yanmar's reemployment rate was 67.2%.

## Global talent development

■ **Basic approach**

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.

### Developing diverse human resources to adapt to globalization

We deploy and exchange our human resources flexibly and systematically. Apart from regular personnel changes, Yanmar has also introduced a "Personal Reporting System concerning Job Transfers," by which the people concerned directly report their desired changes to the Human Resource Division; the "Yanmar Dreams Come True Program," an in-house new business proposal program (which seven employees took advantage of in FY2014) ; 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.

In addition, to develop global personnel who can communicate with local stakeholders while taking into account differences in terms of cultures and customs, in FY2014 a total

of 350 people took basic training courses for the management of overseas subsidiaries, took language courses (one-to-one, with the students specially selected, online), and pre-overseas-posting courses (language, management). Furthermore, with the aim of nurturing personnel who can lead Yanmar in the future, we provide a course for selected students that is designed to develop management capabilities. In FY2014, 32 people took this course, which was held in six three-day (25 hours over the three days) installments. We also provide support outside Japan with developing abilities in order to lead our overseas businesses to success.

## Work-life balance

### A range of effective systems that help employees balance their work and home life

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.

In FY2014 at Yanmar, 39 people took childcare leave, 55 people opted to work shorter hours, and 20 people took pre/post-childbirth leave. Furthermore, in order to achieve a better work-life balance and to improve efficiency at work, some sections of our research and development and staff departments have implemented a flextime system and a discretionary labor system.

To ensure that employees can enjoy fulfilling private lives by spending time with their families, taking care of their children, and so on, we have certain days on which employees must leave work at the time designated as marking the end of their regular working day. We also have "light down days," when the lights inside business premises are turned off in order to encourage employees to leave work.

In addition, as a company we also support voluntary efforts on the part of employees to improve the workplace environment and atmosphere.

► **Use of Company Schemes Aimed Improving the Work-life Balance**

	FY2012	FY2013	FY2014
No. of employees who took childcare leave	36	43	39
No. of employees who opted to work shorter hours	34	48	55
No. of employees who took pre/post-childbirth leave	24	27	20
No. of employees who took nursing-care leave	5	0	0



From our employees >> **H. Nobuhara**

Work Style Innovation Office, Corporate Planning Division  
YANMAR CO., LTD.

**If there are enough people in a boat, even a boat can climb a mountain?! We are creating a boat in which a variety of people can succeed.**

If everyone is a boatman, things won't go well, but if a diverse range of boatmen can demonstrate their capabilities and achieve success, perhaps even a boat can climb a mountain? With that goal in mind, the Work Style Innovation Office was established in April 2015.

With the aim of making Yanmar an easier place to work and increasing motivation, the Office is working to expand the use of IT and to promote diversity. For example, we are promoting the use of networked communication tools and supporting the nurturing of the next generation by, for example, increasing the participation of men in childrearing.



## Occupational health and safety

### Working to ensure the safety and improve the health of each and every employee

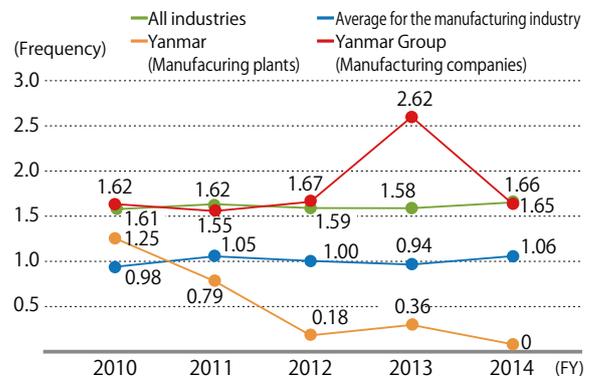
Each plant at Yanmar utilizes its own management system since the working environment differs from plant to plant. Each plant has a health and safety committee that works towards reinforcing health and safety management through organizing health and safety patrols, etc. as well as education and training seminars and workplace-based training to improve accident and disaster prevention.

Meanwhile, to improve the health of employees, we offer mental-health education, organize health lectures by industrial doctors, run a walking campaign (which aims to get employees taking 10,000 steps each day), and so on.

The Health Management and Promotion Committee at Yanmar is made up of representatives from the health insurance union, the Human Resources Division at head office, the General Affairs

Division at each business unit, and labor union members. The Committee holds meetings on periodic medical checks and measures to mitigate metabolic syndrome, etc.

#### Occupational Hazard Statistics



\*Frequency: Fatalities or injuries per one million working hours  
\*Subject period: January 1, 2014 - December 31, 2014

## Close up!

### Initiatives at YANMAR SYMBIOSIS CO., LTD.

## Helping persons with disabilities to become more independent and to coexist with the local community through business activities

With the aim of expanding the employment of persons with disabilities, the Yanmar Group established YANMAR SYMBIOSIS in April 2014. As a special subsidiary<sup>\*1</sup>, the company operates two businesses, Agriculture Solutions and Office Support with the aim of pursuing “Yanmar-rashisa” (the Yanmar style). The former relates to agriculture while the latter provides assistance with the creation of environments that are easy for Yanmar Group employees to work in. These businesses went into full-fledged operation in August of that year, and as of September 1, 2015, there are 16 persons with disabilities working there.

### Agriculture Solutions

This business is aimed at enriching the lives of communities and people through agriculture. Its operations include the cultivation of flower seedlings, the nurturing of plants on behalf of others, and the cultivation and sale of vegetables with strong health benefits.



### Office Support

This business helps offices run more smoothly by offering mail, printing, and furniture management services, cleaning services, and so on.



### Aiming to become a symbol of the employment of persons with disabilities

Although persons with disabilities have been employed throughout the Yanmar Group until now, we have not managed to hire as many such persons as we would have liked due to factors such as outsourcing and changes in the hiring environment.

We therefore decided to establish YANMAR SYMBIOSIS as a special subsidiary tasked with actively hiring persons with intellectual, mental, and physical disabilities. We hope that the company will serve as a symbol for the hiring of persons with disabilities within the Group.

The word “symbiosis” in the name YANMAR SYMBIOSIS means “coexistence.” The company will take the Yanmar Group’s corporate mission of coexisting with nature a step further, and achieve “coexistence with society,” “coexistence with communities,” and “coexistence with diverse people.”

### Putting together a structure that enables each and every individual to demonstrate their capabilities

Before hiring a person with a disability, we confirm their “readiness for work,” i.e., that they possess the basic abilities



Health and safety patrol (at KANZAKI KOKYUKOKI MFG. CO., LTD.)

## Dialog with employees

### Maintaining stable relationships with the Labor Union and Employee Union

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 create opportunities to explain and discuss the Group's financial situation by holding financial-situation briefings, informal labor-management meetings, and so on.

required to perform their duties. For example, can they understand instructions and comply with rules? Moreover, to ensure that persons with a strong desire to work can remain employed for a long period of time, we also pay close attention to candidates' "desire to work." In addition, because it is essential for employees to understand and complement each other's strengths and weaknesses, we also emphasize such factors as whether they understand the nature of their own disability and whether they have accepted that disability.

Furthermore, to prevent mismatches occurring after a candidate joins the company, we have candidates gain about a week of work experience on site, during which time we assess their suitability. After a candidate is hired, they receive training about three times a month in social skills and manners from a clinical psychologist from outside the company. We also develop their communication skills and are working on nurturing internal trainers, who are essential for ensuring that such skills are instilled.

### Aiming to expand employment to exceed the legally-required rate of 2.0%

As of June 1, 2015, the combined disabled persons employment rate (i.e. the percentage of employees who have disabilities) for the five applicable group companies\*2 was 1.76%, but we aim to bring this figure above the legally-required rate of 2.0% by 2017. To that end, we are going to expand the employment of persons with disabilities by establishing YANMAR SYMBIOSIS's third business facility, in Kokita, and providing labor management know-how to group companies.

\*1 A "special subsidiary" is a company recognized as such by the national government. A corporate group can establish a subsidiary that makes extra effort to employ persons with disabilities, and because this subsidiary is part of the corporate group, the percentage of the group's employees who have disabilities will increase.

\*2 YANMAR HOLDINGS CO., LTD., YANMAR CO., LTD., YANMAR AGRI JAPAN CO., LTD., YANMAR BUSINESS SERVICE CO., LTD., YANMAR SYMBIOSIS CO., LTD.

### From our employees >>



#### K. Inoue

Agriculture Solutions  
YANMAR SYMBIOSIS CO., LTD.

I've been cultivating vegetables in a field for one year now. So far I've grown tomatoes, onions, and so on, and right now I'm growing carrots. We sell our produce directly, and I felt so happy when a customer said thank you. Hearing that encouraged me, and I will continue to do my best.



#### S. Aoki

Agriculture Solutions  
YANMAR SYMBIOSIS CO., LTD.

I perform tank farming and take care of flowers. I plant flowers together to make patterns, but the designs are difficult, and I always worry about how they are going to look after they have been planted in the customer's flowerbed. I didn't use to be good at talking to people, but I feel that I've become able to speak much better since I started this job.



The Yanmar Group has identified the protection of the global environment as one of its 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.

### Establishment of the Yanmar Group Environmental Vision 2020

In 2011, the Yanmar Group drew up its Environmental Vision 2020, looking towards FY2020, the internationally agreed target year for reducing global-warming gases, and set the direction for the Group's environmental activities. We are currently working hard to meet the new international targets across the Group.

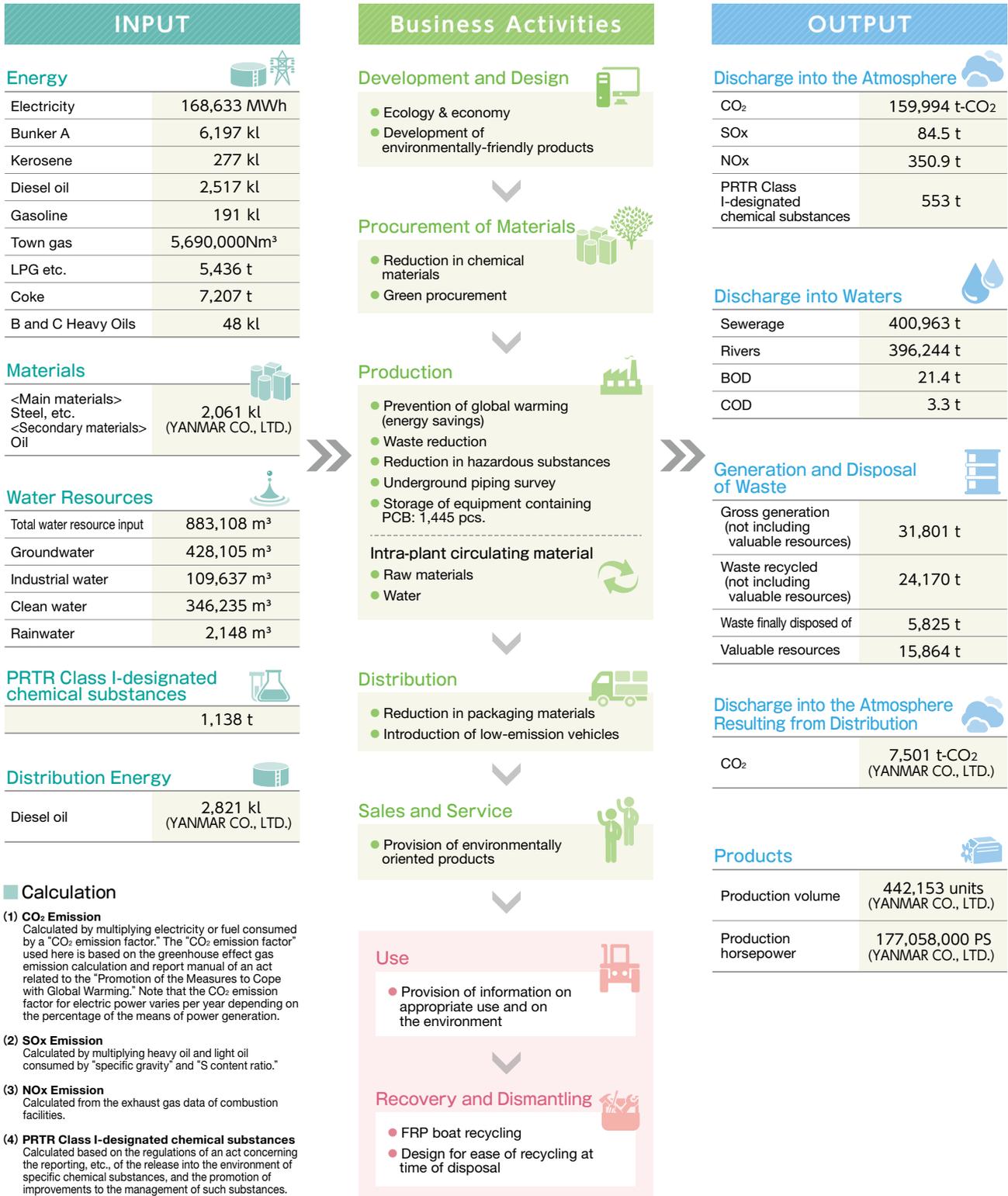


## Overview of environmental load

The Yanmar Group understands the need to quantitatively measure and ascertain the environmental loads created at 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 FY2014, 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 (FY2015)*	FY2014 Group Goals			
Environmental conservation structure	Expansion of the Yanmar Group Global Environment Committee's scope	①Expand activities for domestic and overseas companies	<ul style="list-style-type: none"> <li>Expansion of the scope of environmental data compilation from domestic sales companies</li> <li>Expansion of the scope of data compilation from overseas manufacturing companies</li> <li>Support for ISO 14001 certification and reinforcement of ISO implementation structure</li> </ul>			
		②Yanmar Group Global Environment committees meetings to be held				
		③Establishment of overseas environmental committees in every region				
Environmental management	Mutual support for activities within the Group	①Environmental education by environmental staff to be mutually implemented	<ul style="list-style-type: none"> <li>Promotion of environmental conservation activities through mutual cooperation among business units</li> <li>Reinforcement of the information exchange systems for environmental preservation</li> </ul>			
		②Environmental conservation activities through mutual cooperation among business units to be implemented				
		③Implementation of environmental compliance audit by environmental staff				
Responses to greenhouse gas emissions	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"> <li>Set up of environmental goals &amp; preparation for implementation [Start data compilation]</li> <li>Continuation of follow-ups for each business where the Group environmental policy is implemented</li> <li>Support for meetings of environmental preservation officers in each overseas region</li> </ul>			
		① Reducing emissions from products Determining and reducing the amount of greenhouse gas emissions throughout entire product life cycle  Introduction of new methods for reducing greenhouse gas emissions  Acquisition of certifications related to the environment for products		①Establishment of methods to determine emission volumes	<ul style="list-style-type: none"> <li>Continuous introduction and implementation of Life Cycle Assessment (LCA)                             <ul style="list-style-type: none"> <li>1) LCA at each business unit through LCA workshop activities</li> <li>2) LCA introduction for new models</li> </ul> </li> </ul>	
				②Reduction of energy consumption and emission volumes		
② Reduction of emissions from business activities Reduction of greenhouse gas emissions generated at logistics stage  Reduction of greenhouse gas emissions produced at overseas companies	①Development of carbon-neutral products		<ul style="list-style-type: none"> <li>Survey and assessment of possible usage of renewable energy</li> <li>Test and assessment of electrification and hybridization of machinery and equipment</li> </ul>			
	②Examination of introduction of carbon footprints					
	③Environmentally oriented products to be developed/commercialized					
② Reduction of emissions from business activities Reduction of greenhouse gas emissions produced at domestic production sites  Reduction of greenhouse gas emissions generated at logistics stage  Reduction of greenhouse gas emissions produced at overseas companies	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)]  Reduction 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)]  Reduction of energy consumption and greenhouse-gas emissions in unit requirements to be 36% from FY2009 (6.0% each year) [Converted to total volume: 24% reduction from FY2009 (4.0% each year)]		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)]  Reduction 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)]  Reduction of energy consumption and greenhouse-gas emissions 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"> <li>Reduction by at least 11.7% (total volume of 13.5%) from FY2005 in unit requirements</li> <li>Further investment in energy saving and promotion of "Visualization of Electric Power"</li> <li>Gathering of the latest energy saving information and transmission across the Group</li> <li>Promotion of peak power usage reduction efforts</li> <li>Sharing of information through Yanmar Energy Saving Promotion Workgroup</li> <li>Creation of the Yanmar Energy Saving Mid-Term Plan and the annual plan</li> </ul>		
		①Scope of data compilation to be expanded			<ul style="list-style-type: none"> <li>Expansion of the scope of data compilation for logistics related to Yanmar and Yanmar Energy Saving</li> </ul>	
		②Reduction 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)]				
③Reduction 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)]						
Contributing to an environmentally sustainable society	Improvements to input rates of recycled resources	①Scope of determination for new resource inputs to be expanded	<ul style="list-style-type: none"> <li>Surveys on Yanmar's current status and other companies' movements</li> <li>Plan and presentation of data compilation concept on resource input volume and reduction</li> </ul>			
		②Amount of water-supply resource inputs in unit requirements to be reduced 40% from FY2005 (4% each year)				
		③Amount of paper resource inputs as unit requirements to be reduced 20% from FY2005 (2% each year)				
		④Volume of total resource inputs and recycled-resource utilization rates to FY2014 to be determined				
		⑤Reduction targets for new resource input rates to be established				
	Improvements to green purchasing rates	Green purchasing rate of office supplies, etc. to achieve 70% or greater increase	<ul style="list-style-type: none"> <li>Compiling data from business sites yet to start</li> <li>Identification of goods eligible for green purchasing</li> </ul>			
		Reduction of landfill disposal volume of waste				
	Introduction of environmentally harmonious designs	①Total volume of waste produced in unit requirements to be reduced 20% from FY2005 (2% each year) ②Volume 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) ③Recycle rate of waste at least 70%	<ul style="list-style-type: none"> <li>Reduction by at least 16% in unit requirements from FY2005</li> <li>Information sharing database, etc. related to waste reduction, etc.</li> <li>System to gather and compile waste emissions data from domestic sales companies</li> </ul>			
				Reductions of hazardous substances at production sites	①Introduction of design techniques that consider reuse of products, and labor-savings in separation and collection during waste disposal	<ul style="list-style-type: none"> <li>Establishment of 3R standards and notification to all relevant departments</li> </ul>
					②Environmental burden analysis by lifecycle assessments (LCA)	
Managing environmentally hazardous substances	Implementation of information management for hazardous substances contained in products  Promotion of reduction of hazardous substances used in business activities	①Volume of PRTR Class-I designated chemical substances handled in unit requirements to be reduced by 8% from FY2011 (2% each year)	<ul style="list-style-type: none"> <li>Reduction by at least 6% in unit requirements from FY2011</li> <li>Implementation of thorough management of products with high PCB density and a</li> <li>Implementation of thorough management of products with low PCB density and a</li> </ul>			
		②Disposal of PCB to end (by 2016)				
		①Creation of information-management system				
Addressing biodiversity	Tackling efforts in business activities to achieve co-existence with nature	②Creation of information-management system that includes supply chain	<ul style="list-style-type: none"> <li>Through compliance with REACH regulations</li> <li>Response to inquiries from clients and customers</li> <li>Compliance with regulatory trends in laws and treaties, and transmission of information</li> <li>Implementation of management of the latest versions of the voluntary regulations (such as RoHS)</li> <li>Promotion of replacement of four voluntarily controlled substances and legally banned substances</li> <li>Regularly review of voluntary emissions standards in accordance with the social consensus</li> <li>Increase in greenery in business sites and buildings, and the area of environmental preservation</li> <li>Promotion of exchanges with local residents through cleanup activities</li> </ul>			
		①Creation of legal compliance system for regulated hazardous substances				
		②Switchover to be completed for voluntarily regulated hazardous substances				
		③Creation of new energies to replace fossil fuels				
		④Voluntary standards to be decided, maintained, and managed on environmental burden to air and water				
Provision of products and services that contribute to eco-system conservation	①New businesses linked to conservation of eco-system to be developed ②Environments that grow organisms anew through regional interchange to be presented	<ul style="list-style-type: none"> <li>Activities to contribute to the preservation of ecosystems</li> <li>Proposal of new contribution activities through business activities and community activities</li> </ul>				
			①Joint volunteer activities with nearby residents			
Social contribution	Continued contributions to residents in vicinity of company sites	②Friendship activities with customers, nearby residents to be implemented	<ul style="list-style-type: none"> <li>At least one event at each business site</li> <li>Opening of business sites to the public (plant visits, general public access to welfare facilities)</li> <li>Organization and support of friendship events</li> </ul>			

\*As of date of establishment of FY2013 targets

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

	FY2014 Group Results	Evaluation	Relevant page
Companies Offices Structure	<ul style="list-style-type: none"> <li>Addition of (locations and items) to the scope of environmental data compilation of domestic offices and overseas companies</li> <li>Assistance with preparations for the acquisition of ISO 14001 certification by our Chinese subsidiaries</li> </ul>	★★	Web
Among business units on activities	<ul style="list-style-type: none"> <li>Launched a business partnership with the Group company secretariat</li> </ul>	★★	Web
In Asia) Company sites	<ul style="list-style-type: none"> <li>Launched a business partnership with the Group company secretariats</li> </ul>	★★	Web
at overseas companies in North America and Europe] Policy is implemented Operations	<ul style="list-style-type: none"> <li>Visited our Chinese subsidiaries and provided assistance with action to protect the environment</li> </ul>	★★	—
	<ul style="list-style-type: none"> <li>Continued to expand the deployment of lifecycle assessments (LCAs)               <ol style="list-style-type: none"> <li>Performed LCAs for Group products</li> <li>LCA workshop activities and expanded them to wider business units</li> </ol> </li> </ul>	★★★★	P32
ment	<ul style="list-style-type: none"> <li>Expansion of the usage of renewable energy (bio fuel)</li> <li>Examination of electrification and hybridization of work machinery</li> </ul>	★★★★	—
	<ul style="list-style-type: none"> <li>Surveys of social demands and trends within the industry</li> </ul>	★★	—
	<ul style="list-style-type: none"> <li>Compliant with the exhaust gas regulations in different countries</li> <li>Compliant with the fuel efficient construction machinery certification</li> </ul>	★★★★	—
on the new standards	<ul style="list-style-type: none"> <li>Promoted the development of ecofriendly products in accordance with internal standards</li> <li>Achieved sales of 55.5 billion yen of ecofriendly products in FY2014 (a reduction of 4.5 billion yen compared with the previous year)</li> </ul>	★★	P49–51
ents "Power" Group	<ul style="list-style-type: none"> <li>Amount of energy used: Reduction by 21.3% in unit requirements</li> <li>Amount of greenhouse gas emissions produced: 9.5% reduction in unit requirements</li> <li>Reduced electricity purchases at peak times by increasing the amount of power we generate ourselves</li> <li>Exchanged information through internal committees</li> </ul>	★★	P32
Yanmar Group products and components	<ul style="list-style-type: none"> <li>Reinforced information gathering concerning Modal Shift</li> </ul>	★★	—
with FY2009 (Yanmar property) with the initial year of data compilation (each	<ul style="list-style-type: none"> <li>Amount of energy used : Reduction by 24.6% in unit requirements (YANMAR only) Reduction of 7.6% in unit requirements (3.7% in the calendar year) (YANMAR CONSTRUCTION EQUIPMENT)</li> </ul>	★★	P32
	<ul style="list-style-type: none"> <li>Expansion of scope of data compilation centered on overseas companies in Southeast Asia and provision of instructions on data compilation method</li> </ul>	★★★★	—
s (in offices) each country (overseas companies)	<ul style="list-style-type: none"> <li>Domestic sites: Amount of energy used: Increase of 2.2% in aggregate terms Amount of greenhouse gas emissions produced: Increase of 3.3% in aggregate terms Expanded the number of sites we gather data on, particular sales and service facilities</li> <li>Overseas sites: Prepared to set targets based on laws, regulations, and societal trends in the countries concerned</li> </ul>	★	P32
waste disposal data	<ul style="list-style-type: none"> <li>Estimated resource recycling rates at certain domestic Group companies</li> </ul>	★★	—
from FY2005	<ul style="list-style-type: none"> <li>Reduction by 53.1% in unit requirements</li> </ul>	★★★★	P33
2005	<ul style="list-style-type: none"> <li>Reduction by 7.6% in unit requirements</li> </ul>	★	—
	—	—	—
	—	—	—
	<ul style="list-style-type: none"> <li>Green purchasing rate of 56.3% (centralized Group purchasing)</li> </ul>	★	—
ies, and creation of a related management structure	<ul style="list-style-type: none"> <li>Reduction by 3.9% in unit requirements</li> <li>Final disposal rate: 12.2%</li> <li>Resource recycling rate: 84.0%</li> </ul>	★★	P33
	<ul style="list-style-type: none"> <li>Designed and analyzed products in accordance with Group rules</li> </ul>	★★	—
	<ul style="list-style-type: none"> <li>Reduction by 9.9% in unit requirements compared to FY2011</li> </ul>	★★★★	P33
assessment of their early disposal assessment of their disposal methods	<ul style="list-style-type: none"> <li>Continuous control and early disposal of products using high-density PCB</li> </ul>	★★	Web
	<ul style="list-style-type: none"> <li>Continued to investigate environmentally-harmful substances contained in products</li> <li>Responded to inquiries from and provided environmental information to suppliers, customers, etc.</li> </ul>	★★	P33
ation to all Group companies as green procurement guidelines, YIS standards, etc.)	<ul style="list-style-type: none"> <li>Reinforced information sharing through intra-Group committee activities</li> <li>Revision of guidelines based on the latest legal information</li> </ul>	★★	Web
anned substances	<ul style="list-style-type: none"> <li>Continuous replacement of banned substances</li> <li>Continuous chemical substances surveys and information release</li> </ul>	★★	—
imate	<ul style="list-style-type: none"> <li>Reviewed voluntary standards</li> </ul>	★★	Web
al facilities	<ul style="list-style-type: none"> <li>Promotion of tree and green planting at factories and other sites</li> <li>Expansion of cleanup activities in factories and neighboring areas</li> </ul>	★★	Web
	<ul style="list-style-type: none"> <li>Development of products that make use of renewable energy, such as biomass and sunlight, etc.; implementation of related marketing proposals</li> <li>Examination of electrification of work machinery</li> </ul>	★★	—
exchanges	<ul style="list-style-type: none"> <li>Participation in the Osaka Honey Bee Project , etc</li> </ul>	★★	P42
	<ul style="list-style-type: none"> <li>Planned and conducted volunteer activities centering on cleanup of the neighboring area</li> </ul>	★★	Web
are facilities, etc.)	<ul style="list-style-type: none"> <li>Opened business sites and playgrounds to the public, invited local residents, organized plant tours, and supported friendship events, etc.</li> <li>Organized events using Yanmar's facilities, such as YANMAR MUSEUM, to contribute to society</li> </ul>	★★	P41–43

Organizational  
Governance

Human Rights and  
Labour Practices

The Environment

Fair Operating Practices

Consumer Issues

Community Involvement  
and Development



## Efforts to prevent global warming

We contribute to global warming prevention by understanding and reducing our CO<sub>2</sub> emissions

### Understanding and reducing CO<sub>2</sub> emissions in product life cycles

Utilizing LCA (Life Cycle Assessment), the Yanmar Group is working to quantitatively monitor and assess greenhouse gas (CO<sub>2</sub>) emissions in each stage of a product's life cycle from material procurement, production, distribution, through use and consumption to final disposal.

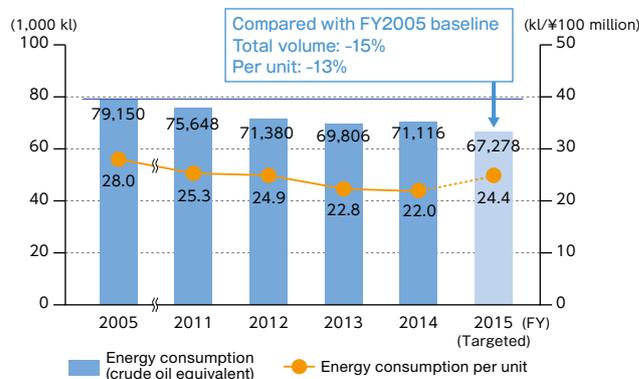
In FY2014, the LCA workgroup calculated the amount of greenhouse gas emissions from products of each Group company, and we now plan to explore ways of reducing greenhouse gas emissions from Group products.

### Reducing CO<sub>2</sub> emissions to realize efficient energy use

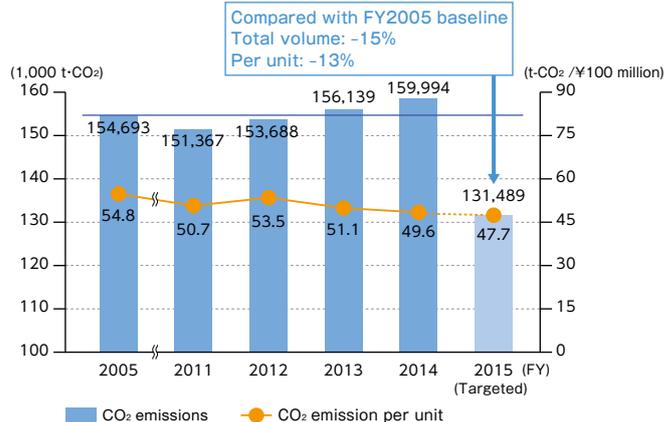
The Yanmar Group has established a structure to efficiently utilize any type of energy, including power and fuel, across all business units throughout Japan. We strive to reduce CO<sub>2</sub> emissions through upgrading facilities with energy-saving equipment, improving trial operation efficiency, energy recycling, and other such efforts.

The Yanmar Group's energy conservation targets for FY2015 are a 13% reduction in both total energy consumption and on a per unit basis, with 2005 as the baseline year, and we are pursuing the same reductions in CO<sub>2</sub> emissions. In FY2014, the amount of energy used for development and testing increased by approximately 1,400 kl compared with the previous fiscal year, while the volume of CO<sub>2</sub> emissions rose by around 3,900t. As a result, our CO<sub>2</sub> emissions fell short of their targets in both aggregate and unit terms.

### Total Energy Consumption and Consumption per Unit



### Total CO<sub>2</sub> Emissions and CO<sub>2</sub> Emissions per Unit



## TOPICS

### Displaying the CO<sub>2</sub> reduction rate and power self-sufficiency rate at the head office building in real time

Next to the reception desk on the 11th floor of Yanmar's head office building, the YANMAR FLYING-Y BUILDING, there is a digital sign displaying the head office building's CO<sub>2</sub> reduction rate and power self-sufficiency rate in real time. The CO<sub>2</sub> reduction rate, which is updated every hour, denotes the percentage that the head office building's CO<sub>2</sub> emissions are lower than those of a similarly sized office building that does not employ energy-saving measures.

Meanwhile, the power self-sufficiency rate, which is updated every six seconds, denotes the proportion of the electricity consumed in the Yanmar area (6th-12th floors) that is produced by ourselves. If the amount produced by ourselves exceeds 100%, it is supplied to the store area to prevent it being wasted.

We think that by making energy visible, employees will become more aware of the importance of saving energy

and more likely to take action to reduce CO<sub>2</sub> emissions. We also think that the displays are a good way of getting stakeholders to learn about the earth's environment.



CO<sub>2</sub> reduction rate (left) and power self-sufficiency rate displayed in real time

## Reducing and controlling hazardous substances

Yanmar endeavors to reduce and manage chemical substances with hazardous or negative impact to the environment

### ■ Reduction in chemical substance emissions

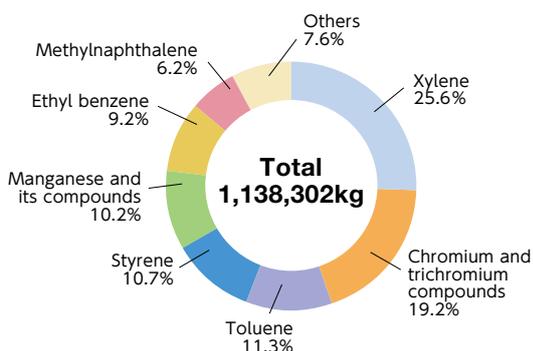
In order to develop environment-friendly products while reducing environmental risks, we work towards managing usage quantities of PRTR Class-I designated chemical substances and reducing related emissions.

PRTR Class-I designated chemical substances used in FY2014 were reduced by 9.9% in unit requirements from the FY2011 baseline.

In our next Environmental Mid-Term Plan, we plan to declare targets for the management by overseas facilities of substances covered by PRTR regulations in their respective countries, and encourage overseas subsidiaries to manage the amount of the use.

### ■ Managing hazardous substances across the entire supply chain

#### ▶ Use of PRTR Class-I Designated Chemical Substances



\*See our official website for details about PCB possession status and handling of PRTR Class-I designated chemical substances.

In accordance with our Green Procurement Guidelines, since FY2008 we have been investigating the quantities of environmentally-unfriendly substances contained in materials and components supplied to us by third parties.

We manage this information centrally and share it with Group companies using our "In-Product Environmentally Harmful Substance Management System," and going forward we intend to continue investigating and managing the environmentally hazardous substances contained in Yanmar products and working to reduce the amounts that the products contain.

Regarding voluntarily controlled substances, we have set internal compliance standards and are reducing our use of these substances in a planned fashion.

### ▶ 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

## Contributions to an environmentally sustainable society

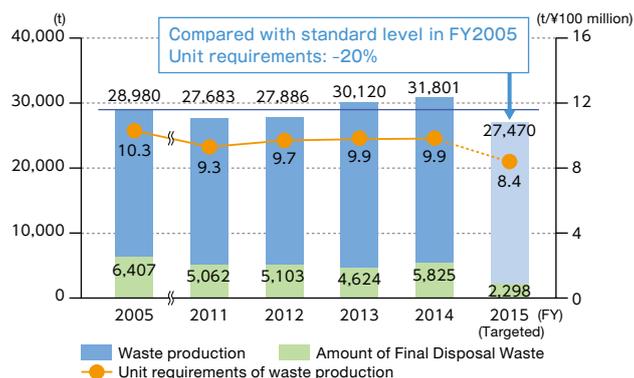
Giving priority to conserving limited resources through efficient usage

### ■ 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 valuable materials. 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.

We are turning waste oil produced by plants into a valuable product, and thereby reusing this resource effectively, by preventing its contamination with foreign bodies during production processes. We are also reducing costs by recycling cardboard and shredded paper. As for the emissions of waste products, in FY2014 we had planned to reduce them by at least 18% compared with the FY2005 level. However, the total reduction for the Group was 5.5%, meaning that we failed to meet the target.

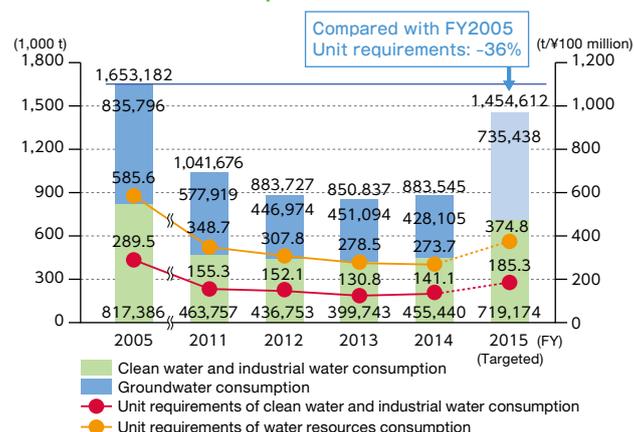
#### ▶ Waste Production and Unit Requirement of Waste Production



### ■ Reduction in water resource consumption

The Yanmar Group is promoting the recycling of factory water in an effort to conserve resources. With regard to the amount of water resources used, we set a target of a greater than 36% reduction in unit requirements for FY2014 in comparison with 2005. The Yanmar Group as a whole registered a reduction of 54.0%, thereby achieving our target.

#### ▶ Water Consumption and Unit Requirements for Water Consumption





## Promoting impeccable corporate ethics and building friendly partnerships



No. of reports received under the internal reporting system **28**



No. of recipients of compliance training A total of **4,133**

### Compliance

#### Our fundamental approach

The Yanmar Group recognizes that instilling an awareness of the importance of corporate ethics and legal compliance among Group employees as well as top management is the basis for our CSR activities.

#### Legal Compliance Committee established and ongoing action to mitigate risks being taken

In April 2013, we established the Legal Compliance Committee as a specialist subcommittee within the Yanmar Group Risk Management Committee. We also established a secretariat within the CSR Division, and by offering training and taking other action to prevent incidents occurring, we are continuously working to mitigate risks relating to legal compliance.

Approximately 40 compliance-related incidents are reported from organizations throughout the Group each year to the secretariat of the Legal Compliance Committee.

#### Managing the internal reporting system 'Ethics Hotline'

In 2003 the Yanmar Group launched an internal reporting system known as the "Ethics Hotline." Under this system, reports can be made via a dedicated telephone number and email address. Since July 2012 the telephone number has been toll free, which makes it easier for employees to use it. In FY2013 and FY2014 the system was used 22 times and 28 times, respectively. Around 50% of the reports were made by

telephone.

Internal reports are carefully investigated, with the utmost care being taken to protect the identity of the whistleblower, and a decision is made on whether the incident constitutes a compliance violation. In the case of incidents that are deemed to be violations, the employees are strictly punished and action is taken to prevent recurrences.

#### Compliance training, public awareness activities

Compliance training is carried out on an annual basis for employees who have newly joined the company, all employees who have just taken on a management position, and managers at sales offices. The training is provided to groups at each facility. In FY2014 we also launched a new initiative: e-learning over the Web. In FY2014 a total of 4,133 employees received compliance training, either in group sessions or online. In 2014 our Group companies received penalties by regulators. These included exclusion orders and business improvement orders. As a result, we are providing training aimed at preventing occurrences or recurrences of violations of the Antitrust Law and Subcontract Law.

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

To ensure that our approach to compliance is also reflected in the business activities of overseas subsidiaries, we provide opportunities for the periodic exchange and sharing



Periodic exchange of information with overseas subsidiaries

of information relating to risks, compliance, legal matters, and other topics with RHQs (regional headquarters) and the executives and CSR officers of overseas subsidiaries.

### ■ Important activities of the Legal Compliance Committee

In FY2014 an e-learning program concerning our Code of Business Conduct was provided to managers. In FY2015 we will continue offering e-learning programs, formulate new corporate code of business conduct to serve as global standard, and will aim to nurture an awareness of corporate ethics for the Yanmar Group wherever it does business in the world.

## Initiatives in purchasing

### Engaging in various forms of dialog to deepen mutual understanding with suppliers

#### ■ Communicating with suppliers

The Yanmar Group creates various opportunities for communication in order to deepen mutual understanding with suppliers. At the beginning of the year, for example, we hold a purchase policy briefing to explain our annual and medium-term purchasing policy to key domestic and overseas suppliers.

The Procurement Division conducts a fair evaluation of the actions that the suppliers in attendance have taken in the past year in the areas of Q (quality), C (cost), and T (time). The results of these evaluations are presented at the purchase policy briefing. Excellent suppliers are presented with awards, which raises their motivation and encourages them to improve by competing with each other.

We also operate a cooperative association called the "Seiei-kai," which comprises approximately 70 companies that the Yanmar Group does business with. A general meeting of the association is held two a year, during which we provide information about the Yanmar Group's production activities and other topics. In this way, we encourage suppliers to engage in smooth production and endeavor to achieve stability in our procurement.



Scene from the FY2015 Yanmar purchase policy briefing

#### ■ Supply chain management

The Procurement Division selects several domestic and overseas suppliers 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 quality at suppliers' end and to reinforce our partnerships with them, toward quality improvement, productivity enhancement and inventory reductions. We also conduct periodic surveys of suppliers to find out where the products they supply as with are produced and to ensure that they do not contain conflict minerals. Moreover, with regard to the export of merchandise and spare parts, we perform trade management in accordance with various domestic and overseas laws and regulations.

#### ■ The Yanmar Group's action with regard to conflict minerals

The Yanmar Group regards conflict minerals as a key CSR issue, as their purchase can lead to social problems in areas such as human rights and the environment. We have articulated a policy of non-use of conflict minerals, and asked that our suppliers also agree to non-use and cooperate with us in our investigations of our supply chain.

Although the Yanmar Group is not obligated to submit a report concerning the use of conflict minerals to the U.S. Securities & Exchange Commission pursuant to the adopted rules pertaining to Section 1502 of the Dodd-Frank Act, we have received inquiries from U.S. and Japanese business partners that are obligated to do so, and in the second half of 2014 performed an investigation of our tier-one suppliers.

We carried out the investigation using the CFSI\* template, and reported the results to the companies that had made inquiries. In 2015 and beyond, the Yanmar Group will continue to work with our suppliers to eliminate conflict minerals from Yanmar products.

\*The Conflict-Free Sourcing Initiative, an organization for addressing conflict mineral issues that was established by the EICC and GeSI, non-pro-t organizations that promote social responsibility and environmental responsibility in supply chains and the sharing of efficiency.

#### ■ Education and awareness raising concerning purchasing

Yanmar's Procurement Division provides education to new employees and young employees concerning the Subcontractors Law, purchasing regulations, and so on in an organized fashion each year. Training sessions for all the members of the Division are held, with actual purchasing activities (Q, C, T) forming the basis of the education provided. In this way, we are working to improve the skills and knowledge of purchasers, encouraging them to share information, and endeavoring to ensure that we conduct our purchasing activities fairly.



From our employees >> S. Yoshiyama Administration Division  
YANMAR SANGYO CO., LTD.

### Working to ensure that information is properly shared and that compliance violations are prevented

YANMAR SANGYO CO., LTD. has established a Compliance Promotion Committee at its corporate headquarters. The Committee meets periodically, which allows information to be shared among departments. The minutes of these meetings are transmitted to each facility via a Notes database, so they can check the content of these minutes when holding in-house meetings. In this way, we ensure that information is shared thoroughly throughout YANMAR SANGYO. We believe that making all employees aware of compliance examples and cases is effective in preventing the occurrence of violations, so we intend to continue implementing this initiative in the future.



## Providing safe, high-quality products that deliver high levels of satisfaction



No. of Group entities with ISO 9001 Certifications **30**



No. of QC circle activity teams **396**

### 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 line with our TQM (total quality management) program, all our employees endeavor to continuously improve quality through initiatives such as QC circles.

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.

### Efforts to improve quality

#### An integrated structure designed to ensure quality and safety

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.

In FY2014, with the aim of strengthening functions for the standardization (certification) of electrical components, and reinforcing the Yanmar Group's functions for evaluating single electrical components, we established a quality analysis center.

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.

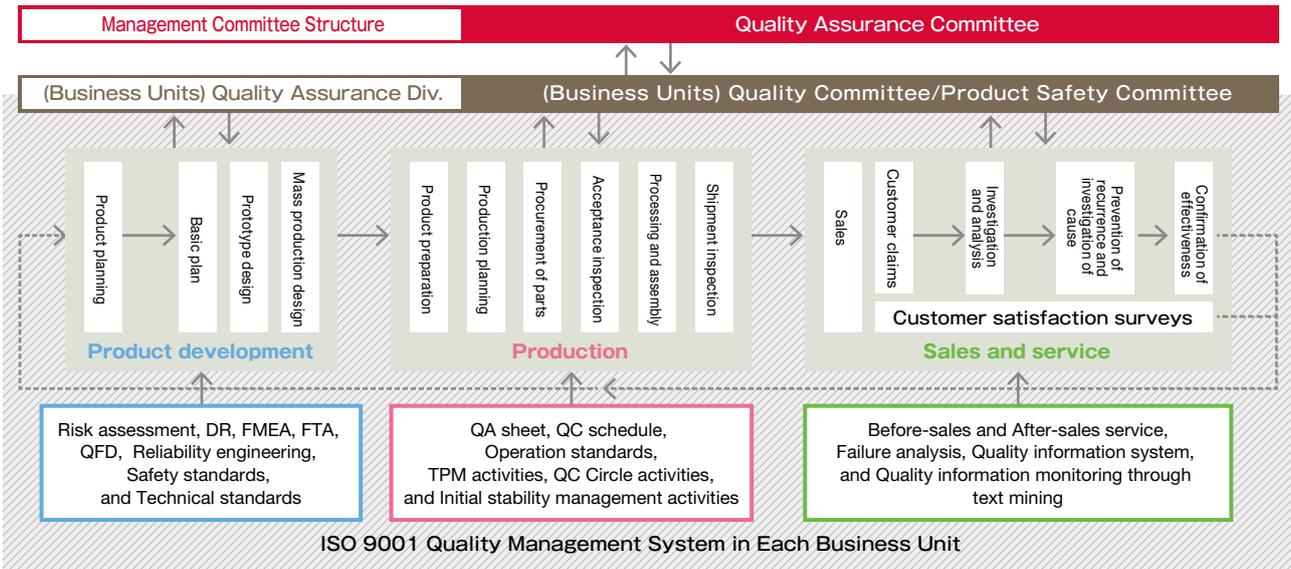
In addition, we established a Quality Recurrence Prevention Committee. If a problem is found with quality, the committee looks at whether the real cause in the problematic process has been found and steps have been taken to prevent recurrences of such causes. It therefore conducts checks and tests at a corporate department level, i.e. separately from the facility involved.

We have also obtained ISO 9001 certification at 30 units, including some overseas.

#### Monitoring and analyzing quality information to detect serious problems at an early stage

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.

## ▶ Yanmar's Quality Assurance System



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.

We are employing this system in order to facilitate the stable initial management of new products and prevent recurrences and escalations of quality problems.

### 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\*<sup>1</sup> 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 regulations.

In addition, with the goal of reducing the incidence of recalls, we are implementing three key measures for improving quality.

- (1) Swiftly identifying and addressing material quality problems
- (2) Strengthening of quality assurance functions at all overseas subsidiaries
- (3) Providing practical quality-related education in line with Group and business policies

### ▶ Number of recalls in Japan\*<sup>2</sup>

FY	2010	2011	2012	2013	2014
Number of recalls	7	5	8	6	7

### ▶ Important Product Information (Japanese Only) <https://www.yanmar.com/jp/important/index.html>

\*<sup>1</sup> 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.

\*<sup>2</sup> Number of reported cases of product recalls based on Land Ministry recalls, improvement measures and the Consumer Product Safety Act.

## Customer satisfaction

### Expanding and improving sales and service by listening carefully to what customers are saying

Each year, Yanmar strives to improve the level of its after-sales services by undertaking an annual 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.

For example, the customer satisfaction surveys targeting OEM companies feature questions in five categories: products, technical support, responding to customers, quality, and overall evaluation. We analyze the results, and use them to design products from the customer's perspective, improve the way we respond to customers, and increase our ability to solve customers' problems and the speed with which we do it.

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.



From our employees >> Y. Ogata

Quality Assurance Division  
YANMAR CONSTRUCTION EQUIPMENT CO., LTD.

### We employ quality-related information from markets and customers to improve products and performance

Quality-related information from the marketplace and requests from customers for improvements are extremely important for improving the quality and performance of current products. We in the Quality Assurance Division gather people together from relevant departments for events such as quality meetings. At these meetings, we share this information and explore ways of solving problems and preventing recurrences. While communicating with the relevant departments such as production departments and development departments, we work on delivering levels of functionality and quality that meet customers' needs. We therefore fulfill our role in bringing Yanmar Construction Equipment products to the market.



## A unique approach to community service based on moving forward and coexisting with the local community



No. of disaster reconstruction support volunteers **16**



New scholarship students (Thailand) at the Yamaoka Scholarship Foundation **15**

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

#### New recruits helped with recovery efforts in Rikuzentakata City as volunteers

As part of their induction, since FY2014 YANMAR AGRI JAPAN CO., LTD has been sending new recruits to take part in volunteer recovery efforts in Rikuzentakata City in Iwate Prefecture, which was badly affected by the Great East Japan Earthquake and Tsunami of 2011. Last year's program involved the installation of electric fences in order to protect crops from damage by animals and birds. 16 recruits took part in this year's program, during which they tested the fences and performed manual work such as washing seedling boxes, weeding, and tidying up warehouses.

60% of farmland in coastal areas of Iwate Prefecture was inundated by the tsunami, and 90ha of farmland in the Otomo district of Rikuzentakata City's Hirota Peninsula suffered damage. An agricultural union called Sun Farm Otomo was established to restore farmland in the area. Although the planting of rice for both human and animal consumption has resumed, the members of the union are elderly, so they have said that our volunteer activities have been a great help. In addition, this year the volunteers were able to gain experience of farmwork, including planting rice by hand and preparing vegetable plots, under the guidance of the local farmers.

Not only the farmers but also the new hires worked hard together to finish the job. It proved to be a very worthwhile aspect of their training, as they got to interact with local producers and learn about the situation in coastal agricultural areas striving to recover from the Great East Japan Earthquake and Tsunami.

#### Implementing the "Tatton Project" to support a group of full-time farmers in Sendai

The Yanmar Group agrees with the principles of the "Tatton Project," which is aimed at regenerating the areas affected by the Great East Japan Earthquake through the cultivation of raw cotton, and we have been supporting it on an ongoing basis by lending tractors and other machines. In 2015 we began assisting with the activities of "Butai Farm Group Michisaki", a group of full-time farmers in the city of Sendai in Miyagi Prefecture.

The Tatton Project involves the cultivation of raw cotton in order to absorb salt from farmland that suffered salt damage due to being inundated by the tsunami. Through this process, it is hoped that the soil will have been restored to a good enough condition for the planting of ordinary crops after three years. Since 2011, the project has targeted farmland in Fukushima, Miyagi, and Iwate prefectures, and nowadays it involves more than just desalination. Cotton farming is being established as a Tohoku industry, and another objective of the project is to leverage this industry to revitalize the region.

Since 2012, the Yanmar Group has provided "Paru Farm Omagari," a firm located in the city of Higashimatsushima in Miyagi Prefecture, with a tractor for three years free of charge, and the firm is using the tractor for raw cotton cultivation. To continue to provide support, we have now also provided "Butai Farm Group Michisaki," which is beginning the cultivation of raw cotton, with a tractor, implements, and a transplanter.



Using a Yanmar transplanter to transplant seedlings

Going forward, the Yanmar Group will continue to support the Tatton Project.

## Contributing to education and culture

Supporting education in various ways to help nurture the next generation

### ■ 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 2014, the 25th year that the contest has been held, was "Creating a New Agriculture".

Submissions were sent in from all over Japan, with a total of 53 theses and 596 essays received. The winning entry in the thesis section was submitted by Takuya Muranishi, a student in the fourth year of his studies in the Department of Economics, Faculty of Economics, Keio University. His thesis was titled: A Vision for Japan as a Deer Country - Suggestions for Having the Government and the People Work Together to Promote "Momiji" Exports. The winning essay was submitted by Miho Suetsuru, a second year student in the Vegetable Department, Faculty of Agriculture, Kagoshima Prefectural University of Agriculture. The essay was titled: "Envisioning a Dream for the Participation of Women in Farm Management."



Commemorative photograph from the Yanmar Student Essay Contest award ceremony

### ■ 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 (and the prefectural land improvement associations that are its members) 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 2014 (the 15th time that the contest has been held) there were 8,359 entries of which 22 were awarded prizes, 94 were officially selected and 54 were awarded prizes from regional organizations. The Yanmar Prize went to Mana Yoshimura (a sixth grade student at the Hitoyoshi-higashi Elementary School, Hitoyoshi City, Kumamoto Prefecture) for her entry, titled My Grandfather Teaching Me How to Harvest Rice.



My Grandfather Teaching Me How to Harvest Rice - winner of the Yanmar Prize

### ■ 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 5,300 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. In FY2015, this scholarship was awarded to 15 junior high school students in Thailand and 30 students in Indonesia who are struggling economically as they strive to continue their schooling whilst looking to pursue a career in soccer. Ceremonies to award the Scholarship Certificates were held in Thailand and Indonesia.

#### ▶ Registered students (as of August 2015)

Graduate school students	Foreign exchange students	College students	High school students	Japan total
32	13	1	29	75
		Overseas total		
Thailand	Indonesia	106		
45	61			

\*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.

Contributing to society by supporting sports and cultural activities

### ■ Support for soccer, the game that is loved the world over

Soccer is one of the world's most popular sports, overcoming barriers such as language, race, and nationality. Since establishing a soccer club in 1957, Yanmar has empathized with the dreams, emotions, and spirit of challenge that soccer provides, and shared the immense value that the game delivers.

Later, with the launch of the J-League, the Yanmar soccer club became Cerezo Osaka, which developed into one of Japan's leading teams, and we have now been a main supporter of the club for over 20 years.

Yanmar has supported the professional career of Shinji Kagawa, who used to be with the club, since he was 17, and continues to support him even though he now plays outside Japan. We can really relate to Kagawa's success on the world stage, as Yanmar is also striving to achieve more success in and make a greater contribution to the global market.

And in addition to our sponsorship of English Premier League club Manchester United, we also sponsor U.S. Major League Soccer team New York Red Bulls as well as the Vietnamese national team. Going forward, we intend, by communicating about soccer, to continue to share "delight" and "passion" in order to connect with people all over the world.



Supporting Manchester United as an Official Global Partner



### ■ Acquired naming rights to Nagai Stadium

In March 2014, Yanmar acquired the naming rights to Nagai Stadium, which has been the home of Cerezo Osaka for many years, and the neighboring athletics field, and the names of the arenas changed to Yanmar Stadium Nagai and Yanmar Field Nagai, respectively.

Going forward, the stadiums will be used for J-League and Japan national team games, international athletic meetings, and various other sporting events, music events, and so on, and as a Kansai company, we will be taking full advantage of such occasions to share our determination to invigorate Osaka not only with Cerezo Osaka supporters but numerous other people, too.



Yanmar Stadium Nagai

## Revitalizing agriculture

Revitalizing agriculture to solve the problems faced by farmers

### ■ Operating a members-only farming society – Yanmar Yuyu Farm

Since 2012, we have been directly operating a members-only farming society called the Yanmar Yuyu Farm, where members can experience farming hands-on in the woodlands of Toyono Town in Osaka Prefecture.

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 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.

The farm covers an area of approximately 60a, of which around 30a is for rice plants and around 20a is for vegetables. 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, a range of events are held throughout the year. Yanmar also offers workshops on its agricultural equipment and there are workshops aimed at forming links between Osaka Prefecture and the local community. Even novices can enjoy these workshops. And since FY2014, we have also been accepting employees from ordinary companies on fringe-benefit programs that allow them to try their hands at farm work.

With members able to learn how to make the most of local resources via the Yanmar Agricultural Resource Recycling

Method, experience the cultivation of traditional local vegetables, and so on, we hope that the farm will establish itself as a hands-on agricultural facility that is firmly rooted in the local community.



Experiencing rice cultivation in the woodlands

### ■ Training for new recruits conducted at Yanmar Yuyu Farm

Yanmar chose Yanmar Yuyu Farm as the location for its training of FY2015 new recruits. Before they were assigned to our various departments, we wanted them to understand the environment surrounding agricultural producers, who are our customers, and experience hands on how hard farm work is and how important agricultural machinery is for making it easier.

80 new recruits were divided into three groups, each of which went to the Farm for two days each in May-June 2015. Under the supervision of local producers, they carried out agricultural tasks in the field, such as erecting electric fences around rice fields that had been abandoned in order to protect them from damage by animals and birds, and weeding. They also tried their hands at operating Yanmar tractors and rice planters to perform tasks such as tilling and rice planting.

At gatherings that were held with local farmers, they heard firsthand about the crisis facing agriculture in low upland areas, and this experience is sure to prove useful in their future jobs.

Yanmar intends to continue providing this training in the future, as it gives all new recruits the opportunity to handle Yanmar products and contributes to the community in Toyono, where the Farm is located.



Planting rice using a Yanmar rice planter



Tilling the earth under the guidance of local farmers

## Regional activities

### Providing support and engaging in activities that are rooted in local communities

#### ■ Opening and operation of the Yanmar Museum

We opened and operate the Yanmar Museum in the city of Nagahama in Shiga Prefecture, which was the hometown of Yanmar founder Magokichi Yamaoka. Since it opened in March 2013 it has attracted more than 250,000 visitors (as of the end of October 2015). It is also frequently used for educating local schoolchildren, with around 7,000 students, mainly from elementary schools, visiting in FY2014.

We are also steadily expanding the museum facilities. After opening the "R&D Zone" in March 2014, we revamped the "Agriculture Zone" in April 2015.

#### ■ Organizing workshops, vocational experience, exchange events, etc.

The Yanmar Museum offers a wealth of exhibits and workshops that give visitors an experience they cannot find anywhere else. Based on our three business domains of the land, the sea, and the city, visitors learn about co-existing with nature and discover innovations in food production and harnessing power.

The workshops, which cover a diverse range of subjects, are held every month. Participants see, feel, and learn, about the importance of the environment, manufacturing, dietary education, agriculture, and so on. In FY2014 a biotope observation event was held, and there were also program in which participants got a taste of manufacturing by making things like pop pop boats.

Furthermore, in October and November 2014 local junior and senior high school students were accepted by the museum in order



Autumn Festival

to gain work experience. They answered telephone calls in the office, operated the cash registers at reception, showed visitors around the museum, and so on.

Moreover, in November 2014 the Yanmar Museum Autumn Festival was held. Producers and stores, mainly from Shiga Prefecture, operated a market and workshops (which allowed participants to experience making things). The festival drew more than 2,000 visitors, most of whom were local residents, over the two days that it was held.

### Workshops

#### ● Dietary education



Participants made a lunch of hot, soft potatoes

#### ● Environmental education



Biotope observation on the roof

#### ● Making things



The participants made a pop pop boat

#### ● Agriculture experience



The participants planted rice in the on-site rice field

## TOPICS

### Tilling the Asahata anti-flood pond in Shizuoka City

The Yanmar Group is participating in a community service project being implemented by the Asahata Anti-Flood Pond Nature Restoration Council in the Tomoegawa river basin. Specifically, we have accepted a request to establish approximately 1ha of cultivated land in the Asahata Anti-Flood Pond Zone 3. In November 2014 and January 2015, we tilled the field, before filling it with water in June 2015.

The Asahata Anti-Flood Pond Nature Restoration Council is working with facilities such as hospitals, recreational facilities, schools for people with disabilities, and community centers that are adjacent to the Asahata Anti-Flood Pond to perform nature restoration and agriculture in cultivated land there. By performing these activities, patients can be rehabilitated, the health of elderly people can be improved, and persons with disabilities can train for work and become more independent. The area is therefore being used for such purposes.

Three Yanmar Group companies (YANMAR CO., LTD., YANMAR AGRI JAPAN CO., LTD., and YANMAR CONSTRUCTION EQUIPMENT CO., LTD.) have endorsed the project and been working with Aktio Corporation, Japan's largest company for

the rental of construction machinery, to perform the tilling etc. The water table at the site is high and the anti-flood pond had been abandoned for many years. For these reasons, the soil was hard and there were large number of wild reeds, many of which were over 3m high. We therefore deployed the largest tractor that the Yanmar Group manufactures and were able to complete the work ahead of schedule. The project saw the site transformed into a park/farm offering a variety of functions. After that, we planted safe and delicious vegetables that we had grown using the resource recycling method of agriculture that we advocate. We plan for these vegetables to be consumed at various nearby facilities and events.



Mowing grass



Planting



### ■ Supporting the Incorporated NPO Osaka Honey Bee Project

Supporting the Incorporated NPO Osaka Honey Bee Project Yanmar provides support for the Osaka Honey Bee Project, an urban bee-keeping initiative that began in 2011 following a proposal from employees.

Bees pollinate urban trees and flowers, helping them to produce fruit. Wild birds eat the fruit and take the seeds they have eaten away to other places, where new trees and plants can grow. This project helps communicate the essential role that bees play in the ecosystem, and promotes the continuous greening of the area. This resonates with the business of Yanmar, which involves promoting continuous development in harmony with nature. Yanmar has also tied the project in with the CSR activities it performs in the area.

While Yanmar's new headquarters building was being constructed, the apiary was relocated to the ABC Mart Building next door. But in December 2014, however, it returned to the Yanmar Building. Now, beehives are installed in the garden located in the center of the Premium Marche on the 12th floor. Not only do we take care of the bees, but we also invite children in from nearby elementary schools. We provide them with environmental education covering, for example, the ecology of honey bees.



Local elementary school students are invited in to learn about honey bees



Children observing the honey bees through the glass

### ■ Collaborating with the Yodogawa Flower Project

Yanmar, in conjunction with Kita Ward Office of Osaka and Junior Chamber International Osaka, is working to enhance the scenery of the left bank of the Yodogawa River, near the Yanmar Head Office. Since FY2012, we have been removing trash and stones from the river terrace and using Yanmar tractors to till the soil, and in July 2013 we were joined by 200 Kita Ward residents in sowing cosmos seeds there. When the flowers bloomed in September, we organized an event to view them.

Later, in October, we planted rape seeds, which bloomed the following March. So the Yodogawa River terrace has been transformed, with its appearance changing with the seasons as cosmos blooms in the spring and rape blooms in the fall. Before the project began, the river terrace was littered with so much illegally dumped trash and so many large stones that the tractor's blades would break. But it is now so beautiful that it's unrecognizable as the same place, and Yanmar intends to continue working to make it even more beautiful in the future.



Cosmos blooming beside the Yodogawa River

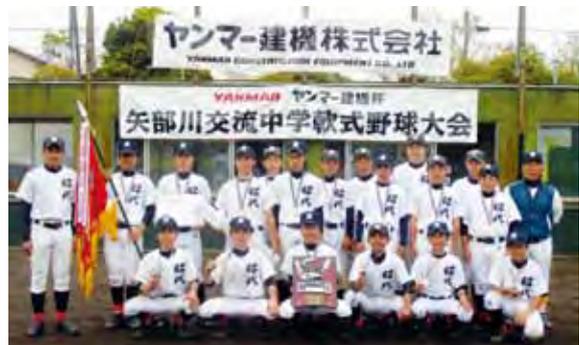


Tilling the soil with a Yanmar tractor

### ■ Sponsored a softball tournament for local junior high schools

— YANMAR CONSTRUCTION EQUIPMENT CO., LTD. —

YANMAR CONSTRUCTION EQUIPMENT hosted the "Yanmar Construction Equipment Cup: Yabegawa Junior High School Exchange Softball Tournament" in its home town of Chikugo in Fukuoka Prefecture. 24 teams from Chikugo and six nearby municipalities participated in the tournament, which took place between April 11 and 18, 2015. We provided support for the close contests that unfolded between the young players during the period. We have been involved in the tournament as special co-sponsor of the tournament for three years, and the stadium at our corporate headquarters is used for the open ceremony and the games themselves. Going forward, we will continue to support sporting activities by young people in the area.



The winning team in the "Yanmar Construction Equipment Cup: Yabegawa Junior High School Exchange Softball Tournament"

### ■ Family members and business partners invited to an event

— YANMAR SHIPBUILDING & ENGINEERING CO., LTD.—

In April 2015, YANMAR SHIPBUILDING & ENGINEERING held an event called "Boat Festa 2015 in Kunisaki" for employees' families and business partners. The event venue was bustling with the 94 people in attendance. This was the first time for this event to be held, and it featured a factory tour, explanations of rides in new boats, and other recreational activities. Through these activities, the participants became more familiar with YANMAR SHIPBUILDING & ENGINEERING. It was also a good opportunity for children to see their parents at work, a sight that they don't normally get the chance to enjoy.



Participants at Boat Festa 2015 in Kunisaki

## Contributing to society in various parts of the world

### ■ Provided job-hunting students with knowledge and financial support

#### —YANMAR SOUTH AMERICA INDUSTRIA DE MAQUINAS LTDA.—

YANMAR SOUTH AMERICA joined forces with an NPO in the city of Indaiatuba in the state of Sao Paulo, where it is located, to accept 16-year-old students who will soon be looking for work. The students, who spent one year at the company, were able to combine their studies with working part time. They were helped to acquire various types of knowledge that will prove useful as they embark on life in society, and were also paid for their work.



The students undergoing vocational training

### ■ Donated a tractor to be used in a practical educational program at a college

#### — YANMAR AMERICA CORPORATION —

In April 2015, YANMAR AMERICA donated an LX4900 tractor, which also features a loader and a backhoe, to the Berry Farms Season's Harvest, a student enterprise at Berry College in Rome, Georgia. Season's Harvest, which was also established for the purpose of providing students with education, is run by students at the college and provides the local community with seasonal produce that is cultivated naturally. The donated tractor is now being used on a daily basis for vegetable garden and orchard work by the students who work in the program. Such work includes tilling, the cultivation of seedlings, mowing grass, and transportation.



Donating the tractor to the students

### ■ Hosted a factory tour to coincide with National Industry Week

#### — YANMAR CONSTRUCTION EQUIPMENT EUROPE S.A.S. —

To coincide with National Industry Week 2015, YANMAR CONSTRUCTION EQUIPMENT EUROPE hosted a tour of its factory with the aim of fostering understanding of industry and business. Around 50 people took part in the tour, and they included not only ordinary people, but also representatives of various organizations in the region, including schools that help people return to work, staff dispatching agencies, recuperative facilities, and training centers. The visitors were particularly interested in the range of work performed at the factory and how clean and tidy its interior was.



Participants in the factory tour

### ■ Paid a courtesy visit to a senior citizens' home and interacted with the residents

#### — YANMAR ENGINE (SHANGHAI) CO., LTD. —

In September 2014, representatives of YANMAR ENGINE (SHANGHAI) paid a courtesy visit to a senior citizens' home, where they engaged in conversation with the residents. In China, September 9th (i.e. the Double Ninth) is a traditional holiday on which various events for elderly people are held. In that sense, it is similar to Japan's Respect for the Aged Day. During this courtesy visit, the representatives not only chatted with the residents but also cleaned their rooms and communal areas. Later, in November, they also replaced the ventilation equipment. This was the first time to conduct such a visit, but the company intends to continue contributing to the local community by engaging in periodic exchanges in the future.



Interacting with the residents of the senior citizens' home

### ■ Welcomed students from Gadjah Mada University for an explanation of casting technology

#### — PT. YANMAR INDONESIA —

In April 2015, YANMAR INDONESIA invited 34 students from the Faculty of Mechanical Engineering at Gadjah Mada University in Yogyakarta for an explanation of casting technology. The students learned about the casting engineering by listening to a summary of the technology involved and viewing the actual manufacturing process.



Students observing the casting manufacturing process

### ■ Interns gain experience of actual work

#### — YANMAR KOTA KINABALU R&D CENTER SDN. BHD. —

The YANMAR KOTA KINABALU R&D CENTER took advantage of spring break in the 2014 academic year to invite four students from Tokyo University of Marine Science and Technology, who had visited the company for work experience, to take part in a two-week internship program. During the program, the students performed work in the engine testing building and the chemicals laboratory.



Interns gaining vocational work experience

## Examples of Cooperation Between Local Industry, Government and Academia

The Yanmar Group tackles issues in the fields of food production and harnessing power, which are crucial for life. To resolve these issues, it is important that we not only act alone, but also involve various stakeholders in the fields of industry, government, and academia. Here we will introduce some of the more important examples of collaborative initiatives we have been undertaking in recent years.



### Promoting the cultivation of garlic in the city of Yabu in order to revitalize low-upland agriculture

In the city of Yabu in Hyogo Prefecture, which has been designated as a national strategic zone for agriculture, YANMAR AGRI INNOVATION CO., LTD. is working with the government, local farmers, and companies to establish garlic cultivation in the area. The hope is that this will help to revitalize agriculture in the low uplands there.

Yabu has an ideal climate for garlic cultivation as it is subject to heavy snowfalls and the difference in temperature between summer and winter is very large. Garlic attracted attention because it offers the prospect of sales worth 5-10 times that of rice grown on the same acreage. Garlic was regarded as suitable for small-scale low-upland agriculture industry like that found in Yabu, and the aim is now to turn it into a garlic cultivation area.

At the Yanmar Yabu Farm, garlic has now been cultivated for three years, and the number of farmers expressing an interest in growing the crop has begun to rise.

From FY2015, we are going to run study sessions for garlic cultivation in order to attract more interested parties. The goal is to expand the area in which garlic is cultivated to 18ha in FY2018.



Garlic being cultivated



### A facility for collaborative research in the field of agriculture established in Indonesia

Yanmar has established a facility for conducting agricultural research in Indonesia. The facility is similar to one established in 2013 in Vietnam (which is described in detail on pp. 18-19). As is the case in Vietnam, it will perform surveys of agriculture and social conditions in Indonesia, and explore ways of meeting the needs of local farmers and improving their living standards. The facility will also be working in partnership with Bogor Agricultural University, which is regarded as Indonesia's preeminent educational institution in the field of agriculture and plays a central role in conducting research and developing human resources in the field. Specifically, the facility will conduct surveys and make proposals for mechanization in order to solve problems that the government there has committed itself to tackling.



YANMAR AGRICULTURAL RESEARCH INSTITUTE - IPB



### Support for creating a regional brand by employing oyster cultivation technology in Kunisaki

In the city of Kunisaki in Oita Prefecture, the Yanmar Group is supporting an experimental project to cultivate shelled oysters for raw consumption. This project, which is being spearheaded by the local fisheries association, employs a two-shell aquaculture solution developed by us, which we call the "Tied and Deep Method." In this way, we are helping to establish oysters as a high-value-added brand that will contribute to the revitalization of the local fishing industry.

The Tied and Deep method involves Magaki Japanese oysters produced by combining high-density artificial egg production technology with intermediate nurturing technology. It therefore allows two-shell aquaculture to be performed highly efficiently and to deliver high added value. In addition, because the environmental impact on the sea in which the oysters are cultivated is small, it makes sustainable cultivation possible.

Further developing the aquaculture industry to allow it to deliver stable production will facilitate a shift away from "catching" to "cultivating," which will contribute to the development of the region.



Aquaculture in Kunisaki



### Implementing a project to promote the modernization of tuna fishing in Vietnam

Yanmar is implementing a project in the southern central part of Vietnam to modernize tuna fishing, and using a demonstration vessel produced with the cooperation of the local Nha Trang University's Institute for Ship Research and Development, we began testing in January 2015.

There are approximately 90,000 fishing vessels operating in Vietnam, but most of them are made of wood, which is inefficient for propelling a boat. They also consume a lot of fuel, and the engines on most of them are secondhand ones that do not meet recent emission standards for exhaust emissions. In addition, there is a lack of technology for keeping fish that have been caught fresh, so the prices that the fish sell for in the markets is low, which makes it difficult for the fishermen to earn a living.

The testing operation involves a program to both reduce energy usage on fishing vessels and keep the tuna caught fresher. In this way, we are both helping to reduce global warming and make fishing a more profitable endeavor.



Bringing a tuna aboard a demonstration vessel

## View from a third party

### Impressions from Reading the Yanmar CSR Report 2015

What impressed me most about your CSR Report 2015 was the clarity and consistency with which you used a wealth of content to convey specific messages that communicate your Mission Statement, which forms the backbone to the entire document. For example, I noticed that the Message from the President at the beginning presents specific practical action for achieving your Mission, namely that you “view these social issues as market needs, and will endeavor to resolve them through business and translate them into growth.” This can be said to be a clear expression intent to integrate the resolution of social issues with corporate growth, which is something that many companies are being asked to do through the disclosure of nonfinancial information. It also indicates a commitment to making a global effort to ensure that all your employees understand your Mission, and articulates a clear direction for the style of CSR management that your company wishes to pursue.

The Feature Articles that are influenced by this focus on resources for achieving your Mission of developing human resources and technological capabilities. Feature Article 1, which deals with the topic of transforming ways of working, describes various initiatives that are being taken, such as promoting cross-departmental communication. The employment of original and flexible thinking to allow organizational capabilities to be demonstrated to the full and the pursuit of innovation can be said to be what the implementation of the Mission Statement is all about. Feature Article 2, which addresses the theme of transforming agriculture, introduces Solutioneering as a mechanism for utilizing technology to tackle social issues such as resource shortages caused by population growth. This is specific content that embodies the President’s Message of translating your own company’s growth into improved productivity and quality for the farmers that constitute your customers. Your transformation of customer satisfaction, meanwhile, which is about not only developing and supplying high-quality hardware, but also helping to create value by using a remote support center to enable this hardware to be used more cleverly, also offers an opportunity to view technological capabilities as a resource from multiple angles.

By conveying this message consistently, this report, while presenting a vast amount of information, successfully explains to stakeholders your company’s approach to CSR management, i.e. creating value for society through your mainstay businesses. I



Mr. K. Takegahara

General Manager  
Environment • CSR Division  
Development Bank of Japan Inc.

#### ■PROFILE

After graduating from the Faculty of Law at Hitotsubashi University, Mr. Takegahara joined Japan Development Bank (present Development Bank of Japan Inc.). He took up his current post after working in the bank’s research and policy-making departments and serving for a period in Frankfurt. He is also joint chairman of the steering committee for the Ministry of Environment’s “Financial Code of Conduct for Creating a Sustainable Society,” a member of the Ministry of the Environment’s “Study Group on Investment That Takes Account of Issues Relating to Sustainability,” a member of the Cabinet Secretariat’s “Environmental Model City Working Group,” and so on. He has also written numerous books, such as *How to Tackle Climate Change Risk* (in Japanese only, joint author, Kinzai Institute for Financial Affairs, Inc., 2014)

was also highly impressed with the layout of the pages, e.g. the effective positioning of photographs and figures, and the way that you added depth to the report by repeatedly including statements from your employees.

In the future, I hope to see reports on specific implementations of CSR activities at your overseas sites. This would serve as proof that your Mission is also being instilled among your overseas employees. Furthermore, in the section on consumers, you indicate that you have received complaints from customers, and I think it is worth considering expanding the content of the report to also include information that paints you in a less positive light. For example, you could describe the processes you employ to improve quality in response to customer complaints. Regarding the format, recent changes in rules concerning the disclosure of nonfinancial information mean that it is now also important to disclose, based on communication with outsiders, key aspects of CSR management and processes for specifying the outcomes that they deliver. For your company, the latter is fairly obvious, but reevaluating your approach to CSR management in accordance with changes in international guidelines is probably essential if you are to achieve your goal of becoming a global major player.

### Our response to the third-party opinion

This year, for the first time, we received a third-party opinion concerning our CSR Report from Keisuke Takegahara of the Development Bank of Japan. We would like to express our gratitude to him for giving us his opinion.

This Report has focused on how the practical implementation of our Mission Statement has increased the tangibility of Yanmar’s CSR activities. Mr. Takegahara has praised it for continuously addressing problems and for focusing not only on hard (i.e. infrastructure-related) aspects but also soft (i.e. people-related) aspects of CSR. He said that this ensured that our practical activities and action to create social value were conveyed in an easy-to-understand fashion.

Going forward, we intend to respond to Mr. Takegahara’s comments by further promoting the implementation of CSR activities at overseas sites and expanding the content of the report. In addition, although it is not easy to incorporate CSR into aspects of management such as task selection and value creation processes, we accept that it is important to do this and will therefore explore ways of doing it. We will accept the opinions we have received graciously and contribute to addressing social issues through the promotion of CSR activities.

Risk Management Group  
CSR Division  
YANMAR CO., LTD.

# Corporate Profile

## Corporate Profile

Trade name ..... YANMAR CO., LTD.

Head Office ..... YANMAR FLYING-Y BUILDING  
1-32 Chayamachi, Kita-ku, Osaka, 530-8311, Japan

Tokyo Office ..... 2-1-1 Yaesu, Chuo-ku, Tokyo, 104-8486, Japan

Founded ..... March 22, 1912

Capital ..... ¥6.3 billion

President ..... Takehito Yamaoka

Net Sales (FY2014) ..... ¥655.0 billion (consolidated base)  
¥361.7 billion (company base)

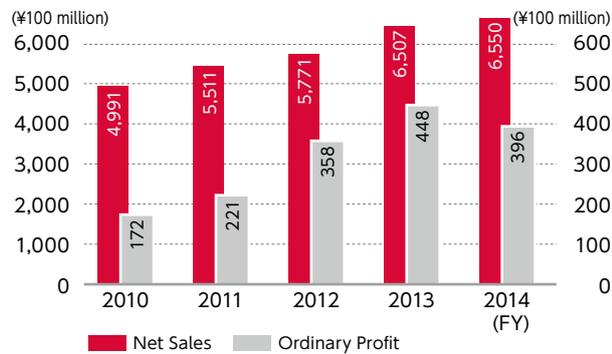
Employees (as of March 31, 2015) ... 17,007 (consolidated base)  
3,342 (company base)



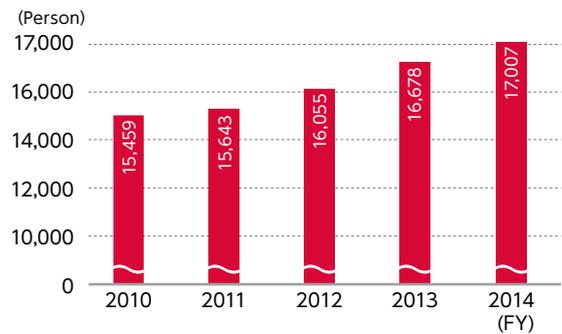
YANMAR FLYING-Y BUILDING

## Major Indicators

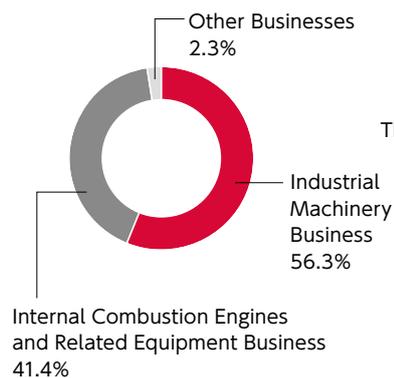
Consolidated Net Sales and Ordinary Profit



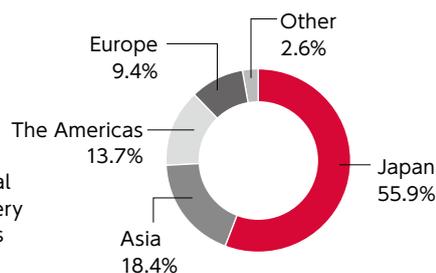
Employees (Consolidated)



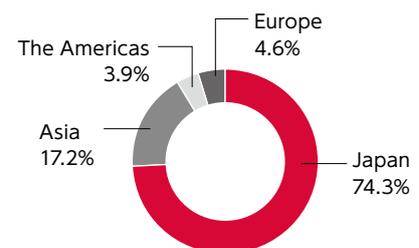
Consolidated Sales Rate by Segment (FY2014)



Consolidated Sales Rate by Region (FY2014)



Employees by Region (as of March 31, 2015)



# The Yanmar Group Network

## Head offices, branches, group companies, centers, etc.

### YANMAR HOLDINGS CO., LTD.

### YANMAR CO., LTD.

Head Office

Tokyo Office

Research & Development Center

#### ■ Engine businesses

- Power System Operations Business
- Large Power Products Operations Business

#### ■ Agricultural businesses

- Agricultural Operations Business

#### ■ Marine businesses

- Marine Business

#### ■ Factories

- Biwa Factory
- Kinomoto Factory
- Omori Factory
- Nagahara Factory
- Amagasaki Factory
- Tsukaguchi Factory

#### ■ Overseas representative offices

- YANMAR CO., LTD. - MOSCOW REPRESENTATIVE OFFICE
- THE REPRESENTATIVE OFFICE OF YANMAR CO., LTD. IN CAN THO CITY
- YANMAR AGRICULTURAL RESEARCH INSTITUTE - IPB

#### ■ Training facilities

- Global Human Resources Development Institute

#### ■ Others

- Yanmar Museum

## Group Companies

### Group Companies (Japan)

#### Agricultural Business

- YANMAR AGRICULTURAL MACHINERY MANUFACTURING CO., LTD
- NEW DELTA INDUSTRIAL CO., LTD.
- KYOURITSU IRRIGATE CO., LTD.
- YANMAR AGRI JAPAN CO., LTD.
- YANMAR GREEN SYSTEM CO., LTD.
- YANMAR HELI & AGRI CO., LTD.
- YANMAR AGRICULTURAL INNOVATION CO., LTD.
- BUNMEI NOKI CO., LTD.

#### Construction Business

- YANMAR CONSTRUCTION EQUIPMENT CO., LTD.

#### Energy System Business

- YANMAR ENERGY SYSTEM CO., LTD.
- YANMAR ENERGY SYSTEM MFG. CO., LTD.
- KOHRIN ENGINEERING CO., LTD.

#### Marine Business

- YANMAR MARINE SYSTEM CO., LTD.
- GENKAI YANMAR CO., LTD.
- YANMAR SHIPBUILDING & ENGINEERING CO., LTD.

#### Component Business

- KANZAKI KOKYUKOKI MFG. CO., LTD.

#### Engine Business

- YANMAR CASTING TECHNOLOGY CO., LTD.
- YANMAR ENGINEERING CO., LTD.

#### Others

- YANMAR OKINAWA CO., LTD.
- YANMAR SANGYO CO., LTD.
- YANMAR CREDIT SERVICE CO., LTD.
- YANMAR LOGISTICS SERVICE CO., LTD.
- YANMAR INFORMATION SYSTEMSERVICE CO., LTD.
- YANMAR BUSINESS SERVICE CO., LTD
- YANMAR TECHNICAL SERVICE CO., LTD.
- SEIREI TOTAL SERVICE CO., LTD.
- KOWA COMPANY, LTD.
- YAESU SHOPPING MALL CO., LTD.
- SEIREI KOSAN CO., LTD.
- OSAKA FOOTBALL CLUB CO., LTD.
- YANMAR ENVIRONMENTAL SUSTAINABILITY SUPPORT ASSOCIATION
- YAMAOKA SCHOLARSHIP FOUNDATION
- YANMAR HEALTH UNION
- YANMAR CORPORATE PENSION FUND
- YANMAR AGRI JAPAN PENSION FUND
- YANMAR SYMBIOSIS CO., LTD.
- E-STIR CO., LTD.

### Group Companies (Worldwide)

#### The Americas

- YANMAR AMERICA CORPORATION
- TUFF TORQ CORPORATION
- TRANSAXLE MANUFACTURING OF AMERICA CORPORATION
- 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 INTERNATIONAL EUROPE B.V.
- YANMAR BENELUX B.V.
- VETUS B.V.
- YANMAR NORGE A.S.
- YANMAR SVERIGE A.B.
- YANMAR CONSTRUCTION EQUIPMENT EUROPE S.A.S.
- YANMAR ITALY S.p.A.
- YANMAR R&D EUROPE S.R.L.
- YANMAR EQUIPMENT IBERICA, S.L.
- HIMOINSA
- YANMAR RUS LLC

#### Asia

- YANMAR ENGINE (SHANGHAI) CO., LTD.
- YANMAR ENGINE (SHANDONG) CO., LTD.
- YANMAR AGRICULTURAL EQUIPMENT (CHINA) CO., LTD.
- HARBIN YANMAR AGRICULTURAL EQUIPMENT CO., LTD.
- YANMAR ENGINEERING (HK) CO., LTD.
- YANMAR AGRICULTURAL MACHINERY (KOREA) CO., LTD.
- YANMAR INTERNATIONAL SINGAPORE PTE.LTD.
- YANMAR ASIA (SINGAPORE) CORPORATION PTE. LTD.
- YANMAR S.P. CO., LTD.
- YANMAR CAPITAL (THAILAND) CO., LTD.
- YANMAR AGRICULTURAL MACHINERY VIETNAM CO., LTD.
- YANMAR BOAT MANUFACTURING VIETNAM CO., LTD.
- YANMAR PHILIPPINES CORPORATION
- P.T. YANMAR DIESEL INDONESIA
- P.T. YANMAR AGRICULTURAL MACHINERY MANUFACTURING INDONESIA
- PT. YANMAR INDONESIA
- P.T. YKT GEAR INDONESIA
- P.T. KANZAKI TJOKRO MACHINE TOOLS INDONESIA
- YANMAR INDIA PRIVATE LIMITED
- YANMAR COROMANDEL AGRISOLUTIONS PRIVATE LIMITED
- YANMAR KOTA KINABALU R&D CENTER SDN. BHD.
- YANMAR ENERGY AUSTRALIA PTY. LTD.

## Business Field

# The Yanmar Group: Our Business Domains

## On the Land

Yanmar provides solutions on the land, at sea, and in the city. Whether it is versatile construction machinery, highly efficient energy generation, our original component business, our agricultural business that is aimed at ensuring that plenty of food can be produced globally, 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.



## At Sea



## In the City

On the Land

Three Fields,  
Seven Businesses

At Sea

In the City

### Industrial Engine Business

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

Development, production, sales, and services are unified, and a business model, based on LCV (lifetime customer value), which aims to increase customer value 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

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, aquaculture tanks and pontoons, etc.

### Agricultural Business

We offer total solutions that not only include products that employ the latest technologies, such as ICT (information and communications technology), and services that minimize downtime, but also assistance for customers in farm management.

●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

We offer optimum solutions through our GHPs, cogeneration systems, emergency generators that contribute to BCP and saving energy and electricity. We are also focusing on the Field of bio gas and other renewable energies.

●Products: Cogeneration systems, bio gas cogeneration systems, gas heat pumps, standby generators, pump drive systems, solar power generation systems, etc.

### Construction Machinery Business

We supply 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

Along with our proprietary hydraulic control and gear processing technologies, we supply distinctive variable hydro-mechanical transmissions.

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



# On the Land

## Agriculture Supports Life

We regard agriculture as the fundamental business for supporting life, and in Japan we offer total solutions that appeal to both the professional farmer and the hobbyist. Overseas, meanwhile, and particularly in Asia, we are working to ensure a plentiful supply of food in the future by promoting the mechanization and structural integration of agriculture.

### Industrial Engine Business

TNV Series Vertical Water-Cooled Diesel Engines

**Clean diesel engines satisfying a number of world's toughest gas emissions standards**

Integration of a common rail fuel injection system, a diesel particulate filter (DPF) and an optimized exhaust gas recirculation (EGR) system in the TNV series engines delivered certification under a number of world's strictest exhaust gas emissions standards, as required by the U.S. Environmental Protection Agency (EPA), California Air Resources Board (CARB), EU Directives, and diesel emission regulations in Japan, South Korea, and Switzerland. This is therefore a series of clean diesel engines that are backed by these certifications and deliver a high level of environmental performance.

### Agricultural Business

YT490, 5101, and 5113 Tractors

**By implementing a premium brand strategy aimed at making agriculture more sustainable, with these tractors we offer customers delight and pride in their status as owners**

Not only do these tractors embody the design and coloring of the concept tractor we unveiled in July 2013, but every aspect of them has been renewed. Basic functions, operability, comfort, and work aptitude have all been improved, while their environmental impact has been lessened. They offer customers a level of premium value that they have never experienced before.



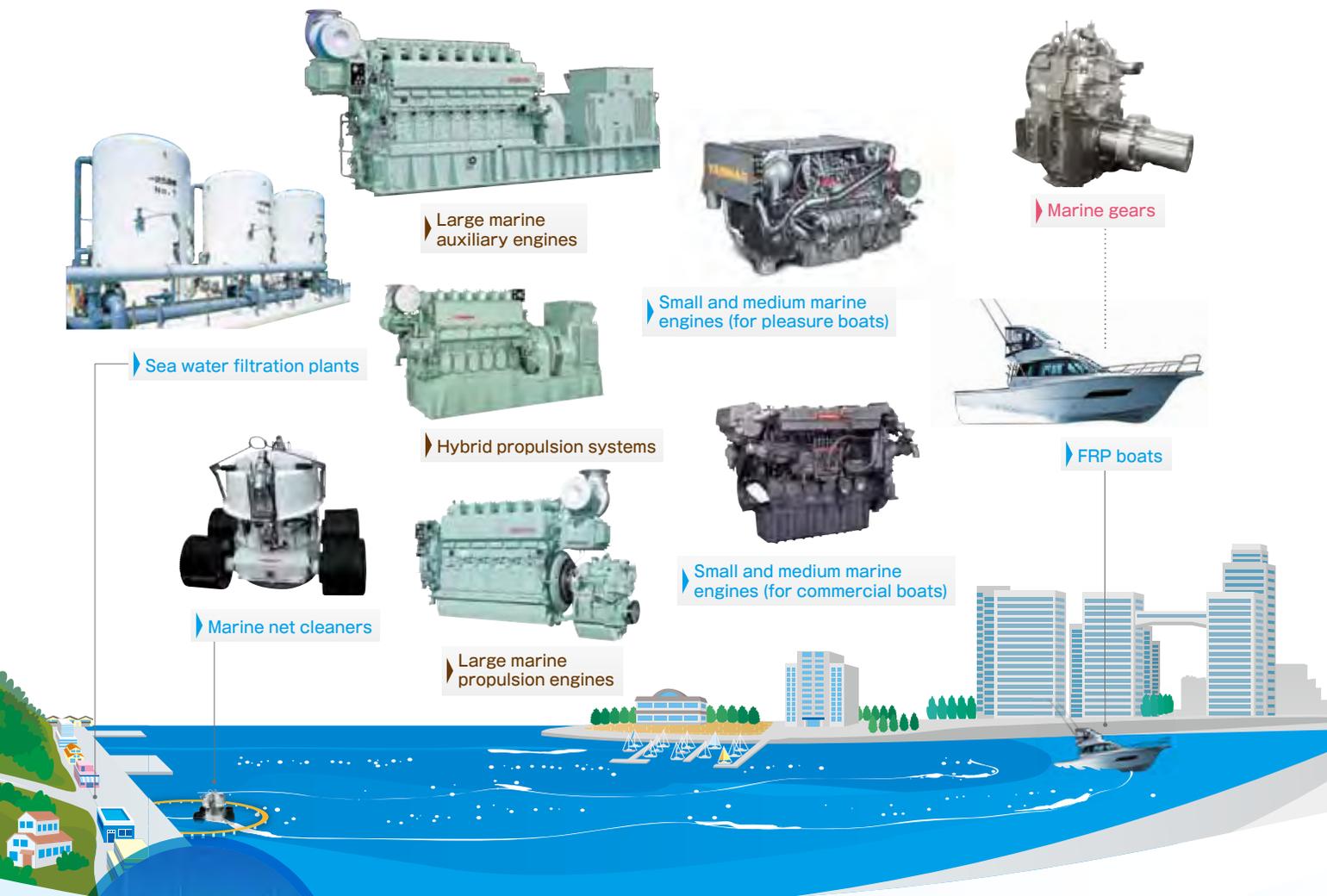
### Agricultural Business

YH460, 470, 570, 590 Combines

**Equipped with functions that exceed expectations, these premium combines offer delight to customers and give pride to us**

Every process that combines perform, i.e. reaping, threshing, ejection, and transportation, has been made more efficient, making harvesting faster and tomorrow's work easier to perform. These combines bring that kind of delight to customers. Increased threshing capacity, in particular, mean that plans can be followed to the letter, providing stable incomes to farmers. And because the combines are equipped with engines that meet the third generation of exhaust-gas regulations for non-road special motor vehicles, environmental impact has been reduced. These features have also been combined with a brand new design.





# At Sea

## Coexistence between humans and the marine environment

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.

### Marine Business

#### EX38 Fishing Cruiser

**A fishing cruiser that enables users to experience the depth of fishing**

Featuring a unique design, the EX38 offers a level of cruising performance that is one rank above the competition, while its roomy deck area allows users to enjoy a variety of types of fishing. The spacious cabin, meanwhile, which has been designed to be extremely quiet, delivers plenty of space for spending time in comfortably.



### Marine Business

#### JC Series of Joystick Control Systems

**Yanmar's first electronically controlled handling systems for pleasure boats**

**Twin specification features an electronically controlled engine and ZT370 stern drive**

Using a joystick, users can easily turn the boat to any direction within 360 degrees. The systems also feature a range of functions such as autopilot and fixed location preservation. Inboard specifications are also being expanded.



### Large Engine Business

#### AT1200E Gas Turbine

**A highly-efficient gas turbine for power generation that offers the best fuel economy in the 1000kVA class**

The latest advances in aerodynamic design have allowed us to offer both high output (33% higher than the previous models) and low fuel consumption (17% lower than the previous models). This standby generator helps increase lifetime customer value.



Gas engines



Air conditioning systems (GHPs)



Mini excavators



Solar power generation



Machine tools



Cogeneration systems



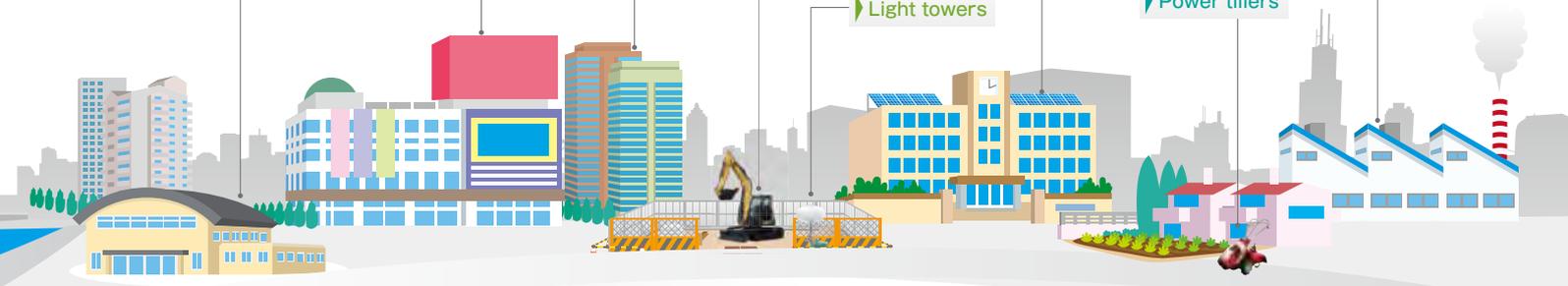
Standby generators



Light towers



Power tillers



## Effective Energy Usage

With technology ranging from renewables, cogeneration systems that harness heat and electrical energy, and electricity-saving, ultra-high efficiency gas heat pump (GHP) air conditioners, Yanmar is aiming to deliver effective energy solutions that are suited to the next generation of urbanization, whether for business, public facilities, or residential use.

### Construction Machinery Business

#### 6 Series of Mini Excavators

The 6 Series of mini excavators has been designed with a focus on user comfort

Featuring clean diesel engines, this is a series of crawler backhoes that comply with exhaust gas regulations in each country. These products employ universal design, and feature functions that ensure safe and reliable operation. Products featuring such functions are registered as New Technology Information Systems (NETIS).



### Component Business

#### GB150 Gear Grinding Machine

A Kanzaki-produced gear grinding machine for improving the manufacture of eco-friendly automobile transmissions

Recent automobile transmission systems, such as those used in hybrid vehicles, must now be much quieter, which means that the shapes and traces of the cog-wheels need to be finished with high precision. As a result, KANZAKI KOKYUKOKI MFG. CO., LTD. has begun selling the GB150, a gear grinding machine that can polish the surfaces of the cog-wheels highly precisely.



### Energy System Business

#### EP370G Industrial-Use Gas Engine Cogeneration System

An industrial-use cogeneration system that can meet the increase in demand following a disaster

We have added a 370kW cogeneration system (50Hz) to our lineup in order to offer a stronger product to the industrial market. Featuring a cooling tower and an all-in-one structure, the system is easier to install and offers a total deployment cost that is 20% lower than previous models.



**YANMAR**

Inquiries

Risk Management Group, Corporate Social Responsibility Div.,  
Human Resources, General Affairs & Legal Unit

**YANMAR CO., LTD.**

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