



CORPORATE STRATEGIES

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CORPORATE STRATEGIES

FINANCIAL STRATEGIES AND ENHANCEMENT OF MANAGEMENT FOUNDATIONS

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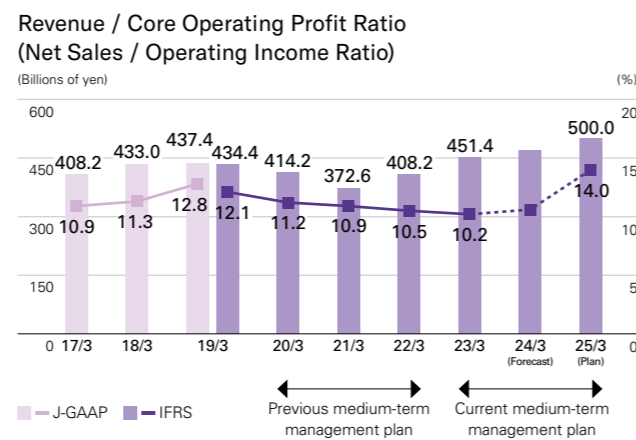


We are dedicated to ensuring a strong recovery in revenue in pursuit of our financial targets while also advancing sustainability initiatives and seeking to utilize intangible assets.

Review of Fiscal 2023

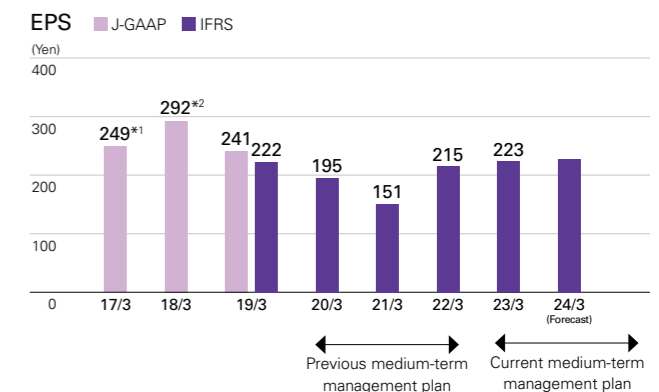
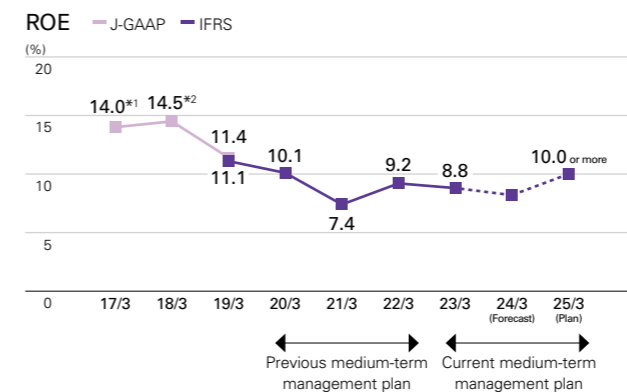
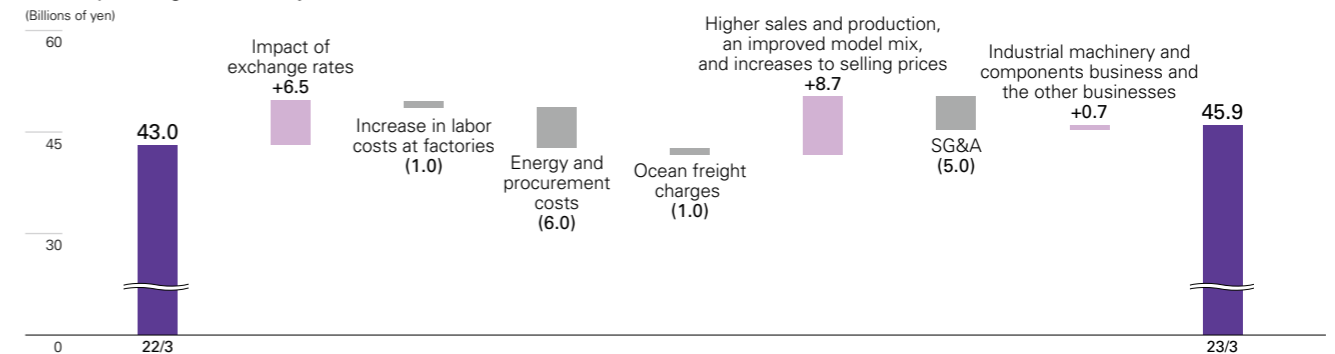
In fiscal 2023, the first year of our Make Waves 2.0 medium-term management plan, Yamaha faced a rapidly changing operating environment. Examples of this included the longer-than-anticipated implementation of China's zero-COVID policy as well as the spike in COVID-19 infections following the sudden discontinuation of this policy, difficulties procuring semiconductors stemming from supply chain disruptions, and the rapid global inflation trend that arose as a result of Russia's ongoing military invasion of Ukraine. These changes led to increases in various costs, including ocean freight charges and energy and procurement costs. Another outcome of this environment was more rapid declines in demand for entry-level digital piano and guitar models in the North American and European markets.

Seeking to overcome these challenges as well as demand volatility, we took steps to increase selling prices and improve model mixes. The benefits of these efforts, combined with the favorable foreign exchange rates brought about by yen depreciation, resulted in revenue in fiscal 2023 rising ¥43.2 billion year on year, to ¥451.4 billion, while core operating profit increased ¥2.8 billion, to ¥45.9 billion, and profit for the period attributable to owners of parent edged up ¥0.9 billion, to ¥38.2 billion. These figures led to a core operating profit ratio of 10.2%, return on equity (ROE) of 8.8%, and earnings per share (EPS) of ¥223. In this manner, I think we can pride



ourselves on the results we were able to achieve in such a challenging operating environment. I would now like to discuss the reasons behind the increase in core operating profit in comparison with the previous fiscal year. There was a combined increase of ¥6.0 billion in energy and procurement costs while ocean freight charges and selling, general and administrative (SG&A) expenses rose by ¥1.0 billion and ¥5.0 billion, respectively. Meanwhile, the favorable foreign exchange rates created by yen depreciation buoyed core operating profit by ¥6.5 billion and the benefits of higher sales and production levels and increases to product selling prices pushed up profit by ¥8.7 billion, leading to the overall year-on-year increase in core operating profit.

Core Operating Profit Analysis versus Previous Fiscal Year



*1 Including the recording of deferred tax assets
 *2 Including gain on sales of a portion of shares in Yamaha Motor Co., Ltd.

These outcomes highlight our success in addressing the need to increase selling prices that was left over from the previous fiscal year. This included increases in response to newly emerging cost increases.

Conversely, we are faced with a need to deplete the inventories that have built up as a result of sluggish conditions in the Chinese market as well as slumping demand for entry-level models. This is a particularly important task, especially from the perspective of healthy operating cash flows. Generally, inventories stand at roughly ¥100.0 billion. On March 31, 2023, however, the level of inventories surpassed ¥150.0 billion, a high figure even when considering the rise attributable to foreign exchange rates. The levels of inventories at dealers also rose over the previous fiscal year. We are working to deplete the excessive inventories by focusing our attention on sales and lowering production levels at factories with the aim of getting inventories back to appropriate levels as soon as is possible.

Management Targets and Progress

The medium-term management plan targets revenue growth of 20%, a core operating profit ratio of 14%, and ROE and

return on invested capital (ROIC) of 10% or more. In fiscal 2023, the first year of the plan, we sought to respond to a plethora of changes in the operating environment, including the sluggish conditions in the Chinese market and the slumping demand for entry-level models. As a result, the core operating profit ratio was 10.2% while ROE was 8.8%, as mentioned previously.

If we look at revenue in fiscal 2023 by region, we will see struggling performance in China, strong results in the mainstay musical instrument business in North America, and double-digit growth in emerging markets, when excluding Russia. Such disparity in performance by market is expected to continue going forward. Regardless, we anticipate recovery in all markets in fiscal 2024 as China seems to be coming out of the worst.

As for efforts to improve the core operating profit ratio, it will be important to grow revenue by taking advantage of the high marginal profit ratio of existing businesses that represents a strength of Yamaha. In addition, we will continue to pursue improvements through an approach combining selling price increases, cost reductions, and new value creation.

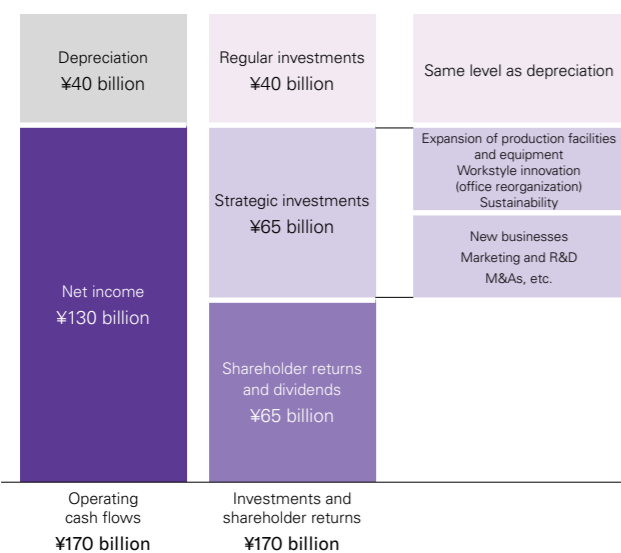
Meanwhile, improvements to ROE will be targeted by heightening profit margins and increasing capital efficiency through means such as shareholder returns.

Strategic Investments and Shareholder Returns

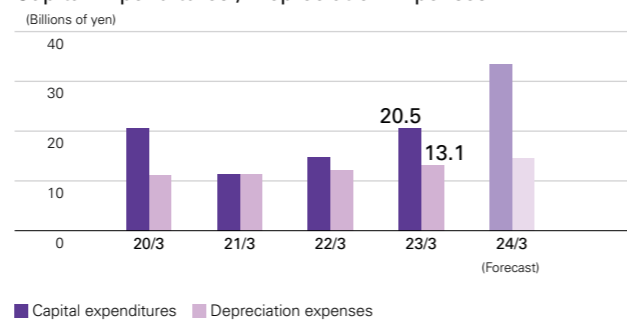
Of the aggregate total of ¥170.0 billion in operating cash flows projected to be generated over the three-year period of the medium-term management plan, Yamaha intends to allocate ¥40.0 billion to standard investments, ¥65.0 billion to strategic investments, and ¥65.0 billion to shareholder returns. Targets of strategic investments will include production facility augmentations, office reorganizations, research and development, new business creation, and M&A activities. One example of these strategic investments would be Cordoba Music Group, LLC, a U.S. guitar manufacturer acquired in February 2023. At the same time, we are moving forward with construction of a new office building in the Minatomirai area of Yokohama that will be used to house our sales, branding, and R&D functions in the Tokyo metropolitan area. Scheduled for completion in 2024, this building will contribute to the steady enhancement of operating and management foundations.

As for shareholder returns, our basic policy remains to issue steady and continuous dividends and flexibly carry out shareholder returns in an appropriate manner with the aim of improving capital efficiency, while also considering the need for balance with maintaining appropriate internal revenues for conducting future growth investments. Based on this policy, we will target a total return ratio of 50% for the three-year period of the medium-term management plan. Even during the challenging time created by the pandemic, we maintained our emphasis on steady and continuous dividends by refraining from lowering dividends, keeping the level of payments at ¥66 per share throughout the period spanning from fiscal 2020 to fiscal 2023. More than that, we look to raise dividend payments by ¥8, to ¥74 per share, in fiscal 2024. The Company also announced the acquisition of ¥15.0 billion worth of treasury stock in February 2023, and then carried out these acquisitions as one facet of its flexible approach toward shareholder returns.

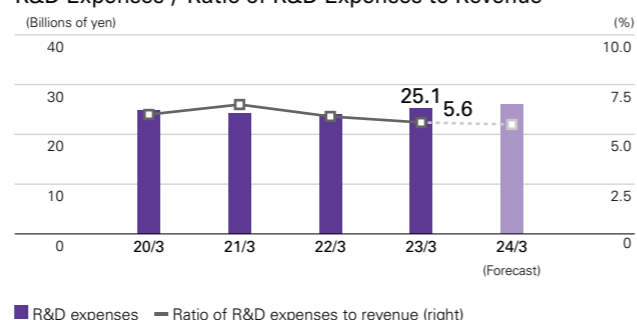
Three-Year Plan for Operating Cash Flows in the Make Waves 2.0 Medium-Term Management Plan



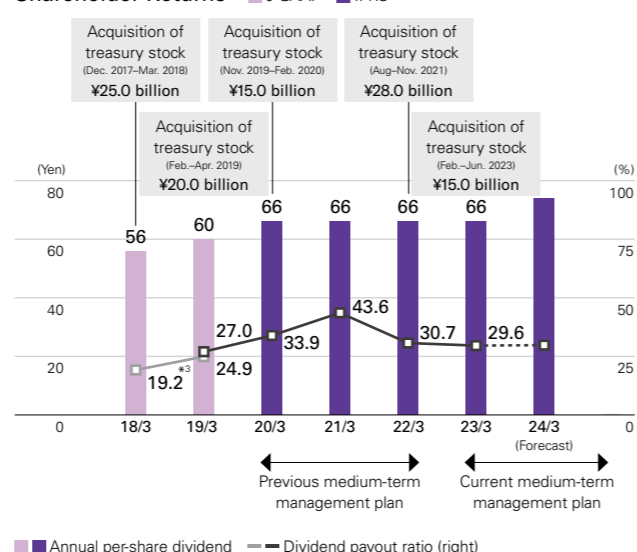
Capital Expenditures / Depreciation Expenses



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



Shareholder Returns



*3 Including gain on sales of a portion of shares in Yamaha Motor Co., Ltd.

Sustainability and Human Capital Management

The medium-term management plan defines three key policies for heightening Yamaha’s capacity for ongoing growth—“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.” Concrete targets have been set based on these policies, and these targets are being incorporated into business activities. Although prior plans have focused on business strategies, you will notice that Make Waves 2.0 devotes two of its three key policies to sustainability and human capital, which is indicative of the extent to which Yamaha is emphasizing sustainability and human capital management.

In regard to key policy of “set sustainability as a source of value,” we have a number of working groups under the Sustainability Committee, specifically the Working Group for Climate Change, the Working Group for Resource Circulation, the Working Group for Procurement, the Working Group for Human Rights, DE&I, and the Working Group for Social and Cultural Contributions. These working groups are responsible for formulating plans for specific measures, encouraging business divisions to conduct their activities with emphasis on these measures, and monitoring the results of such efforts. This framework is beginning to function as hoped. In fact, social and cultural contribution activities progressed faster than initially expected in the first year of the medium-term management plan. One of the most noteworthy examples of these activities is our efforts to promote instrumental music education in emerging countries. Steady progress is being made in these and other activities, as can be verified by looking at indicators such as newly adopted sources of certified timber and the rising ratio of female managers. Progress faltered in regard to certain indicators, and negative progress was seen in relation to others, in fiscal 2023 as a result of the reduction to production efficiency that stemmed from market changes. Nonetheless, I am confident in our ability to make steady progress in our initiatives once the operating environment returns to normal.

In regard to the key policy of “enable Yamaha colleagues to be more valued, more engaged, and more committed,” we once again conducted employee engagement surveys on a global basis. The results of our initiatives over the previous fiscal year are being verified as divisions and Group companies take various steps and implement a variety of initiatives in pursuit of improvements. Measures are also being advanced on a Companywide basis. For example, we are offering employees support for autonomous career development while expanding our range of systems and frameworks for facilitating diverse and flexible workstyles. Specific measures have included laying out clear standards permitting side jobs and launching an internal open application system to increase the fluidity of our human resource base.

Meanwhile, Yamaha is ramping up support for cultivating female leaders and has established rules for cross-border personnel assignments, thereby furnishing the foundations for mobilizing diverse human resources. Furthermore, strides have

been made in protecting the physical and mental health of our employees, the importance of which to management cannot be understated. We have maintained a regular health checkup rate of 100% for five consecutive years while the ratio of employees who smoke has dropped below 10%. These efforts have earned recognition, leading Yamaha to be included in the Health & Productivity Stock Selection for two consecutive years. In light of the anticipated rise in the fluidity of the workforce across society, we intend to continue striving to develop a workplace environment that will allow us to recruit, retain, and draw out the full potential of diverse human resources.

Reinforcement of Management Foundations Supporting Ongoing Growth

Intangible assets are imperative to value creation at Yamaha. From the perspective of managing these assets, the aforementioned sustainability and human capital initiatives are incredibly important, as are intellectual properties. The Intellectual Property Division was recently transferred from our Technology Unit to our Corporate Administration Unit. This move will allow us to complement our traditional approach toward intellectual property, which emphasizes the practical aspects of managing patents, trademarks, and other rights, by adopting a more strategic approach toward intellectual properties that entails using these assets on a Companywide level as drivers of ongoing growth and innovation.

Risk management is also crucial to the foundations that support our ongoing growth. Yamaha has proceeded to enhance its risk management systems while incorporating the various business challenges we have faced over the past several years. At the moment, we are employing a framework for objectively assessing the Company’s risk controls based on 32 risk categories, 119 subcategories, and 163 scenarios. Sometimes we may need to enact strategic investments that entail bold risk taking, and this will require us to be mindful of our ability to respond to risks that we may not have encountered before. This is something that will be considered as we continue to enhance the effectiveness of our risk management.

In Closing

In the regular meetings I have with investors, I have noticed a substantial increase in questions about sustainability from a medium- to long-term perspective. This has made me cognizant of how the types of perspectives required of management are changing together with society. As we address the tasks placed immediately before us in order to accomplish the financial targets of the medium-term management plan, it will also be important for us to take a long-term perspective toward sustainability initiatives and the utilization of intangible assets in order to heighten Yamaha’s capacity to continue growing.

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 is advancing initiatives for contributing to the realization of a sustainable society based on the Yamaha Group Sustainability Policy. The Group places sustainability at the heart of its management and business activities. We are therefore advancing initiatives based on material issues defined to guide efforts to contribute to social sustainability and medium- to long-term improvements to corporate value. These issues were shaped by the relationship between our business activities and the environment and society as well as by stakeholder expectations and social demands.

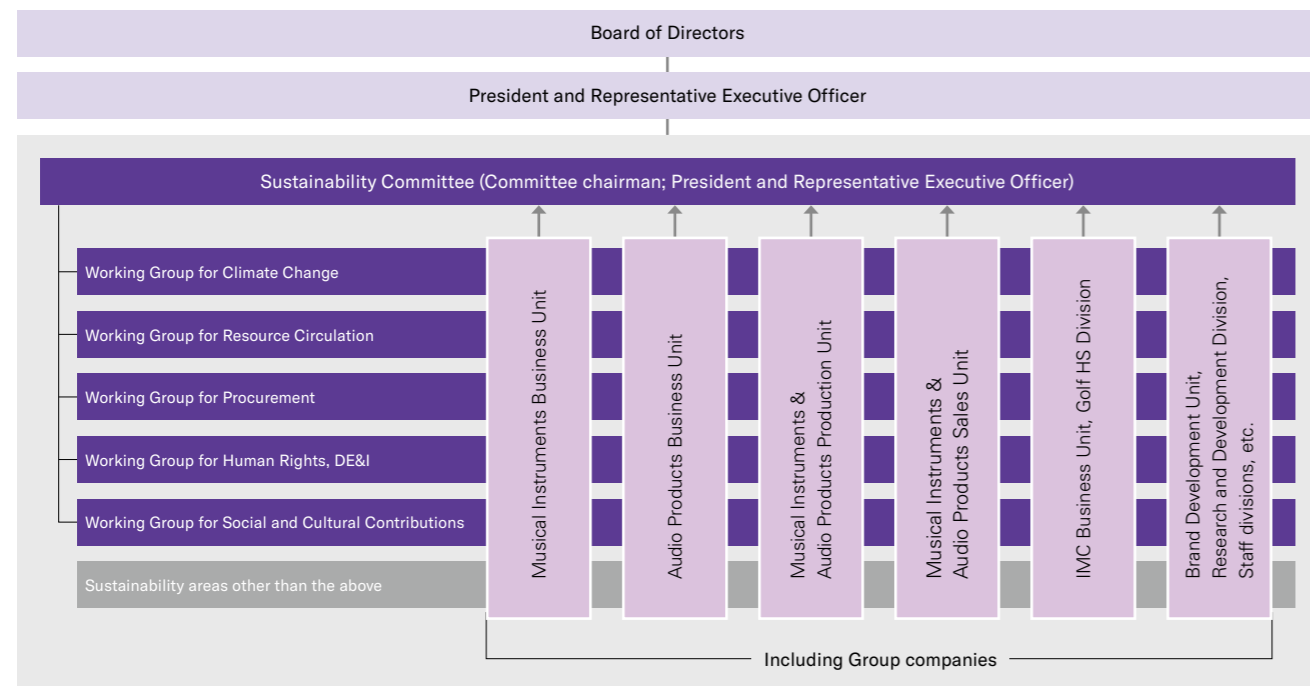
Sustainability Promotion System

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 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 act on a cross-business basis by coordinating with the relevant divisions to advance activities based on the important Groupwide theme of their assigned area.

Important Themes Assigned to Each Working Group

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 2023 Sustainability Committee Meetings

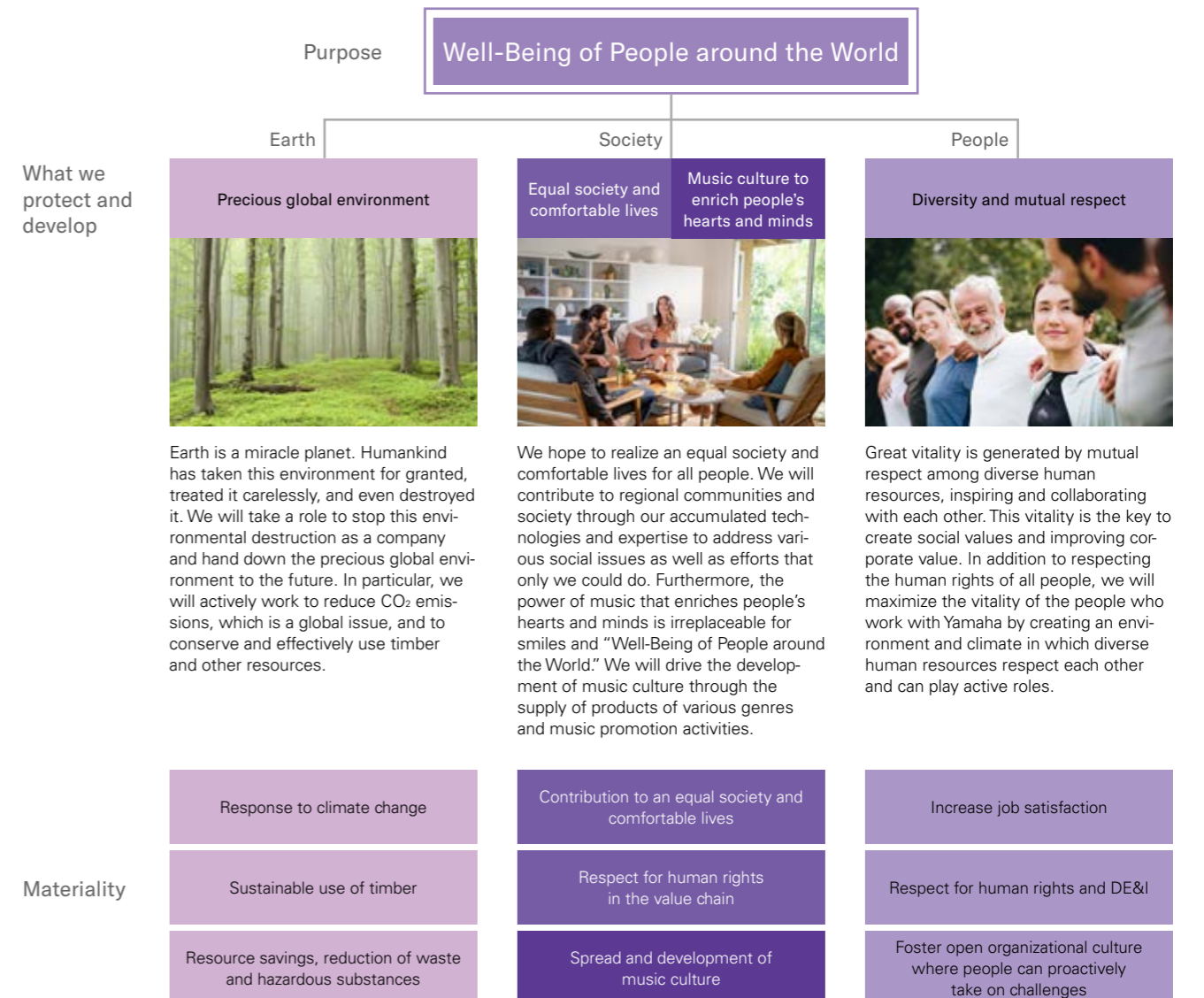
Meetings	Major Agenda Items
6 times	<ul style="list-style-type: none"> Review of sustainability initiatives under the previous medium-term management plan Progress and challenges of sustainability initiatives under the current medium-term management plan Disclosure based on TCFD recommendations Discussion session with an external expert (lecture, Q&A session, and exchange of opinions regarding the challenges faced in Yamaha's sustainability initiatives)

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.



Endorsement of the TCFD Recommendations

Rapid climate change poses a major threat to humanity and to all life-forms on earth. We recognize that helping combat this threat and contributing to the decarbonization of society are corporate responsibilities and important management issues.

In fiscal 2020, 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 risks and opportunities for its business created by climate change. This information is reflected in management strategies, and information on the financial impacts of these risks and opportunities is disclosed.



Yamaha's Initiatives

Governance

Climate change and other important sustainability issues are discussed at meetings of the Sustainability Committee, which is an advisory body to, and chaired by, the president that was established in January 2021. Matters discussed by this committee are regularly raised to the Board of Directors, which confirms the progress of and oversees measures. The Sustainability Committee met six times in fiscal 2023.

In November 2022, a discussion forum was arranged with sustainability experts as part of our efforts to heighten awareness regarding climate change and other social issues.

The Working Group for Climate Change, an organization positioned under the Sustainability Committee, leads discussions on measures for responding to climate change-related risks and opportunities, and relevant topics are also examined by the Working Group for Resource Circulation and the Working Group for Procurement. The results of these discussions are reported to the Sustainability Committee.

In fiscal 2022, Yamaha revised its sustainability priorities (material issues), the management issues with the potential to impact corporate value over the medium to long term, to include climate change among these issues. The Make Waves 2.0 medium-term management plan launched in April 2022 defines "set sustainability as a source of value" as one of its key policies, thereby positioning response to climate change as a central theme of the plan. Moreover, the Company has introduced frameworks for reflecting the degree of

accomplishment of targets for CO₂ emissions reductions and other non-financial indicators into officer compensation.

Strategy

Scenario analyses have been performed to confirm the potential impacts of climate change on the Yamaha Group. A number of scenarios were used including those projecting global warming of between 1.5°C and 2°C above pre-industrial levels, which involve significant transition risks, and scenarios assuming global warming of 4°C above pre-industrial levels, which forecast substantial physical risks, as well as various other scenarios.*¹ Applied to all businesses, these assessments were used to identify short-term, medium-term, and long-term risks and opportunities.*² Given the potentially large impact on business activities, strategies, and financial performance from climate change, the related risks and opportunities are regularly reviewed, and strategies are revised as necessary (see table below).

*¹ NZE Scenario (net zero emissions by 2050 and global warming of 1.5°C above pre-industrial levels, 2022 World Energy Outlook, International Energy Agency (IEA)); Sustainable Development Scenario (global warming of less than 2°C above pre-industrial levels, 2022 World Energy Outlook, IEA); Representative Concentration Pathway (RCP) 2.6 (global warming of less than 2°C above pre-industrial levels); RCP 8.5 (global warming of 4°C above pre-industrial levels); Announced Pledges Scenario; Stated Policies Scenario (Business as Usual); etc.

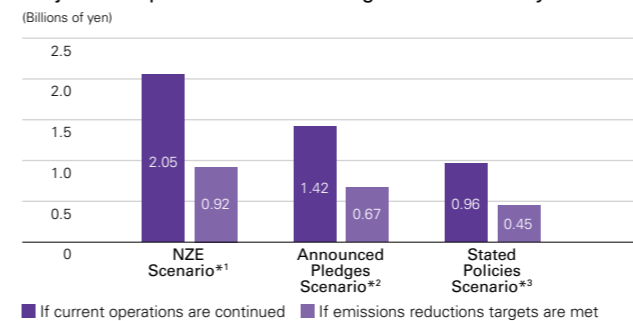
*² Risks and opportunities are classified as "short-term" if their impacts will be most strongly felt over the next several years, "medium-term" if their impacts will be felt leading up to 2030, and "long-term" if the impacts will appear in 2050.

High-Materiality Risks and Opportunities and Response Strategies

Category	Risks and Opportunities	Yamaha's Response Strategies	Scenario Analyses		
			Scenarios Projecting Global Warming of 1.5-2°C	Scenarios Projecting Global Warming of 4°C	
Transition risks	Institution or increase of carbon prices	<ul style="list-style-type: none"> Increases to production or procurement costs due to introduction of carbon taxes Potential for ¥1.0-2.0 billion increase in Group energy costs by fiscal 2031 (see graph to right) 	<ul style="list-style-type: none"> Exhaustive energy conservation and advancement of conventional energy use reduction plan focused on utilization of renewable energy (rise in energy costs to be limited to ¥0.4-0.9 billion by achieving energy conservation targets) Promotion of investment in low-emissions equipment through introduction of internal carbon pricing system (¥14,000 per t-CO₂) Promotion of emissions reduction together with suppliers 	Increased impact	Continuation of current level of impact
	Withdrawal of suppliers from timber businesses	<ul style="list-style-type: none"> Increase in withdrawals from timber businesses due to popularization of forest-associated carbon credits 	<ul style="list-style-type: none"> Increasing of rate of sustainable timber use Advancement of Tone Forest activities to achieve sustainable procurement of timber suited to musical instrument production 	Increased impact	Increased impact

Physical risks	Increasing frequency and severity of natural disasters	<ul style="list-style-type: none"> Halts to production due to damages to production bases or disruptions to supply chains resulted from natural disasters 	<ul style="list-style-type: none"> Reevaluation of flooding risks and potential damages to Yamaha Group bases (manufacturing, sales, and logistics) to enact preemptive measures in preparation for natural disasters 	Continuation of current level of impact	Increased impact
	Changes to the environments of regions from which Yamaha procures timber	<ul style="list-style-type: none"> Difficulty procuring timber as a result of changes to the environments of regions from which procured timber is produced stemming from climate change (see table below) 	<ul style="list-style-type: none"> Increasing of rate of sustainable timber use Development of new materials and timber processing technologies to provide substitutes for scarce timber used currently (retention and enhancement of timber-related technologies and procurement expertise) 	Increased impact	Increased impact
Opportunities	Development of substitutes for timber and establishment of new quality standards	<ul style="list-style-type: none"> Improvement of competitiveness and reputation among customers and investors by utilizing eco-friendly alternative materials in products 	<ul style="list-style-type: none"> Supply of solutions for remote and online events that combine acoustics, signal processing, and telecommunications technologies Creation of new customer experiences through remote concerts, lessons, and ensemble performances 	Increased impact	Increased impact
	Growth demand for products and services associated with increase in time spent indoors by rising temperatures	<ul style="list-style-type: none"> Higher demand for telecommunications equipment in conjunction with increases in teleworking and online events and gaming Growing demand for audio equipment in conjunction with rise in video distribution and emergence of hybrid live streaming events as de facto standard 		Increased impact	Increased impact

Projected Impact of Carbon Pricing in Fiscal 2031 by Scenario



*¹ Scenario targeting effectively net zero emissions by 2050
*² Scenario assuming the implementation of adaptive climate change response measures based on current government policies and regulations and technological progress
*³ Scenario assuming that countries will enact their stated climate change response policies and accomplish their announced targets

Potential Changes in Timber Procurement Region Environments from Base Year

■ None (100% or more) ■ Minor (95-100%) ■ Moderate (80-95%) ■ Large (80% or less)

Tree Species	Region	Rise in Average Global Temperature from Pre-Industrial Levels (°C) and Potential Change in Procurement Region Environments (%)								
		0.6°C*	1.0°C	1.5°C	2.0°C	2.5°C	3.0°C	3.5°C	4.0°C	4.5°C or more
Conifer species A	North America A	100	100	99	98	96	94	92	90	Less than 90
		100	101	84	74	62	47	31	11	Less than 11
Broadleaf tree species A	Asia A	100	101	105	107	109	111	113	115	More than 115
		100	101	103	104	104	104	103	101	Less than 101
Broadleaf tree species C	Europe B	100	102	96	86	72	55	37	14	Less than 14
	Europe C	100	100	100	99	98	96	94	92	Less than 92
		2°C scenario				4°C scenario				
RCP 8.5 (4°C scenario)		Today*			2040s	2060s	2080s	2090s		
RCP 2.6 (2°C scenario)		Today*		2040-2090s						

* "Today" represents the average between 1986 and 2005.
Source: Yamaha Corporation

Risk Management
Process of Identifying and Assessing Climate Change-Related Risks and Opportunities

Having established the Risk Management Committee, Yamaha has implemented Companywide frameworks for assessing all of the climate change and other risks faced in its corporate activities. These frameworks are utilized to identify and assess climate change-related risks.

Risks are assessed and categorized from the perspectives of potential damages and frequency. This approach is utilized to determine the effective financial and strategic impact of said risks on the Yamaha Group's business, and this information is used as the basis for the formulation of risk countermeasures.

Based on the results of scenario analysis, the Working Group for Climate Change, an organization positioned under the Sustainability Committee, determines and assesses the potential damages and frequency of the risks identified through scenario analyses. The working group then compiles lists of risks based on the risk categories put forth by the TCFD. The potential damages of the risks contained on these lists are assigned one of three ranks based on the portion of revenue represented by said damages, and the potential frequency is given one of four ranks. This approach is used to identify material risks. A similar approach is employed in specifying material opportunities.

Climate Change-Related Risk and Opportunity Management Process
The Working Group for Climate Change meets four times a year, and these meetings are attended by officers and division management responsible for organizations pertaining to such functions as

production, procurement, logistics, the environment, finances, and corporate planning. Meetings of this working group are used to monitor and revise measures for responding to the identified material risks and opportunities.

In addition, measures are discussed as necessary by other working groups, such as the Working Group for Procurement and the Working Group for Resource Circulation, which provide advice pertaining to the identification of themes for countermeasures as well as the allocation of resources and decide upon indicators for monitoring progress.

Material risks and opportunities warranting measures that exceed the scope of responsibilities of the working groups are reported to the Board of Directors, which will then examine the potential response measures.

Relationship between Management of Climate Change-Related Risks and Comprehensive Risk Management

The Risk Management Committee is tasked with identifying material risk scenarios pertaining to all of the risks faced in the Company's corporate activities, formulating measures to mitigate the potential impacts of risks, and managing the progress of said measures.

Based on instructions from the Risk Management Committee, the Working Group for Climate Change identifies and assesses risks and coordinates and supports the related response measures.

The Sustainability Committee, of which the Working Group for Climate Change is a part, and the Risk Management Committee are both chaired by the president of the Company to allow for organic coordination between the activities of these committees.

Identified Climate Change-Related Risks and Opportunities and Potential Impacts

Category	Impact Level	Potential Impacts
Transition risks	Government regulation	<ul style="list-style-type: none"> Large impacts on R&D, production, and sales plans stemming from restrictions on greenhouse gas emissions seen around the world and other current regulations Widespread impacts on R&D, product, and production plans from future regulations
	Technologies	<ul style="list-style-type: none"> Need to address important management tasks of reducing costs and developing low-carbon technologies
	Markets	<ul style="list-style-type: none"> Concern for impacts on material procurement and costs associated with efforts to reduce greenhouse gas emissions
	Reputation	<ul style="list-style-type: none"> Impacts on revenue and stock price from changes in social reputation
Physical risks	Direct operations	<ul style="list-style-type: none"> Concern for potential impacts on important factories from storms or floods resulted from climate change
	Procurement	<ul style="list-style-type: none"> Concern for impacts on ability to procure materials due to changes to the environments of regions from which Yamaha procures timber stemming from climate change Concern for impacts on production plans and water costs at certain factories due to widespread droughts as a result of climate change
Opportunities	Market	<ul style="list-style-type: none"> Potential growth in demand for products and services due to changes in lifestyles arising amid climate change
	Products and services	<ul style="list-style-type: none"> Possible rises in demand for products and services that do not entail greenhouse gas emissions

Metrics and Targets

Reductions to CO₂ 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.

Yamaha has set the medium-term targets of reducing total Scope 1 and Scope 2 greenhouse gas emissions by 55% (a target certified by Science Based Targets as sufficient for helping limit average global warming to below 1.5°C) and total Scope 3 greenhouse gas emissions by 30% from fiscal 2018 levels by fiscal 2031. In addition, we have set a long-term target for Scope 1 and Scope 2 emissions of achieving carbon neutrality by fiscal 2051.

Targeting effective zero emissions of greenhouse gases across its value chain, Yamaha announced its commitment to achieving net zero emissions, as defined by Science Based Targets, in June 2023 (see diagram on next page).

As short-term milestones on our path toward this larger target, we aim to achieve a 5% improvement in energy efficiency during production and a 10% rate of renewable energy use by fiscal 2025.

Yamaha aspires to protect forest resources and biodiversity as it responds to the risks associated with suppliers withdrawing from timber businesses and changes to the environments of regions from which it procures timbers. To guide these efforts, we have set the target of achieving a 75% rate of sustainable timber use by fiscal 2025.

For more information on Scope 1, Scope 2, and Scope 3 emissions, please refer to the following website.

https://www.yamaha.com/en/csr/related_information/esg_data/

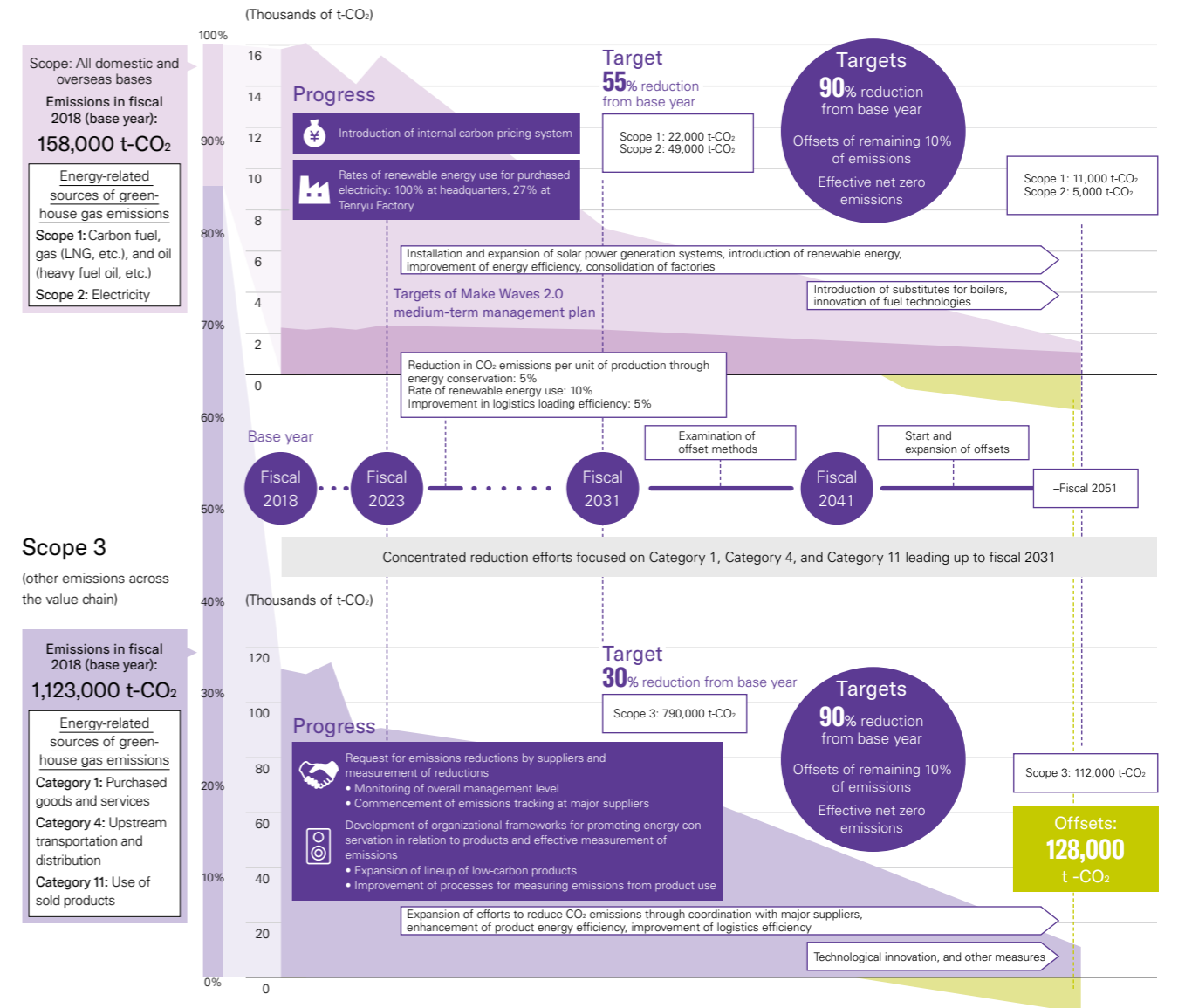


Decarbonization Plan

Reductions to CO₂ 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 human society as well as to all living organisms on the planet, 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



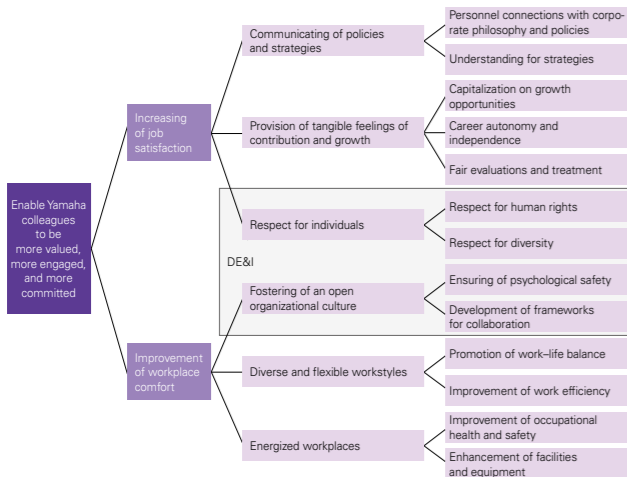
HUMAN RESOURCES

Recognizing that human resources drive the creation of social and corporate value, 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. By promoting human resources management on a global scale, we aim to fully utilize our human resources, further develop our business, and achieve ongoing improvements in corporate value.



Basic Policy

The medium-term management plan's key policy of "enable Yamaha colleagues to be more valued, more engaged, and more committed" can be broken down into the elements of increasing job satisfaction and improving workplace comfort. Having clearly identified the relationship between its measures and these elements, the Yamaha Group practices human resources management with the aim of fully drawing out the individuality, talents, and diversity of all of its employees. In addition, we are promoting diversity, equity, and inclusion (DE&I). For this purpose, the Working Group for Human Rights, DE&I was established under the Sustainability Committee, an advisory body to the president. This working group is engaged in discussions aimed at formulating a Groupwide DE&I vision, medium- to long-term targets, and measures.



Initiatives under the Make Waves 2.0 Medium-Term Management Plan

Increase Job Satisfaction

The Yamaha Group inspires employees to feel value in their work by helping them to fully exercise their skills while achieving self-actualization and growing as professionals.

The Yamaha Group has established guidelines for Groupwide education and training programs, carries out systematic education and training programs, and pursues ongoing improvements to its education and training systems. At Yamaha Corporation, function-specific training programs are implemented by the Human Resources Division. In addition, information on best practices is shared between the relevant parties and structures for coordination are formulated to drive improvements in our education and training programs.

At the same time, support for autonomous career development by employees is being ramped up centered on Yamaha Corporation. In fiscal 2023, we began providing autonomous career development

workshops and career development supporter training to make the previous career meetings between employees and their supervisors more meaningful. We are also preparing a new talent management system, which will form the basis for an upcoming career self-reporting framework. The goal of the new system will be to allocate human resources more appropriately based on the skills and career aspirations of individual employees. In addition, an open application system for career opportunities was introduced in May 2023 that allows employees to actively steer their own careers. These measures will continue to be introduced at Group companies in a phased manner going forward.

Promote Respect for Human Rights and DE&I

Respect for human rights is a fundamental concern that underpins responsible corporate activities. Based on this recognition, we honor diversity in our hiring and human resources utilization practices and seek to foster a workplace environment that is inclusive toward diverse individuals.

In regard to our human resources development activities, the Working Group for Gender Equality holds regular meetings with management and leads various measures for diversifying management through the ongoing cultivation of female leaders. As a result of these efforts, the global ratio of female employees in management positions was 17.3% in fiscal 2023, an improvement compared to the level of 16.5% in fiscal 2022.

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 for which employees at all Yamaha Group bases are able to participate. In addition, rules for international relocations were established in fiscal 2023, furnishing the foundations for cross-border personnel assignments. Looking ahead, we are committed to systematically cultivating and positioning management personnel on a global scale in order to accelerate improvements to the diversity of our organization. The Group is also actively voicing its support for minority groups through initiatives such as its celebration of International Women's Day and LGBTQ+ Pride Month. Furthermore, we declared our support for the Business for Marriage Equality campaign, which promotes marriage equality for same-sex couples via legal recognition, in fiscal 2023. 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 four consecutive years, and the Company was ranked eighth in Japan for gender equality by Equileap in 2022.



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

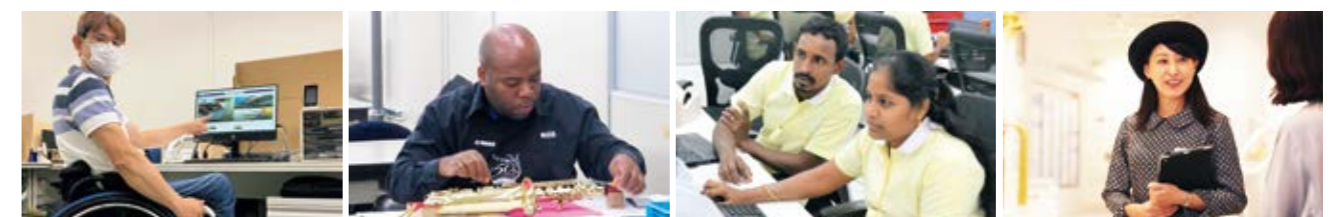
Priority Themes	Targets	Measures
Increase job satisfaction	<ul style="list-style-type: none"> Continue improving ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys Double human resources investment 	<ul style="list-style-type: none"> Inspire a feeling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

Foster Open Organizational Culture Where People Can Proactively Take On Challenges

The Yamaha Group hopes to allow its employees to fully exercise their skills while maintaining good physical and mental health and living enriching work and personal lives. In order to become such an organization, we are reforming our corporate culture, enhancing systems, and developing our desired workplace environment.

Employee engagement surveys have been conducted each year since fiscal 2021. The fiscal 2023 survey was administered to 9,494 employees at 47 domestic and overseas Group companies. Based on the belief that active communication is the basis for the energization of employees and organizations, the results of these surveys are being analyzed to expand the range of opportunities available for communication between individuals in all organizations and across all ranks of the Group. Companywide initiatives include visits to frontline worksites by the president and attentive listening training arranged by the Human Resources Division. In addition, individual workplaces are advancing their own unique initiatives including one-on-one meetings, workshops, and bottom-up activities led by employees. The organic interaction between these initiatives is anticipated to help foster an open organizational culture where people can proactively take on challenges without fear of failure.

Initiatives are also being advanced in terms of systems and workplace environment to build frameworks that allow everyone to live more enriching work and personal lives while fully exercising their skills. Teleworking systems and other frameworks facilitating flexible workstyles have been an entrenched part of our corporate culture. In addition, guidelines for working side jobs were established in April 2023 to expand the range of options available for employees to work and seek self-actualization as they choose. Meanwhile, steps are taken to prevent overwork by monitoring the workhours of management and all other employees and providing early notice when an individual is at risk of surpassing the predefined standard levels.



The Yamaha Group has defined the basic policy of prioritizing health and safety over everything, based on which we are advancing initiatives for promoting the physical and mental health of employees. In fiscal 2023, Yamaha Corporation and domestic Group companies had a 100% health examination completion ratio, while an industrial physician made work category decisions* for 100% of cases for both Yamaha Corporation and domestic Group companies. An active stance is also being taken toward encouraging employees to quit smoking. In fiscal 2023, smoking became prohibited on the premises of all domestic Group companies, and we have begun efforts to curb smoking throughout our global organization. Based on the external recognition for these initiatives, Yamaha Corporation was included, for the second consecutive year, in the Health & Productivity Stock Selection compiled by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). This program is designed to recognize companies among those listed on the Tokyo Stock Exchange that exhibit excellence in practicing health and productivity management. In addition, Yamaha Corporation has been certified six times as a White 500 enterprise in the Certified Health & Productivity Management Organization's Recognition Program organized by the METI and Nippon Kenko Kaigi.



* Work category decisions by industrial physicians are based on Article 66-4, 5 of the Industrial Safety and Health Act. In these decisions, the Company determines the work category for health checkups for eligible employees based on an industrial physician's opinion.

For more information on Yamaha's human resources initiatives, please refer to the following website.
https://www.yamaha.com/en/csr/activity_report/social/





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 (ERP) 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 Tokuhiro

Operating Officer
Deputy Executive General Manager of Corporate Administration Unit (Human Resources 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. Through digital transformation, the Company will create systems for collecting and managing viable data, even in a highly unclear business environment, as we invest in the recruitment and education

of human resources capable of utilizing data and in the development of the associated organizations. We thereby aim to transform into an organization that makes decisions and takes action based on data.

Review of Fiscal 2023

In fiscal 2023, progress was made in introducing ERP systems, and these systems have been fully implemented at approximately half of our factories. In addition, sales subsidiaries in Australia have begun utilizing ERP systems. Meanwhile, a verification test of a digital twin system was completed at a Japanese factory. As for SCM systems, we have completed development of a new core system that connects data from factories to data from customers and other sources to expedite processes. Pilot introduction of this system has been commenced. We have also begun managing customer data through the Yamaha Music ID for Business program for corporate customers as an initiative to create new value, while after-sales service businesses targeting customers who have purchased professional audio equipment have been launched.

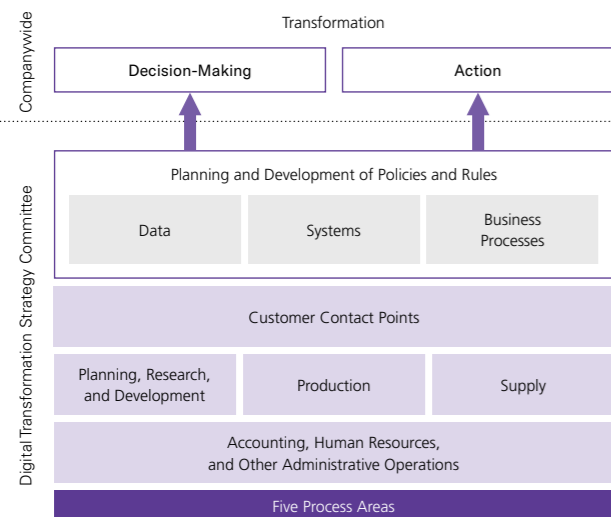
Acquisition of Digital Transformation Certification

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.



Policies for Fiscal 2024

Yamaha has proceeded to promote digital transformation by developing internal systems and accumulating data. In fiscal 2024, the Company will start the process of compiling, analyzing, and utilizing the data that has been amassed thus far in order to transform its business processes. We will continue introducing ERP systems into our production and sales operations around the world while encouraging more dealers to place their orders online. Meanwhile, pilot introduction of the new SCM system developed in fiscal 2023 will be commenced at operating divisions and sales subsidiaries in fiscal 2024. Through these initiatives, Yamaha will seek to standardize and improve the efficiency of sales and production management processes on a global scale. The Company will also adopt a master data management approach (MDM), which entails globally standard management of data, to allow for the utilization of customer and other data in order to help create ideal value for each customer.



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

Create new value and transform processes through digital transformation
Advance data strategies for guiding decision-making and actions

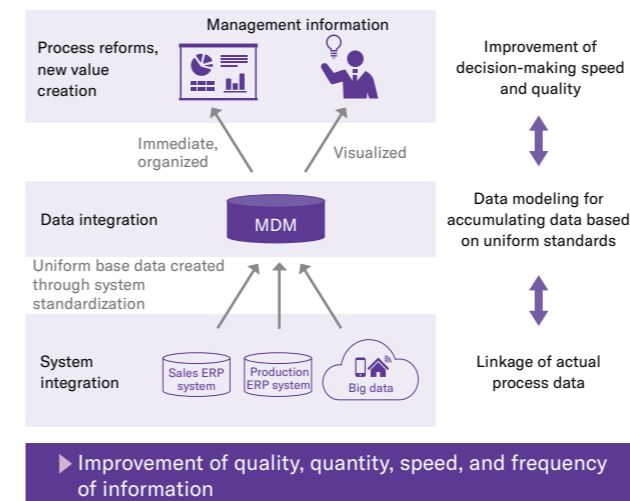
Priority Themes of Make Waves 2.0

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

System and Data Integration

Yamaha is redeveloping the production and sales ERP systems it had previously implemented on a region-specific basis to introduce uniform systems throughout its operations. This move is anticipated to help standardize and streamline business system processes.

At the same time, we are adopting an MDM approach to standardize data management on a Companywide basis. We thereby aim to coordinate data between systems by structuring and integrating data based on customers, products, accounting, business partners, and other specific areas. The goal of this approach is to standardize base data across systems to allow for data to be utilized on a Companywide basis and to thereby increase speed and quality in decision-making and businesses processes from a medium- to long-term perspective. By linking data in a customer-oriented manner, we aim to provide information in real time in order to contribute to the creation of new customer experience value.



New Value Creation Initiatives

Yamaha has launched its new ProVisionaire Cloud online license management service for professional audio equipment. This service allows for the usage status of licenses to be confirmed while also being compatible with function augmentation. The service is accessed through customers' Yamaha Music ID for Business accounts, which facilitates the effective management of customer data. We plan to deploy services that take advantage of the benefits of online infrastructure through this platform going forward.

Cultivation and Recruitment of Digital Transformation

Human Resources

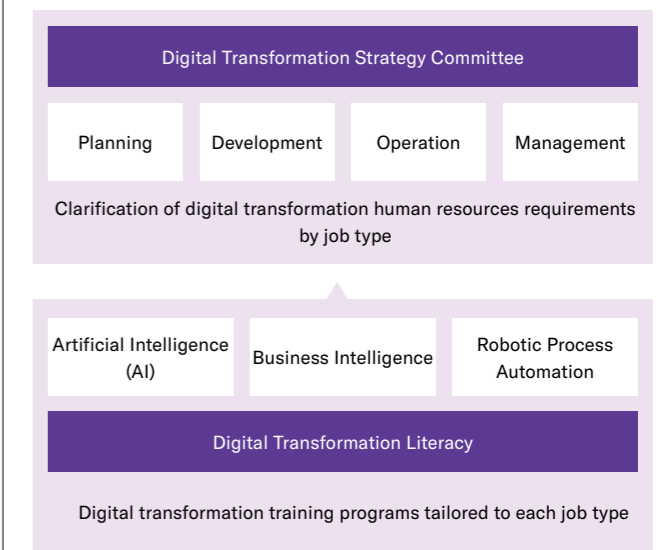
Yamaha is advancing a number of measures with the goal of cultivating and recruiting digital transformation human resources.

For example, we have codified our digital transformation training programs based on the insight gained through our promotion of digital transformation thus far. A bottom-up approach toward training is taken through these programs, which saw participation by some 900 employees in fiscal 2023. The next step in these activities will be to transition from programs aimed at gaining knowledge toward programs focused on practical application in order to increase the size and skill level of our digital transformation staff. Also in fiscal 2023, the specific roles of digital transformation human resources were defined, and the skills required for each role were clarified.

Meanwhile, we are examining the possibility of making our data analysis course mandatory for all employees.

In addition to cultivating digital transformation human resources in-house, we are also recruiting such individuals from outside of the Company with a focus on acquiring professionals with the skills required for our business.

Yamaha's Digital Transformation Human Resources and Training Programs



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.”

Hiroko Ohmura

Operating Officer
Executive General Manager of Brand Development Unit

Basic Policy

Over the 136 years 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 sensitivities 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” unveiled in 2019 was shaped based on the belief that communicating this enduring philosophy in expressions matched to the times was important to our branding strategies. As stated in Make Waves, Yamaha promises to inspire peoples’ passion and help them make 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 2023

Under the medium-term management plan, Yamaha is emphasizing communication strategies for earning trust and understanding from society while also continuing prior efforts for strengthening relationships with customers through more enriching brand experiences and digital technologies. Sustainability information, in particular, has been positioned as central to management. To accelerate the disclosure of sustainability information, we upload features in which employees share their stories about Yamaha on our corporate website. We also actively take part in initiatives such as celebration of International Women’s Day and LGBTQ+ Pride Month in order to convey our belief that diversity is a driver of value creation to a wider audience.

Meanwhile, internal branding activities are undertaken to inspire employees based on our conviction that it is the people who work at the Yamaha Group who shape our brand. October 12, the anniversary of the founding of the Company, has been dubbed Yamaha Day. This day continues to be devoted to initiatives for fostering bonds among Yamaha employees around the world. A number of other initiatives are conducted to energize our colleagues, including the after-work concerts organized by employee volunteers and the online forums for discussions between employees and the president.

Our efforts are constantly being refined by quantifiably measuring the response to such initiatives from internal and external

stakeholders to help Yamaha move closer to becoming the Yamaha society expects. In 2022, the scope of surveys conducted to measure our Net Promoter Score (NPS®), which is an indicator of customer loyalty, was expanded to encompass our global operations. These surveys have revealed that customers overall feel a strong connection toward the Yamaha brand while also illuminating the type of customer experiences that should be enhanced as key elements of Yamaha’s strengths. In addition, we were able to identify the specific business and customer experience areas where we should prioritize improvements on a regional basis through these surveys, and we intend to use this information to draft measures for maximizing lifetime value from customers.



The Key section of Yamaha’s corporate website containing stories by employees

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



Women Who Make Waves campaign conducted in conjunction with International Women’s Day

https://www.yamaha.com/en/csr/diversity_equity_inclusion/stories/brand_iwd2023/

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

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

Initiatives under the Make Waves 2.0 Medium-Term Management Plan

Enhancement of Customer Experiences through Introduction of Yamaha Music ID

The Yamaha Music ID globally integrated ID registration system has been launched in Japan and Canada as well as in Europe and the Asia-Pacific region, and 2.4 million IDs had been issued as of March 31, 2023. Yamaha Music ID integrates the separate ID program that previously existed for different regions and services to allow customers in the applicable regions to access the various services provided by the Yamaha Group through a single ID. We intend to introduce the Yamaha Music ID system in the United States and China during the period of Make Waves 2.0 while developing apps and services for improving customer lifetime value and linking these to Yamaha Music IDs in order to deliver more personalized customer experiences. In this manner, the entire Yamaha Group is tailoring initiatives to each individual customer with the aim of deepening its understanding of customers and thereby generating a cycle of co-creating value with customers.



Yamaha Music ID

Advancement of Branding Strategies that Enhance Emotional Bonds

We are currently in an era in which people place emphasis on a company’s purpose. In this era, forming emotional bonds with our various stakeholders will require us to communicate Yamaha’s message through a multitude of channels. To this end, we are undertaking a revision to our corporate website designed to help it describe Yamaha’s corporate philosophy and the surrounding principles in an easier-to-understand manner and better foster understanding with regard to the Yamaha brand. Our measures are also targeting physical spaces. For example, at YOKOHAMA SYMPHOSTAGE™, which is being built in the Minatomirai area of Yokohama, we will set up a space where people can try out musical instruments as well as a café and music school. This facility is designed to give people who do not play musical instruments the opportunity to experience the joy of sound and music. In addition, Yamaha is setting up studios and event stages meant to help support the activities of musicians and creators at Shibuya Sakura Stage, which is located in the Sakuragaoka area of Tokyo’s Shibuya district. Both of these facilities are scheduled to open in 2024 and are expected to provide new and unique experiences that help customers “Make Waves.”



Artist rendition of brand communication bases scheduled for construction at Shibuya Sakura Stage



DESIGN

The design of products is a crucial component of the Yamaha brand. In recent years, the scope of fields requiring design considerations has been growing broader. Accordingly, we will use design as a tool for expressing the Yamaha Philosophy in a wider range of customer contact points with the aim of enhancing our brand value.

Manabu Kawada
Senior General Manager of Design Laboratory
Brand Development Unit

History and Mission of Yamaha's Design

Yamaha's design department was established in 1963. At the time, it was rare for a Japanese company to have dedicated design functions. Yamaha, however, was quick to realize the importance of design, prompting it to set up a dedicated organization for establishing a unique flair for the Company. Since then, this organization continued to support the Yamaha brand with a small team of diverse professionals of various nationalities. The mission of the Design Laboratory, the latest incarnation of our design department, is to propose and manage designs and methodologies for expressing the Yamaha Philosophy and to thereby contribute to the creation of products and services that surpass customer expectations. The Design Laboratory also strives to broadcast Yamaha's aspirations on a global scale to contribute to the development of a distinctly Yamaha culture. Embracing the five elements of our design principle laid out at the centennial anniversary of Yamaha's founding in 1987, this organization 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

Key Themes for the Design Laboratory Based on Key Strategies of the Make Waves 2.0 Medium-Term Management Plan

- Create expression templates that remain consistent no matter how times or values may change by refining and developing new Yamaha design principles and educating employees on these principles
- Continue thought experiments for exploring Yamaha's essence and values to find hints for future advancements
- Heighten issue identification capabilities by demonstrating our stance toward addressing social issues to the world and posing questions from a unique perspective
- Foster creative culture and organizations to maximize creativity of corporate design divisions

Milan Design Week 2023

The Design Laboratory participated in Milan Design Week 2023, the world's largest annual design gathering, which was held in Milan from April 18 to 23, 2023.

The Design Laboratory has displayed exhibits at this event five times in the past, in 2005, 2006, 2007, 2008, and 2019. Milan Design Week draws attention from across the design community, and we have been using this prominent event as an opportunity to show the world works that exude Yamaha's unique sensibilities.

As the world slowly moves out of the COVID-19 pandemic, we decided to hold our first standalone exhibit in four years. With the title "You Are Here," which is meant to evoke the value of having something precious nearby, this exhibit was a collection of 11 new pieces of furniture designed to make life with musical instruments fun, and was displayed in an art gallery in Milan.



Milan Design Week is an incredibly unique opportunity for in-house corporate designers to visit Milan, explain inspirations for their works to visitors, and experience their reactions in person. More importantly though, this event serves as an invaluable opportunity for creators around the world, living in the same era, to meet, present their thoughts, and reaffirm their position within the design community. This introspection allows us to reconfirm what design can accomplish as well as what Yamaha can do with design. We therefore believe that participation in Milan Design Week is an incredibly effective way of reinforcing our identity.

Together with everyday product development activities, such as ongoing artist creation activities have formed the foundations for the creation of countless unique Yamaha designs that "Make Waves."

For more information regarding Yamaha's design activities, please refer to the following website.

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



YAMAHA'S DESIGN

Creation of new value through innovative designs that respect fundamental qualities



YVS-100, YVS-120, and YVS-140 Venova™ Casual Wind Instruments

Venova is a new type of acoustic wind instrument developed to make it easier to enjoy the genuine sensations of performing and the rich expressiveness of saxophones in an accessible manner. This series includes three models: the YVS-100 (Soprano Venova), the YVS-120 (Alto Venova), and the YVS-140 (Tenor Venova). These three models feature designs that are innovation yet still capture the essence of wind instruments with a slick cylindrical form that blends straight and zigzagging lines. Since its launch, the Venova series has continued to draw attention from across the world, receiving numerous design awards.

- Japan Patent Office Director's Award, 2023 National Invention Awards (YVS-100)
- Silver Award, International Design Excellence Awards 2023 (YVS-140)
- Grand Award, DFA Design for Asia Awards 2022 (YVS-140)
- Grand Award with Special Mention, DFA Design for Asia Awards 2018 (YVS-100)
- Best of the Best, Red Dot Award: Product Design 2022 (YVS-120 and YVS-140)
- Product category design award, 2022 iF Product Design Award (YVS-120 and YVS-140)
- Good Design Grand Award, Good Design Awards 2017 (Prime Minister's Award) (YVS-100)



AG01 Live Streaming USB Microphone

The AG01 is an all-in-one USB microphone for live streaming that combines the microphone, audio interface, and sound mixing functions most users need for live streaming into an elegantly minimalist microphone unit with a dedicated stand. Volume and DSP effects can be adjusted using knobs on the front of the microphone, offering an exquisite balance of intuitive controls, ease of use, and pleasing aesthetics.

Good Design Award, Good Design Awards 2022



TW-E7B True Wireless Bluetooth® Earbuds

These flagship wireless earbuds combine Yamaha acoustic and electronic technologies to achieve an unparalleled level of sound and comfort. The distinctive design features two perfect circles for the speaker and microphone that are not only visually iconic, but functional as well. The smaller circle serves as a tactile indicator that helps the user position the earbud inside the ear without needing to see it, using only the fingertips to easily adjust the angle for a perfect fit, making for a simple design that is as classic as it is unlikely.

Red Dot Award: Product Design 2023
Product category design award,
2023 iF Product Design Award



Stepping Out of the Slate Concept Models

Stepping Out of the Slate is a collection of four concept models with designs inspired by attempts to imagine new music devices that work in symbiosis with smartphone apps. While music experiences and music accessories have increasingly come to be offered in the form of smartphone apps in recent years, these prototypes were intentionally designed to preserve an element of tactile interaction when using the associated apps. The designs explore the feasibility of a new functional beauty that offers experiential value in the form of physical interaction combined with the convenience of information technology.

Professional Concept category design award,
2023 iF Product Design Award



INTELLECTUAL PROPERTY

Intellectual properties are an important part of our management asset portfolio. Yamaha practices global intellectual property management while applying for intellectual property rights and taking steps to protect its brand value. At the same time, intellectual properties are used to help resolve social issues through the creation and co-creation of new value in order to improve corporate value.

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 inventions 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. Specifically, we adopt an intellectual property landscaping approach in which the results of comprehensive analyses of intellectual property and market information are used to make proposals to management and guide the formulation of strategies. Through this approach, we seek to develop the intellectual property portfolio that will be required for the future by visually tracking Yamaha's technology portfolio, the portfolios of competitors, and future trends.

As we optimize our intellectual property portfolio by shifting toward priority fields with high investment benefits, we will also organically merge the customer experience value created by inventions and innovations to generate synergies and produce value that could not be achieved simply by continuing existing businesses.

AI, network, and other critical technologies that are used for various products are protected through patents. 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.

These efforts have been recognized, and Yamaha has been named a Top 100 Global Innovator for 2023 by U.K.-based Clarivate Analytics,

Protection of Customer Experience Value through Intellectual Property Rights	
Protection of Inventions  Electromagnetic induction sensors included in TransAcoustic™ pianos	Protection of Innovations  Narikiri Microphone™ Application of singing voice synthesis technology

a global information services company. This is the sixth time and second consecutive year Yamaha has been included in this ranking, which is compiled by analyzing intellectual property trends based on the patent data held by Clarivate to select the 100 most innovative companies and research institutions in the world. To be chosen as a Top 100 Global Innovator, a company must exhibit excellence with regard to indicators looking at their influence, success, globalization, and uniqueness. Yamaha's intellectual property activities were judged to be of a high level with regard to all metrics, indicating that the Company is at the global forefront when it comes to the diversity and progressiveness of its technologies.



2. Reinforcement of Intellectual Property Foundation

Membered by intellectual property specialists with diverse backgrounds, the Intellectual Property Division guides coordination between R&D, planning, marketing, and other Group divisions as a corporate administrative division with the aim of building a robust intellectual property foundation.

Intellectual property is not merely a source of value; it is also an important asset for building strong relationships with partners, via means such as collaboration with other companies, and for otherwise improving competitiveness and earnings. To strategically protect and utilize such precious intellectual properties, the Intellectual Property Division is bolstering the skills of its staff and standardizing its processes to reinforce the resilience of its intellectual property activities.

3. Global Management of Intellectual Properties

Yamaha is vigilant in its efforts to combat intellectual property risks given the rising importance of action for mitigating risks.

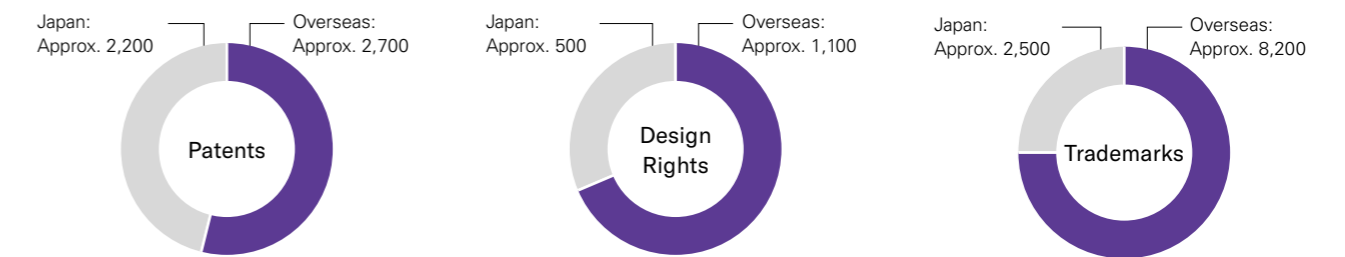
For example, monitoring activities are being ramped up to detect unauthorized use of Yamaha's trademarks or imitations of its designs, cases of which are common on e-commerce sites and in the Chinese market.

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 take action as appropriate to protect its own intellectual property rights, Yamaha also respects the rights of others. We are strengthening our global music copyright acquisition system on a global and Groupwide basis to ensure that we can accomplish both of these objectives.

Furthermore, educational content pertaining to intellectual property rights is provided and seminars on copyrights are arranged with the goal of increasing intellectual property literacy across the Group.

Number of Patents, Design Rights, and Trademarks Held by the Yamaha Group (As of March 31, 2023)



Case Study Strategic Utilization of Intellectual Property

Venova™ Casual Wind Instruments

Venova is a new type of casual wind instrument that is easy to pick up, even for first-time players, while still offering authentically tactile sensations and expressive power like the saxophone.

The Venova series received the special Japan Patent Office Director's Award in the first awards section of the 2023 National Invention Awards, which is arranged by the Japan Institute of Invention and Innovation, for its new design as a musical instrument that blends branching pipes with zigzagging lines. An Invention

Achievement Award was also received for implementing this invention.

As part of its efforts to effectively safeguard Yamaha products and services, the Intellectual Property Division has submitted applications for design rights to protect the overall physical designs of the Venova series as well as portions of these designs and even related designs in order to more widely secure the brand design for use in future additions.

