



Takuya Nakata

Director, President and Representative Executive Officer

Number of shares owned: 75,500

- 1981 Joined the Company
- 2005 General Manager of Pro Audio & Digital Musical Instruments Division
- 2006 Executive Officer
- 2009 Director and Executive Officer
- 2010 President and Director of Yamaha Corporation of America
Senior Executive Officer of the Company
- 2013 President and Representative Director
- 2014 Director of Yamaha Motor Co., Ltd. (Outside Director) (to the present)
- 2015 President of Yamaha Music Foundation (to the present)
- 2017 Director, President and Representative Executive Officer (to the present)



Satoshi Yamahata

Director and Managing Executive Officer

Number of shares owned: 28,400

- 1988 Joined the Company
- 2009 General Manager of Accounting and Finance Division
- 2013 Executive Officer and General Manager of Corporate Planning Division
- 2015 Executive General Manager of Operations Unit
Director and Senior Executive Officer
- 2016 Executive General Manager of Corporate Management Unit (to the present)
- 2017 Director and Managing Executive Officer (to the present)
- 2020 Executive General Manager of Human Resources and General Administration Unit (to the present)



Yoshihiro Hidaka

Independent Outside Director

Number of shares owned: 1,500

- 1987 Joined Yamaha Motor Co., Ltd.
- 2010 Vice President of Yamaha Motor Corporation, U.S.A.
- 2013 Executive General Manager of 3rd Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.
- 2014 Executive Officer of Yamaha Motor Co., Ltd.
- 2015 Executive General Manager of 2nd Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.
- 2016 Executive General Manager of 1st Business Unit, MC Business Operations, and General Manager of ASEAN Sales Division, 1st Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.
- 2017 Executive General Manager of Corporate Planning & Finance Center of Yamaha Motor Co., Ltd.
Senior Executive Officer and Director of Yamaha Motor Co., Ltd.
- 2018 President, Chief Executive Officer, and Representative Director of Yamaha Motor Co., Ltd. (to the present)
Outside Director of Yamaha Corporation (to the present)



Mikio Fujitsuka

Independent Outside Director

Number of shares owned: 0

- 1977 Joined Komatsu Ltd.
- 2001 General Manager, Corporate Controlling Department, Komatsu Ltd.
- 2005 Executive Officer
- 2008 President of Global Retail Finance Business Division
- 2009 General Manager, Corporate Planning Division and President of Global Retail Finance Business Division
- 2010 Senior Executive Officer
- 2011 CFO, Director and Senior Executive Officer
- 2013 Director and Senior Executive Officer
- 2016 Executive Vice President and Representative Director
- 2019 Director
Outside Director of Yamaha Corporation (to the present)
Outside Corporate Auditor of Mitsui Chemicals, Inc. (to the present)

Yoshimi Nakajima

Independent Outside Director

Number of shares owned: 0

- 1980 Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
- 1982 Joined AVON Products Co., Ltd.
- 1997 Joined Citibank N.A. as Vice President
- 2000 Joined Societe Generale Securities Japan Limited as Senior General Manager
- 2002 Joined American Express International, Inc. as Vice President and Head of Global Travelers Cheques and Prepaid Services, Japan
- 2011 Country Manager, Singapore (President), American Express International, Inc.
- 2014 President and Representative Director of American Express Japan Co., Ltd.
- 2017 Outside Director of Yamaha Corporation (to the present)
Outside Director of AEON Financial Service Co., Ltd. (to the present)
- 2018 Outside Director of Japan Freight Railway Company (to the present)
Outside Director of ULVAC, Inc. (to the present)



Taku Fukui

Independent Outside Director

Number of shares owned: 0

- 1987 Registered as an attorney
Joined Kashiwagi Sogo Law Offices
- 2004 Professor of Keio University Law School (to the present)
- 2005 Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (to the present)
- 2009 Managing Partner of Kashiwagi Sogo Law Offices (to the present)
- 2017 Outside Director of Yamaha Corporation (to the present)



Paul Candland

Independent Outside Director

Number of shares owned: 100

- 1985 Joined Owens Corning
- 1987 Joined PepsiCo, Inc.
- 1994 President of Okinawa Pepsi-Cola, Inc.
- 1998 Representative of Japan Branch, PepsiCo International Ltd.
Representative Director and General Manager of The Disney Store Japan, Inc.
- 2002 Managing Director, Walt Disney Television International Japan of The Walt Disney Company (Japan) Ltd.
- 2007 Representative Director and President, The Walt Disney Company (Japan) Ltd.
- 2014 President of The Walt Disney Company, Asia
- 2018 Managing Director of PMC Partners Co., Ltd. (to the present)
- 2019 Outside Director of Yamaha Corporation (to the present)
CEO of Age of Learning, Inc. (to the present)



REASONS FOR DIRECTOR APPOINTMENT

Name	Appointed Committee	Reasons for Appointment / Independence of Outside Directors
Takuya Nakata Director, President and Representative Executive Officer	Nominating Committee Compensation Committee	Having served in positions such as General Manager of our Pro Audio & Digital Musical Instruments Division and President and Director of Yamaha Corporation of America, Mr. Takuya Nakata has a wealth of experience and achievements alongside broad insight in business. He has led the Group as President and Representative Director since June 2013, and as Director, President and Representative Executive Officer since June 2017 after our transition to a Company with Three Committees (Nominating, Audit, and Compensation). Additionally, he has been a leader in corporate governance reform via initiatives such as the transition to a Company with Three Committees (Nominating, Audit, and Compensation) corporate structure, and has worked to strengthen the oversight function of the Board of Directors. He has been appointed as a director on the expectation that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights.
Satoshi Yamahata Director and Managing Executive Officer	—	In addition to work experience at an overseas subsidiary, Mr. Satoshi Yamahata has served as General Manager of the Accounting and Finance Division, General Manager of the Corporate Planning Division, Executive General Manager of the Operations Unit, and Executive General Manager of the Corporate Management Unit, and has a wealth of experience and achievements alongside broad insight. He has promoted corporate governance reform as Director and Senior Executive Officer since June 2015 and as Director and Managing Executive Officer since June 2017, and has worked to strengthen the oversight function of the Board of Directors. He has been appointed as a director on the expectation that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights.
Yoshimi Nakajima Independent Outside Director	Nominating Committee Audit Committee Compensation Committee	Having been involved in management as the person responsible for the Asian region and the Japanese firm of a global financial institution, Ms. Yoshimi Nakajima has a wealth of experience and achievements alongside broad insight as a corporate manager. Since assuming the position of Outside Director of the Company in June 2017, she has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on her wealth of achievements and insights, etc., as a corporate manager. She has been appointed as a director on the expectation that she will help further strengthen the oversight function of the Board of Directors through these achievements and insights. The Company files documentation with the Tokyo Stock Exchange to establish that Ms. Nakajima is an independent director under the provisions set forth by the Tokyo Stock Exchange.
Taku Fukui Independent Outside Director	Audit Committee	With a mastery of corporate law and corporate governance in Japan and overseas as an attorney, Mr. Taku Fukui has a high degree of expertise, wealth of experience, and achievements alongside broad insight. Since assuming the position of Outside Director of the Company in June 2017, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his high degree of expertise, wealth of achievements and insights, etc. He has been appointed as a director on the expectation that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights. There are no transaction relationships between the Company and Kashiwagi Sogo Law Offices, where Mr. Fukui serves as Managing Partner. The Company files documentation with the Tokyo Stock Exchange to establish that Mr. Fukui is an independent director under the provisions set forth by the Tokyo Stock Exchange.
Yoshihiro Hidaka Independent Outside Director	Nominating Committee Compensation Committee	Having been involved in management at one of the largest global transportation equipment manufacturers in Japan, Mr. Yoshihiro Hidaka has a wealth of experience and achievements alongside broad insight as a corporate manager. Additionally, as President and Representative Director of Yamaha Motor Co., Ltd., a company that shares a common brand with the Company, he is a person with one of the deepest understandings of the Yamaha brand. Since assuming the position of Outside Director of the Company in June 2018, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He has been appointed as a director on the expectation that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc., and improve the Yamaha brand value. As the Company and Yamaha Motor Co., Ltd., where Mr. Hidaka serves as President and Representative Director, share the Yamaha brand, the two companies are in a relationship such that enhancements to the brand value via the Company's sustainable growth also provides a positive effect on said company's corporate value, while damage to the brand due to violations of laws and regulations or deficient governance, etc., by the Company will have a negative effect on said company's corporate value. Mr. Hidaka is a person with one of the deepest understandings of the Yamaha brand, which is the source of the Company's brand value, and he shares an interest with ordinary shareholders regarding improvement of the Company's brand value. Furthermore, not only there are no significant transaction relationships* between the Company and Yamaha Motor Co., Ltd., but as the Company is no longer a major shareholder of said company since 2017, there are no concerns that Mr. Hidaka will have conflicts of interest with ordinary shareholders, and the Company believes that he can fulfill his duty for supervision, etc., of management from an independent standpoint in order to maximize profits for shareholders of the Company. The Company filed documentation with the Tokyo Stock Exchange to register Mr. Hidaka as an independent director under the provisions set forth by the Tokyo Stock Exchange. *The amount of transactions between the Company and Yamaha Motor Co., Ltd. is less than 0.1% of the consolidated revenue of both companies.
Mikio Fujitsuka Independent Outside Director	Audit Committee	Having been involved in management as CFO at one of the largest global construction machinery manufacturers in Japan, Mr. Mikio Fujitsuka has a wealth of experience and achievements alongside broad insight as a corporate manager, as well as adequate knowledge of finance and accounting. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He has been appointed as a director on the expectation that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights. There are no transaction relationships between the Company and Komatsu Ltd., where Mr. Fujitsuka served as Director until June 2019, and neither party is classified as a major shareholder of the other. The Company filed documentation with the Tokyo Stock Exchange to establish that Mr. Fujitsuka is an independent director under the provisions set forth by the Tokyo Stock Exchange.
Paul Candland Independent Outside Director	Nominating Committee Compensation Committee	Having been involved in management as the person responsible for the Asian region and the Japanese firms of global entertainment companies, Mr. Paul Candland has a wealth of experience and achievements alongside broad insight as a manager. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He has been appointed as a director on the expectation that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights. There are no transaction relationships between the Company and PMC Partners Co., Ltd. and Age of Learning, Inc., where Mr. Candland serves as a Managing Director, and neither party is classified as a major shareholder of the other. Furthermore, there are no significant transaction relationships* between the Company and The Walt Disney Company (Japan) Ltd., where Mr. Candland served until December 2017, and neither party is classified as a major shareholder of the other. The Company filed documentation with the Tokyo Stock Exchange to establish that Mr. Candland is an independent director under the provisions set forth by the Tokyo Stock Exchange. *The amount of transactions between the Company and The Walt Disney Company and The Walt Disney Company (Japan) Ltd. is less than 0.1% of the consolidated revenue of any of the companies.

EXECUTIVE OFFICERS, OPERATING OFFICERS, AND AUDIT OFFICERS

(As of June 24, 2020)

President and Representative Executive Officer



Takuya Nakata
Executive General Manager of Brand Development Unit

Please refer to page 72 for career summary.

Operating Officers



Shinichi Takenaga
Deputy Executive General Manager of Audio Products Business Unit



Masato Oshiki
President of Yamaha Music Japan Co., Ltd.



Thomas Sumner
President of Yamaha Corporation of America



Naoya Tetsumura
Deputy Executive General Manager of Musical Instruments & Audio Products Production Unit



Taro Tokuhiko
Executive General Manager of Operations Unit



Hiroko Ohmura
Deputy Executive General Manager of Brand Development Unit



Yutaka Matsuki
Senior General Manager of Piano Division, Musical Instruments Business Unit

Audit Officers



Hirofumi Mukaino
Senior General Manager of Internal Auditing Division



Yasushi Nishiyama
Senior General Manager of Audit Committee's Office

Managing Executive Officers



Shinobu Kawase
Executive General Manager of Musical Instruments & Audio Products Production Unit and Audio Products Business Unit

1983 Joined the Company
2004 President of Yamaha Fine Technologies Co., Ltd.
2011 General Manager of Wind, String & Percussion Instruments Division
2013 General Manager of Acoustic Musical Instruments Production Division, Musical Instruments & Audio Products Production Unit
2014 Executive Officer
2015 Senior Executive Officer
Executive General Manager of Musical Instruments & Audio Products Production Unit (to the present)
2016 Managing Executive Officer
2017 Managing Executive Officer (to the present)
2020 Executive General Manager of Audio Products Business Unit (to the present)



Satoshi Yamahata
Executive General Manager of Corporate Management Unit and Human Resources and General Administration Unit

Please refer to page 72 for career summary.

Executive Officers



Shigeki Fujii
Executive General Manager of IMC Business Unit and Technology Unit

1983 Joined the Company
2005 General Manager of Advanced System Division Center
2009 General Manager of Semiconductor Division
2013 Executive Officer
Executive General Manager of IMC Business Unit (to the present)
2015 Senior Executive Officer
2017 Executive Officer (to the present)
2018 Executive General Manager of Technology Unit (to the present)



Seiichi Yamaguchi
Executive General Manager of Musical Instruments & Audio Products Sales Unit

1985 Joined the Company
2006 Director and President of Yamaha Scandinavia AB
2010 Chairman and President of Yamaha Music & Electronics (China) Co., Ltd.
2013 Executive Officer
2014 General Manager of Business Planning Division, Musical Instruments & Audio Products Sales & Marketing Unit
2015 Executive General Manager of Service Business Unit
2016 Senior Executive Officer
2017 Executive General Manager of Musical Instruments & Audio Products Sales Unit (to the present)
Executive Officer (to the present)



Teruhiko Tsurumi
Executive General Manager of Musical Instruments Business Unit

1981 Joined the Company
2007 General Manager of AV Products Business Unit
2008 Representative Director and President of Yamaha Electronics Marketing Co., Ltd.
2010 Director and President of PT. Yamaha Musik Indonesia (Distributor)
2014 Chairman and President of Yamaha Music & Electronics (China) Co., Ltd.
Executive Officer of Yamaha Corporation
2019 Executive Officer (to the present)
Executive General Manager of Musical Instruments Business Unit (to the present)

Further Enhancing Yamaha's Governance Structure with a Focus on Corporate Value That Adapts to the Times

Impressions of Yamaha from an Outside Expert's Perspective

To state my candid impression of Yamaha, I believe that Yamaha is a company with rich traditions and demonstrates a high level of awareness toward compliance. In the three years that I have served as outside director, my fellow outside directors and I have had opportunities to meet with Yamaha employees at various locations both in Japan and overseas. In the interactions with these employees, as well as at meetings of the Board of Directors and the Audit Committee, the other outside directors and I have always been provided with relevant information in a very straightforward manner. Such information has proven to be extremely beneficial within my duties as a member of the Audit Committee.

Meanwhile, in both a positive and negative sense, the people who work at Yamaha are incredibly serious people. From a positive perspective, this means that they engage wholeheartedly in their work with a sense of pride. From a negative perspective, this means that they think very carefully when they need to resolve an issue or undertake a new initiative, and this leads to a tendency where no action is taken until sufficient preparations are made. While this serious nature enables these people to steadily advance measures in a reliable manner, it also means to a certain degree that the Company is lacking a sense of speed.

Necessary Steps Yamaha Needs to Take to Enhance Corporate Value and Realize Sustainable Growth Going Forward

In terms of enhancing corporate value, the Company obviously needs to continue efforts to further evolve its compliance and governance. However, the very definition of corporate value is something that changes with the times. It is therefore also important to ascertain what corporate value means in this day and age.

Recently, instead of focusing only on shareholders, visions for a robust financial foundation are being rethought, and greater emphasis is now being placed on ensuring equal returns to all stakeholders, including employees and business partners. When it comes to who a company actually belongs to, while legally a company belongs to its shareholders, there is also an emerging opinion that a company should belong to its employees, customers, investors, and local community members as well. I believe we find ourselves in an era when it is impossible for a corporation to realize sustainable growth if it is unable to consider various aspects from perspectives that differ greatly from the past.

Improvement of the Effectiveness of Yamaha's Governance and the Role of Outside Directors in Enhancing That Effectiveness

The effectiveness of Yamaha's Board of Directors has been increasing year by year. In February 2019, the Japan Association of Corporate Directors recognized Yamaha as the winner of its Grand Prize Company award for Corporate Governance of the Year™ 2018. I believe that Yamaha received this award not only for its governance frameworks, which involved the transition to a Company with Three Committees (Nominating, Audit, and Compensation), but also from the perspective of its management indicators. The Company has been successful with selection and concentration from a management perspective, which has occurred against the backdrop of separating the roles of oversight and execution and pursuing reforms to raise the number of outside directors on the Board, among other efforts, and this success has led to improved profitability. In addition, all members of the Audit Committee are now outside directors, and this has created an extremely balanced committee from the perspective of the division of roles, as we all state our opinions from different perspectives based on our individual career histories and expertise. To help the Company receive an even higher evaluation from society going forward, my role as an outside director is to provide advice from the perspective of an attorney while referencing the circumstances of other companies and the general trends in the industry.

Taku Fukui

Independent Outside Director

Career Summary

Mr. Taku Fukui possesses a mastery of corporate law and corporate governance in Japan and overseas as an attorney. Mr. Fukui serves as a Managing Partner at Kashiwagi Sogo Law Offices, and also teaches as a Professor of Keio University Law School. He has been serving as an Outside Director with the Company since June 2017.

Major Concurrent Positions

- Managing Partner of Kashiwagi Sogo Law Offices
- Professor of Keio University Law School
- Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd.



Paul Candland

Independent Outside Director

Career Summary

Mr. Paul Candland has been involved for many years in management as the person responsible for the Asia region and the Japanese firms of global entertainment companies such as The Walt Disney Company. Drawing on his abundant experience and track record as a manager, Mr. Candland has been serving as an Outside Director with the Company since June 2019.

Major Concurrent Positions

- Managing Director of PMC Partners Co., Ltd.
- CEO of Age of Learning, Inc.

Increasing the Number of Brand Ambassadors to Become a Winning Company That Can Swiftly Respond to Change

Impressions of Yamaha from an Outside Expert's Perspective

My impression of Yamaha is that it is a company with a long history that boasts a strong global brand and high-quality products. What particularly impresses me about Yamaha is its outstanding level of quality as well as the passion and craftsmanship of Yamaha employees, who work diligently to offer customers wonderful sound and music experiences. In addition to advanced technologies and strictly reinforced quality management, what enables Yamaha products to live up to the standards of the Yamaha brand is the exceptional craftsmanship possessed by the Company's employees.

Steps Yamaha Needs to Take to Enhance Corporate Value and Realize Sustainable Growth Going Forward

Lifestyles have changed dramatically due to the spread of COVID-19. Going forward, there will be even more opportunities for people to enjoy spending time on their own. Furthermore, e-commerce will be utilized on an even more widespread basis around the world. For Yamaha, these trends do not represent a negative. As e-commerce becomes more widespread, people will develop the trend of purchasing products based on brand evaluations. Accordingly, brand power will become increasingly more important going forward. Companies that can respond swiftly to new forms of consumer needs and trends and turn them into business opportunities will win out over the competition and realize growth in the future.

Additionally, Yamaha has achieved steady growth in mature markets while at the same time actively entering into and

establishing its brand in the markets of emerging countries, which are anticipating tremendous future growth. Thus far, China has served as an engine that has driven growth, but I believe that India will become a major growth driver going forward. I believe that Yamaha's decision to establish a local plant in India and produce and sell specialized local models of digital musical instruments represents a sound investment that will not only enhance the level of Yamaha's brand recognition but also lead to future growth.

Necessary Steps for Further Enhancing the Yamaha Brand

Having an even greater number of customers enjoy the Yamaha brand and creating many brand ambassadors are necessary steps for enhancing the Yamaha brand. People quickly forget "average" experiences, while both excellent and poor experiences remain in people's memories for a long time. As Yamaha provides customers with experiences that exceed their expectations, then certainly more customers will become Yamaha brand fans and ambassadors.

Meanwhile, I believe the Company needs to further clarify the Yamaha brand. In a rather unique situation, the Yamaha brand is quite well known around the globe as Yamaha Corporation and Yamaha Motor Co., Ltd. share the same brand name. However, from the perspective of the customers, it is all the same Yamaha brand, making it difficult for customers to understand the difference between the two companies. While the two companies effectively coordinate brand activities, it is imperative that the Company further refine brand positioning so that all customers can understand the superior quality of the Yamaha brand.

Basic Policies for Corporate Governance

The Yamaha Group has adopted the Yamaha Philosophy and the Promises to Stakeholders, which apply to shareholders and all other related parties. We are working to secure a high level of profitability based on global competitiveness and increased management efficiency, and we are also striving to fulfill our social responsibilities in such areas as compliance, the environment, safety, and social contributions. In these ways, we are working to realize sustainable growth and to improve corporate value over the medium to long term.

To that end, in accordance with our Basic Policies for Corporate Governance, we have established institutional designs for management—in addition to an organizational structure and systems—and we are implementing a range of initiatives and appropriate disclosure of information. In these ways, we are working to realize transparent, high-quality business management.

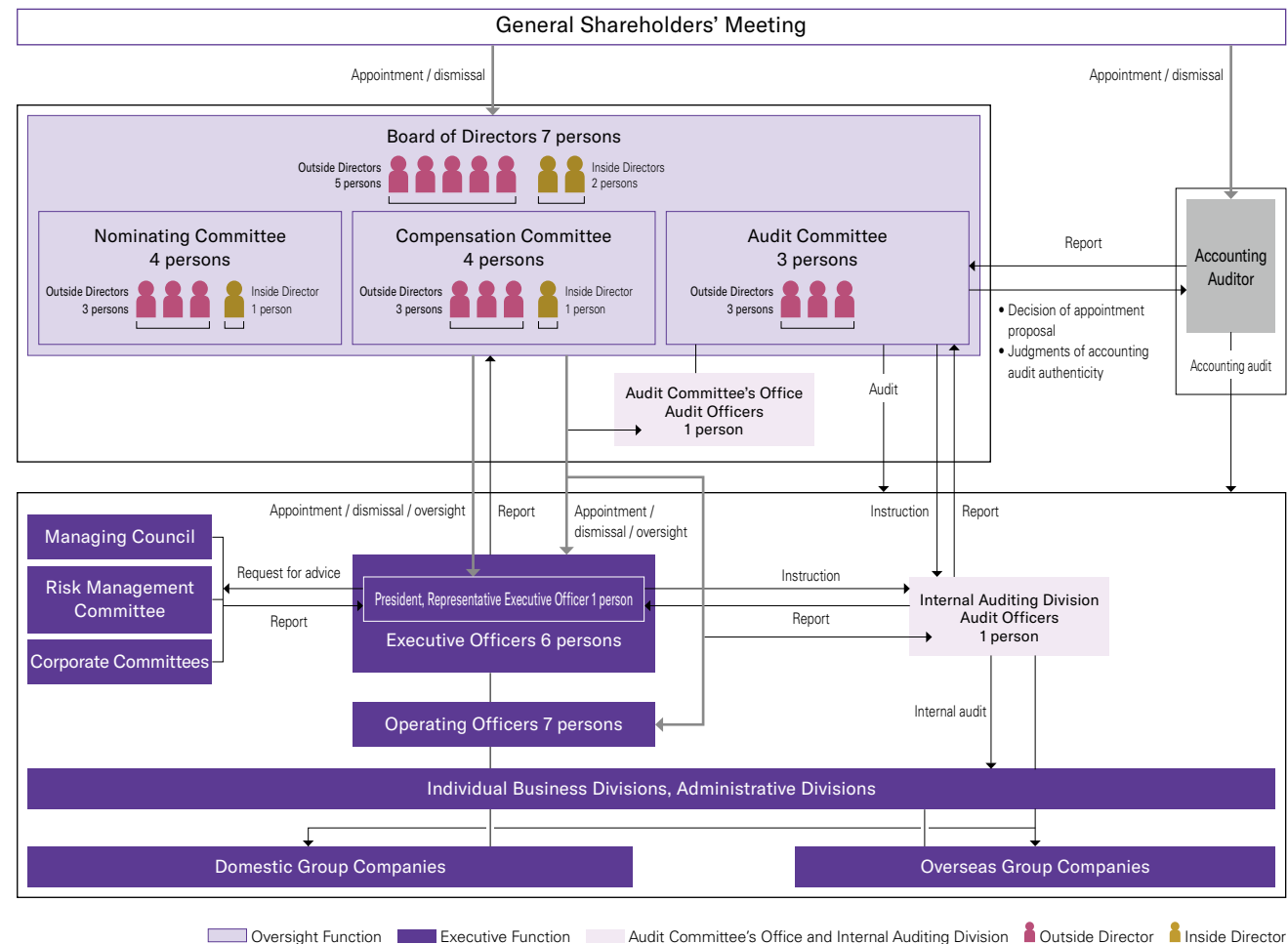
Basic Policies for Corporate Governance

- From a shareholder's perspective, ensure the rights and equal treatment of shareholders
- Taking into consideration our relationships with all stakeholders, proactively fulfill the Company's social responsibilities
- Ensure that information is disclosed appropriately and that management is transparent
- By separating the oversight and executive functions and strengthening the oversight function, ensure that the Board of Directors is highly effective while at the same time executing decisions appropriately and with a sense of urgency
- Proactively engage in dialogue with shareholders

Corporate Governance Structure

In June 2017, Yamaha transitioned to a Company with Three Committees (Nominating, Audit, and Compensation) structure for

Corporate Governance Structure (As of June 24, 2020)



Specializations Held by Directors

Name	Corporate management	Legal and risk management	Finance and accounting	IT and digital technology	Manufacturing, technology and R&D	Marketing and sales	Global experience
Takuya Nakata	●			●	●	●	●
Satoshi Yamahata		●	●				●
Yoshimi Nakajima (Outside)	●	●				●	●
Taku Fukui (Outside)		●					●
Yoshihiro Hidaka (Outside)	●		●				●
Mikio Fujitsuka (Outside)	●	●	●				●
Paul Candland (Outside)	●					●	●

the purpose of further clarifying the separation of management oversight and business execution functions, in addition to strengthening the oversight functions of the Board of Directors while aiming to accelerate business execution.

Regarding the composition of the Board of Directors, Yamaha enhances the transparency and objectivity of oversight functions by having independent outside directors, including managers from other industries who come from various professional backgrounds, comprise five-sevenths of the total. Yamaha has also established the Nominating Committee, on which independent outside directors must form a majority, as well as the Audit Committee and the Compensation Committee. The Audit Committee conducts suitability audits and compliance audits while collaborating with the Internal Auditing Division with the objective of enhancing oversight functions through audits.

Yamaha has established the executive officer role as an official function under the Companies Act to bear the direct responsibility for shareholders. Executive officers have been delegated broad authorities by the Board of Directors to make important decisions pertaining to business execution, with the aim of accelerating business execution.

Oversight Function

Directors and Board of Directors

As a general rule, the Board meeting is held monthly. Based on its fiduciary responsibilities, the Board of Directors promotes the Group's sustainable growth and corporate value improvement over the medium to long term. The Board of Directors also oversees the performance of the executive officers and directors. At the same time, the Board determines important matters—such as basic management policies—required by laws and ordinances, the articles of incorporation, and the rules of the Board of Directors. In addition, the Board of Directors supervises the overall management of the Company by overseeing succession plans for the representative executive officer and other officers; selecting the members and the chairs of the Nominating Committee, Audit Committee, and Compensation Committee; appointing executive officers, operating officers, and audit officers; approving transactions with

related parties; and supervising the structure and operation of internal control systems.

In light of its fiduciary responsibilities, the Board of Directors works to realize sustainable growth for the Company and improve corporate value over the medium to long term while giving consideration to relationships with all of the Company's stakeholders. The directors understand relevant laws and ordinances, the articles of incorporation, etc., and take steps to gather sufficient information. On that basis, the directors actively exchange opinions and engage in constructive discussions at meetings of the Board of Directors.

In keeping with their independent status, the independent outside directors perform a management oversight function, advisory function, and a conflict of interest oversight function. These directors also work to appropriately reflect the views of the stakeholders within the Board of Directors.

Yamaha's Standards for Independence

In addition to the requirements for independence established by the Companies Act and the Tokyo Stock Exchange, the Company has established its own independence standards.

For further information about the independence standards, please refer to the Corporate Governance Report.
https://www.yamaha.com/en/ir/governance/pdf/governance_report.pdf

Director Training Policies

The Company supplies directors with the necessary training on an ongoing basis. Outside directors are provided with opportunities to receive briefings on the Yamaha Philosophy, the Company's corporate governance structure, internal regulations, and the progress of the medium-term management plan in order to facilitate understanding regarding the current state of the Company and the issues it faces when assuming office.

In addition, directors take part in management meetings to deepen their understanding regarding management issues.

Support Systems for Outside Directors

In principle, materials pertaining to meetings of the Board of Directors are shared with outside directors three days prior to meetings through the Company's database system. In addition, briefings on individual proposals are arranged as necessary. Information on the proposals raised at meetings of the Managing Council as well as internal regulations is shared through the same database system.

Information is also supplied on major internal events and analyst reports via the secretariat when necessary.

Major Proposals in Fiscal 2020

- Budgets, financial results
- Establishment of new position of audit officer (corporate governance, organizational structure)
- New executive team
- Status of operational execution (reported items)
- Business and function strategies (examination items), etc.

Nominating Committee

The Nominating Committee decides on the content of proposals regarding the appointment and dismissal of directors, which are submitted at the General Shareholders' Meeting. The committee also determines the content of proposals for the appointment and dismissal of executive officers, operating officers, and audit officers, which are submitted to the Board of Directors. The Nominating Committee also implements succession plans for the representative executive officer and other officers through the development of human resources to serve as directors, executive officers, operating officers, and audit officers.

Process and Standards for Selecting Officers, etc.

Regarding the selection of candidates for director positions, the Nominating Committee screens candidates for inside or outside director positions based on the basic qualifications desirable for the roles, in addition to personnel requirements,

taking into account their competencies, experiences, and achievements. The Nominating Committee also composes the nomination proposals submitted to the General Shareholders' Meeting.

Regarding the selection of members and heads of the Nominating, Audit, and Compensation committees, the Nominating Committee screens candidates based on personnel requirements defined by the role of the committee, and it decides the content of nomination proposals submitted to the Board of Directors. The Nominating Committee elicits the opinions of the Audit Committee before selecting candidates for members and the head of the Audit Committee.

The Nominating Committee screens candidates for executive officer positions based on the basic qualifications desirable for the role, in addition to personnel requirements, taking into account their competencies, experiences, and achievements. The Nominating Committee also composes the nomination proposals submitted to the Board of Directors.

The Nominating Committee screens candidates for operating officer and audit officer positions based on personnel requirements defined by the role they are expected to perform. The Nominating Committee also composes the nomination proposals submitted to the Board of Directors. Input is solicited from the Audit Committee prior to nominating audit officers.

Succession Plans for Representative Executive Officer and Other Officers

After defining systems and personnel requirements, the Nominating Committee follows a personnel selection, evaluation, and development process for determining successor candidates.

From an early stage, Yamaha ensures there is adequate time and opportunities to carry out succession plans, by having the Nominating Committee advise on the screening of successor candidates and conduct interviews for the

appointment of executive officers and candidates for executive officer positions. Meanwhile, at a preliminary stage, the Human Resources Development Committee maintains career development programs (CDPs) for core personnel and sets up venues for candidates to present their ideas to the Board of Directors and other entities.

Major Activities in Fiscal 2020

- Implementation of succession plans for the representative executive officer and other officers
- Decision of new executive team, etc.

Compensation Committee

The Compensation Committee has formulated the policy for determining director, executive officer, operating officer, and audit officer compensation and decides on individual compensation amounts based on this policy.

Compensation System

The compensation of directors, excluding outside directors, and compensation of executive officers consists of (1) fixed compensation, (2) performance-linked bonuses, and (3) compensation in the form of restricted stock. The approximate breakdown of total compensation of (1), (2), and (3) is 5:3:2. Performance-linked bonuses vary according to the Company's consolidated profit for the period attributable to owners of parent and ROE in the previous fiscal year, and these bonuses are calculated with consideration for the individual's record of performance. The evaluation of individual performance is based on indicators of performance set by business and function in each area the individual is responsible for. (3) The restricted stock compensation system has been introduced with the intent of motivating the directors and executive officers to enhance corporate value sustainably and having them share a common interest with shareholders. Compensation based on Company performance has also been introduced to provide a motivation for reaching performance goals in the medium term, therefore two-thirds of the total amount is linked to Company performance. Performance criteria gives equal weight to the core operating profit ratio, ROE, and EPS, which are contained in the medium-term management plan. For the purpose of aligning the interests of the corporate officers with those of the shareholders over a long period after the end of the medium-term management plan, restrictions on the transfer of stock cannot be lifted until the corporate officer retires (i.e., 30 years or until retirement). Furthermore, in the event of serious cases of accounting

fraud or major losses during this period, depending on the responsibility of the officers in charge, a claw-back clause is included that will require the return of all or a portion of restricted shares transferred to officers on an accumulated basis to date.

Outside directors only receive fixed compensation.

Performance-Linked Bonuses

Consolidated profit attributable to owners of parent and ROE, two metrics used for setting performance-linked bonuses, were ¥34,621 million and 10.1%, respectively.

Compensation in Restricted Stock

The financial targets of the Make Waves 1.0 medium-term management plan—core operating profit ratio of 13.8%, ROE of 11.5%, and earnings per share (EPS) of ¥270 in fiscal 2022—are used as indicators for determining performance-linked compensation. In fiscal 2020, core operating profit ratio was 11.2%, ROE was 10.1%, and EPS was ¥194.71.

Major Activities in Fiscal 2020

- Determination of officer compensation amounts
- Decision of officer bonus amounts, etc.

Audit Committee

The Audit Committee, either working in collaboration with the Internal Auditing Division or directly on its own, audits the structure and operation of the internal control systems of the Company and other Group companies. Based on the results of these audits, the Audit Committee conducts audits to determine the legality and appropriateness of the conduct of duties by the executive officers and directors.

When deemed necessary, members of the Audit Committee report or express their opinions to the Board of Directors, or may issue cease and desist orders to executive officers and/or directors. In addition, the Audit Committee may decide on proposals to be considered in the General Shareholders' Meeting, including the selection / dismissal of the accounting auditor.

Securing the Effectiveness of the Audit Committee

To assist the committee with its work, the Audit Committee's Office has been established as a full-time organization under the direct jurisdiction of the Audit Committee. The Audit Committee instructs the head of the Audit Committee's Office to attend important meetings to voice opinions, in addition to gathering and assessing information within the

Key Activities of Outside Directors (Fiscal 2020)

Name		Board of Directors	Nominating Committee	Audit Committee	Compensation Committee
Masatoshi Ito*1	No. of meetings held	12 times	3 times	14 times	3 times
	Number of attendances	12 times	3 times	—	3 times
	Attendance rate*2	100%	100%	—	100%
Yoshimi Nakajima	Number of attendances	12 times	—	13 times	—
	Attendance rate*2	100%	—	92.85%	—
Taku Fukui	Number of attendances	12 times	—	14 times	—
	Attendance rate*2	100%	—	100%	—
Yoshihiro Hidaka	Number of attendances	11 times	3 times	—	3 times
	Attendance rate*2	91.66%	100%	—	100%
Mikio Fujitsuka	Number of attendances	10 times	—	11 times	—
	Attendance rate*2	100%	—	100%	—
Paul Candland	Number of attendances	10 times	3 times	—	2 times
	Attendance rate*2	100%	100%	—	100%

*1 Retired at the end of his term as of the conclusion of the 196th Ordinary General Shareholders' Meeting held on June 23, 2020

*2 The denominator for the attendance rate is the total number of meetings held during the period in which each person was in office.

Breakdown of Compensation (Fiscal 2020)

Classification	Total Compensation (Millions of yen)	Compensation by Type (Millions of yen)			Number of People
		Fixed compensation	Performance-linked bonuses	Compensation in the form of restricted stock	
Directors	68	68	—	—	9
(Including outside directors)	(60)	(60)	(—)	(—)	(8)
Executive Officers	579	279	141	158	8

Notes: 1. The above numbers include three directors who retired at the conclusion of the 195th Ordinary General Shareholders' Meeting held on June 24, 2019.
2. The total amount of compensation, etc., paid to the executive officers concurrently serving as directors is described in the section for executive officers.

Company. To ensure the Audit Committee's Office's independence from the executive officers and other people responsible for business execution, the approval of the Audit Committee is required for personnel evaluations, personnel reassignments, and disciplinary actions for the Audit Committee's Office's personnel.

When it deems necessary, the Audit Committee enlists the help of external experts to perform audits.

The president and representative executive officer promotes continuous improvements in the maintenance and operation of internal control systems while periodically exchanging opinions with the Audit Committee.

Collaboration between the Accounting Auditor and the Internal Auditing Division

In regard to items necessary in auditing the conduct of duties by the executive officers and directors, the Audit Committee has secured a system that facilitates the implementation of sufficient and appropriate audits, including collaboration and sharing information with the accounting auditor and the Internal Auditing Division. The Audit Committee works to improve audit quality and to realize efficient audits. The Audit Committee is allowed to provide instructions regarding audits of the Internal Auditing Division when necessary. In the event that instructions provided to the Internal Auditing Division by the Audit Committee conflict with instructions provided by the president and representative executive officer, the instructions of the Audit Committee will take precedence. In regard to the general manager reassignment of the Internal Auditing Division, the opinions of the Audit Committee will be heard in advance.

The Internal Auditing Division must report to the Audit Committee when asked, in addition to submitting periodic and timely reports on the outcomes of their audits to the Audit Committee.

Major Activities in Fiscal 2020

- Drafting of audit plans
- Reports to and discussion with the president and representative executive officer
- Compilation of accounting auditor financial results review report
- Pre-financial results announcement internal audit report, etc.

Audit Officers

Audit officers are responsible for audits of Yamaha Group companies as members of the management team of positions equivalent to operating officers (please see pages 84 and 85).

Executive Function

Representative Executive Officer

The representative executive officer represents the Company as the chief executive for Company matters and is in overall charge of business under the basic policies set by the Board of Directors.

Executive Officers

The executive officers are responsible for the execution of business. With a Companywide perspective, they make important decisions on matters related to the execution of business matters that have been delegated to them by the Board of Directors, and they implement business execution, subject to the oversight of the Board of Directors.

To develop frameworks for ensuring the efficient execution of business by executive officers, the Company establishes regulations on organizations, divisions of authority, and other business execution-related matters and clarifies the authority and responsibilities of executive officers, the appropriate delegation of authority, the missions of Company divisions and subsidiaries, and chains of command. These provisions are meant to expedite business execution and improve managerial efficiency. In addition, the Company has established the Managing Council as an advisory body to the president and representative executive officer. Reports on discussions at council meetings pertaining to matters such as important business execution decisions are submitted to the president and representative executive officer. Furthermore, an administrative management system has been implemented to facilitate swift management decisions and risk management to support the establishment of targets and the evaluation of performance on a Groupwide basis.

Managing Council

Yamaha has established the Managing Council, which is composed of executive officers, as an advisory body to the president and representative executive officer. In principle, the Managing Council holds meetings twice a month to engage in debate on important management issues.

Corporate Committees

The Company has established corporate committees that act as advisory bodies to the president and representative executive officer. These committees deliberate policies regarding essential topics related to examinations and initiatives that are continuously carried out on a cross-organizational and management-level basis. The committees report the results of these deliberations to the president and representative executive officer.

Risk Management Committee

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

Operating Officers

With a Companywide perspective, the operating officers conduct the work they are responsible for under the supervision of the executive officers and in accordance with important decisions regarding business execution made by the Board of Directors and the executive officers.

Internal Control System, Internal Audits, and Accounting Audits

Internal Control System

In order to ensure appropriate business operations, the Company has established an internal control system, as detailed below, pursuant to Japan's Companies Act and the Enforcement Regulations of the Companies Act. This system aims to improve the efficiency of the Company's business activities, ensure reporting reliability and thorough compliance with laws and regulations, preserve the value of Company assets, and strengthen risk management.

For further information about the internal control system, please refer to the Corporate Governance Report.

https://www.yamaha.com/en/ir/governance/pdf/governance_report.pdf

Internal Audits

Yamaha established the Internal Auditing Division (staffed by 18 people as of June 24, 2020) under the direct control of the president and representative executive officer. The Division's role is to closely examine and evaluate management and operations systems, as well as operational execution, for all management activities undertaken by the Company and Group companies, from the standpoint of legality, effectiveness, and efficiency. Based on the results of these examinations and evaluations, the Division provides information and offers advice and proposals for improvement.

The Company selects an operating officer to be in overall charge of internal audits, with the objective of improving internal auditing functions. In addition, based on policies aimed at assuring the effectiveness of the audits of the Audit Committee, which are decided on by vote of the Board of Directors, the Internal Auditing Division has in place a structure for close collaboration with the Audit Committee. At the same time, the Division keeps in close contact and conducts precise adjustments with the accounting auditor. In these ways, the Company works to increase audit efficiency.

Accounting Auditor

Yamaha has appointed Ernst & Young ShinNihon LLC as its accounting auditor, and certified public accountants Toshikatsu Sekiguchi, Toshiyuki Matsuura, and Shuji Okamoto from Ernst & Young ShinNihon conduct the accounting audits of the Company. Ernst & Young ShinNihon has voluntarily adopted a rotating system for its managing partners in order to ensure that the number of continuous years of auditing service does not exceed a fixed period of time. A total of 12 certified public accountants and 37 other staff assist with the audit work.

Policy and Reasoning Behind Selection of Accounting Auditor

The Company's Audit Committee has appointed Ernst & Young ShinNihon as its accounting auditor, in continuation from fiscal 2019, as a result of its examination based on the following policy for deciding whether to dismiss or not reappoint the accounting auditor.

- Policy for Deciding Whether to Dismiss or Not Reappoint Accounting Auditor

The Company's Audit Committee will dismiss the accounting auditor by mutual consent of all members of the committee in the event that one of the items in Article 340 (1) of the Companies Act applies to the accounting auditor. The Audit Committee determines the content of proposals regarding the dismissal or non-reappointment of the accounting auditor submitted to the General Shareholders' Meeting in the event that it is deemed necessary to change the accounting auditor, for reasons such as the accounting auditor being impeded in performing its duties based on a comprehensive analysis of the accounting auditor's qualifications, specializations, independence from the Company, and other evaluation criteria.

Evaluation of Accounting Auditor by the Audit Committee

The Company's Audit Committee assesses the accounting auditor.

The Audit Committee deliberates and conducts a comprehensive evaluation based on committee members' assessments of the accounting auditor's qualifications, specializations, independence from the Company and other evaluation criteria, with due consideration paid to the state of direct communications between the Audit Committee and the accounting auditor, and reports by audited divisions about the audits conducted by the accounting auditor.

Group Internal Control System

The Group internal control system is established to govern subsidiaries based on the Group Management Charter, which defines basic policies for Group management, and the Group Internal Control Policies & Rules, which put forth internal control policies. Meanwhile, Group company management regulations are formulated to define the responsibilities, authority, and operational management methods of subsidiaries. In fiscal 2020, new Group regulations were developed pertaining to legal affairs, document management, and internal audits. In addition, an international conference was held at which managers and representatives from legal affairs, IT systems, logistics, and other areas were assembled from domestic and overseas subsidiaries to share information on process issues and best practices. Meanwhile, the Internal Auditing Division performed audits assessing the legality, rationality, effectiveness, and efficiency of Groupwide business execution.

Subsidiaries are required to receive prior approval from the Company for decisions on management conditions and other important matters with the potential to impact Group management and to report to the Company with regard to certain matters.

All Group companies are required to submit regular reports with regard to items required by law as well as items requested by the Audit Committee. Items requiring reporting include the results of internal audits by the Internal Auditing Division, reports on the status of compliance operation by legal affairs divisions, helpline operation and reports, compliance by other staff divisions, and internal control activities.

Changes in Corporate Governance

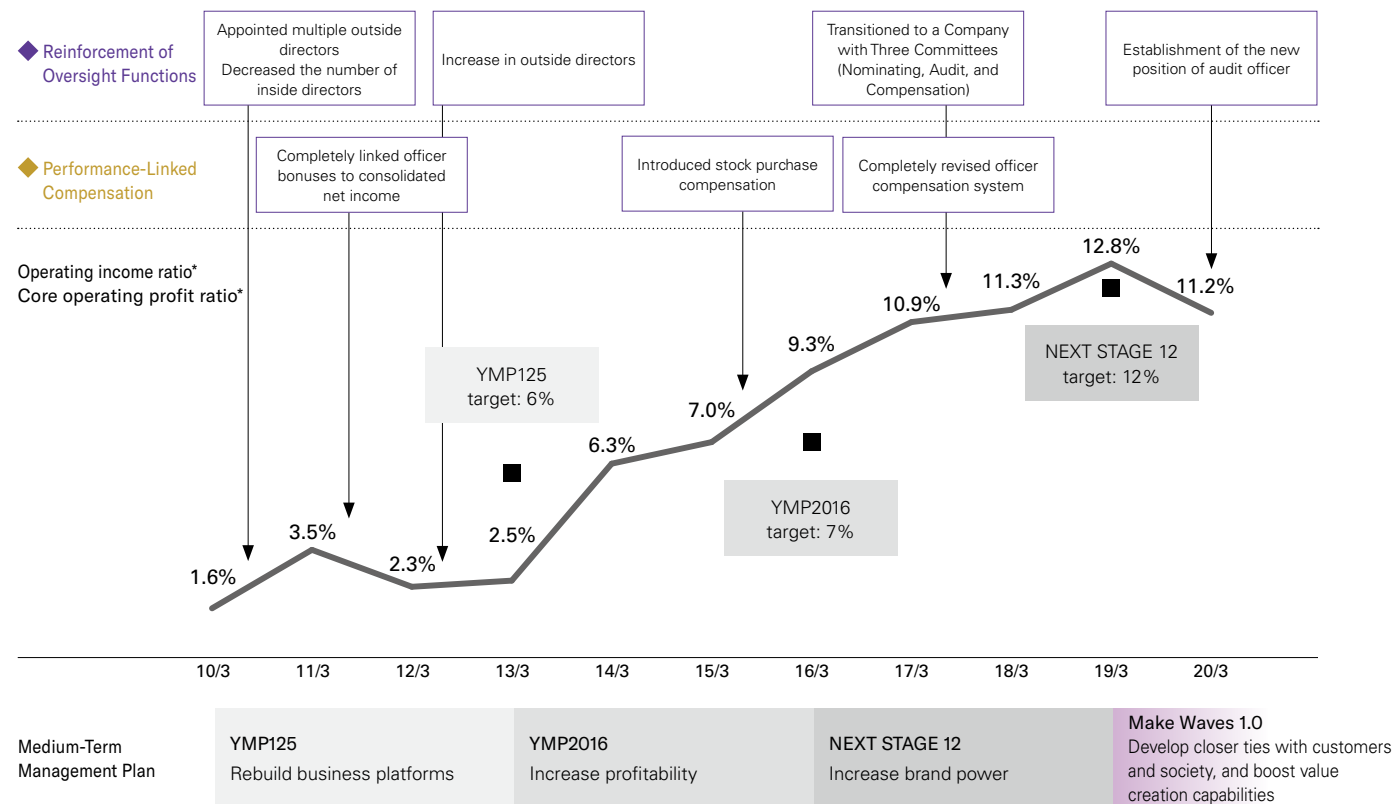
Yamaha views corporate governance as fundamental for improving the quality of overall management, and as an essential aspect of sustainable development for a corporation. Furthermore, the Company is aware of the need to constantly reform and improve corporate governance systems once they have been put into place.

Yamaha has consistently taken steps to strengthen corporate governance, such as introducing an operating officer system in 2001; appointing an outside director and establishing the nominating and compensation committees on a voluntary basis in 2003; reducing the number of inside directors and appointing multiple outside directors in 2010; and formulating the Corporate

Governance Policies in 2015. To further strengthen corporate governance, in June 2017 the Company transitioned to a Company with Three Committees (Nominating, Audit, and Compensation) structure, in June 2019 the Company appointed its first foreign national as an independent outside director, and in April 2020 the Company established the new position of audit officer.

Consolidated Operating Income Ratio (Core Operating Profit Ratio) and Reinforcement of Governance

Yamaha continues to strengthen and improve the effectiveness of its governance system. Backed by strong oversight functions and incentives, the Company intends to increase profitability by executing its medium-term management plans with a sense of urgency.



* Calculated based on J-GAAP standards up until fiscal 2019; calculated based on IFRS from fiscal 2020 forward

Reinforcement of Oversight Functions

In a bid to accelerate management, the Company has separated functions for business oversight and execution. Yamaha has reinforced oversight functions by increasing the ratio of independent outside directors. As of June 24, 2020, independent outside directors comprised five-sevenths of the members on the Board of Directors (please see Ratio of Outside Directors below).

Initiatives for Separating the Oversight and Executive Functions

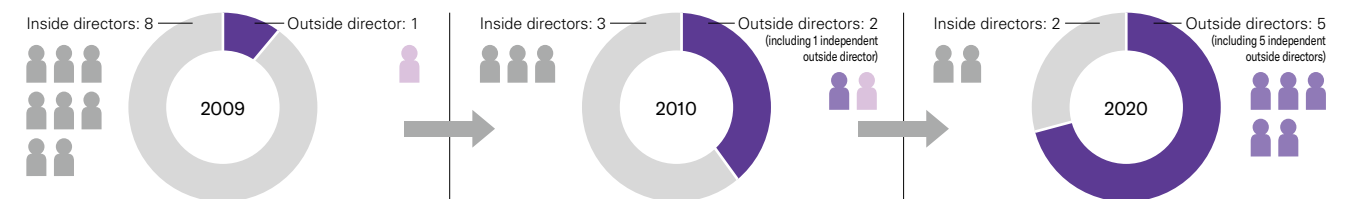
The Board of Directors determines important matters—such as basic management policies—required by laws and ordinances, the articles of incorporation, and the rules of the Board of Directors. Authority for important decisions pertaining to business execution is delegated to executive officers from the Board of Directors, and matters related to these decisions that must be reported to the Board of Directors are defined by the rules of the Board of Directors. By adhering to these rules and requiring related procedures and approvals to be conducted in a rational manner, the Board of Directors exercises its oversight function. Executive officers regularly

report on the status of business execution to the Board of Directors, and the Board of Directors oversees business execution by executive officers. The Audit Committee audits the execution of duties by directors and executive officers based on audit standards and audit plans. To ensure that executive officers, operating officers, and audit officers are able to perform their duties efficiently, the Company has established rules for these officers and provisions for this purpose are included in the rules for the Managing Council.

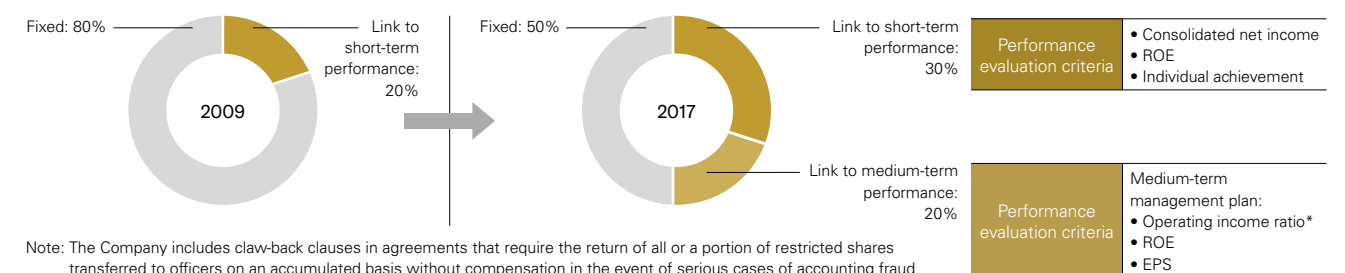
Performance-Linked Compensation

In 2017, Yamaha increased the ratio of performance-linked compensation for directors responsible for business execution and executive officers after completely revising the officer compensation system with the objective of aligning the values of management with shareholders and providing sound incentives that link the compensation system to enhancements in corporate value over the medium and long term while sustaining growth (please see Example of Compensation for an Officer below).

Ratio of Outside Directors



Example of Compensation for an Officer



Note: The Company includes claw-back clauses in agreements that require the return of all or a portion of restricted shares transferred to officers on an accumulated basis without compensation in the event of serious cases of accounting fraud or major losses, depending on the responsibility of the officers in charge.

* Core operating profit ratio as of fiscal 2020

Reason for Establishment of New Position of Audit Officer

One of Yamaha's basic corporate governance policies is to ensure that the Board of Directors is highly effective by separating the oversight and executive functions and strengthening the oversight function.

Strengthening the oversight function requires the reinforcement of the audit function, which is a component of the oversight function. The Company has implemented a number of initiatives for this purpose. For example, we improved the objectivity of the Audit Committee by transitioning to a membership completely comprised of independent outside directors. We also bolstered the systems of the Audit Committee's Office, a dedicated support organization that acts based on the direction of the Audit Committee and works with the committee in its daily activities, to ensure that the committee is effective. Furthermore, the Company's internal audit system was reinforced to conduct the audits that serve as a third line of defense against risks based on the needs of the executive team and a system was developed to allow for internal audits to be relied upon for audits with the same scope as those by the Audit Committee. Finally, frameworks for closer coordination between the Audit Committee, the Audit Committee's Office, and the Internal Auditing Division were established.

Based on the progress of these initiatives, we established the new position of audit officer, which differs from executive officer and operating officer. The goals of this move included pursuing ongoing improvements to the independence and objectivity of the oversight function. This move was also meant to revise the team of internal officers responsible for audits to complement the information-gathering capabilities of the Audit Committee given the deficiency created by lack of a full-time Audit Committee member from within the Company and thereby separate these officers from the executive function. The positions of senior general manager of the Audit Committee's Office and senior general manager of the Internal Auditing Division have been entrusted to audit officers.

The aforementioned initiatives were advanced with an internal director serving as a full-time Audit Committee member up until June 2019 and with an executive officer responsible for internal audits positioned in the Internal Auditing Division until March 2020 (please see pages 81 and 82 for information on Audit Committee members).

Message from Senior General Manager of the Audit Committee's Office

As described in this report (on the previous page), Yamaha is working to strengthen its audit function through organization-wide auditing. It may not always be entirely apparent why auditing is important. However, when you think about it, you will realize that, as it is difficult for people and organizations to be objective in self-evaluations, it is vital for someone else to view them from an independent standpoint to make them aware of matters that they would not have noticed otherwise.

In this manner, the Audit Committee is expected to offer accurate guidance from an outside perspective. The Audit Committee members responsible for offering this guidance coordinate with the Internal Auditing Division and accounting auditors for which they depend on for daily audit information collection and for various audits to ensure that the committee has the information it needs. At the same time, they work to improve organization-wide audits.

For internal audits, we are establishing audit systems centered on officers responsible for audits that encompass the Yamaha Group's global-spanning business. We also faithfully engage in the task of conducting audits in conjunction with risk management activities. Meanwhile, regular reports and information is provided at meetings of the Managing Council with regard to improvement activities pertaining to issues identified by audits in order to improve audit awareness.



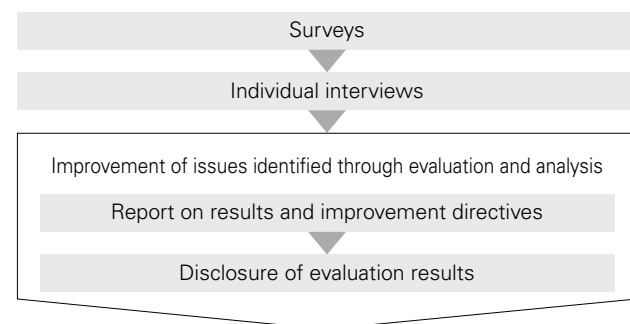
Yasushi Nishiyama
Audit Officer, Senior General Manager of Audit Committee's Office

Effectiveness of the Board of Directors

Analyzing and Evaluating the Effectiveness of the Board of Directors

The Company seeks to improve the functionality of the Board of Directors by analyzing and evaluating its effectiveness and receiving assessments from external experts with regard to efforts to improve the issues identified through this process.

Evaluation Process



Summary of the Evaluation

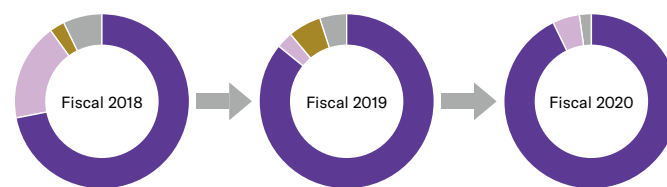
- The reformed corporate governance system has become entrenched in the Company, and the system is functioning under the Company with Three Committees (Nominating, Audit, and Compensation) structure.
- Oversight of the management team from an independent and objective standpoint is conducted in a highly effective manner.
- Sincere and constructive discussions are being held with regard to major management issues.
- The Audit Committee, which has no full-time members, was positively evaluated due to the newly established position of audit officer and the strengthening of the Internal Auditing Division.
- For further improvement, management issues were raised regarding discussions on the direction of long-term management, improvement of risk management, and further strengthening of the internal audits.

Issues Identified in Evaluation of Effectiveness and Improvement Initiatives

The major issues identified in the evaluation of the effectiveness of the Board of Directors conducted in fiscal 2019 and the related improvement initiatives in fiscal 2020 are described in the table below.

Area	Fiscal 2020		Fiscal 2021	
	Issue	Response	Issue	Direction for future initiatives
Discussions	Discussions regarding long-term management strategies	Discussions regarding initiatives for addressing financial and other medium-to long-term issues	Discussions regarding long-term management strategies (ongoing)	Discussions regarding medium-to long-term goals and strategic directives pertaining to areas such as management vision and sustainability
Succession	Oversight of succession plans for representative executive officer and other officers by the Board of Directors	Reports by the Nominating Committee with regard to succession plan for representative executive officer	Oversight of succession plans for representative executive officer and other officers by the Board of Directors (ongoing)	<ul style="list-style-type: none"> • Succession process progress monitoring and regular reports by the Nominating Committee • Provision of forums for exchanges between outside directors and heads of core divisions
Proceedings	Stimulation of brisk discussion among directors	<ul style="list-style-type: none"> • Agenda management oriented toward increasing opportunities for input from directors and executive officers • Provision of materials related to Board of Directors' meetings three days in advance, in principle 	Stimulation of brisk discussion among directors (ongoing)	Agenda management emphasizing brisk discussion and improvement of awareness among meeting attendees
Structure	<ul style="list-style-type: none"> • Separation of role of chairman of the Board of Directors and president • Reexamination of audits by the Audit Committee 	<ul style="list-style-type: none"> • Agenda management recognizing difference in role of chairman of the Board of Directors and president (execution) • Development of audit system utilizing internal audits • Improvement of the Audit Committee's Office functionality and establishment of new position of audit officer 	Separation of role of chairman of the Board of Directors and president (ongoing)	Examination of possible improvement measures in conjunction with progress of succession plans for representative executive officer and other officers
Risks			<ul style="list-style-type: none"> • Improvement of awareness regarding compliance helplines • Enhancement of internal audits at overseas subsidiaries 	<ul style="list-style-type: none"> • Enhancement of compliance helpline systems and structures and bolstering of Groupwide information provision • Promotion of improvements in line with Group Internal Audit Policies & Rules and execution plans

Results of Evaluation of Effectiveness of the Board of Directors (Surveys)



■ Items receiving positive evaluation in more than 75% of responses	43	55	62
■ Items receiving positive evaluation in between 51% and 74% of responses	11	2	3
■ Items receiving positive evaluation in 50% of responses	2	4	0
■ Items receiving positive evaluation in less than 50% of responses	4	3	1

Applying Functions as Asset Owner of Corporate Pensions

Through the Yamaha Corporate Pension Fund, the Company manages pension assets based on a policy asset ratio for the longer term, designed to ensure pension benefits for retirees in the future.

Decisions regarding asset management are made by the board of representatives with consideration paid to the deliberations of the Asset Management Committee. The Asset Management Committee and the board of representatives are staffed by personnel with appropriate qualifications, such as managers from the Company's finance and personnel departments. Additionally, key persons from the labor union, for example, are representatives of the beneficiaries.

The administrative office for the corporate pension fund is staffed by personnel selected for their qualifications.

Initiatives to Engage in Dialogue with Shareholders and Investors

In order to have constructive dialogue with shareholders and investors, the Board of Directors appoints a director in charge of these initiatives. If necessary, due to a request for dialogue from a shareholder or investor, the director in charge, other directors, executive officers, or operating officers will appear in person to explain matters such as the capital policy or medium-term management plan to shareholders or investors in a clear and easy-to-understand manner.

The Legal Division, IR Department, and Corporate Finance Division cooperate and assist the director in charge to ensure

that dialogue with shareholders and investors is conducted in a reasonable and orderly manner.

In addition to the respective dialogue with shareholders and investors, the Company gives presentations on its medium-term management plan and quarterly earnings, as well as business briefings, facilities tours, and presentations for private investors. Presentation materials for business plans, results briefings, and others are always available on our corporate website.

The results of dialogues with shareholders and investors are reported to the Board of Directors by the director in charge, executive officers, or operating officers on a timely basis, and they are appropriately reflected in the management of the Company, leading to the Group's sustainable growth and enhancing corporate value over the medium to long term. Additionally, the voting is analyzed for each resolution at the Ordinary General Shareholders' Meeting, and this is reported to the Board of Directors.

Regarding measures to control insider information, pursuant to the Company's Disclosure Policy, due consideration is given to controlling insider information, and we endeavor to disclose information in a fair, prompt, and timely manner. When meeting with shareholders and investors, information is provided after verifying that the information provided does not constitute insider information. The time between the day after the end of each quarter and the date of the earnings release is a quiet period during which we refrain from discussing earnings information.

Major IR Activities

Major IR activities in fiscal 2020 were as follows.

Major IR Activities (Fiscal 2020)

Target	Activity	Frequency	Content
For analysts and institutional investors	Financial results briefings	4	Quarterly briefings
	Medium-term management plan briefing	1	Briefing on medium-term management plan
	Conferences held by securities companies	1	Interviews with officer in charge
	Interview	270	IR interviews with IR team
For domestic and international institutional investors	Facility tours	5	Corporate museum, factory, and other tours
	Management plan / IR briefings	7	Visits by president and representative executive officer, officers in charge (Japan, North America, Europe, Asia)
For private investors	Company briefings	7	Sapporo, Nagoya, Tokyo (4 times), and Yokohama
Other IR activities	Promotional activities targeting investors	Monthly	Website information updates, content enhancement, and registration campaigns (three months)
	Information provision activities	7	Articles and advertisements in specialized magazines and online



Results briefing for six-month period ended September 30, 2019



President and Representative Executive Officer Takuya Nakata giving a presentation at a Company briefing for private investors

General Shareholders' Meetings

Yamaha endeavors to establish an environment that ensures that there is adequate time for shareholders to exercise their voting rights at a General Shareholders' Meeting, so that they can properly exercise their voting rights. In addition to sending the notice for the Ordinary General Shareholders' Meetings at least three weeks in advance of the meeting date, we create an environment in which every shareholder can properly exercise their voting rights by disclosing the content of the notice on our website in both Japanese and English as soon as possible, holding the Ordinary General Shareholders' Meeting on a date that avoids the concentration of shareholders' meetings, and ensuring that it is convenient to exercise voting rights by using an electronic proxy voting platform.

Items Voted On at the Ordinary General Shareholders' Meeting

The following items were voted on at the 196th Ordinary General Shareholders' Meeting on June 23, 2020.

Cross-Holdings

Basic Policy

It is Yamaha's basic policy to have cross-holdings only to the extent that this is reasonable because it contributes to the Company's sustainable growth and the enhancement of corporate value over the medium to long term. Reasonableness, from the standpoint of contributing to the Company's sustained growth and long-term improvements in corporate value, is defined as cross-holdings that help maintain relationships with important partner companies, suppliers, and financial institutions, as well as those that enhance the Company's brand value, support sustained growth, and reinforce its financial foundation.

With regard to the reasonableness of individual cross-holdings, the Board of Directors regularly and continuously verifies whether the purposes for such shareholdings are

appropriate, whether the benefits accruing from these holdings and the risks associated with them cover the cost of capital, etc., and based on the results of those verifications the Board works to reduce cross-holdings.

In exercising the voting rights associated with cross-holdings, the decision of how to vote is made comprehensively from the standpoint of whether the resolution enhances the corporate value of the company in question over the medium to long term, whether it is in accordance with our basic policy concerning cross-holdings, and whether it leads to the enhancement of our corporate value over the medium to long term.

Status of Shareholdings

For specified equity securities, all shareholdings as of March 31, 2020, are presented in the table below. Yamaha does not have any deemed shareholdings or investments in equity securities for pure investment purposes.

Investments in Equity Securities Held for Purposes Other than Pure Investment

	Stock in unlisted companies	Stock in firms other than unlisted companies
Number of companies and amount shown on balance sheet	36 companies ¥886 million	12 companies ¥5,690 million
Total amount of stock sold in fiscal 2020, pertaining to decreases in the number of companies / shares in which shareholdings were reduced	—	6 companies ¥1 million
Total amount of stock acquired in fiscal 2020, pertaining to increases in the number of companies / shares in which shareholdings were increased	—	3 companies ¥1 million

Note: In fiscal 2020, the increase in the number of companies in which shareholdings were increased reflected share acquisitions for the purpose of gathering information about information provision methods, etc., for shareholders.

Number of Shares Held in Each Company for Specified Equity Securities and Amounts Shown on Balance Sheet (Listed Companies)

Security name	No. of shares as of March 31, 2019 Amount on balance sheet (Millions of yen)	No. of shares as of March 31, 2020 Amount on balance sheet (Millions of yen)	Yamaha ownership of shares
Yamaha Motor Co., Ltd.*1	34,642,790	34,642,790	Yes
	75,209	45,278	
MS&AD Insurance Group Holdings, Inc.*2	1,218,623	1,218,623	Yes
	4,106	3,686	
TOYOTA MOTOR CORPORATION*2	501,300	501,300	No
	3,251	3,258	
The Shizuoka Bank, Ltd.*3	2,808,564	2,808,564	Yes
	2,367	1,845	
Audinate Group Limited*2	6,289,308	6,289,308	No
	2,967	1,575	
Sumitomo Mitsui Financial Group, Inc.*3	356,402	356,402	Yes
	1,381	934	
Mizuho Financial Group, Inc.*3	7,086,757	7,086,757	Yes
	1,213	875	
DAIICHIKOSHO CO., LTD.*2	50,000	50,000	No
	283	144	
Mitsubishi UFJ Financial Group, Inc.*3	226,480	226,480	Yes
	124	91	
HORIBA, Ltd.*4	—	100	No
	—	0	
MonotaRO Co., Ltd.*4	—	100	No
	—	0	
J. FRONT RETAILING Co., Ltd.*4	—	100	No
	—	0	
Canon Inc.*4	100	—	No
	0	—	
Shimadzu Corporation*4	100	—	No
	0	—	
Ebara Corporation*4	100	—	No
	0	—	
Japan Tobacco Inc.*4	100	—	No
	0	—	
Showa Shell Sekiyu K.K.*4,5	100	—	No
	0	—	
Panasonic Corporation*4	100	—	No
	0	—	

Notes: "—" means no shares in the company are held.

*1 Yamaha Motor Co., Ltd. uses the same Yamaha brand as the Company. Yamaha Motor Co., Ltd. and the Company have established the Joint Brand Committee, Yamaha Brand Charter, and Joint Brand Regulations. Along with carrying out various initiatives together, initiatives in furtherance of each other's sustainable growth are monitored appropriately through shareholdings and the assignment of directors. By building this kind of relationship of monitoring and cooperation, the Company aims to maintain and enhance the value of the Yamaha brand, thereby contributing to the enhancement of the Company's corporate value over the medium to long term.

*2 The Company holds the shares for the purpose of maintaining and continuing a smooth transaction relationship.

*3 The Company holds the shares for the purpose of maintaining and continuing a smooth relationship with financial institutions.

*4 The Company holds the shares for the purpose of gathering information about information provision methods, etc., for shareholders.

*5 Showa Shell Sekiyu K.K. became a wholly owned subsidiary of Idemitsu Kosan Co., Ltd., following an exchange of shares making this company the parent company conducted with an effective date of April 1, 2019.

Items Voted On at the 196th Ordinary General Shareholders' Meeting (Held on June 23, 2020)

Proposal	Number of votes for	Number of votes against	Number of abstained votes	Approval percentage	Results
Proposal 1. Appropriation of surplus	1,540,880	267	100	100.0	Approved
Proposal 2. Appointment of seven directors					
Takuya Nakata	1,375,062	166,320	100	89.2	Approved
Satoshi Yamahata	1,450,660	90,728	100	94.1	Approved
Yoshimi Nakajima	1,455,031	86,358	100	94.4	Approved
Taku Fukui	1,455,119	86,270	100	94.4	Approved
Yoshihiro Hidaka	1,320,645	220,738	100	85.7	Approved
Mikio Fujitsuka	1,458,847	82,542	100	94.6	Approved
Paul Candland	1,455,294	86,095	100	94.4	Approved

Notes: Necessary conditions for the approval of each proposal were as follows:

- Proposal 1: Approval by a majority vote of shareholders in attendance
- Proposal 2: Attendance of shareholders holding one-third or more of the voting rights of the shareholders who can exercise their voting rights, and approval by a majority vote of the shareholders in attendance.

Reason for not including some of the number of voting rights of the shareholders in attendance in the number of voting rights: By calculating the total of the number of voting rights exercised by the date immediately before the date of the meeting and the number of voting rights of some of the shareholders present, whose intentions regarding approval or disapproval of each proposal were confirmed, the necessary conditions for the approval of each proposal were satisfied and the resolutions were legally passed pursuant to the Companies Act. Therefore, among those shareholders in attendance on the day of the meeting, the calculation did not include the number of voting rights for which intentions regarding approval, disapproval, or abstention were not confirmed.

Risk Management

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

Basic Policy

Yamaha has established the Risk Management Committee as an advisory body to the president and representative executive officer. The committee discusses risk management-related matters from a Companywide perspective and reports the results of these discussions to the president and representative executive officer. In addition, the Working Group for BCP and Disaster Prevention Management, Working Group for Financial Management, Working Group for Compliance, Working Group for Export Control, and Working Group for Information Security have been established under the Risk Management Committee. These working groups set activity policies and monitor activities related to important Companywide themes.

The Risk Management Committee categorizes the various

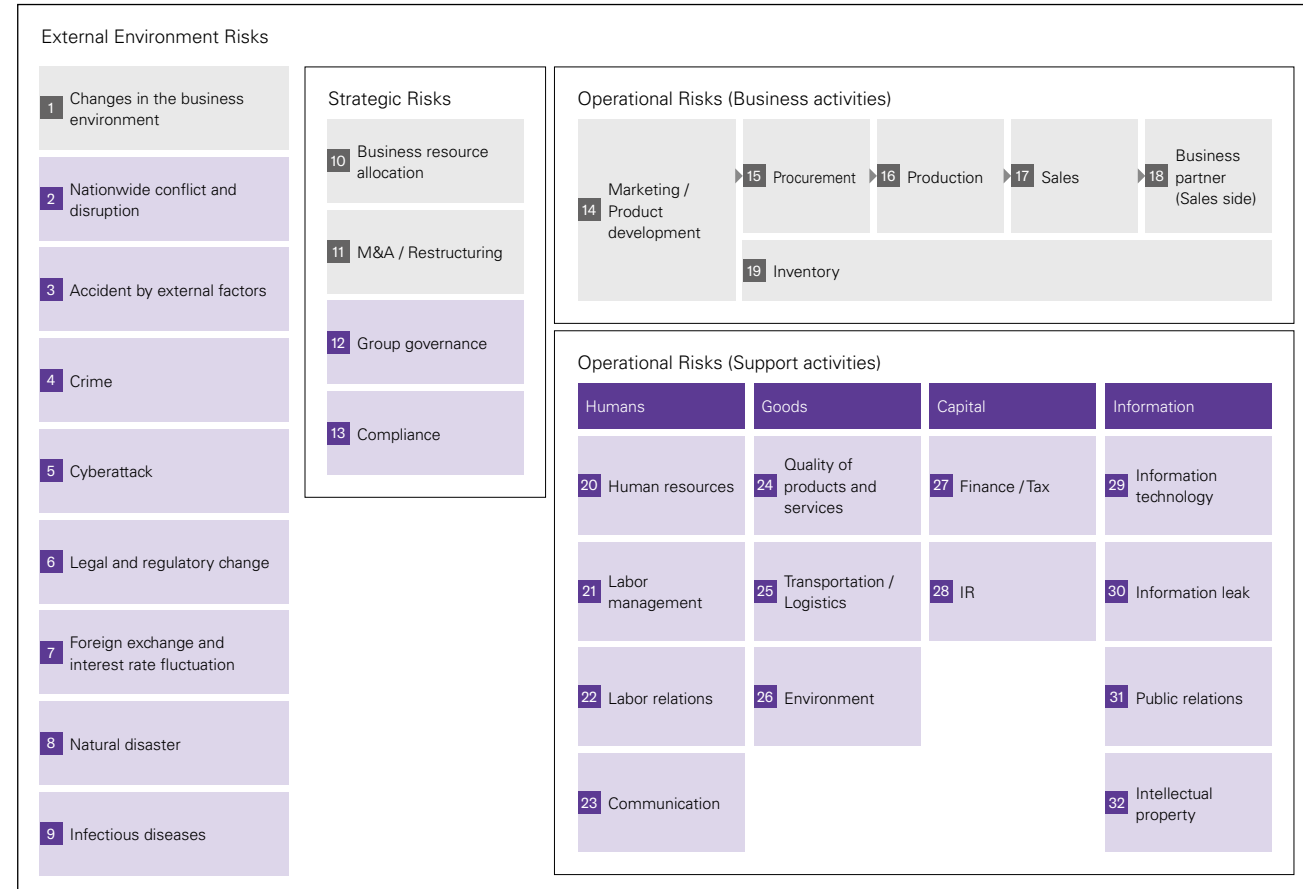
risks identified in relation to the Yamaha Group's business into four categories: External environment risks, strategic risks, operational risks (business activities), and operational risks (support activities). The materiality of risks is assessed based on the projected scale of damages and frequency of materialization. In addition, the level of control is evaluated for each risk category, material risks requiring priority response are identified, and the divisions responsible for managing these risks are designated in order to promote risk mitigation activities and thereby improve overall risk control levels.

Please visit our corporate website for more information on risk management systems and the Risk Management Committee.

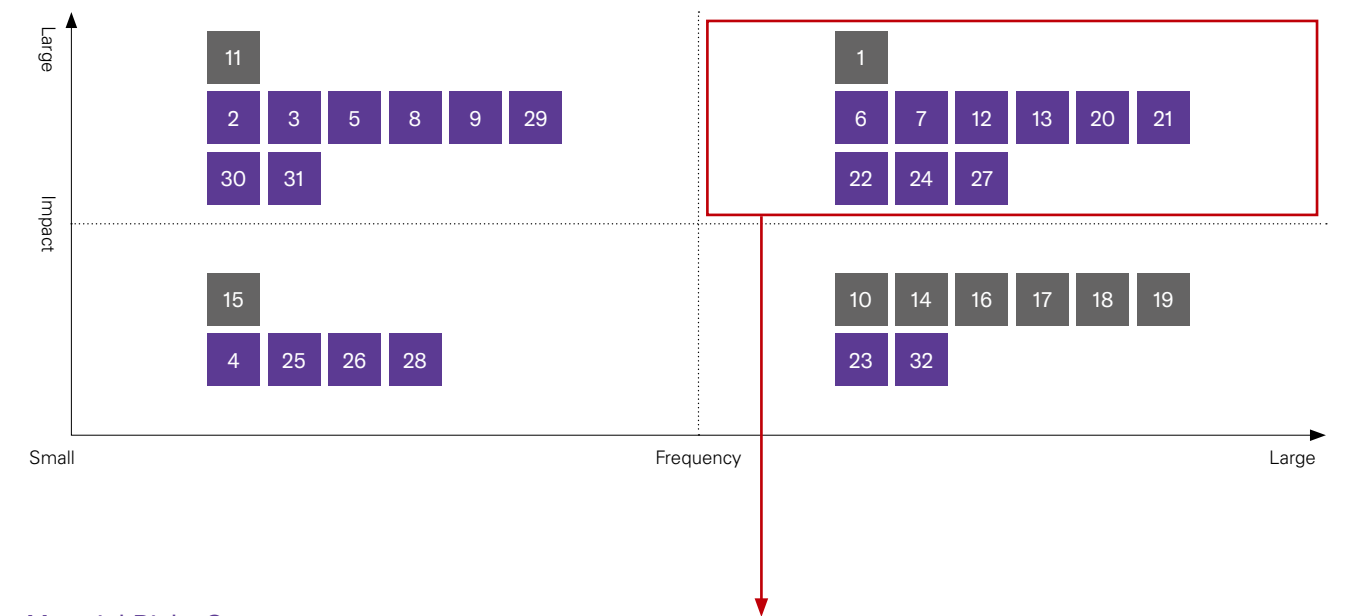
https://www.yamaha.com/en/csr/governance/risk_management/

Categorization of Business Risks

■ Business strategy risk ■ Fundamental risk



Risk Map



Material Risks Countermeasures

Countermeasures for the risk items in the highest priority areas of the risk map (those outlined in red) are as shown in the table below.

Risk category	Risk item	Risk countermeasures	Relevant key strategies*
External Environment Risks	1 Changes in the business environment (regional / market trends)	Production systems are being developed to ensure that major products can be supplied from at least two locations. Sales measures include flexible supply from inventories in response to unfavorable economic conditions in specific countries. In addition, customer data platforms are being constructed as digital marketing initiatives are accelerated in order to bolster service offerings for customers of a wide range of ages by supplying value matched to customer life stages.	①②③④
	6 Legal and regulatory change	The Group Legal Affairs Policies & Rules define our basic policies for legal affairs based on which we are developing and implementing information platforms that comprehensively compile the latest information on legal trends in order to ensure timely compliance with new laws in all countries of operation. Meanwhile, the Working Group for Export Control takes steps to reduce the risk of legal violations in import and export activities by strengthening management of technologies applicable under list regulations and developing export control systems for exports from China and India.	①②③④
	7 Foreign exchange and interest rate fluctuation	The potential impacts of foreign exchange risks are mitigated by repositioning processes on a global scale through means such as transferring production processes performed in Japan to overseas. We respond to fluctuations in the euro to yen exchange rate by flexibly settings prices from the perspective of globally standardizing wholesale prices in order to maximize sales volumes and selling prices. In addition, forward foreign exchange contracts are used to fix short-term earnings from foreign currency-denominated transactions prior to execution.	①②③
Strategic Risks	12 Group governance	The Company has developed organizations dedicated to specific functions and Group companies are positioned under these organizations. To facilitate the oversight of these Group companies, the Group Management Charter and the Group Company Management Policies & Rules, which define basic policies for Group companies, designate the items for which Group companies are required to receive prior approval from the Company. To ensure that such prior approval is received, individuals responsible for specific prior approval items and specific Group companies are positioned in the organizations tasked with overseeing Group companies in order to provide instruction to these companies. The Internal Auditing Division, which functions as our third line of defense against risks, conducts audits on all areas of governance, risk management, internal control, and business activities at Group companies based on the Group Internal Audit Policies & Rules.	①②③④
	13 Compliance	Group compliance regulations have been established and the Company regularly monitors activities across the Group to ensure total compliance with laws and regulations. In addition, the Compliance Code of Conduct has been established to foster compliance awareness among all organizations and employees. Training and other activities are conducted to heighten Groupwide compliance awareness and compliance helplines have been set up on a global basis to serve as a deterrence for violations and to facilitate swift response should a violation occur.	①②③④

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

Risk category	Risk item	Risk countermeasures	Relevant key strategies*
Operational Risks (Support activities)	20 Human resources	Human resource systems have previously been operated on an individual Group company basis. Having established the Group Human Resources Management Policies & Rules, core positions are now managed on a global basis, and workplaces are being developed to enable employees with diverse personalities and backgrounds to fully exercise their sensibilities and creativity. Focused on cultivating human resources that can compete on a global scale, the Yamaha Group is implementing education and training systems for promoting skill and career development and instituting human resources development programs tailored to specific goals and targets. In addition, we have revised our rehiring program for retirees as part of our initiatives to cultivate, motivate, and retain talented human resources.	①②③④
	21 Labor management	The Group Human Resources Management Policies & Rules define basic policies for human resources management, the Group Safety and Health Management Policies & Rules put forth basic health and safety policies, and the Training Guidelines for Labor and Labor-Management Relations describe the labor management training activities that should be conducted by Group companies. As one facet of its efforts to promote diversity, the Group is implementing work-life balance support systems and developing workplace environments that are conducive to contributions by female employees. We have also published the Workplace LGBT Handbook and are promoting understanding with regard to employee diversity in the workplace. In regard to harassment, the Compliance Code of Conduct has been established to foster compliance awareness among all organizations and employees, training and other activities are conducted to raise Groupwide compliance awareness, and compliance helplines are established on a global basis. In addition, the Guidelines for Labor and Human Rights have been formulated to direct efforts to develop workplace environments that place emphasis on respect for the human rights of everyone working at the Yamaha Group.	①②③④
	22 Labor relations	Basic policies for human resources management are defined by the Group Human Resources Management Policies & Rules. Meanwhile, we describe the training activities that Group companies are expected to conduct in relation to labor management in the Training Guidelines for Labor and Labor-Management Relations. Awareness with this regard is promoted and the implementation status of this training monitored.	①②③④
	24 Quality of products and services	Yamaha Quality (criteria for quality) is one of the four elements of the Yamaha Philosophy. Guided by this principle, we have defined basic quality management policies in the Group Quality Management Policies & Rules. In addition, the Quality Committee, an advisory body to the president and representative executive officer, is tasked with developing product-related legal compliance systems and frameworks for preventing serious product issues and implementing related improvement activities as well as with conducting systematic education on regulatory systems for quality management personnel. Furthermore, efforts are taken to improve product and service quality including safety education for employees and regular safety inspections of facility and equipment at resorts and music schools.	①③
	27 Finance / Tax	The Working Group for Financial Management regularly measures the level of internal control pertaining to finances and identifies high-risk areas in order to set targets for improving internal control levels at Group companies and support such improvements. To hedge against market price and interest rate fluctuations pertaining to assets and liabilities, the impacts of interest rate fluctuations on retirement obligations are evaluated on an annual basis as is the validity of the holding purposes for cross-holdings. Meanwhile, the Group Tax Policies & Rules are in place to promote efforts to reduce risks through periodic confirmation of tax risks at Group companies and risk assessments based on confirmation results.	①②③

Response to the Global COVID-19 Pandemic

The global COVID-19 pandemic requires a response different than that for sudden catastrophes, such as earthquakes, a fact that initially caused difficulty. Nevertheless, we have been able to furnish a generally swift response through measures including collecting and sharing information from Group companies, complying with government regulations enacted overseas, taking steps to ensure the safety of teleworking for employees and customers (at stores, music schools, etc.).

performing accounting and auditing procedures through remote systems, and holding meetings of the Board of Directors and other important internal meetings remotely. Going forward, we will take a more proactive approach toward developing systems that allow for quick and systematic efforts to facilitate the resumption of business activities in preparation for a potential second wave of COVID-19 infections or similar outbreaks. We are also using this pandemic as an opportunity to reconsider how we work and utilize offices.

9 Global Pandemic Response Measures

Risk explanation	Risk countermeasures	Relevant key strategies*
It is possible that business activities could be delayed or halted at manufacturing and sales sites should the number of infections reach a level that triggers national alert systems, which could impact the Group's performance or finances.	To prepare for pandemics and other emergency situations, the Working Group for BCP and Disaster Prevention Management establishes BCPs and conducts other business continuity management activities. The Group BCP Policies & Rules stipulate the basic policies for furnishing a swift and appropriate response and minimizing the impacts on management should a risk materialize. In addition, BCPs are established for individual bases and the effectiveness of these plans is increased through drills and other verification and improvement activities. Recognizing that the global COVID-19 pandemic represents an emergency situation, a BCP and disaster response headquarters has been set up. This headquarters is overseeing efforts to collect information on the status of bases, production, sales, distribution, and funding; expand teleworking and other initiatives for preventing the spread of COVID-19; and minimize the impacts of the pandemic on our business.	①②③

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

Endorsement of the TCFD Recommendations

Rapid climate change poses a major threat to humanity and to all life on earth. We recognize that helping combat this threat and contributing to the decarbonization of society are corporate responsibilities and important management issues.



In June 2019, the Yamaha Group announced its endorsement of the TCFD recommendations. Based on these recommendations, we are analyzing the risks and opportunities for our business that could result from climate change. The results of these analyses are incorporated into management strategies, and information on the potential financial impacts is disclosed.

Category	Initiatives
Governance	Addressing climate change has been positioned as an important management strategy and a portion of our sustainability governance and management systems. Climate change and other important sustainability issues are discussed at least once a year at meetings of the Managing Council, which is headed by the president, and the results of these discussions are reported to the Board of Directors to make for a system of appropriate supervision by the Board of Directors.
Strategy	The risks and opportunities that may result from rapid climate change or the accompanying phenomena are incorporated into the important elements of business strategies. For example, the current medium-term management plan includes among its core measures efforts to reduce GHG emissions, develop environmentally friendly products, and realize sustainable timber use. We recognize that the impacts of rapid climate change will likely be felt over the medium to long term. Accordingly, we have defined the associated risks and opportunities from a medium- to long-term perspective looking to 2030 and beyond rather than based on the short-term time frame of the three-year medium-term management plan. The identified risks will be periodically examined and revised based on internal and external trends going forward. Risks and Opportunities The Group employed various scenarios described by the International Energy Agency to determine the risks and opportunities that could occur as a result of the transformation of the operating environment in response to rapid climate change and the accompanying phenomena. The specific scenarios utilized were RCP*1 2.6 (2°C scenario) and RCP 8.5 (4°C scenario). Based on these scenarios, we are evaluating the degree of materiality of risks and opportunities based on their potential financial impact and likelihood of materialization. Major Climate Change-Related Risks and Opportunities Transition Risks and Opportunities <ul style="list-style-type: none"> Regulatory risks: Increased operating and equipment costs due to expanded carbon pricing (carbon taxes, etc.) and regulation Technological risks: Reduced sales and diminished corporate reputation due to delays in adopting next-generation product or manufacturing technologies, lowered resource volumes, and increased costs through changes in the environments in which wood resources are grown Market opportunities: Increased sales of energy-efficient products (musical instruments, audio equipment, etc.), voice communication equipment (for remote meetings), thermoelectric devices, and other products that contribute to the realization of a low-carbon or carbon-free society Physical Risks <ul style="list-style-type: none"> Abnormal weather risks: Increased damages to the Company or its supply chain from typhoons, floods, droughts, etc.
Risk Management	The Risk Management Committee has been established as an advisory body to the president and representative executive officer, 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 divisions 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 BCPs and implement other business continuity management initiatives to address the physical risks associated with natural disasters. In fiscal 2020, we completed establishment of BCPs 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. We have also implemented measures such as revising the locations and structure of Company business sites and even external warehouses. Countermeasures have been put in place for all material risks that have been identified at this point in time, and we are committed to further enhancing risk management initiatives going forward to ensure that there are no significant impacts to our business over the medium to long term.
Metrics and Targets	The Company has set the medium-term targets of reducing total Scope 1 and Scope 2 GHG emissions by 32% and total Scope 3 GHG emissions by 30% from fiscal 2018 levels by fiscal 2031. These targets were certified by international environmental organization SBT*2 in June 2019. In addition, we have set a long-term target of cutting total Scope 1 and Scope 2 GHG emissions by 83% from fiscal 2018 levels by fiscal 2051. On a short-term basis, we have established the target of reducing CO ₂ emissions per unit of production by 1% or more each year at major Japanese business sites. We manage GHG emissions volumes in accordance with the Greenhouse Gas Protocol*3, 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 GHG emissions data using emissions coefficients. Third-party verification is received for this data. One example of CO ₂ emissions reduction activities was the fiscal 2020 switch to renewable energy for one-third of the electricity purchased at the Yamaha Corporation headquarters. Looking ahead, we are planning a phased increase in the portion of electricity purchased from renewable sources.

*1 Representative Concentration Pathways (RCP) scenarios are named based on the hypothetical radiative forcing level (the portion of energy transmitted to the earth that is trapped within its atmosphere) of the earth at the end of the century. For example, RCP 2.6 refers to a scenario in which this radiative forcing level is 2.6 w/m².
*2 Science Based Targets is an international initiative that encourages companies to formulate GHG emissions reduction targets based on scientific evidence and that evaluates and certifies these targets to contribute to the accomplishment of the goals of the Paris Agreement.
*3 The Greenhouse Gas Protocol is a set of standards for calculating and reporting GHG emission volumes.

Compliance

As a global conglomerate, the Yamaha Group recognizes that compliance is among the most important management themes and a prerequisite for corporate activities.

Basic Policy and Compliance Code of Conduct

The Yamaha Group has positioned compliance among its most important management themes for fulfilling its responsibility to stakeholders and society and for achieving sustainable growth.

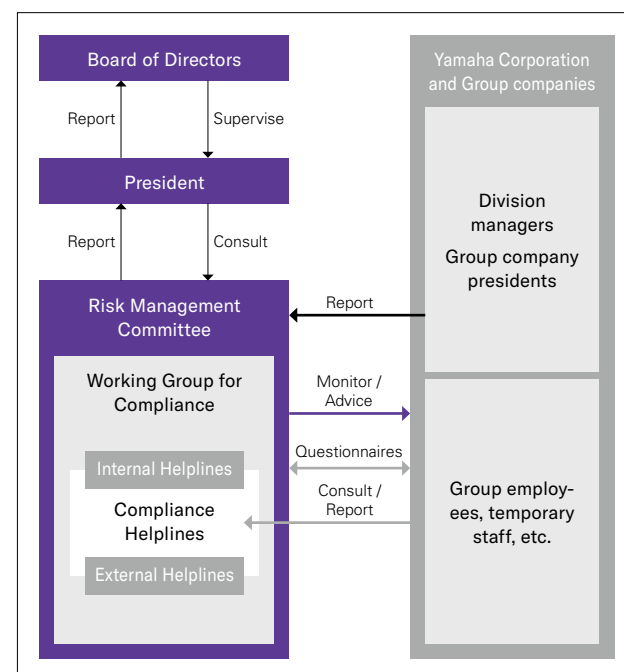
The Compliance Code of Conduct puts forth a code for guiding the actions of all members of the Yamaha Group as the foundation for compliance management. Since the establishment of the code in 2003, ongoing revisions have been implemented in reflection of changes in environmental and social conditions, and the code has been translated into multiple languages. In addition, the Yamaha Group publishes and distributes to all employees booklets that describe in detail the Compliance Code of Conduct.

Compliance Management Frameworks and Promotion System

The Working Group for Compliance, an organization positioned under the Risk Management Committee, which is an advisory body to the president and representative executive officer, is a central organization in the promotion of compliance. This working group discusses and decides on Groupwide compliance-related policies and measures. In addition, the working group is responsible for monitoring the activities of divisions and Group companies to ensure legal compliance and ethicality.

Other measures for ensuring sound business activities include internal education and training programs, employee questionnaires, and the development of compliance helplines for use by both Company employees and temporary staff.

Compliance Promotion System



Global Conformity in Compliance Initiatives

As the Yamaha Group's business grows even more global, resulting in business activities being advanced in manners that blur the boundaries between countries and regions with differing political and economic frameworks, business customs, and values, increasing the conformity of compliance initiatives with global standards is becoming a pressing issue.

The Yamaha Group signed the United Nations Global Compact in June 2011 and is working to adhere to the Ten Principles in the four areas of human rights, labour, environment, and anti-corruption in its business activities. In addition, we participate in managing subcommittees of Global Compact Network Japan.

Meanwhile, our basic policy for legal compliance is to focus on the reinforcement of global legal violation prevention measures. On a Groupwide basis, we develop and implement rules based on the Compliance Code of Conduct while advancing measures and education and awareness-raising activities for purposes such as preventing corruption and ensuring fair trade. The Legal Division monitors the status of these initiatives within the Group.

To strengthen global compliance frameworks, we position compliance representatives in all overseas subsidiaries who play a role in advancing measures in their respective regions, conducting education and awareness-raising activities, and sharing information with the rest of the Group.

Monitoring

The Working Group for Compliance conducts regular monitoring of the status of compliance systems and compliance promotion at Company divisions and Group companies to ensure that the business activities of the Yamaha Group are ethical and legally compliant. Support for corrective actions is provided as necessary.

Education and Awareness-Raising Activities

The Working Group for Compliance distributes educational and training content via the Company intranet and also holds compliance seminars as needed to foster compliance awareness within the Company.

Through the intranet, employees are given access to Compliance News, Compliance Quizzes, and other content that is easy to understand and allows users to efficiently learn about key compliance points in a short amount of time. In addition, the Yamaha Group holds internal compliance seminars whenever necessary. In fiscal 2020, seminars on the prevention of power harassment, legal training sessions, and anti-corruption training sessions were held.

Harassment Prevention Initiatives

The Yamaha Group stipulates the prohibition of harassment, an act that violates human rights, in the Compliance Code of Conduct. This is elaborated on in the Compliance Code of Conduct booklets distributed to all Group employees.

At the Company, work regulations clearly state that harassment will be addressed with disciplinary actions and that the action taken will be made public, indicating our stern stance toward violations of human rights.

Recently, 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 make the Company an emotional safe space. In April 2020, the president declared his commitment to fostering a corporate culture emphasizing openness and mutual respect for colleagues at the Group Managers' Meeting, which assembles the heads of core divisions from throughout the Group. This declaration highlighted the importance of responsibility toward work and emotional security in developing a strong team and organization.

Other harassment prevention measures include increasing the number of external compliance consultation venues, strengthening dedicated compliance organizations, and enhancing harassment prevention training.



President and Representative Executive Officer Takuya Nakata describing his commitment to a corporate culture emphasizing openness



Remote discussion forum between employees and the president and representative executive officer Takuya Nakata

Compliance Helplines

The Yamaha Group has established compliance helplines for addressing compliance-related consultations and reports. These helplines can be used to receive support via the internet, telephone, fax, email, or standard mail. In Japan, cards detailing the contact information for these helplines are distributed to employees, and this information can also be found in Compliance Code of Conduct booklets and on posters displayed in Company facilities. We also promote awareness regarding these venues through questionnaires and during training sessions. Internal rules pertaining to the operation of compliance helplines include provisions to protect whistleblowers by stating that earnest reporters are not to suffer reprisal as a result of reports.

In March 2020, we established the Yamaha Compliance Hotline, a new external consultation venue for domestic Group companies operated by a subcontractor. Combined with the existing internal consultation venue and venue for consultation with an external legal firm, this made for three consultation venues available in Japan.

For overseas Group companies, in addition to the helplines operated by these Group companies, global helplines operated by the Company offering support via the internet have been available in 16 languages since 2017.

Numbers of Reports Received through Compliance Helplines

	Name provided	Anonymous	Total*
Fiscal 2016	19	7	26
Fiscal 2017	26	13	39
Fiscal 2018	34	13	47
Fiscal 2019	25	9	34
Fiscal 2020	55	11	66

* Figures represent the total numbers of reports received through domestic and global compliance helplines.

Compliance Helpline System

