

Yamaha Motor Co., Ltd.  
2500 Shingai, Iwata-shi, Shizuoka, Japan

Code No: 7272  
March 2, 2021

## Notice of the 86th Ordinary General Meeting of Shareholders

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders:

This is to inform you of the 86th Ordinary General Meeting of Shareholders, to be held at the time and place indicated below.

**In order to avoid the risk of COVID-19 infection, you are kindly advised to refrain from attending the meeting in person whenever possible and exercise your voting rights by mailing the enclosed Exercise of Voting Rights Form or via the Internet, etc. Please review the reference documents provided and exercise your voting rights by 5:30 p.m. on Tuesday, March 23, 2021 (JST).**

### [Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposed resolution on the enclosed Exercise of Voting Rights Form, and return the form to us so that it arrives by the aforementioned deadline.

### [Exercising Voting Rights by Electromagnetic Means]

Please read the attached documents on page 82, "Procedures for Exercising Voting Rights by Electromagnetic Means," and exercise your voting rights online.

**1. Date and Time:** Wednesday, March 24, 2021 at 10:00 a.m. (JST)  
(The reception will open at 9:00 a.m.)

**2. Location:** Communication Plaza of the Company  
2500 Shingai, Iwata-shi, Shizuoka, Japan  
\* The venue has been changed this year.  
In order to prevent the spread of COVID-19 infection, clearance between each seat will be widely spaced and therefore only 70 seats will be available this year. Only shareholders who have made advance registration will be allowed to enter the venue on the day of the meeting. We would appreciate your kind understanding in advance.

### 3. Agenda of the Meeting

#### Items to be reported:

1. Business Report for the 86th Fiscal Year (from January 1, 2020 through December 31, 2020); Consolidated Financial Statements applicable to the 86th Fiscal Year (from January 1, 2020 through December 31, 2020); Report of Independent Auditors on Consolidated Financial Statements; and Report of the Audit & Supervisory Board on Consolidated Financial Statements
2. Non-consolidated Financial Statements applicable to the 86th Fiscal Year (from January 1, 2020 through December 31, 2020).

#### Items to be resolved:

- |                       |   |
|-----------------------|---|
| Proposed Resolution 1 | Appropriation of Surplus                                    |
| Proposed Resolution 2 | Election of Ten Directors                                   |
| Proposed Resolution 3 | Election of One Audit & Supervisory Board Member            |
| Proposed Resolution 4 | Election of One Substitute Audit & Supervisory Board Member |

#### 4. Predetermined Terms of the Convening

- (1) If you do not indicate your vote of approval or disapproval for each proposed resolution on the Exercise of Voting Rights Form, we will consider you to have approved the Company's proposed resolutions on which you did not vote, as stipulated in Paragraph 3 of Article 15 of the "Share Handling Regulations."
- (2) Duplicate voting
  - 1) If we recognize that you exercise your voting right via the Internet, etc. more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the "Share Handling Regulations."
  - 2) If we recognize that you exercise your voting right both in writing and via the Internet, etc. on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the "Share Handling Regulations." If both votes arrive on the same day, vote via the Internet, etc. will prevail and be treated as the effective vote.
- (3) A person who is to exercise voting rights on behalf of a shareholder as a proxy (one other shareholder with voting rights of the Company) shall not be entitled to exercise the shareholder's voting rights as a proxy unless the person receives an Exercise of Voting Rights Form from the shareholder and submits it to the Company, as stipulated in Paragraph 4 of Article 15 of the "Share Handling Regulations."

#### 5. Other Matters regarding this Notice

Among the documents which should be provided together with this Notice, the "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are made available on the Company's website on the internet at <https://global.yamaha-motor.com/jp/>, pursuant to the applicable laws and regulations and Article 19 of the Articles of Incorporation of the Company. Accordingly, these notes are not provided in this Notice. The Consolidated Financial Statements and Non-consolidated Financial Statements that are provided in the Attached Documents of this Notice are part of the consolidated financial statements and non-consolidated statements that were audited by the Independent Auditors and Audit & Supervisory Board Members for preparation of their accounting audit report and audit report.

- Notes:
1. Attendees are asked to make registration in advance, and, on the day of the meeting, submit to the reception desk their completed Exercise of Voting Rights Form and the Admission Confirmation Notice to be sent from the Company.
  2. If and when any correction is made to the Reference Documents for the General Meeting of Shareholders and Attached Documents, it will be announced on the Company's website at <https://global.yamaha-motor.com/jp/>

## Requests to shareholders

Shareholders are again kindly advised to refrain from attending in person this General Meeting of Shareholders. The meeting may be viewed by live broadcast on the Internet. We will also accept in advance questions relevant to the agenda of the meeting. Shareholders who wish to attend the meeting in person are kindly requested to make advance registration.

### ■ Details of live broadcast

Date and time of broadcast: Wednesday, March 24, 2021

From 10:00 a.m. until the closing of the meeting  
(The website can be accessed 30 minutes before the meeting starts.)

How to log in: Please access the URL of the website for viewing  
(<https://www.virtual-sr.jp/users/yamaha-motor/login.aspx>) and log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number) to view the live broadcast.

- (1) Please note that shareholders viewing the meeting cannot exercise voting rights or make questions during the meeting. We would appreciate your kind understanding in advance.
- (2) Picture and sound problems may occur upon viewing, or live broadcast may not be viewed depending on your PC environment (functions and performance) and conditions of the Internet connection, or due to the concentration of access from many shareholders and other factors.
- (3) Communication expenses and other fees required for viewing shall be borne by shareholders.
- (4) The taking of photographs, sound recording, video recording or publishing via social media of the live broadcast shall be prohibited.

### ■ Acceptance of advance questions

Acceptance period: From Tuesday, March 2, 2021 to Thursday, March 18, 2021 at 5:30 p.m.

How to send questions: Please access the URL of the dedicated website  
(<https://www2.yamaha-motor.co.jp/SPT/Shareholders-meeting/login/>), log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number) and enter your questions in the form for accepting advance questions.

Questions shall be relevant to the agenda of the meeting. We will accept only one question per shareholder. Questions that would be of high interest to shareholders will be responded to during the meeting, but individual replies will not be provided. We would appreciate your kind understanding in advance.

### ■ Advance registration to attend the meeting

In order to prevent the spread of COVID-19 infection, clearance between each seat will be widely spaced and therefore only 70 seats will be available. Shareholders who wish to attend the meeting in person are kindly requested to make advance registration. Should the number of applicants exceed the number of seats available, a lottery will be held to determine shareholders eligible for attendance.

Those who have not made advance registration or who were not chosen by lottery, as well as those who cannot present a certificate of eligibility at the time of admission will not be allowed to enter the venue. We would appreciate your kind understanding in advance.

Registration deadline: Thursday, March 18, 2021 at 5:30 p.m.

How to register: Please access the URL of the dedicated website  
(<https://www2.yamaha-motor.co.jp/SPT/Shareholders-meeting/login/>) and log in using the shareholder number (9-digit number) printed on the Exercise of Voting Rights Form and your postal code (7-digit number). Then, enter your name and e-mail address in the attendance application form.

Result notification: Notification will be made by e-mail by Friday, March 19, 2021.

- Procedures for admission:
- (1) Both the “Exercise of Voting Rights Form” and “Admission Confirmation Notice” to be sent by e-mail by Friday, March 19, 2021 will be required for admission (Please bring with you the printed “Admission Confirmation Notice” sent by e-mail or show the screen of the notice on your smartphone or mobile phone at the reception. It is recommended that the notice be screen-captured and saved beforehand).
  - (2) Admission will be refused if the contents of the “Exercise of Voting Rights Form” and “Admission Confirmation Notice” does not match each other.
  - (3) Registration is valid only one time per shareholder.

- (4) The personal information obtained for application will be used only for the purposes of sending “Admission Confirmation Notice” or lottery results, replying to the inquiries and verifying the identification, and will not be shared with any third parties unless the Company entrusts works necessary for the attainment of such purposes to external subcontractors.
- (5) The costs to be incurred for the access to the dedicated website for registration shall be borne by shareholders.

■ Measures to be taken at the meeting venue to prevent infections

- (1) We ask for your cooperation with disinfection, temperature check and other measures deemed necessary to ensure the safety of shareholders and all persons concerned. Those who are unwilling to cooperate will be asked not to enter the venue (or may be asked to leave even after the admission).
- (2) Those who were found to have a fever of 37.5 degrees Celsius or higher or a persistent cough upon admission check, or who are unwilling to wear masks continuously from the admission until leaving will be asked not to enter the venue. Those who are considered unwell may also be asked not to enter the venue (or may be asked to leave even after the admission).
- (3) The meeting staff will attend to their duties wearing masks after going through a health check. We would appreciate your kind understanding in advance.

If and when any revision is made to the measures shown above depending on the situation of the spread of infection until the day of the meeting, the revised information will be posted on the Company’s website on the Internet (<https://global.yamaha-motor.com/jp/>).

## Reference Documents for the 86th Ordinary General Meeting of Shareholders

### Proposals and Reference Information

#### Proposed Resolution 1 Appropriation of Surplus

Placing a focus on “considering balance between investments for new growth and stock dividends within the availability of cash flows while maintaining the earnings power,” the Company has set the benchmark at a dividend payout ratio of 30% of net income attributable to owners of parent, striving for stable and continuous dividend payment.

The Company proposes to pay a year-end dividend of ¥60 per share for the current fiscal year.

(1) Type of dividend property:

Cash

(2) Distribution of dividend property, and the total amount distributed:

60 yen per share of common stock

Total amount: 20,968,821,540 yen

(3) Effective date of distribution:

March 25, 2021

## Proposed Resolution 2 Election of Ten Directors

All of the eleven (11) Directors will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, Yamaha Motor Co., Ltd. (hereinafter the “Company”) proposes the election of a total of ten (10) Directors.

The Director candidates are as follows.

[Reference] Structure of Directors\*

Candidate No.	Name	New candidate or candidate for reappointment	Current positions and responsibilities in the Company		
1	Hiroyuki Yanagi	Candidate for reappointment	Chairman and Representative Director		
2	Yoshihiro Hidaka	Candidate for reappointment	President, Chief Executive Officer and Representative Director		
3	Katsuaki Watanabe	Candidate for reappointment	Executive Vice President and Representative Director Chief General Manager in charge of Quality Assurance, Land Mobility, Market Development and Customer Experience		
4	Katsuhito Yamaji	Candidate for reappointment	Managing Executive Officer and Director Chief General Manager in charge of Manufacturing, Manufacturing Technology, Procurement, Solution and Power Products		
5	Tatsumi Okawa	Candidate for reappointment	Senior Executive Officer and Director Chief General Manager in charge of Human Resources & General Affairs, Corporate Planning & Finance Center, IT and Digital Technology, Creative and Marine		
6	Heiji Maruyama	New candidate	Senior Executive Officer Chief General Manager of Technical Research & Development Center Chief General Manager in charge of Powertrain and Vehicle Development		
7	Takuya Nakata	Candidate for reappointment	Director	Outside Director	Independent Outside Officer
8	Takehiro Kamigama	Candidate for reappointment	Director	Outside Director	Independent Outside Officer
9	Yuko Tashiro	Candidate for reappointment	Director	Outside Director	Independent Outside Officer
10	Tetsuji Ohashi	Candidate for reappointment	Director	Outside Director	Independent Outside Officer

\* Structure in the case that this proposal is approved.

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
1	Hiroyuki Yanagi (November 20, 1954) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Candidate for Reappointment</div>	<p>             April 1978: Joined the Company              April 2000: General Manager of Soude Factory and General Manager of Morimachi Factory, Production Control Division, MC Operations of the Company              April 2003: Director and President of MBK Industrie              February 2004: Director and President of Yamaha Motor India Pvt. Ltd.              March 2007: Executive Officer of the Company              January 2009: Chief General Manager of Manufacturing Center of the Company              March 2009: Senior Executive Officer of the Company              March 2010: President, Chief Executive Officer and Representative Director of the Company              June 2011: Outside Director of Yamaha Corporation              January 2018: Chairman and Representative Director of the Company (to present)              March 2019: Independent Director of AGC Inc. (to present)              March 2019: Outside Director of Kirin Holdings Company, Limited (to present)              [Concurrent positions]              Chairman of Japan Marine Industry Association           </p> <p>             - Term of office as a Director:              Eleven (11) years (at the conclusion of this Ordinary General Meeting of Shareholders)              - Attendance at the Board of Directors Meetings:              13 out of 13 meetings (100%)              - Reasons for the nomination of candidate for Director:              The Company nominated Hiroyuki Yanagi as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as President and Representative Director of the Company since 2010 and others, he is highly capable in corporate management that is required to deal with a variety of values as well as expertise in technological and manufacturing fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.           </p>	93,471

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
2	Yoshihiro Hidaka (July 24, 1963)  <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-left: 20px;">Candidate for Reappointment</div>	<p>April 1987: Joined the Company</p> <p>July 2010: Vice President of Yamaha Motor Corporation, U.S.A.</p> <p>January 2013: Executive General Manager of 3rd Business Unit, MC Business Operations of the Company</p> <p>March 2014: Executive Officer of the Company</p> <p>January 2015: Executive General Manager of 2nd Business Unit, MC Business Operations of the Company</p> <p>January 2016: Executive General Manager of 1st Business Unit, MC Business Operations and General Manager of Southeast &amp; East Asia Sales Division of the Company</p> <p>January 2017: Chief General Manager of Corporate Planning &amp; Finance Center of the Company</p> <p>March 2017: Senior Executive Officer and Director of the Company</p> <p>January 2018: President, Chief Executive Officer and Representative Director of the Company (to present)</p> <p>June 2018: Outside Director of Yamaha Corporation (to present)</p> <p>- Term of office as a Director: Four (4) years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</p> <p>- Reasons for the nomination of candidate for Director: The Company nominated Yoshihiro Hidaka as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Vice President of Yamaha Motor Corporation, U.S.A., Executive General Manager of MC Business Unit, Chief General Manager of Corporate Planning &amp; Finance Center of the Company and others, he is highly capable in corporate management that is required to deal with a variety of values and has expertise in the management control and business strategy fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</p>	42,570

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
3	Katsuaki Watanabe (November 15, 1959)  <div style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Reappointment</div>	April 1982: Joined the Company January 2007: Director and President of Yamaha Motor Parts Manufacturing Vietnam Co., Ltd. January 2009: Senior General Manager of BD Manufacturing Section, Manufacturing Center of the Company March 2010: Executive Officer of the Company November 2010: Chief General Manager of Manufacturing Center of the Company March 2011: Senior Executive Officer of the Company April 2013: Chief General Manager of Manufacturing Center and Executive General Manager of 1st Business Unit, MC Business Operations of the Company March 2014: Senior Executive Officer and Director of the Company January 2015: Chief General Manager of MC Business Operations of the Company March 2016: Managing Executive Officer and Director of the Company January 2018: Executive Vice President and Representative Director of the Company (to present)	41,358
		<ul style="list-style-type: none"> <li>- Term of office as a Director: Seven (7) years (at the conclusion of this Ordinary General Meeting of Shareholders)</li> <li>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for the nomination of candidate for Director: The Company nominated Katsuaki Watanabe as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Director and President of Yamaha Motor Parts Manufacturing Vietnam Co., Ltd. and Chief General Manager of Manufacturing Center and Chief General Manager of MC Business Operations of the Company and others, he is highly capable and has expertise in the procurement and manufacturing fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</li> </ul>	

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
4	Katsuhito Yamaji (November 28, 1958)  <div style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Reappointment</div>	<p>April 1982: Joined the Company</p> <p>April 2003: Director of Yamaha Motor da Amazonia Ltda.</p> <p>July 2009: Senior General Manager of Manufacturing and Engineering Section, Technology Center of the Company</p> <p>November 2010: Senior General Manager of EG Manufacturing Section, Manufacturing Center of the Company</p> <p>March 2012: Executive Officer of the Company</p> <p>January 2014: Chief General Manager of Manufacturing Center of the Company</p> <p>March 2015: Senior Executive Officer of the Company</p> <p>January 2017: Chief General Manager of Manufacturing Center and Chief General Manager in charge of Procurement Center of the Company</p> <p>March 2017: Senior Executive Officer and Director of the Company</p> <p>March 2019: Managing Executive Officer and Director of the Company (to present)</p> <p>- Term of office as a Director: Four (4) years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</p> <p>- Reasons for the nomination of candidate for Director: The Company nominated Katsuhito Yamaji as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Director of Yamaha Motor da Amazonia Ltda. (Brazil), Chief General Manager of Manufacturing Center of the Company and others, he is highly capable and has expertise in the manufacturing field. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</p>	25,506

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
5	<p data-bbox="316 779 528 842">Tatsumi Okawa (January 28, 1964)</p> <div data-bbox="316 860 539 936" style="border: 1px solid black; padding: 2px;"> <p data-bbox="336 869 518 927">Candidate for Reappointment</p> </div>	<p data-bbox="563 309 1233 846">           April 1986: Joined the Company            March 2007: Director and President of Yamaha Motor Australia Pty Limited.            January 2011: General Manager of Corporate Planning Division, Corporate Planning &amp; Finance Section of the Company            October 2012: Executive General Manager of ME Business Unit, Marine Business Operations of the Company            March 2014: Executive Officer of the Company            January 2015: Director and President of Yamaha Motor Corporation, U.S.A.            January 2018: Chief General Manager of Corporate Planning &amp; Finance Center of the Company            March 2018: Senior Executive Officer and Director of the Company (to present)         </p> <p data-bbox="563 869 1433 1348">           - Term of office as a Director:            Three (3) years (at the conclusion of this Ordinary General Meeting of Shareholders)            - Attendance at the Board of Directors Meetings:            13 out of 13 meetings (100%)            - Reasons for the nomination of candidate for Director:            The Company nominated Tatsumi Okawa as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Executive General Manager of ME Business Unit, Marine Business Operations of the Company, Director and President of Yamaha Motor Corporation, U.S.A. and others, he is highly capable and has expertise in the business management field. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.         </p>	19,032

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
6	Heiji Maruyama (January 28, 1962)	<p>April 1986: Joined the Company</p> <p>January 2010: Executive General Manager of 1st AM Business Unit, AM Business Unit of the Company</p> <p>January 2012: Executive General Manager of AM Business Unit of the Company</p> <p>March 2015: Executive Officer of the Company</p> <p>January 2019: Chief General Manager of Powertrain Unit of the Company</p> <p>March 2019: Senior Executive Officer of the Company (to present)</p> <p>January 2021: Chief General Manager of Technical Research &amp; Development Center of the Company (to present)</p>	13,077
	<div style="border: 1px solid black; padding: 2px; width: fit-content;">New Candidate</div>	<p>- Reasons for the nomination of candidate for Director: The Company nominated Heiji Maruyama as a candidate for Director for the following reasons: he has personality traits required of a Director such as high ethics and fairness. With his experience and business track records as Chief General Manager of Powertrain Unit and Executive General Manager of AM Business Unit of the Company and others, he is highly capable and has expertise in the technology and operation fields. Accordingly, he is expected to contribute to increasing corporate value of the Group and enhancing management supervisory capabilities of the Board of Directors.</p>	

[Candidates for Outside Directors]

The Outside Director candidates are as follows.

In addition to requirements in the independence criteria established by the Tokyo Stock Exchange, the Company has established its original “Standards for Selecting Independent Outside Officers” as stated below.

(Reference) Summary of “Standards for Selecting Independent Outside Officers”

I. Independent Outside Officers may not be:

1. Employees or former employees of the company
2. Major shareholders
3. Individuals in a “major customer” relationship with our corporate group
4. Individuals from companies that have accepted a director from Yamaha Motor Group
5. Individuals with some other type of vested interest in the Group
6. Individuals who might have a conflict of interest with our general shareholders
7. In office more than 8 years

Moreover, individuals who are second-degree relatives, or cohabiting relatives, of any of those mentioned above in 1 through 5 may not be officers.

II. Individuals, despite being applicable to any of the 2 to 5 above, may be elected as independent outside officers of the company if they, in view of their personality and insight, are believed suitable as independent outside officers of the company on the condition that the individuals meet the requirements of an outside director as required under the Companies Act, and that a public disclosure is made to explain the reasons for electing them as independent outside officers of the company.

As mentioned, the above is a summary of the “Standards for Selecting Independent Outside Officers.” For the full text, please visit our website, [https://global.yamaha-motor.com/ir/governance/pdf/independent\\_en.pdf](https://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf)

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
7	<p style="text-align: center;">Takuya Nakata (June 8, 1958)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Independent Outside Officer</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Candidate for Reappointment</div>	<p>April 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation)</p> <p>October 2005: General Manager of PA/ DMI Division of Yamaha Corporation</p> <p>June 2006: Executive Officer of Yamaha Corporation</p> <p>June 2009: Director &amp; Executive Officer of Yamaha Corporation</p> <p>April 2010: President of Yamaha Corporation of America</p> <p>June 2010: Senior Executive Officer of Yamaha Corporation</p> <p>June 2013: President and Representative Director of Yamaha Corporation</p> <p>March 2014: Outside Director of the Company (to present)</p> <p>June 2015: President of Yamaha Music Foundation (to present)</p> <p>June 2017: Director, President and Representative Executive Officer of Yamaha Corporation (to present)</p> <p>- Term of office as a Director: Seven (7) years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</p> <p>- Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Takuya Nakata as an Outside Director in the belief that he will provide the Company's management with valuable advice and supervision based on his ample experience of management in general gained from his position as the Director, President and Representative Executive Officer of Yamaha Corporation and wide range of insights, by which the Company aims to increase the value of the Yamaha brand commonly used by both companies.</p>	17,100

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
8	Takehiro Kamigama (January 12, 1958) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px 0;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px 0;">Independent Outside Officer</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px 0;">Candidate for Reappointment</div>	April 1981: Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation) June 2002: Corporate Officer of TDK Corporation June 2003: Senior Vice President of TDK Corporation June 2004: Director & Executive Vice President of TDK Corporation June 2006: President & Representative Director of TDK Corporation June 2016: Chairman & Representative Director of TDK Corporation June 2017: Outside Director of OMRON Corporation (to present) March 2018: Outside Director of the Company (to present) June 2018: Outside Director of SoftBank Corp. (to present) June 2018: Mission Executive of TDK Corporation (to present)	0
	<ul style="list-style-type: none"> <li>- Term of office as a Director: Three (3) years (at the conclusion of this Ordinary General Meeting of Shareholders)</li> <li>- Attendance at the Board of Directors Meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Takehiro Kamigama as an Outside Director in the belief that he will provide valuable advice and supervision regarding the Company's management based on his wide range of insights and his ample experience of management and technology, through his experiences in various managerial positions, including the representative director of a global company.</li> </ul>		

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
9	<p data-bbox="311 786 510 846">Yuko Tashiro (March 14, 1954)</p> <div data-bbox="300 869 528 913" style="border: 1px solid black; padding: 2px;">Outside Director</div> <div data-bbox="300 927 528 1003" style="border: 1px solid black; padding: 2px;">Independent Outside Officer</div> <div data-bbox="300 1016 528 1093" style="border: 1px solid black; padding: 2px;">Candidate for Reappointment</div>	<p data-bbox="555 293 1241 1249"> June 1986: Joined KPMG LLP  July 1995: Partner of KPMG LLP  November 2000: Sourcing Leader of GE Corporate Japan of General Electric International Inc.  July 2003: Chief Financial Officer of PHOENIX RESORT CO., LTD.  April 2005: Director, Chief Operating Officer and Chief Financial Officer of Aon Holdings Japan, Ltd.  April 2010: Representative Director of TS Associates, Ltd.  June 2012: Outside Director of Accordia Golf co., Ltd.  March 2016: Auditor (External) of McDonald's Holdings Company (Japan), Ltd. (to present)  June 2016: Representative Director, President and Chief Executive Officer of Accordia Golf co., Ltd.  January 2018: Director and Chairman of the board of Accordia Golf co., Ltd.  April 2018: Representative Director, Chairman of the board and President, CEO of Accordia Golf co., Ltd. (to present)  March 2019: Outside Director of the Company (to present)  March 2019: Chairman, CEO and Representative Director of NEXT GOLF MANAGEMENT CORPORATION (to present) </p> <p data-bbox="555 1256 1157 1346"> [Concurrent positions]  Vice Chairman of NPO Mirai Kaihatsu Kenkyujo  Director of The First Tee of Japan </p> <p data-bbox="555 1368 1433 1751"> - Term of office as a Director:  Two (2) years (at the conclusion of this Ordinary General Meeting of Shareholders)  - Attendance at the Board of Directors Meetings:  13 out of 13 meetings (100%)  - Reasons for the nomination of candidate for Outside Director:  The Company requests shareholders to elect Yuko Tashiro as an Outside Director in the belief that she will provide valuable advice and supervision regarding the Company's management based on her wide range of insights and her ample experience of management based on her experiences in various managerial positions, including financial managers and the representative directors of several companies. </p>	0

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
10	<p>Tetsuji Ohashi (March 23, 1954)</p> <p>Outside Director</p> <p>Independent Outside Officer</p> <p>Candidate for Reappointment</p>	<p>April 1977: Joined Komatsu Ltd.</p> <p>January 2004: President and Chief Operating Officer (COO) of Komatsu America Corp.</p> <p>April 2007: Executive Officer of Komatsu Ltd.</p> <p>April 2008: Senior Executive Officer of Komatsu Ltd.</p> <p>June 2009: Director and Senior Executive Officer of Komatsu Ltd.</p> <p>April 2012: Director and Senior Executive Officer of Komatsu Ltd.</p> <p>April 2013: President and Representative Director, and CEO of Komatsu Ltd.</p> <p>April 2019: Chairman of the Board and Representative Director of Komatsu Ltd. (to present)</p> <p>May 2019: Vice Chair of KEIDANREN (to present)</p> <p>March 2020: Outside Director of the Company (to present)</p> <p>- Term of office as a Director: One (1) year (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>- Attendance at the Board of Directors Meetings (After taking office on March 25, 2020): 10 out of 10 meetings (100%)</p> <p>- Reasons for the nomination of candidate for Outside Director: The Company requests shareholders to elect Tetsuji Ohashi as an Outside Director in the belief that he will provide valuable advice and supervision regarding the Company's management based on his wide range of insights and his ample experience of management and manufacturing, through his experiences in various managerial positions, including the representative director of a global company.</p>	0

Notes:

1. Special interests between the Company and the candidates

- |                   |   |
|-------------------|---|
| Hiroyuki Yanagi   | Mr. Yanagi is concurrently serving as Chairman of Japan Marine Industry Association, an association with which the Company has transactions, such as payment of membership fees.  |
| Takuya Nakata     | Mr. Nakata is concurrently serving as Director, President and Representative Executive Officer of Yamaha Corporation, a company with which the Company has transactions, such as real estate leases. Transactions between the two companies account for less than 1% of each company's consolidated net sales.  |
| Takehiro Kamigama | Mr. Kamigama served as Chairman & Representative Director of TDK Corporation until June 2018, and is concurrently serving as Mission Executive of TDK Corporation, a company with which the Company has transactions, such as purchase/sale of components for products. Transactions between the two companies account for less than 1% of each company's consolidated net sales. |
| Tetsuji Ohashi    | Mr. Ohashi is concurrently serving as Chairman of the Board and Representative Director of Komatsu Ltd., a company with which the Company has transactions, such as purchase/sale of products. Transactions between the two companies account for less than 1% of each company's consolidated net sales.  |

2. Summary of details of the liability limitation agreement with candidates for Outside Directors

The Company has entered into liability limitation agreements stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan with Takuya Nakata, Takehiro Kamigama, Yuko Tashiro and Tetsuji Ohashi for the maximum amount of the liability for damages, which is up to the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan. If this proposal is approved, the Company intends to continue the liability limitation agreements with them.

3. Summary of details of the liability insurance contract with candidates for Directors

The Company has entered into a Directors and Officers liability insurance contract to insure all the candidates for Directors. If insured Directors are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract. In the event each candidate assumes the office of Director, they will be insured by the said insurance contract. The Company intends to renew the liability insurance contract during their terms of office.

4. Independent Outside Officers

The Company has registered Takuya Nakata, Takehiro Kamigama, Yuko Tashiro and Tetsuji Ohashi as Independent Outside Officers according to the regulations provided by the Tokyo Stock Exchange, Inc. Summary of "Standards for Selecting Independent Outside Officers" is described on page 13.

The reason for electing Takuya Nakata as an independent outside officer (applies to the Company's Standards for Selecting Independent Outside Officers II)

The same Yamaha brand is mutually shared by the Company and Yamaha Corporation in which Takuya Nakata concurrently serves as Director, President and Representative Executive Officer, and the value of this brand constitutes significant element of the corporate value of both companies. As the Company and Yamaha Corporation share the same brand, both companies have an interactive relationship where increase in the brand value by the sustainable growth at either gives positive impact on the other, while conversely, impairment of the brand through violation of laws or lack of governance at either gives significant adverse impact on both companies. Yamaha Corporation best understands the Yamaha brand which serves as the pillar in the management of the Company, sharing common interest with general shareholders of the Company in pursuing the enhancement of the Company's brand value, but without being its major trading partner in the past, and is not listed among its major shareholders any longer since 2017. In addition, Mr. Nakata currently provides valuable opinions and advice based on his experience as global corporate manager at the Board of Directors Meetings of the Company. As such, the Company believes that Mr. Nakata, with no likelihood to give rise to any conflicts of interest with general shareholders of the Company, is able to perform his responsibility and duty of supervising the management from an independent standpoint that can maximize the interest of shareholders at both companies.

5. Special matters relating to candidates for Outside Directors

TDK Corporation, where Takehiro Kamigama served as Chairman & Representative Director until June 2018, received a cease and desist order and a surcharge payment order related to transactions in suspensions for hard disk drives (HDDs) from the Japan Fair Trade Commission in February 2018. However, said company and its group companies filed an application under the system for reduction of or release from surcharges and the system was subsequently applied. Therefore, they are exempted from surcharges and not subject to a cease and desist order. Takehiro Kamigama has been presenting his proposals on our daily operation from the viewpoint of legal compliance and compliance management, and after the fact was revealed, has been striving to eliminate all conducts leading to violations of the Antimonopoly Act and to promote the application of overall internal control systems in the whole group in a timely and appropriate manner.

6. Abbreviations: MC: Motorcycle, BD: Body, ME: Marine Engine, AM: Automotive

### Proposed Resolution 3 Election of One Audit & Supervisory Board Member

Audit & Supervisory Board Member Masahiko Ikaga will complete his term of office at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to elect an Audit & Supervisory Board Member. This proposal is submitted with the consent of the Audit & Supervisory Board.

The Audit & Supervisory Board Member candidate is as follows.

Name (Date of birth)	Brief career summaries and significant concurrent positions	No. of the Company shares held
<p>Eriko Kawai (April 28, 1958)</p> <p>Audit &amp; Supervisory Board Member (Outside)</p> <p>Independent Outside Officer</p> <p>New Candidate</p>	<p>October 1981: Joined Nomura Research Institute, Ltd. September 1985: Management Consultant of McKinsey &amp; Company October 1986: Fund Manager of Mercury Asset Management, SG Warburg November 1995: Director and Chief Investment Officer (CIO) of Yamaichi Regent ABC Polska July 1998: Senior Pension Fund Administrator of Bank for International Settlements October 2004: Senior Pension Fund Administrator of Organisation for Economic Co-operation and Development (OECD) March 2008: Representative of Kawai Global Intelligence April 2012: Professor of Institute for the Promotion of Excellence in Higher Education of Kyoto University April 2013: Professor of Institute for Liberal Arts and Sciences of Kyoto University April 2014: Professor of Graduate School of Advanced Integrated Studies in Human Survivability of Kyoto University (to present) December 2017: External Audit and Supervisory Board Member of CMIC HOLDINGS Co., Ltd. June 2018: Outside Director of Daiwa Securities Group Inc. (to present) December 2019: Outside Director of CMIC HOLDINGS Co., Ltd. (to present) [Concurrent positions] Director of The Outlook Foundation</p>	0
<p>- Reasons for the nomination of candidate for Audit &amp; Supervisory Board Member (Outside): The Company requests shareholders to elect Eriko Kawai as an Audit &amp; Supervisory Board Member (Outside) in the belief that she will utilize her ample experience in international companies and institutions as well as her experience and business track records as a manager in performing her duty as the Company's Audit &amp; Supervisory Board Member (Outside).</p>		

Notes:

- Matters relating to candidate  
Eriko Kawai is a candidate for Audit & Supervisory Board Member (Outside).
- Special interests between the Company and the candidate  
The candidate has no special interests in the Company.
- Summary of details of the liability limitation agreement with the candidate for Audit & Supervisory Board Member (Outside)  
In the event Eriko Kawai assumes the office of Audit & Supervisory Board Member (Outside), the Company will enter into a liability limitation agreement stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan with her for the maximum amount of the liability of damages, which is up to the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan.
- Summary of details of the liability insurance contract with the candidate for Audit & Supervisory Board Member  
The Company has entered into a Directors and Officers liability insurance contract to insure all the Audit &

(TRANSLATION ONLY)

Supervisory Board Members. If insured Audit & Supervisory Board Members are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract. In the event Eriko Kawai assumes the office of Audit & Supervisory Board Member (Outside), she will be insured by the said insurance contract. The Company intends to renew the liability insurance contract during her term of office.

5. Independent Outside Officers

The Company will register Eriko Kawai as an Independent Outside Officer according to the regulations provided by the Tokyo Stock Exchange, Inc., upon assumption of office. Summary of “Standards for Selecting Independent Outside Officers” is described on page 13.

## (Reference) Composition of Directors and Audit &amp; Supervisory Board Members [Schedule after March 24, 2021]

The expertise and experience of the candidates for Directors and Audit & Supervisory Board Members who were nominated in Proposed Resolution 2 and Proposed Resolution 3 are as follows.

Directors and Audit & Supervisory Board Members		Field in charge	Corporate Management	Manufacturing / Technology / R&D	Marketing / Sales	Accounting / Finance / M&A	IT / Digital Technology	Human Resources / Labor / Personnel Development	Legal / Risk Management	ESG / Sustainability	Global Experience
Directors	Hiroyuki Yanagi		●	●				●		●	●
	Yoshihiro Hidaka		●			●		●			●
	Katsuaki Watanabe	Quality Assurance / Land Mobility / Market Development / Customer Experience	●	●							●
	Katsuhito Yamaji	Manufacturing / Manufacturing Technology / Procurement / Solution / Power Products		●							●
	Tatsumi Okawa	Human Resources & General Affairs / Corporate Planning & Finance Center / IT / Digital Technology / Creative / Marine			●	●	●				●
	Heiji Maruyama	(New candidate) Powertrain / Vehicle Development / Technical Research & Development		●	●					●	
	Takuya Nakata	Outside	●		●		●	●			●
	Takehiro Kamigama	Outside	●	●				●			●
	Yuko Tashiro	Outside	●		●	●		●		●	●
	Tetsuji Ohashi	Outside	●	●			●	●			●
Audit & Supervisory Board Members	Kenji Hironaga							●	●		
	Junzo Saitoh							●	●		●
	Masatake Yone	Outside	●			●		●	●		●
	Eriko Kawai	Outside (New candidate)				●			●	●	●

## Proposed Resolution 4 Election of One Substitute Audit & Supervisory Board Member

In order to prepare for the contingency that the number of Audit & Supervisory Board Members could fall below the minimum stipulated in the Corporation Act of Japan, the Company proposes to elect Ko Fujita as a Substitute Audit & Supervisory Board Member. This proposal is submitted with the consent of the Audit & Supervisory Board.

The Substitute Audit & Supervisory Board Member candidate is as follows.

Name (Date of birth)	Brief career summaries and significant concurrent positions	No. of the Company shares held
Ko Fujita (August 21, 1964)	<p>April 1990: Registered as an Attorney</p> <p>April 1990: Joined Mori Sogo (currently Mori Hamada &amp; Matsumoto)</p> <p>July 1994: Registered as a New York State Attorney</p> <p>January 1997: Partner Attorney of Mori Hamada &amp; Matsumoto (Member of Mergers and Acquisitions Practice Group and Structured Finance Practice Group) (to present)</p>	0

Notes:

- Matters relating to candidate  
Ko Fujita is a candidate for Substitute Audit & Supervisory Board Member (Outside).
- Special interests between the Company and the candidate  
The candidate has no special interests in the Company.
- Reasons for the nomination of a candidate for Substitute Audit & Supervisory Board Member (Outside)  
The Company requests shareholders to elect Ko Fujita as a Substitute Audit & Supervisory Board Member (Outside) in the belief that he will utilize his high level of expertise as an attorney, as well as his international experience and business track records in performing his duty as the Company's Audit & Supervisory Board Member (Outside).
- Summary of details of the liability limitation agreement with the candidate for Substitute Audit & Supervisory Board Member (Outside)  
In the event Ko Fujita assumes the office of Audit & Supervisory Board Member (Outside), the Company will enter into a liability limitation agreement stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan with him for the maximum amount of the liability of damages, which is up to the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan.
- Summary of details of the liability insurance contract with the candidate for Substitute Audit & Supervisory Board Member  
The Company has entered into a Directors and Officers liability insurance contract to insure all the Audit & Supervisory Board Members. If insured Audit & Supervisory Board Members are held liable for execution of their duties or receive a claim regarding the examination of their liability, the resulting damage to be borne will be covered by the contract. In the event Ko Fujita assumes the office of Audit & Supervisory Board Member (Outside), he will be insured by the said insurance contract. The Company intends to renew the liability insurance contract during his term of office.
- Independent Outside Officers  
The Company will register Ko Fujita as an Independent Outside Officer according to the regulations provided by the Tokyo Stock Exchange, Inc., upon assumption of office. Summary of "Standards for Selecting Independent Outside Officers" is described on page 13.

(Attached Documents)

## Business Report

(From January 1, 2020 to December 31, 2020)

### 1. Current Conditions of the Yamaha Motor Group

#### (1) Business Developments and Results

During the fiscal year ended December 31, 2020, the global economy was profoundly affected by the worldwide proliferation of the COVID-19 pandemic which emerged at the outset of the year amid an uncertain economic outlook in addition to U.S.-China trade friction that had been persisting since the previous year. Meanwhile, the pandemic continues to weigh on the Group's financial results amid a scenario where it has been on a path to recovery since having bottomed out in the second quarter (from April to June) and some markets rebounded in the fourth quarter (from October to December). After the second quarter, demand in developed markets has been sharply rebounding with respect to personal commuter vehicles and outdoor family leisure. Meanwhile, emerging markets have been mounting a gradual recovery, particularly in the ASEAN region, India, and South America.

Given this situation, the Company engaged in business while first and foremost acting to prevent further spread of COVID-19, to ensure the safety and health of stakeholders, and to address regulations of respective countries appropriately. The Company has secured ample liquidity by thoroughly cutting costs and raising necessary funds, in a manner that draws on its experience during the worldwide financial crisis that was triggered by the bankruptcy of Lehman Brothers. In terms of R&D and investment, the Company has continued to undertake development and investment needed to strengthen its capacity in new fields and core businesses looking toward future growth, while also taking a selective and focused approach to narrowing its overall portfolio. In terms of production, the Company suspended factory operations at the early stages in response to the probability of waning demand due to proliferation of the COVID-19 pandemic. In terms of sales, the Company was quick to deploy marketing activities enlisting digital technologies upon restrictions having been placed on such initiatives due to COVID-19. Meanwhile, the Company has expanded its product line by rolling out new models in Europe, where new regulations on gas emissions have been adopted, as well as in India and Taiwan.

As a result, the Company's consolidated net sales for the fiscal year under review declined ¥193.5 billion, or 11.6%, year on year, to ¥1,471.3 billion, operating income declined ¥33.7 billion, or 29.2%, to ¥81.7 billion, ordinary income declined ¥31.8 billion, or 26.6%, to ¥87.7 billion, and net income attributable to owners of parent declined ¥22.7 billion, or 29.9%, to ¥53.1 billion.

As for financial results for the fourth quarter (from October to December), consolidated net sales increased ¥6.7 billion, or 1.7%, to ¥404.2 billion and operating income increased ¥9.9 billion, or 64.5%, to ¥25.3 billion. The Company has managed to partially recover from the adverse effects that COVID-19 had on the Company's financial results in the first half of the fiscal year.

Exchange rates for the fiscal year were ¥107 to the U.S. dollar (an appreciation of ¥2, year on year) and ¥122 to the euro (unchanged from the previous fiscal year).

Net sales decreased overall despite having increased in the Robotics business and the Financial services business, amid lower unit sales of motorcycles in the Land mobility business and lower unit sales in the Marine products business due to the effects of COVID-19. Operating income decreased as a whole due to factors that included the impact of foreign exchange and a lower operation ratio as a result of factories in respective countries having temporarily suspended operations during the first half of the fiscal year, compounded by lower sales.

In terms of financial indicators, the ratio of net income attributable to owners of the parent was 3.6% (a year on year decline of 0.9 percentage points), total asset turnover was 0.93 (a year on year decline of 0.20) due to securing cash on hand and purchases of sales finance receivables, shareholders' equity was ¥714.6 billion (an increase of ¥9.4 billion compared with the end of the previous fiscal year), and shareholders' equity ratio was 43.6% (a year on year decline of 2.5 percentage points). As a result, ROE was 7.5% (a year on year decline of 3.6 percentage points). In addition, free cash flow (including sales finance) was positive ¥66.5 billion (a year on year increase of ¥47.1 billion).

The status of each business is as follows.

\* AM (Automotive), which was included in “Others,” has been separated and consolidated into “Land mobility” and “Marine products.” Therefore, the figures for the 85th fiscal year (2019) have been reclassified.

Land mobility [Main products and services: Motorcycles, intermediate parts for products, knockdown parts for overseas production, all-terrain vehicles, recreational off-highway vehicles (ROV), snowmobiles, electrically power assisted bicycles, automobile engines and automobile components]

Net sales declined ¥173.4 billion, or 15.5%, year on year, to ¥946.5 billion, and operating income declined ¥23.2 billion, or 55.7%, year on year, to ¥18.5 billion.

With regard to motorcycles in developed markets, unit sales decreased despite the prevailing recovery in overall demand, amid a scenario where production did not keep up with the rapid recovering overall demand. Meanwhile, both sales and profits decreased as a result of the Company having decreased the operation ratio by temporarily suspending operations of the Iwata Main Factory and factory facilities in France.

With regard to motorcycles in emerging markets, both sales and profits decreased despite overall demand having been on a trajectory of recovery, largely as a result of factors that include a stagnating economy and diminishing consumer sentiment caused by lockdowns and restrictions imposed on social activity due to COVID-19. In Indonesia, demand plunged amid a shift to more stringent screening of sales finance due to the worsening economy combined with ongoing restrictions imposed on large social gatherings. In the Philippines, unit sales decreased amid a scenario where product supply lags behind the prevailing state of surging overall demand. In Vietnam, although overall demand has been mounting a modest recovery, the model mix has been deteriorating due to an increase in unit sales of low-priced models as a result of the economic slowdown. Meanwhile, sales in India have continued to exceed those of the previous year since August amid prevailing recovery of overall demand and strong sales of new models. In Taiwan, both overall demand and wholesale has recovered to levels surpassing previous year levels, fueled by government subsidy programs for cars with combustion engines.

In the RV category (all-terrain vehicles, recreational off-highway vehicles and snowmobiles), both sales and profits increased in major geographic regions, particularly in the Company’s largest market of North America, amid an upsurge in outdoor demand.

As for electrically power assisted bicycles, sales decreased due to waning unit sales of finished vehicles in Japan resulting from production delays and companies opting to refrain from sales activities due to COVID-19. However, profits increased as a result of the model mix having improved due to higher E-kit sales.

Marine products [Main products and services: Outboard motors, personal watercraft, boats, FRP swimming pools, fishing boats and utility boats]

Net sales decreased ¥21.7 billion, or 6.2%, year on year, to ¥328.3 billion, and operating income declined ¥7.7 billion, or 13.3%, to ¥50.6 billion.

Both sales and profits decreased as a result of North American boat builders having temporarily suspended operations, dealers having temporarily shut down that caused a decrease in unit sales of outboard motors and personal watercraft, and the Iwata Main Factory and U.S. factories having temporarily suspended operations.

Although affected by COVID-19 in the first half of the fiscal year, demand for outboard motors and personal watercraft increased due to an upsurge in outdoor demand after lockdowns.

As for outboard motors, unit sales of outboard motors to North America and Europe increased in the second half of the fiscal year due to the improvement of operation ratio after factories resumed operations.

The Group has continued to expand sales of large outboard motors despite the effect of COVID-19.

Robotics [Main products and services: Surface mounters, semiconductor manufacturing equipment, industrial robots and industrial-use unmanned helicopters]

Net sales increased ¥7.4 billion, or 9.7%, year on year, to ¥83.0 billion, and operating income declined ¥4.4 billion, or 57.4%, to ¥3.3 billion.

Sales increased but profits decreased as the model mix of our mainstay surface mounters has been deteriorating due to curbing of investments in the automotive sector including Japan, in addition to the effects of having made Yamaha Motor Robotics Holdings Co., Ltd. (renamed as Yamaha Robotics Holdings Co., Ltd. on January 1, 2021, hereinafter “YRH”) a wholly-owned subsidiary at the end of the second quarter of the previous fiscal year.

Meanwhile, unit sales of surface mounters increased in Asia (including China, Taiwan and South Korea) throughout the year, and in Europe and America from the second half of the fiscal year, and profit ratio trended toward improvement. Structural reform is also in steady progress at YRH and it is expected to achieve profitability.

Financial services [Main products and services: Sales finance and lease related to the Company’s products]

Net sales increased ¥5.1 billion, or 12.5%, year on year, to ¥46.1 billion, and operating income declined ¥0.5 billion, or 5.9%, to ¥7.6 billion.

Sales increased due to strong performance in developed markets, but profits decreased due to the impact of foreign exchange, an increase in allowance for doubtful accounts and a decrease in receivables from wholesalers.

The balance of receivables reached ¥350.4 billion (increased ¥45.5 billion, or 14.9%, year on year) partly owing to the launch of a financial program for prime customers as the Group’s own service in America.

With the launch of this program, a system is now in place to provide a full line of services to all customer segments with lower costs. The Company aims to continuously expand the Financial services business while strongly supporting the sales of its main products.

Others [Main products and services: Golf cars, generators, multi-purpose engines, small-sized snow throwers and electrically powered wheelchairs]

Net sales declined ¥10.9 billion, or 13.9%, year on year, to ¥67.4 billion, and operating income was ¥1.7 billion, against an operating loss of ¥0.4 billion in the fiscal year ended December 31, 2019.

Sales decreased amid a downturn in unit sales of golf cars and generators. Operating income increased from the previous year, when the Company recorded product warranty expenses for golf car and generator.

## **(2) Capital Expenditures**

The Group made investments of ¥53.8 billion (declined ¥4.3 billion, or 7.4%, year on year) in total during fiscal 2020.

In the Land mobility business, investments of ¥33.0 billion were made mainly for new motorcycle products overseas, replacing production facilities, enhancing production capacity in the Philippines, and improving production structure at head offices. In the Marine products business, investments of ¥12.8 billion were made mainly for new outboard motor products, replacing production facilities and renovating Yamaha Marina Hamanako. In the Robotics business, investments of ¥1.9 billion were made mainly for research and development for surface mounters and industrial robots. In the Other business, investments of ¥6.0 billion were made mainly for new golf car products.

## **(3) Fund Raising**

In order to meet fund demand in light of the effects of COVID-19, the Group borrowed a total of ¥170.0 billion from financial institutions during fiscal 2020. The said borrowings have been partially repaid during the same fiscal year.

#### (4) Key Priorities the Group Must Address

The Company's growth has been driven by the creation of new value under the banner of a "*Kando* Creating Company," its longstanding corporate mission. We established the long-term vision of "ART for Human Possibilities: There Is Greater Joy Yet to Come" toward 2030, aiming to realize a better society and life while expanding human potential by working on three focus areas, including "Advancing Robotics" (utilization of robotics and intellectual technologies), "Rethinking Solution" (Yamaha's unique initiatives for solving social issues) and "Transforming Mobility" (innovation of mobility). In the Medium-term Plan (2019 to 2021), the Company's management policies are (1) to maintain and improve earnings power of existing business and earn cash flows, and (2) to promote growth strategies and strengthening of the foundation while balancing them out with stock dividends. In 2019, while the Company made progress in growth strategies and strengthening of the foundation, challenges remained in the existing business. In 2020, the second year of the Medium-term Plan, the Company shifted its business to place top priority on ensuring the safety and health of its stakeholders amid the spread of COVID-19. As the impact of COVID-19 was unavoidable, we decided to withdraw the numerical targets of the Medium-term Plan. In 2021, the Company will aim to achieve the Plan by prioritizing strengthening and recovering profitability in its existing business, while continuing to promote its initiatives for growth strategies and strengthening of the foundation. The COVID-19 pandemic has changed the values of people and society. New demands are emerging, such as the renewed popularity of motorcycles as a personal commuter vehicle, and more customers enjoying outdoor leisure. The Company will aim for a V-shaped recovery by capturing these demands while leveraging digital technologies.

\**Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

##### ■ Growth of existing business

[Land mobility]

In the motorcycle market in the emerging countries, the Company will establish an earnings foundation in Yamaha's unique growth fields. In the ASEAN market, as demand recovers after the slump from COVID-19, the Company will expand the lineup of models equipped with a communication control unit that symbolizes further growth of the world of personal mobility. In addition, the Company will aim to improve profitability by increasing sales of premium models. In India, the Company will increase sales volume centering on models compliant with new regulations on gas emissions. For motorcycles in the developed markets, all-terrain vehicles and ROVs, the Company will aim to improve profitability through a structural reform and the introduction of new models. In addition, as motorcycle is regaining popularity as a personal commuter vehicle, the Company will seize and expand this growing demand. To offer new values in the growing world of personal mobility, we will expand sales of the newly introduced TRICITY 300 as the fourth Leaning Multi-Wheel (LMW) model. For electrically power assisted bicycles, the Company will expand the business globally by making comprehensive value proposals through new product development using new technologies and strategic partnerships.

[Marine products]

A surge in outdoor demand is raising demand for outboard motors and personal watercraft, creating opportunities for further growth. The Company will make swift adjustments to production and sales to respond to fluctuations in demand. In addition, to offer enriched marine lifestyles, we introduced into the market Helm Master EX, the next generation of integrated boat control systems with fully electric steering developed in-house for the first time. The new product opens doors to a more comfortable world of marine leisure to users. While continuing to strengthen the highly-profitable structure and establish a foundation for sustainable growth, the Company will implement its product and technology strategies and expand the comprehensive marine business in order to evolve the system supplier strategy.

[Robotics]

The Company will accelerate the speed of its growth through unified management while enhancing its business synergy with Yamaha Robotics Holdings Co., Ltd. In addition, to boost our competitiveness, we will enhance our performance through cooperation with other companies. The Company will promote research and development in robotics and enhancement of the production system for future sustainable growth, contributing to manpower reduction and automation in the manufacturing field.

##### ■ New business development

In line with the direction of "ART for Human Possibilities," the Company will promote creating new value in

fields where existing technologies and market synergies can be utilized. With an eye on developing prominent new businesses by 2030, in the current Medium-term Plan, we narrowed down the fields to pursue to four: mobility services, automated low-speed mobility, labor savings in the agriculture and medical sectors. Our efforts to date include establishing a joint-venture company for automated transporter solutions, the real-world testing of low-speed mobility service, the sales of YMR-08AP, an industrial-use drone that can fly autonomously, and the field testing of grape harvesting using unmanned ground vehicles (UGVs) for agriculture. The Company will continue investing management resources in these four fields, aiming for their commercialization.

■ Financial strategy

The Company's policy is to secure resources necessary for growth and invest them in new businesses while maintaining and strengthening the earnings power of existing business. In addition, the Company will implement a financial strategy that places greater emphasis on cash flow and the balance sheet. As new metrics for this strategy, we introduced the cash conversion cycle (CCC) and a return on invested capital (ROIC) calculation as important key performance indicators (KPIs). The Company will strengthen portfolio management and increase capital efficiency of each business.

■ Efforts for important social issues

Among a wide range of social issues extracted from SDGs and The Global Risks Report, the Company has compiled four important issues that significantly impact the usage and procurement of its management resources or whose solutions greatly contribute to the improvement of the Company's corporate value. Positioning "Innovation issues" and "Human capital management" as fundamental issues, we will address "Environment and resource issues" and "Traffic, education and industrial issues" by working on three focus areas in the long-term vision. Especially, for "Environment and resource issues," which is highly relevant to the Company's core businesses, the Company will accelerate electrification aiming to achieve zero CO<sub>2</sub> emissions from the Company's products by 2050.

We appreciate our shareholders' continued support.

**(5) Operating Performance and Status of Assets for the Group**

Millions of yen, except net income per share

Items	83rd Fiscal Year (Jan. 1, 2017 – Dec. 31, 2017)	84th Fiscal Year (Jan. 1, 2018 – Dec. 31, 2018)	85th Fiscal Year (Jan. 1, 2019 – Dec. 31, 2019)	86th Fiscal Year (Jan. 1, 2020 – Dec. 31, 2020)
Net sales	1,670,090	1,673,137	1,664,764	1,471,298
Operating income	149,782	140,787	115,364	81,672
Ordinary income	154,826	137,969	119,479	87,668
Net income attributable to owners of parent	101,603	93,366	75,736	53,072
Net income per share (yen)	290.93	267.35	216.83	151.89
Total assets	1,415,845	1,420,854	1,532,810	1,640,913
Net assets	665,232	695,743	751,828	749,158

(Note) The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 28, February 16, 2018), etc., have been applied from the 85th fiscal year. Accordingly, the amount of total assets for the 84th fiscal year shown is the figure after retrospectively applying said accounting standard.

(Reference) Forecast for the 87th fiscal year (January 1, 2021 through December 31, 2021)

The year 2020 was one of stagnant consumption and corporate economic activity amid stay-at-home orders and restrictions on movement imposed in many countries due to the COVID-19 pandemic. Meanwhile, there is no telling how 2021 will turn out, but it is likely to be a year marked by the world gradually returning to where it was prior to the COVID-19 pandemic thanks to the development of vaccines and their increasingly widespread administration. Amid those circumstances, in the Land mobility and Marine products businesses serving developed markets, the Company anticipates high rates of factory utilization as manufacturers seek to replenish inventory on the market. In the Robotics business, the Company envisions increasing demand when it comes to China along with a rebound in demand with respect to developed markets. The motorcycle market in emerging economies also seems poised for moderate recovery. Meanwhile, potential risks include the possibility of soaring transportation costs amid a global shortage of shipping containers and a scenario where a dearth of semiconductors affects procurement of component parts. Amid this business environment, the Company will keep striving to reduce costs by putting new work arrangements into practice and by enlisting digital technologies particularly with respect to advertising and events. The consolidated financial results forecast derived from the aforementioned factors is as follows.

	Billions of yen	
	Forecast	Year-on-year changes
Net sales	1,700.0	+228.7, 15.5%
Operating income	110.0	+28.3, 34.7%
Ordinary income	110.0	+22.3, 25.5%
Net income attributable to owners of parent	72.0	+18.9, 35.7%

[Exchange rates] ¥103 to the U.S. dollar (an appreciation of ¥4 from 86th fiscal year), and ¥126 to the euro (a depreciation of ¥4).

**(6) Principal Parent Company and Subsidiaries**

1) Relations with a parent company  
No related items.

## 2) Principal subsidiaries

Name	Location	Capital	Percentage of ownership (%)	Main business lines
Yamaha Motorcycle Sales Japan Co., Ltd.	Ota-ku, Tokyo	490 million yen	100.0	Marketing of motorcycles, electrically power assisted bicycles
Yamaha Motor Electronics Co., Ltd.	Mori-machi, Shuchi-gun, Shizuoka	272 million yen	100.0	Manufacture of electrical components for motorcycles and electrically power assisted bicycles
Yamaha Motor Robotics Holdings Co., Ltd.*1	Minato-ku, Tokyo	13,360 million yen	100.0	Supervision of the Yamaha Motor Robotics Holdings Group
Yamaha Motor Corporation, U.S.A.	The United States	185,308 thousand U.S. dollars	100.0	Marketing of motorcycles, ATVs, recreational off-highway vehicles, snowmobiles, outboard motors, personal watercraft, boats, surface mounters and generators
Yamaha Motor Manufacturing Corporation of America	The United States	107,790 thousand U.S. dollars	*2 100.0	Manufacture of ATVs, recreational off-highway vehicles, personal watercraft and golf cars
Yamaha Motor Europe N.V.	The Netherlands	149,759 thousand euros	100.0	Marketing of motorcycles, ATVs, snowmobiles, electrically power assisted bicycles, personal watercraft, boats, surface mounters, and golf cars
PT. Yamaha Indonesia Motor Manufacturing	Indonesia	25,647,000 thousand Indonesian rupiahs	85.0	Manufacture and marketing of motorcycles
Thai Yamaha Motor Co., Ltd.	Thailand	1,820,312 thousand Thai bahts	91.7	Manufacture and marketing of motorcycles, outboard motors and golf cars
India Yamaha Motor Pvt. Ltd.	India	22,333,591 thousand Indian rupees	85.0	Manufacture and marketing of motorcycles
Yamaha Motor Philippines, Inc.	Philippines	4,270,000 thousand Philippine peso	100.0	Manufacture and marketing of motorcycles
Yamaha Motor Taiwan Co., Ltd.	Taiwan	2,395,600 thousand New Taiwan dollars	*2 51.0	Manufacture and marketing of motorcycles
Yamaha Motor do Brasil Ltda.	Brazil	1,018,324 thousand Brazilian reals	100.0	Marketing of motorcycles and outboard motors

Notes: 1. Yamaha Motor Robotics Holdings Co., Ltd. changed its name to Yamaha Robotics Holdings Co., Ltd. as of January 1, 2021.

2. Percentages with \* include the Company's indirect ownership.

3) Specified wholly-owned subsidiary at the end of the fiscal year  
No related items.

**(7) Main Bases and Facilities for the Group**

## 1) Yamaha Motor Co., Ltd.

Name	Location
Headquarter and Iwata Main Factory	Iwata-shi, Shizuoka
Iwata South Factory	
Toyooka Technology Center	
Hamakita Factory	Hamamatsu-shi, Shizuoka
Nakaze Factory	
Hamamatsu Robotics Site	
Miyakoda Site	
Fukuroi South Factory	Fukuroi-shi, Shizuoka
Global Parts Center	
Fukuroi Technology Center	
Arai Site	Kosai-shi, Shizuoka

## 2) Subsidiaries

Subsidiaries of the Company are as described on page 29 (6) Principal Parent Company and Subsidiaries 2) Principal subsidiaries.

**(8) Employees**

Segments	Number of employees	Annual change
Land mobility	39,799	(2,790)
Marine products	5,880	+3
Robotics	2,474	(105)
Financial services	631	+26
Others	3,653	+48
Total	52,437	(2,818)

Notes: 1. The number of employees refers to workers employed full time (excluding workers of the Company and its consolidated subsidiaries who are dispatched to companies outside of the scope of consolidation), and it does not include temporary employees (direct contract employees whose contract terms are less than one year).

2. Of the total number of employees, the number of overseas employees is 36,998 persons.

**(9) Principal Lenders and Loan Balances**

Lenders	Loan balances	Millions of yen
Mizuho Bank, Ltd.	103,976	
The Shizuoka Bank, Ltd.	74,302	
Sumitomo Mitsui Banking Corporation	50,530	
MUFG Bank, Ltd.	43,366	
Sumitomo Mitsui Trust Bank, Limited	29,375	

## 2. The Company's Stocks

(1) **Maximum Number of Shares Authorized to be Issued:** 900,000,000

(2) **Number of Shares Outstanding:** 350,122,835 (including 642,476 shares of treasury shares)

(3) **Number of Shareholders:** 82,730

### (4) Principal Shareholders (Top 10)

Shareholders	Number of shares held (Thousand shares)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	41,308	11.82
Yamaha Corporation	34,642	9.91
Custody Bank of Japan, Ltd. (trust account)	20,635	5.90
Toyota Motor Corporation	12,500	3.58
SSBTC CLIENT OMNIBUS ACCOUNT	12,499	3.58
SMBC Nikko Securities Inc.	9,709	2.78
Mizuho Bank, Ltd.	8,277	2.37
The Shizuoka Bank, Ltd.	5,649	1.62
Custody Bank of Japan, Ltd. (trust account 9)	5,547	1.59
Mitsui & Co., Ltd.	5,451	1.56

Note: Percentage of ownership excludes treasury shares.

### ■ Breakdown of Shareholders

	Number of shareholders	Number of shares held (Thousand shares)
Individual investors and others	81,264	39,683
National and local governments	0	0
Financial institutions	87	132,379
Other domestic companies	555	62,320
Foreigners	784	97,747
Securities companies	40	17,991

Note: "Individual investors and others" includes treasury shares.

### (5) Other Significant Status Regarding Shares

Based on the resolution of the Board of Directors Meeting held on March 25, 2020, new shares were issued as remuneration of shares with restriction on transfer as follows.

Type and number of shares	109,689 shares of ordinary shares in the Company
Issue price	¥1,253 per share
Total amount issued	¥137,440,317
Subjects of share allocation and their number	28 Directors (excluding Outside Directors) and Executive Officers, etc.
Deadline for payment	April 24, 2020

## **(Reference) Shareholdings of the Company**

### **Basic policies on cross-shareholdings**

Yamaha Motor's development, procurement, production, and sales have expanded globally. We believe that strengthening business relationships with business partners and maintaining stable relationships with financial institutions and other parties are necessary for achieving continuous growth. In considering our business strategies, business relationships with our business partners, and enhancement of our financial base, we intend to hold shares under cross-shareholdings when it is deemed necessary and appropriate in order to enhance corporate value from a medium- to long-term perspective. The Board of Directors annually examines each cross-shareholding to determine whether the purpose of shareholdings is appropriate and if benefits and risks associated with the shareholdings are commensurate with capital costs, among others. The Board of Directors appropriately discloses a summary of the results. In addition, Yamaha Motor upholds a policy to reduce cross-shareholdings if, as an outcome of the examination, the shareholdings cannot be justified.

### **Basic policies on exercise of voting rights**

Yamaha Motor does not take a uniform approach in determining whether to approve or disapprove when exercising voting rights associated with cross-shareholdings; instead, it thoroughly examines and discusses whether the decisions contribute to the medium- to long-term enhancement of corporate value of the issuing company, and comprehensively assesses potential damage to its own corporate value. We may request further explanations on agenda items when necessary and make decisions on approval or disapproval.

We exercise particular caution in examining and discussing our decision to exercise voting rights in the following situations.

- Continued poor business performance;
- Concerns over governance are confirmed, such as scandals; and
- Other situations in which the corporate value of the issuer or Yamaha Motor may be damaged.

### 3. Directors and Audit & Supervisory Board Members

#### (1) Names, Positions, and Responsibilities of Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities	Significant concurrent positions
Chairman and Representative Director	Hiroyuki Yanagi		Independent Director of AGC Inc. Outside Director of Kirin Holdings Company, Limited
President, Chief Executive Officer and Representative Director	Yoshihiro Hidaka	Chief General Manager in charge of Human Resources & General Affairs, Creative and Marine	Outside Director of Yamaha Corporation
Executive Vice President and Representative Director	Katsuaki Watanabe	Chief General Manager in charge of MC, CS, Market Development, AM and Advanced Technology	
Director and Managing Executive Officer	Toshizumi Kato	Chief General Manager in charge of Solution, Power Products and Alliance Strategy	Chairman & Representative Director of Yamaha Motor Robotics Holdings Co., Ltd.
Director and Managing Executive Officer	Katsuhito Yamaji	Chief General Manager in charge of Manufacturing, Manufacturing Technology, Procurement and Powertrain	
Director and Senior Executive Officer	Makoto Shimamoto	Chief General Manager of Mobility Technology Center and Senior General Manager of MS Section, Mobility Technology Center, Chief General Manager in charge of Design and Vehicle Development	
Director and Senior Executive Officer	Tatsumi Okawa	Chief General Manager of Corporate Planning & Finance Center, Chief General Manager in charge of IT and Digital Technology	
Outside Director	Takuya Nakata		Director, President and Representative Executive Officer of Yamaha Corporation President of Yamaha Music Foundation
Outside Director	Takehiro Kamigama		Mission Executive of TDK Corporation Outside Director of OMRON Corporation Outside Director of SoftBank Corp.

Position	Name	Responsibilities	Significant concurrent positions
Outside Director	Yuko Tashiro		Representative Director, Chairman of the board and President, CEO of Accordia Golf co., Ltd. Chairman, CEO and Representative Director of NEXT GOLF MANAGEMENT CORPORATION Auditor (External) of McDonald's Holdings Company (Japan), Ltd.
Outside Director	Tetsuji Ohashi		Chairman of the Board and Representative Director of Komatsu Ltd. Vice Chair of KEIDANREN
Standing Audit & Supervisory Board Member	Kenji Hironaga		
Standing Audit & Supervisory Board Member	Junzo Saitoh		
Audit & Supervisory Board Member (Outside)	Masahiko Ikaga		Representative of Masahiko Ikaga Certified Public Accounting Office Representative Director of PrajnaLink Co., Ltd. External Audit & Supervisory Board Member of Morinaga Milk Industry Co., Ltd. Outside Director of RYOBI LIMITED
Audit & Supervisory Board Member (Outside)	Masatake Yone		Partner Attorney of Mori Hamada & Matsumoto Outside Director (Audit & Supervisory Committee Member) of GCA Corporation Outside Corporate Auditor of BANDAI NAMCO Entertainment Inc. Director (Outside) of Skymark Airlines Inc.

Notes: 1. The Company has registered Directors Takuya Nakata, Takehiro Kamigama, Yuko Tashiro and Tetsuji Ohashi, and Audit & Supervisory Board Members Masahiko Ikaga and Masatake Yone as Independent Outside Officers under the regulations provided by the Tokyo Stock Exchange, Inc. Summary of "Standards for Selecting Independent Outside Officers" is described on page 13.

2. Director Tetsuji Ohashi newly assumed the office on March 25, 2020.

3. Director Genichi Tamatsuka retired on March 25, 2020.

4. Special relationship with the organizations at which Outside Directors and Audit & Supervisory Board Members (Outside) hold significant concurrent positions

(1) Yamaha Corporation, where Director Takuya Nakata holds a concurrent position, is a shareholder that holds 9.9% of the Company's shares, and the Company has real estate lease transactions, etc., with said company.

(2) TDK Corporation, where Director Takehiro Kamigama holds a concurrent position, has transactions with the Company, such as purchase/sale of components for products.

(3) Komatsu Ltd., where Director Tetsuji Ohashi holds a concurrent position, has transactions with the Company, such as purchase/sale of products.

5. Excluding 4. above, there are no special relationship between the Company and the significant concurrent positions of Outside Directors and Audit & Supervisory Board Members (Outside).

6. Audit & Supervisory Board Member Masahiko Ikaga is a certified public accountant and has considerable knowledge of finance and accounting.

7. Agreement on limitation of liability

The Company has concluded liability limitation agreements with all Outside Directors and Audit & Supervisory Board Members (Outside) in accordance with the provisions of Paragraph 1 of Article 427 of the Corporation Act of Japan, to limit the liability for damages stipulated in Paragraph 1 of Article 423 of said Act. The maximum liability for damages to be borne by the Outside Directors and Audit & Supervisory Board Members (Outside) under the agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan.

(TRANSLATION ONLY)

8. Abbreviations: MC: Motorcycle, CS: Customer Service, AM: Automotive, MS: Motor Sports

9. Responsibilities and significant concurrent positions have been changed as follows as of January 1, 2021.

Name	Position	Responsibilities and significant concurrent positions
Yoshihiro Hidaka	President, Chief Executive Officer and Representative Director	
Katsuaki Watanabe	Executive Vice President and Representative Director	Chief General Manager in charge of Quality Assurance, Land Mobility, Market Development and Customer Experience
Toshizumi Kato	Director and Managing Executive Officer	Chairman & Representative Director of Yamaha Robotics Holdings Co., Ltd.
Katsuhito Yamaji	Director and Managing Executive Officer	Chief General Manager in charge of Manufacturing, Manufacturing Technology, Procurement, Solution and Power Products
Makoto Shimamoto	Director and Senior Executive Officer	Technical Advisor
Tatsumi Okawa	Director and Senior Executive Officer	Chief General Manager in charge of Human Resources & General Affairs, Corporate Planning & Finance Center, IT and Digital Technology, Creative and Marine

Note: Yamaha Motor Robotics Holdings Co., Ltd. changed its name to Yamaha Robotics Holdings Co., Ltd. as of January 1, 2021.

**(2) Name and Other Information regarding the Executive Officers**

As of January 1, 2021, the Company is served by 32 Executive Officers comprising the aforementioned 6 concurrently serving as Directors and the following 26 others.

Name	Position	Responsibilities
Kazuhiro Kuwata	Senior Executive Officer	CEO of Yamaha Motor Corporation, U.S.A.
Hirofumi Usui	Senior Executive Officer	Chief General Manager of Marine Business Operations
Heiji Maruyama	Senior Executive Officer	Chief General Manager of Technical Research & Development Center Chief General Manager in charge of Powertrain and Vehicle Development
Satohiko Matsuyama	Senior Executive Officer	Chief General Manager of Manufacturing Center
Minoru Morimoto	Senior Executive Officer	CEO of Yamaha Indonesia Motor Manufacturing
Eric de Seynes	Senior Executive Officer	CEO of Yamaha Motor Europe N.V.
Akihiro Nagaya	Executive Officer	Chief General Manager of Creative Center
Yasuo Tanaka	Executive Officer	CS Advisor
Motofumi Shitara	Executive Officer	M. Director of Yamaha Motor India Pvt. Ltd.
Dyonisius Beti	Executive Officer	COO of Yamaha Indonesia Motor Manufacturing
Toshihiro Nozue	Executive Officer	Chief General Manager of Powertrain Unit
Satoshi Hirose	Executive Officer	Chief General Manager of Quality Assurance Center, Executive General Manager of Customer Experience Business Unit
Hiroyuki Ota	Executive Officer	Chief General Manager of Solution Business Operations
Itaru Otani	Executive Officer	Chief General Manager of Human Resources & General Affairs Center
Takeo Noda	Executive Officer	Chief General Manager of Corporate Planning & Finance Center
Toshiaki Ibata	Executive Officer	Senior General Manager of Development Section, Marine Business Operations
Toyoshi Nishida	Executive Officer	Chief General Manager of PF Model Unit
Takuya Kinoshita	Executive Officer	Chief General Manager of Land Mobility Business Operations
Norio Yamada	Executive Officer	Chief General Manager of IT Center
Tatsuya Masuda	Executive Officer	Chief General Manager of Procurement Center
Kenichi Muraki	Executive Officer	Chief General Manager of Manufacturing Technology Center
Kotaro Ueda	Executive Officer	Deputy Chief General Manager of Manufacturing Center
Eishin Chihana	Executive Officer	Deputy Chief General Manager of Land Mobility Business Operations
Ben Speciale	Executive Officer*	President of Marine Business Unit, Yamaha Motor Corporation, U.S.A.
Jeffrey Young	Executive Officer*	President of Yamaha Motor Finance Corporation, U.S.A.
Michael Chrzanowski	Executive Officer*	President of Yamaha Motor Manufacturing Corporation of America

Notes: 1. Abbreviations: CS: Customer Service, PF: Platform  
2. An asterisk (\*) indicates Deputy Executive Officer.

**(3) Remuneration for Directors and Audit & Supervisory Board Members**1) Number of recipients and amounts of remuneration, etc. to Directors and Audit & Supervisory Board Members  
(Millions of yen)

Category	Total amount of remuneration	Total amount per type of remuneration				Number of applicable Executives (Persons)
		Basic compensation	Compensation linked to performance		Remuneration of shares with restriction on transfer	
			Whole-company performance-based bonus	Individual performance-based bonus		
Directors	529	318	126	23	61	12
Of which, Outside Directors	[62]	[62]	–	–	–	[5]
Audit & Supervisory Board Members	98	98	–	–	–	4
Of which, Audit & Supervisory Board Members (Outside)	31	[31]	–	–	–	[2]
Total	628	417	126	23	61	16

Notes: 1. Amounts of “Whole-company performance-based bonus” under “Compensation linked to performance” are payable amounts.

2. The above figures include one Director who retired on March 25, 2020.

3. The maximum remuneration amount for Directors (resolved at the 84th Ordinary General Meeting of Shareholders held on March 27, 2019) consists of an annual amount of basic compensation of up to ¥0.5 billion (of which, the portion for Outside Directors is an annual amount of up to ¥0.1 billion), the whole-company performance-based bonus which is up to 0.5% of net income attributable to owners of parent, an annual amount of individual performance-based bonus of up to ¥0.1 billion, and remuneration of shares with restriction on transfer worth up to an annual amount of ¥0.2 billion.

4. The maximum remuneration amount for Audit & Supervisory Board Members (resolved also at the 84th Ordinary General Meeting of Shareholders) is an annual amount of up to ¥120 million.

In fiscal 2020, the three-year average of consolidated total assets operating income ratio (ROA), which is used as an indicator for whole-company performance-based bonus, was 7.7%. Calculations have excluded long-term loans payable taken out as emergency measures to address the impact of COVID-19. ROA evaluation coefficient was determined at 1.25 as set forth in the regulations on remuneration, upon comprehensively evaluating business performance taking into account efforts made by the management to cope with the impact of COVID-19 on the global market.

As a result, the total amount of whole-company performance-based bonus was calculated as follows:

Net income attributable to owners of parents of ¥53,072 million × specified proportion of 0.19% × evaluation coefficient of 1.25 = ¥126 million, which is distributed to each Executive based on coefficients, etc. determined for each position.

In addition, compensation linked to individual performance was determined based on comprehensive evaluation of each Director, bearing in mind financial and non-financial evaluation indicators set in advance.

## 2) Policies on determining the amounts of remuneration for officers or the calculation method thereof

## (i) Basic Direction

- The Company strives to encourage employees to perform their duties in accordance with the Company’s Management Principles and Behavioral Guidelines.
- The Company has positioned achieving the targets in the Medium-term Plan etc. as strong motivators in working toward realizing the long-term vision.
- The remuneration is intended to function as sound incentives toward the Company’s sustainable growth and encourage the management to share interests with shareholders.
- The remuneration is to be at a level which can attract and retain diverse and highly-capable human resources suitable for the roles and responsibilities of a manager.

## (ii) Remuneration Structure

Remuneration for Directors, etc. (including Executive Officers who do not also work as Directors) is comprised of basic compensation (monthly fixed remuneration), compensation linked to performance, and share remuneration. The composition ratio is determined by position based on Figure 1, and the ratio of basic compensation is set at 60% at maximum.

For Outside Directors and Audit & Supervisory Board Members, only fixed remuneration is provided.

Figure 1. Composition ratio of remuneration for senior management (Reference amount)

Composition ratio of remuneration

Basic compensation: 50%		Compensation linked to performance: 30%		Share remuneration: 20%	
Fixed remuneration			Variable remuneration		

## (iii) Mechanism of variable remuneration

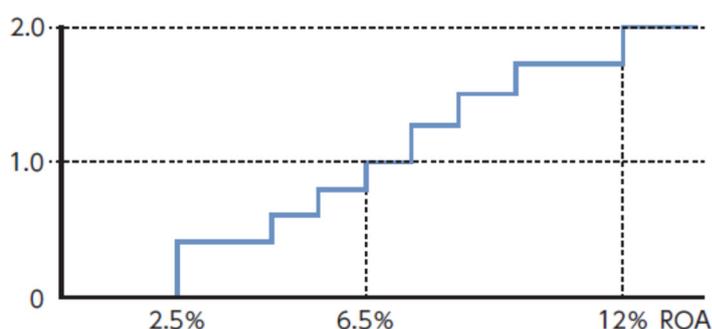
Compensation linked to performance

The compensation linked to performance is comprised of a “whole-company performance-based bonus” and an “individual performance-based bonus.” The ratio of whole-company performance-based bonus: individual performance-based bonus is set at 1:0 for the Representative Director, around 2:1 of the reference amount for Directors excluding the Representative Director, and around 1:3 of the reference amount for Executive Officers who do not also work as Directors.

From the perspective of providing incentives to Directors for achieving short-term performance targets, the “whole-company performance-based bonus” is drawn from a total amount obtained by multiplying a specified proportion of “net income attributable to owners of parents” which is 0.19% (for Executive Officers who do not also work as Directors: 0.08%) by evaluation coefficients (times 0-2) based on the “consolidated total assets operating income ratio (ROA),” and distributed to each Executive based on coefficients etc. determined for each position.

The ROA evaluation coefficient is set forth as shown in Figure 2 against a three-year average of the consolidated total assets operating income ratio (ROA). This evaluation coefficient is adjusted after discussion by the Executive Personnel Committee based on the achievement of consolidated net sales and operating income targets, degree of progress of the Medium-term Plan, etc. toward realizing the long-term vision, and other matters affecting corporate value and brand value.

Figure 2. Evaluation coefficients



The “individual performance-based bonus” is comprised of the “financial evaluation-based portion” and the “non-financial evaluation-based portion,” with the ratio set at 1:1 of the reference amount. Each portion is determined within the scope of 0-2 times the reference amount specified for each position, bearing in mind indicators set in advance.

## Composition of compensation linked to performance

Whole-company performance-based bonus	Individual performance-based bonus 0-2 times the reference amount set in advance for each position	
	Total amount Net income attributable to owners of parent × specified proportion (0.19%) (0.08% for Executive Officers who do not also work as Directors) × evaluation coefficients based on the consolidated total assets operating income ratio (ROA) (including adjustments for other management results) times 0-2	Financial evaluation: Bearing in mind the extent of target achievement and results compared with the previous fiscal year for net sales, operating income, consolidated total assets operating income ratio (ROA), etc. for the responsible division
Ratio of financial evaluation to non-financial evaluation Directors: 1:1 (Executive Officers: 1:1)		
Ratio of whole-company performance-based bonus to individual performance-based bonus Representative Director: 1:0 Directors: 2:1 (Executive Officers: 1:3)		

Share remuneration

Share remuneration is provided through issuing shares with restriction on transfer once each year based on the reference amount specified for each position, with the overarching aim of promotion of sharing value between the Directors, etc. of the Company and all shareholders, as well as sustainable improvement of corporate value. Transfer, establishment of security interests, or other disposal are not permitted for these shares issued until the resignation from the positions of Directors, etc.

For Executive Officers who are non-residents, instead of issuing shares, cash to purchase ordinary shares in the Company equivalent to the reference amount determined for each position is provided through the Company's Director Shareholding Association.

## (iv) Process for Determination

In order to ensure transparency as well as objectivity of the determination process, after discussion by the Executive Personnel Committee, an advisory body regarding nomination and remuneration which the Company has established voluntarily composed of a majority of outside directors, results are reported to the Board of Directors. Based on the report, remuneration amounts are determined by the Board of Directors, while the allocation of the whole-company performance-based bonus is determined by the Representative Director based on coefficients determined for each position. In addition, the amounts of remuneration for Audit & Supervisory Board Members are determined by discussion of Audit & Supervisory Board Members.

**(4) Matters Relating to Outside Directors and Audit & Supervisory Board Members (Outside)**

Principal activities during fiscal 2020

Position	Name	Attendance at Board of Directors Meetings	Attendance at Audit & Supervisory Board Meetings	Principal activities
Outside Directors	Takuya Nakata	13 out of 13 meetings (100.0%)	-	He stated his opinions based on his ample experience of managing global companies and wide range of insights for enhancing the value of the Yamaha brand.
	Takehiro Kamigama	13 out of 13 meetings (100.0%)	-	He stated his opinions based on his wide range of insights and his ample experience of management in general and in the technology field, gained through his experiences in various managerial positions, including the representative director of a global company.
	Yuko Tashiro	13 out of 13 meetings (100.0%)	-	She stated her opinions based on her wide range of insights and her ample experience of various managerial positions, including a financial manager and the representative director of several companies.
	Tetsuji Ohashi	*10 out of 10 meetings (100.0%)	-	He stated his opinions based on his wide range of insights and his ample experience of management in general and in the manufacturing field, gained through his experiences in various managerial positions, including the representative director of a global company.
Audit & Supervisory Board Members (Outside)	Masahiko Ikaga	12 out of 13 meetings (92.3%)	11 out of 12 meetings (91.6%)	He provides advice based on his high level of expertise as a certified public accountant, and ample knowledge and experience as a company executive and an outside officer of a corporation.
	Masatake Yone	13 out of 13 meetings (100.0%)	12 out of 12 meetings (100.0%)	He provides advice based on his high level of expertise as an attorney, and ample knowledge and experience as an outside officer of corporations.

\* Attendance after appointment on March 25, 2020.

**(5) Activity Details of the Executive Personnel Committee**

Yamaha Motor has established an Executive Personnel Committee, which is involved in nominations and remuneration, as a voluntary advisory body of the Board of Directors, to improve transparency and objectivity in appointments and dismissals of executives and determining their remuneration, among other objectives. To ensure the transparency of the deliberation process, as well as to ensure the objectivity and validity of matters reported to the Board of Directors' meetings, the majority of the members of the Executive Personnel Committee consists of Outside Directors. The meeting of the Executive Personnel Committee was held eight times this fiscal year, and discussed matters concerning nomination and remuneration.

Chairman:	Representative Director	Hiroyuki Yanagi
Committee members:	Representative Directors	Yoshihiro Hidaka and Katsuaki Watanabe
	Outside Directors (Independent)	Takuya Nakata, Takehiro Kamigama, Yuko Tashiro and Tetsuji Ohashi

In the role related to “nominations,” the Executive Personnel Committee deliberated upon the appointments and dismissals of the Chief Executive Officer (CEO), Directors, Audit & Supervisory Board Members and Executive Officers, as well as the selection of candidates for such senior management positions and their development plans, while confirming future management strategies and personnel requirements for putting them into practice, among other things.

During the fiscal year under review, as part of initiatives to strengthen governance, a system was introduced to determine appointment/dismissal based on review and evaluation of the CEO's duties. Specifically, a round-table conference with the CEO headed by Director Takehiro Kamigama and six members who are Outside Directors and Audit & Supervisory Board Members (Outside) was held to evaluate the status of Yoshihiro Hidaka's performance from a non-financial perspective through strategic dialogue with him, mainly on whether he has the necessary attributes as the Company's CEO and is demonstrating them appropriately. The Executive Personnel Committee reported the results to the Board of Directors for it to resolve the appointment of the CEO and other Executive Officers. Through such a process that ensures objectivity and fairness, the Company will establish governance led by the best and most suitable executives.

In the role related to “remuneration,” the Executive Personnel Committee evaluated the performance of the Company and individuals based on contributions to medium- to long-term corporate growth and business performance for the said fiscal year, and deliberated upon the compensation linked to performance within the limits of total remuneration resolved at the General Meeting of Shareholders. The amounts of remuneration for Directors, etc. were determined by the Board of Directors after discussion by the Executive Personnel Committee based on the determination policies for Executives' remuneration.

The amounts of remuneration for Audit & Supervisory Board Members were determined by discussion of Audit & Supervisory Board Members.

## 4. Independent Auditor

### (1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

### (2) Remuneration Paid to the Independent Auditor during Fiscal 2020

1) Remuneration paid to the Independent Auditor during fiscal 2020:	125 million yen
2) Total remuneration payable by the Company and its consolidated subsidiaries to the Independent Auditor:	201 million yen

Note: 1. The amount of remuneration for audit under the Corporation Act of Japan and the amount under the Financial Instruments and Exchange Act are not classified differently in the audit contract between the Company and the Independent Auditor, nor would it be practical to do so. Therefore, the above amounts each are totals for their respective categories of remuneration.

2. The Audit & Supervisory Board has given their consent with respect to Paragraph 1, Article 399 of the Corporation Act of Japan for the remuneration paid to the Independent Auditor, following the confirmation and examination of the status of the Independent Auditor's performance of duties, the details of audit plan and others, in light of the "Practical Guidelines for Coordination with Independent Auditors" published by the Japan Audit & Supervisory Board Members Association.

Each of the following principal subsidiaries of the Company contracts another certified public accountant or audit corporation (including a person having an equivalent qualification in the foreign country concerned) for auditing (prescribed by the Corporation Act of Japan or the Financial Instruments and Exchange Act, or laws equivalent to aforementioned acts in the foreign country):

Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., PT. Yamaha Indonesia Motor Manufacturing, Thai Yamaha Motor Co., Ltd., India Yamaha Motor Pvt. Ltd., Yamaha Motor Philippines, Inc., Yamaha Motor Taiwan Co., Ltd. and Yamaha Motor do Brasil Ltda.

### (3) Non-audit Services Provided by the Independent Auditor

The Company entrusts the Independent Auditor with, and pays compensation for, the following types of work, etc. which are not prescribed in Paragraph 1 of Article 2 of the Certified Public Accountants Act (non-audit services):

- 1) Advisory work regarding internal control
- 2) Review of English translation of Notices of Ordinary General Meeting of Shareholders and Integrated Reports

### (4) Policy for Determining the Dismissal or Non-reappointment of Independent Auditor

In addition to the dismissal of an Independent Auditor by the Audit & Supervisory Board stipulated in Article 340 of the Corporation Act of Japan, the Audit & Supervisory Board of the Company shall decide a proposal to dismiss or not to reappoint an Independent Auditor, if it is deemed difficult for the Independent Auditor to perform his or her duties. The Board of Directors of the Company shall submit the agenda to a General Meeting of Shareholders based on said decision.

## **5. Systems to Ensure Proper Business Operations**

### **(1) Systems to Ensure the Directors Compliance with Acts, Regulations and the Company's Articles of Incorporation**

- The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
- Audit & Supervisory Board Members, in accordance with the criteria and methodology established by the Audit & Supervisory Board, shall audit the business conduct of the Directors.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

### **(2) Maintenance and Administration of Information Concerning the Business Conduct of Directors**

- Documents and other forms of information on the business conduct of Directors shall be prepared, maintained and administered appropriately by establishing and operating necessary arrangement involving internal regulations.
- Confidential information including documents and other forms of information on the business conduct of Directors shall be handled appropriately by establishing and operating necessary arrangement involving internal regulations.
- The Company shall form such organizations and develop such rules as necessary to ensure timely and appropriate disclosure of significant company information.

### **(3) Rules Relating to Risk Control against Loss**

- The Company shall establish a Sustainability Committee as an organization carrying out deliberation on its risk management measures, and shall establish a risk management supervising section for developing regulations concerning risk management of the Company and its subsidiaries, conducting risk assessment and structuring system for monitoring the risk management.
- Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
- The Company shall develop and operate internal regulations, etc. as necessary to ensure integrated control of individual departmental risk management activities.
- If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the internal regulations, etc., with the President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

### **(4) Systems to Ensure Efficient Execution of Directors' Duties**

- The authority and responsibilities of the Board of Directors, President and Chief Executive Officer and sector heads, and the system for transferring authority between them, shall be better defined by strengthening Board of Directors Rules, Decision-making Rules and other important rules.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- After the Medium-term Plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

### **(5) Systems to Ensure Employee Compliance with Acts, Regulations and the Company's Articles of Incorporation**

- The Company shall establish the Sustainability Committee as an organization carrying out deliberation on its compliance measures, and shall establish a compliance supervising section for enhancing and

educating its Code of Ethics to the Company and its subsidiaries.

- The Company shall establish an internal reporting hotline in a third-party organization outside of the Company which enables one to directly report on any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company, which directly informs Audit & Supervisory Board Members and the President and Chief Executive Officer concerning such report.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form organizations and develop rules necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

**(6) Systems to Ensure that the Yamaha Motor Group (Composed of the Company and Its Subsidiaries) Conducts Business Appropriately**

- The Company's Group Companies Management Rules and Decision-making Rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established in the Company under the direct control of the President and Chief Executive Officer. An internal auditing function shall be established in major subsidiaries as well, and shall conduct audits of sections and subsidiaries collaborating with the internal auditing sector of the Company.
- Each domestic subsidiary, in principle, shall have a Board of Directors and an Audit & Supervisory Board Member; overseas subsidiaries shall design the governing body in accordance with local laws.
- At least one Director of each subsidiary, in principle, shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- The section supervising financial reporting of the Company shall provide subsidiaries with guidance and education to ensure appropriateness of financial information.

**(7) Systems to Report to the Company on Matters Concerning the Execution of Duties at the Company's Subsidiaries by Directors, Employees Who Execute Business, and Any Person in an Equivalent Position (Directors, Etc.)**

- The Group Companies Management Rules of the Company stipulates that Directors, etc. of its subsidiaries must report to the Company on their financial status and other important information.
- The Company shall request Directors, etc. of its significant subsidiaries to make a report on their business execution at the Management Committee meetings, etc. of the Company on a regular basis.

**(8) Rules Relating to Risk Management Against Loss by the Company's Subsidiaries and Other Systems**

- The Company's risk management supervising section shall set out rules on managing risks of the Company and its subsidiaries, and establish a system to monitor the risk assessment and its implementation plans and results.
- The Company's risk management supervising section shall provide subsidiaries with guidance and education with respect to risk management initiatives carried out by each subsidiary.
- Standards of conduct shall be set out in the internal rules, etc. to allow the Company to promptly and adequately deal with significant issues about the Company and its subsidiaries when they arise and to minimize the damage from such issues.

**(9) Systems to Ensure Efficient Execution of Duties by Directors, Etc. of the Company's Subsidiaries**

- Decision-making processes, responsibilities and authority shall be clarified by strengthening the Board of Directors Rules, Decision-making Rules and other important rules.
- The Group Medium-term Plan and the budget for the fiscal year shall be set out.
- A common management control system shall be adopted by the Company and its subsidiaries.
- Global Executive Committee meetings, comprising Executive Officers of the Company and its major

subsidiaries, shall be held regularly to share information on the group management policy and deliberate on the policy to deal with important issues.

**(10) Systems to Ensure That the Execution of Duties by Directors, Etc. and Employees of the Company's Subsidiaries Complies with Acts, Regulations and the Company's Articles of Incorporation**

- The compliance supervising section of the Company shall enhance the Code of Ethics to be complied with by the Company and its subsidiaries, and shall provide subsidiaries with education on compliance.
- The compliance supervising section of the Company shall provide subsidiaries with guidance and education in respect of compliance initiatives taken by each subsidiary.
- The Company and its subsidiaries shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company and its subsidiaries shall reinforce this commitment in their Code of Ethics.
- The Company and its subsidiaries shall form organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.
- The internal auditing sector of the Company shall work in collaboration with the internal auditing functions of its subsidiaries and perform audits on the system for compliance with acts and regulations of the subsidiaries.
- Audit & Supervisory Board Members of the Company shall perform audits on the status of Directors' execution of duties, internal control, risk management, measures to deal with compliance, and asset management status, etc. of its subsidiaries in accordance with the criteria and methodology established by the Audit & Supervisory Board.

**(11) Employee to Assist Audit & Supervisory Board Members**

- An Audit & Supervisory Board Members' Office shall be established with a full-time employee dedicated to assisting the Audit & Supervisory Board Members in the execution of their duties.

**(12) Employee Assisting Audit & Supervisory Board Members Independence from Directors**

- The internal rules provide that the authority to give instructions and orders to the employees assisting Audit & Supervisory Board Members shall be delegated to each Audit & Supervisory Board Member.
- Any dismissal or personnel changes concerning the employee assisting Audit & Supervisory Board Members in the execution of their duties shall be approved by the Audit & Supervisory Board in advance.

**(13) Matters in Respect of Ensuring the Effectiveness of Instructions Given by Audit & Supervisory Board Members to the Employees Assisting Audit & Supervisory Board Members**

- No employee assisting Audit & Supervisory Board Members in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Audit & Supervisory Board Members, whose opinions shall be taken into consideration in evaluating the employee.

**(14) Rules Concerning Directors and Employees Reporting to the Audit & Supervisory Board Members**

- Directors and employees shall report to Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors or employees, fact which violates the law and the Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, depending on the importance and urgency thereof.
- Directors and employees shall report the following matters to the Audit & Supervisory Board Members periodically, or when necessary, at their request:
  - Establishment and operation of internal control systems, and related subjects
  - Results of internal audits conducted by the internal audit section
  - Operation of the internal reporting system, and receipt of reports

**(15) Rules to Submit a Report to Audit & Supervisory Board Members by the Subsidiaries' Directors, Audit & Supervisory Board Members, Employees Who Execute Business, Any Other Person in an Equivalent Position and Employees or Any Person Who Received Reports from Aforementioned Persons**

- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers, employees, and any person who received reports from these persons shall report to the Company's Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors and employees of the Company and its subsidiaries, fact which violates the law and the Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, when they recognize that such facts are present, depending on the importance and urgency thereof.
- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers and employees and any person who received reports from these persons shall report to Audit & Supervisory Board Members of the Company, at their request, on the following matters on a regular basis or when needed.
  - Matters in respect of the business execution
  - Result of audits performed by Audit & Supervisory Board Members of the domestic subsidiaries
  - Result of internal audits performed by the Company's internal auditing sector
  - Status of compliance and risk management, etc.

**(16) Systems to Ensure That Any Person Who Reports as Described in the Preceding Paragraph Will Not Receive Any Disadvantageous Treatment Due to Such Reporting**

- The Company shall stipulate in its internal rules that any person who reports as described in the preceding paragraph will not receive any disadvantageous treatment due to such reporting.

**(17) Matters Regarding the Policy for Handling Expenses or Liabilities Incurred in Relation to the Procedures for the Advance Payment or Reimbursement of Expenses Incurred During the Execution of Duties by Audit & Supervisory Board Members, and Other Expenses or Liabilities Incurred During Execution of Said Duties**

- In order to pay expenses, etc. incurred in the course of the Audit & Supervisory Board Members' execution of duties, a certain amount of budget shall be allocated annually.
- When requests such as payment of expenses in advance are made by Audit & Supervisory Board Members in accordance with Article 388 of the Corporation Act of Japan, payment of such expenses or liabilities shall be made or discharged in a prompt manner.

**(18) Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members**

- The Representative Directors shall meet with the Audit & Supervisory Board Members periodically to exchange opinions.
- Audit & Supervisory Board Members shall attend important meetings of bodies including the Management Committee, Sustainability Committee, and Executive Committee.
- The internal audit section shall explain its internal audit plan to Audit & Supervisory Board Members in advance.
- The minutes of the Management Committee meeting and any other meetings as the Audit & Supervisory Board Members may specify shall be made available for their perusal. The Audit & Supervisory Board Members shall be granted similar access to any approved proposal memorandums they may specify.
- Auditing assistance from outside experts shall be secured when deemed necessary by the Audit & Supervisory Board.

## **6. Overview of the Implementation Status of the Systems to Ensure Proper Business Operations**

### **(1) Status of Initiatives in Respect of Compliance**

The Company enhances its Code of Ethics and internal rules such as the Compliance Management Regulations, and has established the Sustainability Committee as the organization that gathers regularly to carry out deliberation on compliance measures of the Company. Major compliance activities of the Company during the fiscal year under review are as follows.

- Holding compliance training sessions for all officers and employees of the Company on a regular basis
- Penetrating the Code of Ethics through the Company and its subsidiaries, and monitoring the progress of the penetration
- Verifying the identification of business partners in order to break off any relationship with antisocial forces, adding clauses for the elimination of antisocial forces into trading agreements, collecting related information, and raising internal awareness, etc.
- Implementing a global internal reporting system having a reporting hotline by a third-party organization

### **(2) Status of Initiatives in Respect of Risk Management**

The Company works regularly on issues concerning risk management by enhancing internal rules such as the Risk Management Regulations and the Confidential Information Management Regulations, and establishing the Sustainability Committee as the organization carrying out deliberation on its measures related to risk management. Major initiatives concerning risk management that the Company has carried out in the fiscal year under review are as follows.

- Based on the assessment of risks by the Company and its subsidiaries, etc., identifying material risks for the Group and monitoring the status of countermeasures
- If some issues arise in the Company or its subsidiaries, they will be notified to the risk management supervising section in accordance with the Rules for Initial Response to an Emergency, and emergency countermeasure structure shall be established in a timely manner, based on the assessment of the impact on the Group management.
- Conducting initial response training for strengthening initial response capability in the event of occurrence of an emergency event
- Conducting risk assessment for information management and monitoring in 150 divisions of the Company

### **(3) Status of Initiatives in Respect of Ensuring the Efficiency of the Duty Execution**

The Company has stipulated matters to be judged and determined by the Board of Directors and matters to be delegated to the Executive Officers in the Board of Directors Rules and the Decision-making Rules, etc. to ensure the efficient execution of duties by Directors, etc. of the Company and its subsidiaries. In the fiscal year under review, 13 meetings of the Board of Directors and 25 meetings of the Management Committee, comprising Executive Officers with titles, were held. Major initiatives in respect of ensuring the efficiency of the execution of duties that the Company has carried out in the fiscal year under review include the following.

- Determining important management tasks for achieving the objectives set out in the Medium-term Plan, and verifying its progress through the Management Committee meetings and monthly management seminars, etc.
- Confirming the status of execution of the annual budget at the monthly Executive Committee meetings
- Convening meetings of the Global Executive Committee which deliberates on important group management policies and tasks
- With the aim of helping Outside Directors collect adequate information without impairing their independence, convening regular meetings comprising Outside Directors and Outside Audit & Supervisory Board Members to exchange their opinions

### **(4) Status of Initiatives in Order to Ensure the Yamaha Motor Group, Comprising the Company and Its Subsidiaries, Conducts Business Appropriately**

The Company has stipulated the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries in its Group Companies Management Rules and Decision-making Rules, etc., to ensure the proper business execution of the Group as a whole. In

In addition, the Integrated Auditing Division, under the direct control of the President and Chief Executive Officer, is established as an internal auditing sector to carry out audit on the appropriateness of operational activities. The Integrated Auditing Division audits the appropriateness, adequacy and efficiency of business execution of the Company and its subsidiaries based on an annual audit plan, and makes evaluation and proposals accordingly. Major initiatives in order to ensure the appropriateness of business operations of the Yamaha Motor Group, comprising the Company and its subsidiaries, carried out in the fiscal year under review are the following.

- Reporting by each subsidiary to the Company on matters to be reported in accordance with the Group Companies Management Rules
- Reporting on management conditions of major subsidiaries at the Management Committee meetings, monthly management seminars, and the Executive Committee meetings
- Enhancing and operating internal audit systems of major subsidiaries
- Auditing the Company's divisions and its subsidiaries by the Integrated Auditing Division, and providing support to the audit divisions of the major subsidiaries

## **(5) Status of Initiatives in Respect of Ensuring the Effectiveness of the Board of Directors**

The Company analyzes and evaluates the Board of Directors as a whole on a yearly basis for maintaining and improving its effectiveness. In the fiscal year under review, with the Corporate Planning Division as a secretariat, the evaluation on the effectiveness of the Board of Directors was conducted to all Board of Directors Members including Outside Directors and Audit & Supervisory Board Members (Outside) through following processes.

- Self-evaluation survey by a questionnaire based on seven evaluation perspectives regarding the aim of the Board of Directors.  
(Evaluation perspectives)
  - 1) Roles and responsibilities of Directors and the Board of Directors
  - 2) Relationships between the Board of Directors and senior management (Executive Officers)
  - 3) Organizational design and composition of the Board of Directors, etc.
  - 4) Qualifications held and knowledge of Directors and the Board of Directors
  - 5) Deliberation at the Board of Directors Meetings
  - 6) Relationships and dialogue with shareholders
  - 7) Dealing with stakeholders other than shareholders
- Confirm the status of improvement, compared with the results of evaluation involving third-party organizations conducted in fiscal 2019
- Share the results of the evaluation of effectiveness and deliberate on the issues to be addressed at the Board of Directors Meetings based on the results of the analysis

The following is a summary of the results of evaluation of effectiveness of the Board of Directors for the fiscal year under review, conducted based on the above processes.

It was confirmed that the Board of Directors of the Company continued to proactively hold effective discussions and implement initiatives to realize the medium- to long-term enhancement of corporate value and sustainable growth amid dramatic changes in the operating environment, and its effectiveness had been sufficiently assured for realizing the long-term vision towards 2030.

As with the previous fiscal year, it was highly evaluated that the Board of Directors of the Company has duly respected opinions of Outside Directors and Audit & Supervisory Board Members (Outside) and an environment has been created in which constructive discussion and exchange of opinions are possible and that these Outside members have been effectively involved in the process of examining, executing and verifying the results of important management strategies. It was also confirmed that key issues regarding the Company's management strategy have been appropriately discussed.

The Company will continue to push ahead with constant improvement measures to address the issues highlighted based on the evaluation, and make efforts for further enhancement of effectiveness, while having third parties involved in its evaluation process.

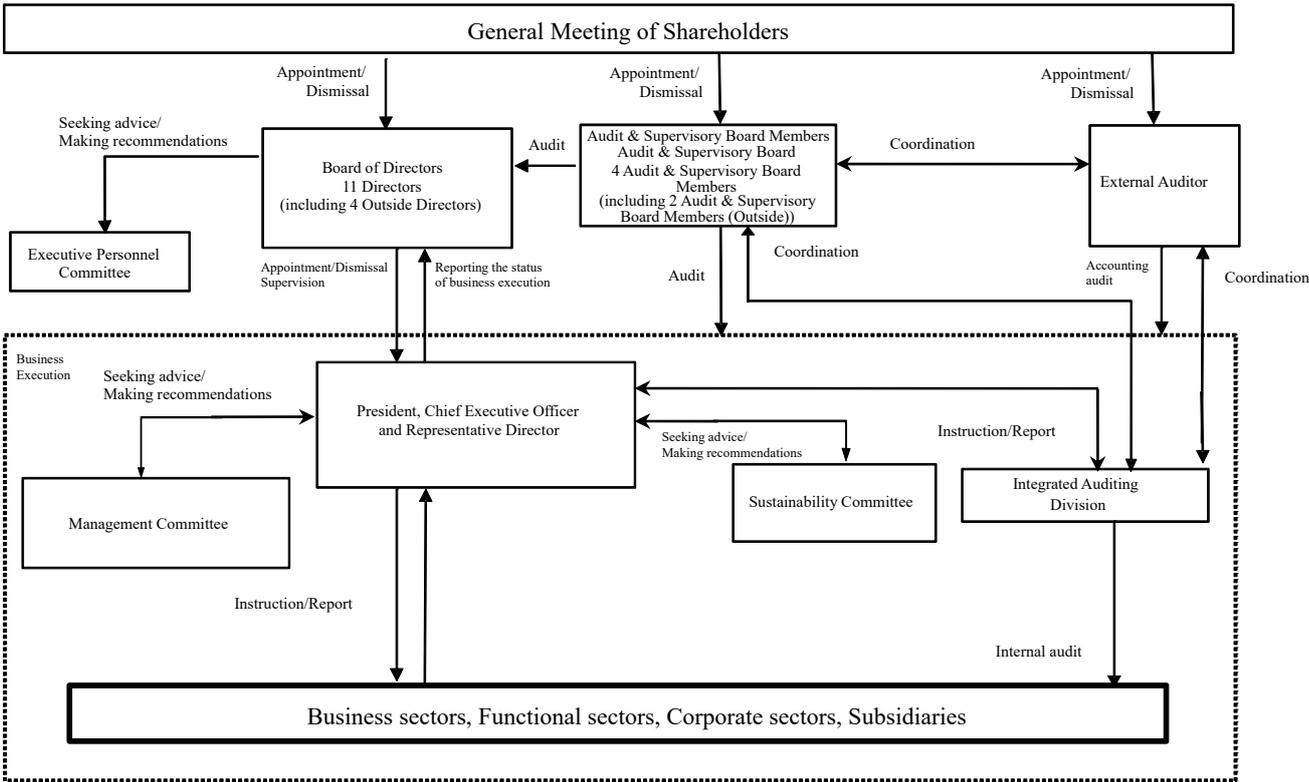
## **(6) Status of Initiatives in Respect of Ensuring the Effectiveness of Audits Performed by Audit & Supervisory Board Members**

The Company endeavors to develop rules and structure for maintaining and improving the effectiveness of audits conducted by Audit & Supervisory Board Members. In the fiscal year under review, 12 meetings of the Audit & Supervisory Board, comprising 4 Audit & Supervisory Board Members (including 2 Audit & Supervisory Board Members (Outside)), were held. The Audit & Supervisory Board Members' Office,

which assists the execution of duties by Audit & Supervisory Board Members, is established with 2 full-time employees. Expenses related to Audit & Supervisory Board Members' activities are budgeted independently and paid appropriately. Major initiatives in respect of ensuring the effectiveness of audits by Audit & Supervisory Board Members, which the Company has carried out in the fiscal year under review, include the following.

- Attendance of Standing Audit & Supervisory Board Members at important meetings including the Management Committee, Sustainability Committee, Executive Committee and Global Executive Committee
- Perusal of minutes and approved proposal memorandums of the Management Committee and other meetings of bodies designated by the Audit & Supervisory Board
- Meetings to exchange opinions between the Representative Directors and the Audit & Supervisory Board Members
- Division hearings and subsidiary audits
- Reports on the results of internal audits carried out by the internal auditing sector to the Standing Audit & Supervisory Board Members
- Regular reports on the implementation of the internal reporting system and reported information submitted to the Audit & Supervisory Board Members from the Human Resources Development Division, Sustainability Division and Legal & Intellectual Property Division on a quarterly basis, and timely reports on important matters
- A system which enables direct provision of information to Audit & Supervisory Board Members established and operated in order to ensure the independence of the internal reporting contact point
- Stipulating prohibition of disadvantageous treatment of any person who reports to Audit & Supervisory Board Members according to the Authority Rules

Diagram of Corporate Governance System and Internal Control System (As of December 31, 2020)



**Consolidated Financial Statements****Consolidated Balance Sheets**

	Millions of yen	
	As of December 31, 2020	(Reference) As of December 31, 2019
<b>ASSETS</b>		
<b>I. Current assets:</b>		
Cash and deposits	272,373	124,580
Notes and accounts receivable - trade	145,997	164,937
Short-term sales finance receivables	149,746	179,397
Merchandise and finished goods	169,829	224,014
Work in process	74,936	64,315
Raw materials and supplies	67,558	68,420
Other	55,781	59,873
Allowance for doubtful accounts	(14,659)	(10,774)
Total current assets	921,563	874,764
<b>II. Non-current assets:</b>		
<b>1. Property, plant and equipment:</b>		
Buildings and structures, net	106,980	111,204
Machinery, equipment and vehicles, net	97,474	103,537
Land	84,516	88,690
Construction in progress	24,630	26,812
Other, net	25,187	26,044
Total property, plant and equipment	338,788	356,289
<b>2. Intangible assets:</b>		
Leasehold right	3,730	4,285
Other	7,505	4,355
Total intangible assets	11,235	8,640
<b>3. Investments and other assets:</b>		
Investment securities	130,613	134,141
Long-term sales finance receivables	185,852	110,777
Net defined benefit asset	13,557	9,480
Deferred tax assets	25,031	27,527
Other	16,523	13,033
Allowance for doubtful accounts	(2,251)	(1,844)
Total investments and other assets	369,325	293,115
Total non-current assets	719,349	658,045
Total assets	1,640,913	1,532,810

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Millions of yen

	As of December 31, 2020	(Reference) As of December 31, 2019
<b>LIABILITIES</b>		
I. Current liabilities:		
Notes and accounts payable – trade	121,218	112,982
Electronically recorded obligations - operating	22,727	22,012
Short-term loans payable	85,998	151,917
Current portion of bonds payable	2,062	—
Current portion of long-term loans payable	24,459	34,056
Income taxes payable	8,245	7,353
Provision for bonuses	14,693	14,518
Provision for product warranties	18,147	17,553
Other provision	1,470	1,428
Other	131,789	134,505
Total current liabilities	430,812	496,328
II. Non-current liabilities:		
Bonds payable	2,062	5,437
Long-term loans payable	352,354	173,541
Deferred tax liabilities	9,147	8,283
Deferred tax liabilities for land revaluation	4,644	4,644
Net defined benefit liability	60,421	61,366
Other provision	149	301
Other	32,162	31,077
Total non-current liabilities	460,942	284,653
Total liabilities	891,754	780,981
<b>NET ASSETS</b>		
I. Shareholders' equity:		
1. Capital stock	85,973	85,905
2. Capital surplus	67,973	74,770
3. Retained earnings	644,350	607,000
4. Treasury shares	(734)	(733)
Total shareholders' equity	797,563	766,943
II. Accumulated other comprehensive income:		
1. Valuation difference on available-for-sale securities	43,861	45,184
2. Revaluation reserve for land	10,428	10,428
3. Foreign currency translation adjustment	(141,133)	(119,447)
4. Remeasurements of defined benefit plans	3,924	2,125
Total accumulated other comprehensive income	(82,919)	(61,709)
III. Non-controlling interests	34,514	46,594
Total net assets	749,158	751,828
Total liabilities and net assets	1,640,913	1,532,810

Note: Amounts less than one million yen have been omitted.

**Consolidated Statements of Income**

Millions of yen

	Current Fiscal Year (January 1, 2020– December 31, 2020)	(Reference) Previous Fiscal Year (January 1, 2019– December 31, 2019)
I. Net sales	1,471,298	1,664,764
II. Cost of sales	1,099,486	1,222,433
Gross profit	371,812	442,331
III. Selling, general and administrative expenses	290,139	326,967
Operating income	81,672	115,364
IV. Non-operating income		
Interest income	3,921	3,658
Dividend income	1,177	1,286
Share of profit of entities accounted for using equity method	864	2,472
Foreign exchange gains	626	—
Subsidies for employment adjustment	2,379	—
Other	7,299	6,757
Total non-operating income	16,269	14,175
V. Non-operating expenses		
Interest expenses	3,625	3,381
Foreign exchange losses	—	592
Other	6,648	6,086
Total non-operating expenses	10,273	10,060
Ordinary income	87,668	119,479
VI. Extraordinary income		
Gain on sales of non-current assets	2,289	576
Gain on bargain purchase	—	2,235
Gain on sales of investment securities	2,287	211
Total extraordinary income	4,577	3,023
VII. Extraordinary losses		
Loss on sales of non-current assets	202	288
Loss on disposal of non-current assets	848	1,246
Impairment loss	1,155	238
Loss on sales of investment securities	817	13
Business restructuring expenses	4,231	89
Total extraordinary losses	7,255	1,876
Income before income taxes	84,990	120,626
Income taxes - current	27,756	34,487
Income taxes - deferred	1,460	2,086
Total income taxes	29,216	36,574
Net income	55,773	84,052
Net income attributable to non-controlling interests	2,701	8,315
Net income attributable to owners of parent	53,072	75,736

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

**Consolidated Statements of Changes in Equity**

Current Fiscal Year (From January 1, 2020 through December 31, 2020)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,905	74,770	607,000	(733)	766,943
Changes of items during period					
Issuance of new shares	68	68			137
Dividends of surplus			(15,721)		(15,721)
Net income attributable to owners of parent			53,072		53,072
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(6,866)			(6,866)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	68	(6,797)	37,350	(1)	30,620
Balance at end of current period	85,973	67,973	644,350	(734)	797,563

	Other accumulated comprehensive income				
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	45,184	10,428	(119,447)	2,125	(61,709)
Changes of items during period					
Issuance of new shares					
Dividends of surplus					
Net income attributable to owners of parent					
Change in treasury shares of parent arising from transactions with non-controlling shareholders					
Purchase of treasury shares					
Disposal of treasury shares					
Net changes of items other than shareholders' equity	(1,323)	—	(21,685)	1,798	(21,209)
Total changes of items during period	(1,323)	—	(21,685)	1,798	(21,209)
Balance at end of current period	43,861	10,428	(141,133)	3,924	(82,919)

	Non-controlling interests	Total net assets
Balance at beginning of current period	46,594	751,828
Changes of items during period		
Issuance of new shares		137
Dividends of surplus		(15,721)
Net income attributable to owners of parent		53,072
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(6,866)
Purchase of treasury shares		(1)
Disposal of treasury shares		0
Net changes of items other than shareholders' equity	(12,080)	(33,289)
Total changes of items during period	(12,080)	(2,669)
Balance at end of current period	34,514	749,158

Note: Amounts less than one million yen have been omitted.

## **Notes to Consolidated Financial Statements**

### **I. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements, etc.**

#### **1. Scope of Consolidation**

(1) Number of consolidated subsidiaries: 135

(2) Name of major subsidiaries:

Yamaha Motorcycle Sales Japan Co., Ltd., Yamaha Motor Electronics Co., Ltd., Yamaha Motor Robotics Holdings Co., Ltd., Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., PT. Yamaha Indonesia Motor Manufacturing, Thai Yamaha Motor Co., Ltd., India Yamaha Motor Pvt. Ltd., Yamaha Motor Philippines, Inc., Yamaha Motor Taiwan Co., Ltd. and Yamaha Motor do Brasil Ltda.

Yamaha Motor Robotics Holdings Co., Ltd. changed its name to Yamaha Robotics Holdings Co., Ltd. as of January 1, 2021.

(3) Changes to the scope of consolidation:

In the fiscal year ended December 31, 2020, the newly established Yamaha Motor Installment Receivables Corporation was added to the scope of consolidation.

(4) Principal non-consolidated subsidiaries and the reason for excluding these companies from consolidation:

Non-consolidated subsidiaries such as Yamaha Motor Racing S.r.l. were excluded from the scope of consolidation, because each of the amount of their total assets, net sales, net income (based on the Company's ownership percentage), and retained earnings (based on the Company's ownership percentage) does not have material impact on the consolidated financial statements of the Company and also lack overall materiality.

#### **2. Scope of Application of Equity Method**

(1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method, and names of principal companies among them:

Number of subsidiaries accounted for by the equity method: 5  
Yamaha Motor Racing S.r.l. and 4 other subsidiaries

Number of affiliates accounted for by the equity method: 29  
Hong Leong Yamaha Motor Sdn. Bhd. and 28 other affiliates

(2) Changes to the scope of application of equity method:

In the fiscal year ended December 31, 2020, one newly established subsidiary and one newly invested affiliate were added to the scope of equity-method application. Meanwhile, three affiliates were excluded from the scope of equity-method application through the sale of shares in them.

(3) Principal non-consolidated subsidiaries not accounted for by the equity method and the reason for excluding these companies from the equity method:

The Company's non-consolidated subsidiaries CourieMate and WBPF Consultants Limited were excluded from the scope of equity-method application, because each of the amount of their net income (based on the Company's ownership percentage), and retained earnings (based on the Company's ownership percentage) does not have material impact on the consolidated financial statements of the Company and also lack overall materiality.

### 3. Accounting Standards

#### (1) Policies and methods of valuation for significant assets

##### 1) Securities

###### Other securities

Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

##### 2) Derivatives

Derivatives are carried at fair value.

##### 3) Inventories

Inventories are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability.)

#### (2) Depreciation and amortization of significant depreciable assets

##### 1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed mainly by the straight-line method.

##### 2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

##### 3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

Right-of-use assets

Computed based on the assumption that the useful life equals the lease term or the useful life of said assets, whichever is shorter, and the residual value equals zero.

#### (3) Accounting criteria for significant accruals

##### 1) Allowance for doubtful accounts

In order to evaluate accounts receivable - trade, sales finance receivables and loans receivable and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

##### 2) Provision for bonuses

Provision for bonuses is stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

##### 3) Provision for product warranties

Provision for product warranties is provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(4) Accounting methods for retirement benefits

1) Method of attributing estimated retirement benefits to periods of service

In calculating retirement benefit obligations, estimated retirement benefits are attributed to the periods concluding at the end of the fiscal year ended December 31, 2020, mainly using the benefit formula basis.

2) Accounting methods for actuarial gains or losses and prior service costs

Prior service costs are amortized by the straight-line method over a period (primarily 10 years) that is not longer than the average remaining years of service of the employees at the time those costs were incurred.

Actuarial gains or losses are amortized by the straight-line method over a period (primarily 10 years) that is not longer than the average remaining years of service of the employees at the time the gains or losses occurred in each fiscal year, starting from the fiscal year following the respective years of accrual.

(5) Accounting criteria for significant revenue and expenses

IFRS 15 “Revenue from Contracts with Customers” has been applied to subsidiaries other than the Company and its domestic subsidiaries that adopt JGAAP, as well as subsidiaries in North America that adopt USGAAP, and Accounting Standards Codification (ASC) 606 “Revenue from Contracts with Customers” has been applied to subsidiaries in North America that adopt USGAAP. For all contracts (excluding financial instruments, lease contracts, insurance contracts and transactions to exchange products, etc., with peer companies), revenue is now recognized at the expected amount of consideration for the promised goods or services at the time of transfer to the customer.

(6) Other items of significance in drawing up consolidated financial statements

1) Accounting treatment of consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

2) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

3) Amortization of goodwill

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries (“goodwill”) is amortized by the straight-line method over years estimated, based on substantive judgment as incurred.

4) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Group Tax Sharing System, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company and some of its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

**II. Unapplied Accounting Standards, etc.**

(ASBJ Statement No. 29 Accounting Standard for Revenue Recognition and ASBJ Guidance No. 30 Implementation Guidance on Accounting Standard for Revenue Recognition)

## (1) Overview

The application of this accounting standard requires the Company to recognize revenue for all contracts excluding financial instruments, lease contracts, insurance contracts, and transactions to exchange products, etc., with competitors at the expected amount of consideration for the promised goods or services at the time of transfer to the customer.

## (2) Expected date of application

To be applied for the Company and domestic subsidiaries from the beginning of the fiscal year ending December 31, 2022.

## (3) Effect due to application of accounting standard

The effect on the consolidated financial statements of the Company due to the application of this accounting standard is under evaluation.

(ASBJ Statement No. 30 Accounting Standard for Fair Value Measurement; ASBJ Guidance No. 31 Implementation Guidance on Accounting Standard for Fair Value Measurement; ASBJ Statement No. 9 Accounting Standard for Measurement of Inventories; ASBJ Statement No. 10 Accounting Standard for Financial Instruments, and; ASBJ Guidance No. 19 Implementation Guidance on Disclosures about Fair Value of Financial Instruments)

## (1) Overview

The Accounting Standard for Fair Value Measurement and the Implementation Guidance on Accounting Standard for Fair Value Measurement (collectively the “the Accounting Standards for Fair Value Measurement”) have been developed to establish guidance in relation to fair value measurement in order to achieve better comparability with respect to international accounting standards. The Accounting Standards for Fair Value Measurement are to be applied to the fair values of the following items:

- Financial instruments defined in the Accounting Standard for Financial Instruments
- Inventories held for trading purposes as defined in the Accounting Standard for Measurement of Inventories

In addition, the Implementation Guidance on Disclosures about Fair Value of Financial Instruments has been revised to include notes on fair value of financial instruments grouped into different levels.

## (2) Expected date of application

To be applied for the Company and domestic subsidiaries from the beginning of the fiscal year ending December 31, 2022.

## (3) Effect due to application of accounting standard

The effect on the consolidated financial statements of the Company due to the application of this accounting standard is under evaluation.

(ASU No. 2016-02 “Leases”)

## (1) Overview

The application of this accounting standard requires lessees, in principle, to record all leases as assets and liabilities on the balance sheets. There are no significant changes to lessor accounting.

## (2) Expected date of application

To be applied for subsidiaries in North America from the beginning of the fiscal year ending December 31, 2022.

## (3) Effect due to application of accounting standard

The effect on the consolidated financial statements of the Company due to the application of this accounting standard is under evaluation.

(ASU No. 2016-13 “Financial Instruments - Credit Losses”)

## (1) Overview

The application of this accounting standard requires the Company to revise classifications and measurement methods for financial instruments and recognize impairments of financial assets under the expected credit loss model.

- (2) Expected date of application  
To be applied for subsidiaries in North America from the beginning of the fiscal year ending December 31, 2023.
- (3) Effect due to application of accounting standard  
The effect on the consolidated financial statements of the Company due to the application of this accounting standard is under evaluation.

### III. Notes to Consolidated Balance Sheets

	Millions of yen
<b>1. Accumulated Depreciation of Property, Plant and Equipment</b>	671,762

#### 2. Pledged Assets and Secured Liabilities

Pledged assets are as follows:	Millions of yen
Short-term sales finance receivables	110,181
Buildings and structures, net	81
Land	44
Investment securities	75
Long-term sales finance receivables	127,326
<u>Investments and other assets - Other</u>	<u>902</u>
Total	238,610

Secured liabilities are as follows:

Current portion of long-term loans payable	4,841
Long-term loans payable	111,292
<u>Non-current liabilities - Other</u>	<u>170</u>
Total	116,304

	Millions of yen
<b>3. Discounts on Notes Receivable – Trade</b>	121

#### 4. Guarantee Obligations

Guarantee obligations are guarantees for the following subsidiaries' and affiliates' loans from financial institutions.

	Millions of yen
PT. Bussan Auto Finance	6,115
<u>Amagasaki Woodland of Health Co., Ltd.</u>	<u>59</u>
Total	6,175

The above amounts include amounts arising from quasi-guarantees of ¥59 million.

## 5. Revaluation Reserve for Land

Pursuant to the “Act Concerning the Revaluation of Land” (No. 24, enacted on March 31, 1999), land used for the Company’s business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as “Deferred tax liabilities for land revaluation” and the remaining balance has been presented under net assets as “Revaluation reserve for land” in the accompanying consolidated balance sheets.

(1) Date of revaluation            March 31, 2000

(2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

(3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2020 was below its book value by ¥7,666 million.

## IV. Notes to Consolidated Statements of Income

Business restructuring expenses includes impairment losses of ¥2,792 million for non-current assets held by Motori Minarelli S.P.A. (hereinafter “MM”), a group company manufacturing motorcycle engines in Italy, and related business liquidation expenses of ¥1,438 million due to the decision to transfer all issued shares of MM to Fantic Motor S.P.A. as part of ongoing work to strengthen business alliance.

## V. Notes to Consolidated Statements of Changes in Equity

### 1. Type and Number of Outstanding Shares:

Common stock 350,122,835 shares

### 2. Dividends

#### (1) Amount of dividends paid

Resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 25, 2020	Common stock	15,721	45.00	Dec. 31, 2019	Mar. 26, 2020

#### (2) Dividends whose record date falls in FY2020 and whose effective date falls in FY2021

Resolution	Type of share	Total amount of dividends (Millions of yen)	Resource of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 24, 2021	Common stock	20,968	Retained earnings	60.00	Dec. 31, 2020	Mar. 25, 2021

### 3. Subscription Rights to Shares

No related items.

## VI. Notes to Financial Instruments

### 1. Status of Financial Instruments Held by the Group

#### (1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

#### (2) Details of financial instruments and related risks

Notes and accounts receivable - trade, which are operating receivables, as well as short-term and long-term sales finance receivables are exposed to credit risk of customers. Foreign currency-denominated operating receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated operating receivables and payables.

Investment securities, mainly stocks of companies with which the Group has business relationships, are exposed to risk of market price fluctuations.

Notes and accounts payable - trade and electronically recorded obligations - operating, which are operating payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, in principle, they are below the balance of accounts receivable denominated in the same foreign currency.

Loans payable and bonds payable are intended for working capital, and lease obligations are mainly related to the acquisition of leased assets. Some of them are bearing variable interest rates and are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated operating

receivables and payables, and interest rate swap transactions and other transactions to mitigate risk of fluctuations in interest paid on the Company's borrowings.

(3) Risk management system for financial instruments

1) Management of credit risk (risks associated with the defaults of customers)

The Company and its consolidated subsidiaries have their administrative sections in individual business divisions periodically monitor main business partners with regard to operating receivables and keep track of the due date and the balance for each business partner, while trying to identify doubtful receivables due to worsened financial conditions of the business partners at an early stage and seek to reduce their consequences.

In engaging in derivative transactions, the Company enters into transaction only with financial institutions with a high credit rating in order to mitigate counterparty risk.

2) Management of market risk (foreign currency exchange and interest rate fluctuation risks)

The Company and some of its consolidated subsidiaries use foreign exchange forward contracts, etc. to mitigate foreign currency exchange fluctuation risk of foreign currency-denominated operating receivables and payables, which is identified for different currencies on a monthly basis. Foreign exchange forward contracts, etc. are also used for foreign currency-denominated operating receivables, which are certain to be generated as a result of scheduled export transactions. Additionally, interest rate swap transactions and other transactions may be used to reduce risk of fluctuations in interest paid on borrowings.

The Company periodically monitors the market prices of investment securities and the financial conditions of the issuers (business partners) and reviews its holding of investment securities on an ongoing basis, taking relationships with the business partners into account.

The Company's finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to Executive Officers in the position of Senior Executive Officer or higher, Standing Audit & Supervisory Board Members, and heads of the finance & accounting division and the division responsible for managing positions at least once a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

3) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)

The Company and each of its consolidated subsidiaries control liquidity risk by formulating and revising a cash position plan as needed, while maintaining liquidity on hand at an appropriate level.

(4) Supplementary explanation concerning fair values, etc. of financial instruments

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

**2. Fair Values of Financial Instruments**

Carrying amount, fair value and differences of the financial instruments as of December 31, 2020 are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table: (See Note 2.)

	Millions of yen		
	Carrying amount	Fair value	Differences
(1) Cash and deposits	272,373	272,373	—
(2) Notes and accounts receivable - trade Allowance for doubtful accounts (*1)	145,997 (4,211)		
	141,786	141,786	—
(3) Short-term sales finance receivables Allowance for doubtful accounts (*1)	149,746 (10,285)		
	139,461	139,461	—
(4) Investment securities	79,611	79,611	—
(5) Long-term loans receivable Allowance for doubtful accounts (*1)	438 (37)		
	401	408	7
(6) Long-term sales finance receivables Allowance for doubtful accounts (*1)	185,852 (2,059)		
	183,792	193,913	10,120
<b>Total assets</b>	<b>817,426</b>	<b>827,554</b>	<b>10,128</b>
(7) Notes and accounts payable - trade	121,218	121,218	—
(8) Electronically recorded obligations – operating	22,727	22,727	—
(9) Short-term loans payable	85,998	85,998	—
(10) Current portion of long-term loans payable	24,459	24,459	—
(11) Current portion of bonds payable	2,062	2,062	—
(12) Short-term lease obligations	2,340	2,340	—
(13) Bonds payable	2,062	2,062	—
(14) Long-term loans payable	352,354	355,425	3,070
(15) Long-term lease obligations	7,624	7,946	322
<b>Total liabilities</b>	<b>620,848</b>	<b>624,241</b>	<b>3,392</b>
Derivative transactions (*2)	(2,030)	(2,030)	—

(\*1) Allowance for doubtful accounts is deducted from notes and accounts receivable - trade, short-term sales finance receivables, long-term loans receivable and long-term sales finance receivables.

(\*2) Receivables and payables, which were derived from derivative transactions, are presented in net amounts. The figures in parentheses indicate net payables.

Notes: 1. Calculation method of fair values of financial instruments and matters concerning marketable securities and derivative transactions

Assets:

(1) Cash and deposits

These assets are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(2) Notes and accounts receivable - trade

The fair values of these assets are measured at the present values of their future cash flows from which an allowance for doubtful accounts equivalent to credit risk are deducted. In order to compute the present values of the future cash flows of these assets, the assets are categorized by specified time period, and future cash flows in each category are discounted at a rate in accordance with appropriate indices such as government bond yields.

(3) Short-term sales finance receivables

Short-term sales finance receivables are calculated based on book values from which an allowance for doubtful accounts equivalent to credit risk is deducted, as fair values are almost equal to the book values because of their short collection period.

(4) Investment securities

Investment securities are determined using the quoted price at the stock exchange.

(5) Long-term loans receivable, (6) Long-term sales finance receivables

For long-term loans receivable and long-term sales finance receivables with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.

For long-term loans receivable and long-term sales finance receivables with fixed rates, the fair values are measured at their present values from which an allowance for doubtful accounts equivalent to credit risk are deducted. The present values of these assets are computed by discounting for each collection period at a rate in accordance with appropriate indices such as government bond yields.

Liabilities:

(7) Notes and accounts payable - trade, (8) Electronically recorded obligations - operating, (9) Short-term loans payable, (10) Current portion of long-term loans payable, (12) Short-term lease obligations

These liabilities are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(11) Current portion of bonds payable, (13) Bonds payable

These liabilities are bearing variable interest rates. Fair value is calculated based on book values as they reflect market interest rates in the short run.

(14) Long-term loans payable, (15) Long-term lease obligations

For long-term loans payable and long-term lease obligations with variable rates, fair value is calculated based on book values as they reflect market interest rates in the short run.

For long-term loans payable and long-term lease obligations with fixed rates, fair value is determined by computing the present values, discounted for each repayment period at a projected interest rate if similar borrowings or lease transactions are conducted.

Derivative transactions:

Their fair values are calculated based on the quoted price obtained from the financial institutions.

2. Financial instruments whose fair values are not readily determinable

Millions of yen	
Category	Carrying amount
Unlisted equity securities	51,001

The foregoing items are not included in "(4) Investment securities," because there is no market price, and it is deemed difficult to measure the fair values.

## VII. Notes to Per Share Information

(1) Net Assets per Share	2,045.15 yen
(2) Net Income per Share	151.89 yen

## VIII. Additional Information

(Reassessment of the recoverability of deferred tax assets)

Although prospects for containment of COVID-19 are still uncertain, in light of the most recent production and sales activities, the recoverability of deferred tax assets has been reassessed on the assumption that the effects of COVID-19 in the future would be limited. As a result, deferred tax assets of ¥25,031 million and income taxes - deferred of ¥1,460 million have been recorded in the fiscal year ended December 31, 2020.

**Non-consolidated Financial Statements****Non-consolidated Balance Sheets**

Millions of yen

	As of December 31, 2020	(Reference) As of December 31, 2019
<b>ASSETS</b>		
<b>I. Current assets:</b>		
Cash and deposits	99,838	4,884
Notes receivable - trade	3,524	5,212
Accounts receivable - trade	107,384	102,768
Merchandise and finished goods	34,946	33,393
Work in process	29,295	21,416
Raw materials and supplies	21,854	22,229
Prepaid expenses	2,318	2,092
Other	30,823	23,430
Allowance for doubtful accounts	(1,705)	(1,724)
Total current assets	328,279	213,702
<b>II. Non-current assets:</b>		
<b>1. Property, plant and equipment:</b>		
Buildings, net	40,552	41,558
Structures, net	6,210	6,323
Machinery and equipment, net	21,435	22,032
Vessels, net	263	272
Vehicles, net	695	802
Tools, furniture and fixtures, net	9,935	9,600
Land	48,541	47,666
Construction in progress	12,107	7,550
Total property, plant and equipment	139,742	135,807
<b>2. Intangible assets:</b>		
Leasehold right	501	501
Software in progress	4,028	731
Other	370	436
Total intangible assets	4,901	1,670
<b>3. Investments and other assets:</b>		
Investment securities	102,788	105,817
Stocks of subsidiaries and affiliates	171,003	159,004
Investment in capital	23	23
Investment in capital of subsidiaries and affiliates	26,445	26,445
Long-term loans receivable	175	3,741
Prepaid pension cost	4,815	2,200
Deferred tax assets	199	—
Other	736	771
Allowance for doubtful accounts	(0)	(13)
Total investments and other assets	306,187	297,991
Total non-current assets	450,832	435,468
Total assets	779,111	649,171

Note: Amounts less than one million yen have been omitted.

## (TRANSLATION ONLY)

Millions of yen

	As of December 31, 2020	(Reference) As of December 31, 2019
<b>LIABILITIES</b>		
<b>I. Current liabilities:</b>		
Notes payable - trade	170	578
Electronically recorded obligations - operating	19,699	19,424
Accounts payable - trade	41,592	39,003
Short-term loans payable	11,688	17,096
Current portion of long-term loans payable	—	10,000
Lease obligations	58	55
Accounts payable - other	30,666	28,696
Accrued expenses	4,685	4,848
Advances received	5,865	3,221
Deposits received	2,968	3,018
Provision for bonuses	5,885	6,000
Provision for product warranties	8,714	8,366
Other	648	478
<b>Total current liabilities</b>	<b>132,644</b>	<b>140,788</b>
<b>II. Non-current liabilities:</b>		
Long-term loans payable	170,000	40,956
Lease obligations	602	661
Deferred tax liabilities	—	2,275
Deferred tax liabilities for land revaluation	4,644	4,644
Provision for retirement benefits	19,775	19,657
Provision for product liabilities	22	193
Allowance for investment loss	1,393	927
Other	1,083	1,075
<b>Total non-current liabilities</b>	<b>197,522</b>	<b>70,391</b>
<b>Total liabilities</b>	<b>330,167</b>	<b>211,180</b>
<b>NET ASSETS</b>		
<b>I. Shareholders' equity:</b>		
1. Capital stock	85,973	85,905
2. Capital surplus		
(1) Legal capital surplus	74,249	74,180
(2) Other capital surplus	641	641
<b>Total capital surplus</b>	<b>74,890</b>	<b>74,821</b>
3. Retained earnings		
Other retained earnings		
Reserve for reduction entry	339	342
Retained earnings brought forward	234,885	222,553
<b>Total retained earnings</b>	<b>235,225</b>	<b>222,896</b>
4. Treasury shares	(675)	(674)
<b>Total shareholders' equity</b>	<b>395,413</b>	<b>382,948</b>
<b>II. Valuation and translation adjustments:</b>		
1. Valuation difference on available-for-sale securities	43,102	44,614
2. Revaluation reserve for land	10,428	10,428
<b>Total valuation and translation adjustments</b>	<b>53,530</b>	<b>55,042</b>
<b>Total net assets</b>	<b>448,944</b>	<b>437,990</b>
<b>Total liabilities and net assets</b>	<b>779,111</b>	<b>649,171</b>

Note: Amounts less than one million yen have been omitted.

**Non-consolidated Statements of Income**

Millions of yen

	(Reference)	
	Current Fiscal Year (January 1, 2020– December 31, 2020)	Previous Fiscal Year (January 1, 2019– December 31, 2019)
I. Net sales	581,796	687,728
II. Cost of sales	512,077	586,245
Gross profit	69,719	101,482
III. Selling, general and administrative expenses	75,605	85,616
Operating income	(5,886)	15,866
IV. Non-operating income		
Interest income	445	864
Dividend income	40,254	55,656
Subsidies for employment adjustment	1,724	—
Other	1,762	1,660
Total non-operating income	44,186	58,181
V. Non-operating expenses		
Interest expenses	360	133
Foreign exchange losses	2,782	1,550
Loss on valuation of investment securities	566	608
Loss on revaluation of investment in subsidiaries' and affiliates' stock	2,290	1,874
Other	2,903	1,910
Total non-operating expenses	8,903	6,076
Ordinary income	29,396	67,971
VI. Extraordinary income		
Gain on sales of non-current assets	32	45
Gain on sales of investment securities	2,272	211
Gain on sales of subsidiaries' and affiliates' stock	142	—
Total extraordinary income	2,448	256
VII. Extraordinary losses		
Loss on sales of non-current assets	4	40
Loss on disposal of non-current assets	282	494
Impairment loss	—	36
Loss on sales of investment securities	636	0
Total extraordinary losses	923	571
Income before income taxes	30,920	67,655
Income taxes - current	4,761	5,960
Income taxes - deferred	(1,891)	3,027
Total income taxes	2,869	8,987
Net income	28,051	58,667

Note: Amounts less than one million yen have been omitted.

**Non-consolidated Statements of Changes in Equity**

Current Fiscal Year (From January 1, 2020 through December 31, 2020)

Millions of yen

	Shareholders' equity				Retained earnings
	Capital stock	Capital surplus			Other retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for reduction entry
Balance at beginning of current period	85,905	74,180	641	74,821	342
Changes of items during period					
Issuance of new shares	68	68		68	
Reversal of reserve for reduction entry					(3)
Dividends of surplus					
Net income					
Purchase of treasury shares					
Disposal of treasury shares			0	0	
Net changes of items other than shareholders' equity					
Total changes of items during period	68	68	0	68	(3)
Balance at end of current period	85,973	74,249	641	74,890	339

	Shareholders' equity			
	Retained earnings		Treasury shares	Total shareholders' equity
	Other retained earnings	Total retained earnings		
Balance at beginning of current period	222,553	222,896	(674)	382,948
Changes of items during period				
Issuance of new shares				137
Reversal of reserve for reduction entry	3	0		0
Dividends of surplus	(15,721)	(15,721)		(15,721)
Net income	28,051	28,051		28,051
Purchase of treasury shares			(1)	(1)
Disposal of treasury shares			0	0
Net changes of items other than shareholders' equity				
Total changes of items during period	12,332	12,329	(1)	12,465
Balance at end of current period	234,885	235,225	(675)	395,413

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	44,614	10,428	55,042	437,990
Changes of items during period				
Issuance of new shares				137
Reversal of reserve for reduction entry				0
Dividends of surplus				(15,721)
Net income				28,051
Purchase of treasury shares				(1)
Disposal of treasury shares				0
Net changes of items other than shareholders' equity	(1,512)	—	(1,512)	(1,512)
Total changes of items during period	(1,512)	—	(1,512)	10,953
Balance at end of current period	43,102	10,428	53,530	448,944

Note: Amounts less than one million yen have been omitted.

## **Notes to Non-consolidated Financial Statements**

### **I. Notes regarding Significant Accounting Policies**

#### **1. Asset Valuation**

(1) Securities

Stocks of subsidiaries and affiliates are carried at cost, determined by the moving-average method.

Other securities

Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

(2) Derivatives

Derivatives are carried at fair value.

(3) Inventories

Merchandise and finished goods and work in process are stated at cost, determined by the average method.

(Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

Raw materials and supplies are stated at cost based on the last-purchase-price method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

#### **2. Depreciation and Amortization of Assets**

(1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed by the straight-line method.

(2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

(3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

#### **3. Significant Accruals**

(1) Allowance for doubtful accounts

In order to evaluate accounts receivable - trade, and loans and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

(2) Provision for bonuses

Provision for bonuses is stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

(3) Provision for product warranties

Provision for product warranties is provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty

period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(4) Provision for retirement benefits

Provision for retirement benefits is provided mainly at an amount, deemed generated on December 31, 2020, calculated based on the retirement benefit obligations and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gains or losses and unrecognized prior service costs.

1) Method of attributing estimated retirement benefits to periods of service

In calculating retirement benefit obligations, estimated retirement benefits are attributed to the periods concluding at the end of the fiscal year ended December 31, 2020, using the benefit formula basis.

2) Accounting methods for actuarial gains or losses and prior service costs

Prior service costs are amortized as incurred by the straight-line method over a period, 10 years, which is shorter than the average remaining years of service of the employees.

Actuarial gains or losses are amortized in the respective years following the year in which the gains or losses are recognized, with the amount proportionally divided by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees at the time the gains or losses occurred in each fiscal year.

(5) Provision for product liabilities

Provision for product liabilities is provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

(6) Allowance for investment loss

Allowance for investment loss is provided in order to prepare for loss from investment in subsidiaries and affiliates, etc., and the necessary amount was recorded based on its financial condition.

#### **4. Other Basic Items of Significance in Drawing up Non-consolidated Financial Statements**

(1) Consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

(2) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

(3) Accounting methods for retirement benefits

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits employed in the non-consolidated financial statements are different from those in the consolidated financial statements.

(4) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Group Tax Sharing System, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company has not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

**II. Notes to Non-consolidated Balance Sheets**

	Millions of yen
<b>1. Accumulated Depreciation of Property, Plant and Equipment</b>	309,344

**2. Pledged Assets**

Stocks of subsidiaries and affiliates	22
---------------------------------------	----

Stocks of subsidiaries and affiliates are pledged as collateral for loans from financial institutions made by the subsidiaries and affiliates.

**3. Receivables from and Payables to Subsidiaries and Affiliates**

	Millions of yen
Short-term receivables:	110,028
Long-term receivables:	133
Short-term payables:	36,953
Long-term payables:	602

	Millions of yen
<b>4. Discounts on Notes Receivable – Trade</b>	121

**5. Guarantee Obligations**

Guarantees are given for the following subsidiaries' and affiliates' loans from financial institutions.

	Millions of yen
PT. Bussan Auto Finance	6,115
Yamaha Motor Pakistan Pvt. Ltd.	3,936
India Yamaha Motor Pvt. Ltd.	341
<u>Amagasaki Woodland of Health Co., Ltd.</u>	<u>59</u>
Total	10,453

Guarantee obligations described above include ¥59 million arising from quasi-guarantees.

**6. Revaluation Reserve for Land**

Pursuant to the “Act Concerning the Revaluation of Land” (No. 24, enacted on March 31, 1999), land used for the Company’s business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as “Deferred tax liabilities for land revaluation” and the remaining balance has been presented under net assets as “Revaluation reserve for land” in the accompanying non-consolidated balance sheets.

(1) Date of revaluation            March 31, 2000

(2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

(3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2020 was below its book value by ¥7,666 million.

**III. Notes to Non-consolidated Statements of Income****Transactions with subsidiaries and affiliates**

	Millions of yen
Net Sales	442,758
Purchases	183,020
Non-operating income	40,016
Non-operating expenses	943

**IV. Notes to Non-consolidated Statements of Changes in Equity**

Number of shares in treasury shares at December 31, 2020

	Shares
Common stock	642,476

**V. Notes to Deferred Tax Accounting**

Principal deferred tax assets and liabilities

	Millions of yen
<b>Deferred tax assets:</b>	
Loss on valuation of securities	34,104
Loss carried forward for tax purposes	17,592
Excess of depreciation	13,205
Provision for retirement benefits	5,912
Provision for product warranties	2,696
Provision for bonuses	1,759
Allowance for doubtful accounts	510
Other	2,865
Gross deferred tax assets	78,646
Valuation allowance for loss carried forward for tax purposes	(12,442)
Valuation allowance for deductible temporary difference	(47,218)
Gross valuation allowance	(59,661)
Total deferred tax assets	18,985
<b>Deferred tax liabilities:</b>	
Valuation difference on available-for-sale securities	(17,096)
Prepaid pension cost	(1,439)
Reserve for reduction entry	(248)
Other	(0)
Total deferred tax liabilities	(18,785)
Net deferred tax assets	199

**VI. Notes to Transactions with Related Parties****1. Subsidiaries and Affiliates, etc.**

Millions of yen

Type	Name of company, etc.	Ownership of voting rights, etc.	Relationship with related parties	Details of transaction	Amount of transaction	Account	Balance as of the end of the fiscal year
Subsidiary	Yamaha Motorcycle Sales Japan Co., Ltd.	Direct ownership 100.0%	Sale of products of the Company	Net sales (Note 1)	42,148	Accounts receivable - trade	7,463
Subsidiary	Yamaha Motor Corporation, U.S.A. (The United States)	Direct ownership 100.0%	Sale of products of the Company	Net sales (Note 1)	95,199	Accounts receivable - trade	23,489
Subsidiary	Yamaha Motor Manufacturing Corporation of America (The United States)	Indirect ownership 100.0%	Manufacture of products of the Company	Net sales (Note 1)	40,362	Accounts receivable - trade	10,185
Subsidiary	Yamaha Motor Europe N.V. (The Netherlands)	Direct ownership 100.0%	Sale of products of the Company	Net sales (Note 1)	73,523	Accounts receivable - trade	9,571
Subsidiary	Yamaha Motor Philippines, Inc. (The Philippines)	Direct ownership 100.0%	Manufacture and sale of products of the Company	Net sales (Note 1)	27,171	Accounts receivable - trade	7,898

Note: Trade conditions such as prices are determined by taking actual market prices into account and are based on general terms of transactions.

**2. Officers and Major Individual Shareholders, etc.**

Millions of yen

Type	Name	Ownership of voting rights, etc.	Relationship with related parties	Details of transaction	Amount of transaction	Account	Balance as of the end of the fiscal year
Officer	Hiroyuki Yanagi	Direct ownership 0.0%	Chairman and Representative Director of the Company	In-kind contribution of monetary compensation claims (Note 1)	12	-	-
	Yoshihiro Hidaka	Direct ownership 0.0%	President and Representative Director of the Company	In-kind contribution of monetary compensation claims (Note 1)	18	-	-

Note: In-kind contribution of monetary compensation claims associated with share remuneration with restriction on transfer.

## VII. Notes to Per Share Information

1. Net Assets per Share	1,284.61 yen
2. Net Income per Share	80.27 yen

## VIII. Additional Information

(Reassessment of the recoverability of deferred tax assets)

Although prospects for containment of COVID-19 are still uncertain, in light of the most recent production and sales activities, the recoverability of deferred tax assets has been reassessed on the assumption that the effects of COVID-19 in the future would be limited. As a result, deferred tax assets of ¥199 million and income taxes - deferred of ¥(1,891) million have been recorded in the fiscal year ended December 31, 2020.

## Independent Auditor's Report

February 9, 2021

The Board of Directors  
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC  
Hamamatsu Office

Noritada Aizawa  
Certified Public Accountant  
Designated and Engagement Partner

Daisuke Sumita  
Certified Public Accountant  
Designated and Engagement Partner

Katsuya Tanaka  
Certified Public Accountant  
Designated and Engagement Partner

### *Opinion*

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Yamaha Motor Co., Ltd. and its consolidated subsidiaries (the "Group") applicable to the fiscal year from January 1, 2020 to December 31, 2020.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended December 31, 2020, in accordance with accounting principles generally accepted in Japan.

### *Basis for the Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibility for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### *Interest*

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Independent Auditor's Report

February 9, 2021

The Board of Directors  
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC  
Hamamatsu Office

Noritada Aizawa  
Certified Public Accountant  
Designated and Engagement Partner

Daisuke Sumita  
Certified Public Accountant  
Designated and Engagement Partner

Katsuya Tanaka  
Certified Public Accountant  
Designated and Engagement Partner

### *Opinion*

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements, and the accompanying supplementary schedules of Yamaha Motor Co., Ltd. (the "Company") applicable to the 86th fiscal year from January 1, 2020 to December 31, 2020.

In our opinion, the accompanying financial statements and the accompanying supplementary schedules present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended December 31, 2020, in accordance with accounting principles generally accepted in Japan.

### *Basis for the Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules*

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements and the accompanying supplementary schedules is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

#### *Interest*

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## **Copy of Audit Report of the Audit & Supervisory Board**

### **Audit Report**

February 9, 2021

We at the Audit & Supervisory Board, having discussed the Directors' performance of duties during the 86th business year, from January 1, 2020 through December 31, 2020, based on audit reports from each Audit & Supervisory Board Member, prepared this Audit Report of the Audit & Supervisory Board. Our audit opinion is as follows.

#### **1. Methods and Contents of the Audit Implemented by Audit & Supervisory Board Members and the Audit & Supervisory Board**

- (1) The Audit & Supervisory Board established its audit policy, assigned responsibilities to each Audit & Supervisory Board Member in carrying out the policy, and received reports from each Audit & Supervisory Board Member on audit implementation and results. In addition, the Audit & Supervisory Board, when necessary, requested reports and received explanations from Directors, other executives and accounting auditors concerning the execution of their duties.
- (2) Each Audit & Supervisory Board Member, in accordance with the Audit & Supervisory Board Members standard of audit, established by the Audit & Supervisory Board, as well as other relevant audit policy, executed assigned responsibilities, communicated with Directors, internal audit divisions, and other employees, in order to gather information and develop an optimal audit environment, and also performed audit using the following methods.
  - 1) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received reports on the execution of duties from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary, perused important documents, including those subject to executive approval, examined the conditions of assets and business at the head office and other major business office, and received reports on the implementation status and results of audits from other Audit & Supervisory Board Members. With regard to the Company's subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other employees of the subsidiaries, and received reports when necessary.
  - 2) Concerning the resolution adopted by the Board of Directors about designing the system which assures that the execution of Directors' duties comply with laws and regulations and the Articles of Incorporation and designing the other system for assuring the proper business operations of a corporate group comprising the company and its subsidiaries, as stipulated in Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Corporation Act of Japan, and the internal control system, designed in accordance with the Board of Directors' resolution, each Audit & Supervisory Board Member periodically received reports of the status of establishing and operating these systems from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary.
  - 3) Each Audit & Supervisory Board Member has monitored the accounting auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Audit & Supervisory Board Member received a notice from the accounting auditor that "the system for securing appropriate execution of duties" (in each items of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on October 28, 2005), and requested reports and received explanations from them. Based on the methods described above, the Audit & Supervisory Board reviewed whether the accounting auditor executed their duties appropriately.

Based on the methods described above, the Audit & Supervisory Board reviewed the business report and its supplementary schedules, non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules, and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

## 2. Results of Audit

### (1) Results of the audit of the business report and other documents

- 1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.
- 2) With regard to the execution of Directors' duties, we have found no misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation.
- 3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, with regard to the internal control system itself, nothing unusual is to be pointed out.

### (2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's independent auditor, are recognized as fair and proper.

### (3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's independent auditor, are recognized as fair and proper.

**The Audit & Supervisory Board  
Yamaha Motor Co., Ltd.**

Kenji Hironaga  
Standing Audit & Supervisory Board Member

Junzo Saitoh  
Standing Audit & Supervisory Board Member

Masahiko Ikaga  
Audit & Supervisory Board Member (Outside)

Masatake Yone  
Audit & Supervisory Board Member (Outside)

## Procedures for Exercising Voting Rights by Electromagnetic Means

### 1. To Shareholders who exercise the voting rights via the Internet

Please exercise your voting right by 5:30 p.m., Tuesday, March 23, 2021 (JST).

Voting rights via the Internet may only be exercised by using the site (<https://www.web54.net>) designated by the Company for the purpose via computers and smartphones.

Please be advised that voting rights cannot be exercised by accessing the web site from cellular phones.

For inquiries regarding the exercise of voting rights via the Internet, please contact:	Sumitomo Mitsui Trust Bank, Limited, Transfer Agency Web Support Desk Phone: 0120-652-031 (toll-free within Japan) Hours: 9:00 - 21:00 (JST)
---	--

### 2. Use of the “Electromagnetic Proxy Platform” for the Institutional Investors

If registered shareholders (including standing proxies) such as trust and banking companies apply in advance for the use of the electromagnetic proxy platform, they may use the platform as an electromagnetic method for the exercise of voting rights at the General Meeting of Shareholders.