

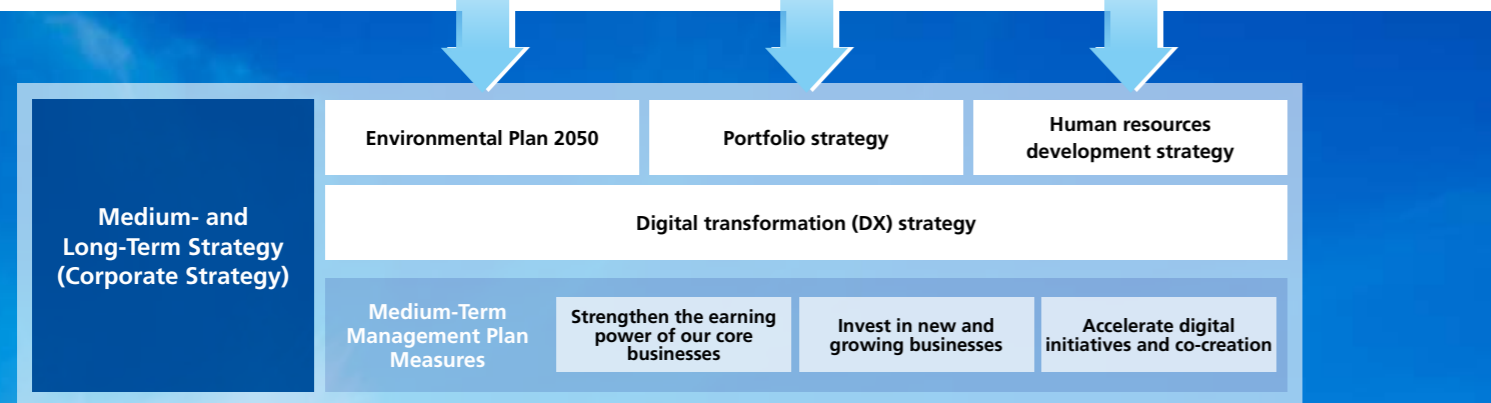
# Yamaha Motor's System of Strategic Policies

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.

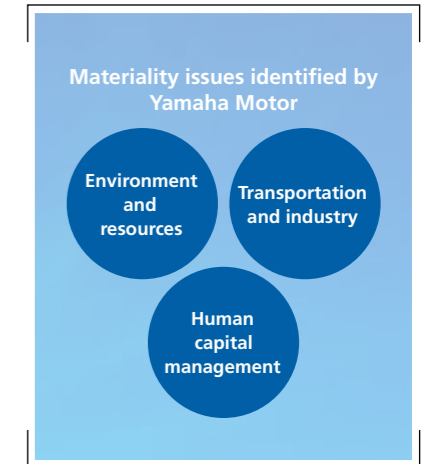
### Process for Identifying Important Societal Issues

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















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	<b>Risks</b> <ul style="list-style-type: none"> <li>Tightening of regulations and declining net sales due to global warming</li> <li>Declining profits due to rising costs</li> <li>Negative impact on corporate image</li> <li>Delays in the economic independence of developing countries because of marine pollution</li> <li>Impact of marine pollution on the fishing industry and marine leisure</li> </ul> <b>Opportunities</b> <ul style="list-style-type: none"> <li>Growing trend of EVs replacing existing forms of mobility</li> <li>Heightening demand for smaller forms of mobility</li> </ul>	<b>Achieving carbon neutrality</b> 	Reduce the environmental burden of core products that emit CO <sub>2</sub> , such as motorcycles and outboard motors		Reduced CO <sub>2</sub> emissions (carbon intensity per sales) from production activities by 80% (compared with 2010) and net zero by 2035	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions from production by 52% (compared with 2010)</li> <li>Deploy energy-saving and renewable energy facilities in at least 10 countries</li> <li>Introduce carbon-free power generation at Yamaha Motor domestic offices and worksites</li> </ul>
					Promoting product development and sales with low environmental impact, such as electrification, to find uniquely Yamaha solutions	<ul style="list-style-type: none"> <li>Conduct field testing of internal combustion engines that do not emit CO<sub>2</sub> by utilizing carbon-neutral fuels*</li> <li>Release at least eight new electric motorcycles/scooters on the global market</li> <li>Complete field testing evaluations for a new electric marine propulsion concept model by 2024</li> <li>Release at least six new electrically power-assisted bicycles on the global market</li> </ul> * Hydrogen, synthetic liquid fuel, biofuel, etc.
		<b>Conservation of marine resources</b> 	Reduce the risk of damage to the marine ecosystem and depletion of fishery resources as a marine product industry leader		Improved recyclability of boats	<ul style="list-style-type: none"> <li>Progress with R&amp;D for FRP waste material recycling and achieve technical feasibility by 2024</li> <li>Transition from FRP materials to naturally-derived materials and introduce sequentially with mass-production models from 2024</li> </ul>
			Establishment of solutions contributing to sustainable fishery	<ul style="list-style-type: none"> <li>Conduct field testing of fishery management solutions and launch a pilot project in 2024</li> </ul>		
Transportation and industry	<b>Risks</b> <ul style="list-style-type: none"> <li>Rising number of traffic accidents</li> <li>Rise in traffic accidents caused by elderly people in developed nations</li> <li>Fewer means of transportation in underpopulated areas</li> <li>Reduced competitiveness in the market and business environment</li> </ul> <b>Opportunities</b> <ul style="list-style-type: none"> <li>Growing demand for motorcycles due to rising populations and incomes in developing countries</li> <li>Greater need for smaller forms of automated mobility</li> <li>Addressing and supplementing the aging workforce and labor shortages in the agriculture, fishing, and manufacturing industries</li> <li>Increased automation with the development of AI technologies</li> <li>New demand for mobility such as CASE-equipped vehicles and MaaS</li> <li>Offering solutions for the agricultural sector using robotics</li> <li>Increased competitiveness due to the spurring of innovation</li> </ul>	<b>Safe and user-friendly mobility for everyone</b> 	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	<b>Expertise</b> <ul style="list-style-type: none"> <li>Increase the number of YRA participants by 60% compared to the previous three years (220,000 people)</li> </ul>
			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"> <li>Finalize automated driving technology for mobility service vehicles on select public roads and aim for implementation in at least three locations by 2024</li> </ul>
			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"> <li>Introduce a personal mobility product to the market in 2023 that offers an all-new mobility experience</li> </ul>
		<b>Robotics for improved work ease, comfort, and precision</b> 	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		Successful commercialization of new technologies in the manufacturing, agriculture, and medical sectors that are driving efficiency gains	<b>Manufacturing</b> <ul style="list-style-type: none"> <li>Commercialize automated transport between factories in 2022 with the aim of expanding the business overseas by 2024</li> <li>Achieve global sales of collaborative robots for automating tasks that require repetitive or heavy human labor by 2023</li> </ul> <b>Agriculture</b> <ul style="list-style-type: none"> <li>Sell a system linking aircraft to smart agriculture as a project for the Ministry of Agriculture, Forestry and Fisheries</li> <li>Establish laborsaving technologies and businesses for cultivating and monitoring orchard crops in the United States, Australia, and other countries</li> </ul> <b>Medical</b> <ul style="list-style-type: none"> <li>Sell new cell handling devices featuring even higher accuracy</li> <li>Offer antibody detection services to determine treatments appropriate for the patient</li> </ul>
Human capital management	<b>Risks</b> <ul style="list-style-type: none"> <li>Loss of human resources due to reduced opportunities for diverse human resources to play active roles</li> <li>Increased competition for human resources</li> </ul> <b>Opportunities</b> <ul style="list-style-type: none"> <li>Creation of new opportunities by promoting diversity and inclusion</li> <li>Improving vitality through the hire of diverse and talented people from around the world</li> </ul>	<b>Diverse human resources for increased corporate strength</b> 	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"> <li>Increase the ratio of local talent in executive positions at overseas subsidiaries to at least 55%</li> <li>Implement around 10 global inter-subsidary transfers by the end of 2024</li> <li>Raise the ratio of women managers Groupwide to at least 13% by 2024</li> <li>Increase the ratio of a headquarters employee engagement score to at least 70%</li> </ul>

# 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

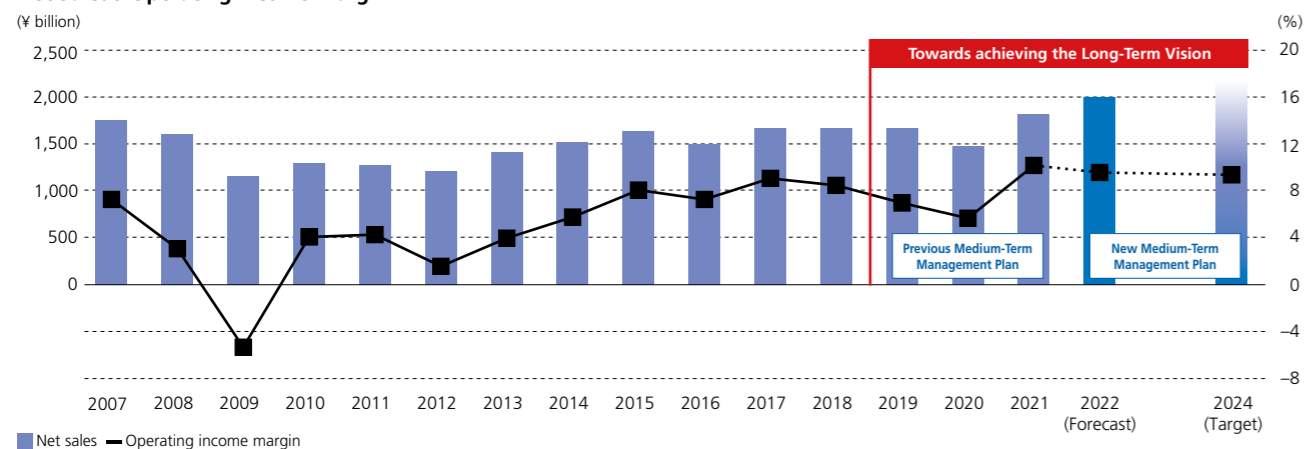
Under our corporate mission to be a *Kando* Creating Company, we will work to realize our Long-Term Vision of ART for Human Possibilities by carrying out our new Medium-Term Management Plan from 2022, as phase two of the Company’s ongoing transformation. In recognition of the numerous challenges that 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 <b>Over ¥2,200 billion</b>   CAGR*1 <b>Over 7%</b>
Profitability (Three-year average)	Operating Income Margin
	Previous Medium-Term Management Plan <b>7.5%</b>   New Medium-Term Management Plan <b>Over 9%</b>
Efficiency (Three-year average)	Capital Efficiency (approx. 7% WACC)
	ROE <b>15% range</b>   ROIC <b>9% range</b>   ROA*2 <b>10% range</b>
	Shareholder Returns (Three-year average)
Cumulative total for the three-year Medium-Term Management Plan period <b>40% range</b>	

\*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

- Develop a wide variety of powertrains
- Launch 10+ BEV models
- Powertrains compatible with alternative fuels

#### Accelerate Co-Creation

- 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

- 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

- Bolster safety riding support features
- Expand support and activities for improving user riding skills (1.6x more YRA participants)\*3

#### Accelerate Digital Transformation

- 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

- Foster employee engagement globally
- Introduce global engagement indicators (improve by 10% at headquarters)

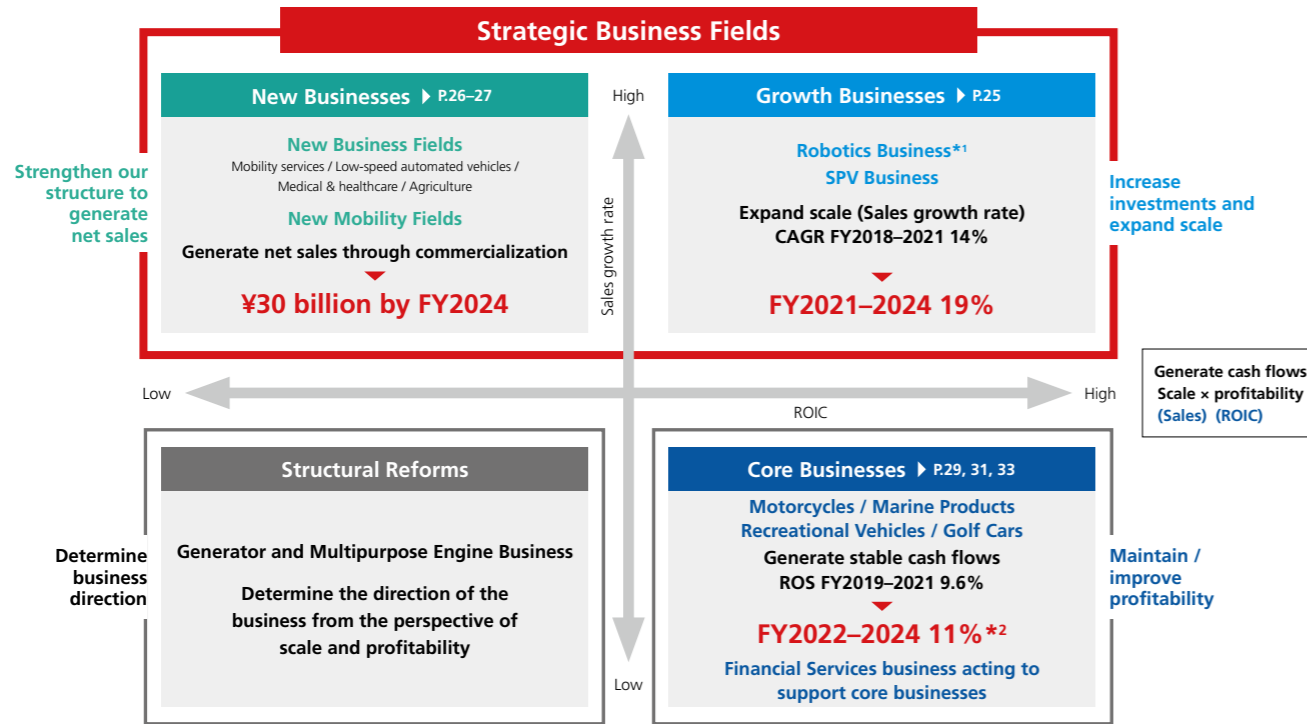
\*3 Yamaha Riding Academy participants (three-year cumulative)

## 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.

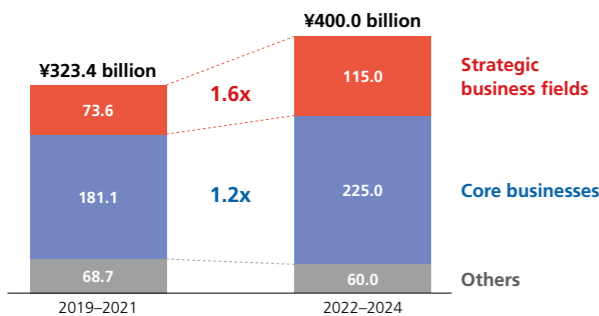


Note: The reportable segment classification of existing businesses under business portfolio management is as follows:  
Land Mobility: Motorcycle business, Recreational Vehicles business, Smart Power Vehicles business  
Other Products: Golf car business, generator and multipurpose engine business  
\*1 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

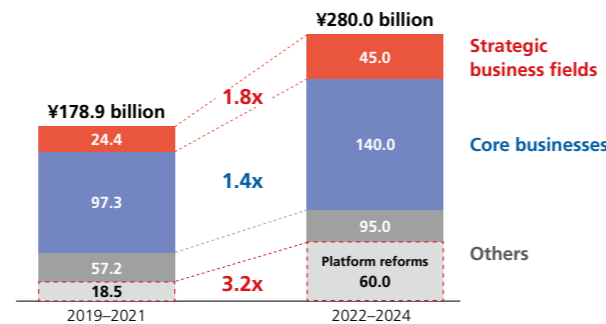
## Expansion of Resource Investments in Strategic Business Fields

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.

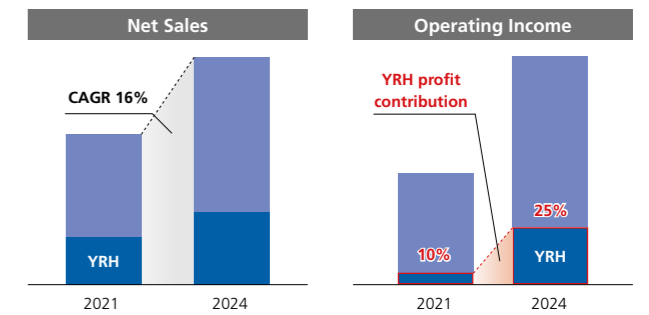
One of the first major steps we will take is maximizing synergies as a total supplier. On the product front, we will strengthen product competitiveness by driving our platform strategy. Furthermore, we will focus on introducing new models in the high-speed SMT model domain while in the field of small 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

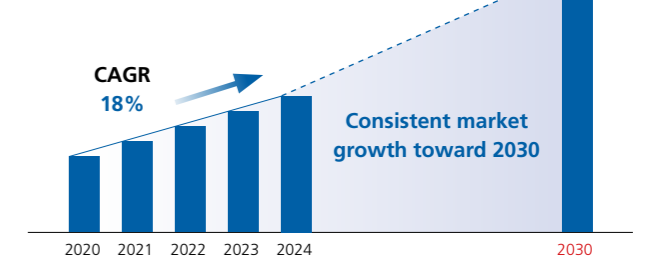
Capturing Market Expansion and Achieving Growth through Synergies between e-Kit Customization and New Models

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

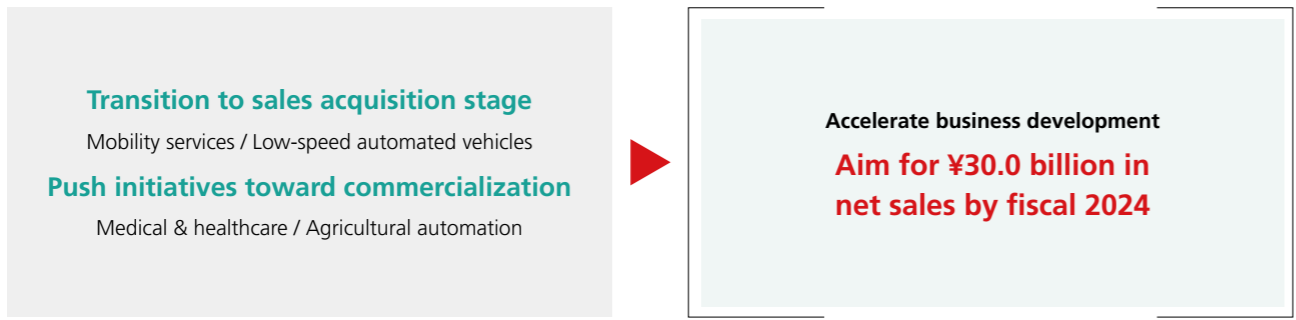
\* e-Kit: e-Bike Systems (e-bike drive units and peripheral components)

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.





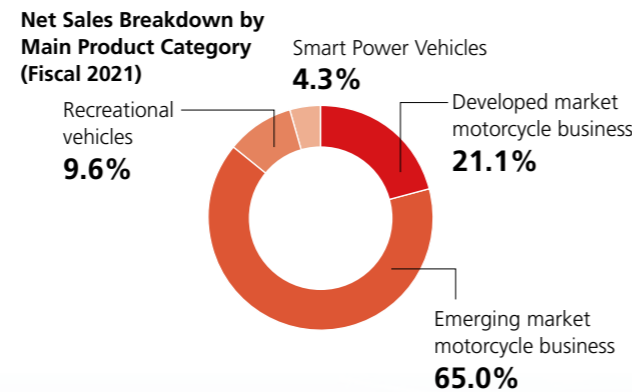
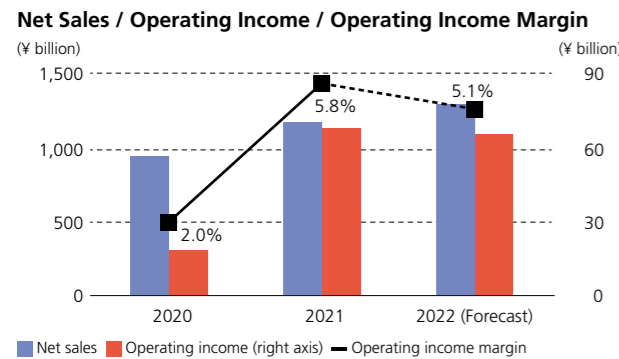
**Creating New *Kando* through Synergy between Motorcycles, Recreational Vehicles, and Smart Power Vehicles**

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

**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
<b>Motorcycles for developed markets</b>	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
<b>Motorcycles for emerging markets</b>	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
<b>ATVs / ROVs</b>	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
<b>Electrically power-assisted bicycles and OEM drive units</b>	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)**

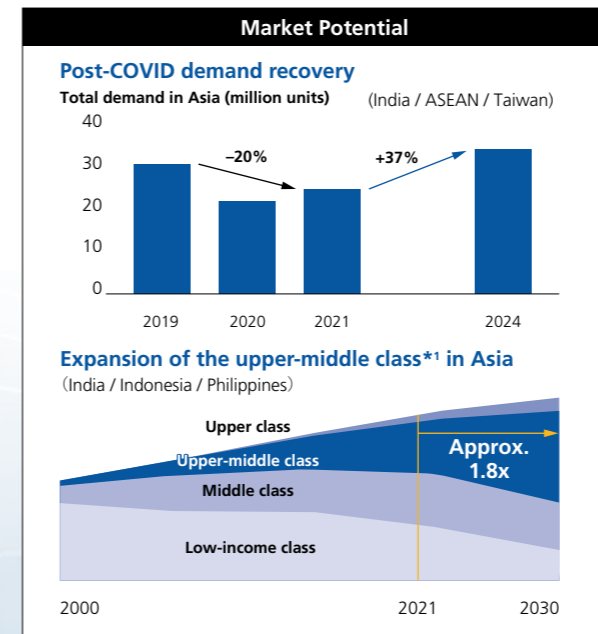
**Motorcycle Business: Increasing Earnings Power in Emerging Markets with the Premium Segment Strategy**

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

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

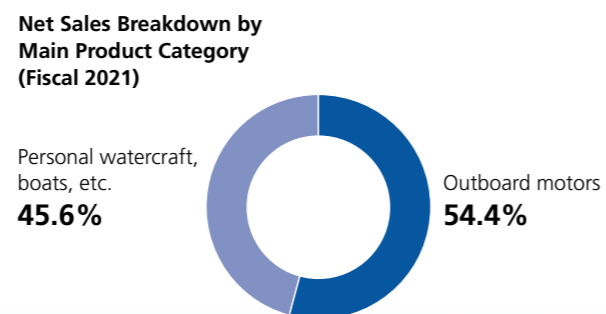
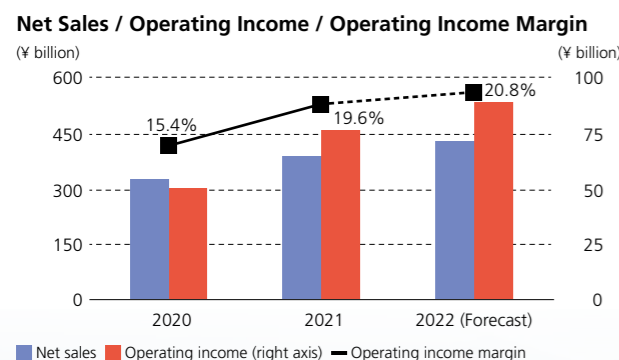
## Results for Fiscal 2021

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
<b>Outboard motors</b>	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
<b>Boats</b>	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
<b>Personal watercraft</b>	The North American market accounts for the majority of demand and is growing in scale yearly as uses for personal watercraft broaden. We will strengthen development of 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.

Growth Strategies									
<b>Expand the range of value we offer</b> Transform our customers' marine lifestyles into experiences with greater comfort and peace of mind	<b>Marine CASE</b> <table border="1"> <tr> <th>Connected</th> <th>Autonomous</th> <th>Shared</th> <th>Electric</th> </tr> <tr> <td>Comfort</td> <td>Comfort / Easy</td> <td>Experiences</td> <td>Comfort</td> </tr> </table>	Connected	Autonomous	Shared	Electric	Comfort	Comfort / Easy	Experiences	Comfort
	Connected	Autonomous	Shared	Electric					
Comfort	Comfort / Easy	Experiences	Comfort						
<b>Enhancing Our Business Competitiveness</b> <b>Maintain and strengthen our high-profit structure</b> Bolster large outboard lineups → Increase the sales ratio of large outboard models to <b>30%</b> Increase production capacity → Large outboard motors <b>+20%</b> Personal watercraft <b>+27%</b>									
<b>Reinforce Our Business Foundations</b> <b>Organizational culture that connects change to growth</b> <b>Strengthen R&amp;D role in the United States</b>									

**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

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

## Results for Fiscal 2021

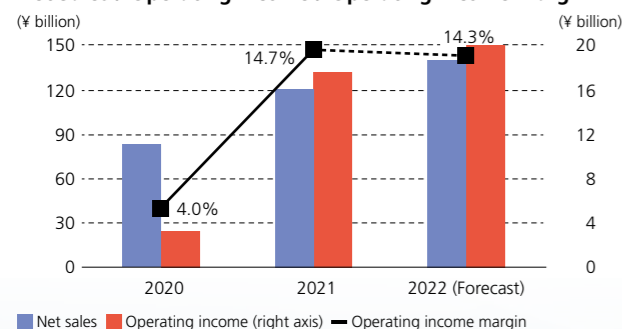
Net sales in fiscal 2021 increased 44.9% year on year to ¥120.3 billion and operating income was ¥17.6 billion. During the first half, capital investment became more active as the effects of COVID-19 subsided, particularly in China. Unit sales of surface mounters and industrial robots increased due to 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.

## 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.

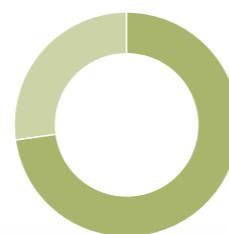
Growth Businesses (Measures in the Medium-Term Management Plan) ▶ P.25

## Net Sales / Operating Income / Operating Income Margin



## 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%**

## Overview of Primary Products and Main Competitors

	Market and conditions at Yamaha Motor	Main competitors
<b>Surface mounting technology (SMT)-related equipment</b>	Demand continues to grow for printed circuit boards, including those for IoT, 5G, and CASE applications. We are pursuing both product and service commonalities under our platform strategy to expand our business scale and reinforce our profitability.	Fuji Machine, Panasonic, ASM Pacific Technology, JUKI, Hanwha Techwin
<b>Industrial robots (factory automation)</b>	Automation needs are rising rapidly amid soaring personnel expenses and labor shortages. We are strengthening model variations while pursuing both product and service commonalities to expand our business scale and reinforce our profitability.	Epson, Mitsubishi, Denso, IAI, Inovance
<b>Unmanned industrial-use helicopters and drones</b>	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
<b>Semiconductor post-processing equipment</b>	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

# 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.

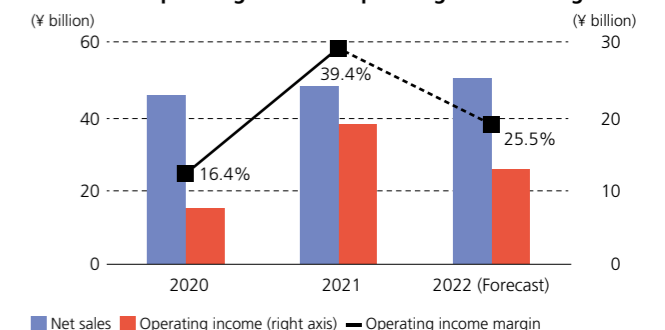
With the emergence of new trends in sales financing services, including the shift to online sales due to COVID-19, we worked to strengthen the ties between dealerships and customers while steadily promoting the sharing of business strategies and management approaches as well as standardizing and enhancing 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.

## Net Sales / Operating Income / Operating Income Margin



## 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.

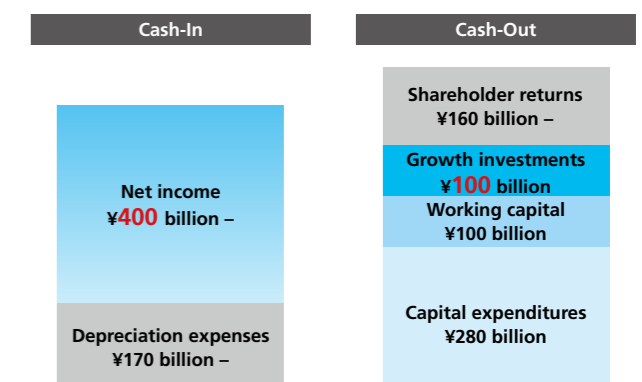
#### Direction of Our Financial Strategy

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 CO<sub>2</sub> 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.

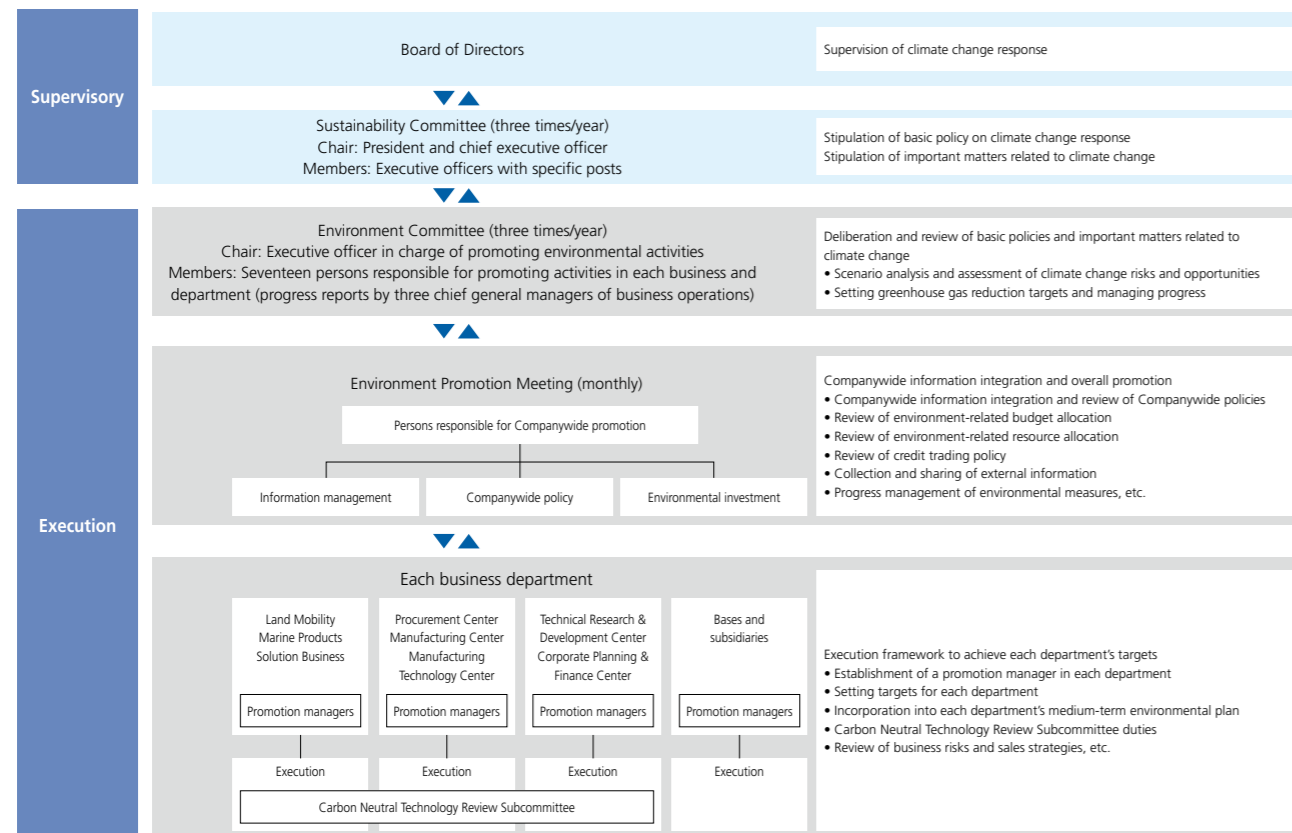
For these issues, we positioned the environmental field in particular as an important area to be tackled by management and established the Environment Committee, chaired by an executive officer in charge of environmental activities. The Environment Committee meets three times a year to discuss policies 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 <sub>2</sub> 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 <sub>2</sub> emissions from business activities, calculated based on fiscal 2021 CO <sub>2</sub> 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 <sub>2</sub> -free electricity at the headquarters	Solar power investment budget for fiscal 2022: ¥900 million CO <sub>2</sub> -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)

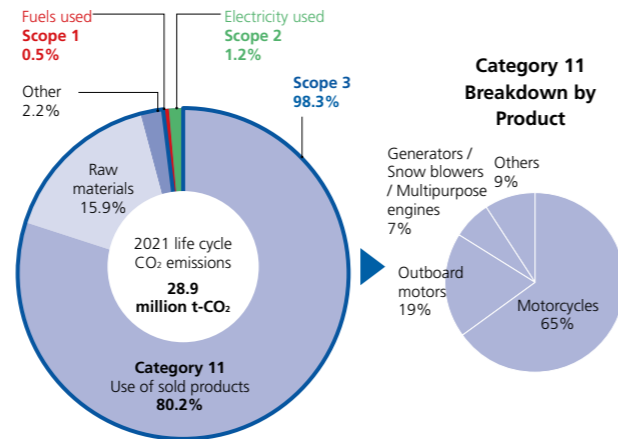
**Aiming for Supply Chain Carbon Neutrality: Achieving Scope 1 and Scope 2 Reduction Targets Ahead of Schedule**

Looking at CO<sub>2</sub> emissions throughout Yamaha Motor's supply chain, we see that Scope 1 and Scope 2 emissions—those emitted as a direct result of the Company's business activities—only account for 1.7% 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.

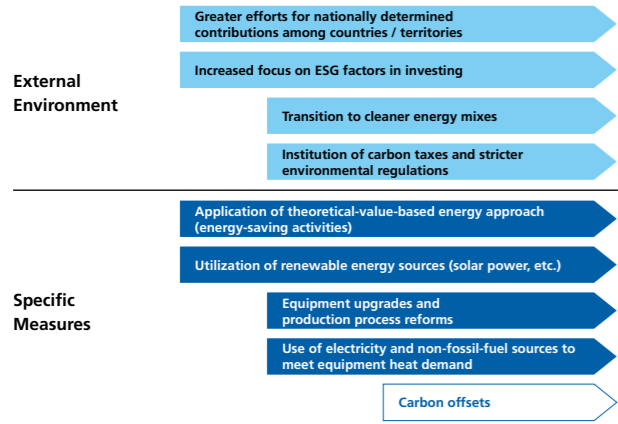
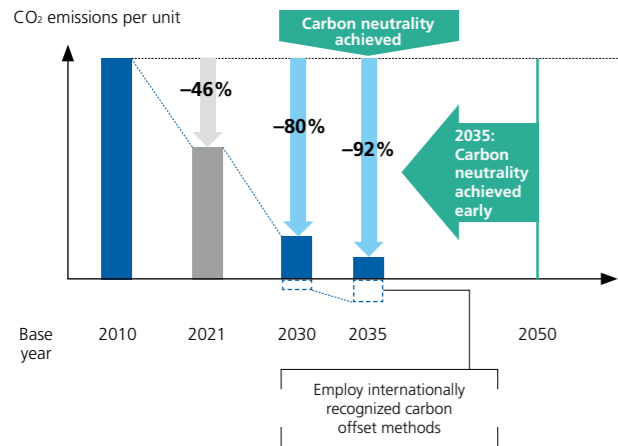
With the goal of achieving carbon neutrality on a global scale, Yamaha Motor aspires to offer products (next-generation mobility powered by electricity or renewable energy) presenting the most effective means for cutting CO<sub>2</sub> emissions based on the government energy policies and energy mixes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

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

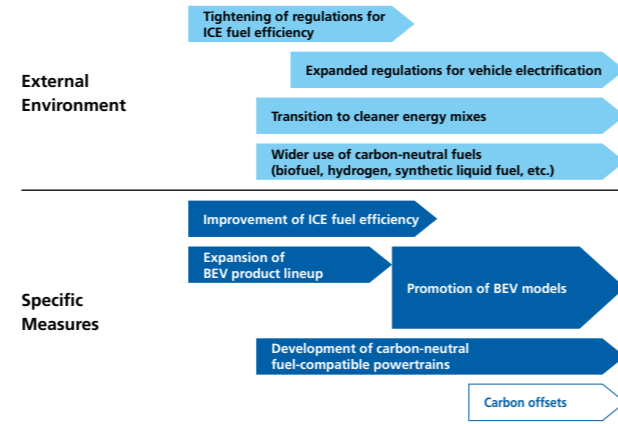
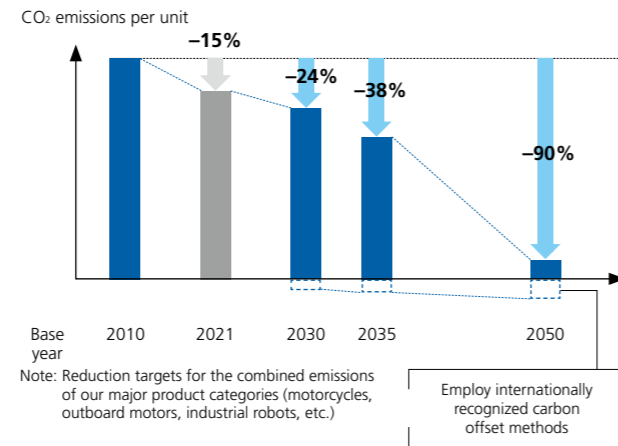


Note: Calculations have been made using the Emissions Unit Value Database (Ver. 3.2) based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.4, issued Mar. 2022) issued by Japan's Ministry of the Environment.

**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 CO<sub>2</sub> emissions in our corporate activities, we will introduce energy-saving and renewable energy equipment in more than 10 countries and, in 2022, adopt CO<sub>2</sub>-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 CO<sub>2</sub> emissions in fiscal 2024\*1 (compared to fiscal 2010)
- Deploy energy-saving and renewable energy equipment in more than 10 countries by 2024
- Adopt CO<sub>2</sub>-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 CO<sub>2</sub> 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
<b>Y-DX3</b> Create the Future	Search and trial	Building and implementation	Expansion
<b>Y-DX2</b> Strengthen the Present	Four core domains and DAP*	Application in four core domains and global rollout	Advance and update
<b>Y-DX1</b> 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

<b>Y-DX3:</b> Create the Future	<b>Preparations for Next-Generation Value Creation</b> Construct an R&D framework specializing in digital technology and processes for co-creation with customers and society at large
<b>Y-DX2:</b> Strengthen the Present	<b>Connect with Customers and Offer New Experiences</b> Proactively launch connected products, conduct digital marketing, and transform into a more customer-centric business
<b>Y-DX1:</b> Reform Management Platforms	<b>Accelerate Decision-Making and Standardize Processes</b> Achieve quick decision-making via a globally global consolidated database and management dashboards
<b>DX Human Resource Development</b>	<b>Promote Companywide Use of Digital Technologies</b> 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

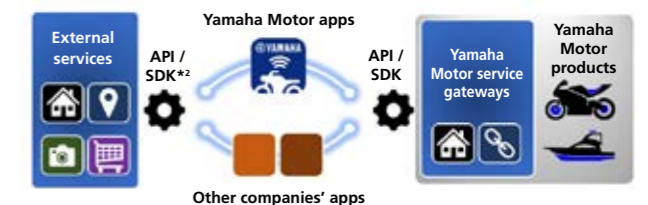
We are continuing with preparations to link connected Yamaha products to other services and IoT devices. By collaborating with other industries and co-creating with customers via APIs,\*1 we are challenging ourselves to solve societal issues and create new customer value in ways unachievable by a company 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
<b>55% by 2024</b>	<b>13% by 2024</b>	<b>Approx. 5x<sup>*3</sup></b>
<ul style="list-style-type: none"> <li>Expand global and regional leadership programs</li> <li>Reform HR management system at headquarters</li> <li>Enhance mid-career professional recruitment</li> </ul>		<ul style="list-style-type: none"> <li>Enhance online and on-demand learning platforms</li> <li>Encourage employees to increase their Rev Up time*4</li> </ul>

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

## Improvement of Employee Engagement

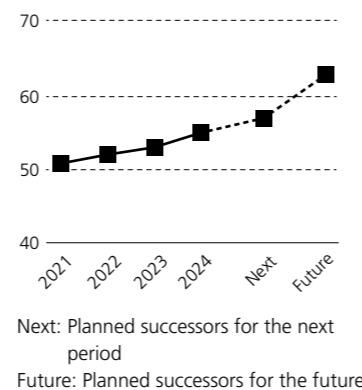
Introduce common global engagement indicators and conduct periodic follow-up on employee engagement

(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

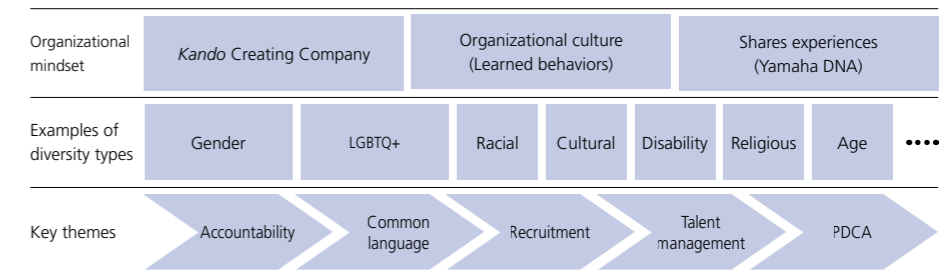
The Global Execution Transformation for Human Resources (GET-HR) AXEL initiative was launched in 2021 and continues to focus on empowering women and addressing the issue of gender equality at Yamaha Motor through its task force member groups. This activity seeks to establish a shared culture and, through 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.

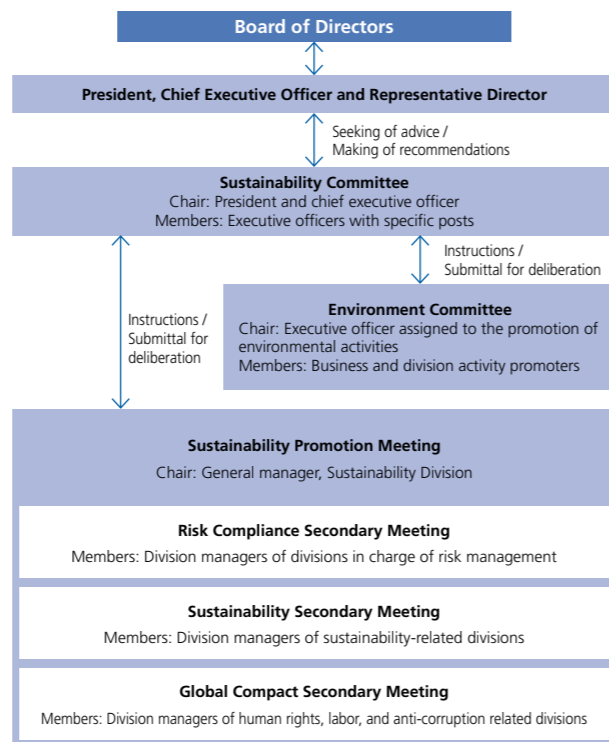
<b>Customers</b>	We will provide high-quality products and services that can be used safely and with peace of mind by anyone, and will be working to educate people on the proper ways to use our products, and spreading this knowledge to create good environments for their use.
<b>Employees</b>	We think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

**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.

