

Yamaha Motor Co., Ltd.
2500 Shingai, Iwata-shi, Shizuoka, Japan

Code No: 7272
February 28, 2024

(Measures for electronic provision were made available on February 27, 2024)

Notice of the 89th Ordinary General Meeting of Shareholders

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders:

This is to inform you of the 89th Ordinary General Meeting of Shareholders, to be held at the time and place indicated below.

In convening this General Meeting of Shareholders, the Company provides information electronically. The Company's website on the Internet provides the matters to be provided electronically as the "Notice of the 89th Ordinary General Meeting of Shareholders."

The Company's website: <https://global.yamaha-motor.com/jp/ir/shareholder/meeting/>

In addition to the above, the information is also made available on the following website on the Internet.

Listed Company Search: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, enter or search our "Company name" or "Code," and select "Basic information" and "Documents for public inspection/PR information" in that order.

You are kindly advised to exercise your voting rights via the Internet, etc. or by mailing the enclosed Exercise of Voting Rights Form. Please review the reference documents in the matters to be provided electronically and exercise your voting rights by 5:30 p.m. on Tuesday, March 19, 2024 (JST).

[Exercising Voting Rights via the Internet, Etc.]

Please read the attached documents on page 95 "Procedures for Exercising Voting Rights via the Internet, Etc." and exercise your voting rights online.

[Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposed resolution on the enclosed Exercise of Voting Rights Form, and return the form to us so that it arrives by the aforementioned deadline.

1. **Date and Time:** Thursday, March 21, 2024 at 10:00 a.m. (JST)
(The reception will open at 9:00 a.m.)
2. **Location:** Communication Plaza of the Company
2500 Shingai, Iwata-shi, Shizuoka, Japan

3. Agenda of the Meeting

Items to be reported:

1. Business Report for the 89th Fiscal Year (from January 1, 2023 through December 31, 2023); Consolidated Financial Statements applicable to the 89th Fiscal Year (from January 1, 2023 through December 31, 2023); Report of Accounting Auditor on Consolidated Financial Statements; and Report of the Audit & Supervisory Board on Consolidated Financial Statements
2. Non-consolidated Financial Statements applicable to the 89th Fiscal Year (from January 1, 2023 through December 31, 2023).

Items to be resolved:

- | | |
|-----------------------|---------------------------|
| Proposed Resolution 1 | Appropriation of Surplus |
| Proposed Resolution 2 | Election of Ten Directors |

4. Predetermined Terms of the Convening

- (1) If you do not indicate your vote of approval or disapproval for each proposed resolution on the Exercise of Voting Rights Form, we will consider you to have approved the Company's proposed resolutions on which you did not vote, as stipulated in Paragraph 3 of Article 16 of the "Share Handling Regulations."
- (2) Duplicate voting
 - 1) If we recognize that you exercise your voting right via the Internet, etc. more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 16 of the "Share Handling Regulations."
 - 2) If we recognize that you exercise your voting right both in writing and via the Internet, etc. on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 16 of the "Share Handling Regulations." If both votes arrive on the same day, vote via the Internet, etc. will prevail and be treated as the effective vote.
- (3) A person who is to exercise voting rights on behalf of a shareholder as a proxy (one other shareholder with voting rights of the Company) shall not be entitled to exercise the shareholder's voting rights as a proxy unless the person receives an Exercise of Voting Rights Form from the shareholder and submits it to the Company, as stipulated in Paragraph 4 of Article 16 of the "Share Handling Regulations."

5. Other Matters regarding this Notice

"Systems to Ensure Proper Business Operations," "Overview of the Implementation Status of the Systems to Ensure Proper Business Operations" in the Business Report, and the "Notes to Consolidated Financial Statements," "Notes to Non-consolidated Financial Statements," "Consolidated Statements of Changes in Equity" and "Non-consolidated Statements of Changes in Equity" are not included in the paper copy sent to shareholders who had requested it, pursuant to the applicable laws and regulations and the Articles of Incorporation of the Company. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents to be audited, including the said documents.

Note: If and when any correction is made to the matters to be provided electronically, the matters before and after the correction will be announced on each website on the Internet as indicated on the previous page.

Guide to shareholders

The meeting may be viewed by live broadcast on the Internet. We will also accept in advance questions relevant to the agenda of the meeting.

■ Live broadcast

Date and time of broadcast: Thursday, March 21, 2024
From 10:00 a.m. until the closing of the meeting
(The website can be accessed from 9:30 a.m.)

How to log in: Please access the URL of the website for viewing (<https://www.virtual-sr.jp/users/yamaha-motor/login.aspx>) and log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number) to view the live broadcast.

- (1) Please note that shareholders viewing the meeting cannot exercise voting rights or make questions during the meeting. We would appreciate your kind understanding in advance.
- (2) Picture and sound problems may occur upon viewing, or live broadcast may not be viewed depending on your PC environment and conditions of the Internet connection, or due to the concentration of access from shareholders and other factors.
- (3) Communication expenses and other fees required for viewing shall be borne by shareholders.
- (4) The taking of photographs, sound recording, video recording or publishing via social media of the live broadcast shall be prohibited.

■ Acceptance of advance questions

Acceptance period: Until Thursday, March 14, 2024 at 5:30 p.m.

How to send questions: Please access the URL of the dedicated website (<https://www2.yamaha-motor.co.jp/jp/spt/shareholders-meeting2024/login>), log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number) and enter your questions in the form for accepting advance questions.

Questions that would be of high interest to shareholders will be responded to during the meeting, but individual replies will not be provided. We would appreciate your kind understanding in advance.

■ Inquiries

For inquiries regarding the shareholder number or the live broadcast, please contact:
Sumitomo Mitsui Trust Bank, Limited, Live Broadcast Support Desk
Phone: 0120-782-041 (toll-free within Japan)
Hours: 9:00 – 17:00 (JST) (every day except Saturday, Sunday and public holiday)

Reference: Points of the Proposed Resolutions

Proposed Resolution 1 Appropriation of Surplus

The Company proposes to pay a year-end dividend of ¥72.50 per share for the current fiscal year. As a result, the annual dividend, including the interim dividend (¥72.50 per share), will be ¥145 per share.

Note: The Company conducted a stock split for each share of common stock into 3 shares per share on January 1, 2024. The year-end dividend for the fiscal year ended December 31, 2023 will be paid based on the number of shares before the stock split, with the record date being December 31, 2023.

Proposed Resolution 2 Election of Ten Directors

As all of the Directors will complete their respective terms of office, the Company proposes the election of ten (10) Directors.

Candidate No.	Name	Gender		New candidate or candidate for reappointment	Current positions and responsibilities in the Company
1	Katsuaki Watanabe	Male		Candidate for reappointment	Chairman and Representative Director
2	Yoshihiro Hidaka	Male		Candidate for reappointment	President, Chief Executive Officer and Representative Director
3	Heiji Maruyama	Male		Candidate for reappointment	Director and Managing Executive Officer In charge of New Business Development, Research & Development, Powertrain and Vehicle Development Motorcycle Electrification Project Executive
4	Satohiko Matsuyama	Male		Candidate for reappointment	Director and Senior Executive Officer In charge of Manufacturing, Manufacturing Technology, Procurement, RV and Power Products New Mobility Project Executive
5	Motofumi Shitara	Male		Candidate for reappointment	Director and Senior Executive Officer In charge of Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Creative, Marine, Market Development and Customer Experience
6	Takuya Nakata	Male	Outside Independent	Candidate for reappointment	Outside Director
7	Yuko Tashiro	Female	Outside Independent	Candidate for reappointment	Outside Director
8	Tetsuji Ohashi	Male	Outside Independent	Candidate for reappointment	Outside Director
9	Jin Song Montesano	Female	Outside Independent	Candidate for reappointment	Outside Director
10	Keiji Masui	Male	Outside Independent	New candidate	—

* Structure in the case that this proposal is approved.

Reference Documents for the 89th Ordinary General Meeting of Shareholders

Proposals and Reference Information

Proposed Resolution 1 Appropriation of Surplus

Regarding appropriation of surplus, the Company pays stable and continuous dividends while taking into consideration the outlook for business performance and investment for future growth in accordance with the new shareholder return policy as stated in the Medium-Term Management Plan announced in 2022. The Company will continue to implement flexible shareholder returns in accordance with the scale of cash flows and has set the benchmark at a total shareholder return ratio of 40% as a cumulative total for the period of the Medium-Term Management Plan.

The Company proposes to pay a year-end dividend of ¥72.50 per share for the current fiscal year. As a result, the annual dividend, including the interim dividend (¥72.50 per share), will be ¥145 per share.

Note: The Company conducted a stock split for each share of common stock into 3 shares per share on January 1, 2024. The year-end dividend for the fiscal year ended December 31, 2023 will be paid based on the number of shares before the stock split, with the record date being December 31, 2023.

- (1) Type of dividend property:
Cash

- (2) Distribution of dividend property, and the total amount distributed:
72.50 yen per share of common stock
Total amount: 23,964,724,635 yen

- (3) Effective date of distribution:
March 22, 2024

Proposed Resolution 2 Election of Ten Directors

All of the ten (10) Directors will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, Yamaha Motor Co., Ltd. (hereafter “the Company”) proposes the election of ten (10) Directors.

The Director candidates are as follows.

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
1	Katsuaki Watanabe (November 15, 1959) Candidate for Reappointment	<p>April 1982: Joined the Company</p> <p>January 2007: Director and President of Yamaha Motor Parts Manufacturing Vietnam Co., Ltd.</p> <p>January 2009: Senior General Manager of BD Manufacturing Section, Manufacturing Center of the Company</p> <p>March 2010: Executive Officer of the Company</p> <p>November 2010: Chief General Manager of Manufacturing Center of the Company</p> <p>March 2011: Senior Executive Officer of the Company</p> <p>April 2013: Chief General Manager of Manufacturing Center and Executive General Manager of 1st Business Unit, MC Business Operations of the Company</p> <p>March 2014: Senior Executive Officer and Director of the Company</p> <p>March 2016: Managing Executive Officer and Director of the Company</p> <p>January 2018: Executive Vice President and Representative Director of the Company</p> <p>January 2022: Chairman and Representative Director of the Company (to present)</p> <p>- Term of office as a Director: Ten (10) years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</p> <p>- Reasons for the nomination of candidate for Director: The Company nominated Katsuaki Watanabe as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Representative Director of the Company since 2018, he is highly capable in corporate management that is required to deal with a variety of values and has expertise in the procurement and manufacturing fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</p>	181,017

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
2	<p data-bbox="320 819 523 880">Yoshihiro Hidaka (July 24, 1963)</p> <div data-bbox="304 898 531 999" style="border: 1px solid black; padding: 2px;"> <p data-bbox="328 909 507 969">Candidate for Reappointment</p> </div>	<p data-bbox="560 264 1230 1059"> April 1987: Joined the Company July 2010: Vice President of Yamaha Motor Corporation, U.S.A. January 2013: Executive General Manager of 3rd Business Unit, MC Business Operations of the Company March 2014: Executive Officer of the Company January 2015: Executive General Manager of 2nd Business Unit, MC Business Operations of the Company January 2016: Executive General Manager of 1st Business Unit, MC Business Operations and General Manager of Southeast & East Asia Sales Division of the Company January 2017: Chief General Manager of Corporate Planning & Finance Center of the Company March 2017: Senior Executive Officer and Director of the Company January 2018: President, Chief Executive Officer and Representative Director of the Company (to present) June 2018: Outside Director of Yamaha Corporation (to present) </p> <p data-bbox="560 1081 1417 1552"> - Term of office as a Director: Seven (7) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Director: The Company nominated Yoshihiro Hidaka as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as President and Representative Director of the Company since 2018, he is highly capable in corporate management that is required to deal with a variety of values and has expertise in the management control and business strategy fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors. </p>	251,112

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
3	Heiji Maruyama (February 8, 1962) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Candidate for Reappointment</div>	<p>April 1986: Joined the Company</p> <p>January 2010: General Manager of Engineering Division 1, AM Business Unit of the Company</p> <p>January 2012: Executive General Manager of AM Business Unit of the Company</p> <p>March 2015: Executive Officer of the Company</p> <p>January 2019: Chief General Manager of Powertrain Unit of the Company</p> <p>March 2019: Senior Executive Officer of the Company</p> <p>January 2021: Chief General Manager of Technical Research & Development Center of the Company</p> <p>March 2021: Director of the Company (to present)</p> <p>March 2023: Managing Executive Officer of the Company (to present)</p> <p>[Responsibilities] In charge of New Business Development, Research & Development, Powertrain and Vehicle Development Motorcycle Electrification Project Executive</p> <p>- Term of office as a Director: Three (3) years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</p> <p>- Reasons for the nomination of candidate for Director: The Company nominated Heiji Maruyama as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Chief General Manager of Technical Research & Development Center and Chief General Manager of Powertrain Unit of the Company and others, he is highly capable and has expertise in the technology and operation fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</p>	62,526

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
4	Satohiko Matsuyama (August 11, 1963) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Candidate for Reappointment</div>	<p> April 1986: Joined the Company January 2010: General Manager of MC Assembly Factory, BD Manufacturing Section, Manufacturing Center of the Company January 2013: Senior General Manager of Manufacturing Planning Section, Manufacturing Center of the Company January 2015: Executive General Manager of RV Business Unit, Vehicle & Solution Business Operations of the Company March 2015: Executive Officer of the Company January 2018: Chief General Manager of Manufacturing Center of the Company March 2019: Senior Executive Officer of the Company (to present) March 2022: Director of the Company (to present) [Responsibilities] In charge of Manufacturing, Manufacturing Technology, Procurement, RV and Power Products New Mobility Project Executive </p> <p> - Term of office as a Director: Two (2) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Director: The Company nominated Satohiko Matsuyama as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Chief General Manager of Manufacturing Center of the Company and others, he is highly capable and has expertise in the manufacturing field. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors. </p>	66,396

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
5	<p data-bbox="331 815 544 880">Motofumi Shitara (October 29, 1962)</p> <div data-bbox="320 898 544 994" style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Reappointment</div>	<p data-bbox="568 277 1262 853"> April 1986: Joined the Company January 2011: General Manager of Business Planning Division, ME Business Unit, Marine Business Operations of the Company January 2015: Executive General Manager of ME Business Unit, Marine Business Operations of the Company March 2016: Executive Officer of the Company January 2017: Deputy Chief General Manager of Corporate Planning & Finance Center of 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 of the Company March 2022: Director and Senior Executive Officer of the Company (to present) </p> <p data-bbox="568 860 1262 1014"> [Responsibilities] In charge of Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Creative, Marine, Market Development and Customer Experience </p> <p data-bbox="568 1021 1262 1541"> - Term of office as a Director: Two (2) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Director: The Company nominated Motofumi Shitara as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as President of Yamaha Motor India Pvt. Ltd., Deputy Chief General Manager of Corporate Planning & Finance Center, and Executive General Manager of ME Business Unit, Marine Business Operations of the Company and others, he is highly capable and has expertise in the finance and management control fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors. </p>	60,630

The Outside Director candidates are as follows.

In addition to requirements in the independence criteria established by the Tokyo Stock Exchange, the Company has established its original “Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members” as stated below.

(Reference) Summary of “Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members”

I. Independent Outside Directors / Audit & Supervisory Board Members may not be:

1. Employees or former employees of the company
2. Major shareholders
3. Individuals in a “major customer” relationship with our corporate group
4. Individuals from companies that have accepted a director from Yamaha Motor Group
5. Individuals with some other type of vested interest in the Group
6. Individuals who might have a conflict of interest with our general shareholders

Moreover, individuals who are second-degree relatives, or cohabiting relatives, of any of those mentioned above in 1 through 5 may not be officers.

II. Individuals, despite being applicable to any of the 2 to 5 above, may be elected as Independent Outside Directors / Audit & Supervisory Board Members of the company if they, in view of their personality and insight, are believed suitable as Independent Outside Directors / Audit & Supervisory Board Members of the company on the condition that the individuals meet the requirements of an outside director as required under the Companies Act, and that a public disclosure is made to explain the reasons for electing them as Independent Outside Directors / Audit & Supervisory Board Members of the company.

As mentioned, the above is a summary of the “Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members.” For the full text, please visit our website, https://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
6	<p data-bbox="336 801 507 864">Takuya Nakata (June 8, 1958)</p> <div data-bbox="311 898 528 954" style="border: 1px solid black; padding: 2px; width: fit-content;">Outside Director</div> <div data-bbox="311 969 528 1048" style="border: 1px solid black; padding: 2px; width: fit-content;">Independent Outside Director</div> <div data-bbox="311 1064 528 1173" style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Reappointment</div>	<p data-bbox="555 259 1232 994"> April 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation) October 2005: General Manager of PA/ DMI 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 of the Company (to present) June 2017: Director, President and Representative Executive Officer of Yamaha Corporation (to present) Note: Takuya Nakata will assume the position of Chairman of the Board of Directors of Yamaha Corporation as of April 1, 2024. [Concurrent positions] President of Yamaha Music Foundation </p> <p data-bbox="555 1081 1422 1722"> - Term of office as a Director: Ten (10) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Takuya Nakata as an Outside Director in the belief that he will provide the Company's management with valuable advice and supervision based on his ample experience of management in general gained from his position as the Director, President and Representative Executive Officer of Yamaha Corporation and wide range of insights, by which the Company aims to increase the value of the Yamaha brand commonly used by both companies. - Expected role if appointed: Following his appointment, Takuya Nakata is expected to contribute to strengthening the supervisory functions of the Company's management and enhancing the brand value, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors. </p>	78,600

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
7	<p data-bbox="320 976 520 1037">Yuko Tashiro (March 14, 1954)</p> <div data-bbox="304 1059 531 1104" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Outside Director</div> <div data-bbox="304 1126 531 1211" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Independent Outside Director</div> <div data-bbox="304 1234 531 1319" style="border: 1px solid black; padding: 2px;">Candidate for Reappointment</div>	<p data-bbox="552 259 1230 1379"> 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. 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: Chairman, CEO and Representative Director of NEXT GOLF MANAGEMENT CORPORATION April 2021: Chairman and Director of NEXT GOLF MANAGEMENT CORPORATION April 2021: Director and Chairman of the board of Accordia Golf co., Ltd. (to present) March 2023: Outside Director of McDonald's Holdings Company (Japan), Ltd. (to present) </p> <p data-bbox="552 1402 1422 2009"> - Term of office as a Director: Five (5) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Yuko Tashiro as an Outside Director in the belief that she will provide valuable advice and supervision regarding the Company's management based on her wide range of insights and her ample experience of management based on her experiences in various managerial positions, including financial managers and the representative directors of several companies. - Expected role if appointed: Following her appointment, Yuko Tashiro is expected to contribute to strengthening the supervisory functions of the Company's management and promoting diversity & inclusion, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors. </p>	0

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
8	<p data-bbox="325 792 523 860">Tetsuji Ohashi (March 23, 1954)</p> <div data-bbox="309 882 529 927" style="border: 1px solid black; padding: 2px;">Outside Director</div> <div data-bbox="309 949 529 1039" style="border: 1px solid black; padding: 2px;">Independent Outside Director</div> <div data-bbox="309 1061 529 1151" style="border: 1px solid black; padding: 2px;">Candidate for Reappointment</div>	<p data-bbox="560 264 1230 958"> 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 Ltd. April 2012: Director and Senior Executive Officer of Komatsu Ltd. April 2013: President and Representative Director, and CEO of Komatsu Ltd. April 2019: Chairman of the Board and Representative Director of Komatsu Ltd. March 2020: Outside Director of the Company (to present) June 2021: Outside Director of Nomura Research Institute, Ltd. (to present) March 2022: Outside Director of Asahi Group Holdings, Ltd. (to present) April 2022: Chairman of the Board of Komatsu Ltd. (to present) [Concurrent positions] Vice Chair of the Board of Councillors of KEIDANREN </p> <p data-bbox="560 1084 1417 1688"> - Term of office as a Director: Four (4) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Tetsuji Ohashi as an Outside Director in the belief that he will provide valuable advice and supervision regarding the Company's management based on his wide range of insights and his ample experience of management and manufacturing, through his experiences in various managerial positions, including the representative director of a global company. - Expected role if appointed: Following his appointment, Tetsuji Ohashi is expected to contribute to strengthening the supervisory functions of the Company's management, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors. </p>	0

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
9	<p data-bbox="308 887 541 949">Jin Song Montesano (April 24, 1971)</p> <div data-bbox="308 960 541 1010" style="border: 1px solid black; padding: 2px; width: fit-content;">Outside Director</div> <div data-bbox="308 1021 541 1106" style="border: 1px solid black; padding: 2px; width: fit-content;">Independent Outside Director</div> <div data-bbox="308 1120 541 1218" style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Reappointment</div>	<p data-bbox="560 253 1238 315">September 1995: Congressional Affairs Director of Korea Economic Institute of America (KEI)</p> <p data-bbox="560 327 1238 412">July 2001: Corporate & Government Affairs Director, Asia Pacific of GlaxoSmithKline plc.</p> <p data-bbox="560 423 1238 486">July 2005: Vice President, Communications, Asia Region of GE Money</p> <p data-bbox="560 497 1238 582">March 2009: Vice President, Corporate & Government Affairs, Asia Pacific of Kraft Foods, Inc.</p> <p data-bbox="560 593 1238 656">July 2012: Vice President, Global Public Affairs of GSK Vaccines</p> <p data-bbox="560 667 1238 775">November 2014: Executive Officer and Managing Director in charge of Public Affairs, CSR, and Environmental Strategy of LIXIL Group Corporation</p> <p data-bbox="560 786 1238 893">November 2014: Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation</p> <p data-bbox="560 904 1238 1012">February 2015: Director, Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation</p> <p data-bbox="560 1023 1238 1131">September 2017: Director, Senior Managing Director and Chief Public Affairs Officer of LIXIL Corporation</p> <p data-bbox="560 1142 1238 1249">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</p> <p data-bbox="560 1261 1238 1368">December 2020: Director and Executive Vice President in charge of Human Resources, General Affairs, Communications, IR, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Corporation</p> <p data-bbox="560 1379 1238 1442">March 2022: Outside Director of the Company (to present)</p> <p data-bbox="560 1453 1238 1570">October 2022: Director and Executive Vice President in charge of Human Resources, General Affairs, Communications, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Corporation</p> <p data-bbox="560 1581 1238 1697">April 2023: Director, Representative Executive Officer, Executive Vice President in charge of Human Resources, Communications, External Affairs, and Impact Strategy, and Chief People Officer of LIXIL Corporation (to present)</p> <p data-bbox="560 1709 1238 1794">* As of December 1, 2020, LIXIL Group Corporation and LIXIL Corporation formed a merger (New company name: LIXIL Corporation)</p>	0

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
		<ul style="list-style-type: none"> - Term of office as a Director: Two (2) years (at the conclusion of this Ordinary General Meeting of Shareholders) - Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%) - Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Jin Song Montesano as an Outside Director in the belief that she will provide valuable advice and supervision regarding the Company's management based on her wide range of insights and her ample experience of management overall and in the areas of human resources, communications, external affairs, and Impact Strategy through her experiences in various managerial positions in corporate affairs of a global company. - Expected role if appointed: Following her appointment, Jin Song Montesano is expected to contribute to strengthening the supervisory functions of the Company's management and promoting diversity & inclusion, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors. 	

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
10	<p data-bbox="320 528 528 589">Keiji Masui (August 15, 1954)</p> <div data-bbox="309 607 536 651" style="border: 1px solid black; padding: 2px; text-align: center;">Outside Director</div> <div data-bbox="309 674 536 748" style="border: 1px solid black; padding: 2px; text-align: center;">Independent Outside Director</div> <div data-bbox="309 770 536 815" style="border: 1px solid black; padding: 2px; text-align: center;">New Candidate</div>	<p data-bbox="560 264 1233 324">April 1977: Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p data-bbox="560 331 1233 392">January 1999: Dispatched to Toyota Motor Europe Manufacturing NV/SA</p> <p data-bbox="560 398 1233 488">January 2005: General Manager of Production Management Div. of Toyota Motor Corporation</p> <p data-bbox="560 495 1233 555">June 2007: Managing Officer of Toyota Motor Corporation</p> <p data-bbox="560 562 1233 622">April 2012: Senior Managing Officer of Toyota Motor Corporation</p> <p data-bbox="560 629 1233 689">April 2016: President and Representative Director of Toyota Auto Body Co., Ltd.</p> <p data-bbox="560 696 1233 757">January 2018: President and Representative Director of Toyota Auto Body Co., Ltd.</p> <p data-bbox="560 763 1233 813">April 2023: Chairman and Representative Director of Toyota Auto Body Co., Ltd. (to present)</p>	4,500
	<p data-bbox="560 831 1417 1048">- Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Keiji Masui as an Outside Director in the belief that he will provide valuable advice and supervision regarding the Company's management based on his wide range of insights and his ample experience of management and in the areas of procurement and manufacturing through his experiences in various managerial positions, including the representative director of a global company.</p> <p data-bbox="560 1055 1417 1272">- Expected role if appointed: Following his appointment, Keiji Masui is expected to contribute to strengthening the supervisory functions of the Company's management, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors.</p>		

Notes:

1. Special interests between the Company and the candidates

Of the candidates for Directors, those who have special interests with the Company are as follows.

- (1) Takuya Nakata Mr. Nakata is serving as Director, President and Representative Executive Officer of Yamaha Corporation, a company with which the Company has transactions, such as real estate leases. Transactions between the two companies account for less than 1% of each company's consolidated net sales.
- (2) Tetsuji Ohashi Mr. Ohashi served as Chairman of the Board and Representative Director of Komatsu Ltd. until March 2022, a company with which the Company has transactions, such as purchase/sale of products. Transactions between the two companies account for less than 1% of each company's consolidated net sales.
- (3) Keiji Masui Mr. Masui is serving as Chairman and Representative Director of Toyota Auto Body Co., Ltd., a company with which the Company has transactions, such as purchase/sale of products. Transactions between the two companies account for less than 1% of each company's consolidated net sales.

2. Matters relating to candidates

Takuya Nakata, Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano and Keiji Masui are candidates for Outside Directors.

3. Summary of details of the liability limitation agreement with candidates for Outside Directors

The Company has entered into liability limitation agreements stipulated in Paragraph 1 of Article 423 of the Companies Act with Takuya Nakata, Yuko Tashiro, Tetsuji Ohashi and Jin Song Montesano for the maximum amount of the liability for damages, which is up to the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Companies Act. If this proposal is approved, the Company intends to continue the liability limitation agreements with them. The Company plans to enter into a similar liability limitation agreement with Keiji Masui.

4. Summary of details of the Directors and Officers liability insurance contract

The Company has entered into a Directors and Officers liability insurance contract to insure all the Directors. If insured Directors are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract. In the event each candidate assumes the office of Director, they will be insured by the said insurance contract.

5. Independent Outside Directors

The Company has registered Takuya Nakata, Yuko Tashiro, Tetsuji Ohashi and Jin Song Montesano as Independent Outside Directors according to the regulations provided by the Tokyo Stock Exchange, Inc. In addition, Keiji Masui will also be registered as an Independent Outside Director provided that the proposal is approved.

Summary of "Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members" is described on page 12.

The reason for electing Takuya Nakata as an Independent Outside Director (applies to the Company's Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members II)

The same Yamaha brand is mutually shared by the Company and Yamaha Corporation in which Takuya Nakata concurrently serves as Director, President and Representative Executive Officer, and the value of this brand constitutes significant element of the corporate value of both companies. As the Company and Yamaha Corporation share the same brand, both companies have an interactive relationship where increase in the brand value by the sustainable growth at either gives positive impact on the other, while conversely, impairment of the brand through violation of laws or lack of governance at either gives significant adverse impact on both companies. Yamaha Corporation best understands the Yamaha brand which serves as the pillar in the management of the Company, sharing common interest with general shareholders of the Company in pursuing the enhancement of the Company's brand value, but without being its major trading partner in the past, and is not listed among its major shareholders any longer since 2017. In addition, Mr. Nakata currently provides valuable opinions and advice based on his experience as global corporate manager at the Board of Directors Meetings of the Company. As such, the Company believes that Mr. Nakata, with no likelihood to give rise to any conflicts of interest with general shareholders of the Company, is able to perform his responsibility and duty of supervising the management from an independent standpoint that can maximize the interest of shareholders at both companies.

6. The Company conducted a stock split for each share of common stock into 3 shares per share on January 1, 2024. The number of shares of the Company held above is the number of shares after the stock split.

7. Abbreviations: BD: Body, MC: Motorcycle, AM: Automotive, RV: Recreational Vehicle, ME: Marine Engine

(Reference) Composition of Directors and Audit & Supervisory Board Members [Schedule after March 21, 2024]

●Basic views on the composition of the Board of Directors and Audit & Supervisory Board

Under the corporate mission of being a “*Kando* Creating Company,” the Board of Directors plays a role in supporting the Company’s sustainable growth and enhancement of its corporate and brand value. To ensure the implementation of the Company’s growth strategies for the future, the 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.

In consideration of fiduciary responsibilities to shareholders, the Audit & Supervisory Board, as a body independent of the Board of Directors, requests the Company and its subsidiaries to submit reports on their business activities, surveys the status of business operations and properties, exercises rights in respect of appointing and dismissing external auditors and audit compensation, attends meetings of the Board of Directors and other important meetings, and provides opinions as needed. Through these tasks, the Audit & Supervisory Board audits the legality and appropriateness of the Directors’ execution of duties, internal control systems, and the performance and financial position of the Company and its subsidiaries.

In light of the above, from the viewpoint of maintaining an overall balance in terms of knowledge, experience and ability, and in consideration of diversity and scale, the composition of the Board of Directors and Audit & Supervisory Board are defined, and the following skills have been identified as those that should be provided.

●Reasons for selection and definition of skills

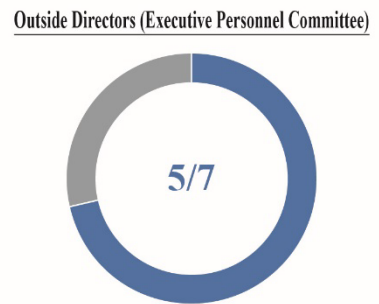
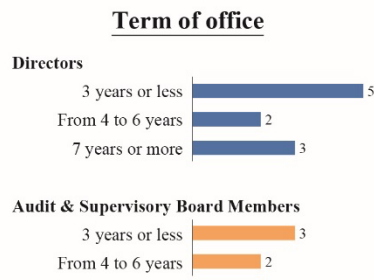
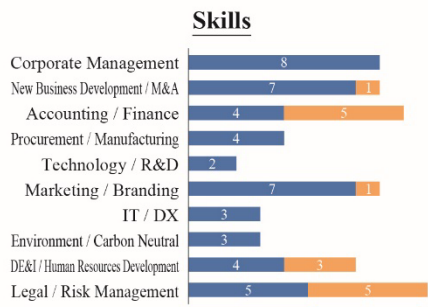
Corporate Management	Under the corporate mission of being a “ <i>Kando</i> Creating Company,” the Company is developing several businesses, including motorcycles and outboard motors, in more than 180 countries and regions. In order to achieve sustainable growth even in the midst of drastic changes in the business environment, such as CASE, the Company needs officers with management experience in global companies and manufacturing companies.
New Business Development / M&A	In order to create new growth areas, the Company needs officers with experience and insights in new business development and M&As.
Finance / Accounting	The Company uses sales growth rate and ROIC to clarify the positioning of its businesses and implements portfolio management to allocate management resources appropriately. In order to promote its growth strategy and enhance shareholder returns through this strategy, the Company requires officers with knowledge and experience in finance/accounting.
Procurement / Manufacturing	In order to promote break-even management, it is necessary to continue efforts to reduce costs and improve productivity in procurement and manufacturing, and the Company needs officers with knowledge and experience in procurement and production at manufacturing companies.
Technology / R&D	In order to respond to CASE and to grow the new businesses indicated in the Medium-Term Management Plan into future core businesses, the Company needs officers with knowledge of basic and advanced technologies and experience in innovation.
Marketing / Branding	In order to accurately respond to diversifying customer needs, the Company needs officers who are familiar with each market and have experience in developing and executing marketing/branding/product planning/public relations & advertising/sales strategies.
IT / DX	In order to strengthen the management base and improve customer experience value, the use of IT is essential, and the Company needs officers with knowledge and experience in IT/DX.
(E) Environment / Carbon-neutral	The Company aims to achieve carbon neutral by 2050, and in order to accelerate its efforts, it needs officers with knowledge and experience in the environmental field.

(S) DE&I / Human Resources Development	In order to respond to the rapidly changing market needs in addition to the global business environment, it is necessary to secure diverse human resources and strengthen the skills of each employee. The Company needs officers with knowledge and experience in DE&I promotion and human resource development.
(G) Legal / Risk Management	Strengthening governance is important to the Company which operates on a global scale. The Company needs officers who have knowledge and experience in domestic and international legal systems and various regulations, who can properly assess the risks, and who can lead prevention and countermeasures.
Global Experience	The Company operates in more than 180 countries and regions, with overseas sales exceeding 90% of total sales. The Company needs officers who have experience working for multinational companies and in local markets, combined with knowledge and experience of foreign cultures and business practices.

●Skills matrix

	Directors and Audit & Supervisory Board Members	Term of office (years)	Age	Gender	Independent	Global Experience	Corporate Management	New Business Development / M&A	Accounting / Finance	Procurement / Manufacturing	Technology / R&D	Marketing / Branding	IT / DX	E Environment Carbon-neutral	S DE&I / Human Resources Development	G Legal / Risk Management
Directors	Katsuaki Watanabe	10	64	Male		○	●			●		●				●
	Yoshihiro Hidaka	7	60	Male		○	●	●	●			●		●	●	
	Heiji Maruyama	3	62	Male			●	●			●			●		
	Satohiko Matsuyama	2	60	Male		○				●				●		
	Motofumi Shitara	2	61	Male		○			●			●	●		●	
Outside Directors	Takuya Nakata	10	65	Male	Independent	○	●	●			●	●	●			
	Yuko Tashiro	5	70	Female	Independent	○	●	●	●			●			●	●
	Tetsuji Ohashi	4	69	Male	Independent	○	●	●		●		●	●			●
	Jin Song Montesano	2	52	Female	Independent	○	●	●				●			●	●
	Keiji Masui	-	69	Male	Independent	○	●	●	●	●						●
Audit & Supervisory Board Members (Full-Time)	Junzo Saitoh	5	64	Male		○			●						●	●
	Tadashi Tsumabuki	1	62	Male		○			●			●				●
Audit & Supervisory Board Members (Outside)	Masatake Yone	5	69	Male	Independent	○		●	●							●
	Eriko Kawai	3	65	Female	Independent	○			●						●	●
	Ayumi Ujihara	1	62	Female	Independent				●						●	●

● Skill charts ■ Directors ■ Audit & Supervisory Board Members



Business Report

(From January 1, 2023 to December 31, 2023)

1. Current Conditions of the Yamaha Motor Group

(1) Business Developments and Results

During the fiscal year ended December 31, 2023, economic activity normalized gradually as various restrictions were eased in line with the reclassification of COVID-19 as a Class 5 disease. However, the future outlook remains unclear due to factors such as the protracted Russia-Ukraine situation, conflict in the Middle East, and concerns of an economic slowdown due to global monetary tightening.

In the Company's business, the business environment headed toward normalcy as semiconductor procurement recovered and the sharp rises in raw material prices and ocean freight rates slowed down. On the other hand, demand for outdoor leisure activities calmed down, especially in developed countries, and this trend became clear in the second half of the year. As a result, inventories in some businesses and regions exceeded appropriate levels. By contrast, the yen's depreciation trend, which began last year, has become a tailwind for the Company.

Amid this economic environment, the Company has implemented strategies for each business based on its Medium-Term Management Plan and has promoted efforts to control cost and pass on prices to our customers with break-even management in mind.

As a result, the Company's consolidated net sales for the fiscal year under review increased ¥166.3 billion, or 7.4%, year on year, to ¥2,414.8 billion, operating income increased ¥25.8 billion, or 11.5%, to ¥250.7 billion, ordinary income increased ¥2.7 billion, or 1.1%, to ¥242.0 billion, and net income attributable to owners of parent decreased ¥10.3 billion, or 5.9%, to ¥164.1 billion, leading us to achieve record-high sales and operating income.

Exchange rates for the fiscal year under review were ¥141 to the U.S. dollar (a depreciation of ¥9, year on year) and ¥152 to the euro (a depreciation of ¥14, year on year).

Net sales increased in the Company due to strong demand for motorcycles and large outboard motors, together with increased supply volume as a result of normalization of the supply chain and improvements in logistics and production issues. Operating income also increased mainly owing to increased sales, greater results with price pass-on effects against the soaring costs such as raw materials prices, and the positive effect of the yen's depreciation. Net income attributable to owners of parent decreased due to the impact of loss on valuation of interest rate swaps, foreign exchange losses, loss on valuation of investment securities, and gain on sales of investment securities of the previous year.

In terms of financial indicators, ROE was 15.4% (a year-on-year decrease of 3.3 percentage points), ROIC was 9.2% (a year-on-year decrease of 2.7 percentage points), ROA was 10.5% (a year-on-year decrease of 0.7 percentage points), all of which exceeded the Medium-Term Management Plan targets, and shareholders' equity was ¥1,123.5 billion (an increase of ¥120.4 billion from the end of the previous fiscal year), shareholders' equity ratio was 43.7% (a year-on-year decrease of 2.3 percentage points). In addition, free cash flow (including sales finance) was negative ¥36.8 billion (a year-on-year decrease of ¥33.6 billion).

During the fiscal year under review, the Company pushed forward portfolio management initiatives outlined in the current Medium-Term Management Plan. Progress in business structure reforms included the conclusion of a business transfer agreement^(Note) for the power products business and the decision to withdraw from the Snowmobile and Pool businesses. In addition, to reinforce the Company's new business and growth business development capabilities, the Company has begun considering the possibility of a merger with its consolidated subsidiary Yamaha Motor Electronics Co., Ltd.

Note: The implementation of this transfer is based on the assumption that the Company receives all clearance and authorization required by the Competition Law and other laws and regulations.

The status of each business is as follows.

Land mobility [Main products and services: Motorcycles, intermediate parts for products, knockdown parts for overseas production, all-terrain vehicles, recreational off-highway vehicles (ROV), snowmobiles, electrically power assisted bicycles, electrically power assisted bicycle drive units (e-Kit), electrically powered wheelchairs, automobile engines and automobile components]

Net sales increased ¥113.6 billion, or 7.7%, year on year, to ¥1,581.8 billion, and operating income increased ¥36.9 billion, or 42.3%, to ¥124.3 billion.

In the Motorcycles business, demand remained strong in Europe and North America. Demand rose in emerging markets, particularly in Asia, except for Vietnam and China, countries in which economy continues to stagnate. Net sales increased due to higher unit sales in Europe, North America, and emerging countries such as Indonesia, India, and Brazil. Operating income increased mainly due to a growth in unit sales, along with price pass-on efforts and positive effect of the yen's depreciation.

In the RV business (all-terrain vehicles, recreational off-highway vehicles, and snowmobiles), our shipments declined as demand slowed after the outdoor recreation boom. On the other hand, both sales and income increased due to the improvement in production efficiency at the U.S. plant, which faced challenges in the previous year, as well as the positive effect of the yen's depreciation.

In the SPV business (electrically power assisted bicycles, e-Kit, and electrically powered wheelchairs), an inventory adjustment phase continues in Europe, which is the main market. Although we continued production adjustments, market inventory levels remain high and are expected to take time to resolve. Net sales and operating income decreased due to the decrease in unit sales of electrically power assisted bicycles and e-Kit.

Marine products [Main products and services: Outboard motors, personal watercraft, boats, FRP pools, fishing boats and utility boats]

Net sales increased ¥30.5 billion, or 5.9%, year on year, to ¥547.5 billion, and operating income increased ¥4.5 billion, or 4.1%, to ¥113.7 billion.

In the U.S., although demand for large outboard motors remained strong, demand for small and medium outboard motors decreased. Meanwhile, in Europe, demand for outboard motors decreased due to concerns for recession. In addition, demand for fishing and tourism increased in China and Southeast Asia, while stable demand for fishing remained in Latin America. Our unit sales of outboard motors decreased overall due a decrease in developed countries, despite an increase in emerging countries. Our unit sales of watercraft increased as demand remained strong. In the Marine products business as a whole, both sales and income increased due in part to the positive effect of the yen's depreciation.

Robotics [Main products and services: Surface mounters, semiconductor manufacturing equipment, industrial robots and industrial-use unmanned helicopters]

Net sales decreased ¥14.5 billion, or 12.5%, year on year, to ¥101.4 billion, and operating income decreased ¥11.0 billion, or 92.7%, to ¥0.9 billion.

With regard to surface mounters, although they saw strong demand for automotive and industrial equipment, amid China's continued economic slump, demand for consumer equipment such as smartphones and PCs remained weak.

This has led to a decrease in our sales, especially in China and Taiwan. In addition, although industrial robots saw increased investment demand for EV battery manufacturing in Japan and South Korea, they were significantly affected by declining sales in China. Meanwhile, orders for semiconductor manufacturing equipment increased due to rising demand for generative AI. As a result, in the Robotics business as a whole, both sales and income decreased.

Financial services [Main products and services: Sales finance and lease related to the Company's products]

Net sales increased ¥24.3 billion, or 39.1%, year on year, to ¥86.5 billion, and operating income decreased ¥2.2 billion, or 12.6%, to ¥15.3 billion.

(TRANSLATION ONLY)

Sales finance receivables increased along with the increase in unit sales, and as a result of passing on funding rates to customers, buoying sales. However, income decreased due to increases in funding costs and allowance for doubtful accounts in accordance with an increase in receivables, and loss on valuation of interest rate swaps in Brazil.

Others [Main products and services: Golf cars, generators, multi-purpose engines and small-sized snow throwers]

Net sales increased ¥12.4 billion, or 14.6%, year on year, to ¥97.6 billion, and operating loss was ¥3.6 billion, against operating loss of ¥1.2 billion in the previous fiscal year.

Sales increased thanks to the improved production efficiency at the U.S. plant which led to an increase in the unit sales of golf cars. However, in the Others segments as a whole, income decreased due to factors including increased fixed costs.

(2) Capital Expenditures

The Group made investments of ¥104.1 billion in total during fiscal 2023.

In the Land mobility business, investments of ¥67.3 billion were made mainly for replacing production facilities, new motorcycle products, improving production systems and R&D. In the Marine products business, investments of ¥21.1 billion were made mainly for new outboard motor products and replacing production facilities. In the Robotics business, investments of ¥9.6 billion were made mainly for research and development for surface mounters and industrial robots, and new industrial-use unmanned helicopter products. In the Other business, investments of ¥6.1 billion were made mainly for new golf car products.

(3) Fund Raising

In fiscal 2023, Yamaha Motor (non-consolidated) issued ¥20.0 billion in straight bonds to maintain liquidity on hand.

(4) Key Priorities the Group Must Address

The environment surrounding us is changing rapidly, with a growing awareness of sustainability and digitalization. Each and every person in the Company will take the initiative in reform and increase the speed of transformation to drive growth strategies and strengthen our foundations. We will enhance growth potential and further increase corporate value to achieve the long-term vision of “ART for Human Possibilities: There Is Greater Joy Yet to Come” toward 2030.

○ Progress of the Medium-Term Management Plan

Starting from the current Medium-Term Management Plan, the Company has implemented portfolio management to appropriately allocate management resources to each business for the future. As for the performance of the two-year Medium-Term Management Plan, we have achieved the targets for growth and profitability indicators, and we are expected to achieve the targets of the plan for the final year of 2024 as well. In terms of results by portfolio, while the core business was able to generate stable profits, the growth business experienced a slowdown in growth rate due to the economic downturn and reduced demand following the COVID-19 pandemic. In addition, new businesses have not yet generated sufficient net sales despite progress in launching new services and establishing new companies.

■ Strategic business fields

[New businesses]

Under the themes of “Advancing Robotics,” “Rethinking Solution,” and “Transforming Mobility” set in our long-term vision, we will promote new value creation unique to Yamaha Motor to solve social issues as well as to accelerate business development that contribute to achieving the SDGs through technologies and knowledge we have accumulated until now and through co-creation activities with partners.

In mobility services, we established new companies and started operations in India, Nigeria, and Tanzania. We aim to revitalize local economies and create employment for professional drivers through the asset management business implemented by the rental of vehicles and the last mile delivery business creating jobs with mobility.

In low-speed autonomous driving, an autonomous driving vehicle co-developed with the Company and three Japanese companies started Japan’s first level 4 autonomous driving mobility service in Eiheiji-cho, Fukui. We aim to solve mobility issues in areas without access to public transportation and generate sales in the field of human transportation.

With regard to automation in the medical and health sectors, “Tuning Fork Bio Inc.” was established to develop an antibody profiling business that analyzes antibodies in the blood to visualize health conditions. In agricultural automation, we are advancing development and demonstration experiments through collaboration, including the dispatch of engineers to companies in which we have invested.

[Robotics (growth business)]

Currently, demand is stagnant, mainly due to the impact of the Chinese economy. However, with the increasing need for digitization and automation and the spread of new technologies represented by generative AI, the market is expected to grow over the medium to long term. The expansion of business sites (plants) aimed at strengthening manufacturing, sales, technical, and service systems is scheduled to be completed in 2024 as planned. Globally, the Singapore base began operations in July. By leveraging synergy within group companies, we aim to improve profitability by expanding the scale and domains of business through customer-based sales activities and strengthening product strengths through platforming.

[SPV business (growth business)]

Electrically power assisted bicycle celebrated the 30th anniversary of its launch in 2023. The market rapidly expanded due to changes in mobility patterns during the pandemic. Although demand has stabilized now, market growth is expected due to the global increase in environmental awareness. We are increasing production, catching up with trends, and preparing for regulations. As part of this, we plan to begin production of drive units at our European base in 2024.

■ Core business domains

[Motorcycles]

As shortages of semiconductor and other parts are being resolved, we are accelerating a premium strategy in emerging countries. In markets such as ASEAN and India, where the upper middle class is expected to increase, we aim to increase the sales ratio of premium products and expand products that combine the digital with the physical to further improve profitability.

In response to the shift to electrification, in addition to sales of the removable battery electric scooter “NEO’S” and demonstration tests of the fixed battery electric scooter “E01,” we also invested in the startup company, “World of River Limited, Inc.,” which is engaged in the manufacturing and sales of electric scooters in India. We will explore business cooperation with the company in the EV market through this investment.

[Marine business]

We aim to expand the value we provide and maintain and strengthen our highly profitable structure through the promotion of “Marine version CASE.”

In addition to the plan to increase production capacity of large outboard motors by 20% in 2024 (compared to 2021), we will further increase it by 15% by 2026 (compared to 2024). Moreover, we will launch our outboard motor with 350 horsepower in the North American market in spring 2024 to strengthen our product lineup.

In terms of the CASE strategy, we exhibited a prototype hydrogen-powered outboard motor at the Miami International Boat Show. An agreement was also reached for the acquisition of “Torqeedo GmbH,” a marine electric propulsion manufacturer. We will accelerate our response to carbon neutrality in the marine industry and aim to be a leading company in the growing market for electric boat propulsion.

■ Financial indicators and basic policy of shareholder returns

We will continuously generate returns that exceed capital costs, and aim for ROE at a 15% level, ROIC at a 9% level, and ROA at a 10% level (a three-year average for all the ratios). Regarding shareholder returns, our basic policy is to “pay stable and continuous dividends while taking into consideration the outlook for business performance and investment for future growth,” and we will implement flexible shareholder returns in accordance with the scale of cash flow. The total shareholder return ratio is set at a 40% level as cumulative total for the period of the Medium-Term Management Plan. In 2023, the Company repurchased ¥30.0 billion of treasury shares and in 2024, we plan to repurchase ¥20.0 billion.

■ Initiatives for sustainability

Through the “Yamaha Motor Sustainability Fund,” an investment fund established in June 2022 that invests in companies working to solve problems in the environmental field, we have invested in the U.S. startup company “Andes Ag, Inc.,” which is pursuing research in beneficial microbial technology aimed at reducing CO₂. We are advancing carbon-neutral initiatives and exploring technologies and business models that contribute to sustainability.

Together with Kawasaki Motors, Ltd., Suzuki Motor Corporation, and Honda Motor Co., Ltd., we established a “technological research association called HySE (Hydrogen Small mobility & Engine technology)” to conduct basic research on hydrogen-powered engines for small mobility. We aim to contribute to a decarbonized society in the field of small mobility through this collaboration.

■ DX strategies

Since 2021, under the initiative “Yamaha Motor to the Next Stage,” we promote to enhance brand value through digital technology and create lifelong Yamaha customers. We are creating new values and a new future by training and creating DX human resources, reforming our management foundation, and connecting with our customers using digital technology.

Our goal was to create 1,200 DX human resources and have 4.7 million Yamaha Motor ID registrants to connect with our customers by 2024, and we have achieved these goals with 1,339 DX human resources and 4.7 million Yamaha Motor ID registrants as of 2023.

■ Human resources strategy

The Company considers employee engagement as an important indicator and is introducing a global common engagement indicator in the Medium-Term Management Plan. As an initiative to enhance employee engagement, we established the “Yamaha Motor Group Diversity, Equity, and Inclusion (DE&I) Policy” in September 2023 and are disseminating it in workplaces and to subsidiaries. We aim to foster an organizational culture where

(TRANSLATION ONLY)

diverse human resources gather, respect each other's different perspectives and values, and connect new insights and discoveries to value creation.

We appreciate our shareholders' continued support.

(5) Operating Performance and Status of Assets for the Group

Millions of yen, except earnings per share – basic

Items	86th Fiscal Year (Jan. 1, 2020 – Dec. 31, 2020)	87th Fiscal Year (Jan. 1, 2021 – Dec. 31, 2021)	88th Fiscal Year (Jan. 1, 2022 – Dec. 31, 2022)	89th Fiscal Year (Jan. 1, 2023 – Dec. 31, 2023)
Net sales	1,471,298	1,812,496	2,248,456	2,414,759
Operating income	81,672	182,342	224,864	250,655
Ordinary income	87,668	189,407	239,293	241,982
Net income attributable to owners of parent	53,072	155,578	174,439	164,119
Earnings per share – basic (yen)	50.63	148.56	170.49	163.57
Total assets	1,640,913	1,832,917	2,183,291	2,571,962
Net assets	749,158	900,670	1,054,298	1,182,670

Note: On January 1, 2024, each share of common stock was split into 3 shares. “Earnings per share – basic” was calculated based on the assumption of the stock split being conducted at the beginning of the 86th fiscal year.

(Reference) Forecast for the 90th fiscal year (January 1, 2024 through December 31, 2024)

In 2023, while outdoor leisure demand stabilized, demand decreased in some regions and businesses from the second half due to the effect of the economy. On the other hand, the long-standing shortage of semiconductors gradually headed toward resolution. In 2024, we expect Indonesia, India, and Brazil driving demand in emerging markets and, in developed markets, we expect to see strong consumption among high income earners in the U.S. In addition, ocean freight rates are expected to decline.

Risks include price rises for labor and parts, logistics disruptions in the Red Sea, and exchange rate fluctuations. We will also respond to the impact on the supply chain from the Noto Peninsula Earthquake by procuring alternative parts.

Under these circumstances, in the Land mobility business, we forecast improvements to the supply of premium motorcycle models to emerging markets. In the Marine products business, we forecast sales growth supported by launch of new models of large outboard motors and solid demand in Asia. For the Robotics business, we forecast a recovery in demand for the second half of the year.

The consolidated financial results forecast is as follows, and we expect to achieve our Medium-Term Management Plan targets. The Company will voluntarily apply the International Financial Reporting Standards (IFRS) from the fiscal year ending December 31, 2024. Therefore, the consolidated financial results forecast for the fiscal year ending December 31, 2024 was created based on IFRS, and a simple comparison is made against FY 2023 business results, calculated using Japanese accounting standards.

	Billions of yen	
	Forecast	Year-on-year changes
Revenue	2,600.0	+185.2, 7.7%
Operating income	260.0	+9.3, 3.7%
Net income attributable to owners of parent	175.0	+10.9, 6.6%

[Exchange rates] ¥140 to the U.S. dollar (an appreciation of ¥1 from 89th fiscal year), and ¥150 to the euro (an appreciation of ¥2).

(6) Principal Parent Company and Subsidiaries

1) Relations with a parent company

No related items.

2) Principal subsidiaries

Name	Location	Capital	Percentage of ownership (%)	Main business lines
Yamaha Motorcycle Sales Japan Co., Ltd.	Ota-ku, Tokyo	490 million yen	100.0	Marketing of motorcycles, electrically power assisted bicycles
YAMAHA MOTOR POWERED PRODUCTS Co., Ltd.	Kakegawa-shi, Shizuoka	275 million yen	100.0	Manufacture and marketing of golf cars and generators
Yamaha Motor Corporation, U.S.A.	The United States	185,308 thousand U.S. dollars	100.0	Marketing of motorcycles, ATVs, recreational off-highway vehicles, snowmobiles, outboard motors, personal watercraft, boats, surface mounters and generators
Yamaha Motor Manufacturing Corporation of America	The United States	107,790 thousand U.S. dollars	* 100.0	Manufacture of ATVs, recreational off-highway vehicles, personal watercraft and golf cars
Yamaha Motor Europe N.V.	The Netherlands	149,759 thousand euros	100.0	Marketing of motorcycles, ATVs, snowmobiles, electrically power assisted bicycles, outboard motors, personal watercraft, boats, surface mounters, and golf cars
PT. Yamaha Indonesia Motor Manufacturing	Indonesia	25,647,000 thousand Indonesian rupiahs	85.0	Manufacture and marketing of motorcycles
India Yamaha Motor Pvt. Ltd.	India	22,333,591 thousand Indian rupees	85.0	Manufacture and marketing of motorcycles
Thai Yamaha Motor Co., Ltd.	Thailand	1,820,312 thousand Thai bahts	91.7	Manufacture and marketing of motorcycles, outboard motors and golf cars
Yamaha Motor Philippines, Inc.	Philippines	4,270,000 thousand Philippine peso	100.0	Manufacture and marketing of motorcycles
Yamaha Motor Vietnam Co., Ltd.	Vietnam	37,000 thousand U.S. dollars	46.0	Manufacture and marketing of motorcycles
Yamaha Motor Taiwan Co., Ltd.	Taiwan	2,395,600 thousand New Taiwan dollars	* 51.0	Manufacture and marketing of motorcycles
Yamaha Motor do Brasil Ltda.	Brazil	1,018,324 thousand Brazilian reals	100.0	Marketing of motorcycles and outboard motors

Note: Percentages with * include the Company's indirect ownership.

3) Specified wholly-owned subsidiary at the end of the fiscal year

No related items.

(7) Main Bases and Facilities for the Group

1) Yamaha Motor Co., Ltd.

Name	Location
Headquarter and Iwata Main Factory	Iwata-shi, Shizuoka
Iwata South Factory	
Toyooka Technology Center	
Hamakita Factory	Hamamatsu-shi, Shizuoka
Nakaze Factory	
Hamamatsu Robotics Site	
Miyakoda Site	
Fukuroi South Factory	Fukuroi-shi, Shizuoka
Global Parts Center	
Fukuroi Technology Center	
Arai Site	Kosai-shi, Shizuoka

2) Subsidiaries

Subsidiaries of the Company are as described on page 30 (6) Principal Parent Company and Subsidiaries 2) Principal subsidiaries.

(8) Employees

Segments	Number of employees	Annual change
Land mobility	40,194	+724
Marine products	6,317	(39)
Robotics	2,608	+30
Financial services	855	+131
Others	3,727	+301
Total	53,701	+1,147

Notes: 1. The number of employees refers to workers employed full time (excluding workers of the Company and its consolidated subsidiaries who are dispatched to companies outside of the scope of consolidation), and it does not include temporary employees (direct contract employees whose contract terms are less than one year).

2. Of the total number of employees, the number of overseas employees is 38,278 persons.

(9) Principal Lenders and Loan Balances

Lenders	Loan balances
Mizuho Bank, Ltd.	166,564
MUFG Bank, Ltd.	83,220
Sumitomo Mitsui Banking Corporation	70,401
Sumitomo Mitsui Trust Bank, Limited	63,940
The Shizuoka Bank, Ltd.	59,370

Millions of yen

2. The Company's Stocks

(1) Maximum Number of Shares Authorized to be Issued: 900,000,000

Note: In accordance with Article 184, Paragraph 2 of the Companies Act, the Company changed the maximum number of shares authorized to be issued in Article 6 of the Articles of Incorporation on January 1, 2024, increasing it by 1,800,000,000 shares to a total of 2,700,000,000 shares.

(2) Number of Shares Outstanding: 350,217,467 (including 19,669,541 shares of treasury shares)

Note: The Company conducted a stock split for each share of common stock into 3 shares per share on January 1, 2024. As a result, the number of shares outstanding increased by 700,434,934 shares to 1,050,652,401 shares.

(3) Number of Shareholders: 136,752

(4) Principal Shareholders (Top 10)

Shareholders	Number of shares held (Thousand shares)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	59,598	18.03
Custody Bank of Japan, Ltd. (trust account)	19,308	5.84
Yamaha Corporation	15,642	4.73
Toyota Motor Corporation	12,500	3.78
SMBC Nikko Securities Inc.	11,127	3.37
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	9,704	2.94
State Street Bank West Client Treaty 505234	6,458	1.95
JPMorgan Securities Japan Co., Ltd.	6,456	1.95
The Shizuoka Bank, Ltd.	5,649	1.71
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	5,198	1.57

Note: The Company holds 19,669,541 shares of treasury shares but is excluded from the above list of principal shareholders.
Percentage of ownership excludes treasury shares.

■ Breakdown of Shareholders

	Number of shareholders	Number of shares held (Thousand shares)
Individual investors and others	134,568	67,055
National and local governments	0	0
Financial institutions	99	114,671
Other domestic companies	844	40,749
Foreigners	1,205	101,342
Securities companies	36	26,401

Note: "Individual investors and others" includes treasury shares.

(5) Status of Shares Provided to Company Officers as Consideration for the Execution of Duties During the Fiscal Year under Review

	Types and number of shares	Number of recipient officers
Directors (excluding Outside Directors)	51,408 shares of common stock of the Company	5

(6) Other Significant Status Regarding Shares

1) Acquisition of treasury shares

By resolution of the Board of Directors' meeting held on February 13, 2023, the Company acquired treasury shares as follows.

Type and total number of acquired shares: 7,832,100 shares of common stock of the Company

Total amount of acquisition: ¥29,999,720,815

Acquisition period: From May 1, 2023 to Aug. 21, 2023

2) Stock split

At the Board of Directors' meeting held on November 7, 2023, it was resolved to split the common stock at a ratio of 3 shares per share effective January 1, 2024, and the maximum number of shares authorized to be issued stipulated in the Company's Articles of Incorporation was changed as of the same date.

(Reference) Shareholdings of the Company

Basic policies on cross-shareholdings

Yamaha Motor intends to hold shares under cross-shareholdings when it is deemed necessary and appropriate in order to ensure medium- to long-term growth and enhance corporate value. The Board of Directors annually examines each cross-shareholding to determine whether the significance of shareholdings is appropriate, among others, and appropriately discloses a summary of the results. Yamaha Motor upholds a policy to reduce cross-shareholdings if the shareholdings cannot be justified.

Basic policies on exercise of voting rights

Yamaha Motor does not take a uniform approach in determining whether to approve or disapprove when exercising voting rights associated with cross-shareholdings; instead, it thoroughly examines and discusses whether the decisions contribute to the medium- to long-term enhancement of corporate value of the issuing company, and comprehensively assesses potential damage to its own corporate value. We may request further explanations on agenda items when necessary and make decisions on approval or disapproval.

We exercise particular caution in examining and discussing our decision to exercise voting rights in the following situations.

- Continued poor business performance;
- Concerns over governance are confirmed, such as scandals; and
- Other situations in which the corporate value of the issuer or Yamaha Motor may be damaged.

Status of strategic investment

	88th Fiscal Year		89th Fiscal Year	
	No. of shares	Amount recorded in balance sheets (million yen)	No. of shares	Amount recorded in balance sheets (million yen)
Strategic investments	31	15,955	33	15,010
Other	43	46,271	42	34,029
Total	74	62,226	75	49,039

3. Directors and Audit & Supervisory Board Members

(1) Names, Positions, and Responsibilities of Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities	Significant concurrent positions
Chairman and Representative Director	Katsuaki Watanabe		
President, Chief Executive Officer and Representative Director	Yoshihiro Hidaka		Outside Director of Yamaha Corporation
Director and Managing Executive Officer	Heiji Maruyama	In charge of Research & Development, Powertrain and Vehicle Development Motorcycle Electrification Project Executive	
Director and Senior Executive Officer	Satohiko Matsuyama	In charge of Manufacturing, Manufacturing Technology, Procurement, and Power Products New Mobility Project Executive	
Director and Senior Executive Officer	Motofumi Shitara	In charge of Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Creative, Marine, Market Development and Customer Experience	
Outside Director	Takuya Nakata		Director, President and Representative Executive Officer of Yamaha Corporation President of Yamaha Music Foundation
Outside Director	Takehiro Kamigama		Outside Director of OMRON Corporation Outside Director of SoftBank Corp. Outside Director of KOKUYO Co., Ltd.
Outside Director	Yuko Tashiro		Director and Chairman of the board of Accordia Golf co., Ltd. Director (Outside) of McDonald's Holdings Company (Japan), Ltd.
Outside Director	Tetsuji Ohashi		Chairman of the Board of Komatsu Ltd. Outside Director of Nomura Research Institute, Ltd. Outside Director of Asahi Group Holdings, Ltd. Vice Chair of the Board of Councillors of KEIDANREN
Outside Director	Jin Song Montesano		Director, Representative Executive Officer, Executive Vice President of LIXIL Corporation
Audit & Supervisory Board Member (Full-Time)	Junzo Saitoh		
Audit & Supervisory	Tadashi Tsumabuki		

Position	Name	Responsibilities	Significant concurrent positions
Board Member (Full-Time)			
Audit & Supervisory Board Member (Outside)	Masatake Yone		Senior Counsel of Mori Hamada & Matsumoto Outside Corporate Auditor of BANDAI NAMCO Entertainment Inc. Director (Outside) of Skymark Airlines Inc.
Audit & Supervisory Board Member (Outside)	Eriko Kawai		Professor Emeritus of Kyoto University Outside Director of Daiwa Securities Group Inc. Outside Director of Mitsui Fudosan Co., Ltd. External Director of DMG MORI CO., LTD.
Audit & Supervisory Board Member (Outside)	Ayumi Ujihara		Representative of Ayumi Ujihara CPA office Outside Director (Audit and Supervisory Committee Member) of Riken Vitamin Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of Makita Corporation Partner of Kagayaki Audit Corporation

Notes: 1. The Company has registered Directors Takuya Nakata, Takehiro Kamigama, Yuko Tashiro, Tetsuji Ohashi and Jin Song Montesano, and Audit & Supervisory Board Members Masatake Yone, Eriko Kawai and Ayumi Ujihara as Independent Outside Directors / Audit & Supervisory Board Members under the regulations provided by the Tokyo Stock Exchange, Inc. Summary of “Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members” is described on page 12.

2. Audit & Supervisory Board Members Tadashi Tsumabuki and Ayumi Ujihara newly assumed the office on March 22, 2023.
3. Audit & Supervisory Board Member Kenji Hironaga retired on March 22, 2023.
4. Special relationship with the organizations at which Outside Directors and Audit & Supervisory Board Members (Outside) hold significant concurrent positions
 - (1) Yamaha Corporation, where Director Takuya Nakata holds a concurrent position, is a shareholder that holds 4.7% of the Company’s shares, and the Company has real estate lease transactions, etc., with said company.
 - (2) TDK Corporation, where Director Takehiro Kamigama served as Chairman & Representative Director until June 2018, has transactions with the Company, such as purchase/sale of products.
 - (3) Komatsu Ltd., where Director Tetsuji Ohashi holds a concurrent position, has transactions with the Company, such as purchase/sale of products.
5. Excluding Note 4. above, there are no special relationship between the Company and the significant concurrent positions of Outside Directors and Audit & Supervisory Board Members (Outside).
6. Audit & Supervisory Board Member Eriko Kawai has ample experience in international financial institutions, etc., and has considerable knowledge of finance and accounting. In addition, Audit & Supervisory Board Member Ayumi Ujihara is a certified public accountant and has considerable knowledge of finance and accounting.
7. Agreement on limitation of liability
The Company has concluded liability limitation agreements with all Outside Directors and Audit & Supervisory Board Members (Outside) in accordance with the provisions of Paragraph 1 of Article 427 of the Companies Act. The maximum liability for damages to be borne by the Outside Directors and Audit & Supervisory Board Members (Outside) under the agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Companies Act.
8. Summary of details of Directors and Officers liability insurance contract
The Company has entered into a Directors and Officers liability insurance contract to insure the Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries, etc. If insured officers are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract.

9. Responsibilities have been changed as follows as of January 1, 2024.

Name	Position	Responsibilities
Heiji Maruyama	Director and Managing Executive Officer	In charge of New Business Development, Research & Development, Powertrain and Vehicle Development Motorcycle Electrification Project Executive
Satohiko Matsuyama	Director and Senior Executive Officer	In charge of Manufacturing, Manufacturing Technology, Procurement, RV and Power Products New Mobility Project Executive

(2) Name and Other Information regarding the Executive Officers

As of January 1, 2024, the Company is served by 28 Executive Officers comprising 4 concurrently serving as Directors and the following 24 others.

Name	Position	Responsibilities
Eric de Seynes	Senior Executive Officer	Chairman of Supervisory Board of Yamaha Motor Europe N.V.
Hiroyuki Ota	Senior Executive Officer	Chief General Manager of Solution Business Operations
Itaru Otani	Senior Executive Officer	Chief General Manager of Land Mobility Business Operations
Takuya Kinoshita	Senior Executive Officer	Chief General Manager of Creative Center
Dyonisius Beti	Senior Executive Officer	President of PT. Yamaha Indonesia Motor Manufacturing
Toshiaki Ibata	Senior Executive Officer	Chief General Manager of Marine Business Operations
Toshihiro Nozue	Executive Officer	Assistant to the President
Satoshi Hirose	Executive Officer	Chief General Manager of Quality Assurance Center
Takeo Noda	Executive Officer	Chief General Manager of Corporate Planning & Finance Center
Toyoshi Nishida	Executive Officer	Chief General Manager of PF Model Unit
Norio Yamada	Executive Officer	Assistant to the President
Tatsuya Masuda	Executive Officer	Chief General Manager of Procurement Center
Kenichi Muraki	Executive Officer	Executive General Manager of Smart Power Vehicle Business Unit, Land Mobility Business Operations PAS Drive Unit Competitiveness Project Executive
Kotaro Ueda	Executive Officer	Chief General Manager of Manufacturing Center
Eishin Chihana	Executive Officer	Managing Director of Yamaha Motor India Pvt. Ltd.
Shin Yokomizo	Executive Officer	Deputy Chief General Manager of Land Mobility Business Operations
Yasutaka Suzuki	Executive Officer	General Director of Yamaha Motor Vietnam Co., Ltd.
Michael Chrzanowski	Executive Officer	President & CEO of Yamaha Motor Corporation U.S.A.
Jeffrey Young	Executive Officer	President & CEO of Yamaha Motor Finance Corporation, U.S.A.
Kenji Komatsu	Executive Officer	Chief General Manager of Technical Research & Development Center
Ayako Egashira	Executive Officer	Executive General Manager of Robotics Business Unit, Solution Business Operations
Mitsuru Hashimoto	Executive Officer	Chief General Manager of Human Resources & General Affairs Center
Ben Speciale	Executive Officer*	President of Marine Business Unit, Yamaha Motor Corporation, U.S.A.
Olivier Prevost	Executive Officer*	President of Yamaha Motor Europe N.V.

Notes: 1. Abbreviations: PF: Platform, SPV: Smart Power Vehicle
2. An asterisk (*) indicates Deputy Executive Officer.

(3) Remuneration for Officers

1) Number of recipients and amounts of remuneration, etc. to officers

(Millions of yen)

Category	Total amount of remuneration	Total amount per type of remuneration				Number of applicable officers (Persons)
		Basic compensation	Performance-based bonus		Performance-based share remuneration	
			Whole-company performance-based bonus	Individual performance-based bonus		
Directors (excluding Outside Directors)	800	256	367	22	153	5
Outside Directors	99	99	–	–	–	5
Audit & Supervisory Board Members (excluding Audit & Supervisory Board Members (Outside))	76	76	–	–	–	3
Audit & Supervisory Board Members (Outside)	54	54	–	–	–	3
Total	1,030	486	367	22	153	16

Notes: 1. The above amount of “Basic compensation” is the total amount of remuneration, etc. (full monetary remuneration) paid in fiscal 2023.

2. This includes one Audit & Supervisory Board Member who retired during the term of office.

3. The above amounts of “Whole-company performance-based bonus” and “Individual performance-based bonus” are the amounts expected to be paid (full monetary remuneration) in April 2024 based on the results of business performance, etc. in fiscal 2023. In addition to the above, we paid an individual performance-based bonus of ¥22 million to Directors (excluding Outside Directors) in April 2023, based on the results of business performance, etc. in fiscal 2022.

4. Regarding share remuneration, the Company previously provided the Company’s common stock (shares with restriction on transfer) as share remuneration to Directors excluding Outside Directors and Executive Officers (excluding foreign executive officers), on the basis of the system of remuneration of shares with restriction on transfer that had no performance conditions (hereafter the “previous system”), on the condition that they do not transfer the shares until they retire from their positions as officers of the Company. In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on March 23, 2022, the Company has introduced a Performance-based Share Remuneration System that determines the number of shares with restriction on transfer to be awarded in conjunction with the Company’s TSR (Total Shareholder Return) evaluation, as a replacement for the previous system. The above amount of “Performance-based share remuneration” is the amount expected to be paid in April 2024 or later (property contributed in kind for all the share options concerned to receive issue or disposal of common stock of the Company), based on the results of the TSR evaluation, etc. for fiscal 2023, in accordance with the policies and calculation methods described in 3) and (4) 2) (iii) below. Although the amount disclosed in the business report for fiscal 2022 as the expected payment from April 2023 was ¥154 million, the amount paid in April 2023 was ¥161 million.

5. The maximum amount of remuneration, etc. for Directors and Audit & Supervisory Board Members approved at the General Meeting of Shareholders is as follows. Basic compensation for Directors and Audit & Supervisory Board Members and performance-based share remuneration for Directors were resolved at the 87th Ordinary General Meeting of Shareholders held on March 23, 2022, and the number of Directors was 10 (including 5 Outside Directors) and the number of Audit & Supervisory Board Members was 4 (including 2 Audit & Supervisory Board Members (Outside)) at the conclusion of the said meeting. (Because the Company conducted a 3-for-1 stock split of its common stock, effective January 1, 2024, the upper limit number of shares for performance-based share remuneration mentioned below is adjusted for the stock split.) Performance-based bonus for Directors was resolved at the 84th Ordinary General Meeting of Shareholders held on March 27, 2019, and the number of Directors was 11 (including 4 Outside Directors) at the conclusion of the said meeting. Performance-based bonus and performance-based share remuneration are resolved only for Directors excluding Outside Directors.

Category	Basic compensation	Performance-based bonus		Performance-based share remuneration	
		Whole-company performance-based bonus	Individual performance-based bonus		
Directors	¥600 million (including ¥200 million for Outside Directors)	0.5% of consolidated net income	¥100 million	¥600 million	900,000 shares
Audit & Supervisory Board Members	¥200 million	-	-	-	-

2) Performance-based bonus calculation method and evaluation results

[Whole-company performance-based bonus]

The total amount of whole-company performance-based bonus for Directors is calculated by multiplying a specified proportion of consolidated net income (0.14%) by the ROA evaluation coefficient (determined within a range from 0 to 2.0), and is allocated to each Director according to a predetermined coefficient for each position, from the perspectives of sharing profit with shareholders and continuously maintaining high business profitability.

$\text{Whole-company performance-based bonus resource} = (\text{Consolidated net income} \times 0.14\%) \times \text{ROA evaluation coefficient}$ $\text{Individual performance-based bonus} = \text{bonus resource} \times \text{position-based coefficient}$
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In fiscal 2023, the three-year average of ROA was 11.3%. Calculations have excluded long-term loans payable taken out as emergency measures to address the impact of COVID-19. ROA evaluation coefficient was determined at 1.75 as set forth in officer remuneration rules, upon comprehensively evaluating business performance taking into account the highest net income for three consecutive years due to the continuation of a favorable business environment. The total amount of whole-company performance-based bonus was calculated at ¥150,000 million if consolidated net income exceeds ¥150,000 million in accordance with officer remuneration rules. As a result, the total amount of whole-company performance-based bonus for Directors was calculated as follows:

Consolidated net income of ¥150,000 million \times 0.14% \times ROA evaluation coefficient of 1.75 = ¥367 million, which will be distributed to each Director.

In addition, the total amount for Executive Officers who do not also work as Directors is determined according to a similar calculation method (consolidated net income \times 0.09% \times ROA evaluation coefficient), and will be distributed to each Executive Officer based on coefficients determined for each position.

[Individual performance-based bonus]

Individual performance-based bonus for Directors excluding the Representative Director is calculated by multiplying the reference amount determined for each position by financial evaluation/non-financial evaluation coefficients (determined within a range from 0 to 2.0). The financial evaluation is conducted on a year-on-year basis or based on the extent of target achievement for net sales, operating income and ROA, etc., with the aim of the continuous growth and profitability improvements of the responsible business. The non-financial evaluation is based on the degree of progress of initiatives in the Medium-Term Management Plan, the development of successor Executives and company management candidates, and contribution to corporate value and brand value, etc., for the purpose of promoting management from a long-term perspective.

$\text{Individual performance-based bonus payment amount} = \text{position-based reference amount} \times (\text{financial evaluation} \times 50\% + \text{non-financial evaluation} \times 50\%)$
--

In the fiscal year under review, as a result of conducting a comprehensive evaluation of each Director taking into account the results of these financial and non-financial evaluation indicators, the payment rate was 100% to 150% of the reference amount.

The payment amount is similarly determined for Executive Officers who do not also work as Directors (position-based reference amount \times financial/non-financial evaluation coefficients), and the payment rate will be decided after March 2024.

3) Performance-based share remuneration calculation method and evaluation results

The number of shares of performance-based share remuneration to be provided to Directors excluding Outside Directors (hereafter “Applicable Directors”) is determined in conjunction with the Company’s TSR (Total Shareholder Return) evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as the benchmark, and shares with restriction on transfer are provided.

Under the Performance-based Share Remuneration System, in principle, the evaluation period (hereafter “the TSR Evaluation Period”)* refers to the past three fiscal years, the final fiscal year of which is the fiscal year prior to the fiscal year in which the Board of Directors’ meeting to determine the imparting of share options to Applicable Directors (hereafter “the Imparting Board of Directors”) is held (hereafter “Service Provision Period”), and the Company shall pay share options in order to issue or dispose of the number of common stock of the Company in accordance with the Company’s TSR (Total Shareholder Return) evaluation in the TSR Evaluation Period. Applicable Directors are to be paid with property contributed in kind for all the share options concerned, and are to receive issue or disposal of common stock of the Company. The specific calculation method is as follows.

* As a transitional measure in accordance with the introduction of the Performance-based Share Remuneration System, the TSR Evaluation Period with FY 2022 as the Service Provision Period shall be one fiscal year only (FY 2022), and the TSR Evaluation Period with FY 2023 as the Service Provision Period shall be two fiscal years only (FY 2022 and FY 2023).

(i) Amount of share options to be paid and the method of calculation thereof

The amount of share options to be paid to each Applicable Director shall be calculated by multiplying the number of shares to be finally provided to each Applicable Director (hereafter “Number of Individual Shares to be Provided” based on the Performance-based Share Remuneration System by the payment amount per share (hereafter “Share Price at Time of Provision”) determined by the Imparting Board of Directors within a scope which is not a particularly advantageous price for the Applicable Directors receiving the Company’s shares based on the closing price of ordinary trading of shares in the Company at the Tokyo Stock Exchange on the business day prior to the meeting by the Imparting Board of Directors (if no transactions are made on that day, the closing price on the most recent trading date).

Amount of share options to be paid to Applicable Directors = Number of Individual Shares to be Provided ((ii) below) x Share Price at Time of Provision

(ii) Calculation method of Number of Individual Shares to be Provided

The Number of Individual Shares to be Provided shall be calculated by multiplying the number of shares predetermined for each position as the standard for the number of shares to be provided (the number of shares with restriction on transfer to be provided in the event that the TSR Evaluation Coefficient is 100%; hereafter “the Number of Position-based Standard Provisions”) by the coefficient calculated based on the evaluation of the Company’s TSR (Total Shareholder Return) during the TSR Evaluation Period (hereafter “the TSR Evaluation Coefficient”).

Number of Individual Shares to be Provided = Number of Position-based Standard Provisions ((a) below) x TSR Evaluation Coefficient ((b) below)

a. Number of Position-based Standard Provisions

The Number of Position-based Standard Provisions shall be calculated by dividing the reference amount per year for each position associated with performance-based share remuneration (hereafter “Position-based Reference Amount”) by the average closing price of ordinary trading of the Company’s shares for one month in the month immediately prior to the Service Provision Period (hereafter “the Base Share Price”). The Number of Position-based Standard Provisions and the Position-based Reference Amount shall be determined by the Board of Directors at the beginning of the Service Provision Period after reports from the Executive Personnel Committee.

Number of Position-based Standard Provisions = Position-based Reference Amount ÷ Base Share Price

b. TSR Evaluation Coefficient

The TSR Evaluation Coefficient shall be calculated within a range from 0% to 150% based on the Company’s TSR (Total Shareholder Return) evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as the benchmark according to the following formula.

$$\text{Company TSR} = \frac{\text{average closing price of shares in the last month (December) of the final year of the TSR evaluation period} + \text{total amount of dividends during the TSR evaluation period}}{\text{average closing price of shares in the month (December) prior to the start of the TSR evaluation period}}$$

$$\text{Dividend-inclusive TOPIX growth rate} = \frac{\text{average dividend-inclusive TOPIX closing price in the last month (December) of the final year of the TSR evaluation period}}{\text{average dividend-inclusive TOPIX closing price in the month (December) prior to the start of the TSR evaluation period}}$$

As stated above, as a transitional measure in accordance with the introduction of the Performance-based Share Remuneration System from FY 2022, the TSR Evaluation Period with FY 2023 as the Service Provision Period is two fiscal years (FY 2022 and FY 2023). For FY 2023, the Company's TSR was 142.6% and the dividend-inclusive TOPIX growth rate was 125.1%. As a result, TSR Evaluation Coefficient is expected to be 114%.

4) Validity and appropriateness of fiscal 2023 remuneration

In determining the details of the remuneration, etc. for individual Directors for the fiscal year under review, as stated in "(8) Activity Details of the Executive Personnel Committee" (page 50), the Board of Directors has judged that the details are consistent with the decision-making policy and therefore appropriate since the Executive Personnel Committee, which is composed mainly of Independent Outside Directors, conducted multifaceted verifications, including consistency with the decision-making policy, based on objective and specialized information necessary for deliberation.

In the midst of major changes in the business environment, in order to strongly promote initiatives unique to the Company to solve materiality (important social issues) and realize the sustained creation of corporate value and brand value, we have expanded compensation linked to performance and introduced evaluations related to materiality and TSR (Total Shareholder Return) in line with the start of the Medium-Term Management Plan from 2022.

(4) Policies on Determining Remuneration for Officers

1) Method for determining policies on determining remuneration for officers

The policy for determining the amount of individual remuneration for Directors, Audit & Supervisory Board Members and Executive Officers is determined by the Board of Directors after discussion and reporting by the Executive Personnel Committee (the majority member of which are Outside Directors), which is a voluntary advisory body regarding nomination and remuneration of the Board of Directors. In its deliberations, the Executive Personnel Committee takes into account changes in the business environment and opinions, etc. received from shareholders and investors, and receives information required for its deliberations from a third party which has extensive global experience and knowledge (Willis Towers Watson).

2) Policies on determining remuneration for officers

(i) Basic direction

- The Company shall encourage officers to perform their duties to the utmost in accordance with the Company's Management Principles and Behavioral Guidelines.
- The Company has positioned achieving the targets in the Medium-Term Management Plan etc. as strong motivators in working toward realizing the long-term vision.
- The remuneration is intended to function as sound incentives toward the sustainable growth of the Company's corporate value and encourage the management to share interests with shareholders.
- The remuneration is to be at a level which can attract and retain diverse and highly-capable human resources suitable for the roles and responsibilities of a manager.
- The Company shall encourage officers to promote initiatives unique to the Company to solve materiality (important social issues) to the utmost.

(ii) Remuneration composition and remuneration levels

Remuneration for Directors, etc. (including Executive Officers who do not also work as Directors) is comprised of basic compensation (monthly fixed remuneration), bonuses linked to performance, and performance-based share remuneration. The composition ratio for the President and Representative Director is based on Figure 1, and the composition ratios of remuneration (reference amount) for other officers are also set for each position based on the President and Representative Director. The ratio of basic compensation is set in principle at a maximum of 60%.

For Outside Directors and Audit & Supervisory Board Members, only fixed remuneration is provided in view of their role of supervising and auditing the management of the Company from an independent and objective standpoint.

Figure 1. Composition ratio of remuneration for President and Representative Director (reference amount)

Basic compensation: 40%	Bonuses linked to performance: 30%	Performance-based share remuneration: 30%
Fixed remuneration	Variable remuneration	

Remuneration levels are set at an appropriate amount by referring to objective market research data on remuneration (the remuneration levels of manufacturing companies of a similar scale as the Company that are expanding their business globally).

(iii) Mechanism of variable remuneration

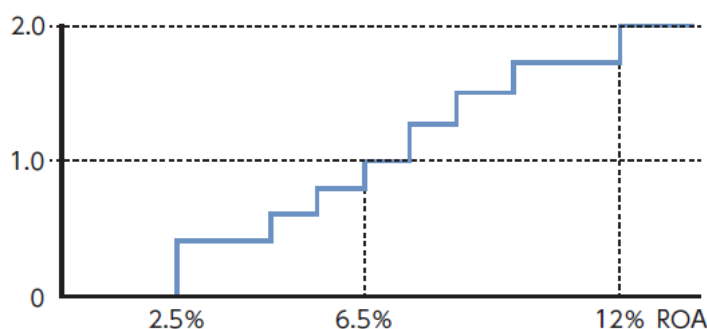
Bonuses linked to performance

The bonus linked to performance is comprised of a “whole-company performance-based bonus” and an “individual performance-based bonus.” The ratio of whole-company performance-based bonus: individual performance-based bonus is set at 1:0 for the Representative Director, around 2:1 of the reference amount for Directors excluding the Representative Director, and around 1:3 of the reference amount for Executive Officers who do not also work as Directors.

From the perspective of providing incentives to Directors for achieving short-term performance targets, the “whole-company performance-based bonus” is drawn from a total amount obtained by multiplying a specified proportion of “net income attributable to owners of parents” which is 0.14% (for Executive Officers who do not also work as Directors: 0.09%) by evaluation coefficients (times 0-2) based on the “consolidated total assets operating income ratio (ROA),” and distributed to each Executive based on coefficients etc. determined for each position.

The ROA evaluation coefficient is set forth as shown in Figure 2 against a three-year average of the consolidated total assets operating income ratio (ROA). This evaluation coefficient is adjusted after discussion by the Executive Personnel Committee based on the achievement of consolidated net sales and operating income targets, degree of progress of the Medium-Term Management Plan, etc. toward realizing the long-term vision, overall progress in initiatives to resolve materiality, ESG evaluation from outside the company, and other matters affecting corporate value and brand value.

Figure 2. ROA evaluation coefficients



The “individual performance-based bonus” is comprised of the “financial evaluation-based portion” and the “non-financial evaluation-based portion,” with the ratio set at 1:1 of the reference amount. Each portion is determined within the scope of 0-2 times the reference amount specified for each position, bearing in mind indicators set in advance.

Figure 3. Composition of bonuses linked to performance

Whole-company performance-based bonus Total amount Net income attributable to owners of parent × specified proportion (0.14%) (0.09% for Executive Officers who do not also work as Directors) × evaluation coefficients based on the consolidated total assets operating income ratio (ROA) (including adjustments for other management results) times 0-2	Individual performance-based bonus 0-2 times the reference amount set in advance for each position	
	Financial evaluation: Bearing in mind the extent of target achievement and results compared with the previous fiscal year for net sales, operating income, consolidated total assets operating income ratio (ROA), etc. for the responsible division	Non-financial evaluation: Bearing in mind the degree of progress of initiatives in the Medium-Term Management Plan, etc., development of successor Executives and company management candidates, contribution to corporate value and brand value, etc.
	Ratio of financial evaluation to non-financial evaluation Directors: 1:1 (Executive Officers: 1:1)	
Ratio of whole-company performance-based bonus to individual performance-based bonus Representative Director: 1:0 Directors: 2:1 (Executive Officers: 1:3)		

The “whole-company performance-based bonus” and the “individual performance-based bonus” are paid in a lump sum each year at the completion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year subject to evaluation.

Performance-based share remuneration

Performance-based share remuneration is the system with the aims of further promoting the sharing of value between the Directors, etc. of the Company and all shareholders, and continuously enhancing corporate value of the Company. Specifically, once a year, we provide Directors, etc. (excluding foreign executive officers) shares with restriction on transfer that determine the number of shares to be provided in conjunction with the Company’s TSR (Total Shareholder Return) evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as the benchmark. Please refer to (3) 3) above for specific calculation methods. When providing shares with restrictions on transfer, each Director, etc. receives share options, enters into a contract with the Company for the allocation of shares with restriction on transfer, and receives the shares by making an in-kind contribution of the said claim to the Company. The period of restriction on transfer in the allocation contract shall be thirty (30) years, and if a Director retires due to the expiration of term or other legitimate reason during the period of restriction on transfer, the restrictions on transfer shall be cancelled.

For Executive Officers who are non-residents (excluding foreign executive officers), instead of issuing shares, cash to purchase common stock of the Company equivalent to the reference amount determined for each position is provided through the Company’s Director Shareholding Association.

(iv) Method for determining individual remuneration, etc.

In order to ensure transparency as well as objectivity of the determination process with regard to determining individual remuneration, etc. for Directors, Executive Officers who do not also work as Directors, and Audit & Supervisory Board Members, after discussion and reporting by the Executive Personnel Committee (the majority members of which are Outside Directors), an advisory body regarding nomination and remuneration which the Company has established voluntarily, individual remuneration for Directors and Executive Officers who do not also work as Directors is determined by the Board of Directors. In addition, individual remuneration for Audit & Supervisory Board Members is determined by deliberation of the Audit & Supervisory Board.

(v) Other important matters

In the event of the deterioration of the Company’s business performance, quality issues that could damage the Company’s corporate value and brand value, or the occurrence of a serious accident, scandal or similar, remuneration for officers may be temporarily reduced or not paid, after discussion and reporting by the Executive Personnel Committee.

With regard to the performance-based bonus, if matters arise that should be taken into account as temporary special factors, which were not expected when setting targets at the beginning of the term, the amount of individual bonus payments may be calculated by evaluating business performance excluding that impact. In addition, in the event that an officer violates laws and regulations, the duty of due care or the duty of loyalty as an officer prior to the payment of a performance-based bonus, or such fact becomes apparent within two years of said payment, or in the event of any other similar matter, the right of an officer related to said circumstances to receive a bonus shall be eliminated, or the Company may request the refund of any bonus actually paid.

With regard to the performance-based share remuneration, in the event that an officer violates laws and regulations, the duty of due care or the duty of loyalty as an officer, or in the event of any other similar matter prior to receiving shares with restrictions on transfer, the beneficiary right of such prospective recipient shall be eliminated. In addition, in the event that such fact becomes apparent after the shares with restrictions on transfer provided but prior to the restrictions on transfer cancelled, the Company may acquire all or part of the shares with restrictions on transfer provided to the recipient without consideration. Furthermore, in the event that such fact becomes apparent within two years after the restrictions on transfer cancelled, the Company may request the recipient to refund all or part of shares actually provided, or an amount equivalent to the market value in lieu of such shares.

(5) Status of Initiatives in Respect of Ensuring the Effectiveness of the Board of Directors

I. Evaluation process

With the Corporate Governance Division as a secretariat, the evaluation on the effectiveness of the Board of Directors was conducted to all Board of Directors Members including Outside Directors and Audit & Supervisory Board Members (Outside) through following processes.

- Self-evaluation survey by a questionnaire based on seven evaluation perspectives regarding the aim of the Board of Directors.
(Evaluation perspectives)
 - 1) Roles and responsibilities of Directors and the Board of Directors
 - 2) Relationships between the Board of Directors and senior management (Executive Officers)
 - 3) Organizational design and composition of the Board of Directors, etc.
 - 4) Qualifications held and knowledge of Directors and the Board of Directors
 - 5) Deliberation at the Board of Directors Meetings
 - 6) Relationships and dialogue with shareholders
 - 7) Dealing with stakeholders other than shareholders
- Confirmation of improvement status by comparison with the results of the evaluation conducted in FY 2021 with a third party
- Share the results of the evaluation of effectiveness and deliberate on the issues to be addressed at the Board of Directors Meetings based on the results of the analysis

II. Evaluation process for the fiscal year under review

It was confirmed that the Board of Directors of the Company continued to proactively hold effective discussions and implement initiatives to realize the medium- to long-term enhancement of corporate value and sustainable growth amid dramatic changes in the operating environment, and its effectiveness had been sufficiently assured for realizing the long-term vision towards 2030 and the Medium-Term Management Plan started in FY 2022.

In particular, as with the previous fiscal year, it was highly evaluated that the Board of Directors of the Company has duly respected opinions of Outside Directors and Audit & Supervisory Board Members (Outside) and an environment has been created in which open, constructive discussion and exchange of opinions are possible.

III. Status of response to issues identified as the result of the evaluation of effectiveness in the previous fiscal year

In the previous fiscal year, the agenda items identified were “Deepen discussions on the business portfolio,” “Implement comprehensive discussion on sustainability,” “Strengthen the supervision of the Board of Directors with regard to the status of the prevalence of risk sensitivity on the ground,” “Enhance dialogue with shareholders and share awareness of expectations,” “Conduct discussions on comprehensive and long-term human resources strategies,” and “Enhancement of opportunities for knowledge and skills development / Enhancement of opportunities for communication with external and internal executives.”

In response, based on the direction of the business portfolio established in the Medium-Term Management Plan started in FY 2022, the Board of Directors deliberated on core businesses, growth businesses, new businesses, and structural reform businesses and discussed the portfolio management for proper allocation of management resources, while it deliberated on the direction of the portfolio management for the next Medium-Term Management Plan. In addition to the discussion on sustainability including the resolution of the Group’s Human Rights Policy on a regular basis, conducting periodic reports on the status of development and operation of risk management and compliance systems, etc. with an adherence to the concept of Bad News First in mind, participation of Outside Directors in dialogue with shareholders, discussions on human capital management and human resource strategies, this year the Board held the Management Discussion meetings twice, which is usually held once a year.

As a result, although the self-evaluation survey by this questionnaire showed that all issues were adequately addressed, it was also confirmed that there is room for a further improvement and it was recognized that there is a need for continuous efforts.

IV. Challenges for further improving effectiveness

Based on the above analysis results, the Board of Directors of the Company recognizes the following points as issues and seeks to resolve them by setting an agenda for discussion at the Board of Directors meeting in the next fiscal year in order to improve the effectiveness of the Board of Directors.

Issue 1: Enhance discussions on comprehensive corporate management strategies

Issue 2: Implement comprehensive discussions on sustainability

Issue 3: Strengthen global group governance

Issue 4: Enhance discussions on human resource strategies to realize human capital management

Issue 5: Enhance opportunities for communication with external and internal executives

Issue 6: Deepen discussions and improve transparency in the Executive Personnel Committee

The Company will continue to push ahead with constant improvement measures to address the issues highlighted based on the evaluation, and make efforts for further enhancement of effectiveness, while having third parties involved in its evaluation process on a regular basis.

(6) Status of Initiatives in Respect of Ensuring and Improving the Effectiveness of Audits Performed by Audit & Supervisory Board Members

The Audit & Supervisory Board endeavors to develop rules and structure for maintaining and improving the effectiveness of audits conducted by Audit & Supervisory Board Members. In order to improve the effectiveness of auditing activities, an evaluation of the effectiveness of the Audit & Supervisory Board was introduced last fiscal year. To ensure the objectivity of the evaluation, evaluation items were set based on the opinions of outside experts, and each Audit & Supervisory Board Member conducted a self-evaluation this fiscal year as well. After that, issues are identified through discussions at the Audit & Supervisory Board and reflected in the next audit plan, thereby improving the effectiveness of audits. In terms of the structure, the number of Audit & Supervisory Board Members (Outside) was increased by 1 in the fiscal year under review and 17 meetings of the Audit & Supervisory Board, consisting of 5 Audit & Supervisory Board Members, were held. Three full-time staff members have been assigned to the Audit & Supervisory Board Members' Office to assist the execution of duties by Audit & Supervisory Board Members. Expenses related to Audit & Supervisory Board Members' activities are budgeted independently and paid appropriately. Major initiatives in respect of ensuring the effectiveness of audits by Audit & Supervisory Board Members, which the Company has carried out in the fiscal year under review, include the following.

- Attendance of Audit & Supervisory Board Members (Full-Time) at important meetings including the Management Committee, Sustainability Committee, Executive Committee and Global Executive Committee
- Inspection of minutes and approved proposal memorandums of the Management Committee, the Executive Personnel Committee and other meetings of bodies designated by the Audit & Supervisory Board
- Regular meetings between Representative Directors and Audit & Supervisory Board Members
- Meetings to exchange opinions between Outside Directors and Audit & Supervisory Board Members
- Division hearings and on-site audits of subsidiaries
- Hearings on the internal audit plan and the results of internal audits carried out by the internal auditing sector
- Regular and irregular meetings with the Accounting Auditor to confirm matters to be considered and noted related to the quarterly financial results, and to share information and exchange opinions on the status of the KAM review and the results of on-site audits of subsidiaries, etc.
- Regular reports on the implementation of the internal reporting system, reported information, and the status of response every quarter from the divisions in charge, as well as implementation of timely reports on important matters
- Establishing and operating a system that allows Audit & Supervisory Board Members to inspect internal reporting records and request reports on the internal reporting at any time
- Stipulating prohibition of disadvantageous treatment of any person who reports to Audit & Supervisory Board Members according to internal rules

(7) Matters Relating to Outside Directors and Audit & Supervisory Board Members (Outside)

Principal activities during fiscal 2023

Category	Name	Attendance at Board of Directors Meetings	Principal activities and outline of duties performed pertaining to the role expected as an Outside Director
Outside Directors	Takuya Nakata	13 out of 13 meetings (100%)	<p>He actively stated his opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on his ample experience and wide range of insights of managing global companies. In addition to revitalizing discussions, he appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company in order to enhance the value of the shared Yamaha brand.</p> <p>In addition, he served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company.</p>
	Takehiro Kamigama	13 out of 13 meetings (100%)	<p>He actively stated his opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on his ample experience as a manager who has served as Representative Director of a global company, and his insights in the technology field. In addition to contributing to active discussions, he appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company.</p> <p>In addition, he is a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, chairs the round-table conference with the CEO (a system for determining reappointment based on business reviews and evaluations by the CEO), and contributed to strengthening the governance of the Company.</p>
	Yuko Tashiro	13 out of 13 meetings (100%)	<p>She actively stated her opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on her ample experience and wide range of insights in various managerial positions, including a financial manager and the representative director of several companies. In addition to deepening discussions on promoting diversity and developing human resources, she appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company.</p>

			In addition, she served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company.
	Tetsuji Ohashi	13 out of 13 meetings (100%)	He actively stated his opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on his ample experience as a manager who has served as a representative director of a global company and his wide range of insights in the manufacturing field. In addition to contributing to active discussions with regard to risk management and compliance from the perspective of "Bad News First," he appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company. In addition, he served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company.
	Jin Song Montesano	13 out of 13 meetings (100%)	She actively stated her opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on her ample experience and her wide range of insights of management overall and in the areas of human resources, general affairs, public affairs, external affairs, and corporate responsibility through her experiences in various managerial positions in corporate affairs of a global company. In addition to deepening discussions on promoting diversity and developing human resources, she appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company. In addition, she served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company.

(TRANSLATION ONLY)

Category	Name	Attendance at Board of Directors Meetings	Attendance at Audit & Supervisory Board Meetings	Principal activities
Audit & Supervisory Board Members (Outside)	Masatake Yone	12 out of 13 meetings (92%)	16 out of 17 meetings (94%)	He provided advice based on his high level of expertise as an attorney, and ample knowledge and experience as an outside officer of corporations.
	Eriko Kawai	13 out of 13 meetings (100%)	17 out of 17 meetings (100%)	She provided advice based on her experience and business track record as a manager and her high level of expertise in finance and accounting, in addition to her ample experience in international companies and international organizations.
	Ayumi Ujihara	*10 out of 10 meetings (100%)	*13 out of 13 meetings (100%)	She provided advice based on her high level of expertise and experience in the accounting field as a certified public accountant, including the audit work of international corporations.

* After taking office on March 22, 2023

(8) Activity Details of the Executive Personnel Committee

Yamaha Motor has established an Executive Personnel Committee, which is involved in nominations and remuneration, as a voluntary advisory body of the Board of Directors, to improve transparency and objectivity in appointments and dismissals of executives and determining their remuneration, among other objectives. To ensure the transparency of the deliberation process, as well as to ensure the objectivity and validity of matters reported to the Board of Directors' meetings, the majority of the members of the Executive Personnel Committee consists of Outside Directors. The meeting of the Executive Personnel Committee was held seven times this fiscal year, and discussed matters concerning nomination and remuneration.

Chairman:	Chairman and Representative Director	Katsuaki Watanabe (7)
Committee members:	President and Representative Director	Yoshihiro Hidaka (7)
	Outside Directors (Independent)	Takuya Nakata (7), Takehiro Kamigama (7), Yuko Tashiro (7), Tetsuji Ohashi (7) and Jin Song Montesano (7)

*Numbers in parentheses indicate the number of times attended in all 7 meetings.

In the role related to “nominations,” the Executive Personnel Committee deliberated upon the appointments and dismissals of the Chief Executive Officer (CEO), Directors, Audit & Supervisory Board Members and Executive Officers, as well as the selection of candidates for such senior management positions and their development plans, while confirming future management strategies and personnel requirements for putting them into practice, among other things.

As part of initiatives to strengthen governance, appointments/dismissals are determined based on review and evaluation of the CEO's duties. Specifically, a round-table conference with the CEO headed by Director Takehiro Kamigama and attended by eight members who are Outside Directors and Audit & Supervisory Board Members (Outside) was held to evaluate the status of President and Representative Director Yoshihiro Hidaka's performance from a non-financial perspective through strategic dialogue with him, mainly on whether he has the necessary attributes as the Company's CEO and is demonstrating them appropriately. Based on the results, the Executive Personnel Committee reported the proposed officer appointments to the Board of Directors, which approved the appointment of the CEO and other Executive Officers. Going forward, through such a process that ensures objectivity and fairness, the Company will establish governance led by the best and most suitable executives.

In the role related to “remuneration,” the Executive Personnel Committee evaluated the performance of the Company and individuals based on contributions to medium- to long-term corporate growth and business performance for the said fiscal year, and deliberated upon the compensation linked to performance within the limits of total remuneration resolved at the General Meeting of Shareholders. The amounts of individual remuneration for Directors and Executive Officers were determined by the Board of Directors, taking into account discussion and reporting by the Executive Personnel Committee based on the determination policies for Executives' remuneration.

4. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Remuneration Paid to the Accounting Auditor during Fiscal 2023

1) Remuneration paid to the Accounting Auditor during fiscal 2023:	268 million yen
2) Total remuneration payable by the Company and its consolidated subsidiaries to the Accounting Auditor:	296 million yen

Note: 1. The amount of remuneration for audit under the Companies Act and the amount under the Financial Instruments and Exchange Act are not classified differently in the audit contract between the Company and the Accounting Auditor, nor would it be practical to do so. Therefore, the amount of 1) above is a total for their respective categories of remuneration.

2. The Audit & Supervisory Board has given their consent with respect to Paragraph 1, Article 399 of the Companies Act for the remuneration paid to the Accounting Auditor, following the confirmation and examination of the status of the Accounting Auditor's performance of duties, the details of audit plan and others, in light of the "Practical Guidelines for Coordination with Accounting Auditor" published by the Japan Audit & Supervisory Board Members Association.

Each of the following principal subsidiaries of the Company contracts another certified public accountant or audit corporation (including a person having an equivalent qualification in the foreign country concerned) for auditing (prescribed by the Companies Act or the Financial Instruments and Exchange Act, or laws equivalent to aforementioned acts in the foreign country):

Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., PT. Yamaha Indonesia Motor Manufacturing, India Yamaha Motor Pvt. Ltd., Thai Yamaha Motor Co., Ltd., Yamaha Motor Philippines, Inc., Yamaha Motor Vietnam Co., Ltd., Yamaha Motor Taiwan Co., Ltd. and Yamaha Motor do Brasil Ltda.

(3) Non-audit Services Provided by the Accounting Auditor

The Company entrusts the Accounting Auditor with, and pays compensation for, the following types of work, etc. which are not prescribed in Paragraph 1 of Article 2 of the Certified Public Accountants Act (non-audit services):

- 1) Preparation of Auditor's Comfort Letter to Arrangers and Report on the Investigation Results of Financial Information Other than Financial Statements related to the issuance of bonds payable
- 2) Review of English translation of Notices of Ordinary General Meeting of Shareholders

(4) Policy for Determining the Dismissal or Non-reappointment of Accounting Auditor

In addition to the dismissal of an Accounting Auditor by the Audit & Supervisory Board stipulated in Article 340 of the Companies Act, the Audit & Supervisory Board of the Company shall decide a proposal to dismiss or not to reappoint an Accounting Auditor, if it is deemed difficult for the Accounting Auditor to perform his or her duties. The Board of Directors of the Company shall submit the agenda to a General Meeting of Shareholders based on said decision.

5. Systems to Ensure Proper Business Operations

(1) Systems to Ensure the Directors Compliance with Acts, Regulations and the Company's Articles of Incorporation

- The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
- Audit & Supervisory Board Members, in accordance with the criteria and methodology established by the Audit & Supervisory Board, shall audit the business conduct of the Directors.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

(2) Maintenance and Administration of Information Concerning the Business Conduct of Directors

- Documents and other forms of information on the business conduct of Directors shall be prepared, maintained and administered appropriately by establishing and operating necessary arrangement involving internal regulations.
- Confidential information including documents and other forms of information on the business conduct of Directors shall be handled appropriately by establishing and operating necessary arrangement involving internal regulations.
- The Company shall form such organizations and develop such rules as necessary to ensure timely and appropriate disclosure of significant company information.

(3) Rules Relating to Risk Control against Loss

- The Company shall establish a Sustainability Committee as an organization carrying out deliberation on its risk management measures, and shall establish a risk management supervising section for developing regulations concerning risk management of the Company and its subsidiaries, conducting risk assessment and structuring system for monitoring the risk management.
- Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
- The Company shall develop and operate internal regulations, etc. as necessary to ensure integrated control of individual departmental risk management activities.
- If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the internal regulations, etc., with the President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

(4) Systems to Ensure Efficient Execution of Directors' Duties

- The authority and responsibilities of the Board of Directors, President and Chief Executive Officer and sector heads, and the system for transferring authority between them, shall be better defined by strengthening Board of Directors Rules, Decision-making Rules and other important rules.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- After the Medium-Term Management Plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

(5) Systems to Ensure Employee Compliance with Acts, Regulations and the Company's Articles of Incorporation

- The Company shall establish the Sustainability Committee as an organization carrying out deliberation on its compliance measures, and shall establish a compliance supervising section for enhancing and educating its Code of Ethics to the Company and its subsidiaries.
- The Company shall establish an internal reporting hotline in a third-party organization outside of the Company which enables one to directly report on any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company, which directly informs Audit & Supervisory Board Members and the President and Chief Executive Officer concerning such report.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form organizations and develop rules necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

(6) Systems to Ensure that the Yamaha Motor Group (Composed of the Company and Its Subsidiaries) Conducts Business Appropriately

- The Company's Group Companies Management Rules and Decision-making Rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established in the Company under the direct control of the President and Chief Executive Officer. An internal auditing function shall be established in major subsidiaries as well, and shall conduct audits of sections and subsidiaries collaborating with the internal auditing sector of the Company.
- Each domestic subsidiary, in principle, shall have a Board of Directors and an Audit & Supervisory Board Member; overseas subsidiaries shall design the governing body in accordance with local laws.
- At least one Director of each subsidiary, in principle, shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- The section supervising financial reporting of the Company shall provide subsidiaries with guidance and education to ensure appropriateness of financial information.

(7) Systems to Report to the Company on Matters Concerning the Execution of Duties at the Company's Subsidiaries by Directors, Employees Who Execute Business, and Any Person in an Equivalent Position (Directors, Etc.)

- The Group Companies Management Rules of the Company stipulates that Directors, etc. of its subsidiaries must report to the Company on their financial status and other important information.
- The Company shall request Directors, etc. of its significant subsidiaries to make a report on their business execution at the Management Committee meetings, etc. of the Company on a regular basis.

(8) Rules Relating to Risk Management Against Loss by the Company's Subsidiaries and Other Systems

- The Company's risk management supervising section shall set out rules on managing risks of the Company and its subsidiaries, and establish a system to monitor the risk assessment and its implementation plans and results.
- The Company's risk management supervising section shall provide subsidiaries with guidance and education with respect to risk management initiatives carried out by each subsidiary.
- Standards of conduct shall be set out in the internal rules, etc. to allow the Company to promptly and adequately deal with significant issues about the Company and its subsidiaries when they arise and to minimize the damage from such issues.

(9) Systems to Ensure Efficient Execution of Duties by Directors, Etc. of the Company's Subsidiaries

- Decision-making processes, responsibilities and authority shall be clarified by strengthening the Board of Directors Rules, Decision-making Rules and other important rules.
- The Group Medium-Term Management Plan and the budget for the fiscal year shall be set out.
- A common management control system shall be adopted by the Company and its subsidiaries.
- Global Executive Committee meetings, comprising Executive Officers of the Company and its major subsidiaries, shall be held regularly to share information on the group management policy and deliberate on the policy to deal with important issues.

(10) Systems to Ensure That the Execution of Duties by Directors, Etc. and Employees of the Company's Subsidiaries Complies with Acts, Regulations and the Company's Articles of Incorporation

- The compliance supervising section of the Company shall enhance the Code of Ethics to be complied with by the Company and its subsidiaries, and shall provide subsidiaries with education on compliance.
- The compliance supervising section of the Company shall provide subsidiaries with guidance and education in respect of compliance initiatives taken by each subsidiary.
- The Company and its subsidiaries shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company and its subsidiaries shall reinforce this commitment in their Code of Ethics.
- The Company and its subsidiaries shall form organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.
- The internal auditing sector of the Company shall work in collaboration with the internal auditing functions of its subsidiaries and perform audits on the system for compliance with acts and regulations of the subsidiaries.
- Audit & Supervisory Board Members of the Company shall perform audits on the status of Directors' execution of duties, internal control, risk management, measures to deal with compliance, and asset management status, etc. of its subsidiaries in accordance with the criteria and methodology established by the Audit & Supervisory Board.

(11) Employee to Assist Audit & Supervisory Board Members

- An Audit & Supervisory Board Members' Office shall be established with a full-time employee dedicated to assisting the Audit & Supervisory Board Members in the execution of their duties.

(12) Employee Assisting Audit & Supervisory Board Members Independence from Directors

- The internal rules provide that the authority to give instructions and orders to the employees assisting Audit & Supervisory Board Members shall be delegated to each Audit & Supervisory Board Member.
- Any dismissal or personnel changes concerning the employee assisting Audit & Supervisory Board Members in the execution of their duties shall be approved by the Audit & Supervisory Board in advance.

(13) Matters in Respect of Ensuring the Effectiveness of Instructions Given by Audit & Supervisory Board Members to the Employees Assisting Audit & Supervisory Board Members

- No employee assisting Audit & Supervisory Board Members in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Audit & Supervisory Board Members, whose opinions shall be taken into consideration in evaluating the employee.

(14) Rules Concerning Directors and Employees Reporting to the Audit & Supervisory Board Members

- Directors and employees shall report to Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors or employees, fact which violates the law and the Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, depending on the importance and urgency thereof.
- Directors and employees shall report the following matters to the Audit & Supervisory Board Members periodically, or when necessary, at their request:
 - Establishment and operation of internal control systems, and related subjects
 - Results of internal audits conducted by the internal audit section
 - Operation of the internal reporting system, and receipt of reports

(15) Rules to Submit a Report to Audit & Supervisory Board Members by the Subsidiaries' Directors, Audit & Supervisory Board Members, Employees Who Execute Business, Any Other Person in an Equivalent Position and Employees or Any Person Who Received Reports from Aforementioned Persons

- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers, employees, and any person who received reports from these persons shall report to the Company's Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors and employees of the Company and its subsidiaries, fact which violates the law and the Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, when they recognize that such facts are present, depending on the importance and urgency thereof.
- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers and employees and any person who received reports from these persons shall report to Audit & Supervisory Board Members of the Company, at their request, on the following matters on a regular basis or when needed.
 - Matters in respect of the business execution
 - Result of audits performed by Audit & Supervisory Board Members of the domestic subsidiaries
 - Result of internal audits performed by the Company's internal auditing sector
 - Status of compliance and risk management, etc.

(16) Systems to Ensure That Any Person Who Reports as Described in the Preceding Paragraph Will Not Receive Any Disadvantageous Treatment Due to Such Reporting

- The Company shall stipulate in its internal rules that any person who reports as described in the preceding paragraph will not receive any disadvantageous treatment due to such reporting.

(17) Matters Regarding the Policy for Handling Expenses or Liabilities Incurred in Relation to the Procedures for the Advance Payment or Reimbursement of Expenses Incurred During the Execution of Duties by Audit & Supervisory Board Members, and Other Expenses or Liabilities Incurred During Execution of Said Duties

- In order to pay expenses, etc. incurred in the course of the Audit & Supervisory Board Members' execution of duties, a certain amount of budget shall be allocated annually.
- When requests such as payment of expenses in advance are made by Audit & Supervisory Board Members in accordance with Article 388 of the Companies Act, payment of such expenses or liabilities shall be made or discharged in a prompt manner.

(18) Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members

- The Representative Directors shall meet with the Audit & Supervisory Board Members periodically to exchange opinions.
- Audit & Supervisory Board Members shall attend important meetings of bodies including the Management Committee, Sustainability Committee, and Executive Committee.
- Any dismissal or personnel changes of internal audits sector Heads shall be approved by the Audit & Supervisory Board in advance.
- The internal audit section shall explain its internal audit plan to Audit & Supervisory Board Members in advance.
- The minutes of the Management Committee meeting and any other meetings as the Audit & Supervisory Board Members may specify shall be made available for their perusal. The Audit & Supervisory Board Members shall be granted similar access to any approved proposal memorandums they may specify.
- Auditing assistance from outside experts shall be secured when deemed necessary by the Audit & Supervisory Board.

6. Overview of the Implementation Status of the Systems to Ensure Proper Business Operations

(1) Status of Initiatives in Respect of Compliance

The Company enhances its Code of Ethics and internal rules such as the Compliance Management Regulations, and has established the Sustainability Committee as the organization that gathers regularly to carry out deliberation on compliance measures of the Company. Major compliance activities of the Company during the fiscal year under review are as follows.

- Holding compliance training sessions for all officers and employees of the Company on a regular basis
- Conduct compliance awareness surveys at the Company and its subsidiaries on a regular basis
- Penetrating the Code of Ethics through the Company and its subsidiaries, and monitoring the progress of the penetration
- Verifying the identification of business partners in order to break off any relationship with antisocial forces, adding clauses for the elimination of antisocial forces into trading agreements, collecting related information, and raising internal awareness, etc.
- Implementing a global internal reporting system having a reporting hotline by domestic and global third-party organizations

(2) Status of Initiatives in Respect of Risk Management

The Company works regularly on issues concerning risk management by enhancing internal rules such as the Risk Management Regulations and the Confidential Information Management Regulations, and establishing the Sustainability Committee as the organization carrying out deliberation on its measures related to risk management. Major initiatives concerning risk management that the Company has carried out in the fiscal year under review are as follows.

- Based on the assessment of risks by the Company and its subsidiaries, etc., identifying material risks for the Group and monitoring the status of countermeasures
- If some issues arise in the Company or its subsidiaries, they will be notified to the risk management supervising section in accordance with the Rules for Initial Response to an Emergency, and emergency countermeasure structure shall be established in a timely manner, based on the assessment of the impact on the Group management.
- Conducting initial response training for strengthening initial response capability in the event of occurrence of an emergency event

(3) Status of Initiatives in Respect of Ensuring the Efficiency of the Duty Execution

The Company has stipulated matters to be judged and determined by the Board of Directors and matters to be delegated to the Executive Officers in the Board of Directors Rules and the Decision-making Rules, etc. to ensure the efficient execution of duties by Directors, etc. of the Company and its subsidiaries. In the fiscal year under review, 13 meetings of the Board of Directors and 23 meetings of the Management Committee, comprising Executive Officers with titles, were held. Major initiatives in respect of ensuring the efficiency of the execution of duties that the Company has carried out in the fiscal year under review include the following.

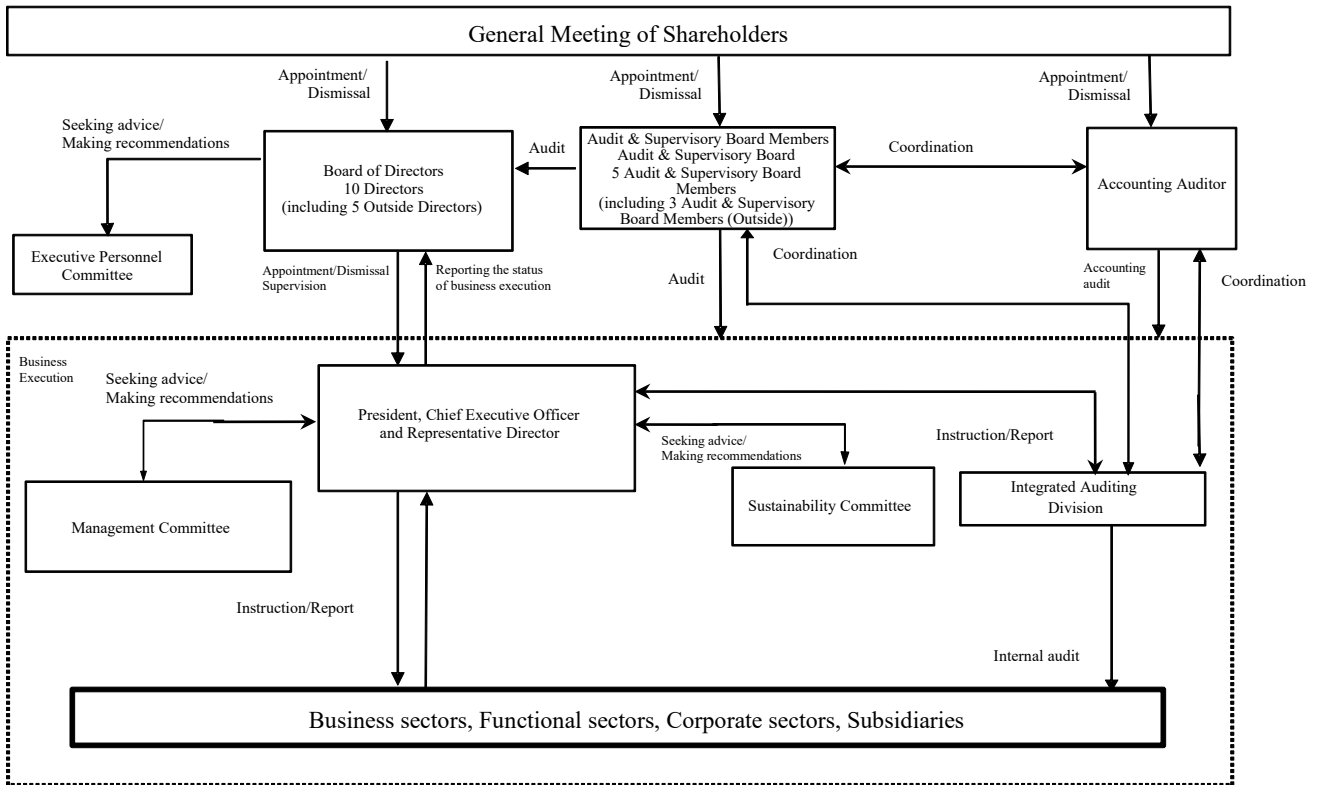
- Determining important management tasks for achieving the objectives set out in the Medium-Term Management Plan, and verifying its progress through the Management Committee meetings and monthly officer seminars, etc.
- Confirming the status of execution of the annual budget at the monthly Executive Committee meetings
- Convening meetings of the Global Executive Committee which deliberates on important group management policies and tasks
- With the aim of helping Outside Directors collect adequate information without impairing their independence, convening regular meetings comprising Outside Directors and internal and Outside Audit & Supervisory Board Members to exchange their opinions
- Convening meetings attended only by Outside Directors and Outside Audit & Supervisory Board Members in order for Outside Directors and Outside Audit & Supervisory Board Members to exchange information and share awareness with each other from an independent and objective standpoint

(4) Status of Initiatives in Order to Ensure the Yamaha Motor Group, Comprising the Company and Its Subsidiaries, Conducts Business Appropriately

The Company has stipulated the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries in its Group Companies Management Rules and Decision-making Rules, etc., to ensure the proper business execution of the Group as a whole. In addition, the Integrated Auditing Division, under the direct control of the President and Chief Executive Officer, is established as an internal auditing sector to carry out audit on the appropriateness of operational activities. The Integrated Auditing Division audits the appropriateness, adequacy and efficiency of business execution of the Company and its subsidiaries based on an annual audit plan, and makes evaluation and proposals accordingly. Major initiatives in order to ensure the appropriateness of business operations of the Yamaha Motor Group, comprising the Company and its subsidiaries, carried out in the fiscal year under review are the following.

- Reporting by each subsidiary to the Company on matters to be reported in accordance with the Group Companies Management Rules
- Reporting on management conditions of major subsidiaries at the Board of Directors' meetings, Management Committee meetings, and the Executive Committee meetings
- Enhancing and operating internal audit systems of major subsidiaries
- Auditing the Company's divisions and its subsidiaries by the Integrated Auditing Division, and providing support to the audit divisions of the major subsidiaries

Diagram of Corporate Governance System and Internal Control System (As of December 31, 2023)



Consolidated Financial Statements**Consolidated Balance Sheets**

	Millions of yen	
	As of December 31, 2023	(Reference) As of December 31, 2022
ASSETS		
I. Current assets:		
Cash and deposits	338,839	288,780
Notes and accounts receivable - trade, and contract assets	186,911	187,410
Short-term sales finance receivables	338,520	230,131
Merchandise and finished goods	363,066	285,432
Work in process	115,653	115,755
Raw materials and supplies	130,776	124,658
Other	94,700	90,921
Allowance for doubtful accounts	(19,915)	(17,408)
Total current assets	1,548,554	1,305,683
II. Non-current assets:		
1. Property, plant and equipment:		
Buildings and structures, net	137,198	129,329
Machinery, equipment and vehicles, net	124,046	109,560
Land	87,911	86,864
Construction in progress	56,853	38,657
Other, net	27,876	26,566
Total property, plant and equipment	433,886	390,978
2. Intangible assets:		
Leasehold right	4,282	4,118
Software	38,733	26,911
Other	8,116	8,610
Total intangible assets	51,132	39,640
3. Investments and other assets:		
Investment securities	113,960	112,151
Long-term sales finance receivables	326,784	256,382
Net defined benefit asset	21,382	15,762
Deferred tax assets	73,349	44,084
Other	18,411	23,283
Allowance for doubtful accounts	(15,500)	(4,677)
Total investments and other assets	538,388	446,988
Total non-current assets	1,023,407	877,607
Total assets	2,571,962	2,183,291

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Millions of yen

	As of December 31, 2023	(Reference) As of December 31, 2022
LIABILITIES		
I. Current liabilities:		
Notes and accounts payable - trade	151,084	148,133
Electronically recorded obligations - operating	3,079	29,597
Short-term loans payable	305,563	172,985
Current portion of bonds payable	23,974	5,156
Current portion of long-term loans payable	109,334	152,969
Income taxes payable	30,639	25,761
Provision for bonuses	20,302	18,796
Provision for product warranties	20,582	18,176
Other provision	4,715	3,589
Other	195,889	177,705
Total current liabilities	865,165	752,873
II. Non-current liabilities:		
Bonds payable	39,971	21,575
Long-term loans payable	365,031	250,002
Deferred tax liabilities	14,351	10,105
Deferred tax liabilities for land revaluation	4,416	4,643
Net defined benefit liability	52,446	49,297
Other provision	745	638
Other	47,162	39,855
Total non-current liabilities	524,125	376,119
Total liabilities	1,389,291	1,128,992
NET ASSETS		
I. Shareholders' equity:		
1. Capital stock	86,100	86,100
2. Capital surplus	63,771	68,050
3. Retained earnings	1,006,925	894,049
4. Treasury shares	(61,389)	(31,725)
Total shareholders' equity	1,095,407	1,016,475
II. Accumulated other comprehensive income:		
1. Valuation difference on available-for-sale securities	21,993	29,166
2. Revaluation reserve for land	9,893	10,427
3. Foreign currency translation adjustment	(8,340)	(55,717)
4. Remeasurements of defined benefit plans	4,505	2,721
Total accumulated other comprehensive income	28,052	(13,401)
III. Non-controlling interests	59,210	51,225
Total net assets	1,182,670	1,054,298
Total liabilities and net assets	2,571,962	2,183,291

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Consolidated Statements of Income

Millions of yen

	(Reference)	
	Current Fiscal Year (January 1, 2023– December 31, 2023)	Previous Fiscal Year (January 1, 2022– December 31, 2022)
I. Net sales	2,414,759	2,248,456
II. Cost of sales	1,699,409	1,614,711
Gross profit	715,350	633,745
III. Selling, general and administrative expenses	464,694	408,880
Operating income	250,655	224,864
IV. Non-operating income		
Interest income	8,865	4,770
Dividend income	1,068	981
Share of profit of entities accounted for using equity method	4,249	5,296
Foreign exchange gains	—	4,604
Gain on valuation of derivatives	—	3,564
Other	7,235	6,814
Total non-operating income	21,418	26,033
V. Non-operating expenses		
Interest expenses	9,296	4,174
Foreign exchange losses	1,389	—
Loss on valuation of investment securities	8,396	2,444
Loss on valuation of derivatives	5,023	—
Other	5,987	4,984
Total non-operating expenses	30,092	11,603
Ordinary income	241,982	239,293
VI. Extraordinary income		
Gain on sales of non-current assets	4,135	3,996
Gain on sales of investment securities	76	4,950
Total extraordinary income	4,212	8,946
VII. Extraordinary losses		
Loss on sales of non-current assets	162	293
Loss on disposal of non-current assets	1,488	1,331
Impairment loss	2,504	688
Loss on sales of investment securities	357	128
Total extraordinary losses	4,512	2,441
Income before income taxes	241,681	245,798
Income taxes - current	82,673	61,665
Income taxes - deferred	(19,462)	(5,448)
Total income taxes	63,211	56,216
Net income	178,470	189,582
Net income attributable to non-controlling interests	14,350	15,142
Net income attributable to owners of parent	164,119	174,439

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Consolidated Statements of Changes in Equity

Current Fiscal Year (From January 1, 2023 through December 31, 2023)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	86,100	68,050	894,049	(31,725)	1,016,475
Cumulative effects of changes in accounting policies			(4,634)		(4,634)
Restated balance	86,100	68,050	889,415	(31,725)	1,011,840
Changes of items during period					
Reversal of revaluation reserve for land			533		533
Dividends of surplus			(47,093)		(47,093)
Net income attributable to owners of parent			164,119		164,119
Increase in consolidated subsidiaries			(49)		(49)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(4,341)			(4,341)
Purchase of treasury shares				(30,003)	(30,003)
Disposal of treasury shares		62		339	402
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4,278)	117,509	(29,663)	83,567
Balance at end of current period	86,100	63,771	1,006,925	(61,389)	1,095,407

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	29,166	10,427	(55,717)	2,721	(13,401)
Cumulative effects of changes in accounting policies					
Restated balance	29,166	10,427	(55,717)	2,721	(13,401)
Changes of items during period					
Reversal of revaluation reserve for land					
Dividends of surplus					
Net income attributable to owners of parent					
Increase in consolidated subsidiaries					
Change in treasury shares of parent arising from transactions with non-controlling shareholders					
Purchase of treasury shares					
Disposal of treasury shares					
Net changes of items other than shareholders' equity	(7,172)	(533)	47,376	1,783	41,453
Total changes of items during period	(7,172)	(533)	47,376	1,783	41,453
Balance at end of current period	21,993	9,893	(8,340)	4,505	28,052

	Non-controlling interests	Total net assets
Balance at beginning of current period	51,225	1,054,298
Cumulative effects of changes in accounting policies		(4,634)
Restated balance	51,225	1,049,664
Changes of items during period		
Reversal of revaluation reserve for land		533
Dividends of surplus		(47,093)
Net income attributable to owners of parent		164,119
Increase in consolidated subsidiaries		(49)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(4,341)
Purchase of treasury shares		(30,003)
Disposal of treasury shares		402
Net changes of items other than shareholders' equity	7,984	49,438
Total changes of items during period	7,984	133,005
Balance at end of current period	59,210	1,182,670

Note: Amounts less than one million yen have been omitted.

Notes to Consolidated Financial Statements

I. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements, Etc.

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 130

(2) Name of major subsidiaries:

Yamaha Motorcycle Sales Japan Co., Ltd., YAMAHA MOTOR POWERED PRODUCTS Co., Ltd., Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., PT. Yamaha Indonesia Motor Manufacturing, India Yamaha Motor Pvt. Ltd., Thai Yamaha Motor Co., Ltd., Yamaha Motor Philippines, Inc., Yamaha Motor Vietnam Co., Ltd., Yamaha Motor Taiwan Co., Ltd. and Yamaha Motor do Brasil Ltda.

(3) Changes to the scope of consolidation:

In the fiscal year ended December 31, 2023, four newly established companies were included in the scope of consolidation, along with one non-consolidated subsidiary due to its increased materiality. In addition, two companies were excluded due to liquidation.

(4) Principal non-consolidated subsidiaries and the reason for excluding these companies from consolidation:

Non-consolidated subsidiaries such as Yamaha Motor Racing S.r.l., when considering total assets, net sales, net income (an amount that matches equity holdings), and retained earnings (an amount that matches equity holdings), etc., do not have a significant influence on the consolidated financial statements as a whole, and were therefore removed from the scope of consolidation.

2. Scope of Application of Equity Method

(1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method, and names of principal companies among them:

Number of subsidiaries accounted for by the equity method: 4
Yamaha Motor Racing S.r.l. and 3 other subsidiaries

Number of affiliates accounted for by the equity method: 24
Hong Leong Yamaha Motor Sdn. Bhd. and 23 other affiliates

(2) Changes to the scope of application of equity method:

In the fiscal year ended December 31, 2023, one affiliate was included in the scope of equity-method application due to new investment in this company, while two companies were excluded from the scope of equity-method application due to liquidation and one company was removed due to the sale of its shares.

(3) Principal non-consolidated subsidiaries not accounted for by the equity method and the reason for excluding these companies from the equity method:

The Company's non-consolidated subsidiaries such as Moto Business Service India Private Ltd. have been excluded from the scope of equity-method application given that their effect on the consolidated financial statements is immaterial and they have been deemed as lacking materiality overall, in view of measures such as net income (an amount that matches equity holdings) and retained earnings (an amount that matches equity holdings), etc.

3. Accounting Standards

(1) Policies and methods of valuation for significant assets

1) Securities

Other securities

Securities other than shares, etc. that do not have a market price are carried at fair value.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Shares, etc. that do not have a market price are carried at cost, determined by the moving-average method.

2) Derivatives

Derivatives are carried at fair value.

3) Inventories

Inventories are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability.)

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed mainly by the straight-line method.

2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

Right-of-use assets

Computed based on the assumption that the useful life equals the lease term or the useful life of said assets, whichever is shorter, and the residual value equals zero.

(3) Accounting criteria for significant accruals

1) Allowance for doubtful accounts

In order to evaluate accounts receivable - trade, sales finance receivables and loans receivable and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties. The allowance for doubtful accounts for sales finance receivables for U.S. financial services is stated in III. Notes to Accounting Estimates 1. Allowance for doubtful accounts for sales finance receivables for U.S. financial services.

2) Provision for bonuses

Provision for bonuses is stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

3) Provision for product warranties

Provision for product warranties is provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(4) Accounting methods for retirement benefits

1) Method of attributing estimated retirement benefits to periods of service

In calculating retirement benefit obligations, estimated retirement benefits are attributed to the periods concluding at the end of the fiscal year ended December 31, 2023, mainly using the benefit formula basis.

2) Accounting methods for actuarial gains or losses and prior service costs

Prior service costs are amortized by the straight-line method over a period (primarily 10 years) that is not longer than the average remaining years of service of the employees at the time those costs were incurred.

Actuarial gains or losses are amortized by the straight-line method over a period (primarily 10 years) that is not longer than the average remaining years of service of the employees at the time the gains or losses occurred in each fiscal year, starting from the fiscal year following the respective years of accrual.

(5) Accounting criteria for significant revenue and expenses

The sources of the Group's revenues are primarily divided into sales of merchandise and finished goods and the provision of financial services in the Financial Services segment, depending on the nature of the goods or services provided.

1) Sale of merchandise and finished goods

Revenue is recognized when control over the merchandise and finished goods is transferred to the customer. Generally, control is considered to have been transferred to the customer when the merchandise and finished goods are delivered to the customer. Certain contracts involve long-term construction or development commitments, for which revenue is recognized over a specified period of time as performance obligations stipulated in the contract are satisfied. Transaction prices are calculated according to the consideration based on contracts with customers. In some cases, sales incentives are mainly provided to retailers based on actual sales for a specific period of time or the number of units of a specific model sold. These sales incentives are deducted from the amount of revenue for the corresponding period based on the estimated amount to be paid based on reported sales performance.

The contracts with customers include clauses guaranteeing that the merchandise and finished goods supplied will be repaired or parts will be replaced free of charge if the merchandise and finished goods do not conform to the agreed specifications, etc. Provision for product warranties is recognized for the costs associated with this guarantee. Detailed information on this provision is presented in "(3) Accounting criteria for significant accruals, 3) Provision for product warranties."

2) Provision of financial services

Revenue is recognized when control over the merchandise and finished goods is transferred to the customer. Interest income on receivables in the financial services revenues is recognized over the contractual period at an amount equal to the amount of interest earned. Interest income on receivables under finance leases is recognized over the lease term at an amount equal to the amount of interest earned. Revenue from operating leases is recognized over the lease term by allocating the total lease payments proportionally to the lease term.

(6) Other items of significance in drawing up consolidated financial statements

1) Application of Group Tax Sharing System

The Group applies the Group Tax Sharing System.

2) Amortization of goodwill

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries ("goodwill") is amortized by the straight-line method over years estimated, based on substantive judgment as incurred.

II. Notes to Changes in Accounting Policies

(Adoption of FASB Accounting Standards Codification (ASC) Topic 326, “Financial Instruments - Credit Loss”)

The Company’s North American subsidiaries that apply U.S. GAAP have adopted ASC Topic 326 “Financial Instruments - Credit Loss” effective as of the beginning of the fiscal year under review. This change in accounting policy requires us to revise the measurement methods for financial instruments and recognize impairments of financial assets under the expected credit loss model.

In applying this accounting standard, the accepted method for the transitional treatment which the cumulative effect of a change in accounting policy is recognized at the date of adoption has been adopted.

As a result, at the beginning of the fiscal year under review, “Retained earnings” decreased by ¥4,634 million, “Allowance for doubtful accounts” in current assets increased by ¥368 million, “Deferred tax assets” in investments and other assets increased by ¥1,544 million, and “Allowance for doubtful accounts” in investments and other assets increased by ¥5,810 million.

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company and its domestic consolidated subsidiaries that apply Japanese GAAP have adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter the “Fair Value Measurement Guidance”) effective as of the beginning of the fiscal year under review and prospectively applied the new accounting policies prescribed by the Fair Value Measurement Guidance, in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Fair Value Measurement Guidance. There is no impact on the consolidated financial statements.

III. Notes to Accounting Estimates

Accounting estimates are calculated at reasonable amounts based on the information available at the time of compilation of the consolidated financial statements. Among the accounting estimates used in the consolidated financial statements for the fiscal year under review, the following items have been identified by the Group as being at risk for having a significant impact on the consolidated financial statements for the next fiscal year:

1. Allowance for doubtful accounts in sales finance receivables for U.S. financial services

(1) Amount recorded in the consolidated financial statements at the end of the fiscal year ended December 31, 2023

The allowance for doubtful accounts for sales finance receivables recorded in the consolidated balance sheets at the end of the fiscal year ended December 31, 2023 is ¥30,226 million.

Of this amount, the allowance for doubtful accounts for sales finance receivables at Yamaha Motor Finance Corporation, U.S.A., a U.S. subsidiary providing financial services, is ¥15,641 million.

(2) Details regarding significant accounting estimates for identified items

1) Calculation method

The U.S. subsidiary recognizes impairment by using the expected credit loss model in accordance with FASB Accounting Standards Codification (ASC) Topic 326, “Financial Instruments - Credit Loss,” whereby expected credit losses are measured over the remaining period of financial receivables, and allowance for doubtful accounts is calculated for each wholesale finance, retail finance, and financial leasing business by multiplying the balance of receivables at the term-end by the anticipated ratio of doubtful accounts estimated based on the historical experience of bad debt. Of these, for retail financial receivables, a calculation model that aligns with the economic situation is applied after grouping the receivables based on risk characteristics, and the anticipated ratio of doubtful accounts is calculated by taking into account macroeconomic factors and other related factors, including the recent unemployment rate and the consumer confidence index.

2) Main assumptions

The main assumptions in the calculation of allowance for doubtful accounts are the anticipated ratio of doubtful accounts that takes into account macroeconomic factors and other related factors in the historical experience of bad debt.

3) Impact on consolidated financial statements in the next fiscal year

If the anticipated doubtful account ratio based on the historical experience of bad debt does not accurately reflect future doubtful accounts arising from receivables as at the end of the period, or if the impact from rapid inflation in the U.S., etc. on the economic situation differs from assumptions, additional or reduced allowances for doubtful accounts or additional bad-debt losses may occur in the consolidated financial statements for the following fiscal year.

2. Valuation of investment securities (shares, etc. that do not have a market price)

(1) Amount recorded in consolidated financial statements at the end of the fiscal year ended December 31, 2023

Excluding stocks of subsidiaries and affiliates, investment securities (shares, etc. that do not have a market price) recorded in the consolidated balance sheets at the end of the fiscal year ended December 31, 2023 were ¥8,288 million. In addition, loss on valuation of investment securities of ¥8,396 million was recorded in the consolidated statements of income for the fiscal year ended December 31, 2023.

(2) Details regarding significant accounting estimates for identified items

1) Calculation method

In order to create future core businesses, the Group invests in a variety of partners, including start-ups and venture companies, to accelerate the development of new businesses and expand the scale of growing businesses. In doing so, the Company invests in shares in anticipation of excess earning power, etc. based on the investee's cutting-edge technological and product development capabilities, and such shares, etc. that do not have a market price are recorded as investment securities. Shares, etc. that do not have a market price are stated at cost determined by the moving-average method. However, the real value is calculated based on the net asset value per share, taking into account excess earning power, etc. If the real value significantly decreases compared to the acquisition cost, the acquisition cost is reduced to the real value and the difference is recorded as a valuation loss.

2) Main assumptions

The main assumptions for estimating excess earning power considered in the calculation of the real value of shares, etc. that do not have a market price are the expected profitability of the business due to developed products and the development of new technologies and products contained within the future business plan.

3) Impact on financial statements in the next fiscal year

The expected profitability of the business due to developed products and the development of new technologies and products contained within the future business plan, which are the main assumptions considered in the calculation of the real value, revolve around a high number of uncertain factors. If the business plan becomes difficult to implement as a result of changes in the business environment or other situations, additional valuation loss may be incurred.

IV. Notes to Consolidated Balance Sheets**1. Receivables and Contract Assets from Contracts with Customers among Notes and Accounts Receivable – Trade and Contract Assets**

	Millions of yen
Notes receivable - trade	11,413
Accounts receivable - trade	175,120
Contract assets	377

	Millions of yen
2. Accumulated Depreciation of Property, Plant and Equipment	818,223

3. Pledged Assets and Secured Liabilities

Pledged assets are as follows:		Millions of yen
Short-term sales finance receivables		241,132
Buildings and structures, net		64
Machinery and equipment, net		21,191
Land		44
Long-term sales finance receivables		168,463
<u>Investments and other assets - Other</u>		<u>930</u>
Total		431,826

Secured liabilities are as follows:		
Current portion of long-term loans payable		29,397
Long-term loans payable		208,727
<u>Non-current liabilities - Other</u>		<u>170</u>
Total		238,294

4. Guarantee Obligations

Guarantee obligations are guarantees for the following subsidiaries' and affiliates' loans from financial institutions.

	Millions of yen
PT. Bussan Auto Finance	397

5. Revaluation Reserve for Land

Pursuant to the "Act Concerning the Revaluation of Land" (No. 24, enacted on March 31, 1999), land used for the Company's business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as "Deferred tax liabilities for land revaluation" and the remaining balance has been presented under net assets as "Revaluation reserve for land" in the accompanying consolidated balance sheets.

(1) Date of revaluation March 31, 2000

(2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

(3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2023 was below its book value by ¥6,309 million.

6. Contract Liabilities in Other under Current Liabilities and Non-Current Liabilities

	Millions of yen
Current liabilities	34,925
Non-current liabilities	16,064

V. Notes to Consolidated Statements of Changes in Equity**1. Type and Number of Outstanding Shares:**

Common stock 350,217,467 shares

(Note) On January 1, 2024, each share of common stock was split into 3 shares. The above figure is the number of shares before the stock split.

2. Dividends**(1) Amount of dividends paid**

Resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 22, 2023	Common stock	22,832	67.50	Dec. 31, 2022	Mar. 23, 2023
Board of Directors Meeting held on Aug. 8, 2023	Common stock	24,261	72.50	Jun. 30, 2023	Sep. 8, 2023

(2) Dividends whose record date falls in FY 2023 and whose effective date falls in FY 2024

Resolution	Type of share	Total amount of dividends (Millions of yen)	Resource of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 21, 2024	Common stock	23,964	Retained earnings	72.50	Dec. 31, 2023	Mar. 22, 2024

(Note) On January 1, 2024, each share of common stock was split into 3 shares. The above figure is the actual dividend amount per share before the stock split.

3. Subscription Rights to Shares

No related items.

VI. Notes to Financial Instruments

1. Status of Financial Instruments Held by the Group

(1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings and issuance of bonds. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

(2) Details of financial instruments and related risks

Notes and accounts receivable - trade, which are operating receivables, as well as short-term and long-term sales finance receivables are exposed to credit risk of customers. Foreign currency-denominated operating receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated operating receivables and payables.

Investment securities are mainly stocks of companies with which the Group has business relationships. Those that have a market price are exposed to risk of market price fluctuations, while those that do not have a market price are exposed to risk of impairment due to factors such as the business conditions of the company in question.

Notes and accounts payable - trade and electronically recorded obligations - operating, which are operating payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, in principle, they are below the balance of accounts receivable denominated in the same foreign currency.

Loans payable and bonds payable are intended for working capital. Some of them are bearing variable interest rates and are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated operating receivables and payables, and interest rate swap transactions and other transactions to mitigate risk of fluctuations in interest paid on the Company's borrowings.

(3) Risk management system for financial instruments

1) Management of credit risk (risks associated with the defaults of customers)

The Company and its consolidated subsidiaries have their administrative sections in individual business divisions periodically monitor main business partners with regard to operating receivables and keep track of the due date and the balance for each business partner, while trying to identify doubtful receivables due to worsened financial conditions of the business partners at an early stage and seek to reduce their consequences.

In engaging in derivative transactions, the Company enters into transaction only with financial institutions with a high credit rating in order to mitigate counterparty risk.

2) Management of market risk (foreign currency exchange and interest rate fluctuation risks)

The Company and some of its consolidated subsidiaries use foreign exchange forward contracts, etc. to mitigate foreign currency exchange fluctuation risk of foreign currency-denominated operating receivables and payables, which is identified for different currencies on a monthly basis. Foreign exchange forward contracts, etc. are also used for foreign currency-denominated operating receivables, which are certain to be generated as a result of scheduled export transactions. Additionally, interest rate swap transactions and other transactions may be used to reduce risk of fluctuations in interest paid on borrowings.

The Company periodically monitors the market prices of investment securities and the financial conditions of the issuers (business partners) and reviews its holding of investment securities on an ongoing basis, taking relationships with the business partners into account.

The Company's finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to the Director in charge of finance and accounting, Audit & Supervisory Board Members (Full-Time), the Chief General Manager of Corporate Planning & Finance Center, and heads of the finance &

accounting division and the division responsible for managing positions at least once a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

- 3) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)

The Company and each of its consolidated subsidiaries control liquidity risk by formulating and revising a cash position plan as needed, while maintaining liquidity on hand at an appropriate level.

- (4) Supplementary explanation concerning fair values, etc. of financial instruments

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

2. Fair Values of Financial Instruments

Carrying amount, fair value and differences of the financial instruments as of December 31, 2023 are as follows. “Cash and deposits,” “Notes and accounts receivable - trade, and contract assets,” “Notes and accounts payable - trade,” “Electronically recorded obligations - operating,” “Short-term loans payable,” “Current portion of bonds payable” and “Current portion of long-term loans payable” are omitted as they are cash and the fair values are almost equal to the book values because of their short-term maturities.

	Carrying amount	Fair value	Millions of yen Differences
(1) Short-term sales finance receivables	338,520		
Allowance for doubtful accounts (*1)	(15,025)		
	323,495	323,495	—
(2) Investment securities (*2)	54,872	54,872	—
(3) Long-term sales finance receivables	326,784		
Allowance for doubtful accounts (*1)	(15,201)		
	311,583	314,295	2,712
Total assets	689,950	692,663	2,712
(4) Bonds payable	39,971	40,107	135
(5) Long-term loans payable	365,031	365,692	660
Total liabilities	405,003	405,799	795
Derivative transactions (*3)	3,784	3,784	—

(*1) Allowance for doubtful accounts is deducted from short-term sales finance receivables and long-term sales finance receivables.

(*2) Shares, etc. that do not have a market price are not included in “(2) Investment securities.” Their carrying amounts are as follows.

	Millions of yen Carrying amount
Category	
Stocks of subsidiaries and affiliates	50,799
Unlisted equity securities, etc.	8,288

(*3) Receivables and payables, which were derived from derivative transactions, are presented in net amounts. The figures in parentheses indicate net payables.

3. Fair Value Information by Level within the Fair Value Hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	42,299	—	12,572	54,872
Derivative transactions	—	3,784	—	3,784
Total assets	42,299	3,784	12,572	58,656

(2) Financial instruments other than those measured at fair value

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term sales finance receivables	—	323,495	—	323,495
Long-term sales finance receivables	—	314,295	—	314,295
Total assets	—	637,791	—	637,791
Bonds payable	—	40,107	—	40,107
Long-term loans payable	—	365,692	—	365,692
Total liabilities	—	405,799	—	405,799

Note: A description of the valuation technique(s) and inputs used in the fair value measurements

Investment securities

Listed stocks are calculated using prices on the stock exchange. Since listed stocks are traded in active markets, they are classified as Level 1 fair value. The fair values of unlisted equity securities held by certain foreign subsidiaries are primarily calculated using the comparable companies analysis method and are classified as Level 3 fair value.

Derivative transactions

Their fair values are calculated based on the quoted price obtained from the financial institutions, and is classified as Level 2 fair value.

Short-term sales finance receivables

Short-term sales finance receivables are calculated based on book values from which an allowance for doubtful accounts equivalent to credit risk is deducted, as fair values are almost equal to the book values because of their short collection period, and classified as Level 2 fair value.

Long-term sales finance receivables

For long-term sales finance receivables with variable rates, fair value is calculated based on book values from which an allowance for doubtful accounts equivalent to credit risk is deducted. This fair value is almost equal to the book values as they reflect market interest rates in the short run because of their short collection period, and is classified as Level 2 fair value.

For long-term sales finance receivables with fixed rates, fair value is determined by computing the present values, discounting future cash flows for each collection period at a rate obtained

by adding the credit spread to appropriate indices such as government bond yields, and is classified as Level 2 fair value.

Bonds payable

This liability bears variable interest rates. Fair values are calculated based on book values because the fair value is almost equal to the book values as they reflect market interest rates in the short run, and it is classified as Level 2 fair value.

For bonds payable with fixed rates, fair value is determined by computing the present values, discounted for each repayment period at a projected interest rate if similar bonds payable are issued, and classified as Level 2 fair value.

Long-term loans payable

For long-term loans payable with variable rates, fair value is calculated based on book values because fair values are almost equal to the book values as they reflect market interest rates in the short run, and it is classified as Level 2 fair value.

For long-term loans payable with fixed rates, fair value is determined by computing the present values, discounted for each repayment period at a projected interest rate if similar borrowings or lease transactions are conducted, and classified as Level 2 fair value.

VII. Notes to Revenue Recognition

1. Disaggregation of Revenue from Contracts with Customers

The Group's reporting segments consist of four segments: Land mobility, Marine products, Robotics, and Financial services.

Of these, the segments except Financial services recognize revenue at a single point in time, primarily upon delivery of products, while the Financial services segment recognizes revenue over a period of time, primarily through the provision of sales financing and leases related to the Company's products. Revenues from Financial services are mainly derived from interest income on receivables, other than those from contracts with customers.

The following information breaks down the revenues of each reportable segment by destination.

Millions of yen						
	Land mobility	Marine products	Robotics	Financial services	Other	Total
Japan	66,745	27,663	27,735	—	19,582	141,726
Overs	1,515,102	519,856	73,620	86,476	77,975	2,273,033
eas						
North America	186,664	345,893	4,514	50,554	57,761	645,389
Europe	243,154	58,709	10,740	2,028	4,256	318,890
Asia	846,602	43,780	57,670	—	7,472	955,526
Other	238,680	71,473	694	33,894	8,484	353,227
Total	1,581,848	547,520	101,355	86,476	97,558	2,414,759

2. Useful Information in Understanding Revenue from Contracts with Customers

Useful information in understanding revenue is as presented in "I. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements, Etc., 3. Accounting Standards, (5) Accounting criteria for significant revenue and expenses."

3. Useful Information in Understanding the Amount of Revenue in the Current and Subsequent Fiscal Years

(1) Balance of contract assets and contract liabilities, etc.

	Millions of yen	
	Beginning of current fiscal year	End of current fiscal year
Receivables from contracts with customers	187,242	186,534
Contract assets	168	377
Contract liabilities	39,433	50,990

In the consolidated balance sheets, receivables from contracts with customers and contract assets are included in “Notes and accounts receivable – trade, and contract assets.” Contract liabilities are included in “Other” under current liabilities and non-current liabilities.

Contract liabilities consist mainly of advances received on sales of finished goods, etc. and unearned revenues on extended warranty services and maintenance contracts, etc. These are reversed as soon as revenue is recognized upon realization of the sale or at the end of the contract period. Of the amount recognized as revenue in the current fiscal year, the amount included in the contract liabilities at the beginning of the year was ¥18,300 million.

(2) Transaction price allocated to the remaining performance obligations

The remaining performance obligations are primarily for the provision of extended warranty services and maintenance contracts. The following is a breakdown of the total amount of unsatisfied (or partially unsatisfied) performance obligations at the end of the current fiscal year and the period over which revenue is expected to be recognized.

	Millions of yen
Within one year	15,046
Over one year and within five years	17,862
Over five years	98
Total	33,007

The table above does not include information on remaining performance obligations with an original expected duration of one year or less, applying the practical expedient. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

VIII. Notes to Per Share Information

(1) Net Assets per Share 1,133.06 yen

(2) Earnings per Share – Basic 163.57 yen

(Note) On January 1, 2024, each share of common stock was split into 3 shares. Net assets per share and earnings per share – basic were calculated based on the assumption of the stock split being conducted at the beginning of the fiscal year ended December 31, 2023.

IX. Notes to Significant Subsequent Events

(Stock Split and Partial Amendment to the Articles of Incorporation)

The Company conducted a stock split and a partial amendment to the Articles of Incorporation on January 1, 2024 pursuant to the resolution made at the meeting of the Board of Directors held on November 7, 2023.

1. Purpose of the stock split

The purpose is to expand the investor base by reducing the Company's stock price per investment unit.

2. Overview of the stock split

(1) Method of the stock split

Each share of common stock owned by shareholders recorded in the closing register of shareholders on the record date of Sunday, December 31, 2023 were split into 3 shares per share. Since this day fell on a non-business day of the shareholder registry administrator, the substantial record date was Friday, December 29, 2023.

(2) Number of shares to be increased by the stock split

Total number of issued shares before the stock split	350,217,467 shares
Number of shares to be increased by the stock split	700,434,934 shares
Total number of issued shares following the stock split	1,050,652,401 shares
Total number of authorized shares following the stock split	2,700,000,000 shares

(3) Schedule of the stock split

Public notice of record date: Friday, December 15, 2023

Record date: Sunday, December 31, 2023

Effective date: Monday, January 1, 2024

(4) Effects of the stock split on the per share information

Effects of the stock split on the per share information is stated in "VIII. Notes to Per Share Information."

(5) Others

- There is no change in the amount of capital stock as a result of this stock split.
- As the stock split took effect on Monday, January 1, 2024, the year-end dividend for the fiscal year ended December 31, 2023, which has a dividend record date of Sunday, December 31, 2023, will be paid based on the shares before the stock split.

3. Partial amendment to the Articles of Incorporation

(1) Reason for the amendment

In connection with the stock split, an associated part of the Articles of Incorporation was amended effective Monday, January 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendment

Details of the amendment is as follows.

(Underlined parts indicate the amendments.)

Articles of Incorporation before the amendment	Articles of Incorporation after the amendment
(Maximum Number of Shares to Be Issued)	(Maximum Number of Shares to Be Issued)
Article 6. The maximum number of shares which the Company can issue is <u>900,000,000</u> .	Article 6. The maximum number of shares which the Company can issue is <u>2,700,000,000</u> .

(3) Schedule of the amendment

Date of resolution by Board of Directors: Tuesday, November 7, 2023

Effective date: Monday, January 1, 2024

(Business combinations through acquisition)

At a meeting of the Board of Directors held on December 26, 2023, the Company resolved to acquire all of shares in Torqeedo GmbH (hereinafter "Torqeedo"), a German company, to make it its subsidiary, and concluded a stock transfer agreement on January 12, 2024 with DEUTZ AG, the wholly-owning German company of Torqeedo. This stock acquisition is subject to the obtainment of clearances, permits and approvals required by competition laws and other regulations.

1. Overview of business combination

(1) Name of the acquiree and description of business to be acquired

Name of the acquiree: Torqeedo GmbH

Description of business: Manufacture and sale of electric outboard and inboard motors, pod drives, hybrid systems, batteries, and other accessories

(2) Main reason for the business combination

Torqueedo, a pioneer in the field of electric marine propulsion, offers a wide-ranging lineup of products, from electric outboard and inboard motors to batteries and various other accessories. With sales in the small electric motor market on the rise, mainly in Europe, Torqeedo continues to grow as a company. It also holds many patents related to electric motors, propellers, and electric systems, as well as the R&D capabilities, mass-production equipment, and development resources for next-generation environmental technologies.

The acquisition of Torqeedo aimed at strengthening the Company's development capabilities in the "Electric" field of its Marine CASE Strategy, which outlines the general direction for the Marine products business in the current Medium-Term Management Plan. This acquisition is also meant to accelerate the Company's efforts for achieving carbon neutrality in the marine industry as well as aid in fast-tracking the establishment of a small electric propulsion lineup. Furthermore, combining Torqeedo's assets with Yamaha Motor's decades of technical expertise and know-how in hull design, marine engines, and more will birth synergies for creating mid-range electric outboard motors as the Company aims to become a leader in the growing market for electric boat propulsion.

(3) Date of business combination

April 3, 2024 (to be finalized)

The date of business combination is scheduled to be finalized based on the closing conditions set out under the stock transfer agreement.

(4) Legal form of business combination

Acquisition of shares with cash as consideration

(5) Company name after business combination

No change

(6) Percentage of voting rights to be acquired

100%

(7) Main grounds for determining the acquirer

The Company will acquire the shares with cash as consideration.

2. Cost of acquiring the acquiree and breakdown by type of consideration

<u>Consideration for acquisition</u>	<u>cash</u>	<u>74.8 million euros (to be finalized)</u>
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Acquisition cost	74.8 million euros (to be finalized)
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The acquisition cost of shares is scheduled to be finalized based on the closing price adjustment set out under the stock transfer agreement.

3. Details and amount of major acquisition-related expenses

This information is yet to be determined.

4. Amount and cause of goodwill to be generated, and the method and period of amortization

This information is yet to be determined.

5. Amounts of assets acquired and liabilities assumed on the date of business combination, and breakdown of major items

This information is yet to be determined.

6. Allocation of acquisition cost

Allocation of acquisition cost is yet to be completed as the day of business combination is yet to come.

X. Additional Information

(Adoption of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and its domestic consolidated subsidiaries have transitioned from the Consolidated Taxation System to the Group Tax Sharing System from the current fiscal year ended December 31, 2023. Accordingly, they follow the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42 issued August 12, 2021; hereinafter the "PITF No. 42") in the accounting treatment and disclosure of corporate income taxes, local corporate income taxes, and tax effect accounting. In addition, in accordance with Paragraph 32 (1) of the PITF No. 42, the Company has deemed that there is no impact from the change in accounting policy upon the application of the PITF No. 42.

Non-consolidated Financial Statements**Non-consolidated Balance Sheets**

Millions of yen

	As of December 31, 2023	(Reference) As of December 31, 2022
ASSETS		
I. Current assets:		
Cash and deposits	125,457	118,989
Notes receivable - trade	3,613	3,766
Accounts receivable - trade	130,189	140,108
Contract assets	377	168
Merchandise and finished goods	49,028	46,280
Work in process	36,690	29,456
Raw materials and supplies	43,534	45,337
Prepaid expenses	7,670	4,307
Other	46,210	43,240
Allowance for doubtful accounts	(95)	(111)
Total current assets	442,677	431,543
II. Non-current assets:		
1. Property, plant and equipment:		
Buildings, net	44,427	44,330
Structures, net	7,373	7,148
Machinery and equipment, net	27,541	22,162
Vessels, net	286	351
Vehicles, net	2,354	3,095
Tools, furniture and fixtures, net	10,129	10,000
Land	48,711	49,546
Construction in progress	18,118	16,770
Total property, plant and equipment	158,942	153,407
2. Intangible assets:		
Leasehold right	501	501
Software	28,152	23,417
Other	121	175
Total intangible assets	28,775	24,094
3. Investments and other assets:		
Investment securities	49,039	62,226
Stocks of subsidiaries and affiliates	190,634	181,290
Investments in other securities of subsidiaries and affiliates	16,356	11,931
Investment in capital	3	23
Investment in capital of subsidiaries and affiliates	26,445	26,445
Long-term loans receivable	19	970
Prepaid pension cost	14,315	11,499
Deferred tax assets	6,612	2,312
Other	940	961
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	304,367	297,663
Total non-current assets	492,085	475,165
Total assets	934,762	906,708

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Millions of yen

	As of December 31, 2023	(Reference) As of December 31, 2022
LIABILITIES		
I. Current liabilities:		
Notes payable - trade	—	115
Electronically recorded obligations - operating	—	23,397
Accounts payable - trade	38,989	49,981
Short-term loans payable	11,959	13,259
Current portion of long-term loans payable	55,000	35,000
Lease obligations	70	66
Accounts payable - other	40,114	44,201
Accrued expenses	5,612	5,314
Income taxes payable	16,066	8,388
Advances received	6,840	4,694
Deposits received	4,128	3,854
Provision for bonuses	6,905	6,650
Provision for compensation linked to performance	396	430
Provision for product warranties	6,875	6,541
Other	888	527
Total current liabilities	<u>193,848</u>	<u>202,424</u>
II. Non-current liabilities:		
Bonds payable	20,000	—
Long-term loans payable	70,000	105,000
Lease obligations	403	474
Deferred tax liabilities for land revaluation	4,416	4,643
Provision for retirement benefits	20,867	20,696
Allowance for investment loss	372	468
Other	1,325	1,326
Total non-current liabilities	<u>117,385</u>	<u>132,609</u>
Total liabilities	<u>311,234</u>	<u>335,033</u>
NET ASSETS		
I. Shareholders' equity:		
1. Capital stock	86,100	86,100
2. Capital surplus		
(1) Legal capital surplus	74,375	74,375
(2) Other capital surplus	703	641
Total capital surplus	<u>75,079</u>	<u>75,016</u>
3. Retained earnings		
Other retained earnings		
Reserve for reduction entry	329	332
Retained earnings brought forward	490,522	401,954
Total retained earnings	<u>490,851</u>	<u>402,287</u>
4. Treasury shares	<u>(61,345)</u>	<u>(31,681)</u>
Total shareholders' equity	<u>590,685</u>	<u>531,723</u>
II. Valuation and translation adjustments:		
1. Valuation difference on available-for-sale securities	22,948	29,524
2. Revaluation reserve for land	9,893	10,427
Total valuation and translation adjustments	<u>32,842</u>	<u>39,951</u>
Total net assets	<u>623,528</u>	<u>571,675</u>
Total liabilities and net assets	<u>934,762</u>	<u>906,708</u>

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Non-consolidated Statements of Income

Millions of yen

	(Reference)	
	Current Fiscal Year (January 1, 2023– December 31, 2023)	Previous Fiscal Year (January 1, 2022– December 31, 2022)
I. Net sales	957,616	953,247
II. Cost of sales	732,889	753,437
Gross profit	224,726	199,809
III. Selling, general and administrative expenses	125,168	112,178
Operating income	99,558	87,630
IV. Non-operating income		
Interest income	1,608	752
Dividend income	77,748	78,877
Foreign exchange gains	—	1,657
Other	2,090	2,027
Total non-operating income	81,447	83,315
V. Non-operating expenses		
Interest expenses	382	393
Foreign exchange losses	2,131	—
Loss on valuation of investment securities	7,122	2,444
Loss on revaluation of investment in subsidiaries' and affiliates' stock	1,626	1,151
Expenses for transfer support	776	676
Other	2,567	1,899
Total non-operating expenses	14,606	6,565
Ordinary income	166,398	164,379
VI. Extraordinary income		
Gain on sales of non-current assets	823	146
Gain on sales of investment securities	76	4,904
Total extraordinary income	899	5,051
VII. Extraordinary losses		
Loss on sales of non-current assets	7	5
Loss on disposal of non-current assets	980	769
Impairment loss	2,389	—
Loss on sales of investment securities	—	0
Loss on sales of subsidiaries' and affiliates' stock	297	—
Loss on liquidation of subsidiaries and affiliates	—	23
Total extraordinary losses	3,675	798
Income before income taxes	163,623	168,632
Income taxes - current	30,292	20,658
Income taxes - deferred	(1,793)	3,542
Total income taxes	28,498	24,200
Net income	135,124	144,431

Note: Amounts less than one million yen have been omitted.

Non-consolidated Statements of Changes in Equity

Current Fiscal Year (From January 1, 2023 through December 31, 2023)

Millions of yen

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of current period	86,100	74,375	641	75,016
Changes of items during period				
Reversal of reserve for reduction entry				
Reversal of revaluation reserve for land				
Dividends of surplus				
Net income				
Purchase of treasury shares				
Disposal of treasury shares			62	62
Net changes of items other than shareholders' equity				
Total changes of items during period	—	—	62	62
Balance at end of current period	86,100	74,375	703	75,079

	Shareholders' equity				
	Retained earnings			Treasury shares	Total shareholders' equity
	Other retained earnings		Total retained earnings		
Reserve for reduction entry	Retained earnings brought forward				
Balance at beginning of current period	332	401,954	402,287	(31,681)	531,723
Changes of items during period					
Reversal of reserve for reduction entry	(3)	3	—		—
Reversal of revaluation reserve for land		533	533		533
Dividends of surplus		(47,093)	(47,093)		(47,093)
Net income		135,124	135,124		135,124
Purchase of treasury shares				(30,003)	(30,003)
Disposal of treasury shares				339	402
Net changes of items other than shareholders' equity					
Total changes of items during period	(3)	88,567	88,563	(29,663)	58,962
Balance at end of current period	329	490,522	490,851	(61,345)	590,685

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	29,524	10,427	39,951	571,675
Changes of items during period				
Reversal of reserve for reduction entry				—
Reversal of revaluation reserve for land				533
Dividends of surplus				(47,093)
Net income				135,124
Purchase of treasury shares				(30,003)
Disposal of treasury shares				402
Net changes of items other than shareholders' equity	(6,575)	(533)	(7,109)	(7,109)
Total changes of items during period	(6,575)	(533)	(7,109)	51,853
Balance at end of current period	22,948	9,893	32,842	623,528

Note: Amounts less than one million yen have been omitted.

Notes to Non-consolidated Financial Statements

I. Notes regarding Significant Accounting Policies

1. Asset Valuation

(1) Securities

Stocks of subsidiaries and affiliates are carried at cost, determined by the moving-average method.

Other securities

Securities other than shares, etc. that do not have a market price are carried at fair value.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Shares, etc. that do not have a market price classified as available-for-sale securities are carried at cost, determined by the moving-average method.

(2) Derivatives

Derivatives are carried at fair value.

(3) Inventories

Merchandise and finished goods and work in process are stated at cost, determined by the average method.

(Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

Raw materials and supplies are stated at cost based on the last-purchase-price method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

2. Depreciation and Amortization of Assets

(1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed by the straight-line method.

(2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

(3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

3. Significant Accruals

(1) Allowance for doubtful accounts

In order to evaluate accounts receivable - trade, and loans and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

(2) Provision for bonuses

Provision for bonuses is stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

(3) Provision for product warranties

Provision for product warranties is provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(4) Provision for compensation linked to performance

Provision for compensation linked to performance is provided mainly at an amount, deemed generated on December 31, 2023, calculated based on the estimated amount of payment to prepare for the payment in the form of shares and cash to Directors and Executive Officers.

(5) Provision for retirement benefits

Provision for retirement benefits is provided mainly at an amount, deemed generated on December 31, 2023, calculated based on the retirement benefit obligations and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gains or losses and unrecognized prior service costs.

1) Method of attributing estimated retirement benefits to periods of service

In calculating retirement benefit obligations, estimated retirement benefits are attributed to the periods concluding at the end of the fiscal year ended December 31, 2023, using the benefit formula basis.

2) Accounting methods for actuarial gains or losses and prior service costs

Prior service costs are amortized as incurred by the straight-line method over a period, 10 years, which is shorter than the average remaining years of service of the employees.

Actuarial gains or losses are amortized in the respective years following the year in which the gains or losses are recognized, with the amount proportionally divided by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees at the time the gains or losses occurred in each fiscal year.

(6) Allowance for investment loss

Allowance for investment loss is provided in order to prepare for loss from investment in subsidiaries and affiliates, etc., and the necessary amount was recorded based on its financial condition.

4. Accounting Criteria for Significant Revenue and Expenses

The sources of the Company's revenues are primarily sales of merchandise and finished goods.

Revenue is recognized when control over the merchandise and finished goods is transferred to the customer. Generally, control is considered to have been transferred to the customer when the merchandise and finished goods are delivered to the customer. Certain contracts involve long-term construction or development commitments, for which revenue is recognized over a specified period of time as performance obligations stipulated in the contract are satisfied. Transaction prices are calculated according to the consideration based on contracts with customers. In some cases, sales incentives are mainly provided to retailers based on actual sales for a specific period of time or the number of units of a specific model sold. These sales incentives are deducted from the amount of revenue for the corresponding period based on the estimated amount to be paid based on reported sales performance.

The contracts with customers include clauses guaranteeing that the merchandise and finished goods supplied will be repaired or parts will be replaced free of charge if the merchandise and finished goods do not conform to the agreed specifications, etc. Provision for product warranties is recognized for the costs associated with this guarantee. Detailed information on this provision is presented in "3. Significant Accruals, (3) Provision for product warranties."

5. Other Basic Items of Significance in Drawing up Non-consolidated Financial Statements

(1) Application of Group Tax Sharing System

The Company applies the Group Tax Sharing System.

(2) Accounting methods for retirement benefits

(TRANSLATION ONLY)

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits employed in the non-consolidated financial statements are different from those in the consolidated financial statements.

II. Notes to Changes in Accounting Policies

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter the “Fair Value Measurement Guidance”) effective as of the beginning of the fiscal year under review and prospectively applied the new accounting policies prescribed by the Fair Value Measurement Guidance, in accordance with the transitional treatment stipulated in 27-2 of the Fair Value Measurement Guidance. There is no impact on the non-consolidated financial statements.

III. Notes to Accounting Estimates

Accounting estimates are calculated at reasonable amounts based on the information available at the time of compilation of the non-consolidated financial statements. Among the accounting estimates used in the non-consolidated financial statements for the fiscal year under review, the following items have been identified by the Company as being at risk for having a significant impact on the non-consolidated financial statements for the next fiscal year.

Valuation of investment securities (shares, etc. that do not have a market price)

(1) Amount recorded in non-consolidated financial statements at the end of the fiscal year ended December 31, 2023

Investment securities (shares, etc. that do not have a market price) recorded in the non-consolidated balance sheets at the end of the fiscal year ended December 31, 2023 are ¥7,975 million. In addition, loss on valuation of investment securities of ¥7,122 million is recorded in the non-consolidated statements of income for the fiscal year ended December 31, 2023.

(2) Details regarding significant accounting estimates for identified items

Details are the same as those stated in “III. Notes to Accounting Estimates, 2. Valuation of investment securities (shares, etc. that do not have a market price)” in the Notes to Consolidated Financial Statements.

IV. Notes to Non-consolidated Balance Sheets

	Millions of yen
1. Accumulated Depreciation of Property, Plant and Equipment	325,362
2. Receivables from and Payables to Subsidiaries and Affiliates	
	Millions of yen
Short-term receivables:	147,594
Long-term receivables:	2
Short-term payables:	42,746
Long-term payables:	403

3. Guarantee Obligations

Guarantees obligations are guarantees for the following subsidiaries’ and affiliates’ loans from financial institutions.

	Millions of yen
PT. Bussan Auto Finance	397
<u>Yamaha Motor Pakistan Pvt. Ltd.</u>	<u>6</u>
Total	403

4. Revaluation Reserve for Land

Pursuant to the “Act Concerning the Revaluation of Land” (No. 24, enacted on March 31, 1999), land used for the Company’s business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as “Deferred tax liabilities for land revaluation” and the remaining balance has been presented under net assets as “Revaluation reserve for land” in the accompanying non-consolidated balance sheets.

(1) Date of revaluation March 31, 2000

(2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

(3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2023 was below its book value by ¥6,309 million.

V. Notes to Non-consolidated Statements of Income

Transactions with subsidiaries and affiliates

	Millions of yen
Net sales	785,290
Purchases	267,820
Non-operating income	79,390
Non-operating expenses	662

VI. Notes to Non-consolidated Statements of Changes in Equity

Number of shares in treasury shares at December 31, 2023

	Shares
Common stock	19,669,541

(Note) On January 1, 2024, each share of common stock was split into 3 shares. The above figure is the number of shares before the stock split.

VII. Notes to Deferred Tax Accounting

1. Principal Deferred Tax Assets and Liabilities

	Millions of yen
Deferred tax assets:	
Loss on valuation of securities	39,160
Excess of depreciation	14,943
Provision for retirement benefits	6,239
Provision for bonuses	2,064
Provision for product warranties	2,055
Allowance for doubtful accounts	28
Other	5,634
Gross deferred tax assets	70,127
Valuation allowance for deductible temporary difference	(50,378)
Gross valuation allowance	(50,378)
Total deferred tax assets	19,748
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	(8,601)
Prepaid pension cost	(4,280)
Reserve for reduction entry	(230)
Other	(23)
Total deferred tax liabilities	(13,135)
Net deferred tax assets	6,612

2. Accounting Treatment of Corporate Income Taxes and Local Corporate Income Taxes or Accounting Treatment of Tax Effect Accounting Thereof

The Company has adopted the Group Tax Sharing System from the current fiscal year ended December 31, 2023. In addition, the Company follows the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42 issued August 12, 2021) in the accounting treatment of corporate income taxes and local corporate income taxes or accounting treatment of tax effect accounting thereof, and their disclosure.

VIII. Notes to Revenue Recognition

Useful information in understanding revenue from contracts with customers is stated in “I. Notes regarding Significant Accounting Policies, 4. Accounting Criteria for Significant Revenue and Expenses.”

IX. Notes to Transactions with Related Parties**1. Subsidiaries and Affiliates, Etc.**

Millions of yen

Type	Name of company, etc.	Ownership of voting rights, etc.	Relationship with related parties	Details of transaction	Amount of transaction	Account	Balance as of the end of the fiscal year
Subsidiary	Yamaha Motor Corporation, U.S.A. (The United States)	Direct ownership 100.0%	Sale of products of the Company	Net sales (Note)	215,650	Accounts receivable - trade	35,127
Subsidiary	Yamaha Motor Manufacturing Corporation of America (The United States)	Indirect ownership 100.0%	Manufacture of products of the Company	Net sales (Note)	68,401	Accounts receivable - trade	11,840
Subsidiary	Yamaha Motor Europe N.V. (The Netherlands)	Direct ownership 100.0%	Sale of products of the Company	Net sales (Note)	163,512	Accounts receivable - trade	12,038

Note: Trade conditions such as prices are determined by taking actual market prices into account and are based on general terms of transactions.

2. Officers and Major Individual Shareholders, Etc.

Millions of yen

Type	Name	Ownership of voting rights, etc.	Relationship with related parties	Details of transaction	Amount of transaction	Account	Balance as of the end of the fiscal year
Officer	Katsuaki Watanabe	Direct ownership 0.0%	Chairman and Representative Director of the Company	In-kind contribution of monetary compensation claims (Note)	36	-	-
	Yoshihiro Hidaka	Direct ownership 0.0%	President and Representative Director of the Company	In-kind contribution of monetary compensation claims (Note)	83	-	-
	Heiji Maruyama	Direct ownership 0.0%	Director of the Company	In-kind contribution of monetary compensation claims (Note)	13	-	-
	Satohiko Matsuyama	Direct ownership 0.0%	Director of the Company	In-kind contribution of monetary compensation claims (Note)	13	-	-
	Motofumi Shitara	Direct ownership 0.0%	Director of the Company	In-kind contribution of monetary compensation claims (Note)	13	-	-

Note: In-kind contribution of monetary compensation claims under the system of performance-based share remuneration with restriction on transfer.

X. Notes to Per Share Information

1. Net Assets per Share 628.78 yen

2. Earnings per Share – Basic 134.66 yen

(Note) On January 1, 2024, each share of common stock was split into 3 shares. Net assets per share and earnings per share – basic were calculated based on the assumption of the stock split being conducted at the beginning of the fiscal year ended December 31, 2023.

XI. Notes to Significant Subsequent Events

Notes are omitted because the same information is presented in “IX. Notes to Significant Subsequent Events” in the Notes to Consolidated Financial Statements.

Independent Auditor's Report

February 13, 2024

The Board of Directors
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC
Hamamatsu Office Japan

Kiyoto Tanaka
Designated and Engagement Partner
Certified Public Accountant

Daisuke Sumita
Designated and Engagement Partner
Certified Public Accountant

Katsuya Tanaka
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Yamaha Motor Co., Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended December 31, 2023, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the duties of Directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management

determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

February 13, 2024

The Board of Directors
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC
Hamamatsu Office Japan

Kiyoto Tanaka
Designated and Engagement Partner
Certified Public Accountant

Daisuke Sumita
Designated and Engagement Partner
Certified Public Accountant

Katsuya Tanaka
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements, and the accompanying supplementary schedules of Yamaha Motor Co., Ltd. (the Company) applicable to the 89th fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the accompanying financial statements and the accompanying supplementary schedules present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended December 31, 2023, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the duties of Directors in designing and operating the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements and the accompanying supplementary schedules is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Copy of Audit Report of the Audit & Supervisory Board

Audit Report

February 13, 2024

We at the Audit & Supervisory Board, having discussed the Directors' performance of duties during the 89th business year, from January 1, 2023 through December 31, 2023, based on audit reports from each Audit & Supervisory Board Member, prepared this Audit Report of the Audit & Supervisory Board. Our audit opinion is as follows.

1. Methods and Contents of the Audit Implemented by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established its audit policy, assigned responsibilities to each Audit & Supervisory Board Member in carrying out the policy, and received reports from each Audit & Supervisory Board Member on audit implementation and results. In addition, the Audit & Supervisory Board, when necessary, requested reports and received explanations from Directors, other executives and accounting auditors concerning the execution of their duties.
- (2) Each Audit & Supervisory Board Member, in accordance with the Audit & Supervisory Board Members standard of audit, established by the Audit & Supervisory Board, as well as other relevant audit policy, executed assigned responsibilities, communicated with Directors, internal audit divisions, and other employees, in order to gather information and develop an optimal audit environment, and also performed audit using the following methods.
 - 1) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received reports on the execution of duties from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary, perused important documents, including those subject to executive approval, examined the conditions of assets and business at the head office and other major business office, and received reports on the implementation status and results of audits from other Audit & Supervisory Board Members. With regard to the Company's subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other employees of the subsidiaries, and received reports when necessary.
 - 2) Concerning the resolution adopted by the Board of Directors about designing the system which assures that the execution of Directors' duties comply with laws and regulations and the Articles of Incorporation and designing the other system for assuring the proper business operations of a corporate group comprising the company and its subsidiaries, as stipulated in Paragraphs 1 and 3 of Article 100 of the Regulations for Enforcement of the Companies Act, and the internal control system, designed in accordance with the Board of Directors' resolution, each Audit & Supervisory Board Member periodically received reports of the status of establishing and operating these systems from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary.
 - 3) Each Audit & Supervisory Board Member has monitored the accounting auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Audit & Supervisory Board Member received a notice from the accounting auditor that "the system for securing appropriate execution of duties" (in each items of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on November 16, 2021), and requested reports and received explanations from them. Based on the methods described above, the Audit & Supervisory Board reviewed whether the accounting auditor executed their duties appropriately.

Based on the methods described above, the Audit & Supervisory Board reviewed the business report and its supplementary schedules, non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules, and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

2. Results of Audit

(1) Results of the audit of the business report and other documents

- 1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.
- 2) With regard to the execution of Directors' duties, we have found no misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation.
- 3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, with regard to the internal control system itself, nothing unusual is to be pointed out.

(2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's Accounting Auditor, are recognized as fair and proper.

(3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's Accounting Auditor, are recognized as fair and proper.

The Audit & Supervisory Board Yamaha Motor Co., Ltd.

Junzo Saitoh
Audit & Supervisory Board Member (Full-Time)

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

Masatake Yone
Audit & Supervisory Board Member
(Outside)

Eriko Kawai
Audit & Supervisory Board Member
(Outside)

Ayumi Ujihara
Audit & Supervisory Board Member
(Outside)

Procedures for Exercising Voting Rights via the Internet, Etc.

1. To Shareholders Who Exercise the Voting Rights via the Internet, Etc.

Please exercise your voting right by 5:30 p.m., Tuesday, March 19, 2024 (JST).

Method of exercising voting rights via computers

Please access the following URL and enter the login ID and password printed on the Exercise of Voting Rights Form.

After logging in, please follow the instructions on the screen to enter your vote.

General Meeting of Shareholders portal URL

<https://www.soukai-portal.net>

Voting rights may be exercised via the website for exercising voting rights as well.

<https://www.web54.net>

For inquiries, please contact:	Sumitomo Mitsui Trust Bank, Limited, Transfer Agency Web Support Desk Phone: 0120-652-031 (toll-free within Japan) Hours: 9:00 - 21:00 (JST)
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2. Use of the “Electromagnetic Proxy Platform” for the Institutional Investors

If registered shareholders (including standing proxies) such as trust and banking companies apply in advance for the use of the electromagnetic proxy platform, they may use the platform as a method of exercising voting rights via the Internet, etc. at the General Meeting of Shareholders.