Endorsement of the TCFD and TNFD Recommendations

The Yamaha Group has declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) and commenced initiatives for analyzing the risks and opportunities for its business related to climate change and biodiversity. This information is reflected in management strategies, and information on the financial impacts of these risks and opportunities is disclosed.

General Requirements for Disclosure

The TNFD has defined the following general requirements for disclosure. These requirements are applied to the TNFD's four recommended disclosure pillars—Governance, Strategy, Risk & impact management, and Metrics & targets. Moreover, Yamaha also applies the TNFD's recommendations to disclosures based on TCFD recommendations.
The term "materiality" as used in this report incorporates the following two definitions of materiality:

- Standard materiality as defined by the TNFD in reference to the impact of environmental issues on a company's activities and the impact of a company's activities on the environment (single and double materiality)
- Unique material sustainability initiatives defined for the Yamaha Group's management based on the perspectives of our business and our stakeholders

General Requirements
1. Application of Materiality Yamaha organizes information for disclosure based on the concept of double materiality, which focuses on the perspectives of both financial materiality (the impact of environmental and social issues on a company's activities) and impact materiality (the impact of a company's activities on the environment and society).
2. Scope of Disclosures ● The Yamaha Group performs scenario analyses and identifies risks and opportunities that apply to all of its businesses in order to appropriately assess climate change and biodiversity impacts on a Groupwide basis. The scope of disclosure includes business activities with particularly high potential to impact the Group's businesses, strategies, or financial plans or the natural environment. **Climate change**: Headquarters, domestic and overseas production bases, and resort facilities and upstream and downstream value chain areas **Biodiversity:** Headquarters, domestic and overseas production bases, and resort facilities and upstream value chain areas (Disclosed information is currently limited due to limits to the methods and tools for direct information collection.) ● Analyses of business activities not currently included in the scope of disclosure will be conducted and the scope of disclosure will be expanded as necessary going forward.
3. Location of Nature-Related Issues Yamaha's nature-related issues are contained within the priority regions identified in the LEAP (Locate, Evaluate, Assess, and Prepare) Approach.
4. Integration with Other Sustainability-Related Disclosures ● The Yamaha Group has defined "response to climate change," "sustainable use of timber," and "resource savings, reduction of waste and hazardous substances" as material issues in the area of the environment. Given the interconnected nature of these issues, an integrated approach toward disclosure has been adopted within this report. (Disclosure in this report is based on this interconnected nature as well as on the guidelines of the TCFD and the TNFD.) ● For more information on the Yamaha Group's response to climate change- and nature-related issues, please also refer to the Environment section of the Company's corporate website.
5. The Time Horizons Considered Yamaha has conducted analyses classifying risks and opportunities as "short term" if their impacts will be most strongly felt over the next several years, "medium term" if their impacts will be felt leading up to 2030, and "long term" if the impacts will appear in 2050.

6. Engagement with Indigenous Peoples, Local Communities and Affected Stakeholders

- The Company has established the Yamaha Group Human Rights Policy, based on which it advances initiatives to fulfill its responsibility to respect the human rights of all stakeholders across the value chain.
- Yamaha is engaged in Otonomori (Forest of Sound) Activities for promoting the development of sustainable forests together with local communities.

1. Governance

Monitoring and Execution Systems

The Sustainability Committee, which is an advisory body to the president that met seven times in fiscal 2025, is responsible for assessing and managing climate change- and nature-related risks and opportunities, including those related to human rights policies and engagement activities pertaining to indigenous peoples, local communities, and other affected stakeholders. The Board of Directors oversees these activities.

In addition, the Working Group for Climate Change, the Working Group for Resource Circulation, and the Working Group for Procurement—organizations positioned under the Sustainability Committee—engage in more detailed discussions of these issues and regularly report on progress made to the committee.

Moreover, management targets centered on climate change, nature, and other sustainability issues have been introduced among the evaluation indicators used for determining the restricted stock compensation that represents a portion of executive remuneration. The move was meant to provide executives with greater motivation to pursue ongoing improvements in social value.

For more information, please refer to the following website.

https://www.yamaha.com/en/sustainability/overview/management/#02

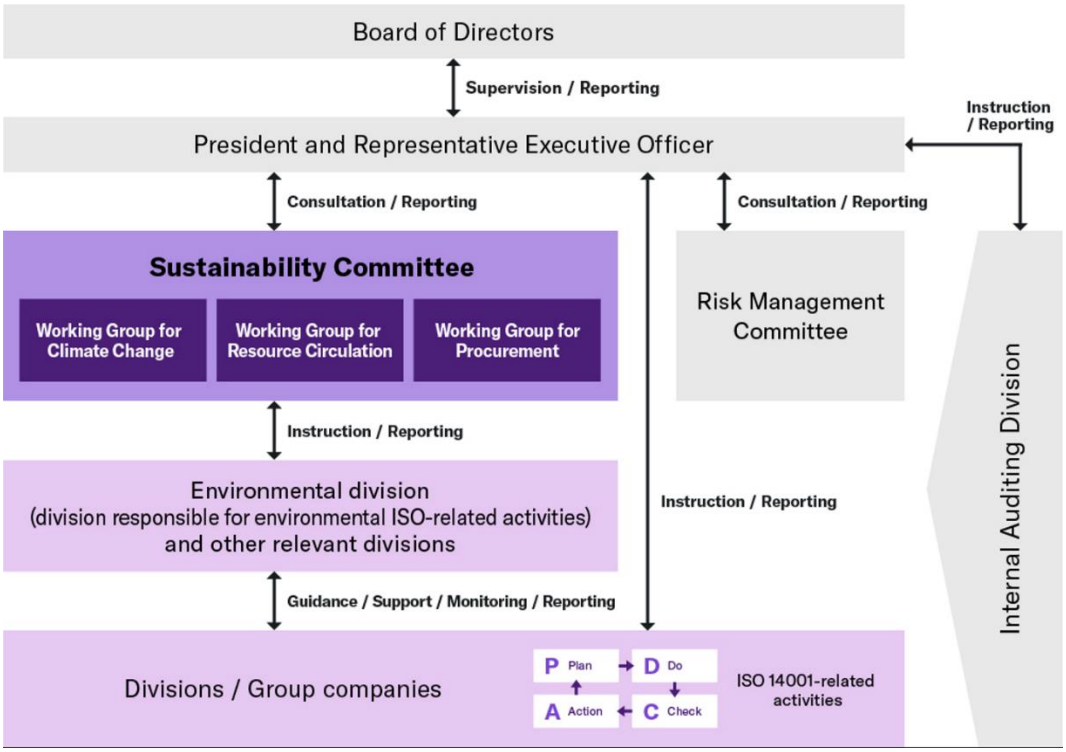
Activities of Sustainability Committee in Fiscal 2025

Meetings	Major Agenda Items
7	● Review of fiscal 2024 sustainability initiatives ● Disclosure based on TCFD and TNFD recommendations ● Progress and challenges of sustainability initiatives under the current medium-term management plan (fiscal 2023–fiscal 2025) and related issues ● Plans and targets for sustainability initiatives under the next medium-term management plan

Activities of Environment-Related Working Groups in Fiscal 2025

Name	Chairs	Key Themes	Meetings
Working Group for Climate Change	Executive officers or operating officers of Yamaha Corporation	Decarbonization, TCFD compliance, water risk response, etc.	6
Working Group for Resource Circulation		Circular value chains, eco-friendly design, packaging and packing, etc.	7
Working Group for Procurement		Timber due diligence, sustainable timber use, Otonomori Activities, supply chain human rights due diligence, conflict minerals, etc.	7

Yamaha Group's Environmental Governance System



Engagement with Indigenous Peoples, Local Communities, and Other Affected Stakeholders

In its Promises to Stakeholders, Yamaha describes its promise to contribute to the development of society and culture as a good corporate citizen. This promise is founded on a commitment to helping realize a fair and equitable society, a goal we are working toward through observance of international human rights standards including the Universal Declaration of Human Rights and International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, and the Guiding Principles on Business and Human Rights and through participation in the United Nations Global Compact as a signatory. Moreover, Yamaha has released statements based on the modern slavery acts of the United Kingdom and Australia out of consideration of human rights issues across the supply chain.

The Yamaha Group has established the Yamaha Group Human Rights Policy to guide ongoing efforts to fulfill its responsibility of respecting human rights in all of its business activities. This policy was approved by the president and was based on advice from experts, opinions from Group companies, and discussion by the Managing Council of Yamaha Corporation. The result of this process was a policy that specifies the Group's views and responsibilities regarding respect for human rights and provides an overarching framework for other documents relating to human rights initiatives including the Yamaha Compliance Code of Conduct. All executives and employees of Yamaha Corporation and its consolidated subsidiaries are expected to adhere to the Yamaha Group Human Rights Policy, and this policy is reflected in all of the Group's business activities. The policy contains clear provisions stipulating the need to conduct human rights due diligence activities to determine potential adverse impacts on human rights as a result of business activities and to make efforts to prevent and mitigate those impacts. Moreover, the Group's entire value chain is subject to this policy, and we take steps to identify and assess the impacts of potential human rights issues across our value chain through coordination with external experts and monitoring of Group companies, suppliers, and other partners. At the same time, the Working Group for Human Rights, DE&I, an organization established under the Sustainability Committee, is spearheading initiatives for combating human rights risks. Regular reports on important sustainability matters are submitted to the Board of Directors to facilitate the monitoring of such matters.

Meanwhile, we take steps to verify that the logging and transactional processes associated with our procurement of timber do not violate the rights of indigenous peoples or adversely impact local communities based on the Yamaha Group Timber Procurement Policy. To this end, we confirm the legality and assess the risks of the timber we use and actively seek to utilize certified timber produced with consideration for the environment and the community. To further improve the effectiveness of

such efforts to verify impacts on communities and other timber-related risks, Yamaha established its own proprietary due diligence assessment and judgment standards for objectively judging the sustainability of non-certified timber in 2023 under the guidance of an international environmental organization.

For more information, please refer to the following websites.
https://www.yamaha.com/en/sustainability/overview/stakeholder/
https://www.yamaha.com/en/sustainability/social/human-rights-and-labor-practices/
https://www.yamaha.com/en/sustainability/environment/biodiversity/
https://www.yamaha.com/en/sustainability/related-information/policy-type/supplier-code-of-conduct/

2. Strategy

Yamaha assesses the short-term, medium-term, and long-term impacts of climate change and biodiversity on a Groupwide basis. Through these assessments, the Company has conducted scenario analyses to identify risks and opportunities with the potential to have a particularly large impact on its business activities (see Table 1).
With regard to timber, an area that can result in significant impacts on climate change, we have researched relevant materials for assessing future changes to potential timber production region environments*1 and estimated the changes that might be seen in order to determine our potential impacts on climate change and the degree of these impacts (see Table 2).

The following scenarios have been used to conduct scenario analyses pertaining to climate change and biodiversity in order to assess the potential impacts on our businesses and natural capital.

Climate Change

In conducting climate change scenario analyses, Yamaha has utilized the Announced Pledges Scenario (APS), the Stated Policies Scenario (STEPS), and a number of other scenarios, with particular focus on those released by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

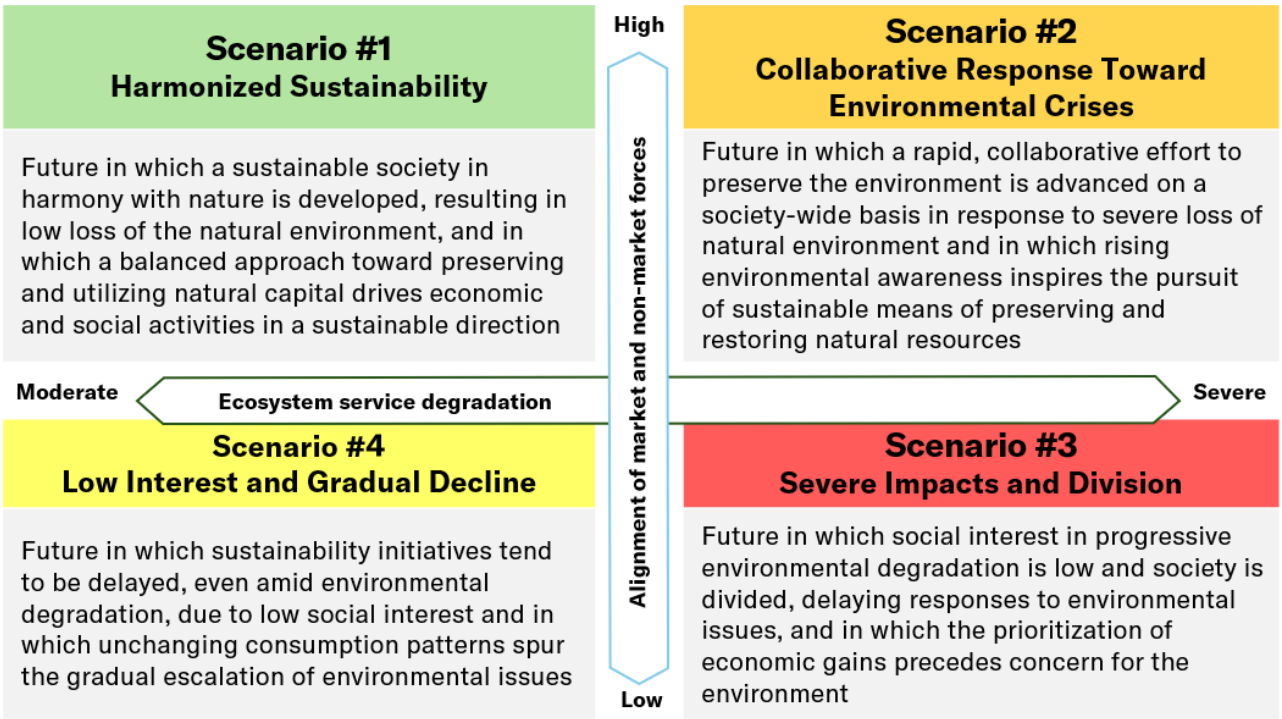
Scenario Temperature Range	Overview	Specific Scenarios
Between 1.5°C and 2°C above preindustrial levels	Scenarios in which climate change mitigation measures are successful in limiting global warming to between 1.5°C and 2°C above preindustrial levels	NZE RCP2.6 SSP1-2.6
4°C above preindustrial levels	Scenarios in which a lack of climate change mitigation measures results in global warming of 4°C above preindustrial levels	RCP8.5 SSP5-8.5

Biodiversity

Yamaha has employed the TNFD-recommended ENCORE*2 biodiversity risk analysis tool to identify nature-related dependencies and impacts throughout its business processes. For those items representing particularly material risks and opportunities, we conducted analyses based on four scenarios focused on the two critical uncertainties of ecosystem service degradation and alignment of market and non-market driving forces in accordance with the scenario recommendations of the TNFD (see Figure 1).

*1 Potential timber production region environments are those found in areas that, in theory, feature the climate and other conditions necessary for the production of specific types of timber. These regions do not reflect actual timber production trends but instead focus on the potential for future production.
*2 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool for assessing the dependencies, impacts, and degrees thereof of business processes. This report uses the updated version of this framework issued in July 2024. Accordingly, some information may differ from previously disclosed information.

Figure 1: Nature-Related Scenarios Based on TNFD-Recommended 2×2 Matrix Framework



(Table 1) High-Materiality Risks and Opportunities and Scenario Analyses

Legend Climate change related Biodiversity related Climate change and biodiversity related

→: Continuation of current impacts ↗: Rise in impacts —: Not applicable R: Risk O: Opportunity

Category		Activity area	Climate change		Natural capital				Dependencies/Impacts	Risk (R)/ Opportunity (O)	Risk/Opportunity type
			1.5–2.0℃ global warming scenarios	4℃ global warming scenarios	Scenario #1	Scenario #2	Scenario #3	Scenario #4			
Climate change		Natural disasters	→	↗	—	—	—	—	—	R	Physical (acute)
		Changes in regions suited to timber production	↗	↗	—	—	—	—	—	R	Physical (chronic)
		Carbon pricing	↗	→	—	—	—	—	—	R	Transition (policy/legal)
		Shift toward indoor activities	↗	↗	—	—	—	—	—	O	Product/service
Sustainable timber use		Effective use of timber and adoption of alternative timber resource	↗	↗	↗	↗	↗	↗	Impacts	O	Efficiency/resource Product/service Reputation
		Deterioration of timber producing regions	↗	↗	↗	↗	↗	↗	Dependencies Impacts	R	Physical (chronic)
		Withdrawal from forestry businesses	↗	↗	↗	↗	→	→	Dependencies	R	Transition (policy/legal) Transition (market)

		Timber import restrictions	—	—	↗	↗	→	→	Dependencies	R	Transition (policy/legal)
		Stable procurement of certified timber	—	—	↗	↗	↗	↗	Impacts	O	Ecosystem preservation Sustainable use
Hazardous substances		Contamination by chemical substances (volatile organic compounds [VOCs], poisonous and deleterious substances) and oils used in business processes	—	—	↗	↗	↗	↗	Impacts	R	Physical (acute) Transition (technology) Transition (reputation)
		Contamination by hazardous waste	—	—	↗	↗	↗	↗	Impacts	R	Physical (chronic) Transition (policy/legal) Transition (reputation)
Water preservation		Shortages of water for use in business processes and everyday life	↗	↗	↗	↗	↗	↗	Dependencies	R	Physical (chronic)

(Table 2) Projected Changes in Potential Timber Production Region Environments from Base Year (%)

Impact Positive (100% or more) Negative Minor (95–100%) Moderate (80–95%) Large (80% or less)

Tree Species	Rise in Average Global Temperature from Preindustrial Levels (℃) and Projected Changes in Potential Timber Production Region Environments (%)								
	0.6℃	1.0℃	1.5℃	2.0℃	2.5℃	3.0℃	3.5℃	4.0℃	More than 4.5℃
Broadleaf tree species A	100	100	101	101	102	102	102	101	101 or less
Broadleaf tree species B	100	100	98	98	99	100	102	104	104 or more
Broadleaf tree species C	100	101	105	107	109	111	113	115	115 or more
Broadleaf tree species D	100	101	112	127	144	166	188	216	216 or more
Broadleaf tree species E	100	101	103	104	104	104	103	101	101 or less
Broadleaf tree species F (Procurement region 1)	100	102	96	86	72	55	37	14	14 or less
Broadleaf tree species F (Procurement region 2)	100	100	100	99	98	96	94	92	92 or less
Conifer species A	100	100	99	98	96	94	92	90	90 or less
Conifer species B	100	101	84	74	62	47	31	11	11 or less

2℃ scenario 4℃ scenario

RCP8.5 (4℃ scenario) Today 2040s 2060s 2080s 2090s

RCP2.6 (2℃ scenario) Today 2040s～2090s

Supplementary Notes Pertaining to Projected Changes

1. Purpose of surveys: Identification of climate change risks and their impact with regard to specified tree species

2. Survey method

- Survey of projected impact on procured tree species and supplying countries in 2021 using existing documents (e.g., Dyderski et al. (2018) How much does climate change threaten European forest tree species distributions? Glob. Change Biol. 24(3): 1150–1163)
- Estimation of changes in potential timber production region environments in conjunction with rise in average global temperatures based on survey results

3. Limits of estimates: Estimation methods limited due to use of projections based on methodologies and results found in existing documents and therefore unable to provide a definitive estimate of impacts from future global warming

4. Tree cultivation conditions: Tree not expected to face immediate extinction even in areas where future climate conditions may not be conducive to cultivation

Scenario analyses revealed the potential for rising risks pertaining to climate change, including the risks of production halts due to natural disasters and increases in costs due to rises in timber prices or the implementation of carbon taxes, while also hinting at the possibility for increased opportunities fueled by growth in demand associated with individuals increasingly staying indoors. In terms of natural capital, the utilized scenarios illustrated opportunities for promoting forest preservation through sustainable timber procurement as the progression of conditions described in the respective scenarios increases the market competitiveness of timber products that are considerate of forest sustainability. At the same time, risks were identified of costs increasing due to the need to use alternative timber sources as the result of difficulties in procuring quality timber attributable to deterioration of conditions in producing regions.

Although the Company's projections of changes in potential timber production region environments forecast minimal impacts in the short term, the rising temperatures expected over the long term threaten to significantly impact production region environments and result in declines in the production of certain timber species.

Yamaha takes steps to identify potential risks and opportunities based on the understanding that climate change- and nature-related issues can have a massive impact on its businesses, strategies, and financial plans. Strategies are revised as necessary based on the findings of these activities (see Table 3).

Initiatives for addressing climate change-related issues are categorized as either mitigation or adaptation initiatives based on the TCFD recommendations. Initiatives for responding to nature-related issues are organized based on the AR3T natural capital action framework. *3

*3 Framework for exploring nature-related risk and opportunity response issues advocated by the Science Based Targets Network that organizes initiatives into four categories: Avoid, Reduce, Restore and Regenerate, and Transform.

(Table 3) High-Materiality Risks and Opportunities and Response Strategies

Legend Climate change related Biodiversity related Climate change and biodiversity related
R: Risk **O**: Opportunity **Short:** Short term **Medium:** Medium term **Long:** Long term

Category		Activity area	Potential impacts on business, strategies, or financial plans Impacts on natural capital	Yamaha's activities	Initiative category
Climate change	R Short	Natural disasters	・Halts to production due to damage to facilities or injuries to people as a result of natural disasters ・Halts to production or increased costs following rises in procurement costs due to supply chain disruptions ・Increases in non-life insurance premiums	・Assessment of flood risks and potential damages related to Yamaha Group bases (production, sales, and logistics) and review of preparedness measures and insurance coverage based on predicted natural disasters	Adaptation

	R Long	Changes in regions suited to timber production	・Increased timber prices and reduced quality ・Costs associated with changes in technical specification required for using alternative timber resources ・Higher procurement costs due to deterioration of conditions in regions from which Yamaha procures timber as a result of temperature increases or changes in rainfall or weather conditions	・Surveys investigating projected changes in potential timber production region environments due to global warming (see Table 2) ・Development of new alternatives to scarce timber resources and processing technologies (improvement of internal timber-related technologies and procurement skills)	Adaptation
	R Medium	Carbon pricing	・Higher production and procurement costs as a result of introduction of carbon taxes ・Projected increase of between ¥1.0 billion and ¥2.0 billion in Groupwide energy costs leading up to fiscal 2031 without countermeasures	・Implementation of emissions reduction plan focused on exhaustive energy conservation measures and use of renewable energy (reduction of between ¥450 million and ¥900 million in energy cost increase through accomplishment of reduction targets) ・Introduction of internal carbon pricing system (¥14,000 per t-CO_2) to promote investment in low-carbon facilities ・Pursuit of emissions reductions through partnership with suppliers	Mitigation
	O Long	Shift toward indoor activities	・Increased demand for musical instruments due to rise in opportunities for indoor activities ・Higher demand for telecommunications equipment in conjunction with increases in teleworking and online events and gaming ・Growing demand for audio equipment in conjunction with rise in video distribution and emergence of hybrid live streaming events as de facto standard	・Supply of solutions for remote and online events that combine acoustics, signal processing, and telecommunications technologies ・Creation of new customer experiences through remote concerts, lessons, and ensemble performances	Adaptation
Sustainable timber use	O Long	Effective use of timber and adoption of alternative timber resources	・Improvement in reputation among customers and investors and enhancement of competitiveness through products mindful of forest sustainability ・Preservation of scarce tree species through adoption of alternative materials	・Increased rate of sustainable timber use ・Development of alternative timber materials to scarce timber resources and processing technologies (improvement of internal timber-related technologies and procurement skills) ・Improvement of yield rates through appropriate quality standards and effective use of offcuts ・Otonomori (Forest of Sound) Activities for promoting sustainable procurement of timber for use in musical instruments	Avoid, Reduce, Restore and Regenerate, Transform
	R Medium	Deterioration of timber producing regions	・Difficulty procuring quality timber for use in musical instruments due to excessive logging, water shortages, water pollution, or soil deterioration in timber producing regions ・Higher timber prices and reduced quality ・Damage to reputation due to accusations of damage to ecosystems		

	R Short	Withdrawal of suppliers from forestry businesses	・Difficulty in procuring timber and incurring of costs associated with changes in technical specification required for use of alternative timber resources ・Obstacles to stable procurement of timber as forest credit markets expand due to growing environmental awareness among companies	・Increased rate of sustainable timber use ・Otonomori Activities for promoting sustainable procurement of timber for use in musical instruments	Reduce, Restore and Regenerate, Transform
	R Medium	Timber import restrictions	・Losses due to halts in production of products using restricted timber ・Costs associated with changes in technical specification required for use of alternatives to restricted timber	・Reduction in use of and adoption of alternatives to low-sustainability timber	Reduce
	O Long	Stable procurement of certified timber	・Support from customers and supply chains with high environmental awareness ・Mitigation of reputational risks that could arise from ongoing use of low-sustainability timber ・Forest preservation through sustainable timber procurement	・Expanded use of certified timber produced in sustainable forests	Reduce
Hazardous substances	R Short	Contamination by chemical substances (VOCs, poisonous and deleterious substances) and oils used in business processes	・Adverse impacts to ecosystems due to emissions or leaks from manufacturing sites ・Damage to reputation, expenses for decontamination, payments of damages, or costs for improving leak prevention equipment or management practices	・Definition of standards for construction of environment-related equipment and implementation of measures to prevent leaks ・Identification of leakage risks and organization of emergency response drills ・Advancement of Companywide emissions monitoring and reduction measures through projects for reducing VOC emissions ・Investigation of impacts on water habitats to which waste is emitted and organisms therein	Avoid, Reduce
	R Medium	Contamination by hazardous waste	・Diminishment of reputation or other damages as a result of contamination of soil or groundwater, payments for damages or decontamination measures, and degradation of ecosystems ・Increased costs due to regulatory tightening	・Emission reduction and appropriate disposal of hazardous waste ・Limitations on use of hazardous substances	Reduce
Water preservation	R Long	Shortages of water for use in business processes and everyday life	・Halts or delays to business processes due to water shortages ・Damage to reputation due to use of excessive amounts of water in regions facing shortages	・Water recycling and conservation activities based on water use reduction plans	Reduce

Natural Capital-Related Analyses

◆LEAP Approach

The LEAP (Locate, Evaluate, Assess, and Prepare) Approach[*4] is one of the frameworks provided by the TNFD for use in assessment, management, and disclosure of natural-related issues by companies. Yamaha has assessed and analyzed the nature-related issues it faces based on the LEAP Approach.

Locate

The Yamaha Group develops its musical instruments business, audio equipment business, and others (industrial machinery and components business, etc.) on a global basis. The musical instruments business is Yamaha's mainstay business, accounting for more than 60% of its revenue. This business is also highly dependent and has a large impact on natural capital. Specifically, timber is used in various types of musical instruments and is thus highly relevant to our business. Timber is indispensable to the manufacture of musical instruments that are capable of producing beautiful tones. Accordingly, initiatives to address our dependency and impacts on natural capital are a crucial part of our business and vital to the sustainability of music culture. For this reason, Yamaha has proceeded to set targets pertaining to the sustainable procurement of timber and advance initiatives toward meeting these targets.

In preparing this report, Yamaha utilized ENCORE to assess its natural-related dependencies and impacts. The assessments were conducted to reevaluate Yamaha's prior understanding and to allow for assessments to be conducted based on objective data. In the assessments, we looked at the process of procuring timber from upstream value chain areas and the processes of producing musical instruments and audio equipment, which constitute our direct operations.

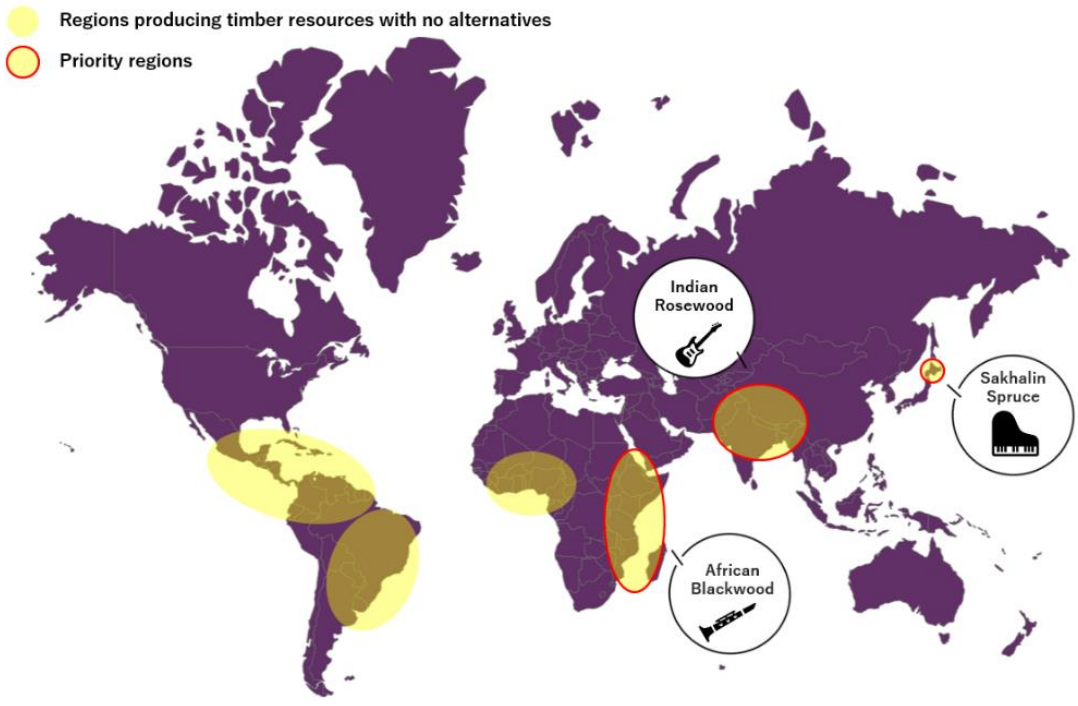
The assessments revealed a particularly strong connection between the timber procurement process and natural capital. Meanwhile, musical instrument and audio equipment production processes were found to have almost no significant nature-related dependencies or impacts. These findings reaffirmed our prior understanding of the strong connection between timber and natural capital.

Timber is generally viewed to be a relatively eco-friendly and sustainable material. However, it is difficult to find replacements for the timber used in musical instruments due to the required characteristics and appearance of such timber, a reality that creates a need to ensure the sustainability of such timber resources. Moreover, timber has been defined as a high impact commodity on the high impact commodity list[*5] released by the Science Based Targets Network, indicating that it is a resource with a high impact on nature when viewed from a scientific standpoint. These factors served to reaffirm the importance of timber-related assessments, leading Yamaha to conduct this most recent assessment.

Identification of Priority Regions for Timber Procurement

Yamaha has plotted the areas from which it procures timber resources with no alternatives on a world map to identify the priority regions producing particularly important species of timber (see Figure 2).

(Figure 2)



Evaluate and Assess

The ENCORE tool was used to assess the nature-related dependencies and impacts of business activities in the priority regions identified in the Locate step of the LEAP Approach. Furthermore, a secondary assessment of dependencies and impacts was conducted incorporating Yamaha business insight as a supplement to the ENCORE-based assessment. This approach was used to compile risk and opportunities that were particularly material from a double materiality perspective (see Table 4). Those items designated as having impacts or dependencies under the ENCORE Approach but judged to have limited or no impact based on the conditions of Yamaha's business have been excluded from Table 4.

(Table 4)

Dependencies					
Category		**Degree of dependence**	**Risks**	**Opportunities**	**Yamaha's activities**
Provisioning services	**Biomass provisioning**	High	Increased procurement costs or halts to procurement due to timber resource depletion or tightening of related regulations	Efforts to preserve forest resources ・Acquisition of reliable supply stocks ・Maintenance or promotion of forest resource growth commensurate to usage volumes New technology development (development of alternative materials and technologies) ・Prevention of excessive logging ・Improvement of reputation through provision of eco-friendly products	Ongoing cultivation of timber through Otonomori Activities ・Promotion of community involved in forest management Efficient use of scarce timber resources ・Development of timber processing and recycling technologies ・Development of new alternatives to scarce timber sources
	Genetic material	Low	Difficulty in procuring timber as a result of decreased forest productivity due to damage from disease and harmful insects following reductions in genetic diversity	Ecosystem preservation and function restoration through forest preservation activities Protection of genetic diversity	Preservation and restoration of forest ecosystem functionality through Otonomori Activities ・Preservation of scarce indigenous tree species by creating environments that support natural regeneration ・Preservation of individual species and biodiversity through enrichment planting in forests
	Water supply	High	Adverse impacts on lives of community members and tree growth in timber producing regions due to depletion of water resources	Efforts to maintain and restore functionality of timber producing forests (water resource cultivation) Installation of household-use water infrastructure for communities	Preservation of water resources by maintaining healthy forests through Otonomori Activities Support for community development through Otonomori Activities
Regulating & maintenance	**Climate regulation**	High	Increased procurement costs or halts to procurement due to decreases in tree numbers as a result of changes in	Identification of important species and tracking of habitats in which	Preservation of forest ecosystem functionality by maintaining healthy forests through Otonomori Activities

services	**(local and global)**		regions suited to timber production because of climate change in regions	important species are cultivated Preservation of important species Development of new technologies (development of technologies for utilizing previously unused resources) ・Limitation of excessive logging of important species ・Effective utilization of local timber resources	・Identification of important scarce species ・Preservation of species in ideal regions through enrichment planting in forests ・Research on natural regeneration of scarce species Efficient use of scarce timber resources Efficient use of previously unusable resources in scarce timber resource producing regions and countries with Yamaha factories
	Water purification, and water flow regulation	Moderate	Adverse impacts on lives of community members or tree growth in timber producing regions due to flooding, water shortages, or water pollution	Efforts to maintain and restore functionality of timber producing forests (water resource cultivation) Installation of household-use water infrastructure for communities	Preservation of water resources by maintaining healthy forests through Otonomori Activities Support for community development through Otonomori Activities ・Shared use of water storage and wells used for watering seedlings
	Air filtration, soil quality regulation, soil and sediment retention, and solid waste remediation	Moderate	Increased procurement costs or halts to procurement due to decreases in tree numbers as a result of impediments to tree replacement or growth because of deterioration of soil in timber producing regions	Efforts to maintain and increase forested areas Initiatives for maintaining and restoring vegetation in timber producing forests	Restoration of forests through Otonomori Activities ・Promotion of forest restoration cycle through enrichment planting in forests ・Planting of valuable indigenous tree species on agricultural land
	Ecosystem preservation (pollination, biological control, and nursery population and habitat maintenance)	Moderate	Increased procurement costs or halts to procurement due to decreases in tree numbers or quality of materials as a result of impediments to tree growth because of damage to ecosystems in timber producing regions	Forest preservation efforts for maintaining ecosystems and restoring functionality Efforts to preserve genetic diversity	Ongoing cultivation and preservation of functionality of forests through Otonomori Activities ・Preservation of scarce species through enrichment planting in forests ・Preservation of scarce indigenous tree species by creating environments that support natural regeneration
	Natural disaster mitigation (rainfall pattern regulation, flood mitigation, and storm mitigation)	Moderate	Impediments to tree growth, disruptions to timber transportation lines, or adverse impacts on lives of community members due to floods or storms Adverse impacts on lives of community members due to prolongation of dry periods Increased procurement costs due to decreases in tree numbers as a result of impediments to tree replacement or growth because of forest fires or burning in timber producing regions	Efforts to maintain and restore functionality of timber producing forests (water resource cultivation) Installation of community water infrastructure Measures to prevent forest fires and restore forest functionality	Preservation of water resources by maintaining healthy forests through Otonomori Activities Support for community development through Otonomori Activities ・Shared use of water storage and wells used for watering seedlings Initiatives to limit forest fires as part of Otonomori Activities ・Creation of firebreaks around cultivation sites ・Vegetation maintenance through controlled burning restrictions during the dry seasons and earlier burns

Note: Information pertaining to cultural services has been omitted due to their limited direct impact on ecosystems.

Impacts					
Category		Degree of impacts	Risks	Opportunities	Yamaha's activities
Ecosystem use	**Land habitats**	High	Deterioration of soil quality and changes to vegetation due to soil degradation and increased erosion as a result of compression, exposure, and damage from machines → Decrease in number of species due to deterioration of conditions in timber producing regions → Rising landslide and forest fire risks → Reduction of resources due to population growth and conversion of forests into land for agricultural and livestock use	Efforts to maintain and increase forested areas Initiatives for maintaining and restoring vegetation in timber producing forests Improvement of community land use practices	Restoration of forests through Otonomori Activities ・Promotion of forest restoration cycle through enrichment planting in forests ・Preservation of scarce indigenous tree species by creating environments that support natural regeneration ・Planting of valuable indigenous tree species on agricultural land ・Introduction of and support for forest management techniques at the community level
Resource use	**Supply of diverse timber species**	High	Reduced availability to procure timber due to regulatory tightening in timber producing countries Lower timber quality and reduced availability to procure timber because of resource depletion	Prioritized use of sustainably sourced timber Optimization of usable timber through new technology development (consolidation and diversification)	Promotion of use of sustainably sourced timber ・Establishment of proprietary standards ・Practice of timber due diligence Ongoing cultivation of resources through Otonomori Activities ・Identification and preservation of important scarce species Efficient use of timber resources ・Development of timber processing and recycling technologies ・Efficient use of previously unusable resources in scarce timber resource producing regions and countries with Yamaha factories
Climate change	**Greenhouse gas emissions**	High	Emissions from use of heavy machinery, charcoal production, timber and product transportation, production activities, and incineration of waste materials, products, and packaging → Changes in species growth and habitat depletion as a result of climate change → Increases in natural disaster frequency as a result of climate change	Efforts to preserve forest resources → Carbon fixation through functional forests → Promotion of forest resource growth commensurate to usage volumes New technology development (development of alternative materials and technologies) → Prevention of excessive logging → Improvement of efficiency in timber use → Local production and consumption using local timber resources Resource recycling	Preservation through Otonomori Activities ・Development of carbon fixation assessment techniques through forest monitoring ・Ongoing cultivation of resources through afforestation and forest preservation activities Efficient use of timber resources ・Development of timber processing and recycling technologies ・Efficient use of previously unusable resources in scarce timber resource producing regions and countries with Yamaha factories

Invasive species and other	**Introduction of invasive species**	Low	Difficulty in procuring specific species due to declines in populations resulted from degradation of ecosystem services because of introduction of invasive species	Efforts to preserve and restore indigenous forest vegetation Preservation and improvement of local biodiversity	Preservation and cultivation of indigenous species through Otonomori Activities ・Enrichment planting in forests and promotion of natural regeneration of indigenous species ・Planting of indigenous and naturalized species on agricultural and bare land

Prepare

To furnish an effective response to the dependencies, impacts, risks, and opportunities identified in the Locate, Evaluate, and Assess steps of the LEAP Approach, Yamaha has defined strategies and metrics for disclosure to be used in assessment and management of these items (see “4. Metrics and Targets” below).

For more information on specific initiatives related to sustainably sourced timber in priority regions identified in this assessment, please refer to the page on Yamaha’s corporate website detailing its Otonomori Activities.*6

*4 The LEAP Approach is a tool designed by the TNFD for use in comprehensive assessments of a company’s connections with nature, dependencies, impacts, risks, and opportunities for use in determining the environmental issues faced. After scoping, companies follow the steps of Locate, Evaluate, Assess, and Prepare to evaluate their material connections with nature.

*5 The high impact commodity list is a list of commodities (raw materials) that entail large impacts on the natural environment.

*6 Otonomori Activities
https://www.yamaha.com/en/stories/environment/otonomori/

3. Risk & Impact Management

Yamaha has established the Risk Management Committee as an advisory body to the president that operates under the supervision of the Board of Directors. This committee is tasked with identifying and assessing risks using cross-Company evaluation frameworks that look at the climate change, ecosystem, and various other risks associated with Yamaha’s corporate and other activities.

Meanwhile, the Working Group for Climate Change positioned under the Sustainability Committee together with the Environmental Division is responsible for assessing the potential impact and the frequency of risks and opportunities based on scenario analyses and compiling lists of the identified risks and opportunities (including environmental dependencies and impacts across the upstream and downstream areas of the value chain). At the same time, working groups associated with particular major risks and opportunities (the Working Group for Resource Circulation and the Working Group for Procurement) and relevant divisions pursue coordination as necessary to monitor the progress of related measures, which is reported to the Sustainability Committee. Major risks and opportunities whose materiality surpasses the scope of the duties of the Sustainability Committee and working groups are reported to the Board of Directors, which will discuss and examine response policies.

The executive officer who chairs the Risk Management Committee also acts as a member of the Sustainability Committee in order to facilitate organic coordination between their respective processes. This approach enables integrated responses to climate change- and nature-related risks and opportunities and allows for the practice of strategic risk management.

For more information on risk management initiatives, please refer to the following website.
https://www.yamaha.com/en/sustainability/governance/risk-management/

4. Metrics and Targets

At Yamaha, reductions to CO_2 emissions are managed in a comprehensive manner encompassing the entire Yamaha Group and its supply chains. To facilitate these efforts, the Greenhouse Gas Protocol is used as the standard for calculating total greenhouse gas emissions (Scope 1, Scope 2, and Scope 3 emissions). Third-party verification is received for data for Scope 1 and Scope 2 emissions, certain Scope 3 emissions, and water intake.

The following table compiles the global core metrics for which the TNFD recommends disclosure and the status of disclosure by Yamaha related to these metrics.

Dependency and Impact Metrics

No.	Category	Metric	Disclosed items	Disclosure scope	Current status of disclosure
-	**Climate change**	Greenhouse gas emissions	Greenhouse gas emissions (Scope 1 and Scope 2)	Major domestic bases and overseas production bases	Disclosure as part of ESG data
			Greenhouse gas emissions (Scope 3)	Yamaha's supply chain	Disclosure as part of ESG data
C1.0	**Land/freshwater/ocean-use change**	Total spatial footprint	Total area of owned land	Certain major domestic and overseas bases	Disclosure in securities reports
C1.1		Extent of land/freshwater/ocean-use change	Area of newly active and decommissioned bases	Major domestic bases and overseas production bases	Not applicable
			Area of reforestation activities	Total aggregate area of reforestation activities involving planting African blackwood trees as part of Otonomori Activities as of March 31, 2025	Disclosure on Yamaha's corporate website
C2.0	**Pollution/pollution removal**	Pollutants released to soil split by type	Amount of pollutants released to soil	Major domestic bases and overseas production bases	No release of substances that pollute to soil
C2.1		Wastewater discharged	Volume of wastewater discharged	Major domestic bases and overseas production bases	Disclosure as part of ESG data
			Concentrations of key pollutants in wastewater discharged	Not disclosed	Regularly measured to confirm that there are no abnormalities but not disclosed
C2.2		Waste generation and disposal	Amount of waste generated	Major domestic bases and overseas production bases	Disclosure as part of ESG data
			Recycling rate	Major domestic bases	Disclosure as part of ESG data

C2.3		Plastic pollution	Amount of plastic packaging used	Not disclosed	Figures to be reported in accordance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging calculated but not disclosed
C2.4		Non-greenhouse gas air pollutants	NOx and SOx emissions	Major domestic bases	Disclosure as part of ESG data
			VOC emissions	Major domestic bases and overseas production bases	Disclosure as part of ESG data
C3.0	**Resource use/replenishment**	Water withdrawal and consumption from areas of water scarcity	Water withdrawal, consumption, and recycling rates by water source	Major domestic bases and overseas production bases	Disclosure as part of ESG data (figures not broken down by region)
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/fresh water	Timber procurement volumes by form and region	All timber procured by Yamaha	Disclosure as part of ESG data
			Rate of use of sustainably sourced timber		Disclosure as part of ESG data

Risk and Opportunity Metrics

Category	Metric	Current status of disclosure
Risk	Value of assets, liabilities, revenue, and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total).	Not disclosed
	Value of assets, liabilities, revenue, and expenses that are assessed as vulnerable to nature-related physical risks (total and proportion of total).	
	Description and value of significant fines/penalties received/litigation action in the year due to negative nature-related impacts.	Not applicable in fiscal 2025
Opportunity	Amount of capital expenditures, financing, or investment deployed toward nature-related opportunities.	Not disclosed
	Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.	

The above metrics for which analyses are not yet complete are indicated as “not disclosed.” However, the Company plans to move forward with analyses and disclose information for those metrics possible when the applicable information becomes available.

Based on this framework, Yamaha has defined metrics and targets for use in assessing and managing material climate

change- and nature-related dependencies, impacts, risks, and opportunities.

Targets and performance under the previous medium-term management plan (fiscal 2023–fiscal 2025) and targets for the new medium-term management plan (fiscal 2026–fiscal 2028) are as follows.

Category	Targets for fiscal 2025 (Previous medium-term management plan)	Targets for fiscal 2028 (New medium-term management plan)	Relationship between previous and new targets
Response to climate change	Reduction of CO_2 emissions by conserving energy (CO_2 emissions per unit of production): 5% reduction from the fiscal 2018 base year	Combined Scope 1 and Scope 2 greenhouse gas emissions: 30% reduction from the fiscal 2018 base year	Transition from target for emissions reductions attributable to energy conservation to target for total Scope 1 and Scope 2 emissions reductions to better clarify progress toward energy conservation, renewable energy, and other medium-term targets
Sustainable use of timber	Rate of sustainably sourced timber use: 75%	Rate of sustainably sourced timber use: 80%	Increase to targeted level to promote ongoing expansion of sustainably sourced timber use
	Cultivation and conservation of three tree species: Promotion of cultivation and conservation activities aimed at three tree species	Promotion of forestry activities through Otonomori Activities: 1. Cultivation and preservation of 20,000 saplings a year in Tanzania 2. Production and release of musical instruments made using Hokkaido-grown Sakhalin spruce 3. Start of pilot tree planting project in India 4. Development of preservation model for one Latin American tree species (expand scope of activities to include four species)	Definition of additional targets to promote ongoing expansion of activities
Reduction of hazardous substances	Use of plastic packaging for new compact products: Elimination of use	Use of plastic in packaging: 25% reduction in Styrofoam use versus product weight from fiscal 2023 base year	Transition from target focused on priority materials and a wider range of product packaging to promote ongoing reduction of plastic use

The Yamaha Group has set medium-term targets for fiscal 2031 that are consistent with the standards for limiting global warming to 1.5℃ below preindustrial levels described by the Science Based Targets initiative and is advancing climate change- and nature-related initiatives from a long-term perspective.

Category	Metric	Targets for fiscal 2031 (Medium-term targets)
Response to climate change	Scope 1 and Scope 2 greenhouse gas emissions	55% reduction from the fiscal 2018 base year
	Scope 3 greenhouse gas emissions	30% reduction from the fiscal 2018 base year
Reduction of hazardous substances	Emissions of hazardous waste	Target to be set
Water preservation	Water intake	15% reduction from the fiscal 2018 base year

The Yamaha Group aspires to contribute to the realization of a sustainable society through its climate change response and conservation of natural capital, and is advancing initiatives to this end from short-term, medium-term, and long-term perspectives.

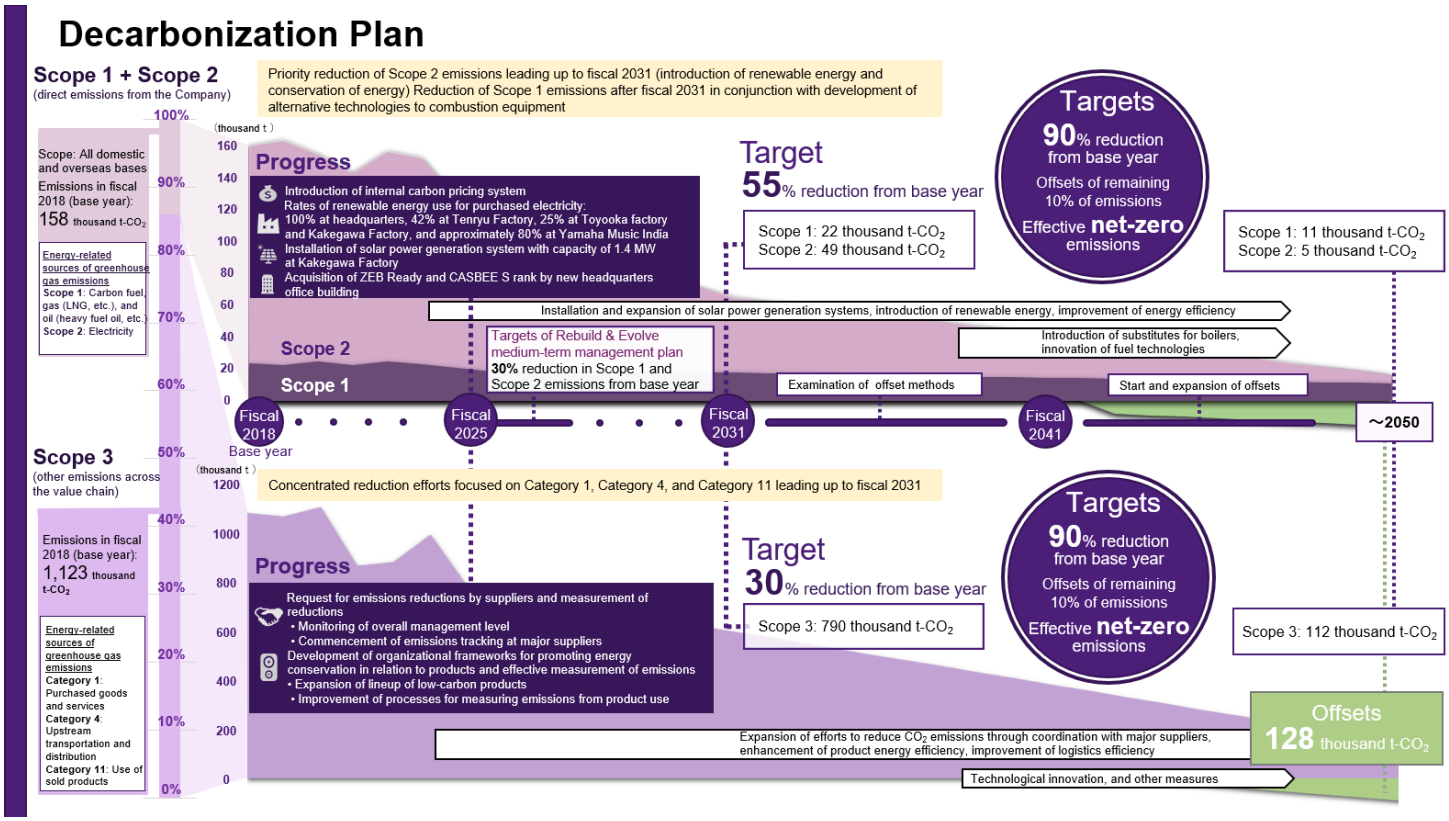
Sustainable use of timber requires consideration for forest conservation and for timber resource volumes. At the same time, it is crucial to contribute to community development through employment opportunities and infrastructure to sustain the economic viability of the supply chain. The Yamaha Group has established a timber due diligence system and conducts surveys via questionaries to assess the place of origin, the legality of harvesting, and the sustainability of purchased timber resources. Based on the results, we perform stricter verification of the legality for timber deemed to represent a high risk by undertaking further investigations including local site visits and assessments by a committee comprised of members of the Timber Procurement Division and the Sustainability Division.

In fiscal 2024, we revised the risk assessment standards used for timber due diligence. As part of this revision, Yamaha established new standards for sustainably sourced timber for use in more rigorously judging the sustainability of timber in May 2023 under the guidance of international environmental organization Preferred by Nature. These new standards were further revised in July 2024. In the past, Yamaha has sought to use sustainably sourced timber by increasing its ratios of use of timber judged to be sustainable by third-party organizations. However, this approach created issues in that it was difficult to judge the sustainability of non-certified timber for species of trees for which the volumes of certified timber available on the market might be quite small. The new standards include due diligence provisions for objectively assessing the sustainability of non-certified timber along with related judgment standards. Yamaha is moving forward with paper audits based on these standards while also conducting on-site audits pertaining to plantation timber produced in Southeast Asia and China to assess and verify the sustainability of timber procured from these areas. Going forward, the Yamaha Group intends to expand its usage of sustainably sourced timber through coordination with suppliers while improving the accuracy of and expanding the frameworks for its due diligence activities by training staff to heighten its assessment skills and facilitate surveys.

For the latest data on metrics and targets, please refer to ESG Data—Environment.

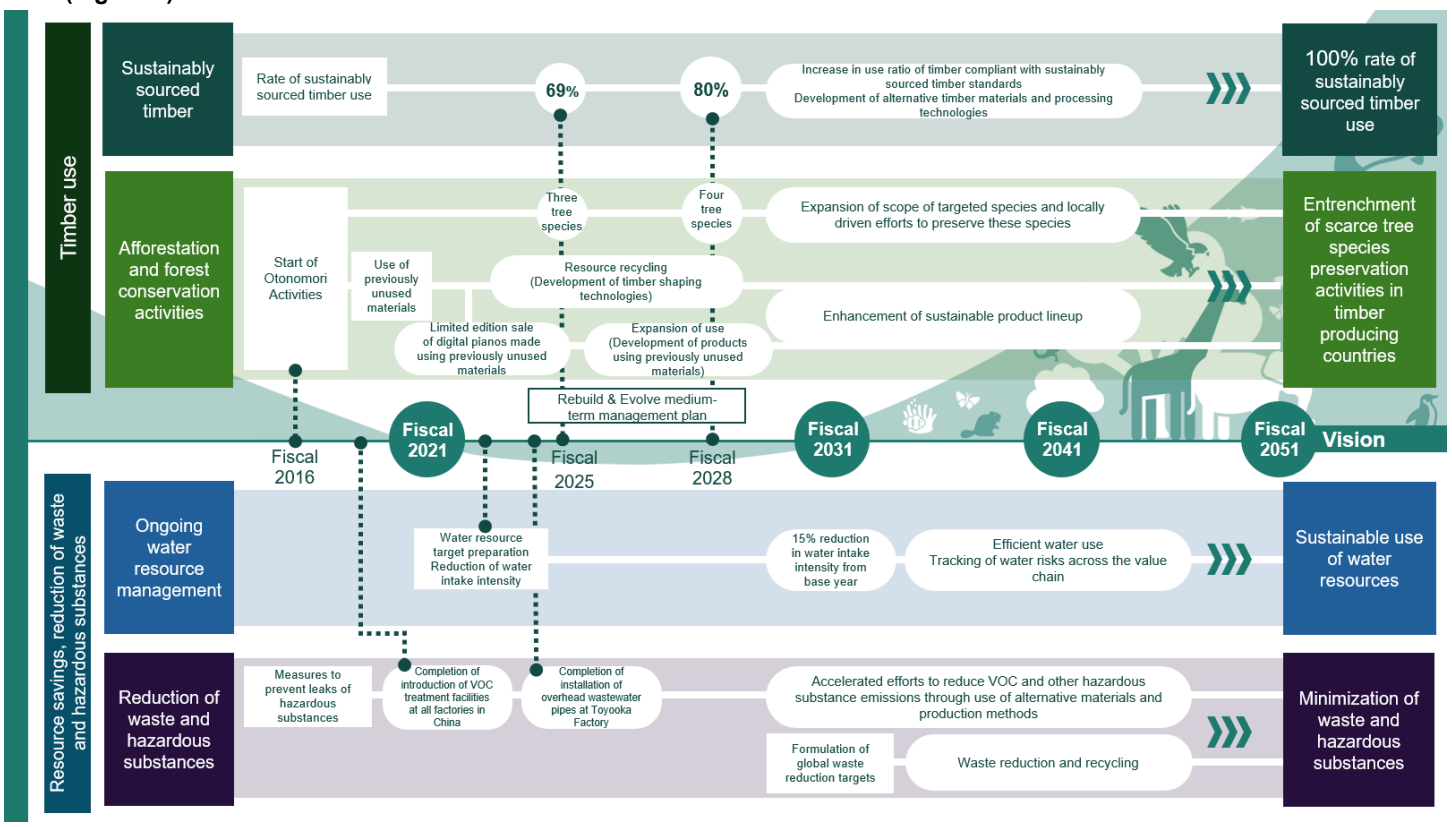
Reductions to CO_2 emissions are managed in a comprehensive manner encompassing the entire Yamaha Group and its supply chains. By pursuing steady reductions in total greenhouse gas emissions (Scope 1, Scope 2, and Scope 3), Yamaha seeks to combat rapid climate change, which is a threat to humanity and to all life-forms on earth, and to contribute to the realization of a decarbonized society (see Figure 3).

(Figure 3) Decarbonization Plan



The Yamaha Group aspires to develop its business in a nature positive manner. To this end, we are examining the impacts of our business activities and products on biodiversity across the value chain and advancing initiatives to minimize adverse impacts (see Figure 4). Forest preservation is an area of particular focus as we seek to use sustainably sourced timber and foster timber suited to use in musical instruments.

(Figure 4) Nature Positive Transition Plan



References

For more information regarding climate change response measures and disclosure based on TCFD and TNFD recommendations, please refer to the following website.
https://www.yamaha.com/en/sustainability/environment/

For more information regarding timber-related initiatives, please refer to the following website.
https://www.yamaha.com/en/sustainability/environment/biodiversity/