

Creating *Kando*



What we value most in our efforts to create *Kando*

Yamaha Motor expresses the “unique style of Yamaha” with its shared values of **Innovation, Excitement, Confidence, Emotion, and Ties**. Incorporating the unique style of Yamaha into all processes and levels of our corporate and business activities will further enhance Yamaha’s unique qualities. We believe that doing so is the way to meet customer expectations and the fuel to further improve our competitiveness.



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.

Management Principles

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.

Action Guidelines

Acting with Speed

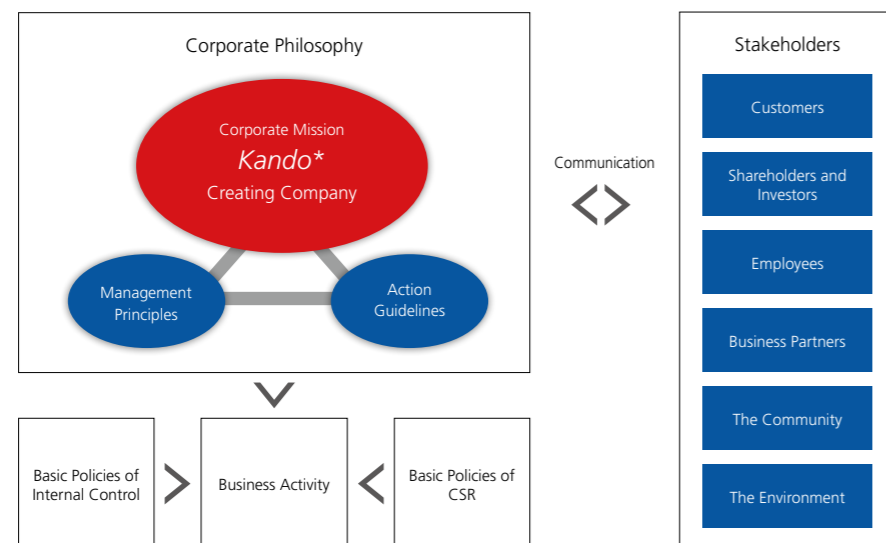
Meeting change with swift and informed action

Spirit of Challenge

Courage to set higher goals without fear of failure

Persistence

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



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Editorial Policy

In addition to the Long-Term Vision and the strategies to achieve it contained in the current Medium-Term Management Plan (both formulated in December 2018), Integrated Report 2020 contains a wealth of information about how we will grow going forward through environmental, social, and governance (ESG) initiatives. This report is edited to give shareholders, investors, and other stakeholders a multifaceted understanding of Yamaha Motor's sustainable growth.

The report was edited referencing the International Integrated Reporting Council (IIRC)'s International Integrated Reporting Framework (released in December 2013) and the Ministry of Economy, Trade and Industry (METI)'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.

* The 2020 in the title refers to the year this report was published.

Structure for Information Disclosure

Financial Information	Non-Financial Information
Integrated Report 2020	
<ul style="list-style-type: none"> • Information for Investors https://global.yamaha-motor.com/irr/ • Securities Report (in Japanese only) • Fact Book 	<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

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 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.

A History of Creating *Kando* through Technology

Yamaha Motor Co., Ltd. (Yamaha Motor) 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 the consumer-oriented development approach of its Nippon Gakki roots as a starting point, Yamaha Motor has continuously been working to create new value through its motorcycles and other products in a variety of fields for over 60 years.

Taking on the motorcycle business amid Japan's post-war economic recovery

Genichi Kawakami, the fourth president of Nippon Gakki Co., Ltd. and later the founder of Yamaha Motor, decided to enter the motorcycle market as a stepping-stone to future business development outside the realm of musical instruments. The compact chassis, high quality, and striking design of the first Yamaha motorcycle, the YA-1, attracted a great deal of market attention.

Expanding business fields and working to popularize recreational culture

Adapting the engine technology garnered through the motorcycle business, we turned our hand to building outboard motors, fiber-reinforced plastic (FRP) fishing boats, snowmobiles, and other products, thereby expanding our range of business. Moreover, we engaged in activities to popularize a culture of leisure and recreation and to grow our fan base. Other initiatives included work to raise awareness of safety in motorsports.

Creating demand and building a business platform

Not restricting ourselves to preconceived ideas, we analyzed customer needs with a market-oriented approach and later released the Passol, a model well-suited to women riders, and thus created a new "soft bike" market segment. We also leveraged the technological development know-how and expertise acquired in creating our own robots while diversifying our production model lineup to begin development and practical implementation of Yamaha-brand industrial robots.

Helping resolve societal issues with products combining technologies

To alleviate the burdens accompanying strenuous manual labor tasks, such as spraying agricultural chemicals by hand in the agricultural sector, we began developing industrial-use unmanned helicopters utilizing our small-engine, FRP, and electronic control technologies. Today, these helicopters not only contribute to labor savings and greater efficiency in agriculture but are also utilized by research institutions and other bodies for academic studies and research, disaster response, surveys and observation, and more.

Working for both *Kando* and the environment

Applying the electronic control technologies developed with the PAS electrically power-assisted bicycle launched in 1993—the first mass-produced vehicle of its kind in the world—and the latest in human-interface technology, we successfully practicalized an eco-friendly electric commuter vehicle that produced no emissions and little noise. The research on fuel cell vehicles (FCVs) we were also conducting at the time directly contributed to our current development of new forms of mobility.

Diverse *Monozukuri* contributing to a more sustainable society

We are pairing our core technological competencies with advanced technologies to further evolve and diversify our motorcycle and marine product lineups, but we are also moving forward with our Yamaha Clean Water Supply System project for emerging markets, an initiative first started in the 1990s. By making the system operable by the local residents themselves, the resulting stable supply of clean water helps resolve social issues they face.

1955

1960

1970

1990

2000

2010



1955
The first Yamaha motorcycle
YA-1



1960
Our first catamaran
FRP boat
CAT-21



1960
Our first
outboard motor
P-7



1977
"Soft bike" allowing
women to ride with peace of mind
Passol



1967
Joint project with
Toyota Motor Co., Ltd.
Toyota 2000GT



1968
Our first snowmobile
SL350



1978
Our first 6-horsepower snow
blower, suited to Japanese snow
YT665



1975
Our first golf car
YG-292



1987
Industrial-use
unmanned helicopter
R50 (L09)



1995
Wheelchair
electric power unit
JW-I



1993
Japan's first electrically power-assisted bicycle
PAS



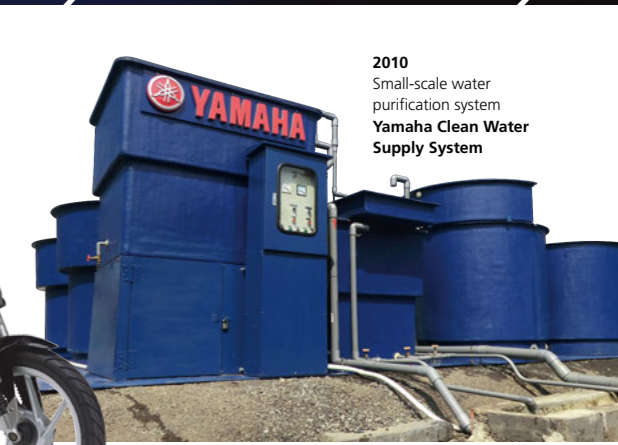
2002
Electric commuter vehicle
Passol



1987
Surface mounter for printed circuit boards
YM4600S



2014
Our first LMW*
Tricity



2010
Small-scale water
purification system
Yamaha Clean Water
Supply System



2017
Cell picking &
imaging system
CELL HANDLER™



2018
Sport LMW*
NIKEN

Refining our core technological competencies and developing various products in step with changes in society

* Leaning Multi-Wheel: Yamaha Motor's designation for vehicles with three or more wheels that lean like a motorcycle through turns

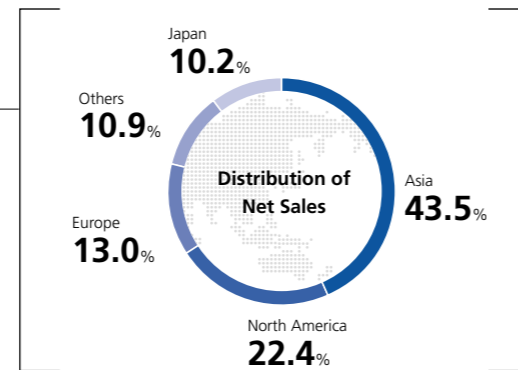
Yamaha Motor's Presence

Yamaha Motor conducts its operations in the Land Mobility, Marine Products, Robotics, Financial Services, and Others business segments. Overseas sales currently account for approximately 90% of the Company's consolidated net sales.

Consolidated Financial Results

Net sales
 ¥1,294.1 billion → ¥1,664.8 billion
 (Fiscal 2010)

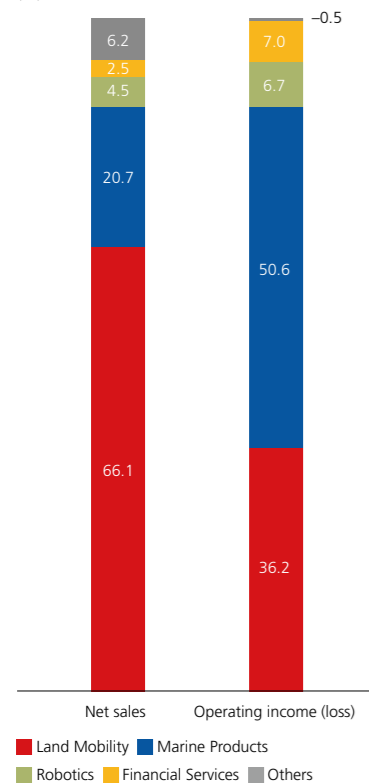
Operating income
 ¥51.3 billion → ¥115.4 billion
 (Fiscal 2010)



Business Domains

As of fiscal 2019, ended December 31, 2019, the Company changed its business segments from Motorcycles, Marine Products, Power Products, and Industrial Machinery and Robots to Land Mobility, Marine Products, Robotics, and Financial Services. Although the Land Mobility segment accounts for some 60% of consolidated net sales, the Marine Products segment is the driver of operating income.

Distribution of Net Sales and Operating Income (Loss) by Business Segment (%)



Segment	Main products and services
Land Mobility	Motorcycles, Leaning Multi-Wheel (LMW), all-terrain vehicles (ATVs), recreational off-highway vehicles (ROVs), snowmobiles, and electrically power-assisted bicycles
Marine Products	Outboard motors (marine engines), personal watercraft, boats, FRP pools, fishing boats, and utility boats
Robotics	Surface mounters, semiconductor manufacturing equipment, industrial robots, and industrial-use unmanned helicopters
Financial Services	Sales finance and leases related to the Company's products
Others	Golf cars, generators, multipurpose engines, snow blowers, automobile engines, automobile components, and electric wheelchairs

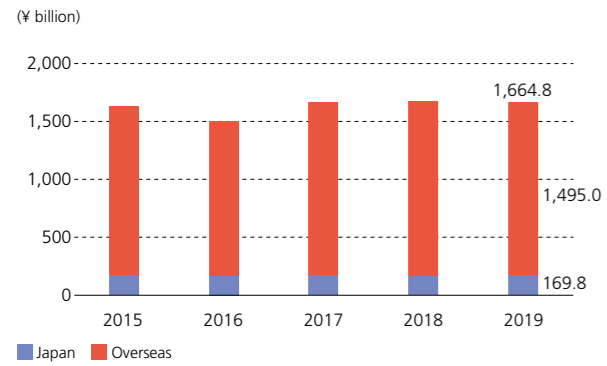
Multi-Axial Business Approach Applying Our Core Technological Competencies

The powertrain, chassis and hull, electronic control, and manufacturing technologies that we have honed since our founding serve as our core technological competencies, and as we continue refining these competencies we offer a wide variety of products that create *Kando* by leveraging our technologies and keen sensitivities.



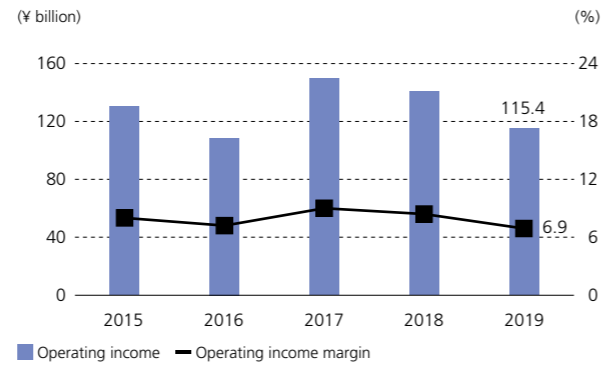
Financial and Non-Financial Highlights

Net Sales



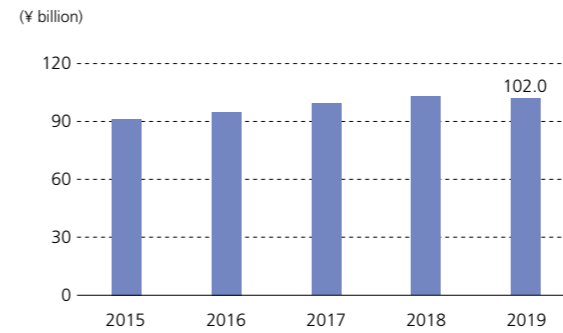
Sales grew in the Marine Products and Financial Services segments, but fell in the Land Mobility and Robotics segments (excluding the impact from M&As), resulting in a net sales decline of ¥8.4 billion year on year, to ¥1,664.8 billion.

Operating Income / Operating Income Margin



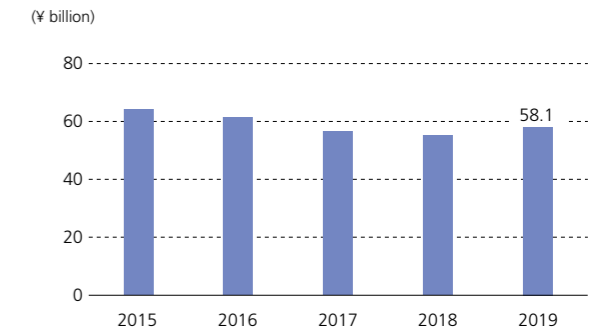
Profitability improved in the motorcycle business—a continuation from fiscal 2018—but operating income fell ¥25.4 billion year on year, to ¥115.4 billion, owing to weaker sales in the Robotics (excluding the impact from M&As) and other segments, higher expenses from growth strategies, foreign exchange rates, etc.

R&D Expenses



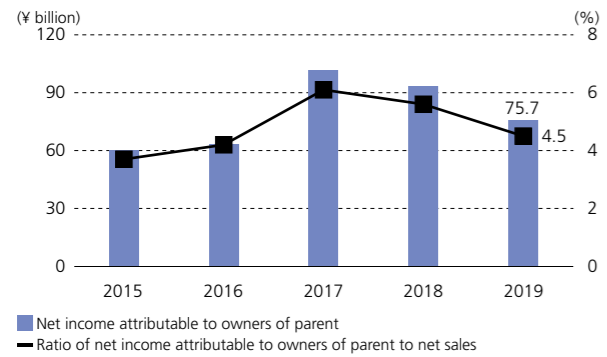
R&D expenses were ¥102.0 billion, essentially on par with the previous fiscal year.

Capital Expenditures



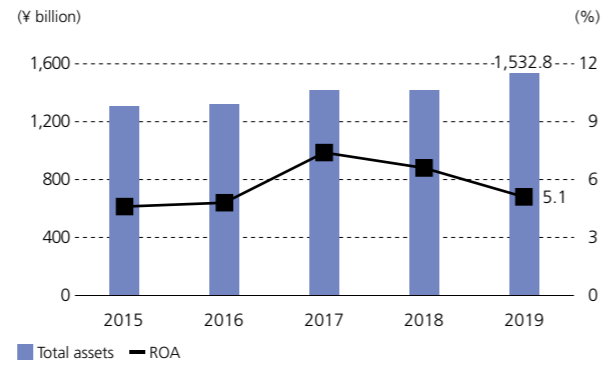
Capital expenditures totaled ¥58.1 billion, targeting sustained growth and greater efficiencies in existing businesses.

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



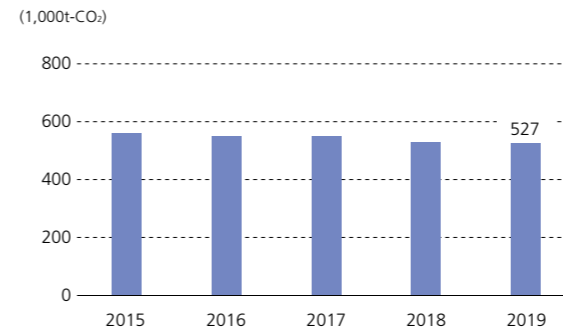
Net income attributable to owners of parent declined ¥17.6 billion year on year, to ¥75.7 billion, and the ratio to net sales decreased 1.0 percentage points year on year, to 4.5%.

Total Assets / Return on Assets (ROA)



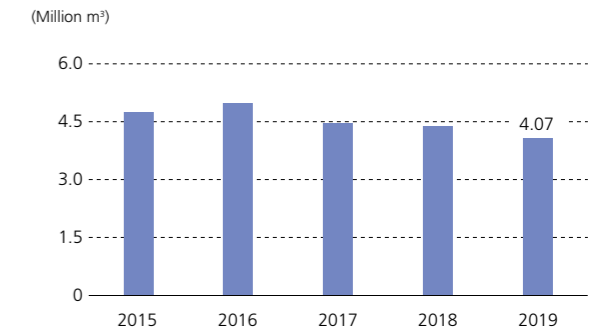
Total assets grew ¥112.0 billion from the previous fiscal year-end due to the consolidation of Yamaha Motor Robotics Holdings Co., Ltd. (YMRH) and its subsidiaries.

CO₂ Emissions



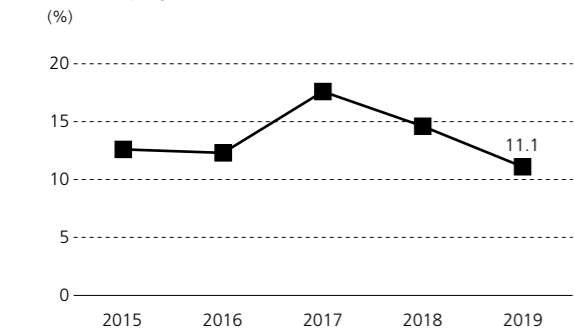
The Group has been working to reduce greenhouse gas emissions in its manufacturing activities with an eye on achieving its target for reducing CO₂ emissions PLS. by 50% by 2050 (compared with 2010).

Water Intake



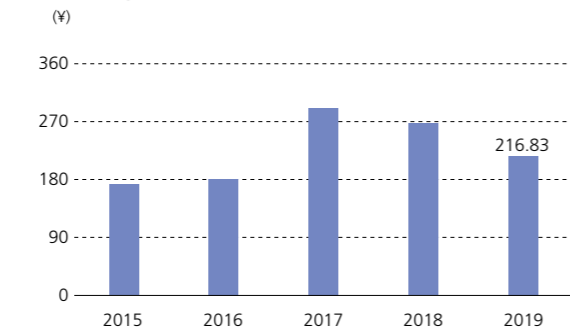
We will continue our efforts to measure our global use of water resources and reduce the amount of water intake through promoting the reuse of coolant water and water collection (rainwater and other sources) at factories.

Return on Equity (ROE)



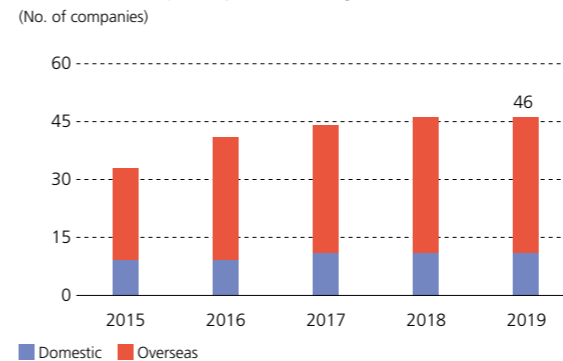
The decline in net income attributable to owners of parent led to a 3.5 percentage point decrease in ROE compared with the previous fiscal year-end.

Net Income per Share (Basic)



Net income per share (basic) declined from the previous fiscal year due to the decrease in net income attributable to owners of parent.

Number of Group Companies Joining Unified Certification Program



We have been working toward global environmental ISO 14001 unified certification at Group companies in Japan and overseas since 2012. A total of 46 companies have joined the unified certification program, mainly manufacturing companies in Asia (including Japan), Europe, the United States, and South America.

Brand Ranking*



* Brand value ranking of Japan-based brands carried out by Interbrand Japan (Best Japan Brands 2020)

The Yamaha brand, calculated by combining the brand value of both Yamaha Motor and Yamaha Corporation, was valued at US\$1,369 million (compared with US\$1,195 million in 2019 and US\$998 million in 2018).