

G: Governance

The Yamaha Group is executing highly transparent and healthy management through the strengthening of corporate governance structures, promotion of compliance, appropriate disclosure of information, and other measures in order to further strengthen the trust of all stakeholders.

Corporate Governance

Basic Policies for Corporate Governance

The Yamaha Group (hereinafter referred to as the “Yamaha Group” or “the Group”) aims to create a social that realizes 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 we have made to all related parties, and will work to ensure sustainable growth and to enhance the enterprise value over the medium-to-longer term. At the same time, based on the “Basic policies for corporate governance” presented below and the policies stated in Chapter I and thereafter, along with putting in place the organizational design, operating framework, and mechanisms as well as implementing various measures to manage the Company, we will carry out quality business management in a transparent manner through the appropriate disclosure of information.

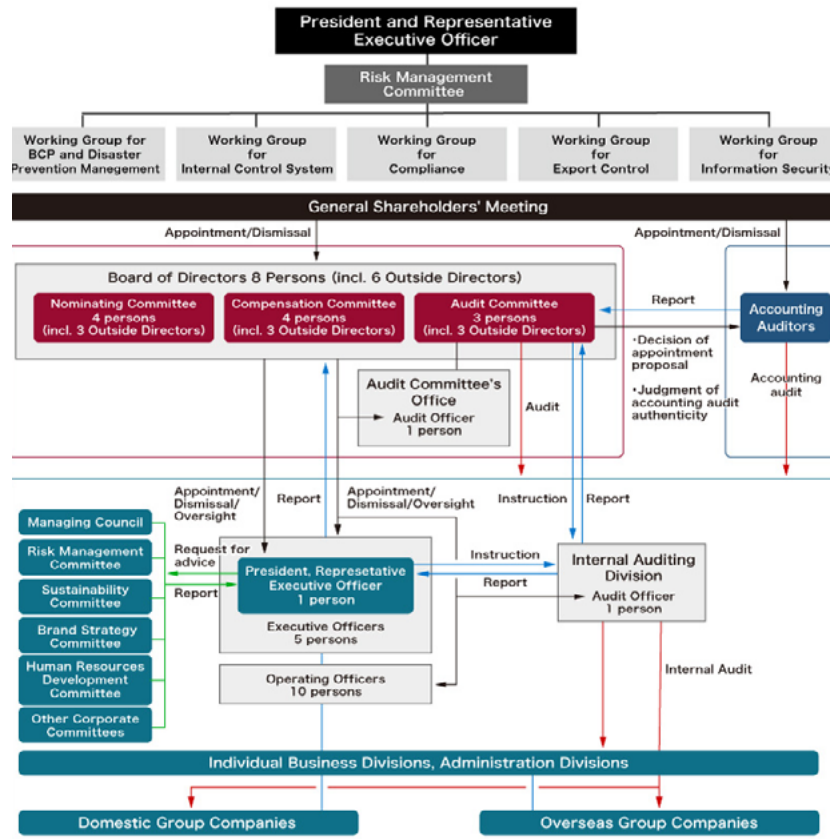
Basic policies for corporate governance

- 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 the 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

Basic Corporate Governance System

Yamaha Corporation made the transition to a Company with Three Committees (Nominating, Audit, and Compensation) from June 22, 2017, with the objectives of making a clear separation between the oversight and the execution in management, thereby enhancing the oversight function of the Board of Directors and speeding up the execution of business.

Corporate Governance Structure (as of June 23, 2023)



Regarding the composition of the Board of Directors, the Company has appointed a Board with three fourths (3/4) of the members from outside with a diversity of backgrounds and specialties, including persons with management experience in other industries. Also, by forming a Nominating Committee, Audit Committee, and Compensation Committee with a majority of independent Outside Directors as obligated by law, the Company can execute its oversight function with further transparency and objectivity. The Audit Committee will strengthen the oversight

function through audit by implementing validity checks in addition to legal checks, in cooperation with the Internal Audit Division. Also, as an official function under the Companies Act, the Company established the Executive Officer position to assume a direct responsibility to shareholders, and they have been delegated major authority from the Board of Directors. By having the Executive Officers functioning as important decision-makers in the execution of business operations, the Company is aiming to speed up this process. By implementing the abovementioned measures to strengthen the oversight functions and speed up the execution, the Company endeavors to further strengthen corporate governance and to continuously increase corporate value.

■ **Governance Organization Personnel**
(Yamaha Corporation, as of June 23, 2023)

		Male	Female
Directors	Total	6	2
	Outside Directors	4	2
Executive Officers	Total	5	0
	President and Representative Executive Officer	1	0
	Managing Executive Officer	2	0
Operating Officers	Total	8	2
Audit Officers	Total	2	0
Nominating Committee Members	Total	4	0
	Outside Directors	3	0
Audit Committee Members	Total	1	2
	Outside Directors	1	2
Compensation Committee Members	Total	4	0
	Outside Directors	3	0

■ **Governance Organization Personnel, by Nationality**
(Yamaha Corporation, as of June 23, 2023)

		Japan	Overseas
Directors	Total	7	1
	Outside Directors	5	1
Executive Officers	Total	5	0
	President and Representative Executive Officer	1	0
	Managing Executive Officers	2	0
Operating Officers		9	1
Audit Officers		2	0

[Directors and Officers >](#)

■ **Directors and Board of Directors**

The number of Directors of the Company is eight (8) as of June 23, 2023 (six (6) of them are Outside Directors). The Board Meeting held monthly (in principle). In keeping with its fiduciary duty, the Board of Directors presses for the Group's sustainable growth and enhancement of enterprise value over the medium-to-longer term. The Board of Directors oversees the conduct of duties by the Executive Officers and the Directors, and makes decisions on important matters that are specified in laws and regulations, the Articles of Incorporation, and Regulations of the Board of Directors, including basic management policy. In addition, the Board of Directors supervises overall management of the Company through overseeing the succession plan for the Chief Executive Officer and other officers, selecting the members and the chairs of the Nominating Committee, Audit Committee, and the 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.

In keeping with its fiduciary duties, the Directors act to ensure the Company's sustainable growth and enhance its enterprise value over the medium-to-longer term, taking into consideration the relationships with all stakeholders.

Directors understand relevant laws and regulations and the Company's Articles of Incorporation and gather sufficient information in order to proactively express their opinions and engage in constructive discussions at the Board of Directors' meetings as elsewhere.

In accordance with the Article 26, Paragraph 2 of the Company's Articles of Incorporation under the Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with non-operating director to limit their liability for damages caused by negligence in executing their duties.

The Board of Directors held a total of fourteen (13) meetings during the fiscal 2023 (from April 1, 2022 through March 31, 2023 the same shall apply hereinafter).

■ **Nominating Committee**

The number of members of Nominating Committee is four (4) as of June 23, 2023 (three (3) of them are Outside Directors). The Nominating Committee decides on the content of the proposals to be submitted to the General Shareholders' Meeting for selection/dismissal of Directors and the content of proposals submitted to the Board of Directors for selection/dismissal of Executive Officers and Operating Officers. The Nominating Committee also implements the succession plan for the Chief Executive Officer and other officers through activities to develop human resources that can assume the positions of Director, Executive Officer, and Operating Officer.

The Nominating Committee held a total of four (4) meetings during the fiscal 2023.

■ Audit Committee

The number of members of Audit Committee is three (3) as of June 23, 2023 (three (3) of them are Outside Directors). The chair shall be an Independent Outside Director. The Audit Committee, either working in collaboration with the Internal Auditing Division or conducting audits directly on its own initiative, audits the structure and operation of the internal control systems of the Company and other Group companies. Based on the results, 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 to 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.

The Audit Committee held a total of sixteen (20) meetings during the fiscal 2023.

■ Compensation Committee

The number of members of Compensation Committee is four (4) as of June 23, 2023 (three (3) of them are Outside Directors). The Compensation Committee establishes policies regarding the setting of compensation for Directors, Executive Officers, and Operating Officers and, based on these policies, sets the compensation of such officers individually.

The Compensation Committee held a total of four (3) meetings during the fiscal 2023.

■ Executive Officers

The number of Executive Officers is Five (5) as of June 23, 2023 (one (1) of them is the Representative Executive Officer and two (2) of them are the Managing Executive Officers). The Executive Officers shall be responsible for the execution of business and

will make important decisions from a Companywide perspective on matters related to the conduct of business that have been delegated to them by the Board of Directors and will be subject to the oversight of the Board of Directors.

■ Operating Officers

The number of Operating Officers is ten (10) as of June 23, 2023. The Operating Officers will execute the business activities they are responsible for from a Companywide perspective based on the important decisions related to conduct of business by the Board of Directors or the Executive Officers, under the oversight of the Executive Officers.

■ Audit Officers

The number of Audit Officers is two (2) as of June 23, 2023. The Audit Officers will be responsible for auditing functions in the Yamaha Group as a member of the management team at the equivalent position as Operating Officers.

■ Process and Standards for Selecting Directors and Other Personnel

Regarding the selection of candidates for Director, the Nominating Committee selects candidates based on basic personal qualities and capabilities, competency, experience and record of achievements that are required of internal directors and outside directors as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the General Shareholders' Meeting.

Regarding the selection of members and the chairs of the Nominating Committee, Audit Committee, and Compensation Committee, the Nominating Committee selects candidates based on personal qualities and capabilities as defined by the roles of each of these committees. The Nominating Committee then decides on the content of selection proposals to be submitted to the Board of Directors. Note that for the selection of candidates for the members and the chair of the Audit Committee, the

Nominating Committee gathers opinions from the Audit Committee in advance.

For Executive Officers, the Nominating Committees selects candidates based on basic personal qualities and capabilities, competency, experience, and record of achievements that are required of Executive Officers as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the Board of Directors.

For Operating Officers, the Nominating Committee selects candidates based on personal qualities and capabilities they are required to play as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the Board of Directors.

Reason for Appointment of Directors

Title	Name	Reason for appointment
Director	Takuya Nakata	Having served in positions such as General Manager of our Pro Audio & Digital Musical Instruments Division, 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 was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Satoshi Yamahata	In addition to work experience at an overseas subsidiary, Mr. Satoshi Yamahata has served as General Manager of the Accounting and Finance Division, General Manager of the Corporate Planning Division, Executive General Manager of the Operations Unit, and Executive General Manager of the Corporate Management Unit, and has a wealth of experience and achievements alongside broad insight. He has promoted Corporate Governance reform as Director and Senior Executive Manager since June 2015 and as Director and Managing Executive Officer since June 2017, and has worked to strengthen the oversight function of the Board of Directors. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Yoshihiro Hidaka	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 manager. 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, etc., as a corporate manager. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc., and improve the Yamaha brand value.
Director	Mikio Fujitsuka	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 manager, 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, etc., as a corporate manager. 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, etc.
Director	Paul Candland	Having been involved in management as the person responsible for the Asian region and Japanese arm 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, etc., as a corporate officer. He has been nominated as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Hikomichi Shinohara	Having been involved in management as a representative director of one of the largest communications and ICT companies in Japan, Mr. Hiromichi Shinohara has a wealth of experience and achievements alongside broad insight as a corporate officer. He also has wide-ranging and in-depth knowledge of communications systems and electronics. He has been nominated as a director on expectations that he will help strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Naoko Yoshizawa	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. She has been nominated as a director on expectations that she will help strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Naho Ebata	With a mastery of corporate law, corporate governance and field of intellectual properties in Japan and overseas as an attorney, Ms. Naho Ebata has a high degree of expertise, wealth of experience and achievements alongside broad insight. She has been nominated as a director on expectations that she will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.

* Yamaha has registered six Outside Directors — Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hiromichi Shinohara, Naoko Yoshizawa and Naho Ebata — as independent directors pursuant to Tokyo Stock Exchange provisions (as of June 23, 2023).

■ Expertise held by the Company's Directors

Directors		Corporate management	Legal and risk management	Finance and accounting	IT and digital	Manufacturing, technology, and R&D	Marketing and sales	Global
Takuya Nakata	-	x			x	x	x	x
Satoshi Yamahata	-		x	x				x
Yoshihiro Hidaka	Outside	x		x				x
Mikio Fujitsuka	Outside	x	x	x				x
Paul Candland	Outside	x					x	x
Hikomichi Shinohara	Outside	x			x	x		x
Naoko Yoshizawa	Outside	x			x	x		x
Naho Ebata	Outside		x					x

■ Major Activities by Outside Directors in the Year Ended March 31, 2023

		Board of Directors	Nominating Committee	Audit Committee	Compensation Committee
Total meetings held		13	4	20	3
Outside Director Yoshihiro Hidaka	Attended	13	3	-	3
	Attendance rate*	100%	75%	-	100%
Outside Director Mikio Fujitsuka	Attended	13	-	20	-
	Attendance rate*	100%	-	100%	-
Outside Director Paul Candland	Attended	13	4	-	3
	Attendance rate*	100%	100%	-	100%
Outside Director Hiromichi Shinohara	Attended	13	4	-	3
	Attendance rate*	100%	100%	-	100%
Outside Director Naoko Yoshizawa	Attended	13	-	20	-
	Attendance rate*	100%	-	100%	-
Outside Director Naho Ebata	Attended	-	-	-	-
	Attendance rate*	-	-	-	-

* The attendance rate denominator is the total number of meetings held during each person's term of service

| Support system for Outside Directors

In principle, materials for meetings of the Board of Directors are posted on the database system of the intranet at least three days prior to ensure that Outside Directors can share information, and each Outside Director receives explanations regarding proposals if necessary. Details of deliberations at the Managing Council and internal regulations are also shared through the same database system.

In addition, the secretariat provides Outside Directors with information regarding major events at the Company and analyst reports as needed.

| Development of Internal Control System

Based on the Companies Act and Ordinances for the Enforcement of the Companies Act, Yamaha Corporation has put in place systems to secure the proper conduct of its business activities (hereinafter, Internal Control Systems). The aims of these systems are conducting business efficiently, securing the reliability of reporting, securing strict compliance with laws and regulations, preserving the value of Company assets, and strengthening risk management.

The Company has structured the Internal Control Systems for the Group as a whole, based on the "Group Management Charter," which sets forth basic Group management policies, and the "Group Internal Control Regulations," which sets internal control policy for the Group. Regarding decisions on the status of management and on issues with some degree of importance which may have an effect on the management condition of the Group, Subsidiaries are required to receive approval from the Company in advance and report certain items to the Company.

■ Information Relating to Conflicts of Interest

When engaging in transactions with Directors, Executive Officers, or close relatives thereof, necessary systems shall be put in place and monitored to ensure that they are not detrimental to Yamaha Corporation or its shareholders' common interests. With the approval of the Board of Directors pursuant to the Companies Act, the results of related party transactions shall be reported after a transaction is completed.

Policy and Status Concerning Executive Officer Remuneration

Remunerations for Directors

Individual amounts and policy regarding the compensation of Directors and Executive Officers have been determined in the Compensation Committee, which is comprised of three (3) Outside Directors and one (1) internal Director.

Compensation for Directors (excluding Outside Directors) and Executive Officers will consist of (i) fixed compensation, (ii) performance-linked bonuses, and (iii) compensation in the form of restricted stock (restricted stock compensation). The approximate breakdown of total compensation of (i), (ii), and (iii) will be 5:3:2.

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

(2) Performance-linked bonuses are monetary compensation according to job titles that is linked with consolidated profit for the period and ROE for the current 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 and is provided at the launch of the Medium-Term Management Plan with the intent of motivating the Directors and Executive Officers to enhance corporate value sustainably and having them share a common interest with shareholders. In order to motivate the Directors and Executive Officers to achieve the Company's performance goals in the medium term, one-third (1/3) 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 (2/3) of restricted stock compensation is linked to the Company's performance. Transfer restrictions shall remain effective until the retirement of Director or Executive Officer or for thirty (30) years from the receipt

of restricted stock compensation 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. In addition, 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, depending on the responsibility of the officers in charge, in the event of serious cases of accounting fraud and/or major losses during the restricted period.

The Company's performance will be measured using "financial

targets," "non-financial targets," and "corporate value targets" as performance indicators. Financial targets and non-financial targets are indexed by the management targets set forth in the Medium-Term Management Plan, while corporate value targets are indexed by the total shareholder return (TSR). The ratio of impact on compensation in the form of restricted stock is planned as follows. Financial Targets: Non-Financial Targets: Corporate Value Targets = 50%: 30%: 20%.

(4) Outside Directors will receive only the fixed compensation.

Amount of Remuneration and Other Compensation Provided to Yamaha Directors and Executive Officers (Year Ended March 31, 2023)

Classification	Total Compensation (Millions of Yen)	Compensation by Type (Millions of Yen)			Number of directors and officers
		Fixed Remuneration	Performance-based bonuses	Compensation in the form of restricted stock	
Director	88	88	-	-	6
Outside Directors	88	88	-	-	6
Executive Officers	536	224	157	155	6

* The total compensation and number of Executive Officers concurrently serving as Directors are described in the section for Executive Officers.

* Compensation in the form of restricted stock were granted in a lump sum in the 199th fiscal year ended March 31, 2023, the first year of the Medium-Term Management Plan "Make Waves 2.0" as compensation for three (3) business years. The amount of compensation granted in a lump sum is calculated on a pro rata basis over the three (3) years covered by the Medium-Term Management Plan. However, the amount of compensation of the 201st fiscal year ending March 31, 2025 will be adjusted based on the degree of achievement of the Company's performance.

Remuneration by Director (Year Ended March 31, 2023)

Name	Total Compensation (Millions of Yen)	Director category	Company category	Compensation by Type (Millions of Yen)		
				Fixed Remuneration	Performance-based bonuses	Compensation in the form of restricted stock
Takuya Nakata	194	President and Representative Executive Officer	Submitting Company	77	57	58

* Only directors whose total consolidated remuneration is ¥100 million or more are listed.

Accounting Auditor

The Company employs Ernst and Young ShinNihon LLC as its accounting auditor. Three certified public accountants belonging to the said audit corporation, conduct the accounting audits of the Company. The said audit corporation has already introduced a

voluntary shift system for designated and engagement partners in order to ensure that the duration of the engagement does not exceed a certain fixed period. In addition, another seven (7) certified public accountants and thirty eight (38) assistants help the aforementioned three certified public accountants conduct the auditing work.

■ Compensation for Accounting Auditor in Fiscal 2022 and 2023

Classification	Fiscal 2022		Fiscal 2023	
	Compensation based on audit certificate services (Millions of yen)	Compensation based on non-auditing services (Millions of yen)	Compensation based on audit certificate services (Millions of yen)	Compensation based on non-auditing services (Millions of yen)
Filing Company	120	-	125	-
Consolidated affiliates	21	19	21	19
Total	142	19	146	19

Notes: Other important compensation:

Fiscal 2023: A part of overseas consolidated subsidiaries of Yamaha Corporation paid ¥110 million yen in compensation based on audit certificate services to accounting firms, etc. that do not belong to the same auditing accounting auditor network as Yamaha Corporation.

Fiscal 2022: A part of overseas consolidated subsidiaries of Yamaha Corporation paid ¥146 million yen in compensation based on audit certificate services to accounting firms, etc. that do not belong to the same auditing accounting auditor network as Yamaha Corporation.

| Reflecting the Opinions of Stakeholders

■ A System to Reflect the Opinions of Stakeholders in Management

In addition to the respective dialogue with shareholders and investors, Yamaha Corporation gives presentations on its medium-term management plan and quarterly earnings for securities analysts and institutional investors, provides business briefings, and conducts facilities tours and gives presentations to individual investors. The Company also posts its management plan and the explanatory materials used in earnings presentations on the Company website. The results of the dialogue with shareholders and investors are reported to the Board of Directors by the Director, Executive Officers, or Operating Officers responsible on a timely basis, and they will be appropriately reflected in the management of the Company, leading to the Group's sustainable growth and enhancing enterprise value over the medium-to-longer term. Additionally, the voting is analyzed for each resolution at the Ordinary General Shareholders' Meeting, and this is reported to the Board of Directors.

[Information Disclosure and IR Activities \(Communication with Shareholders and Investors\) >](#)

| Corporate Governance Policies/Report

In accordance to the provisions of the Tokyo Stock Exchange and the Corporate Governance Code, the Company has created a policy and report which describes our thoughts and systems for corporate governance.

[Corporate Governance Policies \(PDF: 359 KB\) Revised on June 1, 2023 >](#)
[Corporate Governance Report \(PDF: 680 KB\) Revised on June 26, 2023 >](#)

Risk Management

| Risk Management Initiatives

The Yamaha Group is engaged in efforts to develop and improve its risk management promotion structure and system in order to boost risk response capabilities and to achieve healthy and transparent management. The Group implements risk management promotion based on the following policies.

1.We shall establish organizations and frameworks for risk management and work to enhance responsiveness to risk in

order to maximize corporate value.

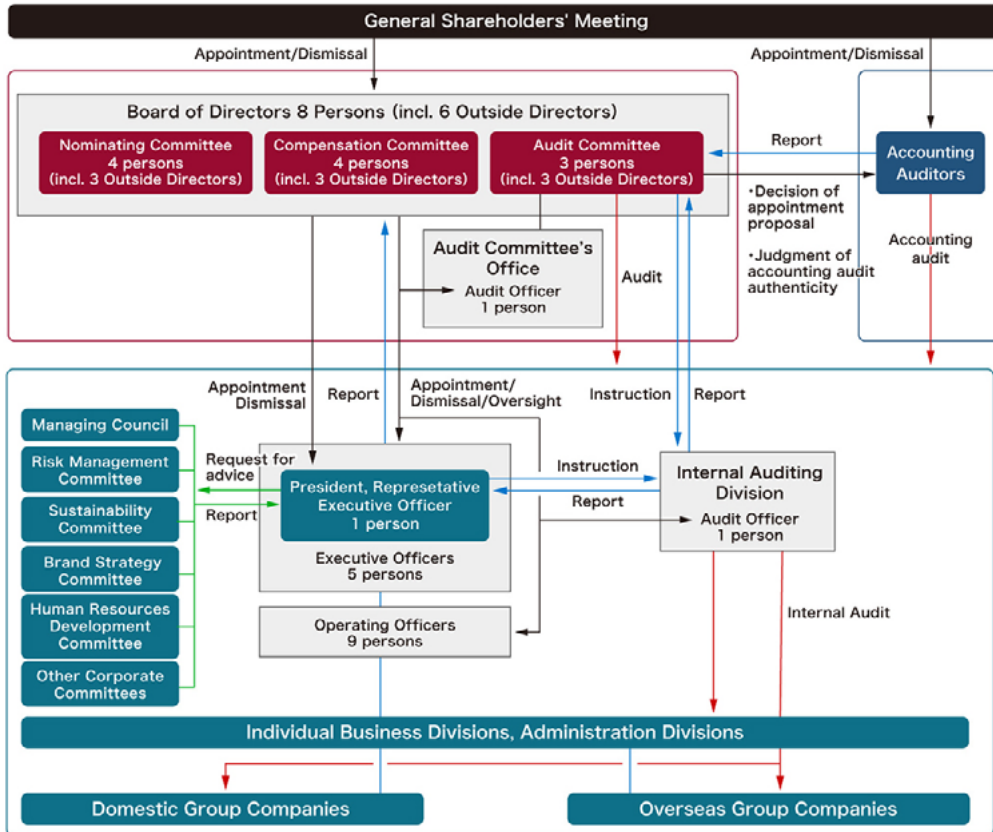
- 2.In risk management activities under normal circumstances, we shall identify, evaluate, and mitigate risks and conduct awareness-raising activities such as education and training to instill a greater awareness of and foster a greater sensitivity toward risks.
- 3.We shall prioritize people's safety when risks manifest themselves as crises and coordinate with local communities to ensure sincere, appropriate, and speedy responses to minimize adverse impacts. In addition, we shall strive to ensure the stable supply of products and services, continue business to the greatest extent possible, and contribute to the sustainable development of society.
- 4.After addressing risks, we shall analyze the reasons they occurred and how they were addressed in order to ensure they do not occur again.

| Promotion System

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. Chaired by an operating officer or managing executive officer, these working groups set activity policies and monitor activities related to important Companywide themes. The effectiveness and promotion status of risk management frameworks are verified and monitored via reports from executive officers to the Board of Directors.

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 Countermeasure HQ led by the president will be set up to address the risk.

Risk Management System (As of June 24, 2023)

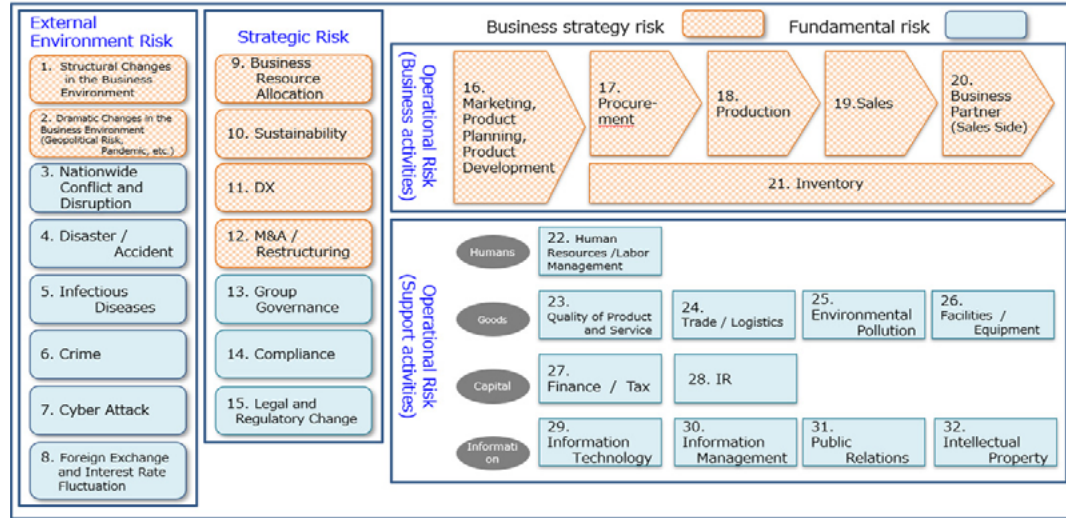


| Approach Toward Risk Management

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. The table below provides additional information on risk categories.

[Business Risks \(Securities report\) >](#)

Business Risk Categories



Risk Map

B. Impact (Large) - Likelihood (small)		A. Impact (Large) - Likelihood (Large)	
3. Nationwide Conflict and Disruption 4. Disaster / Accident 5. Infectious Diseases 7. Cyber Attack 24. Trade / Logistics 25. Environmental Pollution 26. Facilities / Equipment 29. Information Technology 30. Information Management 31. Public Relations	10. Sustainability 12. M&A/Restructuring	8. Foreign Exchange and Interest Rate Fluctuation 13. Group Governance 14. Compliance 15. Legal and Regulatory Change 22. Human Resources / Labor Management 23. Quality of Product and Service 27. Finance / Tax	1. Structural Changes in the Business Environment 2. Dramatic Changes in the Business Environment (Geopolitical Risk, Pandemic etc.) 17. Procurement
D. Impact (small) - Likelihood (small)		C. Impact (small) - Likelihood (Large)	
6. Crime 28. IR		32. Intellectual Property	9. Business Resource Allocation 11. DX 16. Marketing, Product Planning, Product Development 18. Production 19. Sales 20. Business Partner (Sales Side) 21. Inventory

Business strategy risk Fundamental risk

Climate Change Countermeasures

In June 2019, the Yamaha Group declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and commenced initiatives for analyzing the impact of climate change on its finances and disclosing related information. For information regarding disclosure based on the recommendations of the TCFD, please refer to the following link.

[Endorsement of TCFD Recommendations >](#)

Business Continuity Management

In preparation for large-scale natural disasters, fires, infectious disease pandemics, and other emergency situations, the Yamaha Group has formulated business continuity plans (BCPs) and implements other business continuity management efforts. The Working Group for BCP and Disaster Prevention Management, which is positioned under the Risk Management Committee chaired by the president, has been established as an organization for formulating business continuity policies for responding to natural disasters and other emergency situations. In addition, Group policies and rules for responding to natural disasters and other emergency situations have been developed. In the event of an emergency, an emergency response headquarters will be set up to examine potential measures for ensuring Groupwide business continuity.

In addition, the Group BCP Policies & Rules establish basic policies, duties, and rules to minimize the effect on business when a risk event occurs, such as a natural disaster, through the rapid implementation of appropriate countermeasures.

Major Initiatives

Basic policies and rules	Refined BCP manuals and other provisions and implemented measures for reducing potential damages
BCP formulation and training	<ol style="list-style-type: none"> 1.Implemented improvements to the procedures for enacting swift business continuity measures in times of emergency in the emergency response headquarters that are responsible for Groupwide emergency response measures 2.Conducted general and local emergency response headquarters drills tailored to teleworking 3.Revised, evaluated, and improved the risk-specific BCPs established for all global Group companies with a focus on business continuity
Infrastructure development	<ol style="list-style-type: none"> 1.Established facility-specific security standards and commenced measures for reinforcing security provisions 2.Formulated the Yamaha Equipment Earthquake Resistance Standards and applied standards to new equipment at the time of introduction 3.Introduced an employee safety check system and performed regular drills to ensure effectiveness in times of emergency 4.Implemented disaster countermeasures targeting critical facilities
Disaster damage reduction measures	<ol style="list-style-type: none"> 1.Reviewed water flooding risks at Group operating bases in light of increasing severity of heavy rains and other natural disasters 2.Revised disaster response plans, measures, and insurance policies to address identified risks

Financial Management

The Yamaha Group is globally promoting internal control activities centered around financial management, such as the Groupwide standardization of operational processes. The Working Group for Financial Management is responsible for confirming that operations across the entire Group follow the Group Internal Control Policies & Rules and other regulations.

Compliance

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 both promotes compliance in the Group and monitors the business execution of divisions and Group companies to ensure legal compliance and ethical operations. It also executes measures to maintain healthy

business activities through employee education, awareness-raising, questionnaires, and the establishment of whistleblowing and consultation helplines.

[Compliance >](#)

Export Control

The Yamaha Group has established provisions for trade security control in its Compliance Code of Conduct as compliance measures pertaining to international trading.

The Working Group for Export Control has been established and export control regulations and import and export procedure regulations have been formulated as part of efforts to develop a process for managing exports.

[8-3 National Security-Related Trade Control >](#)

Information Security

The leakage of personal information and other important information held by a company has the potential to not only damage third parties but also become a case of gross negligence that can harm the company's reputation.

The Yamaha Group perceives information security as a critical aspect of risk management. The Working Group for Information Security, an organization that is positioned under the Risk Management Committee, which is an advisory body to the president, has put together a policy on information management and is working to enhance the quality of this management by keeping track of the current management system while identifying vulnerabilities and guiding efforts to address them. The Group conducts training based on the Group IT Policies & Rules, which define basic IT management policies, and the Group Personal Information Protection Policies & Rules, which contain provisions related to the protection of personal information, to ensure employees understand the importance of preventing inadvertent data leaks while taking precautions to protect against hacking by third parties.

[9-8 Utilization and Management of the Company's Information Systems >](#)
[Information Security and Personal Information Protection >](#)

Occupational Health and Safety and Environmental Risk Management

In order to prevent occupational accidents and environmental pollution, the Yamaha Group performs risk assessments at factories and other business sites. In addition, regular monitoring, audits, emergency response training, and other activities are carried out under the guidance of dedicated occupational health and safety and environmental preservation staff members.

[Employee Health and Safety >](#)
[Prevention of Pollution and Chemical Substance Management >](#)

Compliance

Compliance Promotion System and Compliance Code of Conduct

The Yamaha Group has positioned compliance among its most important management themes. 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 in 2003, ongoing revisions have been implemented in reflection of changes in environmental and social conditions, and the code has been translated into multiple languages.

[Compliance Code of Conduct >](#)

Education and Awareness-Raising Regarding Compliance Code of Conduct

The Yamaha Group publishes booklets that describe in detail the Compliance Code of Conduct in order to promote education and raise awareness regarding the code. In Japan, physical booklets are distributed and electronic booklets are made available via the Company intranet to allow all full-time and dispatch employees (including part-time employees with employment contracts) to review the content of these booklets at any time. These booklets are also used as tools for compliance training and for workplace training and education activities. Overseas Group companies utilize booklets prepared in the respective language based on the booklets available in Japanese.

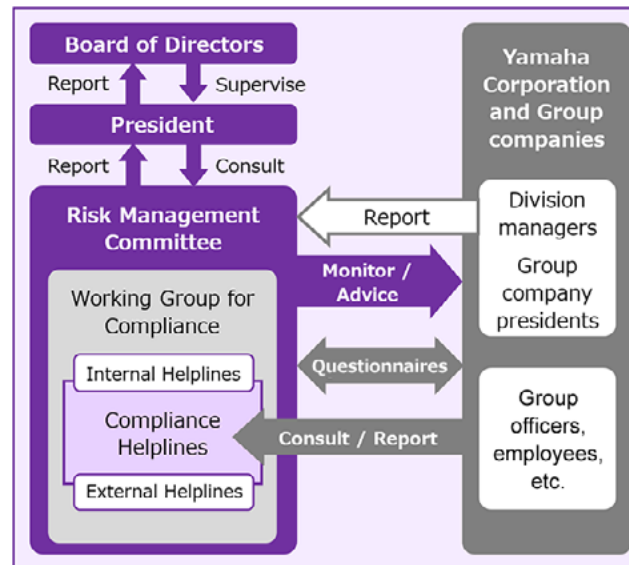
Compliance Management Frameworks and Promotion System

The Working Group for Compliance, an organization that is chaired by an operating officer and positioned within 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 responsible for monitoring the activities of divisions and Group companies to ensure legal compliance and ethical operations.

Other measures for ensuring good compliance include internal education and training programs, employee questionnaires, and the development of compliance helplines, which are made available to full-time, dispatch, and other employees.

[Fair Operating Practices >](#)



Compliance Promotion System

Working Group for Compliance Activities

Major Activities

Four meetings in fiscal 2023

Details

- Confirmation of Groupwide compliance promotion status
- Response to revision of Whistleblower Protection Act and formulation of Group Whistleblowing Specialized Rules
- Training on prevention of harassment provided to Group managers
- Enhancement and improvement of effectiveness of compliance helplines

Monitoring

The Working Group for Compliance conducts regular monitoring of the status of compliance systems and compliance promotion at Company divisions and Group companies to ensure that the business activities of the Yamaha Group are ethical and legally compliant. Overseas, the frequency of monitoring activities, previously conducted once a year, has been raised to allow for timely tracking of the status of compliance through monitoring conducted once every three months. In addition, compliance questionnaires are administered to employees once every three years. Compliance helplines have been set up at all overseas Group companies, and steps are taken to maintain a comprehensive understanding of the level of awareness regarding the Compliance Code of Conduct and these helplines. In Japan, we measure the awareness of domestic Group employees from the perspectives of compliance risks and corporate culture. Moreover, organization-level analyses are performed. The results of these analyses are reflected in measures to address issues and reform our corporate culture.

Overview of Compliance System and Progress Monitoring Activities

Scope	Yamaha Corporation divisions and 47 Group companies
Details	Reviews of compliance promotion systems, compliance helplines, and report numbers
Frequency	Confirmation of promotion system once per year, confirmation of number of compliance helpline reports at overseas Group companies once every three months

Note: Figures are for the questionnaire conducted in April 2022.

Overview of Employee Questionnaires

Scope	Approximately 8,500 full-time, seconded, and dispatch employees (including contract and part-time employees with employment contracts) of domestic Group companies Approximately 20,000 full-time and seconded employees (including factory workers) of 34 overseas Group companies
Details	Questions for tracking employee awareness regarding compliance, the Compliance Code of Conduct, and compliance helplines
Frequency	Once every three years

Note: Figures are for the questionnaire conducted in Japan in October 2021 and the questionnaire conducted overseas in January 2023.

Training and Education

The Yamaha Group provides employees compliance training and education through the intranet and through various training programs.

For domestic Yamaha Group employees, we distribute accessible, easy-to-understand online compliance educational content for employees via the intranet on a monthly basis. For example, employees are given access to Compliance News, which explains concepts in four-panel comic strips; Compliance Quizzes; and Compliance Mini-Tests. In addition, we began providing comics detailing how to use compliance helplines in fiscal 2023 with the goal of promoting understanding of the helplines and alleviating any concerns employees may have regarding their usage. These and other content allow users to efficiently learn about compliance in a short amount of time.

Training programs include online programs or small group

sessions for the employees of domestic Group companies on subjects such as compliance topics and means of improving communication with supervisors to foster a more open corporate culture. One important compliance concern is preventing harassment. Focused on this subject, an online seminar on preventing abuses of power was arranged for all managers of domestic Group companies in fiscal 2023. This seminar looked at harassment mechanisms, case studies, anger management, unconscious bias, and various other topics directly related to management. Post-seminar questionnaires pointed to the improvements to understanding and awareness gained during the seminar through comments on the contents of the program and requests for future iterations. In addition, a training session for employees involved in investigating reports received through compliance helplines was arranged in December 2022 based on the revision to the Whistleblower Protection Act instituted in June of that year. Domestic Group companies also implemented their own compliance training and education programs.

Fiscal 2023 Compliance Training Programs

	Number of sessions	Number of participants
Rank-based training	10	335
Onboarding training for mid-career hires	11	44
Other training programs	3	229
Total	24	608

[Respect for Employees' Human Rights >](#)



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Online seminar on preventing abuses of power for managers led by Yuko Zantou of Diamond Consulting Office LLC



Compliance training for new managers

Compliance Helplines

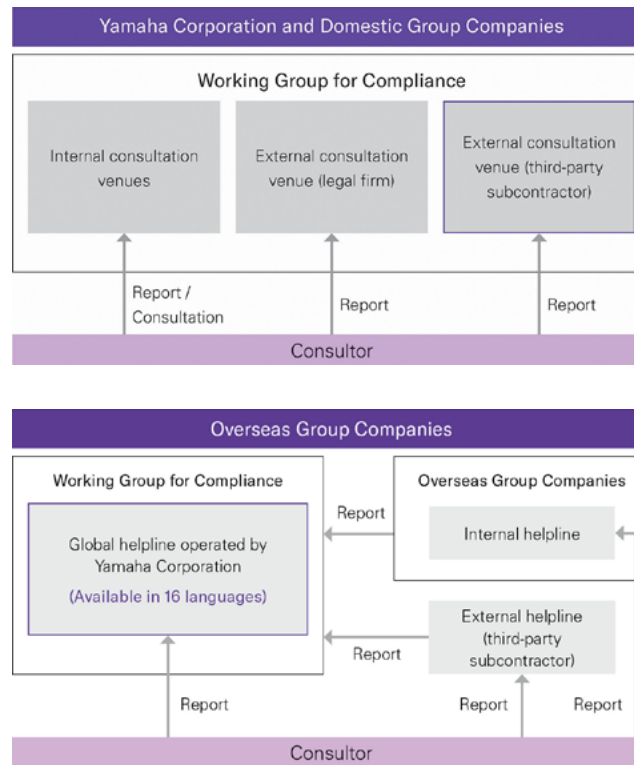
The Yamaha Group has established compliance helplines for addressing compliance-related consultations and reports. These helplines can be used to receive support via the internet, telephone, fax, email, or standard mail. Objective investigations are conducted to confirm the validity of any reports or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

In Japan, three helplines are available: the Yamaha Compliance Hotline, an external consultation venue for domestic Group companies operated by a subcontractor; an internal consultation venue; and a venue for consultation with an external legal firm. In addition, cards detailing the contact information for these helplines are distributed to employees. We also promote awareness and use of these venues during training sessions. These helplines are available to officers, full-time employees, dispatch employees, and part-time staff. The provisions contained in internal rules for protecting earnest individuals submitting reports through helplines from disadvantageous treatment have been strengthened in response to the revision to the Whistleblower Protection Act instituted in June 2022. In addition, training sessions have been held for employees involved in investigating reports to ensure their compliance with the relevant laws and regulations.

Overseas, helplines have been set up at 34 overseas Group companies, and Yamaha Corporation also provides a shared global helpline offering support via the internet that is available in 16 languages. In 2022, external helplines were established at almost all overseas Group companies and steps were taken to expand the range of options available for reporting to accommodate the needs of individuals submitting a report. Moreover, Groupwide policies and rules pertaining to handling of whistleblowers were

formulated while manuals were prepared and briefings were held for compliance representatives at Group companies to promote helpline usage and expedite responses to reports.

Compliance Helpline System



Harassment and other work-related matters represented the majority of consultations and reports received as of March 31, 2023. Policies and rules pertaining to handling of whistleblowers have been formulated in response to the revision to the

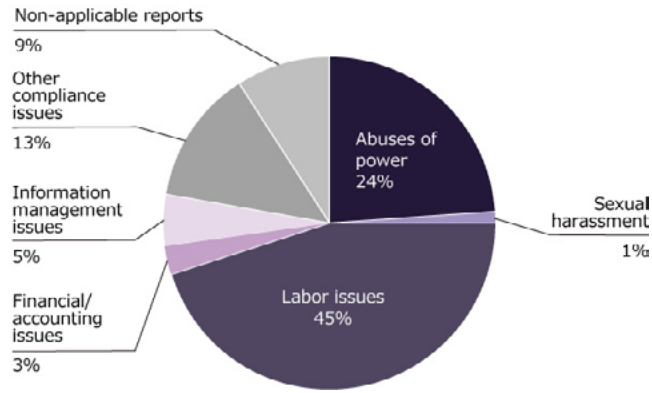
Whistleblower Protection Act instituted in June 2022, thereby clarifying the internal rules in relation to reports and responses thereof. In this manner, the Company has prepared a legally compliant process for responding to consultations and reports received through helplines that includes confirming the validity of the claims, determining whether legal violations took place, and taking any necessary corrective measures.

In fiscal 2023, no reports were received on incidents that constituted serious compliance violations with the potential to result in the Company being subject to massive fines or non-monetary sanctions for violating social or economic laws.

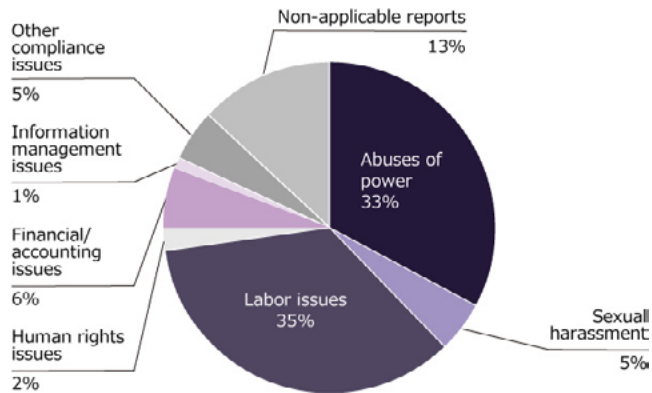
Number of Reports Received through Compliance Helplines

	Name provided	Anonymous	Total
FY2019	25	9	34
FY2020	54	12	66
FY2021	50	33	83
FY2022	44	43	87
FY2023	57	57	114

Fiscal 2022: 87 reports



Fiscal 2023: 114 reports



Fair Operating Practices

| Stance on Fair Operating Practices

The Yamaha Group takes great efforts to maintain fair operating practices by complying with laws, regulations, and social norms to contribute to the healthy development of the market economy society. Based on the Compliance Code of Conduct, the Group endeavors to build and maintain fair relationships by eliminating questionable relationships with suppliers or other related parties, to practice fair competition by banning the use of unfair comparative advertisements, comply with the Anti-Monopoly Act, and otherwise engage in responsible management of its business. Furthermore, the Group is educating its employees to ensure that all of its members comply with these standards.

[Compliance >](#)

| Prevention of Corruption

The Yamaha Group is well aware of the fact that corruption impedes healthy economic activity and is detrimental to the sustainability of society. Accordingly, the Group has endorsed the United Nations (UN) Global Compact, which sets out principles pertaining to anti-corruption. The Group also stipulates in its Compliance Code of Conduct that it rejects improper relationships with business partners, governments, local municipalities, and public institutions and that it will engage only in fair dealings. Anti-corruption measures are implemented based on this code of conduct.

- [Participation in Initiatives >](#)
- [Compliance Code of Conduct >](#)
- [5-4 Elimination of Improper Relationships \(Gift Giving, Business Entertainment, etc.\) >](#)
- [7-1 Transactions with Government and Public Officials >](#)
- [7-2 Prohibition Against Gift Giving to and Entertainment of Government Officials, etc. >](#)
- [8-5 Prohibition Against Bribery to Foreign Government Officials >](#)

■ Extensive Anti-Corruption Frameworks and Measures

The Yamaha Group formulates rules with regard to the compliance program to be implemented by Group companies to promote compliance and prevent corruption. Based on these rules, Group companies worldwide implement exhaustive anti-corruption measures including having members of senior management voice their commitment to compliance to employees, arranging training and education programs, and setting up processes for identifying and preemptively addressing activities with the potential to violate laws. The Legal Division of Yamaha Corporation is responsible for ensuring that all Group companies around the world are always aware of the corruption risks present in their business activities and for monitoring the status of initiatives within the Group. In addition to combating misconduct in its own activities, the Group is also committed to addressing bribery risks in the activities of business partners. To this end, some Group companies take steps such as requiring business partners, through contracts and other stipulations, to prohibit bribery and receiving pledges on this matter from business partners. Furthermore, the Yamaha Supplier CSR Code of Conduct stipulates the prohibition of corruption involving suppliers.

■ Corruption-Related Incidents

In fiscal 2023, no legal violations or government sanctions were incurred as a result of acts of corruption.

[Compliance Helplines >](#)

| Responsible Participation in Politics

With respect to involvement in politics and government policy, the Yamaha Group aims to demonstrate good faith in promoting the formulation and implementation of government policies that benefit society as a whole.

Guided by this philosophy, we maintain appropriate relationships with governments and politicians in accordance with prescriptions

Corporate Governance | Risk Management | Compliance | Dialogue with Shareholders and Investors

Fair Operating Practices | [Yamaha Group Tax Compliance](#)

Information Security and Personal Information Protection

concerning relationships with such in our Compliance Code of Conduct.

[7-1 Transactions with Government and Public Officials >](#)

[7-2 Prohibition Against Gift Giving to and Entertainment of Government Officials, etc. >](#)

[7-3 Political Contributions >](#)

[7-4 Response to Government Authorities >](#)

■ Political Contributions

The Yamaha Group takes a neutral stance toward political parties and politicians, and complies with the Public Offices Election Act, the Political Funds Control Act, and other laws and ordinances related to politics. The Group prohibits contributions to individual politicians, which is prohibited by law, and to political organizations or parties in excess of the permissible amount under the law. Under authoritative regulations for political contributions of ¥500,000 or more, it is mandatory for Yamaha Corporation to obtain the approval of the president, consult with the General Administration Division, the Corporate Finance Division, and the Legal Division, and confirm the contribution with the senior general manager of the Internal Auditing Division. Group companies are also required to conform to the restrictions of the political fund control laws of the respective countries when making political contributions or payments of any kind to politically related persons or persons belonging to public institutions while also observing the same regulations as Yamaha Corporation.

Furthermore, the senior general manager of the Internal Auditing Division carries out an audit of political contributions every April and determines whether or not these rules are being appropriately observed throughout the Group.

[7-3 Political Contributions >](#)

| Fair Trade Practices

The Yamaha Group does not engage in any unfair trading practices or unjust practices designed to restrict competition

and makes every effort to ensure fair competition, the bedrock of healthy development in a market economy. Moreover, the Yamaha Group familiarizes all Group employees with rules regarding the maintenance of fair relationships with business partners and rules governing corporate practices concerning market competition as laid out in the Compliance Code of Conduct.

[5. Relationship with Business Partners >](#)

[6. Relationship with Competitors >](#)

Compliance with Competition Laws

As part of its efforts to ensure fair competition, the Yamaha Group has formulated rules regarding the compliance programs to be implemented at Group companies for the purpose of ensuring compliance with competition laws. Based on these rules, competition law training is held at domestic and overseas Group companies emphasizing the prevention of cartel activities, bid rigging, price fixing, and other illegal activities. In addition, members of senior management voice their commitment to compliance with competition laws to employees worldwide.

In fiscal 2023, competition law training was conducted at 10 domestic Group companies (Yamaha Corporation, sales companies, and operating companies) and at 22 overseas Group companies (sales companies and operating companies). In Japan, 2,219 individuals underwent such training while 2,436 individuals received training overseas.

Compliance with the Subcontractors Act

At Yamaha Corporation and its domestic subsidiaries, transactions with subcontractors are tracked through the Group's accounting system, and frameworks are in place to prevent payment delays. Furthermore, through internal notifications and meetings with Procurement Department employees, we inform internal departments of notifications from the government regarding the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the

"Subcontractors Act") and of related standards as part of measures to stay abreast of and familiarize employees with legal requirements.

■ Fair Competition Violations

In fiscal 2023, no legal sanctions were imposed by the relevant authorities in response to violations of fair trade, anti-trust laws, or anti-monopoly laws. In Japan, the Group cooperates with written inquiries from the Fair Trade Commission and the Small and Medium Enterprise Agency and has not received any orders or warnings due to violations of laws and ordinances.

Yamaha Group Tax Compliance

The Corporate Philosophy of the Yamaha Group is, "With our unique expertise and sensibilities, gained from our devotion to sound and music, we are committed to creating excitement and cultural inspiration together with people around the world." We are working to secure a high level of profitability based on global competitiveness and increased management efficiency, and we are also striving to fulfill our social responsibilities. With these efforts, we are working to realize sustainable growth and to improve corporate value over the medium to long term.

| Basic policy

The Yamaha Group strives to improve not only the company's values but also boost economic and social development all over the world. To achieve our goals, we observe OECD guidelines on transfer pricing or BEPS (Base Erosion and Profit Shifting) initiatives. We also pay appropriate taxes in accordance with the tax-related laws and regulations stipulated in each state and region where we operate.

| Tax governance

The Yamaha Group endeavors to establish, maintain and strengthen our tax governance. Due to an understanding of the risks arising

from international taxations, we have positioned the tax strategy as an essential business initiative. The Risk Management Committee as advisory panel for the top management discusses how to carry out continuous risk management and regularly supervises the control activities from the corporate stand point. Under the monitor of the Risk Management Committee, the Corporate Finance Division is engaged in tax governance and control.

| Structure of tax management

Under the direction from the Executive Officer in charge of group taxation, the Corporate Finance Division of Yamaha Corporation has established Group Tax Policies & Rules in order to make the basic policies and tax related rules fully understood by all group members. The division keeps each employee of the Yamaha Group companies informed about all procedures and their implementation. The managements of the Yamaha Group companies endeavor to establish and maintain internal control regarding tax in accordance with the Yamaha Group Tax Policies & Rules.

| Monitoring to reduce risks related to tax

Under the organization described above, the Corporate Finance Division of Yamaha Corporation monitors group companies' tax treatments, rectifies when required and supports their operations. The division is also engaged in reducing tax related risks by receiving advice from outside professionals or confirming information with tax authorities beforehand.

| Tax planning

The Yamaha Group uses tax incentives in various countries where they are available for use in normal business activities, follows social ethics and strives to take on proper tax burdens. In addition, the Yamaha Group does not engage in intentional tax planning that is against the legislative spirit of domestic and international laws such as the utilization of Tax Havens.

| Transfer pricing

The Yamaha Group strives to realize fair income allocation in accordance with the functions and risks of each Group company and to prevent the improper transfer of income. The Yamaha Group maintains arm's length price through regular monitoring of the profits and losses of Group companies. In addition, the Yamaha Group strives for the implementation of Advanced Pricing Agreement (APA) with tax authorities to avoid the risk of retroactive transfer pricing taxation.

| Relationships with tax authorities

The Yamaha Group works to minimize tax risks by maintaining faithful relationships with the tax authorities of the regions where it conducts business. We also confirm essential matters with them in advance to mitigate any predicted risks.

| Securement of transparency

The Yamaha Group discloses information on its tax in accordance with the related laws and regulations, disclosure standards and accounting standards of each country. In addition, the Yamaha Group will make every effort to give understandable explanations to the tax authorities of the areas where it conducts business and will ensure transparency.

Information Security and Personal Information Protection

| Information Security and Personal Information Protection Initiatives

The Yamaha Group is committed to appropriately managing and protecting all of the information assets in its possession or with which it is entrusted. To this end, strict compliance is practiced with regard to relevant information security personal information-related regulations; the Group IT Policies & Rules, which delineate

basic policies and rules pertaining to IT management at the Yamaha Group; the Privacy Policy; and the Group Personal Data Protection Policies & Rules. The advancement of information and communications technology is increasing the risk of information leakage and damage. Nevertheless, the Group is committed to combating potential risks and ensuring the utmost levels of information security and personal information protection.

[Privacy Policy >](#)

| Promotion System

The Yamaha Group perceives information security and personal information protection as a critical aspect of risk management and has established the Working Group for Information Security, which is chaired by an operating officer, under the Risk Management Committee, an advisory body to the president. In accordance with the Group IT Policies & Rules and the Group Personal Data Protection Policies & Rules, the status of compliance with information asset and personal information protection regulations is monitored, reports on incidents are compiled, and potential work improvement measures are examined. In addition, the Group appoints individuals responsible for supervising information security and the handling of personal information on a Groupwide basis, and individuals responsible for managing these tasks are named on a by-division basis. The Group has also established a system to respond quickly during incidents such as information leaks.

| Training and Education

The Group IT Policies & Rules call for the provision of safe and secure IT platforms and stipulate that users of said platforms should be educated to ensure the safe and efficient use of IT.

We are strengthening efforts to enhance and round out awareness of employees through training and education for, and audits of, divisions handling information assets and personal information.

We also provide information security training for standard employees that covers topics such as information asset protection and information leak prevention.

In 2020, we launched an information security e-learning program, which is now provided to all Yamaha Group employees worldwide. This program is regularly implemented to provide knowledge on information security threats, most notably email scams and virus attacks, and information on response methods toward these threats.

In February 2023, a response drill simulating an attack via targeted emails was held for approximately 8,000 officers and employees at domestic Yamaha Group companies. Targeted emails are a form of cyberattack in which a specific organization is targeted with emails designed to extract confidential information, intellectual properties, or account or other information. In the drill, simulated targeted emails were sent to employees without prior warning. Afterward, the opportunity was used to reflect on how each individual responded and to learn about the proper methods for responding to suspicious emails or emails from unknown senders.

In addition, follow-up e-learning programs on the protection of personal information were arranged for individuals involved in the handling of such information in order to entrench management and usage practices that are compliant with the revision to the Act on the Protection of Personal Information instituted in April 2022.

Approach Toward Information Security and Personal Information Protection

Personal Information Customer Service Organization and Responses

Based on the relevant laws and regulations, the Yamaha Group has set up a service organization regarding the personal

information collected from its customers. The Group will respond to requests from customers or their proxies to disclose, change, delete, or stop usage of customer personal data held by the Group.

[Procedures for Responding to Requests to Disclose or Correct Personal Information \(in Japanese only\) >](#)

Customer Information Management Initiatives

The Yamaha Group manages personal information on a practical level out of consideration of information security based on the Group IT Management Standards, which detail policies regarding IT management of personal information. Personal information is stored in a system with an auto-encryption feature. In the unlikely case of an information leak, the system is structured so that only authorized personnel can view or use the personal information for an added degree of security. There were no major incidents concerning the management of personal information in fiscal 2023.

Dialogue with Shareholders and Investors

Policies Regarding Dialogue with Shareholders and Other Investors

The Yamaha Group conducts appropriate disclosure and constructive dialogue with shareholders, investors, and other stakeholders in accordance with the following policies and codes of conduct. The input gathered through these activities is reported to the Board of Directors as appropriate to reflect this input into business activities in order to drive ongoing growth and medium- to long-term improvements in corporate value.

Dialogue with Shareholders and Investors ([Chapter V of the Corporate Governance Policies](#))
[2-1 Accurate Accounting Records and Financial Reports >](#)

[2-2 Timely Disclosure of Information >](#)

IR Activities

The Yamaha Group strives to disclose information in a fair and timely manner for the benefit of institutional and private investors around the world. Rules for disclosure are set forth in the Disclosure Policy, which is available on the Company's corporate website.

[Disclosure Policy >](#)

Website for Investors

The investor relations (IR) section of Yamaha's corporate website (available in English and Japanese) provides up-to-date information on our business, including business strategies, information on medium-term management plans, earnings reports, financial data, and annual reports, along with newsletters. In fiscal 2023, the IR section of our website received a number of honors, namely a 2022 Internet IR Commendation Award (Daiwa Investor Relations Co. Ltd.), recognition as a AAA website in the overall category of the 2022 homepage ranking of all listed companies (Nikko Investor Relations Co., Ltd.), and a silver award in the ranking of companies with superior IR websites (Gomez). These honors reflected the evaluation of the website's extensive selection of corporate and management information.

[Investor Relations >](#)

Major IR Activities

Yamaha is bolstering engagement with shareholders and other investors in both Japan and overseas through various activities such as quarterly results briefings and other regular events as well as business briefings for securities analysts and institutional investors, factory and facility tours, and explanatory meetings for private investors, which are held as needed. We have also been increasingly utilizing online communication tools for IR activities

in recent years. The opinions and information gathered through engagement with shareholders and other investors are shared internally among the related departments, and these findings are reflected in our IR activities and in the execution of management.

Major Activities

	Target audience	Frequency	Times held in fiscal 2023
Financial results briefings	Securities analysts Institutional investor	Quarterly	4
Business briefings	Same as above	Irregularly	1
Factory and facility tours	Same as above	Irregularly	0
Individual meetings	Same as above	Approx. 200 times a year	250
Overseas investor visits	Overseas institutional investors	Three times a year (United States, Europe, and Asia)	0
Medium-term management plan briefings	Securities analysts Institutional investors	As needed	1
Company briefings for private investors	Private investors	Irregularly (in Japan)	2



Online company briefing for private investors



Medium-term management plan briefing

ESG Investment Initiatives

Yamaha Corporation has been included in domestic and overseas environmental, social, and governance (ESG) indices*1 and ESG funds based on the consideration it exercises for the environment and for society.

For more details, please refer to the following website.

[External Recognition >](#)

*1 ESG indexes compile companies evaluated as exhibiting excellence in terms of both profitability and sustainability and track the movements of their stock prices.



FTSE4Good

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.



FTSE Blossom Japan

FTSE Russell confirms that Yamaha Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data 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.



FTSE Blossom Japan Sector Relative Index

FTSE Russell confirms that Yamaha Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. 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.



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Credit Ratings (As of March 31, 2023)

Rating and Investment Information, Inc.	A+
Japan Credit Rating Agency, Ltd.	AA-

Shareholder Returns and Retained Earnings

The Company's shareholder returns and retained earnings policies are explained in the following link.

[Shareholder Returns >](#)

Shareholder Benefits

Yamaha Corporation has introduced special incentive programs for shareholders to express its appreciation for their daily support and to foster greater understanding and support for Yamaha's business. Shareholder benefit programs are available only to residents of Japan.

[Shareholder Benefits \(in Japanese only\) >](#)