



# *Revs Your Heart*

## Integrated Report 2024

Fiscal year ended December 31, 2023



We have worked based on three ideas which constitute our “Corporate Philosophy”. One is our “Corporate Mission”, that is our core identity, values, purpose, and visionary goals. The second is “Management Principles”—the guiding management principles for achieving our corporate mission. The third is “Action Guidelines”, the guidelines each individual should follow to realize our 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.

#### 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.

#### Acting with Speed

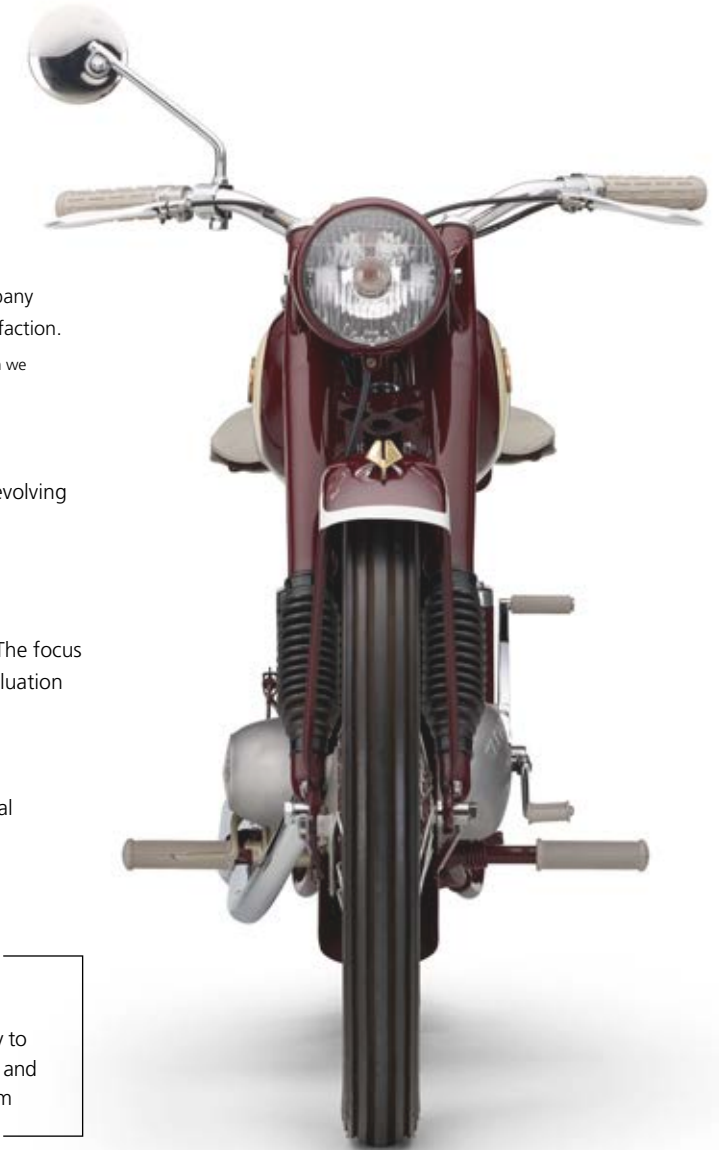
Meeting change with swift and informed action

#### Spirit of Challenge

Courage to set higher goals without fear of failure

#### Persistence

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



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### Editorial Policy

This report sets forth Yamaha Motor's corporate philosophy and vision, and explains how they interconnect with the strategies and strengths employed in their realization, for the understanding of shareholders, investors, and other diverse stakeholders with regard to the Company's value creation in the medium to long term. In compiling this report, we have referred to the IFRS Foundation's *International Integrated Reporting Framework* and the Ministry of Economy, Trade and Industry's *Guidance for Collaborative Value Creation*.

Financial, sustainability-related, product, and other information not contained in this report is available on Yamaha Motor's official website. Please note that the "2024" in the title refers to the year this report was published.

### Scope

This report covers Yamaha Motor Co., Ltd., its 144 subsidiaries, and its 24 affiliates (as of December 31, 2023). 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, 2023. Information on some activities taking place after January 1, 2024 is also provided.

### Structure for Information Disclosure

Financial Information	Non-Financial Information
Integrated Report 2024	
<ul style="list-style-type: none"> <li>• Information for Investors <a href="https://global.yamaha-motor.com/ir/">https://global.yamaha-motor.com/ir/</a></li> <li>• Securities Report (in Japanese only) <a href="https://global.yamaha-motor.com/jp/ir/library/security/">https://global.yamaha-motor.com/jp/ir/library/security/</a></li> <li>• Fact Book <a href="https://global.yamaha-motor.com/ir/library/factbook/">https://global.yamaha-motor.com/ir/library/factbook/</a></li> <li>• Financial Data <a href="https://global.yamaha-motor.com/ir/data/">https://global.yamaha-motor.com/ir/data/</a></li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Website <a href="https://global.yamaha-motor.com/">https://global.yamaha-motor.com/</a></li> <li>• Technical Review <a href="https://global.yamaha-motor.com/about/technical_review/">https://global.yamaha-motor.com/about/technical_review/</a></li> <li>• Sustainability-Related Information <a href="https://global.yamaha-motor.com/about/csr/">https://global.yamaha-motor.com/about/csr/</a></li> <li>• Corporate Governance Report <a href="https://global.yamaha-motor.com/ir/governance/">https://global.yamaha-motor.com/ir/governance/</a></li> </ul>

### 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.

# Pursuing the Unique Style of Yamaha Motor

Introduction

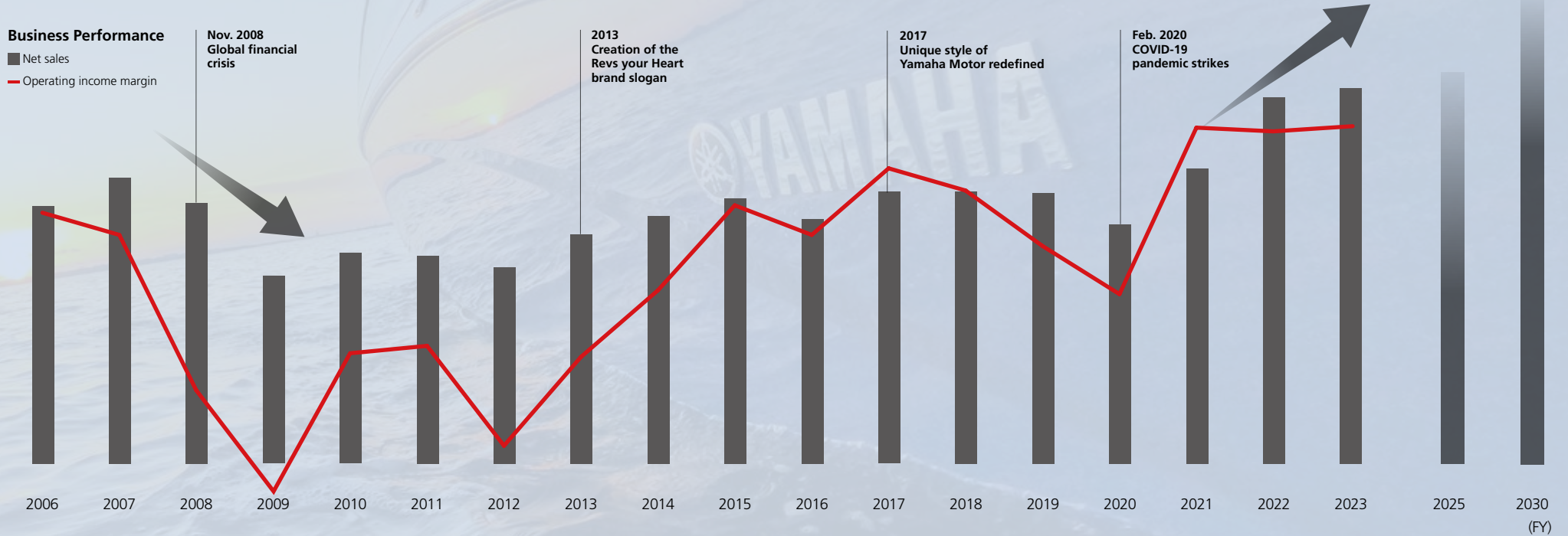
Medium- to Long-Term Strategies

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Since our founding, we have consistently manufactured products with the desire to bring joy and *Kando* to our customers. During the downturn after the 2008 financial crisis, we redefined and pursued the unique style of Yamaha Motor along with introducing structural reforms. What lies at the root of our record-breaking performance in fiscal 2022 and again in fiscal 2023 is our brand, enhanced by constantly honing what makes the Company unique in our corporate activities, and the foundations built by the consistent reinforcement of our organizational strengths.



## 2008 Financial Crisis Impacts Earnings

With the global financial crisis in 2008, global demand receded and performance fell sharply, and the Company faced its first serious crisis since its founding. The slow response to the rapid decline in demand in developed markets, overstocked inventories, fixed costs inflated by an excessive growth trajectory, and a strong yen triggered by exchange rate fluctuations all contributed to poor performance. Under these circumstances, our first priority was to promote break-even-point management with an emphasis on implementing structural reforms and strengthening our earnings structure. Since fiscal 2010, the year we successfully achieved positive operating income, we have accelerated efforts with continued demonstration of our presence through *Monozukuri* as the second phase of our commitment toward sustainable growth, along with structural reforms and reforms of our management platforms.

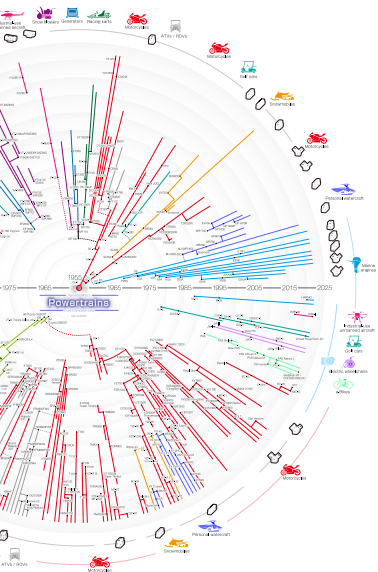
## Clarifying Our Stance As a *Kando* Creating Company As We Achieve a V-Shaped Recovery

One of our structural reform measures was to reduce costs through the creation of product platforms that could address the mix of demands in different markets. To resolve this dilemma, previously separate divisions were integrated and the Design Center (today's Creative Center) was created. This was an opportunity to discuss and verbalize the image of what makes Yamaha Motor unique, which had been vague up to that point, as well as to discuss the creation of new product platforms. As we recovered from the crisis, we reevaluated Yamaha Motor's *raison d'être*, established a brand slogan for realizing our corporate mission, and designated five elements comprising the unique style of Yamaha to convey the Company's values at any time. Today, these are used as a common guideline for all Yamaha Motor employees worldwide.

## Record-Setting Performance Amid the COVID-19 Pandemic

Similar to the financial crisis in 2008, the COVID-19 pandemic temporarily dented earnings due to a lull in global demand and supply chain fragmentation. In response to the drastic changes in the business environment, the entire Company came together to confront the crisis, drawing on lessons learned in 2008 and other past experiences. On the other hand, the COVID-19 crisis brought about changes in people's lifestyles and values. We saw this as an opportunity for growth and achieved a strong recovery with products and services that met the needs of those who sought after *Kando* even in such a drastically changing business environment. In fiscal 2022, we surpassed ¥2 trillion in net sales for the first time in our history. Our early recovery is the result of our efforts to strengthen our corporate structure as well as our unwavering pursuit and creation of *Kando* unique to Yamaha Motor.

Yamaha Motor has unique philosophies passed down from generation to generation since its founding. These ideals are part of Yamaha Motor's DNA and staying true to who we are is how we believe we can continue meeting our customers' expectations and enhancing our competitiveness.



## 居安思危

### Kyo An Shi Ki

Use good times to prepare for challenges ahead.

Genichi Kawakami, founder and president of Yamaha Motor, believed that we must prepare for the future by finding new business opportunities when the company's performance is good. In that same vein, Yamaha Motor was created by spinning off the motorcycle department from a musical instrument company, Nippon Gakki, and grew by diversifying its business portfolio. We aim to achieve sustainable growth by promoting portfolio management.

## 感動創造

### Creating Kando\*

Being the "Kando creating company" is our goal.

While remaining in harmony with society and the environment, Yamaha Motor strives to offer our customers around the world products and services that bring joy and unexpected exhilaration that enriches their lives with new fulfillment. We seek to be closer to people and be a partner for unlocking and enhancing their hidden possibilities. We are proud of our *Monozukuri* that creates products both functional and emotional in value.

\* *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.



## 需要創造

### Creating Demand

Demand is something we create ourselves.

We not only conduct business in markets already developed by other companies but also open up new markets that did not exist before by combining our proprietary technologies and products in order to create new value.

Our highly original products and services providing this new value have not only expanded our business and markets but also continue to create new customers.



## 人機官能

### Jin-Ki Kanno

Technology born from *Jin-Ki Kanno* seeks to deliver users the seductive exhilaration felt when they truly become one with their machine. Quantifying and fine-tuning this kind of exciting performance, which we call *Kanno Seino*, and then building it into our products is a solid part of our Yamaha *Monozukuri* framework. This unique development philosophy is common to all of our products and we continue to pursue the *Kanno Seino* that lies between the lines of the spec sheet.



## Our Works

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All of Yamaha Motor's activities are based on its unchanging and ever-present value of *Kando*. However, *Kando* is experienced in different and diverse ways depending on the era, place, and person, and with this in mind, we remain forever focused on the customer and how our work can lead to different kinds of *Kando*.

Actively promoting international personnel transfers and assignments, my goal is to create a friendly workplace that encourages people of all stripes to apply their talents and grow. I believe that diversity connects different viewpoints together and creates synergy that makes our company more competitive.



**Yury Pantelev**

Global Human Resources Division,  
Human Resources & General Affairs Center

*Kando* comes when expectations are exceeded and it is a value that can only be created by people. I want this business unit to continue being one that achieves the automation desired by those in manufacturing all around the world so that people can fulfill their human potential.



**Ayako Egashira**

Executive General Manager  
Robotics Business Unit, Solution Business Operations

We are conducting impactful and effective communications campaigns in our pursuit of building a strong brand identity. Going forward, our goal is to plan and successfully execute communications strategies that resonate with diverse audiences across the globe.



**Praveen Kumar**

India Yamaha Motor Pvt. Ltd. (IYM)

# Revs Your Heart

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

Our brand slogan serves as a guideline for each of us to think and act together to bring people *Kando*-inspiring experiences as we aim to achieve our corporate mission. We share that mission to create *Kando* with our Group employees and co-creation partners around the world and will forge ahead with even stronger unity toward greater growth.



My passion as a corporate branding representative is to deliver *Kando* to colleagues, suppliers, dealers, and customers and thereby forge stronger bonds with them. I will continue striving to communicate that uniquely Yamaha Motor value to a wider audience going forward.

**Worasuda Thuenwithi**

Thai Yamaha Motor Co., Ltd. (TYM)



Guided by the aim of developing world-class hulls and nurturing sailors who can compete on the world stage, I have supported the YAMAHA Sailing Team 'Revs' in their qualifying races for international competitions. Showing that spirit to take on challenges helped not only create *Kando* but also helped me raise Yamaha Motor's brand presence.

**Shigeru Fujii**

Development Division, Japan Business Section,  
Marine Business Operations



I handle international sales of Genuine Yamaha parts and accessories. Through our after-sales services, I strive to lead our customers to choose us time and time again, while aiming to serve as a bridge between the Company and its overseas subsidiaries for promoting mutual understanding.

**Rachael Hurren**

Marketing Division, Customer  
Experience Business Unit

# A Look at Yamaha Motor's Unique Style

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Our Revs your Heart brand slogan represents our desire and passion to deliver exceptional value and experiences that enrich the lives of people around the world who encounter our company. We will continue to do our utmost to exemplify the five elements of "Innovation," "Excitement," "Confidence," "Emotion," and "Ties," and will strive to follow them every day so that customers can clearly feel the values behind the unique style of Yamaha.



## 発 Innovation Challenging for Innovation

### Green Slow Mobility project

Innovation (*hatsu*) means to always create value with new ideas and perspectives without being bound by conventional wisdom.

The Green Slow Mobility project is a small-scale mobility service that utilizes our golf car technology. These vehicles are easier to drive than a conventional car and can pass through narrow alleys. Useful for tourist excursions and as a means of transportation for the elderly, these vehicles are a good fit for a low-carbon society, and we are conducting real-world trials around Japan aimed at eventual deployment.

## 悦 Excitement Creating Excitement

### TY-E 2.2

Excitement (*etsu*) is an emotion that rises from the bottom of one's heart and brings joy and delight to those who feel it. It is a visceral sensation, whereby momentarily one's heart races and one's emotions run high. Our *Monozukuri* is always centered on human sensibilities.

The TY-E 2.2 electric trials bike was developed with the concept of FUN x EV. It takes advantage of features unique to EVs, such as powerful low-speed torque and strong acceleration, in its pursuit of levels of fun surpassing internal combustion engines, and delights riders with how it feels to use.



## 信 Confidence Ensuring Confidence

### Enduro

In order for customers to truly enjoy our products, it is essential that reliability be unquestioned. All *Kando* is built on a customer's sense of Confidence (*shin*), trust, and peace of mind.

Our first series of commercial outboards, Enduro models were created through the trials of tough use in severe operating environments, mainly in developing markets. These models have a simple construction that makes them above all durable, tough to break, and easy to maintain, and they have won an unquestioned reputation in developing markets where demand is high.



## 魅 Emotion Captivating Emotional Feelings

### Wolverine RMAX4

Emotion (*mi*) is the magic-like force that draws you in, the strong feelings that tug at your heartstrings. We provide products and services that fascinate people's artistic mind.

Our concept when designing this product was for it to be the "Highest luxury and exciting shared trail riding experience." The model is capable of drawing out optimal riding performance by adapting to various terrains and situations. The "Evil Eyes" expression, which is emblematic of Yamaha Motor products, hints at the powerful riding experience to come while stimulating the driver's sense of adventure.

## 結 Ties Building Ties with Customers for Life

### Yamaha Riding Academy

The connections and bonds we have with customers from the very beginning to the end of their journey are the Ties (*ketsu*) that form the foundation of Yamaha Motor's *Monozukuri*.

We conduct a variety of activities around the world to ensure our products are used safely and properly, such as courses on safe riding practices. The Yamaha Riding Academy (YRA) is a core program among our various safety promotion initiatives and aims to help make our products fun, convenient, and useful for our customers for many years to come. Over 100,000 riders worldwide take YRA courses for various products every year.



# Expansion of Business Fields

Yamaha Motor Co., Ltd. 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. The Company has proactively entered international markets since the 1960s and has developed its business based on its fundamental powertrain, chassis and hull, electronic control, and manufacturing technologies. We offer a myriad of products around the world that create *Kando* by leveraging our technologies and keen sensibilities.

## Kando Creation Driving Business Diversification Attuned to the Times

### ■ Founded

#### 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. Although a latecomer to the market, the Company generated 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. This is where we find the origins of Yamaha Motor's unique style.

### ■ Japanese Economic Miracle (1955–)

#### Customer-Oriented Development for Creating *Kando*

Yamaha Motor entered the marine recreation field believing that enjoying daily life would eventually lead to more fulfilling lifestyles. 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 create the new "soft bike" market segment in Japan.

### ■ Equal Concern for *Kando* and the Environment (1990–)

#### Creation of User- and Eco-Friendly Mobility

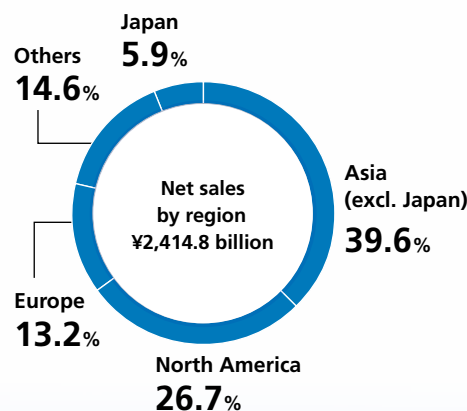
In 1993, Yamaha Motor launched the PAS as the world's first electrically power-assisted bicycle, a new form of mobility intended to be closely linked to user lifestyles. Promoted as a user- and eco-friendly personal commuter model placing top priority on performance in tune with human sensibilities, 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. These technologies are contributing to today's development work on new forms of mobility.

### ■ To the Future (2010–)

#### Uniquely Yamaha Motor Approaches to Solving Social 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 to contribute to labor-saving efforts and raising efficiency in a variety of fields, from industry and farming to forestry. In addition, as part of its efforts to achieve carbon neutrality, Yamaha Motor is bringing electric motorcycles and scooters such as the NEO's and the HARMO next-generation electric boat control system to the market while also moving forward with the development of powertrains that do not emit CO<sub>2</sub>. Through efforts such as electrification among our wide-ranging product lineup, we are expanding the possibilities of mobility for a better society and a more fulfilling life.

## Global Business Operations



Number of employees (consolidated)

**53,701**

Ratio of overseas production

Over **90%**

Total number of bases (primary roles)

Development **19**

Manufacturing **25**

Sales **49**

## Number of Consolidated Subsidiaries: 130



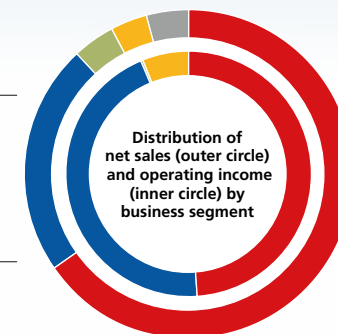


## Fiscal 2023 Consolidated Financial Results

Net sales  
**¥2,414.8 billion**

Operating income  
**¥250.7 billion**

Operating Income Margin  
**10.4%**



### Land Mobility

The Land Mobility segment primarily comprises the motorcycle, recreational vehicle (RV), and smart power vehicle (SPV) businesses, and offers a wide range of products tailored to the characteristics of each market, including products for practical daily transportation, as well as for leisure, commercial, and sports use.

Net sales (% of total)

**¥1,581.8 billion (65.5%)**

Operating income (% of total)

**¥124.3 billion (49.6%)**



Motorcycles



Electrically power-assisted bicycles



All-terrain vehicles (ATVs) / Recreational off-highway vehicles (ROVs)



Leaning Multi-Wheel (LMW) models



Snowmobiles



Electric wheelchairs

Intermediate parts for products, knockdown parts for overseas production, automobile engines, and automobile components, etc.

### Marine Products

The marine products business offers a lineup that includes outboard motors, personal watercraft, and fiber-reinforced plastic (FRP) pools, and has established a world-leading presence in the marine market.

Net sales (% of total)

**¥547.5 billion (22.7%)**

Operating income (% of total)

**¥113.7 billion (45.3%)**



Boats



Outboard motors



Pools



Personal watercraft



Fishing boats and utility boats

### Robotics

The robotics business develops products such as industrial robots for factory automation, surface mounting technology (SMT)-related equipment used for manufacturing printed circuit boards, semiconductor manufacturing equipment, and unmanned industrial-use helicopters and drones that utilize our core electronic control technology.

Net sales (% of total)

**¥101.4 billion (4.2%)**

Operating income (% of total)

**¥0.9 billion (0.3%)**



Surface mounters



Semiconductor manufacturing equipment



Industrial robots



Industrial-use unmanned helicopters

### Financial Services

As part of our efforts to reinforce business management foundations, we provide retail financing, wholesale financing, leases, insurance, and other financial services related to our products to customers and dealerships.

Net sales (% of total)

**¥86.5 billion (3.6%)**

Operating income (% of total)

**¥15.3 billion (6.1%)**



Financial services

### Other Products

The other products business manufactures and sells golf cars and land cars for golf courses and leisure facilities, generators and multipurpose engines based on small engine technology, and snow blowers for snowy regions.

Net sales (% of total)

**¥97.6 billion (4.0%)**

Operating loss (% of total)

**¥3.6 billion (-1.4%)**



Golf cars / Land cars



Generators



Snow blowers



Automobile engines

# Medium- to Long-Term Strategies

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We will continue to pursue *Kando* creation that resonates with people with an eye to our next stage of growth while keeping *Kyo An Shi Ki*—‘Use good times to prepare for challenges ahead’—in mind amidst these ever-changing times.

Under our corporate mission to be a *Kando* Creating Company, we have made “ART for Human Possibilities: Let’s strive for greater happiness” our Long-Term Vision for 2030. These words encapsulate our desire to respond to the needs of society in uniquely Yamaha Motor ways, applying the technology and sensibilities we have cultivated to date to the concepts of being “closer to people” and “expanding human possibilities” more than ever before.

In 2024, “transformation” and “speed” will continue to be key words each and every one of us keeps in mind as we move to our next stage in which we will take on a more proactive course of action by planning, proposing, and implementing self-driven initiatives to create new *Kando* and drive our growth strategies, reinforcement of our business foundations, and sustainability measures.



Yoshihiro Hidaka  
President, Chief Executive Officer  
and Representative Director



\* At the Yamaha booth press briefing at the Japan Mobility Show 2023



## Overview of Fiscal 2023

### Record-High Sales for the Third Consecutive Fiscal Year, Overcoming Issues That Have Come into View, and Reaching New Heights

In fiscal 2023, we achieved record-breaking net sales and operating income for the third consecutive fiscal year, posting ¥2,414.8 billion and ¥250.7 billion, respectively. This achievement marks another step toward our next target of ¥3 trillion in net sales. I feel that these results reflect each employee's efforts to take on various challenges while keeping our key words for fiscal 2023 in mind: "transformation" and "speed." On the other hand, the slowdown in demand in the second half of the year was more severe than expected, and net sales fell short of our upwardly revised forecast for the first half of the year. It must also be said that Yamaha Motor's performance in real terms has not improved as much as the numbers may suggest, as our fiscal 2023 results were greatly boosted by increased demand for outdoor recreation and the depreciating yen.

In the second year of the Medium-Term Management Plan, we made a somewhat high level of progress toward meeting the plan's quantitative targets, but at the same time, the suitability—and unsuitability—of our strategies for each business became more apparent. I think the key consideration here is whether we have been able to closely observe our customers and markets. With the motorcycle business, not only is this where Yamaha Motor began but we also have a long history in the industry, so we have a deep understanding of the market and our responses to the needs of our customers have contributed to our business performance. However, while we kept ramping up production and sales and profits continued to rise in the Marine Products business, which has been the driver of our earnings growth for the past several years, our market share has been slowly declining. In an effort to turn the tide, we launched the revamped F350B, a large 350-horsepower outboard model, in the

North American market in fiscal 2024, with launches in other markets following. We recognize that the Smart Power Vehicles (SPV) business is no different in the sense that it has thus far grown by capitalizing on the growth of the market itself. Although current growth is slowing, we are confident that demand will rise over the medium to long term. We have expanded our operations base in Europe—the business' main market—to be in closer proximity to our customers to understand their latent needs and put us back on a growth trajectory. Although the Robotics business is in a difficult place in terms of performance, its markets have always been characterized by fluctuations. Now is a time for patience, and I believe that it is important we steadily move forward with preparations for our next leap upward.

I feel that our experiences over the past few years have considerably increased our corporate resilience, i.e., our ability to respond quickly and flexibly to unpredictable changes in the business environment at the Companywide level. We constantly keep a close eye on events around the world and on the Company as a whole, and our employees are increasingly ready to make quick decisions and act independently when issues arise. These are strengths that we built up through our sheer perseverance in responding to changes in demand and supply chain disruptions caused by the COVID-19 pandemic. Over the past year, issues that were largely hidden in the shadow of our strong business performance emerged, such as the aforementioned decline in market share and inventory adjustments triggered by changes in demand trends. The Company will work to firmly address these issues and gain a higher level of capability by overcoming them. I believe that in the process, these efforts will lead us to our goal of ¥3 trillion in net sales.

## Initiatives under the Current Medium-Term Management Plan (2022–2024)

### The Final Year of the Medium-Term Management Plan Will Test Our Abilities

We entered the final year of our Medium-Term Management Plan—fiscal 2024—amid intensifying headwinds in the business environment that have persisted since the second half of fiscal 2023. We expect net sales and operating income to grow for the fourth consecutive fiscal year and are on track to significantly exceed our final year net sales target of ¥2.2 trillion or more. The plan also set three-year-average targets for profitability and efficiency, aiming to maintain a high level in both regards in a sustainable manner. We have surpassed these targets over the past two years, but we believe fiscal 2024 will test our abilities to maintain this level of performance even in the face of headwinds.

Our selling power will be of utmost importance in rising to this challenge. Until now, our top priority has been to ramp up our supply capacity in order to keep pace with demand amid the constant tailwind it gave us. Now, however, we have reached a turning point in demand and are shouldering excess inventory in most markets while the

competition for securing sales is intensifying. We believe it will become crucial whether we can get customers to fully understand the value of the Yamaha Motor brand and sell our products at appropriate prices.

In terms of portfolio management, we have bolstered the resilience of our motorcycle business and other core businesses, and now have a structure in place that reliably generates cash. With our businesses undergoing structural reforms, we have made steady progress over the past two years in terms of scale and profitability, deciding to transfer our multipurpose engine, generator, and snow blower businesses and to withdraw from the swimming pool and snowmobile businesses. Going forward, we intend to further accelerate the development of our new and growth businesses.

With regard to these new businesses—the seeds for growth in the long term—the mobility services business has crossed the break-even point and is close to shifting stages to upscaling. That said, it takes a certain amount of time to

develop a market from the ground up and maximize business value, so our stance is to be persistent in our efforts from here onward. On the other hand, our two growth businesses of Robotics and SPVs, which we expect to become the secondary pillars to our core businesses, have not been able to produce the performance we'd hoped for due to their currently poor market conditions. However, in the medium to long term, we are sure to see worsening labor shortages and an increase in demand for semiconductor-related products and vehicles with low environmental impact. As such, we will continue to strategically allocate our resources in order to be ready to meet the anticipated rises in demand.

### Working Toward a Carbon-Neutral Future

Yamaha Motor has positioned sustainability as a key pillar of its Medium-Term Management Plan, with carbon neutrality as a major theme. The Company has put the Yamaha Motor Group Environmental Plan 2050 in place aiming to achieve carbon neutrality, and it lays out our policy to become carbon-neutral throughout all of our business activities—including the entire supply chain\*<sup>1</sup>—by 2050 as well as further reducing per-person CO<sub>2</sub> emissions from transportation.

Through the introduction of energy-saving and renewable energy facilities, we achieved a 60% reduction in CO<sub>2</sub> emissions from corporate activities (Scope 1 and 2

emissions) in 2022 compared to levels in 2010. As we targeted a 58% reduction in CO<sub>2</sub> emissions by the conclusion of the current Medium-Term Management Plan, we are ahead of schedule. We will continue to analyze the value of energy and steadily implement initiatives based on approaches unique to Yamaha Motor. Furthermore, for Scope 3 emissions generated by customers and employees through product usage, raw materials, transportation, and disposal, we plan to reduce such emissions by accelerating the shift to electric vehicles (EVs) through our platform strategy and stepping up development to accommodate



a variety of powertrains. Currently, we are slightly behind schedule in developing and expanding sales of battery electric vehicle (BEV)\*<sup>2</sup> offerings and are moving development forward with a keen sense of urgency. However, BEVs are not the sole solution to becoming carbon-neutral. Technological innovations in hydrogen, biomass, synthetic fuels, and other carbon-neutral fuels make it possible to reduce CO<sub>2</sub> emissions with internal

combustion engines as well. In fact, Brazil is expected to achieve carbon neutrality ahead of many through a combination of these solutions. Yamaha Motor will also aim to explore multiple pathways to achieving carbon neutrality, rather than sticking to a single method. And in this space as well, our success here once again hinges upon whether we are closely observing our customers and markets. We must ask ourselves how we can offer products that meet the

performance needs of their intended use while at a price customers find acceptable. I am certain that never losing sight of what our customers value is what will lead to sustainability in real terms.

\*1 Includes emissions from corporate business activities (Scope 1 and Scope 2) and other emissions (Scope 3)

\*2 Battery electric vehicle: a vehicle in which motors are battery powered

## Our Long-Term Vision: ART for Human Possibilities

### The Right Time to Keep *Kyo An Shi Ki* in Mind

*Kyo An Shi Ki* is an idiom that Yamaha Motor has valued since its founding. It originates from Chinese historical events and conveys the importance of using calm and peaceful times to prepare for inevitable challenges ahead. Genichi Kawakami, our founding president and the fourth president of Nippon Gakki Co., Ltd. (today's Yamaha Corporation), valued the lesson behind this idiom and believed that the Company must search for new business opportunities and prepare for the future when it is performing well. Driven by that, in the mid-1950s, Kawakami saw motorcycles as one such new business opportunity and a means of preparing for the future as Nippon Gakki's next business beyond musical instruments. Later, the motorcycle division of Nippon Gakki was spun off to establish Yamaha Motor. The *Kyo An Shi Ki* spirit was passed on as well, with the Company diversifying and developing its businesses into

multiple domains, from land mobility and marine products to robotics.

There have been many times in our history when it was essential that we kept these words in mind. One that left a lasting impression on me personally was when we were on the verge of being forced to withdraw our motorcycle business from Indonesia and Thailand in the wake of the Asian financial crisis in the late-1990s. To somehow overcome the adversities we faced, we pinned the last of our hopes on introducing scooters to these markets. In ASEAN markets at the time, our competitors' motorcycles had won an overwhelming share and it was said that scooters, which were completely different from motorcycles, simply would not sell. But contrary to such predictions, our scooters began selling immediately after launch and Yamaha's market share rocketed up, putting us alongside the leaders. While this was an

incredible comeback story, we were unable to make our next move right away, so our sense of relief was short-lived; our competitors launched their own scooters en masse, quickly turning the tables back on us. In hindsight, it was a natural outcome; there is no way our competitors would just sit there and do nothing in response. However, if one finally achieves success and then becomes complacent because of it, it can rob one of the ability to make clear-headed judgments. Based on such experiences, I always remind myself and others in the Company that it is precisely when times are good that we must hold onto our sense of urgency, think ahead, and take action.

As I mentioned earlier, we have achieved record net sales and operating income for three consecutive fiscal years. Thus, I strongly believe that now is the time to once again heed the lesson behind *Kyo An Shi Ki*.

## Transformation, Speed, and Proactivity

As I have already stated thus far, what concerns me most right now is whether we are closely observing our customers and markets. This may be an obvious statement, but we cannot miss the mark here; the needs of customers and markets are constantly changing. Complacency brought on by one success will soon see us left behind. As such, we need to always be acutely aware of changes in customer values, anticipate their needs, and continue to create new *Kando* that will resonate with them. Without question, it is each and every one of our employees that will take the lead in this process. Human resources who conceive and propose

ideas for new *Kando* and then act independently to that end are the source of Yamaha Motor's value creation. We will compensate such proactive human resources accordingly and nurture them further.

Yamaha Motor has a corporate culture of free and open communication where we can share opinions and mutually acknowledge good things as good things, regardless of age, gender, nationality, or job title. Moving forward, I believe that expanding that communication internally as well as externally beyond the Company will lead to further revitalization. More recently, we have been providing

opportunities for our employees to gain experience working at startups, where they have been able to learn not only new business models and processes but also new ways of thinking. Above all, I have been hearing cases of dramatic increases in employees' sense of speed. We will continue to overcome challenges with "transformation" and "speed" in mind and by demonstrating our ability to take proactive, independent, and self-driven action.

## To Claim the No. 1 Spot in Domains We Decide to Compete in

In the outside director dialogue featured in Integrated Report 2023, Takehiro Kamigama explained the importance of aiming to be No. 1 in the world toward achieving our next goal of ¥3 trillion in net sales. He said that achieving No. 1 status greatly increases the amount of information you take in, meaning that you are always one step ahead of the competition. That results in enjoying a sustainable competitive advantage, and I completely agree with this sentiment. That said, I think it is important to consider what constitutes being "No. 1 in the world." In the case of our Marine Products business, we simply aim to be No. 1 in the world in terms of scale. When it comes to motorcycles, however, we have many competitors and endured a bitter experience in the past when we pursued scale and engaged in fierce competition, only to be drawn into a price war that ended in attrition. From this standpoint, we have elected to target premium segments of motorcycle markets where we can leverage our strong brand power and offer added value. We are determined to become No. 1 in the world in this space by being the firm choice of its prospective customers.

From a long-term perspective, it is extremely important to not only grow profits but also increase net sales. I have constantly maintained this view since I assumed the position of president and chief executive officer in 2018. Without this approach, the Company would be unable to sufficiently reward our investors, employees, business partners, and other stakeholders, nor would it be able to contribute widely to society. In fiscal 2022, we surpassed ¥2 trillion in net sales and were able to produce further top-line growth in fiscal 2023. Rather than becoming complacent with these successes, we will firmly keep *Kyo An Shi Ki* in mind while coming together as a company united in continuing our pursuit of *Kando* creation. I hope we can look forward to the ongoing support and understanding of all our stakeholders regarding our values, determination, and actions henceforth in this continued pursuit.

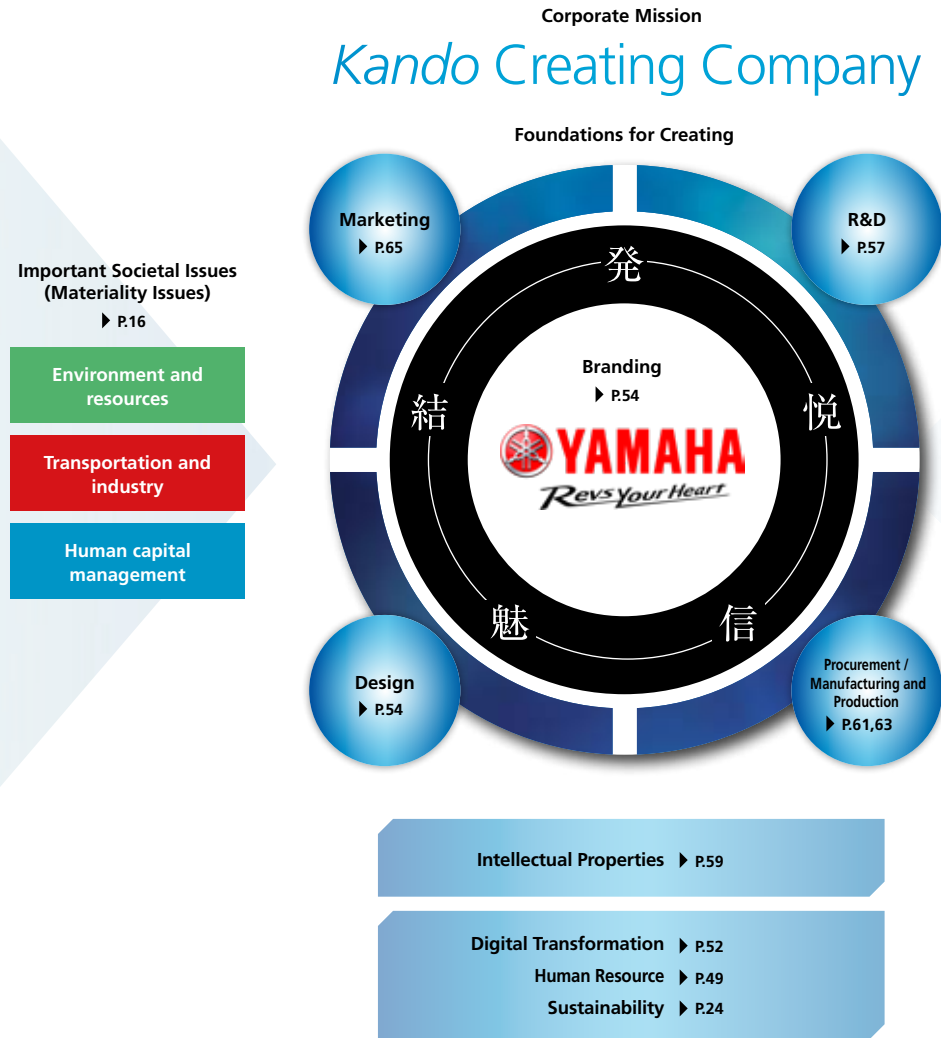


Yoshihiro Hidaka  
President, Chief Executive Officer  
and Representative Director



# Maximizing Our Environmental and Social Value

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.



Long-Term Vision 2030

## ART for Human Possibilities

Let's strive for greater happiness

Medium-Term Management Plan  
▶ P.20

Business Operations

**Land Mobility**

▶ P.38

**Marine Products**

▶ P.41

**Robotics**

▶ P.43

**Financial Services**

▶ P.45

**Other Products**

**New Businesses**

▶ P.46

Outcomes to Achieve

**Environmental Value**

Reduction of greenhouse gas emissions from our business activities



**Social Value**

Provision of safe and dependable mobility and lifestyles



**Economic Value**

Redistribution of economic added value to stakeholders





# Important Societal Issues (Materiality Issues)

Yamaha Motor defines materiality issues as major issues considered important by both our stakeholders and society at large, which not only have a major impact on our operations but are also ones we believe we can solve through our business. By addressing these issues, we aim to achieve the sustainable growth of corporate value as well as the sustainable development of society and the environment. Furthermore, performance regarding materiality KPIs, which are indicators of ESG management, is part of the non-financial evaluation component of the Company's executive remuneration system, and overall progress, including the results of an ESG evaluation performed by an external evaluation institution, is considered when determining Companywide performance-based compensation for officers, including the president.

## Process for Identifying Important Societal Issues

### STEP 1 Sort

We look at the wide range of societal issues referenced in the United Nations Sustainable Development Goals (SDGs) and the Global Risks Report, and select those that will have the greatest impact on Yamaha Motor's use and procurement of management resources, and for which the resolution will make the greatest contribution to the enhancement of corporate value. We also evaluate the importance of societal issues from the perspective of stakeholders, referencing the valuations of ESG rating institutions and the content of our dialogues with major shareholders and institutional investors.

### STEP 2 Categorize

Through consultation with operating divisions, functional divisions, and corporate divisions, the divisions clarify the relationships between the issues selected in Step 1 and each division's policies and activities, and those that should be addressed Companywide are aggregated and categorized.

### STEP 3 Designate

All of the Company's officers deliberate societal issues aggregated and categorized in Step 2 at Management Committee and Board of Directors meetings and designate "important societal issues" that should be addressed Companywide using the Company's strengths, corporate philosophy, and unique capabilities.

### STEP 4 Incorporate

Initiatives to resolve the identified important societal issues have been incorporated into the current Medium-Term Management Plan. The rigorous implementation of these initiatives will be monitored going forward.

From 2021 to 2022, we reexamined these issues in light of the changes seen in the external environment and their impact on our businesses and society in general and reorganized them into three issues. We also reviewed and refined the themes of our initiatives in line with the changes in internal and external environments.



# Important Societal Issues (Materiality Issues)

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

Management Platforms

Facts and Data



- Risks**
- Tightening of regulations and declining net sales due to global warming
  - Declining profits due to rising costs
  - Negative impact on corporate image
  - Delays in the economic independence of developing countries because of marine pollution
  - Impact of marine pollution on the fishing industry and marine leisure
- Opportunities**

- Growing trend of EVs replacing existing forms of mobility
- Heightening demand for smaller forms of mobility

Themes	Yamaha Motor's Approach	Vision for 2030	Medium-term targets (2022–2024)	Results in 2023	SDGs		
<b>Achieving carbon neutrality</b> 	Reduce the environmental impact of key products that emit CO <sub>2</sub> , such as motorcycles and outboard motors	Reduced CO <sub>2</sub> emissions from production operations by 80% (per unit sale) compared to 2010 and achieve net zero by 2035	Reduce CO <sub>2</sub> emissions from production by 58% compared to 2010 Note: Target revised upward to 58% in 2024 in line with expediting our carbon neutrality goal to 2035	67% reduction (compared with fiscal 2010)			
			Deploy renewable energy facilities in at least 10 countries and regions	Fourteen countries and regions using renewable energy - Percentage electricity generated from renewable energy sources: 37% - Japan, Indonesia India, Vietnam, Thailand, Taiwan, U.S.A., Pakistan, Philippines, Colombia, Brazil*, Italy*, France*, and China* *Newly introduced in 2023			
			Begin using carbon-free electricity at Yamaha Motor domestic offices and worksites	Introduced Shizuoka Green Denki (hydroelectric power generation) in July 2022 for major domestic locations 19% reduction in Groupwide Scope 1 and 2 CO <sub>2</sub> emissions			
		Promoting the development and sale of uniquely Yamaha Motor products with low environmental impact through electrification and other methods	Reduce the environmental impact of key products that emit CO <sub>2</sub> , such as motorcycles and outboard motors	Promote R&D activities for internal combustion engines that use carbon-neutral fuels* * Hydrogen, synthetic liquid fuels, biofuels, etc.	Establishment of the Hydrogen Small Engine Technology Research Association (HySE) by four Japanese motorcycle manufacturers Introduced carbon-neutral R&D facilities and began full-scale R&D - Adaptive development of engine for Dakar by HySE - Development of hydrogen engine for golf cars (announced in North America) - Development of hydrogen engine for marine application (announced at the Miami International Boat Show)	Signed agreement to acquire marine electric propulsion manufacturer Torqeedo Continued research and prototype evaluation of a concept boat combining electric propulsion and peripheral technologies	
					Release at least eight new electric motorcycles/scooters to the global market	Introduction of one new model Note: Three new models in total. Despite delays of several months due to the COVID-19 pandemic and other factors, the project is progressing largely as planned. Eight new models will be introduced by mid-2025.	
					Testing and evaluation of a new electric marine concept model completed	Released two models in the market Note: Achieved FY2023 target, introduced five models in total	
<b>Conservation of marine resources</b> 	Reduce the risk of damage to the marine ecosystem and the depletion of fishery resources as a marine product industry leader	Improved recyclability of boats	Progress with R&D for FRP waste material recycling and achieve technical feasibility by 2024	Continued research through industry-academia collaborations Development of recycling applications for raw materials extracted from fiberglass reinforced plastic scrap wood			
			Transition from FRP materials to naturally derived materials and gradually introduce them into mass-produced models by 2024	Plant-derived cellulose nanofiber reinforced resin used in engine covers for 2024 models, including jet skis			
		Established solutions that contribute to sustainable fisheries	Introduce a fishery management solution pilot project in 2024 after completing field tests	Started demonstration test of fisheries management solution in Papua New Guinea (shrimp fishery)			

Note: **A R T** refers to Advancing Robotics, Rethinking Solution, and Transforming Mobility, the three focus areas of our Long-Term Vision for 2030. We strive to contribute to the resolution of key social issues through the initiatives of these focus areas.

# Important Societal Issues (Materiality Issues)

Introduction

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## Transportation and industry

### Risks

- Rising number of traffic accidents
- Rise in traffic accidents caused by elderly people in developed nations
- Fewer means of transportation in underpopulated areas
- Reduced competitiveness in the market and business environment

### Opportunities

- Growing demand for motorcycles due to rising populations and incomes in developing countries
- Greater need for smaller forms of automated mobility
- Addressing and supplementing the aging workforce and labor shortages in the agriculture, fishing, and manufacturing industries
- Increased automation with the development of AI technologies
- New demand for mobility such as CASE-equipped vehicles and MaaS
- Offering solutions for the agricultural sector using robotics
- Increased competitiveness due to the spurring of innovation

Themes	Yamaha Motor's Approach	Vision for 2030	Medium-term targets (2022–2024)		Results in 2023	SDGs	
<b>Safe and user-friendly mobility for everyone</b> A R T	Promote initiatives to eliminate traffic fatalities involving motorcycles	Reduced percentage of motorcyclists in all traffic fatalities	<b>Skills</b>	Yamaha Riding Academy participants: increase by 160% to 352,000 (compared to 220,000 over the three years of the previous Medium-Term Management Plan)	Events: 2,255 in 29 countries; participants: 107,000 Note: Reached FY2023 target with a cumulative total of 237,000 participants		
			<b>Technology</b>	Drive technological R&D into rider airbags	Development progressing as planned toward a market launch		
	Utilize mobility technologies to provide transportation infrastructure for the elderly, children, depopulated areas, and other vulnerable populations	Reduced population without access to public transportation thanks to introducing low-speed automated driving systems	Establish automated driving technology for service vehicles on select public roads and aim for implementation in at least three locations by 2024		Cooperated in a government-led project and became the first company in Japan to begin Level 4 implementation and operation in Eiheiji-cho, Fukui Prefecture		
			Offering new mobility options that make people happier	Launch a personal mobility product to the market in 2023 that offers an all-new mobility experience	Reached decision not to sell based on the results of market testing, and reconsidered improvements		
Improve convenience and create employment opportunities by providing assets for mobility services	Improved standard of living for people who cannot afford a motorcycle and provide services that enable them to earn a stable living	Launch Mobility as a Service businesses in two or three emerging markets		Started mobility service business in India and Nigeria considering expanding into other markets			
		Support startups that provide safe transportation and logistics services through measures such as asset leasing (between ¥10.0 billion and ¥15.0 billion in 2024) to help improve people's access to basic services		Total assets of operations in India and Nigeria amount to approximately ¥8.0 billion			
<b>Robotics for improved work ease, comfort, and precision</b> A R T	Create work environments where people can dedicate their talents to work requiring the human hand, eye, and mind by securing more available time via automation and labor-saving measures	Successful commercialization of new technologies in the manufacturing, agriculture, and medical sectors that are driving efficiency gains	<b>Manufacturing</b>	Commercialize automated transport between factories in 2022 with the aim of expanding the business overseas by 2024	Domestic business gained recognition in the industry (Overseas business in under consideration for development)		
				Test implementation of our proprietary collaborative robots for automating tasks that require repetitive or heavy human labor at plants in 2023, followed by full-scale business expansion in 2024	Promoted enhanced functionality, usability, and safety of cobots		
			<b>Agriculture</b>	Sell smart agriculture system that increases yields by 10% and reduce use of pesticides and fertilizers as a project for the Ministry of Agriculture, Forestry and Fisheries	Launched smart agriculture drones in Ministry of Agriculture, Forestry and Fisheries of Japan project	Continued collaboration and demonstration of smart farming system leading to increased agricultural yields	
				Establish labor-saving technologies and businesses for cultivating and monitoring orchard crops in the United States, Australia, and other countries	Strengthening cooperation with investee companies and moving forward with development as planned		
<b>Medicine</b>	Sell new cell handling devices featuring even higher accuracy	Development of image analysis technology progressed as planned					
	Offer antibody detection services to determine treatments appropriate for the patient	Established a new company for antibody-based medical and healthcare business in the U.S. and Japan					



Risks

- Loss of human resources due to reduced opportunities for diverse human resources to play active roles
- Increased competition for human resources

Opportunities

- Creation of new opportunities by promoting diversity and inclusion
- Improving vitality through the hiring of diverse and talented people from around the world

Themes	Yamaha Motor's Approach	Vision for 2030	Medium-term targets (2022–2024)	Results in 2023	SDGs
<b>Diverse human resources for increased corporate strength</b> A R T	Maximize engagement and performance by allocating talent in a timely and appropriate manner from a global perspective	Assigning the right person to the right assignment, regardless of gender, nationality, or ethnicity, and moving the business forward while respecting diverse views and values	Increase the ratio of local talent in executive positions at overseas subsidiaries to at least 55%	55.6%	
			Implement around 10 global inter-subsidiary transfers by the end of 2024	Began implementing international transfers after introducing the Yamaha Assignment Policy (YAP) in 2020 - Completed assignment and returned home: 5 cases - Currently away on assignment: 4 cases - Preparing for assignment: 3 cases	
			Raise the ratio of women managers Groupwide to at least 13% by 2024	11% (539 out of 4,846) Number of women in management positions by location - YMC alone: 50 (3.7%) Note: Transferees are counted at the destination location. - Domestic locations: 37 (5.5%) - Overseas locations: 452 (16.1%)	
			Increase the headquarters employee engagement score to at least 70%	61% in 2023 (62% in 2022, 59% in 2021)	
<b>To fulfill our corporate responsibility to respect human rights</b> A R T	Eliminate the risk of human rights violations throughout the entire supply chain	Ensuring that the Company maintains a systematic approach to responding to human rights matters and effectively implements mechanisms to minimize human rights risks	Establish a human rights policy that is adopted by all Group companies	Established the Yamaha Motor Group Human Rights Policy Achieved 100% adoption by Group companies	
			Increase the percentage of agreement on human rights policies with dealerships and suppliers* in the supply chain (80% by 2024, and 100% by 2027) * Tier 1 suppliers involved with dealerships and Yamaha Motor products and with whom the Company or its subsidiaries have entered into a basic direct transaction agreement	27% - Direct material suppliers: 43% (adopted by 2,348 companies) - Dealerships: 21% (adopted by 3,090 companies)	
			Launch operation of global relief mechanisms and respond appropriately to risks	Utilization and operation of existing hotline (in-house) Establishment and operation of new hotline (outside the Company)	

Under our corporate mission to be a *Kando* Creating Company, we will work to realize our Long-Term Vision for 2030 of ART for Human Possibilities by carrying out our Medium-Term Management Plan from 2022 as phase two of the Company’s ongoing transformation. In recognition of the numerous challenges that must be addressed, including changes in the business environment, the rising awareness of sustainability, and the need for transformation, we will continue with the growth strategies and reinforcement of management foundations that we have pursued over the last three years, while also strengthening our resolve for sustainability. In the rapidly changing business environment, we will once again return to the essentials in fiscal 2023, especially growth strategies and reinforcement of our management foundations, to accelerate the pace of our transformation.

## Corporate Mission *Kando* Creating Company

Long-Term Vision for 2030

# ART for Human Possibilities

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

Basic Policies of the Medium-Term Management Plan (2022–2024)

We will strengthen the **earning power of our core businesses**, **invest in new and growing businesses** that contribute to the creation of a sustainable world, and **accelerate digital initiatives and co-creation** to boost our growth potential.

2019–2021

Growth Strategies

Reinforcement of Management Foundations

Growth Strategies

Reinforcement of Management Foundations

- Portfolio management

- DX (Digital Transformation) and structural reforms to our production scheme



Sustainability

- Carbon neutrality efforts
- Safety riding and peace of mind
- Accelerate DX
- Increase global workforce agility

2025–2027

2028–2030

### Business environment

- Environmental changes—pandemic
- Rising awareness of sustainability—carbon neutrality
- Need for transformation—DX business model

## From the Director in Charge of Corporate Planning and Financial Affairs



**Motofumi Shitara**  
Director and  
Senior Executive Officer

To create *Kando* on a sustainable basis, we will strengthen the earning power of our core businesses and invest aggressively in strategic business fields by appropriately allocating management resources.

### Posting Record-High Net Sales and Operating Income for the Third Consecutive Fiscal Year

Yamaha Motor launched its current Medium-Term Management Plan amid the major societal changes brought on by the COVID-19 pandemic. Although the impacts of these changes were still around in fiscal 2023, the second year of the plan, we headed toward normalcy as progress was made in resolving the semiconductor shortage and the sharp rises in raw material prices and ocean freight rates slowed, among other developments. As in fiscal 2022, the depreciation of the yen continued to provide a tailwind for the Company. In addition, we rolled out carefully set pricing based on the unique characteristics of each market and this greatly contributed to our business performance. Excessive price rises can sometimes drive down competitiveness, but I believe the Company was able to successfully keep price increases at acceptable levels while staying competitive and this warrants mention. In terms of cost control, our continuous efforts to carry out break-even-point management have begun to take root, and each of our major bases is moving ahead independently with activities to that effect.

As a result, we once again took in higher sales and profits in fiscal 2023 and posted record-high figures for net sales and operating income for the third consecutive fiscal year. We have also exceeded our targets for the financial indicators of growth, profitability, and efficiency set forth in the Medium-Term Management Plan. Meanwhile, demand for outdoor recreation—particularly in developed markets—appears to be settling, a trend that became clear in the second half of the fiscal year. As a result, inventories in some businesses and regions exceeded appropriate levels, resulting in negative free cash flow. However, we expect free cash flow to drastically reverse course to a significantly positive level in fiscal 2024 through meticulous management of the cash conversion cycle—which has been set as a global KPI—and proper inventory management. We will continue to forge ahead with a financial strategy that emphasizes our cash flows and balance sheet.

Medium-Term Management Plan Targets			
Growth	Net Sales		
	2024		CAGR*1
	Over <b>¥2,200</b> billion		Over <b>7%</b>
Profitability (Three-year average)	Operating Income Margin		
	Over <b>9%</b>		
Efficiency (Three-year average)	Capital Efficiency (approx. 7% WACC)		
	ROE	ROIC	ROA*2
	<b>15% range</b>	<b>9% range</b>	<b>10% range</b>

Forecast			
2024	Net Sales		
			CAGR
	<b>¥2,600</b> billion		<b>12.8%</b>
	Operating Income Margin		
	Three-year average of <b>10.1%</b>		
Three-year average	Efficiency		
	ROE	ROIC	ROA
	<b>16.2%</b>	<b>9.9%</b>	<b>10.5%</b>

\*1 Average compound annual growth rate for 2021-2024 \*2 ROA is calculated based on operating income

# From the Director in Charge of Corporate Planning and Financial Affairs

## Promoting Business Portfolio Management

In our Medium-Term Management Plan, we commenced business portfolio management to clarify the positioning of each business based on anticipated net sales growth rate and return on invested capital (ROIC) and then appropriately allocate management resources. Starting with our core businesses, profitability in the motorcycle business has gone up, with a significant improvement in fiscal 2023 in return on sales (ROS) from 6.6% to 8.7%. The Marine Products business again secured ROS in excess of 20% due to an increase in shipments of large outboard motors of 300 horsepower or more, which are highly profitable in the U.S., and increased sales of personal watercraft. Another major achievement was establishment of and beginning of operations at Yamaha Motor Finance Corporation in the U.S. as planned to oversee and support the Financial Services business across the entire Group. To achieve sustainable growth in the Financial Services business, we will establish a globe-spanning structure for business operations and leverage the Group's collective intellectual and human resources in a reciprocal manner. With regard to structural reforms, we have made steady progress in shifting management resources, such as the conclusion of an agreement to

transfer the multipurpose engine, generator, and snow blower businesses, as well as the decision to withdraw from the swimming pool and snowmobile businesses.

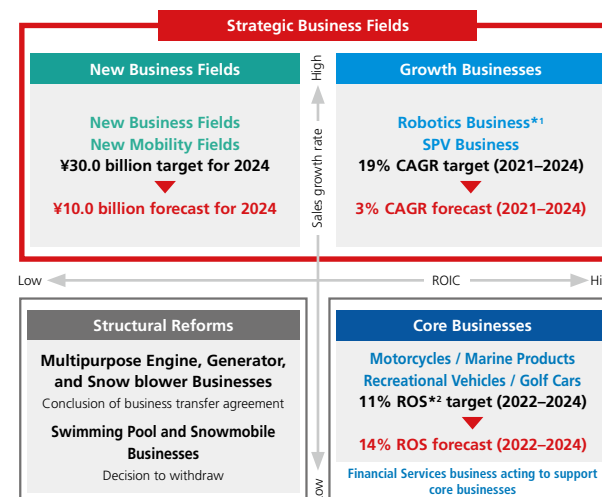
Meanwhile, we have revised our targets downward for the new and growth businesses we have positioned as strategic business fields. The market has worsened for the Robotics and Smart Power Vehicle (SPV) businesses, both of which we have designated as growth businesses, and we expect to fall short of our targeted compound annual growth rate (CAGR) of 19%. However, we can expect both businesses to experience long-term growth and we are working to ensure that we are ready to capture demand when the markets recover. For new businesses, although we lowered our net sales target from ¥30.0 billion to ¥10.0 billion, we are gradually starting to see results. Specifically, we established a new company in the medical and healthcare field in the U.S. that specializes in antibody profiling. In the mobility services business, we launched businesses in India, Nigeria, and Tanzania, and are making progress toward achieving profitability.

## The Final Year of the Medium-Term Management Plan

Although fiscal 2024 will be the final year of our current Medium-Term Management Plan, our strategies remain mostly unchanged. Based on our business portfolio management, we will monitor the ROIC of each business, strengthen the earning power of our core businesses, and aggressively invest in strategic business fields. In terms of our business performance in fiscal 2024, we expect to achieve record-high net sales and operating income for the fourth consecutive year due to factors such as improved supply of motorcycles and the easing of raw material prices and ocean shipping rates. We are also on track to achieve all of the financial indicators laid down in our Medium-Term Management Plan.

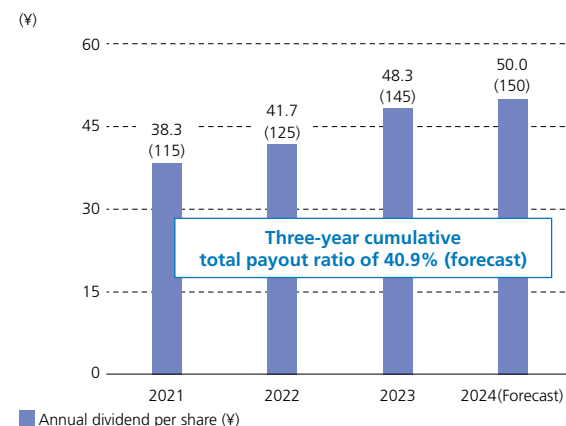
For shareholder returns, our basic policy is to emphasize making consistent and ongoing dividend payments while also taking into consideration the outlook for business performance and investments for future growth. We will also aim to distribute returns to shareholders in a flexible way based on the scale of our cash flows, with a target total payout ratio in the 40% range for the cumulative three-year

period of the Medium-Term Management Plan. In fiscal 2023, following the Company's strong performance, we increased the annual dividend by ¥20 to ¥145 and additionally purchased ¥30 billion in treasury stock, putting our total payout ratio at 47.7%. Moreover, the Company conducted a three-for-one stock split of its common stock, effective January 1, 2024. This was done with the aim of expanding our investor base, and the number of individual investors holding Yamaha Motor shares has increased significantly, indicating a solid response to this measure. In fiscal 2024, we will again allocate resources to our core businesses, strategic business fields, and infrastructure building for future growth, and plan to pay an annual dividend of ¥50 per share (an increase of ¥5 to ¥150 per share on a pre-stock split basis) as well as repurchase ¥20.0 billion in treasury stock. As a result of these measures, the total payout ratio will be 39.8% and we expect to thereby achieve a total of 40% or more for the cumulative three-year period of the Medium-Term Management Plan.



\*1 Including surface mounters, semiconductor manufacturing equipment, industrial robots, and industrial-use unmanned helicopters  
\*2 ROS is calculated using figures that do not include corporate expenses

## Shareholder Returns



	2021	2022	2023	2024 (Forecast)
EPS	¥148.56	¥170.49	¥163.57	¥176.49
Total share buybacks	¥11.0 billion	¥20.0 billion	¥30.0 billion	¥20.0 billion
Total payout ratio	32.8%	35.7%	47.7%	39.8%

Notes: 1. The figures in parentheses for annual dividend per share do not take into account the stock split.  
2. The EPS is calculated based on the total number of shares issued excluding treasury stock after the stock split.

# From the Director in Charge of Corporate Planning and Financial Affairs

## Aiming for Sustainable Enhancement of Corporate Value

The price-to-book (P/B) ratio is one indicator of a company's value and can be expressed as the product of return on equity (ROE) and price-to-earnings (P/E) ratio. As the director in charge of corporate planning and financial affairs, my primary mission is to appropriately allocate resources with an emphasis on cost of capital while maintaining the Company's financial footing based on our business portfolio management. Our ROE for fiscal 2023 was above the industry average at 15.4%, a level that receives a certain degree of recognition from the capital market. Meanwhile, P/E ratio remains at around 8 times. To raise the P/B ratio, we must continue stabilizing ROE at high levels as well as improve the P/E ratio—in other words, we recognize the need to raise expectations for future value. To this end, it is essential that we develop our next generation of businesses and actively

engage in dialogue with our shareholders and investors. We will continue to showcase the growth potential of our businesses, strengthen our efforts toward carbon neutrality and other sustainability measures, and focus on enhancing the disclosure of non-financial information.

To sustainably enhance corporate value, I believe it is important that our products and services enable customers to gain a true sense of our Long-Term Vision of "ART for Human Possibilities: Let's strive for greater happiness." Many such products and services have existed throughout Yamaha Motor's history and these have transformed into the pillars holding up the Company's current earnings. In April 2024, we launched a new Companywide project named NEXT KANDO ACTIONS. The project aims to organize the *Kando* creation process

that Yamaha Motor has practiced to date and share it widely throughout the whole Company in order to connect that to future *Kando* creation. In 2024, we plan to begin activities for establishing that internally before evolving them into activities that can be communicated externally from 2025 onward and then involving our principal bases around the world.

The pandemic gave rise to a significant increase in demand that has strongly reaffirmed my belief that our products and services contribute to enriching the lifestyles of our customers. For Yamaha Motor to continue sustainably creating *Kando*, we will forge ahead with business portfolio management and ramp up investments for growth, nurturing next-generation businesses that strive to bring people greater happiness.

### Current P/B Ratio Assessment and Future Initiatives

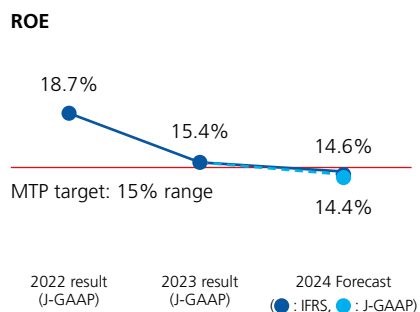
$$\text{P/B Ratio } 1.3x = \text{ROE } 15.4\% \text{ (FY2023)} \times \text{P/E Ratio } 8.5x$$

→ Secure ROE in the 15% range as a stable return on capital that exceeds the cost of shareholders' equity

→ Reduce cost of equity  
Improve expected profit growth rate

Note: PBR and PER are as of May 31, 2024

### Toward a High and Stable ROE



#### Net Income Ratio

- Maintain and improve profitability of core businesses
- Downsize, sell, or withdraw from businesses targeted for restructuring
- Reduction of SG&A expenses through accounting system overhaul

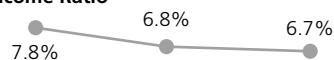
#### Total Assets Turnover

- Reduction of cross-shareholdings
- Reduce working capital through inventory management

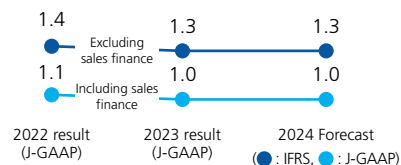
#### Financial Leverage (Equity Ratio)

- 40% total payout ratio, flexible share buybacks
- Secure at least 45% per medium-term targets

#### Net Income Ratio



#### Total Assets Turnover



### Toward Improving P/E Ratio

- Stabilize business performance and expand growth businesses through business portfolio management
- Strengthen sustainability initiatives and enhance non-financial information disclosure





# Sustainability

We believe that contributing to the sustainable development of society through business activities in line with our corporate mission to be a *Kando* Creating Company represents the kind of sustainability initiatives expected of Yamaha Motor. The Company has positioned sustainability as a key pillar of its management and is kick-starting efforts aimed at building a more sustainable world.

## Yamaha Motor Group Sustainability Basic Policy

The Yamaha Motor Group's corporate mission is to be a *Kando* Creating Company. We aim to offer people all over the world joy, amazement, elation, fulfillment, and happiness through our products and services while maintaining harmony with society and the global environment. To achieve this, we will leverage the empathy arising from connections between people as an engine for creating new value.

As a company trusted by society, we will, under appropriate corporate governance, contribute to the resolution of societal issues and sustainable development through innovative and diverse products and services, in ways that embody the unique style of Yamaha Motor. We ask our business partners to uphold this policy and act on its basis.

- We will comply with international rules, laws, and ordinances, and at the same time, we will work to prevent corruption and execute our operations with fairness and integrity.
- We will respect human rights, will not discriminate, and will not use child labor or carry out forced labor in any form.
- We will value our relationships with our stakeholders and disclose information in a timely and appropriate manner.

## Sustainability Promotion Structure

The Sustainability Committee, chaired by the president and chief executive officer, and comprising members of the Management Committee, was established as part of the sustainability promotion structure. The Sustainability Committee deliberates on and determines the response to issues related to sustainability and risk compliance.

The Environment Committee, chaired by the executive officer in charge of promoting environmental activities, was established as the subordinate committee to deliberate on and review, from specialist perspectives, policies and visions for the future concerning

environmental initiatives, medium- and long-term environmental plans, investment, and monitoring.

In regard to sustainability issues other than those related to the environment, the Sustainability Promotion Meeting has been established as the subordinate council of the Sustainability Committee. Issues are addressed by organizing the Risk Compliance Secondary Meeting, the Sustainability Secondary Meeting, and the Global Compact Secondary Meeting for each issue, with members consisting respectively of persons from related divisions.

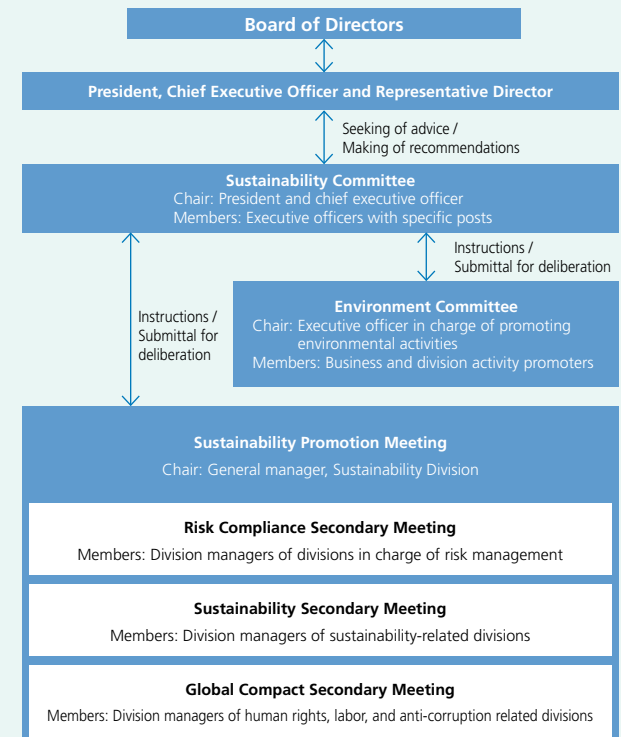
## Obtaining an 'A' from CDP for Climate Change Disclosure

In recognition of our leadership in transparency and performance in the area of climate change, Yamaha Motor was named an A-list company for 2023 by CDP, an international non-profit organization. CDP uses a detailed, independent methodology to score more than 21,000 companies from A to D- based on their demonstrated best

practices related to environmental leadership, including comprehensiveness of disclosure, awareness, management of environmental risks, and setting of ambitious and meaningful goals.

Our "A" score is the highest possible grade, with only 2% of companies assessed receiving one in fiscal 2023.

<b>Customers</b>	We will provide high-quality products and services that can be used safely and with peace of mind by anyone, and will work to educate people on the proper ways to use our products, and spread this knowledge to create good environments for their use.
<b>Employees</b>	We think that the health and safety of our employees is a foundation of the Company's growth. We will improve working environments, respect and promote diversity and inclusion, and engage proactively in talent management. We will also respect the freedom of association and the right to collective bargaining.
<b>Business Partners</b>	We will have our doors wide open to all partners, regardless of nationality or size, and with a long-term perspective be engaged in the achievement of mutual prosperity.
<b>The Environment</b>	We will develop technologies in ways that prevent global warming, and work to minimize environmental loads. Furthermore, we will undertake the conservation of biodiversity and sustainable use of natural resources.
<b>The Community</b>	We will respect the cultures and customs of each country and region, and work to achieve harmony with communities.
<b>Shareholders and Investors</b>	We will aim to enhance corporate value through long-term stable growth based on mutual dialogue.



## Our Relationship with Customers

Against a backdrop of diversifying customer needs and the commoditization of products and services, we are working to maximize the customer experience (CX) to achieve further growth. In all stages of our business, from *Monozukuri*—which involves product planning, development and design, and manufacturing—to sales and after-sales services, we listen sincerely to our customers and continue to take on challenges every day to deepen their fondness and affinity for Yamaha even more.

### CX Business Unit Activities

The CX Business Unit conducts activities in the after-sales area of spare parts, accessories, and services to maximize the appeal of the main product and encourage customers to become Yamaha fans by enjoying life with every product to the fullest. The following are some specific activities conducted by the CX Business Unit.

#### Spare Parts

- Providing our customers with the parts they need when they need them while ensuring that they can get the parts quickly and easily
- Maintaining fair prices for parts



#### Accessories

- Timely provision of quality Genuine Yamaha bolt-on accessories that match the vehicle's design, our YAMALUBE genuine oil, and other accessories

#### Service

- Maintaining and improving the technical abilities of dealerships to ensure smooth and proper service when repairing or inspecting a customer's vehicle
- Incorporating customer feedback and requests regarding current products into next-generation models
- Organizing and providing the correct information needed to use and service a customer's vehicle

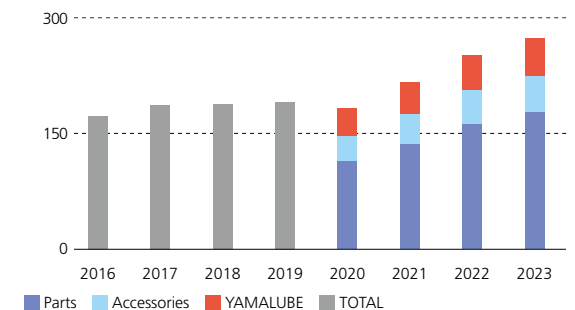


The activities outlined on the left are carried out in cooperation with parts and service personnel at subsidiaries and distributors in each country as well as dealers.

Yamaha also runs the Yamaha Riding Academy (YRA) worldwide for everyone from children to adults returning to riding to help them enjoy a safer motorcycling lifestyle.

#### Net Sales of the CX Business unit

(¥ billion)

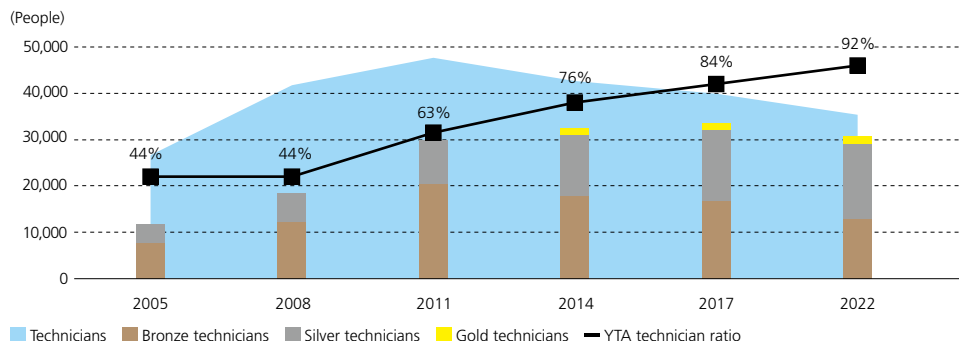


## Improvement of Service Level through Dealer Staff Training

To ensure the level of service provided at dealerships, Yamaha Motor operates its own globally standardized mechanic training program, the Yamaha Technical Academy (YTA). Instructors from around the world who have received training in Japan provide instruction to mechanics at dealerships to ensure they acquire technical skills meeting Yamaha's global standards. This program has three levels of certification—Bronze, Silver, and Gold—according to a technician's level of skill and dealerships are required to have certified mechanics on their staff. Having these Yamaha-certified technicians work on maintenance and repairs is how we keep customers' vehicles in safe and reliable condition.

The Yamaha World Technician Grand Prix is a competition held biannually since 2002 in which YTA-trained mechanics compete with their technical and customer service skills. To select the world's best Yamaha technicians, only those that have won their respective regional competitions can compete in the Grand Prix and are evaluated from the viewpoints of technical skills, easy-to-understand explanations, and *Kando*-stirring customer service. Qualifying to participate and achieving high marks in the competition serve as sources of motivation for service staff at dealerships worldwide and drives them in their daily duties as mechanics.

### Number of YTA-Certified Technicians



### Customer Satisfaction with Yamaha Motorcycles\*1

2019	2020	2021	2022	2023
90%	98%*2	95%	95%	96%*3

\*1 Figures are the percentage of customers each year who purchased a leading motorcycle model in the previous year and gave a customer satisfaction rating of 4 or higher on a scale of 1 (lowest) to 5 (highest) in sampling surveys. (Countries covered: Japan, U.S.A., Germany, France, Italy, Spain, Taiwan, China, Brazil, India, Indonesia, Thailand, Vietnam, Philippines, Malaysia)

\*2 Held only in one ASEAN country in 2020 due to the COVID-19 pandemic.

\*3 2023 figure excludes off-road models in the U.S. and results from Taiwan.

## Global Parts SCM Network

Robust supply chain management (SCM) is necessary to ensure hundreds of thousands of replacement parts are promptly delivered to customers. Since 1983, we have been striving to improve the overall quality of our parts SCM operations, from organizing part information to inventory management and warehouse logistics, by establishing a parts system at our headquarters, introducing it to our overseas offices and distributors, and providing them with operational guidance. In 2002, we began centralized inventory control of parts made in Japan at our headquarters for our major bases in Europe and the U.S. In addition, we introduced a globally standardized system for our 20 overseas bases as we expanded our international manufacturing operations. Furthermore, we are clarifying transaction rules between sites, revamping operational manuals, and the headquarters is taking the lead to standardize operations and improve operational quality globally.

Through these efforts, we stock immediately needed items such as consumables at dealers and bases so that they can be delivered to customers as quickly as possible. On the other hand, parts required for less frequent serious repairs are stocked at production bases to the greatest extent possible, reducing inventory overall and striking a balance between customer services and management requirements. In logistics, we are increasing container fill rates by loading at the factory, introducing simplified packaging and returnable materials, and researching packaging materials to promote sustainability-conscious operations with low environmental impact.



## For Greater Safety in Mobility

### Our Jin-ki Kanno x Jin-ki Anzen Safety Vision

Centering our efforts to elevate safety on Technologies, User Skills, and Connectivity, the *Jin-ki Kanno x Jin-ki Anzen Safety Vision* expresses Yamaha Motor's unique approach to create a world free of accidents together with our customers, in which users can experience the joy and *Kando* that comes from progressing their own skills and abilities while having fun at the same time.

Our goal is to eliminate traffic fatalities by 2050. To this end, we believe that it is essential not only to have technology aid riders but also to improve user skills and to connect people to their machines. Specifically, we will work on risk prediction riding assist, preventing damage and defensive riding assists, emergency avoidance riding assists, and damage mitigation. To implement effective measures for reducing traffic fatalities, we are researching and analyzing data on accidents worldwide as we formulate plans.

In addition, safety initiatives for products other than motorcycles are being implemented in line with the *Jin-ki Kanno x Jin-ki Anzen Safety Vision*.

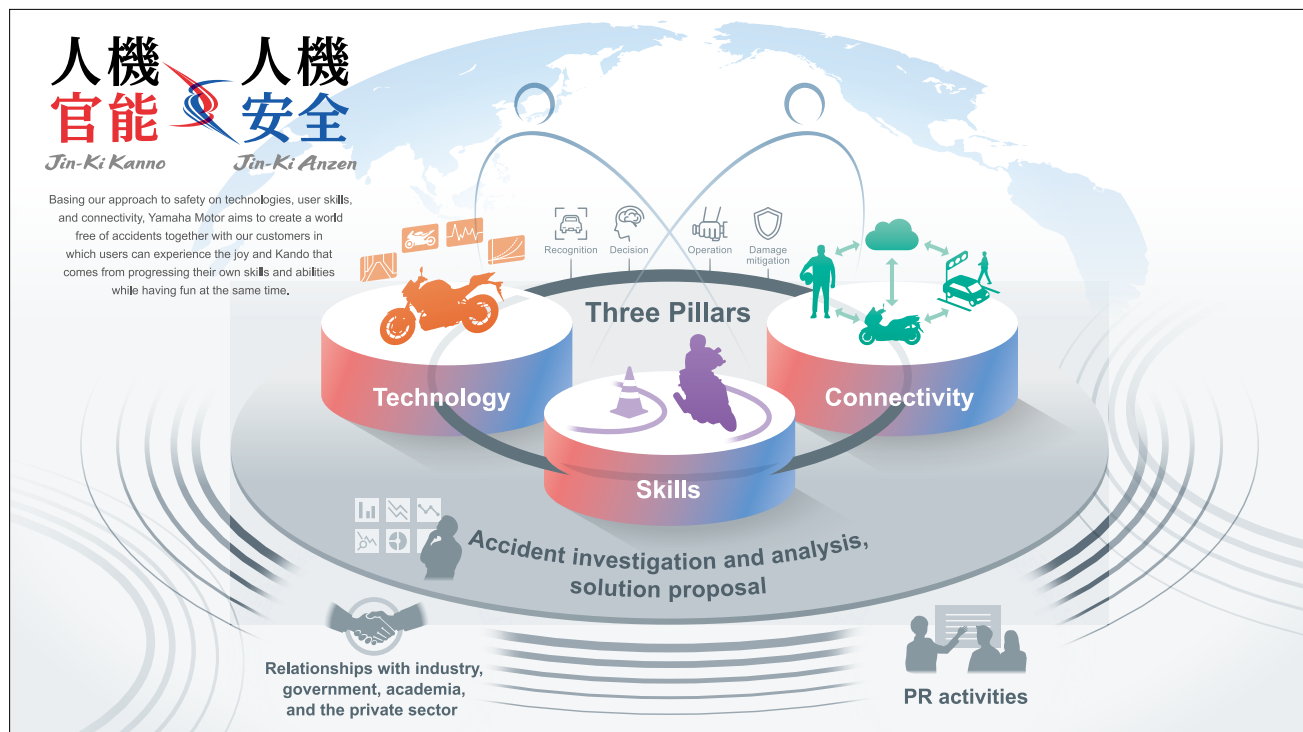
By steadily promoting these activities, we aim to realize safer riding and users' peace of mind, fun personal mobility, and a world free of accidents.

### Causes of Motorcycle Accidents and Countermeasure Trends

Yamaha Motor analyzes accidents by country and region and classifies them into seven forms for analysis and countermeasure creation. In the Technology area, we are working on developing peripheral warning systems\*1 and cooperative intelligent transportation systems\*2 toward real-world rollouts. In the Skills area, we are expanding the scale of the Yamaha Riding Academy and promoting greater awareness of safety through micro-learning.

\*1 Systems that monitor the vehicle's surroundings via camera, radar, etc., and alert the user of a potential collision

\*2 Systems that use wireless communication technologies to connect people, roads, and vehicles to aid in safe driving and the like



### Seven Forms of Accidents

Collision Location	Motorcycle Condition	Accident Scenario	Accident Type
At an intersection	A motorcycle going straight	Collides with a vehicle crossing the road from a different direction	(1) Side impact
		Collides with a vehicle crossing the road from the side	(2) Lateral cutoff
		Collides with a vehicle crossing the road from the opposite direction	(3) Opposing cutoff
		Collides with a vehicle turning while traveling in the same direction	(4) Sideswipe
On a straight road	A motorcycle	Collides with the rear of a vehicle traveling in the same direction	(5) Rear-end collision
		Collides with the front/side of a vehicle approaching from the opposite direction	(6) Head-on/side collision
Alone	A motorcycle	Collides with a road element or the road itself from a fall	(7) Single-vehicle

### Safety Initiatives for Other Products

In addition to motorcycles, we are engaged in safety promotion activities for our other products based on the *Jin-ki Kanno x Jin-ki Anzen Safety Vision*.

Land Mobility	Electrically power-assisted bicycles	Cooperation with training sessions conducted by the police and other authorities and collaborative activities with other companies in the industry
	Electric wheelchairs	Membership in the Electric Wheelchair Safety Promotion Association and participation in association-led awareness-building activities and riding instruction
Marine Products	General marine products	Providing Sea-Style member marinas with JM-Safety, a smartphone app-based navigation support service
	Personal watercraft	Running the Yamaha Riding Academy and providing safe riding training and explanations of local rules for each region at the time of warranty registration
Robotics	Industrial-use unmanned helicopters	Dissemination of information to distributors and activities in coordination with regulatory authorities
Other Products	Golf cars	Providing videos and leaflets to golf courses

## Engaging with Employees and Business Partners

In addition to creating an organizational structure that can respond promptly to changing and evolving market needs, the Yamaha Motor Group is striving to create workplaces where diversity is respected and aiming to be an entity where individuals and companies share lofty ambitions and work together to grow both as a business and as individuals in order to keep creating *Kando*. In the spirit of mutual trust and prosperity, we are working to build relationships with various suppliers and dealers in Japan and overseas as partners in pursuit of sustainable growth.

## Human Rights Initiatives

### Signing the United Nations Global Compact

In 2017, the Yamaha Motor Group signed the UN Global Compact, a series of principles proposed by the United Nations regarding human rights and labor. The signing enables the Company to not only express our approach to human rights both internally and externally but also carry out various activities in order to increase the effectiveness of compliance with these principles. One of these activities was to establish the Global Compact Secondary Meeting under the jurisdiction of the Sustainability Promotion Meeting. Those responsible for human resources, procurement, and other areas related to human rights and labor regularly gather in one place across divisional boundaries to eliminate issues, consider new activities, and confirm progress made.

### Group Company Initiatives

Under the Sustainability Basic Policy formulated by the Yamaha Motor Group in June 2021, we have positioned human rights as a top priority issue common to all stakeholders. To promote Groupwide awareness and understanding of this basic policy, we have prepared translated versions in 17 different languages and have received written confirmation of agreement from the management of each Group company. Additionally, we have created explanations for each item to increase transparency for Group employees.

The Code of Ethics, a set of guidelines for the ethics of Group employees, specifies that they must not carry out acts that abuse or deny a person's character according to factors such as race, nationality, ideals, principles in life, physical characteristics, personality, or relatives, and must not carry out any form of harassment, including sexual harassment. We are also striving to enhance employee awareness of human rights through e-learning and various kinds of training.

Our risk management system, which covers all business units and subsidiaries under the Group umbrella, has a human rights-related component addressing associated risks in our own operations and across the supply chain. We monitor, assess, and formulate measures to mitigate such risks. We also conduct a Groupwide compliance awareness survey each year to gauge how aware employees are about their human rights. We also have a reporting line established to enable employees to report a problem right away in the event a situation arises, and we maintain and operate a whistleblowing system.

### Supplier and Business Partner Initiatives

We request that our suppliers support and act per the Yamaha Motor Group Sustainability Basic Policy. The Sustainability Guideline for Suppliers includes a section on Human Rights and Labor that clearly states requirements including respect for human rights, prohibition of child labor, prohibition of forced labor, fair wages, and dialogue and consultation with employees.

In 2021 and 2022, we conducted survey-based assessments focusing on foreign technical intern trainees. Our headquarters is located in Japan and this has been a hot-button issue as of late. In addition, we interviewed and conducted follow-up surveys with four Japanese suppliers' management and foreign technical intern trainees in collaboration with a third-party organization. In 2023, we formulated a new Yamaha Motor Group Human Rights Policy, which we distribute and issue to Group companies. To increase the effectiveness of such requirements, we obtain written confirmation of agreement and memorandums of understanding from each business partner.

### Human Rights Due Diligence

In 2023, we designated human rights risk as one of the Group's key risks and have further strengthened our efforts here accordingly. We have established a Human Rights Policy to clarify our approach to respecting human rights and conduct human rights due diligence to identify, avoid, and mitigate negative human rights impacts on the Group's supply chain.

Specifically, based on 15 national, regional and job-type risk indicators related to forced labor, labor rights, gender discrimination, etc., put forward by the Walk Free Foundation (WFF), International Trade Union Confederation (ITUC), World Economic Forum (WEF) and other public organizations, we examined locations in seven countries with a high human rights risk in order of priority. Out of these, we judged that 63 of the suppliers were high-risk and distributed and collected self-assessment questionnaires (SAQs).

We are advancing and expanding our investigations as needed. As of the end of January 2024, we had completed the human rights due diligence risk survey for approximately 2,600 companies and collected self-assessment questionnaires from approximately 1,300 companies. The survey results are still being compiled, and after analyzing and examining them, we plan to conduct site visits in 2024.

In addition, a human rights reporting hotline for external business partners/suppliers was established at the end of 2023 and is now in operation, strengthening our response for enacting corrective and remedial measures for human rights violations.

▶ Please refer to the Human Rights section of our website for more details.

## Creating a Safe Environment for Healthy and Safe Work

As stated in our Sustainability Basic Policy, we consider the health and safety of our employees to be the foundation of our corporate growth and strive to improve our working environments. The Yamaha Motor Group OSH Basic Policy, which clarifies the content of our Sustainability Basic Policy, as well as action guidelines and occupational accident reduction targets, were established to foster a culture of “safety and health first” and to make activities aimed at achieving zero occupational accidents take root throughout the Group. To ensure the health and safety of all our employees while promoting the creation of more comfortable work environments, we are also streamlining work duties to connect to improved productivity.

### Yamaha Motor Group OSH Basic Policy

“Safety and Health First”

We continue to pursue the creation of safe and comfortable workplaces where all people working for Yamaha Motor Group are physically and mentally healthy, can feel safe, and work actively with the participation of all employees.

### Yamaha Motor Group OSH Action Guideline

1. We increase our awareness of safety and health, think proactively, and act with safety and health as the highest priority.
2. We strive to minimize safety and health risks by collaborating across organizational boundaries.
3. We understand and comply with laws, regulations, and rules relevant to safety and health.

### Yamaha Motor Group OSH Accident Reduction Target

Occupational Fatality/Permanent Disability: Zero cases

Number of Occupational Lost-time Accidents: 50% reduction compared to the previous year

Total Number of Occupational Accidents: 50% reduction compared to the previous year

### Occupational Safety and Health

In 2023, we restructured our existing occupational health and safety management system and obtained ISO 45001 certification. We are working to prevent occupational accidents by conducting risk assessments in the workplace and systematically eliminating and reducing risks based on the results of these assessments. To raise safety awareness, we are also working to enhance various types of education and training, such as risk assessment, practical hazard prediction training, and legal and regulatory training.

In May 2023, a tragic accident occurred at the Hamakita factory that resulted in the death of one employee. To prevent accidents from ever occurring again, we are taking concrete steps to prevent recurrence, including comprehensive safety inspections of and countermeasures taken for equipment and machinery, risk elimination and reduction through thorough risk assessments, and raising safety awareness through “Safety Day.”

In the future, we will continue to improve our management system based on ISO 45001 to raise the occupational health and safety standards of the entire Group and make continuous improvements.

▶ Please refer to the Occupational Health and Safety section of our website for more details.

### Health & Productivity Management

As a *Kando* Creating Company, Yamaha Motor aims to provide customers with new excitement and more fulfilling lives. This requires that each and every one of our employees be healthy in both body and spirit. We believe this enables them to make full use of their passion and abilities, leading to customers’ trust in the products and services we offer. Accordingly, the Company is working hand-in-hand with its employees to help maintain and advance the health of its workforce. Specifically, the three major challenges are to achieve a 100% health checkup rate, to reduce the number of people with metabolic syndrome, and to reduce the ratio of smokers, and various efforts are being made to that end. In addition, to prevent mental illness among employees, we conduct stress checks as a matter of course, but also make follow-up interviews with occupational health physicians and nurses available for all high-stress employees who request them. Furthermore, group analysis results are fed back to workplaces to improve the working environment, and various education and training programs such as self-care and how supervisors can look after their team members are provided. Through these activities, the Company was recognized as an Outstanding Health and Productivity Management Organization (Large Enterprise Category) following 2023, under the Certified Health and Productivity Management Organization Recognition Program, which certifies corporations that are strategically engaged in health management. We will continue to promote the health and vitality of our employees actively.



▶ Please refer to Health & Productivity Management for details.

## The Environment

**We stay aware of and manage the opportunities and risks that environmental challenges pose to our businesses and incorporate adaptive and mitigative measures into our business strategies. We will promote initiatives under the Yamaha Motor Group Environmental Plan 2050 ("Environmental Plan 2050")—which was revised in 2021—in our efforts to offer new excitement and a more fulfilling life for people all over the world.**

Please visit our corporate website for more information on Environmental Plan 2050.

### Governance System

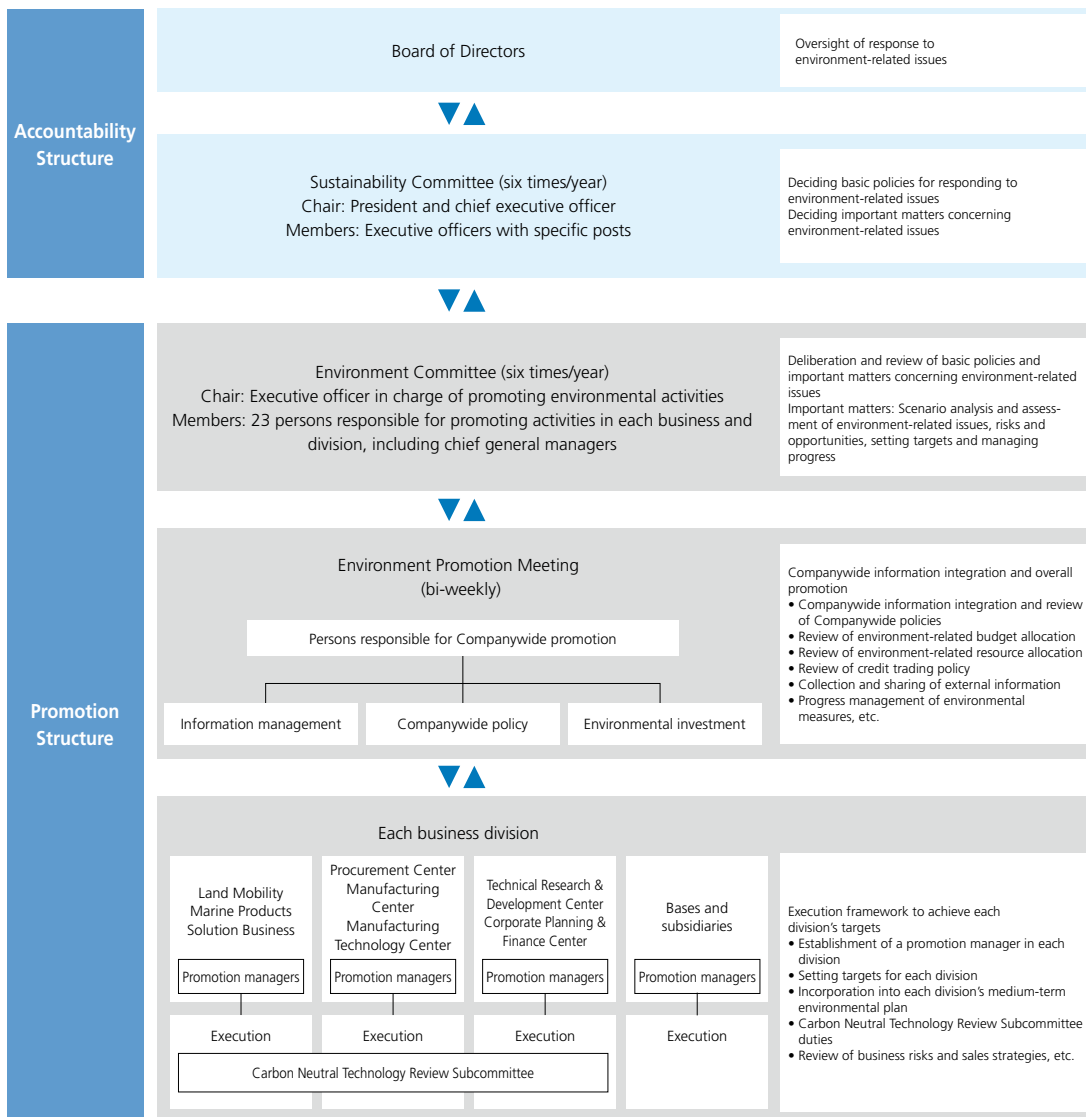
The Board of Directors formulates policies on dealing with issues concerning sustainability and regularly reviews their implementation status. With regard to issues concerning sustainability, the Board of Directors oversees the Sustainability Committee, which meets six times a year and is chaired by the president and chief executive officer and comprises executive officers appointed by the Board of Directors.

For these issues, we positioned the environmental field in particular as an important area to be tackled by management and established the Environment Committee, chaired by an executive officer in charge of environmental activities. The Environment Committee meets six times a year to discuss policies and visions related to climate change, resource recycling, biodiversity, and other environment-related issues; the Yamaha Motor Group's long-term environmental plan (Environmental Plan 2050); and conduct annual reviews of each business unit's progress against its targets. The committee reports its findings to the Board of Directors at least twice a year. In addition, KPI performance for materiality issues, including climate change, and ESG external evaluations are linked to the remuneration of executives and other senior managers to encourage effective initiatives.

### Risk Identification and Management

Each business and operational department categorize short-term, medium-term, and long-term climate-related risks as well as nature-related risks into "risks related to transitioning to a low-carbon economy," "risks related to physical changes caused by climate change," and "nature-related dependencies and impacts." Then, they consider the financial impacts of these risks on business, as well as the financial impacts mitigative and adaptive climate change measures and nature-related initiatives have on our business as opportunities for management reform, and identify risks and opportunities in our medium-term business plans.

Companywide business continuity risks, such as climate-related risks (climate change, resource recycling, biodiversity, and other environment-related issues), violations of laws related to product quality, critical product accidents, and cybersecurity are incorporated into the activity policies of each headquarters department and overseas Group company, and those that we particularly need to focus on to prevent and address are identified as significant risks at the Group level. The Sustainability Committee, which is chaired by the president and chief executive officer, assesses specific initiatives in relation to significant risks at the Group level, while the Environment Committee assesses specific initiatives undertaken as business strategies in response to the risks and opportunities identified by each business and functional division. In this manner, climate-related risks are incorporated into the Groupwide system for risk management.



## Assessment of Key Business Risks and Opportunities and Financial Implications

In developing its strategy to achieve carbon neutrality by 2050, Yamaha Motor refers to the SSP1-1.9, SSP1-2.6, and SSP3 scenarios of the Intergovernmental Panel on Climate Change (IPCC)'s 6th Assessment Report and Nationally Determined Contribution (NDC) scenarios in order to address uncertainty (risk) factors. We have identified and assessed short-, medium-, and long-term risks and opportunities as well as their impact on our businesses, strategies, and finances.

- Short term: Impacts our immediate financial performance (including the potential to emerge over a timeframe of 0–3 years)
- Medium term: Requires significant adjustments to our strategy (including the potential to emerge over a timeframe of 3–6 years)
- Long term: Fundamentally affects the viability of our long-term strategy and business model (including the potential to emerge over a timeframe of 6 or more years)

	Type	Subject of Assessment	Period	Status of Response	Financial Impacts
Transition Risks	Policy and legal SSP1	Increase in development costs to comply with exhaust emission and CO <sub>2</sub> emission standards in each country and territory	Short term	To respond to the tightening of emissions regulations in each country, the Regulations and Certification Division and the Local Sales Division obtain the latest information on regulatory tightening and report their findings to the R&D Division. As a countermeasure to minimize the risk of a sudden tightening of regulations in the ASEAN region, India, and other markets, the Company is developing a global model for proprietary products which complies with current regulations and conforms to European standards.	In promoting the growth of existing businesses and the development of new businesses, expenditures for growth strategies and research and development geared toward adaptation and mitigation measures to address climate change amounted to ¥116.1 billion in fiscal 2023. Representing a major impact of climate change on the Company, use-phase CO <sub>2</sub> emissions account for 80% of the Company's total GHG emissions, of which 57.1% come from motorcycles. As Yamaha Motor's core product, motorcycles account for 58% of total sales, and the R&D costs required to comply with emissions regulations will have a significant impact on the Company's business operations.
	Policy and legal SSP1	Increase in operating costs due to introduction of carbon tax The Company manufactures motorcycles, its core business, at 27 bases in 16 countries, mainly in the ASEAN region. Energy from fossil fuels is used in processes such as casting and painting.	Medium term	To respond to the tightening of energy standards in each country and region, the Production Technology Center and the Environmental Facilities Division collect information on regulatory trends related to energy costs in each country and region. Energy-related investment plans and renewable energy procurement methods are discussed and examined by the Environment Committee and reported to the Board of Directors upon deliberation by the Management Committee.	Tax burden increase assuming a ¥10,000/metric ton carbon tax on CO <sub>2</sub> emissions from business activities, calculated based on fiscal 2022 emissions: ¥4.0 billion/year* * Carbon Pricing Leadership Coalition (CPLC) Report: from 2030 carbon tax price forecasts
	Technology SSP1	Risk of difficulty in procuring raw materials due to rising demand for rare earth elements as manufacturers accelerate their electrification efforts	Short term	Since the procurement and cost of small batteries is an issue, a consortium has been established in cooperation with other companies in the industry to develop common battery standards and infrastructure with a view to mutual-use batteries, and activities to promote the wide adoption of electric models have been launched.	-
	Markets SSP1	Risk of decreased sales of motorcycles with internal combustion engines (ICE) due to a ban on fossil fuel vehicles in cities	Long term	The Company has developed mobility products (including electric motorcycles, electrically power-assisted bicycles, and low-speed electric land cars) that use next-generation power sources aimed at replacing fossil fuels, while proposing sharing services in collaboration with local governments and joining forces with business partners to integrate the abovementioned products and services into wider social infrastructure with a focus on CASE, a recent trend in the automotive industry.	Sales of motorcycles in developed markets amounted to ¥354.2 billion in fiscal 2023. If sales of motorcycles with internal combustion engines were to decline by 50% due to changing consumer preferences and rapid decarbonization in these markets, the impact would be a decrease of ¥90.0 billion in net sales for the Company.
	Reputation SSP1	Risk of being assessed by investors and other stakeholders as providing inadequate information disclosure	Medium term	Corporate Communication Division's Investor & Shareholder Relations Group: Holds company information sessions for private investors as well as consultations for institutional investors	-
Physical Risks	Acute SSP3	Risk of extreme weather events affecting operations	Medium term	Natural disasters have been identified as one of the Group's six significant risks, and response plans are being created for high-risk areas and their progress managed accordingly. In addition to ensuring appropriate inventories, the Company is working to reduce risks by establishing a highly responsive system that enables the identification and confirmation of potential suppliers in the event of a disaster.	Sales of motorcycles in emerging markets amounted to ¥1,054.0 billion in fiscal 2023. If operations were to be suspended for two weeks in the ASEAN region due to flooding, a supply delay of 120,000 units would result in an estimated 4% decrease in motorcycle sales in emerging markets and a ¥42.2 billion decrease in net sales for the Company.
	Chronic SSP3	Risk of long-term extreme weather conditions affecting operations and sales	Long term	Having evaluated the frequency and intensity of extreme temperatures and heavy rainfall as assessed in the 6th Assessment Report of the Intergovernmental Panel on Climate Change, the Environmental Management Officer ascertained the degree of impact on the Company's business sites and is implementing appropriate countermeasures.	-
Opportunities	Resource efficiency	Improvement of energy efficiency in production processes	Short term	Implement theoretical-value-based production globally	Carbon neutralization budget for production sites from fiscal 2022 to 2024: ¥7.0 billion
	Energy sources	Use of renewable energy at manufacturing plants	Short term	Utilize solar power globally Utilize CO <sub>2</sub> -free electricity at the headquarters	Renewable energy budget for production sites from fiscal 2022 to 2024: ¥4.7 billion
	Products / Services	Expansion of development of low-carbon products Expansion and promotion of BEV product lineup	Medium term	Launch 8 BEV models by 2024 Expand R&D facilities for electrification and carbon neutrality	Increased earnings due to demand for low-carbon products
	Markets	Expansion of demand for our product lines in response to energy mixes and government policies in each country and territory	Short term	Launch NEO's electric scooter and HARMO next-generation electric boat control system for Europe	-
			Short term	Start mobility service business in India through collaboration with MaaS operators	Established Moto Business Service India Pvt. Ltd. Capital: ¥1.1 billion Indian motorcycle sharing service, estimated to have a market size of ¥11.7 billion in 2025
			Medium term	Establish an investment fund specializing in the environment and natural resources field	Total amount under management: ¥10.0 billion (investment period: 15 years)
Resilience	Increase in earnings from products and services that are compatible with each country and territory's energy policies and diverse energy sources	Long term	Develop and expand our lineup of electrified products in preparation for increasing demand for such products worldwide	R&D expenses for fiscal 2023: ¥116.1 billion	



# Yamaha Motor's Response to Climate Change

## 1. Uniquely Yamaha Carbon Neutrality Strategies

Yamaha Motor began working to address climate change in the 1980s. We launched the PAS as the world's first electrically power-assisted bicycle (e-Bike) in 1993 and then proposed a new form of mobility with the Passol electric urban commuter model in 2002. In the years that followed, we proceeded to expand our line of electrified mobility options in various categories, including golf cars, wheelchairs, and outboard motors. The PAS in particular was developed based on the concept of a user- and eco-friendly personal commuter model placing top priority on performance in tune with human sensibilities, and it created an all-new market outside the realms of bicycles or motorcycles. Today, Yamaha e-Bikes are being increasingly used in place of scooters and smaller automobiles in Japanese cities, while in Europe and the United States, the market is growing for e-Bikes as a new genre of outdoor recreation.

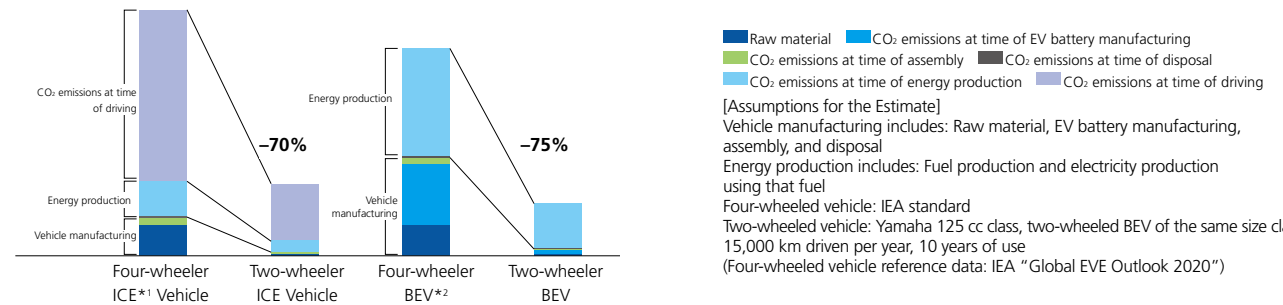
Toward achieving a carbon-neutral society by 2050, Yamaha Motor will continue to create new value not only with its motorcycles but also with new, uniquely Yamaha proposals for personal mobility.

### Basic Policies

#### Further reduce the amount of CO<sub>2</sub> emissions per person

- Transition to more efficient power sources as well as those with lower CO<sub>2</sub> emissions
- Promote small mobility vehicles with low CO<sub>2</sub> emissions

Comparison of CO<sub>2</sub> Emission Amounts for the Product Life Cycle

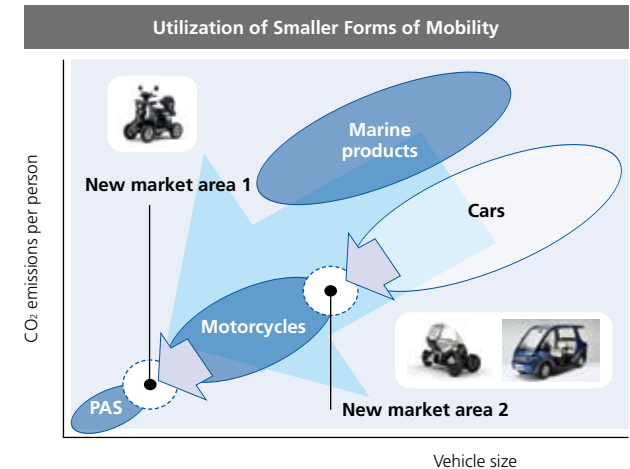
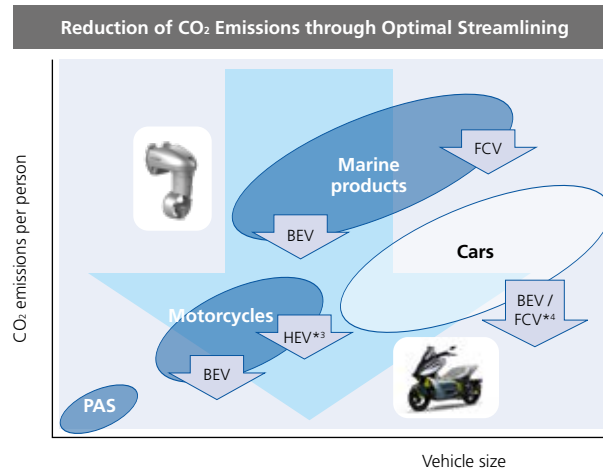


## Proposal of Smaller, Eco-Friendly Forms of Mobility

Yamaha Motor is proposing compact forms of mobility with small environmental footprints that produce fewer CO<sub>2</sub> emissions across the entire product life cycle, from raw material procurement to manufacturing, use, and disposal. Motorcycles, for example, use internal combustion engines (ICEs) that emit 70% less CO<sub>2</sub> throughout their life cycles than cars, and electric motorcycles emit 75% less.

In addition, it is possible to reduce CO<sub>2</sub> emissions effectively by cutting down the emissions in battery manufacturing processes and installing more charging facilities that use renewable energy.

\*1 ICE (Internal Combustion Engine): Burns fuel to acquire moving force  
 \*2 BEV (Battery Electric Vehicle): Drives a motor using battery power  
 \*3 HEV (Hybrid Electric Vehicle): Driven through the combination of an engine and motor  
 \*4 FCV (Fuel Cell Vehicle): Power is generated using fuel cells to drive a motor



## 2. Electrification Strategy

### Motorcycles

The Company is working toward creating a carbon-neutral society by implementing motorcycle technology strategies centered on 1) improving the fuel efficiency of its internal combustion engines, 2) the expansion of its electric model lineup and promoting the use of electric mobility, and 3) developing renewable energy-compatible powertrains.

In examining the potential effects on lowering CO<sub>2</sub> emissions, a major factor in introducing products as part of our electrification strategy will be the trends seen in electricity use via renewable energy sources and monitoring the maintenance status of the charging infrastructure in place in different countries and regions.

We will begin by launching products in Europe where renewable energy accounts for a large portion of the energy used. The Company will then introduce these products into the ASEAN region, where the majority of the CO<sub>2</sub> emitted by Yamaha products originates, over the period of 2030 to 2035 in our mission to achieve carbon neutrality by 2050.

### Outboard Motors

Outboard motor technology strategies for contributing to the realization of a carbon-neutral society include 1) improving the fuel efficiency of our internal combustion engines, 2) developing all-electric models, and 3) developing models powered by hydrogen, synthetic liquid fuel\*<sup>1</sup>, and other renewable energy sources.

Roughly 60% of the Company's outboard motor sales are in developed markets while the remaining 40% come from emerging markets. In developed markets, outboards are primarily used for sport fishing, water sports, and other recreational purposes, whereas in emerging markets, they face harder use in harsher environments and are employed mostly for commercial fishing to sustain peoples' livelihoods. All-electric models will be introduced and carefully examined to see how well they fit in with the renewable energy charging infrastructure in place and the use conditions present in various countries and territories. Accordingly, electrified models will first be launched in stages throughout developed markets and subsequently introduced into other regions. With this approach, we will contribute to achieving carbon neutrality as the leading brand in outboard motor reliability.

Anticipating the technological progression of powertrains using carbon-neutral fuels\*<sup>2</sup> (hydrogen, biofuel, synthetic liquid fuel, etc.), the figures to the right assume the rate of adoption to be 2% by 2030, 5% by 2035, and 30% by 2050.

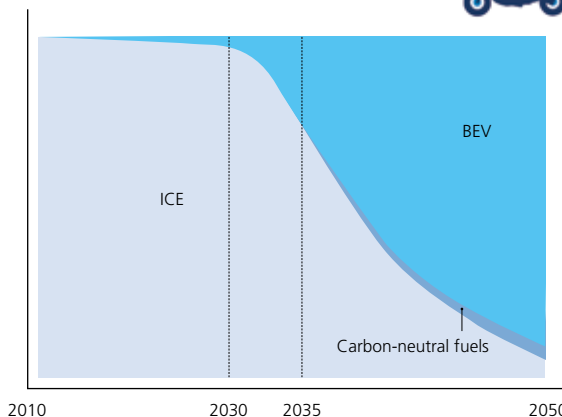
Going forward, we will continue to review our measures as needed toward achievement of carbon neutrality by 2050. We will do so by engaging in the analysis of future forecast scenarios drafted by the IEA and others, obtaining an understanding of the electrical power supply composition policies and infrastructure circumstances of various countries and regions, and developing environmental technology that anticipates trends in carbon-neutral technology.

Powerplant	Technical Measures	Benefits
Internal combustion engine	Improve engine and drivetrain efficiency	Improved fuel efficiency
	Develop HEVs (electric motor as main powerplant for S-HEVs)	
	Begin use of carbon-neutral fuels	Zero CO <sub>2</sub> emissions
	Synthetic liquid fuels	
Electric motor		Hydrogen
	Develop BEVs	
	Develop FCVs (hydrogen fuel cells)	

\*1 Synthetic liquid fuel: Fuel made by reacting hydrogen from electrolysis of water with renewable energy with CO<sub>2</sub>

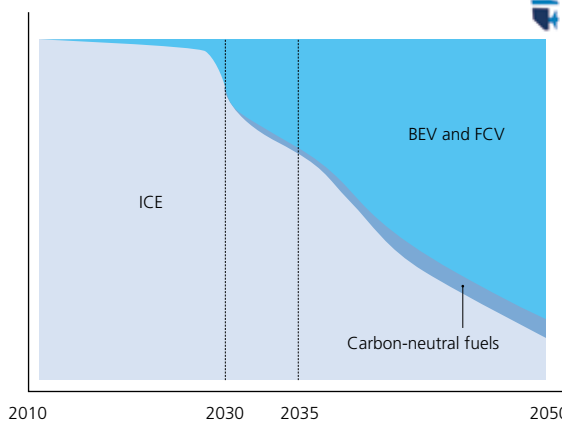
\*2 Carbon-neutral fuel: Fuel derived from renewable energy sources such as hydrogen, bio- and synthetic liquid fuels

### Motorcycle Powertrain Projection



BEV targets	2030	2035	2050
	2.6%	20.0%	90.0%

### Outboard Motor Powertrain Projection



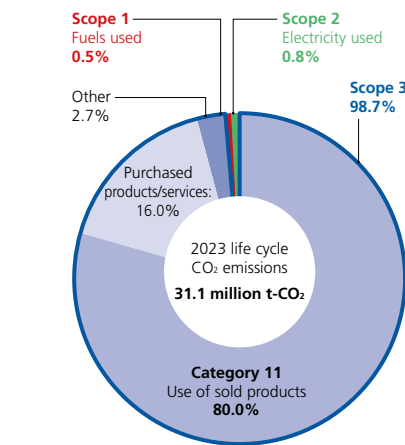
BEV and FCV targets	2030	2035	2050
	21.0%	30.0%	81.0%

### 3. Aiming for Carbon Neutrality in Our Supply Chain

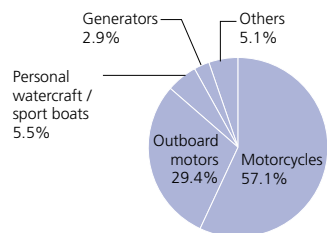
Looking at CO<sub>2</sub> emissions throughout Yamaha Motor's supply chain, we see that Scope 1 and Scope 2 emissions—those emitted as a direct result of the Company's business activities—only account for 1.3% of total emissions, whereas Scope 3 emissions—those from the Company's value chain—constitute 98.7% of emissions. The largest component of our Scope 3 emissions is Category 11 (use of sold products), which represents 80.0% of total emissions. Of Category 11 emissions, motorcycles comprise 57.1% of total emissions while outboard motors account for 29.4%. At the same time, 80% of Yamaha Motor's motorcycle sales are in Asia, and by supplying this market with compact, convenient, and affordable mobility options, we aim to contribute to sustainable growth in accordance with the United Nations SDGs by addressing the demand for the transportation of goods and services, helping expand the spheres of daily life, and bringing more options and opportunities for employment and education. Moreover, we look to develop and popularize more fuel-efficient products to help combat climate change. In addition, from 2023, we will launch a Companywide Motorcycle Electrification Project to promote and accelerate electrification in the motorcycle domain.

With the goal of achieving carbon neutrality on a global scale, Yamaha Motor aspires to offer products (next-generation mobility powered by electricity or renewable energy) presenting the most effective means for cutting CO<sub>2</sub> emissions based on the government energy policies and energy mixes of each country.

#### Breakdown of CO<sub>2</sub> Emissions for the Entire Supply Chain



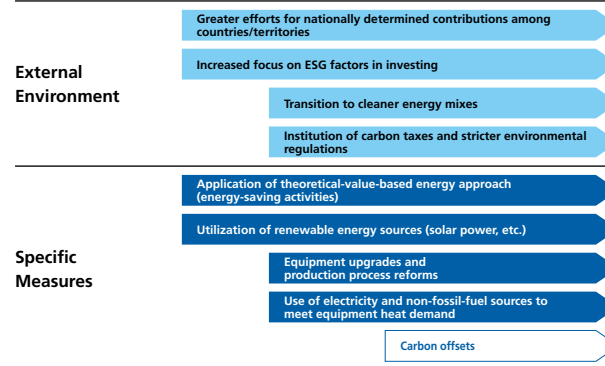
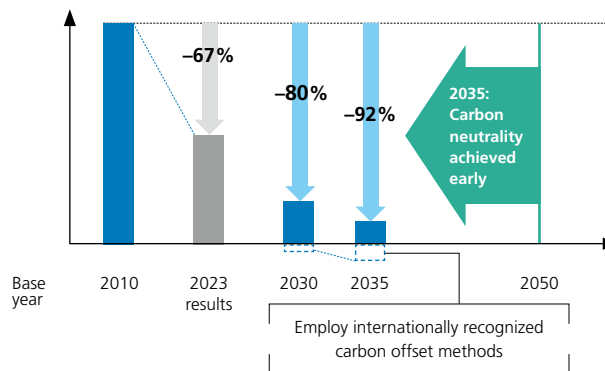
#### Category 11 Breakdown by Product



Note: Calculations have been made using the Emissions Unit Value Database (Ver. 3.4) based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.6, issued Mar. 2024) issued by Japan's Ministry of the Environment.

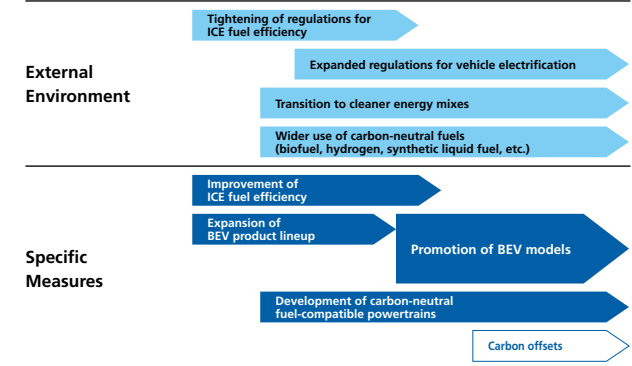
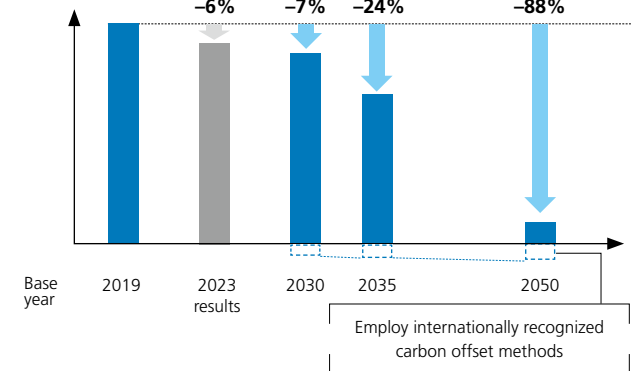
#### Scope 1 and Scope 2 Targets

CO<sub>2</sub> emissions per unit



#### Scope 3 Targets

CO<sub>2</sub> emissions per unit



Please refer to our website for environmental data for the past five years.

# Technology Strategies for Reducing CO<sub>2</sub> Emissions in Our Manufacturing Processes

We are developing the following technologies to reduce CO<sub>2</sub> emissions in our *Monozukuri* processes.

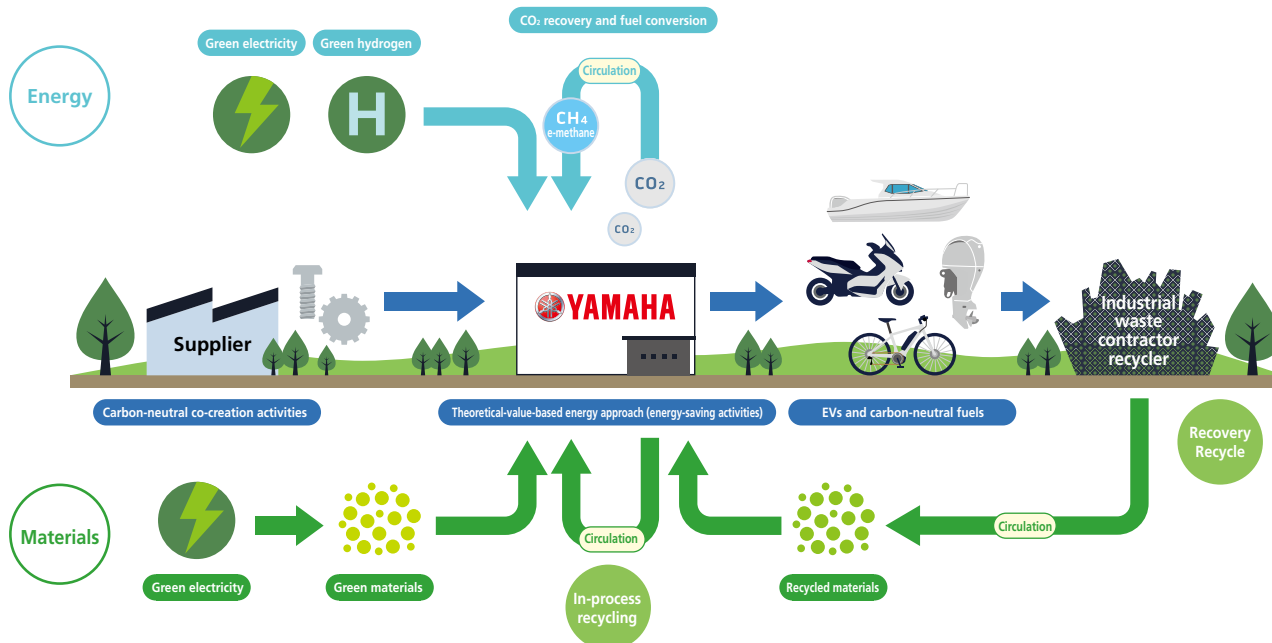
The first step is cleaning up the energy used. We aim to become carbon-neutral in our *Monozukuri* processes by 2035 by introducing renewable energy and shifting from using fossil fuels to hydrogen fuels. At the same time, we will work to reduce energy consumption by innovating existing manufacturing methods based on the perspective of technological theoretical values.

Next, we will push the reduction of CO<sub>2</sub> emissions based on the concept of a circular economy in the materials used for our products. In descending order of volume used in our various products, materials include steel, aluminum alloys, general-purpose resins, and GFRP. To achieve carbon neutrality by 2050, we intend to change our material arrangement by placing recycled materials at the center and using green materials produced via renewable energy sources as

supplementary materials. With resins in particular, we have begun collecting information and researching materials with an eye on future ELV compliance in Europe. For GFRP, we are also researching recycling glass fibers and replacing them with plant-derived fibers. In addition, when using materials, we will reduce the painting of plastic parts and replace metal materials with recycled ones, aiming to provide new product value while promoting an efficient and cyclical use of resources.

► For more information on our efforts to reduce CO<sub>2</sub> emissions from our materials, see page 62.

Although Companywide Scope 1 and 2 targets currently include carbon credits, we will work on developing technologies for manufacturing processes and energy innovations that minimize the use of carbon credits.



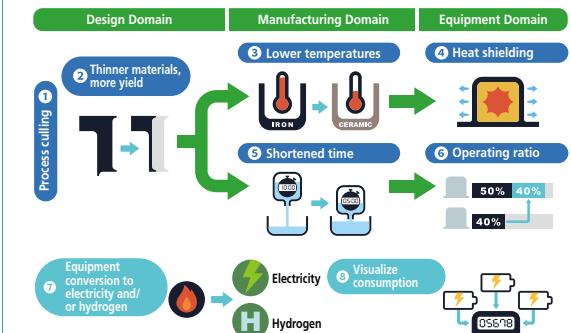
## Specific Initiatives

### Innovations to *Monozukuri* Processes (Scope 1 and 2)

We are driving innovations to our *Monozukuri* processes to achieve carbon neutrality in our factories by 2035. Innovations to these processes include the development of technologies for reducing energy use and shifting from the use of fossil fuels over to electricity and hydrogen fuels, and we are working on these technological developments from eight perspectives. CO<sub>2</sub> emissions in manufacturing are mostly from the casting, machining, heat treatment, and painting processes, and reducing CO<sub>2</sub> emissions in these processes is an urgent task requiring early implementation of developed technologies and across-the-board deployment domestically and internationally.

Converting to hydrogen fuel is essential, but strengthening safety initiatives is also necessary. Compared to conventional combustible gases, hydrogen has a tendency to leak and has a high combustion rate, so efforts are underway to clearly define new safety design standards.

We aim to create processes even safer and easier to carry out than current ones, as well as to quickly deploy technologies that can contribute to carbon neutrality.



## Dialogue with Shareholders and Investors

In order to ensure accountability by providing shareholders and investors with appropriate, accurate, and timely information, Yamaha Motor engages in dialogue with our investors and shareholders through the IR/SR Division. It is led by the President and Representative Director and managed by the director in charge of planning and financial affairs. The division discloses IR information and data for individual investors on its website and makes videos of earnings presentations and briefings for individual investors publicly available. This in an effort to proactively disseminate information so that even more shareholders and investors can gain a better understanding of Yamaha Motor's business strategies.

### FY2023 Number of Dialogues

<b>Total</b>	310
<b>IR interviews</b>	243
<b>Roadshows</b>	16
<b>Conferences/events</b>	30
<b>Engagements</b>	21

### Dialogue with Outside Directors in Attendance

From fiscal 2022, we established opportunities for dialogue with our outside directors in attendance to facilitate communication that further deepens the level of understanding between the Company and its shareholders. We have held dialogue on a wide range of shareholder concerns, including the involvement of outside directors in the formulation of the Medium-Term Management Plan, and matters related to portfolio management and human capital management.

Held In	Participants
<b>October 2023</b>	Outside Director Ohashi
<b>October 2022</b>	Outside Director Kamigama, Director Shitara

#### Excerpt from the Q&A Sessions

- Q:** Please give me an example of how outside directors contributed to addressing a difference in opinion among internal executives.
- A:** Internal executives are very passionate about their businesses and sometimes do not agree with how things are prioritized. We posed the question, "What are the values Yamaha Motor is committed to?" and outside directors offering their frank and direct answers has stimulated discussions.
- Q:** What is the state of the Company's human capital?
- A:** We are seeing people of exceptional talent assuming executive officer positions in each region. When there are role models, similarly excellent human resources join us. It is good to recruit personnel not only from Japan but also from overseas.

### Business Information Sessions / Individual Investor Briefings

We are engaged in a diverse range of businesses and market environments can vary. We hold regular business briefings to help our investors understand the markets surrounding each business and our strengths. We also hold information sessions for individual investors—both online and at venues—to promote understanding of our Company and encourage them to own our shares.

For details on past business and individual investor presentations, please click here.

Business Information Sessions

Individual Investor Briefings  
(in Japanese only)

### Strengthening Information Disclosure and Communication

We strive to proactively disclose information by posting information related to management, such as our corporate philosophy, management strategies and plans, and business results, on our website and by sending out IR e-mails to provide relevant information in a timely manner. We also operate the Yamaha Motor Fan Shareholders Club as a channel for individual shareholders to learn more about the Company. We hope to deepen their understanding of our Company through visits to manufacturing sites and hands-on experiences with our products, while at the same time creating more attractive business activities through such exchanges. We will continue our efforts to further enhance and improve the quality of information disclosure and to achieve even better dialogue with our shareholders and investors.



Investor & Shareholder Relations Group, Corporate Communication Division, Yamaha Motor Co., Ltd.

### External Recognition

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI ESG RATINGS (AAA rating)\*1
- MSCI ESG Leaders Indexes /
- MSCI Japan ESG Select Leaders Index\*2
- CDP (Rated A in the climate change category)
- S&P Japan 500 ESG
- SOMPO Sustainability Index 2024
- Certified 2024 Health & Productivity Management
- Outstanding Organizations (Large Enterprise Category [White 500])



FTSE4Good



FTSE Blossom Japan



MSCI ESG RATINGS

AAA



2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX



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# Business Overview

Introduction

Medium- to Long-Term Strategies

Activities for Greater  
Functional Competitiveness

Management Platforms

Facts and Data

## Data by Business Segment

(¥ billion)

	Reportable business segments				Other Products	Company Total
	Land Mobility	Marine Products	Robotics	Financial Services		
<b>Net sales</b>	1,581.8	547.5	101.4	86.5	97.6	2,414.8
<b>Segment income (loss)</b>	124.3	113.7	0.9	15.3	(3.6)	250.7
<b>Segment assets</b>	1,190.3	396.4	136.4	723.0	125.7	2,572.0
<b>Depreciation expenses</b>	42.9	10.7	2.7	3.6	3.0	62.8
<b>Amount invested in equity-method affiliates</b>	23.8	3.1	0.3	1.7	9.0	37.8
<b>Increase in amount attributable to property, plant and equipment and intangible assets</b>	67.2	21.0	9.6	9.6	6.1	113.5
<b>R&amp;D expenses</b>	75.9	24.4	11.0	—	4.9	116.1
<b>Capital expenditures</b>	67.3	21.1	9.6	—	6.1	104.1
<b>Net sales by region:</b>						
<b>Japan</b>	66.7	27.7	27.7	—	19.6	141.7
<b>Overseas</b>	1,515.1	519.9	73.6	86.5	78.0	2,273.0
<b>North America</b>	186.7	345.9	4.5	50.6	57.8	645.4
<b>Europe</b>	243.2	58.7	10.7	2.0	4.3	318.9
<b>Asia</b>	846.6	43.8	57.7	—	7.5	955.5
<b>Other</b>	238.7	71.5	0.7	33.9	8.5	353.2
<b>Number of employees</b>	40,194	6,317	2,608	855	3,727	53,701

- The Other Products segment is not included in reportable segments and includes businesses pertaining to golf cars, generators, multipurpose engines, and snow blowers.
- The total for "Segment income (loss)" corresponds to operating income in the consolidated statements of income.
- "Depreciation expenses" do not include amortization of goodwill.
- "Number of employees" is the number of full-time employees, and excludes employees seconded from the Company and its consolidated subsidiaries to non-consolidated companies.

# Land Mobility



**Itaru Otani**  
Senior Executive Officer,  
Chief General Manager of Land Mobility Business Operations

**Strengths**

- Worldwide customer base that trusts Yamaha technology and products
- Diverse and global product lineup combining both high performance and quality through our cultivated core technologies
- Established global brand position for motorcycles
- Pedigree of constantly pioneering new markets by creating new forms of mobility

**Opportunities**

- Expansion of middle-income markets in ASEAN and other emerging economies
- Increasing the value of motorcycles as an outdoor leisure activity in developed markets
- Global rollout of models compliant with emissions regulations
- Evolution of marketing through digital technologies

**Risks**

- Prolonged pressure on product supply networks due to geopolitical risks
- Rapid global advance of carbon-neutral regulations
- Tighter emissions regulations in each country
- Structural shift in the industry from new technologies and competitors

## Bringing Joy into Mobility and Fun into Holidays Together with Our Stakeholders

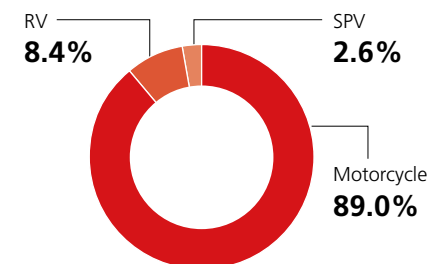
The Land Mobility segment consists mainly of our motorcycle, recreational vehicle (RV), and Smart Power Vehicle (SPV) businesses and offers a wide range of products tailored to the characteristics of each market, from ones for practical daily transportation and recreation to commercial use and motorsports.

In fiscal 2023, the second year of our Medium-Term Management Plan, net sales were ¥1,581.8 billion, up ¥113.6 billion (7.7%) year on year, and operating income was ¥124.3, up ¥36.9 billion (42.3%) year on year. To break down these figures, demand in the motorcycle business remained strong in emerging markets, excluding Vietnam, China, and the Philippines, as well as in Europe and North America. Both sales and income increased due to a rise in global unit shipments resulting from improved supply of premium segment models, as well as the growing effects of cost pass-throughs. In the recreational vehicle (RV) business, although demand slowed and shipments declined, production efficiency at our U.S. factory improved, resulting in higher sales and profits. In the SPV business, as the eBike market continued to undergo inventory adjustments worldwide, we also implemented production adjustments, resulting in a significant decrease in unit sales as well as lower net sales and profits. **► For information on our future initiatives, please see pages 39–40.**

The Land Mobility segment aims to achieve stable business operations and continuous growth toward 2030 under the banner of Bringing Joy into Mobility and Fun into Holidays Together with Our Stakeholders. We see this vision as the ideal one for the future and will steadily promote marketing strategies that strengthen ties with customers, product strategies that provide uniquely Yamaha Motor value, and reinforcement of the human resources and brand foundations that support these strategies. Even as the external environment continues to change, we will continue to expand and enrich the world of mobility and deliver new *Kando* by creating synergy between the motorcycle, recreational vehicle, and SPV businesses.



**Net Sales Breakdown by Main Product Category (Fiscal 2023)**



### Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
<b>Motorcycles for developed markets</b>	Total demand remained strong amid the reevaluation of the value of motorcycles, and unit sales increased mainly in Europe and the U.S. in 2023. On the other hand, current demand is beginning to cool down, and the challenges are to determine appropriate inventory levels and to establish new marketing methods.	Honda, Suzuki, Kawasaki, Harley-Davidson, BMW, Ducati, Triumph, KTM, Aprilia, Piaggio, Kymco
<b>Motorcycles for emerging markets</b>	Demand increased thanks to the recovery of economic activity, and 2023 saw an increase in unit sales in Indonesia, India, Brazil, and other countries. While demand growth is sluggish in ASEAN markets, we will continue to promote our premium segment strategy by capturing demand from Indonesia, India, and Brazil.	Honda, Suzuki, Kawasaki, Hero, Bajaj
<b>ATVs/ROVs</b>	The North American market accounts for the majority of demand. We have restored production levels by curbing supply chain disruptions at our U.S. factory. As demand for outdoor recreation has settled down, we are beginning to promote marketing activities to increase the number of lifelong Yamaha fans.	Polaris, BRP, Honda, Kawasaki
<b>SPVs</b>	We will continue to make steady progress in inventory adjustment in line with market size. By promoting the development of a next-generation platform for new drive units, we will again chart a growth curve in the next Medium-Term Management Plan.	e-Kits: Bosch, Shimano, Brose, Bafang Complete bicycles: Specialized, Trek, Giant, Panasonic, Bridgestone

**Motorcycle** Core Business

Net Sales (FY2023) ¥1,408.1 billion

**Progress and Challenges in Our Medium-Term Management Plan**

The Medium-Term Management Plan aims to accelerate the premium segment strategy and improve profitability by targeting the upper-middle class in ASEAN markets and India, which is expected to expand rapidly over the next decade.

The recovery of demand after the COVID-19 pandemic was delayed in ASEAN markets and India due to the longer-than-expected impact of semiconductor component shortages and cost pass-throughs of higher raw material and ocean freight costs. However, the recovery in demand gained momentum in the second half of fiscal 2023 partly because the supply of semiconductors stabilized.

On the other hand, demand in developed markets is beginning to cool down due to inflation and rising fuel prices. Demand is also gradually declining in Vietnam, the Philippines, and Thailand, which rely on exports to developed markets, while China is feeling the effects of a real estate recession. Under these circumstances, we aim to achieve the targets set forth in our Medium-Term Priority Themes by capturing the current strong demand from Indonesia, India, and Brazil and by continuing to promote our premium segment strategy.

In addition, we are focusing on marketing that integrates digital and real worlds. Through digital technology, we will realize our One-to-One Marketing ideal by tailoring communication to each customer according to their values and purchasing trends, expanding customer touchpoints, and strengthening our relationships with them. With One-to-One Marketing, we continue to make steady progress toward our Medium-Term Priority Theme of expanding sales of connected motorcycles to 2.5 million units in fiscal 2024. In addition to these efforts, we are building a system to strengthen ties with customers and build long-lasting relationships with them, which we will expand to Indonesia, Taiwan, Europe, and Brazil.

Medium-Term Priority Themes

**Premium Segment Strategy**

Focus on strategic segments in major Asian markets

Unit sales growth in strategic segments (compared to fiscal 2021)

- India: Premium sport models **2.0 x**
- Indonesia: Premium AT models **1.3 x**
- Philippines: Premium AT models **1.5 x**

**Integrated Marketing (Digital × Real World)**

Strengthen customer touchpoints with digital tools

Realize One-to-One Marketing

Expand sales of connected motorcycles\* Fiscal 2021 500K units  
Fiscal 2024 **2.5M units**

Promote store visits and after-sales support using smartphone apps

Strengthen premium brand shops

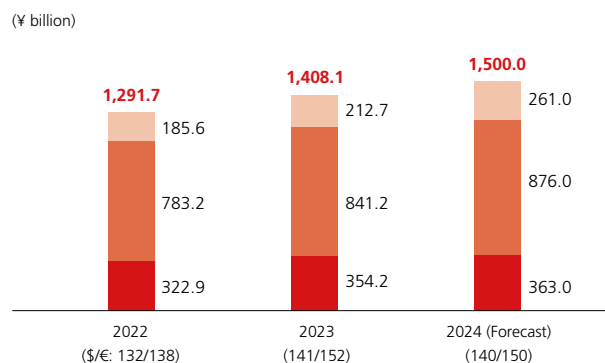
India: Open more Blue Square stores  
Number of dealerships: **approx. 2x** (compared with 2021)

\* In Indian, ASEAN, and Taiwanese markets

Operating Income Ratio



Revenue



Legend: ■ Developed markets ■ Asia ■ Latin America & Others  
Note: "Net sales" under Japanese GAAP listed as "Revenue."

**Recreational Vehicle (RV)** Core Business

Net Sales (FY2023) ¥132.9 billion

**Progress and Challenges in Our Medium-Term Management Plan**

The current Medium-Term Management Plan calls for enhancing our brand strength in the recreational segment and establishing a business structure that generates sustainable profits.

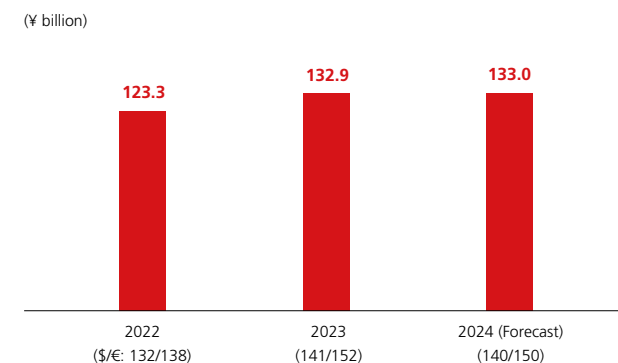
Supply chain disruptions at U.S. production sites, which were an issue in fiscal 2023, were addressed as a top priority Companywide, leading to restoring our production systems.

Although the demand for outdoor recreation that grew in developed markets in the wake of the COVID-19 pandemic has settled down, the latent demand for enjoying extraordinary time with family and friends in the great outdoors itself remains constant. Especially in the West, such leisure experiences are passed down from generation to generation and have taken root as part of their culture. We are committed to building relationships of trust with our customers by providing products and services that exceed their expectations. We will also promote marketing activities to increase the number of customers and fans who enjoy Yamaha Motor products and services throughout their lives.

Operating Income Ratio



Revenue



Note: "Net sales" under Japanese GAAP listed as "Revenue."



**SPV Growth Business**

**Net Sales (FY2023) ¥40.8 billion**

**Progress and Challenges in Our Medium-Term Management Plan**

The SPV business is developing compact and quiet products—primarily electric drive units—that assist people with a natural feeling in tune with the senses. In 1993, we launched the world’s first electrically power-assisted bicycles or eBikes, and began selling electric wheelchairs in 1995. Thanks to the support from our customers, we celebrated the 30th anniversary of our PAS eBikes in 2023. As a growth business in our Medium-Term Management Plan, our goal is to maintain a high profit margin in addition to expanding business scale.

With the change in people’s mobility patterns due to the COVID-19 pandemic, the demand for compact personal mobility has increased, as has general awareness of the environment and health. From that, we believe that the growth of the eBike market from use as a means of daily transportation, a hobby, or as an alternative to automobiles—especially in urban areas—will continue to grow. In fiscal 2023, however, demand cooled in the major market of Europe due to inflation and other factors. This led not only the Company but also various bicycle and OEM manufacturers to make production adjustments and focus on normalizing inventories. In fiscal 2024, the third and final year of the Medium-Term Management Plan, we will continue to make steady progress with inventory adjustments. At the same time, we will prepare to get the Company back on a growth trajectory in the next Medium-Term Management Plan. Specific measures include strengthening relationships with customers through the supply of our e-Kit electric power-assist systems, which will lead to market launches and model development projects timed to user needs. In addition, we will coordinate with all operative departments Companywide to develop a next-generation platform for new drive

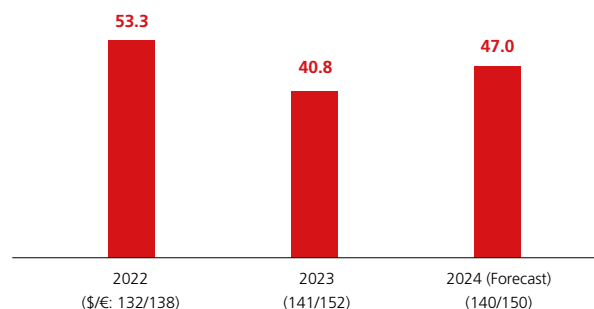
units, which will enable us to develop cost-competitive, high-quality models. By integrating technologies used in other businesses and domains, we aim to promote Yamaha Motor’s unique value-added proposals and brand appeal. With regard to our sales structure, we will also expand sales and service bases and personnel, mainly in Europe, to strengthen our internal operations.

**Operating Income Ratio**

10.6%      -11.7%      -11.7%

**Revenue**

(¥ billion)



Note: "Net sales" under Japanese GAAP listed as "Revenue."

**Medium-Term Priority Themes**

**Scale Expansion Exceeding Market Growth (CAGR 22%)**

- Acquisition of new overseas e-Kit\* customers

**Doubling Net Sales**

- New compact, lightweight, quiet, high-value-added e-Kits
- Expand lineup of mid- to high-end complete Yamaha models

\*e-Kit (e-Bike Systems): Yamaha Motor eBike drive units and peripheral components

**Future Measures**

The Long-Term Vision for 2030 for the Land Mobility segment is: Bringing Joy into Mobility and Fun into Holidays Together with Our Stakeholders. This expresses our desire to create joy in mobility and excitement on holidays by working together with customers, dealers, suppliers, and other people involved in manufacturing to create products with uniquely Yamaha Motor *Monozukuri*.

To achieve this, as mentioned earlier, we will promote our premium segment strategy targeting the upper-middle class in ASEAN and Indian markets. In terms of marketing, we will integrate digital and real-life activities to strengthen connections with customers and increase the number of customers and fans who will enjoy Yamaha Motor products and services throughout their lives. As for product development, we will also drive the development of new premium models that will enable customers to experience the high-added-value of our products. We intend to meet the expectations of customers who understand the Yamaha brand by developing products in the premium segment based on the values in the unique style of Yamaha Motor, such as being sporty, stylish, and emotion-stirring. More immediately, in fiscal 2024, we plan to achieve ¥1,680.0 billion in net sales and an operating income of ¥110.0 billion for the Land Mobility segment as a whole by carrying out the initiatives planned for each of our businesses.

In addition, we are also working to utilize outside resources to develop technologies aimed at creating a carbon-neutral world. In February 2024, we invested in World of River Limited, Inc., a startup company involved in the manufacture and sale of electric scooters in India, the world’s largest market for electric two-wheelers. Through this investment, we will seek new business partnerships in India’s EV market together with World of River.



# Marine Products



**Toshiaki Ibata**  
Senior Executive Officer,  
Chief General Manager of Marine Business Operations

**Strengths**

- Unquestioned product reliability centered on integrated control technologies
- Overall business strength supported by wide-ranging business domains and an expansive product lineup
- Sales and service capabilities spanning the global market
- Technology and know-how cultivated in the Land Mobility segment and other businesses that can be applied to the Marine Products business

**Opportunities**

- Growing demand for large outboard motors on a global scale
- Expansion of high-value-added peripheral equipment business due to advances with integrated control technologies
- Increase in first-time buyers spurred on by staycation demand

**Risks**

- Dramatic market changes against the backdrop of climate change, rapid technological innovation, etc.
- High labor and raw material costs
- Rapid changes in the global economy, exchange rates, regulations, etc.

## A Business for a Reliable and Rich Marine Life: Toward further Increasing the Value of the Ocean

In 2023, shipments of personal watercraft and large outboard motors of 300 hp or more increased, and when including the effects of foreign exchange rates and cost pass-throughs, and sales and profits both rose. On the other hand, the decline in consumption among middle-income earners in Europe and the U.S. led to a decrease in demand for small and midrange outboard motor models, resulting in a decline in outboard use in Europe and the U.S. Inventory adjustments for these small and midrange outboards will continue, but looking back, while demand grew significantly during the COVID-19 pandemic until 2022, we are now seeing the aftermaths of that development. However, commercial fishing and tourism demand is increasing in the emerging markets of China and Southeast Asia, and demand for large outboard motors is strong on a global basis. Although the market environment itself is changing, we believe that we are on track to achieve the goals set forth in our Medium-Term Management Plan.

With a history of more than 60 years, the Marine Products business has built a world-class presence as a comprehensive marine manufacturer and set “Reliable and rich marine life: Toward further increasing the value of the ocean” as its Marine Long-Term Vision. Our desire to create *Kando* by further enhancing the value of the ocean based on unquestioned reliability has not changed and never will. There are still many ways in which our Marine Products business can contribute to increasing the value of the ocean. For example, we may in the long run be able to offer customers products that can be enjoyed not only *on* the water but also *under* it. In recent years, seafood has become an important source of protein and fishery has become a major growth industry around the world. Part of the Marine Products business’ origins lie in supporting the development of coastal fisheries in Africa and improving the income of fishermen, which led to increased sales of outboard motors and enriched people’s lives. We will continue to contribute to the development of the fishing industry and social infrastructure on a sustainable basis, thereby increasing the value of the ocean.

Our Marine Products business will continue to leverage the technological capabilities and intellectual properties accumulated through our various businesses to further enhance the position of the Yamaha brand as a leader with comprehensive strengths in the marine industry. At the same time, we will strive to realize our Marine Long-Term Vision with an eye on people’s lives and the world ahead.



### Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
<b>Outboard motors</b>	High demand for sport fishing and family recreation continues, especially for large models in developed markets. We will increase production capacity to meet the increased demand.	Mercury, Suzuki, Honda, Tohatsu
<b>Boats</b>	The domestic boat market is stable and we are offering pleasure-use with more added value. With Sea-Style, our membership-based rental boat club, and other service-based businesses, we will strengthen our development of services in line with customer preferences.	Yanmar, Toyota, Suzuki
<b>Personal watercraft</b>	The North American market accounts for the majority of demand and is growing in scale yearly as uses for personal watercraft broaden. We will strengthen development of more versatile products.	BRP, Kawasaki

Marine Products Core Business

Net Sales (FY2023) ¥547.5 billion

Progress and Challenges in Our Medium-Term Management Plan

For the duration of the current Medium-Term Management Plan, our business policy is to expand the value we offer as well as maintain and strengthen our high profit structure through the execution of our Marine CASE strategy. The Marine Products business is working according to three strategic pillars: Growth Strategies, Enhancing Our Business Competitiveness, and Reinforcing Our Business Foundations.

**Growth Strategies:** We are carrying out our Marine CASE Strategy as the value sought in marine products shifts from a desire for more horsepower to wanting a more comfortable marine-based lifestyle. For Connected, customers can use their mobile devices to remotely monitor fuel and battery levels, and other information. For Autonomous, we are working on introducing a new boat control platform that includes an autopilot feature, connecting to greater safety and comfort. For Shared, we offer experiences of marine recreation through Sea-Style and other boat sharing services in order to attract new customers. And finally, for Electric, we acquired Torqeedo in April 2024—a pioneer in electric marine propulsion—to build up a lineup of electric products

and strengthen our development capabilities in this field. Going forward, we will maximize the synergy between the Company and Torqeedo to enhance our competitiveness in the electric domain and accelerate the progress of our carbon-neutral strategy.

**Enhancing Our Business Competitiveness:** We have set goals during the period of the Medium-Term Management Plan to increase our production capacity for large outboard motors and personal watercraft by 20% and 27%, respectively, and investments to that end are progressing as planned. In addition to developed markets, demand for large outboard motors is increasing in emerging markets as well and we are strengthening our lineup of bigger offerings, expanding the ratio of large models sold from around 25% in fiscal 2021 to 27% in fiscal 2023. We will continue to aim for 30% in fiscal 2024, the final year of our current Medium-Term Management Plan.

**Reinforcing Our Business Foundations:** We are strengthening our R&D capabilities in the U.S., the largest market for marine products, and pushing close coordination between Japan and the U.S. to develop technologies and products in line with market needs. We are also working to improve the speed of development by actively hiring control system engineers who can facilitate the creation of CASE-oriented products.

Future Measures

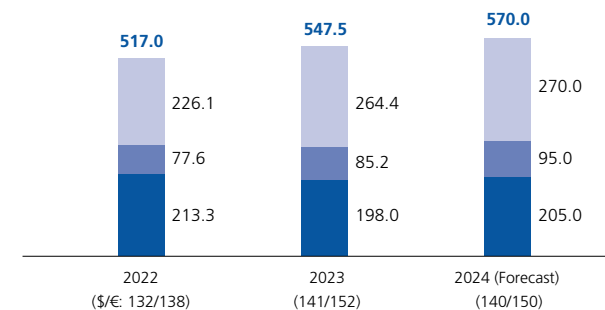
As was the case in fiscal 2023, in fiscal 2024, we expect demand for small and midrange outboards in the U.S. and Europe to decline and will therefore continue inventory adjustments. On the other hand, we anticipate a strong response to new large outboard models as well as strong demand in Asia, and accordingly plan to implement a large-scale expansion of our production capacity for large outboard motors over the next several years. We will also focus on strengthening our lineup of large outboard motors, the foundation of our Marine CASE Strategy, and by introducing new CASE-related products into this lineup, we will deliver more attractive products and services that meet the needs of our customers. Through these efforts, we plan to achieve net sales of ¥570.0 billion and an operating income ratio of 21.1% in fiscal 2024, expecting to achieve record-high figures for both net sales and operating income for the fourth consecutive year.

Operating Income Ratio

21.1%      20.8%      21.1%

Revenue

(¥ billion)



■ Outboard Motors (North America and Europe) ■ Outboard Motors (Other Regions) ■ Personal watercraft, boats, etc.

Note: "Net sales" under Japanese GAAP listed as "Revenue."

Topic: Carbon Neutrality Initiatives

Marine products are constantly subjected to significant resistance when traveling through the water, requiring about 10 times more energy than a car. As it is difficult to achieve carbon neutrality on the water through electrification alone, we are working to solve this problem through our multi-directional approach. We aim to contribute to carbon neutrality while meeting different needs by offering customers multiple options, not only with existing engine technologies and electric power but also with various alternative energies and methods, i.e., multi-directional. In the Marine Products business, we are driving the use of biofuels, the development of hydrogen-powered outboard motors, the pursuit of greater propulsion efficiency with our hulls and propulsion systems, and the active use of environmentally friendly raw materials. We are calling on the stock of knowledge and expertise we have as a company operating many businesses and the know-how we have garnered as a comprehensive marine manufacturer in order to promote uniquely Yamaha carbon neutrality initiatives.

**Growth Strategies**

Expand the range of value we offer

Transform our customers' marine lifestyles into experiences with greater comfort and peace of mind

Marine CASE

Connected	Autonomous	Shared	Electric
Comfort	Comfort / Easy	Experiences	Comfort

**Enhancing Our Business Competitiveness**

Maintain and strengthen our high-profit structure

**Bolster large outboard lineups**  
→ Increase the sales ratio of large outboard models to **30%**

**Increase production capacity**  
→ Large outboard motors **+20%**  
→ Personal watercraft **+27%**

**Reinforcing Our Business Foundations**

Organizational culture that connects change to growth  
Strengthen R&D role in the United States

Maintain our high-profit structure and allocate resources for growth at the same time

# Robotics



**Hiroyuki Ota**  
Senior Executive Officer,  
Chief General Manager of Solution Business Operations

<b>Strengths</b>	<ul style="list-style-type: none"> <li>High-quality, low-cost, and timely provision of products and services through unified production, sales, and technology operations</li> <li>A mixture of technologies and sales network via business integration with Yamaha Robotics Holdings Co., Ltd. and provision of complete implementation solutions for clients</li> <li>Co-creative capacities founded on strong relationships with business partners</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>Growing need for automation due to labor shortages in Japan and rising labor costs in emerging markets</li> <li>Progression of digitalization accompanying the development of new fields, such as IoT, 5G, and CASE vehicles, and advances in automation</li> <li>Expectations for smart agriculture and logistics efficiency through unmanned aerial vehicles (helicopters and drones)</li> <li>Accelerated expansion of manufacturing sites through supply chain restructuring</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>Clients holding excessive inventory of semiconductors and other components</li> <li>Deterioration of demand due to changes in world affairs</li> <li>Intensifying competition resulting from new players entering the market</li> </ul>

## Putting *Kando* into the Hands of Clients with Robotics—Delivering Optimal Solutions

The Robotics business is formed around the technologies comprising an entire production line, from semiconductor post-processing to surface mounting and assembly processes, and is intended to contribute to more fulfilling lifestyles for people by optimizing entire factories to provide solutions to clients' needs.

Regarding the business' current situation, although demand for automotive and industrial equipment in developed markets was firm in fiscal 2023, sales and profits declined due to the significant impact of the sluggish Chinese economy. Due to the nature of this business, market conditions fluctuate significantly, and despite repeated ups and downs, demand for automation due to labor shortages and demand for semiconductor-related products is expected to grow over the long term. Although the business environment in fiscal 2023 was challenging, we were able to steadily prepare things for capturing future demand.

The mission for our business is "Putting *Kando* into the Hands of Clients with Robotics." By using robotics to aid in the *Monozukuri* processes bringing innovative products to the world as well as making those processes smoother and more enjoyable, we deliver *Kando* not only to our clients but also to more end users. Therefore, we are proud of the Robotics business' vital role in *Kando* creation. We will continue making assertive investments to deliver *Kando* to as many people as possible and achieve sustainable growth by meeting growing demand.



### Overview of Primary Products and Main Competitors

Market and conditions at Yamaha Motor		Main competitors
<b>Surface mounting technology (SMT)-related equipment</b>	Demand continues to grow for printed circuit boards, including those for IoT, 5G, and CASE applications. While 2022 and 2023 alike were periods of stagnation, we are pursuing both product and service commonalities under our platform strategy to expand our business scale and reinforce our profitability.	Fuji Machine, Panasonic, ASM Pacific Technology, JUKI, Hanwha Techwin
<b>Industrial robots (factory automation)</b>	Automation needs are rising rapidly amid soaring personnel expenses and labor shortages. We are strengthening model variations while pursuing both product and service commonalities to expand our business scale and reinforce our profitability.	Epson, Mitsubishi, Denso, IAI, Inovanc
<b>Unmanned industrial-use helicopters and drones</b>	We are launching multirotor drones in addition to our proven unmanned helicopters that will contribute to labor savings in agriculture. We will also promote expanded applications for unmanned vehicles in fields outside of agriculture, such as logistics and field surveys.	DJI
<b>Semiconductor postprocessing equipment</b>	As with SMT, demand for power and advanced logic semiconductors did see some stagnation in 2022 and 2023, but is expected to expand in the medium to long term. We are working to further build our client base by building a seamless collaborative system that offers one-stop proposals that cover the entire semiconductor manufacturing process.	ASM, Besi, K&S, Towa

Robotics

Growth Business

Net Sales (FY2023) ¥101.4 billion

Progress and Challenges in Our Medium-Term Management Plan

In the current Medium-Term Management Plan, 1) Maximizing Synergies as a Total Supplier and 2) Strengthening Manufacturing, Sales, Technology, and Service Systems are the key themes we are working under.

**Maximizing Synergies as a Total Supplier:** Yamaha Robotics Holdings Co., Ltd. (YRH), which specializes in semiconductor back-end processes, is receiving more orders in response to the sharp increase in demand for semiconductors for generative AI applications from the second half of fiscal 2023. In the second half of fiscal 2024, demand for downstream surface mounting processes is also expected to grow, so we will work to create synergies as a total supplier.

**Strengthening Manufacturing, Sales, Technology, and Service Systems:**

To expand our business, we are investing in increasing the production capacity of the Hamamatsu Robotics Office and plans are for 1.8 times more production area to be available by June 2024. Furthermore, in addition to expanding development floorspace and revamping the work environment with evaluation and testing laboratories, we will build a smart showroom and include measures for carbon neutrality to create a next-generation facility. We are also taking steady and efficient steps to develop new products by clarifying and focusing on technologies that should be prioritized despite limited development resources like engineers.

Future Measures

For fiscal 2024, we are targeting net sales of ¥130.0 billion and an operating income of ¥12.0 billion, which are both increases year on year. In preparation for further demand for automation due to labor shortages and increased demand for semiconductor-related products, we will work to increase production and development capacity by expanding and renovating factories and securing technical personnel, including talents from overseas. In addition, to expand our business in Southeast Asia and India, where demand is growing against the backdrop of China Plus One policies, we will focus on securing new clients and providing world-class after-sales services at our newly established sales base in Singapore, thereby strengthening our sales capabilities.

The Robotics business boasts the technologies for comprising an entire production line, from semiconductor post-processing to surface mounting and assembly processes, and links them with IoT technologies to provide sophisticated solutions and added value. Going forward, to further increase that added value, we will focus on the collection, analysis, and use of data to strengthen our brand power as a total supplier.

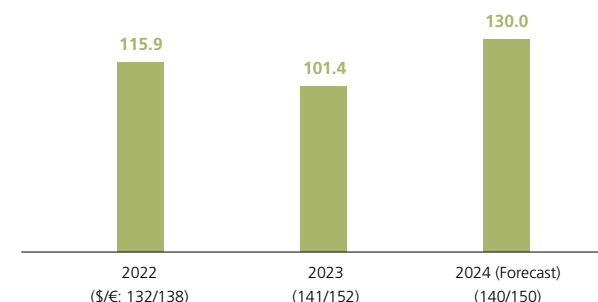
Furthermore, in recent years, we have made efforts to promote the use of our industrial-use unmanned helicopters and drones in agricultural markets overseas. In anticipation of the growing demand for food as the world's population increases, we will encourage adoption of smart agriculture at the local level, helping to reduce the use of pesticides and chemical fertilizers and improve crop yields.

Operating Income Ratio

10.3%      0.9%      9.2%

Revenue

(¥ billion)



Note: "Net sales" under Japanese GAAP listed as "Revenue."

Priority Medium-Term Themes

Maximizing Synergies as a Total Supplier

**Strengthen product competitiveness with platform strategy**

- Focus on introducing new models in the high-speed SMT model domain
- Release innovative features for maintaining quality
- Enter the cobot market

**Acquire major accounts through cross-selling**

- Assemble dedicated client-based sales team and offer all-inclusive solutions

Strengthening Manufacturing, Sales, Technology, and Service Structures

**Expand factory production area by 1.8x**

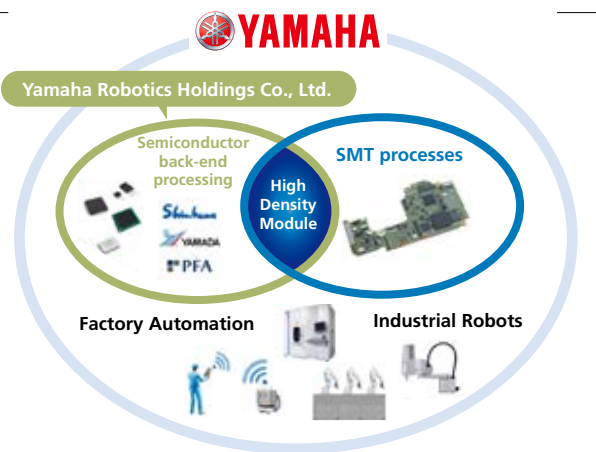
- Begin operations in new factory area in 2024
- Technologies, sales, and services tailored to client worksites

Expand the business

Raise No. of business negotiations

× Increase unit price per project

× Raise rate of placed orders



Topic Yamaha Motor's Outstanding Professional Talent

The Robotics Business Unit's products continue to transport people and goods in a variety of environments, and by increasing options through combining aspects of time and distance, they create value specialized for different purposes, be it fun, convenience, or automation. These videos showcase some of the unique robotics engineers and the products they develop.



▶ Yamaha Motor's Outstanding Professional Talent (YouTube)

# Financial Services



**Jeffrey Young**  
Executive Officer,  
President & CEO of Yamaha Motor Finance Corporation,  
Chairman of Yamaha Motor Finance Corporation, U.S.A.

**Strengths**

- Convenience of one-stop service from product sales through captive finance and the peace of mind that comes with Yamaha-operated service
- Reinforcement of business platforms and enhanced competitiveness through a unified global management structure

**Opportunities**

- Expansion of financing for marine products
- Securing earnings and growth in new markets, e.g., Europe and Latin America
- Expansion of service businesses associated with financing, such as insurance, extended warranties, consortiums, etc.

**Risks**

- Decrease in sales of key products due to economic trends, etc.
- Increase in late payments and bad debts from customers
- Decrease in demand and intensified competition due to significant interest rate hikes, etc.
- Operational risks, fraud, etc.

## Providing Unique Services That Strengthen Ties with Customers and Dealers

In line with the business environment and various regulations, and in coordination with our sales companies, local partners, and other parties, we are launching and tailoring our business to each region while strengthening ties with markets and customers as we aim to secure stable earnings.

### Results and Challenges in Fiscal 2023

In fiscal 2023, our balance of receivables grew to ¥685.9 billion, up 36% from the previous year. This was due to an expansion in the size of wholesale financing receivables resulting from improvements to product supply conditions, a steady increase in retail financing receivables, and the impact of foreign exchange rates. On the other hand, operating income decreased year on year to ¥15.3 billion, operating income margin to 17.7%, and ROA to 2.6%, due to a rise in funding costs and an increase in the allowance for doubtful accounts resulting from changes in loan quality around the time of the Covid-19 pandemic.

In the current business environment, rising concerns of an economic slowdown due to monetary tightening in major markets, higher interest rates, the settling of demand in the recreational sector, and other factors have made it more challenging to maintain loan balances and quality, as well as to address late payments and contain funding costs.

Against that backdrop, we further strengthened coordination with product sales businesses in each region to attract new customers and ensure that they continue to use our financial services. In addition, we worked to fully launch and

stabilize our financing business in new markets, expanded the range of eligible products, and more. At the same time, we undertook initiatives aimed at building a globally unified business management structure and strengthening our business foundations centered on Yamaha Motor Finance Corporation (YMFC), a business management company newly established in the United States in 2022.

### Future Measures

In fiscal 2024, we expect to maintain and expand the scale of our retail finance receivables, as well as the scale of Financial Services like insurance and the insurance consortium we established in Latin America as we aim for a slight year-on-year increase in the receivables balance to ¥695.9 billion. Meanwhile, despite the higher funding and late payment costs associated with the expected rise in interest rates, plus the increased activity expenses for business expansion and DX initiatives, we aim to secure a higher operating income of ¥16.0 billion and ROA of 2.3%.

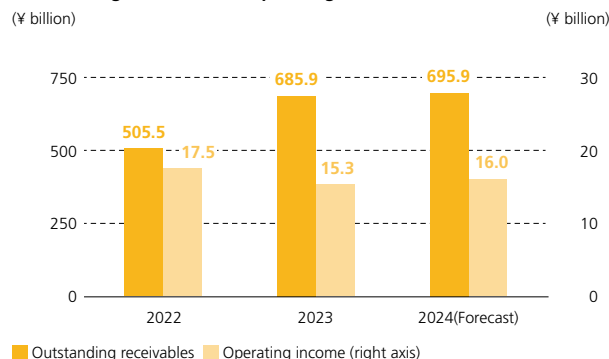
We will continue to strengthen our coordination with product sales businesses in each region and accelerate efforts to branch out from our mainstay of motorcycle sales financing to financing marine products and other offerings. We will also strive to expand into insurance and other peripheral businesses.

Further, by fully transferring the roles the headquarters in Japan had to YMFC, this will establish as well as strengthen our global business management scheme and enable the sharing of intellectual and human resources throughout the entire Group. This will create an environment where customers in each country can purchase our products and services more easily than ever before, thereby leading to higher product sales and service usage. At the same time, we will aim for the sustainable growth and expansion of the Financial Services business as a whole.

### ROA

4.0%                      2.6%                      2.3%

### Outstanding Receivables / Operating Income



Note: ROA = Operating income ÷ ((Outstanding receivables at end of previous fiscal year + Outstanding receivables at end of current fiscal year) ÷ 2)

### Priority Medium-Term Themes

#### Build a System for Global Business and Aim for ROA in the 3% Range

- Regional expansion (Latin America, Europe, etc.)
- Expansion of business domains (i.e., marine products)
- Establishment of a global business operation system
- Utilization of fintech

# New Businesses

**We will seek out issues and needs that need addressing and boldly continue to take on the challenge of creating future demand.**



## Hajime Aota

Executive Officer  
Chief General Manager,  
New Business Development Center

## Achieving Unique Growth through Demand Creation

True to the term “demand creation,” Yamaha Motor has to date achieved growth by creating products unlike any before them and by pioneering all-new markets. A prime example of this is the PAS, the world’s first electrically power-assisted bicycle. I believe one of the main reasons behind our success with demand creation in this regard is our corporate culture of adaptability and an “all’s well that ends well” mindset. I came to Yamaha Motor from a different industry, and one of the distinct differences I have felt from my previous job is that Yamaha Motor does not firmly restrict itself to hypotheses made at

the beginning of development. Here, even if the results stray from the initial hypothesis, everything is fine as long as the customer ultimately recognizes the value those results offer. Yamaha Motor is a company that fundamentally allows for such flexibility with approaches. It is within this environment that Yamaha Motor has until now created demand and achieved growth, employing a product-oriented development approach that starts by taking ideas for products and services that we at the Company think would be good, giving shape to those ideas, and then flexibly making improvements along the way.

## Toward Creating Future Demand

The New Business Development Center was established in 2024 and I was appointed its chief general manager. As the name suggests, I understand that my role is to create future demand. One of the issues we currently face is that as our organization has grown larger, I fear that we have slowly been losing the spirit to take on challenges to create new products and services as well as the slightly “mischievous” nature we once had. Furthermore, as societal issues have become increasingly complex, I believe that we need to pursue demand creation through development methods like backcasting in addition to the aforementioned product-oriented approach. To do so, we must acquire the ability to anticipate what is on the proverbial horizon.

With these challenges in mind, I believe the New Business Development Center has two major missions. The first is to sow seeds for a fourth pillar of business to follow the Land Mobility, Marine Product, and Robotics businesses, and to help those seeds bear fruit. It is also crucial that we increase the speed in which we do this. In the case of the PAS I mentioned earlier, it took about 30 years for the market to be firmly established following its launch as a commercial product, and today, we are not looking to plant several such seeds again completely on our own. The New Business Development Center will take the initiative in pursuing inorganic growth and accelerate the speed at which we create and develop businesses. However, if we reach the conclusion that we are not best suited to owning a business, we will consider transferring or withdrawing from said business as options. I believe that the lessons we can learn through engaging in this repeated scrap-and-build process are what will be a source of growth for the Company in the future, and I expect it will also help reinvigorate the spirit of challenge and mischievousness of our employees.

The second mission is to relay the knowledge and expertise we gain through the creation of new businesses back to management. Anticipating the future will require us to have a crystal-clear understanding of what societal issues we will face and what sort of needs will arise going forward. As such, in our endeavor to develop new businesses, we will seek out the highest-priority issues that the Company must address from among a diverse variety of needs and feed this information back to management. For example, with the mobility services we are offering in India and Nigeria, we are moving forward on limited introduction of EVs. Through this, we will be working to understand the realities of EV usage, such as how customers view them, convenience levels, and what kind of situations they are used in. By proactively deepening our understanding of customer needs regarding EV use and feeding the knowledge gained back to management, we hope to improve the Company’s clarity of foresight in other businesses and areas.

We have revised the net sales forecast for 2024 set forth in our Medium-Term Management Plan from ¥30.0 billion to ¥10.0 billion. As outlined on the next page, we are making steady progress in all areas, but we will further raise the pace of our initiatives with an eye to the next Medium-Term Management Plan. At the same time, we recognize that the New Business Development Center plays an important role in creating value, not only from a financial standpoint but a non-financial one as well. For the Company to continue to grow sustainably in uniquely Yamaha Motor ways, the New Business Development Center will continue its own challenge to become a place for pioneering future demand.

Mobility Services

Co-creation

Local platform operators

Societal Issues

Knowledge and Core Technologies



Job creation and improving the QOL of users

Asset management expertise cultivated in the Financial Services business and connected technologies

Offering Innovative Mobility Solutions that Support New Business Opportunities

We are engaged in the asset management business in India and Nigeria in collaboration with local MaaS platform operators and other organizations. In addition to creating business opportunities through vehicle leasing, we are also leveraging our strengths to provide riding safety training for motorcyclists, vehicle maintenance services, training for mechanics, and more. We aim to expand our businesses further and contribute to bringing more fulfilling lives to people in emerging markets.

In eastern Africa, we are running last-mile delivery businesses that leverage mobility to create demand and jobs. We started operations in Uganda in 2017 and rolled out a similar service in Tanzania in 2023. Employing the agility and mobility of motorcycles together with delivery tracking functions and more, we can help create dependable, highly efficient last-mile logistics and thereby work to revitalize local economies and create jobs.



Low-Speed Automated Vehicles

Co-creation

Local governments and producers

Societal Issues

Knowledge and Core Technologies



Mobility needs

Chassis development expertise garnered through golf cars

Expansion of Transport Services and Creating Added Value through Transportation

By establishing automated driving technologies under specific conditions, we aim to save labor in logistics and solve mobility issues in areas without access to public transportation.

In the field of goods transport, we offer an unmanned automated transport service meeting various indoor and outdoor needs called "eve auto" through eve autonomy, Inc., a joint venture we have with TIER IV, Inc. To respond to the growing need for automation in logistics, we have put the service in operation at more than 20 companies to date.

In the field of transporting people, an automated vehicle jointly developed by the Company and three Japanese companies launched Japan's first Level 4 automated driving service in the town of Eiheiji in Fukui Prefecture. We aim to generate sales from transporting people as well as help solve mobility issues faced by areas where public transportation is inaccessible.



Medical & Healthcare

Co-creation

Industry-academia collaborations

Societal Issues

Knowledge and Core Technologies



Preventive medical and healthcare

Ultra-high-speed, high-precision picking and imaging technology for surface mounting systems

Established a New Company in the Medical & Healthcare Field Specializing in Antibodies

In September 2023, the Company established Tuning Fork Bio, Inc. in Delaware, U.S.A., which will analyze antibodies—a type of protein—in blood to better visualize people's health conditions through its antibody profiling business. The main target markets for this new company are the U.S. and Japan. Using Tuning Fork Bio's antibody analysis technology, antibodies that manifest for specific diseases are selected and compared with a patient's own antibodies in order to analyze their health condition, i.e., antibody profiling. This information will bring benefits to health checkups conducted by medical institutions, help in selecting the best drugs for patients, and aid in new drug research by pharmaceutical companies.

Agricultural Automation

Co-creation

Producers, Investee Companies

Societal Issues

Knowledge and Core Technologies



Labor shortage in agriculture

Chassis development expertise Robotics expertise

Establishing the Foundations for Global Agricultural Business through Co-Creation

In saving labor in the agriculture field, we aim to provide solutions that combine our chassis development and robotics expertise with AI, and maximize value through the cultivation, storage, and distribution chain. We have been investing in as well as conducting joint development with agtech startups through our dedicated corporate venture capital group company. Continuing our efforts from 2022, we conducted development and proof-of-concept testing through collaborations, including the dispatch of engineers to companies we invested in. We are strengthening our collaboration with investee companies to build supply and service systems with an eye on business expansion during the next Medium-Term Management Plan.



# Activities for Greater Functional Competitiveness

- 49 Human Resources
- 52 Digital Transformation
- 54 Creative Branding & Design
- 57 Research and Development
- 59 Intellectual Properties
- 61 Procurement
- 63 Manufacturing and Production  
(*Monozukuri*)
- 65 Marketing



This photograph was taken in a closed-off area.

## Human Resources

The energy in our workforce is a critical factor in achieving our corporate mission to be a *Kando* Creating Company, which is why we will make employee engagement an important indicator. We will promote diversity, equity, and inclusion as well as human resource development as initiatives for improving engagement.

Mitsuru Hashimoto

Executive Officer,  
Chief General Manager of  
Human Resources &  
General Affairs Center



### Our Fundamental Beliefs

As part of our global business operations, the Company is striving to create an organizational structure with the agility required to respond to changing and evolving market needs. We believe that if individual workers and their companies share ambitious goals and work together to bring about not just business growth but also personal growth, we can offer Yamaha *Kando* to customers without fail. Premised on our fundamental belief that all corporate activities begin with people, it is essential that our employees work in harmony and incorporate differing viewpoints and values. Working to hone individual skills, securing specialists in numerous technical fields, and applying our expertise in both developed and emerging markets are the types of efforts we believe will lead to fulfilling the Company's Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness."

As part of efforts to further strengthen governance and optimize strategies for human capital management from 2024, we will establish a Human Capital Management Committee chaired by the President and Chief Executive Officer. The committee aims to actively discuss strategies for investing in human capital on a global scale, improving employee engagement, and promoting diversity at meetings that include executive officers and the heads of major overseas subsidiaries as participants. In addition, we established a Talent Management Committee for the purpose of deliberating on human resource development plans, assignments, and training status of management candidates. Through these efforts, we will increase employee autonomy in their careers and transparency in their future career paths.

#### KPIs in the New Medium-Term Management Plan

##### Diversity, Equity & Inclusion

Strive to be a company with an agile and diverse workforce by increasing the available options for working styles

Local hiring for core positions\*<sup>1</sup>

**55%** by 2024

Women in management positions\*<sup>2</sup>

**13%** by 2024

- Expand global and regional leadership programs
- Reform HR management system at headquarters
- Enhance mid-career professional recruitment

##### Human Resource Development

Establish frameworks that provide equal opportunities for personal growth to all employees

Number of participants in self-development courses

**Approx. 5x**\*<sup>3</sup> by 2024

- Enhance online and on-demand learning platforms
- Encourage employees to increase their Rev Up time\*<sup>4</sup>

Increase the agility of the diverse global workforce that represents the Yamaha Brand

## Improvement of Employee Engagement

Introduce common global engagement indicators and conduct periodic follow-up on employee engagement

(Ref.) Engagement score\*<sup>5</sup> at headquarters  
FY2021 59% ▶ FY2024 70%

- \*1 Ratio of local personnel in core positions at overseas subsidiaries
- \*2 Ratio of women among managers at headquarters and overseas subsidiaries
- \*3 Compared with 2019
- \*4 Aimed at enhancing work efficiency and enriching time off
- \*5 Ratio of employees who responded favorably to engagement indicators

## 2023 Engagement Survey

We consider employee engagement to be an important indicator and are working to introduce common global engagement indicators in our Medium-Term Management Plan. The current Medium-Term Management Plan calls for a headquarters engagement score of 70% by 2024, but the result in 2023 was 61%, down one point from last year and a step short of our goals. Looking at the scores tied to engagement, "Pride" and "Will to contribute" remain high, while "Sense of accomplishment" and "Recommendation" remain low. Improving "Sense of accomplishment" and "Recommendation" is essential in increasing engagement and job satisfaction. We will use this information to improve and revitalize each workplace.

	2021	2022	2023
Yamaha Motor Co., Ltd. (Headquarters)	59%	62%	61%
Domestic Group Companies	-	59%	59%
Overseas Group Companies	-	-	79%

### Yamaha Motor Co., Ltd. Headquarters Engagement Score



Compared to 2022: -1pt | Compared to 2021: +2pt

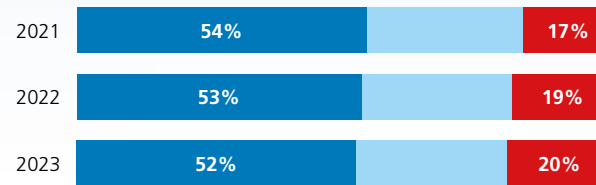
Affirmative Neutral Negative

### Four Questions Tied to Engagement

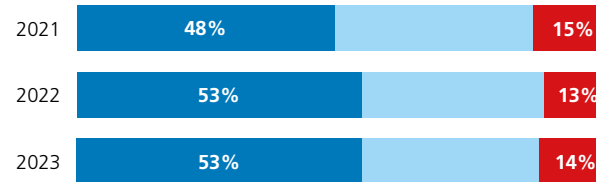
Note: Results at Yamaha Motor headquarter

Affirmative Neutral Negative

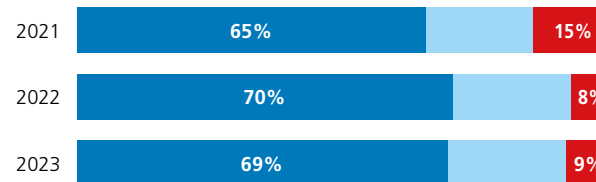
#### Sense of Accomplishment: I feel a sense of achievement through my job



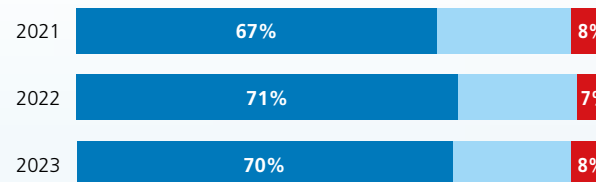
#### Recommendation: I would recommend Yamaha Motor as a rewarding place to work



#### Pride: I am proud to work for this company



#### Will to Contribute: I would like to contribute more



### Yamaha Motor Global Award

The Yamaha Motor Global Award was put in place in 2022 and recognizes activities demonstrative of the unique style of Yamaha that have brought innovations and reforms to solutions. The award program aims to strengthen the brand and inter-employee connections by recognizing the individuals and organizations behind outstanding activities and setting an example for others, thereby not only sharing outstanding activities but also raising motivation and engagement.

In 2023, 30 entries were received from within and outside Japan, and the following five outstanding projects were awarded:

- 3S Business Consultants Development Journey**  
 Yamaha Motor do Brasil Ltda.
- Casting Quality Innovation**  
 Manufacturing Center, Yamaha Motor Co., Ltd.
- Yamaha Marine training emphasizing the One Yamaha Vision through technical training initiatives**  
 Yamaha Motor Corporation, U.S.A.
- Jin-Ki Kanno x Jin-Ki Anzen Safety Vision through the Tracer 9GT+ project**  
 PF Model Unit, Yamaha Motor Co., Ltd.
- Contributing to carbon neutrality as a leading user of recycled polypropylene**  
 Procurement Center, Yamaha Motor Co., Ltd.



## Diversity, Equity & Inclusion

In September 2023, we established the Yamaha Motor Group Diversity, Equity & Inclusion Policy. Our policy aims to foster an organizational climate where diverse human resources can come together, respect each other's perspectives and values, and link new insights and discoveries to value creation. We are spreading the details of this policy throughout our workplaces and subsidiaries.

We are moving forward with efforts to appoint talented personnel to management ranks regardless of gender, age, nationality, original domicile, or other factors. The rate of local hiring for core positions reached 55.6% as of the end of 2023, exceeding the target of 55% by the end of 2024, putting us ahead of schedule. We also promote transfers from overseas subsidiaries to the headquarters as well as inter-subsidiary transfers, and have conducted nine such transfers to date.

Our global target for the ratio of women managers is 13% by the end of 2024, and as of the end of 2023, this stood at 11.1%. We will continue our efforts to meet the 2024 goal.

### Local Hiring for Core Positions

	2021	2022	2023
	50.8%	51.6%	55.6%

### Ratio of Women Managers

	2021	2022	2023
Yamaha Motor (Global)	9.7%	11.2%	11.1% (539/4,846 employees)
Yamaha Motor Co., Ltd. (Headquarters)	2.8%	3.2%	3.7% (50/1,365 employees)

## Human Resource Development

We provide human resource development through a range of programs that include training for various career levels, selective training for high-potential human resources, training to hone specialized skills, and overseas trainee opportunities. In addition, we are working to foster a culture of self-directed learning by promoting and expanding our selection of self-development courses. A total of 5,039 employees have attended such courses, which is 5.6 times vs. 2019, exceeding the target we set in our Medium-Term Management Plan.

Based on our fundamental belief that all corporate activities begin with people, we will continue to invest in human resources to enhance our corporate value.

### Training Hours Per Employee

	2021	2022	2023
Yamaha Motor Co., Ltd. (Headquarters)	5.8 hours	17.3 hours	22.9 hours
Domestic Group Companies	--	-	9.7 hours

### Training Cost Per Employee

	2021	2022	2023
Yamaha Motor Co., Ltd. (Headquarters)	¥12,000	¥19,000	¥39,000
Domestic Group Companies	-	-	¥23,000

For other data, please refer to the Annual Securities Report and the Employee-Related Data section of our website.

▶ Annual Securities Report  
(in Japanese only)

Employee-Related Data

## Digital Transformation

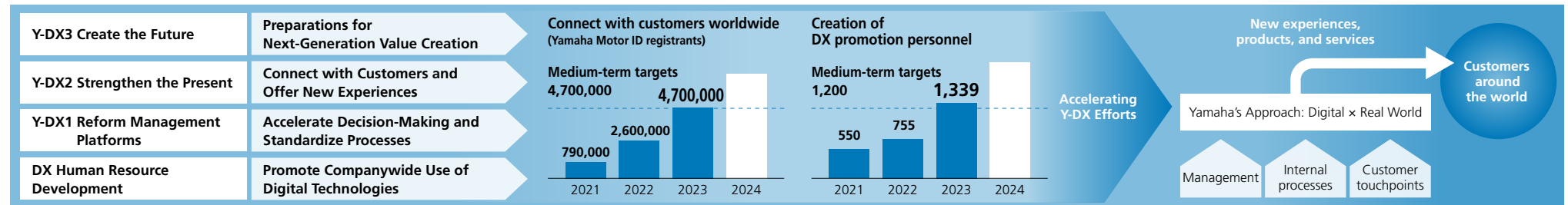
We are pushing the Yamaha Motor to the Next Stage project forward to accelerate Yamaha Motor's growth strategy by leveraging IT, digital technologies, and data to drive the Company's digital transformation. By connecting with customers through new experiences, services, and products created in the real and digital worlds, we will enhance our brand value and create lifetime Yamaha fans.

Toyoto Ono

Chief General Manager of IT Center



### Yamaha Motor to the Next Stage: Enhancing Brand Value and Creating Lifetime Yamaha Customers



### Status of Initiatives by Theme

Y-DX1: Faster Management Decision-Making	To speed up management decision-making, the Company has adopted a KPI commitment budgeting process in 2023, replacing the traditional stacked budgeting process. By adopting a method in which Company top management and the chief general managers of businesses formulate management and business scenarios, and agree then on budget targets based on these scenarios in advance, we have created a process that allows the Company to focus on weighing measures for achieving its goals. Utilizing a consolidated database linking our more than 120 locations around the world, we are working to execute corporate decisions and operations that strongly reflect management intentions.
Y-DX1: Becoming a Truly Global Company by Implementing Global ERP	With the old systems run in each country, the different calculation methods for KPIs in each country were liable to lead to misleading results. To overcome this situation and collect global data quickly and accurately, it is essential to standardize and simplify operations and systems in each country. By further pushing the "One Fact, One Place" concept, which is achieved by using global enterprise resource planning (ERP), we believe that the quality and speed of data used for management decisions will be greatly accelerated, and that we will be able to achieve truly global operations with a sense of unity throughout the world.
Y-DX2: Connecting with Customers and Offering New Experiences	We have strengthened digital touchpoints with our customers and built a system that continues to deliver high levels of satisfaction and <i>Kando</i> to our customers through digital marketing and connected products for an exciting, personalized customer experience overall, from sparking that initial interest in our products to a smooth purchasing experience. We set 4.7 million registered Yamaha Motor IDs as a KPI for connecting with customers and achieved our Medium-Term Management Plan target for the cumulative number of registered users last year—one year ahead of schedule. We have begun to deliver a high level of satisfaction, convenience, and <i>Kando</i> by providing maintenance recommendations and loyalty programs to these connected customers. In the future, we will focus on Y-DX3 activities to provide even more added value to customers who have a Yamaha Motor ID.
Y-DX3: Next-Generation Value Creation through Co-Creation	We are building a service platform that can exchange data and commands with our various connected products, connect the various systems in place in regions and at dealers, and link up with external services and IoT devices. We are also building services that create new customer value across businesses, create new value difficult for individual companies to handle, and working to solve societal issues. Specifically, there is the fleet asset business designed to create jobs in Africa, and the field testing underway on Sasebo City's island of Kuroshima in Nagasaki Prefecture, where we are working with residents and local government officials to solve societal issues faced by remote islands through comprehensive services that combine various Yamaha products. On Kuroshima, we are working to solve societal issues through co-creation, listening to users—in both the real and digital worlds—about how they use our services, and quickly applying this knowledge to the development and improvement of services. In addition, with the many businesses involved in connectedness, we are fostering an engineering culture by adopting an internal open-source system to take advantage of the human resources and technical assets scattered throughout the Company. By overlapping direct contact with product owners and consumers through digital technology, we will take on the challenge of creating next-generation value through co-creation.

## Development of Human Resources for Promoting DX

Aiming to be a company where all employees can utilize data, we are staging a shift among current employees through practical and on-the-job training while actively hiring capable personnel possessing the required specialized knowledge. The number of tech leads, in-house data scientists, ERP engineers, and other human resources through these activities reached 1,339 in fiscal 2023, achieving the target of 1,200 people for fiscal 2024 set in the Medium-Term Management Plan one year ahead of schedule. With these DX promotion personnel at the center, we will continue to firmly drive business proposals and internal reforms that utilize digital technology Companywide.

## Democratization of Data Analysis: Aiming to be a Company where Every Employee Utilizes Data as a Given

In addition to focusing on creating an environment in which everyone can use data safely and efficiently, we are actively rolling out employee education, practical training, and on-the-job training activities with the goal of becoming a company in which all employees can use data as a given. This has fostered a culture in which not only the DX promotion departments but also the general employees who supporting each worksite are able to consistently identify and analyze issues, create visuals, and then make decisions on them.



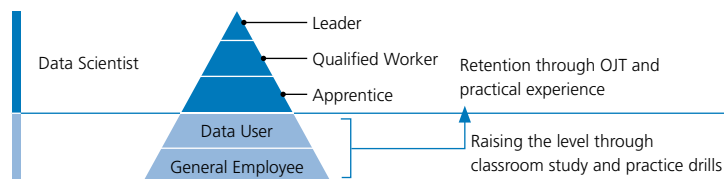
### Turning Ordinary Employees into Data Scientists

**Site-driven approaches:** We are placing more emphasis on general employees working in the field becoming data scientists. The program includes not only classroom study but also practice drills and on-the-job training using real data and analytical tools.

**Voluntary participation:** The program is not mandatory and is based on employees' desire to join.

**Outcome:** As of the end of 2023, 403 data scientist "apprentices" have been trained.

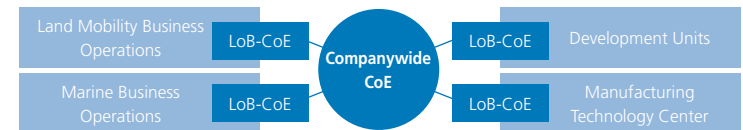
**Support from DX promotion departments:** Our DX promotion departments actively support each division in resolving issues and contribute to site-driven activities.



### Turning Data Utilization into a Culture

**Birth of the LoB-CoE:** In addition to the Companywide Center of Excellence (CoE), the Line of Business Center of Excellence (LoB-CoE) has been established to coordinate and drive the use of data in each area of our manufacturing, development, and business departments. The LoB-CoE improves the accuracy and speed of problem-solving in each area and strengthens cooperation with the Companywide CoE.

**Data utilization culture:** The Manufacturing Technology Center is driving the Value Innovation Factory project—a key theme of Y-DX2—forward, and its Machinery R&D Division serves as the LoB-CoE. It is fostering a culture in which the entire department utilizes data in its operations while developing human resources and platforms through employee training for manufacturing departments and business partners.



### Data Analysis Environment Review and Governance Management

We are engaging in the following environmental improvements so that employees can safely and reliably use the accumulated data for decision-making, business improvements, and providing value to customers.

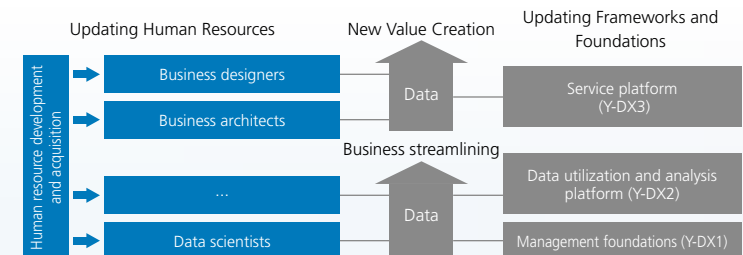
**Building infrastructure:** We are building a data lake and data analysis infrastructure to enable the utilization of accumulated data, as well as arrange coordination between the two.

**Governance:** We are focusing more on metadata, data architecture, and security and governance operations, which are high priorities with data analytics infrastructure.

**Enhancing data management:** We have set up systems for enhancing data management in the Land Mobility segment, the Powertrain Unit, our manufacturing departments, and others.

### Aiming to Create New Value

To maximize the power of Yamaha Motor's unique workplace culture and spirit, we are putting in place the frameworks and foundations for training not only data scientists but also digital business designers, business architects, and a wide range of other DX-promoting human resources to lead to the creation of new value.



## Creative Branding & Design

The Company believes that a vital objective of management is to further raise the value of the Yamaha brand and make it shine. Takuya Kinoshita explains the efforts of the Creative Center, which contributes to value creation and creates competitiveness through corporate branding and attractive designs.

Takuya Kinoshita

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



### Branding and Design to Increase Empathy for *Kando* and Enjoyment

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

Our brand is one of our most important management resources. The Company was established in 1955 by spinning off the motorcycle division from Nippon Gakki Co., Ltd. (today's Yamaha Corporation), and our own brand is based on the larger Yamaha brand we share with Yamaha Corporation. In addition, Yamaha Motor's own unique value, built by its businesses to date, aligns with the larger Yamaha brand as well.

We also recognize that Yamaha Motor has historically placed much importance on design and that connecting with customers around the world through our products has had a major impact on our brand. Design firm GK (now GK Design Group Inc.), a partner since our founding, and our own design companies—which we brought in-house in 2012—have combined internal and external perspectives to create numerous unique designs contributing to the formation of our brand.

The Creative Center is an in-house division that contributes to value creation as a unique brand and creates a competitive edge through corporate branding and design. Our mid-term goal is to manifest unique intangible assets and make them function toward continuous value creation through activities that connect the Company, including management, and society.

To realize our Long-Term Vision of "ART for Human Possibilities: Let's strive for greater happiness," we will contribute by establishing and coordinating three phases in the field of corporate branding and design: 1) Captivate, 2) Resonate, and 3) Co-Create.



#### 1) Captivate

The opportunity to see our products in person is important across the many links we have with people and society at large and design has a great influence on people's impressions of our products, whether they are seen in nature or the city. At this stage, we believe it is necessary to enhance the power of design to increase favor in these instances.

#### 2) Resonate

This phase is to craft a vision of what we want to be and to have that vision resonate with people. The concept models we exhibited at the Japan Mobility Show 2023 were proposals for various societal issues based on our vision and the values we hold close. We want our products to allow customers to feel aware of how their bodies are controlling them, to move their hearts, help them have fun as they grow, and ultimately expand their own possibilities.

#### 3) Co-Create

New *Kando* is co-created in this phase. Throughout our history, those who have been moved and inspired by their firsthand experiences of the Yamaha brand have created *Kando* that is uniquely Yamaha. In recognition of the importance of this history and in our pursuit of creating new *Kando*, we launched our NEXT KANDO ACTIONS initiative in 2024. We hope to further increase the number of people who share our brand values and co-create new *Kando*.

## Achievements

### Activities to Demonstrate Our Presence as a *Kando* Creating Company and Initiatives to Captivate the Future

In branding, we believe it is necessary to communicate the orientation and attitudes we value. In 2023, we worked on conducting activities that symbolize the Yamaha brand, creating new brand evaluation methods, and strengthening our branding governance—three initiatives set forth in Integrated Report 2023. In addition, to put the Creative Center's goal of a Captivating Future Vision in motion, three activities (Captivating Research, Captivating Design, and Captivating by Connecting with Fans) were conducted. We will review those main activities according to the phases of 1) Captivate, 2) Resonate, and 3) Co-Create.

#### Captivate

#### Activities that Captivate with Our Unique Values

##### ▶ Captivating through Design

For our designs to gain support even amid diversifying values, we exhibited 18 of our product planning prototype projects at the Japan Mobility Show 2023. We also worked with the business divisions on prototyping at other events to validate their projects for implementation.



MOTOROiD2

An experimental model that integrates mobility with intelligent technologies to examine the future of human-machine interfaces.

#### Resonate

#### Activities to Increase People Who Resonate with Our Vision

##### ▶ Branding Demonstrating Our Presence as a *Kando* Creating Company

As a venue symbolizing our brand, we exhibited together with Yamaha Corporation at the Japan Mobility Show 2023 under the theme of "Feel Life." We defined the products we offer as not only fun but also as partners that can be there for you in difficult times, and our message to show visitors was rooted in this vision.



Japan Mobility Show 2023—TY-E 2.2

We entered the All Japan Trial Championship with Kenichi Kuroyama riding the sole electric motorcycle in the series. Competing against gasoline-powered entries, he finished in 3rd for the season. He put on a great stage show at the venue in line with its "Feel Life" theme.

#### Co-Create

#### Activities of Co-Creation in Collaboration with Internal and External Parties

##### ▶ Co-Creating by Connecting with Fans

We have established a community with YZF-R7 enthusiasts and co-created various goods and services through daily interactions with active Yamaha developers, leading us to win recognition from the Good Design Award 2023 and the Auto Color Awards. We are also taking on the challenge of autonomous management, where fans take the lead and we, the manufacturer, act as a supporter.

##### ▶ Co-Creating with People Involved in the Local Community

Under the Town eMotion concept of future towns and mobility, repeated real-world tests were conducted in 2023 in the Tokyo metropolitan area and Iwata in Shizuoka Prefecture where we are headquartered in a joint effort between industry, government, academia, and the private sector. We are co-creating new forms of mobility for people-centric urban development.



Yamaha Motor LAB for R7  
Co-creation community between fans and manufacturer



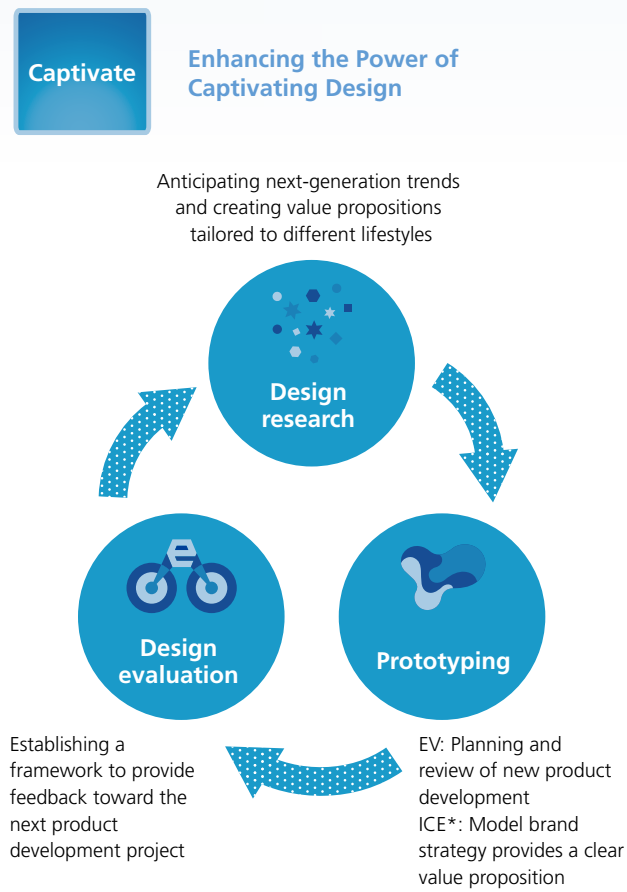
Town eMotion  
UX assessment for mobility and visits for revitalizing communities



## Recognizing Issues and Future Efforts

### Linking Captivating Designs and Corporate Branding to Co-Creation

We believe that the diversity of our businesses—each unique in its own way—is also a key factor in the sustainable growth of the Company and the strength of our brand. On the other hand, the brand image of each business is diverse and the character of the Company as a whole tends to become diluted. We recognize that our next branding challenge is to strengthen this and raise expectations for Yamaha Motor. In addition, as industries, technologies, stakeholder values, and customer relationships have drastically changed and diversified, the nature of design must also evolve. We will work to enhance attractiveness through design and again assemble a framework for contributing to raising competitiveness in our businesses.



We will establish a system to create Captivating Designs in a sustainable manner and make each process work.

\*Internal combustion engine



#### ▶ Yamaha E-Ride Base, a new brand communication base in the Tokyo Metropolitan Area

In June 2024, the Company opened a new base in Yokohama's Minato Mirai district. The Yamaha E-Ride Base will exhibit and offer opportunities for visitors to experience firsthand the true fun of e-bikes, a product that can be tried out relatively easily. In this way, we aim to build greater brand recognition and resonate more deeply with visitors.

#### ▶ Transcending boundaries to connect PAS users and enthusiasts

We have begun operation of Yamaha PAS Life, a community website for PAS, our widely used electronically power-assisted bicycles.

By accumulating the collective knowledge of each user, such as what they enjoy about PAS and any learning opportunities they can offer, we will increase users' affinity to PAS and help them identify more closely with the product.



Yamaha E-Ride Base

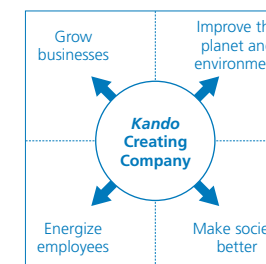


Yamaha PAS Life



#### ▶ NEXT KANDO ACTIONS, our corporate branding initiative

In April 2024, we launched NEXT KANDO ACTIONS, an initiative aimed at the sustainable creation of new *Kando*. In the initiative's first year, we will focus on activities in which employees proactively create *Kando*, thereby leading to development that embodies the next generation of *Kando* creation. We will work to create value through *Kando* experiences so that employee-led initiatives contribute to a better society, which in turn will have a positive impact on our businesses and the environment.



Left: Internal poster  
Right: Objectives of activities

## Research and Development

### Technology Vision: Pursuing Fun and Solving Societal Issues to Create New Value

The world is undergoing rapid changes, such as COVID-19 transitioning from being a pandemic into being endemic, increased awareness of sustainability, and the acceleration of digital transformation (DX). Against this background, we will set a new direction for our core technologies in our R&D based on human research and create synergies with existing technology areas. Through this, we will realize our Long-Term Vision of "ART for Human Possibilities: Let's strive for greater happiness" and our corporate mission to offer new excitement and a more fulfilling life for people all over the world.

### Kenji Komatsu

Executive Officer,  
Chief General Manager of the  
Technical Research &  
Development Center



## Promoting Human Research and Carbon Neutrality to Further Accentuate the Unique Style of Yamaha Motor

Our corporate mission is to be a *Kando* Creating Company, seeking to offer people around the world new excitement and a more fulfilling life, and our Long-Term Vision for 2030 is "ART for Human Possibilities: Let's strive for greater happiness." We have defined and are promoting focus areas to realize this vision. Last year, we updated our Companywide technology strategy that serves as our driving force, where we redefined human research, which we have been conducting for some time, as fundamental research.

Many startups and other new entrants have joined the market in recent years, pushing product competition to a new level. How do we

differentiate ourselves in this situation? We believe that by incorporating elements refined through human research into our products, we can offer products different from our competitors. By implementing these elements across departments, we hope to continue to create value that appeals to people's sensitivities, an aspect present in all our products and services. This year, we will move into the preparation stage to reflect the results of this research in our products.

We will also promote carbon neutrality in ways unique to Yamaha Motor. We believe fun is itself an important part of personal mobility. We will define the elements that provide such fun and *Kando* through

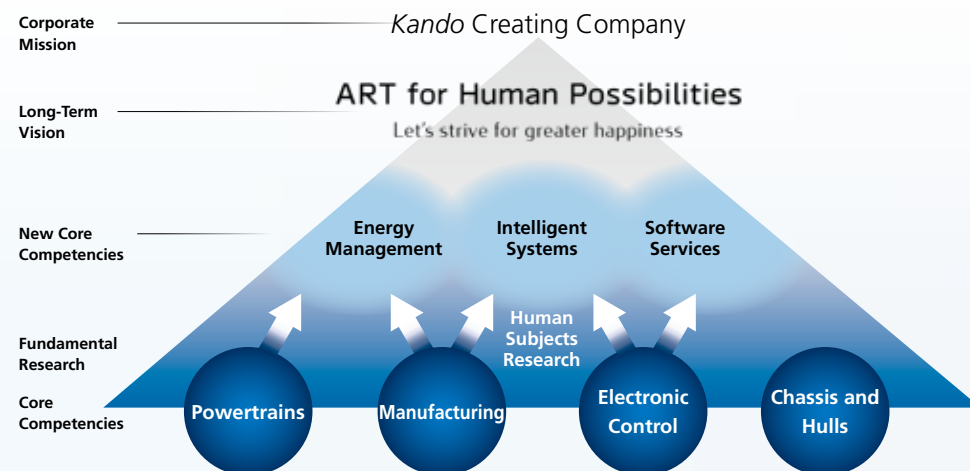
human research and measure them to enhance the degree of fun had with mobility. To this end, we will promote research and development along multiple pathways, including internal combustion engines that use carbon-neutral fuel and hydrogen, rather than focusing solely on electrification. By promoting this kind of research and development, we hope to continue to offer customers new *Kando* and a more fulfilling life.

## Companywide Technology Strategies

The heads of all technology divisions at Yamaha Motor sit on the Technology Committee, which formulates our Companywide technology strategy. Last year, we defined our Technology Vision as: Pursuing Fun and Solving Societal Issues to Create New Value.

We will realize our corporate mission to be a *Kando* Creating Company through the pursuit of fun. In addition, we aim to create new value by providing solutions unique to Yamaha Motor and that solve societal issues while having fun rather than by making solutions to societal issues at odds with fun.

As a manifestation of our Technology Vision, we have once again positioned human research, which has always been important to us, as fundamental research on which our activities are based. In addition, Energy Management, Intelligent Systems, and Software Services have been designated as new core competencies for us to strengthen. We will work to create new value by combining our traditional core competencies with these new core competencies.



## Example 1: Human research

Based on the deep insights gained from our human research, we will transform sensibilities and expertise into technologies. Furthermore, by incorporating these technologies in our products and services, we aim to discover people's emotions and intentions and stir joy and excitement they had not been aware of. To date, we have engaged in human research seeing it as the starting point for all Yamaha *Kando*. Here are some examples of those efforts.

### e-plegona

The "e-plegona" experiential installation (an interactive artwork) was born from a research project to uncover and reproduce the mechanisms of *Kando*. It was exhibited at prominent innovation events in Japan and abroad, including SXSW (South by Southwest), earning high acclaim. Data was collected at some events to academically test our original hypothesis that the emotional swings caused by physical and nonverbal communication between people connect two people and create *Kando*. We will continue to conduct human research into what creates *Kando* in collaboration with Yamaha Corporation and the California Institute of Technology.



Tech Open Air Festival 2023 in Berlin, Germany



SXSW 2023 in Austin, U.S.

### A Sociological Survey of U.S. Motorcycle Culture

Our human research also includes social science topics such as gaining a structural understanding of cultures and society. In our joint research with Kyoto University, we view the market as a culture and conducting surveys through sociological and cultural anthropological approaches. We also conduct fieldwork to capture signs of subcultures and new cultures to uncover underlying hidden societal issues. By conducting these studies together with local academics, we aim to create new value that overcomes societal challenges and expands human possibilities.



Scenes from a bLU cRU event in the U.S.

## Example 2: Energy Management (Hydrogen Utilization)

We are committed to pursuing an environmentally sustainable future and we are taking multiple approaches with development to achieve this, including electrification, carbon-neutral fuel compatibility, and energy conservation in production. As a part of these efforts, we are focusing on developing hydrogen technology as a new energy source, not simply to replace existing energy sources, but to maximize the unique characteristics and potential of hydrogen engines. Through these efforts, we are making step-by-step progress toward creating an environmentally conscious world. Here are some examples of those efforts.

### HySE

We established the Hydrogen Small Engine Technology Research Association (HySE) with Kawasaki Motors, Ltd., Suzuki Motor Corporation, Honda Motor Co., Ltd., Toyota Motor Corporation, and Kawasaki Heavy Industries, Ltd. This project aims to conduct basic research on hydrogen engines for small mobility to realize a decarbonized society. HySE also participated in the new Mission 1000 of Dakar 2024 with its hydrogen-fueled engine vehicle, the HySE-X1.



### DRIVE H2

The DRIVE H2 is based on the DRIVE2 CONCIERGE 4 four-seater golf car and is equipped with two high-pressure hydrogen tanks (25 L each) positioned under the driver's seat and on the back of the rear seat.

Hydrogen engines are internal combustion engines that can make use of existing technologies. We are conducting research and development into this technology as it has the potential to achieve both the continued use of internal combustion engines and decarbonization.



### Hydrogen Outboard Motor Development Prototype

Marine products run through water and are thus subjected to water resistance, requiring significantly more energy for propulsion than land vehicles, requiring significantly more energy for propulsion than land vehicles. Additionally, the performance and engineering requirements for marine products can vary widely depending on the usage environment. In order to achieve carbon neutrality with marine products while facing such challenges, the Company is promoting a multi-directional development approach, looking to other new energy sources and technologies in addition to its electrification efforts.



## Intellectual Properties

We are promoting intellectual property strategies on a global basis and working to create, protect, and utilize intellectual property rights unique to Yamaha Motor. Through these efforts, we aim to use our intellectual property to raise corporate and brand value and fulfill our corporate mission to be a *Kando* Creating Company.

**Takeo Kitanaka**  
General Manager of  
Legal & Intellectual Property Division,  
Human Resources & General Affairs Center



## IP\* for Business

Under the banner of "IP for Business," Yamaha Motor carries out its intellectual property tasks based on its Four Policy Pillars of Intellectual Property Activities.

The Company is actively using intellectual property analysis through collaborative initiatives with the divisions in charge of various technology areas. The Technology Business Committee, which discusses technical strategies from a long-term business perspective, reports on intellectual property activities, such as analyses of intellectual properties present in growth areas, and reflects its findings in the formulation of the Company's technical strategies.

Company executives and management receive an annually published Technology White Paper, which provides visuals and suggestions about trends in technology based on intellectual property analysis, along with suggestions about the layout and contents of white papers from an intellectual property perspective. This white paper contributes to the formulation and consideration of mid- to long-term plans for business divisions and deliberations at management meetings and Board of Directors meetings attended by the General Manager of the Legal & Intellectual Property Division. This creates value according to the Four Policy Pillars of Intellectual Property Activities.

\*IP: Intellectual Property

### 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 perspectives of intellectual property analysis and market and technological growth analysis

## Intellectual Property Activities to Achieve ART for Human Possibilities

Through our work to realize our Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness," we are aiming to not only solve critical societal issues and achieve sustainable growth but also to enhance our corporate value. Our intellectual property departments are involved in our business activities from the earliest discussions and create the core intellectual properties needed for reaching these goals.

### ▶ SDGs: Collaborative Robots MOBILE ROBOT ARM

This mobile collaborative robot pairs a robotic arm for performing tasks in place of humans with an autonomous cart. We have applied for patents for the arm control and other functions that achieve motion close to human force perception.



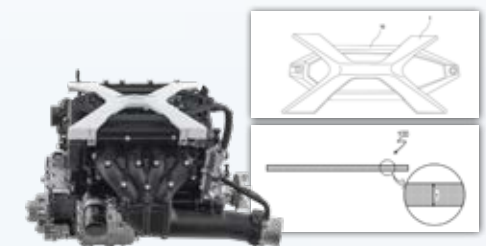
### ▶ Accelerating Innovation through Collaboration: Emotion Sensing App for Visualizing a Rider's Emotions

We have filed a joint patent application together with Yokohama National University and MIRUWS Co., Ltd. for the application of AI methods of knowledge distillation for estimating emotions.



### ▶ Making Carbon-Neutral Products: Next-Generation Materials Derived from Plants

Joint application with Nippon Paper Industries Co., Ltd. for a patent for the composition of and manufacturing method for cellulose nanofiber-reinforced resin.



## Intellectual Property Activities and Portfolio Underpinning Business Strategies

Our intellectual property departments are actively involved in our businesses from an early stage. This is to visualize the growth areas beyond each business strategy through various intellectual property analyses, to utilize this information in M&As, and to promote the use of intellectual property mixes—a combination of patents, design rights, trademarks, and other rights—in line with the business strategy. For example, by acquiring not only design rights related to the appearance of our products but also patent rights that view the appearance from a technical viewpoint, we can create unique value through multifaceted intellectual property protection of our products and services.


The motorcycle and Marine Product businesses—core businesses in our business portfolio—continue to rank high regarding the share of essential patents and the number of new inventors (shown below), securing a high advantage in patent creation efficiency over our competitors. Meanwhile, the Robotics and SPV businesses are positioned as growth businesses in our portfolio. With these, we will continue to invest resources for growth and increase the number of new inventors to support business expansion while pushing for inventive and creative activities to ensure we have a competitive advantage in our business domains.

Yamaha Motor is taking resolute action in cooperation with the intellectual property authorities of each country (527 cases globally in 2023) against any infringement of the intellectual properties that support its core and growth businesses. We are responsible for protecting the Yamaha brand through trademark registration in most parts of the world, creating value, and securing superiority based on business strategies in all countries and regions.


### Core Business: Motorcycle Business—The AEROX in Our Premium Segment Strategy

**Overall Product and Design**

Patents  
Position light structure that creates the distinctive front design





Design rights




**Y-Connect**


Patents  
CCU layout


(Patent-pending)  
Unit to connect vehicle and smartphones



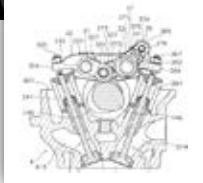
Trademark



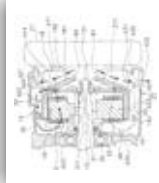
**Engine**




Patents VVA switch pin layout




Patents SMG sensor cooling design



Trademark





### Core Business: Marine Products Business—Strengthening our IP portfolio in the electric propulsion domain of our Marine CASE Strategy through the acquisition of Torqeedo GmbH

**Electric Propulsion Systems**



**YAMAHA**

Patents  
Rim-drive electric propulsion system




**TORQUEEDO**

Patents  
Battery and motor electrical system

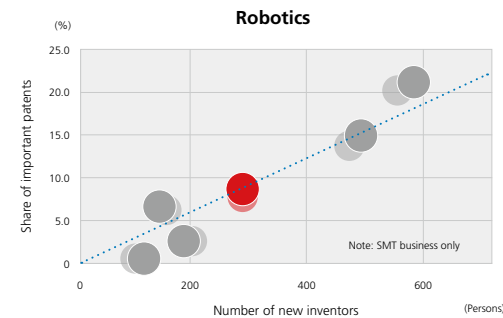
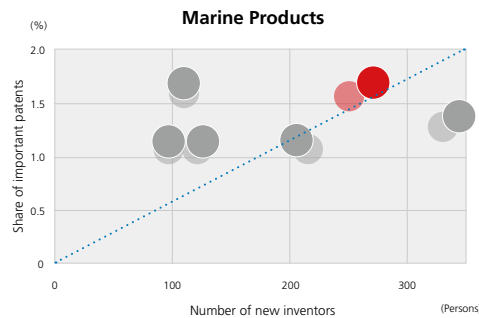
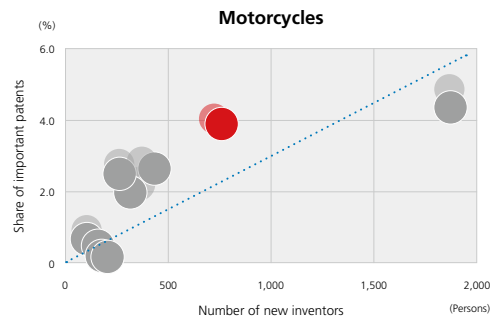



Patents  
Battery housing




Notes: 1. Torqeedo GmbH holds a number of patents for electric motors, propellers, and electrical systems in the Electric domain of our Marine CASE (connected, autonomous, shared & service, and electric) Strategy. The graph at left indicates the change in our patent position in this technology area as a result of acquiring of the company.  
2. Created by the Company using the patent score (EP) calculated by Biz Cruncher from Patent Result Co., Ltd.

### Share of Important Patents and Number of New Inventors



Shading indicates trends from published data for 2023.

Notes:

1. Number of new inventors: Number of new inventors who filed applications in the last 10 years. Indicates the level of focus on human resource investment.
2. Share of essential patents: Percentage of patents in the top 5% of the annual average number of citations in a specific population. Indicates market dominance or pricing power in a specific area.
3. The dotted line is an approximate linear line for each point. Indicates the average of competing providers in terms of efficiency in creating essential patents.
4. These indices are based on data from the *Intellectual Property/Intangible Asset Investment and KPIs* materials presented at the 16th meeting of the Study Group on Effective Disclosure and Governance of IP Investment and Utilization Strategies by the Intellectual Property Strategy Headquarters, Cabinet Office, Government of Japan; and the *Establishment of KPIs, etc. for Intellectual Property in Accordance with the Revision of the Corporate Governance Code (Interim Report)* working paper from The University of Tokyo Institute for Future Initiatives.

## Procurement

To offer new excitement and a more fulfilling life for people all over the world by continuing to deliver our unique, high performance, high-quality products around the globe, 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 engage in *Monozukuri* based on a spirit of co-creation with uniquely Yamaha efforts that not only raise global competitiveness but also earn the respect and appreciation of society and mutually raise the corporate value of all parties.

Tatsuya Masuda

Executive Officer,  
Chief General Manager of  
Procurement Center



## Sustained Competitiveness for the Future through Co-Creation with Our Business Partners

In our Medium-Term Management Plan announced in 2022, we formulated a global procurement policy that incorporates the word "co-creation" into our efforts to create new value and enhance the competitiveness of both Yamaha Motor and our suppliers through *Monozukuri*.

In 2024, the final year of our Medium-Term Management Plan, the COVID-19 pandemic has eased, but on the other hand, the environment surrounding procurement is becoming increasingly severe and difficult to predict due to changing demand conditions in each region, geopolitical risks, and natural disasters. Even under these circumstances, we are moving forward with co-creation activities with our business partners to strengthen our product competitiveness through the new value creation projects that we have been working on to date and responding to various risks in an agile manner.

### 2022–2024 Mid-Term Global Procurement Policy

Through co-creation with suppliers, raise each other's corporate value and strengthen competitiveness

#### Growth

##### Taking on the challenge of new growth fields

Respond to new growth fields and pushing strategies

#### Profitability

##### Strengthening Existing Businesses

Enhance market competitiveness through  
Theoretical Value Thinking

#### Robustness

##### Promoting Sustainability

Maintain sustainable growth

#### Growth

##### ▶ Creating New Value Working with Our Suppliers

One important role of procurement is matching our technological needs with the technologies our suppliers possess to enhance the value of the products we offer to customers. For key electrification components, we are surveying suppliers globally and considering various forms of collaboration. In the area of connected devices, there have been cases of attractive products being launched by combining the proprietary technologies of multiple suppliers.

We are also continuing our efforts to discover unique technologies from our existing business partners. We hold exhibitions of our suppliers' technologies where engineers from both Yamaha Motor and our suppliers can talk directly with each other while examining actual parts and viewing technical presentations, thereby connecting our technological needs with our suppliers' proprietary technologies. We are also working with our suppliers to deepen our technological capabilities in a wide range of areas, including CASE and conventional ICE domains.

These technology exchanges are conducted in line with our procurement strategy, which is tied into our technology strategy. They are made possible through regular open discussions of medium- and long-term technology and procurement strategies between the Company and the management teams of our suppliers.

#### Profitability

##### ▶ Toward Stronger and Sustainable Competitiveness

To maintain stable production activities with our business partners, it is vital that both parties work on strengthening sustainable competitiveness. We are imparting the theoretical value production (TVP) approach and digital transformation (DX) initiatives of our manufacturing departments to our business partners, and working to maintain and strengthen our competitiveness by improving manufacturing sites through co-creation. Some specific initiatives we have underway are jointly studies for developing new manufacturing methods for our business partners using technologies we have refined in-house, and promoting the development of our business partners' human resources by accepting personnel from them as part of efforts to promote DX at manufacturing sites and providing them with hands-on experience of how our digital technologies are being used. We are also working to achieve optimal *Monozukuri* not only by improving manufacturing sites but also by reviewing materials and specifications.

On the other hand, in recent years, with raw materials prices, labor costs, and energy rates skyrocketing worldwide, for us and our business partners to continue growing sustainably, we hold discussions to confirm their current status and update our business terms and conditions according to actual conditions upon mutual agreement, thereby building appropriate and sustainable business environments.

Robustness

Fair Trade Initiatives

We have established co-creative relationships with various business partners and dealers in Japan and overseas based on a spirit of mutual trust and prosperity. For this reason, we strive to conduct fair business in compliance with the competition laws of all countries and regions while working to create partnerships that aim for mutual, sustainable growth.

We endorsed the Declaration of Partnership Building and published our declaration in 2020. We are committed to complying with the Subcontractor Act and Promotion Standards. Furthermore, we share with our business partners the contents of our Declaration of Partnership Building, appropriate rules for molds, jigs, and tools, and examples of the Subcontractor Act on our dedicated website for our business partners. In addition, we established the Fair Business Hotline, a dedicated consultation service operated by a third-party organization, to create an environment where business partners can easily make reports.

Internally, we have established a Fair Trade Committee directly under the president to strengthen our efforts in fair trade initiatives. We conduct Companywide self-audits and self-inspections every year to confirm and improve our operational status. May and November are designated as months for raising awareness of the Subcontractor Act and promoting activities aimed at achieving zero violations of the Act. In addition, we conduct e-learning and seminars on the Subcontractor Act to raise awareness of fair trade Companywide.



Initiatives to Enhance Communication

We are continuing to strengthen two-way communication with our business partners, who support our manufacturing activities on a global scale, and their efforts are becoming increasingly important.

As part of bolstering that communication, we held the Global Suppliers Conference in Japan in April 2023, where our management communicated our vision and initiatives to our global partners and expressed our gratitude for their cooperation. From 2020, the COVID-19 pandemic led to us holding the event online in order to continue communications, but with the threat of the pandemic gone, this was the first time in four years that the conference was held in person. The event was attended by approximately 600 people from 230 major business partners in 13 countries, and we shared the status of our initiatives in the market, new technologies under development, digital transformation (DX) promotions at our *Monozukuri* sites, and more. We also presented awards to business partners that made outstanding contributions to our global manufacturing operations to express our gratitude. In addition, we offered test rides and factory tours as

opportunities for people to experience our products and deepen their understanding of our Company through hands-on experience, thereby deepening communication with our business partners and manufacturing partners.



The 2023 Global Suppliers Conference

Working Toward Carbon Neutrality in the Supply Chain

Achieving carbon neutrality requires working with our business partners throughout the supply chain. To visualize the entire supply chain and push reduction efforts, in 2022, we have started conducting surveys on CO<sub>2</sub> emissions and examples of carbon-neutral initiatives at each partner company. To support our business partners in calculating CO<sub>2</sub> emissions and to deepen the mutual understanding of our activities, we regularly hold explanatory meetings for business partners and workshops on calculation methods. In addition, 25 companies that provide visualization tools and services in support of carbon-reducing activities give exhibition-style presentations and hold seminars to share examples of their initiatives with other business partners in collaboration with partner companies. Through these activities, we aim to visualize the emissions of each company involved in our supply chain and promote the spread of carbon-reduction activities.

As for raw materials, we were the first in Japan to adopt green aluminum\* for motorcycles in 2023 and have expanded its application to marine products in 2024. Furthermore, we have been planning to adopt electric-furnace steel sheets for packing motorcycles for export

overseas and are accelerating our efforts to achieve carbon neutrality when procuring our own raw materials.

\* Green aluminum: Aluminum refined using renewable energy with low CO<sub>2</sub> emissions.



At the 2023 carbon neutrality expo

## Manufacturing and Production (*Monozukuri*)

Yamaha Motor is accelerating its efforts toward a circular economy and carbon neutrality to create sustainable value. In fiscal 2023, we significantly reduced CO<sub>2</sub> emissions by mass-producing low-CO<sub>2</sub> materials and accelerating the introduction of solar power generation at our factories. In addition, the global implementation of the Value Innovation Factory, which combines the concept of theoretical-value-based production with manufacturing DX technologies, is leading to the creation of new value. We will continue to conduct *Monozukuri* that brings *Kando* to our customers.

**Koutarou Ueda**  
Executive Officer,  
Chief General Manager of  
Manufacturing Center

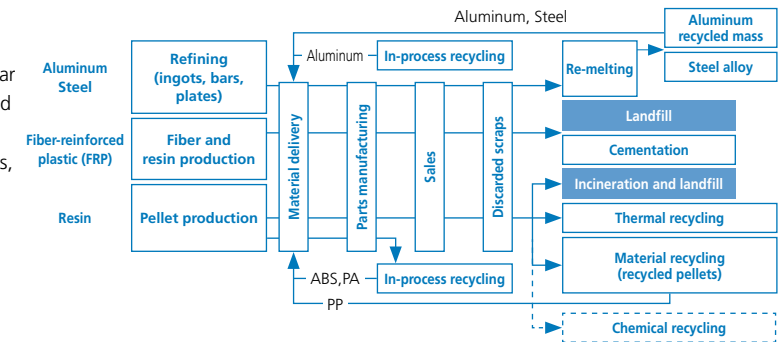


### Toward a Circular Economy

#### 1. Efforts to Reduce CO<sub>2</sub> Emissions from Purchased Materials

Substituting low-CO<sub>2</sub> materials for materials used during in-house production is a key technical issue in carbon-neutral products. Fiscal 2023 was a year in which the application of recycled polypropylene, cellulose nanofiber (CNF)-blended polypropylene, and green aluminum in commercial products and the start of mass production drew increased attention to our efforts to reduce CO<sub>2</sub> emissions from materials, both internally and externally.

We continue to develop materials that take into account the status of market recycling systems for each material type. First, for aluminum alloys, which are easy to secure low-CO<sub>2</sub> materials, we are developing new recycled aluminum for engines and frames. We are developing materials to expand the range of applications of recycled polypropylene materials, which are already in use. In the area of steel materials, we are on track to incorporate recycled materials in the steel frames used for packaging our products. With this, we intend to move forward with mass production. In the future, we will further increase the cases in which low-CO<sub>2</sub> materials are used and contribute toward achieving carbon neutrality.



#### 2. Promotion of Resource Recycling

To help create a sustainable, recycling-oriented world, we are working to minimize waste from our business sites through 3R initiatives (reuse, reduce, recycle) and have set a new goal to recycle all waste by 2050.

In addition to our past efforts to extend the life of the fluids used in cutting processes, we are now working to recycle packaging materials. After sorting by material and collecting them in a joint scheme with other companies in the vicinity, packaging is reduced to raw material pellets for reprocessing. This is expected to recycle approximately 32 tons of packaging materials per year.

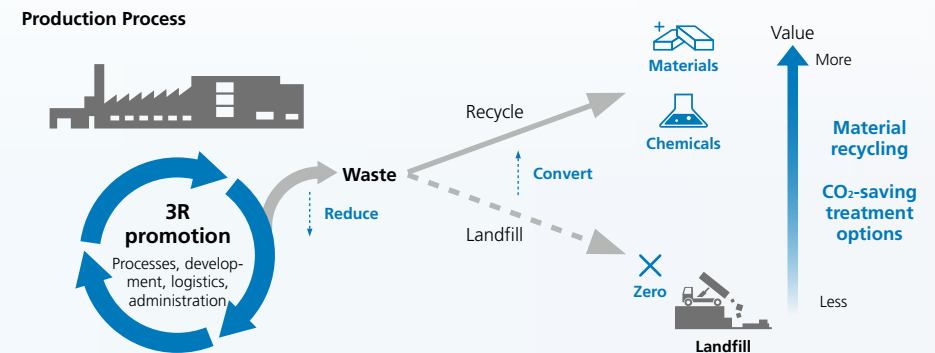
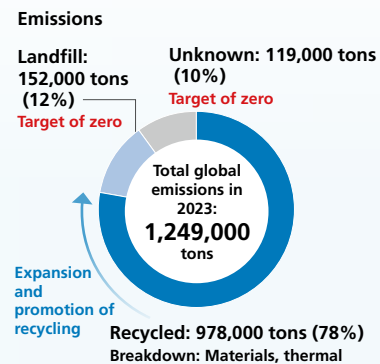
As a result of these efforts, the amount of waste per net sales in 2023 could be reduced by 26% compared to 2019. We will continue our efforts to promote resource recycling throughout the world and will not limit activities to the Company alone.

#### Goals for the Manufacturing Phase

**Improving Recycling Quality**  
Higher material recycling rate

**100% Recycling Rate by 2050 (zero landfill)**  
Medium-term target: 99% by 2035

**Industrial Waste Reduction**  
Decrease by 1% per year compared to 2019





### Accelerating Efforts for Carbon Neutrality at Our Factories

To achieve carbon neutrality at our factories by 2035, we are accelerating our global efforts to minimize and clean up our energy use.

The pillar of our minimization strategy is theoretical-value-based energy. We are working to minimize energy consumption by defining vital energy as value and all other energy as targets for improvement. In addition to working on the automatic shutdown of equipment, variable speed operation, insulation reinforcement, and the shortening of production cycle time, we are comprehensively deploying highly effective measures as standard items for implementation globally, leading to significant results.

To make our energy cleaner, we are accelerating the introduction of solar power generation, with the ratio of renewable energy generation reaching 5% in 2023. The Fukuroi South Factory located in Shizuoka started operating a 2,200 kW mega solar power array. In addition to using the electricity generated at the factory, approximately 15% of the electricity generated on holidays will be

transmitted to other Yamaha Motor facilities starting in 2025, thereby reducing CO<sub>2</sub> emissions.

As a result of these efforts, CO<sub>2</sub> emissions per unit of production in 2023 were reduced by 67% from 2010 levels, and for the first time, we received the highest rating of A from the CDP in its Climate Change Report 2023. We will continue to challenge ourselves to achieve carbon neutrality.



### Creating New Value On-Site: Value Innovation Factory

We are aiming to create a Value Innovation Factory that delivers new value through cost reduction and the improvement of tasks performed by people by utilizing manufacturing DX technologies and the concept of theoretical-value-based production in each factory process.

In the pressing process, we have introduced high-end design press machinery that utilizes a double-action slide structure, servo die cushion control technology, and forming analysis technology. This enables us to produce pressed parts with a high level of design appeal that stir our customers' senses with fewer processes, something we could not do in

the past. This high-end design press technology can also be applied to EV parts and component used in BEVs, contributing to more attractive products in the future.

When preparing for production on this line, risk assessments using 3D data and VR technology are also conducted to ensure a safer work environment.



### Aiming for a Safe Work Environment

The Company's safety policy is to put the highest priority on the health and safety of our workers, and we are working to create workplaces where safety is always our top priority.

We have conducted a general safety inspection of our facilities, reviewed the Facility Safety Regulations based on what we have learned from the inspection, and are preparing to revise the regulations to enhance safety at the core level at our facilities. In

addition, to create safe and secure work environments, we have established Safety Day as a regular event to reflect on safety activities and allocated dedicated time for on-site activities into the daily routines of supervisory personnel in order to improve communication and stimulate safety initiatives in workplaces.

We will continue to promote safety activities to create safer work environments Companywide.

### Message from Management



**Teddy Cahyadi Yacob**

Director, PT.  
Yamaha Indonesia Motor Manufacturing  
(YIMM)

#### Expanding and Evolving Global Management

Since 2020, under the management of the Global Management Committee (GMC), which comprises the leaders of each regional site, we have been promoting manufacturing management decisions and developing activities in all regions as a whole.

In 2023, as COVID-19 deregulation allowed for physical attendance, we held each Global Meeting as a hybrid of face-to-face and remote methods; management visits to each factory, which are now real visits, are relayed remotely, allowing GMC members and other relevant parties at other sites, including Japan, to watch the meetings and share information at the same time. This has significantly increased the speed of information transmission, but it has also enabled communication between each Factory.

Before 2020, information from Japan was one-way only. It is now gradually becoming a two-way, multi-directional connection and network.

By making effective use of this network, we can quickly share the newest technology, know-how, and best practices. We will also be able to realize better manufacturing, which will increase customer satisfaction, trust, and loyalty all over the world.



## Marketing

We view marketing not as a mechanism for delivering products and services to customers but as an activity that brings satisfaction and smiles to our customers.

Always taking a view from the customer's perspective, we aim to provide value that surpasses clear-cut expectations, uncover potential issues, provide solutions, and solve societal issues through our business.



**Kyoko Shimoishi**

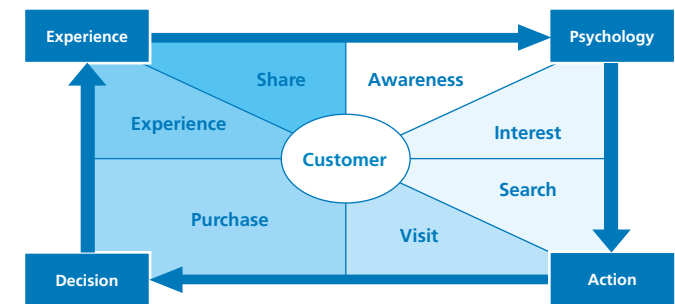
Senior General Manager of  
3S 2nd Area Section,  
Motorcycle Business Unit

**Kumiko Imai**

Executive General Manager of  
Overseas Market Development  
Operation Business Unit

### Marketing That Showcases and Augments the Strengths of the Motorcycle Business

Under its corporate mission to be a *Kando* Creating Company, Yamaha Motor established “The Global Yamaha Way in Marketing in Sales” to clarify its shared values for conducting marketing in the realm of sales. The overarching vision of this manifesto is “Continuing to Create Lifetime Yamaha Customers,” and the program itself encourages Yamaha sales bases around the world to share, teach, and learn from one another the knowledge they have cultivated individually while spurring each other to greater heights. Yamaha Motor divides the customer journey into its own seven steps and conducts customer-centric activities for each. This provides a common framework for deliberation among our bases around the world in order to define the objectives, identify the target customers, and thoroughly determine aims and actions aligned with said customers. In sharing successful marketing cases, we employ a “teach and learn” approach that examines why the case was successful, what difficulties were faced, and what is needed for continued success. Doing so leads to in-depth study and discerning of the key factors of the case, and the knowledge born of the discussions is then formulated, accumulated, shared, and put into practice—a process through which we continue to generate new successes around the world. Having members from around the world who share the same values gather in the same location for meaningful, customer-centric discussion not only enhances teamwork but also enables the application of knowledge from other countries and will propel us to the front of global competition.



Seven Steps of the Customer Journey as Defined by Yamaha Motor

### Enhancing Experiential Value in Indonesia with Smartphone Apps

In Indonesia, we are improving the value of the customer experience through one of our latest success stories: the My Yamaha Motor members program. Through customer surveys, we found that customers wanted to engage in two-way dialogue with Yamaha Motor, so we created a smartphone application that enables interactive communication with customers. By using the My Yamaha Motor app, customers can build experience by making maintenance appointments, rating dealerships, participating in Yamaha Motor events,

and more, earning benefits based on their membership status. We use the data acquired through the app to better understand our customers and link this to their actual purchasing experience, thereby increasing satisfaction through an integrated real-life and digital experience. Through the My Yamaha Motor program, we are attracting new customers while retaining existing ones, building a customer base of potential lifetime customers.



## Overseas Market Development Operations

Under the slogan of "Challenge & Dedication for Prosperity," the Overseas Market Development Operation (OMDO) Business Unit offers Yamaha Motor products and after-sales services in approximately 140 countries and regions in Africa, the Middle East, Asia, the Pacific, Central America, and the Caribbean. OMDO is also promoting marketing activities using a two-pronged approach of applying *san-gen*

principles (the actual place, the actual thing, the actual facts) and digital marketing, something born out of the COVID-19 pandemic and beyond. By using digital technology to raise the efficiency of field staff training, OMDO will further develop the field work that is of great importance to its operations.

### Case Study 1: Yamaha Motor Products Supporting Outreach Clinics

There are still many areas of the world where medical and healthcare efforts do not reach. In such areas, local governments and NGOs use rivers and the sea or traverse rough roads to dispatch doctors and health workers, and to deliver medicines and nutritional supplements, i.e., outreach clinics.

OMDO provides motorcycles, Japanese-style utility boats, and outboard motors to organizations through UN agencies and local governments as means of transportation to support these outreach clinics. In addition to the durability, high quality, and ease of serviceability of our products, the after-sales service provided through OMDO's distributors in various countries has been rated highly as well, and Yamaha Motor products have been chosen for years to help support these activities. Through the outreach clinics, we will continue to provide products and after-sales services that solve problems on the ground and help maintain the health of as many people as possible.



Provided by Services for the Health in Asian and African Regions (SHARE)

### Case Study 2: San-gen Principles - Market Penetration of Product Added-Value through Real Experiences

In the Caribbean, we are focusing on market penetration of the Helm Master EX (HMEX) integrated boat control system so that our customers can further enjoy marine recreation. In the U.S., HMEX is sold pre-installed on boats, but in the Caribbean, it needs to gain greater recognition as a system that can be retrofitted to customers' boats.

Asking ourselves what it is we need to be able to offer HMEX to our customers, we arrived at the conclusion that we ourselves need to understand not only the product specifications but also the product itself through firsthand experience. To properly communicate the added value created by HMEX in our own words, we started by deepening our level of understanding of the product by experiencing typical use scenarios and the convenience it brings ourselves. We compiled the benefits we felt through that and then created a unique brochure to promote the product. To ensure customers also get to experience it, we prepared a demo boat together with a distributor, and during market visits, we explained the benefits of HMEX in our own words while having customers aboard in order to convey the value of the product. When doing these test rides together, there were many occasions where we discovered new ways to enjoy time on the water or suggest value for our customers in ways we could not have anticipated otherwise. It was a sound reminder of the importance of OMDO's *san-gen* principles.

We are also working to deploy this product experience and communication method to other regions. Going forward, we will continue striving to deliver the fulfilling lifestyle that awaits after purchasing a Yamaha while keeping benefits from the customer's perspective in mind.



## Message from Field Activities



**Sho Kiyohara**

Business Promotion Division,  
Overseas Market Development  
Operation Business Unit

### Toward Maximizing the Impacts of Clean Water: Blue Ties

Under the slogan "Changing Water Changes Lives," OMDO's work to spread its Clean Water Supply Systems (CW) is an undertaking to create environments where people have access to potable water. In April 2023, we launched Blue Ties, a social contribution initiative in cooperation with the Shizuoka BlueRevs rugby team to raise awareness of safe water through the experience of drinking plenty of safe water after playing sports.

We collected sportswear and rugby equipment donated by BlueRevs home game spectators and delivered them to villages with CW systems in Kenya in November 2023, holding rugby classes at the same time. It was a great opportunity for me to use my experience as a rugby player for addressing societal issues. I saw women in Kenya carrying cumbersome tanks of water around and upon trying it myself, I found it tough even with my trained physique. Seeing how this is a daily task in Kenya, I felt a renewed sense of purpose to ramp up our efforts.

Through our activities, we will continue pushing ourselves to improve access to safe water and raise awareness through sports.



▶ Being a playmaker who spreads happiness  
– Water x Rugby  
Yamaha Motor Global (Official YouTube channel)



# Management Platforms

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## I will do my utmost to lead Board meetings in a way that drives executive officers toward our next stage of growth as a *Kando* Creating Company.

### Strengthening Global Governance and Managing Risks

Increasingly stringent corporate governance demands have been placed on companies in recent years due to growing global risks, including geopolitical issues, unforeseen events such as pandemics, and the unexpected tightening of regulations. Under these circumstances, Yamaha Motor has been steadily developing a framework to respond to external demands. However, we recognize there are many issues that need to be addressed in order to strengthen Yamaha Motor's corporate governance since its value chain expands far and wide on a global scale.

Accordingly, we have been working to clarify the roles of each of our major subsidiaries, establishing contact points (hotlines), and raising awareness at the individual level through e-learning. In fiscal 2023 as well, there were several specific cases in which reports were received from domestic and overseas bases via the hotlines and prompt action was taken to address the issues raised. Awareness of early reporting and early action regarding risks has started to take root throughout the whole Company and we are beginning to see positive results.

From a risk management standpoint, we are also organizing contingency measures to minimize the impact of potential risks. As part of

these efforts, in fiscal 2023, we examined the businesses and models that needed to be restored with highest priority in the event of supply chain disruptions—like what happened during the COVID-19 pandemic—and put in place measures to deal with such disruptions, including continuous inventory management.

So far, I have outlined our approaches to issues that have already occurred, but we must also work to predict future risks and take preventive measures. In a global company such as ours, cultures and values differ, especially between countries and regions. To uniformly build up awareness of issues to a high standard throughout the Company is no easy task. It is precisely for this reason that we intend not only to maintain and improve individual morality and self-control but also enhance the environments and frameworks for preventive measures.

In a rapidly changing world, changing laws and regulations in each country can give rise to hitherto nonexistent issues. To respond to legal risks around the world, we must remain vigilant and keep abreast of changes in the external environment. It is also crucial to be versed in the laws of each region we operate in and I believe we need to further strengthen our involvement in legal affairs.

### On the Charge with Governance as a *Kando* Creating Company

In fiscal 2023, the second year of our Medium-Term Management Plan, one role of the Board of Directors was to check the progress of the plan. Fortunately, having reached a level where we are achieving our targets, we were able to allocate considerable time to discussing business strategies for our next stage of growth. If left in-house, such talks might have limited our thinking to only just above our current capabilities, but we were instead able to engage in spirited discussions on expanding the Company's potential by embracing the suggestions and opinions of the outside directors. In fiscal 2024, we hope to further deepen the content of our discussions and reflect the results in our next Medium-Term Management Plan. We also hold regular discussions on portfolio management, which is one of the pillars of the current Medium-Term

Management Plan. In addition to our present business evaluation indicators of sales growth rate and ROIC, we are considering the introduction of economic value added (EVA) as a business evaluation metric. We plan to use EVA to achieve more objective business evaluations and carry out appropriate resource management.

We also discuss sustainability from many different angles. However, some outside directors pointed out that discussing separate topics at each Board meeting makes it difficult to take a full view, so we feel it is necessary to set aside sufficient time for comprehensive discussions on sustainability. I plan for us to use the Executive Discussion Meeting\* as a platform to elevate sustainability-related discussions and help us grasp and clarify the bigger picture. In doing so,

**Katsuaki Watanabe**

Chairman and  
Representative Director

## From the Chairman of the Board of Directors

we believe that we will be able to clearly identify key issues for deliberation at Board meetings and improve the quality of discussions.

Human capital has been a particular focus of our sustainability-related discussions over the past year. Yamaha Motor's value creation story is expressed in the five elements of the unique style of Yamaha: Innovation, Excitement, Confidence, Emotion, and Ties. An Innovation is given form through Excitement, Confidence, and Emotion, and we then create *Kando* for our customers and pioneer markets for our products and services through our Ties. This cycle is driven by people and as a company proudly stating our goal to be a *Kando* Creating Company, how we nurture proactive human resources—the key to creating value—is extremely important for us to go on the charge

### Composition of the Board of Directors

As seen from our skills matrix, Yamaha Motor's Board of Directors is balanced and growing more diverse with its increased ratio of outside, women, and non-Japanese directors. However, we have yet to succeed in promoting women and non-Japanese employees to the Board of Directors, and to this end, we aim to work on encouraging their development. We have been somewhat bound by convention in some aspects of our succession plan for developing future directors, and we are aware that this may appear as a lack of transparency from the outside, which is an issue. To address this, we are currently working to clearly document the decision-making process for executive appointments and codify it in our regulations.

### Corporate Governance with an Eye to Our Next Stage of Growth

In fiscal 2023, we continued the previous year's strong performance by again exceeding ¥2 trillion in net sales. For the Company to grow even further going forward to ¥3 trillion or ¥4 trillion in scale, I feel that more authority should be delegated to executive officers and the speed of decision-making increased. Our organization is built according to three axes: a business axis; a functions axis that runs horizontally across the business axis; and a regional axis for global implementation. However, as the scale of our business continues to grow larger and larger, it is becoming increasingly difficult to make

regarding corporate governance. However, since efforts in this regard are not yet fully systematized and coordinated within the Company, the Human Capital Management Committee was newly established in fiscal 2024 to stand alongside the Executive Officer Board and the Technical Management Committee. Through the establishment of this committee, we plan to ramp up discussions on our human capital management with the heads of our major distributors.

\* A day of intensive discussion on themes crossing business boundaries, such as human capital strategy and technology strategy, with the participation of directors, executive officers in charge of business operations, and other lower-level executives.

In addition, outside director Takehiro Kamigama retired from his post in 2024 and Keiji Masui was newly appointed from outside the Company. He was formerly in charge of production management at Toyota Motor Corporation, handling procurement, manufacturing, and other operations. Masui was also involved in management affairs as president of one of the company's subsidiaries. As such, we look forward to the concrete advice he can provide us on both *Monozukuri* and management.

quick decisions based on this three-axis structure. I plan to have the Board of Directors discuss what changes should be made to the organizational structure to ensure we continue creating new value and *Kando*.

As chairman, I will do my utmost to lead Board meetings in ways that push executive officers to fully realize Yamaha Motor's value creation story as expressed through the aforementioned five elements of Innovation, Excitement, Confidence, Emotion, and Ties. I humbly ask all stakeholders for your continued understanding and support.

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## Jin Song Montesano

Outside Director  
(Term of office: Two years)

Having successively held positions of corporate responsibility at various global companies, Montesano has extensive experience and insight in the areas of general management, human resources, communications, external affairs, and impact strategy. She has served as an outside director at Yamaha Motor since March 2022.

**Concurrent Positions Held**  
Director, Representative Executive Officer, Executive Vice President, Human Resources, Communications, External Affairs, and Impact Strategy, and Chief People Officer, LIXIL Corporation



## Yuko Tashiro

Outside Director  
(Term of office: Five years)

In addition to her wealth of experience in international corporations and organizations, Tashiro has a proven track record as an outside director at a number of corporations and a high level of expertise in finance and accounting. She has served as an outside director at Yamaha Motor since March 2019.

**Concurrent Positions Held**  
Director and Chairman of the Board, Accordia Golf Co. Ltd.  
Outside Director, McDonald's Holdings Company (Japan), Ltd.

## Aiming to Maximize the Utilization of Human Resources to Sustainably Enhance Corporate Value

Outside directors Yuko Tashiro and Jin Song Montesano share and discuss their assessment of Yamaha Motor's utilization of human resources and promotion of DE&I toward sustainable growth, as well as issues they feel need to be addressed going forward.

### People are the Source of Yamaha Motor's Competitiveness

**Tashiro** I joined Yamaha Motor as an outside director in 2019, so I have been with the Company for almost five years. During this time, I have constantly felt that Yamaha Motor really cares about its employees. If you look back on its history, the Company has pioneered new markets by enabling its employees to take on new challenges with a free and open-minded spirit. This clearly demonstrates that people are the source of Yamaha Motor's competitiveness. Yamaha

Motor implements a variety of policies with the aim of building a relationship in which the Company and its individuals share high aspirations, learn from each other, collaborate, and share in the resulting joy.

But there is still much room for improvement. Yamaha Motor has many major bases around the world handling a variety of roles, including R&D, production, sales, and back-office operations. Naturally, employees at each have different cultures and values, and at present, we cannot say that the Company is making full use of its diverse human resources.

**Montesano** I agree. Yamaha Motor is a global company and its brand power is highly regarded not only in Japan but all over the world. For me, I found the topic of how to further enhance the innovativeness and competitiveness underpinning the brand and create even more value in the future very interesting, and this is what drew me to joining the Board. We are in the so-called age of VUCA—volatile, uncertain, complex, and ambiguous — characterized by drastic changes making future operating environment for companies highly uncertain and unpredictable. Within such an environment, what does it take for companies to remain competitive and to sustainably build value? I firmly believe that it all comes down to people. Often, the most unique yet underutilized asset of just about any corporation is its people. Maximizing the use of human resources will create innovation and competitiveness, not only in the VUCA age, but especially in this VUCA era.

The recent COVID-19 pandemic is one example of those drastic changes. Boat sales in the U.S. skyrocketed during the pandemic and the fact that many of those buyers were women is something we certainly did not predict.

### Aiming to Fully Utilize Human Resources

**Tashiro** That's right. It is my view that this major increase in women customers, who until now were not the main target for such products, has given rise to changes in Yamaha Motor's customer demographics and widened its market. If the Company can anticipate the changes in the values and needs of such customers and promptly respond to them, its competitiveness is likely to greatly increase. For that to happen, it is important that the Company turn its eyes and ears to the diverse needs and values of its customers on a regular basis and incorporate their feedback. I think it is quite common in the manufacturing industry for the ratio of women managers to be low. However, considering that half of the world's consumers are women, I believe that more proactive incorporation of women's opinions into *Monozukuri*

and management matters will connect to higher competitiveness for the Company. That said, with fewer women in the space to begin with, changing that will take twice if not more than that in effort compared to companies already employing them in greater numbers.

Furthermore, an environment must be in place where not only people of all genders but also all backgrounds and attributes are never excluded, where diverse values are recognized, and where everyone can actively share their opinions and ideas. This will bring about new insights and discoveries.

**Montesano** That is precisely what we should be aiming for as we pursue a more comprehensive human capital strategy for Yamaha. Having met now many Yamaha employees at the mid-career and senior management levels, I am impressed with the caliber of talent at Yamaha. However, the war on talent is becoming more severe. To maintain Yamaha's competitiveness in the short and long term, there are several approaches.

The first is to invest in the enhancement of employee experience. In the same way we invest to enhance the customer or user experience, Yamaha Motor must strive to enhance employees' experience in their careers at Yamaha, providing them with many moments that make them feel that they love the company and want to continue working here. This is especially true in the moments that matter—such as when making a life shift with getting married, having children, and taking on the duties of caring for family members. When companies promote policies that enable employees to have the flexibility they need to balance work and personal lives, employees feel greater loyalty for the company and want to keep working here, thereby encouraging them to build successful careers for a long time.

The second is to develop individual talents at an organizational level. It is important to fully understand the abilities and aptitudes of each employee, and then challenge them with projects and assignments that sometimes require them to go slightly above their current level. These stretch assignments encourage employees to grow and help unlock their

full potential. Such assignments can also enhance the experience I described earlier, not only as opportunities to improve their skills but also by fostering their Spirit of Challenge and boosting motivation.

The third is to develop an organizational culture in which diversity is respected and leveraged. Diverse human resources reveal their value only when there is an organizational culture in place that recognizes everyone's values and individuality and then leverages them as strengths. This is an open and inclusive culture. And just as you said, Tashiro-san, innovations come when people of diverse backgrounds come together to share ideas and opinions without fear. That kind of organizational culture requires the presence of psychological safety. This kind of organizational culture enhances the employee experience.

Conversely, as long as this inclusive culture is absent, even if a company secures diverse and highly talented people, these people will eventually leave or just become less enthusiastic about contributing because there is a sense that different opinions and diverse points of view are not valued. People want to work in an organization where diversity shines.

### Ensuring Equity and Drawing Out Individual Potential

**Tashiro** Japanese people can struggle to grasp some aspects of stretch assignments, which you touched upon earlier as one method of talent management. This is because in Japan, there is a tendency to believe that it is vital everyone be given equal treatment, regardless of the situation. But in reality, not all people start from the same place. As such, for a company to draw out the full potential of its employees, it must consider the unique circumstances of each individual and then offer tailored support and opportunities to them. While this approach cannot necessarily be said to constitute equality, it is equitable in that it allows everyone to demonstrate their abilities.

**Montesano** As you pointed out, we have to start by understanding the difference between equality and equity. I believe that if executives and leaders deepen their understanding of equity and engage in dialogue about how to ensure it, new ideas and paths forward will emerge.

**Tashiro** I think so too. This concept of equity applies not only to differences in ability and aptitude but to all aspects of a person, from gender and age to having a disability or none at all. However, gaining a deep understanding of equity and putting it into practice is no easy task. It will be a long and arduous road, but I believe it is a necessary process for Yamaha Motor to reexamine its human resources—the source of its competitiveness—and maximize their value for the further growth of the Company.

**An organizational culture in which diverse values are recognized and leveraged as strengths will create innovation and competitiveness even in the VUCA age.**







**I hope that Yamaha Motor will utilize its human resources more than ever before and establish a truly unique position for its brand as the *Kando* Creating Company.**

### Establishing a Unique Brand as a *Kando* Creating Company

**Tashiro** Every business goes through a life cycle of growth, maturity, and subsequent decline. Yamaha Motor's core businesses are now at the stage of maturity, so that is precisely why in order to continue its sustainable growth as a company, Yamaha Motor needs to put in place a long-term strategy with an eye toward the next ten or twenty years. Based on that, the Company is currently promoting portfolio management and actively allocating management resources to new businesses and growth businesses. But people are Yamaha Motor's most important resource, and diversity, equity, and inclusion will serve as an indispensable foundation that will reinforce the Company's long-term strategies.

**Montesano** I concur. To achieve further growth, Yamaha Motor must utilize its human resources more than ever before to generate innovation and increase competitiveness. DE&I should be treated like any other business strategy issue, in which goals must be set and tracked, strategies developed for reaching said goals, and progress evaluated against KPIs. To this end, Yamaha Motor first needs to clarify the kind of *Kando* Creating Company it is aiming to be, and then engage in discussion on how to maximize utilization of its human resources in order to bring that to fruition. I believe that this will also be a key theme of discussion when formulating the next Medium-Term Management Plan set to begin from fiscal 2025.

**Tashiro** As outside directors, we want to fully support Yamaha Motor in realizing its vision by drawing on our respective experience and expertise. For example, you and I both have knowledge and skills we acquired and developed through our management experience at global companies. We also have many opportunities to come across best practices related to strategic ideas and more for promoting the empowerment of women, which we can bring to the table for creating sustainable value for the Company. We take an objective view of Yamaha Motor and strive to be forthright in internally conveying what we feel are company strengths, questions or points that we feel require addressing, and so on from an outsider's perspective. I believe that this has given the Board of Directors new insights and a positive sense of urgency.

**Montesano** Indeed. I have been an outside director here since 2022, and although I have a relatively short history with the Company, I believe this allows me to offer frank opinions and put forth questions from a different perspective than those within the Company. That is one of the important roles I must fulfill as an outside director and I intend to do my best in this regard. Yamaha Motor's Board of Directors meetings are extremely open and candid exchanges of opinion always fill the air. I can express my views without hesitation because the

management team genuinely considers all opinions and advice put forward and is not afraid to engage in discussions on challenging issues. In addition, the CEO roundtable conference and the outside directors forum allow us to openly exchange opinions with President Hidaka on sensitive topics that are difficult to address at Board meetings. These are both excellent initiatives.

**Tashiro** The CEO roundtable conference and the outside directors forum are incredibly unique as well as important mechanisms that enhance the effectiveness of Yamaha Motor's corporate governance. At these meetings, we can speak freely without being bound to an agenda, and President Hidaka always listens sincerely to what we have to say. In fact, the "bad news comes first" approach that is now a firmly established practice at Yamaha Motor came about through opinions expressed by outside directors at such meetings in the past.

**Montesano** I think such opportunities are extremely important. For me, it is very exciting to engage in spirited discussions with others on the Board through a variety of opportunities regarding the sustainable growth of Yamaha Motor and to create new *Kando*. Participating in and contributing to these meetings gives me a great sense of pride. I will continue to call on the full extent of my experience and expertise and work with the directors and Audit & Supervisory Board members to enhance Yamaha Motor's corporate value.

**Tashiro** I hope that each and every employee at Yamaha Motor will perform to their full potential and depend on as well as complement one another within the organization to generate a strong competitive edge that leads to Yamaha Motor establishing a truly unique position for its brand as the *Kando* Creating Company. We outside directors will also do our utmost to contribute to this effort. Thank you very much for your time today.

# Directors and Audit & Supervisory Board Members

(As of March 22, 2024)

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**1** Chairman and Representative Director

**Katsuaki Watanabe**

**2** President and Representative Director

**Yoshihiro Hidaka**

**3** Director

**Heiji Maruyama**

Responsible for New Business Development, Research & Development Powertrain and Vehicle Development

**4** Director

**Satohiko Matsuyama**

Responsible for Manufacturing, Manufacturing Technology, Procurement, RV, and Power Products

**5** Director

**Motofumi Shitara**

Responsible for Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Creative, Marine, Market Development, and Customer Experience

**6** Outside Director

**Takuya Nakata**

**7** Outside Director

**Yuko Tashiro**

**8** Outside Director

**Tetsuji Ohashi**

**9** Outside Director

**Jin Song Montesano**

**10** Outside Director

**Keiji Masui**

**11** Audit & Supervisory Board Member (Full-Time)

**Junzo Saito**

**12** Audit & Supervisory Board Member (Full-Time)

**Tadashi Tsumabuki**

**13** Audit & Supervisory Board Member (Outside)

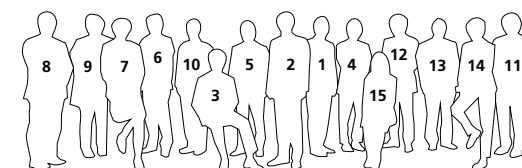
**Masatake Yone**

**14** Audit & Supervisory Board Member (Outside)

**Eriko Kawai**

**15** Audit & Supervisory Board Member (Outside)

**Ayumi Ujihara**



# Executive Officers

(As of April 1, 2024)

President and Chief Executive Officer

## Yoshihiro Hidaka

Managing Executive Officer

### Heiji Maruyama

Motorcycle Electrification Project Executive

Senior Executive Officers

### Satohiko Matsuyama

New Mobility Project Executive

### Motofumi Shitara

### Dyonisius Beti

COO of PT. Yamaha Indonesia Motor Manufacturing

### Hiroyuki Ota

Chief General Manager of Solution Business Operations

### Toshiaki Ibata

Chief General Manager of Marine Business Operations

Executive Officers

### Takuya Kinoshita

Chief General Manager of Creative Center

### Satoshi Hirose

Chief General Manager of Quality Assurance Center

### Takeo Noda

Chief General Manager of Corporate Planning & Finance Center and General Manager of Financial Service Development Division, Corporate Planning & Finance Center

### Toyoshi Nishida

Chief General Manager of PF Model Unit and Senior General Manager of Motor Sports Section, PF Model Unit

### Tatsuya Masuda

Chief General Manager of Procurement Center

### Kenichi Muraki

Executive General Manager of Smart Power Vehicle Business Unit, Land Mobility Business Operations PAS Drive Unit Competitiveness Project Executive

### Koutarou Ueda

Chief General Manager of Manufacturing Center

### Eishin Chihana

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.

### Shin Yokomizo

Deputy Chief General Manager of Land Mobility Business Operations and Senior General Manager of Global Branding Section, Motorcycle Business Unit, Land Mobility Business Operations

### Yasutaka Suzuki

General Director of Yamaha Motor Vietnam Co., Ltd.

### Michael Chrzanowski

President of Yamaha Motor Corporation, U.S.A.

### Jeffrey Young

President & CEO of Yamaha Motor Finance Corporation and Chairman of Yamaha Motor Finance Corporation U.S.A.

### Kenji Komatsu

Chief General Manager of Technical Research & Development Center

### Ayako Egashira

Executive General Manager of Robotics Business Unit, Solution Business Operations

### Mitsuru Hashimoto

Chief General Manager of Human Resources & General Affairs Center

### Olivier Prevost

President of Yamaha Motor Europe N.V.

### Hajime Aota

Chief General Manager of New Business Development Center

Deputy Executive Officer

### Ben Speciale

President of Marine Business Unit, Yamaha Motor Corporation, U.S.A.

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As a *Kando* Creating Company, our corporate mission is to offer new excitement and a more fulfilling life for people all over the world. To achieve this mission, Yamaha Motor aims to enhance corporate value through sustained growth attained via its medium- and long-term strategies and measures. To this end, the Company has put into place systems and frameworks that enable rapid decision-making and the proper supervision and monitoring of business execution.

## 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 appropriate risk-taking and decisive decision-making by management, and it multilaterally understands and appropriately oversees issues and risks associated with the implementation of the Company's management strategies from the viewpoint of our responsibility to various stakeholders, including shareholders and investors.

This structure is designed to implement speedy and decisive decision-making as well as appropriate, transparent, and fair supervision and monitoring as the Company's corporate governance. Accordingly, we have formulated the Corporate Governance Guidelines and put them into practice in an appropriate manner.

▶ For more details, please see the Corporate Governance Guidelines.

### History of Strengthening the Corporate Governance System

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Improvement of operating structure</b>	2001: Introduction of Executive Personnel Committee (Nomination/Remuneration Committee)													
						Establishment of Corporate Governance Guidelines								
							Implementation of the Board evaluation							
								Abolition of takeover defense measures						
<b>Executive structure</b>	2001: Introduction of executive officer system													
	2007: Appointment of outside directors													
	2009: Appointment of women directors													
							Appointment of non-Japanese executive officers							
	Separation of chairman of the Board of Directors and chief executive officer (CEO)													
<b>Number of directors</b>	11	10	10	12	11	11	13	11	11	10	10	10	10	10
<b>Number of internal directors</b>	8	7	7	9	8	8	9	7	7	6	6	5	5	5
<b>Independent outside directors</b>	2	2	2	2	2	2	3	4	4	4	4	5	5	5
<b>Of whom, women directors</b>	1	1	0	0	0	0	0	0	1	1	1	2	2	2
<b>Executive remuneration system</b>	Integration of stock options into stock compensation plan													
										Overall revision of the system (compensation further linked to performance and for long-term incentives)				
<b>Medium-Term Management Plan</b>	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 flows)			Taking on the renewed challenge of achieving net sales of ¥2 trillion			Strengthening of sustainability measures		

## Corporate Governance Structure

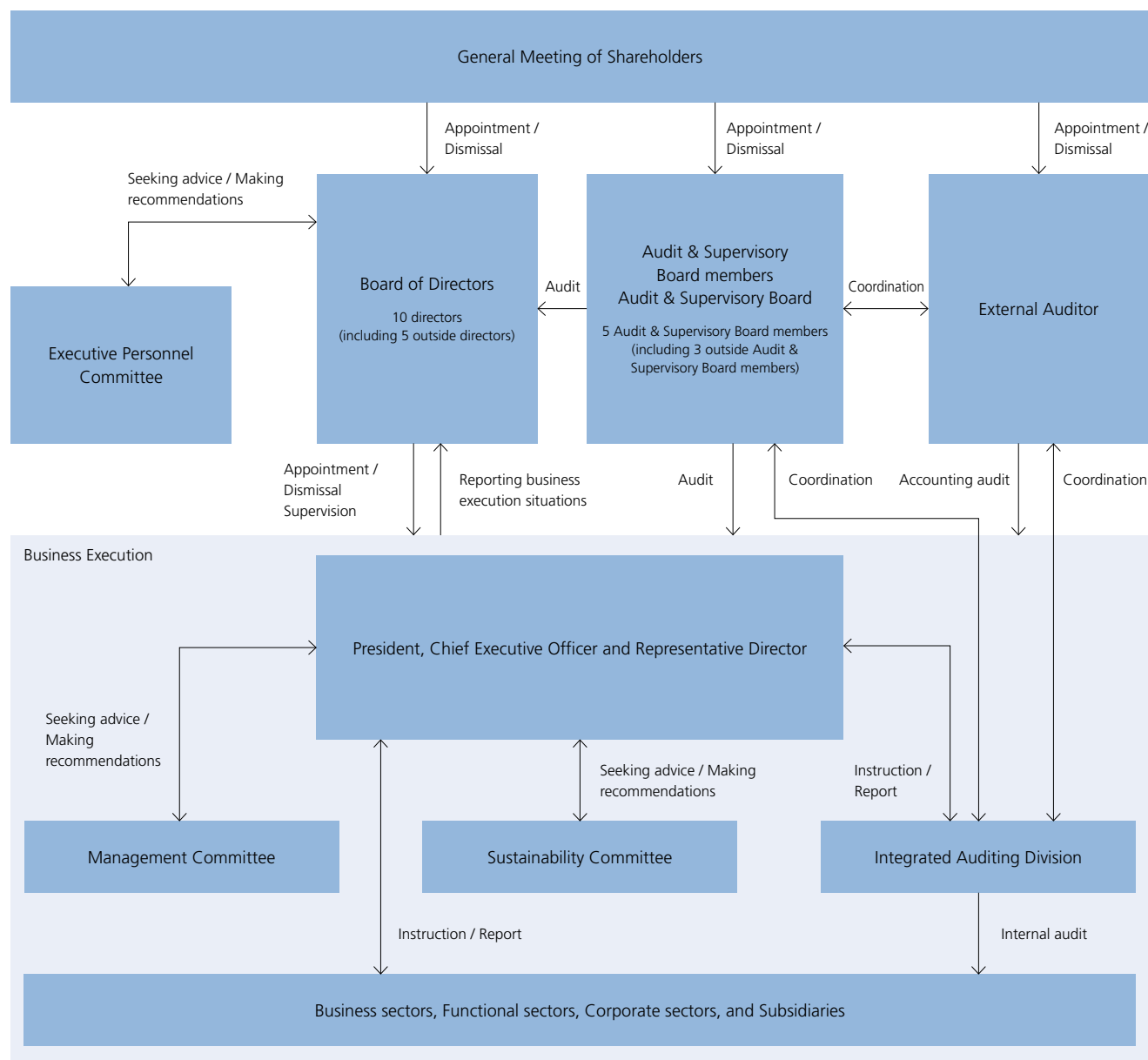
Yamaha Motor supplies various kinds of products and services to markets around the world, including personal mobility solutions, marine products, industrial robots, vehicle engines, and unmanned helicopters. Overseas sales account for more than 90% of the Company's consolidated net sales. Starting with the principal concept of developing and producing locally where the products are consumed, we engage in development, procurement, production, sales, and other activities on the global stage.

To sustainably advance our business activities, we believe it is effective to structure a corporate governance system consisting of the Board of Directors, made up of internal directors who are familiar with the Company's customer characteristics, products, business operations, and functions and of outside directors who have a wealth of knowledge in global corporate management, as well as the Audit & Supervisory Board whose members include outside Audit & Supervisory Board members with professional knowledge in areas including accounting, legal affairs, and management administration. Under this corporate governance system, executive officers are appointed to execute operational duties in a timely manner, and the Board of Directors delegates matters related to the execution of business operations to executive officers.

### Corporate Governance System Overview

<b>Organizational design</b>	Company with Audit & Supervisory Board
<b>Number of directors (number of outside directors)</b>	10 (5)
<b>Number of Board of Directors meetings in fiscal 2023 (average attendance rate by directors)</b>	13 (100%)
<b>Number of Audit &amp; Supervisory Board members (number of outside Audit &amp; Supervisory Board members)</b>	5 (3)
<b>Number of Audit &amp; Supervisory Board meetings in fiscal 2023 (average attendance rate by Audit &amp; Supervisory Board members)</b>	17 (99%)
<b>Directors' term of office</b>	One year
<b>Use of executive officer system</b>	Yes
<b>Optional committees of Board of Directors</b>	Executive Personnel Committee
<b>Auditor</b>	Ernst & Young ShinNihon LLC

### Corporate Governance System



## Approach to the Composition of the Board of Directors and Board of Corporate Auditors

The role of the Board of Directors is to support the Company's sustainable growth and our corporate brand value per our corporate mission to be a *Kando* Creating Company. To ensure the implementation of growth strategies for the future, we will create an environment that supports appropriate risk-taking and firm decision-making by management. In addition, we will make a multifaceted effort in identifying issues and risks associated with implementing management strategies from the perspective of our responsibility to various stakeholders, such as shareholders and investors.

Based on its fiduciary responsibility to shareholders and as an independent body from the Board of Directors, the Board of Corporate Auditors shall request, to the Company and its subsidiaries as required by law, reports on the Company's business, investigate the state of operations and assets, exercise its authority over the selection and dismissal of outside accounting auditors and audit fees, and attend Board of Directors meetings and other important meetings to provide opinions as necessary. These are ways for the Board of Corporate Auditors to conduct audits of the legality and appropriateness of the directors' execution of their duties, and the internal regulatory structures, financial conditions, and other matters regarding the Company and its subsidiaries.

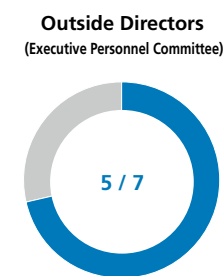
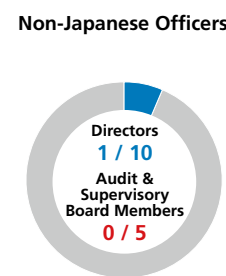
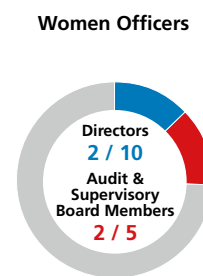
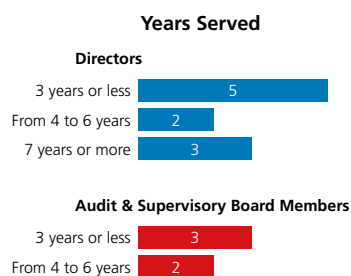
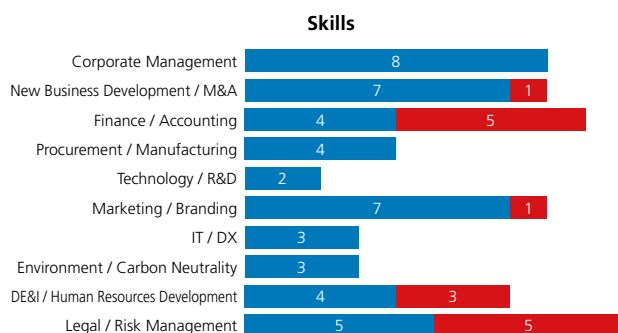
Based on the above, we have decided that the composition of our Board of Directors and Board of Corporate Auditors as a whole should bring a balance of knowledge, experience, and abilities as well as account for diversity and scope. As such, we have identified the skills listed on the right as those that these Boards should be equipped with.

### Reasons for Selection and Definition of Skills

<b>Corporate Management</b>		Under the corporate mission of being a " <i>Kando</i> Creating Company," the Company is developing several businesses, including motorcycles and outboard motors, in more than 180 countries and regions. In order to achieve sustainable growth even in the midst of drastic changes in the business environment, such as CASE, the Company needs officers with management experience in global companies and manufacturing companies.
<b>New Business Development / M&amp;A</b>		In order to create new growth areas, the Company needs officers with experience and insights in new business development and M&As.
<b>Finance / Accounting</b>		The Company uses sales growth rate and ROIC to clarify the positioning of its businesses and implements portfolio management to allocate management resources appropriately. In order to promote its growth strategy and enhance shareholder returns through this strategy, the Company requires officers with knowledge and experience in finance/accounting.
<b>Procurement / Manufacturing</b>		In order to promote break-even management, it is necessary to continue efforts to reduce costs and improve productivity in procurement and manufacturing, and the Company needs officers with knowledge and experience in procurement and production at manufacturing companies.
<b>Technology / R&amp;D</b>		In order to respond to CASE and to grow the new businesses indicated in the Medium-Term Management Plan into future core businesses, the Company needs officers with knowledge of basic and advanced technologies and experience in innovation.
<b>Marketing / Branding</b>		In order to accurately respond to diversifying customer needs, the Company needs officers who are familiar with each market and have experience in developing and executing marketing/branding/product planning/public relations & advertising/sales strategies.
<b>IT / DX</b>		In order to strengthen the management base and improve customer experience value, the use of IT is essential, and the Company needs officers with knowledge and experience in IT/DX.
<b>E</b>	<b>Environment / Carbon Neutrality</b>	The Company aims to achieve carbon neutrality by 2050, and in order to accelerate its efforts, it needs officers with knowledge and experience in the environmental field.
<b>S</b>	<b>DE&amp;I / Human Resources Development</b>	In order to respond to the rapidly changing market needs in addition to the global business environment, it is necessary to secure diverse human resources and strengthen the skills of each employee. The Company needs officers with knowledge and experience in DE&I promotion and human resource development.
<b>G</b>	<b>Legal / Risk Management</b>	Strengthening governance is important to the Company which operates on a global scale. The Company needs officers who have knowledge and experience in domestic and international legal systems and various regulations, who can properly assess the risks, and who can lead prevention and countermeasures.
<b>Global Experience</b>		The Company operates in more than 180 countries and regions, with overseas sales exceeding 90% of total sales. The Company needs officers who have experience working for multinational companies and in local markets, combined with knowledge and experience of foreign cultures and business practices.

Skills Matrix and Skills Chart (As of March 21, 2024)

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



■ Directors ■ Audit & Supervisory Board Members

## Directors and the Board of Directors

On the basis of fiduciary responsibilities to shareholders, directors collect adequate information, understand relevant laws and regulations and other necessary rules, actively express opinions, and 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. Please note that the chairman of the Board of Directors does not hold any specific authority and is not involved in the execution of business matters. As a general rule, Board meetings are held monthly but may also be held if deemed necessary.

### Yamaha Motor's Standards for Independence

In addition to the required standards for independence established by Tokyo Stock Exchange, Inc., the Company has stipulated its own Standards for Selecting Independent Outside Directors/Outside Audit & Supervisory Board Members to objectively assess the independence of its outside directors and outside Audit & Supervisory Board members.

▶ For the full text of the Standards for Selecting Independent Outside Directors/Outside Audit & Supervisory Board Members, please refer to our website.

## Board Effectiveness Evaluation

The Board of Directors analyzes and evaluates the effectiveness of the roles and responsibilities of the Board as a whole on a yearly basis, with the Corporate Planning Division acting as the administrative office.

The evaluation process and summary of the results from fiscal 2023 are listed below.

### Evaluation Process

- Conduct a self-evaluation by questionnaire based on the Company's seven evaluation perspectives for the aims of the Board of Directors

### Evaluation Perspectives

1. Roles and responsibilities of directors and the Board of Directors
  2. Relationships between the Board of Directors and senior management (executive officers)
  3. Organizational design and composition of the Board of Directors, etc.
  4. Qualifications held and knowledge of directors and the Board of Directors
  5. Deliberation at meetings of the Board of Directors
  6. Relationships and dialogue with shareholders
  7. Dealings with stakeholders other than shareholders
- Confirm the status of improvements by comparing them with evaluation results from fiscal 2022
  - Based on the results of the analysis, the Board of Directors shares effectiveness evaluations and deliberates on issues that need to be addressed

### Evaluation Results from Fiscal 2023

The evaluation confirmed that our Board of Directors has actively and continuously carried out effective discussions, refined our initiatives to improve our corporate value in the medium to long term and achieve sustainable growth amid the dramatic changes in our business environment, and is effective enough to achieve our Long-Term Vision for 2030 in addition to our Medium-Term Management Plan that began in 2022.

A particularly praiseworthy point is the way in which the Board of Directors has continued to respect the feedback of outside directors and outside Audit & Supervisory Board members and fostered a culture of open, constructive discussions and exchanges of opinion, as it did in fiscal 2022.

### State of Addressing Issues Identified in Fiscal 2021's Evaluation

In the previous fiscal year, we identified the following issues as challenges:

- Deepen discussions on the business portfolio
- Implement comprehensive discussions on sustainability
- Strengthen the supervisory powers of the Board of Directors regarding the current sensitivity and awareness of risk on the ground
- Enhance dialogue with shareholders and align expectations
- Conduct comprehensive, long-term human resource strategy discussions

- Provide more opportunities for enhancing knowledge and skills and for communication with outside and internal directors

To address these issues, the Company's Board of Directors deliberated on core businesses, growth businesses, new businesses, and structural reforms based on the direction of the business portfolio established in the Medium-Term Management Plan that started in 2022, as well as discussing portfolio management to allocate management resources appropriately and the direction of portfolio management for the next medium-term management plan. The Board also held regular discussions on sustainability, including resolutions on the Yamaha Group Human Rights Policy; conducted periodic reports on the status of the development and operation of risk management and compliance systems with a thorough commitment to "bad news comes first"; engaged in discussions on participation of outside directors in dialogue with shareholders; and deliberated on human capital management and human resources strategy. In addition, the Executive Discussion Meeting, which usually convenes once a year, was held twice in 2023.

As a result, while the self-assessment questionnaire indicated that all issues were being addressed to a certain degree, the questionnaire also identified some issues that required further advancement and recognized the need for continued efforts.

### Points for Further Improvement of Effectiveness

Based on the above analysis results, the Board of Directors is aware that work is needed in the following areas, will set the agenda for discussion on these topics at future Board meetings, and will address these issues in order to function more effectively.

- Issue 1. Enhance discussions on comprehensive Companywide management strategies
- Issue 2. Implement comprehensive discussions on sustainability
- Issue 3. Strengthen global Group governance
- Issue 4. Enhance discussions on human resource strategies to achieve human capital-oriented management
- Issue 5. Provide more opportunities for communication with outside and internal directors
- Issue 6. Deepen and improve transparency of discussions held at the Executive Personnel Committee

In addition to making ongoing improvements in light of the Board effectiveness evaluation, we will incorporate the advice of a third-party institution—which plays a regular role in our evaluation process—to further improve the effectiveness of our Board of Directors.



## Executive Personnel Committee

Yamaha Motor established the Executive Personnel Committee as a voluntary advisory body concerning the nomination and remuneration of members of the Board of Directors in order to improve the transparency and objectivity of executive appointments and dismissals and the determination of their remuneration, among other objectives. To ensure the transparency of the deliberation process, as well as the objectivity and appropriateness of reports submitted to the Board of Directors, the Executive Personnel Committee is composed of a majority of outside directors and meets at least six times a year, in principle.

In its role related to nominations, the committee deliberates on the appointment and dismissal of the CEO, directors, Audit & Supervisory Board members, and executive officers, as well as on the selection of candidates for senior management positions and their development plans, all while confirming future management strategies and personnel requirements for their implementation, among other tasks. As part of its efforts to improve corporate governance, the Company has also established a system for determining executive officer appointments or dismissals based on a review and evaluation of the CEO's duties. Specifically, through strategic dialogue with the CEO at a roundtable meeting chaired by an outside director, a non-financial evaluation is conducted that includes the executive officer's operational performance as a member of management from the perspective of whether they possess the qualities required to serve as the CEO and if they properly demonstrate those qualities. The outcome of the conference is reported to the Board of Directors by the Executive Personnel Committee, at which the appointment of executive officers—including the CEO—is finalized. In this way, through a process whereby objectivity and fairness are ensured, we will continue building up our corporate governance in which the best and most suitable members of management execute business operations.

In its role related to remuneration, the committee deliberates on and decides the evaluation standards and remuneration system for the CEO, directors, and executive officers. The committee also evaluates the performance of the Company overall and individuals based on their contributions to medium to long-term corporate growth and business performance for the fiscal year in question.

In addition, the committee deliberates on compensation linked to performance for the abovementioned senior management personnel within the limits of the total remuneration amount resolved at the Ordinary General Meeting of Shareholders.

### Members of the Executive Personnel Committee

Committee Chair:  
Chairman and Representative Director Katsuaki Watanabe  
Committee Members:  
President and Representative Director Yoshihiro Hidaka  
Outside Director (Independent) Takuya Nakata  
Outside Director (Independent) Yuko Tashiro  
Outside Director (Independent) Tetsuji Ohashi  
Outside Director (Independent) Jin Song Montesano  
Outside Director (Independent) Keiji Masui

## Audit & Supervisory Board Members and the Audit & Supervisory Board

To strengthen the Company's auditing and governance systems, one more independent outside Audit & Supervisory Board Member has been appointed since fiscal 2023, resulting in a composition of two full-time Audit & Supervisory Board Members and three independent outside Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board Members' Office has been established to support the Audit & Supervisory Board Members' auditing duties. The Audit & Supervisory Board meets once a month in principle and convenes at other times when necessary.

### Collaboration between Audit & Supervisory Board Members, Outside Auditors, and Internal Auditing Departments

Audit & Supervisory Board members (including outside Audit & Supervisory Board members) work with the external auditor to facilitate audits based on appropriateness and receive accounting audit reports in accordance with laws and regulations. Through collaboration that includes the mutual exchange of information as needed and related opinions with internal auditing departments, Audit & Supervisory Board members receive reports about internal audit plans and their outcomes, with the ultimate aim of improving the effectiveness and efficiency of audits.

## Effectiveness Evaluations for the Audit & Supervisory Board

The purpose of the effectiveness evaluation for the Audit & Supervisory Board is to effectively and efficiently identify and share issues and expectations with the Audit & Supervisory Board members, and then hold discussions among the Audit & Supervisory Board in order to reflect them in the audit policies and plans for the next fiscal year. By holding an effectiveness evaluation every year, we will work to continuously raise the effectiveness of audits conducted by the Audit & Supervisory Board.

### Evaluation Method

Each Audit & Supervisory Board member answers a survey to evaluate the board's effectiveness. To ensure the quality and objectivity of the survey's content, i.e., the items for evaluation, it is prepared based on input from outside experts to enable each Audit & Supervisory Board member to comprehensively evaluate and analyze the structure, frameworks, and operations of the Audit & Supervisory Board. The survey results are compiled and analyzed by the Audit & Supervisory Board Members' Office, with the evaluation results later reported to the Audit & Supervisory Board itself.

### Evaluation Results

Overall, the Audit & Supervisory Board members performed their role well. The Audit & Supervisory Board will hold discussions and exchange opinions about recognized issues based on the survey results. Identified issues will be reflected in the next fiscal year's audit plan, aiming to achieve more effective and efficient audits.

## Executive Officers and Management Committee, etc.

The Company has 26 Executive Officers (including Deputy Executive Officers), of whom 4 serve concurrently as Directors. A Management Committee, comprising 7 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 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 Representative Directors, all Executive Officers with specific posts, Audit & Supervisory Board Member, and senior local managers of major Group companies, and has 41 members, of whom 23 are Japanese and 18 are non-Japanese. In principle, the Global Executive Committee meets at least once annually, and additionally from time to time as necessary.

## Sustainability Committee

The Sustainability Committee, comprising 7 Executive Officers with specific posts, has been established to address issues related to sustainability and deliberate measures related to risk management and compliance. The number of meetings for the Sustainability committee will be increased to 6 times annually from this year and additionally the meeting will be held from time to time as necessary.

## Internal Auditing

The Integrated Auditing Division, with 28 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.

## Cross-Shareholdings

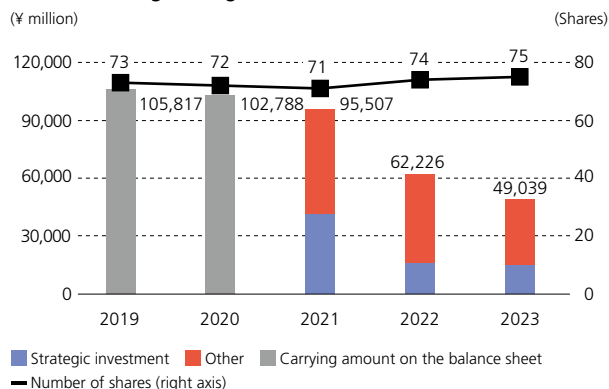
Yamaha Motor intends to hold shares under cross-shareholdings when it is deemed necessary and appropriate in order to enhance corporate value and achieve medium- to long-term growth. The Board of Directors annually examines each cross-shareholding to determine whether the significance of shareholdings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

For the fiscal year under review, Yamaha Motor, based on this policy, examined the appropriateness of holding each issue by the Board of Directors and sold a portion of the shares held under cross-shareholdings.

### Shareholdings of Yamaha Corporation

Yamaha Motor was established by spinning off the motorcycle division from Nippon Gakki Co., Ltd. (current Yamaha Corporation). Today, the two companies' management is conducted separately, with both using the same "Yamaha" brand. We are undertaking various measures in collaboration with Yamaha Corporation through the "Joint Brand Committee" and under the "Yamaha Brand Charter" and "Joint Brand Regulations." Both companies appropriately monitor measures for mutual sustainable growth through shareholdings and dispatching Directors. We believe that maintaining and improving the shared value of the "Yamaha" brand by building a monitoring and collaborating relationship with Yamaha Corporation will contribute to the medium- to long-term enhancement of Yamaha Motor's corporate value.

### Number of Shares Held by the Company for Purposes Other Than Pure Investment and the Amount Shown on the Balance Sheet (Including Strategic Investments)



## Remuneration System for Executives

In order to ensure the appropriateness as well as the transparency and feasibility of the deliberation process regarding items relating to executive remuneration, the Executive Personnel Committee (composed of a majority of outside directors) voluntarily established by the Company conducts pertinent examinations and reports its findings to the Board of Directors. Decisions on remuneration amounts for each individual director are made at Board of Directors meetings according to our basic policy after discussions with and/or reports from the Executive Personnel Committee. In addition, Audit & Supervisory Board members discuss and determine the specific amounts of their base compensation.

### Basic Policy

- To be a *Kando* Creating Company, Yamaha Motor encourages its executives to the maximum extent possible to perform their professional duties in accordance with its Management Principles and Action Guidelines.
- Toward realizing the Company's Long-Term Vision for 2030, executive remuneration shall offer strong motivation for achieving management targets in the Medium-Term Management Plan and other plans.
- Remuneration shall function as an incentive for achieving sustainable growth of our corporate value and be shared as company profit by management and shareholders.
- Remuneration amounts shall be set at a level capable of securing and retaining diverse, outstanding human resources suitable for the roles and responsibilities to be carried out by our management.
- Yamaha Motor shall carry out initiatives befitting the Company to the greatest extent possible to address important societal issues (materiality).

### Remuneration System

Remuneration for directors at Yamaha Motor is composed of base compensation (fixed remuneration), performance-based bonuses, and performance-based share compensation, and from fiscal 2022, the proportion of performance-based compensation was raised. Remuneration for the president and representative director is generally 40% base compensation, 30% performance-based bonuses, and 30% performance-based

share compensation, and remuneration for other executive officers is set based on this precedent. Outside directors and Audit & Supervisory Board members receive only fixed base compensation as their roles require them to supervise and audit company management from an objective, independent perspective.

### Base Compensation

Annual base compensation is set for each executive position, one-twelfth of which is paid in cash on a monthly basis.

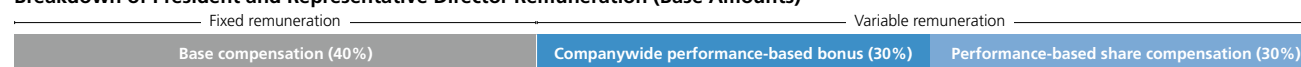
### Performance-Based Bonuses

The representative director shall only be paid the Companywide performance-based bonus. Performance-based bonuses for other directors and executive officers shall comprise a Companywide performance-based bonus and an individual performance-based bonus.

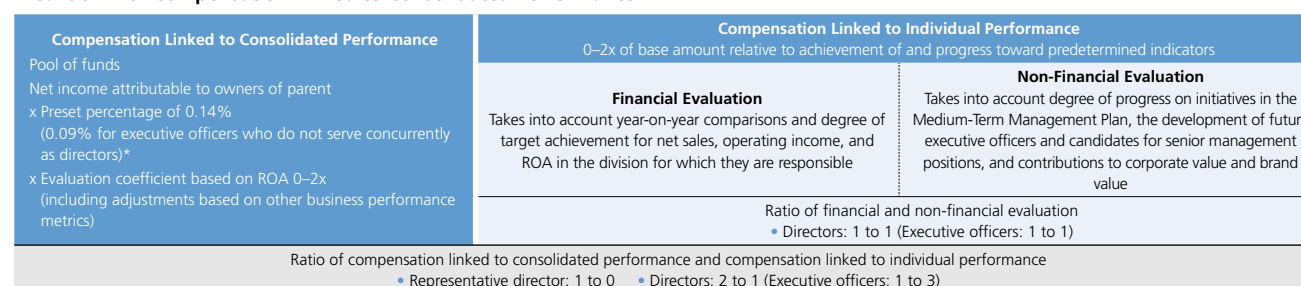
### Performance-Based Share Compensation

As part of ongoing reviews of the remuneration system for directors, we have switched from the previous system of remuneration of restricted shares—with no attached performance conditions—to a system of performance-based remuneration of restricted shares in which the number of shares awarded is determined in conjunction with the Company's TSR. This is in order to provide a suitable incentive for further value sharing between Yamaha Motor directors and shareholders and for the ongoing improvement of our corporate value in the medium to long term.

### Breakdown of President and Representative Director Remuneration (Base Amounts)



### Breakdown of Compensation Linked to Consolidated Performance



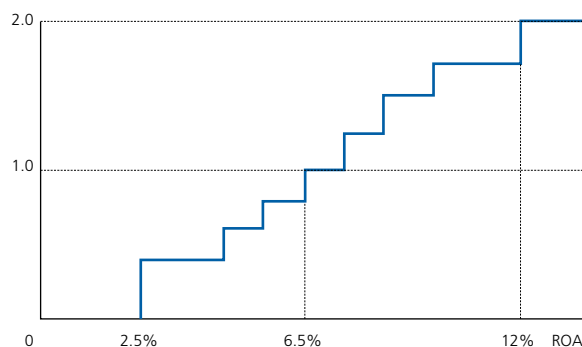
\* Percentage of net income attributable to owners of parent has been revised as of fiscal 2022, taking into account increases in the Company's profit levels, changes to the executive structure, and other factors.

## Companywide performance-based bonus

### Indicators Related to the ROA Evaluation Coefficient

The Company stipulates the three-year average of ROA as indicated in the graph. Adjustments are made according to each indicator after deliberations by the Executive Personnel Committee.

- Level of achievement for consolidated net sales and consolidated operating income targets
- Level of progress with the Medium-Term Management Plan, aimed at realizing the Long-Term Vision for 2030
- Overall progress on addressing materiality initiatives
- External ESG evaluation
- Other events affecting corporate value and brand value



## Remuneration of shares with restriction on transfer

### Total Shareholder Return (TSR) Evaluation Coefficient

Company TSR ÷ Growth rate of TOPIX including dividends

#### Company TSR =

$$\frac{\text{Average closing share price in the final month of the final year of the TSR evaluation period (December)} + \text{Total dividends during the TSR evaluation period}}{\text{Average closing share price in the month prior to the start of the TSR evaluation period (December)}}$$

#### Dividend-inclusive TOPIX growth rate =

$$\frac{\text{Average dividend-inclusive TOPIX closing price in the final month of the final year of the TSR evaluation period (December)}}{\text{Average dividend-inclusive TOPIX closing price in the month prior to the start of the TSR evaluation period (December)}}$$

$$\frac{\text{Average dividend-inclusive TOPIX closing price in the month prior to the start of the TSR evaluation period (December)}}{\text{Average dividend-inclusive TOPIX closing price in the month prior to the start of the TSR evaluation period (December)}}$$

### Executive Compensation in Fiscal 2023

In fiscal 2023, the Company's three-year ROA average was 11.3%. However, the long-term loans payable urgently raised to address the impacts of the COVID-19 pandemic have been excluded from the calculation. In accordance with officer remuneration rules, the ROA evaluation coefficient was set at 1.75 after carrying out a comprehensive assessment of business performance with a continued favorable business environment. Under officer remuneration rules, if consolidated net income exceeds ¥150.0 billion, ¥150.0 billion is used when calculating the total amount for Companywide performance-based

bonuses. As a result, the pool of funds for Companywide performance-based bonuses for directors came to ¥367 million (consolidated net income of ¥150 billion × 0.14% × ROA evaluation coefficient of 1.75). The pool of funds will be distributed among the executives.

Individual performance-based bonuses were determined based on a comprehensive evaluation of each director that took pre-determined financial and non-financial evaluation indicators into account.

(¥ million)

Officer classification	Number of applicable executives (persons)	Basic compensation	Compensation linked to performance		Remuneration of shares with restriction on transfer	Total
			Companywide performance-based bonus	Individual performance-based bonus		
Directors (excluding outside directors)	5	256	367	22	153	800
Outside directors	5	99	—	—	—	99
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	3	76	—	—	—	76
Outside Audit & Supervisory Board members	3	54	—	—	—	54
<b>Total</b>	<b>16</b>	<b>486</b>	<b>367</b>	<b>22</b>	<b>153</b>	<b>1,030</b>

#### Notes:

1. The amount of base compensation mentioned above is the total compensation, etc., paid (monetary compensation) in fiscal 2023.
2. Figures include an auditor who left their position during this fiscal year.
3. The amount of Companywide performance-based bonuses and individual performance-based bonuses mentioned above is the amount to be paid (monetary compensation) in April 2024 based on performance, etc., in fiscal 2023.
4. With respect to share-based compensation, Yamaha Motor previously issued shares of the Company's common stock (restricted stock) as share-based compensation to directors (except outside directors) and executive officers (excluding non-Japanese executive officers), based on the restricted share compensation system with no performance conditions (hereinafter referred to as the "former system") on the condition that they do not transfer their positions as officers of the Company until they retire. However, per the resolution of the 87th Ordinary General Meeting of Shareholders held on March 23, 2022, the Company introduced a performance-based share compensation plan that determined the number of restricted shares to be delivered in conjunction with the Company's TSR (Total Shareholder Return) evaluation, replacing the system. In addition, the amount of remuneration given in the above performance-based share compensation is the amount to be paid in April 2024 or later (the entire amount is a monetary compensation claim to be paid as assets contributed in kind to be issued or disposed of with respect to the common shares of the Company) in accordance with the Company's calculation method based on the results of the TSR evaluation, etc., for fiscal 2023. Note that while the amount expected to be paid on or after April 2023 disclosed in the business report for fiscal year 2022 was ¥154 million, while the amount paid in April 2023 was ¥161 million.

# Risk Management

## Fundamental Approach to Risk Management

To carry out risk management, Yamaha Motor has established and operates an appropriate organizational structure and set of rules, as well as engages in risk-reduction activities. As part of regular prevention efforts, divisions responsible for risk prevention and mitigation are clarified, countermeasures for risks the Group should respond to developed, and activities therein conducted on a Groupwide basis. If a major crisis situation occurs, the Emergency Countermeasure Headquarters is established based on internal regulations and other factors and led by the president and chief executive officer to minimize the damage and aftereffects.

## Risk Management Structure

Based on the Rules of Risk Management, the Company's risk management structure is led by the Sustainability Committee and its subordinate council, the Risk Compliance Secondary Meeting of the Sustainability Promotion Meeting, which comprises the risk management supervisory sections and divisions charged with risk management. At the same time, the meeting selects the significant risks at the Group level which require focused efforts and performs checks on countermeasures as ways to reduce risk throughout the entire Group. The Risk Compliance Secondary Meeting is independent of the operation lines and is headed by the Chief General Manager of the Human Resources and General Affairs Center.

The supervising department over risk management establishes policies and rules for dealing with the risks under its jurisdiction, enacts countermeasures based on the policies and rules, and monitors the activities of the departments at the headquarters and Group companies. To ensure its effectiveness, the Integrated Auditing Division conducts audits of risk management departments.



## Significant Group Risks for Fiscal 2024

Risk Items	Background	Measures
<b>Cyber Security</b>	With the rapid advancement of cyber attacks, there is a need for more collaborative activities with each division, such as countermeasures for high IT-enabled facilities, in addition to the conventional measures led by the IT department. More activities are required Companywide, including the establishment of response and recovery systems that consider business continuity, such as the continuation of supply chains, even in the event of a cyber attack.	We will implement both physical and software measures based on our cyber security policy in compliance with the global standard cyber security framework. These measures will enhance our defense against sophisticated attacks. In the event of an attack, we will incorporate measures to detect it early and minimize damage.
<b>Violation of Human Rights</b>	We have selected human rights violations as one of our key risks based on the need to strengthen the Group's response to human rights, especially in its supply chain, in line with increasing social demands and compliance with business and human rights in recent years.	We have established the Yamaha Motor Group Human Rights Policy to clarify the Group's approach to respect for human rights and to conduct human rights due diligence to identify, avoid, and mitigate negative human rights impacts in the Group's supply chain. To this end, we are promoting activities such as obtaining contracts/memorandums of understanding for human rights compliance from all suppliers and developing a grievance mechanism to deal with negative human rights impacts. We are also planning to conduct on-site inspections based on human rights due diligence in 2024.
<b>Harassment</b>	We selected harassment as one of our key risks against the backdrop of growing social concern about harassment, the expansion of the application of the "Power Harassment Prevention Act" to small and medium-sized enterprises, and the need to strengthen harassment risk reduction activities in the Group.	We will raise awareness to prevent harassment, promptly and appropriately respond when incidents occur, and review measures to prevent recurrence, and work on effective risk reduction activities. We will promote the Companywide rollout of training programs we have been conducting since 2023 and continue supporting Group companies in their activities to reduce harassment.
<b>Violation of Laws and Regulations Concerning Product Quality</b>	Compliance with laws and regulations concerning product quality is directly related to the trust of customers and local communities. As such, strict management of product quality is increasingly required. In addition, new laws and regulations are expected to be enacted and expanded to other countries as CASE-related products and services become more widespread and diversified worldwide and as recycling-oriented societies become mainstream. We selected product quality as one of our key risks based on the need to keep up with these changes and to ensure that we take the proper response Companywide.	To ensure that product quality-related laws and regulations are complied with, we will collect and disseminate information on laws and regulations and confirm the incorporation of legal requirements into our activities. We will also conduct strategic legal activities for new businesses. At the same time, we will implement the Yamaha Motor Group Quality Assurance Regulations formulated in accordance with ISO 9001 as well as strengthen the foundations for legal and regulatory management processes at each business, with the Corporate Regulation Control Group established in 2022 as the hub for these activities Companywide.
<b>Death or Serious Injury During Business Activities Due to Equipment and Machinery</b>	Yamaha Motor experienced a serious industrial accident involving equipment and machinery in the first half of 2023. The Group uses numerous pieces of equipment and machinery in its business activities. We selected death or serious injury as a key risk based on the need to raise the level of occupational safety and health throughout the Group to prevent such serious industrial accidents from ever occurring again.	We will formulate group policies and targets and develop a governance structure to foster a safety-first culture throughout the Group and continuously promote efforts to achieve zero occupational accidents. Through the development and operation of an occupational health and safety management system, we will make thorough efforts to eliminate and reduce risks and minimize the risk of occupational accidents.
<b>Supply Chain Disruptions</b>	In the recent supply chain environment, while semiconductor supply shortages are on their way to resolution, country-specific risks such as geopolitical risks and natural disasters are increasing the risk of supply chain disruptions. Based on our platform strategy, specific parts and suppliers are tied to each country's production model, so activities to strengthen resilience are required globally, even during times of peace.	The Company as a whole decided on BCP priority businesses and priority models and launched risk reduction activities targeting NMAX for our Motorcycles Business and large outboard motors and the JetPump for our Marine Business. Regarding geopolitical risks, we will continue to build up inventories in the short term and factor in alternative destinations in the medium to long term. For country-specific risks, we will establish an initial response system after identifying the risks and promote global monitoring and coordination.
<b>Confidential Information Leakage</b>	We have continued our risk reduction activities concerning the leakage of confidential information. However, we have selected leakage of confidential information as one of our key risks because there is a growing concern from the economic security perspective regarding sensitive technical information handled by the Company, and more activities are required Companywide.	We will deploy our Confidential Information Group Operating Guidelines and promote confidential information management activities in our Group companies. The divisions charged with risk management will strengthen their structure, collaborate with related departments throughout the Company and with domestic and overseas Group companies, investigate and supervise the status of confidential information management, focusing on sensitive technical information of the Yamaha Motor Group, and provide support to reduce the risk of information leaks.

▶ Please visit our corporate website for more information on risk management.

President and Chief Executive Officer Hidaka has made “Compliance Comes First—Never Tolerate Wrongdoing” the top message for the entire Group. We promote compliance globally as the foundation of our value creation as a *Kando* Creating Company

## Compliance Structure

The Yamaha Motor Group established its Sustainability Committee, chaired by the president and chief executive officer, to create a structure for ensuring legal and regulatory compliance throughout the entire Group. The Committee deliberates plans for activities to ensure compliance and monitors the actual implementation of those plans and the corporate culture regarding compliance. The outcomes of these deliberations and monitoring are reported as appropriate to the

Board of Directors together with ESG risks, and a structure has been established to ensure their effectiveness.

The work done by the compliance supervisory departments under the Sustainability Committee range from activities for management, such as compliance case studies conducted by the Global Executive Committee (GEC) of core Group leaders and the annual Global Compliance Meeting (GCM) for Group company top management, to activities for the workplace, like yearly compliance awareness surveys

for Group companies, the distribution of messages from the president and chief executive officer, and training for each Group company.

These compliance activities, together with the Code of Ethics and Compliance Risk Assessment (which includes global training videos in 11 languages) and the Compliance Hotline operated globally in 10 languages, are used to promote compliance throughout the entire Group.

## Code of Ethics

The Yamaha Motor Group defines compliance as “understanding and complying with the legal obligations, internal regulations, and social norms.” The Company established its Code of Ethics—adopted by all Group companies—as the standard of conduct to be observed by officers and employees responsible for leading Yamaha in being a *Kando* Creating Company. In addition, based on the Group’s Sustainability Basic Policy, each Group company has adopted a human rights policy, an anti-bribery policy, an anti-monopoly policy, and

other individual compliance policies—as they are of particular importance to the Group’s business—to promote good compliance practices, including global compliance with laws and regulations and social norms.

Furthermore, compliance risk assessments are conducted annually at each business unit and Group company to monitor risk conditions and implement appropriate countermeasures. Compliance system development, risk countermeasures, training, and other measures are

undertaken at each Group company based on compliance activity plans in consideration of these assessments. Moreover, we have established a compliance hotline to receive whistleblower reports from domestic and overseas Group companies and conduct necessary investigations and corrective actions. In addition, we have set up a Human Rights Hotline for external stakeholders in an effort to remedy human rights issues.

## Initiatives in Fiscal 2023

The Global Executive Committee (GEC) held in fiscal 2023 featured case studies and discussions on workplace accidents, cartel investigations, bribery of foreign affairs officials, and subsidy fraud. In addition, the Global Compliance Meeting (GCM) addresses each of the Group’s key risks and their countermeasures defined by the Sustainability Committee, such as respect for human rights, workplace accidents, harassment, and cybersecurity through video broadcasts of dialogues between the heads of the divisions in charge of these areas. We also host live discussions by board members to promote understanding. Furthermore, the directors’ training included a discussion on workplace accidents based on published case studies and investigative reports from other companies.

Other compliance law training at the headquarters includes respect for human rights, harassment, antitrust law precautions when in contact with competing businesses, bribery crimes learned from cases of corruption surrounding the Tokyo Olympics, personal information protection learned from past cases, exchanging technology with other companies, proper import/export procedures, and management of chemical substances contained in products. In addition to these areas, e-learning programs cover cybersecurity, security trade control, information management, sustainability, and other essential compliance areas in light of the Group’s business activities and internal examples.



▶ Please visit our website for more information on compliance initiatives.



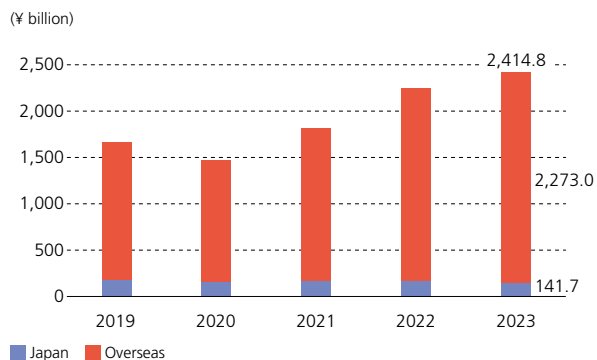
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▶ Please refer to the Securities Report for further details (in Japanese only).

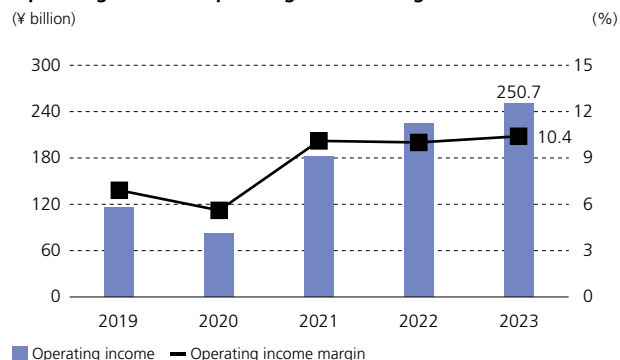
# Financial and Non-Financial Highlights

## Net Sales



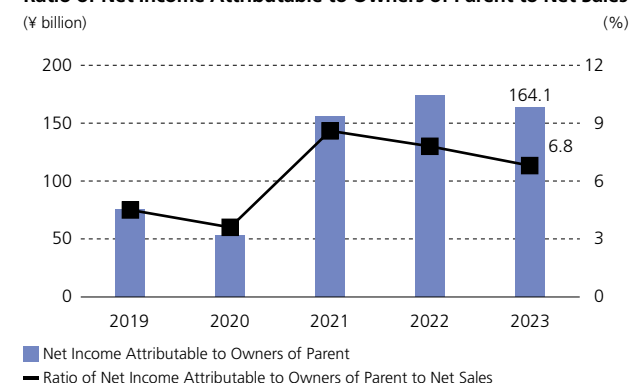
In addition to strong demand for motorcycles and large outboard motors, supply volume increased thanks to normalization of the supply chain and improvements with logistics, manufacturing issues, and the like, resulting in record net sales of ¥2,414.8 billion.

## Operating Income / Operating Income Margin



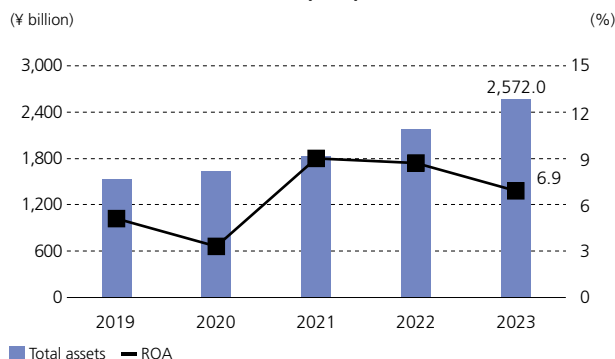
In addition to the increase in unit sales, greater effects from cost pass-throughs to offset soaring raw material prices and other cost increases, plus the positive effects of the weak yen resulted in a record-high operating income of ¥250.7 billion.

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



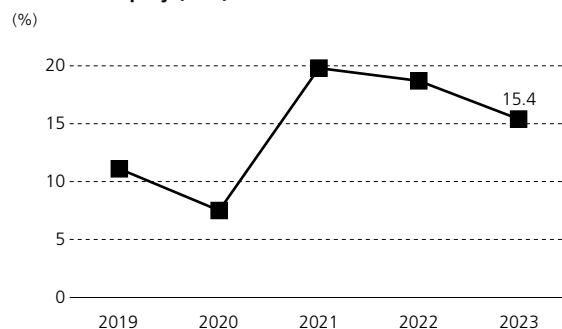
Net income attributable to owners of parent decreased ¥10.3 billion (5.9%) year on year, to ¥164.1 billion, affected by valuation losses on interest rate swaps, foreign exchange gains and losses, losses on investment securities, and gains on sales of investment securities in the previous year.

## Total Assets / Return on Assets (ROA)



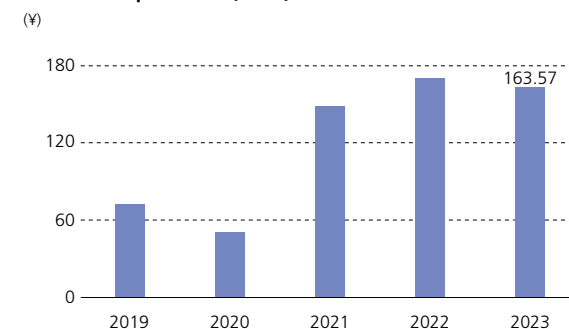
Total assets increased ¥388.7 billion year on year to ¥2,572.0 billion, mainly due to an increase in sales finance receivables resulting from an increase in unit sales, foreign exchange effects, and an increase in long-term sales finance receivables.

## Return on Equity (ROE)



ROE decreased by 3.3 percentage points from the end of the previous fiscal year to 15.4%. This index has continuously exceeded our medium-term target level of 15%.

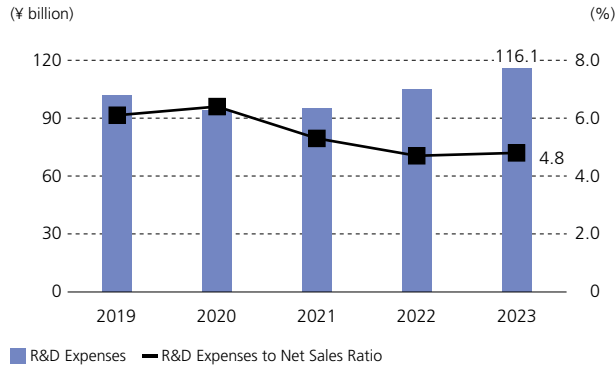
## Net Income per Share (Basic)



Net income per share was ¥163.57 (¥163.52 after adjustment for latent shares).

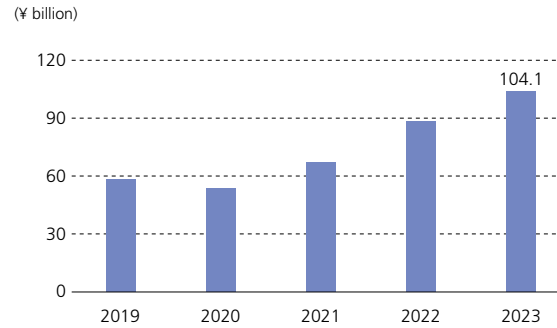
Note: Value after stock split

## R&D Expenses and R&D Expenses to Net Sales Ratio



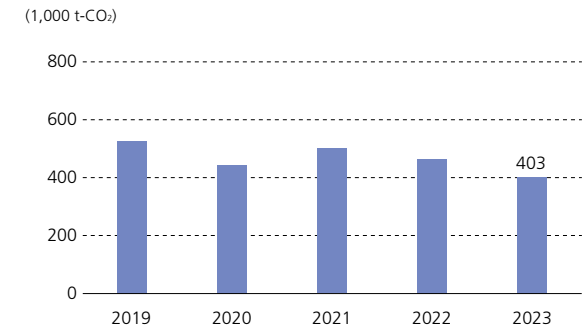
Research and development for new and growing businesses enhances the earning power of core businesses and contributes to a more sustainable world. R&D expenses for the fiscal year under review totaled ¥116.1 billion.

## Capital Expenditures



Capital expenditures targeting sustainable growth and greater efficiency in existing businesses amounted to ¥104.1 billion.

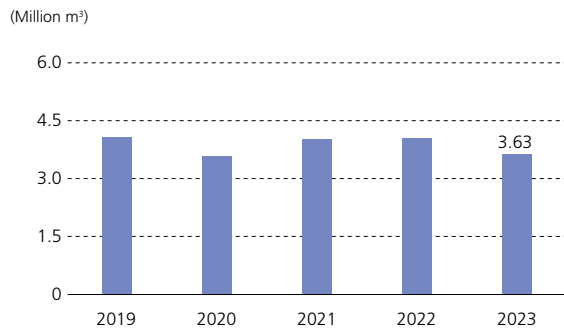
## CO<sub>2</sub> Emissions (Scope 1 and Scope 2\*)



As a Groupwide goal, the Company has set medium- to long-term targets for reducing the CO<sub>2</sub> emissions generated over product life cycles and is also working to reduce the greenhouse gas emissions produced in manufacturing.

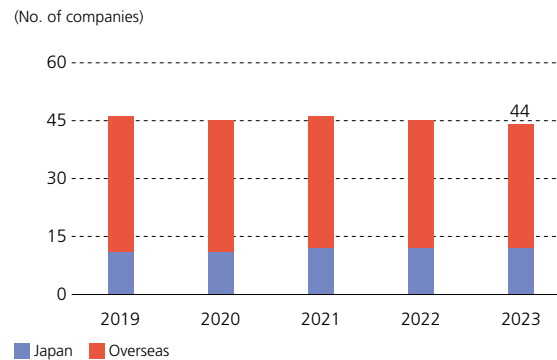
\* Scope 1 and Scope 2: Direct and indirect emissions produced by the Company's operations

## 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.

## 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 44 companies (12 in Japan and 32 overseas) have joined the unified certification program, mainly manufacturing companies in Asia (including Japan), Europe, the United States, and South America.

## Brand Ranking\*

26<sup>th</sup>



\* Brand value ranking of Japan-based brands carried out by Interbrand Japan (Best Japan Brands 2024)

The Yamaha brand, calculated by combining the brand value of both Yamaha Motor and Yamaha Corporation, was valued at US\$2,285 million (compared with US\$2,004 million in fiscal 2023 and US\$1,801 million in fiscal 2022).



# Eleven-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries (Years Ended December 31)

	Introduction		Medium- to Long-Term Strategies				Activities for Greater Functional Competitiveness		Management Platforms		Facts and Data		
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	% change	
							Millions of yen						% change
													2023/2022
<b>For the year:</b>													
Net sales	¥1,410,472	¥1,521,207	¥1,631,158	¥1,502,834	¥1,670,090	¥1,673,137	¥1,664,764	¥1,471,298	¥1,812,496	¥2,248,456	¥2,414,759	7.4	
Sales by product:							Sales by segment:						
Motorcycles	928,203	977,580	1,032,560	930,112	1,045,211	1,022,174	1,119,840	946,476	1,179,736	1,468,244	1,581,848	7.7	
Marine Products	243,362	276,367	309,337	297,216	323,838	344,658	350,059	328,344	391,130	517,040	547,520	5.9	
Power Products	126,722	142,204	169,495	152,310	151,622	153,778	75,644	83,005	120,280	115,869	101,355	(12.5)	
Industrial Machinery and Robots	32,261	38,942	46,501	46,871	67,571	69,891	40,928	46,058	48,643	62,178	86,476	39.1	
Other Products	79,922	86,113	73,262	76,322	81,845	82,634	78,292	67,412	72,704	85,123	97,558	14.6	
Gross profit	318,765	372,849	436,525	402,660	458,629	455,173	442,331	371,812	506,840	633,745	715,350	12.9	
Operating income	55,137	87,249	130,329	108,594	149,782	140,787	115,364	81,672	182,342	224,864	250,655	11.5	
Ordinary income	60,092	97,279	125,231	102,073	154,826	137,969	119,479	87,668	189,407	239,293	241,982	1.1	
Net income attributable to owners of parent	44,057	68,452	60,023	63,153	101,603	93,366	75,736	53,072	155,578	174,439	164,119	(5.9)	
Net cash provided by (used in) operating activities	66,976	93,618	28,475	143,163	126,342	58,858	99,127	110,487	141,336	70,921	80,150		
Net cash used in investing activities	(62,679)	(72,470)	(68,475)	(46,541)	(53,194)	(48,274)	(79,662)	(43,950)	(51,026)	(74,160)	(116,972)		
Free cash flow	4,296	21,149	(40,000)	96,621	73,147	10,584	19,465	66,537	90,309	(3,238)	(36,821)		
Net cash provided by (used in) financing activities	3,620	(8,908)	6,845	(67,627)	(52,830)	(26,423)	(36,760)	83,668	(93,488)	23,103	95,260		
Capital expenditures	56,800	65,871	64,064	61,330	56,532	48,342	58,053	53,756	66,963	88,206	104,134	18.1	
Depreciation expenses	36,407	37,667	44,324	42,434	45,457	46,405	49,689	48,241	51,129	59,824	63,223	5.7	
<b>At year-end:</b>													
Total assets	¥1,146,591	¥1,310,040	¥1,305,236	¥1,318,776	¥1,415,845	¥1,420,854	¥1,532,810	¥1,640,913	¥1,832,917	¥2,183,291	¥2,571,962	17.8	
Net assets	422,792	503,224	531,700	575,404	665,232	695,743	751,828	749,158	900,670	1,054,298	1,182,670	12.2	
Interest-bearing debt (Excluding lease debt)	382,929	403,652	410,147	364,381	353,490	356,688	364,951	466,935	458,514	602,689	843,876	40.0	
<b>Ratios:</b>													
Operating income margin (%)	3.9	5.7	8.0	7.2	9.0	8.4	6.9	5.6	10.1	10.0	10.4		
Return on shareholders' equity (ROE) (%)	12.7	16.2	12.6	12.3	17.6	14.6	11.1	7.5	19.8	18.7	15.4		
Equity ratio (%)	33.5	35.1	37.6	40.5	44.0	46.3	46.0	43.6	46.9	45.9	43.7		
Price/earnings ratio (times)	12.5	12.5	16.0	14.2	12.7	8.1	10.2	13.9	6.2	5.9	7.7		
Debt/equity ratio (times)	1.00	0.88	0.84	0.68	0.57	0.54	0.52	0.65	0.53	0.60	0.75		
	Yen												
<b>Per share amounts:</b>													
Net income—basic	¥ 42.07	¥ 65.35	¥ 57.30	¥ 60.28	¥ 96.98	¥ 89.12	¥ 72.28	¥ 50.63	¥ 148.56	¥ 170.49	¥ 163.57	(4.1)	
Net income—diluted	42.07	65.35	57.29	60.28	—	—	—	—	—	170.42	163.52	(4.0)	
Net assets	366.61	438.86	468.45	509.84	594.45	627.55	672.95	681.72	828.10	988.60	1,133.06	14.6	
Cash dividends	26.00	40.00	44.00	60.00	88.00	90.00	90.00	60.00	115.00	125.00	145.00	16.0	
	Millions of yen, except per share data												
<b>Share performance (at year-end):</b>													
Price per share (yen)	¥ 526	¥ 814	¥ 915	¥ 858	¥ 1,232	¥ 720	¥ 734	¥ 701	¥ 920	¥ 1,003	¥ 1,279.50	27.5	
Market capitalization	550,585	852,683	958,264	898,931	1,290,413	753,989	771,079	735,207	954,229	1,018,027	1,268,663	24.6	
<b>Other data (at year-end):</b>													
Number of shareholders	29,474	30,416	34,214	42,031	34,566	51,113	67,741	82,730	79,112	94,547	136,752	44.6	
Number of employees	53,382	52,662	53,306	53,150	53,579	53,977	55,255	52,437	51,243	52,554	53,701	2.2	

- The fiscal year for each business is the 12-month period commencing on January 1 and ending on December 31. References to years other than fiscal years refer to calendar years.
- With regard to amounts stated in million yen units, amounts less than ¥1 million are truncated. For amounts stated in 0.1 billion or billion yen units, amounts less than ¥0.1 billion or ¥1 billion, respectively, are rounded off.
- From the fiscal year ended December 31, 2016, the presentation of sales finance-related income and expenses has changed from recording under "Selling, general and administrative expenses," "Non-operating income," and "Non-operating expenses" to recording under "Net sales," "Cost of sales," and "Selling, general and administrative expenses." To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended December 31, 2015 have been adjusted.
- From the fiscal year ended December 31, 2019, reporting segments have changed from "Motorcycles," "Marine Products," "Power Products," and "Industrial Machinery and Robots" to "Land Mobility," "Marine Products," "Robotics," and "Financial Services."
- From the fiscal year ended December 31, 2020, the automobile engine and components business previously included in the Other Products segment is now included in the Land Mobility segment, thus figures for the fiscal year ended December 31, 2019 have been adjusted to reflect this change.
- The Company conducted a 3-for-1 stock split of common stock on January 1, 2024. The "Per share information" and "share price" for prior fiscal years are listed while considering this stock split. The "dividend per share" shows the actual dividend amount before the stock split.

# Environmental and Social Data

Introduction

Medium- to Long-Term Strategies

Activities for Greater Functional Competitiveness

Management Platforms

Facts and Data

## Climate Change Mitigation Measures

Item		Unit	2018	2019	2020	2021	2022	2023
Sales of Low-Carbon Products	Number of fuel-injected motorcycles sold	Thousands of vehicles	3,564	3,554	3,363	3,993	4,146	4,714
	Number of motorcycles featuring a "BLUE CORE" engine sold		2,800	2,901	2,245	3,184	3,064	3,528
	Number of electrically power-assisted bicycles sold (including number of drive units)		569	648	670	821	779	550

## SASB Requirements

SASB Index*		Item	Unit	2023
Activity Metric	TR-AU-000.A	Number of vehicles manufactured	Thousands of vehicles	4,846
	TR-AU-000.B	Number of vehicles sold	Thousands of vehicles	4,827
Product Safety	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	%	100 * Investigated all complaints that the Ministry of Land, Infrastructure, Transport and Tourism of Japan had requested to investigate
	TR-AU-250a.3	Number of motorcycles recalled (in Japan)	Number	19,293
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	%	63
	TR-AU-310a.2	Number of work stoppages due to strikes and lockouts	Number	0
		Number of workers involved in work stoppages, multiplied by number of days idle	Man-days	0
Fuel Economy & Use Phase Emissions	TR-AU-410a.1	Asia	km/L	49
		Europe	g-CO <sub>2</sub> /km	85
		North America	mpg	69
		Japan	km/L	41
		Oceania	km/L	23
		Central and South America	km/L	43
		Other	km/L	52

SASB Index*		Item	Unit	2023
Fuel Economy & Use Phase Emissions	TR-AU-410a.2	Number of 1) zero emission vehicles (ZEVs) sold, 2) hybrid vehicles (HEVs) sold, and 3) plug-in hybrid vehicles (PHEVs) sold	Number	Not applicable
	TR-AU-410a.3	Strategy for managing model-year fuel economy and emissions risks and opportunities	—	<ul style="list-style-type: none"> <li>Evaluation of risks and opportunities</li> <li>Yamaha carbon neutrality strategies <a href="https://global.yamaha-motor.com/about/csr/the_environment/plan-2050/#sec-03-07">https://global.yamaha-motor.com/about/csr/the_environment/plan-2050/#sec-03-07</a></li> </ul>
Materials Sourcing	TR-AU-440a.1	Management of risks associated with the use of critical materials	—	<ul style="list-style-type: none"> <li>Response to supplier human rights issues</li> <li>Response to procurement risks <a href="https://global.yamaha-motor.com/about/csr/stakeholder/business-partners/">https://global.yamaha-motor.com/about/csr/stakeholder/business-partners/</a></li> </ul>
Materials Efficiency & Recycling	TR-AU-440b.1	Weight of end-of-life products recovered	t	63,620
		Percentage of above waste recycled	%	57.4
	TR-AU-440b.2	Weight of end-of-life products recovered	t	—
		Percentage of materials recycled from end-of-life products	%	97.8
TR-AU-440b.3	Recyclability of products	%	90	

\* A disclosure index for the automotive industry required by the Sustainability Accounting Standards Board (SASB); TR: Transportation; AU: Automobiles

## Reduction Performance

### Scope 1 and Scope 2

	2010 (Base year)	2018	2019	2020	2021	2022	2023
Emissions (metric tons)	662,261	529,513	540,105	442,533	500,903	465,326	402,658
Emissions per unit (metric tons/sales: ¥100 million)	51.2	31.6	32.4	30.1	27.6	20.7	16.7
Reduction rate (compared with FY2010)	–	38.3%	36.7%	41.2%	46.1%	59.6%	67.4%

### Scope 3

#### Category 11: Use of sold products

	2019 (Base year)	2020	2021	2022	2023
Emissions (metric tons)	29,344,372	21,961,065	26,016,843	26,506,968	24,784,905
Emissions per unit (metric tons/unit sales)	4.39	4.11	4.16	4.15	4.13
Reduction rate (compared with FY2019)	–	6.4%	5.2%	5.5%	5.9%

## Business Results Overview

During the fiscal year under review, the global economy faced an uncertain outlook due to the protracted conflict between Russia and Ukraine, the outbreak of conflicts in the Middle East, and concerns of an economic slowdown caused by global monetary tightening. Still, economic activities normalized with the easing of various restrictions due to the transition of COVID-19 to a Class 5 infectious disease in Japan. The Company's business environment headed toward normalcy as semiconductor procurement recovered and the sharp rises in raw material prices and ocean freight rates slowed. On the other hand, demand for outdoor recreation, especially in developed markets, has settled down, a trend that became clear in the second half of the fiscal year. This resulted in inventories sitting above appropriate

levels in several businesses and regions. In addition, the yen's depreciation against the U.S. dollar, which continued from 2022, provided a tailwind for the Company.

In this business environment, the Company pushed strategies in each business segment based on our Medium-Term Management Plan and promoted cost reductions and price shifting with our break-even-point management style in mind.

As a result, net sales for the fiscal year under review increased ¥166.3 billion (7.4%) year on year to ¥2,414.8 billion; operating income increased ¥25.8 billion (11.5%) year on year to ¥250.7 billion; ordinary income increased ¥2.7 billion (1.1%) year on year to ¥242.0 billion; and net income attributable to owners of parent decreased

¥10.3 billion (5.9%) year on year to ¥164.1 billion, achieving record-high net sales and operating income. Exchange rates for the fiscal year under review were ¥141 to the U.S. dollar (down ¥9 year on year) and ¥152 to the euro (down ¥14 year on year).

Net sales increased due to solid demand for motorcycles and large outboard motors, as well as increased supply volume due to normalization of the supply chain and improvements with logistics, manufacturing issues, and other factors. Operating income increased due to greater effects from cost pass-throughs to offset soaring raw material prices and other cost increases, plus the positive effects of the weak yen.

## Performance by Business Segment

### Land Mobility Segment

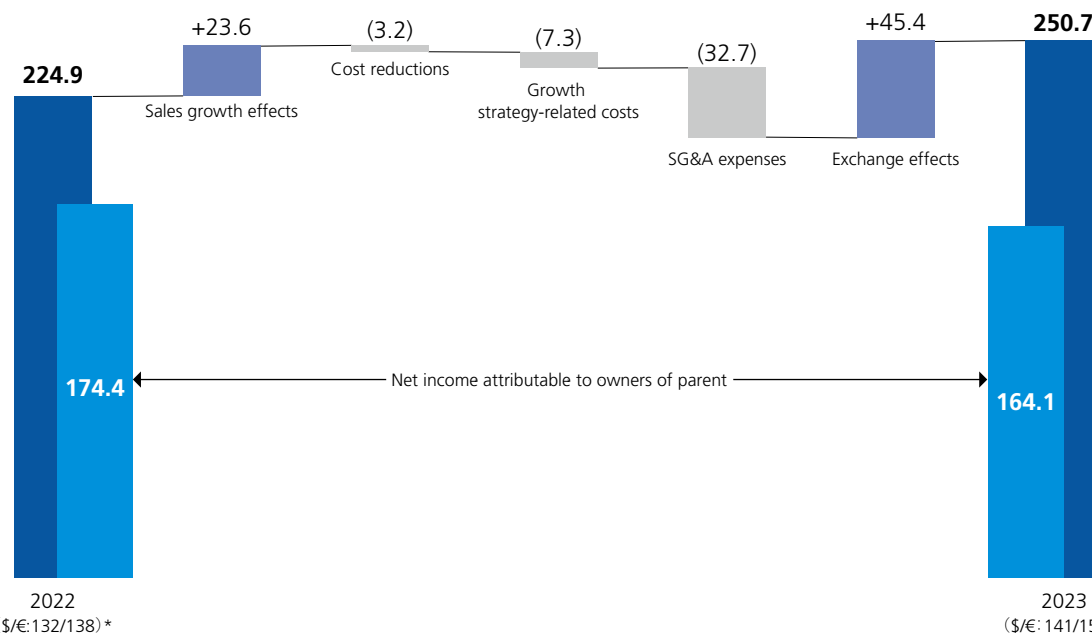
Net sales increased ¥113.6 billion (7.7%) year on year to ¥1,581.8 billion and operating income increased ¥36.9 billion (42.3%) year on year to ¥124.3 billion.

For motorcycles, net sales increased ¥116.5 billion (9.0%) year on year to ¥1,408.1 billion, and operating income increased ¥37.6 billion (44.4%) year on year to ¥122.2 billion. In developed markets, strong demand and increased unit sales in Europe and the U.S. amounted to net sales of ¥354.2 billion, an increase of ¥31.3 billion year on year (9.7%). Demand rose for motorcycles in emerging markets, especially in Asia, with the exception of Vietnam and China, where economic stagnation continues. Motorcycle unit sales increased in Indonesia, India, and Brazil, resulting in net sales of ¥1,054 billion, an increase of ¥85.2 billion (8.8%) year on year. Overall operating income for the motorcycle business increased mainly due to increased unit sales and the positive effects from cost pass-throughs and the depreciating yen. Overall motorcycle unit sales were 4.83 million units, a year-on-year increase of 1.1%, as demand remained strong in many regions.

In the recreational vehicles (all-terrain vehicles, ROVs, and snowmobiles) category, net sales increased by ¥9.6 billion (7.8%) year on year to ¥132.9 billion, while operating income was ¥6.9 billion, up from an operating loss of ¥2.9 billion the previous fiscal year. As demand slowed after the outdoor recreation boom, our shipments also declined. On the other hand, both sales and income increased due to improved manufacturing efficiency at our U.S. factory, which had

### Factors Impacting Operating Income

(¥ billion)



\*Exchange rate as of December 31 of the corresponding year

Breakdown of Sales Growth Effects			
Scaling up	-7.7	Pricing	+49.4
Mix, etc.	-22.4	Unrealized impacts	+4.7
		Financial services	-0.5

Breakdown of Cost Reductions	
Cost decreases	+20.5
Cost increases	-23.7

Breakdown of SG&A Expenses	
Personnel costs	-13.3
Logistics costs	+1.0
Operating costs	-6.7
Others	-13.7

been facing challenges in the previous year, as well as the positive effect of the yen's depreciation.

In the Smart Power Vehicle (electrically power-assisted bicycles, e-Kits, electric wheelchairs) category, net sales decreased ¥12.5 billion (23.5%) year on year to ¥40.8 billion, with an operating loss of ¥4.8 billion, down from an operating income of ¥5.6 billion the previous fiscal year. We continue to adjust our inventories in our main market of Europe. Although we have also implemented manufacturing adjustments, market inventories remain at high levels and are expected to take some time to be resolved. Net sales and operating income decreased due to lower unit sales of electrically power-assisted bicycles and e-Kits.

### Marine Products Segment

Net sales in the Marine Products segment increased ¥30.5 billion (5.9%) year on year to ¥547.5 billion and operating income was up ¥4.5 billion (4.1%) year on year to ¥113.7 billion.

While demand for large outboard motors remained strong in the U.S., demand for small and midrange outboard motors declined. Meanwhile, in Europe, outboard demand declined due to concerns of an economic recession. Demand in the commercial fishing and tourism industries increased in China and Southeast Asia, while stable

demand for commercial fishing continued in Latin America. Outboard motor sales increased in emerging markets but decreased in developed markets, amounting to an overall decrease. In the personal watercraft business, unit sales increased as demand remained strong. With the added positives of the weak yen, overall sales and profits increased in the Marine Products segment.

### Robotics Segment

Net sales in the Robotics segment decreased ¥14.5 billion (12.5%) year on year to ¥101.4 billion and operating income fell ¥11.0 billion (92.7%) year on year to ¥0.9 billion.

With surface mounters, demand for automotive and industrial equipment remained strong, but as the Chinese economy remained sluggish, demand for consumer products such as smartphones and PCs remained weak and our sales declined mainly in China and Taiwan. In addition, industrial robots were significantly affected by declining sales in China, although demand for investment in EV batteries increased in Japan and South Korea. On the other hand, orders for semiconductor manufacturing equipment increased due to rising demand for use in generative AI applications. As a result, overall sales and profits in the Robotics segment decreased.

### Financial Services Segment

Net sales in the Financial Services segment increased ¥24.3 billion (39.1%) year on year to ¥86.5 billion, but operating income decreased ¥2.2 billion (12.6%) to ¥15.3 billion. The increase in unit sales led to an increase in sales finance receivables, as well as the passing on of procurement interest rates to customers, resulting in an increase in yield. On the other hand, the decrease was mainly due to higher funding costs, an increase in allowance for doubtful accounts due to an increase in receivables, and a loss on the valuation of interest rate swaps in Brazil.

### Other Products Segment

Net sales in the Other Products segment increased ¥12.4 billion (14.6%) year on year to ¥97.6 billion, but the business recorded an operating loss of ¥3.6 billion, up from an operating loss of ¥1.2 billion the previous fiscal year. Although sales increased due to higher unit sales of golf cars as a result of improved manufacturing efficiency at our U.S. factory, overall profits in the Other Products segment decreased due to higher fixed costs and other factors.

## Analysis of Financial Position

Total assets at the end of fiscal 2023 amounted to ¥2,572.0 billion, an increase of ¥388.7 billion from December 31, 2022. Current assets were up ¥242.9 billion over the same period, primarily from an increase in sales finance receivables resulting from an increase in unit sales and the effects of foreign exchange rates. Fixed assets increased ¥145.8 billion year on year mainly due to an increase in long-term sales finance receivables.

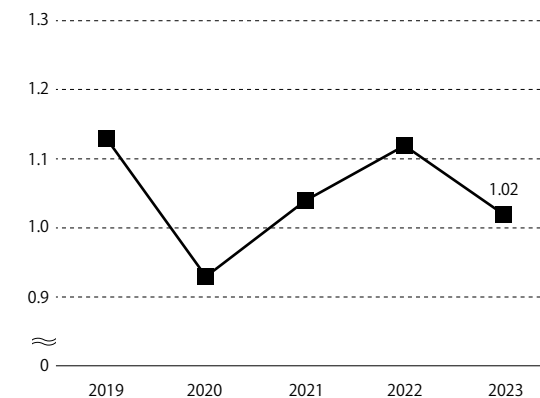
Total liabilities increased ¥260.3 billion to ¥1,389.3 billion, owed largely to an increase in interest-bearing debt resulting from an increase in long-term debt and working capital, and the effect of foreign exchange rates.

Total net assets were up ¥128.4 billion to ¥1,182.7 billion as a result of having recorded ¥47.1 billion in cash dividends paid, ¥30.0 billion in purchased treasury shares, ¥164.1 billion in net income attributable to owners of parent, and a ¥47.4 billion increase in foreign currency translation adjustments.

As a result, the shareholders' equity ratio was 43.7%, compared with 45.9% at the end of the previous fiscal year. The debt-equity ratio was 0.45 times, compared with 0.31 times at the end of the previous fiscal year.

### Total Asset Turnover

(Times)



Note: Includes sales finance

## Cash Flows

### Operating Cash Flow

Overall, net cash provided by operations in fiscal 2023 was ¥80.2 billion, compared with ¥70.9 billion the previous fiscal year. This mainly reflected ¥241.7 billion in income before income taxes (vs. ¥245.8 billion); ¥63.2 billion in depreciation (¥59.8 billion); a decrease in trade receivables by ¥16.8 billion (vs. an increase of ¥12.9 billion); and other factors. Outflows saw an increase in sales finance receivables of ¥120.6 billion (an increase of ¥70.8 billion); ¥79.1 billion in income taxes paid (¥53.8 billion); an increase in inventories of ¥45.8 billion (an increase of ¥90.1 billion); and a decrease in trade liabilities of ¥29.7 billion (an increase of ¥3.1 billion); and other factors.

### Investing Cash Flow

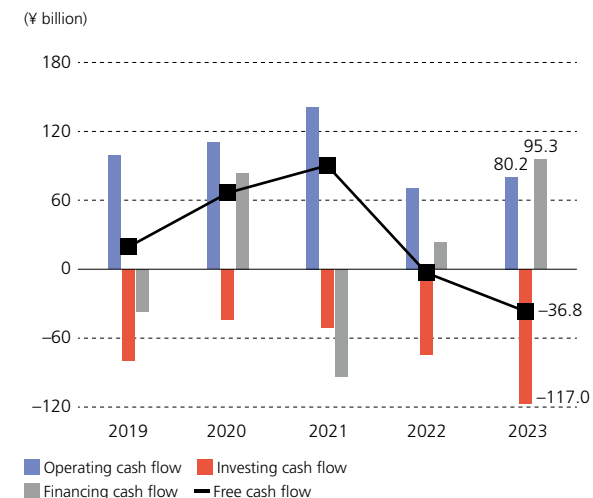
Net cash used for investing in fiscal 2023 was ¥117.0 billion, compared with ¥74.2 billion the previous fiscal year, primarily reflecting ¥109.9 billion used for the purchase of fixed assets (vs. ¥89.4 billion); ¥18.3 billion used for the purchase of investment securities (vs. ¥15.3 billion); and other factors.

### Financing Cash Flow

Net cash provided by financing in fiscal 2023 was ¥95.3 billion, compared with ¥23.1 billion the previous fiscal year, primarily reflecting an increase in interest-bearing debt and other factors, despite cash used for cash dividends paid and the purchase of treasury shares.

As a result of the above activities, free cash flow for fiscal 2023 was a negative ¥36.8 billion (vs. a negative ¥3.2 billion the previous fiscal year). Cash and cash equivalents totaled ¥347.0 billion, an increase of ¥50.2 billion from the end of the previous fiscal year. Interest-bearing debt (excluding lease liabilities) at the end of fiscal 2023 was ¥843.9 billion, an increase of ¥241.2 billion from the end of the previous fiscal year.

### Consolidated Cash Flow



## Capital Resources and Liquidity

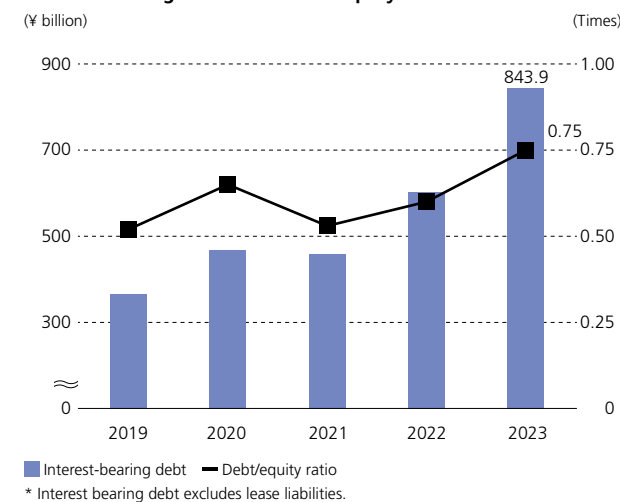
The Yamaha Motor Group's primary capital needs are covering the costs of procuring the materials, parts, and other articles used in product manufacturing; costs incurred in the manufacturing process; the purchasing costs for products and merchandise; selling, general and administrative expenses; working capital; capital expenditures; and investment financing and sales financing related to our products.

Group companies acquire short-term loans requiring payment within one year denominated in local currencies to use as working capital. Meanwhile, funds for capital expenditures come primarily from internal reserves, including paid-in capital and retained earnings.

In managing capital liquidity, Yamaha Motor secures the necessary liquidity by creating and updating cash flow schedules on a timely basis and properly maintaining cash and cash equivalents on hand.

While free cash flow was negative in fiscal 2023, this was due to an increase in sales finance receivables and inventories on the back of strong demand and sales of motorcycles and large outboard motors, as well as active investment in capital expenditures. In addition, the Company repurchased its own shares to improve shareholder returns and capital efficiency.

### Interest-Bearing Debt\* and Debt/Equity Ratio



## Capital Expenditures

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

In the Land Mobility segment, investments of ¥67.3 billion were made mainly for updating production facilities, new motorcycle models, improving the production scheme, and for R&D. In the Marine Products segment, investments of ¥21.1 billion were made mainly for new outboard motor models and upgrading production

equipment. In the Robotics segment, investments of ¥9.6 billion were made mainly for research and development for surface mounters and industrial robots, expanding the plant, and new industrial-use unmanned helicopter models. In the Other Products segment, investments of ¥6.1 billion were made mainly for new golf car models. In fiscal 2024, the Company plans capital expenditures of ¥100.0 billion and R&D expenditures of ¥139.0 billion.

## Cash Dividends

The Company considers increasing returns to shareholders an important management issue as it endeavors to improve corporate value.

As indicated in the Medium-Term Management Plan announced in 2022, we will pay stable and continuous dividends under our new shareholder return policy while taking into consideration the outlook for business performance and investments for future growth. We will continue to flexibly return profits to shareholders in accordance with the size of cash flows, with a target total return ratio of 40% for the cumulative period of the Medium-Term Management Plan.

The Company has a basic policy of paying an interim dividend and a year-end dividend. The decision-making body for the interim dividend is the Board of Directors, while the General Meeting of

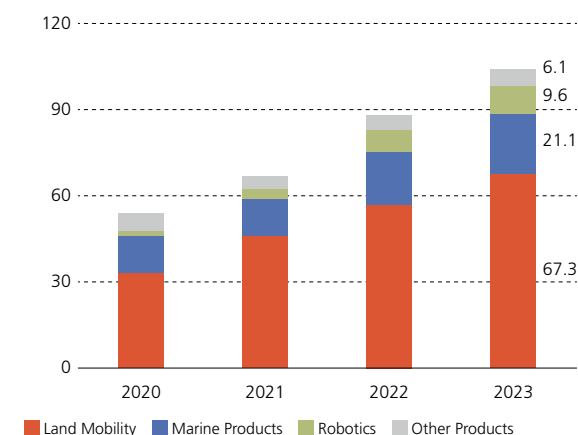
Shareholders decides the year-end dividend. The Company's Articles of Incorporation provide that the record date shall be June 30 for the interim dividend and December 31 for the year-end dividend.

The Company decided to pay a full-year dividend of ¥145 per share (including an interim dividend of ¥72.5 per share) for the current fiscal year.

The Company conducted a three-for-one stock split of shares of common stock, effective January 1, 2024. As a result, the annual dividend for the next fiscal year will be ¥50 (an interim dividend of ¥25 per share and ¥25 yen at the fiscal year-end). In addition, the Company plans to conduct a ¥20.0 billion purchase of treasury shares.

## Capital Expenditures

(¥ billion)



## Forecast for the Fiscal Year Ending December 31, 2024

In 2024, demand in emerging markets is expected to be driven by Indonesia, India, and Brazil, while in developed markets, consumption by high-income consumers in the U.S. is expected to remain strong. In addition, ocean freight rates are expected to decrease.

Risks include rising costs for labor, parts, and more, logistical disruptions in the Red Sea, and exchange rate fluctuations. We will also respond to the impact of the Noto Peninsula earthquake on our supply chain by procuring alternative parts.

Under these circumstances, the Land Mobility segment is expected to see improved supply of premium segment motorcycle and scooter models in emerging markets, and the Marine Products segment is expected to see sales growth supported by the launch of new large outboard motor models and firm demand in Asia. In addition, the Robotics segment expects demand to recover in the second half of the fiscal year.

(Billions of Yen)	Reference value		
	2024 Forecast (IFRS)	2024 Forecast (Japan GAAP)	Year-on-year
Net revenue*	2,600	2,600	108%
Operating income	260	255	102%
Ordinary income ratio	10.0%	9.8%	-0.6 pts.
Net income attributable to owners of parent	175	175	107%

\* "Net sales" under Japanese GAAP listed as "net revenue."  
Exchange rates: ¥140 to US\$1 (up ¥1 year on year), ¥150 to €1 (up ¥2 year on year)



reddot winner 2023



### Electric Scooter NEO'S

Red Dot Award 2023 [Winner]

The NEO'S was developed under the concept of a "New Standard of Mobility for the Next Generation." It features a removable 50.4V battery and a brushless motor packaged into a stylish body design, providing the smooth and agile performance feel electric vehicles (EVs) are known for. The NEO'S is an alternative solution for urban areas beset with chronic traffic congestion, a shortage of parking spaces, traffic restrictions and the like.

International Design Excellence Awards 2023



### Electric Trials Bike TY-E 2.0

Red Dot Award 2023 [Winner]  
International Design Excellence Awards 2023 [Finalist]

To develop an electric vehicle that delivers a level of fun surpassing vehicles with conventional internal combustion engines, Yamaha Motor chose trials as the field of competition for its approach as it is a motorsport that requires incredibly high and wide-ranging performance characteristics, and this R&D prototype motorcycle was created to achieve these goals. The TY-E 2.0 is equipped with sophisticated electronic control algorithms unique to its electric powertrain and a large-capacity lightweight battery. It will compete in a round of the Trial World Championship alongside motorcycles using internal combustion engines.



### Sport Boat 275SDX

International Design Excellence Awards 2023 [Finalist]

This flagship sport boat features the DRIVE X boat control system for intuitive maneuvering, outstanding cruising performance, and comfortable as well as roomy onboard spaces. The hard top with sunroof and large side windows accentuate the flowing lines and beautifully refined styling without sacrificing the craft's sleek form. The walk-through deck layout accommodates a variety of recreational activities on the water while enabling the boat's ample onboard room.

### Good Design Award 2023



### Motorcycle-Related Yamaha motor LAB for R7

Good Design Award 2023

A co-creation community between fans and manufacturers, limited to the highly hobbyist YZF-R7 motorcycle. Fans can interact directly with active developers on a daily basis, and through co-creation of products, etc., an unprecedentedly close relationship is designed. In addition to holding various events, we are releasing completely made-to-order exterior kits and other products that enable participation in priceless customer experiences.



### Agricultural Drone YMR-II

Good Design Award 2023

A high-performance drone that contributes to efficiency and labor savings, as well as data-based growth management to address issues such as labor shortages and productivity improvement in the agricultural industry. Equipped with automatic navigation and takeoff/landing functions that even beginners can easily handle, as well as safe and secure security functions, it contributes to the modernization of agriculture. Its main features include stable flight performance, lightweight and compact design for convenient storage and transportation, and a highly versatile and expandable airframe etc.

### AUTO COLOR AWARDS 2023



### Color Strategy CMFG Co-Created with Our Fans

AUTO COLOR AWARDS [Special Award]

The YZF-R7 was fitted with a Yamaha Factory Racing Team Fairing Kit from Y's Gear Co., Ltd. This exterior bodywork kit was brought to reality through the construction of a new process for manufacturing that crosses the boundaries between fans and the manufacturer while utilizing newly developed CMFG\* technology. Although two-tone color schemes are known for being difficult to achieve, this kit is notable for its use of two deliberately shifted shades of blue that harmonize in sunlight.

\* CMFG refers to surfaces that combine the important design elements of color, material, and finish, along with the graphics that are so important in motorcycle design.



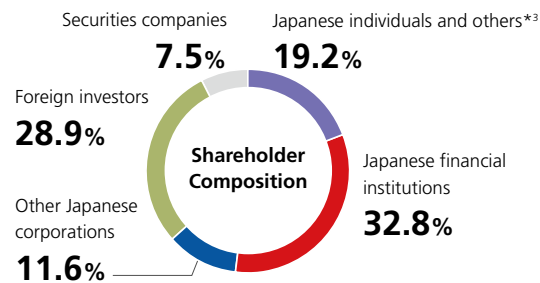
# Corporate Information / Stock Information

(As of December 31, 2023)

<b>Company name</b>	Yamaha Motor Co., Ltd.
<b>Headquarters</b>	2500 Shingai, Iwata, Shizuoka 438-8501, Japan
<b>Date of establishment</b>	July 1, 1955
<b>Capital</b>	¥86,100 million
<b>Number of employees</b>	Consolidated: 53,701 Non-consolidated: 10,366

## Capital Stock

<b>Authorized*1</b>	900,000,000 shares (common stock)
<b>Issued*2</b>	350,217,467 shares
<b>Number of shareholders</b>	136,752



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

\*2 The Company conducted a stock split for each share of common stock into 3 shares per share on January 1, 2024. As a result, the number of shares outstanding increased by 700,434,934 shares to 1,050,652,401 shares.

\*3 Percentage of ownership excludes treasury shares.

Introduction

Medium- to Long-Term Strategies

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Functional Competitiveness

Management Platforms

Facts and Data

<b>Stock listing</b>	Tokyo Stock Exchange
<b>Stock code</b>	7272
<b>Administrator of shareholder registry</b>	Sumitomo Mitsui Trust Bank, Limited 3-15-33 Sakae, Naka-ku, Nagoya-shi, Aichi Prefecture 460-8685
<b>Auditor</b>	Ernst & Young ShinNihon LLC
<b>Inclusion in major indices</b>	Nikkei 225, JPX-Nikkei 400, JPX Prime 150 Index

## Principal Shareholders

Shareholder	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	18.03
Custody Bank of Japan, Ltd. (trust account)	5.84
Yamaha Corporation	4.73
Toyota Motor Corporation	3.78
SMBC Nikko Securities Inc.	3.37
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	2.94
State Street Bank West Client Treaty 505234	1.95
JPMorgan Securities Japan Co., Ltd.	1.95
The Shizuoka Bank, Ltd.	1.71
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	1.57

Note: Percentage of ownership is calculated excluding treasury shares.

## Major consolidated subsidiaries

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

## Shareholder Notes

<b>Fiscal year</b>	January 1 to December 31
<b>Reference date for allocation of surplus for dividends</b>	Year-end dividends: December 31 Interim dividends: June 30
<b>General Meeting of Shareholders</b>	March
<b>Share unit number</b>	100 shares
<b>Method of public notice</b>	Public notices are given by electronic notice. In unforeseen circumstances where electronic notices are impossible, public notice is made in the <i>Nihon Keizai Shimbun</i> .



**YAMAHA MOTOR CO., LTD.**

2500 SHINGAI, IWATA, SHIZUOKA, JAPAN

<https://global.yamaha-motor.com/>