

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 efforts for accomplishing this will be guided by Takuya Kinoshita, who was appointed Chief General Manager of the Creative Center in January 2022, and will take on the responsibilities of leading the Company's branding and design activities. The following pages explain the history of Yamaha Motor's branding activities and ambitions for the future.



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

Growing Importance of Brands as a Management Resource Summating the Company's Thoughts and Actions

Yamaha Motor recognizes that its brand is among its most important management resources. As the economic growth of capitalist societies slows, the purpose of companies is being questioned even more and this additional scrutiny is increasing the role and the scope of influence of brands, which are largely synonymous with the company itself, its values, and its ethics. The growing importance of brands is also being driven by people's deepening connection with the world around them and changes in their aspirations and values, as seen in the rising interest in environment issues.

The elements that form a brand's value structure are incredibly intertwined. It is important that the economic value of a company, e.g., the products and services it offers, the processes that create said products and services, the purposes and philosophies embodied by these processes, and the values and ethics espoused all be interconnected with the desires of people and society. In other words, brands are an amalgamation of all of the thinking and actions that take place within an organization, and it is this amalgamation that gives form to the brands of the Company as well as those in its businesses and product lines.

Communicating the Real Value Delivered to People and Society

Let me first explain the framework of the Yamaha Motor brand. To do this, we must first understand that Yamaha Motor was established by spinning off the motorcycle division from Nippon Gakki Co., Ltd. (today's Yamaha Corporation) in 1955. As a result, the Yamaha Motor brand falls under a larger Yamaha brand that is shared with Yamaha Corporation. The Yamaha Motor brand is thus a result forged by the synergies between the traditional assets of the shared Yamaha brand and the individual value Yamaha Motor has generated to date via its business. To magnify the assets of the Yamaha brand that form the foundation for the Yamaha Motor brand, we have conducted joint branding efforts with Yamaha Corporation under the "Two Yamahas, One Passion" slogan.

With this dual-faceted structure, we hope to grow the Yamaha Motor brand into one that brings happiness, anticipation, and achievements to all it touches.

Happiness is not something that can be achieved through physical possessions alone. Whether it is a motorcycle or a piano, one's own desire to improve in ability with such items makes physical possessions partners for deriving greater levels of joy. By combining such items that serve as outlets for passion with activities for demand creation and popularization—part of our traditional approach—we aim to foster a brand that elevates self-improvement into a form of recreation. This is the desire encapsulated in our "Revs your Heart" brand slogan.

At the same time, we recognize that the value of a brand is constantly reassessed from a social perspective. Accordingly, communication and engagement are imperative for portraying to as many people as possible our efforts to help resolve important societal issues. We are therefore promoting communication that defines the principal forms of societal value Yamaha Motor creates as mobility value, time value, and environmental value.

Emphasizing Media at the Creative Center under the Medium-Term Management Plan

Given the breadth of Yamaha Motor's businesses and the markets they serve, a sophisticated management approach is indispensable to ensuring the functionality of corporate and business brands on both a Companywide and individual business basis. We are therefore advancing the following initiatives based on the frameworks of the New Medium-Term Management Plan, which include the field of design (detailed on the following page).

Our first step will be to stress the role of media at the Creative Center. Through this approach, we will develop the Creative Center to

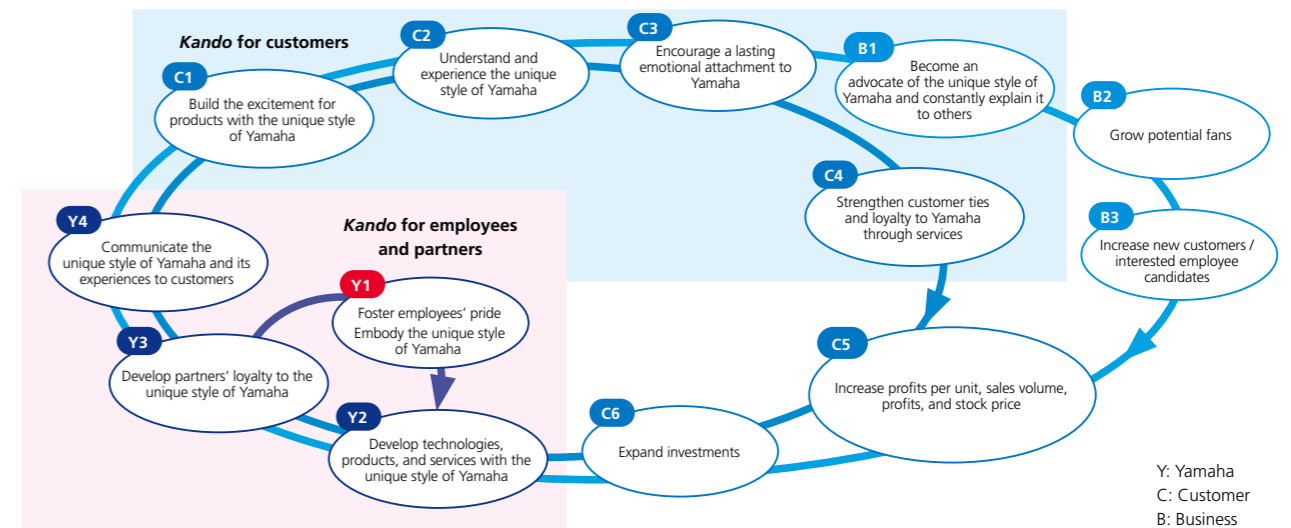
provide media functions targeting management and other internal stakeholders; functions aimed at customers, partners, and other members of society; and media venues linking these functions. We are also moving ahead with the construction of frameworks for effective incorporation of insight and advice from experts in fields that include branding and media. Moreover, we aim to support these functions with a foundation formed by redefining our core value, establishing and following unique indicators, and fostering communication skills.

Global Branding PDCA Cycle

Yamaha Motor periodically conducts surveys to assess its brand strength using uniform tools at principal bases around the world in order to relay and reflect the results of brand value analyses in its corporate activities. To facilitate these efforts, we hold workshops on our global branding PDCA (plan-do-check-act) cycle, examine any issues identified, and prepare relevant action plans.

Kando Cycle

- The *Kando* Cycle describes how we conduct our business from a branding perspective.
- As a *Kando* Creating Company, we continuously generate new *Kando* by expanding the linkage of *Kando* experiences and thereby increase both our brand and corporate value.



Branding Activities

Yamaha Motor has been promoting the decentralization and autonomization of its global brand management. At the same time, we have made strides in internal branding activities (indicated by the pink square in the *Kando* Cycle illustrated above) by holding internal Yamaha Day events each year in July, the month of the Company's founding, and advancing branding initiatives focused on production, development, and other functions.

1. Autonomization and Decentralization of Global Brand Management

Substantial progress has been made in decentralizing global brand management at Yamaha Motor bases across the world. These efforts have been spurred by online PDCA workshops and the Brand Ambassador Development Interaction Program supporting these workshops.



Online branding PDCA workshop conducted via web conference between Mexican subsidiary and Yamaha Motor headquarters in Japan

2. Internal Branding

For 2021, Yamaha Day was repositioned as an event for promoting understanding regarding our brand, a departure from its prior function as a celebration of the Company's founding anniversary. This change in emphasis was meant to help every employee better understand our Long-Term Vision and examine their own relationship to it. Unique videos were produced in regions around the world to help underscore this purpose, and at the same time, we have been forging ahead with branding initiatives focused on production, development, and other functions. The results of these efforts have manifested with positive changes indicated in employee brand awareness surveys.



Creative Branding & Design

Coordinating Four Design Functions, from Value Creation to Communication and Engagement

The Creative Center possesses four design functions: business design, product design, innovation design, and branding design. These functions are supported by proactive recruitment drives to position our design teams as a source of creativity along with efforts to broaden the areas in which designers can contribute to include new business planning and more.

Looking at each of the four functions, business design involves sharing and collaborating on the strategies and business models of business divisions for the purpose of designing projects for undertaking. Product design, meanwhile, entails working together

with businesses to shape design strategies and maximize relevant capabilities. Innovation design employs co-creation functions to generate value with the aim of developing new business approaches. Lastly, branding design is the process of increasing the number of people with an intimate understanding of the Yamaha Motor brand through communication and engagement. This function is used to communicate our *raison d'être* to customers and society, and to inspire such stakeholders to develop a favorable opinion of the Company. These functions are coordinated to form an intrinsic link between design and functions.

Design Creation Emphasizing and Broadening Possibilities for People

The processes of design creation are becoming increasingly diverse. One such process is co-creation, which entails close coordination with stakeholders from the development phase for new products, services, and businesses. This process of creating and cultivating designs together with stakeholders is expected to foster understanding and build bonds while also transforming both B2C and B2B models.

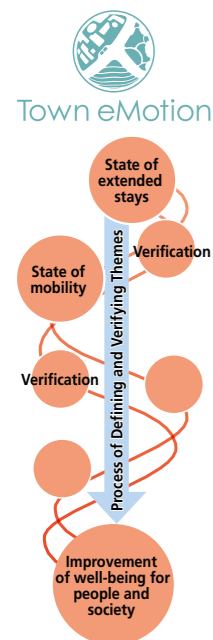
In creating designs, there is nothing that Yamaha Motor emphasizes more than people. Our constant focus on expanding human possibilities through design is delineated in the Company's

Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness." Today, the world is plagued by adversity, from the global pandemic to international conflicts. This situation is creating a greater need for feelings of self-affirmation and mutual appreciation. Yamaha Motor is inspired by an aesthetic sense that propels it in its never-ending examination of what constitutes beauty. This quest has seen us create designs for businesses, products, innovations, and brands that connect with people and society on a fundamental level.

Innovation Design

Town eMotion Value Co-Creation

The Company is engaged in uniquely Yamaha value creation, verification, and real-world implementation activities that go beyond vehicles to also contribute to the well-being of people and society through an approach encompassing community development. Having defined themes related to the state of mobility, extended stays, and the like, we are engaged in co-creation ventures for verifying the effectiveness of our activities together with local communities, municipal governments, companies, universities, and other stakeholders.



Aozora Library using Green Slow Mobility electric vehicles that operate at speeds under 20 km/h (Setagaya-ku, Tokyo, 2021)



Fair and vehicle test-ride event encouraging visitors to think about diverse mobility options and road environments together as a set (Setagaya-ku, Tokyo, 2021; Kamakura City, 2021)

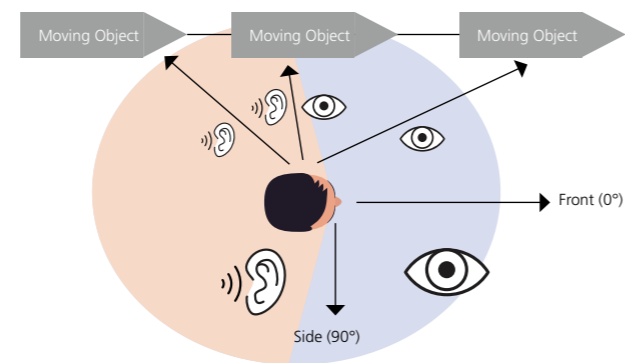


Mobile parklet integrating the pedestrian walkway with the road to energize the community (Setagaya-ku, Tokyo, 2022)

Co-Creation with Research Institutions

It is people that feel *Kando* and judge value. For this reason, we are convinced that research on the essence of value with a focus on people will help us generate innovation that is truly meaningful for customers. By combining the experience and sensibilities fostered within Yamaha Motor with the insight of domestic and overseas research institutions, we are advancing co-creation activities aimed at realizing such true innovation.

For example, Yamaha Motor's technology divisions teamed up with the California Institute of Technology in a joint research venture examining the mechanisms through which people perceive the physical world. This project led to the development of a new technology—now patented in the United States—that allows drivers to perceive their surroundings more naturally and without undue burden. In this manner, deep research into people has the potential to help us design innovations that draw out previously unseen human possibilities. This is the approach we are taking to propose value that exceeds customer expectations.







Technology allowing people to naturally perceive moving objects approaching from behind (the United States patent No. 11,276,182)

Product Design

Communicating the Unique Style of Yamaha through Our Businesses

Product design at Yamaha Motor entails heightening its appeal by utilizing assets in our core business fields while creating value by applying the insight gained in these core fields to a wide range of growth businesses. Below are some examples of products that embody these approaches.

Core Business (Motorcycles)	
ICE	EV
 <p>XSR900 The XSR900 proposes new motorcycling value while utilizing an engine and chassis shared with other models. With a unique, stylish design embodying Yamaha Motor's racing heritage, this motorcycle offers a riding experience that allows users to have equal amounts of fun whether they are pushing their limits or taking it easy.</p>	 <p>NEO's The NEO's is an electric scooter with an interchangeable battery and is available in the European market. With a chassis alluding to its mobility and a design employing curves to emphasize smooth and comfortable riding, this vehicle exudes Yamaha Motor's unique electric vehicle sensibilities and features while presenting the distinctive look of an electric commuter vehicle.</p>
Growth Businesses	
SPV	Robotics
 <p>Wabash RT This sport-focused electrically power-assisted bicycle (e-Bike) allows riders to hit both the road or the trail. The Wabash RT's form also evokes our motorcycle design philosophy while expressing our status as a manufacturer of complete Yamaha-brand e-Bikes with its design that integrates the frame with the battery and power unit into one cohesive package.</p>	 <p>Autonomous Mobile Robot AFV This autonomous mobile robot concept model was exhibited at the 2022 International Robot Exhibition. We are designing the ideal form of transport key to linking production lines of the factories of the future by combining robotics with mobility technologies in order to propose comprehensive automation solutions.</p>

Research and Development

In addition to enacting long-term measures to achieve goals such as carbon neutrality and the introduction of CASE-compatible models, the Company must also respond to manifesting short-term risks that include raw material shortages and geopolitical incidents. Amidst the precipitous changes that are occurring, it is critical that the Company accurately grasp its position, strategically allocate resources, and conduct research and development both swiftly and flexibly.

The Company will accelerate its R&D efforts to solve various societal issues as well as trigger change, and by achieving our Long-Term Vision of “ART for Human Possibilities: Let’s strive for greater happiness,” Yamaha Motor will continue to offer new excitement and a more fulfilling life for people all over the world.

Companywide Technology Strategies to Create Unprecedented Value

The present day has been described for some time as the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), and the business environment around us continues to become increasingly complex and difficult, with the seemingly never-ending pandemic, the shortage of semiconductors, and geopolitical issues causing a surge in raw material prices. In such circumstances, we believe that it is important to respond to various issues with flexibility and agility, and to rapidly develop and provide hardware and software that brings new value. This is in line with our Long-Term Vision of “ART for Human Possibilities: Let’s strive for greater happiness.”

Yamaha Motor’s three main domains are the Land Mobility, Marine Product, and Robotics businesses. The role of the Technical Research & Development Center—which operates as a hub for technologies Companywide—is to promote growth by linking core technologies from each of these domains and to create technologies and businesses with the aim of developing new business domains.

In terms of new businesses, we are identifying and advancing areas that may provide solutions relating to the important societal issues (materiality) we have identified: environment and resources, transportation and industry, and human capital management.

It is plain for all to see that technological development today is incredibly complex, and we must use a combination of various technologies in order to create solutions and value unlike anything before.

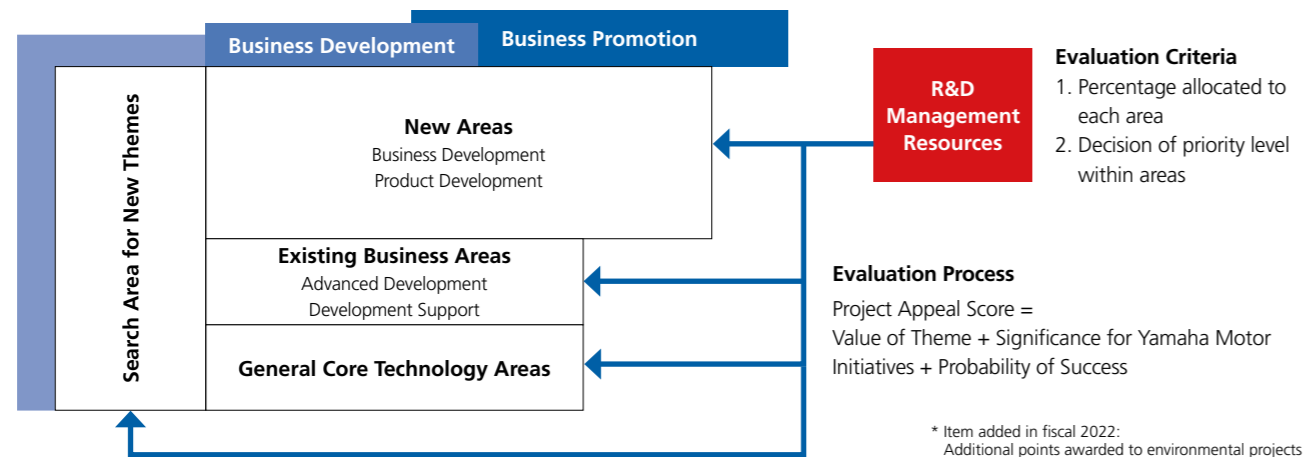
We are developing Companywide technology strategies in order to derive optimal solutions from these complex combinations of different technologies. The first step is to analyze and recognize our position in technological fields, ascertaining our strengths and weaknesses. Next, by determining what added value will be needed in the future and back-casting from there, we can envision the necessary constituent technologies, extrapolate areas that require particular focus from the overall map, assign degrees of priority, and allocate management resources accordingly. To implement this, we will supplement our in-house development by collaborating with external parties such as other companies and universities in order to achieve efficient development, extend the applicable scope of technologies, and realize rapid deployment. This methodology is described in more detail later in this section, together with some case studies.



Heiji Maruyama
Senior Executive Officer and Director
Chief General Manager of Technical Research & Development Center

Case Study 1: Theme and Resource Management

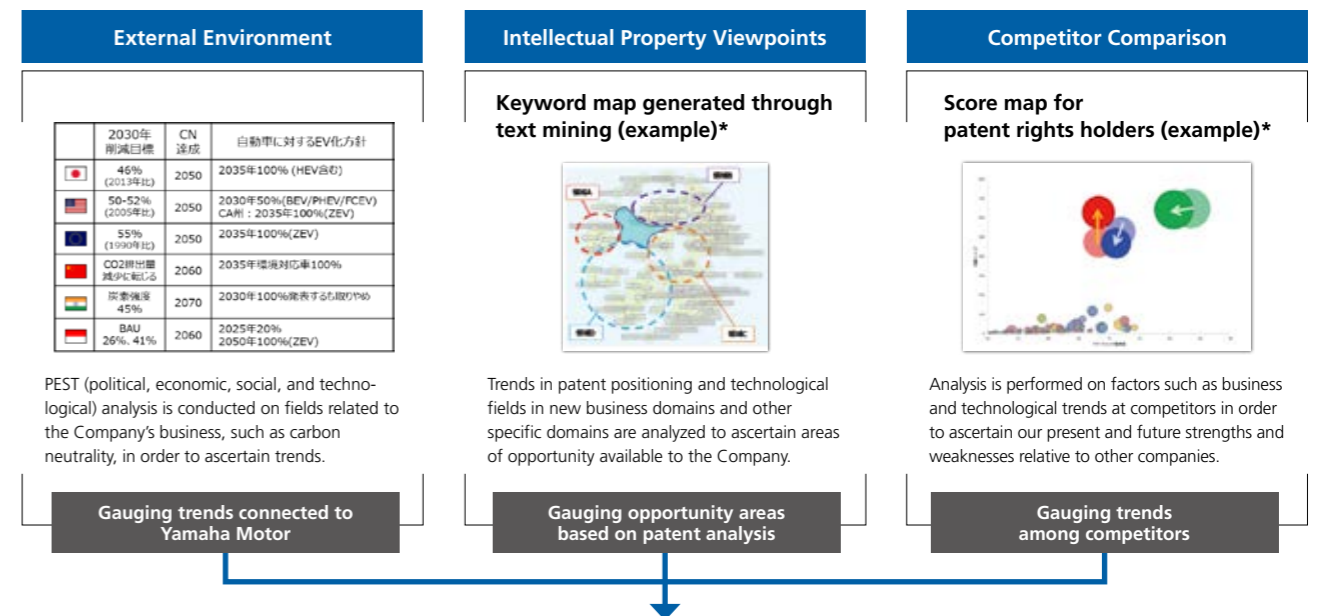
Theme and resource management activities are carried out each year to make decisions on promoting and reviewing projects, and management resources for research and development are allocated accordingly. These activities involve an evaluation process based on a “project appeal score.” This is used to evaluate projects based on the added value they may bring to the Company in the future and to assess the level of priority.



Case Study 2: Technology White Paper

Once a year, the items listed below are compiled in a technology white paper as a means of confirming the current and future position of the Company. The results from this document are used to review research and development and to create new value.

1. Changes in the external business environment: Ascertaining the current situation with regards to business and technological trends and presenting outlooks for the future
2. Intellectual property analysis: Multifaceted evaluation of aspects relating to intellectual property, such as intellectual property landscapes, patent positions, and new technological areas
3. Comparative analysis of competitors: Tracking trends among other companies in the same industry and ascertaining levels of influence in different industries



Applying Technology White Paper Info and Analysis to New Value Creation

E01



Yamaha Motor will progressively introduce the E01, an 8.1 kW class electric scooter using a fixed (non-removable) battery design, to Japan, Europe, Taiwan, Indonesia, Thailand, and Malaysia for real-world proof-of-concept testing from July 2022. We have set a goal of reducing Scope 3 CO₂ emissions by 90% by 2050 compared to 2010, and the E01 is a strategic electric vehicle in order to help achieve this goal.

eve auto



The eve auto transport service employs electric vehicles and was developed to meet the needs for automated transport. The service has started a full-scale trial operation at Prime Polymer Co., Ltd.'s Anesaki Works plant, the first time it has been deployed outside Yamaha Motor factories. In low-speed automated driving—one of the new businesses in our new Medium-Term Management Plan—we are establishing automated driving technologies for use under specific conditions to continue the commercialization goods transportation and achieve laborsaving in logistics.

Electric Motors for Hyper-EVs



Yamaha Motor is supplying Subaru Tecnica International Inc. (STI) with electric motor units for the STI E-RA hyper-EV it is developing for future motorsport. Through the adoption of high-efficiency segment conductors, the casting and machining technologies Yamaha Motor has accrued through engine development, and more, these motors achieve high output while retaining compactness.

* Created by Yamaha Motor using the Patent Result Co., Ltd. Biz Cruncher

Intellectual Properties

Yamaha Motor promotes its global intellectual property strategies to create, protect, and utilize its intellectual property rights, and in doing so not only raise both corporate and brand value but also fulfill our corporate mission to be a **Kando Creating Company**.

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 making use of intellectual property analysis through collaborative initiatives with the divisions in charge of various areas of technology. 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 serves as a guide for creating value according to the Four Policy Pillars of Intellectual Property Activities.

Four Policy Pillars of Intellectual Property Activities

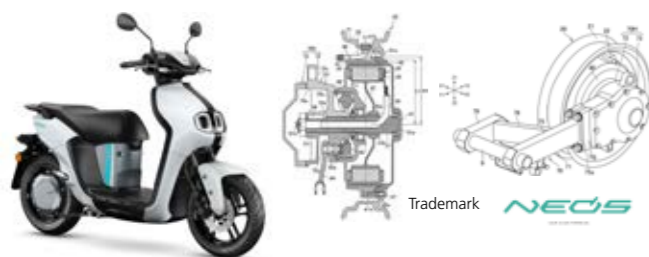
- (1) Move one step ahead of conventional intellectual property activities that consist primarily of intellectual property creation linked to product and technology development in existing businesses
- (2) Pursue intellectual property activities that preempt technological developments and the expansion 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: Building the Technological Platforms for Electrification

We are helping accelerate the shift to EVs through our platform strategies, which include targeted patent applications for components critical to electric powertrains.



SDGs: Visualization of Forest Composition

We have successfully used unmanned industrial-use helicopters to digitally visualize forest layers. This enables efficient gathering of point cloud data and is contributing to laborsavings and the development of new smart forestry methods



Growth Business (SPV): A Unique Model with High Added Value

This electrically power-assisted bicycle employs a unique Dual Twin® frame design providing the optimal battery layout while still achieving the required rigidity. We will use our mix of intellectual properties to expedite progress in this growth business.



Growth Business (Robotics): Real-Time Production Analysis

The business is examining entire production lines and analyzing drops in productivity and quality issues in real time in order to raise both line efficiency and workpiece quality.



Intellectual Property Activities Underpinning Business Strategies

Our intellectual property departments are actively involved in our business activities from an early stage. By carrying out various forms of intellectual property analysis to visualize growth areas beyond each of our business strategies and making active use of intellectual property mixes—a combination of patents, copyrights, trademarks, and other intellectual properties—that fit each business strategy, we create unique value through a multifaceted protection of intellectual properties associated with the

Company's products and services. If any of the intellectual properties buoying our businesses are violated, we work together with intellectual property authorities and other relevant bodies in the countries involved to take firm action against the violation. Furthermore, the Yamaha brand is trademarked in almost every corner of the world, and various activities are carried out to create value in the intellectual property space in line with our business strategies in each country and region.

Example 1: Marine CASE Strategy



* Created by Yamaha Motor using the Patent Result Co., Ltd. Biz Cruncher

Example 2: Motorcycle Business Premium Model Segment Strategy (NMAX)



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.

Collaborating with Business Partners to Raise Our Respective Corporate Value and Competitiveness

Increasing Growth, Profitability, and Robustness Together

We have devised a global procurement policy to guide our activities over the three years of the new Medium-Term Management Plan beginning in 2022. With our long-standing collaborative relationships with our business partners as a foundation, we aim to create new value while strengthening our respective corporate value and competitiveness. To that end, we have established three key areas of focus: growth, profitability, and robustness.

In terms of growth, to achieve our Long-Term Vision for 2030 of “ART for Human Possibilities: Let’s strive for greater happiness,” we will work towards tackling a new field of growth by supporting *Monozukuri* through our procurement operations. We believe that it is important to cooperate with business partners in various fields of expertise in order to develop new technologies for CASE and other areas as well as create attractive new products. We share our medium- to long-term technical strategies with our business partners at an early stage so that we are both on the same page and can work together to carry out those strategies. We are continuing to tackle pursuits in new fields and collaborating with our business partners to strengthen competitiveness.

In terms of profitability, in order to reinforce existing businesses, we are carrying out activities in a collaborative style unique to Yamaha Motor. First, we visualize and share the strengths, weaknesses, and issues our business partners face. Next, we carry out improvements to our business partners’ manufacturing sites and facilities according to our theoretical-value-based approach, and make use of our DX and Smart Factory technologies to create new value. These practices do not only cover cost reduction and value improvement; we also work with our business partners to contribute toward achieving carbon neutrality and other initiatives. The ideas generated through these practices are incorporated into the upstream stages of new model development to improve existing products. By following this cycle, we are working to create new value and increase the corporate value of both Yamaha Motor and our business partners.

To ensure stable profits, we are carrying out measures to address various risks within our procurement operations. Since the COVID-19 pandemic began in 2020, there has been an ongoing risk of global supply networks becoming fragmented. Cases in which business partners are affected by disasters such as fires or floods, or being targeted in cyberattacks, constitute grave risks to the state of our operations. Our Procurement Center advises our business partners to put preventive measures in place before they are needed and visualizes supply chain information so that we are able to ascertain our business partners’ situation early on in an emergency. Additionally, having only a small number of suppliers can pose a significant risk, as we saw with the shortage of semiconductors and some other raw materials, so we are working to secure sufficient component stock for the long term. These efforts allow us to improve our resilience and ensure that we remain profitable.

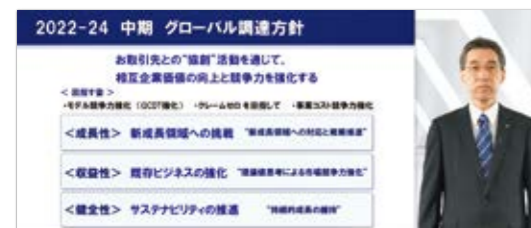
In terms of robustness, we are conducting retrospective investigations into various elements of the manufacturing process of the components and raw materials we purchase, including safety, quality, human rights, and environmental impact. For these activities, it is important that we work with the entire supply chain and an essential undertaking for continuing our corporate activities in future.

Initiatives with our business partners have always been founded on a Quality First mindset. Safety and peace of mind are the top priority and we place these above all else to ensure that we never lose the trust of our clients.

The environment surrounding our procurement operations is experiencing drastic change. To meet various societal expectations and support safe production practices, we share our policies with our major business partners around the world at the Global Suppliers Conference (GSC) and carry out collaborative activities to mutually raise our corporate value.



Creating a functional part for a product with business partners



We shared policies with business partners from 260 companies located in 14 countries at the previous Global Suppliers Conference, which was streamed online.

Responding to Procurement Risks and Working with Business Partners for Sustainable Growth

Transitioning to a Sustainable Supply Chain

The Yamaha Motor Group Sustainability Basic Policy requires business partners to understand the purpose of the policy and act accordingly. In order to appropriately implement sustainable practices that meet societal requirements and expectations, we have summarized the types of behaviors we want business partners to maintain in our Sustainability Guideline for Suppliers, and are working to promote sustainability throughout our entire supply chain.

For a Sustainable Supply Chain

To address the risks accompanying parts supply, we require business partners to provide information on the raw materials used and to submit a Certificate of Non-use of Prohibited/Restricted Substances, which confirms that substances hazardous to the environment are not present in the parts used in our products.

Recently, human rights violations in supply chain operations have been highlighted as an important issue and potential risk in the

parts production process. Since 2013, Yamaha Motor has been conducting investigations into issues that include child labor, forced labor, and the use of conflict minerals. An investigation on working conditions in Indonesia in 2019 found that there were no violations.

Furthermore, we conducted an assessment in 2021 with a third-party institution that focused on foreign technical intern trainees at three of our suppliers in Japan. The investigation did not find any incidents of forced labor, overwork, or health and safety issues, and we were able to confirm that the employment and personal relationships were good. By sharing feedback from the investigation with the suppliers themselves, we are facilitating actions toward further improvement.

We are working on various activities to build a stable and sustainable parts supply network with our business partners, and through these efforts, we aim to reduce potential risks in our supply chain and promote stable and sustainable growth together with our partners.

Initiatives for a Decarbonized Society with Our Business Partners

We are promoting decarbonization initiatives throughout our supply chain to achieve our goal of carbon neutrality by 2050. Firstly, from 2019 we started energy conservation initiatives at the production sites of our business partners in Japan. We assess the manufacturing sites of suppliers and implement measures for work process improvements that cut losses and reduce CO₂

emissions. From 2022, we are conducting investigations into CO₂ emissions from our suppliers, confirming each company’s initiatives and issues and promoting concrete practices for reducing CO₂ emissions. Additionally, we are rolling out these activities on a global scale by sharing information at the GSC.

Message from Management

Co-Creation in a Post-COVID World

Our procurement operations and supply chain have faced a multitude of problems since the pandemic began, such as restrictions on operations due to the fragmentation of our supply chain, unreliable distribution of materials, part shortages, and an increase in prices in the end. These are now daily issues that we must navigate in order to stay in business.

We have thought about how Yamaha Motor’s procurement teams can prepare for the future amid these difficult conditions and the conclusion we reached—and I cannot stress this enough—is that co-creation is vital. We have changed the definitions in the Yamaha Motor Group’s medium- to long-term procurement policy. Since 2020, through the GET* procurement program, Yamaha Motor has worked to ensure that the diversity of region-specific procurement operations overseen by local managers is reflected in our policies.

Our relationship with our suppliers is changing as well. Over the past two years, one approach we have taken to deal with issues is to strengthen communication and collaboration with our suppliers. It is important to build win-win relationships in order to overcome difficulties, and better communication and the forging of strong relationships with suppliers is our new foundation for creating mutual value in the long term.

With all this in mind, we have made co-creation a high priority in our medium-term procurement policy.



Olivier Prevost
Deputy Executive Officer, Director,
PTW Manufacturing & Engineering,
Yamaha Motor Europe N.V. (YMENV)

* Global Execution Transformation (GET): An internal program in which an executive officer and international personnel with specialized expertise are jointly charged in implementing activities related to management roles and business functions on a global scale.

Manufacturing and Production (*Monozukuri*)

As we strive to be a *Kando* Creating Company through our businesses, we believe carbon neutrality initiatives present new opportunities for growth, and by combining them with production processes that eliminate waste, we are working to both further improve productivity and reduce the environmental impact of our production sites. Additionally, utilizing technology to enhance the efficiency of theoretical-value-based production is how we connect manufacturing and production to the pursuit of customer value.

Garnering Affinity via Carbon-Zero Plants and New Growth Opportunities

Initiatives for Carbon-Neutral *Monozukuri*

To aid in creating a decarbonized society, we are promoting initiatives to minimize energy consumption and are switching to renewable energy sources to make Yamaha Motor factories carbon-neutral.

The minimization of energy consumption hinges on our theoretical-value-based energy approach and innovations to production processes. Under the theoretical-value-based energy concept, we aim to apply a theoretical value to the energy used in all processes. This method treats only energy that is truly essential as having “value” and allows us to bridge the gap between this ideal and our current situation. The focus on the ultimate achievement of the theoretical targets with this method differentiates it from the previous loss-reduction approach. Through this initiative, we will achieve the highest level of energy conservation to date. Furthermore, to bring innovations to our production processes, we aim to achieve significant energy conservation in line with the timing of equipment updates and replacements. The introduction of a new aluminum die-casting machine last year resulted in a 44% decrease in energy consumption compared with previous models thanks to new advances, such as a heat recovery system, better thermal insulation, electrification of hydraulics, and lower cycle times. Other new technologies being considered for the future of the casting process include ultra-high thermal insulation, emissions-free inorganic cores, and high-speed low-pressure die casting.

Initiatives for Recycling

As general policy for mitigating climate change, the reduction of CO₂ emissions in corporate activities has become an important societal issue. Since the Japanese government announced its goal of achieving carbon neutrality by 2050, there has been increasing concern and effort by companies regarding initiatives for decarbonization.

In conjunction with the achievement of carbon neutrality, there has been a shift toward a circular economy, particularly in areas such as the European Union. In a circular economy, services are designed under the premise of resource recovery and reuse, with the aim of creating a society with no waste.

Amid such an external environment, the Company has been engaging in reducing the waste from Group plants from the perspective of carbon neutrality and a circular economy. We have been able to manufacture engine components and exterior parts made from recycled materials by working to expand the range of recycled materials used when developing products.

Additionally, we made enhancing the quality of recycling, namely increasing the number of recycled raw materials, and achieving zero

landfill waste by increasing the recycling rate new global targets for achieving carbon neutrality. We are planning to create a raw material recycling system with the aim of recycling all waste.

Meanwhile, switching to cleaner energy relies on the utilization of renewable energy sources and electrification. During the three-year duration of the new Medium-Term Management Plan, we will increase the use ratio of renewable energy by 2.5 times by accelerating the introduction of solar energy power generation. Additionally, we will shift to using CO₂ emission-free energy generated by hydroelectric powerplants at key domestic business sites within 2022, and this is expected to reduce domestic CO₂ emissions by 70%. Under electrification, we are making progress with switching from fossil-fuel based energy to electricity, such as vaporless air conditioning and the complete electrification of equipment.

We will move forward viewing carbon neutrality initiatives as new opportunities for growth with the hope that they lead to the creation of new value, including the creation of a highly productive and comfortable work environment, the achievement of carbon neutrality for our business partners, and the garnering of widespread affinity for the Yamaha brand.



Solar power generation at Chennai Plant (India)

Different approaches to purchasing raw materials are being considered for different materials. While the majority of the ingots used for aluminum casting—a Yamaha Motor field of expertise—already contain recycled materials as of the end of 2021, we are further promoting this switch with the aim of achieving 100% recycled materials. We are undertaking thermal recycling by changing the materials that make up the FRP used in boat hulls and other products. For other resin materials, we are developing recycled materials that do not include substances hazardous to the environment.

Recycled resin



Recycled resin

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

From Smart Factory to Value Innovation Factory

The logic behind Yamaha Motor’s approach to *Monozukuri* is that it is not enough to solely focus on reducing costs and move forward; excessively pursuing cost reductions should not compromise our goal to deliver satisfaction exceeding customer expectations.

Meanwhile, in order to focus resources on the Yamaha Motor Craftsmanship theme that conveys our *Monozukuri* commitment to our customers, we will thoroughly engage in reducing processes that do not lead to customer value. Theoretical-value-based production is the method for classifying processes with and without value and applying that thinking to production operations. This is the foundation of what the manufacturing departments do.

While the terms “Smart Factory” and “manufacturing DX” are heard more frequently recently, we have been enhancing our theoretical-value-based production approach through digital methods since 2019. These initiatives enhance technological capabilities to enable a flexible response to on-site environments and targets through classification of the four manufacturing DX—automated transportation, automated inspection, automated operations, and surveillance of conditions and traceability (hereinafter, the four key technologies)—and internalization of development.

This internalization contributes significantly to the DX of human resource development at manufacturing sites. Specifically, we have decided on digital methods to achieve targets formulated through theoretical-value-based production activities and created many new value processes, such as the following two that cannot be seen at other companies when combined with our on-site experience:

1. Reduce defects in casting through real-time monitoring of quality
2. Introduce low-cost, general-purpose, custom combination AGVs

We will pursue customer value by adding on-site theoretical-value-based thinking to the smart factory approach, which is newly defined as the value innovation factory (VIF) and is for creating new value through on-site guidance.



Utilization of digital technology at manufacturing sites

Message from Management

Launch of Global Management

Under the Global Manufacturing Committee (GMC) launched in 2020, improvements have been made to the *Monozukuri* Conference and global promotion of activities for DCI,^{*1} VIF,^{*2} and carbon neutrality. In 2021, we formulated a medium-term plan for manufacturing from global discussions initiated by the GMC and rolled it out to manufacturing plants around the world at the *Monozukuri* Conference.

Based on experience from the following activities, we hope to shift from the previous Japan-focused management of manufacturing divisions to global management helmed by the GMC in 2022. The activities include inviting manufacturing leaders from each region to join the GMC; expanding the system to allow for management decision-making on a regional level; developing policies at the *Monozukuri* Conference; 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.

Additionally, we will promote human resource development of leadership focused on continuous management of GMC teams. With even greater integration of the global Group, we will make this once-in-a-century period of significant change one of opportunity, aiming for further development while contributing to the enhancement of the trust, satisfaction, and loyalty of our customers around the world.

^{*1} Demand chain innovation: An initiative aiming to maximize sales by adapting production to changes in the market while maintaining appropriate inventory levels
^{*2} Value innovation factory: Creation of new value that combines theoretical-value-based thinking and DX



Teddy Cahyadi Yacob

Director, PT. Yamaha Indonesia Motor Manufacturing (YIMM)

Sales (Marketing)

In marketing, we position customer needs as the starting point of all our corporate endeavors, and our endless pursuit of greater customer satisfaction is how we seek to achieve our corporate mission to be a *Kando* Creating Company offering new excitement and a more fulfilling life for people all over the world.

Marketing That Showcases and Augments Yamaha Motor's Strengths

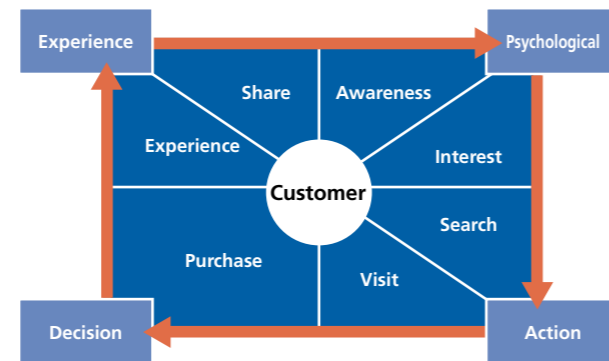
The Company established "The Global Yamaha Way in Marketing in Sales" to clarify our shared values for conducting marketing in the realm of sales. The overarching vision of this manifesto is "Continuing to Create Lifetime Yamaha Customers," and the program itself brings Yamaha sales bases around the 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.



During the COVID-19 pandemic, we held the Online Yamaha Way Day 2022 with members from 19 countries who are promoting activities



Seven Steps of the Customer Journey as defined by Yamaha Motor

Marketing in Sales Activities and Rapid Progress in Brazil

In 2021, Yamaha's motorcycle business in Brazil grew 42%, vastly outpacing the market's average growth of 26.3% and significantly outperforming even other major motorcycle manufacturers. Our share of the market reached 17.4% in 2021, up 5.4 points from five years ago. This was in part due to strategies such as the reorganization of the authorized dealer network and the establishment of a certification system for specialist staff, but another contributing factor was our Marketing in Sales (MiS) activities.

The sales divisions and aftersales service divisions in Brazil formed cohesive teams to conduct MiS activities. One team expanded the bottom line through initiatives in areas where Yamaha Motor had had little involvement before, such as maintenance of motorcycle taxis and riding safety lessons. A different team opened mobile stores in service trucks to increase user touchpoints in local areas. Successful initiatives were propagated to other areas of Brazil through our "teach and learn"

methodology, and this not only improved the strength of the Yamaha brand and the experience and value we provide to customers, but our Brazilian subsidiary's bottom line as well.



A New Style of Work in Overseas Market Development Operations

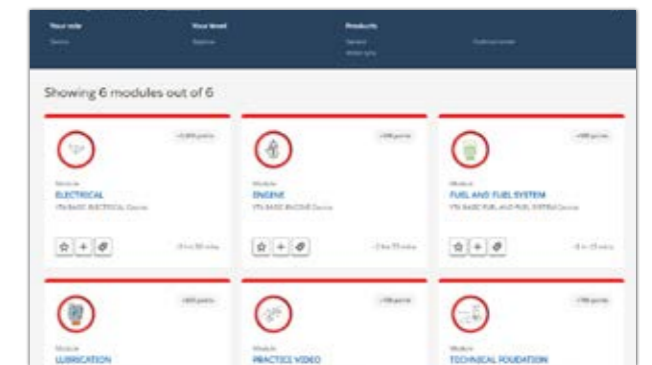
The Overseas Market Development Operations (OMDO) business unit celebrated its 30th anniversary in 2021. OMDO's policy is to always have a finger on the pulse of the local people and their issues, and works in over 140 countries and regions throughout Africa and other continents to forge close ties with local communities in order to fulfill its mission to bringing greater happiness and fulfillment to people around the world.

With COVID-19 making it more difficult to go into the field, we have begun using digital technologies to communicate with local distributors and provide training on aftersales service. This has

heralded a new style of work for OMDO, a two-pronged approach combining activities on-site and the use of digital technologies. By communicating and conducting training via digital means, OMDO has effectively streamlined its marketing operations and fostered even closer ties with local communities with its grassroots approach. Going forward, OMDO will continue to function as a body dedicated to understanding the issues present in the field and working together with local communities to solve them, as well as developing new sources of demand and then contributing to the betterment of society through the resulting business.



Portal site for dealerships with OMDO agreements



E-learning system page for mechanic training

Message from Management

From Indonesia to Australia

Coming to a completely new environment always presents mixed feelings of excitement and uncertainty. As of January 2022, I was assigned from my home country of Indonesia to Yamaha Motor Australia (YMA) as a Senior General Manager of Sales & Marketing. It is a daunting challenge simply from the stark differences between Australia and Indonesia, from the products and dealers to the people and culture.

However, there are many opportunities for me to add new value based on my own experience. By introducing the "3S Concept" we implemented in Indonesia, we have upgraded YMA's own Customer for Life Strategy to connect and make seamless the company's functions for sales, service, spare parts, accessories, financing, insurance, and customer training. The customer relationship management (CRM) project we implemented in Indonesia has also helped make YMA's CRM vision blueprint better match the market, and will get underway with proof-of-concept CRM leads before putting a three-year expansion plan in motion.

It is important to act as One Team when facing dealerships and external stakeholders. I held many roundtable sessions with my team to establish a good rapport where we can all be humble and enjoy open and effective communication.



Hendri Wijaya
Senior General Manager of Sales & Marketing, Yamaha Motor Australia (YMA)

