

Creative Branding

We believe that an important objective of management is to further raise the value of the Yamaha brand and make it shine. With that in mind, the Company established the Creative Center in April 2020 to boost the drivers of the brand and is engaging in a range of initiatives aimed at enhancing brand value.



Akihiro Nagaya

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

Establishment of the Creative Center

The Creative Center was newly established with the goal of creating synergies by merging the product design and advance design roles of the former Design Center with the Company's brand marketing and brand strengthening operations. To that end, we newly established the Brand Marketing Division, which integrates certain communication design duties, content creation as well as website creation and management, and placed it under Creative Center jurisdiction. Under the banner of "creativity," we intend to promote these efforts in a comprehensive manner as activities for proposing value in a new era.

To Create What Only Yamaha Motor Can Create

"There Is Greater Joy Yet to Come." Behind this theme for the 2019 Tokyo Motor Show is the belief that we must make more proposals for bringing people happiness. In order to realize our Long-Term Vision of "ART for Human Possibilities," we considered what specific approaches to take, the kind of value we would create, and how we could bring joy. Adhering to the unique style of Yamaha in every facet, from our way of thinking and creating to our development of products and their applications, as well as our ways of communicating, we assembled in the Creative Center to establish a platform for putting all our efforts into doing not only more of what we can do but also more of that which only we can.

What can we communicate globally through marketing as Yamaha from a cross-business perspective instead of that of individual businesses, so that our bases and business units can engage in all aspects of branding with a sense of ownership? We look to create real meaning with these efforts and then implement them accordingly.

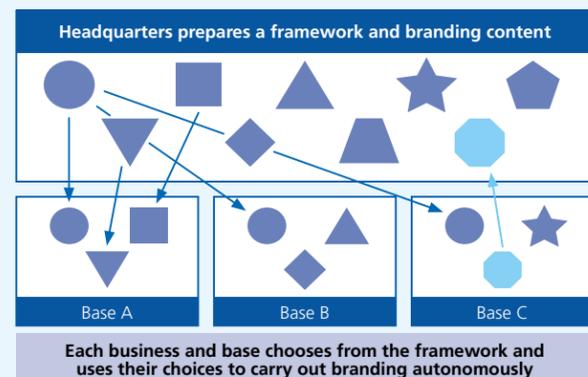


Autonomous Branding®

Autonomous Branding®—the autonomization of branding activities—is an approach unique to Yamaha Motor and forms one of its foundations. Autonomous Branding® is an initiative that departs from limiting branding to a single form or optimization on a case-by-case basis for our diverse, expansive product lineup or by each individual region. It instead creates a framework based on the unique style of Yamaha in which each involved party takes ownership and implementation of branding with the attitude of "diverse but one at heart."

The headquarters' role in Autonomous Branding® is none other than to create and provide a range of tools that are uniquely Yamaha. We implement branding using the *Kando* Cycle brand building tool and measure the results as "brand strength" while galvanizing branding efforts through workshops held in our regions and business areas.

We believe that the unique style of Yamaha is the answer that we pursue as well as our method to conducting branding as a whole.



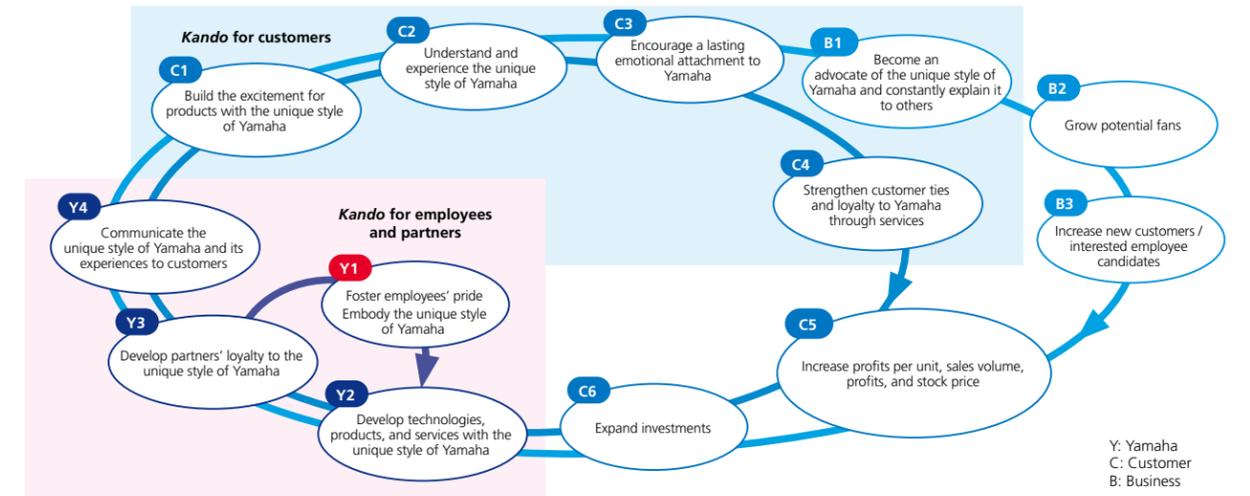
Example 1: BooM display booth design



Example 2: Yamaha Day event

Kando Cycle

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



Promoting the Global Branding PDCA Cycle

- In order to relay and reflect the results of brand value analyses in our corporate activities, periodically conduct surveys to assess brand strength using uniform tools at principal bases around the world.*
- Examine issues and formulate an activity plan based on those results.

Evaluation via Common Indicators

	Evaluation segment (country, region, product)															ALL
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
Clarity																
Commitment																
Governance																
Responsiveness																
Authenticity																
Relevance																
Differentiation																
Consistency																
Presence																
Engagement																

Headquarters
Identify common global issues and plan and promote countermeasures



Regions
Identify issues and formulate activity plans at Global Branding Workshops

* Uses the Brand Strength factors of Interbrand's Brand Valuation™ methodology

Creative Design

Yamaha Motor believes that design contributes to both management and branding. With branding, we communicate the meaning behind creations and endeavors unique to Yamaha, and here we describe the role of design along with some of our design-related initiatives and achievements.

Designing “Meaning”

Traditionally, the primary role of design was to communicate to people the trends and demands of the market and technological advancements through the lens of colors and forms. Today, the meaning of design has broadened and its role is no longer limited to simply promoting values.

With this being the case, we are advancing initiatives related to designing “meaning” in particular. Based on uniquely Yamaha contexts, such as the Company’s history, perspectives, and future prospects that are ours alone, we engage in design while asking

ourselves what is meaningful value for people’s happiness and what are meaningful solutions for society going forward.

Specifically, we carry out our consultations in a workshop format that we advance alongside the various business departments. Deciphering the meaning required for a new era, we comprehensively design everything, from business strategies and end products to our touchpoints with customers and society. We believe that doing so will allow more people to identify with the value and solutions we offer.

A Yamaha Mentality—Value-Driven Thinking

We have developed our own mentality for deriving uniquely Yamaha meaning, which begins by stimulating human creativity. Even if confronted by situations in which an answer seems unimaginable, this instead spurs our motivation to resolve the situation rather than shy away in fear.

Today, we have begun using this mentality with a variety of business departments. Eventually, we hope that it will enrich the creativity of everyone involved with Yamaha and lead to a plethora of new ideas and solutions that will bring happiness to future generations.

Establishment of Innovation Tokyo

We established Innovation Tokyo in the Tokyo metropolitan area to serve as a hub for innovation, a place to create new meaning through collaboration with outside companies, academic institutions, and creators who share our attitude. Looking ahead, through its functions as a hub for new value creation, we hope to deliver the next era of *Kando* to more people and society as a whole together with the new partners we meet.



Concept Models for the 2019 Tokyo Motor Show with a “Designed Meaning”

Mobility in tune with human sensibilities: MW-VISION

The MW-VISION is a next-generation form of mobility that proposes a new relationship between people and their vehicles. In response to environmental and societal issues such as traffic congestion, accidents, and adverse weather, we designed the plan and concepts of the MW-VISION based on the “peace of mind” yielded by the LMW platform’s two front wheels, the “comfort” of a roofed, cocoon-like body, and the “fun” of interactive communication through sound and light.



AI-equipped autonomous vehicular solution: Land Link Concept

The Land Link Concept is a land drone capable of a variety of tasks via autonomization. Together with our advanced research departments, we designed this model according to the Advancing Robotics focus area of our Long-Term Vision. Focusing on the relationship between the drone and those working alongside it, we visualized the development concept of an “Inter-Responsive Link” by producing a layout that allows the drone to move in every direction, coordinated movement with several other drone units, greater utility by fitting attachments, and more.



Design focusing on interactions with workers alongside it

Product Design Visualizing the Intent of the Business and Users

Surface mounter with an all-new platform: YRM20

Designers took part in the formulation of the concept for the Company’s surface mount technology (SMT) business—Unique & Proven!—and adopted a new product design echoing this concept. Things began with the design of a single surface mounter, but we also created a product design manual aimed at making the unique style of Yamaha obvious at a glance when surface mounters are lined up alongside our industrial machinery for other processes. We wish to develop trust in our surface mounters in the same way that factory managers ensure trust and efficiency through tidy, orderly operations.



Design depiction of the SMT product lineup

Satisfying adventurous minds: Ténéré 700

We designed the latest entry for our Ténéré brand, which pioneered the adventure motorcycle category, at our design base in Milan, Italy, the closest location to the target market among our five overseas design centers.

Approaches to motorcycle design often consist of creating a beautiful design based on a certain motif, but the Ténéré 700’s design envisioned actual use scenarios and thus sought to include a variety of functions. By incorporating an approach for the above heavily emphasizing simplicity, the

Ténéré 700 emerged as a tool embodying the key essences of a rally-bred machine.



Italian design team



Research and Development

Since launching the PAS as the world's first electrically power-assisted bicycle in 1993, Yamaha Motor has worked to address energy diversification by promoting electrification of its wide-ranging product lineup, from scooters and golf cars to electric wheelchairs and industrial-use unmanned helicopters. By further advancing research and development centered on our traditional specialty of compact, high-performance forms of mobility with little environmental impact, the Company aims to contribute to the resolution of numerous societal issues.

Continuing Our Challenge with LMW Technology



Under the concept "To someday create bikes that lean but do not fall," we have developed a variety of production models using our proprietary LMW technology, which allows vehicles with three or more wheels to lean like a motorcycle through turns. At the 46th Tokyo Motor Show in 2019, we exhibited the MW-VISION concept model utilizing this technology. The cocoon-like vehicle body is easy to handle and maneuver while the vehicle itself is equipped with attitude control technology, reverse drive, and a self-standing assist mechanism for peace of mind and easy control when stopped. The Company is continuing its challenge of creating new demand for personal mobility through *Monozukuri* that is close to people and by pursuing mobility that delivers peace of mind, comfort, and fun to users.

Developing EV Technology for Lower Environmental Impact

As a pioneer of electric motorcycles, Yamaha Motor has continuously brought electric mobility to the market for approximately 25 years. While we anticipate that it will still be some time before electric motorcycles become a mainstay of commuting, the Company is working from all angles to prepare for the arrival of that era. At the 46th Tokyo Motor Show in 2019, we exhibited the E01 and E02 urban commuter concept models, the former comparable to a 125cc gasoline engine and the latter on par with a 50cc engine. They represented proposals taking the use environment on the horizon into account, such as easily detachable batteries and fast-charge infrastructure.

Our proposals for electrification are not limited to motorcycles; we have begun accepting orders for prototype electric motor units that boast industry-leading output density for use in automobiles and other mobility. Through the technologies and sensibilities we have garnered through our engine development work to date, we sought to develop uniquely Yamaha "Emotional EV Motors," and thanks to our casting and machining technologies—also honed by developing engines—and the use of high-efficiency segment conductors, these units generate high output despite their compact size.



Self-Driving Technology Addressing the Declining Labor Force

Growing demand for high-mix, low-volume production combined with chronic labor shortages is making it difficult for logistics operators to maintain an efficient production structure for meeting demand with conventional equipment and operations premised on the deployment of workers. Yamaha Motor and Tier IV, Inc. have established eve autonomy, Inc. as a joint-venture company for operating an automated transporter solutions business to tackle this issue. Both companies are engaged in the joint development of automated transport pilot products at our Hamakita Factory (Hamamatsu, Shizuoka Prefecture). The units commenced operations on the logistics line of the plant on March 2020 as we

aim to create smart factories taking advantage of Internet of Things (IoT) technologies.

Our autonomous vehicle initiatives are not limited to the logistics of factory floors. The Company concluded a Partnership Agreement for Low-Speed Autonomous Driving Technology Evaluation Trials within Iwata City (Iwata, Shizuoka Prefecture) and has been conducting field tests on public roads with low-speed autonomous vehicles since July 2019. The purpose of the trials is to evaluate and ascertain any issues with the autonomous driving system and to study the driving environment toward real-world rollouts of low-speed autonomous vehicles.



Yamaha Motor's Intellectual Property Activities

Portfolio in Growth Areas

Based on current and future market, technological, and socio-environmental trends, Yamaha Motor has designated growth areas in its Long-Term Vision of "ART for Human Possibilities" as well as its medium- to long-term growth strategies to foster sustainable growth, and is promoting the creation of new value. To that end, we are working to transform the intellectual properties that support these efforts into advanced "assets" in line with each respective growth area.

Intellectual Property Activities Strategy

Based on the approach outlined in the Portfolio in Growth Areas, the Company has laid out its Four Policy Pillars of Intellectual Property Activities with an eye on growth areas and on potential growth areas for the future, all under the banner of "IP for Business." Today, the departments of each business segment and the relevant intellectual property departments communicate closely and coordinate to drive various initiatives based on these four pillars.

Through the above, we will examine new technologies that further the Company's strengths, the exploration of new markets and business fields, business collaborations, M&As, and technical tie-ups from the perspective of intellectual property. In these ways, we will buttress further improvements in the competitiveness of the Yamaha Motor Group and sustainable growth while linking our efforts to new intellectual properties.

Four Policy Pillars of Intellectual Property Activities

- 1 Move one step ahead of conventional intellectual property activities that consist primarily of intellectual property creation linked to product and technology development in existing businesses.
- 2 Pursue intellectual property activities that preempt technological developments and the expansion of business areas by looking beyond our existing technologies and markets.
- 3 Indicate advanced fields that target further preemption and business area expansion through analysis of the intellectual property landscape.
- 4 Contribute to management decisions and strategy formulation from the perspective of intellectual property analysis in addition to market and technological growth analysis.

Digital Transformation

To make greater strategic use of state-of-the-art digital technologies and data toward realizing our Long-Term Vision, the Company has dubbed its digital transformation (DX) as "Yamaha Motor to the Next Stage" and we are driving three linked initiatives simultaneously to carry out this transformation.

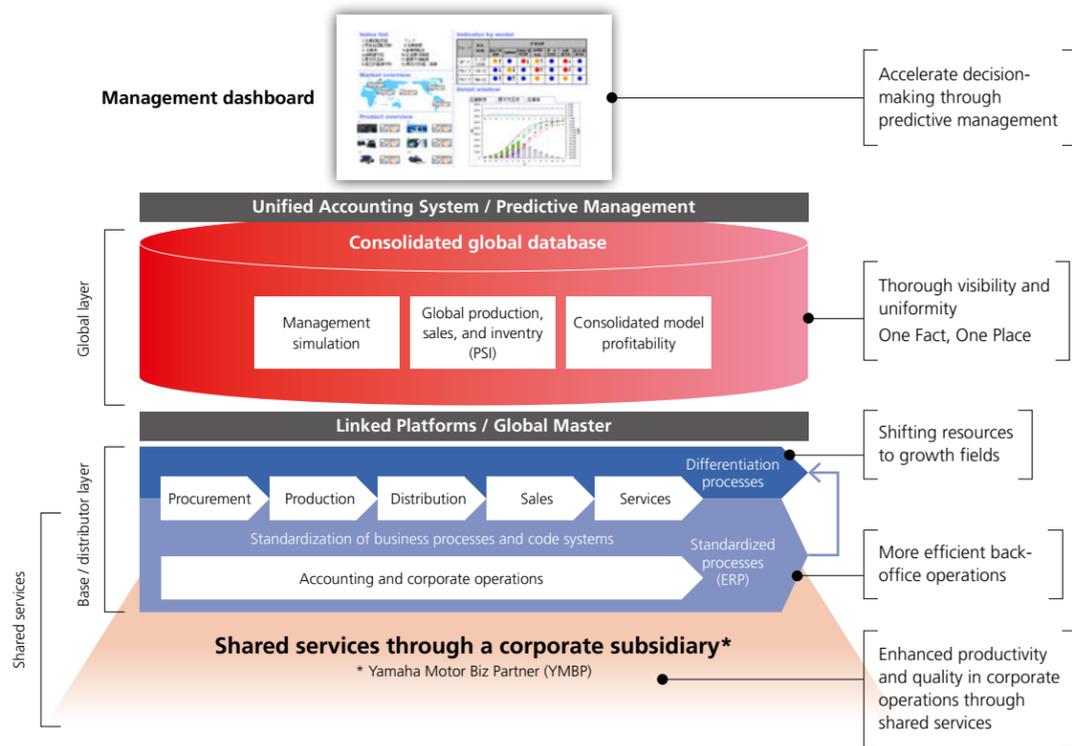
Y-DX1: Reform Management Platforms

Based on Yamaha Motor's Ten Principles of Management,* we are revamping our management platforms to achieve the following three objectives:

- (1) Accelerate decision-making via thorough efforts to make information visible and uniform
- (2) Enhance the efficiency of back-office operations and shift resources to growth areas
- (3) Use new information to better visualize our customers and achieve predictive management

At the same time, by standardizing core business processes and systems, we will promote the use of shared services and aim to enhance the productivity and quality of corporate operations.

* The ten principles defining our system of management established by top management toward next-generation growth



Medium- to Long-Term Plans

Action Themes	2019–2021	2022–2024	2025–2027
Y-DX3. Create the Future	Search and trial	Building and implementation	Expansion
Y-DX2. Strengthen the Present	Four core domains and DAP	Application in four core domains and global rollout	Advance and update
Y-DX1. Reform Management Platforms	Global consolidated database and Japanese accounting ERP	Principal base / distributor ERP	ERP at all bases / distributors

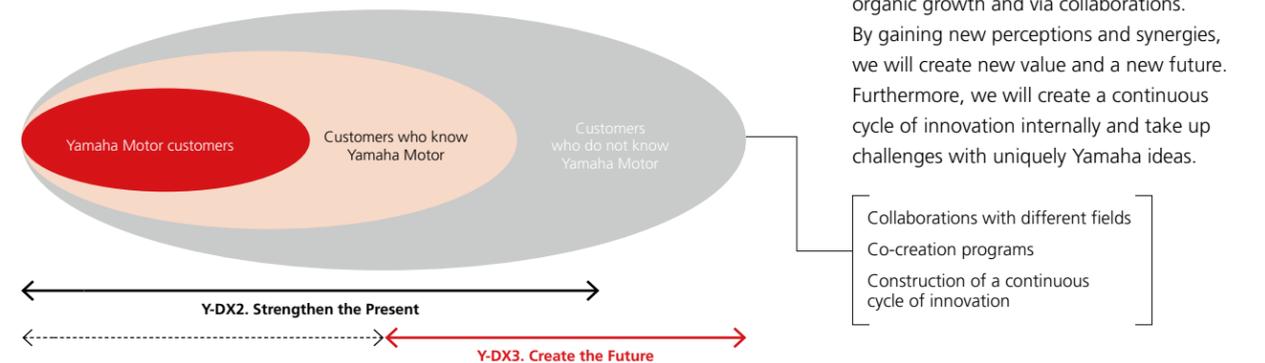
Y-DX2: Strengthen the Present

We will offer new *Kando* to customers through initiatives in four core digital domains.



Y-DX3: Create the Future

We will create the future by connecting with our 200 million customers.



Procurement

To deliver our unique, high-performance, high-quality products throughout the world, procuring a diverse variety of quality parts and materials with a global perspective becomes crucial. By proactively communicating with our suppliers and business partners, we develop trusting relationships and the strong teamwork we build in this way leads to the Yamaha *Monozukuri* that creates *Kando*.

“Theoretical-Value-Based Procurement” and the Supply Chain

Monozukuri Procurement That Incorporates Our Partners

“Theoretical-value-based procurement” is an initiative unique to the Company underway in collaboration with its business partners.

This approach—implemented with our partners—extends to procurement the theoretical-value-based production approach applied to our manufacturing and production processes, i.e., first drawing up an ideal vision and then conducting improvement activities striving to achieve high-quality output. With theoretical-value-based procurement, we share issues we are facing with the top management of our partners and emphasize putting dialogue and goal consensus at the forefront in order to uncover the key points for contributing to improved procurement management.

To promote these activities, we train “theoretical-value instructors” and dispatch them to suppliers. In addition to improving production processes, the target area for theoretical-value-based procurement extends to reducing energy use, trimming inventory,

enhancing quality, and more. Going beyond simply procuring the parts and components required per product blueprints, we work with our partners to create the best possible products in terms of materials and manufacturing as well.

As of 2019, 416 suppliers have adopted our theoretical-value-based production approach, and we are creating a robust procurement network.

Cultivating Teamwork through Horizontal Deployment

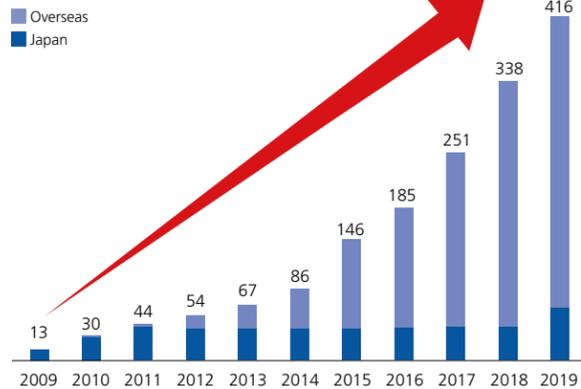
The Company holds an annual Global Suppliers Conference gathering together our major business partners and suppliers from around the world, and some 600 people attended the seventh event in 2019, with attendees hailing from 135 companies in Japan, 92 companies in 13 other countries in addition to Company executives, employees, and subsidiaries. In addition to sharing our vision and introducing initiatives at this event, we present awards to outstanding partners in each business, share examples of successful deployments of theoretical-value-based procurement, and display new products. The conference not only helps participants get to know Yamaha but also helps grow the number of Yamaha fans and enhance the brand.

Building Information Networks to Support the Company

Building strong teamwork with our business partners facilitates a more attuned response to risks. To be able to quickly collect information on damage affecting our supply chain stemming from natural disasters like earthquakes, floods, and typhoons, we have established a framework with our partners for checking the supply chain not only with our primary suppliers in Japan, but also one that extends to secondary and tertiary business partners as well as those further upstream. Even amid the chaos seen with global supply chains due to COVID-19, the ability to quickly gauge the status of operations of our suppliers together with individual reports greatly aided in making swift management decisions.

Global Implementation of Theoretical-Value-Based Production

(No. of companies)



We asked Indian automotive parts manufacturer Fiem Industries Ltd. (FIEM) to produce our ultra-compact LED headlight created with an emphasis on cost and quality, and based on our theoretical-value-based production approach. Adopted on the 2019 MT-03 model, it greatly raised its product appeal, and for their work FIEM received the Excellence in Technology and Development award at the 2019 Global Suppliers Conference.

Promoting Sustainability Across the Entire Supply Chain

We ask our partners to support the Yamaha Motor Group’s Basic Policies of CSR and expect them to act on the basis of these policies. Our current Medium-Term Management Plan (2019–2021) calls for the rollout of these policies to cover approximately 90% of our total worldwide procurement value, translating into more than 1,000 companies across the supply chain. So far, we have received declarations of conformity from around 600 companies.

As part of our environmental response initiatives, we issued our Green Procurement Guidelines and are accordingly working with suppliers to manage and curtail use of environmentally hazardous substances and to use resources and energy more efficiently, among other undertakings. And in 2018, we incorporated into the guidelines information from the Yamaha Motor Technical Standards on chemical substances uniformly defined throughout

the automotive industry, and have made a thorough effort to ensure supplier awareness of and conformity with these changes.

To ensure legal compliance, the standard purchasing contracts we sign with individual suppliers call for compliance with related laws, ordinances, official notices, and guidelines.

CSR Guidelines for Suppliers

- Safety and quality
- Human rights and working environment
- Concern for the environment
- Implementation of risk management (crisis management and response)
- Thorough compliance
- Appropriate information disclosure

Conducting Assessments of Working Environments in Indonesia

On a monetary basis, Southeast Asia accounts for 47% of the parts we procure for our major products, but it is also a region in which human rights risks are generally considered to be high.

In 2019, we commissioned a third party to conduct trial assessments of working environments, including aspects of human rights violations. Specifically, we selected three suppliers in Indonesia—our largest motorcycle production base—in categories

where work environment risks tend to be high. The assessments included judging the degree to which policies were being maintained and followed; interviewing members of management; evaluating labor practices, actual working conditions, and remedial measures; and conducting site inspections. We provided those suppliers with feedback and proposals, and are working on making improvements.

Message from Management

Contributing to strengthening procurement strategy and governance over the next 10 years through a unique perspective

I have been working for the Yamaha Motor Group for 26 years, and especially my three years of management experience at the Procurement Center in Japan was very insightful, and helped me to better recognize the importance of the global procurement governance.

The COVID-19 pandemic has put ongoing pressure on both supply and demand and affected our operations as a whole. We have a responsibility as management to reflect on this and consider how our procurement strategy, activity management, governance, and human resources should evolve over the next 10 years within a rapidly changing business environment. This subject must be discussed on a global level and common decisions must be implemented.

As joint leader of the Global Execution Transformation (GET) strategy for the procurement field, I will lead our team to take our global procurement capabilities to the next level.



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

Manufacturing and Production (*Monozukuri*)

We create high-quality products interweaving our technologies and sensibilities through a combination of our craftsmanship that brings added value to our products and our production processes that eliminate waste. Moreover, we will further strengthen our production schemes through the application of production and manufacturing technologies.

Striking a Balance between Theoretical-Value-Based Production and Yamaha Motor Craftsmanship: The Yamaha Touch

The Company implements its unique theoretical-value-based production approach at its Group companies and business partners. Conducting improvement activities after first drawing up an ideal vision leads to ideas different from a conventional, incremental approach and this has generated higher production output. In addition, we seek to contribute to management goals by linking these activities with the Company's profit and loss statement and balance sheet.

Theoretical-value-based production is a Yamaha improvement method through which fully productive time—a common metric for productivity—is further categorized into work with value, quasi-value, and no value, and any elements of no value are thoroughly analyzed and minimized. Moreover, it focuses on not only the productivity of people and facilities but also the lead times for items. By moving forward with synchronized production processes based on a comprehensive optimization approach, we seek to realize shorter lead times and thus improve our adaptability to the market. This work first began in Japan in 2004 and was subsequently rolled out to Group companies and business partners across the world, continuously achieving noteworthy results.

However, the key to maintaining the Company's competitive edge is the delicate balance we strike between our efforts to create value and what seems to be the stark opposite of that—the illogical yet invaluable extra steps we take in the process. This is what we call the Yamaha Touch of Yamaha Motor Craftsmanship, and we will bolster our production branding efforts going forward. Examples of the extra steps we make to enhance the appeal and draw of our products are aiming for bullseye precision rather than simply within acceptable parameters, or the careful eye and hands that buff a rough surface to its final finish since the machine cannot. The Yamaha Touch has evolved and been passed on as part of our workplace culture. Yamaha motorcycles receive particularly

high acclaim from customers for their handling, design, color schemes, and other features, but it is only through the Yamaha Touch that they can be brought to life as products. In addition to producing exactly what the blueprints sent by the designers and engineers contain, it is in the DNA of the factory frontlines to produce work that surpasses specifications, and cross-departmental exchanges of opinions and feedback are part of our ever-present efforts to improve. The Yamaha Touch has been cultivated and refined through Yamaha's keen sense for quality and detail, our factory and workplace traditions, and the professionalism of each individual, and it creates immense added value in the varied and vital processes of creating lighter chassis, more efficient engines, and more beautiful designs for Yamaha motorcycles.

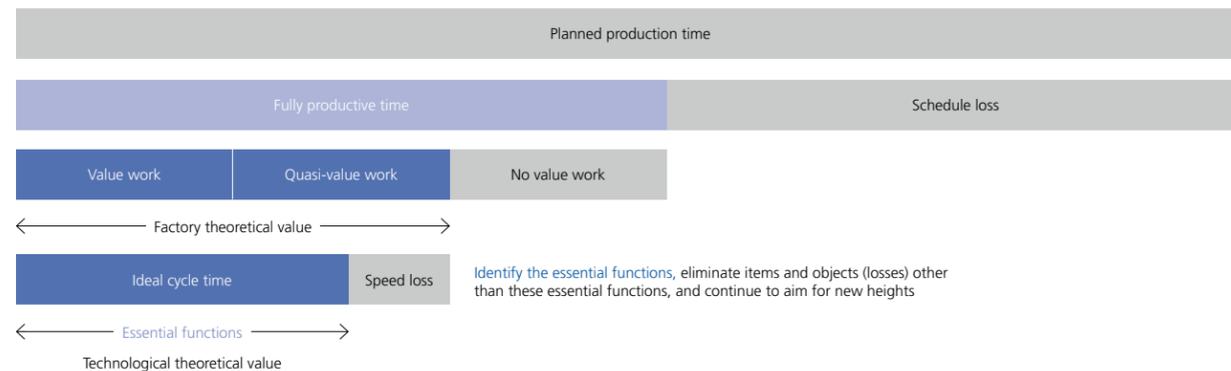


Our long-selling SR400 model is assembled through "cell manufacturing" in which the entire motorcycle is put together by a two-person team.



The fuel tank of the YZF-R1M flagship model is buffed to its final finish by a master craftsman.

Theoretical-Value-Based Production Chart



Yamaha Motor Smart Factory Initiatives

The incorporation of technology trends and practices such as Industry 4.0, IoT, and AI at production sites is drawing greater attention. The Company defines a "smart factory" as a system that links and unifies data on people, equipment, products, and information in manufacturing, markets, and engineering; and visualizes disparities and fluctuations between theoretical value and effective value in real time. The Company is moving forward

with the establishment of smart factories as this system provides greater clarity to issues while efficiently reforming management methods, thereby contributing to enhanced corporate activities as a whole. This initiative is planned for ASEAN markets as well, and by becoming better able to gauge the manufacturing situations of our domestic as well as international bases, we are working to globally augment management efficiency.

Case Study

Big data analysis improves casting process

Cast parts are created using molds, so the individual points and shapes being formed cannot be seen from the outside. Accordingly, it is a process that relies heavily on simulations and the experience of longtime engineers in order to improve quality. As a smart factory initiative, we acquired casting process-related data spanning over 200 items and conducted big data analysis of their correlation with quality. Through this, we successfully cut defect-induced losses of ¥100 million over the course of 2019. In addition to quality-related loss reductions through data analysis, we have begun developing automation technologies such as AI imaging inspection, and will implement them at factory sites as we move forward. By leveraging these technologies, we will realize high-quality, cost-competitive *Monozukuri* on a global scale.



Employees are able to check a variety of manufacturing site data on location in a timely manner, leading to prompt improvements.

Message from Management

Bolstering our competitiveness by instilling the *Monozukuri* Way globally

The Global Execution Transformation (GET) initiative was established in January 2020 as a global activity organization pertaining to management and business functions. My role in the GET initiative involves jointly overseeing our global efforts in the manufacturing industry as well as promoting global activities therein.

Specifically, we will instill Yamaha Motor's vision for *Monozukuri* (*Monozukuri* Way) globally by promoting *Monozukuri* global management through the annual *Monozukuri* Conference. At the conference, I would like to not only share our *Monozukuri* Way but also focus on transforming the manufacturing industry and improving our brand value. Furthermore, I would like to create a global manufacturing team as part of efforts to more actively promote the *Monozukuri* Way at our overseas bases, in addition to domestic bases. By mutually sharing information and successful examples and developing best practices, we will raise the expectations of employees from overseas bases participating in the team and promote our *Monozukuri* Way while being able to pinpoint areas of improvement going forward. Moreover, a global manufacturing team would also greatly enhance our ability to identify talented global manufacturing personnel and develop such personnel over a short period.

My goal is to lead our manufacturing bases around the world to improve our business performance while increasing the value we provide to customers, thereby raising the value of the Yamaha brand.



Michael Chrzanowski

Deputy Executive Officer,
President,
Yamaha Motor Manufacturing Corporation of
America (YMMC)

Human Resources

Taking on a global perspective, we aim to create an organizational structure based on the Company and its employees having mutually high goals and ambitions; learning, growing, and working together; and sharing in the joys of our work. To that end, we are creating workplaces that respect and encourage diversity.

Our Fundamental Perspective

Based on our fundamental belief that all corporate activities originate from people, we believe it is crucial that our workforce incorporates diverse viewpoints and values, reflecting differing experiences, skills, and characteristics to create new *Kando*. To achieve this, we have developed and run standardized

management development programs around the world, and have introduced global human resource systems to train and promote talented staff as we work to build an organization that utilizes global experience and knowledge.

Human Resource Development

While conducting its business on a global scale, the Company has designated Independence and Improvement, Teamwork, and Global as the prime vectors of its human resource development and is conducting human resource training programs targeted toward each.

These include not only training tailored to each employee level but also training to hone specialist skills and systems for employees seeking to work globally, such as having employees experience working overseas in their fourth year or overseas postings as trainees. We also conduct coaching to create more cohesive teamwork and thus boost performance as an organization overall. In 2019, each Yamaha Motor employee spent on average 11.3* hours toward developing their own skills.

* Excludes time spent on training for laws and regulations such as compliance, health and safety, as well as training for new hires

Development of Global Talent

We run a Global Executive Program (GEP) for particularly talented employees to provide them with greater experience on the global stage and knowledge for the future. The Yamaha Business School Global (YBS-G) is also in place as a training program for future executives that we conduct in a highly diverse environment. These programs are to encourage the promotion of outstanding human resources to management positions regardless of nationality or place of birth, and to increase the percentage of local talent in management positions at our overseas subsidiaries to 60%.

Yamaha Motor's Human Resource Development Program

	Self-Value Design (SVD)				Training by Level	Independence and Improvement	Teamwork	Global	Selection	
	Management	General								
			For newly assigned executives at subsidiaries		Specific specialist skills		Global Executive Program (GEP)			
			For newly promoted general managers		Marketing Administration Technology Manufacturing	Coaching	Yamaha Business School Global (YBS-G)			
			For newly promoted managers							
			For newly promoted foremen							
			Team management and study abroad for senior supervisors					Study abroad		
			Team leadership for supervisors		Domestic OJT	Training prior to overseas assignment	Overseas trainees			
			Skill enhancement for office workers					Overseas experience for fourth-year employees		
								Yamaha Business School		
			For new employees							

Promoting Diversity

As an aspect of its diversity efforts, from 2016 the Company began appointing individuals employed at overseas subsidiaries to general manager or higher posts at the headquarters as well. Currently, we are working to promote the placement of the right people in the right jobs at the right time by going beyond the "headquarters and overseas base" relationship and have begun expanding the scope of international transfers among Group companies to include non-executive employees. We have also set targets of doubling the number of women hired for managerial positions in 2014 by 2020 and tripling it by 2025. In 2019, we achieved our target for 2020 ahead of time.

care leave, and family illness leave, as well as systems for flexible or shortened working hours, and the rehiring of employees who resigned to accompany their spouse on overseas postings.

Employee Health

In February 2020, the Company was recognized for the third consecutive year under the Certified Health & Productivity Management Outstanding Organizations Recognition Program conducted jointly by METI and Nippon Kenko Kaigi. We consider employee health to be a key management issue for the Company's development, and are working with all employees to maintain and promote their health.



Supporting Work-Life Balance

The Company supports the creation of workplaces that promote a healthy work-life balance for its employees. We are enhancing our systems so that employees can work in ways that suit their individual circumstances, such as providing childcare leave, nursing

New Work Styles Arising from the COVID-19 Pandemic

In the first half of fiscal 2020, we actively implemented new work styles due to the COVID-19 pandemic, namely remote working for office-based employees. Although remote working has benefits that include the changing of commuting time and spare time into time of greater value, improved productivity, and the promotion of good work-life balance, we have learned that it also creates a

dilution of communication and other issues. Going forward, we plan to establish new work styles premised on co-existing with COVID-19 as permanent systems that will lead to improved corporate value while taking into account the safety, health, and work-life balance of our employees to the fullest extent.

Message from Management

By stepping up hiring of non-Japanese personnel, we are prompting internal changes and promoting further growth for the Company.

We consider the hiring of non-Japanese personnel to be one aspect of our diversity and inclusion efforts, which include the promotion of active participation by women and the employment of people with disabilities. The Company is highly global, deriving 90% of its net sales outside Japan. Taking this characteristic into account, we recognize that embracing a broad and diverse range of values is essential to our sustainable growth.

Without a doubt, non-Japanese personnel stimulate their Japanese colleagues. The Company is adopting a more global feel, allowing us to gradually promote "inner globalization," and this is beginning to influence the Company's systems. For example, being "global" is being taken into account for promotions. I will continue doing my utmost to help build a truly global company by working alongside our non-Japanese employees, which represent excellent talent from around the world.



Tamami Kawai

General Manager of
Human Resources Division,
Human Resources & General Affairs Center

TOPICS Initiatives for Improving Employee Engagement

Yamaha Motor views spurring internal communication and improving engagement, not only among employees themselves but also between management and employees and between employees and the organization, as a crucial element for achieving continuous growth in our corporate value. To that end, we are enhancing our internal communication tools centered on the publication of the company newsletter.

Yamaha Motor's Internal Communication Tools

Our internal communication tools are comprised of the monthly company newsletter, which we have been publishing since 1964, an online version of the newsletter, videos produced for employee audiences, and digital signage. We are energizing internal communication by tailoring content to suit each medium and its

characteristics. All the tools share a common editorial policy and the two main goals of 1) sharing and facilitating understanding of upper management visions and policies, and 2) improving internal brand awareness.

A Company Newsletter Commended by Employees

We distribute 20,000 printed copies of our company newsletter in Japan every month. In addition to management-related information such as messages from management figures, the newsletter features running columns like *A Life with Yamaha* and *Yamaha from the Outside*. These are intended to encourage employees to adopt customer and stakeholder perspectives, and both have garnered a favorable reception from employees. Amid a growing lack of interest in reading among young people, over 90% of employees read the company newsletter and have indicated their satisfaction, with this metric standing at over 70% for employees in their 20s. By introducing series featuring younger employees—such as *Yamaha from the Inside* and *Power of the Factory Floor*—and adopting a more creative design and modern layout, we grew the previously low readership of employees in their 20s and those in manufacturing divisions.

The *Power of the Factory Floor* series focuses on employees on the factory floor who endeavor to maintain and improve quality, and presents a faithful picture of the wisdom and ingenuity handed down from generation to generation, the growth process as they acquire know-how and technical skills in production technology, their attitudes toward their work, and more. Communicating what it is like on the *Monozukuri* frontlines helps to maintain as well as raise the motivation of factory employees while also serving to remind those not involved in manufacturing of the Company's identity. These articles have been selected by factory employees as their favorite newsletter content and are also highly regarded by administrative departments and among employees of all ages.



Revs company newsletter



91.1%

of employees responded that they either read the entire newsletter or read only the articles of interest

Enhancing Our Internal Communication Tools

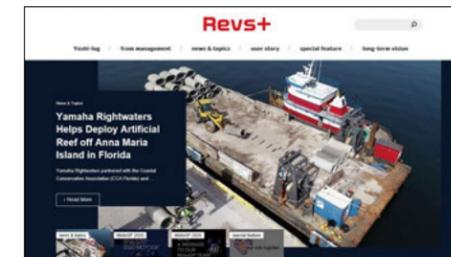
As employees in manufacturing typically do not use the internet as part of their main duties, they do not usually see information posted on the company intranet. Furthermore, space is limited with the printed company newsletter and the amount of information we can communicate must be narrowed down.

To address this, we installed digital signage in the factories and employee dining areas to transmit information on Group companies around the world and new products, videos related to management policies, and other content. This created an environment that allows manufacturing floor employees to naturally come across company information in the course of their daily work. This measure received a strong reception from over 90% of factory floor employees, and in response to requests from other workplaces, we are currently moving forward with digital signage installations Companywide.

We are also working to bolster internal communication for employees overseas. Headed by topics contributed by correspondents at our major bases abroad, we regularly update the president's blog and upload a variety of videos to an intranet site in English. In 2019, we held a global meeting gathering together these correspondents and exchanged information on the state of internal communication in their respective countries and shared model examples.



Revs+TV video portal



Online version of Revs, Revs+



Power of the Factory Floor series bringing real imagery and content from manufacturing workplaces

External Evaluation

Received the Gold Award in the Special Category of the 2019 Company Newsletter Awards

A special edition of our company newsletter compiling every *Power of the Factory Floor* article to date received the Gold Award in the Special Category of the 2019 Company Newsletter Awards, a national competition for company newsletters held by wis works, Inc. The award was granted in recognition of the approach to the project, its themes as well as the high quality of the writing and page design.

We also use this edition in recruitment, and it has received praise from job-hunting students, commenting that it sparked their interest in the Company, that they instinctively picked it up and read it, and that it gave them a picture of working at Yamaha Motor.

Message from Management

For this project, we wanted to raise the motivation of employees working on the frontlines of manufacturing. So we decided to focus on the feelings and pride these employees hold toward their respective jobs as well as depicting them in their daily endeavors, thereby expressing what makes us unique as a company. This approach was not only well received by the employees themselves but also resonated with their families, people seeking employment, and others. The high marks this special edition received in an objective review is very encouraging, and I would like to continue to play a role in connecting employees, departments, and others with little cross-division interaction due to their work through communication.



Yuko Kurabe

Internal Communication Group Manager, Corporate Communication Division, Corporate Planning & Finance Center

Topics

Yamaha Motor's Sporting Activities

Our wide-ranging participation in and promotion of sports, from the racing and sailing efforts that have continued uninterrupted since our earliest days to the work of the Yamaha Motor Foundation for Sports, are prime examples of the corporate activities that we are engaged in over the long term as we seek to share *Kando* with people around the world. Among these activities, rugby is the sport we participate in with a company team as it strongly expresses the passion for sports in our corporate culture. Our rugby effort not only contributes to local communities but also helps foster internal unity and greatly adds to our corporate value.

Embodying the Spirit of Challenge—Yamaha Motor Jubilo

Our corporate culture includes a passion for sports and we view rugby as bringing benefits to corporate management and raising the motivation of our employees.

Formed in 1982 as the Yamaha Motor Rugby Club, Yamaha Motor Jubilo won the Kansai A League in 2002 while overcoming many adversities before moving to competition in the Japan Rugby Top League in 2003. The team finished as the league runner-up in the 2014–2015 season and won the 52nd All-Japan Rugby Football Championship. Since then, the team has continued to feature in the standings as a title contender.

Despite a smaller corporate size compared to other teams in the Top League, Yamaha Motor Jubilo takes strength from rugby tactics that combine players of outstanding ability and leverage their respective strengths by identifying their latent capabilities; and from its strong connection with Group employees, people from the local community, and its fans; as well as from their loud cheers of support. This strong connection was built through close community-oriented activities using the advantages of Yamaha Motor Jubilo's more regional location, and the team will continue to take on challenges going forward.



Popularizing Rugby and Contributing to the Community

Rugby Classes at Local Schools

Yamaha Motor Jubilo operates a program for schools in Yamaha headquarters' hometown of Iwata and neighboring communities with the aim of communicating to children and students the fun of sports and the importance of having dreams and goals through rugby and tag rugby. In cooperation with Shizuoka Prefecture's Rugby World Cup legacy initiative, Yamaha Motor Jubilo players visited 72 elementary schools around the prefecture in 2019 to foster interest in rugby. The interactions with the children also energize the players and lead to their own growth as well.

Operating a Rugby School

Yamaha Motor Jubilo is the only Japan Rugby Top League team to directly manage and operate school activities, and the outreach program marked its 19th year in 2020. With current and former rugby club members as well as members of local club teams serving as instructors, approximately 300 participants—from children to adults—play rugby on the same pitch used by top teams.

Unlocking the Full Potential of Players through the Yamaha Style

The Yamaha Style employed by Yamaha Motor Jubilo aims to embody Yamaha through rugby and designates as its mission the creation of new *Kando* through innovation and passion. We are working to unlock the individual capabilities of players to the fullest by instructing them using the Japanese *shuhari* (learn, reflect, and transcend) method as our coaching philosophy.

This is because we are convinced that every team member continuously giving their maximum of their own volition—regardless of the circumstances—will ultimately lead to the maximization of our team's strength overall, as indicated in this season's team slogan of *Maximize*.

The evolution of our Yamaha Style is about creating a lasting cycle of the *shuhari* philosophy, and we will endeavor to carry on Yamaha's legacy and aim for further growth.

Yamaha Motor Jubilo's Team Vision

- A strong team that is No.1 in Japan and can take on the world's best
- A team that is loved and supported by employees and the community
- A team that can share exhilarating moments



Takanoibu Horikawa
General Manager and Coach

Yamaha Style

The integration of science, non-science, and art
Never be trapped by rigid preconceptions about what is normal
Be innovative and passionate
Envision something new and bring it to life
The courage to not fear failure
The ingenuity and determination to turn failure into success
Think and cooperate as a team, as you cannot succeed alone
Take on challenges only Yamaha can

Workplace Colleagues Supporting the Players

Yamaha Motor Jubilo rugby players carry out their strenuous daily training as well as their duties as Yamaha Motor employees. "They obtain the knowledge and certifications needed for their work just like everyone else." "They are popular at work and supported by many fellow employees. They also look out for and are looked up to by younger employees." These are some of the comments received, showing how the players are held in high regard and supported by many of their workplace colleagues.

The Company currently has 80 employees who are former members of its rugby club, and 37 of them—over 40%—have previously been stationed overseas. There are currently 19 such employees active in markets and production sites overseas, while 36 former members are demonstrating leadership in management positions and seven serve as general managers.



The Challenge of a Second Career

After retiring from professional play in 2016, I was given the opportunity for onsite training overseas and I am currently handling sales for the southern areas of India at YMIS, our subsidiary in the world's largest motorcycle market of India. I feel that my rugby experiences are proving useful in terms of adapting to changing environments, communication skills, stamina, teamwork, and other areas. Under our goal of creating more Yamaha fans, I'm conducting a variety of marketing activities as a team with YMIS employees, and I'm glad the first challenge of my second career is here in India.

Yoshinori Sogabe

Yamaha Motor
India Sales Pvt. Ltd. (YMIS)

