

Third-Party Opinion



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I believe that Yamaha Motor has made progress in its CSR activities over the past year. The company has started making efforts to incorporate CSR into its management systems based on compliance and risk responses. In the future, Yamaha Motor must incorporate CSR into core corporate management so it can overcome the compliance-related issues that it faced in the past while raising its environmental, social, and economic value. I hope that Yamaha Motor will become an even more innovative and advanced company that is supported by its stakeholders as a socially responsible corporation in such a manner that CSR becomes the foundations of its competitiveness.

I made the following statement in last year's report. "Some areas remain to be addressed, such as development and establishment of a company-wide management system that includes group companies, the identification of information related to non-financial activities, and the disclosure of these through the CSR report and other media." I also said that "if Yamaha is to advocate the importance of communication and trust with its stakeholders, then there should have been a more considered disclosure of information." Promoting regulatory compliance and CSR in corporate management fundamentally requires the incorporation of CSR in day-to-day management systems and an understanding that CSR within each division is an issue that concerns every employee.

Yamaha Motor has started to address these issues. When doing this, however, it is necessary to clarify how this is linked to the prior activities and business plans and to identify what CSR means to Yamaha Motor. Amidst a difficult and unprecedented business environment, it is

particularly important to explain in detail to both employees and external stakeholders how "returning to the origins of corporate activities" is connected to CSR.

First, with respect to management systems, following the compliance problems in 2006 and 2007, Yamaha Motor reconstructed its regulatory compliance systems. As this was not explained fully in last year's CSR report, I wrote "more details should have been disclosed in the CSR Report," and in this year's report, measures taken with respect to the Five Recommendations and the Promise to Society as well as future issues are more clearly described. In addition, a group-wide regulatory compliance and risk management system (RMS) has begun full-scale operation since last year. The objectives are to evaluate risks in order to identify major issues, implement the PDCA cycle for each major issue in all regions and at all business sites, and to firmly establish risk management throughout the group.

Although it is not yet disclosed in this report, Yamaha Motor has reviewed its past measures concerning CSR management issues (an assessment of societal demands and expectations and current conditions), reviewed priority issues for each stakeholder group, and has worked to identify those objectives that it has achieved and those that it has not. Further progress in this area is expected in the next year.

Second, with respect to the awareness of employees, levels of satisfaction and devotion to the company among Yamaha Motor employees are high, but an internal employee awareness survey indicated that communication between workers and management was not necessarily sufficient, and new efforts to reform the

corporate culture are underway. A new 10,000 People's Dialog for a Better Workplace has started this fiscal year in each division at the Yamaha Motor headquarters to encourage all employees to review their surroundings and discuss issues in their respective workplaces and expectations from society. This is a modest undertaking, but an important one. It shows that activities designed to raise individual awareness are understood to be a vital part of human resource development. It is through this type of process that understanding of CSR within the company is raised and differences in the level of commitment to measures can be eliminated. I look forward to these efforts being continued and expanded group-wide in the future.

Last are methods of information disclosure. Last year, I pointed out that "Yamaha needs to consider how information on the economy, the environment and society is to be disclosed through financial statements, annual reports and media such as websites." Starting this year, the printed CSR Report is being streamlined, with detailed data to be disclosed on relevant websites. The Internet is already being used for the disclosure of detailed IR-related economic and environmental information. I believe, however, that further explanation of specialized environmental data pertaining to individual plants would make the information easier to understand. I also believe that more detailed social data could be disclosed about the current status and results regarding measures concerning employees and about the evaluation of Yamaha Motor's social contribution activities. The consistency of information disclosure with regard to CSR in various media and a media strategy are issues that Yamaha Motor will likely need to address in the future.

From the Editors: Response to the Third-Party Opinion

The Yamaha Motor group first included a third-party opinion in its 2008 report, provided by Professor Kanji Tanimoto of the Hitotsubashi University Graduate School of Commerce and Management, with the aim of enhancing its CSR undertakings. We see this third-party opinion as a statement of societal expectations (issues) concerning the group's CSR activities, and we have made steady efforts at improvement.

Last year was the second year in which we undertook activities in response to the recommendations of the Compliance Special Committee, a committee comprised of external specialists, and we reviewed our regulatory compliance and risk management stances while taking measures to extend these activities to group companies in Japan and overseas in an effort to firmly establish regulatory compliance and risk management. We have also systematized and made visible societal demands and expectations relating to non-financial matters visible as concrete issues, and in the future we will manage these issues group-wide while fulfilling our accountability-related responsibility through publications, disclosure on websites, and other means.

In this year's opinion, Professor Tanimoto pointed out the following issues: (1) the need to incorporate CSR in day-to-day management systems; (2) the need for understanding that CSR within each division is an issue that concerns every employee; and (3) the need to increase disclosure of specialized information and social information, to make it more understandable, to maintain consistency, and develop a media strategy concerning disclosure of CSR information.

As discussed in this year's report, we have reaffirmed the corporate philosophy as a statement of the group's fundamental stance towards customers, employees, and society. We believe that putting this corporate philosophy into practice in our everyday business activities constitutes the CSR that is expected of the Yamaha Motor group, and we will continue our efforts to establish this idea firmly within group companies.

In addition, we see the current economic crisis as an opportunity to reform our corporate culture, and we are implementing the 10,000 People's Dialog for a Better Workplace to reinforce teamwork within the organization and promote greater communication as a common issues from the perspective of regulatory compliance. We will put particular emphasis on the steady implementation of these types of efforts in the future.

We remain committed to reporting the process and results of these various activities to our stakeholders, and we look forward to employing your suggestions and opinions in the management of the Yamaha Motor group.



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