

CSR initiatives of ISEKI Group

Sociality report

Based on our management philosophy "providing products that satisfy customers", the corporate social responsibility (CSR) of ISEKI Group is to provide products and services that meet the needs of customers in Japan and other countries. and thus earn reasonable profits and share them with shareholders, employees, and community/society in order to bring about an affluent society, increase the corporate value, and ensure sustainable development of the entire group. ISEKI Group needs not only to carry out economic activities but also to fulfill social and environmental responsibilities through business activities. For the sake of our activities, therefore, we determine important issues and goals for business management in accordance with ISO26000 and GRI Guidelines G4 and through communications with stakeholders.

Seven core subjects of ISO26000 standard

ISEKI Group regards the seven core subjects of the international standard ISO26000 as the basic requirements of social responsibilities and thus promotes compliance with these requirements.

They are also treated as the requirements from society in general to check the direction and completeness of a company's initiatives when we evaluate and review them.

Seven core subjects of ISO26000

- (1) Organizational Governance
- (2) Human Rights
- (3) Labor Practices
- (4) The Environment
- (5) Fair Operating Practices
- (6) Consumer Issues
- (7) Community Involvement and Development

ISEKI group's engagement with main stakeholders

ISEKI Group provides various opportunities for hearing the voices of our stakeholders. The feedbacks through dialogue with stakeholders are summarized by the sections in charge and introduced into corporate activities and are also reported to the company's executives in a monthly meeting.

Stakeholder	Sources of feedbacks
Customer	Sales and after-sales service desk User meetings, trainings and seminars Exhibitions, demonstrations, farm business and technology support Farm business information magazine, product brochures, DVDs Corporate website, inquiry by e-mail, consultation desk Farm business Information site (i-Next)
Local community	Publicity during factory tour & in exhibition halls (ISEKI Dream Gallery) Social contribution activities Volunteer activities Corporation with with administrative organization, research institutes, schools, etc. Publicity via Environmental Report and Intellectual Property Report Corporate website, inquiry by e-mail, consultation and report desk Various activities through economic & industrial organizations
Shareholders and investors	General shareholders' meeting IR activities Various reports (Securities Report, Annual Report, CSR Report, Intellectual Property Report, etc.) Corporate website, inquiry by e-mail, consultation and report desk Replies to various questionnaires & surveys
Suppliers	IR information meeting to vendors Dealer meetings Inspection training workshop, ISEKI group Green Supply Guidelines Corporate website Suppliers' business support
Employees	Internal IR meeting, Labor management council, Sales subsidiary meeting House magazine, information magazine, CSR Report, Intellectual Property Report Corporate website, intranet Inquiry by e-mail, counseling and report desk Various trainings on skills development



Giving questionnaire survey to guests to "ISEKI Dream Gallery"

Holding seminars - Children from the local community -

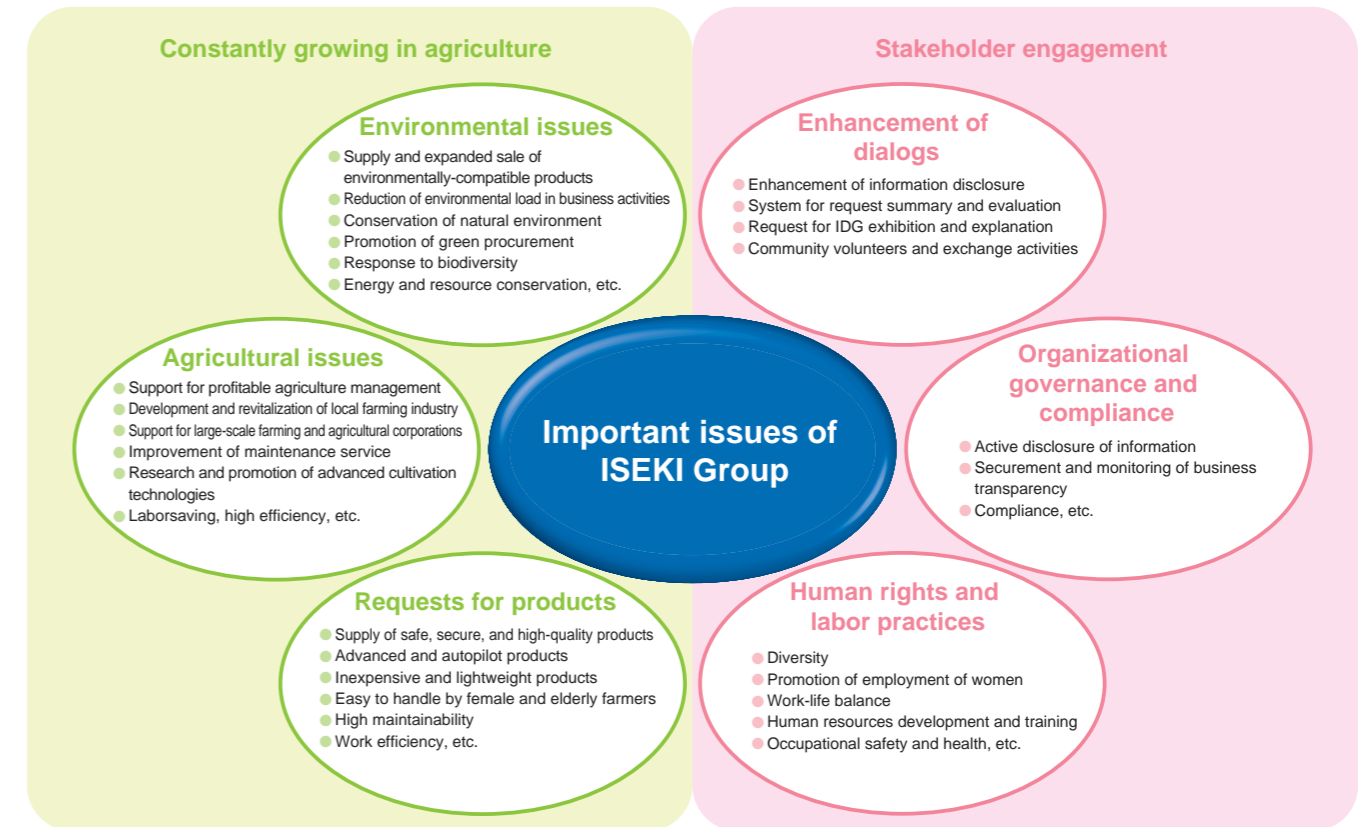


Visit to the company - People from the local community -



Important issues of ISEKI Group

We define the important issues and goals of ISEKI Group based on the seven core subjects of the international standard ISO26000 and opinions and requests that we received in dialogs with stakeholders. Information disclosure, one of the important issues, is conducted in accordance with GRI Guidelines G4 in an effort to improve the transparency, objectivity, and completeness of information.



Examples of initiatives

ISEKI Group evaluated and checked important issues and exercised the following initiatives in 2015. In the future, we will try to further improve dialogs with stakeholders. For details, see the relevant pages.

Seminars and trainings on agricultural machinery - Customers -



Exhibitions and demonstrations - Customers -



Stakeholder	Core subjects of ISO26000							See page	Example of initiative
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
Customer				○	○	○	○	22 to 28	Research & promotion of ICT, advanced farm management / technologies Agri-Heros support project to revitalize local farming industry After-sales service & product quality assurance Recall & customer consulting service
Local community				○			○	29 to 30	Publicity at IDG Exchange with local communities & volunteer activities
Shareholders and investors	○			○	○			31	Corporate information disclosure & periodical meetings
Suppliers		○	○		○			31	Meetings, seminars, & business support
Employees		○	○		○			32	Human resources development, work-life balance, employment of women, diversity, occupational safety and health

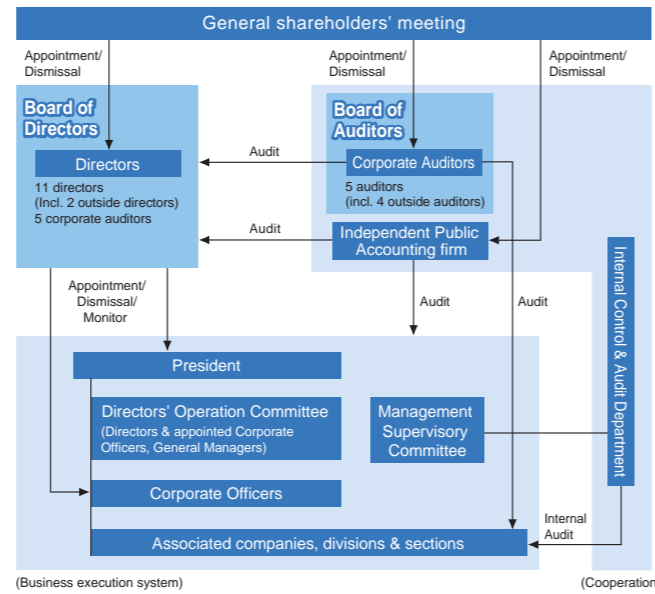
Corporate governance and compliance

Sociality report

Responding quickly and accurately to the changes of our business climate, we operate our corporate management system and maintain fair business operation. To keep up a good relationship with the stakeholders, we are improving corporate governance, developing an internal system and sharing information to disclose important information in a timely manner. The "Corporate Governance Report" is available at our corporate website.

Corporate governance system

Board of Directors makes decisions on basic matters in relation to management as well as matters set forth in laws, regulations and the articles of association. Regarding the business execution, the corporate officers fulfill their duties smoothly as the persons responsible for the various operations. In addition, to manage businesses in a sound manner, Directors' Operation Committee meetings are held twice a month, in principle, in order to share the latest information and discuss and report on how the business should be operated, the existence of risks, and how to prevent and avoid them. Corporate Auditors attend the Board of Directors and Management Supervisory Committee meetings. They audit the operations and assets of our offices and subsidiaries in cooperation with the Internal Audit Department and accounting auditors. Moreover, they strictly check the important agenda at the Directors' Operation Committee meetings and the status of operation execution by Directors to ensure the effectiveness of our corporate governance. We open the Management Supervisory Committee with the chairman of the Board of Directors as the head, all the directors as members and all the auditors as observers to check if compliance is penetrated thoroughly into the Group, as well as check the measures and their status.



Establishment and use of Group Internal Communication System

We have defined the basic policy on internal control to organize the internal control system and revise it if necessary. To secure efficient job execution by directors, various regulations and systems, such as Assignment of Duties Regulations and Internal Control System, were established and important matters are deliberated from various points of view at the Director's Operation Committee. The Internal Control & Audit Department, an organization responsible for the internal audit and monitoring, is placed under the Management Supervisory Committee, which is independent from the business section, to enhance neutrality.

Compliance system

We open the "Management Supervisory Committee" to check if compliance is penetrated thoroughly into the Group. According to an annual plan, we provide compliance trainings to all the group employees continuously to a sense of compliance so that injustice and misconduct will never happen.

Status of approach to fair trade

To ensure fair trade, we prepare and circulate the comprehensive "Action Guidelines" and "Antitrust Compliance Manual" in the company. We also provide trainings to the employees regularly to keep them thoroughly informed. In addition, we enhanced the risk management system by setting up a consultation service desk and conducting a regular audit.

Concerning a bidding of facility construction, ISEKI received a cease and desist order and a surcharge payment order under the Anti-Monopoly Act on March 26, 2015 and February 10, 2016. Also, we received an on-site inspection by the Japan Fair Trade Commission for an Anti-Monopoly Act violation in October 6, 2015 concerning "bidding for orders for construction work comprising facilities for protected horticulture and ancillary facilities which would be placed by local public agencies in the Tohoku region." We are cooperating fully with the investigations. With full recognition of the severity of the case, we established, implemented measures to prevent the recurrence of such misconduct and appointed new management. In terms of organizational structures, we transferred the Management Control Division for the Agri-Plant Business, which is meant to monitor and supervise the facility business, to the Internal Control & Audit Department on May, 2015. In addition, we transferred and placed the Internal & Audit Department under the Management Supervisory Committee that is independent from the business execution divisions. Furthermore, we determined to draw on external personnel in the audits on the facility business. We have also reviewed the code of conduct and manuals for the facility business, while enhancing the training of human resources including those at sales subsidiaries. We assigned one director in charge of the facility business. Under this new system, we will continue to accomplish thorough compliance with all laws and regulations and further enhance the internal control.

To achieve customer satisfaction

Sociality report

To practice efficient farm management and reduce farm production costs, it becomes more and more necessary to obtain a system to support agricultural work through data analysis. Farmers who are going to expand their production have to restructure the production management and cultivation technology. To support them, we are working on the development and promotion of software with the use of ICT.

Agricultural ICT

Strong desire to "make delicious rice and vegetables" and "provide consumers with safe and secure food" have improved the farmer's techniques. Their passion and know-how are extremely important assets which must not be forgotten and should be passed down to the next generations. We developed a system to accumulate records of daily work that enables farmer's experience and intuition to be visualized and stored for the next generations and that helps to realize low cost, high-quality, and more efficient farming.

<AGRISUPPORT>

This system converts the track of work, the use of fertilizer, agrochemical, and machine information into data. Farmers utilize them to improve daily farm work. We have a line of smart agri-machinery with GPS and sensors, etc., to realize, so-called "smart agriculture", precise agriculture.

- Smart agri-machinery with AGRISUPPORT "LEADEYE" for tractors

LEADEYE provides visual guidance for operators who used to depend only on their experience. They are able to know:

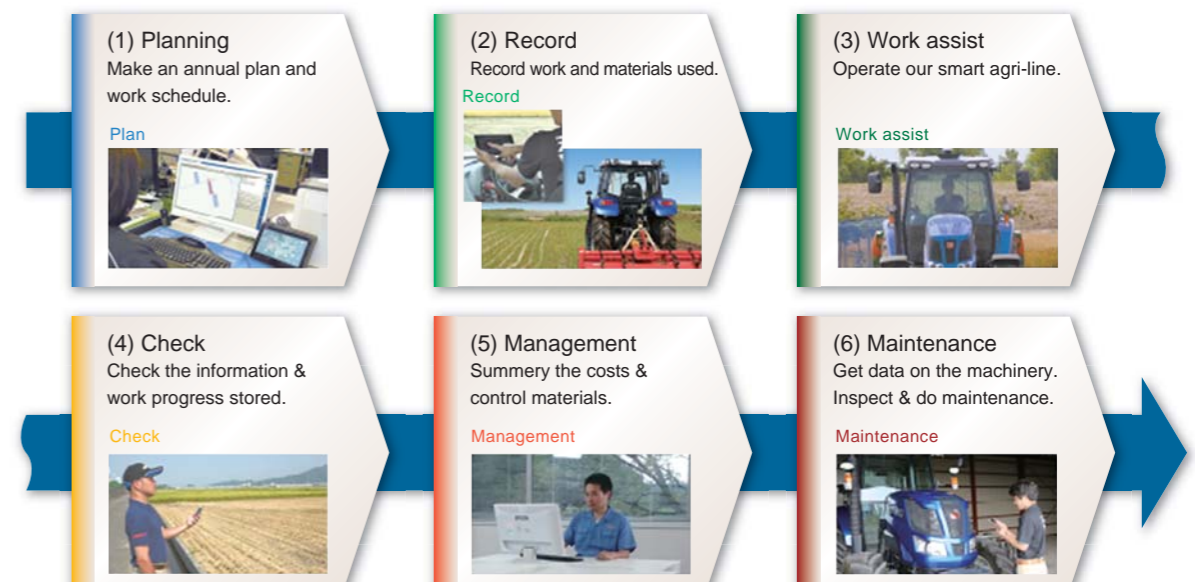
- How far the tractor should travel
- How much work has been done, etc.



<Smart Farmer's Support>

In the past, Farmers depended on their experience and intuition or had to leave many notebooks to describe work procedures in details. Today, it is becoming more difficult to follow these ways as the number of large-scale farmers are increasing and a variety of management styles have been introduced. The Smart Farmer's Support allows farmers to share daily-stored information and provides them with the data to reduce cost and stabilize quality.

■ ICT in the farming



To achieve customer satisfaction

Sociality report

< Agri-Heros support project >

ISEKI Group is working on the "Agri-Heros support project" to back up all farmers. To cope with changes and contribute to the agriculture in Japan, we foster human resources who can provide support to the farmers.

The Agri-Heros support project

- "Agri-Heroes" stands for all the farmers in Japan. We back them up by fostering the Group's employees so that they can give high-quality services as well as proposals on general farm management, and cultivation techniques.
- We educate the staff at the sales subsidiaries throughout Japan to support Agri-Heroes.

<Policy of human resource development>

- Persons to be able to make proposals on soil preparation, an essential work to cultivate crops
- Persons to be able to make proposals on techniques to cultivate soybeans, wheat, vegetables and rice as well as to produce them at a lower cost
- Persons to be able to make proposals on farm management using ICT technologies



Training of Agri-Heros support project

At our "Dream Agricultural Research Institute (Yumesoken)" in Tsukubamirai city, Ibaraki prefecture, we hold trainings to develop human resources who can support domestic farmers. In the first-year from April 2014 to November 2015, we completed 15 trainings in total. All the trainees are now making full use of the knowledge they acquired in the trainings to provide support to farms throughout the country. The trainings for the second-year has started in February 2016.



< Initiatives for revitalization of local farming industry >

We are working on "expansion of the products that meet the local needs" and "improvement of support service system" to develop local farming industry.

Development of an all-round cultivation system for vegetable farming

At present, the cultivation of local vegetables is gaining more popularity. We expanded a lineup of vegetable growing machinery and developed an all-round cultivation system for the farming of major vegetables.

Activities at a facility & training center for various farming proposals

In February 2016, ISEKI Kyushu opened the "Dream Agricultural Support Kyushu Training Center (Yumekyuken for short) Kyushu AGRISUPPORT Center," a facility and training center for customers in the entire Kyushu region. For promotion of advanced agricultural machinery, you can visit there to experience the advanced machinery. We also proposal to introduce an all-round cultivation system of vegetable farming.

- Advanced cultivation techniques unique to each region
- Show room where exhibits machinery using advanced technologies: ICT and robot technology
- Adjacent farm to know our machinery & cultivation techniques



Supporting female farmers in the "YUMEARU NOGYOJOSHI PROJECT"

Holding seminars in various parts of Japan

<Seminar on agricultural machines>

We are holding seminars on highly demanded topics such as safe operations and maintenance of agricultural machinery and soil preparation. Topics about agricultural administration are also included through collaboration with public administration, business partners, etc.

At the start in 2014, female farmers gathered from all over Japan to our training center in Ibaraki prefecture. Since they wanted seminars to be held in their own areas, we have started local seminars since 2015 so that many female farmers are able to participate.

Development and market launch of "SHIROPUCHI," a tractor for female farmers

<NOGYOJOSHI Tractor Project>

We collaborated with female farmers and developed a tractor easy for them to handle through identifying problems and requests on agricultural machinery from female point of view : "Women and men are different in strength and physique." and "Women are unfamiliar with agricultural machinery, so we are anxious about operating it."



Special specifications of "SHIROPUCHI" Z15, a tractor for female farmers

Opinions	Specifications
"It's hard to reach the steering wheel and foot pedals." "Exhausted from operating the tractor whole day."	Fore-aft adjustable suspension seat
" Too heavy to hold a fuel tank while refueling."	Foldable refueling stand
"I want to change the conventional image of agriculture."	Bright white color
"Glad if we can avoid being tanned during operation."	Wide canopy
"I want to drink something during operation."	Cup holder
"It's hard to get on and off from such a big tractor."	Auxiliary grip and sub-step



To achieve customer satisfaction

Sociality report

< Initiatives for providing a high-quality and quick service system >

In terms of farm management, it is crucial to keep farm work without interruption. The larger the scale of agriculture, the more important it is to use agricultural machinery as planned. Therefore, our large facilities are now available in various parts of Japan to provide high-quality and speedy services for repair and maintenance of agricultural machinery.

Kyushu Agri-Service Center (KASC)



In November 2015, ISEKI Kyushu opened the "Kyushu Agri-Service Center (KASC for short)," where we can provide maintenance service for large agricultural machines throughout the Kyushu region. It covers the entire Kyushu region and supplies quick maintenance service with its large space, cranes and trucks. We also introduced "AGRISUPPORT wagons" to enhance after-the sales services.



AGRISUPPORT wagon

< Approach to the services >

In order for the customers to use our products "securely" and "safely," ISEKI Group is engaged in the service activities.

"Before-sales" service

- **Safety training**
We have safety trainings at our sales subsidiaries so that the customers can use our product safely.
- **Instruction on delivery**
According to our check sheet, we offer delivery instructions to the customer at the delivery time.



After sales service

- **Troubleshooting**
As for the problems on our customer's machinery, our staff from the sales offices and service centers will solve them immediately.
- **Inspection and maintenance**
Up on the customers' request, we will provide the inspection and maintenance so that they can use our product without any anxiety in the next season.
- **Inquiry after conditions**
We inquire after the conditions of new or repaired products after the start of use.

Internal training

At our Training Center in Tsukubamirai city, Ibaraki prefecture, we regularly run courses to the service staff to improve their technical skills.

<Number of people who obtained the national license of agricultural machinery mechanic>
1,316 people in and before 2015

License	Number of people
First class	668
Second class	648

< ISEKI's product quality assurance >

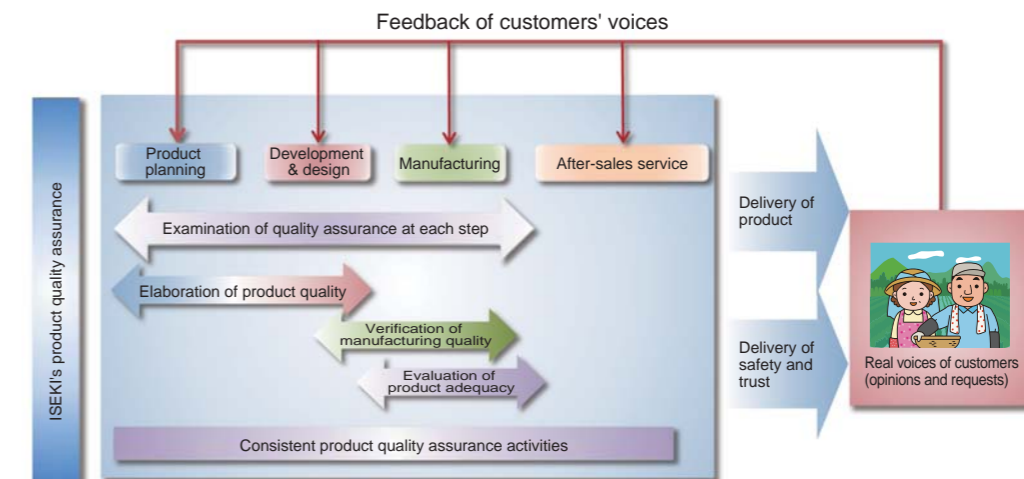
To "provide products that satisfy customers," ISEKI Group listens to "real voices of customers" and develops products that can build trust of customers in the entire process from the product planning to after-sales service.

To improve customer satisfaction

To provide products and services that satisfy customers, we promote ISEKI's product quality assurance by conducting:

- (1) Feedback system of customers' voices,
- (2) Quality assurance examination at each development step,
- (3) Backup system as the whole company.

To realize products that meet the expectation of customers in terms of safety and trust, we listen to the "real voices of customers" and analyze the product quality in every step : product planning, development, design, production and after-sales service. We elaborate the quality in the product planning, development and design phases, examine the manufacturing quality in the next phase, and evaluate the adequacy of the products in the final phase. Likewise, to provide the products that meet the trust of customers, we perform consistent product quality assurance activities.



< Handling recall >

If any problem occurred to products used by customers and we find it necessary to take improvement measures, we check and repair the products immediately, giving first priority to the safety of the customer.

When we launch a recall, we give notice and report to the organizations concerned ^(*) and disclose the information on the website of ISEKI CO., LTD. to draw attention of customers and provide them with information.

Note

Notices on reporting of recall are posted on our website. Please visit the following address:

<http://www.iseki.co.jp/news>

<Numbers of recalls over years ^(*)>

FY	2010	2011	2012	2013	2014	2015
Recalls	6	2	3	3	7	3

*1 Ministry of Land, Infrastructure and Transport, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, etc.

*2 Number of recalls reported to the Ministry of Land, Infrastructure and Transport

< Customer consulting service and inquiries >

Inquiry services

In the "Contact Us" page of the website of ISEKI CO., LTD., we welcome inquiries from customers by e-mail concerning the topics listed below. Please visit the following address for inquiries:

<http://www.iseki.co.jp/contact>

- (1) Products
- (2) Company in general
- (3) Investor information
- (4) Our environmental initiatives, etc. Please visit the following address for inquiries:

<Number of inquiries in 2015: Approx. 740 in total>

Subject	Ratio	Number of inquiries
Tractors	26%	195
Tillers and high clearance multipurpose vehicles	11%	81
Rice transplanters	12%	85
Combine Harvesters	10%	73
Manuals, etc.	9%	63
Others	33%	239

Inquiries can be received both via e-mail and telephone. Each of the departments in charge will reply to them. As for the frequently asked questions, we are improving the information on the corporate website for customers to quickly refer to.

Together with the people in community

Sociality report

< Communication through ISEKI Dream Gallery >

We established exhibition halls called "ISEKI Dream Gallery" (IDG) in manufacturing companies in Matsuyama, Kumamoto and Niigata. The IDGs were built to communicate with elementary and junior high school students visiting there for social studies or food education, as well as visitors and people in the community. IDGs focus on the "history of foundation" of the company and "manufacturing and technology" of the agricultural machinery. They also exhibit and describe our approaches to "the future farming."

● ISEKI Dream Gallery (Matsuyama) renewal to offer a new "rice transplanting game"!

ISEKI Dream Gallery MATSUYAMA is located next to the ISEKI Matsuyama MFG. Co., Ltd. It offers a "3-Step Tour," including IDG and factory tour, to show visitors the manufacturing process of tractors. Since its opening in 2014, it has welcome 6,000 visitors every year. Based on the opinions and requests, three booths were renovated in February 2016.

Advanced technology and ICT section

Exhibition of our flagship machinery & virtual experience of advanced technologies



Learn the process of making rice through our original game

"Rice transplanting game" to learn about the process with fun



Exhibition of an all-round cultivation system of vegetable farming

Full lineup of vegetable growing machinery



If you would like to visit an IDG, see the corporate website for a reservation and other information.

● ISEKI Dream Gallery KUMAMOTO (Kumamoto)

Location: Next to the ISEKI Kumamoto MFG. Co., Ltd. (Mashiki town, Kumamoto prefecture)

Features: Exhibition of "manufacturing and technologies" of combine harvesters; factory tour also available (Opened in October, 2014)

● ISEKI Dream Gallery NIIGATA (Niigata)

Location: Next to Niigata MFG. Co., Ltd. (Sanjo city, Niigata prefecture)

Features: Exhibition focused on rice transplanters and vegetable transplanters; factory tour also available (Opened in April 2015)

< Social contribution activities - for supporting children who will bear the future >

Kids' seminars

- Iyo Bank and ISEKI Matsuyama MFG. Co., Ltd. -



Introduction of Japanese agriculture in classroom

- ISEKI Kumamoto MFG. Co., Ltd. -



Accepting interns

- Development & Production Division of ISEKI & Co., Ltd. -



"Food education" by growing "bucket paddy rice"

(Learning about the process of growing rice) (Niihama city, Ehime prefecture)

- ISEKI Matsuyama MFG. Co., Ltd. -



Host "Manufacturing education" festival

- ISEKI Matsuyama MFG. Co., Ltd. -



Company tour for female science students

- ISEKI Matsuyama MFG. Co., Ltd. -



Organized by Women's Future Development Center, Organization for Diversity Management Female students of the Department of Science and Engineering, Ehime University visited the factory.

< Exchange with communities and volunteer activities >

To make people get better understanding of food, agriculture and agricultural machinery, we offer exhibitions actively at local events. Shown below are how we have relationships with community and do social contribution activities through the use of IDGs.

● Participate and sponsor events

Farmers and Kids Festa 2015 (Chiyoda-ku, Tokyo)



Food in Hometown & Food in Japan National Festival (Shibuya-ku, Tokyo)



Ehime, Matsuyama Sangyo Festival - Sugo-Mono Exhibition 2015 - (Matsuyama city, Ehime)



● Interact with the local community

Tsubame Sanjo Factory Festival (Tsubame and Sanjo cities, Niigata)



IDG Visit and Exchange Festival (Nishi Osaki, Sanjo city, Niigata)



Thanks giving festival for customers (Kamphaeng Phet province, central Thailand)



● Volunteer activities

Shirakawa Day (cleaning activities) (Kumamoto city, Kumamoto)



Shigenobu River Cleanup Campaign (Tanokubo-ku, Toon city, Ehime) - ISEKI Shigenobu -



Rice transplanting event with children - ISEKI Kyushu, ISEKI Labor Union, and ISEKI Kumamoto MFG. Co., Ltd. -



20th Sanae National Children's Drawing Contest

We host this contest annually and have received more than 23,000 drawings in cumulative total.



FY2015 National Best Award winner: "Agriculture by Whole Family" Suzuka Horigome, 10 years old (Miyagi, ISEKI Tohoku)

74th Ehime Prefecture Children's Exhibit of Invention and Devices - ISEKI Award winner -



We received 82 works from elementary and junior high schools as well as boys and girls invention club in the prefecture. Special awards and prizes, including ISEKI Award, were given to 35 works in total. We participate in the reviewing process of this exhibit and grant ISEKI Award every year.

ISEKI Award winner: "Tableware that facilitates scooping of food" The shapes of bowls and lids and the angles of spoons are designed to allow a user to easily scoop food with one hand without dropping it.

For shareholders and investors

Sociality report

To be a good corporate citizen, we will continue to enhance IR activities by holding general shareholders' meetings and quarterly briefing sessions on financial results. As one of our responsibilities, we are committed to disclosing information to shareholders and investors in our reports and corporate website in a precise and timely manner.

Offering information on by various reports and corporate website

The screenshot shows the ISEKI corporate website with a navigation menu on the left and main content on the right. The main content includes an IR calendar for 2016, an IR library with links to various reports, and a section for IR activities. The reports listed include the Annual Report 2015, Environmental Report, and various financial and business reports. The website also features a '株主・投資家の皆様へ' (Dear Shareholders and Investors) section.

Together with the suppliers

ISEKI Group is committed to nurturing human resources; those who can establish a supply chain and handle business issues from a global point of view. With this in mind, we work together with the suppliers to draw out maximum performance from the human resources and expand the business further.

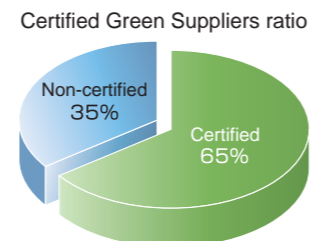
Approach to the human resource development

As the base of human resource development, we provide various trainings at our internal facilities. To expand and develop the business continuously with the suppliers, we are holding variety of ability development programs.

Location	Training
Training Center (Tsukubamirai city, Ibaraki prefecture)	Enhancement of sales and service skills etc.
ISEKI Technical Training Center (Matsuyama city, Ehime Prefecture)	Improvement of manufacturing skills etc.
Dream Agricultural Research Institute (Tsukubamirai city, Ibaraki prefecture)	Advanced farm business management & techniques, Human resource development of group employees

Initiatives for suppliers (incl. IR meeting)

To expand and develop business together, we hold IR meetings and company tours for the suppliers. As well as providing business support, we offer information through various meetings and on our corporate website in a transparent manner. In terms of preserving environment, we suppose it essential to cooperate with the suppliers, and we request their understanding and cooperation to attain the "ISEKI Group Green Supply Guidelines". Regarding the suppliers superior in environmental activities, we ask them to be our "Certified Green Suppliers."



Together with the employees

Sociality report

We strive to provide the Group employees with appropriate treatment and opportunities for them to perform actively and strive to create a comfortable working environment so that they can make the most out of life. The priority issues in the human resource strategies are to support the carrier formation of employees, develop wide-ranging human resources, and make the most of female human resources. The company and the employees will collaborate with each other to realize a community that grows constantly in affluence.

Recruitment and human resource development

ISEKI Group recruits people based on their personalities and abilities. Above all, we focus on recruiting those who can actively contribute to the full-scale development of global strategies to increase overseas sales. To fulfill such criteria, we also positively work on mid-carrier recruitment of people with abilities and precious experience. In addition to the trainings divided by their skills and occupation, we offer our employees various programs, such as correspondence or foreign language courses and opportunities to study abroad. We also introduce the "Meister" system so that accumulated experience and skills can be smoothly passed on.



"All ISEKI Group Technical Skills Contest"

In October 2015, the "All ISEKI Group Technical Skills Contest" was held to improve the technical skills of workers at manufacturing sites and to develop young workforce. 30 young employees including those from other countries participated and competed in five categories: "NC lathe," "fineness of machine assembly finishing," and "welding" etc.

Work-life balance initiative

We introduced the following measures to ensure that each employee can lead a more fulfilling life by maintaining a work-life balance.

- (1) Fixed work location recruitment
- (2) Flextime system (Not all departments adopted)
- (3) Implementation of "no-overtime" day, etc.

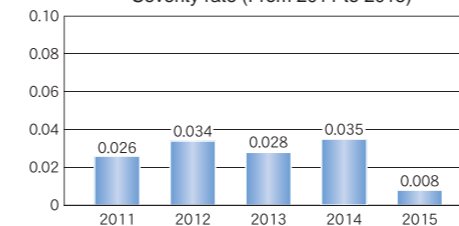
Prohibition of discriminatory treatment

ISEKI Group observes the labor law and works on appropriate employment management, avoiding discriminatory treatment based on nationality, race, religion, sex, disability, etc. and distribute the "Code of Ethical Behavior," which describes these points, to all employees. We educate and instruct the employees to be careful about their language and behavior on a daily bases. As a whistle-blower system, we have established the "Ethical Hotline" through which they can directly inform personnel department and external corporate lawyers with their human rights and privacy highly protected.

Occupational safety and health

Setting up "a healthy and safe workplace" as the code of conduct, we conduct safety and health check according to the working environments of each group company. We try to enhance the awareness of the workers at manufacturing sites to keep up "zero industrial accident" and to reduce accident risks completely.

<Statistics of industrial accidents> Severity rate (From 2011 to 2015)



*Severity rate: Number of work days lost per 1,000 working hours
*Target: ISEKI & Co., Ltd. and its four factories in Japan
*Period: Calculated by twelve-month data from April 2015 to March 2016 for comparison with the past data

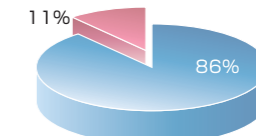
Diversity initiative

As a part of management strategy, we promote global strategies and diversity in human resources.

- (1) Recruit foreign nationals continuously
- (2) Employ more female workers and promote to appointment of women in management
- (3) Promote physically-challenged people employment

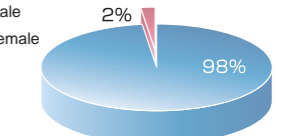
We provide the employees having ability and motivation with appropriate treatment and opportunities so that they can perform actively. We also support their carrier formation.

Gender ratios of employees



Now: Low ratio of women

Gender ratios of managers



Now: Low ratio of women in the management

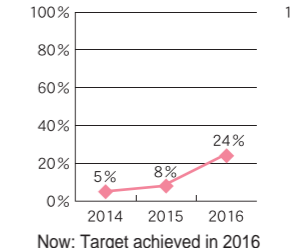
Initiatives regarding the Act of Promotion of Women's Participation and Advancement in the Workplace (April 2016)

Our action plan and targets for utilizing female human resources are follows;

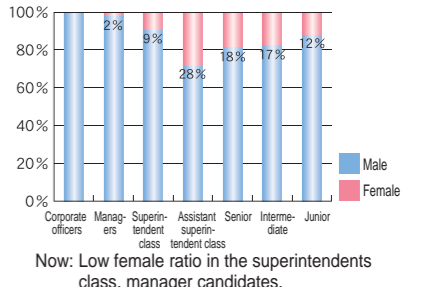
- (1) At least 20% of all the new employees will be female employees.
- (2) At least 10% of all the manager candidates will be female employees

In particular, although its number and ratio is low at present, we intend to recruit more women as engineers and take in new ideas from female point of view into product development. In July 2015, in a special authorization system named "Kurumin", run by the Ministry of Health, Labour and Welfare, we were certified as a company that promotes child-care assistance. In order to employ more female workers, we are making efforts not only to appeal our activities to the market but to hold trainings for the group companies, executives and managers for them to get better understandings.

Women in new employees ratio



Female employees ratio by job grade



Ratio among general employees



Now: Lower female ratio than general employees

Ratio among engineers

