

Organizational Governance

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

Corporate Governance

Basic Policies for Corporate Governance

The Yamaha Group has issued the [Yamaha Philosophy](#) and our [Promises to Stakeholders](#), which outline our commitment to ensuring strong profitability while upholding our social responsibilities as a company, and thereby to achieving sustainable growth and improving corporate value over the medium- to long-term. We carry out transparent, high-quality business management based on the basic policies for corporate governance indicated below.

Basic policies for corporate governance

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

Basic Corporate Governance System

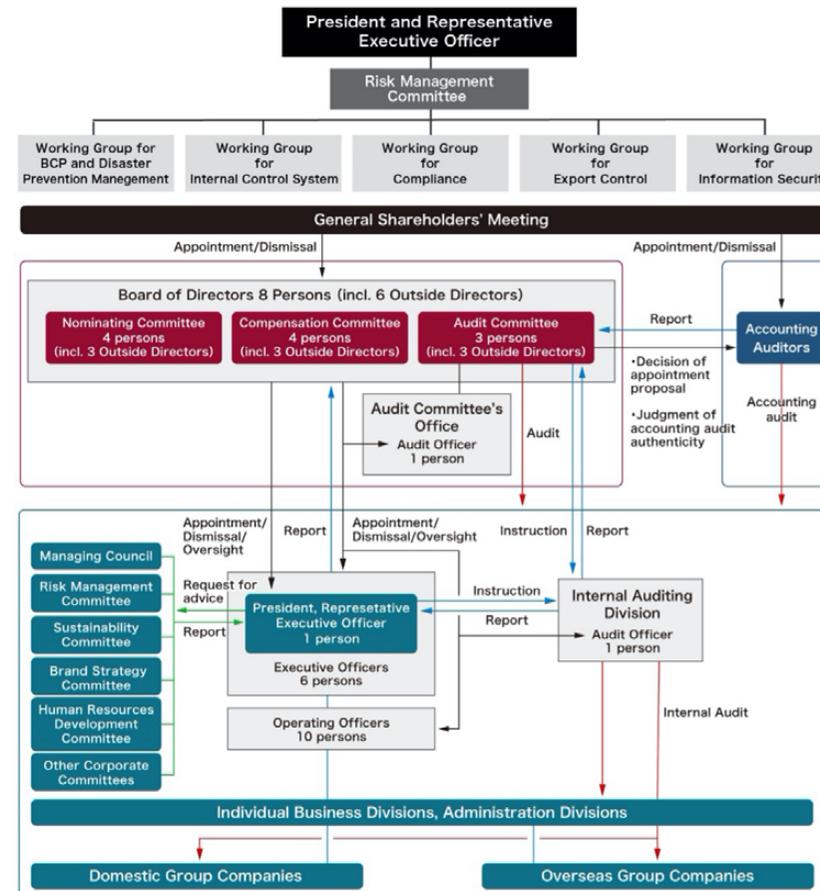
Yamaha Corporation made the transition to a Company with Three Committees (Nominating, Audit, and Compensation) from June 22, 2017, with the objectives of making a clear separation between the oversight and the execution in management, thereby enhancing the oversight function of the Board of Directors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

Company has appointed a Board with six eighth (6/8) of the members from outside with a diversity of backgrounds and specialties, including persons with management experience in other industries. Also, by forming a Nominating Committee, Audit Committee, and Compensation Committee with a majority of independent Outside Directors as obligated by law, the Company can execute its oversight function with further transparency and objectivity. The Audit Committee will strengthen the oversight function through audit by implementing validity checks in addition to legal checks, in cooperation with the Internal Audit Division.

Also, as an official function under the Companies Act, the Company established the Executive Officer position to assume a direct responsibility to shareholders, and they have been delegated major authority from the Board of Directors. By having the Executive Officers functioning as important decision-makers in the execution of business operations, the Company is aiming to speed up this process.

By implementing the abovementioned measures to strengthen the oversight functions and speed up the execution, the Company endeavors to further strengthen corporate governance and to continuously increase corporate value.

Corporate Governance Structure (as of June 23, 2022)



**Governance Organization Personnel
(Yamaha Corporation, as of June 23, 2022)**

		Male	Female
Directors	Total	7	1
	Outside Directors	5	1
Executive Officers	Total	6	0
	President and Representative Executive Officer	1	0
	Managing Executive Officer	2	0
Operating Officers	Total	9	1
Audit Officers	Total	2	0
Nominating Committee Members	Total	4	0
	Outside Directors	3	0
Audit Committee Members	Total	2	1
	Outside Directors	2	1
Compensation Committee Members	Total	4	0
	Outside Directors	3	0

**Governance Organization Personnel, by Nationality
(Yamaha Corporation, as of June 23, 2022)**

		Japan	Overseas
Directors	Total	7	1
	Outside Directors	5	1
Executive Officers	Total	6	0
	President and Representative Executive Officer	1	0
	Managing Executive Officers	2	0
Operating Officers		9	1
Audit Officers		2	0

» Directors and Officers

► Directors and Board of Directors

The number of Directors of the Company is eight (8) as of June 23, 2022 (six (6) of them are Outside Directors). The Board Meeting held monthly (in principle). In keeping with its fiduciary duty, the Board of Directors presses for the Group's sustainable growth and enhancement of enterprise value over the medium-to-longer term. The Board of Directors oversees the conduct of duties by the Executive Officers and the Directors, and makes decisions on important matters that are specified in laws and regulations, the Articles of Incorporation, and Regulations of the Board of Directors, including basic management policy. In addition, the Board of Directors supervises overall management of the Company through overseeing the succession plan for the Chief Executive Officer and other officers, selecting the members and the chairs of the Nominating Committee, Audit Committee, and the Compensation Committee, appointing Executive Officers, Operating Officers and Audit Officers, approving transactions with related parties, and supervising the development and operation of the Internal Control Systems. In keeping with its fiduciary duties, the Directors act to ensure the Company's sustainable growth and enhance its enterprise value over the medium-to-longer term, taking into consideration the relationships with all stakeholders.

Directors understand relevant laws and regulations and the Company's Articles of Incorporation and gather sufficient information in order to proactively express their opinions and engage in constructive discussions at the Board of Directors' meetings as elsewhere. In accordance with the Article 26, Paragraph 2 of the Company's Articles of Incorporation under the Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with non-operating director to limit their liability for damages caused by negligence in executing their duties. The Board of Directors held a total of fourteen (14) meetings during the fiscal 2022 (from April 1, 2021 through March 31, 2022 the same shall apply hereinafter).

► Nominating Committee

The number of members of Nominating Committee is four (4) as of June 23, 2022 (three (3) of them are Outside Directors). The Nominating Committee decides on the content of the proposals to be submitted to the General Shareholders' Meeting for selection/dismissal of Directors and the content of proposals submitted to the Board of Directors for selection/dismissal of Executive Officers and Operating Officers. The Nominating Committee also implements the succession plan for the Chief Executive Officer and other officers through activities to develop human resources that can assume the positions of Director, Executive Officer, and Operating Officer. The Nominating Committee held a total of four (4) meetings during the fiscal 2022.

► Audit Committee

The number of members of Audit Committee is three (3) as of June 23, 2022 (three (3) of them are Outside Directors). The chair shall be an Independent Outside Director. The Audit Committee, either working in collaboration with the Internal Auditing Division or conducting audits directly on its own initiative, audits the structure and operation of the internal control systems of the Company and other Group companies. Based on the results, the Audit Committee conducts audits to determine the legality and appropriateness of the conduct of duties by the Executive Officers and Directors. When deemed necessary, members of the Audit Committee report to or express their opinions to the Board of Directors, or may issue cease and desist orders to Executive Officers and/or Directors. In addition, the Audit Committee may decide on proposals to be considered in the General Shareholders' Meeting, including the selection/dismissal of the accounting auditor. The Audit Committee held a total of sixteen (16) meetings during the fiscal 2022.

► Compensation Committee

The number of members of Compensation Committee is four (4) as of June 23, 2022 (three (3) of them are Outside Directors). The Compensation Committee establishes policies regarding the setting of compensation for Directors, Executive Officers, and Operating Officers and, based on these policies, sets the compensation of such officers individually. The Compensation Committee held a total of four (4) meetings during the fiscal 2022.

► Executive Officers

The number of Executive Officers is six (6) as of June 23, 2022 (one (1) of them is the Representative Executive Officer and two (2) of them are the Managing Executive Officers). The Executive Officers shall be responsible for the execution of business and will make important decisions from a Companywide perspective on matters related to the conduct of business that have been delegated to them by the Board of Directors and will be subject to the oversight of the Board of Directors.

► Operating Officers

The number of Operating Officers is ten (10) as of June 23, 2022. The Operating Officers will execute the business activities they are responsible for from a Companywide perspective based on the important decisions related to conduct of business by the Board of Directors or the Executive Officers, under the oversight of the Executive Officers.

► Audit Officers

The number of Audit Officers is two (2) as of June 23, 2022. The Audit Officers will be responsible for auditing functions in the Yamaha Group as a member of the management team at the equivalent position as Operating Officers.

► Process and Standards for Selecting Directors and Other Personnel

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

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

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

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

Reason for Appointment of Directors

Title	Name	Reason for appointment
Director	Takuya Nakata	Having served in positions such as General Manager of our Pro Audio & Digital Musical Instruments Division, President and Director of Yamaha Corporation of America, Mr. Takuya Nakata has a wealth of experience and achievements alongside broad insight in business. He has led the Group as President and Representative Director since June 2013, and as Director, President and Representative Executive Officer since June 2017 after our transition to a Company with Three Committees (Nominating, Audit, and Compensation). Additionally, he has been a leader in Corporate Governance reform via initiatives such as the transition to a Company with Three Committees (Nominating, Audit, and Compensation), and has worked to strengthen the oversight function of the Board of Directors. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Satoshi Yamahata	In addition to work experience at an overseas subsidiary, Mr. Satoshi Yamahata has served as General Manager of the Accounting and Finance Division, General Manager of the Corporate Planning Division, Executive General Manager of the Operations Unit, and Executive General Manager of the Corporate Management Unit, and has a wealth of experience and achievements alongside broad insight. He has promoted Corporate Governance reform as Director and Senior Executive Manager since June 2015 and as Director and Managing Executive Officer since June 2017, and has worked to strengthen the oversight function of the Board of Directors. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Taku Fukui	With a mastery of corporate law and corporate governance in Japan and overseas as an attorney, Mr. Taku Fukui has a high degree of expertise, wealth of experience and achievements alongside broad insight. Since assuming the position of Outside Director of the Company in June 2017, 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 high degree of expertise, wealth of achievements and insights, etc. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Yoshihiro Hidaka	Having been involved in management at one of the largest global transportation equipment manufacturers in Japan, Mr. Yoshihiro Hidaka has a wealth of experience and achievements alongside broad insight as a corporate manager. Additionally, as President and Representative Director of Yamaha Motor Co., Ltd., a company that shares a common brand with the Company, he is a person with one of the deepest understandings of the Yamaha brand. Since assuming the position of Outside Director of the Company in June 2018, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc., and improve the Yamaha brand value.
Director	Mikio Fujitsuka	Having been involved in management as CFO at one of the largest global construction machinery manufacturers in Japan, Mr. Mikio Fujitsuka has a wealth of experience and achievements alongside broad insight as a corporate manager, as well as adequate knowledge of finance and accounting. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Paul Candland	Having been involved in management as the person responsible for the Asian region and Japanese arm of a global entertainment company, Mr. Paul Candland has a wealth of experience and achievements alongside broad insight as a manager. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He has been appointed as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Hiromichi Shinohara	Having been involved in management as a representative director of one of the largest communications and ICT companies in Japan, Mr. Hiromichi Shinohara has a wealth of experience and achievements alongside broad insight as a corporate officer. He also has wide-ranging and in-depth knowledge of communications systems and electronics. 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 wealth of achievements and insights, etc., as a corporate manager. 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.
Director	Naoko Yoshizawa	Having been involved in management as an executive officer of one of the largest electronics and ICT companies in Japan and as the CEO of its overseas group company, Ms. Naoko Yoshizawa has a wealth of experience and achievements alongside broad insight as a corporate officer. She also has a high degree of expertise in digital and AI technologies. 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 wealth of achievements and insights, etc., as a corporate manager. 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.

* Yamaha has registered six Outside Directors — Taku Fukui, Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hiromichi Shinohara and Naoko Yoshizawa — as independent directors pursuant to Tokyo Stock Exchange provisions (as of June 23, 2022).

Expertise held by the Company's Directors

Directors		Corporate management	Legal and risk management	Finance and accounting	IT and digital	Manufacturing, technology, and R&D	Marketing and sales	Global experience
Takuya Nakata	—	●			●	●	●	●
Satoshi Yamahata	—		●	●				●
Taku Fukui	Outside		●					●
Yoshihiro Hidaka	Outside	●		●				●
Mikio Fujitsuka	Outside	●	●	●				●
Paul Candland	Outside	●					●	●
Hikomichi Shinohara	Outside	●			●	●		●
Naoko Yoshizawa	Outside	●			●	●		●

Major Activities by Outside Directors in the Year Ended March 31, 2021

		Board of Directors	Nominating Committee	Audit Committee	Compensation Committee
Total meetings held		14	4	16	4
Outside Director Taku Fukui	Attended	14	—	16	—
	Attendance rate*	100%	—	100%	—
Outside Director Yoshihiro Hidaka	Attended	14	4	—	4
	Attendance rate*	100%	100%	—	100%
Outside Director Mikio Fujitsuka	Attended	14	—	16	—
	Attendance rate*	100%	—	100%	—
Outside Director Paul Candland	Attended	14	4	—	4
	Attendance rate*	100%	100%	—	100%
Outside Director Hiromichi Shinohara	Attended	11	4	—	3
	Attendance rate*	91.7%	100%	—	100%
Outside Director Naoko Yoshizawa	Attended	12	—	13	—
	Attendance rate*	100%	—	100%	—

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

Support system for Outside Directors

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

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

Development of Internal Control System

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

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

► Information Relating to Conflicts of Interest

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

Policy and Status Concerning Executive Officer Remuneration

► Remunerations for Directors

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

Compensation for Directors (excluding Outside Directors) and Executive Officers will consist of (1) fixed compensation, (2) performance-linked bonuses, and (3) compensation in the form of restricted stock (restricted stock compensation). The approximate breakdown of total compensation of (1), (2), and (3) will be 5:3:2.

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

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

(3) Restricted stock compensation is share-based compensation according to job titles and is provided at the launch of the Medium-Term Management Plan with the intent of motivating the Directors and Executive Officers to enhance corporate value sustainably and having them share a common interest with shareholders. In order to motivate the Directors and Executive Officers to achieve the Company's performance goals in the medium term, one-third (1/3) of restricted stock compensation is paid under the condition that an individual remains in the service of the Company for a certain period and two-thirds (2/3) of restricted stock compensation is linked to the Company's performance. The Company's performance will be measured using "core operating profit ratio," "ROE," and "EPS" as performance indicators, giving equal weight to each of them, as described in the Medium-Term Management Plan. Transfer restrictions shall remain effective until the retirement of Director or Executive Officer or for thirty (30) years from the receipt of restricted stock compensation for the purpose of aligning the interests of the corporate officers with those of the shareholders over a long period after the end of the Medium-Term Management

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

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

Amount of Remuneration and Other Compensation Provided to Yamaha Directors and Executive Officers (Year Ended March 31, 2022)

Classification	Total Compensation (Millions of Yen)	Compensation by Type (Millions of Yen)			Number of directors and officers
		Fixed Remuneration	Performance-based bonuses	Compensation in the form of restricted stock	
Director	78	78	—	—	7
Outside Directors	78	78	—	—	7
Executive Officers	347	197	119	31	5

* The above numbers include one Director who retired at the conclusion of the 197th Ordinary General Shareholders' Meeting held on June 24, 2021.

* The total amount of compensation, etc., paid to the executive officers concurrently serving as directors is described in the section for executive officers.

Remuneration by Director (Year Ended March 31, 2022)

Name	Total Compensation (Millions of Yen)	Director category	Company category	Compensation by Type (Millions of Yen)		
				Fixed Remuneration	Performance-based bonuses	Compensation in the form of restricted stock
Takuya Nakata	139	President and Representative Executive Officer	Submitting Company	77	50	12

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

Accounting Auditor

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

in order to ensure that the duration of the engagement does not exceed a certain fixed period. In addition, another eleven (11) certified public accountants and thirty nine (39) assistants help the aforementioned three certified public accountants conduct the auditing work.

Compensation for Accounting Auditor in Fiscal 2021 and 2022

Classification	Fiscal 2021		Fiscal 2022	
	Compensation based on audit certificate services (Millions of yen)	Compensation based on non-auditing services (Millions of yen)	Compensation based on audit certificate services (Millions of yen)	Compensation based on non-auditing services (Millions of yen)
Filing Company	125	2	120	—
Consolidated affiliates	21	19	21	19
Total	147	21	142	19

Notes: Other important compensation:

Fiscal 2022: A part of overseas consolidated subsidiaries of Yamaha Corporation paid ¥110 million yen in compensation based on audit certificate services to accounting firms, etc. that do not belong to the same auditing accounting auditor network as Yamaha Corporation.

Fiscal 2021: A part of overseas consolidated subsidiaries of Yamaha Corporation paid ¥98 million yen in compensation based on audit certificate services to accounting firms, etc. that do not belong to the same auditing accounting auditor network as Yamaha Corporation.

Reflecting the Opinions of Stakeholders

▶ A System to Reflect the Opinions of Stakeholders in Management

In addition to the respective dialogue with shareholders and investors, Yamaha Corporation gives presentations on its medium-term management plan and quarterly earnings for securities analysts and institutional investors, provides business briefings, and conducts facilities tours and gives presentations to individual investors. The Company also posts its management plan and the explanatory materials used in earnings presentations on the Company website.

The results of the dialogue with shareholders and investors are reported to the Board of Directors by the Director, Executive Officers, or Operating Officers responsible on a timely basis, and they will be appropriately reflected in the management of the Company, leading to the Group's sustainable growth and enhancing enterprise value over the medium-to-longer term. Additionally, the voting is analyzed for each resolution at the Ordinary General Shareholders' Meeting, and this is reported to the Board of Directors.

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

Corporate Governance Policies/Report

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

» [Corporate Governance Policies \(PDF: 360 KB\) Revised on June 22, 2022](#)

» [Corporate Governance Report \(PDF: 757 KB\) Revised on June 23, 2022](#)

Compliance

Compliance Promotion System and Compliance Code of Conduct

The Yamaha Group has positioned compliance among its most important management themes for fulfilling its responsibility to stakeholders and society and for achieving sustainable growth. We practice compliance management with a focus on ensuring strong legal compliance, adherence to social norms, and a high level of corporate ethics.

The Compliance Code of Conduct puts forth a code for guiding the actions of all members of the Yamaha Group as the foundation for compliance management. Since the establishment of the code in 2003, ongoing revisions have been implemented in reflection of changes in environmental and social conditions, and the code has been translated into multiple languages.

» [Compliance Code of Conduct](#)

► Education and Awareness-Raising Regarding Compliance Code of Conduct

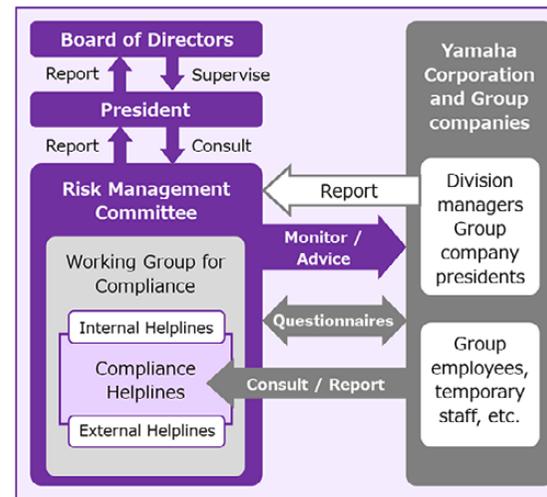
The Yamaha Group publishes booklets that describe in detail the Compliance Code of Conduct in order to promote education and raise awareness regarding the code. In Japan, physical booklets are distributed and electronic booklets are made available via the Company intranet to allow all full-time and dispatch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

Compliance Management Frameworks and Promotion System

The Working Group for Compliance, an organization positioned within the Risk Management Committee, which is an advisory body to the president that is chaired by a managing executive officer, is a central organization in the promotion of compliance. This working group discusses and decides on Groupwide compliance-related policies and measures. In addition, the working group is responsible for monitoring the activities of divisions and Group companies to ensure legal compliance and ethical operations.

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

Compliance Promotion System



► Working Group for Compliance Activities

Major Activities

Four meetings in fiscal 2022

Details

- Confirmation of Groupwide compliance promotion status
- Examination of measures for promoting Compliance Code of Conduct awareness
- Enhancement and improvement of effectiveness of compliance helplines
- Review of activities for preventing abuses of power, a priority activity theme for fiscal 2022, and discussion of themes for fiscal 2022

Monitoring

The Working Group for Compliance conducts regular (once per year) 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. In 2021, compliance questionnaires were administered to domestic Group employees. These questionnaires are conducted once every three years. The results of questionnaires are used to analyze the awareness of domestic Group employees from the perspectives of compliance risks, and corporate culture. Moreover, organization-level analyses are performed. The results of these analyses are reflected in measures to address issues and reform our corporate culture.

Overview of Compliance System and Progress Monitoring Activities

Scope	Yamaha Corporation divisions and 47 Group companies
Details	Reviews of compliance promotion systems, compliance helplines, and report numbers
Frequency	Once per year

Note: Figures are for the questionnaire conducted in April 2021.

Overview of Employee Questionnaires

Scope	Approximately 8,500 full-time, seconded, and dispatch employees (including contract and part-time employees with employment contracts) of Yamaha Corporation
Details	Questions for tracking employee compliance awareness and conditions by organization
Frequency	Once every three years

Note: Figures are for the questionnaire conducted in October 2021.

Training and Education

▶ Training and Education via Online Contents and Seminars

The Yamaha Group distributes accessible, easy-to-understand online compliance education contents for employees in Japan on a monthly basis. For example, employees in Japan are given access to Compliance News, which explains concepts in four-panel comic strips; Compliance Quizzes; and Compliance Mini-Tests. Available via the Company intranet, these contents allow

users to efficiently learn about key compliance points in a short amount of time.

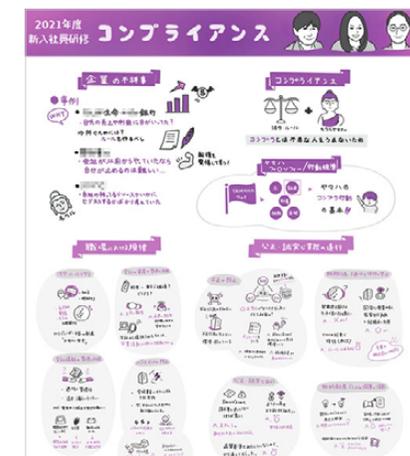
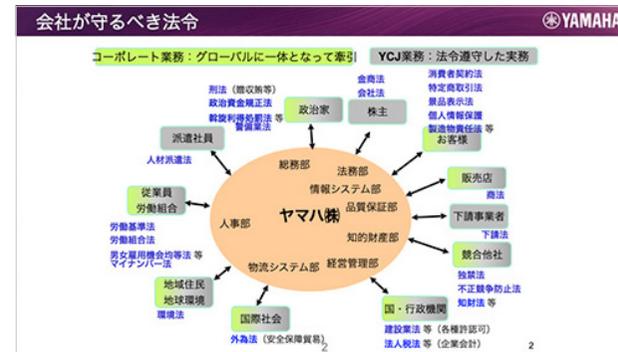
In light of the COVID-19 pandemic, training and education programs for domestic Group employees were conducted online or in small groups. Focuses of these programs included acquiring compliance-related knowledge, developing skills for instructing subordinates, and improving communication between supervisors and subordinates.

In fiscal 2022, rank-based human resource training was

conducted eight times and attended by 301 participants, onboarding training for mid-career hires was held six times for 15 individuals, and other training programs took place seven times with 86 participants, making for a total of 21 trainings for 402 employees.



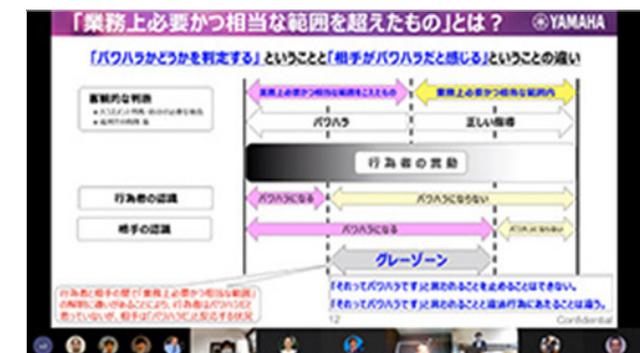
Compliance training for new managers



Compliance training for new employees (image provided by dot Co., Ltd.)



Harassment prevention training for managers



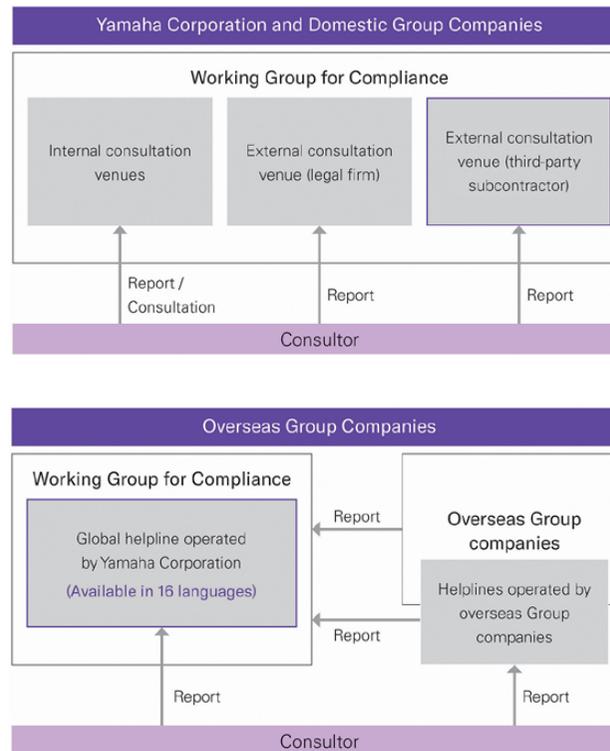
Compliance Helplines

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

In Japan, three helplines are available: the Yamaha Compliance Hotline, an external consultation venue for domestic Group companies operated by a subcontractor; an internal consultation venue; and a venue for consultation with an external legal firm. In addition, cards detailing the contact information for these helplines are distributed to employees. We also promote awareness and use of these venues through tools such as posters and booklets as well as during training sessions. Internal rules pertaining to the operation of compliance helplines include provisions to protect whistleblowers by stating that those reporting in earnest are not to suffer reprisal as a result of reporting. These helplines are available to full-time employees, dispatch employees, and contracted staff. They may also be used by the staff of subcontractors, sales agents, and other business partners as well as by others involved in the business activities of the Yamaha Group.

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 2021, the establishment of dedicated helplines at overseas Group companies was advanced to improve the effectiveness of the consultation venues of these companies. Moreover, representatives from overseas Group companies were instructed to promote awareness regarding these helplines among employees, and the implementation status of hotlines was monitored.

Compliance Helpline System

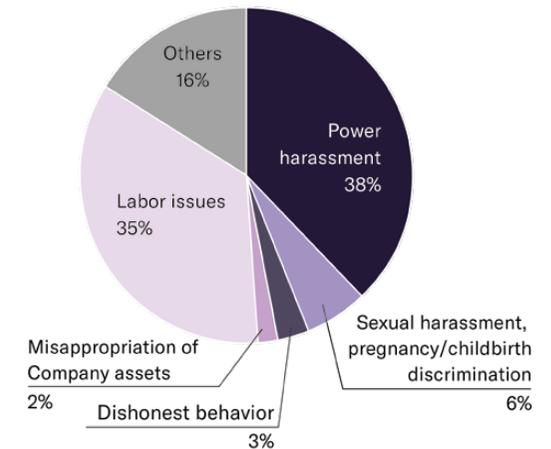


Harassment, employment issues, and other work-related matters represented the majority of consultations and reports received as of March 31, 2022. Internal rules stipulate that appropriate response measures are to be taken when consultations or reports are received. These measures include confirming the validity of the claims, determining whether legal violations took place, and taking any necessary corrective measures. In fiscal 2022, no reports were received on incidents that constituted serious compliance violations with the potential to result in the Company being subject to massive fines or non-monetary sanctions for violating social or economic laws.

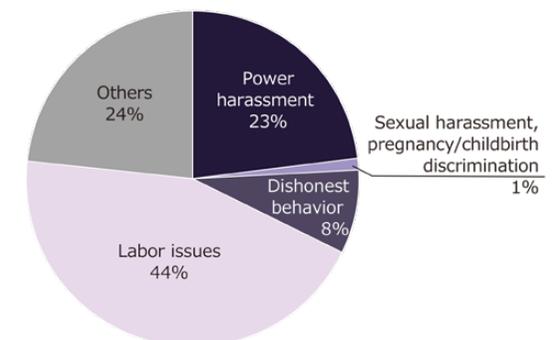
Number of Reports Received through Compliance Helplines

	Name provided	Anonymous	Total
FY2018	34	13	47
FY2019	25	9	34
FY2020	54	12	66
FY2021	50	33	83
FY2022	44	43	87

Fiscal 2021: 83 reports



Fiscal 2022: 87 reports



Risk Management

Risk Management Initiatives

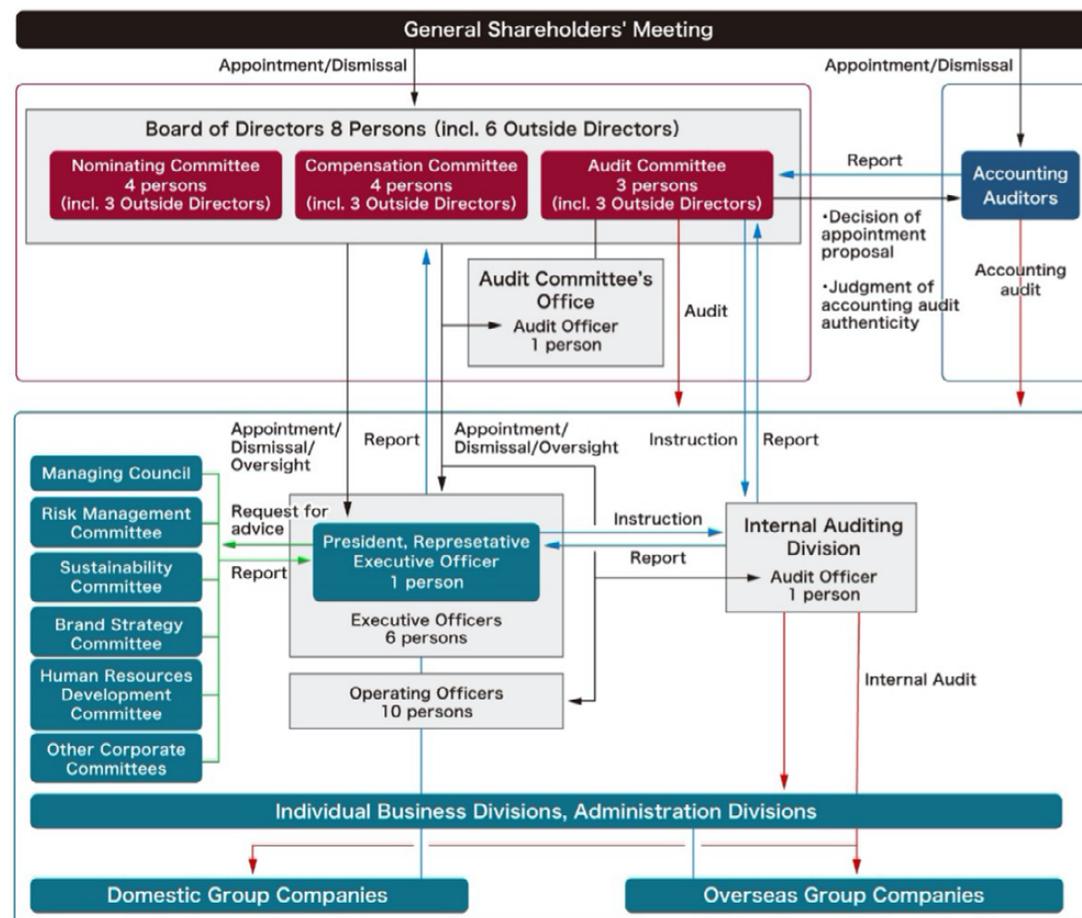
The Yamaha Group is engaged in efforts to develop and improve its risk management promotion structure and systems in order to boost risk response capabilities and to achieve healthy and transparent management. The Group implements risk management promotion based on the following policies.

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

Promotion System

Under the supervision of the Board of Directors, Yamaha Corporation has established the Risk Management Committee as an advisory body to the president. The committee discusses risk management-related matters from a Companywide perspective and reports the results of these discussions to the president. In addition, the Working Group for BCP and Disaster Prevention Management, Working Group for Financial Management, Working Group for Compliance, Working Group for Export Control, and Working Group for Information Security have been established under the Risk Management Committee. These working groups set activity policies and monitor activities related to important Companywide themes. The effectiveness and promotion status of risk management frameworks are verified and monitored via reports from executive officers to the Board of Directors.

Risk Management System



» Download

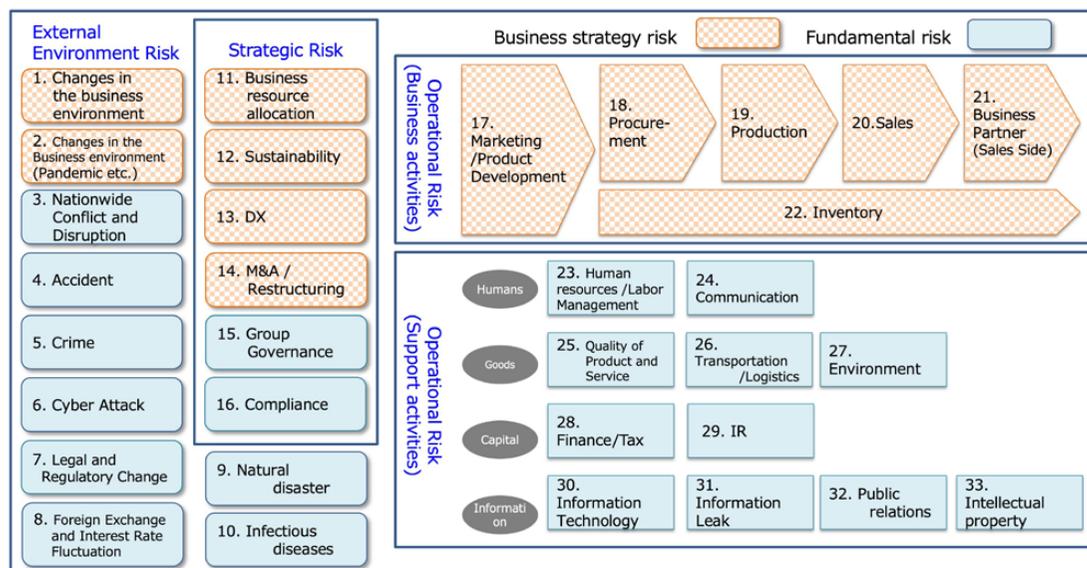


Approach Toward Risk Management

The Risk Management Committee categorizes the various risks identified in relation to the Yamaha Group's business into four categories: External Environment Risks, Strategy Risks, Operational Risk (Business activities), and Operational Risk (Support activities). The materiality of risks is assessed based on the projected scale of damages and frequency of materialization. In addition, the level of control is evaluated for each risk category, material risks requiring priority response are identified, and the divisions responsible for managing these risks are designated in order to promote risk mitigation activities and thereby improve overall risk control levels. The table below provides additional information on risk categories.

» Business Risks

Business Risk Categories



Risk Map

B. Impact (Large) - Likelihood (small)		A. Impact (Large) - Likelihood (Large)	
3. Nationwide Conflict and Disruption 4. Accident 6. Cyber Attack 9. Natural disaster 10. Infectious diseases 26. Transportation/Logistics 27. Environment 30. Information Technology 31. Information Leak 32. Public relations	12. Sustainability 14. M&A/Restructuring	7. Legal and Regulatory Change 8. Foreign Exchange and Interest Rate Fluctuation 15. Group Governance 16. Compliance 23. Human Resources /Labor management 25. Quality of Product and Service 28. Finance/Tax	1. Changes in the business Environment 2. Changes in the business Environment (Pandemic etc.) 18. Procurement
D. Impact (small) – Likelihood (small)		C. Impact (small) - Likelihood (Large)	
5. Crime 29. IR		24. Communication 33. Intellectual property	11. Business resource allocation 13. DX 17. Marketing, Product Planning, Product Development 19. Production 20. Sales 21. Business Partner (Sales Side) 22. Inventory

Business strategy risk Fundamental risk

► Climate Change Countermeasures

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

» [Endorsement of TCFD Recommendations](#)

► Business Continuity Management

In preparation for large-scale natural disasters, fires, infectious disease pandemics, and other emergency situations, the Yamaha Group has formulated business continuity plans (BCPs) and implements other business continuity management efforts. The Working Group for BCP and Disaster Prevention Management, which is chaired by a managing executive officer and positioned under the Risk Management Committee chaired by the president, has been established as an organization for formulating business continuity policies for responding to natural disasters and other emergency situations. In addition, Group policies and rules for responding to natural disasters and other emergency situations have been developed. In the event of an emergency, an emergency response headquarters will be set up to examine potential measures for ensuring Groupwide business continuity. In addition, the Group BCP Policies & Rules establish basic policies, duties, and rules to minimize the effect on business when a risk event occurs, such as a natural disaster, through the rapid implementation of appropriate countermeasures.

Major Initiatives

	Initiatives in fiscal 2022
Basic policies and rules	Refined BCP manuals and other provisions and implemented measures for reducing potential damages
BCP formulation and training	<ol style="list-style-type: none"> 1. Implemented improvements to the procedures for enacting swift business continuity measures in times of emergency in the emergency response headquarters that are responsible for Groupwide emergency response measures 2. Conducted general and local emergency response headquarters drills tailored to teleworking 3. Revised, evaluated, and improved the risk-specific BCPs established for all global Group companies with a focus on business continuity
Infrastructure development	<ol style="list-style-type: none"> 1. Established facility-specific security standards and commenced measures for reinforcing security provisions 2. Formulated the Yamaha Equipment Earthquake Resistance Standards and applied standards to new equipment at the time of introduction 3. Introduced an employee safety check system and performed regular drills to ensure effectiveness in times of emergency 4. Implemented disaster countermeasures targeting critical facilities
COVID-19 pandemic response measures	<ol style="list-style-type: none"> 1. Set up the emergency response headquarters to address the COVID-19 pandemic, which collected information from Group companies and regions around the world to be shared within the Group 2. Sent relief items to Group companies 3. Implemented measures for preventing the spread of COVID-19 at workplaces (installation of partitions in cafeterias and online meeting booths)



COVID-19 pandemic response measures (left: online meeting booths; right: cafeteria partitions)

► Financial Management

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

► Compliance

The Working Group for Compliance, an organization positioned under the Risk Management Committee, which is an advisory body to the president, is a central organization in the promotion of compliance. Chaired by a managing executive officer, this working group both promotes compliance in the Group and monitors the business execution of divisions and Group companies to ensure legal compliance and ethical operations. It also executes measures to maintain healthy business activities through employee education, awareness-raising, questionnaires, and the establishment of whistleblowing and consultation helplines.

» [Compliance](#)

► Export Control

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

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

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

► Information Security

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

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

» 9-8 Utilization and Management of the Company's Information Systems
» Personal Information Protection

► Occupational Health and Safety and Environmental Risk Management

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

» Health and Safety
» Prevention of Pollution

Information Disclosure (Dialogue with Shareholders and Investors)

Policies Regarding Dialogue with Shareholders and Other Investors

The Yamaha Group conducts appropriate disclosure and constructive dialogue with shareholders, investors, and other stakeholders in accordance with the following policies and codes of conduct in order to drive its ongoing growth and medium- to long-term improvements in corporate value.

» Dialogue with Shareholders and Investors
(Chapter V of the Corporate Governance Policies)
» 2-1 Accurate Accounting Records and Financial Reports
» 2-2 Timely Disclosure of Information

IR Activities

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

» Disclosure Policy

► Website for Investors

The investor relations (IR) section of Yamaha's corporate website (available in English and Japanese) provides up-to-date information on our business, including business strategies, information on medium-term management plans, earnings reports, financial data, and annual reports, along with newsletters. In fiscal 2022, the IR section of our website received a number of honors, namely a 2021 Internet IR Commendation Award (Daiwa Investor Relations Co. Ltd.), recognition as a AAA website in the overall category of the 2021 homepage ranking of all listed companies (Nikko Investor Relations Co., Ltd.), and a silver award in the ranking of companies with superior IR websites (Gomez). These honors reflected the evaluation of the website's extensive selection of corporate and management information.

» Investor Relations

► Major IR Activities

Yamaha promotes engagement with shareholders and other investors in both Japan and overseas through various activities

such as quarterly results briefings and other regular events as well as business briefings for securities analysts and institutional investors, factory and facility tours, and explanatory meetings for private investors, which are held as needed. The opinions and information gathered through engagement with shareholders and other investors are shared internally among the related departments, and these findings are reflected in our IR activities and in the execution of management.

Major Activities

	Target audience	Frequency	Times held in fiscal 2022
Financial results briefings	Securities analysts Institutional investors	Quarterly	4
Business briefings	Same as above	Irregularly	0
Factory and facility tours	Same as above	Irregularly	0
Individual meetings	Same as above	Approx. 200 times a year	250
Overseas investor visits	Overseas institutional investors	Three times a year (United States, Europe, and Asia)	0
Medium-term management plan briefings	Securities analysts Institutional investors	As needed	0
Company briefings for private investors	Private investors	Irregularly (in Japan)	2



Online company briefing for private investors



Financial results briefing

ESG Investment Initiatives

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

For more details, please refer to the following website.

» [External Recognition](#)

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



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Yamaha has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



FTSE Russell confirms that Yamaha Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



FTSE Russell confirms that Yamaha Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF YAMAHA CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF YAMAHA CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES

Credit Ratings (As of March 31, 2022)

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

Shareholder Returns and Retained Earnings

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

» [Shareholder Returns](#)

► Shareholder Benefits

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

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