

Corporate Governance

[Our Basic Policy]

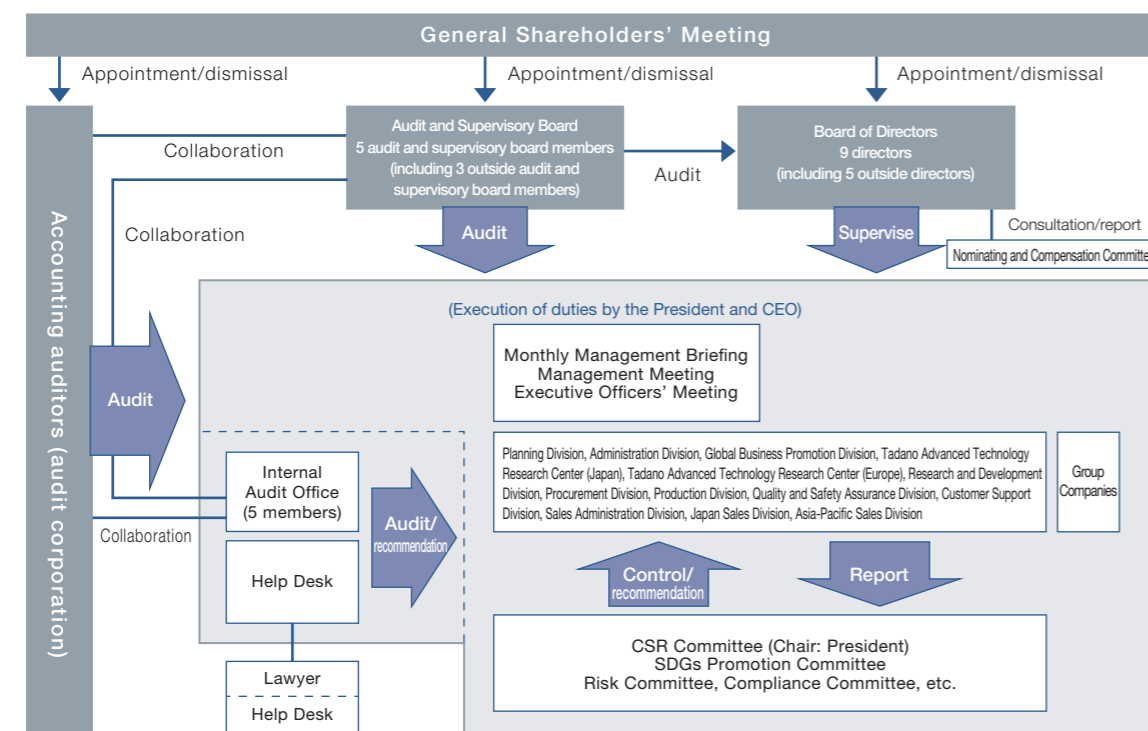
The company places corporate governance as one of the important management issues in order to ensure transparency, soundness, and efficiency of our management. For corporate governance to function effectively, we believe we need to foster a sound corporate culture based on our corporate philosophy and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

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



Please see our website for details

Corporate Governance Structure Chart



Changes in Corporate Governance Structure

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

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

Description of Meeting Bodies and Committees

Board of Directors

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

Monthly Management Briefing / Management Meeting

The Monthly Management Briefing (members: directors, executive officers, and audit and supervisory board members) is held to report on business activities and to share information, while the Management Meeting (members: President, and managing executive officers and above, etc.) is convened to discuss management strategies. These advisory committee meetings are held once a month to assist the President's decision-making.

Risk Committee

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

Audit and Supervisory Board

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

Nominating and Compensation Committee

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

Executive Officers' Meeting and Officers' Camp

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

Evaluating the Effectiveness of the Board of Directors

Article 34 of the Corporate Governance Guidelines stipulates matters concerning evaluation of effectiveness of the Board of Directors. In the evaluation of the effectiveness of the Board of Directors in FY 2022, questionnaires on the evaluation of the Board of Directors were collected from all 14 directors and audit and supervisory board members. Based on the analysis and discussion of the results from these questionnaires, the Board of Directors concluded that the mechanism of Board of Directors Meetings is appropriate in composition, role, and operation, and that outside directors are contributing to the effectiveness in the series of discussions, including Board of Directors Meetings. As such, the company confirms that the effectiveness of the

Board of Directors is adequately ensured.

Regarding the clarification of the roles for execution and supervision, which was pointed out as an issue in last year's evaluation of effectiveness, we have clarified business execution responsibilities by changing the organizational structure and implemented other measures. We will continue to make improvements on this issue. Furthermore, we aim to realize an even more effective Board of Directors by discussing the diversity of directors, the Mid-Term Management Plan, and succession planning, as well as implementing measures for sustainability and risk management.

Compliance Initiatives

Compliance assurance system

In keeping with the Tadano Group CSR Charter and the Tadano Group Compliance Regulations, all employees of the Tadano Group engage in transparent, sound, and honest business activities in compliance with relevant laws and regulations and social norms, as well as high ethical standards. To promote compliance, the Chief Compliance Officer designated by the President takes charge of the overall compliance system of the Tadano Group and supervises compliance policies. The Compliance Officer appointed by each group company takes charge of matters concerning each company's compliance system.

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

Compliance Committee

The Compliance Committee meets twice a year, in principle, shares and discusses compliance issues, and makes reports on the activities of group companies.

The Committee also raises awareness of compliance through education and trainings on regulatory compliance using educational tools and other materials, and strengthens the compliance system by providing assistance such as for implementation of regulatory compliance measures.

Promoting compliance

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

Internal reporting system

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

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

Round-Table Talk with Outside Directors

Open communication supports a healthy and vibrant organizational culture. It is our hope that the company will head towards the future as “One Tadano” with a diverse team.

A round-table talk with five Outside Directors was held for the first time on May 10th, 2023.
(Please also refer to “Executives” on pages 35 to 37 for detailed profiles of each director.)



Junichi Kaneko Tatsuro Ishizuka Shosaku Murayama

Akiko Otsuka Koichi Tadenuma

What is the role of Outside Directors in Corporate Governance?

——— Tadano first appointed Outside Directors in 2008, but the majority of the Board of Directors continued to be internal directors for a long time. However, the President changed in 2021, and the number of Outside Directors increased from three to five. The five Outside Directors have various careers and backgrounds. How do you perceive your role as an Outside Director and the current state of Tadano?

Murayama I have been involved in managing many companies. When I attended my first meeting at Tadano three years ago, to be honest, my impression was that not many people expressed opinions. I feel that the number of people speaking at meetings and the quality of meetings have increased considerably due to changes in the management system and the review and improvement of meeting bodies. Open communication is probably one of the requirements for Governance. I feel that communication within the organization is improving as meetings have become more lively.

Otsuka I started learning about management when I became an Outside Director of Tadano, but I also attend study sessions with female directors of other companies. From what I have learned in those study sessions and understood about the situations of other companies, I have realized that Tadano currently has sufficient systems and initiatives in place, including in terms of the composition of the Board of Directors.

Ishizuka As you said, Tadano's systems and initiatives are ahead of the curve, but also, based on my experience as an Outside Director of other companies, I feel information disclosure from people in the company to us, Outside Directors, is very open and up-front. I am grateful for the speedy and sincere response to any questions I have.

Tadenuma I believe that the role of Outside Directors is to cooperate by leveraging their diversity and supervise by drawing on their experiences in other companies and industries. I would like to help Tadano fulfill its corporate social responsibility by assessing the needs of all stakeholders and various social issues.

Kaneko It's only been one year since I was appointed, so I don't have a sufficient basis for my assessment, but I feel that even recently, there have been improvements, as the members of each meeting body and the way meetings are run have been reviewed to a large extent, and the points that Outside

Directors should be involved in have been clarified. The five Outside Directors regularly communicate online, and it is very interesting to see the diversity of our experiences and perspectives.

Murayama We have and can offer a lot of external information, but it is up to the execution side how to make use of the information. I think Outside Directors shouldn't speak too much, but it's also not good if they just listen. I think right now, the five of us are able to speak freely, and the execution side accepts what is necessary from us in a reasonably balanced manner.

Kaneko In recent years, compliance and trust in Japanese manufacturing have been shaken by inspection fraud and other scandals. Tadano's machines lift heavy objects, and the machines themselves are large and heavy, so it is the company's social responsibility to take to heart that safety is a top priority. It is very disappointing that other manufacturers have committed outrageous fraud. It's a cliché to say, but Tadano must learn from others' mistakes and understand that once such a scandal occurs, it is not easy for a company to regain trust. Legal compliance should be ingrained into the company and ensured.

How should Tadano help realize a decarbonized society and improve the global environment?

——— In April 2022, Tadano announced its plans to commercialize the world's first electric rough terrain crane for the Japanese market. At CONEXPO, an international construction machinery trade show held in the US this spring, the company announced several products and visions, including the second electric rough terrain crane for the US and Canada. This highlighted Tadano's determination to lead the industry in decarbonization efforts. How do you view this development?

Murayama Electric vehicles are being accepted throughout the world, led by the automobile industry, but I think the top priority is to go back to the basics and clearly understand and communicate what kind of benefits customers would gain. Personally, I have the feeling that the number of gas stations in my town is steadily decreasing recently, and it's quite possible the world will change faster than we can imagine. Ten years from now, we may be strangely faced with a world where people will ask, “Who makes diesel engines?!” I feel this is a topic that should be addressed with an even greater sense of urgency.

Ishizuka To be honest, I feel Japanese people as a whole are being passive, with an attitude that “because other countries are decarbonizing, we should follow.” For example, when I talk to people from the UK, they have a strong sense of urgency and determination, saying, “My country is in trouble because it rains too much and the number of disasters is increasing. That's why we need to solve this problem through decarbonization.” I think the key point is how to develop human resources.

Tadenuma From the perspective of university education, when tackling a new field or theme, it is essential to have basic knowledge and skills first, but the next most important thing is to interact with others. When we talk to people from other departments, other industries, and other countries, refine our awareness of issues, and learn from each other, we discover new things and realize them. I want people at Tadano to grow by expanding their connections with the outside world.



Ishizuka For the engineers at Tadano, electrification may be an area they are still studying and may not be a strength yet, but after all, what they want to change is a hydraulic mechanism. I have had a lot of talk about electrification with people involved in development. Tadano's hydraulic technology and know-how are amazing, but people at the company are probably not aware of this. Learning more from what others are doing will allow you to understand your own strengths while discovering how the outside world is amazing. Manufacturers surprisingly don't have many opportunities to learn from what others are doing, so I think Tadano should be consciously doing so.

Tadenuma Also, in terms of efforts to realize a decarbonized society, if you just do what others are doing or you are too obsessed with numerical targets, it would inevitably feel like you are being forced to do so. We are fundamentally responsible for the protection of the global environment and for future generations. I think our motivation will increase if we work with a strong sense of mission and philosophy about why we need to rise to the challenge. I want Tadano to take pride in its efforts by highlighting its goals and achievements both inside and outside the company.

Otsuka For example, space development may seem to be full of innovation, but the final technologies and ideas are only the result of the accumulation of the past. Creating nonexistent technology from scratch is not easy. However, the important thing is to fail a lot and to tolerate failure. I think it is important how much that awareness is fostered within an organization to develop technology. There is no choice but to come up with many ideas and repeat trial and error without deciding that "that idea can't be used."

Ishizuka I remember when I was young, the problem was often "we can't do it because we don't have money," but when I ask young people today, "Isn't there anything you want to do?," their response is that they don't have time even if they have money. As a company, I think it is important to consciously allocate human resources and time and give people opportunities to grow. Money and time should be invested in people who know what they want to do.



Murayama On a different note, as a major technological revolution is happening globally, tremendous innovation is also taking place in the world of my hobby, astronomical telescopes. What people tend to think of when we talk about stargazing is looking through a telescope with your own eyes, but nowadays, dark nebulae and star clusters can be seen as realistically as in astrophotography by electronically viewing star images collected by CMOS image sensors. This is called electronic stargazing. Also, for star observation, you need to know exactly which part of the sky you are now looking at. In the past, people used to determine star positions by looking at a star chart at hand and the sky back and forth,



but now, the images captured by a telescope are analyzed by AI using the Cloud, and the telescope can independently determine its own position. Most of these component technologies originated in Japan, but it is overseas companies that have actually applied them to bring about innovation. I feel Japan's problem lies in that fact.

Otsuka My impression is that it is considered a virtue to build up an idea from scratch to the end and put it into practice alone. I think it's OK to put ideas into action by relying on others more or collaborating with various people and organizations. Also, traffic regulations have become a hot topic in the space sector. There are several plans for a system called mega-constellation. If they are realized, even the vast universe will be quite crowded, but space is tantamount to a "lawless zone" at the moment. Therefore, it is being discussed that space navigation should be regarded as "transportation" and the rules should be decided to prepare for the future. Somehow, there is a tendency for Western countries to lead rule-making and Japan to follow them, but Japanese companies are working together to explain problems to the Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs, and other relevant ministries, and urging them to become an active participant in the discussions. A similar trend is expected for the future technology of construction machinery.

Kaneko We face a difficult problem of how to come to terms with society and rules as technology advances. An example is how to make rules for using ChatGPT, a topic that was also discussed during the G7 Hiroshima Summit 2023. I think that automation and evolution of cranes will also be a point of a global discussion. Also, even if Tadano pursues electrification of its products, they will not become popular unless there are charging stations around. You have no choice but to work with the government to improve infrastructure. The company cannot overcome this issue on its own. The government also does not know how to achieve the goal, so it wants the private sector to offer its wisdom, and is willing to change the rules or provide subsidiaries if there is a problem. As such, I think it is important to contemplate and understand what kind of benefits there are for society as a whole, and what and how we can contribute to society as a company.

Hopes and messages for the future Tadano Group

———— "Making One Tadano a reality" is also one of the major themes for Tadano's growth. However, since it is a rather abstract goal, some group employees are worried about whether they are really achieving the goal, whether they are becoming "One Tadano," and what should be done in the future. So, what are your advice and opinions as Outside Directors?

Otsuka The meaning of "One Tadano," as well as the thoughts and visions behind it, probably change depending on each person's position and circumstances. I think an abstract goal is OK as long as it is a catchphrase that serves as an opportunity to think.

Tadenuma It's natural that a catchphrase has different interpretations. In my opinion, it's fine to have discussions based on a catchphrase, and to decide on specific policies and strategies for the times while having communication and share them, since what actions to take will change with the times.

Kaneko A company based in Takamatsu acquired a German company and became global. The real problem is how to set a theme and realize an optimal global production scheme in thinking about the company becoming global. For that reason, I consider "One Tadano" as "mind alignment."

Ishizuka What must be solved first is the German problem. It's necessary to restructure the business as soon as possible, and the Japanese and German operations need to join forces to create a strong global organization. Also, raising the current and future level of customer satisfaction is a subject that should be considered across different departments, including sales, service, and development, and across different countries. I'd like to see everyone to demonstrate "One Tadano" in that effort as well.

Kaneko As an extension of that, you could say that "One Tadano" also includes relationships with suppliers both in and outside Japan.

Tadenuma The other day, I visited a group company in Germany. Although there is still a distance between Japanese and German employees, I feel that things started to change for the better under the new system. It's important to deepen exchanges on a daily basis and develop human resources. It's not only a matter of language abilities, but it's also important to share information with each other, learn from each other by sharing expertise and experiences, and get to know each other's personalities and individualities.

Murayama It's not just Japan and Germany. We tend to lump all other countries as overseas, but the circumstances and opinions must be different from country to country. Even in Japan, there may be differences between the Head Office and branches/sales offices in terms of how they see the world. In any case, having a dialogue is the only way forward.

Otsuka I have had round-table talks with female employees many times over the past two years. In large part, I have indeed come to understand the frontline work through dialogue. The Human Resources Department will apparently summarize the results of the round-table talks and use them for future



measures. I look forward to continuing to work together and provide support. When we say organizational barriers or cultural barriers, they feel like something extremely difficult to overcome. I'd like people to think about what they can do to help other members of the Tadano Group who are having problems, and to treat them as their own rather than someone else's problems.

Ishizuka I think that technical dialogue is effective because it does not turn into discussions without substance. I hope that increasing dialogue about popular welding technology, inspection methods, and regulations and standards of each country, for example, will become an opportunity to learn about each other's characteristics, good points, and strengths. I believe that having serious technical dialogue will lead to mutual respect, rather than simply saying, "Because we have different histories, and our countries are different, we have different ways of doing things."

Tadenuma I completely agree. The same is true for communication between researchers. The most important thing is mutual respect. Even if there are some language barriers, we can understand each other when we have a dialogue based on sharing of each other's expertise. Also, what I'd like to ask the research and development department to do is to never lose the connection with the frontline work. I want them to listen to the voices of customers and customer support staff without being stuck in an ivory tower, and develop products that respond to those voices.



Murayama For example, I think it is a good trend that Japanese people in the production department are beginning to understand that German welding technology is advanced and learn from it. Of course, Germany has something to learn from Japan, and it seems that communication has progressed considerably over the past year. What matters is whether everyone can demonstrate the strengths of the Tadano Group while working hard for customers.

Ishizuka Since there will be always troubles and issues, how to prevent them becomes important. I'd like the company to use big data such as Hello-Net and past knowledge to practice "prevention is better than cure." To expand on what Ms. Otsuka said earlier, if someone in the company is having a problem, it ultimately means that customers are having a problem. With that awareness, I want the entire group to work together to solve problems faced by customers.

Directors



Koichi Tadano



Toshiaki Ujiie



Hiroyuki Goda



Akiko Otsuka



Junichi Kaneko



Koichi Tadenuma



Noriaki Yashiro



Shosaku Murayama



Tatsuro Ishizuka

Koichi Tadano Chairman of the Board and Representative Director

Apr. 1977: Joined Marubeni Corporation
 Jun. 1988: Joined Tadano Ltd.
 Jun. 1991: General Manager of President's Office
 Jan. 1997: Director and President of Faun GmbH (currently Tadano Faun GmbH)
 Jun. 1997: Director
 Apr. 1999: Director and Executive Officer
 Apr. 2001: Director and Senior Executive Officer
 Apr. 2002: Representative Director and Senior Executive Officer
 Jun. 2003: President, CEO, and Representative Director
 Apr. 2021: Chairman of the Board and Representative Director (current position)

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

Toshiaki Ujiie President, CEO, and Representative Director

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

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

Hiroyuki Goda Director and Managing Executive Officer, Global Officer

Apr. 1992: Joined Tadano Ltd.
 Apr. 2008: General Manager of Lifting Equipment Development Department 1
 Apr. 2012: Director, Tadano India Pvt. Ltd.
 Apr. 2017: Officer
 Jun. 2020: Executive Officer and Head of Research and Development Division
 Jun. 2022: Director and Managing Executive Officer
 Jan. 2023: Director and Managing Executive Officer, Global Officer, Head of Research and Development Division, and Executive of Global Office (RT/TC, R&D) (current position)

He has been in charge of various important roles in Tadano's Research and Development Division. He has contributed to the growth of the Tadano Group with his abundant experience and deep insight in this area. He is expected to fulfill an important role in leading the Tadano Group to further growth.

Noriaki Yashiro Director and Managing Executive Officer, Global Officer

Apr. 1986: Joined Sumitomo Corporation
 May 2006: CEO, Plaza Motors Corporation dba Mazda de Puerto Rico Officer, Auto Summit Inc.
 Apr. 2014: General Manager, Lead & Zinc Business Dept., Sumitomo Corporation
 Oct. 2015: President, Minera San Cristobal S.A. CEO, Summit Mining International Inc.
 Apr. 2020: General Manager, Mobility Hub Business Dept., Sumitomo Corporation
 Feb. 2021: Joined Tadano Ltd.
 General Manager in charge of International Sales Division

Apr. 2021: Executive Officer
 Apr. 2022: Managing Executive Officer
 Jan. 2023: Managing Executive Officer, Global Officer
 Mar. 2023: Director and Managing Executive Officer, Global Officer, Head of Global Business Promotion Division and Sales Administration Division, in charge of Digital Transformation Promotion, Executive of Global Office (Global Strategy) (current position)

He has contributed to driving the globalization of the company by drawing on his abundant experience cultivated at a general trading company. He is expected to fulfill an important role in leading the Tadano Group to further growth.

Shosaku Murayama Outside Director Lead Independent Director

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

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

Tatsuro Ishizuka Outside Director Director

Apr. 1978: Joined Hitachi, Ltd.
 Apr. 2009: Corporate Officer and General Manager of Hitachi Works, Power Systems Group, Hitachi, Ltd.
 Apr. 2014: Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
 Apr. 2015: Deputy Chairman of Hitachi Europe Ltd.
 Jul. 2016: Chairman of the Board of Hitachi Research Institute
 Apr. 2017: Representative Executive Officer and Chairman of Hitachi Construction Machinery Co., Ltd.
 Jun. 2017: Representative Executive Officer, Chairman, Executive Officer and Director of Hitachi Construction Machinery Co., Ltd.
 Mar. 2020: Outside Director of K & O Energy Group Inc. (current position)
 Apr. 2021: Adviser of Tadano Ltd.
 Jun. 2021: Director (current position)
 Mar. 2022: Outside Audit & Supervisory Board Member, AGC Inc. (current position)

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

Akiko Otsuka Director Outside Director

Apr. 1986: Joined Toshiba Corporation
 Oct. 1995: Studied at Stanford University Graduate School
 Apr. 2007: Joined NEC Corporation
 Jul. 2015: Gender Equality Committee in AeroSpace (Sorajo board) of Japanese Rocket Society (current position)
 Nov. 2017: Expert of Space Systems Group I, Space Systems Division of NEC Corporation
 Mar. 2018: Earned Doctoral Degree in System Engineering at Keio University
 Apr. 2019: Chairperson of the Gender Equality Committee of the Japan Society for Aeronautical and Space Sciences
 Apr. 2021: Adviser of Tadano Ltd.
 Jun. 2021: Director (current position)
 Apr. 2022: Senior Engineer, Human Spaceflight Technology Center, Human Spaceflight Technology Directorate, Japan Aerospace Exploration Agency (JAXA) (current position)
 May 2022: Director in charge of General Affairs, The Japan Society for Aeronautical and Space Sciences (current position)

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

Junichi Kaneko Director Outside Director

Apr. 1976: Entered the Ministry of Labor (currently Ministry of Health, Labour and Welfare)
 Aug. 2007: Director General, Minister's Secretariat, Ministry of Health, Labour and Welfare
 Jul. 2008: Director General of the Labour Standards Bureau, Ministry of Health, Labour and Welfare
 Sep. 2012: Vice-Minister, Ministry of Health, Labour and Welfare
 Apr. 2015: Visiting Professor, Institute of Regional Development, Taisho University
 Jul. 2017: Senior Advisor, Boston Consulting Group
 Jun. 2019: Chairman, National Silver Human Resources Center Association (current position)
 Mar. 2022: Adviser of Tadano Ltd.
 Jun. 2022: Director (current position)

He has advanced expertise and abundant experience in compliance and human resources strategies in the employment and labor administration fields through holding important posts including Director General of the Labour Standards Bureau and Vice-Minister in the Ministry of Health, Labour and Welfare. The company expects him to fulfill his role to supervise management from an objective standpoint independent from those who carry out the company's business by drawing on his advanced expertise and abundant experience in Compliance and human resources strategies in the employment and labor administration fields.

Koichi Tadenuma Director Outside Director

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

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

Composition of the Board of Directors

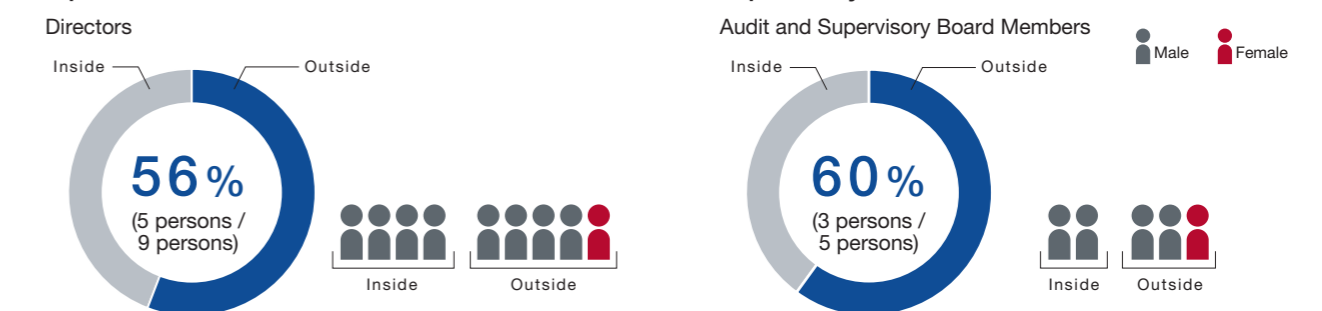
Directors are elected in consideration of a balance of knowledge, experience and skills.

Areas of expertise of the Directors

Name	Corporate management	Governance and risk management	Finances and accounting	Manufacturing, technology and R&D	Marketing and sales	Global experience
Koichi Tadano	●	●	●	●	●	●
Toshiaki Ujiie	●	●	●	●	●	●
Hiroyuki Goda	●	●	●	●	●	●
Noriaki Yashiro	●	●	●	●	●	●
Shosaku Murayama	●	●	●	●	●	●
Tatsuro Ishizuka	●	●	●	●	●	●
Akiko Otsuka	●	●	●	●	●	●
Junichi Kaneko	●	●	●	●	●	●
Koichi Tadenuma	●	●	●	●	●	●

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

Proportions of Outside Directors and Outside Audit and Supervisory Board Members



Audit and Supervisory Board Members



Masahiko Ikeura



Kiyoshi Fujii



Koji Watanabe



Mami Kato



Hisakazu Suzuki

Masahiko Ikeura Audit and Supervisory Board Member

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

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

Kiyoshi Fujii Audit and Supervisory Board Member

Apr. 1985: Joined SHIKOKU CHEMICALS CORPORATION (currently SHIKOKU KASEI HOLDINGS CORPORATION)
 Apr. 1990: Joined Sharp Corporation
 Jul. 1991: Joined Tadano Ltd.
 Apr. 2009: General Manager, Sales Administration Department
 Jun. 2009: Director of Tadano Faun GmbH
 Feb. 2015: General Manager of Global Business Promotion Department
 Apr. 2017: General Manager of Finance and Accounting Department
 Aug. 2019: CFO of Tadano Demag GmbH
 Sep. 2022: Retired from the company
 Mar. 2023: Audit and Supervisory Board Member (current position)

He has considerable insights in finance and accounting cultivated through his past experience as General Manager of Finance and Accounting Department of the company and CFO of one of our German group companies (Tadano Demag GmbH). Accordingly, he is expected to appropriately fulfill his duties as an Audit and Supervisory Board Member.

Koji Watanabe Outside Audit and Supervisory Board Member

Apr. 1980: Appointed to Kagawa Prefectural Police Officer
 Apr. 2010: Director of First Investigation Division, Kagawa Prefectural Police Headquarters
 Mar. 2014: Chief of First Investigation Division, Kagawa Prefectural Police Headquarters
 Mar. 2020: Chief, Takamatsu-minami Police Office
 Feb. 2021: Regional Inspector of Community Safety Division, Kagawa Prefectural Police Headquarters
 Jun. 2022: Audit and Supervisory Board Member of Tadano Ltd. (current position)

He is expected to utilize his abundant knowledge of and experience in Compliance, for the company's audit system.

Mami Kato Outside Audit and Supervisory Board Member

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

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

Hisakazu Suzuki Outside Audit and Supervisory Board Member

Apr. 1977: Joined Sumitomo Corporation
 Oct. 2003: General Manager, Documents and General Affairs Department of Sumitomo Corporation
 Aug. 2008: General Manager, Public Relations Department of Sumitomo Corporation
 Apr. 2011: Executive Officer of Sumisho Computer Systems Corporation
 Oct. 2011: Executive Officer of SCSK Corporation
 Jun. 2012: Representative Director, Senior Executive Officer of SCSK Corporation
 Apr. 2016: Representative Director, Executive Vice President, Executive Officer of SCSK Corporation
 Oct. 2019: Adviser of Tadano Ltd.
 Jun. 2020: Audit and Supervisory Board Member (current position)
 Dec. 2021: Outside Director and Audit and Supervisory Committee Member of CRI Middleware Co., Ltd. (current position)

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

Compensation of Officers

Basic Policy

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

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

The compensation for Outside Directors is fixed compensation (monetary compensation) only, in consideration of their role and independence.

Policy on Determination of Fixed Compensation (Monetary Compensation)

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

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

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

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

Policy Regarding Determination of Non-monetary Compensation, etc.

To incentivize the sustainable enhancement of the company's corporate value and to promote further value sharing among Directors and shareholders, non-monetary compensation, etc. are designated as restricted stock. At the Board of Directors Meeting held in April each year, a resolution is passed to grant restricted stock to Directors, and a lump-sum grant for the year is made in May.

The specific number of shares to be granted is the number obtained by dividing the amount equivalent to 36% of the total annual basic compensation by the amount to be paid in per share, which is determined based on the closing price of the company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the Board of Directors' resolution regarding the grant of restricted stock. Restricted stock shall include the content described on the right.

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

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

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

	Monetary Compensation		Non-monetary Compensation
	(Fixed compensation) Position allowance + basic compensation Approximately 65%	(Performance-linked compensation) Basic compensation x payment rate (25%) Approximately 15%	(Restricted stock compensation) Basic compensation x 36% Approximately 20%
Directors			
Outside Directors	Fixed compensation 100%	—	—

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