

Yamaha Motor Monthly Newsletter

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Speaking at a ceremony in 1980 commemorating Yamaha Motor's 25th anniversary, then-Chairman Kawakami said, "Let's make this a year when we think about our future development as a company."

The Core of Yamaha Motor

The Founder – Genichi Kawakami

Part 2: The Origins of Yamaha's Spirit of Challenge
and the Mission to Create *Kando**

Nippon Gakki Co., Ltd. (presently Yamaha Corporation) was well known as a manufacturer of pianos and organs when it decided to venture into an entirely new business with the manufacture and marketing of motorcycles. After personally taking the reins of the project to develop the company's first motorcycle, the YA-1, Genichi Kawakami founded Yamaha Motor Co., Ltd. in July 1955. Followed by resounding victories in Japan's biggest motorcycle races, the word about "Yamaha motorcycles" and the YA-1 soon spread nationwide. As we commemorate the company's 60th anniversary this year with this second part of our feature on Yamaha Motor's founding president, we look at Kawakami's career achievements, character, and his "customer-first" commitment and interminable Spirit of Challenge that led to the subsequent growth of Yamaha's business and entry into markets overseas.

**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.

Absolute Quality: *Monozukuri* That Puts the Customer First

Founded on July 1, 1955 with about 150 employees, Yamaha Motor Co., Ltd. followed up the YA-1 with the release of its second model, the 175cc YC-1. Expansion and reorganization of the company's manufacturing facilities and operations was undertaken at a rapid pace.

Amid this expansion, quality control had become a pressing issue. The large number of discrepancies in the performance and functions of the assembled products led to the practice of subjecting every motorcycle that came off the line to a running test before it was shipped from the factory. President Kawakami also had a desk set up for himself in the factory and he took the lead by working almost every day to find solutions for defective parts and ways to improve productivity. Before long, the factory had reached a combined production rate of 1,000 motorcycles per month for the company's two models.

Just when everything seemed to be moving forward almost too well, the new company was engulfed in a major crisis. The new YD-1 250cc sports model (released in 1957) which had been engineered and designed as Yamaha's first completely original motorcycle, turned out to have a defect that could not be fixed easily. President Kawakami immediately ordered corrected engines be sent to Yamaha's main dealerships nationwide and that the defective engines on the roughly 3,000 affected units be replaced entirely. This decisive large-scale



Hung high in the factory was the "Absolute Quality" sign

procedure was completed in just a few months. It was the equivalent of today's product recalls, but at the time it was an unprecedented move and demanded much of the company in terms of finances and labor. But, it was implemented nonetheless because, in Kawakami's words: "We mustn't let any customers who've put their trust in our brand and bought our products ever regret their decision. Whenever a customer complaint may occur, we must look at it as an opportunity to strengthen the trust in Yamaha Quality." The firm commitment the president showed to that policy became a core principle that the whole company would embrace.

Heading Overseas: Proving Yamaha Technology and Performance through Racing

Within two years of the company's founding, the Yamaha motorcycle lineup had already grown to three models, the YA-1, YC-1 and YD-1, and sales were growing steadily. One of the factors behind this success was the racing activities that had been initiated to prove the excellence of the company's products and publicize them on a large scale. To follow the company's racing success in Japan, president Kawakami turned his eyes to overseas race competition, and Yamaha chose to compete in the 8th Catalina GP in 1958 for its first race overseas. Held on Santa Catalina Island, off the coast south of Los Angeles in the United States, this was a big race where many famous American and European motorcycle manufacturers competed. As such, it offered a great opportunity to prove the excellence of the technology and performance Yamaha had continued to develop under president Kawakami's guiding principle that, "It isn't a product if it isn't world-class."

With Kawakami on hand at Catalina to watch the race, the Yamaha team entered its first dedicated factory race machine, the 250cc "YD Racer," piloted by its best rider. Despite an early-race accident and machine trouble, he and the YD Racer managed to battle back through the field. Despite finishing in 6th-place, the Yamaha team had won the admiration of the roughly 15,000 spectators at the race, and they were showered with praise.

Following this success, Yamaha ventured to Europe in 1961 to begin competing in the World GP and the prestigious Daytona Grand Prix in the United States. The company's race activities were quickly expanded further in scale to include countries like Indonesia and Malaysia. Winning the hearts of local race fans through these activities would soon provide important bases of support on which to build export markets for Yamaha motorcycles, initially through the local companies of Nippon Gakki in Mexico and the United States, and their distributors in various other markets.

A New Challenge: Entering the Marine Industry

While traveling the world to observe overseas markets and lifestyles shortly after becoming president of Nippon Gakki, Kawakami was particularly impressed by the sight of people in Europe and North America enjoying marine leisure as part of their lifestyle. He became convinced that such scenes of people enjoying leisure time on motorboats and sailboats would come to Japan as well. Then, the time would come when he would put into action his plan of using motorcycle engines to make outboard motors—something he had been considering for some time.

Launched in 1960, Yamaha's first outboard motor, the P-7, was developed based on the 125cc engine from the YA-1. It was quickly followed by the release of the even more compact P-3 model in 1961. Use of these models spread primarily for small- to mid-sized boats used for coastal fishery, leisure facilities, etc., and the lineup of outboards was gradually expanded to meet a wide range of needs, from commercial-use to cruising, sport fishing and watersports.



The CAT-21 was Yamaha's first FRP boat

Meanwhile, on a trip to the U.S. for the Catalina GP, a light and strong new material called FRP (fiber reinforced plastic) that was being used for constructing boats and archery bows had caught president Kawakami's eye. Upon returning to Japan, he immediately ordered R&D to begin on molding technology for FRP, which resulted in the release of Yamaha Motor's first FRP motorboats, the RUN-13 and CAT-21, in 1960. In this way, the outboard motors and boats that form the core of Yamaha's marine business to this day were born in the same year.

Product Promotion and Creating Demand: Create Markets through Your Own Efforts

"In Italy, I saw people singing and playing instruments happily wherever I went, but when I returned to Japan where organs were supposedly selling well, I rarely heard them being played. Even though people were buying them, the organs didn't have any meaning if they were never played," commented president Kawakami. From his desire to have music become a more natural and familiar part of people's lifestyles in Japan, a program of Yamaha music courses for children was started in 1954. This movement would eventually be made independent from Nippon Gakki and carried on as the non-profit Yamaha Music Foundation, an organization dedicated to spreading the joy of music worldwide.



This program arose not as a means to sell products but from a pure-hearted desire to bring enrichment and joy to people's daily lives through music. This was the philosophy and knowhow that Yamaha Motor also applied to the

Together with the release of the DT-1 series, Yamaha began holding off-road riding courses and one-make races that helped start a nationwide boom in off-road riding (photo from around 1970)

spread of marine leisure, which was virtually nonexistent in Japan at the time. The first marine-related program launched was the Yamaha Water-Skiing School in 1962, providing experiential events and lessons that people could enjoy in a safe environment, and these activities became more varied entering the 1970s. In the motorcycle business as well, Yamaha turned its focus to the new motocross and trial competition genres that had become increasingly popular from the latter half of the 1960s. In addition to expanding its lineup of off-road machines, Yamaha organized experiential events, riding lessons and competitions, while also helping to construct riding facilities throughout the country. Yamaha had established its own unique style of market development based on activities to popularize and promote the use of its products while creating new demand at the same time.

Endless New Challenges: “Multi-axial” Business Diversification

Believing that he had “a clear responsibility as the head of the company’s management to seek out and research the company’s next business ventures when we’ve achieved a certain degree of success and have the financial leeway to do so,” president Kawakami had moved first into the motorcycle business and then the marine business. As his next move, around 1960, he ordered R&D to begin on 4-wheeled sports cars. In 1964, Yamaha tied up with Toyota Motor Co., Ltd. (presently Toyota Motor Corporation) to jointly develop and manufacture the Toyota 2000GT.



From the seat of a prototype sports car, president Kawakami listens to an explanation from a development engineer (1964)

Around the same time, the growing popularity of snowmobiles in the North American market had caught the company’s attention. After a challenging period of trial and error, Yamaha announced the release of its first snowmobile in 1968, the SL350, and successfully opened up another new business. Entering the 1970s, Yamaha Motor continued to develop a wide variety of products to diversify its business, like portable generators, snow throwers and racing karts powered by multipurpose engines, and new products using the company’s FRP technology, such as swimming pools. Kawakami continued to lead the company until passing the leadership of Yamaha Motor to its 2nd president, Hisao Koike in 1974. As the founder of Yamaha Motor, his Spirit of Challenge and mission of “bringing new *Kando* to the customers” would be passed on as vital parts of the company’s DNA, and provide the drive and motivation for Yamaha to develop new products for the land, sea and air as a company with operations all over the world.

Genichi Kawakami passed away at the age of 90 on the May 25, 2002, but his great legacy as a leader was recognized ten years later by his posthumous induction into the Japan Automotive Hall of Fame in 2012.

Message from the Editor



With our last issue's feature about the birth of Yamaha Motor, many of you may have felt that it was an era long past. But, I'm sure this issue about the "multi-axial" product and business diversification and the expansion to markets overseas brought you a little closer to the company we work in today.

The aim isn't simply to "build products." At the core of our work is the exact same desire our founding president had from the beginning: to build products *in order to* create *Kando* that brings greater fulfillment to people's lives. When we are faced with a challenge that causes us to doubt ourselves, feel frustrated or even frightened, returning to those original principles may be what helps us find the answers we seek.

As for the ongoing challenge of racing overseas that laid the foundation for Yamaha's first export markets, you can check out the latest news from the 2015 Yamaha Motorsports Media Conference that took place on February 5th in Malaysia at the URL below. It's sure to be an exciting racing season!

http://www.image.net/yamaha_racing_media_meeting_2015



This issue completes our spotlight on the company's birth and early years. From the next issue, we will be introducing topics that we hope will offer new insights about "the core of Yamaha Motor."

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