

TCFD/TNFD Report

Published June 2026

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 and impact management, and Metrics and 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 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. In addition, based on the [Yamaha Group Timber Procurement Policy](#), the Company takes steps to verify that the logging and transactional processes associated with its procurement of timber do not adversely impact local communities, such as through violations of the rights of indigenous peoples.
- Yamaha is engaged in [Otonomori](#) (Forest of Sound) Activities for promoting the development of sustainable forests together with local communities.

Governance

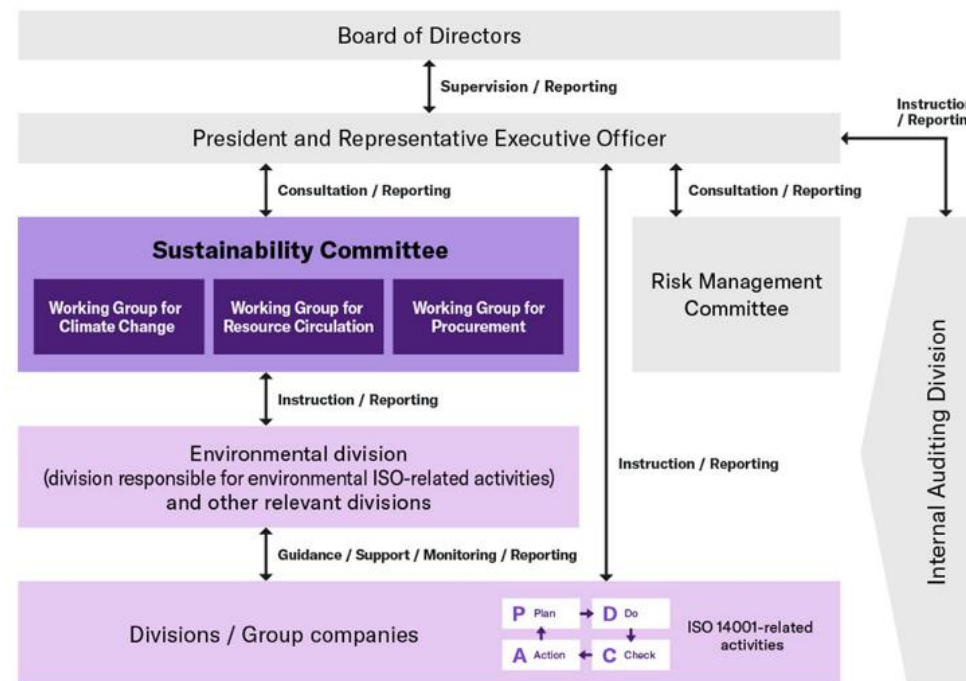
Monitoring and Execution Systems

The Sustainability Committee, which is an advisory body to the President and Representative Executive Officer, 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. The committee is chaired by the President, and its members comprise all executive officers and some operating officers.

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. The Board of Directors receives and reviews regular reports on discussions by the committee and the status of sustainability activities throughout the Group.

[Sustainability Management>](#)

Yamaha Group's Environmental Governance System



Sustainability Committee Activities in Fiscal 2026

Meetings	Major Agenda Items
5	• Review of previous medium-term management plan initiatives and confirmation of disclosures, including those based on TCFD and TNFD recommendations • Progress, results, and challenges in fiscal 2026 • Discussion of direction for each sustainability theme

Environment-Related Working Group Activities in Fiscal 2026

Name	Chairs	Key Themes	Meeting
Working Group for Climate Change	Executive officers or operating officers of Yamaha Corporation	Decarbonization, TCFD compliance, water risk response, etc.	4
Working Group for Resource Circulation		Circular value chains, eco-friendly design, packaging and packing, etc.	6
Working Group for Procurement		Timber due diligence, sustainable timber, Otonomori (Forest of Sound) Activities, supply chain human rights due diligence, conflict minerals, etc.	6

Skills and Competencies

With a view to achieving sustainable growth and improving corporate value, the Yamaha Group places strong emphasis on ensuring that the Board of Directors and members of management possess the skills and competencies necessary to appropriately oversee and address climate-related and nature-related risks and opportunities. Board members engage in dialogue with external experts as needed to incorporate the latest knowledge on key themes, including climate change, natural capital, and human rights.

[Corporate Governance>](#)

Non-Financial Targets Incorporated in Compensation

Non-financial targets 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. Indicators linked to these non-financial targets have been adopted as 12 key performance indicators (KPIs) under the “Rebuild & Evolve” medium-term management plan. While climate-related and nature-related evaluation criteria

are included in some applicable non-financial targets, it is not possible to separately distinguish them. Please see the link below for more details.

[Corporate Governance>](#)

Respect for Human Rights and Stakeholder Engagement

a. Approach to Human Rights

In its Promises to Stakeholders, Yamaha describes its promise to contribute to the development of society and culture. This development 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 International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and through participation in the United Nations (UN) Global Compact as a signatory. At the same time, the Yamaha Group is undertaking initiatives to fulfill its corporate responsibility to respect human rights in line with the UN Guiding Principles on Business and Human Rights.

The Yamaha Group Human Rights Policy was created to clearly demonstrate these approaches to respecting human rights and reflect them in the Group’s business activities. This policy applies to all executives and employees of the Group and serves as a guideline for conducting business activities with integrity and in a manner that respects human rights.

[Human Rights>](#)

[Yamaha Group Human Rights Policy>](#)

b. Human Rights Due Diligence and Grievance Mechanisms

The Yamaha Group implements human rights due diligence for its own business activities based on the Yamaha Group Human Rights Policy, identifying and evaluating any negative impacts on human rights and working to remedy, prevent, and mitigate human rights violations. Regarding suppliers in particular, the Group requests adherence with the Yamaha Supplier CSR Code of Conduct, which sets out requirements for respect for human rights, and conducts monitoring through questionnaires and on-site audits that are implemented based on the code. The Group also participates annually in the Stakeholder Engagement Program of Caux Round Table Japan, where it identifies human rights issues based on the guidance and advice from NGOs and human rights specialists. Accordingly, the Group gains

an understanding of the opinions and expectations of civil society, which are reflected in due diligence.

Furthermore, as part of efforts to establish a grievance mechanism to identify human rights violations in the supply chain and address them through corrective actions and remedies, the Yamaha Group is a member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). The Group accepts consultations and reports filed by parties that include civil society and rights holders through the JaCER Engagement and Remedy Platform.

Initiatives related to respect for human rights are mainly dealt with by the Working Group for Human Rights, DE&I under the Sustainability Committee. The Board regularly receives reports on the progress of human rights due diligence and grievances and supervises these initiatives.

[Yamaha Supplier CSR Code of Conduct>](#)

[Engagement with Stakeholders>](#)

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

We take steps to verify that the logging and transactional processes associated with our procurement of timber do not adversely impact local communities, such as violating the rights of indigenous peoples, 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 and operates under 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.

The Yamaha Group also aims to address these concerns through Otonomori (Forest of Sound) Activities, which are being advanced through coordination with local communities for the purpose of developing sustainable forests to ensure that high-quality timber suited to musical instrument production can be secured in a sustainable manner. We partner with government agencies and academic institutions to advance these activities around the world.

[Yamaha Group Timber Procurement Policy>](#)

[Conservation of Biodiversity>](#)

Strategy

Climate Change and Biodiversity Scenario Analyses

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.

a. 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

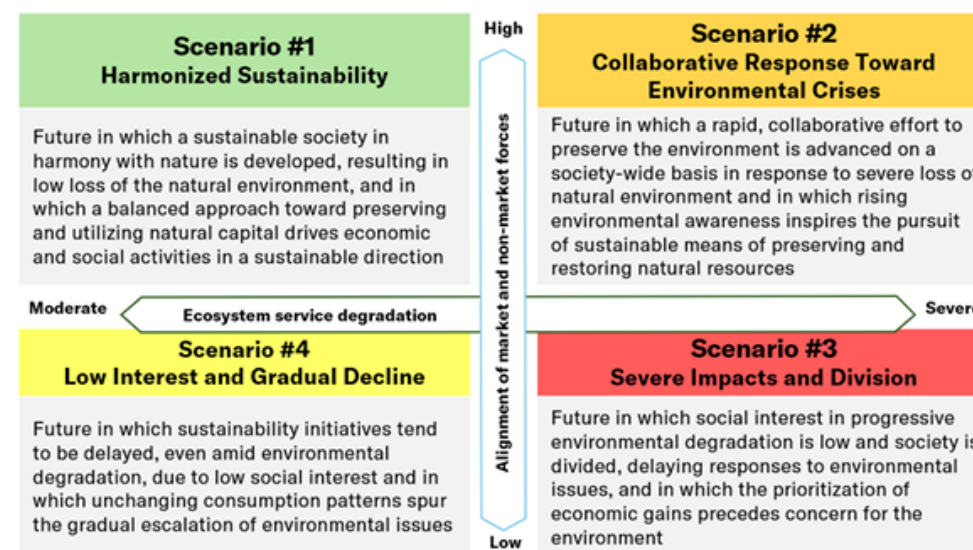
b. Biodiversity

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.

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



Internal Carbon Pricing (ICP) System

The Yamaha Group introduced an ICP system in April 2022 to mitigate climate change risks and to promote management of decarbonization in the medium to long term.

This mechanism is applied to decision-making processes, including capital investments and equipment replacement investments, whereby a notional carbon cost is added to the projected future CO₂ emissions of the relevant assets for evaluation purposes. Accordingly, the aim is to encourage the adoption of energy-efficient equipment and to drive investment in renewable energy generation systems, such as solar power.

The Yamaha Group has established the following ICP system and utilizes it in its decision-making process.

ICP System Outline

Pricing category	Shadow price
Internal carbon price	¥14,000/t-CO ₂

(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 °C global warming scenarios	4°C 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 resources	↗	↗	↗	↗	↗	↗	Impacts	O	Efficiency/resource Product/service Reputation
		Deterioration of timber producing regions	↗	↗	↗	↗	↗	↗	Dependen cies Impacts	R	Physical (chronic)
		Withdrawal of suppliers from forestry businesses	↗	↗	↗	↗	→	→	Dependen cies	R	Transition (policy/legal) Transition (market)
		Timber import restrictions	—	—	↗	↗	→	→	Dependen cies	R	Transition (policy/legal)
		Stable procurement of certified timber	—	—	↗	↗	↗	↗	Impacts	O	Ecosystem conservation 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 conservation		Shortages of water for use in business processes and everyday life	↗	↗	↗	↗	↗	↗	Dependen cies	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 (°C) and Projected Changes in Potential Timber Production Region Environments (%)								
	0.6°C	1.0°C	1.5°C	2.0°C	2.5°C	3.0°C	3.5°C	4.0°C	More than 4.5°C
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°C scenario

4°C scenario

RCP8.5 (4°C scenario)



RCP2.6 (2°C scenario)



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 conservation 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.

Identified Risks, Opportunities, and Responses

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	Carbon pricing	Higher production and procurement costs as a result of introduction of carbon taxes	Implementation of emissions reduction plan focused on exhaustive energy conservation measures and use of renewable energy (reduction of between ¥450 million	Mitigation

Category		Activity area	Potential impacts on business, strategies, or financial plans / Impacts on natural capital	Yamaha's activities	Initiative category
	Medium		Projected increase of between ¥1.0 billion and ¥2.0 billion in Groupwide energy costs leading up to fiscal 2031 without countermeasures	- and ¥900 million in energy cost increase through accomplishment of reduction targets) - Introduction of ICP system to promote investment in low-carbon facilities - Pursuit of emissions reductions through partnership with suppliers	
		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
	O				
	Long				
Sustainable timber use		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 - Conservation 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)	Avoid, Reduce, Restore and Regenerate, Transform
	O				
	Long				
		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	- 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	
	R				
	Medium				
		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				
	Short				

Category		Activity area	Potential impacts on business, strategies, or financial plans / Impacts on natural capital	Yamaha's activities	Initiative category
		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
	R				
	Medium	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 conservation through sustainable timber procurement	Expanded use of certified timber produced in sustainable forests	Reduce
					
	O				
	Long				
Hazardous substances		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 production 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				
	Short				
		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
	R				
	Medium				
Water conservation		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
	R				
	Long				

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 nature-related issues by companies. Yamaha has assessed and analyzed the nature-related issues it faces based on the LEAP Approach.

Scoping

The Yamaha Group develops its musical instruments business, audio equipment business, and others 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. Of the various materials used in the Group's business activities, timber is a key resource that plays a vital role in terms of both volume used and business value and is an indispensable material, particularly in the musical instruments business. The timber used in many musical instruments is a key factor that determines their tone, durability, and quality. Accordingly, initiatives to address our dependency and impacts on natural capital are a crucial part of our business and a foundation that supports 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 nature-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 reaffirmed a particularly strong connection between the timber procurement process and natural capital. Meanwhile, ENCORE analysis indicated that musical instrument and audio equipment production processes were found to have a limited number of areas in which dependence or impact on natural capital is relatively significant. These findings reaffirmed our prior understanding of the strong connection between timber and natural capital.

In addition to these findings, and given that the TNFD requires analysis of direct operations,

we have also conducted assessments of our direct operation sites. From the perspectives of biodiversity importance and water-related risks, we have leveraged internationally recognized tools and data to map their relationships with natural capital. The following section presents, on the basis of these assessment findings, the nature-related risks and relation to biodiversity at direct operation sites, structured in accordance with the LEAP Approach.

a. Water-Related Analysis (Direct Operation Sites)

Locate

In 2025, the Yamaha Group analyzed its direct operation sites (23 sites in total, comprising headquarters, production, and resort facilities), from the perspectives of locations important to nature (sensitive locations) and dependencies on water resources.

In determining sensitive locations, and with reference to TNFD guidance, assessment criteria were established from the perspectives of importance to biodiversity, ecosystem integrity, rapid decline in ecosystem integrity, and water risks. A quantitative evaluation was conducted using external tools and data that are widely utilized internationally. An overview of the assessment criteria, tools and data used, and indicators is provided below.

Assessment Criteria	Tools and Data Used	Summary of Indicators
Importance of Biodiversity	Integrated Biodiversity Assessment Tool (IBAT)	Confirm the proximity of biodiversity conservation areas recognized as being of international importance, including World Natural Heritage sites, wetlands covered under the Ramsar Convention, UNESCO Man and the Biosphere Programme (MAB) sites, key biodiversity areas (KBAs), and International Union for Conservation of Nature (IUCN) protected area categories. Assessment is defined as the area within a 10-km radius of sites where business activities may impact biodiversity.
Ecosystem Integrity	Biodiversity Intactness Index (BII)	An index (0–100) showing the degree to which natural biodiversity has been maintained compared to the ecosystem prior to human impact. Data used in this report is from 2020.

Rapid Decline in Ecosystem Integrity	BII time series data	Confirm changes in BII over time and assess whether rapid declines have occurred in the ecosystem. Current evaluation covers changes between 2010 and 2020.
Water Risks	WRI Aqueduct Water Risk Atlas 4.0 – Baseline Water Stress	Indicator that demonstrates the balance between water supply and demand in an area (five stages ranging from low to extremely high)

Each evaluation criterion was scored on five levels, and sites with an average score of 4.0 or above were designated as a benchmark for sensitive locations.

Meanwhile, this analysis employed each site’s proportion of total water intake relative to the Yamaha Group’s overall water intake as an indicator, with the aim of understanding the potential impact on individual sites in the event of water supply restrictions. Sites with a higher proportion of water intake are defined as having relatively greater dependence on water resources, and therefore as being more susceptible to the impacts of water-related restrictions.

Furthermore, under the TNFD guidance, “locations that are important to a business” are defined as locations where significant nature-related dependencies, impacts, risks, and opportunities are identified across direct operations and upstream and downstream value chains. This indicator captures one aspect of water resource dependency and is not intended to serve as a comprehensive representation of materiality to the business.

Taking these perspectives into account, this analysis sought

to identify priority sites for focused review by mapping out “locations of importance to nature (sensitive locations)” alongside “sites with high dependence on water resources.”

Evaluate

Based on the findings of the Locate step, Yamaha assessed the degree of dependency and impact on nature at direct operation sites.

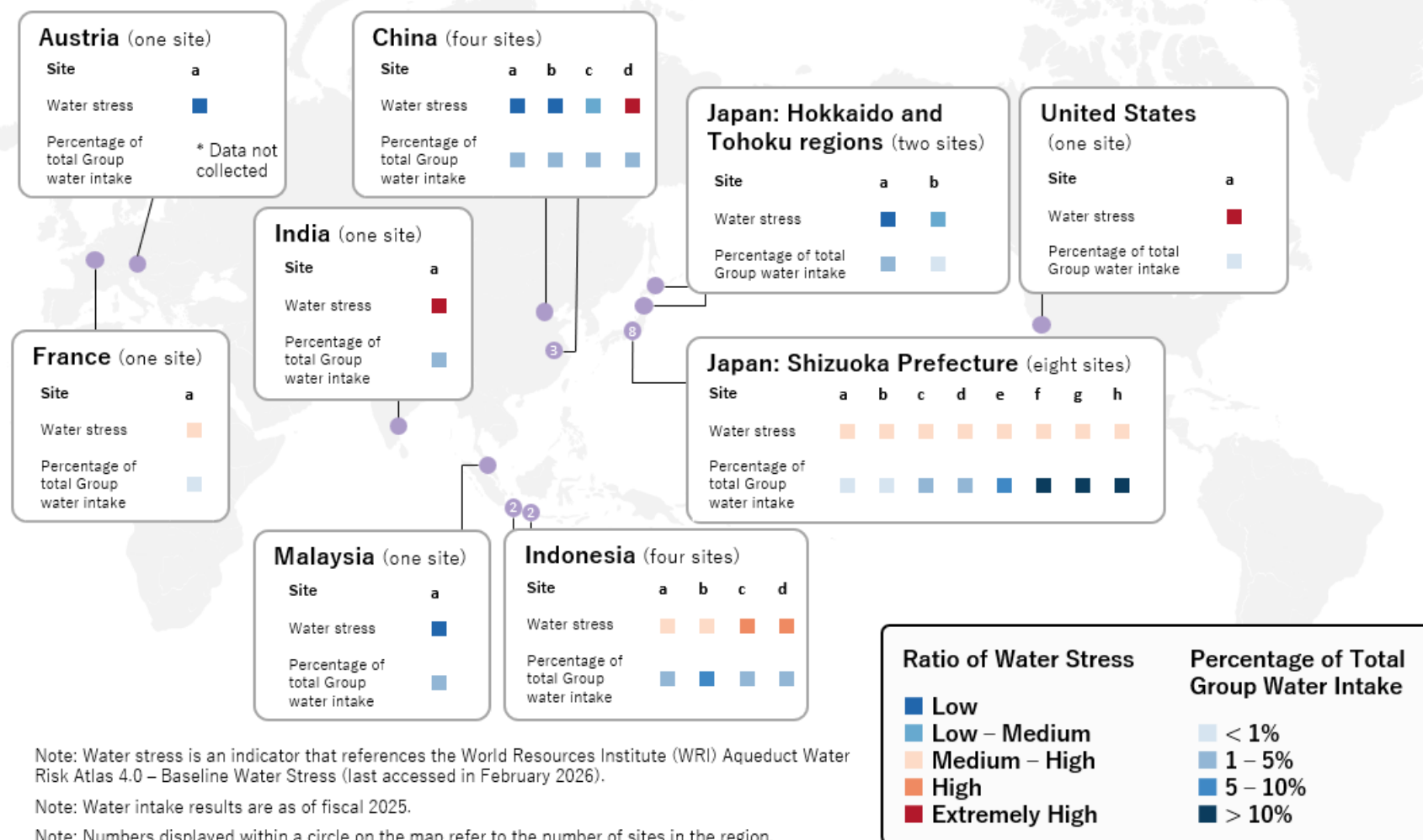
As a result of the comprehensive evaluation of the aforementioned indicators, the average score reached a maximum of 3.25. No sensitive locations were identified as this score did not go above 4.0. Based on these results, Yamaha recognizes that there is a limit to the extent to which the Group’s direct operation sites exhibit a significant dependency and impact on nature from perspectives such as biodiversity importance, ecosystem integrity, rapid decline in ecosystem integrity, and water risks.

From a water risk perspective, Yamaha has confirmed that water intake from areas of high water stress (rated High

[score 4] or Extremely High [score 5]) accounts for approximately 10% of the Group’s total water intake, and that sites located in high water stress areas represent only a portion of the Group’s direct operation sites (see Figure 2). This applies to five sites across China, Indonesia, India, and the United States. Accordingly, Yamaha assesses the possibility of significant impacts on Groupwide operations in the short term to be limited.

Meanwhile, since water resources will become an increasingly uncertain natural capital asset in the future, the Yamaha Group should pay attention to both dependency and impact of sites located in areas of high water stress.

(Figure 2) Water Risks (Water Stress) at Direct Operation Sites and Each Site's Proportion of Total Water Intake Relative to the Yamaha Group's Overall Water Intake



Assess

Building on the findings of the Evaluate step, Yamaha identified nature-related risks and opportunities.

From a risk perspective, physical risks are anticipated at sites assessed as being subject to high water stress (five sites located in China, Indonesia, India, and the United States), including future restrictions on water use, rising water intake costs, and changes in operating conditions. However, as each of these sites accounts for a relatively small proportion of the Yamaha Group's total water intake, the possibility of water-related risks materializing is considered relatively limited in terms of both the scale of water withdrawal and each site's percentage of Groupwide totals.

We do, however, recognize that the magnitude of impact if risks materialize also depends on how critical each site is to business operations and the availability of alternatives. Future impact assessments will need to incorporate these considerations.

Furthermore, taking into account the regional characteristics of each site, we examined not only the level of water stress but also proximity to biodiversity conservation areas.

High water stress sites in China, Indonesia, and India were identified to have no proximity to areas of conservation importance, and their water intake percentages are classified in the lower range. Accordingly, their impact on surrounding natural capital was assessed to be relatively limited.

The site in the United States, while in proximity to a biodiversity conservation area, has an annual water intake of 0.337 thousand m³, which is limited in scale. As such, the impact of water use at this site on surrounding water resources and natural capital is also judged to be limited.

From an opportunities perspective, the Yamaha Group believes that reducing water consumption, improving water use efficiency, and contributing to local water resource management have the potential to enhance operational stability and strengthen trust among stakeholders.

Taking these all into consideration, it has been concluded that, while nature-related risks and opportunities at our Group's direct operation sites currently remain within a manageable range, ongoing monitoring from a medium- to long-term perspective is essential.

It should be noted that this assessment is not intended to directly characterize the impact of the Yamaha Group's business activities on biodiversity, but rather to understand the likelihood of risk materialization in light of regional characteristics.

Prepare

Building on the findings of the above analysis, nature-related risks have been currently assessed to be limited in areas where the Yamaha Group's direct operation sites have been established. However, based on the possibility that water stress will worsen in the future in line with issues such as climate change, the Group is advancing the following water conservation initiatives with the aim of mitigating future risks, particularly at sites located in high water stress areas.

- Continuous understanding and monitoring of water intake and wastewater volumes
- Improving water usage efficiency through the introduction of water-saving facilities and continuous improvement of processes

Case Study 1: Yamaha Music India

Introduction of a closed-loop wastewater treatment facility. Capable of recycling 100% of water from processing to discharge and does not release water outside the site.



Case Study 2: Yamaha Musical Products Indonesia

Introduction of a wastewater treatment facility capable of recycling 60% of water from processing to discharge.



Through these initiatives, Yamaha aims to reduce the dependence and impact on natural capital, while also advancing the strengthening of resilience to future environmental changes. Going forward, the Yamaha Group will continue to monitor changes to the natural environment and water risks, and will review assessments and details of response measures as necessary.

b. Timber-Related Analysis (Upstream of Value Chain)

Locate

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

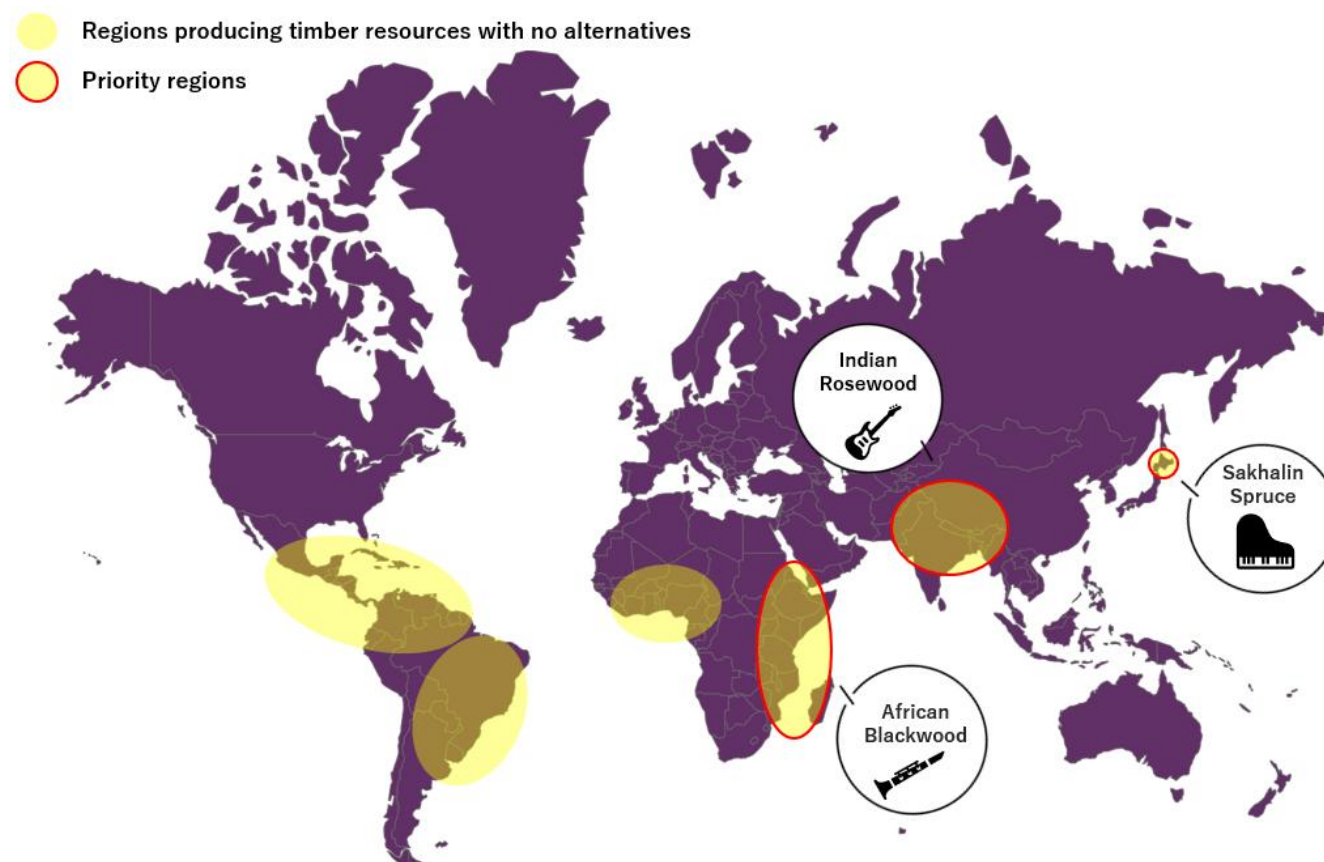
Yamaha has plotted the areas from which it procures timber resources with no alternatives on a world map to identify the priority regions producing particularly important species of timber (see Figure 3).

Evaluate and Assess

The ENCORE tool was once again used in 2025 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.

(Figure 3) Priority Regions for Timber Procurement



(Table 4) Risks, Opportunities, and Yamaha Activities Related to Dependencies and Impacts

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 conserve 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 conservation and function restoration through forest conservation activities Conservation of genetic diversity	Conservation and restoration of forest ecosystem functionality through Otonomori Activities • Conservation of scarce indigenous tree species by creating environments that support natural regeneration • Conservation 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	Conservation of water resources by maintaining healthy forests through Otonomori Activities Support for community development through Otonomori Activities
Regulating & maintenance services	Climate regulation	High	Increased procurement costs or halts to procurement due to decreases in tree numbers as a result of changes in regions suited to timber production because of climate change in regions	Identification of important species and tracking of habitats in which important species are cultivated Conservation 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	Conservation of forest ecosystem functionality by maintaining healthy forests through Otonomori Activities • Identification of important scarce species • Conservation 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	Conservation 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	Forest conservation efforts for maintaining ecosystems and restoring functionality Efforts to preserve genetic diversity	Restoration of forests through Otonomori Activities • Promotion of forest restoration cycle through enrichment planting in forests • Planting of valuable indigenous tree species on former agricultural land
	Ecosystem conservation (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 conservation efforts for maintaining ecosystems and restoring functionality Efforts to preserve genetic diversity	Ongoing cultivation and conservation of functionality of forests through Otonomori Activities • Conservation of scarce species through enrichment planting in forests • Conservation 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	Conservation 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 dependence 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 • Conservation of scarce indigenous tree species by creating environments that support natural regeneration • Planting of valuable indigenous tree species on former 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 conservation 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 conserve 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	Conservation through Otonomori Activities • Development of carbon fixation assessment techniques through forest monitoring • Ongoing cultivation of resources through afforestation and forest conservation 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 conserve and restore indigenous forest vegetation Conservation and improvement of local biodiversity	Conservation 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 former 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 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](#).

*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.

Risk and Impact Management

Yamaha has established the Risk Management Committee as an advisory body to the President and Representative Executive Officer 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 of Yamaha Corporation 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.

[Risk Management>](#)

Metrics and Targets

At Yamaha, reductions to CO₂ 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 planted through tree planting	Cumulative area of African blackwood planted through Otonomori Activities as of fiscal 2026	Disclosure on Yamaha corporate website
C2.0	Pollution/pollution removal	Pollutants released into soil (by category)	Amount of pollutants released into 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
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 (fiscal 2026)
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 the following metrics and targets for use in assessing and managing material climate change- and nature-related dependencies, impacts, risks, and opportunities.

Metrics and Targets

Category	Indicators	Fiscal year set for achieving targets	Targets
Response to climate change	Scope 1 + Scope 2 greenhouse gas emissions	Fiscal 2028	30% reduction from the fiscal 2018 base year
		Fiscal 2031	55% reduction from the fiscal 2018 base year
		Fiscal 2051	Net-zero (90% reduction from the fiscal 2018 base year; residual emissions offset by carbon removal)
	Scope 3 greenhouse gas emissions	Fiscal 2031	32.5% reduction from the fiscal 2018 base year
		Fiscal 2051	Net-zero (90% reduction from the fiscal 2018 base year; residual emissions offset by carbon removal)
Sustainable use of timber	Rate of sustainably sourced timber use	Fiscal 2028	80%
	Promotion of forest cultivation (Otonomori Activities)	Fiscal 2028	1. Plant and preserve 20,000 trees a year in Tanzania 2. Produce and present musical instruments made using Sakhalin spruce in Hokkaido 3. Introduce pilot tree planting project in India 4. Develop preservation model for one species of tree in Latin America
Reduction of hazardous substances	Volume of plastic packaging used (Styrofoam packaging)	Fiscal 2028	25% reduction in weight from the fiscal 2018 base year
	Emissions of hazardous waste	Fiscal 2031	Target to be set
Water conservation	Water intake	Fiscal 2031	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.

Response to Climate Change

Regarding the Yamaha Group's response to climate change, in November 2025 Yamaha received certification for its greenhouse gas emissions targets as net-zero targets based on scientific evidence from the Science Based Targets initiative (SBTi*), an internationally recognized climate change initiative. This certification follows the approval of short-term targets in 2019 and 2021, and incorporates both the short-term targets revised in accordance with the latest standards for the 1.5°C goal of the Paris Agreement, and the long-term targets aimed at achieving net-zero by fiscal 2051. Both sets of targets have been verified and approved by the SBTi. Yamaha regards these long-term targets as a framework for its climate change response measures leading up to 2050, and will steadily advance initiatives aimed at reducing the volume of greenhouse gas emissions while aligning them with short-term and medium-term targets and measures.

Adoption of renewable energy within the Yamaha Group has been expanded to 14 sites across Japan and overseas, with four of these sites sourcing 100% of their electricity from renewable power. In fiscal 2026, the Group sourced 25% of its total electricity from renewable energy sources. Furthermore, Yamaha has introduced solar power generation systems with a total capacity of 12.6 MW in regions including Japan, China, Malaysia, and Indonesia through in-house investments and power purchase agreements (PPA).

Sustainable Use of Timber

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 questionnaires 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. Until these standards were established, Yamaha 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. These standards include due diligence provisions for objectively assessing the sustainability of non-certified timber along with related judgment standards. To date, Yamaha has been conducting on-site audits pertaining to plantation timber produced in Southeast Asia and using them as a base 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 after gaining the understanding of related parties, including supply chain producers and suppliers, while improving the accuracy of and expanding the frameworks for its due diligence activities by enhancing its assessment skills and training staff to facilitate surveys.

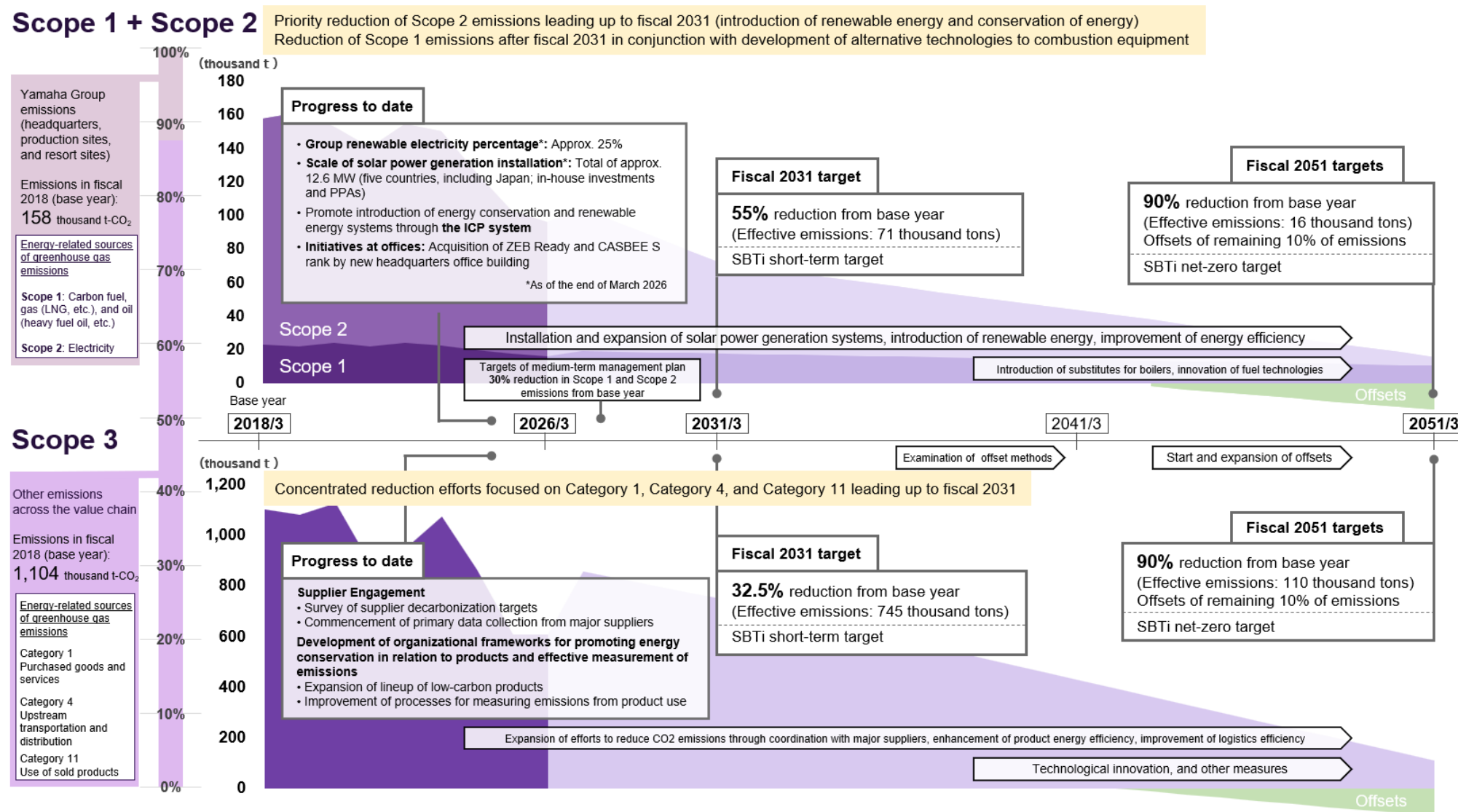
For the latest data on metrics and targets, please refer to [ESG Data—Environment](#).

*6 The SBTi is an international initiative jointly established by the CDP, UN Global Compact, the WRI, and the World Wildlife Fund. It encourages companies to formulate greenhouse gas emission reduction targets based on scientific evidence and assesses and certifies such targets independently to contribute to the accomplishment of the goals of the Paris Agreement.

Transition to a Decarbonized Society

Reductions to CO₂ 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 4).

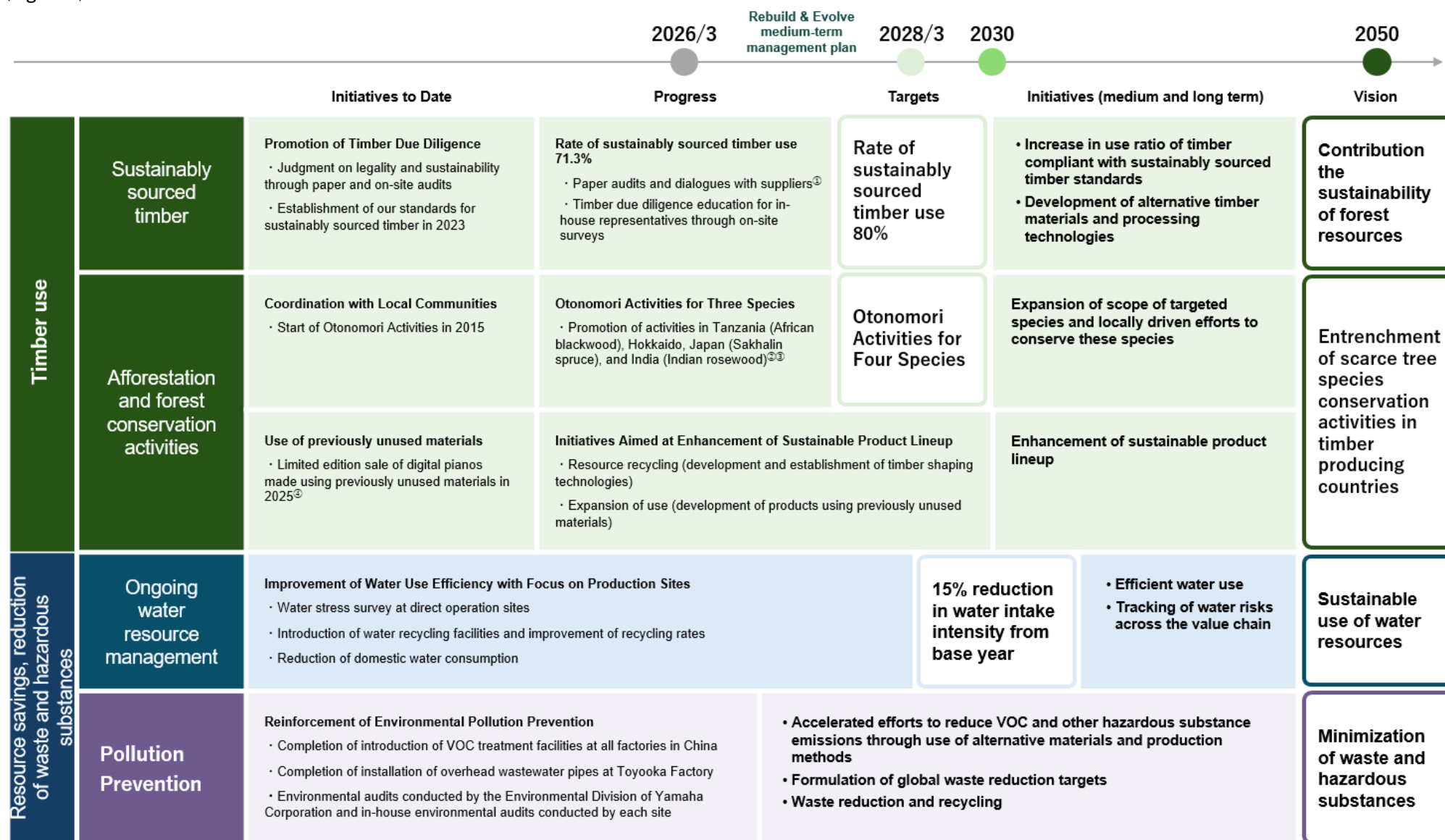
(Figure 4) Decarbonization Plan



Transition to a Nature-Positive Society

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 5). Forest conservation is an area of particular focus as we seek to use sustainably sourced timber and foster timber suited to use in musical instruments.

(Figure 5) Nature Positive Transition Plan



Specific examples

1. Reinforcement of timber due diligence — Supply chain management and engagement

To promote the sustainable use of timber, which is an essential material in musical instrument manufacturing, Yamaha conducts timber due diligence annually, covering all timber procured. In addition, for timber species for which the availability of certified timber in the market is limited, Yamaha conducts sustainability assessments and determinations using the Group's standard for sustainably sourced timber. The conformance rate against these standards stood at 71.3% for fiscal 2026 (of which 59.4% comprised certified timber; both figures are expressed as proportions by volume).

During fiscal 2026, with respect to surveys of North American timber involving a wide-ranging supply chain, Yamaha individually communicated the purpose of this initiative to suppliers and obtained the documentation required for determining sustainability. Through ongoing dialogue with suppliers, Yamaha has shared its approach and policies regarding timber procurement, and there are instances where the Group is working together with suppliers to consider the development of more transparent procurement frameworks. Going forward, the Group will leverage the information gathered to continue advancing timber due diligence in collaboration with its suppliers and supply chains, with the aim of pursuing initiatives that achieve both the conservation of natural resources and the long-term stability of the business.

For more information: [Conservation of Biodiversity](#)
[Promotion of Social Responsibility in the Value Chain>](#)



Timber producer work environment survey



Timber due diligence activities at supplier

2. Otonomori Activities—African blackwood example

African blackwood (*Dalbergia melanoxylon*), an indispensable material for clarinets, oboes, and piccolos, produces a tonal quality that is difficult to replicate with alternative materials. However, resource volume is declining, and the species is classified as “Near Threatened” on the International Union for Conservation of Nature (IUCN) Red List. Under such circumstances, the quality and supply of one of Yamaha's core products, woodwind instruments, are directly affected. Accordingly, establishing a framework for species conservation and stable procurement is a key issue in safeguarding the Group's long-term business foundation. In response, Yamaha has been working in the Kilwa District of Lindi Region in southern Tanzania in collaboration with local NGO Mpingo Conservation & Development Initiative (MCDI) since 2015. Together, the organizations have been implementing community-based forest management aimed at the conservation of African blackwood resources within Forest Stewardship Council (FSC)-certified village forests (community forests).

Sustainable forest management requires the development of autonomous management systems built through collaboration with local communities. In addition to resource management within FSC-certified forests, the Yamaha Group is advancing the introduction of afforestation and resource cultivation processes. This includes in-forest planting (seedling propagation, undergrowth clearing, planting, and conservation of mature specimens) and the conservation of existing populations. By sharing knowledge on the importance of timber resource conservation and the fundamentals of cultivating high-quality timber, we are working to establish planned forest management practices within local communities and build a foundation for the continuous production of high-value-added timber. Furthermore, the Group has constructed nursery facilities (including seedling nurseries, wells, water storage tanks, and pumps) within the villages participating in the MCDI program, and are verifying the operational and technical effectiveness of these installations as a pilot project. As of the end of March 2026, the cumulative number of trees planted has reached approximately 33,000 trees (across four villages, covering approximately 16.5 hectares). This contributes to the creation of employment and income opportunities within the local communities, while also serving as an initiative that supports the long-term stable procurement of raw materials for Yamaha.

The Yamaha Group will continue to collaborate with these communities and work toward realizing a resource cycle designed with the next 100 years in mind.

This initiative received the Japan Wood Design Award 2024 (Social Design Category).

For more information: [African Blackwood](#)
[Preserving the Tones of Yamaha for the Next Generation](#)

Awards Received: [Japan Wood Design Award 2024](#)

Introductory Video: [Sustainable Forest Conservation Project in Tanzania](#)



African blackwood



Reforestation together with local communities



Tree nurseries in village forests

3. Otonomori Activities—Indian rosewood example

Indian rosewood (*Dalbergia latifolia*) is a valuable tree species used in musical instrument manufacturing, employed in the side panels, back panels, and fingerboards of guitars. Since 2022, Yamaha has been conducting investigations primarily in the state of Karnataka in southern India, examining both the local supply chain from forest to logs and instrument-grade timber, and the growth and regeneration status of the species within forest environments. These investigations revealed that, while harvesting and distribution are concentrated in state-owned forests, natural regeneration within those forests is not progressing sufficiently, presenting challenges from the perspective of sustainable resource conservation. In light of these findings, in November 2025 the Yamaha Group entered into a cooperation agreement with Overseas Traders, a company headquartered in Hubli, Karnataka, southern India that is engaged in the harvesting, processing, sales, and import/export of Indian rosewood, primarily for guitar timber. The aim of this agreement is to promote sustainable forest conservation and management. It also seeks to jointly develop a sustainable supply chain spanning from forest resources to final products across both companies' timber operations, while also fostering mutual cooperation in research and development to guide forest conservation aimed at the sustainable utilization of timber resources.

Following the conclusion of the agreement, in collaboration with local research institutions and government agencies, the Yamaha Group has established afforestation trial sites within state-owned forest reserves. These sites cover one hectare in the northern region of Karnataka (Yellapur Forest Division) and two hectares in the southern region (Madikeri Forest Division). Yamaha is also advancing the construction of Indian rosewood nurseries in partnership with Overseas Traders and its affiliated NGO, Aranya Nirani Rosewood Foundation, and is in the process of launching pilot projects for afforestation and resource conservation through collaboration between industry, government, and academia. Under Phase 1 of the agreement, which covers the initial three-year term, Yamaha is collaborating with local partner institutions to advance the development of cultivation techniques for resource recovery, conduct field trials, and investigate topics ranging from regeneration dynamics within

forests to the influence of site conditions on timber quality. By simultaneously pursuing both practical implementation and scientific approaches, the Group is working to establish a forest conservation model that is sustainable and in harmony with local communities.

For more information:

[Indian Rosewood](#)

[Yamaha Teams Up with Overseas Traders to Promote Sustainable Forest Conservation of Indian Rosewood](#)



Survey of trial site



Overseas Traders and Otonomori Project Leader

4. Commercialization of models using unutilized materials—TORCH T01 digital piano

African blackwood⁸ is a scarce timber species vital to instrument manufacturing that has long presented a challenge in that the portions usable as instrument-grade material are limited, resulting in a significant volume of unused wood. Bringing together the values of sustainable use of timber and the spread and development of music culture, Yamaha has developed the concept model TORCH T01 as an endeavor to transform this unused timber into the very keys of a piano. The brand name TORCH embodies Yamaha's aspiration to carry the flame of musical instruments and music culture into the future. By valuing the texture of wood in both the exterior finish and the feel of the keys, the instrument is designed to be cherished over a lifetime.

From a technical standpoint, we have developed wood-resin composite-material keyboards that contain a high proportion of approximately 70% pulverized African blackwood through our proprietary wood flow molding technology⁹. The resulting keys successfully combine performance characteristics that draw on the properties of the materials, including the smooth feel of wood and the non-slip properties afforded by its moisture-absorbing nature. Achieving molding at such a high wood content ratio presents significant technical challenges, and research toward mass production is still underway. However, Yamaha is sharing this achievement through a lottery-based sale of 20 units exclusively within Japan and live demonstrations with the aim of demonstrating the value and potential of this innovation to society at the earliest opportunity.

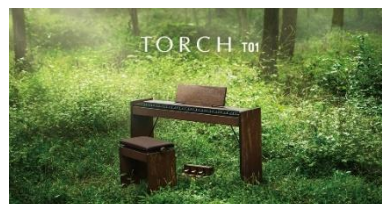
Furthermore, the unit casing forgoes the polyvinyl chloride (PVC) sheet conventionally used, opting instead for a design that allows the beauty of wood to be appreciated in every detail. This includes a wood-based board finished by hand with natural oil, and laser-engraved patterns replicating the bark texture of African blackwood, achieved by applying the Group's automotive interior wood technologies. Designed to be enjoyed through the natural wear that develops with playing and care over time, this is a piano whose character deepens and whose bond with its owner grows stronger with each passing year.

The knowledge and technologies gained through this product development will be applied to the next generation of musical instrument manufacturing and the creation of new value.

TORCH T01 has received the Good Design Award 2025, as well as two internationally prestigious German design prizes: the iF Product Design Award 2026 and the Red Dot Design Award: Product Design 2026.

*8 Known as “grenadilla” in the world of music and musical instruments, this species is widely used in manufacturing the bodies of woodwind instruments such as clarinets, oboes, and piccolos.

*9 Used to flow and shape wood while retaining its natural characteristics, such as acoustic qualities and texture.



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/>

For more information: [TORCH](#)

[Yamaha Releases TORCH T01 Digital Piano with Keys Made from Unutilized Materials — Exclusive Japan-Only Model Exemplifies Sustainable Manufacturing and Effective Wood Use](#)

Awards Received: [Good Design Awards 2025](#)

[iF Product Design Award 2026](#)

[Red Dot Award: Product Design 2026](#)

Introductory Video: [Yamaha TORCH T01 Piano—Look a century ahead as you play \(Japanese audio with English subtitles\)](#)