



Revs Your Heart

Integrated Report 2022

Fiscal year ended December 31, 2021



Corporate Mission

Kando* Creating Company

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

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

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

Management Principles

1. Creating value that surpasses customer expectations

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

2. Establishing a corporate environment that fosters self-esteem

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

3. Fulfilling social responsibilities globally

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

Action Guidelines

Acting with Speed

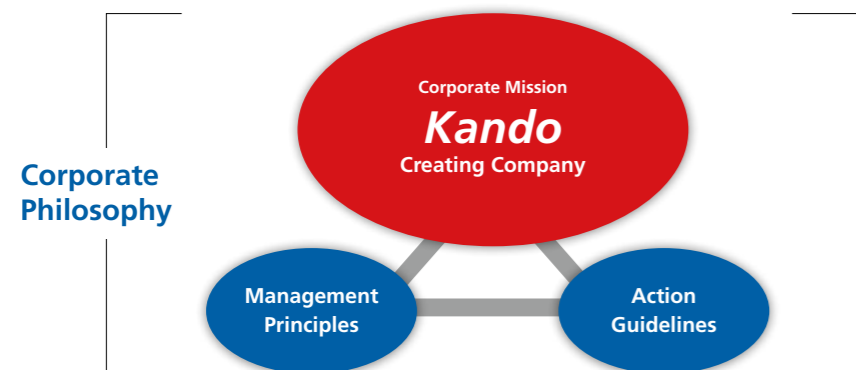
Meeting change with swift and informed action

Spirit of Challenge

Courage to set higher goals without fear of failure

Persistence

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



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

Revs Your Heart

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





Yoshihiro Hidaka

President,
Chief Executive Officer and
Representative Director

About Integrated Report 2022

Yamaha Motor began publishing integrated reports in fiscal 2019 to help shareholders, investors, and various other stakeholders develop a better understanding of the Company's efforts to create value from a medium- to long-term perspective. In 2022, we have endeavored to provide an even better understanding of the growth strategies in the new Medium-Term Management Plan, the second phase of promoting the achievement of our Long-Term Vision for 2030, and the value creation that underpins this.

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

Going forward, Yamaha Motor will continue striving to create sustainable environmental and social value as well as raise corporate value through constructive interactions with its stakeholders. Thank you for your ongoing support of Yamaha Motor.

Editorial Policy

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

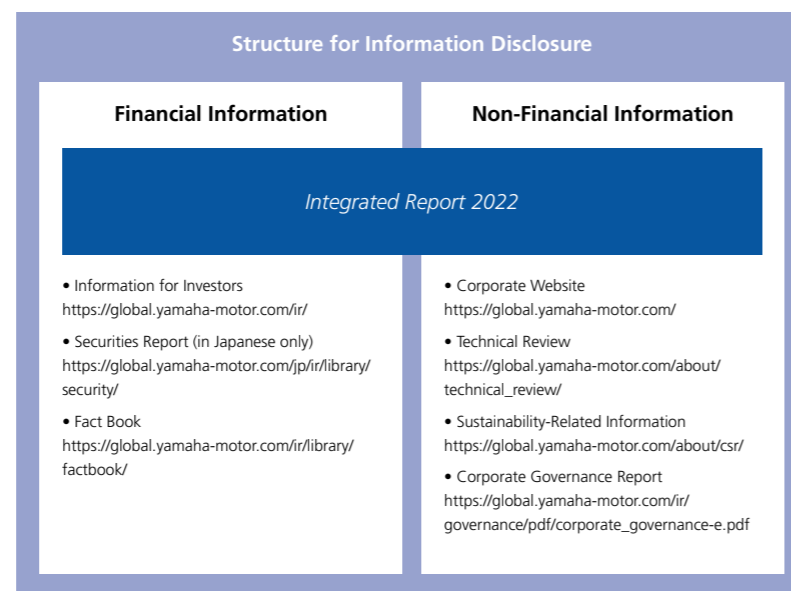
Financial, sustainability-related, product, and other information not contained in this report is available on Yamaha Motor's official website. Please note that the "2022" in the title refers to the year this report was published.

Scope

This report covers Yamaha Motor Co., Ltd., its 140 subsidiaries, and its 28 affiliates (as of December 31, 2021). Notification is given when the scope used in calculating the data provided in this report differs from this.

Reporting Period

This report covers the period from January 1 to December 31, 2021. Information on some activities taking place after January 1, 2022 is also provided.



Notice Regarding Forward-Looking Statements

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

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

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Key Points of Integrated Report 2022

Based on the Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness," *Integrated Report 2022* provides details on specific initiatives for medium- to long-term strategies and measures focused on driving the new Medium-Term Management Plan announced in February 2022. The following key points will help develop an even deeper understanding of Yamaha Motor's value creation story.

1 New Medium-Term Management Plan Aimed at Enhancing Our Social, Environmental, and Economic Value

Under the banner of the Long-Term Vision, Yamaha Motor formulated the new Medium-Term Management Plan—beginning in fiscal 2022—based on a review of the previous Medium-Term Management Plan. This report also provides information on the Company's direction regarding the implementation of a portfolio strategy to maximize its social, environmental, and economic value.

Relevant Pages

- P.4–9 From the President
- P.14–15 Maximizing Our Environmental and Social Value
- P.22–27 Medium-Term Management Plan (2022–2024)
- P.34–35 From the Director in Charge of Corporate Planning and Financial Affairs

2 Reinforcement of Sustainability Initiatives Aimed at Achieving Carbon Neutrality

Yamaha Motor is reinforcing its sustainability initiatives, such as its response to climate change, and has revised its targets for reducing CO₂ emissions under the Yamaha Motor Group Environmental Plan 2050 in order to accelerate progress toward carbon neutrality. These initiatives have been incorporated into the new Medium-Term Management Plan and also introduced as metrics in the Company's executive remuneration system.

Relevant Pages

- P.36–39 Initiatives to Achieve Carbon Neutrality (Disclosure Based on TCFD Recommendations)
- P.69–75 Corporate Governance



Yoshihiro Hidaka

President, Chief Executive Officer
and Representative Director

Yamaha Motor will practice diligent portfolio management with a focus on growth areas and our strengths to create **new value** contributing to a more sustainable world.

Overview of Fiscal 2021

In fiscal 2021, the final year of the previous Medium-Term Management Plan, Yamaha Motor posted record-breaking net sales and operating income together with a massive improvement in our operating income margin.

Fiscal 2021 saw a phased lifting of the restrictions imposed on economic activity in response to the COVID-19 pandemic centered on developed countries. In addition, people's bank accounts received boosts from the relief payments issued by some governments around the world in the wake of the pandemic's effects. These factors drove increases in demand for outdoor family recreation, which in turn created a favorable operating environment for Yamaha Motor. Another major contributor to our strong performance was our ability to limit the impacts of reduced production volumes from global supply chain disruptions and the ensuing difficulties in procuring parts. These disruptions were a result of global semiconductor shortages, delays in logistics, and the higher demand seen in response to the resumption of economic activities. It is impossible to

deliver a swift response to developments that simultaneously impact operations across the globe, such as the aforementioned supply chain disruptions, if frontline organizations simply wait for specific orders from above before acting. Yamaha Motor, therefore, took a different approach. In response to the disruptions, senior management put forth broad policies while information on supply chain issues was shared among our procurement, production, and sales operations. Frontline organizations then exercised autonomy in addressing the issues based on the information they had received, and I believe this approach was highly effective. I also want to express my appreciation for the diligent efforts of our employees on the front lines. When faced with parts shortages, securing sufficient capacity to produce and supply products is of utmost importance. Given our success in this regard, fiscal 2021 truly was a year in which we were able to witness the resilience of Yamaha Motor's foundations that are rooted in our frontline operations.

Direction and Vision of the New Medium-Term Management Plan

The COVID-19 pandemic, climate change, and other contemporary issues are fundamentally altering people's values and substantially increasing the interest in and concern for sustainability around the world. Against this backdrop, we chose to add bolstering sustainability initiatives as a new guiding theme of the new Medium-Term Management Plan, which covers fiscal 2022 to fiscal 2024. This will complement ongoing themes from the previous Medium-Term Management Plan, including the creation of new businesses and the reinforcement of management foundations for improving profitability. Guided by the new plan, we will seek to strengthen the earnings power of our core businesses while investing in new businesses and growth businesses that contribute to the realization of a more sustainable

world. We will also look to accelerate growth through digital transformation and co-creation initiatives.

Yamaha Motor handles a vast and global lineup of products, and the processes spanning the production to the sale of these products are becoming more diverse and multifaceted. This inherent diversity in its operations has allowed the Company to continue growing overall, even as the circumstances individual businesses face may fluctuate. However, we also recognize that creating new value that contributes to the resolution of societal issues will require us to identify fields in which we can anticipate growth and to then focus the allocation of management resources on such fields. It is for this reason that we have positioned diligent portfolio management as a core strategy of the new Medium-Term Management Plan.

From the President

More specifically, we have defined markets expecting future growth and markets in which Yamaha Motor can exercise its strengths. We have also identified fields to which we should allocate management resources in order to stimulate growth, and fields where we will focus on raising profitability while maintaining our position. Further, we have added fields in which we can create new businesses with an emphasis on sustainability. We then clarified the position of each business based on anticipated net sales growth rates and return on invested capital, and divided our businesses into four categories: new businesses, growth businesses, core businesses, and businesses requiring structural reforms.

Based on these classifications, we will seek to generate cash while maintaining or improving the profitability of our core businesses. At the same time, we will proactively allocate management resources to new businesses and growth businesses, which have been positioned as strategic business fields. We thereby aim to grow said businesses into future core businesses. Development and growth strategy expenses to be incurred in our strategic business fields during the three-year period of the new Medium-Term Management Plan are projected to be ¥115.0 billion, a 60% increase from the period of the prior plan, while planned capital investments in these fields should total ¥45.0 billion, an 80% increase.

Strategic Business Fields: New Business Initiatives

New business initiatives will include efforts to develop new businesses as well as operations in new mobility fields.

Previously, we sought to develop new businesses in the mobility service, low-speed automated vehicle, medical & healthcare, and agricultural automation fields while also exploring other new fields. However, we recognize that significant resources will be required to commercialize businesses in just these four fields, and it has also been necessary to account for the restrictions on our activities amid the COVID-19 pandemic. Accordingly, we have chosen to concentrate management resources on the aforementioned four fields over the period of the new Medium-Term Management Plan, and we will therefore not be exploring other new fields during this period. By moving forward with commercialization in the four fields, we hope to generate net sales of ¥30.0 billion from these businesses by fiscal 2024.

In the mobility services field, we have established new companies and are working together with local players in India and Nigeria, looking to develop asset management businesses that will provide financing schemes for people who do not have the financial means to purchase motorcycles on their own. These businesses are anticipated to create local employment opportunities while also contributing to raising the standards of living as well as providing stable incomes for people in these countries.

As for low-speed automated vehicles, we are in the process of commercializing goods transportation systems together with a joint venture company while also moving forward with conducting feasibility studies for public transit systems alongside municipal and national government agencies. By developing technologies that allow for automated

transportation under specific conditions, Yamaha Motor aims to reduce the labor requirements of the logistics field and help resolve mobility issues in regions lacking adequate access to public transportation.

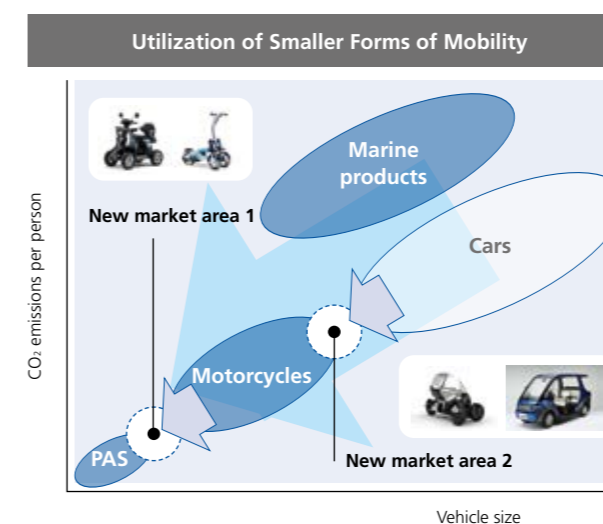
In the medical & healthcare field, meanwhile, our CELL HANDLER™ cell picking and imaging system can be used to automate cell handling procedures that were previously performed by hand. We are continuing R&D of the system looking toward use in immunotherapy applications as well as for aiding the discovery of drugs for cancer treatments.

In the agricultural automation field, Yamaha Motor teamed up with an agriculture venture company in the United States with the aim of providing automation and laborsaving solutions for crop harvesting and packing. Furthermore, in March 2022 we invested in a Brazilian startup that supplies comprehensive agricultural automation solutions, from agricultural drone development to the provision of related services.

Moving on, efforts in new mobility fields have been focused on low-carbon personal mobility options. If we are to create a carbon-neutral society, it will be crucial for people to seek out lighter and more compact mobility options. For example, if one were to commute with a single-rider vehicle that provides protection from wind and rain, as opposed to using a large vehicle, it would result in significant energy savings. Yamaha Motor therefore looks to help address the needs of society by developing new types of mobility offerings that exist between electrically power-assisted bicycles (e-Bikes) and motorcycles or between motorcycles and cars.

We will be working to gradually grow new businesses in these areas through steadfast efforts going forward. The Robotics business, which has now become a third pillar of our operations, and the e-Bike business, which is now classified as a growth business, both went years without turning a profit. Regardless, we remained committed to developing these businesses based on the strong belief that they would one day bring joy to our customers and clients, and it was

this commitment that helped us grow them into what they are today. This recognition will empower us to develop new businesses with a sense of conviction, realizing that these new pursuits will be imperative to achieving sustainability and to resolving societal issues. This conviction will propel us forward in creating value unique to Yamaha by capitalizing on the technologies and insight we have developed thus far and by engaging in co-creation activities with partners.



Strategic Business Fields: Growth Business Initiatives

Yamaha Motor's growth businesses are composed of the Robotics business and the Smart Power Vehicle (SPV) business, which offers complete electrically power-assisted bicycles, e-Bike system kits, and electric wheelchairs. Our goal in these businesses is to generate a compound average growth rate (CAGR) of 19% over the period from fiscal 2021 to fiscal 2024.

Initiatives in the Robotics business include further building upon the technical, sales, and service systems that we have tailored to client needs and which have thus come to represent a strength. In addition, we are investing in upping the production capacity of the Hamamatsu Robotics Office, which conducts the development, manufacture, and sale of surface mounters and industrial robots, with the aim of achieving an 80% increase in production floor area by fiscal 2024. Yamaha Motor has also been bolstering the facilities of this production site by expanding its development area and installing assessment and testing facilities. Other initiatives will include the pursuit of growth by capitalizing on

higher demand for items such as semiconductors for CASE (connected, autonomous, shared & service, and electric) systems for the automotive industry, 5G base stations and terminals, data centers, cameras and other sensors, and factory automation equipment for producing electric vehicle (EV) batteries.

Meanwhile, our SPV business is enjoying a rapid growth in demand for e-Bikes in Europe and the United States as a result of changes in behavioral patterns and rising environmental awareness. In Europe, roadside parking lots for cars are being increasingly repurposed as lots for parking bicycles, making it easier to find such sites in cities. This trend is expected to continue going forward. We therefore project a CAGR of 18% in the e-Bike markets of Japan, the United States, and Europe leading up to fiscal 2030. Yamaha Motor will pursue growth in its SPV business that outpaces that of the market by expanding its product lineup, developing high-value-added products, and reinforcing its production systems.

Sustainability Initiatives

Sustainability has been introduced as an additional main theme for the new Medium-Term Management Plan. Over the years, Yamaha Motor has been engaged in various initiatives for contributing to society. Going forward, we will be seeking to contribute further based on a concrete action plan formulated with a focus on issues we consider of utmost importance and in areas Yamaha Motor most needs to address. I would now like to take some time to talk about what areas will be given particular priority under this plan.

The first is carbon-neutrality initiatives. In the Yamaha Motor Group Environmental Plan 2050, we define both our target of achieving carbon neutrality across the entirety of our business activities and supply chain*¹ by 2050 as well as our basic policy of reducing per-person CO₂ emissions from transportation.

To reduce Scope 3 emissions, we bolstered our R&D capabilities with a new facility at the headquarters completed in fiscal 2021 with the aim of ramping up powertrain technology development. The building's new equipment includes test benches for assessing and testing the performance of electric motors, hydrogen supply equipment, and carbon-neutral fuel storage tanks. This new equipment will be used to develop various powertrain technologies primarily targeting battery-powered EVs, fuel cells, and hydrogen and synthetic fuel systems.

At the same time, we are accelerating the development of EVs through our platform strategy, with the goal of introducing at least 10 battery-powered electric mobility models by 2024. On this front, we launched the NEO's electric scooter with a removable battery in Europe in June 2022, and we plan to begin releasing the E01 electric scooter, which employs a fixed battery design, as a model for proof-of-concept testing*² in Japan, Europe, Taiwan, Indonesia, Thailand, and Malaysia starting in July.

I would now like to talk about our digital transformation strategies, another of our sustainability initiatives. Digital transformation will enable us to connect directly with customers to provide services that cater even more to their needs. I remember around when I had just become president, some four years ago, a woman rider told me that she had not even put Yamaha among her purchase options because she felt that the seats on our models were too high and that her feet could not reach the ground. This was something the Company was, of course, aware of and we take steps to ensure the ride is comfortable even with a high seat height. However, customers often make their decisions

based on the figures for seat height in the brochure, so if that number does not become smaller, customers such as that woman will be unwilling to ride a Yamaha. This is a rather simple issue when you think about it, and my encounter with this woman made me realize that we had perhaps been neglectful in our response to the purchasing patterns of some customers.

Digital transformation will allow us to connect directly with and receive input from customers around the world. We will also be able to track statistics like where and how our products are being used and the current state of said products. Currently, Yamaha Motor is aggressively rolling out connected products, such as motorcycles with smartphone connectivity, in order to transform our business through an even greater emphasis on customers while also delivering new experiences by connecting with them. Moreover, we have defined the number of registered Yamaha Motor IDs as a key performance indicator (KPI) for the development of customer touchpoints and the creation of lifelong customers through both digital and physical means. We look to grow the number of such users to 4.7 million by 2024, which will represent a sixfold increase from 2021.

Another area of our sustainability push is human resource strategies. Our employees are the drivers of our growth. In order to better energize our employees, we have made employee engagement a KPI and we are promoting diversity, inclusion, and human resource development to achieve improvements in that regard. For example, I personally sat down to hold discussions with groups of 20 new employees on 50 occasions over the past year, thereby meeting 1,000 employees myself. Our viewpoints and the breadths of our perspectives are as diverse as our people, and these meetings exposed me to various outlooks and opinions. I was also reminded of the diverse capabilities of our employees. At the same time, around 70% of the issues raised during these discussions were those that were close to home for employees. Specifically, many cited that their workplace leaders were often too busy with their own work to talk with or provide support to their subordinates, leading to a lack of training. I therefore think that there is a need to reform our target management and human resource frameworks in order to allow leaders to spend more time on their more managerial duties.

The last of our sustainability initiatives that I would like to highlight is our efforts for ensuring the safety and peace of mind of riders. More than ever, we must focus on this if we

want to reduce the number of motorcycle accidents. To this end, we are expanding our lineup of models with connectivity. A large portion of motorcycle accidents are collisions with cars when turning across traffic, and to prevent such accidents, Yamaha Motor is pursuing the practical application of technologies for inter-vehicle communication. At the same time, the Yamaha Riding

Academy (YRA) works to help riders improve their skills with the aim of raising rider awareness of safety on the road and giving them instruction for riding safely.

*1 Including emissions from Company business activities (Scope 1 and Scope 2) and other emissions (Scope 3)

*2 Models designed to track customer needs and help the Company explore the potential for new peripheral businesses and markets

Path toward Long-Term Vision Paved by Unending Ambition

Russia's invasion of Ukraine has fractured the global community, resulting in a reversal in the prior trend of economic globalization and a return to an economy separated into multiple blocks. In response to this, Yamaha Motor will strive to ensure that its supply chains can function properly under any circumstances while keeping a close eye on global trends. Concurrently, we are reviewing our production and R&D networks from the perspective of risk management and taking quick action to rectify any issues identified. The operating environment remains opaque. Nonetheless, we are firmly committed to achieving the targets in the new Medium-Term Management Plan and will move forward with certainty in our ability to do so.

The corporate culture of Yamaha Motor is one of taking on challenges. When I first became a manager, I proposed to my supervisor that we transfer all scooter production, which was conducted in Japan at the time, to Taiwan. He told me

to do it myself, entrusting the entire project to me. I made many other proposals in the years that followed, and for the most part, I was allowed to chase my ambitions as I desired. I think that this culture is one in which any employee with passion and drive is encouraged to chase their ambitions, regardless of their position or gender. I hope that everyone at Yamaha Motor will continue to tackle challenges in ways true to our unique style, so that we can not only make headway toward realizing our Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness," but also deliver even greater *Kando* to our customers.



President, Chief Executive Officer and Representative Director

We are firmly committed to achieving the targets in the new Medium-Term Management Plan and will make headway toward realizing our Long-Term Vision for 2030.



A History of Expanding Our Portfolio in Pursuit of *Kando*

Yamaha Motor Co., Ltd. (Yamaha Motor) was founded in July 1955, when the motorcycle division of Nippon Gakki Co., Ltd. (today's Yamaha Corporation) was spun off to form an independent company. Since then, with our powertrain and other core competencies as a starting point, Yamaha Motor has been continuously working to create new *Kando* by consistently taking on challenges in new and existing fields for more than 60 years, creating products in a multitude of different businesses and categories. And our mission to enrich peoples' lives into the future remains our guiding beacon today.

Founded in 1955 Entry into the Motorcycle Industry amid Japan's Post-War Economic Recovery

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

Japanese Economic Miracle Customer-Oriented Development for Creating *Kando*

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

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

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

To the Future Uniquely Yamaha Approaches to Solve Societal Issues

Yamaha Motor is working to evolve and diversify its existing product lines by combining its core competencies with new cutting-edge technologies. At the same time, the Company is adapting its expertise in unmanned technologies and systems, such as industrial robots and industrial-use unmanned helicopters, to contribute to laborsaving efforts and raising efficiency in a variety of fields, from industry and farming to forestry. In addition, as part of its efforts to achieve carbon neutrality, Yamaha Motor is bringing electric motorcycles and scooters such as the NEO's and the HARMO next-generation electric boat control system to the market while also moving forward with the development of internal combustion engines that do not emit CO₂. Through efforts such as electrification among our wide-ranging product lineup, we are expanding the possibilities of mobility for a better society and a more fulfilling life.



Expanding the Field

Adapting Core Competencies to Expand Our Product Portfolio



1955
The first Yamaha motorcycle
YA-1



Corporate Mission

Kando Creating Company



1974
FRP pools created using boat manufacturing technologies



1960
Our first outboard motor
P-7



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



1960
Our first catamaran FRP boat
CAT-21



1968
Our first snowmobile
SL350

1987
Industrial-use unmanned helicopter
R50 (L09)



1993
World's first electrically power-assisted bicycle
PAS



1978
Golf car
G1-A

2017
Cell picking & imaging system
CELL HANDLER™



2002
Electric commuter vehicle
Passol



1995
Wheelchair electric power unit
JW-I



2020
Next-generation electric boat control system
HARMO



2020
Unmanned industrial-use helicopter
FAZER R G2



2022
Electric scooter with removable battery
NEO's



2022
Electrically power-assisted mountain bike
Wabash RT

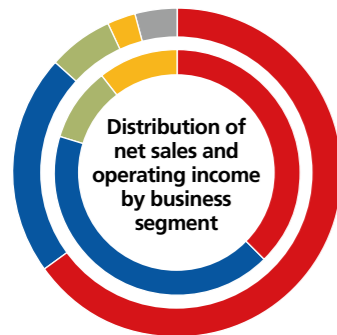
A Globe-Spanning Business Featuring a Diverse Range of Products

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

Fiscal 2021 Consolidated Financial Results

Net sales
¥1,812.5 billion

Operating income
¥182.3 billion



Land Mobility
 Net sales (% of total)
¥1,179.7 billion (65.1%)
 Operating income (% of total)
¥68.7 billion (37.7%)
Main products
 Motorcycles, Leaning Multi-Wheel (LMW) models, intermediate parts for products, knockdown parts for overseas production, all-terrain vehicles (ATVs), recreational off-highway vehicles (ROVs), snowmobiles, electrically power-assisted bicycles, electric wheelchairs, automobile engines, and automobile components



Marine Products
 Net sales (% of total)
¥391.1 billion (21.6%)
 Operating income (% of total)
¥76.8 billion (42.1%)
Main products
 Outboard motors (marine engines), personal watercraft, boats, FRP pools, fishing boats, and utility boats



Robotics
 Net sales (% of total)
¥120.3 billion (6.6%)
 Operating income (% of total)
¥17.6 billion (9.7%)
Main products
 Surface mounters, semiconductor manufacturing equipment, industrial robots, and industrial-use unmanned helicopters

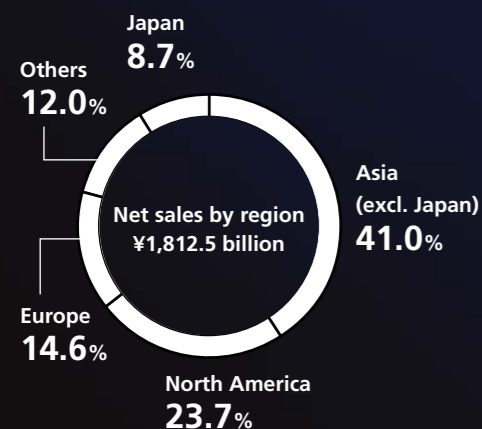


Financial Services
 Net sales (% of total)
¥48.6 billion (2.7%)
 Operating income (% of total)
¥19.1 billion (10.5%)
Main services
 Sales finance and leases related to the Company's products



Other Products
 Net sales (% of total)
¥72.7 billion (4.0%)
 Operating income (% of total)
¥42 million (0%)
Main products
 Golf cars, generators, multipurpose engines, and snow blowers

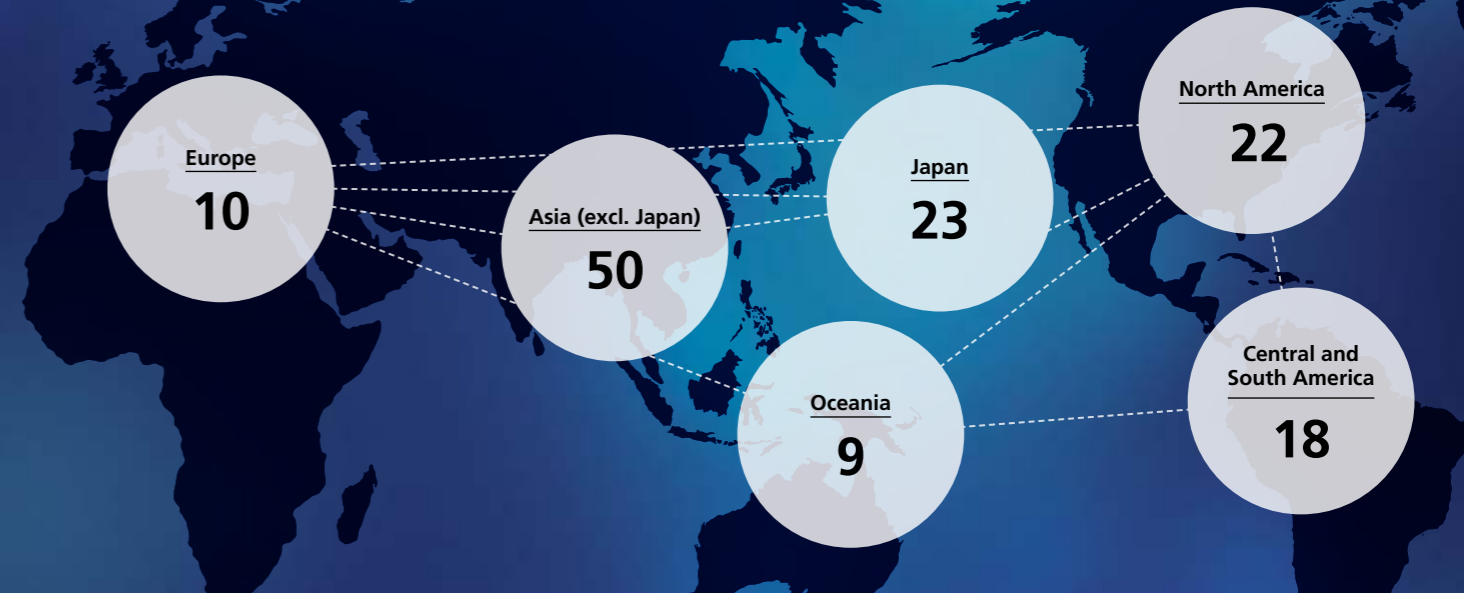
Global Organization Creating Value as a Team



Number of employees (consolidated)
51,243
 Ratio of overseas production —
 Over **90%**

Total number of bases (primary roles)
19 Development
24 Manufacturing
46 Sales

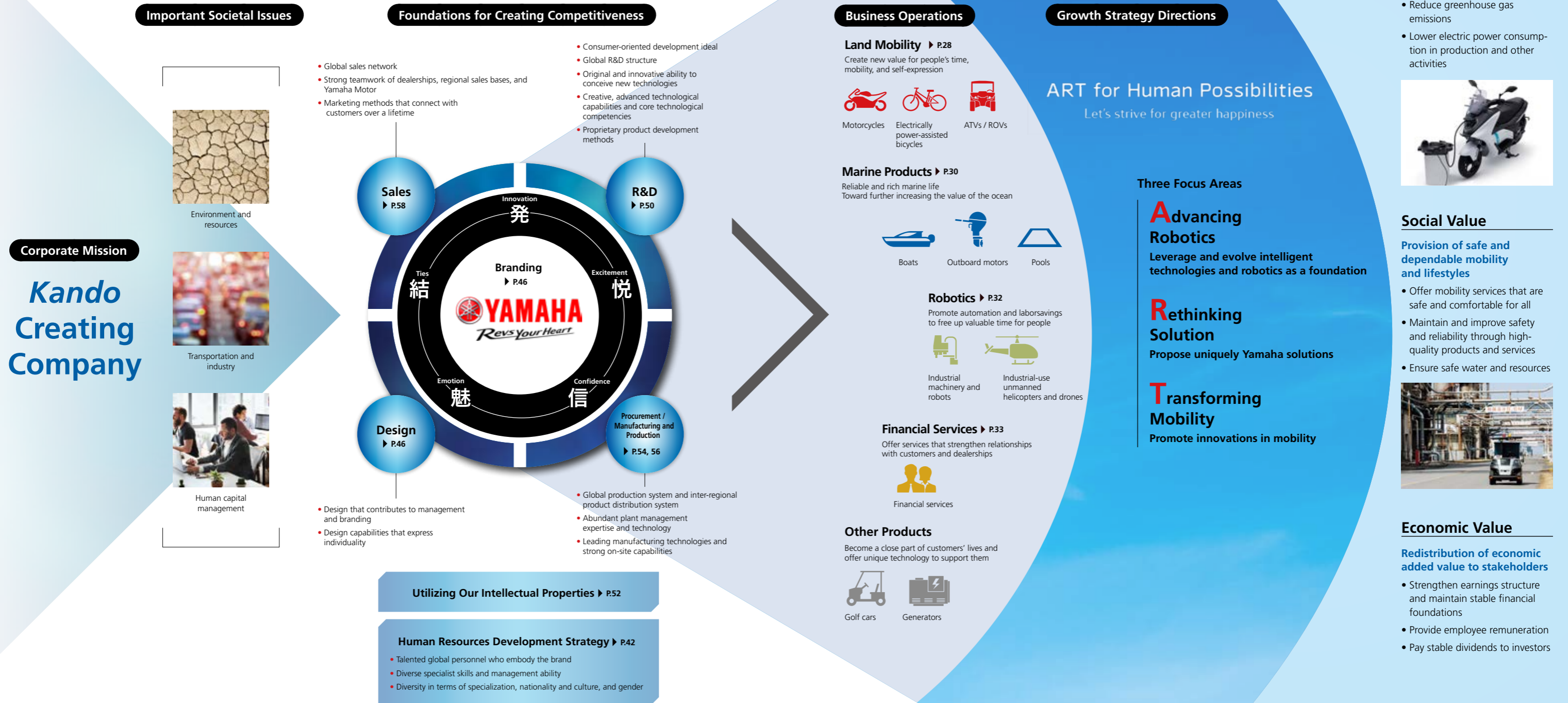
Number of Consolidated Subsidiaries: 132



Maximizing Our Environmental and Social Value

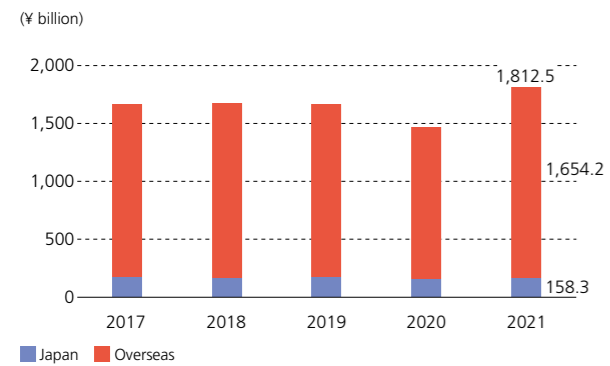
Yamaha Motor's business model is to provide unique, high-quality products and services that accurately reflect societal and customer needs by applying its Spirit of Challenge, which has been handed down as the Company's DNA, and the technologies it has created and refined to date. The very reason for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

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



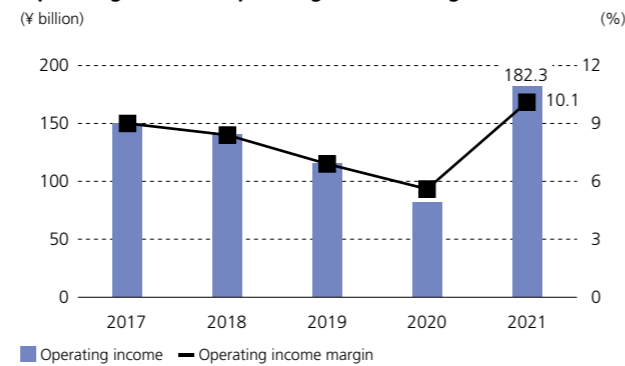
Financial and Non-Financial Highlights

Net Sales



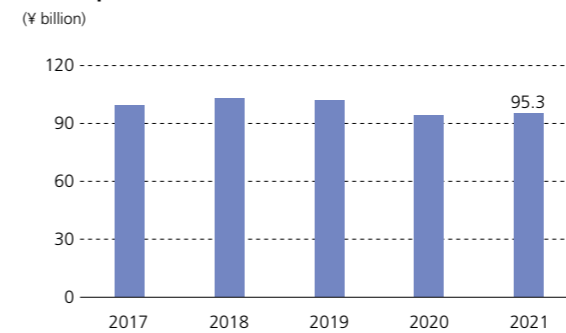
Despite the impacts of lower production, labor shortages, and other factors brought on by the supply shortage of semiconductors and other parts, higher unit sales and an increase in unit purchase prices led to a year-on-year increase of ¥341.2 billion to ¥1,812.5 billion.

Operating Income / Operating Income Margin



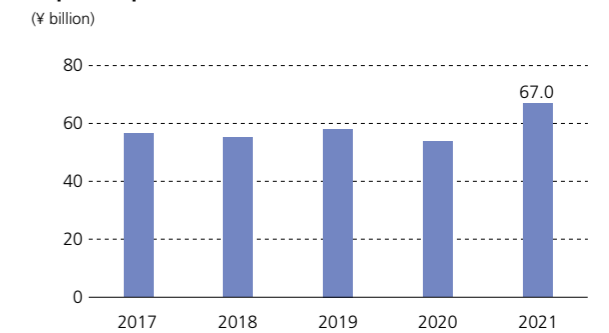
Operating income had a significant rise of ¥100.7 billion year on year to ¥182.3 billion, in part due to the increase in net sales but also due to the curbing of fixed costs through the implementation of remote work and other digital methods, foreign exchange impacts, and other factors working to absorb the effects of soaring logistics costs and raw material prices.

R&D Expenses



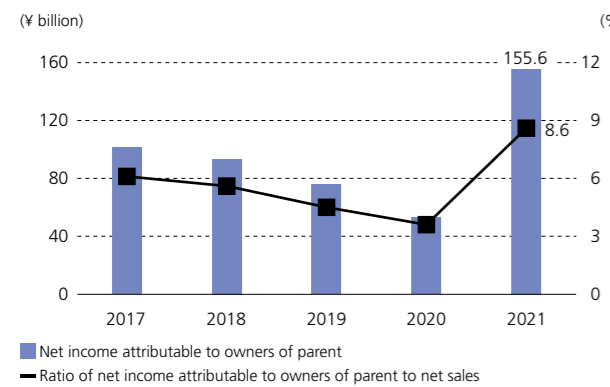
The Company implemented development efforts in new business areas aimed at future growth and for strengthening core businesses while carrying out selection and concentration, recording ¥95.3 billion in R&D expenses.

Capital Expenditures



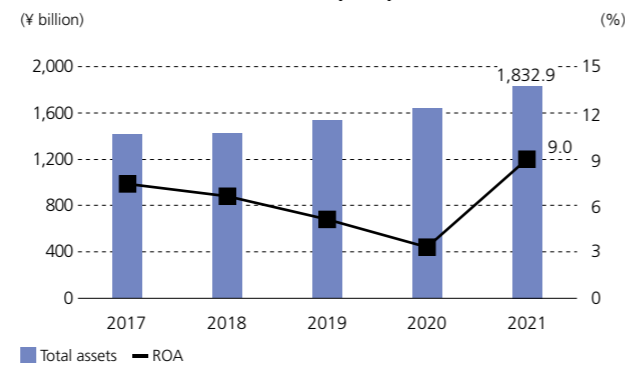
Capital expenditures targeting sustainable growth and greater efficiency in existing businesses rose ¥13.2 billion year on year to ¥67.0 billion.

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



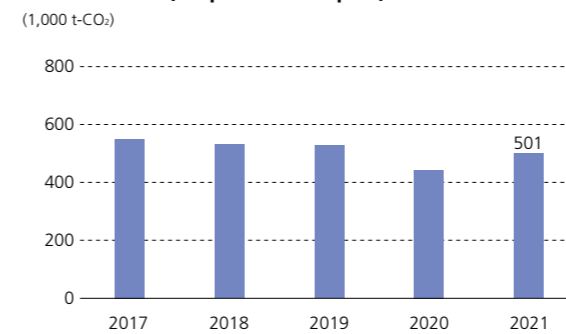
Net income attributable to owners of parent rose ¥102.5 billion year on year to ¥155.6 billion and the ratio of net income attributable to owners of parent to net sales rose by 5 percentage points year on year to 8.6%.

Total Assets / Return on Assets (ROA)



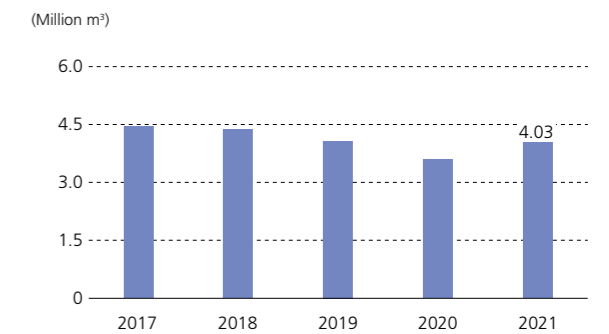
Total assets increased ¥192.0 billion year on year to ¥1,832.9 billion due to factors such as an increase in inventories caused by production delays, logistics delays resulting from a shortage of parts, and an increase in long-term sales finance receivables in association with an increase in retail financing.

CO₂ Emissions (Scope 1 and Scope 2)*



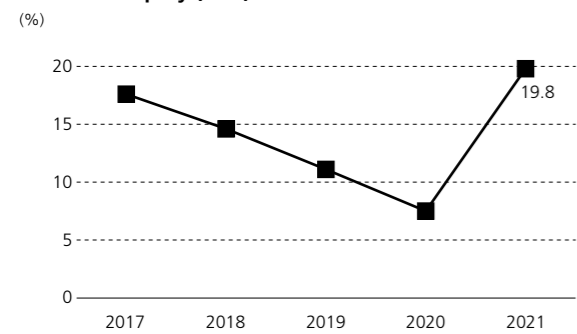
As a Groupwide goal, the Company has set medium- to long-term targets for reducing the CO₂ emissions generated over product life cycles and is also working to reduce the greenhouse gas emissions produced in manufacturing.
* Scope 1 and Scope 2: Direct and indirect emissions produced by the Company's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

Water Intake



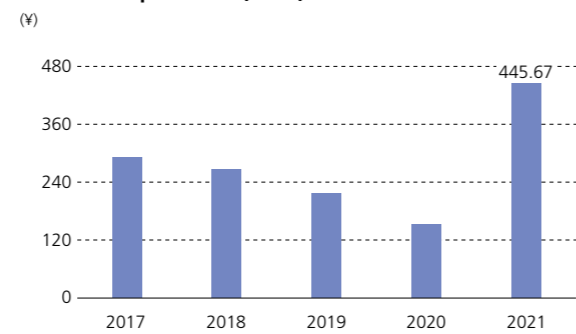
The Company will continue to measure its global use of water resources and reduce the amount of water intake by promoting the reuse of coolant water and water collection (rainwater and other sources) at its factories.

Return on Equity (ROE)



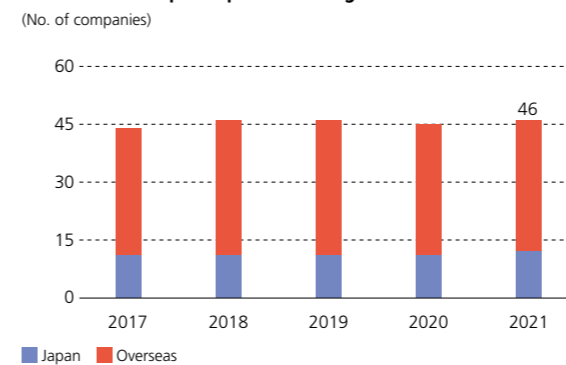
The recovery in business performance and improvements to operational efficiency and stability led to a substantial recovery of ROE, with a 12.3 percentage point increase compared with the previous fiscal year-end.

Net Income per Share (Basic)



The increase in net income attributable to owners of parent led to a significant year-on-year increase and net income per share (basic) rose to ¥445.67.

Number of Group Companies Joining Unified Certification Program



The Company has been working toward receiving ISO 14001 certification for environmental management systems at Group companies in Japan and overseas since fiscal 2012. A total of 46 companies (12 in Japan and 34 overseas) have joined the unified certification program, mainly manufacturing companies in Asia (including Japan), Europe, the United States, and South America.

Brand Ranking*



* Brand value ranking of Japan-based brands carried out by Interbrand Japan (Best Japan Brands 2022)

The Yamaha brand, calculated by combining the brand value of both Yamaha Motor and Yamaha Corporation, was valued at US\$1,801 million (compared with US\$1,480 million in fiscal 2021 and US\$1,369 million in fiscal 2020).

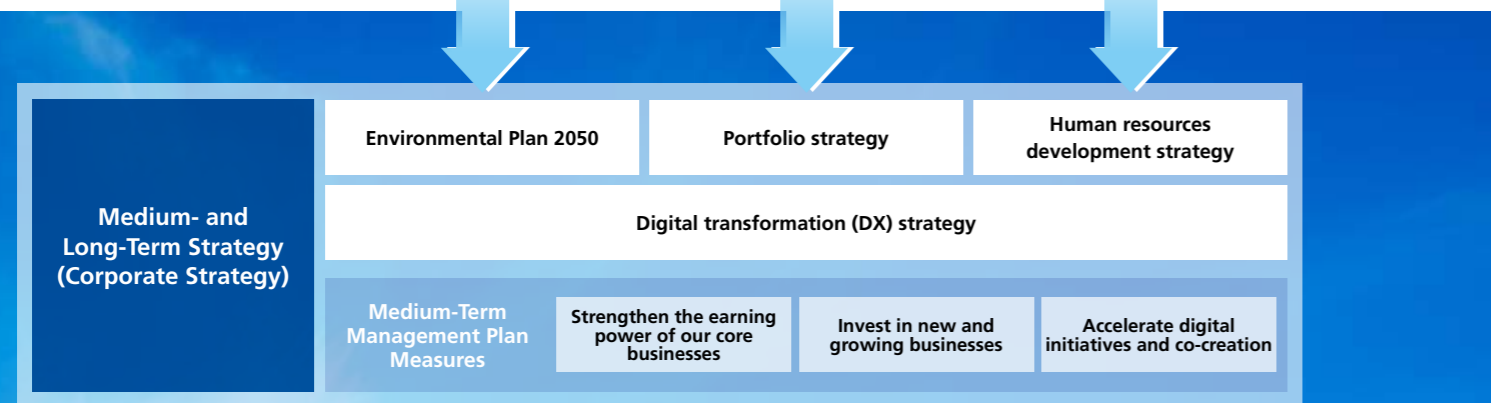
Yamaha Motor's System of Strategic Policies

Yamaha Motor identified important societal issues (materiality issues) to address in light of significant changes in the business environment as well as in terms of risks and opportunities. In order to resolve these societal issues, the Company formulated its Long-Term Vision for 2030 to indicate the directions we will take. In 2022, the Company revised its materiality issues and is implementing a new Medium-Term Management Plan aimed at realizing the Long-Term Vision. For details on important societal issues identified by the Company, the Long-Term Vision, and our various measures, please see the relevant pages.

Corporate Mission *Kando Creating Company*
Offering new excitement and a more fulfilling life for people all over the world

External environmental factors of particular importance for Yamaha Motor

- The shift to recycling-oriented economies and the decarbonization of society
- Population growth in emerging markets and the aging of society in developed markets
- The global economic power shift from developed markets to emerging markets
- The progress of rapid urbanization and increase in urban/rural disparities
- The progress of technological innovations (IoT/AI)
- More traffic accidents and traffic congestion (particularly in emerging markets)
- Responses to first/last-mile mobility needs
- The diversification of people's values and consumer behaviors
- The transition from vehicle ownership to sharing and from material goods to experiences



Long-Term Vision for 2030 (Growth Strategy Directions)

ART for Human Possibilities

Let's strive for greater happiness

Three Focus Areas

- Advancing Robotics**
Leverage and evolve intelligent technologies and robotics as a foundation
- Rethinking Solution**
Propose uniquely Yamaha solutions
- Transforming Mobility**
Promote innovations in mobility

Important Societal Issues (Materiality Issues)

Yamaha Motor defines materiality issues as major issues considered important by both our stakeholders and society at large, which not only have a major impact on our operations but are also ones we believe we can solve through our business. By addressing these issues, we aim to achieve sustainable growth of corporate value as well as the sustainable development of society and the environment.

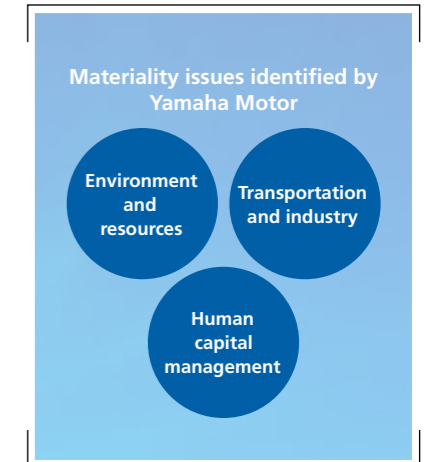
Process for Identifying Important Societal Issues

STEP 1 Sort
We look at the wide range of societal issues referenced in the United Nations' Sustainable Development Goals (SDGs) and the Global Risks Report, and select those that will have the greatest impact on Yamaha Motor's use and procurement of management resources, and for which the resolution will make the greatest contribution to the enhancement of corporate value. We also evaluate the importance of societal issues from the perspective of stakeholders, referencing the valuations of ESG rating institutions.

STEP 2 Categorize
Through consultation with operating divisions, functional divisions, and corporate divisions, the divisions clarify the relationships between the issues selected in Step 1 and each division's policies and activities, and those that should be addressed Companywide are aggregated and categorized.

STEP 3 Designate
All of the Company's officers deliberate societal issues aggregated and categorized in Step 2 at Management Committee and Board of Directors meetings and designate "important societal issues" that should be addressed Companywide using the Company's strengths, corporate philosophy, and unique capabilities.

STEP 4 Incorporate
Initiatives to resolve the identified important societal issues have been incorporated into the current Medium-Term Management Plan. The rigorous implementation of these initiatives will be monitored going forward.




Selected societal issues		Important issue areas	
Importance to stakeholders	Importance to Yamaha Motor		
High	<ul style="list-style-type: none"> • Financial crisis in important economic zones • Unmanageable inflation • Failure of national governance • Failure of regional or global governance • Inter-government conflict over regional problems • Deepened social uncertainty • Abuse of technological progress 	<ul style="list-style-type: none"> • Introduction of industrial processes taking into account clean technologies and efficient use of resources • Heightened awareness of sustainability • Promotion of economic growth based on fair work environments • Reduction of waste materials • Curtailment of corruption and bribery 	<ul style="list-style-type: none"> • Improved energy efficiency (including promotion of use of renewable energy) • Promotion of use of inexpensive, reliable energy • Promotion of safe and secure work environments • Advancement of diversity and inclusion • Effective use of water resources and prevention of pollution • Securing of clean water resources
Medium	<ul style="list-style-type: none"> • Abolition of inequality • Responses to multistakeholders • Promotion of innovation (active use of global partnerships) • Implementation of fair taxation • Promotion of sustainable industrialization 	<ul style="list-style-type: none"> • Elimination of discrimination against women and protection of human rights • Use of women's skills • Strengthened disaster prevention and response • Eradication of forced labor, human trafficking, and child labor • Increased employment for socially vulnerable people 	<ul style="list-style-type: none"> • Prevention of pollution and damage from harmful chemical substances • Strengthened measures to address climate change • Sustainable use of natural resources • Promotion of innovation (promotion of sustainable industrialization) • Promotion of innovation (promotion of sustainable forms of consumption and production in developing countries)
Low	<ul style="list-style-type: none"> • Strengthened support for emerging and developing economies 	<ul style="list-style-type: none"> • Promotion of protection and recovery of land ecosystems • Provision of a stable living environment • Halting of deforestation • Protection and recovery of marine ecosystems 	<ul style="list-style-type: none"> • Expansion of educational systems (including vocational training) • Enhanced educational environment in developing countries • Promotion of social infrastructure development • Prevention of traffic accidents • Protection of small-scale agricultural and fishing industries • Advancement of sustainable fishing industry • Improved access to fishing areas and markets in least developed countries













Review of 2022 Materiality Issues

From 2021 to 2022, we reexamined the changes seen in the external environment and their impact on our businesses and society in general, reviewing the relevance of our previously identified important societal issues. As a result, we narrowed them down to three: “environment and resources,” “transportation and industry,” and “human capital management.” To arrive at these, we changed “transportation, education, and industry” to

“transportation and industry,” and moved issues concerning “innovation” into “environment and resources” and “transportation and industry,” since major elements of it are already included in those issues. Furthermore, we reviewed the themes of our efforts according to both the internal and external environment to further focus these efforts.

Furthermore, performance regarding materiality KPIs, which are indicators of ESG management, is part of the non-financial evaluation component of the Company’s executive remuneration system, and overall progress is considered when determining Companywide performance-based compensation for all officers, including the president.

 Please visit our corporate website for more information on materiality issues, such as the figures for progress made regarding materiality issues during the previous Medium-Term Management Plan.
<https://global.yamaha-motor.com/about/csr/materiality-kpi/>

Important Societal Issues	Risks and Opportunities	Themes	Yamaha Motor’s Approach	SDGs	Vision for 2030	Medium-term targets (2022 to 2024)
Environment and resources	Risks <ul style="list-style-type: none"> Tightening of regulations and declining net sales due to global warming Declining profits due to rising costs Negative impact on corporate image Delays in the economic independence of developing countries because of marine pollution Impact of marine pollution on the fishing industry and marine leisure Opportunities <ul style="list-style-type: none"> Growing trend of EVs replacing existing forms of mobility Heightening demand for smaller forms of mobility 	Achieving carbon neutrality A R T	Reduce the environmental burden of core products that emit CO ₂ , such as motorcycles and outboard motors	 	Reduced CO ₂ emissions (carbon intensity per sales) from production activities by 80% (compared with 2010) and net zero by 2035	<ul style="list-style-type: none"> Reduce CO₂ emissions from production by 52% (compared with 2010) Deploy energy-saving and renewable energy facilities in at least 10 countries Introduce carbon-free power generation at Yamaha Motor domestic offices and worksites
			Reduce the risk of damage to the marine ecosystem and depletion of fishery resources as a marine product industry leader	 	Promoting product development and sales with low environmental impact, such as electrification, to find uniquely Yamaha solutions	<ul style="list-style-type: none"> Conduct field testing of internal combustion engines that do not emit CO₂ by utilizing carbon-neutral fuels* Release at least eight new electric motorcycles/scooters on the global market Complete field testing evaluations for a new electric marine propulsion concept model by 2024 Release at least six new electrically power-assisted bicycles on the global market * Hydrogen, synthetic liquid fuel, biofuel, etc.
			Establishment of solutions contributing to sustainable fishery		Improved recyclability of boats	<ul style="list-style-type: none"> Progress with R&D for FRP waste material recycling and achieve technical feasibility by 2024 Transition from FRP materials to naturally-derived materials and introduce sequentially with mass-production models from 2024
Transportation and industry	Risks <ul style="list-style-type: none"> Rising number of traffic accidents Rise in traffic accidents caused by elderly people in developed nations Fewer means of transportation in underpopulated areas Reduced competitiveness in the market and business environment Opportunities <ul style="list-style-type: none"> Growing demand for motorcycles due to rising populations and incomes in developing countries Greater need for smaller forms of automated mobility Addressing and supplementing the aging workforce and labor shortages in the agriculture, fishing, and manufacturing industries Increased automation with the development of AI technologies New demand for mobility such as CASE-equipped vehicles and MaaS Offering solutions for the agricultural sector using robotics Increased competitiveness due to the spurring of innovation 	Safe and user-friendly mobility for everyone A R T	Promote initiatives contributing to the elimination of fatal traffic accidents involving motorcycles		Introduction of low-speed automated driving systems has reduced the number of people with little or no access to public transportation	Expertise <ul style="list-style-type: none"> Increase the number of YRA participants by 60% compared to the previous three years (220,000 people)
			Utilize mobility technologies to provide transportation infrastructure usable by vulnerable groups, such as elderly people, children, and those living in depopulated areas		Reduced restrictions on movement through low-speed automated driving systems	<ul style="list-style-type: none"> Finalize automated driving technology for mobility service vehicles on select public roads and aim for implementation in at least three locations by 2024
			Improve convenience and aid in the creation of employment opportunities by providing assets for mobility services		Offering new mobility options that make people happy	<ul style="list-style-type: none"> Introduce a personal mobility product to the market in 2023 that offers an all-new mobility experience
			Create work environments where people can dedicate their talents to work requiring the human hand, eye, and mind by securing more available time via automation and laborsaving	 	Improved standard of living for people who cannot afford a motorcycle and providing services that enable them to earn a stable living	<ul style="list-style-type: none"> Start Mobility as a Service businesses in India and Nigeria Support startups that provide safe transportation and logistics services and contribute to the access of fundamental services
Human capital management	Risks <ul style="list-style-type: none"> Loss of human resources due to reduced opportunities for diverse human resources to play active roles Increased competition for human resources Opportunities <ul style="list-style-type: none"> Creation of new opportunities by promoting diversity and inclusion Improving vitality through the hire of diverse and talented people from around the world 	Diverse human resources for increased corporate strength A R T	Maximize engagement and performance by allocating talent in a timely and appropriate manner from a global perspective	 	Assigning the right person to the right assignment, regardless of gender, nationality, or ethnicity, and moving the business forward while respecting diverse views	<ul style="list-style-type: none"> Increase the ratio of local talent in executive positions at overseas subsidiaries to at least 55% Implement around 10 global inter-subsidary transfers by the end of 2024 Raise the ratio of women managers Groupwide to at least 13% by 2024 Increase the ratio of a headquarters employee engagement score to at least 70%

Medium-Term Management Plan (2022–2024)

Review of Previous Medium-Term Management Plan (2019–2021)

In setting out to realize the Long-Term Vision we proclaimed in 2018, the first three-year Medium-Term Management Plan from 2019 to 2021 comprised two main pillars: growth strategies aimed at achieving net sales of ¥2 trillion and an ROS of 9%, and the reinforcement of management foundations. While the management environment changed dramatically due to the COVID-19 pandemic and led to us lowering the ¥2 trillion numerical target, we did achieve record-high net sales and operating income.

Growth Strategies

Despite differences in the growth of existing business fields by business and area, there was a general surge in the recovery of demand from the summer of 2020 onward from the environment shifting to one of “living with COVID-19.” The pandemic created an adverse business environment fraught with lockdowns and difficulties in procurement, production, and logistics operations. However, all our major subsidiaries and departments made self-driven efforts to adapt under a management ethos of focusing on the break-even point, engaging in flexible production, enacting various cost reduction measures to offset rising costs, curtailing expenses, and so forth. These efforts ultimately increased our corporate resilience.

We have narrowed our development of new businesses down to four fields: mobility services, low-speed automated vehicles, medical & health-care, and agricultural automation; and have developed each business from the seed-sowing stage through to commercialization. Despite being unable to take actions as planned due to restrictions on travel, in the fields of mobility services and low-speed automated vehicles, we were able to progress from the seed-sowing stage through to sales generation.

Reinforcement of Management Foundations

We have been working on our digital transformation (DX) and carrying out structural reforms for our global production scheme. On the DX front, we worked to overhaul our sales, development, and manufacturing departments as well as our global enterprise resource planning (ERP) system, making progress in each area. In overhauling the ERP system, we found it more difficult than expected to transition our current methods and systems to the new system, and are working to address the issues that emerged. Moreover, our sales departments staged a rapid response to the lockdowns brought on by the pandemic by speedily launching e-commerce sites. They have also introduced connected models and apps and begun analyzing the data acquired. The development departments have endeavored to raise productivity via digital technologies, such as driving greater use of NX modeling software for product development and utilizing model-based systems engineering (MBSE). Our manufacturing arm put forth its Smart Factory initiative and is implementing AI-based data analysis methods, shifting to automation, and striving to save on labor.

Regarding the global structural reforms to our production system, we made progress in consolidating or closing factories in Europe, Taiwan, and India, and took the first steps to optimize our production scheme in Japan. With production demands changing day by day and production fluctuations to respond to, things remain difficult, but we have still made steady progress with our forward-looking reforms.

Overview of the New Medium-Term Management Plan

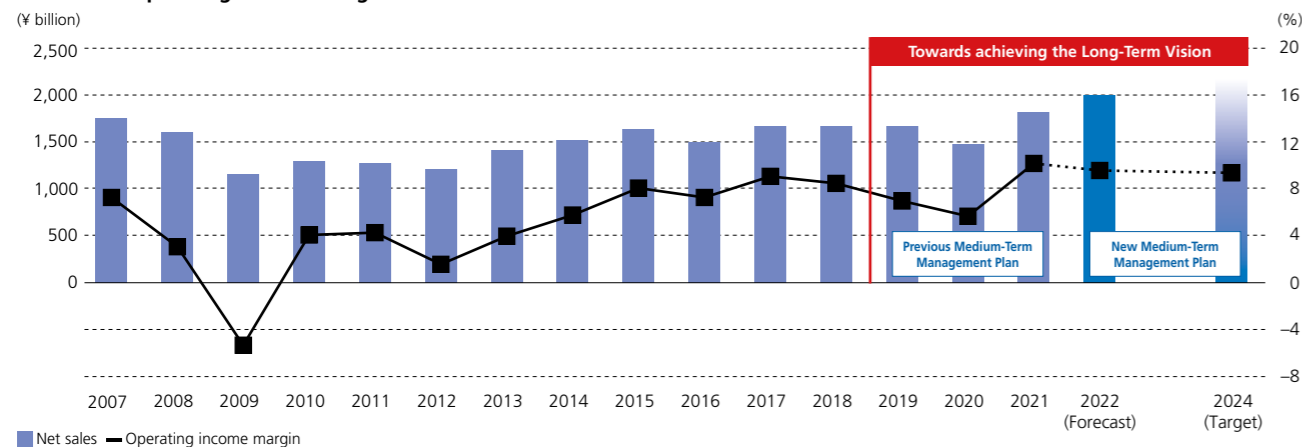
Under our corporate mission to be a *Kando* Creating Company, we will work to realize our Long-Term Vision of ART for Human Possibilities by carrying out our new Medium-Term Management Plan from 2022, as phase two of the Company’s ongoing transformation. In recognition of the numerous challenges that must be addressed, including changes in the

business environment, the rising awareness of sustainability, and the need for transformation, we will continue with the growth strategies and reinforcement of management foundations that we have pursued until now under the new Medium-Term Management Plan, but while also strengthening our response to sustainability.

Basic Policies

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

Net Sales / Operating Income Margin



Growth Strategies

The main growth driver over the period of the new Medium-Term Management Plan is our existing businesses. However, with societal demands and the business environment pushing things like CASE and carbon neutrality, the expected figures for future growth can greatly differ by business. We will clarify and stratify the positioning of our businesses based on demand trends, where we have competitive advantages, our strategies, and other factors, and then strategically allocate management resources among them in a measured way.

Reinforcement of Management Foundations

We will continue promoting our DX initiatives and the structural reforms to our production system. Our DX is employing digital technologies to bolster productivity and efficiency and this has started to produce results, but we have yet to reach the realm DX is originally about: transforming business models and how we work by using digital technologies. As we build upon the foundations that we successfully constructed under the previous Medium-Term Management Plan, we will also spark a transformation in the ways we work, the way we sell our products as the relationship with our customers changes, and more.

In terms of structural reforms to our production system, we will continue steering the optimization of our factories in Japan and at those comprising our ASEAN production operations while carrying out reforms at our factories in the United States. At the same time, we will incorporate measures to

address immediate business continuity plan (BCP) issues and thereby raise the overall level of our BCP in the fields of production and procurement.

Initiatives for Sustainability

Initiatives to reduce greenhouse gas (GHG) emissions to counter climate change are an unavoidable issue for the Company as a manufacturer and seller of vehicles for personal mobility. Our measures include developing not only all-electric vehicles but also fuel-cell vehicles driven by hydrogen, and internal combustion engines powered by carbon-neutral fuels. Technological innovations from here onward are also expected to accelerate the practical application of these technologies and give birth to new methods for reducing GHGs. Meanwhile, we are pressing forward with our work to develop practical applications for what we see on the horizon right now—electric powertrains, fuel cells, and carbon-neutral fuels—while simultaneously exploring new possibilities as we proceed step by step towards our target of carbon neutrality by 2050.

Financial and Non-Financial Indicators

We are committed to growth, profitability, efficiency, and shareholder returns as financial indicators, and have set aiming to create value in a new mobility society as a non-financial indicator. Through our initiatives to achieve these, we will simultaneously enhance our environmental, social, and economic value, thereby ultimately raising our corporate value and making the Yamaha brand shine.

Financial Indicators	
Growth	Net Sales In fiscal 2024 Over ¥2,200 billion CAGR*1 Over 7%
	Operating Income Margin Previous Medium-Term Management Plan 7.5% New Medium-Term Management Plan Over 9%
Efficiency (Three-year average)	Capital Efficiency (approx. 7% WACC) ROE 15% range ROIC 9% range ROA*2 10% range
	Shareholder Returns (Three-year average) Cumulative total for the three-year Medium-Term Management Plan period 40% range

*1 Average compound annual growth rate for FY2021–FY2024
 *2 ROA is calculated based on operating income

Contributing to a More Sustainable World		
Convert to Carbon-Neutral Powertrains <ul style="list-style-type: none"> Develop a wide variety of powertrains Launch 10+ BEV models Powertrains compatible with alternative fuels 	Accelerate Co-Creation <ul style="list-style-type: none"> Exploratory development in new mobility fields Accelerate exploration efforts (¥10 billion environmental tech fund) Accelerate launch of new businesses contributing to a more sustainable world 	Shift to Energy-Saving / Carbon-Neutral Facilities <ul style="list-style-type: none"> Introduce energy-saving and carbon-neutral equipment to 10+ countries Begin using carbon-free electricity in Japan

Connecting with People and Thriving as a Company		
Safety Riding and Peace of Mind <ul style="list-style-type: none"> Bolster safety riding support features Expand support and activities for improving user riding skills (1.6x more YRA participants)*3 	Accelerate Digital Transformation <ul style="list-style-type: none"> Connect with customers worldwide 4.7 million Yamaha Motor ID registrants Creation of DX promotion personnel (1,200 people by 2024) 	Increase Global Workforce Agility <ul style="list-style-type: none"> Foster employee engagement globally Introduce global engagement indicators (improve by 10% at headquarters)

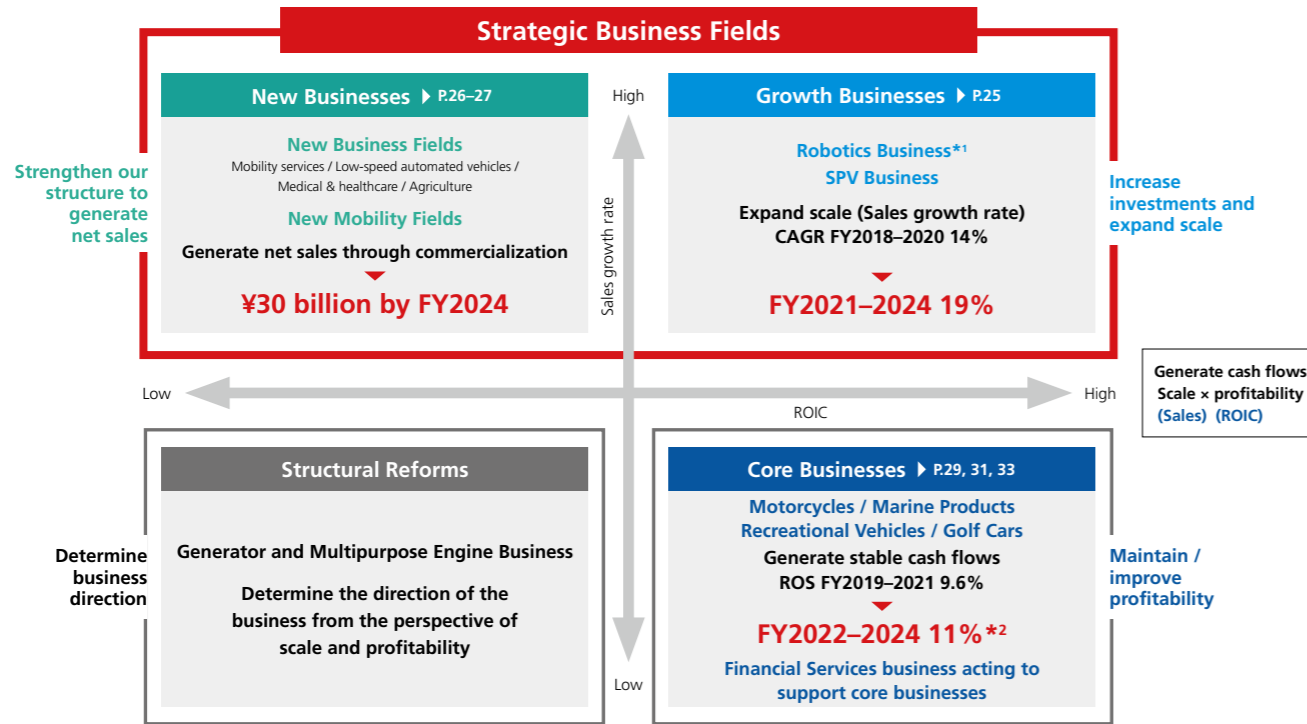
*3 Yamaha Riding Academy participants (three-year cumulative)

Direction of Our Business Portfolio

For 2022 onward, we have clarified and stratified the positioning of our businesses based on sales growth rate and ROIC, and will manage our business portfolio to appropriately allocate management resources.

The new business and growth businesses are positioned as “strategic business fields,” to which we will strategically allocate management resources to grow them into future core businesses. Our core businesses are the motorcycle business, recreational vehicle (RV) business, marine products

business, and golf car business. We aim to increase their profitability as our current sources of cash generation. Our KPI for these is operating income margin, for which we are targeting a three-year average of 11%. We intend to identify the businesses that require structural reforms from a perspective of scale and profitability over the period of the new Medium-Term Management Plan.

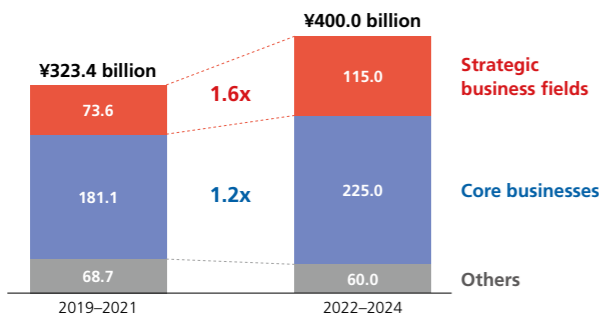


Note: The reportable segment classification of existing businesses under business portfolio management is as follows:
Land Mobility: Motorcycle business, Recreational Vehicles business, Smart Power Vehicles business
Other Products: Golf car business, generator and multipurpose engine business
*1 Including surface mounters, semiconductor manufacturing equipment, industrial robots, and industrial-use unmanned helicopters
*2 ROS is calculated using figures that do not include corporate expenses

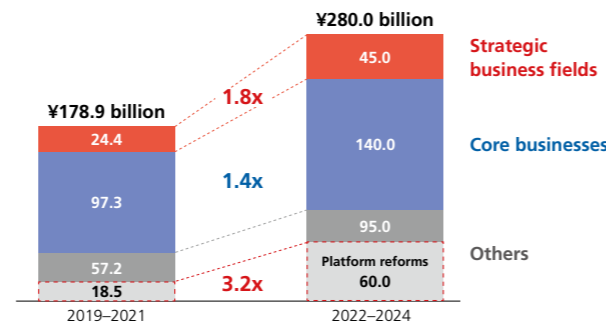
Expansion of Resource Investments in Strategic Business Fields

Based on this portfolio management, we will expand investment of resources in our strategic business fields, aiming to increase development and growth strategy expenses by 1.6 times and capital investment by 1.8 times, compared with the period of the previous Medium-Term Management Plan.

Development and Growth Strategy Expenses Plan (Three-Year Total)



Capital Investment Plan (Three-Year Total)



Strategic Business Fields

Growth Businesses

Robotics Business

Supporting the Foundations of a Digital World, Further Expanding Business Scale as a Growth Business, and Strengthening Profitability

The markets for surface mount technology (SMT) systems, small industrial robots, and semiconductor back-end processing equipment are projected to grow at an average rate of 7% per annum. In these growing markets that support the infrastructure of an increasingly digital society, we will further expand our business scale and fields of operation to strengthen our earnings capability.

Yamaha Robotics Holdings Co., Ltd. (YRH) was acquired during the previous Medium-Term Management Plan and we have completed the post-merger integration. During the three years starting from 2022, we are targeting an increase in overall earnings capability with a CAGR of 16% for net sales through synergies with YRH, and an operating income contribution rate of 25% from YRH as well.

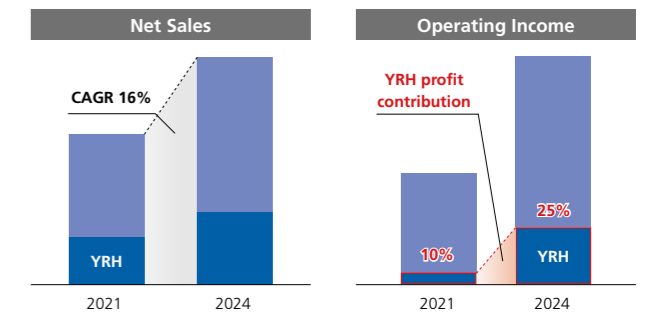
One of the first major steps we will take is maximizing synergies as a total supplier. On the product front, we will strengthen product competitiveness by driving our platform strategy. Furthermore, we will focus on introducing new models in the high-speed SMT model domain while in the field of small industrial robots, we will enter the market for cobots. On the sales front, we will enhance the appeal of our One-stop Smart Solution, while working to capture major accounts through a dedicated client-based sales team that covers multiple regions and offerings.

Our second initiative is to strengthen manufacturing, sales, technology, and service structures. We will make investments to raise production

capacity with an eye on expanding the business by increasing our factory's production area by 1.8 times by 2024. We will also further improve on our strengths in technologies, sales, and services carefully tailored to client worksites and operations.

Through these two initiatives, we will raise the number of business negotiations, increase the unit price per project, and raise the rate of placed orders, aiming to expand our business and strengthen profitability.

Robotics Business Contributions



SPV Business

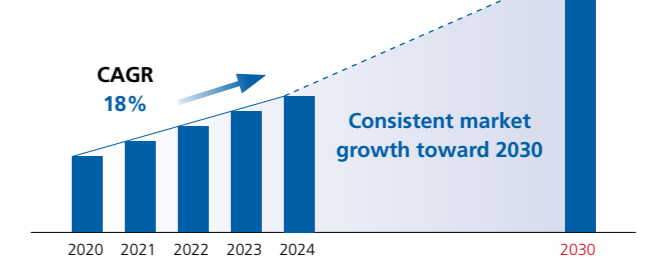
Capturing Market Expansion and Achieving Growth through Synergies between e-Kit Customization and New Models

The global COVID-19 pandemic caused a significant shift in human mobility patterns, towards focusing on closer destinations and avoiding crowded situations. This has led to a sharp increase in demand for compact personal mobility. In addition, rising environmental awareness has driven 18% annual growth in the e-Bike market in Japan, the United States, and Europe and this market growth is expected to continue towards 2030. In Japan, the United States and Europe, market scale in 2024 is expected to surpass 10 million units, and the Company will focus on the top three e-Bike categories: E-CITY, E-TREK, and E-MTB models.

We will respond to this market expansion by harnessing synergies between e-Kit customization and the launch of new models, aiming for scale expansion outpacing market growth in order to double net sales. We are projecting an annual unit sales growth rate of 22%. In order to stage this business scale expansion faster than the market's growth, we will begin customizing our e-Kits, conducting co-development of e-Kits with the e-bike manufacturers that use them, start local production of drive units in Europe where the market is the largest, and aim to acquire new overseas e-Kit customers by providing direct services via our own dealer network in Europe. In addition, we will aim to double net sales by developing new compact, lightweight, quiet, high-value-added drive units and expanding our lineup with mid- to high-range Yamaha-brand e-bikes.

Market Potential

Total demand in Japan, the United States, and Europe (Yamaha Motor forecast)



Key Themes

Scale Expansion Exceeding Market Growth (CAGR 22%)

- Acquire new overseas e-Kit* customers

Double Net Sales

- High-value-added e-Kits that are compact, lightweight, and quiet
- Expansion of mid-range and high-end Yamaha-brand model lineup

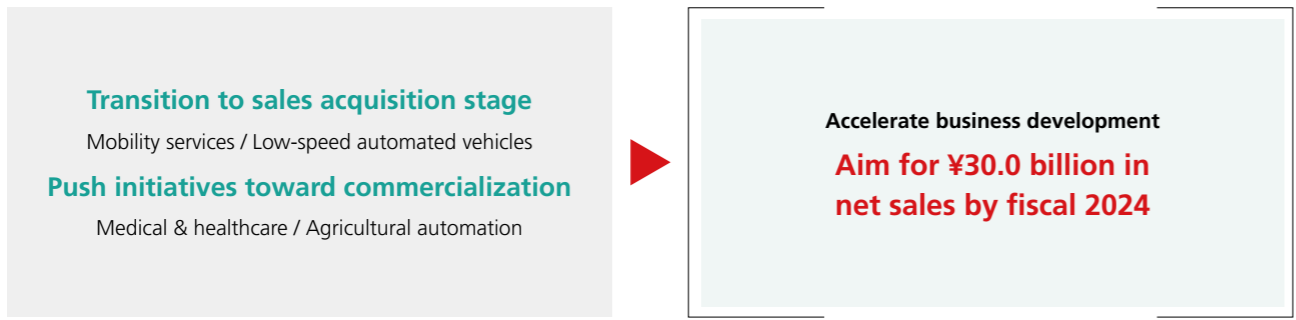
* e-Kit: e-Bike Systems (e-bike drive units and peripheral components)

New Businesses

Background of and Policy for New Businesses

Yamaha Motor began the manufacture and sale of motorcycles in 1955, then using its small-engine technology to diversify into offering products for the water, snow, and in the air as it expanded its business. With the diversification of its products and business expansion, the Company's employees have always been motivated by a desire to create new dimensions of fun and a desire to solve customers' issues. By moving out onto the front lines around the world and interacting with local colleagues and customers, we have developed better products. Our outboard motors are a good example of this approach. While we are a market leader today, our products were at one time subject to endless complaints and had a terrible reputation as machines leading to financial losses for the company. So we went out onto the waters of Japan and overseas, recording the different sights, sounds, and smells picked up by our senses, and then working with onsite colleagues to make repeated improvements in order to achieve the market position we enjoy today. This kind of thinking is deeply embedded in how we search for and invest in external partners through Yamaha Motor Ventures, Inc., which works on developing new businesses for the Company. Through joint ventures with partners that share our aspirations, we are working to create new value by leveraging each other's strengths toward our corporate mission of "Offering new excitement and a more fulfilling life for people all over the world."

The new businesses we are working on are in fields that contribute to the resolution of our materiality issues: "environment and resources," "transportation and industry," and "human capital management." Our initiatives contribute to the three focus areas under the Long-Term Vision: Advancing Robotics, Rethinking Solution, and Transforming Mobility. Furthermore, under the new Medium-Term Management Plan, we have positioned new businesses under our strategic business fields, aiming to strengthen our systems for creating future core businesses and to generate sales. Specifically, we are working towards commercialization aiming for net sales of ¥30.0 billion for mobility services and low-speed automated vehicles by 2024 and a contribution to our sales from the medical & healthcare and agricultural automation fields by 2030. The Company has a strong tradition of exploring and understanding issues that it should solve through dialogue with numerous partners at work in the field around the world. It is personnel who have this experience that are the source of new value creation. The four fields in our new businesses are also areas where we aim to create value through dialogue with external partners, and in doing so, we will develop human resources around the globe who are able to continuously create future businesses in a sustainable manner. This is another reason why we have positioned our new businesses as strategic business fields and are actively allocating management resources to them as we aim to achieve the aforementioned targets.



Mobility Services
Creating employment opportunities through business and contributing to a better quality of life for people

Co-creation Local platform operators

Societal Issues	Core Technologies	Focus Areas
Job creation	Asset management expertise cultivated in the Financial Services business and connected technologies	Emerging markets

Expanding Asset Management Business with Local Partners and Collaborators in India and Nigeria

Among our customers in emerging markets who work with motorcycles, a certain number of them borrow motorcycles from their employer and provide labor. We have established an environment that enables the use of motorcycles without purchasing them as a business, and we are working in collaboration with startups to build an ecosystem that creates jobs. In 2021, we established new companies in India and Nigeria, and started an asset management business as a local joint venture. This scheme enables customers to boost their standard of living while securing a stable income by acquiring mobility. At the same time, the Company can increase its sales as a service-based business for customers who have previously been unable to purchase a motorcycle with their own funds.



Low-Speed Automated Vehicles
Aiming to create added value through mobility and enrich people's lifestyles

Co-creation Local governments

Societal Issues	Core Technologies	Focus Areas
Mobility needs	Chassis development expertise garnered through golf cars	Automation of indoor/outdoor transport at plants Mobility for people with little to no access to public transportation, such as seniors, children, and residents of depopulated areas

Commercializing Transport of Goods via Joint Ventures and Conducting Feasibility Studies for Public Transit Options

By establishing automated driving technologies under certain conditions, we aim to save labor in logistics and solve mobility issues, such as in areas with no access to public transportation. In transporting goods, we have been conducting real-world testing at several Yamaha Motor plants through eve autonomy, Inc., a joint venture we have with Tier IV, Inc. And in the first case of implementation outside our own plants, we have begun field testing at the Anesaki Works factory of Prime Polymer Co., Ltd. We plan to start providing services officially around autumn of 2022. In transporting people, we have been promoting community building employing "slow mobility" and creating uniquely Yamaha value in mobility by providing compact, low-speed forms of mobility such as our electric carts for first/last-mile mobility solutions. In doing so, we aim to solve important societal issues such as transportation, health, and industrial development, as well as introduce fun to the value of mobility itself. In 2021 we provided vehicles for field tests in 16 locations across Japan.



Medical & Healthcare
Reducing the burden on researchers with reliable technology and contributing to advances in the medical field

Co-creation Industry-academia collaborations

Societal Issues	Core Technologies	Focus Areas
Preventive medical and healthcare	Ultra-high-speed, high-precision picking and imaging technology for surface mounting systems	Medical and research equipment Research and drug discovery automation

Creating Synergies with the Medical Device Business in the Field of Laboratory Automation

The impact of the COVID-19 pandemic on the cellular research and diagnostic fields has propelled individualized treatments such as cellular medicine and gene therapy forward. Moreover, with the aging of populations in developed economies, the market for contracted pharmaceutical development and contracted pharmaceutical manufacturing is expanding. Yamaha Motor aims to develop and expand the market by launching services that target both transmissible diseases and aging. In the field of healthcare and research equipment, the CELL HANDLER™ combines picking and imaging technologies to realize cell handling that was not possible with conventional methods. In addition to greater market penetration of the CELL HANDLER™ and enhancement of the product, we will also launch services in the research and drug discovery automation fields, and work towards commercializing them. Furthermore, in addition to sales of the unit itself, we will also collaborate with medical institutions to start an antibody profiling service that can be used to detect antibodies and use them in diagnosis and drug selection.



Agricultural Automation
Achieve increased productivity, laborsaving, and automation in industrial fields

Co-creation Producers

Societal Issues	Core Technologies	Focus Areas
Labor shortage in agriculture	Chassis development expertise Robotics expertise	High-value-added crop industry Advanced countries with high labor costs

Collaborate with Agri-Startups and Adopt a Strategic Approach for the Value Chain

In saving labor in the agriculture field, we aim to provide solutions that combine our chassis development and robotics expertise with AI, and maximize value through the cultivation, storage, and distribution chain. Through the activities of Yamaha Motor Ventures, Inc., which deals in corporate venture capital, we have invested in startups in the field of smart agriculture and have fostered joint development. In the United States, we will strengthen our collaboration with investee companies and build supply and service systems with an eye on expanding the business during the current Medium-Term Management Plan period.





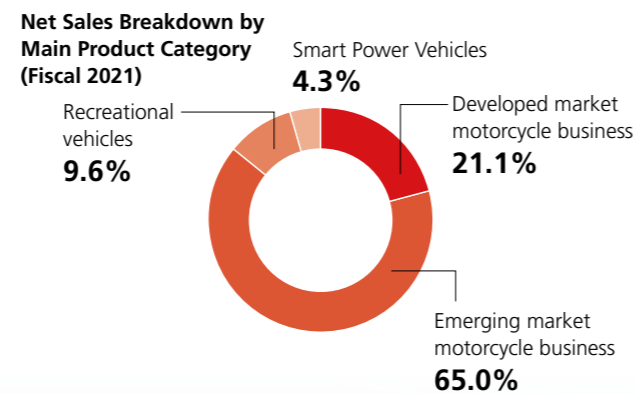
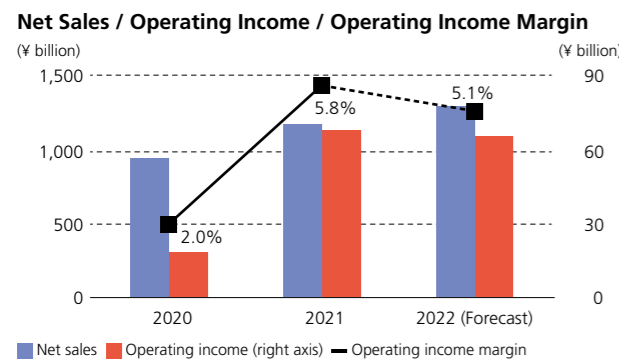
Creating New *Kando* through Synergy between Motorcycles, Recreational Vehicles, and Smart Power Vehicles

Strengths	<ul style="list-style-type: none"> Worldwide customer base that trusts Yamaha technology and products Diverse and global product lineup combining both high performance and quality through our cultivated core technologies Established global brand position for motorcycles Pedigree of constantly pioneering new markets by creating new forms of mobility
Opportunities	<ul style="list-style-type: none"> Expansion of middle-income markets in ASEAN and other emerging economies Global rollout of models compliant with emissions regulations Evolution of marketing through digital technologies Surge in outdoor family recreation
Risks	<ul style="list-style-type: none"> Prolonged pressure on product supply networks due to pandemic and geopolitical risks Rapid global advance of carbon neutral regulations Tighter emissions regulations in each country Structural shift in the industry from new technologies and competitors

Results for Fiscal 2021

Net sales for fiscal 2021 were ¥1,179.7 billion and operating income was ¥68.7 billion. The motorcycle business in developed markets experienced continued solid demand, while progress on structural reforms steadily reduced losses. Furthermore, in the motorcycle business in emerging markets, although demand has yet to recover to 2019 levels in Southeast Asia and India, the implementation of our premium segment strategy led to the average price per unit increasing.

In the RV business, operations returned to profitability due to the growth in demand for outdoor recreation and the flagship Wolverine RMAX Series models for the recreational segment. In the SPV business, we have steadily increased sales amid market expansion mainly in Europe—the largest market—where there has been a reevaluation of the advantages of bicycles.



Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
Motorcycles for developed markets	Growth in overall demand amid reevaluation of the advantages of motorcycles. Demand in the second half of 2021 recovered from the impacts of lockdowns imposed in the first half and unit sales increased overall. On the other hand, securing adequate supply was challenging due to the shortages of semiconductors and shipping containers.	Honda, Suzuki, Kawasaki, Harley-Davidson, BMW, Ducati, Triumph, KTM, Aprilia, Piaggio, KYMCO
Motorcycles for emerging markets	Despite the effects of a resurgence in COVID-19 infections, increased unit sales of premium segment models helped improve the model mix.	Honda, Suzuki, Kawasaki, Hero, Bajaj
ATVs / ROVs	The North American market accounts for the majority of demand. Despite the resurgence of COVID-19 infections, the strong outdoor recreation demand continued.	Polaris, BRP, Honda, Kawasaki
Electrically power-assisted bicycles and OEM drive units	Yamaha Motor is the pioneer of e-Bikes, and the current reevaluation of the advantages bicycles have for getting to and from nurseries, schools, and offices helped keep sales of complete Yamaha-brand bicycles for Japan and e-Kits (electrically power-assisted bicycle drive units and peripheral components) for Europe strong.	Panasonic, Bosch, Shimano

Future Measures

For fiscal 2022, we expect to see continued strong demand in Europe for motorcycles for developed markets, and an ongoing recovery in demand in emerging markets. The Company plans to increase production and sales, but there are risks, such as high raw material prices and supply shortages of semiconductors and other components. We will therefore continue working to build stable supply systems, pass on price increases, and improve cost efficiency. Moreover, in the recreational vehicles business, we plan to increase our brand strength and expand market share in the recreational segment, our main focus. There are risks in the form of component shortages and logistics issues in North America where our production facilities are located, but we

will strive to minimize missed sales opportunities as we did last year. In the SPV business, despite the same risk of component supply shortages as the motorcycle business, demand is projected to continue expanding and we are forecasting sales growth through an expansion of sales of both OEM and Yamaha-brand products.

From a medium-term perspective, one of our themes is to generate synergies between the three businesses of motorcycles, RVs, and SPVs. Our goal is to deliver solid profits with our core business of motorcycles and double the sales of SPVs, a growth business for us. By generating synergies, we will deliver new *Kando* in mobility.

Core Business (Medium-Term Strategy of Our Business Portfolio)

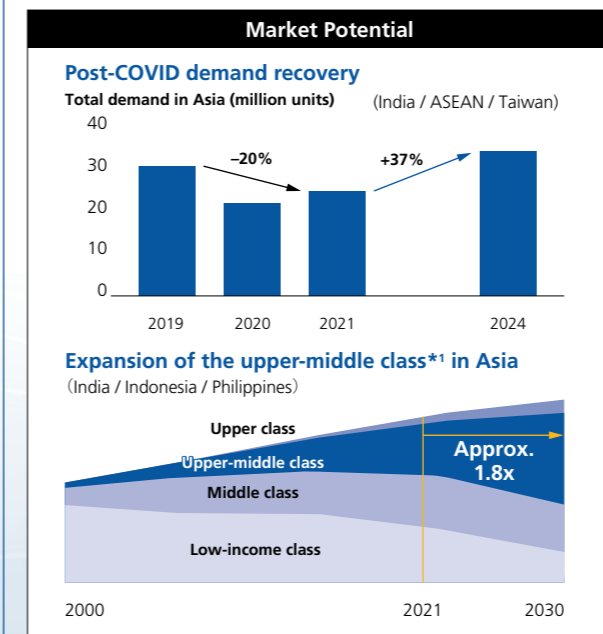
Motorcycle Business: Increasing Earnings Power in Emerging Markets with the Premium Segment Strategy

One of the themes in our new Medium-Term Management Plan is to “Leverage the recovery in demand and our premium segment strategy to improve profitability.”

Overall demand in Asia has yet to recover to pre-pandemic 2019 levels. Our first step over the next three years will be to accelerate initiatives in anticipation of a recovery in demand. In ASEAN markets and in India, we will target the upper-middle class, which is expected to grow rapidly over the next 10 years, and ramp up our premium segment strategy even more than before to solidify our advantages. As we aim for higher unit sales growth, we will carefully map out strategic segments in each country and not only offer attractive products but also launch stronger brand marketing initiatives to create firm ties with customers.

For customers in this segment who, through digital media, value individuality, and self-actualization, we will combine the digital and real worlds to implement our One-to-One Marketing approach, targeting each individual customer in order to expand our range of touchpoints and to strengthen the relationship with our customers. To accomplish this, we want to expand sales of connected motorcycles to 2.5 million units by 2024. We also plan to roughly double the number of premium dealerships in India, which serve as real points of contact with our customers.

As we aim to improve profitability by forging ties between customers and the Yamaha brand by using digital technologies, we will accelerate the implementation of our premium segment strategy targeting the upper-middle class in India and ASEAN markets.



*1 Annual household disposable income of US\$15,000–30,000 *2 In Indian, ASEAN, and Taiwanese markets
Note: Upper-middle class data from Euromonitor International

Premium Segment Strategy

Focus on strategic segments in major Asian markets
Unit sales growth in strategic segments (compared with fiscal 2021)


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

Integrated Marketing (Digital × Real World)

Strengthen customer touchpoints with digital tools
Realize One-to-One Marketing
Expand sales of connected motorcycles*2
Fiscal 2021 500K units → Fiscal 2024 **2.5M** units
Promote store visits and aftersales support using smartphone apps

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

Marine Products



Reliable and Rich Marine Life
—A Business that Further Increases the Value of the Ocean

Strengths	<ul style="list-style-type: none"> • Unquestioned product reliability centered on integrated control technologies • Overall business strength supported by wide-ranging business domains and an expansive product lineup • Sales and service capabilities spanning the global market
Opportunities	<ul style="list-style-type: none"> • Growing demand for large outboard motors centered on developed markets • Expansion of peripheral equipment business due to advances with integrated control technologies • Changing sense of value pertaining to marine recreation spurred by staycation demand
Risks	<ul style="list-style-type: none"> • Dramatic market changes against the backdrop of climate change, rapid technological innovation, etc. • Supply chain disruptions and high costs for raw materials and logistics • Rapid changes in exchange rates, regulations, etc.

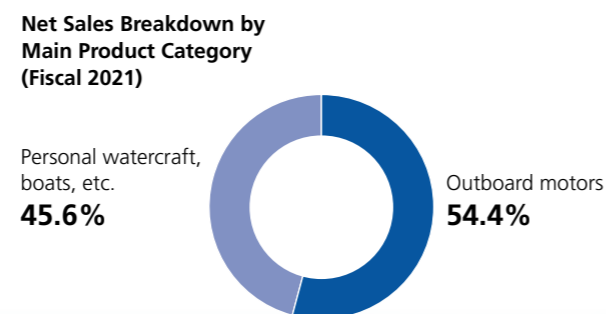
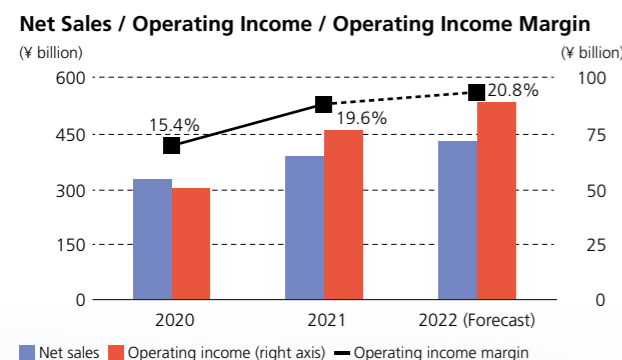
Results for Fiscal 2021

In 2021, the final year of the previous Medium-Term Management Plan, we worked to strengthen the high-profit business structure and build platforms for sustainable growth.

Under the system supplier strategy, which we positioned as a growth strategy, we started full-scale introduction of the Helm Master™ EX and expanded sales of peripheral equipment. In addition, we acquired smart boat technology company Siren Marine, Inc. in the United States to further expand our business. In the outboard motor business, the bedrock of our high-profit structure, we have continued

working to increase production capacity to meet the high demand for large outboards, driven by staycations. In addition, as a first step in developing new products related to the future target of carbon neutrality, we launched our HARMO next-generation electric boat control system in Europe.

By steadily carrying out these activities, we achieved our annual business targets with net sales of ¥391.1 billion and an operating income of ¥76.8 billion, despite supply chain disruptions such as shipping container shortages and component provision delays.



Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
Outboard motors	Outdoor and family recreation demand surged after lockdowns, mainly in developed markets. We will increase production capacity to meet the increase in demand.	Mercury Marine, Suzuki, Honda, Tohatsu
Boats	The domestic boat market is relatively stable and we will offer higher-value-added pleasure-use boats. With Sea-Style and our other service-based businesses, we will strengthen our development of services in line with customer preferences.	Yanmar, Toyota, Suzuki
Personal watercraft	The North American market accounts for the majority of demand and is growing in scale yearly as uses for personal watercraft broaden. We will strengthen development of high-value-added products.	BRP, Kawasaki

Future Measures

Under the business policies of our new Medium-Term Management Plan, in 2022, we aim to strengthen both the competitiveness of our products and the earnings power of our businesses, while expanding the range of value we offer customers.

In our growth fields, we aim to quickly bring CASE-related products to market by accelerating development of integrated control technologies for boats. We will do this by strengthening the role of R&D in the United States to supplement our existing development functions and closely coordinate with Siren Marine, which we recently acquired. With regard to our existing offerings for outboard motors and personal watercraft—core assets of the Marine Products business—we will

expand our lineup by proceeding with development of attractive products that meet customer needs. Moreover, we will continue to increase production capacity in order to meet the strong market demand, operating at maximum capacity and ensuring reliable product supply. In 2022, we expect to surpass last year's record-high performance with net sales of ¥432.0 billion and an operating income of ¥90.0 billion.

Despite the continuing rapid changes in our business environment, the Marine Long-Term Vision remains the same. We will follow the coordinates set out by the Vision to carry out our growth strategies and aim to realize a "reliable and rich marine life."

Core Business (Medium-Term Strategy of Our Business Portfolio)

Marine Products: Implement our Marine CASE strategy to expand the range of value we offer and to maintain/strengthen our high-profit structure

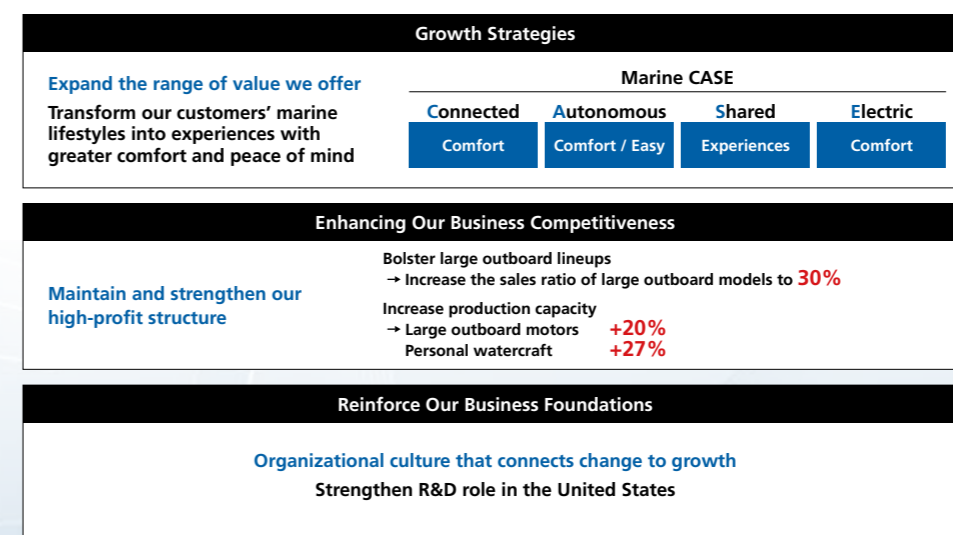
By implementing the Marine CASE strategy, the Long-Term Vision for the Marine Products business is to expand the range of value it offers and maintain/strengthen its high profit structure while also allocating resources for business growth at the same time. To achieve this, we will introduce the following three measures over the next three years.

For our growth strategies, we will carry out the Marine CASE strategy to transform our customers' marine lifestyles into experiences with greater comfort and peace of mind. In particular, for the "C" or "Connected" part of CASE, we will work together with Siren Marine, a company in the United States we acquired last year, to develop systems allowing customers to remotely monitor and operate their boats from their smartphones. This will provide them with greater peace of mind and help expand the value we offer.

Second, is enhancing our business competitiveness. In this area, we will maintain and strengthen our high-profit structure, and by bolstering our lineup of large outboards with new models, we will further expand our product lineup and increase the sales ratio of large outboard models to 30%. In addition to this, we will continue increasing our production capacity for these large outboards as well as personal watercraft.

Finally, we will reinforce our business foundations by strengthening the R&D role of the United States and further enhancing our product development arrangement in order to be flexible and thrive in this era of rapid change.

We will evolve into a business that further increases the value of the ocean by maintaining and expanding our strengths while also achieving future growth.



Marine Long-Term Vision

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

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

Robotics

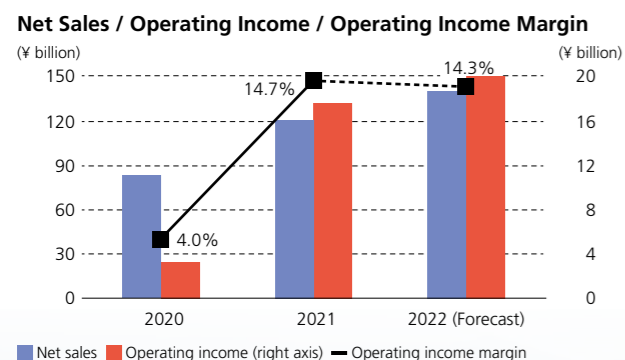


Putting Kando into the Hands of Clients with Robotics—Delivering Optimal Solutions

Strengths	<ul style="list-style-type: none"> High-quality, low-cost, and timely provision of products and services through unified production, sales, and technology operations A mixture of technologies via business integration with YRH and provision of complete solutions for clients Co-creative capacities founded on strong relationships with business partners
Opportunities	<ul style="list-style-type: none"> Growing need for automation due to labor shortages in Japan and rising labor costs in emerging markets Progression of digitalization accompanying the development of new fields such as IoT, 5G, and CASE vehicles, and advances in automation
Risks	<ul style="list-style-type: none"> Difficulty in procuring semiconductors and other components as well as soaring prices Deterioration of demand due to changes in world affairs Intensifying competition resulting from new players entering the market

Results for Fiscal 2021

Net sales in fiscal 2021 increased 44.9% year on year to ¥120.3 billion and operating income was ¥17.6 billion. During the first half, capital investment became more active as the effects of COVID-19 subsided, particularly in China. Unit sales of surface mounters and industrial robots increased due to strong sales in Japan, Europe, and the United States in the second half of the fiscal year. In addition, Yamaha Robotics Holdings Co., Ltd. also returned to profitability due to strong sales and structural reform effects. Sales of industrial-use unmanned helicopters and drones increased due to broader applications and the acquisition of a distributor business.



Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
Surface mounting technology (SMT)-related equipment	Demand continues to grow for printed circuit boards, including those for IoT, 5G, and CASE applications. We are pursuing both product and service commonalities under our platform strategy to expand our business scale and reinforce our profitability.	Fuji Machine, Panasonic, ASM Pacific Technology, JUKI, Hanwha Techwin
Industrial robots (factory automation)	Automation needs are rising rapidly amid soaring personnel expenses and labor shortages. We are strengthening model variations while pursuing both product and service commonalities to expand our business scale and reinforce our profitability.	Epson, Mitsubishi, Denso, IAI, Inovance
Unmanned industrial-use helicopters and drones	We are launching multirotor drones in addition to our proven unmanned helicopters and will contribute to laborsavings in agriculture. We will also promote expanded applications for unmanned vehicles in fields outside of agriculture, such as logistics and field surveys.	DJI
Semiconductor post-processing equipment	Semiconductors are becoming increasingly scarce. We are working to further build our customer base by building a seamless collaborative system that offers one-stop proposals that cover the entire semiconductor manufacturing process.	ASM, Besi, K&S, Towa

Future Measures

Demand in China and other developed markets is expected to recover. To promote further business growth, we will make proactive resource investments—including the expansion of our production capabilities—and accelerate the creation of business integration synergies, such as the development of new products based on the platform strategy and cross-selling. In the unmanned systems field, we will proceed with the development of new unmanned industrial-use helicopter and agricultural drone models. We will also kick off the manufacturing of small, jointly developed drones for aerial photography and filming. In addition, we will promote further technological development through collaborations with outside partners.

Growth Businesses (Measures in the Medium-Term Management Plan) ▶ P.25

Net Sales Breakdown by Main Product Category (Fiscal 2021)

Yamaha Robotics Holdings Co., Ltd.
27.2%



SMT-related equipment, industrial robots, unmanned systems
72.8%

Financial Services



Results for Fiscal 2021

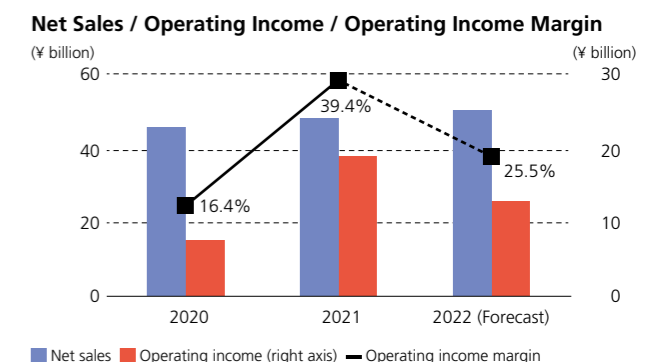
The consolidated outstanding receivables balance rose to ¥376.2 billion, as an increase in receivables from retailers absorbed a decrease in receivables from wholesalers due to shrinking market inventories. In terms of profit, operating income was ¥19.1 billion, partly reflecting the one-time impact of a reversal of allowance for doubtful accounts. The significant increase in profitability reflected factors such as the enhancement of financial services business foundations in each region, centered on the expansion in scale of the outstanding receivables balance via a provision of a full line of services in the United States starting in 2020.

With the emergence of new trends in sales financing services, including the shift to online sales due to COVID-19, we worked to strengthen the ties between dealerships and customers while steadily promoting the sharing of business strategies and management approaches as well as standardizing and enhancing them in regions worldwide. The Financial Services business also became independent of other sections and began to disclose its business results information.

Future Measures

In 2022, an improvement in market inventories is expected to see a recovery in the scale of receivables from wholesale financing, and we aim to expand the outstanding receivables balance by 14.3% year on year to ¥430.0 billion. Meanwhile, operating income will decrease relative to the previous year in the absence of a one-time increase factor, but the operating income margin is expected to maintain a high level at 25.5%. With this, we are aiming to reach the target ROA of 3% in the new Medium-Term Management Plan covering 2022 to 2024.

We are working to further strengthen systems for collaboration with product-selling businesses in every region in order to capture new customers and encourage them to continue using our products and financial services. Furthermore, we will also aim to establish financing businesses in new markets and engage in new development by expanding the range of products eligible for financing, as well as strengthen cooperation between major subsidiaries in order to establish a global business management system.



Core Business (Medium-Term Strategy of Our Business Portfolio)

Financial Services: Building the frameworks for supporting existing businesses

Building upon the expansion of business domains and regions carried out under the previous Medium-Term Management Plan, such as the launch of full-line services in the United States and the launch of services in France, under the new Medium-Term Management Plan, we will focus on strengthening our global business management foundations and securing profitability based on this move. We will ramp up the roles and management systems in each region, while promoting the development of business in new regions and expanding the range of eligible products. At the same time, we will proceed with establishing functions and systems for the management and development of the business globally, such as sharing the use of resources between Group companies, from knowledge and expertise to human resources.

Through initiatives such as these, by 2024, the final year of the new Medium-Term Management Plan, we aim to grow the outstanding

receivables balance to a scale of ¥500.0 billion and maintain ROA in the 3.0% range. Moreover, we will disclose our business results so that more stakeholders can better understand our business.

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

- Regional expansion in South America, Europe, etc.
- Business domain expansion to marine products
- Build a global business management system
- Independent disclosure of Financial Services business results

From the Director in Charge of Corporate Planning and Financial Affairs

Based on our business portfolio management, we will push with our growth investments and further our progress toward achieving our Long-Term Vision.

Motofumi Shitara

Director and Senior Executive Officer



Review of the Previous Medium-Term Management Plan

Fiscal 2021 was the final year of the previous Medium-Term Management Plan (2019–2021) and the Company posted the highest performance figures in its history, with net sales of ¥1,812.5 billion, an operating income of ¥182.3 billion, and a net income attributable to owners of parent of ¥155.6 billion. In terms of the financial indicators we set as KPIs, the Company in fiscal 2021 achieved an operating income ratio of 10.1%, a three-year average ROE of 12.8%, and an equity ratio of 46.9%.

However, Yamaha Motor's corporate mission is not to maximize profits but to be a *Kando* Creating Company, and it can be said that the new Medium-Term Management Plan dutifully points us in the right direction for achieving our Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness." I believe that we must not allow ourselves to be content solely with our business results and instead ask whether or not we made clear forward steps toward our Long-Term Vision over the last three years.

Keeping that in mind, I will go over our business performance in fiscal 2021. Like in fiscal 2020, the COVID-19 pandemic continued to cast a dark shadow on the global economy, but demand for our main products, such as motorcycles and outboard motors, remained robust. With these and other external factors serving as a tailwind, the self-driven and on-target decision-making done by each of our major subsidiaries and various departments led to successfully capturing

demand, while the Company as a whole also worked to improve on our break-even-point management style. Additionally, the expenses saved due to the travel restrictions put in place helped effectively raise the figures for both net sales and profits well above those from the previous fiscal year. In terms of improving profitability and putting our financial foundations on surer footing, the higher efficiency and productivity levels yielded through digitalization as well as the structural reforms made to the Company's global production scheme were major contributors.

With the effects of the pandemic shrouding the world in a sense of seclusion, Yamaha Motor's products drew attention not only as tools for personal mobility but also as items for leading a more fulfilling lifestyle. It was a year in which we were able to realize anew that our products do indeed contribute to the happiness of people worldwide, and this truth was shown in our business performance. However, the shortage of semiconductors, the rising cost of raw materials, logistical issues, and other developments were significant factors in us being unable to meet the full expectations of our customers. Under the new Medium-Term Management Plan (2022–2024), we will unfurl our sails to catch the current gusting tailwind of demand and further our progress toward achieving our Long-Term Vision.

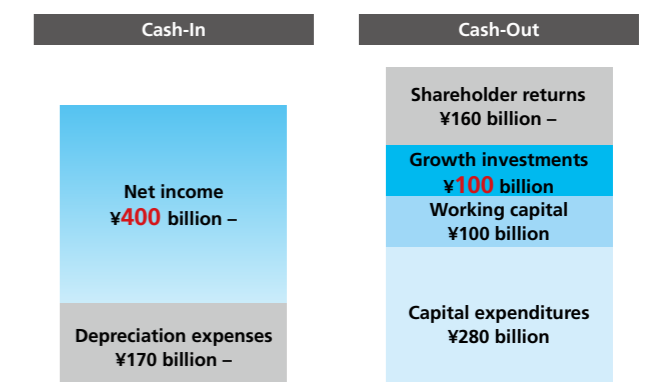
Direction of Our Financial Strategy

In the new Medium-Term Management Plan, we set the targets for our financial indicators from the three perspectives of growth, profitability, and efficiency. With growth, the goal is to record over ¥2,200 billion in net sales and a CAGR of over 7%. For profitability, our target is a three-year average operating income margin of over 9%, and for efficiency, we set a goal to continuously generate returns exceeding an assumed WACC in the 7% range on average over a three-year period. In addition, we aim to construct a corporate structure for sustainably delivering an ROE in the 15% range, an ROIC in the 9% range, and an ROA in the 10% range.

Next, regarding our balance sheet management, our policy in the previous Medium-Term Management Plan was to strike a balance between investments for growth and returns to shareholders within the range of our cash flows while maintaining the earnings power of existing businesses. Based on this policy, we emphasized making consistent and ongoing dividend payments, particularly in step with improvements to our financial health. As a result, our financial foundations were significantly reinforced, but at the same time, a factor in this achievement was our inability to make investments for future growth exactly as we had planned.

The new Medium-Term Management Plan calls for allocating ¥480 billion in resources for building business foundations, core businesses, and strategic business fields, leveraging these to accelerate future growth initiatives and our work toward carbon neutrality. Furthermore, our shareholder return policy will still emphasize making consistent and ongoing dividend payments but while also taking into consideration the outlook for business performance and investments for future growth. We will also distribute returns to shareholders in a flexible way based on the scale of our cash flows, with a target total payout ratio in the 40% range for the cumulative three-year period of the new Medium-Term Management Plan. The acquisition of treasury stock announced following the Ordinary General Meeting of Shareholders in March 2022 was a show of management's firm commitment to generating shareholder returns.

Cash Flows



Invest ¥480 billion into building business foundations and our core and strategic businesses

Growth Investments Based on Business Portfolio Management

At the heart of the new Medium-Term Management Plan is the approach to managing our business portfolio (details on page 24). Allocation of our management resources will be conducted based on this portfolio management and we will proactively expand our resource investments in strategic business fields. Compared to the previous Medium-Term Management Plan, we will bolster development expenses and growth strategy expenses by 1.6 times (¥41.4 billion more) to ¥115 billion, and raise capital investment by 1.8 times (up ¥10.6 billion) to ¥45 billion. This move represents how we will put lessons from the previous Medium-Term Management Plan to work and raise the effectiveness of measures.

Additionally, the standards for making growth investments will prioritize whether or not they are in line with the Long-Term Vision. There are three pillars to the new Medium-Term Management Plan:

the first is to strengthen the earnings power of our core businesses; the second is to accelerate our investments in new and growing businesses that contribute to the creation of a sustainable world; and the third is to employ digital technologies and expedite co-creation with our partners to boost our growth potential. Further, we added "Sustainability" alongside the themes of "Growth strategies" and "Reinforcement of management foundations" that have guided previous Medium-Term Management Plans, and this decision was made because we believe the Company will be unable to continue existing as one willingly chosen by customers should we not give due concern to the environment and sustainability. To that end, we will prioritize our decision-making for growth investments around whether they have the potential for making meaningful contributions to society at large.

Forecasts for Fiscal 2022 and Future Outlook

To briefly summarize the Company's outlook for fiscal 2022, we expect the demand environment to remain favorable and forecast sales across all our businesses to surpass those recorded in fiscal 2021. In terms of expected costs, we have accounted for the impacts of the shortage of semiconductor components and the effects of soaring costs for raw materials, logistics, and more, both which have persisted since fiscal 2021. To successfully weather this environment, our capacity to carry on with and fully institute our break-even-point management style while at the same time enhancing product competitiveness and driving our premium segment strategy forward will be called into question. But through such initiatives, we will aim to post record-high net sales and operating income numbers for the second consecutive year.

The COVID-19 pandemic has drastically altered people's values, while the increased pace of digitalization is heavily influencing customer purchasing behaviors. With people now able to obtain the same information worldwide regardless of time zones, marketing methods have clearly changed as well. The Company intends to accurately gauge these various changes in order to update our business practices and

increase efficiency, and this is an area where establishing our break-even-point management style can demonstrate the fruits of our labor—in terms of financial health and success—to everyone. But it is also critical that we contribute to the creation of a more sustainable world at the same time. My role is to cultivate the seeds of growth we have sown and to orient our work around the financial foundations further strengthened through the previous Medium-Term Management Plan.

It is vital that we ask ourselves if our products and services truly make our customers feel they gain greater happiness with a Yamaha. I believe that doing this should naturally result in the Company achieving sustainable financial growth. As such, we will endeavor to bring ourselves closer in line and in sync with the values our customers hold—especially as COVID-19 becomes more endemic—and properly communicating that fact to all of our stakeholders is how we will share the progress we make toward achieving our Long-Term Vision.

Initiatives to Achieve Carbon Neutrality

(Disclosure Based on TCFD Recommendations)



In May 2019, Yamaha Motor announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have been taking steps to track and manage climate change-related opportunities and risks that could affect our business in order to incorporate adaptive and mitigative climate change measures into our business strategies. As environmental regulations tighten and the move to decarbonization accelerates around the world, the Company revised the CO₂ emissions targets in the Yamaha Motor Group Environmental Plan 2050 (hereinafter, "Environmental Plan 2050") in fiscal 2021. We are now continuing to move forward with initiatives to achieve carbon neutrality while offering new excitement and a more fulfilling life for people all over the world.

Climate Change-Related Governance

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

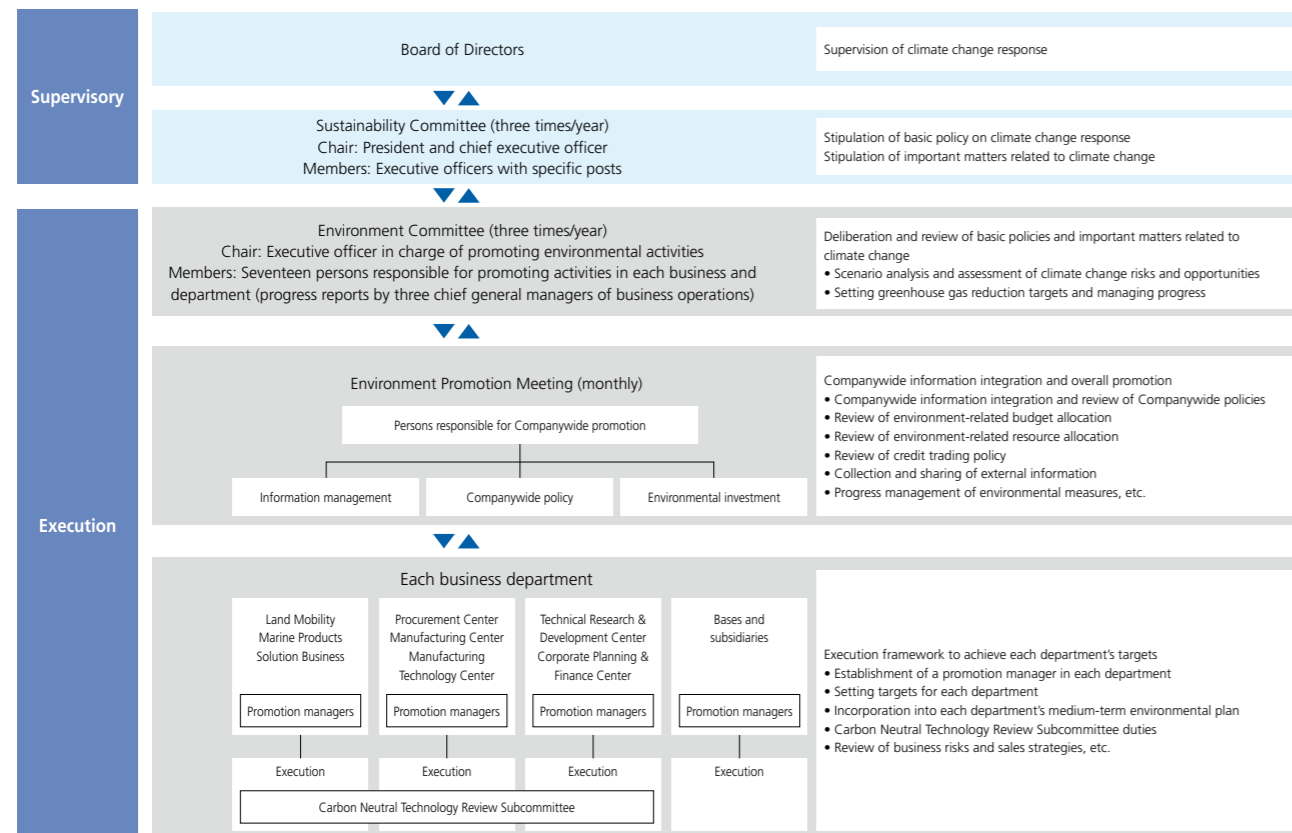
For these issues, we positioned the environmental field in particular as an important area to be tackled by management and established the Environment Committee, chaired by an executive officer in charge of environmental activities. The Environment Committee meets three times a year to discuss policies concerning the environment and vision for the future, assess Environmental Plan 2050, and conduct annual

reviews of each operating division's progress against its targets. The committee reports its findings to the Board of Directors at least twice a year.

Based on the 2021 review of Environmental Plan 2050, the convening of the Sustainability Committee was changed from twice a year to three times a year in order to bolster efforts toward carbon neutrality, and the Environment Promotion Meeting was newly established as an organization under the Environment Committee. In addition, KPI performance for materiality issues, including climate change, and ESG external evaluations are linked to the remuneration of executives and other senior managers to encourage effective initiatives.

Process for Managing Climate Change Risks

Climate change-related risk management is integrated into the Group's overall risk management framework. Each year, the Environment Committee manages the progress of goals and targets for specific initiatives as business strategies to address the risks and opportunities identified by each business and functional sector. It reports the results to the Sustainability Committee, which is composed of the same members as the Management Committee, and to the Board of Directors.



Climate Change Risk and Opportunity Assessment and Financial Impacts

In developing its strategy to achieve carbon neutrality by 2050, Yamaha Motor refers to the SSP1-1.9, SSP1-2.6, and SSP3 scenarios of the Intergovernmental Panel on Climate Change's (IPCC) 6th Assessment Report and Nationally Determined Contribution (NDC) scenarios in order to address uncertainty (risk) factors. We have identified and assessed short-, medium-, and long-term risks and opportunities as well as their impact on our businesses, strategies, and finances. Based on the results, we have developed specific numerical targets for 2030 (and 2035) and have decided to strengthen our climate change efforts and accelerate our 2035 reduction targets for Scope 1 and Scope 2 emissions.

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

	Type	Subject of Assessment	Period	Status of Response	Financial Impacts
Transition Risks	Policy and legal SSP1	Increase in development costs to comply with exhaust emission and CO ₂ emission standards in each country and territory	Short term	Regulations and certification division: Collects information about regulatory trends in each country and territory. Environmental Regulation Management Committee: Works to accelerate decision-making on the advance development of technology to address the tightening of regulations and on the development of powertrains	Net sales of ICE models in fiscal 2021: ¥1,643.5 billion
	Policy and legal SSP1	Increase in operating costs due to introduction of carbon tax. The Company manufactures motorcycles, its core business, at 27 bases in 16 countries, mainly in the ASEAN region. Energy from fossil fuels is used in processes such as casting and painting.	Medium term	Manufacturing Center and the environmental facility division: Collect information on regulatory trends concerning energy in each country and territory. Environment Committee: Deliberates and discusses energy-related investment plans, how to procure renewable energy, and other matters. Board of Directors: Receives a report following a review by the Management Committee	Fossil fuel energy costs in fiscal 2021: ¥3.8 billion Tax burden increase assuming a ¥13,400/metric ton carbon tax on CO ₂ emissions from business activities, calculated based on fiscal 2021 CO ₂ emissions: ¥6.7 billion/year* * Based on carbon tax price projections for 2030 in a report by the Carbon Pricing Leadership Coalition (CPLC)
	Technology SSP1	Increase in cost of technology to support electrification of compact mobility vehicles	Short term	Since the procurement and cost of small batteries is an issue, a consortium has been established in cooperation with other companies in the industry to develop common battery standards and infrastructure with a view to mutual-use batteries, and activities to promote the wide adoption of electric models have been launched.	Group R&D expenses in fiscal 2021: ¥95.3 billion
	Markets SSP1	Risk of decreased sales of motorcycles with internal combustion engines (ICE) due to a ban on fossil fuel vehicles in cities. Risk of lost sales opportunities for electric motorcycles due to delays in the development of charging infrastructure	Long term	Environment Committee: Receives reports from each operating division on regulatory trends in each country and territory. Board of Directors: Receives reports on specific sales strategies after each operating and functional division discusses and determines how to respond	Net sales from motorcycle business in fiscal 2021: ¥1,016.5 billion
Physical Risks	Reputation SSP1	Risk of being assessed by investors and other stakeholders as providing inadequate information disclosure	Medium term	Corporate Communication Division's Investor & Shareholder Relations Group: Holds company information sessions for private investors as well as consultations for institutional investors	Market capitalization at the end of fiscal 2021: ¥954.2 billion
	Acute SSP3	Risk of extreme weather events affecting operations	Medium term	Assess impacts on operating facilities based on the frequency and intensity of extreme high temperatures or heavy rainfall on land as assessed in the IPCC's 6th Assessment Report	—
	Chronic SSP3	Risk of long-term extreme weather conditions affecting operations and sales	Long term	—	—

	Type	Subject of Assessment	Period	Status of Response	Financial Impacts
Opportunities	Resource efficiency	Improvement of energy efficiency in production processes	Short term	Implement theoretical-value-based production globally	Energy efficiency budget for fiscal 2021: ¥1.5 billion * Setting the internal carbon pricing at ¥60,000 /metric ton
	Energy sources	Use of renewable energy at manufacturing plants	Short term	Utilize solar power globally. Utilize CO ₂ -free electricity at the headquarters	Solar power investment budget for fiscal 2022: ¥900 million CO ₂ -free electricity at headquarters: ¥400 million/year
	Products/services	Expansion of development of low-carbon products. Expansion and promotion of BEV product lineup	Medium term	Launch 10 BEV models by 2024. Expand R&D facilities for electrification and carbon-neutral fuels by 2024	Increased earnings due to demand for low-carbon products
	Markets	Expansion of demand for our product lines in response to energy mixes and government policies in each country and territory	Short term	Launch NEO's electric scooter and HARMO next-generation electric boat control system for Europe	—
		Expansion of opportunities to provide solutions that meet the needs of each country and territory	Short term	Start mobility service business in India through collaboration with MaaS operators	Moto Business Service India Pvt. Ltd. established: ¥1.1 billion in capital. Market forecast for motorcycle sharing services in India in 2025: ¥11.7 billion
	Resilience	Access to new markets and territories with a focus on the environmental field	Medium term	Establish an investment fund specializing in the environment and natural resources field	Total amount under management: ¥10 billion (investment period: 15 years)
		Increase in earnings from products and services that are compatible with each country and territory's energy policies and diverse energy sources	Long term	Expand R&D facilities for powertrains compatible with electrification and carbon-neutral fuels by 2024	Medium-term (2022–2024) investment budget: ¥2.4 billion

Medium- to Long-Term Strategies
Initiatives to Achieve Carbon Neutrality
 (Disclosure Based on TCFD Recommendations)

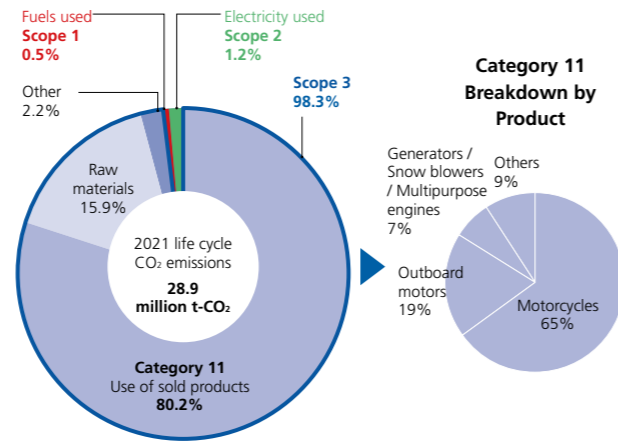
Aiming for Supply Chain Carbon Neutrality: Achieving Scope 1 and Scope 2 Reduction Targets Ahead of Schedule

Looking at CO₂ emissions throughout Yamaha Motor's supply chain, we see that Scope 1 and Scope 2 emissions—those emitted as a direct result of the Company's business activities—only account for 1.7% of total emissions, whereas Scope 3 emissions—those from the Company's value chain—constitute 98.3% of emissions. The largest component of our Scope 3 emissions is Category 11 (Use of sold products), which represents 80.2% of total emissions. Of Category 11 emissions, motorcycles comprise 65% of total emissions while outboard motors account for 19%.

At the same time, 80% of Yamaha Motor's motorcycle sales are in Asia, and by supplying this market with compact, convenient, and affordable mobility options, we aim to contribute to sustainable growth in accordance with the United Nations' Sustainable Development Goals by addressing the demand for the transportation of goods and services, helping expand the spheres of daily life, and bringing more options and opportunities for employment and education. Moreover, we look to develop and popularize more fuel-efficient products to help combat climate change.

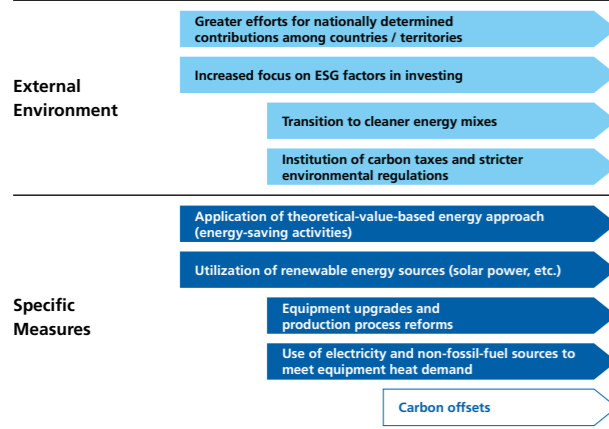
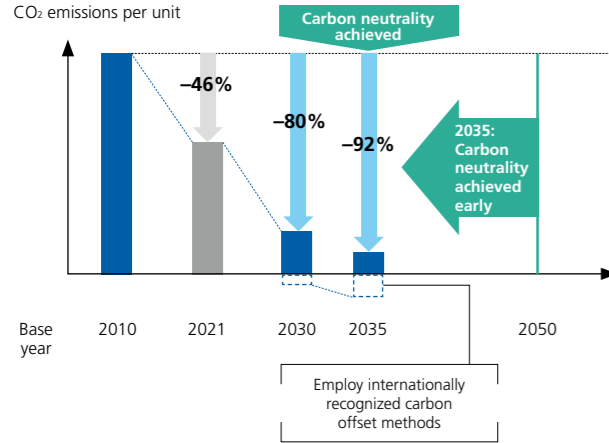
With the goal of achieving carbon neutrality on a global scale, Yamaha Motor aspires to offer products (next-generation mobility powered by electricity or renewable energy) presenting the most effective means for cutting CO₂ emissions based on the government energy policies and energy mixes of each country.

Breakdown of CO₂ Emissions for the Entire Supply Chain

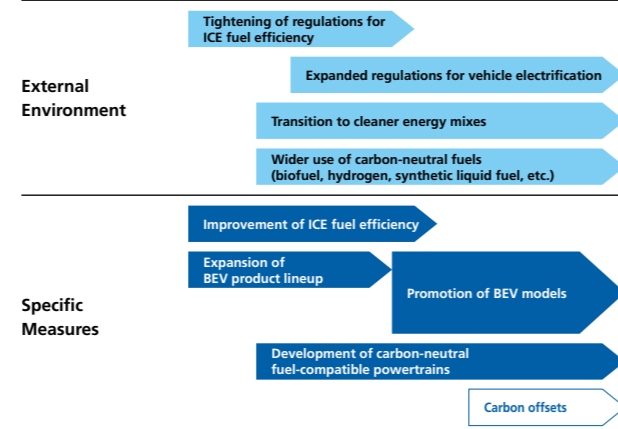
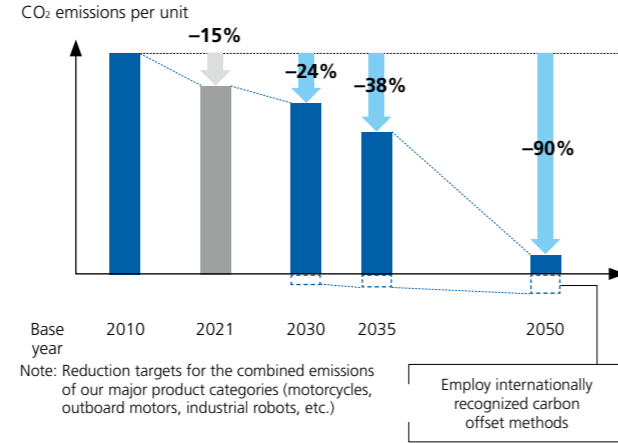


Note: Calculations have been made using the Emissions Unit Value Database (Ver. 3.2) based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.4, issued Mar. 2022) issued by Japan's Ministry of the Environment.

Scope 1 and Scope 2 Targets



Scope 3 Targets



Reduction Performance

Scopes 1 and 2

	FY2010 (base year)	FY2017	FY2018	FY2019	FY2020	FY2021
Emissions (metric tons)	635,071	553,923	529,513	540,105	442,533	500,903
Emissions per unit (metric tons/sales: ¥100 million)	51.2	33.2	31.6	32.4	30.1	27.6
Reduction rate (compared to FY2010)	—	35.2%	38.3%	36.7%	41.2%	46.1%

Scope 3

* Category 11: Use of sold products

	FY2010 (base year)	FY2017	FY2018	FY2019	FY2020	FY2021
Emissions (metric tons)	34,046,049	25,753,328	25,963,326	23,859,974	19,624,372	23,237,944
Emissions per unit (metric tons/unit sales)	4.36	4.00	3.76	3.57	3.67	3.71
Reduction rate (compared to FY2010)	—	8.3%	13.8%	18.1%	15.8%	14.9%

Priority Initiatives in the Medium-Term Management Plan

Yamaha Motor's commitment to achieve carbon neutrality by 2050 is also incorporated into its Medium-Term Management Plan, the first year of which is fiscal 2022.

To reduce CO₂ emissions in our corporate activities, we will introduce energy-saving and renewable energy equipment in more than 10 countries and, in 2022, adopt CO₂-free electricity, starting with business sites in Japan. With regard to Scope 3 emissions, i.e., emissions generated from product use, raw materials, transportation, disposal, etc., by customers and employees, we will accelerate electrification through our

platform strategy and also promote development for compatibility with a variety of powertrains (power sources). Moreover, we intend to gradually enhance our R&D facilities to realize these goals.

Furthermore, to accelerate the carbon offsetting efforts needed to achieve our goals, we have established an investment fund specializing in the environment and natural resources field. The fund is planned to operate for a period of 15 years and will fast-track ventures into technologies and business models that contribute to sustainability.

Scope 1 and Scope 2

- ▶ 52% reduction in CO₂ emissions in fiscal 2024*1 (compared to fiscal 2010)
- Deploy energy-saving and renewable energy equipment in more than 10 countries by 2024
- Adopt CO₂-free electricity in 2022, starting with business sites in Japan

Scope 3

- ▶ Acceleration of electrification through a platform strategy

Platform Strategy
Improve *Monozukuri* efficiency and ensure compatibility with a wide range of power outputs*2 by narrowing down major component types

Motor

×

MCU*3

×

Battery

Launch 10+ BEV models by 2024
- ▶ Promote development across a variety of powertrains (Expanding R&D facilities for carbon-neutral technologies)

Responding to the diversification of energy sources
- ▶ Establish a ¥10 billion environmental technology fund at our venture capital firm in Silicon Valley and explore technologies and business models that contribute to sustainability
- ▶ Collaborate with suppliers to promote measures for carbon neutrality and quantifying CO₂ emissions with purchased goods

*1 Revised from the 44% target announced in February 2022
 *2 Rated 2.5–35 kW and over 350 kW
 *3 Motor Control Unit

Digital Transformation Strategy

The Company is advancing its digital transformation (DX) strategy under the “Yamaha Motor to the Next Stage” banner in order to achieve its corporate mission to be a *Kando* Creating Company. The Long-Term Vision for 2030 of “ART for Human Possibilities: Let’s strive for greater happiness” specifies the directions we will take to that end, and our DX strategy seeks to connect with our customers in order to create more fans of Yamaha Motor and raise our brand value.

Medium- to Long-Term Plan: Yamaha Motor to the Next Stage

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

* DAP: Yamaha Motor’s digital data platform

Short- to Medium-Term (2019–2021) Initiative Progress

Y-DX3: Create the Future

We used a crowdfunding platform to widely promote awareness of how motorcycles can contribute to society, and have started trying to connect and co-create with new customers. Additionally, we advanced plans for R&D roles and departments specializing in digital technologies for continuous innovation.

Y-DX2: Strengthen the Present

In light of the COVID-19 pandemic, we accelerated efforts to strengthen customer touchpoints through digital marketing, e-commerce, and other means. We also introduced more connected outboard motors and motorcycles to the market, with a particular focus on global rollouts for motorcycles (approximately 800,000 units as of the end of 2021). We continue to progress on internal processes, advancing the automation of monitoring, transport, work processes, and inspections at manufacturing sites, as well as internalizing digital technology practices through these processes and building the foundations for digital development.

Y-DX1: Reform Management Platforms

Operation of our consolidated global database, consolidated accounting, and management dashboard began in 2022. We also started utilizing a demand forecast model for predictive management. In terms of introducing a new enterprise resource planning system, we proceeded with the construction of a template that incorporates standard business processes centered on accounting and implemented a new accounting system at the Iwata headquarters. Because this required connecting peripheral systems, the project entailed more steps than anticipated and plans have been updated accordingly.

Digital Transformation Strategy Under the New Medium-Term Management Plan

Y-DX3: Create the Future	Preparations for Next-Generation Value Creation Construct an R&D framework specializing in digital technology and processes for co-creation with customers and society at large
Y-DX2: Strengthen the Present	Connect with Customers and Offer New Experiences Proactively launch connected products, conduct digital marketing, and transform into a more customer-centric business
Y-DX1: Reform Management Platforms	Accelerate Decision-Making and Standardize Processes Achieve quick decision-making via a globally global consolidated database and management dashboards
DX Human Resource Development	Promote Companywide Use of Digital Technologies Implement practical training programs for producing DX talents and make proactive personnel shifts to become a company where all employees can utilize digital tools

Initiatives Under the New Medium-Term Management Plan

Y-DX1: Reform Management Platforms

▶ A Globally Linked Database

As we continue to utilize our management dashboard, we are building on the functions of our management database platform, such as deeper drilldown analysis, expanding the range of products with forecast demand and refining the units for demand forecast metrics, as well as adding budget management functions to enhance its utility as a tool for predictive management.

▶ Global ERP Introduction

The Iwata headquarters is preparing to introduce an SAP accounting module and will also begin preparations for introducing a sales distribution module. At the same time, we will also complete the construction of a global template for standardizing business practices at Group companies, and as we utilize it, we will incrementally introduce SAP to our subsidiaries in Europe and the Americas.

Y-DX2: Strengthen the Present

▶ Connected

Working toward “Connected Vision 2030,” we will expand our lineup of products equipped with connectivity features and accelerate the development of mobile apps. We will also utilize the data acquired to improve customer experiences, services, product development, and product quality.

▶ Digital Marketing

We will further enhance and expand the development of customer data infrastructure, data acquisition, and e-commerce websites. At the same time, we will utilize customer data to provide new experiences along the customer journey through a combination of physical and digital world measures.

▶ Data Analysis

In an effort to propel on-site data analysis, we will strengthen data security and governance while promoting easy-to-use data management. Furthermore, we will continue to implement data analysis training courses (over 600 people in 2021) tailored to the purpose and level of individual businesses and functional sectors to develop in-house data scientists who can utilize data in the field.

▶ Smart Factories

By utilizing digital technologies, we will actively promote activities that improve the quality of theoretical-value-based production under a site’s own direction and expand the ability to internalize such measures. At the same time, we will also boost coordination with the supply chain and conduct development to promote the transformation of value delivered to our customers.

▶ Additional Business Strengthening

We are also using digital technology to promote the development of digital means and demand chain innovation.



Y-DX3: Create the Future

▶ Linking Data

By internally circulating and utilizing the data we acquire, we are reshaping the supply chain, engineering chain, and marketing methods.

▶ Collaboration with External Ecosystems

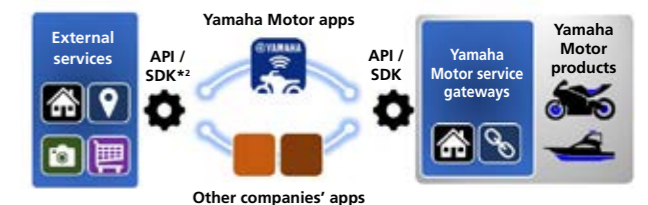
We are continuing with preparations to link connected Yamaha products to other services and IoT devices. By collaborating with other industries and co-creating with customers via APIs,*1 we are challenging ourselves to solve societal issues and create new customer value in ways unachievable by a company on its own.

*1 API: Application programming interface

*2 SDK: Software Development Kit

▶ Construct an R&D Framework Specializing in Digital Technology

We will build an R&D framework that specializes in digital technology and promotes adaptation to new digital technologies and collaborations with external services.



DX Human Resource Development

Aiming to be a company where all employees can utilize data, we actively provide practical education and on-the-job training, shift human resources, and hire personnel with specialized knowledge. Through these activities, we are increasing the number of personnel capable of utilizing, adapting, and applying data, such as tech leads, programmers, engineers, and data scientists. Increasing this number to

1,200 personnel by 2024 (550 people as of 2022) is a key performance indicator in our New Medium-Term Management Plan. At the same time, we will promote various site-led Y-DX2 activities to provide experience and strengthen IT literacy Companywide so that managers are able to appropriately judge and promote digital business and in-house activities, as well as further internalize such initiatives.

Human Resource Development

The energy in a company's workforce is a critical factor in its growth and that is why we will make employee engagement an important indicator. We will promote diversity and inclusion as well as human resource development as initiatives for improving engagement.

Our Fundamental Beliefs

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

Our new Medium-Term Management Plan is in line with these fundamental beliefs and designates the employee engagement score as a KPI, thus we will monitor and conduct ongoing follow-up on the level of engagement seen among the Company's employees. Furthermore, as part of raising employee engagement and promoting diversity and inclusion, we will increase the



Mitsuru Hashimoto
Executive Officer
Chief General Manager
Human Resources & General Affairs Center

number of available options of working styles and strive to be a company where our diverse workforce plays an active role. To create an environment where people of diverse backgrounds gather and excel, we will expand our training programs for leaders in each country, revamp the personnel systems at our headquarters, enhance mid-career professional recruitment, and more. With human resource development, we will establish frameworks that provide equal opportunities for personal growth to our employees and work to implement new workstyles that take better work-life balance into account as part of encouraging employees to increase their Rev Up time, which aims to enhance work efficiency as well as enrich their time off.

KPIs in the New Medium-Term Management Plan

Diversity & Inclusion		Human Resource Development
Strive to be a company with an agile and diverse workforce by increasing the available options for working styles		Establish frameworks that provide equal opportunities for personal growth to all employees
Local hiring for core positions*1	Women in management positions*2	Number of participants in self-development courses
55% by 2024	13% by 2024	Approx. 5x^{*3}
<ul style="list-style-type: none"> Expand global and regional leadership programs Reform HR management system at headquarters Enhance mid-career professional recruitment 		<ul style="list-style-type: none"> Enhance online and on-demand learning platforms Encourage employees to increase their Rev Up time*4

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

Improvement of Employee Engagement

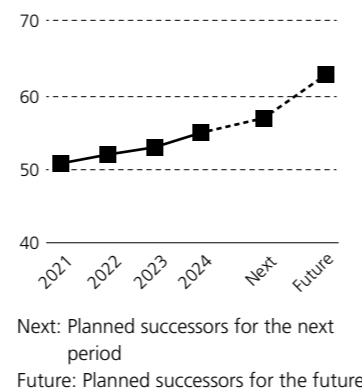
Introduce common global engagement indicators and conduct periodic follow-up on employee engagement

(Ref.) Engagement score*5 at headquarters
FY2021 59% ▶ FY2024 70%

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

Ratio of Local Hires in Core Positions

From the 50.8% achieved in 2021, we will continue to bolster management of successors to core positions and pursue the KPIs in the new Medium-Term Management Plan.



GET-HR: Global Diversity Promotion

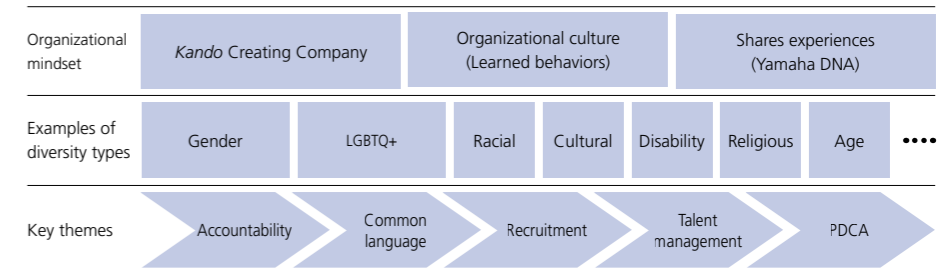
The Global Execution Transformation for Human Resources (GET-HR) AXEL initiative was launched in 2021 and continues to focus on empowering women and addressing the issue of gender equality at Yamaha Motor through its task force member groups. This activity seeks to establish a shared culture and, through education and global engagement, foster practices which give rise to a workforce representative of the communities in which we operate.

Whilst the initial focus of the committee relates to gender equality, it is positioned within the broader framework of diversity, equity, and inclusion, and the Global Human Resources Development Division at the headquarters has been tasked with leading the relevant reforms across the global Yamaha Motor Group, including Japan. The approach is a collaborative one where we will actively engage with all Group companies to establish a culture of change and one of embracing our unique diversity.

GET-HR Chairperson:
Mitsuru Hashimoto,
Chief General Manager
Human Resources & General Affairs Center
Co-Chairperson:
Melanie Tups,
Director YMENV*

* Yamaha Motor Europe N.V.: Import and sales of Yamaha Motor products in the Netherlands, marketing of Yamaha Motor products in Europe, product development, financing, and other businesses

Diversity and Inclusion Framework



Renewal of Self-Development Support System

For employees to continue taking on challenges with vitality and passion, it is necessary to provide flexible workstyle choices and career options. Prospering in the VUCA (volatility, uncertainty, complexity, and ambiguity) era requires employees to reflect on and design their own career paths. In support of this approach, we are developing training structures that further facilitate employees enhancing their own skills and developing their careers with greater independence.

This is achieved by increasing the education and training methods available and developing on-demand programs that enable employees to customize their learning experience in line with their individual career orientations and aspirations. To that end, we have introduced online programs and lectures for learning the English language, advanced technologies such as DX and IT, and business skills. We will continue to expand the curriculum according to the development needs of employees.

Message from Global HR Development

By applying the many perspectives gained by diversity to strengthen our foundations, we aim to be a company that always offers *Kando* without fail

The Global HR Development Division comprises a team of committed members reflecting diverse backgrounds, cultures, and professions. We believe that this approach is fundamental in enabling us to better support the needs of our employees and those of the diverse range of Yamaha Motor's businesses globally by harnessing the many benefits that our unique diversity offers.

We are focused on the development and implementation of a Global HR Framework that serves to support and nurture talent to fulfill the mission of facilitating the placement of the right person, at the right place, at the right time, regardless of nationality and/or background. Working as One Yamaha together with our colleagues in Japan and at Group companies all over the world, we both experience and embrace the unity in diversity. The Global HR Development Division is committed to the development of future leaders that will be representative of the diversity that is such an integral part of our culture and our DNA.



Roper Ashley Revati Upasani Yuri Pantelev

Medium- to Long-Term Strategies
Sustainability

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

Yamaha Motor Group Sustainability Basic Policy

Yamaha Motor Group's corporate mission is to be a *Kando* Creating Company. We aim to offer people all over the world joy, amazement, elation, fulfillment, and happiness through our products and services while maintaining harmony with society and the global environment. To achieve this, we will leverage the empathy arising from connections between people as an engine for creating new value. As a company trusted by society, we will, under appropriate corporate governance, contribute to the resolution of societal issues and sustainable development through innovative and diverse products and services, in ways that embody the unique style of Yamaha. We ask our business partners to uphold this policy and act on its basis.

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

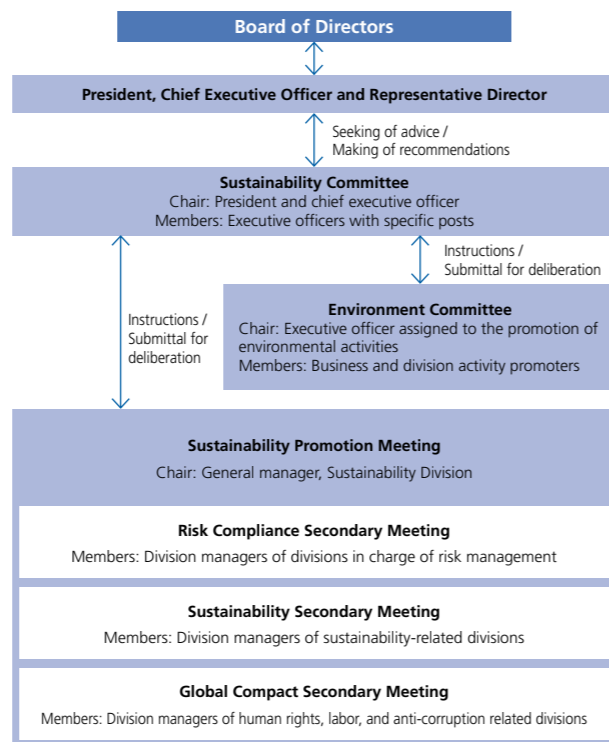
Customers	We will provide high-quality products and services that can be used safely and with peace of mind by anyone, and will be working to educate people on the proper ways to use our products, and spreading this knowledge to create good environments for their use.
Employees	We think that the health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

Sustainability Promotion Structure

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

The Environment Committee, chaired by the executive officer assigned to the environment, was established as the subordinate committee to deliberate on and review, from specialist perspectives, policies and visions for the future concerning environmental initiatives, medium- and long-term environmental plans, investment, and monitoring.

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



Human Rights Initiatives

Signing the United Nations Global Compact

In 2017, the Yamaha Motor Group signed the UN Global Compact, a series of principles proposed by the United Nations. The UN Global Compact contains principles regarding human rights and labor, and the signing enables the Company to not only express the Group's approach to human rights both internally and externally but also carry out various activities in order to increase the effectiveness of compliance with these principles. One of these activities was to establish the Global Compact Secondary Meeting under the jurisdiction of the Sustainability Promotion

Employee and Group Company Initiatives

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

The Code of Ethics, a set of guidelines for the ethics of Group employees, specifies that they must not carry out acts that abuse or deny a person's character according to factors such as race, nationality, ideals, principles in life, physical characteristics, personality, or relatives, and must not carry out any form of harassment,

Supplier Initiatives

We ask our business partners to support the Yamaha Motor Group Sustainability Basic Policy and request that they act on the basis of this policy. Additionally, under the Sustainability Guideline for Suppliers, we created a section on human rights and the working environment, which specifies respect for human rights, the prohibition of child labor, the prohibition of forced and compulsory labor, the provision of decent wages, dialogue and consultation with employees, and other issues. To enhance the efficiency of these requests, we have received written confirmation of agreement from each of our business partners and have distributed and collected self-assessment questionnaires.

Furthermore, in Yamaha Motor's biggest market of Indonesia, we commissioned a third party to conduct trial assessments of working environments, including aspects of human rights violations in 2019. In 2021, the assessment was focused on foreign technical intern trainees at Yamaha Motor headquarters in Japan, since the abuse of such workers has gained attention domestically in recent years. We conducted a two-stage survey of domestic suppliers and interviewed three companies regarding their foreign technical intern trainees in collaboration with a third-party institution. We were able to confirm that these companies had

Meeting. Those responsible for human resources, procurement, and other areas related to human rights and labor gather in one place across divisional boundaries to eliminate issues, consider new activities, and confirm progress made. Furthermore, Yamaha Motor actively participates in subcommittees organized by the Global Compact Network Japan—the Japanese branch of the UN Global Compact—and are working to improve our in-house activities through study sessions related to human rights, such as inviting a human rights special interest group for lectures.

including sexual harassment. We are also striving to enhance employee awareness of human rights through e-learning and training.

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

established favorable employment and personal relationships with no major issues; however, we also provided feedback and proposals based on the report provided by the third-party institution as a reference for making further improvements.



Creative Branding & Design

The Company believes that a vital objective of management is to further raise the value of the Yamaha brand and make it shine. The efforts for accomplishing this will be guided by Takuya Kinoshita, who was appointed Chief General Manager of the Creative Center in January 2022, and will take on the responsibilities of leading the Company's branding and design activities. The following pages explain the history of Yamaha Motor's branding activities and ambitions for the future.



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

Growing Importance of Brands as a Management Resource Summating the Company's Thoughts and Actions

Yamaha Motor recognizes that its brand is among its most important management resources. As the economic growth of capitalist societies slows, the purpose of companies is being questioned even more and this additional scrutiny is increasing the role and the scope of influence of brands, which are largely synonymous with the company itself, its values, and its ethics. The growing importance of brands is also being driven by people's deepening connection with the world around them and changes in their aspirations and values, as seen in the rising interest in environment issues.

The elements that form a brand's value structure are incredibly intertwined. It is important that the economic value of a company, e.g., the products and services it offers, the processes that create said products and services, the purposes and philosophies embodied by these processes, and the values and ethics espoused all be interconnected with the desires of people and society. In other words, brands are an amalgamation of all of the thinking and actions that take place within an organization, and it is this amalgamation that gives form to the brands of the Company as well as those in its businesses and product lines.

Communicating the Real Value Delivered to People and Society

Let me first explain the framework of the Yamaha Motor brand. To do this, we must first understand that Yamaha Motor was established by spinning off the motorcycle division from Nippon Gakki Co., Ltd. (today's Yamaha Corporation) in 1955. As a result, the Yamaha Motor brand falls under a larger Yamaha brand that is shared with Yamaha Corporation. The Yamaha Motor brand is thus a result forged by the synergies between the traditional assets of the shared Yamaha brand and the individual value Yamaha Motor has generated to date via its business. To magnify the assets of the Yamaha brand that form the foundation for the Yamaha Motor brand, we have conducted joint branding efforts with Yamaha Corporation under the "Two Yamahas, One Passion" slogan.

With this dual-faceted structure, we hope to grow the Yamaha Motor brand into one that brings happiness, anticipation, and achievements to all it touches.

Emphasizing Media at the Creative Center under the Medium-Term Management Plan

Given the breadth of Yamaha Motor's businesses and the markets they serve, a sophisticated management approach is indispensable to ensuring the functionality of corporate and business brands on both a Companywide and individual business basis. We are therefore advancing the following initiatives based on the frameworks of the New Medium-Term Management Plan, which include the field of design (detailed on the following page).

Our first step will be to stress the role of media at the Creative Center. Through this approach, we will develop the Creative Center to

Happiness is not something that can be achieved through physical possessions alone. Whether it is a motorcycle or a piano, one's own desire to improve in ability with such items makes physical possessions partners for deriving greater levels of joy. By combining such items that serve as outlets for passion with activities for demand creation and popularization—part of our traditional approach—we aim to foster a brand that elevates self-improvement into a form of recreation. This is the desire encapsulated in our "Revs your Heart" brand slogan.

At the same time, we recognize that the value of a brand is constantly reassessed from a social perspective. Accordingly, communication and engagement are imperative for portraying to as many people as possible our efforts to help resolve important societal issues. We are therefore promoting communication that defines the principal forms of societal value Yamaha Motor creates as mobility value, time value, and environmental value.

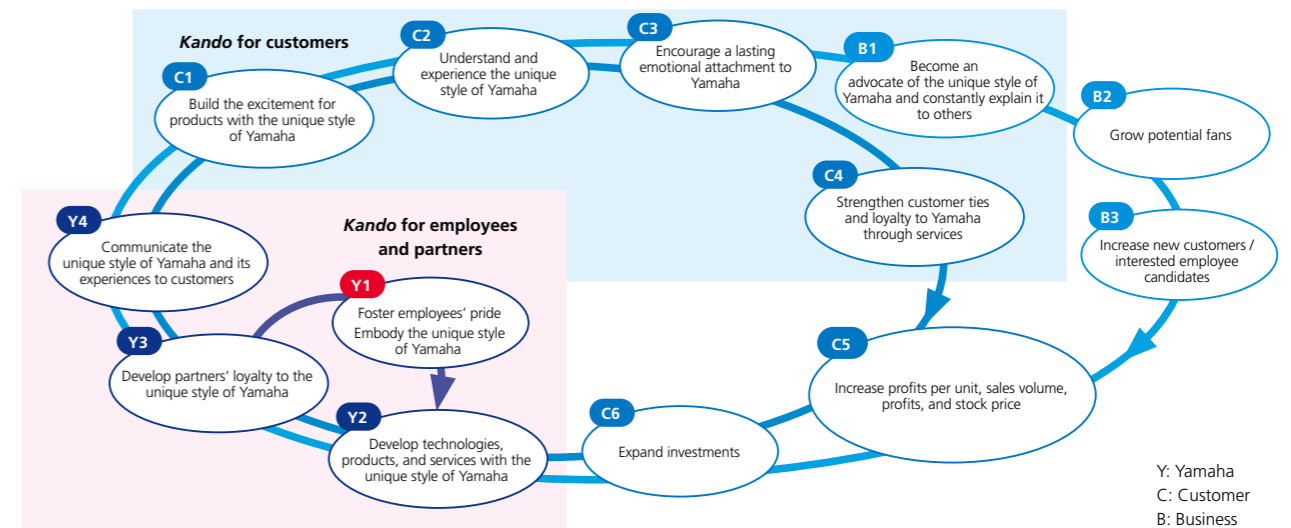
provide media functions targeting management and other internal stakeholders; functions aimed at customers, partners, and other members of society; and media venues linking these functions. We are also moving ahead with the construction of frameworks for effective incorporation of insight and advice from experts in fields that include branding and media. Moreover, we aim to support these functions with a foundation formed by redefining our core value, establishing and following unique indicators, and fostering communication skills.

Global Branding PDCA Cycle

Yamaha Motor periodically conducts surveys to assess its brand strength using uniform tools at principal bases around the world in order to relay and reflect the results of brand value analyses in its corporate activities. To facilitate these efforts, we hold workshops on our global branding PDCA (plan-do-check-act) cycle, examine any issues identified, and prepare relevant action plans.

Kando Cycle

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



Branding Activities

Yamaha Motor has been promoting the decentralization and autonomization of its global brand management. At the same time, we have made strides in internal branding activities (indicated by the pink square in the *Kando* Cycle illustrated above) by holding internal Yamaha Day events each year in July, the month of the Company's founding, and advancing branding initiatives focused on production, development, and other functions.

1. Autonomization and Decentralization of Global Brand Management

Substantial progress has been made in decentralizing global brand management at Yamaha Motor bases across the world. These efforts have been spurred by online PDCA workshops and the Brand Ambassador Development Interaction Program supporting these workshops.



Online branding PDCA workshop conducted via web conference between Mexican subsidiary and Yamaha Motor headquarters in Japan

2. Internal Branding

For 2021, Yamaha Day was repositioned as an event for promoting understanding regarding our brand, a departure from its prior function as a celebration of the Company's founding anniversary. This change in emphasis was meant to help every employee better understand our Long-Term Vision and examine their own relationship to it. Unique videos were produced in regions around the world to help underscore this purpose, and at the same time, we have been forging ahead with branding initiatives focused on production, development, and other functions. The results of these efforts have manifested with positive changes indicated in employee brand awareness surveys.



Creative Branding & Design

Coordinating Four Design Functions, from Value Creation to Communication and Engagement

The Creative Center possesses four design functions: business design, product design, innovation design, and branding design. These functions are supported by proactive recruitment drives to position our design teams as a source of creativity along with efforts to broaden the areas in which designers can contribute to include new business planning and more.

Looking at each of the four functions, business design involves sharing and collaborating on the strategies and business models of business divisions for the purpose of designing projects for undertaking. Product design, meanwhile, entails working together

with businesses to shape design strategies and maximize relevant capabilities. Innovation design employs co-creation functions to generate value with the aim of developing new business approaches. Lastly, branding design is the process of increasing the number of people with an intimate understanding of the Yamaha Motor brand through communication and engagement. This function is used to communicate our *raison d'être* to customers and society, and to inspire such stakeholders to develop a favorable opinion of the Company. These functions are coordinated to form an intrinsic link between design and functions.

Design Creation Emphasizing and Broadening Possibilities for People

The processes of design creation are becoming increasingly diverse. One such process is co-creation, which entails close coordination with stakeholders from the development phase for new products, services, and businesses. This process of creating and cultivating designs together with stakeholders is expected to foster understanding and build bonds while also transforming both B2C and B2B models.

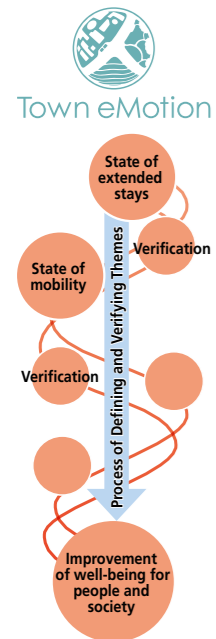
In creating designs, there is nothing that Yamaha Motor emphasizes more than people. Our constant focus on expanding human possibilities through design is delineated in the Company's

Long-Term Vision for 2030 of "ART for Human Possibilities: Let's strive for greater happiness." Today, the world is plagued by adversity, from the global pandemic to international conflicts. This situation is creating a greater need for feelings of self-affirmation and mutual appreciation. Yamaha Motor is inspired by an aesthetic sense that propels it in its never-ending examination of what constitutes beauty. This quest has seen us create designs for businesses, products, innovations, and brands that connect with people and society on a fundamental level.

Innovation Design

Town eMotion Value Co-Creation

The Company is engaged in uniquely Yamaha value creation, verification, and real-world implementation activities that go beyond vehicles to also contribute to the well-being of people and society through an approach encompassing community development. Having defined themes related to the state of mobility, extended stays, and the like, we are engaged in co-creation ventures for verifying the effectiveness of our activities together with local communities, municipal governments, companies, universities, and other stakeholders.



Aozora Library using Green Slow Mobility electric vehicles that operate at speeds under 20 km/h (Setagaya-ku, Tokyo, 2021)



Fair and vehicle test-ride event encouraging visitors to think about diverse mobility options and road environments together as a set (Setagaya-ku, Tokyo, 2021; Kamakura City, 2021)

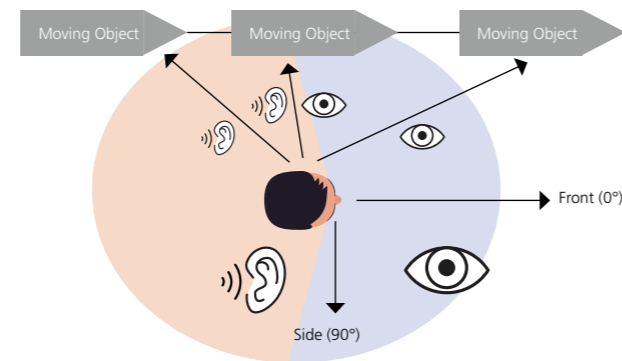


Mobile parklet integrating the pedestrian walkway with the road to energize the community (Setagaya-ku, Tokyo, 2022)

Co-Creation with Research Institutions

It is people that feel *Kando* and judge value. For this reason, we are convinced that research on the essence of value with a focus on people will help us generate innovation that is truly meaningful for customers. By combining the experience and sensibilities fostered within Yamaha Motor with the insight of domestic and overseas research institutions, we are advancing co-creation activities aimed at realizing such true innovation.

For example, Yamaha Motor's technology divisions teamed up with the California Institute of Technology in a joint research venture examining the mechanisms through which people perceive the physical world. This project led to the development of a new technology—now patented in the United States—that allows drivers to perceive their surroundings more naturally and without undue burden. In this manner, deep research into people has the potential to help us design innovations that draw out previously unseen human possibilities. This is the approach we are taking to propose value that exceeds customer expectations.







Technology allowing people to naturally perceive moving objects approaching from behind (the United States patent No. 11,276,182)

Product Design

Communicating the Unique Style of Yamaha through Our Businesses

Product design at Yamaha Motor entails heightening its appeal by utilizing assets in our core business fields while creating value by applying the insight gained in these core fields to a wide range of growth businesses. Below are some examples of products that embody these approaches.

Core Business (Motorcycles)	
ICE	EV
 <p>XSR900 The XSR900 proposes new motorcycling value while utilizing an engine and chassis shared with other models. With a unique, stylish design embodying Yamaha Motor's racing heritage, this motorcycle offers a riding experience that allows users to have equal amounts of fun whether they are pushing their limits or taking it easy.</p>	 <p>NEO's The NEO's is an electric scooter with an interchangeable battery and is available in the European market. With a chassis alluding to its mobility and a design employing curves to emphasize smooth and comfortable riding, this vehicle exudes Yamaha Motor's unique electric vehicle sensibilities and features while presenting the distinctive look of an electric commuter vehicle.</p>
Growth Businesses	
SPV	Robotics
 <p>Wabash RT This sport-focused electrically power-assisted bicycle (e-Bike) allows riders to hit both the road or the trail. The Wabash RT's form also evokes our motorcycle design philosophy while expressing our status as a manufacturer of complete Yamaha-brand e-Bikes with its design that integrates the frame with the battery and power unit into one cohesive package.</p>	 <p>Autonomous Mobile Robot AFV This autonomous mobile robot concept model was exhibited at the 2022 International Robot Exhibition. We are designing the ideal form of transport key to linking production lines of the factories of the future by combining robotics with mobility technologies in order to propose comprehensive automation solutions.</p>

Research and Development

In addition to enacting long-term measures to achieve goals such as carbon neutrality and the introduction of CASE-compatible models, the Company must also respond to manifesting short-term risks that include raw material shortages and geopolitical incidents. Amidst the precipitous changes that are occurring, it is critical that the Company accurately grasp its position, strategically allocate resources, and conduct research and development both swiftly and flexibly.

The Company will accelerate its R&D efforts to solve various societal issues as well as trigger change, and by achieving our Long-Term Vision of “ART for Human Possibilities: Let’s strive for greater happiness,” Yamaha Motor will continue to offer new excitement and a more fulfilling life for people all over the world.

Companywide Technology Strategies to Create Unprecedented Value

The present day has been described for some time as the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), and the business environment around us continues to become increasingly complex and difficult, with the seemingly never-ending pandemic, the shortage of semiconductors, and geopolitical issues causing a surge in raw material prices. In such circumstances, we believe that it is important to respond to various issues with flexibility and agility, and to rapidly develop and provide hardware and software that brings new value. This is in line with our Long-Term Vision of “ART for Human Possibilities: Let’s strive for greater happiness.”

Yamaha Motor’s three main domains are the Land Mobility, Marine Product, and Robotics businesses. The role of the Technical Research & Development Center—which operates as a hub for technologies Companywide—is to promote growth by linking core technologies from each of these domains and to create technologies and businesses with the aim of developing new business domains.

In terms of new businesses, we are identifying and advancing areas that may provide solutions relating to the important societal issues (materiality) we have identified: environment and resources, transportation and industry, and human capital management.

It is plain for all to see that technological development today is incredibly complex, and we must use a combination of various technologies in order to create solutions and value unlike anything before.

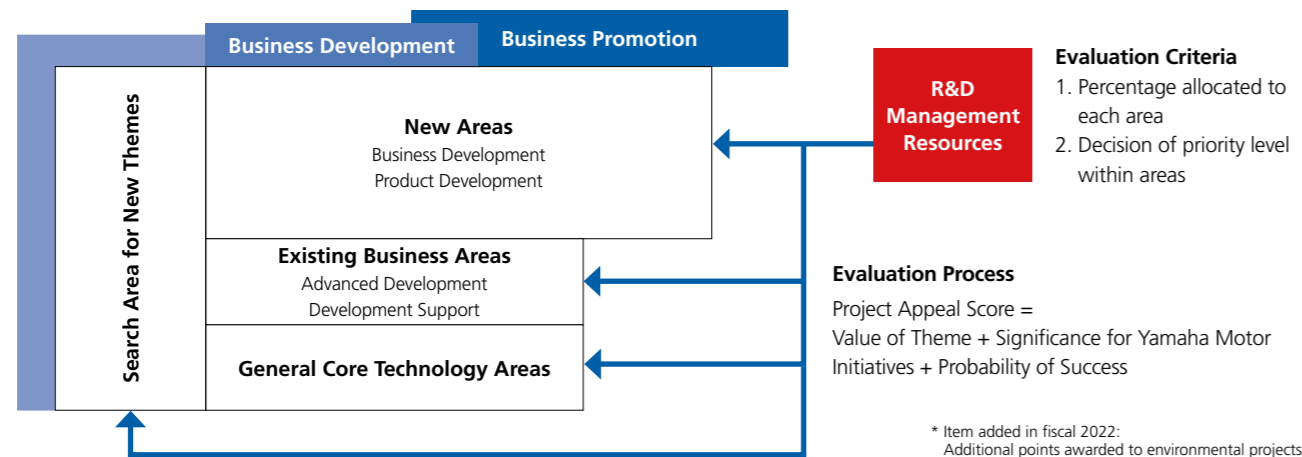
We are developing Companywide technology strategies in order to derive optimal solutions from these complex combinations of different technologies. The first step is to analyze and recognize our position in technological fields, ascertaining our strengths and weaknesses. Next, by determining what added value will be needed in the future and back-casting from there, we can envision the necessary constituent technologies, extrapolate areas that require particular focus from the overall map, assign degrees of priority, and allocate management resources accordingly. To implement this, we will supplement our in-house development by collaborating with external parties such as other companies and universities in order to achieve efficient development, extend the applicable scope of technologies, and realize rapid deployment. This methodology is described in more detail later in this section, together with some case studies.



Heiji Maruyama
Senior Executive Officer and Director
Chief General Manager of Technical Research & Development Center

Case Study 1: Theme and Resource Management

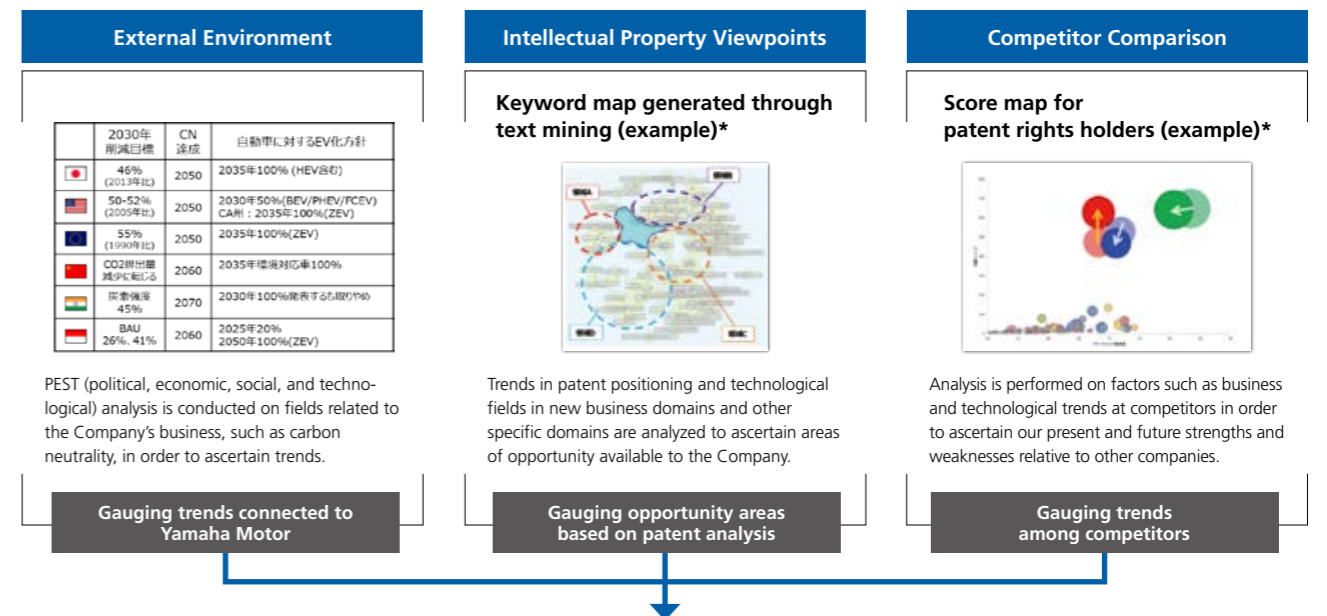
Theme and resource management activities are carried out each year to make decisions on promoting and reviewing projects, and management resources for research and development are allocated accordingly. These activities involve an evaluation process based on a “project appeal score.” This is used to evaluate projects based on the added value they may bring to the Company in the future and to assess the level of priority.



Case Study 2: Technology White Paper

Once a year, the items listed below are compiled in a technology white paper as a means of confirming the current and future position of the Company. The results from this document are used to review research and development and to create new value.

1. Changes in the external business environment: Ascertaining the current situation with regards to business and technological trends and presenting outlooks for the future
2. Intellectual property analysis: Multifaceted evaluation of aspects relating to intellectual property, such as intellectual property landscapes, patent positions, and new technological areas
3. Comparative analysis of competitors: Tracking trends among other companies in the same industry and ascertaining levels of influence in different industries



External Environment

	2030年削減目標	CN達成	自動車に対するEV化方針
日本 (2013年比)	46%	2050	2035年100% (HEV含む)
米国 (2005年比)	50-52%	2050	2030年50%(BEV/PHEV/FCEV) CAR: 2035年100%(ZEV)
EU (1990年比)	55%	2050	2035年100%(ZEV)
CO2排出量削減目標		2060	2035年環境相対比率100%
炭素強度	45%	2070	2030年100%削減可能な取組
BAU	26%, 41%	2060	2025年20% 2050年100%(ZEV)

PEST (political, economic, social, and technological) analysis is conducted on fields related to the Company’s business, such as carbon neutrality, in order to ascertain trends.

Gauging trends connected to Yamaha Motor

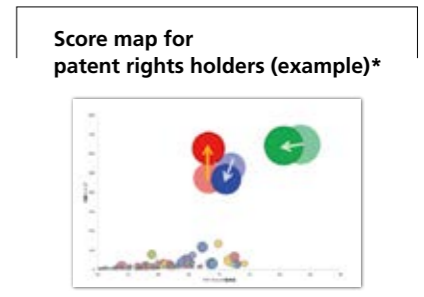
Intellectual Property Viewpoints



Trends in patent positioning and technological fields in new business domains and other specific domains are analyzed to ascertain areas of opportunity available to the Company.

Gauging opportunity areas based on patent analysis

Competitor Comparison



Analysis is performed on factors such as business and technological trends at competitors in order to ascertain our present and future strengths and weaknesses relative to other companies.

Gauging trends among competitors

Applying Technology White Paper Info and Analysis to New Value Creation

E01



Yamaha Motor will progressively introduce the E01, an 8.1 kW class electric scooter using a fixed (non-removable) battery design, to Japan, Europe, Taiwan, Indonesia, Thailand, and Malaysia for real-world proof-of-concept testing from July 2022. We have set a goal of reducing Scope 3 CO₂ emissions by 90% by 2050 compared to 2010, and the E01 is a strategic electric vehicle in order to help achieve this goal.

eve auto



The eve auto transport service employs electric vehicles and was developed to meet the needs for automated transport. The service has started a full-scale trial operation at Prime Polymer Co., Ltd.’s Anesaki Works plant, the first time it has been deployed outside Yamaha Motor factories. In low-speed automated driving—one of the new businesses in our new Medium-Term Management Plan—we are establishing automated driving technologies for use under specific conditions to continue the commercialization goods transportation and achieve labor-saving in logistics.

Electric Motors for Hyper-EVs



Yamaha Motor is supplying Subaru Tecnica International Inc. (STI) with electric motor units for the STI E-RA hyper-EV it is developing for future motorsport. Through the adoption of high-efficiency segment conductors, the casting and machining technologies Yamaha Motor has accrued through engine development, and more, these motors achieve high output while retaining compactness.

* Created by Yamaha Motor using the Patent Result Co., Ltd. Biz Cruncher

Intellectual Properties

Yamaha Motor promotes its global intellectual property strategies to create, protect, and utilize its intellectual property rights, and in doing so not only raise both corporate and brand value but also fulfill our corporate mission to be a **Kando Creating Company**.

IP for Business

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

The Company is actively making use of intellectual property analysis through collaborative initiatives with the divisions in charge of various areas of technology. Reporting on intellectual property activities, such as analyses of intellectual properties present in growth areas, is one of the duties of the Technology Business Committee, which discusses technical strategies from a long-term business perspective.

Company executives and management receive an annually published Technology White Paper, which provides visualizations and suggestions about trends in technology based on intellectual property analysis, along with suggestions about the layout and

contents of white papers from an intellectual property perspective. This serves as a guide for creating value according to the Four Policy Pillars of Intellectual Property Activities.

Four Policy Pillars of Intellectual Property Activities

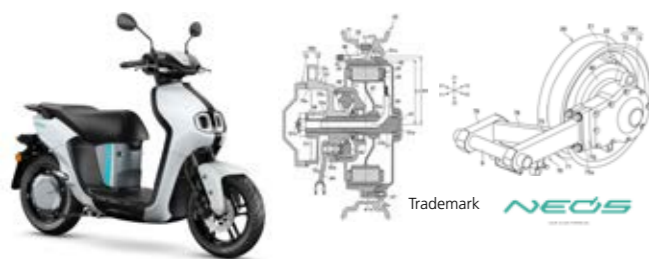
- (1) Move one step ahead of conventional intellectual property activities that consist primarily of intellectual property creation linked to product and technology development in existing businesses
- (2) Pursue intellectual property activities that preempt technological developments and the expansion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

Intellectual Property Activities to Achieve ART for Human Possibilities

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

SDGs: Building the Technological Platforms for Electrification

We are helping accelerate the shift to EVs through our platform strategies, which include targeted patent applications for components critical to electric powertrains.



SDGs: Visualization of Forest Composition

We have successfully used unmanned industrial-use helicopters to digitally visualize forest layers. This enables efficient gathering of point cloud data and is contributing to laborsavings and the development of new smart forestry methods



Growth Business (SPV): A Unique Model with High Added Value

This electrically power-assisted bicycle employs a unique Dual Twin® frame design providing the optimal battery layout while still achieving the required rigidity. We will use our mix of intellectual properties to expedite progress in this growth business.



Growth Business (Robotics): Real-Time Production Analysis

The business is examining entire production lines and analyzing drops in productivity and quality issues in real time in order to raise both line efficiency and workpiece quality.



Intellectual Property Activities Underpinning Business Strategies

Our intellectual property departments are actively involved in our business activities from an early stage. By carrying out various forms of intellectual property analysis to visualize growth areas beyond each of our business strategies and making active use of intellectual property mixes—a combination of patents, copyrights, trademarks, and other intellectual properties—that fit each business strategy, we create unique value through a multifaceted protection of intellectual properties associated with the

Company's products and services. If any of the intellectual properties buoying our businesses are violated, we work together with intellectual property authorities and other relevant bodies in the countries involved to take firm action against the violation. Furthermore, the Yamaha brand is trademarked in almost every corner of the world, and various activities are carried out to create value in the intellectual property space in line with our business strategies in each country and region.

Example 1: Marine CASE Strategy



* Created by Yamaha Motor using the Patent Result Co., Ltd. Biz Cruncher

Example 2: Motorcycle Business Premium Model Segment Strategy (NMAX)



Procurement

To offer new excitement and a more fulfilling life for people all over the world by continuing to deliver our unique, high-performance, high-quality products around the globe, procuring a diverse variety of quality parts and materials with a global perspective becomes crucial. By proactively communicating with our suppliers and business partners, we develop trusting relationships and engage in *Monozukuri* based on a spirit of co-creation with uniquely Yamaha efforts that not only raise global competitiveness but also earn the respect and appreciation of society and mutually raise the corporate value of all parties.

Collaborating with Business Partners to Raise Our Respective Corporate Value and Competitiveness

Increasing Growth, Profitability, and Robustness Together

We have devised a global procurement policy to guide our activities over the three years of the new Medium-Term Management Plan beginning in 2022. With our long-standing collaborative relationships with our business partners as a foundation, we aim to create new value while strengthening our respective corporate value and competitiveness. To that end, we have established three key areas of focus: growth, profitability, and robustness.

In terms of growth, to achieve our Long-Term Vision for 2030 of “ART for Human Possibilities: Let’s strive for greater happiness,” we will work towards tackling a new field of growth by supporting *Monozukuri* through our procurement operations. We believe that it is important to cooperate with business partners in various fields of expertise in order to develop new technologies for CASE and other areas as well as create attractive new products. We share our medium- to long-term technical strategies with our business partners at an early stage so that we are both on the same page and can work together to carry out those strategies. We are continuing to tackle pursuits in new fields and collaborating with our business partners to strengthen competitiveness.

In terms of profitability, in order to reinforce existing businesses, we are carrying out activities in a collaborative style unique to Yamaha Motor. First, we visualize and share the strengths, weaknesses, and issues our business partners face. Next, we carry out improvements to our business partners’ manufacturing sites and facilities according to our theoretical-value-based approach, and make use of our DX and Smart Factory technologies to create new value. These practices do not only cover cost reduction and value improvement; we also work with our business partners to contribute toward achieving carbon neutrality and other initiatives. The ideas generated through these practices are incorporated into the upstream stages of new model development to improve existing products. By following this cycle, we are working to create new value and increase the corporate value of both Yamaha Motor and our business partners.

To ensure stable profits, we are carrying out measures to address various risks within our procurement operations. Since the COVID-19 pandemic began in 2020, there has been an ongoing risk of global supply networks becoming fragmented. Cases in which business partners are affected by disasters such as fires or floods, or being targeted in cyberattacks, constitute grave risks to the state of our operations. Our Procurement Center advises our business partners to put preventive measures in place before they are needed and visualizes supply chain information so that we are able to ascertain our business partners’ situation early on in an emergency. Additionally, having only a small number of suppliers can pose a significant risk, as we saw with the shortage of semiconductors and some other raw materials, so we are working to secure sufficient component stock for the long term. These efforts allow us to improve our resilience and ensure that we remain profitable.

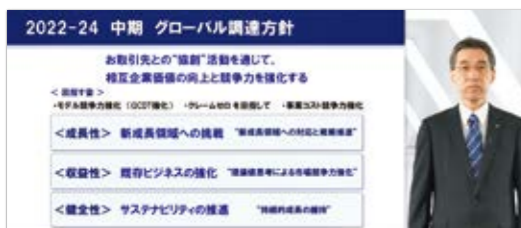
In terms of robustness, we are conducting retrospective investigations into various elements of the manufacturing process of the components and raw materials we purchase, including safety, quality, human rights, and environmental impact. For these activities, it is important that we work with the entire supply chain and an essential undertaking for continuing our corporate activities in future.

Initiatives with our business partners have always been founded on a Quality First mindset. Safety and peace of mind are the top priority and we place these above all else to ensure that we never lose the trust of our clients.

The environment surrounding our procurement operations is experiencing drastic change. To meet various societal expectations and support safe production practices, we share our policies with our major business partners around the world at the Global Suppliers Conference (GSC) and carry out collaborative activities to mutually raise our corporate value.



Creating a functional part for a product with business partners



We shared policies with business partners from 260 companies located in 14 countries at the previous Global Suppliers Conference, which was streamed online.

Responding to Procurement Risks and Working with Business Partners for Sustainable Growth

Transitioning to a Sustainable Supply Chain

The Yamaha Motor Group Sustainability Basic Policy requires business partners to understand the purpose of the policy and act accordingly. In order to appropriately implement sustainable practices that meet societal requirements and expectations, we have summarized the types of behaviors we want business partners to maintain in our Sustainability Guideline for Suppliers, and are working to promote sustainability throughout our entire supply chain.

For a Sustainable Supply Chain

To address the risks accompanying parts supply, we require business partners to provide information on the raw materials used and to submit a Certificate of Non-use of Prohibited/Restricted Substances, which confirms that substances hazardous to the environment are not present in the parts used in our products.

Recently, human rights violations in supply chain operations have been highlighted as an important issue and potential risk in the

parts production process. Since 2013, Yamaha Motor has been conducting investigations into issues that include child labor, forced labor, and the use of conflict minerals. An investigation on working conditions in Indonesia in 2019 found that there were no violations.

Furthermore, we conducted an assessment in 2021 with a third-party institution that focused on foreign technical intern trainees at three of our suppliers in Japan. The investigation did not find any incidents of forced labor, overwork, or health and safety issues, and we were able to confirm that the employment and personal relationships were good. By sharing feedback from the investigation with the suppliers themselves, we are facilitating actions toward further improvement.

We are working on various activities to build a stable and sustainable parts supply network with our business partners, and through these efforts, we aim to reduce potential risks in our supply chain and promote stable and sustainable growth together with our partners.

Initiatives for a Decarbonized Society with Our Business Partners

We are promoting decarbonization initiatives throughout our supply chain to achieve our goal of carbon neutrality by 2050. Firstly, from 2019 we started energy conservation initiatives at the production sites of our business partners in Japan. We assess the manufacturing sites of suppliers and implement measures for work process improvements that cut losses and reduce CO₂

emissions. From 2022, we are conducting investigations into CO₂ emissions from our suppliers, confirming each company’s initiatives and issues and promoting concrete practices for reducing CO₂ emissions. Additionally, we are rolling out these activities on a global scale by sharing information at the GSC.

Message from Management

Co-Creation in a Post-COVID World

Our procurement operations and supply chain have faced a multitude of problems since the pandemic began, such as restrictions on operations due to the fragmentation of our supply chain, unreliable distribution of materials, part shortages, and an increase in prices in the end. These are now daily issues that we must navigate in order to stay in business.

We have thought about how Yamaha Motor’s procurement teams can prepare for the future amid these difficult conditions and the conclusion we reached—and I cannot stress this enough—is that co-creation is vital. We have changed the definitions in the Yamaha Motor Group’s medium- to long-term procurement policy. Since 2020, through the GET* procurement program, Yamaha Motor has worked to ensure that the diversity of region-specific procurement operations overseen by local managers is reflected in our policies.

Our relationship with our suppliers is changing as well. Over the past two years, one approach we have taken to deal with issues is to strengthen communication and collaboration with our suppliers. It is important to build win-win relationships in order to overcome difficulties, and better communication and the forging of strong relationships with suppliers is our new foundation for creating mutual value in the long term.

With all this in mind, we have made co-creation a high priority in our medium-term procurement policy.



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

* Global Execution Transformation (GET): An internal program in which an executive officer and international personnel with specialized expertise are jointly charged in implementing activities related to management roles and business functions on a global scale.

Manufacturing and Production (*Monozukuri*)

As we strive to be a *Kando* Creating Company through our businesses, we believe carbon neutrality initiatives present new opportunities for growth, and by combining them with production processes that eliminate waste, we are working to both further improve productivity and reduce the environmental impact of our production sites. Additionally, utilizing technology to enhance the efficiency of theoretical-value-based production is how we connect manufacturing and production to the pursuit of customer value.

Garnering Affinity via Carbon-Zero Plants and New Growth Opportunities

Initiatives for Carbon-Neutral *Monozukuri*

To aid in creating a decarbonized society, we are promoting initiatives to minimize energy consumption and are switching to renewable energy sources to make Yamaha Motor factories carbon-neutral.

The minimization of energy consumption hinges on our theoretical-value-based energy approach and innovations to production processes. Under the theoretical-value-based energy concept, we aim to apply a theoretical value to the energy used in all processes. This method treats only energy that is truly essential as having “value” and allows us to bridge the gap between this ideal and our current situation. The focus on the ultimate achievement of the theoretical targets with this method differentiates it from the previous loss-reduction approach. Through this initiative, we will achieve the highest level of energy conservation to date. Furthermore, to bring innovations to our production processes, we aim to achieve significant energy conservation in line with the timing of equipment updates and replacements. The introduction of a new aluminum die-casting machine last year resulted in a 44% decrease in energy consumption compared with previous models thanks to new advances, such as a heat recovery system, better thermal insulation, electrification of hydraulics, and lower cycle times. Other new technologies being considered for the future of the casting process include ultra-high thermal insulation, emissions-free inorganic cores, and high-speed low-pressure die casting.

Initiatives for Recycling

As general policy for mitigating climate change, the reduction of CO₂ emissions in corporate activities has become an important societal issue. Since the Japanese government announced its goal of achieving carbon neutrality by 2050, there has been increasing concern and effort by companies regarding initiatives for decarbonization.

In conjunction with the achievement of carbon neutrality, there has been a shift toward a circular economy, particularly in areas such as the European Union. In a circular economy, services are designed under the premise of resource recovery and reuse, with the aim of creating a society with no waste.

Amid such an external environment, the Company has been engaging in reducing the waste from Group plants from the perspective of carbon neutrality and a circular economy. We have been able to manufacture engine components and exterior parts made from recycled materials by working to expand the range of recycled materials used when developing products.

Additionally, we made enhancing the quality of recycling, namely increasing the number of recycled raw materials, and achieving zero

landfill waste by increasing the recycling rate new global targets for achieving carbon neutrality. We are planning to create a raw material recycling system with the aim of recycling all waste. Different approaches to purchasing raw materials are being considered for different materials. While the majority of the ingots used for aluminum casting—a Yamaha Motor field of expertise—already contain recycled materials as of the end of 2021, we are further promoting this switch with the aim of achieving 100% recycled materials. We are undertaking thermal recycling by changing the materials that make up the FRP used in boat hulls and other products. For other resin materials, we are developing recycled materials that do not include substances hazardous to the environment.

Meanwhile, switching to cleaner energy relies on the utilization of renewable energy sources and electrification. During the three-year duration of the new Medium-Term Management Plan, we will increase the use ratio of renewable energy by 2.5 times by accelerating the introduction of solar energy power generation. Additionally, we will shift to using CO₂ emission-free energy generated by hydroelectric powerplants at key domestic business sites within 2022, and this is expected to reduce domestic CO₂ emissions by 70%. Under electrification, we are making progress with switching from fossil-fuel based energy to electricity, such as vaporless air conditioning and the complete electrification of equipment. We will move forward viewing carbon neutrality initiatives as new opportunities for growth with the hope that they lead to the creation of new value, including the creation of a highly productive and comfortable work environment, the achievement of carbon neutrality for our business partners, and the garnering of widespread affinity for the Yamaha brand.



Solar power generation at Chennai Plant (India)



Recycled resin

Competitiveness from Theoretical-Value-Based Production and Manufacturing DX Technology—New Value Creation Generated On-Site

From Smart Factory to Value Innovation Factory

The logic behind Yamaha Motor’s approach to *Monozukuri* is that it is not enough to solely focus on reducing costs and move forward; excessively pursuing cost reductions should not compromise our goal to deliver satisfaction exceeding customer expectations.

Meanwhile, in order to focus resources on the Yamaha Motor Craftsmanship theme that conveys our *Monozukuri* commitment to our customers, we will thoroughly engage in reducing processes that do not lead to customer value. Theoretical-value-based production is the method for classifying processes with and without value and applying that thinking to production operations. This is the foundation of what the manufacturing departments do.

While the terms “Smart Factory” and “manufacturing DX” are heard more frequently recently, we have been enhancing our theoretical-value-based production approach through digital methods since 2019. These initiatives enhance technological capabilities to enable a flexible response to on-site environments and targets through classification of the four manufacturing DX—automated transportation, automated inspection, automated operations, and surveillance of conditions and traceability (hereinafter, the four key technologies)—and internalization of development.

This internalization contributes significantly to the DX of human resource development at manufacturing sites. Specifically, we have decided on digital methods to achieve targets formulated through theoretical-value-based production activities and created many new value processes, such as the following two that cannot be seen at other companies when combined with our on-site experience:

1. Reduce defects in casting through real-time monitoring of quality
2. Introduce low-cost, general-purpose, custom combination AGVs

We will pursue customer value by adding on-site theoretical-value-based thinking to the smart factory approach, which is newly defined as the value innovation factory (VIF) and is for creating new value through on-site guidance.



Utilization of digital technology at manufacturing sites

Message from Management

Launch of Global Management

Under the Global Manufacturing Committee (GMC) launched in 2020, improvements have been made to the *Monozukuri* Conference and global promotion of activities for DCI,*¹ VIF,*² and carbon neutrality. In 2021, we formulated a medium-term plan for manufacturing from global discussions initiated by the GMC and rolled it out to manufacturing plants around the world at the *Monozukuri* Conference.

Based on experience from the following activities, we hope to shift from the previous Japan-focused management of manufacturing divisions to global management helmed by the GMC in 2022. The activities include inviting manufacturing leaders from each region to join the GMC; expanding the system to allow for management decision-making on a regional level; developing policies at the *Monozukuri* Conference; developing methods and measures at technology and theme meetings; sharing progress, results, and issues at regional meetings; and cycling through the individual result reports from management reviews and factory visits.

Additionally, we will promote human resource development of leadership focused on continuous management of GMC teams. With even greater integration of the global Group, we will make this once-in-a-century period of significant change one of opportunity, aiming for further development while contributing to the enhancement of the trust, satisfaction, and loyalty of our customers around the world.

*1 Demand chain innovation: An initiative aiming to maximize sales by adapting production to changes in the market while maintaining appropriate inventory levels
*2 Value innovation factory: Creation of new value that combines theoretical-value-based thinking and DX



Teddy Cahyadi Yacob

Director, PT. Yamaha Indonesia Motor Manufacturing (YIMM)

Sales (Marketing)

In marketing, we position customer needs as the starting point of all our corporate endeavors, and our endless pursuit of greater customer satisfaction is how we seek to achieve our corporate mission to be a *Kando* Creating Company offering new excitement and a more fulfilling life for people all over the world.

Marketing That Showcases and Augments Yamaha Motor's Strengths

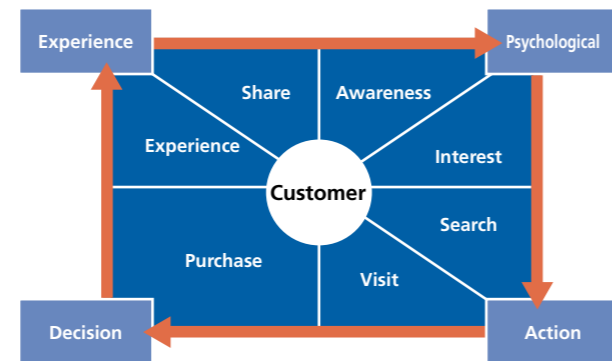
The Company established "The Global Yamaha Way in Marketing in Sales" to clarify our shared values for conducting marketing in the realm of sales. The overarching vision of this manifesto is "Continuing to Create Lifetime Yamaha Customers," and the program itself brings Yamaha sales bases around the world together to globally share, teach, and learn from one another the knowledge they have cultivated individually while spurring each other to greater heights.

Yamaha Motor divides the customer journey into its own seven steps and conducts customer-centric activities for each. This provides a common framework for deliberation among our bases around the world in order to define the objectives, identify the target customers, and thoroughly determine aims and actions

aligned with said customers. In sharing successful marketing cases, we employ a "teach and learn" approach that examines why the case was successful, what difficulties were faced, and what is needed for continued success. Doing so leads to in-depth study and discerning of the key factors of the case, and the knowledge born of the discussions is then formulated, accumulated, and shared globally, leading to new successes. Having members from around the world who share the same values gather in the same location for meaningful, customer-centric discussion not only enhances teamwork but also enables the application of knowledge from other countries and will propel us to the front of global competition.



During the COVID-19 pandemic, we held the Online Yamaha Way Day 2022 with members from 19 countries who are promoting activities



Seven Steps of the Customer Journey as defined by Yamaha Motor

Marketing in Sales Activities and Rapid Progress in Brazil

In 2021, Yamaha's motorcycle business in Brazil grew 42%, vastly outpacing the market's average growth of 26.3% and significantly outperforming even other major motorcycle manufacturers. Our share of the market reached 17.4% in 2021, up 5.4 points from five years ago. This was in part due to strategies such as the reorganization of the authorized dealer network and the establishment of a certification system for specialist staff, but another contributing factor was our Marketing in Sales (MiS) activities.

The sales divisions and aftersales service divisions in Brazil formed cohesive teams to conduct MiS activities. One team expanded the bottom line through initiatives in areas where Yamaha Motor had had little involvement before, such as maintenance of motorcycle taxis and riding safety lessons. A different team opened mobile stores in service trucks to increase user touchpoints in local areas. Successful initiatives were propagated to other areas of Brazil through our "teach and learn"

methodology, and this not only improved the strength of the Yamaha brand and the experience and value we provide to customers, but our Brazilian subsidiary's bottom line as well.



A New Style of Work in Overseas Market Development Operations

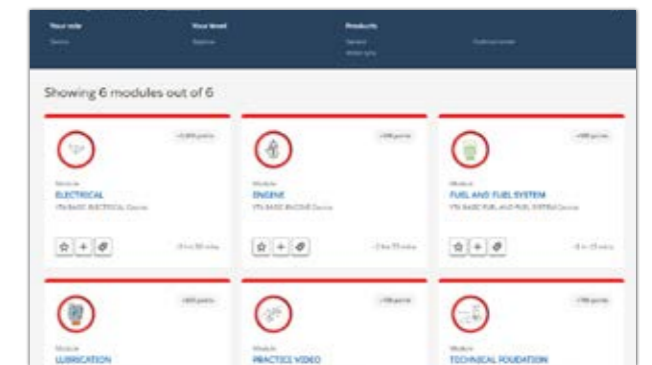
The Overseas Market Development Operations (OMDO) business unit celebrated its 30th anniversary in 2021. OMDO's policy is to always have a finger on the pulse of the local people and their issues, and works in over 140 countries and regions throughout Africa and other continents to forge close ties with local communities in order to fulfill its mission to bringing greater happiness and fulfillment to people around the world.

With COVID-19 making it more difficult to go into the field, we have begun using digital technologies to communicate with local distributors and provide training on aftersales service. This has

heralded a new style of work for OMDO, a two-pronged approach combining activities on-site and the use of digital technologies. By communicating and conducting training via digital means, OMDO has effectively streamlined its marketing operations and fostered even closer ties with local communities with its grassroots approach. Going forward, OMDO will continue to function as a body dedicated to understanding the issues present in the field and working together with local communities to solve them, as well as developing new sources of demand and then contributing to the betterment of society through the resulting business.



Portal site for dealerships with OMDO agreements



E-learning system page for mechanic training

Message from Management

From Indonesia to Australia

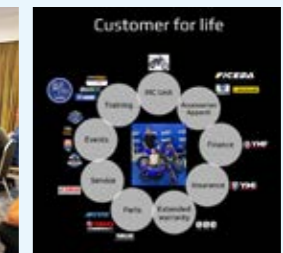
Coming to a completely new environment always presents mixed feelings of excitement and uncertainty. As of January 2022, I was assigned from my home country of Indonesia to Yamaha Motor Australia (YMA) as a Senior General Manager of Sales & Marketing. It is a daunting challenge simply from the stark differences between Australia and Indonesia, from the products and dealers to the people and culture.

However, there are many opportunities for me to add new value based on my own experience. By introducing the "3S Concept" we implemented in Indonesia, we have upgraded YMA's own Customer for Life Strategy to connect and make seamless the company's functions for sales, service, spare parts, accessories, financing, insurance, and customer training. The customer relationship management (CRM) project we implemented in Indonesia has also helped make YMA's CRM vision blueprint better match the market, and will get underway with proof-of-concept CRM leads before putting a three-year expansion plan in motion.

It is important to act as One Team when facing dealerships and external stakeholders. I held many roundtable sessions with my team to establish a good rapport where we can all be humble and enjoy open and effective communication.



Hendri Wijaya
Senior General Manager of Sales & Marketing, Yamaha Motor Australia (YMA)



From the Chairman of the Board of Directors

I will dedicate my focus to ensuring the proceedings at our Board of Director meetings are of high quality.

Katsuaki Watanabe
Chairman and
Representative Director



Pursuit of High-Quality Proceedings at Board of Directors Meetings

The June 2021 revision of Japan's Corporate Governance Code placed more rigorous requirements on the boards of directors of companies. I believe that this revision was instituted with the aim of increasing the quality of proceedings at board of directors meetings, and in response to the new requirements, Yamaha Motor is rolling out a range of measures for enhancing discussions regarding management issues. One is the prior distribution of information pertinent to agenda items. To fulfill this requirement, the Company has presenters prepare 15-minute videos describing their proposals, and these videos are distributed to Board members ahead of meetings. This approach has allowed members to prepare and organize their thoughts for meetings ahead of time, thereby contributing to increased quality and efficiency in meeting proceedings. These benefits also extend to the newly commenced Management Study Group, which has seen more beneficial discussions.

Our efforts to improve the efficiency of proceedings at Board meetings are shaped by our desire to engage in more in-depth discussions regarding the growth areas and new businesses defined in the new Medium-Term Management Plan as well as by the need to address the high-priority issue of sustainability. The new Medium-Term Management Plan was established in fiscal 2021, and from the efforts thus far, the Board of Directors was able to focus on discussion of the core elements of the plan throughout said period. The topics included portfolio strategies, carbon-neutrality initiatives for pursuing sustainability, digital

transformation methods to strengthen our management platforms, and measures for responding to the ongoing COVID-19 pandemic.

Measures for ensuring more effective discussions have included evaluations and assessments based on self-evaluations by Board members by employing seven evaluation criteria as well as objective evaluations by external institutions. The Board of Directors undergoes evaluations by external institutions once every three years and the latest such evaluation took place in fiscal 2021, meaning that the Board was able to receive an objective assessment. It found that the Board was sufficiently functional but required improvements in five areas, among which were discussions of portfolio strategies and carbon-neutrality initiatives. We intend to pursue these improvements in fiscal 2022.

Other forward steps included the revision of the executive remuneration system by the Executive Personnel Committee in fiscal 2021, which entailed identifying 25 companies to serve as benchmarks and compiling remuneration tables using the 60th percentile of these global manufacturing companies as a standard. Any increases to executive remuneration as a result of this revision were allocated to performance-based compensation to heighten the ratio of such compensation to total compensation. Based on the same thinking, we linked share-based compensation to assessments of total shareholder returns in order to better connect remuneration to the interests of shareholders.

Diversification of the Board of Directors

Previously, the Board of Directors comprised six internal directors and four outside directors. However, we received approval at the Ordinary General Meeting of Shareholders held in March 2022 to change this membership to five internal directors and five outside directors.

Yamaha Motor's functions can largely be divided into four categories: management, sales, manufacturing, and technologies.

I therefore feel that the new membership arrangement is quite balanced, with one of the five internal directors being an executive officer with a background in each of these four categories in addition to one serving as the chairman. I look forward to seeing these members deliver more refined and cross-organizational management decisions while also executing duties in the business areas that reflect their respective backgrounds.

At the same time, we recognize that increasing the ratio of outside directors with a diverse range of expertise and broad perspectives is crucial to incorporating a wider breadth of opinions into Board discussions. It was for this reason that we appointed Jin Song Montesano as a new outside director, who is also Yamaha Motor's first non-Japanese director. This appointment has raised the number of women on the Board of Directors to three, increasing the diversity of its membership. I hope that the outside directors will offer to the greatest extent possible their input and

advice, and point out issues based on perspectives that differ from the ones we hold predicated on our backgrounds mainly in B2C manufacturing. This type of input and advice should also be a valuable asset for enhancing discussions regarding sustainability. Furthermore, the Company has begun arranging forums for outside directors and the president to discuss and evaluate non-financial issues. These forums are being used to examine succession plans for the president and other issues.

Reinforcement of Global Governance

Around 90% of Yamaha Motor's sales originate from overseas and our global network includes more than 100 bases of operation around the world. It goes without saying that the legal requirements can vary by country and region, and the Company has thus maintained a global perspective when it comes to reinforcing corporate governance. It would not be an overstatement to say that the reinforcement of frameworks for governance within bases, between bases and the headquarters, as well as the enhancement of the related training systems, is an important mission.

I feel confident saying that our efforts in that mission have led to the entrenchment within bases of training programs designed to heighten employee knowledge and awareness regarding risks. There has also been noteworthy progress in developing frameworks for swiftly communicating the information gained through the resulting higher awareness to management at global bases. Meanwhile, compliance-related matters have been adopted as

essential agenda items at all Global Executive Committee (GEC) meetings, which serve as the forum for discussions between leaders at our principal bases. In these meetings, base leaders deliberate and discuss these matters amongst themselves based on relevant case studies. Moreover, the proceedings at Board of Directors meetings have been rearranged so that the president's presentation of pertinent topics at the beginning of meetings starts with less favorable reports to instill the stating of unwelcome news first as a shared value.

In this manner, we are implementing various initiatives for reinforcing governance that encompass everyone, from frontline employees to management at the headquarters. However, no amount of diligent effort can erase all risk factors. There is also no end goal for governance reinforcement measures, and based on this recognition, Yamaha Motor will maintain its commitment to fortifying its corporate governance systems going forward.

Cultivation of Human Resources for the Future

In fiscal 2022, Yamaha Motor appointed its first woman executive officer. The Company has some 430 core positions around the world and about half are held by local hires today, meaning that locally hired employees are active in important roles at our bases. In addition, base managers are being appointed to key positions at the headquarters and the use of inter-base job rotations and other systems is brisk. Given the current condition of the Company, I believe that there is a need to reform remuneration and other systems if we hope to allocate our human resources more ideally and without undue consideration paid to nationality or gender.

Personally, I am dedicated to using the Management Committee as a venue for empowering newer employees. To this

end, I look to increase the range of opportunities for younger employees to gain experience by giving presentations at Management Committee meetings, as they will likely be candidates for future manager and executive officer positions someday. I also want to facilitate a deeper understanding of our approach to human resources among outside directors through this approach.

Yamaha Motor is committed to always delivering new *Kando* and new value as a *Kando* Creating Company, and in my capacity as chairman, I aim to ensure high-quality proceedings take place at meetings of the Board of Directors. I hope we can look forward to the ongoing support and understanding of our stakeholders.

Outside Officer Roundtable



Takehiro Kamigama
Outside Director

Yuko Tashiro
Outside Director

Eriko Kawai
Outside Audit &
Supervisory Board Member

Yamaha Motor's corporate governance is making sure-footed strides toward its goal to be a *Kando* Creating Company.

Outside directors Takehiro Kamigama and Yuko Tashiro, and outside Audit & Supervisory Board member Eriko Kawai shared and discussed their individual assessments of Yamaha Motor's corporate governance systems, issues that need addressing, as well as the duties they feel they must fulfill as members of the Board.

Kamigama Tashiro-san and I previously spoke together in *Integrated Report 2020* and this time we have outside Audit & Supervisory Board member Kawai-san joining us. Kawai-san, having served as an outside auditor with Yamaha Motor for a year now, I would first like to hear your thoughts and impressions on your experience so far.

Kawai The discussions we have at Board meetings are very spirited. You, Tashiro-san, and the other outside directors all have a wealth of management experience as leaders at global companies, so the input and comments made are extremely practical. You all express your opinions without sugarcoating anything or for the sake of ingratiation—and they are sometimes harsh opinions at that—but this is precisely why I feel that the role expected of independent outside directors is being fulfilled. Yamaha Motor's executives are also gaining new knowledge from the outside directors and I feel this provides good stimulus for them as well.

Tashiro It is often the case that things considered obvious to those in the company can be difficult for those outside it to understand. I think it is important for us as outside directors to ask the kind of questions that make people at Yamaha Motor more aware of this. As transparency with company management becomes increasingly crucial going forward, it will be that much more vital to communicate information in ways that investors and other outsiders can understand, so I do not hesitate to ask questions regarding things I am unsure about. Yamaha Motor's Medium-Term Management Plan announced earlier this year implements portfolio management and clarifies the positioning of each business. When I began serving as an outside director, I wondered how the Company manages such a diverse range of businesses operating in so many countries around the world, and I did not fully understand the positioning of each business. But we outside directors participated in the process for formulating the new Medium-Term Management Plan and were involved in the numerous discussions held at Board meetings. I believe it is a significant mark of progress that the positioning of each business has been well organized and is now easier for outsiders to understand.

Kamigama I am sure that some companies only present a medium-term management plan to their outside directors at a stage of near completion, after which they receive opinions from said outside directors in response to its content. But at Yamaha Motor, the plan was presented to us when the frameworks were in place but not yet concrete, as if the ingredients for a delicious dish were still being decided on. From there, the new Medium-Term Management Plan was evolved and taken to completion through repeated discussions and our feedback reflected throughout. In the process, I understand that Yamaha Motor's executives were occasionally inspired by our opinions, and the sense of solidarity and collaborative spirit we had to build this plan together brought a high level of enthusiasm to the discussions.

Kawai On your point regarding a sense of solidarity, shortly after I was first appointed as an outside director, the COVID-19 pandemic led to all meetings of the Audit & Supervisory Board as well as the Board of Directors being conducted online, including any prior communications pertinent to them. I was new to the position and because my areas of expertise are finance and education, at the time, I felt that it would be difficult to make up for my lack of knowledge about Yamaha Motor's businesses and the industry in general through web conferencing alone. When I expressed these concerns, the Company arranged for me to take a tour of the factory around when COVID-19 cases had somewhat subsided, and they set aside time to explain Yamaha Motor's businesses and strategies to me. Thanks to that level of attentive support in the beginning, I carry out my work today with a strong sense of solidarity with Yamaha Motor.

Tashiro I agree with you. We now have an arrangement that actively incorporates the opinions of outside directors. Compared to when I first joined the Board of Directors, the substance of our discussions has become much richer. Whenever I ask for an explanation of certain topics to prepare for a discussion, I get a response in full and the materials provided in advance are very complete. This is why I feel that the involvement of outside directors has grown deeper and that our Board meetings have made big forward strides.

Kamigama I serve as an outside director on the boards of several companies, and in that capacity, I have noticed that all companies are changing and discussions at board meetings have become much livelier. What is expected of outside directors is naturally rising in step with that and the workload is growing as well, but it makes me happy to see that governance at Japanese companies—Yamaha Motor included—is moving in the right direction.

Tashiro Yamaha Motor has provided various opportunities for us outside directors and actively implements our opinions. One example is the Executive Personnel Committee. Outside directors comprise the majority of the committee and its roles and merits have grown every year. As Kamigama-san mentioned earlier, our workload is rising, yes, but at the same time, we are able to confidently take on our tasks because Yamaha Motor always responds to our suggestions with sincerity.

You all express your opinions without sugarcoating anything or for the sake of ingratiation—and they are sometimes harsh opinions at that—but this is precisely why I feel that the role expected of independent outside directors is being fulfilled.





With the new Medium-Term Management Plan, the Company's response to sustainability was bolstered by including non-financial KPIs alongside financial ones, among other measures.

Kawai Yamaha Motor also has another unique format for taking in the opinions of outside directors with the CEO roundtable conference. When I first attended one, I was honestly shocked to see how the two of you and the other outside directors so directly expressed various opinions from such a broad range of perspectives to Yamaha Motor CEO, Hidaka-san. I think the CEO roundtable serves as an important forum for raising the effectiveness of corporate governance at Yamaha Motor.

Kamigama We began the CEO roundtable conference in 2020 to decide whether or not the CEO will be reappointed based on performance reviews and evaluations. It is a setting in which we confirm management's execution of business duties and the like by speaking with the CEO in person. I believe the process is quite effective and ensures both objectivity and fairness. We also have a meeting separate from the CEO roundtable in which only outside directors get together to discuss issues and share opinions amongst ourselves. However, in the course of these discussions, questions or concerns many of us shared would arise, ones we wanted to ask and confirm directly with the CEO. So, we decided it would be a good idea to invite Hidaka-san himself and speak with him in person, so now he attends these meetings with us outside directors as well. Thereafter, this has remained our approach for setting the stage for having candid conversations.

Tashiro The CEO roundtable conference, meetings for outside directors to share their opinions, and similar forums undoubtedly play a vital role. We must focus on and limit our comments to discussion items at Board meetings, but these other opportunities allow us to speak freely without worrying about the agenda. For example, at one CEO roundtable, I asked the outside directors to share any bad news they had first, which

has taken root as a practice. Hidaka-san now reports any bad news at the beginning of every Board meeting. When compliance and other issues arise, the more time passes the more difficult it becomes to address them, so by hearing the bad news first, I believe we can minimize the adverse impacts such issues may bring.

Kawai I agree completely. Yamaha Motor has a diverse range of businesses in more than 180 locations around the world as well as numerous subsidiaries and joint ventures, so as an auditor, that fact presents difficulties in managing risks. However, the internal audit departments and the Company's permanent auditors work very hard, calling on well-established networks to gather information and endeavoring to find out bad news as soon as possible. They immediately alert us outside auditors of the news as well, so that we can fulfill our own roles. I hope that Yamaha Motor will continue to not only maintain but also strengthen these key networks.

Kamigama With the new Medium-Term Management Plan, the Company's response to sustainability was bolstered by including non-financial KPIs alongside financial ones, among other measures. We outside directors made various proposals during the discussions concerning this, but I believe Tashiro-san's feedback at the time put a lot of emphasis on the diversity of human resources in particular. Can you share your thoughts on this point?

Tashiro Since early on in my tenure and at the CEO roundtable conferences as well, I have been making proposals to bring greater diversity to the Company's human resources, such as the hiring and promotion of women and non-Japanese employees. The bulk of Yamaha Motor's business and product portfolio is aimed at general consumers, so half of its

customers are women and the majority of its customer base lives outside Japan. In today's world where unprecedented events are occurring one after another, from the COVID-19 pandemic and Russia's invasion of Ukraine to the escalation of climate change issues, I believe securing a diverse workforce and including more people with a variety of opinions and world views in the management team is essential for Yamaha Motor's sustainable growth. In recent years, the Company has appointed more and more non-Japanese executive officers, and in addition to Kawai-san becoming an outside Audit & Supervisory Board member, our most recently appointed outside director, Jin Song Montesano, is both non-Japanese and a woman. Hidaka-san has always been welcoming to the opinions of outside directors and takes our input very seriously. This has helped expedite improvements to the Company's corporate governance and I feel that what we had hoped for has been achieved much faster than we expected.

Kawai Regarding the promotion of women, Kyoto University, where I serve as a professor, is also struggling to hire women professors due to the small number of women entering engineering and other science departments. I think Yamaha Motor and other manufacturing companies in Japan are facing similar problems, but it is important to not simply hire more women, but to have everyone also experience firsthand the positive effects hiring and promoting women brings. Tashiro-san herself is helping propagate those effects through her meetings and interviews with women employees, and I also have high praise for the Company's efforts in this regard. Of course, I also have a responsibility and role to play, so through my expertise in human resource development, I also want to support and contribute to greater successes for women at Yamaha Motor.

Tashiro As you mentioned, I try to spend as much time as I can speaking with the women that work at Yamaha Motor. I hope to be a force for promoting the success of women at the Company by sharing my own experiences with them, and by putting our heads together to examine avenues for helping women excel and for changing mindsets in the workplace, we can better clarify the career direction each woman wants to go in.

Kamigama Thank you both very much for your insights. I myself am aware of areas in which I did not put in enough effort as a leader to promote the advancement of women, so I very much look forward to seeing the changes both of you will bring to the Company. To bring things to a close, I would like to share my own thoughts on Yamaha Motor. Amid the globe-spanning shift to electrification in the vehicle industry, I hope that Yamaha Motor will be the first to pioneer technologies fusing the traits of internal combustion engines and electric motors. I feel that this is something that Yamaha Motor is uniquely positioned to accomplish and is a personal dream of mine. To this end, calling on my own experiences in managing a manufacturing company, I want to act as a set of brakes by pointing out anything I am not comfortable with or feel is too risky without hesitation, but also as a throttle to push things forward quickly when I feel the matter is largely settled. Adeptly using both the "throttle" and the "brakes" to accelerate the Company's pace of progress, I would very much like to see Yamaha Motor make my dream a reality. And as both of you said, Yamaha Motor's corporate governance is making sure-footed strides, so let us continue to carry out our respective roles and contribute to fulfilling the corporate mission to be a *Kando* Creating Company. Thank you very much for your time today.

This has helped expedite improvements to the Company's corporate governance and I feel that what we had hoped for has been achieved much faster than we expected.



Directors and Audit & Supervisory Board Members (As of March 24, 2022)

Directors



Chairman and Representative Director
Katsuaki Watanabe

Attendance at meetings of the Board of Directors 14 out of 14

April 1982: Joined the Company
March 2011: Senior Executive Officer and Chief General Manager of Manufacturing Center
March 2014: Senior Executive Officer and Director, Chief General Manager of Manufacturing Center and Executive General Manager of 1st Business Unit, MC Business Operations
March 2016: Managing Executive Officer and Director, Chief General Manager of MC Business Operations
January 2018: Executive Vice President and Representative Director
January 2022: Chairman and Representative Director (to present)



President and Representative Director
Yoshihiro Hidaka

Attendance at meetings of the Board of Directors 14 out of 14

April 1987: Joined the Company
July 2010: Vice President of Yamaha Motor Corporation, U.S.A.
March 2017: Senior Executive Officer and Director, Executive General Manager of Corporate Planning & Finance Center
January 2018: President, Chief Executive Officer and Representative Director (to present)
June 2018: Outside Director of Yamaha Corporation (to present)



Outside Director
Takuya Nakata

Attendance at meetings of the Board of Directors 14 out of 14

April 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation)
October 2005: General Manager of PAVDMI Division of Yamaha Corporation
June 2006: Executive Officer of Yamaha Corporation
June 2009: Director & Executive Officer of Yamaha Corporation
April 2010: President of Yamaha Corporation of America
June 2010: Senior Executive Officer of Yamaha Corporation
June 2013: President and Representative Director of Yamaha Corporation
March 2014: Outside Director (to present)
June 2015: President of Yamaha Music Foundation (to present)
June 2017: Director, President and Representative Executive Officer of Yamaha Corporation (to present)



Outside Director
Yuko Tashiro

Attendance at meetings of the Board of Directors 14 out of 14

June 1986: Joined KPMG LLP
July 1995: Partner of KPMG LLP
November 2000: Sourcing Leader of GE Corporate Japan of General Electric International Inc.
July 2003: Chief Financial Officer of PHOENIX RESORT CO., LTD.
April 2005: Director, Chief Operating Officer and Chief Financial Officer of Aon Holdings Japan, Ltd.
April 2010: Representative Director of TS Associates, Ltd.
June 2012: Outside Director of Accordia Golf co., Ltd.
March 2016: Auditor (External) of McDonald's Holdings Company (Japan), Ltd. (to present)
June 2016: Representative Director, President and Chief Executive Officer of Accordia Golf co., Ltd.
January 2018: Director and Chairman of the board of Accordia Golf co., Ltd.
April 2018: Representative Director, Chairman of the board and President, CEO of Accordia Golf co., Ltd.
March 2019: Outside Director of the Company (to present)
March 2019: Representative Director, Chairman of the board of NEXT GOLF MANAGEMENT Co., Ltd.
April 2021: Representative Director and Chairman of the board of Accordia Golf co., Ltd. (to present)
April 2021: Chairman and Representative Director of NEXT GOLF MANAGEMENT CORPORATION (to present)



Director
Heiji Maruyama

Attendance at meetings of the Board of Directors 11 out of 11 (After appointment on March 24, 2021)

April 1986: Joined the Company
March 2019: Senior Executive Officer, Chief General Manager of Powertrain Unit, and Senior General Manager of Powertrain Planning Section, Powertrain Unit
March 2021: Senior Executive Officer and Director, Chief General Manager of Technical Research & Development Center (to present)

Responsible for Creative, Research & Development, Powertrain Unit, Vehicle Development



Director
Satohiko Matsuyama

Newly appointed

April 1986: Joined the Company
March 2019: Senior Executive Officer, Chief General Manager of Manufacturing Center
March 2022: Senior Executive Officer and Director (to present)

Responsible for Manufacturing, Manufacturing Technology, Procurement, Power Products



Outside Director
Takehiro Kamigama

Attendance at meetings of the Board of Directors 14 out of 14

April 1981: Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)
June 2002: Corporate Officer of TDK Corporation
June 2003: Senior Vice President of TDK Corporation
June 2004: Director & Executive Vice President of TDK Corporation
June 2006: President & Representative Director of TDK Corporation
June 2016: Chairman & Representative Director of TDK Corporation
June 2017: Outside Director of OMRON Corporation (to present)
March 2018: Outside Director of the Company (to present)
June 2018: Outside Director of SoftBank Corp. (to present)
June 2018: Mission Executive of TDK Corporation
March 2021: Outside Director of KOKUYO Co., Ltd. (to present)
August 2021: Representative Director of Gama Expert, Inc. (to present)



Outside Director
Jin Song Montesano

Newly appointed

September 1995: Congressional Affairs Director of Korea Economic Institute of America (KEI)
July 2001: Corporate & Government Affairs Director, Asia Pacific of GlaxoSmithKline plc.
July 2005: Vice President, Communications, Asia Region of GE Money
March 2009: Vice President, Corporate & Government Affairs, Asia Pacific of Kraft Foods, Inc.
July 2012: Vice President, Global Public Affairs of GSK Vaccines
November 2014: Executive Officer and Managing Director in charge of Public Affairs, CSR, and Environmental Strategy of LIXIL Group Corporation
November 2014: Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation
February 2015: Director, Senior Managing Executive Officer and Chief Public Affairs Officer of LIXIL Corporation
September 2017: Director, Senior Managing Director and Chief Public Affairs Officer of LIXIL Corporation
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
December 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 Corporation (to present)
March 2022: Outside Director of the Company (to present)

Note: As of December 1, 2020, LIXIL Group Corporation and LIXIL Corporation formed a merger (New company name: LIXIL Corporation)



Director
Motofumi Shitara

Newly appointed

April 1986: Joined the Company
January 2018: Director and President of Yamaha Motor India Pvt. Ltd. and Director and President of Yamaha Motor India Sales Pvt. Ltd.
January 2022: In charge of Corporate Affairs
March 2022: Senior Executive Officer and Director (to present)

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



Outside Director
Tetsuji Ohashi

Attendance at meetings of the Board of Directors 14 out of 14

April 1977: Joined Komatsu Ltd.
January 2004: President and Chief Operating Officer (COO) of Komatsu America Corp.
April 2007: Executive Officer of Komatsu Ltd.
April 2008: Senior Executive Officer of Komatsu Ltd.
June 2009: Director and Senior Executive Officer of Komatsu
April 2012: Director and Senior Executive Officer of Komatsu
April 2013: President and Representative Director, and CEO of Komatsu Ltd.
April 2019: Chairperson of the Board and Representative Director of Komatsu Ltd. (to present)
May 2019: Vice Chair of KEIDANREN (to present)
March 2020: Outside Director of the Company (to present)
June 2021: Outside Director of Nomura Research Institute, Ltd. (to present)



Outside Director
Tetsuji Ohashi

Attendance at meetings of the Board of Directors 14 out of 14

April 1977: Joined Komatsu Ltd.
January 2004: President and Chief Operating Officer (COO) of Komatsu America Corp.
April 2007: Executive Officer of Komatsu Ltd.
April 2008: Senior Executive Officer of Komatsu Ltd.
June 2009: Director and Senior Executive Officer of Komatsu
April 2012: Director and Senior Executive Officer of Komatsu
April 2013: President and Representative Director, and CEO of Komatsu Ltd.
April 2019: Chairperson of the Board and Representative Director of Komatsu Ltd. (to present)
May 2019: Vice Chair of KEIDANREN (to present)
March 2020: Outside Director of the Company (to present)
June 2021: Outside Director of Nomura Research Institute, Ltd. (to present)



Audit & Supervisory Board Member (Full-Time)
Kenji Hironaga

Attendance at meetings of the Board of Directors 14 out of 14
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

April 1982: Joined the Company
February 2010: General Manager of Human Resources Development Division, Human Resources & General Affairs Section
September 2014: Chief General Manager in charge of Planning, Audit & Supervisory Board Members' Office
March 2015: Audit & Supervisory Board Member (to present)

Audit & Supervisory Board Members



Audit & Supervisory Board Member (Full-Time)
Kenji Hironaga

Attendance at meetings of the Board of Directors 14 out of 14
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

April 1982: Joined the Company
February 2010: General Manager of Human Resources Development Division, Human Resources & General Affairs Section
September 2014: Chief General Manager in charge of Planning, Audit & Supervisory Board Members' Office
March 2015: Audit & Supervisory Board Member (to present)



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

Attendance at meetings of the Board of Directors 14 out of 14
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

November 1985: Joined the Company
February 2008: General Manager of Legal & Intellectual Property Division
April 2011: Representative Director and President of Yamaha Motor Espana S.A.
May 2012: Vice President of Yamaha Motor Europe N.V.
March 2017: Senior Executive Officer
March 2019: Audit & Supervisory Board Member (to present)



Audit & Supervisory Board Member (Outside)
Masatake Yone

Attendance at meetings of the Board of Directors 14 out of 14
Attendance at meetings of the Audit & Supervisory Board 16 out of 16

April 1981: Registered as an Attorney
March 1987: Registered as a New York State Attorney
July 1987: Joined Mori Sogo (currently Mori Hamada & Matsumoto)
January 1989: Partner Attorney of Mori Hamada & Matsumoto
April 2000: Lecturer at Graduate School of International Corporate Strategy, Hitotsubashi University
September 2005: Outside Corporate Auditor of BANDAI NAMCO Holdings Inc.
March 2008: Outside Director of GCA Sawian Group Corporation (currently GCA Corporation)
April 2011: Vice President of Daiichi Tokyo Bar Association
June 2011: Outside Corporate Auditor of BANDAI NAMCO Games Inc. (currently BANDAI NAMCO Entertainment Inc.) (to present)
June 2013: Audit and Supervisory Board Member (External) of Terumo Corporation
June 2015: Independent Director (Audit/Supervisory Committee Member) of Terumo Corporation
March 2016: Outside Director (Audit & Supervisory Committee Member) of GCA Corporation (to present)
March 2019: Outside Audit & Supervisory Board Member of the Company (to present)
December 2019: Outside Director of Skymark Airlines Inc. (to present)
January 2020: Senior Counsel at Mori Hamada & Matsumoto (to present)



Audit & Supervisory Board Member (Outside)
Eriko Kawai

Attendance at meetings of the Board of Directors 11 out of 11
Attendance at meetings of the Audit & Supervisory Board 13 out of 13 (After appointment on March 24, 2021)

October 1981: Joined Nomura Research Institute, Ltd.
September 1985: Management Consultant of McKinsey & Company, Inc.
October 1986: Fund Manager of Mercury Asset Management/SG Warburg plc
November 1995: Director and Chief Investment Officer (CIO) of Yamaichi Regent ABC Polska
July 1998: Senior Pension Funds Administrator of Bank for International Settlements
October 2004: Senior Pension Funds Administrator of Organization for Economic Co-operation and Development (OECD)
March 2008: Representative of Kawai Global Intelligence
April 2012: Professor of Institute for the Promotion of Excellence in Higher Education of Kyoto University
April 2013: Professor of Institute for Liberal Arts and Sciences of Kyoto University
April 2014: Professor of Graduate School of Advanced Integrated Studies in Human Survivability of Kyoto University
December 2017: External Audit and Supervisory Board Member of CMIC HOLDINGS Co., Ltd.
June 2018: Outside Director of Daiwa Securities Group Inc. (to present)
December 2019: Outside Director of CMIC HOLDINGS Co., Ltd. (to present)
March 2021: Outside Audit & Supervisory Board Member of the Company (to present)
April 2021: Professor Emeritus of Kyoto University (to present)
June 2021: Outside Director of Mitsui Fudosan Co., Ltd. (to present)

Management Platforms

Directors and Audit & Supervisory Board Members (As of April 1, 2022)

Executive Officers

President and Chief Executive Officer

Yoshihiro Hidaka

Senior Executive Officers

Heiji Maruyama

Chief General Manager of Technical Research & Development Center

Satohiko Matsuyama

Chief General Manager of Solution Business Operations

Motofumi Shitara

Chief General Manager of Land Mobility Business Operations, and Executive General Manager of Motorcycle Business Unit, Land Mobility Business Operations

Hirofumi Usui

Chief General Manager of Marine Business Operations

Minoru Morimoto

President of PT. Yamaha Indonesia Motor Manufacturing

Eric de Seynes

President of Yamaha Motor Europe N.V.

Hiroyuki Ota

Chief General Manager of Solution Business Operations

Itaru Otani

Chief General Manager of Land Mobility Business Operations, and Executive General Manager of Motorcycle Business Unit, Land Mobility Business Operations

Takuya Kinoshita

Chief General Manager of Creative Center

Dyonisius Beti

COO of PT. Yamaha Indonesia Motor Manufacturing

Executive Officers

Toshihiro Nozue

Chief General Manager of Powertrain Unit

Satoshi Hirose

Chief General Manager of Quality Assurance Center and Executive General Manager of Customer Experience Business Unit

Takeo Noda

Chief General Manager of Corporate Planning & Finance Center

Toshiaki Ibata

Senior General Manager of Development Section, Marine Business Operations

Toyoshi Nishida

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

Norio Yamada

Chief General Manager of IT Center

Tatsuya Masuda

Chief General Manager of Procurement Center

Kenichi Muraki

Chief General Manager of Manufacturing Technology Center

Koutarou Ueda

Chief General Manager of Manufacturing Center

Eishin Chihana

Managing Director of Yamaha Motor India Pvt. Ltd., Managing Director of India Yamaha Motor Pvt. Ltd., and Managing Director of Yamaha Motor India Sales Pvt. Ltd.

Shin Yokomizo

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

Yasutaka Suzuki

General Director of Yamaha Motor Vietnam Co., Ltd.

Michael Chrzanowski

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

Jeffrey Young

Chairman of Yamaha Motor Finance Corporation U.S.A.

Kenji Komatsu

Deputy Chief General Manager of Technical Research & Development Center

Ayako Egashira

Executive General Manager of Robotics Business Unit, Solution Business Operations

Mitsuru Hashimoto

Chief General Manager of Human Resources & General Affairs Center

Deputy Executive Officers

Ben Speciale

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

Olivier Prevost

Director of PTW Manufacturing & Engineering, Yamaha Motor Europe N.V.

Corporate Governance

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

Basic Views on Corporate Governance

To ensure the implementation of the Company's growth strategies for the future, Yamaha Motor's Board of Directors establishes an environment that supports appropriate risk-taking and decisive decision-making by management, and it multilaterally understands and appropriately oversees issues and risks associated with the implementation of the Company's management strategies from the viewpoint of fulfilling responsibilities to various stakeholders, including shareholders and investors.

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



For more details, please see the Corporate Governance Guidelines.

https://global.yamaha-motor.com/ir/governance/pdf/corporate_governance_guidelines-e.pdf

History of Strengthening the Corporate Governance System

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Improvement of operating structure	2001: Introduction of Executive Personnel Committee (Nomination / Remuneration Committee)													
	Operation of Board of Directors + Management Discussion meeting													
	Establishment of Corporate Governance Guidelines													
	Implementation of the Board evaluation													
	Abolition of takeover defense measures													
Executive structure	2001: Introduction of executive officer system													
	2007: Appointment of outside directors													
	Delegation agreement with executive officers													
	Appointment of women directors and Audit & Supervisory Board members													
	Appointment of non-Japanese executive officers													
Number of directors	Separation of chairman of the Board of Directors and chief executive officer (CEO)													
		11	11	10	10	12	11	11	13	11	11	10	10	10
	Number of internal directors	7	8	7	7	9	8	8	10	7	7	6	6	5
	Number of outside directors	4	3	3	3	3	3	3	3	4	4	4	4	5
	Independent outside directors	3	2	2	2	2	2	2	2	3	4	4	4	5
Of whom, women directors	1	1	1	0	0	0	0	0	0	0	1	1	1	2
Executive remuneration system	Integration of stock options into stock compensation plan													
	Overall revision of the system (compensation further linked to performance and for long-term incentives)													
Medium-Term Management Plan	Stabilization of a profitable structure (V-shaped recovery in results)			Toward sustainable growth (expansion of business scale and enhancement of profitability)			A unique company that continues to achieve dynamic milestones (management emphasizing ROE and cash flows)			Taking on the renewed challenge of achieving net sales of ¥2 trillion			Strengthening of sustainability measures	

PF: Platform

■ Corporate Governance Structure

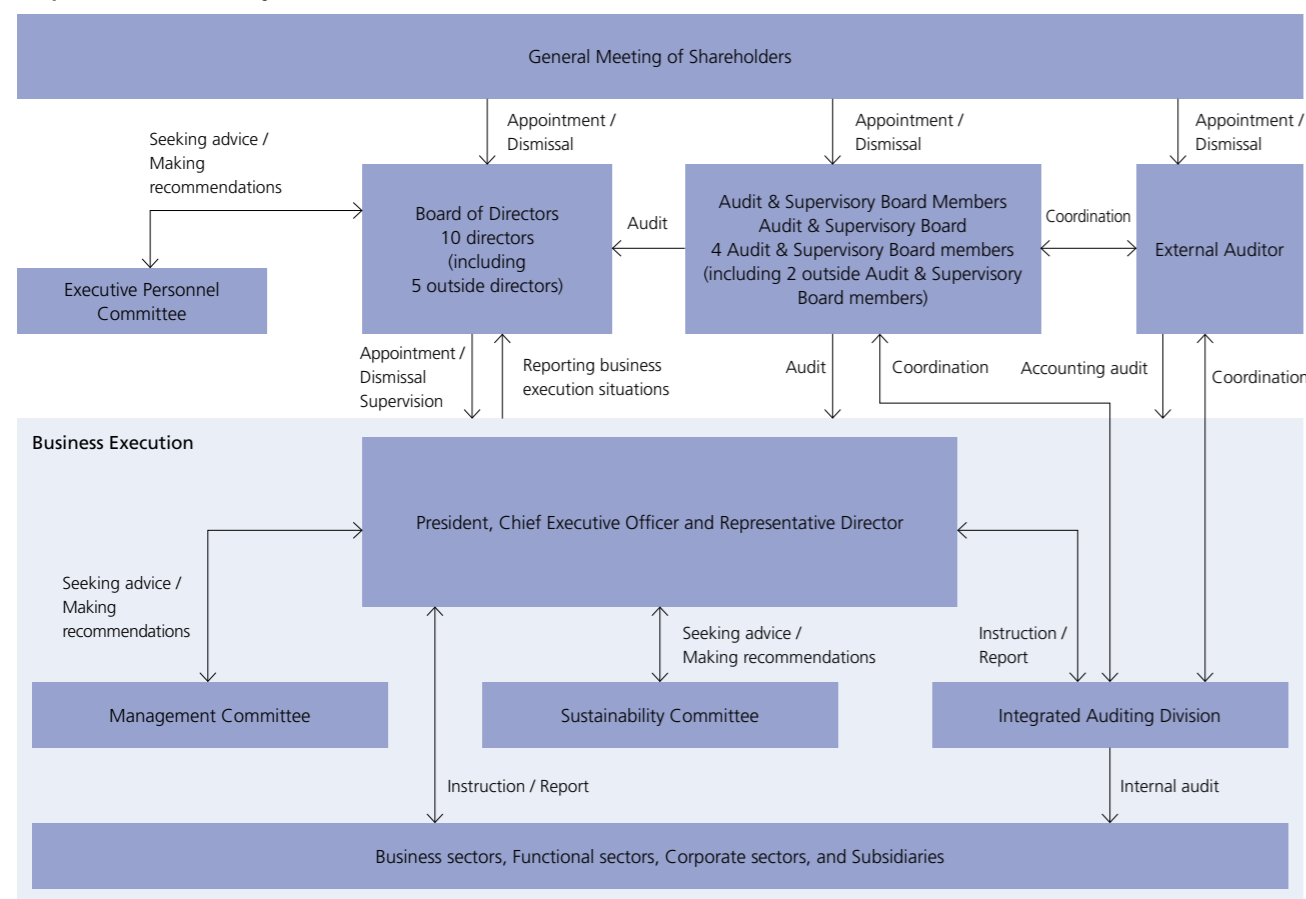
Yamaha Motor supplies various kinds of products and services to markets around the world, including personal mobility solutions, marine products, industrial robots, vehicle engines, and unmanned helicopters. Overseas sales account for approximately 90% of the Company's consolidated net sales. Starting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

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

Corporate Governance System Overview

Organizational design	Company with Audit & Supervisory Board
Number of directors (number of outside directors)	10 (5)
Number of Board of Directors meetings in fiscal 2021 (average attendance rate by directors)	14 (100%)
Number of Audit & Supervisory Board members (number of outside Audit & Supervisory Board members)	4 (2)
Number of Audit & Supervisory Board meetings in fiscal 2021 (average attendance rate by Audit & Supervisory Board members)	16 (100%)
Directors' term of office	One year
Use of executive officer system	Yes
Optional committees of Board of Directors	Executive Personnel Committee
Auditor	Ernst & Young ShinNihon LLC

Corporate Governance System (As of March 24, 2022)



■ Directors and the Board of Directors

On the basis of fiduciary responsibilities to shareholders, directors collect adequate information, understand relevant laws and regulations and other necessary rules, actively express opinions, and discuss and make decisions at Board of Directors meetings, Management Discussion meetings, and other important meetings in order to obtain sufficient knowledge on viewpoints and standpoints of various stakeholders, including shareholders, and to achieve sustainable growth and medium- to long-term enhancement of corporate value. The chairman of the Board of Directors does not hold any specific authority and is not involved in the execution of business matters. As a general rule, Board meetings are held monthly but may also be held if deemed necessary.

Yamaha Motor's Standards for Independence

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

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

https://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf

■ Board Effectiveness Evaluation

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

The analysis and evaluation are carried out from the following perspectives and a summary of the results is disclosed appropriately.

Evaluation Process

- Conduct a self-evaluation by questionnaire updated with the help of a third-party institution based on the seven evaluation perspectives for the aims of the Board of Directors
- Enlist a third-party institution to conduct an investigation of the Board of Directors, analyze the results, and hold interviews from an objective perspective
- Conduct evaluations and analyses from the perspective of the amended June 2021 version of the Corporate Governance Code
- Share the analysis-based results of the effectiveness evaluation and deliberate the issues to be addressed at Board meetings

Evaluation Perspectives

1. Roles and responsibilities of directors and the Board of Directors
2. Relationships between the Board of Directors and senior management (executive officers)
3. Organizational design and composition of the Board of Directors, etc.
4. Qualifications held and knowledge of directors and the Board of Directors
5. Deliberation at meetings of the Board of Directors
6. Relationships and dialogue with shareholders
7. Dealings with stakeholders other than shareholders

Evaluation Results from Fiscal 2021

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

A particularly praiseworthy point is the way in which the Board of Directors has continued to respect the feedback of outside directors and outside Audit & Supervisory Board members, and fostered a culture of open, constructive discussions and exchanges of opinion, as they did in fiscal 2020.

Our third-party evaluation also confirmed that there were no major discrepancies between the Board's self-evaluation and the third-party institution's evaluation of the Board's effectiveness.

Progress on Issues Flagged in the Previous Fiscal Year's Effectiveness Evaluation

Issues that were flagged in the previous fiscal year's evaluation were "greater deliberation of risk management by the Board," "improvement of diversity of Board membership and examination of successor plans," "greater deliberation of responses to changes in the management environment and for appropriate risk-taking," and "strengthened supervision of the operational status of the whistleblowing system."

Ensuring that "bad news comes first" at Board meetings was at the forefront as the members addressed these points. In addition to creating more opportunities for reporting on and discussing responses to changes and risks in our business environment, including revising our medium- to long-term strategies in response to the situation with COVID-19, the Board discussed matters such as the diversity of our senior management, personnel training, and employee engagement.

This work led to satisfactory evaluation results in all of these areas from the perspective of what the Board of Directors is seeking to become going forward, but points for further improvement were found and it was determined that more work is needed.

Points for Further Improvement of Effectiveness

Based on the above analysis results, the Board of Directors is aware that work is needed in the following areas and will address these issues in order to function more effectively.

- Issue 1. Deepen discussions on the business portfolio
- Issue 2. Implement comprehensive discussions on sustainability
- Issue 3. Strengthen the supervision of the Board of Directors with regard to the status of the prevalence of risk sensitivity on the ground
- Issue 4. Continue initiatives to ensure diversity, including among the Board of Directors and company management
- Issue 5. Issues related to the operation of the Board of Directors (further enhancement of communication opportunities between outside directors and internal directors, hybrid meetings involving face-to-face meetings and online meetings, ideal communication opportunities, etc.)

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

Executive Personnel Committee

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

In its role related to nominations, the committee deliberates on the appointment and dismissal of the CEO, directors, Audit & Supervisory Board members, and executive officers, as well as on the selection of candidates for senior management positions and their development plans, all while confirming future management strategies and personnel requirements for their implementation, among other tasks. As part of its efforts to improve corporate governance, the Company established a system for determining executive officer appointments or dismissals based on a review and evaluation of the CEO's own performance. Specifically, through strategic dialogue with the CEO, the attendees of a roundtable conference (seven outside directors and Audit & Supervisory Board members, chaired by Outside

Director Takehiro Kamigama) carry out a non-financial evaluation that includes the CEO's operational performance as a member of management from the perspective of whether he possesses the qualities required to serve as the CEO and if he properly demonstrates those qualities. The outcome of the conference was reported to the Board of Directors by the Executive Personnel Committee, at which the appointment of executive officers—including the CEO—was finalized. In this way, through a process whereby objectivity and fairness are ensured, we will continue building up our corporate governance in which the best and most suitable members of management execute business operations.

In its role related to remuneration, the committee deliberates on and decides the evaluation standards and remuneration system for the CEO, directors, and executive officers. The committee also evaluates the performance of the Company overall and individuals based on their contributions to medium- to long-term corporate growth and business performance for the fiscal year in question. In addition, the committee deliberates on compensation linked to performance for the abovementioned senior management personnel within the limits of the total remuneration amount resolved at the Ordinary General Meeting of Shareholders.

Identifying the Expertise and Experience Directors and Audit & Supervisory Board Members Must Possess

In order for Yamaha Motor's directors and Audit & Supervisory Board members to fulfill their roles and responsibilities effectively, the members comprising the Board of Directors and Audit & Supervisory Board—including outside members—must possess sufficient knowledge and experience concerning company management in their respective fields. Below are areas of expertise

and experience considered vital to the Company from a management perspective, and in selecting candidate members for the Board of Directors and Audit & Supervisory Board, they must not only possess sufficient knowledge in all of these areas but also in areas where the Company expects particularly strong performance.

Professional Qualifications and Experience of Directors and Auditors

	Name	Classification	Corporate Management / Expertise	Manufacturing / Technology / R&D	Sales / Marketing	Accounting / Finance / M&A	IT / Digital Technology	Human Resources / Labor / Personnel Development	Legal / Compliance	ESG / Sustainability	Risk Management	Global Experience
Directors	Katsuaki Watanabe	Chairman of Executive Personnel Committee										
	Yoshihiro Hidaka	Members of Executive Personnel Committee										
	Heiji Maruyama											
	Satohiko Matsuyama	Newly appointed										
	Motofumi Shitara	Newly appointed										
	Takuya Nakata	Outside / Independent Members of Executive Personnel Committee										
	Takehiro Kamigama	Outside / Independent Members of Executive Personnel Committee										
	Yuko Tashiro	Outside / Independent Members of Executive Personnel Committee										
	Tetsuji Ohashi	Outside / Independent Members of Executive Personnel Committee										
	Jin Song Montesano	Newly appointed Outside / Independent Members of Executive Personnel Committee										
Audit & Supervisory Board Members	Kenji Hironaga											
	Junzo Saito											
	Masatake Yone	Outside / Independent										
	Eriko Kawai	Outside / Independent										

Audit & Supervisory Board Members and the Audit & Supervisory Board

On the basis of fiduciary responsibilities to shareholders, Audit & Supervisory Board members and the Audit & Supervisory Board, as a body independent of the Board of Directors, request the Company and its subsidiaries to submit reports on their business activities in accordance with laws and regulations, survey the status of business operations and properties, exercise rights in respect of appointing or dismissing an external auditor and audit compensation, attend meetings of the Board of Directors and other important meetings, and provide opinions as needed. Through these tasks, Audit & Supervisory Board members and the Audit & Supervisory Board audit the legality and appropriateness of directors' execution of duties, internal control systems, and the performance and financial position of the Company and its subsidiaries. The Audit & Supervisory Board Members' Office, with a

dedicated staff of two people, has been established to assist Audit & Supervisory Board members with their audit and supervisory operations.

Collaboration between Audit & Supervisory Board Members, Outside Auditors, and Internal Audit Section

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

Executive Officers and Management Committee, etc.

The Company has 30 executive officers, of whom four serve concurrently as directors. The Management Committee, comprising eight executive officers with specific posts, has been established to deliberate on matters of business execution, speeding up the Company's decision-making process. In principle, the Management Committee meets at least monthly, and additionally from time to time as necessary. In fiscal 2021, 24 meetings of the Management Committee were held.

In addition, the Global Executive Committee has been established to deliberate on important management policies and issues related to the Group's management. The Global Executive Committee includes the Company's representative director, all executive officers with specific posts, and senior local managers of major Group companies, and has 44 members, of whom 26 are Japanese and 18 are non-Japanese. In principle, the committee meets at least once annually. In fiscal 2021, two meetings of the Global Executive Committee were held.

Sustainability Committee

Yamaha Motor has established the Sustainability Committee, comprising eight executive officers with specific posts, as an entity to deliberate measures related to risk management and compliance as well as to address issues concerning sustainability. In principle, the Sustainability Committee meets three times a year, and also holds additional meetings if necessary.

Internal Auditing

The Integrated Auditing Division, with 25 members and which reports directly to the president and chief executive officer, has been established as an internal auditing body to audit the appropriateness of operational activities by the Company and its subsidiaries. In addition, internal audit functions have been installed at major subsidiaries, working together with the Company's internal auditing body to audit divisions and subsidiaries

Cross-Shareholdings

Yamaha Motor holds cross-shareholdings only when it is deemed necessary and appropriate in order to achieve growth and enhance corporate value from a medium- to long-term perspective. For this reason, we do not hold investment shares for net investment purposes, where the aim is solely to derive profit from share price fluctuations and dividends. All of the investment shares we hold are for purposes other than net investment. The Board of Directors examines each cross-shareholding annually to determine whether the rationale of the shareholdings is appropriate, among other points. The Board of Directors then appropriately discloses a summary of the results. In addition, Yamaha Motor upholds a policy to reduce cross-shareholdings if the shareholdings cannot be justified.

Based on this policy, in fiscal 2021 the Board of Directors verified the appropriateness of holding certain individual stocks and the Company sold a portion of its cross-shareholdings.

Shareholdings of Yamaha Corporation

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

Remuneration System for Executives

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

Coinciding with the beginning of our new Medium-Term Management Plan in fiscal 2022, we have revised the executive remuneration system in a number of ways, including expanding performance-based compensation and introducing evaluations of materiality (important societal issues) and total shareholder return (TSR), and have also changed our policy for deciding the individual remuneration, etc., of directors, Audit & Supervisory Board members, and executive officers at Yamaha Motor.

Basic Policy

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

Remuneration Structure

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

Outside directors and Audit & Supervisory Board members receive only fixed base compensation as their roles require them to supervise and audit Company management from an objective, independent perspective.

Base Compensation

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

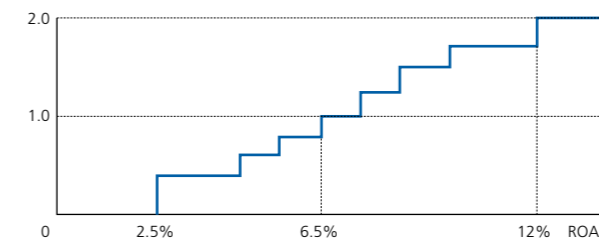
Performance-Based Bonuses

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

Performance-Based Share Compensation

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

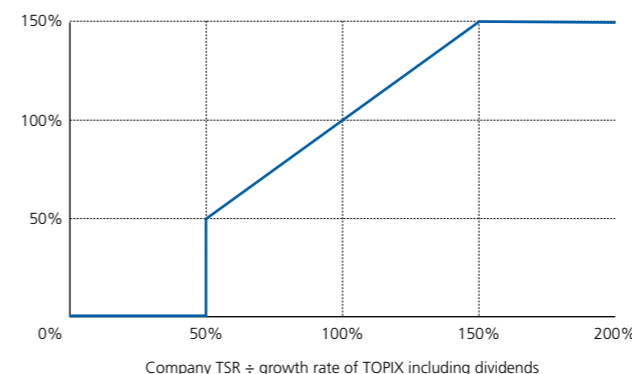
Indicators Related to the ROA Evaluation Coefficient



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

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

TSR Evaluation Coefficient



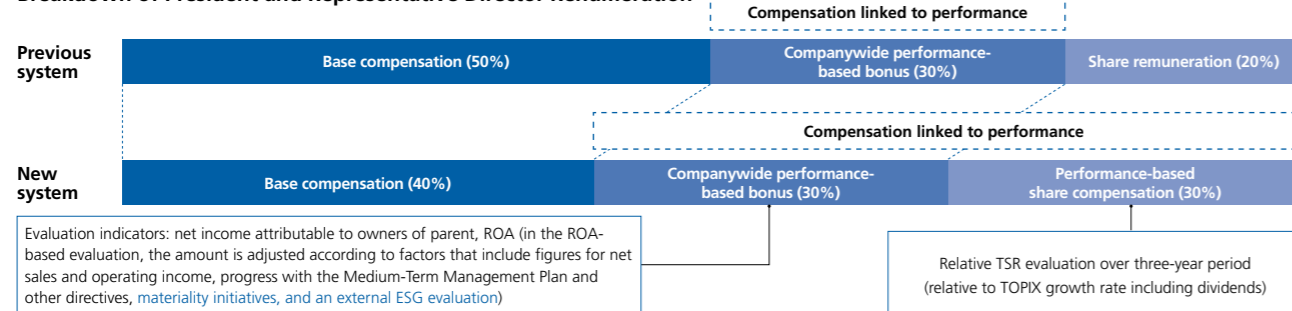
Company TSR =

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

Dividend-inclusive TOPIX growth rate =

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

Breakdown of President and Representative Director Remuneration



* The ratio of performance-based compensation is calculated based on the base compensation.

Breakdown of Compensation Linked to Consolidated Performance

Compensation Linked to Consolidated Performance	Compensation Linked to Individual Performance	
	Financial Evaluation	Non-Financial Evaluation
Pool of funds Net income attributable to owners of parent x Preset percentage of 0.14% (0.09% for executive officers who do not serve concurrently as directors)* x Evaluation coefficient based on ROA 0-2x (including adjustments based on other business performance metrics)	0-2x of base amount relative to achievement of and progress toward predetermined indicators Takes into account year-on-year comparisons and degree of target achievement for net sales, operating income, and ROA in the division for which they are responsible	Takes into account degree of progress on initiatives in the Medium-Term Management Plan, grooming of future executive officers and candidates for senior management positions, and contributions to corporate value and brand value
Ratio of financial and non-financial evaluation • Directors: 1 to 1 (Executive officers: 1 to 1)		
Ratio of compensation linked to consolidated performance and compensation linked to individual performance • Representative director: 1 to 0 • Directors: 2 to 1 (Executive officers: 1 to 3)		

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

Executive Compensation in Fiscal 2021

In fiscal 2021, the Company's three-year ROA average was 8.1%. However, the long-term loans payable urgently raised to address the impacts of the COVID-19 pandemic have been excluded from the calculation. In accordance with remuneration rules, the ROA evaluation coefficient was set at 1.75 after carrying out a comprehensive assessment of business performance, due to record profits following a rebound in the market triggered by the impacts of the COVID-19 pandemic the previous fiscal year. Under officer remuneration rules, if consolidated net income exceeds ¥150 billion, ¥150 billion is used when calculating the total amount for Companywide performance-based bonuses. As a result, the pool of funds for

Companywide performance-based bonuses for directors came to ¥499 million (consolidated net income of ¥150 billion × 0.19% × ROA evaluation coefficient of 1.75). The pool of funds was distributed among executives in accordance with the coefficients determined for each position.

For executive officers who do not serve concurrently as directors, the same calculation method (consolidated net income × 0.08% × ROA evaluation coefficient) is used to calculate the pool of funds, which is then distributed among executives in accordance with the coefficients determined for each position.

Officer classification	Number of applicable executives (persons)	Basic compensation	Compensation linked to performance		Remuneration of shares with restriction on transfer	Total
			Companywide performance-based bonus	Individual performance-based bonus		
Directors (excluding outside directors)	8	308	483	44	110	945
Outside directors	4	66	—	—	—	66
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	2	72	—	—	—	72
Outside Audit & Supervisory Board members	3	33	—	—	—	33
Total	17	479	483	44	110	1,116

- Notes
- The amount of base compensation mentioned above is the total compensation, etc., paid (monetary compensation) in fiscal 2021.
 - Figures include three directors and one Audit & Supervisory Board member who left their positions during this fiscal year.
 - The amount of Companywide performance-based bonuses mentioned above is the amount paid (monetary compensation) in April 2022 based on performance, etc., in fiscal 2021.
 - The amount of performance-based share compensation mentioned above is the pool of funds posted as an expense in fiscal 2021. Common stock (restricted stock) in Yamaha Motor has been awarded as share-based compensation to directors (except outside directors) and executive officers with some conditions (for example, the stocks cannot be transferred until the director or executive officer leaves his/her position).

The Yamaha Motor Group is working on risk management, crisis management, and business continuity as follows.

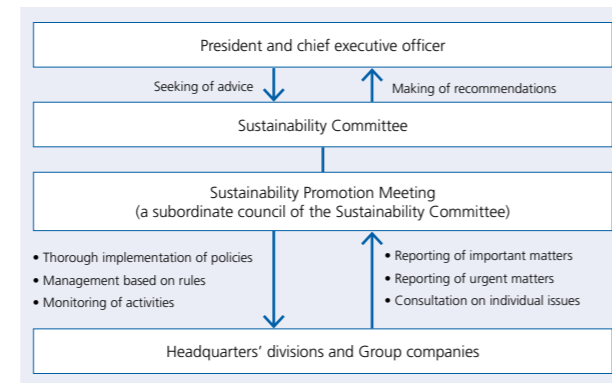
Fundamental Approach to Risk Management

To carry out risk management, Yamaha Motor has established and operates an appropriate organizational structure and set of rules, as well as engages in risk-reduction activities. As part of regular prevention efforts, divisions responsible for risk prevention and mitigation are clarified, countermeasures for risks the Group should respond to

developed, and activities therein conducted on a Groupwide basis. If a major crisis situation occurs, the Emergency Countermeasure Headquarters is established based on internal regulations and other factors and led by the president and chief executive officer to minimize the damage and aftereffects.

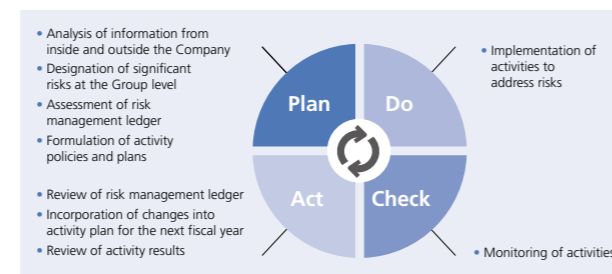
Risk Management Structure

Based on the Rules of Risk Management, the Company's risk management structure is led by the Sustainability Committee and its subordinate council, the Sustainability Promotion Meeting, which comprises the risk management supervisory sections and divisions charged with risk management. The Sustainability Committee, chaired by the president and chief executive officer, monitors risks on a Groupwide basis. The risks that need to be actively prevented and addressed as special priorities are designated as significant risks at the Group level. In addition to Groupwide risk assessments, these are comprehensively judged and selected based on the Group's business strategies, legal and regulatory changes inside or outside the Group, information concerning changes in the operating environment or the likelihood of a risk event, or other developments. Accordingly, activities to address risks are checked and other measures taken to reduced risk on a Groupwide basis.



Risk Management Activity Cycle

Risk management activities are promoted through the repetition of the PDCA cycle as detailed on the right. The Yamaha Motor Group has prepared a risk management ledger of all risks that need to be covered. Each risk is evaluated while judging the level of impact and possibility of occurrence, and risk response action plans are developed for risks that need to be addressed. The progress of these responses is monitored over a six-month period and an annual summary of activities to address risks is compiled at the end of the fiscal year in an effort to reduce risks.



Significant Risks at the Group Level in 2021

	Background	Measures
Pandemics	This risk was selected because the Group has experienced a pandemic with COVID-19. In order to ensure business continuity while safeguarding the health of employees, there is a need to reexamine the effectiveness of internal rules by reviewing the activities carried out thus far.	The Group will continue to alter its countermeasures in response to risks of the pandemic's spread, review the definitions of various items, revise level-based pandemic countermeasures, and otherwise improve the effectiveness of its internal rules to ensure a uniform level of countermeasures for both domestic and overseas Group companies.
Cybersecurity	The degree of reliance on and the importance of information systems within the Group's business activities are increasing. Measures are needed to prevent leaks of personal or confidential information, information system failures, etc., caused by cyberattacks and computer virus infections.	The Group has established a Cybersecurity Policy and is taking measures covering both the tangible and intangible aspects of cybersecurity to increase its defenses against external attacks, to detect attacks at an early stage, and to minimize damage in the event of an attack.
Products containing environmentally hazardous substances	Countries around the world have been steadily tightening regulations on environmentally hazardous substances, and the Group must strengthen control structures to prevent violations of laws by the products it manufactures.	The Group takes steps for early prevention of violations of laws, regulations, and ordinances by maintaining an accurate understanding of legal information in relevant countries, by communicating accurate information internally and externally to relevant departments, by conducting rank-based training, by promoting the proper management systems as well as standardizing the steps for handling increasingly complex laws and regulations, and by efficiently utilizing IT systems.
Improper import/export procedures	In light of the growing number of bilateral and multilateral free trade agreements and the increasing need for import/export procedures for global logistics among Group companies, the Group must further enhance its system for preventing violations of agreements, regulations, ordinances, and laws.	Groupwide structures are being developed to prevent violations of laws, regulations, and ordinances by tracking information pertaining to the enactment and revision of free trade agreements, by standardizing work processes and properly educating relevant personnel in line with the management frameworks stipulated in the Group rules, and by monitoring the implementation status of these measures on a daily and regular basis.
Violation of copyright laws regarding software licenses	Computer software is protected as copyrighted work and requires proper management. However, due to the diversification of workstyles and changes in the operating environment, such as cloud computing, licensing systems are becoming more complicated and the risk of violating laws and regulations, even without intention, is increasing.	For the early prevention of software license violations, the Group is raising its levels of internal awareness by educating managers and employees. Additionally, the Group is strengthening and establishing IT asset management systems and their operating practices.
Bribery	Anti-corruption initiatives are being ramped up in every country and region, and as the Group conducts business activities on a global scale, there is a need to implement an effective system for early prevention of regulatory violations and to strengthen anti-bribery measures.	Based on the Yamaha Motor Group Anti-Bribery Policy, the Group is adhering to its anti-bribery commitment and implementing related management systems on a global basis. It also conducts training, monitoring, and risk assessments to address anti-bribery more effectively and systematically. From 2021, the Group has been reinforcing measures in areas with a high risk of corruption and promoting the application and establishment of activities to achieve this.

Crisis Management Structure and Activities

The Yamaha Motor Group works to minimize the damage from and quickly resolve crisis situations as per the Rules for Initial Response to an Emergency.

In the event of a disaster, accident, or compliance-related incident at the Group, the division involved will report to the risk management supervisory section or the divisions in charge of risk management as per standards for determining the level of reporting, which are set in advance. If the reported

event is of a scale significant enough to warrant the involvement of Group management or multiple divisions and/or companies, the risk management supervisory section will refer the matter to a response team designated in advance, and an Emergency Countermeasure Headquarters, chaired by the president, will be established. The headquarters will work to understand the situation and formulate a provisional response and, if necessary, will promptly report on the matter to customers and related parties.

Business Continuity Planning

To prepare against envisioned risks that could impact the continuity of its business, Yamaha Motor has formulated the Rules of Business Continuity and responds as per those rules.

Yamaha Motor's primary operations are concentrated in Shizuoka Prefecture and could be affected if a major earthquake were to occur in the Nankai Trough. To prepare for this, the Group enacts disaster prevention and mitigation initiatives based on the damage projected by government bodies. These include making buildings and equipment earthquake- and tsunami-resistant; maintaining emergency stockpiles of food, water, and other essentials; putting emergency methods for telecommunications in place; and regularly carrying out Companywide evacuation drills, night drills (for some departments), and safety confirmation drills at both the headquarters and Group companies located nearby. In addition to these measures, we have formulated a business continuity plan (BCP) to maintain our operations while placing foremost priority on the lives and safety of our employees. Points of obstruction to restoration efforts were identified and addressed, procedures to restore operations clarified with support personnel selected in advance, and a system for gathering supply chain information is in place. These and other measures addressing both

tangible and intangible effects are carried out comprehensively and continuously.

Another concern is the potential outbreak of pandemics. To prepare for such events, Group companies have developed infection prevention measures and identified issues that could affect the continuity of their operations in order to formulate response plans. In regard to the COVID-19 pandemic that has wrought havoc from fiscal 2020, we took measures in accordance with our Business Continuity Guidelines (Novel Influenza Version) and set up a COVID-19 Task Force headed by the president, which collected information, set response policies, and disseminated directives and information. We instructed Yamaha Motor employees and their families stationed overseas in certain countries to return to Japan based on the spread of COVID-19 infections and local medical risks. For employees working at the headquarters, we adopted teleworking and staggered office hours. We are implementing a thorough range of measures to prevent infections while continuing to monitor infection trends around the world, such as the preparation of an intranet site for sharing information between the headquarters and Group companies.

Cybersecurity Efforts

Cyberattacks have become increasingly advanced and sophisticated in recent years, and businesses are faced with a heightened risk of infection by computer viruses, leakage of personal and confidential information, and information system failures. The Yamaha Motor Group has thus established a Cybersecurity Policy with the aim of protecting the products and services used by its customers as well as its information assets.

In addition to the basic defensive measures already in place, such as a monthly vulnerability analysis that includes anti-malware measures, the

Group has a Security Operation Center (SOC) that monitors for irregularities to enable early detection and response and a Computer Security Incident Response Team (CSIRT) that responds to incidents to prepare for contingencies. The Group also provides training to increase employees' cybersecurity literacy, conducts assessments to ascertain the situation at each Group company and to develop improvement plans, and makes other ongoing efforts to reduce cybersecurity risks. In fiscal 2021, there were no information security or cybersecurity violations.

Information Management Initiatives

In fiscal 2013, the Yamaha Motor Group established its Group Operational Guidelines that stipulate Groupwide policies related to all areas of information management, including confidentiality management, document control, protection of personal information, and management of disclosed information. We have been carrying out activities in line with these guidelines since. The development of communications technologies and greater use of big data as well as the enactment of new personal information protection laws in Europe in fiscal 2018 triggered the gradual ratification of strict personal information laws and ordinances in various countries. In response, Yamaha Motor revised its Information Management Group Operations Guidelines in fiscal 2020, laying out provisions on the handling of personal information and designating organizational roles, in particular. Furthermore, the Group has established a structure for protecting personal information and set rules for handling personal information (including

notification of acquisition and gaining of consent before acquisition, safety management measures, response to inquiries into individual rights regarding personal information, and response to information leaks). Yamaha Motor and its Group companies in countries around the world are working together to achieve global compliance with the new guidelines.

The Yamaha Motor Group Global Privacy Policy was also revised in fiscal 2020 to promote compliance with personal information protection laws in the countries we operate in. In relation to information management, each year, we monitor how information is handled among Group companies and make recommendations based on the results. At the same time, we conduct group training sessions, e-learning seminars, and other educational and awareness-building activities to ensure the appropriate handling of information. In fiscal 2021, there were no allegations recognized by regulatory authorities as being violations of our customers' privacy.

This section explains the Company's compliance-related initiatives.

Compliance Structure

The Yamaha Motor Group has established a Sustainability Committee, chaired by the president and chief executive officer, to create a structure to ensure legal and regulatory compliance throughout the entire Group. The Committee deliberates plans to ensure compliance, and monitors the implementation of those plans and the corporate culture with regard to compliance. The outcomes of these deliberations and monitoring are reported, as appropriate, to the Board of Directors as items deliberated by the Sustainability Committee, together with ESG risks, and a structure has been established to ensure their effectiveness.

Specific activities are carried out as per the Compliance Management Rules, and the compliance supervising section manages the Group's overall activities.

As a way to ensure that compliance is incorporated into the corporate culture, Groupwide compliance awareness surveys are carried out each year to confirm the effectiveness of compliance measures, including the degree of understanding and scope of implementation of the Code of Ethics, the extent to which reporting lines and hotlines are used, and the effectiveness of training programs. Based on the results of these surveys and social trends, the Code of Ethics Guidebook is updated annually, and the Code of Ethics is reviewed regularly.

Code of Ethics

The Yamaha Motor Group has formulated and disseminated throughout the Group its Code of Ethics, which stipulates standards of behavior to be observed based on the Company Pledge, passed down since the Company's foundation, and the Management Principles. The Code has been translated into local languages at overseas Group companies, and an educational video has been prepared in 11 languages for use in training at Group companies to further familiarize all employees with the

Code of Ethics. Group companies also hold training sessions on the Code of Ethics for new employees.

In the 2021 compliance awareness survey, in response to the question "Do you have a full understanding of the contents of the Code of Ethics?" 87% of respondents answered "Yes" while 4% answered "No."



Compliance Risk Assessment

Our Group companies operate all over the world and there are many laws that must be followed. A Groupwide risk assessment is carried out each year to identify the common compliance risks that need to be recognized, including bribery and corruption,

cartels, and security-related export controls. These risks are then assessed at individual operating divisions and Group companies, appropriate countermeasures are implemented, and their implementation status is monitored.

Compliance and Legal and Regulatory Training

A compliance activity plan is formulated each year, and various opportunities are used to conduct compliance training based on this plan.

a. Compliance training as part of level-specific training

All new employees—both new graduates as well as mid-career hires—and temporary staff take compliance training that focuses on the Code of Ethics when they join the Company. In addition, when an employee is newly promoted to a managerial or supervisory position, division manager, or head of a business site, they take compliance training focused on that position or function each year or as required. This training includes examples of harassment, and how to respond when cases are brought to their attention for consultation. Thanks to activities like these, in the 2021 compliance awareness survey, in response to the question, "When you are unsure of something in the course of your work, do you place top priority on compliance?" 92% of respondents answered "Yes" and 1% answered "No."

b. Compliance training for all employees

All persons who work for Yamaha Motor take compliance training, with the aim of each employee creating a model that will earn the trust of society for the Company as a whole by practicing compliance. This compliance training is carried out each year (including for temporary staff), and records of attendance are retained. In addition, division managers and executive officers who are primarily engaged in operating activities take annual compliance training on given topics in an effort for top management themselves to implement compliance.

c. Specialized training on laws and regulations

Group training programs covering laws and regulations deemed to entail significant risk in the execution of the Company's business activities are carried out annually on select topics. Our legal and regulatory training in 2021 included such topics as the "Antimonopoly Act," "bribery of foreign public officials,"

"import/export controls," "Subcontracting Act related topics," "prevention of insider trading," "intellectual property rights," "IT risk," "substances of concern controls," "harassment," and "cybersecurity." In addition to online training programs, e-learning is used to provide training in a wide range of fields. Other than the examples above, this training includes "security trade control" and "protection of personal information."

In the 2021 compliance awareness survey, in response to the question, "Do you consider the Company's compliance training to be meaningful?" 82% of respondents answered "Yes" and 4% answered "No."

Training in the Code of Ethics and legal and regulatory training is also carried out for new employees of overseas Group companies, and the results are monitored at the head office.

Compliance Training in Japan - No. of Attendees (Aggregate Attendees)

Executive officer training	131
Division manager training	229
Workplace training	18,766
Laws and regulations training	19,876
E-learning	107,617
Level-specific stratified training (division manager, manager, floor manager, new hires, mid-career hires, and temporary staff, etc.)	2,366

Compliance Training at Overseas Group Companies - No. of Attendees (Aggregate Attendees)

North America, Europe, Australia	Central and South America	Asia (excl. China)	China	Total
17,212	9,472	26,400	1,981	55,065

Whistleblowing Systems (Compliance Hotlines)

The Yamaha Motor Group has a whistleblowing system for reporting any acts that may be in violation of the Code of Ethics. The Yamaha Motor Group Compliance Hotline for Yamaha Motor and domestic Group companies has been carrying out integrated management of our harassment and compliance hotlines since 2020. In 2018, the Global Compliance Hotline was introduced for overseas Group companies and since 2021, the system has been strengthened by broadening the scope of eligibility to use the hotline and offering the service in more languages. To make it easy to report issues, both hotlines are established at specialized outside institutions and accept anonymous reports. Reports that we receive through the hotline are managed strictly as confidential information based on our internal rules. In carrying out investigations, we give consideration to protection of the personal information of the person making the report as well as that of the person who is the target of the report, while ensuring the confidentiality of matters related to the case in question. In the case that misconduct is revealed through investigations, strict punishments are carried out. At the same time, we promptly execute corrective action as well as take measures to prevent recurrence.

Through such responses, we work to prevent the occurrence of illegal acts and misconduct and enable their early discovery.

To protect whistleblowers, internal rules clearly state that no directors/officers/employees of the Company and the Company's group companies shall treat the person making a report disadvantageously in any manner because the person made the report. We are striving to create a system and culture of compliance by ensuring employees have a deep understanding of the whistleblowing system, and enabling rapid and proper functioning of the system.

Yamaha Motor established a Fair Business Hotline in 2017 as a contact point for suppliers, and since 2019, its use has been expanded to include all business partners with which we have ongoing transactions.

The number of hotlines (including consultations) received in 2021 was 182, and below is the breakdown of the hotlines. Whistleblowing systems have also been established and operated individually at major Group companies, based on the local laws and regulations and other circumstances specific to each respective company.

Whistleblowing Systems (Compliance Hotlines)

	2017	2018	2019	2020	2021
Reports made	108	120	159	186	182

Subjects of Reports in 2021	Percent of total
Human resources and labor relations	64%
Financial / accounting	6%
Information management	3%
Other regulatory violations	14%
Human rights violation	0%
Corruption prevention	0%
Other	13%

Facts and Data

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Environmental and Social Data

Climate Change Mitigation Measures

Item		Unit	2017	2018	2019	2020	2021
Sales of low-carbon products	Number of fuel-injected motorcycles sold		3,524	3,564	3,554	3,363	3,993
	Number of motorcycles featuring a "BLUE CORE" engine sold	Thousands of vehicles	2,538	2,800	2,901	2,245	3,184
	Number of electrically power-assisted bicycles sold (including number of drive units)		489	569	648	670	821

SASB Requirements

SASB Index*		Item	Unit	2021
Activity Metric	TR-AU-000.A	Number of vehicles manufactured	Thousands of vehicles	4,375
	TR-AU-000.B	Number of vehicles sold	Thousands of vehicles	4,490
Product Safety	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	%	100 * Investigated all complaints that the Ministry of Land, Infrastructure, Transport and Tourism of Japan had requested to investigate
	TR-AU-250a.3	Number of motorcycles recalled (in Japan)	Number	39,872
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	%	61
	TR-AU-310a.2	Number of work stoppages due to strikes and lockouts	Number	0
		Number of workers involved in work stoppages, multiplied by number of days idle	Man-days	0
Fuel Economy & Use Phase Emissions	TR-AU-410a.1	Asia	km/L	49
		Europe	gCO ₂ /km	77
		North America	mpg	70
		Japan	km/L	36
		Oceania	km/L	26
		Central and South America	km/L	44
		Other	km/L	52
	TR-AU-410a.2	Number of (1) zero emission vehicles (ZEVs) sold, (2) hybrid vehicles (HEVs) sold, and (3) plug-in hybrid vehicles (PHEVs) sold	Number	Not applicable
TR-AU-410a.3	Strategy for managing model-year fuel economy and emissions risks and opportunities		<ul style="list-style-type: none"> • Evaluation of risks and opportunities • Yamaha carbon neutrality strategies https://global.yamaha-motor.com/about/csr/the_environment/plan-2050/ 	
Materials Sourcing	TR-AU-440a.1	Management of risks associated with the use of critical materials		<ul style="list-style-type: none"> • Response to supplier human rights issues • Response to procurement risks https://global.yamaha-motor.com/about/csr/stakeholder/business-partners/
Materials Efficiency & Recycling	TR-AU-440b.1	Weight of end-of-life products recovered	t	49,557
		Percentage of above waste recycled	%	66.0
	TR-AU-440b.2	Weight of end-of-life products recovered	t	—
		Percentage of materials recycled from end-of-life products	%	97.6 (on a weight basis) * FY2022 domestic recycling results
TR-AU-440b.3	Recyclability of products	%	Target value: Set at 90%	

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

Eleven-Year Summary

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% change 2021/2020
Millions of yen												
For the year:												
Net sales	¥1,276,159	¥1,207,675	¥1,410,472	¥1,521,207	¥1,631,158	¥1,502,834	¥1,670,090	¥1,673,137	¥1,664,764	¥1,471,298	¥1,812,496	23.2
Sales by product:												
Motorcycles	887,556	798,676	928,203	977,580	1,032,560	930,112	1,045,211	1,022,174	1,119,840	946,476	1,179,736	24.6
Marine Products	178,929	196,320	243,362	276,367	309,337	297,216	323,838	344,658	350,059	328,344	391,130	19.1
Power Products	100,257	103,588	126,722	142,204	169,495	152,310	151,622	153,778	75,644	83,005	120,280	44.9
Industrial Machinery and Robots	34,326	30,813	32,261	38,942	46,501	46,871	67,571	69,891	40,928	46,058	48,643	5.6
Other Products	75,089	78,276	79,922	86,113	73,262	76,322	81,845	82,634	78,292	67,412	72,704	7.8
Gross profit	276,046	235,068	318,765	372,849	436,525	402,660	458,629	455,173	442,331	371,812	506,840	36.3
Operating income (loss)	53,405	18,598	55,137	87,249	130,329	108,594	149,782	140,787	115,364	81,672	182,342	123.3
Ordinary income (loss)	63,495	27,267	60,092	97,279	125,231	102,073	154,826	137,969	119,479	87,668	189,407	116.0
Net income (loss) attributable to owners of parent	26,960	7,489	44,057	68,452	60,023	63,153	101,603	93,366	75,736	53,072	155,578	193.1
Net cash provided by (used in) operating activities	33,328	(2,385)	66,976	93,618	28,475	143,163	126,342	58,858	99,127	110,487	141,336	27.9
Net cash used in investing activities	(46,517)	(51,081)	(62,679)	(72,470)	(68,475)	(46,541)	(53,194)	(48,274)	(79,662)	(43,950)	(51,026)	16.1
Free cash flow	(13,189)	(53,466)	4,296	21,148	(40,000)	96,622	73,147	10,584	19,465	66,537	90,309	35.7
Net cash provided by (used in) financing activities	(51,927)	15,761	3,620	(8,908)	6,845	(67,627)	(52,830)	(26,423)	(36,760)	83,668	(93,488)	(211.7)
Capital expenditures	45,049	48,788	56,800	65,871	64,064	61,330	56,532	55,068	58,053	53,756	66,963	24.6
Depreciation expenses	33,578	34,278	36,407	37,667	44,324	42,434	45,457	46,405	49,689	48,241	51,129	6.0
At year-end:												
Total assets	¥900,420	¥962,329	¥1,146,591	¥1,310,040	¥1,305,236	¥1,318,776	¥1,415,845	¥1,420,854	¥1,532,810	¥1,640,913	¥1,832,917	11.7
Net assets	309,914	341,561	422,792	503,224	531,700	575,404	665,232	695,743	751,828	749,158	900,670	20.2
Interest-bearing debt	274,721	326,976	382,929	403,652	410,148	364,381	353,490	356,688	364,951	466,935	458,514	(1.8)
Ratios:												
Operating income margin (%)	4.2	1.5	3.9	5.7	8.0	7.2	9.0	8.4	6.9	5.6	10.1	80.4
Return on shareholder's equity (ROE) (%)	9.7	2.5	12.7	16.2	12.6	12.3	17.6	14.6	11.1	7.5	19.8	164.0
Equity ratio (%)	31.2	32.0	33.5	35.1	37.6	40.5	44.0	46.3	46.0	43.6	46.9	7.6
Price/earnings ratio (times)	12.6	44.2	12.5	12.5	16.0	14.2	12.7	8.1	10.2	13.9	6.2	(55.0)
Debt/equity ratio (%)	97.8	106.2	99.7	87.8	83.6	68.2	56.8	54.3	51.8	65.3	53.4	
Yen												
Per share amounts:												
Net income (loss)—basic	¥ 77.23	¥ 21.45	¥ 126.20	¥ 196.06	¥ 171.89	¥ 180.84	¥ 290.93	¥ 267.35	¥ 216.83	¥ 151.89	¥ 445.67	193.4
Net income—diluted	77.23	—	126.20	196.04	171.88	180.83	—	—	—	—	—	—
Net assets	804.26	881.88	1,099.84	1,316.58	1,405.35	1,529.53	1,783.35	1,882.64	2,018.84	2,045.15	2,484.31	21.5
Cash dividends	15.50	10.00	26.00	40.00	44.00	60.00	88.00	90.00	90.00	60.00	115.00	91.7
Millions of yen, except per share data												
Share performance (at year-end):												
Price per share (yen)	¥ 974	¥ 949	¥ 1,577	¥ 2,442	¥ 2,744	¥ 2,574	¥ 3,695	¥ 2,159	¥ 2,203	¥ 2,104	¥ 2,759	31.1
Market capitalization	340,018	331,288	550,585	852,683	958,264	898,931	1,290,413	753,989	771,079	735,207	954,229	29.8
Other data (at year-end):												
Number of shareholders	32,259	32,873	29,474	30,416	34,214	42,031	34,566	51,113	67,741	82,730	79,112	(4.4)
Number of employees	54,677	53,958	53,382	52,662	53,306	53,150	53,579	53,977	55,255	52,437	51,243	(2.3)

- The fiscal year for each business is the 12-month period commencing on January 1 and ending on December 31. References to years other than fiscal years refer to calendar years.
- With regard to amounts stated in million yen units, amounts less than ¥1 million are truncated. For amounts stated in 0.1 billion or billion yen units, amounts less than ¥0.1 billion or ¥1 billion, respectively, are rounded off.
- From the fiscal year ended December 31, 2016, the presentation of sales finance-related income and expenses has changed from recording under "Selling, general and administrative expenses," "Non-operating income," and "Non-operating expenses" to recording under "Net sales," "Cost of sales," and "Selling, general and administrative expenses." To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended December 31, 2015 have been adjusted.
- From the fiscal year ended December 31, 2019, reporting segments have changed from "Motorcycles," "Marine products," "Power products," and "Industrial machinery and robots" to "Land Mobility," "Marine Products," "Robotics," and "Financial Services."
- From the fiscal year ended December 31, 2020, the automobile engine and components business previously included in the Other Products segment is now included in the Land Mobility segment, thus figures for the fiscal year ended December 31, 2019 have been adjusted to reflect this change.

Management's Discussion and Analysis of Fiscal 2021 Business Results

Overview

During the fiscal year ended December 31, 2021, the pace of recovery in the global economy slowed as COVID-19 case numbers once again began to rise due to the emergence of new variants, disruptions that hit distribution and supply chains as heightened demand accompanied the resumption of economic activities, labor shortages, and more. At the same time, COVID-19 vaccination rollouts moved forward in many countries, and restrictions on economic activities were gradually eased in Europe and North America, resulting in a steady economic recovery as consumer spending picked up and capital investment rose. Yamaha Motor's businesses, meanwhile, felt the impacts of ongoing shortages of semiconductors and other parts; however, demand in business segments began to recover in conjunction with the lifting of lockdowns in various countries and the enactment of economic policies based on the premise of living with COVID-19.

In this economic environment, the Company implemented management policies focusing on breaking even and exercising responsiveness. These policies guided us in pursuing our premium model segment strategy in the motorcycle markets of emerging economies and in advancing structural reforms at factories. In addition, the Company was able to minimize the negative impacts of decreased

production volumes and other factors by constantly sharing information on logistics issues and shortages in the supply of parts on a global basis and by responding according to the situation each factory faced.

As a result, Yamaha Motor posted record-high sales and income in fiscal 2021. Consolidated net sales increased ¥341.2 billion (23.2%) year on year, to ¥1,812.5 billion; operating income rose by ¥100.7 billion (123.3%) to ¥182.3 billion; ordinary income grew ¥101.7 billion (116.0%) to ¥189.4 billion; and net income attributable to owners of parent rose ¥102.5 billion (193.1%) to ¥155.6 billion. Exchange rates for the fiscal year were ¥110 to the U.S. dollar (up ¥3 year on year) and ¥130 to the euro (up ¥8 year on year).

Despite reduced production volumes due to supply shortages of semiconductors and other parts as well as personnel shortages, net sales increased as a result of higher unit sales and unit prices. Operating income also increased substantially owing to expanded sales, the benefits of efforts to lower the fixed cost ratio through the growing prevalence of teleworking and use of digital technologies facilitating such workstyles, and more favorable foreign exchange rates. These factors helped absorb the impacts of soaring logistics and raw material costs.

and e-Kits in Europe thanks to the reevaluation of the viability of bicycles for commuting to preschools, schools, and work.

Marine Products Segment

Net sales in the Marine Products segment increased ¥62.8 billion (19.1%) year on year, to ¥391.1 billion, and operating income was up ¥26.2 billion (51.7%) to ¥76.8 billion.

Demand for large outboard motor models remained strong in developed markets, while outboard demand in emerging markets also recovered. Despite the impact of shipping delays due to the global shortage of shipping containers, unit sales rose as a result of an improvement in supply volumes stemming from increased production. Unit sales of personal watercraft also grew because of efforts to respond to delays in raw material procurement. As a result, the Marine Products segment achieved higher sales and profits overall.

Robotics Segment

Net sales in the Robotics segment grew ¥37.3 billion (44.9%) year on year, to ¥120.3 billion, and operating income was ¥17.6 billion, compared with ¥3.3 billion in fiscal 2020.

In the first half of fiscal 2021, capital investment was galvanized as the effects of COVID-19 subsided, particularly in Asian markets such as

China, Taiwan, and South Korea. Unit sales of surface mounters and industrial robots increased due to the strong sales to Japan, Europe, and North America seen in the second half of the fiscal year. In addition, Yamaha Robotics Holdings Co., Ltd. returned to profitability due to strong sales and the benefits of structural reforms. As a result, the Robotics segment achieved higher sales and profits.

Financial Services Segment

Net sales in the Financial Services segment were up ¥2.6 billion (5.6%) year on year, to ¥48.6 billion, and operating income rose ¥11.6 billion (153.1%) to ¥19.1 billion.

Although receivables from wholesalers decreased as a result of shrinking inventories, sales and profits grew due to a rise in retail financing and a decrease in the allowance for doubtful accounts recorded on a one-time basis.

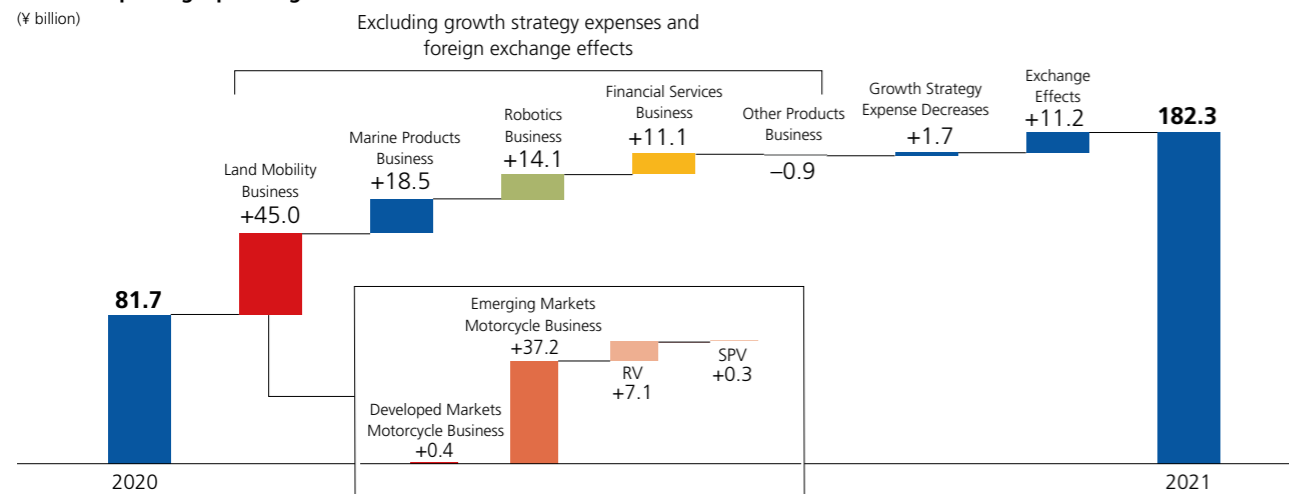
Other Products Segment

Net sales in the Other Products segment grew ¥5.3 billion (7.8%) year on year, to ¥72.7 billion, but operating income declined ¥1.7 billion (97.6%) to less than ¥1.0 billion.

Net sales increased due to an upturn in unit sales of golf cars and multi-purpose engines, but operating income decreased from fiscal 2020 due to higher expenses and the absence of one-time factors seen the previous fiscal year.

Factors Impacting Operating Income

(¥ billion)



Performance by Business Segment

Land Mobility Segment

Net sales in the Land Mobility segment increased ¥233.3 billion (24.6%) year on year, to ¥1,179.7 billion, and operating income rose ¥50.3 billion (272.4%) year on year, to ¥68.7 billion.

Sales of motorcycles in developed markets were up due to higher unit sales in all regions driven by a boom in outdoor and family recreation. This increase resulted in a reduction in losses. Conversely, inventory shortages continued, attributable to insufficient supplies of parts such as semiconductors and to logistics delays caused by a lack of shipping containers. While these operations were unable to turn a profit, a reduction in losses was achieved.

As for sales of motorcycles in emerging markets, demand in countries such as the Philippines, Indonesia, and Thailand increased year on year as these countries shifted their strategies to adopt an approach

emphasizing both COVID-19 countermeasures and a measured resumption of economic activities. Although the utilization rates of factories and dealerships were down as COVID-19 case numbers once again began to increase, the model mix improved due to the growth in sales of premium segment models, resulting in higher sales and profits.

In the recreational vehicle category—all-terrain vehicles (ATVs), recreational off-highway vehicles (ROVs), and snowmobiles—strong leisure demand continued, even amid the resurgence of COVID-19 cases. Despite the impact of production delays due to parts supply shortages and other factors, the segment returned to profitability as a result of higher sales and profits thanks to increased unit sales following the strong performance of the Wolverine RMAX series.

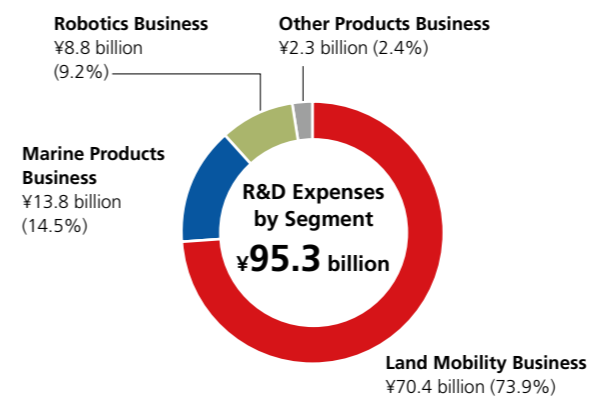
Regarding electrically power-assisted bicycles, both sales and profits increased due to continued strong sales of complete bicycles in Japan

R&D Expenses

Overall R&D expenses for the Yamaha Motor Group amounted to ¥95.3 billion in fiscal 2021.

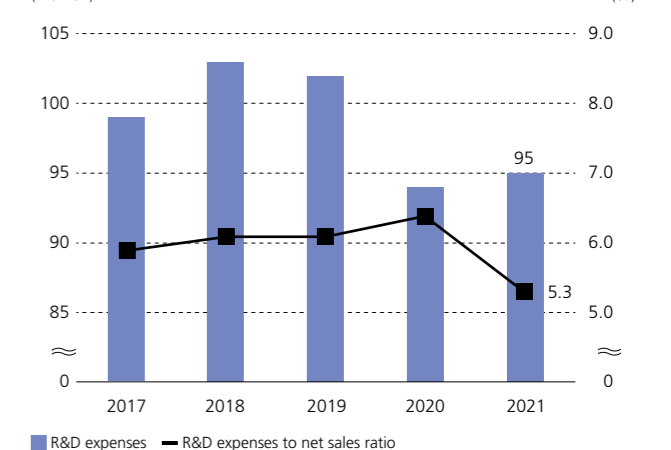
The Yamaha Motor Group's corporate mission is to be a *Kando* Creating Company and offer new excitement and more fulfilling lives for people all over the world. To that end, we continuously take on new challenges with our uniquely Yamaha *Monozukuri* approach—engineering, manufacturing, and marketing products with an emphasis on craftsmanship and excellence—which aims to create new, original, and innovative ideas and messages; technologies that bring joy and foster trust among our customers; attractive designs that express Refined Dynamism; and the power to forge lifelong ties with

our customers. Through our technologies that interweave human logic with human sensibilities, we offer unique, high-quality products and services with the goals of achieving sustainable growth and improving medium- to long-term corporate value. Moreover, we are ramping up R&D investments targeting new and growing businesses that contribute to a more sustainable world while advancing the development of powertrains compatible with a diverse range of energy sources. We thereby aim to create value in a manner that is unique to Yamaha Motor through the use of digital technologies and the acceleration of co-creation activities.



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

(¥ billion) (left axis), (%) (right axis)



Management's Discussion and Analysis of Fiscal 2021 Business Results

Analysis of Financial Position

Total assets as of the end of fiscal 2021 amounted to ¥1,832.9 billion, an increase of ¥192.0 billion from December 31, 2020. Current assets were up ¥123.1 billion largely due to an increase in inventories following production and logistics delays owing to a shortage of parts as well as to an increase in notes and accounts receivable—trade because of higher sales around the world. Fixed assets rose ¥68.9 billion mainly attributable to an increase in long-term sales finance receivables in association with higher retail financing.

Total liabilities increased by ¥40.5 billion to ¥932.2 billion, mainly due to a rise in notes and accounts payable—trade.

Total net assets were up ¥151.5 billion to ¥900.7 billion, despite having recorded ¥38.4 billion in cash dividends paid, as a result of

having posted ¥155.6 billion in net income attributable to owners of parent and of a ¥37.7 billion increase stemming from foreign currency conversion adjustments.

In addition, the Company acquired treasury shares worth ¥11.0 billion to heighten shareholder returns and capital efficiency.

As a result, the shareholders' equity ratio was 46.9%, compared with 43.6% at the end of the previous fiscal year. The net debt/equity ratio was 0.21 times, compared with 0.27 times at the end of the previous fiscal year.

Cash Flows

Operating Cash Flow

Overall, net cash provided by operations in fiscal 2021 was ¥141.3 billion, compared with ¥110.5 billion the previous fiscal year. This outcome mainly reflected cash provided from ¥199.7 billion in income before taxes, etc., compared with ¥85.0 billion in the previous fiscal year; ¥51.1 billion in depreciation, compared with ¥48.2 billion; an increase in notes and accounts payable—trade of ¥14.5 billion, compared with an increase of ¥11.5 billion; a ¥5.0 billion decrease in sales finance receivables, compared with an increase of ¥68.3 billion; and other factors. These factors outweighed cash outflows including an increase in inventories of ¥76.2 billion, compared with a decrease of ¥32.7 billion in the previous fiscal year, and an increase in notes and accounts receivable—trade of ¥8.6 billion, compared with a decrease of ¥17.3 billion.

Investing Cash Flow

Net cash used for investing in fiscal 2021 was ¥51.0 billion, compared with ¥44.0 billion the previous fiscal year, primarily reflecting ¥66.8 billion used for the purchase of fixed assets, compared with ¥51.4 billion in the previous fiscal year.

Financing Cash Flow

Net cash used in financing activities during the fiscal year under review was ¥93.5 billion, compared with ¥83.7 billion the previous fiscal year, mainly as a result of cash dividends paid, repayment of loans payable, and acquisition of treasury shares.

As a result of the above activities, free cash flow for fiscal 2021 was a positive ¥90.3 billion, compared with a positive ¥66.5 billion in the previous fiscal year. Cash and cash equivalents totaled ¥274.9 billion, an increase of ¥7.8 billion from the end of the previous fiscal year. Meanwhile, interest-bearing debt on March 31, 2022 was ¥458.5 billion, a decrease of ¥8.4 billion from the end of the previous fiscal year.

Capital Resources and Liquidity

The Yamaha Motor Group's primary capital needs are covering the costs of procuring the materials, parts, and other articles used in product manufacturing; costs incurred in the manufacturing process; the purchasing costs for products and merchandise; selling, general and administrative expenses; working capital; and capital expenditures.

Group companies acquire short-term loans requiring payment within one year denominated in local currencies to use as working capital. Meanwhile, funds for capital expenditures come primarily, in principle, from internal reserves, including paid-in capital and retained earnings.

In managing capital liquidity, Yamaha Motor secures the necessary liquidity by creating and updating cash flow schedules on a timely basis and properly maintaining cash and cash equivalents on hand.

In fiscal 2021, the Company was able to secure a year-on-year increase in free cash flow, despite a rise in working capital stemming from higher inventories, through favorable sales driven by robust demand in countries around the world and proceeds from the sale of shares held in Yamaha Corporation. In addition, treasury shares were acquired to heighten shareholder returns and capital efficiency.

Yamaha Motor remains committed to improving corporate value based on the recognition that increasing returns to shareholders is an important management priority.

Capital Expenditures

Capital expenditures in fiscal 2021 totaled ¥67.0 billion.

In the Land Mobility segment, capital expenditures amounted to ¥45.8 billion and included outlays for reallocating production roles at headquarters, upgrading production equipment, launching new motorcycle models for overseas markets, and consolidating factories in Taiwan. In the Marine Products segment, capital expenditures totaling ¥13.0 billion were conducted for the purposes of launching new

outboard motors and other products and upgrading production equipment. In the Robotics segment, the Company spent ¥3.6 billion on research and development for surface mounters and industrial robots and on the launch of new products, such as unmanned helicopters. In the Other Products segment, ¥4.5 billion was invested in upgrading equipment related to golf cars.

Cash Dividends

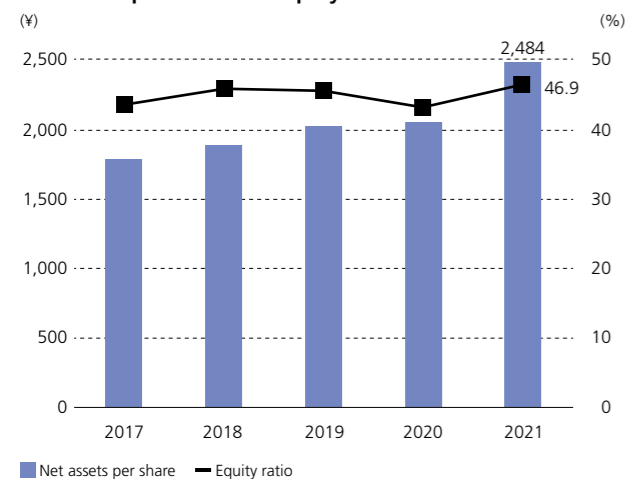
The Company considers increasing returns to shareholders an important management issue as it endeavors to improve corporate value.

With a focus on striking a balance between investments for new growth and returns to shareholders within the range of its cash flows while maintaining and reinforcing the earnings power of its existing businesses, Yamaha Motor seeks to pay dividends in a stable and sustainable manner, setting 30% of net income attributable to owners of parent as a benchmark for its dividend payout ratio.

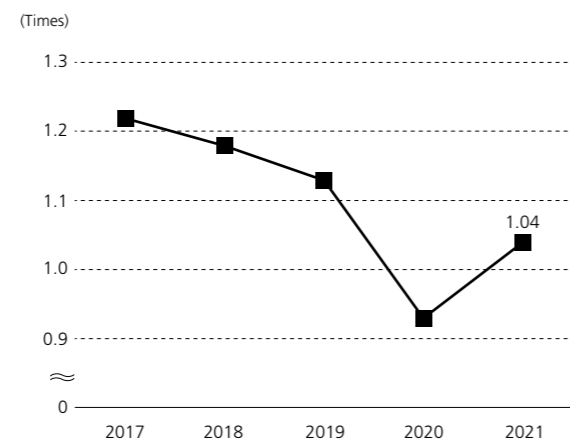
The Company has a basic policy of paying an interim dividend and a year-end dividend. The decision-making body for the interim dividend is the Board of Directors, while the General Meeting of Shareholders decides the year-end dividend. The Company's Articles of Incorporation provide that the record date shall be June 30 for the interim dividend and December 31 for the year-end dividend.

The Company decided to pay a full-year dividend of ¥115 per share (including an interim dividend of ¥50 per share) for fiscal 2021.

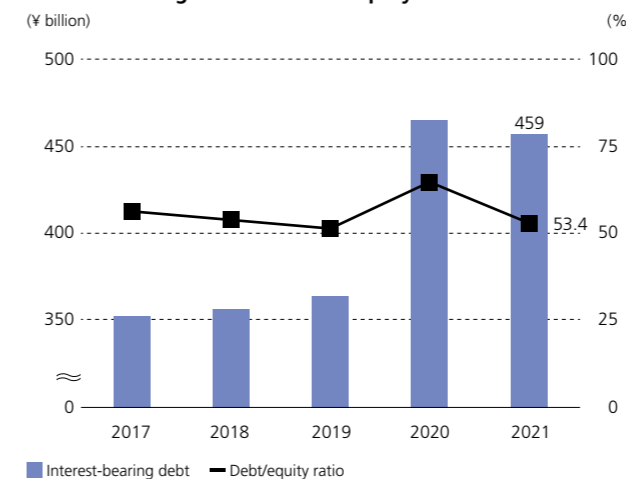
Net Assets per Share and Equity Ratio



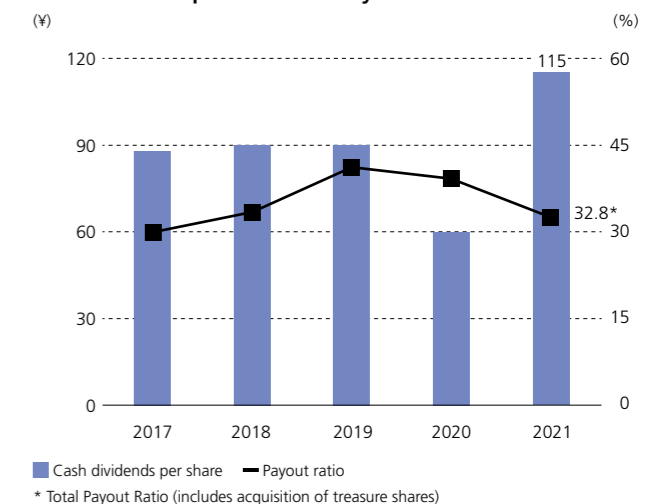
Total Asset Turnover



Interest-Bearing Debt and Debt/Equity Ratio



Cash Dividends per Share and Payout Ratio



Global Group Network (As of January 1, 2022)

Yamaha Motor's diverse range of products, offered by its consolidated subsidiaries and equity-method affiliates in 30 countries and regions, are sold in over 180 countries and regions around the world. The Company's main subsidiaries and affiliates engaged in global operations are listed below.

Europe (Abbreviations)

The Netherlands
Yamaha Motor Europe N.V. (YMENV)

Germany
Yamaha Motor Deutschland GmbH (YMG)

Italy
Yamaha Motor Research & Development Europe S.r.l. (YMRE)
Yamaha Motor Racing S.r.l. (YMRI)

France
MBK Industrie
YAMAHA MOTOR FINANCE FRANCE SAS (YMFF)

Spain
Motor Center BCN S.A.

Turkey
Yamaha Motor Sanayi ve Ticaret Limited Sirketi

Finland
Inhan Tehtaat Oy Ab

Russia
LLC Yamaha Motor CIS (YMCIS)

Africa (Abbreviation)

Nigeria
CFAO Yamaha Motor Nigeria Ltd. (CYMNG)

Asia (Abbreviations)

Indonesia
PT. Yamaha Indonesia Motor Manufacturing (YIMM)
PT. Yamaha Motor Parts Manufacturing Indonesia (YPMI)
PT. Yamaha Motor Nuansa Indonesia (YMNI)
PT. Yamaha Motor Electronics Indonesia (YEID)
PT. Yamaha Motor Mold Indonesia (YMMID)
PT. Yamaha Motor R&D Indonesia (YMRID)
PT. Sakura Java Indonesia
PT. Kyowa Indonesia
PT. Bussan Auto Finance (BAF Indonesia)

The Philippines
Yamaha Motor Philippines, Inc. (YMPH)
LIYAM Property, Inc.
Yamaha Robotics Philippines, Inc.

Thailand
Thai Yamaha Motor Co., Ltd. (TYM)
Yamaha Motor Parts Manufacturing (Thailand) Co., Ltd. (YPMT)
TYMA Co., Ltd.
Yamaha Motor Electronics Thailand Co., Ltd. (YETH)
Yamaha Motor Asian Center Co., Ltd. (YMAC)
Siam Yamaha Motor Robotics Co., Ltd.
Yamaha Robotics (Thailand) Co., Ltd.
Yamaha Robotics Manufacturing Asia Co., Ltd.
Apic Yamada Precision (Thailand) Co., Ltd.

Malaysia
HL Yamaha Motor Research Centre Sdn. Bhd. (HLYR)
Yamaha Robotics (Malaysia) Sdn. Bhd.
Hong Leong Yamaha Motor Sdn. Bhd. (HLYM)

Vietnam
Yamaha Motor Vietnam Co., Ltd. (YMVN)
Yamaha Motor Parts Manufacturing Vietnam Co., Ltd. (YPMV)
Yamaha Motor Electronics Vietnam Co., Ltd. (YEVN)
Yamaha Robotics Engineering Asia Co., Ltd.

India
Yamaha Motor India Pvt. Ltd. (YMI)
India Yamaha Motor Pvt. Ltd. (IYM)
Yamaha Motor India Sales Pvt. Ltd. (YMIS)
Yamaha Motor Electronics India PVT. Ltd. (YEIN)
Yamaha Motor Research and Development India Pvt. Ltd. (YMRI)

Yamaha Motor Solutions India Pvt. Ltd. (YMSLI)
MOTO BUSINESS SERVICE INDIA PRIVATE LIMITED
KYB Motorcycle Suspension India Pvt. Ltd. (KMSI)
Bussan Auto Finance India Pvt. Ltd. (BAF India)

Pakistan
Yamaha Motor Pakistan (Private) Limited (YMPK)

Singapore
Yamaha Motor Asia Pte. Ltd. (YMAP)
Yamaha Motor Distribution Singapore Pte. Ltd. (YDS)
Yamaha Robotics Asia Pte. Ltd.

Taiwan
Yamaha Motor Taiwan Co., Ltd. (YMT)
Topmost Consulting Co., Ltd. (TCC)
Yamaha Motor R&D Taiwan Co., Ltd. (YMRT)
Yamaha Motor Taiwan Trading Co., Ltd. (YMTT)
Yamaha Motor Electronics Taiwan Co., Ltd. (YETW)
Yamaha Robotics Taiwan Co., Ltd.

China
Yamaha Motor (China) Co., Ltd. (YMCN)
Shanghai Yamaha Jianshe Motor Marketing Co., Ltd. (YMSM)
Zhuzhou Yamaha Motor Shock-absorber Co., Ltd. (ZYS)
Yamaha Motor R&D Shanghai Co., Ltd. (YMRS)
Yamaha Motor Powered Products Jiangsu Co., Ltd. (YMPJ)
Yamaha Motor Electronics Suzhou Co., Ltd. (YESZ)
Yamaha Motor Solutions Co., Ltd. Xiamen (YMSLX)
Yamaha Motor IM (Suzhou) Co., Ltd. (YIMS)
Shinkawa (Shanghai) Co., Ltd.
Apic Yamada Technology (Shanghai) Co., Ltd.
Shanghai Yamada Machinery Manufacturing Co., Ltd.
Shanghai Apic Yamada Co., Ltd.
Chongqing Jianshe Yamaha Motor Co., Ltd. (CJYM)
Zhuzhou Jianshe Yamaha Motor Co., Ltd. (ZJYM)
Jiangsu Linhai Yamaha Motor Co., Ltd. (LYM)
Sichuan Huachuan Yamaha Motor Parts Manufacturing Co., Ltd. (SHY)
Tongling Sanjia Yamada Technology Co., Ltd.

South Korea
Yamaha Robotics Korea Co., Ltd.

North America (Abbreviations)

United States
Yamaha Motor Corporation, U.S.A. (YMUS)
Yamaha Motor Manufacturing Corporation of America (YMMC)
Yamaha Marine Systems Company Inc.
Siren Marine, Inc.
Skeeter Products, Inc.
Yamaha Jet Boat Manufacturing U.S.A., Inc. (YJBM)
Yamaha Golf-Car Company (YGC)
INDUSTRIAL POWER PRODUCTS OF AMERICA, INC.

Yamaha Motor Finance Corporation, U.S.A. (YMFUS)
Yamaha Motor Ventures & Laboratory Silicon Valley, Inc. (YMVSV)
Yamaha Motor Exploratory Fund GP, L.L.C.
Yamaha Motor Distribution Latin America, Inc. (YDLA)
Yamaha Motor Installment Receivables Corporation Shinkawa U.S.A., Inc.

Canada
Yamaha Motor Canada Ltd. (YMCA)
Yamaha Motor Finance Canada Ltd.

Central and South America (Abbreviations)

Brazil
Yamaha Motor do Brasil Ltda. (YMDB)
Yamaha Motor da Amazonia Ltda. (YMDA)
Yamaha Motor Componentes da Amazonia Ltda. (YMCDA)
Yamaha Motor Electronics do Brasil Ltda. (YEBR)
Yamaha Administradora de Consorcio Ltda. (YAC)
Yamaha Motor do Brasil Servicos Financeiros Participacoes Ltda.
Banco Yamaha Motor do Brasil S.A. (BYMD)
Yamaha Motor do Brasil Corretora de Seguros Ltda. (YMDCS)
Yamaha Motor do Brasil Logistica Ltda. (YMBL)

Argentina
Yamaha Motor Argentina S.A. (YMARG)
Yamaha Motor Plan Argentina S.A. de Ahorro para Fines Determinados

Uruguay
Yamaha Motor Uruguay S.A. (YMUUY)

Peru
Yamaha Motor del Peru S.A. (YMDP)
Yamaha Motor Selva del Peru S.A. (YMSP)

Colombia
Industria Colombiana de Motocicletas Yamaha S.A. (Incolmotos Yamaha)

Mexico
Yamaha Motor de Mexico, S.A. de C.V. (YMMEX)
Yamaha Motor Consorcio Mexico, S.A. de C.V.

Japan

Yamaha Motorcycle Sales Japan Co., Ltd.
YAMAHA MOTOR ENGINEERING CO., LTD.
SUGO CO., LTD.
YAMAHA KUMAMOTO PRODUCTS CO., LTD.
Yamaha Marine Hokkaido Manufacturing Co., Ltd.
Yamaha Amakusa Manufacturing Co., Ltd.
Yamaha Marina Co., Ltd.
Y'S GEAR Co., Ltd.
YAMAHA MOTOR POWERED PRODUCTS Co., Ltd.
YAMAHA MOTOR ELECTRONICS CO., LTD.
YAMAHA MOTOR PRECISION PARTS MANUFACTURING CO., LTD.
HAMAKITA INDUSTRY CO., LTD.
YAMAHA MOTOR HYDRAULIC SYSTEM Co., Ltd.
Yamaha Motor Biz Partner Co., Ltd.
YAMAHA MOTOR MIRAI CO., LTD.
YAMAHA MOTOR SOLUTIONS Co., Ltd.
YAMAHA ROBOTICS HOLDINGS CO., LTD.
SHINKAWA LTD.
APIC YAMADA CORPORATION
PFA Corporation
Shizuoka Blue Revs Co., Ltd.
Ecole Toyohashi
Amagasaki kenkonomori
Sakura Kogyo Co., Ltd.
A.I.S Corporation
JUBILO Co., LTD.
KYB Motorcycle Suspension Co., Ltd.
EVEC, Inc.
eve autonomy, Inc.
Copal Yamada Corporation
North Sails Japan
Izumisano Waterfront Co., Ltd.
Marine Wave Otaru, Co., Ltd.
Choshi Marina, Inc.
Marina Akita, Co., Ltd.
Hayama Marina, Co., Ltd.
Yokohama Bayside Marina Co., Ltd.

Corporate Information / Stock Information (As of December 31, 2021)

Company name	Yamaha Motor Co., Ltd.
Headquarters	2500 Shingai, Iwata, Shizuoka 438-8501, Japan
Date of establishment	July 1, 1955
Capital	¥86,100 million
Number of employees	Consolidated: 51,243 Non-consolidated: 10,154
Stock listing	Tokyo Stock Exchange
Stock code	7272
Transfer agent for capital stock	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan
Auditor	Ernst & Young ShinNihon LLC
Inclusion in major indices	Nikkei 225, JPX-Nikkei 400
Major consolidated subsidiaries	Yamaha Motorcycle Sales Japan Co., Ltd. Yamaha Motor Electronics 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. Thai Yamaha Motor Co., Ltd. Yamaha Motor Philippines, Inc. Yamaha Motor Vietnam Co., Ltd. Yamaha Motor Taiwan Co., Ltd. Yamaha Motor do Brasil Ltda.

External Recognition

FTSE4Good Index Series
FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index
MSCI ESG RATINGS (AAA rating)*1
MSCI ESG Leaders Indexes / MSCI Japan ESG Select Leaders Index*2
CDP (B grade in the climate change report category)
S&P Japan 500 ESG
SNAM Sustainability Index 2022
Certified in 2022 Health & Productivity Management Organization Recognition Program (Large Enterprise Category)



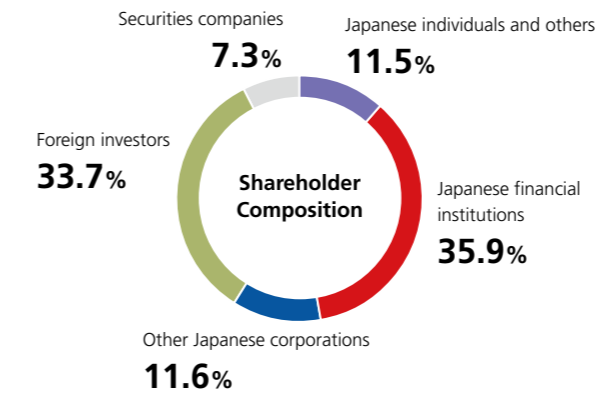
*1 THE USE BY YAMAHA MOTOR OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF YAMAHA MOTOR BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED "AS-IS" AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.



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Capital Stock

Authorized	900,000,000 shares (common stock)
Issued	350,217,467 shares
Number of shareholders	79,112



Principal Shareholders

Shareholder	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	16.21
Custody Bank of Japan, Ltd. (trust account)	5.14
Yamaha Corporation	4.52
Toyota Motor Corporation	3.61
SSBTC CLIENT OMNIBUS ACCOUNT	2.84
SMBC Nikko Securities Inc.	2.79
Mizuho Bank, Ltd.	2.39
JPMorgan Securities Japan Co., Ltd.	1.88
The Shizuoka Bank, Ltd.	1.63
State Street Bank West Client Treaty 505234	1.57

Note: Percentage of ownership is calculated excluding treasury shares.

Shareholder Notes

Fiscal year	January 1 to December 31
Reference date for allocation of surplus for dividends	Year-end dividends: December 31 Interim dividends: June 30
General Meeting of Shareholders	March
Share unit number	100 shares
Method of public notice	Public notices are given by electronic notice. In unforeseen circumstances where electronic notices are impossible, public notice is made in the <i>Nihon Keizai Shimbun</i> .

Design Awards Won in 2021

Tricity 300
Motorcycle

- Red Dot Award 2021 | Winner
- iF Design Award 2021



LCMR200
Industrial robot

- Red Dot Award 2021 | Winner
- iF Design Award 2021



YDX-MORO Pro (YPJ-MT Pro in Japan)
Electrically power-assisted mountain bike

- International Design Excellence Awards 2021 | Finalist
- Good Design Award 2021



YZF-R7
Motorcycle

- Good Design Award 2021



Aerial forest survey
Unmanned System

- Good Design Award 2021

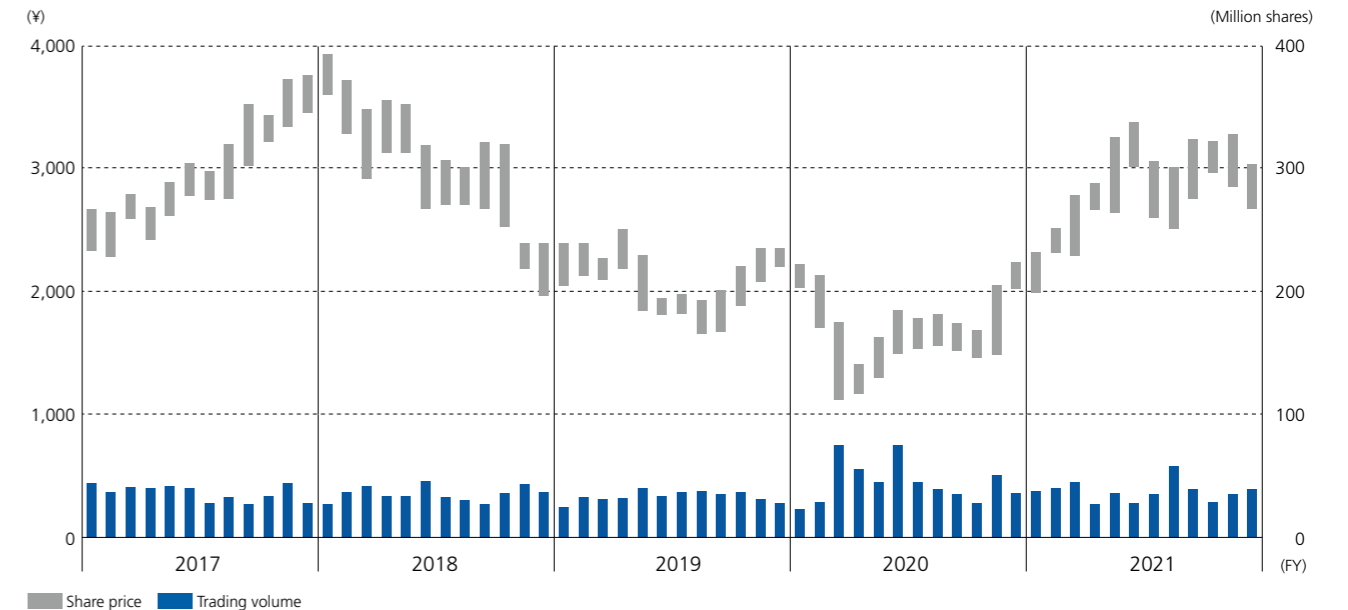


Yamaha Marina Hamanako
Marina Clubhouse

- Good Design Award 2021



Yamaha Motor's Share Price and Trading Volume on the Tokyo Stock Exchange



For further information, please contact:

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Corporate Communication Division

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