

Our Commitment to ESG and SDGs

Tadano Group and SDGs

From the time of our founding, the Tadano Group has held the firm belief that a company can exist only when it is in harmony with the people around it and greater society. Under this belief, we have carried out our business activities while prioritizing harmony with our stakeholders. In the spirit of "great harmony," we want to contribute to a better global environment as a part of the society. As we step forward into our second century of business operations, we seek to achieve long-term growth as a company. These ideas are the reasons for our efforts to promote ESG and SDGs as set out in our Mid-Term Management Plan (21-23). Tadano has also long held our vision of "Pursuing Further Excellence for the World and the Future." This vision aligns with the aims of the UN's Sustainable Development Goals (SDGs). We will aim for "Pursuing Further Excellence for the World and the Future" through our products, services, and business activities through the behavior of our individual employees.



ESG and SDGs

Initiatives for Pursuing "Further Excellence" and SDGs

The Mid-Term Management Plan (21-23) sets forth "Pursuing Further Excellence, Focusing on the Tadano Red Arrow" as one of our basic policies. The definition of "Further Excellence" is being "a robust company," "a company that continues to evolve," "a company that benefits society and customers," "a company that earns the esteem of the greater world," and "a company that earns the pride of its employees." We believe that

meeting these five conditions is the prerequisite for "Further Excellence" and that aiming to achieve each of these conditions will result in contributing to the SDGs. Going forward, we plan to assess the current status of each of our initiatives and accelerate such initiatives even further, and thereby contribute to society.

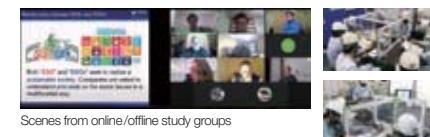
	Being a Robust Company	Being a Company that Continues to Evolve	Being a Company that Benefits Society and Customers	Being a Company that Earns the Esteem of the Greater World	Being a Company that Earns the Pride of its Employees
Specific aim	Prepares for and handles various changes and risks correctly	Provides safer and more efficient products by promoting technological innovation	Provides products and services responding to customer needs	Promotes compliance and governance	Makes the most of human resources and prepares an employee-friendly and rewarding work environment
Examples of initiatives	We anticipate, prepare for and respond to the external environment that changes in a complex manner. In manufacturing, we are making efforts to build a global production network aimed at optimal local production and to reduce environmental burdens. We have also formulated and operate a business continuity plan to restore important business processes as soon as possible even if unforeseen events arise.	We conduct research on safe, highly productive and revolutionary construction solutions for the future, while looking at "the present from the perspective of the future." Placing the highest priority on securing safety at worksites, we are actively implementing initiatives for further simplifying and facilitating the operation of cranes, automation and autonomy through the use of AI and also the development of electrified products to improve the global environment.	We are further evolving core technologies to meet the expectations of our customers and society and developing market-oriented, safe and high quality products. In addition, we are developing service personnel in Japan and overseas with high technical capabilities, and also engage in activities to achieve higher product value and quality, while aiming for mutual growth and development with our business partners.	We consider compliance and governance as one of the important management issues for the purpose of ensuring the transparency, soundness and efficiency of management, and we are implementing various initiatives. We also engage in activities that contribute to society such as forest preservation as part of our efforts to improve the global environment through the actions of each employee.	We accept diversity in terms of various factors, including abilities and experience. Harnessing it for use inside our organization will improve employee job satisfaction and productivity, helping to create added value. Driven by this belief, we are creating workplace environments and implementing human resources development so that every employee can exert their best performance by utilizing their own talents and individuality.
Related SDGs	1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

Internal Learning Activities

We started "Engage in ESG and SDGs" activities from FY 2019 and in the first year invited outside lecturers to provide in-house SDG lectures. We also engaged in executive discussion at an all-officer meeting session dedicated to the topic of SDGs. In FY 2020, as the first year of our full-scale efforts, we established the SDGs Promotion Committee with overall responsibility for promoting activities of the Group and the SDGs Promotion Group as a dedicated body for implementing such activities. We have also held study groups for all employees in Japan and overseas for internal dissemination. From the perspective of preventing the spread of COVID-19, these study groups were held online except for those held on-site at plants, etc. and we deepened everyone's understanding about "What are ESG and SDGs" and "Why is Tadano engaged in ESG and SDGs," while exchanging small group discussions as well.

Main comments from participants

- I felt that we will seriously make efforts as a company going forward.
- How about setting numerical goals as a company when undertaking initiatives?
- I would like the initiatives to be taken on a company-wide basis including the supply chain.



Scenes from online/offline study groups

Environmental

Our Commitment to the Environment

Setting Long-Term Environmental Targets

In April 2021, the Tadano Group declared a target of achieving Net Zero Carbon Emissions by 2050 in order to contribute to a better global environment as a part of the society through our products, services, and business activities and through the behavior of our individual employees.

In order to achieve this target, we set long-term environmental targets for 2030 compared to the 2019 baseline of a 25% reduction in CO₂ emissions from business activities, a 35% reduction in CO₂ emissions from products, and a 50% reduction in the volume of industrial waste from business activities.

At around the same time, we expressed support for the recommendations of the TCFD. Going forward, we will proactively disclose climate change-related financial and management information through our websites and others.

The Tadano Group's Long-Term Environmental Target 2030

(Reduce CO₂ Emissions) Compared to 2019 Baseline
 ① CO₂ emissions from business activities 25% reduction
 ② CO₂ emissions from products 35% reduction

(Reduce Industrial Waste) Compared to 2019 Baseline
 Industrial waste from business activities 50% reduction



Reduction of CO₂ from Business Activities

The Tadano Group works to protect the global environment and help create a sustainable society. The company obtained ISO14001 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 installation of 2,000 square meters of solar panels (maximum output: 260kw) at our Shido Plant and reorganization for greater efficiency in production and energy usage. In addition, at the Kozai Plant, constructed under the concept of "Next Generation Smart Plant: Harmonizing the Balance of People and Machinery, Connecting to the Next Generation of Smart Manufacturing," we adopted an energy management system, which can monitor energy consumption in real time. We also installed solar panels with a maximum output of 1,182.6 kw (power

generation started in October 2021). At both plants, efforts are being made to transport products by using energy efficient barges with lower CO₂ emissions. We are implementing initiatives to reduce environmental burdens at other locations as well, by promoting the installation of solar panels and conserving energy use for air conditioning and lighting, among others. We are currently collecting and scrutinizing various types of data in view of setting standard values for long-term environmental targets. We will further accelerate our efforts for initiatives such as improving the efficiency of our production facilities, introducing LED lighting, and expanding the use of renewable energy, including at our production sites outside Japan. In regard to industrial waste as well, we will consider and proceed with specific measures for further reductions with the aim of achieving a recycling-based society.



Solar panels installed at Kozai Plant



Solar panels installed at Advanced Technology Research Center

Reduction of CO₂ from Products

Emissions generated during operation of products account for a large portion of the CO₂ emissions in the life cycle of construction machinery. Against such background, Tadano has introduced model upgrades that comply with new exhaust emissions regulations and most of the products manufactured in Europe can be operated with reduced-emission fuels such as hydrotreated vegetable oil (HVO). Also, the CREVO G4 rough terrain crane series is equipped with Fuel Monitoring and Eco Mode functions, while AC3.045-1 CITY, a city crane, is equipped with an E-Pack allowing crane operation without starting the engine. In this way, our cranes support efficient and environmentally friendly operation through reduction of CO₂ emissions, improvement of fuel consumption, and low-noise operation, among others.

In terms of long-term environmental targets for products, we are currently collecting and scrutinizing various types of data in view of setting standard values. However, we are proactively advancing initiatives such as extending the Advanced Technology Research Center, which conducts research on advanced technologies, and we have constructed a power train testing facility that conducts testing and verification for early realization of the electrification of our products. In addition, Tadano Group's products are expected to play a big role at construction sites for plants such as wind power stations, which are anticipated to increase due to Green Transformation (GX) in the future. To help our society, we will continue to develop products that contribute to environmental conservation.



Power train testing facility under construction



Crawler cranes loading offshore wind turbine components at a port



AC3.045-1 CITY, a city crane, and E-Pack
 * One of the most compact models among all terrain cranes

Our Promises to Customers

[Our Basic Policy]

Based on its corporate philosophy of Sozo (Creation), Hoshi (Contribution) and Kyoryoku (Cooperation), the Tadano Group intends to be the global leader in customer satisfaction by providing customers with quality and services with the sincere desire to inspire a wow factor.

As the use of IoT and AI spreads rapidly due to innovation in digital technology, we will integrate digital technology into our products and adapt our business model. Specifically, we aim to respond to the needs of customers and construction sites by offering not only tangible products but also intangible solution services that focus on the lifting function.



Our Commitment to Quality

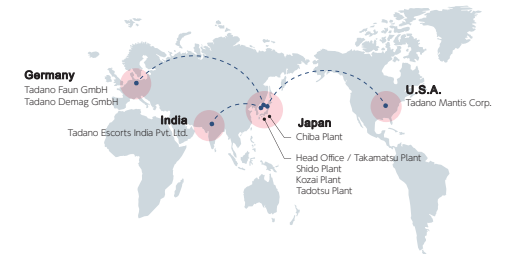
Complex pieces of precision machinery like cranes rely on the continuous improvements in skill and technique derived from our wealth of accumulated engineering experience. Tadano develops the skills of its workforce through both specialized skill training, which leads to quality improvements, and multi-skill 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).



Establishment of Global Production Network

Tadano manufactures products that meet the diverse needs of global customers at key facilities located in Japan, Germany, the United States, and India. This integrated network results in a highly efficient and cost-competitive global production model. While leveraging synergies 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.



R&D Initiatives

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. We aim to generate new innovations that improve safety and productivity in construction operations.

Investment in a venture capital fund

Tadano made an investment of 500 million yen in total 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.

Extension of the Advanced Technology Research Center

In response to technological innovation and rapid changes in the market environment, we extended the Advanced Technology Research Center in 2020, under the concept of "Joint Development and Creation." The Center works on the "AI x Open Innovation" initiative to resolve issues the industry is faced with.



Safety Initiatives

Holding training sessions

Safety training

Safety classes are held for various types of products in response to requests of customers, for their proper and safe use. The curriculum can be matched to the participants, from people using the equipment for the first time to machine administrators.

Maintenance training

Cranes must be properly serviced and parts regularly replaced so that they can continue operating safely without having to stop due to accidents. Tadano offers maintenance training sessions for various types of products in response to request of customers, to a wide variety of participants from people who have no familiarity with this to those who engage in servicing at their own companies.

Safe operation and travelling support systems

Wide Sight View (overview display device)

A large multi-function display shows a view of the vehicle as if looking down on it from above, helping to confirm safety.



Human Alert System (person detection and warning device)

The system covers the left/right side of the vehicle, which is difficult to check from the operator's seat. It triggers an alarm when it detects pedestrians or people riding bicycles.



Boom Tip Camera

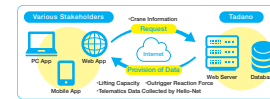
The camera installed at the boom tip reduces the risk caused by the protruded boom.



Digital Services - New Value with Lifting Solutions

We want to provide safe, high quality and efficient lifting work. This is Tadano's consistent passion that has never changed over the years to this date. That is why we were early to implement digital services including telematics. Under the banner of Digital Transformation (DX), we

will support our customers with total solutions in promoting DX, amid a major turning point facing the construction and building industry. The provision of Lifting Solutions beyond Lifting Equipment will be one of Tadano's future missions.



Lift API

* The general term for API (Application Programming Interface) advocated by the company.

Digitalization and open interface

The Lift API is an API for providing the calculation function of Tadano cranes and telematics data via the Internet. Through the linkage with crane construction plan apps and currently used fleet management systems, customers and Tadano can be connected by way of crane data. Through the linkage with lift planning apps for example, the Lift API allows for precise lift planning and ascertains rated lifting capacity based on calculation results from a virtual on-board computer. When used in conjunction with fleet management systems, Tadano products can be managed on the customer's choice of platform along with all other equipment. There are many more ways of using the Lift API. Tadano will grow even more value together with our stakeholders.



BIM Data

Project planning with Tadano Group construction cranes is even easier when using our BIM data

Building Information Modeling (BIM) is a process that utilizes a database of digital products, allowing users to digitally model a building, and calculate the associated cost, material type, and other elements. BIM brings together the previously separated stages of design, construction, and management, and can be used throughout the whole building lifecycle. And, unlike 3D CAD, BIM files can be used with a variety of software. The BIM data of our construction crane lineup is now available both on the BIMobject® platform and Tadano website.



HELLO-NET

Keeping customers and Tadano Group connected to cranes in the field

Using communication satellites and mobile devices, Hello-Net makes it easy to ascertain the operating status of a crane in real time. This enables a proactive approach to service through which we can identify early signs of trouble and provide advance maintenance. We are making progress in installing Hello-Net as standard equipment, chiefly on rough terrain cranes. Hello-Net is currently used with approximately 16,300 cranes in Japan and 6,500 cranes outside of Japan. We are also expanding this system for use with all terrain cranes and aerial work platforms.

Customer Event

A total of 270 customers from 16 European countries joined an event at our facilities in Zweibrücken, Germany, from September 27 through October 9. The motto "experience and test our machines" was one of the primary focuses of this European Customer Days event where all the customers had the chance to experience and test a total of 15 different cranes, now officially marketed under the Tadano brand name with the slogan "Your Passion. Our DNA." With numerous orders, the two-week event is to be considered an enormous success.



Our Promises Among Employees

[Our Basic Policy]

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. Based on the concept that employees are our assets, Tadano emphasizes workplace building and human resources development to best leverage the skills and individuality of each person, allowing employees to give their maximum performance. We believe that the synergy generated by ensuring a proper work-life balance on the foundation of the physical and mental well-being is fundamental to raising productivity and creating added value.



Tadano's Health Management Initiatives

We promote health management as we recognize that the physical and mental well-being of each and every employee is essential for maintaining a prosperous life and professional-level performance.

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. Since 2018 Tadano has been recognized in the Large Enterprise Category of the Certified Health & Productivity Management Organization Recognition Program of Japan's Ministry of Economy, Trade, and Industry and the Nippon Kenko Kaigi (Japan Health Council). Our four domestic group companies were also recognized in the Small and Medium-sized Enterprise Category of the Certified Health & Productivity Management Organization Recognition Program in March 2021.

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

President & CEO

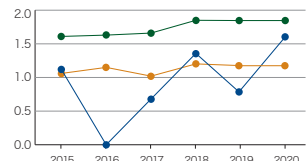
Our Commitment to Safety in the Workplace

Tadano has significant obligations and responsibility for product safety, to protect both our customers and society. It is occupational safety at the company that supports the product safety. We believe that realizing occupational safety at the company is essential to ensuring the safety of our products.

Based on this concept, we prepared the Tadano Group Safety Fundamentals Card in December 2017 with the goal of further raising awareness about workplace safety among Tadano Group employees. Prepared in seven languages (Japanese, English, German, French, Dutch, Thai and Hindi), the card is distributed to all Group employees. We also regularly communicate with safety officers at plants both in Japan and overseas, to pursue further improvement in safety. One of the results of this program is that our two German group companies obtained the occupational health and risk management system (OHRIS) certificates in 2018.



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.)

Diversity and Inclusion

We accept diversity in terms of various factors, including abilities and experience. Harnessing it for use inside our organization will improve employee job satisfaction and productivity, helping to create added value. Driven by this belief, we are creating workplace environments where diverse employees can best utilize their talents.



Empowerment of women

Aiming to increase the percentage of female employees at the company to 10% by the end of FY 2026, Tadano hires women in a well-planned and proactive manner. 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.

Introduction of a return employment system

In May 2020, we introduced a system in Japan to rehire employees who previously left the company for reasons such as childbirth, raising children, nursing family members, or transfer of their spouse. The knowledge, experience and skills of these former employees can then once again be put to work in our company.



Work-style reform

Tadano supports diverse work-styles in the belief that the synergy generated by ensuring a proper work-life balance leads to better productivity and creates added value.

Introduction of telework (working from home, satellite offices)

In September 2020, the company fully adopted teleworking and satellite office work, in combination with its already active mobile work system. Simultaneous to the introduction of these systems, we discontinued the core times of the flexi-time system for telework, to further enhance work flexibility.

Promoting male involvement in housework and childcare

We are encouraging male employees at the company to take a greater part in housework and child-rearing through special features on male employees taking childcare leave in our internal newsletters, and encouraging and getting across various programs at training sessions for newly appointed managers and supervisors.



Human Resources Development

Based on our belief that a company is its people and the success of a company is built on human resources development, we always place emphasis on development of human resources. In particular, Tadano actively develops human resources capable of competing on the global stage as its business domain expands globally. For instance, we encourage young employees at the company to undertake overseas assignments.



Social

Our Promises Among Partners

[Our Basic Policy]

Tadano's products are made of tens of thousands of parts, many of which are procured from our suppliers. To deliver even safer and higher-quality products to our customers, building strong relationships with our suppliers is essential. The Tadano Group CSR Charter and the Tadano Group Compliance Regulations set out principles for coexistence with business associates and fair procurement activities respectively.

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



Aiming for Mutual Development: the Tadano Kyohei Society

In April 1999, 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 June 2021). 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



SVE Conference (presentation by a supplier)

Comments from Suppliers

Eric Waters Representative Director, Cummins Japan Ltd.

The relationship between Tadano and Cummins, two world class manufacturers, is much more than customer and supplier. Tadano and Cummins share similar values and a storied history. Both companies, founded in 1919 by industrious inventors, have stood the test of time due to our employees' embodiment of our companies' values; providing products that create value, constant innovation and respect for all stakeholders and business partners, including our communities, the environment and society. It is because of these values that we are confident Tadano will continue to lead the lifting equipment industry and are excited to be among their global supplier partners.



An engine manufactured by Cummins

A hydraulic cylinder manufactured by Mimura Ironworks

Isao Mimura President, Mimura Ironworks Co., Ltd.

Mimura Ironworks is a manufacturing company that constantly considers and acts according to "Creation, Passion, and Harmony," in line with its management philosophy of "To provide superior quality product that employees are proud of and that allows the society to prosper." We actively make suggestions to companies using our products to enhance the quality and performance of their products. Since our founding in 1952, as a manufacturing company for the hydraulic systems (hydraulic cylinders) that are essential to the lifting done by hydraulic mobile cranes, we have supplied large and small crane parts, machined components associated with such, and sub-assembly products integrated with hydraulic equipment parts. By providing hydraulic systems essential to hydraulic mobile cranes in a stable manner, Mimura Ironworks is committed to working together with the Tadano Group as it aims to become No. 1 in the global lifting equipment industry, building a relationship of mutual growth.

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.

Social

Our Promises to Shareholders and Investors

[Our IR Policy]

In the Tadano Group CSR Charter, 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 relevant laws and regulations, but also disclose corporate information including updates on management and business activities in a timely and appropriate fashion.

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 and others for company visits and plant tours.



IR Calendar

Event	FY 2021	Event	FY 2021
Announcement of financial results for the year ended March 2021	April 28, 2021	Announcement of mid-term financial results for the year ending March 2022	October 29, 2021
Financial results briefing for securities analysts	May 17, 2021	Mid-term financial results briefing for securities analysts	November 10, 2021
The 73rd Ordinary General Shareholders' Meeting	June 25, 2021	Announcement of financial results for the third quarter of the year ending March 2022	Scheduled in late-January 2022
Announcement of financial results for the first quarter of the year ending March 2022	July 30, 2021		

Opportunities for Dialogue with Institutional Investors and Analysts

Activity	FY 2020	Activity	FY 2020
Briefing by the president	Once	Individual interviews	176 times
Small meetings	8 times	Facility tours	None

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 January 1, 2022).

Company name	Name of analyst
CLSA Securities Japan Co., Ltd.	Edward Bourlet
JP Morgan Securities Japan Co., Ltd.	Tomohiko Sano
Daiwa Securities Co. Ltd.	Yusuke Miura
Tokai Tokyo Research Institute Co., Ltd.	Mitsuyuki Ohdaira
SMBC Nikko Securities Inc.	Satoshi Taninaka
Mizuho Securities Co., Ltd.	Jin Qian
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	Tsubasa Sasaki
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.

Social

Our Promises to Society

[Our Basic Policy]

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



Cultural Restoration and Academic Support

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 (Chile) seeking technical assistance to return the Moai statues to the standing position, Tadano took on the Moai Restoration Project, which lasted from 1988 to 1996. In 2019, as part of our 100th anniversary project, we donated a third crane to Easter Island.

Tadano also provided technical cooperation in the disassembly of the Takamatsuzuka Tomb's stone chamber in Nara by developing a disassembly jig in 2007. This cooperation was highly evaluated, and in February 2018, Tadano won the Special Prize of the Minister of Economy, Trade and Industry in the Monozukuri Nippon Grand Award.

In 2008, we donated three products to help in restoration work on West Prasat Top, part of the Angkor Thom ruins that were in a critical condition after destruction to masonry owing to long years of neglect, in part due to the civil war in Cambodia.

In order to support the maintenance and development of the Kwasan Observatory, Tadano established the General Incorporated Kwasan Cultural Foundation for the Promotion of Cosmology, which has been donating 10 million yen annually over 10 years since 2019. Through this support, Tadano will make social contributions to the field of astronomy.



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 FY 2018, the tour was held at our Shido Plant in July and was joined by a total of 42 families from both inside and outside the company.

In FY 2021, the tour of our Kozai Plant was held online due to the COVID-19 pandemic. A total of 14 families from not only Kagawa but also Osaka, Ehime, and other prefectures participated in the tour.

Forestation Activities

Under the Forest Matching Promotion Project organized by Kagawa Prefecture, we have designated a part of forest owned by Sanuki City as Tadano Forest of Learning and have been working on forest preservation. Volunteer group company employees take part in the forestation activities to create a platform to learn the importance of environmental conservation through forest maintenance, as well as to interact with others by participating in forest maintenance.

In 2020, we held a forestation event at Tadano Forest of Learning. A total of 43 participants worked on forest maintenance to reclaim the lawn, with an eye to planting trees in the future.



Beach Cleaning

Many plants in Kagawa are located by the sea. To maintain the richness of the Seto Inland Sea, we launched a beach cleaning initiative. The cleaning is an attempt to raise interest in and learn about the amount and types of garbage found on the beach, as well as how the garbage got to the sea.

The first cleaning took place in October 2021. 44 participants, including volunteer employees, picked up garbage on the beach in Yashimanishi-machi, Takamatsu and deepened their understanding of and knowledge on marine conservation by filling in and reporting through the International Coastal Cleanup data sheet.

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 2021, we have made donations to 61 organizations nominated by Tadano Group employees.



Contributing to the Local Community

In FY 2021, Tadano renewed the top sponsor agreement with Kamatamare Sanuki, a football club that belongs to the Japan Professional Football League. The club's home town is Kagawa Prefecture.

As part of our efforts to support local organizations and events for regional revitalization, we also donate to Setouchi Triennale, an international art festival held on the islands of the Seto Inland Sea, and the Takamatsu International Piano Competition, which features world-class music from Takamatsu.

Also, team members of the two German group companies, Tadano Faun GmbH and Tadano Demag GmbH, donated over 32,000 euros for the victims of the catastrophic flooding that occurred in western Germany last summer. The companies then matched this donation so that a total of 65,000 euros were collected for the victims.



Corporate Governance

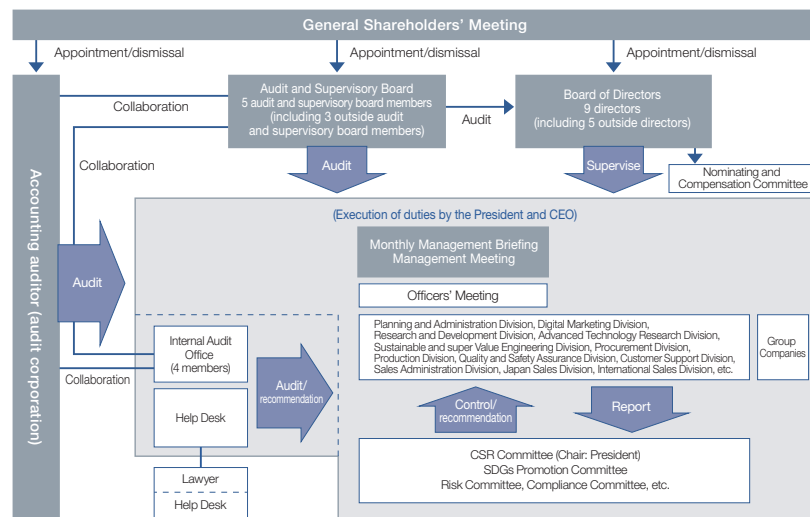
Please see our website for details
<https://www.tadano.com/ir/esg/governance.html>

[Our Basic Policy]

The company places corporate governance as one of the important management issues in order to ensure transparency, soundness, and efficiency of our management. For corporate governance to function effectively, we believe we need to foster a sound corporate culture based on our corporate philosophy and develop a mechanism in which corporate management (and managers) are governed by such a culture. Equally important is to ensure that auditing is conducted properly by improving the auditing environment and expanding the role of the audit and supervisory board members.

To realize sustainable growth and a mid- to long-term enhancement of corporate value, we have established the Corporate Governance Guidelines, which set forth the Tadano Group's basic approach to corporate governance.

Corporate Governance Structure Chart



Changes in Corporate Governance Structure

Date	Detail
Apr. 1999	Introduced the executive officer system
Oct. 2005	Established the CSR Committee, Risk Committee, and Compliance Committee
Apr. 2006	Established the Internal Control Office
May 2006	Introduced the Tadano Group CSR Charter and Tadano Group CSR Guidelines, adopted the internal reporting system, and established the basic policy for the development of an internal control system
Apr. 2008	Established the J-SOX Committee and developed the J-SOX Company directors evaluation system
Jun. 2008	Elected 2 outside directors
Sep. 2014	Introduced the Tadano Group Management Regulations
Apr. 2015	Established the Internal Audit Office ("Internal Control Office" was renamed "Internal Audit Office" to strengthen auditing functions)

Date	Detail
Dec. 2015	Established the Corporate Governance Guidelines (in accordance with the Corporate Governance Code)
Apr. 2016	Established the non-statutory Nominating Committee
Apr. 2017	Reorganized the non-statutory Nominating and Compensation Committee
Jan. 2019	Introduced the Tadano Group Compliance Regulations Appointed Compliance Officers
Jul. 2019	Established the Compliance Office
Jun. 2020	Introduced the restricted stock compensation plan
Jun. 2021	Increased the number of outside directors (from 3 to 5) Selected the lead independent director Introduced the performance-linked compensation system

Description of Meeting Bodies and Committees

Board of Directors

Comprised of nine directors, including five outside directors, Tadano's Board of Directors develops and executes management plans and strategies with the goal of maximizing the company's corporate value and making improvements such as in earning capabilities and asset efficiency. The board also establishes an internal control system and a risk management system to support appropriate risks taken by directors as a part of management decisions, thereby properly fulfilling its role and responsibilities.

Monthly Management Briefing/Management Meeting

The Monthly Management Briefing is held to report on business activities and to share information, while the Management Meeting is convened to discuss management strategies. These advisory committee meetings are held once a month to assist the president's decision-making.

Risk Committee

The Risk Committee promotes and supervises the management of Tadano Group's business risks. The goal of the Risk Committee is to enhance the company's risk management capabilities. Comprised of the chair designated by the president and members representing each division at the general manager level or above, the Committee meets biannually to identify and evaluate internal risks, implement solutions by assigning each risk to a department, and to conduct reviews on the results.

Audit and Supervisory Board

Composed of five audit and supervisory board members including three outside audit and supervisory board members, the Audit and Supervisory Board maintains a system which allows audit and supervisory board members to audit business execution of directors by exercising their authority and appropriate judgment from an objective perspective based on the high level of expertise and information held by each audit and supervisory board member.

Nominating and Compensation Committee

This Committee is comprised of seven members: two internal directors, four outside directors, and one outside audit and supervisory board member. Serving as an advisory body for the Board of Directors, the Committee discusses the nomination of directors and audit and supervisory board members and the appointment of officers, as well as decisions concerning remuneration for directors, and reports the details of the discussion to the Board of Directors with the goal of ensuring fairness and transparency. In addition, as an advisory body for the president, the Committee discusses and reports to the president decisions concerning remuneration for officers with the goal of ensuring fairness and transparency.

Officers' Meeting and Officers' Camp

The Officers' Meeting is held at least twice a month to facilitate business execution by officers and to enhance collaboration among officers. The Officers' Camp is held twice a year as an opportunity for intensive discussion on management strategies.

Evaluating the Effectiveness of the Board of Directors

Article 34 of the Corporate Governance Guidelines stipulates matters concerning evaluation of effectiveness of the Board of Directors. In fiscal year 2020, the Board of Directors concluded that the mechanism of Board of Directors meetings, which are conducted based on discussions at the Officers' Meeting held at least twice a month with outside directors in accordance with Article 25 of the Guidelines to reinforce officers' execution of duties and strengthen collaboration among officers and at the Management Meeting held once a month to discuss management strategies, is appropriate in composition, role, and operation, and that outside directors are contributing to the effectiveness in the series of discussions, including Board of Directors meetings. This conclusion was

made based on the analysis and discussion on results for questionnaires on the evaluation of the Board of Directors collected from all directors and audit and supervisory board members.

As such, the company confirms that the effectiveness of the Board of Directors is adequately ensured. While we have made progress in the diversity of the Board of Directors, which had been an ongoing discussion topic since last year's evaluation, we will make further improvements in the operational issues that have been pointed out, including the handouts, briefings, and agenda selection for the Board of Directors meetings.

Compliance Initiatives

Compliance assurance system

In keeping with the Tadano Group CSR Charter and the Tadano Group Compliance Regulations, all employees of the Tadano Group engage in transparent, sound, and honest business activities in compliance with relevant laws and regulations and social norms, as well as high ethical standards.

To promote compliance, the Chief Compliance Officer designated by the president takes charge of the overall compliance system of the Tadano Group and supervises compliance policies. The Compliance Officer appointed by each group company takes charge of matters concerning each company's compliance system.

We also have the Compliance Committee, consisting of members representing each division of Tadano at the general manager level or above.

Promoting compliance

Employees are given a copy of the Compliance Book, which describes compliance issues encountered in daily operations, and read through it line by line whenever appropriate during gatherings held at each workplace, such as morning meetings. Compliance seminars are held for employees periodically using e-learning, and group workshops are organized on specific themes when needed.

Compliance Committee

The Compliance Committee meets twice a year, shares and discusses compliance issues, and makes reports on the activities of group companies. The Committee also raises awareness of compliance through education and trainings on regulatory compliance using educational tools and other materials, and strengthens the compliance system by providing assistance such as for implementation of regulatory compliance measures.

Internal reporting system

We have established an internal reporting system so that employees can report illegal and inappropriate actions to the company. We have set up an internal hotline as well as an external hotline (an outside law firm) to receive reports from whistleblowers.

Tadano's internal regulations protect whistleblowers by ensuring their anonymity and prohibiting any unfair treatment of them. Violations of laws and regulations, if confirmed, are reported to the Compliance Committee. If the violation is deemed serious, the Committee immediately provides its opinions on countermeasures based on the results of investigation and reports the violation and the countermeasures to the president and audit and supervisory board members.

Executives

Directors



Koichi Tadano



Toshiaki Ujiei



Tamaki Okuyama



Akiko Otsuka



Koichi Tadenuma



Yoshinori Noguchi



Kenichi Sawada



Shosaku Murayama



Tatsuro Ishizuka

Koichi Tadano Representative Director, Chairman of the Board
 Apr. 1977: Joined Marubeni Corporation
 Jun. 1988: Joined Tadano Ltd.
 Jun. 1991: General Manager of President's Office
 Jan. 1997: Director and President of Faun GmbH (currently Tadano Faun GmbH)
 Jun. 1997: Director
 Apr. 1998: Director and Executive Officer
 Apr. 2001: Director and Senior Executive Officer
 Apr. 2002: Representative Director and Senior Executive Officer
 Jun. 2003: Representative Director, President and CEO
 Apr. 2021: Representative Director and Chairman of the Board (current position)

Since he assumed the office of Representative Director, President and CEO of the Company, he has contributed to the long term growth of the Tadano Group, by leveraging the wealth of experience he had acquired in the past, and has shown strong leadership by playing a pivotal role in management. In April 2021, he assumed the office of Representative Director and Chairman of the Board of the Company. He is expected to fulfill an important role in leading the Tadano Group to further growth.

Kenichi Sawada Director, Executive Officer
 Dec. 1990: Joined Tadano Ltd.
 Apr. 2004: Director and President of Tadano America Corporation
 Apr. 2008: Officer
 Apr. 2017: Executive Officer
 Jul. 2017: Executive Officer, in charge of European Operations, and Director and President of Tadano Faun GmbH
 Jun. 2020: Director and Executive Officer
 Apr. 2021: Director, Executive Officer, and Executive of Production (current position)

He has been in charge of various roles and has overseen divisions such as Pan-American Operations, European Operations, Customer Support, Information and Communication Technology, Production, and Quality and Safety Assurance. He has contributed to the growth of the Tadano Group with his abundant experience and deep insight in these areas. He is expected to fulfill an important role in leading the Tadano Group to further growth.

Toshiaki Ujiei Representative Director, President and CEO
 Apr. 1984: Joined Marubeni Corporation
 Apr. 2009: General Manager, Construction Machinery Department of Marubeni Corporation
 Apr. 2013: General Manager, Corporate Planning & Strategy Department of Marubeni Corporation
 Apr. 2014: Executive Officer of Marubeni Corporation
 Apr. 2017: Managing Executive Officer of Marubeni Corporation
 Apr. 2018: Managing Executive Officer and Chief Executive Officer, Transportation & Industrial Machinery Group of Marubeni Corporation
 Apr. 2019: Joined Tadano Ltd. as Adviser to Planning and Administration Division
 Jun. 2019: Director and Senior Executive Officer
 Jun. 2020: Representative Director and Executive Vice President
 Apr. 2021: Representative Director, President and CEO (current position)

He was involved in the construction machinery industry at a general trading company for many years, and he has contributed to driving the globalization of the Company with his abundant experience and deep insight in the domestic and overseas construction machinery business. In April 2021, he assumed the office of Representative Director, President and CEO of the Company. He is expected to fulfill an important role in leading the Tadano Group to further growth.

Shosaku Murayama Outside Director
 Lead Independent Director
 Apr. 1972: Joined Bank of Japan
 Feb. 1981: Economist, New York Office of Bank of Japan
 Nov. 1994: General Manager, Takamatsu Branch of Bank of Japan
 Jun. 1998: Chief, Survey Statistics Bureau of Bank of Japan
 Mar. 2002: President, CEO and Representative Director of Teikoku Seiyaku Co., Ltd.
 Jun. 2011: President, CEO and Representative Director of IPS Academia Japan, Inc.
 Jun. 2014: Outside Director of TOHO HOLDINGS CO., LTD. (current position)
 Jul. 2014: President, CEO and Representative Director of IPS Portal, Inc
 Jun. 2020: Director of Tadano Ltd. (current position)

He has adequately supervised the Company's management with his abundant knowledge and experience on the economy, finance and corporate management. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his abundant knowledge and experience on the economy, finance and corporate management.

Tamaki Okuyama Director, Senior Executive Officer
 Apr. 1980: Joined Tadano Ltd.
 Oct. 2000: General Manager of Design I Division
 Jan. 2004: Director of Faun GmbH (currently Tadano Faun GmbH)
 Apr. 2008: Officer
 Apr. 2011: Executive Officer
 Jun. 2011: Director and Executive Officer
 Apr. 2017: Director and Senior Executive Officer
 Apr. 2021: Director, Senior Executive Officer, and Executive of Research and Development (current position)

He has been in charge of various roles and has overseen divisions such as Production, Quality and Safety Assurance, and Research and Development. He has contributed to the growth of the Tadano Group with his abundant experience and deep insight in these areas. He is expected to fulfill an important role in leading the Tadano Group to further growth.

Tatsuro Ishizuka Director Outside Director
 Apr. 1978: Joined Hitachi, Ltd.
 Apr. 2008: Corporate Officer and General Manager of Hitachi Works, Power Systems Group, Hitachi, Ltd.
 Apr. 2014: Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
 Apr. 2015: Deputy Chairman of Hitachi Europe Ltd.
 Jul. 2016: Chairman of the Board of Hitachi Research Institute
 Apr. 2017: Representative Executive Officer and Chairman of Hitachi Construction Machinery Co., Ltd.
 Jun. 2017: Representative Executive Officer, Chairman, Executive Officer and Director of Hitachi Construction Machinery Co., Ltd.
 Apr. 2019: Adviser of Hitachi, Ltd. (current position)
 Jun. 2019: President of The Hitachi Global Foundation (current position) Outside Director of Astellas Pharma Inc. (current position)
 Mar. 2020: Outside Director of K & O Energy Group Inc. (current position)
 Apr. 2021: Adviser of Tadano Ltd.
 Jun. 2021: Director (current position)

He has abundant experience and extensive insight gained over many years as a business manager of a general electrical manufacturer and a construction machinery manufacturer. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his abundant experience and extensive insight gained over many years as a business manager.

Akiko Otsuka Director Outside Director
 Apr. 1986: Joined Toshiba Corporation
 Oct. 1986: Studied at Stanford University Graduate School
 Apr. 2007: Joined NEC Corporation
 Jul. 2015: Gender Equality Committee in AeroSpace (Sorajo board) of Japanese Rocket Society (current position)
 Nov. 2017: Expert of Space Systems Group I, Space Systems Division of NEC Corporation (current position)
 Mar. 2018: Earned Doctoral Degree in System Engineering at Keio University
 Apr. 2019: Chairperson of the Gender Equality Committee of the Japan Society for Aeronautical and Space Sciences
 Apr. 2021: Adviser of Tadano Ltd.
 Jun. 2021: Director (current position)

She has abundant knowledge and experience cultivated through the development of robot arms for the International Space Station and activities of the Gender Equality Committee, among others. She is expected to fulfill her role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on her abundant knowledge and experience cultivated through product development and activities of the Gender Equality Committee.

Koichi Tadenuma Director Outside Director
 Apr. 1990: Assistant Professor, Faculty of Economics, Hitotsubashi University
 Apr. 1992: Associate Professor, Faculty of Economics, Hitotsubashi University
 Apr. 1998: Associate Professor, Graduate School of Economics, Hitotsubashi University
 Apr. 2000: Professor, Graduate School of Economics, Hitotsubashi University (current position)
 Apr. 2011: Dean of Graduate School, Graduate School of Economics, Hitotsubashi University
 Dec. 2014: President of Hitotsubashi University
 Dec. 2020: Adviser of Tadano Ltd.
 Jun. 2021: Director (current position)

He has deep insight on economics and abundant experience in academic administration. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his insight on economics and advising based on his academic experience.

Yoshinori Noguchi Director Outside Director
 Apr. 1977: Joined Hino Motors, Ltd.
 Jun. 2004: Executive Officer and General Manager, Operations Division, Hino Motors, Ltd.
 Jun. 2010: Managing Executive Officer of Hino Motors, Ltd.
 Apr. 2014: Senior Managing Officer and Head of North American Operations of Hino Motors, Ltd.
 Apr. 2018: Executive Vice President and Head of North American Operations of Hino Motors, Ltd.
 Apr. 2019: Adviser of Tadano Ltd.
 Jun. 2019: Director (current position)

He has adequately supervised the Company's management with his abundant knowledge and experience on corporate management. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his abundant knowledge and experience on corporate management.

Composition of the Board of Directors

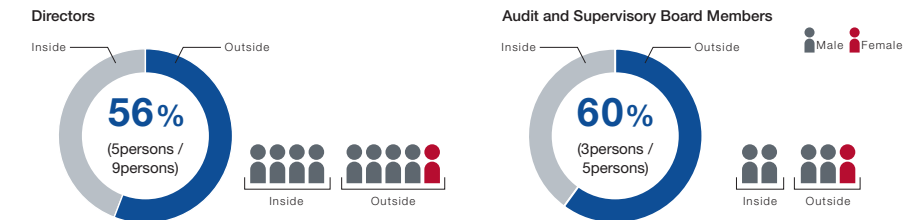
Directors are elected in consideration of a balance of knowledge, experience and skills.

Areas of expertise of the directors

Name	Corporate management	Governance and risk management	Finances and accounting	Manufacturing, technology and R&D	Marketing and sales	Global experience
Koichi Tadano	●	●	●	●	●	●
Toshiaki Ujiei	●	●	●	●	●	●
Tamaki Okuyama	●	●	●	●	●	●
Kenichi Sawada	●	●	●	●	●	●
Shosaku Murayama	●	●	●	●	●	●
Tatsuro Ishizuka	●	●	●	●	●	●
Akiko Otsuka	●	●	●	●	●	●
Koichi Tadenuma	●	●	●	●	●	●
Yoshinori Noguchi	●	●	●	●	●	●

*The above list does not represent all the areas of expertise of the directors.

Proportions of Outside Directors and Outside Audit and Supervisory Board Members



Audit and Supervisory Board Members



Yoichiro Nishi



Masahiko Ikeura



Kazushi Inokawa



Mami Kato



Hisakazu Suzuki

Yoichiro Nishi Audit and Supervisory Board Member

Apr. 1976: Joined Yanmar Diesel Co., Ltd. (currently Yanmar Holdings Co., Ltd.)
 Apr. 2005: General Manager of Tractor Development Division I, Development Headquarters, Yanmar Diesel Co., Ltd.
 Jan. 2007: General Manager of Development Group III, Development Division, Tractor Business Headquarters, Yanmar Agricultural Equipment Co., Ltd. (currently Yanmar Agribusiness Co., Ltd.)
 Jun. 2008: General Manager of Product Technology Department, Development Division, Tractor Business Headquarters, Yanmar Agricultural Equipment Co., Ltd.
 Sep. 2008: Joined Tadano Ltd.
 Jan. 2009: General Manager of R&D Planning Department
 Apr. 2009: Officer
 Apr. 2011: Executive Officer
 Jun. 2011: Director and Executive Officer
 Jun. 2020: Audit and Supervisory Board Member (current position)

He has been in charge of various roles and has overseen divisions such as Research and Development, Production, and Quality and Safety Assurance, and has abundant knowledge and deep insight in these areas. He is expected to perform audits based on his broad viewpoints.

Mami Kato Outside Audit and Supervisory Board Member

Apr. 1986: Joined IBM Japan, Ltd.
 Apr. 1997: Registered as a lawyer (to present)
 Jan. 1998: Joined Sakuragaoka Law Office (to present)
 Apr. 2012: Vice President of Dai-ri Tokyo Bar Association
 Jun. 2016: Outside Director of MAEZAWA KASEI INDUSTRIES CO., LTD. (current position)
 Jul. 2018: Outside Director and Audit and Supervisory Committee Member of VISIONARY HOLDINGS CO., LTD. (current position)
 Jun. 2019: Outside Director of Asakuma Co., Ltd.
 Jun. 2021: Audit and Supervisory Board Member of Tadano Ltd. (current position)

She is expected to utilize her professional viewpoints as a lawyer, abundant knowledge of and experience in corporate law, and experience as an Outside Officer, for the Company's audit system.

Masahiko Ikeura Audit and Supervisory Board Member

Apr. 1981: Joined Tadano Ltd.
 Jul. 1999: President and Representative Director of Tadano Tokyo Sales Ltd.
 Apr. 2005: General Manager of Chugoku Branch, West Japan Branch Office, Tadano Ltd.
 Apr. 2008: Head of East Japan Branch Office
 Apr. 2009: General Manager of Japan Sales Planning and Promotion Department
 Apr. 2012: Officer and Deputy Head of Japan Sales Division
 Apr. 2021: Adviser
 Jun. 2021: Audit and Supervisory Board Member (current position)

He has managerial experience at the Company's affiliate as well as abundant experience and knowledge in the Company's business, mainly centered on the sales division. In light of his proven track record as an Officer, he is expected to appropriately fulfill his duties as an Audit and Supervisory Board Member.

Hisakazu Suzuki Outside Audit and Supervisory Board Member

Apr. 1977: Joined Sumitomo Corporation
 Oct. 2003: General Manager, Documents and General Affairs Department of Sumitomo Corporation
 Aug. 2008: General Manager, Public Relations Department of Sumitomo Corporation
 Apr. 2011: Executive Officer of Sumitomo Computer Systems Corporation
 Oct. 2011: Executive Officer of SCSK Corporation
 Jun. 2012: Representative Director, Senior Executive Officer of SCSK Corporation
 Apr. 2016: Representative Director, Executive Vice President, Executive Officer of SCSK Corporation
 Oct. 2019: Adviser of Tadano Ltd.
 Jun. 2020: Audit and Supervisory Board Member (current position)

He has abundant knowledge and experience on corporate management, compliance, and corporate governance. In addition, he has experience as an officer managing IR and finance at SCSK Corporation, and has a considerable amount of knowledge in finance and accounting. He is expected to utilize these knowledge and experiences for the Company's audit system.

Kazushi Inokawa Outside Audit and Supervisory Board Member

Apr. 1979: Appointed to Kagawa Prefectural Police Officer
 Mar. 2008: Subchief, Takamatsu-kita Police Office
 Mar. 2009: Chief of Identification Section, Kagawa Prefectural Police Headquarters
 Mar. 2010: Advisor, Public Safety Commission, Police Affairs Department, Kagawa Prefectural Police Headquarters
 Feb. 2011: Chief of Accounts Section and Counselor of Police Affairs Department, Kagawa Prefectural Police Headquarters
 Jun. 2014: Audit and Supervisory Board Member of Tadano Ltd. (current position)

He is expected to utilize his abundant knowledge of and experience in compliance for the Company's audit system.

Officer Compensation

Basic Policy

In accordance with the provisions of the Company's Articles of Incorporation, the maximum annual amount of compensation for Directors was set at no more than 450 million yen (of which no more than 80 million yen for Outside Directors) by resolution of the 73rd Ordinary General Shareholders' Meeting held on June 25, 2021. In addition, a resolution of the 72nd Ordinary General Shareholders' Meeting held on June 25, 2020 approved the total amount of monetary compensation to be paid to Directors (excluding Outside Directors) for the granting of restricted stock be no more than 90 million yen per year, which is within the aforementioned maximum amount of compensation.

The compensation of individual Directors (excluding Outside Directors; the same shall apply hereinafter) shall consist of (1) fixed compensation (monetary compensation), (2) performance-linked compensation (monetary compensation) as variable compensation, and (3) compensation for shares with transfer restrictions as non-monetary compensation, based on the basic policy that the level of compensation shall be appropriate in accordance with the responsibilities of each Director. The compensation for Outside Directors is fixed compensation (monetary compensation) only, in consideration of their role and independence.

Policy on Determination of Fixed Compensation (Monetary Compensation)

Fixed compensation (monetary compensation) for Directors is a monthly fixed amount and consists of a role-based allowance and basic compensation, taking into consideration the level of other companies and employee salaries. The fixed compensation (monetary compensation) for Outside Directors is determined as a monthly fixed compensation, taking into consideration the level of other companies and their responsibilities.

Policy on Determination of Performance-Linked Compensation (Monetary Compensation)

The amount of performance-linked compensation for Directors is determined based on consolidated net income as a performance indicator, and is paid on a monthly basis together with the above fixed compensation, in order to raise awareness of the need to improve performance in each fiscal year. Specifically, a payment rate of 0% to 50% linked to the amount of consolidated net income is set and determined by the following formula. The payment rate is reviewed as necessary in response to changes in the business environment.

$$\text{Performance-linked compensation} = \text{Basic compensation by position} \times \text{Payment rate based on performance indicators}$$

Policy Regarding Determination of Non-monetary Compensation, Etc.

To incentivize the sustainable enhancement of the Company's corporate value and to promote further value sharing among Directors and shareholders, non-monetary compensation, etc. are designated as restricted stock for transfer. At the Board of Directors' meeting held in July each year, a resolution is passed to grant restricted stock to Directors, and a lump-sum grant for the year is made in August. The specific number of shares to be granted is the number obtained by dividing the amount equivalent to 36% of the total annual basic compensation by the amount to be paid in per share, which is determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the Board of Directors' resolution regarding the grant of restricted stock. Restricted stock shall include the content described on the right.

- Restriction on transfer and period of restriction on transfer**
Directors may not transfer, create security interests in, or otherwise dispose of shares with restrictions on transfer during the period from the date of granting until the date of retirement from the position of Director of the Company or other position determined by the Board of Directors of the Company.
- Reasons for acquisition without compensation**
In the event of resignation during the term of office without a justifiable reason, violation of laws and regulations or internal rules, or any other event that the Board of Directors of the Company determines to be appropriate for the acquisition of shares with restrictions on transfer without compensation, the Company shall acquire the granted shares with restrictions on transfer without compensation.

Policy for Determining the Ratio of Monetary to Non-monetary Compensation

The details and ratios of monetary and non-monetary compensation, etc. are as follows.

	(Monetary Compensation)		(Non-monetary Compensation)
	(Fixed compensation) Position allowance+basic compensation Approximately 65%	(Performance-linked compensation) Basic compensation×payment rate (25%) Approximately 15%	(Compensation for shares with transfer restrictions) Basic compensation×36% Approximately 20%
Directors			
Outside Directors	Fixed compensation 100%	—	—

- Notes: 1. Performance-linked compensation assumes that the rate of payment linked to the amount of consolidated net income is 25%.
 2. In order to ensure fairness and transparency, the Board of Directors consults in advance with the Nominating and Compensation Committee, more than half of which consists of Outside Directors and Outside Audit and Supervisory Board Members, and makes decisions on individual compensation for Directors and Outside Directors based on the committee's report.
 3. Compensation for each Director is not stated as there is no one whose total amount of compensation, etc. is 100 million yen or more.