

Message from the Chairman of the Board of Directors

We will engage in corporate governance that builds on Yamaha Motor's unique style and creates *Kando* that surpasses customer expectations.

Yamaha Motor's corporate governance continues to evolve

With our corporate mission of being a “*Kando* Creating Company,” Yamaha Motor has endlessly pursued the challenge of creating *Kando* that surpasses customer expectations. In line with this, our corporate governance continues to evolve as well.

In 2018, we separated the positions of Chairman of the Board of Directors and President and Chief Executive Officer to achieve more effective corporate governance. We have also restructured the Board of Directors to give more voice to Outside Directors. With four independent Outside Directors and seven internal Directors, Outside Directors now make up more than one-third of the Board. In addition, we have struck a fine balance composition-wise with the experience and specialties of the Directors for more effective management, as clearly indicated by our skill map.

To facilitate substantive and thorough deliberations at Board of Director meetings, we have established a system in which items to be discussed are shared in advance. In addition to providing Outside Directors with sufficient information and firsthand experiences of the business, we also hold monthly management discussion meetings on various themes to deepen their knowledge.

Our free and open-minded corporate culture is also reflected at meetings of the Board of Directors and management discussion meetings. During 2018, 127 proposals were actively deliberated, and of these proposals, roughly 60% were made by Directors and Audit & Supervisory Board Members, about 30% by Executive Officers, and some 10% by other managers. Opinions were discussed on more than

550 issues, with the majority of these initiated by Outside Directors and Outside Audit & Supervisory Board Members, demonstrating that oversight from a third-party perspective is fully in place in the Board of Directors.

With four Outside Directors and three Representative Directors as its members, the Executive Personnel Committee is also fulfilling its duties. During 2018, the position of Chief Executive Officer changed hands, and this year we have completely revised the system for executive remuneration. We will continue to work to ensure that profits are shared with our shareholders over the medium to long term.

Corporate governance to go higher—Creating opportunities and human resources to pursue challenges

Yamaha Motor needs to energize its value creation process to further our sustainable growth. To do this, in addition to separating oversight and execution duties, we are making speedy transfers of authority to managers responsible for execution. Creating opportunities for these officers to pursue challenges is also an important role of corporate governance, and for the three-year period covered by the new Medium-Term Management Plan, we have allocated our growth investment budget of ¥70 billion for research and development and ¥140 billion for investments including mergers and acquisitions.

We are also focusing on the development of management-level human resources. Currently, about 80% of persons in management positions have experience across multiple business fields, roughly 90%

have experience working overseas, and about 50% have served as presidents of subsidiaries. Going forward, we intend to bolster our programs for level-specific training and successor training to foster global talents that embody the Yamaha Motor brand.

Toward further advances in corporate governance

Yamaha Motor's overseas sales currently account for approximately 90% of total net sales. To strengthen our global management capabilities, the Global Executive Committee brings together top executives from key countries to share philosophies and ideals, and 12 global meetings—each for specific functions—are held annually to standardize and refine methods in various fields. We are also working to promote diversity with regard to specializations, nationality and culture, gender, and other areas, to facilitate flexible, good decision-making.

With society undergoing changes at a pace like never before, we need to respond to advances in areas like CASE, artificial intelligence, and digital technology. To be able to provide solutions that deliver value to customers and society, we are emphasizing our corporate culture of creating *Kando* through “Technology × Sensitivity,” and strengthening our corporate governance structure to enhance our global cohesiveness and diversity.

Hiroyuki Yanagi
Chairman and Representative Director



Dialogue between Outside Directors

Corporate governance to support Yamaha Motor's sustainable growth

We asked Outside Directors Takehiro Kamigama and Genichi Tamatsuka for their candid opinions and aspirations regarding Yamaha Motor's Long-Term Vision, initiatives to address social issues, effectiveness of the Board of Directors, and issues for sustainable growth, as well as the roles they hope to fulfill.



Takehiro Kamigama
Outside Director

Genichi Tamatsuka
Outside Director

The role of Yamaha Motor's Outside Directors

Kamigama: I have extensive experience in technology and manufacturing with a *Monozukuri* company, including 10 years as president and 18 years of overseas postings, and I consider it my role to provide advice to management based on that experience. *Monozukuri* involves work that cannot be done if one is not interested or does not enjoy it. I feel that Yamaha Motor is a company with a high degree of awareness of *Monozukuri*, distilled by superior engineers who pursue performance and functionality.

Tamatsuka: Manufacturing is often characterized as the output of products, but given my background in fields like apparel manufacturing and retailing, and convenience stores, which are close to consumers, I look for solutions that originate from a market perspective. I have also been involved with numerous startup companies, and I hope to be able to provide advice from a startup or venture perspective that will spur innovation at Yamaha Motor.

Regarding the Long-Term Vision for 2030

Kamigama: When the Long-Term Vision was first explained to us, the Outside Directors offered a variety of opinions. My advice was to include specifics by addressing up-front the shift to electric vehicles and vehicle sharing, and by incorporating artificial intelligence (AI) as a key term.

Tamatsuka: Both Mr. Kamigama and I are managers, so we are not used to abstract discussion. We are more comfortable talking about how a market is changing, providing *Kando* to a certain customer

segment, or how a business should be organized. Yamaha Motor has many strengths, including manufacturing expertise, quality control, and brand value. Because developments like electric vehicles and vehicle sharing are changes we have not seen before, we need to look closely at how market expectations change, focus investment in priority areas, and create products that markets will value, while transforming Yamaha Motor itself with a sense of urgency.

Regarding the four social issues Yamaha Motor has decided to address: "Environment and resources," "Transportation, education and industry," "Innovation," and "Work-life balance"

Kamigama: Many companies are working to address social issues, but I believe there are still possibilities for Yamaha Motor. It is also necessary to tie social issues to business strategies. Our initial management strategy is to begin by using our management principles as a starting point to select social issues, develop products accordingly, and offer them to customers around the world, and paint a picture of what effects can be expected as a result.

Tamatsuka: Companies that address social issues through their businesses are gaining recognition. In the case of Yamaha Motor, we not only provide *Kando* with "Revs your Heart," but also are able to help address the social issues of aging society, worker shortages, and

climate change through imagination and creativity. I also believe we are expected to make commitments to the resolution of social issues with commitments to do what by what time and what resources to invest, and then make those investments. We are now in an age when startup companies monopolize new markets, so it is important that we act with speed.

Kamigama: Environmental, social, and governance (ESG) issues need to be addressed top-down and globally, so that they are embraced by all employees. That is a very difficult thing to do.

Tamatsuka: I consider it important to incorporate the perspective of social issues in *Monozukuri*. People around the world seek Yamaha

The Board of Directors engages in free and open-minded deliberations, and is organized to ensure thorough discussion.

—Takehiro Kamigama



Motor's high-performance products, but that should not be the only thing we are able to do. It is important to think about social issues and a consumer perspective concretely and realistically, and to tie that into *Monozukuri*.

Evaluating the effectiveness of the Board of Directors

Kamigama: The Board of Directors engages in free and open-minded deliberations. In the case of Yamaha Motor, in addition to taking questions from Outside Directors, other Directors proactively express their opinions and engage in lively deliberations. Meetings of the Board of Directors are designed and organized to ensure thorough discussion, facilitated by Chairman Yanagi.

Tamatsuka: I am impressed by how the annual plan and items of discussion for the Board of Directors are set for various purposes, including deliberating items to be resolved and as research forums to discuss next-generation mobility for the near future. In addition, the Executive Personnel Committee interviews up-and-coming managers and shares information regarding how current management evaluates those candidates. I am impressed by this open culture that provides opportunities to discuss the Company's sustainability.

Kamigama: Many boards of directors operate under tight schedules, with items proposed and directors simply asked to approve them. There are cases where deliberations become tangled or complicated, but at Yamaha Motor, items are presented for approval after several rounds of discussions have been held, so there are no surprises. I think this is very good. It also means that decisions of the Board of Directors are made quickly.

Issues regarding Yamaha Motor's sustainable growth

Kamigama: Yamaha Motor is currently pursuing a variety of initiatives, including reevaluations of the business models for both developed and emerging markets, but going forward, speedy decisions will need to be made regarding new initiatives.

Tamatsuka: I agree. Given the Company's current situation, we are able to distinguish between the areas where we should be investing and areas from which we should withdraw. I think a corporate culture that emphasizes discussion and balance is wonderful, but I believe there are more ways for leadership to be deployed other than being top-down.

Kamigama: It is possible to take a top-down approach, saying "Invest more resources in this area." That is how I did it.

Tamatsuka: I believe the innovation seen in *Monozukuri* and operations from the top-down implementation of a platform strategy and theoretical-value-based production since the global financial crisis has been fantastic. Going forward, however, unlike *Monozukuri* innovation under a top-down approach, I believe we need leadership that can spur new innovation in areas like developing new markets and new types of products. I see now as the time to generate further growth from each of the three pillars of land mobility, marine products, and robotics, and to work toward the creation of a fourth pillar. As a member of the management team, I will work to fulfill my responsibility to spur this new innovation.

Kamigama: I believe it will be difficult to grow in robotics and vehicle sharing with our current internal resources alone. I am, therefore, very open to mergers and acquisitions. I think we should proactively pursue attractive deals, and of course, identify risks, but if mergers and acquisitions are pursued after analyzing risks and recognizing the risks that can be managed, I will be supportive.

Tamatsuka: Yamaha Motor has a valued brand, a corporate culture, superior human resources, and a global network. In a time of drastic changes like we are seeing today, the important thing is speed, and generating greater speed should come from ourselves rather than from external forces. We need to do all we can toward that end. We will provide robust support to achieve this.



Leadership is needed to spur innovation in areas like developing new markets and products.

—Genichi Tamatsuka

Corporate Governance

History of Strengthening the Corporate Governance System

	2000	2001	2007	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Improvement of operating structure			Introduction of Executive Personnel Committee (Nomination/Remuneration Committee)		Operation of Board of Directors + Management Discussion meeting			Establishment of Corporate Governance Guidelines						
										Implementation of the Board evaluation		Abolition of takeover defense measures		
			Introduction of Executive Officer system		Appointment of Outside Directors			Delegation agreement with Executive Officers						
			Appointment of female Directors and Audit & Supervisory Board Members		Appointment of non-Japanese Executive Officers							Separation of Chairman of the Board of Directors and Chief Executive Officer (CEO)		
Executive structure					11	11	10	10	12	11	11	13	11	11
					7	8	7	7	9	8	8	10	7	7
					4	3	3	3	3	3	3	4	4	4
					3	2	2	2	2	2	2	3	4	4
					1	1	1	0	0	0	0	0	0	1
Executive remuneration system					Integration of stock options into stock compensation plan							Overall revision of the system (compensation further linked to performance and for long-term incentives)		
					Stabilization of a profitable structure (V-shaped recovery in results)		Toward sustainable growth (expansion of business scale and enhancement of profitability)		A unique company that continues to achieve dynamic milestones (management emphasizing ROE and cash flow)		Taking on the renewed challenge of achieving net sales of ¥2 trillion			
Medium-Term Management Plan					Stabilization of a profitable structure (V-shaped recovery in results)		Toward sustainable growth (expansion of business scale and enhancement of profitability)		A unique company that continues to achieve dynamic milestones (management emphasizing ROE and cash flow)		Taking on the renewed challenge of achieving net sales of ¥2 trillion			

Basic Corporate Governance Policies

The Company's Management Principles and Management Strategies

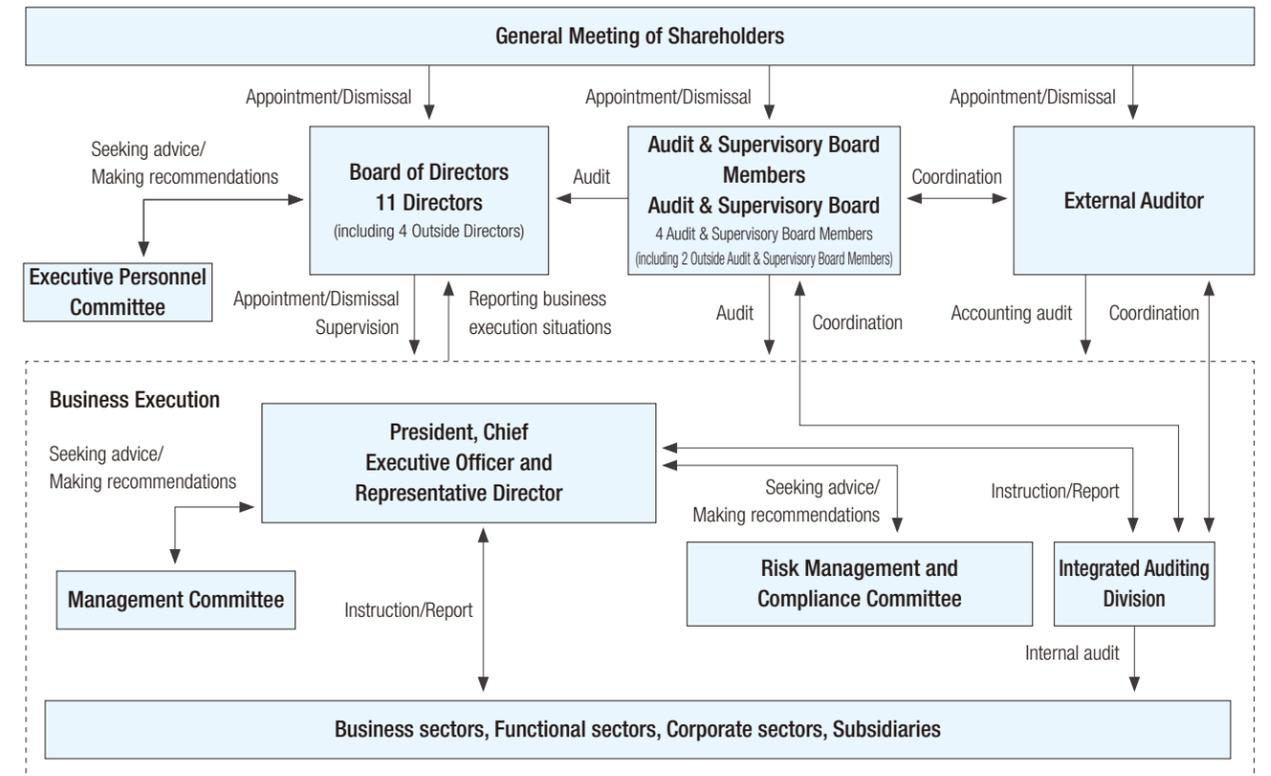
Yamaha Motor's corporate objective is to be a "Kando" Creating Company. We aspire to offer new excitement and a more fulfilling life for people all over the world. To this end, we provide unique and high-quality products and services made available through our technology to interweave human logic with sensibility by continuously striving to achieve "the unique style of Yamaha Motor's engineering, manufacturing and marketing," aiming at creating "new, original and innovative ideas and messages," "technology that creates joy and trust among customers," "attractive designs to express Refined

Dynamism," and "power to build up a lifetime relationship with customers."

We make ongoing efforts to gain recognition from our various stakeholders that "the unique style of Yamaha Motor" constitutes the "Yamaha" brand, and to make our products and services the lifelong preferred choice for stakeholders. We believe that these efforts will enable us to achieve sustainable growth and enhance our medium- to long-term corporate value.

We carry out measures to achieve sustainable growth and enhancement of corporate value under our Long-Term Vision, with an eye on 2030 and the Medium-Term Management Plan that runs for three years from 2019.

Yamaha Motor's Corporate Governance System and Internal Control System (As of March 28, 2019)



Specifically, we carry out strategic investments for growth in such efforts as "Rethinking Solution" unique to Yamaha and "Transforming Mobility," as we implement "Advancing Robotics" as our core technologies. We also expand human possibilities and contribute to the realization of better society and more fulfilling life (through our concept of "ART for Human Possibilities").

Under the medium-term management target, we will take on the renewed challenge of achieving net sales of ¥2 trillion by continuing to grow our existing businesses and developing new ones, targeting an operating income margin at the 9% level. At the same time, we will enhance returns to our shareholders.

*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.

Basic Views on Corporate Governance

To ensure the implementation of the Company's growth strategies for the future, Yamaha Motor's Board of Directors establishes an environment that supports management's appropriate risk-taking and decisive decision-making activities, and multilaterally understands

and appropriately oversees issues and risks associated with the implementation of the Company's management strategies from the viewpoint of fulfilling responsibilities to various stakeholders including shareholders and investors.

This structure is designed to implement speedy and decisive decision making, and appropriate, transparent and fair supervision and monitoring as the Company's corporate governance. Accordingly, we formulate corporate governance guidelines and put them into practice in an appropriate manner.

Corporate Governance Guidelines

https://global.yamaha-motor.com/ir/governance/pdf/corporate_governance_guidelines-e.pdf

Corporate Governance System Overview

Main items	Value
Organizational design	Company with Audit & Supervisory Board
Number of Directors (number of Outside Directors)	11 (4)
Number of Audit & Supervisory Board Members (number of Outside Audit & Supervisory Board Members)	4 (2)
Number of meetings of Board of Directors (Fiscal 2018)	13
Average attendance by all Directors and Audit & Supervisory Board Members	96.5%
Average attendance by all Directors	96.0%
Average attendance by Outside Directors	94.2%
Average attendance by all Audit & Supervisory Board Members	98.1%
Average attendance by Outside Audit & Supervisory Board Members	96.2%
Number of meetings of Audit & Supervisory Board (Fiscal 2018)	12
Average attendance by all Audit & Supervisory Board Members	97.9% (47/48)
Average attendance by Outside Audit & Supervisory Board Members	95.8% (23/24)
Directors' terms of office	One year
Employment of Executive Officer system	Yes
Optional committees of Board of Directors	Executive Personnel Committee
Auditor	Ernst & Young ShinNihon LLC

Directors and the Board of Directors

The Board of Directors consists of eleven (11) Directors (including four (4) Outside Directors). In principle, the Board of Directors meets monthly, and additionally from time to time as necessary. The Chairman of the Board of Directors is not in charge of any specific field and not involved in business execution.

On the basis of fiduciary responsibilities to shareholders, Directors collect adequate information, understand relevant laws and regulations and other necessary rules, actively express opinions, discuss and make decisions at Board of Directors' meetings, Management Discussion meetings and other important meetings in order to obtain sufficient knowledge on viewpoints and standpoints of various stakeholders including shareholders, and to achieve sustainable growth and medium- to long-term enhancement of corporate value. In fiscal 2018, Management Discussion meetings were held seven times, and the Executive Discussion meeting was held once.

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 validity in appointments and dismissals of executives and determining their remuneration, among other objectives. Matters deliberated upon at the Executive Personnel Committee are reported to the Board of Directors.

In the role related to "nominations," the Executive Personnel Committee deliberates upon the appointments and dismissals of the Chief Executive Officer, 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.

In the role related to "remuneration," the Executive Personnel Committee deliberates upon and determines the evaluation standards and remuneration system for the Chief Executive Officer, Directors and Executive Officers. The Executive Personnel Committee also evaluates 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, in order to deliberate upon the compensation linked to performance for such senior management within the limits of total remuneration resolved at the General Meeting of Shareholders.

To ensure the transparency and effectiveness of the deliberation process, which is the purpose for establishing the Executive Personnel Committee, as well as to ensure the validity of matters reported to the Board of Directors' meetings, the majority of the members of the Executive Personnel Committee consists of Outside Directors, and the meeting of the Executive Personnel Committee is held more than six times a year, in principle. The current members are as follows:

Chairman: Chairman and Representative Director	Hiroyuki Yanagi
Committee member: President and Representative Director	Yoshihiro Hidaka
Committee member: Representative Director	Katsuaki Watanabe
Committee member: Outside Director (Independent)	Takuya Nakata
Committee member: Outside Director (Independent)	Genichi Tamatsuka
Committee member: Outside Director (Independent)	Takehiro Kamigama
Committee member: Outside Director (Independent)	Yuko Tashiro

Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board Members are made up of two (2) Standing Audit & Supervisory Board Members and two (2) Independent Outside Audit & Supervisory Board Members. In principle, the Audit & Supervisory Board meets monthly, and additionally from time to time as necessary. On the basis of fiduciary responsibilities to shareholders, Audit & Supervisory Board Members and the Audit & Supervisory Board, as a body independent from the Board of Directors, request the Company and its subsidiaries to submit reports on their business

activities in accordance with laws and regulations, survey the status of business operations and property, exercise rights in respect of appointing or dismissing an External Accounting Auditor and audit compensation, attend meetings of the Board of Directors and other important meetings, and provide opinions as needed. Through these tasks, Audit & Supervisory Board Members and the Audit & Supervisory Board audit the legality and appropriateness of Directors' execution of duties, internal control systems, and the performance and financial position of the Company and its subsidiaries. An Audit & Supervisory Board Members' Office, with a dedicated staff of two (2) persons, has been established to assist the Audit & Supervisory Board Members with their audit and supervisory operations.

Executive Officers and Management Committee, etc.

The Company has twenty-eight (28) Executive Officers, of whom six (6) serve concurrently as Directors. A Management Committee, comprising ten (10) Executive Officers with specific posts, has been established to deliberate on matters of business execution, speeding up the Company's decision-making process. In principle, the Management Committee meets at least monthly, and additionally from time to time as necessary. In fiscal 2018, 23 meetings of the Management Committee were held.

In addition, a Global Executive Committee has been established to deliberate on important management policies and issues related to the Group's management. The Global Executive Committee includes the Company's President and Chief Executive Officer, all Executive Officers with specific posts, and senior local managers of major Group companies, and has forty-three (43) members, of whom twenty-seven (27) are Japanese and sixteen (16) are non-Japanese. In principle, the Global Executive Committee meets at least once annually, and additionally from time to time as necessary. In fiscal 2018, two meetings of the Global Executive Committee were held.

Independent Outside Directors and Outside Audit & Supervisory Board Members

Yamaha Motor appoints Independent Outside Directors in accordance with its "Standards for Selecting Independent Outside Officers," which are disclosed to the public.

Independent Outside Directors are expected to independently and objectively oversee conflicts of interest between the Company's management and shareholders from social perspectives and from the standpoints of various stakeholders including shareholders and investors. They are also expected to actively provide the Company with advice on management policies and improvements.

Independent Outside Directors and Outside Audit & Supervisory Board Members endeavor to understand a complete view of Yamaha Motor's business operations by inspecting the minutes and reference materials of Management Committee meetings and other important meetings, and by visiting its worldwide development, procurement,

Appointment of Outside Directors and Outside Audit & Supervisory Board Members

Position	Name	Reasons for appointment
Outside Directors	Takuya Nakata	The Company nominated 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 wide range of insights and his ample experience in management as Director, President and Representative Executive Officer of Yamaha Corporation, by which the Company aims to increase the value of the Yamaha brand commonly used by both companies. He meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Genichi Tamatsuka	The Company nominated Genichi Tamatsuka as an Outside Director in the belief that he will provide the Company's management with valuable advice and supervision based on his wide range of insights and his ample experience in management, through his experiences in various managerial positions, including as a representative director for several companies. He meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Takehiro Kamigama	The Company nominated Takehiro Kamigama as an Outside Director in the belief that he will provide the Company's management with valuable advice and supervision based on his wide range of insights and his ample experience in management and technology, through his experiences in various managerial positions, including as a representative director at a global company. He meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Yuko Tashiro	The Company nominated 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 manager and the representative director of several companies. She meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of her designation as an Outside Officer.
Outside Audit & Supervisory Board Members	Masahiko Ikaga	The Company nominated Masahiko Ikaga as an Outside Audit & Supervisory Board Member in the belief that he will utilize his significant expertise as a certified public accountant, as well as his ample knowledge and experience as a company executive and an outside officer for a corporation, in performing his duties as one of the Company's Audit & Supervisory Board Members (Outside). He meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Masatake Yone	The Company nominated Masatake Yone as an Outside Audit & Supervisory Board Member in the belief that he will utilize his extensive expertise as an attorney and his ample knowledge and experience as an outside officer at corporations in performing his duty as the Company's Audit & Supervisory Board Member (Outside). He meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.

production and sales locations and markets. They attend the Management Discussion meeting held after the Board of Directors' meetings on a regular basis, and the Executive Discussion meeting held more than once a year to openly exchange opinions on the Company's medium- to long-term management strategies and important management matters.

Summary of "Standards for Selecting Independent Outside Officers"

I. Independent Outside Officers 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
 7. In office more than 8 years
- 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 officers of the Company if they, in view of their personality and insight, are believed suitable as independent outside officers 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 officers of the Company.

For the full text of the "Standards for Selecting Independent Outside Officers," please visit our website.
https://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf

Risk Management and Compliance Committee

A Risk Management and Compliance Committee, comprising ten (10) Executive Officers with specific posts, has been established to deliberate measures related to risk management and compliance. In principle, the Risk Management and Compliance Committee meets at least twice annually, and additionally from time to time as necessary.

Internal Auditing

The Integrated Auditing Division, with twenty-nine (29) members and reporting directly to the President and Chief Executive Officer, has been established as an internal auditing sector to audit the appropriateness of operational activities at the Company and its subsidiaries. In addition, internal audit functions have been installed at major subsidiaries, working together with the Company's internal auditing sector to audit divisions and subsidiaries.

Remuneration System for Directors and Executive Officers

Remuneration is to be comprised of basic compensation (fixed remuneration), compensation linked to performance, and share remuneration. The proportions of basic compensation: compensation linked to performance: share remuneration for the President and Representative Director is to be set at roughly 50%:30%:20% of the reference amount. For other Directors and Executive Officers, the amounts are to be determined bearing in mind their duties and

remuneration level, etc., with reference to the President and Representative Director. As the role of Outside Directors and Audit & Supervisory Board Members is to provide supervision and advice regarding management from an objective and independent perspective, they are only paid fixed basic compensation.

The Representative Director is to only be paid the whole-company performance-based bonus component of the compensation linked to performance. The compensation linked to performance of other Directors and Executive Officers are to be comprised of a whole-company performance-based bonus and an individual performance-based bonus. The total amount of the whole-company performance-based bonus of Directors is to be payable up to 0.5% of the net income attributable to owners of parents of the previous consolidated fiscal year. The individual performance-based bonus will be determined within the scope of 0-2 times the reference amount specified for each position, bearing in mind the extent of target achievement or the degree of progress, etc. for each evaluation indicators set in advance.

Share remuneration will be provided through issuing shares with restriction on transfer once each year based on the reference amount specified for each position.

In order to ensure the appropriateness as well as the transparency and feasibility of the discussion process regarding items relating to executive remuneration, determination will be made by the Board of Directors after discussion and reporting by the Executive Personnel Committee, which the Company has established voluntarily.

The Board Evaluation

Pursuant to Yamaha Motor's Corporate Governance Guidelines, the Board of Directors analyzes and evaluates the effectiveness of roles and responsibilities of the Board as a whole on a yearly basis. The analysis and evaluation are carried out from the following perspectives and a summary of the results is appropriately disclosed.

(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 meetings of the Board of Directors
6. Relationships and dialogue with shareholders
7. Dealing with stakeholders other than shareholders

(Evaluation process)

The effectiveness of the Board of Directors was evaluated using the following process with the Corporate Planning Division acting as the secretariat.

- Self-Evaluation Survey by updated questionnaire, based on seven evaluation perspectives regarding the aims of the Board of Directors and past evaluation results.
- Conduct board investigations, analysis of the Self-Evaluation Survey responses, and interviews implemented by a third party.
- Analyze the Self-Evaluation and Third-Party Evaluation results, and confirm the status of improvement, compared with the previous year's evaluation.
- Share the results of the evaluation of effectiveness and deliberate the issues to be addressed at the Board of Directors' meetings based on the results of the analysis.

(Evaluation results)

It was confirmed that the Board of Directors continued to proactively hold effective discussions and implement creative initiatives to realize the medium- to long-term enhancement of corporate value and sustainable growth, and the effectiveness was sufficiently assured toward the achievement of the Long-Term Vision, with an eye on 2030 and the Medium-Term Management Plan from 2019.

In particular, it was highly evaluated that the comments made by Outside Directors and Audit & Supervisory Board Members were fully respected, a climate was fostered in which constructive discussion and exchange of opinions were carried out, and the roles of Directors and the Board of Directors were clarified and shared. It was also confirmed that key issues regarding Yamaha Motor's management strategy have been appropriately discussed.

It was confirmed that there was no significant difference in the effectiveness of the Board of Directors between the prior Self-Evaluation and the Third-Party Evaluation.

We will continue to push ahead with improvement measures to address the issues highlighted based on the evaluation and implement creative initiatives to further improve effectiveness by regularly involving a third party in the evaluation process.

Remuneration for Directors and Audit & Supervisory Board Members

Remuneration for Directors and Audit & Supervisory Board Members for fiscal 2018 is as follows:

(Millions of yen)

Officer classification	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
		Directors' bonuses	Compensation linked to each Director's individual performance		
Directors (15)	359	268	41	50	721
Of which, Outside Directors (5)	(36)	—	—	—	(36)
Audit & Supervisory Board Members (4)	77	—	—	—	77
Of which, Audit & Supervisory Board Members (Outside) (2)	(18)	—	—	—	(18)
Total	437	268	41	50	799

Notes: 1. The annual amount of remuneration for Directors excluding Directors' bonuses shall be ¥540 million or less (including ¥50 million or less for Outside Directors), and the annual amount of remuneration for Audit & Supervisory Board Members shall be ¥90 million or less.

2. The above Directors' bonuses in Compensation linked to performance are the amount scheduled to be paid.

3. The above figures include 4 Directors who retired at the conclusion of the 83rd Ordinary General Meeting of Shareholders held in 2018.

4. In addition to the remuneration listed above, ¥46 million was paid as salaries to Directors who serve concurrently as employees.

Directors and Audit & Supervisory Board Members

As of April 1, 2019



**Chairman and Representative Director
Hiroyuki Yanagi**

April 1978: Joined the Company
 March 2009: Senior Executive Officer, Chief General Manager of Manufacturing Center
 November 2009: Senior Executive Officer, Senior General Manager of MC Business Section, MC Business Operations
 March 2010: President, Chief Executive Officer and Representative Director
 June 2011: Outside Director of Yamaha Corporation
 January 2012: President, Chief Executive Officer and Representative Director, Chief General Manager of MC Business Operations
 January 2015: President, Chief Executive Officer and Representative Director
 January 2018: Chairman and Representative Director (to present)
 March 2019: Outside Director of AGC Inc. (to present)
 March 2019: Outside Director of Kinin Holdings Company, Limited (to present)



**President, Chief Executive Officer
and Representative Director
Yoshihiro Hidaka**

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



**Executive Vice President
and Representative Director
Katsuaki Watanabe**

April 1982: Joined the Company
 March 2011: Senior Executive Officer and Chief General Manager of Manufacturing Center
 April 2013: Senior Executive Officer, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of Manufacturing Center
 January 2015: Senior Executive Officer and Director, Chief General Manager of MC Business Operations and Executive General Manager of 1st Business Unit, MC Business Operations
 March 2016: Managing Executive Officer and Director, Chief General Manager of MC Business Operations
 January 2018: Executive Vice President and Representative Director (to present)



**Director (Outside)
Takuya Nakata**

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



**Director (Outside)
Genichi Tamatsuka**

April 1985: Joined ASAHI GLASS CO., LTD. (currently AGC Inc.)
 July 1998: Joined IBM Japan, Ltd.
 December 1998: Joined FAST RETAILING CO., LTD.
 November 2002: President and Representative Director, and COO of FAST RETAILING CO., LTD.
 September 2005: Founder and Representative Director and COO of Revamp Corporation
 November 2010: Advisor of Lawson, Inc.
 March 2011: Senior Executive Vice President and COO of Lawson, Inc.
 May 2012: Member of the Board, Senior Executive Vice President and COO of Lawson, Inc.
 May 2013: Member of the Board, Representative Executive Officer and COO of Lawson, Inc.
 May 2014: President and CEO, Representative Director of Lawson, Inc.
 June 2015: Outside Director of AIG Japan Holdings KK (to present)
 June 2016: Chairman and CEO, Representative Director of Lawson, Inc.
 March 2017: Chairman of the Board, Representative Director of Lawson, Inc.
 March 2017: Outside Director (to present)
 June 2017: President and CEO of Hearts United Group Co., Ltd. (currently DIGITAL HEARTS HOLDINGS Co., Ltd.) (to present)
 September 2017: Outside Director of a dot co., ltd (to present)
 October 2017: Outside Director of Rakus, Inc. (to present)



**Director (Outside)
Takehiro Kamigama**

April 1981: Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)
 June 2002: Corporate Officer of TDK Corporation
 June 2003: Senior Vice President of TDK Corporation
 June 2004: Director & Executive Vice President of TDK Corporation
 June 2006: President & Representative Director of TDK Corporation
 Chairman & Representative Director of TDK Corporation
 June 2016: Chairman and Representative Director of TDK Corporation
 June 2017: Outside Director of OMRON Corporation (to present)
 March 2018: Outside Director (to present)
 June 2018: External Director of SoftBank Corp. (to present)
 June 2018: Mission Executive of TDK Corporation (to present)



**Director (Outside)
Yuko Tashiro**

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.
 Representative Director of TS Associates, Ltd.
 June 2012: Outside Director of Accordia Golf co., Ltd.
 March 2016: Auditor (External) of McDonald's Holdings Company (Japan), Ltd. (to present)
 June 2016: Representative Director, President and Chief Executive Officer of Accordia Golf co., Ltd.
 January 2018: Director and Chairman of the board of Accordia Golf co., Ltd.
 April 2018: Representative Director, Chairman of the board and President, CEO of Accordia Golf co., Ltd. (to present)
 March 2019: Outside Director (to present)



**Director
Managing Executive Officer
Toshizumi Kato**

June 1986: Joined the Company
 January 2011: Director and President of Yamaha Motor Corporation, U.S.A.
 March 2012: Senior Executive Officer
 March 2014: Senior Executive Officer and Director
 January 2016: Senior Executive Officer and Director, Chief General Manager of Vehicle & Solution Business Operations
 March 2016: Managing Executive Officer and Director, Chief General Manager of Vehicle & Solution Business Operations
 January 2018: Managing Executive Officer and Director (to present)



**Director
Managing Executive Officer
Katsuhito Yamaji**

April 1982: Joined the Company
 April 2003: Director of Yamaha Motor da Amazonia Ltda.
 March 2015: Senior Executive Officer, Chief General Manager of Manufacturing Center
 March 2017: Senior Executive Officer and Director, Chief General Manager of Manufacturing Center (to present)
 January 2018: Senior Executive Officer and Director
 March 2019: Managing Executive Officer and Director (to present)



**Standing Audit & Supervisory
Board Member
Kenji Hironaga**

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



**Standing Audit & Supervisory
Board Member
Junzo Saitoh**

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



**Audit & Supervisory Board
Member (Outside)
Masahiko Ikaga**

October 1979: Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
 March 1988: Registered as a certified public accountant
 May 1988: Director of Tohmatsu Touche Ross Consulting Co., Ltd. (currently ABeam Consulting Ltd.)
 May 1990: Partner of Tohmatsu Awoki & Co.
 April 1993: Director of Tohmatsu Consulting Co., Ltd. (currently Deloitte Tohmatsu Consulting LLC)
 March 2000: Representative Director and President of Tohmatsu Consulting Co., Ltd.
 October 2010: Chairman and Director of Tohmatsu Consulting Co., Ltd.
 November 2013: CSO of Deloitte Touche Tohmatsu LLC
 April 2016: Established Masahiko Ikaga Certified Public Accounting Office
 May 2016: Representative Director of PrajnaLink Co., Ltd. (to present)
 June 2016: External Audit & Supervisory Board Member of Morinaga Milk Industry Co., Ltd. (to present)
 March 2017: Outside Audit & Supervisory Board Member (to present)
 June 2017: Outside Director of RYOBI LIMITED (to present)



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

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



**Director
Senior Executive Officer
Makoto Shimamoto**

April 1983: Joined the Company
 March 2015: Senior Executive Officer, Chief General Manager of PF Model Unit and Senior General Manager of PF Model Development Section, PF Model Unit
 January 2017: Senior Executive Officer, Chief General Manager of Technology Center and Chief General Manager of PF Model Unit
 March 2017: Senior Executive Officer and Director, Chief General Manager of Technology Center and Chief General Manager of PF Model Unit
 January 2018: Senior Executive Officer and Director, Chief General Manager of Mobility Technology Center (to present)



**Director
Senior Executive Officer
Tatsumi Okawa**

April 1986: Joined the Company
 January 2015: Director and President of Yamaha Motor Corporation, U.S.A.
 March 2018: Senior Executive Officer and Director, Chief General Manager of Corporate Planning & Finance Center (to present)

MC: Motorcycle
 PF: Platform

Composition of Directors and Audit & Supervisory Board Members

As of April 1, 2019

	Field in charge	Corporate Management/ Expertise	Manufacturing/ Technology/ R&D	Sales/ Marketing	Accounting/ Finance/ M&A	IT/Digital Technology	Human Resources/ Labor/ Personnel Development	Legal/ Risk Management	Global Experience
	Hiroyuki Yanagi	○	○						○
	Yoshihiro Hidaka	○			○				○
	Katsuaki Watanabe	○	○						○
	Toshizumi Kato			○	○				○
	Katsuhito Yamaji		○						○
Directors	Makoto Shimamoto		○						○
	Tatsumi Okawa			○	○	○			○
	Takuya Nakata Outside	○		○	○				○
	Genichi Tamatsuka Outside	○		○		○			○
	Takehiro Kamigama Outside	○	○		○				○
	Yuko Tashiro Outside (New)	○		○	○				○
Audit & Supervisory Board Members	Kenji Hironaga						○	○	
	Junzo Saitoh (New)						○	○	○
	Masahiko Ikaga Outside	○			○			○	○
	Masatake Yone Outside (New)	○			○			○	○

Executive Officers

As of April 1, 2019

Executive Officers

President and Chief Executive Officer Yoshihiro Hidaka	Executive Vice President Katsuaki Watanabe			
Managing Executive Officer Toshizumi Kato	Managing Executive Officer Katsuhito Yamaji			
Senior Executive Officer Makoto Shimamoto Chief General Manager of Mobility Technology Center	Senior Executive Officer Tatsumi Okawa Chief General Manager of Corporate Planning & Finance Center	Senior Executive Officer Hiroaki Fujita Chief General Manager of Advanced Technology Center	Senior Executive Officer Kazuhiro Kuwata President of Yamaha Motor Corporation, U.S.A.	Senior Executive Officer Hirofumi Usui Chief General Manager of Marine Business Operations
Senior Executive Officer Heiji Maruyama Chief General Manager of Powertrain Unit, Senior General Manager of Powertrain Planning Section, Powertrain Unit, Chief General Manager in charge of Automotive Business, and Chief General Manager in charge of Mobility Planning, Mobility Technology Center	Senior Executive Officer Satohiko Matsuyama Chief General Manager of Manufacturing Center			
Executive Officer Akihiro Nagaya Chief General Manager of Design Center	Executive Officer Minoru Morimoto President of PT. Yamaha Indonesia Motor Manufacturing	Executive Officer Yasuo Tanaka Chief General Manager of CS Center	Executive Officer Motofumi Shitara Managing Director of Yamaha Motor India Pvt. Ltd., Managing Director of India Yamaha Motor Pvt. Ltd., and Managing Director of Yamaha Motor India Sales Pvt. Ltd.	Executive Officer Eric de Seynes President of Yamaha Motor Europe N.V.
Executive Officer Dyonisius Beti COO of PT. Yamaha Indonesia Motor Manufacturing	Executive Officer Toshihiro Nozue Senior General Manager of Marine Engine Section, Marine Business Operations	Executive Officer Satoshi Hirose Deputy Chief General Manager of Manufacturing Center and Senior General Manager of Manufacturing Section, Manufacturing Center	Executive Officer Hiroyuki Ota Chief General Manager of Solution Business Operations	Executive Officer Itaru Otani Chief General Manager of Human Resources & General Affairs Center
Executive Officer Takeo Noda Deputy Chief General Manager of Corporate Planning & Finance Center	Executive Officer Toshiaki Ibata Senior General Manager of Boat Section, Marine Business Operations	Executive Officer Toyoshi Nishida Chief General Manager of PF Model Unit	Executive Officer Takuya Kinoshita Chief General Manager of Motorcycle Business Operations	Executive Officer Norio Yamada Chief General Manager of IT Center
Executive Officer Tatsuya Masuda Chief General Manager of Procurement Center	Executive Officer Kenichi Muraki Chief General Manager of Manufacturing Technology Center			

CS: Customer Service
PF: Platform
IT: Information Technology

Risk Management

An introduction to the Yamaha Motor Group's initiatives in the areas of risk management, crisis management, and business continuity

Risk Management Structure

Based on the Rules of Risk Management, the risk management structure works toward the thorough reduction of risks on a Groupwide basis, and is led by the Risk Management and Compliance Committee and its subordinate council, the Risk Management and Compliance Promotion Meeting, which is comprised of the risk management supervising section and divisions in charge of risk management. The Committee, chaired by the President and Chief Executive Officer, monitors risk on a Groupwide basis while also designating significant risks at the Group level to be tackled as priorities and checking on activities to address risk.

Furthermore, the divisions in charge of risk management formulate response policies and rules for the risks under their charge, promote activities to address risk based on these response policies, etc., and monitor activities at headquarters divisions and Group companies.



Risk Management Activity Cycle

Risk management activities are promoted through the repetition of the following PDCA (plan, do, check, and act) cycle. The Yamaha Motor Group has prepared a risk management ledger of all risks that need to be covered, and works to reduce risk by appropriately managing and operating the risk management ledger.



Significant Risks at the Group Level

Each year, risks that need to be prevented and addressed with special priority are determined to be significant risks at the Group level. In addition to the results of risk assessment at the Group level, significant risks at the Group level can be comprehensively determined and designated based on the Group's business strategy, legal and regulatory changes inside or outside the Group, or other developments, including information concerning the likelihood of a risk event occurring or the operating environment.

Fiscal 2019 Significant Risks at the Group Level

	Background	Measures
Natural disasters	The main Group manufacturing plants in Japan are concentrated near the epicenter of the predicted Nankai Trough Megaquake, and measures must be taken to prepare for typhoons and other natural disasters. Natural disasters have, therefore, been designated as significant risks.	The Group is promoting measures to deal with the scenario of a Nankai Trough Megaquake as well as measures to address earthquakes, typhoons, and other natural disasters.
Violation of laws and regulations concerning product quality	Compliance with regard to product quality is a fundamental and important issue for manufacturers. Further strengthening the structures put in place by the Group to prevent the violation of laws and regulations is necessary. Violation of laws and regulations concerning product quality has, therefore, been designated as a significant risk.	The Group is striving to gain information regarding the establishment of and changes to laws and regulations concerning product quality. In addition, the Group is working to create mechanisms that reflect this information appropriately in in-house regulations and standards, while pursuing improvement activities and other efforts.
Major accidents involving a Yamaha product	A major accident involving a Yamaha product is one of the causes of market penalties such as large-scale recalls. The Group must make continual efforts to eliminate the occurrence of such incidents. Major accidents involving a Yamaha product have, therefore, been designated as significant risks.	The Group is promoting information-gathering activities linked to product accidents and making efforts to raise quality awareness among all employees ("I am Yamaha" activities).
Cybersecurity	The degree of reliance on and the importance of information systems within the Group's business activities is increasing. Measures are needed to prevent leaks of personal or confidential information, information system damage, etc., caused by cyberattacks and computer virus infections. Cybersecurity has, therefore, been designated as a significant risk.	The Group is taking measures covering both tangible and intangible aspects of cybersecurity to increase protection against external attacks, to detect an attack at an early stage, and to minimize the damage in the event of an attack.

Crisis Management Structure and Activities

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

In the event of a disaster, accident, or compliance-related incident at the Group, the division involved will report to the risk management supervising section or the divisions in charge of risk management as per standards for determining the level of reporting, which are set in advance. If the reported event is of a scale significant enough to warrant the involvement of Group management or multiple divisions and/or companies, the risk management supervising section will refer the matter to a response team designated in advance, and an Emergency Countermeasure Headquarters chaired by the President will be established. The headquarters will work to understand the situation and formulate a provisional response, and if necessary, will promptly report on the matter to customers and related parties.

Management of Information

The Yamaha Motor Group formulated the Yamaha Motor Group—Privacy Policy in 2003 and complies with the local laws and regulations related to the protection of personal information in each of the countries in which it operates. In Japan, we responded proactively to the introduction of the My Number system in 2016 by formulating the Yamaha Motor Group Detailed Operational Guidelines relating to the Protection of Designated Personal Information in 2015. We have also reflected the 2017 revisions to the Act on the Protection of Personal Information in the previously formulated Group Operational Guidelines for Protecting Personal Information and expanded coverage to the Group's subsidiaries in Japan. As for the GDPR (General Data Protection Regulation) enacted in Europe in 2018, Yamaha Motor Europe N.V. and the Company are working together toward global compliance.

Employees handling personal information undergo training and education via compliance seminars held by the risk management supervising section and e-training. The divisions in charge of risk management also provide direct advice and guidance and other measures to ensure that customer information is handled appropriately.

Business Continuity Planning

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

Yamaha Motor's primary operations are concentrated in Shizuoka Prefecture, and could be affected if a major earthquake were to occur in the Nankai Trough. To prepare for this, we have formulated a Business Continuity Plan to maintain the continuity of business operations based on the damage projected by government bodies, and are placing foremost priority on the lives and safety of our employees.

Specifically, buildings and equipment have been made earthquake- and tsunami-resistant, emergency stockpiles of food, water, and other essentials are maintained, emergency methods for telecommunications are in place, and Companywide evacuation drills (including at Group companies located nearby and night drills) and safety confirmation drills are carried out regularly. Also, regular initial response drills are carried out at the headquarters and individual business units, procedures to restore operations have been clarified, and a system for gathering supply chain information is in place. These and other measures addressing both tangible and intangible effects are carried out comprehensively and continuously.

Another concern is the outbreak of a potentially global pandemic. To prepare for this possibility, Group companies identify issues that could affect the continuity of their operations and formulate response plans. Drills simulating actions to be taken at various stages prior to the full-scale outbreak of a pandemic are carried out regularly, and a structure is in place to guarantee that businesses are able to continue operating.