

## From the Chairman of the Board of Directors

I will dedicate my focus to ensuring the proceedings at our Board of Director meetings are of high quality.

**Katsuaki Watanabe**  
Chairman and  
Representative Director



### Pursuit of High-Quality Proceedings at Board of Directors Meetings

The June 2021 revision of Japan's Corporate Governance Code placed more rigorous requirements on the boards of directors of companies. I believe that this revision was instituted with the aim of increasing the quality of proceedings at board of directors meetings, and in response to the new requirements, Yamaha Motor is rolling out a range of measures for enhancing discussions regarding management issues. One is the prior distribution of information pertinent to agenda items. To fulfill this requirement, the Company has presenters prepare 15-minute videos describing their proposals, and these videos are distributed to Board members ahead of meetings. This approach has allowed members to prepare and organize their thoughts for meetings ahead of time, thereby contributing to increased quality and efficiency in meeting proceedings. These benefits also extend to the newly commenced Management Study Group, which has seen more beneficial discussions.

Our efforts to improve the efficiency of proceedings at Board meetings are shaped by our desire to engage in more in-depth discussions regarding the growth areas and new businesses defined in the new Medium-Term Management Plan as well as by the need to address the high-priority issue of sustainability. The new Medium-Term Management Plan was established in fiscal 2021, and from the efforts thus far, the Board of Directors was able to focus on discussion of the core elements of the plan throughout said period. The topics included portfolio strategies, carbon-neutrality initiatives for pursuing sustainability, digital

transformation methods to strengthen our management platforms, and measures for responding to the ongoing COVID-19 pandemic.

Measures for ensuring more effective discussions have included evaluations and assessments based on self-evaluations by Board members by employing seven evaluation criteria as well as objective evaluations by external institutions. The Board of Directors undergoes evaluations by external institutions once every three years and the latest such evaluation took place in fiscal 2021, meaning that the Board was able to receive an objective assessment. It found that the Board was sufficiently functional but required improvements in five areas, among which were discussions of portfolio strategies and carbon-neutrality initiatives. We intend to pursue these improvements in fiscal 2022.

Other forward steps included the revision of the executive remuneration system by the Executive Personnel Committee in fiscal 2021, which entailed identifying 25 companies to serve as benchmarks and compiling remuneration tables using the 60th percentile of these global manufacturing companies as a standard. Any increases to executive remuneration as a result of this revision were allocated to performance-based compensation to heighten the ratio of such compensation to total compensation. Based on the same thinking, we linked share-based compensation to assessments of total shareholder returns in order to better connect remuneration to the interests of shareholders.

### Diversification of the Board of Directors

Previously, the Board of Directors comprised six internal directors and four outside directors. However, we received approval at the Ordinary General Meeting of Shareholders held in March 2022 to change this membership to five internal directors and five outside directors.

Yamaha Motor's functions can largely be divided into four categories: management, sales, manufacturing, and technologies.

I therefore feel that the new membership arrangement is quite balanced, with one of the five internal directors being an executive officer with a background in each of these four categories in addition to one serving as the chairman. I look forward to seeing these members deliver more refined and cross-organizational management decisions while also executing duties in the business areas that reflect their respective backgrounds.

At the same time, we recognize that increasing the ratio of outside directors with a diverse range of expertise and broad perspectives is crucial to incorporating a wider breadth of opinions into Board discussions. It was for this reason that we appointed Jin Song Montesano as a new outside director, who is also Yamaha Motor's first non-Japanese director. This appointment has raised the number of women on the Board of Directors to three, increasing the diversity of its membership. I hope that the outside directors will offer to the greatest extent possible their input and

advice, and point out issues based on perspectives that differ from the ones we hold predicated on our backgrounds mainly in B2C manufacturing. This type of input and advice should also be a valuable asset for enhancing discussions regarding sustainability. Furthermore, the Company has begun arranging forums for outside directors and the president to discuss and evaluate non-financial issues. These forums are being used to examine succession plans for the president and other issues.

### Reinforcement of Global Governance

Around 90% of Yamaha Motor's sales originate from overseas and our global network includes more than 100 bases of operation around the world. It goes without saying that the legal requirements can vary by country and region, and the Company has thus maintained a global perspective when it comes to reinforcing corporate governance. It would not be an overstatement to say that the reinforcement of frameworks for governance within bases, between bases and the headquarters, as well as the enhancement of the related training systems, is an important mission.

I feel confident saying that our efforts in that mission have led to the entrenchment within bases of training programs designed to heighten employee knowledge and awareness regarding risks. There has also been noteworthy progress in developing frameworks for swiftly communicating the information gained through the resulting higher awareness to management at global bases. Meanwhile, compliance-related matters have been adopted as

essential agenda items at all Global Executive Committee (GEC) meetings, which serve as the forum for discussions between leaders at our principal bases. In these meetings, base leaders deliberate and discuss these matters amongst themselves based on relevant case studies. Moreover, the proceedings at Board of Directors meetings have been rearranged so that the president's presentation of pertinent topics at the beginning of meetings starts with less favorable reports to instill the stating of unwelcome news first as a shared value.

In this manner, we are implementing various initiatives for reinforcing governance that encompass everyone, from frontline employees to management at the headquarters. However, no amount of diligent effort can erase all risk factors. There is also no end goal for governance reinforcement measures, and based on this recognition, Yamaha Motor will maintain its commitment to fortifying its corporate governance systems going forward.

### Cultivation of Human Resources for the Future

In fiscal 2022, Yamaha Motor appointed its first woman executive officer. The Company has some 430 core positions around the world and about half are held by local hires today, meaning that locally hired employees are active in important roles at our bases. In addition, base managers are being appointed to key positions at the headquarters and the use of inter-base job rotations and other systems is brisk. Given the current condition of the Company, I believe that there is a need to reform remuneration and other systems if we hope to allocate our human resources more ideally and without undue consideration paid to nationality or gender.

Personally, I am dedicated to using the Management Committee as a venue for empowering newer employees. To this

end, I look to increase the range of opportunities for younger employees to gain experience by giving presentations at Management Committee meetings, as they will likely be candidates for future manager and executive officer positions someday. I also want to facilitate a deeper understanding of our approach to human resources among outside directors through this approach.

Yamaha Motor is committed to always delivering new *Kando* and new value as a *Kando* Creating Company, and in my capacity as chairman, I aim to ensure high-quality proceedings take place at meetings of the Board of Directors. I hope we can look forward to the ongoing support and understanding of our stakeholders.

## Outside Officer Roundtable



**Takehiro Kamigama**  
Outside Director

**Yuko Tashiro**  
Outside Director

**Eriko Kawai**  
Outside Audit &  
Supervisory Board Member

### Yamaha Motor's corporate governance is making sure-footed strides toward its goal to be a *Kando* Creating Company.

Outside directors Takehiro Kamigama and Yuko Tashiro, and outside Audit & Supervisory Board member Eriko Kawai shared and discussed their individual assessments of Yamaha Motor's corporate governance systems, issues that need addressing, as well as the duties they feel they must fulfill as members of the Board.

**Kamigama** Tashiro-san and I previously spoke together in *Integrated Report 2020* and this time we have outside Audit & Supervisory Board member Kawai-san joining us. Kawai-san, having served as an outside auditor with Yamaha Motor for a year now, I would first like to hear your thoughts and impressions on your experience so far.

**Kawai** The discussions we have at Board meetings are very spirited. You, Tashiro-san, and the other outside directors all have a wealth of management experience as leaders at global companies, so the input and comments made are extremely practical. You all express your opinions without sugarcoating anything or for the sake of ingratiation—and they are sometimes harsh opinions at that—but this is precisely why I feel that the role expected of independent outside directors is being fulfilled. Yamaha Motor's executives are also gaining new knowledge from the outside directors and I feel this provides good stimulus for them as well.

**Tashiro** It is often the case that things considered obvious to those in the company can be difficult for those outside it to understand. I think it is important for us as outside directors to ask the kind of questions that make people at Yamaha Motor more aware of this. As transparency with company management becomes increasingly crucial going forward, it will be that much more vital to communicate information in ways that investors and other outsiders can understand, so I do not hesitate to ask questions regarding things I am unsure about. Yamaha Motor's Medium-Term Management Plan announced earlier this year implements portfolio management and clarifies the positioning of each business. When I began serving as an outside director, I wondered how the Company manages such a diverse range of businesses operating in so many countries around the world, and I did not fully understand the positioning of each business. But we outside directors participated in the process for formulating the new Medium-Term Management Plan and were involved in the numerous discussions held at Board meetings. I believe it is a significant mark of progress that the positioning of each business has been well organized and is now easier for outsiders to understand.

**Kamigama** I am sure that some companies only present a medium-term management plan to their outside directors at a stage of near completion, after which they receive opinions from said outside directors in response to its content. But at Yamaha Motor, the plan was presented to us when the frameworks were in place but not yet concrete, as if the ingredients for a delicious dish were still being decided on. From there, the new Medium-Term Management Plan was evolved and taken to completion through repeated discussions and our feedback reflected throughout. In the process, I understand that Yamaha Motor's executives were occasionally inspired by our opinions, and the sense of solidarity and collaborative spirit we had to build this plan together brought a high level of enthusiasm to the discussions.

**Kawai** On your point regarding a sense of solidarity, shortly after I was first appointed as an outside director, the COVID-19 pandemic led to all meetings of the Audit & Supervisory Board as well as the Board of Directors being conducted online, including any prior communications pertinent to them. I was new to the position and because my areas of expertise are finance and education, at the time, I felt that it would be difficult to make up for my lack of knowledge about Yamaha Motor's businesses and the industry in general through web conferencing alone. When I expressed these concerns, the Company arranged for me to take a tour of the factory around when COVID-19 cases had somewhat subsided, and they set aside time to explain Yamaha Motor's businesses and strategies to me. Thanks to that level of attentive support in the beginning, I carry out my work today with a strong sense of solidarity with Yamaha Motor.

**Tashiro** I agree with you. We now have an arrangement that actively incorporates the opinions of outside directors. Compared to when I first joined the Board of Directors, the substance of our discussions has become much richer. Whenever I ask for an explanation of certain topics to prepare for a discussion, I get a response in full and the materials provided in advance are very complete. This is why I feel that the involvement of outside directors has grown deeper and that our Board meetings have made big forward strides.

**Kamigama** I serve as an outside director on the boards of several companies, and in that capacity, I have noticed that all companies are changing and discussions at board meetings have become much livelier. What is expected of outside directors is naturally rising in step with that and the workload is growing as well, but it makes me happy to see that governance at Japanese companies—Yamaha Motor included—is moving in the right direction.

**Tashiro** Yamaha Motor has provided various opportunities for us outside directors and actively implements our opinions. One example is the Executive Personnel Committee. Outside directors comprise the majority of the committee and its roles and merits have grown every year. As Kamigama-san mentioned earlier, our workload is rising, yes, but at the same time, we are able to confidently take on our tasks because Yamaha Motor always responds to our suggestions with sincerity.

**You all express your opinions without sugarcoating anything or for the sake of ingratiation—and they are sometimes harsh opinions at that—but this is precisely why I feel that the role expected of independent outside directors is being fulfilled.**





**With the new Medium-Term Management Plan, the Company's response to sustainability was bolstered by including non-financial KPIs alongside financial ones, among other measures.**

**Kawai** Yamaha Motor also has another unique format for taking in the opinions of outside directors with the CEO roundtable conference. When I first attended one, I was honestly shocked to see how the two of you and the other outside directors so directly expressed various opinions from such a broad range of perspectives to Yamaha Motor CEO, Hidaka-san. I think the CEO roundtable serves as an important forum for raising the effectiveness of corporate governance at Yamaha Motor.

**Kamigama** We began the CEO roundtable conference in 2020 to decide whether or not the CEO will be reappointed based on performance reviews and evaluations. It is a setting in which we confirm management's execution of business duties and the like by speaking with the CEO in person. I believe the process is quite effective and ensures both objectivity and fairness. We also have a meeting separate from the CEO roundtable in which only outside directors get together to discuss issues and share opinions amongst ourselves. However, in the course of these discussions, questions or concerns many of us shared would arise, ones we wanted to ask and confirm directly with the CEO. So, we decided it would be a good idea to invite Hidaka-san himself and speak with him in person, so now he attends these meetings with us outside directors as well. Thereafter, this has remained our approach for setting the stage for having candid conversations.

**Tashiro** The CEO roundtable conference, meetings for outside directors to share their opinions, and similar forums undoubtedly play a vital role. We must focus on and limit our comments to discussion items at Board meetings, but these other opportunities allow us to speak freely without worrying about the agenda. For example, at one CEO roundtable, I asked the outside directors to share any bad news they had first, which

has taken root as a practice. Hidaka-san now reports any bad news at the beginning of every Board meeting. When compliance and other issues arise, the more time passes the more difficult it becomes to address them, so by hearing the bad news first, I believe we can minimize the adverse impacts such issues may bring.

**Kawai** I agree completely. Yamaha Motor has a diverse range of businesses in more than 180 locations around the world as well as numerous subsidiaries and joint ventures, so as an auditor, that fact presents difficulties in managing risks. However, the internal audit departments and the Company's permanent auditors work very hard, calling on well-established networks to gather information and endeavoring to find out bad news as soon as possible. They immediately alert us outside auditors of the news as well, so that we can fulfill our own roles. I hope that Yamaha Motor will continue to not only maintain but also strengthen these key networks.

**Kamigama** With the new Medium-Term Management Plan, the Company's response to sustainability was bolstered by including non-financial KPIs alongside financial ones, among other measures. We outside directors made various proposals during the discussions concerning this, but I believe Tashiro-san's feedback at the time put a lot of emphasis on the diversity of human resources in particular. Can you share your thoughts on this point?

**Tashiro** Since early on in my tenure and at the CEO roundtable conferences as well, I have been making proposals to bring greater diversity to the Company's human resources, such as the hiring and promotion of women and non-Japanese employees. The bulk of Yamaha Motor's business and product portfolio is aimed at general consumers, so half of its

customers are women and the majority of its customer base lives outside Japan. In today's world where unprecedented events are occurring one after another, from the COVID-19 pandemic and Russia's invasion of Ukraine to the escalation of climate change issues, I believe securing a diverse workforce and including more people with a variety of opinions and world views in the management team is essential for Yamaha Motor's sustainable growth. In recent years, the Company has appointed more and more non-Japanese executive officers, and in addition to Kawai-san becoming an outside Audit & Supervisory Board member, our most recently appointed outside director, Jin Song Montesano, is both non-Japanese and a woman. Hidaka-san has always been welcoming to the opinions of outside directors and takes our input very seriously. This has helped expedite improvements to the Company's corporate governance and I feel that what we had hoped for has been achieved much faster than we expected.

**Kawai** Regarding the promotion of women, Kyoto University, where I serve as a professor, is also struggling to hire women professors due to the small number of women entering engineering and other science departments. I think Yamaha Motor and other manufacturing companies in Japan are facing similar problems, but it is important to not simply hire more women, but to have everyone also experience firsthand the positive effects hiring and promoting women brings. Tashiro-san herself is helping propagate those effects through her meetings and interviews with women employees, and I also have high praise for the Company's efforts in this regard. Of course, I also have a responsibility and role to play, so through my expertise in human resource development, I also want to support and contribute to greater successes for women at Yamaha Motor.

**Tashiro** As you mentioned, I try to spend as much time as I can speaking with the women that work at Yamaha Motor. I hope to be a force for promoting the success of women at the Company by sharing my own experiences with them, and by putting our heads together to examine avenues for helping women excel and for changing mindsets in the workplace, we can better clarify the career direction each woman wants to go in.

**Kamigama** Thank you both very much for your insights. I myself am aware of areas in which I did not put in enough effort as a leader to promote the advancement of women, so I very much look forward to seeing the changes both of you will bring to the Company. To bring things to a close, I would like to share my own thoughts on Yamaha Motor. Amid the globe-spanning shift to electrification in the vehicle industry, I hope that Yamaha Motor will be the first to pioneer technologies fusing the traits of internal combustion engines and electric motors. I feel that this is something that Yamaha Motor is uniquely positioned to accomplish and is a personal dream of mine. To this end, calling on my own experiences in managing a manufacturing company, I want to act as a set of brakes by pointing out anything I am not comfortable with or feel is too risky without hesitation, but also as a throttle to push things forward quickly when I feel the matter is largely settled. Adeptly using both the "throttle" and the "brakes" to accelerate the Company's pace of progress, I would very much like to see Yamaha Motor make my dream a reality. And as both of you said, Yamaha Motor's corporate governance is making sure-footed strides, so let us continue to carry out our respective roles and contribute to fulfilling the corporate mission to be a *Kando* Creating Company. Thank you very much for your time today.

**This has helped expedite improvements to the Company's corporate governance and I feel that what we had hoped for has been achieved much faster than we expected.**



# Directors and Audit & Supervisory Board Members (As of March 24, 2022)

## Directors



**Chairman and Representative Director**  
**Katsuaki Watanabe**

Attendance at meetings of the Board of Directors 14 out of 14

April 1982: Joined the Company  
March 2011: Senior Executive Officer and Chief General Manager of Manufacturing Center  
March 2014: Senior Executive Officer and Director, Chief General Manager of Manufacturing Center and Executive General Manager of 1st Business Unit, MC Business Operations  
March 2016: Managing Executive Officer and Director, Chief General Manager of MC Business Operations  
January 2018: Executive Vice President and Representative Director  
January 2022: Chairman and Representative Director (to present)



**President and Representative Director**  
**Yoshihiro Hidaka**

Attendance at meetings of the Board of Directors 14 out of 14

April 1987: Joined the Company  
July 2010: Vice President of Yamaha Motor Corporation, U.S.A.  
March 2017: Senior Executive Officer and Director, Executive General Manager of Corporate Planning & Finance Center  
January 2018: President, Chief Executive Officer and Representative Director (to present)  
June 2018: Outside Director of Yamaha Corporation (to present)



**Outside Director**  
**Takuya Nakata**

Attendance at meetings of the Board of Directors 14 out of 14

April 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation)  
October 2005: General Manager of PAVDMI Division of Yamaha Corporation  
June 2006: Executive Officer of Yamaha Corporation  
June 2009: Director & Executive Officer of Yamaha Corporation  
April 2010: President of Yamaha Corporation of America  
June 2010: Senior Executive Officer of Yamaha Corporation  
June 2013: President and Representative Director of Yamaha Corporation  
March 2014: Outside Director (to present)  
June 2015: President of Yamaha Music Foundation (to present)  
June 2017: Director, President and Representative Executive Officer of Yamaha Corporation (to present)



**Outside Director**  
**Yuko Tashiro**

Attendance at meetings of the Board of Directors 14 out of 14

June 1986: Joined KPMG LLP  
July 1995: Partner of KPMG LLP  
November 2000: Sourcing Leader of GE Corporate Japan of General Electric International Inc.  
July 2003: Chief Financial Officer of PHOENIX RESORT CO., LTD.  
April 2005: Director, Chief Operating Officer and Chief Financial Officer of Aon Holdings Japan, Ltd.  
April 2010: Representative Director of TS Associates, Ltd.  
June 2012: Outside Director of Accordia Golf Co., Ltd.  
March 2016: Auditor (External) of McDonald's Holdings Company (Japan), Ltd. (to present)  
June 2016: Representative Director, President and Chief Executive Officer of Accordia Golf Co., Ltd.  
January 2018: Director and Chairman of the board of Accordia Golf Co., Ltd.  
April 2018: Representative Director, Chairman of the board and President, CEO of Accordia Golf Co., Ltd.  
March 2019: Outside Director of the Company (to present)  
March 2019: Representative Director, Chairman of the board of NEXT GOLF MANAGEMENT Co., Ltd.  
April 2021: Representative Director and Chairman of the board of Accordia Golf Co., Ltd. (to present)  
April 2021: Chairman and Representative Director of NEXT GOLF MANAGEMENT CORPORATION (to present)



**Director**  
**Heiji Maruyama**

Attendance at meetings of the Board of Directors 11 out of 11 (After appointment on March 24, 2021)

April 1986: Joined the Company  
March 2019: Senior Executive Officer, Chief General Manager of Powertrain Unit, and Senior General Manager of Powertrain Planning Section, Powertrain Unit  
March 2021: Senior Executive Officer and Director, Chief General Manager of Technical Research & Development Center (to present)

Responsible for Creative, Research & Development, Powertrain Unit, Vehicle Development



**Director**  
**Satohiko Matsuyama**

Newly appointed

April 1986: Joined the Company  
March 2019: Senior Executive Officer, Chief General Manager of Manufacturing Center  
March 2022: Senior Executive Officer and Director (to present)

Responsible for Manufacturing, Manufacturing Technology, Procurement, Power Products



**Outside Director**  
**Takehiro Kamigama**

Attendance at meetings of the Board of Directors 14 out of 14

April 1981: Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)  
June 2002: Corporate Officer of TDK Corporation  
June 2003: Senior Vice President of TDK Corporation  
June 2004: Director & Executive Vice President of TDK Corporation  
June 2006: President & Representative Director of TDK Corporation  
June 2016: Chairman & Representative Director of TDK Corporation  
June 2017: Outside Director of OMRON Corporation (to present)  
March 2018: Outside Director of the Company (to present)  
June 2018: Outside Director of SoftBank Corp. (to present)  
June 2018: Mission Executive of TDK Corporation  
March 2021: Outside Director of KOKUYO Co., Ltd. (to present)  
August 2021: Representative Director of Gama Expert, Inc. (to present)



**Outside Director**  
**Jin Song Montesano**

Newly appointed

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 (to present)  
March 2022: Outside Director of the Company (to present)

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



**Director**  
**Motofumi Shitara**

Newly appointed

April 1986: Joined the Company  
January 2018: Director and President of Yamaha Motor India Pvt. Ltd. and Director and President of Yamaha Motor India Sales Pvt. Ltd.  
January 2022: In charge of Corporate Affairs  
March 2022: Senior Executive Officer and Director (to present)

Responsible for Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Market Development, Customer Experience



**Outside Director**  
**Tetsuji Ohashi**

Attendance at meetings of the Board of Directors 14 out of 14

April 1977: Joined Komatsu Ltd.  
January 2004: President and Chief Operating Officer (COO) of Komatsu America Corp.  
April 2007: Executive Officer of Komatsu Ltd.  
April 2008: Senior Executive Officer of Komatsu Ltd.  
June 2009: Director and Senior Executive Officer of Komatsu  
April 2012: Director and Senior Executive Officer of Komatsu  
April 2013: President and Representative Director, and CEO of Komatsu Ltd.  
April 2019: Chairperson of the Board and Representative Director of Komatsu Ltd. (to present)  
May 2019: Vice Chair of KEIDANREN (to present)  
March 2020: Outside Director of the Company (to present)  
June 2021: Outside Director of Nomura Research Institute, Ltd. (to present)



**Outside Director**  
**Tetsuji Ohashi**

Attendance at meetings of the Board of Directors 14 out of 14

April 1977: Joined Komatsu Ltd.  
January 2004: President and Chief Operating Officer (COO) of Komatsu America Corp.  
April 2007: Executive Officer of Komatsu Ltd.  
April 2008: Senior Executive Officer of Komatsu Ltd.  
June 2009: Director and Senior Executive Officer of Komatsu  
April 2012: Director and Senior Executive Officer of Komatsu  
April 2013: President and Representative Director, and CEO of Komatsu Ltd.  
April 2019: Chairperson of the Board and Representative Director of Komatsu Ltd. (to present)  
May 2019: Vice Chair of KEIDANREN (to present)  
March 2020: Outside Director of the Company (to present)  
June 2021: Outside Director of Nomura Research Institute, Ltd. (to present)



**Audit & Supervisory Board Member (Full-Time)**  
**Kenji Hironaga**

Attendance at meetings of the Board of Directors 14 out of 14  
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

April 1982: Joined the Company  
February 2010: General Manager of Human Resources Development Division, Human Resources & General Affairs Section  
September 2014: Chief General Manager in charge of Planning, Audit & Supervisory Board Members' Office  
March 2015: Audit & Supervisory Board Member (to present)

## Audit & Supervisory Board Members



**Audit & Supervisory Board Member (Full-Time)**  
**Kenji Hironaga**

Attendance at meetings of the Board of Directors 14 out of 14  
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

April 1982: Joined the Company  
February 2010: General Manager of Human Resources Development Division, Human Resources & General Affairs Section  
September 2014: Chief General Manager in charge of Planning, Audit & Supervisory Board Members' Office  
March 2015: Audit & Supervisory Board Member (to present)



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

Attendance at meetings of the Board of Directors 14 out of 14  
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

November 1985: Joined the Company  
February 2008: General Manager of Legal & Intellectual Property Division  
April 2011: Representative Director and President of Yamaha Motor Espana S.A.  
May 2012: Vice President of Yamaha Motor Europe N.V.  
March 2017: Senior Executive Officer  
March 2019: Audit & Supervisory Board Member (to present)



**Audit & Supervisory Board Member (Outside)**  
**Masatake Yone**

Attendance at meetings of the Board of Directors 14 out of 14  
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

April 1981: Registered as an Attorney  
March 1987: Registered as a New York State Attorney  
July 1987: Joined Mori Sogo (currently Mori Hamada & Matsumoto)  
January 1989: Partner Attorney of Mori Hamada & Matsumoto  
April 2000: Lecturer at Graduate School of International Corporate Strategy, Hitotsubashi University  
September 2005: Outside Corporate Auditor of BANDAI NAMCO Holdings Inc.  
March 2008: Outside Director of GCA Sawian Group Corporation (currently GCA Corporation)  
April 2011: Vice President of Daiichi Tokyo Bar Association  
June 2011: Outside Corporate Auditor of BANDAI NAMCO Games Inc. (currently BANDAI NAMCO Entertainment Inc.) (to present)  
June 2013: Audit and Supervisory Board Member (External) of Terumo Corporation  
June 2015: Independent Director (Audit/Supervisory Committee Member) of Terumo Corporation  
March 2016: Outside Director (Audit & Supervisory Committee Member) of GCA Corporation (to present)  
March 2019: Outside Audit & Supervisory Board Member of the Company (to present)  
December 2019: Outside Director of Skymark Airlines Inc. (to present)  
January 2020: Senior Counsel at Mori Hamada & Matsumoto (to present)



**Audit & Supervisory Board Member (Outside)**  
**Eriko Kawai**

Attendance at meetings of the Board of Directors 11 out of 11  
Attendance at meetings of the Audit & Supervisory Board 13 out of 13 (After appointment on March 24, 2021)

October 1981: Joined Nomura Research Institute, Ltd.  
September 1985: Management Consultant of McKinsey & Company, Inc.  
October 1986: Fund Manager of Mercury Asset Management/SG Warburg plc  
November 1995: Director and Chief Investment Officer (CIO) of Yamaichi Regent ABC Polska  
July 1998: Senior Pension Funds Administrator of Bank for International Settlements  
October 2004: Senior Pension Funds Administrator of Organization for Economic Co-operation and Development (OECD)  
March 2008: Representative of Kawai Global Intelligence  
April 2012: Professor of Institute for the Promotion of Excellence in Higher Education of Kyoto University  
April 2013: Professor of Institute for Liberal Arts and Sciences of Kyoto University  
April 2014: Professor of Graduate School of Advanced Integrated Studies in Human Survivability of Kyoto University  
December 2017: External Audit and Supervisory Board Member of CMIC HOLDINGS Co., Ltd.  
June 2018: Outside Director of Daiwa Securities Group Inc. (to present)  
December 2019: Outside Director of CMIC HOLDINGS Co., Ltd. (to present)  
March 2021: Outside Audit & Supervisory Board Member of the Company (to present)  
April 2021: Professor Emeritus of Kyoto University (to present)  
June 2021: Outside Director of Mitsui Fudosan Co., Ltd. (to present)

## Directors and Audit & Supervisory Board Members (As of April 1, 2022)

### Executive Officers

President and Chief Executive Officer

#### Yoshihiro Hidaka

Senior Executive Officers

#### Heiji Maruyama

Chief General Manager of Technical Research & Development Center

#### Satohiko Matsuyama

Chief General Manager of Solution Business Operations

#### Motofumi Shitara

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

#### Hirofumi Usui

Chief General Manager of Marine Business Operations

#### Minoru Morimoto

President of PT. Yamaha Indonesia Motor Manufacturing

#### 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

Executive Officers

#### Toshihiro Nozue

Chief General Manager of Powertrain Unit

#### Satoshi Hirose

Chief General Manager of Quality Assurance Center and Executive General Manager of Customer Experience Business Unit

#### Takeo Noda

Chief General Manager of Corporate Planning & Finance Center

#### Toshiaki Ibata

Senior General Manager of Development Section, Marine Business Operations

#### 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

#### 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

Chairman of Yamaha Motor Finance Corporation U.S.A.

#### Kenji Komatsu

Deputy Chief General Manager of Technical Research & Development Center

#### 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

Director of PTW Manufacturing & Engineering, Yamaha Motor Europe N.V.

PF: Platform

## Corporate Governance

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 fulfilling responsibilities 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.

[https://global.yamaha-motor.com/ir/governance/pdf/corporate\\_governance\\_guidelines-e.pdf](https://global.yamaha-motor.com/ir/governance/pdf/corporate_governance_guidelines-e.pdf)

### History of Strengthening the Corporate Governance System

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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													
	Delegation agreement with executive officers													
	Appointment of women directors and Audit & Supervisory Board members													
	Appointment of non-Japanese executive officers													
Number of directors	Separation of chairman of the Board of Directors and chief executive officer (CEO)													
		11	11	10	10	12	11	11	13	11	11	10	10	10
	Number of internal directors	7	8	7	7	9	8	8	10	7	7	6	6	5
	Number of outside directors	4	3	3	3	3	3	3	4	4	4	4	4	5
	Independent outside directors	3	2	2	2	2	2	2	3	4	4	4	4	5
Of whom, women directors	1	1	1	0	0	0	0	0	0	1	1	1	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

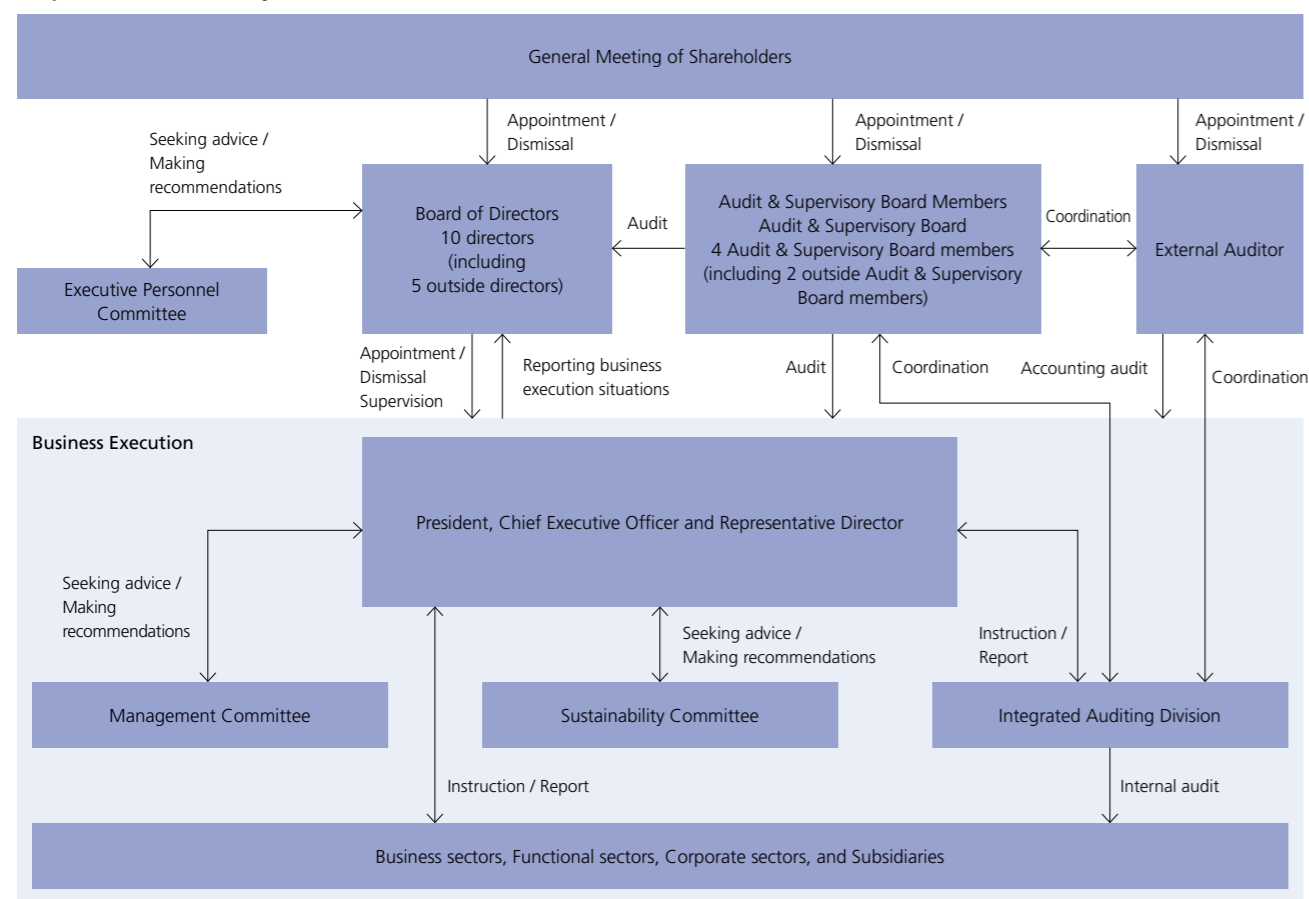
Yamaha Motor supplies various kinds of products and services to markets around the world, including personal mobility solutions, marine products, industrial robots, vehicle engines, and unmanned helicopters. Overseas sales account for approximately 90% of the Company's consolidated net sales. Starting 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

<b>Organizational design</b>	Company with Audit & Supervisory Board
<b>Number of directors (number of outside directors)</b>	10 (5)
<b>Number of Board of Directors meetings in fiscal 2021 (average attendance rate by directors)</b>	14 (100%)
<b>Number of Audit &amp; Supervisory Board members (number of outside Audit &amp; Supervisory Board members)</b>	4 (2)
<b>Number of Audit &amp; Supervisory Board meetings in fiscal 2021 (average attendance rate by Audit &amp; Supervisory Board members)</b>	16 (100%)
<b>Directors' term of office</b>	One year
<b>Use of executive officer system</b>	Yes
<b>Optional committees of Board of Directors</b>	Executive Personnel Committee
<b>Auditor</b>	Ernst & Young ShinNihon LLC

Corporate Governance System (As of March 24, 2022)



■ 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. 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.

[https://global.yamaha-motor.com/ir/governance/pdf/independent\\_en.pdf](https://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf)

■ 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 analysis and evaluation are carried out from the following perspectives and a summary of the results is disclosed appropriately.

Evaluation Process

- Conduct a self-evaluation by questionnaire updated with the help of a third-party institution based on the seven evaluation perspectives for the aims of the Board of Directors
- Enlist a third-party institution to conduct an investigation of the Board of Directors, analyze the results, and hold interviews from an objective perspective
- Conduct evaluations and analyses from the perspective of the amended June 2021 version of the Corporate Governance Code
- Share the analysis-based results of the effectiveness evaluation and deliberate the issues to be addressed at Board meetings

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

Evaluation Results from Fiscal 2021

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.

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 they did in fiscal 2020.

Our third-party evaluation also confirmed that there were no major discrepancies between the Board's self-evaluation and the third-party institution's evaluation of the Board's effectiveness.

Progress on Issues Flagged in the Previous Fiscal Year's Effectiveness Evaluation

Issues that were flagged in the previous fiscal year's evaluation were "greater deliberation of risk management by the Board," "improvement of diversity of Board membership and examination of successor plans," "greater deliberation of responses to changes in the management environment and for appropriate risk-taking," and "strengthened supervision of the operational status of the whistleblowing system."

Ensuring that "bad news comes first" at Board meetings was at the forefront as the members addressed these points. In addition to creating more opportunities for reporting on and discussing responses to changes and risks in our business environment, including revising our medium- to long-term strategies in response to the situation with COVID-19, the Board discussed matters such as the diversity of our senior management, personnel training, and employee engagement.

This work led to satisfactory evaluation results in all of these areas from the perspective of what the Board of Directors is seeking to become going forward, but points for further improvement were found and it was determined that more work is needed.

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 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 supervision of the Board of Directors with regard to the status of the prevalence of risk sensitivity on the ground
- Issue 4. Continue initiatives to ensure diversity, including among the Board of Directors and company management
- Issue 5. 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.)

In addition to making ongoing improvements in the areas flagged in this evaluation, we will incorporate the advice of the 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 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, the attendees of a roundtable conference (seven outside directors and Audit & Supervisory Board members, chaired by Outside

Director Takehiro Kamigama) carry out a non-financial evaluation 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.

**Identifying the Expertise and Experience Directors and Audit & Supervisory Board Members Must Possess**

In order for Yamaha Motor's directors and Audit & Supervisory Board members to fulfill their roles and responsibilities effectively, the members comprising the Board of Directors and Audit & Supervisory Board—including outside members—must possess sufficient knowledge and experience concerning company management in their respective fields. Below are areas of expertise

and experience considered vital to the Company from a management perspective, and in selecting candidate members for the Board of Directors and Audit & Supervisory Board, they must not only possess sufficient knowledge in all of these areas but also in areas where the Company expects particularly strong performance.

**Professional Qualifications and Experience of Directors and Auditors**

	Name	Classification	Corporate Management / Expertise	Manufacturing / Technology / R&D	Sales / Marketing	Accounting / Finance / M&A	IT / Digital Technology	Human Resources / Labor / Personnel Development	Legal / Compliance	ESG / Sustainability	Risk Management	Global Experience
Directors	Katsuaki Watanabe	Chairman of Executive Personnel Committee										
	Yoshihiro Hidaka	Members of Executive Personnel Committee										
	Heiji Maruyama											
	Satohiko Matsuyama	Newly appointed										
	Motofumi Shitara	Newly appointed										
	Takuya Nakata	Outside / Independent Members of Executive Personnel Committee										
	Takehiro Kamigama	Outside / Independent Members of Executive Personnel Committee										
	Yuko Tashiro	Outside / Independent Members of Executive Personnel Committee										
	Tetsuji Ohashi	Outside / Independent Members of Executive Personnel Committee										
	Jin Song Montesano	Newly appointed Outside / Independent Members of Executive Personnel Committee										
Audit & Supervisory Board Members	Kenji Hironaga											
	Junzo Saito											
	Masatake Yone	Outside / Independent										
	Eriko Kawai	Outside / Independent										

**Audit & Supervisory Board Members and the Audit & Supervisory Board**

On the basis of fiduciary responsibilities to shareholders, Audit & Supervisory Board members and the Audit & Supervisory Board, as a body independent of the Board of Directors, 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. The Audit & Supervisory Board Members' Office, with a

dedicated staff of two people, has been established to assist Audit & Supervisory Board members with their audit and supervisory operations.

**Collaboration between Audit & Supervisory Board Members, Outside Auditors, and Internal Audit Section**

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 the internal audit section, 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.

**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, speeding 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 fiscal 2021, 24 meetings of the Management Committee were held.

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, and senior local managers of major Group companies, and has 44 members, of whom 26 are Japanese and 18 are non-Japanese. In principle, the committee meets at least once annually. In fiscal 2021, two meetings of the Global Executive Committee were held.

**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. In principle, the Sustainability Committee meets three times a year, and also holds additional meetings if necessary.

**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. For this reason, we do not hold investment shares for net investment purposes, where the aim is solely to derive profit from share price fluctuations and dividends. All of the investment shares we hold are for purposes other than net investment. 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.

Based on this policy, in fiscal 2021 the Board of Directors verified the appropriateness of holding certain individual stocks and the Company sold a portion of its cross-shareholdings.

**Shareholdings of Yamaha Corporation**

Yamaha Motor was established by spinning off the motorcycle division from Nippon Gakki Co., Ltd. (currently 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 mutual sustainable 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.

### 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.

Coinciding with the beginning of our new Medium-Term Management Plan in fiscal 2022, we have revised the executive remuneration system in a number of ways, including expanding performance-based compensation and introducing evaluations of materiality (important societal issues) and total shareholder return (TSR), and have also changed our policy for deciding the individual remuneration, etc., of directors, Audit & Supervisory Board members, and executive officers at Yamaha Motor.

#### Basic Policy

- To be a *Kando* Creating Company, Yamaha Motor encourages its executives to the maximum extent possible to perform their 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 Structure

Remuneration for directors at Yamaha Motor is composed of base compensation (fixed compensation), 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

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

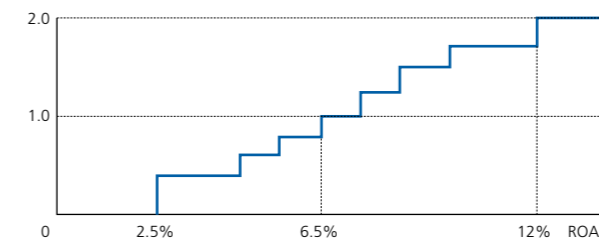
#### Performance-Based Bonuses

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 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.

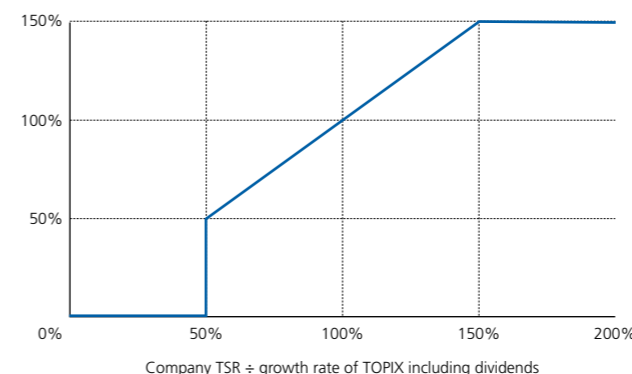
### Indicators Related to the ROA Evaluation Coefficient



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
- Other events affecting corporate value and brand value
- Overall progress on addressing materiality initiatives
- External ESG evaluation

### TSR Evaluation Coefficient



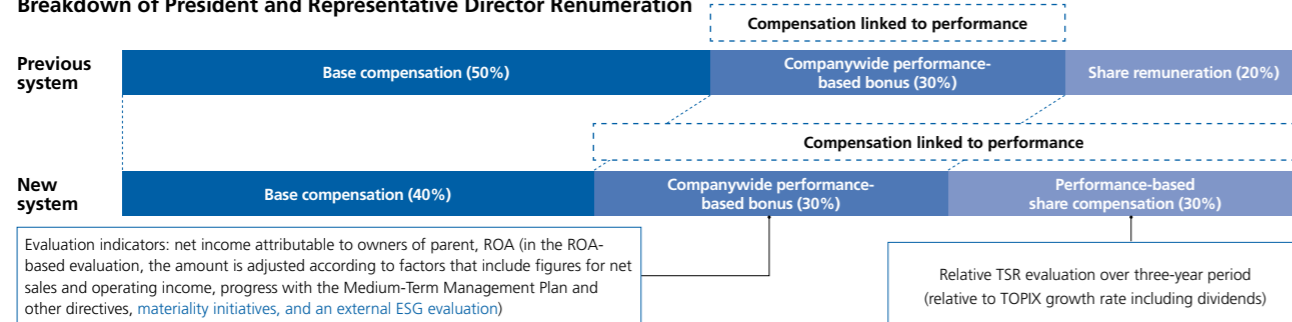
#### Company TSR =

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

#### Dividend-inclusive TOPIX growth rate =

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

### Breakdown of President and Representative Director Remuneration



\* The ratio of performance-based compensation is calculated based on the base compensation.

### Breakdown of Compensation Linked to Consolidated Performance

Compensation Linked to Consolidated Performance	Compensation Linked to Individual Performance	
	Financial Evaluation	Non-Financial Evaluation
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 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	Takes into account degree of progress on initiatives in the Medium-Term Management Plan, grooming 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 the owners of the parent has been revised from fiscal 2022, taking into account increases in the Company's profit levels, changes to the executive structure, and other factors.

### Executive Compensation in Fiscal 2021

In fiscal 2021, the Company's three-year ROA average was 8.1%. 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 remuneration rules, the ROA evaluation coefficient was set at 1.75 after carrying out a comprehensive assessment of business performance, due to record profits following a rebound in the market triggered by the impacts of the COVID-19 pandemic the previous fiscal year. Under officer remuneration rules, if consolidated net income exceeds ¥150 billion, ¥150 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 ¥499 million (consolidated net income of ¥150 billion × 0.19% × ROA evaluation coefficient of 1.75). The pool of funds was distributed among executives in accordance with the coefficients determined for each position.

For executive officers who do not serve concurrently as directors, the same calculation method (consolidated net income × 0.08% × ROA evaluation coefficient) is used to calculate the pool of funds, which is then distributed among executives in accordance with the coefficients determined for each position.

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)	8	308	483	44	110	945
Outside directors	4	66	—	—	—	66
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	2	72	—	—	—	72
Outside Audit & Supervisory Board members	3	33	—	—	—	33
<b>Total</b>	<b>17</b>	<b>479</b>	<b>483</b>	<b>44</b>	<b>110</b>	<b>1,116</b>

- Notes
- The amount of base compensation mentioned above is the total compensation, etc., paid (monetary compensation) in fiscal 2021.
  - Figures include three directors and one Audit & Supervisory Board member who left their positions during this fiscal year.
  - The amount of Companywide performance-based bonuses mentioned above is the amount paid (monetary compensation) in April 2022 based on performance, etc., in fiscal 2021.
  - The amount of performance-based share compensation mentioned above is the pool of funds posted as an expense in fiscal 2021. Common stock (restricted stock) in Yamaha Motor has been awarded as share-based compensation to directors (except outside directors) and executive officers with some conditions (for example, the stocks cannot be transferred until the director or executive officer leaves his/her position).





The Yamaha Motor Group is working on risk management, crisis management, and business continuity as follows.

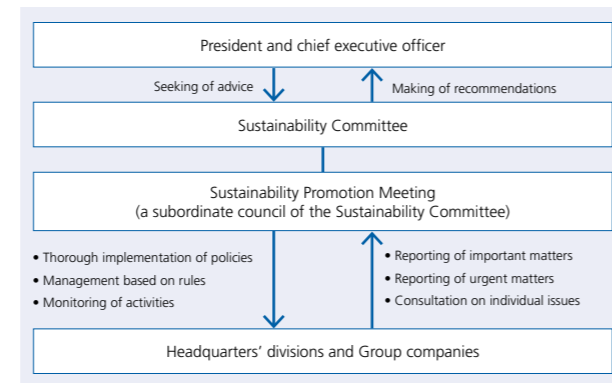
## Fundamental Approach to Risk Management

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.

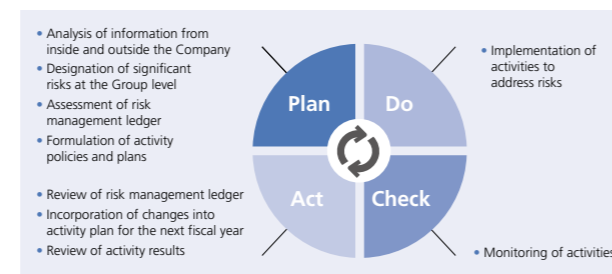
## Risk Management Structure

Based on the Rules of Risk Management, the Company's risk management structure is led by the Sustainability Committee and its subordinate council, the Sustainability Promotion Meeting, which comprises the risk management supervisory sections and divisions charged with risk management. The Sustainability Committee, chaired by the president and chief executive officer, monitors risks on a Groupwide basis. The risks that need to be actively prevented and addressed as special priorities are designated as significant risks at the Group level. In addition to Groupwide risk assessments, these are comprehensively judged and selected based on the Group's business strategies, legal and regulatory changes inside or outside the Group, information concerning changes in the operating environment or the likelihood of a risk event, or other developments. Accordingly, activities to address risks are checked and other measures taken to reduced risk on a Groupwide basis.



## 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. Each risk is evaluated while judging the level of impact and possibility of occurrence, and risk response action plans are developed for risks that need to be addressed. The progress of these responses is monitored over a six-month period and an annual summary of activities to address risks is compiled at the end of the fiscal year in an effort to reduce risks.



## Significant Risks at the Group Level in 2021

	Background	Measures
<b>Pandemics</b>	This risk was selected because the Group has experienced a pandemic with COVID-19. In order to ensure business continuity while safeguarding the health of employees, there is a need to reexamine the effectiveness of internal rules by reviewing the activities carried out thus far.	The Group will continue to alter its countermeasures in response to risks of the pandemic's spread, review the definitions of various items, revise level-based pandemic countermeasures, and otherwise improve the effectiveness of its internal rules to ensure a uniform level of countermeasures for both domestic and overseas Group companies.
<b>Cybersecurity</b>	The degree of reliance on and the importance of information systems within the Group's business activities are increasing. Measures are needed to prevent leaks of personal or confidential information, information system failures, etc., caused by cyberattacks and computer virus infections.	The Group has established a Cybersecurity Policy and is taking measures covering both the tangible and intangible aspects of cybersecurity to increase its defenses against external attacks, to detect attacks at an early stage, and to minimize damage in the event of an attack.
<b>Products containing environmentally hazardous substances</b>	Countries around the world have been steadily tightening regulations on environmentally hazardous substances, and the Group must strengthen control structures to prevent violations of laws by the products it manufactures.	The Group takes steps for early prevention of violations of laws, regulations, and ordinances by maintaining an accurate understanding of legal information in relevant countries, by communicating accurate information internally and externally to relevant departments, by conducting rank-based training, by promoting the proper management systems as well as standardizing the steps for handling increasingly complex laws and regulations, and by efficiently utilizing IT systems.
<b>Improper import/export procedures</b>	In light of the growing number of bilateral and multilateral free trade agreements and the increasing need for import/export procedures for global logistics among Group companies, the Group must further enhance its system for preventing violations of agreements, regulations, ordinances, and laws.	Groupwide structures are being developed to prevent violations of laws, regulations, and ordinances by tracking information pertaining to the enactment and revision of free trade agreements, by standardizing work processes and properly educating relevant personnel in line with the management frameworks stipulated in the Group rules, and by monitoring the implementation status of these measures on a daily and regular basis.
<b>Violation of copyright laws regarding software licenses</b>	Computer software is protected as copyrighted work and requires proper management. However, due to the diversification of workstyles and changes in the operating environment, such as cloud computing, licensing systems are becoming more complicated and the risk of violating laws and regulations, even without intention, is increasing.	For the early prevention of software license violations, the Group is raising its levels of internal awareness by educating managers and employees. Additionally, the Group is strengthening and establishing IT asset management systems and their operating practices.
<b>Bribery</b>	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 address anti-bribery more effectively and systematically. From 2021, the Group has been reinforcing measures in areas with a high risk of corruption and promoting the application and establishment of activities to achieve this.

## Crisis Management Structure and Activities

The Yamaha Motor Group works to minimize the damage from and quickly resolve crisis situations as per the Rules for Initial Response to an Emergency.

In the event of a disaster, accident, or compliance-related incident at the Group, the division involved will report to the risk management supervisory section or the divisions in charge of risk management as per standards for determining the level of reporting, which are set in advance. If the reported

event is of a scale significant enough to warrant the involvement of Group management or multiple divisions and/or companies, the risk management supervisory section will refer the matter to a response team designated in advance, and an Emergency Countermeasure Headquarters, chaired by the president, will be established. The headquarters will work to understand the situation and formulate a provisional response and, if necessary, will promptly report on the matter to customers and related parties.

## Business Continuity Planning

To prepare against envisioned risks that could impact the continuity of its business, Yamaha Motor has formulated the Rules of Business Continuity and responds as per those rules.

Yamaha Motor's primary operations are concentrated in Shizuoka Prefecture and could be affected if a major earthquake were to occur in the Nankai Trough. To prepare for this, the Group enacts disaster prevention and mitigation initiatives based on the damage projected by government bodies. These include making buildings and equipment earthquake- and tsunami-resistant; maintaining emergency stockpiles of food, water, and other essentials; putting emergency methods for telecommunications in place; and regularly carrying out Companywide evacuation drills, night drills (for some departments), and safety confirmation drills at both the headquarters and Group companies located nearby. In addition to these measures, we have formulated a business continuity plan (BCP) to maintain our operations while placing foremost priority on the lives and safety of our employees. Points of obstruction to restoration efforts were identified and addressed, procedures to restore operations clarified with support personnel selected in advance, and a system for gathering supply chain information is in place. These and other measures addressing both

tangible and intangible effects are carried out comprehensively and continuously.

Another concern is the potential outbreak of pandemics. To prepare for such events, Group companies have developed infection prevention measures and identified issues that could affect the continuity of their operations in order to formulate response plans. In regard to the COVID-19 pandemic that has wrought havoc from fiscal 2020, we took measures in accordance with our Business Continuity Guidelines (Novel Influenza Version) and set up a COVID-19 Task Force headed by the president, which collected information, set response policies, and disseminated directives and information. We instructed Yamaha Motor employees and their families stationed overseas in certain countries to return to Japan based on the spread of COVID-19 infections and local medical risks. For employees working at the headquarters, we adopted teleworking and staggered office hours. We are implementing a thorough range of measures to prevent infections while continuing to monitor infection trends around the world, such as the preparation of an intranet site for sharing information between the headquarters and Group companies.

## Cybersecurity Efforts

Cyberattacks have become increasingly advanced and sophisticated in recent years, and businesses are faced with a heightened risk of infection by computer viruses, leakage of personal and confidential information, and information system failures. The Yamaha Motor Group has thus established a Cybersecurity Policy with the aim of protecting the products and services used by its customers as well as its information assets.

In addition to the basic defensive measures already in place, such as a monthly vulnerability analysis that includes anti-malware measures, the

Group has a Security Operation Center (SOC) that monitors for irregularities to enable early detection and response and a Computer Security Incident Response Team (CSIRT) that responds to incidents to prepare for contingencies. The Group also provides training to increase employees' cybersecurity literacy, conducts assessments to ascertain the situation at each Group company and to develop improvement plans, and makes other ongoing efforts to reduce cybersecurity risks. In fiscal 2021, there were no information security or cybersecurity violations.

## Information Management Initiatives

In fiscal 2013, the Yamaha Motor Group established its Group Operational Guidelines that stipulate Groupwide policies related to all areas of information management, including confidentiality management, document control, protection of personal information, and management of disclosed information. We have been carrying out activities in line with these guidelines since. The development of communications technologies and greater use of big data as well as the enactment of new personal information protection laws in Europe in fiscal 2018 triggered the gradual ratification of strict personal information laws and ordinances in various countries. In response, Yamaha Motor revised its Information Management Group Operations Guidelines in fiscal 2020, laying out provisions on the handling of personal information and designating organizational roles, in particular. Furthermore, the Group has established a structure for protecting personal information and set rules for handling personal information (including

notification of acquisition and gaining of consent before acquisition, safety management measures, response to inquiries into individual rights regarding personal information, and response to information leaks). Yamaha Motor and its Group companies in countries around the world are working together to achieve global compliance with the new guidelines.

The Yamaha Motor Group Global Privacy Policy was also revised in fiscal 2020 to promote compliance with personal information protection laws in the countries we operate in. In relation to information management, each year, we monitor how information is handled among Group companies and make recommendations based on the results. At the same time, we conduct group training sessions, e-learning seminars, and other educational and awareness-building activities to ensure the appropriate handling of information. In fiscal 2021, there were no allegations recognized by regulatory authorities as being violations of our customers' privacy.

This section explains the Company's compliance-related initiatives.

**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 to ensure compliance, and monitors the 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.

Specific activities are carried out as per the Compliance Management Rules, and the compliance supervising section manages the Group's overall activities.

As a way to ensure that compliance is incorporated into the corporate culture, Groupwide compliance awareness surveys are carried out each year to confirm the effectiveness of compliance measures, including the degree of understanding and scope of implementation of the Code of Ethics, the extent to which reporting lines and hotlines are used, and the effectiveness of training programs. Based on the results of these surveys and social trends, the Code of Ethics Guidebook is updated annually, and the Code of Ethics is reviewed regularly.

**Code of Ethics**

The Yamaha Motor Group has formulated and disseminated throughout the Group its Code of Ethics, which stipulates standards of behavior to be observed based on the Company Pledge, passed down since the Company's foundation, and the Management Principles. The Code has been translated into local languages at overseas Group companies, and an educational video has been prepared in 11 languages for use in training at Group companies to further familiarize all employees with the

Code of Ethics. Group companies also hold training sessions on the Code of Ethics for new employees.

In the 2021 compliance awareness survey, in response to the question "Do you have a full understanding of the contents of the Code of Ethics?" 87% of respondents answered "Yes" while 4% answered "No."



**Compliance Risk Assessment**

Our Group companies operate all over the world and there are many laws that must be followed. A Groupwide risk assessment is carried out each year to identify the common compliance risks that need to be recognized, including bribery and corruption,

cartels, and security-related export controls. These risks are then assessed at individual operating divisions and Group companies, appropriate countermeasures are implemented, and their implementation status is monitored.

**Compliance and Legal and Regulatory Training**

A compliance activity plan is formulated each year, and various opportunities are used to conduct compliance training based on this plan.

**a. Compliance training as part of level-specific training**

All new employees—both new graduates as well as mid-career hires—and temporary staff take compliance training that focuses on the Code of Ethics when they join the Company. In addition, when an employee is newly promoted to a managerial or supervisory position, division manager, or head of a business site, they take compliance training focused on that position or function each year or as required. This training includes examples of harassment, and how to respond when cases are brought to their attention for consultation. Thanks to activities like these, in the 2021 compliance awareness survey, in response to the question, "When you are unsure of something in the course of your work, do you place top priority on compliance?" 92% of respondents answered "Yes" and 1% answered "No."

**b. Compliance training for all employees**

All persons who work for Yamaha Motor take compliance training, with the aim of each employee creating a model that will earn the trust of society for the Company as a whole by practicing compliance. This compliance training is carried out each year (including for temporary staff), and records of attendance are retained. In addition, division managers and executive officers who are primarily engaged in operating activities take annual compliance training on given topics in an effort for top management themselves to implement compliance.

**c. Specialized training on laws and regulations**

Group training programs covering laws and regulations deemed to entail significant risk in the execution of the Company's business activities are carried out annually on select topics. Our legal and regulatory training in 2021 included such topics as the "Antimonopoly Act," "bribery of foreign public officials,"

"import/export controls," "Subcontracting Act related topics," "prevention of insider trading," "intellectual property rights," "IT risk," "substances of concern controls," "harassment," and "cybersecurity." In addition to online training programs, e-learning is used to provide training in a wide range of fields. Other than the examples above, this training includes "security trade control" and "protection of personal information."

In the 2021 compliance awareness survey, in response to the question, "Do you consider the Company's compliance training to be meaningful?" 82% of respondents answered "Yes" and 4% answered "No."

Training in the Code of Ethics and legal and regulatory training is also carried out for new employees of overseas Group companies, and the results are monitored at the head office.

**Compliance Training in Japan - No. of Attendees (Aggregate Attendees)**

Executive officer training	131
Division manager training	229
Workplace training	18,766
Laws and regulations training	19,876
E-learning	107,617
Level-specific stratified training (division manager, manager, floor manager, new hires, mid-career hires, and temporary staff, etc.)	2,366

**Compliance Training at Overseas Group Companies - No. of Attendees (Aggregate Attendees)**

North America, Europe, Australia	Central and South America	Asia (excl. China)	China	Total
17,212	9,472	26,400	1,981	55,065

**Whistleblowing Systems (Compliance Hotlines)**

The Yamaha Motor Group has a whistleblowing system for reporting any acts that may be in violation of the Code of Ethics. The Yamaha Motor Group Compliance Hotline for Yamaha Motor and domestic Group companies has been carrying out integrated management of our harassment and compliance hotlines since 2020. In 2018, the Global Compliance Hotline was introduced for overseas Group companies and since 2021, the system has been strengthened by broadening the scope of eligibility to use the hotline and offering the service in more languages. To make it easy to report issues, both hotlines are established at specialized outside institutions and accept anonymous reports. Reports that we receive through the hotline are managed strictly as confidential information based on our internal rules. In carrying out investigations, we give consideration to protection of the personal information of the person making the report as well as that of the person who is the target of the report, while ensuring the confidentiality of matters related to the case in question. In the case that misconduct is revealed through investigations, strict punishments are carried out. At the same time, we promptly execute corrective action as well as take measures to prevent recurrence.

Through such responses, we work to prevent the occurrence of illegal acts and misconduct and enable their early discovery.

To protect whistleblowers, internal rules clearly state that no directors/officers/employees of the Company and the Company's group companies shall treat the person making a report disadvantageously in any manner because the person made the report. We are striving to create a system and culture of compliance by ensuring employees have a deep understanding of the whistleblowing system, and enabling rapid and proper functioning of the system.

Yamaha Motor established a Fair Business Hotline in 2017 as a contact point for suppliers, and since 2019, its use has been expanded to include all business partners with which we have ongoing transactions.

The number of hotlines (including consultations) received in 2021 was 182, and below is the breakdown of the hotlines. Whistleblowing systems have also been established and operated individually at major Group companies, based on the local laws and regulations and other circumstances specific to each respective company.

**Whistleblowing Systems (Compliance Hotlines)**

	2017	2018	2019	2020	2021
Reports made	108	120	159	186	182

Subjects of Reports in 2021	Percent of total
Human resources and labor relations	64%
Financial / accounting	6%
Information management	3%
Other regulatory violations	14%
Human rights violation	0%
Corruption prevention	0%
Other	13%