

KOBELCO

TrueBlue KOBELCO
Evolution
Creating value, building a future and
changing the world

KOBELCO CONSTRUCTION MACHINERY CO., LTD.

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<http://www.kobelco-kenki.co.jp>



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KOBELCO CONSTRUCTION MACHINERY GROUP
Thinking of the Future of People and the Earth

SOCIAL
ENVIRONMENTAL
REPORT 2015

KOBELCO CONSTRUCTION MACHINERY CO., LTD.



Jun Fujioka
President & CEO
KOBELCO CONSTRUCTION
MACHINERY CO., LTD.

J. Fujioka

Top Message

Medium-term Management Plan for Strengthening Our Core Business Structure

The following three points have served as the basic policy behind our medium-term management plan of FY2013 to FY2015 in seeking business stability and growth, and in confronting the various challenges in achieving these goals.

- (1) Transform into a strong business structure that is not affected by changes in the business environment
 - (2) Re-enter Western markets to maximize the KOBELCO brand value
 - (3) Strengthen stock business to diversify our profit structure
- The construction machinery market in FY2014 was different from that had been assumed in the medium-term management plan, but the various measures implemented in relation to the medium-term efforts for (1) and (3) demonstrated effectiveness and contributed to the stabilization of earnings even at the midpoint of implementation, and we were able to achieve the earnings near our initial estimate for FY2014.

Towards Strong Business Structure against Business Environment Changes

Market demands of developed countries is expected to hold firm in FY2015 but on the other hand, even though the newly developing countries represent the majority of demand in the world and possess a high level of market potential, we forecast that recovery from the downturn is difficult. Accordingly, not only it will take some time before the overall global market moves towards full-scale recovery, but also the business environment surrounding KOBELCO will unavoidably continue to exhibit strained conditions especially due to the unforeseeable market trend of newly developing countries. Even though we have been facing this difficult environment, we are hoping to achieve the goals of our medium-term plan by the end of FY2015 to further strengthen company robustness against business environment changes.

While our basic policy of (1) and (3) are exhibiting effectiveness, the unmentioned (2), which is our re-entry into European and US markets and corresponding maximization of our brand value in the global market, also have provided us with a favorable re-start in both European and US markets. Furthermore, at the end of 2014, we decided to expand our production bases into North America where we had been studying business feasibility, ahead of the schedule of our medium-term plan. We will construct a North American production plant in Spartanburg, South Carolina, which will start full-scale production in early 2016. So, we have been gradually heightening the presence of KOBELCO CONSTRUCTION MACHINERY GROUP in the global market. We are planning to gradually introduce new models to the global market from 2015 onwards. KOBELCO is further improving its brand image and also making progress towards strengthening its business structure against business environment changes, considering environmentally friendly, safety-conscious, and socially beneficial "anticipated new products" as a driving force.

Becoming Company That Satisfies Needs of Society

KOBELCO CONSTRUCTION MACHINERY GROUP hopes to provide new value to society through our daily business activities so that the virtuous cycle which is created through the acceptance of this value by society, resulting in the further growth and development of that society and our GROUP as well. As our group business has grown, CSR activities have also expanded. This can be a result of favorable stimulation, which comes from that the value of CSR activities has become accepted internally and externally. At the same time, it is essential to grow together with society. KOBELCO CONSTRUCTION MACHINERY GROUP has been enriching our human resources development and training efforts, and such training and economic activities are helping to foment company spirit. Moreover, we have learned a great deal through CSR activities and also the activities has created many new circumstances. This might be one key to achieving growth together with society. We expect our CSR activities to play an important role in creating company spirit in KOBELCO CONSTRUCTION MACHINERY GROUP. We will continue to provide new value to society as we create a company that can meet the demands of society. You can count on more activities that are characteristic of KOBELCO CONSTRUCTION MACHINERY GROUP during FY2015.

Outline of KOBELCO CONSTRUCTION MACHINERY GROUP

●Company Outline

Company Name : KOBELCO CONSTRUCTION MACHINERY CO., LTD.
Founded : October 1, 1999
Tokyo Headquarters : 17-1, Higashigotanda 2-chome, Shinagawa-ku, Tokyo 141-8626
 Phone: +81-3-5789-2111
Hiroshima Headquarters (Hiroshima Office) : 2-1, Itsukaichikou 2-chome, Saeki-ku, Hiroshima-shi, Hiroshima 731-5161 Phone: +81-82-943-5321
Ogaki Office : 1682-7 Motoima-cho, Ogaki-shi, Gifu 503-0932 Phone: +81-584-89-3104
URL : http://www.kobelco-kenki.co.jp
Capital : 16 billion yen
Representative : Jun Fujioka, President & CEO
Business Operations : Manufacture, sale and service of construction and transport machinery
Number of Employees : 11,156 (Group total: 6,419) [As of April 1, 2015]
Sales : 311 billion yen (Consolidated) [FY2014]

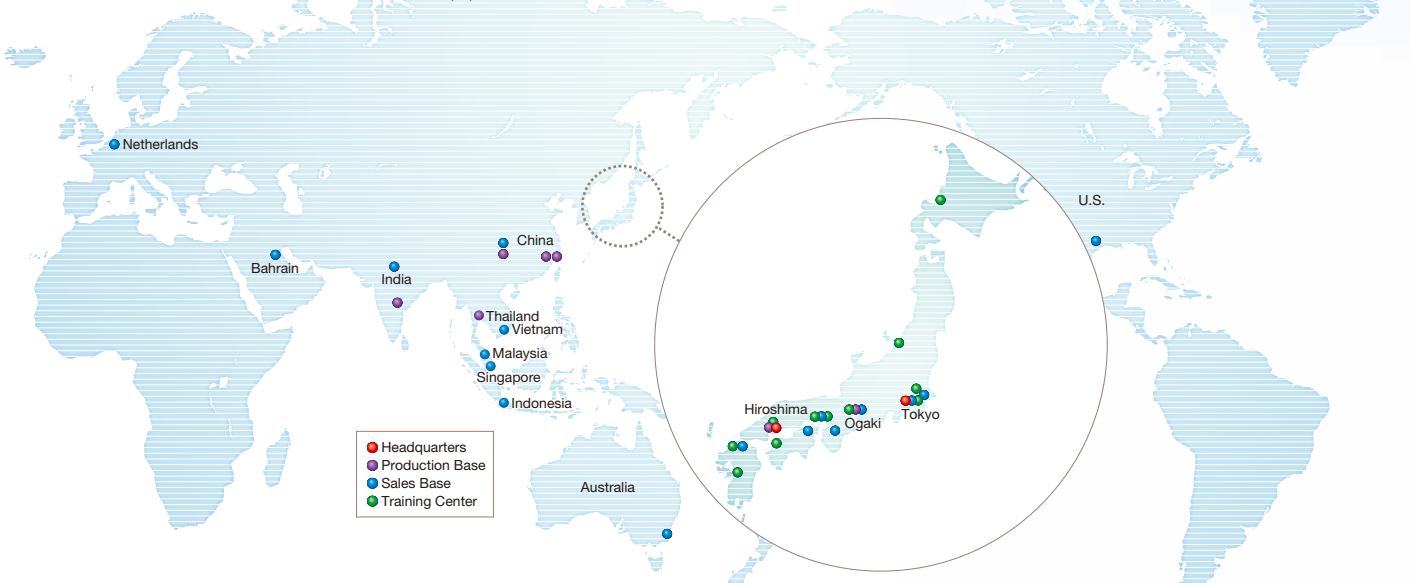
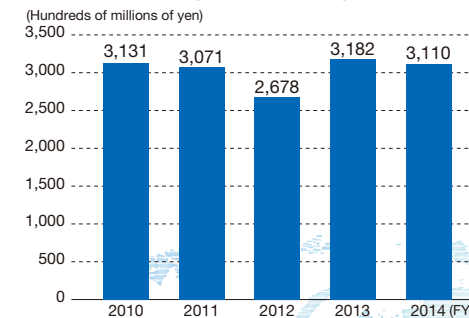
●Leading Japanese Affiliates

KOBELCO CONSTRUCTION MACHINERY (EAST JAPAN) CO., LTD., KOBELCO CONSTRUCTION MACHINERY (WEST JAPAN) CO., LTD., KOBELCO CONSTRUCTION MACHINERY ENGINEERING CO., LTD., YUTANI SERVICE SUPPLY CO., LTD., KOBELCO CONSTRUCTION MACHINERY INTERNATIONAL TRADING CO., LTD., KOBELCO TRAINING SERVICES CO., LTD., KOBELCO TOYOTA TSUSHO CONSTRUCTION MACHINERY HOLDING ASIA CO., LTD., NAKAMURA LEASE CO., LTD., TOYOSUGIUE CO., LTD., SASAI CO., LTD., Y'S YOSHIHARA CO., LTD., JONAN CO., LTD.

●Leading Overseas Affiliates

KOBELCO CONSTRUCTION MACHINERY U.S.A. INC. (U.S.)
 KOBELCO CONSTRUCTION MACHINERY EUROPE B.V. (Netherlands)
 CHENGDU KOBELCO CONSTRUCTION MACHINERY (GROUP) CO., LTD. (China),
 CHENGDU KOBELCO CONSTRUCTION MACHINERY CO., LTD. (China)
 CHENGDU KOBELCO CONSTRUCTION MACHINERY FINANCIAL LEASING LTD. (China),
 HANGZHOU KOBELCO CONSTRUCTION MACHINERY CO., LTD. (China)
 KOBELCO PRECISION MACHINERY HANGZHOU CO., LTD. (China)
 THAI KOBELCO CONSTRUCTION MACHINERY LTD. (Thailand)
 KOBELCO INTERNATIONAL (S) CO., PTE. LTD. (Singapore)
 RICON PRIVATE LIMITED (Singapore)
 PT. DAYA KOBELCO CONSTRUCTION MACHINERY INDONESIA (Indonesia)
 KOBELCO CONSTRUCTION MACHINERY MALAYSIA SDN. BHD. (Malaysia)
 KOBELCO CONSTRUCTION MACHINERY VIETNAM CO., LTD. (Vietnam)
 KOBELCO CONSTRUCTION MACHINERY AUSTRALIA PTY. LTD. (Australia)
 KOBELCO CONSTRUCTION EQUIPMENT INDIA PVT LTD. (India)

●Sales Trends (Consolidated)



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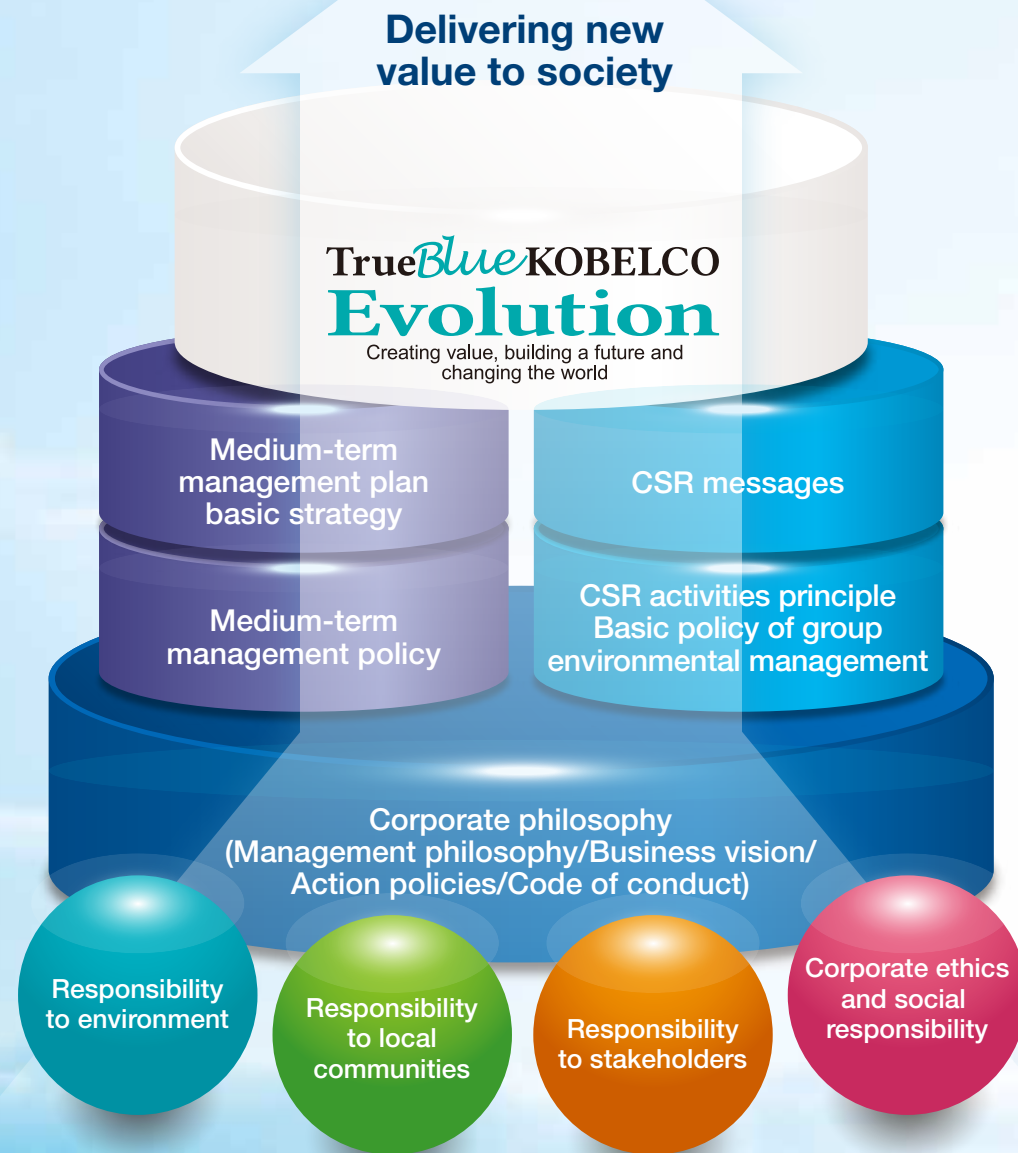
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●Report subjects

Subject organizations : KOBELCO CONSTRUCTION MACHINERY CO., LTD. and affiliated companies
Subject period : April 1, 2014 to March 31, 2015
 (Some contents include information from April 1, 2015 onwards)
Report issue : May 2015

Management and CSR of KOBELCO CONSTRUCTION MACHINERY GROUP

KOBELCO CONSTRUCTION MACHINERY GROUP aims to grow together with society through a virtuous cycle born from delivering value to society through its daily business operations and having the value it provides accepted by society.



Corporate Philosophy

Management Philosophy

Focusing on the needs of users in the field, we dedicate ourselves to satisfying our customers by supplying them with products, services, and information that have true value, while contributing to the creation of a prosperous society.

Business Vision

In order to create a recycling-based society that is friendly to people and the environment, we intend to provide our customers around the world with innovative solutions that incorporate our creative wisdom and know-how. Through activities that maximize customer value, we aim to achieve sustainable growth and become a leading global brand.

Action Policies

With a management philosophy that is dedicated to satisfying customers and contributing to society, all of our actions must meet that philosophy.

- (1) SIMPLICITY
Fully acknowledging our responsibility and role in society, we aim to undertake simple actions that are unbiased in an open and fair manner.
- (2) SPEED
While working to refine our creativity and sensitivity on a day-to-day basis, we will strive to accurately meet, with all possible speed, the changing demands of our customers and the times.
- (3) OPENNESS
While committing ourselves to acting with a fairness that reflects mutual respect among people who have different personalities and attributes, we will work to create a free and magnanimous company atmosphere that is open and filled with vitality.

Medium-term Management Policy and Strategy

Medium-term Management Policy

- Achieve a transformation towards a tougher business structure that can adapt to any change in the business environment
- Re-enter into Western markets and maximize the value of the KOBELCO brand worldwide
- Implement profit-focused strategies to maximize earnings in areas where a certain market share has been acquired

Medium-term Management Plan Basic Strategy

- Maximization of earnings through a transformation towards a well-balanced tough business structure and strengthening of our human resources base
- Re-entry into Western markets and securing a strong global brand recognizable the world over
- Changing the focus of manufacturing efforts from production increase and production base expansion to deeper technology development that allows in-house production and differentiation
- Establishment of a business foundation that emphasizes the stable flow of income (flow to stock)

Corporate Philosophy

KOBELCO CONSTRUCTION MACHINERY GROUP continues to pursue earth and human friendly activities from the perspective of construction machinery manufacturing and an enterprise. The group has implemented an organizational structure for CSR activities, and all group members perform these in accordance with the activity principles and policies established.

CSR Activities Principle

- KOBELCO CONSTRUCTION MACHINERY GROUP will carry out conservation efforts targeting the global environment in a way only we can
- KOBELCO CONSTRUCTION MACHINERY GROUP will strive to contribute to local communities and co-exist in harmony with local residents
- Together with its employees, KOBELCO CONSTRUCTION MACHINERY GROUP will continue to make strides towards the achievement of a better future

Basic Policy of Group Environmental Management

Basic policy : "Enhance corporate value through the implementation of group environmental management"

In striving to become a company at the forefront of environmental activities, a company that achieves sustainable growth and a company that works towards the well-being of the people, KOBELCO CONSTRUCTION MACHINERY GROUP will:

- (1) Implement eco-friendly development and production activities.
- (2) Contribute to the environment through products and services.
- (3) Co-exist and work in harmony with society.

And in addition to fulfilling the company's social responsibilities, we will enhance our corporate value.

CSR Messages from KOBELCO CONSTRUCTION MACHINERY GROUP, Thinking of the Future of People and the Earth

- | | | |
|---------|----------|---|
| Message | 1 | KOBELCO CONSTRUCTION MACHINERY GROUP utilizes the know-how gained from the efforts to tackle on environmental issues and carry out global environmental conservation activities in a way only we can. |
| Message | 2 | Based on the concept of "Thinking of the Future of People and the Earth," KOBELCO CONSTRUCTION MACHINERY GROUP will strive to contribute to local communities and co-exist in harmony with local residents. |
| Message | 3 | The employees of KOBELCO CONSTRUCTION MACHINERY GROUP are valued partners in shedding tears, laughing, and encouraging together as we strive towards achieving a better future. |

Fundamental Principles of Code of Conduct

This Code of Conduct stipulates the detailed rules in order to act in conformance with Action Policies and this code of conduct must be observed by all employees of KOBELCO GROUP.

- (1) In every corporate activity, all relevant laws and Company regulations including this Code of Conduct shall be observed, and there shall be no deviation from the corporate ethics and social morals.
- (2) In every aspect of corporate activity, human rights shall be respected, and discrimination based on race, gender, occupation, age, nationality, social status, religion, physical disability, language, place of origin, or other socially unacceptable practices shall be

prohibited.

- (3) In every corporate activity, fair trade practices shall be observed with each of our stakeholders.
- (4) All business practices shall always be based on high ethical standards, and antisocial behavior shall never be condoned, nor any practices that will damage the honor and credit of the Company.
- (5) The Company shall always strive to supply the safest products with attention to the conservation of the global environment, and it will provide services and information in a timely manner that satisfy our customers and meet their demands.



"Blue" is associated with the color of KOBELCO excavators, such that "True Blue" signifies the unique, reliable and honest "KOBELCO" as we declare our "Evolution" and expansion on a global scale. The subtitle indicates our desire to create value, build a future, and change the world.

Activity Results and Future Initiatives

The corporate mission of KOBELCO CONSTRUCTION MACHINERY GROUP is to contribute to society by responding to social needs. We are working to resolve the numerous issues facing society today by not only producing better products but also by focusing on CSR activities.



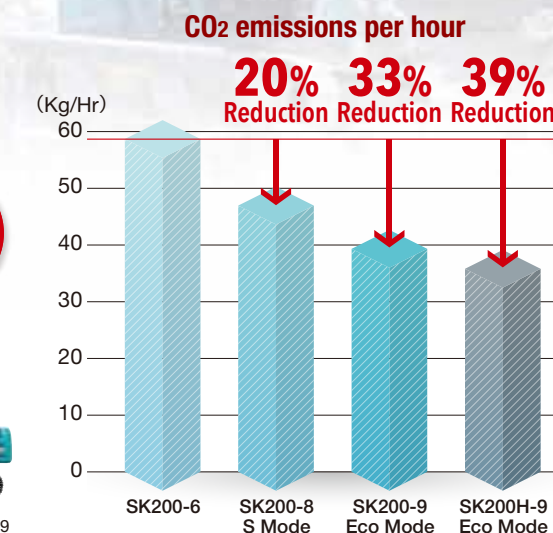
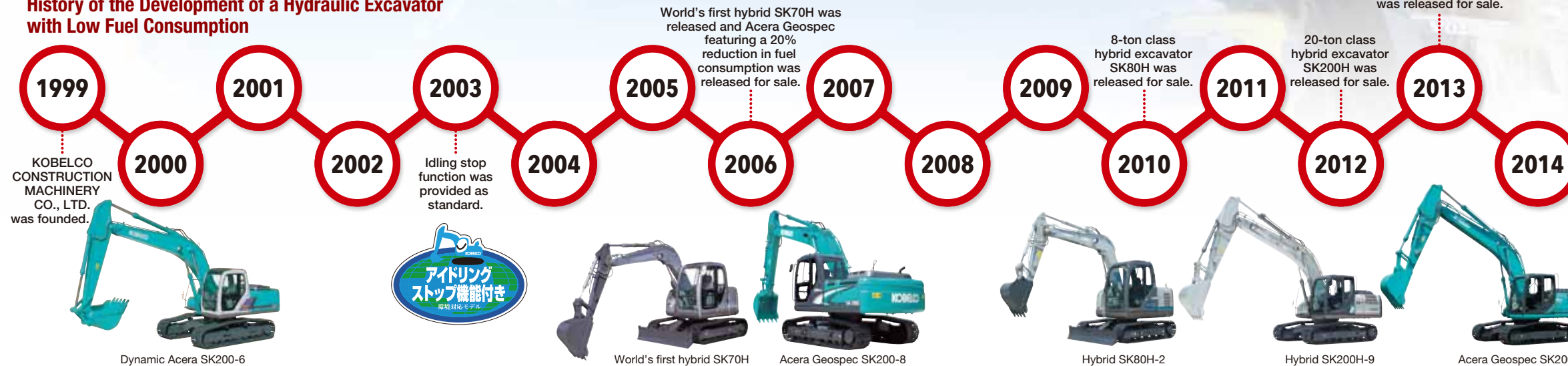
Initiative Themes	Activity Results		Future Initiatives
 Global Warming Measures ⇒ Environmental Conservation Activities (P11)	Focusing on sales of hybrid excavators with low fuel consumption <p>Our SK200H-9 20-ton class hybrid excavator, sold since 2012, is a hydraulic excavator with excellent energy saving performance such as reduced fuel consumption and greatly reduced carbon dioxide emissions. This model can reduce carbon dioxide emissions by approximately three tons in comparison with the standard model excavator (SK200-9) of the same class if operated 1,000 hours per year. Production and sales structures of the SK200H-9 were enhanced in 2014, resulting in that the share of hybrid excavators in the 20-ton class was increased from 2.5% in 2013 to 6.8%. KOBELCO CONSTRUCTION MACHINERY GROUP is striving to expand products that contribute to energy saving and reduction of carbon dioxide emissions.</p>	 <p>Hybrid excavator (SK200H) in operation Scene from exhibition</p>	Reducing fuel consumption while improving operation efficiency <p>KOBELCO will continue to strive to develop low-fuel consumption systems in order to further consolidate the image of "Low fuel consumption KOBELCO". We will also help customers reduce construction time and perform high fuel efficiency works through developing assist functions to enhance operation efficiency. KOBELCO will continue to develop machines that not only reduce fuel consumption and carbon dioxide emissions in all construction operations helping prevent global warming, but also provide customers with positive benefits such as reduced running costs.</p>
 Conservation of Forest Resources ⇒ Environmental Conservation Activities (P12)	Development of the Japan's forestry industry and further reduction of environmental burden <p>In the forestry industry, KOBELCO CONSTRUCTION MACHINERY GROUP has developed special forestry base machines in collaboration with forestry attachment manufacturers to meet the various needs of customers. We have expanded our product lineup to contribute to increase competitive power of the Japan lumber industry. We are making efforts to expand public relations activities for the forestry industry business of KOBELCO CONSTRUCTION MACHINERY GROUP by exhibiting our most recent forestry machines at forestry industry exhibitions and by holding forestry seminars to communicate various information of the forestry industry.</p>	 <p>Exhibition demonstrating forest, forestry and environmental machines Scene from KOBELCO forestry seminar</p>	Detailed response to many operations <p>As the energy resources has been acceleratingly diversified, forest functions are newly evaluated in various perspectives, such as that biomass attracts increased attention as a renewable energy source, forest thinnings have become effectively used, and disasters due to heavy rain in mountainous areas can be prevented by forests. Now proper forest preservation and management are becoming issues, so KOBELCO CONSTRUCTION MACHINERY GROUP is developing forestry machines for multi-purpose use with no application limitation to meet the individual needs.</p>
 Global Exchanges ⇒ Social/Regional Activities (P13) ⇒ Connection with Stakeholders (P15)	Expanding CSR activities to overseas along with business operations <p>The CSR activities of KOBELCO CONSTRUCTION MACHINERY GROUP started as activities in which our employees could easily participate such as cleaning up the areas around our offices. In performing such activities, they evolved into community-based activities consisting of regional contributions and exchanges with stakeholders. The consciousness of employees regarding the CSR activities has gradually changed while these activities are being steadily performed. In FY2014, various exchanges between us and not only stakeholders but also small children and university students were held in mainly China and importance of the global environment was considered and discussed together.</p>	 <p>Visiting classes at neighborhood kindergarten (China) Group photo of China CSR Committee</p>	Expanding CSR activities worldwide <p>The CSR activities of KOBELCO CONSTRUCTION MACHINERY GROUP are basically performed in regions where the group has business presence. We will continue to perform the activities in the regions of Japan and Asia where we have the operation bases, and also expand the activities to Europe and the US, where KOBELCO re-entered the markets two years ago, with promoting the activities that meet the needs of each region by sharing the experience and know-how accumulated in there, and making it easier for more employees to participate in the CSR activities.</p>
 Educational Support for Children ⇒ Social/Regional Activities (P13)	Providing learning spaces as company involved in manufacturing <p>KOBELCO CONSTRUCTION MACHINERY GROUP is making various efforts to support children for education. We have continuously held the activity of "rescue robot challenge" for junior high school students to help raise their awareness in disaster relief, and also we expect that various new ideas will emerge from the flexible mindset of junior high school students. To draw children's interest to not only the construction machinery but also science in general, we visited nursery and elementary schools and held activities such as getting on an excavator, traffic safety classes, competitions of excavators made from cardboard, and classes about water using globes. Children enjoyed studying them.</p>	 <p>Rescue robot challenge for junior high school students Visiting elementary school for classes</p>	Consideration of local community through education of children <p>During the numerous visits we have made to nursery and elementary schools, we have performed many activities to help as many children as possible feel the joy of learning. We will continue these activities as one part of our social contributions. Our employees also have had excellent opportunities to give consideration to the local community by experiencing the places where children are raised and educated with the support of the community. As we think this is very important for employee education, we will promote even more enriched activities.</p>

Environmental Performance Leading Next Generation

Since being founded 15 years ago, KOBELCO CONSTRUCTION MACHINERY GROUP has always taken the lead in pursuing ever higher levels of environmental performance.

We are proud of our manufacturing techniques that provide environmental and human friendliness such as low fuel consumption and low noise, and we will continue to challenge ourselves to further improve such performance.

History of the Development of a Hydraulic Excavator with Low Fuel Consumption



Keeping on Developing Environmentally Friendly Construction Machinery

In 1999, Construction Machinery Division of KOBELCO became independent, and merged with the sales company of Shinko Kobelco Construction Machinery Co., Ltd. and the excavator manufacturer of Yutani Heavy Industries to establish a sales and manufacturing company of KOBELCO CONSTRUCTION MACHINERY CO., LTD.

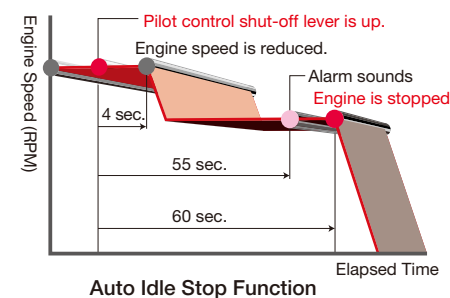
KOBELCO CONSTRUCTION MACHINERY CO., LTD. has developed environment-conscious products since its establishment. As hydraulic excavators consume tens of liters of fuel during a single hour of operation, a reduction of even a tiny percentage can provide an extremely large effective reduction in carbon dioxide emissions.

As a result of thoroughly pursuing low fuel consumption from the perspective of both power and hydraulic systems, we finally released the 20-ton class excavator SK200-8 in 2006, which achieved reduction of fuel consumption by 20 % compared with the same class excavator SK200-6, which was

sold in the company establishment year of 1999. Furthermore, SK200-9 was released in 2013, and it achieved the fuel consumption reduced by 33 % compared with SK200-6.

We have carried out development of new function by not only asking, "How can we make a machine operate with little fuel?" but also asking ourselves "How can we save fuel?" We have made the auto idling stop function, a new function for reducing fuel consumption, which was provided as standard *1 on hydraulic excavators of 6 tons or more from 2003. In construction sites

where hydraulic excavators are used, approximately 25% of total work performed consists of machines idling*2. By focusing on this wasted energy



consumed during idling, our goal was to reduce the amount of fuel consumed during idling. Lifting the pilot control shut-off lever, operated when the operator leaves the cab (no one is in the cab), causes the engine to automatically stop 60 seconds later (activation time can be adjusted) so that the wasteful consumption of fuel while idling can be reduced. Studies using actual machines showed that fuel consumption was reduced by a maximum of 20%. As of December 2014, this function, which has been equipped to approximately 50,000 machines sold, achieves even lower fuel consumption during operation together with the other fuel reduction features and functions of the hydraulic excavator.

The hybrid excavators are expected as environmentally friendly construction machinery of the next generation. KOBELCO exhibited the world's first hybrid excavator of SK70H in an exhibition held in France in Spring 2006, and in 2010, released the 8-ton class hybrid excavator of SK80H-2, that achieved a fuel consumption improvement by about 40% in comparison with a standard machine of the same class at that time. This low-fuel consumption performance attracted a

great amount of attention, and it resulted in a growing demand for hybrid excavators of the most demanded 20-ton class. So that SK200H-9 was released in 2012 and made it the industry's first 20-ton class hybrid excavator to comply with the regulations of the 2011 Off Road Law. In comparison with SK200-6, SK200H-9 reduces fuel consumption by 39% and carbon dioxide emissions by 23 tons annually*3. This is equivalent to carbon dioxide emissions by 10 automobiles per year, making it a machine that contributes to the reduction of carbon dioxide emissions and symbolizes "Low Fuel Consumption KOBELCO". KOBELCO CONSTRUCTION MACHINERY CO., LTD. will continue to further refine and perfect out low fuel consumption technology and push development efforts towards achieving a low carbon society.

*1: Except some special specification machines
*2: Comparison made by KOBELCO
*3: Calculated according to 1,000 hours of operation during one year and using KOBELCO's own fuel consumption calculation standards

Developing New Technology to Contribute to Low Carbon Society

Koji Ueda
HYDRAULIC COMPONENT ENGINEERING GROUP,
SYSTEM & COMPONENT DEVELOPMENT DEPARTMENT,
KOBELCO CONSTRUCTION MACHINERY CO., LTD.



SK200-8, which created the image of "Low Fuel Consumption KOBELCO" in the market, was designed to thoroughly reduce energy loss. In developing this model, we utilized evaluation technology by analytical models as tools enabling us to predict and verify the effects. SK200H-9 collects the brake energy during swing and uses it as an assist to decrease a load on the engine. This is development achieved by our efforts to highly enhance the regeneration control technology for various energies.

We are committed to using this new technology for the next models and further evolve the technology to contribute to the realization of a low carbon society.

Ultra Low Noise Technology "iNdr" Has Changed Working Site Environment

As hydraulic excavators require a large amount of energy, the high-output large engines are installed but it results in engine noise, which is a part of noises at a working site.

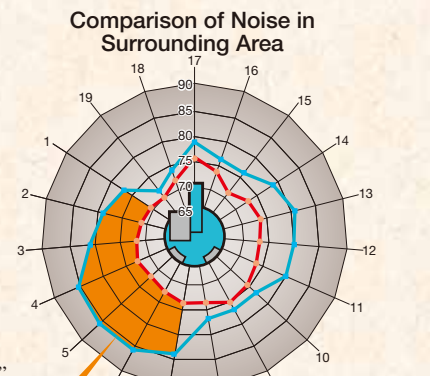
KOBELCO CONSTRUCTION MACHINERY GROUP launched a project to develop a low-noise hydraulic excavator in 2001 under the slogan of "Ultra Low Noise". The goal of the project was to reduce engine noise by 10 dB compared with the conventional models. K225SR and SK235SR-2 took six years in development and went on sale on June, 2007. A ground-breaking function not found on conventional hydraulic excavators was incorporated in those excavators. That function is KOBELCO's unique "iNdr" engine cooling system. The engine

room was given an enclosed structure to reduce noise generated by the engine from leaking outside the machine, and it resulted in great reduction of engine noise. In 2014, the lineup of excavators including this function was expanded to the 2.8 to 13 tons classes.

Equipping the excavator with iNdr reduces the engine noise measured at a distance of one meter from the side of the machine by a maximum of 10 dB in comparison with a machine not equipped with the function. The models equipped with this function are useful in improving the surrounding environment of working sites where noise is a concern such as residential districts, confined sites, or where work is performed at night. This function has also received positive feedback from field workers who have commented, "It is easier for workers to signal to each other and communication is more readily achieved," and

"It isn't tiring to work long hours because the engine noise is not bothersome." KOBELCO CONSTRUCTION MACHINERY GROUP will continue to develop products that are useful in improving the working site environment.

* "Ultra Low Noise" is a unique expression of KOBELCO. The Ministry of Land, Infrastructure, Transport and Tourism uses the designation "ultra low noise type".



Highlights of Corporate Activities/CSR Activities for 2014

KOBELCO CONSTRUCTION MACHINERY GROUP pursues initiatives that are deeply interrelated with our business activities and CSR activities based on our policy on CSR activities. In FY2014 we continued to carry out a wide range of activities that ran in line with our business operations.



Highlight 1

Held by the e-Learning Awards 2014 Forum Executive Committee/Fuji Sankei Business i. “11th Japan e-Learning Awards” Awarded with Best Practices Award



High praise for application of e-learning: Universal service engineer training tool

At the “11th Japan e-Learning Awards” ceremony, held as a part of the e-Learning Awards 2014 Forum on November 2014, the service engineer training e-learning run by Customer Support Department of KOBELCO CONSTRUCTION MACHINERY CO., LTD was received Best Practice Award.

Enhancing of product support is essential for ensuring that product functions and performance are properly understood, and increasing customer satisfaction. Now creating product support system in each country across the globe becomes more and more important and according to this situation, personnel development for service engineers who perform product support tasks becomes a common issue for companies. Presenting a method that can resolve this issue led to this award.

Two points were especially singled out for praise. The first was the introduction of a multilingual-capable system using the Internet that enables the simultaneous dissemination of information across the globe. The other point was packaging the educational program and introducing evaluation according to common indices. These allowed us to establish a training system that adopts an educational program proper for the characteristics of each country or area, using universally common training materials. This system became

a training method effective for personnel development. This training system using e-learning is currently being used in Japan, and is also being expanded to more than 20 countries across the globe including China, India, Indonesia and Australia. It will be used to create reliable human resources who provide customer satisfaction all over the world.



Best Practice Award certificate

Highlight 2

General Incorporated Association of Hiroshima Institute of Invention and Innovation Awarded for “School Visit Science Classes”



Communicating joy of science and manufacturing: Continuing efforts receive praise

KOBELCO Hiroshima Office has been continuously carrying out “School Visit Science Classes” at elementary schools in Hiroshima City since 2010 under the activities principle of “Stopping children from drifting away from science and manufacturing industries, and local revitalization by making Hiroshima a field for cultivating engineers”. These ongoing efforts were awarded by Hiroshima Prefecture Institute of Invention and Innovation on June 2014.

The CSR members go to elementary schools and provide explanations for the principle of “balances” by loading weights into the miniature bucket of the hydraulic excavator to experiment whether the excavator tips over due to its posture according to

difference of the weights. Also, the principle of “levers” is explained by a model of variable-length attachment, which is used to experiment whether a perceived force differs according to a varied length. We are making efforts to lead the children to deep understanding through the learning by experiments.

These activities will be continued as a means to cultivate future engineers.



Scene from awards ceremony for “School Visit Science Classes”

I hope that many children will like science

Ryota Nakahara
XTÉRIOR & INTERIOR GROUP, PRODUCTION ENGINEERING
DEPARTMENT, KOBELCO CONSTRUCTION MACHINERY CO., LTD.

I'm involved in “School Visit Science Classes” carried out under the theme of “Stopping children from drifting away from science”. I gave these classes with the feeling that I want children to understand that what they study now will be useful in the future and in various places in society. The enthusiasm of the children made it a bit difficult to carry out the classes exactly as I had envisioned, so that I felt a greatness of being a teacher. I would like to continue participating in the activity so that even more children can become interested in science.



VOICE

Highlight 3

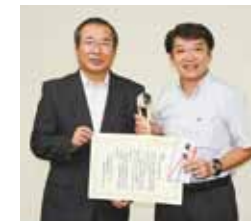
FY2014 CSR Award KOBELCO China CSR Committee



Four local subsidiaries in Chengdu join together to perform beautification activities to contribute to their community

KOBELCO China CSR Committee has been continuously carrying out garbage pick-up activity since 2009. The garbage pick-up activity in the Summer of 2014 was carried out at Guosetianxiang Theme Park in the Wenjiang District of Chengdu. The all participants from the four local subsidiaries in Chengdu (CKCMG, CKCM, CKCML and CKCL (Crane)) wear the same uniform every time they participate this activity and perform the activities through the united cooperative effort of all four group companies. Working under the slogan of “Striving Together to Preserve Environment”, the members of the committee aim to gradually increase the scope of their activities. These activities function to increase the awareness of

beautification among the employees and local residents, and also greatly contribute to improving the brand image of KOBELCO CONSTRUCTION MACHINERY GROUP. The committee expects to continue these activities while gaining the participation of even more employees and further developing the activities.



Scene from FY2014 CSR Award ceremony

These activities have permeated throughout the company and raised the consciousness of environmental protection.

Zou Kai
CHENGDU KOBELCO CONSTRUCTION
MACHINERY (GROUP) CO., LTD.

By carrying out the garbage pick-up activity continuously every year, I have been able to experience first-hand how, “our activity can serve as a small contribution to environmental conservation.” The participation rate was low at first but the activity gradually permeated throughout the entire company. Now, participation is greatly increasing, with the activity creating a budding awareness of environmental protection in each employee and serving as an opportunity to consider the importance of the environment. I hope that the employees of the all companies can join together in solidarity, and continue the activity.



VOICE

Highlight 4

Held at Itsukaichi Factory 12th Service Technical Contest



Gathering of excellent employees from all over globe! China subsidiary becomes overall champion for first time

Following the last year, “12th KOBELCO CONSTRUCTION MACHINERY Service Technical Contest” was held on November 15, 2014 at the Itsukaichi Factory in Hiroshima by the Customer Support Department. Under the slogan of “Endless evolution! Show your true value! KOBELCO service makes customers be moved by skills”, the competition featured the participation of 40 excellent employees in eight teams who had won the preliminary competition in each area held in 10 countries. The competition this year included the first-time participation of our Australian local subsidiary (KCMA). This competition becomes more exciting each year. The competitive tasks have been changed with inventive ideas in each time, preventive maintenance and parts replacement suggestions were established as major themes, and challenges that correspond to actual tasks were given. The service personnel selected from each region got excited in the competitions. As a result of the competitions, CKCM/G, a team combining members from two Chinese local subsidiaries, became the overall champion making it the first time that a team from outside Japan received the championship trophy.

This Service Technical Contest not only provides the results of improved overall service, but also undoubtedly enhances a competitive power of KOBELCO CONSTRUCTION MACHINERY GROUP in the market of each area through the competitions and training within the group.



Scene from competition



Scene from awards ceremony of the “Service Technical Contest”

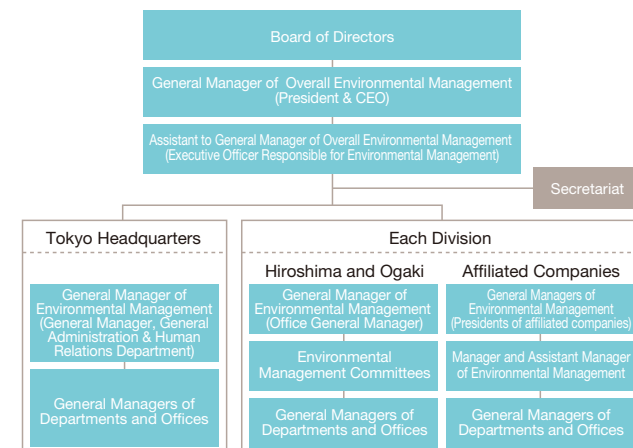
Protecting Environment

In the area of not only performance of products, but also manufacturing processes, we are striving for environmentally friendly manufacturing. We have also implemented internal organizations and systems to provide environmental protection throughout all of our business activities.

Environmental Management

Environmental Management System

KOBELCO CONSTRUCTION MACHINERY GROUP has selected personnel to function as General Manager of Environmental Management from each office. We have also established an Environmental Management Secretariat that supervises environmental control throughout the entire company in order to perform overall environmental management.



Environmental Management Regulations

KOBELCO CONSTRUCTION MACHINERY GROUP has observed all laws and regulations related to the environment. Based on the self-awareness that environmental conservation is a corporate social responsibility, we defined Environmental Management Regulations specifying all of the fundamental items and the required roles of each department and office. We are promoting environmental activities across the entire group based on these regulations.

Trying to conserve environment at factory and surrounding area by environmental studies and training

Kotaro Kitamura
GLOBAL SERVICE PLANNING GROUP, CUSTOMER SUPPORT DEPARTMENT, KOBELCO CONSTRUCTION MACHINERY CO., LTD.

Amidst the increasing social awareness of environmental problems, Environmental Management Secretariat has carried out environmental studies at dealer factories, and instructs them based on Environmental Management Regulations in order to implement measures for enhancing factory environments and achieving environmental conservation in the surrounding areas. Also, Environmental Management Secretariat provides periodic trainings to facility management personnel in an effort to improve the awareness of environmental issues. During FY2015, the same type of studies will be carried out at group rental companies in order to further advance measures for environmental conservation throughout the entire KOBELCO CONSTRUCTION MACHINERY GROUP.



Strict Observance of Environmental Compliance

KOBELCO CONSTRUCTION MACHINERY GROUP is implementing various measures from the perspective of environmental management to instill our employees with proper knowledge regarding legal requirements, so that each of them has a sense of ownership to thoroughly observe the environmental compliance.

(1) Compliance Training for Environment and Disaster Prevention Laws and Regulations

Compliance training for environment and disaster prevention laws and regulations was carried out by the Environmental Control & Disaster Prevention Department of KOBELCO STEEL, LTD. at the Itsukaichi Factory in September 2014. The attendees were mainly provided with the explanations for the necessity of observing legal requirements from the perspective of environmental management, related laws and regulations, etc. It was practical training including exercises using actual examples.

(2) Environmental Management e-Learning

KOBELCO carried out environmental management e-learning in May 2014 for the second time after three years based on the increased importance given to environmental issues due to the nuclear power plant problems caused by the Great East Japan Earthquake and changes in the site environment due to moving to Itsukaichi Factory. This e-Learning informed the all group employees of the environmental management measures of KOBELCO CONSTRUCTION MACHINERY GROUP including specific activities being carried out in relation to the basic environmental management policy. They deepened their knowledge about our business.

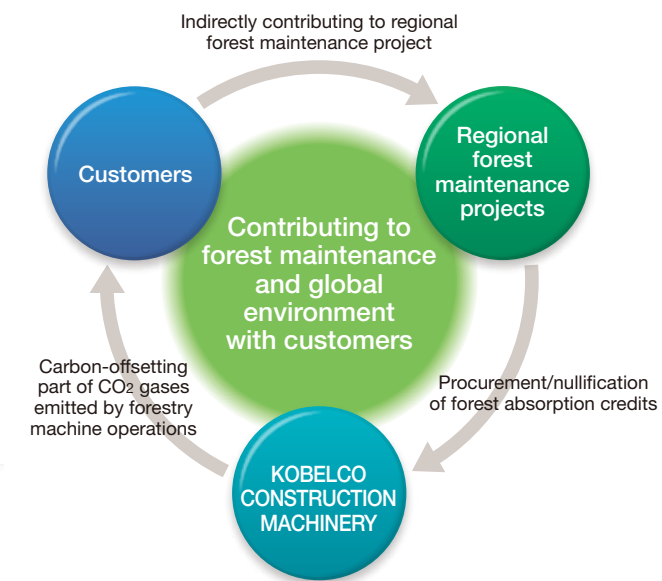
(3) Environmental Verification Studies at Dealers and Service Factories

Every half-term, Environmental Management Secretariat of KOBELCO CONSTRUCTION MACHINERY selects locations of business operations those require improvement and then performs environmental verification studies accordingly. The items for confirmation include the condition of rainwater drain passages (including oil-water separation basins), storage of grease and oil, and disposal of industrial waste. They instruct dealers and service factories for improvement if any problem is found.

KOBELCO's "Carbon Offset" Program

From October 2013, KOBELCO has been carrying out its own "Carbon Offset" Program for customers purchasing forestry machinery in order to further contribute to the prevention of global warming and forest maintenance. "Carbon offset" refers to compensating for (offsetting) the greenhouse gases emitted by machines and impossible to be reduced through the reduction of greenhouse gases emitted in other areas.

KOBELCO's "Carbon Offset" Program only applies the forest absorption credits certified by the Ministry of the Environment and the entire costs are returned to forest maintenance in Japan. The program was applied 40 times in 2014, contributing an annual reduction of 156 tons of carbon dioxide emissions.



Environmental Figures Emission Amounts Associated with Business Activities

KOBELCO CONSTRUCTION MACHINERY GROUP is carrying out various environmental conservation activities according to the business cycle of development, production, distribution and sales. For example, we have established an energy saving subcommittee at Hiroshima Office to reduce electrical power used, and it implements measures if required. Here we present the environmental figures of Japanese production bases for FY2014.

Hiroshima Office, KOBELCO CONSTRUCTION MACHINERY CO., LTD.
Main products: Construction machinery, transporting machinery, motor vehicles, motor vehicle-related equipment and parts

■Atmosphere

Item	Facility	Regulation Value	Measured Value
NOx	Drying furnace	230	9.8
Dust and soot	Drying furnace	0.2	0.003
Dioxins	Not applicable	Not applicable	—

■Water Quality

Item	Regulation Value	Measured Value (Average Value)
COD	Not applicable	—
SS	Not applicable	—
Oil content	35	10.8
Dioxins	Not applicable	—

■Chemical Substances

Substance	Amount of Emissions				Amount of Transportation		Main Process/Purpose of Use, etc.
	Atmosphere	Public Waters	Soil	Reclamation inside Premises	Sewers	Outside Office	
Xylene	109,000	0	0	0	0	31,000	Painting
Toluene	7,400	0	0	0	0	9,600	Painting
Ethylbenzene	47,400	0	0	0	0	3,600	Painting

Total substances handled: 4
 ■Atmospheric data
 *Regulation Value: Air Pollution Control Law, prefectural regulations, and Act on Special Measures Concerning Dioxins
 *Units: NOx was measured in ppm, dust and soot were measured in mg/Nm³, and dioxins were measured in ng-TEQ/Nm³
 *Regulation values are determined for each facility subject to the survey
 *A value for each of the following substances not listed above is equal to or less than the quantitative limit value (not detected) or the regulation value.
 Sulfur oxide, cadmium, chlorine, hydrogen chloride, fluorine, hydrogen fluoride and silicon fluoride, lead, benzene, trichloroethylene, dioxin
 ■Water quality data
 *Regulation Value: Water Pollution Prevention Act, prefectural regulations, Act on Special Measures Concerning Dioxins or city sewer regulations, and agreed values

Ogaki Office, KOBELCO CONSTRUCTION MACHINERY CO., LTD.
Main products: Construction machinery and parts

■Atmosphere

Item	Facility	Regulation Value	Measured Value
NOx	Not applicable	Not applicable	—
Dust and soot	Not applicable	Not applicable	—
Dioxins	Not applicable	Not applicable	—

■Water Quality

Item	Regulation Value	Measured Value (Average Value)
COD	2,460	420
SS	40	2.00
Oil content	Not applicable	—
Dioxins	Not applicable	—

■Chemical Substances

Substance	Amount of Emissions				Amount of Transportation		Main Process/Purpose of Use, etc.
	Atmosphere	Public Waters	Soil	Reclamation inside Premises	Sewers	Outside Office	
Xylene	25,399	0	0	0	0	8,495	Painting
Toluene	12,875	0	0	0	0	4,385	Painting
Ethylbenzene	20,499	0	0	0	0	6,883	Painting

Total substances handled: 4
 *Units: COD, SS, and oil content were measured in mg/l, and dioxins were measured in pg-TEQ/l
 *ND: Being equal to or less than the quantitative analysis limit (not detected)
 *A value for each of the following substances not listed above is equal to or less than the quantitative limit value (not detected) or the regulation value.
 pH, BOD, total nitrogen, total phosphorus, phenols, total chromium, soluble iron, soluble manganese, fluorine, copper, zinc, cadmium, total cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, total mercury, alkyl mercury, PCB, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethene, cis-1,2-dichloroethene, 1,1,1-trichloroethylene, 1,1,2-trichloroethane, 1,3-dichloropropane, thiuram, simazine, thioncarbam, benzene, and selenium
 ■Chemical Substances
 *Unit: kg

Forging Bonds

Focusing on developing and supporting human resources, we try to create prosperity for the entire industry. Furthermore, we are establishing environments and systems that are easy to work with, while also assisting all of our work partners to live an enriched and successful life.

Harmonious Relations with Customers and Affiliated Companies

Deepening Mutual Trust and Understanding Through Communication

We are striving to create diverse spaces for communication, and share information with our affiliated companies, partner companies, and our customers to develop and expand together. We can strengthen our ties by deepening feelings of trust and mutual understanding.

Dealer Meetings

We regularly hold the dealer meetings both inside and outside Japan to interact and exchange ideas with dealers who sell KOBELCO CONSTRUCTION MACHINERY GROUP products the world over and further strengthen our collaborative ties. For the European and US areas, we held one in North America in January 2015 and in Europe in February 2015 in order to achieve solid brand building in these market areas that are also globally important, and they consisted of exchanges of ideas covering a broad range of subjects. Reviewing our activities over the last two years since re-entry into these markets and organizing our present conditions provided a valuable opportunity for all employees attending to make decisions in order to achieve their goals as we move towards the next stage. Moving forward, we will strive to create value, as a truly global brand, that exceeds the expectations of our customers and dealers.



Group photo in front of new office of North American local subsidiaries



Scene from social gathering at dealer meeting of European local subsidiaries



Group photo at dealer meeting of North American local subsidiaries

Scene from dealer meeting of North American local subsidiaries

Production Liaison Conferences

We hold the production liaison conferences two times a year with companies that we work with such as our partner companies that are our parts supply sources and this year, 380 persons from 160 companies participated. This year marked the critical juncture for us as it was the 15th anniversary of the founding of the company, which we used as an opportunity to look back on the path that brought us to our current position while explaining demand trends and sales forecasts in each business area. The social gathering served as a space for mixing with management personnel of KOBELCO CONSTRUCTION MACHINERY GROUP and provided an opportunity for expressing frank opinions. Moving forward, we hope to further increase the trust between KOBELCO and the companies we work with as we mutually improve, expand our corporate value, and develop.



Scene from production liaison conference

Resource Recycling Meetings and Forest Seminars

We regularly hold seminars aimed at providing a range of the latest forestry and resource recycling industries information. The resource recycling meeting this year was held under the theme of an “Overview of Scrap and Build in Japan” featuring the presentation of cutting-edge resources recycling products and seminars. At the forest seminar, a lecture under the theme of “Prospects and Issues for Wood Biomass Power Generation” was given and the seminar included presentations of the latest forestry machinery. Both seminars provide a space for transmitting information from KOBELCO CONSTRUCTION MACHINERY GROUP as well as for providing information serving as hints for improving business operations. The social gathering held afterwards allows the participants to exchange ideas and opinions that will serve to help revitalize the entire industry.



Scene from resource recycling meeting

Workplace and Personnel Development

Enriching All Systems to Work with Comfort and Ease

In promoting a work/life balance, we are providing various types of support such as creating workplaces where our employees can work with peace of mind, and physical and mental well-being. We are implementing various measures that match the characteristics of occupational categories and regions, and our employees’ life stage, such as health and safety activities in offices, establishment of support systems related to child and elderly care, and a variety of employee training programs. We value the opinion of each and every employee as we steadily strive to improve our company’s internal environment on a daily basis.

Promoting Advancement of Female Employees

KOBELCO CONSTRUCTION MACHINERY CO., LTD. held the first trial “Career Design Session” for our female employees to expand the opportunities for women to advance in their workplaces. It provided an opportunity to exchange ideas and opinions regarding proactive approaches to enjoying work, career paths, and meaningful and satisfying work. KOBELCO will continue to proactively implement measures so that female employees will be able to fully manifest their own capabilities.



Group photo at career design session

Itsukaichi Factory Appreciation Day

Itsukaichi Factory holds an “Itsukaichi Factory Appreciation Day” every year so that the families of employees and local residents can develop a better understanding of the workplace, with striving to create a workplace environment where employees can work in a safe and comfortable manner. Held for the third time this year, the event featured a variety of activities such as a stamp rally held within the factory, and excavator rides and a photo session. A total of approximately 2,500 persons attended this year.



Group photo at 3rd Itsukaichi Factory Appreciation Day

Enrichment of Our In-House Training Program

Improving Individual Capabilities Through Level-Based Training

KOBELCO CONSTRUCTION MACHINERY GROUP has set “ideal employee capabilities” corresponding to each employee level and job type, and is creating a comprehensive human resource development system that includes both OJT and Off-JT (such as trainings) to help employees achieve those capabilities. Improving the capabilities of human resources through OJT is important for helping new employees establish themselves in the workplace and rapidly provide them with the necessary workplace capabilities. We are implementing measures to achieve those goals such as hands-on training programs for practical work experience that enable employees to gain experience early on in the works at the multiple departments like an assembly work. Also, we provide the employees with opportunities to learn the knowledge, skills and actions those are necessary for each level of work, trying to enhance the capabilities of each employee through training, as well as enhancing company-wide teamwork by activating communication beyond the borders of each department. We will continue to further fortify and enrich this program so that employees will be able to take on their work every day with the feeling of “challenging and rewarding”.



Scenes from training

New Level-Based Training System

Top Management to Directors	Top Management Training Management, Strategy, Brand, and Risks, etc.			
Management	Line Manager Training Parts 1 and 2 (Organizational Management)			
	Training for Persons Promoted to Assistant Advisor (Business Models and Zen Meditation)			
	Counselor Advanced Training (Business Plan Design, and Risk Perception and Response)			
	Counselor 3rd-Year Training (Financial Analysis and Business Plan Design)			
	New Management Staff Training (Management and Cash Flow)			
Mid-Career Employees	Basic Management Training (Management Fundamentals)			
	Instruction Staff Training (Stakeholder Management)			
	Issue Formation Training (Issue Resolution)			
Young Employees to Mid-Career Employees	Fifth-Year Employee Training (Leadership, Teaching and Coaching)			
	Fourth-Year Employee Training (Problem-Solving)			
Young Employees	Third-Year Employee Training (Presentations)			
	Second-Year Employee Training (Writing and Planning Formation)			
New Employees	New Employee Follow-up Training (Stress Tolerance)			
	New Employee Training (Business Fundamentals, and Acquiring Certifications, etc.)			

Compliance/Corporate Governance

We have established a system of governance for the entire group to dutifully ensure that we comply with all manners of ethics, laws, and regulations.

Compliance Initiatives

KOBELCO CONSTRUCTION MACHINERY GROUP is aware of the strong need to act in accordance with corporate ethics and fulfill its social responsibilities, and it carries out compliance activities on a continual basis while complying with all forms of laws and regulations concerning corporate management as a matter of course.

Five Principles of Compliance

- (1) Do not violate rules or perform illegal acts.
- (2) Do not conceal violation or misconduct.
- (3) Immediately inform personnel responsible for compliance if you find any violation or misconduct.
- (4) Persons who report violation or misconduct shall not be treated adversely.
- (5) Immediately implement corrective and preventive measures for violation or misconduct and announce the violation or misconduct to public precisely and rapidly.

It is extremely important that always being highly aware of compliance to prevent violation or misconduct. Even if it occurs, you can minimize the effects by rapidly responding and handling it. Through activities according to Action Policies of “Simplicity, Speed, and Openness” and Five Principles of Compliance, we have created a system to prevent any problems from occurring and potential problems from being realized.

Compliance Committee

KOBELCO CONSTRUCTION MACHINERY GROUP has established a compliance committee including two members outside the company to act as an independent body from the board of directors to enhance the ethics of corporate activities and the level of compliance with laws and regulations.

Corporate Governance Structure

KOBELCO CONSTRUCTION MACHINERY GROUP has built a corporate governance structure and strictly adheres to compliance requirements to comply with the laws and regulations of the countries and regions in which it does business, and also to ensure that it does not deviate from social morals. Further, the group facilitates the cleaning up of problematic

Environmental Management Committee

KOBELCO CONSTRUCTION MACHINERY CO., LTD. has established an environmental management committee made up of members of each subcommittee, which carries out environmental management activities and improvements to major production bases, such as the Itsukaichi and Ogaki factories, in accordance with ISO14001 environmental factory standards and manuals. The committee promotes further environmental improvements by discussing the progress and issues of each subcommittee and measures at a meeting once a month.

Risk Management Exercises

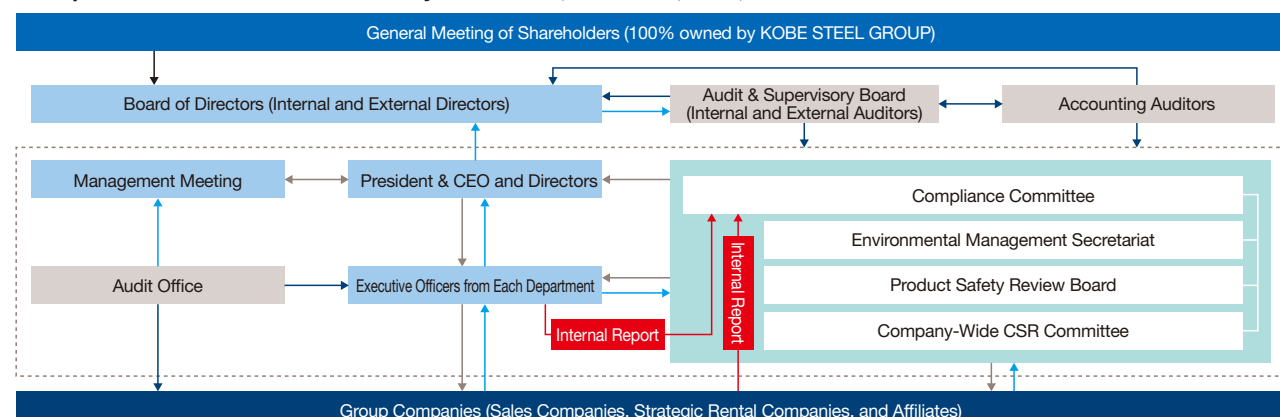
Improving Risk Management Capabilities Through Ongoing Activities

We have held risk management exercises every year since 2006. The 15th series of activities were performed this time together with KOBELCO CRANES CO., LTD. We have gradually expanded the contents and scope of these exercises, and they are performed based on specific hypothetical accidents. By repeatedly carrying out these exercises, employees can master the basic actions necessary to respond to emergency situations and be prepared if one occurs while also raising awareness of the risks present in the workplace. We will further improve the employees’ and company-wide risk management capabilities through content-rich exercises.



areas within the company and maintains a healthy and sound corporate culture by establishing “Internal Reporting System”. With this, we strive to understand areas where tangible risks and issues are forming with regard to violations to laws and regulations, corporate ethics and behavior standards, grasp problems at an early stage, and take measures against them.

Corporate Governance/Internal Control System Outline (Accurate as of April 2015)



Employee Messages

CSR committee members provide support for the CSR activities of KOBELCO CONSTRUCTION MACHINERY GROUP by taking the lead in.

I Want Everyone to Feel Sense of Solidarity and Belonging

Takefumi Asami
TOKYO GENERAL ADMINISTRATION
GROUP GENERAL ADMINISTRATION &
HUMAN RELATIONS DEPARTMENT,
KOBELCO CONSTRUCTION MACHINERY CO., LTD.



By pro-actively participating in local activities, we have been able to interact with persons whom we normally do not have any work-related contact, and this makes them aware of KOBELCO’s CSR activities. Additionally, there is a feeling of accomplishment in uniting with the members and carrying out activities together. In the future, I would like to carry out activities that bring joy to the children of the local community and those are helpful to people who are having difficulties. I also want to make an effort to carry out activities that increase the name recognition of KOBELCO. My aim is to create an atmosphere where various people can feel a sense of solidarity by participating in CSR activities.

I Want to Tell People All Across Globe About KOBELCO

Zheng Yushi
DOCUMENT PUBLICATION
DEPARTMENT, KOBELCO
CONSTRUCTION MACHINERY
ENGINEERING CO., LTD.



By interacting with members of the local community, we could make them know a little about our company and carry out the activities those were closely related with the local community. I think it would be great to implement some new activities in addition to these customary events we are currently performing. For example, I would like to carry out activities that communicate Japanese culture and customs to foreigners, such as foreign exchange students, who live in the region. I think it would be great if people all across the globe can come to know about KOBELCO through these activities. I would like to continue to carry out even more enriched CSR activities in the future together with many other employees.

An Opportunity to Forge Bonds with Members of Local Community

Yu Aoki
KOBELCO CONSTRUCTION
MACHINERY (WEST JAPAN) CO., LTD.,
NISHI-NIHON KOBELCO
CONSTRUCTION MACHINERY CO., LTD.



The things I remember most about our CSR activities are the game corner and demonstration at Fall Grand Exhibition. I really felt a sense of accomplishment in seeing the enjoyment of children as they viewed our machines and being able to come into contact with persons related to KOBELCO with whom I normally do not have a chance to interact. I would like to increase our activities that are appreciated by local residents in the future. Currently, we clean up roads together with neighboring companies. These types of activities give us the opportunity to interact with local residents and companies, and also allow us to feel that we are in some way contributing to the local community.

Enjoyment You Can Understand by Participating!

Takeshi Yamashita
PARTS CENTER, PARTS BUSINESS
PROMOTION DEPARTMENT,
KOBELCO CONSTRUCTION
MACHINERY CO., LTD.



Not only areas are beautified by nearly all of Parts Center employees participate every time we perform clean-up activities, but also it provides a feeling of solidarity with my coworkers and motivates me for the next time. Also, forest maintenance activities have given me the precious experience of the refreshing feeling of working up a sweat surrounded by the natural greenery. Photos of CSR activities, those have become to be published in internal company bulletins, have sufficiently served to provide motivation to those persons carrying out the activities. In the future, I would like to carry out activities those would contribute to the local community as well as increase the name recognition of KOBELCO, such as clean-up activities at swimming beaches and other coastal areas.

Editorial Notes

Sharing Circle of Joy with Everyone

Masahiko Nakata Company-Wide CSR Chairperson

While visiting each region, I was deeply impressed to find out how activities are steadily being implemented and expanded. I would like to shine a light on even the smallest activity that is steadily being continued to let as many people as possible know about it and share in the circle of joy. There must be unknown CSR activities being carried out also in countries other than Japan.

Expanding CSR Across the Globe!

Sadayuki Nagahori CSR Promotion Group

This report focuses on the improvement made in environmentally friendly performance of products during 15 years. I would like to continue CSR activities so that they can be expanded to a large number of regions as KOBELCO excavators with wonderful environmentally friendly performance have expanded all across the globe.

Significance of Activities Captured in Photos

Maki Itsukaichi CSR Promotion Group

Looking at the photos of activities from the various regions, I found there were many photos containing great facial expressions of people. Seeing those joyful scenes of not only smiling faces but also persons studying seriously makes me feel that it would be great if even more persons could participate in CSR activities. I would like to work on continuing these activities in the future.