MESSAGE FROM THE PRESIDENT

Yamaha is accelerating initiatives in response to social change to accomplish its management vision of “Becoming an Indispensable, Brilliantly Individual Company.”

I would like to begin by expressing my condolences for anyone who has lost loved ones to the global COVID-19 pandemic and by extending heartfelt thoughts and prayers to everyone who has been otherwise impacted by this catastrophe.

Operating Environment amid the COVID-19 Pandemic in Fiscal 2021

Yamaha has been unable to escape the heavy impacts of the COVID-19 pandemic, which has continued since 2020. This catastrophe has had a myriad of impacts, both positive and negative, on our products and business activities. For example, the supply shortages seen in the second half of the fiscal year adversely impacted sales growth, creating a situation in which accomplishing the financial targets set forth by the Make Waves 1.0 medium-term management plan for fiscal 2022—its final year—is now unrealistic. Regardless, I am confident that the path we have taken during this crisis has been the right one. In fact, it could be said that we have been brought closer to the future we envisioned as a result of the pandemic. This realization reaffirms the need to further accelerate the initiatives we have put forth.

A positive thing to come out of the pandemic was the creation of opportunities for increased focus on the role of music as people were forced to remain at home and suffer from various constraints. This situation led to strong demand for such Yamaha offerings as digital musical instruments, such as digital pianos and portable keyboards, as well as for guitars and acoustic pianos. By capitalizing on this demand, we were able to help soothe and fulfill people in the midst of this trying reality. As for negative impacts, the area in which we were most affected was our supply chain. Yamaha had decentralized its production and procurement venues as a precaution based on our experience with the Great East Japan Earthquake. However, we had not anticipated a situation in which a pandemic would simultaneously affect countries across the globe, forcing us to stop all of our factories. As a result, we were unable to furnish a sufficient supply for meeting the growing demand, and this is a shortcoming that we must reflect on. Another factor we had not accounted for was how, unlike earthquakes and other natural disasters, which have large immediate damages but see gradual recoveries thereafter, the COVID-19 pandemic is a disaster that persists, with no clear end in sight. The takeaway from this is that we must focus on increasing our resilience going forward, as opposed to merely pursuing cost reductions and efficiency improvements. Increasing resilience will entail a multifaceted approach toward reforming supply chains, including applying more varied inventory policies and installing additional flexibility into production systems.

Yamaha felt the impacts of the pandemic more acutely than other companies because the Company deals in such a wide range of instruments. There was thus a need for us to swiftly implement remote work systems and undertake digital transformation, which prompted us to adopt development, production, and sales methodologies that are innovative within the industry a step ahead of our peers.

Progress in Second Year of Make Waves 1.0 Medium-Term Management Plan

Yamaha is currently in the process of advancing its medium-term management plan that covers the three years spanning from fiscal 2020 to fiscal 2022. Looking back at past plans, the theme of YMP’125 (April 2010–March 2013) was “rebuild business platforms,” the theme of YMP’2016 (April 2013–March 2016) was “increase profitability,” and the theme of NEXT STAGE’12 (April 2016–March 2019) was “increase brand power,” which aimed at taking the Company to a new growth stage. These plans were followed by Make Waves 1.0, the current medium-term management plan. Launched in April 2019 with the goal of furthering us toward the accomplishment of our management vision of “Becoming an Indispensable, Brilliantly Individual Company,” this plan positions its period as the stage in which we should develop closer ties with customers and society and boost value creation capabilities.

As this plan has completed its second year, I would like to take this opportunity to discuss the progress of this plan in relation to Yamaha’s principal businesses and the plan’s four key strategies.
with the development of technologies aimed at delivering new value by synchronizing sound and music across the physical limitations of distance through the union of PA and ICT equipment technologies. These efforts have led to successes in the forms of the SYNCRoad online remote ensemble performance service and the Remote Cheerer powered by SoundUD remote cheering system. These offerings have garnered attention as services matched to the social needs emerging amid the current restrictions on movement of people. Both are at a stage in which we can begin to pursue commercialization. We expect that, even in the new normal that will emerge after the pandemic has subsided, people will retain their desire to connect with others even when physically separated. Accordingly, Yamaha believes that these products will be able to continue contributing to society at large.

Industrial Machinery and Components Business
Start of Production of Automotive Audio Systems
The industrial machinery and components business achieved higher profit due to favorable performance for automobile interior wood components and factory automation (FA) equipment. In addition, we commenced mass production of automotive audio systems in November 2020 following the decision by multiple Chinese automobile manufacturers to use these systems in their products. We were able to receive these orders due to our focus on the growth market of automotive audio systems for the purpose of expanding our business-to-business (B2B) operations in the area of audio, which it should go without saying is an area of expertise for Yamaha. The orders will entail more than the supply of speakers to be installed in vehicles; we will also provide equipment such as amps as well as a variety of solutions related to in-vehicle audio. Furthermore, the launch of vehicles, cutting-edge electric vehicles (EVs) nonetheless, these systems are anticipated to help heighten our brand image.

Develop Closer Ties with Customers
Enhancement of Brand Value through Both Physical and Digital Approaches
Even during the COVID-19 pandemic, we continued efforts to expand and strengthen points of contact with customers through both physical and digital approaches. In Japan, our directly operated musical instrument stores in Ginza and Nagoya were reopened and expanded as experience-oriented destinations. In addition, these stores have posted comments describing the enjoyment the stores offered on social media, indicating that we have been successful in communicating our desired message. Efforts in China included the use of new marketing practices, such as live commerce, an approach toward face-to-face sales that takes advantage of the interactivity of these marketing framework works as also being exported to Japan and other regions. In addition, let me say that we have made strides in penetrating the Chinese market, as indicated by sales growth at physical venues surpassing the targets of our medium-term manage-ment plan. Elsewhere, we set up a proprietary e-commerce website India, which has gotten off to a strong start and is currently enjoying rising access numbers.

Our progress in developing customer data platforms (CDPs) varies by country, but we were still successful in accumulat-ing a certain degree of data, and we have begun using this data for certain applications. Accordingly, we believe we are at a stage in which we can commence more full-fledged utilization of customer data. We also implemented internal measures aimed at creating the foundations for growing lifetime value from customers. Examples of these measures include setting up the Yamaha Marketing University program and arranging skill-enhancing lectures for business divisions. It is common for customers to be awakened to the quality of Yamaha’s musical instruments after actually taking them in hand and playing them. For this reason, physical sales venues will definitely continue to be important going forward. This is also the reason why we have been enhancing our stores and increasing store numbers even amid the pandemic. We also believe that a balanced hybrid marketing approach combining online and offline measures will be crucial in the new normal that will emerge after the pandemic has subsided. Meanwhile, there can be no doubt that we will see a rise in purchases made completely through e-commerce, with the buyer never actually taking an instrument in hand before the purchase. For many customers making such purchases, the reliability of the Yamaha brand will certainly be a source of reassurance. Fortunately, the Yamaha brand has grown into a significant source of strength for us today. I also recognize that we must continue to refine this brand going forward. Ongoing effort will be imperative for this purpose, and we therefore intend to advance our current strategies in a continuous and accelerating manner.

Create New Value
Combination of Yamaha’s Distinctive Technologies and Sensibilities
Yamaha’s successes in creating new value in fiscal 2021 included the aforementioned digital saxophone as well as the Charlie™ communication robot, which communicates via singing. In addition, the ADEcia comprehensive remote conferencing solution is an example of a product that responds to the new needs arising in response to the COVID-19 pandemic. This solution is making large contributions to flexible workflows and comfortable communication in preparation for the new normal to be seen after the pandemic. Meanwhile, SYNCRoad and Remote Cheerer powered by SoundUD received incredibly positive responses from users in the verification test phase. These offerings help address contemporary social issues, namely the need to connect with people while avoiding physical contact. If we can just clear the quality hurdles, primarily by improving the precision of their technologies and fixing any defects, I am confident that these solutions will become commercially viable. Another area in which we anticipate future growth is Yamaha brand automotive audio systems. In this area, we will supply solutions related to automotive audio and to engineering design to ensure faithful recreations of the tones of instruments by speakers, amp, and signal processing equipment. We thereby hope to deliver inspiring experiences that allow users to enjoy the pinnacles of music quality in their vehicles.
Yamaha has accumulated significant insight through its ongoing involvement in basic research from the material level. We are thus poised to combine our diverse technologies and sensibilities to create new value for the digital society in the post-COVID-19 era and to improve lifetime value for customers. Going forward, we will continue proactive R&D investments aimed at creating new value by combining the strengths of our technologies and sensibilities.

Enhance Productivity Pursuit of Increased Profitability Capitalizing on High Levels of Value

We are targeting a net cost reduction of ¥5.5 billion over the three-year period of the medium-term management plan. We made smooth progress in fiscal 2020, the first year of the plan, with cost reductions totaling ¥2.0 billion. In fiscal 2021, however, we prioritized the maintenance of production functions in response to supply shortages, and cost reduction efforts did not proceed as planned as a result. Nonetheless, the fact that we did not experience a significant rise in costs, despite this situation, should be seen as a positive development. In this manner, rather than rigidly adhering to a policy of cost reduction going forward, we intend to emphasize the resilience of our supply chain. As one facet of these efforts, we are working to cut fixed costs by tightening our belts while remaining cognizant of the need to incur levels of cost that are appropriate for each application. Our initiatives amid the COVID-19 pandemic will no doubt prove to be beneficial after the end of the pandemic. We therefore expect that profitability improvements will accelerate over the medium to long term.

In regard to price optimization, we are past the phase of uniformly raising selling prices to more appropriate levels. Now, we are in a phase in which we need to supply products that offer new forms of value and to receive levels of compensation matched to said value. The TH05DAiWireless amplifier for guitars mentioned earlier is one example of such a product. This product costs roughly three to five times more than preceding products with similar applications. However, it has been incredibly popular among customers regardless of this price tag. Increases in costs, such as those for parts, are of course one factor behind the higher price tag. More significant, however, is that these products provide new value based on unprecedented concepts, and that customers have recognized this value. We will continue to build upon this approach going forward with the aim of making Yamaha an even more profitable company.

Contribute to Society Through Our Businesses

Establishment of the Sustainability Committee

Based on the belief that the creation of social value will in turn generate corporate value, Yamaha seeks to contribute to the resolution of social issues and to the accomplishment of the SDGs through its business. With this focus, fiscal 2021 became a year in which we were once again reminded of the power of music. For example, we have been advancing the School Project for some time now, and we had worried that the limits on face-to-face interaction imposed in response to the COVID-19 pandemic would impede the progress of this project. Quite the contrary, the services we offer through this project remained in strong demand, and the total number of participants thus climbed past 710,000 in fiscal 2021, the second year of our medium-term management plan, putting us well within sight of the plan’s three-year target of one million participants. This result exceeded our expectations, all the more impressive given the pandemic, highlighting the strong desire people feel for music.

In January 2021, we established the Sustainability Committee as a body through which management can directly monitor Companywide sustainability initiatives. In addition, we set up five theme-specific working groups under this committee—the Working Group for Climate Change, Working Group for Resource Circulation, Working Group for Procurement, Working Group for Human Rights, D&I, and Working Group for Cultural Contributions. These organizations are tasked with discussions based on our sustainability priorities (materiality) for the purpose of fostering Groupwide sustainability awareness. Our sustainability priorities are revised periodically. In these revisions, we seek to identify issues that better account for the unique characteristics of Yamaha so that these issues can be a central focus of future business activities. Moreover, our intent is not to attach such contributions at the heart of our management in order to transform internal thinking. One area of these contributions is the fight against climate change. Issues in this area have the potential to seriously impact the scarce timber used in our products. For this reason, our initiatives for combating climate change go beyond the expected efforts to pursue carbon neutrality by preserving forests and supporting forestry cycles; we are also developing materials that can be used in place of scarce timber. These efforts require us to call upon Yamaha’s exceptional technological prowess. Yamaha stands out among other musical instrument manufacturers from around the world in that it has a particularly strong obligation to help address social issues through the use of technology. Looking ahead, it can be expected that a sustainability perspective will be more important than ever in realizing our management vision of “Becoming an Indispensable, Brilliantly Individual Company.”

Sustainability is not a pursuit to be limited to certain groups of people. The Sustainability Committee and the working groups are, at the end of the day, merely forums for discussing and formulating measures. In actually advancing these measures, it is important for management and all other employees to pool their wisdom to ensure we can move forward in this area.

Never-Ending Pursuit of New PINs for Corporate Governance

Since the transition to the Company with Three Committees (Nominating, Audit, and Compensation) structure described in the Companies Act of Japan in 2017, Yamaha has continued to strengthen oversight with a Board of Directors membered by a majority of outside directors. We welcomed a new outside director after receiving approval at the General Shareholders’ Meeting held in June 2021, meaning that membership of the Board of Directors currently stands at two inside directors and six outside directors, making for the same composition as we had in June 2020. In addition, we call upon the services of external experts when conducting the annual evaluation of the Board of Directors’ effectiveness. The Board commits to pursuing improvements with regard to any issues identified, and these improvements are positioned as a priority in the following year in order to drive steady, year-by-year progress.

In 2020, we established the new position of audit officer. Audit Committee members have held a positive opinion of these new officers, and their benefits are already appearing. Our Audit Committee is comprised exclusively of outside directors designated as independent directors in order to improve its objectivity and strengthen its oversight function. This arrangement and the resulting lack of full-time members of the Audit Committee, however, has created issues with members facing difficulty in collecting information. The position of audit officer was created to rectify these issues.

Audit officers differ from executive officers and operating officers and have the same authority of the corporate auditors of the past. Among other duties, these officers are tasked with supporting members of the Audit Committee. Furthermore, we have expanded the staff of the Internal Auditing Division by appointing more appropriately skilled human resources based on recommendations from members of the Audit Committee stating that this division needed to be made stronger.

We also recognize that the cultivation of successors for management positions is a crucial element of corporate governance. The Nominating Committee is developing frameworks for identifying and evaluating individuals with the potential to become such successors. In addition, framework works are being created for ensuring objectivity by contract- ing third-party institutions to perform 360° evaluations of these individuals, allowing for the amassed evaluation data to be shared within the Company. Our human resource base is structured in levels, starting with the president and spreading out to executive officers and so forth. We are now at a stage in which outside directors are evaluating junior employees. In addition, the Board of Directors has implemented a program for fostering future management candidates and arranges forums for discussion and engagement with these candidates. In selecting candidates for the position of president, we consider qualities that are commonly sought for such
Rising Importance of Employee Engagement

In fiscal 2022, there are two matters I want to emphasize in light of this being the final year of the current medium-term management plan and to ensure the smooth start of the next medium-term management plan. The first is the aforementioned Companywide entrenchment of sustainability awareness. The second is the creation of an open corporate culture in which everyone respects one another.

The COVID-19 pandemic provided an opportunity for us to reexamine how people work. I do not feel that there is a need for us to choose between remote work and office commuting. Rather, I think that each individual should be able to choose their ideal workstyle based on their rank and circumstances. In Japan, we formerly introduced a remote work system in October 2020, and we intend to continue offering workstyles that use both remote work and office commuting even after the pandemic has subsided. Incorporating remote work requires us to transition from the prior membership-type systems to job-type systems. Moreover, we will need to implement flexible measures based on the labor laws of each country of operation, rather than uniformly applying the same rules. I also expect that we will see changes to our evaluation and compensation frameworks. Yamaha has continued to implement gradual, yearly changes to its human resource systems based on a contemporary view of work-life balance. However, we have now entered into an era in which we are pressed to develop completely new systems based on new ways of looking at human resource management.

Systems are, of course, important. However, what I want to emphasize even more is employee engagement. In an awareness survey submitted to all employees in 2020 indicated, we received write-in comments to open-answer questions from an astounding 6,500 employees. I read each of these comments, which opened my eyes on a lot of matters.

As for risk management, we prepare risk maps that categorize risks and quantify the degree to which we are currently prepared to mitigate these risks, based on which we prioritize the risks to be addressed. These risk maps are revised on an annual basis. The fiscal 2021 revision included raising the rating of procurement risks. Up until now, we have faced no particular obstacles to procuring parts. Accordingly, procurement risks were rated to be small in terms of both impact and frequency. However, the COVID-19 pandemic made the importance of supply chain resilience painfully clear, prompting us to raise the impact rating for procurement risks to large.

Another important priority is compliance. I have frequently communicated our stance of staunch opposition toward harassment and all other compliance violations, and we have sought to foster a corporate culture of compliance starting with reforms to the mindsets of individual employees. At the same time, we have developed rigorous systems for ensuring compliance. In Japan, we have been steadily moving forward with initiatives including online awareness-raising programs and the expansion of external consultation venues. Globally, we have completed the installation of compliance helplines, and will devote steadfast effort to improvements by means such as fostering awareness regarding helplines, developing manuals, and implementing ongoing employee education programs.

In Closing

We have six months left in the Make Waves 1.0 medium-term management plan. We are making steady progress in initiatives based on the plan’s four key strategies. However, as I stated earlier, the accomplishment of the plan’s financial targets is no longer realistic. Accordingly, fiscal 2022 will be positioned as a period for recovering to the state seen before the COVID-19 pandemic and for preparing for the next medium-term management plan. Regardless, I am convinced that the path we have walked these past few years has not been mistaken. I therefore do not feel that we need to change the course of our Companywide strategies. Quite the contrary, we should accelerate these strategies. The operating environment seen in the second half of fiscal 2021 made it apparent that the demand for Yamaha’s business, although currently slumping, will return, making it different than the types of demand that cannot be expected to recover to pre-COVID-19 levels, like business-related transportation. I also see hope for the future in the resilient of the shares of another major musical instrument manufacturer on the stock exchange as this development represents increased interest for our industry from capital markets and demonstrates that the industry as a whole is regaining its vigor.

Yamaha is a company that provides musical instruments and audio equipment. These items may not be daily living necessities, but I believe that they are human necessities. Even amid the upheaval caused by the pandemic, people sought our products. This reaffirmed my belief that Yamaha’s products are indeed necessities. If Yamaha can continue to supply products and services that enrich people’s lives by fulfilling their most fundamental needs, the need to feel as though one is living a life of human dignity, it will certainly be able to contribute to society while growing itself.

I look forward to increasing the range of opportunities I have to engage with shareholders, investors, and other stakeholders through online and other venues. I would also like to ask our stakeholders for their continued support going forward.

September 2021

Takuya Nakata
Director, President and Representative Executive Officer
During the first half of the fiscal year, and as we suffered from increases in store closures, activity restrictions, and subsequently reduced demand once again down as the pandemic spread on a global scale, resulting in a down quarter. In fiscal 2021, the second year of the plan, sales and profit were as well as the impacts of the COVID-19 pandemic felt in the fourth quarter. In fiscal 2009, prior to the start of YMP125, but then climbed to ¥56.0 billion, with an operating income ratio of 12.8%, in fiscal 2019. This amount was ¥13.8 billion, with an operating income ratio of 3.0%, in fiscal 2009, prior to the start of YMP125, but then climbed to ¥56.0 billion, with an operating income ratio of 12.8%, in fiscal 2019. This increase was achieved in conjunction with structural improvements to profitability. Particularly large contributions to the improvement of equipment business and sluggish growth in sales of professional equipment. Meanwhile, asset efficiency issues were faced in terms of inventory, and the third year. In fiscal 2013, 2016/3, 2019/3, 2022/3.

### Review of Prior Medium-Term Management Plans

Over the nine-year period encompassing the previous three medium-term management plans—YMP125 (April 2010–March 2013), YMP2016 (April 2013–March 2016), and NEXT STAGE 12 (April 2016–March 2019)—Yamaha undertook the selection and concentration of its diversified businesses to focus more on its core businesses centered on sound and music while also reinforcing the growth foundations of these core businesses. Net sales growth over this period was relatively flat as a result of the declines associated with the withdrawal from businesses as part of our concentration on core businesses combined with the impacts of substantial yen appreciation. Conversely, a massive increase was seen in operating income, which amounted to ¥13.8 billion, with an operating income ratio of 3.0%, in fiscal 2009, prior to the start of YMP125, but then climbed to ¥56.0 billion, with an operating income ratio of 12.8%, in fiscal 2019. This increase was achieved in conjunction with structural improvements to profitability. Particularly large contributions to the improvement of profitability came from our exiting unprofitable businesses through the process of concentrating on the musical instrument and audio equipment businesses, consolidating and reorganizing factories in core businesses, and moving toward a business model in semiconductor operations. Other major profitability improvement factors included our strengthening development, sales, and marketing foundations by transitioning from business-based organizations to function-based organizations as well as the resulting improvements in value levels achieved by integrating technologies, continuously reducing manufacturing costs, and optimizing processes. Furthermore, we established the Innovation Center and conducted strategic growth investments for constructing two new overseas factories under NEXT STAGE 12, the previous medium-term management plan. The key strategies of NEXT STAGE 12 progressed more or less as intended, and we were able to achieve the targets of this plan. However, the plan also revealed business segment issues related to delays in addressing changes in demand for original products in the audio equipment business and sluggish growth in sales of professional audio (PA) equipment. Market segment issues were also identified, namely struggling growth of sales in emerging markets, where we were facing unfavorable progress in developing operating foundations. Meanwhile, asset efficiency issues were faced in terms of difficulty in identifying opportunities for strategic investment. We continue to address these issues under the current medium-term management plan.

### Progress of Make Waves 1.0 Medium-Term Management Plan

In the first year of the Make Waves 1.0 medium-term management plan, sales and profit were down due to negative foreign exchange influences as well as the impacts of the COVID-19 pandemic felt in the fourth quarter. In fiscal 2021, the second year of the plan, sales and profit were once again down as the pandemic spread on a global scale, resulting in store closures, activity restrictions, and subsequently reduced demand during the first half of the fiscal year, and as we suffered from increasing serious difficulties in procuring components in the second half of the fiscal year due to ongoing restrictions on production activities in Indonesia and other countries as well as a fire at a semiconductor supplier. Even amid this adversity, the development of highly unique products moved forward as planned. In addition, we made steady progress in the measures of the medium-term management plan, including the reformation of customer data platforms (CDPs), next-generation supply chain management (SCM) systems, and processes as well as other digital transformation initiatives; the improvement of rates of certified timber use; and the transition to renewable energy for 100% of the electricity purchased at our Company headquarters.

### Analysis of Impacts on Operating Environment

Environmental Changes That Majorly Impact Yamaha and Related Growth Factors and Strengths

As the industrial structure changes rapidly due to the acceleration of digitalization, we are now able to form closer ties with our customers. Additionally, with remarkably enhanced levels of convenience realized through AI and the IoT, we find ourselves entering an era where there will be a greater demand for emotional satisfaction and authenticity. We are also seeing an even greater social awareness of sustainability. These operating environment changes are indicative of wide-ranging growth areas in which Yamaha is primed to capitalize on the technologies and foundations it has developed thus far.

- Long-cultivated, cutting-edge digital technologies
- Scientific insight on sensibilities
- Provision of emotional satisfaction through the unique strength of combining technologies and sensibilities
- Progession of direct digital marketing
- Utilization of advanced materials technologies
- Initiatives toward sustainable timber procurement
- Initiatives to help resolve social issues through sound and music

### Assumptions of Our Outlook for the Future Business Environment (Megatrends)

| Financial Results | Make Waves 1.0 Final-Year Targets (Initial Targets) | (Forecast*) |
|-------------------|-----------------------------------------------|-----------|
| EPS               | ¥21 | ¥169 | ¥241 | ¥222 |
| ROE               | 1.9% | 10.1% | 11.4% | 11.1% |
| Operating profit  | 2.5% | 9.3% | 12.8% | 12.1% |
| Operating income* / Core operating profit (%) | 12.8% | 12.1% | 11.8% | 11.2% |
| ROE               | 1.9% | 10.1% | 11.4% | 11.1% |
| EPS               | ¥21 | ¥169 | ¥241 | ¥222 |

*1 The Company employed IFRS standards until fiscal 2018 and IFRS beginning in fiscal 2019.
Major Medium-Term Management Plan Measures for Accomplishing Our Management Vision

We established a new value creation story that serves as our approach to realizing the management vision (medium- to long-term vision) that we adopted under the previous medium-term management plan, NEXT STAGE 12.

### Management Vision

**Becoming an Indispensable, Brilliantly Individual Company**

- Boost brand power to become a highly profitable enterprise (Core operating profit ratio 20%)
- Develop closer ties with customers and society, and boost value creation capabilities

### Paths to Improving Core Operating Profit Ratio

- Raise core operating profit ratio to 14% level and aim for further increase
- Market Leader (top global positioning)
- Overwhelming market presence
- Unique Products and Services
- True Yamaha spirit

### Basic Strategy

In a world undergoing major changes at a rapid pace, we will develop closer ties with customers and society, and boost value creation capabilities.

#### Management Objectives

| Financial targets (J-GAAP) | Core operating profit** ratio* | ROE** | EPS** |
|---------------------------|-------------------------------|--------|-------|
| Core operating profit** ratio* | 13.8% | 11.5% | ¥270 |

#### Non-financial targets

- Corporate brand value** +30%
- 1 million people for music popularization for learning musical instruments in emerging markets (cumulative total)
- Certified timber use 50% of total use
- Investment and shareholders' return Balanced allocation to investment in growth and return to shareholders
- Total return ratio 50%

#### Evaluation of Growth capacity - ESG initiatives, etc.

**Corporate value: ¥1 trillion +

**Note:** Based on the impacts on the operating environment from the COVID-19 pandemic, the consolidated performance forecasts for fiscal 2022 announced at the financial results briefing for fiscal 2021 held on May 10, 2021, call for a core operating profit ratio of 11.8%, ROE of 10.0%, and EPS of ¥233. These forecasts assume foreign exchange rates of U.S.$1 = ¥105 and €1 = ¥125.

### Four Key Strategies

1. **Develop closer ties with customers**
2. **Create new value**
3. **Enhance productivity**
4. **Contribute to society through our businesses**

We will leverage our unique strengths to increase our core operating profit ratio to the 14% level over the three years of the plan, with the overall goal of becoming the highly profitable enterprise described in our management vision.

- **Focusing on achieving the goal of becoming a highly profitable enterprise defined in our medium- to long-term vision, or management vision, we set a goal of increasing our core operating profit ratio to the 14% level over the three years of Make Waves 1.0. While providing unique products and services that cannot be imitated by our competitors, we will achieve a leading position in the market by leveraging our strengths, such as our tremendous market presence and high market share. We will also work to optimize pricing. In these ways, we will further enhance profitability.**

We will create customer value by developing closer ties with customers and offering them new value. We will also increase our profitability by enhancing productivity. Furthermore, we strive to contribute to society through our business activities, which we believe will lead to improvement in corporate value over the medium to long term.
Achieve growth in emerging markets
Broader, Deeper, and Longer

Communicating Brand Appeal through Brand Promise
To Make Waves with our customers, we will offer original products and services that exceed their expectations. We will also leverage our brand promise to engage in communication with customers around the world as we work to become a brand that customers admire and cherish. In these ways, we aim to develop broader and longer ties with our customers.

Reinforce Customer Interface
Deeper, Longer

Achieve Growth in Emerging Markets
Broader

Growth in China
Aiming for 25% Growth over the Next Three Years through Sales Network Expansion and Brand Promotion
Achieve Market Growth and Share Expansion
In the Chinese market, Yamaha is known as a brand admired by many, which has helped us attain a high market share and realize a high level of profitability. In addition, the growth rate of the market itself in China has been strong for many years. Going forward, we will achieve a sales growth rate that surpasses the rate of this strong market growth and further expand our market share through such initiatives as promoting the strength of our products and brand, expanding our sales networks, and pursuing digital marketing.

Boost Product Power
In the Chinese market, we will roll out China-specific models based on local needs, expand sales of high-value-added products made in Japan, and supply pianos made in Indonesia. In these ways, we will move forward with proposals that meet customer needs through a diverse product lineup.

Realizing Growth in India, ASEAN, and Other Markets
Aiming for 50% Growth over the Next Three Years in the Indian Market by Engaging with Middle-Income Earners through the Expansion of Sales Networks and Introduction of Local Models
Expanding Sales Networks and Launching E-Commerce Sales (India)
The market in India is expected to continue to grow in the future. In this market, we will expand our sales networks primarily in cities with over one million people. Additionally, we will leverage e-commerce and individual delivery to cover areas where we do not have physical stores.

Integration of Manufacturing and Sales Operations and Offering of Products Suited to Local Music Culture (India)
Our newly constructed Chennai Plant began shipping products in April 2019 and has been gradually increasing its production capacity since. Going forward, by realizing integrated manufacturing and sales operations, we will promote the production and sale of products that incorporate the local needs of customers in the Indian market.

Focusing on Store-Based Measures and Use of E-Commerce
Following the rise in income levels in emerging countries, there has been a rapid increase in middle-income earners who are purchasing educational, hobby, and luxury products more frequently. In response to this trend, we will expand stores that emphasize hands-on experiences and communicate the high-quality value we offer. We will also utilize e-commerce to establish omnichannel sales that cater to local customers. In these ways, we will strengthen our approach to middle-income earners.

Developing Local Models Catered to Local Music Cultures
We will strive to expand our customer base through the development and sale of models equipped with local musical instrument sounds reflecting local music cultures in regions such as Asia, the Middle East, Africa, and Latin America.

Promotion of Musical Instrument Education and Developing New Markets
As of March 31, 2019, we have provided a cumulative total of approximately 260,000 children with instrumental music education within their school education. Going forward, we will expand this provision to cover a cumulative total of one million children in seven countries. Through these activities, we will seek to understand and analyze the conditions of music-related activities in the markets of Asian and African countries, thereby developing new markets.

Expand Business Domains
Broader

Commercial Audio Equipment: Realize 30% growth over three years
We will pursue a full-scale expansion into commercial audio equipment domains including not only the live performances and music events but also in churches, concert halls, retail spaces, and corporate conference rooms.

Review of Fiscal 2021
In fiscal 2021, we advanced physical and digital initiatives to develop customer experience frameworks and customer data platforms (CDPs) that will create opportunities for customers to form a connection with Yamaha. To communicate our brand value, we renovated our Ginza and Nagoya locations to make them into experiential spaces that provide a diverse range of music experiences for creating connections with new customers. In addition, we sought to communicate Yamaha’s value via the internet through increased use of social media to respond to the growth in digital customer contact points that use the internet as a medium. These efforts were also linked to increased business through our physical locations. At the same time, we accelerated the expansion of e-commerce sales, the utilization of the new sales approach for commercial audio equipment, and various other initiatives. Meanwhile, steps were taken to develop customer data platforms to improve lifetime value. Specifically, we commenced data collection and partial use of this data and made progress in testing the full-fledged utilization of said data. In emerging countries, Yamaha expanded its e-commerce sales channels in India and advanced the School Project centered on Egypt, thereby moving forward with the development of foundations for growing musical instrument demand in the future. Progress was also made in broadening Yamaha’s business domain through the expansion of our operations in the personal audio field following rises in our brand recognition in the headphone and earphone market. Another factor driving the broadening of our business domain was the shift toward comprehensive in-vehicle solutions achieved by winning contracts to have Yamaha brand in-vehicle audio systems installed in the vehicles of Chinese automobile manufacturers.

AV Products: Transform our business portfolio
We will realize growth by shifting product lineups toward the personal audio domain, such as wireless speakers, to accommodate changing lifestyles.
We will create new value by leveraging our unique strength of combining technologies and sensibilities. Based on the changes occurring around the world and the feedback we have received from customers, we will provide unique products and services to our customers by making full use of our technologies for the scientific evaluation of assessing human sensibilities as well as our analysis and simulation technologies. We will also offer such products and services by melding the technologies we possess, including our acoustic and digital technologies.

Through a scientific approach, we will aim to develop technologies. This in turn enables us to provide unique products and services that cannot be imitated by competitors. In addition, by analyzing quantitative data. The source of our competitiveness lies in our deep understanding and insight toward sensibility value cultivation through our long history, which started with the creation of musical instruments. Leveraging our core competency pertaining to acoustic technologies, we are able to combine a sensibility evaluation as our foundation, we are able to combine a unique strength of combining technologies and sensibilities.

### Yamaha Strength of Combining Technologies and Sensibilities

Evaluating sensibilities regarding what determines a good sound or a good sound environment is not something that can be done simply by analyzing quantitative data. The source of our competitiveness lies in our deep understanding and insight toward sensibility value cultivation through our long history, which started with the creation of musical instruments. Leveraging our core competency pertaining to acoustic technologies, we are able to combine a sensibility evaluation as our foundation, we are able to combine a unique strength of combining technologies and sensibilities.

Scientific study of human sensibility: We will study human sensibility by leveraging our unique strength of combining technologies and sensibilities. This in turn enables us to provide unique products and services that cannot be imitated by competitors. In addition, by analyzing quantitative data. The source of our competitiveness lies in our deep understanding and insight toward sensibility value cultivation through our long history, which started with the creation of musical instruments. Leveraging our core competency pertaining to acoustic technologies, we are able to combine a sensibility evaluation as our foundation, we are able to combine a unique strength of combining technologies and sensibilities.

Pursuit of Innovation

**Efforts to spur innovation**

In 2018, we established the Innovation Center R&D building with equipment that handles cutting-edge technologies, such as materials technology and analysis and simulation technology. Scientific study of human sensibility: We will study human sensibility by leveraging our unique strength of combining technologies and sensibilities. This in turn enables us to provide unique products and services that cannot be imitated by competitors. In addition, by analyzing quantitative data. The source of our competitiveness lies in our deep understanding and insight toward sensibility value cultivation through our long history, which started with the creation of musical instruments. Leveraging our core competency pertaining to acoustic technologies, we are able to combine a sensibility evaluation as our foundation, we are able to combine a unique strength of combining technologies and sensibilities.

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### Business Platform to Drive Value Creation

**Establish business platform to drive profitability**

**Profitability = customer value × productivity**

**Promoting a Digital Transformation**

To deepen our ties with customers, we will focus our efforts on reenforcing business platforms such as our CDP and new SCM systems. In addition, through the promotion of a digital transformation, we will transform our business processes themselves in an effort to promote productivity.

### Establishing a Foundation for Global Human Resources Management

Yamaha seeks to enable its employees to feel empowered in their work as they exercise their individuality and autonomy while also implementing business strategies in an increasingly complicated operating environment. To accomplish these aims, we are engaging human resource management practices that emphasize independence and diversity. We will transition from the prior region-specific human resource systems to a Groupwide, globally shared system. We will also promote the cross-border allocation of human resources and the discovery and development of managerial talent.

### Boosting Profitability by Improving Productivity

We will work to optimize pricing by enhancing added value and strengthening efforts to showcase our product value. At the same time, we will strive to continuously reduce production costs. In addition, we will perform a zero-based analysis of expenditures and promote a shift toward strategic spending aimed at improving customer value. In these ways, we will reinforce profitability going forward.
We will contribute to the sustainable development of music culture and society.

**Contribution to Society through Our Businesses**

*Contributing to the Sustainable Development of Music Culture and Society*

We will contribute to the global music scene through the provision of diverse musical instruments. We will work to spread musical instrument education in emerging countries. In this manner, we will not only contribute to the sustainability of music culture but also work to resolve social issues through our products and services. Also, we will realize a peaceful coexistence with the natural environment through such efforts as promoting the sustainable procurement of timber and developing environmentally friendly products.

**Culture**

*Contribute to the sustainability of music culture*

- Contribute to global music scene by supplying a diverse range of musical instruments
  - Launch approximately 800 models (over 3 years)
- Spread the joy of music through music school business
  - Sales of musical instruments to music schools increased at an annual rate of +4.8% and +5.5% (Gross)
  - Target costs reduced by 10.3% (versus FY2020)
- Support musical instrument education in school music lessons in emerging markets
  - 3,000 schools in 7 countries, cumulative total of 1 million students
- Support education in schools for children of migrant workers in China by donating musical instruments
  - Support 18 schools (over 3 years)

**Environment**

*Coexist with the natural environment*

- Use of sustainable timber
  - Creation of a long-term plan for sustainability
  - Set targets for individual overseas bases, and initiatives are being advanced to contribute to the slowdown in global warming to 1.5ºC above pre-industrial levels
  - Use of renewable energy for 100% of the electricity purchased at company headquarters

**Digital Twin Production Management**

*IoT-supported production management*

- Analysis of Projected Cost Reductions over the Period of Make Waves 1.0 (Fiscal 2020-2022)
  - Reduction of costs in fiscal 2021
  - Target costs reduced by 10.3% (versus FY2020)
  - Analysis of costs in fiscal 2022
  - Target costs reduced by 5.5% (versus FY2021)

**Contributions to Sustainability of Music Culture**

The COVID-19 pandemic placed significant restrictions on people’s lives and business activities around the world. These restrictions caused society to search for new ways of engagement, including the use of remote classes for music education projects and school education. Even faced with this adversity, Yamaha moved ahead with activities to promote the spread of instrumental music education in school education curriculums in emerging countries. As a result of these efforts, we have provided instrumental music education opportunities to an aggregate total of 71,000 children in 4,100 schools in six countries as of March 31, 2021. In this manner, we have made steady progress toward achieving the medium-term management plan’s target of offering such instrumental music education opportunities to one million children. In addition, the music education promotion project launched in Egypt in April 2021 was selected as a 2020 pilot project to receive support from the Introduction of Japanese-style Education Using Public–Private Collaborative Platform (EDU-Port Project) established by the Ministry of Education, Culture, Sports, Science and Technology. In addition, in June 2021, we concluded a subcontracting agreement with Japan International Cooperation Agency (JICA) with regard to this project as part of JICA’s small to medium-sized business and SDGs business support project. Our efforts for promoting instrumental music education in Egypt will be advanced based on this agreement.

**Resolution of Social Issues through Products and Services**

Efforts to resolve social issues through products and services included expanding our lineup of technologies and products for responding to the demand for teleworking and web conferences, including items such as remote meeting systems, that arose amid the COVID-19 pandemic. In addition, we promoted use of the SYNERGY online remote ensemble performance service and developed the Distance Viewing next-generation live viewing service among other efforts to provide music lovers with methods for enjoying music remotely.

**Enhancement of Diversity and Fulfillment among All Employees**

The Working Group for Gender Equality was established under the Human Resources Development Committee, an advisory body to the president, in January 2021 as part of our efforts to enhance our workplace environment. Also on this front, we enhanced teleworking systems, implemented new systems for supporting employees in balancing work and medical treatment, made steps to support and foster understanding regarding the LGBTQ community, and implemented other measures to cultivate a workplace environment in which diverse employees can fully exercise their individuality and creativity.
We will seek to link our efforts in the final year of the medium-term management plan to robust growth over the following three years.

Review of Fiscal 2021
In fiscal 2021, the second year of the Make Waves 1.0 medium-term management plan, we got off to a difficult start as the global impacts of the COVID-19 pandemic caused temporary closures of stores and factories at the beginning of the fiscal year. However, the market recovered leading up to the second quarter resulting in a rise in demand that manifested centered on sales through e-commerce channels. Unfortunately, we were unable to fully capitalize on this demand due to supply shortages stemming from an inability to operate factories in Indonesia and other countries to a sufficient degree as a result of government-imposed restrictions. Later, in the third and fourth quarters, shipments were delayed because of a lack of shipping containers and we faced difficulties in procuring electronic components as the result of a fire at a supplier’s factory. Due to these factors, revenue was down ¥41.6 billion, or 10.0%, year on year, to ¥372.6 billion. Factors behind this decline included a reduction of ¥2.3 billion from foreign exchange influences. Core operating profit decreased ¥9.6 billion, or 12.2%, to ¥40.7 billion, due in part to a ¥0.8 billion reduction attributable to the foreign exchange influences. Similarly, profit attributable to owners of parent declined ¥9.8 billion, or 23.1%, to ¥26.6 billion, in part as a result of the decline in core operating profit. Other factors included reductions of ¥2.3 billion due to halted operations and ¥3.6 billion because of impairment losses, both factors that stemmed from the impacts of the COVID-19 pandemic. As a result, the core operating profit ratio was 10.9%, return on equity (ROE) was 7.4%, and earnings per share (EPS) was ¥151. The figures for all of these indicators, for which financial targets were set in the medium-term management plan, were down year on year.

In this manner, sales and profit were down in fiscal 2021. Despite these unfortunate results, I believe that this year was a testament to the underlying strength of Yamaha as we stood firm in the face of an unprecedented crisis. We took many flexible steps to continue our business activities amid the restrictions on economic activities imposed as a result of the COVID-19 pandemic. We were able to achieve this level of flexibility because we had previously addressed supply and procurement issues after various disasters and accidents, thereby heightening our crisis response capabilities on a Groupwide basis. Furthermore, our IT divisions had been preparing for the possible implementation of remote work systems, even before the COVID-19 pandemic, based on the assumption that such systems could become necessary in the event of a pandemic or other catastrophe. We were thus able to undertake a smooth transition to remote work when it became necessary.

Financial Health, Investments, and Shareholder Returns
Yamaha has proceeded to strengthen its financial base since the 2008 financial crisis. The fact that we had secured a sufficient level of liquidity through this process is what enabled us to focus on our business activities, even in the current challenging operating, and thereby generate steady cash flows through efficient operations. Our inventories are not yet at the ideal level, an issue we will need to rectify, but I feel that we have still managed to maintain a noteworthy degree of balance sheet health. A point of focus going forward will be efficiently and effectively allocating the cash flows we generated to drive future growth.

**Cash Allocation Policy**

- Improve cash flow generation capabilities through efforts to enhance asset efficiency via structural reforms and to strengthen profitability by increasing competitiveness and reducing costs.
- Actively implement strategic investments for future growth in addition to regular capital expenditures.
- Based on a policy of ensuring steady and continuous dividends, flexibly carry out shareholder returns in an appropriate manner with the aim of improving capital efficiency.
Due in part to this focus, all Yamaha employees have
sound and music. With an eye to the changes seen in
well as in the sensibilities it has fostered in the fields of
Yamaha, which boasts strengths in digital technologies as
accelerated digital technologies, (2) greater diversity in life-
the operating environment with the potential to have a major
The medium-term management defines three changes to
management plan. These measures will result in a total return ratio that greatly
exceeds the target of 50% on an aggregate basis over the
three-year period of the medium-term management plan.

Initiatives in Final Year of the Medium-Term Management Plan
Unfortunately, the accomplishment of the financial targets
defined for the final year of the medium-term management plan
is no longer realistic. Conversely, there have been almost
delays in the advancement of the four key strategies of the
plan.

The medium-management defines three changes to the
operating environment with the potential to have a major
impact on Yamaha. These are (1) transformations caused by
accelerated digital technologies, (2) greater diversity in life-
styles and senses of value, and (3) heightened awareness of
sustainability. The COVID-19 pandemic has accelerated the
pace of these changes to a degree that is exceeding our
prior expectations. This situation creates opportunities for
Yamaha, which boasts strengths in digital technologies as
well as in the sensibilities it has fostered in the fields of
sound and music. With an eye to the changes seen in
society, we are moving ahead with the development of
products and services that are matched to customer needs
while fostering new businesses and otherwise reforming our
business portfolio.
In fiscal 2022, the final year of the medium-term manage-
ment plan, the COVID-19 pandemic will continue to create a
high degree of uncertainty, and risks will be faced with regard
to supply shortages for semiconductors and other articles.
Nevertheless, the recovery of the market has led us to fore-
cast increases in revenue and profit in the year. As we con-
tinue efforts to bring us closer to the initial targets of the
medium-term management plan in fiscal 2022, we will also
move ahead with the formulation of the next medium-term
management plan while assessing the social changes
brought about by the pandemic.

Acceleration of Sustainability Initiatives
One of the key strategies of the medium-term management plan
is to contribute to society through our businesses.
Due in part to this focus, all Yamaha employees have
exceptionally high levels of sustainability awareness.
Moreover, the currently under development new medium-
term management plan will represent a stage in which we
will need to accelerate sustainability initiatives throughout
all of our business activities.
In January 2021, we took a step toward further evolving
our sustainability-minded management approach with the
establishment of the Sustainability Committee as an advi-
sory body to the president. Under this committee, we set
up five working groups—the Working Group for Climate
Change, Working Group for Resource Circulation, Working
Group for Procurement, Working Group for Human Rights,
D&I, and Working Group for Cultural Contributions. Activities
by these organizations have been quite brisk. Personally,
I chair the Working Group for Climate Change and the
Working Group for Human Rights, D&I. Climate change is
an incredibly important area of concern when it comes to
impacts on humanity and on society, and we therefore
intend to ramp up initiatives in this area. Up until now,
Human Resource Management Initiatives
Human resource management is something that relates to
human rights as well as to diversity and inclusion.
There are currently two major topics being discussed with this regard
within Yamaha. The first is human resource management
emphasizing autonomy. We adopted remote work systems
in response to the COVID-19 pandemic. Maintaining these
systems while continuing to achieve sufficient results with
require us to install a greater emphasis on autonomy into
our human resource management practices. It is important
for all employees to go about their work with a focus on
autonomously generating results. At the same time, we
must adopt frameworks for employee career development,
something that was previously spearheaded primarily by the
Company, that entail each employee pursuing career devel-
ment of their own volition, with the Company supporting
these efforts. This is particularly true for younger genera-
tions. Rather than focusing purely on contributing to their
company, younger generations are coming to view their
company more as a vessel for contributing to society.

In Closing
We continue to face an opaque environment, but we still
recognize that fiscal 2022 will be an important year for pre-
paring for our next stage, while addressing various operating
environment changes and issues, in order to ensure that
Yamaha can achieve even more robust levels of growth after
the market recovers from the impacts of the COVID-19 pan-
demic. Moreover, as SIG&A expenses are currently down
significantly, now is the perfect time to review our cost struc-
tures from the ground up. Looking at each individual cost to

Recognizing this shift, we are examining how best to incor-
porate an emphasis on autonomy into human resource management
at Yamaha in order to ensure that we can
continue to recruit talented human resources.
The topic being discussed is the promotion of diversity.
Yamaha aims to develop a global organization in which
diverse employees with various backgrounds work together
and engage in lively exchanges of ideas and in which new
value is born out of this inclusive process. With this goal in
mind, we are going beyond empowering female and non-
Japanese employees to promote diversity and inclusion on
its most fundamental level in order to drive improvements in
corporate value.
We plan to make human resource management a central
pillar of the next medium-term management plan. Yamaha
will thus be looking to develop systems and foster a corpo-
rate culture that allow all employees to fully exercise their
talents in order to strengthen the foundations that will sup-
port value creation.

we have set our greenhouse gas emissions reduction tar-
gets for 2050 based on the goal of limiting global warming
to 2°C above pre-industrial levels. However, in September
2021 we revised our targets based on the goal of limiting
global warming to 1.5°C above pre-industrial levels and ulti-
mately achieving a state of carbon neutrality. We are also conducting
detailed scenario analyses based on the recom-
mendations of the Task Force on Climate-related Financial
Disclosures (TCFD). A recent accomplishment on this front
was the April 2021 switch to renewable energy for all of the
electricity purchased at the Yamaha Corporation headquar-
ters. Looking ahead, we intend to expand the scope of
bases at which we purchase renewable energy and to even-
tually advance these activities on a global scale.

FOR MORE INFORMATION ON ENVIRONMENTAL INITIATIVES, PLEASE REFER TO PAGE 44.

For more information on environmental initiatives, please refer to page 44.
Sustainability Promotion System

Establishment of the Sustainability Committee
Under the guidance of the Board of Directors, Yamaha Corporation established the Sustainability Committee as an advisory body to the president in January 2021. This committee is tasked with discussing directives for Groupwide sustainability initiatives, monitoring these initiatives, and reporting to the president on these matters. Five working groups—the Working Group for Climate Change, Working Group for Resource Circulation, Working Group for Procurement, Working Group for Human Rights, D&I, and Working Group for Cultural Contributions—have been formed under the Sustainability Committee to formulate activity policies for important Groupwide themes and monitor trends in their respective areas. The working groups act on a cross-business basis by coordinating with the relevant divisions to advance activities based on the theme of their assigned area. The activity policies and measures examined by the working groups are incorporated into Companywide strategies by the Sustainability Committee, and these strategies shape the policies and measures of divisions and Group companies.

Participation in Initiatives
With a commitment to cooperating and forming ties with global society as we work toward building a sustainable society, Yamaha joined the UN Global Compact in June 2011 and is advancing its business activities based on the Ten Principles. In addition, we actively participate in subcommittees of Global Compact Network Japan as a member. The Group is also actively contributing to the accomplishment of the SDGs, which are a set of shared targets embraced by global society, through its business activities. The goals and targets of the SDGs are emphasized in the development of products and services and in efforts to improve business processes. Specific examples of these efforts include advancing music promotion activities to contribute to Goal 4 “Quality education” and practicing sustainable timber procurement to help achieve Goal 12 “Responsible consumption and production” and Goal 15 “Life on land.”

Sustainability Priorities
The Yamaha Group has established sustainability priorities for the medium to long term based on the impact of its business activities on the environment and society as well as on stakeholder expectations and social demands. The Make Waves 1.0 medium-term management plan defines social contribution through our business as an important strategy, and the sustainability priorities have been incorporated in the plans of business divisions. Key performance indicator (KPI) targets have been established to gauge the progress of these plans, and efforts are being made to accomplish these targets. We are also working to accomplish KPI targets for non-financial management goals related to our sustainability priorities of spreading instrumental music education within emerging countries and of procuring sustainable timber.

For more information on the Yamaha Group Sustainability Policy, please refer to the following websites:
1. https://www.yamaha.com/en/csr/policy/
2. https://www.yamaha.com/en/csr/management/

Sustainability Areas

- Development and sales of products for instrumental music education within emerging countries
- Procurement of sustainable timber
- Systems initiatives for the respect of human rights
- Promotions of diversity and human resources development
- Certification of the “3Rs” in products
- Improvement of social contribution activities
- Establishing a management foundation
- Development of regional community-based business and social contribution activities
- Management of greenhouse gas emissions
- Sustainable timber procurement
- Promotion of the "3Rs" in products
- Life on land
- Responsible consumption and production

For more information on sustainability priorities and related progress, please refer to the following website:
https://www.yamaha.com/en/csr/management/
Initiatives for Addressing Sustainability Priorities

Reduction of Greenhouse Gas Emissions

The Yamaha Group is engaged in the procurement of sustainable timber, the development of eco-friendly products, the reduction of greenhouse gas emissions, and other environmental preservation initiatives for the purpose of achieving harmony with the natural environment in its business activities and contributing to the accomplishment of the SDGs. Moreover, the Group has established a medium- to long-term greenhouse gas emissions reduction target, which was certified by Science Based Targets* in June 2019. In 2020, the Group conducted surveys each year with the cooperation of suppliers and is aiming to achieve a 48% cumulative reduction target by fiscal 2023. We are actively utilizing certified timber, and the Group has set the goal of achieving a 50% ratio of certified timber use by fiscal 2023. Smooth progress is being made toward accomplishing this target.

Development of Eco-Friendly Products

The Group has established the Yamaha Eco-Products Program through which products that meet our environmental standards are adorned with the Yamaha Eco-Label to certify them as Yamaha Eco-Products. In this way, we aim to provide customers with easy-to-understand environment-related information to aid them in their choices of products. A total of 25 new-product models were certified under the Yamaha Eco-Products Program in fiscal 2021. As of March 31, 2021, the number of certified products, including prior products, was 454, of which 70 were newly developed products bearing the Eco-Label. Sales of certified products represented 16% of total net sales in fiscal 2021.

Sustainable Timber Procurement

The Yamaha Group has established a due diligence system to prevent the procurement of timber from illegal sources, and promotes a strict certification process for the legality of timber harvesting through on-site visits and surveys of documents for procurement sources. In addition to environmental considerations, the Group is expanding the use of certified timber, which is produced in socially and economically sustainable forests and contributes to the advancement of the community.

The Group conducts surveys targeting all business partners from which timber was purchased to assess the place of origin, the legality of harvesting, and the sustainability of relevant resources. Based on the results, we perform stricter verification of 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. We confirmed that 99.4% (volume ratio) of timber was purchased at low risk in fiscal 2021. The Group conducts such surveys every year with the cooperation of suppliers and is aiming to achieve 100% of low-risk timber procurement. We are actively utilizing certified timber, and the Group set the goal of achieving a 50% ratio of certified timber use by fiscal 2023. Smooth progress is being made toward accomplishing this target.

* Science Based Targets is an international initiative established by CDP, the UN Global Compact, World Resources Institute, and World Wild Fund for Nature for the purpose of encouraging companies to pursue greenhouse gas emissions reductions targets based on scientific reasoning for limiting global warming to 2°C above pre-industrial levels.
Physical Risks
Global warming threatens to change the environments in which the timber we procure is produced. The Group undertakes risk analysis that looked at the major tree species from which we procure timber and was based on an academic thesis. This investigation indicated a possibility that the environments in which several of these tree species are cultivated might shrink as a result of global warming. Should it become difficult to procure timber from these tree species, resulting in increases in raw material prices, it would constitute a business risk. For this reason, we will carefully monitor circumstances related to the production of these tree species in the future and make preparations so that, should it be deemed that our operations might be impacted by these circumstances, we will be able to quickly shift to alternative tree species.

With regard to floods and other risks, we completed establishment of business continuity plans for all Yamaha business sites around the world. We have also taken precautionary measures such as installing drainage equipment to safeguard against damages from typhoons, floods, and other natural disasters projected on an individual business site basis. In addition, we have implemented measures such as revising the locations and structure of Company business sites and even external warehouses. Based on the results of scenario analyses, we have determined to bear (there are no bases in river or coastal flood zones with the potential to experience flooding of more than one meter above floor level).

Opportunities
Climate change-related opportunities for Yamaha include the potential for increased demand for its products as consumers limit movement to help combat climate change or face restrictions on outdoor activities due to rising temperatures. Specifically, it is possible that demand will grow for all varieties of musical instruments as well as for communications equipment. In addition, the trend toward decarbonization could drive the popularization of EVs, leading to increased sales of high-end in-vehicle speaker systems to customers seeking to enjoy high-quality music in their quiet vehicles.

Relevant tables and figures

| Category | Impact Level | Risks and Opportunities | Impact on Business (Potential) | Impact on Business (Present) |
|----------|--------------|--------------------------|--------------------------------|-----------------------------|
| Procurement Risks | Risk of difficulties in procuring timber because of climate change and the risk of deforestation | Risks | - | - |
| Transition risks (Global warming at 1°C) | Risk of additional costs due to increased production of renewable energy | Risks | - | - |
| Physical risks (Global warming of 4°C) | Risk of difficulties in procuring timber due to the change in production region environments | Risks | - | - |
| Product demand Opportunities | Opportunities created by changes in the production region environments | Opportunities | + | + |
| Risk Management

The Risk Management Committee has been established as an advisory body to the President, and regular evaluations and analyses are performed on the potential damages, frequency, and control levels of risks. This process is used to facilitate ongoing improvements in risk control levels by identifying risks and designating the division responsible for managing these risks. In addition, the Working Group for BCP and Disaster Prevention Management has been set up under the Risk Management Committee to establish business continuity plans and implement other business continuity management initiatives to address the physical risks associated with natural disasters.

For more information on risk management, please refer to page 04.

Metrics and Targets
The Company has set the medium-term targets of reducing total Scope 1 and Scope 2 greenhouse gas emissions by 55% and total Scope 3 greenhouse gas emissions by 30% from fiscal 2018 levels by fiscal 2021. In addition, we have set a long-term target of achieving carbon neutrality by fiscal 2051. These targets have been established by Science Based Targets as targets for limiting global warming to 1.5°C above pre-industrial levels. On a short-term basis, we have established the target of reducing CO2 emissions per unit of production by 1% or more each year at major domestic business sites.

We manage greenhouse gas emissions volumes in accordance with the Greenhouse Gas Protocol, and third-party verification has been received for Scope 1 and Scope 2 and certain Scope 3 emissions since fiscal 2017. Energy consumption amounts pertaining to Scope 1 and Scope 2 emissions are calculated on a by-source basis, which is translated into greenhouse gas emission data using emission coefficients. Third-party verification is received for this data.

One example of CO2 emission reduction activities was the fiscal 2020 switch to renewable energy for a portion of the electricity purchased at the Yamaha Corporation headquarters. In April 2021, we transitioned completely to renewable energy at our headquarters, and we are planning a phased increase in the portion of electricity purchased from renewable sources at other bases going forward.

In addition, we are actively promoting the use of certified timber, and the ratio of certified timber use (volume ratio) was 28% in fiscal 2020 and 48% in fiscal 2021. In addition, the medium-term management plan announced in April 2019 set the goal of achieving a 50% ratio of certified timber use by fiscal 2022, and smooth progress is being made toward achieving this target.
HUMAN RIGHTS

The Yamaha Group believes that human rights form the basis for responsible business activities. To help realize a society in which everyone is respected, we remain keenly aware of our responsibility with this regard and promise respect for the human rights of all stakeholders touched by our value chain.

Basic Policy

Based on the United Nations Guiding Principles on Business and Human Rights, the Yamaha Group strives to comply with international norms pertaining to human rights, including those described in the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. In 2018, the Company created the Yamaha Group Human Rights Policy, which displays our thoughts and responsibilities regarding respect for human rights and describes our commitment to practicing human rights due diligence, based on internationally respected human rights standards, to prevent human rights violations throughout the Group’s business activities. This policy shapes our business activities as well as our efforts to educate and promote awareness of human rights.

Among the five working groups established under the Sustainability Committee, which is an advisory body to the president, in January 2021, were the Working Group for Human Rights, the DM and the Working Group for Procurement. These working groups discuss the direction for human rights initiatives and monitor the status of due diligence across the supply chain and in other areas. In addition, Yamaha has defined “systematic initiatives for the respect of human rights” among its sustainability priorities, and we are establishing systems and frameworks and implementing initiatives for preventing human rights violations across the supply chain accordingly.

Promotion of Human Rights Due Diligence

The Yamaha Group is committed to responsibly addressing the potential impacts of its business activities on human rights. To this end, we assess our activities across the value chain based on international norms on human rights and on the self-assessment items of the UN Global Compact and actively engage in dialogue with stakeholders and experts. Through this process, we identify and clarify the human rights risks apparent in our business. We also work to identify the material human rights issues faced in different industries through participation in the Stakeholder Engagement Program of the Round Table Japan. Our involvement in this project has helped us identify issues related to human rights issues pertaining to raw material procurement (illegal logging), workers in the Group and across the supply chain, customers (product and service safety, protection of personal information), and the residents of communities in which the Group has business sites.

Through inspections of our operations focused on these issues, we were able to supplement the Group’s rules and regulations by including items deemed necessary from a human rights perspective. In the future, the Group will continue to monitor the status of compliance with its rules and regulations as part of its efforts to implement comprehensive risk assessments.

Human Rights Education

The Yamaha Group encourages all employees to view human rights as an issue that directly relates to them, and human rights education programs are implemented to help us exercise our corporate responsibility to respect human rights. Specific training activities include workplace readings of the Yamaha Human Rights Guidebook, internal seminars, training, and study sessions; and information provision and quizzes through the Company intranet. Through these activities, we aim to improve employee awareness regarding human rights.

In addition, the Guidelines for Labor and Human Rights contain provisions for human rights training and stipulate that the human rights of every person working at the Group are to be respected while also providing guidance on enabling employees to exercise autonomy and creativity in their work. Awareness regarding these guidelines is being promoted and the degree to which the guidelines have been disseminated is monitored.

Supply Chain Human Rights Initiatives

The Yamaha Group promotes sustainability throughout the entire supply chain in areas such as product and service development, raw material procurement, manufacturing, selling, and recycling, and steps to prevent human rights violations are implemented across the supply chain.

Yamaha products are primarily manufactured by Yamaha Group companies with bases in Japan, China, Indonesia, Malaysia, and India. The status of labor conditions, occupational health and safety, and environmental management at Group companies that function as production sites is monitored by dedicated staff members from the Company. These staff members offer support for developing frameworks and advice for implementing improvements with regard to these matters to facilitate countermeasures against risks of violations to the human rights of employees or local residents. When procuring raw materials and components, these Group companies select suppliers according to the standards set in the Yamaha Supplier CSR Code of Conduct, which contains items pertaining to labor, human rights, the environment, and corporate ethics. Inspections for ascertaining compliance with this code of conduct are conducted when transactions are commenced with new suppliers and on a regular basis thereafter. Corrective measures are implemented and transactions are reconsidered as necessary.

The following initiatives are carried out to ensure respect for human rights across the supply chain.

- Define the need for human rights and CSR measures in the selection requirements for suppliers
- Require that suppliers comply with the Yamaha Supplier CSR Code of Conduct, which defines practices related to human rights and labor (specifically in contracts)
- Request that suppliers carry out self-assessment based on the code of conduct (correction requested as needed) as part of human rights due diligence

For more information on the Yamaha Group Human Rights Policy, please refer to the following website.
https://www.yamaha.com/en/csr/human_rights_policy/

For more information on compliance, please refer to page 86.

Efforts to Combat Conflict Mineral Issues

Tin, tantalum, tungsten, gold, and other mineral resources mined in the Democratic Republic of the Congo and neighboring countries are referred to as conflict minerals as they may be the source of funds for armed groups violating human rights through inhumane acts such as violence and plunder. The Yamaha Group works to procure minerals that play no part in the violation of human rights or environmental destruction. We respond to customer requests to conduct investigations regarding conflict minerals, and also ask suppliers to avoid the use of conflict minerals based on the Yamaha Supplier CSR Code of Conduct.

Prevention of Harassment

The Yamaha Group has defined in its Compliance Code of Conduct its strict prohibition of harassment, an act that undermines people’s human rights. Also, our work regulations make it clear that harassment is a form of misconduct warranting disciplinary action and disclosure of the names of offenders, taking a stern stance toward all violations of human rights.

In addition, with the goal of fostering a workplace environment free of harassment, messages from the president on the prohibition of harassment have been issued to employees on an ongoing basis. We have also been increasing the number of opportunities for various forms of engagement, including with senior management. In this manner, we are bolstering efforts to ensure that the Company offers psychological safety.

Proactive anti-harassment training is conducted, and we have also begun supplementing conventional group training sessions with e-learning programs and online training to help as many employees as possible take part in this training. Furthermore, internal and external compliance helplines have been set up to facilitate quick detection of and appropriate response to acts of harassment and other human rights violation risks. These helplines can be used by all domestic Group employees (including full-time employees, part-time employees, dispatch employees, and contracted staff). For overseas Group companies, multilanguage global helplines were set up in 2017 to accommodate reports from various countries and regions. In implementing these helplines, we spread awareness regarding contact venues and usage methods, and internal regulations include report-related provisions ensuring the confidentiality of reports and protecting those submitting reports from retaliation.

https://www.yamaha.com/en/csr/supplier_code_of_conduct/
Moving ahead with the cultivation of female leaders to bolster diversity, Yamaha is a signatory to the Women’s Empowerment Principles. We are also an advisory body to the president. In addition, Yamaha joined the 30% Initiative under the Human Resources Development Committee, which is an international initiative to support women's careers, and this individual guides the formulation of diversity and inclusion. In 2021, the Working Group for Gender Equality was established to support women's careers, and this individual guides the formulation of diversity and inclusion. In 2021, the Working Group for Gender Equality was established to facilitate the cultivation of human resources for core positions, including future managers. We are also developing frameworks for promoting succession planning for this purpose. In fiscal 2019, uniform Group standards (global grading systems) were implemented to allow for integrated management of core positions, and the requirements for candidates meeting these standards were defined. In accordance with these provisions, human resources development programs are being advanced for various fields.

Human Resources Development

The Yamaha Group is actively developing the management personnel who form the backbone of business activities. In Japan, training is organized by hierarchical levels to provide personnel with the ability to develop their skills as appropriate given their career stage. Management personnel are also given the opportunity to develop their skills through their work. In addition, Group human resources development guidelines have been established to facilitate systematic human resources development activities at Group companies. Furthermore, locally hired overseas staff may be selected to participate in global selective training as part of a systematic approach toward fostering individuals capable of supporting global management.

The Yamaha Group appoints locally hired employees from business sites around the world to important posts. In addition, core management positions are managed in an integrated, global manner to facilitate the cultivation of human resources for core positions, including future managers. We are also developing frameworks for promoting succession planning for this purpose. In fiscal 2019, uniform Group standards (global grading systems) were implemented to allow for integrated management of core positions, and the requirements for candidates meeting these standards were defined. In accordance with these provisions, human resources development programs are being advanced for various fields.

Occupational Health and Safety and Health and Productivity Management

The Yamaha Group holds the health and safety of its employees as a top priority and has defined the basic policy of “promote health and safety over everything.” Accordingly, we are advancing various initiatives for promoting the health of employees. The president of the Yamaha Corporation issued the Yamaha Group Health Declaration in 2018. The declaration guides us in promoting health and productivity management through health checkups, health guidance, mental healthcare, measures for helping employees stop smoking, and other initiatives for building safer and more comfortable workplaces.

As a result, domestic Group companies had a 100% examination completion rate for employees in fiscal 2021. In addition, our various mental healthcare activities enabled us to maintain rates of more than 80% for employees returning to work after receiving leave for a mental disorder for the first time.

These initiatives for promoting employee health have been highly evaluated, and in April 2021 Yamaha Corporation and Yamaha Corporate Services Corporation were recognized under the large enterprise category of the Certified Health & Productivity Management Organization Recognition Program, organized by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.*

* Work category decisions by industrial physicians are based on Article 84, 85 of the Industrial Safety and Health Act. In these decisions, the Company determines the work category for health checkups for eligible employees based on an industrial physician’s appraisal.

Employee Motivation and Workplace Comfort Surveys

In October 2020, surveys on employee motivation and workplace comfort were administered to the approximately 6,700 employees of domestic Yamaha Group companies. These surveys were designed to track metrics pertaining to organizations and employees and to identify issues so that this information could be used to energize organizations, improve employee motivation and workplace comfort, and ultimately spur the mutual growth of employees and the Company. Questions pertaining to employee motivation assessed whether employees held pride in working for Yamaha and felt that they were able to grow through their work. Questions pertaining to workplace comfort examined circumstances surrounding team relationships, cooperation with colleagues and supervisors, and organization openness. In fiscal 2022, the scope of these surveys will be expanded to overseas Group companies so that the findings of these surveys can be utilized on a global basis in order to shape ongoing initiatives for improving the Company and its organizations.

For more information, please refer to the following website.
https://www.yamaha.com/en/csr/feature/feature_13/
Basic Policy
In response to the rapid operating environment changes driven by the recent acceleration in the digitalization trend, Yamaha is building business foundations for improving profitability, as represented by the combination of customer value and productivity, through customer-oriented reforms to businesses and business processes. To guide these efforts, the Digital Transformation Strategy Committee was established in April 2019 as a corporate committee that serves as an advisory body to the president. This committee is tasked with discussing Companywide digital transformation policies and IT strategies. In addition, technologies and resources for promoting digital transformation have been consolidated within the Information Systems Division, which is responsible for overseeing digital transformation activities. These provisions make for a framework for advancing digital transformation strategies on a Companywide basis.

The Digital Transformation Strategy Committee has categorized the Company’s business processes into five process areas (customer contact points, planning and development, production, supply, and accounting and back office), which have been further subdivided based on three perspectives (data, systems, and business processes). Policies and rules have been decided based on these divisions to facilitate the transformation of processes on a Groupwide scale.

Under the current medium-term management plan, Yamaha has begun implementing full-fledged transformations to its businesses and business processes from a customer-oriented perspective. Transformation efforts have included the development of business platforms, namely customer data platforms, next-generation SCM systems, and enterprise resource planning (ERP) systems, the accumulation of data, and the analysis and utilization of said data. By utilizing the data accumulated in the aforementioned five process areas, Yamaha will continue to supply the products and services customers demand and thereby maximize customer value.

Initiatives for Accelerating Digital Transformation
Over the first two years of the medium-term management plan, Yamaha has clarified its digital transformation policies and strategies, enabling it to make substantial progress in accumulating data through the construction of business platforms. Initiatives going forward will include accumulating, analyzing, and utilizing data to advance the plan’s key strategies to develop closer ties with customers and create new value. The systems installed with this regard are currently being used to link systems and data within the five process areas, and linkage that expands beyond the boundaries of these areas will be pursued in the future. We thereby aim to promote systems development and data usage so as to make data-driven decisions in relation to all business processes.

Goals of Digital Transformation (CDPs, Next-Generation SCM, and Process Reforms)

Focuses of Digital Transformation Business Process Reforms
Data (Customer Data / Platform Development)
Yamaha is developing CDPs on a global scale. Designed to be in compliance with the personal information protection laws of the respective countries, these platforms will be used to connect with customers so that we can supply every customer with the ideal services. Moreover, we will practice data management to allow for data-driven decisions to be made by management as well as at production and sales bases. We thereby aim to generate a value creation cycle through which data is incorporated into products and services in order to drive improvements in profitability.

Systems (Next-Generation SCM System Implementation)
The Yamaha Group is developing a shared template for ERP systems that can be introduced at bases throughout the Group, and we plan to redesign the ERP systems of two production bases during fiscal 2022. In addition, digital transformation driven by data linkage will be used to form connections between factories and customers in order to realize highly precise supply based on sales trends. We thereby aim to develop an efficient, high-value supply chain.

Business Processes (Process Reforms)
Yamaha is reforming processes in five process areas (customer contact points, planning and development, production, supply, and accounting and back office). In the supply area, for example, we are installing a commerce framework to digitize sales channels while also conducting digital marketing in order to heighten corporate competitiveness. Meanwhile, accounting and back-office area initiatives will entail developing more efficient workplace environments by reforming work processes through paperless and RPA methodologies.

Creation of New Customer Experiences with Digital Technologies
A new remote society is emerging amid changes in the operating environment. To create values in this new society, Yamaha will propose venues for appealing experiences to a wide range of music lovers through digital services that capitalize on its strengths.

SYNCRONIC Online Remote Ensemble Performance Service
The SYNCRONIC online remote ensemble performance service enables several individuals to enjoy ensemble performances together from their respective homes. The service can be used for everything from school band performances to music production. SYNCRONIC utilizes proprietary technologies to allow for seamless performances to be performed without any sense of inequality despite members being in remote locations.

Distance Viewing Next-Generation Live Viewing Service
Distance Viewing is a next-generation live viewing service that records the full impact of live performances by artists and faithfully reproduces these performances in a virtual environment to allow for a new form of immersive live viewing for the non-local COVID-19 pandemic.
Developed training programs for improving market awareness.
Developed and integrated customer data platforms.

Yamaha’s brand promise defines the value Yamaha provides to customers (brand equity).

discuss and deploy joint initiatives for heightening the overall value
also arranges joint brand committee meetings with Yamaha Motor
discussions shape the course of our branding activities. The Company
brand and the branding strategies needing to be implemented. These
among management with regard to the current state of the Yamaha

In addition, we have established the Brand Strategy Committee,
which is chaired by the president and comprised of unit heads and
other members. This committee is a forum for regular discussion
which we distribute videos introducing new products and

In April 2021, the Yamaha Ginza Building as well as Yamaha’s Nagoya store, both directly operated stores, were reopened after having been renovated to become experience-oriented brand shops. These shops do more than just sell musical instruments; they function as bases for broadcasting the Yamaha brand at which visitors can discover various music genres.

Creating brand experiences that move customers through dissemination, implementation, and management of consistent brand strategies based on the brand promise

Protection of brand value through implementation of brand governance system based on defined guidelines
Enhancement of connections with customers through more proficient social media utilization in accordance with global social media strategies
Creation of relationships with new customers through brand experience bases (Yamaha Ginza Building, Yamaha Hall, Innovation Road, etc.)

Past Initiatives
At Yamaha Corporation, the anniversary of its founding, October 12, has been designated as ‘Yamaha Day’ to raise awareness regarding its brand among employees. Furthermore, the entire month of October has been defined as a special brand month during which a variety of events are held to provide all employees with opportunities to think more deeply about the Yamaha brand. In addition, guidelines for the handling of the Yamaha brand have been established, based on which we have formulated sales promotion tools along with examples of how these tools should be utilized. These tools are shared throughout the Group to ensure that we can communicate consistent brand messages on a global, Groupwide basis. Future initiatives will include trainings at sales subsidiaries and all other Group companies to entrench these provisions throughout all corners of the organization and to make sure that every employee reflects our brand promise in their work, no matter what that might be. In this manner, we are developing frameworks and advancing initiatives for delivering consistent value to customers.

To ‘Make Waves’ with our customers, we practice effective communication based on our brand promise with external stakeholders while preparing and distributing global content for this purpose. Moreover, we are utilizing various communication tools, including our corporate website, social media, events, and campaigns, to foster passion-based ties with customers in order to form wide-reaching, more substantive, and longer-lasting relationships with customers.

Framework for Fostering Consistent Brand Awareness among Employees and Delivering Value Defined in Brand Promise

Business Strategies

Brand Promises” * Make Waves

Brand Drivers (Customer Experience Value)
- Express myself to make an impact
- Progress personally
- Came together with others

Brand Truth (Value Proposition)
- Progressive innovation
- Passion for players
- Impact on sound & music

* Yamaha’s brand promise defines the value Yamaha provides to customers: Brand Drives (Customer Experience Value) = the experiences that can be delivered with the value brand drivers, and how individuals can express themselves through this value and these experiences.

Initiatives in Fiscal 2021
Make Waves Advertisements
Advertisements with an increased sense of consistency are being deployed on a global scale to further reinforce the image of the Yamaha brand. As one facet of these advertisements, we have launched the Make Waves brand promise as an opportunity to form new connections with upcoming artists, as opposed to just well-known artists, and to support and connect with a wider range of music lovers. The use of such artists in these advertisements has drawn a highly positive response from our target demographics: early adopters and opinion leaders in the music industry. We were thus able to reach the segment of the market that displays a strong interest in music, thereby communicating the fact that Yamaha is a trustworthy brand meeting needs that are not limited to specific types of instruments or music genres.

Progress of Medium-Term Management Plan Key Strategies and Priority Themes for Fiscal 2022

- Formulated brand guidelines
- Opened the newly renovated Yamaha Ginza Building and Nagoya store
- Increased internal sharing of marketing information around the world
- Efficient production and distribution of appealing content through global frameworks
- Establishment of brand promise among employees so that it can be reflected in brand improvement initiatives and other activities
- Formed and utilized platforms

Reopening of the Yamaha Ginza Building and Nagoya Store as Experience-Oriented Brand Shops
In April 2021, the Yamaha Ginza Building as well as Yamaha’s Nagoya store, both directly operated stores, were reopened after having been renovated to become experience-oriented brand shops. These shops do more than just sell musical instruments; they function as bases for broadcasting the Yamaha brand at which visitors can discover various music genres.

Yamaha Ginza Building
*Yamaha’s Nagoya store

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Designs Delivering Brand Experiences —Rebirth of the Yamaha Ginza Building

The Design Laboratory, which was established within the Brand Development Unit in 2018, is taking steps to give form to the customer experiences that the Yamaha brand aspires to deliver and to communicate the appeal of our brand. One such initiative was the renovation of the Yamaha Ginza Building, which was reopened in April 2021 and now features a unique café and lounge along with a virtual concert space in which visitors are invited to play instruments freely, a library of music-related books, and product concept model exhibits. These are just some of the new additions designed to communicate the multifaceted appeal of sound and music culture. In the large, open lobby facing Ginza Dori road, visitors will find a concept model for a table-type digital piano. This model was designed with the goal of promoting communication between performers and their audience. There are also a wide range of carefully crafted items available for purchase, including exclusive souvenir novelties, original music-themed cocktails, and traditional Japanese confections adorned with the Yamaha brand tuning fork logo. All of these features have been designed to make the Yamaha Ginza Building a place that allows visitors to discover new ways of enjoying music and to have experiences that they want to share with others.

The Five Elements of Our Design Philosophy (formulated in 1987)

| INTEGRITY | INNOVATIVE | AESTHETIC | UNOBTRUSIVE | SOCIAL RESPONSIBILITY |
|-----------|------------|-----------|-------------|---------------------|
| Design that respects the essence of the object | Creative design | Beautiful design | Restrained design | Design that meets the needs of today’s society |

Yamaha’s Design

Designs based on new, convention-defying themes that contribute to the strong reputation of Yamaha’s design

YDS-150 Digital Saxophone

This is the first new model in eight years for the THR series of guitar amplifiers that created the new desktop guitar amplifier category. Great care was paid to the feel of switches and knobs and to the aesthetically to grant these amplifiers a sense of warmth as industrial products so that they can earn a position as a long-trusted partner to guitarists.

Red Dot Award: Product Design 2021
Product category design award, 2021 IF Product Design Award

Charlie™ Communication Robot

Yamaha’s TW-E3B truly wireless Bluetooth® earphones are equipped with a Listening Care function for reducing the burden placed on users’ ears and are characterized by their gentle shapes and colors. The pictured model is a limited-edition model that uses a color based on a motorcycle appearing in the popular Laid-Back Camp anime series and features voice guidance by one of the series’ voice actors.

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