(TRANSLATION ONLY)

Yamaha Motor Co., Ltd.
2500 Shingai, Iwata-shi, Shizuoka, Japan

Code No: 7272
March 3, 2025
(Measures for electronic provision were made available on February 28, 2025)

# Notice of the 90th Ordinary General Meeting of Shareholders

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders:

This is to inform you of the 90th Ordinary General Meeting of Shareholders, to be held at the time and place indicated below.

In convening this General Meeting of Shareholders, the Company provides information electronically. The Company's website on the Internet provides the matters to be provided electronically as the "Notice of the 90th Ordinary General Meeting of Shareholders."

The Company's website: https://global.yamaha-motor.com/jp/ir/shareholder/meeting/

In addition to the above, the information is also made available on the following website on the Internet.

Listed Company Search: https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the above website, enter or search our "Company name" or "Code," and select "Basic information" and "Documents for public inspection/PR information" in that order.

**You are kindly advised to exercise your voting rights via the Internet, etc. or by mailing the enclosed Exercise of Voting Rights Form. Please review the Reference Documents for the General Meeting of Shareholders in the matters to be provided electronically and exercise your voting rights by 5:30 p.m. on Monday, March 24, 2025 (JST).**

**[Exercising Voting Rights via the Internet, Etc.]**

Please read the attached documents on page 112, "Procedures for Exercising Voting Rights via the Internet, Etc." and exercise your voting rights online.

**[Exercising Voting Rights by Mail]**

Please indicate your vote of approval or disapproval for each proposed resolution on the enclosed Exercise of Voting Rights Form and return the form to us so that it arrives by the aforementioned deadline.

1. **Date and Time:** Tuesday, March 25, 2025 at 10:00 a.m. (JST)
   (The reception will open at 9:00 a.m.)

2. **Location:** Communication Plaza of the Company
   2500 Shingai, Iwata-shi, Shizuoka, Japan

3. **Meeting Agenda**

   **Items to be reported:**

   1. Business Report for the 90th Fiscal Year (from January 1, 2024 through December 31, 2024); Consolidated Financial Statements applicable to the 90th Fiscal Year, Report of Accounting Auditor on Consolidated Financial Statements; and Report of the Audit & Supervisory Board on Consolidated Financial Statements
   2. Non-consolidated Financial Statements applicable to the 90th Fiscal Year (from January 1, 2024 through December 31, 2024).

   **Items to be resolved:**

   **Proposed Resolution 1** Appropriation of Surplus

   **Proposed Resolution 2** Partial Amendments to the Articles of Incorporation

   **Proposed Resolution 3** Election of Nine Directors

   **Proposed Resolution 4** Election of Two Audit & Supervisory Board Members

**4. Predetermined Terms of the Convening**

(1) If you do not indicate your vote of approval or disapproval for each proposed resolution on the Exercise of Voting Rights Form, we will consider you to have approved the Company's proposed resolutions on which you did not vote, as stipulated in Paragraph 3 of Article 16 of the "Share Handling Regulations."

(2) Duplicate voting

1) If we recognize that you exercise your voting right via the Internet, etc. more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 16 of the "Share Handling Regulations."
2) If we recognize that you exercise your voting right both in writing and via the Internet, etc. on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 16 of the "Share Handling Regulations." If both votes arrive on the same day, the vote via the Internet, etc. will prevail and be treated as the effective vote.

(3) A person who is to exercise voting rights on behalf of a shareholder as a proxy (one other shareholder with voting rights of the Company) shall not be entitled to exercise the shareholder's voting rights as a proxy unless the person receives an Exercise of Voting Rights Form from the shareholder and submits it to the Company, as stipulated in Paragraph 4 of Article 16 of the "Share Handling Regulations."

**5. Other Matters regarding this Notice**

"Systems to Ensure Proper Business Operations," "Overview of the Implementation Status of the Systems to Ensure Proper Business Operations" in the Business Report, and the "Consolidated Statements of Changes in Equity," "Notes to Consolidated Financial Statements," "Non-consolidated Statements of Changes in Equity," and "Notes to Non-consolidated Financial Statements" are not included in the paper copy sent to shareholders who had requested it, pursuant to the applicable laws and regulations and the Articles of Incorporation of the Company. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents to be audited, including the said documents.

Note: If and when any correction is made to the matters to be provided electronically, the matters before and after the correction will be announced on each website on the Internet as indicated on the previous page.

## Guide to shareholders

■ Live broadcast

Date and time of broadcast: Tuesday, March 25, 2025
From 10:00 a.m. until the closing of the meeting
(The website can be accessed from 9:30 a.m.)

How to log in: Please access the URL of the website for viewing (https://www.virtual-sr.jp/users/yamaha-motor/login.aspx) and log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number) to view the live broadcast.

(1) Please note that shareholders viewing the meeting cannot exercise voting rights or ask questions during the meeting. We appreciate your kind understanding in advance.
(2) Picture and sound problems may occur upon viewing, or the live broadcast may not be viewable depending on your PC environment and conditions of the Internet connection, or due to the concentration of access from shareholders and other factors.
(3) Communication expenses and other fees required for viewing shall be borne by shareholders.
(4) The taking of photographs, sound recording, video recording or publishing via social media of the live broadcast shall be prohibited.

■ Acceptance of advance questions

Acceptance period: Until Tuesday, March 18, 2025 at 5:30 p.m.

How to send questions: Please access the URL of the dedicated website (https://www2.yamaha-motor.co.jp/jp/spt/shareholders-meeting2025/login), log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number) and enter your questions in the form for accepting advance questions.

Questions that would be of particular interest to shareholders will be responded to during the meeting, but individual replies will not be provided. We would appreciate your kind understanding in advance.

■ For shareholders with physical disabilities or impairments

On the day of the meeting, please feel free to ask management staff for assistance with wheelchair support, guidance to seats and restrooms, written assistance at the reception desk and other services.

■ Inquiries

For inquiries regarding the shareholder number or the live broadcast, please contact:
Sumitomo Mitsui Trust Bank, Limited, Live Broadcast Support Desk
Phone: 0120-782-041 (toll-free within Japan)
Hours: 9:00 – 17:00 (JST) (every day except Saturday, Sunday and public holiday)

## Reference: Points of the Proposed Resolutions

### Proposed Resolution 1  Appropriation of Surplus

The Company proposes to pay a year-end dividend of 25 yen per share for the current fiscal year. As a result, the annual dividend, including the interim dividend (25 yen per share), will be 50 yen per share.

### Proposed Resolution 2  Partial Amendments to the Articles of Incorporation

The Company proposes the amendments to the current Article of Incorporation as follows:

(1) In order to flexibly handle the convening procedures and selection of chairperson at the General Meeting of Shareholders, Article 15 of the current Articles of Incorporation shall be amended.

(2) In order to ensure that the number of Directors is appropriate (12 or less) in accordance with the reality, Article 20 of the current Articles of Incorporation shall be amended.

(3) In order to enable agile establishment of the optimal management structure, Article 22 of the current Articles of Incorporation shall be amended in order to elect not only Directors but also a president from outside the Board of Directors.

**Proposed Resolution 3 Election of Nine Directors**

As all of the Directors will complete their respective terms of office, the Company proposes the election of nine (9) Directors.

| Candidate No. | Name | Gender | | New candidate or candidate for reappointment | Current positions and responsibilities in the Company |
|---|---|---|---|---|---|
| 1 | Katsuaki Watanabe | Male | | Candidate for reappointment | Chairman and Director, and President, Chief Executive Officer and Representative Director |
| 2 | Motofumi Shitara | Male | | Candidate for reappointment | Executive Vice President and Representative Director<br>CFO<br>In charge of Corporate Affairs, Corporate Strategy, Human Resources & General Affairs, Risk Compliance, Legal & Intellectual Property, Corporate Planning & Finance Center, IT, Creative |
| 3 | Heiji Maruyama | Male | | Candidate for reappointment | Director and Managing Executive Officer<br>In charge of Technology, Research & Development, Powertrain, Mobility System, Motorcycle Vehicle Development |
| 4 | Satohiko Matsuyama | Male | | Candidate for reappointment | Director and Senior Executive Officer<br>In charge of Manufacturing,<br>In charge of Manufacturing, Manufacturing Technology, Procurement, US Strategy |
| 5 | Yuko Tashiro | Female | Outside<br>Independent | Candidate for reappointment | Outside Director |
| 6 | Tetsuji Ohashi | Male | Outside<br>Independent | Candidate for reappointment | Outside Director |
| 7 | Jin Song Montesano | Female | Outside<br>Independent | Candidate for reappointment | Outside Director |
| 8 | Keiji Masui | Male | Outside<br>Independent | Candidate for reappointment | Outside Director |
| 9 | Sarah L.Casanova | Female | Outside<br>Independent | New candidate | – |

**Proposed Resolution 4 Election of Two Audit & Supervisory Board Members**

Audit & Supervisory Board Member Eriko Kawai will complete her term of office at the conclusion of this Ordinary General Meeting of Shareholders and Junzo Saitoh will resign at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to elect two (2) Audit & Supervisory Board Members.

| Candidate No. | Name | Gender | | New candidate or candidate for reappointment | Current positions in the Company |
|---|---|---|---|---|---|
| 1 | Takeo Noda | Male | | New candidate | Executive Officer, Assistant to the President |
| 2 | Eriko Kawai | Female | Outside<br>Independent | Candidate for reappointment | Audit & Supervisory Board Member (Outside) |

# Reference Documents for the 90th Ordinary General Meeting of Shareholders

## Proposals and Reference Information

## Proposed Resolution 1 Appropriation of Surplus

Regarding appropriation of surplus, the Company pays stable and continuous dividends while taking into consideration the outlook for business performance and investment for future growth in accordance with the shareholder return policy as stated in the Medium-Term Management Plan announced in 2022. The Company will continue to implement flexible shareholder returns in accordance with the scale of cash flows and has set the benchmark at a total shareholder return ratio of 40% as a cumulative total for the period of the Medium-Term Management Plan.

The Company proposes to pay a year-end dividend of 25 yen per share for the current fiscal year. As a result, the annual dividend, including the interim dividend (25 yen per share), will be 50 yen per share.

(1) Type of dividend property:
Cash

(2) Distribution of dividend property to shareholders, and the total amount distributed:
25 yen per share of common stock Total
amount: 24,441,888,425 yen

(3) Effective date of distribution of surplus:
March 26, 2025

## Proposed Resolution 2 Partial Amendments to the Articles of Incorporation

Reasons for the proposal

(1) In order to flexibly handle the convening procedures and selection of chairperson at the General Meeting of Shareholders, Article 15 of the current Articles of Incorporation shall be amended.

(2) In order to ensure that the number of Directors is appropriate in accordance with the reality, Article 20 of the current Articles of Incorporation shall be amended in order to reduce the number of Directors from fifteen (15) or less to twelve (12) or less.

(3) In order to agilely establish the optimal management structure, the Article 22 of the current Articles of Incorporation shall be amended in order to elect not only Directors but also a president from outside the Board of Directors.

(Underlined parts indicate amendments.)

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| Article 15 Person to convene meetings and chairperson<br>Director and President shall convene the General Meeting of Shareholders pursuant to a resolution of the Board of Directors and act as the chairperson of such Meeting, unless otherwise provided by law or ordinance. When Director and President is unable to do so, other Directors shall take his/her place in the order predetermined by the Board of Directors. | Article 15 Person to convene meetings and chairperson<br>Predesignated Director shall convene the General Meeting of Shareholders pursuant to a resolution of the Board of Directors and act as the chairperson of such Meeting, unless otherwise provided by law or ordinance. When the said Director is unable to do so, other Board Director shall take his/her place in the order predetermined by the Board of Directors. |
| Article 20 Number of Directors<br>The number of Directors of the Company shall not be more than fifteen (15). | Article 20 Number of Directors<br>The number of Directors of the Company shall not be more than twelve (12). |
| Article 22 Representative Directors and Directors with titles | Article 22 Representative Directors |
| 1. The Board of Directors elects Representative Directors pursuant to the resolution. | 1. The Board of Directors elects Representative Directors pursuant to the resolution. |
| 2. The Board of Directors may designate one each for the Chairman and Director and Director and President pursuant to the resolution. | (Deleted) |

## Proposed Resolution 3 Election of Nine Directors

All of the nine (9) Directors will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, Yamaha Motor Co., Ltd. (hereafter "the Company") proposes the election of nine (9) Directors.

The Director candidates are as follows.

| Candidate No. | Name (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---|---|---|---|
| 1 | Katsuaki Watanabe (November 15, 1959)<br>Candidate for Reappointment | April 1982: Joined the Company<br>January 2007: Director and President of Yamaha Motor Parts Manufacturing Vietnam Co., Ltd.<br>January 2009: Senior General Manager of BD Manufacturing Section, Manufacturing Center of the Company<br>March 2010: Executive Officer of the Company<br>November 2010: Chief General Manager of Manufacturing Center of the Company<br>March 2011 Senior Executive Officer of the Company<br>April 2013: Chief General Manager of Manufacturing Center and Executive General Manager of 1st Business Unit, MC Business Operations of the Company<br>March 2014: Senior Executive Officer and Director of the Company<br>March 2016: Managing Executive Officer and Director of the Company<br>January 2018: Executive Vice President and Representative Director of the Company<br>January 2022: Chairman and Representative Director of the Company<br>October 2024: Chairman and Director, and President, Chief Executive Officer and Representative Director of the Company (to present) | 211,708 |
| | | - Term of office as a Director:<br>11 years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Director:<br>The Company nominated Katsuaki Watanabe as a candidate for Director for the following reasons: he has the personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Representative Director of the Company since 2018, he is highly capable in corporate management that is required to deal with a variety of values and has expertise in the procurement and manufacturing fields. Accordingly, he is expected to contribute to increasing the corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors. | |

| Candidate No. | Name (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---|---|---|---|
| 2 | Motofumi Shitara (October 29, 1962)<br>Candidate for Reappointment | April 1986: Joined the Company<br>January 2011: General Manager of Business Planning Division, ME Business Unit, Marine Business Operations of the Company<br>January 2015: Executive General Manager of ME Business Unit, Marine Business Operations of the Company<br>March 2016: Executive Officer of the Company<br>January 2017: Deputy Chief General Manager of Corporate Planning & Finance Center of the Company<br>January 2018: Director and President of Yamaha Motor India Pvt. Ltd. and Director and President of Yamaha Motor India Sales Pvt. Ltd.<br>January 2022: In charge of Corporate Affairs of the Company<br>March 2022: Director and Senior Executive Officer of the Company<br>October 2024: Executive Vice President and Representative Director of the Company<br>January 2025: Executive Vice President, Representative Director and CFO of the Company (to present)<br>[Responsibilities]<br>In charge of Corporate Affairs<br>Corporate Strategy, Human Resources & General Affairs, Risk Compliance, Legal & Intellectual Property, Corporate Planning & Finance Center, IT, Creative | 72,138 |
| | | - Term of office as a Director:<br>Three years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Director:<br>The Company nominated Motofumi Shitara as a candidate for Director for the following reasons: he has the personality traits required of a Director such as high ethics and fairness. With his experience and business track records as President of Yamaha Motor India Pvt. Ltd., Deputy Chief General Manager of Corporate Planning & Finance Center, and Executive General Manager of ME Business Unit, Marine Business Operations of the Company and others, he is highly capable and has expertise in the finance and management control fields. Accordingly, he is expected to contribute to increasing the corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors. | |

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Brief career summaries, positions and responsibilities in the Company and significant concurrent positions</th><th>No. of the Company shares held</th></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Heiji Maruyama<br>(February 8, 1962)<br>Candidate for Reappointment</td><td>April 1986: Joined the Company<br>January 2010: General Manager of Engineering Division 1, AM Business Unit of the Company<br>January 2012: Executive General Manager of AM Business Unit of the Company<br>March 2015: Executive Officer of the Company<br>January 2019: Chief General Manager of Powertrain Unit of the Company<br>March 2019: Senior Executive Officer of the Company<br>January 2021: Chief General Manager of Technical Research & Development Center of the Company<br>March 2021: Director of the Company (to present)<br>March 2023: Managing Executive Officer of the Company (to present)<br>[Responsibilities]<br>In charge of Technology<br>Research & Development, Powertrain, Mobility System and Motorcycle Vehicle Development</td><td>77,659</td></tr>
<tr><td colspan="2">- Term of office as a Director:<br>Four years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Director:<br>The Company nominated Heiji Maruyama as a candidate for Director for the following reasons: he has the personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Chief General Manager of Technical Research & Development Center and Chief General Manager of Powertrain Unit of the Company and others, he is highly capable and has expertise in the technology and operation fields. Accordingly, he is expected to contribute to increasing the corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</td></tr>
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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Brief career summaries, positions and responsibilities in the Company and significant concurrent positions</th><th>No. of the Company shares held</th></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Satohiko Matsuyama<br>(August 11, 1963)<br>Candidate for Reappointment</td><td>April 1986: Joined the Company<br>January 2010: General Manager of MC Assembly Factory, BD Manufacturing Section, Manufacturing Center of the Company<br>January 2013: Senior General Manager of Manufacturing Planning Section, Manufacturing Center of the Company<br>January 2015: Executive General Manager of RV Business Unit, Vehicle & Solution Business Operations of the Company<br>March 2015: Executive Officer of the Company<br>January 2018: Chief General Manager of Manufacturing Center of the Company<br>March 2019: Senior Executive Officer of the Company (to present)<br>March 2022: Director of the Company (to present)<br>[Responsibilities]<br>In charge of Manufacturing<br>In charge of Manufacturing, Manufacturing Technology, Procurement, US Strategy</td><td>77,904</td></tr>
<tr><td colspan="2">- Term of office as a Director:<br>Three years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Director:<br>The Company nominated Satohiko Matsuyama as a candidate for Director for the following reasons: he has the personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Chief General Manager of Manufacturing Center of the Company and others, he is highly capable and has expertise in the manufacturing field. Accordingly, he is expected to contribute to increasing the corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</td></tr>
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The Outside Director candidates are as follows.

In addition to requirements in the independence criteria established by the Tokyo Stock Exchange, the Company has established its original "Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members" as stated below.

(Reference) Summary of "Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members"

I. Independent Outside Directors / Audit & Supervisory Board Members may not be:

1. Employees or former employees of the company
2. Major shareholders
3. Individuals in a "major customer" relationship with our corporate group
4. Individuals from companies that have accepted a director from Yamaha Motor Group
5. Individuals with some other type of vested interest in the Group
6. Individuals who might have a conflict of interest with our general shareholders

Moreover, individuals who are second-degree relatives, or cohabiting relatives, of any of those mentioned above in 1. through 5. may not be officers.

II. Individuals, despite being applicable to any of 2. to 5. above, may be elected as Independent Outside Directors / Audit & Supervisory Board Members of the company if they, in view of their personality and insight, are believed suitable as Independent Outside Directors / Audit & Supervisory Board Members of the company on the condition that the individuals meet the requirements of an outside director as required under the Companies Act, and that a public disclosure is made to explain the reasons for electing them as Independent Outside Directors / Audit & Supervisory Board Members of the company.

As mentioned, the above is a summary of the "Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members." For the full text, please visit our website, https://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf

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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Brief career summaries, positions and responsibilities in the Company and significant concurrent positions</th><th>No. of the Company shares held</th></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Yuko Tashiro<br>(March 14, 1954)<br>Outside Director<br>Independent Outside Director<br>Candidate for Reappointment</td><td>June 1986: Joined KPMG LLP<br>July 1995: Partner of KPMG LLP<br>November 2000: Sourcing Leader of GE Corporate Japan of General Electric International Inc.<br>July 2003: Chief Financial Officer of PHOENIX RESORT CO., LTD.<br>April 2005: Director, Chief Operating Officer and Chief Financial Officer of Aon Holdings Japan, Ltd.<br>April 2010: Representative Director of TS Associates, Ltd.<br>June 2012: Outside Director of Accordia Golf co., Ltd.<br>March 2016: Auditor (External) of McDonald’s Holdings Company (Japan), Ltd.<br>June 2016: Representative Director, President and Chief Executive Officer of Accordia Golf co., Ltd.<br>January 2018: Director and Chairman of the board of Accordia Golf co., Ltd.<br>April 2018: Representative Director, Chairman of the board and President, CEO of Accordia Golf co., Ltd.<br>March 2019: Outside Director of the Company (to present)<br>March 2019: Chairman, CEO and Representative Director of NEXT GOLF MANAGEMENT CORPORATION<br>April 2021: Chairman and Director of NEXT GOLF MANAGEMENT CORPORATION<br>April 2021: Director and Chairman of the board of Accordia Golf co., Ltd.<br>March 2023: Outside Director of McDonald’s Holdings Company (Japan), Ltd. (to present)</td><td>0</td></tr>
<tr><td colspan="2">- Term of office as a Director:<br>Six years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Outside Director:<br>The Company requests shareholders to elect Yuko Tashiro as an Outside Director in the belief that she will provide valuable advice and supervision regarding the Company’s management based on her wide range of insights and her ample experience of management based on her experiences in various managerial positions, including as financial manager and representative director of several companies.<br>- Expected role if appointed:<br>Following her appointment, Yuko Tashiro is expected to contribute to promoting diversity & inclusion from the perspective of strengthening the supervisory functions of the Company’s management as well as organizational reform through promoting the success of women based on her ample knowledge and experience as a U.S. Certified Public Accountant and also as a manager, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors.</td></tr>
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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Brief career summaries, positions and responsibilities in the Company and significant concurrent positions</th><th>No. of the Company shares held</th></tr>
<tr><td rowspan="2">6</td><td rowspan="2">Tetsuji Ohashi<br>(March 23, 1954)<br>Outside Director<br>Independent Outside Director<br>Candidate for Reappointment</td><td>April 1977: Joined Komatsu Ltd.<br>January 2004: President and Chief Operating Officer (COO) of Komatsu America Corp.<br>April 2007: Executive Officer of Komatsu Ltd.<br>April 2008: Senior Executive Officer of Komatsu Ltd.<br>June 2009: Director and Senior Executive Officer of Komatsu Ltd.<br>April 2012: Director and Senior Executive Officer of Komatsu Ltd.<br>April 2013: President and Representative Director, and CEO of Komatsu Ltd.<br>April 2019: Chairman of the Board and Representative Director of Komatsu Ltd.<br>March 2020: Outside Director of the Company (to present)<br>June 2021: Outside Director of Nomura Research Institute, Ltd. (to present)<br>March 2022: Outside Director of Asahi Group Holdings, Ltd. (to present)<br>April 2022: Chairman of the Board of Komatsu Ltd. (to present)<br>[Concurrent positions]<br>Vice Chair of the Board of Councillors of KEIDANREN</td><td>0</td></tr>
<tr><td colspan="2">- Term of office as a Director:<br>Five years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Outside Director:<br>The Company requests shareholders to elect Tetsuji Ohashi as an Outside Director in the belief that he will provide valuable advice and supervision regarding the Company’s management based on his wide range of insights and his ample experience of management and manufacturing, through his experiences in various managerial positions, including as the representative director of a global company.<br>- Expected role if appointed:<br>Following his appointment, Tetsuji Ohashi is expected to contribute to strengthening the supervisory functions of the Company’s management using his management experience at a global company and his ample experience as an external executive of other companies, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors.</td></tr>
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<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Brief career summaries, positions and responsibilities in the Company and significant concurrent positions</th><th>No. of the Company shares held</th></tr>
<tr><td rowspan="2">7</td><td rowspan="2">Jin Song Montesano<br>(April 24, 1971)<br>Outside Director<br>Independent Outside Director<br>Candidate for Reappointment</td><td>September 1995: Congressional Affairs Director of Korea Economic Institute of America (KEI)<br>July 2001: Corporate & Government Affairs Director, Asia Pacific of GlaxoSmithKline plc.<br>July 2005: Vice President, Communications, Asia Region of GE Money<br>March 2009: Vice President, Corporate & Government Affairs, Asia Pacific of Kraft Foods, Inc.<br>July 2012: Vice President, Global Public Affairs of GSK Vaccines<br>November 2014: Executive Officer and Managing Director in charge of Public Affairs, CSR, and Environmental Strategy of LIXIL Group Corporation<br>November 2014: Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation<br>February 2015: Director, Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation<br>September 2017: Director, Senior Managing Director and Chief Public Affairs Officer of LIXIL Corporation<br>June 2020: Director and Executive Vice President in charge of Human Resources, General Affairs, Public Affairs, IR, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Group Corporation<br>December 2020: Director and Executive Vice President in charge of Human Resources, General Affairs, Communications, IR, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Corporation<br>March 2022: Outside Director of the Company (to present)<br>October 2022: Director and Executive Vice President in charge of Human Resources, General Affairs, Communications, External Affairs and Corporate Responsibility, and Chief People Officer of LIXIL Corporation<br>April 2023: Director, Representative Executive Officer, Executive Vice President in charge of Human Resources, Communications, External Affairs, and Impact Strategy, and Chief People Officer of LIXIL Corporation (to present)<br>* As of December 1, 2020, LIXIL Group Corporation and LIXIL Corporation formed a merger (New company name: LIXIL Corporation)</td><td>0</td></tr>
<tr><td colspan="2">- Term of office as a Director:<br>Three years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Reasons for the nomination of candidate for Outside Director:<br>The Company requests shareholders to elect Jin Song Montesano as an Outside Director in the belief that she will provide valuable advice and supervision regarding the Company's management based on her wide range of insights and her ample experience of management overall and in the areas of human resources, communications, external affairs, and Impact Strategy through her experiences in various managerial positions in corporate affairs of a global company.<br>- Expected role if appointed:<br>Following her appointment, Jin Song Montesano is expected to contribute to strengthening the supervisory functions of the Company's management and promoting diversity & inclusion using her knowledge and experience in communications and promoting human resource measures at global companies, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Brief career summaries, positions and responsibilities in the Company and significant concurrent positions</th><th>No. of the Company shares held</th></tr>
<tr><td rowspan="2">8</td><td rowspan="2">Keiji Masui<br>(August 15, 1954)<br>Outside Director<br>Independent Outside Director<br>Candidate for Reappointment</td><td>April 1977: Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)<br>January 1999: Dispatched to Toyota Motor Europe Manufacturing NV/SA<br>January 2005: General Manager of Production Management Div. of Toyota Motor Corporation<br>June 2007: Managing Officer of Toyota Motor Corporation<br>April 2012: Senior Managing Officer of Toyota Motor Corporation<br>April 2016: President and Representative Director of Toyota Auto Body Co., Ltd.<br>January 2018: President and Representative Director of Toyota Auto Body Co., Ltd.<br>April 2023: Chairman and Representative Director of Toyota Auto Body Co., Ltd. (to present)<br>March 2024: Outside Director of the Company (to present)<br>[Concurrent positions]<br>Chairman of Japan Auto-Body Industries Association Inc.</td><td>6,100</td></tr>
<tr><td colspan="2">- Term of office as a Director:<br>One year (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>11 out of 11 meetings (100%)<br>- Reasons for the nomination of candidate for Outside Director:<br>The Company requests shareholders to elect Keiji Masui as an Outside Director in the belief that he will provide valuable advice and supervision regarding the Company’s management based on his wide range of insights and his ample experience of management and in the areas of procurement and manufacturing through his experiences in various managerial positions, including as the representative director of a global company.<br>- Expected role if appointed:<br>Following his appointment, Keiji Masui is expected to contribute to strengthening the supervisory functions of the Company’s management using his management experience at a global company and his ample knowledge and experience in the areas of production management and procurement, as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors.</td></tr>
</table>

| Candidate No. | Name (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---|---|---|---|
| 9 | Sarah L. Casanova (April 6, 1965)<br>Outside Director<br>Independent Outside Director<br>New Candidate | January 1991: Joined McDonald's Canada<br>January 1997: Senior Director, Marketing of McDonald's Russia/Ukraine<br>July 2001: Senior Director, Marketing of McDonald's Canada<br>October 2004: Vice President, Marketing of McDonald's Company (Japan), Ltd.<br>April 2007: Senior Vice President, Business Development of McDonald's Company (Japan), Ltd.<br>July 2009: Managing Director of McDonald's Malaysia<br>May 2012: Managing Director of McDonald's Malaysia and Regional Manager of McDonald's Singapore and Malaysia<br>August 2013: Representative Director, President and CEO of McDonald's Company (Japan), Ltd.<br>March 2014: Representative Director, President and CEO of McDonald's Holdings Company (Japan), Ltd.<br>March 2019: Representative Director, Chairperson of McDonald's Company (Japan), Ltd.<br>March 2021: Representative Director, Chairperson of McDonald's Holdings Company (Japan), Ltd.<br>June 2023: External Director, Mitsui & Co., Ltd. (to present) | 0 |
| | | - Reasons for the nomination of candidate for Outside Director:<br>The Company requests shareholders to elect Sarah L. Casanova as an Outside Director in the belief that she will provide valuable advice and supervision regarding the Company’s management based on her knowledge and experience of overall management and the importance of regional marketing through her experiences in various managerial positions, including as the representative director of a global company.<br>- Expected role if appointed:<br>Following her appointment, Sarah L. Casanova is expected to contribute to strengthening the supervisory functions of the Company’s management using her management experience at a global company and her ample knowledge and experience in regional marketing as well as play a role in strengthening the governance of the Company as a member of the Executive Personnel Committee, which is involved in nominations and remuneration as a voluntary advisory body of the Board of Directors. | |

Notes:

1. Special interests between the Company and the candidates

Of the candidates for Directors, person who has special interests with the Company is as follows.

Tetsuji Ohashi — Mr. Ohashi served as Chairman of the Board and Representative Director of Komatsu Ltd. until March 2022, a company with which the Company has transactions, such as purchase/sale of products. Transactions between the two companies account for less than 1% of each company’s consolidated net sales.

2. Matters relating to candidates

Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano, Keiji Masui and Sarah L. Casanova are candidates for Outside Directors.

3. Summary of details of the liability limitation agreement with candidates for Outside Directors

The Company has entered into liability limitation agreements stipulated in Paragraph 1 of Article 423 of the Companies Act with Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano and Keiji Masui for the maximum amount of the liability for damages, which is up to the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Companies Act. If this proposal is approved, the Company intends to continue the liability limitation agreements with them. The Company plans to enter into a similar liability limitation agreement with Sarah L. Casanova.

4. Summary of details of the Directors and Officers liability insurance contract

The Company has entered into a Directors and Officers liability insurance contract to insure all the Directors. If insured Directors are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract. In the event each candidate assumes the office of Director, they will be insured by the said insurance contract.

5. Independent Outside Directors

The Company has registered Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano and Keiji Masui as Independent Outside Directors according to the regulations provided by the Tokyo Stock Exchange, Inc. In addition, Sarah L. Casanova will also be registered as an Independent Outside Director provided that the proposal is approved.

Summary of “Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members” is described on page 13.

6. Special matters relating to candidates for Outside Directors

During the term of office of Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano and Keiji Masui who are Outside Directors, incidents of inappropriate handling were found at the Company in submitting applications for model designations for motorcycles. They were not aware of the facts of this matter before they were revealed, and regularly presented their proposals on the daily operation from the viewpoint of legal compliance. After the incidents were revealed, they presented proposals to conduct a thorough investigation and strengthen internal controls and develop strict compliance in order to prevent recurrence.

7. Abbreviations: BD: Body, MC: Motorcycle, ME: Marine Engine, AM: Automotive, RV: Recreational Vehicle.

## Proposed Resolution 4 Election of Two Audit & Supervisory Board Members

Audit & Supervisory Board Member Eriko Kawai will complete her term of office at the conclusion of this Ordinary General Meeting of Shareholders and Junzo Saitoh will resign at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to elect two (2) Audit & Supervisory Board Members. This proposal is submitted with the consent of the Audit & Supervisory Board.

The Audit & Supervisory Board Member candidates are as follows.

| Candidate No. | Name (Date of birth) | Brief career summaries and significant concurrent positions | No. of the Company shares held |
|---|---|---|---|
| 1 | Takeo Noda<br>(December 19, 1964)<br>New Candidate | April 1989: Joined the Company<br>April 2014: General Manager of Corporate Planning Division, Corporate Planning & Finance Center of the Company<br>January 2017: Executive General Manager of 1st Business Unit, MC Business Operations of the Company<br>January 2018: Deputy Chief General Manager of Corporate Planning & Finance Center of the Company<br>March 2018: Executive Officer of the Company (to present)<br>January 2021: Chief General Manager of Corporate Planning & Finance Center of the Company<br>January 2024: Chief General Manager of Corporate Planning & Finance Center and General Manager of Financial Service Development Division of the Company<br>January 2025: Assistant to the President of the Company (to present) | 56,932 |
| | | - Reasons for the nomination of candidate for Audit & Supervisory Board Member:<br>Takeo Noda has the personality traits required of an Audit & Supervisory Board Member such as high ethics and fairness and possesses extensive expertise in the finance and business planning fields based on his experience and business track records as Chief General Manager of the Corporate Planning & Finance Center and others. The Company requests shareholders to elect him as an Audit & Supervisory Board Member in the belief that he will utilize his accumulated experience and insights for audits. | |

| Candidate No. | Name (Date of birth) | Brief career summaries and significant concurrent positions | No. of the Company shares held |
|---|---|---|---|
| 2 | Eriko Kawai (April 28, 1958)<br>Audit & Supervisory Board Member (Outside)<br>Independent Outside Director<br>Candidate for Reappointment | October 1981: Joined Nomura Research Institute, Ltd.<br>September 1985: Management Consultant of McKinsey & Company<br>October 1986: Fund Manager of Mercury Asset Management, SG Warburg<br>November 1995: Director and Chief Investment Officer (CIO) of Yamaichi Regent ABC Polska<br>July 1998: Senior Pension Fund Administrator of Bank for International Settlements<br>October 2004: Senior Pension Fund Administrator of Organisation for Economic Co-operation and Development (OECD)<br>March 2008: Representative of Kawai Global Intelligence<br>April 2012: Professor of Institute for the Promotion of Excellence in Higher Education of Kyoto University<br>April 2013: Professor of Institute for Liberal Arts and Sciences of Kyoto University<br>April 2014: Professor of Graduate School of Advanced Integrated Studies in Human Survivability of Kyoto University<br>December 2017: External Audit and Supervisory Board Member of CMIC HOLDINGS Co., Ltd.<br>June 2018: Outside Director of Daiwa Securities Group Inc. (to present)<br>December 2019: Outside Director of CMIC HOLDINGS Co., Ltd.<br>March 2021: Audit & Supervisory Board Member (Outside) of the Company (to present)<br>April 2021: Professor Emeritus of Kyoto University (to present)<br>June 2021: Outside Director of Mitsui Fudosan Co., Ltd. (to present)<br>March 2023: External Director of DMG MORI CO., LTD. (to present) | 0 |
| | | - Term of office as a Director:<br>Four years (at the conclusion of this Ordinary General Meeting of Shareholders)<br>- Attendance at the Board of Directors Meetings:<br>14 out of 14 meetings (100%)<br>- Attendance at the Audit & Supervisory Board:<br>19 out of 19 meetings (100%)<br>- Reasons for the nomination of candidate for Audit & Supervisory Board Member:<br>Eriko Kawai has been engaged in appropriate audits of the Company as an Audit & Supervisory Board Member (Outside) since taking office as an Audit & Supervisory Board Member based on her experience and business track records as a manager in addition to ample experiences in international companies and international organizations. The Company requests shareholders to reelect her as an Audit & Supervisory Board Member (Outside) in the belief that she will contribute to further strengthening the audit function and governance structure. | |

Notes:

1. Special interests between the Company and the candidate
   There are no special interests between the candidates and the Company.
2. Matters relating to candidate
   Eriko Kawai is a candidate for Audit & Supervisory Board Member (Outside).
3. Summary of details of the liability limitation agreement with the candidate for Audit & Supervisory Board Member
   The Company has entered into a liability limitation agreement stipulated in Paragraph 1 of Article 423 of the Companies Act of Japan with Eriko Kawai for the maximum amount of the liability of damages, which is up to the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Companies Act of Japan. If this proposal is approved, the Company intends to continue the liability limitation agreements with her. The Company plans to newly enter into a similar liability limitation agreement with Takeo Noda.
4. Summary of details of the Directors and Officers liability insurance contract
   The Company has entered into a Directors and Officers liability insurance contract to insure all the Audit & Supervisory Board Members. If insured Audit & Supervisory Board Members are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract. In the event each candidate assumes the office of Audit & Supervisory Board Member, they will be insured by the said insurance contract.
5. Independent Outside Directors
   The Company has registered Eriko Kawai as an Independent Outside Director according to the regulations provided by the Tokyo Stock Exchange, Inc. Summary of "Standards for Selecting Independent Outside Directors" is described on page 13.
6. Special matters relating to candidates for Audit & Supervisory Board Members (Outside)
   During the term of office of Eriko Kawai who is an Audit & Supervisory Board Member (Outside), incidents of inappropriate handling were found at the Company in submitting applications for model designations for motorcycles. She was not aware of the facts of this matter before they were revealed, and regularly presented her proposals on the daily operations from the viewpoint of legal compliance. After the incidents were revealed, she presented proposals to conduct a thorough investigation and strengthen internal controls and develop strict compliance in order to prevent recurrence.

(Reference) Composition of Directors and Audit & Supervisory Board Members [Schedule after March 25, 2025]

● Basic views on the composition of the Board of Directors and Audit & Supervisory Board

Under the corporate mission of being a "*Kando* Creating Company," the Board of Directors plays a role in supporting the Company's sustainable growth and enhancement of its corporate and brand value. To ensure the implementation of the Company's growth strategies for the future, the 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 fulfilling responsibilities to various stakeholders, including shareholders and investors.

In consideration of fiduciary responsibilities to shareholders, the Audit & Supervisory Board, as a body independent of the Board of Directors, requests the Company and its subsidiaries to submit reports on their business activities, surveys the status of business operations and properties, exercises rights in respect of appointing and dismissing external auditors and audit compensation, attends meetings of the Board of Directors and other important meetings, and provides opinions as needed. Through these tasks, the Audit & Supervisory Board audits the legality and appropriateness of the Directors' execution of duties, internal control systems, and the performance and financial position of the Company and its subsidiaries.

In light of the above, from the viewpoint of maintaining an overall balance in terms of knowledge, experience and ability, and in consideration of diversity and scale, the composition of the Board of Directors and Audit & Supervisory Board are defined, and the following skills have been identified as those that should be provided.

● Reasons for selection and definition of skills

| | |
|---|---|
| Corporate Management | Under the corporate mission of being a "*Kando* 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. |
| New Business Development / M&A | In order to create seeds of growth, the Company needs officers with experience and insights in new business development and M&As. |
| Finance / Accounting | 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. |
| Procurement / Manufacturing | 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. |
| Technology / R&D | 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. |
| Marketing / Branding | 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. |
| IT / DX | 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. |
| (E) Environment / Carbon-neutral | The Company aims to achieve carbon neutral by 2050, and in order to accelerate its efforts, it needs officers with knowledge and experience in the environmental field. |

| | |
|---|---|
| (S) DE&I / Human Resources Development | 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. |
| (G) Legal / Risk Management | 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. |

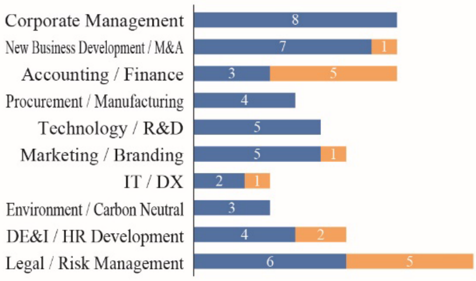
| | |
|---|---|
| Global Experience | The Company operates in more than 180 countries and regions, with overseas sales exceeding 90% of total sales. The Company needs officers who have experience working for multinational companies and in local markets, combined with knowledge and experience of foreign cultures and business practices. |

● Skills matrix

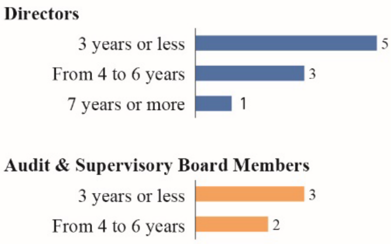
| | Directors and Audit & Supervisory Board Members | Term of office (years) | Age | Gender | Independent | Global Experience | Corporate Management | New Business Development / M&A | Accounting / Finance | Procurement / Manufacturing | Technology / R&D | Marketing / Branding | IT / DX | E | S | G |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | Environment / Carbon-neutral | DE&I / Human Resources Development | Legal / Risk Management |
| Directors | Katsuaki Watanabe | 11 | 65 | Male | | ○ | ● | | | ● | ● | ● | | | | ● |
| | Motofumi Shitara | 3 | 62 | Male | | ○ | ● | ● | ● | | | | ● | | ● | ● |
| | Heiji Maruyama | 4 | 63 | Male | | | ● | ● | | | ● | | | ● | | |
| | Satohiko Matsuyama | 3 | 61 | Male | | ○ | | | | ● | ● | | | ● | | |
| Outside Directors | Yuko Tashiro | 6 | 71 | Female | Independent | ○ | ● | ● | ● | | | ● | | | ● | ● |
| | Tetsuji Ohashi | 5 | 71 | Male | Independent | ○ | ● | ● | | ● | ● | ● | ● | | | ● |
| | Jin Song Montesano | 3 | 53 | Female | Independent | ○ | ● | ● | | | | ● | | | ● | ● |
| | Keiji Masui | 1 | 70 | Male | Independent | ○ | ● | ● | ● | ● | ● | | | | | ● |
| | Sarah L. Casanova | – | 59 | Female | Independent | ○ | ● | ● | | | | ● | | ● | ● | |
| Audit & Supervisory Board Members (Full-Time) | Tadashi Tsumabuki | 2 | 63 | Male | | ○ | | | ● | | | ● | | | | ● |
| | Takeo Noda | – | 60 | Male | | ○ | | | ● | | | | ● | | | ● |
| Audit & Supervisory Board Members (Outside) | Masatake Yone | 6 | 70 | Male | Independent | ○ | | ● | ● | | | | | | | ● |
| | Eriko Kawai | 4 | 66 | Female | Independent | ○ | | | ● | | | | | | ● | ● |
| | Ayumi Ujihara | 2 | 63 | Female | Independent | | | | ● | | | | | | ● | ● |

● **Skill charts** ■Directors ■Audit & Supervisory Board Members

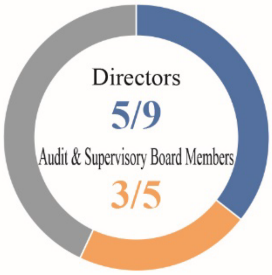
**Skills**




**Term of office**




**Outside Officers**




**Female Officers**


**Foreign Officers**

# Business Report

(From January 1, 2024 to December 31, 2024)

## 1. Current Conditions of the Yamaha Motor Group

### (1) Business Developments and Results

During the fiscal year ended December 31, 2024, the U.S. economy maintained steady growth backed by the economic stimulus package such as FRB's interest rate cut. On the other hand, personal consumption is on the recovery trend in Europe due to the interest rate cut by the central bank while the German and French economies were stagnated. In addition, the future outlook remained unclear due to factors such as geopolitical risks including the situation in the Middle East, China's economic slump, soaring resource prices, fluctuations in financial capital markets and impacts of new U.S administration.

In the Company' business, supply of premium models of motorcycle recovered due to the improvement of semiconductor supplies. On the other hand, demand for outdoor leisure activities, which had increased during the pandemic, calmed down, especially in developed countries. In the marine products business, the RV business, and the SPV business, we focused on the adjustment of supply and demand.
Under such business environment, the Company worked on cost reduction with an eye on break-even point management while promoting the strategies of each business based on the Medium-Term Management Plan.

Revenue for the fiscal year under review increased 161.4 billion yen, or 6.7%, year on year, to 2,576.2 billion yen in the motorcycle business as our core business due to higher unit sales in Brazil and India as well as higher unit price per unit.
Operating profit decreased 62.4 billion yen, or 25.6%, year on year, to 181.5 billion yen as a result of an increase in selling, general and administrative expenses such as human resources due to the soaring prices as well as recording of expenses resulting from a review of the business structure such as inventory write down and impairment losses of some non-current assets for the SPV and RV businesses.
Profit attributable to owners of parent decreased 50.4 billion yen, or 31.8%, year on year, to 108.1 billion yen due to a decrease in operating profit.
Exchange rates for the period under review were 152 yen to the U.S. dollar (a depreciation of 11 yen, year on year) and 164 yen to the euro (a depreciation of 12 yen, year on year).

In terms of financial indicators, ROE was 9.7% (a year-on-year decrease of 5.9 percentage points), ROIC was 5.4% (a year-on-year decrease of 3.7 percentage points), ROA was 6.8% (a year-on-year decrease of 3.5 percentage points), all of which exceeded the Medium-Term Management Plan targets, and equity attributable to owners of parent was 1,161.6 billion yen (an increase of 85.8 billion yen from the end of the previous fiscal year), the ratio of equity attributable to owners of parent to total assets was 41.7% (a year-on year decrease of 0.2 percentage points). In addition, free cash flow (including sales finance) was positive 48.1 billion yen (a year-on-year increase of 78.2 billion yen).

(Note) The Group has adopted "IFRS" effective from the fiscal year ended December 31, 2024. The financial figures for the fiscal year ended December 31, 2023 are reclassified to IFRS basis and presented.

The status of each business segment is as follows:

Land mobility [Main products and services: Motorcycles, intermediate parts for products, knockdown parts for overseas production, all-terrain vehicles, recreational off-highway vehicles (ROV), electrically power assisted bicycles, electrically power assisted bicycle drive units (e-Kit), electrically powered wheelchairs, automobile engines and automobile components]

Revenue increased 130.1 billion yen, or 8.2%, year on year, to 1,715.4 billion yen, and operating profit decreased 42.0 billion yen, or 33.0%, to 85.5 billion yen.
In the motorcycles business, unit sales in developed countries increased from the previous year as a result of increase of demand in major countries in Europe resulting in higher sales in Europe and North America. Unit sales in emerging markets increased from the previous year mainly in India and Brazil where demand has increased. As a result, unit sales of the business as a whole increased. Revenue increased due to higher unit sales in Brazil and India and also higher unit price per unit. Operating profit was flat year on year due to an increase in selling, general and administrative expenses such as the rising costs of human resources due to the soaring prices and for provision for product warranty, etc. despite the increase of sales units resulting from the improvements in the supply of premium models in emerging markets.
In the RV business (all-terrain vehicles and recreational off-highway vehicles (ROV)), demand was lower than the previous year and, accordingly, our shipments declined year on year, resulting in lower revenue. Operating profit also decreased due to lower sales, the worsening model mix, and higher sales promotion expenses resulting from an increasingly competitive environment, and also recording of expenses such as impairment losses of non-current assets.
In the SPV business (electrically power assisted bicycles, e-Kit, and electrically powered wheelchairs), unit sales of electrically power assisted bicycles for the domestic market increased from the previous year. On the other hand, unit sales of e-Kit decreased due to the continuing inventory adjustment phase accompanying the slowdown in demand in Europe, which is the main market, resulting in lower revenue. Operating profit decreased due to lower sales of e-Kit, higher sales promotion expenses of finished bicycles overseas and recording of expenses due to a review of business structure such as impairment losses of non-current assets.

Marine products [Main products and services: Outboard motors, personal watercraft, boats, fishing boats and utility boats]

Revenue decreased 9.8 billion yen, or 1.8%, year on year, to 537.7 billion yen, and operating profit decreased 16.4 billion yen, or 15.7%, to 87.8 billion yen.
Demand for outboard motors decreased in the U.S., which is the major market, due to the continuing high level of interest rates and rising prices, despite the interest rate cut in September. Among our sales, sales of new models were strong, but overall sales of outboard motors decreased. Demand for personal watercraft declined because buyers held off on their purchases due to the concern over rising interest rates. On the other hand, our unit sales increased as supply constraints caused by last year's parts shortages and supply chain disruptions improved. As a result, both revenue and profit decreased in the marine products business as a whole.
The results for the period under review include the results of Torqeedo GmbH, a German manufacturer of marine electric propulsion units, for the period from April to December 2024.

Robotics [Main products and services: Surface mounters, semiconductor back-end process manufacturing equipment, industrial robots and industrial-use unmanned helicopters]

Revenue increased 11.5 billion yen, or 11.4%, year on year, to 113.3 billion yen, and operating loss was 3.0 billion yen, compared to operating profit of 0.7 billion yen in the previous fiscal year. Our sales of surface mounters increased due to higher unit sales in China and other Asian countries, despite lower unit sales in developed countries. Unit sales of industrial robots increased, but the model mix worsened. In addition, sales of semiconductor back-end process manufacturing equipment increased due to higher demand for use in generative AI and advanced packaging. As a result, revenue increased in the robotics business as a whole. Operating profit decreased due to increases in selling, general and administrative expenses such as manufacturing costs and development costs.

Financial services [Main products and services: Sales finance and lease related to the Company's products]
Revenue increased 25.7 billion yen, or 29.7%, year on year, to 112.2 billion yen, and operating profit increased 5.6 billion yen, or 32.6%, to 22.7 billion yen.
Revenue increased due to an increase of sales finance receivables. Operating profit increased because the loss on valuation of interest rate swaps incurred in the previous fiscal year turned into a gain on valuation in the period under review, in addition to an increase in income from interest payments.

Others [Main products and services: Golf cars, generators, multi-purpose engines and small-sized snow throwers]
Revenue increased 3.9 billion yen, or 4.1%, year on year, to 97.6 billion yen, and operating loss was 11.5 billion yen, compared to operating loss of 5.6 billion yen in the previous fiscal year. Revenue of the Company increased due to higher unit sales of golf cars on the back of their growing demand in North America. Operating profit decreased due to the impact of inventory write downs of power products business related products, etc.

## (2) Capital Expenditures

The Group made investments of 126.6 billion yen in total during fiscal 2024.
In the Land mobility business, investments of 81.9 billion yen were made mainly for replacing production facilities, new motorcycle products, improving production systems and R&D. In the Marine products business, investments of 29.9 billion yen were made mainly for new outboard motor products and replacing production facilities. In the Robotics business, investments of 7.1 billion yen were made mainly for increasing production capacity for surface mounters and industrial robots. In the Other business, investments of 7.7 billion yen were made mainly for research and development of golf car products.

## (3) Fund Raising

Continued from fiscal 2023, Yamaha Motor (non-consolidated) issued 20.0 billion yen in straight bonds to maintain liquidity on hand also for the fiscal year under review.

## (4) Key Priorities the Group Must Address

Based on our corporate mission to be a *Kando** Creating Company, in 2018, Yamaha Motor announced its Long-Term Vision for 2030 of "ART for Human Possibilities - Let's strive for greater happiness." The new Medium-Term Management Plan starting from year 2025 marks the beginning of the latter six years of this Long-Term Vision.
The basic policy of the new Medium-Term Management Plan is to "Raise the competitiveness of our core businesses, acquire new technologies that expand human possibilities, and take on uniquely Yamaha challenges to create a world where people's happiness and the environment coexist in harmony."

Details of our new Medium-Term Management Plan can be found on our corporate website: https://global.yamaha-motor.com/about/mtp/

*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.

○Business portfolio
Yamaha Motor implemented portfolio management from its previous Medium-Term Management Plan. For the new Medium-Term Management Plan, we have rearranged the portfolio contents into three redefined categories: Core Businesses (Motorcycles and Marine Products), Strategic Businesses (Robotics, Smart Power Vehicle, and Outdoor Land Vehicle), and New Businesses. In the future, Yamaha Motor aims to have all its businesses surpassing an ROIC of 12.5%.

■Core Businesses
Under the new Medium-Term Management Plan, we will reinforce the competitiveness of our core businesses, conducting targeted investments in the Motorcycle and Marine Product businesses and offering attractive products and services to secure both growth and profitability.

[Motorcycles]
With the aim of "Bringing joy into mobility and fun into holidays together with our stakeholders," we will work to provide an attractive product lineup and strengthen user services by utilizing digital technologies.
In ASEAN and emerging markets, we will continue to ramp up the premium segment strategy we have been focusing on to date. Additionally, by enhancing our marketing capabilities, we will increase customer engagement by leveraging digital technology and providing more user-tailored experiences. In the electric vehicle field, we will advance through both in-house platform development and external collaborations.

[Marine Products business]
Under the business' Long-Term Vision of a "Reliable and Rich Marine Life: Toward Further Increasing the Value of the Ocean," we will pursue greater customer value by strengthening the lineup of large outboard motors and promoting the integrated boat business.
In the latter, we will further build on the Marine CASE Strategy that we have been engaged in, including the introduction of next-generation boat steering systems, the utilization of connected technologies, the expansion of electric outboard motors, and the provision of product sharing systems, enabling a diverse and enhanced boating experience.

■ Strategic businesses
Yamaha Motor has designated three businesses with high market potential, i.e., the Robotics business, the Smart Power Vehicle (SPV) business, and the Outdoor Land Vehicle (OLV) business–which integrates our recreational vehicle and golf car businesses–as Strategic Businesses.

[Robotics business]
We will strive to achieve both growth and profitability by supporting a rapidly digitalizing world and transforming mobility with our ONE STOP SMART SOLUTION. By concentrating management resources in expanding sectors and further evolving our trademark ONE STOP SMART SOLUTION, we will aim to increase our market share and improve business efficiency.

[SPV business]
We will grow our business by supporting people's challenges and offering eco-friendly mobility, i.e., our electrically power-assisted bicycles. As part of our strategy, we will review the business for selling finished Yamaha eBike models overseas, and focus on e-Kits and finished Yamaha eBikes for the Japanese market, where medium-to long-term growth is expected. For the e-Kit business, we will adopt a meticulously customer-oriented approach in order to win the trust of OEM clients by enhancing direct service functions, reducing supply lead times, and accelerating development speed.

[OLV business]
We will create synergies in the North American market, where our strength of having outdoor recreation products that customers can enjoy under a single brand throughout their lives, from land to sea, comes into play.

The market for the OLV business is expected to expand in the long term, driven by the increasing added value of products.

To capture this market growth, our new Medium-Term Management Plan will focus on developing a next-generation platform towards 2030.

■New Businesses

Until now, we had directed our efforts to commercialization in the focus areas of mobility services, low-speed automated vehicles, and labor-saving in the agriculture and medical & healthcare sectors. Going forward, we will narrow our focus down to agriculture, mobility services, and low-speed automated vehicles, by evaluating opportunities for business expansion.

■Financial indicators and shareholder return policy

Our goal is to continuously generate returns exceeding the cost of capital, with ROE, ROIC, and ROA in the 14%, 8%, and 9% ranges, respectively (three-year average for all). For shareholder returns, our basic policy will be to emphasize making stable and consistent dividend payments while taking into consideration the outlook for business performance and investments for future growth, distributing returns to shareholders in a flexible way based on the scale of our cash flows. We will set a target total payout ratio of 40% or more (for the cumulative period of the new Medium-Term Management Plan) for shareholder returns.

■Environmental planning

The environmental plan in the new Medium-Term Management Plan is built on three pillars: Climate Change, a Circular Economy, and Biodiversity.

For Climate Change, we aim to achieve carbon neutrality by 2035, targeting a 74% reduction in $CO_2$ emissions from our corporate activities compared to 2010 levels. Additionally, we will reduce $CO_2$ emissions generated from product use by customers and employees through a multi-pathway approach.

For Circular Economy, we aim to achieve 100% use of sustainable materials by 2050. In the new Medium-Term Management Plan, we will increase the usage rate from the current 14% to 18%.

For Biodiversity, we will explore solutions that provide mutual benefits for both people and ecosystems.

■Human capital management

We will introduce global personnel engagement as a metric and maintain a high level as a key indicator of human capital management. In addition to moving forward with DEI initiatives, our talent management moves will be to expand our global HR training program. By giving our diverse workforce opportunities to take on challenges, we will create organizations where both employees and the Group can grow and pave the way for future success.

■Risk and compliance management

We position the enhancement of risk and compliance management as a key policy and will identify and appropriately control potential risks in our management and business operations based on three pillars: Global, Integrated, and Agile.

Through these efforts, we will further promote management that swiftly adapts to environmental changes while advancing the globalization of responsibilities and authority.

We appreciate our shareholders' continued support.

## (5) Operating Performance and Status of Assets for the Group

Million yen, except earnings per share – basic

| Items | 87th Fiscal Year (Jan. 1, 2021–Dec. 31, 2021) | 88th Fiscal Year (Jan. 1, 2022–Dec. 31, 2022) | 89th Fiscal Year (Jan. 1, 2023–Dec. 31, 2023) | | 90th Fiscal Year (Jan. 1, 2024–Dec. 31, 2024) |
|---|---|---|---|---|---|
| | J-GAAP | J-GAAP | J-GAAP | IFRS | IFRS |
| Revenue | 1,812,496 | 2,248,456 | 2,414,759 | 2,414,759 | 2,576,179 |
| Operating income/ Operating profit | 182,342 | 224,864 | 250,655 | 243,920 | 181,515 |
| Net income attributable to owners of parent / Profit attributable to owners of parent | 155,578 | 174,439 | 164,119 | 158,421 | 108,069 |
| Earnings per share – basic (yen) | 148.56 | 170.49 | 163.57 | 157.89 | 110.12 |
| Total assets | 1,832,917 | 2,183,291 | 2,571,962 | 2,563,561 | 2,783,501 |
| Total equity | 900,670 | 1,054,298 | 1,182,670 | 1,134,359 | 1,226,586 |

Notes:
1. On January 1, 2024, each share of common stock was split into 3 shares. “Earnings per share – basic” was calculated based on the assumption of the stock split being conducted at the beginning of the 87th fiscal year.
2. The Company has voluntarily adopted “IFRS” instead of generally accepted accounting principles in Japan (Japanese GAAP) effective from the 90th Fiscal Year (fiscal year under review). They are presented under the account according to IFRS. Also, figures for 89th Fiscal Year have been reclassified to IFRS basis and stated along with Japanese GAAP.
3. Financial results for the 87th and 88th fiscal years are prepared based on Japanese GAAP.

(Reference) Forecast for the 91st fiscal year (January 1, 2025 through December 31, 2025)

In the environment surrounding the Group for fiscal year 2025, the future outlook is expected to remain unclear due to geopolitical risks such as situations in the Middle East, China's economic slump, impacts on the world economy due to the various economic policies such as additional tariffs by the new U.S. administration and currency exchange rate fluctuations.

Under such circumstances, we expect demand for motorcycles in the emerging countries for the land mobility business to be strong while demand for outboard motors for marine business to show gradual recovery.

As a risk, the sharp rises in material prices such as aluminum as well as continuous rising costs of human resources and energy are expected. To respond to these risks, we will focus on cost reduction and improvement of productivity. Also, we will work on the structural reform toward improvement of profitability for SPV business and RV business while working toward sustainable growth for the core business such as research and development, new product development and enhancement of production facilities.

The consolidated financial results forecast is as follows:

Billions of yen

| | Forecast | Year-on-year changes |
|---|---|---|
| Revenue | 2,700.0 | +123.8, 4.8% |
| Operating profit | 230.0 | +48.5, 26.7% |
| Profit attributable to owners of parent | 140.0 | +31.9, 29.5% |

[Exchange rates] 145 yen to the U.S. dollar (an appreciation of 7 yen from 90th fiscal year), and 155 yen to the euro (an appreciation of 9 yen).

## (6) Principal Parent Company and Subsidiaries

1) Relations with a parent company
   No related items.

2) Principal subsidiaries

| Name | Location | Capital | Percentage of ownership (%) | Main business lines |
|---|---|---|---|---|
| Yamaha Motorcycle Sales Japan Co., Ltd. | Ota-ku, Tokyo | 490 million yen | 100.0 | Marketing of motorcycles, electrically power assisted bicycles |
| YAMAHA MOTOR POWERED PRODUCTS Co., Ltd. | Kakegawa-shi, Shizuoka | 275 million yen | 100.0 | Manufacture and marketing of golf cars and generators |
| YAMAHA KUMAMOTO PRODUCTS CO., LTD. | Yatsushiro-shi, Kumamoto | 490 million yen | 100.0 | Manufacture of outboard motors |
| Yamaha Motor Corporation, U.S.A. | The United States | 185,308 thousand U.S. dollars | 100.0 | Marketing of motorcycles, ATVs, recreational off-highway vehicles, outboard motors, personal watercraft, boats, surface mounters and generators |
| Yamaha Motor Manufacturing Corporation of America | The United States | 107,790 thousand U.S. dollars | 100.0* | Manufacture of ATVs, recreational off-highway vehicles, personal watercraft and golf cars |
| Yamaha Motor Europe N.V. | The Netherlands | 149,759 thousand euros | 100.0 | Marketing of motorcycles, ATVs, electrically power assisted bicycles, outboard motors, personal watercraft, boats, surface mounters, and golf cars |
| PT. Yamaha Indonesia Motor Manufacturing | Indonesia | 25,647,000 thousand Indonesian rupiahs | 85.0 | Manufacture and marketing of motorcycles |
| India Yamaha Motor Pvt. Ltd. | India | 22,333,591 thousand Indian rupees | 85.0 | Manufacture and marketing of motorcycles |
| Yamaha Motor Philippines, Inc. | Philippines | 4,270,000 thousand Philippine peso | 100.0 | Manufacture and marketing of motorcycles |
| Yamaha Motor Vietnam Co., Ltd. | Vietnam | 37,000 thousand U.S. dollars | 46.0 | Manufacture and marketing of motorcycles |
| Thai Yamaha Motor Co., Ltd. | Thailand | 1,820,312 thousand Thai bahts | 91.7 | Manufacture and marketing of motorcycles, outboard motors and golf cars |
| Yamaha Motor da Amazonia Ltda. | Brazil | 237,938 thousand Brazilian reals | 100.0* | Manufacture and marketing of motorcycles and outboard motors |

Note: Percentages with * include the Company's indirect ownership.

3) Specified wholly-owned subsidiary at the end of the fiscal year
   No related items.

## (7) Main Bases and Facilities for the Group

1) Yamaha Motor Co., Ltd.

| Name | Location |
|---|---|
| Headquarters and Iwata Main Factory | Iwata-shi, Shizuoka |
| Iwata South Factory | |
| Toyooka Technology Center | |
| Hamakita Factory | Hamamatsu-shi, Shizuoka |
| Nakaze Factory | |
| Hamamatsu Robotics Site | |
| Miyakoda Site | |
| Fukuroi South Factory | Fukuroi-shi, Shizuoka |
| Global Parts Center | |
| Fukuroi Technology Center | |
| Arai Site | Kosai-shi, Shizuoka |

2) Subsidiaries

Subsidiaries of the Company are as described on page 34 (6) Principal Parent Company and Subsidiaries 2) Principal subsidiaries.

## (8) Employees

| Segments | Number of employees | Annual change |
|---|---|---|
| Land mobility | 40,433 | +239 |
| Marine products | 6,866 | 549 |
| Robotics | 2,578 | (30) |
| Financial services | 905 | +50 |
| Others | 3,424 | (303) |
| Total | 54,206 | +505 |

Notes: 1. The number of employees refers to workers employed full time (excluding workers of the Company and its consolidated subsidiaries who are dispatched to companies outside of the scope of consolidation), and it does not include temporary employees (direct contract employees whose contract terms are less than one year).
2. Of the total number of employees, the number of overseas employees is 38,235 persons.

## (9) Principal Lenders and Loan Balances

Million yen

| Lenders | Loan balances |
|---|---|
| Mizuho Bank, Ltd. | 320,093 |
| Sumitomo Mitsui Banking Corporation | 166,548 |
| MUFG Bank, Ltd. | 164,708 |
| Sumitomo Mitsui Trust Bank, Limited | 39,773 |
| The Shizuoka Bank, Ltd. | 39,307 |

## (10) Other Significant Status Regarding Current Conditions of the Yamaha Motor Group

We are deeply sorry for causing great concern and inconvenience to all the shareholders regarding the incidents of inappropriate handling in submitting applications for model designations for motorcycles which was released on June 3, 2024. To wholly recover your trust and to prevent recurrence, we will strive to ensure the reinforcement of compliance and governance.

## 2. The Company's Stocks

### (1) Maximum Number of Shares Authorized to be Issued: 2,700,000,000

### (2) Number of Shares Outstanding: 1,026,354,101 (including 48,678,564 shares of treasury shares)

### (3) Number of Shareholders: 265,935

### (4) Principal Shareholders (Top 10)

| Shareholders | Number of shares held (Thousand shares) | Ownership (%) |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (trust account) | 164,455 | 16.82 |
| Custody Bank of Japan, Ltd. (trust account) | 63,728 | 6.52 |
| NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST | 31,689 | 3.24 |
| Yamaha Corporation | 28,928 | 2.96 |
| SMBC Nikko Securities Inc. | 21,451 | 2.19 |
| State Street Bank West Client Treaty 505234 | 20,416 | 2.09 |
| Toyota Motor Corporation | 18,750 | 1.92 |
| NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS | 18,000 | 1.84 |
| JAPAN SECURITIES FINANCE CO., LTD. | 17,050 | 1.74 |
| The Shizuoka Bank, Ltd. | 16,948 | 1.73 |

Note: The Company holds 48,678,564 shares of treasury shares but is excluded from the above list of principal shareholders.
Percentage of ownership excludes treasury shares.

### ■ Breakdown of Shareholders

| | Number of shareholders | Number of shares held (Thousand shares) |
|---|---|---|
| Individual investors and others | 262,492 | 210,257 |
| National and local governments | 0 | 0 |
| Financial institutions | 107 | 328,771 |
| Other domestic companies | 1,395 | 91,430 |
| Foreigners | 1,895 | 333,715 |
| Securities companies | 46 | 62,182 |

Note: "Individual investors and others" includes treasury shares.

## (5) Status of Shares Provided to Company Officers as Consideration for the Execution of Duties During the Fiscal Year under Review

| | Types and number of shares | Number of recipient officers |
|---|---|---|
| Directors (excluding Outside Directors) | 139,179 shares of common stock of the Company | 5 |

## (6) Other Significant Status Regarding Shares

1) Stock split
By resolution of the Board of Directors' meeting held on November 7, 2023, the Company split the common stock at a ratio of 3 shares per share effective January 1, 2024.

2) Acquisition of treasury shares
By resolution of the Board of Directors' meeting held on February 14, 2024, the Company acquired treasury shares as follows.

| | |
|---|---|
| Type and total number of acquired shares: | 14,298,300 shares of common stock of the Company |
| Total amount of acquisition: | 19,999,848,342 yen |
| Acquisition period: | From February 15, 2024 to July 31, 2024 |

3) Cancellation of treasury shares
By resolution of the Board of Directors' meeting held on February 14, 2024, the Company cancelled treasury shares as follows.

| | |
|---|---|
| Type of cancelled shares: | Common stock of the Company |
| Total number of cancelled shares: | 24,298,300 yen |
| Cancellation date: | August 30, 2024 |

# (Reference) Shareholdings of the Company

**Basic policies on cross-shareholdings**

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

**Basic policies on exercise of voting rights**

Yamaha Motor does not take a uniform approach in determining whether to approve or disapprove when exercising voting rights associated with cross-shareholdings; instead, it thoroughly examines and discusses whether the decisions contribute to the medium- to long-term enhancement of corporate value of the issuing company, and comprehensively assesses potential damage to its own corporate value. We may request further explanations on agenda items when necessary and make decisions on approval or disapproval.
We exercise particular caution in examining and discussing our decision to exercise voting rights in the following situations.
- Continued poor business performance;
- Concerns over governance are confirmed, such as scandals; and
- Other situations in which the corporate value of the issuer or Yamaha Motor may be damaged.

Status of strategic investment

| | 89th Fiscal Year | | 90th Fiscal Year | |
|---|---|---|---|---|
| | No. of shares | Amount recorded in balance sheets (million yen) | No. of shares | Amount recorded in balance sheets (million yen) |
| Strategic investments | 33 | 15,010 | 34 | 18,284 |
| Other | 42 | 34,029 | 41 | 34,529 |
| Total | 75 | 49,039 | 75 | 52,813 |

## 3. Directors and Audit & Supervisory Board Members

### (1) Names, Positions, and Responsibilities of Directors and Audit & Supervisory Board Members

| Position | Name | Responsibilities | Significant concurrent positions |
|---|---|---|---|
| Chairman and Director, and President, Chief Executive Officer and Representative Director | Katsuaki Watanabe | | |
| Executive Vice President and Representative Director | Motofumi Shitara | In charge of Human Resources & General Affairs, Corporate Planning & Finance Center, IT, Creative, Marine, Market Development and Customer Experience | |
| Director and Managing Executive Officer | Heiji Maruyama | In charge of New Business Development, Research & Development, Powertrain and Vehicle Development<br>Motorcycle Electrification Project Executive | |
| Director and Senior Executive Officer | Satohiko Matsuyama | In charge of Manufacturing, Manufacturing Technology, Procurement, RV, and Power Products<br>New Mobility Project Executive | |
| Outside Director | Takuya Nakata | | Chairman and Directors of Yamaha Corporation<br>President of Yamaha Music Foundation |
| Outside Director | Yuko Tashiro | | Director and Chairman of the board of Accordia Golf co., Ltd.<br>Director (Outside) of McDonald’s Holdings Company (Japan), Ltd. |
| Outside Director | Tetsuji Ohashi | | Chairman of the Board of Komatsu Ltd. Outside Director of Nomura Research Institute, Ltd.<br>Outside Director of Asahi Group Holdings, Ltd.<br>Vice Chair of the Board of Councilors of KEIDANREN |
| Outside Director | Jin Song Montesano | | Director, Representative Executive Officer, Executive Vice President of LIXIL Corporation |
| Outside Director | Keiji Masui | | Chairman and Representative Director of Toyota Auto Body Co., Ltd.<br>Chairman of Japan Auto-Body Industries Association Inc. |

| Position | Name | Responsibilities | Significant concurrent positions |
|---|---|---|---|
| Audit & Supervisory Board Member (Full-Time) | Junzo Saitoh | | |
| Audit & Supervisory Board Member (Full-Time) | Tadashi Tsumabuki | | |
| Audit & Supervisory Board Member (Outside) | Masatake Yone | | Attorney of Yone & Yamagishi<br>Outside Corporate Auditor of BANDAI NAMCO Entertainment Inc.<br>Director (Outside) of Skymark Airlines Inc. |
| Audit & Supervisory Board Member (Outside) | Eriko Kawai | | Professor Emeritus of Kyoto University Outside Director of Daiwa Securities Group Inc.<br>Outside Director of Mitsui Fudosan Co., Ltd.<br>External Director of DMG MORI CO., LTD. |
| Audit & Supervisory Board Member (Outside) | Ayumi Ujihara | | Representative of Ayumi Ujihara CPA office<br>Outside Director (Audit and Supervisory Committee Member) of Riken Vitamin Co., Ltd.<br>Outside Director (Audit & Supervisory Committee Member) of Makita Corporation<br>Partner of Kagayaki Audit Corporation |

Notes: 1. The Company has registered Directors Takuya Nakata, Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano and Keiji Masui and Audit & Supervisory Board Members Masatake Yone, Eriko Kawai and Ayumi Ujihara as Independent Outside Directors / Audit & Supervisory Board Members under the regulations provided by the Tokyo Stock Exchange, Inc. Summary of “Standards for Selecting Independent Outside Directors / Audit & Supervisory Board Members” is described on page 13.

2. Director Keiji Masui newly assumed the office on March 21, 2024.
3. Director Takehiro Kamigama retired on March 21, 2024.
4. President, Chief Executive Officer and Representative Director Yoshihiro Hidaka resigned and retired on September 30, 2024.
(Significant concurrent positions during the term of office: Outside Director of Yamaha Corporation)
5. Director Yuko Tashiro retired from her position as Director and Chairman of the Board of Accordia Golf co., Ltd. on January 31, 2025.
6. Special relationship with the organizations at which Outside Directors and Audit & Supervisory Board Members (Outside) hold significant concurrent positions
   (1) Yamaha Corporation, where Director Takuya Nakata holds a concurrent position, is a shareholder that holds 2.96% of the Company’s shares, and the Company has real estate lease transactions, etc., with said company.
   (2) Komatsu Ltd., where Director Tetsuji Ohashi holds a concurrent position, has transactions with the Company, such as purchase/sale of products.
7. Excluding Note 6. above, there are no special relationships between the Company and the significant concurrent positions of Outside Directors and Audit & Supervisory Board Members (Outside).
8. Audit & Supervisory Board Member Eriko Kawai has ample experience in international financial institutions, etc., and has considerable knowledge of finance and accounting. In addition, Audit & Supervisory Board Member Ayumi Ujihara is a certified public accountant and has considerable knowledge of finance and accounting.
9. Agreement on limitation of liability
The Company has concluded liability limitation agreements with all Outside Directors and Audit & Supervisory Board Members (Outside) in accordance with the provisions of Paragraph 1 of Article

427 of the Companies Act. The maximum liability for damages to be borne by the Outside Directors and Audit & Supervisory Board Members (Outside) under the agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Companies Act.

10. Summary of details of Directors and Officers liability insurance contract
The Company has entered into a Directors and Officers liability insurance contract to insure the Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries, etc. If insured officers are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract.

11. Responsibilities have been changed as follows as of January 1, 2025.

| Name | Position | Responsibilities |
|---|---|---|
| Motofumi Shitara | Executive Vice President and Representative Director<br>CFO | In charge of Corporate Affairs<br>Corporate Strategy, Human Resources & General Affairs, Risk Compliance, Legal & Intellectual Property, Corporate Planning & Finance Center, IT, Creative |
| Heiji Maruyama | Director and Managing Executive Officer | In charge of Technology, Research & Development, Powertrain, Mobility System, Motorcycle Vehicle Development |
| Satohiko Matsuyama | Director and<br>Senior Executive Officer | In charge of Manufacturing<br>In charge of Manufacturing, Manufacturing Technology, Procurement, US Strategy |

## (2) Name and Other Information regarding the Executive Officers

As of January 1, 2025, the Company is served by 26 Executive Officers comprising four concurrently serving as Directors and the following 22 others.

| Name | Position | Responsibilities |
|---|---|---|
| Hiroyuki Ota | Senior Executive Officer | Chairman of the Board of Directors of YAMAHA ROBOTICS HOLDINGS CO., LTD. |
| Itaru Otani | Senior Executive Officer | Managing Director of Yamaha Motor India Pvt. Ltd |
| Dyonisius Beti | Senior Executive Officer | President of PT. Yamaha Indonesia Motor Manufacturing |
| Toshiaki Ibata | Senior Executive Officer | Chief General Manager of Marine Business Operations and in charge of Overseas Market Development Operation Business Unit |
| Takuya Kinoshita | Executive Officer | Chief General Manager of Creative Center |
| Satoshi Hirose | Executive Officer | Assistant to the President |
| Takeo Noda | Executive Officer | Assistant to the President |
| Toyoshi Nishida | Executive Officer | Chief General Manager of Motorcycle Development Center |
| Tatsuya Masuda | Executive Officer | Chief General Manager of Procurement Center |
| Kenichi Muraki | Executive Officer | Executive General Manager of Smart Power Vehicle Business Unit, Land Mobility Business Operations |
| Kotaro Ueda | Executive Officer | Chief General Manager of Quality Assurance Center<br>CQO |
| Eishin Chihana | Executive Officer | In charge of Corporate Strategy, Corporate Strategy Center, Corporate Strategy Division |
| Shin Yokomizo | Executive Officer | General Manager of Electric Vehicle Business Development Section, Land Mobility Business Operations |
| Yasutaka Suzuki | Executive Officer | Chief General Manager of Land Mobility Business Operations, in charge of Customer Experience Business Unit |
| Michael Chrzanowski | Executive Officer | President & CEO of Yamaha Motor Corporation U.S.A. |
| Jeffrey Young | Executive Officer | President & CEO of Yamaha Motor Finance Corporation |
| Kenji Komatsu | Executive Officer | Chief General Manager of Technical Research & Development Center |
| Ayako Egashira | Executive Officer | Chief General Manager of Solution Business Operations |
| Mitsuru Hashimoto | Executive Officer | Chief General Manager of Human Resources & General Affairs Center, Chief General Manager of Corporate Planning & Finance Center |
| Olivier Prevost | Executive Officer | President of Yamaha Motor Europe N.V. |
| Hajime Aota | Executive Officer | Chief General Manager of Corporate Strategy Center<br>CSO |
| Ben Speciale | Executive Officer* | President of Marine Business Unit, Yamaha Motor Corporation, U.S.A. |

Notes: 1. Abbreviations: SPV: Smart Power Vehicle
2. An asterisk (*) indicates Deputy Executive Officer.

## (3) Remuneration for Officers

1) Number of recipients and amounts of remuneration, etc. to officers

(Million yen)

| Category | Total amount of remuneration | Total amount per type of remuneration | | | | Number of applicable officers (Persons) |
|---|---|---|---|---|---|---|
| | | Basic compensation | Performance-based bonus | | Performance-based share remuneration | |
| | | | Whole-company performance-based bonus | Individual performance-based bonus | | |
| Directors (excluding Outside Directors) | 577 | 244 | 189 | 16 | 126 | 5 |
| Outside Directors | 99 | 99 | – | – | – | 6 |
| Audit & Supervisory Board Members (excluding Audit & Supervisory Board Members (Outside)) | 76 | 76 | – | – | – | 2 |
| Audit & Supervisory Board Members (Outside) | 59 | 59 | – | – | – | 3 |
| Total | 812 | 479 | 189 | 16 | 126 | 16 |

Notes: 1. The above amount of "Basic compensation" is the total amount of remuneration, etc. (full monetary remuneration) paid in fiscal 2024. The amounts of remuneration and the number of recipients of the above "Basic compensation" include two Directors who retired during the term of office.

2. The above amounts of "Whole-company performance-based bonus" and "Individual performance-based bonus" are the amounts expected to be paid (full monetary remuneration) in April 2025 based on the results of business performance, etc. in fiscal 2024. The amounts of remuneration and the number of recipients of the above "Whole-company performance-based bonus" and "Individual performance- based bonus" include one Director who retired during the term of office.

3. Regarding share remuneration, the Company previously provided the Company's common stock (shares with restriction on transfer) as share remuneration to Directors excluding Outside Directors and Executive Officers (excluding foreign executive officers), on the basis of the system of remuneration of shares with restriction on transfer that had no performance conditions (hereafter the "previous system"), on the condition that they do not transfer the shares until they retire from their positions as officers of the Company. In accordance with the resolution of the 87th Ordinary General Meeting of Shareholders held on March 23, 2022, the Company has introduced a Performance-based Share Remuneration System that determines the number of shares with restriction on transfer to be awarded in conjunction with the Company's TSR (Total Shareholder Return) evaluation, as a replacement for the previous system. The above amount of "Performance-based share remuneration" is the amount expected to be paid in April 2025 or later (property contributed in kind for all the share options concerned to receive issue or disposal of common stock of the Company), based on the results of the TSR evaluation, etc. for fiscal 2024, in accordance with the policies and calculation methods described in (4) 2) (iii) below. The amounts of remuneration and the number of recipients of the above "Performance-based Share Remuneration" include one Director who retired during the term of office. Although the amount disclosed in the business report for fiscal 2023 as the expected payment from April 2024 was 153 million yen, the amount paid in April 2024 was 191 million yen.

4. The maximum amount of remuneration, etc. for Directors and Audit & Supervisory Board Members approved at the General Meeting of Shareholders is as follows. Basic compensation for Directors and Audit & Supervisory Board Members and performance-based share remuneration for Directors were resolved at the 87th Ordinary General Meeting of Shareholders held on March 23, 2022, and the number of Directors was ten (including five Outside Directors) and the number of Audit & Supervisory Board Members was four (including two Audit & Supervisory Board Members (Outside)) at the conclusion of the said meeting. (Because the Company conducted a 3-for-1 stock split of its common stock, effective January 1, 2024, the upper limit number of shares for performance-based share remuneration mentioned below is adjusted for the stock split.) Performance-based bonus for Directors was resolved at the 84th Ordinary General Meeting of Shareholders held on March 27, 2019, and the number of Directors was 11 (including four Outside Directors) at the conclusion of the said meeting. Performance-based bonus

and performance-based share remuneration are resolved only for Directors excluding Outside Directors.

<table>
<tr><th rowspan="2">Category</th><th rowspan="2">Basic compensation</th><th colspan="2">Performance-based bonus</th><th rowspan="2" colspan="2">Performance-based share remuneration</th></tr>
<tr><th>Whole-company performance-based bonus</th><th>Individual performance-based bonus</th></tr>
<tr><td>Directors</td><td>600 million yen (including 200 million yen for Outside Directors)</td><td>0.5% of profit attributable to owners of parent</td><td>100 million yen</td><td>600 million yen</td><td>900,000 shares</td></tr>
<tr><td>Audit & Supervisory Board Members</td><td>200 million yen</td><td></td><td></td><td colspan="2"></td></tr>
</table>

2) Performance-based bonus calculation method and evaluation results

[Whole-company performance-based bonus]

The total amount of whole-company performance-based bonus for Directors is calculated by multiplying a specified proportion of profit attributable to owners of parent (0.14%) by the ROA evaluation coefficient (determined within a range from 0 to 2.0), and is allocated to each Director according to a predetermined coefficient for each position, from the perspectives of sharing profit with shareholders and continuously maintaining high business profitability.

Whole-company performance-based bonus resource = (Profit attributable to owners of parent x 0.14%) x ROA evaluation coefficient
Individual performance-based bonus = bonus resource x position-based coefficient

In fiscal 2023, the three-year average of ROA was 9.9%. Calculations have excluded long-term loans payable taken out as emergency measures to address the impact of COVID-19 infection. ROA evaluation coefficient was determined at 1.25 as set forth in officer remuneration rules, upon comprehensively evaluating business performance. The total amount of whole-company performance-based bonus is based on officer remuneration rules. As a result, the total amount of whole-company performance-based bonus for Directors was calculated as follows:
Profit attributable to owners of parent of 108,100 million yen × 0.14% × ROA evaluation coefficient of 1.25 = 189 million yen, which will be distributed to each Director.
In addition, the total amount for Executive Officers who do not also work as Directors is determined according to a similar calculation method (profit attributable to owners of parent x 0.09% x ROA evaluation coefficient), and will be distributed to each Executive Officer based on coefficients determined for each position.

[Individual performance-based bonus]

Individual performance-based bonus for Directors excluding the Representative Director is calculated by multiplying the reference amount determined for each position by financial evaluation/non-financial evaluation coefficients (determined within a range from 0 to 2.0). The financial evaluation is conducted on a year-on-year basis or based on the extent of target achievement for revenue, operating profit and ROA, etc., with the aim of the continuous growth and profitability improvements of the responsible business. The non-financial evaluation is based on the degree of progress of initiatives in the Medium-Term Management Plan, the development of successor Executives and company management candidates, and contribution to corporate value and brand value, etc., for the purpose of promoting management from a long-term perspective.

Individual performance-based bonus payment amount = position-based reference amount x (financial evaluation x 50% + non-financial evaluation x 50%)

In the fiscal year under review, as a result of conducting a comprehensive evaluation of each Director taking into account the results of these financial and non-financial evaluation indicators, the payment rate was 80% to 150% of the reference amount.
The payment amount is similarly determined for Executive Officers who do not also work as Directors (position-based reference amount x financial/non-financial evaluation coefficients), and the payment rate will be decided after March 2025.

3) Performance-based share remuneration calculation method and evaluation results

The number of shares of performance-based share remuneration to be provided to Directors excluding Outside Directors (hereafter "Applicable Directors") is determined in conjunction with the Company's TSR (Total Shareholder Return) evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as the benchmark, and shares with restriction on transfer are provided.

Under the Performance-based Share Remuneration System, in principle, the evaluation period (hereafter "the TSR Evaluation Period") refers to the past three fiscal years, the final fiscal year of which is the fiscal year prior to the fiscal year in which the Board of Directors' meeting to determine the imparting of share options to Applicable Directors (hereafter "the Imparting Board of Directors") is held (hereafter "Service Provision Period"), and the Company shall pay share options in order to issue or dispose of the number of common stock of the Company in accordance with the Company's TSR (Total Shareholder Return) evaluation in the TSR Evaluation Period. Applicable Directors are to be paid with property contributed in kind for all the share options concerned, and are to receive issue or disposal of common stock of the Company. The specific calculation method is as follows.

(i) Amount of share options to be paid and the method of calculation thereof

The amount of share options to be paid to each Applicable Director shall be calculated by multiplying the number of shares to be finally provided to each Applicable Director (hereafter "Number of Individual Shares to be Provided" based on the Performance-based Share Remuneration System by the payment amount per share (hereafter "Share Price at Time of Provision") determined by the Imparting Board of Directors within a scope which is not a particularly advantageous price for the Applicable Directors receiving the Company's shares based on the closing price of ordinary trading of shares in the Company at the Tokyo Stock Exchange on the business day prior to the meeting by the Imparting Board of Directors (if no transactions are made on that day, the closing price on the most recent trading date).

| |
|---|
| Amount of share options to be paid to Applicable Directors = Number of Individual Shares to be Provided ((ii) below) x Share Price at Time of Provision |

(ii) Calculation method of Number of Individual Shares to be Provided

The Number of Individual Shares to be Provided shall be calculated by multiplying the number of shares predetermined for each position as the standard for the number of shares to be provided (the number of shares with restriction on transfer to be provided in the event that the TSR Evaluation Coefficient is 100%; hereafter "the Number of Position-based Standard Provisions") by the coefficient calculated based on the evaluation of the Company's TSR (Total Shareholder Return) during the TSR Evaluation Period (hereafter "the TSR Evaluation Coefficient").

| |
|---|
| Number of Individual Shares to be Provided = Number of Position-based Standard Provisions ((a) below) x TSR Evaluation Coefficient ((b) below) |

a. Number of Position-based Standard Provisions

The Number of Position-based Standard Provisions shall be calculated by dividing the reference amount per year for each position associated with performance-based share remuneration (hereafter "Position-based Reference Amount") by the average closing price of ordinary trading of the Company's shares for one month in the month immediately prior to the Service Provision Period (hereafter "the Base Share Price"). The Number of Position-based Standard Provisions and the Position-based Reference Amount shall be determined by the Board of Directors at the beginning of the Service Provision Period after reports from the Executive Personnel Committee.

| |
|---|
| Number of Position-based Standard Provisions = Position-based Reference Amount ÷ Base Share Price |

b. TSR Evaluation Coefficient

The TSR Evaluation Coefficient shall be calculated within a range from 0% to 150% based on the Company's TSR (Total Shareholder Return) evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as the benchmark according to the following formula.

$$\textit{Company TSR} = \frac{\textit{average closing price of shares in the last month (December) of the final year of the TSR evaluation period + total amount of dividends during the TSR evaluation period}}{\textit{average closing price of shares in the month (December) prior to the start of the TSR evaluation period}}$$

$$\textit{Dividend-inclusive TOPIX growth rate} = \frac{\textit{average dividend-inclusive TOPIX closing price in the last month (December) of the final year of the TSR evaluation period}}{\textit{average dividend-inclusive TOPIX closing price in the month (December) prior to the start of the TSR evaluation period}}$$

For FY 2024, the Company's TSR was 158.3% and the dividend- inclusive TOPIX growth rate was 149.5%. As a result, TSR Evaluation Coefficient is expected to be 105.9%.

4) Validity and appropriateness of fiscal 2024 remuneration
In determining the details of the remuneration, etc. for individual Directors for the fiscal year under review, as stated in "(9) Activity Details of the Executive Personnel Committee" (page 58), the Board of Directors has judged that the details are consistent with the decision-making policy and therefore appropriate since the Executive Personnel Committee, which is composed mainly of Independent Outside Directors, conducted multifaceted verifications, including consistency with the decision-making policy, based on objective and specialized information necessary for deliberation.
In the midst of major changes in the business environment, in order to strongly promote initiatives unique to the Company to solve materiality (important social issues) and realize the sustained creation of corporate value and brand value, we have expanded compensation linked to performance and introduced evaluations related to materiality and Total Shareholder Return (TSR) in line with the start of the Medium-Term Management Plan from 2022.

## (4) Policies on Determining Remuneration for Officers

1) Method for determining policies on determining remuneration for officers
The policy for determining the amount of individual remuneration for Directors, Audit & Supervisory Board Members and Executive Officers is determined by the Board of Directors after discussion and reporting by the Executive Personnel Committee (the majority member of which are Outside Directors), which is a voluntary advisory body regarding nomination and remuneration of the Board of Directors. In its deliberations, the Executive Personnel Committee takes into account changes in the business environment and opinions, etc. received from shareholders and investors, and receives information required for its deliberations from a third party which has extensive global experience and knowledge (Willis Towers Watson).

2) Policies on determining remuneration for officers

(i) Basic direction

- The Company shall encourage officers to perform their duties to the utmost in accordance with the Company's Management Principles and Behavioral Guidelines.
- The Company has positioned achieving the targets in the Medium-Term Management Plan, etc. as strong motivators in working toward realizing the long-term vision.
- The remuneration is intended to function as sound incentives toward the sustainable growth of the Company's corporate value and encourage the management to share interests with shareholders.
- The remuneration is to be at a level which can attract and retain diverse and highly-capable human resources suitable for the roles and responsibilities of a manager.
- The Company shall encourage officers to promote initiatives unique to the Company to solve materiality (important social issues) to the utmost.

(ii) Remuneration composition and remuneration levels
Remuneration for Directors, etc. (including Executive Officers who do not also work as Directors) is comprised of basic compensation (monthly fixed remuneration), bonuses linked to performance, and performance-based share remuneration. The composition ratio for the President and Representative Director is based on Figure 1, and the composition ratios of remuneration (reference amount) for other officers are also set for each position based on the President and Representative Director. The percentage of basic compensation is limited to 60% of total.
For Outside Directors and Audit & Supervisory Board Members, only fixed remuneration is provided in view of their role of supervising and auditing the management of the Company from an independent and objective standpoint.

Figure 1. Composition ratio of remuneration for President and Representative Director (reference amount)

| | | |
|---|---|---|
| Basic compensation: 40% | Bonuses linked to performance: 30% | Performance-based share remuneration: 30% |
| Fixed remuneration | Variable remuneration | |

Remuneration levels are set at an appropriate amount by referring to objective market research data on remuneration (the remuneration levels of manufacturing companies of a similar scale as the Company that are expanding their business globally).

(iii) Mechanism of variable remuneration

<u>Bonuses linked to performance</u>

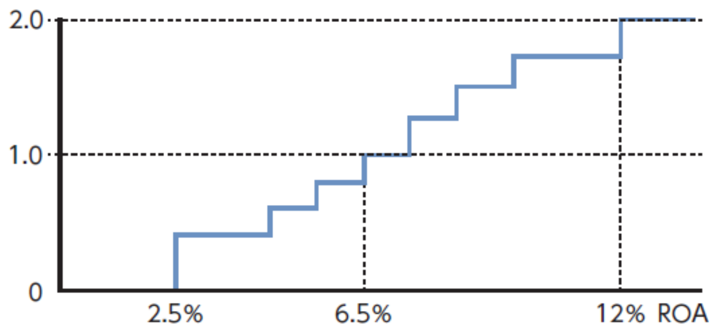
The bonus linked to performance is comprised of a "whole-company performance-based bonus" and an "individual performance-based bonus." The ratio of whole-company performance-based bonus: individual performance-based bonus is set at 1:0 for Representative Director, around 2:1 of the reference amount for Directors excluding the Representative Director, and around 1:3 of the reference amount for Executive Officers who do not also work as Directors.

From the perspective of providing incentives to Directors for achieving short-term performance targets, the "whole-company performance-based bonus" is drawn from a total amount obtained by multiplying a specified proportion of "profit attributable to owners of parents" which is 0.14% (for Executive Officers who do not also work as Directors: 0.09%) by evaluation coefficients (times 0-2) based on the "consolidated total assets operating profit ratio (ROA)," and distributed to each Executive based on coefficients, etc. determined for each position.

The ROA evaluation coefficient is set forth as shown in Figure 2 against a three-year average of the consolidated total assets operating profit ratio (ROA). This evaluation coefficient is adjusted after discussion by the Executive Personnel Committee based on the achievement of revenue and operating profit targets, degree of progress of the Medium-Term Management Plan, etc. toward realizing the long-term vision, overall progress in initiatives to resolve materiality, ESG evaluation from outside the company, and other matters affecting corporate value and brand value.

Directors who retired before the end of the fiscal year may be awarded the performance-based bonus that gives comprehensive consideration to the status of achievement of performance until the time of retirement, etc. after discussion and reporting by the Executive Personnel Committee.

Figure 2. ROA evaluation coefficients




The "individual performance-based bonus" is comprised of the "financial evaluation-based portion" and the "non-financial evaluation-based portion," with the ratio set at 1:1 of the reference amount. Each portion is determined within the scope of 0-2 times the reference amount specified for each position, bearing in mind indicators set in advance.

Figure 3. Composition of bonuses linked to performance

<table>
<tr><td rowspan="3">Whole-company performance- based bonus<br><br>Total amount<br>Profit attributable to owners of parent<br>× specified proportion (0.14%)<br>(0.09% for Executive Officers who do not also work as Directors)<br>× evaluation coefficients based on the consolidated total assets operating income ratio (ROA) (including adjustments for other management results) times 0-2</td><td colspan="2">Individual performance-based bonus<br>0-2 times the reference amount set in advance for each position</td></tr>
<tr><td>Financial evaluation:<br>Bearing in mind the extent of target achievement and results compared with the previous fiscal year for revenue, operating profit, consolidated total assets operating profit ratio (ROA), etc. for the responsible division</td><td>Non-financial evaluation:<br>Bearing in mind the degree of progress of initiatives in the Medium-Term Management Plan, etc., development of successor Executives and company management candidates, contribution to corporate value and brand value, etc.</td></tr>
<tr><td colspan="2">Ratio of financial evaluation to non-financial evaluation<br>Directors: 1:1 (Executive Officers: 1:1)</td></tr>
<tr><td colspan="3">Ratio of whole-company performance-based bonus to individual performance-based bonus<br>Representative Director: 1:0 ・Directors: 2:1 (Executive Officers: 1:3)</td></tr>
</table>

The “whole-company performance-based bonus” and the “individual performance-based bonus” are paid in a lump sum each year at the completion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year subject to evaluation.

Performance-based share remuneration

Performance-based share remuneration is the system with the aims of further promoting the sharing of value between the Directors, etc. of the Company and all shareholders, and continuously enhancing the corporate value of the Company. Specifically, once a year, we provide Directors, etc. (excluding foreign executive officers) shares with restriction on transfer that determine the number of shares to be provided in conjunction with the Company’s TSR (Total Shareholder Return) evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as the benchmark. Please refer to (3) 3) above for specific calculation methods. When providing shares with restrictions on transfer, each Director, etc. receives share options, enters into a contract with the Company for the allocation of shares with restriction on transfer, and receives the shares by making an in-kind contribution of the said claim to the Company. The period of restriction on transfer in the allocation contract shall be 30 years, and if a Director retires due to the expiration of term or other legitimate reason during the period of restriction on transfer, the restrictions on transfer shall be cancelled. However, in case of allocation contract concluded between the Company and the Directors, etc. who retired due to the completion of term or other legitimate reason by the time of provision of shares with restrictions on transfer, common stock of the Company is provided without setting the period of restriction on transfer.

For Executive Officers who are non-residents (excluding foreign executive officers), instead of issuing shares, cash to purchase common stock of the Company equivalent to the reference amount determined for each position is provided through the Company’s Director Shareholding Association.

(iv) Method for determining individual remuneration, etc.

In order to ensure transparency as well as objectivity of the determination process with regard to determining individual remuneration, etc. for Directors, Executive Officers who do not also work as Directors, and Audit & Supervisory Board Members, after discussion and reporting by the Executive Personnel Committee (the majority members of which are Outside Directors), an advisory body regarding nomination and remuneration which the Company has established voluntarily, individual remuneration for Directors and Executive Officers who do not also work as Directors is determined by the Board of Directors. In addition, individual remuneration for Audit & Supervisory Board Members is determined by deliberation of the Audit & Supervisory Board.

(v) Other important matters

In the event of the deterioration of the Company’s business performance, quality issues that could damage the Company’s corporate value and brand value, or the occurrence of a serious accident, scandal or similar, remuneration for officers may be temporarily reduced or not paid, after discussion and reporting by the Executive Personnel Committee.

With regard to the performance-based bonus, if matters arise that should be taken into account as temporary special factors, which were not expected when setting targets at the beginning of the term, the amount of individual bonus payments may be calculated by evaluating business performance excluding that impact. In addition, in the event that an officer violates laws and regulations, the duty of due care or the duty of loyalty as an officer prior to the payment of a performance-based bonus, or such fact becomes apparent within two years of said payment, or in the event of any other similar matter, the right of an officer related to said circumstances to receive a bonus shall be eliminated, or the Company may request the refund of any bonus actually paid.

With regard to the performance-based share remuneration, in the event that an officer violates laws and regulations, the duty of due care or the duty of loyalty as an officer, or in the event of any other similar matter prior to receiving shares with restrictions on transfer, the beneficiary right of such prospective recipient shall be eliminated. In addition, in the event that such fact becomes apparent after the shares with restrictions on transfer provided but prior to the restrictions on transfer cancelled, the Company may acquire all or part of the shares with restrictions on transfer provided to the recipient without consideration. Furthermore, in the event that such fact becomes apparent within two years after the restrictions on transfer cancelled, the Company may request the recipient to refund all or part of shares actually provided, or an amount equivalent to the market value in lieu of such shares.

## (5) Status of Initiatives in Respect of Ensuring the Effectiveness of the Board of Directors

To ensure the implementation of the Company's growth strategies for the future, the Board of Directors of the Company 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 fulfilling responsibilities to various stakeholders, including shareholders and investors.

To enhance the function, we conduct initiatives to strengthen the quality of discussions from the viewpoints of both decision-making and supervision such as increase of proportion of Outside Directors, appointment of female and foreign Directors, etc. Issues that had been identified through the effectiveness analysis evaluation will be addressed every year steadily in order to enhance the effectiveness.

I. Evaluation process

With the Corporate Governance Division as a secretariat, the evaluation on the effectiveness of the Board of Directors was conducted to all Board of Directors Members including Outside Directors and Audit & Supervisory Board Members (Outside) through following processes.

As the evaluation for the fiscal year under review, we conducted self-evaluation survey based on the following four evaluation perspectives according to the framework of a third party. This is aimed at confirming the direction that the Board of Directors aims for in consideration of changes in the current operating environment and also incorporating highly objective evaluation from the external viewpoint.

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(Evaluation perspectives)

1) Roles of the Board of Directors
2) Composition of the Board of Directors
3) Discussions at the Board of Directors
4) Accountability of the Board of Directors

- Survey by questionnaire and interview from the objective perspective by a third party
- Share the results of the evaluation of effectiveness and deliberate on the issues to be addressed at the Board of Directors Meetings based on the results of the analysis

We used to check the Executive Personnel Committee as one of evaluation items. However, effectiveness evaluation is conducted independently for the Executive Personnel Committee for the fiscal year under review.

II. Evaluation process for the fiscal year under review

The Board of Directors of the Company has continued to proactively hold effective discussions and devised initiatives to realize the medium- to long-term enhancement of corporate value and sustainable growth amid dramatic changes in the operating environment and steadily addressed the issues identified in the previous fiscal year. Therefore, it was confirmed that its effectiveness had been sufficiently assured including discussions for the progress of the long-term vision towards 2030 and also for the development of the Medium-Term Management Plan.

III. Status of response to issues identified as the result of the evaluation of effectiveness in the previous fiscal year

In the previous fiscal year, the agenda items identified were "Enhance discussions on comprehensive corporate management strategies," "Implement comprehensive discussion on sustainability," "Strengthen global group governance," "Enhance discussions on human resource strategies to realize human capital management," "Enhancement of opportunities for communication with external and internal executives," and "Advance discussions and improve transparency in the Executive Personnel Committee."

In response, based on the direction of the business portfolio established in the Medium-Term Management

Plan started in FY 2022, the Board of Directors deliberated on core businesses, growth businesses, new businesses, and structural reform businesses and discussed the portfolio management for proper allocation of management resources, while it deliberated on the direction of the portfolio management for the next Medium-Term Management Plan. In the discussions on sustainability, global group governance and human capital management, focused meetings were held aimed at sharing the overview and holding comprehensive discussions.
As a result, although the survey showed that all issues were adequately addressed, it was also confirmed that there is room for a further improvement and it was recognized that there is a need for continuous efforts.
IV. Challenges for further improving effectiveness
Based on the above results, the Board of Directors of the Company has continued to recognize the following points as issues and seeks to resolve them.
Issue 1: Enhance discussions on comprehensive corporate management strategies
Issue 2: Implement comprehensive discussions on sustainability
Issue 3: Strengthen global group governance
Issue 4: Enhance discussions on human resource strategies to realize human capital management
Issue 5: Enhance opportunities for communication with external and internal executives
In addition, the following measures will be promoted in order to improve the quality of discussions at the Board of Directors.
・Clarify the future direction of the Board of Directors including design of organization
・Select appropriate issues
・Organize and clarify the point of discussion in the presentation materials
We will reinforce the functions of the Board of Directors toward solving the issues through these initiatives.

The Company will continue to push ahead with constant improvement measures to address the issues highlighted based on the evaluation, and make efforts for further enhancement of effectiveness, while having third parties involved in its evaluation process on a regular basis.

## (6) Status of Initiatives in Respect of Ensuring and Improving the Effectiveness of Audits Performed by Audit & Supervisory Board Members

The Audit & Supervisory Board endeavors to develop rules and structure for maintaining and improving the effectiveness of audits conducted by Audit & Supervisory Board Members. In order to improve the effectiveness of auditing activities, an evaluation of the effectiveness of the Audit & Supervisory Board was introduced. To ensure the objectivity of the evaluation, evaluation items were set based on the opinions of outside experts, and each Audit & Supervisory Board Member conducted a self-evaluation this fiscal year as well. After that, issues are identified through discussions at the Audit & Supervisory Board and reflected in the next audit plan, thereby improving the effectiveness of audits. For the fiscal year under review, 19 meetings of the Audit & Supervisory Board, consisting of five Audit & Supervisory Board Members including three Audit & Supervisory Board Members (Outside), were held. Three full-time staff members have been assigned to the Audit & Supervisory Board Members' Office to assist the execution of duties by Audit & Supervisory Board Members. Expenses related to Audit & Supervisory Board Members' activities are budgeted independently and paid appropriately. Major initiatives in respect of ensuring the effectiveness of audits by Audit & Supervisory Board Members, which the Company has carried out in the fiscal year under review, include the following.

- Attendance of Audit & Supervisory Board Members (Full-Time) at important meetings including the Management Committee, Sustainability Committee, Executive Committee and Global Executive Committee
- Inspection of minutes and approved proposal memorandums of the Management Committee, the Executive Personnel Committee and other meetings of bodies designated by the Audit & Supervisory Board
- Regular meetings between Representative Directors and Audit & Supervisory Board Members
- Meetings to exchange opinions among Representative Directors, Outside Directors and Audit & Supervisory Board Members (Outside)
- Meetings to exchange opinions between Outside Directors and Audit & Supervisory Board Members (Outside)
- Division hearings and on-site audits of subsidiaries
- Hearings on the internal audit plan and the results of internal audits carried out by the internal auditing sector
- Regular and irregular meetings with the Accounting Auditor to confirm matters to be considered and noted related to the quarterly financial results, and to share information and exchange opinions on the status of the KAM review and the results of on-site audits of subsidiaries, etc.
- Regular reports on the implementation of the internal reporting system, reported information, and the status

of response every quarter from the divisions in charge, as well as implementation of timely reports on important matters

- Establishing and operating a system that allows Audit & Supervisory Board Members to inspect internal reporting records and request reports on the internal reporting at any time
- Stipulating prohibition of disadvantageous treatment of any person who reports to Audit & Supervisory Board Members according to internal rules

## (7) Status of Initiatives in Respect of Ensuring the Effectiveness of the Executive Personnel Committee

Yamaha Motor has established an Executive Personnel Committee, which is involved in nominations and remuneration, as a voluntary advisory body of the Board of Directors, to improve transparency and objectivity in appointments and dismissals of executives and determining their remuneration, among other objectives.

We usually confirm the effectiveness of the Executive Personnel Committee as one of evaluation items for the effectiveness evaluation of the Board of Directors. The Company has conducted continuous improvement initiatives for the fiscal year under review recognizing “Deepen the discussions and improve transparency at the Executive Personnel Committee” as one of issues for the last fiscal year.

On the other hand, there is a gap in information volume regarding deliberation at the committee between Directors who are committee members of the Executive Personnel Committee and Directors who are not committee members. Given this, we believed that effectiveness should be deliberated on only by committee members of the Executive Personnel Committee for the fiscal year under review. Thus, we conducted the effectiveness evaluation of the Executive Personnel Committee and hereby report the results.

1. Purpose

   This is intended for the Executive Personnel Committee to confirm that matters consulted based on role have been properly discussed and reported to the Board of Directors and also to confirm the matters for improvement required when enhancing the effectiveness.

2. Evaluation process

   With the Global Human Resources Department as a secretariat using a third party, the evaluation on effectiveness was conducted to all committee members through the following processes.

   From two viewpoints of deepening the discussions and improvement of transparency, survey and interview were conducted regarding (1) role of committee, (2) composition, (3) quality of discussion (selection of agenda, presentation materials from a secretariat, and lead of Chairman, etc.), (4) content of report to the Board of Directors. Based on the result of analysis, the Executive Personnel Committee deliberated on sharing of effectiveness and issues to be addressed.

   Design of survey, analysis of results of reply and interview were conducted by a third party. We obtained feedback from the objective viewpoint while considering comparison with a voluntary advisory committee of other companies.

3. Evaluation result

   As a result of evaluation, the Executive Personnel Committee of the Company held discussions on the areas of nomination and remuneration and also conducted initiatives to enhance the transparency. Thus, it was confirmed that effectiveness has been secured.

   ▶The Executive Personnel Committee deliberates upon the appointments and dismissals of the Chief Executive Officer (CEO), Directors, Audit & Supervisory Board Members and Executive Officers, as well as the selection of candidates for such senior management positions and their development plans, while confirming personnel requirements for putting future management strategies into practice, among other things. Especially, for the development plan of successor for CEO, external consultants were used while committee members who are Outside Directors proactively engaged in the initiative, which resulted in the further enhancement of selection process transparency.

   ▶The Executive Personnel Committee deliberates upon the evaluation standards and remuneration system for the CEO, Directors and Executive Officers and also deliberates upon performance evaluation from the viewpoints of contribution to the medium- to long-term corporate growth.

   ▶ The Executive Personnel Committee fulfills its duty of accountability by disclosing concept of compensation linked to performance and calculation method, the policy and procedure for the appointments and dismissals of senior management as well as nomination of candidates.

   As a result, a certain level of evaluations were obtained due to the status of initiatives on issues of the last fiscal year as well as from the evaluation conducted through questionnaires and interviews this time. However, it was also confirmed that there is room for further improvement, and it was recognized that there is a need for continuous efforts.

   <Issues for further enhancement of effectiveness of the Executive Personnel Committee >

   Based on the above analysis results, the Executive Personnel Committee of the Company recognizes the following points as issues and also sets agenda to discuss further at the committee in the next fiscal year and seeks to resolve them in order to improve the effectiveness.

Issues 1: Secure the transparency of system and process and set the objective evaluation standard

Issues 2: Enhance the candidate human resources and information about trend of compensation design

Issues 3: Advance the succession plan of Outside Directors

Issues 4: Further review the consultation scope of the Executive Personnel Committee and attributes of the chairman

Taking this evaluation result into account, we will continue to solve the issues that we found and promote continuous improvement activities.

## (8) Matters Relating to Outside Directors and Audit & Supervisory Board Members (Outside)

Principal activities during fiscal 2023

| Category | Name (Titles omitted) | Attendance at Board of Directors Meetings | Principal activities and outline of duties performed pertaining to the role expected as an Outside Director |
|---|---|---|---|
| Outside Directors | Takuya Nakata | 13 out of 14 meetings (92.9%) | He actively stated his opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on his ample experience and wide range of insights of managing global companies. In addition to revitalizing discussions, he appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company in order to enhance the value of the shared Yamaha brand.<br>In addition, he served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company. |
| | Yuko Tashiro | 14 out of 14 meetings (100%) | She actively stated her opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on her ample experience and wide range of insights in various managerial positions, including as a financial manager and the representative director of several companies. In addition to deepening discussions on promoting diversity and developing human resources, she appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company.<br>In addition, she served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company. |
| | Tetsuji Ohashi | 14 out of 14 meetings (100%) | He actively stated his opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on his ample experience as a manager who has served as a representative director of a global company and his wide range of insights in the manufacturing field.<br>In addition to contributing to active discussions with regard to risk management and compliance from the perspective of "Bad News First," he appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company. In addition, he served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company. |

| Category | Name (Titles omitted) | Attendance at Board of Directors Meetings | Principal activities and outline of duties performed pertaining to the role expected as an Outside Director |
|---|---|---|---|
| Outside Directors | Jin Song Montesano | 14 out of 14 meetings (100%) | She actively stated her opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on her ample experience and her wide range of insights of management overall and in the areas of human resources, general affairs, public affairs, external affairs, and corporate responsibility through her experiences in various managerial positions in corporate affairs of a global company.<br>In addition to deepening discussions on promoting diversity and developing human resources, she appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company. In addition, she served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company. |
| | Keiji Masui | 11 out of 11 meetings (100%) | Having held prominent positions such as the representative director of global companies, he actively stated his opinions at Board of Directors' meetings, Management Discussion meetings, and at meetings to exchange opinions, based on his ample experience and wide range of insights in overall management, and in the areas of procurement and manufacturing.<br>In addition to deepening discussions on procurement and manufacturing, he appropriately played the role expected of an Outside Director of the Company, including by providing accurate advice on the management of the Company.<br>In addition, he served as a member of the Executive Personnel Committee, which is a voluntary advisory body to the Board of Directors on nomination and remuneration, and contributed to strengthening the governance of the Company. |

| Category | Name (Titles omitted) | Attendance at Board of Directors Meetings | Attendance at Audit & Supervisory Board Meetings | Principal activities |
|---|---|---|---|---|
| Audit & Supervisory Board Members (Outside) | Masatake Yone | 14 out of 14 meetings (100%) | 19 out of 19 meetings (100%) | He provided advice based on his high level of expertise as an attorney, and ample knowledge and experience as an outside officer of corporations. |
| | Eriko Kawai | 14 out of 14 meetings (100%) | 19 out of 19 meetings (100%) | She provided advice based on her experience and business track record as a manager and her high level of expertise in finance and accounting, in addition to her ample experience in international companies and international organizations. |
| | Ayumi Ujihara | 14 out of 14 meetings (100%) | 19 out of 19 meetings (100%) | She provided advice based on her high level of expertise and experience in the accounting field as a certified public accountant, including the audit work of international corporations. |

1. Details for Outside Director Keiji Masui are that for the period after his appointment on March 21, 2024.
2. As stated in Other Significant Status Regarding Current Conditions of the Yamaha Motor Group, incidents of inappropriate handling were found at the Company in submitting applications for model designations for motorcycles. Takuya Nakata, Yuko Tashiro, Tetsuji Ohashi, Jin Song Montesano and Keiji Masui who are Outside Directors and Masatake Yone, Eriko Kawai and Ayumi Ujihara who are Audit & Supervisory Board Members (Outside) were not aware of the facts of this matter before they were revealed, and regularly presented their proposals on daily operations from the viewpoint of legal compliance. After the incidents were revealed, they presented proposals to conduct a thorough investigation and strengthen internal controls and develop strict compliance in order to prevent recurrence.

## (9) Activity Details of the Executive Personnel Committee

Yamaha Motor has established an Executive Personnel Committee, which is involved in nominations and remuneration, as a voluntary advisory body of the Board of Directors, to improve transparency and objectivity in appointments and dismissals of executives and determining their remuneration, among other objectives. To ensure the transparency of the deliberation process, as well as to ensure the objectivity and validity of matters reported to the Board of Directors' meetings, the majority of the members of the Executive Personnel Committee consists of Outside Directors. The meeting of the Executive Personnel Committee was held 11 times this fiscal year, and discussed matters concerning nomination and remuneration.

| | | |
|---|---|---|
| Chairman: | Director | Katsuaki Watanabe (11) |
| Committee members: | Director | Yoshihiro Hidaka (8) |
| | Outside Directors (Independent) | Takuya Nakata (11), Takehiro Kamigama (3),<br>Yuko Tashiro (11), Tetsuji Ohashi (11),<br>Jin Song Montesano (11) and Keiji Masui (8), |

1. Numbers in parentheses indicate the number of times attended out of all 11 meetings.
2. Details for Outside Director Keiji Masui are that for the period after his appointment on March 21, 2024.
3. Outside Director Takehiro Kamigama retired on March 21, 2024 (number of attendance until retirement: 3 times).
4. Director Yoshihiro Hidaka resigned and retired on September 30, 2024 (number of attendance until retirement: 8 times)

In the role related to "nominations," the Executive Personnel Committee deliberated upon the appointments and dismissals of the Chief Executive Officer (CEO), Directors, Audit & Supervisory Board Members and Executive Officers, as well as the selection of candidates for such senior management positions and their development plans, while confirming future management strategies and personnel requirements for putting them into practice, among other things.
As part of our ongoing efforts to strengthen governance, we have been making decisions on the appointment and dismissal of CEO based on his/her performance reviews and evaluations. Specifically, as part of the Executive Personnel Committee, a CEO round-table conference (with a total of eight outside directors and outside corporate auditors, chaired by Director Yuko Tashiro) is held to evaluate the CEO's performance as a corporate manager, from the perspective of whether he/she possesses the necessary qualities as our CEO and is demonstrating them appropriately, through strategic dialogue with the CEO. During the fiscal year under review, Yoshihiro Hidaka, the former President and Chief Executive Officer requested to resign from his position for personal reasons at this meeting, and the request was approved after deliberation. Following this, the Executive Personnel Committee discussed the successor candidate, and the proposal that Katsuaki Watanabe, Chairman and Director, would also serve as President and Chief Executive Officer was reported to the Board of Directors and approved.
In the role related to "remuneration," the Executive Personnel Committee evaluated the performance of the Company and individuals based on contributions to medium- to long-term corporate growth and business performance for the said fiscal year, and deliberated upon the compensation linked to performance within the limits of total remuneration resolved at the General Meeting of Shareholders. The amounts of individual remuneration for Directors and Executive Officers were determined by the Board of Directors, taking into account discussion and reporting by the Executive Personnel Committee based on the determination policies for Executives' remuneration.

# 4. Accounting Auditor

## (1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

## (2) Remuneration Paid to the Accounting Auditor during Fiscal 2023

| | | |
|---|---|---|
| 1) Remuneration paid to the Accounting Auditor during fiscal 2023: | 254 | million yen |
| 2) Total remuneration payable by the Company and its consolidated subsidiaries to the Accounting Auditor: | 288 | million yen |

Note: 1. The amount of remuneration for audit under the Companies Act and the amount under the Financial Instruments and Exchange Act are not classified differently in the audit contract between the Company and the Accounting Auditor, nor would it be practical to do so. Therefore, the amount shown in 1) above is the total for their respective categories of remuneration.

2. The Audit & Supervisory Board has given their consent with respect to Paragraph 1, Article 399 of the Companies Act for the remuneration paid to the Accounting Auditor, following the confirmation and examination of the status of the Accounting Auditor's performance of duties, the details of audit plan and others, in light of the "Practical Guidelines for Coordination with Accounting Auditor" published by the Japan Audit & Supervisory Board Members Association.

Each of the following principal subsidiaries of the Company contracts another certified public accountant or audit corporation (including a person having an equivalent qualification in the foreign country concerned) for auditing (prescribed by the Companies Act or the Financial Instruments and Exchange Act, or laws equivalent to aforementioned acts in the foreign country):
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 Philippines, Inc., Yamaha Motor Vietnam Co., Ltd., Thai Yamaha Motor Co., Ltd. and Yamaha Motor da Amazonia Ltda.

## (3) Non-audit Services Provided by the Accounting Auditor

The Company entrusts the Accounting Auditor with, and pays compensation for, the following types of work, etc. which are not prescribed in Paragraph 1 of Article 2 of the Certified Public Accountants Act (non-audit services):
1) Preparation of Auditor's Comfort Letter to Arrangers and Report on the Investigation Results of Financial Information Other than Financial Statements related to the secondary offering of shares and issuance of bonds payable
2) Review of English translation of Notices of Ordinary General Meeting of Shareholders

## (4) Policy for Determining the Dismissal or Non-reappointment of Accounting Auditor

In addition to the dismissal of an Accounting Auditor by the Audit & Supervisory Board stipulated in Article 340 of the Companies Act, the Audit & Supervisory Board of the Company shall decide a proposal to dismiss or not to reappoint an Accounting Auditor, if it is deemed difficult for the Accounting Auditor to perform his or her duties. The Board of Directors of the Company shall submit the agenda to a General Meeting of Shareholders based on said decision.

# 5. Systems to Ensure Proper Business Operations

## (1) Systems to Ensure the Directors Compliance with Acts, Regulations and the Company's Articles of Incorporation

- The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
- Audit & Supervisory Board Members, in accordance with the criteria and methodology established by the Audit & Supervisory Board, shall audit the business conduct of the Directors.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

## (2) Maintenance and Administration of Information Concerning the Business Conduct of Directors

- Documents and other forms of information on the business conduct of Directors shall be prepared, maintained and administered appropriately by establishing and operating necessary arrangement involving internal regulations.
- Confidential information including documents and other forms of information on the business conduct of Directors shall be handled appropriately by establishing and operating necessary arrangement involving internal regulations.
- The Company shall form such organizations and develop such rules as necessary to ensure timely and appropriate disclosure of significant company information.

## (3) Rules Relating to Risk Control against Loss

- The Company shall establish the Global Risk Compliance Management Committee as an organization carrying out deliberation on measures with CRCO (Chief Risk and Compliance Officer) assigned as a head for risk management of the Company, and shall establish a risk management supervising section for developing regulations concerning risk management of the Company and its subsidiaries, conducting risk assessment and structuring system for monitoring the risk management.
- Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
- The Company shall develop and operate internal regulations, etc. as necessary to ensure integrated control of individual departmental risk management activities.
- If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the internal regulations, etc., with the President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

## (4) Systems to Ensure Efficient Execution of Directors' Duties

- The authority and responsibilities of the Board of Directors, President and Chief Executive Officer, Executive Officers with title and sector heads, etc. and the system for transferring authority between them, shall be better defined by strengthening Board of Directors Rules, Decision-making Rules and other important rules.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- After the Medium-Term Management Plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

### (5) Systems to Ensure Employee Compliance with Acts, Regulations and the Company's Articles of Incorporation

- The Company shall establish the Global Risk Compliance Management Committee as an organization carrying out deliberation on measures with CRCO (Chief Risk and Compliance Officer) assigned as a head for compliance of the Company, and shall establish a compliance supervising section for enhancing and educating its Code of Ethics to the Company and its subsidiaries.
- The Company shall establish an internal reporting hotline in a third-party organization outside of the Company which enables one to directly report on any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company, which then directly informs Audit & Supervisory Board Members and the President and Chief Executive Officer concerning such report.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form organizations and develop rules necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

### (6) Systems to Ensure that the Yamaha Motor Group (Composed of the Company and Its Subsidiaries) Conducts Business Appropriately

- The Company's Group Companies Management Rules and Decision-making Rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established in the Company under the direct control of the President and Chief Executive Officer. An internal auditing function shall be established in major subsidiaries as well, and shall conduct audits of sections and subsidiaries collaborating with the internal auditing sector of the Company.
- Each domestic subsidiary, in principle, shall have a Board of Directors and an Audit & Supervisory Board Member; overseas subsidiaries shall design a governing body in accordance with local laws.
- At least one Director of each subsidiary, in principle, shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- The section supervising financial reporting of the Company shall provide subsidiaries with guidance and education to ensure appropriateness of financial information.

### (7) Systems to Report to the Company on Matters Concerning the Execution of Duties at the Company's Subsidiaries by Directors, Employees Who Execute Business, and Any Person in an Equivalent Position (Directors, Etc.)

- The Group Companies Management Rules of the Company stipulates that Directors, etc. of its subsidiaries must report to the Company on their financial status and other important information.
- The Company shall request Directors, etc. of its significant subsidiaries to make a report on their business execution at the Management Committee meetings, etc. of the Company on a regular basis.

### (8) Rules Relating to Risk Management Against Loss by the Company's Subsidiaries and Other Systems

- The Company's CRCO and risk management supervising section shall set out rules on managing risks of the Company and its subsidiaries, and establish a system to monitor the risk assessment and its implementation plans and results.
- The Company's CRCO and risk management supervising section shall provide subsidiaries with guidance and education with respect to risk management initiatives carried out by each subsidiary.
- Standards of conduct shall be set out in the internal rules, etc. to allow the Company to promptly and adequately deal with significant issues about the Company and its subsidiaries when they arise and to minimize the damage from such issues.

## (9) Systems to Ensure Efficient Execution of Duties by Directors, Etc. of the Company's Subsidiaries

- Decision-making processes, responsibilities and authority shall be clarified by strengthening the Board of Directors Rules, Decision-making Rules and other important rules.
- The Group Medium-Term Management Plan and the budget for the fiscal year shall be set out.
- A common management control system shall be adopted by the Company and its subsidiaries.
- Global Executive Committee meetings, comprising Executive Officers of the Company and its major subsidiaries, shall be held regularly to share information on the group management policy and deliberate on the policy to deal with important issues.

## (10) Systems to Ensure That the Execution of Duties by Directors, Etc. and Employees of the Company's Subsidiaries Complies with Acts, Regulations and the Company's Articles of Incorporation

- CRCO and the compliance supervising section of the Company shall enhance the Code of Ethics to be complied with by the Company and its subsidiaries, and shall provide subsidiaries with education on compliance.
- CRCO and the compliance supervising section of the Company shall provide subsidiaries with guidance and education in respect of compliance initiatives taken by each subsidiary.
- The Company and its subsidiaries shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company and its subsidiaries shall reinforce this commitment in their Code of Ethics.
- The Company and its subsidiaries shall form organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.
- The internal auditing sector of the Company shall work in collaboration with the internal auditing functions of its subsidiaries and perform audits on the system for compliance with acts and regulations of the subsidiaries.
- Audit & Supervisory Board Members of the Company shall perform audits on the status of Directors' execution of duties, internal control, risk management, measures to deal with compliance, and asset management status, etc. of its subsidiaries in accordance with the criteria and methodology established by the Audit & Supervisory Board.

## (11) Employee to Assist Audit & Supervisory Board Members

- An Audit & Supervisory Board Members' Office shall be established with a full-time employee dedicated to assisting the Audit & Supervisory Board Members in the execution of their duties.

## (12) Employee Assisting Audit & Supervisory Board Members Independence from Directors

- The internal rules provide that the authority to give instructions and orders to the employees assisting Audit & Supervisory Board Members shall be delegated to each Audit & Supervisory Board Member.
- Any dismissal or personnel changes concerning the employee assisting Audit & Supervisory Board Members in the execution of their duties shall be approved by the Audit & Supervisory Board in advance.

## (13) Matters in Respect of Ensuring the Effectiveness of Instructions Given by Audit & Supervisory Board Members to the Employees Assisting Audit & Supervisory Board Members

- No employee assisting Audit & Supervisory Board Members in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Audit & Supervisory Board Members, whose opinions shall be taken into consideration in evaluating the employee.

### (14) Rules Concerning Directors and Employees Reporting to the Audit & Supervisory Board Members

- Directors and employees shall report to Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors or employees, fact which violates the law and the Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, depending on the importance and urgency thereof.
- Directors and employees shall report the following matters to the Audit & Supervisory Board Members periodically, or when necessary, at their request:
  - Establishment and operation of internal control systems, and related subjects
  - Results of internal audits conducted by the internal audit section
  - Operation of the internal reporting system, and receipt of reports

### (15) Rules to Submit a Report to Audit & Supervisory Board Members by the Subsidiaries' Directors, Audit & Supervisory Board Members, Employees Who Execute Business, Any Other Person in an Equivalent Position and Employees or Any Person Who Received Reports from Aforementioned Persons

- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers, employees, and any person who received reports from these persons shall report to the Company's Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors and employees of the Company and its subsidiaries, facts which violate the law and the Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, when they recognize that such facts are present, depending on the importance and urgency thereof.
- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers and employees and any person who received reports from these persons shall report to Audit & Supervisory Board Members of the Company, at their request, on the following matters on a regular basis or when needed.
  - Matters in respect of the business execution
  - Result of audits performed by Audit & Supervisory Board Members of the domestic subsidiaries
  - Result of internal audits performed by the Company's internal auditing sector
  - Status of compliance and risk management, etc.

### (16) Systems to Ensure That Any Person Who Reports as Described in the Preceding Paragraph Will Not Receive Any Disadvantageous Treatment Due to Such Reporting

- The Company shall stipulate in its internal rules that any person who reports as described in the preceding paragraph will not receive any disadvantageous treatment due to such reporting.

### (17) Matters Regarding the Policy for Handling Expenses or Liabilities Incurred in Relation to the Procedures for the Advance Payment or Reimbursement of Expenses Incurred During the Execution of Duties by Audit & Supervisory Board Members, and Other Expenses or Liabilities Incurred During Execution of Said Duties

- In order to pay expenses, etc. incurred in the course of the Audit & Supervisory Board Members' execution of duties, a certain amount of budget shall be allocated annually.
- When requests such as payment of expenses in advance are made by Audit & Supervisory Board Members in accordance with Article 388 of the Companies Act, payment of such expenses or liabilities shall be made or discharged in a prompt manner.

## (18) Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members

- The Representative Directors shall meet with the Audit & Supervisory Board Members periodically to exchange opinions.
- Audit & Supervisory Board Members shall attend important meetings of bodies including the Management Committee, Executive Committee, Sustainability Committee and Global Risk Compliance Management Committee, etc.
- Any dismissal or personnel changes of internal audits sector Heads shall be approved by the Audit & Supervisory Board in advance.
- The internal audit section shall explain its internal audit plan to Audit & Supervisory Board Members in advance.
- The minutes of the Management Committee meeting and any other meetings as the Audit & Supervisory Board Members may specify shall be made available for their perusal. The Audit & Supervisory Board Members shall be granted similar access to any approved proposal memorandums they may specify.
- Auditing assistance from outside experts shall be secured when deemed necessary by the Audit & Supervisory Board.

# 6. Overview of the Implementation Status of the Systems to Ensure Proper Business Operations

## (1) Status of Initiatives in Respect of Compliance

The Company enhances its Code of Ethics and internal rules such as the Compliance Management Regulations, and has established the Global Risk Compliance Management Committee as the organization that gathers regularly to carry out deliberation on various measures with CRCO (Chief Risk and Compliance Officer) assigned as a head for compliance. Major compliance activities of the Company during the fiscal year under review are as follows.

- Holding compliance training sessions for all officers and employees of the Company on a regular basis
- Conduct compliance awareness surveys at the Company and its subsidiaries on a regular basis
- Disseminating the Code of Ethics through the Company and its subsidiaries, and monitoring the progress of the dissemination
- Verifying the identification of business partners in order to break off any relationship with antisocial forces, adding clauses for the elimination of antisocial forces into trading agreements, collecting related information, and raising internal awareness, etc.
- Implementing a global internal reporting system having a reporting hotline by domestic and global third-party organizations
- Conduct measures to prevent recurrence including reinforcement of organization related to certification work, classification and standardization of operations, etc. following the internal survey result of the actual situation conducted using external investigation agency about incidents of inappropriate handling in submitting applications for model designations for motorcycles which was released on June 3, 2024

## (2) Status of Initiatives in Respect of Risk Management

The Company works regularly on issues concerning risk management by enhancing internal rules such as the Risk Management Regulations and the Confidential Information Management Regulations, and establishing the Global Risk Compliance Management Committee as the organization carrying out deliberation on various measures with CRCO (Chief Risk and Compliance Officer) assigned as a head for risk management. Major initiatives concerning risk management that the Company has carried out in the fiscal year under review are as follows.

- Based on the assessment of risks by the Company and its subsidiaries, etc., identifying material risks for the Group and monitoring the status of countermeasures
- If some issues arise in the Company or its subsidiaries, they will be notified to the risk management supervising section in accordance with the Rules for Initial Response to an Emergency, and emergency countermeasure structure shall be established in a timely manner, based on the assessment of the impact on the Group management.
- Conducting initial response training for strengthening initial response capability in the event of occurrence of an emergency event

## (3) Status of Initiatives in Respect of Ensuring the Efficiency of the Duty Execution

The Company has stipulated matters to be judged and determined by the Board of Directors and matters to be delegated to the Executive Officers in the Board of Directors Rules and the Decision-making Rules, etc. to ensure the efficient execution of duties by Directors, etc. of the Company and its subsidiaries. In the fiscal year under review, 14 meetings of the Board of Directors and 24 meetings of the Management Committee, comprising Executive Officers with titles, were held. Major initiatives in respect of ensuring the efficiency of the execution of duties that the Company has carried out in the fiscal year under review include the following.

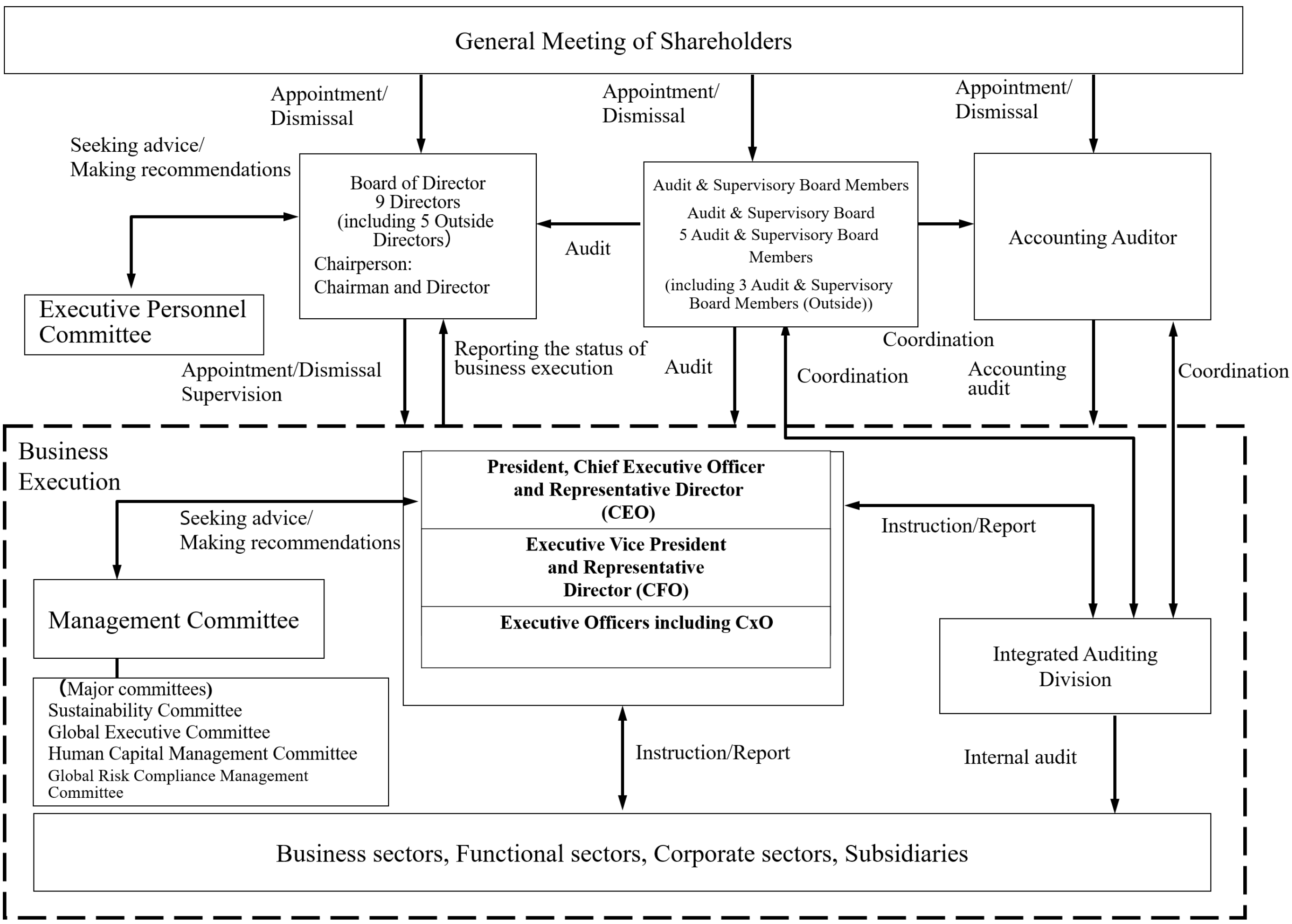
- Determining important management tasks for achieving the objectives set out in the Medium-Term Management Plan, and verifying its progress through the Management Committee meetings and monthly officer seminars, etc.
- Confirming the status of execution of the annual budget at the monthly Executive Committee meetings
- Convening meetings of the Global Executive Committee which deliberates on important group management policies and tasks
- With the aim of helping Outside Directors collect adequate information without impairing their independence, convening regular meetings comprising Outside Directors and internal and Outside Audit & Supervisory Board Members to exchange their opinions
- Convening meetings attended only by Outside Directors and Outside Audit & Supervisory Board Members in order for Outside Directors and Outside Audit & Supervisory Board Members to exchange information and share awareness with each other from an independent and objective standpoint

### (4) Status of Initiatives in Order to Ensure the Yamaha Motor Group, Comprising the Company and Its Subsidiaries, Conducts Business Appropriately

The Company has stipulated the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries in its Group Companies Management Rules and Decision-making Rules, etc., to ensure the proper business execution of the Group as a whole. In addition, the Integrated Auditing Division, under the direct control of the President and Chief Executive Officer, is established as an internal auditing sector to carry out audit on the appropriateness of operational activities. The Integrated Auditing Division audits the appropriateness, adequacy and efficiency of business execution of the Company and its subsidiaries based on an annual audit plan, and makes evaluation and proposals accordingly. Major initiatives in order to ensure the appropriateness of business operations of the Yamaha Motor Group, comprising the Company and its subsidiaries, carried out in the fiscal year under review are the following.

- Reporting by each subsidiary to the Company on matters to be reported in accordance with the Group Companies Management Rules
- Reporting on management conditions of major subsidiaries at the Board of Directors' meetings, Management Committee meetings, and the Executive Committee meetings
- Enhancing and operating internal audit systems of major subsidiaries
- Auditing the Company's divisions and its subsidiaries by the Integrated Auditing Division, and providing support to the audit divisions of the major subsidiaries

Diagram of Corporate Governance System and Internal Control System




CEO : Chief Executive Officer, CFO : Chief Financial Officer

As of January 1, 2025

# Consolidated Financial Statements

## Consolidated Statements of Financial Position

Million yen

| | As of December 31, 2024 | (Reference)<br>As of December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents | 372,999 | 347,016 |
| Trade and other receivables | 178,186 | 179,707 |
| Sales finance receivables | 372,582 | 324,098 |
| Inventories | 574,105 | 568,596 |
| Other financial assets | 53,154 | 52,375 |
| Other current assets | 57,338 | 41,444 |
| **Total current assets** | **1,608,368** | **1,513,238** |
| **Non-current assets:** | | |
| Property, plant and equipment | 486,844 | 441,214 |
| Goodwill and intangible assets | 77,468 | 57,416 |
| Investments accounted for using the equity method | 36,822 | 36,719 |
| Sales finance receivables | 367,709 | 316,676 |
| Retirement benefit asset | 31,357 | 23,772 |
| Other financial assets | 84,827 | 84,874 |
| Deferred tax assets | 74,768 | 79,694 |
| Other non-current assets | 15,334 | 9,954 |
| **Total non-current assets** | **1,175,133** | **1,050,322** |
| **Total assets** | **2,783,501** | **2,563,561** |

Note: Amounts less than one million yen have been omitted.

Million yen

| | As of December 31, 2024 | (Reference)<br>As of December 31, 2023 |
|---|---|---|
| **LIABILITIES AND EQUITY** | | |
| **LIABILITIES** | | |
| **Current liabilities:** | | |
| Trade and other payables | 149,922 | 154,118 |
| Bonds and borrowings | 680,330 | 438,873 |
| Income taxes payable | 8,174 | 30,639 |
| Accrued expenses | 90,604 | 80,543 |
| Provisions | 55,428 | 33,437 |
| Other financial liabilities | 71,637 | 60,856 |
| Other current liabilities | 91,763 | 93,722 |
| **Total current liabilities** | **1,147,861** | **892,192** |
| **Non-current liabilities:** | | |
| Bonds and borrowings | 271,643 | 404,934 |
| Retirement benefit liability | 55,182 | 51,811 |
| Provisions | 2,031 | 1,587 |
| Other financial liabilities | 39,427 | 38,806 |
| Deferred tax liabilities | 13,979 | 15,319 |
| Other non-current liabilities | 26,789 | 24,549 |
| **Total non-current liabilities** | **409,053** | **537,009** |
| **Total liabilities** | **1,556,915** | **1,429,202** |
| **EQUITY** | | |
| Share capital | 86,100 | 86,100 |
| Capital surplus | 63,375 | 64,146 |
| Retained earnings | 979,188 | 946,106 |
| Treasury shares | (54,064) | (61,389) |
| Other components of equity | 86,969 | 40,810 |
| **Total equity attributable to owners of parent** | **1,161,569** | **1,075,774** |
| **Non-controlling interests:** | **65,017** | **58,585** |
| **Total equity** | **1,226,586** | **1,134,359** |
| **Total liabilities and equity** | **2,783,501** | **2,563,561** |

Note: Amounts less than one million yen have been omitted.

# Consolidated Statements of Profit or Loss

Million yen

| | Current Fiscal Year (January 1, 2024– December 31, 2024) | (Reference) Previous Fiscal Year (January 1, 2023– December 31, 2023) |
|---|---|---|
| Revenue | 2,576,179 | 2,414,759 |
| Cost of sales | (1,754,214) | (1,602,515) |
| **Gross profit** | **821,964** | **812,244** |
| | | |
| Selling, general and administrative expenses | (642,525) | (573,307) |
| Other income | 11,774 | 11,568 |
| Other expenses | (16,760) | (11,734) |
| Share of profit (loss) of entities accounted for using the equity method | 7,062 | 5,149 |
| **Operating profit** | **181,515** | **243,920** |
| | | |
| Finance income | 15,679 | 9,932 |
| Finance costs | (14,019) | (17,779) |
| Profit before tax | **183,175** | **236,073** |
| | | |
| Income tax expense | (58,605) | (63,194) |
| Profit | **124,570** | **172,879** |
| | | |
| Profit attributable to: | | |
| Owners of parent | 108,069 | 158,421 |
| Non-controlling interests | 16,500 | 14,458 |
| **Profit** | **124,570** | **172,879** |
| Earnings per share: | | |
| Basic earnings per share (yen) | 110.12 | 157.89 |
| Diluted earnings per share (yen) | 110.10 | 157.84 |

Note: Amounts less than one million yen have been omitted.

# Consolidated Statements of Changes in Equity

Current Fiscal Year (From January 1, 2024 through December 31, 2024)

Million yen

| | Equity attributable to owners of parent | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Other components of equity | Total | Non-controlling interests | Total equity |
| **Balance as of January 1, 2024** | 86,100 | 64,146 | 946,106 | (61,389) | 40,810 | 1,075,774 | 58,585 | 1,134,359 |
| Profit | – | – | 108,069 | – | – | 108,069 | 16,500 | 124,570 |
| Other comprehensive income | – | – | – | – | 47,857 | 47,857 | 2,798 | 50,655 |
| Comprehensive income | – | – | 108,069 | – | 47,857 | 155,926 | 19,299 | 175,226 |
| Dividends of surplus | – | – | (48,406) | – | – | (48,406) | (12,867) | (61,274) |
| Purchase and disposal of treasury shares | – | 28 | – | (19,640) | – | (19,612) | – | (19,612) |
| Cancellation of treasury shares | – | (798) | (26,166) | 26,965 | – | – | – | – |
| Transfer to retained earnings | – | – | 1,698 | – | (1,698) | – | – | – |
| Changes in the scope of consolidation | – | – | (2,112) | 0 | – | (2,112) | – | (2,112) |
| Changes in ownership interest in subsidiaries | – | (0) | – | – | (0) | (0) | 0 | – |
| **Total transaction amount with owners** | – | (770) | (74,987) | 7,325 | (1,698) | (70,131) | (12,867) | (82,999) |
| **Balance as of December 31, 2024** | 86,100 | 63,375 | 979,188 | (54,064) | 86,969 | 1,161,569 | 65,017 | 1,226,586 |

Note: Amounts less than one million yen have been omitted.

# Notes to Consolidated Financial Statements

## I. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements, etc.

### 1. Standards for the Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group are prepared in accordance with the International Financial Reporting Standards ("IFRS") pursuant to the provisions of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies. Certain IFRS disclosures are omitted pursuant to the second sentence of the same paragraph.

### 2. Scope of Consolidation

(1) Number of consolidated subsidiaries: 138

(2) Names of major subsidiaries:
Yamaha Motorcycle Sales Japan Co., Ltd., Yamaha Motor Powered Products Co., Ltd., YAMAHA KUMAMOTO 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 Philippines, Inc., Yamaha Motor Vietnam Co., Ltd., Thai Yamaha Motor Co., Ltd., Yamaha Motor Taiwan Co., Ltd., and Yamaha Motor da Amazonia Ltda.

### 3. Scope of Application of Equity Method

(1) Number of companies accounted for by the equity method: 24

(2) Name of major company accounted for by the equity method:
Hong Leong Yamaha Motor Sdn. Bhd.

## 4. Accounting Standards

(1) Basis of consolidation

1) Subsidiaries

A subsidiary is an entity controlled by the Group. The Group determines that it controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
The Group determines that it has power over an investee when it substantially controls the decision-making body of the investee, and its voting rights are sufficient to have the practical ability to unilaterally direct the relevant activities of the investee, even if the Group does not hold a majority of the voting rights of the investee.
Subsidiaries include structured entities controlled by the Company's subsidiaries.
A subsidiary's financial statements are incorporated into the Company's consolidated financial statements from the date the Group obtains control of the subsidiary until the date the Group loses control of the subsidiary.
When the accounting policies applied by a subsidiary differ from those applied by the Group, financial statements of the subsidiary are adjusted as necessary to be consistent with the Company's accounting policies. Material intragroup balances and transactions as well as unrealized profits and losses resulting from intragroup transactions are eliminated in preparing the consolidated financial statements.
Any change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.
The carrying amount of the Group's equity and non-controlling interests is adjusted for the changes in equity, and any difference between the adjustment to the non-controlling interest and the fair value of the consideration received or paid is recognized directly in equity attributable to owners of the parent.
When the Group loses control over a subsidiary, the Group remeasures its equity retained in the entity at its fair value at the date when control is lost, and recognizes any gains or losses on the remeasurement and the disposal of the equity in profit or loss.

2) Associates and joint ventures

An associate is an entity over which the Group has significant influence over financial and operating policies but does not have control or joint control of the entity.
If the Group holds 20% or more but no more than 50% of the voting rights of another entity, it is presumed that the Group has a significant influence over the entity.
Even if the voting rights held by the Group are less than 20%, the entity is considered an associate when the Group is deemed to have significant influence mainly through dispatch of officers and important transactions with the entity.
A joint venture is an entity in which the Group and other parties share contractually agreed control of the arrangement, and in which decisions about the relevant activities require the unanimous consent of the parties sharing control, and in which the Group has rights to the net assets of the arrangement.
Investments in associates and joint ventures are accounted for using the equity method.
In addition, the consolidated financial statements include investments in entities accounted for using the equity method whose financial closing dates differ from the Company's financial closing date, as it is impractical to unify the financial closing dates due mainly to relationships with other shareholders. These equity-method entities use financial values based on provisional closing as of the consolidated closing date.
When the Group loses significant influence over an associate or joint venture and ceases to apply the equity method, it recognizes the gains or losses resulting from the sale of the equity interest in profit or loss, measures the remaining interest at fair value, and recognizes the valuation difference as profit or loss for the period.

(2) Business combinations

Business combinations are accounted for using the acquisition method. The consideration for the acquisition is measured as the total of the fair values of the assets transferred in exchange for control of the acquiree, the liabilities assumed, and the equity interests issued by the Group on the date of acquisition.
Identifiable assets and liabilities of an acquiree are measured at their acquisition-date fair values, except for the following.

- Deferred tax assets and liabilities, and assets and liabilities related to employee benefit arrangements
- Acquiree's share-based payment agreements

- Assets and disposal groups classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

When the aggregate amount of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree exceeds the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, the excess is recorded as goodwill. Conversely, when the aggregate amount is smaller than the net amount, the difference is immediately recognized in profit or loss.
For each business combination transaction, the Group elects to measure non-controlling interests at fair value or at the proportionate share of the entity's identifiable net assets.
Acquisition-related costs the Company incurs in relation to a business combination, such as due diligence fees, are accounted for as expenses when the costs are incurred.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the items for which the initial accounting is incomplete are reported in provisional amounts.
The Company retrospectively adjusts the provisional amounts recognized at the acquisition date, if new information obtained during the measurement period, which does not exceed one year from the acquisition date would, if known at the acquisition date, have affected the measurement of the amounts recognized.
In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss, or other comprehensive income.
Contingent considerations are recognized at fair value at the date of acquisition. When the fair value changes thereafter, the Company adjusts the cost if the change is a measurement-period adjustment, and otherwise recognizes the change in fair value in profit or loss.

(3) Foreign exchange translation

1) Foreign currency transaction

The Group companies prepare their financial statements in their respective functional currencies.
Transactions in currencies other than the functional currency (foreign currency) are translated into the functional currency using the exchange rates at the dates of the transactions or rates that approximate them.
Foreign currency monetary items at the end of each period are translated into the functional currency using the exchange rate at the end of the reporting period. Foreign currency non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rate at the date when the fair value was measured.
Exchange differences arising on such translations or settlements are recognized in profit or loss.
However, translation differences arising from equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income.

2) Foreign operation

Assets and liabilities of consolidated subsidiaries, associates, and joint ventures operating outside Japan ("foreign operation") are translated into Japanese yen at the exchange rate at the end of the reporting period. Revenues and expenses are translated into Japanese yen at the average exchange rate for the period, except for cases where exchange rates fluctuate significantly and for foreign operations in hyperinflationary economies.
Financial statements of foreign operations in hyperinflationary economies reflect the effects of inflation, and revenues and expenses are translated into the presentation currency at the exchange rate at the end of the closing date.
The resulting exchange differences are recognized in other comprehensive income and included in other components of equity. On disposal of a foreign operation and loss of control, significant influence or joint arrangement of the foreign operation, the cumulative amount of the exchange differences related to the foreign operation is reclassified to profit or loss.

(4) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, as well as short-term investments that are readily convertible to cash and are subject to an insignificant risk of change in value and redeemable within three months of the date of acquisition.

(5) Financial instruments

1) Non-derivative financial assets (excluding receivables related to the Financial services business)

(i) Initial recognition and measurement

The Group initially recognizes financial assets at the point on which it becomes a party to the contract of the financial instrument. Regular way purchase or sale of financial assets are recognized or derecognized on the trade date.
At initial recognition, financial assets are classified as follows:

(a) Financial assets measured at amortized cost

Financial assets are classified as those measured at amortized cost if both of the following conditions are met:

- the financial assets are held within a business model whose objective is to collect contractual cash flows; and
- the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(b) Debt financial assets measured at fair value through other comprehensive income

Debt financial assets are classified as those measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial assets are held within a business model whose objective is both to collect contractual cash flows and to sell financial assets; and
- the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(c) Equity financial assets measured at fair value through other comprehensive income

Equity financial assets, such as shares held primarily for the purpose of maintaining or strengthening business relationships with investees, are designated as those measured at fair value through other comprehensive income at initial recognition, and this designation is applied on an ongoing basis.

(d) Financial assets measured at fair value through profit or loss

Financial assets other than those classified as (a) to (c) are classified as those measured at fair value through profit or loss.

Financial assets classified as those measured at fair value through profit or loss are measured at fair value. Other financial assets are measured, at the time of initial recognition, at the amount of fair value plus transaction costs directly attributable to the acquisition.
Trade receivables that do not contain a significant financing component are measured at their transaction price.

(ii) Subsequent measurement

After initial recognition, financial assets are measured as follows in accordance with their classification:

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

(b) Debt financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of these financial assets are recognized as other comprehensive income. Gains or losses arising from impairment, interest income, and foreign exchange gains or losses are recognized in profit or loss.
When these financial assets are derecognized, the cumulative gains or losses recognized in other comprehensive income is reclassified from other components of equity to profit or loss as a reclassification adjustment.

(c) Equity financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of these financial assets are recognized as other comprehensive income.
When these financial assets are derecognized, the cumulative gains or losses recognized

through other comprehensive income is reclassified from other components of equity to retained earnings.
Dividends received from these financial assets are recognized in profit or loss.

(d) Financial assets measured at fair value through profit or loss
Subsequent changes in the fair value of financial assets classified in this category are recognized in profit or loss.

(iii) Impairment of financial assets
The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost and on debt financial assets measured at fair value through other comprehensive income.
Classification of financial assets by stage
At the end of each reporting period, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition. When recognizing and measuring the loss allowance, the Group classifies financial assets into the following stages based on whether there has been a significant increase in the credit risk on financial assets and whether the credit has been impaired.
Stage 1: No significant increase in credit risk is observed.
Stage 2: A significant increase in credit risk is observed, but no credit impairment is observed.
Stage 3: Both a significant increase in credit risk and credit impairment are evident.
If the credit risk on financial assets as of the end of the reporting period has not increased significantly since initial recognition (Stage 1), the loss allowance is calculated based on the expected credit losses that result from all possible default events that may arise within 12-months after the reporting date (12-month expected credit losses). If the credit risk on financial assets as of the end of the reporting period has increased significantly since initial recognition (Stages 2 and 3) the loss allowance is calculated based on the expected credit losses that result from all possible default events that may arise during the expected life of the financial asset (lifetime expected credit losses). However, trade receivables that do not contain significant financing components are not classified between Stage 1 and Stage 2, and loss allowance is always calculated based on lifetime expected credit losses. If it is determined that there is no reasonable prospect of recovery of all or a portion of a financial asset, all or a portion of the carrying amount of such financial asset is directly written off.
The amount of provision for loss allowance on financial assets is recognized in profit or loss. If an event occurs that reduces the loss allowance, the reversal of the loss allowance is recognized in profit or loss.

(iv) Derecognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

2) Non-derivative financial liabilities

(i) Initial recognition and measurement
The Group initially recognizes financial liabilities at the point on which it becomes a party to the contract of the financial instrument and classifies them as financial liabilities measured at amortized cost or at fair value through profit or loss.
Financial liabilities classified as those measured at fair value through profit or loss are measured at fair value. Other financial liabilities are measured, at the time of initial recognition, at the amount of fair value less transaction costs directly attributable to the acquisition.

(ii) Subsequent measurement
After initial recognition, financial liabilities are measured as follows in accordance with their classification:
Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method.
Financial liabilities measured at fair value through profit or loss are subsequently measured at fair value, and the subsequent changes in fair value are recognized in profit or loss for the fiscal year.
Financial guarantee contracts are measured, after initial recognition, at the higher of:

・the amount of the loss allowance determined in accordance with (iii) Impairment of financial assets in 1) above and
・the amount initially measured less the cumulative amount of income recognized in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

(iii) Derecognition of financial liabilities
The Group derecognizes a financial liability when it is extinguished, i.e., when the obligation specified in the contract is extinguished due to default, discharged, cancelled or expires.

3) Offsetting financial assets and financial liabilities
A financial asset and a financial liability are offset and presented on a net basis in the statement of financial position only when, the Group:
・currently has a legally enforceable right to set off the recognized amounts; and
・intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4) Derivatives and hedge accounting
The Group enters into derivative transactions, such as foreign exchange forward contracts, currency swap agreements and interest rate swap agreements, to manage foreign exchange risk and interest rate risk. Derivatives are initially recognized at fair value when the Group becomes a party to the contract and subsequently measured at fair value. The changes in fair value are recognized in profit or loss.
Hedge accounting is not applied to any of the above derivatives.

(6) Receivables related to the Financial services business
Receivables related to the Financial services business (“finance receivables”) are presented in the consolidated statement of financial position at the amount of outstanding principal plus unearned interest income, net of loss allowance.
The portfolio of finance receivables is determined mainly by considering the nature of the Group’s business and the characteristics of finance receivables from a qualitative aspect, and is classified into the following three categories:

1) Sales finance receivables for consumers
Sales finance receivables for consumers consist primarily of receivables related to installment contracts with consumers, including receivables for revolving credit card payments.
These receivables are recognized only for customers who meet the prescribed credit criteria at the time of acquisition. After acquisition, the Group is responsible for collecting the installment payments and fulfilling the contracts.
The contract periods of the installment receivables are mainly from 5 to 15 years. Such receivables are carried at amortized cost less loss allowance.

2) Sales finance receivables for dealers
Sales finance receivables for dealers consist primarily of receivables related to financing for the purchase of inventories by dealers, for which the Group manages the dealers’ credit.
These receivables are recognized only for dealers who meet the prescribed credit criteria at the time of acquisition. After acquisition, the Group is responsible for collecting the wholesale prices and fulfilling the contracts.
Such receivables are carried at amortized cost less loss allowance.

3) Finance lease receivables
Finance lease receivables consist primarily of receivables related to golf car leasing contracts. The contract periods of the leases are mainly from three to six years.
These receivables are recognized only for customers who meet the prescribed credit criteria at the time of acquisition. After acquisition, the Group assumes ownership of the leased asset. In addition, the Group is responsible for collecting the lease payments and fulfilling the contracts.
Such receivables are carried at the discounted present value of future cash flows including the residual value.

(7) Loss allowance related to the Financial services business
The Group estimates expected credit losses on finance receivables at each reporting date and records a loss allowance against the expected credit losses.

Expected credit losses on finance receivables are measured by portfolio based on systematic and ongoing reviews and assessments performed as part of the credit risk assessment process, historical credit loss experience, portfolio size and composition, current economic events and conditions, estimated fair value of collateral assets and their sufficiency, forward-looking information such as trends in economic conditions, and other relevant factors.

1) Sales finance receivables for consumers

The Group determines whether the credit risk on sales finance receivables for consumers has increased significantly, using changes in the probability of default and past due days as indicators. The credit risk on sales finance receivables past due more than 30 days is considered to have increased significantly. If the credit risk on sales finance receivables has not increased significantly since initial recognition at the end of the fiscal year, the loss allowance is measured for the sales finance receivables at an amount equal to 12-month expected credit losses. If, on the other hand, the credit risk on sales finance receivables has increased significantly since initial recognition, the loss allowance is measured for the sales finance receivables at an amount equal to lifetime expected credit losses for the period required to collect the receivables. When there is evidence that sales finance receivables are credit-impaired, such as a breach of contract by the borrower due to a default or delinquency, those sales finance receivables are determined to be credit-impaired, and the loss allowance is measured for the sales finance receivables at an amount equal to lifetime expected credit losses for the period required to collect the receivables based on historical credit loss experience, future recoverable amounts and other relevant information.

Expected credit losses are determined for sales finance receivables grouped by risk characteristics, applying a valuation model consistent with economic conditions to reflect current conditions and projected future economic conditions, such as unemployment rates and other macroeconomic factors, based on historical probabilities of default and loss rates given default.

In accordance with the internal control rules, a default is considered to have occurred when the payments are overdue for a substantial period of time or when it is evident that the customer is unable to fulfill its contractual obligations on the contractual due date.

2) Sales finance receivables for dealers

Sales finance receivables for dealers are categorized by credit status based on internal risk assessments. The Group determines whether the credit risk on sales finance receivables for dealers has increased significantly since initial recognition, using transfers between the categories as indicators. The credit risk on sales finance receivables past due more than 30 days is considered to have increased significantly. If the credit risk on sales finance receivables has not increased significantly since initial recognition at the end of the fiscal year, the loss allowance is measured for the sales finance receivables at an amount equal to 12-month expected credit losses.

If, on the other hand, the credit risk on sales finance receivables has increased significantly since initial recognition, the loss allowance is measured for the sales finance receivables at an amount equal to lifetime expected credit losses for the period required to collect the receivables. When there is evidence that sales finance receivables are credit-impaired, such as a significant deterioration in the borrower’s financial condition and a breach of contract by the borrower due to a default or delinquency, those sales finance receivables are determined to be credit-impaired, and the loss allowance is measured for the individual sales finance receivables at an amount equal to lifetime expected credit losses for the period required to collect the receivables based on historical credit loss experience, future recoverable amounts and other relevant information.

Expected credit losses are estimated for sales finance receivables by reflecting current and projected future economic conditions based on historical probabilities of default and loss rates given default.

In accordance with the internal control rules, a default is considered to have occurred when the payments are overdue for a substantial period of time or when it is evident that the customer is unable to fulfill its contractual obligations on the contractual due date.

3) Finance lease receivables

The loss allowance is always measured for finance lease receivables at an amount equal to lifetime expected credit losses. In accordance with the internal control rules, a default is considered to have occurred when the payments are overdue for a substantial period of time or when it is evident that the customer is unable to fulfill its contractual obligations on the contractual due date.

(8) Inventories

Inventories are measured at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated selling expenses.
Acquisition cost is measured mainly based on the average method, and comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

(9) Property, plant and equipment
Property, plant and equipment are measured using the cost model and presented at acquisition cost less accumulated depreciation and accumulated impairment losses.
Acquisition cost includes costs directly related to the acquisition of the asset, as well as costs for dismantling and removing the item and restoring the site on which it is located. Repair or maintenance costs are recognized in profit or loss as incurred.
Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives.
The residual values, estimated useful lives, and depreciation methods are reviewed at the end of each fiscal year and changed as necessary.
The estimated useful lives of major property, plant and equipment items are as follows:

Buildings and structures: mainly two to 75 years
Machinery and equipment: mainly two to 22 years

Property, plant and equipment in the consolidated statement of financial position include right-of-use assets under leases.
The accounting for right-of-use assets is described in "(11) Leases."

(10) Goodwill and intangible assets

1) Goodwill
Goodwill is not amortized, but is tested for impairment annually and is presented at acquisition cost less accumulated impairment losses.
Impairment losses on goodwill are recognized in profit or loss and are not subsequently reversed.
Impairment is described in "(12) Impairment of non-financial assets."

2) Intangible assets
Intangible assets are measured using the cost model and presented at acquisition cost less accumulated amortization and accumulated impairment losses.
They are amortized using the straight-line method over their estimated useful lives.
The estimated useful lives and amortization methods are reviewed at the end of each fiscal year and changed as necessary.

(a) Development assets
Expenditures on development activities are recognized as intangible assets if there are: technical feasibility to complete the development; intention and the ability as well as the availability of technical, financial, and other resources to use or sell the achieved development; and probable future economic benefits, and the expenditures attributable to the intangible asset can be measured reliably.
The estimated useful lives are mainly five to ten years.

(b) Other intangible assets
Other intangible assets mainly consist of software. Their estimated useful lives are mainly five years.

(11) Leases
At the inception of a contract, the Group assesses whether a contract is, or contains, a lease.
A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

1) Leases as a lessee
When a contract is, or contains, a lease, the Group recognizes the right-of-use asset and lease liability at

the commencement date of the lease.
The right-of-use asset is measured using the cost model, and presented in the consolidated statement of financial position under “Property, plant and equipment” at acquisition cost less accumulated depreciation and accumulated impairment losses.
The acquisition cost is measured at the initial measurement of the lease liability, adjusted for any initial direct costs and any prepaid lease payments. The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of the underlying asset.
The lease liability is measured at the present value of the lease payments that are not paid as of the lease commencement date, and is included in the consolidated statement of financial position under “Other financial liabilities.”
In measuring the present value, the Group uses the interest rate implicit in the lease if that rate can be readily determined. Otherwise, the Group uses the incremental borrowing rate.
After initial recognition, the Group increases or reduces the carrying amount of the lease liability based on the effective interest method to reflect the interest on the lease liability and the lease payments made.
Interest on the lease liability is recognized as finance costs in the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.
Finance costs are presented separately from depreciation for right-of-use assets in the consolidated statement of profit or loss.
For short-term leases with a lease term of 12 months or less and leases of low-value assets, lease payments are recognized as profit or loss over the lease term using the straight-line method.

2) Leases as a lessor
A lease is classified as a finance lease if, at the inception of lease contract, substantially all the risks and rewards of ownership of the underlying asset are transferred, and as an operating lease if otherwise.
In finance lease transactions, the present value of the gross investment in the lease is recognized as income at the commencement date of the lease term, and the corresponding amount is recognized as a lease receivable.
In operating lease transactions, the underlying asset is recognized in the consolidated statement of financial position.

(12) Impairment of non-financial assets
The Group assesses the carrying amount of its non-financial assets, excluding inventories and deferred tax assets, at the end of each reporting period for any indication of impairment.
If there is any indication of impairment, the Group estimates the recoverable amount of the asset. For goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use, the recoverable amount is estimated at the same time every year, regardless of whether there is any indication of impairment.
The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less costs of disposal.
In calculating the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.
Impairment losses are recognized in profit or loss when the recoverable amount of an asset, a cash-generating unit, or a group of cash-generating units is less than its carrying amount.
Impairment losses recognized for a cash-generating unit (or a group of cash-generating units) are first allocated to reduce the carrying amount of any goodwill allocated to the unit (or group of units), and then to other assets pro rata with the carrying amount of each asset.
For assets other than goodwill for which impairment losses were recognized in prior periods, the Group assesses whether there are any indications that the loss may have decreased or no longer exists. This assessment is applied in cases such as when the assumptions used to calculate the recoverable amount has changed.
If such indications exist, the Group estimates the recoverable amount of the asset or cash-generating unit, and if the recoverable amount exceeds the carrying amount, the impairment loss is reversed up to the lower of the recoverable amount calculated and the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.
However, impairment losses on goodwill are not reversed.
If there is objective evidence that indicates impairment in investments in equity-method subsidiaries and affiliates, the carrying amount of the entire investment is tested for impairment as a single asset. Since the Group does not recognize separately the goodwill which forms part of the carrying amount of investments in equity-method subsidiaries and affiliates, such goodwill is not tested for impairment individually.

(13) Non-current assets held for sale

Assets and asset groups that are not in continuous use and are expected to be recovered through sale transactions are classified as held for sale if they are available for immediate sale in their current state, the Group's management is committed to selling them and the sale is expected to be completed within one year after the end of the reporting period.
Non-current assets held for sale are measured at the lower of the carrying amount or the fair value after deduction of selling expenses and are no longer depreciated or amortized.

(14) Employee benefit

Our group has a defined benefit pension fund plan, a defined benefit lump-sum retirement plan, and a defined contribution pension plan.

1) Post-employment benefits

(a) Defined benefit plans

Under the Group's defined benefit plans, obligations related to the plan ("defined benefit obligations") are recognized as defined benefit liabilities (assets) in the amount of the present value of the defined benefit obligations less the fair value of plan assets.
Defined benefit obligations are calculated separately for each plan by discounting to the present value the estimated future benefits earned by employees in return for their services provided in prior and current periods. This calculation is made annually by an independent actuary using the projected unit credit method.
If the defined benefit plan is in surplus, the net defined benefit asset is measured at the lower of the surplus of the defined benefit plan or the asset ceiling.
The discount rate is calculated based on the market yield of high-quality corporate bonds as of the end of the reporting period whose maturity approximates the period until the expected date of future benefit payments in relation to the Group's defined benefit obligations.
The current service cost of defined benefit plans and the net interest on the net defined benefit liabilities (assets) are recognized in profit or loss.
Any remeasurement of the defined benefit plans is recognized in other comprehensive income in the period in which it occurs, and is immediately transferred to retained earnings.
Increases or decreases in the defined benefit obligations related to past employee service arising from plan amendment are recognized in profit or loss.

(b) Defined contribution plans

For defined contribution plans, the amount of contributions to be paid to the plan is recognized as an expense when the employee provides the related service.

2) Short-term employee benefits

Short-term employee benefits such as wages are recognized in profit or loss as employee benefit expenses in the amount expected to be paid as a consideration for services, when the employee renders such services.
Bonuses are recognized as a liability when the Group has a legal or constructive obligation and a reliable estimate of the obligation can be made.
Paid annual leave is recognized as a liability when the employees render service that increases their entitlement to future paid annual leave.

(15) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources with economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.
When the time value of money is critical, provisions are measured at the present value of the expenditure expected to be required to settle the obligation.
In calculating the present value, we use a pre-tax interest rate that reflects the time value of money and the risks specific to the obligation as the discount rate.

The main provisions are based on the following criteria.
Provisions for product warranties
In order to cover expenses related to quality assurance during the warranty period of sold products and other expenses incurred in dealing with quality problems of sold products, the provision is based on the amount of such expenses if the amount incurred can be estimated individually, or calculated by multiplying the sales revenue by the experience ratio (expenses related to quality assurance / sales revenue) based on

the warranty period, and is reversed according to claims from customers and retailers.

(16) Revenue recognition

The Group recognizes revenue based on the following five-step approach.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the separate performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The sources of the Group's revenues are primarily divided into sales of merchandise and finished goods and the provision of financial services in the Financial Services segment, depending on the nature of the goods or services provided.

1) Sale of merchandise and finished goods

The Group recognizes revenue when control over the merchandise and finished goods is transferred to the customer. Generally, control is considered to have been transferred to the customer when the merchandise and finished goods are delivered to the customer.

For transactions that involve service provision over a specified period of time, mainly paid extended warranty and maintenance services, revenue is recognized in accordance with the fulfillment of performance obligations.

In addition, the Group has contracts that involve long-term construction or development commitments, for which revenue is also recognized over a specified period of time as performance obligations stipulated in the contract are satisfied.

Transaction prices are calculated according to the consideration based on contracts with customers. No significant financing component is contained in the amount of consideration.

In some cases, sales incentives are mainly provided to retailers based on actual sales for a specific period of time or the number of units of a specific model sold. These sales incentives are deducted from the amount of revenue for the corresponding period based on the estimated amount to be paid based on reported sales performance.

The contracts with customers include clauses guaranteeing that the merchandise and finished goods supplied will be repaired or parts will be replaced free of charge if the merchandise and finished goods do not conform to the agreed specifications, etc. Provision for product warranties is recognized for the costs associated with this guarantee.

Accounting policies regarding provision for product warranties are presented in (15) Provisions.

2) Provision of financial services

Interest income on receivables in the financial services revenues is recognized over the contractual period at an amount equal to the amount of interest earned. Interest income on receivables under finance leases is recognized over the lease term at an amount equal to the amount of interest earned. Revenue from operating leases is recognized over the lease term by allocating the total lease payments proportionally to the lease term.

(17) Government grants

Government grants are measured and recognized at fair value when the Group has met the ancillary conditions for the grants and has gained reasonable assurance that the Group will receive the grants.

Grants related to assets are recognized as deferred income and recognized in net income or loss on a regular basis over the estimated useful life of the related assets.

Grants related to income are recognized and presented as income on a regular basis over the period necessary to match the related costs.

(18) Corporate income taxes

Corporate income taxes consist of current and deferred taxes. They are recognized in profit or loss, except those related to business combinations and items recognized directly in equity or other comprehensive income.

1) Current taxes

Current taxes are measured at the amount expected to be paid or refunded to the tax authorities. We calculate tax amounts based on tax rates and tax laws that have been enacted or substantively enacted by

the end of the reporting period.
For uncertain tax positions for corporate income taxes, the Group recognizes a reasonable estimate of the amount as an asset or liability if it is probable that the tax position is incurred based on the interpretation of the tax law.

2) Deferred taxes
Deferred taxes are recognized on temporary differences that are differences between the accounting carrying amounts of assets and liabilities at the end of the reporting period and the related tax bases amount, net operating loss carryforwards and tax credit carryforwards.
Deferred tax assets are recognized for deductible temporary differences, net operating loss carryforwards and tax credit carryforwards to the extent that it is probable that taxable income will be available to recover them. Deferred tax liabilities are generally recognized for all additional temporary differences.
Deferred tax assets or liabilities are not recognized for the following temporary differences

- Temporary differences arising from the initial recognition of assets and liabilities from transactions that are not business combination transactions, that do not affect accounting profit or taxable income (loss) at the time of the transaction, and that do not cause an equal amount of additional temporary differences and subtractive temporary differences at the time of the transaction
- Temporary differences arising from the initial recognition of goodwill
- Deductible temporary differences related to investment in subsidiaries and associated companies, where it is not probable that the temporary difference will be eliminated in the foreseeable future, nor the taxable income for which the temporary difference is used will be earned
- Deductible temporary differences related to investment in subsidiaries and associated companies, where the timing of the reversal of the temporary difference can be controlled, and it is probable that the temporary difference will not be eliminated in the foreseeable future

The carrying amount of deferred tax assets is reviewed each period and reduced for the areas where it is probable that sufficient taxable income will not be earned to use the full or partial amount of the deferred tax assets. Unrecognized deferred tax assets are reassessed each period and recognized to the extent that it is probable that the deferred tax assets will be recovered through future taxable income.
Deferred tax assets and liabilities are measured using tax rates expected to apply at the time the asset is realized, or the liability is settled, based on legislation enacted or substantively enacted at the end of the current fiscal year.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and income taxes are imposed on the same taxpayer entity by the same tax authority.
In addition, the Group has applied the International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12, Corporate Income Taxes), published in May 2023.
The Group has applied the exceptions in the Amendment and has not recognized or disclosed any deferred taxes with respect to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules issued by the Organization for Economic Cooperation and Development. The Group assessed the potential impact of the application of the global minimum tax regime based on the most recent tax returns, country reports, and financial statements of each of the component entities subject to the regime, and as a result, we do not anticipate any material exposure to Pillar Two Corporate Income Taxes.

(19) Earnings per share
Basic earnings per share is calculated by dividing profit and loss attributable to owners of the parent company by the average number of common stocks outstanding during the period, adjusted for treasury shares.
Diluted earnings per share is calculated after adjusting for the effect of all dilutive potential shares.

(20) Capital

1) Common stock
Common stock issued by the Group is classified as equity and the issue price is included in capital stock and capital surplus.

3) Treasury shares
Treasury shares acquired by the Group is recognized at cost and is a deduction from equity.
When treasury shares are sold, the consideration received is recognized as an increase in equity and the

difference between the carrying amount and the consideration received is included in capital surplus.

## II. Notes to Accounting Estimates

Accounting estimates are calculated at reasonable amounts based on the information available at the time of compilation of the consolidated financial statements. Among the accounting estimates used in the consolidated financial statements for the fiscal year under review, the following items have been identified by the Group as being at risk for having a significant impact on the consolidated financial statements for the next fiscal year:

Loss allowance for sales finance receivables for U.S. financial services

(1) Amount recorded in the consolidated financial statements at the end of the fiscal year ended December 31, 2024

The loss allowance for sales finance receivables recorded in the consolidated statements of financial position at the end of the fiscal year ended December 31, 2024, is 27,829 million yen.

Of this amount, the loss allowance for sales finance receivables at Yamaha Motor Finance Corporation, U.S.A., a U.S. subsidiary providing financial services, is 12,878 million yen.

(2) Details regarding significant accounting estimates for identified items

1) Calculation method

The U.S. subsidiaries recognize impairment by using the expected credit loss model in accordance with IFRS 9 *Financial Instruments*, whereby expected credit losses are measured over the remaining period of financial receivables. Loss allowance is calculated for each customer sales finance, dealer sales finance, and financial leasing business based on the probability of default and the expected loss rate in case of default derived from historical performance. This calculation also considers current and anticipated economic conditions. Of these, customer sales financial receivables are grouped based on risk characteristics, and a calculation model that aligns with the economic situation is applied to calculate loss allowance, reflecting macroeconomic factors and other related factors, including the recent unemployment rate and the consumer confidence index.

2) Main assumptions

The main assumptions in the calculation of loss allowance are the probability of default and the expected loss rate in the event of default, which are based on historical performance and reflect current and future economic forecasts.

3) Impact on consolidated financial statements in the next fiscal year

If the probability of default and the expected loss rate in the event of default derived from historical performance does not accurately reflect future doubtful accounts arising from receivables as at the end of the period, or if the impact from rapid inflation in the U.S., etc. on the economic situation differs from assumptions, additional or reduced loss allowances or additional losses may occur in the consolidated financial statements for the following fiscal year.

## III. Notes to Consolidated Statements of Financial Position

### 1. Allowances Deducted Directly from Assets

| | Million yen |
|---|---|
| Loss allowance deducted from trade and other receivables | 4,745 |
| Loss allowance deducted from sales finance receivables | 27,829 |
| Loss allowance deducted from other financial assets | 1,509 |

| | Million yen |
|---|---|
| **2. Accumulated Depreciation of Property, Plant and Equipment** | 878,351 |

### 3. Pledged Assets and Secured Liabilities

Pledged assets are as follows:

| | Million yen |
|---|---|
| Current sales finance receivables | 284,782 |
| Land | 44 |
| Buildings and structures, net | 61 |
| Machinery and equipment, net | 227,365 |
| Non-current sales finance receivables | 208,397 |
| Total | 520,651 |

Secured liabilities are as follows:

| | |
|---|---|
| Current portion of long-term loans payable | 177,162 |
| Long-term loans payable | 92,493 |
| Non-current liabilities - Other | 170 |
| Total | 269,826 |

## IV. Notes to Consolidated Statements of Profit or Loss

*Impairment of non-financial assets*

**During the current fiscal year, the Group recorded an impairment loss of 8,575 million yen on assets, including property, plant and equipment.** This is mainly due to the recording of an impairment loss of 8,410 million yen of items of property, plant and equipment in the Land **m**obility segment, which encompasses the RV and SPV businesses. This decision was made after identifying impairment indicators for cash-generating units associated with these businesses and revising the recoverable amount in response to a decline in profitability caused by a deterioration in the market environment and intensifying competition in the RV and SPV businesses.

## V. Notes to Consolidated Statements of Changes in Equity

### 1. Type and Number of Outstanding Shares:

Common stock 1,026,354,101 shares

### 2. Dividends

(1) Amount of dividends paid

| Resolution | Type of share | Total amount of dividends (Million yen) | Dividend per share (Yen) | Record date | Effective date |
|---|---|---|---|---|---|
| Ordinary General Meeting of Shareholders held on March 21, 2024 | Common stock | 23,964 | 72.50 | Dec. 31, 2023 | Mar. 22, 2024 |
| Board of Directors Meeting held on August 6, 2024 | Common stock | 24,441 | 25.00 | Jun. 30, 2024 | Sep. 6, 2024 |

(Note) On January 1, 2024, each share of common stock was split into three shares. The dividend amount per share with record date on or before December 31, 2023, is the stated figure prior to the stock split.

(2) Dividends whose record date falls in FY 2024 and whose effective date falls in FY 2025

| Resolution | Type of share | Total amount of dividends (Million yen) | Resource of dividends | Dividend per share (Yen) | Record date | Effective date |
|---|---|---|---|---|---|---|
| Ordinary General Meeting of Shareholders held on March 25, 2025 | Common stock | 24,441 | Retained earnings | 25.00 | Dec. 31, 2024 | Mar. 26, 2025 |

### 3. Subscription Rights to Shares

No related items.

# VI. Notes to Financial Instruments

## 1. Status of Financial Instruments Held by the Group

(1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings and issuance of bonds. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

(2) Details of financial instruments and related risks

Notes and accounts receivable - trade, which are trade receivables, electronically recorded monetary claims - operating, and short-term and long- term sales finance receivables are exposed to credit risk of customers. Foreign currency-denominated trade receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated trade payables.

Equity securities are mainly stocks of companies with which the Group has business relationships. Those that have a market price are exposed to risk of market price fluctuations, while those that do not have a market price are exposed to risk of changes in fair value.

Notes and accounts payable - trade and electronically recorded obligations - operating, which are trade payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, in principle, they are below the balance of accounts receivable denominated in the same foreign currency.

Bonds and borrowings are intended for working capital. Some of them are bearing variable interest rates and are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated trade receivables and payables, and interest rate swap transactions and other transactions to mitigate risk of fluctuations in interest paid on the Company’s borrowings.

(3) Risk management system for financial instruments

1) Management of credit risk (risks associated with the defaults of customers)

Credit risk is the risk that the counterparty to a financial asset held may default on its contractual obligations, resulting in a financial loss for the Group. Notes and accounts receivable-trade, short-term and long-term sales finance receivables, which are classified as trade receivables, are exposed to customer credit risk. To address this risk, the management teams within each business division of the Group consistently monitor the financial status of major customers. They actively manage each customer's due dates and account balances and work to identify and mitigate potential collection issues that may arise due to deteriorating financial conditions at an early stage.

In engaging in derivative transactions, the Group enters into transaction only with financial institutions with a high credit rating in order to mitigate counterparty risk.

Excluding guarantee obligations, the maximum exposure of the Group to credit risk, without considering any collateral held or other credit enhancements, is the carrying amount of financial assets after impairment in the consolidated statement of financial position.

2) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)

The Group primarily raises funds for its operations through bank loans and the issuance of corporate bonds. Liquidity risk refers to the possibility that the Group may be unable to make payments on their due dates, which could arise from difficulties in securing funds through bank loans and bond issuance, especially during disruptions in the financial system or capital markets or in the event of a significant downgrade in the Group’s credit rating by a credit rating agency. To manage liquidity risk, the Group regularly prepares and updates cash flow plans and maintains an adequate level of liquidity on hand.

3) Management of market risk (foreign currency exchange and interest rate fluctuation risks)
Market risk refers to the potential fluctuations in the financial instruments' fair value or future cash flows, which can occur due to fluctuations in factors such as foreign exchange rates, interest rates, and stock prices. To manage this risk, the Group primarily utilizes derivative transactions, including forward exchange contracts, currency swap agreements, and interest rate swap agreements, to mitigate the potential impact of changes in foreign exchange rates and interest rates on future cash flows.

The Company's finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to the Director in charge of finance and accounting, Audit & Supervisory Board Members (Full-Time), the Chief General Manager of Corporate Planning & Finance Center, and heads of the finance & accounting division and the division responsible for managing positions at least once a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

(4) Supplementary explanation concerning fair values, etc. of financial instruments
Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

**2. Fair Values of Financial Instruments**

Carrying amount, fair value and differences of the financial instruments as of December 31, 2024 are as follows. Notes have been omitted for cash and deposits, trade and other receivables, and trade and other payables because their fair values approximate their carrying amounts due to being cash or settled in a short period. In addition, notes have been omitted for equity securities and derivative transactions because they are measured at fair value.

Million yen

| | Carrying amount | Fair value | Differences |
|---|---|---|---|
| Sales finance receivables (*) | 740,292 | 737,196 | (3,096) |
| Bonds and Borrowings | 951,974 | 949,381 | (2,592) |

(*) Loss allowance is deducted from sales finance receivables.

**3. Fair Value Information by Level within the Fair Value Hierarchy**

The definitions of the levels of the fair value hierarchy for the Group are as follows:

| | |
|---|---|
| Level 1 fair value: | Fair value measured at quoted prices in active markets for identical assets or liabilities. |
| Level 2 fair value: | Fair value measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 fair value: | Fair value measured using valuation techniques that include unobservable inputs. |

The level of the fair value hierarchy used to measure fair value is determined by the lowest level of significant inputs used in that measurement. If there is a transfer between levels of the fair value hierarchy, it is recognized as having occurred at the end of the reporting period.

(1) Fair value measurement methods
The fair value of assets and liabilities are determined using relevant market information and appropriate valuation methods. The measurement methods and assumptions used to measure the fair value of assets and liabilities are as follows:

1) Cash and cash equivalent, trade and other receivables, and trade and other payables
The fair value of these items is almost equal to their carrying amount because their short collection period.

2) Other financial assets and liabilities
Derivatives primarily include forward exchange contracts, currency swap agreements, and interest rate swap agreements. The fair value of forward exchange contracts is measured based on forward exchange rates. The fair value of currency swap agreements and interest rate swap agreements is measured based on prices quoted by financial institutions and similar entities. Therefore, the measurement of the fair value of derivatives is classified as Level 2.

The fair value of listed shares is measured based on the published price in the market and is classified as Level 1 because they are traded in an active market.
The fair value of unlisted shares and other investments is measured based on assessment using various valuation methods, such as the market approach and income approach, and is classified as Level 3 fair value.

3) Sales financial receivables
The fair value of sales finance receivables with floating interest rates is generally considered to approximate the amortized cost after accounting for the loss allowance, as these receivables quickly reflect changes in market interest rates. Consequently, the fair value is calculated by taking the amortized cost and subtracting the loss allowance, corresponding to the credit risk. This measurement is classified as Level 2 fair value.
The fair value of fixed-rate sales finance receivables is determined by calculating the present value of future cash flows for each collection period. This calculation involves discounting these cash flows using a rate that includes a credit spread added to a relevant benchmark, such as the yield on government bonds. This measurement is classified as Level 2 fair value.

4) Bonds and borrowings
The fair value of bonds and borrowings with floating interest rates is calculated based on their carrying amount, as it is typically considered to approximate this amount, which quickly reflects changes in market interest rates. This measurement is classified as Level 2 fair value.
The fair value of fixed-rate bonds and borrowings is determined by calculating the present value of each repayment period, using a discount rate that reflects the interest rates applicable to similar bonds or borrowings. This measurement is classified as Level 2 fair value.

(2) Financial assets and liabilities measured at fair value on a recurring basis

| Classification | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets measured at fair value through profit or loss: | | | | |
| Derivatives | — | 5,566 | — | 5,566 |
| Other | — | 2,067 | — | 2,067 |
| Financial assets measured at fair value through other comprehensive income: | | | | |
| Derivatives | 43,923 | — | 28,615 | 72,538 |
| Other | — | — | 8 | 8 |
| Total assets | 43,923 | 7,634 | 28,623 | 80,181 |
| Financial liabilities measured at fair value through profit or loss: | | | | |
| Derivatives | — | 926 | — | 926 |
| Total liabilities | — | 926 | — | 926 |

There were no material transfers between Level 1 and Level 2 fair value classifications during the current fiscal year.

(3) Financial assets and liabilities measured at amortized cost

Million yen

| Classification | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Sales finance receivables (*) | — | 740,292 | — | 740,292 |
| Bonds and Borrowings | — | 951,974 | — | 951,974 |

(*) The above financial assets and liabilities measured at amortized cost are all classified as Level 2 in the fair value hierarchy. Items with carrying amounts that approximate fair value are not included.

# VII. Notes to Revenue Recognition

## 1. Disaggregation of Revenue from Contracts with Customers

The Group's reportable segments consist of four segments: Land mobility, Marine products, Robotics, and Financial services.

Of these, the segments except Financial services recognize revenue at a point in time, primarily upon delivery of products, while the Financial services segment recognizes revenue over time, primarily through the provision of sales financing and leases related to the Company's products.

The disaggregated revenue of the reportable segments by destination is as follows.

Million yen

| | | Land mobility | Marine products | Robotics | Financial services | Other | Total |
|---|---|---|---|---|---|---|---|
| Japan | | 75,951 | 37,920 | 25,614 | — | 23,149 | 162,636 |
| Overseas | | 1,639,432 | 499,819 | 87,647 | 112,172 | 74,470 | 2,413,542 |
| | North America | 163,372 | 316,265 | 6,177 | 66,964 | 54,874 | 607,654 |
| | Europe | 273,267 | 63,510 | 7,435 | 2,452 | 3,258 | 349,923 |
| | Asia | 880,751 | 44,142 | 73,317 | — | 7,930 | 1,006,141 |
| | Other | 322,041 | 75,901 | 717 | 42,756 | 8,407 | 449,822 |
| Total | | 1,715,384 | 537,739 | 113,262 | 112,172 | 97,620 | 2,576,179 |
| Revenue from contracts with customers | | 1,712,221 | 537,467 | 112,916 | 11,793 | 96,115 | 2,470,513 |
| Revenue recognized from other sources | | 3,162 | 272 | 345 | 100,379 | 1,504 | 105,665 |

(*) Revenue recognized from other sources includes lease revenue as defined in IFRS 16 *Leases* and interest income as defined in IFRS 9.

## 2. Useful Information in Understanding Revenue from Contracts with Customers

Useful information in understanding revenue is as presented in "I. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements, Etc., 4. Accounting Standards, (16) Revenue recognition"

## 3. Useful Information in Understanding the Amount of Revenue in the Current and Subsequent Fiscal Years

(1) Balance of contract assets and contract liabilities, etc.

Million yen

| | Beginning of current fiscal year | End of current fiscal year |
|---|---|---|
| Receivables from contracts with customers | 185,186 | 182,257 |
| Contract assets | 377 | 674 |
| Contract liabilities | 52,193 | 50,544 |

The significant change in contract liabilities is due to a decrease in advances received in Brazil, which decreased by 1,649 million yen.

Contract liabilities consist mainly of advances received on sales of finished goods, etc. and unearned revenues on extended warranty services and maintenance contracts, etc. These are reversed as soon as revenue is recognized upon realization of the sale or at the end of the contract period. Of the amount recognized as revenue in the current fiscal year, the amount included in the contract liabilities at the beginning of the year was 27,006 million yen.

(2) Transaction price allocated to the remaining performance obligations

The remaining performance obligations are primarily for the provision of extended warranty services and maintenance contracts. The following is a breakdown of the total amount of unsatisfied (or partially unsatisfied) performance obligations at the end of the current fiscal year and the period over which revenue is expected to be recognized.

| | Million yen |
|---|---|
| Within one year | 14,031 |
| Over one year and within five years | 18,157 |
| Over five years | 667 |
| Total | 32,855 |

The table above does not include information on remaining performance obligations with an original expected duration of one year or less, applying the practical expedient. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

## VIII. Notes to Per Share Information

### (1) Net Assets per Share

1,188.23 yen

### (2) Earnings per Share – Basic

110.12 yen

# IX. Business Combination

*Business combinations through acquisition*

The Company resolved at the meeting of the Board of Directors held on December 26, 2023, to acquire all shares of Torqeedo GmbH (hereinafter "Torqeedo"), a German company, and make it a subsidiary of the Company. A share purchase agreement was concluded on January 12, 2024 with DEUTZ AG, a German company, which held all shares of Torqeedo, and the Company purchased all shares on April 3, 2024.

## 1. Overview of Business Combination

(1) Overview of business combination

Company name: Torqeedo GmbH

Business: Manufacture and sale of electric outboard and inboard motors, pod drives, hybrid systems, batteries, and other accessories

(2) Date of acquisition

April 3, 2024

(3) Percentage of voting equity interests acquired

100%

(4) Main reason for the business combination

Torqeedo is a pioneer brand in the marine electric business and has an extensive product line of electric outboard motors, electric inboard motors, batteries, and various accessories. Torqeedo sales are growing in the small electric market, especially in Europe. In addition, Torqeedo holds many patents related to electric motors, propellers, and power supply systems, and has R&D capabilities, mass production facilities, and development resources for the next-generation environmental technologies. The purpose of the acquisition of Torqeedo is to strengthen development capabilities in the "Electric" business, part of the "Marine CASE" strategy that the Company is promoting as its Medium-Term Management Plan. It will also accelerate our efforts to carbon neutrality in the marine industry and contribute to the early establishment of a lineup of small electric propulsion units. Furthermore, by combining the knowhow cultivated in hull design technology and marine engine technology, the Company aims to create synergies in the medium-sized electric outboard motor market and become a leading company in the growing market of electric propulsion vessels.

(5) Method of obtaining control of the acquired company

Acquisition of shares with cash as consideration

## 2. Acquisition Cost and Breakdown by Type of Consideration

| | | |
|---|---|---|
| Acquisition cost as consideration | Cash | 12,643 million yen (77.4 million Euros) |
| Acquisition cost | | 12,643 million yen |

## 3. Details and Amount of Major Acquisition-Related Expense

Due diligence expenses, etc. of 309 million yen are included in "Selling, general and administrative expenses" in the consolidated statements of profit or loss.

## 4. Fair Value of the Assets Acquired and Liabilities Assumed, Non-Controlling Interests and Goodwill (Note 1)

Million yen

| Item | Amount |
|---|---|
| Current assets | 5,276 |
| Non-current assets | 5,641 |
| Total assets | 10,918 |
| Current liabilities | 1,644 |
| Non-current liabilities | 2,013 |
| Total liabilities | 3,658 |
| Total equity | 7,259 |
| Goodwill (Note 2) | 5,383 |

Notes:
1. There is no contingent consideration.
2. Goodwill primarily reflects excess earning power and is not deductible for tax purposes.

### 5. Impact on Operating Results

The profit and loss information since the date of acquisition, as recognized in the consolidated statements of profit or loss for the year ended December 31, 2024, and the estimated impact (unaudited information) on the consolidated financial statements as if the business combination had occurred on January 1, 2024, the beginning of the year ended December 31, 2024, are not presented because they are not material.

### 6. Payments for acquisition of subsidiaries

Million yen

| Item | Amount |
|---|---|
| Acquisition cost as consideration in cash | 12,643 |
| Cash and cash equivalents held by the acquired company at the date of acquisition | (328) |
| Cash paid for acquisition of subsidiaries | 12,314 |

## X. Notes to Significant Subsequent Events

*Purchase of treasury shares*

The Company resolved the following items related to the purchase of treasury shares based on the application of the provisions of Article 156 of Japan's Companies Act pursuant to the rewording of Article 165-3 at the meeting of the Board of Directors held on February 12, 2025. Also, a resolution regarding the retirement of treasury shares pursuant to Article 178 of the same Act was passed.

1. **Purpose of Purchase and Retirement of Treasury Shares**
   To return profits to shareholders and improve capital efficiency.

2. **Details of Purchase**

| | |
|---|---|
| (1) Class of shares to be purchased: | Common stock |
| (2) Number of shares to be purchased: | Up to 12,500,000 shares (1.3% of the number of shares outstanding, excluding treasury shares) |
| (3) Total cost of shares to be purchased: | Up to 10.0 billion yen |
| (4) Period for share purchase: | From February 13, 2025 to March 24, 2025 |
| (5) Method of purchase: | Purchase on the Tokyo Stock Exchange market |

3. **Details of Retirement**

| | |
|---|---|
| (1) Class of shares to be retired: | Common stock |
| (2) Number of shares to be retired: | All shares to be purchased as 2. above (Up to 1.3 % of the number of shares outstanding prior to the retirement) |
| (3) Planned date of retirement: | May 30, 2025 |

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

Million yen

| | As of December 31, 2024 | (Reference) As of December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and deposits | 81,293 | 125,457 |
| Notes receivable - trade | 4,169 | 3,613 |
| Accounts receivable - trade | 148,345 | 130,189 |
| Contract assets | 674 | 377 |
| Merchandise and finished goods | 41,529 | 44,608 |
| Work in process | 31,420 | 29,637 |
| Raw materials and supplies | 36,950 | 43,534 |
| Prepaid expenses | 13,251 | 7,670 |
| Income taxes refund receivable | 8,487 | – |
| Other | 58,948 | 46,210 |
| Allowance for doubtful accounts | (4,384) | (95) |
| **Total current assets** | **420,685** | **431,204** |
| **Non-current assets:** | | |
| Property, plant and equipment: | | |
| Buildings, net | 54,457 | 44,427 |
| Structures, net | 7,627 | 7,373 |
| Machinery and equipment, net | 27,676 | 27,541 |
| Vessels, net | 328 | 286 |
| Vehicles, net | 1,458 | 2,354 |
| Tools, furniture and fixtures, net | 11,341 | 10,129 |
| Land | 48,882 | 48,711 |
| Construction in progress | 15,839 | 18,118 |
| **Total property, plant and equipment** | **167,612** | **158,942** |
| **Intangible assets:** | | |
| Leasehold right | 485 | 501 |
| Software | 30,545 | 28,152 |
| Other | 63 | 121 |
| **Total intangible assets** | **31,093** | **28,775** |
| **Investments and other assets:** | | |
| Investment securities | 52,813 | 49,039 |
| Stocks of subsidiaries and affiliates | 213,370 | 190,634 |
| Investments in other securities of subsidiaries and affiliates | 20,779 | 16,356 |
| Investment in capital | 3 | 3 |
| Investment in capital of subsidiaries and affiliates | 26,445 | 26,445 |
| Long-term loans receivable | 11 | 19 |
| Prepaid pension cost | 16,923 | 14,315 |
| Deferred tax assets | 16,280 | 10,043 |
| Other | 924 | 940 |
| Allowance for doubtful accounts | (0) | (0) |
| **Total investments and other assets** | **347,552** | **307,797** |
| **Total non-current assets** | **546,258** | **495,516** |
| **Total assets** | **966,944** | **926,720** |

Note: Amounts less than one million yen have been omitted.

Million yen

| | As of December 31, 2024 | (Reference) As of December 31, 2023 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities:** | | |
| Accounts payable - trade | 42,847 | 38,989 |
| Short-term loans payable | 57,383 | 11,959 |
| Current portion of long-term loans payable | 50,000 | 55,000 |
| Lease obligations | 75 | 70 |
| Accounts payable - other | 51,343 | 40,114 |
| Accrued expenses | 5,783 | 5,612 |
| Income taxes payable | – | 16,066 |
| Advances received | 6,298 | 6,840 |
| Deposits received | 4,187 | 4,128 |
| Provision for bonuses | 7,530 | 6,905 |
| Provision for product warranties | 15,034 | 6,875 |
| Provision for compensation linked to performance | 336 | 396 |
| Other | 1,289 | 888 |
| **Total current liabilities** | **242,109** | **193,848** |
| **Non-current liabilities:** | | |
| Bonds payable | 40,000 | 20,000 |
| Long-term loans payable | 20,000 | 70,000 |
| Lease obligations | 328 | 403 |
| Deferred tax liabilities for land revaluation | 4,416 | 4,416 |
| Provision for retirement benefits | 21,303 | 20,867 |
| Allowance for investment loss | 64 | 372 |
| Other | 1,314 | 1,325 |
| **Total non-current liabilities** | **87,426** | **117,385** |
| **Total liabilities** | **329,536** | **311,234** |
| **NET ASSETS** | | |
| **Shareholders' equity:** | | |
| **Capital stock** | 86,100 | 86,100 |
| **Capital surplus** | | |
| Legal capital surplus | 74,375 | 74,375 |
| Other capital surplus | – | 703 |
| **Total capital surplus** | **74,375** | **75,079** |
| **Retained earnings** | | |
| Other retained earnings | | |
| Reserve for reduction entry | 325 | 329 |
| Retained earnings brought forward | 497,684 | 482,479 |
| **Total retained earnings** | **498,010** | **482,808** |
| **Treasury shares** | **(54,021)** | **(61,345)** |
| **Total shareholders' equity** | **604,465** | **582,642** |
| **Valuation and translation adjustments:** | | |
| **Valuation difference on available-for-sale securities** | **23,048** | **22,948** |
| **Revaluation reserve for land** | **9,893** | **9,893** |
| **Total valuation and translation adjustments** | **32,942** | **32,842** |
| **Total net assets** | **637,408** | **615,485** |
| **Total liabilities and net assets** | **966,944** | **926,720** |

Note: Amounts less than one million yen have been omitted.

# Non-consolidated Statements of Income

Million yen

| | Current Fiscal Year (January 1, 2024– December 31, 2024) | (Reference) Previous Fiscal Year (January 1, 2023– December 31, 2023) |
|---|---|---|
| Net sales | 869,584 | 957,616 |
| Cost of sales | 585,320 | 636,373 |
| **Gross profit** | **284,264** | **321,243** |
| Selling, general and administrative expenses | 271,658 | 224,146 |
| **Operating income** | **12,606** | **97,096** |
| Non-operating income | | |
| Interest income | 1,759 | 1,608 |
| Dividend income | 90,381 | 77,748 |
| Other | 3,494 | 2,090 |
| Total non-operating income | 95,635 | 81,447 |
| Non-operating expenses | | |
| Interest expenses | 591 | 382 |
| Foreign exchange losses | 2,831 | 2,131 |
| Loss on valuation of investment securities | 3,107 | 7,122 |
| Loss on revaluation of investment in subsidiaries' and affiliates' stock | 1,376 | 1,626 |
| Expenses for transfer support | 818 | 776 |
| Other | 1,293 | 2,567 |
| Total non-operating expenses | 10,019 | 14,606 |
| **Ordinary income** | **98,221** | **163,936** |
| Extraordinary income | | |
| Gain on sales of non-current assets | 162 | 823 |
| Gain on sales of investment securities | 294 | 76 |
| Gain on sales of subsidiaries' and affiliates' stock | 479 | – |
| Total extraordinary income | 935 | 899 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 12 | 7 |
| Loss on disposal of non-current assets | 794 | 980 |
| Impairment loss | 3,282 | 2,389 |
| Loss on sales of subsidiaries' and affiliates' stock | – | 297 |
| Loss on liquidation of subsidiaries and affiliates | 4 | – |
| Total extraordinary losses | 4,094 | 3,675 |
| **Income before income taxes** | **95,063** | **161,161** |
| Income taxes - current | 11,749 | 30,292 |
| Income taxes - deferred | (6,461) | (2,529) |
| Total income taxes | 5,288 | 27,762 |
| **Net income** | **89,775** | **133,398** |

Note: Amounts less than one million yen have been omitted.

# Non-consolidated Statements of Changes in Equity

Current Fiscal Year (From January 1, 2024 through December 31, 2024)

Million yen

| | Shareholders' equity | | | |
|---|---|---|---|---|
| | | Capital surplus | | |
| | Capital stock | Legal capital surplus | Other capital surplus | Total capital surplus |
| **Balance at beginning of current period** | 86,100 | 74,375 | 703 | 75,079 |
| Cumulative effect of changes in accounting policies | | | | |
| **Balance at beginning of current period reflecting changes in accounting policy** | 86,100 | 74,375 | 703 | 75,079 |
| Changes of items during period | | | | |
| Reversal of reserve for reduction entry | | | | |
| Dividends of surplus | | | | |
| Net income | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | 94 | 94 |
| Cancellation of treasury shares | | | (798) | (798) |
| Net changes of items other than shareholders' equity | | | | |
| **Total changes of items during period** | – | – | (703) | (703) |
| **Balance at end of current period** | 86,100 | 74,375 | – | 74,375 |

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Retained earnings | | | | |
| | Other retained earnings | | | | |
| | Reserve for reduction entry | Retained earnings brought forward | Total retained earnings | Treasury shares | Total shareholders' equity |
| **Balance at beginning of current period** | 329 | 490,522 | 490,851 | (61,345) | 590,685 |
| Cumulative effect of changes in accounting policies | | (8,042) | (8,042) | | (8,042) |
| **Balance at beginning of current period reflecting changes in accounting policy** | 329 | 482,479 | 482,808 | (61,345) | 582,642 |
| Changes of items during period | | | | | |
| Reversal of reserve for reduction entry | (3) | 3 | – | | – |
| Dividends of surplus | | (48,406) | (48,406) | | (48,406) |
| Net income | | 89,775 | 89,775 | | 89,775 |
| Purchase of treasury shares | | | | (20,002) | (20,002) |
| Disposal of treasury shares | | | | 361 | 456 |
| Cancellation of treasury shares | | (26,166) | (26,166) | 26,965 | – |
| Net changes of items other than shareholders' equity | | | | | |
| **Total changes of items during period** | (3) | 15,205 | 15,201 | 7,324 | 21,822 |
| **Balance at end of current period** | 325 | 497,684 | 498,010 | (54,021) | 604,465 |

| | Valuation and translation adjustments | | | |
|---|---|---|---|---|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Total valuation and translation adjustments | Total net assets |
| **Balance at beginning of current period** | 22,948 | 9,893 | 32,842 | 623,528 |
| Cumulative effect of changes in accounting policies | | | | (8,042) |
| **Balance at beginning of current period reflecting changes in accounting policy** | 22,948 | 9,893 | 32,842 | 615,485 |
| Changes of items during period | | | | |
| Reversal of reserve for reduction entry | | | | – |
| Dividends of surplus | | | | (48,406) |
| Net income | | | | 89,775 |
| Purchase of treasury shares | | | | (20,002) |
| Disposal of treasury shares | | | | 456 |
| Cancellation of treasury shares | | | | – |
| Net changes of items other than shareholders' equity | 99 | – | 99 | 99 |
| **Total changes of items during period** | 99 | – | 99 | 21,922 |
| **Balance at end of current period** | 23,048 | 9,893 | 32,942 | 637,408 |

Note: Amounts less than one million yen have been omitted.

# Notes to Non-consolidated Financial Statements

## I. Notes regarding Significant Accounting Policies

### 1. Asset Valuation

(1) Securities

Stocks of subsidiaries and affiliates are carried at cost, determined by the moving-average method. Other securities
Securities other than shares, etc. that do not have a market price are carried at fair value.
(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)
Shares, etc. that do not have a market price classified as available-for-sale securities are carried at cost, determined by the moving-average method.

(2) Derivatives

Derivatives are carried at fair value.

(3) Inventories

Merchandise and finished goods and work in process are stated at cost, determined by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)
Raw materials and supplies are stated at cost based on the last-purchase-price method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

### 2. Depreciation and Amortization of Non-current Assets

(1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed by the straight-line method.

(2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

(3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership
Computed using the same depreciation method applicable to self-owned non-current assets.

Leased assets involved in finance lease transactions which do not transfer ownership
Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

### 3. Significant Accruals

(1) Allowance for doubtful accounts

In order to evaluate accounts receivable - trade, and loans and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

(2) Provision for bonuses

Provision for bonuses is stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

(3) Provision for product warranties

Provision for product warranties is provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(4) Provision for compensation linked to performance

Provision for compensation linked to performance is provided mainly at an amount, deemed generated on December 31, 2024, calculated based on the estimated amount of payment to prepare for the payment in the form of shares and cash to Directors and Executive Officers.

(5) Provision for retirement benefits

Provision for retirement benefits is provided mainly at an amount, deemed generated on December 31, 2024, calculated based on the retirement benefit obligations and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gains or losses and unrecognized prior service costs.

1) Method of attributing estimated retirement benefits to periods of service

In calculating retirement benefit obligations, estimated retirement benefits are attributed to the periods concluding at the end of the fiscal year ended December 31, 2024, using the benefit formula basis.

2) Accounting methods for actuarial gains or losses and prior service costs

Prior service costs are amortized as incurred by the straight-line method over a period, 10 years, which is shorter than the average remaining years of service of the employees.
Actuarial gains or losses are amortized in the respective years following the year in which the gains or losses are recognized, with the amount proportionally divided by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees at the time the gains or losses occurred in each fiscal year.

(6) Allowance for investment loss

Allowance for investment loss is provided in order to prepare for loss from investment in subsidiaries and affiliates, etc., and the necessary amount was recorded based on its financial condition.

**4. Accounting Criteria for Significant Revenue and Expenses**

The sources of the Company's revenues are primarily sales of merchandise and finished goods.
Revenue is recognized when control over the merchandise and finished goods is transferred to the customer. Generally, control is considered to have been transferred to the customer when the merchandise and finished goods are delivered to the customer. Certain contracts involve long-term construction or development commitments, for which revenue is recognized over a specified period of time as performance obligations stipulated in the contract are satisfied. Transaction prices are calculated according to the consideration based on contracts with customers.
In some cases, sales incentives are mainly provided to retailers based on actual sales for a specific period of time or the number of units of a specific model sold. These sales incentives are deducted from the amount of revenue for the corresponding period based on the estimated amount to be paid based on reported sales performance.
The contracts with customers include clauses guaranteeing that the merchandise and finished goods supplied will be repaired or parts will be replaced free of charge if the merchandise and finished goods do not conform to the agreed specifications, etc. Provision for product warranties is recognized for the costs associated with this guarantee. Detailed information on this provision is presented in “3. Significant Accruals, (3) Provision for product warranties.”

**5. Other Basic Items of Significance in Drawing up Non-consolidated Financial Statements**

(1) Application of Group Tax Sharing System

The Company applies the Group Tax Sharing System.

(2) Accounting methods for retirement benefits

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits employed in the non-consolidated financial statements are different from those in the consolidated financial statements.

## II. Notes to Changes in Accounting Policies

(Change in classification of expenses)
Effective from the fiscal year under review, the Company has changed its method of accounting for research and development expenses, which were previously included in cost of sales, but are now included in selling, general and administrative expenses.
In the past, R&D expenses for basic research activities were recorded as general and administrative expenses, while R&D expenses mainly for the development of products were recorded as manufacturing expenses in the current period, since the development and manufacturing divisions worked together to significantly improve existing products and manufacturing processes. However, as the industry to which the Company belongs is required to respond to carbon neutrality among other issues, we expect that the development of products will become more sophisticated and complex, that the importance of such development will increase, and that this trend will continue in the future. In addition, as part of its management foundation reforms, the Company is reviewing its business management practices as it moves forward with the introduction of a global ERP system and has strengthened the development function in each business operation and clarified the role of the development division. This change in accounting policies was made in response to the above, to review the scope of the cost of sales and selling, general and administrative expenses, and to more appropriately present profit and loss for the period.
This change in accounting policies was applied retrospectively, and the cumulative effect was reflected in net assets at the beginning of the fiscal year under review, resulting in a decrease of 8,042 million yen in the beginning balance of retained earnings.

## III. Notes to Accounting Estimates

Accounting estimates are calculated at reasonable amounts based on the information available at the time of compilation of the non-consolidated financial statements. Among the accounting estimates used in the non-consolidated financial statements for the fiscal year under review, the following items have been identified by the Company as being at risk for having a significant impact on the non-consolidated financial statements for the next fiscal year.

Valuation of investment securities (shares, etc. that do not have a market price)

(1) Amount recorded in non-consolidated financial statements at the end of the fiscal year ended December 31, 2024

Investment securities (shares, etc. that do not have a market price) recorded in the non-consolidated balance sheets at the end of the fiscal year ended December 31, 2024, are 10,200 million yen. In addition, loss on valuation of investment securities of 3,107 million yen is recorded in the non-consolidated statements of income for the fiscal year ended December 31, 2024.

(2) Details regarding significant accounting estimates for identified items

1) Calculation method

In order to create future core businesses, the Group invests in a variety of partners, including start-ups and venture companies, to accelerate the development of new businesses and expand the scale of growing businesses. In doing so, the Company invests in shares in anticipation of excess earning power, etc. based on the investee’s cutting-edge technological and product development capabilities, and such shares, etc. that do not have a market price are recorded as investment securities. Shares, etc. that do not have a market price are stated at cost determined by the moving-average method. However, the real value is calculated based on the net asset value per share, taking into account excess earning power, etc. If the real value significantly decreases compared to the acquisition cost, the acquisition cost is reduced to the real value and the difference is recorded as a valuation loss.

2) Main assumptions

The main assumptions for estimating excess earning power considered in the calculation of the real value of shares, etc. that do not have a market price are the expected profitability of the business due to developed products and the development of new technologies and products contained within the future business plan.

3) Impact on the non-consolidated financial statements in the next fiscal year

The expected profitability of the business due to developed products and the development of new technologies and products contained within the future business plan, which are the main assumptions considered in the calculation of the real value, revolve around a high number of uncertain factors. If the business plan becomes difficult to implement as a result of changes in the business environment or other situations, additional valuation loss may be incurred.

## IV. Notes to Non-consolidated Balance Sheets

| | Million yen |
|---|---|
| 1. **Accumulated Depreciation of Property, Plant and Equipment** | 329,978 |

**2.Receivables from and Payables to Subsidiaries and Affiliates**

| | Million yen |
|---|---|
| Short-term receivables: | 176,678 |
| Long-term receivables: | 1 |
| Short-term payables: | 48,238 |
| Long-term payables: | 328 |

**3.Revaluation Reserve for Land**

Pursuant to the “Act Concerning the Revaluation of Land” (No. 24, enacted on March 31, 1999), land used for the Company’s business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as “Deferred tax liabilities for land revaluation” and the remaining balance has been presented under net assets as “Revaluation reserve for land” in the accompanying non-consolidated balance sheets.

(1) Date of revaluation March 31, 2000

(2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

(3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2024 was below its book value by 5,719 million yen.

## V. Notes to Non-consolidated Statements of Income

| Transactions with subsidiaries and affiliates | Million yen |
|---|---|
| Net sales | 708,639 |
| Purchases | 230,588 |
| Non-operating income | 91,490 |
| Non-operating expenses | 706 |

## VI. Notes to Non-consolidated Statements of Changes in Equity

Number of shares in treasury shares at December 31, 2024

| | Shares |
|---|---|
| Common stock | 48,678,564 |

## VII. Notes to Deferred Tax Accounting

### 1. Principal Deferred Tax Assets and Liabilities

| | Million yen |
|---|---|
| **Deferred tax assets:** | |
| Loss on valuation of securities | 77,623 |
| Excess of depreciation | 16,734 |
| Provision for retirement benefits | 6,369 |
| Provision for product warranties | 4,495 |
| Provision for bonuses | 2,251 |
| Allowance for doubtful accounts | 1,311 |
| Other | 6,977 |
| Gross deferred tax assets | 115,763 |
| Valuation allowance for deductible temporary difference | (85,364) |
| Gross valuation allowance | (85,364) |
| Total deferred tax assets | 30,398 |
| **Deferred tax liabilities:** | |
| Valuation difference on available-for-sale securities | (8,826) |
| Prepaid pension cost | (5,060) |
| Reserve for reduction entry | (224) |
| Other | (7) |
| Total deferred tax liabilities | (14,117) |
| Net deferred tax assets | 16,280 |

### 2. Accounting Treatment of Corporate Income Taxes and Local Corporate Income Taxes or Accounting Treatment of Tax Effect Accounting Thereof

The Company adopts the Group Tax Sharing System. In addition, the Company follows the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42 issued August 12, 2021) in the accounting treatment of corporate income taxes and local corporate income taxes or accounting treatment of tax effect accounting thereof, and their disclosure.

## VIII. Notes to Revenue Recognition

Useful information in understanding revenue from contracts with customers is stated in "I. Notes regarding Significant Accounting Policies, 4. Accounting Criteria for Significant Revenue and Expenses."

# IX. Notes to Transactions with Related Parties

## 1. Subsidiaries and Affiliates, Etc.

Million yen

| Type | Name of company, etc. | Ownership of voting rights, etc. | Relationship with related parties | Details of transaction | Amount of transaction | Account | Balance as of the end of the fiscal year |
|---|---|---|---|---|---|---|---|
| Subsidiary | Yamaha Motor Corporation, U.S.A. (The United States) | Direct ownership 100.0% | Sale of products of the Company | Net sales (Note 1) | 177,741 | Accounts receivable - trade | 31,774 |
| Subsidiary | Yamaha Motor Manufacturing Corporation of America (The United States) | Indirect ownership 100.0% | Manufacture of products of the Company | Net sales (Note 1) | 63,013 | Accounts receivable - trade | 10,953 |
| Subsidiary | Yamaha Motor Europe N.V. (The Netherlands) | Direct ownership 100.0% | Sale of products of the Company | Net sales (Note 1) | 136,863 | Accounts receivable - trade | 23,357 |
| Subsidiary | APIC YAMADA CORPORATION | Indirect ownership 100.0% | Manufacture and sale of products of the Company | Loans of funds (Note 2) | – | Loans (current assets) | 11,092 |

Notes: 1. Trade conditions such as prices are determined by taking actual market prices into account and are based on general terms of transactions.
2. For loans of funds, interest rates are reasonably determined based on market interest rates.

## 2.Officers and Major Individual Shareholders, Etc.

Million yen

| Type | Name | Ownership of voting rights, etc. | Relationship with related parties | Details of transaction | Amount of transaction | Account | Balance as of the end of the fiscal year |
|---|---|---|---|---|---|---|---|
| Officer | Katsuaki Watanabe | Direct ownership 0.0% | Chairman and Director, and President, Representative Director of the Company | In-kind contribution of monetary compensation claims (Note) | 30 | – | – |
| | Motofumi Shitara | Direct ownership 0.0% | Representative Director of the Company | In-kind contribution of monetary compensation claims (Note) | 16 | – | – |
| | Heiji Maruyama | Direct ownership 0.0% | Director of the Company | In-kind contribution of monetary compensation claims (Note) | 15 | – | – |
| | Satohiko Matsuyama | Direct ownership 0.0% | Director of the Company | In-kind contribution of monetary compensation claims (Note) | 11 | – | – |
| | Yoshihiro Hidaka | Direct ownership 0.0% | Former President and Representative Director of the Company | In-kind contribution of monetary compensation claims (Note) | 52 | – | – |

Note: In-kind contribution of monetary compensation claims under the system of performance-based share remuneration with restriction on transfer.

# X. Notes to Per Share Information

1.**Net Assets per Share** 651.96 yen

2.**Earnings per Share – Basic** 91.47 yen

## XI. Notes to Significant Subsequent Events

(Absorption-type merger of a consolidated subsidiary)
At a meeting of the Board of Directors held on July 24, 2024, the Company resolved to conduct an absorption-type merger with Yamaha Motor Electronics Co., Ltd. (hereinafter "YEJP"), with the Company as the surviving company, which took effect on January 1, 2025.

1.Overview of the transaction

(1) Name of the combined entity and description of its business

Name of the combined entity: Yamaha Motor Electronics Co., Ltd.
Description of business: Development, manufacturing, and sale of electrical components for transportation equipment

(2) Date of business combination

January 1, 2025

(3) Legal form of business combination

Absorption-type merger with the Company as the surviving company

(4) Company name after business combination

Yamaha Motor Co., Ltd.

(5) Aim of business combination

Until now, the Company has conducted business management based on independent accounting by subsidiaries, aiming to sharpen its technologies and strengthen competitiveness on a functional module basis. However, a challenge has been the difficulty of coordination and collaboration due to the separation of technologies and roles. Additionally, the Company recognized that as the market environment shifts toward carbon neutrality and technological innovation becomes increasingly high-paced and complex, there is a need for more advanced and rapid product development and manufacturing.

Against this backdrop, the Company has decided to absorb YEJP in order to expand Yamaha Motor's electrically power-assisted bicycle business, which is one of the Growth Businesses of the Medium-Term Management Plan (MTP) announced in February 2022; to accelerate research and development in New Mobility Fields, part of the MTP's New Businesses quadrant; and to accelerate electrification of motorcycles and outboard motors, which fall into the MTP's Core Businesses area.

By incorporating YEJP's roles for developing and manufacturing electrical components into the Company and tying them into its development, procurement, and production strategy operations, the merger aims to strengthen Yamaha Motor's global manufacturing structure.

2.Outline of accounting procedures performed

The transaction was treated as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

(Purchase and cancellation of treasury shares )
Notes are omitted because the same information is presented in "X. Notes to Significant Subsequent Events" in the Notes to Consolidated Financial Statements.

(TRANSLATION ONLY)

# Independent Auditor's Report

The Board of Directors Yamaha Motor Co., Ltd.

February 12, 2025


Ernst & Young ShinNihon LLC
Hamamatsu Office Japan

Kiyoto Tanaka
Designated and Engagement Partner
Certified Public Accountant

Tomoaki Ito
Designated and Engagement Partner
Certified Public Accountant

Hiroya Kawahara
Designated and Engagement Partner
Certified Public Accountant


*Opinion*

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity, and notes to the consolidated financial statements of Yamaha Motor Co., Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from January 1, 2024 to December 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended December 31, 2024, in accordance with accounting standards based on the latter part of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies, which allows the omission of certain disclosure items required by the specified international accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the duties of Directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards based on the latter part of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies, which allows the omission of certain disclosure items required by the specified international accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting standards based on the latter part of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies, which allows the omission of certain disclosure items required by the specified international accounting standards, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting standards based on the latter part of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies, which allows the omission of certain disclosure items required by the specified international accounting standards.
- Plan and conduct the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which serves as the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

*Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan*

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(TRANSLATION ONLY)

# Independent Auditor's Report

The Board of Directors Yamaha Motor Co., Ltd.

February 12, 2025

Ernst & Young ShinNihon LLC
Hamamatsu Office Japan

Kiyoto Tanaka
Designated and Engagement Partner
Certified Public Accountant

Tomoaki Ito
Designated and Engagement Partner
Certified Public Accountant

Hiroya Kawahara
Designated and Engagement Partner
Certified Public Accountant

*Opinion*

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements, and the accompanying supplementary schedules of Yamaha Motor Co., Ltd. (the Company) applicable to the 90th fiscal year from January 1, 2024 to December 31, 2024.

In our opinion, the accompanying financial statements and the accompanying supplementary schedules present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended December 31, 2023, in accordance with accounting principles generally accepted in Japan.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the duties of Directors in designing and operating the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules*

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements and the accompanying supplementary schedules is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

*Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan*

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

# Copy of Audit Report of the Audit & Supervisory Board

## Audit Report

February 12, 2025

We at the Audit & Supervisory Board, having discussed the Directors' performance of duties during the 90th business year, from January 1, 2024 through December 31, 2024, based on audit reports from each Audit & Supervisory Board Member, prepared this Audit Report of the Audit & Supervisory Board. Our audit opinion is as follows.

**1. Methods and Contents of the Audit Implemented by Audit & Supervisory Board Members and the Audit & Supervisory Board**

(1) The Audit & Supervisory Board established its audit policy, assigned responsibilities to each Audit & Supervisory Board Member in carrying out the policy, and received reports from each Audit & Supervisory Board Member on audit implementation and results. In addition, the Audit & Supervisory Board, when necessary, requested reports and received explanations from Directors, other executives and accounting auditors concerning the execution of their duties.

(2) Each Audit & Supervisory Board Member, in accordance with the Audit & Supervisory Board Members standard of audit, established by the Audit & Supervisory Board, as well as other relevant audit policy, executed assigned responsibilities, communicated with Directors, internal audit divisions, and other employees, in order to gather information and develop an optimal audit environment, and also performed audit using the following methods.

1) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received reports on the execution of duties from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary, perused important documents, including those subject to executive approval, examined the conditions of assets and business at the head office and other major business office, and received reports on the implementation status and results of audits from other Audit & Supervisory Board Members. With regard to the Company's subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other employees of the subsidiaries, and received reports when necessary.

2) Concerning the resolution adopted by the Board of Directors about designing the system which assures that the execution of Directors' duties comply with laws and regulations and the Articles of Incorporation and designing the other system for assuring the proper business operations of a corporate group comprising the company and its subsidiaries, as stipulated in Paragraphs 1 and 3 of Article 100 of the Regulations for Enforcement of the Companies Act, and the internal control system, designed in accordance with the Board of Directors' resolution, each Audit & Supervisory Board Member periodically received reports of the status of establishing and operating these systems from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary.

3) Each Audit & Supervisory Board Member has monitored the accounting auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Audit & Supervisory Board Member received a notice from the accounting auditor that "the system for securing appropriate execution of duties" (in each item of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on November 16, 2021), and requested reports and received explanations from them. Based on the methods described above, the Audit & Supervisory Board reviewed whether the accounting auditor executed their duties appropriately.

Based on the methods described above, the Audit & Supervisory Board reviewed the business report and its supplementary schedules, non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules, and consolidated financial statements (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity, and notes to consolidated financial statements) for the business year.

**2. Results of Audit**

(1) Results of the audit of the business report and other documents

1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.

2) With regard to the execution of Directors' duties, we have found no misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation.

3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, with regard to the internal control system itself, nothing unusual is to be pointed out. As stated in the Business Report, the Company has been found to have been involved in inappropriate handling in submitting applications for model designations. The Audit & Supervisory Board Members and the Audit & Supervisory Board have confirmed that the causes of the incidents have been investigated and that measures to prevent recurrence have been properly formulated and are being steadily implemented. We will continue to monitor the implementation of measures to prevent recurrence.

(2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's Accounting Auditor, are recognized as fair and proper.

(3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's Accounting Auditor, are recognized as fair and proper.

**The Audit & Supervisory Board**
**Yamaha Motor Co., Ltd.**

Junzo Saitoh
Audit & Supervisory Board Member (Full-Time)

Tadashi Tsumabuki
Audit & Supervisory Board Member (Full-Time)

Masatake Yone
Audit & Supervisory Board Member (Outside)

Eriko Kawai
Audit & Supervisory Board Member (Outside)

Ayumi Ujihara
Audit & Supervisory Board Member (Outside)

# Procedures for Exercising Voting Rights via the Internet, Etc.

**1. To Shareholders Who Exercise the Voting Rights via the Internet, Etc.**

Please exercise your voting right by 5:30 p.m., Monday, March 24, 2025 (JST).

Method of exercising voting rights via computers
Please access the following URL and enter the login ID and password printed on the Exercise of Voting Rights Form.
After logging in, please follow the instructions on the screen to enter your vote.

General Meeting of Shareholders portal URL
https://www.soukai-portal.net
Voting rights may be exercised via the website for exercising voting rights as well.
https://www.web54.net

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| For inquiries, please contact: | Sumitomo Mitsui Trust Bank, Limited, Transfer Agency<br>Web Support Desk<br>Phone: 0120-652-031 (toll-free within Japan)<br>Hours: 9:00 - 21:00 (JST) |

**2. Use of the "Electromagnetic Proxy Platform" for the Institutional Investors**

If registered shareholders (including standing proxies) such as trust and banking companies apply in advance for the use of the electromagnetic proxy platform, they may use the platform as a method of exercising voting rights via the Internet, etc. at the General Meeting of Shareholders.