

# Global Brand Strategy

## Global Brand Strategy aims to enhance corporate value and strengthen the brand

The Yamaha Motor Group views the further enhancement of Yamaha's brand value as an important management issue, and is pursuing a Global Brand Strategy to enhance corporate value and brand strength. In January 2017, senior managers at headquarters and overseas subsidiaries met to form a Brand Committee that would propose and promote a Global Brand Strategy, measure and analyze brand value, and provide feedback to senior management. In addition, July 1, the anniversary of the Company's founding, was designated as Brand Day to strengthen internal branding. This internal branding involves promoting activities to increase the understanding of and affection toward the brand by all Group employees around the world, leading to the demonstration of the unique style of Yamaha in our products and

### Redefining "The Unique Style of Yamaha" in Five Words

The "Revs your Heart" brand slogan was formulated in 2013 to express Yamaha Motor's corporate mission of being a "Kando" Creating Company." The term "Revs" has two meanings—increasing the speed of an engine and causing excitement—and "Revs your Heart" expresses our desire to excite customers with a sense of *Kando* through various innovations and products, similar to giving power to an engine.

services, and sharing those activities on a Global Brand Site. In 2018, awareness surveys will be carried out and brand workshops will be held for employees in Japan and overseas, and activities will seek to instill the unique style of Yamaha using booklets, videos, and other tools.



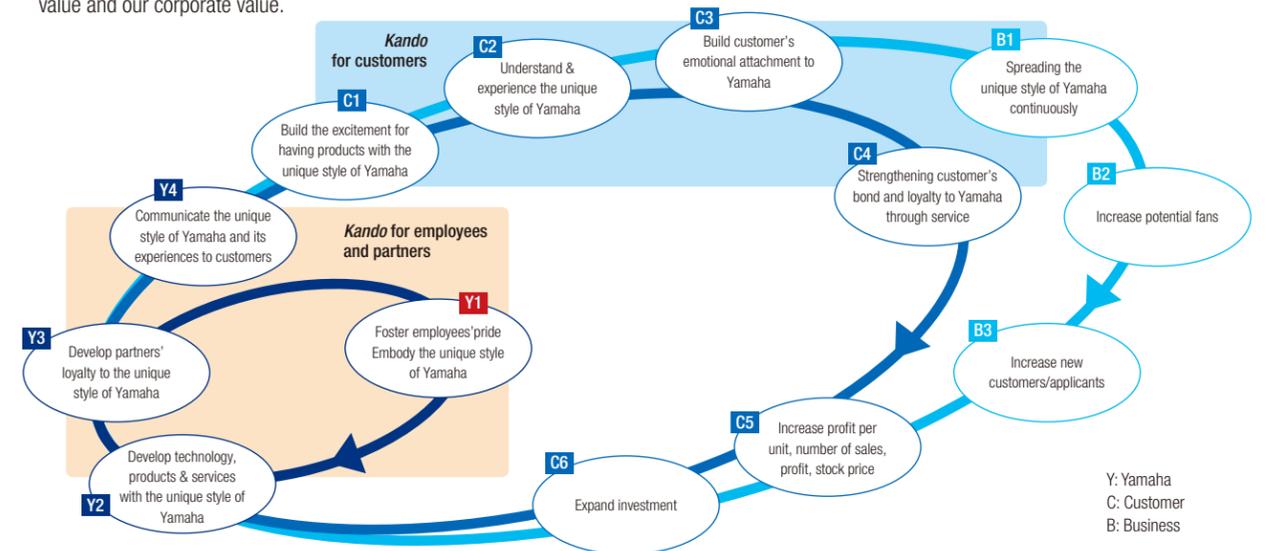
When Brand Day was designated in 2017, five words were chosen as a definition to embody the unique style of Yamaha: Innovation, Excitement, Confidence, Emotion, and Ties. By sharing the three layers of the corporate mission, brand slogan, and the unique style of Yamaha across the entire Group, we will continue to work to enhance corporate value and strengthen the brand.

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



### Kando Cycle

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



### Examples of Global Brand Strategy Promotion

#### Vietnam

##### Brand training for employees

Yamaha Motor Vietnam (YMVN) held brand training sessions for employees at a Hilton hotel in Hanoi and a Pullman hotel in Ho Chi Minh City in July 2017. More than 100 people participated in each event and gained a better understanding of the unique style of Yamaha. From August, these events were expanded to include roughly 5,000 employees of our factories in Hanoi.



Employees who participated in YMVN's brand training

#### Thailand

##### Placed in Top 3 for "Best Brand Performance 2017"

For the second year in a row, Thai Yamaha Motor (TYM) was one of the three finalists for the Automobile division of the Best Brand Performance awards at the Thailand Zocial Awards 2017. This award recognizes brands in various segments for their social contribution, and being a finalist for two consecutive years is an acknowledgment of TYM as a company that has created a sustainable economic model.



TYM employees who accepted the award



The Basis of Creating Value

## Human Resources



### Global perspective and respect for diversity

The Yamaha Motor Group strives to create workplaces that respect diversity, with the aim of achieving an organizational structure that is based on the sharing of ideas, equally high ambitions and spirit, cooperation, and joy in our work among the Company and its employees from a global perspective.

#### Organization Thriving on Diversity

Based on our fundamental belief that “all corporate activity originates first of all with and for people,” we have clearly defined our stance on human rights in the Basic Policies of CSR and the Code of Ethics. Moreover, to maintain continuous growth, we believe it is important that our workforce incorporates diverse viewpoints and values, reflecting different experiences, skills, and attributes.

To achieve this, we have developed and implemented common management development programs around the world and introduced global human resources systems to train and hire talented staff as we work to build an organization that utilizes global experience and knowledge. We will recruit superior management personnel regardless of their nationality, place of birth or any attributes, and aim to have local managers fill 60% of management positions at overseas subsidiaries by 2018. In terms of hiring new graduates, we are using global hiring for a certain percentage of general entry-level positions.

To promote active participation by women, we have set and are pursuing targets of doubling the number of women hired for managerial positions in 2014 by 2020, and to hire three times the 2014 number by 2025.

For people with disabilities, in October 2015, we established Yamaha Motor MIRAI Co., Ltd. to provide a place where they can participate actively in accordance with their capabilities and to promote their social independence. The company began full-scale operations in 2016, and in addition to expanding its areas of operations to include parts packaging and office cleaning, it has been holding various events including company tours and the President’s Awards (a skills contest) as a way to increase job satisfaction and motivation.

#### Multifaceted Human Resources Development

As our business becomes increasingly global in scale, we believe we need to step up our efforts in the area of human resources development, for which we are expanding our human resources development programs each year to address employees in a variety of positions.

Specifically, our programs include stratified training, training to refine specific functional skills, and training systems that develop human resources who are able to work at the global level through fourth-year-employee overseas experience, working as an overseas trainee and studying at a university abroad, as well as coaching to enhance performance as an organization with cohesive teamwork.

This coaching was implemented in 2016 as an effective tool to make managers fully function as the middle management in the organization, and was completely rolled out from 2017 in more workplaces.

#### Supporting Work-Life Balance

We support career planning that is based on the assumption of mutual confirmation by both the employee and the Company, and aim to create workplaces that promote a healthy work-life balance.

We are enhancing our systems so that employees can work in ways that suit their individual circumstances, by providing childcare leave, nursing care leave, and family illness leave, as well as systems such as flexible work time, short working hours, and the rehiring of employees who resigned to accompany their spouse on overseas postings. We are also working to support employees raising children through *Wai-Wai Land*, an in-house childcare facility providing broad-based support for both work and family. In 2016, we expanded the size of this facility and increased the number of children that can be accepted.

With the aim of reducing overtime and in consideration of maintaining

mental and physical health, we established the Rules Regarding Overtime Work, which are stricter than the legal requirements and based on labor-management consultations. In addition, the Labor-Management Committee on Working Hours, comprised of participants from both the labor union and the Company, meets every month to confirm the present state of working hours.

Regarding the use of paid leave, we make efforts to encourage our employees to take time away from work by setting targets for both employees and management, and sending special notices to those eligible for five consecutive days of paid leave.

#### Workplace Safety and Health

Under the leadership of the Central Safety and Health Committee, with authority delegated by the President and Chief Executive Officer, Yamaha Motor is promoting the establishment of a safe and healthy working environment around the world.

For example, we strive to prevent occupational accidents by performing risk assessments in accordance with the Occupational Safety and Health Management System (OSHMS) to detect potential dangers and harmful conditions in the workplace. In addition, we are focused on developing human resources who can support workplace safety and a healthy occupational environment through job-specific education and training to improve the skills of safety managers, supervisors, and operations chiefs, and by holding occupational safety and health meetings.

Starting in 2008, our headquarters introduced a system for inspecting Yamaha’s main manufacturing centers to determine if they are meeting OSHMS standards, with group certification granted to centers that have achieved the required level and follow-ups conducted on a regular basis.

#### Employee Health

We engage in a wide range of initiatives to help employees maintain and improve their health.

For example, in addition to health checks in accordance with laws and regulations, we offer ongoing health guidance to employees who are at risk of lifestyle-related diseases and incentives to encourage employees to quit smoking, among other programs. For employee family members, we provide subsidies through our health insurance association for those receiving regular health checks, cancer screening, and complete physical examinations.

For employees scheduled to be stationed overseas, we hold training prior to posting on infectious diseases such as viral hepatitis and general health management, provide education on preventing infection as well as prophylactic medications for employees who are traveling—including on business trips—to areas where there is a risk of contracting endemic diseases such as malaria. In addition, the occupational health physician in charge conducts regular tours of the overseas posting areas and monitors the health levels and living environments of employees stationed abroad. Furthermore, to handle unexpected circumstances such as sudden illness, we have contracts with private medical service operators who provide both consultations and emergency transportation services.

Moreover, to promote health through recreation, we organize events such as the “Walk, Walk Campaign” led by the Health Promotion Center. In terms of facilities, there is a gymnasium near headquarters that can be used free of charge by Group employees, their families, and by former employees, and some workplaces have gyms with training machines on their premises.

#### TOPICS 1st Yamaha Motor Woman Forum

The 1st Yamaha Motor Woman Forum was held at headquarters in October 2017. Employees were invited to form teams to present proposals for new mobility or new businesses for women in Japan, and the presentations of successful examples of product development from the perspective of women, speeches by outside female lecturers and workshops made the event a success.

# Research and Development

## Core technical competencies for realizing “Revs your Heart” and *Jin-Ki Kanno* ideal

Yamaha Motor operates businesses with highly unique products in 16 areas, including motorcycles, marine engines, ROVs, electrically power-assisted bicycles, electric wheelchairs, and robotics through the fusion of three core technical competencies: powertrain technologies developed through our main motorcycle business, chassis and hull technologies, and electronic control technologies. All of these products and businesses embody the “Revs your Heart” slogan by incorporating Yamaha Motor’s exclusive development ideal of *Jin-Ki Kanno*.

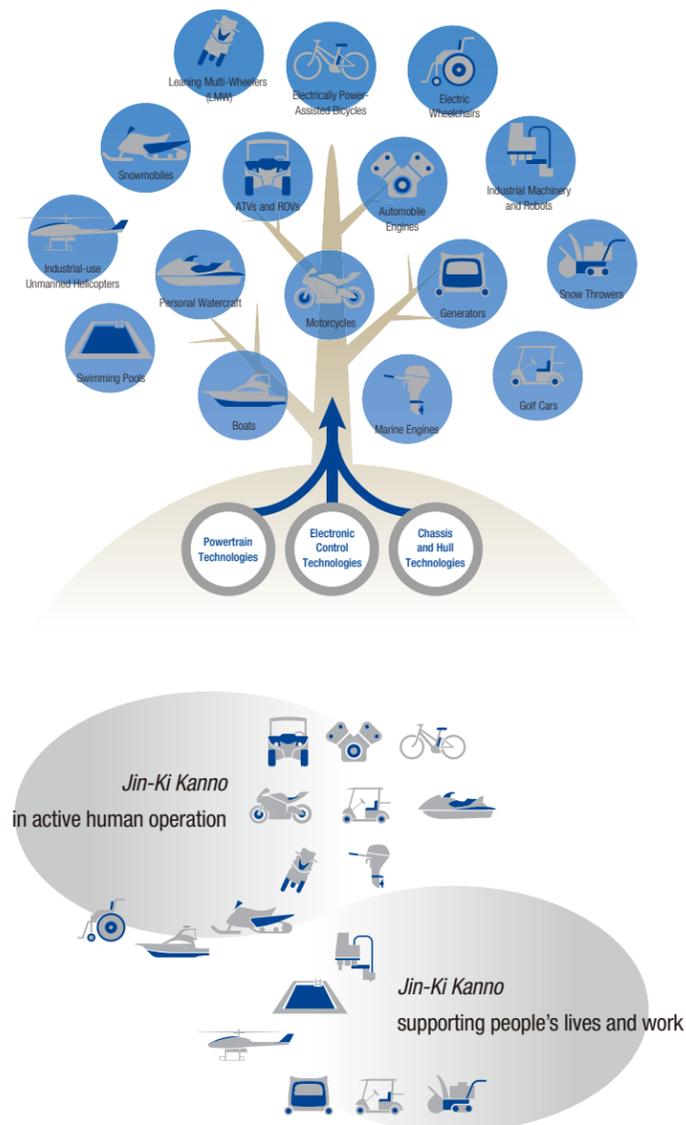
### Yamaha Motor’s Core Technical Competencies

- Powertrains
- Chassis and hulls
- Electronic control

### Exclusive Development Ideal—*Jin-Ki Kanno*

Technology born from *Jin-Ki Kanno* seeks to deliver to users the seductive exhilaration felt when they truly become one with their machine. This is a solid part of our Yamaha *Monozukuri* framework; the development style that permeates all our workplaces is to quantify and fine-tune this kind of exciting performance, which we call *Kanno Seino*, and then build it into our products.

*Jin-Ki Kanno* makes it possible for machines and mechanisms to become familiar with a person’s intentions and movements, and achieve a natural responsiveness. In the area of personal mobility, for example, being able to feel as one with the machine creates an operability that enables the user to achieve performance that exceeds expectations. In addition, supporting a person’s life and work provides a sense of excitement that makes it possible to operate the machine comfortably and naturally.



## Strengthening and Developing the Core Technical Competencies at the Heart of the *Jin-Ki Kanno* Ideal

The world of personal mobility is experiencing major changes, including the use of AI and automated driving for safe mobility with peace of mind, and the introduction of electric vehicles to address climate change. This is the backdrop against which Yamaha Motor is strengthening and developing the core technical competencies at the heart of the *Jin-Ki Kanno* ideal.

### New Business Model

Promoting the use of information, telecommunications, and IoT technologies amid expanding sharing services that go beyond owning something to providing an experience

#### Low-speed automated driving system

We are providing compact vehicles based on a golf car design for public implementation testing of automated driving. We are adapting the electromagnetic guidance self-driving technology developed over many years in golf cars and equipping the vehicles with our proprietary stereo vision obstacle detection system. Attention is being placed on this technology as a people- and environment-friendly sustainable transport system for rural areas with contracting, aging populations.



### New Concept in Mobility

Aiming to realize enjoyable movement and prosperous society with personal mobility

Reference vehicle exhibited at the Tokyo Motor Show 2017



#### Expanding LMW\* possibilities

Mobility that allows more people to experience the sensations of a motorcycle. Small, leaning mobility aims to give an enjoyable ride with the true pleasure of driver and machine as one for a sensuous feeling and stability while addressing social issues.

\*Leaning Multi-Wheel: Yamaha’s designation for vehicles with three or more wheels that lean like a motorcycle when making turns.