

# Our Promises to Customers

## R&D Initiatives

To provide our customers with the best products for their needs, Tadano's engineers go to the actual jobsite to see in person how a product is used and to hear the true voices of customers. Our desire to make products that will contribute to the world and to continue providing user convenience and sense of security compels us to take on the challenge of developing new functions.

### Tadano signs an agreement with Kyoto University for a comprehensive partnership for collaborative research.

In March 2018, Tadano signed an agreement with Kyoto University with the goal of combining our technical expertise with Kyoto University's leading-edge academic knowledge in mechanical engineering, social engineering, urban engineering, and information science to promote the generation of new innovations that improve safety and productivity in construction operations.



### Establishment of a low-temperature testing facility

As Tadano's products expand their presence worldwide, unexpected issues could arise in extreme climates, including slower operating speeds. Recognizing that products must be tested in severe temperature conditions to further enhance their core value, Tadano established a temperature testing facility on the premises of the Shido Plant in 2016. A variety of tests can be conducted in temperatures ranging from -40°C to 60°C.



### Investment in a venture capital fund

In December 2017, Tadano made an investment of 300 million yen in Miyako Kyoto University Innovation Limited Partnership, operated by Miyako Capital Co., Ltd. of Kyoto. Tadano seeks to promote open innovation by developing a network with a research-based venture company with proprietary technologies.

## Tadano's Global Production Network and Pursuit of Quality Enhancement

### Development of a global production network

While our core production plants are located in Japan, Tadano also manufactures products that meet a diversity of global needs at key facilities located in Germany, the United States, and Thailand. This integrated network results in a highly efficient and cost-competitive global production model. Sharing proven Japanese-style manufacturing technologies with our production sites outside of Japan, we aim to build products that are number one worldwide in quality and that engender even greater confidence in the Tadano brand. We achieve efficient cross-sourcing through the international supply of core components, thereby improving both quality and efficiency.



### Our commitment to quality

Complex pieces of precision machinery like cranes rely on the continuous improvements in skill and technique derived from our wealth of accumulated engineering experience. Tadano develops the skills of its workforce through both specialized skill training, which leads to quality improvements, and multi-skill development, which leads to efficient manufacturing. In 1996, Tadano received ISO 9001 certification, the international standard for quality management systems.

To ensure that we can continue to deliver satisfaction to our customers, the company also overhauled its operational processes, from the initial development phase to prompt responses to post-market quality issues. Since 2007, Tadano's Production Division introduced "core value activities" at all our production sites, including the use of a management board to visualize and improve the status of quality on a daily basis (the PDCA cycle).



# Our Promises among Employees

## Tadano's Health Management Initiatives

Employee development is what drives a company to accomplish its long-term goals. Company growth cannot be achieved without the growth and development of employees. Recognizing that the physical and mental well-being of employees is essential for the professional performance and prosperous life of each and every employee, we have established the Employee Health Management Declaration.

### Tadano is certified as a Health & Productivity Management Organization

Since launching its Physical and Mental Wellness Program in 1981, Tadano has been working to foster a culture of health in the workplace. Initiatives include granting company employees and families access to the Fitness Center located within the company. In February 2018, Tadano was recognized in the Large Enterprise Category of the 2018 Certified Health & Productivity Management Organization Recognition Program (White 500), announced by Japan's Ministry of Economy, Trade, and Industry (METI) and the Nippon Kenko Kaigi ("Japan Health Council").



### Employee Health Management Declaration

Tadano takes pride in the culture of health it has cultivated since launching its Physical and Mental Wellness Program in 1981. To maintain and further develop this culture, we hereby declare that we will value the physical and mental well-being of each and every employee and that we will make organization-wide efforts to create a positive workplace where employees can thrive.

May 2018  
Koichi Tadano  
President & CEO

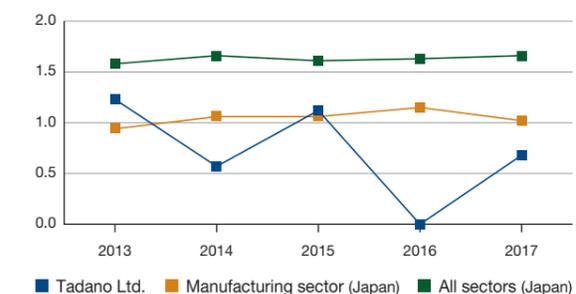
## Our Commitment to Safety in the Workplace

### Establishment of Tadano Group Safety Fundamentals

In December 2017, we prepared a "Tadano Group Safety Fundamentals Card" with the goal of further raising awareness about workplace safety among Tadano Group's employees. The front side of the card outlines a Tadano's commitment to safety, and the reverse side lists the "Tadano Group Safety Rules." Prepared in five languages (Japanese, English, German, French, and Thai), the card is distributed to all Group employees.



### Incidents of work-related accidents (frequency rate\*)



\*Number of occupational accidents per 1 million actual work hours. Describes the frequency of occupational accidents resulting in lost workdays. (Figures for the manufacturing sector and all sectors, excluding the general contracting sector, are taken from the Survey on Industrial Accidents by Japan's Ministry of Health, Labour and Welfare.)

## Human Resources Development and Diversity Initiatives

### TQM activities

At Tadano, we firmly believe that our goals and visions are accomplished by steadfast efforts in our day-to-day work. Driven by this belief, Tadano formed the TQM Promotion Committee in 2011 with three activities: spread and share the Tadano Way, thoroughly implement management of policies and day-to-day operations, and enhance our improvement capabilities and develop human resources.

The Tadano Way is the sum of the values and ways of thinking and action passed down by our past and current presidents and senior employees. By sharing the Tadano Way with all Group employees, we aim to work as "One Tadano"—a team united by common values and goals. We also organize what we call "Way Meetings," in which participants can communicate and think together with people from different ranks and positions.



### Promoting diversity

Based on our belief that a company is its people and the success of a company is built on human resources development, as well as on our understanding that employees are our assets, we always place emphasis on development of human resources. As part of our initiatives for further diversity, Tadano developed an action plan to promote the empowerment of women in 2016. Currently at Tadano Ltd., we have a hiring plan to increase the percentage of female employees at the company over the next 10 years from the current 7% to 10%. At the same time, we are making steady progress in developing a work environment and a job rotation system to promote the advancement of women through initiatives such as providing more training opportunities for women to help them succeed as the next generation of leaders.

## Our Promises among Partners

### Our Basic Policy: Working with Our Suppliers for Mutual Benefit

We strive to build a strong relationship with all our suppliers and work together toward mutual growth. The Tadano Group CSR (Corporate Social Responsibility) Guidelines set out the following principles:

#### Tadano Group CSR Guidelines (Excerpt)

1. We will conduct fair transactions with all our business partners by complying with relevant laws and regulations, including the Antitrust Law, based on the principles of free competition.
2. We will not engage in collusions or cartel activities, conduct activities that prevent fair and free competition, exchange information or participate in meetings that restrict free competition, or engage in any other act that may expose us to suspicions of anti-competitive practices.
3. We will not take advantage of our superior position to engage in actions or transactions that may cause suppliers of materials and other partners to suffer unfair disadvantage.
4. We do not receive any personal profits or benefits through our duties, including those related to procurement.

Tadano promotes environmentally-friendly product development through the non-use of the four substances of concern (SOC) with the understanding and cooperation of our suppliers.

### Aiming for a Mutual Development—the Tadano Kyohei Society

In 1994, Tadano and its suppliers established the “Tadano Kyohei Society” with the aim of fostering an independent, solution-oriented organization with the competitive technologies and capabilities needed to survive in the 21st century. Since then up to the present time, we have developed and maintained lasting, strong relationships with our suppliers and worked with them for mutual growth and development. The organization is comprised of a total of 58 corporate members in Japan (as of April 2018). A variety of activities and events are held each year, including safety workshops, presentations on improvement initiatives, plant tours, and SVE conferences. The association also presents awards to suppliers with outstanding achievements each year.



Plant tours by members of the Tadano Kyohei Society



Annual supplier awards ceremony

### Building a “Win-Win” Relationship: SVE Activities by the “Team of Four”

Since 2009, Tadano’s three divisions (Research and Development, Production, Procurement) have worked with our suppliers as a “Team of Four” to promote its SVE activities, with the goal of developing and producing products with greater value. “SVE”—an original concept developed by Tadano by adding “S” (Super and Sustainable) to “VE” (Value Engineering)—embodies our determination to surpass our past VE activities and continue to move forward vigorously with our efforts.

#### SCOOP activities

We began our SCOOP (Super Cooperation) program, a key component of our SVE activities, in 2011. We work with our suppliers on an individual basis to set themes and targets to enhance the value and functionality of products and reduce costs while leveraging strengths and qualities of both Tadano and the suppliers.

#### SVE conference

Tadano has held the SVE Conference biannually since 2012 to continue and further expand our SVE activities. 80 individuals from 40 suppliers and 92 individuals from the Tadano Group, including senior executives, a total of 172 participants attended the 13th SVE Conference held on April 20, 2018. The conference featured presentations on five themes related to the SCOOP activities.

#### Examples of presentation themes (from the 13th SVE Conference)

- Design-in activities for carrier frames
- Reducing pressure drop in winch counterbalance valves
- VE activities related to cab wiring processes
- Unit integration for upper hydraulic equipment
- Further utilization of 3D-CAD data



SVE Conference (presentation by a supplier)

## Our Promises to Shareholders and Investors

### Our IR Policy

In the Tadano Group CSR Charter and CSR Guidelines, the company positions our shareholders and investors as key stakeholders and pledges to “improve our performance and achieve long-term, steady growth to increase the asset value of our shareholders and investors.” We pledge to all our stakeholders that we not only comply with all relevant laws and regulations, but also disclose corporate information including updates on management and business activities in a timely and appropriate fashion. Specifically, we disclose information through TDnet, a service provided by the Tokyo Stock Exchange, and send news releases or post updates on our company website depending on the content.

We hold our biannual financial results briefings for securities analysts in Tokyo, where the president personally explains the company’s financial results as well as the future direction of our business. We also welcome our institutional investors for company

visits and plant tours.

To prevent leaks of information on financial results and to ensure fairness, we observe a quiet period that begins the day after the end of the fiscal period and each quarter until the announcement of financial results. We will not be responding to or commenting on inquiries regarding financial results during this period.



Financial results briefing for securities analysts (in Tokyo)

#### IR calendar

Event	FY 2018	FY 2017 (for reference)
Announcement of financial results for the year ending March 2018	April 27, 2018	April 28, 2017
Financial results briefing for securities analysts (in Tokyo)	May 15, 2018	May 15, 2017
The 70th Ordinary General Shareholders' Meeting	June 26, 2018	June 27, 2017
Announcement of financial results for the first quarter of the year ending March 2019	July 31, 2018	July 31, 2017
Announcement of mid-term financial results for the year ending March 2019	Late October 2018	October 30, 2017
Mid-term financial results briefing for securities analysts (in Tokyo)	Mid-November 2018	November 8, 2017
Announcement of financial results for the third quarter of the year ending March 2019	Late January 2019	January 31, 2018

#### Analyst coverage

Below is a list of securities analysts who review and make recommendations on Tadano’s stock based on their analyses of the company’s operating performance (as of September 10, 2018).

Company name	Name of analyst
Ichiyoshi Research Institute Inc.	Naruhiko Takatsuji
CLSA Securities Japan Co., Ltd.	Edward Bourlet
JP Morgan Securities Japan Co., Ltd.	Tomohiko Sano
Tokai Tokyo Research Institute Co., Ltd.	Mitsuyuki Ohdaira
Macquarie Capital Securities (Japan) Limited	Kunio Sakaida
Morgan Stanley MUFG Securities Co., Ltd.	Yoshinao Ibara

<Notes>

•The list includes securities analysts who were confirmed to have published reports concerning Tadano based on the information available to the company at the time of publishing the list. Please note that there is a possibility of other analysts that are not listed and that not all of the information may be up to date.

•The list is posted for the sole purpose of introducing information on the analysts belonging to a corporation or research institution that provides analyses and forecasts regarding Tadano’s operating performance, and is not intended as a solicitation to purchase or sell the company’s stock.

•Analysts, whether included in the list or not, periodically or irregularly prepare analyses and forecasts on performance, business, products, technologies, and other aspects of the company based on their independent judgment. Neither the company nor the company’s management team is involved in the processes in any way. Investors are requested to make their final investment decision based on their own judgment.

# Our Promises to Society

Tadano established the CSR (Corporate Social Responsibility) Committee in 2005 to promote and promulgate CSR. The Tadano Group believes that a company can exist only when it is in harmony with the people around it. Therefore, we will contribute to the development of local and international societies, and promote business activities that help protect the global environment. We will also seek to maximize our corporate value in response to the expectations of all of our stakeholders. Simply stated, we will pursue further excellence for the world and the future.

## Tadano Group CSR Charter

The Tadano Group believes that a company can only exist successfully if it is in harmony with society and people. Therefore, we will contribute to the development of local and international societies, and promote business activities that help protect the global environment. We will also seek to maximize our corporate value in response to the expectations of all of our stakeholders. Simply stated, we will pursue further excellence for the world and the future.

### Increasing the Business Value of Customers

We will dedicate ourselves to increasing the business value of customers by providing products, services and systems focused on safety and quality.

### Striving to Create New Technologies

We will undertake the challenge of creating highly original products, services and systems, aiming to continually impress our customers by exceeding their expectations.

### Sincere Business Activities

We will strive to conduct fair, transparent, sincere business activities.

### Respect for Employees

We will respect each employee's individuality and dedicate ourselves to creating healthy, cheerful workplaces that bring out the best in employees.

### Coexistence with Business Associates

We will strive to build strong relationships of trust with all of our business associates through cooperation, and to grow and coexist harmoniously with them.

### Maintenance and Improvement of Investment Value

We will work to improve our performance and achieve long-term, steady growth to increase the asset value of our shareholders and investors.

### Coexistence with Society

We will respect the laws, customs and cultures of the countries and communities where we work as a good corporate citizen, and conduct business activities that contribute to the development of their societies.

### Harmony with the Global Environment

We will strive to achieve harmony with the global environment in all of our work processes.

### Appropriate Communication Activities

We will disclose accurate information in a timely fashion, and by appropriate methods of communication, to all of our stakeholders, whom we see as our partners, and we will dedicate ourselves to maintaining long-term relationships of trust.

Under our corporate philosophy of Sozo (Creation), Hoshi (Contribution), and Kyoryoku (Cooperation), we want to serve our communities in ways only Tadano can.

## Our Commitment to the Environment

The Tadano Group works to protect the global environment and help create a sustainable society. The company obtained ISO 14001 environmental management system certification in 2008, and has implemented initiatives to minimize the burden on the environment through not only our product development, but also our business activities.

Our efforts include installing 2,000 square meters of solar panels (maximum output: 260 kw) at our Shido Plant, using a barge to transport products by overhauling the port adjacent to the Shido Plant, and conserving energy use at our offices and plants.

In fiscal year 2017, the company had a total energy use of 5,670 kiloliters (by crude oil equivalent; amount indicated in the company's periodic reports on energy use) in Japan. Most of the energy use for our business activities is related to production activities at our plants, and therefore the level of

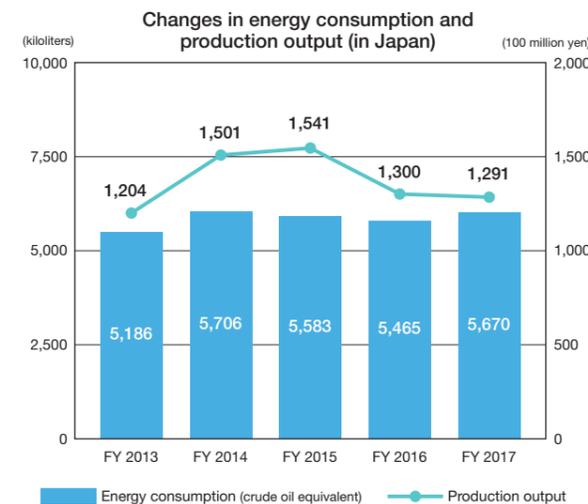


Using barges to transport products



Solar panels installed at Shido Plant

energy use tend to be greatly affected by fluctuations in production output. Going forward, Tadano will continue to implement energy-saving measures, including improving the efficiency of our production facilities and introducing LED lighting. Tadano's model upgrades comply with new exhaust gas standards, and each segment has introduced eco-friendly products with features that minimize noise and other pollution. The CREVO G4 rough terrain crane series, which is equipped with Fuel Monitoring and Eco Mode functions, supports efficient and environmentally friendly operation such as by reducing CO<sub>2</sub> emissions, fuel consumption, and operational noise.



## Cultural Restoration Projects

As a manufacturer of lifting equipment, Tadano has been uniquely positioned to make contributions to the community by assisting with cultural restoration projects. In response to a message from Easter Island seeking technical assistance to return Moai to the standing position, Tadano took on the Moai Restoration Project, which lasted from 1988 to 1996. Tadano also provided technical cooperation in the disassembly of the Takamatsuzuka Tomb's stone chamber in Nara by developing a disassembly jig in 2008. In February 2018, Tadano won the Special Prize of the Minister of Economy, Trade and Industry in the Monozukuri Nippon Grand Award, and the company also donated equipment for the restoration of ruins of Angkor in 2008.



Moai Restoration Project



Equipment donated for the restoration of Angkor, Cambodia



Technical cooperation in the disassembly of the Takamatsuzuka Tomb's stone chamber.

## Sponsorship and Exhibition in an Interactive Science Event

Tadano supports an interactive science event held by local universities and other organizations to inspire children's interest in science. Children had the opportunity to use experimental tools to learn about the principle of the lever, Pascal's law, and the principle of the pulley. They also had great fun test-riding Tadano's aerial work platforms and operating a "skeleton crane" that runs on air pressure.



A child using the skeleton crane

## Summer Plant Tours for Families

Tadano holds plant tours each year to enhance children's interest and understanding in monozukuri (high-quality manufacturing) and technology and to give them a little help with their summer projects by providing them with a rare opportunity to visit plants and test-ride our cranes.

In fiscal year 2017, the tour was held at our Shido Plant in August and was joined by a total of 44 pairs of children and parents from both inside and outside the company.



## Heartful Pocket (donor organization)

This support organization, which encourages employees' participation, was launched in 2007 as a grassroots initiative for raising donations for organizations and individuals dedicated to a variety of social causes. Employees who become members of the organization make a donation of 100 yen from their monthly salary and 500 yen from their bonus. The company devotes the amount equivalent to the sum of the contributions by employees (matching gift), and make donations twice a year. As of March 2018, we have made donations to a total of 46 organizations.



## Blood Donation and Nursing Training

As a supporter of the Japanese Red Cross Society, Tadano organizes blood drives twice a year at our offices and plants in Kagawa, and more than 400 Group employees participate each year. A total of 462 employees donated blood in fiscal year 2017, which corresponds to approximately 1% of the total blood donation in Kagawa.

We also accept some 100 nursing students from local universities and vocational schools each year for an on-site practical training.

