

Corporate Mission

Kando* Creating Company

Offering new excitement and a more fulfilling life for people all over the world

Yamaha Motor strives to realize peoples' dreams with ingenuity and passion, and to always be a company people look to for the next exciting product or concept that provides exceptional value and deep satisfaction.

* 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.

Management Principles

1. Creating value that surpasses customer expectations

To continue to produce value that moves people, we must remain keenly aware of customers' evolving needs. We must strive to find success by always surpassing customer expectations with safe, high-quality products and services.

2. Establishing a corporate environment that fosters self-esteem

We must build a corporate culture that encourages enterprise and enhances corporate vitality. The focus will be on nurturing the creativity and ability of our employees, with an equitable system of evaluation and rewards.

3. Fulfilling social responsibilities globally

As a good corporate citizen, we act from a worldwide perspective and in accordance with global standards. We must conduct our corporate activities with concern for the environment and communities and fulfill our social responsibility with honesty and sincerity.

Action Guidelines

Acting with Speed

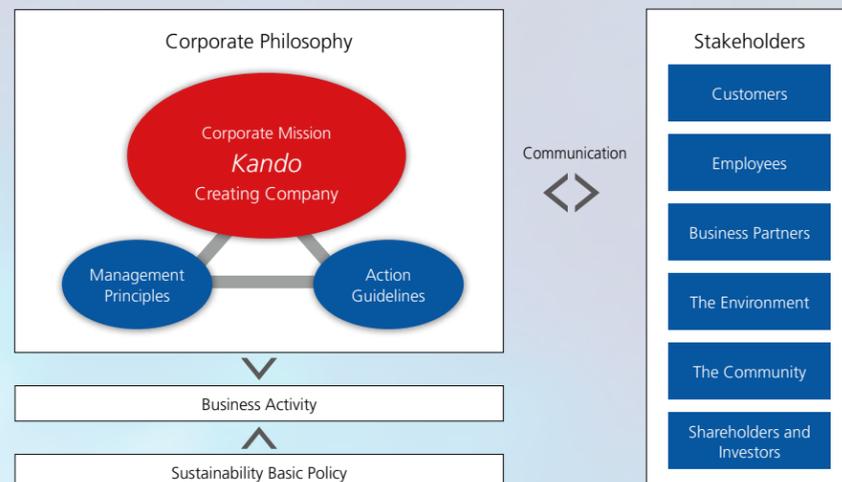
Meeting change with swift and informed action

Spirit of Challenge

Courage to set higher goals without fear of failure

Persistence

Working with tenacity to achieve desired results, and then evaluating them



Revs Your Heart

Empowered by a passion for innovation, we create exceptional value and experiences that enrich the lives of our customers.

Five Shared Values for Creating Kando

Yamaha Motor expresses the "unique style of Yamaha" with its shared values of **Innovation, Excitement, Confidence, Emotion, and Ties.**

Incorporating the unique style of Yamaha into all processes and levels of our corporate and business activities is how we enhance the qualities that make us unique.

We believe that doing so is the way to meet customer expectations and the fuel to further raise our competitiveness.





Yoshihiro Hidaka

President,
Chief Executive Officer and
Representative Director

About *Integrated Report 2021*

Yamaha Motor began publishing integrated reports in fiscal 2019 to help shareholders, investors, and various other stakeholders develop a better understanding of the Company's efforts to create value from a medium- to long-term perspective. I hope *Integrated Report 2021* will give readers an understanding of Yamaha Motor's stance toward addressing important societal issues and the approach the Company takes toward creating value.

This report was created referencing the International Integrated Reporting Council (IIRC)'s International Integrated Reporting Framework and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation (Guidance for Collaborative Value Creation) released by Japan's Ministry of Economy, Trade and Industry. After compiling the policies of the Company, each department was asked for their earnest cooperation in creating this report, and I declare that the process of preparing it to be appropriate and the information contained herein to be accurate.

Going forward, Yamaha Motor will continue striving to create sustainable environmental and social value as well as raise corporate value through constructive interactions with its stakeholders. Upon reading this year's report, I ask for your honest feedback regarding its contents along with any opinions you may have regarding the Company's management. Thank you for your ongoing support of Yamaha Motor.

Editorial Policy

This report was prepared and edited to give shareholders, investors, and other stakeholders a multifaceted understanding of Yamaha Motor's sustainable growth.

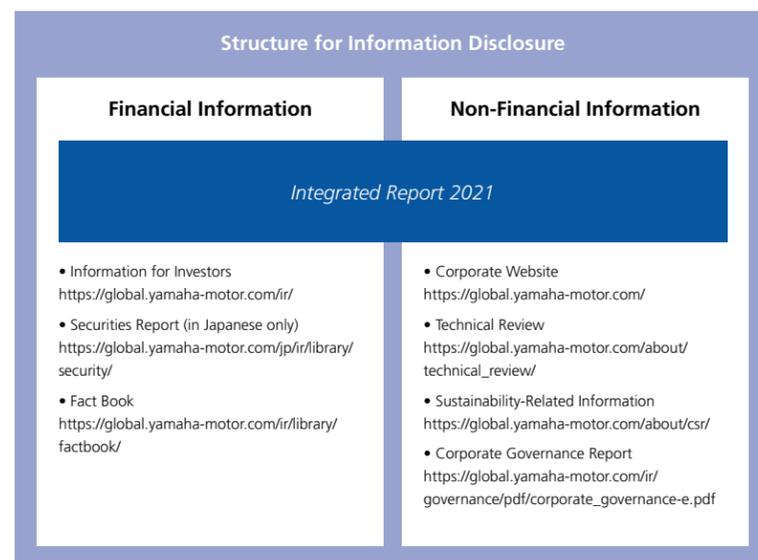
Financial, sustainability-related, product, and other information not contained in this report is available on Yamaha Motor's official website. Please note that the "2021" in the title refers to the year this report was published.

Scope

This report covers Yamaha Motor Co., Ltd., its 142 subsidiaries, and its 29 affiliates (as of December 31, 2020). Notification is given when the scope used in calculating the data provided in this report differs from this.

Reporting Period

This report covers the period from January 1 to December 31, 2020. Information on some activities taking place after January 1, 2021 is also provided.



Notice Regarding Forward-Looking Statements

The statements in this report, except for historical facts, are forward-looking statements about the future performance of the Company and its Group companies. These statements are based on management's assumptions and beliefs in light of the information currently available and involve risks and uncertainties. Please be advised that actual results may differ significantly from those discussed in the forward-looking statements.

Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations.

Contents

Introduction

- 4 A History of Creating *Kando* through Technology
- 6 Yamaha Motor's Global Business
- 8 Maximizing Our Environmental and Social Value
- 10 Financial and Non-Financial Highlights

Toward Sustainable Growth

- 12 From the President
- 18 Yamaha Motor's System of Strategic Policies
- 19 Important Societal Issues (Materiality Issues)
- 22 Resolving Societal Issues through ART
- 26 Climate Change Initiatives (Disclosure Based on TCFD Recommendations)
- 30 From the Director in Charge of Corporate Planning and Financial Affairs
- 32 Digital Transformation

Foundations for Creating Competitiveness

- 34 Creative Branding & Design
- 38 Research and Development
- 40 Intellectual Properties
- 42 Procurement
- 44 Manufacturing and Production (*Monozukuri*)
- 46 Sales (Marketing)
- 48 Human Resource Development
- 50 Topics: Yamaha Motor's Sporting Activities

Corporate Governance

- 52 From the Chairman of the Board of Directors
- 54 Dialogue between Outside Officers
- 58 Directors and Audit & Supervisory Board Members
- 61 Corporate Governance
- 68 Risk Management

Business Strategy

- 70 Business Overview
- 72 Land Mobility
- 74 Marine Products
- 76 Robotics
- 78 Financial Services
- 79 Other Products

Facts and Data

- 80 Eleven-Year Summary
- 82 Environmental and Social Data
- 83 Management's Discussion and Analysis of Fiscal 2020 Business Results
- 88 Global Group Network
- 90 Corporate Information / Stock Information

Key Points of *Integrated Report 2021*

Based on the Long-Term Vision for 2030 of ART for Human Possibilities, *Integrated Report 2021* provides details on the medium- to long-term strategies and measures being implemented to facilitate the realization of the Vision. The following key points will help develop an even deeper understanding of Yamaha Motor's value creation story.

1 Creation of Social Value Leveraging Technologies and Sensibilities

Yamaha Motor is working to create new value by combining the core competencies it has refined to date with cutting-edge technologies to address important societal issues in line with the focus areas laid out in its Long-Term Vision—Advancing Robotics, Rethinking Solution, and Transforming Mobility (ART).

Relevant Pages

- P.8–9 Maximizing Our Environmental and Social Value
- P.22–25 Resolving Societal Issues through ART

2 Medium- to Long-Term Plan Progress and Policies for Carbon Neutrality

The COVID-19 pandemic forced Yamaha Motor to rescind the performance targets of its Medium-Term Management Plan for fiscal 2020, but steady progress is still being made in reinforcing the Company's management platforms and implementing growth strategies. This report also provides information on the Company's policies and direction regarding the accelerating shift toward electrification.

Relevant Pages

- P.12–17 From the President
- P.26–29 Climate Change Initiatives (Disclosure Based on TCFD Recommendations)
- P.44–45 Manufacturing and Production (*Monozukuri*)

A History of Creating *Kando* through Technology

Yamaha Motor Co., Ltd. (Yamaha Motor) was founded in July 1955 when the motorcycle division of Nippon Gakki Co., Ltd. (today's Yamaha Corporation) was spun off to form an independent company. Since then, with the consumer-oriented development approach of its Nippon Gakki roots as a starting point, Yamaha Motor has been continuously working to create new value through its motorcycles and other products in a variety of fields for over 60 years.



1955
The first Yamaha motorcycle
YA-1



Founded in 1955

Entry into the Motorcycle Industry amid Japan's Post-War Economic Recovery

Genichi Kawakami, the fourth president of Nippon Gakki and later founding president of Yamaha Motor, decided to enter the motorcycle business with the goal of building a foothold for growth outside the realm of musical instruments. At a time when less competitive motorcycle companies were already failing, the company made a bold late entry into the market, generating a great deal of attention with its first product's innovative coloring and design, light weight and maneuverability, and easy engine starts—an incredibly important factor at the time. Furthermore, motorcycle races were where makers could demonstrate their product's superiority, and Yamaha's early entry and consistently strong results created a reputation for technological excellence that spread domestically and internationally.

Japanese Economic Miracle

Customer-Oriented Development for Creating *Kando*

During Japan's economic miracle, Yamaha Motor entered the marine recreation field believing that enjoying daily life would eventually lead to more fulfilling lifestyles. Our first target was commercial demand, specifically with fishing boats where the signs of motorization could be seen. The Company succeeded in expanding its business domain to include marine products by adapting the engine technologies it developed with motorcycles to develop outboard motors and fiber-reinforced plastic (FRP) fishing boats, incorporating market input in the process. Meanwhile, in our core business of motorcycles, we did not restrict ourselves to preconceived norms and ideas, and analyzed customer needs with a market-oriented approach to release the Passol. This step-through scooter was well-suited to women riders and created the new "soft bike" market segment in Japan.



Large outboard motor boasting reliability and high output: **F425A**



Flagship model featuring the latest technology garnered from racing: **YZF-R1**



Exceptional acceleration and driving sensations: **SR330**



1977
"Soft bike" allowing women to ride with peace of mind
Passol



1960
Our first outboard motor
P-7



1960
Our first catamaran FRP boat
CAT-21

Equal Concern for *Kando* and the Environment Creation of User- and Eco-Friendly Mobility

In 1993, Yamaha Motor launched the PAS as the world's first electrically power-assisted bicycle, a new form of mobility intended to be closely linked to user lifestyles. Promoted as a user- and eco-friendly personal commuter model placing top priority on performance in tune with human sensibilities, the PAS gained popularity as a form of mobility "assisting" the various lifestyles people lead. Later, we applied the electronic control technologies developed through PAS bicycles and the latest human-interface technologies to successfully practicalize an eco-friendly electric commuter vehicle that produced no emissions and little noise. The fuel cell vehicle R&D we conducted at the same time is also contributing to today's development work on new forms of mobility.



Electrically power-assisted bicycles continue to see an expansion in the range of users and uses, including for convenient and comfortable mobility, recreation, and well-being: **PAS**

1993
World's first electrically power-assisted bicycle
PAS



1995
Wheelchair electric power unit
JW-1



2002
Electric commuter vehicle
Passol



1987
Industrial-use unmanned helicopter
R50 (L09)



2020 Industrial-use unmanned helicopter performing an aerial forest survey
FAZER R G2

To the Future

Uniquely Yamaha Approaches to Solve Societal Issues

Yamaha Motor is working to evolve and diversify its existing product lines by combining its core competencies with new cutting-edge technologies. At the same time, the Company is adapting its expertise in unmanned technologies and systems such as industrial robots and industrial-use unmanned helicopters to contribute to labor-saving efforts and raising efficiency in a variety of fields, from industry and farming to forestry. In addition, we are helping provide permanent access to potable water in coordination with public bodies and UN-affiliated organizations through projects to install our Yamaha Clean Water Supply System in developing countries. By searching for and identifying the root causes of problems on the ground and leveraging our technological prowess, the Company is moving to resolve societal issues in uniquely Yamaha ways.



2010
Small-scale water purification system
Yamaha Clean Water Supply System



Our work to encourage the use of clean water at villages with a Yamaha Clean Water Supply System with a picture story was recognized with an award from the committee of judges at the 8th Good Life Awards put on by Japan's Ministry of the Environment.

Yamaha Motor's Global Business

The powertrain, chassis and hull, electronic control, and manufacturing technologies and expertise we have accumulated since our founding serve as our core competencies, and as we continue refining them, we offer a myriad of products around the world that create *Kando* by leveraging our technologies and keen sensibilities based on the Company's unique *Jin-Ki Kanno* development ideal.

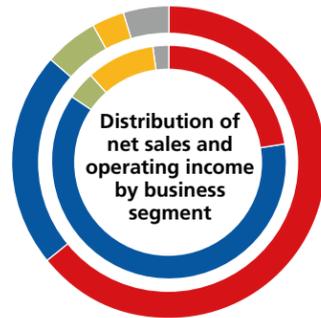
Fiscal 2020 Consolidated Financial Results

Net sales

¥ **1,471.3** billion

Operating income

¥ **81.7** billion



Land Mobility

Net sales (% of total)

¥ **946.5** billion (64.3%)

Operating income (% of total)

¥ **18.5** billion (22.6%)

Main products

Motorcycles, Leaning Multi-Wheel (LMW) models, all-terrain vehicles (ATVs), recreational off-highway vehicles (ROVs), snowmobiles, electrically power-assisted bicycles, automobile engines, and automobile components



Marine Products

Net sales (% of total)

¥ **328.3** billion (22.3%)

Operating income (% of total)

¥ **50.6** billion (62.0%)

Main products

Outboard motors (marine engines), personal watercraft, boats, FRP pools, fishing boats, and utility boats



Robotics

Net sales (% of total)

¥ **83.0** billion (5.6%)

Operating income (% of total)

¥ **3.3** billion (4.0%)

Main products

Surface mounters, semiconductor manufacturing equipment, industrial robots, and industrial-use unmanned helicopters



Financial Services

Net sales (% of total)

¥ **46.1** billion (3.1%)

Operating income (% of total)

¥ **7.6** billion (9.3%)

Main services

Sales finance and leases related to the Company's products



Other Products

Net sales (% of total)

¥ **67.4** billion (4.7%)

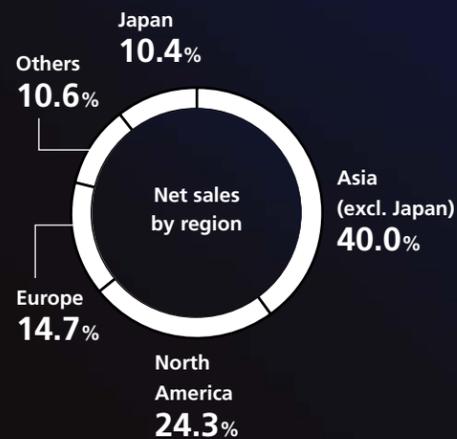
Operating income (% of total)

¥ **1.7** billion (2.1%)

Main products

Golf cars, generators, multipurpose engines, snow blowers, and electric wheelchairs

Global Organization Creating Value as a Team



Number of employees (consolidated)

52,437

Ratio of overseas production

Over **90%**

Total number of bases (primary roles)

17

Development

29

Sales

53

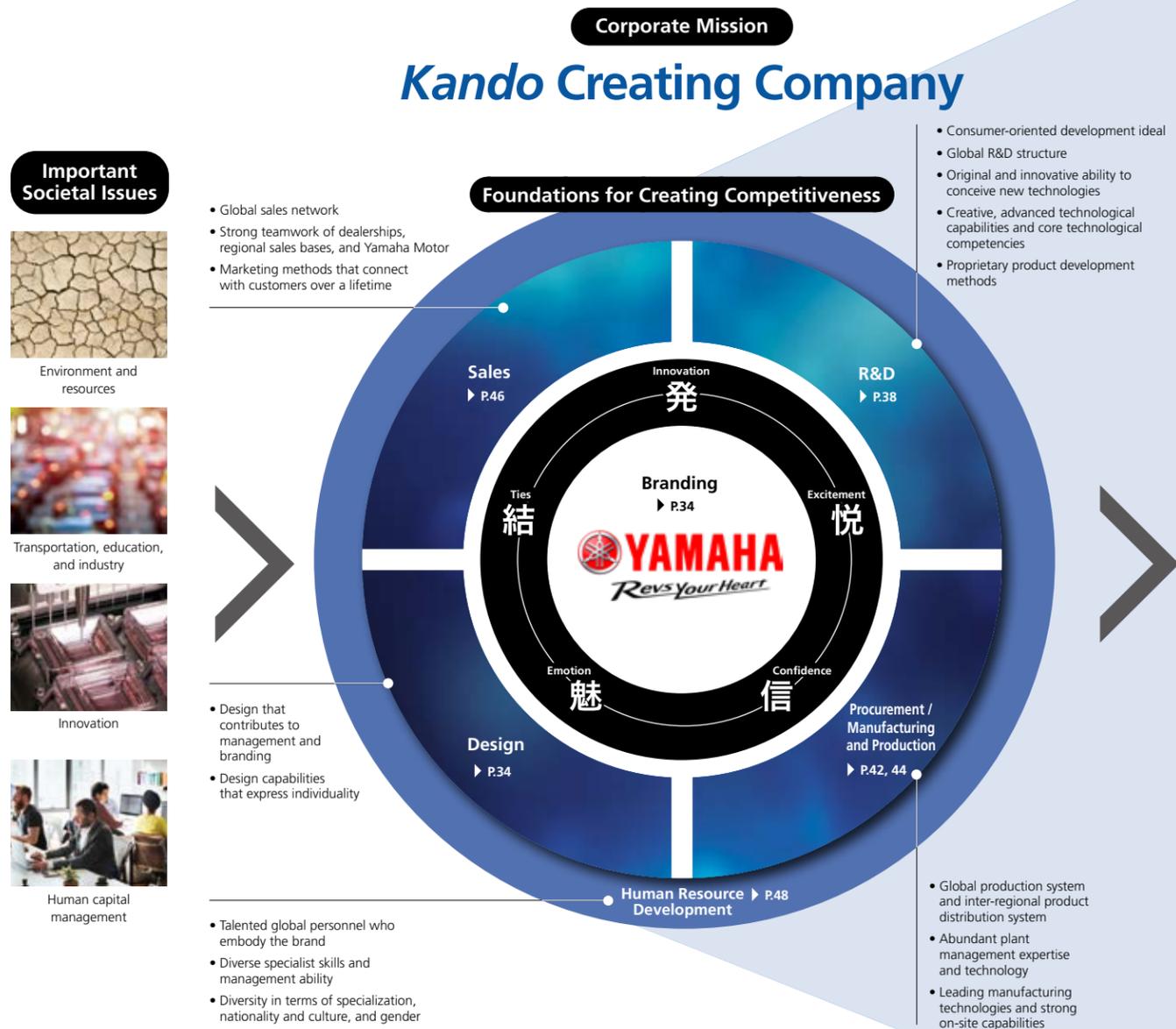
Number of Consolidated Subsidiaries: 135



Maximizing Our Environmental and Social Value

Yamaha Motor's business model is to provide unique, high-quality products and services that accurately reflect societal and customer needs by applying its Spirit of Challenge, which has been handed down as the Company's DNA, and the technologies it has created and refined to date. The very reason for the Company's existence as a *Kando* Creating Company is to give society and customers experiences of *Kando* unique to Yamaha Motor that intertwine technologies and human sensitivities.

By expanding human possibilities and through our products and services that create *Kando*, we are aiming to achieve sustainable growth as well as create a better society and more fulfilling lives.



Business Operations

Land Mobility ▶ P.72

Create new value for people's time, mobility, and self-expression



Marine Products ▶ P.74

Reliable and rich marine life
Toward further increasing the value of the ocean



Robotics ▶ P.76

Promote automation and laborsavings to free up valuable time for people



Financial Services ▶ P.78

Offer services that strengthen relationships with customers and dealerships



Other Products ▶ P.79

Become a close part of customers' lives and offer unique technology to support them



Growth Strategy Directions

ART for Human Possibilities

Let's strive for greater happiness

Three Focus Areas

Advancing Robotics
Leverage and evolve intelligent technologies and robotics as a foundation

Rethinking Solution
Propose uniquely Yamaha solutions

Transforming Mobility
Promote innovations in mobility

Outcomes to Achieve

Environmental Value

Reduction of greenhouse gas emissions from our business activities

- Offer eco-friendly means of personal transportation
- Reduce greenhouse gas emissions
- Lower electric power consumption in production and other activities



Social Value

Provision of safe and dependable mobility and lifestyles

- Offer mobility services that are safe and comfortable for all
- Maintain and improve safety and reliability through high-quality products and services
- Ensure safe water and resources



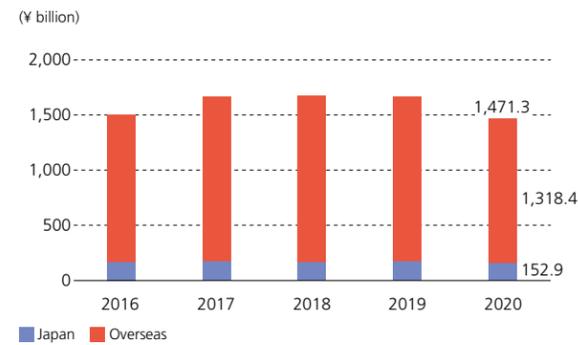
Economic Value

Redistribution of economic added value to stakeholders

- Strengthen earnings structure and maintain stable financial foundations
- Provide employee remuneration
- Pay stable dividends to investors

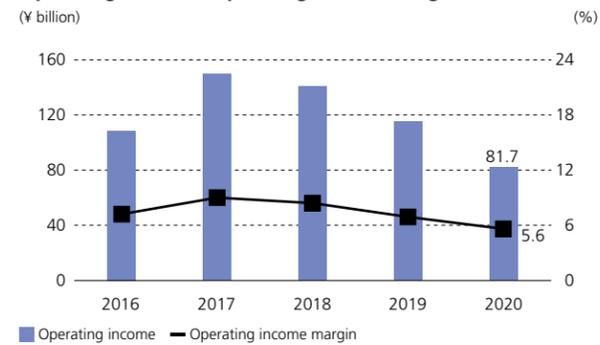
Financial and Non-Financial Highlights

Net Sales



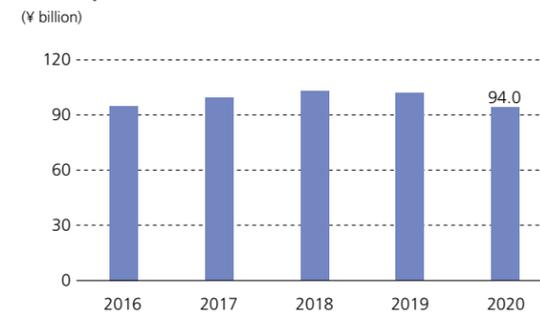
Although sales increased in the Robotics and Financial Services segments, unit sales fell in the motorcycle business of the Land Mobility segment as well as in the Marine Products segment due to the COVID-19 pandemic, leading to a year-on-year decline in net sales of ¥193.5 billion, to ¥1,471.3 billion.

Operating Income / Operating Income Margin



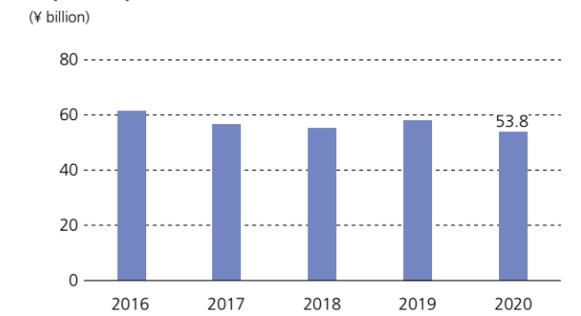
Operating income recorded a substantial decline in the first half of fiscal 2020 due to factors such as foreign exchange fluctuations and a decrease in utilization rates attributable to the suspension of factory operations in several countries that were implemented in the first half of the fiscal year, in addition to the aforementioned decrease in net sales. Although the second half of fiscal 2020 saw net sales generally trend toward recovery primarily in developed markets, operating income was down ¥33.7 billion year on year, to ¥81.7 billion.

R&D Expenses



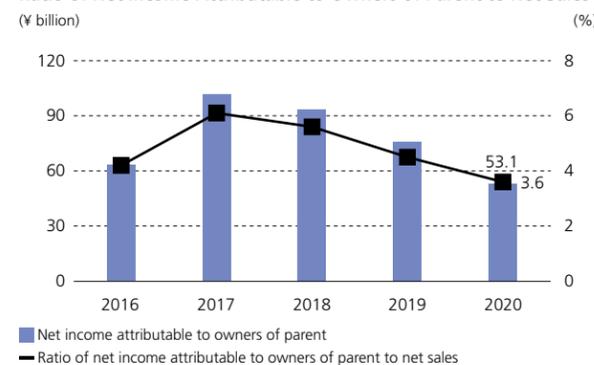
The Company maintained its development efforts in new business areas aimed at future growth and for strengthening core businesses while tightening spending overall through selection and concentration, recording ¥94.0 billion in R&D expenses.

Capital Expenditures



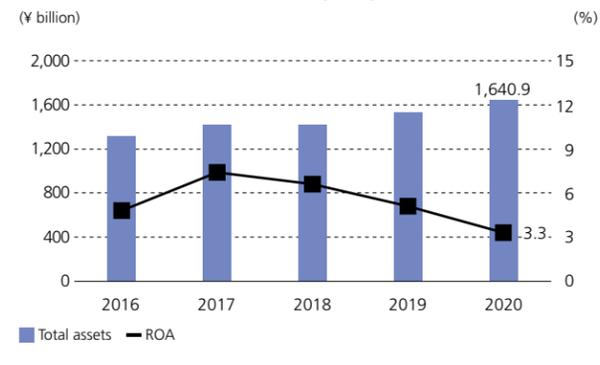
Capital expenditures targeting sustainable growth and greater efficiency in existing businesses were down ¥4.3 billion year on year, to ¥53.8 billion.

Net Income Attributable to Owners of Parent / Ratio of Net Income Attributable to Owners of Parent to Net Sales



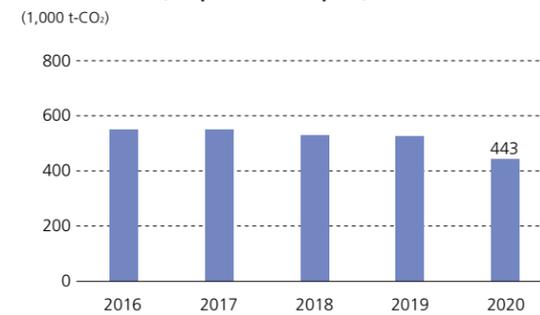
Net income attributable to owners of parent declined ¥22.7 billion year on year, to ¥53.1 billion, and the ratio of net income attributable to owners of parent to net sales decreased a 0.9 percentage point year on year, to 3.6%.

Total Assets / Return on Assets (ROA)



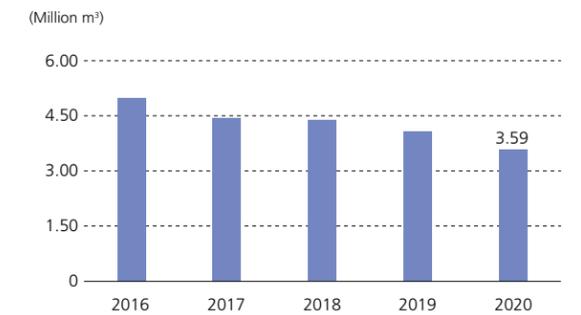
Total assets rose ¥108.1 billion from the previous fiscal year-end, to ¥1,640.9 billion. Factors behind this increase included the securing of liquidity on hand as a countermeasure for the impacts of COVID-19, as well as a rise in long-term sales finance receivables as a result of the Company's shift to greater autonomy in loan receivables for "Prime" customers in the United States.

CO₂ Emissions (Scope 1 and Scope 2)*



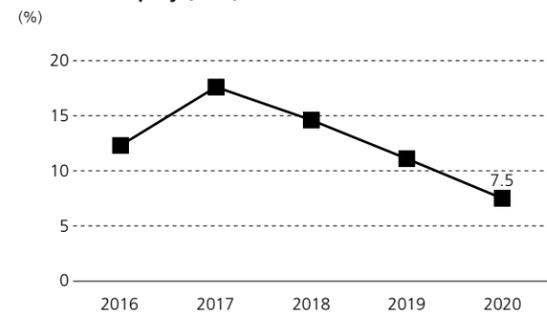
As a Groupwide goal, the Company has set medium- to long-term targets for reducing the CO₂ emissions generated over product life cycles and is also working to reduce the greenhouse gas emissions produced in manufacturing.
* Scope 1 and Scope 2: Direct and indirect emissions produced by the Company's operations

Water Intake



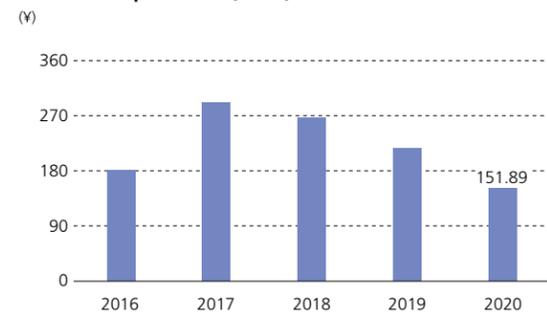
The Company will continue to measure its global use of water resources and reduce the amount of water intake by promoting the reuse of coolant water and water collection (rainwater and other sources) at its factories.

Return on Equity (ROE)



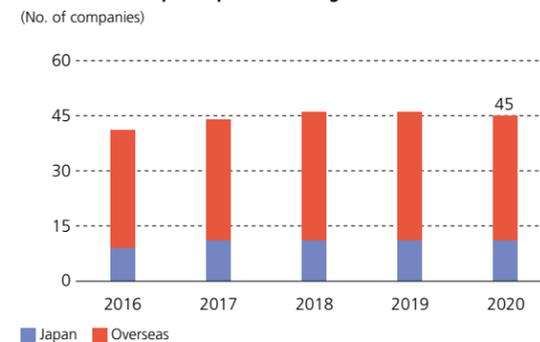
The decline in net income attributable to owners of parent led to a 3.6 percentage point decrease in ROE compared with the previous fiscal year-end.

Net Income per Share (Basic)



Net income per share (basic) declined from the previous fiscal year due to the fall in net income attributable to owners of parent.

Number of Group Companies Joining Unified Certification Program



The Company has been working toward receiving ISO 14001 certification for environmental management systems at Group companies in Japan and overseas since fiscal 2012. A total of 45 companies (11 in Japan and 34 overseas) have joined the unified certification program, mainly manufacturing companies in Asia (including Japan), Europe, the United States, and South America.

Brand Ranking*



* Brand value ranking of Japan-based brands carried out by Interbrand Japan (Best Japan Brands 2021)

The Yamaha brand, calculated by combining the brand value of both Yamaha Motor and Yamaha Corporation, was valued at US\$1,480 million (compared with US\$1,369 million in fiscal 2020 and US\$1,195 million in fiscal 2019).