

## Risk Management

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

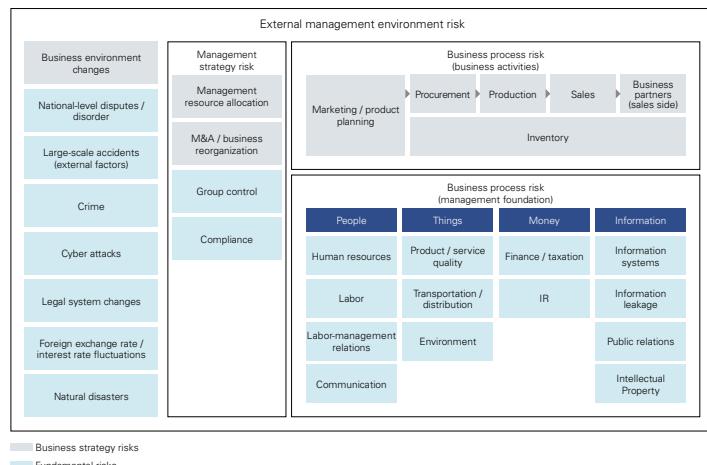
### Basic Policy

The Yamaha Group implements risk management based on the following policy.

1. We shall establish a structure and framework for risk management and work to enhance responsiveness to risk and maximize corporate value.
2. We shall identify, evaluate, and reduce risk through risk management activities during ordinary times, conduct awareness-raising activities such as education and training, and instill a greater awareness of risk, fostering a greater sensitivity to risk.
3. We shall prioritize people's safety when risks manifest themselves as crises, and coordinate with the local community to ensure sincere, appropriate, and speedy response as a means to minimize all adverse impact. In addition, we shall strive to ensure the stable supply of products and services, continue business to the greatest extent possible, and contribute to the sustainable development of society.
4. After addressing risks, we shall analyze the reasons they occurred and how they were addressed in order to ensure they do not occur again.

### Classification of Risk

The Yamaha Group classifies the various types of risks related to its business in the following manner and is working on measures to counter each type.



## Promotion System

Yamaha Corporation has established the Risk Management Committee as an advisory body to the president and representative executive officer. The committee discusses risk management-related matters from a Companywide perspective and reports the results of these discussions to the president and representative executive officer.

In addition, the Working Group for BCP and Disaster Prevention Management, Working Group for Internal Control System, Working Group for Compliance, Working Group for Export Control, and Working Group for Information Security have been established under the Risk Management Committee. These working groups deliberate on important Companywide issues.

### Risk Management System



#### **Working Group for BCP (Business Continuity Plan) and Disaster Prevention Management:**

In preparation for large-scale natural disasters, fires, infectious disease outbreaks, and other emergency situations, the Yamaha Group has made a number of business continuity management efforts, including the formulation of a BCP. In addition, the Group BCP Regulations establish basic policies, duties, etc., to minimize the effect on business when a risk event occurs, such as a natural disaster, through the rapid implementation of appropriate countermeasures.

**Working Group for Internal Control System:** This working group is striving to globally advance internal control activities, such as Groupwide business process standardization. The working group confirms that business administration is being conducted in accordance with the Group Management Charter and various regulations.

**Working Group for Compliance:** This working group serves as the organization with primary responsibility over the setting of policy and consideration of items concerning compliance. In addition to formulating policies for ensuring compliance within the Yamaha Group, this subcommittee monitors every department and Group company to ensure that business is being done ethically and according to the law. The working group also implements measures aimed at maintaining sound business activities. These measures include providing training and education to employees, conducting questionnaires, and setting up help lines for internal reporting and consulting.

**Working Group for Export Control:** Provisions for national security related trade control have been established in the Compliance Code of Conduct as rules pertaining to international trading. In addition, the Working Group for Export Control has been established, and export control regulations, regulations for import and export procedures, etc., have been formulated. We have established a work process related to export control.

**Working Group for Information Security:** The leakage of personal information and other important information held by a company has the potential to not only damage third parties but also become a case of gross negligence that can harm the company's reputation. The Yamaha Group perceives information security as a critical aspect of risk management. The Working Group for Information Security has determined a policy on information management and is working to enhance the quality of this management by keeping track of the current management system while identifying vulnerabilities and guiding efforts to address them.