



YANMAR



Corporate Social Responsibility Report 2022

Highlighted booklet

Brand Statement

A SUSTAINABLE FUTURE

New Value through Technology



Editorial Notes

Yanmar CSR Report is published every year to inform our diverse stakeholders on our approaches and the current state of the Yanmar Group's CSR efforts, and to present company results for Fiscal Year 2021, with the aim of improving CSR activities through interactive communication.

This report has brought highlights of our website and re-edited into 4 visions to feature our products, services and business activities to realize A SUSTAINABLE FUTURE.

Our website contains and describes detailed numeric data, reports and past activities from the important perspective to the Group and society in line with environmental, social and corporate governance.

Reference Guidelines

1. "Environmental Report Guidelines (2018)" of the Japanese Ministry of Environment
2. GRI Sustainability Reporting Standards
3. ISO 26000

Period

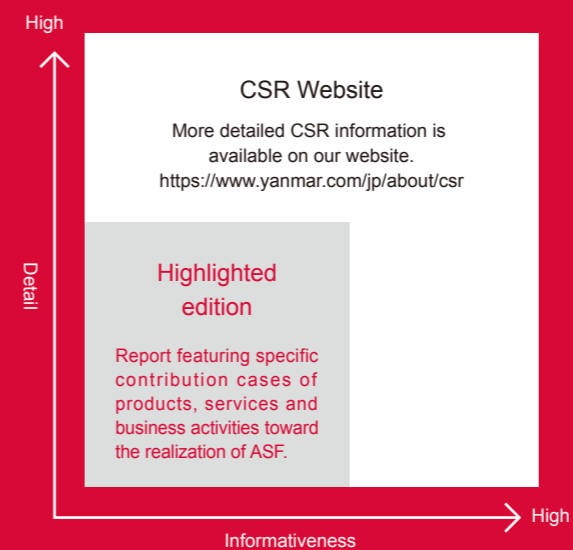
The activities and data disclosed in this report are for the period of fiscal year 2021 (April 1, 2021 to March 31, 2022). However, the Report also includes some items occurring in fiscal year 2022.

Applicable Group Companies

In general, the information in this report applies to the entire Yanmar Group. Information specific to any particular company is indicated as such in the text.

Date of Issue

December 2022
(The next issue is tentatively scheduled for December 2023.)



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About the image on the cover

Those images are the Best Photos of the Painting and Photo Contest held by the Yanmar Group's magazine, Echo on the theme of one of the four future visions set forth in A SUSTAINABLE FUTURE.

Keep challenging ourselves to be a 200-year value creation company that shapes new social values

To find essential solutions to the social issues

Although the effects of the Covid-19 pandemic remain in our society, we are getting adjusted to the new normal that are brought on by this crisis. While our lives enter a new phase, the business activities face increasing risks including global supply chain disruptions due to the world's tense situation, as well as soaring raw material, fuel and logistics costs. In addition, social issues such as food shortages, increasing energy demand, and climate change are becoming more and more critical on a global scale, and many companies are questioned how to deal with them. In the essential areas of food production and harnessing power, the Yanmar Group has been committed to its mission by addressing not only customers' but also social issues to create values in the unpredictable world.

Creating new values that harmonize people and nature

At Yanmar, we believe that new value lies in the balanced relationship where humanity harmonizes with nature. Under the brand statement, A SUSTAINABLE FUTURE –New Value Through Technology– Yanmar is committed to solving our customers' problems and fulfilling our social responsibility to help people and nature coexist in harmony. In order to fulfill our responsibility, in 2018, we drafted the Group Environmental Vision 2030 and have been working on environmental conservation activities, including setting quantitative reduction targets to combat global warming. To further accelerate the efforts that have been made toward the transition to a decarbonized society, we have declared this year that we will become an environmental load-free and GHG-free company based on recyclable resources in Yanmar Green Challenge 2050. This is our statement to realize corporate activities with zero GHG

emission and efforts to eliminate non-recyclable waste. Also, we will help customers reduce their emissions and waste by providing our products and solutions to make the whole society sustainable. We believe that carbon neutrality can be achieved by developing power generation using Yanmar's renewable energy sources and energy conversion technologies to increase the efficiency of energy use.

Other initiatives are underway to fulfill our mission of creating value for our customers and achieving a balance between human and nature. With the development of the YC100 bio composter, we have succeeded in creating a resource-recycling food supply chain by returning decomposed materials to the fields. This will reduce food waste generated at food processing plants and supermarkets.

In a new effort to aim for A SUSTAINABLE FUTURE, the Yanmar Group takes on park management business of Nagai Park in Osaka. The renovated park is operated on the basis of resource recycling, and provides value as an urban park by introducing energy-saving equipment and its management systems that utilize Yanmar's cutting-edge technology and green power in its facilities. Through hosting many events at the park, we will enhance the value of urban park, conveying Yanmar's corporate philosophy and contributing to the development of the local community.

Fostering next generation leadership

As Yanmar celebrates its 110th anniversary in 2022, our employees are the driving force behind the business. No matter how much digitization and information technology accelerate, and work styles become more streamlined, the significance of employees will never change.

I believe that a workplace should be a place where employees can perform their abilities well and feel fulfilled on their jobs.

Takehito Yamaoka

President and CEO



The Yanmar Group has a tradition of encouraging employees to take on challenges. We have named this inherited corporate culture *HANASAKA*, which means to nurture the seeds of employees' self-development and help them blossom into a large flower of aspiration. Innovative ideas that create social value are born from such a rewarding workplace where people from diverse backgrounds work together and keep taking on challenges themselves. For a better future, we support human resources in diverse fields as well as foster the young people who lead the next generation.

A 200-year company that keeps creating social value

As we celebrate our 110th anniversary this year, we have already begun to create values for society toward the next 100 years. For a step toward this major goal, we are united as one Yanmar under the two pillars of Yanmar Green Challenge 2050 and *HANASAKA*, flexibly responding to the changes of the times and tackling challenges for our customers and society. Through new technology, Yanmar continues to provide new value for both human and nature.

Business Fields

LAND, SEA AND CITY, THE PLACES WE LIVE

Yanmar has seven business fields - land, sea and city. Our engine business offers quality and reliable engines since the founding. In our agricultural business, we expand globally to ensure an abundant food supply. Our marine related business strives to coexist with the marine environment. We offer energy efficiency technology in our energy system business. Our construction business provides an extensive range of construction equipment, and our component business manufactures innovative products.

Industrial Engines

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

- Products include compact diesel engines for industrial use, gas engines and precision components for fuel injection systems.

Power Products

Production, sales, development, and services are all working in unison to increase lifetime value of the engine over the long life of the vessel for customers.

- Products include marine- and land-use diesel engines, gas engines, gas turbines, and products related to these systems.

Agricultural Business

To realize sustainable agriculture, we support agricultural management and smart agriculture employing ICT and other cutting-edge technologies.

- Products include tractors, combines, rice transplanters, power tillers, farm facilities, unmanned helicopters, and other products and materials related to agricultural use.

Marine Business

Yanmar is devoted to developing high-power, yet environmentally friendly marine engines that deliver performance for different environments, fishing boats and recreational boats featuring excellent comfort and operability, as well as a wide range of other products and systems, such as marine equipment indispensable to the aquaculture industry.

- Products include marine diesel engines, marine equipment, FRP recreational boats, small fishing boats.

Energy System Business

We offer total energy solutions with our GHPs, cogeneration systems, and emergency generators that help with BCP and contribute to reductions in energy consumption. We are also focusing on renewable energies, such as bio-energy.

- Products include cogeneration systems, bio gas cogeneration systems, gas heat pumps, standby generators, pump drive systems and solar power generation systems.

Construction Equipment Business

As the pioneer of compact construction equipment, Yanmar is an industry leader. In addition to being the first company to sell a zero tail swing excavator, the VIO series, we supply a wide variety of construction equipment, general-purpose machinery, portable generators and light towers.

- Products include mini excavators, wheel loaders, carriers, small generators.

Component Business

We develop and manufacture a variety of drivetrain systems based on our unique hydraulic control and gear processing technologies. These technologies are used in a wide range of fields in agricultural machinery and ships.

- Products include hydraulic equipment, gears, transmissions, marine gears and machine tools.

Food and Home Appliance Business

Aiming for the sustainable development of primary industries and the creation of affluent dietary, we offer solutions in the areas of food and housing, from production support services and food distribution to kitchen designs.

- Sales of foodstuffs, production support services for primary industry, home appliances sales.

Land

TRANSFORMING AGRICULTURE INTO A FOOD VALUE CHAIN

With farm machinery, Yanmar has long supported food production, the foundation for life. And with the aim of making agriculture more sustainable in the future, Yanmar is transforming agriculture into a food value chain by utilizing ICT and offering new solutions.



Sea

WORKING TOWARD SUSTAINABLE PRACTICES ON OUR OCEANS

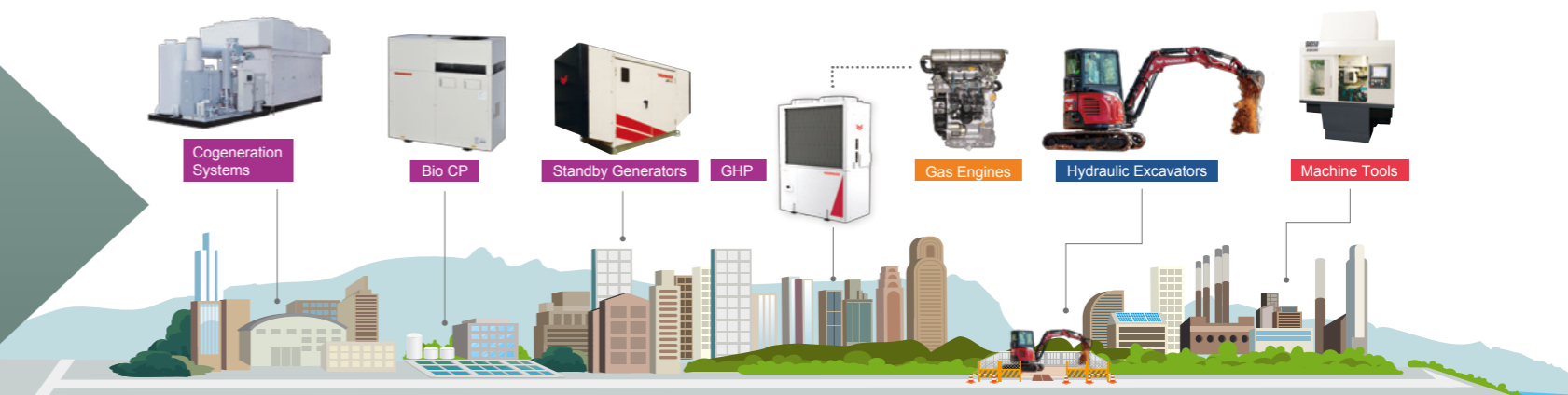
Yanmar recreational and commercial marine engines are clean and deliver stability and efficiency. Our extensive range of fishing and aquafarming technology is designed with a focus on sustainability.



City

NEXT-GENERATION ENERGY

Yanmar is committed to providing towns and cities with highly-efficient energy systems. Whether government or private companies, Yanmar is leveraging renewables to generate energy, gas cogeneration systems to provide heat and power, and gas heat pumps to maintain comfortable temperature.



Realizing A SUSTAINABLE FUTURE and Contributing to SDGs

To fulfill our mission statement and realize A SUSTAINABLE FUTURE, we will work to solve various social issues we face and contribute to the achievement of the SDGs through our business.

Yanmar Group is committed to solving customers' problems using the world's most advanced technology in the fields of food production and harnessing power. Our Mission Statement declares these elements to be essential to human life. Practicing our Mission Statement is in fact the CSR of Yanmar Group and our brand statement, A SUSTAINABLE FUTURE – New Value through Technology –. It is indispensable in realizing the four visions of our brand statement. We will contribute to the SDGs by working on Yanmar Green Challenge 2050 and other initiatives in order to put our Mission Statement into practice and realize the four visions for the future depicted in our brand statement.

Our Four Visions for A SUSTAINABLE FUTURE

VISION 01

An Energy-saving Society



Expanding the possibilities of energy. Using affordable and safe power, electricity, and heat, whenever necessary and only as much as necessary.

VISION 02

A Society Where People Can Work and Live with Peace of Mind



Transforming harsh labor into comfortable work. Everyone can work comfortably and earn a steady income while living a rich life in harmony with nature.

VISION 03

A Society Where People Can Enjoy Safe and Plentiful Food



Ensuring delicious, safe, and nutritious food, anywhere in the world, at any time. Everyone can live a healthier life.

VISION 04

A Society That Offers an Exciting Life Filled with Rich and Fulfilling Experiences



Creating a world where work and leisure are enriching and enjoyable. We will continue to increase the quality of life for everyone.

Mission Statement

To create a prosperous society where people and nature coexist.

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.

A SUSTAINABLE FUTURE

— New Value through Technology —

Social issues related to Yanmar

Energy Issues



Climate Change



Work Environment



Natural Disaster



Food Issues

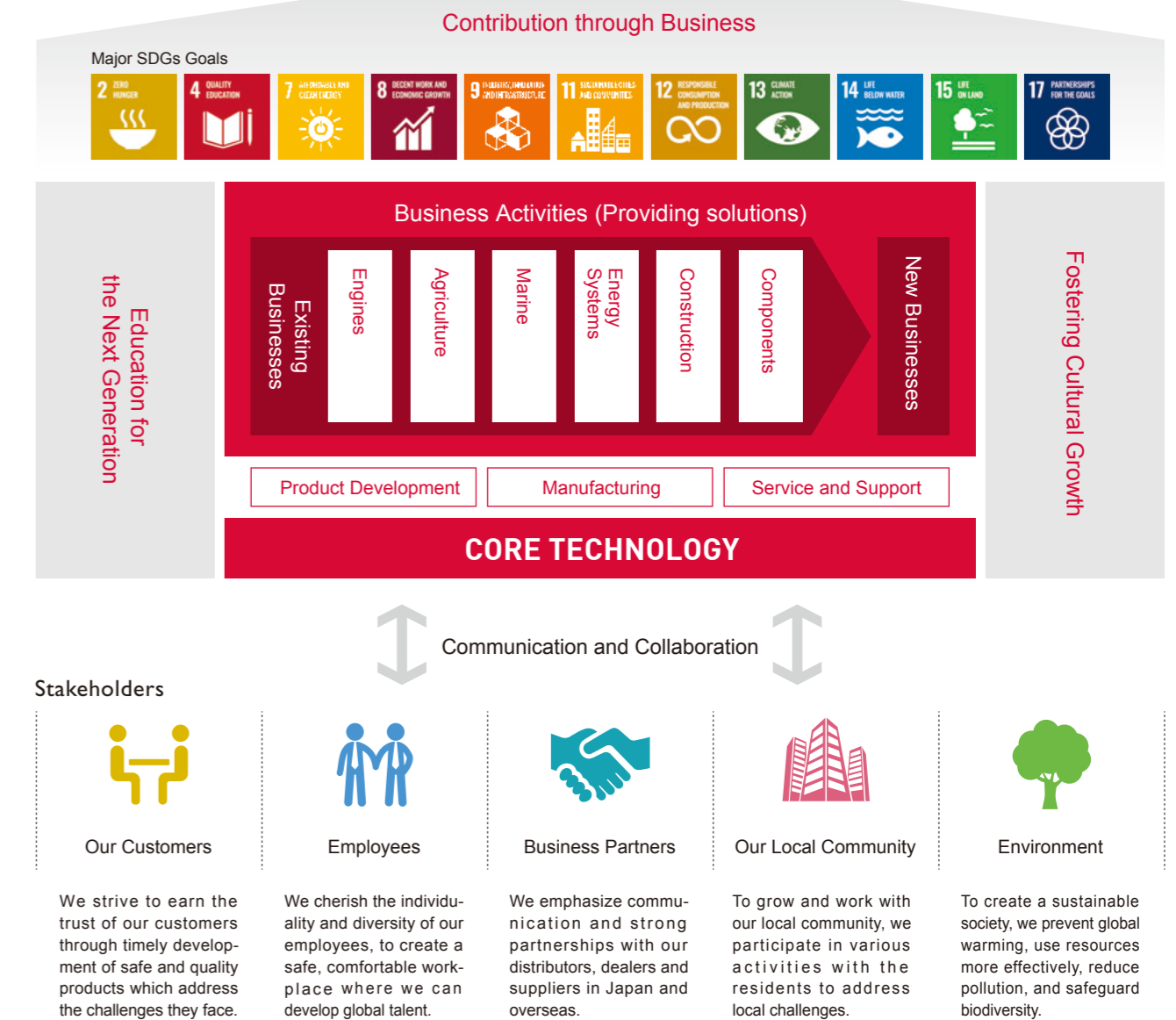


Chronic Shortage of Labor Force



Themes that Yanmar can contribute to the solution

- Reducing GHG emissions
- Promoting renewable energy
- Energy efficiency initiatives
- Utilizing untapped energy
- Work free from unsafe condition
- Labor saving and higher productivity
- Stable income through new value creation
- Building disaster-resistant communities
- Compatibility with large-scale agriculture
- Enhancing productivity by efficient workforce
- Minimizing impacts of natural disaster on produce
- Declining farming population due to shortage of successors



YANMAR GREEN CHALLENGE 2050

Osamu Kawatate

CTO
Director
General Manager of Innovation & Technology Division
Yanmar Holdings



The Yanmar Group has set forth the Yanmar Green Challenge 2050 in order to continue striving for A SUSTAINABLE FUTURE. In our business activities, we are committed to three challenges: zero greenhouse gas emissions, zero environmental impact through resource recycling, and supporting for GHG negative emissions and resource recycling in the customers' businesses using Yanmar products.

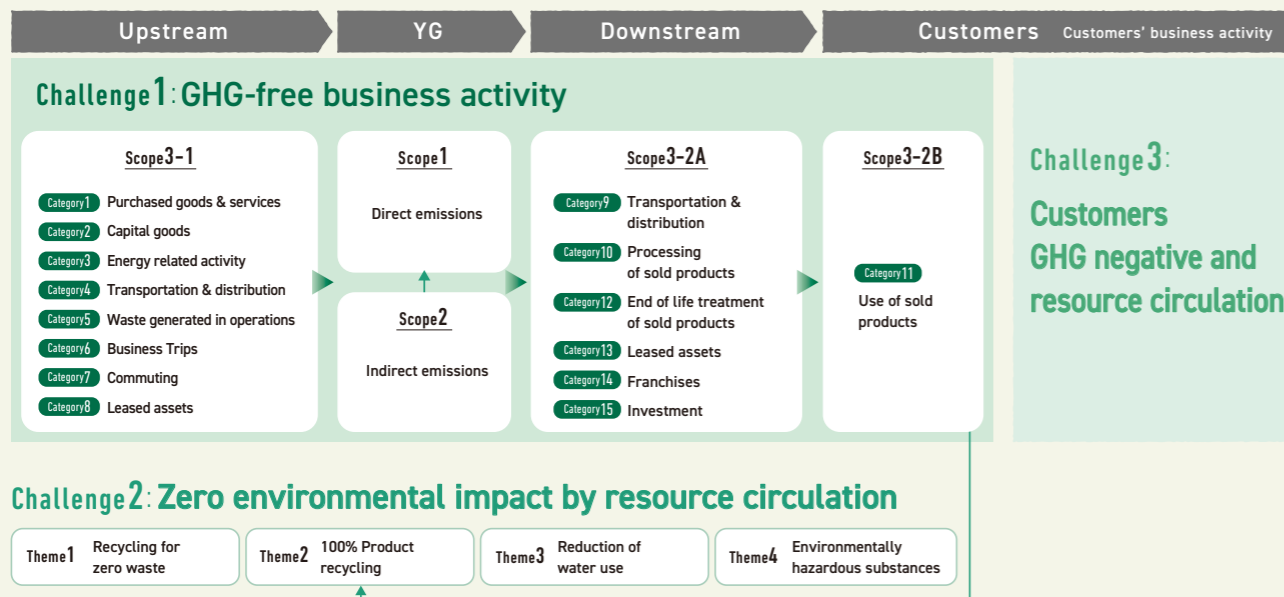
A SUSTAINABLE FUTURE

— New Value through Technology —

Circulate resources towards becoming a GHG-free company with zero environmental impact.

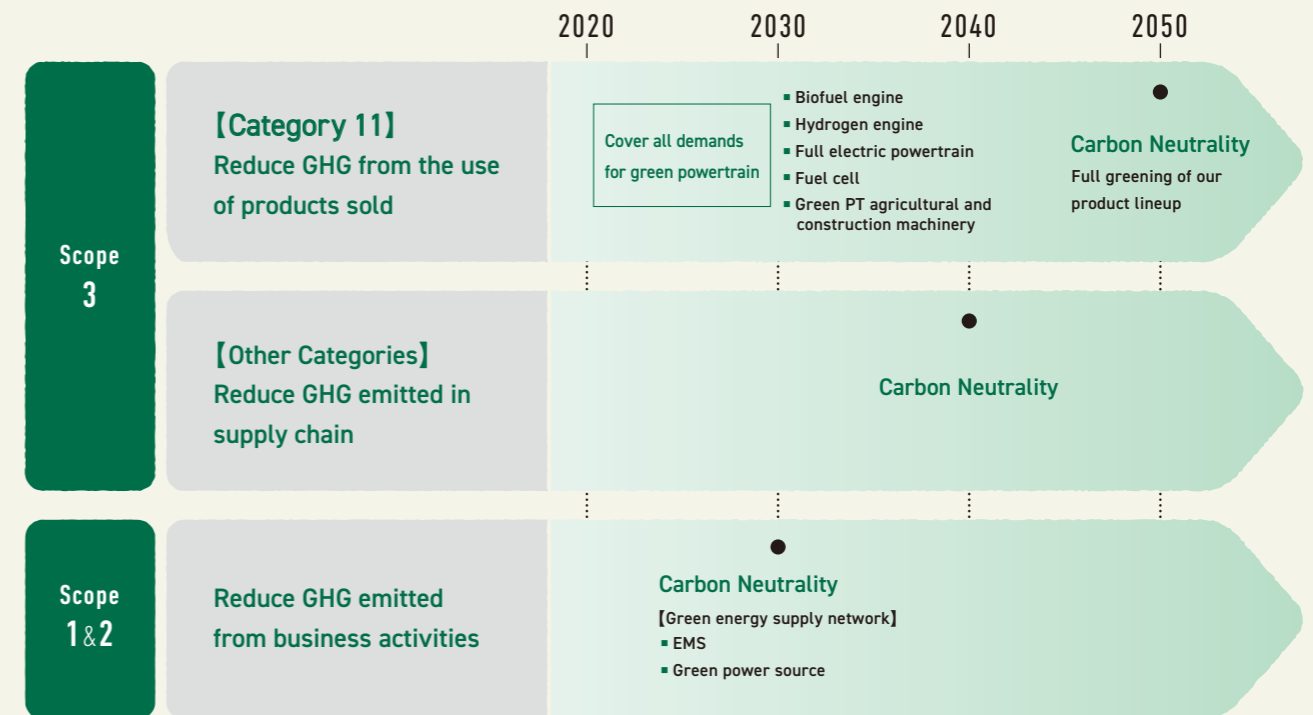


Yanmar Green Challenge 2050 Overview



Challenge 1

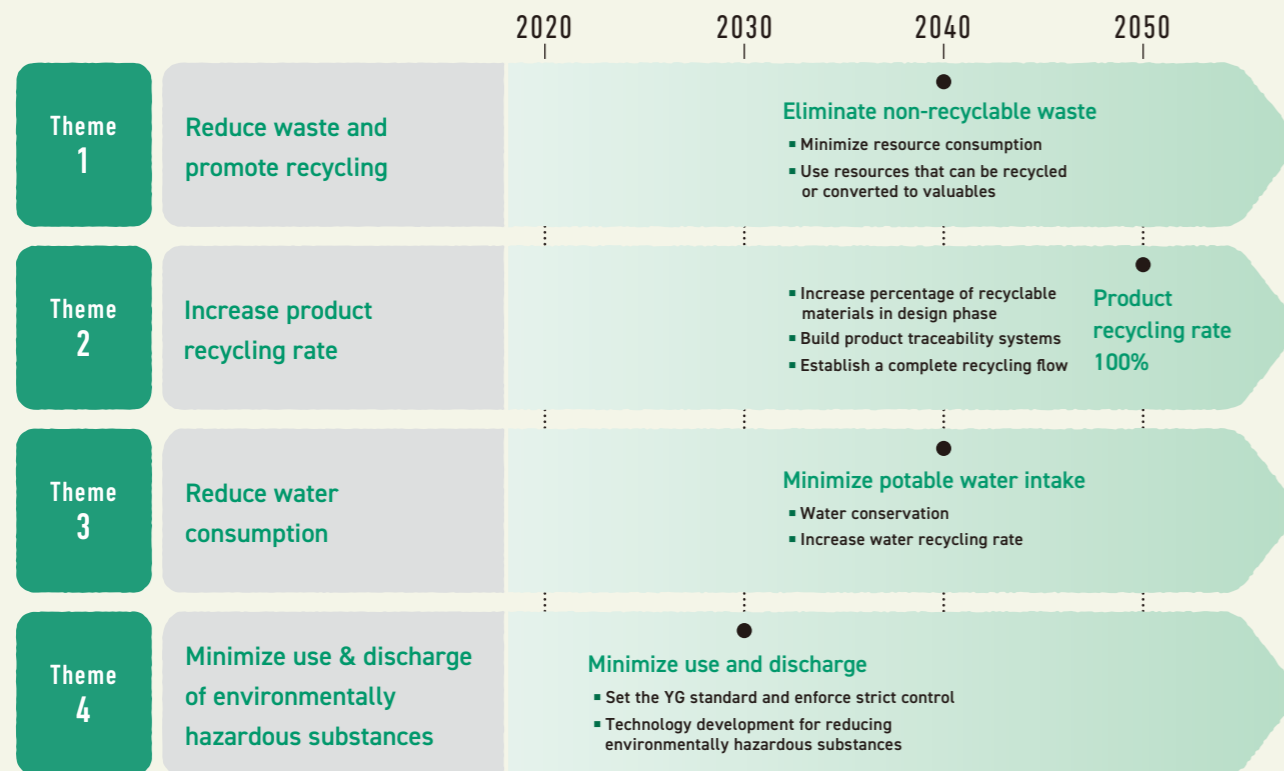
Realize zero GHG emissions from corporate activities



Under Challenge 1, we tackle to reduce GHG emissions from our business activities. Approximately 90% of the Group's emissions come from the products sold. In the Scope 3, we will make our products carbon neutral by 2050 by developing hydrogen and biofuel engines, fuel cell systems, electric powertrains, and new powertrains that can run on various types of green energy to be equipped with our agricultural and construction machinery, without sacrificing convenience while improving product efficiency. In Scope 1 and 2, the goal is to achieve carbon neutrality in business management by 2030 by implementing activities with the least amount of energy and establishing a new energy supply system and its management system based on green power sources.

Challenge 2

Realize zero environmental impact from corporate activities by circulating resources



In Challenge 2, we will address four themes. Theme 1, Waste Reduction and Recycling calls for minimizing resource use in our corporate activities and making all used resources recyclable by 2040. In Theme 2, Improvement of Product Recycling Rate, we will make all of our products on sale recyclable by 2050 by improving the recyclability rate at the design stage and establishing a product traceability and a recycling system. Under Theme 3, Reduction of Water Consumption, we will minimize water consumption by 2040 by minimizing water resources used in all aspects of our corporate activities and maximizing the water recycling rate. In Theme 4, Reduction of Use and Emission of Environmentally Hazardous Substances, we set our own standards for environmentally hazardous substances, which are stricter than global standards, and keep them up to date. At the same time, we will develop and promote the technologies to reduce the use and emission of those substances by 2030.

Challenge 3

Contribute to customers' negative GHG emission and resource circulation

GHG reduction activities by non-conventional corporate activities

Challenge 3 is an aggressive GHG emission reduction activity to commercialize new solutions to convert our customers' business activities to GHG-negative and resource-recycling activities as well as our own. For example, in the energy conversion field, in addition to the energy management systems we already provide, we will provide solutions that minimize losses during energy conversion and use in customers' businesses, such as converting waste heat into usable electricity. In the area of food production, we will provide solutions for minimizing the use of fertilizers and pesticides, as well as solutions for reusing food waste and scraps generated along the food production as production materials and energy.

- Locally produced, locally consumed, low-GHG emitting energy supply
- High performance and zero emission agricultural machinery, fishing boats and more
 - Work assist robot
 - Electrification and hybrid engines
 - Improving fuel efficiency
 - Hydrogen engine, Fuel cell
- Production technology for fertilizers, feeds, chemical and new protein resources with low GHG emissions
- Maintaining freshness in distribution with low GHG emissions
- Low GHG emissions in cultivation and aquaculture
 - Smart Greenhouse
 - Circulation plant at offshore for aquaculture
- Using less fertilizer, forage, pesticides and chemicals while improving productivity
 - Precision agriculture and aquaculture
Growth monitoring, environmental sensing, fertilizer, feeding, and pest control
 - Soil, fish tanks and other agricultural and aquacultural materials
Creating better environment, utilizing microorganisms, high-performance feed production, breeding (disease resistance, feed efficiency and more)
- Recycling food waste and scraps from agriculture and fishery
 - Rice husk gasification for power generation and utilizing biochar
 - Pruning branch gasification for power generation and utilizing biochar
 - Utilizing composters and composts

VISION 01

An Energy-Saving Society

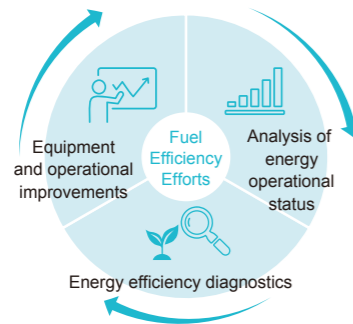
Objectives

Expanding the possibilities of energy. Using affordable and safe power, electricity and heat, whenever and only as much as necessary.

Our Products, Services and Support for VISION 01

Energy Management System

We contribute to the optimization for facility-wide energy use via the fuel efficiency diagnostics and analysis of energy operational status. This is how we help to achieve energy efficiency.



Diesel Engines for Industrial Use

We develop ultra-high fuel efficient, high-power engines to expand our industrial diesel engine sector. These engines are also compatible with the latest European Stage V standards.



Aligned SDGs



Social challenges to be solved related to VISION 01

Global Issues

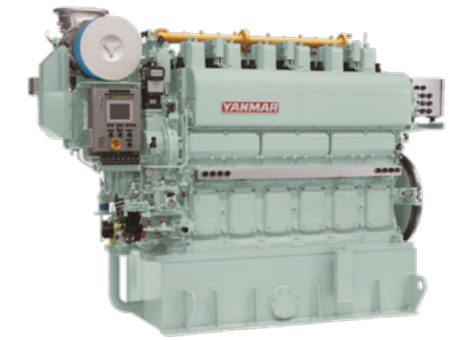
Climate change
Global average temperature is predicted to rise by **1.9 to 3.0°C** in 20 years from 2041.
Source: IPCC Sixth AR WG1 SPM, 2021
*According to SSP5-8.5 scenario

Urbanization
68% of the global population to be concentrated in urban areas in 2050
Source: United Nations, 2018 Revision of World Urbanization Prospects. (2018)

Solution Themes

- Reducing GHG emissions
- Promoting renewable energy
- Energy efficiency initiatives
- Utilizing untapped energy

Contributing Through Business



YANMAR POWER TECHNOLOGY CO., LTD.

Hydrogen fueled marine engines and MHFS development selected for the NEDO Green Innovation Fund Project to build zero-emission ships.



Challenges

Amid globally growing momentum for decarbonization, further reduction of greenhouse gas emissions has become an urgent issue in international shipping domain. In October 2021, the Japanese government and the shipping industry announced a goal of net zero GHG emissions from international shipping by 2050, and the International Maritime Organization, which adopted the Initial Strategy in 2018 to reduce the emissions from international shipping by at least 50% by 2050, plans to revise and further strengthen this strategy in 2023.

Reference: Toward Achieving Net Zero GHG Emissions from International Shipping by 2050, Shipping Zero Emission Project

Solution

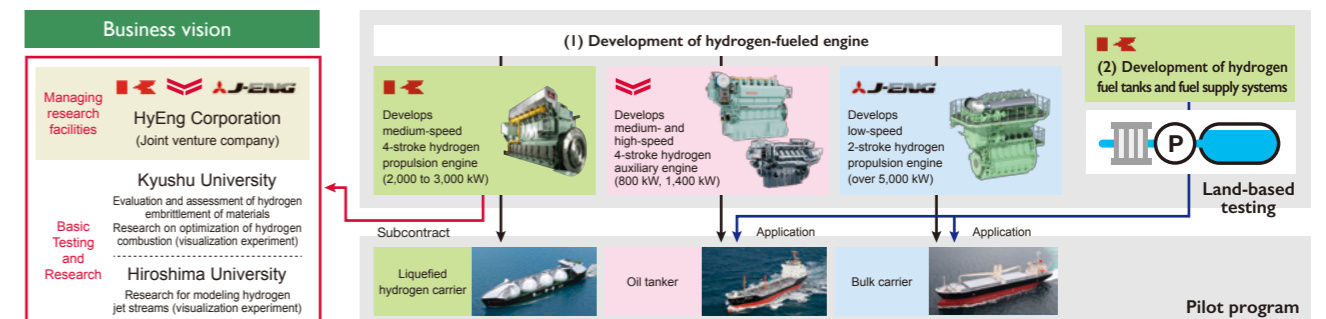
New Energy and Industrial Technology Development Organization, NEDO launched this project to develop next-generation marine vessels in January 2022, to build zero-emission ships. Yanmar Power Technology joined force with Kawasaki Heavy Industries and Japan Engine Corporation, J-ENG, to develop the hydrogen fueled marine engine and MHFS*1 and is playing an active role in the project.

The three companies are concurrently engaged in the initiatives for hydrogen fueled marine engines, with Kawasaki developing medium-speed 4-stroke engines, Yanmar developing medium- and high-speed 4-stroke engines*2, and J-ENG developing low-speed 2-stroke engines. We will cover the complete engine lineup that can be used to meet a wide range of needs by 2026, and plan to conduct a pilot program on ships in operation with shipping companies and shipyards, which will bring benefits to society and the economy.

Through joint investment in a newly established company, HyEng and with MHFS developed at Kawasaki, the three companies are working together to build a hydrogen-fueled propulsion system by developing common technical elements such as basic combustion analysis, materials and sealing surfaces that meet ship classification regulations, and sharing testing facilities.

*1 MHFS: Marine Hydrogen Fuel System: hydrogen fuel marine tanks and fuel supply system

*2 YPT is planning on developing a dual-fuel hydrogen medium-speed engine first, followed by a hydrogen-fueled high-speed engine.



Source: Kawasaki Heavy Industries, Yanmar Power Technology, Japan Engine Corporation

Provided value

Through hydrogen-fueled engines, we will contribute to the reduction of GHG emissions in a wide range of applications, with ocean-going vessels as the main focus, and also domestic vessels. In addition, we will provide a hydrogen-fueled engine system that ensures the necessary redundancy for ships, saves space in the engine room, and satisfies NOx and SOx regulations. The project will also help the revitalization of the domestic maritime industry.



YANMAR ENERGY SYSTEM CO., LTD.

Contributing to the realization of a carbon-free society
100% hydrogen-fueled cogeneration manufactured by German company 2G
to be sold in Japan and overseas by the end of FY 2022.



Challenges

The pursuit of energy efficiency and the use of renewable energy to reduce greenhouse gas emissions are essential to achieve a carbon-free society. Wind power generation and solar power generation are also spreading in Japan, but the fluctuation of energy production remains a challenge, due to the characteristics of dealing with nature. Therefore, expectations are high for hydrogen as a new energy source. Hydrogen energy can be produced from various energy sources, including renewable energy, and has the advantage of not emitting CO₂ when used. Businesses are increasingly focusing on this as a medium- to long-term key to achieving carbon neutrality.

Solution

Yanmar Energy System has concluded a sales agreement for the 100% hydrogen-fueled cogeneration system manufactured by the German company 2G Energiertechnik GmbH. The agreement is for Asia, including Japan, the Middle East, and Africa, and the system will be used in Japan within this fiscal year. We plan to handle a total of 5 models* with a power generation capacity of 115 kW to 750 kW.

By November 2022, the machine will be installed at Yanmar Energy System's Okayama Test Center for validation of construction and maintainability. In 2023, we will also open a facility where customers can see the actual product, and propose this system as a solution that includes hydrogen supply for various environmentally friendly projects and companies. We will also promote technological development so that gas engines made by Yanmar are also compatible with hydrogen fuel. In the future, we will continue to propose total energy solutions, including CHP and hydrogen generators, and strengthen our initiatives to solve our customers' energy challenges and realize a carbon-free society.

* Depending on the results of the test, the models and actual figures may change.



100% Hydrogen-fueled co-generation system manufactured by 2G

Provided value

By promoting hydrogen-fueled cogeneration systems that generate electricity and heat efficiently, businesses can curb the amount of fossil fuels and grid electricity in their business activities, thereby contributing to a decarbonized society.

CSR Activities Report

ENVIRONMENT

Establishing Yanmar Green Challenge 2050

In 2018, the Yanmar Group formulated the Group Environmental Vision 2030 and has been working on environmental conservation activities such as global warming countermeasures. To further accelerate our efforts to date toward a decarbonized society, we have set forth a new goal in 2022: the Yanmar Green Challenge 2050.

For details, please see page 9 to 12.

Climate change

Tackling to prevent global warming by assessing and reducing our GHG emissions.

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 GHG emissions through upgrading facilities with energy-saving equipment, improving the efficiency of testing, energy recycling, and other similar efforts.

One of the key targets for reducing GHG emissions in YGC 2050 is to promote the transition to renewable energy. In FY2021, many of our overseas production subsidiaries installed PV generation systems, bringing the total amount of renewable energy used in the Group to approximately 4,000 Mwh, an increase of 600 Mwh over the previous year. The GHG reduction target for 2021 is set at 2.0% per unit of energy consumption intensity, which is an indicator of efficient energy use, for our manufacturing plants in Japan. The base year for calculating intensity was set to 2019, and a new formula based on sales was added to the calculation. In FY2021, energy consumption increased by approx. 11,800 kl and also CO₂ emissions by approx. 9,400 tons compared to the previous year due to an increase in production volume, which had been drastically lowered during the Covid-19 lockdowns. The intensity in group sales increased by 10.9% compared to FY 2019. (If the production volume for FY2020 was as planned, the basic unit would have decreased by 1.1% due to the significant impact of increased shipments to overseas.)

Target and Performance for FY2021

	Target for FY2021	Performance for FY2021
Energy Consumption (Per unit of sales)	17.2 kl/hundred million JPY	19.4 kl/hundred million JPY
Energy Consumption (Per unit of production)	18.0 kl/hundred million JPY	18.2 kl/hundred million JPY
CO ₂ emissions (Per unit of sales)	34.0 t-CO ₂ /hundred million JPY	35.0 t-CO ₂ /hundred million JPY
CO ₂ emissions (Per unit of production)	35.7 t-CO ₂ /hundred million JPY	32.8 t-CO ₂ /hundred million JPY

Products

Reducing CO₂ emissions through our products

Assessing CO₂ Emissions in Product Life Cycles

Utilizing the Life Cycle Assessments, the Yanmar Group monitors and assesses greenhouse gas and CO₂ emissions at each stage of a product life cycle from procurement, production, distribution, use and consumption to final disposal to further reduce greenhouse gas emissions from our products.

For FY2021, we have estimated data by group business for FY2019 and 2020. We are also working to improve the accuracy of calculated data by utilizing actual measured data such as Smart Assist, and by implementing future projections through the development of new products.

Developing technologies to reduce GHG emissions when our product is in use

We will add more eco-friendly products by developing and commercializing efficient agricultural and construction machinery and air conditioning with the latest technologies including fuel cells and hydrogen as a powertrain to reduce GHG emissions throughout the product lifecycle.

In fiscal year 2021, each business reviewed its technological strategy for green product development. To meet the GHG emission reduction targets set forth in YGC2050, we will continue to develop and commercialize green products.

VISION 02

A Society Where People Can Work and Live with Peace of Mind



Transforming harsh labor into comfortable work. Everyone can work safely and earn a steady income while living a rich life in harmony with nature.

Our Products, Services and Support for VISION 02

True Zero Tail Swing Mini Excavator

The rear does not protrude beyond the vehicle width, allowing the excavator to turn in tight circles and work beside a wall without worrying. It offers improved safety and comfort at narrow construction sites.



Standby Power Generation Systems

Standby generation systems contribute to ensuring safety of human life, protecting property, helping with relief efforts by taking over the supply of electricity to various equipment in the event of a power outage due to a natural disaster.



Aligned SDGs



Social challenges to be solved related to VISION 02

Global Issues

Human Rights
An estimated **73 million** child laborers work in dangerous conditions that impair their health and safety
Source: ILO, World Day Against Child Labor 2018

Poverty
The average OECD relative poverty rate is **11.8%** (2019)
Source: OECD, OECD data, Poverty rate (2019)

Solution Themes

- Work free from unsafe condition
- Labor saving and higher productivity
- Stable income through new value creation
- Building disaster-resistant communities

Contributing Through Business



YANMAR AGRI JAPAN CO., LTD.

The Robot Tractor YT488A works in airports for solving the issues of manpower and time constraints in mowing.

Aligned SDGs



Challenges

Airports usually have grass strips called a landing area along the runway to secure the takeoff and landing of aircraft. Of the regular maintenance of this area, mowing, in particular, has been a time-constrained work, not only because of the recent labor shortage, but also because it is restricted to only while aircraft are not in operation. In addition, mowing-related costs, which accounted for 41%* of the maintenance costs for the landing area, have been a major burden for the airport management company.

* Source: Study Concerning Vegetation Technology for Airport Runways on Construction Surplus Soil, the National Institute for Land and Infrastructure Management

Solution

Yanmar Agri Japan, in collaboration with Kowa Building Maintenance Co., Ltd., verified the effectiveness of using robot tractors for mowing in airport landing areas. Finally, 2 YT tractors, YT488A robots, were delivered to Kagoshima Airport as part of the project promoted by the Ministry of Land, Infrastructure, Transport and Tourism, followed by a total of 8 robot tractors to 4 nationally managed airports: Okadama, Kitakyushu, Yao, and Naha.

Based on location information including GNSS, the user inputs the area and route on the device, and the robot automatically travels along the set route to work. In 2018, Yanmar launched a robot tractor as the first in the SMARTPILOT® series, as a significant step toward achieving labor saving and automation in the agricultural industry, where the decreasing number of farmers and the passing down of expertise are the challenges.



Demonstration of mowing work at an airport



Image of operation via tablet

Main Features of the Robot Tractor

- Able to set and start/stop automated operation with simple input on a dedicated device.
- On the route, settings including steering, raising the tractor implements, switching between backward and forward, stopping, turning PTO on/off, and the speed can be adjusted automatically.
- Equipped with a safety sensor that measures the distance to an object with a laser or ultrasonic wave, when an approaching person or an obstacle is detected, it automatically decelerates or stops according to the conditions.

Provided value

The adoption of robot tractors at airports is expected to eliminate the labor shortage issue by automating mowing and grass collection work at runways and other areas, which was previously performed by manned mowers (tractors).



YANMAR ENERGY SYSTEM CO., LTD.

Our cogeneration system capable of serving as a standby generator that can generate enough electricity for the hotel in the event of a power outage for 3 days, helps ensure emergency power supply.



Challenges

Hotel Ambia Shofukaku in Yaizu, Shizuoka, operated by Ambia Corporation, was using an old heavy oil-fired standby generator. They needed a new generator that is energy-efficient and can cover high daytime electricity and heat demand.

Solution

Yanmar Energy System, in collaboration with Tokai Gas and ITO Corporation, proposed a system that combines the BOS^{*1} micro cogeneration system, CP25D1Z with a standby generator. Led by Tokai Gas, an energy company with close ties to the community, each company leveraged their strengths in their respective fields and successfully introduced the system into Hotel Ambia Shofukaku.

We provided eight units of CP25D1Z for the micro cogeneration system. This system generates electricity with clean energy sources including natural gas and carbon-neutral biogas, which have a low environmental impact. Energy loss is mitigated by effectively using the generated heat for hot water supply and air conditioning.

In the event of a power outage, electricity is supplied by the CP25D1Z within 40 seconds to operate lighting and air conditioning and even if the utility gas supply is stopped, the BOGETS,^{*2} disaster prevention and mitigation system provided by ITO Corporation will supply combustible gas from LPG standby bulk. The combination of these systems ensures emergency power for three days or more.

This initiative which brings together the technologies of three companies was recognized by the Advanced Cogeneration and Energy Utilization Center for its excellence in terms of leadership, new technology, and energy conservation, and selected for the Cogeneration Grand Award in the Consumer Product Category for 2021.

^{*1} Black Out Start for power outages
^{*2} BOGETS is a registered trademark of ITO Corporation



Cogeneration system installed at Hotel Ambia Shofukaku

Provided value

Being conscious of electricity and heat usage contributes to energy efficiency and reduction of CO₂ emissions. In addition, as a distributed generation system, it will be possible to supply electricity and gas even in emergencies such as power outages due to disaster, ensuring an emergency power supply for three days. This will contribute to the safety and security of hotel customers and employees.

CSR Activities Report

OUR CUSTOMERS

Structure to Improve Quality and Ensure Safety

| Our quality and safety standards

Yanmar conducts systematic business activities to ensure quality and safety at each stage of product planning and development, manufacturing, sales, and service. We have established our own safety standards along with laws and regulations which we thoroughly comply with. To strictly check both quality and safety at every stage, we conduct risk assessments to identify potential hazards and design reviews to examine from multiple aspects. We are also working to establish product safety standards for new products and to strengthen food security.

| Defining a consistent system for quality assurance

With our integrated quality assurance system, the QA divisions in each business unit act as the point of contact; joining all areas of business activities from product planning and development to production, sales and service. Our Quality Analysis Center strengthens functions for both standardizing electrical devices and performing stand-alone assessments within our Group. To strengthen safety and quality foundation, a company-wide QA Committee oversees the entire group by establishing Product Safety Committee in each Business Unit. We also take on initiatives to train quality engineers and to prevent and quickly solve quality problems.

Pursuit for Higher Quality

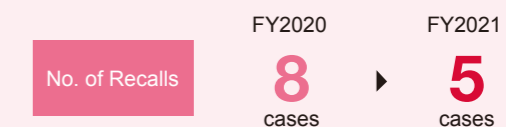
| Recall measures

In the case where an issue arises with our product and action is deemed necessary, Yanmar will swiftly implement appropriate actions, including recovery, repair, inspection or replacement of the product, giving top priority to customer safety and preventing the spread of damage. In case of a recall, we will notify the relevant organizations^{*1} and disclose the information on our website, and if necessary, place a notice in newspaper.

While continuously working to reduce the cases, we have issued 5 recalls in FY2021 and addressed the following prioritized actions.

- ① The market quality information system, SEAQ which has been widely and effectively used within the Yanmar Group, has been expanded to international subsidiaries to quickly identify and solve important issues.
- ② QC sessions were held to provide practical quality training aligned with business policies. 154 employees passed the QC tests from Levels 1 to 3 in FY2021, bringing the total number to 1,648.

Results for FY2020 & 2021 ^{*2}



^{*1} Japan Ministry of Land, Infrastructure, Transport (MLIT) and Tourism; Ministry of Economy, Trade and Industry; Ministry of Agriculture, Forestry and Fisheries and Japan Boating Industry Association

^{*2} The number of product recalls publicized in accordance with MLIT product recall and improvement measures and the Consumer Product Safety Act.

From Our Employee

To meet the demand in ever-evolving world, keeping the high quality is our commitment.

Our Quality Assurance Division plays an essential role in ensuring the global quality of the Yanmar Group, focusing on two main tasks: promptly identifying quality problems in the market and tracking down the causes to correct them, and working on preventing problems before commercialization to enhance product quality.

The demands we must meet are diverse and transforming along with the market trend and customers. To keep up with them, we have launched a new initiative to extract critical issues from market information using AI to identify and respond to them at an early stage. We will continue to do our role to ensure Yanmar's global quality.



Shinichiro Ishida
Manager
QA Planning Group
Quality Assurance Division
YANMAR AGRIBUSINESS

EMPLOYEES

Human Resource Development

Developing diverse human resources for globalization

Yanmar makes flexible and strategic assignments of workforce. For example, under the Yanmar Career Challenge, we have introduced Yan-Cha 100, a group personnel recruitment system that allows employees to apply for and transfer to positions open within the Group. In FY2021, we launched the Yan-Cha 20, Internal Side Project System, which allows employees to use 20% of their working hours to experience work outside their own departments.

Meanwhile, we have introduced the Career Development Program System, a skill-building program that systematically fosters workforce with broad and advanced knowledge of business operations.

In addition, selective training is offered to participants in Japan and overseas to develop global talents who will be responsible for future corporate management. (It was canceled for FY 2021.) Besides these initiatives, we also support training in communication and leadership skills to succeed in international business. All our training courses can be taken during regular working hours.

Support for work-life balance

Creating a comfortable work environment and making effective benefits package

Childcare and extended family leave programs are provided beyond legal requirements to include different conditions and frequency. Yanmar is committed to creating a workplace where employees can continue to work with peace of mind. In addition, the paid leave system is well developed, and the number of days taken can be accumulated, allowing employees to fully demonstrate their abilities and maintain a good work-life balance.

We provide a variety of support to enable employees to take childcare leave and return to work. To support them, we have a handbook that explains to female employees what and how to prepare for pregnancy during their enrollment and to all employees about caring for young

children and the elderly. In addition, since FY2020, we have been conducting online Work and Childcare Balance Seminars for Men once a year jointly with other companies participating in the Diversity West Japan Study Group.

In FY2020 at Yanmar, 70 people took childcare leave, 86 people opted to work shorter hours, 26 female employees took pre and post-childbirth leave, and 94.4% of them who took childcare leave returned to their jobs.

In addition, Yanmar introduced a telecommuting system in October 2017 with the aim of increasing the productivity of our diverse employees. In FY2020, employees will be able to choose a more flexible work style that takes into account their work-life balance by expanding the number of employees eligible to use the system, and by combining telecommuting and flextime systems.

We hope to further improve this program so that more employees can take advantage of telecommuting.

Topics

Childcare leave for male employees

We are developing various activities to change our company into one where employees who wish to take childcare leave can do so as a matter of course. In FY2021, 32 male employees took childcare leave, and the number is increasing every year. Interviews of working fathers are available on our website, Y-media and in our company newsletter. In addition, by conducting surveys and analyzing the reasons why it is difficult for employees who wish to take childcare leave to do so, we are working to create a workplace that makes it easier for them.

Results for FY2020 & 2021



Health and Productivity Management

Initiatives to improve the health of employees and their families

Health Management Policy

Through promoting employee health, we enhance diversity, inclusion and high employee engagement that lead to improve productivity in Yanmar and realize sustainable growth of the Group.

Priority Measures

The Yanmar Group has established the following priority measures and is implementing various initiatives to promote health management.

1. Promoting mental health care

Self-care training is provided for new hires and managers in cooperation with industrial physicians to ensure a smooth return to work through the rehabilitation system.

- (1) Prevention and early intervention in mental health problems
- (2) Prevention of the progression and relapse
- (3) Smooth return to work after medical treatment

2. Promoting smoking cessation

Smoking is considered a cause of lifestyle-related diseases, cardiovascular diseases, and lung cancer. We provide subsidies for smoking cessation treatment, as well as awareness-raising activities on the 22 of each month as "No Smoking Day."

- (1) Measures to prevent secondhand smoke
- (2) Strengthening smoking cessation support system
- (3) Anti-smoking education

3. Measures to prevent lifestyle-related disease

Through collaboration with the Yanmar Health Insurance Association, we promote healthier work by focusing on the following 3 initiatives.

- (1) Annual health checkups (Implementation rate of 100%)
- (2) Health management at secondary medical examination
- (3) Improving the health promotion in Collaborative Health

Yanmar Holdings and Yanmar Global Experts have maintained a 100% health checkup implementation rate since FY2020. In addition, we use the results effectively and offer secondary checkup based on the opinions of industrial physicians, and the implementation rate for secondary checkups is improving year by year: 70.6% in 2020 and 94.0% in 2021. We believe early detection is the key to successful treatment.

4. Promoting work-life balance

Depending on the business location, we engage in setting up initiatives such as no-overtime days and lights-down days, simultaneous paid leave days and telecommuting. We create an environment and provide information so that each employee can raise awareness of work-life balance and create a foundation for a vibrant working life.

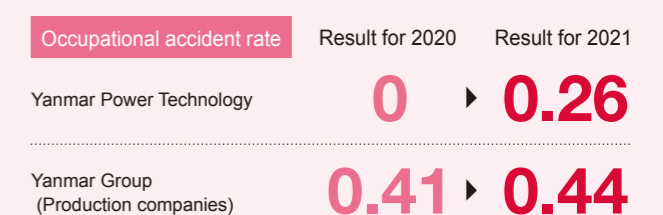
- (1) Reduce overtime work
- (2) Encourage employees to take paid leave
- (3) Promote diverse work styles

Occupational Safety and Health

Ensuring the health and safety of employees

The Yanmar Group conducts safety and health activities to ensure that employees can work in safe environment. At each site, we have established a committee to strengthen the management through safety patrols and risk assessments, as well as various safety education programs such as hazard prediction training, KYT and safety experience training, in an effort to prevent occupational accidents through improved safety awareness.

Results for FY2020 & 2021



* Fatalities or injuries per one million working hours
* Annual period: January 1 to December 31 Results

VISION 03

A Society Where People Can Enjoy Safe and Plentiful Food

Objectives

Ensuring delicious, safe, and nutritious food, anywhere in the world, at any time. Everyone can live a healthier life.

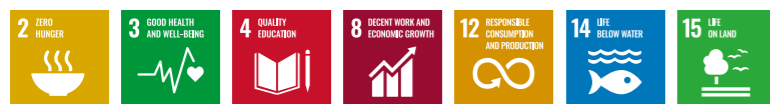
Our Products, Services and Support for VISION 03

The Food Value Chain

We support the entire food value chain from farm management planning to soil improvements, raising seedlings, transplanting, harvesting, and securing sales routes; this is the shift to a food value chain with agriculture as an attractive industry.



Aligned SDGs



Social challenges to be solved related to VISION 03

Global Issues

Over **9.7 billion people** in 2050
Source: United Nations, World Population Prospects 2022 (2022)

The food supply needs to be increased by **1.7 times** compared to 2010 in 2050
Source: Ministry of Agriculture, Forestry and Fisheries "Japan Long-term World Food Supply and Demand Projection for 2050" (2019).

Solution Themes

- Compatibility with large-scale agriculture
- Enhancing productivity by efficient workforce **International**
- Minimizing impacts on produce caused by natural disasters
- Declining farming population due to shortage of successors **Japan**

Contributing Through Business



YANMAR E-STIR CO., LTD.

Our Bio-composter YC100 not only reduces food waste, but also saves disposal costs through resource recycling

Aligned SDGs



Challenges

A large amount of food waste is generated around us every day, including food losses from restaurants, supermarkets, and food factories. In fact, about 25 million tons of food is disposed of annually in Japan^{*1}, and a large amount of CO2 is generated from the disposal process. In addition, the disposal costs are also increasing year by year, making it an urgent issue for businesses from both environmental and cost perspectives.

^{*1} Estimated amount of food waste generated in FY2018 based on Ministry of the Environment press release on April 27, 2021.

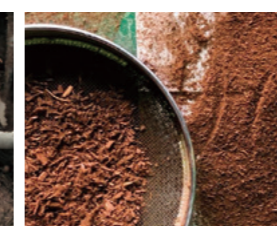
Solution

Yanmar E-Stir has developed and begun accepting orders for the YC100 bio-composter, which recycles resources by reducing the volume of food waste generated in agriculture and food processing. YC100 operates in Air Direct Injection method that pumps air into the tank to speed up the decomposition of the waste. 100 kg of food waste are decomposed per day at a reduction rate of approximately 80%^{*2}, which contributes not only to resource recycling but also saving disposal costs. An activated carbon absorption type deodorization device suppresses the odor of waste, making it hygienic and environmentally friendly to the surroundings. Our unique proprietary technology optimally controls temperature, air volume, and agitation speed and frequency, and the rotary system which applies tractor tillage technology agitates the material evenly. In addition, the weighing function prevents overflowing with food scraps. The soil activators and compost generated are returned to the farmland, thus achieving the recycling of agricultural resources.

^{*2} Reduction rate on our test equipment



1 hour after processing of food waste



24 hours after processing



The rotary is Yanmar's unique agitation technology.



Composter monitor

Provided value

We are committed to building a resource recycling model that makes effective use of food waste. By returning the food waste decomposed by YC100 to the earth as soil activator or compost, it is possible to create a sustainable food supply chain.



YANMAR GREEN SYSTEM CO., LTD.

Contributing to smart farming in the Nagasaki loquat production area with Yanmar's smart sorting system that saves labor for loquat farmers and leads to improved quality of produce.



Challenges

Nagasaki boasts the highest volume of loquat production in Japan, however in recent years, due to natural disasters, the damages such as internal rot during the distribution stage, a serious shortage of farmers, and an aging population, the cultivation area for loquats is less than half compared to its peak in 1992. In response to this, we are working to save labor and strengthen the brand of the fruit. Since 2020, the latest smart farming technology was introduced and piloted using the Smart Farming Technology Development and Testing Project of the Ministry of Agriculture, Forestry and Fisheries, and initiatives to improve the productivity of cultivation are underway.

Solution

The smart sorting system developed by Yanmar Green System has been adopted in the Smart Farming Technology Development and Testing Project promoted by the Nagasaki Loquat Production Consortium, supporting local loquat production.

Until now, the standards for shipping loquats have focused on appearance, while consumers increasingly tend to focus on freshness and taste. In addition to measuring the sugar content with optical sensors, the smart sorting system can also detect internal spoilage, which is difficult to detect from visual appearance, helping to guarantee freshness and sweetness.

Furthermore, because the sorting results can be displayed using projection mapping, there is no need to transfer the collected loquats to the sorting machine, making it possible to ship loquats without damaging their fuzziness, which is a measure of their freshness. Results from sorting are accumulated as data for each producer and can be fed back into cultivation management. In addition, the sorting and shipping work accounts for a large amount of labor hours, but by improving the efficiency of the packing and boxing, the overall work time can be reduced by 11%, contributing to the reduction of labor and costs involved in shipping.



Appearance, weight, and internal quality measurement system for loquats



Fruit sorting in the shipping tray



Displaying sorting results by projection mapping

Provided value

In addition to smart sorting systems, smart farming technologies such as the latest weather forecast systems and pesticide spraying using drones are bringing about major changes in Nagasaki's loquat production area. We will contribute to reducing work for loquat farmers through labor-saving techniques and improving profitability by improving quality and branding.

CSR Activities Report

OUR COMMUNITY

Community Involvement and Development

Neighboring university students volunteer to help with farming

The Yanmar Symbiosis Ritto Center harvests garlic and onions every year from May to June. For harvesting and post-harvest work, we usually ask other Yanmar bases to help us, but this year we had 13 university students from the Faculty of Agriculture at Ryukoku University cooperate with us as agricultural volunteers. Due to the pandemic, the university was closed, and students were unable to participate in the field training. This provided a good opportunity for students to work in the fields, and they worked diligently for a total of 25 days with the staff, finishing the harvest earlier than usual.

Working outside with the younger generation for the first time and seeing them enjoying their work made our staff feel lively and happy. After the volunteer farming, participating students said, "It was fun, and I definitely want to come back again!" Through this event, we succeeded in conveying the joy of agriculture to university students.



Students from the Faculty of Agriculture, Ryukoku University volunteering

Education for the Next Generation

Children's Painting Exhibition

Yanmar wants to help children to discover the wonder of rural life while also encouraging greater interest in land and water. We sponsor a children's painting exhibition, "Rural Life: Rice Paddies and Streams", organized by the National Federation of Land Improvement Associations and Prefectural Land Improvement Associations.

The 22nd Yanmar Agri Prize was awarded to "Rich in nature - Our paradise" by Kaname Kono, a 6th grader at Hikuma Elementary School in Hamamatsu, Shizuoka, out of 4,120 entries received from all over Japan. 33 entries won the Minister of Agriculture, Forestry and

Fisheries Prize, 45 won the Regional Organization Prize, and 150 were selected for the Honorable Mention.



Rich in nature - Our paradise
Kaname Kono, a 6th grader
at Hikuma Elementary School
in Hamamatsu, Shizuoka

Yanmar Student Essay Contest

Since 1990, Yanmar has been receiving thesis and essay submissions for the Yanmar Student Prize Essay Contest. The contest is aimed at promoting the free discussion of ideas amongst the younger generation, who will lead our future in farming and farming communities. With the recent drastic changes in the environment surrounding the agriculture industry, we think together with students about solutions to the issues facing agriculture in Japan and around the world, and to enter the food value chain which goes beyond food production. With the vision of developing agriculture into a food and agro-industry, we invited entries from students, held a judging panel and a presentation of the winning entries. In FY2021, the 32nd contest, we received 40 theses and 478 essays from all over Japan. The grand prize in the essay category went to "Aiming to produce domestic pork that is as good as imported pork" by Ayano Nakamura, a Sophomore in Faculty of the Education, Aichi Prefectural University of Agriculture, and the gold prize in the essay category went to "Giving back to agriculture" by Tomomi Senda, a Sophomore in Faculty of the Agriculture and Horticulture, Iwate Prefectural University of Agriculture. The Yanmar Group will continue to actively engage in activities to nurture the next generation, including this project, with the aim of realizing A Sustainable Future.



Winners in the Thesis
Winners in the Essay
Due to the Covid-19 pandemic, the 32nd award was held online.

VISION 04

A Society That Offers an Exciting Life Filled with Rich and Fulfilling Experiences

Objectives

Creating a world where work and leisure are enriching and enjoyable. We will continue to increase the quality of life for everyone.

Our Products, Services and Support for the VISION 04



Yanmar Museum

As a challenge museum with the concept of "Let's try! 'Exciting Future' Challenge!" The museum fosters a challenging spirit in children through exciting experiences.



Fishing Boat "EX28C"

Equipped with various specifications, such as the largest fishing space for its class, a new type e-engine, and a comfortable quarter berth, the boat offers good fishing experience with accessories you will need.



Personal Hovercraft "Wheeebo"

An entirely new type of recreational hovercraft with the concept that anyone can enjoy exciting new marine experiences. The circular board-craft, operated by a controller and body-weight balance, offers limitless possibilities for fun on the water.

Contributing Beyond Business Operations



YANMAR HOLDINGS CO., LTD.
YANMAR MARINE INTERNATIONAL ASIA CO., LTD.

Flagship cruiser, X47 Express Cruiser wins German iF Design Award 2022

The X47 Express Cruiser is the follow-up model to the X39 which was developed as the flagship of the Yanmar brand as part of the Premium Brand Project launched for the company's 100th anniversary in 2012. It is a 47-foot cruiser designed by Kiyoyuki Okuyama and developed in collaboration between Yanmar Holdings and Yanmar Marine International Asia, to fit the new island-hopping, where passengers can enjoy leisurely cruising and fast and pleasant travel from a marina to small islands.

The X47 has won iF Design Award for the product category, especially for its high sailing performance, interior and facilities that make it feel like home, and operability with Yanmar's unique joystick.

The iF Design competition has been held in Germany since 1953 and is one of the most celebrated and valued design competitions worldwide. Winners are selected every year by international design experts based on strict and neutral judging criteria and are awarded by iF International Forum Design GmbH.



Sunbeds on the bow



Italian-furnished cabin

Aligned SDGs



Kintetsu and Yanmar jointly designed Harinakano Station in front of Nagai Park

Yanmar Holdings has collaborated with Kintetsu Railway on the design for the renovation of Harinakano Station on the Kintetsu Minami-Osaka Line, the closest station to the northeast gate of Nagai Botanical Garden. The design is inspired by the lush greenery of the park and the garden.

This is the first attempt for both Kintetsu and Yanmar to collaborate in designing a station. With this renovation, the secondary name of the station will be Nagai Park Botanical Garden Mae. We will make it widely known that the Nagai Park is easily accessed by Kintetsu train and create a clean station that brings a sense of excitement of going to the park, leading to attract people to use the train.



Image of the concourse



Image of the platform



WAKU WAKU PARK CREATE CO., LTD.

Realizing A SUSTAINABLE FUTURE
Creating new value in Nagai Park, Osaka,
through food, sports, art, and learning



Waku Waku Park Create has managed and operated Nagai Park in Osaka City since April 2021. With a focus on food, sports, art, and learning, new facilities will be installed, and existing facilities will be utilized effectively, through events and creating a sense of liveliness. Through this initiative, we are committed to improve the value of city parks.

The Nagai Botanical Garden, which will celebrate its 50th anniversary in 2024, was reopened in April 2022 after undergoing redevelopment such as soil improvement to bring out the original beauty of the plants. In addition, new facilities such as Yanmar Marché Nagai, a restaurant directly managed by Yanmar, two futsal courts with high-pile artificial turf, and Boken No Mori Nagai, a full-scale obstacle course, opened in July 2022, and we are working on more new attractions.

Nagai Park has various sports facilities, including three stadiums and a 2.8 km running circuit, in addition to a vast botanical garden. It has been popular as a city park where people of all generations, both locals and visitors, spend time. To realize the Yanmar Group's brand statement, A SUSTAINABLE FUTURE, our concept for park management is excitement for all, excitement for tomorrow. We aim to create a park that will remain in the hearts of all visitors, transcending age and generations, by connecting the excitement of today to the promise of tomorrow.

In the management and operation of Nagai Park, we have also introduced equipment that leverages technology as a place to embody this philosophy. For the pond in the Nagai Botanical Garden, we have worked on improving the water quality using a water purification system, as a place to enjoy the beauty of the water feature. We will also install a bio-composter that composts food waste and contributes to resource recycling, and an energy management system linked to solar power generation and fuel-efficient equipment. We will also contribute to the realization of SDGs by adopting green power, which does not emit CO2, for the electricity used in the garden.



Full-scale obstacle course Boken No Mori Nagai



Yanmar Marché Nagai exterior (above) and terrace seats to enjoy nature



Futsal court office (above) and court

CSR Activities Report

EMPLOYEES

Diversity and Inclusion

Diversity For YANMAR

“Energetic, Inspiring, and Joyful”. We are the driving force behind the Yanmar Group’s engine bringing the best to work. Employees with diverse backgrounds of ideas and values will be able to create innovation through mutual support and enlightenment.

Our diverse teams provide new value to society by creating new products, services, and solutions. The Yanmar Group encourages diverse and inclusive society to make our community more sustainable.



Creating a work environment where women play an active role in many ways

At the end of March 2022, women accounted for 564 (18.1%) of our 3,116 employees.

Since FY2020, Yanmar Holdings has been operating a mentorship system for female career-track employees and for non-Japanese employees. Mentors support the growth of juniors through dialogue, helping them find the answer to their problems and build internal networks.

Promoting women to managerial positions

While the proportion of female managers at Yanmar is currently only 2.6%, more women are moving into managerial positions every year. There are 23 female managers including 1 president of a group company, 4 general managers, and 18 section managers, and the company has a system and culture of fair evaluation.

Building various support system for employees with disabilities

In order to promote the employment of persons with disabilities at Yanmar Group, Yanmar Symbiosis was established in April 2014 and celebrated its 8th anniversary this year. As a special subsidiary*, 61 people are working actively as of March 2022.

Seven Yanmar Group companies have achieved an employment rate of 2.39% for persons with disabilities, exceeding the current statutory rate. We will continue to work to maintain and improve it.

Results for FY2020 & 2021

	Result for 2020	Result for 2021
Ratio of Female Managers	2.3%	2.6%
Employment rate of Persons with Disabilities	2.32%	2.39%

From Our Manager

We will promote diversity and inclusion to make the employees to look forward to working every day.

As the driving force behind Yanmar's sustainable growth, promoting diversity and inclusion is essential to maximize the abilities of each and every employee. Not just having diverse employees but we will include those diverse opinions into the decision-making at all levels and in all workplaces to create value at Yanmar.

I have been in the R&D department for a long time since I joined the company, and in November 2020, I took my current position to promote diversity in the Yanmar Group. Because I am not from the human resources field, I am able to see things from a different perspective, and I challenge myself to take on new initiatives on a daily basis.

In order to create an attractive and comfortable workplace,

enhance employee autonomy, and improve career development, it is important to foster stronger trust between managers and employees as well as systems. We are also working on strengthening communication, so that we can ensure that everyone is able to work with joy.

And we will continue to challenge ourselves to create a corporate culture where everyone is excited to come to work the next day.



Megumi Fujiwara
 Manager
 Diversity Promotion Group
 Human Resources Division
 Yanmar Holdings

Third Person Perspective

Impression from Reading Yanmar CSR Report 2022

CSR Report 2022 Highlight Version features, re-edits, and concisely summarizes products, services, and business activities for the four visions set forth in A SUSTAINABLE FUTURE from the detailed information disclosed on the website.

At the beginning, Mr. Yamaoka refers the two pillars of the YANMAR GREEN CHALLENGE 2050 which was newly formulated to realize a new value that harmonizes people and nature, and HANASAKA, which expresses the company's commitment to human resource development.

The highlight of this year's report is one of the two pillars, the YANMAR GREEN CHALLENGE 2050, which sets forth three challenges: achieving carbon neutrality including Scope 3 by 2050; eliminating environmental impact through resource recycling; and contributing to customers to achieve carbon negativity and resource recycling. In the first and the second challenges, the company takes a major step forward, establishing a roadmap to reduce the environmental impact of its corporate activities based on a new long-term axis up to 2050. The company also advocates the creation of environmental value through its products and services, and shows the vision of solving social issues while growing the business, mapping out specific activities. Yet, the Environmental Vision 2030 as a milestone to the Challenge 2050 and the Medium-Term Environmental Plan as a concrete PDCA cycle have more potential to be defined in the next year's CSR Report.

The president's message is followed by reports on business and CSR activities. The four visions are edited into a common structure of objectives, products and services, SDGs, and social challenges, making the readers easy to understand. Various initiatives are underway toward -New Value Through Technology-, and of particular note are the demonstration tests of hydrogen engines which are much expected in the shipping industry to help realize a decarbonized society, robot tractors for mowing, and bio composters that reduce food waste and contribute to recycling resources.

The most notable CSR activity is the initiatives related to human resource development. By building flexible and creative systems and introducing the CDP, they made it clear that the company values the workforce to take on the challenges. For the next year, I expect more detailed information about HANASAKA which was mentioned as a pillar in the president's message.

Today, the world is facing not only decarbonization, but also other environmental challenges such as resource recycling and biodiversity, and there is a growing concern for human capital and rights. The more rapidly society changes, the more expectations for business increases. In addition to the initiatives described in this report, I believe that by showing how the business activities change and have a social impact, it can give stakeholders greater confidence that they are creating new value for the future.



Mr. Susumu Kimura

General Manager,
Sustainability Solution Department
Development Bank of Japan Inc.

■PROFILE

In 1995, joins Japan Development Bank (currently the Development Bank of Japan). Assigned to current post since June 2019, after working at the Corporate Finance Department, Division 5, Corporate Planning and Coordination Department, and Economic & Industrial Research Department and as a visiting scholar at Columbia University. Graduate of the University of Tokyo Faculty of Law, and Master of Business Administration from the University of Rochester.

Our Response

We would like to express our sincere gratitude to Mr. Kimura, the Development Bank of Japan for his continuous feedback on the Yanmar Group CSR Report since 2019.

Yanmar is committed to realizing a new value that harmonizes human and nature through our technology. As we celebrate our 110th anniversary this year, we have set a major goal of becoming a 200-year company that creates social value for the next 100 years. With the YANMAR GREEN CHALLENGE 2050 and HANASAKA as two pillars, our Group is united as ONE YANMAR towards the goal to provide new values by solving customers and social issues.

As Mr. Kimura pointed out, this year's CSR report includes a special feature focusing on the YANMAR GREEN CHALLENGE 2050, in which we have declared our commitment to take on three challenges: zero greenhouse gas emissions, zero environmental impact through resource recycling, and supporting for GHG negative emissions and resource recycling in the business activities of customers using Yanmar products. We received positive feedback on the roadmap from a long-term perspective through 2050 and the mapping of social issues to the cases to solve them; yet, Mr. Kimura expressed his expectations for further description of our milestones for 2030 toward the 2050 goal and our medium-term plan. We will make more specific plans public as they are formulated through ongoing discussions with the relevant divisions.

In the business activity report in line with the Four Visions, demonstration tests of marine hydrogen engines, robot tractors for mowing, and bio composters were mentioned as good examples aligned with the brand statement, A SUSTAINABLE FUTURE. We will contribute to realizing a decarbonized and resource-recycling society, with the YANMAR GREEN CHALLENGE 2050.

I would also like to thank him for his high evaluation for the description of human resource development in the CSR activity report. We regard our workforce is a capital for the company, and it is indispensable to create customer value. The Yanmar Group is committed to taking more efforts to create systems and workplace where employees can work with fulfillment.

We accelerate our environmental efforts through our business activities and will accomplish the three goals set forth in the YANMAR GREEN CHALLENGE 2050. We will contribute to solving various social issues while interacting and collaborating with our stakeholders and take on the challenge of realizing a new value.



Tetsuya Yamamoto

Representative Director and COO,
Yanmar Holdings

Corporate Profile and Major Indicators

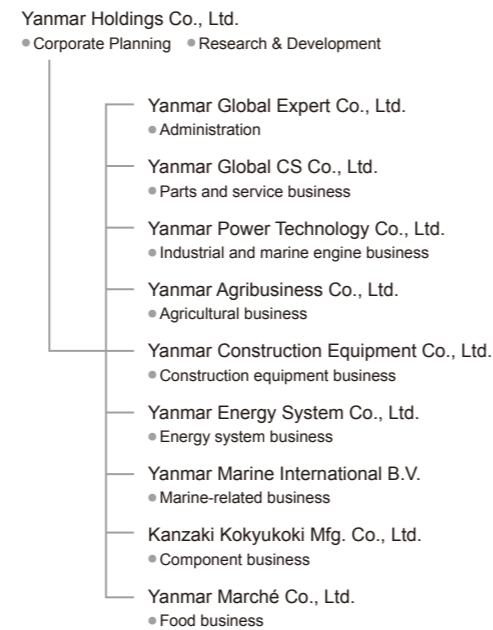
Yanmar Co., Ltd. was split up and established new organizations on April 1, 2020. Please note that some data on this report might be from former organizations.

Company Profile

Yanmar Holdings Co., Ltd.

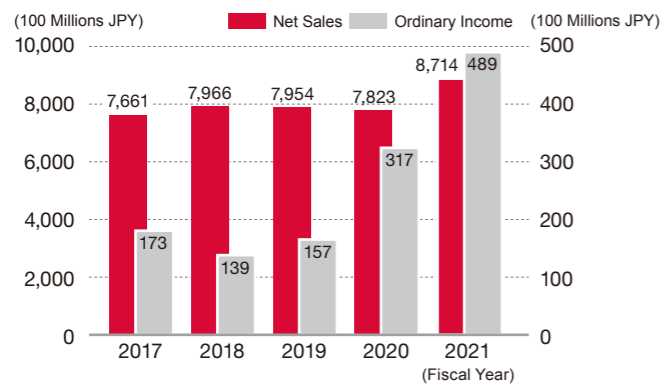
Head Office	Yanmar Flying-Y Building 1-32, Chayamachi, Kita-ku, Osaka, Japan
Tokyo Branch	18F Akihabara UDX North Wing 4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan
Founded	March 22, 1912
Established	April 1, 2013
Capital	JPY 90 million (as of March 31, 2022)
Employees	20,744 (as of March 31, 2022) *Yanmar Group consolidated

Major Group Companies (As of April 1, 2022)

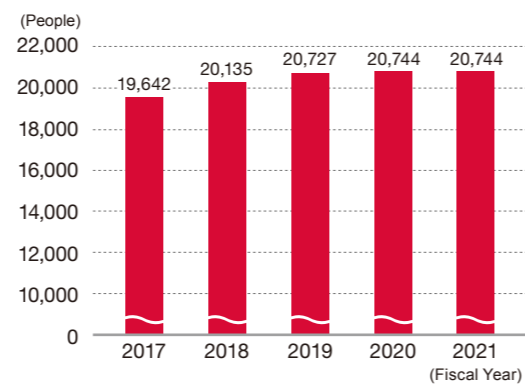


Major Indicators (As of April 1, 2022)

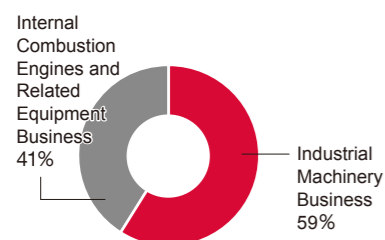
Consolidated Net Sales and Ordinary Profit



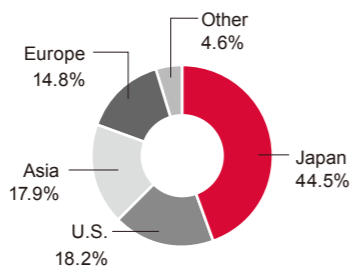
Employees (consolidated)



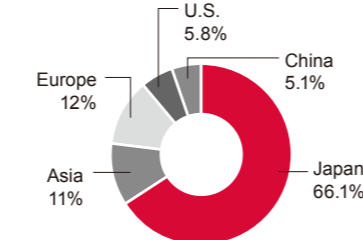
Consolidated Sales by Segment (FY2021)



Consolidated Sales by Region (FY2021)



Employees by Region (April 1, 2022)



Yanmar Group Network

Japan

- Corporate Function
 - YANMAR GLOBAL EXPERT CO., LTD.
- After-Sales Service Including Parts Inventory Management
 - YANMAR GLOBAL CS CO., LTD.
- Agricultural Business
 - YANMAR AGRIBUSINESS CO., LTD.
 - NEW DELTA INDUSTRIAL CO., LTD.
 - YANMAR AGRI JAPAN CO., LTD.
 - YANMAR GREEN SYSTEM CO., LTD.
 - YANMAR HELI & AGRI CO., LTD.
 - SEIREI TOTAL SERVICE CO., LTD.
- Construction Equipment Business
 - YANMAR CONSTRUCTION EQUIPMENT CO., LTD.
- Energy System Business
 - YANMAR ENERGY SYSTEM CO., LTD.
 - YANMAR ENERGY SYSTEM MFG. CO., LTD.
 - YANMAR POWER GENERATING SYSTEM MANUFACTURING CO., LTD.
- Engine Business
 - YANMAR POWER TECHNOLOGY CO., LTD.
 - YANMAR CASTING TECHNOLOGY CO., LTD.
 - YANMAR ENGINEERING CO., LTD.
 - YANMAR PRODUCTION SUPPORT CO., LTD.
 - YANMAR MARINE SYSTEM CO., LTD.
 - GENKAI YANMAR CO., LTD.
- Marine Related Business
 - YANMAR MARINE INTERNATIONAL ASIA CO., LTD.
- Component Business
 - KANZAKI KOKYUKOKI MFG. CO., LTD.
- Food Business
 - YANMAR MARCHÉ CO., LTD.
- Others
 - YANMAR OKINAWA CO., LTD.
 - YANMAR CREDIT SERVICE CO., LTD.
 - YANMAR INFORMATION SYSTEM SERVICE CO., LTD.
 - YANMAR BUSINESS SERVICE CO., LTD.
 - CEREZO OSAKA CO., LTD.
 - CEREZO OSAKA SPORTS CLUB
 - YANMAR SYMBIOSIS CO., LTD.
 - YANMAR E-STIR CO., LTD.
 - KOWA COMPANY, LTD.
 - YAESU SHOPPING MALL CO., LTD.
 - SEIREI KOSAN CO., LTD.
 - YANMAR ENVIRONMENTAL SUSTAINABILITY SUPPORT ASSOCIATION
 - YAMAOKA SCHOLARSHIP FOUNDATION
 - YAMAOKA MEMORIAL FOUNDATION
 - YANMAR HEALTH INSURANCE SOCIETY
 - YANMAR CORPORATE PENSION FUND
 - YANMAR AGRI JAPAN CORPORATE PENSION FUND
 - RICE TECHNOLOGY KAWACHI CO., LTD.
 - WAKU WAKU PARK CREATE CO., LTD.
 - YANMAR VENTURES CO., LTD.

International

North & South America

- YANMAR AMERICA CORPORATION
- YANMAR ENERGY SYSTEM CANADA
- TUFF TORQ CORPORATION
- TRANSAXLE MANUFACTURING OF AMERICA CORPORATION
- YANMAR MASTRY ENGINE CENTER LLC.
- YANMAR MARKETING AMERICA.LLC.
- YANMAR SOUTH AMERICA INDUSTRIA DE MAQUINAS LTDA.
- ASV HOLDINGS INC.
- GETMYBOAT INC.

Europe

- YANMAR EUROPE B.V.
- YANMAR MARINE INTERNATIONAL B.V.
- VETUS B.V.
- ELEO TECHNOLOGIES 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 S.L.
- RMB AG
- YANMAR RUS LLC
- YANMAR TURKEY MAKINE A.Ş.
- YANMAR COMPACT GERMANY GMBH
- YANMAR FRANCE S.A.S
- YANMAR ENERGY SYSTEM EUROPE GMBH

Asia-Pacific

- YANMAR (SHANGHAI) HOLDINGS CO., LTD.
- YANMAR ENGINE (SHANGHAI) CO., LTD.
- YANMAR ENGINE (SHANDONG) CO., LTD.
- YANMAR AGRICULTURAL EQUIPMENT (CHINA) CO., LTD.
- YANMAR (SHANDONG) R&D CENTER 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
- YANMAR MYANMAR CO., LTD.
- PT. YANMAR DIESEL INDONESIA
- PT. YANMAR INDONESIA
- PT. YKT GEAR INDONESIA
- YANMAR INDIA PRIVATE LIMITED
- YANMAR COROMANDEL AGRISOLUTIONS PRIVATE LIMITED
- INTERNATIONAL TRACTORS LIMITED
- YANMAR KOTA KINABALU R&D CENTER SDN. BHD.
- YANMAR ENERGY AUSTRALIA PTY. LTD.
- YANMAR ENGINE MANUFACTURING INDIA PRIVATE LIMITED

YANMAR

Publisher:

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Inquiries:

Risk Management Group
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