



MESSAGE FROM THE PRESIDENT

Yamaha is committed to returning
to a growth track
by exploring new fields and
evolving its business structure.

Atsushi Yamaura

Director, President and Representative Executive Officer

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Dedicated Management for Winning Out Against Competition

Since assuming the position of president of Yamaha, I have had the opportunity to speak with the leaders of various companies from different industries. These conversations have given me a sense of urgency with regard to the future based on the understanding that management will be a race against time going forward. The managers of companies in automotive, IT, infrastructure, and various other industries have been drawing upon the depths of their knowledge to develop businesses that surpass customer expectations while working to respond to rapid operating environment changes and technological progress. Their diligence truly resonates with me and also inspires me.



Viewing Yamaha with eyes opened by the stories of challenges faced by others has made me realize the multitude of issues that we must address. We have to deliver value that exceeds customer expectations. We must explore new business fields in response to technological advances and changes in customer tastes. It is essential that we develop frameworks for ensuring business continuity in the face of emerging geopolitical and other management risks. Finally, we must achieve management efficiency and growth that surpass the demands of investors. Recognizing these challenges, I am committed to pursuing a speed that can win the race against time in all aspects of management based on the understanding that there is no future for Yamaha if we cannot live up to the expectations of our stakeholders. It is this commitment that shaped Rebuild & Evolve, the new medium-term management plan that charts the course Yamaha will take over the medium to long term.

Inability to Overcome Challenges Made Clear by Operating Environment Changes Under Make Waves 2.0

Before getting into the goals of the new medium-term management plan, I would like to talk about the results of, the issues made clear by, and the priority measures advanced under Make Waves 2.0, the previous medium-term management plan.

Compared to fiscal 2022, the fiscal year immediately preceding the start of Make Waves 2.0, performance in fiscal 2025 was down with regard to the core operating profit ratio, return on equity, and return on invested capital, all indicators for which financial targets were set in this plan. For this unfortunate outcome, we have to blame our inability to overcome the challenges presented by the rapid market changes, attributable largely to two factors: the change in government education policies in China and the decline in demand following the dissipation of the special demand trend associated with people staying at home during the COVID-19 pandemic. In China, the government instituted restrictions on the extracurricular activities of children and

eliminated the system for adding additional points to school entrance exams for artistic skills. These changes sparked a sharp contraction in education-related demand, which dealt a devastating blow to the country's acoustic piano market. We sought to respond to this cooling of the market by commencing piano production structural reforms in fiscal 2024, but this response proved to be too late as the speed of the demand decline surpassed our expectations. In other words, I have to admit that, in this case, we lost the race against time that I mentioned earlier.

In the past, the musical instruments industry has been one with generally low volatility in demand. It could thus be said that we had become complacent due to the relatively slow flow of time in this industry, and this complacency caused us to drop our guard and delayed our decision-making and actions in responding to the recent demand fluctuations and the fierce competition. This was likely what caused our slump in performance under Make Wave 2.0. We have to be humble and recognize that we lacked responsiveness. This recognition should then be used to propel us forward in bolstering Yamaha's resilience and agility to ensure that the Company is able to act quickly in the face of adversity in the future.

While there were some shortcomings when it came to our financial performance, this does not undo the strong progress we made with regard to the three key policies of the plan, namely, "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." Through our initiatives to further strengthen the business foundation, we succeeded in achieving registration numbers for Yamaha Music ID, a digital customer touchpoint, that greatly exceeded our target. As for physical touchpoints, we have received an incredibly positive response from a diverse range of customers, including those with and without instrumental music performance experience, with regard to our newly opened experience-oriented stores. We also were able to expand our customer base through the growth of our automotive audio equipment operations and the introduction of products based on new concepts.

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School Project activities in the Philippines

Other efforts included the establishment of a business development entity and a corporate venture capital fund in Silicon Valley to support the creation of new value.

In our efforts to set sustainability as a source of value, we broadened the scope of the School Project, our initiative for promoting the spread of musical culture, to include the Philippines and India, thereby expanding access to instrumental music education in emerging countries. Steady progress was also made in efforts to use sustainably sourced timber and reduce CO₂ emissions.

In regard to our quest to enable Yamaha colleagues to be more valued, more engaged, and more committed, we saw increases in the ratio of female managers as well as improvements in the ratio of employees offering positive responses regarding workplace environment on employee engagement surveys. These gains are indicative of tangible progress in empowering the organization.

These results represent more than the mere accomplishment of our numerical targets; they are directly linked to the reinforcement of the foundations that will support Yamaha's ongoing growth in the future. We are confident that growth based on a balanced emphasis on both financial and non-financial factors is the best path toward long-term improvements in corporate value, and we will continue to proceed along this path going forward.

New Rebuild & Evolve Medium-Term Management Plan

The new medium-term management plan bears the name of Rebuild & Evolve. The "Rebuild" portion of this name symbolizes our commitment to rebuilding existing businesses to return them to a growth track by recovering their earnings power to pre-COVID-19 pandemic levels. Meanwhile, the "Evolve" portion is an expression of our desire to grow our business domain in order to evolve Yamaha's business model. Based on these goals, we have put forth the three strategic policies of "rebuilding a strong business foundation," "evolving to create the future," and "strengthening the management foundation." Through the implementation of these policies, we aim to achieve a compound annual growth rate of 5% over the three-year period of the plan and return on equity of 10% in fiscal 2028, the final year of the plan.

Yamaha's operating environment is expected to continue to be volatile. As we move forward, we will need to respond to macroeconomic changes, such as high parts costs stemming from rising commodity prices, interest rate hikes, foreign exchange rate fluctuations, and changes in geopolitical and other risk levels. We also project the rapid diversification of customer lifestyles and values as well as an accelerated shift toward making purchases online. At the same time, advancements in technology—particularly the evolution of generative AI—are fundamentally transforming how business is done in a plethora of industries. We will thus be dedicating efforts to building an operating foundation that will enable us to furnish swift and flexible responses to such changes and to achieve sales and profit growth even under adverse conditions. Another focus in our pursuit of medium- to long-term growth will be bolstering our portfolio of new businesses that create experiential value for broadening the ways that customers enjoy sound and music.

A major theme emphasized in the process of developing the new medium-term management plan was heightening effectiveness. Based on this theme, we engaged in a series of discussions aimed at using the most direct terms for explaining our

approach toward accomplishing our goals and the factors that divisions should focus on. We also sought to ensure that the plan was more than a mere collection of plans for individual divisions. As such, the process was characterized by how we shared information on the goals of individual divisions and then worked to coordinate these goals to craft a cohesive overall plan. Meanwhile, during discussions at meetings of the Board of Directors, we were made aware of outside perspectives that were not sufficiently considered during discussions by the executive team. For example, it was pointed out that we needed to clarify the position Yamaha seeks to achieve on the basis of individual products and specific price ranges in light of the competition seen in the global market and then formulate strategies for achieving this position in the regions we serve. A need was also identified to provide more in-depth explanations regarding factors such as the value to be supplied to customers by, and the targeted scales of, the new businesses to be developed in pursuit of growth over the medium to long term. Yamaha is unparalleled on the global stage as a comprehensive musical instruments manufacturer, and we have held a leading position in the markets for numerous products throughout our history. We thus decided to take a humble reexamination of Yamaha's position based on the perspective of customers to determine if it is possible that this history had made us overconfident when it came to making comparisons and assessing competition. We also sought to determine if we were accurately assessing the changes in market and customer preferences.

Co-Creation of Social Value to Heighten Corporate Value

In conjunction with the announcement of the new medium-term management plan, Yamaha also unveiled its new management vision of "Creating a future where individuality shines through the power of sound and music – Enhance corporate value through the co-creation of social value." This vision is meant to clearly define the type of company we want to make Yamaha

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over the medium to long term. There are three elements to this vision. The first element is pursuing the possibility of new value creation in the area of sound and music, where Yamaha's strengths and uniqueness can be fully utilized. The second element is consistently providing products and services encouraging self-expression and the diverse individualities of people around the world. The third element is proactively collaborating with diverse stakeholders to create new value together that contributes to the resolution of social issues.

Guided by this vision, Yamaha will continue its quest to provide more enjoyable, creative, and convenient experiential value while refining the fundamental value of products using the technologies and sensibilities it has fostered in relation to sound and music. We will also seek to develop operations in fields that lay adjacent to our existing business domain. Furthermore, we will look to broaden our business domain through the exploration of new possibilities for sound and music to contribute to resolve social issues in a way that is not limited to our existing products and businesses.

Yamaha is more than just a supplier of products; we offer comprehensive support for self-expression. In this capacity, we aim to continue supporting a society where diversity shines with the goal of shaping a better future. As we boldly advance toward this vision, we must also grow as a company through this process. I want to make it clear that this approach toward growth is something we treasure.

Priorities for Improving Profitability

As we seek to improve profitability, we will prioritize our piano and home audio product operations. In regard to pianos, we made the difficult decision to restructure our production network in response to the contraction of demand in the Chinese market. As part of this restructuring, production in Indonesia will be discontinued in December 2025 and we will reorganize and consolidate production into bases in Japan and China. By achieving a production structure that better matches the scale of the market,

we look to reduce fixed production costs. At the same time, we will seek to heighten the ratio of sales attributable to high-margin, high-value-added products. In these ways, we will pursue higher profitability.

As for home audio products, we are shifting our approach to focus more on high-value-added products targeting customers with discerning tastes in sound quality. As we bolster our lineup of high-margin premium products, we will also institute massive cuts to fixed development and production costs in relation to entry-level products, an area where competition is intense.

Meanwhile, higher levels of competitiveness will be pursued in growing fields to accelerate the growth of the Company.

Yamaha will also strive to grow sales of bundled acoustic systems in the field of public address equipment for entertainment applications. We look to accomplish this by enhancing connectivity between our high-market-share digital mixers and our speakers, which are anticipated to benefit from a growing market going forward. Other efforts in this field will include the development of optimal frameworks for supplying timely responses to customer needs in business-to-business operations to accelerate our growth by capitalizing on the expansion of the global market for concerts and other in-person experiences.

Meanwhile, initiatives pertaining to digital pianos will include the promotion of sales of high-value-added models with the capacity for genuine expression made possible by Yamaha's deep insight into acoustic pianos. In addition, we will seek to increase our presence in the field of entry-level digital pianos by bolstering online sales networks and optimizing our digital marketing approach.

Exercise of Strengths as a Comprehensive Musical Instruments Manufacturer

If Yamaha is to continue to grow and create value going forward, it will be imperative that we exercise our strengths as a comprehensive musical instruments manufacturer as we proceed with our business-specific initiatives for improving value.

Yamaha Music Connect will be integral to laying the groundwork for these efforts. In this business, we will link our musical instruments with music services that help users better enjoy these instruments in order to support the enhancement of performance experiences.

Yamaha Music Connect is a platform for designing the ideal services for each individual customer based on our customer data platform by drawing up offerings such as online lessons, content marketplaces, and community services. This platform allows us to connect customers playing different instruments or provide opportunities for a customer to have fun playing an instrument different from their usual instrument. By delivering this type of enriching music experience that only Yamaha can offer, we aim to evolve our business model to transition from an emphasis on selling goods to a focus on selling experiences.

This desire to qualitatively change and evolve existing businesses by exploring new fields is the reason why we included "Evolve" in the name of the Rebuild & Evolve medium-term management plan. Propelled by this desire, we will endeavor to create new musical instruments business opportunities by



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improving experiential value and customer success. We thereby aim to break out of the mold of a mature business, which our musical instruments business could be considered if we look only at hardware sales, and return this business to a growth track.

New Challenges for Expanding Business Domain

Yamaha must expand into business areas adjacent to existing businesses and into completely new fields if it hopes to develop a business that can continue to achieve robust growth over the medium to long term.

Under the previous medium-term management plan, we began ramping up our efforts in our automotive sound system operations. In this field, we will seek to increase the range of vehicles using Yamaha equipment by taking full advantage of our proprietary Music:AI technology to deliver premium customer experiences and by soliciting the benefits of shortened development periods and other advantages that we offer to automobile manufacturers.

Meanwhile, our efforts to create businesses in new fields other than musical instruments and audio equipment will include developing open innovation frameworks for consolidating internal and external expertise. With these frameworks, we will work to create new businesses through collaboration with external partners, rather than purely focusing on commercializing the ideas that emerge within the organization. Yamaha Music Innovations, our base located in Silicon Valley, is being used as a hub for collaboration with external partners. At the same time, we are conducting corporate venture capital investment to develop businesses from an outside-in approach.

At Yamaha, we aspire to contribute to the resolution of social issues with the power of sound and music as well as the technologies and sensibilities fostered through our business activities. Specific aims include creating connections between people through music, providing feelings of safety and security

with sound, and promoting resource circulation on a global scale to ensure the sustainability of music and instrument cultures. As we pursue these aims, we will strive to unlock new possibilities for sound and music and thereby expand our business domain.

We will not allow ourselves to be bound by our existing businesses, but rather will seek to create new businesses that help resolve social issues with sound and music. This future-oriented quest will no doubt give Yamaha the momentum needed to take its next big step.

Improvement of Capital and Asset Efficiency

The new medium-term management plan defines improving capital and asset efficiency as one of the central pillars of the strategic policy of strengthening the management foundation. To this end, improvements to the health of our balance sheet will be pursued through reductions to inventories and cross-shareholdings. We have also performed a tree analysis of return on invested capital by business segment to guide efforts to boost business efficiency and profitability. Enhancing portfolio management is another important theme of the new medium-term management plan. The plan therefore includes a visual representation of our business portfolio vision in which existing and new businesses are placed in one of four categories, either Foster, Growth, Stable, or Rebuild. We are accelerating investments in growth businesses while working toward quick improvements in challenging businesses through ongoing monitoring based on these categorizations. In addition, we have introduced a management process involving regular reviews of our portfolio in which the meaningfulness of our asset holdings is assessed using three evaluation axes: consistency with management vision and other aims, future business potential and profitability, and the meaning of holdings from the best owner perspective.

Although there has been no change to our emphasis on a balance between investment and shareholder returns, the new



Promotional materials of Yamaha Music Innovations Fund, a corporate venture capital fund located in Silicon Valley

medium-term management plan does place additional weight on growth investments. If we neglect investments due to an overemphasis on returns, it may result in both shrinking, which would hinder efforts to enhance corporate value. Accordingly, we will be looking to live up to shareholder expectations by achieving growth through proactive investment. We are also dedicated to restoring the capital market's trust in Yamaha. This is why we intend to provide highly detailed explanations of our medium- to long-term growth strategies and practice healthy engagement while delivering steady growth in quarterly performance in the short term.

Creation of Value Using Intangible Assets

Yamaha possesses a number of intangible assets that are not being utilized to their full capacity to contribute to corporate value. The most prominent of these assets is the brand power we have built over the years, but other examples include our acoustic and digital technology development capabilities, global sales networks, and initiatives for promoting instrumental music education in emerging countries. The intangible asset that we should perhaps most actively mobilize to create value is our people. This is why we have positioned strengthening human capital as one of the key themes of the new

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Workplace visit by President Yamaura to speak with employees

medium-term management plan and why we are working to foster an environment in which human resources with diverse values and from diverse backgrounds can succeed. In more concrete terms, the plan calls on us to transform our human resource portfolio by fostering a creative and ambitious organizational culture, establishing a system to strengthen organizational capabilities and encourage individual growth, and establishing a human resource management system linked to business strategies.

Needs related to sound and music are growing increasingly diverse. We will have to empower every employee to fully exercise their skills if we want to continue to effectively accommodate these needs and create new value. We believe that it is only when diverse employees are able to realize their full potential that they help us shape a future in which people's individuality shines through sound and music, regardless of their experience with instruments, proficiency at performances, local culture, or gender.

Shaping a Brighter Society Through the Power of Sound and Music

Driven by its mission of supporting the "Well-Being of People around the World," Yamaha is fully dedicating its efforts to business activities that let people around the world exercise their creativity and shine.

We look to explore, create, and grow new business models that are founded on empathy and entail coordination with external partners to help resolve social issues through the power of sound and music. We envision a cycle in which Yamaha advances business activities that support people around the world in exercising their creativity, making their individuality shine, and creating light that illuminates the Yamaha brand. I hope to build such a cycle together with stakeholders.

Yamaha will continue to engage in earnest and constructive communication with its shareholders and other investors, while turning a receptive ear toward even the most scathing feedback. As we do this, I would like to ask our shareholders and other investors for their ongoing support and understanding.

September 2025

Director, President and Representative Executive Officer



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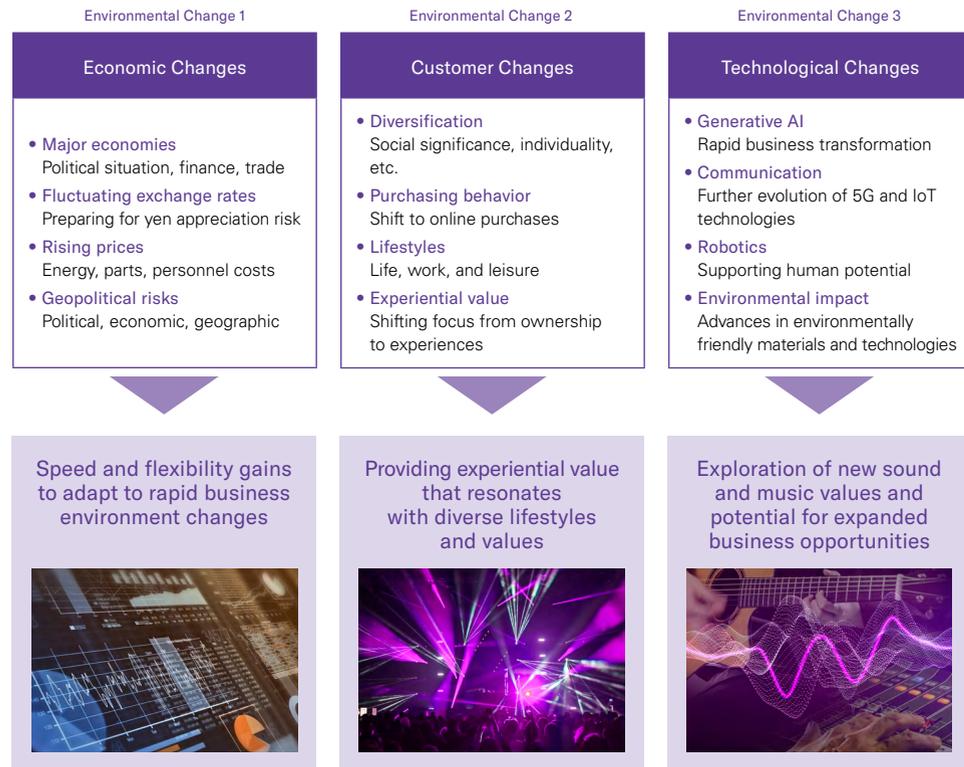
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Growth in the New Society Emerging amid Changing Operating Environment

During the period of Make Waves 2.0, the previous medium-term management plan, Yamaha's operating environment transformed with unprecedented speed. Changes on the macroeconomic level included economic fluctuations, commodity price increases, and the emergence of foreign exchange and geopolitical risks. At the same time, we witnessed the diversification of customer values and lifestyles as well as a rapid shift toward online purchasing. Meanwhile, advances in generative AI and other technologies are fundamentally transforming the way people do business. In this environment, it is important to adopt a stance of not fearing dynamic changes and instead adapting swiftly and flexibly to actively capitalize on these changes as growth opportunities. Based on this recognition, Yamaha will continue to create unique new value as a company focused on sound and music while providing experiential value that is tailored to the diverse values and lifestyles of customers. We will thereby seek to convert changes into opportunities for growing our business.

A New Society Brought about by Business Environment Changes

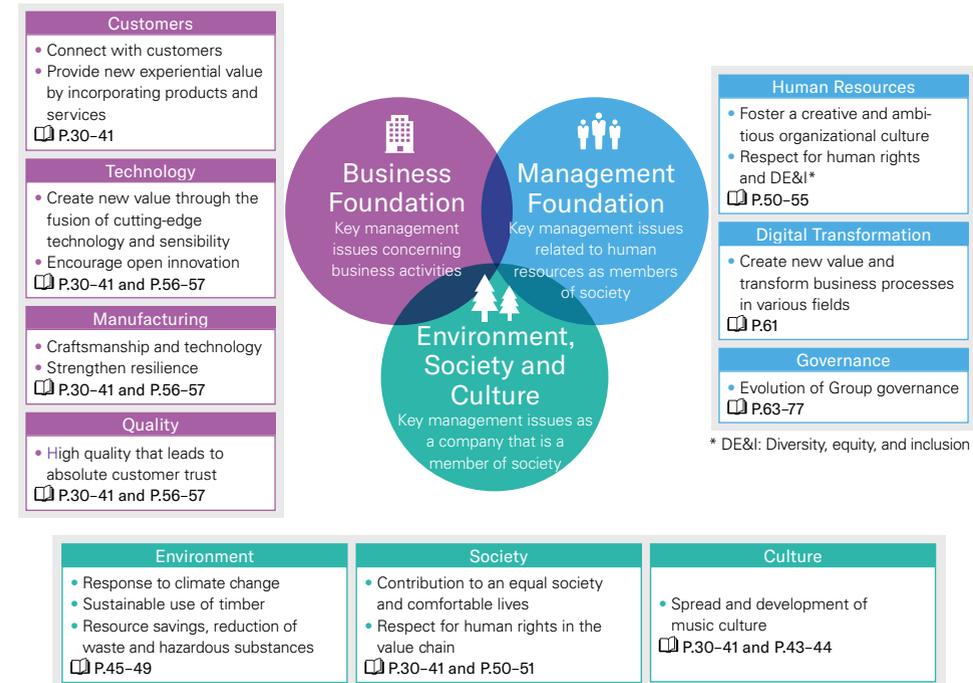


Material Issue Identification Process



Material Issues

Information on initiatives based on the defined material issues can be found on [P.18-23](#) as well as on the pages indicated below.



Creating a future where individuality shines through the power of sound and music
Enhance corporate value through the co-creation of social value

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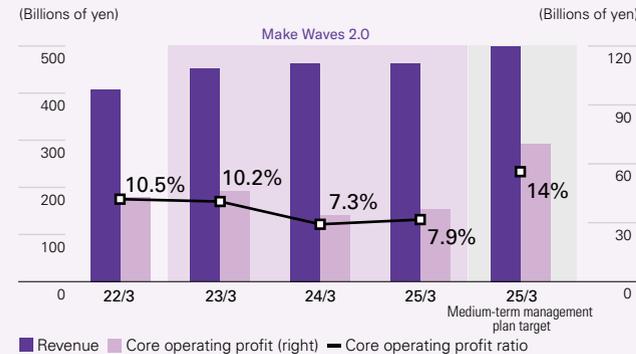
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Previous Medium-Term Management Plan (Make Waves 2.0, from April 2022 to March 2025)

Results and Challenges

The period of Make Waves 2.0, the previous medium-term management plan, was positioned as a time to enhance Yamaha's capacity to achieve sustainable growth in the new society that emerged following the COVID-19 pandemic. This policy guided us in advancing various measures for responding to changes in the operating environment. For example, we expanded customer contact points by merging digital and physical venues, created new value through Yamaha Music Connect, converted our business development base in Silicon Valley into a corporate entity, and reinforced our central manufacturing functions in Japan to establish a more flexible and resilient production platform. Despite our progress in these varied efforts, however, we failed to accomplish our financial targets. Noteworthy factors impacting financial performance included struggling performance in the musical instruments business amid rapid declines in piano demand in China, faltering sales of audio equipment for consumer use, and losses recorded due to structural reforms at production sites as well as unprofitable operations stemming from lower production levels. These factors can be attributed to inventory gluts and reduced profitability resulted from our inability to fully respond to the drastic market changes, insufficient supply chain resilience for addressing higher parts and distribution costs, and a lack of frameworks for supporting swift investment in growth areas. In regard to our non-financial targets, we were unable to achieve our target for production infrastructure investment, due in part to investment austerity practiced in light of the rapid market downturn. However, we were able to mostly meet our other non-financial targets. With the foundation built by our successes under the previous medium-term management plan, Yamaha will make concerted efforts to address the issues identified under the plan over the next three years.

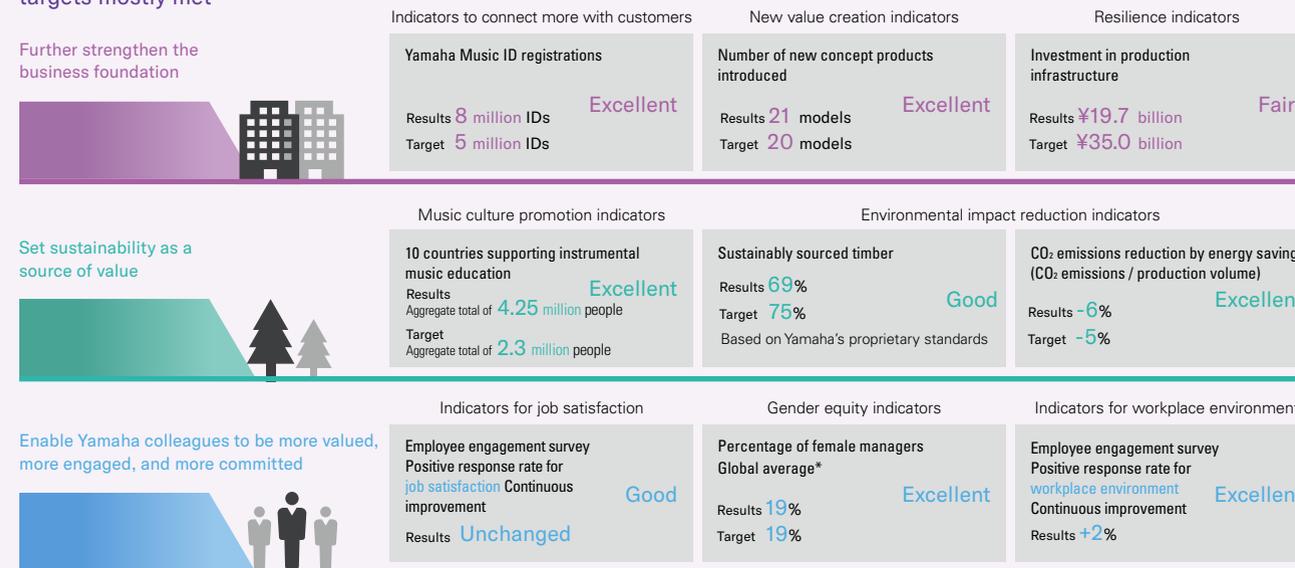
Financial Performance and Targets



	22/3	23/3	24/3	25/3	25/3 Medium-term management plan target
Revenue (Billions of yen)	408.2	451.4	462.9	462.1	500.0
Core operating profit (Billions of yen)	43.0	45.9	33.7	36.7	70.0
Core operating profit ratio (%)	10.5	10.2	7.3	7.9	14
ROE (%)	9.2	8.8	6.1	2.8	10% or more
ROIC (%)	7.3	7.8	5.5	4.4	10% or more
Exchange rates (Yen)	US\$	112	135	145	153
	EUR	131	136	146	164

Non-Financial Performance and Targets

Failure to achieve target for production infrastructure investment due to the rapid market downturn, but other non-financial targets mostly met



* Certain Group companies are excluded from the scope of calculation due to legal restrictions.

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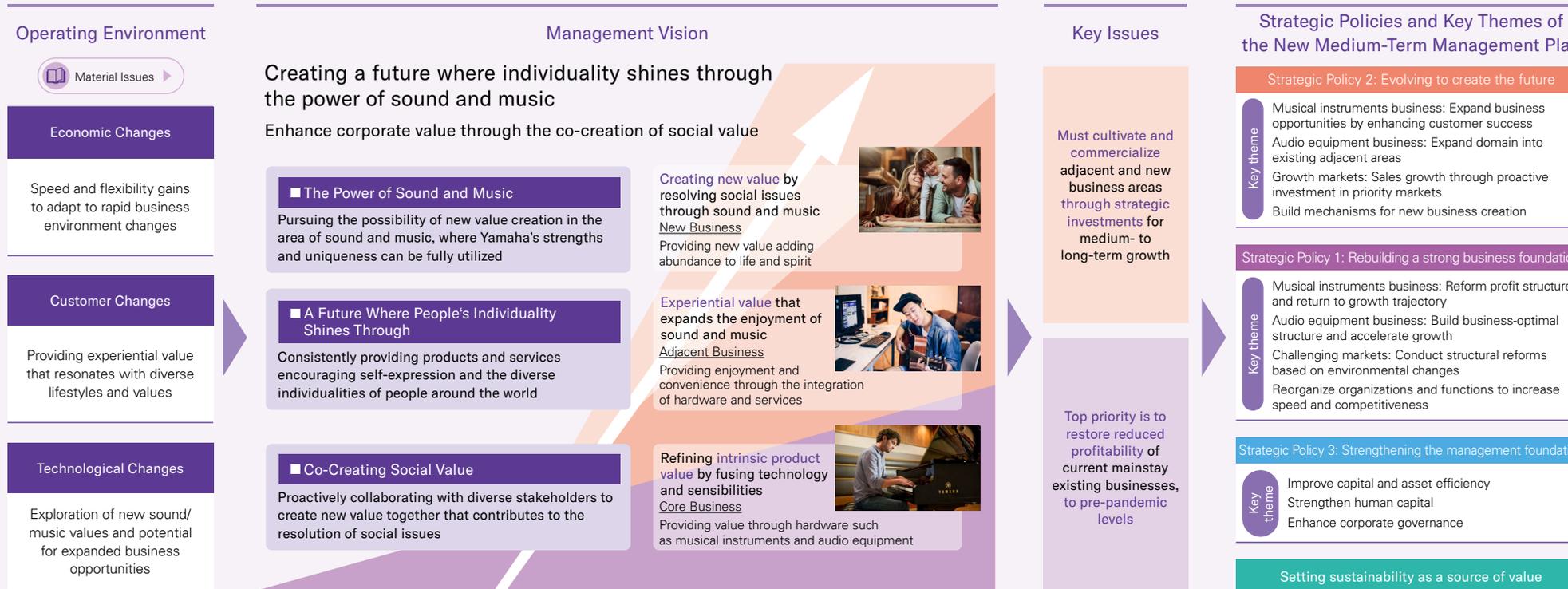
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Basic Policies of Rebuild & Evolve and Position Toward Realizing New Management Vision



The operating environment is anticipated to continue to change going forward. This recognition prompted Yamaha to define its new medium- to long-term management vision as “Creating a future where individuality shines through the power of sound and music – Enhance corporate value through the co-creation of social value.” Based on this vision, we will continue our quest to provide more enjoyable, creative, and convenient experiential value while refining the fundamental value of products using the technologies and sensibilities we have fostered in relation to sound and music. At the same time, we will seek to expand our

business domain by exploring new possibilities for sound and music to contribute to the resolution of social issues without being bound by existing products and businesses.

Challenges that have been identified as needing to be overcome on our path toward realizing our new vision include returning to a growth track by rebuilding and recovering earnings power in existing businesses to pre-pandemic levels. Yamaha will also need to evolve by expanding into business areas adjacent to existing businesses and into completely new fields in order to drive robust growth that can continue over the medium to long term. Moreover, improvements to

capital and asset efficiency and enhancements to human capital and governance will be imperative to creating a stable management foundation to support ongoing growth. It is in recognition of these challenges that the name of “Rebuild & Evolve” was chosen for the new medium-term management plan. As we rebuild our operations, we will also strive to evolve, not just expand our business domain, by pursuing qualitative improvements throughout Yamaha’s business. Furthermore, the new medium-term management plan defines three strategic policies to guide initiatives from the perspectives of businesses, markets, and the Company as a whole.

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Management Targets

Under Rebuild & Evolve, we will pursue our numerical targets with an even greater degree of dedication. The management targets of the highest priority will be achieving a compound annual growth rate (CAGR) of 5% throughout the period of the plan along with return on equity (ROE) of 10% in fiscal 2028, the final year of the plan. The plan also puts forth varied key performance indicators (KPIs) for use in monitoring progress in core strategies.

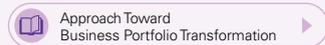
Business Portfolio

To shape our approach toward improving corporate value over the medium to long term, Rebuild & Evolve includes a visual representation of our business portfolio vision in which businesses are positioned in one of four quadrants (Foster, Growth, Stable, or Rebuild), based on which our focus is defined as either “improve profitability through structural reforms,” “increase competitiveness and accelerate growth,” or “expand domain into existing adjacent areas and create new businesses.” Yamaha’s approach toward portfolio management under the plan will entail appropriately allocating management resources in accordance with these designations.

In existing business areas, we will formulate strategies based on clear divisions defining the businesses in which we will seek to increase competitiveness and accelerate growth and those in which we will aim to improve profitability through structural reforms.

At the same time, we will proactively invest in music services, audio equipment for mobility use, business solutions, and other business areas while also fostering new businesses and businesses that contribute to the resolution of social issues into future growth pillars. In this way, Yamaha will be ramping up initiatives for laying the foundations for new growth.

Through these initiatives, we will endeavor to heighten earnings power while improving capital and asset efficiency with the goal of developing a business portfolio that can achieve ongoing growth and exceptional profitability even under volatile conditions.

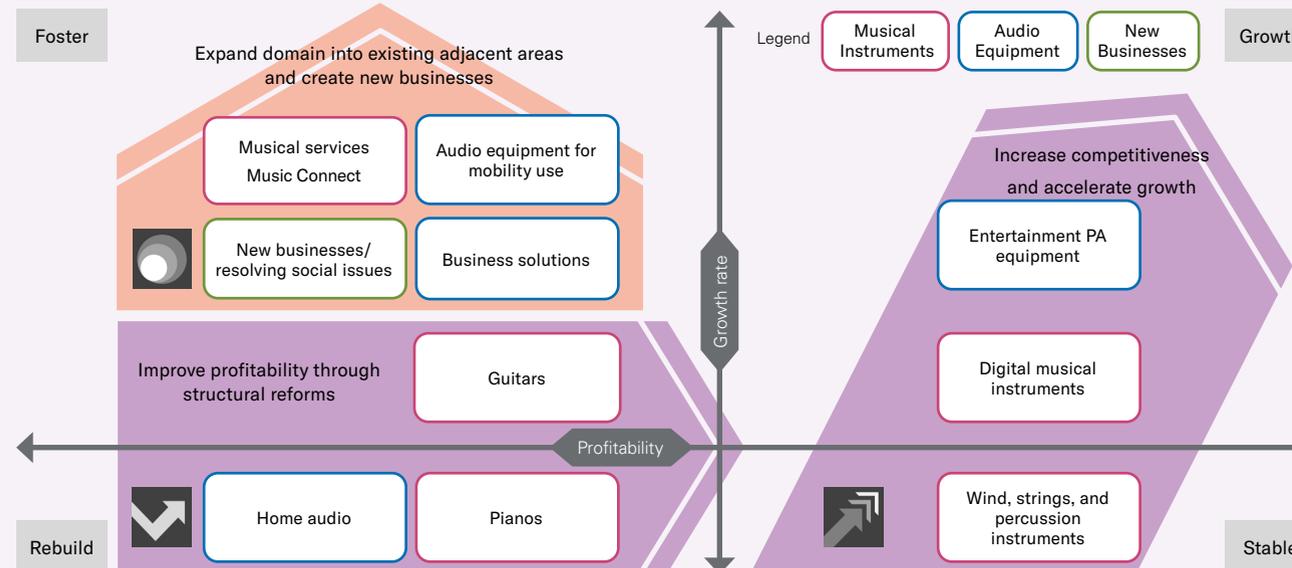


Management Targets for the Medium-Term Management Plan

Financial targets	3-year CAGR: 5%		ROE: 10%		Core operating profit ratio: 13.5%		Total return ratio: 50% or more				
Rebuilding a strong business foundation	Indicator for Expansion of Existing Business Scale				Indicator for Profit Improvement						
	3-year CAGR by segment		Musical instruments: 4% Audio equipment: 7%		Core operating profit ratio by segment		Musical instruments: 14% Audio equipment: 12%				
Evolving to create the future	Indicators for Domain Expansion				Indicator for New Value Creation						
	Strategic investments		¥60 billion		Number of commercialization and service adoptions in new/adjacent areas		20				
KPIs measuring achievement of each key strategy	Indicator for Capital and Asset Efficiency				Indicators for Strengthening of Human Capital						
	ROIC by segment (% increase)		Musical instruments: +7% Audio equipment: +3%		Investment in human capital		1.5x				
Setting sustainability as a source of value	Environmental Indicators		Social Indicators		Cultural Indicators						
	Sustainably sourced timber		80%		Use cases for resolving social issues		20		Music culture support activities*3		12,000
Elimination of plastic packaging		-25%*1		On-site supplier audits		60 companies		Children in school projects (cumulative)		7 million	
CO ₂ emission reduction rate		-30%*2									

*1 Styrofoam (vs. FY2022) *2 Scope 1 and Scope 2 (vs. FY2017). *3 Activities to create opportunities for people to connect through music

Business Portfolio



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KEY STRATEGIES 1. REBUILDING A STRONG BUSINESS FOUNDATION

Foster Growth and Stable Rebuild

Musical Instruments Business P32-33

Quickly improve profitability of the piano and guitar businesses and return the digital musical instruments business to a growth trajectory

Segment	Theme	KPIs of the New Medium-Term Management Plan
Pianos	Improve profitability by reorganizing production bases; rebuilding a high-value-added business	Manufacturing fixed cost reduction -10% Ratio of sales attributable to mid-range and high-end model sales +5%
Digital musical instruments	Achieve growth rate exceeding market growth through sales strategy by price range for digital pianos	Digital piano market share growth +3%
Wind, strings, and percussion instruments	Optimize development and production systems for continued growth and expand mid-range to high-end market share through strategic products	Mid-range to high-end wind instrument share growth +3%
Guitars	Improve earnings through manufacturing reforms and strengthen sales of mid-range to high-end products	Cost reduction -10% Ratio of sales attributable to mid-range and high-end model sales +8%

Audio Equipment Business P39

Accelerate growth in B2B audio equipment by creating an optimal business structure and quickly improve profitability of the home audio business

Segment	Theme	KPIs of the New Medium-Term Management Plan
Audio equipment for professional use	Enhance the functional integration between mixers and speakers; expand system sales of product packages for growth Co-create and provide optimal solutions for focus markets with channel partners	3-year CAGR 7%
Audio equipment for consumer use	Grow as a brand supported by creators for production, streaming, live performances, etc. Restructure business by optimizing manufacturing and sales structure focused on hobbyist customers	Music production and streaming equipment 3-year CAGR 9% Home audio cost reduction -25%

Focus Markets

Improvement of Profitability Through Business Structural Reforms Based on Operating Environment Changes

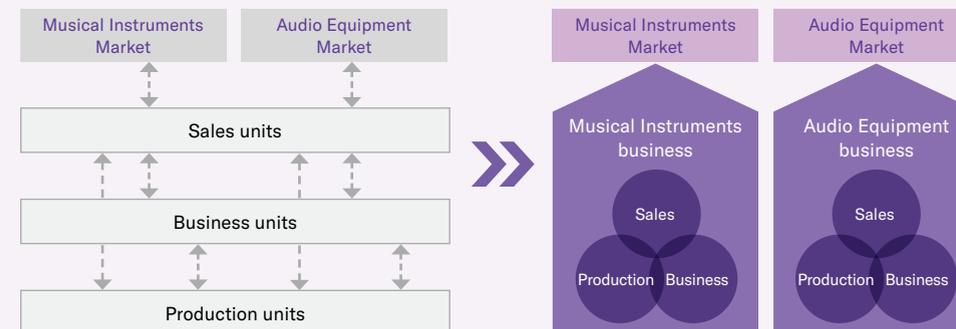
Yamaha is moving ahead with measures for achieving the ideal form for its businesses in Japan as well as in China, where it is pressed to respond to operating environment changes. In the Chinese market, we will move away from our prior approach for pianos emphasizing sales volumes to transition toward a focus on highlighting the value of Yamaha products. At the same time, we will develop sales networks with specialized capabilities with regard to the growth areas of guitars, wind instruments, and public address (PA) equipment for entertainment applications. As for Japan, our focus will be improving profit margins by rationalizing operations and revising product selling prices to more appropriately reflect their value. Other measures will include collaboration with specialists, utilization of experience-oriented venues, and popularization of music to grow our customer base and market share.

Region	Theme
Chinese market	As a comprehensive musical instruments manufacturer, create future demand for products other than pianos and expand product sales
Japanese market	Focus on customer growth and market share expansion while proceeding with profit structure reforms

Reorganization of Organizations and Functions

Reorganization of Organizations and Functions to Increase Execution Speed and Competitiveness

Yamaha will work to integrate business, production, and sales functions to accelerate collaboration with a focus on businesses. At the same time, we will sculpt operating procedures based on the characteristics of our musical instruments and audio equipment businesses as we seek to increase execution speed while more thoroughly adopting the customer's perspective.



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KEY STRATEGIES 2. EVOLVING TO CREATE THE FUTURE

Foster
 Growth and Stable
 Rebuild

Musical Instruments Business

P.36 ▶

Business growth driven by Yamaha Music Connect

Segment	Theme
Music Connect	Use the power of technology to expand the potential of people and music

Audio Equipment Business

P.39-40 ▶

Achieve high business growth in the audio equipment segment

Segment	Theme	KPIs of the New Medium-Term Management Plan
Audio equipment for mobility use	Accelerate growth by offering premium experiences in line with customer requirements	3-year CAGR 6%
Audio equipment for professional use	Expand domains with industry-leading signal processing and sound field adjustment technologies	—

Growth Markets

Sales growth through proactive investment in priority markets

Region	Theme	KPIs of the New Medium-Term Management Plan
India	Further grow sales by expanding sales network and maximally leveraging local production model	3-year CAGR 13%
Philippines	Make the Philippines an engine of growth in the ASEAN region; expand sales of mid-range and high-end products through stronger communication of our value proposition	3-year CAGR 48%

New Business

Building of Mechanisms for New Business Creation

In its efforts to explore areas that lie outside of the realm of its musical instruments and audio equipment businesses as well as other new businesses, Yamaha will develop frameworks for promoting open innovation that capitalizes on internal and external insight. We thereby aim to promote the creation of new businesses through collaboration with external partners, as opposed to purely focusing on commercializing ideas born within the Company. Collaboration with external partners is being pursued via efforts centered on Yamaha Music Innovations, our business development base in Silicon Valley. Through this base, we will seek to strengthen existing businesses by means of such collaboration while conducting corporate venture capital investment to develop businesses from an outside-in approach. Furthermore, Yamaha is advancing training programs for improving success in the development of new businesses and cultivating human resources with the skills and mindset necessary for business development. These programs are being used to entrench a culture of new business development within the organization.



Masamitsu Kitase

Operating Officer
Senior General Manager of
New Business Development Division



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KEY STRATEGIES 3. STRENGTHENING THE MANAGEMENT FOUNDATION

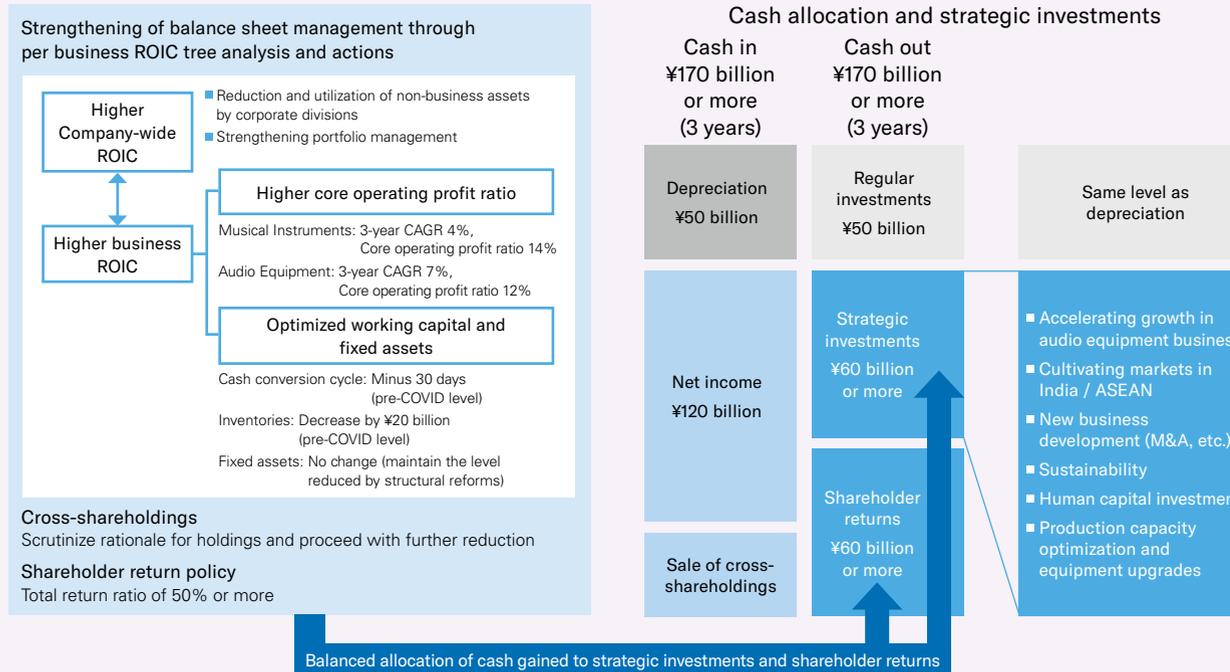
Improve Capital and Asset Efficiency

ROIC Tree Analysis and Cash Allocation

Yamaha has performed a tree analysis of return on invested capital (ROIC) by business, based on which it is accelerating its measures for improving capital and asset efficiency. The goal of this approach is to quickly recover ROIC, which dropped substantially during the period of the previous medium-term management plan, to a level on par with weighted average cost of capital. Moreover, we will practice more rigorous inventory management while reducing cross-shareholdings to improve asset efficiency and thereby heighten the overall health of our balance sheet. The cash gained through our business activities will be allocated in a balanced manner to shareholder returns and to strategic investments for exploring growth fields and new business areas.

Business Portfolio Transformation

To give form to our business portfolio management approach, we undertook a business assessment using three evaluation axes: consistency with mission, management vision, and other aims; future business potential and profitability (ROIC, etc.); and the meaning of holdings from the best owner perspective. Based on these evaluation axes, businesses were placed into one of four quadrants. We thus transitioned to a management process based on periodic reviews of our portfolio. Improved profitability will be pursued by tracking ROIC on an individual business basis to facilitate aggressive investment in areas where we can anticipate high earnings and high growth. Meanwhile, strategic revisions will be implemented to operations in areas deemed to have diminished competitiveness, and this may result in the contraction of or withdrawal from such areas. In addition, monitoring frameworks are being developed for use in managing ROIC.



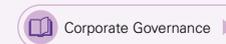
Strengthening of Human Capital



The development of an organizational culture that allows employees to fully capitalize on their unique strengths is imperative to achieving ongoing growth.

Based on this recognition, Yamaha has positioned strengthening human capital as one of the key themes of the new medium-term management plan, and we are working to foster an environment in which human resources with diverse values and from diverse backgrounds can succeed. Under the new plan, the Company aims to transform its human resource portfolio by fostering a creative and ambitious organizational culture, establishing a system to strengthen organizational capabilities and encourage individual growth, and establishing a human resource management system linked to business strategies.

Corporate Governance



Management is being pressed to navigate an increasingly complicated operating environment, which will require greater levels of transparency, impartiality, and speed. Yamaha has proceeded to reinforce the functions of the Board of Directors while increasing the ratio of independent outside directors. Going forward, we will continue such efforts to heighten the effectiveness of our corporate governance systems. For example, we plan to promote more extensive discussion of medium- to long-term strategies and business portfolios at meetings of the Board of Directors while refining meeting practices to facilitate more objective discussion that better gets to the heart of the matters at hand. Meanwhile, ongoing revisions will be implemented to internal control systems to achieve greater levels of effectiveness in terms of risk management and misconduct prevention.

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Yamaha will heighten its ability to produce results and its flexibility in responding to change, to ensure that it accomplishes its targets and thereby generates returns that exceed the cost of capital and enhance corporate value.

Jun Nishimura
Executive Officer
Executive General Manager of Corporate Management Unit

Leadership for Achieving Swift and Agile Transformation

I was appointed as leader of the Corporate Management Unit in April 2025. My career background includes overseas assignments and experience on the front lines of domestic and overseas sales, marketing, and branding activities. I have also had the opportunity to develop a management perspective as the president of a Yamaha sales subsidiary. I will be taking advantage of my sales and management experience as I perform my duties in this new position.

Operating environment volatility and a complex and opaque social climate have become common fixtures, pressing companies to increase their agility in business activities. This means that it is important to first set things into action, as opposed to wasting undue amounts of time splitting hairs over concepts and strategies, and then to gauge the stakeholder response to quickly decide the next action. As executive general manager of the Corporate Management Unit, I function as the central command tower for this undertaking. In this capacity, I am committed to supporting swift and agile action based on my experience in sales to exercise leadership for improving corporate value.

Challenges Identified Based on Results of Previous Medium-Term Management Plan

In fiscal 2025, the final year of the Make Waves 2.0 medium-term management plan, Yamaha posted revenue of ¥462.1 billion and core operating profit of ¥36.7 billion. The revenue figure fell short of the plan's target of ¥500.0 billion while the core operating profit figure was only half the targeted amount of ¥70.0 billion. Due to these regrettable results, the core operating profit ratio came to 7.9%, lower than the targeted 14%, and return on equity and return on invested capital both registered below their targets of 10% or more, at 2.8% and 4.4%, respectively. In this manner, we failed to accomplish all of our financial targets under the previous plan.

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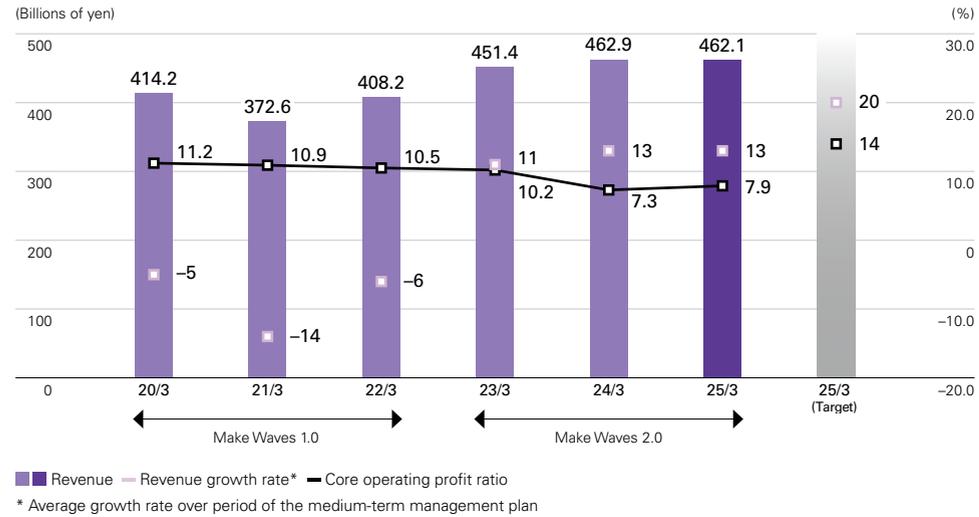
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Revenue, Revenue Growth Rate, and Core Operating Profit Ratio

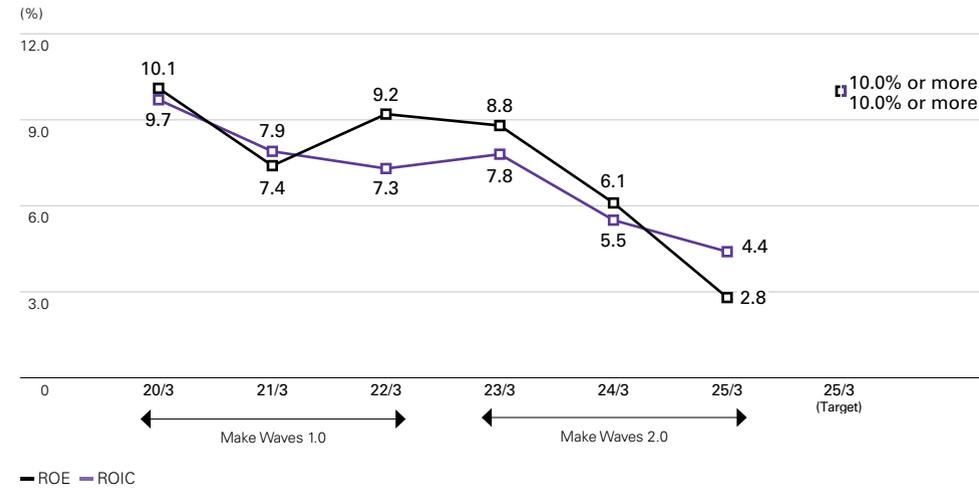


This unfortunate outcome was due to an inability to furnish a swift response to changes in the operating environment. Specific examples of the changes that impacted performance included the decline in demand following the dissipation of the special demand trend associated with people staying at home during the COVID-19 pandemic, the slump in piano sales in China due to an economic downturn and changes to government education policies in this country, the global rise in commodity prices, foreign exchange rate fluctuations, and growing geopolitical risks. I take this inability to be indicative of a lack of the responsiveness needed to quickly detect the signs of changes and take preemptive action by flexibly adjusting production and procurement. From a financial management standpoint, I recognize that we were unable to achieve sales and profit growth that matched the scale of the increase in inventories and the rise in overseas assets attributable to foreign exchange influences. This factor led to a decline in capital efficiency.

New Rebuild & Evolve Medium-Term Management Plan

Based on our recognition of the pressing needs to rebuild our earnings power in existing businesses and evolve so as to return to a growth track, we launched Rebuild & Evolve, our new medium-term management plan, in April 2025. This plan defines the three strategic policies of “rebuilding a strong business foundation,” “evolving to create the future,” and “strengthening the management foundation.”

ROE and ROIC



Based on these policies, we will seek to improve the profitability of existing businesses while pursuing growth in adjacent and completely new business fields. We thereby aim to achieve a compound annual growth rate of 5% on a three-year basis as well as return on equity of 10% and a core operating profit ratio of 13.5% in the final year of the plan.

Enhancement of Portfolio Management

The enhancement of portfolio management is a central pillar of our implementation of the three strategic policies of the new medium-term management plan. To guide these efforts, we have assessed the growth potential and profitability of Yamaha’s various products and services and placed them into one of four categories— Foster, Growth, Stable, or Rebuild—and are advancing the necessary measures based on these categorizations. We thereby aim to facilitate quick improvements in challenging businesses while accelerating investments in growth businesses.

For example, the Growth and Foster categories contain entertainment and other audio equipment for professional use, audio equipment for mobility use, and Music Connect. We will look to expand these businesses through growth investments. Conversely, pianos, guitars, and home audio products have been positioned in the Rebuild category. For pianos and guitars, our approach will involve cutting fixed and other costs while improving profit margins by increasing the proportion of sales attributable to

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high-value-added products and mid-range to high-end products. As for home audio products, we will narrow the scope of regions we supply, scale back our product portfolio to focus more on high-value-added models, and cut costs by utilizing manufacturing subcontractors and other means.

Moreover, regular assessments will be conducted on a by-business basis to evaluate the meaningfulness of asset holdings based on three evaluation axes: consistency with mission, management vision, and other aims; future business potential and profitability (ROIC, etc.); and the meaning of holdings from the best owner perspective. We will introduce a process of revising our business portfolio based on the results of these assessments, which informs the allocation of investments and other management resources and serves as the basis for deciding whether we will seek profitability improvement in a business or instead withdraw from or sell the business.

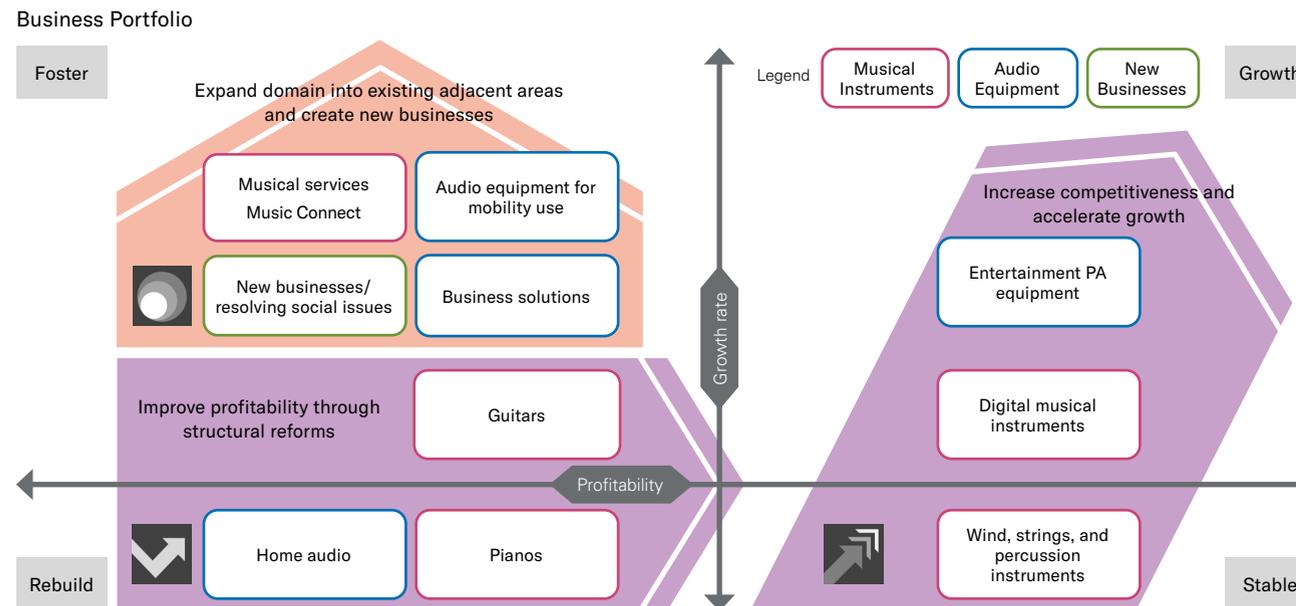
Response to Operating Environment Changes

The recent rises in procurement and labor costs are expected to continue going forward. Meanwhile, a glance at the global economy reveals a high likelihood of significant fluctuations in tariff and foreign

exchange rates. Yamaha will respond to these operating environment changes by raising product prices to more accurately reflect their value while striking a balance with the need to recover our market share. We will also work to secure earnings by cutting fixed costs, growing sales of high-margin products, and absorbing the impacts of cost increases through targeted cost controls.

In April 2025, we undertook a reorganization of our functions. This reorganization consolidated the business, production, and sales functions that had previously been housed in separate function-oriented organizations into centralized divisions for the musical instruments business and the audio equipment business. The goal of this move was to enable us to better detect signs of market changes and to accelerate the speed at which we make and implement decisions. The new structure addresses issues that had plagued Yamaha by allowing for increased flexibility in inventory control and production adjustment in response to market trends. Based on lessons learned under the previous medium-term management plan, we will heighten our responsiveness to change and pursue swift coordination between processes ranging from information collection and decision-making to action at production and sales sites.

We have also begun examining ways of installing additional flexibility into our operations, such as having multiple production bases manufacture the same product.



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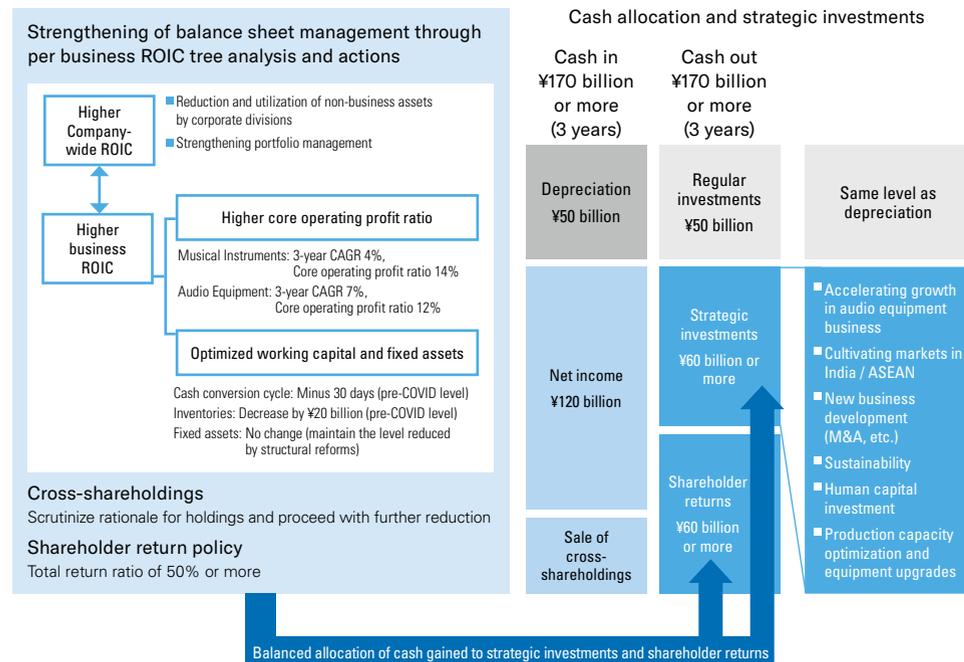
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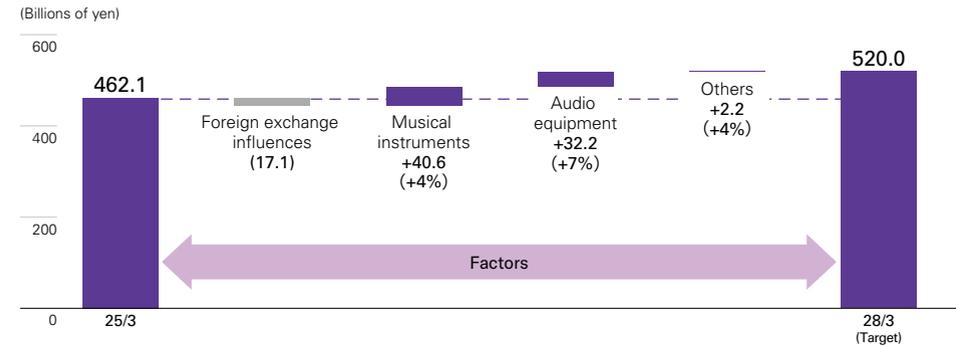
Improvement of Capital and Asset Efficiency

One of the most important financial targets of the new medium-term management plan is to achieve return on equity of 10%, which exceeds the cost of shareholders' equity. We are working toward accomplishing this target through balance sheet management based on business-specific return on invested capital tree analyses and measures.

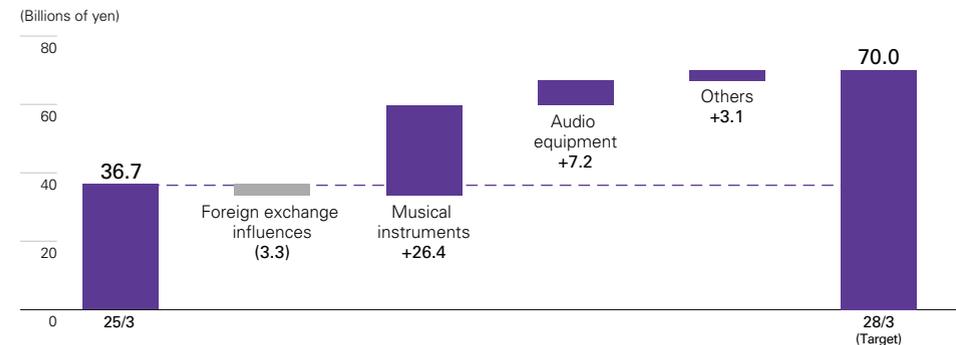
Improvements to the core operating profit ratio, meanwhile, will be supported by sales growth. Rebuild & Evolve sets targets for 3-year CAGR in sales by business of 4% for the musical instruments business and 7% for the audio equipment business, and targets for the core operating profit ratio of 14% and 12%, respectively, in the final year of the plan. In working toward these targets, we will downsize inventories to optimize working capital and non-current assets by business segment, achieve ideal levels of production equipment and other fixed assets, and shorten cash conversion cycles. Monitoring provisions are being reinforced to support the optimization of working capital and non-current assets. In this regard, key performance indicators have been defined pertaining to inventory management and receivables collection for sales divisions and raw material and work-in-progress inventory management for production divisions based on the characteristics of the musical instruments business and the audio equipment business. Moreover, we will assess the rationality of cross-shareholdings on a Companywide level in order to reduce overall holdings.



Revenue (3-year CAGR of the new medium-term management plan)



Core Operating Profit



Growth Investments and Shareholder Returns

When it comes to allocating the cash generated through business growth, profitability improvements, enhanced management based on return on invested capital by business segment, and reductions to cross-shareholdings, our policy is to allocate this cash to strategic investments and shareholder returns in a balanced manner. To be precise, we project cash outflows in excess of ¥170.0 billion over the three-year period of the medium-term management plan. Around ¥50.0 billion of this amount is earmarked for regular investments. The remaining ¥120.0 billion plus will be split evenly between strategic investments and shareholder returns.

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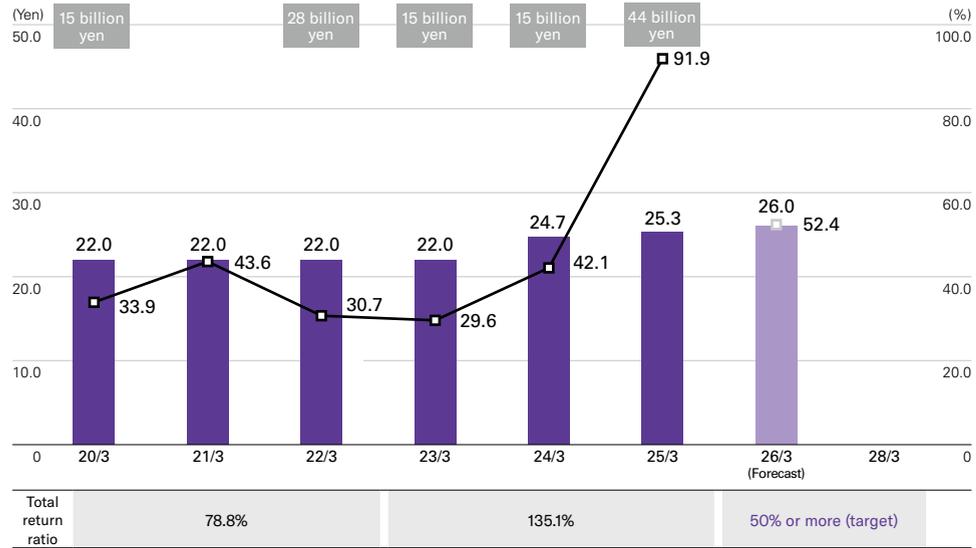
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Shareholder Returns

Acquisition of treasury stock



■ Annual per-share dividend — Dividend payout ratio

Note: Effective October 1, 2024, the Company conducted a three-for-one stock split of its common stock. Annual per-share dividend is calculated as though the stock split was conducted on April 1, 2019.

The new medium-term management plan prescribes aggressive investment, in part in reflection of lessons learned from the lack of strategic growth investments under the previous medium-term management plan. For example, we will be investing in the expansion of audio equipment for professional use, automotive sound system, and other businesses anticipated to drive Yamaha’s growth. At the same time, investments will be directed toward exploring emerging markets, such as India, the Philippines, and Latin America, and developing businesses in new and adjacent fields. We have also updated our approach when it comes to M&As. We used to focus primarily on acquiring manufacturers of hardware that was not already part of Yamaha’s lineup. Going forward, however, we will examine, proactively and swiftly, a wider range of acquisition candidates, including companies offering services or software that can contribute to the enhancement of music experiences or greater customer success.

As for shareholder returns, we are targeting a total return ratio of 50% or more over the three-year period of the medium-term management plan, which will be pursued by flexibly issuing reliable returns while striking a balance with strategic investments. The total return ratio under the previous medium-term management plan surpassed 130%. As indicated by this figure, we do not view 50% as an upper limit, but rather choose to make decisions on returns while comprehensively assessing factors such as the operating environment and investment opportunities.

Sustainability Initiatives

One of the key policies of the previous medium-term management plan was to “set sustainability as a source of value.” The new medium-term management plan maintains this policy while also putting forth indicators related to the environment, society, and culture. Environment-related indicators include the previously emphasized indicators of the ratio of sustainably sourced timber and CO₂ emissions reductions, as well as the new indicator pertaining to reductions in the use of plastic in packaging. Meanwhile, society-related indicators echo Yamaha’s new management vision with targets related to the commercialization of services and products that contribute to the resolution of social issues. As for culture-related indicators, we have defined the number of activities for creating opportunities for people to connect through music as an indicator for gauging the progress of our music culture support activities. Another culture-related indicator is the number of children provided with music education opportunities through the School Project, an ongoing and uniquely Yamaha project for supporting the introduction of music education into public education curricula centered on emerging countries.

Whether through the procurement of timber or the popularization of music by means of the School Project or other initiatives, Yamaha’s business activities are characterized by their deep connection to sustainability. Based on this recognition, we are endeavoring to provide investors with more thorough explanations of how our sustainability initiatives contribute to corporate value. We also look to adopt communication approaches that help raise understanding with regard to these matters among a wide range of stakeholders and broaden the scope of stakeholders with whom Yamaha’s activities resonate.

In Closing

Constructive communication with shareholders and other investors is vital to the improvement of corporate value. We are thus committed to enhancing communication with stakeholders from a long-term perspective to solicit their opinions and advice with regard to our efforts to rebuild and evolve Yamaha and to help them gain a better idea of the future of Yamaha. I look forward with hope to the ongoing support and understanding of our shareholders and other investors as well as their anticipation regarding Yamaha’s transformation.

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