



Atsushi Yamaura
 Director, President and
 Representative Executive Officer

MESSAGE FROM THE PRESIDENT

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

Crafting of New Value Creation Story and Return to Growth Track

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

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

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

Accelerating Adaptation to Change

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

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

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

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

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

MESSAGE FROM THE PRESIDENT

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

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

Three Important Elements of Developing New Businesses

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

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

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

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

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

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

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

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

Creation of Value by Merging Physical Products and Intangible Services

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

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

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

Dedication to Active Music Experiences

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

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

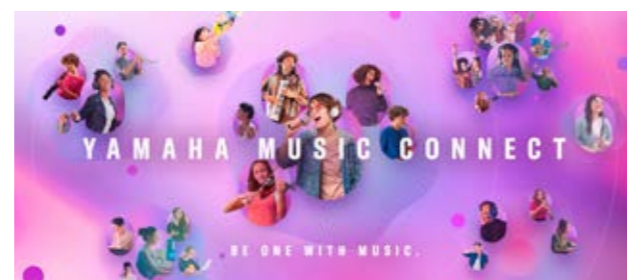


MESSAGE FROM THE PRESIDENT

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

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

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



Yamaha Music Connect

Progress of Medium-Term Management Plan

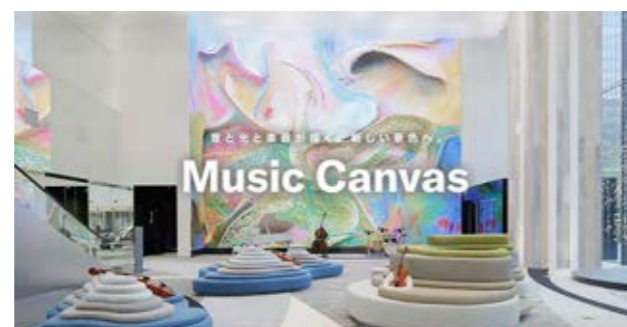
Our Make Waves 2.0 medium-term management plan is set to conclude with fiscal 2025. Designed to enhance our capacity for sustainable growth in the new society that emerged post-pandemic, this three-year plan puts forth the three key policies of "further strengthen the business foundation," "set sustainability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

Key Policy 1: Further strengthen the business foundation

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

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

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



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

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

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

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

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



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

Key Policy 2: Set sustainability as a source of value

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

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

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

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

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

MESSAGE FROM THE PRESIDENT

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



Music class using keyboards in Malaysia



Music class using recorders in Colombia

Priorities in Final Year of Make Waves 2.0

As I have explained thus far, we have made strides toward accomplishing many of the non-financial targets laid out in the medium-term management plan. We are a little behind schedule when it comes to investment in production infrastructure and reductions in CO₂ emissions. Regardless, we will continue to move forward with measures to accomplish the fundamental aims of these targets, while taking into account the impacts of the limitations on production systems and investment plans.

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

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

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

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

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

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



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

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

Formulation of Next Medium-Term Management Plan

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

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

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

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

September 2024




Director, President and Representative Executive Officer

Growth in the New Society Emerging amid Changing Operating Environment

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

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

A New Society Brought about by Business Environment Changes

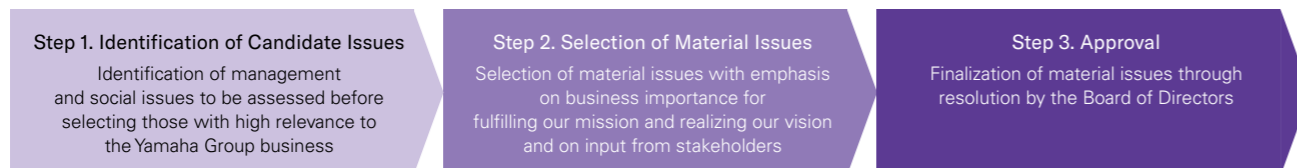
<p>Business environment forecast</p> <p><u>Profound transformation brought about by accelerated digitalization</u></p> <p>The industrial structure and the world are changing drastically while relationships with customers are becoming more direct and closer.</p> 	<p>Business environment forecast</p> 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

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

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

Material Issue Identification Process



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

Material Issues

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



Incorporation into the medium-term management plan

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

Policies and Key Themes

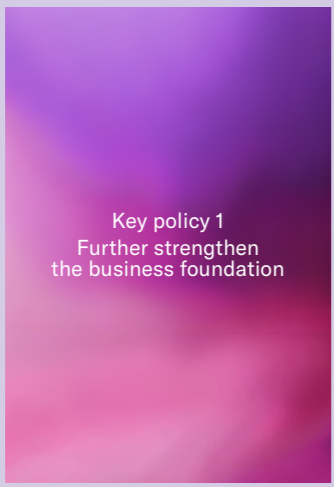


<p>Key policy 1</p> <p>Further strengthen the business foundation</p>	<p>Key policy 2</p> <p>Set sustainability as a source of value</p>	<p>Key policy 3</p> <p>Enable Yamaha colleagues to be more valued, more engaged, and more committed</p>
<p>In Make Waves 2.0, the themes of “develop closer ties with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

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

MECHANISM FOR CREATING VALUE

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

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

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

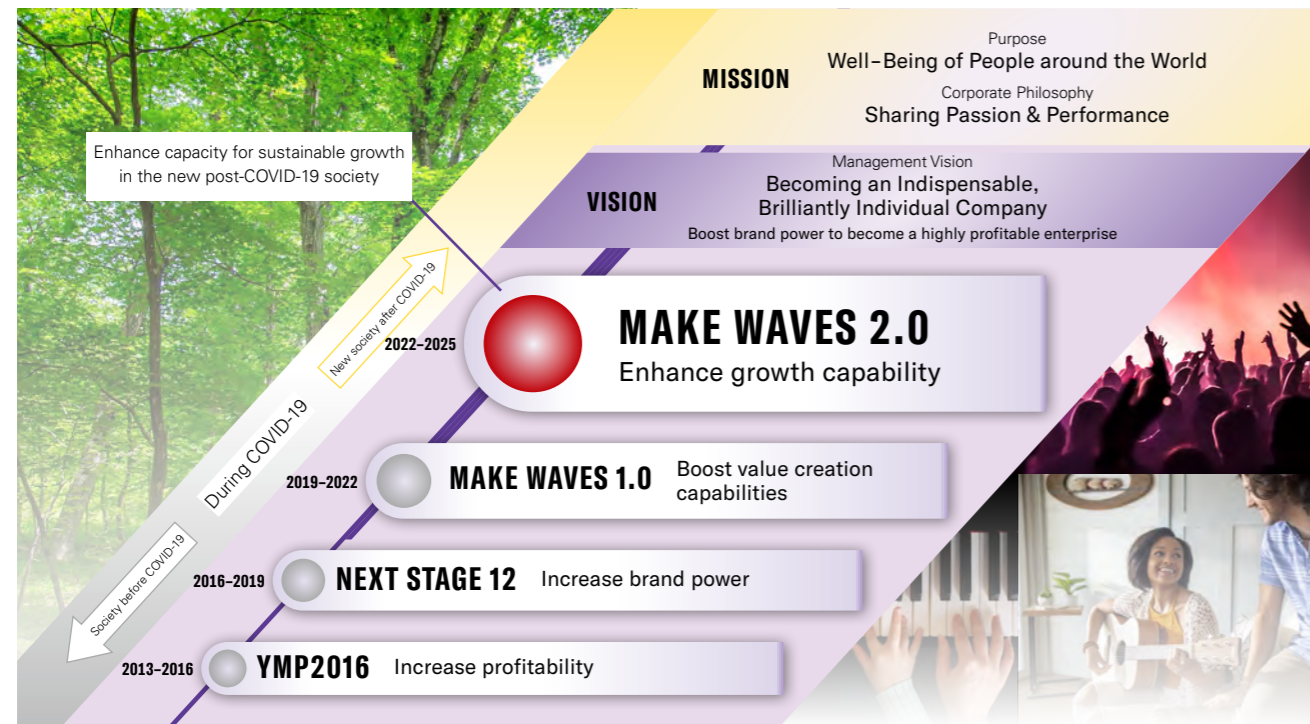
Yamaha's 10 material issues in the three areas of business foundation, environment and society, and human resources have been incorporated into the Make Waves 2.0 medium-term management plan. In addition, we have defined corporate strategies, strategies by business, and strategies by function for exercising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

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

* Estimates by Yamaha Corporation

MAKE WAVES 2.0 MEDIUM-TERM MANAGEMENT PLAN

Medium-Term Management Plan Basic Policy

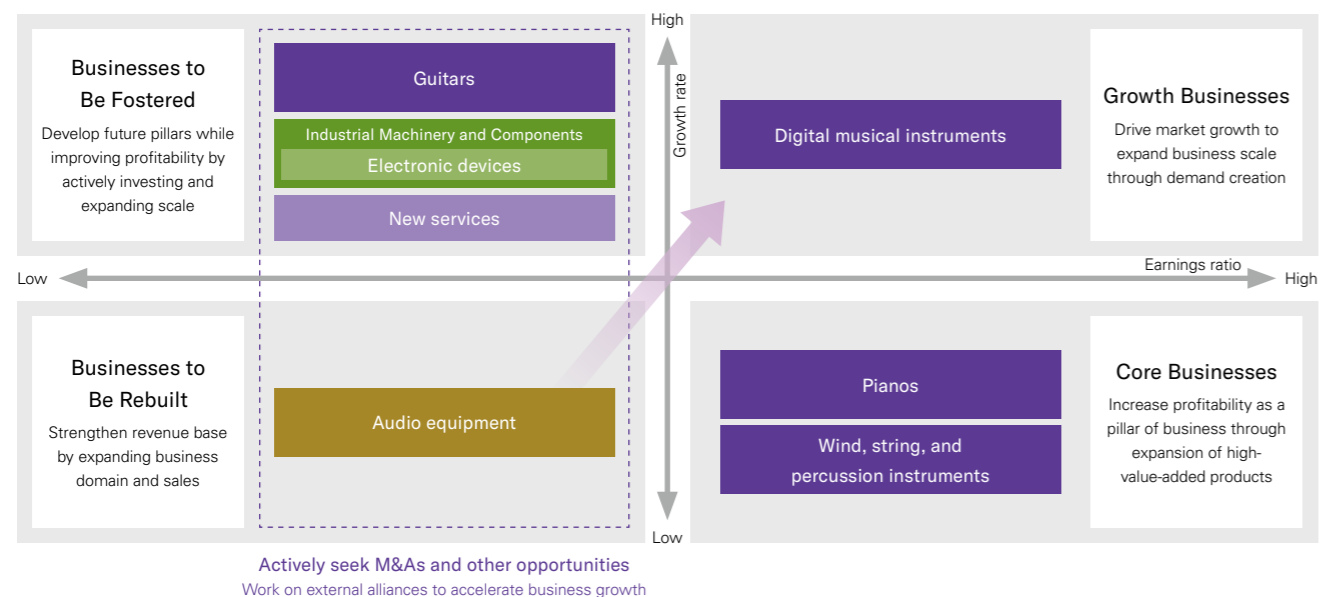


The Make Waves 2.0 medium-term management plan covers a three-year period during which we have been pressed to enhance our sustainable growth capability in the new, significantly changed post-COVID-19 society by advancing various measures for the improvement of corporate value. This plan defines a number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

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

Business Portfolio and Direction

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



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

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

Non-Financial Targets

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

Financial Targets

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

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

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

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

Priority Themes and Progress in Fiscal 2024

Policy	Priority Theme	Progress in Fiscal 2024
Key Policy 1: Further Strengthen the Business Foundation	Develop closer ties with customers	<ul style="list-style-type: none"> Merged sales subsidiaries to facilitate effective demand creation and brand value communication in Japan Established a local sales subsidiary in the Philippines Opened a directly operated e-commerce site in South Korea Expanded global network of experience-oriented stores, opened brand communication bases in Yokohama and Shibuya Redesigned directly operated location in London to provide experiences linked to members' services <p>For more information, please refer to "Sales" on page 72.</p> <p>Achieved aggregate Yamaha Music ID registrations of more than 3.2 million over the first two years of the medium-term management plan</p> <p>For more information, please refer to "Branding" on page 52.</p>
	Hybrid value appeal integrating digital marketing and physical stores	
	Improvement of customer data platform (Yamaha Music ID) to develop closer ties with users over their lifetime	
Create new value	Creation of new products unique to Yamaha through the fusion of acoustic and digital technologies	<ul style="list-style-type: none"> Launched nine new concept products including FGDP finger drum pads and SEQTRAK mobile all-in-one music creation station in the first two years of the medium-term management plan <p>For more information, please refer to "Strategies by Business" on page 60.</p>
	Acceleration of lifetime value strategy and development of services to make life with music more enjoyable through external collaboration and user-generated content	<ul style="list-style-type: none"> Accelerated implementation of Yamaha Music Connect scheme for delivering ideal services to specific customers based on the Yamaha Music ID customer data platform Conducted second step of verification tests using Narikiri Microphone Released piano evoco β
	Creation of new emotional experiences with advanced technology backed by rich sensibilities	<ul style="list-style-type: none"> Organized event proposing new value using AI analysis technologies (THE JOYFUL PIANO) Developed technology for tuning in-vehicle acoustics in real-time using AI to provide new value experiences (Music:AI) <p>For more information, please refer to "Special Feature" on page 28 and "Research and Development" on page 68.</p>
Be more flexible and resilient	Strengthening of supply capacity to respond to demand and environmental changes	<ul style="list-style-type: none"> Invested ¥10.4 billion in production infrastructure over two years and instituted partial revision in investment plan in conjunction with revision of production strategy Established semiconductor procurement company in Malaysia to secure stable supply of semiconductors <p>For more information, please refer to "Production" on page 70.</p>
	Enhancement of development platform to generate innovation	<ul style="list-style-type: none"> Moved forward with preparations for opening of new YOKOHAMA SYMPHOSTAGE® and Shibuya Sakura Stage bases in Tokyo metropolitan area Established Yamaha Music Innovations in the United States to research and acquire the new technologies and other innovations of start-up companies
	New value creation and process transformation through digital transformation	<ul style="list-style-type: none"> Advanced digital transformation training programs for promoting process transformation, despite slight delays in introduction of enterprise resource planning systems and in start of full-fledged operation of new supply chain management system <p>For more information, please refer to "Digital Transformation" on page 58.</p>
Key Policy 2: Set Sustainability as a Source of Value	Furnish responses to climate change	<ul style="list-style-type: none"> Promoted energy conservation measures, but recorded an increase in CO₂ emissions of 1.2% (in comparison to fiscal 2018), despite targeting a reduction of 5%, due to lower production levels Included on CDP Climate Change A List Commenced shipments using collective packing standards that include provisions concerning container packing rates <p>For more information, please refer to "Environment" on page 39.</p>
	Sustainably use timber	<ul style="list-style-type: none"> Formulated proprietary standards for sustainably sourced timber and achieved ratio of sustainably sourced timber of 64.4% (54.5% being certified timber) Planted aggregate total of 18,000 African blackwood trees across 9.5 ha area in Tanzania, continued trial introduction of fast-growing Meliaceae family plants, announced academic research on growth and physical traits of Sakhalin spruce plantation timber in Hokkaido, and formulated Indian rosewood preservation plan together with local partners <p>For more information, please refer to "Environment" on page 39.</p>
	Realize resource savings and reduce waste and hazardous substances	<ul style="list-style-type: none"> Prepared guidelines and standards for resource circulation design and resource reuse Advanced investigations for determining feasibility of procuring alternative materials from overseas and expanded scope of products for reducing Styrofoam packaging to include non-compact products <p>For more information, please refer to "Environment" on page 39.</p>
Key Policy 2a: Enhance brand power and competitiveness by contributing to comfortable lives	Creation of remote environments for the new society	<ul style="list-style-type: none"> Provided remote Disklavier lessons for linking aspiring pianists to music universities Developed GPAP, the world's first system for recording and replaying audio, video, lighting control signal, and other data in different file formats in a uniform audio data format <p>For more information, please refer to "Intellectual Property" on page 56.</p>
	Promote respect for human rights in the value chain	<ul style="list-style-type: none"> Conducted on-site audits of 21 suppliers (in four countries) <p>For more information, please refer to "Human Rights" on page 46.</p>
	Contribution to sound-related health and safety	<ul style="list-style-type: none"> Installed Listening Care function into all new wireless headphones and earphones launched in fiscal 2024 (excluding some special models) Received orders for use of Yamaha's e-Call emergency reporting system in new vehicles
Key Policy 3: Enable Yamaha Colleagues to Be More Valued, More Engaged, and More Committed	Culture: Expand market through the promotion and development of music culture	<ul style="list-style-type: none"> Provided instrumental music education opportunities at schools in emerging countries to aggregate total of 3,020,000 children in seven countries through the School Project and prepared to commence activities in two new countries <p>For more information, please refer to "Sales" on page 72.</p>
	Contribution to local music cultures	<ul style="list-style-type: none"> Provided digital musical instruments and content that allow for performance of traditional music from local cultures (content creator cultivation and production tool development) Conducted LovePiano activities with the goal of making people feel more familiar with the piano on a global basis (29 LovePiano activities [21 in Japan and eight overseas])
	Increase job satisfaction	<ul style="list-style-type: none"> Achieved year-on-year improvement of one percentage point in ratio of employees offering positive responses regarding job satisfaction on employee engagement surveys and enhanced career development support measures <p>For more information, please refer to "Human Resources" on page 48.</p>
Promote respect for human rights and DE&I	Capitalize on the individuality of diverse human resources	<ul style="list-style-type: none"> Advanced ongoing efforts to train and foster female leaders through the Working Group for Gender Equality under the Human Resources Development Committee Raised global ratio of female managers to 19.4% and appointed first female managers at two production bases in Indonesia Conducted cross-border positioning of 17 individuals and adopted English for internal systems <p>For more information, please refer to "Human Resources" on page 48.</p>
Foster open organizational culture where people can proactively take on challenges	Foster an organizational culture founded on mutual respect	<ul style="list-style-type: none"> Achieved year-on-year improvement of one percentage point in ratio of employees offering positive responses regarding workplace environment on employee engagement surveys and used surveys to identify and improve issues on a by-organization basis Promoted communication between employees and the president through 21 online meetings attended by 275 individuals and three site visits in which the president spoke to 37 individuals (the president has spoken with 1,273 individuals via 101 online meetings and 97 individuals via eight site visits to date) Introduced systems permitting side jobs and allowing individuals accompanying family members on overseas assignments to seek employment in the respective country <p>For more information, please refer to "Human Resources" on page 48.</p>

Key Policy 1: Further Strengthen the Business Foundation

Yamaha Music Connect

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



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

Enhancement of Procurement and Production Resilience and Construction of New Bases

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



YOKOHAMA SYMPHOSTAGE®

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

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

Key Policy 2: Set Sustainability as a Source of Value

Timber Resource Initiatives

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



Survey of timber plantation sites

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

School Project Activities

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



Music class in Colombia

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

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

Support for Women's Careers

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

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

SPECIAL FEATURE

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

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

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

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

Strategy for Entering the Automotive Sound System Market that Emphasizes Flexibility

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

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

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

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

Expression of Vehicle Concepts through Sound

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

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

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

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

Exploration of this New Growth Field through Teamwork

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



Nobukazu Toba

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

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

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

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

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

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

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

Provision of New Experience Value for End Users

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

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

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

Three Types of Music:AI

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

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

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

Social Value Created by the Automotive Sound System Business

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

in fuel efficiency and reductions in CO₂ emissions by decreasing amp power consumption and speaker weight. We are also dedicated to using our technical insight pertaining to sound to create social value. In terms of safety and peace of mind, there are some vehicles currently in mass production that already feature systems for delivering a more tactile sense of speed by playing a driving sound when the driver depresses the accelerator pedal and in conjunction with vehicle speed. In addition, Yamaha provides high sound quality communication modules for use in its e-Call emergency reporting systems, which are being adopted on a global scale and expected to become a standard feature on next-generation vehicles. These modules have been employed by domestic and overseas automobile manufacturers for use in an increasingly wide range of vehicles.

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

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

Pursuit of Growth in New Markets

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

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



From left

Soichi Tsujikawa

Group Manager
Promotion Group
CX Strategy Promotion Department
Electronic Devices Division

Tsuyoshi Okami

Group Manager
Technology Development Group
CX Strategy Promotion Department
Electronic Devices Division

Nansu Sakaguchi

Group Manager
Sales Group
Sales Department
Electronic Devices Division



Zeekr 001 equipped with Yamaha automotive sound system