



Revs Your Heart

Integrated Report 2023

Fiscal year ended December 31, 2022



We have worked based on three ideas which constitute our “Corporate Philosophy”. One is our “Corporate Mission”, that is our core identity, values, purpose, and visionary goals. The second is “Management Principles”—the guiding management principles for achieving our corporate mission. The third is “Action Guidelines”, the guidelines each individual should follow to realize our corporate mission.



Kando* Creating Company

Offering new excitement and a more fulfilling life for people all over the world

Yamaha Motor strives to realize peoples’ dreams with ingenuity and passion, and to always be a company people look to for the next exciting product or concept that provides exceptional value and deep satisfaction.

* *Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

1. Creating value that surpasses customer expectations

To continue to produce value that moves people, we must remain keenly aware of customers’ evolving needs. We must strive to find success by always surpassing customer expectations with safe, high-quality products and services.

2. Establishing a corporate environment that fosters self-esteem

We must build a corporate culture that encourages enterprise and enhances corporate vitality. The focus will be on nurturing the creativity and ability of our employees, with an equitable system of evaluation and rewards.

3. Fulfilling social responsibilities globally

As a good corporate citizen, we act from a worldwide perspective and in accordance with global standards. We must conduct our corporate activities with concern for the environment and communities and fulfill our social responsibility with honesty and sincerity.

Acting with Speed

Meeting change with swift and informed action

Spirit of Challenge

Courage to set higher goals without fear of failure

Persistence

Working with tenacity to achieve desired results, and then evaluating them





Yoshihiro Hidaka

President, Chief Executive Officer
and Representative Director



Delivering You *Integrated Report 2023*

Yamaha Motor has been publishing integrated reports since 2019 to help our shareholders, investors, and a wide range of other stakeholders better understand our value creation from a medium- to long-term perspective.

2022 was a milestone year for Yamaha Motor, as we surpassed our long-standing goal of ¥2 trillion in net sales and are taking the next steps for growth. However, our corporate mission to be a *Kando* Creating Company will remain unchanged. In *Integrated Report 2023*, we endeavored to provide our readers with a better understanding of our growth strategy—centered on our Medium-Term Management Plan and the foundation for value creation that supports it—to convey how and what kind of excitement Yamaha Motor will continue to deliver in the future.

We will continue striving to create sustainable social and environmental value and enhance our corporate value through constructive dialogue with our stakeholders. In compiling *Integrated Report 2023*, I declare that each of our departments has cooperated in consolidating our policies and prepared the contents in good faith, and that the processes used in preparing the report as well as the information it contains to be accurate and legitimate.

Contents

Introduction

- 1 Corporate Philosophy
- 2 Delivering You *Integrated Report 2023*
- 4 Pursuing the Unique Style of Yamaha Motor
- 5 Our Challenge to Create *Kando*
- 6 A Look at Yamaha Motor's Unique Style
- 7 At a Glance

Medium- to Long-Term Strategies

- 10 From the President
- 15 Maximizing Our Environmental and Social Value
- 16 Important Societal Issues (Materiality Issues)
- 20 Progress of Medium-Term Management Plan (2022–2024)
- 23 From the Director in Charge of Corporate Planning and Financial Affairs
- 25 Business Overview
 - 25 Data by Business Segment
 - 26 Land Mobility
 - 29 Marine Products
 - 31 Robotics
 - 33 Financial Services
 - 34 New Businesses
- 36 Climate Change Initiatives (Disclosure Based on TCFD Recommendations)
- 42 Digital Transformation
- 45 Human Resource Development
- 49 Sustainability

Activities for Greater Functional Competitiveness

- 52 Creative Branding & Design
- 55 Research and Development
- 57 Intellectual Properties
- 59 Procurement
- 61 Manufacturing and Production (*Monozukuri*)
- 63 Marketing

Management Platforms

- 66 From the Chairman of the Board of Directors
- 68 From the Outside Director
- 69 Outside Director Dialogue
- 72 Directors and Audit & Supervisory Board Members
- 73 Executive Officers
- 74 Corporate Governance
- 82 Risk Management
- 83 Compliance

Facts and Data

- 85 Financial and Non-Financial Highlights
- 87 Eleven-Year Summary
- 88 Environmental and Social Data
- 89 Management's Discussion and Analysis of Fiscal 2022 Business Results
- 93 Design Awards
- 94 Corporate Information / Stock Information

Editorial Policy

This report sets forth Yamaha Motor's corporate philosophy and vision, and explains how they interconnect with the strategies and strengths employed in their realization, for the understanding of shareholders, investors, and other diverse stakeholders with regard to the Company's value creation in the medium to long term. In compiling this report, we have referred to the IFRS Foundation's International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation.

Financial, sustainability-related, product, and other information not contained in this report is available on Yamaha Motor's official website. Please note that the "2023" in the title refers to the year this report was published.

Scope

This report covers Yamaha Motor Co., Ltd., its 137 subsidiaries, and its 26 affiliates (as of December 31, 2022). Notification is given when the scope used in calculating the data provided in this report differs from this.

Reporting Period

This report covers the period from January 1 to December 31, 2022. Information on some activities taking place after January 1, 2023 is also provided.

Structure for Information Disclosure

Financial Information	Non-Financial Information
Integrated Report 2023	
<ul style="list-style-type: none"> • Information for Investors https://global.yamaha-motor.com/ir/ • Securities Report (in Japanese only) https://global.yamaha-motor.com/jp/ir/library/security/ • Fact Book https://global.yamaha-motor.com/ir/library/factbook/ • Financial Data https://global.yamaha-motor.com/ir/data/ 	<ul style="list-style-type: none"> • Corporate Website https://global.yamaha-motor.com/ • Technical Review https://global.yamaha-motor.com/about/technical_review/ • Sustainability-Related Information https://global.yamaha-motor.com/about/csr/ • Corporate Governance Report https://global.yamaha-motor.com/ir/governance/

Notice Regarding Forward-Looking Statements

The statements in this report, except for historical facts, are forward-looking statements about the future performance of the Company and its Group companies. These statements are based on management's assumptions and beliefs in light of the information currently available and involve risks and uncertainties. Please be advised that actual results may differ significantly from those discussed in the forward-looking statements.

Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations.

Pursuing the Unique Style of Yamaha Motor

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

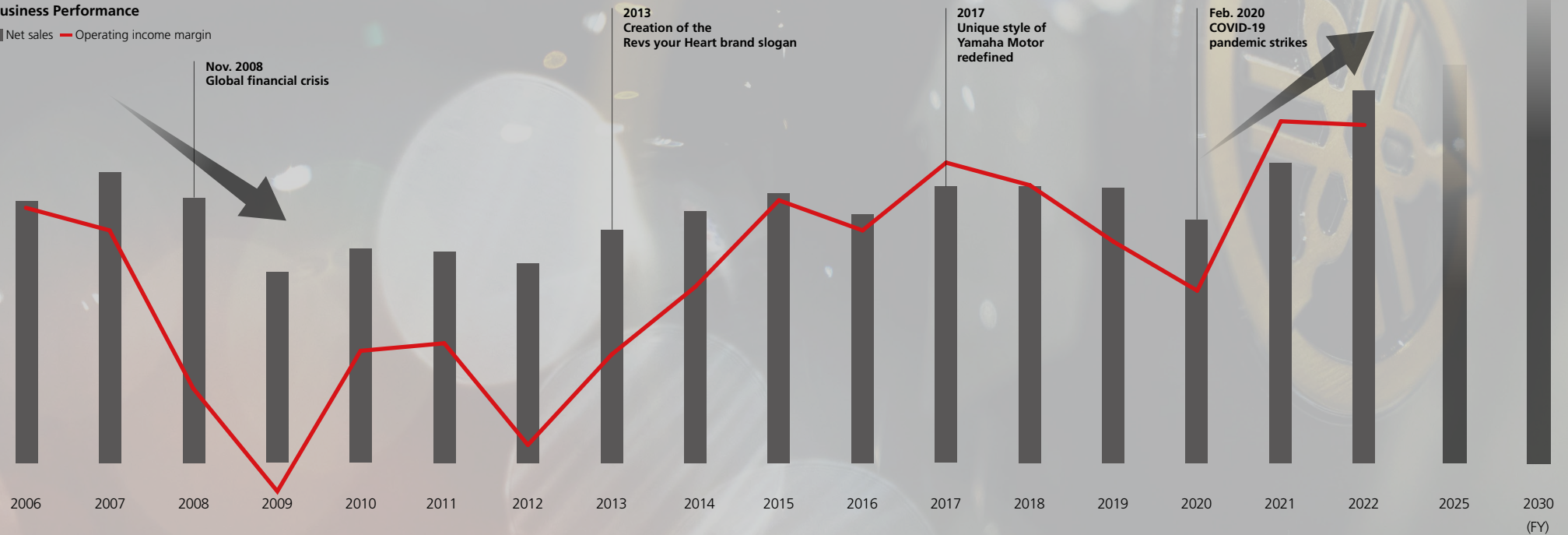
Management Platforms

Facts and Data

Since our founding, we have consistently manufactured products with the desire to bring joy and *Kando* to our customers. During the downturn after the 2008 financial crisis, we redefined and pursued the unique style of Yamaha Motor along with introducing structural reforms. What lies at the root of our record-breaking performance in 2022 is our brand, enhanced by constantly honing what makes the Company unique in our corporate activities, and the foundations built by the consistent reinforcement of our organizational strengths.

Business Performance

■ Net sales — Operating income margin



2008 Financial Crisis Impacts Earnings

With the global financial crisis in 2008, global demand receded and performance fell sharply, and the Company faced its first serious crisis since its founding. The slow response to the rapid decline in demand in developed markets, overstocked inventories, fixed costs inflated by an excessive growth trajectory, and a strong yen triggered by exchange rate fluctuations all contributed to poor performance. Under these circumstances, our first priority was to promote break-even-point management with an emphasis on implementing structural reforms and strengthening our earnings structure. Since fiscal 2010, the year we successfully achieved positive operating income, we have accelerated efforts with continued demonstration of our presence through *Monozukuri* as the second phase of our commitment toward sustainable growth, along with structural reforms and reforms of our management platforms.

Clarifying Our Stance As a *Kando* Creating Company As We Achieve a V-Shaped Recovery

One of our structural reform measures was to reduce costs through the creation of product platforms that could address the mix of demands in different markets. To solve this dilemma, previously separate divisions were integrated and the Design Center (today's Creative Center) was created. This was an opportunity to discuss and verbalize the image of what makes Yamaha Motor unique, which had been vague up to that point, as well as to discuss the creation of new product platforms. As we recovered from the crisis, we reevaluated Yamaha Motor's *raison d'être*, established a brand slogan for realizing our corporate mission, and designated five elements comprising the unique style of Yamaha to convey the Company's values at any time. Today, these are used as a common guideline for all Yamaha Motor employees worldwide.

Record-Setting Performance Amid the COVID-19 Pandemic

Similar to the financial crisis in 2008, the COVID-19 pandemic temporarily dented earnings due to a lull in global demand and supply chain fragmentation. In response to the drastic changes in the business environment, the entire Company came together to confront the crisis, drawing on lessons learned in 2008 and other past experiences. On the other hand, the COVID-19 crisis brought about changes in people's lifestyles and values. We saw this as an opportunity for growth and achieved a strong recovery with products and services that met the needs of those who sought after *Kando* even in such a drastically changing business environment. In fiscal 2022, we surpassed ¥2 trillion in net sales for the first time in our history. Our early recovery is the result of our efforts to strengthen our corporate structure as well as our unwavering pursuit and creation of *Kando* unique to Yamaha Motor.

Our Challenge to Create *Kando*

Yamaha Motor Co., Ltd. was founded in July 1955, when the motorcycle division of Nippon Gakki Co., Ltd. (today's Yamaha Corporation) was spun off to form an independent company. Since then, with our powertrain and other core competencies as a starting point, Yamaha Motor has been continuously working to create new *Kando* by consistently taking on challenges for more than 60 years.

■ Founded

Entry into the Motorcycle Industry Amid Japan's Post-War Economic Recovery

Genichi Kawakami, the fourth president of Nippon Gakki and later founding president of Yamaha Motor, decided to enter the motorcycle business with the goal of building a foothold for growth outside the realm of musical instruments. Although a latecomer to the market, the Company generated a great deal of attention with its first product's innovative coloring and design, light weight and maneuverability, and easy engine starts—an incredibly important factor at the time. This is where we find the origins of Yamaha Motor's unique style.

■ Japanese Economic Miracle (1955–)

Customer-Oriented Development for Creating *Kando*

Yamaha Motor entered the marine recreation field believing that enjoying daily life would eventually lead to more fulfilling lifestyles. The Company succeeded in expanding its business domain to include marine products by adapting the engine technologies it developed with motorcycles to develop outboard motors and fiber-reinforced plastic (FRP) fishing boats, incorporating market input in the process. Meanwhile, in our core business of motorcycles, we did not restrict ourselves to preconceived norms and ideas, and analyzed customer needs with a market-oriented approach to create the new “soft bike” market segment in Japan.

■ Equal Concern for *Kando* and the Environment (1990–)

Creation of User- and Eco-Friendly Mobility

In 1993, Yamaha Motor launched the PAS as the world's first electrically power-assisted bicycle, a new form of mobility intended to be closely linked to user lifestyles. Promoted as a user- and eco-friendly personal commuter model placing top priority on performance in tune with human sensibilities, the PAS gained popularity as a form of mobility “assisting” the various lifestyles people lead. Later, we applied the electronic control technologies developed through PAS bicycles and the latest human-interface technologies to successfully practicalize an eco-friendly electric commuter vehicle that produced no emissions and little noise. These technologies are contributing to today's development work on new forms of mobility.

■ To the Future (2010–)

Uniquely Yamaha Approaches to Solve Social Issues

Yamaha Motor is working to evolve and diversify its existing product lines by combining its core competencies with new cutting-edge technologies. At the same time, the Company is adapting its expertise in unmanned technologies to contribute to labor-saving efforts and raising efficiency in a variety of fields, from industry and farming to forestry. In addition, as part of its efforts to achieve carbon neutrality, Yamaha Motor is bringing electric motorcycles and scooters such as the NEO's and the HARMO next-generation electric boat control system to the market while also moving forward with the development of internal combustion engines that do not emit CO₂. Through efforts such as electrification among our wide-ranging product lineup, we are expanding the possibilities of mobility for a better society and a more fulfilling life.



A Look at Yamaha Motor's Unique Style

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

Management Platforms

Statistics and Data

Our Revs your Heart brand slogan represents our desire and passion to deliver exceptional value and experiences that enrich the lives of people around the world who encounter our company. We will continue to do our utmost to exemplify the five elements of "Innovation," "Excitement," "Confidence," "Emotion," and "Ties," and will strive to follow them every day so that customers can clearly feel the values behind the unique style of Yamaha.



発 Innovation Challenging for Innovation

Green Slow Mobility project

Innovation (*hatsu*) means to always create value with new ideas and perspectives without being bound by conventional wisdom.

The Green Slow Mobility project is a small-scale mobility service that utilizes our golf car technology. These vehicles are easier to drive than a conventional car and can pass through narrow alleys. Useful for tourist excursions and as a means of transportation for the elderly, these vehicles are a good fit for a low-carbon society, and we are conducting real-world trials around Japan aimed at eventual deployment.

悦 Excitement Creating Excitement

F450A

Excitement (*etsu*) is an emotion that rises from the bottom of one's heart and brings joy and delight to those who feel it. It is a visceral sensation, whereby momentarily one's heart races and one's emotions run high. Our *Monozukuri* is always centered on human sensibilities.

Our outboard motors bring joy to their users on the premise of reliability and durability. The F450A that went on sale in 2023 is our largest and most powerful model yet at 450 hp, but is at the same time a more complete and refined package, with even more user-friendly features than before.

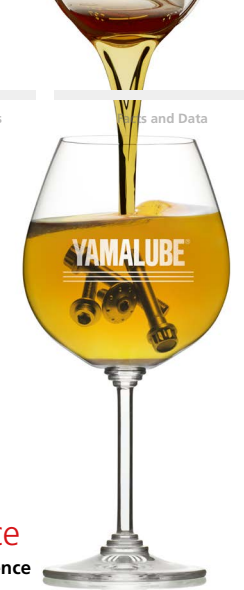


信 Confidence Ensuring Confidence

YAMALUBE

In order for customers to truly enjoy our products, it is essential that reliability must be unquestionable. All *Kando* is built on a customer's sense of Confidence (*shin*), trust, and peace of mind.

Engine oil plays many roles, such as lubrication, sealing, cooling, corrosion prevention, and serving as a buffer for meshing engine components. We view Yamalube as a "liquid engine component" as we conduct engine oil R&D. Yamalube is now a trusted name for customers in a variety of fields, from motorcycles and outboard motors to snowmobiles.



魅 Emotion Captivating Emotional Feelings

Ténéré

Emotion (*mi*) is the magic-like force that draws you in, the strong feelings that tug at one's heartstrings. We provide products and services that fascinate people's artistic mind. No matter how unprecedented a pursuit, it is the Yamaha Motor way to ensure a product is always visually pleasing.

Since its launch in 1983, the Ténéré line of adventure motorcycles has inspired the thrill-seeking spirit of riders around the world for 40 years. Packing the performance and features that make your grandest dreams a reality, today's Ténéré whispers to the spirit hidden within every rider to simply head for the horizon.



結 Ties Building Ties with Customers for Life

Yamaha Riding Academy

The connections and bonds we have with customers from the very beginning to the end of their journey are the Ties (*ketsu*) that form the foundation of Yamaha Motor's *Monozukuri*.

We conduct a variety of activities around the world to ensure our products are used safely and properly, such as courses on safe riding practices. The Yamaha Riding Academy (YRA) is a core program among our various safety promotion initiatives and aims to help make our products fun, convenient, and useful for our customers for many years to come. Over 100,000 riders worldwide take YRA courses for various products every year.



At a Glance

The powertrain, chassis and hull, electronic control, and manufacturing technologies and expertise we have accumulated since our founding serve as our core competencies, and as we continue refining them, we offer a myriad of products around the world that create *Kando* by leveraging our technologies and keen sensibilities based on the Company's unique *Jin-Ki Kanno* development ideal.

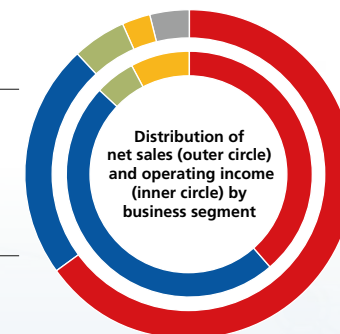
Fiscal 2022 Consolidated Financial Results

Net sales

¥2,248.5 billion

Operating income

¥224.9 billion



Land Mobility

The Land Mobility segment primarily comprises the motorcycle, recreational vehicle (RV), and smart power vehicle (SPV) businesses, and offers a wide range of products tailored to the characteristics of each market, including products for practical daily transportation, as well as for leisure, commercial, and sports use.

Net sales (% of total)

¥1,468.2 billion (65.3%)

Operating income (% of total)

¥87.4 billion (38.9%)



Motorcycles



Electrically power-assisted bicycles



All-terrain vehicles (ATVs) / Recreational off-highway vehicles (ROVs)



Leaning Multi-Wheel (LMW) models



Snowmobiles



Electric wheelchairs

Intermediate parts for products, knockdown parts for overseas production, automobile engines, and automobile components, etc.

Marine Products

The marine products business offers a lineup that includes outboard motors, personal watercraft, and fiber-reinforced plastic (FRP) pools, and has established a world-leading presence in the marine market.

Net sales (% of total)

¥517.0 billion (23.0%)

Operating income (% of total)

¥109.2 billion (48.6%)



Boats



Outboard motors



Pools



Personal watercraft



Fishing boats and utility boats

Robotics

The robotics business develops products such as industrial robots for factory automation, surface mounting technology (SMT)-related equipment used for manufacturing printed circuit boards, semiconductor manufacturing equipment, and unmanned industrial-use helicopters and drones that utilize our core electronic control technology.

Net sales (% of total)

¥115.9 billion (5.2%)

Operating income (% of total)

¥11.9 billion (5.3%)



Surface mounters



Semiconductor manufacturing equipment



Industrial robots



Industrial use-unmanned helicopters

Financial Services

As part of our efforts to reinforce business management foundations, we provide retail financing, wholesale financing, leases, insurance, and other financial services related to our products to customers and dealerships.

Net sales (% of total)

¥62.2 billion (2.8%)

Operating income (% of total)

¥17.5 billion (7.8%)



Financial services

Other Products

The other products business manufactures and sells golf cars and land cars for golf courses and leisure facilities, generators and multipurpose engines based on small engine technology, and snow blowers for snowy regions.

Net sales (% of total)

¥85.1 billion (3.8%)

Operating loss (% of total)

¥1.2 billion (-0.5%)



Golf cars / Land cars



Generators

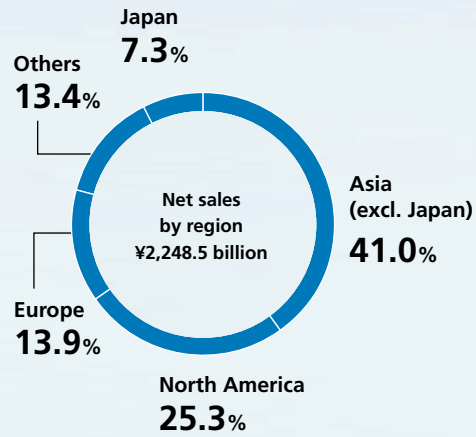


Snow blowers



Automobile engines

Global Organization Creating Value as a Team



Number of employees (consolidated)

52,554

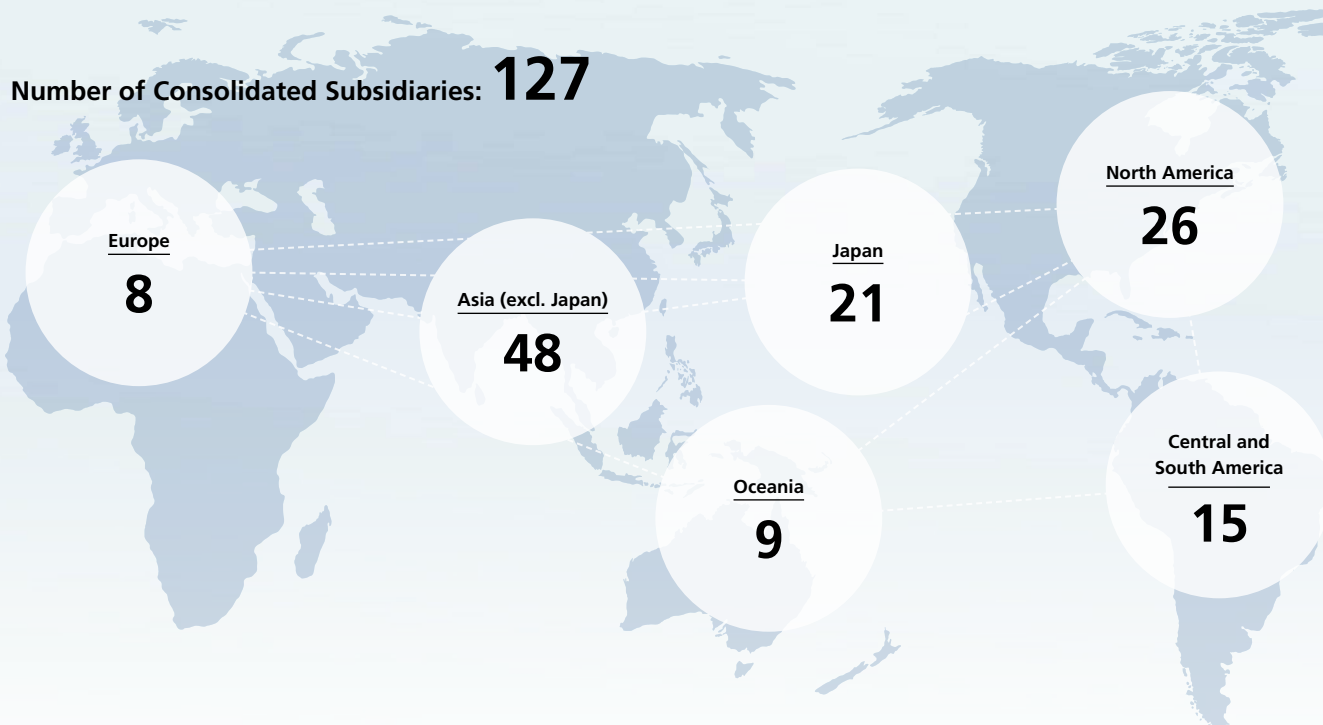
Ratio of overseas production

Over **90%**

Total number of bases (primary roles)

Role	Count
Development	19
Manufacturing	23
Sales	47

Number of Consolidated Subsidiaries: **127**





Medium- to Long-Term Strategies

- 10 From the President
- 15 Maximizing Our Environmental and Social Value
- 16 Important Societal Issues (Materiality Issues)
- 20 Progress of Medium-Term Management Plan (2022-2024)
- 23 From the Director in Charge of Corporate Planning and Financial Affairs
- 25 Business Overview
 - 25 Data by Business Segment
 - 26 Land Mobility
 - 29 Marine Products
 - 31 Robotics
 - 33 Financial Services
 - 34 New Businesses
- 36 Climate Change Initiatives
(Disclosure Based on TCFD Recommendations)
- 42 Digital Transformation
- 45 Human Resource Development
- 49 Sustainability

We will continue to pursue *Kando* creation with an eye to our next stage of growth while staying attuned to the forms of *Kando* sought by people in these ever-changing times.

Our Long-Term Vision for 2030 is “ART for Human Possibilities: Let’s strive for greater happiness.” By building on our unique *Jin-Ki Kanno* development ideal, we will pursue products and services that further expand the potential of people while creating *Kando* through empathy with society. In 2023, “transformation” and “speed” will be the key words on each of our minds as we enter the next stage, forging ahead with growth strategies and reinforced management foundations.



Yoshihiro Hidaka
President, Chief Executive Officer
and Representative Director



Overview of Fiscal 2022

Further Strengthening Our Resilience Following Record-High Net Sales and Operating Income

After making record-breaking net sales and operating income in fiscal 2021, Yamaha Motor exceeded even that year's performance in fiscal 2022 by posting new record-high figures with net sales of ¥2,248.5 billion and operating income of ¥224.9 billion. Personally, I have mixed feelings about these results. On the one hand, there is a great sense of achievement in finally breaking the ¥2 trillion barrier—a goal we have fallen short of for many years. On the other hand, I feel that this achievement is long overdue. Despite parts shortages and other ongoing issues, our development, manufacturing, and sales teams rallied to ensure that the impact of such issues was minimized, and that products were delivered to our customers. Our record-breaking performance in fiscal 2022 is the result of the combined efforts of each of our employees, and I am sincerely proud of these efforts. These results were tremendously influenced by the depreciation of the yen; our actual performance when excluding the effect of exchange rates would have been around ¥2 trillion in net sales. As such, although the need remains to ramp up efforts to exceed this target in both name and reality, I believe that we have successfully stepped to the starting line toward achieving our next milestone of ¥3 trillion.

However, there are points we must reflect on. Around when the COVID-19 pandemic began, we were quick to put the brakes on production. This decision was made assuming that economic activity would slow and that demand would decrease, but contrary to our expectations, we saw an increase in demand for outdoor recreation along with so-called “revenge spending.” We responded by immediately stepping up production but faced disruptions in the supply

chain caused by the semiconductor shortage and other factors. This led to insufficient inventory and caused delays for our customers, the impacts of which we are still feeling today. It is possible that with better judgment on the slowing down and speeding up of production, we may have more accurately met customer expectations. This experience was a painful reminder for me of the importance of building resilience in order for us to grow further even amid an unpredictable business environment. I believe we need to keep a close eye on the world and on the Company as a whole, and to build the corporate structures enabling all relevant departments to come together quickly when events occur, make decisions, and then immediately put them into action. Mastering the art of when to hit the brakes and when to step on the accelerator for our operations is difficult with a business model like ours, where the supply chain is long and the base of business partners expansive. That said, we want to hone this ability so that when we next face another major development, even if we have to slam on the brakes first, we want our engine to smoothly build revs as soon as our foot is back on the gas.

Meanwhile, I commend the high level of resilience that has been built at Yamaha Motor over the experiences of the past few years. Despite being battered by various problems, such as ongoing supply chain disruptions, urban shutdowns as part of COVID-19 countermeasures, natural disasters, and soaring material and logistics costs, the fact we were able to respond quickly and tenaciously to deliver our products to customers to the greatest extent possible is proof of the hard, self-driven work done by all our employees. I believe that strengthening this ability to act with indepen-

dence will be what takes our resilience to the next level.

There is one more important matter to mention. We must ensure that the new customers that entered the market due to the pandemic—and triggered an unexpected increase in demand for outdoor recreation—will be able to continue enjoying their life with Yamaha products for years to come. To that end, we will also focus on grassroots activities by proposing products that new customers can easily familiarize themselves with and providing opportunities for customers to discover new ways of recreation.



Initiatives under the Current Medium-Term Management Plan (2022–2024)

Aiming to Be a *Kando* Creating Company with “Transformation” and “Speed” as Our Key Words

As previously mentioned, we have already achieved the net sales and operating income targets set in our Medium-Term Management Plan, owing in part to the tailwind from the weak yen. However, as these figures do not fully reflect our actual performance, we will continue to implement measures based on the Medium-Term Management Plan so that we can grow into a company that continuously exceeds ¥2 trillion in net sales.

Managing our business portfolio is one of the pillars for achieving that goal, and the Marine Products business and our other core businesses have built up resilience and have been reliably generating cash, even during the COVID-19 pandemic. However, that cash is not yet linked to the creation and expansion of new businesses—the seeds of our next stage of growth—and I acknowledge that there is still quite some way to go to reach our ideal portfolio.

When creating and expanding new businesses, I feel it is important for all involved to come up with and share ideas, and to then breathe life into and grow new businesses from

among said ideas. This has been our approach until now when proposing new mobility options and other products to the world, but I sense that the quality and quantity of the communication necessary for that declined with the COVID-19 pandemic, since opportunities for face-to-face discussions became scarce. To generate innovation, people’s minds need to be open to the outside world. I truly believe that Yamaha Motor cannot achieve innovations unique to our brand by looking inward.

From that sense of crisis, we have made “transformation” and “speed” key words for 2023. We have also laid out four high-priority themes and launched four corresponding Companywide projects, such as the Motorcycle Electrification Project and the New Mobility Project. Through these projects, we will bring various divisions together—from production and sales to procurement and technology—to form unified entities working to resolve issues under shared objectives, turning the inward gaze of the pandemic back outward to foster an environment that encourages

innovation. On a personal level, I will take every opportunity to proactively share messages while working to encourage more creative means of communication. At the same time, pushing our digital transformation (DX) initiatives forward is how I want to produce more available time for each employee to spend on more creative endeavors.

In addition, we now have a more concrete outlook for the commercialization of the mobility services and low-speed automated vehicles that fall under our new businesses, so we hope to rapidly upscale during the current Medium-Term Management Plan. The resources we need for that are people, goods, and money, but of particular urgency is securing the right number and quality of human resources. What becomes important with this is not solely relying on the resources we have internally but also leveraging external resources for co-creation. Engaging in this co-creation with like-minded business partners will lead to speedier implementation of our initiatives.

Working Toward a Carbon-Neutral Future

In our current Medium-Term Management Plan, we are strengthening our sustainability initiatives with carbon neutrality as a major theme. We established the Yamaha Motor Group Environmental Plan 2050 and are aiming to achieve carbon neutrality throughout all of our business

activities—including the entire supply chain*¹—by 2050, as well as keeping to a basic policy of further reducing per-person CO₂ emissions from transportation. As a milestone, we have revised upward the targets for Scope 1 and 2 emissions, which are emissions created by the Company

itself, and will aim for a collective reduction of 58% from 2010 during the period of the Medium-Term Management Plan. Our action plans are centered on the installation of renewable energy equipment in at least 10 countries and regions, and the use of CO₂-free electricity providers.



In 2022, in recognition of its energy-saving initiatives, the Hamakita Factory received the Energy Conservation Grand Prize: the ECCJ Chairman’s Award in the Best Practices Category. The Hamakita Factory achieved a 32% year-on-year reduction in energy consumption, equivalent to 82,000 liters of crude oil. Based on these approaches unique to Yamaha Motor to analyze the value of energy as well as their steady implementation at other factories will lead to further energy conservation going forward. Furthermore, for the Scope 3 emissions generated by customers and employees through product usage, raw materials, transportation, disposal, and more, our platform strategy will accelerate the shift to electric vehicles (EVs) and thereby reduce

the CO₂ emitted. However, a key consideration in driving the shift to EVs is to not only offer products with performance that meets anticipated needs but also at price points acceptable to customers. We will use proof-of-concept models*² to better gauge the performance needs of the market, account for costs, and other factors to accelerate the development process.

*1 Including emissions from company business activities (Scope 1 and Scope 2) and other emissions (Scope 3)

*2 Models designed to track customer needs and examine the potential for peripheral businesses and new markets

Our Long-Term Vision: ART for Human Possibilities

Creating New Value That Garners Empathy from Society

Under our Corporate Mission to be a *Kando* Creating Company, we have set the slogan for our Long-Term Vision for 2030 as “ART for Human Possibilities: Let’s strive for greater happiness.” This slogan encapsulates our desire to respond to the needs of society in uniquely Yamaha ways, applying the technology and sensibilities we have cultivated to date to the concepts of being “closer to people” and “expanding human possibilities” more than ever before.

What do we mean by being “closer to people”? Creating *Kando* remains at the core of our product development, but

the definition of *Kando* today has changed since my younger days. In the past, *Kando* was primarily associated with excitement when talking about motorcycles, like when revving an engine. Today, consumers also seek social empathy through measures for user safety and consideration for the environment, for example. Whether we can successfully develop products that respond to this need for empathy will be key to the further growth of the Company. Our Leaning Multi-Wheelers (LMW)*³ are products that truly cover both the excitement and the empathy described here, and

products we can say were made a reality because we are Yamaha Motor. If we can grow closer to people than ever before and inspire empathy when creating *Kando* in various business domains while meeting the demands of society, I believe that we are entirely capable of achieving ¥3 trillion in net sales.

*3 Leaning Multi-Wheeler: Yamaha’s designation for vehicles with three or more wheels that can lean like a motorcycle through turns



Staying Attuned to What *Kando* Means in a Changing World

I have been into motorcycles since I was a university student and currently have two of my own. One is a sportbike that I ride to feel a rush and I have all my senses sharpened when on it. The other is a touring motorcycle more suited to day-to-day use and I ride it to enjoy the scenery as it goes by. I expressed the concept of *Kando* by using the words “excitement” and “empathy” earlier, but just as there are many different types of motorcycles, *Kando* also has many forms. And as times change, the type of *Kando* people seek is likely to continue changing as well. I believe it is critical that we not assume our own interpretation of *Kando* is the “correct” one, but to instead strive to clearly recognize the changes occurring around the world and achieve further *Kando* creation through this understanding.

Yamaha Motor was quick to take its operations overseas after its founding. This winds back the clock quite a bit, but in Africa back in the 1960s, it was common for fishing to be done in wooden boats without any motorized propulsion. This constantly led to accidents and the loss of lives. The Company’s early pioneers put themselves in the field to get closer to the problem and introduced outboard motors and boats made of fiber-reinforced plastic to these markets. They also took advantage of the Company’s knowledge and expertise as a comprehensive marine manufacturer to provide instruction in Japanese fishing methods as well as proper catch preservation and processing, helping to modernize local fishing industries and improve safety while out on the water. Today, fishing areas are bigger, the variety of fish caught more diverse, and catches can be quickly brought to market.

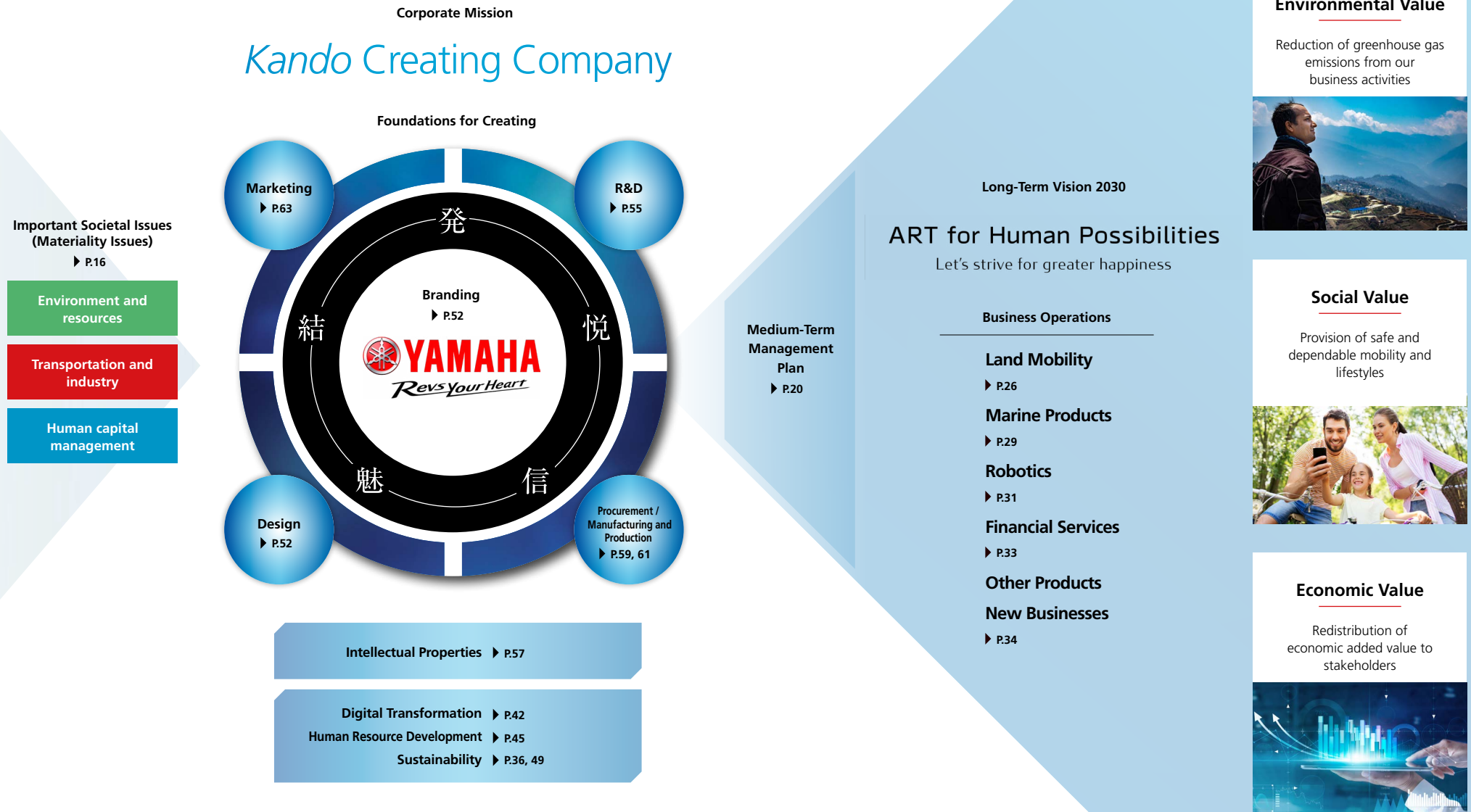
In the 1970s, when durable outboard motors that could withstand harsh conditions had become more commonplace,

it is said an elderly Indonesian woman once expressed her gratitude to Yamaha for such work: “Long ago, people who went out to sea often did not return and the graves of fishermen lined the beach. But thanks to Yamaha Motor, not only do we catch more fish, but most importantly, everyone makes it back.” This is a clear sign that we have been able to deliver truly meaningful *Kando* to those people. The origin of Yamaha Motor *Kando* lies not only in the excitement felt when pursuing a hobby or interest, but also in the empathy and joy that comes from delivering something rooted in the voices of those in the market and being truly close to our customers.

From here, we will aim to be a Company posting net sales of ¥3 trillion, but this is a target, not a purpose. Our mission is to be a *Kando* Creating Company, and in doing so, we must continue to question our *raison d’être*. To continue to exist well into the future and to gain the support of our stakeholders, we must stay attuned to what *Kando* means to people and continue asking ourselves what kind of new value it is that we need to create. I hope we can look forward to the ongoing support and understanding from all our stakeholders regarding Yamaha Motor’s determination and actions henceforth in this continued pursuit.

Yoshihiro Hidaka
President, Chief Executive Officer
and Representative Director

The very reason for the Company's existence as a *Kando* Creating Company is to give society and customers experiences of *Kando* unique to Yamaha Motor that intertwine technologies and human sensitivities.



Important Societal Issues (Materiality Issues)

Yamaha Motor defines materiality issues as major issues considered important by both our stakeholders and society at large, which not only have a major impact on our operations but are also ones we believe we can solve through our business. By addressing these issues, we aim to achieve the sustainable growth of corporate value as well as the sustainable development of society and the environment. Furthermore, performance regarding materiality KPIs, which are indicators of ESG management, is part of the non-financial evaluation component of the Company's executive remuneration system, and overall progress is considered when determining Companywide performance-based compensation for officers, including the president.

Process for Identifying Important Societal Issues

STEP 1 Sort

We look at the wide range of societal issues referenced in the United Nations Sustainable Development Goals (SDGs) and the Global Risks Report, and select those that will have the greatest impact on Yamaha Motor's use and procurement of management resources, and for which the resolution will make the greatest contribution to the enhancement of corporate value. We also evaluate the importance of societal issues from the perspective of stakeholders, referencing the valuations of ESG rating institutions and the content of our dialogues with major shareholders and institutional investors.

STEP 2 Categorize

Through consultation with operating divisions, functional divisions, and corporate divisions, the divisions clarify the relationships between the issues selected in Step 1 and each division's policies and activities, and those that should be addressed Companywide are aggregated and categorized.

STEP 3 Designate

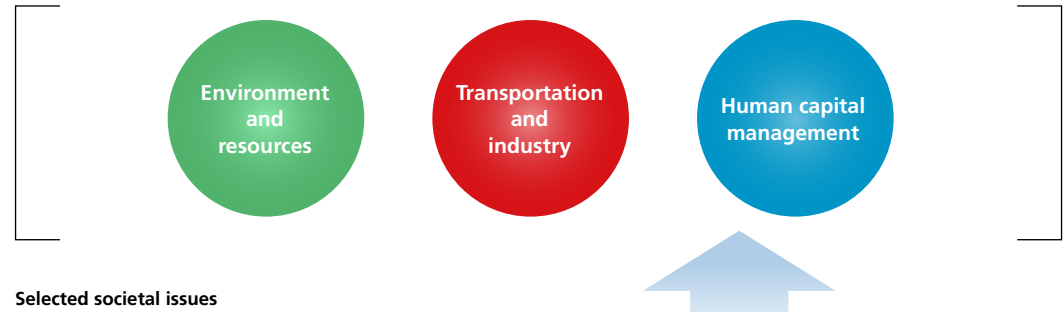
All of the Company's officers deliberate societal issues aggregated and categorized in Step 2 at Management Committee and Board of Directors meetings and designate "important societal issues" that should be addressed Companywide using the Company's strengths, corporate philosophy, and unique capabilities.

STEP 4 Incorporate

Initiatives to resolve the identified important societal issues have been incorporated into the current Medium-Term Management Plan. The rigorous implementation of these initiatives will be monitored going forward.

From 2021 to 2022, we reexamined these issues in light of the changes seen in the external environment and their impact on our businesses and society in general and reorganized them into three issues. We also reviewed and refined the themes of our initiatives in line with the changes in internal and external environments.

Materiality issues identified by Yamaha Motor



Selected societal issues

		Important issue areas			
Importance to stakeholders	High	<ul style="list-style-type: none"> Financial crisis in important economic zones Unmanageable inflation Failure of national governance Failure of regional or global governance Inter-government conflict over regional problems Deepened social uncertainty Abuse of technological progress 	<ul style="list-style-type: none"> Introduction of industrial processes taking into account clean technologies and efficient use of resources Heightened awareness of sustainability Promotion of economic growth based on fair work environments Reduction of waste materials Curtailement of corruption and bribery 	<ul style="list-style-type: none"> Improved energy efficiency (including promotion of use of renewable energy) Promotion of use of inexpensive, reliable energy Promotion of safe and secure work environments Advancement of diversity and inclusion Effective use of water resources and prevention of pollution Securing of clean water resources 	
		<ul style="list-style-type: none"> Abolition of inequality Responses to multi-stakeholders Promotion of innovation (active use of global partnerships) Implementation of fair taxation Promotion of sustainable industrialization 	<ul style="list-style-type: none"> Elimination of discrimination against women and protection of human rights Use of women's skills Strengthened disaster prevention and response Eradication of forced labor, human trafficking, and child labor Increased employment for socially vulnerable people 	<ul style="list-style-type: none"> Prevention of pollution and damage from harmful chemical substances Strengthened measures to address climate change Sustainable use of natural resources Promotion of innovation (promotion of sustainable industrialization) Promotion of innovation (promotion of sustainable forms of consumption and production in developing countries) 	
	Low	<ul style="list-style-type: none"> Strengthened support for emerging and developing economies 	<ul style="list-style-type: none"> Promotion of protection and recovery of land ecosystems Provision of a stable living environment Halting of deforestation Protection and recovery of marine ecosystems 	<ul style="list-style-type: none"> Expansion of educational systems (including vocational training) Enhanced educational environment in developing countries Promotion of social infrastructure development Prevention of traffic accidents Protection of small-scale agricultural and fishing industries Advancement of sustainable fishing industry Improved access to fishing areas and markets in emerging markets 	
		Low	Importance to Yamaha Motor		High

▶ Please visit our corporate website for more information on materiality issues.

Important Societal Issues (Materiality Issues)

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

Management Platforms

Facts and Data






Environment and resources

Risks

- Tightening of regulations and declining net sales due to global warming
- Declining profits due to rising costs
- Negative impact on corporate image
- Delays in the economic independence of developing countries because of marine pollution
- Impact of marine pollution on the fishing industry and marine leisure

Opportunities

- Growing trend of EVs replacing existing forms of mobility
- Heightening demand for smaller forms of mobility

Themes	Yamaha Motor's Approach	Vision for 2030	Medium-term targets (2022–2024)	Results in 2022	SDGs		
Achieving carbon neutrality 	Reduce the environmental impact of key products that emit CO ₂ , such as motorcycles and outboard motors	Reduced CO ₂ emissions from production operations by 80% (per unit sale) compared to 2010 and achieving net zero by 2035	Reduce CO ₂ emissions from production by 58% compared to 2010 Note: Target revised upward to 58% in 2024 in line with expediting our carbon neutrality goal to 2035	60% reduction (compared with fiscal 2010)			
			Deploy renewable energy facilities in at least 10 countries and regions	Ten countries and regions using renewable energy - Percentage of renewable energy used: 18% - Japan, Indonesia,* India, Vietnam,* Thailand, Taiwan, U.S.A., Pakistan,* Philippines,* and Colombia* *Newly introduced in 2022			
			Begin using carbon-free electricity at Yamaha Motor domestic offices and worksites	Introduced Shizuoka Green Denki (hydroelectric power generation) in July 2022 for major domestic locations 17% reduction in Groupwide Scope 1 CO ₂ emissions			
		Promoting the development and sale of products with low environmental impact through electrification and other methods	Reduce the environmental impact of key products that emit CO ₂ , such as motorcycles and outboard motors	Promoting the development and sale of products with low environmental impact through electrification and other methods	Promote R&D activities for internal combustion engines that use carbon-neutral fuels* and do not emit CO ₂ *Hydrogen, synthetic liquid fuels, biofuels, etc.	Installed testing equipment and began research and development Note: Operation of testing equipment began in May 2023.	
					Release at least eight new electric motorcycles/scooters to the global market	Introduction of two new models Despite delays of several months due to the COVID-19 pandemic and other factors, the project is progressing as planned (Eight new models will be introduced by mid-2025)	
					Testing and evaluation of a new electric marine concept model completed	HARMO compact electric propulsion system launched in Europe Testing and evaluation of a new prototype electric propulsion system in the mid-size range underway	
Release at least six new electrically power-assisted bicycles to the global market	Announced and exhibited three models for the market, with sales beginning in 2023						
Conservation of marine resources 	Reduce the risk of damage to the marine ecosystem and the depletion of fishery resources as a marine product industry leader	Improved recyclability of boats	Progress with R&D for FRP waste material recycling and achieve technical feasibility by 2024	Continued research through industry-academia collaborations Progress in evaluating the functionality of raw materials extracted from scrap wood			
			Transition from FRP materials to naturally derived materials and gradually introduce them into mass-produced models by 2024	Introduced resin material for boat parts containing 25% bio-mass materials Decided to employ plant-derived cellulose nanofiber reinforced resin			
		Established solutions that contribute to sustainable fishery	Introduce a fishery management solution pilot project in 2024 after completing field tests	Launched a proof of concept (PoC) project for fishery management solutions in Hokkaido (in its second phase) Started considering overseas PoC project based on domestic PoC findings			

Note: **AR T** refers to Advancing Robotics, Rethinking Solution, and Transforming Mobility, the three focus areas of our Long-Term Vision for 2030. We strive to contribute to the resolution of key social issues through the initiatives of these focus areas.

Important Societal Issues (Materiality Issues)

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

Management Platforms

Facts and Data







Transportation and industry

Risks

- Rising number of traffic accidents
- Rise in traffic accidents caused by elderly people in developed nations
- Fewer means of transportation in underpopulated areas
- Reduced competitiveness in the market and business environment

Opportunities

- Growing demand for motorcycles due to rising populations and incomes in developing countries
- Greater need for smaller forms of automated mobility
- Addressing and supplementing the aging workforce and labor shortages in the agriculture, fishing, and manufacturing industries
- Increased automation with the development of AI technologies
- New demand for mobility such as CASE-equipped vehicles and MaaS
- Offering solutions for the agricultural sector using robotics
- Increased competitiveness due to the spurring of innovation

Themes	Yamaha Motor's Approach	Vision for 2030	Medium-term targets (2022–2024)		Results in 2022	SDGs
Safe and user-friendly mobility for everyone A R T	Promote initiatives to eliminate traffic fatalities involving motorcycles	Reduced percentage of motorcyclists in all traffic fatalities	Skills Yamaha Riding Academy participants: increase by 160% to 352,000 (compared to 220,000 over the three years of the previous Medium-Term Management Plan)	Events: 1,817 in 25 countries Participants: 130,000 Note: Reinforced face-to-face activities in each country with an eye on post-COVID-19 regulations and reached first-year target		
	Utilize mobility technologies to provide transportation infrastructure for the elderly, children, depopulated areas, and other vulnerable populations	Reduced population without access to public transportation thanks to introducing low-speed automated driving systems	Technology Drive technological R&D into rider airbags	Development progressing as planned toward a market launch		
			Develop peripheral warning systems (forward, backward, blind spots, and lane deviations) and launch on the market within FY2024	Development progressing as planned toward a market launch		
		Offering new mobility options that make people happier	Establish automated driving technology for service vehicles on select public roads and aim for implementation in at least three locations by 2024	Developed Level 4 automated driving technology for a service vehicle on select public roads in the government-led RoAD to L4 project,* with services running in Eihei Town, Fukui in May 2023 *A project for R&D and deployment of advanced mobility services at Level 4 automation		
Improve convenience and create employment opportunities by providing assets for mobility services	Improved standard of living for people who cannot afford a motorcycle and providing services that enable them to earn a stable living	Launch a personal mobility product to the market in 2023 that offers an all-new mobility experience	Reached decision not to sell based on the results of market testing, and reconsidered improvements			
Robotics for improved work ease, comfort, and precision A R T	Create work environments where people can dedicate their talents to work requiring the human hand, eye, and mind by securing more available time via automation and labor-saving measures	Successful commercialization of new technologies in the manufacturing, agriculture, and medical sectors that are driving efficiency gains	Manufacturing Commercialize automated transport between factories in 2022 with the aim of expanding the business overseas by 2024	Commercialized automated transport between factories and began services at the end of November 2022 Note: Overseas business development is experiencing delays.		
			Test implementation of our proprietary collaborative robots for automating tasks that require repetitive or heavy human labor in 2023, followed by full-scale business expansion in 2024	Promoted enhanced functionality, usability, and safety of cobots Preparation for operational assessments at plants will begin in December 2022		
			Agriculture Sell smart agriculture system that increases yields by 10% and reduce use of pesticides and fertilizers as a project for the Ministry of Agriculture, Forestry and Fisheries	Continued development of smart agricultural drones for launch in 2023 that will lead to labor savings, less use of pesticides and fertilizers, and higher crop yields		
			Established labor-saving technologies and businesses for cultivating and monitoring orchard crops in the United States, Australia, and other countries	Strengthening cooperation with investee companies and moving forward with development as planned		
			Medicine Sell new cell handling devices featuring even higher accuracy	Development of image analysis technology progressed as planned	 	
			Offer antibody detection services to determine treatments appropriate for the patient	Progressed as planned		









Human capital management

Risks

- Loss of human resources due to reduced opportunities for diverse human resources to play active roles
- Increased competition for human resources

Opportunities

- Creation of new opportunities by promoting diversity and inclusion
- Improving vitality through the hiring of diverse and talented people from around the world

Themes	Yamaha Motor's Approach	Vision for 2030	Medium-term targets (2022–2024)	Results in 2022	SDGs
Diverse human resources for increased corporate strength 	Maximize engagement and performance by allocating talent in a timely and appropriate manner from a global perspective	Assigning the right person to the right assignment, regardless of gender, nationality, or ethnicity, and moving the business forward while respecting diverse views and values	Increase the ratio of local talent in executive positions at overseas subsidiaries to at least 55%	52%	 
			Implement around 10 global inter-subsidiary transfers by the end of 2024	Began implementing international transfers after introducing the Yamaha Assignment Policy (YAP) in 2020 - Completed assignment and returned home: 2 cases - Currently away on assignment: 6 cases - Preparing for assignment: 2 cases	
			Raise the ratio of women managers Groupwide to at least 13% by 2024	11% (455 out of 4,071) Number of women in management positions by location - YMC alone: 42 (3.8%) Note: Transferees are counted at the destination location. - Domestic locations: 40 (5.9%) - Overseas locations: 373 (16.4%)	
			Increase the headquarters employee engagement score to at least 70%	Up 3 points (59% in 2021 to 62% in 2022)	
To fulfill our corporate responsibility to respect human rights 	Eliminating the risk of human rights violations throughout the entire supply chain	Ensuring that the Company maintains a systematic approach to responding to human rights matters and effectively implements mechanisms to minimize human rights risks	Establish a human rights policy that is adopted by all Group companies	Added new materiality issues in 2023 Established the Yamaha Group Human Rights Policy in March 2023	   
			Increase the percentage of agreement on human rights policies with dealerships and suppliers* in the supply chain (80% by 2024, and 100% by 2027) * Tier 1 suppliers involved with dealerships and Yamaha Motor products and with whom the Company or its subsidiaries have entered into a basic direct transaction agreement		
			Launch operation of global relief mechanisms and respond appropriately to risks		

Positioning of the Medium-Term Management Plan

Under our corporate mission to be a *Kando* Creating Company, we will work to realize our Long-Term Vision for 2030 of ART for Human Possibilities by carrying out our Medium-Term Management Plan from 2022 as phase two of the Company's ongoing transformation. In recognition of the numerous challenges that must be addressed, including changes in the business environment, the rising awareness of sustainability, and the need for transformation, we will continue with the growth strategies and reinforcement of management foundations that we have pursued over the last three years, but while also strengthening our resolve for sustainability. In the rapidly changing business environment, we will once again return to the essentials in fiscal 2023, especially growth strategies and reinforcement of our management foundations, to accelerate the pace of our transformation.

Corporate Mission *Kando* Creating Company

Long-Term Vision for 2030

ART for Human Possibilities

Focus Areas

Advancing Robotics

Leverage and evolve intelligent technologies and robotics as a foundation

Rethinking Solution

Propose uniquely Yamaha solutions

Transforming Mobility

Promote innovations in mobility

Basic Policies of the Medium-Term Management Plan (2022–2024)

We will strengthen the earning power of our core businesses, invest in new and growing businesses that contribute to the creation of a sustainable world, and accelerate digital initiatives and co-creation to boost our growth potential.

2019–2021

Growth Strategies

Reinforcement of Management Foundations

Growth Strategies

Reinforcement of Management Foundations

- Portfolio management

- DX and structural reforms to our production scheme



Sustainability

- Carbon neutrality efforts
- Safety riding and peace of mind
- Accelerate digital transformation
- Increase global workforce agility

2025–2027

2028–2030

Business environment

- Environmental changes—pandemic
- Rising awareness of sustainability—carbon neutrality
- Need for transformation—DX business model

Summary of Progress with the Medium-Term Management Plan

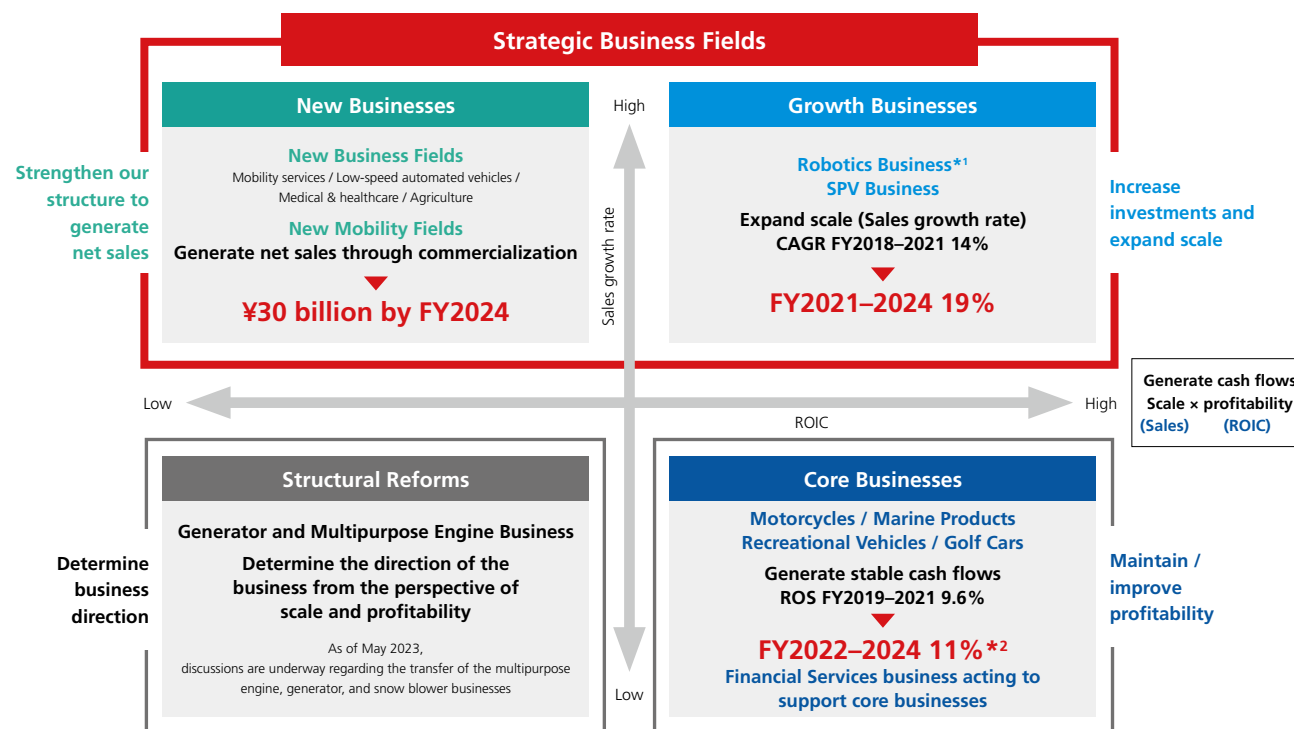
With the current Medium-Term Management Plan, we have been implementing portfolio management to allocate management resources to each business for the future appropriately. From our first year's performance, we achieved the targets for the financial indicators of growth, profitability, and efficiency. While core businesses made steady progress, the growth rate of growth businesses was stunted due to the Shanghai lockdown and the short-term slowdown in demand. Our new businesses are also making steady progress, including the official launch of new services and real-world automation trials in new fields.

For shareholder returns, our basic policy will be to emphasize making consistent and ongoing dividend payments while taking into consideration the outlook for business performance and investments for future growth, distributing returns to shareholders in a flexible way based on the scale of our cash flows. In 2022, the Company repurchased ¥20.0 billion of its own shares during the second quarter, and is projected to repurchase ¥30.0 billion in 2023.

Forecast for FY2023

In 2022, the world experienced continued destabilizing socioeconomic occurrences as well as rising costs for raw materials, logistics, and more. But amid all that, demand either quickly bounced back or remained strong in almost all segments (except for capital investment demand in China for the Robotics business). In 2023, we expect demand to remain particularly high for large outboard motor models and motorcycles in emerging markets, so we will look to make progress with parts procurement, production, and shipments as we aim to optimize our market inventory levels for products in short supply. Furthermore, the Company expects the effects of the cost pass-throughs implemented in 2022 to manifest even more clearly in 2023, and for ocean freight rates to be lower than the previous year.

However, the risks anticipated include price hikes accompanying a recovery in automobile production for materials like aluminum, precious metals, and steel, as well as further rises in labor and energy costs. Additionally, global economic trends, exchange rate fluctuations, and other factors make the situation quite uncertain. To address these risks, we will move forward with core structural reforms and measures to reinforce our foundations, such as lowering costs and raising productivity. At the same time, the marketing and technology departments will come together to work on upping the pace of such reforms, create new value for adapting to changes in our business environment, and make headway with initiatives for sustainable growth.



Note: The reportable segment classification of existing businesses under business portfolio management is as follows:

Land Mobility: Motorcycle business, Recreational Vehicles business, Smart Power Vehicles business

Other Products: Golf Car business, Generator and Multipurpose Engine business

*1 Including surface mounters, semiconductor manufacturing equipment, industrial robots, and industrial-use unmanned helicopters

*2 ROS is calculated using figures that do not include corporate expenses.

Financial Indicators

	FY2021 (Results)	FY2022 (Results)	FY2023 (Forecast)	FY2024 (Target)
Growth:				
Net Sales	¥1,812.5 billion	¥2,248.5 billion	¥24,500 billion	Over ¥2,200 billion (CAGR*4 over 7%)
Profitability:				
Operating Income Margin	10.1%	10.0%	9.4%	Over 9% (Three-year average)
Efficiency: Capital Efficiency (approx. 7% WACC)				
ROE	19.8%	18.7%	15.3%	15% range (Three-year average)
ROIC	12.4%	11.9%	9.9%	9% range (Three-year average)
ROA*3	10.5%	11.2%	10.4%	10% range (Three-year average)
Shareholder Returns:				
Total Payout Ratio	32.8%	35.7%	46.2%	40% range (Cumulative total for the three-year Medium-Term Management Plan period)

*3 ROA is calculated based on operating income

*4 Average compound annual growth rate for FY2021–FY2024

Sustainability Initiatives

Carbon Neutrality

In the Yamaha Motor Group Environmental Plan 2050, which sets a goal of carbon neutrality by 2050, we have moved up the target achievement date for our factories—including those overseas—to 2035. To date, we have installed energy-saving and renewable energy facilities in more than 10 countries and regions, and have begun utilizing CO₂-free electricity at our domestic business sites. In addition, as a new initiative that enables carbon offsetting, we established the Yamaha Motor Sustainability Fund to invest in companies working to solve issues in the environmental field and made investments in several startups. We will bolster partnerships with more companies taking on the challenge of addressing environmental issues in order to contribute to making a better world.

Safety Vision

Our goal is to eliminate traffic fatalities by 2050. In the Transforming Mobility focus area of our Long-Term Vision, we are working to deliver the fun inherent to personal mobility as we work to transform the space and solve various societal issues connected to mobility.

We believe that it is essential not only to have technology aid riders but also to improve user skills and to connect people to their machines. To that end, we aim to create a world free of accidents together with our customers based on our *Jin-Ki Kanno* × *Jin-Ki Anzen* Safety Vision centered on Technology, Skills, and Connectivity. Specifically, we will work on helping customers identify potential dangers, make sound judgments, skillfully operate the motorcycle to avoid said dangers, and mitigate damage if sustained; assist in improving riding skills; and collect data on vehicle use and operating conditions to help prevent human error and environment-related accidents. By steadily moving forward along these three axes, users can experience the joy and *Kando* that comes from progressing their own skills and abilities while having fun at the same time.

Non-Financial Indicators

Contributing to a More Sustainable World



Convert to Carbon-Neutral Powertrains

- Develop a wide variety of powertrains
- Launch 10+ BEV*¹ models
- Powertrains compatible with alternative fuels

Accelerate Co-Creation

- Exploratory development in new mobility fields
- Accelerate exploration efforts (¥10 billion environmental tech fund)
- Accelerate launch of new businesses contributing to a more sustainable world

Shift to Energy-Saving / Carbon-Neutral Facilities

- Introduce energy saving and carbon-neutral equipment to 10+ countries and regions
- Begin using carbon-free electricity in Japan

Connecting with People and Thriving as a Company



Safety Riding and Peace of Mind

- Bolster safety riding support features
- Expand support and activities for improving user riding skills (1.6x more YRA*² participants/3-year cumulative total)

Accelerate Co-Creation

- Connect with customers worldwide (4.7 million Yamaha Motor ID registrants by 2024)
- Creation of DX promotion personnel (1,200 people by 2024)

Shift to Energy-Saving / Carbon-Neutral Facilities

- Foster employee engagement globally
- Introduce global engagement indicators (improve by 10% at headquarters)

*1 Battery Electric Vehicle: a vehicle in which motors are battery powered
*2 Yamaha Riding Academy participants

Progress Made in Fiscal 2022 Toward Realizing Zero Traffic Fatalities by 2050

Jin-Ki Kanno × *Jin-Ki Anzen* Safety Vision

Creating a World Free of Traffic Fatalities with Our Customers by 2050

Technology

- Announced motorcycle model equipped with the world's first*³ millimeter wave radar-linked Unified Brake System and other safety-related features



Skills

- Implemented safety training and promotional activities*² worldwide for 130,000 people



Connectivity

- Total of 920,000 connected vehicles sold
- 2.6 million registered Yamaha Motor IDs



*3 As of Nov. 8, 2022 per Yamaha Motor research



Motofumi Shitara

Director and Senior Executive Officer

We will carry out sure-footed business portfolio management to achieve sustainable growth, establish stable and sustainable financial foundations, and further improve the profitability of our businesses.

Contributing to *Kando* Creation Through Our Financial Strategy

In the first half of fiscal 2020, the impacts of the COVID-19 pandemic led to a downturn in demand for our products. We saw a remarkable reversal of this trend in the subsequent period and through fiscal 2022, with demand surging and remaining strong. One of the reasons behind this shift is that consumer values have changed dramatically worldwide. Amid the rising need to prevent the spread of COVID-19, there was a marked uptick in interest for our products, not only as important means of personal mobility but also as items enhancing leisure pursuits. This development was a real reaffirmation for me that, even in this extremely harsh social climate, it is Yamaha Motor's duty to create *Kando* for its customers. It is also our mission to ensure that our Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness" resonates with customers through the products and services we offer. Furthermore, for us to keep on creating *Kando*, it is essential that we pave the way for the next generation of businesses that will contribute to our sustainability efforts. In line with the portfolio management outlined in our Medium-Term Management Plan, we must allocate resources appropriately while maintaining our financial health. Doing that to ensure the next generation of businesses grow steadily is one of my key missions as the director in charge of Corporate Planning and Financial Affairs.

Resetting Profit Records in the First Year of the Medium-Term Management Plan

In fiscal 2022, costs for raw materials, logistics, personnel, and energy soared to unprecedented levels. In addition, the semiconductor shortage continued to have a significant impact on production, making for a less-than-desirable business environment. Despite such conditions, we made Companywide efforts to reduce costs and control prices based on our break-even-point management ethos. In addition, the weak yen provided a noteworthy boost to our earnings, enabling us to post record highs for net sales and profits for the second consecutive year.

Our financial strategy puts emphasis on our cash flows and balance sheet. In fiscal 2022, we set global cash conversion cycle as one of

our KPIs and conducted appropriate inventory management. Meanwhile, management and monitoring of return on invested capital (ROIC) on a business-by-business basis is steadily taking root, and we have been able to actively allocate investments to our strategic business fields and core businesses. Free cash flow for fiscal 2022 was -¥3.2 billion due to a temporary buildup of stock to restore supply capacity and an increase in sales finance receivables due to business expansion.

Our ROE of 18.7%, ROIC of 11.9%, and ROA of 11.2% all exceeded the target levels we set for fiscal 2022, which were 15%, 9%, and 10%, respectively. The Company also maintained its financial robustness with an equity ratio of 45.9%. In fiscal 2023, we will work on further inventory management and the curbing of sales promotion expenses. In addition, we plan to stage a shift to positive cash flow as the Company selects and concentrates its R&D investments for the future.

Promoting Business Portfolio Management

The basic policy of the current Medium-Term Management Plan is to strengthen the earning power of our core businesses, invest in new and growing businesses that contribute to the creation of a sustainable world, and accelerate digital initiatives and co-creation to boost our growth potential. We have clarified the positioning of our businesses based on anticipated net sales growth rates and ROIC, and are allocating resources in a balanced manner. I will outline our future policy for strengthening our businesses in line with the three pillars of our Medium-Term Management Plan.

First is strengthening the earning power of our core businesses. With the Marine Products business, we will raise investments above fiscal 2022 levels in order to bolster our production capacity for large outboard motors and personal watercraft. In the motorcycle business, we will focus our resources on the premium segment, and in the RV business, we will concentrate resources on our principal products to improve profitability.

Second is accelerating investment in new and growing businesses that contribute to the creation of a sustainable world. In the SPV

business, we introduced three new e-Bike models in Europe, the world's largest market, and are also moving ahead with plans to establish Europe-based production facilities. For the Robotics business, an investment of some ¥10 billion in scale is how we will seek to increase production capacity. As for new businesses, the asset management businesses (mobility services) we established in India and Nigeria and our automated transport service (low-speed automated vehicles) are entering the sales expansion phase. In the medical & healthcare and agricultural automation fields, we are engaging in co-creation activities with business partners and promoting efforts geared toward commercialization.

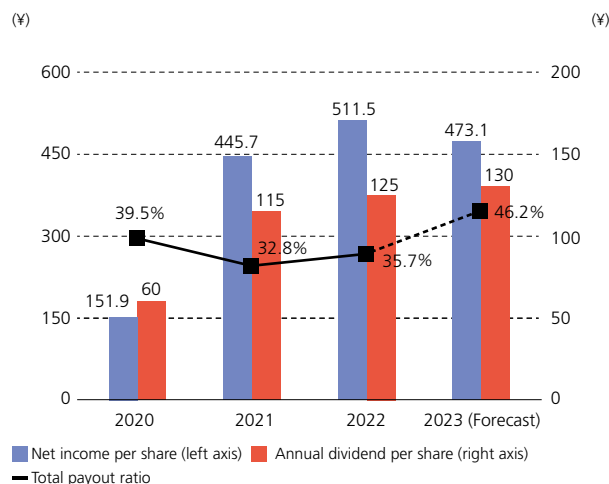
The final pillar is accelerating digital initiatives and co-creation to boost our growth potential. This will be tackled across three levels. The first is Y-DX1: Reform Management Platforms. With an eye on the next two decades, we are currently revamping mission-critical processes to ensure we conduct quick decision-making on a global level. The second is Y-DX2: Strengthen the Present. Here, we will proactively roll out IoT at our factories, reform engineering processes, launch products and services that connect us with our customers, and engage in e-commerce. The final level is Y-DX3: Create the Future. By acquiring data and promoting collaboration with external services, we will maximize the experiential value provided to each and every one of our customers. We have also established R&D roles to make this possible.

Projecting Higher Earnings and Profits for the Third Consecutive Fiscal Year

Our basic shareholder return policy will still continue to emphasize making consistent and ongoing dividend payments in line with the size of our cash flows while making investments for future growth. Taking into account our favorable performance in fiscal 2022, the Company has decided to pay an annual dividend of ¥125 per share, a year-on-year increase of ¥10. In fiscal 2023, the Company will also allocate ¥100.0 billion in resources to our core businesses, strategic business fields, and platform reforms as investments for growth. We also plan to pay an annual dividend this year of ¥130 per share, and to purchase ¥30.0 billion in treasury stock. Through these measures, we anticipate our total payout ratio to be 46.2%, compared with 35.7% in fiscal 2022. We hope to achieve our target for the cumulative total payout ratio for the three-year Medium-Term Management Plan period, which is set at the 40% range.

We expect strong demand for our products to continue in fiscal 2023 and are setting our sights on a year-on-year increase in sales across all our businesses. We will continue to operate under our

Shareholder Returns



	2020	2021	2022	2023 (Forecast)
Total share buybacks	—	¥11.0 billion	¥20.0 billion	¥30.0 billion

break-even-point management style after taking into account the impacts of the ongoing semiconductor shortage and soaring raw material and personnel costs. In doing so, we anticipate an increase in sales and profits for the third consecutive year.

To Our Stakeholders

We are performing well in regard to our Medium-Term Management Plan KPIs. However, if we exclude the impacts of exchange rates on our business performance, there is still much more room to build on with our fundamental strength. Moreover, as I stated earlier, we must remember our mission to ensure that the “strive for greater happiness” part of our Long-Term Vision for 2030 resonates with our customers through our products and services. It is also imperative that we allocate resources appropriately while maintaining our financial health. We will continue to diligently carry out business portfolio management and prioritize targeted investments in growth fields from which we can expect high returns in the future. In doing so, we will look to increase profitability in each of our businesses and further strengthen our financial footing. In addition, we will allocate management resources accounting for ESG and other non-financial factors in our decisions with a view to achieving carbon neutrality.



Business Overview

Introduction

Medium- to Long-Term Strategies

Activities for Greater
Functional Competitiveness

Management Platforms

Facts and Data

Data by Business Segment

(¥ billion)

	Reportable business segments				Other Products	Company Total
	Land Mobility	Marine Products	Robotics	Financial Services		
Net sales	1,468.2	517.0	115.9	62.2	85.1	2,248.5
Segment income (loss)	87.4	109.2	11.9	17.5	(1.2)	224.9
Segment assets	1,029.7	282.3	139.6	600.9	130.7	2,183.3
Depreciation expenses	40.0	10.8	2.5	3.4	2.7	59.4
Amount invested in equity-method affiliates	22.4	1.8	0.2	2.1	7.9	34.5
Increase in amount attributable to property, plant and equipment and intangible assets	59.4	20.8	8.0	8.7	5.8	102.6
R&D expenses	77.8	15.7	9.1	—	2.7	105.2
Capital expenditures	56.8	18.3	7.9	—	5.2	88.2
Net sales by region:						
Japan	84.8	32.7	26.5	—	20.0	164.1
Overseas	1,383.4	484.4	89.3	62.2	65.1	2,084.4
North America	159.4	321.6	3.9	38.5	45.2	568.5
Europe	220.4	76.4	11.0	0.9	3.5	312.2
Asia	792.7	25.3	73.8	—	9.4	901.2
Other	210.9	61.1	0.6	22.8	7.0	302.5
Number of employees	39,470	6,356	2,578	724	3,426	52,554

- The Other Products segment is not included in reportable segments and includes businesses pertaining to golf cars, generators, multipurpose engines, and snow blowers.
- The total for "Segment income (loss)" corresponds to operating income in the consolidated statements of income.
- "Depreciation expenses" do not include amortization of goodwill.
- "Segment assets" and "Increase in amount attributable to property, plant and equipment and intangible assets" include the effect of adopting ASC No.842, "Leases," from the fiscal year ended December 31, 2022 at North American subsidiaries that apply U.S. GAAP.
- "Number of employees" is the number of full-time employees, and excludes employees seconded from the Company and its consolidated subsidiaries to non-consolidated companies.

Land Mobility



Itaru Otani
Chief General Manager of Land Mobility Business Operations and Executive General Manager of Motorcycle Business Unit, Land Mobility Business Operations

Strengths

- Worldwide customer base that trusts Yamaha technology and products
- Diverse and global product lineup combining both high performance and quality through our cultivated core technologies
- Established global brand position for motorcycles
- Pedigree of constantly pioneering new markets by creating new forms of mobility

Opportunities

- Expansion of middle-income markets in ASEAN and other emerging economies
- Increasing the value of motorcycles as an outdoor leisure activity in developed markets
- Global rollout of models compliant with emissions regulations
- Evolution of marketing through digital technologies

Risks

- Prolonged pressure on product supply networks due to pandemic and geopolitical risks
- Rapid global advance of carbon-neutral regulations
- Tighter emissions regulations in each country
- Structural shift in the industry from new technologies and competitors

Bringing Joy into Mobility and Fun into Holidays Together with Our Stakeholders

Toward 2030, we aim to achieve stable operations and continuous growth under the slogan of Bringing Joy into Mobility and Fun into Holidays Together with Our Stakeholders. Even amid the changing external environment, we will deliver new excitement in mobility based on the theme of creating new synergies between the motorcycle, recreational vehicle, and Smart Power Vehicle (SPV) businesses.

Results and Challenges in Fiscal 2022

Net sales were ¥1,468.2 billion (up ¥288.5 billion, or 24.5%, from the previous year) and operating income was ¥87.4 billion (up ¥18.7 billion, or 27.2%).

In the motorcycle business, the value of motorcycles as vehicles for outdoor recreation has been reaffirmed in developed markets, with demand for motorcycles remaining strong. Unit sales rose in Europe and the U.S. and the Company achieved profitability in these regions, which has been challenging for the past 10 years. Demand also increased in emerging markets due to the recovery of economic activity, with unit sales increasing in India, Indonesia, Vietnam, and other countries. On the other hand, our stock of premium segment models was insufficient due to semiconductor component shortages, but the development, manufacturing, and sales divisions worked in unison to minimize the impacts, resulting in an overall increase in sales and profits.

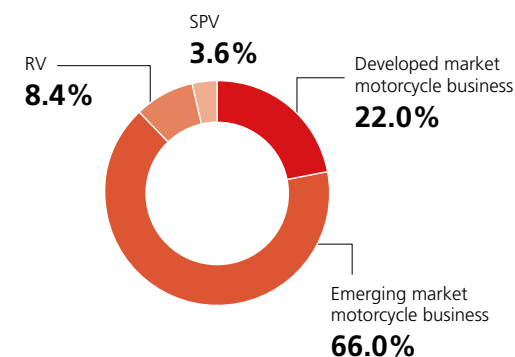
The recreational vehicle (RV) business reported lower earnings due to lower factory utilization rates at our main U.S. production facility brought on by parts shortages and higher manufacturing costs.

In the SPV business, sales volume fell slightly from the previous year due to significant production delays also caused by parts shortages stemming from the Shanghai lockdown.

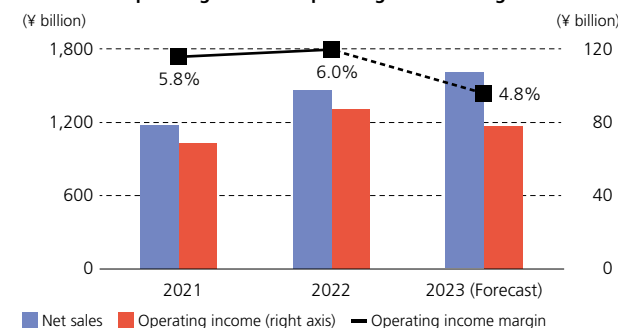
Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
Motorcycles for developed markets	Total demand remained strong amid the reevaluation of the value of motorcycles, and unit sales increased mainly in Europe and the U.S. in 2022. On the other hand, the shortage of semiconductors and the impact of the Shanghai lockdown resulted in production constraints with premium segment models.	Honda, Suzuki, Kawasaki, Harley-Davidson, BMW, Ducati, Triumph, KTM, Aprilia, Piaggio, Kymco
Motorcycles for emerging markets	Demand increased thanks to the recovery of economic activity, and unit sales increased in India, Indonesia, Vietnam, and other countries. Still, sales volume in our major markets has yet to return to pre-pandemic levels. Product supply issues also remain a challenge due to production constraints.	Honda, Suzuki, Kawasaki, Hero, Bajaj
ATVs / ROVs	The North American market accounts for the majority of demand. The Company will continue to face product delivery challenges due to supply chain disruptions and will work to restore production levels in response to continued strong recreational demand.	Polaris, BRP, Honda, Kawasaki
SPVs	Supply chain disruptions began to stabilize. On the other hand, the lull in demand has necessitated plans for production adjustments.	e-Kits: Bosch, Shimano, Brose, Bafang Complete bicycles: Specialized, Trek, Giant, Panasonic, Bridgestone

Net Sales Breakdown by Main Product Category (Fiscal 2022)



Net Sales / Operating Income / Operating Income Margin



Motorcycle Business Core Business

Net Sales (FY2022) ¥1,291.7 billion

Progress in Our Medium-Term Management Plan Premium Segment Strategy in India and ASEAN Markets to Improve Profitability

The current Medium-Term Management Plan aims to accelerate the premium segment strategy and improve profitability by targeting the upper-middle class in ASEAN markets and India, which is expected to expand rapidly over the next decade.

In Indonesia and the Philippines, premium models are low on supply due to a shortage of semiconductor components, while in India, premium sportbikes are seeing steady growth. In light of the demand situation in ASEAN markets, we believe we will be able to catch up well if the supply of semiconductor components stabilizes. Marketing that integrates the digital and real worlds is the key to getting customers to purchase premium offerings. Through digital technology, we will realize our One-to-One Marketing ideal by tailoring communication to each customer according to their values and purchasing trends, expanding customer touchpoints, and strengthening our relationships with them. With One-to-One Marketing, sales of connected vehicles are targeted to grow to 2.5 million units by fiscal 2024. In addition, while we initially planned to double the number of premium brand stores in India, which act as our actual points of contact with customers, we were able to triple the number of stores (compared to 2023), exceeding our plans.

In fiscal 2023, we expect demand for motorcycles in developed markets to remain firm, especially in Europe, and for motorcycles in emerging markets such as Indonesia and India to gradually recover. Although we plan to increase our production and sales, we expect the risks and impacts of rising raw material prices and shortages of semiconductors and other components to continue in 2023. To this end, we expect net sales to increase to ¥1,391.0 billion, with an operating income margin of 4.8% due to the effects of soaring raw material prices and increased SG&A expenses resulting from the increase in scale.

In the motorcycle business, we will work together with suppliers to build a stable supply framework, as well as to pass on price increases and improve cost efficiency.

Medium-Term Priority Themes

Premium Segment Strategy

Focus on strategic segments in major Asian markets

Unit sales growth in strategic segments (compared to fiscal 2021)

India: Premium sport models	2.0 x
Indonesia: Premium AT models	1.3 x
Philippines: Premium AT models	1.5 x

Integrated Marketing (Digital x Real World)

Strengthen customer touchpoints with digital tools

Realize One-to-One Marketing

Expand sales of connected motorcycles*

Fiscal 2021 500K units → Fiscal 2024 **2.5M** units

Promote store visits and after-sales support using smartphone apps

Strengthen premium brand shops

India: Open more Blue Square stores

Number of dealerships: **approx. 2X** (compared with 2021)

* In Indian, ASEAN, and Taiwanese markets

Topics



The XMAX 300 Sport Scooter

Upgraded for the first time since its 2017 launch, the XMAX 300 is a global model equipped with BLUE CORE engine and enhanced connected features.



The TY-E 2.0 Electric Trials Bike

The TY-E 2.0 was developed as one uniquely Yamaha approach to achieving carbon neutrality. Under its FUN x EV development concept, the TY-E 2.0 aims to provide more fun than internal combustion engines by taking advantage of the traits unique to electric vehicles, such as powerful low-down torque and strong acceleration.



The E01 Electric Scooter

The E01 is an electric scooter featuring usability equal to a 50-125cc gasoline-powered scooter and performance suitable for interurban mobility. Demos are being conducted at various locations in Japan to test market reception to electric scooters of its class with fast-charging capabilities.

Recreational Vehicle (RV) Business Core Business

Net Sales (FY2022) ¥123.3 billion

Progress in Our Medium-Term Management Plan Enhancing Brand Strength in the Recreational Segment and Establishing a Sustainable and Profitable Business Structure

The current Medium-Term Management Plan calls for enhancing our brand strength in the recreational segment and establishing a business structure that generates sustainable profits. We will aim to take the Company to its next stage of growth while strengthening its foundations.

The COVID-19 pandemic reaffirmed the value of not only motorcycles but also recreational vehicles in developed markets. However, while demand continued to grow in 2022, supply chain disruptions at U.S. production sites resulted in lower factory utilization rates. Companywide countermeasures are underway, with the recovery of current production capacity taking top priority. In 2023, we will achieve a recovery of our production levels and simultaneously tackle the supply issues brought into the foreground by COVID-19 from a long-term perspective and in a cross-functional manner to build adaptability to future demand fluctuations.

In marketing, we are working to increase the number of core fans of our brand by using diversified digital technologies and practical activities to

make as many customers as possible experience the appeal of Yamaha Motor products firsthand. Rallies and other events centered on our mainstay RMAX model are being held to provide opportunities for current fans as well as those yet to experience the fun offered by Yamaha Motor. By sharing the fun of recreational vehicles with more customers, we aim to improve brand value and strengthen profitability.

In fiscal 2023, we will work to quickly resolve the disorder at our U.S. production bases and aim to achieve net sales of ¥141.0 billion and an operating income margin of 2.8%. In addition, we launched the New Mobility Project in fiscal 2022, in which we aim to leverage our strengths in the RV and golf car businesses to cultivate new mobility demand and develop applications outside the scope of our existing product lines in step with growing demand for convenient everyday use on both public and private roads.

SPV Growth Business

Net Sales (FY2022) ¥55.3 billion

Progress in Our Medium-Term Management Plan Capturing Market Expansion and Achieving Growth Through Synergies between Customized e-Kits and New Yamaha-Brand Models

The SPV business' product portfolio centers on electric drive units, but also includes Yamaha-brand electrically power-assisted bicycles and wheelchairs. The business is designated as a growth business in the Medium-Term Management Plan with the goal of business growth and scale expansion. The global COVID-19 pandemic caused a significant shift in human mobility patterns toward focusing on closer destinations and avoiding crowded situations. This has led to a sharp increase in demand for compact personal mobility. In addition, rising environmental awareness has driven growth in the e-Bike market in Japan, a trend expected to continue.

As for progress in fiscal 2022, one of our priority themes with our electrically power-assisted bicycles has been to supply new e-kit customers with customized models, something we began successfully. Following the launch of our flagship e-MTB models, we have also started supplying a compact and lightweight mid-range drive unit suitable for various categories.

In addition, we introduced mid- to high-end complete bicycle models in the full-suspension e-MTB, gravel (tubed), and trekking segments in Japan and the United States. We will promote global expansion in the future. As for electric wheelchairs (the JW brand in Japan), we intend to increase the rate of sales expansion by introducing self-propelled wheelchairs, which account for the majority of demand in Japan, to overseas markets, where power-assisted wheelchairs have traditionally been the mainstay.

In fiscal 2023, we expect the market to continue to grow moderately from a medium- to long-term perspective as the issues of parts shortages and logistics delays improve. However, since inventories are slightly overstocked, we will manage inventory levels appropriately through manufacturing adjustments.

Message from Management



Nobuharu Takahashi

Executive General Manager of
Smart Power Vehicle Business Unit,
Land Mobility Business Operations

Preparing for the Next Breakthrough and Adapting to Changes in the Environment While Fulfilling Our Medium-Term Goals

Fiscal 2022 was our first year as a growth business under our Medium-Term Management Plan, and there were significant disruptions in manufacturing throughout the industry due to a combination of global semiconductor supply shortages, supply chain disruptions caused by COVID-19, and supply delays for bicycle-specific components. As outlined in our strategy in the Medium-Term Management Plan, we have been doing our utmost to address these challenges while acquiring new customers, launching complete Yamaha-brand bicycles globally, and developing new drive units and bicycle models. We have also made steady progress in increasing manufacturing capacity, beginning global manufacturing of drive units, and expanding new sales channels for our JW (Joy Wheel) line of electric wheelchairs.

In fiscal 2023, we will move from preparation to execution to produce results that will last into fiscal 2024, the final year of our Medium-Term Management Plan. Due in part to the reactionary effect of manufacturing disruptions in fiscal 2022, market inventories have recently seen a sharp increase, necessitating adjustments to manufacturing plans. Despite this environment, the market for electrically power-assisted bicycles continues to grow steadily. We will adapt flexibly and quickly to the various changes in the environment within growth markets and fulfill our medium-term goals while making preparations to make a great leap forward after overcoming our current challenges.

From fiscal 2023, we will launch the PAS Drive Unit Competitiveness Project, a Companywide effort transcending business unit boundaries to further accelerate the strengthening and growth of the SPV business as a whole. We have pride in our responsibility as Yamaha's department that stands at the forefront of our electric products for consumers, and are confident that we can double or even triple our overall capabilities as we move forward by having every member of our operation "assist" one another toward our goals.

Marine Products



Toshiaki Iбата
Chief General Manager of Marine Business Operations

Strengths

- Unquestioned product reliability centered on integrated control technologies
- Overall business strength supported by wide-ranging business domains and an expansive product lineup
- Sales and service capabilities spanning the global market

Opportunities

- Growing demand for large outboard motors centered on developed markets
- Expansion of peripheral equipment business due to advances with integrated control technologies
- Changing sense of value pertaining to marine recreation spurred by staycation demand

Risks

- Dramatic market changes against the backdrop of climate change, rapid technological innovation, etc.
- High labor and raw material costs
- Rapid changes in the global economy, exchange rates, regulations, etc.

Reliable and Rich Marine Life—A Business Further Increasing the Value of the Ocean

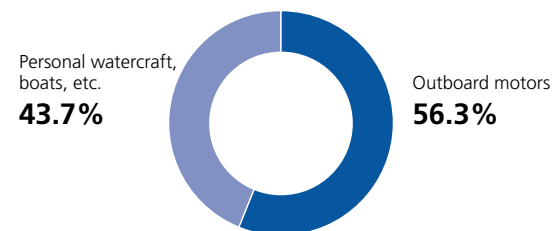
The Marine Products business has built a world-class presence in the market with its marine engines, boats, personal watercraft, and swimming pools. Under our Long-Term Marine Vision to become a business further increasing the value of the ocean, we aim to strengthen our high-profit structure and establish foundations for sustainable growth.

Results for Fiscal 2022

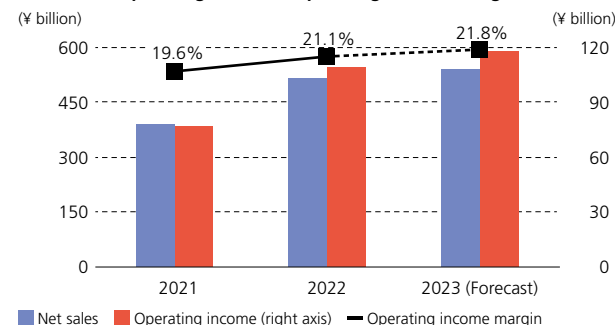
Net sales were ¥517.0 billion (up ¥125.9 billion, or 32.2%, from the previous year) and operating income was ¥109.2 billion (up ¥32.4 billion, or 42.2%). With outboard motors, the outdoor recreation boom in developed markets continues, and demand for large outboard motors—especially those with 200 horsepower or more—remained strong. Despite the effects of shipping container shortages and disruptions at U.S. ports, the situation gradually improved and sales volume increased. Demand from the tourism sector also recovered in emerging markets.

For personal watercraft, strong demand continued, but supply constraints due to parts shortages and supply chain disruptions persisted, resulting in a decline in unit sales. Overall, the Marine Products business posted higher sales and profits thanks to the positive effects of the weak yen and progress in passing on price increases after the third quarter of the fiscal year.

Net Sales Breakdown by Main Product Category (Fiscal 2022)



Net Sales / Operating Income / Operating Income Margin



Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
Outboard motors	High demand for sport fishing and family recreation continues, especially for large models in developed markets. We will increase production capacity to meet the increased demand.	Mercury, Suzuki, Honda, Tohatsu
Boats	The domestic boat market is stable and we are offering pleasure-use with more added value. With Sea-Style, our membership-based rental boat club, and other service-based businesses, we will strengthen our development of services in line with customer preferences.	Yanmar, Toyota, Suzuki
Personal watercraft	The North American market accounts for the majority of demand and is growing in scale yearly as uses for personal watercraft broaden. We will strengthen development of more versatile products.	BRP, Kawasaki

Marine Products **Core Business**

Net Sales (FY2022) ¥517.0 billion

Progress and Challenges in Our Medium-Term Management Plan

For the duration of the current Medium-Term Management Plan, our business policy is to expand the value we offer as well as maintain and strengthen our high profit structure through the execution of our Marine CASE strategy. The Marine Products business is working according to three strategic pillars: Growth Strategies, Enhancing Our Business Competitiveness, and Reinforcing Our Business Foundations.

Growth Strategies: In promoting our Marine CASE strategy, we began selling a remote monitoring system to track boat conditions from customers' mobile devices for Connected; for Electric, we launched the HARMO electric boat control system in Europe, and are conducting various real-world trials to grow awareness of the system both domestically and internationally. In the areas of Autonomous and Shared, we are also developing products and services to provide our customers with even greater comfort and peace of mind.

Enhancing Our Business Competitiveness: Production of the F450A flagship model was started to bolster our lineup of large outboard motors. Furthermore, to meet the high demand, we are continuing to increase production capacity for outboard motors, personal watercraft, and boats.

Reinforcing Our Business Foundations: To accelerate development and strengthen R&D roles, we expanded our development bases in Japan and the U.S.

Future Measures

Demand for large outboard motors, personal watercraft, and other products—especially in developed markets—is expected to remain high in 2023. We will maintain production at full capacity and implement a large-scale expansion to augment production capabilities over the next several years. In addition, based on the product development structure bolstered last year, we will strengthen our lineup of outboard motors, personal watercraft, and boats. By integrating new CASE-related offerings into this lineup, we will deliver more attractive products and services that meet the needs of our customers.

Furthermore, in areas targeted for growth, we will develop new digital platforms in the boat-sharing domain in response to the globally expanding market for vehicle-sharing businesses by collaborating with Skipperi, a Finnish IT startup in which Yamaha Motor invested this year.

For the immediate future, we forecast net sales of ¥514.0 billion and an operating income margin of 21.8% in fiscal 2023—which, if achieved, will be the third consecutive year of record-high net sales and operating income—as the effects of passing on price increases from the second half of 2022 will fully materialize. The Marine Products business will further

enhance the Yamaha brand's position as a maritime industry leader by leveraging its full strength with the technological capabilities and intellectual properties acquired through its various operations as it aims to realize the "reliable and rich marine life" outlined in the Marine Long-Term Vision.

Growth Strategies				
Expand the range of value we offer Transform our customers' marine lifestyles into experiences with greater comfort and peace of mind	Marine CASE			
	Connected	Autonomous	Shared	Electric
	Comfort	Comfort / Easy	Experiences	Comfort
Enhancing Our Business Competitiveness				
Maintain and strengthen our high-profit structure	Bolster large outboard lineups	→ Increase the sales ratio of large outboard models to 30%		
	Increase production capacity	→ Large outboard motors	+20%	
		→ Personal watercraft	+27%	
Reinforcing Our Business Foundations				
Organizational culture that connects change to growth Strengthen R&D role in the United States				



Marine Long-Term Vision

Reliable and rich marine life:
Toward further increasing the value of the ocean



Maintain our **high-profit structure** and **allocate resources** for growth at the same time

Robotics



Hiroyuki Ota
Chief General Manager of Solution Business Operations

Strengths

- High-quality, low-cost, and timely provision of products and services through unified production, sales, and technology operations
- A mixture of technologies and sales network via business integration with YRH and provision of complete implementation solutions for clients
- Co-creative capacities founded on strong relationships with business partners

Opportunities

- Growing need for automation due to labor shortages in Japan and rising labor costs in emerging markets
- Progression of digitalization accompanying the development of new fields, such as IoT, 5G, and CASE vehicles, and advances in automation
- Expectations for smart agriculture and logistics efficiency through unmanned aerial vehicles (helicopters and drones)
- Accelerated expansion of manufacturing sites through supply chain restructuring

Risks

- Difficulty in procuring semiconductors and other components as well as soaring prices
- Deterioration of demand due to changes in world affairs
- Intensifying competition resulting from new players entering the market

Putting *Kando* into the Hands of Clients with Robotics—Delivering Optimal Solutions

As one of Yamaha Motor's businesses, we aim to contribute to solving societal issues through value propositions tailored to our clients' problems, including optimization of entire factories.

Results for Fiscal 2022

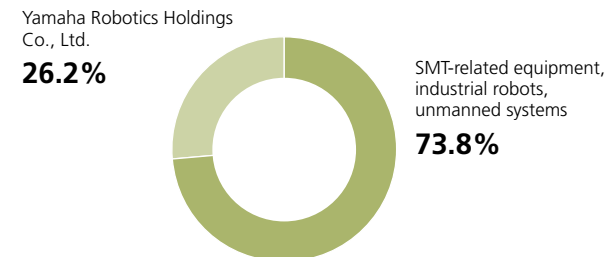
Net sales for fiscal 2022 were ¥115.9 billion (down ¥4.4 billion, or 3.7%, from the previous year), and operating income was ¥11.9 billion (down ¥5.7 billion, or 32.6%). While demand from fiscal 2021 continued in the first half of the year, demand slowed sharply in the second half due to economic stagnation in China, the largest market, including a prolonged lockdown. However, automotive sector investments in Europe and the U.S., the China Plus One strategy, and capital investments aimed at shifting to domestic production kept demand strong.

With surface mounters, sales from large investments for automotive systems and other sectors brought steady sales growth in Japan and other developed markets, but demand has been cooling down in China, Taiwan, and South Korea, which resulted in an overall sales decline. It was a similar story for the Company's industrial robots and semiconductor manufacturing equipment, with sales falling in China, Taiwan, and other markets. As a result, the Robotics business as a whole posted lower net sales, and profits also fell due to mounting costs for parts and logistics. On the other hand, as we head further into China Plus One policies taking over, new markets are emerging in Asia and elsewhere.

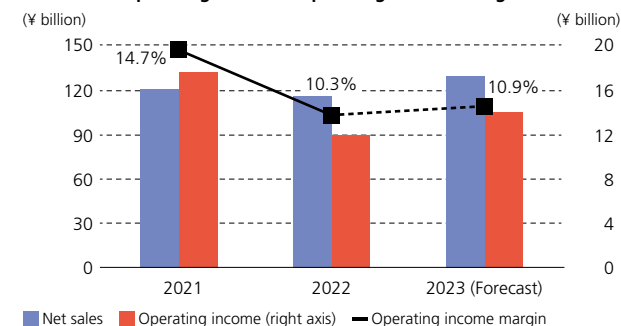
Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
Surface mounting technology (SMT)-related equipment	Demand continues to grow for printed circuit boards, including those for IoT, 5G, and CASE applications. While 2022 was a period of stagnation, we are pursuing both product and service commonalities under our platform strategy to expand our business scale and reinforce our profitability. Demand continues to grow for printed circuit boards, including those for IoT, 5G, and CASE applications. We are pursuing both product and service commonalities under our platform strategy to expand our business scale and reinforce our profitability.	Fuji Machine, Panasonic, ASM Pacific Technology, JUKI, Hanwha Techwin
Industrial robots (factory automation)	Automation needs are rising rapidly amid soaring personnel expenses and labor shortages. We are strengthening model variations while pursuing both product and service commonalities to expand our business scale and reinforce our profitability.	Epson, Mitsubishi, Denso, IAI, Inovance
Unmanned industrial-use helicopters and drones	We are launching multirotor drones in addition to our proven unmanned helicopters that will contribute to labor savings in agriculture. We will also promote expanded applications for unmanned vehicles in fields outside of agriculture, such as logistics and field surveys.	DJI
Semiconductor post-processing equipment	As with SMT, demand for power and advanced logic semiconductors did see some stagnation in 2022, but is expected to expand in the medium to long term. We are working to further build our client base by building a seamless collaborative system that offers one-stop proposals that cover the entire semiconductor manufacturing process.	ASM, Besi, K&S, Towa

Net Sales Breakdown by Main Product Category (Fiscal 2022)



Net Sales / Operating Income / Operating Income Margin



Robotics Growth Business

Progress and Challenges in Our Medium-Term Management Plan

In the current Medium-Term Management Plan, we have made 1) maximizing synergies as a total supplier and 2) strengthening manufacturing, sales, technology, and service structures our key themes.

Maximizing Synergies as a Total Supplier: We have assembled a specialized sales team to work on a client basis to acquire major accounts and create synergy effects as a total supplier in terms of sales. Regarding products, we are also introducing platform models for surface mounting equipment and developing cobots in our industrial robots business.

Strengthening Manufacturing, Sales, Technology, and Service

Structures: To expand our business, we have successfully put our plan in motion to increase production area by 180% by 2024.

Priority Medium-Term Themes

Support the Foundation of a Digital World, Further Expand Business Scale as a Growth Business, and Strengthen Profitability

Maximizing Synergies as a Total Supplier

Strengthen product competitiveness with platform strategy

- Focus on introducing new models in the high-speed SMT model domain
- Release innovative features for maintaining quality
- Enter the cobot market

Acquire major accounts through cross-selling

- Assemble dedicated client-based sales team and offer all-inclusive solutions

Strengthening Manufacturing, Sales, Technology, and Service Structures

Expand factory production area by 1.8x

- Begin operations in new factory area in 2024
- Technologies, sales, and services tailored to client worksites

Expand the business

Raise no. of business negotiations

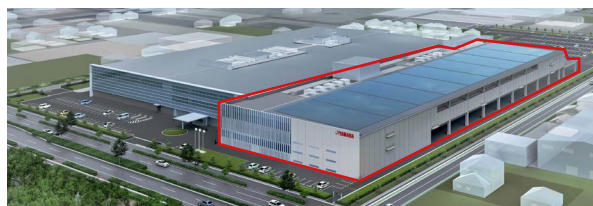
× Increase unit price per project

× Raise rate of placed orders

Future Measures

In preparation for greater automation needs, the development of digitalization and other new fields, and accelerating market development in Asia, we will expand our production area by 2024 as planned. At the same time, we will establish a sales base in Singapore to oversee Asia and strengthen our sales capabilities with a four-pillar arrangement, adding Asia to China, Europe, and the United States. In addition, we will strengthen our brand power as a total supplier through cross-selling, developing new products based on our platform strategy, and automation solutions centered on linear conveyors.

Furthermore, we will launch new models of industrial-use helicopters and drones, for which sales have been increasing due to broader applications and the acquisition of a distributor business. New unmanned helicopter and agricultural drone models will promote smart agriculture and help reduce the use of pesticides and chemical fertilizers while contributing to higher crop yields.



Expansion and remodeling of Hamamatsu Robotics Office to increase capacity



Next-generation industrial unmanned helicopter FAZER R AP



YMR-II, a new model in the YMR series of industrial multirotor drones

Message from Management



Ayako Egashira

Executive General Manager of Robotics Business Unit, Solution Business Operations

United under the Business' Vision to Carry Out the Growth Strategy

Although 2022 was our first year as a growth business under the new Medium-Term Management Plan, it got off to a rough start against a backdrop of slowing global semiconductor demand and a cooling Chinese market. Amid these developments, we promoted cross-selling, in which account sales staff directly approach clients to solve their problems, as well as began taking on the challenge of securing new customers and entering new fields by introducing a platform model for surface mounting equipment, all in order to lay the foundations for business growth.

2023 will be the year we will work through our strategy to achieve sustainable growth. In addition to introducing competitive models and features, a Southeast Asian sales company will be established in Singapore to build a uniform global sales and service structure in the growing Southeast Asian and Indian markets, with the China Plus One strategy in mind. Furthermore, in addition to increasing production capacity by expanding and renovating manufacturing plants, we aim to achieve 50% automation of plants by 2030 to improve productivity and ensure consistent quality.

We are committed to providing products and services that enable our clients to realize the future they have envisioned in a faster and freer way by pooling together the best technologies in the field of robotics. We will embody that vision, commit to working together as a unified entity, and strive to achieve growth as a business.

Financial Services



Jeffrey Young
Executive Officer,
President & CEO of Yamaha Motor Finance Corporation,
Chairman of Yamaha Motor Finance Corporation, U.S.A.

Strengths

- Convenience of one-stop service from product sales through captive finance and the peace of mind that comes with mono-brand service

Opportunities

- Expansion of marine product financing
- Strengthening of initiatives in service businesses associated with financing, such as insurance, extended warranties, consortium, etc.
- New markets to develop, e.g., Europe, Latin America

Risks

- Decrease in sales of key products due to economic trends, etc., and increase in late payments and bad debts from customers
- Decrease in demand and intensified competition due to significant interest rate hikes, etc.
- Operational risks, fraud, etc.

Providing Unique Services That Strengthen Ties with Customers and Dealers

In line with the business environment and regulations, we aim to secure stable earnings while strengthening ties with markets and customers by developing and tailoring our business to each region, such as collaborating with sales companies and forming alliances with local partners.

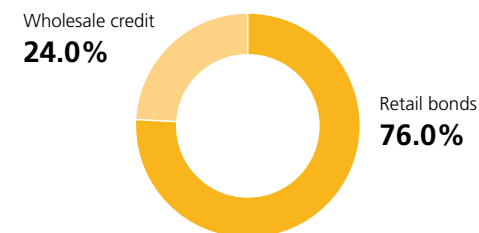
Results and Challenges in Fiscal 2022

In fiscal 2022, our balance of receivables grew to ¥504.5 billion, up 34% from the previous year. This was due to a recovery in the size of wholesale financing receivables resulting from improved market inventory conditions, a steady increase in retail financing receivables, as well as the impact of foreign exchange rates. On the other hand, operating income saw a relative decline to ¥17.5 billion due to the absence of the one-time increase in revenue that was seen in the previous year. Still, our operating income margin and ROA remained high at 28.2% and 4.0%, respectively. In the current business environment, rising interest rates and economic uncertainties in major markets made it more challenging to maintain loan balances and loan quality, as well as to address late payments and contain funding costs. Against that backdrop, we further strengthened coordination with the product sales businesses in each region to attract new customers and ensure that they continue to use our financial services. In addition, we developed activities aimed at new business development, such as launching finance businesses in new markets, expanding the range of products that can be financed, and establishing a global business structure to strengthen our foundations.

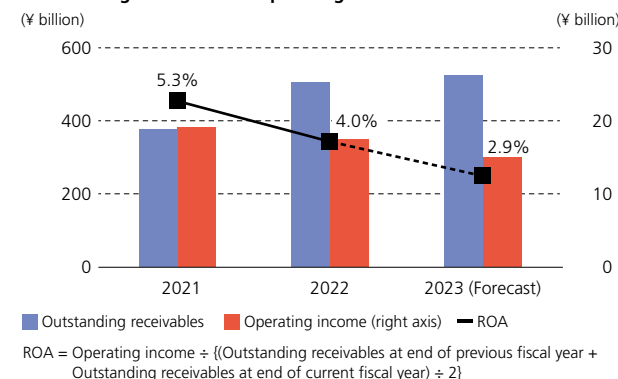
Future Measures

In fiscal 2023, we expect to expand the scale of wholesale and retail finance receivables, as well as financial service businesses. These include insurance and an insurance consortium set up in Latin America intended to increase the balance of receivables to ¥525 billion, a 4% increase year on year. Meanwhile, we expect operating income to decrease from the previous year to ¥15.0 billion due to an increase in funding, late payment costs associated with the possibility of higher interest rates, and increased activity expenses for business expansion and DX promotion. With this in mind, we will still aim to maintain an ROA of 3%. We will continue to strengthen coordination with product sales businesses in each region and expand from our mainstay of motorcycle sales financing to providing financing for marine products and more. We will also strive to expand into insurance and other peripheral businesses. By establishing and strengthening our global business management system as well as sharing the intellectual and human resources of the entire Group, we will create an environment where customers can easily purchase our products and services, thereby leading to higher product sales and service usage. At the same time, we aim for the sustainable growth and expansion of the Financial Services business.

Finance Receivables Breakdown (Fiscal 2022)



Outstanding Receivables / Operating Income / ROA



Priority Medium-Term Themes

Build a System for Global Business and Aim for ROA in the 3% Range

- Regional expansion (Latin America, Europe, etc.)
- Expansion of business domains (i.e., marine products)
- Establishment of a global business operation system
- Utilization of fintech

New Businesses

As part of our medium- to long-term growth efforts, we are developing new businesses that have societal and economic value. These businesses contribute to the three focus areas comprising our Long-Term Vision for 2030—Advancing Robotics, Rethinking Solution, and Transforming Mobility—and are positioned as strategic business fields in the Medium-Term Management Plan. These new businesses are aimed at helping us resolve societal issues, strengthen structures to create future core businesses, and generate sales. By calling on the technologies and expertise we have garnered to date and co-creating with our partners, we will promote the creation of new value in the unique style of Yamaha and accelerate business development that contributes to achieving the United Nations SDGs.

Transition to sales acquisition stage

Mobility services / Low-speed automated vehicles

Push initiatives toward commercialization

Medical & healthcare / Agricultural automation



Accelerate business development

Aim for ¥30.0 billion in net sales by fiscal 2024

Mobility Services

Creating employment opportunities through business and contributing to a better quality of life for people

Co-creation

Local platform operators

Societal Issues

Core Technologies

Focus Areas



Job creation



Asset management expertise cultivated in the Financial Services business and connected technologies



Emerging markets

Asset Management Business: Aiming for Continuous Growth While Carefully Selecting and Allocating Resources to Solve Societal Problems

Our mobility services business operates by utilizing products for mobility as a service, such as for transporting goods or people. The asset management business, which began operations in India and Nigeria, has expanded to a certain degree in both countries through collaboration with leading local platforms, confirming the need for steady business expansion. Through this project, we will not only create jobs in localities, a significant focus we have long had, but also be much more conscious of addressing inadequacies in urban traffic environments. This includes reducing traffic accidents through education and skills development for motorcycle riders, and reducing accidents and CO₂ emissions through capacity building for vehicle maintenance, mechanic training, and other measures. As we move forward, we will aim for steady growth through the accumulation of quality assets by strengthening collaborative relationships with our partners while carefully selecting recipients for investments, such as assets for lease or capital from our partners.

In addition to the asset management business, we are also looking to take our last-mile delivery business in East Africa into other regions. We also aim to grow the scale of our business to approximately ¥10 billion in sales during the Medium-Term Management Plan's three-year period. The Company is working to create an environment for further enriching people's lives through mobility asset management that calls on its motorcycle business expertise, thereby helping address societal issues, such as job creation. In the last-mile delivery business as well, Yamaha Motor aims to energize the local economy and help create jobs for professional riders by offering motorcycle-based logistics services.



CourieMate, a Ugandan subsidiary, began real-world trials for last-mile delivery services in Tanzania.

Low-Speed Automated Vehicles

Aiming to create added value through mobility and enrich people's lifestyles



Officially Launched Service for Transporting Items in Factories | Further Promoting Low-Speed Transportation in Cooperation with National and Local Governments

By establishing automated driving technologies under specific conditions, we aim to save labor in logistics and solve mobility issues in areas without access to public transportation.

In goods transportation, we established automated driving technology for the specific conditions of a factory and officially began providing unmanned automated transport services, which had only been run in trials up to this point, through eve autonomy, Inc., a joint venture we have with Tier IV, Inc. This is the first commercial service in Japan for automated transport using self-driving EVs, and as of the end of December 2022, 18 eve auto services were in operation at 11 companies. Going forward, the Company aims to expand its business by strengthening its sales operation and responding to the growing need for automation in logistics.

In transporting people, the Green Slow Mobility project for using small, slow-moving vehicles is gaining recognition as a first/last-mile mobility solution. 30 domestic municipalities participated in proof-of-concept trials in 2022, bringing the total number of participating municipalities to 106, and a total of 33 units were sold in 2022. To reach Level 4 vehicle autonomy on public roads, continuing these proof-of-concept tests is of utmost importance. While continuing to cooperate with national and local governments, we will also strengthen our sales and service operations through collaborations with other entities, such as the Japan Automobile Federation (JAF), with which we began a partnership in 2022.

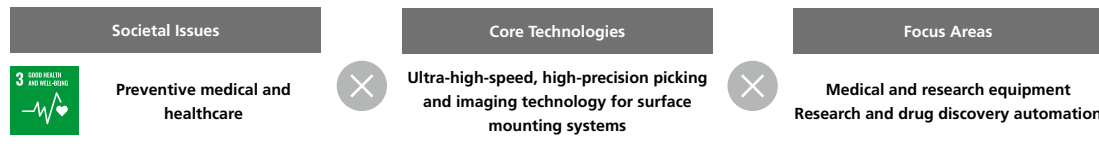
We are also continuing our joint research into low-speed mobility's effects on personal mobility and health (which began in 2021) with the Chiba University Center for Preventive Medical Services, which specializes

in preventive care for seniors. We will continue to examine whether low-speed mobility improves the quality of life of older adults and reduces social security expenses in cities. We will also clarify the relationship between low-speed mobility and preventive care and promoting healthy lifestyles, which has already begun to show some positive effects. Along with solving critical societal issues in transportation, health, and industrial development, we aim to achieve sales of ¥5.0 billion in the transportation space for people and goods during the current three-year Medium-Term Management Plan.

▶ For further details on the impacts of these initiatives, please see Initiatives to Provide Low-Speed Mobility Services.

Medical & Healthcare

Reducing the burden on researchers with reliable technology and contributing to advances in the medical field



Entering the Antibody-Related Service Business

Protein microarrays, which have been developed at the Translational Research Center of Fukushima Medical University (FMU), to which the first CELL HANDLER™ was delivered in 2017, are a technology that enables comprehensive profiling of antibodies present in individuals. In a joint study conducted with FMU, we were able to find biomarkers that lead to the early detection of cancer and neurodegenerative diseases. Preparations are being made to develop businesses using these biomarkers.

Agricultural Automation

Achieving increased productivity, labor savings, and automation in industrial fields



Collaborating with Agri-Startups and Adopting a Strategic Approach for the Value Chain

In saving labor in the agriculture field, we aim to provide solutions that combine our chassis development and robotics expertise with AI, and maximize value through the cultivation, storage, and distribution chain. In 2022, we conducted development and proof-of-concept testing through collaborations, including the dispatch of engineers to companies we invested in. In the U.S., we are strengthening our collaboration with investee companies to build supply and service systems with an eye on business expansion during the next Medium-Term Management Plan.



In May 2019, Yamaha Motor announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have been taking steps to track and manage climate change-related opportunities and risks that could affect our business in order to incorporate adaptive and mitigative climate change measures into our business strategies. As environmental regulations tighten and the move to decarbonization accelerates around the world, we are now continuing to move forward with initiatives to achieve carbon neutrality while offering new excitement and a more fulfilling life for people all over the world. We are pursuing these initiatives under Yamaha Motor Group Environmental Plan 2050 (hereinafter, "Environmental Plan 2050"), which was revised in fiscal 2021.

Heiji Maruyama
Director and Managing Executive Officer

▶ Please visit our corporate website for more information on Environmental Plan 2050.

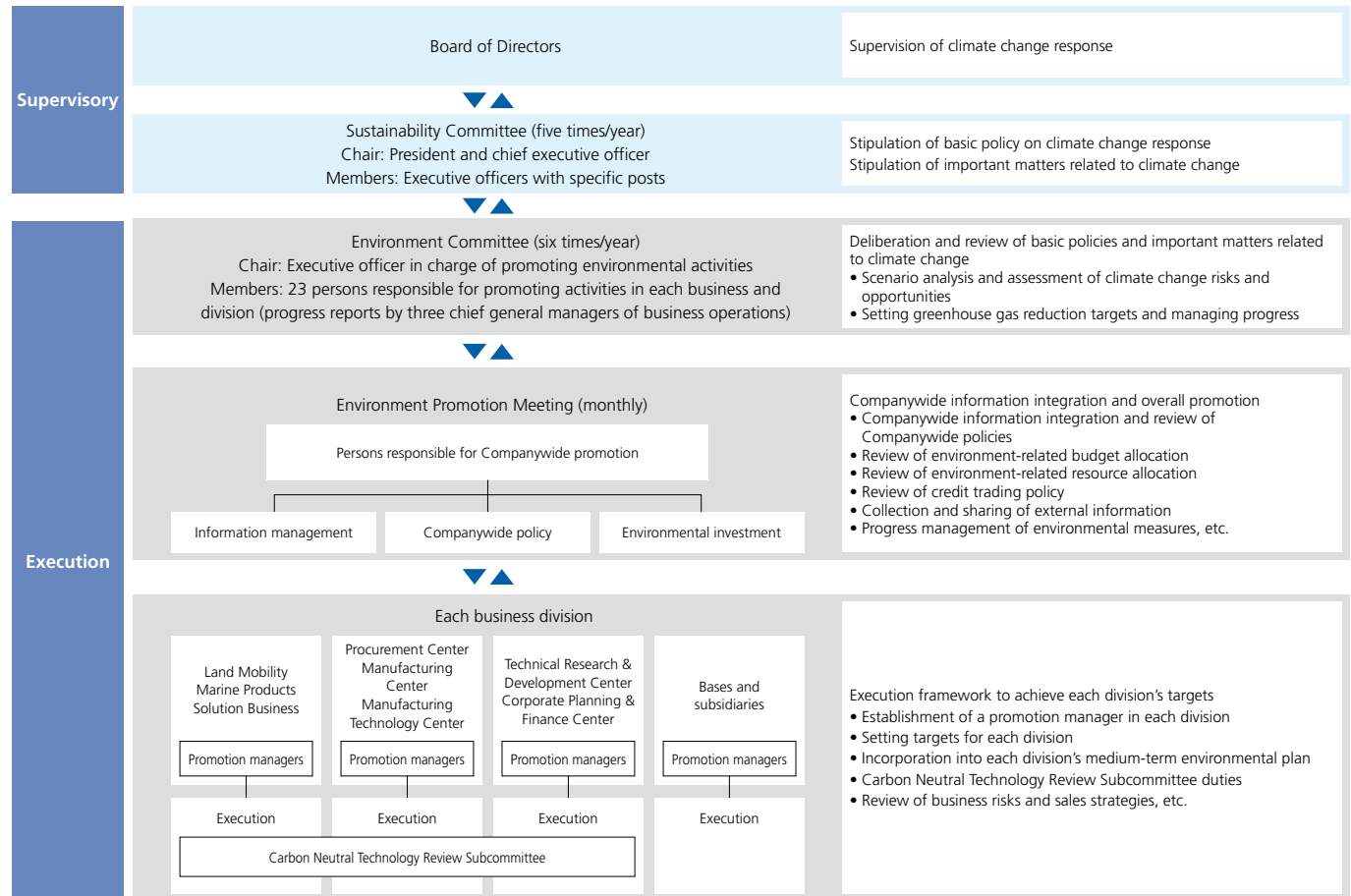
Governance System

The Board of Directors formulates policies on dealing with issues concerning sustainability and regularly reviews their implementation status. With regard to issues concerning sustainability, the Board of Directors oversees the Sustainability Committee, which meets five times a year and is chaired by the president and chief executive officer and comprises executive officers appointed by the Board of Directors.

For these issues, we positioned the environmental field in particular as an important area to be tackled by management and established the Environment Committee, chaired by an executive officer in charge of environmental activities. The Environment Committee meets six times a year to discuss policies concerning the environment and vision for the future, assess Environmental Plan 2050, and conduct annual reviews of each operating division's progress against its targets. The committee reports its findings to the Board of Directors at least twice a year.

The convening of the Sustainability Committee was changed from three times a year to five times a year in order to bolster efforts toward carbon neutrality. The structure of the Environment Committee has been enhanced from 17 members responsible for promoting activities in each business and division in 2022 to 23 members, including the general managers of business divisions, and the number of meetings has been changed from three to six times a year. In addition, KPI performance for materiality issues, including climate change, and ESG external evaluations are linked to the remuneration of executives and other senior managers to encourage effective initiatives.

▶ Please see page 49 for details on our promotion structure for sustainability issues unrelated to the environment.



Climate Change Risk and Opportunity Assessment and Financial Impacts

In developing its strategy to achieve carbon neutrality by 2050, Yamaha Motor refers to the SSP1-1.9, SSP1-2.6, and SSP3 scenarios of the Intergovernmental Panel on Climate Change (IPCC)'s 6th Assessment Report and Nationally Determined Contribution (NDC) scenarios in order to address uncertainty (risk) factors. We have identified and assessed short-, medium-, and long-term risks and opportunities as well as their impact on our businesses, strategies, and finances.

- Short term: Impacts our immediate financial performance (including the potential to emerge over a timeframe of 0–3 years)
- Medium term: Requires significant adjustments to our strategy (including the potential to emerge over a timeframe of 3–6 years)
- Long term: Fundamentally affects the viability of our long-term strategy and business model (including the potential to emerge over a timeframe of 6 or more years)

	Type	Subject of Assessment	Period	Status of Response	Financial Impacts
Transition Risks	Policy and legal SSP1	Increase in development costs to comply with exhaust emission and CO ₂ emission standards in each country and territory	Short term	To respond to the tightening of emissions regulations in each country, the Regulations and Certification Division and the Local Sales Division obtain the latest information on regulatory tightening and report their findings to the R&D Division. As a countermeasure to minimize the risk of a sudden tightening of regulations in the ASEAN region, India, and other markets, the Company is developing a global model proprietary products which complies with current regulations and conforms to European standards.	In promoting the growth of existing businesses and the development of new businesses, the Company plans to budget ¥121.0 billion in 2023 for growth strategies and research and development geared toward adaptation and mitigation measures to address climate change. Representing a major impact of climate change on the Company, use-phase emissions account for 80% of CO ₂ emissions for the entire supply chain, of which 58% come from motorcycles. As Yamaha Motor's core product, motorcycles account for 57% of total sales, and the R&D costs required to comply with emissions regulations will have a significant impact on the Company's business operations.
	Policy and legal SSP1	Increase in operating costs due to introduction of carbon tax The Company manufactures motorcycles, its core business, at 27 bases in 16 countries, mainly in the ASEAN region. Energy from fossil fuels is used in processes such as casting and painting.	Medium term	To respond to the tightening of energy standards in each country and region, the Production Technology Center and the Environmental Facilities Division collect information on regulatory trends related to energy costs in each country and region. Energy-related investment plans and renewable energy procurement methods are discussed and examined by the Environment Committee and reported to the Board of Directors upon deliberation by the Management Committee.	Tax burden increase assuming a ¥10,000/metric ton carbon tax on CO ₂ emissions from business activities, calculated based on fiscal 2022 emissions: ¥4.7 billion/year* * Carbon Pricing Leadership Coalition (CPLC) Report: from 2030 carbon tax price forecasts
	Technology SSP1	Risk of difficulty in procuring raw materials due to rising demand for rare earth elements as manufacturers accelerate their electrification efforts	Short term	Since the procurement and cost of small batteries is an issue, a consortium has been established in cooperation with other companies in the industry to develop common battery standards and infrastructure with a view to mutual-use batteries, and activities to promote the wide adoption of electric models have been launched.	–
	Markets SSP1	Risk of decreased sales of motorcycles with internal combustion engines (ICE) due to a ban on fossil fuel vehicles in cities	Long term	The Company has developed mobility products (including electric motorcycles, electrically power-assisted bicycles, and low-speed electric land cars) that use next-generation power sources aimed at replacing fossil fuels, while proposing sharing services in collaboration with local governments and joining forces with business partners to integrate the abovementioned products and services into wider social infrastructure with a focus on CASE, a recent trend in the automotive industry.	Sales of motorcycles in developed markets amounted to ¥322.9 billion in fiscal 2022. If sales of motorcycles with internal combustion engines were to decline by 50% due to changing consumer preferences and rapid decarbonization in these markets, the impact would be a decrease of ¥90.0 billion in net sales for the Company.
	Reputation SSP1	Risk of being assessed by investors and other stakeholders as providing inadequate information disclosure	Medium term	Corporate Communication Division's Investor & Shareholder Relations Group: Holds company information sessions for private investors as well as consultations for institutional investors	–
Physical Risks	Acute SSP3	Risk of extreme weather events affecting operations	Medium term	Natural disasters have been identified as one of the Group's six significant risks, and response plans are being created for high-risk areas and their progress managed accordingly. In addition to ensuring appropriate inventories, the Company is working to reduce risks by establishing a highly responsive system that enables the identification and confirmation of potential suppliers in the event of a disaster.	Sales of motorcycles in emerging markets amounted to ¥968.8 billion in fiscal 2022. If operations were to be suspended for two weeks in the ASEAN region due to flooding, a supply delay of 120,000 units would result in an estimated 4% decrease in motorcycle sales in emerging markets and a ¥38.7 billion decrease in net sales for the Company.
	Chronic SSP3	Risk of long-term extreme weather conditions affecting operations and sales	Long term	Having evaluated the frequency and intensity of extreme temperatures and heavy rainfall as assessed in the 6th Assessment Report of the Intergovernmental Panel on Climate Change, the Environmental Management Officer ascertained the degree of impact on the Company's business sites and is implementing appropriate countermeasures.	–

Opportunities	Resource efficiency	Improvement of energy efficiency in production processes	Short term	Implement theoretical-value-based production globally	Carbon neutralization budget for production sites from fiscal 2022 to 2024: ¥7.0 billion
	Energy sources	Use of renewable energy at manufacturing plants	Short term	Utilize solar power globally Utilize CO ₂ -free electricity at the headquarters	Renewable energy budget for production sites from fiscal 2022 to 2024: ¥4.7 billion
	Products / Services	Expansion of development of low-carbon products Expansion and promotion of BEV product lineup	Medium term	Launch 10 BEV models by 2024 Expand R&D facilities for electrification and carbon neutrality	Increased earnings due to demand for low-carbon products
	Markets	Expansion of demand for our product lines in response to energy mixes and government policies in each country and territory	Short term	Launch NEO's electric scooter and HARMO next-generation electric boat control system for Europe	–
		Expansion of opportunities to provide solutions that meet the needs of each country and territory	Short term	Start mobility service business in India through collaboration with MaaS operators	Established Moto Business Service India Pvt. Ltd. Capital: ¥1.1 billion Indian motorcycle sharing service, estimated to have a market size of ¥11.7 billion in 2025
	Access to new markets and territories with a focus on the environmental field	Medium term	Establish an investment fund specializing in the environment and natural resources field	Total amount under management: ¥10 billion (investment period: 15 years)	
	Resilience	Increase in earnings from products and services that are compatible with each country and territory's energy policies and diverse energy sources	Long term	Develop and expand our lineup of electrified products in preparation for increasing demand for such products worldwide	R&D expenses for fiscal 2022: ¥105.2 billion

Yamaha Motor's Response to Climate Change

1. Uniquely Yamaha Carbon Neutrality Strategies

Yamaha Motor began working to address climate change in the 1980s. We launched the PAS as the world's first electrically power-assisted bicycle (e-Bike) in 1993 and then proposed a new form of mobility with the Passol electric urban commuter model in 2002. In the years that followed, we proceeded to expand our line of electrified mobility options in various categories, including golf cars, wheelchairs, and outboard motors. The PAS in particular was developed based on the concept of a user- and eco-friendly personal commuter model placing top priority on performance in tune with human sensibilities, and it created an all-new market outside the realms of bicycles or motorcycles. Today, Yamaha e-Bikes are being increasingly used in place of scooters and smaller automobiles in Japanese cities, while in Europe and the United States, the market is growing for e-Bikes as a new genre of outdoor recreation.

Toward achieving a carbon-neutral society by 2050, Yamaha Motor will continue to create new value not only with its motorcycles but also with new, uniquely Yamaha proposals for personal mobility.

Basic Policies

Further reduce the amount of CO₂ emissions per person

- Transition to more efficient power sources as well as those with lower CO₂ emissions
- Promote small mobility vehicles with low CO₂ emissions

Proposal of Smaller, Eco-Friendly Forms of Mobility

Yamaha Motor is proposing compact forms of mobility with small environmental footprints that produce fewer CO₂ emissions across the entire product life cycle, from raw material procurement to manufacturing, use, and disposal. Motorcycles, for example, use internal combustion engines (ICEs) that emit 70% less CO₂ throughout their life cycles than cars, and electric motorcycles emit 75% less.

In addition, it is possible to reduce CO₂ emissions effectively by cutting down the emissions in battery manufacturing processes and installing more charging facilities that use renewable energy.

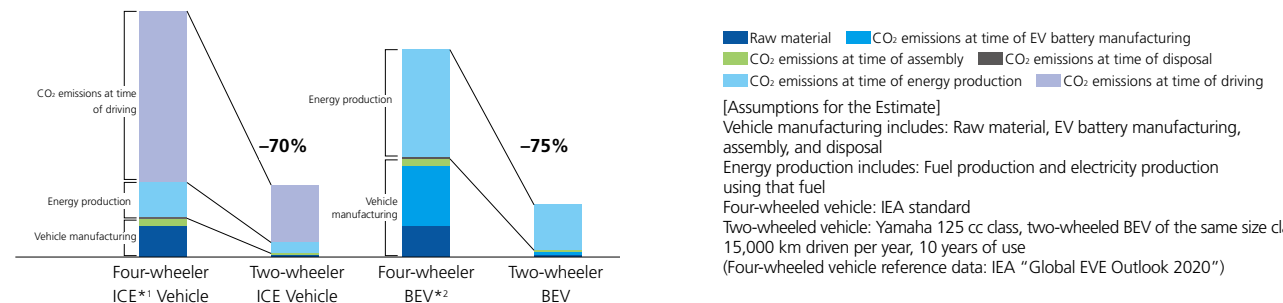
*1 ICE (Internal Combustion Engine): Burns fuel to acquire moving force

*2 BEV (Battery Electric Vehicle): Drives a motor using battery power

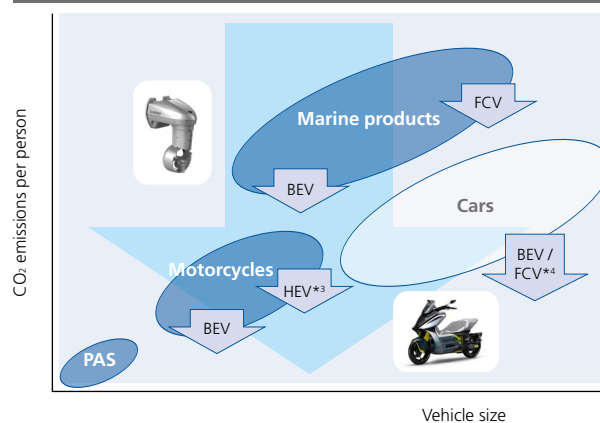
*3 HEV (Hybrid Electric Vehicle): Driven through the combination of an engine and motor

*4 FCV (Fuel Cell Vehicle): Power is generated using fuel cells to drive a motor

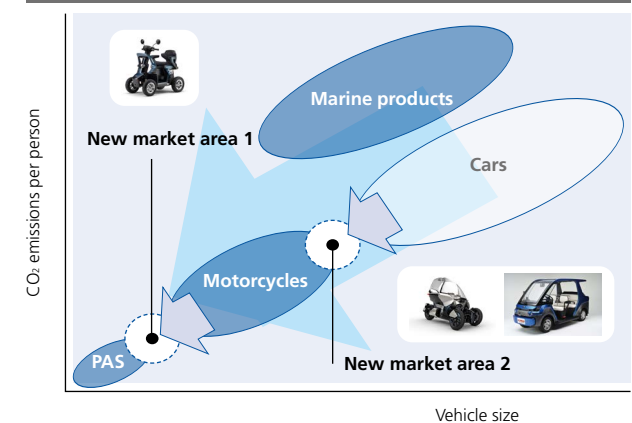
Comparison of CO₂ Emission Amounts for the Product Life Cycle



Reduction of CO₂ Emissions through Optimal Streamlining



Utilization of Smaller Forms of Mobility



2. Electrification Strategy

Motorcycles

The Company is working toward creating a carbon-neutral society by implementing motorcycle technology strategies centered on 1) improving the fuel efficiency of its internal combustion engines, 2) the expansion of its electric model lineup and promoting the use of electric mobility, and 3) developing renewable energy-compatible powertrains.

In examining the potential effects on lowering CO₂ emissions, a major factor in introducing products as part of our electrification strategy will be the trends seen in electricity use via renewable energy sources and monitoring the maintenance status of the charging infrastructure in place in different countries and regions.

We will begin by launching products in Europe where renewable energy accounts for a large portion of the energy used. The Company will then introduce these products into the ASEAN region, where the majority of the CO₂ emitted by Yamaha products originates, over the period of 2030 to 2035 in our mission to achieve carbon neutrality by 2050.

Outboard Motors

Outboard motor technology strategies for contributing to the realization of a carbon-neutral society include 1) improving the fuel efficiency of our internal combustion engines, 2) developing all-electric models, and 3) developing models powered by hydrogen, synthetic liquid fuel, and other renewable energy sources.

Roughly 60% of the Company's outboard motor sales are in developed markets while the remaining 40% come from emerging markets. In developed markets, outboards are primarily used for sport fishing, water sports, and other recreational purposes, whereas in emerging markets, they face harder use in harsher environments and are employed mostly for commercial fishing to sustain peoples' livelihoods. With all-electric models, they will be introduced while carefully examining how well they fit in with the renewable energy charging infrastructure in place and the use conditions present in various countries and territories. Accordingly, electrified models will first be launched in stages throughout developed markets and subsequently introduced into other regions. With this approach, we will contribute to achieving carbon neutrality as the leading brand in outboard motor reliability.

Anticipating the technological progression of powertrains using carbon-neutral fuels*1 (hydrogen, biofuel, synthetic liquid fuel,*2 etc.), the figures to the right assume the rate of adoption to be 2% by 2030, 5% by 2035, and 30% by 2050.

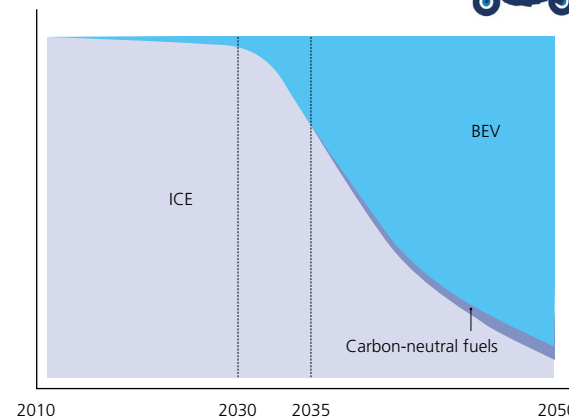
Going forward, we will continue to review our measures as needed toward achievement of carbon neutrality by 2050. We will do so by engaging in the analysis of future forecast scenarios drafted by the IEA and others, obtaining an understanding of the electrical power supply composition policies and infrastructure circumstances of various countries and regions, and developing environmental technology that anticipates trends in carbon-neutral technology.

Powerplant	Technical Measures	Benefits
Internal combustion engine	Improve engine and drivetrain efficiency	Improved fuel efficiency
	Develop HEVs (electric motor as main powerplant for S-HEVs)	
	Begin use of carbon-neutral fuels	Zero CO ₂ emissions
	Synthetic liquid fuels	
Electric motor		Hydrogen
	Develop BEVs	
	Develop FCVs (hydrogen fuel cells)	

*1 Carbon-neutral fuels refer to hydrogen, biofuel, synthetic liquid fuel, and other fuels from renewable sources.

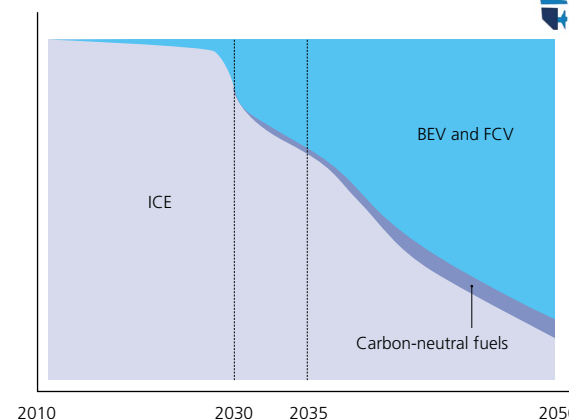
*2 Synthetic liquid fuel: Fuel obtained by synthesizing hydrogen and CO₂, which are obtained by electrolyzing water with renewable energy.

Motorcycle Powertrain Projection



BEV targets	2030	2035	2050
	2.6%	20.0%	90.0%

Outboard Motor Powertrain Projection



BEV and FCV targets	2030	2035	2050
	21.0%	30.0%	81.0%

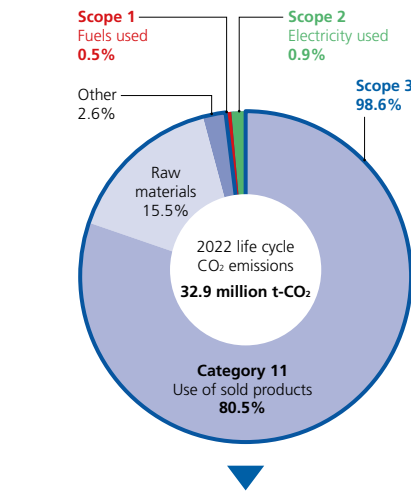
3. Aiming for Supply Chain Carbon Neutrality

Looking at CO₂ emissions throughout Yamaha Motor's supply chain, we see that Scope 1 and Scope 2 emissions—those emitted as a direct result of the Company's business activities—only account for 1.4% of total emissions, whereas Scope 3 emissions—those from the Company's value chain—constitute 98.6% of emissions. The largest component of our Scope 3 emissions is Category 11 (use of sold products), which represents 80.5% of total emissions. Of Category 11 emissions, motorcycles comprise 58.0% of total emissions while outboard motors account for 26.4%. At the same time, 80% of Yamaha Motor's motorcycle sales are in Asia, and by supplying this market with compact, convenient, and affordable mobility options, we aim to contribute to sustainable growth in accordance with the United Nations SDGs by addressing the demand for the transportation of goods and services, helping expand the spheres of daily life, and bringing more options and opportunities for employment and education. Moreover, we look to develop and popularize more fuel-efficient products to help combat climate change. In addition, from 2023, we will launch a Companywide Motorcycle Electrification Project to promote and accelerate electrification in the motorcycle domain.

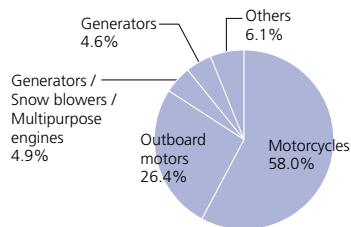
The calculation conditions for Scope 3 values have been changed from 2022 for a more accurate understanding, and actual values up to 2019 have been retroactively recalculated. In conjunction with this change, the Scope 3 reduction targets, which were previously based on 2010, will now be based on 2019 and incorporate the electricity efficiency scenarios for each country. ▶ See page 41 for details on changes to calculation conditions.

With the goal of achieving carbon neutrality on a global scale, Yamaha Motor aspires to offer products (next-generation mobility powered by electricity or renewable energy) presenting the most effective means for cutting CO₂ emissions based on the government energy policies and energy mixes of each country.

Breakdown of CO₂ Emissions for the Entire Supply Chain

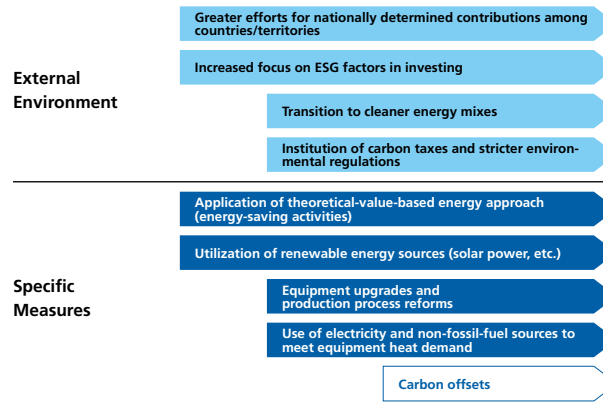
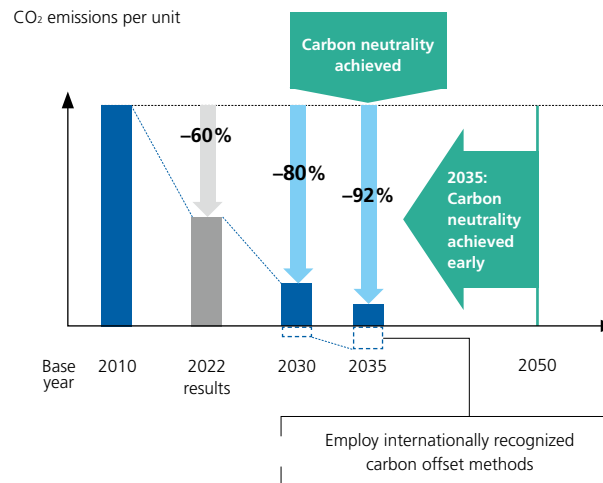


Category 11 Breakdown by Product

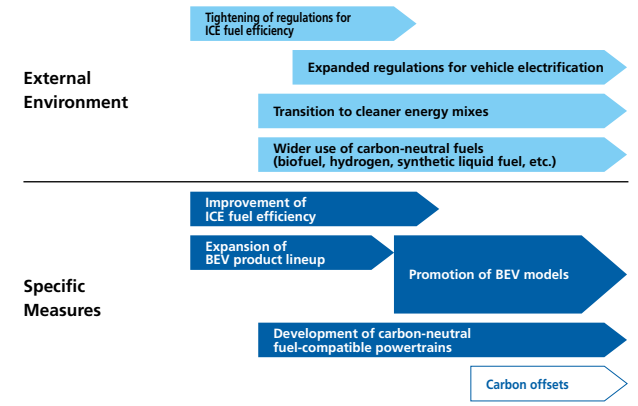
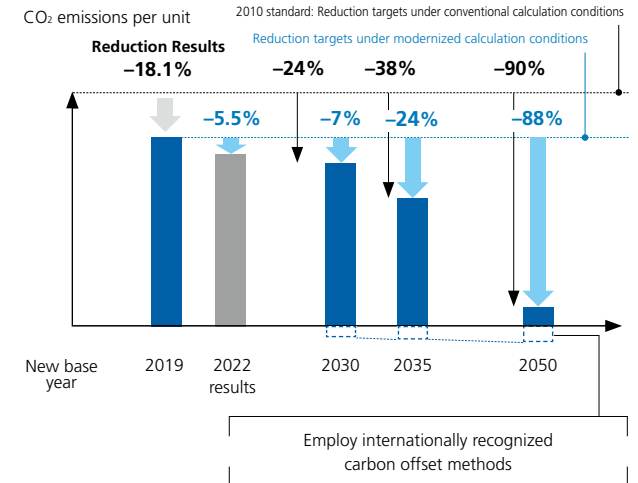


Note: Calculations have been made using the Emissions Unit Value Database (Ver. 3.2) based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.4, issued Mar. 2022) issued by Japan's Ministry of the Environment.

Scope 1 and Scope 2 Targets



Scope 3 Targets



Reduction Performance

In fiscal 2022, Scope 1 and 2 emission intensity decreased by approximately 60% compared to the base year of 2010 due to progress in energy conservation activities and the installation of renewable energy facilities.

Reduction Performance

Scope 1 and Scope 2

	FY2010 (Base year)	FY2018	FY2019	FY2020	FY2021	FY2022
Emissions (metric tons)	662,261	529,513	540,105	442,533	500,903	465,326
Emissions per unit (metric tons/sales: ¥100 million)	51.2	31.6	32.4	30.1	27.6	20.7
Reduction rate (compared with FY2010)	—	38.3%	36.7%	41.2%	46.1%	59.6%

Scope 3

Category 11: Use of sold products

	FY2010 (Base year)	FY2018	FY2019	FY2020	FY2021	FY2022
Emissions (metric tons)	34,046,049	25,963,326	23,859,974	19,624,372	23,237,944	23,478,155
Emissions per unit (metric tons/unit sales)	4.36	3.76	3.57	3.67	3.71	3.68
Reduction rate (compared with FY2010)	—	13.8%	18.1%	15.8%	14.9%	15.6%

Recalculated with updated calculation conditions*

	FY2019 (New Base year)	FY2020	FY2021	FY2022
Emissions (metric tons)	29,344,372	21,961,065	26,016,843	26,506,968
Emissions per unit (metric tons/unit sales)	4.39	4.11	4.16	4.15
Reduction rate (compared with FY2019)	—	6.4%	5.2%	5.5%

*Latest calculation conditions

Calculation conditions have been changed to (1), (2), and (3) below and recalculated retroactively to 2019.

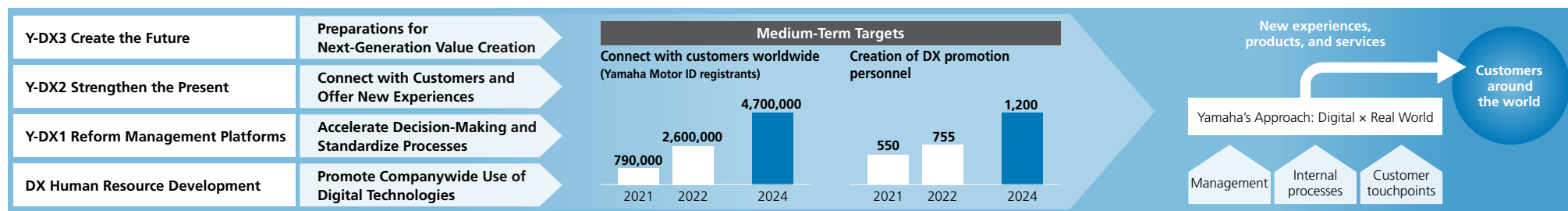
- (1) The actual usage of the products (annual usage distance and hours, lifetime usage years) is now classified into Asia, Europe, North America, Japan, Oceania, Central and South America, and Other for more accurate understanding.
- (2) Fuel consumption of outboard motors and PWC/SB changed from the conventional simple calculation method to using power output (PS) to CO₂ emissions values measured by fuel consumption per mode.
- (3) In consideration of the reduction effect of future electrification, the CO₂ emission factor was changed to the CO₂ emissions factor (kg-CO₂/kWh) for power generated in each region as stated in IEA World Energy Outlook 2021 *Stated Policies Scenarios*.



The Company is advancing its digital transformation (DX) strategy under the “Yamaha Motor to the Next Stage” banner in order to achieve its corporate mission to be a *Kando* Creating Company. The Long-Term Vision for 2030 of “ART for Human Possibilities: Let’s strive for greater happiness” specifies the directions we will take to that end, and our DX strategy seeks to connect with our customers in order to create more fans of Yamaha Motor and raise our brand value.

Norio Yamada
Executive Officer,
Chief General Manager
of IT Center

Yamaha Motor to the Next Stage: Enhancing Brand Value and Creating Lifetime Yamaha Customers



Y-DX1: Reform Management Platforms

Realizing Predictive Management through a Globally Consolidated Database

In addition to building an organizational structure that can quickly adapt to the evolving and changing market needs in our global business operations, we will enable faster decision-making by management. We have introduced and are driving the use of a database that consolidates our more than 120 subsidiaries across the globe to obtain accurate information about day-to-day business occurrences worldwide and thus realize more future-oriented management.

Process Standardization, Shared Services, and Resource Shifting through Global ERP Implementation

To collect data from around the globe swiftly and accurately, standardizing and simplifying the systems and operations in place in each country becomes essential. Standardizing processes and unifying systems across countries will further promote the utilization of Companywide data, push the implementation of shared services for everyday duties, and shift resources to competitive areas.

▶ See P43 for an overview of Y-DX1.

Y-DX2: Strengthen the Present

Connecting with Customers and Offering New Experiences

We will strengthen digital touchpoints with our customers and build a system that continues to deliver high levels of satisfaction and *Kando* to our customers through digital marketing and connected products for an exciting, personalized customer experience overall, from sparking that initial interest in our products to a smooth purchasing experience. We will also promote the development of digital-based approaches, such as model-based systems engineering (MBSE), and the Value Innovation Factory project, which aims to improve the quality of manufacturing operations and create new value.

To drive the data analysis that supports these initiatives at each work-site, we will implement data management that facilitates the safe use of data while promoting accessibility to it by in-house data scientists, thereby creating new customer value through Companywide cross-functional data collaboration.

Y-DX3: Create the Future

Next-Generation Value Creation through Co-Creation

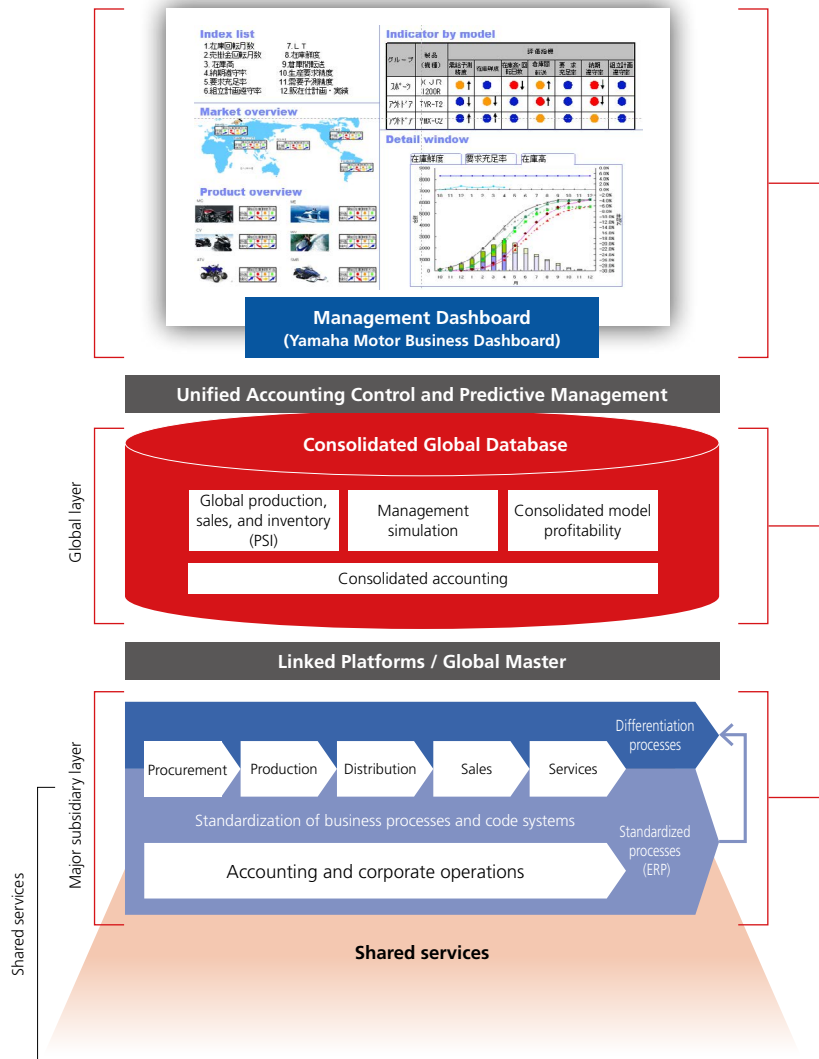
We are moving forward with preparing platforms and APIs for our services that will allow Yamaha’s connected products as well as functions enabled by various data and software to connect with a variety of external services and IoT devices. This will enable collaborations with other industries and co-creation with our customers, so that we can take on the challenge of solving societal issues and creating new customer value in ways unachievable by a company on its own.

DX Human Resource Development Human Resources for DX Promotion

Aiming to be a company where all employees can utilize data, we are staging a shift among current employees through practical and on-the-job training while actively hiring capable personnel possessing the required specialized knowledge. Through our efforts, we are expanding our force of tech leads, in-house data scientists, ERP engineers, and other human resources to 1,200 by 2024 as a KPI (755 as of 2022). As we strive to acquire these human resources, this will enable us to vigorously promote business proposals and internal reforms utilizing digital means across the entire company.

Yamaha Motor to the Next Stage

To further strategically utilize the latest digital technologies and data, the Company is moving its digital transformation (DX) strategy forward with the Yamaha Motor to the Next Stage (YNS) project. Within this strategy, work on the Y-DX1: Reform Management Platforms action theme has been underway since 2022. To achieve sustainable growth in a rapidly changing business environment, we are updating our management platforms with an eye to the future.



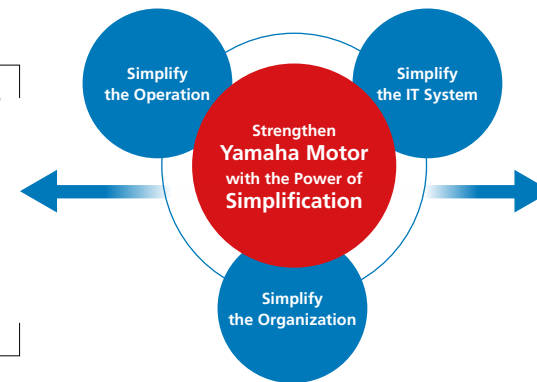
What Is the Yamaha Motor to the Next Stage Project?

This is a Companywide project to develop our management platforms with an eye on 10 years in the future in order to bring about innovations in management styles and enable quick and global management decision-making for future growth strategies.

Goals for the YNS Project

Benefits for each one of us

- Less Clerical Work
- More Time Value, Leeway
- Work–Life Balance
- Creative Work
- New Challenge
- Strong Capability
- Sustainable Workplace
- Global Networking



Benefits for Yamaha Motor

- Growing Business Focus
- One Global Yamaha Motor
- Speed for Transformation
- Streamlined Shape
- Easiness of Maintenance
- Timely Visualization
- Robust Compliance
- Shared Services

Overview of Y-DX1: Reform Management Platforms

Achievements Sought through Management System Innovations	Specific Measures
Speed up decision-making through thorough efforts with visuals and centralization → Expand sales (prevent opportunity losses) • Determination of optimal procurement and production sites • Determination of optimal allocation volume, etc.	Create a consolidated global database
Realize predictive management by utilizing new information to visualize customers → Expand sales (capture new opportunities) • Use of digital marketing and IoT	Create a demand forecasting model
Shift resources to growth fields by streamlining indirect operations → Reduce costs and expand sales (execution of growth strategy) • Elimination of numeric transcription and other tasks	Standardize business tasks and introduce a global ERP system

In addition to the above, the Company will standardize its core business processes and systems to promote shared services and thereby improve the productivity and quality of its corporate operations.

Yamaha Motor to the Next Stage

Management Discussion

Satoshi Kodou

Fellow
In charge of reforming management platforms at the IT Center and Corporate Planning & Finance Center (YNS Project Chief)

Implemented DX at a major foreign-affiliated chemical company before joining Yamaha Motor in August 2022. As chief of the YNS project, he manages and coordinates its progress as a whole.



Takeo Noda

Executive Officer,
Chief General Manager of Corporate Planning & Finance Center

Serves as the global process owner of accounting and is involved in running the YNS project as a member of its steering committee.

Building the IT Infrastructure to Support Growth into the Next Generation

Kodou I was involved in digital transformation at my previous job, and I felt that Japanese companies in general tended to be less further along with DX than foreign-affiliated companies. However, Japanese companies have their own advantages, so instead of chasing after efficiency and logic alone, I would like to pursue a fusion of the unique style of Yamaha and such streamlining to make Yamaha Motor as strong as possible.

Noda I agree. There should be a careful rationalization of products and services directly linked to our customers, but on the other hand, I am working to promote thorough streamlining in accounting and other areas that I am in charge of. We have taken the opportunity this year to redefine the goals of the YNS project. The main theme is laid out in the center of the chart on the previous page: Strengthen Yamaha Motor with the Power of Simplification. I think this packages your ideas in a very concise way.

Kodou We aim to simplify three things: systems, operations, and organizations. The new theme also puts forward that simplifying these three things will benefit both the Company and the individual. For example, reducing the burden of clerical work will create more elbow room and allow individuals to focus on more creative work. The ultimate goal is to share information globally in a timely manner to enable rapid management decisions.

Noda The cooperation of all employees is essential to moving the YNS project forward. By communicating the goals for the YNS project in an easy-to-understand manner, I believe that employees will have a clearer idea of what they need to do and will be able to work toward the project's goals with a positive mindset.

Kodou That is definitely what we are hoping for. One of the more recent major steps forward is the introduction of the Yamaha Motor Business Dashboard (YBD). This collects

and displays financial and management accounting data as well as daily and monthly wholesales, retail sales, inventory numbers, and more from over 120 locations to help make quick business decisions. The integration between YBD and our domestic accounting systems is also complete. We will continue to update and link systems at each location and for each role to keep progressing toward achieving our goal.

Noda We believe that YBD will be of great benefit to both management and people working on the front lines. In the past, a lot of time and effort was spent making management decisions, as the indicators used for these decisions differed by subsidiary, and a vast amount of previous data had to be prepared. I believe that YBD will unify KPIs between management and those in the field, and that management decisions based on this information will improve operational efficiency and allow for faster decisions.

Kodou The YNS project concerns Yamaha Motor employees worldwide. Therefore, I believe it is important to communicate the benefits to both management and those in the field, just as you mentioned. I feel that Yamaha's employees have a strong ability to push forward as long as they have a firm belief in the cause. In this sense, we will continue to actively communicate internally to ensure that employees are convinced of the project's significance and are motivated to do what is needed.

Noda Indeed. Until now, the Company has grown by pursuing regional and individual optimization, with each business having its own uniqueness. This bestowed us with a strong centrifugal force, so to speak. But because of this, we have little experience in unifying processes across the entire Group, which would be more of a centripetal force in that sense, so I think both management and those on the front lines will face many difficulties. In a sense, the YNS project is an opportunity for Yamaha Motor to bolster its centripetal force while retaining its centrifugal force. We are only just starting this long journey, but let's get it done.



The energy in a company's workforce is a critical factor in its growth and that is why we will make employee engagement an important indicator. We will promote diversity, equity, and inclusion as well as human resource development as initiatives for improving engagement.

Mitsuru Hashimoto
Executive Officer,
Chief General Manager of
Human Resources &
General Affairs Center

Our Fundamental Beliefs

As part of our global business operations, the Company is striving to create an organizational structure with the agility required to respond to changing and evolving market needs. We believe that if individual workers and their companies share ambitious goals and work together to bring about not just business growth but also personal growth, we can offer Yamaha *Kando* to customers without fail. Premised on our fundamental belief that all corporate activities begin with people, it is essential that our employees work in harmony and incorporate differing viewpoints and values. Working to hone individual skills, securing specialists in numerous technical fields, and applying our expertise in both developed and emerging markets are the types of efforts we believe will lead to fulfilling the Company's Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness."

Our Medium-Term Management Plan is in line with these fundamental beliefs and designates the employee engagement score as a KPI; thus, we will monitor and conduct ongoing follow-up on the level of engagement seen among the Company's employees. Furthermore, as a concrete effort to raise employee engagement and promote diversity, equity, and inclusion, we will increase the number of available options of working styles and strive to be a company where our diverse workforce plays an active role. To create an environment where people of diverse backgrounds gather and excel, we will expand our training programs for leaders in each country, revamp the personnel systems at our headquarters, enhance mid-career professional recruitment, and more. With human resource development, we will establish frameworks that provide equal opportunities for personal growth to our employees and work to implement new working styles that take better work-life balance into account as part of encouraging employees to increase their Rev Up time, which aims to enhance work efficiency as well as enrich their time off.

KPIs in the New Medium-Term Management Plan

Diversity, Equity & Inclusion

Strive to be a company with an agile and diverse workforce by increasing the available options for working styles

Local hiring for core positions*1

55% by 2024

Women in management positions*2

13% by 2024

- Expand global and regional leadership programs
- Reform HR management system at headquarters
- Enhance mid-career professional recruitment

Human Resource Development

Establish frameworks that provide equal opportunities for personal growth to all employees

Number of participants in self-development courses

Approx. **5x***3 by 2024

- Enhance online and on-demand learning platforms
- Encourage employees to increase their Rev Up time*4

Increase the agility of the diverse global workforce that represents the Yamaha Brand

Improvement of Employee Engagement

Introduce common global engagement indicators and conduct periodic follow-up on employee engagement

(Ref.) Engagement score*5 at headquarters
FY2021 59% ▶ FY2024 70%

- *1 Ratio of local personnel in core positions at overseas subsidiaries
- *2 Ratio of women among managers at headquarters and overseas subsidiaries
- *3 Compared with 2019
- *4 Aimed at enhancing work efficiency and enriching time off
- *5 Ratio of employees who responded favorably to engagement indicators

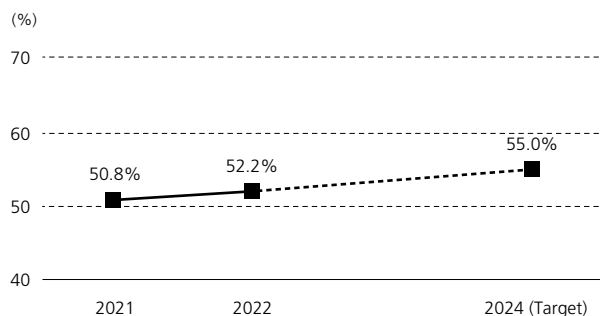
Promoting Global and Regional Leadership Programs

We conduct selective training programs to develop talented people into leaders at each location, global leaders, and management. Among our training programs is the Global Executive Program (GEP), launched in 2015, which focuses on developing a vision for the future to cultivate global management talent. To date, the program has been held five times with a total of 70 participants. 47 participants (67%) have been promoted since participating in the GEP and have assumed leadership roles in their respective positions. Due in part to these efforts, the localization ratio in core positions at the end of 2022 was 52.2%, up 1.4 points from the end of the previous period.

Three Selective Training Programs

- **Global Executive Program**
Candidates for management are eligible
- **Yamaha Business School Global**
Candidates for core positions are eligible
- **Regional Development Program**
Candidates for managerial members of each location are eligible

Ratio of Local Hires in Core Positions



Fifth GEP

The fifth GEP was conducted in 2022 under the supervision of the Hitotsubashi University Business School. Participants took part in four modules of five programs and deepened their discussions on leadership, accelerating innovation, and solving challenges that encompass the unique style of Yamaha Motor.

Recommendations by the Executive Officers and approval by the Representative Directors determine participants. 16 participants (4 women and 12 men) from eight countries participated in 2022. At the end of the program, each participant gave a personal project presentation to the Representative Directors and Senior Executive Officers, and received feedback to aid in their ongoing personal development.

Five Programs

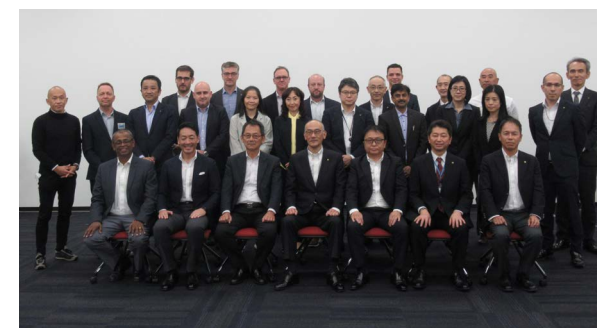
- Management fundamental sessions
- Virtual company visits and interviews (Companies in India and Germany)
- Leadership development and coaching
- Action-Learning group projects
- Capstore individual projects

Four Modules

- (1) **Post-digital and post-pandemic future vision**
Hitotsubashi University Business School
- (2) **Emerging economies, social entrepreneurs, reverse innovation, frugal innovation**
University of British Columbia
- (3) **Sales expansion, hidden champion, Industry 4.0**
European School of Management and Technology
- (4) **Open innovation, center of excellence, DX leadership**
Hitotsubashi University Business School



A snapshot of a group project from the GEP



Participants and management members of the fifth GEP

Efforts to Close the Gender Gap

As a company that offers a diverse range of products globally, we need to promote diversity due to the variety of our clientele. In addition, as competition for human capital increases, we must be inclusive to continue attracting and developing talented people. Diversity, equity, and inclusion KPIs are critical issues in the medium-term management plan. In particular, we will introduce the actual situation of the gender gap at the headquarters and our efforts to eliminate it.

Ratio of women hired as new graduates

2020	2021	2022
28.7%	30.9%	30.2%

Ratio of women by age group

20s	30s	40s	50s
34%	11%	12%	11%

Ratio of women managers

2020	2021	2022
2.4%	2.8%	3.2%

Number of men taking paternity leave

2020	2021	2022
71	92	152

Note: All figures are for the Iwata headquarters.

▶ For additional data, please see Employee-Related Data.

Positive Action

While the ratio of women employees at the headquarters is approximately 13%, the percentage of women managers is in the 3% range, a significant discrepancy. To increase the number of women in management positions, in addition to various environmental improvements, positive actions that consider the effects of the implicit bias of the past are also necessary. We are implementing positive actions, such as securing several application slots during promotion and promotions to management positions.

Efforts to Support Coexistence

Looking at the ratio of women employees by age group, we see a sharp drop-off when people hit their 30s. This is due in part to people stepping away from their careers due to life events such as marriage and childbirth. With our challenge of finding ways to encourage employees to continue working, we hold seminars for women who face life events. We also provide a handbook to managers who are their supervisors so that the entire team can support them in balancing work and family life.

Paternity Leave Support

Having the men within our workforce take paternity leave provides an opportunity to view childcare as a task that involves the entire family and reflect anew on what the father and mother do best and what they may need help with.

In addition to information dissemination from the Company, the labor union and management are working together to promote the use of paternity leave, for example, by disseminating the voices of those who have taken paternity leave in the labor union's bulletin.

Global Initiatives

To address diversity globally, the GET-HR (Global Execution Transformation - Human Resources) AXEL* Task Force was established in April 2022. The group comprises leaders from 11 countries and regions, including Japan, and formulates specific initiatives to promote gender equality and increase the ratio of women managers. In particular, we have identified the following three priorities for ongoing activities.

* AXEL: Awareness Transformation for the Empowerment of Ladies

Three Priorities

- Awareness raising and education: Developing educational programs on gender equality
- Succession planning: Promoting the appointment of women to higher positions
- Recruitment and retention: Developing recruitment guidelines to increase gender equality

In addition, we are reforming our working style and reviewing our personnel system to achieve diversity, equity, and inclusion.

	2021	2022	2024 (Target)
Ratio of women managers	9.7%	11.2%	13.0%
Core positions (of women in managerial positions)	3.9%	4.8%	–

Note: All values are for the Group as a whole.

2022 Headquarters Engagement Survey

At our headquarters, we launched an employee awareness survey in 2020 using engagement as an indicator, and 2022 marks the third time we have conducted this survey. Engagement is a mirror that reflects "the attitude of employees who feel empathy for the company and organization and take pride in their work." Increasing employee engagement will contribute to improving our corporate value. The survey results are considered a health checkup and used for improvement and revitalization in each workplace.

Engagement

Engagement saw an increase of 3 points from 2021. A closer look at the survey reveals that scores for "Recommendation," "Will to contribute," and "Pride" improved, while "Sense of accomplishment" declined for the second year in a row. Fiscal 2022 was the first year of our Medium-Term Management Plan. As the Company begins to take on the challenge of more remarkable change, workers may find it difficult to feel enthusiasm for their work even if they have growing enthusiasm for the Company and organization.

Inclusion

This indicator was newly added to the survey this year, with a 60% positive response rate, which is a passable figure. Among them, "I feel like I am a part of the company" and "I feel like I can be myself" scored high, indicating the characteristics of our company.

Survey Follow-up

This is an indicator of expectations by the employees that took the survey that the results will make changes in the workplace. This survey follow-up indicator has increased for two consecutive years. We feel as though "dialogue" in the workplace is gradually expanding. We will continue to develop a system to use the survey results for improvement.

Dialogue between Employees and Management

In 2021, we held more than 50 dialogue sessions between President Hidaka and employees in their 30s, with more than 1,000 employees participating. In 2022, we improved our meeting style by having only five employees meet simultaneously with President Hidaka and Directors and Chief General Managers of various businesses, thus allowing for deeper dialogue.

By creating opportunities for dialogue between employees and management to open up, scores on management-related survey items have increased.

In-House Side Job System

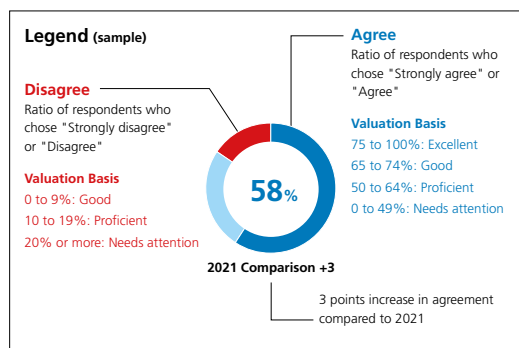
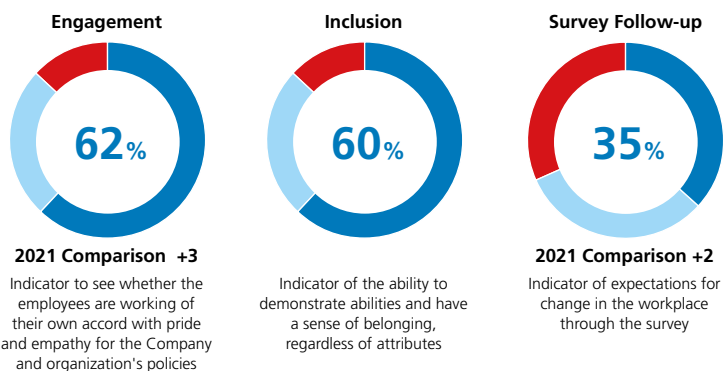
The in-house side job system is a personnel system designed to support employees in improving their personal value, strengthen connections across departments, and foster a culture that encourages employees to take on new challenges. This system allows employees to use a part of their working hours for side jobs within the Company to take on new challenges.

Twenty-four employees used the system in fiscal 2022, the inaugural year of this program, with 37 employees engaged and active in their side jobs in fiscal 2023. Employees who have engaged in in-house side jobs have commented that they have rediscovered their job satisfaction through exposure to different tasks and perspectives and have broadened their perspectives.

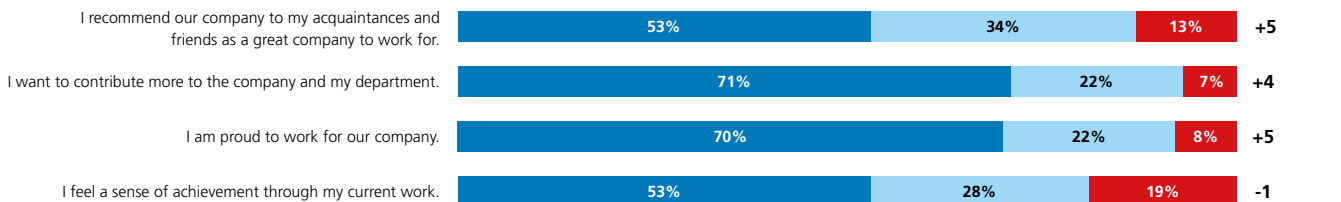
One-on-One Meetings

One-on-one meeting training is provided to managers who organize groups at each location to promote dialogue in one-on-one meetings and dialogue throughout the organization. We have seen cases where managers who were initially reluctant to adopt action learning become more proactive as they realize the program's benefits.

Although the purpose of each one-on-one meeting may differ, the increased opportunity for dialogue leads to improved psychological safety in the organization.



Four Questions Tied to Engagement



We believe that contributing to the sustainable development of society through business activities in line with our corporate mission to be a *Kando* Creating Company represents the kind of sustainability initiatives expected of Yamaha Motor. The Company has positioned sustainability as a key pillar of its management and is kick-starting efforts aimed at building a more sustainable world.

Yamaha Motor Group Sustainability Basic Policy

The Yamaha Motor Group's corporate mission is to be a *Kando* Creating Company. We aim to offer people all over the world joy, amazement, elation, fulfillment, and happiness through our products and services while maintaining harmony with society and the global environment. To achieve this, we will leverage the empathy arising from connections between people as an engine for creating new value. As a company trusted by

society, we will, under appropriate corporate governance, contribute to the resolution of societal issues and sustainable development through innovative and diverse products and services, in ways that embody the unique style of Yamaha. We ask our business partners to uphold this policy and act on its basis.

- We will comply with international rules, laws, and ordinances, and at the same time, we will work to prevent corruption and execute our operations with fairness and integrity.
- We will respect human rights, will not discriminate, and will not use child labor or carry out forced labor under any form.
- We will value our relationships with our stakeholders and disclose information in a timely and appropriate manner.

Sustainability Promotion Structure

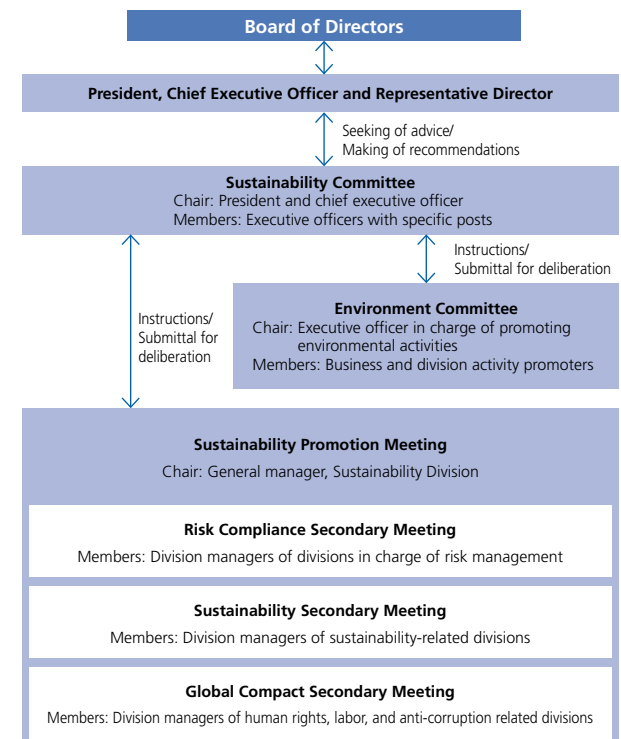
The Sustainability Committee, chaired by the president and chief executive officer, and comprising members of the Management Committee, was established as part of the sustainability promotion structure. The Sustainability Committee deliberates on and determines the response to issues related to sustainability and risk compliance.

The Environment Committee, chaired by the executive officer in charge of promoting environmental activities, was established as the subordinate committee to deliberate on and review, from specialist perspectives,

policies and visions for the future concerning environmental initiatives, medium- and long-term environmental plans, investment, and monitoring.

In regard to sustainability issues other than those related to the environment, the Sustainability Promotion Meeting has been established as the subordinate council of the Sustainability Committee. Issues are addressed by organizing the Risk Compliance Secondary Meeting, the Sustainability Secondary Meeting, and the Global Compact Secondary Meeting for each issue, with members consisting respectively of persons from related divisions.

Customers	We will provide high-quality products and services that can be used safely and with peace of mind by anyone, and will be working to educate people on the proper ways to use our products, and spreading this knowledge to create good environments for their use.
Employees	We think that the health and safety of our employees is a foundation of the Company's growth. We will improve working environments, respect and promote diversity and inclusion, and engage proactively in talent management. We will also respect the freedom of association and the right to collective bargaining.
Business Partners	We will have our doors wide open to all partners, regardless of nationality or size, and with a long-term perspective be engaged in the achievement of mutual prosperity.
The Environment	We will develop technologies in ways that prevent global warming, and work to minimize environmental loads. Furthermore, we will undertake the conservation of biodiversity and sustainable use of natural resources.
The Community	We will respect the cultures and customs of each country and region, and work to achieve harmony with communities.
Shareholders and Investors	We will aim to enhance corporate value through long-term stable growth based on mutual dialogue.



Human Rights Initiatives

Signing the United Nations Global Compact

In 2017, the Yamaha Motor Group signed the UN Global Compact, a series of principles proposed by the United Nations. The UN Global Compact contains principles regarding human rights and labor, and the signing enables the Company to not only express the Group's approach to human rights both internally and externally but also carry out various activities in order to increase the effectiveness of compliance with these principles. One of these activities was to establish the Global Compact Secondary Meeting under the jurisdiction of the Sustainability Promotion Meeting. Those responsible for human resources, procurement, and other areas related to human rights and labor gather in one place across divisional boundaries to eliminate issues, consider new activities, and confirm progress made. Furthermore, Yamaha Motor actively participates in sub-committees organized by the Global Compact Network Japan—the Japanese branch of the UN Global Compact—and is working to improve its in-house activities through study sessions related to human rights, such as inviting a human rights special interest group for lectures.

Group Company Initiatives

Under the Sustainability Basic Policy formulated by the Yamaha Motor Group in June 2021, we have positioned human rights as a top priority issue common to all stakeholders. To promote Groupwide awareness and understanding of this basic policy, we have prepared versions in 17 different

languages and have received written confirmation of agreement from the management of each Group company. Additionally, we have created explanations for each item to increase transparency for Group employees.

The Code of Ethics, a set of guidelines for the ethics of Group employees, specifies that they must not carry out acts that abuse or deny a person's character according to factors such as race, nationality, ideals, principles in life, physical characteristics, personality, or relatives, and must not carry out any form of harassment, including sexual harassment. We are also striving to enhance employee awareness of human rights through e-learning and training.

Our risk management system, which covers all business units and subsidiaries under the Group umbrella, has a human rights-related component addressing associated risk in our own operations and across the supply chain. We monitor, assess, and formulate measures to mitigate such risk. We also conduct a Groupwide compliance awareness survey each year to gauge how aware employees are about their human rights. We also have a reporting line established to enable employees to report a problem right away in the event a situation arises, and we maintain and operate a whistleblowing system.

Supplier Initiatives

We request that our suppliers support and act per Yamaha Motor Group Sustainability Basic Policy. The Sustainability Guideline for Suppliers includes a section on Human Rights and Labor that clearly states requirements

including respect for human rights, prohibition of child labor, prohibition of forced labor, fair wages, and dialogue and consultation with employees. To increase the effectiveness of such requirements, we obtain written confirmation of agreement from each business partner.

In 2021 and 2022, we conducted survey-based assessments focusing on foreign technical intern trainees. Our headquarters is located in Japan, and this has been a hot-button issue as of late. In addition, we interviewed and conducted follow-up surveys with four Japanese suppliers' management and foreign technical intern trainees in collaboration with a third-party organization.

Human Right Risk Set as a Key Risk within the Group

In 2023, we designated human rights risk as one of the Group's key risks and are working to strengthen our activities. Upon establishing human rights risk as a key risk within the Yamaha Motor Group, commitments were made with regard to governance, human rights due diligence, remediation, relief, education, and reporting and disclosure. We will continue to promote our efforts in each of these areas more fervently than ever by thoroughly spreading information about these commitments to our Group companies and business partners as well as within the Company.

▶ Please refer to the Yamaha Motor Group Human Rights Policy for details.

Health & Productivity Management

We regard the health of our employees as an essential management issue that is indispensable for the Company's development. Yamaha and its employees are working together to promote employee health. The Central Safety and Health Committee, chaired by the Human Resources & General Affairs Center, determines mid-term and annual plans, and encourages initiatives while verifying and improving each measure.

For example, we have reinforced health guidance as a post-medical checkup measure. As a result, the percentage of persons eligible for specific health guidance (motivation and active support) was 18.8% in 2022, a 1.2 point improvement from the previous year.

We have also decided to make the entire premises non-smoking from 2024 as a measure against smoking. Although our smoking rate has improved over the years, it is still well above the national average.

As a result of our promotion of health management, we were recognized among the "Health and Productivity 2023 (White 500)" corporations in the Certified Health & Productivity Management Outstanding Organizations Recognition Program sponsored by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council). We will continue to promote the health and vitality of our employees actively.



▶ Please refer to Health & Productivity Management for details.



Activities for Greater Functional Competitiveness

- 52 Creative Branding & Design
- 55 Research and Development
- 57 Intellectual Properties
- 59 Procurement
- 61 Manufacturing and Production (*Monozukuri*)
- 63 Marketing



Creative Branding & Design

The Company believes that a vital objective of management is to further raise the value of the Yamaha brand and make it shine. The Creative Center, led by Takuya Kinoshita, combines the three functions of branding, design, and innovation. Here, he explains the history of Yamaha Motor's branding, design, and innovation activities and future initiatives.

Takuya Kinoshita

Senior Executive Officer,
Chief General Manager of
Creative Center,
Brand Committee Chairman

Design and Innovation to Enhance Brand Value and Make It Shine

Our brand is one of our most important management resources, and we recognize that creating products based on our core competence of design and innovation and connecting with customers worldwide throughout our time as a company has had a significant impact on our brand.

Since the Company was established in 1955 as an independent enterprise by spinning off the motorcycle division from Nippon Gakki Co., Ltd. (today's Yamaha Corporation), our own brand is based on the larger Yamaha brand we share with Yamaha Corporation. In addition, Yamaha Motor's own unique value aligns with its businesses to date. Our diverse business operations—from manufacturing to sales—combined with the breadth of our markets have created a multifaceted brand that is one of our strengths. Whether it is making motorcycles or pianos, each core product of the two Yamahas, the brand is a partner that offers greater joy through the aspirations of those who use our products. We want to be a brand that continuously delivers new value born from these relationships and carries out our corporate mission to be a *Kando* Creating Company.

From the design of motorcycles at the time of our founding to the outsourcing of work to GK (now GK Design Group Inc.), we have delivered numerous products to people up to the present day. In 1975, in anticipation of business and market expansion, we established a design group company. Since acquiring control of the company in 2012, we now have an in-house design organization but also maintain a co-creative relationship with GK as an external partner. It is precisely because we have both

outside and inside perspectives that we can better understand our company's strengths and design products that capture the values of an increasingly diverse world as well as the future expectations of our customers.

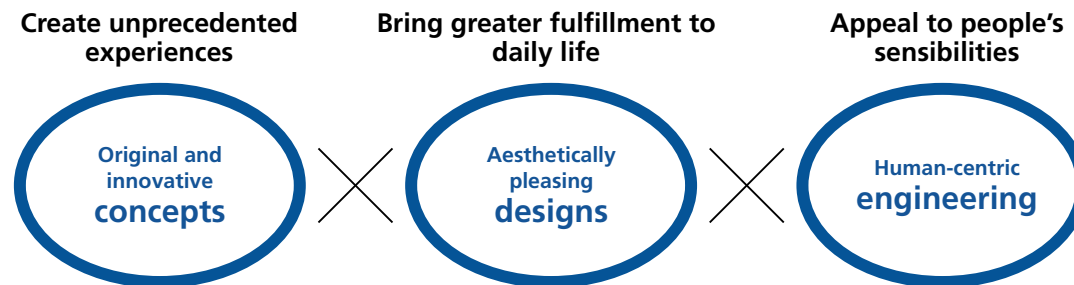
In addition, as we go into the field, meet new customers, and demonstrate our strengths and creativity, the new *Kando* generated there has become a source of innovation and exploration of fans and categories. We recognize that our business and markets have grown as we have expanded our technological domains, starting with motorcycle engines and chassis, then outboard motors and boats, electrically power-assisted bicycles and electric wheelchairs, industrial-use unmanned helicopters and drones, robotics, and other products.

To further strengthen these core competencies, we established the Creative Center in 2020, which combines the three roles of branding,

design, and innovation. Only some companies take on these three as a single entity, and this organization is designed to embody the uniqueness of our company.

In the previous *Integrated Report*, we stated that the Creative Center should be "mediatized" to continue to create these unique intangible assets. The Creative Center was to function as a media outlet for internal use, including those in management, and to carry a more social interactive function for customers, partners, and others. The following pages will explain the results of these activities, the recognition of issues, and future efforts.

Innovation Style of Yamaha Motor



The Company's innovation style combines three elements aimed at expanding human possibilities to create *Kando*

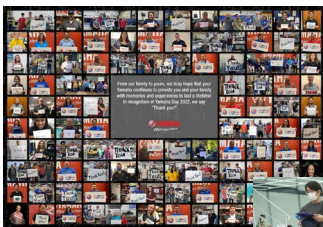
Achievements: Activities Connecting Us to Society

Activities to Connect People Internally

Yamaha Day: An In-house Event Where All Employees Reflect on Their Company's Brand

The theme for Yamaha Day 2022 was "Ties in a new age." This theme conveys that, as the advent of a pandemic raises questions about the connections between people, we should reevaluate those connections while being grateful to our stakeholders. For example, in response to this theme, our U.S. offices asked customers and employees to speak about their passion for our brand and how it is rooted in their daily lives. These testimonies were then compiled into a single video and distributed to all employees. Such activities for Yamaha Day are held by the Group around the world.

In addition, the Iwata headquarters in Shizuoka Prefecture brought back the special open house day for employee families in 2022, which was an annual event before the pandemic. As a result, the number of participants reached a new record and post-event surveys (answered by a test sample of employees for trial analysis) indicated that Yamaha Day contributes to improved employee engagement. We plan to continue our efforts with this initiative next year and beyond as an essential undertaking for the headquarters, where engagement is lower compared to our overseas Group companies.



[CLICK HERE FOR VIDEO](#)

Yamaha Day initiatives by U.S. subsidiaries



Clay modeling experience at the open house event

Activities to Connect the Company and Society

YMR-II Industrial-Use Multirotor Drone

Despite the need to improve Japan's food self-sufficiency rate, which is considered the lowest among developed countries, the Japanese agricultural workforce is rapidly aging and declining. This product was developed by the High-Spec Drone Development Consortium in a project commissioned by the National Agriculture and Food Research Organization (NARO), aiming to create safe and cybersecure domestically manufactured agricultural drones. The basic elements of the airframe are based on fundamental technologies that other companies can use, while the design development pursues structural beauty. This initiative will also contribute to improving the international competitiveness of the domestic drone industry.

TY-E 2.0 Electric Trials Bike

The TY-E 2.0 is one project in our approach to achieving carbon neutrality in uniquely Yamaha ways. The goal is to gather information for development by acquiring data and identifying issues through actual trial competition, aiming for fun that surpasses that of internal combustion engines by taking advantage of the powerful low-speed torque and other benefits only electric powertrains can offer. The machine and its team made a wildcard entry in the FIM Trial World Championship in 2022 and is competing full time in the premier IA Super class of the All Japan Trial Championship from 2023.



Activities That Create Social Connections

Town eMotion: Community Co-Creation for Value Creation

To bring a better state of well-being to people and the world in ways unique to Yamaha Motor, we are working to create, confirm, and demonstrate to society the value of integrating vehicles and urban development. The experience and ideas from co-creating with the local community in Tokyo's Setagaya Ward and Kamakura in Kanagawa Prefecture are being put to use this year in Yamaha Motor's hometown of Iwata in Shizuoka Prefecture. We ran our Green Slow Mobility vehicles at the Making Smiles event near Mikuriya Station, receiving comments from local residents such as, "This isn't just about getting around, but also fosters communication among fellow passengers as well as between passengers and townspeople." We will continue striving to create functional transportation and the emotional value that leads to *Kando*.



Green Slow Mobility in operation in 2023 (Iwata, Shizuoka Prefecture)



Mobile parklet integrating pedestrian and vehicular spaces in 2022 (Setagaya Ward, Tokyo)

Researching Human Emotions

To achieve our corporate mission to be a *Kando* Creating Company, we are working with Yamaha Corporation and the California Institute of Technology on research that will reveal and recreate the essence of *Kando* experiences through science and art. The experiential installation (an interactive artwork) allows visitors to experience the results of our research, and was exhibited at South by Southwest 2023, a cutting-edge technology and innovation festival held in the United States. Visitors that tried the artwork commented that "we might as well call this engineering emotion." We will continue to clarify the essences in *Kando* further and use this know-how to enhance the value of our products and services.



Branding Challenges and Future Initiatives

As people's values continue to change with the advancement of information and communication technology, and with sustainability drawing attention through global issues such as climate change, the recent pandemic has only further accelerated these changes. Under our corporate mission to be a *Kando* Creating Company, we not only offer the world various *Kando* through our products but also make long-lasting contributions to society by helping to establish the foundations for daily life and industries. To be recognized as a *Kando* Creating Company in a world continually being built upon new values, it is necessary to communicate the priorities mentioned earlier and the orientation and attitudes we have cherished to date to a new generation of stakeholders in ways that are

easy to understand. To that end, we plan to focus on the following three activities.

1. Conduct and communicate activities symbolizing the Yamaha Motor brand

We will launch activities at our headquarters to communicate our appeal as a *Kando* Creating Company both internally and externally in a symbolic and easy-to-understand manner. With this, we aim to expand and enhance our brand awareness, especially among stakeholders of the coming generation.

2. New brand value evaluation methods

In conjunction with the launch of the activities described in 1, we will also work on creating new evaluation methods to implement the PDCA cycle with branding activities more effectively.

3. Strengthen branding governance

Simply promoting efforts to expand and enhance brand awareness will be meaningless if it results in unintended situations that could damage the brand instead. We will further strengthen the governance structure for branding with a base at the headquarters.

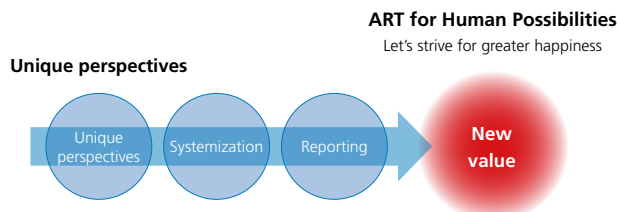
ART for Human Possibilities: The Creative Center's Captivating Future Initiative

Last year, the Creative Center defined putting forward a Captivating Future Vision as its goal for existence. Setting up and carrying out the roles to make that possible is necessary. Industries and technologies are evolving significantly and quickly, and given the magnitude and diversity of changes in stakeholder values and customer relationships, the current way of doing design and innovation will need to evolve as well. In light of these challenges, we would like to make a Captivating Future Vision a driver of the following three initiatives to increase the number of our Yamaha Motor fans.

▶ Captivating Research

Our objective is to create the future through new value amid various societal issues that are rapidly changing and progressing. We will conduct research to form a common understanding of the current situation, from which we will isolate our own unique perspective and have our departments systematize and reorganize the findings. We plan to utilize the information for creative pursuits in our departments but also to report it internally and externally.

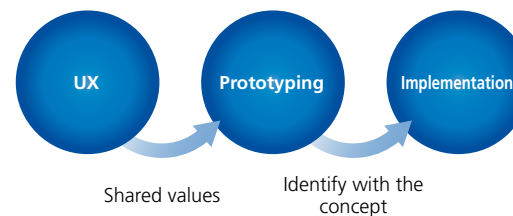
Research to Create New Value



▶ Captivating Design

Our goal is to maintain a design language that will win support despite people's increasingly diverse values. We will share values through user experience (UX)-driven design and continuously create prototyping opportunities. The plan is to test hypotheses, develop designs that meet the latest global values, and evaluate them.

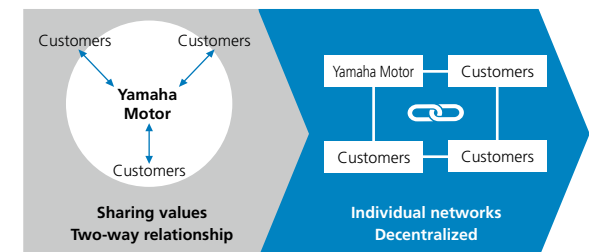
Creating Designs That Captivate



▶ Captivation by Connecting with Fans

We are seeing signs of change in how we connect with people, communities, and society through the evolution of information and communications technology. While understanding these changes, we plan to build a new community to have people become fans of Yamaha Motor as a corporate entity. We believe that connecting with our fans will lead to future and sustainable customers. This falls under the Y-DX3: Create the Future action theme of our DX strategy.

Connecting with New Fans in Response to Change





Research and Development

The world is undergoing rapid changes, such as COVID-19 transitioning from being a pandemic into being endemic, increased awareness of sustainability, and the acceleration of digital transformation (DX). Against this background, we will set a new direction for our core technologies in our R&D and shift existing technology areas. Through this, we will realize our Long-Term Vision of “ART for Human Possibilities: Let’s strive for greater happiness” and our corporate mission to offer new excitement and a more fulfilling life for people all over the world.

Kenji Komatsu

Executive Officer,
Chief General Manager of the
Technical Research &
Development Center

Focus on Human Subjects Research for Differentiating Technologies and Promoting R&D to Expand Human Possibilities

Our corporate mission is to be a *Kando* Creating Company, seeking to offer people around the world new excitement and a more fulfilling life, and our Long-Term Vision for 2030 is “ART for Human Possibilities: Let’s strive for greater happiness.” We have defined and are promoting focus areas to realize this vision and have also updated our Companywide technology strategy. This serves as our driving force, and we have redefined human subjects research, which we have been conducting for some time, as fundamental research for us. This stems from our belief that to bring out people’s possibilities and provide them with greater happiness, we must first better understand what it means to be a human being.

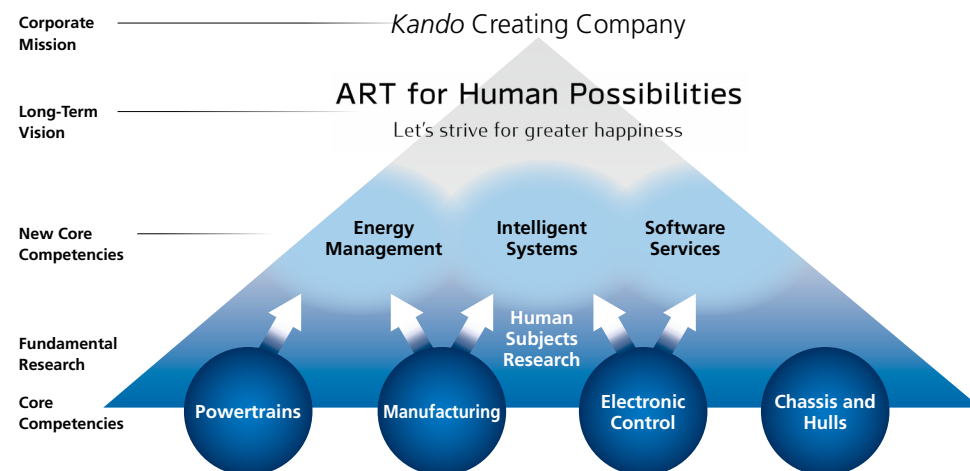
The scope of human subjects research is wide-ranging and relates to studies in many fields. We will work with a broad and multifaceted perspective regarding human behavior, thoughts, social interactions, cultural contexts, biological aspects, and human growth and development. From this, we aim to gain deep insights about humans that lead to new *Kando* and a more fulfilling life. We will also contribute to Yamaha Motor’s Safety Vision through the research of human sensibilities and capabilities and its application to technologies.

Nowadays, anyone can obtain a great deal of information, with answers to almost any question quickly fetched through the development of AI. It

is precisely because we live in this era that we must ask ourselves, “What do we need to offer our customers *Kando* and a more fulfilling life?” By going back to the basics of human subjects research and conducting R&D down to the processes that may bring us closer to answers, we can achieve new *Kando* creation. Value that appeals to people’s senses is universally present in our products and services. In order to continue to create such value, the Technical Research & Development Center, our Companywide technology hub, will take the lead in R&D endeavors.

Companywide Technology Strategies

The heads of all technology divisions at Yamaha Motor sit on the Technology Committee, which formulates our Companywide technology strategy. Since 2022, we have been studying our core technology policies to realize our Long-Term Vision, positioning the creation of new value (products and customer experiences that appeal to their sensitivities), solving societal issues (materiality issues), and providing enjoyment as the value we offer. With this in mind, we have defined Energy Management, Intelligent Systems, and Software Services as new core technology areas, and have redefined human subjects research as fundamental research. We will continue to refine our existing core technologies and promote research themes and resource management in order to acquire new core technologies.



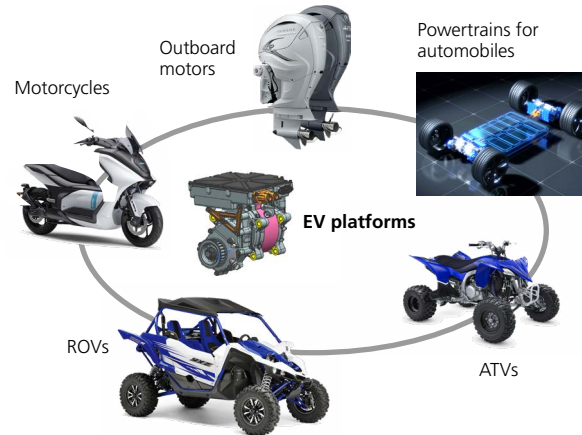
Example 1: Energy Management

As part of our efforts to become carbon neutral, we are working on energy management that pursues efficient energy use, including electrification, carbon-neutral fuel compatibility, internal combustion engine fuel efficiency, and energy conservation in production.

Since our establishment, we have developed a diverse range of products with strength in powertrains tailored to each country's energy situations and product characteristics. The following is an introduction to these initiatives.

▶ Electrification

We will plan, develop, and produce highly competitive EV platforms to accelerate the electrification of a diverse range of products.



▶ Carbon-Neutral Fuel Compatibility

We will continue to explore the fun and convenience inherent to internal combustion engines while aiming to achieve carbon neutrality through endeavors such as the development of motorcycles compatible with bio-ethanol fuels and the development of hydrogen engines for automobiles.



Example 2: Safety Vision

We aim to create a world free of accidents together with our customers based on our *Jin-Ki Kanno* × *Jin-Ki Anzen* Safety Vision, in which users can experience the joy and *Kando* that comes from advancing their own skills and abilities while having fun at the same time. The following is an introduction of the three pillars of the vision guiding our activities.

The TRACER9 GT+ is an embodiment of the *Jin-Ki Kanno* × *Jin-Ki Anzen* Safety Vision.



▶ Technology

Technologies, such as radar-connected braking systems and human-machine interfaces (HMI), assist riders in identifying potential dangers, making sound judgments, and skillfully operating the vehicle, helping provide comfort and peace of mind.



This HMI calls for rider intervention when the system determines the motorcycle is getting too close to the vehicle in front while using adaptive cruise control.

▶ Skills

Utilizing knowledge gained from the development of motorcycles, sensors detect and analyze the acceleration, deceleration, and turning conditions of a learner's motorcycle in order to give feedback that helps improve their skills.



Training using the Yamaha Riding Feedback System

▶ Connectivity

The Y-Connect app provides safety-related feedback to the rider to assist in reducing the risk of accidents.



Expansion of Y-Connect app safety functions (deliberation stage)



Intellectual Properties

We are promoting intellectual property strategies on a global basis and working to create, protect, and utilize intellectual property rights unique to Yamaha Motor. Through these efforts, we aim to use our intellectual property to raise corporate and brand value and fulfill our corporate mission to be a *Kando* Creating Company.

Takeo Kitanaka

General Manager of Legal & Intellectual Property Division,
Human Resources & General
Affairs Center

IP for Business

Under the banner of “IP for Business,” Yamaha Motor carries out its intellectual property tasks based on its Four Policy Pillars of Intellectual Property Activities.

The Company is actively using intellectual property analysis through collaborative initiatives with the divisions in charge of various technology areas. Reporting on intellectual property activities, such as analyses of intellectual properties present in growth areas, is one of the duties of the Technology Business Committee, which discusses technical strategies from a long-term business perspective.

Company executives and management receive an annually published Technology White Paper, which provides visualizations and suggestions about trends in technology based on intellectual property analysis, along with suggestions about the layout and contents of white papers from an intellectual property perspective. This creates value according to the Four Policy Pillars of Intellectual Property Activities.

Four Policy Pillars of Intellectual Property Activities

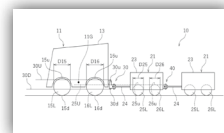
- (1) Move one step ahead of conventional intellectual property activities that consist primarily of intellectual property creation linked to product and technology development in existing businesses
- (2) Pursue intellectual property activities that preempt technological developments and the expansion of business areas by looking beyond our existing technologies and markets
- (3) Indicate advanced fields that target further preemption and business area expansion through analysis of the intellectual property landscape
- (4) Contribute to management decisions and strategy formulation from the perspectives of intellectual property analysis and market and technological growth analysis

Intellectual Property Activities to Achieve ART for Human Possibilities

Through our work to realize our Long-Term Vision for 2030 of “ART for Human Possibilities: Let’s strive for greater happiness,” we are aiming to not only solve critical societal issues and achieve sustainable growth but also to enhance our corporate value. Our intellectual property departments are involved in our business activities from the earliest discussions and create the core intellectual properties needed for reaching these goals.

SDGs: Outdoor Automated Transport Services

Submitted patent applications for vehicle structure (below left), a visualization system for factories utilizing automatic guided vehicles that accounts for further expansion of such automated vehicle services, and a cargo handling system to facilitate the operation of automatic guided vehicles.



(patent-pending)

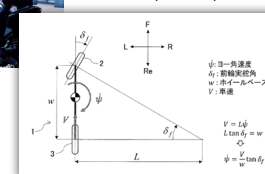


SDGs: Motorcycle Stabilization Support System

Engaged in intellectual property activities from the perspective of the three pillars that support the *Jin-Ki Kanno* × *Jin-Ki Anzen* Safety Vision: Technology, Skills, and Connectivity. Applied for a patent for a system that stabilizes a two-wheeled vehicle even at low speeds via technology controlling drive and steering forces.



(patent-pending)

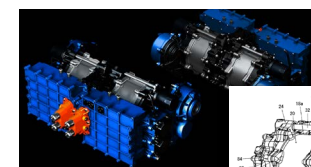


AMSAS

Trademark

SDGs: Making Carbon-Neutral Products: alive EE (Electric Engine)

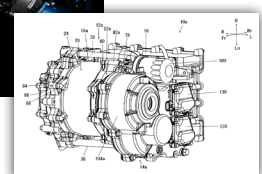
Proposed electric components utilizing our internal combustion engine expertise and technology that can withstand high power output. Applied for a patent on the housing arrangement for electric motors, etc.



(patent-pending)

Trademark

alive



Intellectual Property Activities and Portfolio Underpinning Business Strategies

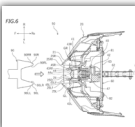
Our intellectual property departments become actively involved in our businesses from an early stage. This is to visualize the growth areas beyond each business strategy through various intellectual property analyses and to promote the use of intellectual property mixes—a combination of patents, design rights, trademarks, and other rights—in line with the business strategy. For example, by acquiring not only design rights related to the appearance of our products but also patent rights that view the appearance from a technical viewpoint, we can create unique value through multifaceted intellectual property protection of our products and services.

The Motorcycle and Marine Product businesses, positioned as core businesses in our business portfolio, rank high regarding the share of essential patents and the number of new inventors (shown below), securing a high advantage in patent creation efficiency over our competitors. Meanwhile, the Robotics and SPV businesses are positioned as growth businesses in our portfolio. With these, we will continue to invest resources for growth and increase the number of new inventors to support business expansion while aiming to secure a competitive advantage over our competitors.


Yamaha Motor is taking resolute action in cooperation with the intellectual property authorities of each country against any infringement of the intellectual properties that support its core and growth businesses. We are responsible for protecting the Yamaha brand through trademark registration in most parts of the world, creating value, and securing superiority based on business strategies in all countries and regions.

Core Business: Motorcycle Business—The YZF-R15 in Our Premium Segment Strategy


Overall Product and Design
(patent-pending)
Headlight mounting arrangement to create the distinctive front design



Design rights



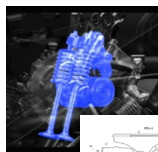
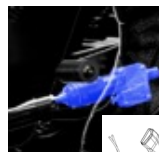
Y-Connect




Y-Connect Trademark
(patent-pending)
Unit to connect vehicle and smartphones

Engine

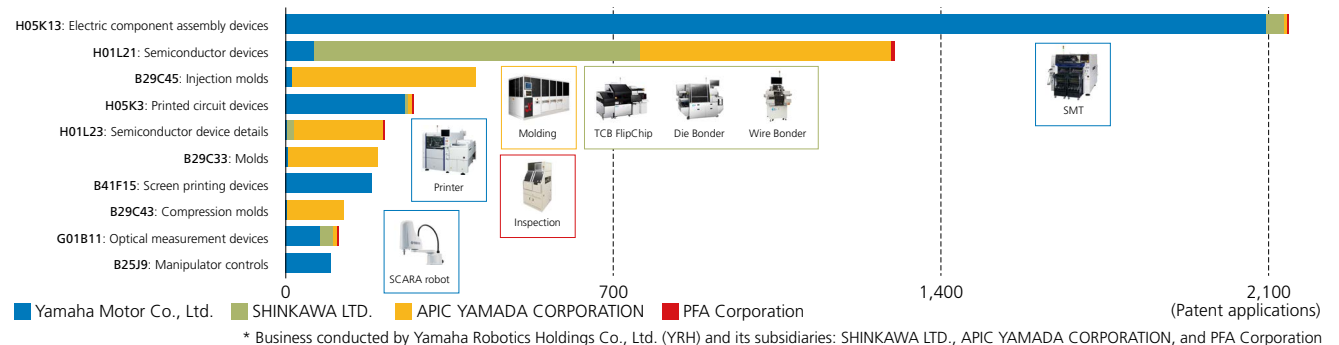
Variable Valve Actuation (VVA) Quickshifter

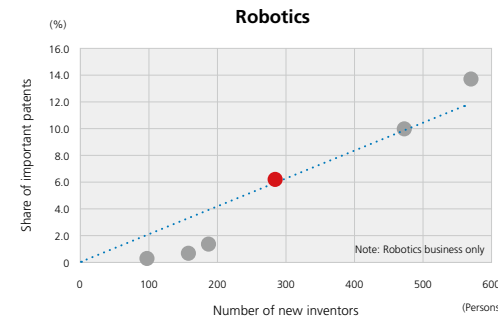
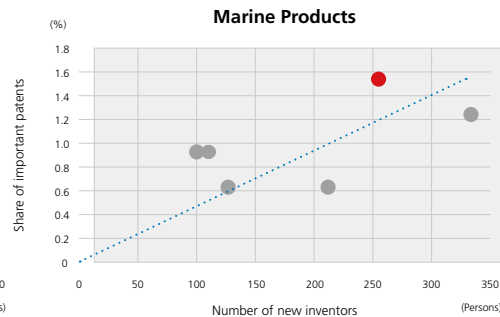
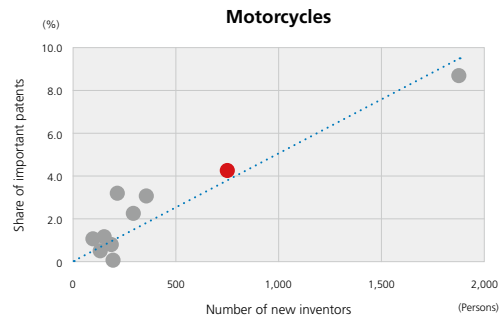
Patents Actuator layout Patents Sensor layout



Growth Business: Robotics Business—Expansion of Intellectual Property Portfolio through Integration of YRH Businesses



Share of Important Patents and Number of New Inventors



*1 Number of new inventors: Number of new inventors who filed applications in the last 10 years. Indicates the level of focus on human resource investment.
 *2 Share of essential patents: Percentage of patents in the top 5% of the annual average number of citations in a specific population. Indicates market dominance or pricing power in a specific area.
 *3 The dotted line is an approximate linear line for each point. Indicates the average of competing providers in terms of efficiency in creating essential patents.
 *4 These indices are based on data from the *Intellectual Property/Intangible Asset Investment and KPIs* materials presented at the 16th meeting of the Study Group on Effective Disclosure and Governance of IP Investment and Utilization Strategies by the Intellectual Property Strategy Headquarters, Cabinet Office, Government of Japan; and the *Establishment of KPIs, etc. for Intellectual Property in Accordance with the Revision of the Corporate Governance Code (Interim Report)* working paper from The University of Tokyo Institute for Future Initiatives.



Procurement

To offer new excitement and a more fulfilling life for people all over the world by continuing to deliver our unique, high-performance, high-quality products around the globe, procuring a diverse variety of quality parts and materials with a global perspective becomes crucial. By proactively communicating with our suppliers and business partners, we develop trusting relationships and engage in *Monozukuri* based on a spirit of co-creation with uniquely Yamaha efforts that not only raise global competitiveness but also earn the respect and appreciation of society and mutually raise the corporate value of all parties.

Tatsuya Masuda

Executive Officer,
Chief General Manager of
Procurement Center

Co-Creating with Yamaha Motor to Increase Corporate Value and Competitive Strength

We made “co-creation” the global procurement policy guiding our activities over the current three-year Medium-Term Management Plan that began in 2022, and this expresses our desire to work with our suppliers to create new value and strengthen our competitiveness through manufacturing.

The three pillars of “growth,” “profitability,” and “robustness” are upon which we and our suppliers will enhance our corporate value. In the first year of the Medium-Term Management Plan, we faced various difficulties, including uncertain global affairs, supply chain disruptions due to repeated waves of COVID-19 infections, and a worldwide shortage of semiconductors. However, we found a way to work with our suppliers to overcome these hurdles and co-create, and in 2023, we aim to return to the field under the premise of living alongside the coronavirus. We will promote each activity by reaffirming with our suppliers the importance of correctly recognizing and solving problems from a *san-gen* (the actual place, the actual thing, the actual facts) perspective rather than armchair arguments, in addition to returning to the three G’s of *genri*, *gensoku*, and *genten* (theory, principle, and point of origin).

► Growth

In terms of increasing growth, amid the technological innovations in the mobility space exemplified by CASE (connected, autonomous, shared & service, and electric), matching our needs with the seeds of our business partners will be the key to evolving our products. To make this matching process efficient, it is crucial to discover the unique technologies of our suppliers and connect them with our development departments at an early stage.

For the E01 and NEO’s electric scooters released last year, our development and product quality departments worked on a global scale during the production preparation stage.

In the future, we will consider the unification of component specifications across businesses as we diversify powertrains and introduce technologies in advanced areas, as well as medium- to long-term partnership strategies, to realize this type of unification.

► Profitability

For profitability, we will continue to put the strengths and weaknesses of our business partners into visual form in order to strengthen our existing businesses and take balanced actions to promote initiatives that will enhance their competitiveness. We involve the top management of our business partners to achieve a shared understanding of what we aim for with our manufacturing through co-creation, and promote manufacturing by analyzing current conditions and implementing theoretical-value-based thinking at our business partners’ sites. In 2022, on-site activities were sometimes stagnant due to the COVID-19 pandemic, but from 2023, we will accelerate our efforts as we return to the field.

In addition, we have begun sharing know-how from our internal Smart Factory initiative with our suppliers. Rather than introducing large-scale equipment and materials from the outset, we support introducing smart technologies that meet the needs of our suppliers’ sites. To make it easier for our suppliers to adopt their own smart factory initiatives at their sites, we set up a permanent exhibition space at our Suppliers Center in 2022 to share examples of our implementation. Furthermore, to develop the human resources necessary for elevating DX at our suppliers’ sites, we take on next-generation leaders from our suppliers as trainees and provide them with the experience of converting their sites into smart factories, working together to improve technology and human resource profitability.

► Robustness

To ensure stable business continuity and growth for our suppliers and the Company in the future, we will ensure the robustness of Yamaha Motor, its Group companies, and the entire supply chain by ensuring legal compliance, concern for the environment, and consideration for human rights.

In 2019, we conducted on-site checks of our suppliers in Indonesia to confirm there were no problems with the working environment or worker health and safety. We also surveyed suppliers and technical intern trainees in Japan from 2021 to 2022. Assessments and follow-up surveys of the four suppliers further confirmed no problems.

We constantly acquire information on laws, regulations, and trends regarding environmentally hazardous substances in all countries. By conducting non-use surveys with our suppliers regarding substances that require action, we prevent problems before they occur and ensure compliance with laws and regulations.

Responding to Risks with Business Partners to Aim for Sustainable Growth

The Procurement Center is working with suppliers to achieve more stable parts and raw materials procurement to realize sound production in the face of various possible risks.

In preparation for natural disasters such as typhoons and earthquakes, we maintain an up-to-date understanding of our upstream supply chain network during normal operations and have built a system that allows us to make quick decisions and respond to emergencies. Nowadays, the types of risks that need to be addressed are becoming more diverse, including the threat of cyberattacks. We hold seminars for our domestic business

partners to remind them of the importance of these measures and share information on items each company should implement to enhance resilience throughout the supply chain.

In response to the global shortage of semiconductors, we are developing components using more commonly available semiconductors and making the upstream supply chain of semiconductors easier to understand visually in order to share our long-term production plan quantities with primary, secondary, and tertiary suppliers and thereby ensure stable procurement.

Working Toward Carbon Neutrality in the Supply Chain

While the entire supply chain needs to work toward making carbon neutrality a reality, each supplier's efforts vary greatly depending on their circumstances. To accelerate our efforts to reduce CO₂ emissions, we held a briefing session in 2022 for our suppliers to explain our direction and initiatives. In addition, we had study sessions on how to provide visuals or displays of carbon emissions for suppliers who wished to participate, promoting the understanding of emissions at each company to get a better picture of the entire supply chain. Furthermore, 13 companies with unique technologies and know-how regarding carbon emissions reduction shared information in the form of technology exhibits and seminars to promote carbon-cutting activities at each company involved in the supply chain.

To shed light on one of our specific initiatives, we have worked with our suppliers to develop recycled polypropylene materials for plastic parts that

do not use environmentally hazardous substances. This scheme reuses polypropylene scraps from the resin material manufacturing process, which were previously disposed of, thereby contributing to environmentally hazardous substance-free and carbon-neutral production. These materials are already being used in products in ASEAN countries, and we will continue to expand the range of products and regions covered.

We are also the first motorcycle manufacturer in Japan to begin using green aluminum—aluminum refined using renewable energy with low CO₂ emissions—as a raw material for aluminum motorcycle parts. We have rolled out this material in larger motorcycles and off-road competition models, with plans to expand use of the material in more models once we can secure a greater supply.

Diverse Human Resources to Tackle Global Challenges

The environment surrounding the supply chain is becoming more complex every year. As each region encounters various situations, solving procurement issues with standardized measures is becoming increasingly difficult.

As a framework for discussing such procurement issues on a global basis, we have formed subcommittees where procurement managers, as representatives from each site, gather and discuss such challenges. The conclusions from these subcommittees are further discussed and approved

by the Procurement Global Executive Committee (PGEC),* after which a global policy is decided. Through this framework, these opportunities for discussion are expected to help the Group's personnel develop a worldwide perspective and play an active role in the Company, making it doubly effective as a venue for global human resource development.

* A policy-deciding committee composed of procurement managers from overseas sites and the Procurement Center

Message from Management



Olivier Prevost

Deputy Executive Officer,
YMC Vice President,
Yamaha Motor Europe N.V. (YMENV)

Collaborative Innovation for Carbon Neutrality

In order to address the issue of climate change, we are required to decarbonize our economic activities. With Environmental Plan 2050, Yamaha Motor sets up ambitious goals to achieve. Procurement activities and carbon neutrality are linked when it comes to sustainability. To achieve carbon neutrality, organizations need to consider the environmental impact of their purchasing decisions and prioritize sustainable practices across the whole supply chain.

Procurement is the function that is able to reduce the emissions from the upstream ecosystem and contribute to the goal's achievement. For this purpose, we have to implement systemic changes and a focused approach. Systemic changes are necessary to enhance the competence of purchasing teams and suppliers in order to develop sustainable procurement criteria that consider environmental factors, review our operational and management processes, and collaborate with companies that align with our company's goals. A focused approach involves identifying CO₂ emissions and concentrating on reducing them. We are working with our suppliers to visualize CO₂ emissions generated in the manufacturing process for components and raw materials in the supply chain, reduce energy consumption based on theoretical-value-based thinking, and reduce emissions through new technological developments.

This approach and such changes require collaboration with all stakeholders. We have to engage in dialogue to encourage suppliers to adopt sustainable practices and explore innovative solutions. A carbon neutrality approach also requires strong "Collaborative Innovation" with our suppliers in order to enhance our mutual corporate value.



Manufacturing and Production (*Monozukuri*)

Yamaha Motor is accelerating its circular economy initiatives and carbon neutralization efforts to create sustainable value. The Manufacturing Center considers recycling materials and reducing CO₂ emissions from materials and parts to be critical issues. We aim to accelerate these efforts to make a positive impact on the environment. We also globally promote creating new value in the field in order to deliver products that satisfy our customers.

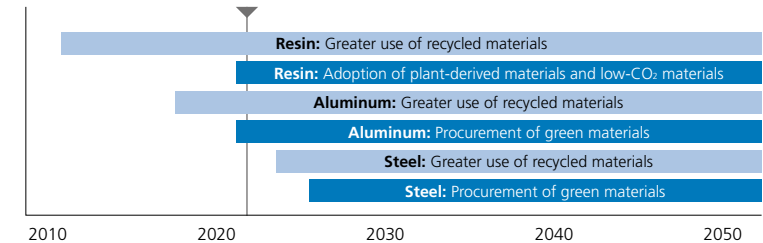
Koutarou Ueda

Executive Officer,
Chief General Manager of
Manufacturing Center

Toward a Circular Economy

1. Efforts to Reduce CO₂ Emissions from Purchased Materials

We aim to switch all materials to low-CO₂ materials by 2050 by promoting (1) the use of recycled materials, (2) the use of materials produced with renewable energy (green materials), and (3) the use of plant-derived biomass materials. For example, the switch to recycled aluminum alloys has been completed for most materials used for in-house parts. In addition to developing new ways to use recycled materials, we became the first Japanese motorcycle manufacturer to begin procuring green aluminum (as virgin aluminum) in February 2023. For resin, we have been an industry pioneer in using recycled polypropylene materials made from market-recovered materials since 2010. Subsequently, we developed new recycled polypropylene materials to comply with stricter regulations on environmentally hazardous substances, for which production began in November 2022. In addition, as an application of biomass materials, we have decided to use polypropylene materials containing cellulose nanofiber (CNF) for select marine product parts, an industry-first.



2. Promotion of Resource Recycling

We aim to reduce the use of resources as well as repeatedly reuse them to help achieve a sustainable, recycling-oriented society, working to minimize facility waste through 3R initiatives (reuse, reduce, recycle). The new goal we have set is to recycle all waste by 2050 and the Company is moving forward with measures to that end.

One of these initiatives is to extend the life of production materials, and as such, we are working on extending the life of fluids used for cutting processes. Metal chips and fragments are a breeding ground for micro-organisms, so we have increased the degree of removal to prevent the cutting fluid from putrefying. In addition, we have switched the dilution water to low-hardness river water to avoid the liquid separation that accompanies concentration, thereby doubling the life of the liquid compared to conventional means.

As a result of these efforts, the amount of waste per sale in 2022 was 43% less than in 2010. We will continue to push these and similar resource-recycling efforts forward.

New Goals for the Manufacturing Phase

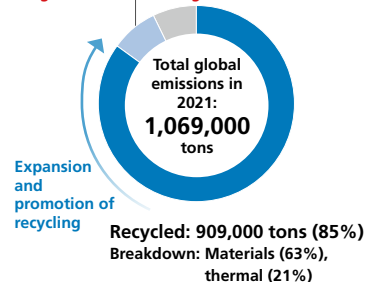
Improving Recycling Quality
Higher material recycling rate

100% Recycling Rate by 2050 (zero landfill)
Medium-term target: 99% by 2035

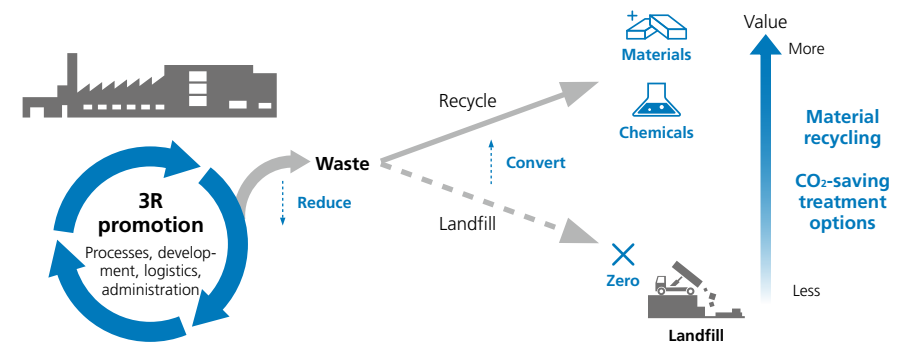
Industrial Waste Reduction
Decrease by 1% per year compared to 2019

Emissions

Landfill: 81,000 tons (8%)
Unknown: 79,000 tons (7%)
Target of zero



Production Process



Theoretical-Value-Based Energy × IoT to Take the Energy Conservation Grand Prize

Toward achieving a decarbonized society, we are accelerating our efforts to minimize energy use and utilize clean energy by expediting our goal of factory carbon neutrality from 2050 to 2035.

Within the mindset of minimal energy use, theoretical-value-based energy is positioned as a pillar of our carbon neutrality efforts. We view energy in terms of theoretical values and aim to minimize energy consumption by considering the energy that is truly necessary as energy with “value” and all other energy usage as targets for improvement. Compared to the conventional method of cutting visible losses, this method enables a higher level of energy conservation in that it determines the desired state based on theoretical values and pursues the realization of that state. As a result of pushing forward on these efforts across all Group companies in Japan since 2013, our CO₂ emissions per unit of production in 2022 were 60% lower than in 2010. This is an average reduction of 5% per year, several times greater than previous outputs. We have been promoting efforts to achieve the ultimate form of energy conservation at the Hamakita

Factory since 2020 by combining theoretical-value-based energy based on our long-accumulated know-how with cloud IoT visualization. To achieve zero standby power use on machining lines, we have thoroughly implemented automatic shutdowns by modifying equipment control circuits, achieving energy savings down to the second that humans cannot perform and recording energy savings of 32% compared to conventional methods while incurring zero improvement costs.

These efforts were recognized last year when the Company was awarded the Energy Conservation Grand Prize. We see the challenge of going carbon neutral as an opportunity for new growth and will contribute to global environmental preservation, improve our corporate competitiveness, and continue to be the Yamaha Motor loved by all.



Competitiveness from Theoretical-Value-Based Production and Manufacturing DX Technology—Creating New Value On-Site

We do not see DX technologies for manufacturing merely as tools for cost reduction, but as powerful keys to transform the management of manufacturing sites with customer value in mind.

The concept of theoretical-value-based production is beginning to permeate our manufacturing sites, with model cases surfacing using manufacturing DX technologies casting a light on the future of the workplace,



namely, automating simple tasks to allow people to concentrate more on value-added tasks, such as hypothesis formulation and verification. To convert this value within each division into value for customers, we are promoting efforts to connect globally through the supply chain and manufacture products with the same philosophy. By analyzing and evaluating information on manufacturing gained by each division, such as conditions and quality data, and collaborating with parts suppliers and overseas manufacturing bases, we are enhancing our technical capabilities to guarantee each product we make, one by one. These efforts have already produced many new processes to transform on-site management, such as (1) and (2) below.

- (1) Management of quality product conditions through coordination of manufacturing and quality data with suppliers up to the vehicle frame completion process
- (2) Remote condition monitoring to manage equipment conditions at overseas locations and business partners without the need for highly skilled engineers or analysis equipment

Message from Management



Teddy Cahyadi Yacob

Director, PT. Yamaha Indonesia Motor Manufacturing (YIMM)

Establishment and Expansion of Global Management

We have been promoting a shift from the previous Japan-focused management of manufacturing divisions to global management helmed by the Global Manufacturing Committee (GMC), which was launched in 2020.

In 2022, we invited additional manufacturing leaders from various regions to the GMC and expanded the system to enable management decisions that integrate all regions. Under this system, based on the policies developed at the *Monozukuri* Conference in 2021, we steadily implemented activities throughout 2022 such as developing methods and measures at technology and theme meetings; sharing progress, results, and issues at regional meetings; and cycling through the individual result reports from management reviews and factory visits. We then shared our forthcoming policies through lively discussions at the *Monozukuri* Conference held at the end of 2022.

In 2023, we aim to establish this global management system and further expand the scope of our decisions. At the same time, we intend to resume real-life communication while leveraging the benefits of remote working that arose from the COVID-19 pandemic, thereby achieving more efficient management than ever before. As a manufacturing department, we will continue to contribute to the enhancement of the trust, satisfaction, and loyalty of our customers around the world.



Candid photos from the 2022 MONOZUKURI Conference



Marketing

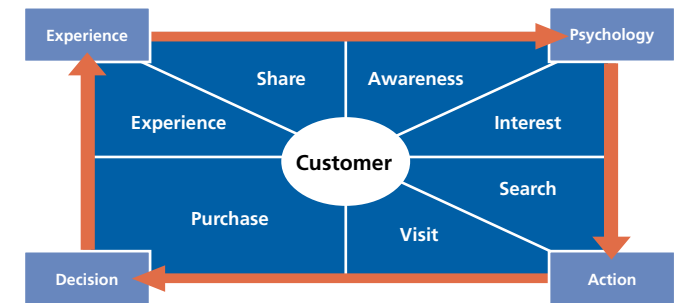
We view marketing not as a mechanism for delivering products and services to customers but as an activity that brings satisfaction and smiles to our customers. Always taking a view from the customer's perspective, we aim to provide value that surpasses clear-cut expectations, uncover potential issues, provide solutions, and solve societal issues through our business.

Kumiko Imai

Executive General Manager of
Overseas Market Development
Operation Business Unit

Marketing That Showcases and Augments Yamaha Motor's Strengths

The Company established "The Global Yamaha Way in Marketing in Sales" to clarify our shared values for conducting marketing in the realm of sales. The overarching vision of this manifesto is "Continuing to Create Lifetime Yamaha Customers," and the program itself brings Yamaha sales bases around the world together to globally share, teach, and learn from one another the knowledge they have cultivated individually while spurring each other to greater heights. Yamaha Motor divides the customer journey into its own seven steps and conducts customer-centric activities for each. This provides a common framework for deliberation among our bases around the world in order to define the objectives, identify the target customers, and thoroughly determine aims and actions aligned with said customers. In sharing successful marketing cases, we employ a "teach and learn" approach that examines why the case was successful, what difficulties were faced, and what is needed for continued success. Doing so leads to in-depth study and discerning of the key factors of the case, and the knowledge born of the discussions is then formulated, accumulated, and shared globally, leading to new successes. Having members from around the world who share the same values gather in the same location for meaningful, customer-centric discussion not only enhances teamwork but also enables the application of knowledge from other countries and will propel us to the front of global competition.



Seven Steps of the Customer Journey as Defined by Yamaha Motor

Overseas Market Development Operations

Under the slogan of "Challenge & Dedication for Prosperity," the Overseas Market Development Operation (OMDO) Business Unit offers Yamaha Motor products and after-sales services in approximately 140 countries and regions, mainly in Africa, Central America, and the Caribbean.

Since the 1960s, we have contributed to the modernization of local fisheries and improved living standards by introducing outboard motors and FRP fishing vessels, and providing instruction on fishing and catch preservation methods through the Japanese government's Official Development Assistance (ODA) arm and other activities in developing nations, especially in Africa. In 1977, the Overseas Projects Division was established as a first step, before today's OMDO department was

established in 1991. Since then, the following three points have been the DNA of our activities, leading us to solve societal issues and expand our business through an approach prioritizing real-world needs.

- Discover real customer needs in the field and propose working solutions to their issues through new products
- Communicate how to use and service the products and encourage customers to use them for a long time through Sales, Service, and Spare parts (3S) initiatives
- Respect the customs and culture of each country

Using outboard motors as an example, the shape and weight of the boats, as well as fishery styles and actual usage, vary entirely from region

to region. With this in mind, we sometimes go aboard fishing boats to better understand the local environment and its severities before introducing an outboard motor that is sure to meet the needs of our customers. These activities are why our outboard motors are loved and trusted worldwide.

OMDO is also currently promoting marketing activities using a new, two-pronged approach of applying *san-gen* principles (the actual place, the actual thing, the actual facts) and digital marketing, something born out of the COVID-19 pandemic. We will further develop our activities in the field by raising the efficiency of training the field staff indispensable for OMDO's business via digital technologies.

Initiative Case Study 1: Go Beyond Caravan

OMDO runs a grassroots initiative with its distributors called Go Beyond Caravan. In addition to displaying and selling products, we visit fishing grounds and other locations with dealers to conduct service clinics for Yamaha users and provide information on proper maintenance using Genuine Yamaha parts and the benefits of using Yamalube-brand products properly. Yamaha is expanding the caravan to various countries worldwide so that customers can use their purchased products safely and for a long time. Although conducting activities locally was challenging during the COVID-19 pandemic, service clinics gradually resumed in the second half of 2022 and local customers have expressed their delight, saying they had grown tired of waiting. Some have even been waiting for three years to repair their outboard motor.



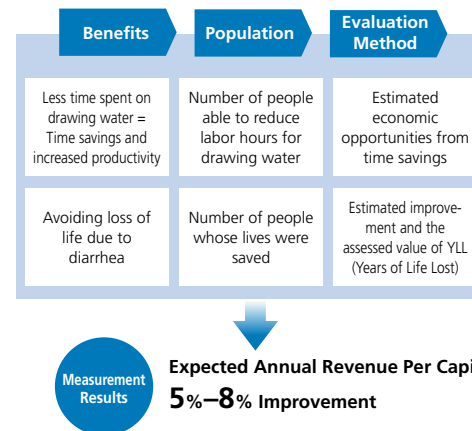
Initiative Case Study 2: Impact-Weighted Accounting in Clean Water Supply Systems

As of April 2023, 50 Yamaha Clean Water Supply Systems (YCW) have been installed. Another OMDO initiative, these water purification systems have mainly been constructed in Africa, and the units installed in the early stages of the project have been supporting the lives of residents for 17 years. Under the “Changing Water Changes Lives” slogan, the clean water business works under the idea that access to drinkable water will significantly impact the lives of local communities. While previous activities have collected qualitative information on the improvement of people’s lives after using a YCW installation, we have taken an impact-weighted accounting approach to provide stakeholders with a better understanding of the social significance of this project from a quantitative perspective.

Although there are still many issues to be addressed in impact-weighted accounting, such as evaluation criteria and calculation methods, we believe it helps better understand our activities, and quantitative inspection from an impact perspective can lead to the discovery of issues that were difficult to see. Expanding efforts to solve societal issues with secondary and tertiary impacts is also possible. Continuing to address such issues through our business lies at the core of OMDO’s founding, and we will continue to take on new challenges in the same spirit in the future.

▶ For further details on our Impact Assessment, please see [Deploying Clean Water Systems](#).

Impact Measurement Framework for YCW Projects



Activities	Outputs	Outcome	Impacts Based on Field Survey Results (Qualitative Evaluation)		
Clean water supply system development Field surveys ODA and other group-building activities NGO collaborations, etc.	YCW system sale and installation Establishment of a service system Establishment of a local water committee (for maintenance and management)	Simplified access to safe water	Less time spent drawing water	Greater opportunities for employment and school enrollment	Improved quality of life Higher resident population Improved self-governance
			Less need to boil or otherwise treat water for use (money and time saved)	Launch of business for selling water outside the village	
			Decrease in cases of diarrhea	Women serving on the water committee, i.e., improved social status	
			Decrease in infectious diseases associated with water consumption or use		
			Decrease in cases of skin disease		

Message from Management



Risa Nishi

Panama Representative Office

Promoting 3S Differentiation Strategy through Close Ties with the Community

OMDO’s Panama Representative Office is conducting studies and gathering information in the Central American and Caribbean markets, which are expected to grow in the future.

I was assigned to this office in January 2023. We first noticed that customers’ needs and reactions differed significantly from country to country and even region to region within the same country. Using commuting as an example, customers commuting to work in Guatemala City value fuel economy, durability, and power to move briskly in traffic jams. On the other hand, customers in small suburban towns that use their vehicles daily to get around place importance on being easy to handle in narrow alleys without being overly powerful. It was a great learning experience to realize that the values customers seek differ from our perceptions. From the Japanese perspective, we tend to discuss Central America as a single group. I was able to reaffirm that to offer value exceeding customer expectations, it is important to really know our customers and to conduct activities rooted in the local community.

In the future, we will work to collect, analyze, and present information by sticking to stores in priority areas to deepen our understanding of customers and take appropriate actions. In the medium term, we would like to take on the challenge of expanding these successful cases to other markets.



Interviewing a private mechanic in the Panamanian market

Management Platforms

- 66 From the Chairman of the Board of Directors
- 68 From the Outside Director
- 69 Outside Director Dialogue
- 72 Directors and Audit & Supervisory Board Members
- 73 Executive Officers
- 74 Corporate Governance
- 82 Risk Management
- 83 Compliance

An Assessment of Our Corporate Governance Structure and Remaining Issues

One year has passed since my appointment as chairman of the Board of Directors, a position that has given me a bird's-eye view of Yamaha Motor's corporate governance structure. In that capacity, I believe the Company is steadily and successfully establishing mechanisms to respond to the increasingly strict demands surrounding corporate governance. Outside directors also make various suggestions during discussions at Board meetings, as they feel they can comfortably engage in open and frank discussions. Still, some issues remain and new ones are sure to emerge, and I believe it is my role to oversee how the Company addresses each one of these issues.

Over the past year, I have felt that one of our strengths in terms of corporate governance is the overall diligence of our employees. If they have a solid understanding of the topic at hand, sound execution is sure to follow. However, while maintaining a uniformly high level of

awareness of issues on a global scale is no easy task, it is still something we are behind on. To address this, we have been actively promoting the use of e-learning. To prevent such educational initiatives from becoming purely perfunctory, we incorporate case studies into our curriculum that feature scenarios that have actually occurred at the Company. In fiscal 2022, we were able to increase both the quality and quantity of these efforts and are seeing the benefits manifest.

The Role of the Board of Directors

Fiscal 2022 was the first year of the current Medium-Term Management Plan. Since business portfolio management is at the forefront of the plan, we focused many of our discussions on measures to that end. In addition, to respond to changes in the external environment, we held several discussions on the themes of carbon neutrality and electrification.

I believe the Board of Directors has three major roles in facilitating such discussions. The first is to oversee the executive officers; the second is to make final decisions; and the third—and perhaps the most important one—is to give advice to executive officers on management issues. To do this, we must first consider precisely which management issues should be brought to the Board's agenda, a true test of nerves for any chairperson. I believe it is also very important that we utilize the Board of Directors skills matrix to raise the quality of discussions, as having a balanced composition of skill sets—selected for their particular importance in the execution of management duties—allows the Board to set pertinent agenda items and provide advice on management issues. As skills matrices are also a revised topic in Japan's Corporate Governance Code, we will review our use of the Board of Directors skills matrix on an ongoing basis.

I will strive to support the establishment of future businesses and foster a Board of Directors that revs up our executive officers in their duties.

Katsuaki Watanabe

Chairman and
Representative Director





Skills Essential to Yamaha Motor

Among the skills essential to Yamaha Motor are experience in global management and expertise in the manufacturing industry, such as development, production, and sales operations. Additionally, if we are to move business portfolio management forward under the current Medium-Term Management Plan, we must establish new businesses with an eye toward our next stage of growth. Experience and knowledge in areas such as business development and mergers and acquisitions (M&As) are essential to this purpose. Furthermore, I think it may also prove effective to introduce branding and communication as new key skills, because I feel there is

room for improvement with the Company's branding efforts and that we need to bolster our communication with society in general. As a manufacturing company, we take great pride in developing, producing, and selling our products. I often hear people say, "You know how good a Yamaha is when you ride one, but you have to ride to find out." I believe we must strive to devise new and creative means to convey how we connect with society and the value we can offer without relying solely on first-hand experience.

Our revised skills matrix is not yet in its final form. Currently, outside directors account for over half the members of the Board, and of the total of 15 directors and Audit & Supervisory Board members, four are women, which speaks to the rise of diversity as one of our strong attributes. We will continue discussions on identifying vital skills and utilizing our skills matrix to further increase the effectiveness of the Board of Directors.

Strengthening Global Governance and Planning for Succession

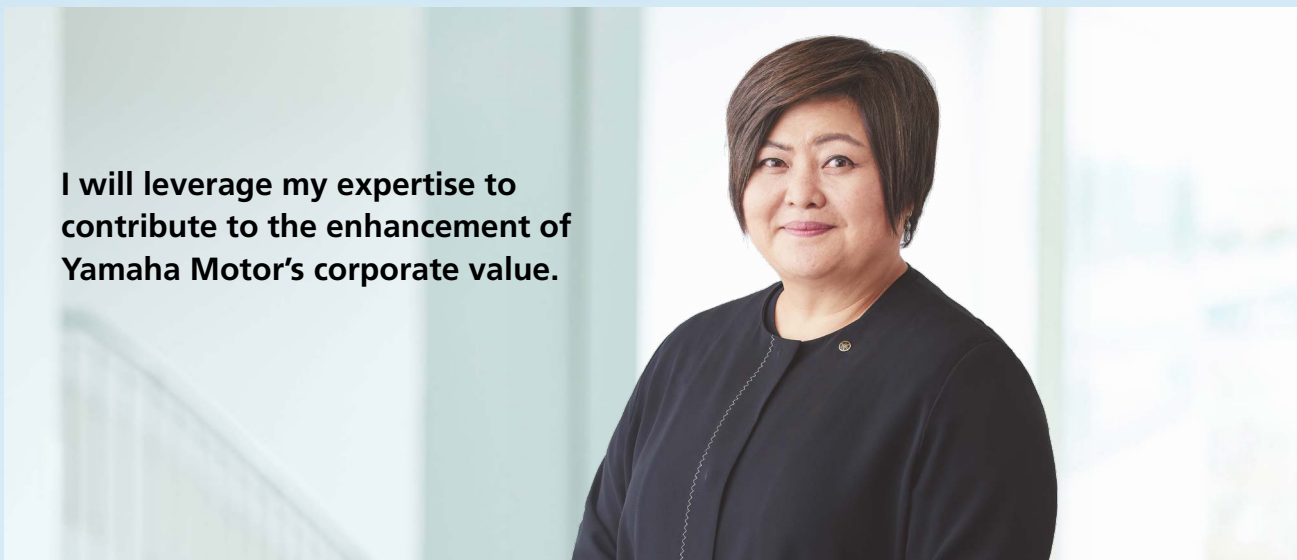
Our corporate governance structure, which we have been developing for several years now at our major subsidiaries both in Japan and overseas, is close to completion. Clarification of the roles of each base and the establishment of contact points has made it easier to communicate on a global level. In addition to building such frameworks, promoting awareness of corporate governance on an individual level is equally important, and we are making steady progress in this regard thanks to the enhanced educational curriculum I mentioned earlier. Moreover, we make it a point to communicate the importance of governance, along with other related issues, to our subsidiary leaders at semiannual global management meetings. President Hidaka also holds monthly one-on-one online meetings with these leaders, which has contributed to increased awareness of governance-related matters.

We are also furthering the delegation of responsibilities and authority to expedite decision-making. For example, we have appointed a fellow*¹ to take charge of the YNS project*² currently underway. To facilitate important decision-making on-site, we are promoting both the sharing of values that form the basis for such decisions and the delegation of authority, which in turn will connect to the development of the successors who will lead the Company into its future generations. Additionally, we are establishing systems to nurture these successors and have developed a candidate registry and database. The implementation and use of these systems will be further discussed moving forward.

*¹ Persons with extensive specialist expertise, abilities, and/or connections in a particular field, appointed to a leadership position in that field by the Board of Directors
*² The Yamaha Motor to the Next Stage (YNS) project aims to optimize day-to-day operations and reform management platforms on a global basis.

To Our Stakeholders

In fiscal 2022, we achieved ¥2 trillion in net sales. We first proposed targets of ¥2 trillion and ¥3 trillion in 2015, but in truth, we did not yet have a concrete picture of what that looked like. However, here we are today having cleared that ¥2 trillion milestone and even ¥3 trillion is in our sights. I am proud to say that we were able to grow to this point through constant discussion and implementation of the measures we felt necessary to reach the next stage of our development, rather than simply assuming that our progress would continue in a straight line on a ¥1 trillion scale. Going forward, I hope for the Board of Directors to continue rewing up its executive officers by selecting forward-looking agenda items and providing accurate advice that will take Yamaha Motor toward its next stage of development. As chairman, I will dedicate myself to ensuring the proceedings at Board meetings are of high quality and humbly ask for your continued understanding and support.



I will leverage my expertise to contribute to the enhancement of Yamaha Motor's corporate value.

Jin Song Montesano

Outside Director

Profile

September 1995:	Congressional Affairs Director of Korea Economic Institute of America (KEI)
July 2001:	Corporate & Government Affairs Director, Asia Pacific of GlaxoSmithKline plc.
July 2005:	Vice President, Communications, Asia Region of GE Money
March 2009:	Vice President, Corporate & Government Affairs, Asia Pacific of Kraft Foods, Inc.
July 2012:	Vice President, Global Public Affairs of GSK Vaccines
November 2014:	Executive Officer and Managing Director in charge of Public Affairs, CSR, and Environmental Strategy of LIXIL Group Corporation
November 2014:	Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation
February 2015:	Director, Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation
September 2017:	Director, Senior Managing Director and Chief Public Affairs Officer of LIXIL Corporation
June 2020:	Director and Executive Vice President in charge of Human Resources, General Affairs, Public Affairs, IR, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Group Corporation
December 2020:	Director and Executive Vice President in charge of Human Resources, General Affairs, Public Affairs, IR, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Corporation
March 2022:	Outside Director of the Company (to present)
October 2022:	Director and Executive Vice President in charge of Human Resources, General Affairs, Public Affairs, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Corporation
April 2023:	Director, Representative Executive Officer, Executive Vice President, Human Resources, Communications, External Affairs, and Impact Strategy, and Chief People Officer, LIXIL Corporation (to present)

Note: As of December 1, 2020, LIXIL Group Corporation and LIXIL Corporation formed a merger (New company name: LIXIL Corporation).

Board Meetings Where Openness and Candid Opinions Are Welcomed

Board of Directors meetings at Yamaha Motor are a place for open and honest discussions during which very frank opinions are exchanged. When I first assumed my post as an outside director, the candidness of these discussions came as a positive surprise. At Board meetings, I can express my views without hesitation because the management team genuinely takes on board any opinions and advice put forward. I have been particularly proactive in making suggestions on topics strongly related to my fields of expertise, namely, enhancing diversity and inclusion (D&I) and strengthening human capital resource management, as they are management priorities Yamaha Motor has set.

Fostering an Inclusive Culture That Generates Innovation

Over the past year since being appointed an outside director, I have had the opportunity to meet many of Yamaha Motor's employees and senior executives both in Japan and overseas. Through such

encounters, I have come to realize that Yamaha Motor's strong global presence is a result of the Company's efforts to build a strong roster of talent that listens and responds well to the changing needs and preferences of each market. Having said that, for Yamaha Motor to remain an industry leader and continue to grow in an increasingly competitive operating environment, I believe it is critical for the Company to be more ambitious in its D&I efforts, because a highly inclusive corporate culture creates the breeding ground for future innovations. Inclusion is about fostering an environment in which everyone, regardless of their differences, believes they can play a meaningful role in an organization's success. Bringing diverse human resources together in this manner is what leads to new innovations.

The COVID-19 pandemic also triggered an increase in demand for personal mobility while adding new segments to the Company's consumer base, particularly women and younger generations. This diversification of demand has shifted customer preferences for Yamaha Motor products as well. Moreover, the Company's own research has shown a shift underway in which women are becoming bigger decision-makers for whether to purchase a Yamaha product, making it extremely important for the Company to strengthen its D&I initiatives to better meet these new market needs in a sustainable and competitive way.

Ramping Up D&I Initiatives and Enhancing Corporate Value

With regard to strengthening D&I, Yamaha Motor has set specific targets that include raising the employee engagement score at the Iwata headquarters to 70% and increasing the ratio of women managers to 13% by 2024. I serve as an executive officer in charge of human resource development at another Japanese company, thus, I am fully aware of how difficult it can be to achieve such goals. However, I am confident that these initiatives hold great importance and will lead to Yamaha Motor's future success. I will strive to not only apply the breadth of my experience and expertise in supporting Yamaha Motor to achieve its goals but also in cooperating with the Board's directors and Audit & Supervisory Board members—all of whom have a wealth and diversity of experience—in order to contribute to enhancing the Company's corporate value.

Takehiro Kamigama

Outside Director
(Term of office: Five years)

Tetsuji Ohashi

Outside Director
(Term of office: Three years)



We will further evolve our corporate governance to achieve growth through transformation.

Outside directors Takehiro Kamigama and Tetsuji Ohashi shared and discussed their individual assessments of Yamaha Motor's current position, as well as issues they felt needed to be addressed for future growth.

Kamigama In fiscal 2022—the first year of the current Medium-Term Management Plan—the impacts of the COVID-19 pandemic continued to be felt around the world. The Company faced various headwinds, such as delivery delays of electronic components due to the semiconductor shortage, and distribution delays from the lack of shipping containers. The fact that Yamaha Motor was still able to achieve record-high sales and profits despite these challenges is well deserving of recognition.

Ohashi That it is. While it is true that the weak yen significantly boosted the Company's performance, it is not easy to maintain profitability amid the many factors pushing up costs. The Company secured roughly the same operating income margin as fiscal 2021 by driving its premium segment strategy forward in emerging markets, being quick to pass on costs, and continuing its efforts to steadily implement cost control measures to reduce SG&A expenses and other overheads. Seeing the Company achieve such outstanding results,

even in this harsh external environment, has once again reminded me of the strength of Yamaha Motor's corporate cohesion and ability to get things done.

Kamigama A major theme in the current Medium-Term Management Plan is portfolio management, in which the Company has positioned and manages each of its businesses based on anticipated net sales growth rate and ROIC. Although the Company has clarified the businesses in which it will be adding or curbing investments, I feel we have not yet struck a sufficient balance in the actual allocation of resources. In talks with shareholders as an outside director, I have received many questions about how to achieve balanced resource allocation.

Ohashi Yamaha Motor possesses numerous outstanding technologies and uses them as the foundations for entering a diverse range of businesses and achieving significant growth. I think it can also be said that part of the driving force behind the Company's growth is its spirit of "if we can, we should." But this spirit alone does not check the boxes from the standpoint of investors and others outside the Company. When asked why it is moving forward with a particular business, the Company needs to provide a convincing explanation from the perspectives of growth potential, profitability, and societal impact. Of course, the clear presentation of the business portfolio serves as an answer to such questions. As you said, however, the issue of how to achieve balanced resource allocation remains.

Kamigama I would like to share an experience I had when I was with TDK Corporation. When I first became president, my attention was on improving low-profitability businesses, helping loss-making businesses turn a profit, and so on. As a result, the company as a whole turned more to cutting costs than increasing sales, and the growth of high-profitability businesses also became sluggish. Then, one of TDK Corporation's outside officers at the time advised me to focus

on reinforcing our strengths rather than overcoming our weaknesses. Taking this advice on board, we rapidly shifted our approach and actively invested in our high-profitability businesses. That drove their rapid growth, which also lifted the performance of the low-profitability businesses.

Ohashi Focusing on overcoming weaknesses inevitably leads to an air of negativity throughout the whole company. As outside directors, we want to contribute to the growth of Yamaha Motor by exercising our advisory role. In particular, I hope that we both can use the experience gained from our many years in manufacturing to make useful suggestions.

Kamigama This may seem a little overly ambitious, but I would like Yamaha Motor to be No. 1 in the world. The Marine Products business already has that title, but there are several other businesses I believe could compete for the top spot in their industries. In my experience, achieving such status greatly increases the amount of information the company takes in, and when you are the first to receive that information, you are always one step ahead of the competition. Moreover, by concentrating management resources on businesses that can become No. 1, we can achieve greater balance in our business portfolio, which I think will make it easier to gain the understanding of investors.

Ohashi I agree. Naturally, those management resources also include personnel. A shortage of labor is a management-level issue many Japanese companies are currently facing and Yamaha Motor is no exception. What holds the key to resolving this is our digital transformation (DX) strategy, which is also included in the current Medium-Term Management Plan.

Kamigama I feel the Company is actively pushing for DX with its “Yamaha Motor to the Next Stage” slogan and its corresponding YNS project. Satoshi Kodou, who is experienced in DX implementation, was newly appointed to lead the project

in January 2023, and I understand that new core systems are being introduced to reform management platforms.

Ohashi The introduction of these new core systems is an extremely important step to raise productivity Companywide as well as help resolve the labor shortage. However, this move inevitably places a temporary but higher burden on those on the front lines, and a certain degree of friction will occur simply as a matter of fact. For this reason, it is imperative that the Company instill a clear awareness of the goal of introducing these new core systems, to optimize operations as a whole over the long term.

Kamigama Having experienced the introduction of new core systems on the front lines as well as in a management capacity, I can understand the concerns of both sides. In particular, for sales and production sites, it means the addition of time-consuming and labor-intensive tasks to already busy workloads. Furthermore, it can take quite some time before the benefits of such measures are actually felt, and I remember resenting their implementation when I was on the front lines. However, when the systems were fully in place and we had grown accustomed to using them, we were able to work with far greater efficiency than before.

Ohashi Speaking also from personal experience, one massive benefit from implementing such systems was the significant reduction in time required to transfer production operations to a new or different location. For example, just preparing to transfer the production of a product we were making at a factory in Japan to one overseas took months. But after unifying our systems globally, such transfers were doable in just two weeks. The Company must persistently communicate the benefits of such measures to all employees so that they internalize the reasons for carrying them out. I am hopeful that this will be accomplished successfully.

Kamigama From a human resources standpoint, there is also the growing presence of women and non-Japanese personnel. In *Integrated Report 2022*, I spoke with outside director Yuko Tashiro and outside Audit & Supervisory Board member Eriko Kawai about promoting the success of women that work at Yamaha Motor. This year, I would like to talk about



I anticipate that further strengthening of the Group's risk management structure will make the next stage of growth more certain.



I want Yamaha Motor to have the resolve to become No. 1 in the world—a goal that I am convinced it has the ability and potential to achieve.

the Company's non-Japanese personnel. This year, we welcomed Jin Song Montesano as Yamaha Motor's first foreign national outside director. What are your thoughts on this, Ohashi-san?

Ohashi I feel that the range of topics on the agenda at Board meetings has grown broader and that discussions are even livelier. Montesano-san's background, attributes, and character often provide perspectives different from ours and that is

rather refreshing. I am particularly impressed by the way she asks simple but pertinent questions, such as questioning the underlying reasons for moving forward with a particular business. Her appointment has brought a positive new dynamic to the Board.

Kamigama Montesano-san takes a bird's-eye view of Yamaha Motor and asks questions that prove difficult to answer because they encourage out-of-the-box thinking and accurately point to root issues. Even at the recent CEO roundtable conference, Montesano-san asked Hidaka-san a variety of questions from her unique perspective, which I felt to be indicative of her distinct sensibilities.

Ohashi Indeed. One of the reasons for utilizing talent from overseas is to incorporate sensibilities from outside Japan. As markets overseas account for 90% of the Company's net sales, I believe it is important that we understand the needs of each region in which we operate and incorporate that knowledge into our product development. The key to doing so is capturing the core needs of such regions effectively, which is difficult to do with Japanese sensibilities. I believe it is imperative for departments in charge of product planning and marketing to incorporate local personnel into their teams. However, it is true that there are also certain risks involved with operations spreading to more regions and with the resulting diversification of the workforce. What constitutes "common sense" differs by region, and something done under the common sense in one region may violate compliance regulations from a global perspective. To prevent such occurrences, it is therefore important that each member of Yamaha Motor share the same ethics.

Kamigama I used to send employees from Japan to our overseas locations to provide accounting oversight. Whichever way you look at it, it is important that we continuously work to ensure that employees make appropriate, ethical decisions based on a unified global standard.

Ohashi It is also important to build a framework in which any issues that are found can be promptly raised and received by the relevant department at the Company's headquarters. The Company should never assign blame to the individual who reported the issue, but instead praise them for finding it. This is how we can identify issues at the earliest possible stage and thereby minimize risk.

Kamigama The biggest risk is that issues go unreported. Every year, the Company compiles a list of significant Groupwide risks and monitors their status. In recent years, cybersecurity has been added to that list. Making the risks the Company faces clear in this way helps to increase employees' sensitivity to them.

Ohashi Yamaha Motor has achieved ¥2 trillion in net sales and is looking to expand its operations further afield in the future. We anticipate that the Company will be exposed to unprecedented risks and encounter many new challenges along the way. The Group must further strengthen its risk management structure and strive to prevent issues before they can occur. By promptly responding to issues that do occur, I hope that the level of risk can be reduced and that our next stage of growth be made more certain. I wish to contribute to this by actively offering opinions and suggestions from a different perspective in my role as an outside director.

Kamigama As I said earlier, I want Yamaha Motor to become No. 1 in the world—a goal that I am convinced it has the ability and potential to achieve. Additionally, having a sincere resolve to accomplish that is crucial in this regard. For my part, I strongly wish to support the Company in this endeavor. Let's continue working together to support Yamaha Motor in realizing its corporate mission to be a *Kando* Creating Company.

Directors and Audit & Supervisory Board Members

(As of March 22, 2023)

Introduction

Medium- to Long-Term Strategies

Activities for Greater
Functional Competitiveness

Management Platforms

Facts and Data



1 Chairman and Representative Director
Katsuaki Watanabe

2 President and Representative Director
Yoshihiro Hidaka

3 Director
Heiji Maruyama
Responsible for Research & Development, Powertrain Unit, Vehicle Development

4 Director
Satohiko Matsuyama
Responsible for Manufacturing, Manufacturing Technology, Procurement, Power Products

5 Director
Motofumi Shitara
Responsible for Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Creative, Marine, Market Development, Customer Experience

6 Outside Director
Takuya Nakata

7 Outside Director
Takehiro Kamigama

8 Outside Director
Yuko Tashiro

9 Outside Director
Tetsuji Ohashi

10 Outside Director
Jin Song Montesano

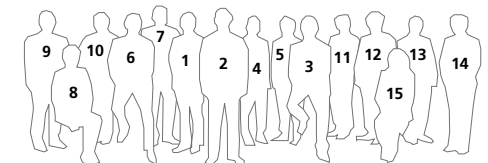
11 Audit & Supervisory Board Member (Full-Time)
Junzo Saito

12 Audit & Supervisory Board Member (Full-Time)
Tadashi Tsumabuki

13 Audit & Supervisory Board Member (Outside)
Masatake Yone

14 Audit & Supervisory Board Member (Outside)
Eriko Kawai

15 Audit & Supervisory Board Member (Outside)
Ayumi Ujihara



Executive Officers (As of April 1, 2023)

Introduction

Medium- to Long-Term Strategies

Activities for Greater
Functional Competitiveness

Management Platforms

Facts and Data

President and Chief Executive Officer

Yoshihiro Hidaka

Managing Executive Officer

Heiji Maruyama

Motorcycle Electrification Project Executive

Senior Executive Officers

Satohiko Matsuyama

New Mobility Project Executive

Motofumi Shitara

Eric de Seynes

President of Yamaha Motor Europe N.V.

Hiroyuki Ota

Chief General Manager of Solution Business Operations

Itaru Otani

Chief General Manager of Land Mobility Business Operations, and Executive General Manager of Motorcycle Business Unit, Land Mobility Business Operations

Takuya Kinoshita

Chief General Manager of Creative Center

Dyonisius Beti

COO of PT. Yamaha Indonesia Motor Manufacturing

Toshiaki Iбата

Chief General Manager of Marine Business Operations

Executive Officers

Toshihiro Nozue

Chief General Manager of Powertrain Unit

Satoshi Hirose

Chief General Manager of Quality Assurance Center

Takeo Noda

Chief General Manager of Corporate Planning & Finance Center

Toyoshi Nishida

Chief General Manager of PF Model Unit and Senior General Manager of Motor Sports Section, PF Model Unit

Norio Yamada

Chief General Manager of IT Center

Tatsuya Masuda

Chief General Manager of Procurement Center

Kenichi Muraki

Chief General Manager of Manufacturing Technology Center
PAS Drive Unit Competitiveness Project Executive

Koutarou Ueda

Chief General Manager of Manufacturing Center

Eishin Chihana

Managing Director of Yamaha Motor India Pvt. Ltd., Managing Director of India Yamaha Motor Pvt. Ltd., and Managing Director of Yamaha Motor India Sales Pvt. Ltd.

Shin Yokomizo

Deputy Chief General Manager of Land Mobility Business Operations, Senior General Manager of Global Branding Section, Motorcycle Business Unit, Land Mobility Business Operations

Yasutaka Suzuki

General Director of Yamaha Motor Vietnam Co., Ltd.

Michael Chrzanowski

President of Yamaha Motor Corporation, U.S.A.

Jeffrey Young

President & CEO of Yamaha Motor Finance Corporation and Chairman of Yamaha Motor Finance Corporation U.S.A.

Kenji Komatsu

Chief General Manager of Technology and Research

Ayako Egashira

Executive General Manager of Robotics Business Unit, Solution Business Operations

Mitsuru Hashimoto

Chief General Manager of Human Resources & General Affairs Center

Deputy Executive Officers

Ben Speciale

President of Marine Business Unit, Yamaha Motor Corporation, U.S.A.

Olivier Prevost

Vice President of Yamaha Motor Europe, N.V.

As a *Kando* Creating Company, our corporate mission is to offer new excitement and a more fulfilling life for people all over the world. To achieve this mission, Yamaha Motor aims to enhance corporate value through sustained growth attained via its medium- and long-term strategies and measures. To this end, the Company has put into place systems and frameworks that enable rapid decision-making and the proper supervision and monitoring of business execution.

Basic Views on Corporate Governance

To ensure the implementation of the Company's growth strategies for the future, Yamaha Motor's Board of Directors establishes an environment that supports appropriate risk-taking and decisive decision-making by management, and it multilaterally understands and appropriately oversees issues and risks associated with the implementation of the Company's management strategies from the viewpoint of our responsibility to various stakeholders, including shareholders and investors.

This structure is designed to implement speedy and decisive decision-making as well as appropriate, transparent, and fair supervision and monitoring as the Company's corporate governance. Accordingly, we have formulated Corporate Governance Guidelines and put them into practice in an appropriate manner.

▶ For more details, please see the Corporate Governance Guidelines.

History of Strengthening the Corporate Governance System

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Improvement of operating structure	2001: Introduction of Executive Personnel Committee (Nomination/Remuneration Committee)														
	Operation of Board of Directors + Management Discussion meeting														
	Establishment of Corporate Governance Guidelines														
	Implementation of the Board evaluation														
	Abolition of takeover defense measures														
Executive structure	2001: Introduction of executive officer system														
	2007: Appointment of outside directors														
	2009: Appointment of women directors														
	Delegation agreement with executive officers														
	Appointment of non-Japanese executive officers														
	Separation of chairman of the Board of Directors and chief executive officer (CEO)														
Number of directors	11	11	10	10	12	11	11	13	11	11	10	10	10	10	
Number of internal directors	7	8	7	7	9	8	8	9	7	7	6	6	5	5	
Number of outside directors	4	3	3	3	3	3	3	4	4	4	4	4	5	5	
Independent outside directors	3	2	2	2	2	2	2	3	4	4	4	4	5	5	
Of whom, women directors	1	1	1	0	0	0	0	0	0	1	1	1	2	2	
Executive remuneration system	Integration of stock options into stock compensation plan														
	Overall revision of the system (compensation further linked to performance and for long-term incentives)														
Medium-Term Management Plan	Stabilization of a profitable structure (V-shaped recovery in results)			Toward sustainable growth (expansion of business scale and enhancement of profitability)			A unique company that continues to achieve dynamic milestones (management emphasizing ROE and cash flows)			Taking on the renewed challenge of achieving net sales of ¥2 trillion			Strengthening of sustainability measures		

Corporate Governance Structure

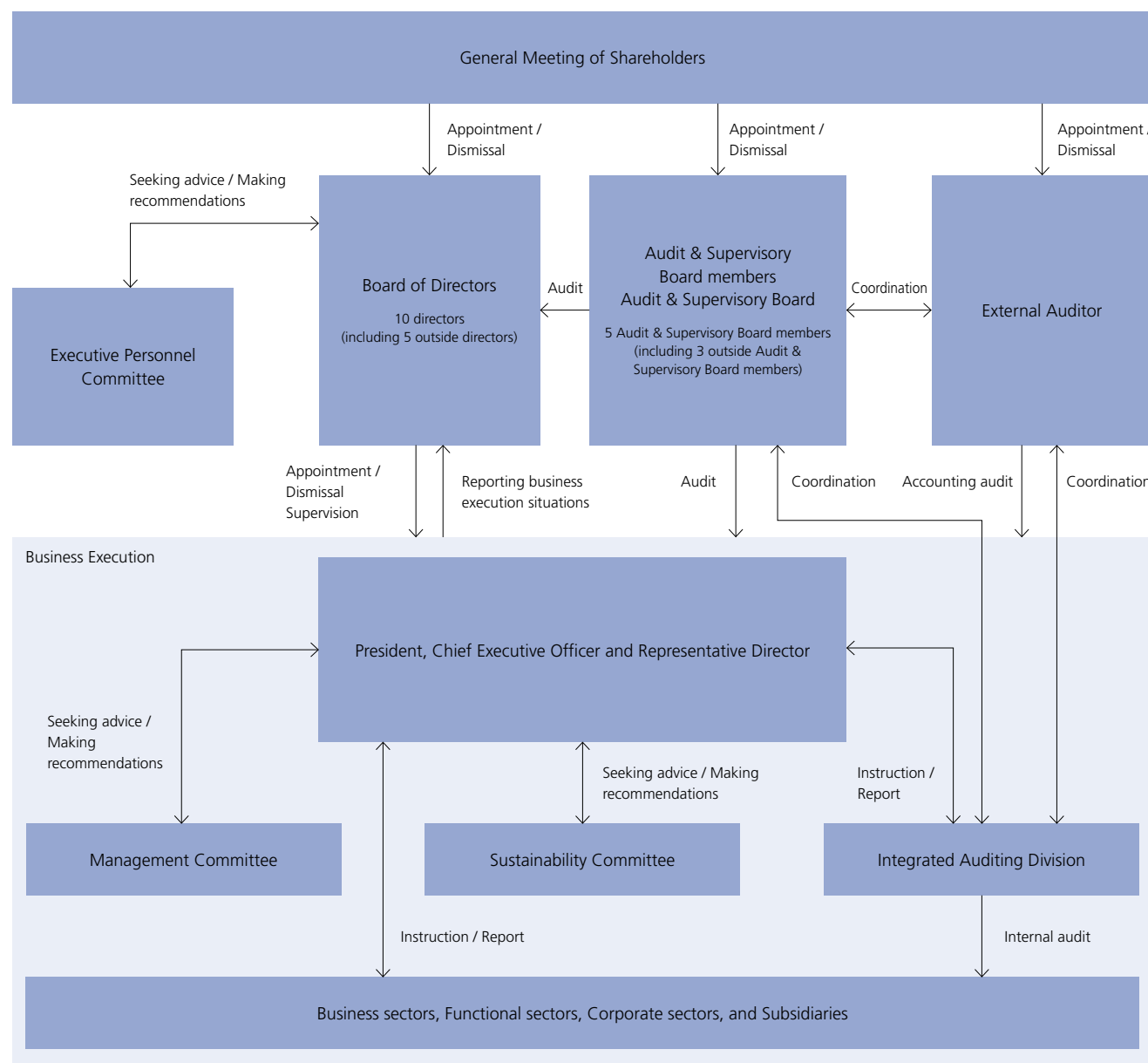
Yamaha Motor supplies various kinds of products and services to markets around the world, including personal mobility solutions, marine products, industrial robots, vehicle engines, and unmanned helicopters. Overseas sales account for approximately 90% of the Company's consolidated net sales. Starting with the principal concept of developing and producing locally where the products are consumed, we engage in development, procurement, production, sales, and other activities on the global stage.

To sustainably advance our business activities, we believe it is effective to structure a corporate governance system consisting of the Board of Directors, made up of internal directors who are familiar with the Company's customer characteristics, products, business operations, and functions and of outside directors who have a wealth of knowledge in global corporate management, as well as the Audit & Supervisory Board whose members include outside Audit & Supervisory Board members with professional knowledge in areas including accounting, legal affairs, and management administration. Under this corporate governance system, executive officers are appointed to execute operational duties in a timely manner, and the Board of Directors delegates matters related to the execution of business operations to executive officers.

Corporate Governance System Overview

Organizational design	Company with Audit & Supervisory Board
Number of directors (number of outside directors)	10 (5)
Number of Board of Directors meetings in fiscal 2022 (average attendance rate by directors)	13 (100%)
Number of Audit & Supervisory Board members (number of outside Audit & Supervisory Board members)	5 (3)
Number of Audit & Supervisory Board meetings in fiscal 2022 (average attendance rate by Audit & Supervisory Board members)	17 (100%)
Directors' term of office	One year
Use of executive officer system	Yes
Optional committees of Board of Directors	Executive Personnel Committee
Auditor	Ernst & Young ShinNihon LLC

Corporate Governance System



Approach to the Composition of the Board of Directors and Board of Corporate Auditors

The role of the Board of Directors is to support the Company's sustainable growth and our corporate brand value per our corporate mission to be a *Kando* Creating Company. To ensure the implementation of growth strategies for the future, we will create an environment that supports appropriate risk-taking and firm decision-making by management. In addition, we will make a multifaceted effort in identifying issues and risks associated with implementing management strategies from the perspective of our responsibility to various stakeholders, such as shareholders and investors.

Based on its fiduciary responsibility to shareholders and as an independent body from the Board of Directors, the Board of Corporate Auditors shall request reports on the Company's business, investigate the state of operations and assets, exercise its authority over the selection and dismissal of outside accounting auditors and audit fees, and attend Board of Directors meetings and other important meetings to provide opinions as necessary. These are ways for the Board of Corporate Auditors to conduct audits of the legality and appropriateness of the directors' execution of their duties, internal regulatory structures, financial conditions, and other matters.

Based on the above, we have decided that the composition of our Board of Directors and Board of Corporate Auditors as a whole should bring a balance of knowledge, experience, and abilities as well as account for diversity and scope. As such, we have identified the skills listed on the right as those that these Boards should be equipped with.

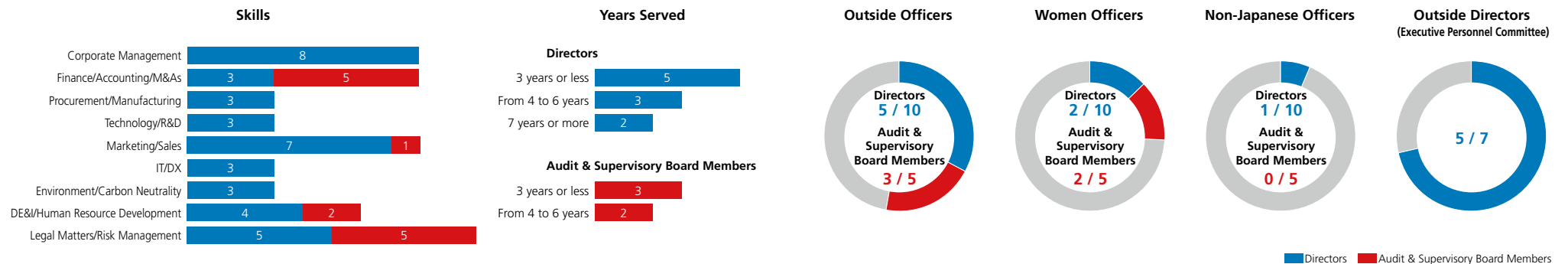
Reasons for Selection and Definition of Skills

Corporate Management		Under the corporate mission to be a <i>Kando</i> Creating Company, the Company is developing several businesses, including motorcycles and outboard motors, in more than 180 countries and regions. In order to achieve sustainable growth even in the midst of drastic changes in the business environment, such as the spread of CASE, the Company needs officers with management experience in global companies and manufacturing companies.
Finance / Accounting / M&As		The Company uses sales growth rate and ROIC to clarify the positioning of its businesses and implements portfolio management to allocate management resources appropriately. In order to carry out its growth strategy and enhance shareholder returns, the Company requires officers with knowledge and experience in finance, accounting, and M&As.
Procurement / Manufacturing		To promote its break-even-point management style, it is necessary to continue efforts to reduce costs and improve productivity in procurement and manufacturing, and the Company needs officers with knowledge and experience in procurement and production at manufacturing companies.
Technology / R&D		To respond to the CASE movement and to grow the new businesses indicated in the Medium-Term Management Plan into future core businesses, the Company needs officers with knowledge of basic as well as advanced technologies, plus experience in innovation.
Marketing / Sales		In order to accurately respond to diversifying customer needs, the Company needs officers who are familiar with each market and have experience in developing and executing marketing/sales strategies.
IT / DX		The use of IT is essential to strengthen the management base and improve the value of the customer experience, and the Company needs officers with requisite knowledge and experience in IT and digital transformation (DX).
E	Environment / Carbon Neutrality	The Company aims to achieve carbon neutrality by 2050, and in order to accelerate those efforts, it needs officers with knowledge and experience in environmental conservation.
S	DE&I / Human Resource Development	The Company must secure diverse human resources and strengthen the skills of each employee if it is to respond to rapidly changing market needs and the global business environment; thus, the Company needs officers with knowledge and experience in DE&I promotion and human resource development.
G	Legal Matters / Risk Management	Strengthening governance is important to the Company, as it operates on a global scale. The Company needs officers who have knowledge and experience in domestic and international legal systems and various regulations, who can properly assess the risks, and who can lead prevention and countermeasures.
Global		The Company operates in more than 180 countries and regions, with sales overseas comprising over 90% of its annual total; thus, the Company needs officers who have experience working for multinational companies and in local markets, combined with knowledge of and experience in foreign cultures and business practices.

Skills Matrix and Skills Chart (As of March 22, 2023)

Of the skills possessed by each director and Audit & Supervisory Board member, the Company specifically expects them to demonstrate a maximum of four skills, as marked below.

Position	Name	Years Served	Age	Gender	Independent	Global Experience	Corporate Management	Finance/Accounting/M&As	Procurement/Manufacturing	Technology/R&D	Marketing/Sales	IT/DX	E	S	G
													Environment/Carbon Neutrality	DE&I/Human Resource Development	Legal Matters/Risk Management
Directors	Katsuaki Watanabe	9	63	M		○	●		●		●				●
	Yoshihiro Hidaka	6	59	M		○	●	●					●	●	
	Heiji Maruyama	2	61	M		○	●		●	●			●		
	Satohiko Matsuyama	1	59	M		○			●		●		●		
	Motofumi Shitara	1	60	M		○		●			●	●		●	
Outside Directors	Takuya Nakata	9	64	M	Independent	○	●		●	●	●				
	Takehiro Kamigama	5	65	M	Independent	○	●		●	●					●
	Yuko Tashiro	4	69	F	Independent	○	●	●						●	●
	Tetsuji Ohashi	3	68	M	Independent	○	●		●		●				●
	Jin Song Montesano	1	51	F	Independent	○	●				●			●	●
Audit & Supervisory Board Members	Junzo Saito	4	63	M		○		●						●	●
	Tadashi Tsumabuki	—	61	M		○		●			●				●
Outside Audit & Supervisory Board Members	Masatake Yone	4	68	M	Independent	○		●							●
	Eriko Kawai	2	64	F	Independent	○		●						●	●
	Ayumi Ujihara	—	61	F	Independent	○		●							●



Directors and the Board of Directors

On the basis of fiduciary responsibilities to shareholders, directors collect adequate information, understand relevant laws and regulations and other necessary rules, actively express opinions, and discuss and make decisions at Board of Directors meetings, Management Discussion meetings, and other important meetings in order to obtain sufficient knowledge on viewpoints and standpoints of various stakeholders, including shareholders, and to achieve sustainable growth and medium- to long-term enhancement of corporate value. Please note that the chairman of the Board of Directors does not hold any specific authority and is not involved in the execution of business matters. As a general rule, Board meetings are held monthly but may also be held if deemed necessary.

Yamaha Motor's Standards for Independence

In addition to the required standards for independence established by Tokyo Stock Exchange, Inc., the Company has stipulated its own Standards for Selecting Independent Outside Directors/Outside Audit & Supervisory Board Members to objectively assess the independence of its outside directors and outside Audit & Supervisory Board members.

▶ For the full text of the Standards for Selecting Independent Outside Directors/Outside Audit & Supervisory Board Members, please refer to our website.

Board Effectiveness Evaluation

The Board of Directors analyzes and evaluates the effectiveness of the roles and responsibilities of the Board as a whole on a yearly basis, with the Corporate Planning Division acting as the administrative office. The evaluation process and summary of the results from fiscal 2022 are listed below.

Evaluation Process

- Conduct a self-evaluation by questionnaire based on the Company's seven evaluation perspectives for the aims of the Board of Directors

Evaluation Perspectives

1. Roles and responsibilities of directors and the Board of Directors
2. Relationships between the Board of Directors and senior management (executive officers)
3. Organizational design and composition of the Board of Directors, etc.
4. Qualifications held and knowledge of directors and the Board of Directors
5. Deliberation at meetings of the Board of Directors
6. Relationships and dialogue with shareholders
7. Dealings with stakeholders other than shareholders

- Confirm the status of improvements by comparing them with evaluation results, including those conducted in fiscal 2021 by a third-party organization
- Based on the results of the analysis, the Board of Directors shares effectiveness evaluations and deliberates on issues that need to be addressed

Evaluation Results from Fiscal 2022

The evaluation confirmed that our Board of Directors has actively and continuously carried out effective discussions, refined our initiatives to improve our corporate value in the medium to long term and achieve sustainable growth amid the dramatic changes in our business environment, and is effective enough to achieve our Long-Term Vision for 2030 in addition to our Medium-Term Management Plan that began in 2022.

A particularly praiseworthy point is the way in which the Board of Directors has continued to respect the feedback of outside directors and outside Audit & Supervisory Board members and fostered a culture of open, constructive discussions and exchanges of opinion, as it did in fiscal 2021.

State of Addressing Issues Identified in Fiscal 2021's Evaluation

In the previous fiscal year, we identified the following issues as challenges:

- Deepen discussions on the business portfolio
- Implement comprehensive discussions on sustainability
- Strengthen the supervisory powers of the Board of Directors regarding the current sensitivity and awareness of risk on the ground
- Continue initiatives to ensure diversity, including among the Board of Directors and company management

- Address issues related to the operation of the Board of Directors (further enhancement of communication opportunities between outside directors and internal directors, hybrid meetings involving face-to-face meetings and online meetings, ideal communication opportunities, etc.).

Subsequently, the Company's Board of Directors initiated discussions on portfolio management to allocate management resources appropriately based on the direction of the business portfolio established in the Medium-Term Management Plan that started in 2022; held regular discussions on sustainability; conducted periodic reports on the status of the development and operation of risk management and compliance systems with a thorough commitment to "bad news comes first"; and held discussions on executive diversity, personnel system design, human resource development, and employee engagement.

As a result, while the self-assessment questionnaire provided a satisfactory evaluation of the state of efforts to address all issues, the questionnaire also identified some issues that required further advancement and recognized the need for continued efforts.

Points for Further Improvement of Effectiveness

Based on the above analysis results, the Board of Directors is aware that work is needed in the following areas, will set the agenda for discussion on these topics at future Board meetings, and will address these issues in order to function more effectively.

- Issue 1. Deepen discussions on the business portfolio
- Issue 2. Implement comprehensive discussions on sustainability
- Issue 3. Strengthen the supervisory powers of the Board of Directors regarding the current sensitivity and awareness of risk on the ground
- Issue 4. Enhance dialogue with shareholders and align expectations
- Issue 5. Conduct comprehensive, long-term human resource strategy discussions
- Issue 6. Provide more opportunities for enhancing knowledge and skills and for communication with outside and internal directors

In addition to making ongoing improvements in light of the Board effectiveness evaluation, we will incorporate the advice of a third-party institution—which plays a regular role in our evaluation process—to further improve the effectiveness of our Board of Directors.

Executive Personnel Committee

Yamaha Motor established the Executive Personnel Committee as a voluntary advisory body concerning the nomination and remuneration of members of the Board of Directors in order to improve the transparency and objectivity of executive appointments and dismissals and the determination of their remuneration, among other objectives. To ensure the transparency of the deliberation process, as well as the objectivity and appropriateness of reports submitted to the Board of Directors, the Executive Personnel Committee is composed of a majority of outside directors and meets at least six times a year, in principle.

In its role related to nominations, the committee deliberates on the appointment and dismissal of the CEO, directors, Audit & Supervisory Board members, and executive officers, as well as on the selection of candidates for senior management positions and their development plans, all while confirming future management strategies and personnel requirements for their implementation, among other tasks. As part of its efforts to improve corporate governance, the Company established a system for determining executive officer appointments or dismissals based on a review and evaluation of the CEO's own performance. Specifically, through strategic dialogue with the CEO at a roundtable meeting chaired by an outside director, a non-financial evaluation is conducted that includes the CEO's operational performance as a member of management from the perspective of whether he possesses the qualities required to serve as the CEO and if he properly demonstrates those qualities. The outcome of the conference was reported to the Board of Directors by the Executive Personnel Committee, at which the appointment of executive officers—including the CEO—was finalized. In this way, through a process whereby objectivity and fairness are ensured, we will continue building up our corporate governance in which the best and most suitable members of management execute business operations.

In its role related to remuneration, the committee deliberates on and decides the evaluation standards and remuneration system for the CEO, directors, and executive officers. The committee also evaluates the performance of the Company overall and individuals based on their contributions to medium- to long-term corporate growth and business performance for the fiscal year in question. In addition, the committee deliberates on compensation linked to performance for the abovementioned senior management personnel within the limits of the total remuneration amount resolved at the Ordinary General Meeting of Shareholders.

Members of the Executive Personnel Committee

Committee Chair: Chairman and Representative Director	Katsuaki Watanabe
Committee Members:	
President and Representative Director	Yoshihiro Hidaka
Outside Director (Independent)	Takuya Nakata
Outside Director (Independent)	Takehiro Kamigama
Outside Director (Independent)	Yuko Tashiro
Outside Director (Independent)	Tetsuji Ohashi
Outside Director (Independent)	Jin Song Montesano

Audit & Supervisory Board Members and the Audit & Supervisory Board

As a body independent of the Board of Directors, the Audit & Supervisory Board and its members request the Company and its subsidiaries to submit reports on their business activities in accordance with laws and regulations, survey the status of business operations and properties, exercise rights in respect of appointing or dismissing an external auditor and audit compensation, attend meetings of the Board of Directors and other important meetings, and provide opinions as needed. Through these tasks, Audit & Supervisory Board members and the Audit & Supervisory Board audit the legality and appropriateness of directors' execution of duties, internal control systems, and the performance and financial position of the Company and its subsidiaries.

Collaboration between Audit & Supervisory Board Members, Outside Auditors, and Internal Auditing Departments

Audit & Supervisory Board members (including outside Audit & Supervisory Board members) work with the external auditor to facilitate audits based on appropriateness and receive accounting audit reports in accordance with laws and regulations. Through collaboration that includes the mutual exchange of information as needed and related opinions with internal auditing departments, Audit & Supervisory Board members receive reports about internal audit plans and their outcomes, with the ultimate aim of improving the effectiveness and efficiency of audits.

Introduction of Effectiveness Evaluations for the Audit & Supervisory Board

The purpose of the effectiveness evaluation for the Audit & Supervisory Board is to effectively and efficiently identify and share issues and expectations with the Audit & Supervisory Board members, and then holding discussions among the Audit & Supervisory Board in order to reflect them in the audit policies and plans for the next fiscal year. By holding an effectiveness evaluation every year, we will work to continuously raise the effectiveness of audits conducted by the Audit & Supervisory Board.

Evaluation Method

Each Audit & Supervisory Board member answers a survey to evaluate the board's effectiveness. To ensure the quality and objectivity of the survey's content, i.e., the items for evaluation, it is prepared based on input from outside experts to enable each Audit & Supervisory Board member to comprehensively evaluate and analyze the structure, frameworks, and operations of the Audit & Supervisory Board. The survey results are compiled and analyzed by the Audit & Supervisory Board Members' Office, with the evaluation results later reported to the Audit & Supervisory Board itself.

Evaluation Results

Overall, the Audit & Supervisory Board members performed their role well. The Audit & Supervisory Board will hold discussions and exchange opinions about recognized issues based on the survey results. Identified issues will be reflected in the next fiscal year's audit plan, aiming to achieve more effective and efficient audits.

Executive Officers and Management Committee, etc.

The Company has 30 executive officers, of whom four serve concurrently as directors. The Management Committee, comprising eight executive officers with specific posts, has been established to deliberate on matters of business execution and to speed up the Company's decision-making process. In principle, the Management Committee meets at least monthly and additionally from time to time as necessary.

In addition, the Global Executive Committee has been established to deliberate on important management policies and issues related to the Group's management. The Global Executive Committee includes the Company's representative director, all executive officers with specific posts, full-time corporate auditors, and senior local managers of major Group companies. It has 44 members, of whom 26 are Japanese and 18 are non-Japanese. In principle, the committee meets at least once annually, with additional meetings held as needed.

Sustainability Committee

Yamaha Motor has established the Sustainability Committee, comprising eight executive officers with specific posts, as an entity to deliberate measures related to risk management and compliance as well as to address issues concerning sustainability. The Sustainability Committee will start meeting five times per year from this year onward, with additional meetings held as needed.

Internal Auditing

The Integrated Auditing Division, with 25 members and which reports directly to the president and chief executive officer, has been established as an internal auditing body to audit the appropriateness of operational activities by the Company and its subsidiaries. In addition, internal audit functions have been installed at major subsidiaries, working together with the Company's internal auditing body to audit divisions and subsidiaries.

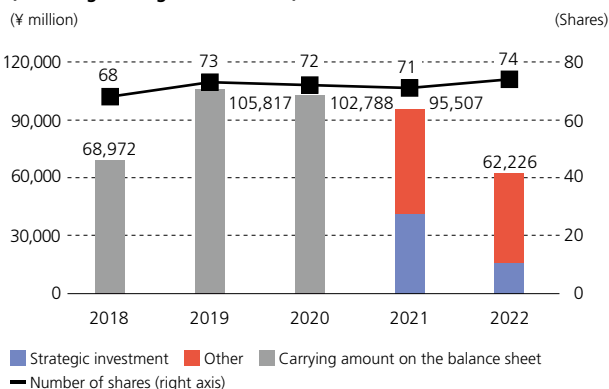
Cross-Shareholdings

Yamaha Motor holds cross-shareholdings only when it is deemed necessary and appropriate in order to achieve growth and enhance corporate value from a medium- to long-term perspective. The Board of Directors examines each cross-shareholding annually to determine whether the rationale of the shareholdings is appropriate, among other points. The Board of Directors then appropriately discloses a summary of the results. In addition, Yamaha Motor upholds a policy to reduce cross-shareholdings if the shareholdings cannot be justified.

Shareholdings of Yamaha Corporation

Yamaha Motor was established by spinning off the motorcycle division of Nippon Gakki Co., Ltd. (today's Yamaha Corporation). Today, the two companies' management is conducted separately, with both using the same Yamaha brand. We are undertaking various measures in collaboration with Yamaha Corporation through the Joint Brand Committee and under the Yamaha Brand Charter and Joint Brand Regulations. Both companies appropriately monitor measures for sustainable mutual growth through shareholdings and by dispatching directors. We believe that maintaining and improving the shared value of the Yamaha brand by building a relationship of monitoring and collaboration with Yamaha Corporation will contribute to the medium- to long-term enhancement of Yamaha Motor's corporate value.

Number of Shares Held by the Company for Purposes Other Than Pure Investment and the Amount Shown on the Balance Sheet (Including Strategic Investments)



Remuneration System for Executives

In order to ensure the appropriateness as well as the transparency and feasibility of the deliberation process regarding items relating to executive remuneration, the Executive Personnel Committee voluntarily established by the Company conducts pertinent examinations and reports its findings to the Board of Directors. Decisions on remuneration amounts for each individual director are made at Board of Directors meetings according to our basic policy after discussions with and/or reports from the Executive Personnel Committee. In addition, Audit & Supervisory Board members discuss and determine the specific amounts of their base compensation.

Basic Policy

- To be a *Kando* Creating Company, Yamaha Motor encourages its executives to the maximum extent possible to perform their professional duties in accordance with its Management Principles and Action Guidelines.
- Toward realizing the Company's Long-Term Vision for 2030, executive remuneration shall offer strong motivation for achieving management targets in the Medium-Term Management Plan and other plans.
- Remuneration shall function as an incentive for achieving sustainable growth of our corporate value and be shared as company profit by management and shareholders.
- Remuneration amounts shall be set at a level capable of securing and retaining diverse, outstanding human resources suitable for the roles and responsibilities to be carried out by our management.
- Yamaha Motor shall carry out initiatives befitting the Company to the greatest extent possible to address important societal issues (materiality).

Remuneration System

Remuneration for directors at Yamaha Motor is composed of base compensation (fixed remuneration), performance-based bonuses, and performance-based share compensation, and from fiscal 2022, the proportion of performance-based compensation was raised. Remuneration for the president and representative director is generally 40% base compensation,

30% performance-based bonuses, and 30% performance-based share compensation, and remuneration for other executive officers is set based on this precedent. Outside directors and Audit & Supervisory Board members receive only fixed base compensation as their roles require them to supervise and audit company management from an objective, independent perspective.

Base Compensation

Annual base compensation is set for each executive position, one-twelfth of which is paid in cash on a monthly basis.

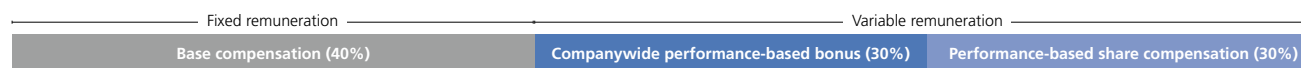
Performance-Based Bonuses

The representative director shall only be paid the Companywide performance-based bonus. Performance-based bonuses for other directors and executive officers shall comprise a Companywide performance-based bonus and an individual performance-based bonus.

Performance-Based Share Compensation

As part of ongoing reviews of the remuneration system for directors, we have switched from the previous system of remuneration of restricted shares—with no attached performance conditions—to a system of performance-based remuneration of restricted shares in which the number of shares awarded is determined in conjunction with the Company's TSR. This is in order to provide a suitable incentive for further value sharing between Yamaha Motor directors and shareholders and for the ongoing improvement of our corporate value in the medium to long term.

Breakdown of President and Representative Director Remuneration (Base Amounts)



Breakdown of Compensation Linked to Consolidated Performance

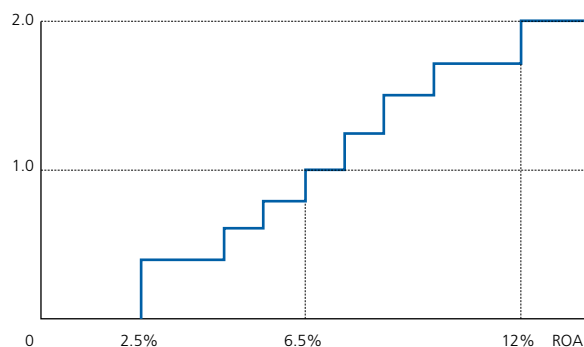
Compensation Linked to Consolidated Performance	Compensation Linked to Individual Performance	
Pool of funds Net income attributable to owners of parent x Preset percentage of 0.14% (0.09% for executive officers who do not serve concurrently as directors)* x Evaluation coefficient based on ROA 0-2x (including adjustments based on other business performance metrics)	0-2x of base amount relative to achievement of and progress toward predetermined indicators	
	Financial Evaluation Takes into account year-on-year comparisons and degree of target achievement for net sales, operating income, and ROA in the division for which they are responsible	Non-Financial Evaluation Takes into account degree of progress on initiatives in the Medium-Term Management Plan, the development of future executive officers and candidates for senior management positions, and contributions to corporate value and brand value
	Ratio of financial and non-financial evaluation • Directors: 1 to 1 (Executive officers: 1 to 1)	
	Ratio of compensation linked to consolidated performance and compensation linked to individual performance • Representative director: 1 to 0 • Directors: 2 to 1 (Executive officers: 1 to 3)	

* Percentage of net income attributable to owners of parent has been revised as of fiscal 2022, taking into account increases in the Company's profit levels, changes to the executive structure, and other factors.

Indicators Related to the ROA Evaluation Coefficient

The Company stipulates the three-year average of ROA as indicated in the graph. Adjustments are made according to each indicator after deliberations by the Executive Personnel Committee.

- Level of achievement for consolidated net sales and consolidated operating income targets
- Level of progress with the Medium-Term Management Plan, aimed at realizing the Long-Term Vision for 2030
- Overall progress on addressing materiality initiatives
- External ESG evaluation
- Other events affecting corporate value and brand value



Total Shareholder Return (TSR) Evaluation Coefficient

Company TSR ÷ Growth rate of TOPIX including dividends

Company TSR =

$$\frac{\text{Average closing share price in the final month of the final year of the TSR evaluation period (December)}}{\text{Average closing share price in the month prior to the start of the TSR evaluation period (December)}} + \frac{\text{Total dividends during the TSR evaluation period}}{\text{Average closing share price in the month prior to the start of the TSR evaluation period (December)}}$$

Dividend-inclusive TOPIX growth rate =

$$\frac{\text{Average dividend-inclusive TOPIX closing price in the final month of the final year of the TSR evaluation period (December)}}{\text{Average dividend-inclusive TOPIX closing price in the month prior to the start of the TSR evaluation period (December)}}$$

$$\frac{\text{Average dividend-inclusive TOPIX closing price in the month prior to the start of the TSR evaluation period (December)}}{\text{Average dividend-inclusive TOPIX closing price in the month prior to the start of the TSR evaluation period (December)}}$$

Executive Compensation in Fiscal 2022

In fiscal 2022, the Company's three-year ROA average was 9.5%. However, the long-term loans payable urgently raised to address the impacts of the COVID-19 pandemic have been excluded from the calculation. In accordance with officer remuneration rules, the ROA evaluation coefficient was set at 1.75 after carrying out a comprehensive assessment of business performance due to a second year of record profits with a continued favorable business environment. Under officer remuneration rules, if consolidated net income exceeds ¥150.0 billion, ¥150.0 billion is used when calculating the total amount for Companywide performance-based bonuses. As a result, the pool of funds for Companywide performance-based bonuses for directors came to ¥367 million (consolidated net

income of ¥150 billion × 0.14% × ROA evaluation coefficient of 1.75). The pool of funds was distributed among the executives. For executive officers who do not serve concurrently as directors, the same calculation method (consolidated net income × 0.09% × ROA evaluation coefficient) is used to calculate the pool of funds, which is then distributed among the executives in accordance with the coefficients determined for each position.

Individual performance-based bonuses were determined based on a comprehensive evaluation of each director that took pre-determined financial and non-financial evaluation indicators into account.

Officer classification	Number of applicable executives (persons)	Basic compensation	Compensation linked to performance		Remuneration of shares with restriction on transfer	Total
			Companywide performance-based bonus	Individual performance-based bonus		
Directors (excluding outside directors)	7	255	367	40	154	818
Outside directors	5	90	—	—	—	90
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	2	75	—	—	—	75
Outside Audit & Supervisory Board members	2	37	—	—	—	37
Total	16	459	367	40	154	1,022

(¥ million)

- Notes 1. The amount of base compensation mentioned above is the total compensation, etc., paid (monetary compensation) in fiscal 2022.
 2. Figures include two directors who left their positions during this fiscal year.
 3. The amount of Companywide performance-based bonuses mentioned above is the amount paid (monetary compensation) in April 2023 based on performance, etc., in fiscal 2022.
 4. With respect to share-based compensation, Yamaha Motor previously issued shares of the Company's common stock (restricted stock) as share-based compensation to directors (except outside directors) and executive officers (excluding non-Japanese executive officers), based on the restricted share compensation system with no performance conditions (hereinafter referred to as the "former system") on the condition that they do not transfer their positions as officers of the Company until they retire. However, per the resolution of the 87th Ordinary General Meeting of Shareholders held on March 23, 2022, the Company introduced a performance-based share compensation plan that determined the number of restricted shares to be delivered in conjunction with the Company's TSR evaluation, replacing the system. The amount of remuneration given in the above performance-based share compensation is the amount to be paid in April 2023 or later (the entire amount is a monetary compensation claim to be paid as assets contributed in kind to be issued or disposed of with respect to the common shares of the Company) in accordance with the policy and calculation method of the Share Compensation Rules and based on the results of the TSR evaluation, etc., for fiscal 2022.

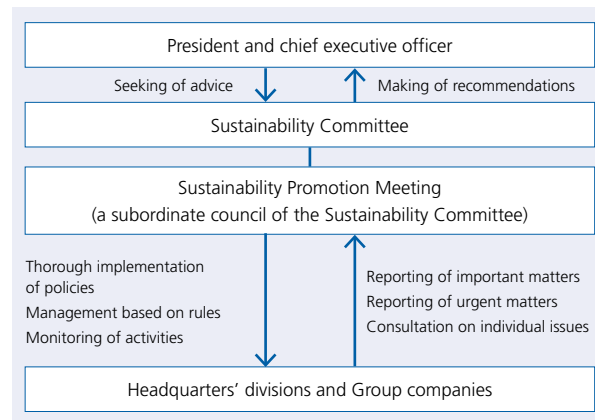
Fundamental Approach to Risk Management

To carry out risk management, Yamaha Motor has established and operates an appropriate organizational structure and set of rules, as well as engages in risk-reduction activities. As part of regular prevention efforts, divisions responsible for risk prevention and mitigation are clarified, countermeasures for risks the Group should respond to developed, and activities therein conducted on a Groupwide basis. If a major crisis situation occurs, the Emergency Countermeasure Headquarters is established based on internal regulations and other factors and led by the president and chief executive officer to minimize the damage and aftereffects.

Risk Management Structure

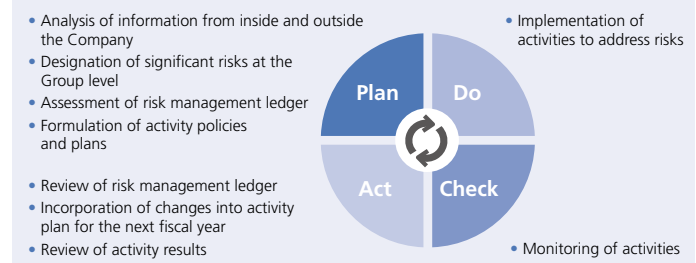
Based on the Rules of Risk Management, the Company's risk management structure is led by the Sustainability Committee and its subordinate council, the Risk Compliance Secondary Meeting of the Sustainability Promotion Meeting, which comprises the risk management supervisory sections and divisions charged with risk management. At the same time, the meeting selects the significant risks at the Group level which require focused efforts and performs checks on countermeasures as ways to reduce risk throughout the entire Group. The Risk Compliance Secondary Meeting is independent of the operation lines and is headed by the Chief General Manager of the Human Resources and General Affairs Center.

The supervising department over risk management establishes policies and rules for dealing with the risks under its jurisdiction, enacts countermeasures based on the policies and rules, and monitors the activities of the departments at the headquarters and Group companies. To ensure its effectiveness, the Integrated Auditing Division conducts audits of risk management departments.



Risk Management Activity Cycle

Risk management activities are promoted through the repetition of the PDCA cycle, as detailed on the right. The Yamaha Motor Group has prepared a risk management ledger of all risks that need to be covered, and works to reduce risk through the appropriate management and application of that ledger.



Significant Group Risks for Fiscal 2023

Risk Items	Background	Measures
Cybersecurity	Cybersecurity was selected because it is necessary to prevent leaks of personal and confidential information due to cyberattacks and computer virus infections, to prevent information system failures, and ensure a complete recovery system is in place for business continuity when the dependence on and importance of information systems in our business is increasing.	We will increase our defenses against external attacks, detect such attacks early on, and minimize the damage in the unlikely event of such an attack by implementing both hardware and software countermeasures based on our Cybersecurity Policy.
Bribery	Anti-corruption initiatives are being ramped up in every country and region, and as the Group conducts business activities on a global scale, there is a need to implement an effective system for early prevention of regulatory violations and to strengthen anti-bribery measures.	Based on the Yamaha Motor Group Anti-Bribery Policy, the Group is adhering to its anti-bribery commitment and implementing related management systems on a global basis. It also conducts training, monitoring, and risk assessments to systematically address anti-bribery more effectively. Since 2021, the Group has been reinforcing measures in areas deemed to have a high risk of corruption and will continue its activities accordingly.
Violation of Human Rights and Harassment	Human Rights: We have selected this theme in response to growing social demands regarding business and human rights, such as the Guidelines on Respecting Human Rights in Responsible Supply Chains developed by the Japanese government in September 2022, and the need to strengthen the Group's stance on human rights, particularly in its supply chain.	Human Rights: We will develop a Yamaha Motor Group Human Rights Policy to clarify the Group's approach to and respect for human rights; implement human rights due diligence to identify, avoid, and mitigate adverse human rights impacts in the Group's supply chain; and promote the development of frameworks for handling complaints to address harmful human rights impacts.
	Harassment: We have selected this theme because of the need to strengthen measures for reducing harassment risks amid growing social concern about harassment, and the expansion of power harassment prevention law applicability to small and medium-sized enterprises.	Harassment: We will raise awareness to prevent harassment, promptly and appropriately respond when an incident occurs, review measures to prevent recurrence, and work on effective risk reduction activities.
Violation of Laws and Regulations Concerning Product Quality	Compliance with laws and regulations regarding product quality is directly linked to the trust of customers and communities, and strict control is increasingly required. In addition, the spread and diversification of CASE-related products and services in the world and the enactment of new laws and regulations in line with the realization of a recycling-oriented society are expected to be expanded to other countries. This risk selection is based on the need for the Company as a whole to keep up with these kinds of changes without fail.	To ensure compliance with laws and regulations concerning product quality, we will engage in collecting and circulating legal information, checking the incorporation of legal requirements, conducting strategic legal activities for new businesses, and other activities. At the same time, we will implement the Yamaha Motor Group Quality Assurance Regulations formulated in accordance with ISO 9001 as well as strengthen the foundations for legal and regulatory management processes at each business, with the Corporate Regulation Control Group established in 2022 as the hub for these activities Companywide.

▶ Please visit our corporate website for more information on risk management.

President and Chief Executive Officer Hidaka has made “Compliance Comes First—Never Tolerate Wrongdoing” the top message for the entire Group. We promote compliance globally as the foundation of our value creation as a *Kando* Creating Company.

Compliance Structure

The Yamaha Motor Group has established a Sustainability Committee, chaired by the president and chief executive officer, to create a structure to ensure legal and regulatory compliance throughout the entire Group. The committee deliberates plans for activities to ensure compliance and monitors the actual implementation of those plans and the corporate culture with regard to compliance. The outcomes of these deliberations and monitoring are reported, as appropriate, to the Board of Directors as items

deliberated by the Sustainability Committee, together with ESG risks, and a structure has been established to ensure their effectiveness.

The activities promoted by the Compliance Division under the Sustainability Committee range from activities for management, such as compliance case studies conducted by the Global Executive Committee (GEC) of core Group leaders and the annual Global Compliance Meeting (GCM) for Group company top management, to activities for the

workplace, such as yearly compliance awareness surveys for Group companies, the distribution of messages from the president and chief executive officer, and training for each Group company. These compliance activities, together with the Code of Ethics and Compliance Risk Assessment (which includes global training videos in 11 languages) and the Compliance Hotline operated globally, are used to promote a system for compliance throughout the entire Group.

Code of Ethics

The Yamaha Motor Group defines compliance as “understanding and complying with the legal obligations, internal regulations, and social norms.” It has established a Code of Ethics, adopted by all Group companies, as the standard of conduct to be observed by officers and employees responsible for leading Yamaha in being a *Kando* Creating Company. In addition, based on the Group’s Sustainability Basic Policy, each Group company has adopted a human rights policy, an anti-bribery policy, an

anti-monopoly policy, and other individual compliance policies—as they are of particular importance to the Group’s business—to promote good compliance practices, including global compliance with laws and regulations and social norms.

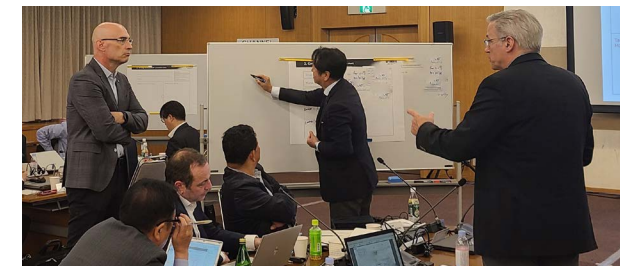
Furthermore, compliance risk assessments are conducted annually at each business unit and Group company to monitor risk conditions and implement appropriate countermeasures. Compliance and legal education

are undertaken at each Group company based on compliance activity plans in consideration of these assessments. Moreover, we have established a compliance hotline to receive whistleblower reports from domestic and overseas Group companies and conduct necessary investigations and corrective actions.

Initiatives in Fiscal 2022

The Global Executive Committee (GEC) held in fiscal 2022 featured case studies and discussions on insider trading, business and human rights, and speaking up. In addition, the Global Compliance Meeting (GCM) addresses each of the Group’s key risks defined by the Sustainability Committee, such as respect for human rights, trade control, and anti-corruption, through video broadcasts of dialogues between the heads of the divisions in charge of these areas. Furthermore, the directors’ training included a discussion on quality irregularities based on published case studies and investigative reports from other companies.

Other compliance law training at the headquarters includes respect for human rights, human rights and harassment, antitrust law precautions when in contact with competing businesses, bribery of foreign public officials in emerging markets, handling of personal information, exchanging technology with other companies, proper import/export procedures, and management of chemical substances contained in products. In addition to these areas, e-learning programs cover cybersecurity, security trade control, information management, sustainability, and other essential compliance areas in light of the Group’s business activities and internal examples.



▶ Please visit our website for more information on compliance initiatives.



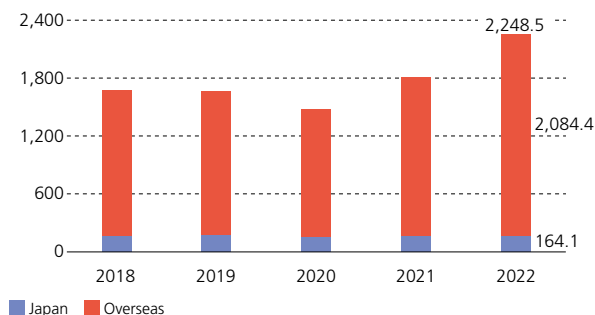
Facts and Data

- 85 Financial and Non-Financial Highlights
- 87 Eleven-Year Summary
- 88 Environmental and Social Data
- 89 Management's Discussion and Analysis of Fiscal 2022 Business Results
- 93 Design Awards
- 94 Corporate Information / Stock Information

▶ Please refer to the Securities Report for further details (in Japanese only).

Net Sales

(¥ billion)

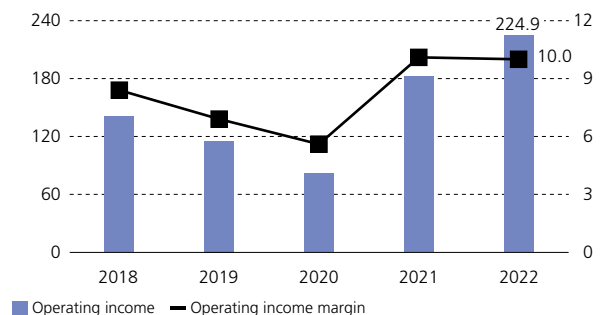


Net sales increased to a record-breaking ¥2,248.5 billion due to strong demand for outboard motors in developed countries and the recovery of demand for motorcycles in emerging markets, despite the impact of supply shortages caused by global supply chain disruptions.

Operating Income / Operating Income Margin

(¥ billion)

(%)

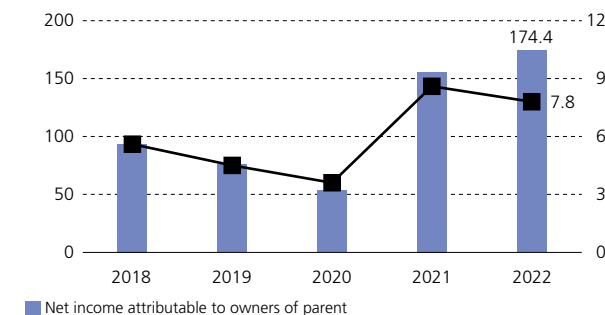


Operating income increased by ¥42.5 billion from the previous fiscal year owing to continued cost reductions, the realization of price pass-on effects, and the positive impact of the yen's depreciation, despite a significant increase in costs, chiefly raw material and distribution costs.

Net Income Attributable to Owners of Parent / Ratio of Net Income Attributable to Owners of Parent to Net Sales

(¥ billion)

(%)

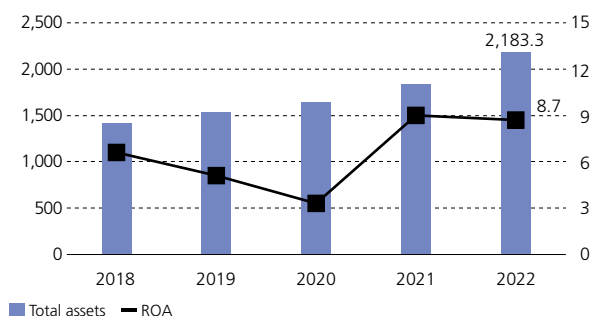


Net income attributable to owners of parent rose ¥18.9 billion, or 12.1%, year on year to ¥174.4 billion, and the ratio of net income attributable to owners of parent to net sales fell by 0.8 percentage point year on year, to 7.8%.

Total Assets / Return on Assets (ROA)

(¥ billion)

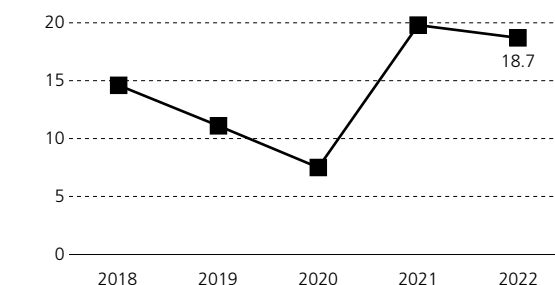
(%)



Total assets increased ¥350.4 billion year on year, to ¥2,183.3 billion, due to factors such as an increase in inventories caused by production delays resulting from difficulties procuring parts, and an increase in long-term sales finance receivables in association with an increase in retail financing.

Return on Equity (ROE)

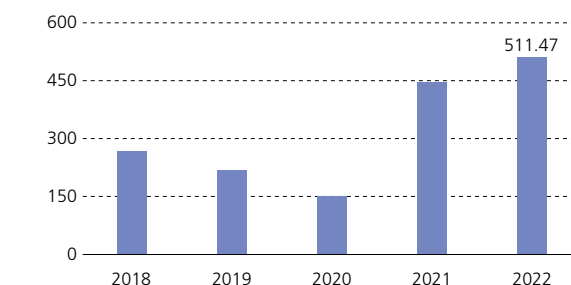
(%)



ROE decreased by 1.1 percentage points from the end of the previous fiscal year, to 18.7%. This index has continuously exceeded our medium-term target level of 15%.

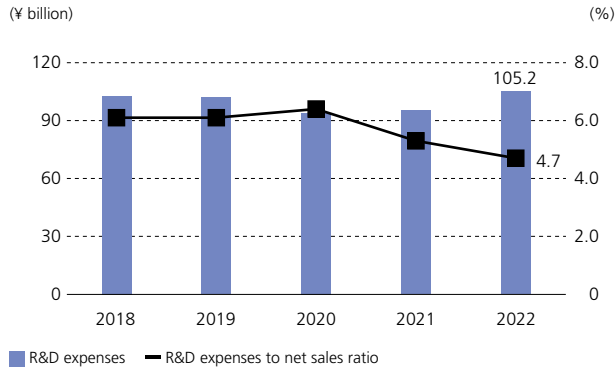
Net Income per Share (Basic)

(¥)



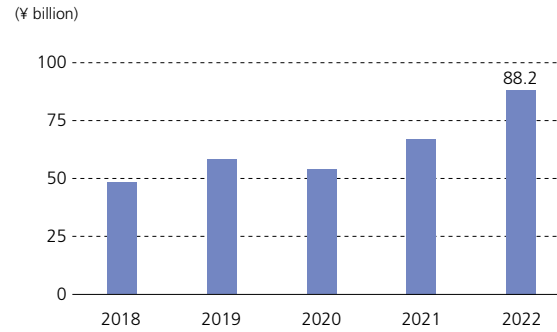
Net income per share (basic) rose ¥65.8 year on year to ¥511.47, and net income per share (diluted) was ¥511.26. Total dividends paid for the fiscal year under review was ¥125 per share.

R&D Expenses and R&D Expenses to Net Sales Ratio



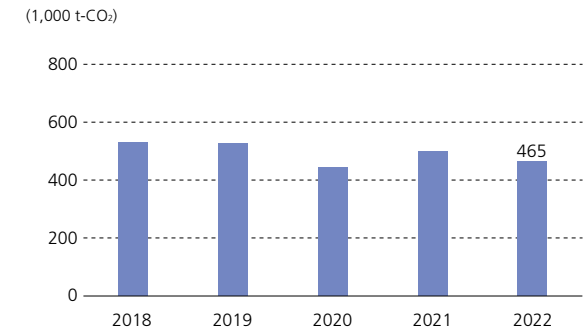
Research and development for new and growing businesses enhances the earning power of core businesses and contributes to a sustainable society. R&D expenses for the fiscal year under review totaled ¥105.2 billion.

Capital Expenditures



Capital expenditures targeting sustainable growth and greater efficiency in existing businesses rose ¥21.2 billion year on year, to ¥88.2 billion.

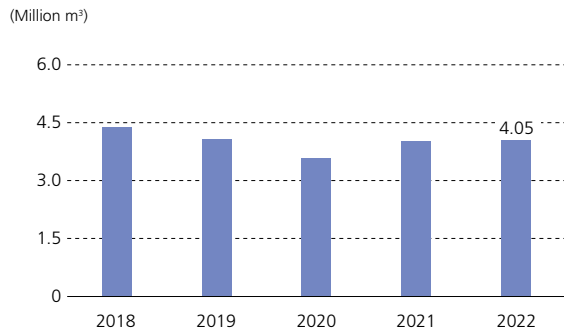
CO₂ Emissions (Scope 1 and Scope 2)*



As a Groupwide goal, the Company has set medium- to long-term targets for reducing the CO₂ emissions generated over product life cycles and is also working to reduce the greenhouse gas emissions produced in manufacturing.

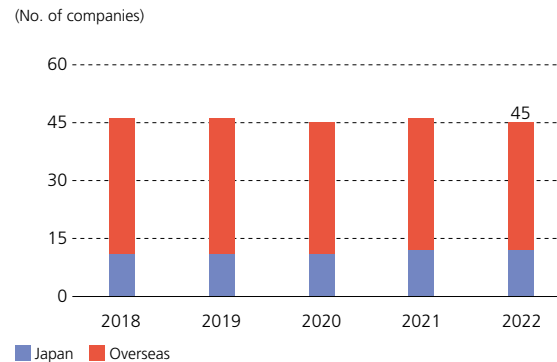
* Scope 1 and Scope 2: Direct and indirect emissions produced by the Company's operations

Water Intake



The Company will continue to measure its global use of water resources and reduce the amount of water intake by promoting the reuse of coolant water and water collection (rainwater and other sources) at its factories.

Number of Group Companies Joining Unified Certification Program



The Company has been working toward receiving ISO 14001 certification for environmental management systems at Group companies in Japan and overseas since fiscal 2012. A total of 45 companies (12 in Japan and 33 overseas) have joined the unified certification program, mainly manufacturing companies in Asia (including Japan), Europe, the United States, and South America.

Brand Ranking*

28th



* Brand value ranking of Japan-based brands carried out by Interbrand Japan (Best Japan Brands 2023)

The Yamaha brand, calculated by combining the brand value of both Yamaha Motor and Yamaha Corporation, was valued at US\$2,004 million (compared with US\$1,801 million in fiscal 2022 and US\$1,480 million in fiscal 2021).

Eleven-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries (Years Ended December 31)

	Introduction		Medium- to Long-Term Strategies		Activities for Greater Functional Competitiveness		Management Platforms		Facts and Data			
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	% change 2022 / 2021
Millions of yen												
For the year:												
Net sales	¥1,207,675	¥1,410,472	¥1,521,207	¥1,631,158	¥1,502,834	¥1,670,090	¥1,673,137	¥1,664,764	¥1,471,298	¥1,812,496	¥2,248,456	24.1
Sales by product:												
Motorcycles	798,676	928,203	977,580	1,032,560	930,112	1,045,211	1,022,174	1,119,840	946,476	1,179,736	1,468,244	24.5
Marine Products	196,320	243,362	276,367	309,337	297,216	323,838	344,658	350,059	328,344	391,130	517,040	32.2
Power Products	103,588	126,722	142,204	169,495	152,310	151,622	153,778	75,644	83,005	120,280	115,869	(3.7)
Industrial Machinery and Robots	30,813	32,261	38,942	46,501	46,871	67,571	69,891	40,928	46,058	48,643	62,178	27.8
Other Products	78,276	79,922	86,113	73,262	76,322	81,845	82,634	78,292	67,412	72,704	85,123	17.1
Gross profit	235,068	318,765	372,849	436,525	402,660	458,629	455,173	442,331	371,812	506,840	633,745	25.0
Operating income	18,598	55,137	87,249	130,329	108,594	149,782	140,787	115,364	81,672	182,342	224,864	23.3
Ordinary income	27,267	60,092	97,279	125,231	102,073	154,826	137,969	119,479	87,668	189,407	239,293	26.3
Net income attributable to owners of parent	7,489	44,057	68,452	60,023	63,153	101,603	93,366	75,736	53,072	155,578	174,439	12.1
Net cash provided by (used in) operating activities	(2,385)	66,976	93,618	28,475	143,163	126,342	58,858	99,127	110,487	141,336	70,921	(49.8)
Net cash used in investing activities	(51,081)	(62,679)	(72,470)	(68,475)	(46,541)	(53,194)	(48,274)	(79,662)	(43,950)	(51,026)	(74,160)	45.3
Free cash flow	(53,466)	4,296	21,149	(40,000)	96,621	73,147	10,584	19,465	66,537	90,309	(3,238)	(103.6)
Net cash provided by (used in) financing activities	15,761	3,620	(8,908)	6,845	(67,627)	(52,830)	(26,423)	(36,760)	83,668	(93,488)	23,103	(124.7)
Capital expenditures	48,788	56,800	65,871	64,064	61,330	56,532	48,342	58,053	53,756	66,963	88,206	31.7
Depreciation expenses	34,278	36,407	37,667	44,324	42,434	45,457	46,405	49,689	48,241	51,129	59,824	17.0
At year-end:												
Total assets	¥962,329	¥1,146,591	¥1,310,040	¥1,305,236	¥1,318,776	¥1,415,845	¥1,420,854	¥1,532,810	¥1,640,913	¥1,832,917	¥2,183,291	19.1
Net assets	341,561	422,792	503,224	531,700	575,404	665,232	695,743	751,828	749,158	900,670	1,054,298	17.1
Interest-bearing debt	326,976	382,929	403,652	410,147	364,381	353,490	356,688	364,951	466,935	458,514	602,689	31.4
Ratios:												
Operating income margin (%)	1.5	3.9	5.7	8.0	7.2	9.0	8.4	6.9	5.6	10.1	10.0	
Return on shareholders' equity (ROE) (%)	2.5	12.7	16.2	12.6	12.3	17.6	14.6	11.1	7.5	19.8	18.7	
Equity ratio (%)	32.0	33.5	35.1	37.6	40.5	44.0	46.3	46.0	43.6	46.9	45.9	
Price/earnings ratio (times)	44.2	12.5	12.5	16.0	14.2	12.7	8.1	10.2	13.9	6.2	5.9	
Debt/equity ratio (times)	1.06	1.00	0.88	0.84	0.68	0.57	0.54	0.52	0.65	0.53	0.60	
												Yen
Per share amounts:												
Net income—basic	¥ 21.45	¥ 126.20	¥ 196.06	¥ 171.89	¥ 180.84	¥ 290.93	¥ 267.35	¥ 216.83	¥ 151.89	¥ 445.67	¥ 511.47	14.8
Net income—diluted	—	126.20	196.04	171.88	180.83	—	—	—	—	—	511.26	—
Net assets	881.88	1,099.84	1,316.58	1,405.35	1,529.53	1,783.35	1,882.64	2,018.84	2,045.15	2,484.31	2,965.79	19.4
Cash dividends	10.00	26.00	40.00	44.00	60.00	88.00	90.00	90.00	60.00	115.00	125.00	8.7
												Millions of yen, except per share data
Share performance (at year-end):												
Price per share (yen)	¥ 949	¥ 1,577	¥ 2,442	¥ 2,744	¥ 2,574	¥ 3,695	¥ 2,159	¥ 2,203	¥ 2,104	¥ 2,759	¥ 3,010	9.1
Market capitalization	331,288	550,585	852,683	958,264	898,931	1,290,413	753,989	771,079	735,207	954,229	1,018,027	6.7
Other data (at year-end):												
Number of shareholders	32,873	29,474	30,416	34,214	42,031	34,566	51,113	67,741	82,730	79,112	94,547	19.5
Number of employees	53,958	53,382	52,662	53,306	53,150	53,579	53,977	55,255	52,437	51,243	52,554	2.6

- The fiscal year for each business is the 12-month period commencing on January 1 and ending on December 31. References to years other than fiscal years refer to calendar years.
- With regard to amounts stated in million yen units, amounts less than ¥1 million are truncated. For amounts stated in 0.1 billion or billion yen units, amounts less than ¥0.1 billion or ¥1 billion, respectively, are rounded off.
- From the fiscal year ended December 31, 2016, the presentation of sales finance-related income and expenses has changed from recording under "Selling, general and administrative expenses," "Non-operating income," and "Non-operating expenses" to recording under "Net sales," "Cost of sales," and "Selling, general and administrative expenses." To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended December 31, 2015 have been adjusted.
- From the fiscal year ended December 31, 2019, reporting segments have changed from "Motorcycles," "Marine Products," "Power Products," and "Industrial Machinery and Robots" to "Land Mobility," "Marine Products," "Robotics," and "Financial Services."
- From the fiscal year ended December 31, 2020, the automobile engine and components business previously included in the Other Products segment is now included in the Land Mobility segment, thus figures for the fiscal year ended December 31, 2019 have been adjusted to reflect this change.

Environmental and Social Data

Introduction

Medium- to Long-Term Strategies

Activities for Greater
Functional Competitiveness

Management Platforms

Facts and Data

Climate Change Mitigation Measures

Item		Unit	2018	2019	2020	2021	2022
Sales of Low-Carbon Products	Number of fuel-injected motorcycles sold		3,564	3,554	3,363	3,993	4,146
	Number of motorcycles featuring a "BLUE CORE" engine sold	Thousands of vehicles	2,800	2,901	2,245	3,184	3,064
	Number of electrically power-assisted bicycles sold (including number of drive units)		569	648	670	821	779

SASB Requirements

SASB Index*		Item	Unit	2022
Activity Metric	TR-AU-000.A	Number of vehicles manufactured	Thousands of vehicles	4,720
	TR-AU-000.B	Number of vehicles sold	Thousands of vehicles	4,774
Product Safety	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	%	100 * Investigated all complaints that the Ministry of Land, Infrastructure, Transport and Tourism of Japan had requested to investigate
	TR-AU-250a.3	Number of motorcycles recalled (in Japan)	Number	19,447
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	%	84
	TR-AU-310a.2	Number of work stoppages due to strikes and lockouts	Number	0
		Number of workers involved in work stoppages, multiplied by number of days idle	Man-days	0
Fuel Economy & Use Phase Emissions	TR-AU-410a.1	Asia	km/L	50
		Europe	g-CO ₂ /km	92
		North America	mpg	72
		Japan	km/L	45
		Oceania	km/L	30
		Central and South America	km/L	44
		Other	km/L	52

SASB Index*		Item	Unit	2022
Fuel Economy & Use Phase Emissions	TR-AU-410a.2	Number of 1) zero emission vehicles (ZEVs) sold, 2) hybrid vehicles (HEVs) sold, and 3) plug-in hybrid vehicles (PHEVs) sold	Number	Not applicable
	TR-AU-410a.3	Strategy for managing model-year fuel economy and emissions risks and opportunities	—	<ul style="list-style-type: none"> Evaluation of risks and opportunities Yamaha carbon neutrality strategies https://global.yamaha-motor.com/about/csr/the_environment/plan-2050/#sec-06
Materials Sourcing	TR-AU-440a.1	Management of risks associated with the use of critical materials	—	<ul style="list-style-type: none"> Response to supplier human rights issues Response to procurement risks https://global.yamaha-motor.com/about/csr/stakeholder/business-partners/#sec-06
		TR-AU-440b.1	Weight of end-of-life products recovered	t
Materials Efficiency & Recycling	TR-AU-440b.2	Percentage of above waste recycled	%	72
		Weight of end-of-life products recovered	t	—
	TR-AU-440b.3	Recyclability of products	%	90

* A disclosure index for the automotive industry required by the Sustainability Accounting Standards Board (SASB); TR: Transportation; AU: Automobiles

Management's Discussion and Analysis of Fiscal 2022 Business Results

Overview

During the fiscal year ended December 31, 2022, the global economy experienced a high number of destabilizing factors, including Russia's protracted invasion of Ukraine, the lockdown in China on account of a resurgence in COVID-19 infections, and sharp exchange rate fluctuations. In addition, rising interest rates in the U.S. in the second half of the year led to growing concerns of a global economic slowdown. In the Company's business, even amid continued strong demand for outdoor recreation, persistent shortages of semiconductor and other components, supply chain disruptions, and other factors resulted in shortages in product supply. Moreover, expenses for raw materials, logistics, labor, and more soared to unprecedented levels. On the other hand, the yen's depreciation became a tailwind for the Company.

Amid this economic environment, the Company's development, manufacturing, and sales teams worked together to minimize the impact of parts procurement shortages, while we also promoted self-driven efforts such as cost control and cost reductions with break-even-point management in mind, and also passed on prices to our customers.

As a result, the Company's consolidated net sales for the fiscal year under review increased ¥436.0 billion (24.1%) year on year, to ¥2,248.5 billion; operating income increased ¥42.5 billion (23.3%), to ¥224.9 billion; ordinary income increased ¥49.9 billion (26.3%), to ¥239.3 billion; and net income attributable to owners of parent increased ¥18.9 billion (12.1%), to ¥174.4 billion; leading us to achieve record-high sales and respective income. Exchange rates for the fiscal year under review were ¥132 to the U.S.

dollar (down ¥22 year on year) and ¥138 to the euro (down ¥8 year on year).

Net sales at the Company increased due to strong demand for outboard motors in developed countries, and demand recovered for motorcycles in emerging markets, despite the impact of supply shortages caused by global supply chain disruptions. Operating income also increased owing to continued cost reductions, the realization of price pass-on effects, and the positive impact of the yen's depreciation, despite a significant increase in costs, chiefly raw material and distribution costs.

Performance by Business Segment

Land Mobility Segment

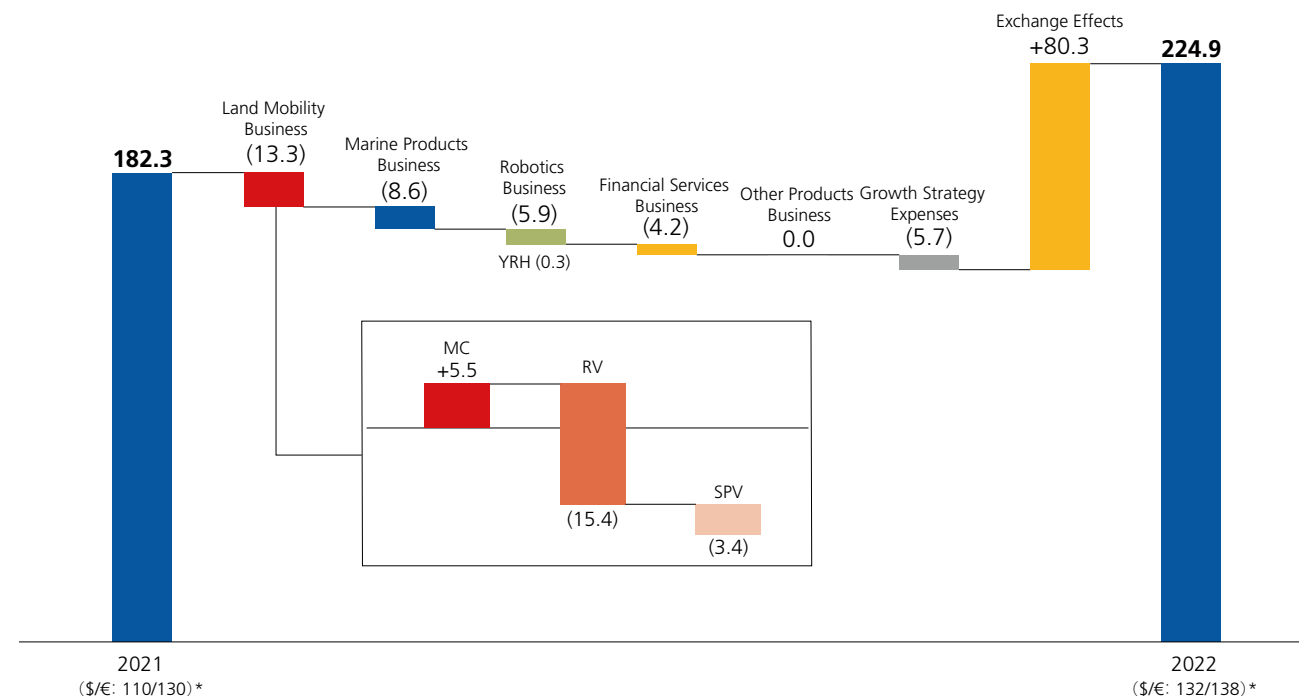
Net sales increased ¥288.5 billion (24.5%) year on year, to ¥1,468.2 billion, and operating income increased ¥18.7 billion (27.2%) year on year, to ¥87.4 billion.

With regard to motorcycles in developed markets, demand was strong, with increased unit sales in Europe and North America, resulting in net sales of ¥322.9 billion, an increase of ¥73.5 billion (29.5%) year on year. Demand rose for motorcycles in emerging markets owing to progress made in the recovery of economic activities in a range of countries, and unit sales increased in India, Indonesia, Vietnam, and other countries, resulting in net sales of ¥968.8 billion, an increase of ¥201.7 billion (26.3%) year on year. Although the shortage of semiconductors and other components has been more prolonged than expected, we were able to minimize the impact by procuring alternative components and thoroughly managing production, resulting in an increase in sales. The operating income of the motorcycle business overall increased despite soaring production costs, such as for raw materials and logistics, due to the implementation of cost pass-throughs and the positives of a weaker yen. Overall motorcycle sales volume was 4.77 million units, an increase of 6.3% year on year, due to strong demand in many regions.

In the recreational vehicles (all-terrain vehicles, ROVs, and snowmobiles) category, the boom in outdoor recreation continued, but the shortage of parts and components and supply chain disruptions also continued and limited our supply capabilities. While unit sales fell overall, net sales increased from passing on costs and the depreciating yen providing a further boost.

Factors Impacting Operating Income (By Business)

(¥ billion)



*Exchange rate as of December 31 of the corresponding year

Management's Discussion and Analysis of Fiscal 2022 Business Results

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

Management Platforms

Facts and Data

Operating income, on the other hand, declined due to lower factory utilization rates at our U.S. production base and spiking production costs.

As for electrically power-assisted bicycles, the shortage of parts and components triggered by the Shanghai lockdown in the second quarter and logistics holdups brought on by shipping container shortages led to severe production delays. The situation has since begun improving, but is still far from a complete recovery and unit sales fell. Still, the weak yen worked in our favor and net sales rose slightly overall. In terms of operating income, however, we have worked on pass-throughs to counter rising costs, but the provisions for product warranties recorded due to a battery recall in the first quarter meant that the business posted lower profits overall.

Marine Products Segment

Net sales in the Marine Products segment increased ¥125.9 billion (32.2%) year on year, to ¥517.0 billion, and operating income was up ¥32.4 billion (42.2%) to ¥109.2 billion.

With outboard motors, the boom for outdoor recreation remains strong in developed markets and this was particularly true for large outboard models in the 200+ horsepower category. While container shortages and chaos at U.S. shipping ports impacted the business, the situation gradually improved and unit sales grew. There was also a recovery in tourism sector demand in emerging markets. For personal watercraft, the robust demand

continued, but so did supply constraints stemming from part shortages and supply chain disruptions, and this drove down unit sales. Still, sales and profits both rose for the Marine Products business as a whole due to the cost pass-throughs enacted in the third quarter, in addition to the benefits brought by the weaker yen.

Robotics Segment

Net sales in the Robotics segment decreased ¥4.4 billion (3.7%) year on year, to ¥115.9 billion, and operating profit fell ¥5.7 billion (32.6%) to ¥11.9 billion.

In China, the Shanghai lockdown and a slower economic recovery led to lower capital investment demand there, but automotive sector investments in Europe and the U.S., the China Plus One strategy, and capital investments aimed at shifting to domestic production kept demand strong. With surface mounters, sales from large investments for automotive systems and other sectors primarily in Japan and other developed markets have grown, but a cooling down of demand in China, Taiwan, and South Korea saw overall sales decline. It was a similar story for our industrial robots and semiconductor manufacturing equipment, with sales falling in China, Taiwan, and other markets. As a result, the Robotics business as a whole posted lower net sales, and profits also fell due to mounting costs for parts and logistics.

Financial Services Segment

Net sales increased ¥13.5 billion (27.8%) year on year, to ¥62.2 billion, but operating income decreased ¥1.6 billion (8.4%), to ¥17.5 billion. Receivables increased in all regions and this drove up sales, but for operating income, the effects of rising interest rates raised procurement interest rates. Additionally, the borrowing risks we perceived led us to record a higher allowance for doubtful accounts for fiscal 2022 on top of the decrease in the one-time allowance for doubtful accounts recorded in the previous fiscal year.

Other Products Segment

Net sales increased ¥12.4 billion (17.1%) year on year, to ¥85.1 billion, but the business recorded an operating loss of ¥1.2 billion, down from operating income of less than ¥1 billion in the previous fiscal year. Higher sales of premium-priced golf car models and the cost pass-throughs we implemented brought higher sales overall, but operating income declined partly due to soaring raw material costs and the higher fixed costs accompanying supply chain disruptions.

Analysis of Financial Position

Total assets at the end of fiscal 2022 amounted to ¥2,183.3 billion, an increase of ¥350.4 billion from December 31, 2021. Current assets were up ¥261.0 billion largely due to increases in accounts receivable and short-term sales finance receivables on the back of firm demand, and an increase in inventories caused by production delays resulting primarily from parts procurement difficulties. Fixed assets increased ¥89.4 billion, mainly due to an increase in long-term sales finance receivables in association with an increase in retail financing.

Total liabilities increased by ¥196.7 billion, to ¥1,129.0 billion, due in part to increased interest-bearing debt mainly caused by higher operating capital.

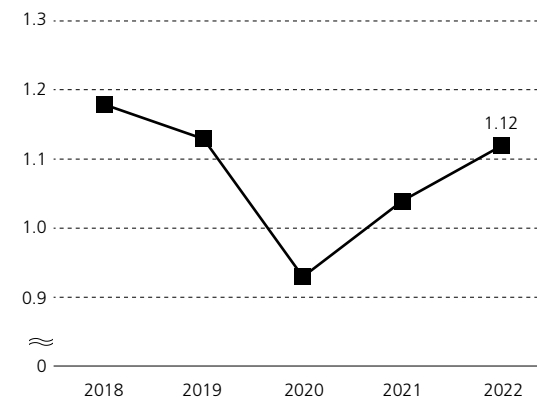
Total net assets were up ¥153.6 billion, to ¥1,054.3 billion, as a result

of having recorded ¥41.9 billion in cash dividends paid, ¥20.0 billion in purchase of treasury shares, ¥174.4 billion in net income attributable to owners of parent, and a ¥47.8 billion increase in foreign currency translation adjustments.

As a result, the shareholders' equity ratio was 45.9%, compared with 46.9% at the end of the previous fiscal year. The net debt-equity ratio was 0.31 times, compared with 0.21 times at the end of the previous fiscal year.

Total Asset Turnover

(Times)



Cash Flows

Operating Cash Flow

Overall, net cash provided by operating activities in fiscal 2022 was ¥70.9 billion, compared with ¥141.3 billion in the previous fiscal year. This mainly reflected ¥245.8 billion in income before income taxes (vs. ¥199.7 billion); ¥59.8 billion in depreciation (¥51.1 billion); and other factors. Outflows exceeded inflows due to factors including an increase in inventories of ¥90.1 billion (an increase of ¥76.2 billion); an increase in sales finance receivables of ¥70.8 billion (a decrease of ¥5.0 billion); ¥53.8 billion in income taxes paid (¥30.1 billion); an increase in trade receivables of ¥12.9 billion (an increase of ¥8.6 billion); and other factors.

Investing Cash Flow

Net cash used in investing activities in fiscal 2022 was ¥74.2 billion, compared with ¥51.0 billion in the previous fiscal year, primarily reflecting ¥89.4 billion used for the purchase of fixed assets (vs. ¥66.8 billion); ¥15.3 billion used for the purchase of investment securities (vs. ¥5.4 billion); and other factors, despite ¥22.5 billion (vs. ¥17.1 billion) in proceeds from sales of investment securities.

Financing Cash Flow

Net cash provided by financing activities in fiscal 2022 was ¥23.1 billion, compared with ¥93.5 billion used in financing activities in the previous fiscal year, primarily reflecting an increase in interest-bearing debt and other factors, despite cash used for cash dividends paid and the purchase of treasury shares.

As a result of the above activities, free cash flow for fiscal 2022 was a negative ¥3.2 billion (vs. a positive ¥90.3 billion in the previous fiscal year). Cash and cash equivalents totaled ¥296.8 billion, an increase of ¥21.9 billion from the end of the previous fiscal year. Interest-bearing debt at the end of fiscal 2022 was ¥602.7 billion, an increase of ¥144.2 billion from the end of the previous fiscal year.

Capital Resources and Liquidity

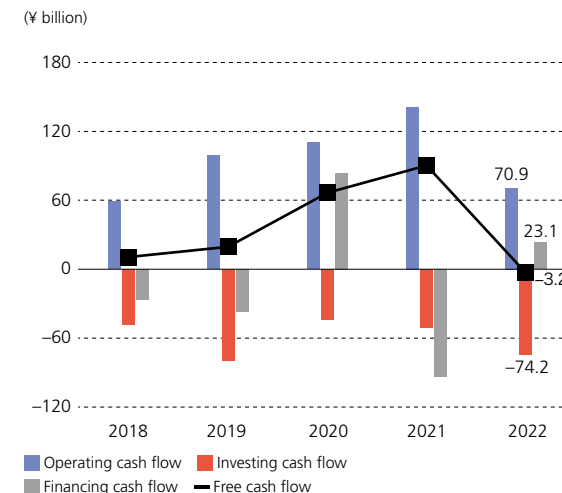
The Yamaha Motor Group's primary capital needs are covering the costs of procuring the materials, parts, and other articles used in product manufacturing; costs incurred in the manufacturing process; the purchasing costs for products and merchandise; selling, general and administrative expenses; working capital; and capital expenditures.

Group companies acquire short-term loans requiring payment within one year denominated in local currencies to use as working capital. Meanwhile, funds for capital expenditures come primarily, in principle, from internal reserves, including paid-in capital and retained earnings.

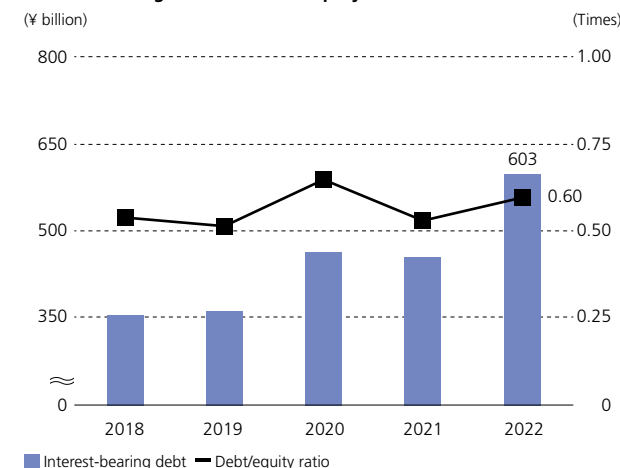
In managing capital liquidity, Yamaha Motor secures the necessary liquidity by creating and updating cash flow schedules on a timely basis and properly maintaining cash and cash equivalents on hand.

While free cash flow was negative in fiscal 2022, this was due to an increase in sales finance receivables and inventories on the back of strong demand and solid sales in various countries, as well as active investing in capital expenditures, etc. In addition, the Company repurchased its own shares to improve shareholder returns and capital efficiency. The Company intends to pay a full-year dividend of ¥130 per share for the fiscal year ending December 31, 2023, with a ¥30.0 billion purchase of treasury shares also planned.

Consolidated Cash Flow



Interest-Bearing Debt and Debt/Equity Ratio



Capital Expenditures

The Group made investments of ¥88.2 billion in total during fiscal 2022.

In the Land Mobility segment, investments of ¥56.8 billion were made mainly for updating production facilities, new motorcycle models, improving the production scheme, and for R&D. In the Marine Products segment, investments of ¥18.3 billion were made mainly for new golf car models and upgrading production equipment. In the Robotics segment,

investments of ¥7.9 billion were made mainly for research and development for surface mounters and industrial robots, expanding the plant, and new industrial-use unmanned helicopter models. In the Other Products segment, investments of ¥5.2 billion were made mainly for new golf car models. In 2023, the Company plans capital expenditures of ¥100.0 billion and R&D expenditures of ¥121.0 billion.

Cash Dividends

The Company considers increasing returns to shareholders an important management issue as it endeavors to improve corporate value.

As indicated in the Medium-Term Management Plan announced in 2022, we will pay stable and continuous dividends under our new shareholder return policy while taking into consideration the outlook for business performance and investments for future growth. We will continue to flexibly return profits to shareholders in accordance with the size of cash flows, with a target total return ratio of 40% for the cumulative period of

the Medium-Term Management Plan. The Company has a basic policy of paying an interim dividend and a year-end dividend. The decision-making body for the interim dividend is the Board of Directors, while the General Meeting of Shareholders decides the year-end dividend. The Company's Articles of Incorporation provide that the record date shall be June 30 for the interim dividend and December 31 for the year-end dividend.

The Company decided to pay a full-year dividend of ¥125 per share (including an interim dividend of ¥57.5 per share) for fiscal 2022.

Forecast for the Fiscal Year Ending December 31, 2023

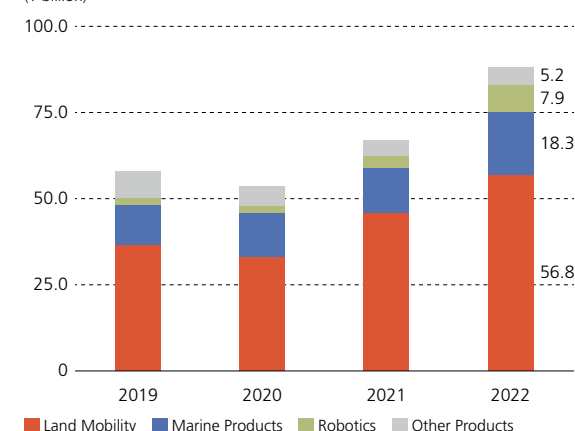
In 2023, we expect demand to remain particularly high for large outboard motor models and motorcycles in emerging markets, so we will look to make progress with parts procurement, production, and shipments as we aim to optimize our market inventory levels for products in short supply. Furthermore, we expect the effects of the cost pass-throughs we implemented in 2022 to manifest even more clearly in 2023, and for ocean freight rates to be lower than the previous year.

However, the risks we anticipate include price hikes accompanying a recovery in automobile production for materials like aluminum, precious metals, and steel, as well as further rises in labor and energy costs. Additionally, global economic trends, exchange rate fluctuations, and other factors make the situation we face quite uncertain.

To address these risks, we will move forward with core structural reforms and measures to reinforce our foundations, such as lowering costs and raising productivity. At the same time, the marketing and technology departments will come together to work on accelerating the pace of such reforms, create new value for adapting to changes in our business environment, and make headway with initiatives for sustainable growth. Also, regarding the effects from the ongoing shortage of semiconductors and other components on our immediate production operations, we have made progress with developing alternatives, so we expect things to begin improving in the latter half of 2023.

Capital Expenditures

(¥ billion)



	Forecast	Year-on-Year Increase/Decrease
Net sales	¥2,450 billion	¥201.5 billion Up 9.0 points
Operating income	¥230 billion	¥5.1 billion Up 2.3 points
Ordinary income	¥230 billion	¥9.3 billion Down 3.9 points
Net income attributable to owners of parent	¥160 billion	¥14.4 billion Down 8.3 points

Exchange rates: ¥125 to US\$1 (up ¥7 year on year),
¥135 to €1 (up ¥3 year on year)



reddot winner 2022 motorcycle design



Motorcycle MT-09

Red Dot Award 2022 [Winner]
iF Design Award 2022

Based on the MT Series' "Torquey & Agile" concept, the MT-09 was developed with an emphasis on "feel," weight reduction, and higher power, and to be a model usable across a wide range of scenarios, from commuting to weekend rides. The styling strips the bike down to the bare essentials and seeks to stand out by highlighting the functional beauty of the parts themselves. The MT-09 is packed with new features and innovative technology, including a newly designed 889cc CP3 3-cylinder engine, a light-weight chassis, SpinForged aluminum wheels, and YZF-R1-derived onboard electronics.

Motorcycle YZF-R7

Red Dot Award 2022 [Winner]
iF Design Award 2022

The latest addition to Yamaha's R-Series of supersport models, the R7 offers not only the excitement of riding a faired sportbike but also the joys unique to owning an R-Series machine to a wider range of motorcycle enthusiasts around the world. Calling on the excellent base performance of its powerplant and chassis platform, this new model delivers real riding fun and top-end quality and feel but at an affordable price.



Personal Watercraft SuperJet

Red Dot Award 2022 [Winner]

The SuperJet is the first fully remodeled one-seat stand-up model watercraft in 30 years. It features a 4-stroke, 3-cylinder engine that complies with current emissions regulations, a radical race-inspired design, and a wide-front hull shape. It is equipped with a handlebar adjustment function to suit body size and preference, an extended foot tray, and an engine suppression mode.



Good Design Award 2022



Electric Boat Control System HARMO

Good Design Award 2022 Best100

HARMO is a platform for next-generation boat control systems and consists of an eco-friendly electric propulsion unit, a remote control box for thrust inputs, a joystick for intuitive operation, and more. With its green operation and easy-to-use controls, HARMO offers "low-speed mobility on the water" as a new value by making the cruising experience more comfortable as well as more enjoyable.

Electric Trials Bike TY-E 2.0

Good Design Award 2022

This working prototype for trial competition, which demands incredible maneuverability and versatility, was created as part of R&D into new approaches for developing EVs that can offer more fun than their ICE counterparts. Featuring a sophisticated electric powertrain control system and high-capacity battery, the TY-E 2.0 even ran against gasoline models at World Championship-level competition.



Automated Transport Service eve auto

Good Design Award 2022

Automated transport with small EVs is expected to play a greater role in industrial settings and the eve auto service is addressing the chronic labor shortages worksites face. It is easy to implement and operate for "automation starting today" with a vehicle design ready for automated or manned operation, powerful towing/load capacities, and traveling indoors or outdoors between factory buildings.



Corporate Information / Stock Information

(As of December 31, 2022)

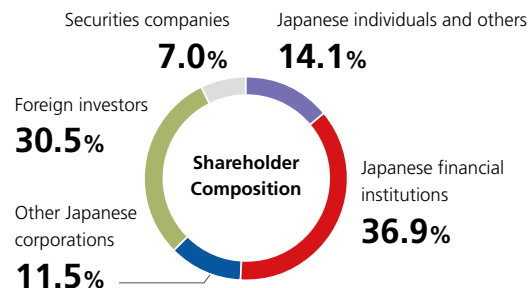
Company name	Yamaha Motor Co., Ltd.
Headquarters	2500 Shingai, Iwata, Shizuoka 438-8501, Japan
Date of establishment	July 1, 1955
Capital	¥86,100 million
Number of employees	Consolidated: 52,554 Non-consolidated: 10,193

Stock listing	Tokyo Stock Exchange
Stock code	7272
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 3-15-33 Sakae, Naka-ku, Nagoya-shi, Aichi Prefecture 460-8685
Auditor	Ernst & Young ShinNihon LLC
Inclusion in major indices	Nikkei 225, JPX-Nikkei 400

Major consolidated subsidiaries	Yamaha Motorcycle Sales Japan Co., Ltd. Yamaha Motor Electronics Co., Ltd. Yamaha Motor Corporation, U.S.A. Yamaha Motor Manufacturing Corporation of America Yamaha Motor Europe N.V. PT. Yamaha Indonesia Motor Manufacturing India Yamaha Motor Pvt. Ltd. Yamaha Motor Vietnam Co., Ltd. Thai Yamaha Motor Co., Ltd. Yamaha Motor Philippines, Inc. Yamaha Motor Taiwan Co., Ltd. Yamaha Motor do Brasil Ltda.
--	--

Capital Stock

Authorized	900,000,000 shares (common stock)
Issued	350,217,467 shares
Number of shareholders	94,547



Principal Shareholders

Shareholder	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	18.81
Custody Bank of Japan, Ltd. (trust account)	7.35
Yamaha Corporation	4.62
Toyota Motor Corporation	3.70
SMBC Nikko Securities Inc.	3.64
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	2.14
JPMorgan Securities Japan Co., Ltd.	1.80
SSBTC CLIENT OMNIBUS ACCOUNT	1.77
State Street Bank West Client Treaty 505234	1.72
The Shizuoka Bank, Ltd.	1.67

Note: Percentage of ownership is calculated excluding treasury shares.

Shareholder Notes

Fiscal year	January 1 to December 31
Reference date for allocation of surplus for dividends	Year-end dividends: December 31 Interim dividends: June 30
General Meeting of Shareholders	March
Share unit number	100 shares
Method of public notice	Public notices are given by electronic notice. In unforeseen circumstances where electronic notices are impossible, public notice is made in the <i>Nihon Keizai Shimbun</i> .

External Recognition

FTSE4Good Index Series
FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index
MSCI ESG RATINGS (AAA rating)*1

MSCI ESG Leaders Indexes /
MSCI Japan ESG Select Leaders Index*2
CDP (A- grade in the climate change report category)
S&P Japan 500 ESG

SOMPO Sustainability Index 2022
Certified 2023 Health & Productivity Management
Outstanding Organizations (Large Enterprise Category [White 500])



FTSE4Good



FTSE Blossom Japan



2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

*1 THE USE BY YAMAHA MOTOR OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF YAMAHA MOTOR BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

*2 THE INCLUSION OF YAMAHA MOTOR IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF YAMAHA MOTOR BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



YAMAHA MOTOR CO., LTD.

2500 SHINGAI, IWATA, SHIZUOKA, JAPAN

<https://global.yamaha-motor.com/>