

# GOVERNANCE SECTION

## V. Governance

Directors .....	86
Composition of the Board of Directors .....	88
Executive Officers, Operating Officers, and Audit Officers .....	90
Messages from Outside Directors .....	91
Corporate Governance .....	94
Risk Management .....	104
Compliance .....	106



(From left) Naoko Yoshizawa, Paul Candland, Satoshi Yamahata, Mikio Fujitsuka, Takuya Nakata, Naho Ebata, Yoshihiro Hidaka, Hiromichi Shinohara

**Takuya Nakata**

Director, President and Representative Executive Officer  
Number of shares owned: 98,900

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

**Satoshi Yamahata**

Director and Managing Executive Officer  
Number of shares owned: 37,800

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

**Yoshihiro Hidaka**

Independent Outside Director  
Number of shares owned: 5,700

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

**Mikio Fujitsuka**

Independent Outside Director  
Number of shares owned: 0

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

**Paul Candland**

Independent Outside Director  
Number of shares owned: 700

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

**Hiromichi Shinohara**

Independent Outside Director  
Number of shares owned: 400

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

**Naoko Yoshizawa**

Independent Outside Director  
Number of shares owned: 0

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

**Naho Ebata**

Independent Outside Director  
Number of shares owned: 0

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

Name	Reasons for Appointment, Expected Role, and Independence of Outside Directors
<b>Takuya Nakata</b> Director, President and Representative Executive Officer	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 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.
<b>Satoshi Yamahata</b> Director and Managing Executive Officer	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, Executive General Manager of the Corporate Management Unit, and Executive General Manager of the Human Resources and General Administration Unit, and has a wealth of experience and achievements alongside broad insight. He has promoted corporate governance reform as Director and Senior Executive Officer 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 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.
<b>Yoshihiro Hidaka</b> Independent Outside Director	Having been involved in management at one of the largest global transportation equipment manufacturers in Japan, Mr. Yoshihiro Hidaka has a wealth of experience and achievements alongside broad insight as a corporate officer. Additionally, as President and Representative Director of Yamaha Motor Co., Ltd., a company that shares a common brand with the Company, he is a person with one of the deepest understandings of the Yamaha brand. Since assuming the position of Outside Director of the Company in June 2018, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate officer. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc., and improve the Yamaha brand value. As the Company and Yamaha Motor Co., Ltd., where Mr. Yoshihiro Hidaka serves as President and Representative Director, share the Yamaha brand, the two companies are in a relationship such that enhancements to the brand value via the Company's sustainable growth also provides a positive effect on said company's corporate value, while damage to the brand due to violations of laws and regulations or deficient governance, etc., by the Company will have a negative effect on said company's corporate value. Mr. Yoshihiro Hidaka is a person with one of the deepest understandings of the Yamaha brand, which is the source of the Company's brand value, and he shares an interest with ordinary shareholders regarding improvement of the Company's brand value. Furthermore, not only there are no significant transaction relationships* between the Company and Yamaha Motor Co., Ltd., but as the Company is no longer a major shareholder of said company since 2017, there are no concerns that Mr. Yoshihiro Hidaka will have conflicts of interest with ordinary shareholders, and the Company believes that he can fulfill his duty for supervision, etc., of management from an independent standpoint in order to maximize profits for shareholders of the Company.  * The amount of transactions between the Company and Yamaha Motor Co., Ltd. is less than 0.3% of consolidated net sales of both companies.
<b>Mikio Fujitsuka</b> Independent Outside Director	Having been involved in management as CFO at one of the largest global construction machinery manufacturers in Japan, Mr. Mikio Fujitsuka has a wealth of experience and achievements alongside broad insight as a corporate officer, as well as adequate knowledge of finance and accounting. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate officer. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
<b>Paul Candland</b> Independent Outside Director	Having been involved in management as the person responsible for the Asian region and the Japanese firms of a global entertainment company, Mr. Paul Candland has a wealth of experience and achievements alongside broad insight as a corporate officer as well as broad knowledge of brand and marketing. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate officer. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.  There are no transaction relationships between the Company and PMC Partners Co., Ltd., where Mr. Paul Candland serves as representative, and neither party is classified as a major shareholder of the other.
<b>Hirromichi Shinohara</b> Independent Outside Director	Having been involved in management as a Representative Director of one of the largest telecommunications and ICT companies in Japan, Mr. Hirromichi Shinohara has a wealth of experience and a robust track record of achievements alongside broad insight as a corporate officer. He also has wide-ranging and in-depth knowledge of telecommunications systems and electronics. Since assuming the position of Outside Director of the Company in June 2021, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his breadth of insight and robust track record of achievements as a corporate officer. He has been appointed as a director on expectations that he will help strengthen the oversight function of the Board of Directors through these achievements and insights, etc.  There are no significant transaction relationships* between the Company and NTT, where Mr. Hirromichi Shinohara served as a director until June 2022, and neither party is classified as a major shareholder of the other.  * The amount of transactions between the Company and NTT is less than 0.2% of consolidated net sales of either of the two companies.
<b>Naoko Yoshizawa</b> Independent Outside Director	Having been involved in management as an executive officer of one of the largest electronics and ICT companies in Japan and as the CEO of its overseas group company, Ms. Naoko Yoshizawa has a wealth of experience and achievements alongside broad insight as a corporate officer. She also has a high degree of expertise in digital and AI technologies. Since assuming the position of Outside Director of the Company in June 2021, she has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on her breadth of insight and robust track record of achievements as a corporate officer. She has been appointed as a director on expectations that she will help strengthen the oversight function of the Board of Directors through these achievements and insights, etc.  There are no transaction relationships between the Company and knowledge piece Inc., where Ms. Naoko Yoshizawa serves as a director, and neither party is classified as a major shareholder of the other.  Note: The amount of transactions between the Company and Fujitsu Limited is less than 0.1% of consolidated net sales of either of the two companies.
<b>Naho Ebata</b> Independent Outside Director	With a mastery of domestic and overseas corporate law, corporate governance, and intellectual properties gained as an attorney, Ms. Naho Ebata has a high degree of expertise, wealth of experience, and strong track record alongside broad insight. She has been appointed as a director based on the expectation that she will help further strengthen the oversight function of the Board of Directors through the use of her track record, insight, and other capabilities.  There are no transaction relationships between the Company and Abe, Ikubo & Katayama Law Firm, where Ms. Naho Ebata serves as a partner.

Note: The Company has submitted notification to the Tokyo Stock Exchange to designate Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hirromichi Shinohara, Naoko Yoshizawa, and Naho Ebata as Independent Directors as described in the provisions set forth by the Tokyo Stock Exchange.

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

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

Expertise of Directors

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

Composition of the Nominating, Compensation, and Audit Committees in Fiscal 2023  
Attendance at Meetings of the Board of Directors and Committees in Fiscal 2023

Name	Composition			Attendance at Meetings of the Board of Directors and Committees in Fiscal 2023	
	Nominating Committee	Compensation Committee	Audit Committee		
<b>Takuya Nakata</b>	● Chairperson	● Chairperson		Board of Directors: 13/13 (100%) Nominating Committee: 4/4 (100%) Compensation Committee: 3/3 (100%)	
<b>Satoshi Yamahata</b>				Board of Directors: 13/13 (100%)	
<b>Yoshihiro Hidaka</b>	●	●		Board of Directors: 13/13 (100%) Nominating Committee: 3/4 ( 75%) Compensation Committee: 3/3 (100%)	
<b>Mikio Fujitsuka</b>			●	Board of Directors: 13/13 (100%) Audit Committee: 20/20 (100%)	
<b>Paul Candland</b>	●	●		Board of Directors: 13/13 (100%) Nominating Committee: 4/4 (100%) Compensation Committee: 3/3 (100%)	
<b>Hirromichi Shinohara</b>	●	●		Board of Directors: 13/13 (100%) Nominating Committee: 4/4 (100%) Compensation Committee: 3/3 (100%)	
<b>Naoko Yoshizawa</b>			●	Board of Directors: 13/13 (100%) Audit Committee: 20/20 (100%)	
<b>Naho Ebata</b>			—	Board of Directors: — Audit Committee: —	

Note: Changes were made to the chairpersons of committees following the 199th Ordinary General Shareholders' Meeting held on June 23, 2023. For more information, please refer to "Messages from Outside Directors" on pages 91-93.

# EXECUTIVE OFFICERS, OPERATING OFFICERS, AND AUDIT OFFICERS

As of June 23, 2023

## President and Representative Executive Officer



**Takuya Nakata**

Please refer to page 87 for career summary.

## Managing Executive Officers



**Satoshi Yamahata**

Executive General Manager of Corporate Administration Unit and General Manager of Corporate Planning Division

Please refer to page 87 for career summary.



**Seiichi Yamaguchi**

Executive General Manager of Musical Instruments Business Unit and Senior General Manager of Digital Musical Instruments Division

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

## Executive Officers



**Atsushi Yamaura**

Deputy Executive General Manager of Musical Instruments & Audio Products Sales Unit and President of Yamaha Music & Electronics (China) Co., Ltd.

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



**Masato Oshiki**

Executive General Manager of Musical Instruments & Audio Products Sales Unit

- 1988 Joined the Company
- 2001 Director and President of Yamaha Musica Italia s.p.a.
- 2005 General Manager of EKB Marketing Division, Pro Audio & Digital Musical Instruments Division
- 2009 General Manager of Keyboard Planning Division, Domestic Sales & Marketing Division
- 2013 General Manager of Musical Instrument Sales Division, Yamaha Music Japan Co., Ltd.
- 2015 Operating Officer  
General Manager of Musical Instrument Sales & Marketing Division, Musical Instruments & Audio Products Sales & Marketing Group
- 2018 Director and President of Yamaha Music Japan Co., Ltd.
- 2023 Executive Officer (to the present)  
Executive General Manager of Musical Instruments & Audio Products Sales Unit (to the present)

## Operating Officers



**Shinichi Takenaga**

Executive General Manager of Audio Products Business Unit and Senior General Manager of Professional Solutions Division



**Hiroko Ohmura**

Executive General Manager of Brand Development Unit



**Nobukazu Toba**

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



**Jun Nishimura**

President of Yamaha Music Japan Co., Ltd.

## Audit Officers



**Hirofumi Mukaino**

Senior General Manager of Internal Auditing Division



**Yasushi Nishiyama**

Senior General Manager of Audit Committee's Office



**Thomas Sumner**

President of Yamaha Corporation of America



**Yutaka Matsuki**

Senior General Manager of Piano Division, Musical Instruments Business Unit



**Toshiaki Goto**

Executive General Manager of Musical Instruments & Audio Products Production Unit and Senior General Manager of Manufacturing Process Division



**Taro Tokuhira**

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



**Hirofumi Yamashita**

Deputy Executive General Manager of Corporate Administration Unit (General Administration, Logistics, and YCS)



**Chihiro Osuga**

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

# MESSAGES FROM OUTSIDE DIRECTORS

## Hikomichi Shinohara

Independent Outside Director

### Career Summary

Mr. Hiromichi Shinohara has served as head of Research and Development Planning and executive vice president at major Japanese telecommunications and ICT company NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), before being appointed Chairman of the Board. He assumed his current position as Outside Director of Yamaha Corporation in June 2021.

### Major Concurrent Position

- Outside Director of Mizuho Financial Group, Inc.



## Message from the Chairperson of the Nominating Committee

I emphasize leadership for the purpose of building upon the strengths Yamaha has fostered thus far while also propelling it to create new value outside of the domain of its existing businesses.

### Nomination of Director Candidates with Specialized Expertise

The Nominating Committee is responsible for formulating the proposals for appointment and dismissal of directors submitted for approval at the General Shareholders' Meeting as well as the proposals for managerial assignments presented to the Board of Directors. The committee is comprised of three directors as well as President Takuya Nakata. I assumed the position of chairperson of this committee in June 2023.

Also in June 2023, we welcomed Naho Ebata, a new outside director who was appointed following approval at the General Shareholders' Meeting to fill the spot of Taku Fukui, who resigned from his position as outside director after holding it for six years. Just like Mr. Fukui, Ms. Ebata is a legal expert. She was appointed based on her specialized expertise pertaining to intellectual property management, which will be vital to Yamaha's growth strategies going forward. Although the decision to appoint Ms. Ebata was purely based on her expertise, it is worth mentioning that the addition of a second female director is also beneficial in terms of improving the gender balance of the Board of Directors.

### Focus as Chairperson on Sharing of Opinions among Members

In the Nominating Committee, our duties include evaluating managerial candidates and overseeing plans for cultivating candidates and their implementation. It is important that we don't just perform these duties by ourselves on an individual basis, but rather that we go about our duties while sharing opinions with other committee members, as this can help us notice things that we may not have otherwise realized. This is why I, in my capacity as chairperson, focus on stimulating brisk discussion among members.

We have judged that the Company's systems for appointing and dismissing directors and other members of management, as well as how these systems are actually implemented, to be

appropriate at this point in time. Nevertheless, the requirements of managers need to change with the times, the operating environment, and a company's growth stage. For this reason, I aim to lead the committee in examining candidate screening criteria and other aspects of the appointment and dismissal process from a variety of perspectives.

### Expectations for a Leader to Draw Out Team Strength and Inspire Autonomy

To give us a better idea of the type of people that managerial candidates are, Yamaha has the Nominating Committee interview candidates when it is time to decide on promotions for important management positions, which take place once a year. We also have regular lunches with members of the Board of Directors to build upon our relationship.

When it comes to determining the candidates who should fill management posts in the future, such as president, we place emphasis on whether the candidates have the skills and experience necessary to lead in the future, when Yamaha will be pressed to create a completely different type of value, in addition to the skills needed to manage existing businesses. It is also important to recognize that, no matter how skilled a leader is, there is a limit to what they can accomplish alone. The Analects of Confucius profess that "When you know a thing, to hold that you know it; and when you do not know a thing, to allow that you do not know it; —this is knowledge." Taking this verse to heart, I expect a leader to understand their own inadequacies and to be able to compensate for these by drawing out the strength of their team. I also hope to identify candidates for important management positions who are capable of inspiring the autonomy of their colleagues and subordinates.

Message from the Chairperson of the Audit Committee

I aspire to contribute to the ongoing improvement of Yamaha's corporate value by focusing on the decisions made by management and the value judgment process that leads to those decisions.

Focus on Priorities in Value Judgments

I believe that the ultimate role of the Audit Committee is to confirm whether directors, executive officers, and other members of management are making the necessary decisions and whether they are fulfilling their responsibilities in executing these decisions. It is also important for us to look at the standards used in those decisions and the accuracy of the priorities for value judgments that lead to those decisions.

Management is a constant string of decisions, and that means that there is a lot to the role of the Audit Committee. A large number of the things we audit are reoccurring matters that need to be checked every year, such as financial disclosures. In addition to such standard audit items, we assess what priority audit items should be added each year based on management conditions, and these items are incorporated into annual audit plans.

Trust Indispensable to Effective Group Governance

The Audit Committee is currently comprised of myself and two other outside directors. I feel that we make for a balanced membership in terms of having diverse perspectives based on our differing backgrounds and expertise.

I also have praise for the reinforcements that have been implemented to Yamaha's internal auditing team. The auditing staff of the Internal Auditing Division has been enhanced in terms of both total members and the skills of these members, which were improved through acquisition of necessary auditing qualifications and other means. Yamaha has thereby assembled an auditing team that is capable of accommodating a wider range of auditing tasks. Moreover, audit officers, a position established in April 2020,

have been working closely with the Audit Committee. The audit officers participate in meetings of the Managing Council and other important internal meetings, where they question management to get to the bottom of issues that we would have likely brought up if we had been there. Reports on the response from management are then submitted to the Audit Committee.

Yamaha is also strengthening Group governance. The Company has 58 consolidated subsidiaries, 44 of which are located outside of Japan. It is, of course, important to entrench Companywide policies as recognized rules. At the same time, ensuring effective corporate governance requires trust between the corporate administration, sales, and production departments of the Company headquarters and the subsidiaries they engage with. If rules are to be enforced, the headquarters in Japan cannot simply point out issues in a one-sided manner; subsidiaries also need to be encouraged to actively report any issues that may arise.

Swift Decision-Making Required to Seize Growth Opportunities

In fiscal 2024, I want to pay extra attention to the speed at which decisions are made and executed. Yamaha generates more than 70% of its revenue in overseas markets. Seizing growth opportunities in such overseas markets will require that management be swift in decision-making. I will therefore be looking for elements of internal rules that might delay decision-making as I go about my auditing duties. I also intend to work with the Internal Auditing Division to develop procedures for appropriate auditing of progress toward non-financial targets, which need to be gauged on a timetable that is different from that used for financial targets.

Mikio Fujitsuka

Independent Outside Director

Career Summary

Mr. Mikio Fujitsuka has held positions as General Manager of the Corporate Planning Division and CFO at Komatsu Ltd., a major Japanese global construction equipment manufacturer, and also took part in management as an Executive Vice President and Representative Director. He has been serving as an Outside Director of the Company since June 2019.

Major Concurrent Position

- Outside Director of NSK Ltd.



Paul Candland

Independent Outside Director

Career Summary

Prior to assuming his current position in June 2019, Mr. Paul Candland was involved in management at the global entertainment conglomerate led by The Walt Disney Company as representative director and president of The Walt Disney Company (Japan) Ltd. and later president of The Walt Disney Company, Asia.

Major Concurrent Positions

- Managing Director of PMC Partners Co., Ltd.
- Outside Director of Dentsu Group Inc.

Message from the Chairperson of the Compensation Committee

We are always examining Yamaha's compensation systems and comparing them against global best practices in search of systems that will support ongoing growth that lives up to shareholder expectations.

Phased Process of Ongoing Governance Reinforcement

Since its establishment in 2017, the Compensation Committee has been chaired by an internal director. That is, until I was appointed to this position in June 2023. This decision seems like the natural next step for the Yamaha Group's phased process of ongoing governance reinforcement, especially considering that having outside directors chair such committees is viewed as a global best practice.

As one facet of our efforts to further reinforce governance, we revised the compensation systems for internal directors, executive officers, and operating officers in fiscal 2023. The compensation systems for these individuals are comprised of fixed compensation, performance-linked bonuses, and restricted stock compensation. The revision entailed the introduction of non-financial targets and corporate value targets alongside the prior financial targets used to evaluate performance in relation to the restricted stock compensation system. The goal of non-financial targets is to communicate, both inside and outside of the organization, that Yamaha is pursuing improvements in true corporate value, and to ensure that the new compensation systems line up with Yamaha's strategies, given that the medium-term management plan sets non-financial targets. Meanwhile, the corporate value targets are meant to provide officers with greater motivation to align their motives with the interests of shareholders.

However, I also recognize that we cannot properly assess performance by looking only at a single year's figures for non-financial targets, such as those pertaining to sustainability or human capital management. The same could be said with regard

to new businesses for creating future value. This is why we chose to adopt a restricted stock compensation system, as opposed to short-term incentives. This type of system is suited to evaluating performance from a long-term perspective.

Compensation Systems Encouraging Appropriate Risk Taking

There are two tasks that I think the Compensation Committee will need to prioritize in fiscal 2024. The first will be to determine whether the aforementioned new compensation systems are functioning as intended and whether they are congruent with Yamaha's directives and business strategies. We will take a flexible approach toward revising systems if we find that they do not properly coincide with the Company's goals and strategies.

The second task will be to examine the compensation systems of other global companies exhibiting excellence in management and assess whether aspects of these systems should be adopted by Yamaha. The compensation systems generally viewed as best practices for global companies include frameworks for encouraging appropriate risk taking. This is accomplished through means such as incorporating restricted stock compensation or stock option systems. As the chairperson of the Compensation Committee, it is my goal to raise the level of Yamaha's compensation systems and their implementation to those of global best practices. I specifically aim to create the ideal compensation systems for Yamaha that will allow the Company to take appropriate risks in today's volatile competitive landscape and thereby achieve ongoing growth that lives up to shareholder expectations.

Basic Policies for Corporate Governance

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

Basic Policies for Corporate Governance

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

For more information on the Yamaha Philosophy, please refer to page 2.  
For more information on the Promises to Stakeholders, please refer to page 5.

For more information on the Basic Policies for Corporate Governance, please refer to Corporate Governance Policies.

[https://www.yamaha.com/en/ir/governance/pdf/governance\\_policies.pdf](https://www.yamaha.com/en/ir/governance/pdf/governance_policies.pdf)



Changes in Corporate Governance

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

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

Initiatives for Separating the Oversight and Executive Functions

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

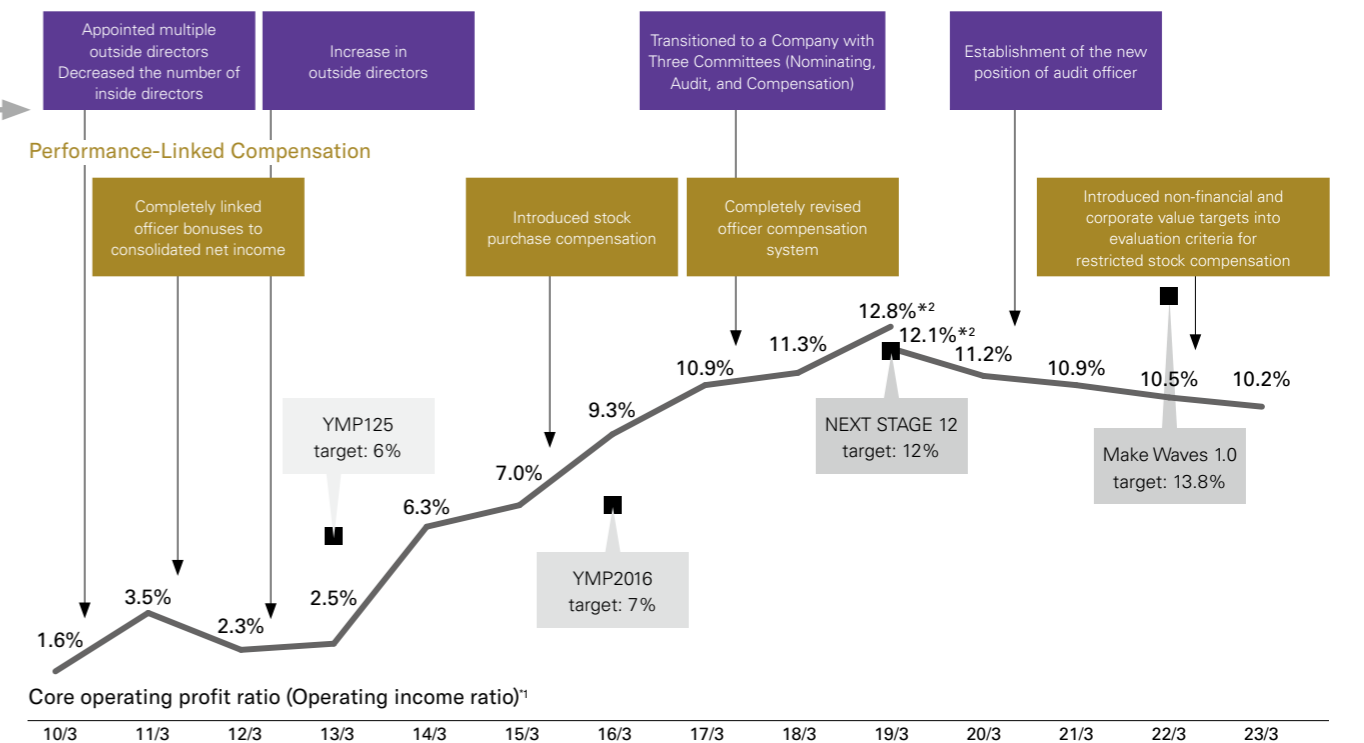
Reinforcement of Oversight Functions

In a bid to strengthen oversight and accelerate management, the Company has separated functions for business oversight and execution. Yamaha has reinforced oversight functions by increasing the ratio of independent outside directors. As of June 23, 2023, independent outside directors comprised three-fourth of the members on the Board of Directors (please see Ratio of Outside Directors to the right).

Performance-Linked Compensation

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

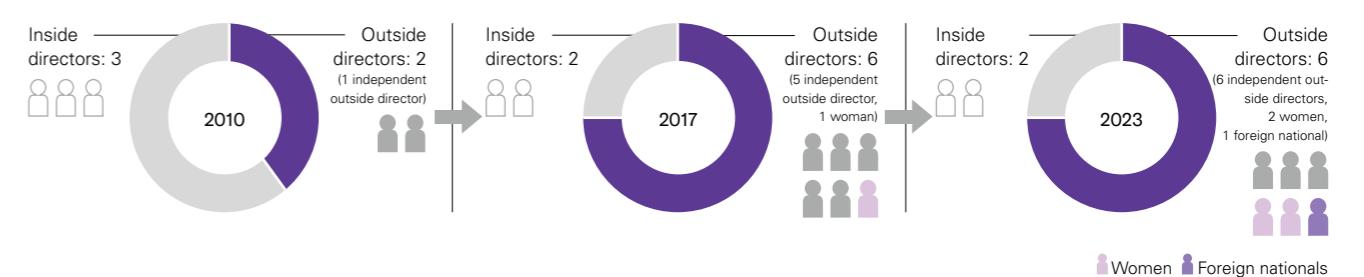
Reinforcement of Oversight Functions



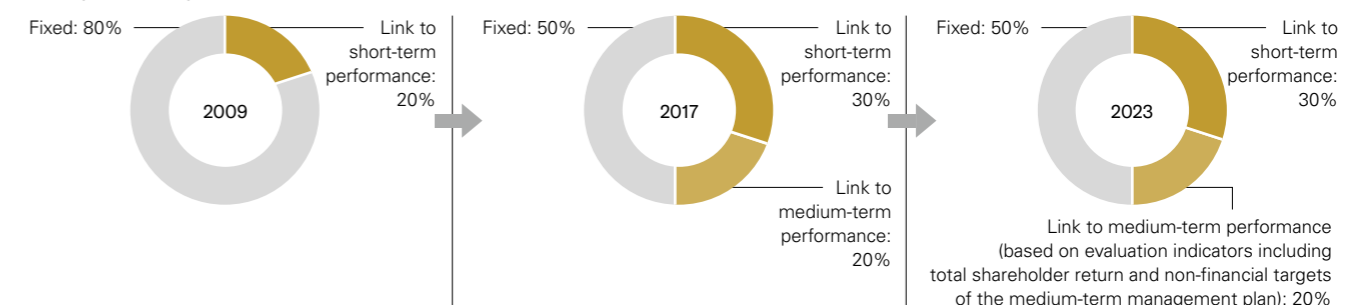
Medium-Term Management Plan	YMP125	YMP2016	NEXT STAGE 12	Make Waves 1.0	Make Waves 2.0
	Rebuild business platforms	Increase profitability	Increase brand power	Develop closer ties with customers and society, and boost value creation capabilities	Enhance sustainable growth capability in the new society

\*1 Calculated based on J-GAAP standards up until fiscal 2019; calculated based on IFRS from fiscal 2020 forward  
\*2 12.8% under J-GAAP and 12.1% under IFRS in fiscal 2019

Ratio of Outside Directors

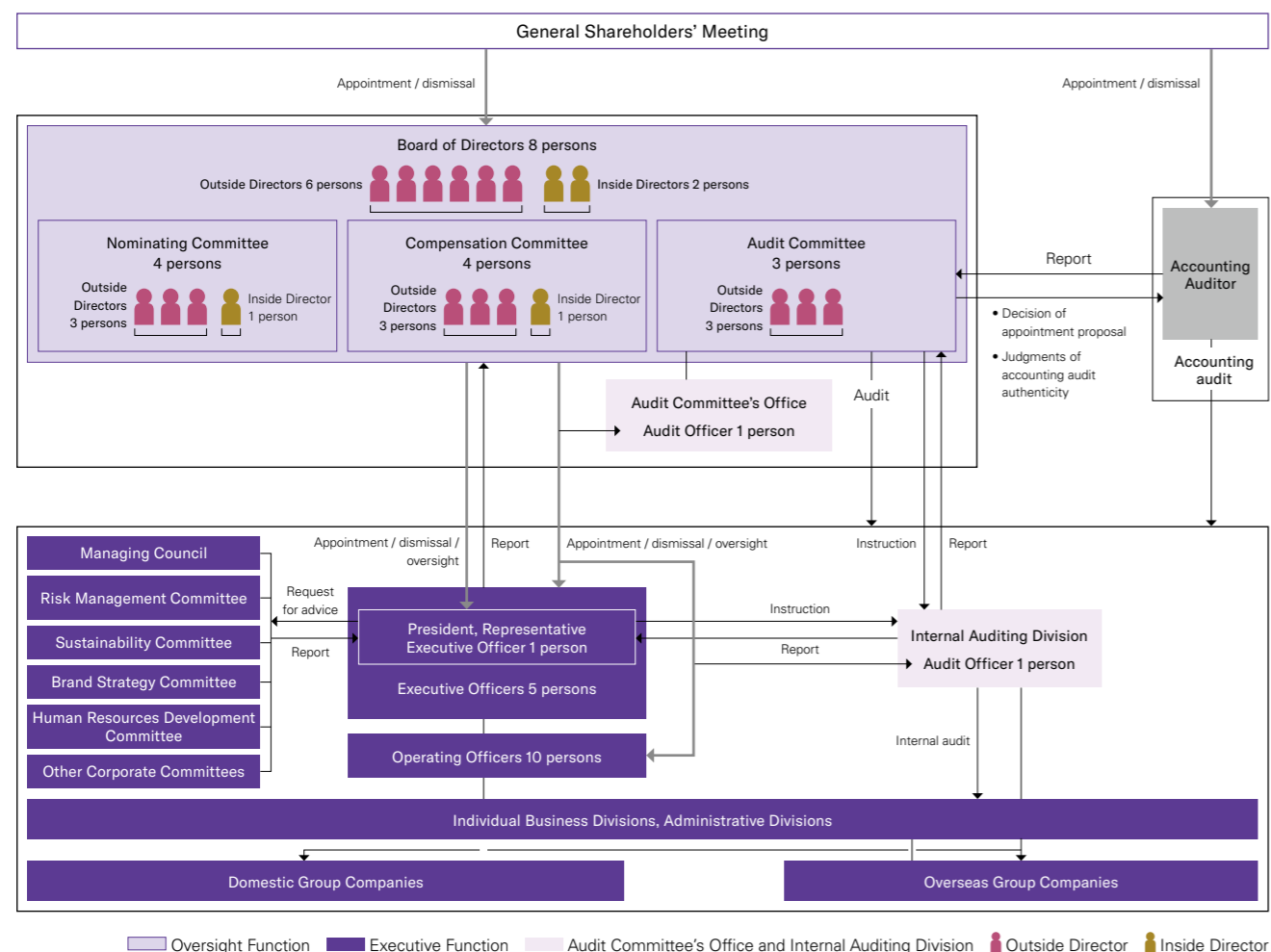


Example of Compensation for an Officer



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

Corporate Governance Structure (As of June 23, 2023)



**Oversight Function**

**Directors and Board of Directors**

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

Based on their fiduciary duties, the directors act to ensure the Company's sustainable growth and enhance its corporate value over the medium to long term, taking into consideration the relationships with all stakeholders. Directors are also expected to understand relevant laws and regulations and the Company's articles of incorporation and to gather information in a manner that is sufficient to proactively offer opinions and engage in constructive

discussions at meetings of the Board of Directors and other opportunities.

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

**Nominating Committee**

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

**Compensation Committee**

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

**Audit Committee**

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

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

**Securing the Effectiveness of the Audit Committee**

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

When it deems necessary, the Audit Committee enlists the help of external experts to perform audits.

The president and representative executive officer promotes continuous improvements in the maintenance and operation of internal control systems while periodically exchanging opinions with the Audit Committee.

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

In regard to items necessary in auditing the conduct of duties by the executive officers and directors, the Audit Committee has secured a system that facilitates the implementation of sufficient and appropriate audits, including collaboration and sharing information with the accounting auditor and the Internal Auditing Division. The Audit Committee works to improve audit quality and to realize efficient audits. The Audit Committee is allowed to provide instructions regarding audits of the Internal Auditing Division when necessary. In the event that instructions provided to the Internal Auditing Division by the Audit Committee conflict with instructions provided by the president and representative executive officer, the instructions of the Audit Committee will take precedence. In regard to the general manager reassignment of the Internal Auditing Division, the opinions of the Audit Committee will be heard in advance.

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

**Audit Officers**

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

**Executive Function**

**Representative Executive Officer**

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

**Executive Officers**

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

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

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

**Managing Council**

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

**Corporate Committees**

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

For more information on corporate committees, please refer to the Company's corporate governance report.

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**Operating Officers**

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


**Internal Control System, Internal Audits, and Accounting Audits**

**Internal Control System**

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

For more information about the internal control system, please refer to the Company's corporate governance report.

[https://www.yamaha.com/en/ir/governance/pdf/governance\\_report.pdf](https://www.yamaha.com/en/ir/governance/pdf/governance_report.pdf)



**Internal Audits**

Yamaha established the Internal Auditing Division (staffed by 22 people as of June 26, 2023) under the direct control of the president and representative executive officer. The division's role is to closely examine and evaluate management and operations systems, as well as operational execution, for all management activities undertaken by the Company and Group companies, from the standpoint of legality, effectiveness, and efficiency. Based on the results of these examinations and evaluations, the division provides information and offers advice and proposals for improvement. The Company appoints audit officers to oversee internal audits with the objective of improving internal auditing functions.

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

Separate from the reports it submits to the Audit Committee, the Internal Auditing Division also submits reports on progress in relation to priority themes directly to the Board of Directors twice a year. All internal audit reports are made available for viewing by directors via an online database.

**Accounting Auditor**

Yamaha has appointed Ernst & Young ShinNihon LLC as its accounting auditor, and certified public accountants Ryogo Ichikawa, Toshikatsu Sekiguchi, and Shuji Okamoto from Ernst & Young ShinNihon conduct the accounting audits of the Company. Ernst & Young ShinNihon has voluntarily adopted a rotating system for its managing partners in order to ensure that the number of continuous years of auditing service does not exceed a fixed period of time. A total of 7 certified public accountants and 38 other staff assist with the audit work.

**Policy and Reasoning behind Selection of Accounting Auditor**

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

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

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

**Evaluation of Accounting Auditor by the Audit Committee**

The Company's Audit Committee assesses the accounting auditor.

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

**Process and Standards for Selecting Officers, etc.**

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

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

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

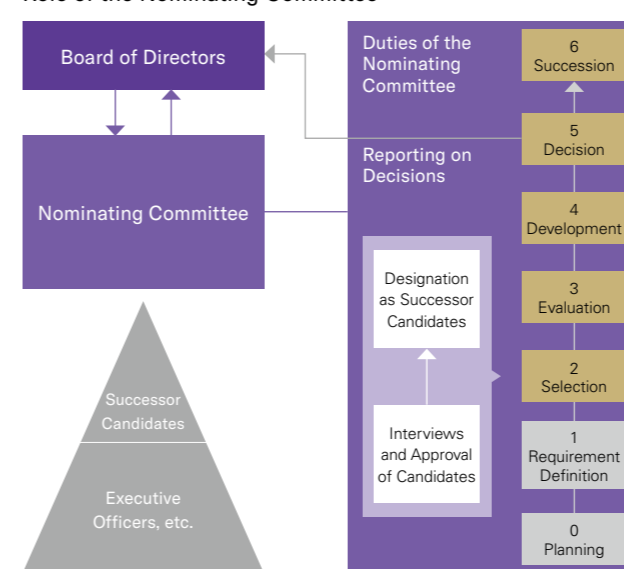
The Nominating Committee screens candidates for operating officer and audit officer positions based on personnel requirements defined by the role they are expected to perform. The Nominating Committee also composes the nomination proposals submitted to the Board of Directors. Input is solicited from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

**Succession Plans for Representative Executive Officer and Other Officers**

After defining systems and personnel requirements, the Nominating Committee follows a personnel selection, evaluation, and development process for determining successor candidates. The implementation of the succession plans for the president and other members of management is overseen by the Board of Directors.

From an early stage, Yamaha ensures there is adequate time and opportunities to carry out succession plans, by having the Nominating Committee advise on the screening of successor candidates and conduct interviews for the appointment of candidates. Meanwhile, at a preliminary stage, the Human Resources Development Committee maintains career development programs for core personnel and sets up venues for candidates to present their ideas to the Board of Directors and other entities.

**Role of the Nominating Committee**



**Compensation System**

The compensation of directors, excluding outside directors, and compensation of executive officers consists of (1) fixed

compensation, (2) performance-linked bonuses, and (3) restricted stock compensation. The approximate breakdown of total compensation of (1), (2), and (3) is 5:3:2.

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

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

(3) Restricted stock compensation is share-based compensation according to job titles provided with the intent of motivating directors and executive officers to enhance corporate value sustainably, having them share a common interest with shareholders, and encouraging them to work toward the accomplishment of medium-term performance targets. In fiscal 2023, the first year of the Make Waves 2.0 medium-term management, three years' worth of restricted stock compensation was allocated in a single lump-sum amount. One-third of restricted stock compensation is paid under the condition that an individual remains in the service of the Company for a certain period and two-thirds of restricted stock compensation is linked to the Company's performance. Evaluation indicators for restricted stock compensation include the financial and non-financial targets defined by the medium-term management plan as well as a corporate value target established for total shareholder return, and the actual number of shares to be awarded shall be determined based on the degree of accomplishment of these targets. After the number of shares to be awarded has been decided, the lump-sum amount allocated in fiscal 2023 will be adjusted accordingly. The ratio of influence of financial targets, non-financial targets, and corporate value targets on stock compensation is 5:3:2. For the purpose of aligning the interests of the corporate officers with those of the shareholders over a long period after the end of the medium-term management plan, restrictions on the transfer of stock cannot be lifted until the corporate officer retires or for 30 years from the receipt of restricted stock compensation. Furthermore, in the event of serious cases of accounting fraud or major losses during this period, depending on the responsibility of the officers in charge, a claw-back clause is included that will require the return of all or a portion of restricted shares transferred to officers on an accumulated basis to date.

(4) Outside directors only receive fixed compensation.

**Breakdown of Compensation (Fiscal 2023)**

Classification	Total Compensation (Millions of yen)	Compensation by Type (Millions of yen)			Number of People
		Fixed compensation	Performance-linked bonuses	Compensation in the form of restricted stock	
Directors	88	88	—	—	6
(Including outside directors)	88	88	—	—	6
Executive officers	536	224	157	155	6

Notes: 1. The total amount of compensation, etc., paid to the executive officers concurrently serving as directors is described in the section for executive officers.  
 2. In fiscal 2023, the first year of the Make Waves 2.0 medium-term management, three years' worth of restricted stock compensation was allocated in a single lump-sum amount calculated on a pro rata basis over the three-year period of the medium-term management plan. The final amount of compensation paid will be adjusted based on the degree of accomplishment of targets for evaluation indicators (see page 100) in fiscal 2025.



Results in Relation to Evaluation Indicators

Compensation/Target Category		Indicators/Targets	Fiscal 2023 Results
Performance-linked bonuses		Targets for indicators listed below set for the given fiscal year <ul style="list-style-type: none"> <li>Consolidated profit for the period</li> <li>ROE</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated profit for the period: ¥38,183 million</li> <li>ROE: 8.8%</li> </ul>
Restricted stock compensation	Financial	Fiscal 2025 targets of the Make Waves 2.0 medium-term management plan <ul style="list-style-type: none"> <li>Revenue growth: 20%</li> <li>Core operating profit ratio: 14%</li> <li>ROE: 10% or more</li> <li>ROIC: 10% or more</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth: 10.6%</li> <li>Core operating profit ratio: 10.2%</li> <li>ROE: 8.8%</li> <li>ROIC: 7.8%</li> </ul>
	Non-financial	For more details, please refer to page 29.	
	Corporate value	Total shareholder return* * Growth rate of TOPIX (including dividends) used as benchmark	Yamaha's total shareholder return ÷ Growth rate of TOPIX (including dividends) = 0.91

Performance-Linked Bonuses

Consolidated profit for the period and ROE for the current fiscal year, which are indicators used for performance-linked bonuses, were ¥38.2 billion and 8.8%, respectively.

Restricted Stock Compensation

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

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

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

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

Major Initiatives in Fiscal 2023

Major Topics of Discussion by the Board of Directors

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

Major Activities of the Nominating Committee

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

Major Activities of the Compensation Committee

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

Major Activities of the Audit Committee

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

For more information on the activities of the Board of Directors, the Nominating Committee, the Compensation Committee, and the Audit Committee, please refer to "Messages from Outside Directors" on pages 91-93.

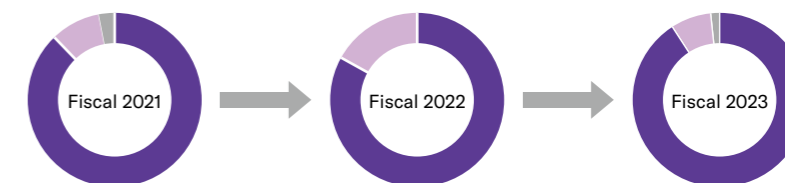
Analyzing and Evaluating the Effectiveness of the Board of Directors

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

Issues Identified in Evaluation of Effectiveness and Improvement Initiatives

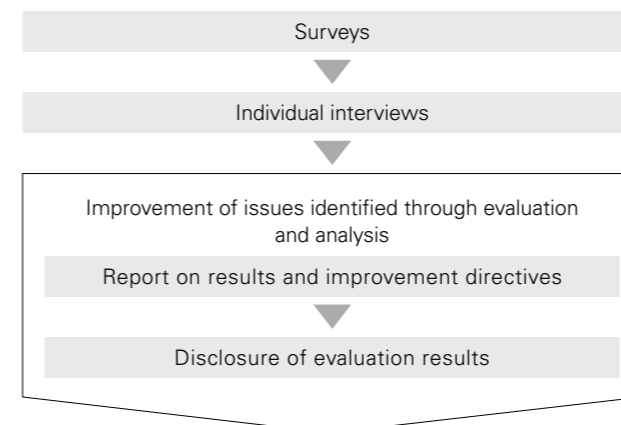
Area	Fiscal 2023		Fiscal 2024	
	Issue	Response	Issue	Direction for Future Initiatives
Discussions	<ul style="list-style-type: none"> <li>Discussions regarding long-term management strategies (ongoing)</li> <li>Discussions regarding investments in intangible assets and measures to strengthen portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Arrangement of opportunities for discussion from a medium- to long-term perspective at Board of Directors' meetings with focuses including the business areas that will be central to future growth</li> <li>Provision of opportunities to discuss investments in intangible assets through reports on human resources, R&amp;D, and intellectual property strategies</li> </ul>	<ul style="list-style-type: none"> <li>More substantive and frequent discussions on growth strategies</li> <li>Acceleration of strategies and measures</li> </ul>	<ul style="list-style-type: none"> <li>Organization of several meetings to enhance opportunities for discussion on new businesses and focus on growth in discussions of existing businesses</li> <li>Prioritization of agenda items and examination of appropriateness and need for revision of delegations of authorities</li> </ul>
Succession	<ul style="list-style-type: none"> <li>Oversight of succession plans for representative executive officer and other officers by the Board of Directors (ongoing)</li> <li>Sharing of information on discussion processes of the Nominating Committee with non-member outside directors</li> <li>Exchanges between internal officer candidates (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of reporting from the Nominating Committee to the Board of Directors</li> <li>Ongoing dialogue with future management candidates and promising new employees</li> <li>Identification and systematic cultivation of promising human resources through the Human Resources Development Committee</li> <li>Arrangement of opportunities for exchanges between outside directors and junior employees, future leaders, and executive officers and for exchanges with staff outside of Japan</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of succession plans for representative executive officer and other officers by the Board of Directors (ongoing)</li> <li>Sharing of information on discussion processes of the Nominating Committee with non-member outside directors (ongoing)</li> <li>Exchanges between internal officer candidates (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of reporting from the Nominating Committee to the Board of Directors</li> <li>Ongoing arrangement of discussions between outside directors and executive officers, next-generation managers, junior employees, and staff outside of Japan</li> </ul>
Proceedings	<ul style="list-style-type: none"> <li>Stimulation of brisk discussions among directors (ongoing)</li> <li>Clarification of issues and key points in briefing materials</li> </ul>	<ul style="list-style-type: none"> <li>Clear indication and clarification of key points in briefing materials</li> <li>Elimination of unnecessary use of internal terminology and contractions</li> <li>Arrangement of Board of Directors' meetings at production bases and other operating sites</li> </ul>	<ul style="list-style-type: none"> <li>Stimulation of brisk discussions among directors (ongoing)</li> <li>Clarification of issues and key points in briefing materials (ongoing)</li> <li>Enhancement of information provided on market and demand trends and market share</li> </ul>	<ul style="list-style-type: none"> <li>Invigoration of two-way communication</li> <li>Securing of sufficient time for discussion</li> <li>Clarification of issues and focuses to be discussed</li> <li>Formatting of information to facilitate understanding of market conditions, competition, and other aspects of market positioning</li> </ul>
Structure	<ul style="list-style-type: none"> <li>Separation of roles of the chairman of the Board of Directors and the president (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion by the Nominating Committee on separation of roles in relation to succession plans for representative executive officer and other officers</li> </ul>	<ul style="list-style-type: none"> <li>Separation of roles of the chairman of the Board of Directors and the president (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion by the Nominating Committee on separation of roles in relation to succession plans for representative executive officer and other officers</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>Improvement of awareness regarding compliance helplines and proactive communication of negative news (ongoing)</li> <li>Reinforcement of second line of defense for risk management</li> <li>Management of quality at manufacturing subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of functions for responding to reports received through helplines</li> <li>Spreading of awareness in relation to the Whistleblower Protection Act</li> <li>Sharing of negative news in reports on operational execution</li> <li>Encouragement of communication within and between organizations</li> <li>Utilization of overseas assignments as a vessel for global human resources development</li> <li>Effective management of quality control documents and implementation of process audits at all bases</li> <li>Implementation of practical quality management and awareness improvement programs</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of responsiveness to materialization of risks</li> </ul>	<ul style="list-style-type: none"> <li>Prioritization and formulation of measures and reinforcement of frameworks for supply chain management, information security, geopolitical, and other risks areas</li> </ul>

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



	Fiscal 2021	Fiscal 2022	Fiscal 2023
Items receiving positive evaluation in more than 75% of responses	58	54	60
Items receiving positive evaluation in between 51% and 74% of responses	6	11	5
Items receiving positive evaluation in less than 50% of responses	2	0	1

Evaluation Process



Summary of the Evaluation

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

### Basic Cross-Holdings Policy

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

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

In exercising the voting rights associated with cross-holdings, the decision of how to vote is made comprehensively from the standpoint of whether the resolution enhances the corporate

value of the company in question over the medium to long term, whether it is in accordance with our basic policy concerning cross-holdings, and whether it leads to the enhancement of our corporate value over the medium to long term.

### Status of Shareholdings

For specified equity securities, all shareholdings as of March 31, 2023, are presented in the table below.

### Book Value of Shareholdings and Percentage of Total Assets



### Number of Shares Held in Each Company for Specified Equity Securities and Amounts Shown on Balance Sheet (Listed Companies)

Security Name	No. of Shares as of March 31, 2022 Amount on Balance Sheet (Millions of yen)	No. of Shares as of March 31, 2023 Amount on Balance Sheet (Millions of yen)	Ownership of Shares by Yamaha
Yamaha Motor Co., Ltd.*1	15,642,790	15,642,790	Yes
	43,111	54,124	
Audinate Group Limited*2	6,289,308	6,289,308	No
	3,847	4,879	
TOYOTA MOTOR CORPORATION*2	2,506,500	2,506,500	No
	5,570	4,712	
MS&AD Insurance Group Holdings, Inc.*4	963,323	963,323	Yes
	3,832	3,955	
Shizuoka Financial Group, Inc.*3,4	2,563,564	2,441,064	Yes
	2,212	2,321	
Sumitomo Mitsui Financial Group, Inc.*4	267,302	222,802	Yes
	1,044	1,180	
Mizuho Financial Group, Inc.*4	351,875	291,275	Yes
	551	547	
Mitsubishi UFJ Financial Group, Inc.*4	226,480	226,480	Yes
	172	192	
Shiseido Co., Ltd.*5	—	100	No
	—	0	
Asahi Group Holdings, Ltd.*5	—	100	No
	—	0	
Chugai Pharmaceutical Co., Ltd.	100	—	No
	0	—	
Renesas Electronics Corporation	100	—	No
	0	—	
Lion Corporation	100	—	No
	0	—	

Notes: "—" means no shares in the company are held.

\*1 Yamaha Motor Co., Ltd. uses the same Yamaha brand as the Company. Yamaha Motor Co., Ltd. and the Company have established the Joint Brand Committee, Yamaha Brand Charter, and Joint Brand Regulations. Along with carrying out various initiatives together, initiatives in furtherance of each other's sustainable growth are monitored appropriately through shareholdings and the assignment of directors. By building this kind of relationship of monitoring and cooperation, the Company aims to maintain and enhance the value of the Yamaha brand, thereby contributing to the enhancement of the Company's corporate value over the medium to long term.

\*2 The Company holds the shares for the purpose of maintaining and continuing a smooth transaction relationship.

\*3 Effective October 3, 2022, holding company Shizuoka Financial Group, Inc., was established by The Shizuoka Bank, Ltd., through a transference of shares. Through this transference, one share of common stock of Shizuoka Financial Group, Inc., was allocated for every one share of The Shizuoka Bank, Ltd.

\*4 The Company holds the shares for the purpose of maintaining and continuing a smooth relationship with trading financial institutions.

\*5 The Company holds the shares for the purpose of gathering information about information provision methods, etc., for shareholders.

### Initiatives to Engage in Dialogue with Shareholders and Investors

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

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

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

Regarding measures to control insider information, pursuant to the Company's Disclosure Policy, due consideration is given to controlling insider information, and we endeavor to disclose

information in a fair, prompt, and timely manner. When meeting with shareholders and investors, information is provided after verifying that the information provided does not constitute insider information. The time between the day after the end of each quarter and the date of the earnings release is a quiet period during which we refrain from discussing earnings information.

### Major IR Activities

For more information on major IR activities in fiscal 2023, please refer to the following website.

[https://www.yamaha.com/en/csr/activity\\_report/governance/dialogue/](https://www.yamaha.com/en/csr/activity_report/governance/dialogue/)



### General Shareholders' Meetings

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

### Items Voted On at the Ordinary General Shareholders' Meeting

The following items were voted on at the 199th Ordinary General Shareholders' Meeting held on June 23, 2023.

### Resolutions Made at the 199th Ordinary General Shareholders' Meeting (held on June 23, 2023)

#### Proposal 1. Appropriation of Surplus

#### Proposal 2. Appointment of Eight Directors

Proposal	Number of Votes For	Number of Votes Against	Number of Abstained Votes	Approval Percentage	Results
Proposal 1. Appropriation of surplus	1,505,383	8,665	0	99.3	Approved
Proposal 2. Appointment of eight directors					
Takuya Nakata	1,329,569	184,835	0	87.7	Approved
Satoshi Yamahata	1,508,612	5,804	0	99.5	Approved
Yoshihiro Hidaka	1,349,378	165,022	0	89.0	Approved
Mikio Fujitsuka	1,508,625	5,791	0	99.5	Approved
Paul Candland	1,505,945	8,470	0	99.4	Approved
Hiromichi Shinohara	1,499,040	15,374	0	98.9	Approved
Naoko Yoshizawa	1,508,909	5,507	0	99.6	Approved
Naho Ebata	1,512,867	1,550	0	99.8	Approved

Note: Necessary conditions for the approval of each proposal were as follows:

- Proposal 1: Approval by a majority vote of the shareholders in attendance
- Proposal 2: Attendance of shareholders holding one-third or more of the voting rights of the shareholders who can exercise their voting rights, and vote of approval by majority of the shareholders in attendance

Reason for not including some of the number of voting rights of the shareholders in attendance in the number of voting rights: By calculating the total of the number of voting rights exercised by the date immediately before the date of the meeting and the number of voting rights of some of the shareholders in attendance, whose intentions regarding approval or disapproval of each proposal were confirmed, the necessary conditions for the approval of each proposal were satisfied and the resolutions were legally passed pursuant to the Companies Act. Therefore, among those shareholders in attendance on the day of the meeting, the calculation did not include the number of voting rights for which intentions regarding approval, disapproval, or abstention were not confirmed.

## Risk Management

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

### Basic Policies

The Yamaha Group practices risk management in accordance with the following basic 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

Yamaha Corporation has established the Risk Management Committee as an advisory body to the president. The committee discusses risk management-related matters from a Companywide

perspective and reports the results of these discussions to the president. In addition, the Working Group for BCP and Disaster Prevention Management, Working Group for Financial Management, Working Group for Compliance, Working Group for Export Control, and Working Group for Information Security have been established under the Risk Management Committee. These working groups set activity policies and monitor activities related to important Companywide themes. The Board of Directors confirms and monitors the effectiveness and status of risk management frameworks via reports from executive officers.

In the case of the materialization of a serious risk with the potential to have a Companywide impact during the course of business activities, a risk response headquarters led by the president will be set up to address the risk.

For more information on risk management systems and the Risk Management Committee, please refer to the following website.

[https://www.yamaha.com/en/csr/activity\\_report/governance/risk\\_management/](https://www.yamaha.com/en/csr/activity_report/governance/risk_management/)

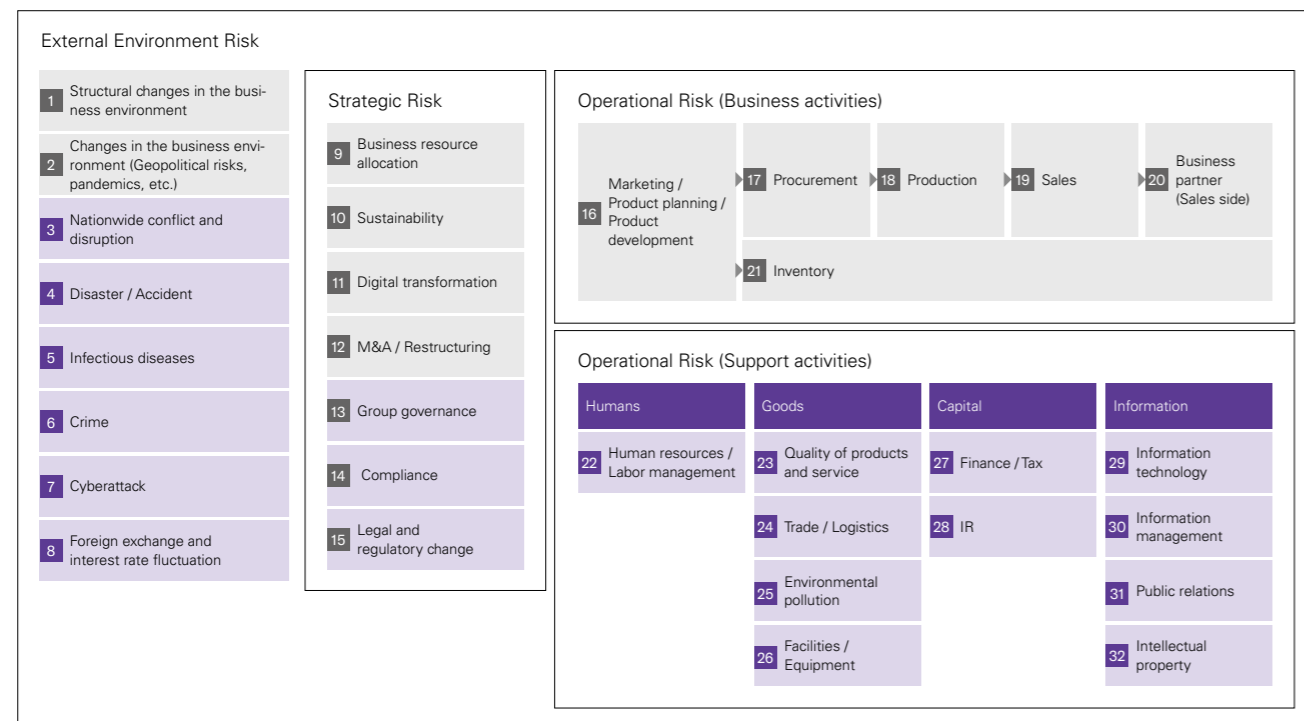


### Risk Management Initiatives

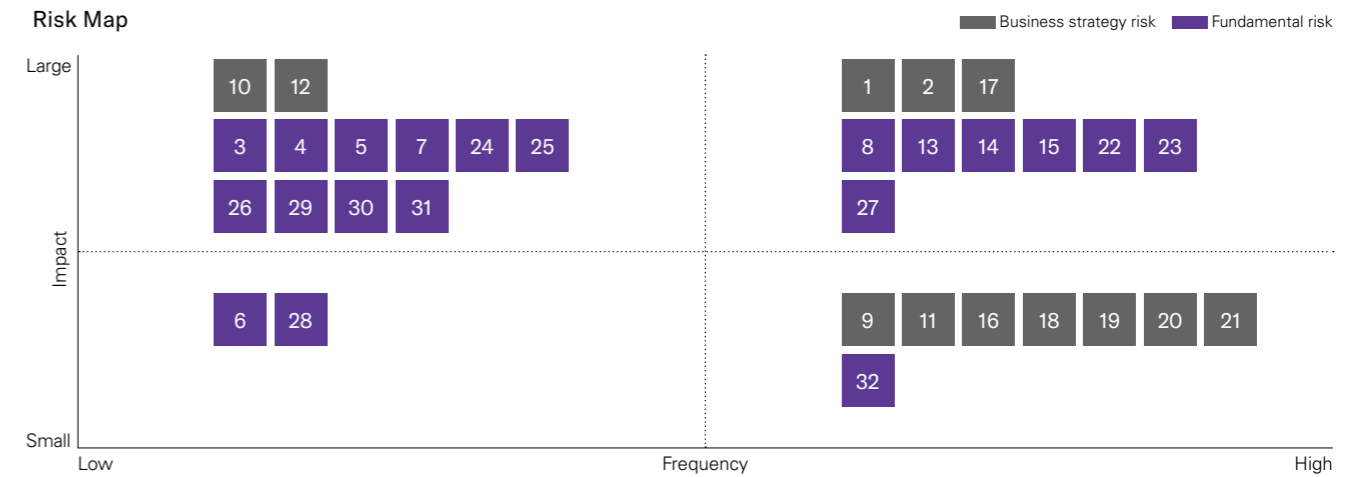
The Risk Management Committee categorizes the various risks identified in relation to the Yamaha Group's business into four categories: external environment risk, strategic risk, operational risk (business activities), and operational risk (support activities). The materiality of risks is assessed based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

## Categorization of Business Risks

■ Business strategy risk ■ Fundamental risk



## Risk Map



damages and frequency of materialization. In addition, the level of control is evaluated for each risk category, material risks requiring priority response are identified, and the divisions responsible for managing these risks are designated in order to promote risk mitigation activities and thereby improve overall risk control levels.

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

For more information on risks, please refer to Japanese-language versions of the Company's securities reports.

[https://www.yamaha.com/ja/ir/flash\\_report/](https://www.yamaha.com/ja/ir/flash_report/)



### Information Security and Personal Information Protection Initiatives

The Yamaha Group perceives information security and personal information protection as a critical aspect of risk management and 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 and 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 Information Protection Policies & Rules. The advancement of ICT 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.

In fiscal 2023, a response drill simulating an attack via targeted emails\* was held for approximately 8,000 officers and employees at domestic Yamaha Group companies. 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.

\* 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

### Responses to Infectious Diseases

Preventing the spread of infectious diseases that can have a significant social and economic impact, such as HIV and AIDS, tuberculosis, and malaria, is a global issue. Recognizing the importance of this issue, Yamaha Group production sites in Southeast Asia are practicing effective hygiene management in workplaces, cafeterias, and break spaces; regularly sterilizing company premises; and cleaning waterways while also taking environment-related steps to prevent the emergence of mosquitoes and other disease-carrying pests.

In addition, notification of the infectious disease risks of the relevant areas is provided to employees going on overseas business trips as well as to employees stationed overseas and their families, and immunizations for hepatitis A, hepatitis B, tetanus, rabies, and measles and other prevention measures are recommended prior to departure from Japan.

In fiscal 2023, the Yamaha Group continued to promote teleworking and basic precautions for preventing the spread of COVID-19 in response to the ongoing global pandemic. We also provided COVID-19 vaccinations to approximately 2,000 employees who elected to receive their third vaccinations at the clinic in the Yamaha Corporation headquarters in April 2022. Elsewhere, we worked together with

local government agencies in Indonesia to provide vaccinations to roughly 5,000 individuals including employees as well as for members of their families and subcontractors (factory workers, janitors, cafeteria workers, drivers, etc.) at Group business sites.



Regular sterilization of outside material storage dock (Indonesia)

## Compliance

As a global organization, the Yamaha Group recognizes that compliance is among the most important management themes and a prerequisite for corporate activities.

### Compliance Promotion System and Compliance Code of Conduct

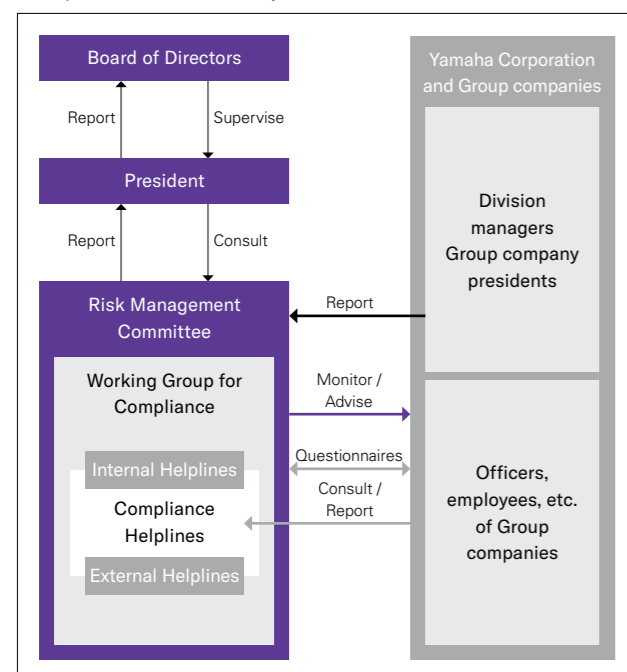
The Yamaha Group has positioned compliance among its most important management themes. We practice compliance management with a focus on ensuring strong legal compliance, adherence to social norms, and a high level of corporate ethics. The Compliance Code of Conduct puts forth a code for guiding the 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 Management Frameworks and Promotion System

The Working Group for Compliance, an organization positioned under the Risk Management Committee, which is an advisory body to the president, is a central organization in the promotion of compliance. Chaired by an operating officer, 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 ethicality.

Our basic policy for legal compliance is to focus on the reinforcement of global preventive legal affairs measures.

### Compliance Promotion System



Accordingly, we use legal databases in order to manage legal information in an integrated, Groupwide manner. In addition, to strengthen global compliance frameworks we position compliance representatives in all overseas subsidiaries who play a role in advancing measures in their respective regions, conducting education and awareness-raising activities, and sharing information with the rest of the Group.

### Fiscal 2023 Working Group for Compliance Meetings

Number of meetings: 4

Major Agenda Items

- 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. Support for corrective actions is provided as necessary.

In fiscal 2023, the frequency of overseas 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. 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. Furthermore, 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.

### Education and Awareness-Raising Activities

Proactive employee education and awareness-raising activities are imperative to enhancing compliance. Education and training content for domestic employees is provided via the intranet, and compliance seminars are held regularly along with other initiatives to raise awareness.

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. In addition, a training session for employees involved in investigating reports received through compliance helplines was arranged based on the revision to the Whistleblower Protection Act instituted in June 2022.

### Compliance Helplines

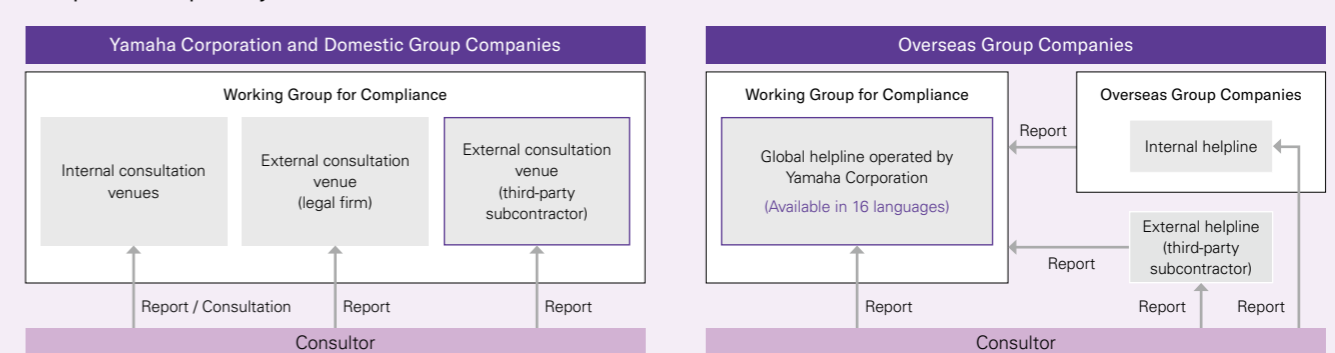
The Yamaha Group has established compliance helplines for addressing compliance-related consultations and reports. These helplines can be used to receive support via the internet, telephone, email, or standard mail. Objective investigations are conducted to confirm the validity of any reports or consultations 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 helpline for domestic Group companies operated by a subcontractor; an internal helpline; 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 helplines 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 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 Group 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

### Compliance Helpline System



The curriculum for compliance education also includes rank-based human resources training arranged in accordance with the career levels of participants, and compliance training has been positioned as an important theme.

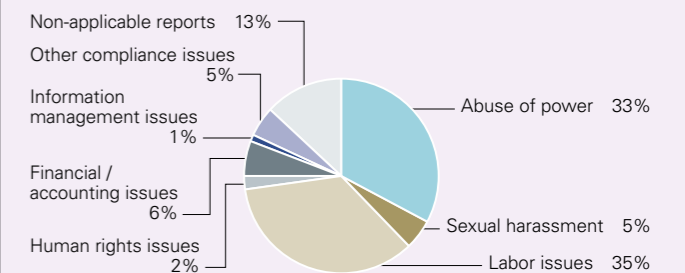
needs of individuals submitting a report. Moreover, the Group Whistleblowing Specialized Rules were formulated while manuals were prepared and briefings were held for compliance representatives at Group companies to promote helpline usage and expedite responses to reports.

### Number of Reports Received through Compliance Helplines

	Japan*1	Overseas*2	Total
Fiscal 2019	34	–	34
Fiscal 2020	66	–	66
Fiscal 2021	83	8	91
Fiscal 2022	87	32	119
Fiscal 2023	114	49	163

### Breakdown of Reports Received in Fiscal 2023\*1

Number of reports: 114



\*1 Figures represent the total number of reports received through the domestic and global compliance helplines established by Yamaha Corporation.

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