



# Annual Report 2024

YAMAHA GROUP ANNUAL REPORT 2024



YAMAHA CORPORATION

<https://www.yamaha.com/en/>

Published in October 2024

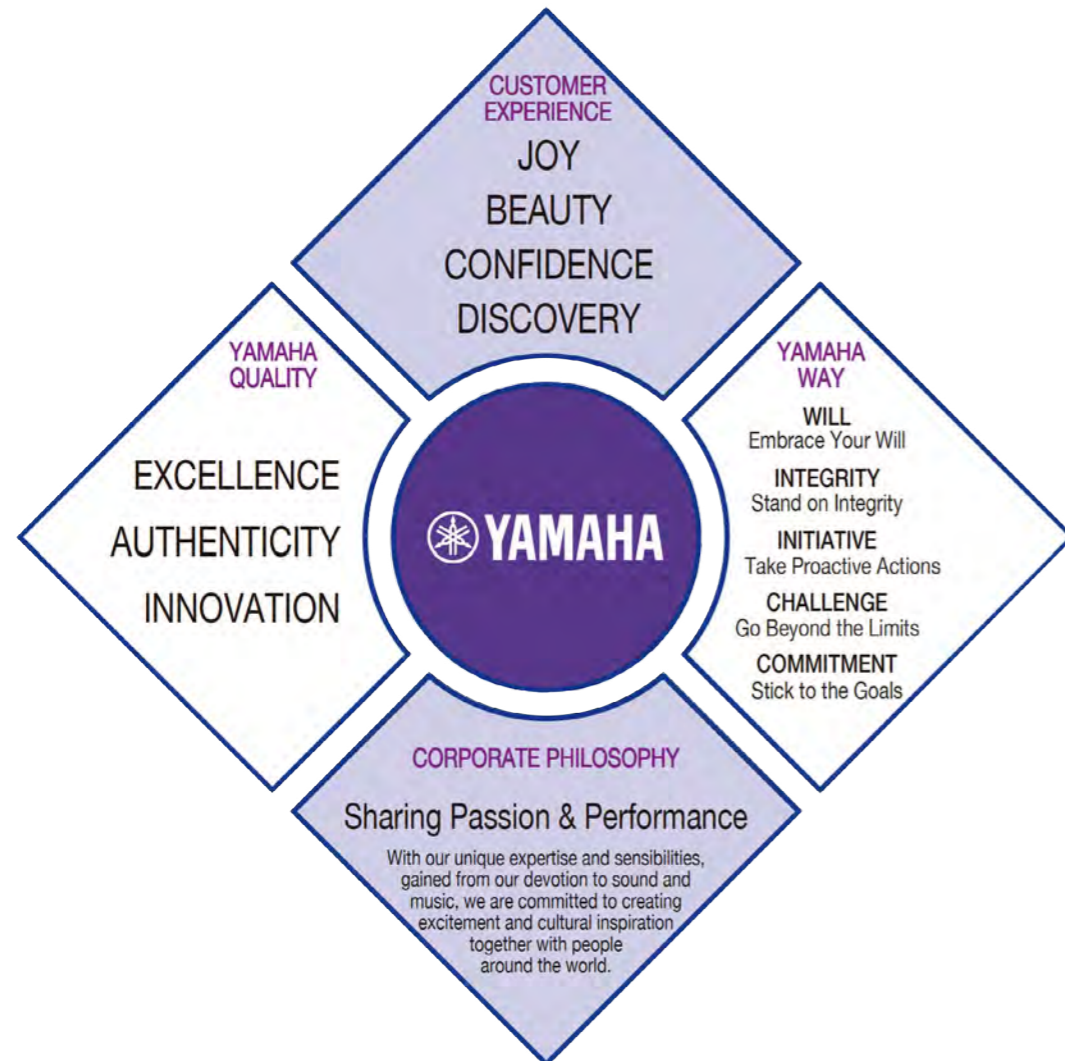
## PURPOSE

Well-Being of People around the World

## YAMAHA PHILOSOPHY

The Yamaha Philosophy expresses the core framework of the Yamaha Group's management and consists of four elements: the Corporate Philosophy, Customer Experience, Yamaha Quality (criteria for quality), and Yamaha Way (mindset and manners).

We utilize the Yamaha Philosophy as a foundation to draw from, try to think from the customer's viewpoint, and consistently provide high-quality products and services that exceed the expectations of our customers, and to create excitement and cultural inspiration together with people around the world.



## PROMISES TO STAKEHOLDERS

The entire Yamaha Group shares promises to our stakeholders—customers, the people who work with Yamaha, business partners, regional communities and society, our planet earth, and shareholders—working to improve the satisfaction of each stakeholder and making effective use of our management resources to achieve sustainable growth in order to maximize its corporate value.

### Customer-Oriented and Quality-Conscious Management (For Customers)

For the well-being of its customers, Yamaha offers quality and valuable products and services that incorporate innovative and traditional technologies as well as sensibilities and refined creativity.

### Management that Contributes to Social and Cultural Development (For the Regional Communities and Society)

Yamaha complies with the laws with the highest ethical standards, and as a good corporate citizen, contributes to the development of society and culture through its accumulated technologies and expertise to address various social issues as well as efforts that only Yamaha could do.

### Management that Values People (For People Who Work with Yamaha)

Yamaha places the highest priority on the health and safety of all people who work with Yamaha and aims to create a corporate culture where each person's individuality and creativity are respected, and that encourages everyone to take on challenges to achieve self-fulfillment through their work.

### Management that Considers the Global Environment (For Earth)

Yamaha actively works to reduce CO<sub>2</sub> emissions and conserve and make effective use of resources such as timber, and takes a role as a company to hand down the precious global environment to the future.

### Management Based on Mutual Understanding and Trust (For Business Partners)

Yamaha values mutual understanding and trust and builds sound business relationships with all of our business partners, including distributors and suppliers.

### Transparent and Sound Management (For Shareholders)

Yamaha ensures sound business performance, continues to deliver proper returns to shareholders, and pursues sustainable development through transparent and high-quality management.

## BRAND PROMISE

A feeling of enthusiastic excitement lives in sound and music, through playing or simply listening. We at Yamaha want to inspire peoples' passion and help them make a step forward to express their individuality, emotion and creativity.



### Make Waves

Just a few notes or a simple melody can send out ripples that trigger an emotional bond with another person.

Sound and music have a transformational impact on individuals and the world around us.

The "Make Waves" concept focuses on our passions and what matters most to people, namely, expressing themselves and making an impact, to progress personally as a listener and player, and to come together with others.

Yamaha is committed to empowering people to "Make Waves" with their sound and music.

## PUBLICATION OF ANNUAL REPORT 2024



**Atsushi Yamaura**  
Director, President  
and Representative  
Executive Officer

Despite social and economic activities returning to normal following disruptions caused by the COVID-19 pandemic, the operating environment is growing increasingly more challenging due to factors such as rising geopolitical risks and high commodity prices seen around the world. Although this operating environment is difficult to navigate, the Yamaha Group will continue tackling new challenges as it seeks to grow and develop its business together with stakeholders.

Under the Make Waves 2.0 medium-term management plan, the Yamaha Group continues efforts to achieve its management vision of “Becoming an Indispensable, Brilliantly Individual Company” as it works to support the “Well-Being of People around the World.” In Annual Report 2024, we sought to communicate the approach we will take toward fulfilling our social responsibility and improving corporate value through our business activities.

This report was prepared while referencing the Integrated Reporting Framework of the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment released by the Ministry of Economy, Trade and Industry of Japan. Summarizing the policies we adopt on a Groupwide basis, this report was created thanks to the cooperation of each division of the Company. As such, I believe the creation process and the content of this report to be appropriate.

Going forward, we will utilize our annual reports as engagement tools as we pursue constructive dialogue with shareholders, investors, and other stakeholders. It is our hope that these reports help our stakeholders feel confident about our efforts to realize a sustainable society and elicit their understanding of our long-term corporate value creation.

September 2024

### Key Points of Annual Report 2024

Annual Report 2024 provides information on the progress of initiatives based on the Make Waves 2.0 medium-term management plan in its second year as well as initiative policies for the final year of the plan. It also offers information on concrete initiatives for creating social value while leveraging the accumulated strengths and technologies of the Yamaha Group in order to support the “Well-Being of People around the World.” We encourage readers to focus on the following key points to help deepen their understanding of the content of this report and of Yamaha’s initiatives.

POINT 1	POINT 2	POINT 3
Value Creation Story and Material Issues Pages 4–5 and 20–23	Progress in the Second Year of Make Waves 2.0 and Initiatives for Future Growth Pages 12–19 and 24–31	Enhancement of Sustainability Management Pages 36–51

### Positioning of Annual Reports



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Exploration as a Sound Expert of the Automotive Sound System Market, a New Growth Field



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**Scope of This Report**  
Information in this report covers 69 companies (as of March 31, 2024): Yamaha Corporation, its 64 consolidated subsidiaries, and its 4 affiliates. In cases where it is necessary to specify the scope of reporting, this report lists the applicable institution individually.

**Reporting Period**  
This report primarily covers fiscal 2024 (April 1, 2023 to March 31, 2024). However, certain sections of this report include information from April 1, 2024, and onward.

**Disclaimer on Forward-Looking Statements**  
The forward-looking statements such as data and forecasts included in this report are based on assumptions and information available at the time of publication and are subject to change due to various factors. These statements are not guarantees that Yamaha will achieve its targets and forecasts or realize its anticipated future business results. In addition, the content of this report may be changed without prior notice. Accordingly, Yamaha cautions readers not to place undue reliance on these forward-looking statements, which are valid only as of the date thereof, and undertakes no obligation for any negative impact caused by the use of this report.

Names, including those of products and services, used in this report are trademarks or registered trademarks of Yamaha Corporation or of the respective rights holders.

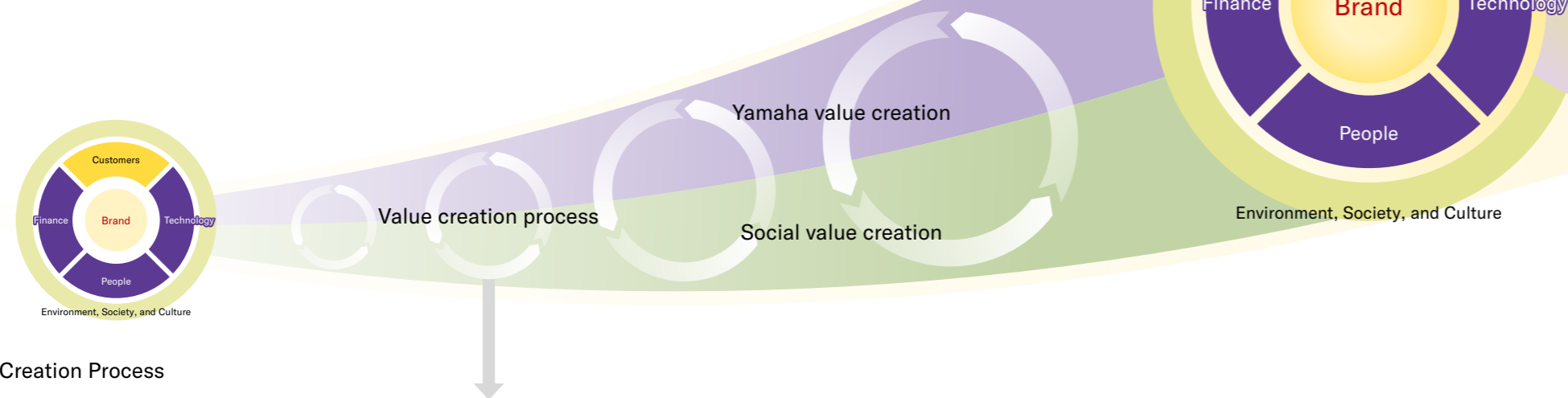
# VALUE CREATION STORY

## Yamaha enhances corporate value and fulfills its mission by creating social value.

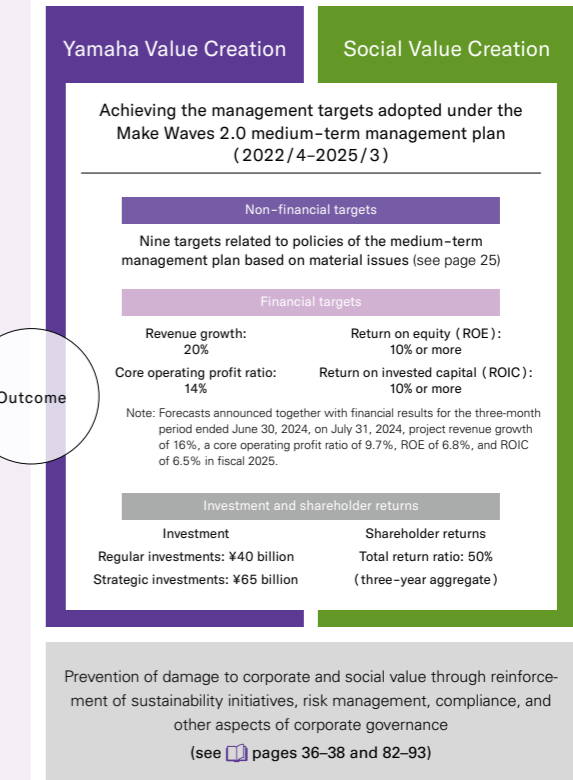
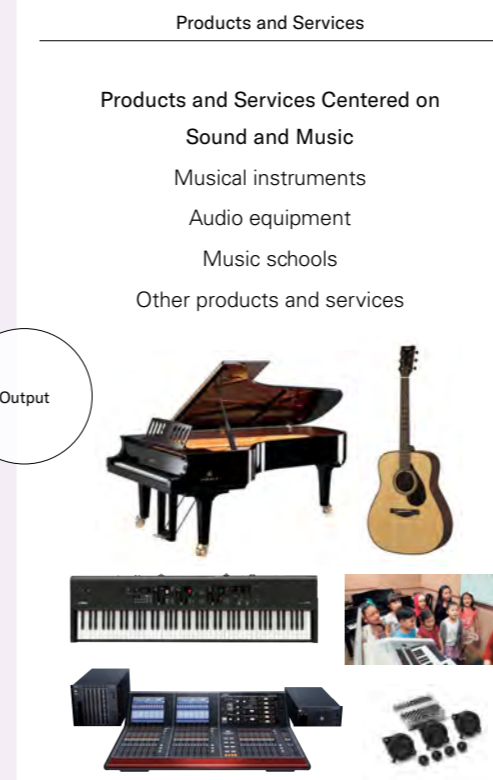
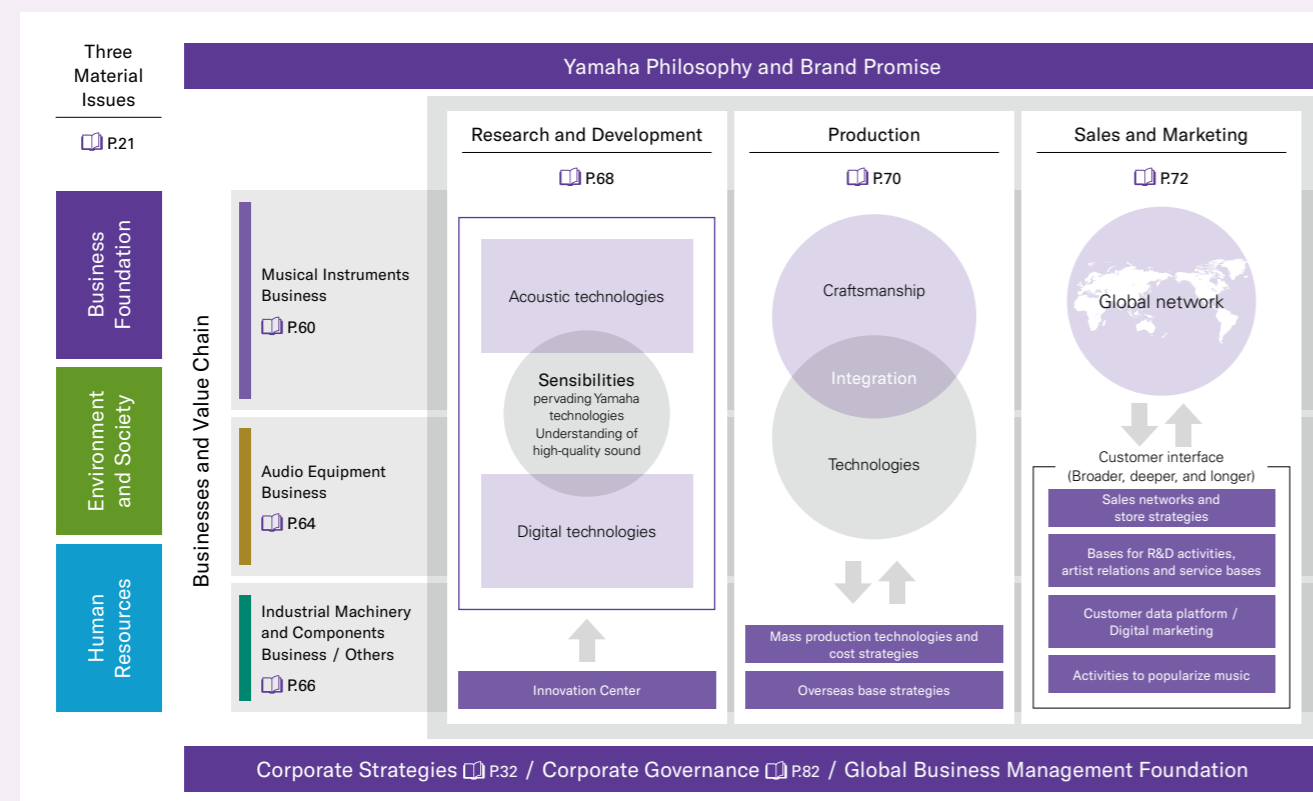
The Yamaha Group focuses on six types of capital. A central form of capital is our brand, and we also defined customers, technology, people, and finance as focus types of capital along with the three types of social capital—environment, society, and culture—in which these types of capital exist. By strengthening our capital, we aim to improve the corporate value of the Yamaha Group.

Based on the material issues, we are maximizing these forms of capital by creating Yamaha value and social value through our business, which is in turn anticipated to contribute to improvements to Yamaha's brand and corporate value. Through this cycle of value creation, we seek to realize Yamaha's management vision and accomplish its mission.

For more information on Yamaha's value creation story, please refer to the following website.  
<https://www.yamaha.com/en/vision/valuecreation/>



Value Creation Process



### Mission

Purpose

Well-Being of People around the World

Corporate Philosophy

Sharing Passion & Performance

### Management Vision

Becoming an Indispensable, Brilliantly Individual Company

Boost brand power to become a highly profitable enterprise

### Corporate value improvement

Customers

Finance

Brand

Technology

People

Environment, Society, and Culture

Yamaha value creation

Value creation process

Social value creation

Three Material Issues

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Business Foundation

Environment and Society

Human Resources

Businesses and Value Chain

### Yamaha Philosophy and Brand Promise

#### Research and Development

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Musical Instruments Business

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Audio Equipment Business

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Industrial Machinery and Components Business / Others

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#### Production

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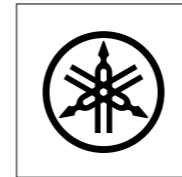
#### Sales and Marketing

P.72

Corporate Strategies P.32 / Corporate Governance P.82 / Global Business Management Foundation

# YAMAHA'S HISTORY

The history of the Yamaha Group dates back to its founding in 1887. Since then, we have continued with our aim of creating excitement and cultural inspiration together with people around the world while centering our business on sound and music to support the "Well-Being of People around the World." The principles and policies that have guided us on our journey have been codified into the Yamaha Philosophy and have become a strength as well as a treasured part of our corporate culture throughout our history spanning more than 135 years.



The three tuning forks of the Yamaha brand logo represent the cooperative relationship that links the three pillars of our business—technology, production, and sales. They also evoke the robust vitality that has forged our reputation for sound and music the world over, a territory signified by the enclosing circle. In addition, the mark symbolizes the union of three essential musical elements: melody, harmony, and rhythm. The spirit of our founder expressed in this logo lives on today, spurring us forward to continue enhancing the Yamaha brand.



## 1887-

## 1950-

## 1970-

## 2000-

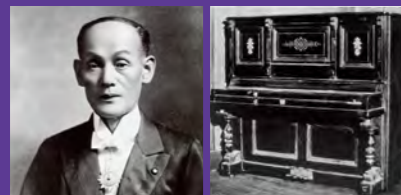
## 2020-

Founding

Spread of music culture, development of new businesses, and advancement onto the global stage as a comprehensive musical instruments manufacturer

Evolution of technologies and creation of new value

Provision of distinctively Yamaha value with sound and music as core of business



Founder Torakusu Yamaha Upright piano launched in 1900

- 1887 Founding
- 1897 Establishment of Nippon Gakki Co., Ltd. (now Yamaha Corporation)
- 1900 Start of production of upright pianos

The birth of the Yamaha Group can be traced to the repair of a single broken organ by founder Torakusu Yamaha at an elementary school in Hamamatsu City, Shizuoka Prefecture. This experience led Yamaha to success in creating domestically produced organs in Japan.

After later commencing the domestic manufacture of pianos, Yamaha would then go on to build the foundations for the Company's core musical instruments business of today and to create excitement and cultural inspiration together with people around the world. This is the origin of Yamaha's enduring corporate philosophy of "Sharing Passion & Performance."



Music school Yamaha de Mexico, S.A. de C.V.

- 1954 Opening of a school that was the predecessor of Yamaha Music School
- 1954 Start of production of audio products
- 1955 Establishment of Yamaha Motor Co., Ltd. by splitting off motorcycle division
- 1958 Establishment of first overseas subsidiary Yamaha de Mexico, S.A. de C.V. in Mexico
- 1959 Start of production of electronic organs (Electone)
- 1962 Launch of resort business
- 1964 Opening of music schools in the United States
- 1966 Establishment of Yamaha Music Foundation Start of production of wind instruments

As Yamaha promoted the popularization of music, the technology and sensibilities cultivated through the manufacture of musical instruments were adapted to diversify our business through involvement in audio products, sports equipment, lifestyle items, the resort business, and other areas leading up to the 1960s. After Yamaha established its first overseas subsidiary in Mexico, the Company proceeded to expand its sales and production networks across the globe to grow as a comprehensive musical instruments manufacturer.



SILENT series products

- 1972 Start of production of semiconductors
- 1977 Start of musical instrument production in Indonesia
- 1982 Launch of Piano Player automatic performance piano
- 1983 Launch of DX7 digital synthesizer and Clavinova digital piano
- 1984 Entry into industrial robot (factory automation) market
- 1987 Change of corporate name to Yamaha Corporation to commemorate 100th anniversary of founding
- 1989 Start of musical instrument production in China
- 1993 Launch of SILENT series
- 1995 Launch of remote router

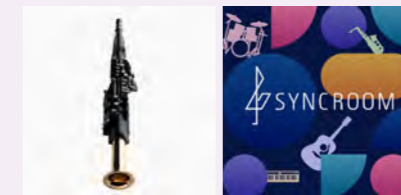
The acoustic technologies we have fostered since our founding have been merged with digital technologies to create a number of innovative products. Made possible by the proprietary large-scale integration chips created through in-house production of semiconductors, these products include our DX7 digital synthesizer, Clavinova digital pianos, and SILENT Pianos. Meanwhile, our musical instrument production technologies were applied to commercialize factory automation (FA) equipment and automobile interior wood components, greatly expanding the business and regional scope of our operations.



Venova School Project activities

- 2003 Development of VOCALOID music synthesis technologies
- 2005 Acquisition of Steinberg Media Technologies GmbH of Germany
- 2008 Acquisition of L. Bösendorfer Klavierfabrik GmbH of Austria Acquisition of NEXO S.A. of France
- 2010 Integration of domestic piano factories into Kakegawa Factory
- 2012 Integration of domestic wind instrument factories into Toyooka Factory
- 2014 Acquisition of Line 6, Inc., of the United States Acquisition of Revolabs, Inc., of the United States
- 2015 Commencement of School Project
- 2017 Launch of Venova series of casual wind instruments
- 2018 Opening of Innovation Center

Yamaha undertook selection and concentration of its previously diversified businesses to focus more on its core business centered on sound and music. This move saw us reorganizing and consolidating domestic and overseas production and sales bases and acquiring overseas companies to restructure our core business and strengthen our growth foundations.



Digital saxophone SYNCROOM

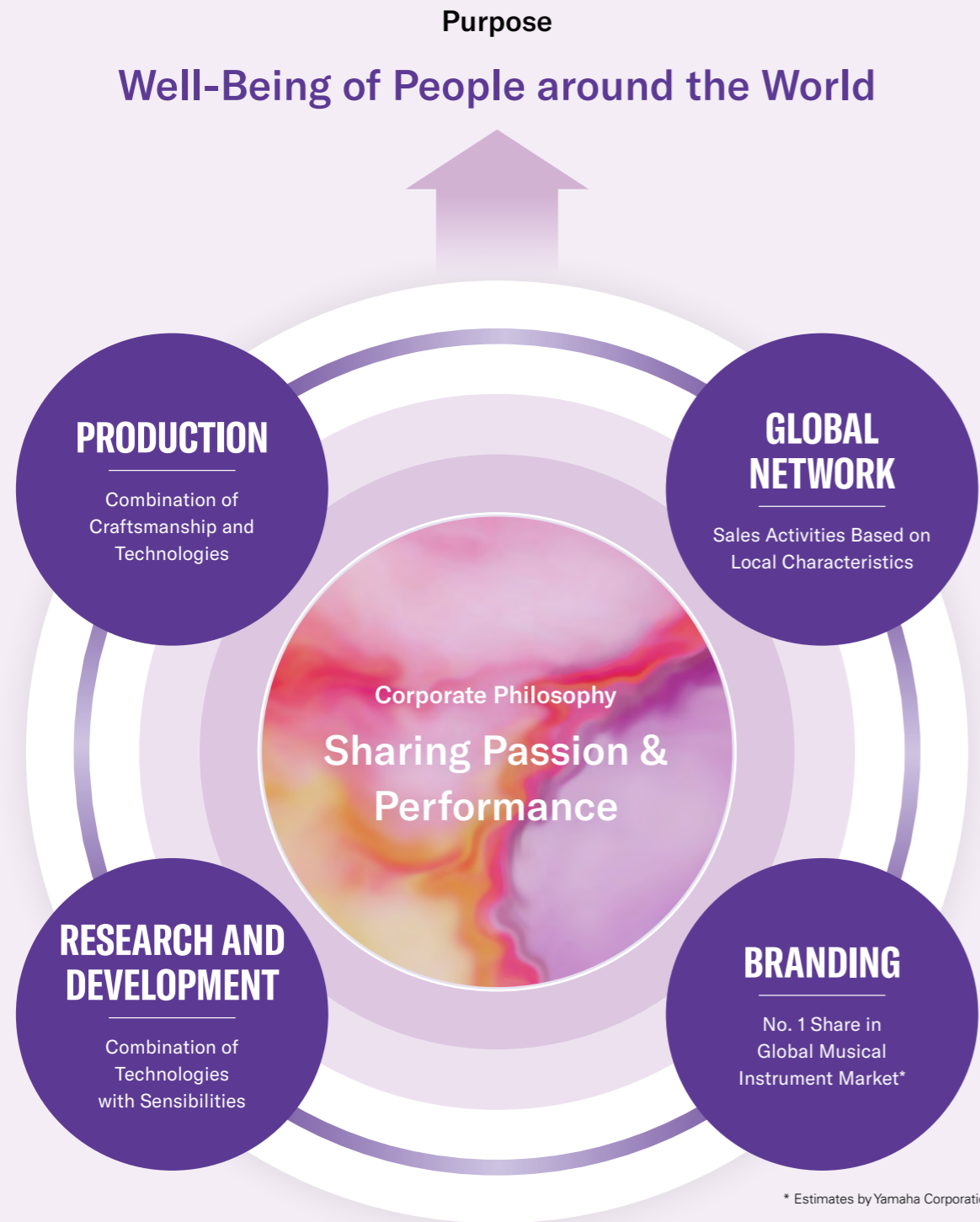
- 2020 Launch of Yamaha brand automotive sound systems Commencement of verification tests for Remote Cheerer powered by SoundUD remote cheering system Release of SYNCROOM online remote ensemble performance service Launch of digital saxophones
- 2023 Acquisition of Cordoba Music Group, LLC, of the United States
- 2024 Completion of YOKOHAMA SYMPHOSTAGE® and Shibuya Sakura Stage as new brand communication and value creation bases in the Tokyo metropolitan area

The unique strengths Yamaha has fostered throughout its history are being used to propose new AI-powered value and new solutions to contribute to the resolution of social issues and the improvement of corporate value.

Purpose  
Well-Being of People around the World

# YAMAHA'S STRENGTHS

Yamaha has continued to foster distinctive strengths throughout its history spanning more than 135 years. Our RESEARCH AND DEVELOPMENT, PRODUCTION, and GLOBAL NETWORK as well as our BRANDING are all strengths that our competitors cannot imitate and also important sources of Yamaha's unique competitive edge. Our ability to combine these strengths is both a major point of differentiation and a driver of our growth. With its foundation formed by these strengths, Yamaha aspires to support the "Well-Being of People around the World" and to achieve ongoing growth while improving corporate value.



\* Estimates by Yamaha Corporation



## Combination of Craftsmanship and Technologies

Throughout our long history of producing musical instruments, we have refined the craftsmanship capabilities that have helped us create even better musical instruments using the eyes and hands of our professionals. Our craftsmanship enables us to deliver a beauty and richness that can only be produced by human hands. Meanwhile, through scientific research of each production process and the utilization of cutting-edge techniques, we have built a foundation comprised of industry-leading manufacturing technologies. The fact that we are able to maintain and integrate our refined craftsmanship capabilities and advanced technologies at a high level is a major strength of our approach to production.



## Sales Activities Based on Local Characteristics

Yamaha has established sales offices in over 30 countries and regions around the world and has thereby built a global network centered on sales subsidiaries.

Through our diverse sales networks (comprised of directly operated stores, specialty stores, mass retailers, e-commerce sites, and other outlets) and our artist relations and service bases, we are able to ascertain local music cultures and customer needs and advance sales strategies in accordance with local characteristics. Another characteristic of Yamaha is how it is popularizing music through the expansion of its network of music schools in addition to selling products.



## Combination of Technologies with Sensibilities

As we develop our musical instruments and audio equipment businesses, we have continued to pass our deep understanding of and vast insight related to sensibilities for determining a good sound and a good sound environment down through the generations. This insight and understanding serve as our unique strengths and enable us to differentiate our products and services from our competitors. We are evolving our sensibility evaluation technologies as a means to effectively utilize our insight and understanding. Leveraging these technologies, we are striving to meld our various other technologies, such as our acoustic, digital, and electronic technologies, which in turn will enable us to offer unique products and services that cannot be imitated by competitors.



## No. 1 Share in Global Musical Instrument Market\*

In its mainstay musical instruments business, Yamaha holds the No. 1 share of the global musical instrument market.\* We have a particularly strong lead in the market for digital musical instruments such as digital pianos and portable keyboards, with a share of around 50% of the global market for these instruments. Meanwhile, we are able to utilize the insight and brand recognition fostered in the musical instruments business to establish a strong presence in our audio equipment business and to develop our industrial machinery and components and other businesses. This strong market share and the brand value that enables us to guide entire markets are a core source of competitiveness for Yamaha born out of the strengths that are its R&D, production, and sales capabilities.

\* Estimates by Yamaha Corporation

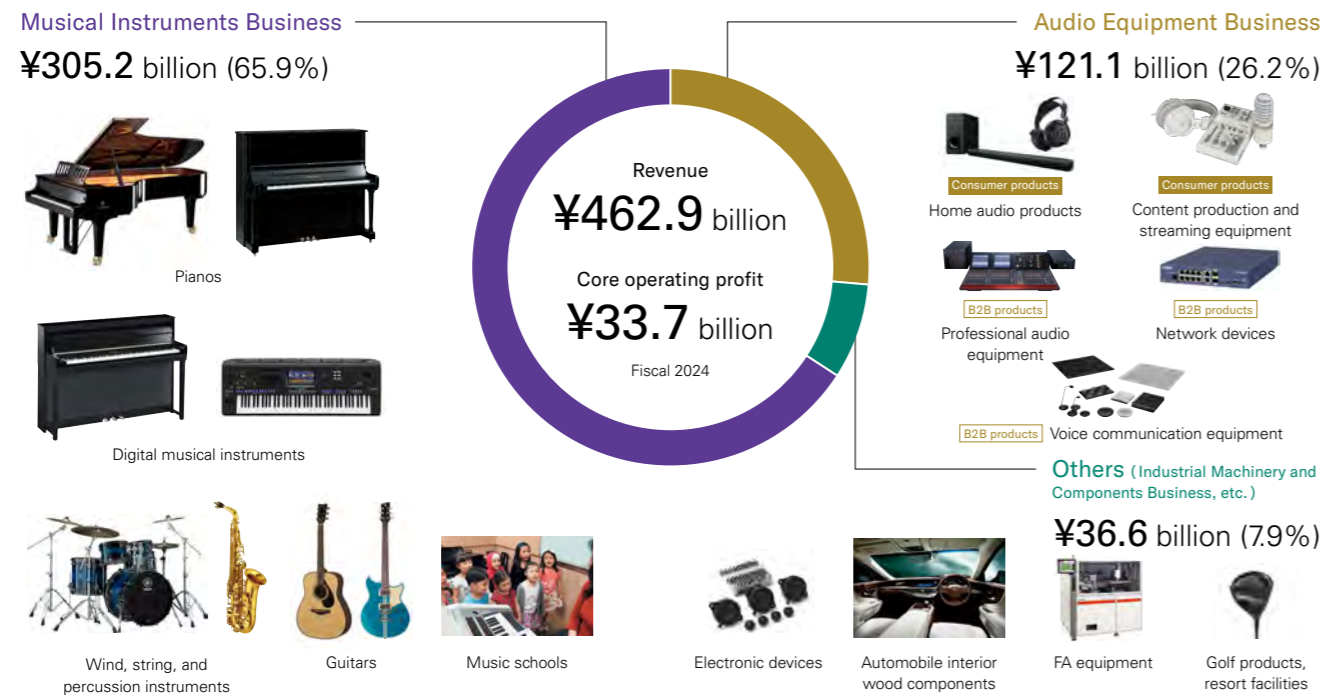


# AT A GLANCE

Yamaha is the world's largest comprehensive musical instruments manufacturer, producing and selling a complete lineup of products ranging from acoustic to digital musical instruments.

We are developing wide-ranging, global operations spanning from businesses related to sound and music, encompassing musical instruments, professional audio equipment, and home audio products and network equipment, to the industrial machinery and components business focused on semiconductors.

## Groupwide Consolidated Revenue and Core Operating Profit



## Business Segments

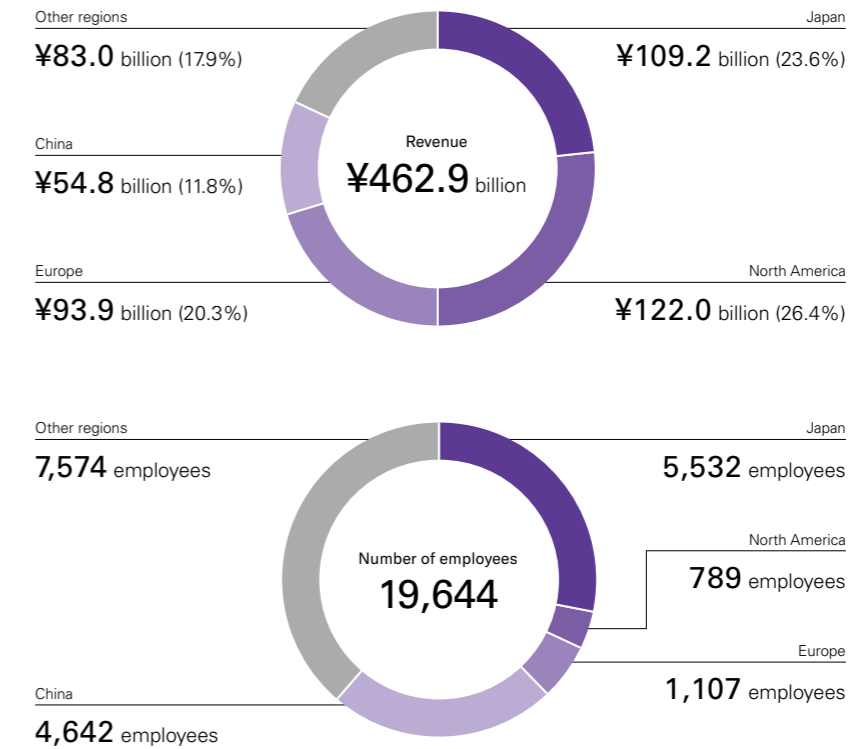
Musical Instruments Business	Audio Equipment Business	Others (Industrial Machinery and Components Business, etc.)
The musical instruments business includes a diverse spectrum of operations ranging from the manufacture and sale of mainstay musical instruments to the operation of music schools and the production and distribution of music and video content.	In the audio equipment business, we sell an extensive lineup of products, including both consumer and commercial equipment.	Other businesses include automotive sound systems, interior design panels, and FA equipment.

For more information, please refer to Strategies by Business on pages 60–67.

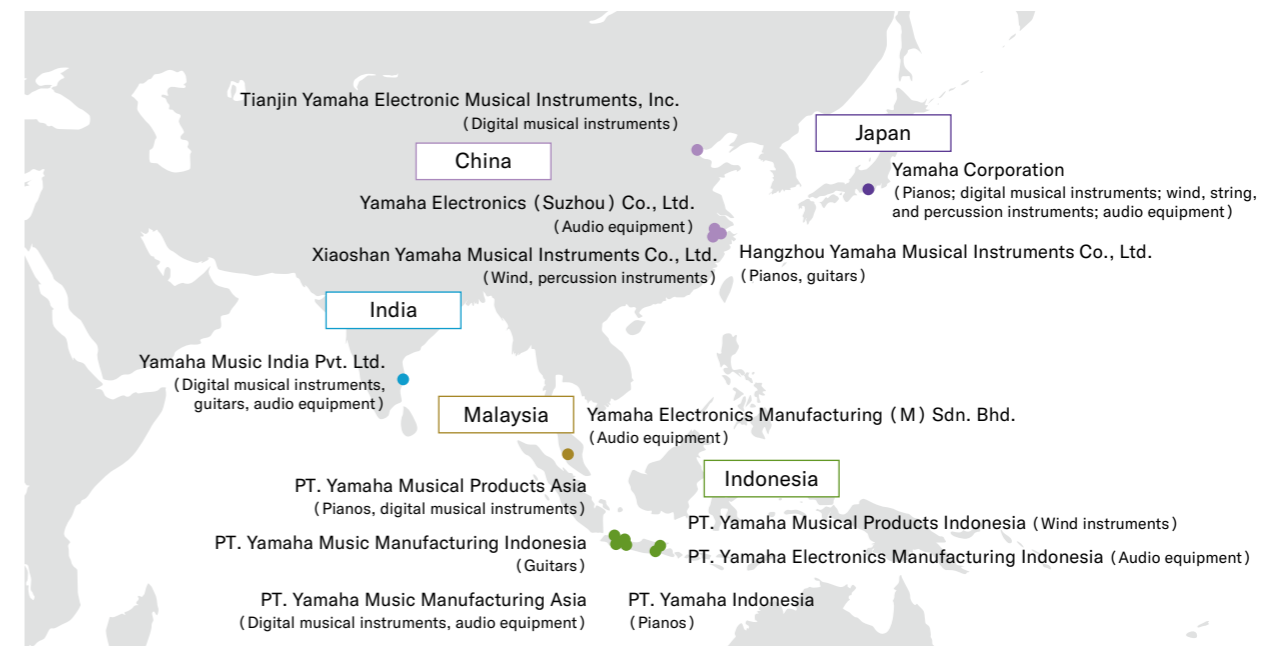
## Global Market Shares of Major Products (Fiscal 2024, monetary value basis, estimates by Yamaha Corporation)



## Revenue Composition and Number of Employees by Region



## Major Production Bases (Musical Instruments and Audio Equipment)





**Atsushi Yamaura**  
 Director, President and  
 Representative Executive Officer

## MESSAGE FROM THE PRESIDENT

Yamaha will continue its quest for growth amid the current volatile operating environment as it works to support the “Well-Being of People around the World.”

### Crafting of New Value Creation Story and Return to Growth Track

My vision for Yamaha is that of a highly empathetic company that shapes a future in which people’s individuality shines. This vision looks to a future in which we are receptive toward the needs of all stakeholders and our business activities inspire the creativity of people around the world, making their individuality shine to create light that illuminates the Yamaha brand. As we aspire to shape this future together with stakeholders, I am committed to finding our path for creating new value while responding to the diversifying needs of customers, the rising expectations of society, and the opinions of employees desiring diverse workstyles.

Yamaha’s operating environment is currently incredibly volatile. The shift in the focus of consumption from ownership to experiences continues, and we have also been seeing the emergence of a trend toward people seeking new ways to enjoy music via fresh and more accessible approaches. In terms of production, securing stable supplies of raw materials and other aspects of supply chain management are becoming more challenging, and costs are rising in transportation, personnel, and all other areas.

If we hope to adapt to these changes, Yamaha will need to accelerate its efforts. Recognizing the danger presented by this reality, we must craft a new value creation story to return to a growth track. My mission is thus to lead Yamaha in accomplishing this objective.

### Accelerating Adaptation to Change

Yamaha must address the pressing issue of increasing the speed at which its organization moves. Frameworks that functioned effectively in a steadily growing market can delay our response to changes in a volatile one.

When faced with an unprecedented situation, it is important to adapt quickly. Accelerating our adaptation to change requires management to be able to make bold decisions. We also need to establish frameworks for entrusting certain decisions to frontline organizations with a keen sense of the trends seen in the market.

Based on this understanding, we are moving forward with reforms to organizational awareness and culture. These reforms will entail empowering employees to act based on the assigned authority so that the front lines can rapidly make the decisions that are within their power. At the same time, we will put forth clear management indicators to ensure that the decisions made by the front lines coincide with the path set by management.

If everyone is not able to fully exercise the authority they have been endowed, we will not be able to achieve swift management. Conversely, if every business site has its own decision criteria, there will be no consistency in our management.

Even as we move forward with these reforms, there are aspects of the Company that we should not change. A prime example would be the focus of Yamaha’s pursuit of growth, which has always been the creation of social value. This focus can be seen in the contributions we have made to fostering music culture through the music schools we launched in the 1950s and through our efforts to promote instrumental music education overseas, which share the same spirit as our music schools. Outside of the field of education, we are actively utilizing the power of sound and music to help resolve issues in areas such as physical and mental health and interpersonal connections. In this manner, Yamaha has maintained a consistent



## MESSAGE FROM THE PRESIDENT

focus on utilizing its unique technologies and sensibilities to shape a sustainable society built on the well-being of people. With this focus, the quest to generate social value

will remain a central part of the new value creation story we seek to craft.

### Three Important Elements of Developing New Businesses

After joining Yamaha in 1992, I was placed in a division responsible for designing digital pianos, one of the Company's mainstay products. Later, I would hold positions related to the development of products and elemental technologies, the creation of new businesses, and the operation of business divisions. Then, in 2023, I was made the representative of a Chinese subsidiary, where I experienced frontline operations under highly volatile market conditions. Over the years, I have had the opportunity to witness changes to Yamaha's operating environment from a variety of angles and perspectives, including development, sales planning, and overseas sales subsidiaries. Moreover, I have been able to learn about the challenges and rewards of working with people with differing values and cultural backgrounds. These lessons are an important part of the person I am today.

My experience with developing new businesses has been a major factor shaping my business sense. Developing a new business involves an approach that is radically different than that used in the musical instruments and audio

equipment businesses where Yamaha has an established brand. In new fields, we cannot leverage an existing strong position, and the resources for us to take advantage of are limited. Over the years, I have learned of three elements that are crucial to developing new businesses: unique strengths, coordination with outside partners, and corporate communication capabilities.

To achieve success in a new business, it is necessary to produce unprecedented value of a high level that cannot be easily imitated. Unique strengths are the tools through which such value is created. In Yamaha's case, this would include our scientific capabilities related to sensibilities and our technological prowess pertaining to sound and music. In regard to the former, Yamaha possesses proprietary acoustics measuring and analysis technologies that can be used to perform quantitative analyses of sensibilities, which are something that is not easy to describe in words. When these sensibility-related scientific capabilities are combined with the various technologies Yamaha has honed over the years, it gives rise to a unique position that

competitors cannot mimic. This is especially true given the breadth of our technology profile, which includes acoustics technologies, sound source and acoustics processing and other digital technologies, material processing technologies, electronics technologies, and the user interface technologies that are vital to musical instruments.

Making effective use of such unique strengths, meanwhile, requires proactive coordination with outside partners. If we try to do everything ourselves, we will inevitably end up with our limited resources being spread too thin. Such a situation has the potential to impede speed or to prevent our offerings from reaching their full potential. Manufacturing has always been a core component of Yamaha's business, and we have long focused on pursuing improvements to ensure that the quality of all manufacturing processes consistently exceeded a certain level, as is essential to creating high-quality products. In the future, however, we will need to generate value

surpassing that which can be produced by our strengths alone in order to heighten Yamaha's competitiveness. This should be done by continuing to build upon our unique strengths while also generating synergies with partners who possess strengths that we lack. It will be important to adopt new approaches for raising internal awareness with this regard going forward.

Yamaha must also endeavor to become a company that is viewed as a promising and reliable partner to work with. To this end, we have to clarify what we need and what we can offer in order to communicate, in a concise manner, exactly why potential partners should work with Yamaha. We should therefore focus on heightening our corporate communication capabilities by thoroughly thinking through why we are engaged in a certain business and the unique value that we are able to supply therein. This is perhaps the most important task to be tackled in order to create the new Yamaha that I envision.

### Creation of Value by Merging Physical Products and Intangible Services

In the past, the standard process taken by people seeking to play instruments was to first purchase their instrument and spend time learning how to play it before finally performing in front of others. Today, however, this is not necessarily the case. We are increasingly seeing people enjoy music by creating songs using computers and smartphones and then distributing them through the accessible venue that is social media. This means that we can no longer solicit our value to consumers by focusing exclusively on dedicated music products such as instruments and audio equipment.

Fortunately, such physical products are not the only thing Yamaha has focused on as it has developed its business. Yamaha also has a history of providing services and

other intangible offerings, though we have previously positioned these offerings as tools for enhancing the appeal of instruments and other physical products. We must therefore move away from this prior emphasis on physical products to shift toward an approach of creating new value by positioning physical and intangible offerings as mutually complementary. It is our experience with producing physical products that allows us to create intangible services that satisfy consumers' experience needs. Meanwhile, thinking from the perspective of services helps us discover new possibilities in relation to our physical products. Through an approach toward value creation that combines the two, we are able to propose new forms of enjoyment.

### Dedication to Active Music Experiences

I want Yamaha to be a company dedicated to offering users active music experiences, such as playing an instrument, producing a song, or listening to music with an attentive focus on sound quality. There is still much room for progress when it comes to supporting such active music experiences. I am confident that exploring the business opportunities available in these areas will help us strengthen Yamaha's business portfolio.

With this regard, I have high hopes for Yamaha Music Connect, a service business concept for making users' music lives more creative and more enjoyable. Yamaha Music Connect categorizes the joy of sound and music experienced through playing and producing music into three categories—learning, creation, and encounters—and provides each user with the ideal apps and content based on the Yamaha Music ID customer data platform.



## MESSAGE FROM THE PRESIDENT

This service thereby functions as a gateway from expanding the scope of music culture. One of the ways Yamaha Music Connect accomplishes this is through the use of generative AI, which is expected to drive the popularization of the new ways of enjoying music that do not involve instruments that I mentioned earlier.

The spread of generative AI could be seen as a threat to Yamaha's business. However, I believe that we should not be resistant in the face of new technology. Rather, we should think first of how we can create value for the customer, and turn our attention to how to combine generative AI with Yamaha's technologies and services to accomplish this objective. With this perspective, it would be prudent to focus on developing technologies and services that help further unlock people's creativity. I am sure that if we can evolve our technologies and services to make

instrument music performances more accessible, it will help us communicate the joy of performance through instruments and other interfaces to people who have not played an instrument or who have never been interested in instruments previously, as well as those who have not had much opportunity to engage in active music experiences.



Yamaha Music Connect

## Progress of Medium-Term Management Plan

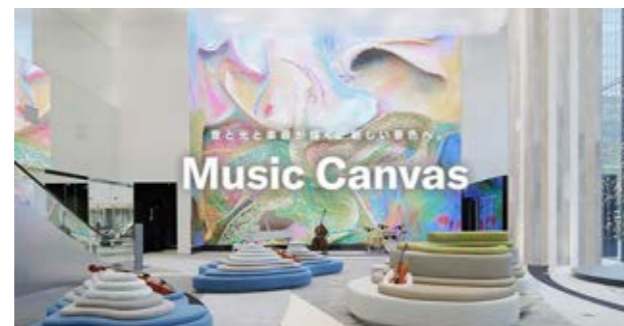
Our Make Waves 2.0 medium-term management plan is set to conclude with fiscal 2025. Designed to enhance our capacity for sustainable growth in the new society that emerged post-pandemic, this three-year plan puts forth the three key policies of "further strengthen the business foundation," "set sustainability as a source of value," and "enable Yamaha colleagues to be more valued, more engaged, and more committed." We have been moving forward with initiatives based on these three key policies.

### Key Policy 1: Further strengthen the business foundation

The themes under the policy of further strengthen the business foundation are (1) Develop closer ties with customers, (2) Create new value, and (3) Be more flexible and resilient. Various measures are advancing based on these themes.

As part of its efforts to develop closer ties with customers, Yamaha undertook a reorganization in Japan. For a number of years, we have been transforming our directly operated stores to be more than just retail venues and to function as places for communicating the Yamaha brand and providing customer experiences. To accelerate these efforts, we merged domestic musical instruments and audio equipment wholesaler Yamaha Music Japan Co., Ltd., and retailer Yamaha Music Retailing Co., Ltd., effective April 1, 2024. By consolidating our wholesale and retail functions, expert staff, and know-how, we aim to enhance our marketing capabilities and achieve more

efficient business operation. At the same time, the merger will enable us to expand coordination and service offerings that combine wholesale and retail measures in order to more effectively create demand and solicit our brand value.



Experience-oriented brand shop opened in the Minatomirai area of Yokohama in June 2024

In addition, we opened Yamaha Music Philippines Inc. to sell musical instruments and audio equipment in the growing market of the Philippines. This company commenced full-fledged operation in October 2023, enabling us to move away from outsourcing sales in this market to local distributors to directly promoting sales through a local subsidiary. We are thus now poised to deploy more flexible marketing measures in this country.

Through our efforts to create new value, we have launched numerous distinctive new products in our musical instruments and audio equipment businesses while also achieving ongoing growth in our automotive sound

system operations. As of March 31, 2024, 15 automobile models using Yamaha automotive sound systems had been launched by a total of five Chinese and Japanese automobile manufacturers. In this manner, we are steadily growing our automotive sound system operations with the aim of developing it into a third pillar of operations that can stand alongside our musical instruments and audio equipment businesses. We have also defined three business fields in which we will apply our Yamaha Music Connect platform for proposing new ways of enjoying music, and are thus now prepared to accelerate measures related to this platform during fiscal 2025, the final year of Make Waves 2.0.

In our quest to be more flexible and resilient, we established semiconductor procurement company Yamaha Music International Procurement Sdn. Bhd. in Malaysia in December 2023 to help secure a reliable supply of semiconductors. Meanwhile, domestic production subsidiary Yamaha Music Manufacturing Japan Corporation was absorbed by Yamaha Corporation in April 2024. This move was aimed at facilitating closer coordination of the headquarters production strategy functions to reinforce the central production functions that underpin global production activities. Through these initiatives, Yamaha is bolstering its operating foundations for enabling swift and flexible responses to operating environment changes.



Production process at Yamaha Music Manufacturing Japan, which was absorbed by Yamaha Corporation effective April 1, 2024

### Key Policy 2: Set sustainability as a source of value

For the policy of set sustainability as a source of value, we have defined the themes of (1) Build a value chain that supports the future of the earth and society, (2) Enhance brand power and competitiveness by contributing to comfortable lives, and (3) Expand market through the promotion and development of music culture. These three themes relate to the environment, society, and culture, respectively.

To build a value chain that supports the future of the earth and society, we installed solar power generation facilities at our Suzhou Factory in China as one facet of our energy conservation initiatives aimed at achieving carbon neutrality by 2050. Meanwhile, construction of our first large-scale solar power generation facilities in Japan has begun at the Kakegawa Factory. These facilities are scheduled to start operation in fiscal 2025.

At the same time, steady progress is being made in utilizing sustainably sourced timber. Under the guidance of international environmental organization Preferred by Nature, Yamaha has established new proprietary standards for sustainably sourced timber for use in objectively judging the sustainability of timber for species of trees for which the volumes of certified timber available on the market are quite small. The ratio of sustainably sourced timber in fiscal 2024 was 64% when combining certified timber and timber complying with Yamaha's new standards. In addition, Yamaha is also developing alternative materials that can be used in place of scarce timber and utilizing biomass-derived resins and other renewable materials in products and packaging. Furthermore, the musical instrument trade-in services launched in 2022 were advanced in a more full-fledged capacity as we sought to expand operations based on reusing musical instruments.

Efforts to enhance our brand power and competitiveness by contributing to comfortable lives included contributing to the resolution of issues faced by public institutions seeking to adopt universal design principles for sound. Yamaha is also utilizing its sound technologies to develop its e-Call emergency reporting systems for reducing the damages from traffic accidents.

Our most noteworthy initiative to expand the market through the promotion and development of music culture is the School Project, a uniquely Yamaha initiative through which we support the introduction of instrumental music education in public education with a focus on emerging countries. Our School Project activities in Colombia have been selected as one of the projects to be supported through EDU-Port Japan, the Ministry of Education, Culture, Sports, Science and Technology's program for promoting Japanese-style education outside of Japan. Elsewhere, we helped introduce, for the first time ever, Japanese-style music classes using recorders into the official curriculum for public primary schools in India. The number of students to which we have provided instrumental music performance experiences through the School Project has already exceeded 3 million, greatly

## MESSAGE FROM THE PRESIDENT

surpassing the target of 2.3 million people set for this indicator. In Japan, as well as in other countries, we have been providing support for energizing light music band activities through visits to schools, aid for competitions, and assistance with instrument maintenance.



Music class using keyboards in Malaysia



Music class using recorders in Colombia

## Priorities in Final Year of Make Waves 2.0

As I have explained thus far, we have made strides toward accomplishing many of the non-financial targets laid out in the medium-term management plan. We are a little behind schedule when it comes to investment in production infrastructure and reductions in CO<sub>2</sub> emissions. Regardless, we will continue to move forward with measures to accomplish the fundamental aims of these targets, while taking into account the impacts of the limitations on production systems and investment plans.

As for our financial targets, performance in fiscal 2024 was buoyed by brisk sales of business-to-business (B2B) audio equipment and beneficial foreign exchange influences. However, the benefits of these factors were outweighed by the impacts of sluggish piano demand in China, a result of a change in government education policy, and a

### Key Policy 3: Enable Yamaha colleagues to be more valued, more engaged, and more committed

Yamaha also made considerable progress in terms of enhancing its human capital. We introduced a talent management system for supporting autonomous career development, expanded our internal open application system, laid out clear standards permitting side jobs, and implemented other frameworks for heightening motivation and encouraging flexible workstyles. Other measures included designing systems for supporting the contributions of diverse human resources. One such system is cross-border personnel assignments. To date, we have seen examples of cross-border personnel assignments resulting in employees from overseas sales and manufacturing subsidiaries working at Yamaha's headquarters.

Meanwhile, a variety of discussions took place at divisions across the Company in which employees exercised their ingenuity to produce ideas for fostering a more open organizational culture. In addition, we sought to ensure the psychological safety of our employees through means such as attentive listening training meant to teach people how to better listen to others. These efforts led to roughly two-thirds of employees offering positive responses regarding job satisfaction and workplace environment on global employee engagement surveys. Nevertheless, we are committed to achieving even higher scores. Accordingly, we will continue to enhance our frameworks and systems and reform our organizational culture to offer greater workplace environment and to further encourage the ambitions of all employees.

slower-than-anticipated recovery in the digital piano market. These detractors led to faltering performance in our mainstay musical instruments business, and ultimately a failure to accomplish our financial targets. In addition, the core operating profit ratio was down due to reduced production and inventory adjustments.

A major priority in fiscal 2025, the final year of the medium-term management plan, will be improving profitability. Our forecasts for top-line revenue growth are a tad conservative, but we are fully committed to heightening the core operating profit ratio. To this end, we will implement decisive cuts to fixed costs in production processes while strategically allocating funds to the necessary costs and preventing waste in terms of selling, general and administrative expenses.



We also completed structural reforms, including impairment losses on production equipment and devaluations of surplus inventories, during fiscal 2024. We expect to feel the benefits of these reforms in fiscal 2025. Going forward,

the appropriate measures will be determined so that we can take swift action for identifying demand levels, adjusting the balance of supply capacity, and pursuing further improvements in production efficiency.

## Formulation of Next Medium-Term Management Plan

Discussions are already underway within Yamaha in relation to the formulation of the next medium-term management plan. I suspect that business structure reforms for reinforcing foundations and furthering growth will end up being an important theme under this plan. One element I want to include in the plan is the reconstruction of our foundations to enhance our ability to respond to operating environment changes in existing businesses. In addition, I want to include among our portfolio strategies the creation of new value through an approach combining physical products and intangible services as well as the exploration of new business areas. Through these provisions, I hope to paint an even clearer picture of Yamaha's dedication to growth in the next plan.

No matter how the times may change the way people enjoy music, I have full confidence in Yamaha's ability to combine the sound and music insight we have amassed thus far and the development capabilities that allow us to take advantage of AI and other advanced technologies to create unprecedented new value for users. As we work to achieve further growth going forward, we will revise, and potentially even fundamentally reinvent, Yamaha's

conventional business models in order to build new frameworks for the perspective of business development.

The products and services that the Yamaha Group provides should add an element of luxury and relaxation to customers' lives while giving them opportunities to interact with others. I hope you will look forward to our quest to explore new possibilities for growth. I also would like to ask our shareholders, investors, and various other stakeholders for their ongoing support and understanding.

September 2024




Director, President and Representative Executive Officer

## Growth in the New Society Emerging amid Changing Operating Environment

The COVID-19 pandemic triggered the acceleration of various changes in the operating environment, including digitalization, increased emphasis on diversity, and growing awareness of sustainability. The pandemic also placed restrictions on the movement of people and on face-to-face interactions. This trend spurred an increase in exchanges of goods and information via the internet, giving rise to products and services that accommodate this new lifestyle.

Meanwhile, the growing awareness of sustainability was indicative of a shift in people's focus from economic prosperity to a more fundamental feeling of emotional enrichment. With a view to the new society emerging amid these changes, the Yamaha Group sees an increasingly wide range of opportunities to seize, as part of its quest to create excitement and cultural inspiration with the combination of its technologies and sensibilities founded on sound and music. At the same time, we recognize that this environment also presents geopolitical risks as well as risks of economic stagnation and unforeseen supply chain disruptions.

## A New Society Brought about by Business Environment Changes

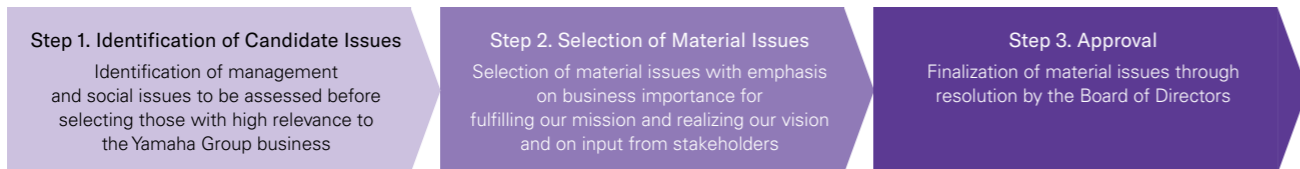
<p>Business environment forecast</p> <p><u>Profound transformation brought about by accelerated digitalization</u></p> <p>The industrial structure and the world are changing drastically while relationships with customers are becoming more direct and closer.</p> 	<p>Business environment forecast</p> <p><u>Greater diversity in lifestyles and people's values</u></p> <p>Beyond desiring greater functionality and convenience, people are also seeking greater emotional satisfaction and authenticity.</p> 	<p>Business environment forecast</p> <p><u>Growing awareness of sustainability</u></p> <p>Greater social demand for corporate social responsibility</p> <p>Broader awareness that the making of social contributions leads to corporate value creation over the medium to long term.</p> 
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The COVID-19 pandemic has rapidly changed people's awareness and the environment, as part of the transition to the new post-COVID-19 society.

- In an era in which people seek more fundamental forms of fulfillment, sound and music are becoming much more essential to people.
- People's purchasing behavior is shifting to digital and online, thus increasing the number of e-commerce users.
- Changes are underway regarding the way people enjoy sound and music and communicate, such as remote ensembles, online conferences, etc.

The new society offers Yamaha more opportunities to seize through the combination of its technologies and sensibilities.

### Material Issue Identification Process



For more information on material sustainability issues, please refer to the following website: <https://www.yamaha.com/en/sustainability/overview/materiality/>

## Material Issues

Information on initiatives based on the defined material issues can be found on pages 24–27 as well as on the pages indicated below.

<p>Customers</p> <ul style="list-style-type: none"> <li>• Connect with customers</li> <li>• Provide new value by incorporating products and services</li> </ul> <p>P.60-67 and P.72-73</p>		<p>Human resources</p> <ul style="list-style-type: none"> <li>• Increase job satisfaction</li> <li>• Promote respect for human rights and DE&amp;I*</li> <li>• Foster open organizational culture where people can proactively take on challenges</li> </ul> <p>P.46-51</p>
<p>Technology</p> <ul style="list-style-type: none"> <li>• Create new value through the fusion of cutting-edge technologies and sensibilities</li> <li>• Encourage open innovation</li> </ul> <p>P.60-71</p>		<p>Environment</p> <ul style="list-style-type: none"> <li>• Furnish responses to climate change</li> <li>• Sustainably use timber</li> <li>• Realize resource savings and reduce waste and hazardous substances</li> </ul> <p>P.39-45 and P.70-71</p>
<p>Manufacturing</p> <ul style="list-style-type: none"> <li>• Refine skills and heighten technological proficiency</li> <li>• Strengthen resilience</li> </ul> <p>P.60-71</p>		<p>Society</p> <ul style="list-style-type: none"> <li>• Contribute to an equal society and facilitate comfortable lives</li> <li>• Promote respect for human rights in the value chain</li> </ul> <p>P.46-47 and P.60-67</p>
<p>Quality</p> <ul style="list-style-type: none"> <li>• Realize high quality that leads to absolute customer trust</li> </ul> <p>P.60-71</p>		<p>Culture</p> <ul style="list-style-type: none"> <li>• Spread and develop music culture</li> </ul> <p>P.60-67 and P.72-73</p>
<p>Digital transformation</p> <ul style="list-style-type: none"> <li>• Create new value and transform business processes in various fields</li> </ul> <p>P.58-59</p>		
<p>Governance</p> <ul style="list-style-type: none"> <li>• Strengthen Group governance</li> </ul> <p>P.74-93</p>		

Incorporation into the medium-term management plan

Basic policy of the medium-term management plan: Enhance capacity for sustainable growth in the new society

## Policies and Key Themes

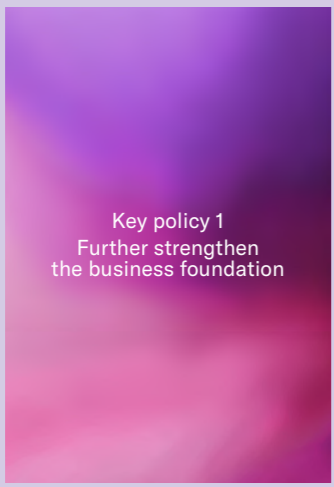


<p><b>Key policy 1</b></p> <p>Further strengthen the business foundation</p>	<p><b>Key policy 2</b></p> <p>Set sustainability as a source of value</p>	<p><b>Key policy 3</b></p> <p>Enable Yamaha colleagues to be more valued, more engaged, and more committed</p>
<p>In Make Waves 2.0, the themes of “develop closer ties with customers” and “create new value,” which were also included in the previous medium-term management plan, were complemented with the new theme of “be more flexible and resilient” based on the lessons learned from the COVID-19 pandemic.</p>	<p>The Yamaha Group positions sustainability as a source of corporate value, as opposed to an obstacle to creating value. Based on this belief, we will advance initiatives from the perspectives of the environment, society, and culture.</p>	<p>We recognize that it is the engagement and commitment of our colleagues that drive all of the value creation activities of the Group. Accordingly, we practice management in a way that draws upon the individuality of all employees to ensure that they can deliver their best possible performance.</p>
<p><b>Key Themes</b></p> <p>(1) Develop closer ties with customers</p> <p>(2) Create new value</p> <p>(3) Be more flexible and resilient</p>	<p><b>Key Themes</b></p> <p><b>Environment</b></p> <p>(1) Build a value chain that supports the future of the earth and society</p> <p><b>Society</b></p> <p>(2) Enhance brand power and competitiveness by contributing to comfortable lives</p> <p><b>Culture</b></p> <p>(3) Expand market through the promotion and development of music culture</p>	<p><b>Key Themes</b></p> <p>(1) Increase job satisfaction</p> <p>(2) Promote respect for human rights and DE&amp;I</p> <p>(3) Foster open organizational culture where people can proactively take on challenges</p>

Based on its medium- to long-term operating environment outlook, the Yamaha Group has defined 10 material issues in the three areas of business foundation, environment and society, and human resources. These issues represent important management priorities. For the area of business foundation, we focused on identifying material issues with an emphasis on their impact on business activities in order to select the issues that would be important to fulfilling our mission and realizing our vision given our operating environment. Meanwhile, the areas of environment and society and human resources have been designated as areas for material sustainability issues. The policies of further strengthen the business foundation; set sustainability as a source of value; and enable Yamaha colleagues to be more valued, more engaged, and more committed have been defined in the medium-term management plan based on these material issues. These policies are meant to guide efforts to strategically address the risks and opportunities that were identified as part of this process. These policies will be enacted as part of our quest to achieve ongoing growth in the new society that is emerging.

# MECHANISM FOR CREATING VALUE

Yamaha is strengthening its six types of capital (brand, customers, technology, people, finance, and the environment, society, and culture) by creating Yamaha value and social value through its business activities based on its material issues. In this way, Yamaha aims to realize its management vision and fulfill its mission as it improves corporate value.

The following table illustrates the mechanism through which the creation of value strengthens specific types of capital and thereby contributes to value creation.

Medium-Term Management Plan		Strategies based on material issues			Improved corporate value							
Material Issues	Medium-Term Management Plan (2022/4-2025/3)		Strategies and Corporate Governance	Strengths Driving Strategies	Type of Capital Strengthened through Strategies							
	Policies	Key Themes			Brand	Customers	Technology	People	Finance	Environment, Society, and Culture	Financial Benefits of Capital Strengthened through Strategies	
Business Foundation	Customers	 <p>Key policy 1 Further strengthen the business foundation</p>	Develop closer ties with customers Create new value Be more flexible and resilient	Corporate Strategies × Strategies by Business × Strategies by Function × Corporate Governance	- No. 1* share in the global musical instrument market  - Superior acoustic and digital technological capabilities  - Manufacturing systems merging craftsmanship and technologies  - Global network centered on directly operated sales subsidiaries	x	x	x	x	x	x	Increased customer support → Contributions to revenue
	Technology											Creation of new value → Contributions to revenue
	Manufacturing											Enhanced resilience → Contributions to revenue, prevention of losses of sales opportunities
	Quality											Greater customer trust earned through supply of high-quality products and services → Contributions to revenue, reduction in quality issues
	Digital transformation											Reforms to processes → Reductions in costs Creation of new value → Contributions to revenue
	Governance											Improvement of management quality → Ongoing growth driven by business expansion and risk management
Environment and Society	Environment	 <p>Key policy 2 Set sustainability as a source of value</p>	Build a value chain that supports the future of the earth and society  Enhance brand power and competitiveness by contributing to comfortable lives  Expand market through the promotion and development of music culture	Corporate Governance		x	x	x	x	x	x	Conservation of resources → Reductions in costs Cultivation and preservation of scarce timber resources → Reliable procurement of raw materials
	Society											Supply of products that contribute to more comfortable lifestyles → Contributions to revenue
	Culture											Fostering of future customers → Contributions to revenue
Human Resources		 <p>Key policy 3 Enable Yamaha colleagues to be more valued, more engaged, and more committed</p>	Increase job satisfaction  Promote respect for human rights and DE&I  Foster open organizational culture where people can proactively take on challenges			x	x	x	x	x	x	Improvement of employee satisfaction, motivation, and skills → Reductions in employee turnover and improvements in labor productivity
												Utilization of diverse talent and innovation through diversity → Contributions to revenue and improvements in labor productivity
												Improvement of psychological safety, reduction in accidents and quality issues → Improvements in labor productivity
		P.24-31	P.32-93	P.4-5 and P.8-9								

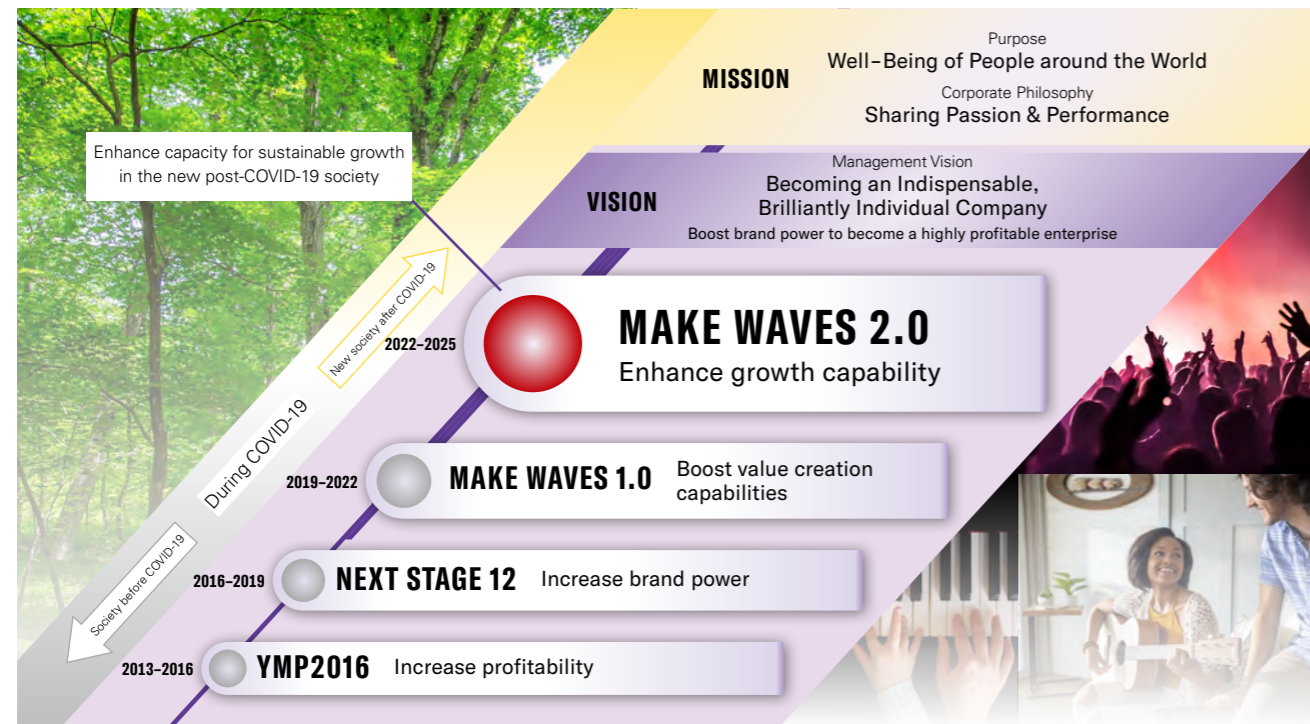
Yamaha's 10 material issues in the three areas of business foundation, environment and society, and human resources have been incorporated into the Make Waves 2.0 medium-term management plan. In addition, we have defined corporate strategies, strategies by business, and strategies by function for exercising the three key policies of the medium-term management plan and giving form to initiatives based on the plan's key themes. These strategies are driven by the strengths Yamaha has fostered through its efforts thus far. We are also pursuing ongoing improvements to corporate governance based on the recognition that strong governance is imperative to improving the quality of overall management. Through these strategies, we aim to strengthen the six types of capital defined by Yamaha so that the strengthened capital can be reinvested to support and accelerate the creation of Yamaha value and social value.

Based on the key theme of develop closer ties with customers, for example, we are deploying sales and brand strategies targeting improvements to lifetime value. The advancement of these strategies is fueled by Yamaha's position as the holders of the No. 1 share in the global musical instrument market as well as by the Company's global network. Our sales and brand strategies based on this theme contribute to the strengthening of the management capital that is our brand and customers, and this strengthened capital helps grow revenue. This ongoing process is anticipated to enable the Company to maintain its competitive edge on into the future while driving the creation of Yamaha value and social value.

\* Estimates by Yamaha Corporation

# MAKE WAVES 2.0 MEDIUM-TERM MANAGEMENT PLAN

## Medium-Term Management Plan Basic Policy

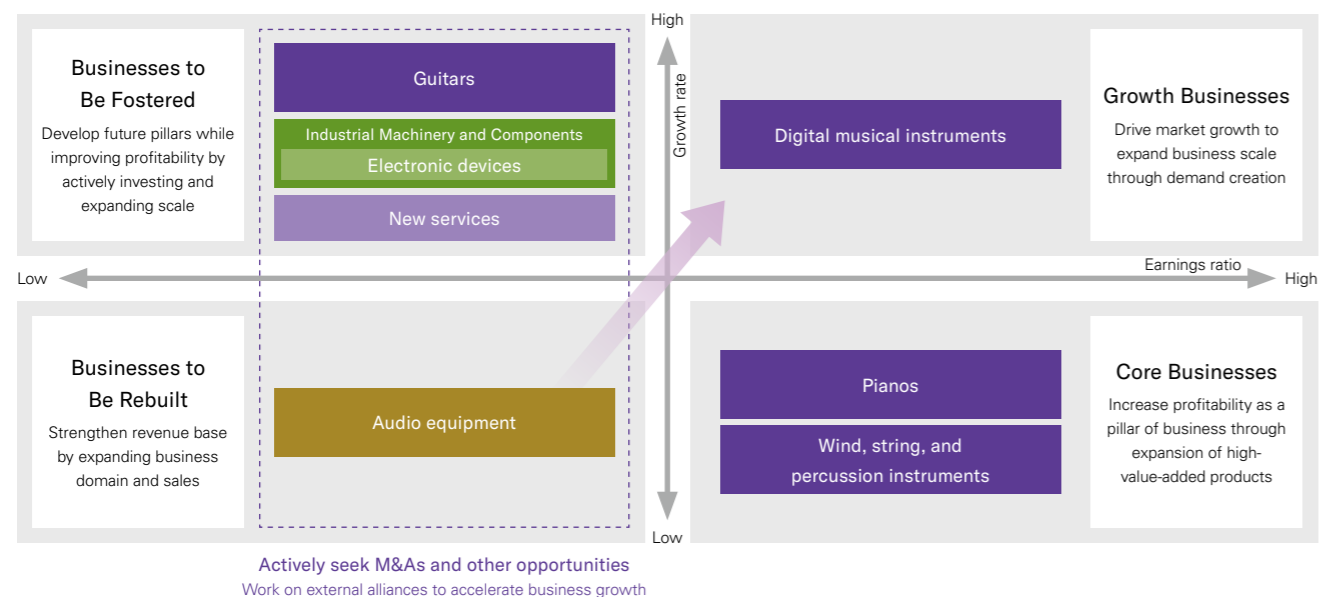


The Make Waves 2.0 medium-term management plan covers a three-year period during which we have been pressed to enhance our sustainable growth capability in the new, significantly changed post-COVID-19 society by advancing various measures for the improvement of corporate value. This plan defines a number of priority themes for enacting the three key policies formulated based on the material issues defined as core management issues for the Yamaha Group, and measures are advanced in relation these themes. In this section, we provide an overview of the medium-term management plan and the progress toward its targets in its second year.

For more information, please refer to pages 20–21.

## Business Portfolio and Direction

Under the medium-term management plan, Yamaha recategorized its principal businesses from the perspective of its portfolio. Categorizing businesses based on whether they are to be fostered, grown, or rebuilt or if they are to be positioned as core businesses, we will practice portfolio management that allocates management resources in accordance with the new categories in order to achieve improvements to corporate value over the medium to long term.



## Management Targets (Non-Financial and Financial Targets) and Results in the Second Year of the Medium-Term Management Plan (Fiscal 2024)

Non-financial targets have been set for each of the three key policies of the medium-term management plan. The advancement of initiatives for achieving said targets is expected to lead the Company to the accomplishment of the plan's financial targets. The financial targets are meant to guide initiatives for accomplishing Yamaha's goal of supporting the "Well-Being of People around the World." For this purpose, Make Waves 2.0 puts forth four financial targets aimed at enhancing both growth potential and profitability.

### Non-Financial Targets

Further strengthen the business foundation	Indicators to connect more with customers	New value creation indicators	Resilience indicators
	Yamaha Music ID registrations Two-year result: <b>3.3 million</b> Target: 5.0 million	Number of new concept products introduced Two-year result: <b>9</b> Target: 20	Investment in production infrastructure Two-year result: <b>¥10.4 billion</b> Target: <b>¥35 billion</b>
Set sustainability as a source of value	Music culture promotion indicators	Environmental impact reduction indicators	
	Support for instrumental music education Second-year result: Aggregate total of <b>3.0 million</b> students in <b>seven</b> countries Target: Aggregate total of 2.3 million students in 10 countries	Sustainably sourced timber Second-year result: <b>64%</b> Target: <b>75%</b>	CO <sub>2</sub> emissions (CO <sub>2</sub> emissions / production volume) Second-year result: <b>1% increase</b> (in comparison to fiscal 2018) Target: <b>5% reduction</b>
Enable Yamaha employees to be more valued, more engaged, and more committed	Indicators for job satisfaction	Gender equity indicators	Indicators for workplace environment
	Continuous improvements in positive response rate for job satisfaction in employee engagement surveys Second-year result: <b>1% increase</b> (year on year)	Percentage of female managers Second-year result: <b>19.4%</b> (global) Target: <b>19%</b> (global)	Continuous improvements in positive response rate for workplace environment in employee engagement surveys Second-year result: <b>1% increase</b> (year on year)

### Financial Targets

Financial indicators Achieving both growth and profitability	Revenue growth:	<b>20%</b>	Operating cash flows	Investment and shareholder returns	
	Core operating profit ratio:	<b>14%</b>			
	ROE:	<b>10% or more</b> (Cost of shareholders' equity <sup>*1</sup> : 7.8%)			
	ROIC <sup>*2</sup> :	<b>10% or more</b> (WACC <sup>*1</sup> : 7.6%)			
Investment and shareholder returns Well-balanced allocation of investments in growth and returns to shareholders	Total return ratio:	<b>50%</b>	Depreciation	Regular investments	Same level as depreciation
			Net income	Strategic investments	Expansion of production facilities and equipment Workstyle innovation (office reorganization) Sustainability
				Shareholder returns and dividends	New businesses Marketing and R&D M&As, etc.

\*1 As of March 31, 2022  
\*2 ROIC = Core operating profit after income taxes / (Equity attributable to owners of parent + Interest-bearing debt)

	Revenue growth	Core operating profit ratio	ROE	ROIC
Fiscal 2024 results	13%	7.3%	6.1%	5.5%
Fiscal 2025 targets	20%	14%	10% or more	10% or more

Note: Forecasts announced together with financial results for the three-month period ended June 30, 2024, on July 31, 2024, project revenue growth of 16%, a core operating profit ratio of 9.7%, ROE of 6.8%, and ROIC of 6.5% in fiscal 2025.

Priority Themes and Progress in Fiscal 2024

Policy	Priority Theme	Progress in Fiscal 2024
Key Policy 1: Further Strengthen the Business Foundation	Develop closer ties with customers	<ul style="list-style-type: none"> <li>Merged sales subsidiaries to facilitate effective demand creation and brand value communication in Japan</li> <li>Established a local sales subsidiary in the Philippines</li> <li>Opened a directly operated e-commerce site in South Korea</li> <li>Expanded global network of experience-oriented stores, opened brand communication bases in Yokohama and Shibuya</li> <li>Redesigned directly operated location in London to provide experiences linked to members' services</li> </ul> <p>For more information, please refer to "Sales" on page 72.</p> <p>Achieved aggregate Yamaha Music ID registrations of more than 3.2 million over the first two years of the medium-term management plan</p> <p>For more information, please refer to "Branding" on page 52.</p>
	Hybrid value appeal integrating digital marketing and physical stores	
	Improvement of customer data platform (Yamaha Music ID) to develop closer ties with users over their lifetime	
Create new value	Creation of new products unique to Yamaha through the fusion of acoustic and digital technologies	<ul style="list-style-type: none"> <li>Launched nine new concept products including FGDP finger drum pads and SEQTRAK mobile all-in-one music creation station in the first two years of the medium-term management plan</li> </ul> <p>For more information, please refer to "Strategies by Business" on page 60.</p> <ul style="list-style-type: none"> <li>Accelerated implementation of Yamaha Music Connect scheme for delivering ideal services to specific customers based on the Yamaha Music ID customer data platform</li> <li>Conducted second step of verification tests using Narikiri Microphone</li> <li>Released piano evoco β</li> </ul>
	Acceleration of lifetime value strategy and development of services to make life with music more enjoyable through external collaboration and user-generated content	
	Creation of new emotional experiences with advanced technology backed by rich sensibilities	<ul style="list-style-type: none"> <li>Organized event proposing new value using AI analysis technologies (THE JOYFUL PIANO)</li> <li>Developed technology for tuning in-vehicle acoustics in real-time using AI to provide new value experiences (Music:AI)</li> </ul> <p>For more information, please refer to "Special Feature" on page 28 and "Research and Development" on page 68.</p>
Be more flexible and resilient	Strengthening of supply capacity to respond to demand and environmental changes	<ul style="list-style-type: none"> <li>Invested ¥10.4 billion in production infrastructure over two years and instituted partial revision in investment plan in conjunction with revision of production strategy</li> <li>Established semiconductor procurement company in Malaysia to secure stable supply of semiconductors</li> </ul> <p>For more information, please refer to "Production" on page 70.</p> <ul style="list-style-type: none"> <li>Moved forward with preparations for opening of new YOKOHAMA SYMPHOSTAGE® and Shibuya Sakura Stage bases in Tokyo metropolitan area</li> <li>Established Yamaha Music Innovations in the United States to research and acquire the new technologies and other innovations of start-up companies</li> </ul>
	Enhancement of development platform to generate innovation	
	New value creation and process transformation through digital transformation	<ul style="list-style-type: none"> <li>Advanced digital transformation training programs for promoting process transformation, despite slight delays in introduction of enterprise resource planning systems and in start of full-fledged operation of new supply chain management system</li> </ul> <p>For more information, please refer to "Digital Transformation" on page 58.</p>
Key Policy 2: Set Sustainability as a Source of Value	Furnish responses to climate change	<ul style="list-style-type: none"> <li>Promoted energy conservation measures, but recorded an increase in CO<sub>2</sub> emissions of 1.2% (in comparison to fiscal 2018), despite targeting a reduction of 5%, due to lower production levels</li> <li>Included on CDP Climate Change A List</li> <li>Commenced shipments using collective packing standards that include provisions concerning container packing rates</li> </ul> <p>For more information, please refer to "Environment" on page 39.</p>
	Sustainably use timber	<ul style="list-style-type: none"> <li>Formulated proprietary standards for sustainably sourced timber and achieved ratio of sustainably sourced timber of 64.4% (54.5% being certified timber)</li> <li>Planted aggregate total of 18,000 African blackwood trees across 9.5 ha area in Tanzania, continued trial introduction of fast-growing Meliaceae family plants, announced academic research on growth and physical traits of Sakhalin spruce plantation timber in Hokkaido, and formulated Indian rosewood preservation plan together with local partners</li> </ul> <p>For more information, please refer to "Environment" on page 39.</p>
	Realize resource savings and reduce waste and hazardous substances	<ul style="list-style-type: none"> <li>Prepared guidelines and standards for resource circulation design and resource reuse</li> <li>Advanced investigations for determining feasibility of procuring alternative materials from overseas and expanded scope of products for reducing Styrofoam packaging to include non-compact products</li> </ul> <p>For more information, please refer to "Environment" on page 39.</p>
Key Policy 2a: Enhance brand power and competitiveness by contributing to comfortable lives	Creation of remote environments for the new society	<ul style="list-style-type: none"> <li>Provided remote Disklavier lessons for linking aspiring pianists to music universities</li> <li>Developed GPAP, the world's first system for recording and replaying audio, video, lighting control signal, and other data in different file formats in a uniform audio data format</li> </ul> <p>For more information, please refer to "Intellectual Property" on page 56.</p>
	Promote respect for human rights in the value chain	<ul style="list-style-type: none"> <li>Conducted on-site audits of 21 suppliers (in four countries)</li> </ul> <p>For more information, please refer to "Human Rights" on page 46.</p>
	Contribution to sound-related health and safety	<ul style="list-style-type: none"> <li>Installed Listening Care function into all new wireless headphones and earphones launched in fiscal 2024 (excluding some special models)</li> <li>Received orders for use of Yamaha's e-Call emergency reporting system in new vehicles</li> </ul>
Key Policy 2b: Expand market through the promotion and development of music culture	Expansion of the musical-instrument-playing population	<ul style="list-style-type: none"> <li>Provided instrumental music education opportunities at schools in emerging countries to aggregate total of 3,020,000 children in seven countries through the School Project and prepared to commence activities in two new countries</li> </ul> <p>For more information, please refer to "Sales" on page 72.</p>
	Contribution to local music cultures	<ul style="list-style-type: none"> <li>Provided digital musical instruments and content that allow for performance of traditional music from local cultures (content creator cultivation and production tool development)</li> <li>Conducted LovePiano activities with the goal of making people feel more familiar with the piano on a global basis (29 LovePiano activities [21 in Japan and eight overseas])</li> </ul>
Key Policy 3: Enable Yamaha Colleagues to Be More Valued, More Engaged, and More Committed	Increase job satisfaction	<ul style="list-style-type: none"> <li>Achieved year-on-year improvement of one percentage point in ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys and enhanced career development support measures</li> </ul> <p>For more information, please refer to "Human Resources" on page 48.</p>
	Promote respect for human rights and DE&I	<ul style="list-style-type: none"> <li>Advanced ongoing efforts to train and foster female leaders through the Working Group for Gender Equality under the Human Resources Development Committee</li> <li>Raised global ratio of female managers to 19.4% and appointed first female managers at two production bases in Indonesia</li> <li>Conducted cross-border positioning of 17 individuals and adopted English for internal systems</li> </ul> <p>For more information, please refer to "Human Resources" on page 48.</p>
	Foster open organizational culture where people can proactively take on challenges	<ul style="list-style-type: none"> <li>Achieved year-on-year improvement of one percentage point in ratio of employees offering positive responses regarding workplace environment on employee engagement surveys and used surveys to identify and improve issues on a by-organization basis</li> <li>Promoted communication between employees and the president through 21 online meetings attended by 275 individuals and three site visits in which the president spoke to 37 individuals (the president has spoken with 1,273 individuals via 101 online meetings and 97 individuals via eight site visits to date)</li> <li>Introduced systems permitting side jobs and allowing individuals accompanying family members on overseas assignments to seek employment in the respective country</li> </ul> <p>For more information, please refer to "Human Resources" on page 48.</p>

Key Policy 1: Further Strengthen the Business Foundation

Yamaha Music Connect

We are accelerating the development of Yamaha Music Connect, a service that proposes the ideal apps and content to customers based on our Yamaha Music ID customer data platform. For this service, we have defined three categories for the ways people enjoy sound and music through instrumental music performance and music production—music edutainment (learning), creative discovery (creation), and music connection (encounters)—in order to support customers' ongoing love of music. As the ways people enjoy music grow more diverse, Yamaha is expected to lead new music expressions and create quality customer experiences. The business model for Yamaha Music Connect is built on the assumption of coordination with external partners as we seek to approach more diverse customer demographics and provide a wider range of services by introducing the services of partners alongside Yamaha's services.



For more information on Yamaha Music Connect, please refer to the following website: <https://www.yamaha.com/en/about/business/music-connect/>

Enhancement of Procurement and Production Resilience and Construction of New Bases

Yamaha established a new semiconductor procurement company in Malaysia in December 2023 as part of its efforts for creating resilience procurement systems that are less impacted by changes in the operating environment. Later, in April 2024, the Company absorbed domestic musical instruments and audio equipment company Yamaha Music Manufacturing Japan Corporation. This move was meant to strengthen central production functions and build a strong and sustainable production system more capable of promoting manufacturing on a global scale.



YOKOHAMA SYMPHOSTAGE®

Also in 2024, we completed two new bases in the Tokyo metropolitan area: YOKOHAMA SYMPHOSTAGE® and Shibuya Sakura Stage. These new facilities will facilitate accelerated initiatives as domestic sales bases and as new brand communication and value creation bases in the Tokyo metropolitan area.

For more information, please refer to "Branding" on page 52 and "Production" on page 70.

Key Policy 2: Set Sustainability as a Source of Value

Timber Resource Initiatives

Yamaha has instituted a revision to the risk assessment standard used in its timber due diligence activities that entails implementing more rigorous legality and other standards for judging timber to be low-risk. In addition, the Company established internal standards for sustainably sourced timber under the guidance of international environmental organization Preferred by Nature. The new standards allow us to objectively judge the sustainability of non-certified timber through due diligence activities.



Survey of timber plantation sites

For more information, please refer to "Environment" on page 39.

School Project Activities

As of March 31, 2024, Yamaha had provided opportunities to enjoy music and musical instruments as part of public education to an aggregate total of roughly 3,020,000 children in seven countries (Malaysia, Indonesia, Vietnam, India, Brazil, the United Arab Emirates, and Egypt). In fiscal 2024, we assisted in the program for the trial introduction of music education using keyboards that is being advanced by the Malaysian Ministry of Education. This program is being implemented to encourage the official introduction of such music education programs into national curricula in 2027. Through this program, pilot classes were started at 11 public elementary schools. Elsewhere, the School Project was introduced into its eighth country, Colombia, in May 2024, with the start of trial introduction of music classes using recorders in public schools in this country.



Music class in Colombia

For more information, please refer to "Sales" on page 72.

Key Policy 3: Enable Yamaha Colleagues to Be More Valued, More Engaged, and More Committed

Support for Women's Careers

As one facet of its diversity management efforts, Yamaha strives to support the careers of its female employees. Measures to this end include the proactive recruitment and promotion of women, the provision of an expanded array of opportunities for developing skills, the establishment of work-life balance support systems, and other initiatives for developing a comfortable workplace environment. In addition, we have introduced mentoring programs and provide unconscious bias and other training as a step to support these initiatives. As a result of these efforts, we achieved a ratio of female managers of 8.2% for Yamaha Corporation and 19.4% on a Groupwide basis in fiscal 2024.

For more information, please refer to "Human Resources" on page 48.

# SPECIAL FEATURE

## Special Feature: Initiatives under the Make Waves 2.0 Medium-Term Management Plan

## Exploration as a Sound Expert of the Automotive Sound System Market, a New Growth Field

The industrial machinery and components business has been growing as an increasingly significant portion of Yamaha's business portfolio, coming to function as a third pillar of operations alongside the musical instruments and audio equipment businesses. A notable constituent of this business is Yamaha's automotive sound systems, which have been adopted for use in a growing range of vehicles by both domestic and overseas automobile manufacturers, driving the growth of our electronic devices operations.

The automotive sound system market is home to a number of companies with established positions as reliable suppliers to automobile manufacturers. Despite being a new participant in this market, Yamaha was able to grow its customer base and its sales in just a few short years. In this special feature, we will look at the strategic approach that enabled Yamaha to exercise its competitiveness in this market and the team organized to allow for the flexible development of products, both of which were key elements behind the Company's success.

### Strategy for Entering the Automotive Sound System Market that Emphasizes Flexibility

The Electronic Devices Division launched its automotive sound system project in 2016, a time at which there was considerable commotion in the automotive industry with regard to the changes brought about by trends such as electrification and the development of automated driving technologies. "I remember thinking about how the comfortability of vehicle interiors would be something people cared more about in the future. I saw it as a prime opportunity for Yamaha, with its technical insight pertaining to acoustics environments," recounts Nobukazu Toba, leader of Yamaha's electronic devices operations since 2016. "Up until then, we had been proposing sound quality improvement measures for cars using our semiconductor signal processing technologies. However, I felt that we were reaching the limits of the acoustics experiences we could supply through this approach, and that we would need to propose integrated solutions that encompass everything from semiconductors to amplifiers, speakers, and other output devices if we hoped to surpass these limits."

Yamaha has a long history in home and professional audio products, and the Electronic Devices Division has been selling automotive semiconductors for more than three decades. Regardless, supplying automotive sound systems to automobile manufacturers meant that the Company would have to start from square one, indicating just how daunting this task would be. Even after Yamaha announced its late entry in the automotive sound system market, it faced challenges as potential customers were not receptive toward its

offerings. Seeking to overcome this challenge, Yamaha turned its eyes to China, where EVs were evolving at a rapid pace. Mr. Toba explains, "Chinese automobile manufacturers were really motivated to differentiate their products by working in new features. This is why I thought we had a chance to get into this market if we could propose new sound or other functions."

Chinese automobile manufacturers must be supplied with products manufactured in China. However, Yamaha did not have a factory in China that could manufacture automotive sound system products with the required quality. To address this issue, we employed a fables production model that involved outsourcing manufacturing to local partners with outstanding track records. "Building a factory requires significant time and upfront investment," explains Mr. Toba, stressing the rationality of this decision. He continues, "It was the best option to emphasize developing a flexible business while taking advantage of Yamaha's competitive edge."

### Expression of Vehicle Concepts through Sound

Development diligently moved forward through a process of trial and error led by a team of members of our development, technology, sales, and customer experience staff, eventually culminating in the creation of sound quality and functions that we could proudly propose to automobile manufacturers. "We sought to produce a level of sound quality that was unparalleled, something that would truly grab listeners," explains Tsuyoshi Okami, group manager of Technology Development Group responsible for the project. Nansu Sakaguchi, group manager of Sales Group, chimes in, "You can never forget the

moment when a customer falls in love with Yamaha after listening to the sound we produce and understanding the depth of the experiences we provide."

Production Group manager Soichi Tsujikawa elaborates, "We needed to differentiate ourselves from rival automotive sound system brands. Accordingly, rather than just trying to convince automobile manufacturers to adopt the type of sound Yamaha provides, we took an approach of engaging in co-creation with manufacturers right from the planning stage, to help them craft the end user experience they sought to deliver." He continues, "We strived to use Yamaha's technologies and sensibilities, which make it possible for us to authentically reproduce the sounds and tones of music inside a vehicle, to propose the ideal sound that matched the specific concept for each vehicle."

With a completed demo vehicle in tow, the project team made multiple trips across China, traveling from Shenzhen in the south to Beijing in the north. Members from Chinese sales subsidiary Yamaha Music & Electronics (China) Co., Ltd., supported the team throughout this process. The demo vehicle generated a positive response from numerous automobile manufacturers, and some seeking new value propositions even decided to adopt Yamaha's automotive sound system, starting us down the path toward growth on which we continue until today.

### Exploration of this New Growth Field through Teamwork

The new field of automotive sound systems had incredibly high standards for quality. Developing the products and mass production systems that meet the high standards necessary for entering this field



**Nobukazu Toba**

Operating Officer  
Executive General Manager of  
IMC Business Unit  
and Senior General Manager of  
Electronic Devices Division



**SPECIAL FEATURE: INITIATIVES UNDER THE MAKE WAVES 2.0 MEDIUM-TERM MANAGEMENT PLAN**

was one of the most challenging undertakings in Yamaha's long history as a comprehensive musical instruments manufacturer. The key to our success was teamwork that blurred the boundaries between organizational functions. "As a new entrant to the automotive sound system market, Yamaha had to carve out its share from other companies. This meant that we could not wait to talk to customers before making our move," explains Mr. Sakaguchi. Elaborating, he adds, "We had to adopt the perspective of the customer to formulate hypotheses about what will seize the hearts of customers. There was a need for us to discuss and pool our knowledge from a variety of angles to draft proposals based on such hypotheses." Mr. Tsujikawa reflects on the process, "Tuning specialists lent us their expertise in the speaker development processes. Members from the sales team also got involved to discuss the types of sound that customers sought. The process of collaboration between members with various backgrounds brought with it a range of new discoveries, ultimately helping us to create new value."

The frameworks for maximizing the performance of the cross-organizational team were developed alongside the development systems. "When developing a new business, we cannot just assume that everyone is on the same page," recalls Mr. Okami. "The first step we took was to build a shared understanding among team members. Then, we organized tasks and determined who would do what. As we moved forward, the process only got smoother." Mr. Okami continues, "No matter the size of a company, it is rare to have the opportunity to take part in developing a new business. I was extremely excited to be a part of this massive

**Automobile Models Using Yamaha's Automotive Sound Systems** (As of March 31, 2024)

	Manufacturer	Model
Chinese manufacturers	Zeekr Intelligent Technology Holding Limited	001 (original and new model) / 001FR
		009
		X
	SAIC Motor Corporation Limited	MG ONE
		MG5/MG5 Scorpio
		EMKOO
Guangzhou Automobile Group Co., Ltd.	M8	
	EMPOW	
Japanese manufacturers	MITSUBISHI MOTORS CORPORATION	Xforce
		Century
	Toyota Motor Corporation	Crown Sedan

undertaking, the likes of which only comes around once in a person's career, if at all. This feeling of enthusiastic excitement was shared among the team members, and this is what drove us to practice strong teamwork and chase lofty ambitions." The electronic devices business was one in which it was rare to see the Yamaha brand. As such, the opportunity to contribute to Yamaha's brand value was a major source of motivation. This sentiment was expressed by Mr. Okami, Mr. Sakaguchi, and Mr. Tsujikawa alike.

**Provision of New Experience Value for End Users**

Since entering the market, Yamaha's automotive sound system business has enjoyed smooth, ongoing growth. We have continued to build our track record in this business, and, as of March 31, 2024, Yamaha automotive sound systems have been employed in a total of 15 models of automobiles produced by Chinese and Japanese manufacturers. Development of next-generation vehicles is incredibly competitive, and the pace of development is

always accelerating. Mr. Toba explains the necessity of innovation to achieving ongoing growth in this market, "There is no denying the importance of constantly evolving the functions of your hardware. At the same time, however, we need to continue to propose features that offer new experiences to end users. Yamaha has signal processing technologies for controlling acoustics environments as well as proprietary developed processors and automatic tuning tools for supporting these technologies. This is why we are able to furnish swift and flexible responses to customers' needs."

One unique Yamaha innovation used in this field is Music:AI (see table on top of next page), an AI-powered in-vehicle acoustics optimization technology announced in April 2024. This technology delivers unprecedented acoustics experiences by tuning acoustics parameters based on real-time analyses of the music being played in vehicles. Increases to the number of speakers in a vehicle can result in a sharp rise in the amount of time needed for sound tuning, placing pressure

**Three Types of Music:AI**

<b>for Cabin</b>	<b>Reduction of development costs through shorter tuning periods</b> Acoustics tuning is indispensable to creating acoustics that match the characteristics of a given model's interior. Music:AI for Cabin is capable of quickly reaching the optimal configuration for countless acoustics parameters to create the ideal acoustics environment in a shorter amount of time.
<b>for Music</b>	<b>Real-time optimization of sound playback</b> Choosing the most suitable acoustics parameters for a specific song is necessary to achieve the greatest sense of impact, immersion, and enjoyment. Music:AI for Music contributes to driving safety by eliminating the need for the driver to make adjustments to the sound for this purpose.
<b>for Person</b>	<b>Identification of acoustics parameters that reflect listener preferences</b> The optimal balance of highs and lows ultimately depends on personal preference. Based on communication with the listener, Music:AI for Person determines the acoustics parameters most suitable for that individual.

on development cycles. The optimization functions of Music:AI, however, make it possible to reduce development processes and shorten development periods, a feature that has won high praise from customers.

In an era where rapid technological process drives great changes in the operating environment, foresight for predicting changes is imperative. Mr. Okami underscores this importance, "Yamaha's survival in the automotive sound system business hinges on its ability to provide cutting-edge acoustics experiences that its rivals cannot mimic. I am always thinking about how far in advance to predict, how much development we can achieve ahead of time, and how to tie these efforts to better proposals for customers."

**Social Value Created by the Automotive Sound System Business**

Automobile manufacturers are aggressively pursuing carbon neutrality. As a partner to these companies, Yamaha is compelled to contribute to improvements

in fuel efficiency and reductions in CO<sub>2</sub> emissions by decreasing amp power consumption and speaker weight. We are also dedicated to using our technical insight pertaining to sound to create social value. In terms of safety and peace of mind, there are some vehicles currently in mass production that already feature systems for delivering a more tactile sense of speed by playing a driving sound when the driver depresses the accelerator pedal and in conjunction with vehicle speed. In addition, Yamaha provides high sound quality communication modules for use in its e-Call emergency reporting systems, which are being adopted on a global scale and expected to become a standard feature on next-generation vehicles. These modules have been employed by domestic and overseas automobile manufacturers for use in an increasingly wide range of vehicles.

Furthermore, as Mr. Toba explains, "Yamaha is in the process of developing driving support technologies that adjust the position from which alert noises are heard by drivers based on the position and

movement of the vehicles, pedestrians, or other things that might have prompted said noises. We hope to support safe driving with technologies that use audio input to complement visual input in order to help drivers more quickly identify dangers."

**Pursuit of Growth in New Markets**

Yamaha is ramping up marketing activities in the United States, India, and Europe in pursuit of ongoing growth for its automotive sound system business. "Rival brands currently dominate the U.S., Indian, and European markets, but I am sure we can still find customers who are interested in adopting advanced new technologies, whether they come from an existing supplier or from a new source," explains Mr. Toba. Looking forward, he continues, "We are exploring ways of approaching these new markets, now that we have built a respectable track record in China and Japan. If we are not able to approach these markets alone, we may team up with partners whose functions complement those of Yamaha to drive the swift expansion of our business."

Mr. Toba expresses his confidence for the future of Yamaha's automotive sound system business, "Yamaha is mustering its accumulated sound expertise to create the acoustics environments that automobile manufacturers desire. As we develop our business, I can feel the high expectations that customers have for Yamaha's potential as a sound expert. I am confident in the growth potential of our automotive sound system business and dedicated to growing this business by capitalizing on Yamaha's unique, collective strength."



From left  
**Soichi Tsujikawa**  
Group Manager  
Promotion Group  
CX Strategy Promotion Department  
Electronic Devices Division

**Tsuyoshi Okami**  
Group Manager  
Technology Development Group  
CX Strategy Promotion Department  
Electronic Devices Division

**Nansu Sakaguchi**  
Group Manager  
Sales Group  
Sales Department  
Electronic Devices Division



Zeekr 001 equipped with Yamaha automotive sound system

Yamaha Group Annual Report 2024

# FINANCIAL STRATEGIES AND ENHANCEMENT OF MANAGEMENT FOUNDATIONS

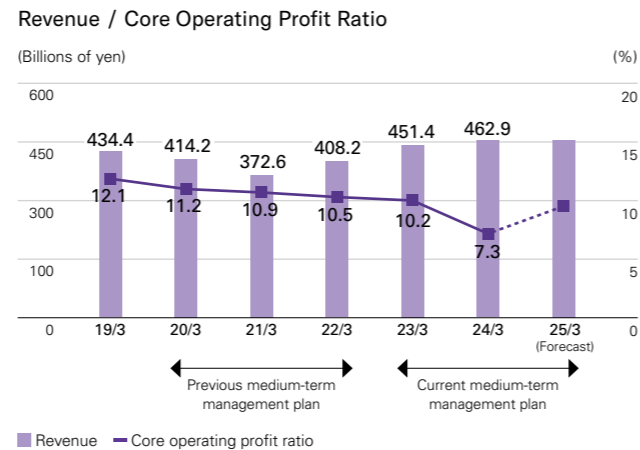


With a focus on improving profit margins, Yamaha is working to recover ROE to a level that exceeds cost of capital as it continues to practice sustainability and human capital management to create value over the medium to long term.

**Satoshi Yamahata**  
Managing Executive Officer  
Executive General Manager of Corporate Administration Unit

## Review of Fiscal 2024

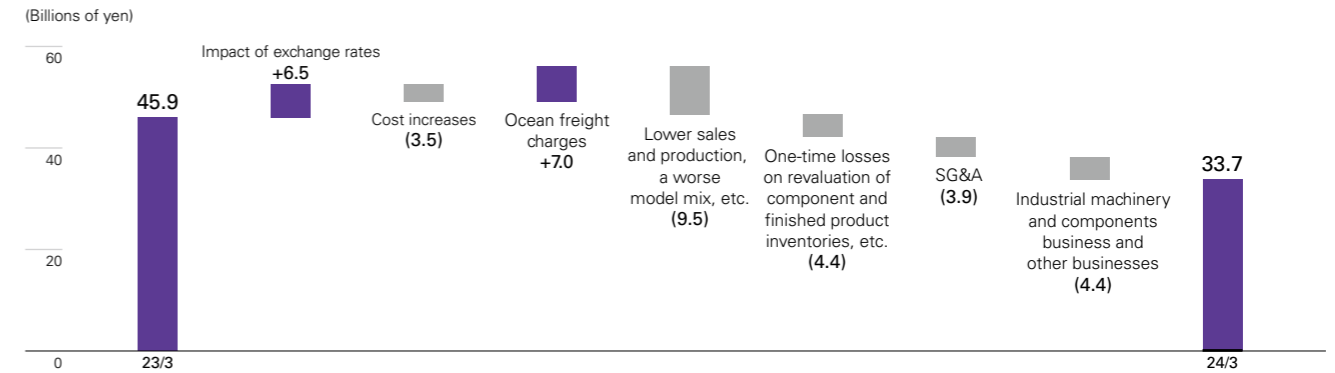
In fiscal 2024, the second year of our Make Waves 2.0 medium-term management plan, the operating environment remained opaque due to factors such as the stagnation of the Chinese economy and the continuation of the global inflation trend. Yamaha moved forward with preparations to ramp up production in fiscal 2024, based on the assumption that recovery in demand would be seen in China and other markets. However, a change in government education policy in China resulted in sluggish conditions in acoustic piano and other markets that persisted for longer than we had anticipated. Meanwhile, the dissipation of the special demand trend created by people staying at home during the COVID-19 pandemic disrupted the balance of supply and demand, which had lasting effects including sluggish sales of entry-level digital pianos and guitars. The struggling sales, coupled with the fact that we are forced to scale back production after initially ramping up production, had an adverse impact on profits. In response to these conditions, we recorded one-time expenses in the form of losses on revaluation of component and finished product inventories from a



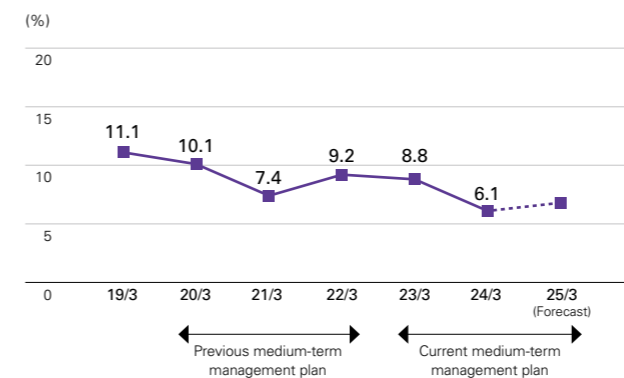
forward-looking perspective. In addition, business restructuring expenses were recorded including impairment losses related to piano manufacturing processes in China and Indonesia.

Despite the sluggish growth in musical instrument sales, revenue benefited from strong sales of B2B audio equipment as well as the benefits of foreign exchange influences. As a result, revenue in fiscal 2024 rose ¥11.5 billion, to ¥462.9 billion; core operating profit decreased ¥12.2 billion, to ¥33.7 billion; and profit for the period

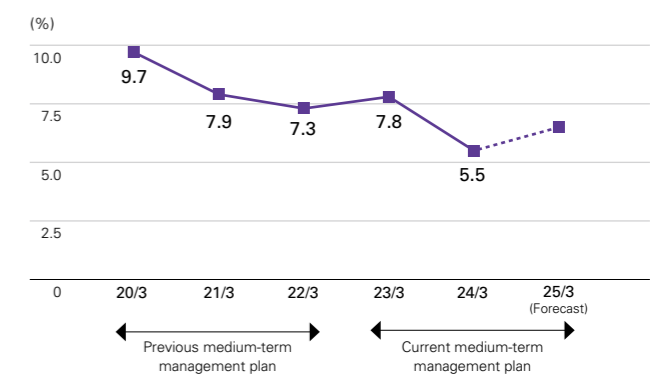
## Core Operating Profit Analysis versus Previous Fiscal Year



## ROE



## ROIC



attributable to owners of parent declined ¥8.5 billion, to ¥29.6 billion. Looking at management indicators, the core operating profit ratio was 7.3%, return on equity (ROE) came to 6.1%, and return on invested capital (ROIC) amounted to 5.5%. The figures for ROE and ROIC both fell below those for cost of shareholders' equity and weighted average cost of capital (WACC). Going forward, we will seek to recover ROE to a level that exceeds cost of capital by utilizing the benefits of structural reforms to steadily improve profit and advance capital measures.

## Forecasts for Fiscal 2025

For fiscal 2025, we project revenue of ¥475.0 billion, an increase of ¥12.1 billion year on year; core operating profit of ¥46.0 billion, an increase of ¥12.3 billion; and profit for the period attributable to owners of parent of ¥35.5 billion, an increase of ¥5.9 billion. In this fiscal year, we will work to improve profit margins by capitalizing on the benefits of the structural reforms conducted in fiscal 2024 as well as by improving operational efficiency at factories and promoting sales of high-margin products. To combat the

increased costs stemming from inflation, we will continue our prior efforts to increase the selling prices of our products. However, we will also need to offer discounts and otherwise lower the prices of entry-level products, for which competition is growing ever more intense. Accordingly, the margin improvements from selling price increases will be limited.

In the musical instruments business, we anticipate sales of digital musical instruments and guitars to recover moving forward and into the latter half of the fiscal year as progress is made in inventory adjustments at retailers. In the Chinese piano market, inventory at retailers and other companies remain high. Accordingly, it is projected to take until the end of fiscal 2026 for these inventories to return to an appropriate level. In fiscal 2025, the struggling sales of pianos in China is expected to result in a slight decline in overall revenue in the musical instruments business when excluding foreign exchange influences.

As for the audio equipment business, we are seeing favorable performance for B2B products, resulting in incredibly strong sales of digital mixers and other products. This high level of sales is expected to continue

## FINANCIAL STRATEGIES AND ENHANCEMENT OF MANAGEMENT FOUNDATIONS

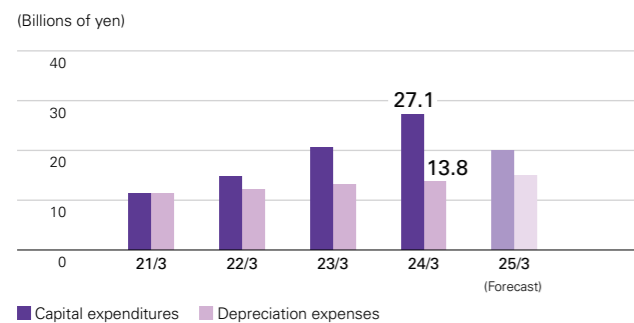
throughout fiscal 2025. For consumer products, meanwhile, we will seek to improve profit margins by curbing our product lineup to focus more on mid-range and high-end models. In the industrial machinery and components business, we anticipate ongoing growth in adoption of Yamaha's automotive sound systems in fiscal 2025.

### Investment and Capital Measures

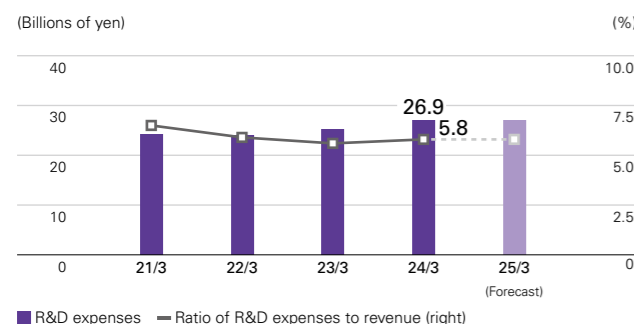
In fiscal 2024, capital expenditures totaled ¥27.1 billion, due in part to office relocations, and we forecast expenditures of ¥20.0 billion in fiscal 2025. Looking ahead, we will allocate cash toward investments in strengthening and expanding service operations in a prioritized manner while also examining the possibility of M&A activities. Meanwhile, we project R&D expenses in fiscal 2025 to be on par with fiscal 2024 at around ¥27.0 billion.

As for shareholder returns, we are targeting a total return ratio of 50% for the three-year period of the medium-term management plan. In fiscal 2024, dividend payments were raised by ¥8 per share and treasury stock acquisitions totaling ¥15.0 billion were conducted. Yamaha also continues to reduce cross-shareholdings, and we remain committed to reducing cross-shareholdings from the perspective of capital efficiency improvement going forward.

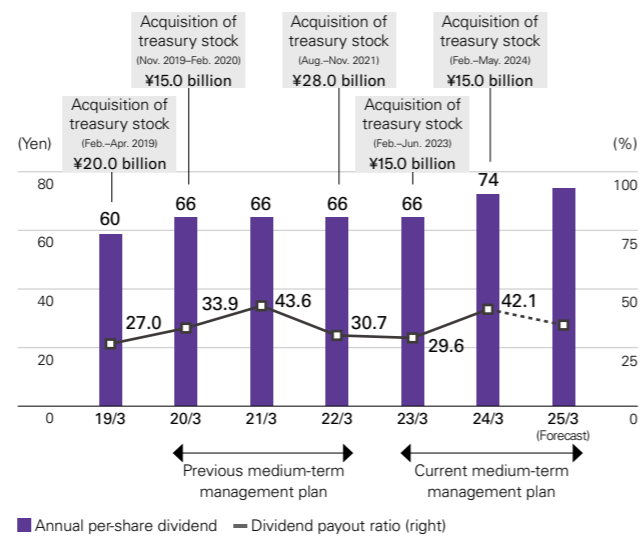
### Capital Expenditures / Depreciation Expenses



### R&D Expenses / Ratio of R&D Expenses to Revenue



### Shareholder Returns



### Sustainability and Human Capital Management

Yamaha is making steady progress in advancing the measures of the medium-term management plan, which defines the three key policies of "further strengthen the business foundation," "set sustainability as a source of value," and "enable Yamaha colleagues to be more valued, more engaged, and more committed." I explained these policies in last year's annual report. Performance in fiscal 2024, unfortunately, was not as high as expected. However, progress was generally smooth with regard to the plan's non-financial targets.

Measures that generated particularly strong results included our support for instrumental music education in emerging countries and our efforts to empower female employees. In regard to support for instrumental music education, the aggregate number of students to which we have been able to provide instrumental music performance experiences surpassed 3 million in the second year of the medium-term management plan, exceeding the plan's non-financial target of 2.3 million people. Working together with Japan's Ministry of Education, Culture, Sports, Science and Technology, we have been approaching public schools in emerging countries through the government education institutions of the respective countries. This approach has resulted in us successfully getting instrumental music education incorporated into the national standardized curriculum in Vietnam. This accomplishment is incredibly meaningful in terms of cultivating new customer bases for the future. Meanwhile, efforts to empower female employees have resulted in the global ratio of female managers

rising to 19.4%, enabling us to achieve the Groupwide target for this ratio of 19% ahead of schedule.

Progress in measures related to other non-financial targets has also been more or less strong. In regard to the key policy of "enable Yamaha colleagues to be more valued, more engaged, and more committed," we sought to improve employee job satisfaction by introducing a talent management system to support autonomous career development and by implementing frameworks for facilitating diverse and flexible workstyles, such as through the expansion of our internal open application system to allow employees to apply for mid-career recruitment positions and the definition of clear standards permitting side jobs in Japan. In the past, job rotations have been the primary vehicle for human resource development. Going forward, however, we will focus more on encouraging employees themselves to have a strong emphasis on developing their own specialized skills. By positioning the Company as a venue for employees to use to pursue their own personal growth, we hope to inspire employees to exercise independence and autonomy. This, in turn, is anticipated to drive the further growth of Yamaha.

Yamaha is also moving ahead with the enhancement of its workplace environment. In July 2024, we completed construction of a new office building within the premises of our headquarters to consolidate both our corporate and sales staff. This building features free seating, where no one has a specific assigned desk so that employees can choose the location that best suits the task at hand. We are also promoting cross-departmental personnel exchanges by linking the new building to other buildings that surround it via passageways. Meanwhile, the new office building completed in the Minatomirai area of Yokohama in June 2024 includes our first R&D base in the Tokyo metropolitan area. As competition to acquire human resources grows more intense, we aim to enhance Yamaha's appeal to engineers and other job seekers by expanding the range of opportunities we offer to work in and around Tokyo.

Conversely, progress was less than expected with regard to the non-financial indicators of investment in production infrastructure and reductions in CO<sub>2</sub> emissions, the latter being affected by the reductions in production as production volume is the denominator used in calculations. Nevertheless, we are taking steady steps toward accomplishing our targets by installing and upgrading various systems, including electricity monitoring and solar power generation systems, and by transitioning to renewable energy.

### Increases to Speed of Decision-Making and Execution

Over the past decade or so, Yamaha has been taking ongoing steps to enhance risk management. Our current risk management systems are not limited to the divisions overseeing risk management, but rather involve participation by business representatives to facilitate highly functional management based on categorized risks and scenarios and a plan-do-check-act (PDCA) cycle. We have also continued to emphasize putting bad news first by entrenching the custom of reporting bad news at the beginning of meetings of the Board of Directors. This approach has made massive contributions to cultivating an open atmosphere where there is no need to hide such bad news.

Conversely, I have felt recently that Yamaha is facing issues with regard to its speed. Specifically, I get the feeling that Yamaha has not demonstrated its full potential when it comes to its ability to make swift management decisions and to respond flexibly when changes in the operating environment emerge. The issue seems to be a result of organizational deficiencies in cross-area coordination and flexibility. I therefore see a need to promote internal awareness reforms to encourage all employees to remain highly receptive of changes in society and in consumption patterns to stimulate brisk discussion among organizations and increase the speed at which we execute measures.

I hope that our shareholders, investors, and other stakeholders will continue to provide their frank opinions and advice and to offer Yamaha their ongoing support and understanding.

# SUSTAINABILITY MANAGEMENT

To support the “Well-Being of People around the World,” the Yamaha Group has defined material issues pertaining to sustainability that it should address based on the relationship between its business activities and the environment and society as well as on stakeholder expectations. These issues helped shape the Yamaha Group Sustainability Policy, which is used to guide initiatives for contributing to the realization of a sustainable society.



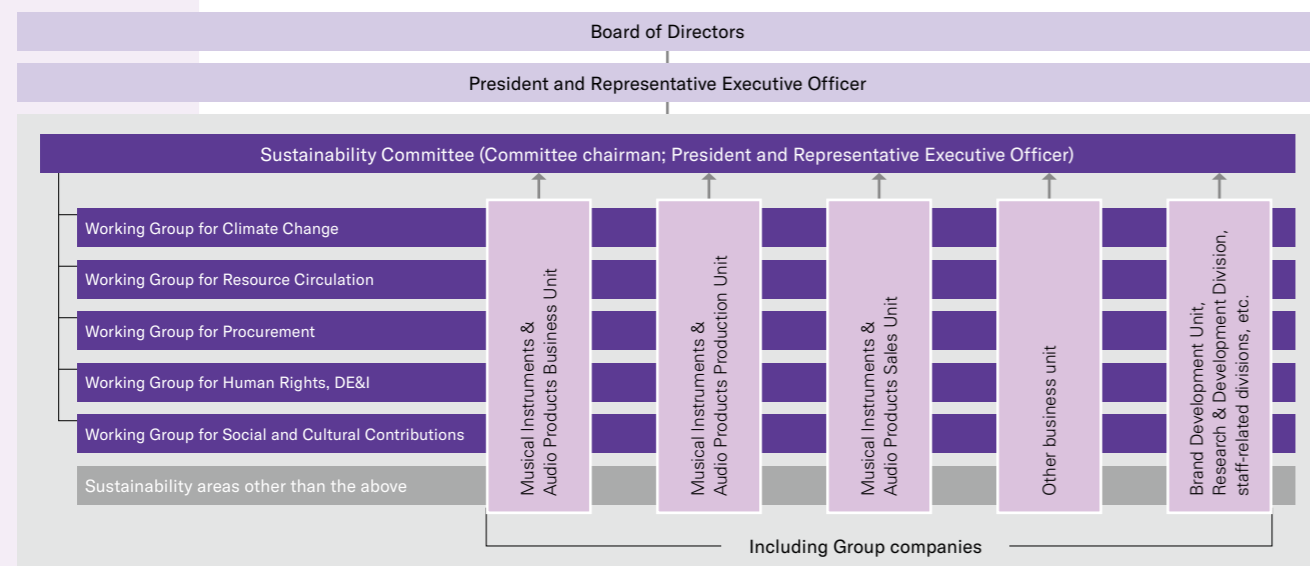
## Sustainability Promotion System

Under the supervision of the Board of Directors, Yamaha has established the Sustainability Committee as an advisory body to the president. This committee is tasked with discussing directives for Groupwide sustainability initiatives, monitoring Group initiatives, and reporting to the president on these matters.

Five working groups—the Working Group for Climate Change, Working Group for Resource Circulation, Working Group for Procurement, Working Group for Human Rights, DE&I, and Working Group for Social and Cultural Contributions—have been formed under the Sustainability Committee. The working groups are responsible for developing frameworks for promoting initiatives pertaining to important Companywide themes; formulating policies, targets, measures, and action plans; monitoring related activities; and reporting on these matters to the Sustainability Committee.

## Important Themes Assigned to Each Working Group

Name	Key Themes
Working Group for Climate Change	Decarbonization, disclosure based on Task Force on Climate-related Financial Disclosures (TCFD) recommendations, water risk response measures, etc.
Working Group for Resource Circulation	Circular value chains, eco-friendly product designs and packaging, etc.
Working Group for Procurement	Timber due diligence, sustainable timber procurement, Tone Forest activities, supply chain human rights due diligence, response to conflict minerals, etc.
Working Group for Human Rights, DE&I	Human rights due diligence; promotion of diversity, equity, and inclusion; etc.
Working Group for Social and Cultural Contributions	Popularization of music, community outreach, etc.



## Fiscal 2024 Sustainability Committee Meetings

Meetings	Major Agenda Items
7 times	<ul style="list-style-type: none"> <li>Review of sustainability initiatives in fiscal 2023</li> <li>Disclosure based on TCFD recommendations</li> <li>Progress and challenges of sustainability initiatives under the current medium-term management plan</li> <li>Discussion session with an external expert</li> </ul>

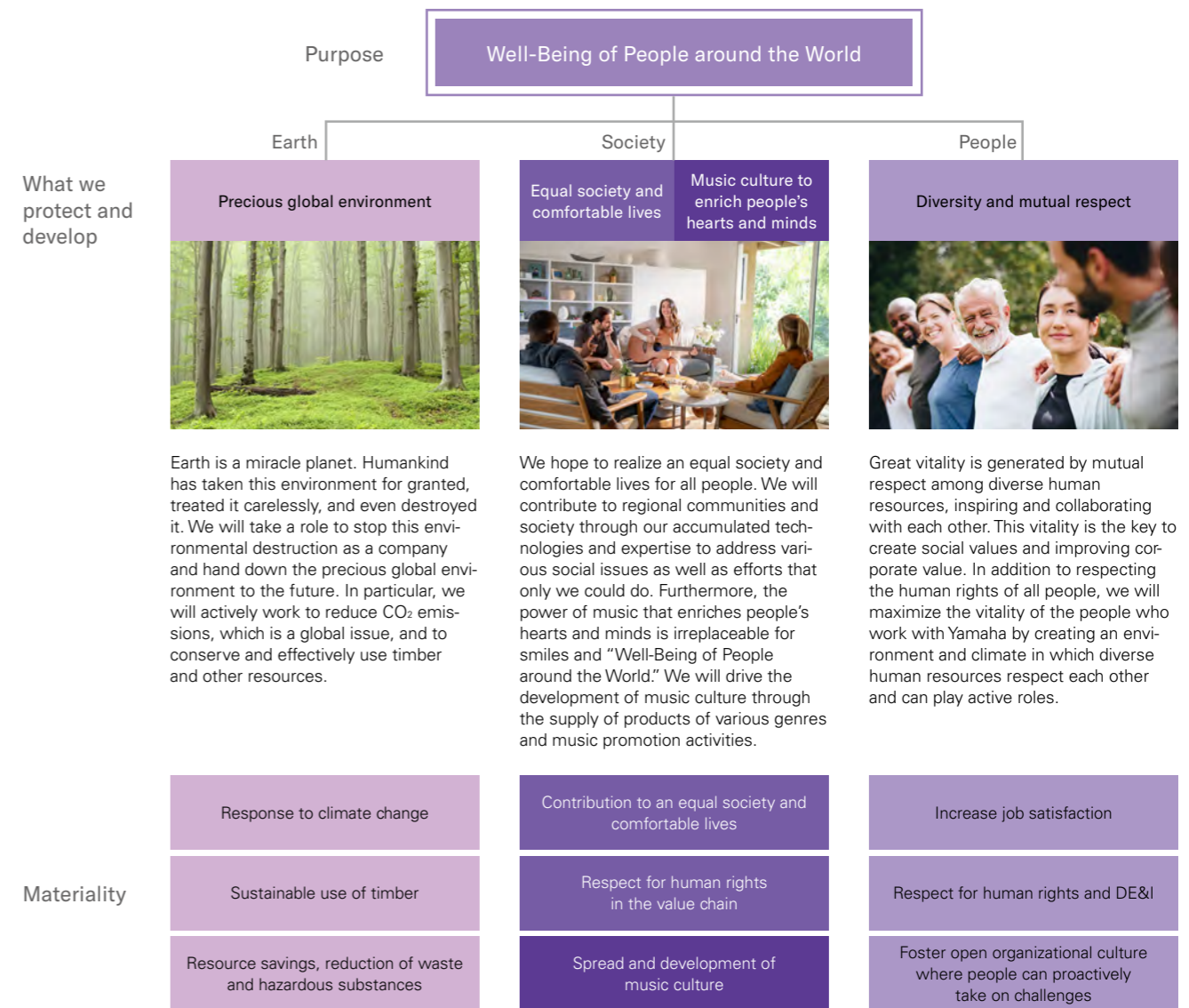
## Yamaha Group Sustainability Policy

Throughout its long history, the Yamaha Group has made various efforts to promote people’s “well-being,” while remaining conscious of its connection with nature, society, and culture. Our products, made of timber and other natural materials and carefully finished by skilled craftspeople, have been handed down from generation to generation and, with some products being given new life through renewal, loved by many people. In addition to simply selling products, we have also contributed to promoting the spread and development of music culture in various countries and regions around the world as our own business. These activities range from the spread of instrumental music education for children and the development of music schools to the support of top artists. These ideas and initiatives are in line with social sustainability and have been passed down through the company’s more than 130-year history, shaping the “distinctive brand identity of Yamaha.”

## Yamaha Group Sustainability Policy

The Yamaha Group aims to create a society that realizes the well-being of all people around the world. To achieve this goal, we will work to protect our one precious earth and contribute to the development of an equal society, comfortable lives, and a music culture that enriches people’s hearts and minds, with our corporate philosophy of “Yamaha Philosophy” as the foundation to draw from. At the same time, we will not only respect for human rights but also create an environment in which diverse human resources can respect each other and actively play a role. Through these initiatives, we will continue to create excitement and cultural inspiration together with people around the world.

Based on this concept, we have identified materiality and will actively promote sustainability activities to enhance our medium-to-long-term corporate value through the creation of social value by working toward the realization of a sustainable society.



Material Sustainability Issues

The Yamaha Group reflects priority sustainability initiatives, those pertaining to material sustainability issues, that contribute to the ongoing development of society and medium- to long-term improvements to corporate value into its sustainability policies, and advances and manages activities on these policies. Our prior material sustainability issues have been redefined to identify issues pertaining to the environment, society, and human resources and to align the material sustainability issues with the material issues used in overall management.

Material Issues



For more information on material sustainability issues, please refer to the following website. <https://www.yamaha.com/en/sustainability/overview/materiality/>

Major KPIs and Targets of Make Waves 2.0 (2022/4–2025/3) and Progress in Fiscal 2024

Category	Sustainability Issues	KPIs and Targets for Fiscal 2025 (Make Waves 2.0 Medium-Term Management Plan)	Progress in Fiscal 2024	Evaluation*
Environment	Response to climate change	Reduce CO <sub>2</sub> emissions by 5% through energy conservation (CO <sub>2</sub> emissions/production volume, compared with fiscal 2018) <b>Management target</b>	Promoted energy conservation measures, but recorded an increase in CO <sub>2</sub> emissions of 1.2%, despite targeting a reduction of 5%, due to lower production levels	Fair
		Maintain inclusion on CDP Climate Change A List	Included on 2023 CDP Climate Change A List	Good
		Improve logistics packing efficiency by 5%	Commenced shipments using collective packing standards that included provisions concerning container packing rates	Good
	Sustainable use of timber	Increase rate of sustainable timber use to 75% <b>Management target</b>	Formulated propriety standards for sustainably sourced timber and achieved ratio of sustainably sourced timber of 64.4%	Good
Society	Resource savings, reduction of waste and hazardous substances	Cultivate and preserve three scarce tree species necessary for musical instrument production (Tone Forest activities)	Planted aggregate total of 18,000 African blackwood trees in Tanzania and formulated Indian rosewood preservation plan	Good
		Eliminate plastic packaging used for newly launching small products	Advanced investigations for determining feasibility of procuring alternative materials from overseas and expanded scope of products to reducing Styrofoam packaging to include non-compact products	Fair
Culture	Promote respect for human rights in the value chain	Conduct on-site audits of suppliers (60 companies)	Conducted on-site audits of 21 suppliers (in four countries)	Fair
		Spread and develop music culture	Promote instrumental music education at schools in emerging countries (School Project); provide instrumental music education opportunities to aggregate total of 2.3 million students in 10 countries <b>Management target</b>	Provided instrumental music education opportunities to aggregate total of 3,020,000 children in seven countries through the School Project and prepared to commence activities in two new countries
Human resources	Increase job satisfaction		Increase number of students enrolled at overseas music school by 100,000	Increased number of students enrolled at overseas music schools by 15,000, despite challenges in expanding locations due to impacts of China's Double Reduction Policy, etc.
		Continue improving ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys <b>Management target</b>	Achieved year-on-year improvement of one percentage point in ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys and enhanced career development support measures	Good
	Promote respect for human rights and DE&I	Double human resources investment	Introduced talent management system forming foundation of human resource measures and revised training programs	Fair
		Achieve global ratio of female managers of 19% <b>Management target</b>	Raised global ratio of female managers to 19.4% and appointed first female managers at two production bases in Indonesia	Excellent
Foster open organizational culture where people can proactively take on challenges	Conduct cross-border positioning of 30 individuals	Conducted cross-border positioning of 17 individuals and adopted English for internal systems	Fair	
	Continue improving ratio of employees offering positive responses regarding workplace environment on employee engagement surveys <b>Management target</b>	Achieved year-on-year improvement of one percentage point in ratio of employees offering positive responses regarding workplace environment on employee engagement surveys and used surveys to identify and improve issues on a by-organization basis	Good	

\* Excellent: Exceeded plan; Good: Proceeded as planned; Fair: Measures progressed, but lagged behind plan; Poor: No progress

For more information on sustainability initiatives, please refer to the following website. <https://www.yamaha.com/en/sustainability/>

ENVIRONMENT

The Yamaha Group recognizes that a healthy global environment is imperative to the continuity of its business activities and the sustainability of society. Accordingly, we have established the Yamaha Group Environmental Policy, which defines the environmental issues that the Group should prioritize and describes the approach to be taken in addressing these issues. Initiatives based on this policy are incorporated into our medium-term management plan and into the action plan of individual divisions to guide concrete action.



Environmental Management Systems

The Yamaha Group has created a system for promoting global environmental preservation activities that is overseen by the officer at Yamaha Corporation responsible for environmental issues of the Yamaha Group. In addition, the Working Group for Climate Change, Working Group for Resource Circulation, and Working Group for Procurement have been positioned under the Sustainability Committee. These working groups engage in discussions regarding important sustainability issues, such as climate change response and sustainable resource use and procurement, and report on these matters to the Board of Directors.

Major Initiatives and Results under the Make Waves 2.0 Medium-Term Management Plan

Furnish Responses to Climate Change

The Yamaha Group is working to contribute to the global movement to reduce greenhouse gas emissions. At the same time, we are preparing for the potential impact of climate change by identifying risks, formulating mitigation measures, and incorporating these into business strategies. We have committed to achieving net zero emissions in our operations and across our value chain by 2050. Our medium-term targets in pursuit of this larger goal are to realize a 55% reduction in Scope 1 and Scope 2 greenhouse gas emissions and a 30% reduction in Scope 3 emissions in comparison to fiscal 2018 levels by fiscal 2031.

Furthermore, the Group declared its endorsement of the recommendations of the TCFD in 2019 and is advancing initiatives for analyzing the impact of climate change on its finances and disclosing related information. Going forward, the Group will continue to seek to achieve net zero emissions by striving to create products, services, and business models that help mitigate climate change and promote the decarbonization of society through energy-efficient products and other means.

In fiscal 2024, Yamaha was included on the 2023 Climate Change A List, organized by international NPO CDP, out of recognition for its proactive climate change response initiatives and its transparency in relation to these initiatives (see page 45). Meanwhile, Building 22 of the Yamaha Corporation headquarters, which was completed in July 2024, has received the highest rank of S under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) green building certification program. One of the environmental innovations employed in this building is a double-skin system on the southern side of the building that produces high energy conservation benefits through ventilation circulating air within the outer glass layer and the outside air. These and other innovations are contributing to a 50% reduction in energy consumption at the building.

Sustainably Use Timber

In fiscal 2024, we revised the risk assessment standards used for timber due diligence. For example, legality confirmation and other standards for judging timber as being at low risk were made more stringent. As a result, the ratio of purchased timber judged to be at low risk was 98.2% in fiscal 2024, down from 99.6% in fiscal 2023 (both figures are volume ratio). Going forward, we will continue to conduct surveys and change the species of trees we use with the aim of achieving a 100% ratio of procured timber that is at low risk. In addition, Yamaha has established new standards for sustainably sourced timber for judging the sustainability of timber under the guidance of international environmental organization Preferred by Nature. In the past, Yamaha has sought to use sustainably sourced timber by increasing its ratios of use of timber judged to be sustainable by third-party organizations. However, this approach created issues in that it was difficult to judge the sustainability of non-certified timber for species of trees and in that the volumes of certified timber available on the market can be quite small. The new standards include due diligence provisions for objectively assessing the sustainability of non-certified timber along with related judgment standards.

Realize Resource Savings and Reduce Waste and Hazardous Substances

The Yamaha Group strives to use less resources in its products from a variety of standpoints, such as lowering product size and weight, integrating several products into one, and reducing the amount of and, when possible, completely eliminating, product packaging and cushioning. Moreover, we are working to reduce resource use by extending product lifespans, developing instrument maintenance and repair service systems, and collecting and reusing products through services such as those offered in our piano renewal business. Other measures for making the best use of finite resources include reassessing our use of plastic, which contributes to global warming and pollution; switching to paper and other renewable materials; and lowering waste emissions and recycling in manufacturing processes.

Through our efforts to reduce usage of plastic packaging, we plan to stop using plastic packaging for newly launching small products in fiscal 2025.

For more information on environmental initiatives, please refer to the following website. <https://www.yamaha.com/en/sustainability/environment/>

## ENDORSEMENT OF THE TCFD AND TNFD RECOMMENDATIONS

The Yamaha Group analyses the risks and opportunities for its business related to climate change and biodiversity based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). This information is reflected in management strategies, and information on the financial impacts of these risks and opportunities is disclosed.



For more information on climate change response initiatives, please refer to the following website: <https://www.yamaha.com/en/sustainability/environment/global-warming/>

### Yamaha's Initiatives

#### Governance

The Sustainability Committee, which is an advisory body to the president, is responsible for assessing and managing climate change response measures and nature-related dependencies, impacts, risks, opportunities, and issues including human rights policies and engagement activities related to indigenous peoples, local communities, and other affected stakeholders. The Board of Directors oversees these activities. In addition, the Working Group for Climate Change, Working Group for Resource Circulation, and Working Group for Procurement—organizations positioned under the Sustainability Committee—discuss these issues and report on progress made to the committee. Moreover, non-financial targets centered on climate change and other sustainability issues were introduced among the evaluation indicators used for determining the restricted stock compensation that represents a portion of executive remuneration during the period of the Make Waves 2.0 medium-term management plan. The move was meant to provide executives with greater motivation to pursue ongoing improvements in social value.

#### Strategy

Yamaha has conducted scenario analyses targeting all of its businesses to verify its impacts on climate change and biodiversity on a Groupwide basis. Through these analyses, we have identified short-term, medium-term, and long-term risks and opportunities.\*1

With regard to timber, an area that can result in significant impacts on climate change, we have researched relevant materials for assessing future changes to timber producing regions and estimated the changes that might be seen in order to determine our potential impacts on climate change and the degree of these impacts.

Climate change analyses have been conducted using a number of scenarios such as those released by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), including scenarios projecting global warming of between 1.5°C and 2°C above preindustrial levels, which involve significant transition risks,\*2 and scenarios assuming global warming of 4°C above preindustrial levels, which forecast substantial physical risks,\*3 as well as various other scenarios.\*4

Meanwhile, we have employed the TNFD's ENCORE\*\* biodiversity risk analysis tool to identify nature-related dependencies and impacts throughout our business processes. For those items representing particularly material risks and opportunities, we conducted analyses based on four scenarios focused on the two critical uncertainties of ecosystem service degradation and regulations and public sentiment in accordance with the scenario recommendations of the TNFD.

Given the potentially large impact on business activities, strategies, and financial planning from climate change- and nature-related issues, the associated risks and opportunities are regularly reviewed, and strategies are revised as necessary.

\*1 Risks and opportunities are classified as "short term" if their impacts will be most strongly felt over the next several years, "medium term" if their impacts will be felt leading up to 2030, and "long term" if the impacts will appear in 2050.  
 \*2 NZE Scenario (net zero emissions by 2050 and global warming of 1.5°C above preindustrial levels, 2022 World Energy Outlook, IEA) and Representative Concentration Pathway (RCP) 2.6 (global warming of less than 2°C above preindustrial levels)  
 \*3 RCP 8.5 (global warming of 4°C above preindustrial levels), etc.  
 \*4 Announced Pledges Scenario; Stated Policies Scenario (Business as Usual); etc.  
 \*\* ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool for assessing the nature-related dependencies, impacts, and degrees thereof of business processes that is recommended for use in the framework proposed by the TNFD.

### High-Materiality Risks and Opportunities and Response Strategies

Legend: Climate change related Biodiversity related Climate change and biodiversity related  
 R: Risk O: Opportunity Short: Short term Medium: Medium term Long: Long term

Category	Activity Area	Potential Impacts on Business, Strategies, or Financial Planning Impacts on Natural Capital	Yamaha's Activities	
Climate change	R	Natural disasters	<ul style="list-style-type: none"> <li>Halts to production due to damage to facilities or injuries to people as a result of natural disasters</li> <li>Halts to production or increased costs following rises in procurement costs due to supply chain disruptions</li> <li>Increases in non-life insurance premiums</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of flood risks and potential damages related to Yamaha Group bases (production, sales, and logistics) and review of preparedness measures and insurance policies based on predicted natural disasters</li> </ul>
	Short			
Climate change	R	Projected changes in potential timber production region environments	<ul style="list-style-type: none"> <li>Increased timber prices and reduced quality</li> <li>Costs associated with changes in technical specification required for using alternative timber resources</li> <li>Higher procurement costs due to deterioration of conditions in regions from which Yamaha procures timber as a result of temperature increases or changes in rainfall or weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>Surveys investigating potential changes to timber cultivating regions due to temperature increases</li> <li>Development of new alternatives to scarce timber resources and processing technologies (improvement of internal timber-related technologies and procurement skills)</li> </ul>
	Long			

Climate change	R	Carbon pricing	<ul style="list-style-type: none"> <li>Higher production and procurement costs as a result of introduction of carbon taxes</li> <li>Projected increase of between ¥1.0 billion and ¥2.0 billion in Groupwide energy costs leading up to fiscal 2031 if no counter-measures are taken</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of emissions reduction plan focused on exhaustive energy conservation measures and use of renewable energy (reduction of between ¥450 million and ¥900 million in energy cost increase through accomplishment of reduction targets)</li> <li>Introduction of internal carbon pricing system (¥14,000 per t-CO<sub>2</sub>) to promote investment in low-carbon facilities</li> <li>Pursuit of emissions reductions through partnership with suppliers</li> </ul>
	Medium			
Climate change	O	Shift toward indoor activities	<ul style="list-style-type: none"> <li>Increased demand for musical instruments due to rise in opportunities for indoor activities</li> <li>Higher demand for telecommunications equipment in conjunction with increases in teleworking and online events and gaming</li> <li>Growing demand for audio equipment in conjunction with rise in video distribution and emergence of hybrid live streaming events as de facto standard</li> </ul>	<ul style="list-style-type: none"> <li>Supply of solutions for remote and online events that combine acoustics, signal processing, and telecommunications technologies</li> <li>Creation of new customer experiences through remote concerts, lessons, and ensemble performances</li> </ul>
	Long			
Sustainable timber use	O	Effective use of timber and adoption of alternative timber resources	<ul style="list-style-type: none"> <li>Improvement in reputation among customers and investors and enhancement of competitiveness through products mindful of forest sustainability</li> <li>Preservation of scarce tree species through adoption of alternative materials</li> </ul>	<ul style="list-style-type: none"> <li>Increased rate of sustainable timber use</li> <li>Development of alternative timber materials to scarce timber resources and processing technologies (improvement of internal timber-related technologies and procurement skills)</li> <li>Improvement of yield rates through appropriate quality standards and effective use of offcuts</li> <li>Otonomori (Forest of Sound) Activities for promoting sustainable procurement of timber for use in musical instruments</li> </ul>
	Long			
Sustainable timber use	R	Deterioration of timber producing regions	<ul style="list-style-type: none"> <li>Difficulty procuring quality timber for use in musical instruments due to excessive logging, water shortages, water pollution, or soil deterioration in timber producing regions</li> <li>Higher timber prices and reduced quality</li> <li>Damage to reputation due to accusations of damage to ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>Increased rate of sustainable timber use</li> <li>Otonomori (Forest of Sound) Activities for promoting sustainable procurement of timber for use in musical instruments</li> </ul>
	Medium			
Sustainable timber use	R	Withdrawal of suppliers from forestry businesses	<ul style="list-style-type: none"> <li>Difficulty in procuring timber and incurring of costs associated with changes in technical specification required for use of alternative timber resources</li> <li>Obstacles to stable procurement of timber as forest credit markets expand due to growing environmental awareness among companies</li> </ul>	<ul style="list-style-type: none"> <li>Increased rate of sustainable timber use</li> <li>Otonomori (Forest of Sound) Activities for promoting sustainable procurement of timber for use in musical instruments</li> </ul>
	Short			
Sustainable timber use	R	Timber import restrictions	<ul style="list-style-type: none"> <li>Losses due to halts in production of products using restricted timber</li> <li>Costs associated with changes in technical specification required for use of alternatives to restricted timber</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in use of and adoption of alternatives to low-sustainability timber</li> </ul>
	Medium			
Sustainable timber use	O	Stable procurement of certified timber	<ul style="list-style-type: none"> <li>Support from customers and supply chains with high environmental awareness</li> <li>Mitigation of reputational risks that could arise from ongoing use of low-sustainability timber</li> <li>Forest preservation through sustainable timber procurement</li> </ul>	<ul style="list-style-type: none"> <li>Expanded use of certified timber produced in sustainable forests</li> </ul>
	Long			
Hazardous substances	R	Contamination by chemical substances (volatile organic compounds [VOCs], poisonous and deleterious substances) and oils used in business processes	<ul style="list-style-type: none"> <li>Adverse impacts to ecosystems due to emissions or leaks from manufacturing sites</li> <li>Damage to reputation, expenses for decontamination, payments of damages, or costs for improving leak prevention equipment or management practices</li> </ul>	<ul style="list-style-type: none"> <li>Definition of standards for construction of environment-related equipment and implementation of measures to prevent leaks</li> <li>Identification of leakage risks and organization of emergency response drills</li> <li>Advancement of projects for reducing VOC use</li> <li>Investigation of impacts on water habitats to which waste is emitted and organisms therein</li> </ul>
	Short			
Hazardous substances	R	Contamination via hazardous substances	<ul style="list-style-type: none"> <li>Diminishment of reputation or other damages as a result of contamination of soil or groundwater, payments for damages or decontamination measures, and degradation of ecosystems</li> <li>Increased costs due to regulatory tightening</li> </ul>	<ul style="list-style-type: none"> <li>Emission reduction and appropriate disposal of hazardous waste</li> <li>Limitations on use of hazardous substances</li> </ul>
	Medium			
Water preservation	R	Shortages of water for use in business processes and everyday life	<ul style="list-style-type: none"> <li>Halts or delays to business processes due to water shortages</li> <li>Damage to reputation due to use of excessive amounts of water in regions facing shortages</li> </ul>	<ul style="list-style-type: none"> <li>Water recycling and conservation activities based on water use reduction plans</li> </ul>
	Long			

For more information on projected changes in potential timber habitats from the base year, please refer to the following document: [https://www.yamaha.com/en/sustainability/environment/global-warming/pdf/2024\\_tcf\\_tnfd\\_recommendations.pdf](https://www.yamaha.com/en/sustainability/environment/global-warming/pdf/2024_tcf_tnfd_recommendations.pdf)

Natural Capital-Related Analyses

LEAP Approach

The LEAP (Locate, Evaluate, Assess, and Prepare) Approach\*6 is one of the frameworks prepared by the TNFD for use in assessment, management, and disclosure of natural-related issues by companies in various industries. Yamaha has used the LEAP Approach to assess and analyze the nature-related issues it faces.

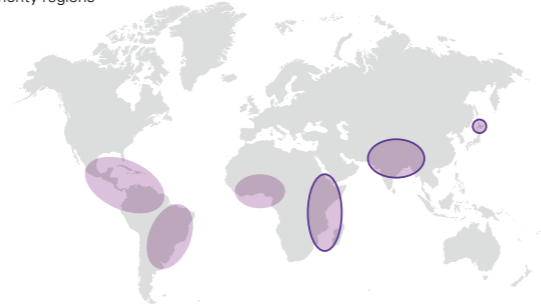
Locate

Yamaha develops its musical instruments business, audio equipment business, and others (industrial machinery and components business, etc.) on a global basis. The musical instruments business is Yamaha's mainstay business, accounting for more than 60% of its revenue. This business is also highly dependent on natural capital for its raw materials and is closely connected to nature. Specifically, timber is used in various types of musical instruments and is thus highly relevant to our business. Timber is generally viewed to be a more eco-friendly and sustainable material than materials such as plastic. However, limitations are faced with regard to the timber used in musical instruments in terms of their characteristics and appearance, which means that it can be difficult to find replacements for timber resources, a reality that creates sustainability issues. Moreover, timber has been defined as a high impact commodity on the high impact commodity list,\*7 an assessment tool released by the Science Based Targets Network, indicating that it is a resource with a high impact on nature when viewed from a scientific standpoint. Accordingly, Yamaha chose to look at timber, given its high dependence and impacts on nature, for the Locate step of the LEAP Approach in its most recent assessment.

Identification of Priority Regions for Timber Procurement

Yamaha has plotted the areas from which it procures timber resources with no alternatives on a world map to identify the priority regions producing particularly important species of timber.

- Regions producing timber resources with no alternatives
- Priority regions



Evaluate and Assess

The ENCORE nature-related risks analysis tool recommended by the TNFD was used to assess the nature-related dependencies and impacts of business activities in the priority regions identified in the Locate step of the LEAP Approach. This assessment found that the forest products sector is dependent on a number of ecosystem services and has the potential to impact nature through greenhouse gas emissions, use of terrestrial ecosystem services, and water pollutants. We then sought to assess the degree of these impacts and dependencies by incorporating the insight gained through our business activities. We thereby compiled a list of particularly material risks and opportunities based on a double materiality\*8 approach (see table below).

Major Risks and Opportunities

		Dependencies			
	Category	Degree of Dependence	Risks	Opportunities	Yamaha's Activities
Provisioning services	Natural resources	High	Increased procurement costs or halts to procurement due to timber resource depletion or tightening of related regulations	Efforts to preserve forest resources → Acquisition of reliable supply stocks → Maintenance or promotion of forest resource growth commensurate to usage volumes New technology development (development of alternative materials and technologies) → Prevention of excessive logging → Improvement of reputation through provision of eco-friendly products	Ongoing cultivation of timber through Otonomori Activities Efficient use of scarce timber resources • Development of timber processing and recycling technologies → Appropriate use • Use of new alternatives to scarce timber sources → New value
	Water	High	Adverse impacts on lives of community members and tree growth in timber producing regions due to depletion of water resources	Efforts to maintain and restore functionality of timber producing forests (water resource cultivation) Installation of household-use water infrastructure for communities	Preservation of water resources by maintaining healthy forests through Otonomori Activities Support for community development through Otonomori Activities
Regulating & maintenance services	Adjustment of water quality, volumes, and flows	Moderate	Adverse impacts on lives of community members and tree growth in timber producing regions due to flooding, water shortages, or water pollution		
	Soil quality alteration, sediment maintenance, and biodegradation	Moderate	Increased procurement costs or halts to procurement due to impediments to tree replacement or growth because of deterioration of soil in timber producing regions	Efforts to maintain and restore forested areas Initiatives for maintaining and restoring vegetation in timber producing forests	Restoration of forests through Otonomori Activities • Promotion of forest restoration cycle through cultivation of trees within forests • Cultivation of valuable indigenous tree species on agricultural land
	Ecosystem preservation (preservation of pollination services and habitats and extermination of pests)	Moderate	Increased procurement costs or halts to procurement due to decreases in tree numbers or quality of materials as a result of impediments to tree growth because of damage to ecosystems in timber producing regions	Forest preservation efforts for maintaining ecosystems and restoring functionality Efforts to preserve genetic diversity	Ongoing cultivation and preservation of functionality of forests through Otonomori Activities • Preservation of scarce species and biodiversity through cultivation of trees within forests
	Natural disaster mitigation	Low	Impediments to tree growth or halts to procurement due to floods or storms Increased procurement costs or halts to procurement due to decreases in tree numbers as a result of impediments to tree replacement or growth because of forest fires or burning in timber producing regions	Efforts to maintain and restore functionality of timber producing forests (water resource cultivation) Measures to prevent forest fires and restore forest functionality	Preservation of water resources by maintaining healthy forests through Otonomori Activities Initiatives to limit forest fires as part of Otonomori Activities • Creation of firebreaks around cultivation sites • Vegetation maintenance through controlled burning restrictions in the dry season with early fire management

		Dependencies			
	Category	Degree of Dependence	Risks	Opportunities	Yamaha's Activities
Regulating & maintenance services	Climate regulation	High	Increased procurement costs or halts to procurement due to decreases in tree numbers as a result of changes to tree habitats because of climate change in timber producing regions	Tracking of habitats in which important species are cultivated and preservation of species Development of new technologies (development of technologies for utilizing previously unused resources) → Limitation of excessive logging of specific species → Local production and consumption using local timber resources	Preservation of forest functionality by maintaining healthy forests through Otonomori Activities • Preservation of scarce species and biodiversity through cultivation of trees within forests • Research on plantation sites and development of seed cultivation techniques for scarce species Efficient use of scarce timber resources Efficient use of previously unusable resources in scarce timber resource producing regions and countries with Yamaha factories

		Impacts			
	Category	Degree of Impacts	Risks	Opportunities	Yamaha's Activities
Ecosystem use	Land habitats	High	Deterioration of soil quality and changes to vegetation due to soil degradation and increased erosion as a result of compression, exposure, and damage from machines → Decrease in number of species due to deterioration of conditions in timber producing regions → Rising landslide and forest fire risks → Reduction of resources due to population growth and conversion of forests into land for agricultural and livestock use	Efforts to maintain and restore forested areas Initiatives for maintaining and restoring vegetation in timber producing forests Improvement of community land use practices	Restoration of forests through Otonomori Activities • Promotion of forest restoration cycle through cultivation of trees within forests • Cultivation of valuable indigenous tree species on agricultural land • Introduction of and support for forest management techniques at the community level
Resource use	Supply of diverse timber species	High	Reduced availability of timber due to regulatory tightening in timber producing countries Lower timber quality and reduced availability of timber because of resource depletion	Prioritized use of sustainably sourced timber Optimization of usable timber through new technology development (consolidation and diversification)	Promotion of use of sustainably sourced timber • Establishment of proprietary standards • Practice of timber due diligence Ongoing cultivation of resources through Otonomori Activities • Preservation of scarce, irreplaceable resources Efficient use of timber resources • Development of timber processing and recycling technologies • Efficient use of previously unusable resources in scarce timber resource producing regions and countries with Yamaha factories
Climate change	Greenhouse gas emissions	High	Emissions from use of heavy machinery, charcoal production, timber and product transportation, production activities, and disposal and incineration of waste materials, products, and packaging → Changes in species growth and habitat depletion as a result of climate change → Increases in natural disaster frequency as a result of climate change	Efforts to preserve forest resources → Carbon fixation through functional forests → Promotion of forest resource growth commensurate to usage volumes New technology development (development of alternative materials and technologies) → Prevention of excessive logging → Improvement of efficiency in timber use → Local production and consumption using local timber resources Resource recycling	Preservation through Otonomori Activities • Development of carbon fixation assessment functions through forest monitoring • Ongoing cultivation of resources through afforestation and forest preservation activities Efficient use of timber resources • Development of timber processing and recycling technologies • Efficient use of previously unusable resources in scarce timber resource producing regions and countries with Yamaha factories

Prepare

To furnish an effective response to the nature-related dependencies, impacts, risks, and opportunities identified in the Locate, Evaluate, and Assess steps of the LEAP Approach, Yamaha has defined strategies and metrics for disclosure to be used in assessment and management of these items (see "Metrics and Targets" on the next page).

For more information on specific initiatives related to sustainably sourced timber in priority regions identified in this assessment, please refer to the page on Yamaha's corporate website detailing its Otonomori Activities.\*9

\*6 The LEAP Approach is a tool designed by the TNFD for use in comprehensive assessments of a company's connections with nature, dependencies, impacts, risks, and opportunities for use in determining the environmental issues faced. After scoping, companies follow the steps of Locate, Evaluate, Assess, and Prepare to evaluate their material connections with nature.  
\*7 The high impact commodity list is a list of commodities (raw materials) that entail large impacts on the natural environment.  
\*8 Double materiality is the concept of looking at both the impact that a company has on the environment and the impact that the environment has on the company.  
\*9 <https://www.yamaha.com/en/stories/environment/otonomori/>

Management of Risks and Impacts

Yamaha has established the Risk Management Committee as an advisory body to the president and representative executive officer. This committee is tasked with identifying and assessing risks using cross-company evaluation frameworks that look at the climate change, ecosystem, and various other risks associated with Yamaha's corporate and other activities.

Meanwhile, the Working Group for Climate Change positioned under the Sustainability Committee together with the Environmental Division is responsible for assessing the potential scale of damages and the frequency of risks and opportunities based on scenario analyses and compiling lists of the identified risks and opportunities (including environmental dependencies and impacts across the upstream and downstream areas of the value chain). At the same time, working groups associated with particular major risks and opportunities (the Working Group for Resource Circulation and the Working Group for Procurement) and relevant divisions pursue coordination as necessary to monitor the progress of related measures, which is reported to the Sustainability Committee. Major risks and opportunities whose materiality surpasses the scope of the duties of the Sustainability Committee and working groups are reported to the Board of Directors, which will discuss and examine response policies.

Both the Sustainability Committee, which houses the Working Group for Climate Change, the Working Group for Resource Circulation, and the Working Group for Procurement, and the Risk Management Committee are chaired by the president and representative executive officer. This allows for organic coordination in their respective duties.

For more information on risk management initiatives, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/governance/risk-management/>

**Metrics and Targets**

At Yamaha, reductions to CO<sub>2</sub> emissions are managed in a comprehensive manner encompassing the entire Yamaha Group and its supply chains. To facilitate these efforts, the Greenhouse Gas Protocol is used as the standard for calculating total greenhouse gas emissions (Scope 1, Scope 2, and Scope 3 emissions), and third-party verification is received for these calculations.

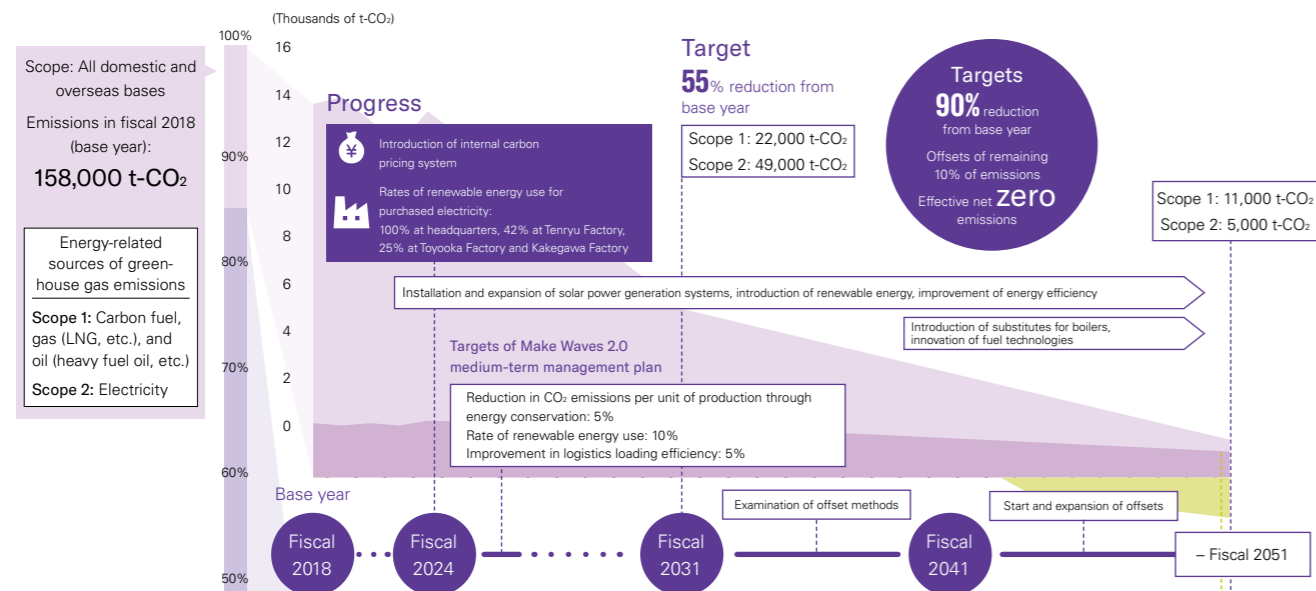
For more information on metrics and targets, please refer to the following document.  
[https://www.yamaha.com/en/sustainability/environment/global-warming/pdf/2024\\_tcf\\_tnfd\\_recommendations.pdf](https://www.yamaha.com/en/sustainability/environment/global-warming/pdf/2024_tcf_tnfd_recommendations.pdf)

**Decarbonization Plan**

Reductions to CO<sub>2</sub> emissions are managed in a comprehensive manner encompassing the entire Yamaha Group and its supply chains. By pursuing steady reductions in greenhouse gas emissions (Scope 1, Scope 2, and Scope 3), Yamaha seeks to combat rapid climate change, which is a threat to humanity and to all life-forms on earth, and to contribute to the realization of a decarbonized society.

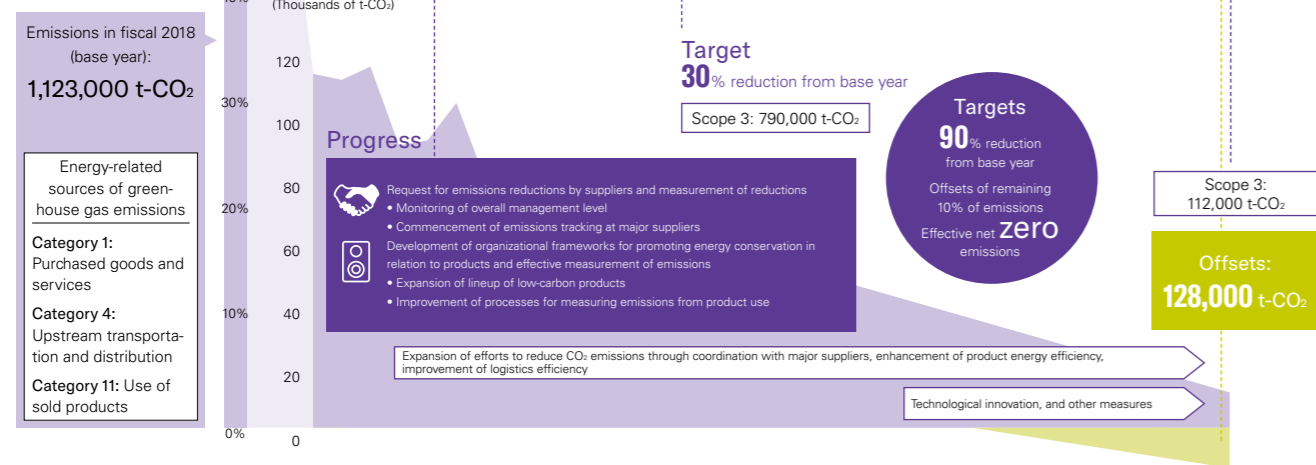
**Scope 1 + Scope 2**

(direct emissions from the Company)  
 Priority reduction of Scope 2 emissions leading up to fiscal 2031 (introduction of renewable energy and conservation of energy)  
 Reduction of Scope 1 emissions after fiscal 2031 in conjunction with development of alternative technologies to combustion engines



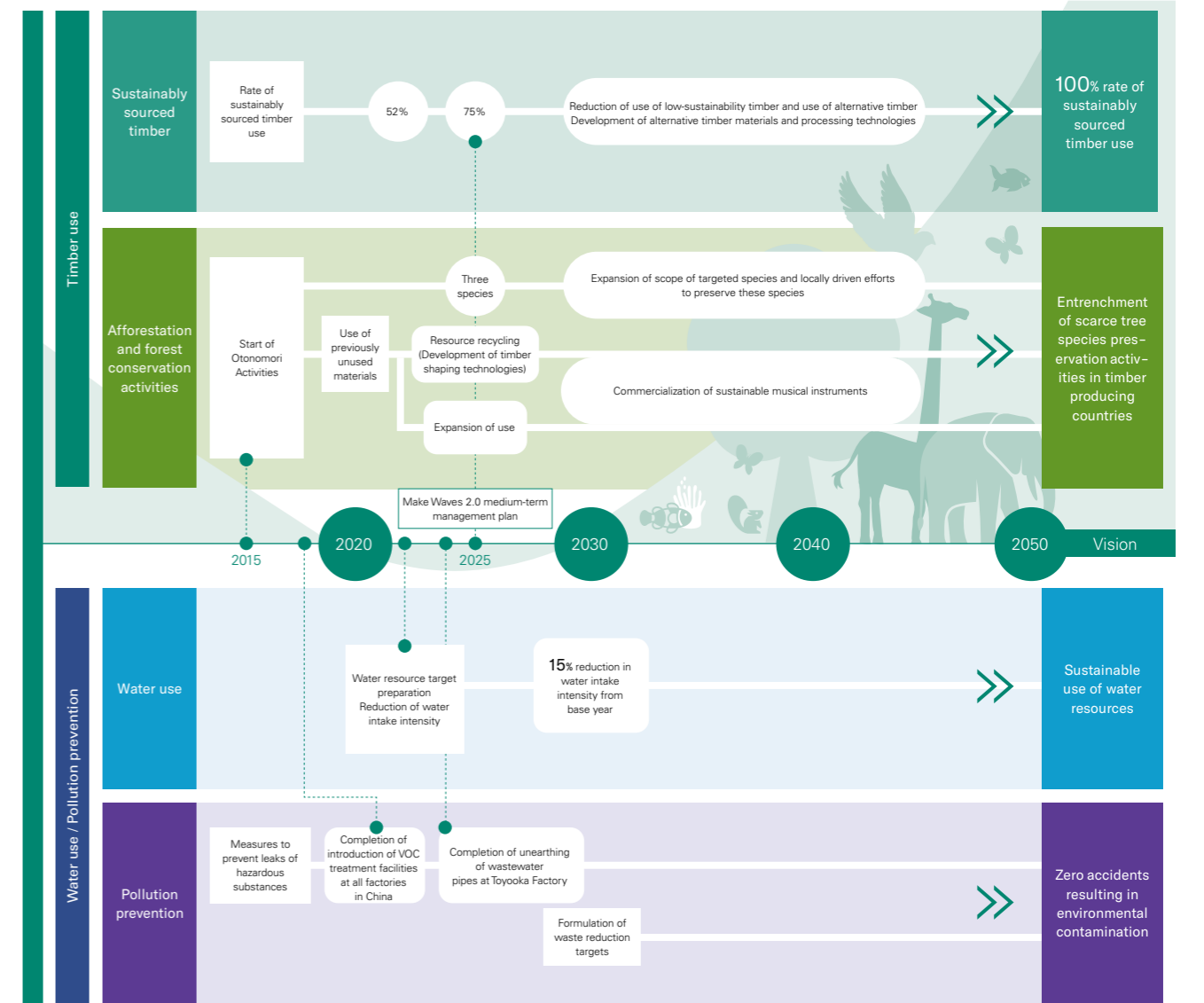
**Scope 3**

(other emissions across the value chain)



**Nature Positive Transition Plan**

Yamaha aspires to develop its business in a nature positive manner. To this end, we are examining the impacts of our business activities and products on biodiversity across the value chain and advancing initiatives to limit adverse impacts. Forest preservation is an area of particular focus as we seek to use sustainably sourced timber and foster timber suited to use in musical instruments.



**Receipt of Highest Honor in CDP Climate Change Report**

International NPO CDP awarded Yamaha with its highest honor, inclusion on the 2023 Climate Change A List, out of recognition for its proactive climate change response initiatives and its transparency in relation to these initiatives. This is the second time we have been included on the Climate Change A List, with the first time being in fiscal 2022. Approximately 23,000 major companies from around the world responded to CDP's questionnaire in fiscal 2024, and 362 companies, including 112 Japanese companies, were selected for inclusion on the A List.





# HUMAN RIGHTS

The Yamaha Group diligently fulfills its responsibility to address human rights issues related to its business activities in order to help realize a society in which everyone's human rights are respected.



## Basic Policies and Systems Regarding Respect for Human Rights

The Yamaha Group expects all Group companies to conduct their business activities with integrity and founded on respect for human rights, and has established the Yamaha Group Human Rights Policy and the Yamaha Compliance Code of Conduct to describe its basic policies and action guidelines regarding human rights. In addition, suppliers are expected to adhere to the Yamaha Supplier CSR Code of Conduct, which stipulates requirements for respect for human rights and appropriate labor practices.

Furthermore, Yamaha has established the Working Group for Human Rights, DE&I under the Sustainability Committee to facilitate responsible action for addressing the potential impacts of its business activities on human rights. This working group is tasked with formulating our visions and directives for promoting respect for human rights across the Group and with monitoring progress with this regard.

## Promotion of Human Rights Due Diligence

We assess our activities across the value chain based on international norms on human rights and on the self-assessment items of the United Nations (UN) Global Compact and actively engage in dialogue with stakeholders and experts. Through this process, we identify and specify the human rights risks apparent in our business.

A total of 17 material human rights issues were identified through this process. Among these issues, consistent procurement practices (supplier management), harassment and abuse, and occupational health and safety have been positioned as human rights issues requiring priority response. The Working Group for Human Rights, DE&I regularly monitors progress in preventative and corrective measures related to these three priority issues. Moreover, in February 2024 a forum was arranged at which working group members and other relevant officers spoke with an external human rights expert to assess such human rights due diligence activities from an objective perspective and to help shape future activities.

### Discussion Session with External Human Rights Expert

Date: February 13, 2024

Expert: Hidemi Tomita (Managing Director, LRQA Sustainability K.K.)

#### Yamaha participants:

Toshiaki Goto (Executive Officer, Executive General Manager of Musical Instruments & Audio Products Production Unit and Chairperson, Working Group for Procurement)  
Taro Tokuhito (Operating Officer, Deputy Executive General Manager of Corporate Administration Unit and Chairperson, Working Group for Human Rights, DE&I)  
Chihiro Osuga (Operating Officer, Deputy Executive General Manager of Corporate Administration Unit and Member, Working Group for Human Rights, DE&I)  
Other individuals involved in human resources, procurement, etc.

## The Yamaha Group's 17 Material Human Rights Issues

Issues	Stakeholders			
	Customers	Employees	Business Partners	Communities and Society
1 Legal equality and prohibition of discrimination	●	●	●	
2 Legal access to remedies	●	●	●	●
3 Consistent procurement practices (supplier management)			●	●
4 Harassment and abuse		●	●	
5 Women's rights		●	●	
6 Child labor (respect for right to education)			●	
7 Forced labor			●	
8 Occupational health and safety		●	●	
9 Working hours (right to breaks and days off)		●	●	
10 Safe work environment (including access to water)		●	●	
11 Wages (right to a living wage)		●	●	
12 Freedom of association and right to collective bargaining		●	●	
13 Equal access to training and education		●	●	
14 Intellectual property rights	●	●	●	
15 Rights of indigenous people and local communities				●
16 Consumer interests (right to safety and access to information)	●			
17 Management of personal information of consumers	●			

Note: Highlighted issues are human rights issues requiring priority response.

## Human Rights Issues Requiring Priority Response

### Consistent Procurement Practices (Supplier Management)

The Yamaha Group requests that suppliers comply with the Yamaha Supplier CSR Code of Conduct. CSR initiatives are one of the factors checked when screening suppliers. Inspections based on the code are conducted when transactions are commenced with new suppliers and on a regular basis thereafter. Corrective measures are implemented and transactions are reconsidered as necessary to prevent negative impacts on human rights across our supply chain. In 2023, we began having external institutions perform on-site audits in order to further improve the effectiveness of our human rights risk identification frameworks.

### Harassment and Abuse

The Yamaha Group has defined in its Compliance Code of Conduct its strict prohibition of harassment, an act that undermines human rights. Also, Yamaha Corporation and domestic Group companies make it clear that harassment is a form of misconduct warranting discipline and disclosure, taking a stern stance toward all violations of human rights. Training sessions, seminars, and other education programs are instituted with the goal of fostering a workplace environment free of

harassment. For example, manager training programs are implemented with a focus on acquiring harassment-related knowledge, developing skills for instructing subordinates, and improving communication between supervisors and subordinates. We are also enhancing the education materials we provide to employees through means such as the production of training tools for promoting increased understanding of our code of conduct and the bolstering of monthly compliance-related information communications. In fiscal 2024, our compliance education content was deployed for use in harassment prevention training programs at overseas Group companies.

### Occupational Health and Safety

The Yamaha Group believes that one of its most important management issues is ensuring the health and safety of its employees. The Group promotes health and safety activities to continually enhance the level of its health and safety. Steps are taken to prevent occupational accidents by implementing Group standard safety rules, conducting risk assessments, and performing audits of the safety of equipment and machinery to improve workplace safety. In fiscal 2023, we launched rank-based occupational safety and health training programs for core health and safety staff members and supervisors at production bases in China, Indonesia, and Malaysia. For other employees, we arranged danger experience workshops at Safety Dojos, which are our educational facilities designed to help heighten sensitivity toward danger. Through these efforts, we are developing workplaces where everyone can feel safe and secure with no fear of occupational accidents.

### Human Rights Education and Awareness-Raising Activities

The Yamaha Group encourages all employees to view human rights as an issue that directly relates to them, and human rights education programs are implemented to help us exercise our corporate responsibility to respect human rights. At the Company and at domestic Group companies, shared e-learning programs using the Yamaha Human Rights Guidebook are enacted to provide opportunities for all employees to think and learn about the Yamaha Group Human Rights



Human Rights Guidebook

Policy as well as about potential human rights violations that may occur during their daily business activities across the value chain and steps to be taken to prevent said violations. For overseas Group companies, we have prepared versions of the Yamaha Human Rights Guidebook that have been translated into English, Chinese, and Indonesian, three languages for which there is particularly high demand. Moreover, human rights were introduced as a new theme for compliance education content for overseas Group companies in April 2024, and such content is being rolled out while education guidance is being provided to training staff in order to facilitate improved understanding with regard to human rights.

## Human Rights-Related Consultation and Whistleblowing Systems

The Yamaha Group has set up compliance-related consultation and whistleblowing systems for use by employees (including contract employees, part-time employees, and dispatch employees) inside and outside of the organization. Employees are able to receive consultation or make reports regarding harassment and other human rights issues through these systems. In addition, we have developed multilanguage inquiry forms, and a dedicated consultation system for sexual minorities at domestic Group companies has been established. Steps are being taken to entrench awareness of these reporting options.

Non-employee stakeholders are able to submit opinions and reports through the inquiry forms available on Company websites. In addition, Yamaha joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in October 2022 and has begun accepting claims filed through its Engagement and Remedy Platform. This platform is compliant with the stipulations of the UN Guiding Principles on Business and Human Rights and will be used to address the wide range of human rights issues found across various value chains.

## Product and Service Accommodation

The Yamaha Group seeks to improve the safety and accessibility of its products and services to allow them to be enjoyed by a wide range of people, regardless of disability or other restrictions, and to ensure that they do not cause or exacerbate physical or mental health conditions.

Furthermore, we have prepared a DE&I communication handbook for employees to facilitate inclusive communication that does not discriminate against or exclude others through use of advertisements or through social media as part of product and service marketing activities. Yamaha is also a member of the Unstereotype Alliance, a movement spearheaded by UN Women that aims to eliminate harmful stereotypes in media and advertisements.

For more information on human rights initiatives, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/social/human-rights-and-labor-practices/>



# HUMAN RESOURCES

Yamaha respects the diverse individuality and autonomy of its employees and provides them with equal access to opportunities for skill development and career advancement. Furthermore, we are developing workplace environments that enable all employees to fully demonstrate their sensibilities and creativity while achieving self-actualization and growing as professionals. We thereby aim to maximize our human capital, further develop our business, and achieve ongoing improvements in corporate value.

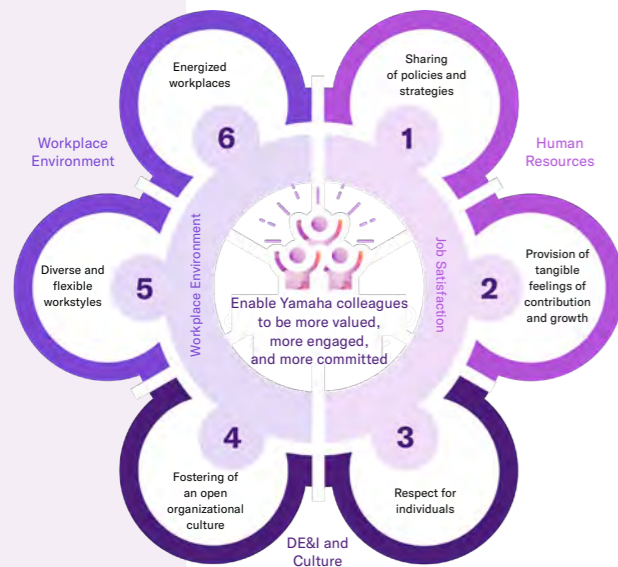


**Taro Tokuhira**  
 Operating Officer  
 Deputy Executive General Manager of Corporate Administration Unit  
 (Human Resources, General Administration, and Information Systems)

## Basic Policy

In the Make Waves 2.0 medium-term management plan, we have put forth the key policy of “enable Yamaha colleagues to be more valued, more engaged, and more committed,” based on which the three priority themes of “increase job satisfaction,” “promote respect for human rights and DE&I,” and “foster open organizational culture where people can proactively take on challenges” have been defined.

For advancing concrete initiatives, the aforementioned key policy has been broken down into six focus areas to guide our human resource measures and how we gauge their results.



## Initiatives and Results in Six Focus Areas

### ▶ 1. Sharing of Policies and Strategies

By implementing measures for close sharing of the feelings of employees and members of management toward the Company, we aim to help everyone better understand our corporate philosophy, the Yamaha Philosophy, and our brand promise and to exercise these principles in their daily activities.

Major Initiatives	Results and Successes in Fiscal 2024
<ul style="list-style-type: none"> <li>Enhancement of internal information provision (Group newsletters, intranet sites, etc.)</li> <li>Yamaha Awards program in which the president presents awards based on the Yamaha Philosophy</li> <li>Shared Group education programs (Yamaha Philosophy, brand promise, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Distribution of messages from the president each month and at beginning of fiscal year</li> <li>Group newsletters issued every two months, approximately 380 articles posted on intranet sites (total for Japanese- and English-language articles)</li> <li>Yamaha Day global internal event for expressing feelings toward the Yamaha brand (10,926 viewers of live stream and subsequently released digest video)</li> <li>100 entries to Yamaha Awards program</li> </ul>

### ▶ 2. Provision of Tangible Feelings of Contribution and Growth

Yamaha aspires to provide workplace environments in which employees are given opportunities to grow and tackle new challenges on their own volition, fully exercise their skills at work, contribute to the Company and to society, and experience tangible feelings of growth. At Yamaha Corporation specifically, we are implementing measures that emphasize career autonomy and specialized skill development. These measures are being expanded to other Group companies.

Major Initiatives	Results and Successes in Fiscal 2024
<ul style="list-style-type: none"> <li>Increases to investments in education</li> <li>Expansion of career training programs</li> <li>Enhancement of career meetings</li> <li>Definition and publication of job and skill requirements and tracking of human resource information</li> </ul>	<ul style="list-style-type: none"> <li>Increase of 20% in education-related investments in comparison to period of previous medium-term management plan</li> <li>Career meeting training administered to 220 managers at Yamaha Corporation</li> <li>Tripling of amount of time devoted to career development programs and meetings in comparison to previous fiscal year</li> <li>Registering of skill and career data of 3,158 Yamaha Corporation employees into talent management system</li> </ul>
<ul style="list-style-type: none"> <li>Reinstitution of internal open application system</li> <li>Position matching based on skill and career information</li> </ul>	<ul style="list-style-type: none"> <li>Total of 86 internal open applications</li> <li>Creation of human resource information utilization examples</li> </ul>

For more information, please refer to the following document.  
<https://www.yamaha.com/en/ir/library/flash-report/pdf/qu-2024-q4.pdf?20240628>

## Human Resources Priority Themes and Measures of the Make Waves 2.0 Medium-Term Management Plan

Under the Make Waves 2.0 medium-term management plan, Yamaha will implement measures in pursuit of the following targets based on the key policy of enabling Yamaha colleagues to be more valued, more engaged, and more committed.

### Priority Themes of Make Waves 2.0

Priority Themes	Targets	Measures
Increase job satisfaction	<ul style="list-style-type: none"> <li>Continue improving ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys</li> <li>Double human resources investment</li> </ul>	<ul style="list-style-type: none"> <li>Inspire a feeling of value with regard to working at Yamaha                             <ul style="list-style-type: none"> <li>Cultivate leaders for guiding businesses from a global perspective and place the best personnel in the most appropriate position</li> <li>Enhance support for autonomous career development</li> </ul> </li> </ul>
Promote respect for human rights and DE&I	<ul style="list-style-type: none"> <li>Achieve global ratio of female managers of 19%</li> <li>Conduct cross-border positioning of 30 individuals</li> </ul>	<ul style="list-style-type: none"> <li>Utilize individuality of diverse employees                             <ul style="list-style-type: none"> <li>Conduct human rights education and due diligence</li> <li>Empower female employees and assemble a diverse team</li> </ul> </li> </ul>
Foster open organizational culture where people can proactively take on challenges	<ul style="list-style-type: none"> <li>Continue improving ratio of employees offering positive responses regarding workplace environment on employee engagement surveys</li> </ul>	<ul style="list-style-type: none"> <li>Build comfortable organizational culture founded on mutual respect                             <ul style="list-style-type: none"> <li>Create diverse opportunities for engagement</li> <li>Reform organizational culture to allow employees to take on challenges without fear of failure</li> <li>Support diverse and flexible workstyles</li> </ul> </li> </ul>

### ▶ 3. Respect for Individuals

We are promoting diversity, equity, and inclusion (DE&I) based on the Yamaha Group DE&I Policy. The Yamaha Group sees the rich diversity of its people (including but not limited to age, gender, sexual orientation, gender identity, disability, nationality, race, religion, culture, values, lifestyle, and experience) as a true strength, and an endless source of new value creation for the organization. By celebrating the individuality of everybody in our organization, and creating an equitable environment in which diversity can thrive, we aim to become more competitive, drive growth, and realize social sustainability.

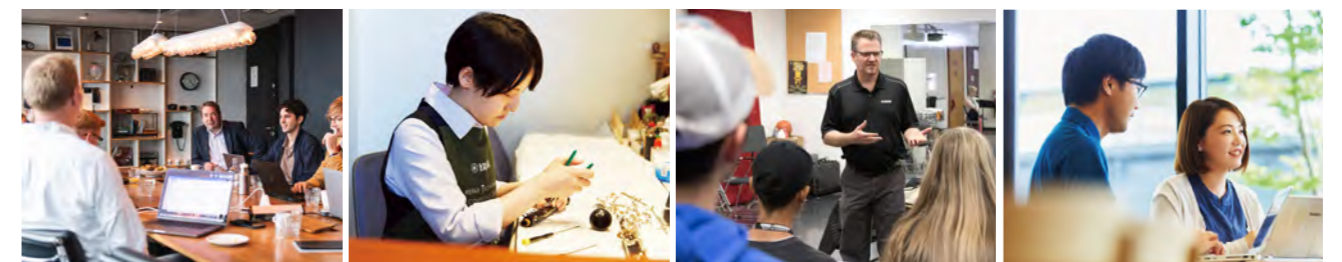
The Working Group for Human Rights, DE&I is tasked with discussion and monitoring in relation to the Yamaha Group’s DE&I vision, medium-term targets, and measures. Meanwhile, Group companies formulate and implement three-year DE&I action plans to advance initiatives that take into account the specific conditions of each company as well as local cultures and circumstances. This approach has led the global ratio of female managers to rise to 19.4% on a global basis, a year-on-year increase of 2.1 percentage points, thereby accomplishing the medium-term target of 19% set for this ratio.

The Yamaha Group is also committed to utilizing human resources in a manner that is blind to nationality as expected of a global business. To this end, we have instituted a selective training program and practice cross-border personnel assignments targeting employees at all Yamaha Group bases. Corporate functions are also being enhanced as we seek to develop human resources across the Group. Due to our efforts to recruit a diverse range of human resources, non-Japanese individuals accounted for 6.7% of new recruits at Yamaha Corporation in fiscal 2024.

The Group is also working to foster internal awareness and advance branding activities that contribute to a more inclusive music culture through its celebration of International Women’s Day and LGBTQ+ Pride Month.

In recognition of these initiatives, Yamaha Corporation has been awarded with the highest rating of gold in the PRIDE INDEX, an index compiled by work with Pride to recognize the initiatives of companies and other organizations for supporting sexual minorities such as members of the LGBTQ+ community, for five consecutive years. Also, in the 2023 iteration of the D&I Award program, Yamaha received the highest honor of Best Workplace for the second consecutive year. Moreover, the employee engagement surveys conducted at domestic and overseas Group companies each year since fiscal 2021 have shown ongoing improvements in global rates of positive responses to questions regarding the promotion of DE&I.

Major Initiatives	Results and Successes in Fiscal 2024
<ul style="list-style-type: none"> <li>Mentoring programs (at Yamaha Corporation) and other measures for fostering female employees</li> <li>Unconscious bias training</li> <li>Groupwide initiatives in celebration of International Women’s Day</li> <li>Action as an ally to the LGBTQ+ community</li> <li>Cross-border personnel assignments</li> <li>Global selective training programs</li> </ul>	<ul style="list-style-type: none"> <li>Steady improvement in ratios of ratio of female managers (8.2% at Yamaha Corporation, up 0.6 percentage point year on year, and 19.4% on global basis, up 2.1 percentage points)</li> <li>Participation in diversity initiatives by 48 Group companies worldwide</li> <li>Exhibition at Tokyo Rainbow Pride, one of Asia’s largest LGBTQ+ pride events</li> <li>Expansion of cross-border personnel assignments</li> <li>Participation in global management candidate training by 15 domestic and overseas employees</li> </ul>



# HUMAN RESOURCES

## 4. Fostering of an Open Organizational Culture

By analyzing the results of the employee engagement surveys conducted each year since fiscal 2021, Yamaha is fostering an open organizational culture that can function as a foundation for maximizing the energy of employees and organizations. The Human Resources Division has also begun offering support for heightening the benefits of activities advanced on an individual workplace basis in order to contribute to workplace-driven organization development efforts.

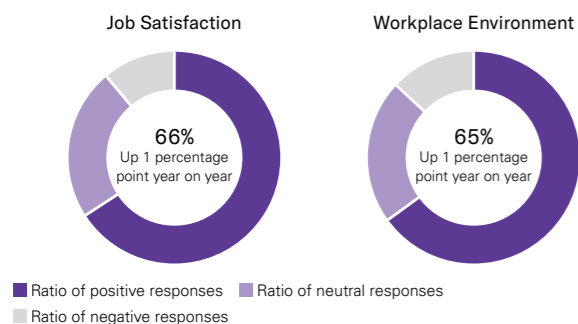
Meanwhile, the president has spoken with members of various workplaces through a total of more than 100 online and in-person visitation events held to date. These events are one of the ways Yamaha is creating diverse opportunities for communication among individuals from various organizations and positions.

A particularly unique initiative is the attentive listening training program open to voluntary participation by Yamaha Corporation employees. An aggregate total of 96 managers have participated in this program since its fiscal 2023 launch, and some 160 employees have joined communities centered on program participants. This program has contributed to quantitative and qualitative improvements in workplace communication as well as in participants sharing what they have discovered and learned.

As a result, in the fiscal 2024 employee engagement survey global rates of positive responses to questions pertaining to the ensuring of psychological safety rose 1 percentage point year on year, to 71%, while a 2-percentage point increase was seen in the positive response rate to questions pertaining to development of frameworks for collaboration, which came to 53%.

Major Initiatives	Results and Successes in Fiscal 2024
<ul style="list-style-type: none"> <li>Support for workplace-driven organization development activities and improved benefits from the Human Resources Division</li> <li>Creation of diverse communication activities</li> <li>Organization of attentive listening training program open to voluntary participation and creation of communities centered on participants</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys (66%, up 1 percentage point year on year)</li> <li>Improvement of ratio of employees offering positive responses regarding workplace environment on employee engagement surveys (65%, up 1 percentage point year on year)</li> <li>Workplace visits by the president (24 events, participation by aggregate total of 312 employees)</li> <li>Participation in attentive listening training program by 96 Yamaha Corporation managers, creation of venues for cross-organizational activities and sharing of learning</li> </ul>

### Results of Fiscal 2024 Employee Engagement Survey



## 5. Diverse and Flexible Workstyles

Yamaha respects employees' diverse values and lifestyles and offers support for work-life balance to ensure that employees are able to live fulfilling private lives while contributing to the development of its businesses.

Yamaha Corporation is revising its systems and frameworks with the goal of realizing self-directed, highly productive workstyles. We thereby aim to develop flexible systems and workplace environments

that are accommodating of the circumstances of individual employees. The hope is to allow our employees to exercise their skills while maintaining good physical and mental health and living enriching work and personal lives.

Major Initiatives	Results and Successes in Fiscal 2024
<ul style="list-style-type: none"> <li>Expansion and entrenchment of flexible working systems</li> <li>Development of flexible work-life balance support systems</li> </ul>	<ul style="list-style-type: none"> <li>Entrenchment of teleworking system</li> <li>Expansion of the range of areas from which individuals can commute should they need to provide nursing care to family members or if they would normally be forced to live away from their family for work purposes</li> <li>Provision of work-life balance support systems that surpass the legally mandated requirements pertaining to childcare, nursing care, and medical treatment</li> <li>Rehiring programs for employees who have retired to accompany spouses on overseas assignment or to provide nursing care for a family member</li> </ul>
<ul style="list-style-type: none"> <li>Definition of clear standards permitting side jobs</li> </ul>	<ul style="list-style-type: none"> <li>Approval of side jobs in 68 cases</li> </ul>

## 6. Energized Workplaces

The Yamaha Group Health Declaration defines the principles of "Sound Living" (realizing "living their own lives in good physical and mental health"), "Sound Minds" (creating an environment that allows people to work with peace of mind, responding to changes in workstyles), and "Sound Bodies" (promoting measures to protect and improve health, such as regular health checkups of employees in the month of their birthday). We are advancing initiatives to promote these principles.

Particular attention has been directed toward entrenching the idea that regular health examinations are the most fundamental way people can maintain their health. As a result of these efforts, Yamaha Corporation and domestic Group companies have maintained a 100% examination completion ratio while industrial physicians made work category decisions for 100% of cases for six consecutive years (fiscal 2019–2024).

Major Initiatives	Results and Successes in Fiscal 2024
<ul style="list-style-type: none"> <li>Maintenance of health examination completion ratio of 100%</li> <li>Annual stress checks</li> <li>Enhancement of systems for supporting individuals returning to work after taking leave</li> <li>Provision of counseling desk provided by outside institutions through an external Employee Assistance Program and raising of internal awareness thereof</li> <li>Measures for encouraging employees to quit smoking (prohibition of smoking on the premises of all domestic Group companies, etc.)</li> <li>Prevention of excessive workhours</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of 100% examination completion ratio and 100% rate of industrial physicians making work category decisions (sixth consecutive year)</li> <li>Stress check completion rate of 94.6%</li> <li>Introduction of new systems for supporting individuals returning to work after taking leave (through coordination between occupational health and safety staff, supervisors, managers, human resource personnel, external psychiatrists, and the Employee Assistance Program)</li> <li>Reduction in rates of employees smoking (9.9% at Yamaha Corporation, 13.3% at domestic Group companies)</li> <li>Monitoring of workhours of managers and other employees and issuance of advance warnings to individuals at risk of surpassing predefined limits</li> </ul>

With employee health in mind, Yamaha has taken an active stance toward encouraging employees to quit smoking since 1998. In fiscal 2023, smoking became prohibited on the premises of all domestic Group companies.



As a result of these long-term initiatives, the percentage of smokers among all employees at Yamaha Corporation dropped below 10%, to 9.9%, in fiscal 2024, and the rate among employees at domestic Group companies was 13.3%.

Based on the external recognition for these initiatives, Yamaha Corporation has been certified seven times as a White 500 enterprise in the Certified Health & Productivity Management Outstanding Organizations Recognition Program organized by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

## Initiatives Based on Priority Themes

The following are some examples of initiatives based on the three priority themes of "increase job satisfaction," "promote respect for human rights and DE&I," and "Foster open organizational culture where people can proactively take on challenges" defined in relation to the key policy of "enable Yamaha colleagues to be more valued, more engaged, and more committed" put forth in the Make Waves 2.0 medium-term management plan.

### Increase Job Satisfaction

#### Improvement of Engagement through Employee Value Proposition Activities

Yamaha Musical do Brasil has positioned the Yamaha Brazil Personnel Strategy (YBPS) as a key component of its medium-term management plan. Based on the needs identified through employee engagement surveys and advice from third-party professionals, the company has supported career and skill development, as well as diverse and flexible workstyles, to enhance individual motivation, capabilities, and work environments. As a result, Yamaha Musical do Brasil has achieved employee engagement levels above industry standards, with feedback indicating employees feel "recognized for their autonomy to take on challenges enthusiastically" and experience "great job satisfaction." Following the introduction of YBPS, revenue has also significantly increased, and the company was ranked first among 407 companies in a 2023 local external survey, establishing itself as a role model in Brazil's talent market.

#### Yamaha Musical do Brasil Ltda.



Thais Oliveira  
HR & General Affairs Manager  
Yamaha Musical do Brasil Ltda.

### Promote Respect for Human Rights and DE&I

#### International Women's Day Campaign Supporting Female Colleagues

#### Yamaha Group

As part of its initiatives to celebrate International Women's Day on March 8, 2024, the Yamaha Group arranged a campaign to promote support for gender equality and DE&I with participation from 47 Group companies worldwide. These companies collaborated to distribute, within the Group, messages from senior managers at Group companies, interviews with female employees contributing around the world, and videos of discussions by officers on the topic of gender equality. Surveys were also administered to gain an understanding of employee perception with regard to gender equality issues and Yamaha's efforts to address these issues. More than 1,000 individuals responded to these surveys, which revealed a rate of approximately 85% of respondents of all genders indicating positive responses with regard to gender equality at Yamaha. We also received a number of opinions and proposals about how we can improve in this area.



Internal International Women's Day site

### Foster Open Organizational Culture Where People Can Proactively Take on Challenges

#### One-on-One Meeting Reform Project

#### Yamaha Hi-Tech Design Corporation

In fiscal 2024, Yamaha Hi-Tech Design launched a one-on-one meeting reform project based on input from employees stating that they felt that one-on-one meetings were not effective, that they had nothing to talk about in such meetings, or that they did not know how to advance a meeting in this format. Currently, around 10 employees are in the process of learning how to direct one-on-one meetings and how to listen more attentively. This company is also organizing workshops that use communication cards to teach participants effective one-on-one meeting procedures and listening techniques. Participants have voiced positive opinions, stating that the project was their first opportunity to be placed in such a listening position and that it thus made them realize how a change in viewpoint can change one's perception of things.



Communication card workshop making a game out of communication

# BRANDING

Yamaha is practicing co-creative brand communications to generate new value together with its various stakeholders in order to support the “Well-Being of People around the World.”

## Atsushi Yamaura

Director, President and Representative Executive Officer  
Executive General Manager of Brand Development Unit



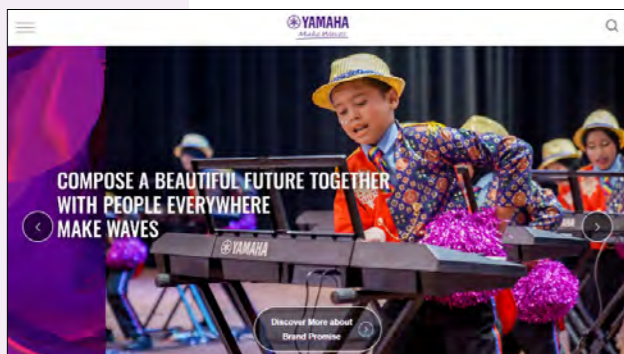
### Basic Policy

Since its founding, Yamaha has continued to support the “Well-Being of People around the World” by creating various new products and services built on the technologies and sensibilities it has fostered based on the areas of sound and music over its long history. Our corporate philosophy of “Sharing Passion & Performance” has been at the center of these efforts. The brand promise of Make Waves, which is based on this enduring philosophy, was unveiled in 2019 as part of our branding strategies. As stated in Make Waves, Yamaha promises to inspire peoples’ passion and help them take a step forward to express their individuality, emotion, and creativity.

Since introducing the world to our brand promise, we have continued to engage in globally consistent communication activities based on this promise with the goal of inspiring our various stakeholders to form an attachment to the Yamaha brand.

### Review of Fiscal 2024

Branding activities in fiscal 2024 included efforts to provide experiences and value that help customers “Make Waves” as well as to develop a platform for communicating such experiences and value to customers. We also made progress in building frameworks for improving customer experiences. Yamaha has redesigned its corporate website to portray a clearer and more passionate story. Meanwhile, the Yamaha Music ID customer data platform has been introduced in nearly all pertinent regions.

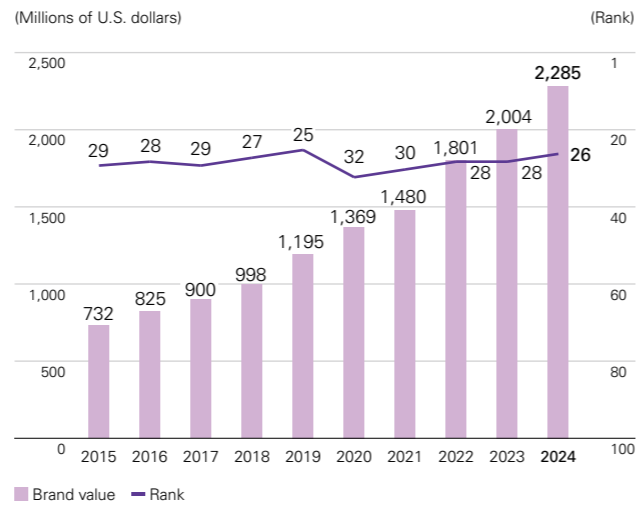


Top page of redesigned corporate website

Our diligent branding activities resulted in Yamaha climbing to 26 in the Best Japan Brands 2024 ranking announced by Interbrand Japan. Moreover, Interbrand’s assessment of Yamaha’s brand value rose to U.S.\$2,285 million, a year-on-year increase of 14%. \* These results are thought to be a reflection of the progress made in the aforementioned brand strategies, joint branding events with Yamaha Motor Co., Ltd., and the improved customer lifetime value brought about by Yamaha Music Connect.

\* Figure represents the total value of the Yamaha brand developed by Yamaha Motor Co., Ltd., and Yamaha Corporation.

### Yamaha’s Brand Value



### Initiatives under the Make Waves 2.0 Medium-Term Management Plan

#### Regional Brand Surveys and Branding Activities

Yamaha conducts regional brand surveys to measure the emotional value of the Yamaha brand on a global basis. By analyzing our brand strength score on a by-region basis and identifying key factors affecting this score, we are able to update our regional branding activities in areas deemed to require improvements. In this manner, we are implementing a PDCA cycle to enhance our brand image.

### Branding Strategies of the Make Waves 2.0 Medium-Term Management Plan

- Create brand experiences that move customers based on our brand promise
- Heighten customer engagement by creating new value through connections with customers
- Foster trust and understanding with stakeholders through proactive communication of brand narrative

#### Priority Themes of Make Waves 2.0

Priority Themes	Measures
<b>Bolster information provision to enhance emotional bonds</b>	<ul style="list-style-type: none"> <li>■ Codify and communicate corporate brand information matched to the times that emphasize purpose</li> <li>■ Prepare corporate advertisements and events that communicate Yamaha’s emotional value</li> <li>■ Establish brand communication bases that provide the opportunity to engage with the Yamaha brand</li> </ul>
<b>Develop digital platforms and utilize data</b>	<ul style="list-style-type: none"> <li>■ Enhance websites with an emphasis on communication with customers</li> <li>■ Advance global installation of customer data platforms and promote digital marketing</li> <li>■ Introduce Yamaha Music ID on a global basis and integrate customer data</li> <li>■ Improve understanding of customers through use of customer data and practice one-to-one marketing</li> </ul>
<b>Build and standardize frameworks for improving customer experiences</b>	<ul style="list-style-type: none"> <li>■ Improve customer experience at customer support points</li> <li>■ Conduct periodic global Net Promoter Score (NPS®) surveys and entrench PDCA cycle for improving score</li> </ul>
<b>Earn trust and understanding from society by exercising corporate accountability in information disclosure and communicating fact-based brand narrative</b>	<ul style="list-style-type: none"> <li>■ Exercise corporate accountability in information disclosure to earn trust from society</li> <li>■ Proactively communicate brand narrative related to business and sustainability via our corporate website</li> <li>■ Practice timely disclosure of corporate information in areas of rising interest and relevance to external assessments</li> <li>■ Enhance ability to accommodate increasingly complex and sophisticated needs pertaining to crisis management communications</li> </ul>

#### Expansion of Yamaha Music ID

Yamaha Music ID is a globally integrated ID registration system designed to help us form stronger bonds with customers and encourage ongoing use of our products and services. As of April 30, 2024, introduction of this system had

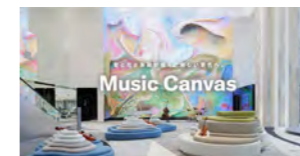


Yamaha Music ID

been completed in Japan as well as in North America, Europe, and the Asia-Pacific region and the number of registered accounts had surpassed six million, with nearly 3.3 million accounts created in the second year of the medium-term management plan, enabling us to achieve the target of the plan ahead of schedule. With Yamaha Music ID, we are moving forward with the development of infrastructure for promoting brand communication in a manner tailored to each individual customer.

#### New Brand Communication Bases in Yokohama and Shibuya

Yamaha will open two new brand communication bases in 2024 to provide physical venues for strengthening bonds with customers and delivering experiences pertaining to sound and music that help customers “Make Waves.” YOKOHAMA



Music Canvas facility on the first floor of Yamaha Music Yokohama Minatomirai

SYMPHOSTAGE®, located in the Minatomirai area of Yokohama, is an experience-oriented brand shop that features music experience spaces, cafes, stores, music schools, and other facilities that allow people to enjoy sound- and music-related experiences regardless of

whether or not they play an instrument. Meanwhile, Shibuya Sakura Stage, a brand communication base located in Tokyo’s Shibuya district, includes a streaming studio and event stage designed based on the theme of “Sound Crossing” to contribute to the transmission of music culture through exchanges between musicians and creators. This facility will be used to communicate the latest technology and other information about Yamaha.

## TOPICS

### Customer Experience Improvement Cycle Using NPS® Surveys

In 2023, Yamaha conducted global NPS® surveys for the second year to gauge the effectiveness of its measures for improving customer loyalty in comparison to the previous year. Going forward, we will seek to tie these surveys to Yamaha Music ID registration information to allow for more in-depth analyses and to create a cycle of implementing measures for improving customer experiences targeting specific customer segments. In 2024, we are once again conducting global NPS® surveys, and have also begun designing global surveys for specific customer contact points.



**Hiroshi Takamatsu**  
Retention Planning Group  
Corporate Marketing Division

## DESIGN

The design of products is a crucial component of the Yamaha brand. The Design Laboratory proposes and manages the designs and methodologies that are used for expressing the Yamaha Philosophy to help deliver products and services that surpass customer expectations and enhance our brand value.

### Manabu Kawada

Senior General Manager of Design Laboratory  
Brand Development Unit



### Basic Policy

Yamaha was quick to realize the importance of design, prompting it to set up a dedicated design organization in 1963 to establish a unique flair for the Company. Since then, this organization has continued to support the Yamaha brand with a small team of diverse professionals of various nationalities. Embracing the five elements of our design principle laid out at the centennial anniversary of Yamaha's founding, this team will continue to act as a proponent for the Group's product design activities.

#### The Five Elements of Our Design Principle

Integrity	Design that respects the essence of the object
Innovative	Creative design
Aesthetic	Beautiful design
Unobtrusive	Restrained design
Social Responsibility	Design that meets the needs of today's society

### Celebration of 60th Anniversary of the Design Laboratory

The Design Laboratory works to give form to Yamaha's thoughts regarding the joy of music and life through the designs of the Company's products and services. In addition, this organization has also long been engaged in joint industry-academia research with fine arts universities in Japan and around the world, as well as in prototyping efforts that reassess Yamaha's identity through deep examination of what will constitute an enriched life in the future. Through such activities, we seek to create prototypes that express our thoughts and interpretations with regard to items not treated as part of product design and to communicate these to the world to see the response. The Design Laboratory thereby aims to evolve its design philosophy and further flesh out Yamaha's design identity. In October 2023, an event entitled "Where We Are—Design Laboratory 60th Anniversary Exhibit" was held at AXIS Gallery in the Roppongi area of Tokyo. This event celebrated the 60th anniversary of the establishment of the Design Laboratory with displays of standout prototypes selected from among those announced throughout the laboratory's history as well as the items exhibited at Milan Design Week 2023.



Where We Are—Design Laboratory 60th Anniversary Exhibit

## TOPICS

### Yamaha Designs at the Metropolitan Museum of Art

The Design Laboratory was responsible for the design of the sound experience area in the 81st Street Studio interactive learning space for children opened in September 2023 at the Metropolitan Museum of Art located in New York. This facility is a space where children can experience self-propelled learning by interacting and playing with science and art. The Yamaha-designed Interactive Musical Station located in this space features six items based on the theme of an orchestra comprised of different materials meant to help children learn about sound mechanisms and the appeal of the sounds created by different structures and materials. We sought to ensure these items had the durability needed to endure free play by curious and energetic children while also being intuitive enough to be enjoyed without explanations, having an appeal that begs to be touched, and exhibiting the fundamental value of musical instruments that inspires people to become absorbed in creating sound. These items are also pioneering examples of inclusive design meant to be accessible by everyone, and some of these items have also been utilized at Yamaha's new brand communication bases.



Photograph provided courtesy of the Metropolitan Museum of Art



Design Laboratory responsible for design of Interactive Musical Station (Back: From left) Masafumi Futo, Kazuya Washio, and Masaharu Ohno (Front: From left) Yoshihiro Katsumata and Natsumi Kobayashi

# YAMAHA'S DESIGN

Creation of new value through innovative designs that respect fundamental qualities



### Upcycling Guitar Concept Models

The Upcycling Guitar is a concept model electric guitar designed as part of a project that seeks to create new instruments by upcycling\*<sup>1</sup> unused materials\*<sup>2</sup> left over from musical instrument manufacturing processes, imbuing the materials with new value and restoring their appeal. The Model Marimba (above left) is made from rosewood, used for marimba tone bars, and the Model Piano is made from unused piano materials, such as spruce, birch, and maple. Both musical instruments take full advantage of the characteristics of the wood used.

\*<sup>1</sup> The act of using something that would have otherwise been disposed of in such a way that grants the resulting product a new and higher value than the original item  
\*<sup>2</sup> Wood materials and offcuts not used as a result of the rigorous screening process that is part of musical instrument production

Red Dot Award: Design Concept 2024  
Professional Concept category design award, 2024 iF Product Design Award



### YH-5000SE Headphones

The YH-5000SE are our flagship headphones, created by taking advantage of the latest technology to redesign our Orthodynamic driver that captivated audiophiles in the 1970s. The design of these headphones is both functional and beautiful while featuring fine-quality textures, with the lightest weight and most comfortable fit possible achieved by eliminating all unnecessary portions.

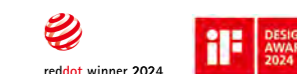
Red Dot Award: Product Design 2024  
Product category design award,  
2024 iF Product Design Award  
Good Design Award, Good Design Awards 2024



### Clavinova CSP-295 Digital Piano

The CSP-295 is an authentic and highly functional digital piano that preserves the elegant simplicity of the conventional piano design while also providing a variety of rich functionality to support practice. By consolidating control of these various functions into a smart device app, we succeeded in eliminating electronic buttons from the piano body. Moreover, the music stand is positioned with ease of use in mind and other steps were taken to grant the CSP-295 both the form and feel characteristic of an upright piano.

Red Dot Award: Product Design 2024  
Product category design award, 2024 iF Product Design Award



### CS-500 and CS-800 Video Collaboration Systems

The CS-500 and CS-800 video collaboration systems are used for remote meetings and harnesses the synergy between AI technology and voice and video data to transmit speakers' words, gestures, and facial expressions as clearly as possible. Both models are designed to allow users to engage in more productive and creative communication via remote meetings by offering optimized sound spaces and usability, no matter where you are.

Good Design Award, Good Design Awards 2023

# INTELLECTUAL PROPERTY

Intellectual properties are an important part of our management asset portfolio. Yamaha is developing and enhancing its globally robust intellectual property governance functions while applying for intellectual property rights and taking steps to protect its brand value. At the same time, the Intellectual Property Division seeks to contribute to improved corporate value by driving the creation and co-creation of the type of new value that only Yamaha can produce.

## Chihiro Osuga

Operating Officer  
Deputy Executive General Manager of Corporate Administration Unit (Legal Affairs and Intellectual Property) and Senior General Manager of Legal Division



### Basic Policy

Steps are taken to appropriately acquire and utilize intellectual property rights pertaining to the new inventions, ideas, designs, and trademarks created over the course of our business. In addition, reports on intellectual property analyses looking at technology and market trends are submitted to management and to the relevant divisions in order to drive the creation of new value and subsequently the improvement of corporate value. Furthermore, intellectual properties are managed through the acquisition of music copyrights and other global licenses and swift response to imitations of Yamaha intellectual properties.

By ensuring the appropriate protection and use of the intellectual properties of the Company and respect for the rights of others, we look to contribute to the development of a fair society that encourages technological innovation and cultural and artistic creation.

### Intellectual Property Management Priorities Supporting the Make Waves 2.0 Medium-Term Management Plan

#### ► 1. Support for Creation and Protection of New Value

Yamaha is advancing intellectual property strategies that are aimed at acquiring intellectual property rights as appropriate to protect the new value it creates by combining its advanced technologies and rich sensibilities. In addition, these strategies are designed to support the creation of new value from a cross-business perspective.

New ideas for product characteristics as well as AI, network, and other critical technologies that are used for various products are protected through patents and other means. Meanwhile, the high-level insight and understanding regarding sensibilities that shapes our craftsmanship and sound creation activities is secured through confidentiality to safeguard these sources of competitiveness. We thereby aim to erect high barriers to entry for competitors and ensure the competitiveness of Yamaha's business.

These efforts have been recognized, and Yamaha has been named a Top 100 Global Innovator for 2024 by U.K.-based Clarivate Analytics. This ranking is compiled by Clarivate to select the most innovative companies and research institutions in the world.



In addition, Yamaha uses digital technologies to perform comprehensive analyses of intellectual property and market information to make proposals to management on how to reorganize intellectual property portfolios to better focus on important businesses with high investment benefits. In this manner, we conduct the necessary asset management for driving corporate growth.

#### ► 2. Reinforcement of Intellectual Property Foundation

Intellectual property is an important asset for improving competitiveness and earnings. However, as the focus of customers shifts toward the experience value provided by product and services, the ways intellectual property is utilized are transforming with the times and can sometimes include collaboration with other companies and other steps to maintain strong relationships with partners. The Intellectual Property Division is thus leading coordination with R&D divisions as well as with relevant divisions in the Group's value chain, such as planning and marketing, to build a robust intellectual property platform.

The staff of the Intellectual Property Division is tasked with strategically protecting and utilizing Yamaha's important intellectual property. To ensure that they are equipped to handle this task, Yamaha has introduced internal exchange and in-division job rotation programs to help staff members gain skills and develop their careers. These programs enable intellectual property staff to obtain specialized intellectual property skills while honing their business sense. Moreover, Yamaha is promoting process standardization, digital transformation, and quality improvement to facilitate rational, data-driven management of intellectual property right acquisition.

## TOPICS

### Acquisition of Intellectual Property Rights for New Customer Experiences and Services Pertaining to Sound and Music

Yamaha seeks to safeguard its ability to create distinctive new customer experience and service value through business pertaining to sound and music and to protect its intellectual property rights. Intellectual property strategies are formulated to support the exploration of new fields in organizations across the Company and to otherwise help improve Yamaha's corporate value and maintain its competitiveness through intellectual property.



(From left)  
**Ayumi Saito**  
Patent Group  
Intellectual Property Division  
**Yasuhiko Minami**  
Strategy Group  
Intellectual Property Division

#### ► 3. Global Management of Intellectual Properties

The Yamaha Group is vigilant in its efforts to combat intellectual property risks given the rising importance of action for mitigating risks. For example, monitoring activities are being ramped up to detect unauthorized use of Yamaha's trademarks or imitations of its designs, cases of which are common on e-commerce sites and in the Chinese market. By exposing illegitimate use of its intellectual property rights and taking proactive measures to combat such use through government and legal channels, the Company endeavors to safeguard its business and improve the trustworthiness of the Yamaha brand in the eyes of stakeholders.

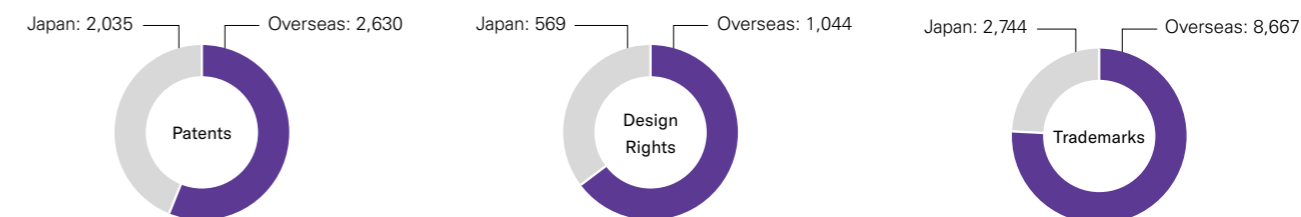
In addition to taking action as appropriate to protect its own intellectual property rights, Yamaha also respects the rights of others. By documenting our rights management expertise and codifying support processes and enhancing inter-division coordination, we are strengthening our global music license acquisition system on a global and Groupwide basis to ensure that we can accomplish both of these objectives. We are also working to address the potential business impacts and regulations that could emerge as a result of generative AI. Furthermore, we provide educational content and seminars on copyrights with the goal of increasing intellectual property literacy across the Group.

#### Successful Legal Action for Infringement of Copyright against Chinese Musical Instrument Manufacturer

In fiscal 2024, Yamaha received a favorable verdict in legal proceedings against Chinese musical instrument manufacturer Medeli Electronics Co., Ltd., for copyright infringement. In these proceedings, Yamaha alleged that this company had copied, without Yamaha's authorization, multiple sets of style data that had been preset in Yamaha portable keyboards and digital pianos and had installed this data into products they had manufactured and sold. This verdict indicated that Yamaha is able to defend its style data, an important function of digital musical instruments, as copyrighted material. Moreover, the proceedings were covered by numerous Chinese and other media outlets and are therefore expected to serve as a deterrence against similar violations.

Yamaha is resolute in its stance of confronting any infringing actions and takes every measure to protect its intellectual property.

Number of Patents, Design Rights, and Trademarks Held by the Yamaha Group (As of March 31, 2024)



## CASE STUDY Strategic Utilization of Intellectual Property

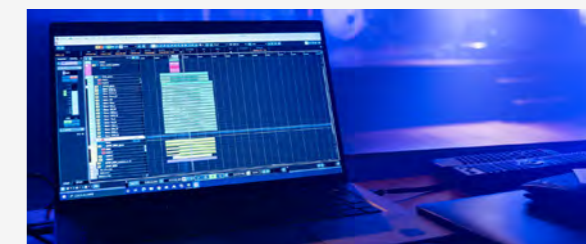
### GPAP System for Uniform Recording and Replaying Audio, Video, Lighting Control Signal, and Other Data in Different File Formats

Developed by Yamaha, general purpose audio protocol (GPAP) is the world's first system for recording and replaying audio, video, lighting control signal, and other data in different file formats in a uniform audio data format (wav).\* This system enables easy synchronized playback with no need for complex simultaneous processing procedures and is also capable of streaming complete sets of data. We anticipate that this system will be used for concerts, amusement parks, illumination displays, and other entertainment applications as well as for facilities that utilize multimedia content such as commercial facilities. Potential uses include content library creation, simplification of data saving and playback operations, and creation of virtual reality experience content.

The Intellectual Property Division has acquired rights for the technologies used in this system as well as for characteristics such as the experience value it delivers. Going forward, we will

examine how this system can be augmented to create subsequent inventions and will take swift action to acquire intellectual property rights when appropriate in order to protect our ability to provide customer experience value in the future.

\* GPAP is a global-first system for saving data in different file formats in a uniform audio data format (wav) according to surveys conducted by Yamaha in January 2024.



GPAP system use rendition

# DIGITAL TRANSFORMATION

Yamaha is promoting digital transformation to maximize customer value and reform its processes with digital technologies in areas such as customer data platforms for connecting with customers, new supply chain management (SCM) systems, and enterprise resource planning frameworks. By furnishing business platforms and promoting data utilization through this approach, we will transform business processes and thereby improve productivity and corporate value.

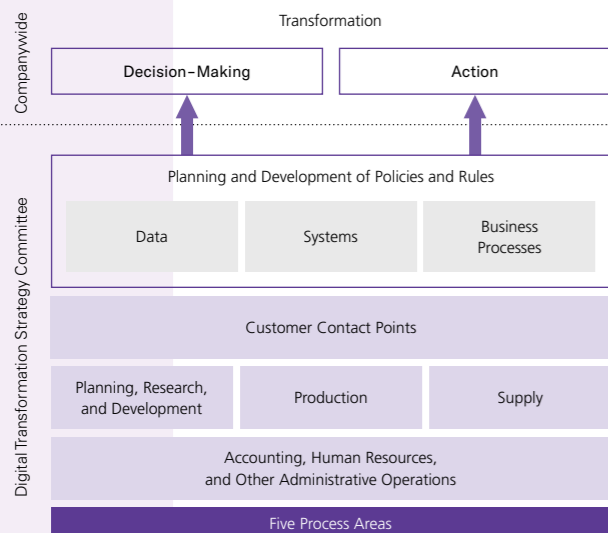


## Taro Tokuhira

Operating Officer  
Deputy Executive General Manager of Corporate Administration Unit  
(Human Resources, General Administration, and Information Systems)

### Basic Policy

In response to the rapid operating environment changes driven by the recent acceleration in the digitization trend, Yamaha is building business foundations for improving profitability, as represented by the combination of customer value and productivity, through customer-oriented reforms to businesses and business processes. To guide these efforts, the Digital Transformation Strategy Committee was established in April 2019 as a corporate committee that serves as an advisory body to the president. This committee is tasked with discussing Companywide digital transformation policies and IT strategies. In addition, technologies and resources for promoting digital transformation have been consolidated within the Information Systems Division, which is responsible for overseeing digital transformation activities. These provisions make for a framework for advancing digital transformation strategies on a Companywide basis. The goal of Yamaha's digital transformation strategies is to transform businesses and processes to adopt a customer-oriented perspective with digital technologies. The Digital Transformation Strategy Committee has categorized the Company's business processes into five process areas (customer contact points; planning, research, and development; production; supply; and accounting, human resources, and other administrative operations), which have been further subdivided based on three perspectives (data, systems, and business processes). Policies and rules have been decided based on these divisions to facilitate the transformation of processes on a Groupwide scale.



### Review of Fiscal 2024 and Policies for Fiscal 2025

In terms of manufacturing and product supply, Yamaha is moving ahead with the introduction of sales-use enterprise resource planning systems to improve operational efficiency, promote standardization, and strengthen governance at overseas sales companies. At the same time, we are advancing core system redevelopment plans aimed at expediting and streamlining SCM. In fiscal 2024, we commenced trial operation of a pilot system as part of this undertaking. The results of this trial are being analyzed for use when introducing similar pilot systems at all headquarters business divisions, and preparations are being made to introduce pilot systems at overseas sales companies. In addition, progress was made in the development of a master data management platform for data utilization during fiscal 2024, and this platform has been put into partial operation. In fiscal 2025, Yamaha will continue to enhance its information systems so that they can be applied to various business processes. Business intelligence tools have also been adopted on a full-fledged basis, and the tools were used by around 500 individuals during fiscal 2024. We anticipate that these tools will help support data utilization when formulating the next medium-term management plan and in data analyses in various fields in fiscal 2025. Meanwhile, the number of Yamaha Music ID accounts registered in the second year of the medium-term management plan surpassed 3.3 million and the total number of accounts on April 30, 2024, was more than six million, and we are moving forward with the linkage of customer and product information using this platform. Going forward, we will ramp up data-driven marketing activities by analyzing data on customer purchases, tastes, and tendencies so this information can be used in the creation of new value. Furthermore, education programs were introduced in fiscal 2024 on the subjects of utilizing generative AI and low-code development by non-IT employees and verifying the benefits of these technologies in order to help such technologies be applied to improving the productivity of internal processes. As we adopt generative AI, we have prepared manuals on the use of these technologies as a countermeasure against the associated information security and intellectual property right violation risks.

#### Acquisition of Digital Transformation Certification

In April 2023, Yamaha renewed its certification as a digital transformation-certified business operator under the Digital Transformation Certification system advocated by the Ministry of Economy, Trade and Industry of Japan. This system is used to certify business operators that are prepared to promote digital transformation. Yamaha initially received this certification in April 2021 in recognition of its highly regarded security measures and customer data platforms.



## Digital Transformation Strategies of the Make Waves 2.0 Medium-Term Management Plan

### Priority Themes of Make Waves 2.0

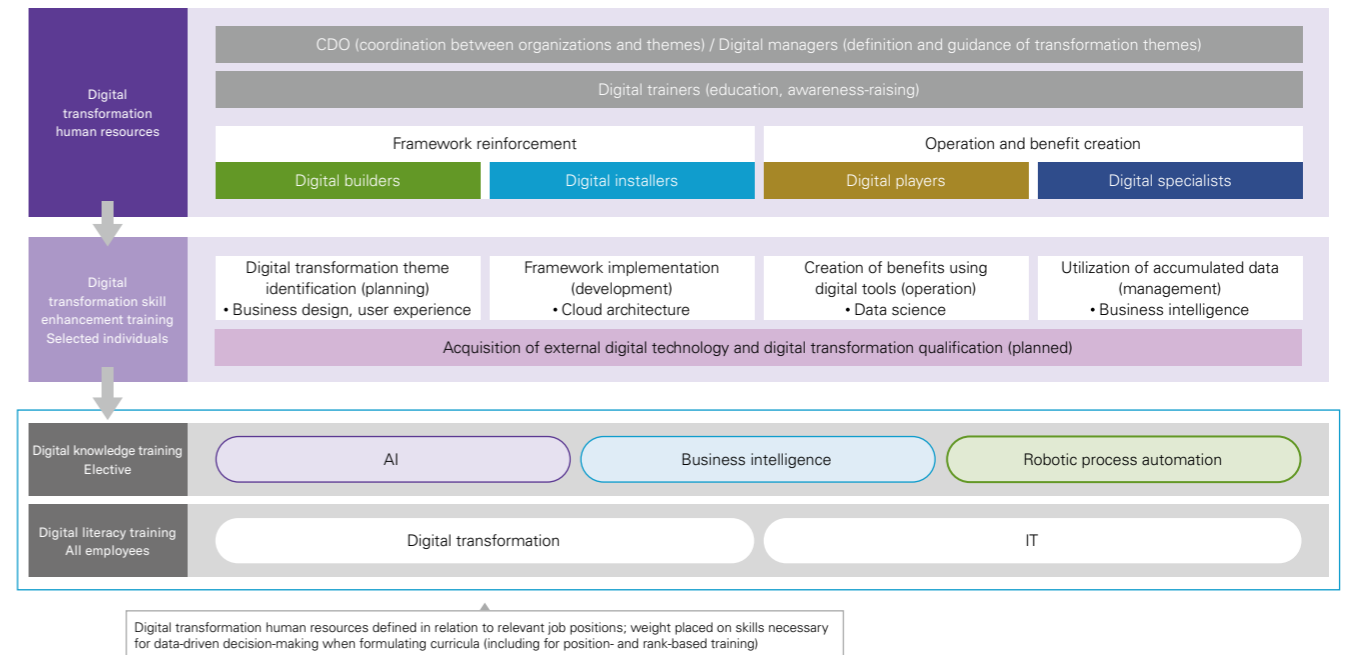
Priority Themes	Measures
Create new value	<ul style="list-style-type: none"> <li>Provide services optimized for each customer by utilizing customer data</li> <li>Accumulate sound and music performance and sensitivity data and apply to new technologies</li> </ul>
Transform business processes	<ul style="list-style-type: none"> <li>Advance data strategies for guiding decision-making and actions (build data management platforms, cultivate digital transformation human resources)</li> <li>Expedite and improve efficiency of SCM (launch full-scale operation of new SCM system that connects processes spanning from production to customers)</li> <li>Standardize and improve efficiency of sales activities and production management through introduction of manufacturing digital twin methodologies and enterprise resource planning systems</li> </ul>

### Training of Data Analysts

Yamaha is devoting efforts to the training of data analysts. In fiscal 2024, more than 600 employees underwent internal digital transformation training, moving us closer toward our target of cultivating a staff of 1,000 data analysts in the future. Our training programs define the digital transformation skills required for each job position

and include frameworks for helping individuals systematically develop the specialized skills they require. In fiscal 2025, the topical subject of generative AI was introduced into digital transformation training programs with the aim of fostering data analysts who can immediately begin making contributions.

### Yamaha's Digital Transformation Human Resources and Training Programs



## TOPICS Promotion and Awareness-Raising of Low-Code Development by Non-IT Employees



(From left)  
**Nanase Kon**  
**Chihiro Mukai**  
Business System Group  
IT Business Promotion Department  
ICT Services Division  
Yamaha Corporate Services Corporation

Yamaha is promoting and raising awareness of systems development initiatives by non-IT employees using low-code tools to transform operating processes and improve internal productivity. In doing so, we hope to foster a culture of development by non-IT employees within the Company and thereby drive improvements in IT literacy and operational efficiency while also reducing costs. There are currently around 2,000 employee-developed applications and numerous automatic processing algorithms in operation at Yamaha. Internal events for sharing information on these tools are held twice a year, and roughly 100 employees participate each time. In addition, portal sites and internal communities have been established and hands-on seminars are arranged as part of our efforts to bolster internal information provision. Yamaha will continue such awareness-raising activities on its quest to transform its work processes.



Internal event

# MUSICAL INSTRUMENTS BUSINESS

With development capabilities pertaining to both the tangible and intangible elements of products backed by extensive expertise, Yamaha is working to build lifelong relationships with customers and earn their highest evaluations. At the same time, we are strengthening our brand power to achieve unrivaled profitable growth.

## Seiichi Yamaguchi

Managing Executive Officer  
Executive General Manager of Musical Instruments & Audio Products Business Unit



### Business Overview

The musical instruments business represents our core business. In addition to developing acoustic instruments such as pianos; wind, string, and percussion instruments; and digital musical instruments that leverage electronic technologies, we are rolling out other products such as hybrid instruments that meld both acoustic and digital technologies. This business takes advantage of the core sound and

music technologies Yamaha has fostered throughout its history as well as AI, *kansei* (sensitivity) engineering, simulation, and other new technologies. Our diverse product lineups and music promotion activities are deployed through our global sales and service structures to maintain our position as the world's leading comprehensive musical instruments manufacturer.

### Business Strategies of the Make Waves 2.0 Medium-Term Management Plan

#### Business Vision

Receive the highest possible evaluation from an even greater number of customers while enhancing our brand power to achieve a sustainable, highly profitable business structure

#### Targets for Fiscal 2025

Revenue: **¥330.0 billion** (increase of 19.5% from fiscal 2022)  
Core operating profit: **¥52.0 billion** (increase of 39.4% from fiscal 2022)

Note: Forecasts announced together with financial results for the three-month period ended June 30, 2024, on July 31, 2024, project revenue of ¥305.0 billion and core operating profit of ¥29.0 billion in fiscal 2025.

#### Opportunities and Risks

Opportunities	Risks
<ul style="list-style-type: none"> <li>Enhancement of product development capabilities for pursuing the essence of musical instruments due to the progression of digital technologies and AI</li> <li>Expansion of musical-instrument-playing population through bolstering of sales networks and e-commerce in emerging countries and promotion of instrumental music education</li> <li>Provision of a wider range of options for enjoying musical instruments through the advancement of remote and online technologies</li> <li>Improvement of value proposition matched to each individual customer through evolved digital marketing</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs and economic downturn due to accelerated inflation</li> <li>Economic downturn due to global emergence of geopolitical risks</li> <li>Inconsistent supply of electronic components and timber</li> <li>Entrance of manufacturers from other industries; potential for saturation of e-commerce brands utilizing OEMs</li> </ul>

#### Key Strategies

- Build upon the fundamental qualities of musical instruments
- Explore new growth fields
- Supply services for forging longer, stronger ties with customers

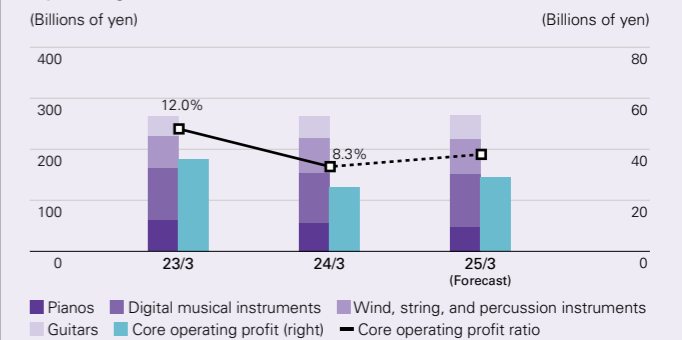
### Review of Fiscal 2024 and Policies for Fiscal 2025

In fiscal 2024, revenue in the musical instruments business was down overall due to delays in the recovery of demand for digital pianos and the prolongation of bearish market conditions in China. Nevertheless, strong sales were seen for wind, string, and percussion instruments due to a rise in brass band activities centered on North America. Sales of guitars were up as a result of impressive electric guitar sales and the benefits of the inclusion of Cordoba Music Group in the scope of consolidation. Yamaha continued its efforts to create new value through the launch of new concept products such as FGDP finger drum pads and the SEQTRAK mobile all-in-one music creation station.

In fiscal 2025, piano operations are expected to continue to feel the impacts of a sluggish Chinese market, but profits are anticipated to improve regardless due to our efforts to build a business structure that is better matched to the scale of the market. In regard to digital musical instruments, Yamaha is seeking to bolster the competitiveness of its e-commerce sales channels by expanding sales avenues and effectively utilizing social media and advertisements. The goal of these efforts is to recover sales of digital pianos. As for guitars, we aim to heighten sales of mid-range to high-end models by enhancing our lineup and strengthening relationships with artists.

The Company is also moving ahead with initiatives related to its Yamaha Music Connect service and working to grow the musical instruments business in conjunction with performance support and other service offerings. Meanwhile, YOKOHAMA SYMPHOSTAGE® and Shibuya Sakura Stage, both opened in 2024, will be used as brand communication bases to help accelerate Yamaha's branding activities through the provision of new music and musical instrument experiences.

### Revenue by Major Products / Core Operating Profit / Core Operating Profit Ratio



### TOPICS Guitar Business Initiatives



**Joseph Bentivegna**  
President  
Yamaha Guitar Group, Inc.

Since the 2014 acquisition of Line 6, the guitar business has been positioned as a business to be fostered within the musical instruments business, and Yamaha has devoted efforts toward growing this business accordingly. Our goal of possessing a wide range of guitar brands is not merely to strengthen our product portfolio; we also aim to incorporate the culture, trends, and sensibilities of the U.S. market, which is the primary market for the guitar business. A recent move toward the accomplishment of this goal was the acquisition of Cordoba Music Group. A unique characteristic of Yamaha's guitar businesses is how the Company plans marketing strategies and product development in a manner that combines the intangible assets of its own brand as well as those of brands it has acquired. This approach is a major source of competitiveness in the guitar market. Moreover, we position bases in the United States, which has helped us form stronger relationships with artists based in this country. In addition, information on assessments of prototypes conducted in the United States is relayed to the development divisions at our corporate headquarters as part of our efforts to practice effective coordination between bases in this country and in Japan. Looking ahead, Yamaha will continue its efforts to grow the guitar business while taking full advantage of the strength of its global network.



Piano Business



Global market share for Yamaha's products **Pianos: 35%\***  
 Revenue (Fiscal 2024): **¥55.9 billion**

Business Overview

The piano business is one we have cultivated for over a century and can be considered a core part of the Yamaha Group's operations. The fundamental value of Yamaha's pianos is their ability to help performers produce the types of performances that they envision. We are committed to creating Yamaha pianos that accommodate the performance ambitions of musicians of all skill levels with acoustic and digital technologies.

Business Vision under Make Waves 2.0

Evolution into a company that can continue to provide exquisite piano experiences matched to the lives of individuals

Key Strategies and Measures of Make Waves 2.0

Establish position as a provider of pianos that serve as the standard for leading artists	<ul style="list-style-type: none"> <li>Ramp up activities with leading pianists and influencers and accelerate artist relations activities targeting aspiring pianists</li> <li>Continue to refine flagship CFX full-concert grand pianos</li> </ul>
Expand customer base and raise value	<ul style="list-style-type: none"> <li>Shift focus of product portfolio and target different customer groups</li> <li>Focus efforts on and increase recognition of Yamaha's hybrid pianos</li> <li>Creation of demand for higher levels of value in China</li> </ul>
Transition toward a sustainable business model that is always accommodating toward the environment and people	<ul style="list-style-type: none"> <li>Shift toward products and product creation activities that have lower environmental impacts</li> <li>Maximize customer lifetime value by encouraging customers to use their instruments longer</li> <li>Develop cyclical business frameworks</li> </ul>

Overview of Markets and Yamaha's Operations

- Ongoing inventory surpluses in China, the world's largest piano market, but conditions expected to return to normal after fiscal 2026
- Consistent demand from customers seeking the fundamental value of pianos in mature markets

Digital Musical Instruments Business



Global market share for Yamaha's products **Digital pianos: 44%\***  
**Portable keyboards: 49%\***  
 Revenue (Fiscal 2024): **¥97.3 billion**

Business Overview

In the digital musical instruments business, our diverse product and service lineup spans from digital pianos and portable keyboards, for which we boast a world-leading market share, to synthesizers and Electone electronic organs. These products are built on our excellence in digital technologies. With these offerings, we seek to approach growing markets in emerging countries, accommodate the needs of various age groups, and respond to the trend toward sustainability and other social changes in order to continue providing customers with new experiences and inspiration.

Business Vision under Make Waves 2.0

Respond to diverse music needs of all regions and age groups by building solid operating foundations and enhancing existing core competencies

Key Strategies and Measures of Make Waves 2.0

Advance strategies tailored to specific product lines	<ul style="list-style-type: none"> <li>Develop further effort to mid-range and high-end digital piano operations and provide performance support solutions for digital pianos</li> <li>Achieve growth in emerging markets by developing portable keyboards rooted in local culture and expanding local content</li> <li>Approach new customer demographics with products based on new concepts</li> </ul>
Implement strategies for improving lifetime value	<ul style="list-style-type: none"> <li>Revise user registration processes to increase Yamaha Music ID registration rates and thereby forge connections with customers</li> <li>Maintain ongoing relations by supplying applications and other services to increase the number of customers who continue to enjoy their musical instruments</li> </ul>
Build operating foundations and create new value	<ul style="list-style-type: none"> <li>Develop frameworks for continuing consistent growth without halting business activities</li> <li>Create new value through process integration of elemental technology collaboration and use of AI</li> </ul>

Overview of Markets and Yamaha's Operations

- Recovery trend seen as inflation-triggered demand declines dissipate
- Inventory adjustments resulting in alleviation of ongoing inventory surpluses for digital pianos stemming from supply glut

Wind, String, and Percussion Instruments Business (Excluding guitars)



Global market share for Yamaha's products **Wind instruments: 32%\***  
 Revenue (Fiscal 2024): **¥68.8 billion**

Business Overview

The wind, string, and percussion instruments business spans a wide range of products, including more than 15 varieties of wind instruments, such as trumpets and saxophones; string instruments like violins; and percussion instruments, such as acoustic and electronic drums and timpani. With this wide range of products, the Yamaha brand is able to compete for the leading position in regard to various types of musical instruments. We are also involved in the creation of custom models that meet the needs of major artists as well as models that are played in educational settings around the world.

Business Vision under Make Waves 2.0

Heighten brand value in individual product lines to receive highest possible evaluations from all customer groups and become a comprehensive provider of wind, string, and percussion instruments that is unparalleled in the world

Key Strategies and Measures of Make Waves 2.0

Improve brand power	<ul style="list-style-type: none"> <li>Develop high-end products and ramp up efforts to solicit their value</li> <li>Develop global frameworks for accelerating artist relations activities</li> </ul>
Grow sales and shares in principal markets around the world and reinvigorate Japanese market for wind instruments for use in educational settings	<ul style="list-style-type: none"> <li>Deploy sales activities and enhance value communication activities based on market trends including prevalence of school bands in North America and community bands in Europe</li> <li>Build momentum toward the reenergization of brass band activities</li> </ul>
Propose sustainability-minded value	<ul style="list-style-type: none"> <li>Propose new ways of enjoying instrumental music performances and support performances and practice sessions to strengthen ties with customers</li> <li>Help preserve the environment by utilizing sustainably sourced timber, unused timber types, and biomass-derived resins</li> </ul>

Overview of Markets and Yamaha's Operations

- Firm demand for sales to schools, but reduced overall demand in the North American market following conclusion of federal government support programs
- Strong demand for acoustic drums following resumption of events

Guitar Business



Global market share for Yamaha's products **Guitars: 11%\***  
 Revenue (Fiscal 2024): **¥43.0 billion**

Business Overview

Since we commenced the manufacture and sale of domestic guitars in 1966, our guitars have been recognized for their craftsmanship and genuine quality, which has helped us expand global sales of our robust product lineup, including acoustic guitars, electric guitars and basses, amps, and other peripherals. In recent years, we have been developing attractive new products such as the TransAcoustic guitar, which is equipped with unique Yamaha technologies. We have also been promoting R&D and marketing activities that leverage our relationships with major music artists. Yamaha possesses a number of U.S. guitar brands, including Line 6, Ampeg, Cordoba, and Guild.

Business Vision under Make Waves 2.0

Achieve business growth accompanied by quality through increases to sales volumes and higher ratios of sales of high-ticket products

Key Strategies and Measures of Make Waves 2.0

Gain the understanding of customers with regard to the depth of guitars by building upon their fundamental value	<ul style="list-style-type: none"> <li>Develop uncompromising high-end models and improve the quality of entry-level models</li> <li>Promote sustainability initiatives as one facet of initiatives for building upon fundamental value of guitars</li> </ul>
Achieve strong differentiation through amazing new value propositions supported by comprehensive capabilities	<ul style="list-style-type: none"> <li>Propose unique ways of enjoying guitars based on new concepts that take advantage of Yamaha's strength in digital technologies</li> </ul>
Support customer success with solutions that incorporate service elements	<ul style="list-style-type: none"> <li>Provide comprehensive solutions combining both product and services elements through multi-band lineup including Line 6, Ampeg, Cordoba, and Guild</li> </ul>
Conduct branding activities aimed at earning customer trust	<ul style="list-style-type: none"> <li>Strengthen brand marketing and transition from phase of increasing recognition to phase of earning trust</li> <li>Enhance brand experience through customized shops</li> </ul>

Overview of Markets and Yamaha's Operations

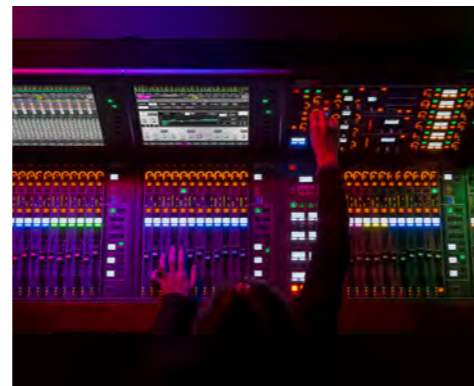
- Continuation of weak demand as a result of dissipation of demand stimulated by people staying home during the COVID-19 pandemic
- Growth in electric guitar sales in Japan and other Asian countries due to ongoing benefits of anime series

\* Fiscal 2024, monetary value basis, estimates by Yamaha Corporation

# AUDIO EQUIPMENT BUSINESS

As we rebuild the audio equipment business in response to market changes, we will broaden the domain of this business to include new growth markets. I am committed to growing the audio equipment business by supplying a wide range of customers, spanning from consumers to businesses, with products built on our masterful technologies pertaining to sound and music.

**Seiichi Yamaguchi**  
 Managing Executive Officer  
 Executive General Manager of Musical Instruments & Audio Products Business Unit



### Business Overview

The audio equipment business is one of the business pillars of Yamaha, a company centered on sound and music. Consumer products include conventional personal audio products as well production, streaming, and public address (PA) equipment for creators. As for business-to-business (B2B) products, we provide professional entertainment-use PA equipment, conferencing systems and other business solutions, and network equipment. Yamaha is also expanding its business domain to include new growth markets while providing distinctive products and services that combine its digital signal processing technologies, spatial acoustics control technologies, and network technologies.

### Overview of Markets and Yamaha's Operations

#### Consumer Products

- Continuation of sluggish retail sales for home audio products due to price competition and retail inventory surpluses amid sluggish market
- Ongoing growth in global demand as live performance market returns to pre-COVID-19 scale

#### B2B Products

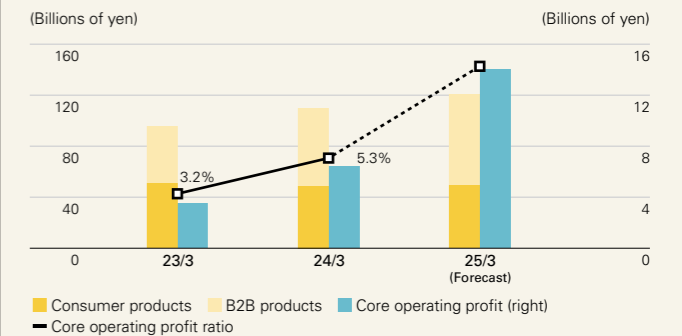
- Brisk investment in rental equipment in conjunction with rises in event demand
- Increases in office renovation projects stemming from changing office space needs
- Strong demand due to ongoing use for hybrid online-offline classes at educational institutions
- Ongoing shift toward high-speed Wi-Fi and transition away from standalone equipment sales and toward sales including management services

### Review of Fiscal 2024 and Policies for Fiscal 2025

In fiscal 2024, the audio equipment business posted growth in both sales and profit, despite the continuation of sluggish conditions in the market for consumer products, due to strong demand for professional audio equipment in B2B operations and the benefits of new products. In the entertainment market, we were able to secure a larger share thanks to impressive sales of new digital mixers. These offerings have won praise from adopting companies for their ease of use as well as for the portability granted by their compact size. In addition, progress was made in regard to the key strategy of the medium-term management plan of rebuild business in conjunction with market changes and broaden domain to include new growth markets. This progress could be seen in the optimization of sales channels and structures with a focus on markets and in the establishment of shared development platforms. In fiscal 2025, improved earnings from consumer product operations will be pursued through a shift toward the mid-range and high-end home audio equipment models for which Yamaha is better able to exercise its strengths. We will also seek to grow operations centered on PA equipment for individual performances and on content production and streaming equipment for creators. In B2B

operations, we will target higher sales through system proposals that combine speakers with the digital mixers that have garnered such praise in the entertainment market. Meanwhile, the IT channels for sales to corporate customers developed in fiscal 2024 will be utilized to approach and build relationships with new customers by promoting cross-selling and introducing the Yamaha Music ID system.

### Revenue by Subsegments / Core Operating Profit / Core Operating Profit Ratio



## Business Strategies of the Make Waves 2.0 Medium-Term Management Plan

### Business Vision

Restructure business in conjunction with market changes and broaden domain to include new growth markets

### Targets for Fiscal 2025

Revenue: **¥128.0 billion** (increase of 32.1% from fiscal 2022)  
 Core operating profit: **¥13.0 billion** (increase of 767.0% from fiscal 2022)

Note: Forecasts announced together with financial results for the three-month period ended June 30, 2024, on July 31, 2024, project revenue of ¥131.0 billion and core operating profit of ¥14.0 billion in fiscal 2025.

### Opportunities and Risks

Opportunities	Risks
<ul style="list-style-type: none"> <li>■ Rising understanding regarding the importance of sound quality in communication due to entrenchment of remote interactions following the COVID-19 pandemic</li> <li>■ Demand for new audio equipment stimulated by transition to higher sound qualities and surround sound for movies, video games, music, and other content</li> </ul>	<ul style="list-style-type: none"> <li>■ Potential for the adverse impact of unstable international conditions and economic recession to effect corporate investment</li> <li>■ Possible prolongation of poor consumer confidence due to changing social trends</li> </ul>

### Key Strategies

- 1 Rebuild business in conjunction with market changes and broaden domain to include new growth markets
- 2 Pursue higher development efficiency by creating sound, cloud, and network technology development platforms that facilitate the creation of new value
- 3 Accelerate branding for TRUE SOUND to improve recognition of Yamaha's overall audio equipment lineup

## TOPICS Digital Mixer Initiatives



**Aiko Horiyama**  
 Marketing Group  
 Global Marketing & Sales Department  
 Professional Solutions Division  
 Musical Instruments & Audio Products Business Unit

In fiscal 2024, Yamaha launched its DM3 series of high cost-performance digital mixers, which features its most compact offerings to date. Digital mixers represent an area in which Yamaha has long been able to exercise its strengths. This most recent addition to its lineup was developed based on demand for mixers that are compact for easy portability while still featuring high levels of performance, and these features are contributing to ongoing growth in the sales of these products. Despite the development process taking place during the COVID-19 pandemic, we succeeded in creating products that respond to the demand for streaming applications that arose due to market changes. As a result, our DM3 series of digital mixers has been embraced by a wider range of customers while earning high praise from these diverse users. As the world moves on from the pandemic, we are seeing investment in concert-related equipment stimulated by robust demand for events. This trend is expected to drive further growth in the market for low-price digital mixers. Yamaha remains committed to expanding its business by launching products that exhibit its strength in growing markets.



DM3 and DM3 Standard digital mixing consoles

# INDUSTRIAL MACHINERY AND COMPONENTS BUSINESS

By utilizing the technologies developed in the musical instruments and audio equipment businesses, we will propose solutions for the automotive and industrial machinery markets.

## Nobukazu Toba

Operating Officer  
Executive General Manager of IMC Business Unit and  
Senior General Manager of Electronic Devices Division



### Business Overview

In the electronic devices business and the automobile interior wood components business, Yamaha provides the ever-changing automotive market with automotive sound systems that create the ideal acoustics environment based on the concept for each vehicle as well as automotive decorative parts that help sculpt a luxurious and comfortable atmosphere. Meanwhile, in the factory automation (FA) equipment business Yamaha offers testing machines that assure high quality to the food market, where safety is a must, as well as to the electronic equipment market, where functionality demands are growing increasingly more sophisticated.

### Market Conditions

#### Electronic Devices

- Firm conditions projected in Chinese automotive market, where use of Yamaha products is on the rise, due to internal demand stimulus measures and exports
- Accelerated trend toward larger numbers of speakers and other high-spec audio solutions centered on upcoming Chinese EV manufacturers

#### Automobile Interior Wood Components

- Ongoing growth in mainstay North American luxury vehicle market
- Increased needs for interior designs that are both aesthetically pleasing and eco-friendly

#### FA Equipment

- Continuous growth in testing machine market for accommodating increasingly sophisticated functionality demands of smartphones and other electronic devices
- Rising demand for high-quality sealed, prepared, and frozen food products and emerging need for package seal inspections

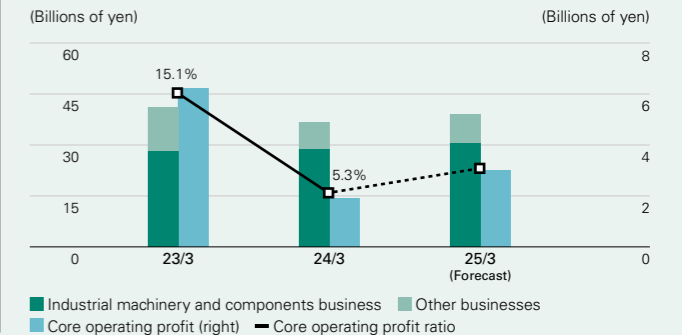
### Review of Fiscal 2024 and Policies for Fiscal 2025

In the electronic devices business, we saw the release of vehicles equipped with Yamaha automotive sound systems that deliver unparalleled levels of immersive sound to all seats. We also developed Music:AI, an industry-first technology for optimizing in-vehicle acoustics using AI, and began promotions for this technology. Music:AI has been adopted by a growing range of customers due to our efforts to solicit the technology's ability to achieve overall optimization taking into account the characteristics of a cabin, the music being played at a given time, and the user's music preferences. We will seek to increase the range of customers using Music:AI going forward.

In automobile interior wood components, progress was made in developing new manufacturing processes with reduced environmental impacts and in preparing for mass production using these processes, and we have begun proposing products made using said processes to customers. In fiscal 2025, we will seek to expand our customer base by leveraging the capacity to make proposals featuring both sustainability and design elements granted by the new manufacturing processes.

In regard to FA equipment, Yamaha launched ultrasound inspection equipment products for the food packaging field that are capable of detecting insufficient seals on packages. We are also developing automated, high-frequency wave inspection technologies meant to help accommodate the increasingly sophisticated functionality demands for electronic devices. In fiscal 2025, we will promote sales of ultrasound inspection equipment and seek to achieve a swift launch for high-frequency wave inspection equipment.

### Revenue / Core Operating Profit / Core Operating Profit Ratio



## Business Strategies of the Make Waves 2.0 Medium-Term Management Plan

### Business Vision

Shift focus toward providing comprehensive in-vehicle solutions  
Expand product and support foundation with sound at its core to accelerate growth toward becoming third business pillar

### Targets for Fiscal 2025

Revenue: ¥42.0 billion (increase of 19.6% from fiscal 2022)  
Core operating profit: ¥5.0 billion (increase of 19.0% from fiscal 2022)

Note: Forecasts announced together with financial results for the three-month period ended June 30, 2024, on July 31, 2024, project revenue of ¥39.0 billion and core operating profit of ¥3.0 billion in fiscal 2025. Figures represent the total for the industrial machinery and components business and other businesses.

### Opportunities and Risks

Opportunities	Risks
<ul style="list-style-type: none"> <li>■ Evolution of vehicle interiors to provide greater comfort and allow for enjoyment of diverse forms of audio entertainment</li> <li>■ Growth in demand for testing machines due to rising safety and security needs</li> </ul>	<ul style="list-style-type: none"> <li>■ Regulations instituted in conjunction with international political trends</li> <li>■ Demand fluctuations due to slowdown in Chinese market</li> </ul>

### Key Strategies

- 1 Electronic devices (automotive sound systems)**  
Expand customer base through cutting-edge audio entertainment experience proposals
- 2 Automobile interior wood components** Grow through proposal of luxury in-vehicle atmospheres using sustainable materials
- 3 FA equipment (industrial equipment)** Broaden business scope using high-performance sensing technologies

## TOPICS Automobile Interior Wood Component Initiatives



**Hikaru Ubukata**  
Production Technology Group  
CP Engineering Department  
Car Parts Division  
Yamaha Fine Technologies  
Co., Ltd.

Yamaha's automobile interior wood components business entails the supply of interior design panels that use decorative wood coated interior boards and other materials taking advantage of the wood processing and coating technologies developed for musical instrument production. We have won high praise for the masterful designs created by drawing out the full appeal of wood coated boards using Yamaha's refined technologies and sensibilities. As a result, our products are used in Lexus brand vehicles and in the premium automobiles of multiple other manufacturers.



Decorative wood panel

In developing design panels, we are expected to give form to the customer's design concept while taking advantage of the textures of wood coated boards, which have unique designs and coloring. The ability to deliver masterful designs akin to a hand-crafted artisan item with the levels of reliability, reproducibility, and productivity required of a mass produced product is a strength unique to Yamaha.

Going forward, we will continue to respond to customer needs by developing design panels that create new in-vehicle atmospheres matched to the changing times.

# RESEARCH AND DEVELOPMENT

By further refining the combination of technologies and sensibilities that represents our core competence, we will create products and services that deliver high levels of customer value in response to the changing times and thereby support the “Well-Being of People around the World.”

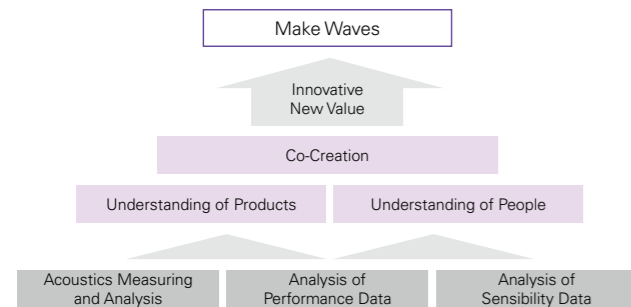
**Masahiro Ikeda**  
 Operating Officer  
 Senior General Manager of Research & Development Division



## Research and Development at Yamaha

To help people “Make Waves,” Yamaha will build upon its industry-leading technologies to deliver innovative new value through the development of solutions from the customer’s perspective.

Yamaha’s products create value by engaging with the sensibilities of people. By enhancing our scientific design methodologies to improve the functionality and ease of use of our products, we seek to heighten the value we provide. At the same, we endeavor to visualize customer needs and build a greater understanding of people’s sensitivities as we take advantage of AI and other technologies that accommodate the needs of people to deliver appealing products and services. To facilitate these efforts, Yamaha is bolstering its facilities and actively recruiting and developing human resources. We will also enhance our acoustics measuring and analysis technologies as well as our performance and sensibility analysis technologies.



## Review of Fiscal 2024

In fiscal 2024, steady progress was made with regard to the priority themes defined by the Make Waves 2.0 medium-term management plan with the goal of combining technologies and sensibilities to help people “Make Waves.” In terms of acoustics measuring and analysis technologies, we are combining our accumulated technologies with the insight gained from observing guitar picking and other motions people make when playing instruments to create technologies that help improve performance experiences. Advancements in AI and signal processing technologies included the launch of piano evocé β, a service that utilizes the latest sound source isolation and AI technologies to allow users to enjoy AI accompaniment for various songs. Meanwhile, we introduced SYNCROOM, our remote ensemble

performance service that enables people separated by physical distance to play together via the internet, into the South Korean market. These are just some of the measures through which we sought to propose new ways to enjoy music to a wide range of users.

## Policies for Fiscal 2025

Yamaha will move forward with research and development in the four areas prescribed for strategic initiatives in the current medium-term management plan.

- Initiatives related to scientific design methodologies will include the development of technologies for improving performance experiences by combining simulation and measurement technologies used for analyzing objects with technologies for analyzing the movements of people during musical performances.
- Efforts to visualize customer value will involve gaining a deeper understanding of diverse music cultures in order to track information in higher detail so that this information can be used to continue creating products and services that accurately respond to varied needs.
- By leveraging our past R&D successes, AI technologies that accommodate people’s needs will be utilized to deliver experience value to any user anytime and anywhere via AI.
- In regard to the value of sustainable materials, we will advance efforts to gain a better understanding of material structures, traits, and acoustic properties in order to develop technology platforms for contributing to ongoing value provision.

## Initiative Theme 1: Music and AI

Yamaha views AI as a tool that can be used on its quest to broaden the range of possibilities for enjoying music and help create more fulfilling music experiences. For this reason, we are advancing research and development on cutting-edge technologies including AI sound source technologies that synthesize real-sounding singing voices and instrument sounds and AI ensemble technologies that use AI to reproduce the performances of pianists to act as accompaniment for a person’s performance.



## R&D Strategies of the Make Waves 2.0 Medium-Term Management Plan

Combine technologies and sensibilities to help people “Make Waves” —

Create a world where anyone can enjoy sound and music anytime, anywhere

- Employ scientific design methodologies to pursue never-ending improvements to performance based on an understanding of products gained from advanced simulation, measurement, and signal processing technologies
- Visualize customer value to propose experiences that accommodate diverse values based on an understanding of people’s sensibilities with regard to sound and music
- Utilize AI technologies that accommodate people’s needs in order to innovate the customer experience provided by products and services with technologies for AI that produce and perform music together with users
- Enhance material technologies to take advantage of the value of sustainable materials in order to improve business resilience and create new value

## TOPICS Research Theme: TransVox™



**Keijiro Saino**  
 Service Development Group  
 Music Connect Division

Yamaha has been advancing research and development on singing voice synthesis technologies for more than two decades, with our crowning achievement being the VOCALOID technology used in music production.

These technologies have evolved to give rise to TransVox, an AI-powered song resynthesis technology that combines instantaneous singing analysis technologies with singing voice synthesis technologies to use the input of one’s voice sung into a microphone to produce output in the form of the same song sung in the voice of a different specified individual. This technology instantaneously analyzes a person’s singing voice to identify their pronunciation and intonations, while disregarding specific voice traits, so that their song can be reproduced in the voice of another specific performance whose voice has been input into the AI. A major characteristic of TransVox is how it can instantaneously remove information on an individual’s unique voice traits and apply the voice traits of another person on top of the song data to synthesize a song in a new voice, as opposed to simply changing one’s voice to another. This new technology has been incorporated into Narikiri Microphone, an offering that allows people to fully transform their voice into that of another. TransVox and Narikiri Microphone are both innovations based on Yamaha’s belief that AI should not be a replacement for the efforts for people, but rather should function as a tool for supporting people’s creativity.



## Initiative Theme 2: Open Innovation

Yamaha partners with external organizations to engage in open innovation. One such open innovation project led to the creation of the Daredemo Piano™ (Auto-Accompanied Piano).

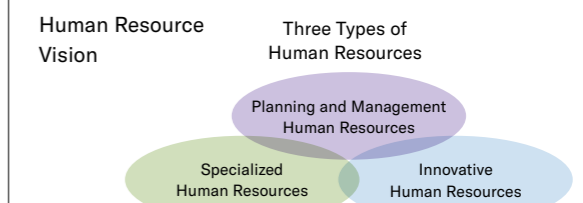


Created through a joint development project with Tokyo University of the Arts commenced in 2015, Daredemo Piano uses Yamaha’s Disklavier performance reproducing pianos as its base. This project was kicked off by a consultation from a researcher at Tokyo University of the Arts who was seeking a way to use our technologies to help a student at a special needs high school who dreamed of playing the piano. This was the start of a joint R&D journey in which both parties pooled their technologies and insight with the aim of making this individual’s dream a reality. More recently, in 2023 the Daredemo Piano was used in a THE JOYFUL PIANO performance of Beethoven’s Symphony No. 9 played by pianists with disabilities. We continue to assess the value of this innovation even today. In this manner, Yamaha is committed to creating new value through open innovation.

For more information, please refer to the following website.  
<https://www.yamaha.com/en/stories/culture/the-9th/>

## Initiative Theme 3: Human Resource Recruitment and Development

Yamaha’s Research & Development Division has defined three types of human resources who are necessary to support the ongoing creation of value: planning and management human resources, specialized human resources, and innovative human resources. To secure these types of human resources, Yamaha is utilizing its active network in the Tokyo metropolitan area and also building frameworks for recruiting non-Japanese individuals and female engineers. In our efforts to develop our people, we conduct ongoing exchanges of personnel with companies in other industries and dispatch researchers to outside organizations. We thereby aim to provide an environment in which employees are able to acquire the perspectives, experience, and skills necessary for management and new value creation.



**Goal** Ongoing creation of new value by enabling diverse human resources to facilitate their own mutual growth in order to deliver their best possible performances

# PRODUCTION

While pursuing our strengths of craftsmanship and advanced technologies, we will establish optimal foundations for global production. By doing so, we will further enhance our production operations in terms of quality, cost, delivery, safety, and environment (QCDSE) and achieve industry-leading levels of production capacity and resilience, no matter the operating environment.

**Toshiaki Goto**  
Executive Officer  
Executive General Manager of Musical Instruments & Audio Products Production Unit

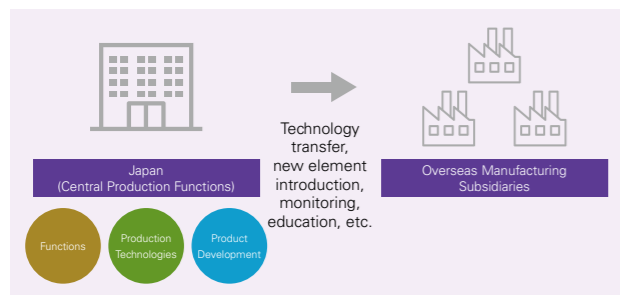


### Yamaha's Production Structure

Yamaha installed production functions overseas early in its history, establishing its first overseas production base in Taiwan in 1969. Today, we have three production-related bases in Japan as well as bases in China, Indonesia, Malaysia, and India. In recent years, Yamaha has been shifting away from its prior focus on expanding production to adopt an approach of building a production structure that combines its technologies and techniques to produce the ideal volume of products to achieve resilience toward fluctuations in demand. This decision was prompted by demand fluctuations, geopolitical risks, and other operating environment changes. In regard to piano production, an area where China has been a major driver of the global market, we reassessed our projections and revised our strategies in advance of the production structure reforms undertaken in fiscal 2024. These reforms were aimed at developing a production system that matched the levels of production projected to be necessary going forward.

In addition, we have revised our central production functions in Japan to combine technologies, techniques, and development in order to bolster Yamaha's product creation capabilities in pursuit of further growth. Our production bases in Japan have always been a wellspring of our product creation expertise, used primarily to manufacture high-end products. In the future, we will resume investment in domestic production sites to maintain and upgrade existing equipment and facilities as well as to start up new production processes.

By optimizing planning, procurement, production, and distribution functions for India, our factory in this growth market integrates manufacturing and sales to deliver products with superior levels of cost competitiveness. Furthermore, we utilize the sales-use distribution warehouse built into the factory to cater to the growing sales in this country.



At our production bases, we are diligent in promoting risk management measures to address geopolitical, natural disaster, and other risks. We are also allocating production in a manner that minimizes the impacts of operating environment changes and promoting the supply of components between bases to bolster the overall resilience of our production systems.

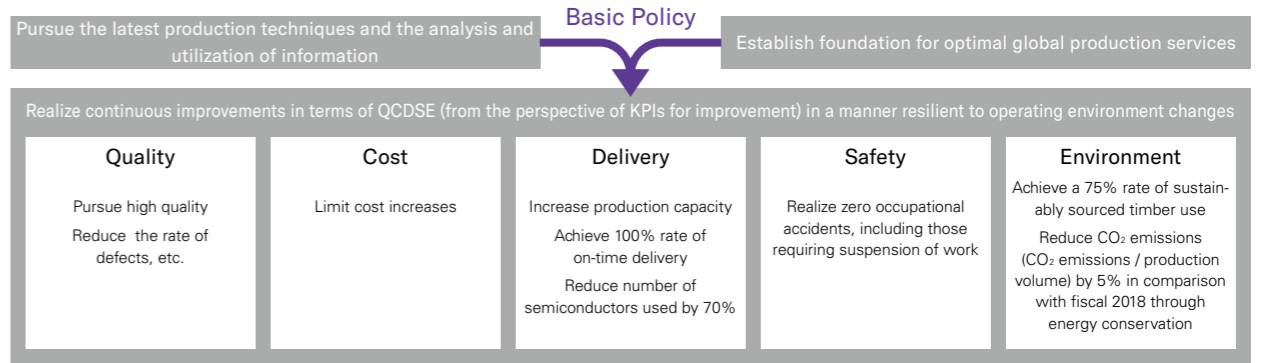
### Review of Fiscal 2024 and Policies for Fiscal 2025

In fiscal 2024, production levels were down for various products as a result of the market conditions seen around the world, resulting in large losses in terms of factory operation. In fiscal 2025, Yamaha will take steps to optimize its production structure in order to allow for production to be carried out in a manner that matches demand. The declines in production resulted in a temporary increase in component inventories, but we will seek to bring inventories in line with the appropriate levels by depleting surplus inventories. Moreover, we have begun direct transactions with manufacturers through our semiconductor procurement subsidiary with the goal of bolstering the resilience of our procurement frameworks. Through these steps, we aim to achieve reductions of more than 50% in the number of manufacturers we use and the components we procure over the medium to long term. At the same time, we will move forward with systems development, an area where we had previously faced delays, with the goal of incorporating digital twin elements into our production management systems. Trial introduction of a digital twin system is scheduled to take place at an overseas model factory in fiscal 2025. The system will later be expanded to other factories to accelerate the digital transformation of our production structure.

### Enhancement of Process Information Management

Yamaha operates a total of 13 factories in Japan and overseas. We are currently moving ahead with measures to standardize processes via data utilization and other means. For example, templates are being developed for common processes used at various factories and digital technologies are being utilized to manage process details, including but not limited to the movements of people and objects. Methodologies tested with regard to specific processes will then be expanded to different processes as we seek to develop standardized models for all production processes, data utilization and assessment methods, and other aspects of production.

### Production Strategies of the Make Waves 2.0 Medium-Term Management Plan



### Priority Themes of Make Waves 2.0

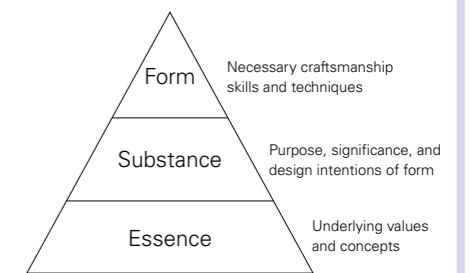
Priority Themes	Measures
<b>Production engineering (Production hardware)</b> Develop technologies to innovate production processes Establish competitive production processes	<ul style="list-style-type: none"> <li>Improvement of resilience to demand fluctuations and operating environment changes</li> <li>Improvement of production technologies and quality and development of factories that are empowering workplaces</li> </ul> Production of same product lines at multiple locations, etc. Improvement of productivity and safety through automation, development of material technologies, enhancement of material utilization capabilities, etc.
<b>Production information management (Production software)</b> Realize digital transformation within our production management	<ul style="list-style-type: none"> <li>Reduction of costs and improvement of quality through digital transformation of production management</li> </ul> Deployment of manufacturing information platform to all bases, improvement of quality through use of digital twin technologies in production, enhancement of efficiency and reformation of workstyles through digital transformation, etc.
<b>Global production services (Production infrastructure)</b> Strengthen production structure (organization and personnel) Stabilize procurement and reduce costs by establishing a procurement structure	<ul style="list-style-type: none"> <li>Reinforcement of procurement resilience and promotion of sustainability</li> <li>Integration of regional production management and empowerment of human resources</li> </ul> Reinforcement of procurement resilience, realization of sustainable procurement, etc. Promotion of diversity, etc.

### TOPICS Craftsmanship Project for Transmitting Techniques



**Yasuhiro Kuroda**  
Organization / Human Resource Development Group Administration Department Musical Instruments & Audio Products Production Unit

Throughout its long history as a musical instruments manufacturer, Yamaha has continued to refine its techniques for producing quality instruments. The finishing touches on products are made using the eyes, ears, and hands of actual people to deliver a beauty and richness that cannot be produced by a mere machine. As we have moved forward with efforts to automate production and to reform manufacturing methods, we have been pressed with the issue of how best to preserve the craftsman techniques fostered throughout our history. Recognizing the importance of this issue, we have launched a craftsmanship project to ensure the masterful techniques that are indispensable to Yamaha's manufacturing process can be faithfully preserved and transmitted to future generations. This project entails defining specific product concepts and traits as well as the craftsmanship skills and techniques required to accommodate such product characteristics. Based on these definitions, Yamaha will seek to codify frameworks for specialization in core skills that underpin the appeal of its products, planning of training programs assessment of skill levels, and other aspects of skill transference. This craftsmanship project has been introduced at production sites in Japan, and we plan to gradually expand this project to overseas sites going forward. At Yamaha, craftsmanship skills have been defined as referring to the unique skills and techniques that are imperative to helping customers "Make Waves." We are committed to preserving our craftsmanship skills and spirit to transmit these invaluable skills to future generations.



# SALES

In our business domains centered on sound and music, we will expand and optimize our contact points with customers and strive to gain an accurate understanding of market trends and customer needs. At the same time, we will promote the value that our products and services offer to the greatest extent possible. In these ways, we aim to expand sales.

**Masato Oshiki**  
Executive Officer  
Executive General Manager of Musical Instruments & Audio Products Sales Unit



## Yamaha's Sales and Music Popularization Activities

Yamaha has established a global sales network through which it advances sales activities that are rooted in the respective regions. Sales in mature countries and other key markets are performed through direct sales networks formed by sales subsidiaries. In emerging markets, we approach customers through our authorized distributors. Through these sales networks, we ascertain local music cultures and customer needs, promote sales strategies in accordance with local characteristics, and promote the spread of music in countries around the world. Since Yamaha began offering music classes in 1954, we have gone on to extend the availability of Yamaha Music School, the successor to those music classes, to include more than 40 countries and regions around the world. In addition, the School Project was launched in 2015 with the goal of promoting instrumental music education and increasing the musical-instrument-playing population centered on emerging countries. As of March 31, 2024, this project was being advanced in seven countries. Meanwhile, to develop even more attractive products and services, we are expanding and enhancing our locations for forming relationships with artists around the world. Our extensive network with the world's top artists and music educational institutions is another one of our major strengths.

### Status of Music Popularization Activities (As of March 2024)

Music Schools	Number of Venues (Schools)	Number of Students <sup>1)</sup>
Japan (total for children and adults)	2,200	310,000
Overseas (total from over 40 countries and regions)	1,150	161,300

\*1 Number of students who were able to receive lessons in fiscal 2024

Countries Offering the School Project <sup>2)</sup>	March 31, 2025 Target <sup>3)</sup>	Aggregate Total of Students
7 countries	2,300,000	3,018,000

\*2 Project that provides opportunities for children to play musical instruments as part of public education with the aim of spreading instrumental music education and increasing the musical-instrument-playing population

\*3 Target contained in medium-term management plan

## Value Promotion and Selling Price Increases

Sales subsidiaries around the world engage in highly effective advertisement and sales promotion activities, and the benefits of these activities are shared on a Groupwide basis. By building a wide-ranging sales network, we are able to promote Yamaha's value in the ideal manner through both online and offline channels. In addition, we give ample consideration to such factors as the market environment, competitive relationships, and product features in order to promote efforts to increase selling prices so that they appropriately reflect the value a product offers.

## Review of Fiscal 2024 and Policies for Fiscal 2025

Yamaha was unable to meet its sales targets in fiscal 2024 due to declines in demand seen among inflation and other massive changes

to the operating environment. Nevertheless, we made progress in initiatives related to core themes, as seen in the expansion of the School Project and in membership services based on regional characteristics. Initiatives aimed at the expansion of our customer base included the establishment of a sales subsidiary in the Philippines, which commenced full-scale operation in October 2023, signaling Yamaha's full-fledged entry into this market. Meanwhile, in India, where Yamaha has managed to get on track toward growing sales, we have been exploring potential sales channels in rural cities to bolster our sales network with the goal of accelerating sales growth. In pursuit of improvements to our ability to communicate our brand and product value, we redesigned our directly operated retail location in London to enhance its line of experience-oriented services and encourage visitation by people with little or no experience with musical instruments. In addition, we introduced a check-in system at this store using the Yamaha Music ID customer data platform as part of our efforts to provide music experiences with both physical and digital elements. We are also bolstering coordination between experience-oriented stores and directly operated e-commerce sites in other regions in order to improve customer experiences. As for the acceleration of initiatives targeting higher lifetime value, progress has been made in developing and launching membership services matched to regional characteristics, and we also started providing online lesson services for supporting instrumental music performances in Europe. Ongoing enhancements will be pursued to Yamaha's service offerings around the world. Meanwhile, in the innovation of operating foundations and processes, the introduction of new enterprise resource planning systems at sales subsidiaries is moving ahead and thereby contributing to increased efficiency in sales processes.

## Construction of Stable Growth Platforms in Chinese Market by Capitalizing on Enthusiastic Demand

Recently, Yamaha has been growing in the Chinese market through a strategy focused on sales of pianos, which have a close connection to demand related to children's education in this market. Looking forward, Yamaha will seek to build a product portfolio capable of generating stable growth in this market by stimulating enthusiasm for digital musical instruments; wind, string, and percussion instruments; and guitars. For example, we are expanding the range of musical classes we offer at senior education facilities, which are designed to allow people to keep learning throughout their lives, to capitalize on demand among senior citizens.

## Sales Strategies of the Make Waves 2.0 Medium-Term Management Plan

Develop broader, deeper, and longer direct ties with customers to grow revenue through higher sales volumes and selling prices

### Targets for Fiscal 2025

Revenue: ¥500.0 billion Revenue growth: 20% (three-year average)

Note: Forecasts announced together with financial results for the three-month period ended June 30, 2024, on July 31, 2024, project revenue of ¥475.0 billion.

### Priority Themes of Make Waves 2.0

Priority Themes	Measures
Expansion of customer base	<ul style="list-style-type: none"> <li>Optimization of sales networks</li> <li>Enhancement of proposal capabilities and sales methods</li> <li>Stimulation of demand through music popularization activities</li> </ul>
Improvement of ability to communicate brand and product value	<ul style="list-style-type: none"> <li>Strengthening of digital marketing</li> <li>Enhancement of brand advertisements through provision of experiences</li> </ul>
Acceleration of initiatives targeting higher lifetime value	<ul style="list-style-type: none"> <li>Enhancement of member services based on regional characteristics</li> </ul>
Innovation of operating foundations and processes	<ul style="list-style-type: none"> <li>Improvement of efficiency through global standardization and automation of processes of sales company</li> </ul>

## TOPICS School Project Initiatives in India



Ms. Kato instructing music in India



Mr. Watanabe with staff of private primary school in India

**Yurina Kato**  
**Kazuki Watanabe**  
Music Popularization Group  
Asia-Pacific Sales Division  
Musical Instruments & Audio Products Sales Unit

Yamaha aspires to provide opportunities to play musical instruments to as many children around the world as possible. This is why we are passionately advancing the School Project to promote the introduction of activities using music and musical instruments in public education worldwide. In doing so, we hope to communicate the joy of music and musical instruments. Yamaha coordinates with government education agencies to prepare unique programs that package its musical instruments, educational materials, and instruction insight. As of March 31, 2024, these programs have been used to offer education opportunities to some three million children in seven countries, and this number is constantly growing.

India is an important market for Yamaha and one in which it positions manufacturing facilities. However, it is still rare for schools in this country to offer music education programs using musical instruments. Yamaha began promoting instrumental music education in this country in 2017 with proposals to adopt such music programs at private primary schools. Then, in 2023 we expanded the scope of these activities to include public primary schools in Delhi. Activities in this city are being advanced with the cooperation of the Japanese embassy located therein. These activities have been selected as one of the 2022 EDU-Port Japan Supported Projects by the Ministry of Education, Culture, Sports, Science and Technology of Japan.\* Yamaha continues to be a partner to efforts to train educators to ensure that the greatest number of children can experience high-quality music education.

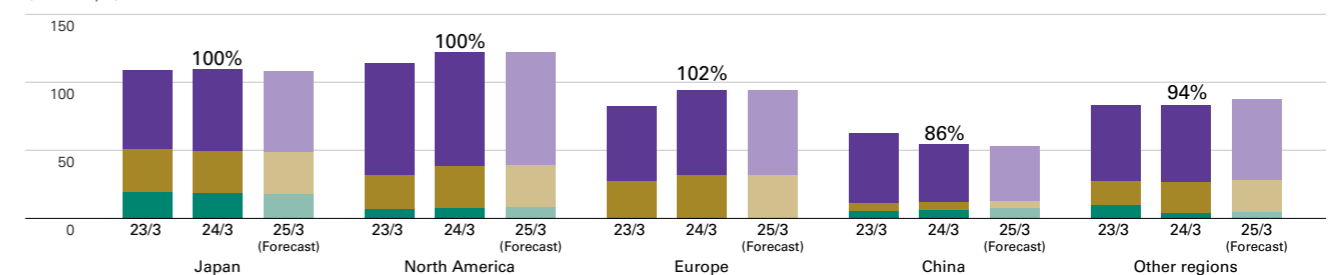
Increases to the musical-instrument-playing population in emerging countries contribute to the growth of musical instrument markets and is expected to stimulate demand over the medium to long term and to help drive the future growth of Yamaha's sales. We will continue to engage in such activities going forward with the goal of expanding Yamaha's customer base.

\* This project is the sixth of a total of seven Yamaha projects that have been selected through the Japanese-style Education Using Public-Private Collaborative Platform (EDU-Port Japan Project).

## Revenue Growth by Region (Year-on-year change excluding the impact of exchange rates)

■ Musical instruments business ■ Audio equipment business ■ Industrial machinery and components business and other businesses

(Billions of yen)



# DIRECTORS

As of June 25, 2024

## 1 Takuya Nakata

Chairman of the Board of Directors  
Number of shares owned: 98,900

- 1981 Joined the Company
- 2005 General Manager of Pro Audio & Digital Musical Instruments Division
- 2006 Executive Officer
- 2009 Director and Executive Officer
- 2010 President and Director of Yamaha Corporation of America  
Senior Executive Officer of the Company
- 2013 President and Representative Director
- 2014 Director of Yamaha Motor Co., Ltd. (Outside Director) (to the present)
- 2015 President of Yamaha Music Foundation (to the present)
- 2017 Director, President and Representative Executive Officer
- 2024 Chairman of the Board of Directors (to the present)

## 2 Atsushi Yamaura

Director, President and Representative Executive Officer  
Number of shares owned: 12,584

- 1992 Joined the Company
- 2015 Senior General Manager of Audio Technology Development Department, Audio Products Development Division
- 2016 Senior General Manager of Digital Musical Instruments Development Department, Musical Instruments Development Division
- 2019 Senior General Manager of Digital Musical Instruments Division, Musical Instruments Business Unit
- 2021 Operating Officer
- 2022 Executive Officer  
Executive General Manager of Musical Instruments Business Unit
- 2023 Executive Officer  
Deputy Executive General Manager of Musical Instruments & Audio Products Sales Unit and President of Yamaha Music & Electronics (China) Co., Ltd.
- 2024 Director, President and Representative Executive Officer (to the present)

## 3 Yoshihiro Hidaka

Independent Outside Director  
Number of shares owned: 7,800

- 1987 Joined Yamaha Motor Co., Ltd.
- 2010 Vice President of Yamaha Motor Corporation, U.S.A.
- 2013 Executive General Manager of 3rd Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.
- 2014 Executive Officer of Yamaha Motor Co., Ltd.
- 2015 Executive General Manager of 2nd Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.
- 2016 Executive General Manager of 1st Business Unit, MC Business Operations, and General Manager of ASEAN Sales Division, 1st Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.
- 2017 Executive General Manager of Corporate Planning & Finance Center of Yamaha Motor Co., Ltd.  
Senior Executive Officer and Director of Yamaha Motor Co., Ltd.
- 2018 President, Chief Executive Officer, and Representative Director of Yamaha Motor Co., Ltd. (to the present)  
Outside Director of Yamaha Corporation (to the present)

Note: Yoshihiro Hidaka, Outside Director of the Company, resigned as of October 2, 2024.

## 4 Mikio Fujitsuka

Independent Outside Director  
Number of shares owned: 0

- 1977 Joined Komatsu Ltd.
- 2001 General Manager of Corporate Controlling Department of Komatsu Ltd.
- 2005 Executive Officer of Komatsu Ltd.
- 2008 President of Global Retail Finance Business Division of Komatsu Ltd.
- 2009 General Manager of Corporate Planning Division and President of Global Retail Finance Business Division of Komatsu Ltd.
- 2010 Senior Executive Officer of Komatsu Ltd.
- 2011 CFO, Director and Senior Executive Officer of Komatsu Ltd.
- 2013 Director and Senior Executive Officer of Komatsu Ltd.
- 2016 Executive Vice President and Representative Director of Komatsu Ltd.
- 2019 Outside Director of Yamaha Corporation (to the present)  
Outside Corporate Auditor of Mitsui Chemicals, Inc.
- 2023 Outside Director of NSK Ltd. (to the present)

## 5 Paul Candland

Independent Outside Director  
Number of shares owned: 900

- 1985 Joined Owens Corning
- 1987 Joined PepsiCo, Inc.
- 1994 President of Okinawa Pepsi-Cola, Inc.
- 1998 Representative of Japan Branch, PepsiCo International Ltd.  
Representative Director and General Manager of The Disney Store Japan, Inc.
- 2002 Managing Director of Walt Disney Television International Japan of The Walt Disney Company (Japan) Ltd.
- 2007 Representative Director and President of The Walt Disney Company (Japan) Ltd.
- 2014 President of The Walt Disney Company, Asia
- 2018 Managing Director of PMC Partners Co., Ltd. (to the present)
- 2019 Outside Director of Yamaha Corporation (to the present)  
CEO of Age of Learning, Inc.
- 2022 Outside Director of Dentsu Group Inc. (to the present)

## 6 Hiromichi Shinohara

Independent Outside Director  
Number of shares owned: 700

- 1978 Joined Nippon Telegraph and Telephone Public Corporation
- 2003 Head of Access Service System Laboratory of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT)
- 2007 Head of the Information Sharing Laboratory Group of NTT
- 2009 Senior Vice President, Head of Research and Development Planning, Member of the Board of NTT
- 2012 Executive Vice President, Head of Research and Development Planning, Member of the Board of NTT
- 2014 Senior Executive Vice President, Head of Research and Development Planning, Member of the Board of NTT
- 2018 Chairman of the Board of NTT
- 2021 Outside Director of Yamaha Corporation (to the present)
- 2023 Outside Director of Mizuho Financial Group, Inc. (to the present)

## 7 Naoko Yoshizawa

Independent Outside Director  
Number of shares owned: 0

- 1988 Joined Fujitsu Limited
- 2009 Vice President of Mobile Phones Unit of Fujitsu Limited
- 2011 Head of Global Research & Development Center of Fujitsu Laboratories of America, Inc.
- 2016 Deputy Head of Advanced System Research & Development Unit and Head of AI Promotion Office of Fujitsu Limited
- 2017 Corporate Executive Officer and Head of AI Platform Business Unit of Fujitsu Limited
- 2018 Corporate Executive Officer, EVP and Vice Head of Digital Services Business of Fujitsu Limited.  
Corporate Executive Officer, EVP of Fujitsu Limited, CEO of FUJITSU Intelligence Technology Ltd.
- 2019 Corporate Executive Officer, EVP and Evangelist of Digital Software & Solutions Business Group of Fujitsu Limited
- 2020 Director of knowledge piece Inc. (to the present)
- 2021 Outside Director of Nitori Holdings Co., Ltd. (to the present)  
Outside Director of Yamaha Corporation (to the present)

## 8 Naho Ebata

Independent Outside Director  
Number of shares owned: 0

- 2000 Registered as an attorney,  
Joined Abe, Ikubo & Katayama Law Firm
- 2004 Specialist of Legislative Affairs Office, General Coordination Division, Policy Planning and Coordination Department, Japan Patent Office
- 2008 Partner of Abe, Ikubo & Katayama Law Firm (to the present)
- 2020 Outside Director (Audit and Supervisory Committee Member) of ABIST Co., Ltd. (to the present)
- 2022 Provisional Corporate Auditor (a person who is meant to temporarily perform the duties of a Company Auditor) of 3-D Matrix, Ltd.  
Outside Corporate Auditor of Brave group Inc. (to the present)
- 2023 Outside Director of Yamaha Corporation (to the present)



# COMPOSITION OF THE BOARD OF DIRECTORS

Name	Reasons for Appointment, Expected Role, and Independence of Outside Directors
<b>Takuya Nakata</b> Chairman of the Board of Directors	Having served in positions such as General Manager of our Pro Audio & Digital Musical Instruments Division, and President and Director of Yamaha Corporation of America, Mr. Takuya Nakata has a wealth of experience and achievements alongside broad insight in business. He has led the Group as President and Representative Director since June 2013, and as Director, President and Representative Executive Officer since June 2017 after our transition to a Company with Three Committees (Nominating, Audit, and Compensation). Additionally, he has been a leader in corporate governance reform via initiatives such as the transition to a Company with Three Committees (Nominating, Audit, and Compensation), and has worked to strengthen the oversight function of the Board of Directors. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights.
<b>Atsushi Yamaura</b> Director, President and Representative Executive Officer	Having experience in the development of new businesses and served in positions such as Senior General Manager of the Digital Musical Instruments Division, Executive General Manager of the Musical Instruments Business Unit, and President of Yamaha Music & Electronics (China) Co., Ltd., Mr. Atsushi Yamaura has a wealth of experience and a robust track record of achievements alongside broad insight in business. He has led the Group as Director, President and Representative Executive Officer since April 2024. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors based on his track record and insights.
<b>Yoshihiro Hidaka</b> Independent Outside Director	Having been involved in management at one of the largest global transportation equipment manufacturers in Japan, Mr. Yoshihiro Hidaka has a wealth of experience and achievements alongside broad insight as a corporate officer. Additionally, as President and Representative Director of Yamaha Motor Co., Ltd., a company that shares a common brand with the Company, he is a person with one of the deepest understandings of the Yamaha brand. Since assuming the position of outside director of the Company in June 2018, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, as a corporate officer. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights and improve the Yamaha brand value. As the Company and Yamaha Motor Co., Ltd., where Mr. Yoshihiro Hidaka serves as President and Representative Director, share the Yamaha brand, the two companies are in a relationship such that enhancements to the brand value via the Company's sustainable growth also provides a positive effect on said company's corporate value, while damage to the brand due to violations of laws and regulations or deficient governance by the Company will have a negative effect on said company's corporate value. Mr. Yoshihiro Hidaka is a person with one of the deepest understandings of the Yamaha brand, which is the source of the Company's brand value, and he shares an interest with ordinary shareholders regarding improvement of the Company's brand value. Furthermore, not only there are no significant transaction relationships* between the Company and Yamaha Motor Co., Ltd., but as the Company is no longer a major shareholder of said company since 2017, there are no concerns that Mr. Yoshihiro Hidaka will have conflicts of interest with ordinary shareholders, and the Company believes that he can fulfill his duty for supervision of management from an independent standpoint in order to maximize profits for shareholders of the Company.  * The amount of transactions between the Company and Yamaha Motor Co., Ltd., is less than 0.2% of consolidated net sales of both companies.
<b>Mikio Fujitsuka</b> Independent Outside Director	Having been involved in management as CFO at one of the largest global construction machinery manufacturers in Japan, Mr. Mikio Fujitsuka has a wealth of experience and achievements alongside broad insight as a corporate officer, as well as adequate knowledge of finance and accounting. Since assuming the position of outside director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights as a corporate officer. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights.
<b>Paul Candland</b> Independent Outside Director	Having been involved in management as the person responsible for the Asian region and the Japanese firms of a global entertainment company, Mr. Paul Candland has a wealth of experience and achievements alongside broad insight as a corporate officer as well as broad knowledge of brand and marketing. Since assuming the position of outside director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights as a corporate officer. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights.  There are no transaction relationships between the Company and PMC Partners Co., Ltd., where Mr. Paul Candland serves as a managing director, and neither party is classified as a major shareholder of the other.
<b>Hirromichi Shinohara</b> Independent Outside Director	Having been involved in management as a Representative Director of one of the largest telecommunications and ICT companies in Japan, Mr. Hirromichi Shinohara has a wealth of experience and a robust track record of achievements alongside broad insight as a corporate officer. He also has wide-ranging and in-depth knowledge of telecommunications systems and electronics. Since assuming the position of outside director of the Company in June 2021, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his breadth of insight and robust track record of achievements as a corporate officer. He has been appointed as a director on expectations that he will help strengthen the oversight function of the Board of Directors through these achievements and insights.
<b>Naoko Yoshizawa</b> Independent Outside Director	Having been involved in management as an executive officer of one of the largest electronics and ICT companies in Japan and as the CEO of its overseas Group company, Ms. Naoko Yoshizawa has a wealth of experience and achievements alongside broad insight as a corporate officer. She also has a high degree of expertise in digital and AI technologies. Since assuming the position of outside director of the Company in June 2021, she has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on her breadth of insight and robust track record of achievements as a corporate officer. She has been appointed as a director on expectations that she will help strengthen the oversight function of the Board of Directors through these achievements and insights.  There are no transaction relationships between the Company and knowledge piece Inc., where Ms. Naoko Yoshizawa serves as a director, and neither party is classified as a major shareholder of the other.
<b>Naho Ebata</b> Independent Outside Director	With a mastery of domestic and overseas corporate law, corporate governance, and intellectual properties gained as an attorney, Ms. Naho Ebata has a high degree of expertise, wealth of experience, and strong track record of achievements alongside broad insight. Since assuming the position of outside director of the Company in June 2023, she has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on her high degree of expertise, wealth of achievements, and insights. She has been appointed as a director on expectations that she will help strengthen the oversight function of the Board of Directors through these achievements and insights.  There are no transaction relationships between the Company and Abe, Ikubo & Katayama Law Firm, where Ms. Naho Ebata serves as a partner.

Notes: 1. The Company has submitted notification to the Tokyo Stock Exchange to designate Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hirromichi Shinohara, Naoko Yoshizawa, and Naho Ebata as Independent Directors as described in the provisions set forth by the Tokyo Stock Exchange.  
 2. Yoshihiro Hidaka, Outside Director of the Company, resigned as of October 2, 2024.

The Company has identified the skills necessary for the Board of Directors to hold discussions and make decisions based on a variety of perspectives and to provide a highly objective oversight function. A skill matrix was then formulated to indicate which directors possess the respective skills. Specifically, seven areas of expertise have been defined that were deemed to be of particular importance to growth strategies formulated in accordance with our business characteristics and management stability based on Yamaha's mission, management vision, medium- to long-term management directives, and business strategies. By choosing diverse individuals with expertise and experience in these areas to member the Board of Directors, the Company seeks to assemble a team that will help it respond effectively to changes in the operating environment.

Based on consideration for its medium- to long-term business strategies and management issues, the Company has appointed directors with an effective balance of expertise in the areas of corporate management, legal affairs and risk management, finance and accounting, and global operations. A number of individuals have also been appointed who have insight and experience pertaining to the areas of IT and digital technologies; manufacturing, technology, and R&D; and sales and marketing, as these areas of expertise are crucial to the advancement of the Company's business strategies.

## Expertise of Directors

Name	Expertise of Directors						
	Corporate management	Legal affairs and risk management	Finance and accounting	IT and digital technologies	Manufacturing, technology, and R&D	Sales and marketing	Global operations
Takuya Nakata	●			●	●	●	●
Atsushi Yamaura	●			●	●		●
Yoshihiro Hidaka	●		●				●
Mikio Fujitsuka	●	●	●				●
Paul Candland	●			●		●	●
Hirromichi Shinohara	●			●	●		●
Naoko Yoshizawa	●			●	●		●
Naho Ebata		●					●

## Composition of the Nominating, Compensation, and Audit Committees in Fiscal 2024 Attendance at Meetings of the Board of Directors and Committees in Fiscal 2024

Name	Composition			Attendance at Meetings of the Board of Directors and Committees in Fiscal 2024	
	Nominating Committee	Compensation Committee	Audit Committee		
Takuya Nakata	●	●		Board of Directors: 13/13 (100%) Nominating Committee: 5/5 (100%) Compensation Committee: 3/3 (100%)	
Satoshi Yamahata				Board of Directors: 13/13 (100%)	
Yoshihiro Hidaka	●	●		Board of Directors: 13/13 (100%) Nominating Committee: 5/5 (100%) Compensation Committee: 3/3 (100%)	
Mikio Fujitsuka			● Chairperson	Board of Directors: 13/13 (100%) Audit Committee: 18/18 (100%)	
Paul Candland	●	● Chairperson		Board of Directors: 13/13 (100%) Nominating Committee: 5/5 (100%) Compensation Committee: 3/3 (100%)	
Hirromichi Shinohara	● Chairperson	●		Board of Directors: 13/13 (100%) Nominating Committee: 5/5 (100%) Compensation Committee: 3/3 (100%)	
Naoko Yoshizawa			●	Board of Directors: 13/13 (100%) Audit Committee: 18/18 (100%)	
Naho Ebata			●	Board of Directors: 11/11 (100%) Audit Committee: 15/15 (100%)	



# EXECUTIVE OFFICERS, OPERATING OFFICERS, AND AUDIT OFFICERS

As of June 25, 2024

## President and Representative Executive Officer



**Atsushi Yamaura**  
Executive General Manager of Brand Development Unit  
Please refer to page 74 for career summary.

## Managing Executive Officers



**Satoshi Yamahata**  
Executive General Manager of Corporate Administration Unit  
1988 Joined the Company  
2009 General Manager of Accounting and Finance Division  
2013 Executive Officer and General Manager of Corporate Planning Division  
2015 Executive General Manager of Operations Unit Director and Senior Executive Officer  
2016 Executive General Manager of Corporate Management Unit  
2017 Director and Managing Executive Officer  
2020 Executive General Manager of Corporate Management Unit and Human Resources and General Administration Unit  
2023 Executive General Manager of Corporate Administration Unit (to the present)  
2024 Managing Executive Officer (to the present)



**Seiichi Yamaguchi**  
Executive General Manager of Musical Instruments & Audio Products Business Unit  
1985 Joined the Company  
2006 Director and President of Yamaha Scandinavia AB  
2010 Chairman and President of Yamaha Music & Electronics (China) Co., Ltd.  
2013 Operating Officer  
2014 General Manager of Business Planning Division, Musical Instruments & Audio Products Sales & Marketing Unit  
2015 Executive General Manager of Service Business Unit  
2016 Senior Executive Officer  
2017 Executive Officer  
Executive General Manager of Musical Instruments & Audio Products Sales Unit  
2023 Managing Executive Officer (to the present)  
Executive General Manager of Musical Instruments Business Unit  
2024 Executive General Manager of Musical Instruments & Audio Products Business Unit (to the present)

## Executive Officers



**Masato Oshiki**  
Executive General Manager of Musical Instruments & Audio Products Sales Unit  
1988 Joined the Company  
2001 Director and President of Yamaha Musica Italia s.p.a.  
2005 General Manager of EKB Marketing Division, Pro Audio & Digital Musical Instruments Division  
2009 General Manager of Keyboard Planning Division, Domestic Sales & Marketing Division  
2015 Operating Officer  
General Manager of Musical Instrument Sales & Marketing Division, Musical Instruments & Audio Products Sales & Marketing Group  
2018 Representative Director and President of Yamaha Music Japan Co., Ltd.  
2023 Executive Officer (to the present)  
Executive General Manager of Musical Instruments & Audio Products Sales Unit (to the present)



**Toshiaki Goto**  
Executive General Manager of Musical Instruments & Audio Products Production Unit  
1993 Joined the Company  
2012 Director and President of PT. Yamaha Music Manufacturing Indonesia  
2017 Director and President of PT. Yamaha Musical Products Asia  
2022 Operating Officer  
Senior General Manager of Production Planning Division, Musical Instruments & Audio Products Production Unit  
2023 Executive General Manager of Musical Instruments & Audio Products Production Unit (to the present)  
2024 Executive Officer (to the present)

## Operating Officers



**Thomas Sumner**  
President of Yamaha Corporation of America



**Yutaka Matsuki**  
Senior General Manager of Piano Division, Musical Instruments & Audio Products Business Unit



**Chihiro Osuga**  
Deputy Executive General Manager of Corporate Administration Unit (Legal Affairs and Intellectual Property) and Senior General Manager of Legal Division



**Masahiro Ikeda**  
Senior General Manager of Research & Development Division



**Yasushi Nishiyama**  
Senior General Manager of Audit Committee's Office



**Taro Tokuhira**  
Deputy Executive General Manager of Corporate Administration Unit (Human Resources, General Administration, and Information Systems)



**Nobukazu Toba**  
Executive General Manager of IMC Business Unit and Senior General Manager of Electronic Devices Division



**Jun Nishimura**  
Deputy Executive General Manager of Corporate Administration Unit (Corporate Planning and Corporate Finance) and Senior General Manager of Corporate Planning Division

## Audit Officers



**Hirofumi Yamashita**  
Senior General Manager of Internal Auditing Division

# DISCUSSION BETWEEN OUTSIDE DIRECTORS



**Hiromichi Shinohara**  
Independent Outside Director  
Chairperson, Nominating Committee  
Compensation Committee

**Paul Candland**  
Independent Outside Director  
Chairperson, Compensation Committee  
Nominating Committee

## Evolution of Yamaha through increased management speed under leadership of new president

The following is a discussion between independent outside directors Hiromichi Shinohara and Paul Candland, both of whom are also members of the Nominating Committee, in which they discuss the process of nominating Atsushi Yamaura for the position of president and their hopes for the future of Yamaha under his leadership.

**Atsushi Yamaura assumed the position of president in April 2024. What type of discussions took place at meetings of the Nominating Committee with regard to the nomination of the new president?**

**Shinohara** I became a member of the Nominating Committee in June 2021. In fall of the year, the Nominating Committee was provided with a list of candidates for the next president from the executive team. Over the years that followed, the Nominating Committee sought to gain an understanding of the dispositions, insights, and thoughts of the candidates through a variety of venues.

**Candland** We had opportunities to get to know the candidates on a monthly basis, and these opportunities took forms such as meetings of the Board of Directors, lunch meetings, and online meetings. We were thereby able to develop a solid understanding of each candidate.

**Shinohara** Based on these understandings, the Nominating Committee engaged in a series of discussions aimed at narrowing down the list of candidates. These discussions went relatively smoothly, and the final list of candidates was approved via a unanimous decision by all members of the committee. In June 2023, after this unanimous decision, I was appointed to the position of chairperson of the Nominating Committee. In this capacity, I was tasked with compiling the results of our discussions for use in making the final decision on who would be the nominee. Each of the remaining candidates had their own areas of extraordinary strength. As such, we had to devote a lot of time to discussing exactly which of these strengths best matched the needs of Yamaha in the future.

## DISCUSSION BETWEEN OUTSIDE DIRECTORS

### What sort of discussion process led to the decision to choose Mr. Yamaura and what qualities of his were areas of praise?

**Shinohara** To put it quite simply, the new president of Yamaha needed to have the capacity to drive the development of the Company. This does not just mean recovering performance, but rather also entails driving the ongoing growth of Yamaha. Driving such growth will require the Company to build upon its existing strengths while transforming to create new value. Accordingly, this was the lens used to assess candidates.

As an engineer, Mr. Yamaura has a deep understanding of sound- and music-related technologies. He is also capable of thinking logically and viewing matters from a multifaceted perspective to formulate visions and make bold decisions. Mr. Yamaura's career is characterized by the creation of products based on completely new concepts that are not directly related to Yamaha's traditional product lines. He is not a particularly flashy individual, but he has a history of generating steady success. This is why he was deemed to be the ideal future leader for the Company.

**Candland** I share Mr. Shinohara's praise for Mr. Yamaura's strong commitment to innovation. He is an extremely curious individual, and this makes him a good listener. Able to turn an attentive ear toward those around him, he is the type of person capable of fostering an environment conducive to the creation of ideas and innovation and of encouraging teamwork.

**Shinohara** Creating new value through innovation requires collaboration between individuals with diverse areas of expertise, values, insight, and experience. In other words, rather than making decisions in a top-down manner, it is important for the president to be able to create an environment in which employees tackle new challenges through bottom-up action. Given his listening skills, I am sure Mr. Yamaura will be highly proficient at supporting such action and ambition.

**Candland** The operating environment is incredibly volatile, meaning that management must be able to act with great speed. It is crucial to be able to make swift decisions based on a detailed understanding of

user needs and the trends of competitors. I look forward to seeing President Yamaura evolve Yamaha to exhibit even greater speed in its management.

### Yamaha has just appointed a new president, but what are your thoughts regarding the next cycle of succession planning?

**Shinohara** The cycle of succession planning has, once again, started with the preparation of a list of candidates. Of course, this list is not absolute. The conditions required of the president's successor will need to continue to be updated in line with the changing operating environment, and the list of candidates should be revised as necessary.

**Candland** Effective cultivation of the candidates included on the list is imperative. The ideal approach toward cultivating candidates is something that will be discussed by the Nominating Committee going forward.

### It was mentioned that the Company must build upon its existing strengths while transforming to create new value. What do you think is required for Yamaha to improve its corporate value?

**Shinohara** Mr. Candland mentioned the importance of speed, and this is something that is required to improve corporate value. Yamaha will need to continue to devote the necessary time and effort to creating and supplying quality musical instruments and other products. At the same time, if the Company aims to swiftly generate innovation in relation to software and services, it might want to consider a more agile approach. Such an approach could involve releasing offerings that are only about 70% complete so those offerings can then be refined and completed based on feedback received from customers.

This might go beyond the scope of the question, but it could even be said that Yamaha's position as the world's unrivaled comprehensive musical instruments manufacturer is holding it back. After all, the word "unrivaled" means exactly that: Yamaha has no rivals with which to compete on equal footing.

**Candland** I have served as a director at a company with a similar dilemma in the past. Although this company had the strength of an unrivaled positioned, it also lacked the drive that comes from competing with rivals. A lack of drive makes it difficult for a company to feel motivated to innovate at all costs. For this reason, if the unrivaled Yamaha wants to move to the next level, it will need frameworks to encourage such forward momentum within the organization.

**Shinohara** Even if Yamaha does not have any rivals that can compete with it as a comprehensive musical instruments company, it does face competition in its individual business lines and in relation to specific musical instruments. Personally, as a short-term measure, I think it might be prudent to consider more granular competition strategies that look at the conditions pertaining to the specific markets, customers, and rivals of a given product line.

**Candland** I agree about the need to gain a better understanding of user needs. An example of a need that should be understood is how beginners feel when trying to learn a musical instrument. A lot of people at Yamaha are quite skilled at playing instruments, but some of the Company's customers are no doubt, like me, not experienced at instruments. I suspect that a lot of people may start trying to learn an instrument, only to give up on getting better and eventually stop playing the instrument all together. It is possible that Yamaha is missing out on business opportunities due to a lack of understanding with regard to such customers. If Yamaha were to, for example, use technologies to provide functions that make instruments easier to play and enjoy or to allow such new musicians to play with others, it might help the Company access a wider range of business opportunities.

**Shinohara** I can also imagine business opportunities in relation to senior citizens. Playing a musical instrument can entail using both of one's hands and feet as well as their breath. Such an activity has the potential to help people live longer healthy lives. Populations are aging in Japan and China. In these countries, it is possible that instrumental music education for senior citizens could be used to create significant value in the area of social welfare in a manner similar to how music schools for children help foster music culture. To be honest, I bought an instrument when I became an outside director at Yamaha and started trying to teach myself, but that has proved to be quite difficult. Therefore, I personally would be quite interested if there was a wider range of instrumental music education services for adults.

### Next, we would like to ask about the most important intangible asset for Yamaha's ongoing value creation efforts—its people. What kind of matters are discussed with regard to human resource development at meetings of the Board of Directors?

**Shinohara** I believe that Yamaha's Board of Directors is effectively playing its role in monitoring circumstances related to respect for human rights as well as diversity and inclusion. The topic that gets the most discussion with this regard is how to make working at Yamaha more comfortable and motivating for employees. A comfortable workplace should not mean one that does not involve hard work. Rather, I am more interested in seeing if Yamaha can create a workplace environment where employees are able to tackle new challenges and feel a sense of accomplishment for overcoming them.

**Candland** Yamaha conducts employee engagement surveys each year, and the results of these surveys are monitored by the Board of Directors. The Company also constantly offers opportunities for Board members to talk with employees, and the feedback gained through such engagement is discussed at Board meetings.

**Shinohara** Achieving the increased speed mentioned earlier will also require that every employee be able to take effective action at their own discretion. I look forward to seeing how President Yamaura will manage Yamaha in a manner that encourages employee ambition and promotes innovation guided by the front lines in order to foster a corporate environment that is conducive to such speed and autonomy.



### The Make Waves 2.0 medium-term management plan launched in April 2022 has entered its final year. How would you evaluate the progress of this plan?

**Shinohara** Smooth progress was made toward non-financial targets, but the past two years have proved to be challenging when it comes to financial targets. It does feel like Yamaha's performance has finally bottomed out, so I anticipate that we will see steady growth going forward.

**Candland** Yamaha has struggled to cope with the changes in its operating environment, whether that be the difficulties in procuring components or the slumping market. As the Company prepares to launch the next medium-term management plan, I anticipate that President Yamaura will accelerate management to spur new growth for Yamaha. However, accelerating management will require all employees to be aligned toward the same goal. This is why it will be crucial for President Yamaura to effectively communicate his management vision to employees in order to ensure that Yamaha can move on to the next level in fiscal 2026 and beyond.

### In closing, do you have any messages for Yamaha's stakeholders?

**Shinohara** Yamaha is well armed with both diligent manufacturing capabilities and a propensity for new value creation. I have complete confidence in Yamaha's ability to rapidly create products and services that respond to user needs, and to grow as a result, by engaging in more extensive communication with users and utilizing these strengths accordingly. Moreover, I am committed to helping Yamaha accelerate its short-, medium-, and long-term strategies through effective oversight of the Board of Directors in order to contribute to improved corporate value.

**Candland** Yamaha's more than 135-year history has seen countless examples of innovations that have helped the Company carve out its leading market position with its unparalleled quality and build a truly strong brand. Together with the other members of the Board of Directors, I will work to support Yamaha in surpassing stakeholder expectations through ongoing growth.





## Basic Policies for Corporate Governance

The Yamaha Group aims to create a society that supports the “Well-Being of People around the World.” To achieve this goal, we have set forth the Yamaha Philosophy as our corporate philosophy and our Promises to Stakeholders, which apply to all related parties, and will work to ensure sustainable growth and to enhance corporate value over the medium to long term. At the same time, based on the Basic Policies for Corporate Governance presented below and the policies stated in Chapter I and thereafter in these policies, we will put in place organizational design, operating framework, and mechanisms, implement various measures to manage the Company, and carry out quality business management in a transparent manner through the appropriate disclosure of information.

## Basic Policies for Corporate Governance

- From a shareholder’s perspective, ensure the rights and equal treatment of shareholders
- Taking into consideration our relationships with all stakeholders, proactively fulfill the Company’s social responsibilities
- Ensure that information is disclosed appropriately and that management is transparent
- By separating the oversight and executive functions and strengthening the oversight function, ensure that the Board of Directors is highly effective while at the same time executing decisions appropriately and with a sense of urgency
- Proactively engage in dialogue with shareholders

For more information on the Yamaha Philosophy, please refer to the following website.  
<https://www.yamaha.com/en/vision/philosophy/>

For more information on the Promises to Stakeholders, please refer to the following website.  
<https://www.yamaha.com/en/vision/promises/>

For more information on the Basic Policies for Corporate Governance, please refer to the following website.  
<https://www.yamaha.com/en/ir/management/governance/#08>

## Reinforcement of Oversight Functions

In a bid to strengthen oversight functions and accelerate operational execution, the Company has separated functions for business oversight and execution. Yamaha has reinforced oversight functions by increasing the ratio of independent outside directors. As of June 25, 2024, independent outside directors comprised three-fourth of the members on the Board of Directors (please see “Ratio of Outside Directors” on the next page).

## Changes in Corporate Governance

Yamaha views corporate governance as fundamental for improving the quality of overall management, and as an essential aspect of sustainable development for a corporation. Furthermore, the Company is aware of the need to constantly reform and improve corporate governance systems once they have been put into place.

Yamaha has consistently taken steps to strengthen corporate governance, such as introducing an operating officer system in 2001; appointing an outside director and establishing the nominating and compensation committees on a voluntary basis in 2003; reducing the number of inside directors and appointing multiple outside directors in 2010; and formulating the Corporate Governance Policies in 2015. In addition, in June 2017 the Company transitioned to a Company with Three Committees (Nominating, Audit, and Compensation) structure and appointed its first female independent outside director; in June 2019 the Company appointed its first foreign national as an independent outside director; and in April 2020 the Company established the new position of audit officer.

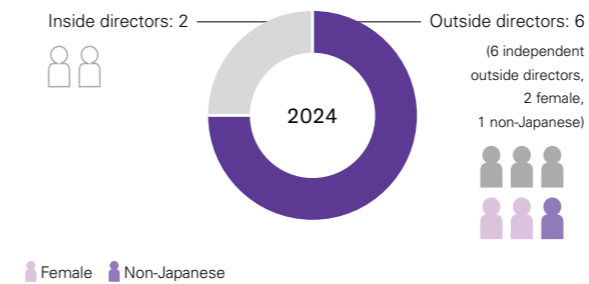
## Initiatives for Separating the Oversight and Executive Functions

The Board of Directors determines important matters—such as basic management policies—required by laws and ordinances, the articles of incorporation, and the rules of the Board of Directors. Authority for important decisions pertaining to business execution is delegated to executive officers from the Board of Directors, and matters related to these decisions that must be reported to the Board of Directors are defined by the rules of the Board of Directors. By adhering to these rules and requiring related procedures and approvals to be conducted in a rational manner, the Board of Directors exercises its oversight function. Executive officers regularly report on the status of business execution to the Board of Directors, and the Board of Directors oversees business execution by executive officers. The Audit Committee audits the execution of duties by directors and executive officers based on audit standards and audit plans. To ensure that executive officers, operating officers, and audit officers are able to perform their duties efficiently, the Company has established rules for these officers and provisions for this purpose are included in the rules for the Managing Council.

## Performance-Linked Compensation

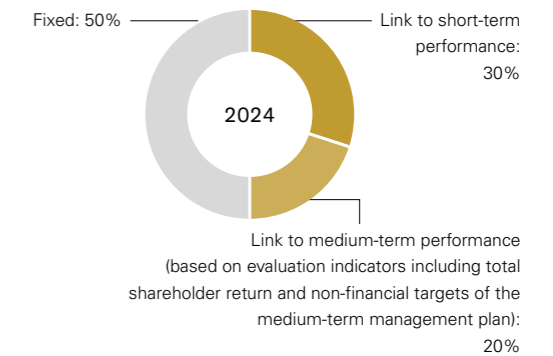
In 2017, Yamaha increased the ratio of performance-linked compensation for directors responsible for business execution and executive officers after completely revising the officer compensation system with the objective of aligning the values of management with shareholders and providing sound incentives that link the compensation system to enhancements in corporate value over the medium and long term while sustaining growth (please see “Example of Compensation for an Officer” on the next page).

## Ratio of Outside Directors



## Example of Compensation for an Officer

For more information on compensation systems, please refer to page 87.



Note: The Company includes claw-back clauses in agreements that require the return of all or a portion of restricted shares transferred to officers on an accumulated basis without compensation in the event of serious cases of accounting fraud or major losses, depending on the responsibility of the officers in charge.

## Message from the Chairman of the Board of Directors



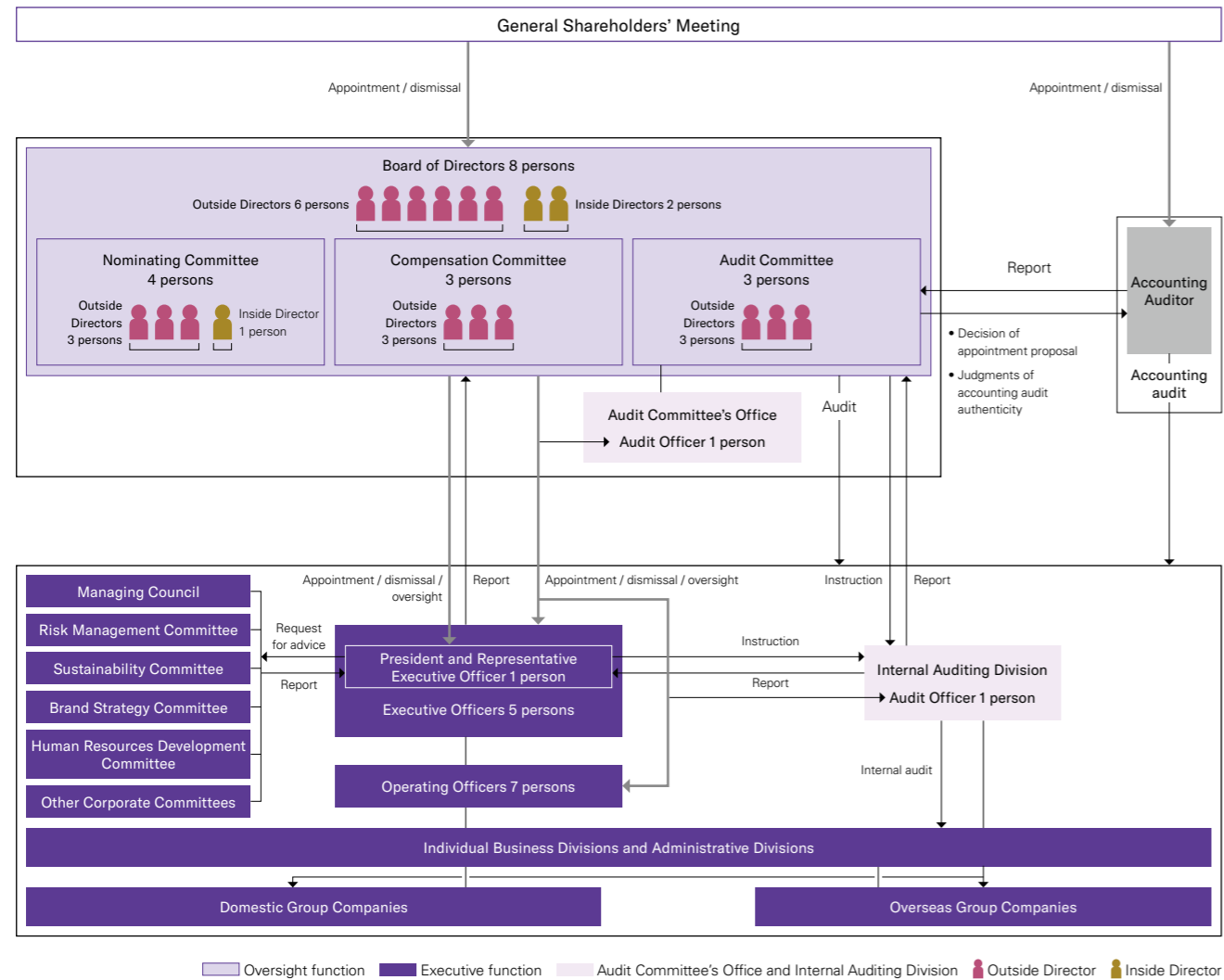
**Takuya Nakata**  
Chairman of the Board of Directors

On April 1, 2024, after leading Yamaha for more than a decade in my capacity as the president, I stepped down from this position and assumed the title of chairman of the Board of Directors. Now, I find myself in the position of a non-executive director, which means I can dedicate myself to the oversight function. In this capacity, I am committed to helping energize discussions at meetings of the Board of Directors so that such discussions can contribute to even greater improvements in corporate value.

Prior to me taking up this position, we had the Nominating Committee look into the possibility of appointing an outside director to serve as the chairman of the Board of Directors. The committee reached the conclusion that having someone with a deep understanding of the current situation at Yamaha act as the chairman of the Board of Directors would be beneficial in terms of facilitating constructive discussion at Board meetings. To ensure that these benefits can be realized, I hope to facilitate discussions based on the understanding of Yamaha’s management and strategic challenges as well as the concerns and reservations of the executive team I gained as president, while also capitalizing on the expertise and objective and diverse standpoints of outside directors. Moreover, I believe there are a lot of ways I can contribute as the chairman of the Board of Directors. For example, I can help agenda items be selected with more thought so as to better strike at the heart of management issues. I could also invite executive officers, operating officers, or division heads who are relevant to given agenda items so that we can draw upon their insights during meetings, while also making meetings an opportunity to hone our management instincts.

The oversight function in corporate governance has two important purposes: it must be able to help spur action to drive a company forward while also being capable of halting action when necessary to avoid risks. President Atsushi Yamaura has a history of taking part in developing various new businesses, and I look forward to seeing management embark on new journeys under his leadership the likes of which would not be envisioned earlier. To ensure that the executive team he leads can press down on that pedal and accelerate the speed of management without fear, I will work to strengthen the oversight function to guarantee that we have functioning brakes when we need them.

Corporate Governance Structure (As of June 25, 2024)



**Oversight Function**

**Directors and Board of Directors**

Meetings of the Board of Directors are held monthly (in principle). In keeping with its fiduciary duty, the Board of Directors pursues sustainable growth and improvements to corporate value over the medium to long term. The Board of Directors also oversees the execution of duties by executive officers and the directors and makes decisions on basic management policies and other important matters that are specified in laws and regulations, the articles of incorporation, and the rules of the Board of Directors. In addition, the Board of Directors supervises overall management of the Company by overseeing the succession plan for the representative executive officer and other officers; selecting the members and the chairpersons of the Nominating Committee, Audit Committee, and Compensation Committee; appointing executive officers, operating officers, and audit officers; approving transactions with related parties; and supervising the development and operation of the internal control systems.

Based on their fiduciary duties, the directors act to ensure the Company's sustainable growth and enhance its corporate value over

the medium to long term, taking into consideration the relationships with all stakeholders. Directors are also expected to understand relevant laws and regulations and the Company's articles of incorporation and to gather information in a manner that is sufficient to proactively offer opinions and engage in constructive discussions at meetings of the Board of Directors and other opportunities.

Independent outside directors advocate for the perspective of stakeholders in meetings of the Board of Directors by fulfilling the functions of overseeing management, offering advice, and monitoring against conflicts of interest from an independent standpoint.

**Provision of Information to Outside Directors**

Yamaha provides outside directors with information on agenda items for meetings of the Board of Directors and arranges annual forums for discussion on medium- to long-term business strategies.

At these forums, outside directors are offered introductions of the latest Yamaha products and technologies together with live demonstrations.

**Nominating Committee**

The Nominating Committee decides on the content of proposals regarding the appointment and dismissal of directors, which are submitted at the General Shareholders' Meeting. The committee also determines the content of proposals for the appointment and dismissal of executive officers, operating officers, and audit officers, which are submitted to the Board of Directors. The Nominating Committee also implements succession plans for the representative executive officer and other officers through the development of human resources to serve as directors, executive officers, operating officers, and audit officers.

**Compensation Committee**

The Compensation Committee has formulated the policy for determining director, executive officer, operating officer, and audit officer compensation and decides on individual compensation amounts based on this policy.

**Audit Committee**

The Audit Committee, either working in collaboration with the Internal Auditing Division or directly on its own, audits the structure and operation of the internal control systems of the Company and other Group companies. Based on the results of these audits, the Audit Committee conducts audits to determine the legality and appropriateness of the conduct of duties by the executive officers and directors.

When deemed necessary, members of the Audit Committee report or express their opinions to the Board of Directors, or may issue cease and desist orders to executive officers and/or directors. In addition, the Audit Committee may decide on proposals to be considered in the General Shareholders' Meeting, including the selection / dismissal of the accounting auditor.

**Securing the Effectiveness of the Audit Committee**

To assist the committee with its work, the Audit Committee's Office has been established as a full-time organization under the direct jurisdiction of the Audit Committee. The Audit Committee instructs the head of the Audit Committee's Office to attend important meetings to voice opinions, in addition to gathering and assessing information within the Company. To ensure the independence of the Audit Committee's Office from the executive officers and other people responsible for business execution, the approval of the Audit Committee is required for personnel evaluations, personnel reassignments, and disciplinary actions for personnel of the Audit Committee's Office.

When it deems necessary, the Audit Committee enlists the help of external experts to perform audits. The president and representative executive officer promotes continuous improvements in the maintenance and operation of internal control systems while periodically exchanging opinions with the Audit Committee.

**Collaboration between the Accounting Auditor and the Internal Auditing Division**

In regard to items necessary in auditing the conduct of duties by the executive officers and directors, the Audit Committee has secured a system that facilitates the implementation of sufficient and appropriate audits, including collaboration and sharing information with the accounting auditor and the Internal Auditing Division. The Audit

Committee works to improve audit quality and to realize efficient audits. The Audit Committee is allowed to provide instructions regarding audits of the Internal Auditing Division when necessary. In the event that instructions provided to the Internal Auditing Division by the Audit Committee conflict with instructions provided by the president and representative executive officer, the instructions of the Audit Committee will take precedence. In regard to the general manager reassignment of the Internal Auditing Division, the opinions of the Audit Committee will be heard in advance.

The Internal Auditing Division must report to the Audit Committee when asked, in addition to submitting periodic and timely reports on the outcomes of their audits to the Audit Committee.

**Audit Officers**

Audit officers are responsible for audits of Yamaha Group companies as members of the management team of positions equivalent to operating officers.

**Executive Function**

**Representative Executive Officer**

The representative executive officer represents the Company as the chief executive for Company matters and is in overall charge of business under the basic policies set by the Board of Directors.

**Executive Officers**

The executive officers are responsible for the execution of business. With a Companywide perspective, they make important decisions on matters related to the execution of business matters that have been delegated to them by the Board of Directors, and they implement business execution, subject to the oversight of the Board of Directors.

To develop frameworks for ensuring the efficient execution of business by executive officers, the Company establishes regulations on organizations, divisions of authority, and other business execution-related matters and clarifies the authority and responsibilities of executive officers, the appropriate delegation of authority, the missions of Company divisions and subsidiaries, and chains of command. These provisions are meant to expedite business execution and improve managerial efficiency. In addition, the Company has established the Managing Council as an advisory body to the president and representative executive officer.

Reports on discussions at council meetings pertaining to matters such as important business execution decisions are submitted to the president and representative executive officer. Furthermore, Groupwide targets are set, performance is evaluated, and an administrative management system has been implemented to facilitate swift management decisions and risk management.

**Managing Council**

Yamaha has established the Managing Council, which is composed of executive officers, as an advisory body to the president and representative executive officer. In principle, the Managing Council holds meetings twice a month to engage in debate on important management issues.

Corporate Committees

Corporate committees act as advisory bodies to the president and representative executive officer. These committees discuss policies regarding pertinent themes requiring ongoing action and examination from a Companywide and management-level perspective and report to the president on these matters. The Company's principal committees are the Risk Management Committee, the Sustainability Committee, the Brand Strategy Committee, and the Human Resources Development Committee.

For more information on corporate committees, please refer to the Company's corporate governance report. [https://www.yamaha.com/en/ir/management/governance/pdf/governance\\_report.pdf](https://www.yamaha.com/en/ir/management/governance/pdf/governance_report.pdf)

Operating Officers

With a Companywide perspective, the operating officers conduct the work they are responsible for under the supervision of the executive officers and in accordance with important decisions regarding business execution made by the Board of Directors and the executive officers.

Internal Control System, Internal Audits, and Accounting Audits

Internal Control System

In order to ensure appropriate business operations, the Company has established an internal control system, as detailed below, pursuant to Japan's Companies Act and the Enforcement Regulations of the Companies Act. This system aims to improve the efficiency of the Company's business activities, ensure reporting reliability and thorough compliance with laws and regulations, preserve the value of Company assets, and strengthen risk management.

For more information about the internal control system, please refer to the Company's corporate governance report. [https://www.yamaha.com/en/ir/management/governance/pdf/governance\\_report.pdf](https://www.yamaha.com/en/ir/management/governance/pdf/governance_report.pdf)

Internal Audits

Yamaha established the Internal Auditing Division (staffed by 23 people as of June 25, 2024) under the direct control of the president and representative executive officer. The division's role is to closely examine and evaluate management and operations systems, as well as operational execution, for all management activities undertaken by the Company and Group companies, from the standpoint of legality, effectiveness, and efficiency. Based on the results of these examinations and evaluations, the division provides information and offers advice and proposals for improvement. The Company appoints audit officers to oversee internal audits with the objective of improving internal auditing functions.

In addition, based on policies aimed at assuring the effectiveness of the audits of the Audit Committee, which are decided on by vote of the Board of Directors, the Internal Auditing Division has in place a structure for close collaboration with the Audit Committee. At the same time, the division keeps in close contact and conducts precise adjustments with the accounting auditor. In these ways, the Company works to increase audit efficiency.

Separate from the reports it submits to the Audit Committee, the Internal Auditing Division also submits reports on progress in relation

to priority themes directly to the Board of Directors twice a year. All internal audit reports are made available for viewing by directors via an online database.

Accounting Auditor

Yamaha has appointed Ernst & Young ShinNihon LLC as its accounting auditor, and certified public accountants Ryogo Ichikawa, Daisuke Tsunoda, and Shuji Okamoto from Ernst & Young ShinNihon conduct the accounting audits of the Company. Ernst & Young ShinNihon has voluntarily adopted a rotating system for its managing partners in order to ensure that the number of continuous years of auditing service does not exceed a fixed period of time. A total of nine certified public accountants and 45 other staff assist with the audit work.

Policy and Reasoning behind Selection of Accounting Auditor

The Company's Audit Committee has appointed Ernst & Young ShinNihon as its accounting auditor, as a result of its examination based on the following policy for deciding whether to dismiss or not reappoint the accounting auditor. Ernst & Young ShinNihon was originally appointed in fiscal 2021.

Policy for Deciding Whether to Dismiss or Not Reappoint the Accounting Auditor

The Company's Audit Committee will dismiss the accounting auditor by mutual consent of all members of the committee in the event that one of the items in Article 340 (1) of the Companies Act applies to the accounting auditor. The Audit Committee determines the content of proposals regarding the dismissal or non-reappointment of the accounting auditor submitted to the General Shareholders' Meeting in the event that it is deemed necessary to change the accounting auditor, for reasons such as the accounting auditor being impeded in performing its duties based on a comprehensive analysis of the accounting auditor's qualifications, specializations, independence from the Company, and other evaluation criteria.

Evaluation of Accounting Auditor by the Audit Committee

The Company's Audit Committee assesses the accounting auditor. The Audit Committee deliberates and conducts a comprehensive evaluation based on committee members' assessments of the accounting auditor's qualifications, specializations, independence from the Company, and other evaluation criteria, with due consideration paid to the state of direct communications between the Audit Committee and the accounting auditor, and reports by audited divisions about the audits conducted by the accounting auditor.

Process and Standards for Selecting Officers, etc.

Regarding the selection of candidates for director positions, the Nominating Committee screens candidates for director positions based on the basic qualifications desirable for the roles, in addition to personnel requirements, taking into account their competencies, experiences, and achievements. Another factor taken into account in the selection of candidates is the Company's skill matrix, which indicates the areas of specialty required to advance management strategies. The Nominating Committee also composes the nomination proposals submitted to the General Shareholders' Meeting.

Regarding the selection of members and heads of the Nominating, Audit, and Compensation committees, the Nominating Committee screens candidates based on personnel requirements defined by the role of the committee, and decides the content of nomination proposals submitted to the Board of Directors. The Nominating Committee elicits the opinions of the Audit Committee before selecting candidates for members and the head of the Audit Committee.

The Nominating Committee screens candidates for executive officer positions based on the basic qualifications desirable for the role, in addition to personnel requirements, taking into account their competencies, experiences, and achievements. The Nominating Committee also composes the nomination proposals submitted to the Board of Directors.

The Nominating Committee screens candidates for operating officer and audit officer positions based on personnel requirements defined by the role they are expected to perform. The Nominating Committee also composes the nomination proposals submitted to the Board of Directors. Input is solicited from the Audit Committee prior to nominating audit officers.

Succession Plans for Representative Executive Officer and Other Officers

After defining systems and personnel requirements, the Nominating Committee follows a personnel selection, evaluation, and development process for determining successor candidates.

The implementation of the succession plans for the president and other members of management is overseen by the Board of Directors.

From an early stage, Yamaha ensures there is adequate time and opportunities to carry out succession plans, by having the Nominating Committee advise on the screening of successor candidates and conduct interviews for the appointment of candidates. Meanwhile, at a preliminary stage, the Human Resources Development Committee

maintains career development programs for core personnel and sets up venues for candidates to present their ideas to the Board of Directors and other entities.

Compensation System

The compensation of directors, excluding outside directors, and compensation of executive officers consists of (1) fixed compensation, (2) performance-linked bonuses, and (3) restricted stock compensation. The approximate breakdown of total compensation of (1), (2), and (3) is 5:3:2.

(1) Fixed compensation is monetary compensation according to job titles and is paid monthly.

(2) Performance-linked bonuses are monetary compensation paid according to job titles that is linked with consolidated profit for the period and ROE for the given fiscal year and will be calculated, reflecting the individual's record of performance, in order to motivate individuals to contribute to enhancement of the Company's performance. These bonuses are paid after the completion of the applicable fiscal year. The individual's performance will be evaluated based on indicators of performance set by business and function in each area the individual is responsible for.

(3) Restricted stock compensation is share-based compensation according to job titles provided with the intent of motivating directors and executive officers to enhance corporate value sustainably, having them share a common interest with shareholders, and encouraging them to work toward the accomplishment of medium-term performance targets. In fiscal 2023, the first year of the Make Waves 2.0 medium-term management plan, three years' worth of restricted stock compensation was allocated in a single lump-sum amount.

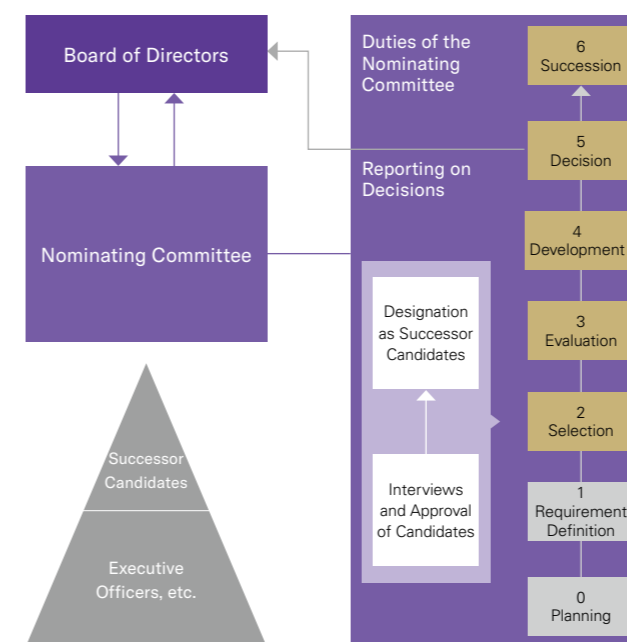
One-third of restricted stock compensation is paid under the condition that an individual remains in the service of the Company for a certain period and two-thirds of restricted stock compensation is linked to the Company's performance. Evaluation indicators for restricted stock compensation include the financial and non-financial targets defined by the medium-term management plan as well as a corporate value target established for total shareholder return, and the actual number of shares to be awarded shall be determined based on the degree of accomplishment of these targets. After the number of shares to be awarded has been decided, the lump-sum amount allocated in fiscal 2023 will be adjusted accordingly.

The ratio of influence of financial targets, non-financial targets, and corporate value targets on stock compensation is 5:3:2. For the purpose of aligning the interests of the corporate officers with those of the shareholders over a long period after the end of the medium-term management plan, restrictions on the transfer of stock cannot be lifted until the corporate officer retires or for 30 years from the receipt of restricted stock compensation.

Furthermore, in the event of serious cases of accounting fraud or major losses during this period, depending on the responsibility of the officers in charge, a claw-back clause is included that will require the return of all or a portion of restricted shares transferred to officers on an accumulated basis to date.

(4) Outside directors only receive fixed compensation.

Role of the Nominating Committee



Breakdown of Compensation (Fiscal 2024)

Classification	Total Compensation (Millions of yen)	Compensation by Type (Millions of yen)			Number of People
		Fixed compensation	Performance-linked bonuses	Compensation in the form of restricted stock	
Directors (Including outside directors)	93	93	—	—	7
Executive officers	401	197	70	134	5

Notes: 1. The above numbers include one director who retired at the conclusion of the 199th Ordinary General Shareholders' Meeting held on June 23, 2023.  
 2. The total amount of compensation, etc., paid to the executive officers concurrently serving as directors is described in the section for executive officers.  
 3. In fiscal 2023, the first year of the Make Waves 2.0 medium-term management plan, three years' worth of restricted stock compensation was allocated in a single lump-sum amount calculated on a pro rata basis over the three-year period of the medium-term management plan. The final amount of compensation paid will be adjusted based on the degree of accomplishment of targets for evaluation indicators (see table below) in fiscal 2025.

Results in Relation to Evaluation Indicators

Compensation/Target Category		Indicators/Targets	Fiscal 2024 Results
Performance-linked bonuses		Targets for indicators listed below set for the given fiscal year • Consolidated profit for the period • ROE	• Consolidated profit for the period: ¥29,642 million • ROE: 6.1%
Restricted stock compensation	Financial	Fiscal 2025 targets of the Make Waves 2.0 medium-term management plan • Revenue growth: 20% • Core operating profit ratio: 14% • ROE: 10% or more • ROIC: 10% or more	• Revenue growth: 13.4% • Core operating profit ratio: 7.3% • ROE: 6.1% • ROIC: 5.5%
	Non-financial	For more information, please refer to page 25.	
	Corporate value	Total shareholder return* * Growth rate of TOPIX (including dividends) used as benchmark	Yamaha's total shareholder return ÷ Growth rate of TOPIX (including dividends) = 0.41

Performance-Linked Bonuses

Consolidated profit for the period and ROE for the current fiscal year, which are indicators used for performance-linked bonuses, were ¥29,642 million and 6.1%, respectively.

Restricted Stock Compensation

The period for restricted stock compensation has been defined as the three-year period from fiscal 2023 to fiscal 2025, the same period as the Make Waves 2.0 medium-term management plan, and targets have been set for this period. The number of shares for which transfer restrictions are to be lifted will be decided in fiscal 2025 based on the degree of accomplishment of the respective targets, and the lump-sum amount of three years' worth of restricted stock compensation allocated in fiscal 2023 will be adjusted accordingly.

Evaluation indicators include financial, sustainability and other non-financial indicators, and corporate value indicators, and targets have been set for these indicators. The non-financial targets are meant to heighten motivation for achieving ongoing improvements in social value whereas the corporate value targets were introduced for the purpose of encouraging officers to better share the perspective of shareholders.

Financial and non-financial targets have been set for the indicators put forth by the medium-term management plan while a corporate value target has been established for total shareholder return.

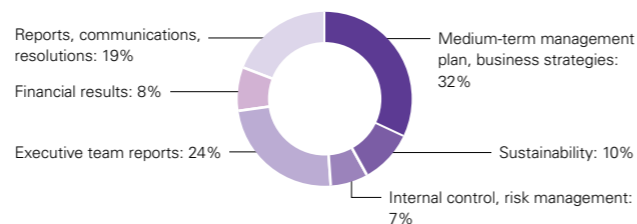
The ratio of influence of financial targets, non-financial targets, and corporate value targets on stock compensation is 5:3:2.

Major Initiatives in Fiscal 2024

Major Topics of Discussion by the Board of Directors

- Growth strategies for new and existing business areas
- Key strategies of the medium-term management plan
- Strategies for investing in and utilizing intangible assets
- Sustainability initiatives, etc.

Breakdown of Discussion Time at Meetings of the Board of Directors



Major Activities of the Nominating Committee

- Implementation of succession plans for the representative executive officer and other officers
- Decision on executive team for given fiscal year, etc.
- Revision of officer personnel requirements, etc.

Major Activities of the Compensation Committee

- Decision of individual compensation amounts, etc.
- Revision of evaluation indicators and targets for restricted stock compensation, etc.

Major Activities of the Audit Committee

- Interviews of and exchanges of opinions with the representative executive officer
- Interviews of executive officers and certain operating officers
- Receipt of reports from the Audit Committee's Office, the Internal Auditing Division, accounting departments, etc.
- Receipt of reports from and sharing of opinions with the accounting auditor

- Assessment and evaluation of appropriateness of reappointment of the accounting auditor



Visit to Yamaha Fine Technologies Co., Ltd. by Audit Committee

For more information on the activities of the Board of Directors and the Nominating Committee, please refer to "Discussion between Outside Directors" on pages 79-81.

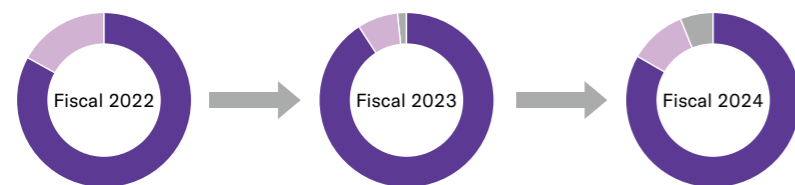
Analyzing and Evaluating the Effectiveness of the Board of Directors

The Company seeks to improve the functionality of the Board of Directors by analyzing and evaluating its effectiveness and receiving assessments from external experts with regard to efforts to improve the issues identified through this process.

Issues Identified in Evaluation of Effectiveness and Improvement Initiatives

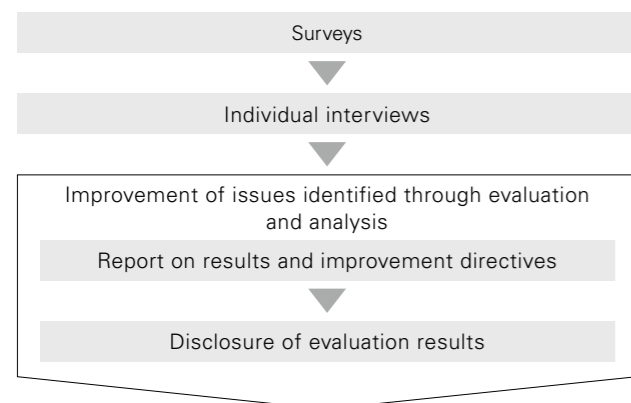
Area	Fiscal 2024		Future Tasks	Fiscal 2025 Direction for Initiatives
	Issue	Response		
Discussions	<ul style="list-style-type: none"> <li>• More substantive and frequent discussions on growth strategies</li> <li>• Acceleration of strategies and measures</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in quantity and substance of discussions on growth strategies</li> </ul>	<ul style="list-style-type: none"> <li>• More substantive and robust discussions on growth strategies</li> <li>• Acceleration of strategies and measures (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion on business strategies, business portfolio, and priority growth fields to be incorporated into next medium-term management plan</li> <li>• Clarification of responsibilities and timetables for measures for enhancing awareness among management</li> <li>• Submission of three annual progress reports regarding areas identified as requiring improvement to the Board of Directors</li> </ul>
Proceedings	<ul style="list-style-type: none"> <li>• Stimulation of brisk discussions among directors (ongoing)</li> <li>• Clarification of issues and key points in briefing materials (ongoing)</li> <li>• Enhancement of information provided on market and demand trends and market share</li> </ul>	<ul style="list-style-type: none"> <li>• Invigoration of two-way communication and securing of sufficient time for discussion</li> <li>• Clarification of issues and focuses to be discussed</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of discussion-style deliberations and flexible agenda planning</li> <li>• Clarification of goals, issues, and key points in briefing materials (ongoing)</li> <li>• Provision of opportunities to visit sales and production sites to better understand operations</li> <li>• Improvement of receptiveness toward operating environment changes</li> </ul>	<ul style="list-style-type: none"> <li>• Invigoration of two-way communication, securing of sufficient time for discussion, and revision of agenda based on importance</li> <li>• Clarification of issues and key points to be discussed and development of standardized format for materials</li> <li>• Organization of tours of new base in Minatomirai area of Yokohama and employee exchange events</li> <li>• Timely reporting of industry, market, and competition trends</li> </ul>
Succession	<ul style="list-style-type: none"> <li>• Oversight of succession plans for representative executive officer and other officers by the Board of Directors (ongoing)</li> <li>• Sharing of information on discussion processes of the Nominating Committee with non-member outside directors (ongoing)</li> <li>• Exchanges between internal officer candidates (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting from the Nominating Committee to the Board of Directors</li> <li>• Arrangement of discussions between outside directors and diverse staff members (future managers, junior employees, non-Japanese employees, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing of process for determining successor to president and future outside director candidates</li> </ul>	<ul style="list-style-type: none"> <li>• Examination of how to share succession processes by the Nominating Committee</li> </ul>
Structure	<ul style="list-style-type: none"> <li>• Separation of roles of the chairman of the Board of Directors and the president (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Separation of positions of the Board of Directors and the president</li> <li>• Appointment of outside directors as chairs of all three voluntary committees</li> </ul>	<ul style="list-style-type: none"> <li>• Dispatch of employees to serve as outside directors at companies where Yamaha's outside directors are employed</li> </ul>	<ul style="list-style-type: none"> <li>• Examination of need to dispatch employees to serve as outside directors at companies where Yamaha's outside directors are employed by the Nominating Committee</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Strengthening of responsiveness to materialization of risks</li> </ul>	<ul style="list-style-type: none"> <li>• Prompt reporting of negative news</li> </ul>		

Results of Evaluation of Effectiveness of the Board of Directors (Surveys)



	Fiscal 2022	Fiscal 2023	Fiscal 2024
■ Items receiving positive evaluation in more than 75% of responses	54	60	55
■ Items receiving positive evaluation in between 51% and 74% of responses	11	5	7
■ Items receiving positive evaluation in less than 50% of responses	0	1	4

Evaluation Process



Summary of the Evaluation

- Highly robust governance systems have been put in place as a Company with Three Committees (Nominating, Audit, and Compensation) through consistent yearly improvements.
- The Board of Directors features a membership of directors with diverse viewpoints and experience, and the scale of membership and the number of outside directors is appropriate.
- Sincere and constructive discussions are being held with regard to major management issues.
- For further improvement, management issues were raised regarding discussions on long-term growth strategies, the speed of operational execution, and the clarity of briefing materials.

Basic Cross-Holdings Policy

It is Yamaha's basic policy to have cross-holdings only to the extent that this is reasonable because it contributes to the Company's sustainable growth and the enhancement of corporate value over the medium to long term. Reasonableness, from the standpoint of contributing to the Company's sustainable growth and long-term improvements in corporate value, is defined as cross-holdings that help maintain relationships with important partner companies, suppliers, and financial institutions, as well as those that enhance the Company's brand value, support sustainable growth, and reinforce its financial foundation.

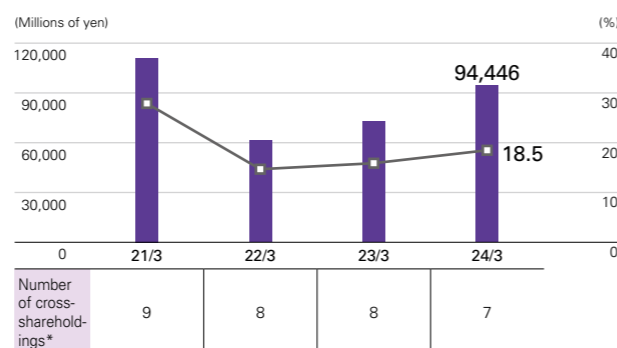
With regard to the reasonableness of individual cross-holdings, the Board of Directors regularly and continuously verifies whether the purposes for such holdings are appropriate and whether the benefits accruing from these holdings and the risks associated with them cover the cost of capital, and based on the results of those verifications the Board works to reduce cross-holdings.

In exercising the voting rights associated with cross-holdings, the decision of how to vote is made comprehensively from the standpoint of whether the resolution enhances the corporate value of the company in question over the medium to long term, whether it is in accordance with our basic policy concerning cross-holdings, and whether it leads to the enhancement of our corporate value over the medium to long term.

Status of Shareholdings

For specified equity securities, all shareholdings as of March 31, 2024, are presented in the table below.

Book Value of Shareholdings and Percentage of Total Assets



■ Book value of shareholdings — Percentage of total assets  
 \* Holdings of listed shares (excluding holdings held for the purpose of collecting on matters such as methods of providing information to shareholders)  
 Note: The Company is continuously reducing its cross-shareholdings. However, the book value of shareholdings and percentage of total assets rose in fiscal 2024 due to increases in the prices of shares held by the Company.

Initiatives to Engage in Dialogue with Shareholders and Investors

In order to have constructive dialogue with shareholders and investors, the Board of Directors appoints a director in charge of these initiatives. If necessary, due to a request for dialogue from a shareholder or investor, the director in charge, other internal and outside directors, executive officers, or operating officers will appear in person to explain matters such as the capital policy, the medium-term management plan, and related progress to shareholders or investors in a clear and easy-to-understand manner.

The Legal Division, IR Department, and Corporate Finance Division cooperate and assist the director in charge to ensure that dialogue with shareholders and investors is conducted in a reasonable and orderly manner.

In addition to the respective dialogue with shareholders and investors, the Company gives presentations on its medium-term management plan and quarterly earnings, as well as business briefings, facilities tours, and presentations for private investors. Presentation materials for business plans, results briefings, and others are always available on our corporate website. The results of dialogues with shareholders and investors are reported to the Board of Directors by the director in charge, executive officers, or operating officers on a timely basis, and they are appropriately reflected in the management of the Company, leading to the Group's sustainable growth and enhancing corporate value over the medium to long term. Additionally, the voting is analyzed for each resolution at the Ordinary General Shareholders' Meeting, and this is reported to the Board of Directors.

Regarding measures to control insider information, pursuant to the Company's Disclosure Policy, due consideration is given to controlling insider information, and we endeavor to disclose information in a fair, prompt, and timely manner. When meeting with shareholders and investors, information is provided after verifying that the information provided does not constitute insider information. The time between the day after the end of each quarter and the date of the earnings release is a quiet period during which we refrain from discussing earnings information.

Major IR Activities

For more information on major IR activities in fiscal 2024, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/governance/dialogue/>

General Shareholders' Meetings

Yamaha endeavors to establish an environment that ensures that there is adequate time for shareholders to exercise their voting rights at a General Shareholders' Meeting, so that they can properly exercise their voting rights. In addition to sending the notice for the Ordinary General Shareholders' Meetings at least three weeks in advance of the meeting date, we create an environment in which every shareholder can properly exercise their voting rights by disclosing the content of the notice on our corporate website in both Japanese and English as soon as possible, holding the Ordinary General Shareholders' Meeting on a date that avoids the concentration of shareholders' meetings, and ensuring that it is convenient to exercise voting rights by using an electronic proxy voting platform.

Risk Management

Basic Policies

The Yamaha Group is working to establish and enhance risk management systems and frameworks to improve its capability to respond to risks and to implement sound, highly transparent management.

Under the supervision of the Board of Directors, Yamaha Corporation has established the Risk Management Committee as an advisory body to the president. The committee discusses risk management-related matters from a Companywide perspective and reports the results of these discussions to the president. In addition, the Working Group for BCP and Disaster Prevention Management, Working Group for Financial Management, Working Group for Compliance, Working Group for Export Control, and Working Group for Information Security have been established under the Risk Management Committee. These working groups set activity policies and monitor activities related to important Companywide themes. In the case of the materialization of a serious risk with the potential to have a Companywide impact during the course of business activities, a risk response headquarters led by the president will be set up to address the risk.

For more information on risk management policies and systems and the Risk Management Committee, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/governance/risk-management/>

Risk Management Initiatives

The Risk Management Committee categorizes the various risks identified in relation to the Yamaha Group's business into four categories: external environment risk, strategic risk, operational risk (business activities), and operational risk (support activities). The materiality of risks is assessed based on the projected scale of damages and frequency of materialization. In addition, the level of control is evaluated

for each risk category, material risks requiring priority response are identified, and the divisions responsible for managing these risks are designated in order to promote risk mitigation activities and thereby improve overall risk control levels.

Material risks with the potential to have a serious impact on the Group's performance or other factors are detailed in the diagram below. These risks are reviewed on an annual basis.

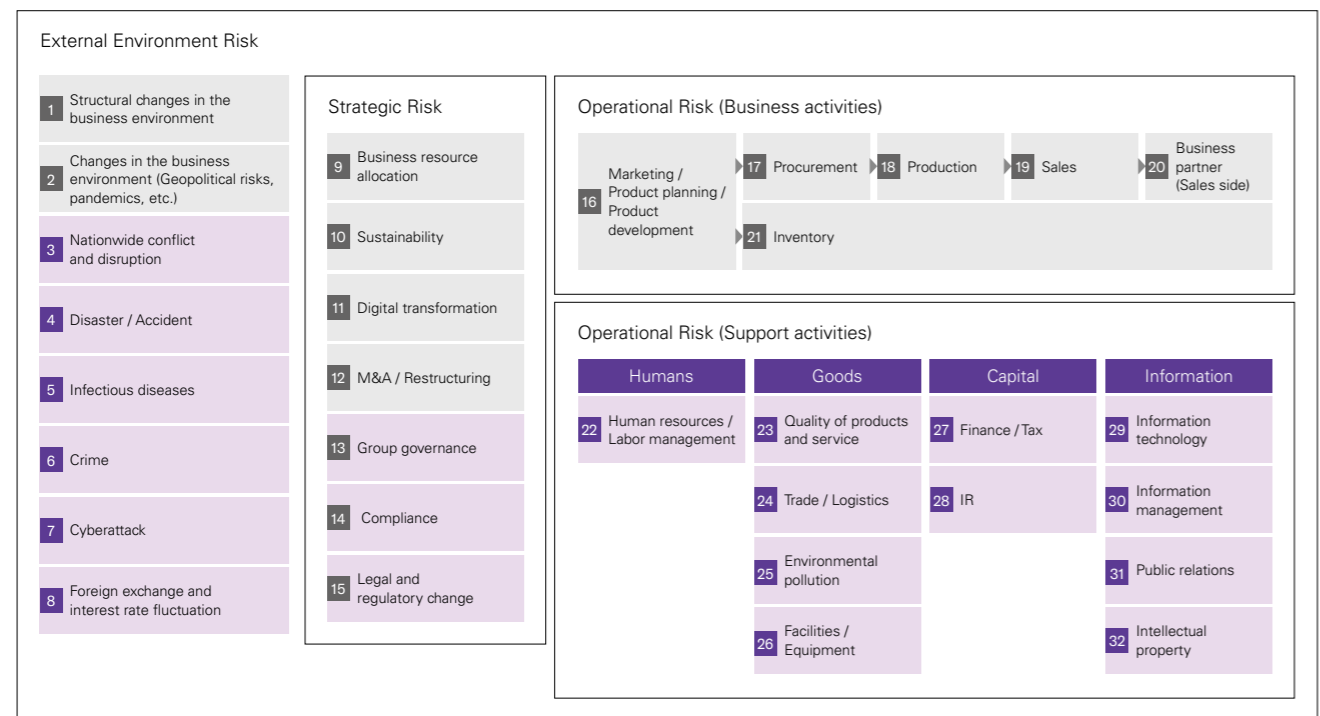
For more information on risks, please refer to Japanese-language versions of the Company's securities reports.  
<https://www.yamaha.com/ja/ir/library/flash-report/>

Information Security and Personal Information Protection Initiatives

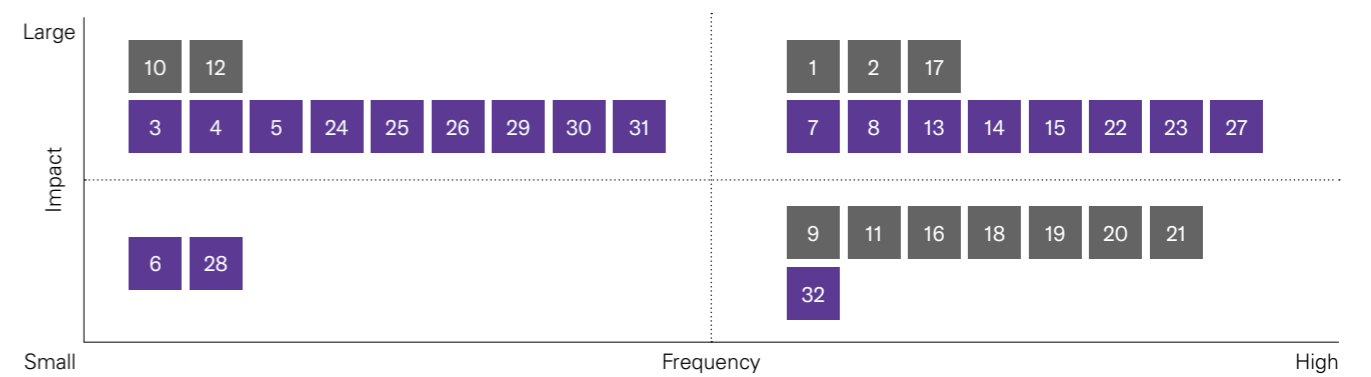
The Yamaha Group perceives information security and personal information protection as a critical aspect of management and is committed to appropriately managing and protecting all of the information assets in its possession and all of the personal and other information with which it is entrusted.

The Yamaha Group defines its basic IT and information management policies in the Group IT Policies & Rules and the Group Personal Information Protection Policies & Rules. Based on these policies and rules, we seek to improve our security management systems to better protect against virus infections or damage to data due to unauthorized access to our IT networks. To this end, we monitor the status of our management systems and endeavor to identify vulnerabilities on websites and provide guidance on addressing such issues as well as training for employees.

Categorization of Business Risks



Risk Map



Compliance

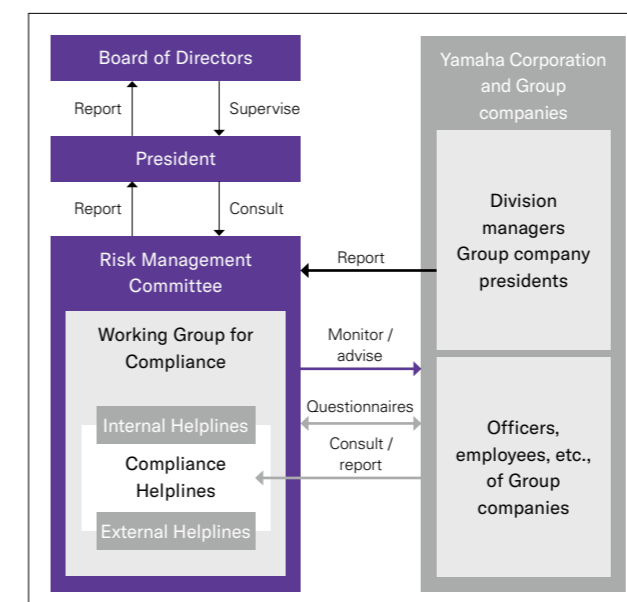
Compliance Promotion System and Compliance Code of Conduct

As a global organization, the Yamaha Group recognizes that compliance is among the most important management themes and a prerequisite for corporate activities. We practice compliance management with a focus on ensuring strong legal compliance, adherence to social norms, and a high level of corporate ethics. The Compliance Code of Conduct puts forth a code for guiding the actions of all members of the Yamaha Group as the foundation for compliance management. Since the establishment of the code, ongoing revisions have been implemented in reflection of changes in environmental and social conditions, and the code has been translated into multiple languages.

Compliance Management Frameworks and Promotion System

The Working Group for Compliance, an organization positioned under the Risk Management Committee, which is an advisory body to the president, is a central organization in the promotion of compliance. This working group discusses and decides on Groupwide compliance-related policies and measures. In addition, the working group is

Compliance Promotion System



responsible for monitoring the activities of divisions and Group companies to ensure legal compliance and ethicality.

Other measures for ensuring good compliance include internal education and training programs, and employee questionnaires. Meanwhile, we are enhancing the effectiveness of our reporting venues through the development of compliance helplines that are made available to all full-time, dispatch, and other Group employees.

For more information on the activities of the Working Group for Compliance, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/governance/compliance/>

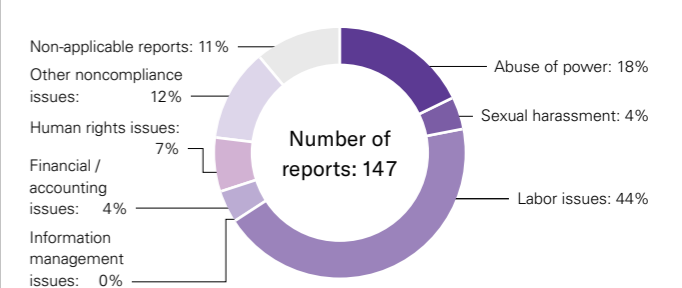
Compliance Helplines

The Yamaha Group has established compliance helplines for addressing compliance-related consultations and reports in Japan and overseas. These helplines can be used to receive support via the internet, telephone, email, or other methods. Objective investigations are conducted to confirm the validity of any reports or consultations indicating potential compliance violations, and response and disciplinary measures are decided based on the findings of these investigations.

Number of Reports Received through Compliance Helplines

	Japan*1	Overseas*2	Total
Fiscal 2020	66	-	66
Fiscal 2021	83	8	91
Fiscal 2022	87	32	119
Fiscal 2023	114	49	163
Fiscal 2024	109	38	147

Breakdown of Reports Received in Fiscal 2024



\*1 Figures represent the total number of reports received through the domestic and global compliance helplines established by Yamaha Corporation.  
 \*2 Figures represent the total number of reports received through the internal and external compliance helplines established by overseas Group companies.



# 11-YEAR SUMMARY

Yamaha Corporation and its consolidated subsidiaries

Millions of yen  
Millions of U.S. dollars\*1

As of and for the years ended March 31

	J-GAAP					IFRS							
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2019/3	2020/3	2021/3	2022/3*3	2023/3*4	2024/3	2024/3
<b>For the year:</b>													
Revenue (Net sales)	¥410,304	¥432,177	¥435,477	¥408,248	¥432,967	¥437,416	¥434,373	¥414,227	¥372,630	¥408,197	¥451,410	¥462,866	\$3,057.04
Cost of sales	262,310	270,357	262,406	242,451	258,465	255,291	255,367	245,967	229,720	253,460	280,270	291,784	1,927.11
Gross profit	147,994	161,820	173,070	165,796	174,501	182,124	179,005	168,259	142,909	154,736	171,139	171,081	1,129.92
Selling, general and administrative expenses	121,999	131,684	132,407	121,493	125,668	126,094	126,259	121,907	102,198	111,706	125,272	137,428	907.65
Core operating profit (Operating income)	25,994	30,135	40,663	44,302	48,833	56,030	52,745	46,352	40,711	43,029	45,867	33,653	222.26
Profit before income taxes (Income before income taxes and minority interests)	25,818	28,526	41,578	42,898	74,471	60,485	56,471	47,225	37,102	53,028	50,552	37,629	248.52
Profit for the period (Net income)*2	22,898	24,929	32,633	46,719	54,378	43,753	40,337	34,621	26,615	37,268	38,183	29,642	195.77
Capital expenditures	10,799	13,846	11,220	17,542	24,600	15,956	15,956	20,545	11,260	14,835	20,541	27,118	179.10
Depreciation expenses	12,759	12,597	12,681	11,145	10,777	10,835	10,614	11,156	11,387	12,123	13,094	13,839	91.40
R&D expenses	22,561	25,439	24,793	24,415	24,797	24,926	24,926	24,814	24,189	24,032	25,057	26,903	177.68
Cash flows from operating activities	33,213	31,729	42,399	39,142	47,498	30,234	35,520	57,162	58,225	36,016	(14,841)	43,836	289.52
Cash flows from investing activities	(22,950)	(11,700)	591	(9,663)	4,766	(23,092)	(23,101)	(21,067)	(5,785)	43,707	(21,563)	(15,903)	(105.03)
Free cash flow	10,263	20,029	42,991	29,478	52,264	7,142	12,419	36,095	52,440	79,723	(36,404)	27,933	184.49
Cash flows from financing activities	(4,745)	(5,909)	(30,349)	(12,588)	(35,584)	(28,479)	(33,993)	(36,422)	(20,602)	(44,426)	(35,287)	(37,263)	(246.11)
<b>At year-end:</b>													
Total assets	¥438,932	¥530,034	¥469,745	¥522,362	¥552,309	¥514,762	¥515,924	¥474,034	¥557,616	¥580,662	¥594,209	¥666,837	\$4,404.18
Total current assets	214,487	247,632	255,135	272,720	289,493	281,608	282,819	270,189	301,103	362,676	346,685	369,346	2,439.38
Total current liabilities	73,145	80,976	75,459	82,565	101,919	80,495	100,443	99,149	100,852	126,114	95,103	105,688	698.03
Interest-bearing debt	8,755	11,868	8,510	11,241	11,173	8,936	8,936	10,830	8,367	10,523	1,495	992	6.55
Total equity (Net assets)	274,843	348,752	303,889	367,437	388,345	382,771	359,007	326,450	396,949	416,867	457,944	511,810	3,380.29
												Yen	U.S. dollars*1
<b>Per share:</b>													
Profit for the period (Net income)	¥ 118.26	¥ 128.75	¥ 168.90	¥ 249.17	¥ 291.81	¥ 240.94	¥ 222.12	¥ 194.71	¥ 151.39	¥ 214.87	¥ 222.64	¥ 175.68	\$ 1.16
Equity attributable to owners of parent (Net assets)	1,403.12	1,787.42	1,601.55	1,948.01	2,125.51	2,124.83	1,992.57	1,850.81	2,252.34	2,423.37	2,680.32	3,075.72	20.31
Dividends	27.00	36.00	44.00	52.00	56.00	60.00	60.00	66.00	66.00	66.00	66.00	74.00	0.49
												%	
<b>Key indicators:</b>													
Core operating profit ratio (Operating income ratio)	6.3%	7.0%	9.3%	10.9%	11.3%	12.8%	12.1%	11.2%	10.9%	10.5%	10.2%	7.3%	
Return on equity (ROE)	9.2	8.1	10.1	14.0	14.5	11.4	11.1	10.1	7.4	9.2	8.8	6.1	
Return on invested capital (ROIC)	-	-	-	-	-	-	-	-	-	7.3	7.8	5.5	
Return on assets (ROA)	5.5	5.1	6.5	9.4	10.2	8.2	7.5	7.0	5.2	6.5	6.5	4.7	
Equity ratio attributable to owners of parent	61.9	65.3	64.2	69.9	70.0	74.1	69.4	68.6	71.0	71.6	76.9	76.6	
Debt to equity ratio (Times)	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.03	0.02	0.03	0.00	0.00	
Interest coverage (Times)	130.19	130.51	129.41	165.40	149.08	138.90	67.20	69.15	85.16	122.37	112.15	67.91	
Current ratio	293.2	305.8	338.1	330.3	284.0	349.8	281.6	272.5	298.6	287.6	364.5	349.5	
Dividend payout ratio	22.8	28.0	26.1	20.9	19.2	24.9	27.0	33.9	43.6	30.7	29.6	42.1	

Note: Figures prior to fiscal 2019 are based on J-GAAP standards. From fiscal 2019, the presentation method has been changed as a result of the adoption of partial revisions to accounting standards for tax benefit accounting. Accordingly, figures for fiscal 2018 have been retroactively changed to conform with this presentation method.

\*1 U.S. dollar amounts are translated from yen at the rate of ¥151.41 = U.S.\$1, the approximate rate prevailing on March 31, 2024.

\*2 Net income has been presented as net income attributable to owners of parent on the consolidated financial statements since fiscal 2016. Under IFRS, net income is displayed as profit for the period attributable to owners of parent.

\*3 Effective April 1, 2022, the Company changed its accounting policies in accordance with the Agenda Decisions by the IFRS Interpretations Committee issued in May 2021, Attributing Benefit to Periods of Service (IAS 19 Employee Benefits). Figures for major management indicators from fiscal 2022 have been restated to reflect this change. Cumulative impact prior to March 31, 2021, has been accounted for by adjusting equity on April 1, 2022.

\*4 Following the completion of allocation of acquisition expenses related to business combinations, the provisional accounting treatments applied in fiscal 2023 were finalized. Figures for major financial indicators for the fiscal 2023 have been restated accordingly.

# FINANCIAL REVIEW

## Fiscal 2024 Performance (IFRS)

### Analysis of Overall Performance in Fiscal 2024

Looking at the business environment in fiscal 2024, the global economy has been gradually recovering as people's lives return to normal following the threat level downgrade of COVID-19 instituted by the Japanese government. However, the outlook for Yamaha's operating environment remains uncertain due to such factors as the dissipation in demand associated with people staying at home during the pandemic, the stagnation of the Chinese economy, and the global trend of rising prices for energy, raw materials, and other commodities.

Under these conditions, the Yamaha Group has positioned the three-year period of its Make Waves 2.0 medium-term management plan as an opportunity to enhance its capacity for sustainable growth in the new society that emerged post-pandemic. We thereby aim to support the "Well-Being of People around the World." To this end, the Group has been implementing various measures under three policies—further strengthen the business foundation, set sustainability as a source of value, and enable Yamaha colleagues to be more valued, more engaged, and more committed.

### Further Strengthen the Business Foundation

In regard to the key theme of develop closer ties with customers, Yamaha decided to merge a wholesale subsidiary with a retail sales sub-subsidiary in Japan. This move consolidated distributors, directly owned stores, and music schools and is expected to help stimulate demand and communicate Yamaha's brand value. Overseas, the Company established Yamaha Music Philippines Inc. in the Philippines, a country whose rapidly growing population is familiar with Western music and where growth is expected. In the industrial machinery and components business, Toyota Motor Corporation has incorporated the Yamaha Group's automotive sound systems in its premier new Century model. This followed MITSUBISHI MOTORS CORPORATION's adoption of our automotive sound systems and is anticipated to help increase Yamaha's customer base in a new domain. In relation to the key theme of create new value, Yamaha singled out three types of musical experiences it provides as business areas to prepare for the launch of the Yamaha Music Connect service: music edutainment (learning), creative discovery (creation), and music connection (encounters). Based on these experiences, we are bringing about new ways to enjoy music and sound. As for the key theme of be more flexible and resilient, the Group decided to implement an absorption-type merger of a domestic production subsidiary. Through this move, we aim to redevelop our manufacturing platform in Japan and create a sustainable production structure able to drive global manufacturing by consolidating headquarters' strategic functions with production sites. Yamaha also set up a semiconductor procurement company in Malaysia to facilitate the stable supply of semiconductors. The Group is using the lessons learned from its experience with the heavy-impact supply chain disruptions to improve the resilience of its production apparatus so that it can quickly react to sudden changes in the operating environment.

### Set Sustainability as a Source of Value

In accordance with the key theme of build a value chain that supports the future of the earth and society, Yamaha promoted energy-saving initiatives such as the installation of additional solar power generation facilities and the tracking of electricity usage through the introduction of power monitoring systems at production sites. Furthermore, with respect to the evaluation of climate change-related information disclosure, the Yamaha Group was included on the 2023 Climate Change A List, organized by the international NPO CDP. We continue to gradually advance initiatives to reach carbon neutrality by 2050. In regard to the key theme of enhance brand power and competitiveness by contributing to comfortable lives, Yamaha provides the *Omotenashi Guide* powered by SoundUD intercom service, which allows easy communication with crewmembers in trains on the Tokaido Shinkansen line, and the *Omotenashi Guide* powered by SoundUD for Biz service has been introduced for voice announcements in all Tokyo Metro stations.

These accomplishments exemplify the Group's ability to contribute to the realization of comfortable lifestyles using its accumulated sound and music technologies. For the key theme of expand market through the promotion and development of music culture, Yamaha is progressing significantly faster than expected in its School Project initiatives, with 3 million people already benefiting from programs aiming to spread instrumental music education in emerging countries as of the second year, notably higher than the initial aggregate target of 2.3 million. In Japan, through the Japan Musical Instruments Association, the Group supported the activities of high school light music clubs in cooperation with schools and local music stores to further revitalize music culture among young people.

### Enable Yamaha Colleagues to Be More Valued, More Engaged, and More Committed

In terms of the key theme of increase job satisfaction, the Group has introduced a talent management system and enhanced mechanisms to encourage employees to autonomously plan their careers. Going forward, it will continue to further strengthen support for human resource development to help its people acquire essential skills. To enact the key theme of promote respect for human rights and DE&I, Yamaha has made progress in creating an environment in which a diverse workforce can thrive, including through enhanced support for the development of female leaders and the promotion of cross-border assignments. In addition, for the fifth consecutive year, the Group received the highest rating of gold in the PRIDE INDEX, an index that evaluates a company's initiatives to support sexual minorities. We remain committed to creating a corporate culture that capitalizes on the individuality of our diverse employees. As for the key theme of foster open organizational culture where people can proactively take on challenges, Yamaha is cultivating an organizational culture of mutual respect and psychological safety by proactively stimulating communication between organizations and creating various opportunities for communication.

### Revenue, Core Operating Profit, and Profit for the Period Attributable to Owners of Parent

Revenue increased ¥11,455 million, or 2.5%, year on year, to ¥462,866 million. This increase was due to the strong sales of audio equipment for B2B as well as the benefits of the yen depreciation, which counteracted the impacts of sluggish sales of musical instruments due to slow recovery in demand for digital pianos and the prolonged market slump in the Chinese market (GRAPH 1).

By region, revenue was down in China, which is suffering from a sluggish market, while revenue grew in North America and Europe but was relatively unchanged year on year in Japan and other regions (GRAPH 2).

Core operating profit was down ¥12,213 million, or 26.6%, year on year, to ¥33,653 million. By segment, core operating profit in the musical instruments segment was down ¥10,883 million, or 30.1%, to ¥25,317 million, despite an increase of ¥4,500 million attributable to favorable foreign exchange influences. In the audio equipment segment, core operating profit increased ¥2,943 million, or 84.9%, to ¥6,409 million, due in part to a boost of ¥1,200 million as a result of favorable foreign exchange influences. As for the others segment, despite the increase of ¥800 million associated with foreign exchange influences, core operating profit was down ¥4,273 million, or 68.9%, to ¥1,926 million (GRAPH 3). Factors behind the overall decrease included rising energy and procurement costs (¥3,500 million), higher selling, general and administrative (SG&A) expenses (¥3,900 million), one-time expenses (¥4,400 million), and lower sales and production and a worse model mix (¥9,500 million). These factors offset the benefits of the return to normal levels for ocean freight charges (¥7,000 million) and favorable foreign exchange influences (¥6,500 million) (GRAPH 4).

Profit for the period attributable to owners of parent decreased ¥8,541 million, or 22.4%, year on year, to ¥29,642 million.

GRAPH 1

	2023/3	2024/3
Revenue	451.4	462.9
Musical Instruments	302.7	305.2
Audio Equipment	107.6	121.1
Others	41.1	36.6

GRAPH 2

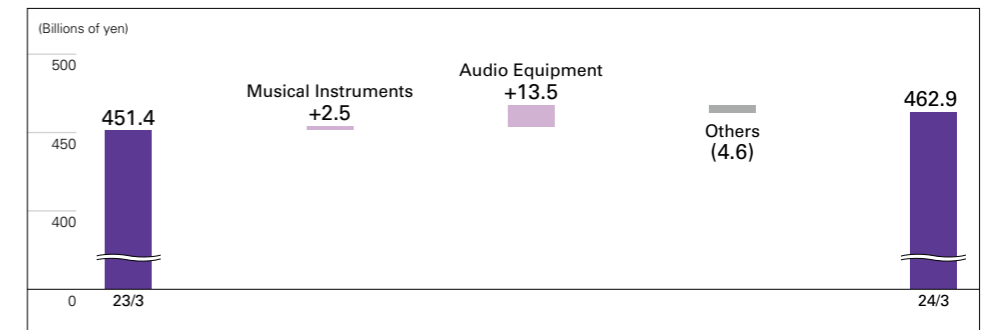
	2023/3	2024/3
Revenue	451.4	462.9
Japan	108.6	109.2
North America	114.2	122.0
Europe	82.8	93.9
China	62.5	54.8
Other regions	83.3	83.0

GRAPH 3

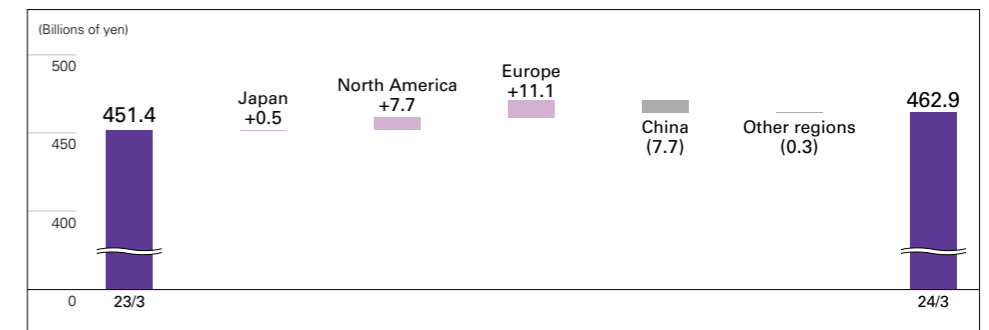
	2023/3	2024/3
Core Operating Profit	45.9	33.7
Musical Instruments	36.2	25.3
Audio Equipment	3.5	6.4
Others	6.2	1.9

GRAPH 4

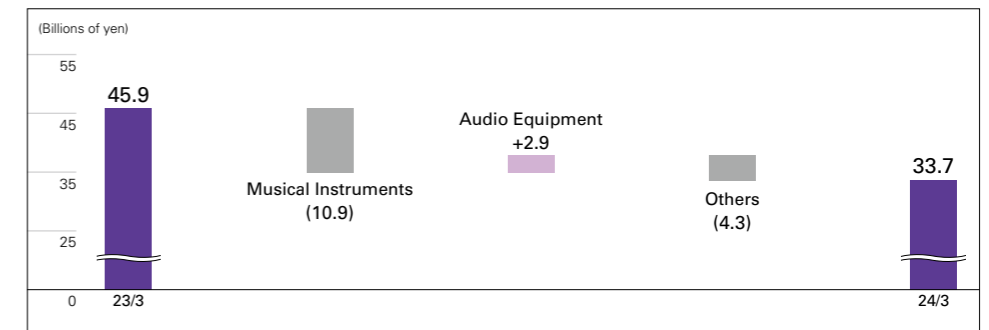
### Revenue (Change by Business Segment)



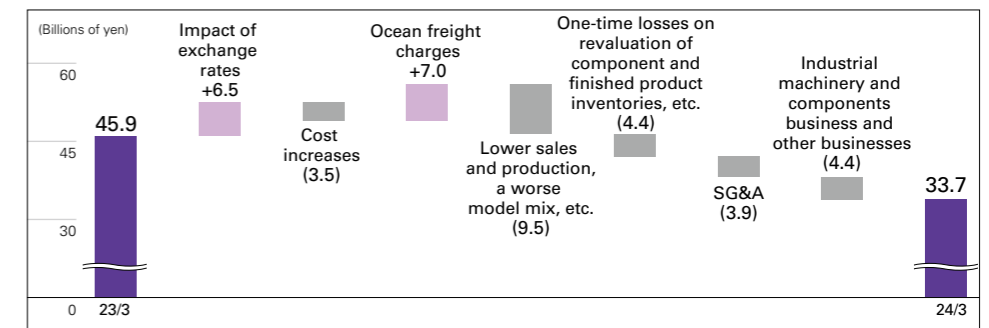
### Revenue (Change by Region)



### Core Operating Profit (Change by Business Segment)



### Core Operating Profit (Change by Factor)



# FINANCIAL REVIEW

## Results by Segment

### Musical Instruments

Revenue in the musical instruments segment increased ¥2,541 million, or 0.8%, year on year, to ¥305,195 million, due to the benefits of favorable foreign exchange influences, which outweighed the impacts of slow growth in musical instrument sales due to sluggish recovery in demand for digital pianos and prolonged market stagnation in China.

By product, sales of pianos were down due to the impacts of a substantial deterioration in conditions in the mainstay market of China. Sales of digital musical instruments decreased following declines in demand for digital pianos and low shipment levels due to the large inventories at stores. Ongoing growth was seen in sales of wind, string, and percussion instruments as a result of the consistently firm demand seen around the world amid the dissipation of the impacts of the COVID-19 pandemic as well as the government financial support provided to elementary and junior high schools in the United States. Meanwhile, a massive increase was seen in sales of guitars following impressive sales of electric guitars as well as the addition of the newly acquired Cordoba Music Group, LLC.

By region, sales in Japan were up. Domestic sales of digital musical instruments were down following declines in demand for digital pianos. Nevertheless, overall sales in Japan increased due to strong demand for pianos and wind instruments as well as growth in sales of guitars stimulated by a popular anime series. In North America, sales of pianos and digital musical instruments decreased due to slow progress in depleting inventories, while overall sales increased as a result of efforts to promote sales of wind, string, and percussion instruments, the inclusion of guitar sales from the newly acquired Cordoba Music Group, and beneficial foreign exchange influences. Europe faced an increasingly competitive market amid slow declines in store inventories. Nonetheless, Yamaha was able to achieve sales growth in this region as a result of the successes of new product

launches and campaigns for stimulating demand as well as favorable foreign exchange rates. In China, sales were down due to faltering sales of mainstay acoustic pianos amid rapid economic slowdown and poor consumer confidence attributable to losses of jobs among young people and the deterioration of the real estate market. In other regions, sales increased overall because of increases in sales in rapidly growing India as well as Latin American, ASEAN, Middle Eastern, and other emerging countries.

### Audio Equipment

Revenue in the audio equipment segment rose ¥13,467 million, or 12.5%, year on year, to ¥121,108 million, as a result of robust demand for corporate customers due to the recovery of live event, concert, and other entertainment markets.

By product, sales of consumer products were down due to lower demand for home audio products and music production equipment. Meanwhile, sales of B2B products increased as a result of strong sales of digital mixers and other event-use equipment amid brisk conditions in live event, concert, and other entertainment markets.

### Others (Industrial Machinery and Components Business, etc.)

Revenue in the others segment decreased ¥4,553 million, or 11.1%, year on year, to ¥36,562 million.

In the industrial machinery and components business, sales of electronic devices rose following increased use of Yamaha brand automotive sound systems among Japanese automobile manufacturers. Sales of automobile interior wood components and FA equipment were down due to reduced production by customers and postponements and reductions in investment projects. Sales in the golf business showed a massive decrease as a result of the dissipation of the special demand trend in South Korea.

## Analysis of Financial Position

Total assets on March 31, 2024, amounted to ¥666,837 million, an increase of ¥72,628 million, or 12.2%, from ¥594,209 million at the end of the previous fiscal year (GRAPH 5). Current assets increased ¥22,660 million, or 6.5%, from the end of the previous fiscal year, to ¥369,346 million, and non-current assets increased ¥49,967 million, or 20.2%, to ¥297,491 million. In current assets, trade and other receivables as well as inventories increased due to foreign exchange influences and other factors. In non-current assets, financial assets increased due to a rise in market value of securities held by the Company and property, plant and equipment grew following capital investment.

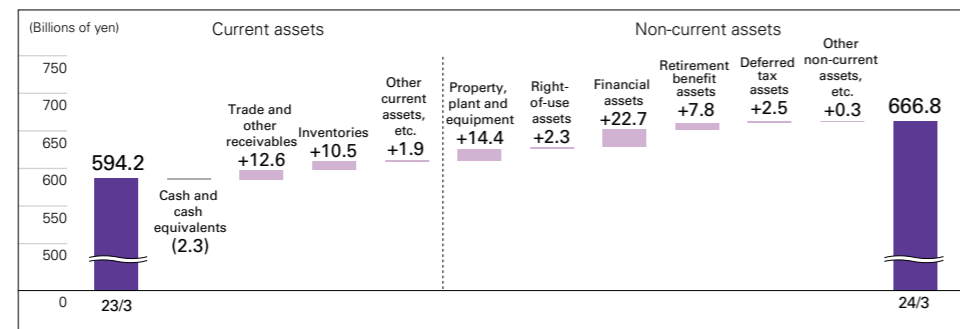
Total liabilities on March 31, 2024, were ¥155,027 million, an increase of ¥18,761 million, or 13.8%, from ¥136,265 million at the end of the previous fiscal year. Current liabilities increased ¥10,585 million, or 11.1%, from the end of the previous fiscal year, to ¥105,688

million, and non-current liabilities increased ¥8,176 million, or 19.9%, to ¥49,338 million. In current liabilities, trade and other payables were up due to an increase in amount payables and the impacts of foreign exchange influences. In non-current liabilities, deferred tax liabilities increased following changes in the market value of securities held by the Company.

Total equity on March 31, 2024, was ¥511,810 million, an increase of ¥53,866 million, or 11.8%, from ¥457,944 million at the end of the previous fiscal year (GRAPH 6). The overall increase was due to an increase in retained earnings resulted from the recording of profit for the period along with an increase in other components of equity attributable to foreign exchange influences and a net increase in the market value of securities held by the Company. This increase was seen despite the issuance of shareholder returns through the purchase of treasury shares and dividend payments.

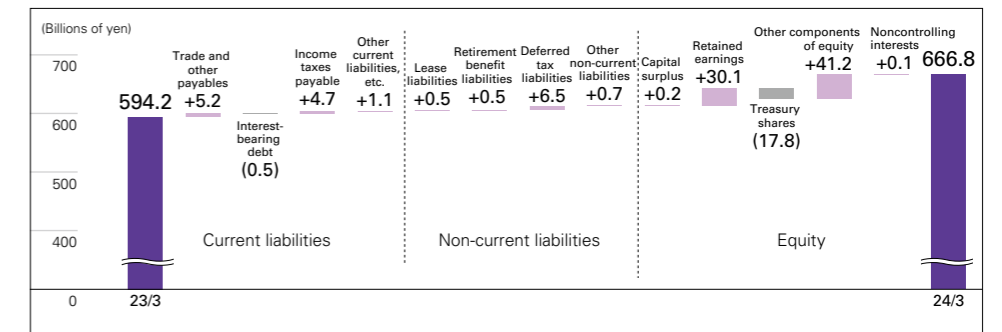
GRAPH 5

### Total Assets



GRAPH 6

### Total Liabilities and Equity



## Analysis of Cash Flows

A net decrease of ¥2,299 million was seen in cash and cash equivalents at the end of the fiscal year, compared with a net decrease of ¥68,608 million a year earlier. As a result, cash and cash equivalents at end of period came to ¥101,587 million (GRAPH 7).

Cash flows from operating activities amounted to ¥43,836 million in fiscal 2024 primarily due to the recording of profit before income taxes. For comparison, cash flows from operating activities in fiscal 2023 was ¥14,841 million. The previous fiscal year's outcome was mainly due to the increase in inventories and payment of income taxes on the sale of investment securities conducted in fiscal 2022, which outweighed the profit before income taxes recorded in fiscal 2023.

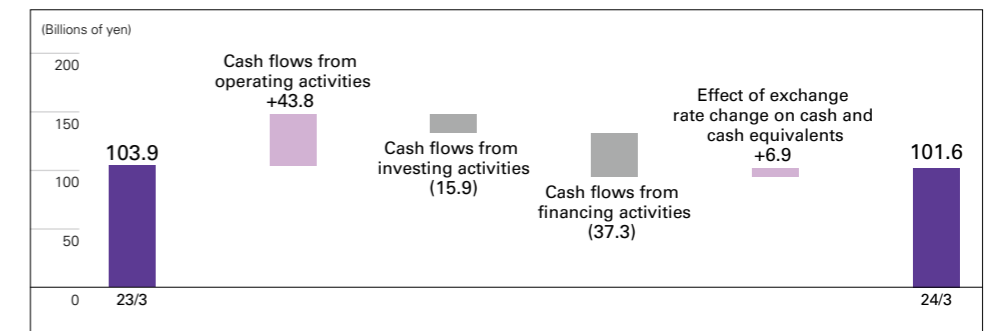
Cash flows from investing activities was ¥15,903 million in fiscal 2024. This outcome was primarily due to the purchase of property,

plant and equipment, including the construction of YOKOHAMA SYMPHOSTAGE® (Yokohama City, Kanagawa Prefecture) and the new headquarters building (Hamamatsu City, Shizuoka Prefecture), factors that offset a cash inflow from the sale of investment securities. For comparison, cash flows from investing activities in fiscal 2023 was ¥21,563 million, which was primarily a result of the purchase of property, plant and equipment.

Cash flows from financing activities totaled ¥37,263 million in fiscal 2024. This outcome was mainly attributable to the purchase of treasury shares and cash dividends paid. For comparison, cash flows from financing activities in fiscal 2023 came to ¥35,287 million, primarily due to the repayment of short-term borrowings associated with the expansion of intra-Group financing, cash dividends paid, and purchase of treasury shares.

GRAPH 7

### Cash Flows

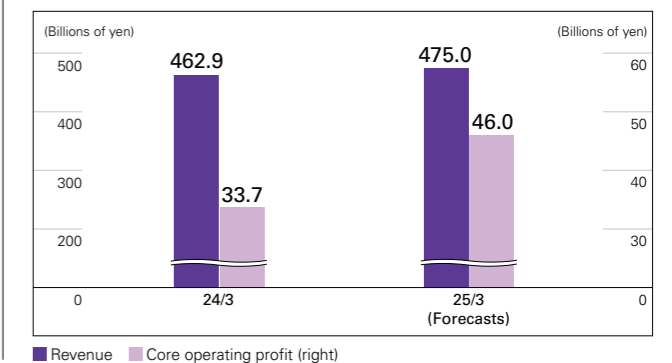


## Forecasts for Fiscal 2025

Amid continued uncertainty in the market, and considering the market slump in China, the Company expects revenue to remain flat year on year in fiscal 2025. Meanwhile, profit is anticipated to grow as a result of the improved model mix and the cost reduction benefits of business restructuring (GRAPH 8). The dividend forecast has been revised following the announcement of a stock split on July 31, 2024, and the new forecast is ¥76 per share.

GRAPH 8

### Fiscal 2025 Revenue and Core Operating Profit Forecasts (Announced July 31, 2024)



# ESG DATA SUMMARY

Yamaha Group Environmental Data							
Indicator	Details	Units	2020/3	2021/3	2022/3	2023/3	2024/3
Scope 1 greenhouse gas emissions		10,000 tons-CO <sub>2</sub>	2.3	2.2	2.4	2.2	2.0
Scope 2 greenhouse gas emissions (market-based standard)		10,000 tons-CO <sub>2</sub>	12.8	11.9	13.1	12.8	10.6
Scope 1 + Scope 2 greenhouse gas emissions (market-based standard)	Total	10,000 tons-CO <sub>2</sub>	15.1	14.1	15.5	15.1	12.6
	Percentage of reduction compared to the base year*1	%	4.4	10.8	1.9	4.4	20.2
Greenhouse gas emissions intensity (total Scope 1 and Scope 2 emissions per ¥10 billion of revenue) (market-based standard)		10,000 tons-CO <sub>2</sub>	0.36	0.38	0.38	0.33	0.27
Scope 3 greenhouse gas emissions	Total	10,000 tons-CO <sub>2</sub>	114.6	89.6	91.2	103.1	78.9
	Percentage of reduction compared to the base year*2	%	-2.1	20.2	18.8	8.2	29.7
Logistics-related CO <sub>2</sub> emissions volume*3		Tons-CO <sub>2</sub>	119,108	107,852	117,630	100,138	58,421
Water withdrawals		10,000 m <sup>3</sup>	180	171	182	200	209
Water consumption		10,000 m <sup>3</sup>	34	40	40	75	85
Water recycling rate		%	6.1	4.7	5.2	4.8	5.2
Timber procurement volume		1,000 m <sup>3</sup>	84.0	75.0	96.8	84.5	61.1
Waste generated		1,000 tons	10.8	10.5	12.2	14.6	13.3
Hazardous waste generated*4		1,000 tons	—	1.6	1.7	5.9	2.9
Yamaha Eco-Products Program*5	Number of qualified products	—	46	29	14	16	11
	Number of Yamaha Eco-Label products	—	58	70	5	16	11

Yamaha Group Social Data							
Indicator	Details	Units	2020/3	2021/3	2022/3	2023/3	2024/3
Total number of employees (including temporary employees)		Persons	28,267	28,665	28,758	28,252	26,515
Turnover rate for period up to three years after hiring (non-consolidated)		%	8.2	1.7	3.0	2.8	1.6
Years of continuous employment by gender (non-consolidated)	Male / National average*6	Years	19.2/13.8	19.4/13.4	19.7/13.7	19.7/13.7	19.5/13.8
	Female / National average*6	Years	19.5/9.8	19.4/9.3	19.5/9.7	18.8/9.8	18.2/9.9
Total training hours (non-consolidated)		Hours	49,224	50,169	90,782	100,674	104,685
Average training hours per employee (non-consolidated)		Hours	21	21	38	43	45
Ratio of women among employees	Consolidated (Japanese and overseas Group companies)	%	—	—	40.1	39.2	39.2
Ratio of women among new graduate hires (non-consolidated)		%	26.2	23.1	14.3	25.5	28.6
Mid-career hires (non-consolidated)	Ratio of mid-career hires among employees	%	18.7	18.4	19.4	20.2	21.2
	Ratio of mid-career hires among managers	%	17.5	18.5	17.9	17.3	18.2
Ratio of female managers	Consolidated (Japanese and overseas Group companies)	%	16.3	16.0	16.5	17.3	19.4
Number of employees using extended employment and rehiring systems (over 60 years old, non-consolidated)		Persons	215	214	188	198	208

Indicator	Details	Units	2020/3	2021/3	2022/3	2023/3	2024/3
Ratio of employees with disabilities (as of March 1)**7		%	2.49	2.39	2.33	2.40	2.57
Gender pay gap*8 (non-consolidated) (Ratio of average wage of female employees to average wage of male employees)	All employees	%	—	—	—	77.4	78.3
	Full-time employees	%	—	—	—	77.8	78.2
	Part-time / Fixed-term employees	%	—	—	—	66.9	65.2
Birth support / Childcare leave (non-consolidated)	Ratio of male employees who took birth support leave*9	%	88.7	82.5	90.4	83.5	85.5
	Ratio of female employees who took childcare leave	%	100	100	100	100	100
	Ratio of male and female employees who returned to work following childcare leave	%	98.1	100	100	98.3	100
Frequency of work-related accidents (Group total)	Frequency rate of work-related accidents (including accidents not resulting in lost work time)	—	1.23	1.00	1.13	0.95	1.05
	Frequency rate of work-related accidents resulting in lost work time (one or more day lost)	—	0.72	0.56	0.63	0.56	0.65
Fatalities from work-related accidents	Japan	Persons	0	0	0	0	0
	Overseas	Persons	0	0	0	0	0
Simultaneous supplier self-assessment**10	Requests	Companies	3,748	—	—	2,312	—
	Responses	Companies	3,694	—	—	2,271	—
Supplier's self-assessments conducted (when starting transactions)		Companies	117	149	138	60	75
Written requests for improvements submitted		Companies	5	4	0	417	0
School Project for promoting instrumental music education in emerging countries	Aggregate number of countries and schools	Countries / Schools	5/1,500	6/4,100	7/5,200	7/6,200	7/7,200
	Aggregate number of participants	10,000 people	39	71	129	202	302

Governance Data							
Indicator	Details	Units	2020/6	2021/6	2022/6	2023/6	2024/6
Directors	Total	Persons	7	8	8	8	8
	Outside directors	Persons	5	6	6	6	6
	Female	Persons	1	1	1	2	2
	Non-Japanese	Persons	1	1	1	1	1

Note: The scope of data collection is as follows:  
 Environmental: Consolidated (Headquarters area, manufacturing and resort facilities (logistics-related data includes key sales locations))  
 Social: Consolidated ((Non-consolidated) indicates items applying to Yamaha Corporation (non-consolidated basis))  
 Governance: Yamaha Corporation (non-consolidated)  
 The data collection timing is March 31 of the respective fiscal year for environmental and social data and June 30 of the respective year for governance data (governance data for 2024 is as of June 24, 2024).

\*1 Reduction rate from 158,000 tons-CO<sub>2</sub> achieved in fiscal 2018, the base year (If the figure is negative, it is an increase.)  
 \*2 Reduction rate from 1,123,000 tons-CO<sub>2</sub> achieved in fiscal 2018, the base year (If the figure is negative, it is an increase.)  
 \*3 Category 4 of Scope 3  
 \*4 Total of industrial waste designated for special management at Japan bases and waste oil, waste solvents, waste acid, and waste alkaline at overseas bases  
 \*5 Initiative started in December 2015 aimed at certifying eco-friendly products that meet standards established by Yamaha  
 \*6 National averages based on data from basic surveys on wage structures of Japan's Ministry of Health, Labour and Welfare  
 \*7 Calculated using the number of people counted according to the legally mandated employment rate calculation method described in the Act to Facilitate the Employment of Persons with Disabilities; scope of data collection is Yamaha Corporation, Yamaha Corporate Services Corporation, and Yamaha Ai Works Co., Ltd.  
 \*8 Figures for period from April 1 of the given year to March 31 of the following year  
 Wages: Includes basic salary, compensation for overtime work, bonuses, etc., but excludes retirement allowances, commuting allowances, etc.  
 Part-time/Fixed-term workers: For part-time workers, the average annual wage is calculated based on the number of employees converted by the prescribed working hours of fulltime employees (775 hours).  
 \*9 In fiscal 2023, the information disclosure conditions were changed in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life in Japan (ratio of people taking childbirth support leave before fiscal 2022).  
 \*10 Conducted once every three years for existing suppliers

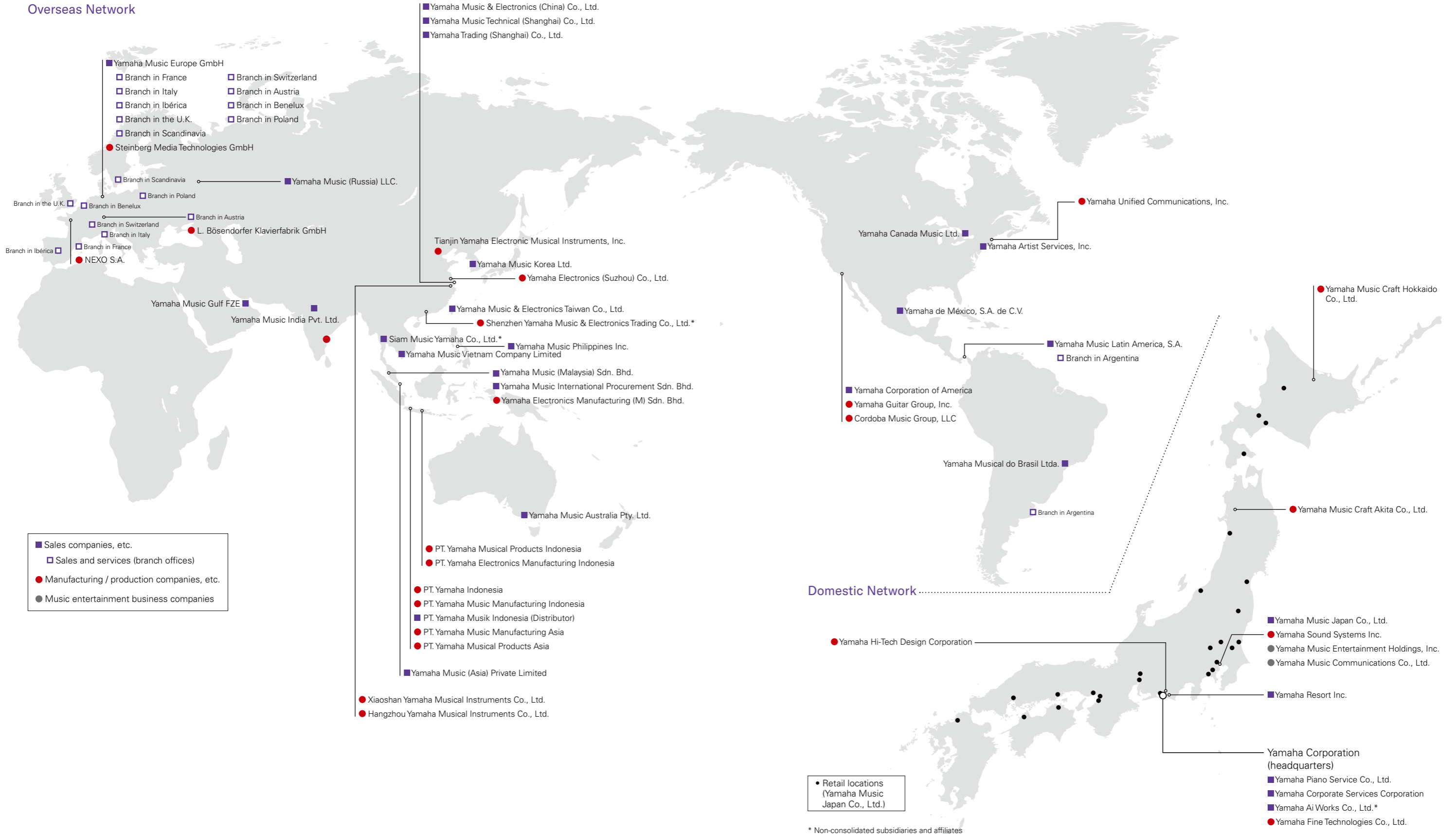
For more information on ESG data, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/related-information/esg-data/>

# MAIN NETWORKS

As of September 1, 2024

The Yamaha Group is currently expanding its business on a global basis, with locations in over 30 countries and regions across the world.

## Overseas Network



- Sales companies, etc.
- Sales and services (branch offices)
- Manufacturing / production companies, etc.
- Music entertainment business companies

# COMPANY INFORMATION

As of March 31, 2024

## Corporate Profile

Company Name	Yamaha Corporation	Number of Employees (Consolidated)	19,644 (Excluding average number of temporary employees: 6,871)
Headquarters	10-1, Nakazawa-cho, Chuo-ku, Hamamatsu, Shizuoka 430-8650, Japan	Number of Subsidiaries	64 (of which, 59 are consolidated subsidiaries)
Phone	+81 53 (460) 1111 (Receptionist)	Account Settlement Date	March 31
Year of Foundation	1887	Accounting Auditor	Ernst & Young ShinNihon LLC
Date of Incorporation	October 12, 1897		
Paid-in Capital	¥28,534 million		

## Inclusion in Indices

Yamaha Corporation is included in environmental, social, and governance (ESG) indexes and socially responsible investment (SRI) funds, which give consideration to environmental and social factors, both in Japan and overseas. In addition, the Company has been selected for inclusion in all six of the Japanese stock ESG indices employed by the Government Pension Investment Fund of Japan.

- Nikkei Stock Average (Nikkei 225)
- JPX-Nikkei Index 400
- TOPIX Mid 400 / TOPIX 500 / TOPIX 1000
- MSCI ESG Rating
- MSCI ESG Leaders Indexes\*1
- MSCI Japan ESG Select Leaders Index\*1
- MSCI Nihonkabu ESG Select Leaders Index\*1
- MSCI Japan Empowering Women Index (WIN)\*1
- Morningstar Japan ex-REIT Gender Diversity Tilt Index\*2
- FTSE4Good Global Index\*3
- FTSE Blossom Japan Index\*4
- FTSE Blossom Japan Sector Relative Index\*5
- S&P / JPX Carbon Efficient Index
- S&P Japan 500 ESG
- S&P Global Sustainability Awards

\*1 The inclusion of Yamaha Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Yamaha Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

\*2 Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Yamaha Corporation to use of the Morningstar Japan ex-REIT Gender Diversity Tilt Logo ("Logo") to reflect the fact that, for the designated ranking year, Yamaha Corporation ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index™ ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Yamaha Corporation solely for informational purposes. Yamaha Corporation use of the Logo should not be construed as an endorsement by Morningstar of Yamaha Corporation or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Yamaha Corporation. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

\*3 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Yamaha Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

\*4 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Yamaha Corporation has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

\*5 FTSE Russell (the trading name of International Limited and Frank Company) confirms that Yamaha Corporation has been independently assessed according to the FTSE Blossom Japan Sector Relative Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Sector Relative Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan Sector Relative Index

## External Recognition

- 2023 Internet IR Commendation Award (Daiwa Investor Relations Co. Ltd.)
- Gomez IR Site Ranking 2023 Silver Award



For more information on external recognition, please refer to the following website.  
<https://www.yamaha.com/en/sustainability/related-information/evaluation/>

### Participation in Initiatives

With a commitment to cooperating and forming ties with global society as we work toward realizing a sustainable society, Yamaha signed the UN Global Compact in June 2011 and is working to adhere to the Ten Principles in the four areas of human rights, labour, environment, and anti-corruption. As a member of Global Compact Network Japan, we also actively participate in subcommittees.



YAMAHA CORPORATION <https://www.yamaha.com/en/>

- Investor Relations Division, Corporate Administration Unit  
Sakura Tower 8F, Shibuya Sakura Stage, 3-2, Sakuragaoka-cho, Shibuya-ku, Tokyo 150-0031, Japan
- Sustainability Group, Corporate Planning Division, Corporate Administration Unit  
10-1, Nakazawa-cho, Chuo-ku, Hamamatsu, Shizuoka 430-8650, Japan

# STOCK INFORMATION

As of March 31, 2024

Dividends	Year-end: To the shareholders of record on March 31 Interim: To the shareholders of record on September 30
Number of Shares of Common Stock	Issued: 187,300,000 (includes treasury stock of 21,292,664)
Stock Exchange Listing	Tokyo Prime Market, Code No. 7951
Administrator of Shareholders' Registry	The Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 3-15-33, Sakae, Naka-ku, Nagoya, Aichi 460-8685, Japan

**Public Notices**  
 Shall be issued electronically at the following website, except when an accident or other unavoidable occurrence prevents this, in which case they shall be released in the *Nihon Keizai Shimbun* business daily in Tokyo.

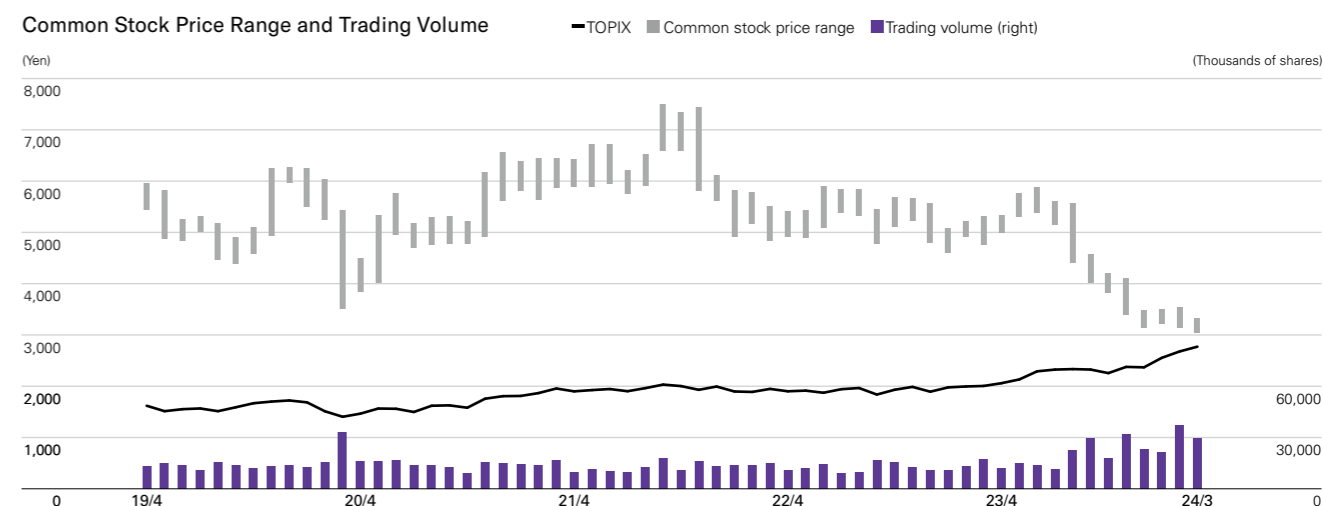
[https://www.yamaha.com/ja/about/public\\_notices/](https://www.yamaha.com/ja/about/public_notices/) (in Japanese only)

Ordinary General Shareholders' Meeting	June
Number of Shareholders	44,209

As an indicator of long-term financial soundness, Yamaha asks credit rating agencies to provide a long-term debt rating every year and has received the following evaluations.

Credit Ratings	
Rating and Investment Information, Inc. (R&I)	A+
Japan Credit Rating Agency, Ltd. (JCR)	AA-

## Common Stock Price Range and Trading Volume



Fiscal year ended	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Share price at the end of fiscal year (Yen)	5,530	4,215	6,010	5,350	5,090	3,261
Share price—high (Yen)	6,080	6,270	6,560	7,490	5,900	5,876
Share price—low (Yen)	4,355	3,520	3,835	4,840	4,605	3,051
Trading volume (Million shares)	209	182	173	153	153	265

Fiscal year ended	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Dividend yield (%)	1.08	1.57	1.10	1.23	1.30	2.27
Price to earnings ratio (Times)	24.9	21.6	39.7	24.9	22.9	18.6
Price to book value ratio (Times)	2.78	2.28	2.67	2.21	1.90	1.06
Number of shares issued (Thousand shares)	191,555	191,555	191,555	187,300	187,300	187,300
Market capitalization at the end of fiscal year (Millions of yen)	1,059,299	807,404	1,151,246	1,002,055	953,357	610,785
Percentage of shares owned by foreign investors (%)	22.8	25.6	26.0	26.2	26.1	23.0

## Shareholder Composition

	Number of Shareholders	Ratio of Number of Shares to Total
Individuals	42,856	22.8%
Financial institutions	52	47.1%
Japanese corporations	357	5.4%
Foreign investors	905	23.0%
Securities companies	39	1.7%
Total	44,209	100.0%

Note: The figure for individuals includes treasury stock.

## Major Shareholders

Major Shareholders	Shareholding Ratio
The Master Trust Bank of Japan, Ltd. (Trust account)	22.07%
Custody Bank of Japan, Ltd. (Trust account)	8.73%
Yamaha Motor Co., Ltd.	4.84%
The Shizuoka Bank, Ltd.	4.53%
Sumitomo Life Insurance Company	4.40%
Mitsui Sumitomo Insurance Co., Ltd.	3.42%
Nippon Life Insurance Company	3.01%
STATE STREET BANK WEST CLIENT - TREATY 505234	1.90%
Mizuho Bank, Ltd.	1.78%
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1.30%

Note: Yamaha Corporation holds 21,292,664 shares of treasury stocks which have been excluded from the above major shareholders. The shareholding ratio is calculated by excluding treasury stock from total outstanding shares.