

# Sustainability Report 2018



# Sustainability Management

## Yamaha Group Sustainability Policy

### Our aim is “Sharing Passion & Performance”

The Corporate Philosophy of the Yamaha Group is, “With our unique expertise and sensibilities, gained from our devotion to sound and music, we are committed to creating excitement and cultural inspiration together with people around the world.”

Based on this philosophy, Yamaha conducts its sustainability activities according to the following guidelines, seeking to contribute to the sustainable development of society and to further strengthen the bond of trust with its stakeholders through sound, transparent management methods, and corporate activities that balance social and environmental concerns.

1. By creating new values through products and services focused on social and environmental issues, Yamaha contributes to the sustainable development of society.
2. Through business development and social contributions based in each region of the globe, Yamaha contributes to the promotion and popularization of music, and to the development of communities.
3. By understanding the significance of protecting the natural environment and maintaining biodiversity, and by promoting the reduction of environmental burden through measures such as sustainable procurement of timber and lowering greenhouse gas emissions, Yamaha works to maintain a healthy global environment.
4. Yamaha observes laws, ordinances, and social norms, and moreover, conducts business in a fair and impartial manner throughout the entire value chain, including activities such as socially responsible procurement carried out in cooperation with business partners.
5. Yamaha endeavors to prevent abuses of human rights, responding appropriately to the effect of its business activities as well as to any attendant risks to human rights, with the goal of achieving a society that safeguards the dignity of all.
6. Yamaha works to create an atmosphere that holds in high regard the employee diversity that is a source of the new values created within the company, and which allows each person to fully demonstrate their sensibilities and creativity through training and use, without regard to race, nationality, gender, or age.

Formulated in February 2010 and revised in July 2018

#### Yamaha Group Sustainability Policy

[Japanese](#) / [English](#) / [Chinese](#) / [Indonesian](#)

## Sustainability Management

### Basic Policy

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The mission of the Yamaha Group is to continue pursuing its corporate philosophy, which is to utilize our held assets, various resources, unique expertise, and sensibilities gained from our devotion to sound and music to create excitement and cultural inspiration together with people around the world. To put this philosophy into practice, Yamaha is working to understand the impact of our business activities on the environment and society and pursue dialogue with stakeholders, while solving challenges toward the creation of a sustainable society.

[» Sustainability Issues and Initiatives in the Value Chain](#)

[» Engagement with Stakeholders](#)

### Sustainability Management Applying ISO 26000

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As of fiscal 2014, the Yamaha Group has been executing sustainability management by applying the principles of ISO 26000 Guidance on Social Responsibility. We are also organizing activities and initiatives in accordance with the core subjects of ISO 26000, and managing the promotion and progress of sustainability activities.

[» Sustainability Management Promotion Plan](#)

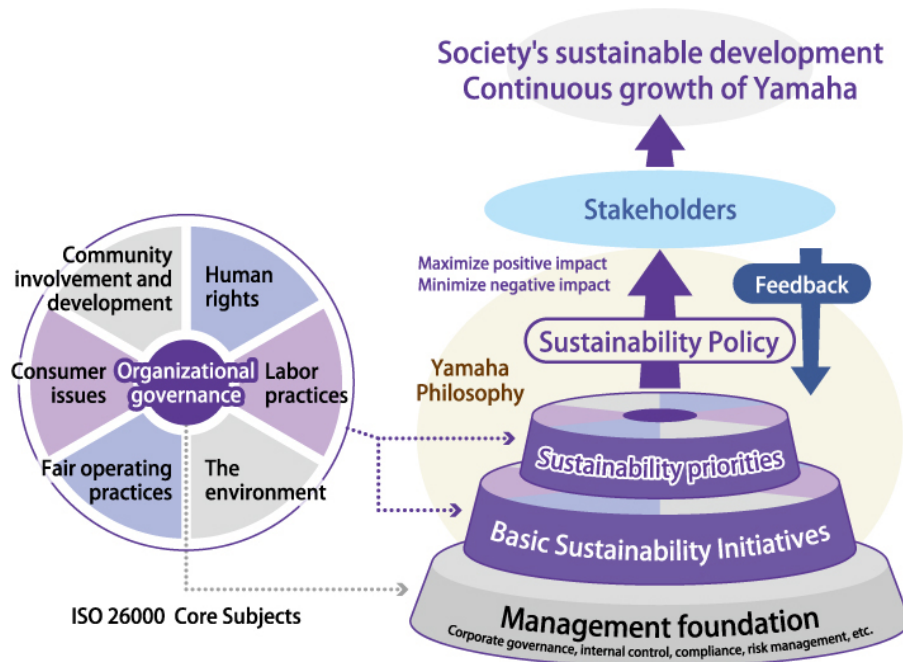


## Promotion of Sustainability priorities

The Yamaha Group has established the Sustainability priorities, focused on the medium-to-long-term, based on the impact of our business activities on the environment and society, as well as stakeholders' expectations and societal demands. In establishing our key themes, the Yamaha Group made sure that we listened to the voices of our customers, the local communities in which we work, NPOs and NGOs, our employees, and others, grasped important topics in ESG evaluation, and held hearings with external experts. From this, we then devised the themes necessary for further promotion and discussed them at the executive level on the basis of medium- and long-term management strategies before determining the themes.













We are making efforts to manage progress and promotion by monitoring the status and action plan of each theme activity and conducting yearly reviews in the Management Council which is overseen by the president.

» Yamaha Group Sustainability Policy



### Progress of Sustainability Priorities

| Sustainability priorities  | Major initiatives                | Progress  | Future issues and activity targets   | Major related SDGs |
|--|----------------------------------|---|--|--------------------|
| Development of products and services with a focus on social/environmental issues | Response to societal issues      | <b>Universal Design</b> <ul style="list-style-type: none"> <li>Establishment of consortium to promote Universal Design in sound (Omotenashi guide)</li> </ul> <b>Educational Solutions</b> <ul style="list-style-type: none"> <li>Development and release of various educational material, such as for choruses or alto recorders, for the Smart Education System (SES)</li> </ul> <b>Health/Safety Solutions</b> <ul style="list-style-type: none"> <li>Developed in-vehicle communication modules for emergency call systems</li> </ul> | <b>Universal Design</b> <ul style="list-style-type: none"> <li>Support consortium members/promote standardization of technology</li> <li>Determine standards and construct framework to promote Universal Design in Yamaha products</li> </ul> <b>Educational Solutions</b> <ul style="list-style-type: none"> <li>Consider comprehensive solutions for next generation music education</li> </ul> <b>Health/Safety Solutions</b> <ul style="list-style-type: none"> <li>Begin supplying in-vehicle communications modules to market and expand suppliers</li> </ul> | <br><br><br>       |
|  | Response to environmental issues | <ul style="list-style-type: none"> <li>16 Yamaha Eco products (320 total models) certified as environmentally friendly products</li> <li>Development and construction of production system for thermoelectric power generation module which can utilize waste heat</li> </ul>   | <ul style="list-style-type: none"> <li>Certify 40 Yamaha eco products a year as environmentally friendly products</li> <li>Conduct tests to release thermoelectric power generation module on the market</li> </ul>  | <br><br>           |

| Sustainability priorities   | Major initiatives  | Progress   | Future issues and activity targets  | Major related SDGs  |
|---|--|--|---|---|
| Development of regional community-based business and social contribution activities | Spread instrumental music education to schools   | <ul style="list-style-type: none"> <li>Introduction to 124,000 students in 933 schools in Russia and three countries in southeast Asia (School Project)</li> <li>Introduction to 3,300 students in 33 schools in five countries in Africa and the Middle East</li> </ul>   | <ul style="list-style-type: none"> <li>Introduce to 240,000 students in 1,350 schools in five countries, including Russia and southeast Asia</li> <li>Introduce to 7,000 students in 60 schools in eight countries in Africa and southeast Asia</li> </ul>  |    |
|   | Support for youth development orchestra/band   | <ul style="list-style-type: none"> <li>Held instrument maintenance seminars for users; systemized and launched training program for repair technicians of wind, string, and percussion instruments in Latin America (AMIGO Project)</li> </ul>                             | <ul style="list-style-type: none"> <li>Expand the number of countries and organizations in Latin America (AMIGO Project)</li> </ul>   |    |
|   | Community support  | <ul style="list-style-type: none"> <li>Promotion of community building through music (Oto-Machi)</li> </ul>  | <ul style="list-style-type: none"> <li>Strengthen promotion of Oto-Machi project</li> </ul>   |    |
| Lowering of greenhouse gas emissions  | Construction of system to calculate greenhouse gas emissions across entire value chain | <ul style="list-style-type: none"> <li>Calculation and disclosure of Scope 3 greenhouse gas emissions</li> </ul>   | <ul style="list-style-type: none"> <li>Verification greenhouse gas emissions by third party</li> </ul>  |    |
|   | Reduction of greenhouse gas emissions during business activities                       | <ul style="list-style-type: none"> <li>Consideration of establishing medium-to-long-term reduction targets based on scientific knowledge (Science Based Targets: SBT)</li> </ul>   | <ul style="list-style-type: none"> <li>Establish SBTs and emission reduction plan</li> </ul>  |   |
| Sustainable procurement of timber   | Avoid use of illegally lumbered timber; promote use of verified timber                 | <ul style="list-style-type: none"> <li>Establishment of due diligence procedures to avoid using illegally lumbered timber</li> <li>Confirmation of legality of timber (including on-site visits)</li> </ul>  | <ul style="list-style-type: none"> <li>Promote and brush up on due diligence procedures</li> <li>Confirm 100% legality in tree logging based on in-house standards</li> </ul>   |     |
|   | Procure timber with awareness of cycle-based forest conservation                       | <ul style="list-style-type: none"> <li>Completion of surveys to produce high-quality timber in Tanzania; beginning of tree-planting pilot project (African Blackwood)</li> </ul>   | <ul style="list-style-type: none"> <li>Based on survey results, begin expansion of tree nursery activities and launch procurement of planted trees (African Blackwood)</li> </ul>   |   |
| Systematic initiatives for the respect of human rights                              | Develop system/structure   | <ul style="list-style-type: none"> <li>Establishment of Yamaha Group Human Rights Policy in January, 2018</li> <li>Promotion of human rights due diligence (establishment of management items)</li> </ul>  | <ul style="list-style-type: none"> <li>Promote training and awareness raising based on human rights policy</li> <li>Promote human rights due diligence (monitoring of management items)</li> </ul>  |     |
|   | Supply chain management  | <ul style="list-style-type: none"> <li>Request and execution for 79 supplier companies to execute self-assessment at beginning of transactions</li> </ul>  | <ul style="list-style-type: none"> <li>Improve effectiveness by strengthening supplier assessment system</li> <li>Promote training and raise awareness for suppliers and supplier supervisors</li> </ul>  |   |
| Promotion of diversity and human resources development                              | Global human resources management  | <ul style="list-style-type: none"> <li>Determine and test Group standards grading and development system</li> </ul>  | <ul style="list-style-type: none"> <li>Promote human resources management based on Group standards grading and development system</li> </ul>  |    |
|   | Promotion of the active role of female workers, response to diverse workstyles         | <ul style="list-style-type: none"> <li>Expansion of work-life balance support system, execution of work-style improvement trials, began female manager development program</li> <li>Increase ratio of female managers, end of March 2018, 14.3% at Yamaha Group</li> </ul> | <ul style="list-style-type: none"> <li>Promote the utilization of work-life balance support system, grasping expansion needs. Share information and identify issues as a result of the work-style improvement trials. Promote the female manager development program across Group.</li> <li>Increase ratio of female managers to 17% at Yamaha Group</li> </ul> |     |



## Initiatives for Sustainable Development Goals (SDGs)

The Yamaha Group intends to contribute to the attainment of the “Sustainable Development Goals” (SDGs) through our business.

The Yamaha Group aims to contribute to Goal 4, “Quality Education,” through our initiatives to spread music, which were listed in Sustainability priorities. We also aim to contribute to Goal 12, “Responsible Consumption and Production,” and Goal 15, “Life on Land,” by procuring sustainable sources for timber procurement. As such, the Yamaha Group intends to develop products and services with an awareness of the goals and targets of each SDGs, as well as improve business processes.

In FY2018, the Yamaha Group used the intranet, Group newsletters, posters, and internal seminars to connect SDGs with the role of each personnel member, leading to a deeper understanding of SDGs. The Yamaha Group is engaged in discussions at the management level to further increase contributions to SDGs in the next

medium-term management plan in order to both connect themes and businesses related to sustainability to the objectives and targets of SDGs as well as achieve the corporate vision of “Becoming an Indispensable, Brilliantly Individual Company.”

### Sustainable Development Goals (SDGs)



## Sustainability Education

The Yamaha Group aims to ensure sustainability throughout each aspect of its business operations and in all levels of the work force, from managers to new recruits. In order to make that possible, we engage in educational and awareness-raising activities by sharing sustainability information via our website and Intranet, as well as through training and seminars for all employees.

### Fiscal 2018 Results

| Item           | Target                   | Content  | Number of participants |
|----------------|--------------------------|--|------------------------|
| Basic training | New recruits, etc.       | Introduction to sustainability, explanation of Yamaha Group Sustainability Policy and measures, etc.         | 59                     |
| E-learning     | Domestic Group employees | Confirmation of degree of understanding of the “Yamaha CSR Report”   | 1,370                  |
| Intranet       | Domestic Group employees | Explanation of key sustainability themes, introduction of best practices at Yamaha and other companies, etc. | —                      |



Education at new recruit training

## Participation in Initiatives

With a commitment to cooperating and forming ties with the global society as we work toward building a sustainable society, Yamaha signed the Global Compact in June 2011, and is working to adhere to the 10 Principles. Additionally, as a member of the Global Compact Network Japan, we are also actively participating in subcommittees.\*

\* FY2018 subcommittee participation: Environmental Management, Reporting, Kansai, Human Rights Due Diligence, Human Rights Education, Disaster Prevent/Mitigation, SRI/ESG.

» Support for the UN Global Compact

# Sustainability Management Promotion Plan

## Sustainability Management

| Sustainability Management                                   |   |  |
|---|---|--|
| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019   |
| PDCA activities to promote sustainability                   | <ul style="list-style-type: none"> <li>Promoted Sustainability Priorities based on review of management</li> <li>Progress management based on the promotion plan<br/>* Applicable to all initiatives including Sustainability Priorities</li> </ul>               | <ul style="list-style-type: none"> <li>Take efforts based on a managerial review of Sustainability Priorities</li> <li>Evaluate plans that take SDGs into consideration (KPI configuration, review Sustainability Priorities, etc.)</li> </ul> |
| Ensuring penetration of Sustainability throughout the Group | <ul style="list-style-type: none"> <li>Implemented e-learning to confirm understanding of sustainability (about 1,400 persons)</li> <li>Implemented initiative to promote understanding of SDGs (seminars, intranet, posters, Group newsletters, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>Promote understanding of SDGs and continue initiatives for penetration of information</li> <li>Plan seminars and E-learning</li> </ul>  |

## Engagement with Stakeholders

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|---|--|--|
| Developing a system that reflects stakeholders' input | <ul style="list-style-type: none"> <li>Responded to issues identified in third-party opinions of the Sustainability Report</li> <li>Implemented dialog between experts and executives</li> </ul> | <ul style="list-style-type: none"> <li>Confirm social requirements, and reflect in initiatives and disclosure</li> </ul> |

## Organizational Governance

### Corporate Governance

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019  |
|---|--|---|
| Strengthening the corporate governance system | <ul style="list-style-type: none"> <li>Transferred to new governance system (move to company with nominating committee, etc.) and stabilized its operation</li> </ul>  | <ul style="list-style-type: none"> <li>Execute continuous initiatives to raise effectiveness of corporate governance</li> </ul>   |
| Development of internal control system        | <ul style="list-style-type: none"> <li>Promoted the development of an internal control system</li> <li>Initiatives to maintain work performance and efficiency</li> <li>Initiatives related to managing the risk of loss, etc.</li> <li>Construction of an internal control system for use throughout the Group</li> </ul> | <ul style="list-style-type: none"> <li>Promote the development of an internal control system</li> <li>Initiatives to maintain work performance and efficiency</li> <li>Initiatives related to managing the risk of loss, etc.</li> <li>Construction of an internal control system for use throughout the Group</li> </ul> |

### Compliance

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019  |
|---|--|---|
| Thorough observation of the Compliance Code of Conduct within the Group | <ul style="list-style-type: none"> <li>Raised awareness of Code of Conduct in Japanese Group Companies</li> <li>Operated Compliance Hotline appropriately (Consultation /Reports: 47 cases)</li> <li>Planned and implemented awareness promotion content for the Intranet for Japanese companies</li> <li>Implemented a global communications hotline which can be utilized in 16 different languages</li> </ul> | <ul style="list-style-type: none"> <li>Ensure penetration and extension of revised Compliance Code of Conduct (create versions in various languages, study workshops at workplaces, etc.)</li> <li>Conduct training for internal communications hotline for overseas Group Companies</li> <li>Survey employee awareness both domestically and overseas</li> </ul> |



## Risk Management

| Theme                                    | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|--|---|--|
| Strengthening the risk management system | <ul style="list-style-type: none"> <li>Created overall risk management PDCA</li> <li>Constructed global BCP system and framework</li> <li>Executed earthquake-resistance 3-year plan</li> </ul> | <ul style="list-style-type: none"> <li>Create and advance overall risk management PDCA</li> <li>Ensure the global framework and system for BCP takes root</li> </ul> |

## Information Disclosure and IR Activities

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|---|--|--|
| Promoting and expanding IR activities to enhance understanding of the Company | <ul style="list-style-type: none"> <li>Held investor briefings (results briefings, individual interviews, visiting foreign investors, company briefings for individual investors)</li> <li>Collected and analyzed opinions of participants in briefings</li> </ul> | <ul style="list-style-type: none"> <li>Hold investor briefings (results briefings, business briefings, factory/facility tours, individual interviews, visiting foreign investors, company briefings for individual investors)</li> <li>Collect and analyze opinions of briefings participants</li> </ul> |

## Human Rights and Labor Practices

### Respect for Human Rights

| Theme  | Results in Fiscal 2018   | Plans in Fiscal 2019  |
|--|--|---|
| Promoting human rights awareness throughout the Yamaha Group | <ul style="list-style-type: none"> <li>Enacted "Yamaha Group Human Rights Policy"</li> <li>Promoted human rights due diligence (established management items)</li> <li>Implemented employee education and awareness promotion via the intranet, etc.</li> </ul>                              | <ul style="list-style-type: none"> <li>Promote human rights due diligence (create monitoring system)</li> <li>Expand awareness promotion activities through e-learning, and seminars, etc.</li> </ul>                     |
| Promoting measures to prevent harassment                     | <ul style="list-style-type: none"> <li>Education and awareness promotion for employees overall and the management class</li> <li>Issued notices regarding measures to prevent harassment</li> <li>Familiarization activities, and maintained appropriate operation of the hotline</li> </ul> | <ul style="list-style-type: none"> <li>Education and awareness promotion for employees overall and the management class</li> <li>Familiarization activities, and maintain appropriate operation of the hotline</li> </ul> |

### Promotion of Diversity and Inclusion

| Theme                                      | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Promoting employee diversity               | <ul style="list-style-type: none"> <li>Partially implemented key measures in diversity management promotion plans (Japan) (evaluated female managerial candidate selection and development program, proactively hired foreign employees including recruiting activities overseas)</li> <li>Publicly announced action plan for assisting women's careers</li> <li>Investigated overseas group companies (number of managerial positions for men and women, etc.)</li> </ul>                     | <ul style="list-style-type: none"> <li>Ongoing implementation of key measures in diversity management plans (Implementation of female managerial candidate selection and development program, proactive recruitment of foreign employees, overseas group R&amp;D, promotion of localization of development staff, etc.)</li> <li>Investigate overseas group company employment status</li> </ul> |
| Meeting employment requirements of society | <ul style="list-style-type: none"> <li>Maintained ratio of employees with disabilities, streamlined work environment</li> <li>Expanded scope of rehiring system for persons accompanying family on overseas assignment</li> <li>Developed system for rehiring of employees who retired to care for the elderly</li> <li>Reviewed aspects of treatment of senior partners (re-employment system after retirement) such as new establishment of allowance for working in remote areas</li> </ul> | <ul style="list-style-type: none"> <li>Promote employment of people with disabilities, streamline work environment</li> <li>Operate and stabilize rehiring system</li> </ul>   |

## Promoting a Better Work-Life Balance

| Theme                       | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|-----------------------------|---|--|
| Improving work-life balance | <ul style="list-style-type: none"> <li>Promoted use of preset company holidays and 15 days or more of paid leave a year</li> <li>Implemented Go Home at the Same Time Day</li> <li>Promoted proper management of work hours using objective data</li> </ul> | <ul style="list-style-type: none"> <li>Thorough use of paid leave days for preset company holidays, and promote taking paid leave for 15 days or more per year</li> <li>Implement Go Home at the Same Time Day</li> <li>Thoroughly implement proper management of work hours making use of objective data</li> </ul> |

## Communication with Employees

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|---|--|--|
| Enhancing communications between labor and management | <ul style="list-style-type: none"> <li>Set up labor and management meetings and consultations</li> <li>Dissemination of information transmission through in-house journals (ASEAN, China)</li> </ul> | <ul style="list-style-type: none"> <li>Set up labor and management meetings and consultations</li> <li>Promote and grasp status of labor and management communication in Group (e.g. expanding ER activities)</li> </ul> |

## Health and Safety

| Theme                                    | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Standardizing Group rules and activities | <ul style="list-style-type: none"> <li>Reviewed standards on personnel and goods (globally standardized)</li> <li>Issued handy safety card in Malay and promoted education to promote dissemination</li> <li>Expanded introduction of risk assessment activities to facilities</li> <li>Implemented Group-wide safety and health monitoring</li> </ul> | <ul style="list-style-type: none"> <li>Develop health and safety education program (multi-level education, education of new employees in Indonesia)</li> <li>Expand introduction of risk assessment to production facilities in Japan and overseas, and provide support for the stabilization and self-sustainment of such activities</li> <li>Implement Group-wide safety and health monitoring</li> <li>Provide support for newly built factories (establish rules, system, plan, activities, etc.)</li> </ul> |
| Maintaining employee health              | <ul style="list-style-type: none"> <li>Implemented awareness promotion for undergoing health checkups and 100% achievement of necessary follow-up measures</li> <li>Introduced stress checks and implemented follow-up measures</li> </ul>   | <ul style="list-style-type: none"> <li>Implement awareness promotion for undergoing health checkups and 100% implementation of necessary follow-up measures</li> <li>Expand stress checks for employees assigned overseas</li> </ul>   |

## Human Resource Development Initiatives

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|---|--|--|
| Fair evaluations and treatment, support for growth    | <ul style="list-style-type: none"> <li>Implementation of a new personnel system (Yamaha Corporation)</li> <li>Conducted evaluation training for management</li> </ul>  | <ul style="list-style-type: none"> <li>Consolidate new personnel system</li> <li>Conduct evaluation training for management</li> </ul>   |
| Promoting purposeful, targeted education and training | <ul style="list-style-type: none"> <li>Enhanced management personnel training program (sales-related)</li> <li>Train manufacturing and crafting personnel (core skill transmission, etc.)</li> <li>Developed system for management and development of global management personnel</li> </ul> | <ul style="list-style-type: none"> <li>Develop Group personnel training systems</li> <li>Train manufacturing and crafting personnel</li> <li>Formulate plan for management and development of global management personnel</li> </ul> |



## The Environment

### Environmental Management

| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|---|---|---|
| Establishing environmental management system      | <ul style="list-style-type: none"> <li>Maintained ISO 14001 certification at each facility</li> <li>Acquired ISO 14001:2015 certification in 2015</li> <li>Applied Yamaha Environmental Management System throughout the Group</li> <li>Expanded targets for environmental performance data collection</li> </ul> | <ul style="list-style-type: none"> <li>Maintain ISO 14001 certification at each facility</li> <li>Ongoing operation of management systems for the entire Group Continue to apply Yamaha Environmental Management System throughout the Group</li> <li>Determine EMS development policy at new overseas factories</li> <li>Expand targets for collecting environmental performance data</li> </ul> |
| Maintaining environmental management capabilities | <ul style="list-style-type: none"> <li>Implemented environmental education in accordance with jobs and roles</li> <li>Held seminars for training internal environmental auditors and advanced training</li> <li>Reorganized capabilities needs, and implemented assessment</li> </ul>                             | <ul style="list-style-type: none"> <li>Promote environmental education in accordance with jobs and roles</li> <li>Train and improve skills of environmental auditors</li> </ul>   |

### Prevention of Pollution

| Theme                                       | Results in Fiscal 2018   | Plans in Fiscal 2019  |
|---|--|---|
| Environmental risk management               | <ul style="list-style-type: none"> <li>No environmental pollution accidents</li> <li>Updated wastewater disposal facilities at domestic manufacturing subsidiaries</li> <li>Promoted observance of Environmental Facility Standards for prevention of environmental pollution, implemented environmental audits at eight facilities</li> <li>Started low-density PCB waste disposal</li> </ul> | <ul style="list-style-type: none"> <li>Execute risk reduction measures at new overseas manufacturing facilities</li> <li>Update wastewater disposal facilities at manufacturing subsidiaries both domestic and overseas facilities</li> <li>Promote observance of Environmental Facility Standards for prevention of environmental pollution</li> <li>Promote low-density PCB waste disposal</li> </ul> |
| Chemical substance management and reduction | <ul style="list-style-type: none"> <li>Continued reduction activities in accordance with the Chemical Substances Usage Standards</li> <li>Introduced VOCs processing devices in China, reduced emission volume</li> <li>Reduced volume of styrene used in expansion of paints inside molds</li> </ul>  | <ul style="list-style-type: none"> <li>Continue reduction activities in accordance with the Chemical Substances Usage Standards (especially for VOCs, activities to use alternative materials and reduce emissions)</li> <li>Promote and execute initiatives to completely discontinue use of 1-bromopropane</li> </ul>   |

### Environmentally Friendly Products and Services

| Theme                                      | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Creating environmentally friendly products | <ul style="list-style-type: none"> <li>Operated in-house standards for environmentally friendly products</li> <li>Calculated and disclosed greenhouse gases emitted while using products</li> <li>Implemented education for environmentally-friendly design</li> </ul> | <ul style="list-style-type: none"> <li>Enhance environmentally friendly products</li> <li>Improve accuracy of calculation of greenhouse gases emitted while using products</li> <li>Ongoing implementation of education for environmentally-friendly design</li> </ul> |

## Use of Sustainable Resources

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|--|---|---|
| Using wood resources appropriately and effectively | <ul style="list-style-type: none"> <li>Implemented primary investigation of traceability and sustainability of procured timber</li> <li>Created framework for timber tallying system</li> <li>Started construction of a business model for sustainable use of African Blackwood timber</li> </ul> | <ul style="list-style-type: none"> <li>Improve rate of confirmation of legality at time of cutting trees according to in-house standards</li> <li>Organize timber procurement standards, due diligence procedures</li> <li>Confirm supply conditions of certified timber, evaluate use thereof</li> <li>Investigate and select out issues for improvement of forestry management skills at local sites (African Blackwood)</li> </ul> |
| Reduction and recycling of waste                   | <ul style="list-style-type: none"> <li>Promoted recycling of metals, etc.</li> <li>Activities to reduce rejection rate during manufacturing processes</li> <li>Effectively used sawdust waste</li> </ul>  | <ul style="list-style-type: none"> <li>Promote effective use of waste</li> <li>Reduce emission of waste by implementing waste liquid concentrating device</li> </ul>  |
| Conserving and effectively using water resources   | <ul style="list-style-type: none"> <li>Promoted water recycling at overseas manufacturing facilities</li> <li>Checked water-related risks at all facilities of the Group</li> </ul>   | <ul style="list-style-type: none"> <li>Introduce closed system at new factory in India</li> <li>Promote water recycling at Chinese factories</li> </ul>   |

## Climate Change Mitigation and Adaptation

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|--|---|--|
| Reducing greenhouse gas emissions related to business activities | <ul style="list-style-type: none"> <li>Regarding greenhouse gas emissions,               <ul style="list-style-type: none"> <li>Group-wide understanding of Scope 1 and 2 emission volumes</li> <li>Expanded calculation scope to Scope 3</li> </ul> </li> <li>Upgraded to energy-saving equipment, installed LED for lighting</li> </ul> | <ul style="list-style-type: none"> <li>Regarding greenhouse gas emissions,               <ul style="list-style-type: none"> <li>Improve precision of calculations for Scope 3</li> <li>Conduct evaluation of emissions volume by third party</li> <li>Formulate medium-to-long term reduction plan for Scope 1 and 2</li> </ul> </li> <li>Continue ongoing efforts to reduce greenhouse gas emissions at domestic and overseas facilities</li> </ul> |

## Biodiversity Preservation Initiatives

| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|---|---|---|
| Promoting forests and natural environment preservation activities | <ul style="list-style-type: none"> <li>Held Enshunada coastal forest recovery activities</li> <li>Participated in activities to protect rare organisms</li> </ul> | <ul style="list-style-type: none"> <li>Enshunada coastal forest recovery activities</li> <li>Confirm growth status of tree nursery in Indonesia using satellite imaging</li> <li>Participate in activities to protect rare organisms</li> </ul> |

## Fair Operating Practices

### Protection from Corruption

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|--|---|--|
| Thoroughly preventing corruption, and building a deterrence system | <ul style="list-style-type: none"> <li>Conducted surveys at domestic and overseas Group companies (54 companies)</li> </ul> | <ul style="list-style-type: none"> <li>Create Group-common operational guidelines</li> </ul> |



## Responsible Participation in Politics

| Theme  | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Maintaining transparency with respect to participation in politics | <ul style="list-style-type: none"> <li>Consistently applied systems for conferences, consultations and audits</li> </ul> | <ul style="list-style-type: none"> <li>Continue to consistently apply systems for conferences, consultations and audits</li> </ul> |

## Fair Trade Practices

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|--|---|---|
| Strictly adhering to fair competition and building a deterrent system to eliminate anti-competitive behavior | <ul style="list-style-type: none"> <li>Implemented laws and regulations training for the Anti-Monopoly Act, etc., with a total of approximately 140 participants</li> </ul> | <ul style="list-style-type: none"> <li>Implement laws and regulations training for the Anti-Monopoly Act, etc.</li> </ul> |

## Promotion of Social Responsibility in the Value Chain

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|--|---|--|
| Promoting sustainability in the supply chain | <ul style="list-style-type: none"> <li>Executed survey of 79 companies before start of new transaction (self-assessment)</li> <li>Executed educational session regarding procurement of timber (26 participants)</li> </ul> | <ul style="list-style-type: none"> <li>Improve supplier assessment system</li> <li>Execute survey before start of new transaction (self-assessment)</li> <li>Educate personnel in charge of procurement</li> </ul> |

## Respect for Property Rights (Protecting Intellectual Property)

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|--|---|---|
| Managing and appropriately using intellectual property | <ul style="list-style-type: none"> <li>In-Group monitoring regarding handling of intellectual property</li> <li>Hosted copyright seminars, lecture meetings</li> <li>Effectively managed intellectual property owned by Yamaha</li> </ul> | <ul style="list-style-type: none"> <li>In-Group monitoring regarding handling of intellectual property</li> <li>Internal education and awareness promotion for proper use of intellectual property rights of others (e.g. hosted copyright seminars, lecture meetings)</li> <li>Effectively manage intellectual property owned by Yamaha</li> </ul> |

## Consumer Issues

### Product/Service Information Disclosure

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019  |
|---|--|---|
| Appropriately disclosing information on the safety of products and services | <ul style="list-style-type: none"> <li>Regular review of safety awareness promotion information</li> <li>Operated in-house provisions for proper information disclosure</li> </ul> | <ul style="list-style-type: none"> <li>Periodic review of safety awareness promotion information</li> <li>Consider revision to in-house provisions for proper information disclosure</li> </ul> |

### Ensuring Product/Service Safety

| Theme  | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Ensuring product safety and taking immediate action when faced with a product safety issue | <ul style="list-style-type: none"> <li>Revised standards for product safety risk assessment</li> <li>Executed internal seminars</li> </ul> | <ul style="list-style-type: none"> <li>Establish effective methods to link information regarding past incidents with measures to preemptively prevent similar difficulties</li> <li>Establish method to improve capability to detect risk during design and use</li> </ul> |

## Quality Assurance

| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|---|---|---|
| Strengthening the quality assurance system and quality management | <ul style="list-style-type: none"> <li>Expanded scope of operation of Group quality management system</li> <li>Education in response to ISO 9001:2015 for QMS internal auditors</li> <li>Promoted reinforcement of safety management for customers (resort business)</li> </ul> | <ul style="list-style-type: none"> <li>Expand scope of application of Group quality management system</li> <li>Review quality assurance training system</li> <li>Promote reinforcement of safety management for customers (music education business)</li> <li>Improve quality governance</li> </ul> |

## Sustainable Consumption

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|--|---|--|
| Contributing to sustainability through products and services | <ul style="list-style-type: none"> <li>Additionally certified Yamaha Eco products: 16 models</li> </ul> | <ul style="list-style-type: none"> <li>Yamaha Eco products additional certification goal: 40 models</li> </ul> |

## Improving Customer Satisfaction

| Theme  | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|--|---|--|
| Improving customer satisfaction with products and services | <ul style="list-style-type: none"> <li>Implemented new member system to improve communication with customers</li> <li>Promoted sharing information regarding customer opinions globally</li> <li>Expanded training which focuses on customer perspective</li> </ul> | <ul style="list-style-type: none"> <li>Improve process to reflect customer evaluations in products and services</li> <li>Improve management of customer support department</li> <li>Promote systematic expansion of efforts to foster a culture of understanding customer orientation</li> </ul> |

## Initiatives for Improved Customer Response and Support Improving Customer Satisfaction

| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|---|---|---|
| Initiatives for improved and more uniform customer response and support | <ul style="list-style-type: none"> <li>Began monitoring operation of Group After-sales Service Management Policies &amp; Rules</li> </ul> | <ul style="list-style-type: none"> <li>Establish processes for customer support management</li> </ul> |

## Personal Information Protection (Customer Data and Privacy)

| Theme  | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Preventing information leaks by managing the personal information of customers | <ul style="list-style-type: none"> <li>Improved security for personal information management (preparation of storage facilities equipped with automatic encryption functionality)</li> </ul> | <ul style="list-style-type: none"> <li>Reinforce measures for prevention of leaks</li> <li>Prevent recurrence of loss of terminal equipment</li> </ul> |

## Enhancing Products and Services

| Theme                                     | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|---|---|---|
| Promoting universal design                | <ul style="list-style-type: none"> <li>Introduced and promoted "Omotenashi Guide"</li> <li>Considered UD policy</li> </ul>                                    | <ul style="list-style-type: none"> <li>Communicate UD policy both inside and outside company</li> <li>Determine guidelines and consider introduction into provisions for each business</li> </ul> |
| Proposing solutions for issues in society | <ul style="list-style-type: none"> <li>Development of applications for thin film displacement sensors (wearable devices in healthcare field, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>Plan products and services based on important social issues such as SDGs</li> </ul>  |

## Community Involvement and Development

### Connection to Local Communities

| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|---|---|---|
| Building good relations with communities that are home to our offices and factories | <ul style="list-style-type: none"> <li>Held discussions with local communities at individual offices (information exchange sessions, etc.)</li> <li>Participated in local activities (environmental preservation, social welfare)</li> <li>Hosted piano factory tours, 11,600 participants</li> </ul> | <ul style="list-style-type: none"> <li>Hold ongoing discussions with local communities at each facility</li> <li>Ongoing active participation in local activities</li> <li>Host piano factory tours</li> <li>Develop framework for accepting visitors to Innovation Road</li> </ul> |

### Promoting Music Culture (Promoting Initiatives through Sound and Music)

| Theme                                  | Results in Fiscal 2018  | Plans in Fiscal 2019  |
|--|---|---|
| Help promote and develop music culture | <ul style="list-style-type: none"> <li>Music Time program: introduced to 248 schools in three countries</li> <li>Introduction of musical instrument education in Vietnam: launched recorder club activities in 10 schools</li> <li>Hosted and participated in local music events including Hamamatsu Jazz Week</li> </ul> | <ul style="list-style-type: none"> <li>Music Time program: introduced to 500 schools in four countries</li> <li>Introduction of musical instrument education in Vietnam: expand recorder club activities to 50 schools in three cities</li> <li>Host and participate in local music events including Hamamatsu Jazz Week</li> </ul> |

### Contributing to Regional Community Development

| Theme  | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|--|--|--|
| Helping regional community making use of resources | <ul style="list-style-type: none"> <li>Promoted Oto-Machi Project for Community Development through Music</li> <li>Promoted maintenance of musical instruments in Latin America (AMIGO PJ), systemized and expanded training program for fostering repair specialists of wind, string, and percussion instruments</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen and promote Oto-Machi Project for Community Development through Music</li> <li>Expand number of countries and organizations for Latin America activities (AMIGO PJ)</li> </ul> |

### Support that Helps Foster Future Generations

| Theme   | Results in Fiscal 2018  | Plans in Fiscal 2019   |
|---|---|--|
| Provision of study experience to children and youth | <ul style="list-style-type: none"> <li>Implemented manufacturing classes: hosted 4 times, total 320 participants</li> <li>Began provision of digital music classroom teaching materials such as "VOCALOID for Education," "Guitar Class," "Koto Class," etc.</li> </ul> | <ul style="list-style-type: none"> <li>Implement manufacturing classes and evaluate new programs</li> <li>Plan and develop educational support contents</li> </ul> |

### Donations and Social Welfare Activities

| Theme   | Results in Fiscal 2018   | Plans in Fiscal 2019   |
|---|--|--|
| Promoting donations and social welfare activities | <ul style="list-style-type: none"> <li>Expanded activities to foster a volunteer spirit amongst employees</li> <li>Evaluated continuation of support and the ideal state of support for areas affected by disasters</li> </ul> | <ul style="list-style-type: none"> <li>Expand activities to fostering a volunteer spirit amongst employees</li> <li>Evaluate continuation of support and the ideal state of support for areas affected by disasters</li> </ul> |

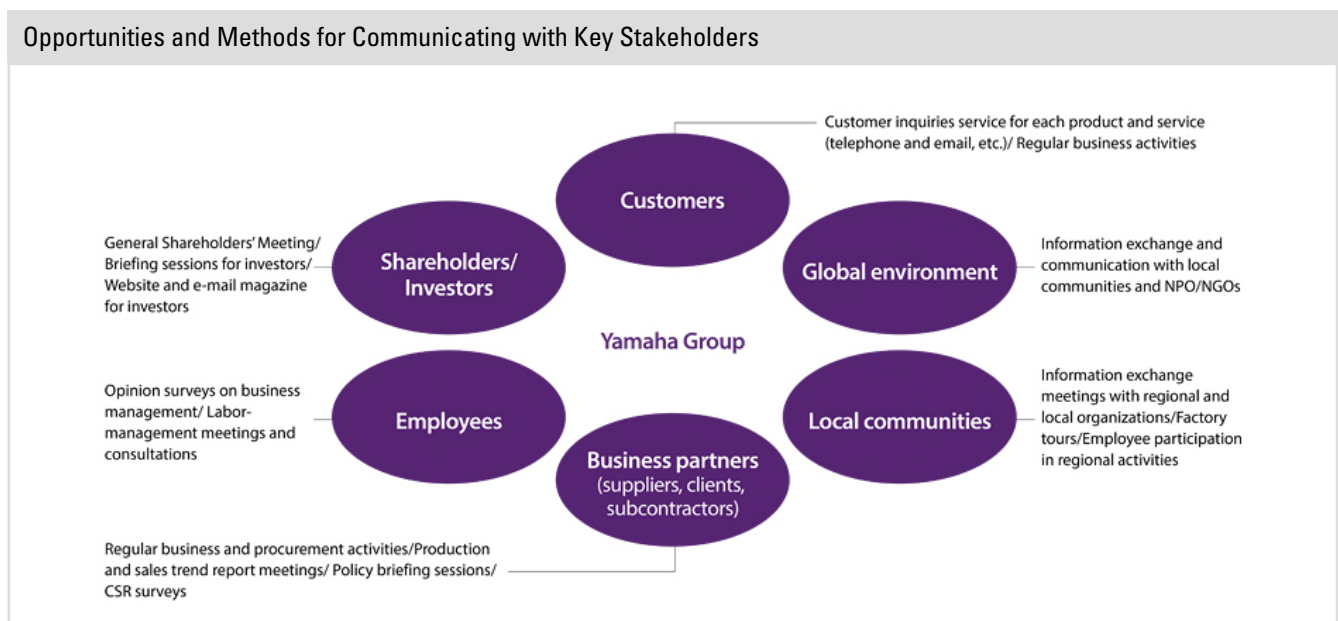
# Engagement with Stakeholders

## Basic Philosophy

The Yamaha Group's business activities are conducted through relationships with various interested parties. We consider these parties to be key stakeholders and categorize them into separate groups, such as the customers to whom we provide products and services, the shareholders and investors, our employees, our business partners (suppliers, clients and subcontractors), and the people in the regional communities where we develop our business. We also place importance on consideration for the global environment, since our business activities could have both positive and negative influence on it.

The Yamaha Group encompasses "Customer-Oriented and Quality-Conscious Management," "Transparent and Sound Management," "Valuing People," and "Harmony with Society" as promises to stakeholders. In order to pursue these values and remain committed to our corporate slogan, "Sharing Passion & Performance," we use various opportunities for communication that enables us to listen to the opinions and needs of all stakeholders and reflect these in our corporate activities.

We also solicit opinions on our sustainability activities from an expert each year, and work hard to make improvements based on his/her ideas. We will continue to examine more multifaceted review systems.



## Customers

In offering products and services, we aim to impress and deeply satisfy the customer.

### Key Responsibility

Provision of safe and secure products and services of value/Promotion of universal design/Appropriate provision of product information/Appropriate customer response and support/Appropriate protection of customer privacy and personal information

### Usual Method of Communication

Customer inquiries service for each product and service (telephone and email, etc.)/Regular business activities

**Communication examples** >> [Improving Customer Satisfaction](#)  
>> [Initiatives for Improved Customer Response and Support](#)

## Shareholders/Investors

We disclose management information to and engage in proactive and continuous communication with the shareholders and investors who financially support our business activities.

### Key Responsibility

Timely disclosure of accurate management information/Appropriate profit allocation/Maintenance and improvement of corporate value



### **Usual Method of Communication**

General Shareholders' Meeting/Briefing sessions for investors/Website and e-mail magazine for investors

**Communication examples** >> [Information Disclosure and IR Activities \(Communication with Shareholders and Investors\)](#)

## **Employees**

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We respect the individuality and sensitivity of the people who work at Yamaha, we work to create an environment where each and every one of them can display creativity, and we aim to create a corporate culture that allows us to offer better products and services.

### **Key Responsibility**

Fair evaluation and treatment/Respect for human rights and diversity/Application and training of human resources/Support for diverse working styles/Ensuring health and safety

### **Usual Method of Communication**

Opinion surveys on business management/Labor-management meetings and consultations

**Communication examples** >> [Communication with Employees](#)

## **Business partners (suppliers, clients, subcontractors)**

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We consider our business partners to be organizations with whom we walk hand in hand toward the goal of achieving our corporate philosophy, and we work to deepen mutual understanding and build and maintain a good relationship of trust with them, based on a foundation of fair and transparent dealings.

### **Key Responsibility**

Selection of business partners by fair and reasonable standards/Fair trade practices/Elimination of dubious business relationships/Prohibition of the abuse of dominant bargaining positions

### **Usual Method of Communication**

Regular business and procurement activities/Production and sales trend report meetings/Policy briefing sessions/ surveys

**Communication examples** >> [Promotion of Social Responsibility in the Value Chain](#)

## **Local communities**

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Regarding our business activities in different countries and regions, we comply with the related laws, ordinances and international standards, giving ample consideration to environmental conservation and respect for human rights. Moreover, we proactively participate in various activities that contribute to the development of regional society and culture, and we contribute to building a better community as a corporate citizen that is one member of society.

### **Key Responsibility**

Coexistence with the region and contribution to its development (promotion of culture, education of the next generation, welfare, job creation, technology and skill development, etc.)

### **Usual Method of Communication**

Information exchange meetings with regional and local organizations/Factory tours/Employee participation in regional activities

**Communication examples** >> [Connection to Local Communities](#)

>> [Contribution to Regional Community Development](#)

## **Global environment**

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We understand the significance of environmental conservation and the preservation of biodiversity for the sake of the earth's environment, which is the basis of a sustainable society. We are engaged in various activities to contribute to the environment, including of course reducing the environmental burden of our business activities, products, and services.

### **Key Responsibility**

Prevention of pollution/Mitigation of climate change/Conservation of water resources/Management and reduction of chemical substances/Conservation of biodiversity

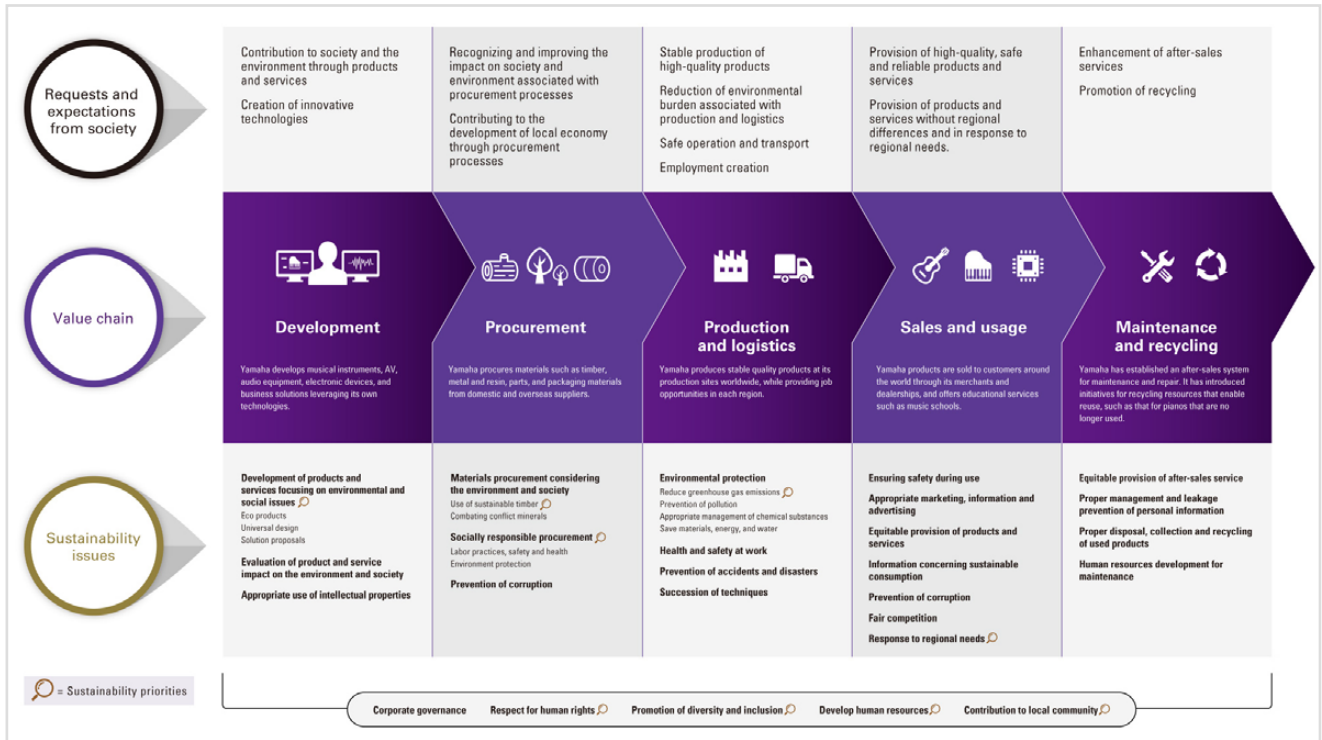
### **Usual Method of Communication**

Information exchange and dialogue with the local communities and NPO/NGOs

# Sustainability Issues in the Value Chain

The Yamaha Group provides various products and services, including musical instruments.

Yamaha is fulfilling its social responsibilities by addressing issues related to the value chain by focusing on the impact of its products, services, and production processes on society and the environment.



Download

## UN Global Compact

The United Nations (UN) Global Compact was proposed by the Secretary General of the UN in 1999 and consists of 10 universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption. The top management of companies that become signatories to the Global Compact pledge their commitment and, within the scope of their enterprises, promise to work consistently to achieve the objectives espoused under the 10 principles. Since signing the Global Compact in June 2011, Yamaha has actively worked to cooperate with the Global Compact Network Japan in conducting subcommittees.



## The 10 Principles of the United Nations Global Compact

|                 |   |
|-----------------|---|
| Human Rights    | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and                     |
|                 | Principle 2: make sure that they are not complicit in human rights abuses.  |
| Labor           | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
|                 | Principle 4: the elimination of all forms of forced and compulsory labor;   |
|                 | Principle 5: the effective abolition of child labor; and  |
|                 | Principle 6: the elimination of discrimination in respect of employment and occupation.   |
| Environment     | Principle 7: Businesses should support a precautionary approach to environmental challenges;  |
|                 | Principle 8: undertake initiatives to promote greater environmental responsibility; and   |
|                 | Principle 9: encourage the development and diffusion of environmentally friendly technologies.  |
| Anti-Corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.                            |

# Activities Report

- » Organizational Governance
- » Human Rights and Labor Practices
  - » The Environment
  - » Fair Operating Practices
  - » Consumer Issues
- » Community Involvement and Development

# Organizational Governance

## Corporate Governance

### Basic Policies for Corporate Governance

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The Yamaha Group has issued the [Yamaha Philosophy](#) and our [Promises to Stakeholders](#), which outline our commitment to ensuring strong profitability while upholding our social responsibilities as a company, and thereby to achieving sustainable growth and improving corporate value over the medium- to long-term. We carry out transparent, high-quality business management based on the basic policies for corporate governance indicated below.

#### Basic policies for corporate governance

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

### Basic Corporate Governance System

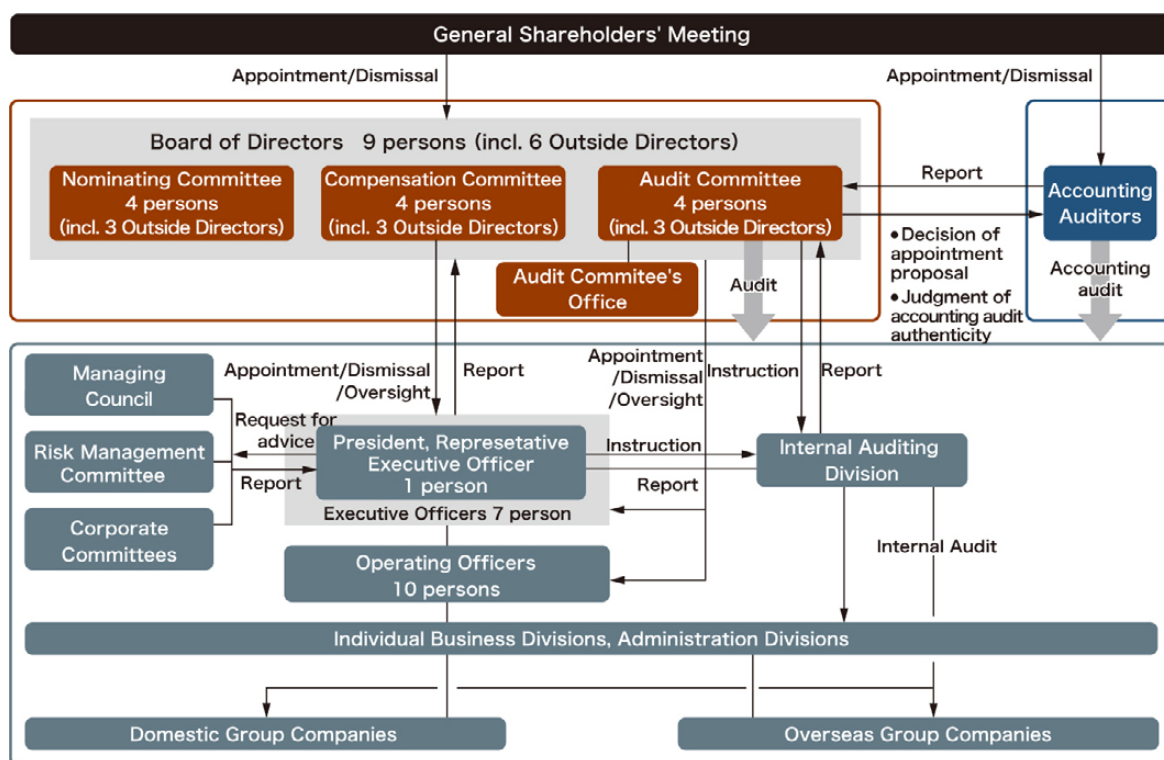
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Yamaha Corporation made the transition to a Company with Three Committees (Nominating, Audit, and Compensation) from June 22, 2017, with the objectives of making a clear separation between the oversight and the execution in management, thereby enhancing the oversight function of the Board of Directors and speeding up the execution of business.

Regarding the composition of the Board of Directors, the Company has appointed a Board with two thirds (2/3) of the members from independent Outside Directors with a diversity of backgrounds and specialties, including persons with management experience in other industries. Also, by forming a Nominating Committee, Audit Committee, and Compensation Committee with a majority of independent Outside Directors as obligated by law, the Company can execute its oversight function with further transparency and objectivity. The Audit Committee will strengthen the oversight function through audit by implementing validity checks in addition to legal checks, in cooperation with the Internal Audit Division.

Also, as an official function under the Companies Act, the Company established the Executive Officer position to assume a direct responsibility to shareholders, and they have been delegated major authority from the Board of Directors. By having the Executive Officers functioning as important decision-makers in the execution of business operations, the Company is aiming to speed up this process.

By implementing the abovementioned measures to strengthen the oversight functions and speed up the execution, the Company endeavors to further strengthen corporate governance and to continuously increase corporate value.



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Governance Organization Personnel

(Yamaha Corporation, as of June 26, 2018)

|                                |  | Male | Female |
|--------------------------------|--|------|--------|
| Directors                      | Total  | 8    | 1      |
|                                | Outside Directors                              | 5    | 1      |
| Executive Officers             | Total  | 7    | 0      |
|                                | President and Representative Executive Officer | 1    | 0      |
|                                | Managing Executive Officer                     | 2    | 0      |
| Operating Officers             | Total  | 10   | 0      |
| Nominating Committee Members   | Total  | 4    | 0      |
|                                | Outside Directors                              | 3    | 0      |
| Audit Committee Members        | Total  | 3    | 1      |
|                                | Outside Directors                              | 2    | 1      |
| Compensation Committee Members | Total  | 4    | 0      |
|                                | Outside Directors                              | 3    | 0      |

Governance Organization Personnel, by Nationality

(Yamaha Corporation, as of June 26, 2018)

|                    |  | Japan | Overseas |
|--------------------|--|-------|----------|
| Directors          | Total  | 9     | 0        |
|                    | Outside Directors                              | 6     | 0        |
| Executive Officers | Total  | 7     | 0        |
|                    | President and Representative Executive Officer | 1     | 0        |
|                    | Managing Executive Officers                    | 2     | 0        |
| Operating Officers | Total  | 9     | 1        |

[Directors and Officers](#)



## ► Board of Directors

As of June 26, 2018, there are nine (9) Directors (including six (6) independent Outside Directors).

The Board Meeting held monthly (in principle).

The Board of Directors oversees the conduct of duties by the Executive Officers and the Directors, and makes decisions on important matters that are specified in laws and regulations, the Articles of Incorporation, and the Regulations of the Board of Directors.

In keeping with its fiduciary duties, the Directors act to ensure the Company's sustainable growth and enhance its enterprise value over the medium- to long-term, taking into consideration the relationships with all stakeholders.

Directors understand relevant laws and regulations and the Company's Articles of Incorporation and gather sufficient information in order to proactively express their opinions and engage in constructive discussions at the Board of Directors' meetings as elsewhere.

## ► Nominating Committee

The Nominating Committee has four (4) members (including three (3) Outside Directors) as of June 26, 2018. A majority of the members are independent Outside Directors, and both committee members and the chair are appointed by the Board of Directors.

The Nominating Committee decides on the content of the proposals to be submitted to the General Shareholders' Meeting for selection/dismissal of Directors and the content of proposals submitted to the Board of Directors for selection/dismissal of Executive Officers and Operating Officers. The Nominating Committee also implements the succession plan for the Chief Executive Officer and other officers through activities to develop human resources that can assume the positions of Director, Executive Officer, and Operating Officer.

## ► Audit Committee

The Audit Committee has four (4) members (including three (3) independent Outside Directors) as of June 26, 2018. A majority of the members are independent Outside Directors, and both committee members and the chair are appointed by the Board of Directors.

The chair shall be an independent Outside Director. The Audit Committee either works in collaboration with the Internal Auditing Division or conducts audits directly on its own initiative, and audits the structure and operation of the internal control systems of the Company and other Group companies. Based on audit results, the Audit Committee conducts audits to determine the legality and appropriateness of the conduct of duties by the Executive Officers and Directors.

When deemed necessary, members of the Audit Committee report to or express their opinions to the Board of Directors, or may issue cease and desist injunctions of Executive Officers and/or Directors. In addition, the Audit Committee may decide on proposals to be considered in the General Shareholders' Meeting, including the selection/dismissal of the Accounting Auditor.

The Audit Committee shall select full-time members to increase the effectiveness of internal information gathering. In addition, an Audit Committee's Office will be established as a specialized organizational unit that reports directly to the Audit Committee to assist the committee members in the performance of its work. To secure independence from the Executive Officers and other persons engaged in the conduct of business, personnel evaluations, changes in personnel assignments, and rewards/disciplinary punishments of the staff of the Audit Committee's Office will require the approval of the Audit Committee.

For matters where it is necessary to undertake auditing of the conduct of duties by the Executive Officers and Directors, the Audit Committee will make arrangements to ensure that sufficient and appropriate audits can be conducted, including collaboration and sharing information with the Accounting Auditor and the Internal Auditing Division, and engage in activities to increase auditing quality and realize the efficiency of auditing.

The Internal Auditing Division must report on the results of their auditing activities to the Audit Committee periodically and at other times when appropriate, and any time when there are requests for such reports from the Audit Committee.

The Audit Committee shall be able, when necessary, to give instructions regarding audits to the Internal Auditing Division.

In cases where audit-related instructions given by the Audit Committee conflict with those given by the President and Representative Executive Officer, the instructions of the Audit Committee will take precedence.

When the manager of the Internal Auditing Division is going to be reassigned, the opinions of the Audit Committee shall be heard in advance.

## ► Compensation Committee

The Compensation Committee has four (4) members (including three (3) independent Outside Directors) as of June 26, 2018. A majority of the members are independent Outside Directors, and both committee members and the Committee Chairman are appointed by the Board of Directors.

The Compensation Committee establishes policies regarding the setting of compensation for Directors, Executive Officers, and Operating Officers and, based on these policies, sets the compensation of such officers individually.

## ► Executive Officers

As an official function under the Companies Act, the Executive Officer position shall bear direct responsibility to shareholders.

There are seven (7) Executive Officers as of June 26, 2018. The Executive Officers will make important decisions from a Companywide perspective on matters related to the conduct of business that have been delegated to them by the Board of Directors and will be subject to the oversight of the Board of Directors.

A member of the Executive Officers, the President and Representative Executive Officer will represent the Company and, with supreme duties for matters of the Company, will be in overall charge of business under the basic policies set by the Board of Directors.

Managing Executive Officers and Executive Officers will provide assistance to the Representative Executive Officer and will have the position and duties corresponding to general managers in charge of core divisions.

## ► Operating Officers

The Operating Officers will execute the business activities they are responsible for from a Companywide perspective based on the important decisions related to conduct of business made by the Board of Directors or the Executive Officers, under the oversight of the Executive Officers.

The Operating Officers will be heads of core divisions of the organization and/or be officers responsible for major Group companies.

As of June 26, 2018, the Company has 10 Operating Officers.

## ► Process and Standards for Selecting Directors and Other Personnel

Regarding the selection of candidates for Director, the Nominating Committee selects candidates based on basic personal qualities and capabilities, competency, experience and record of achievements that are required of internal directors and outside directors as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the General Shareholders' Meeting.

Regarding the selection of members and the chairs of the Nominating Committee, Audit Committee, and Compensation Committee, the Nominating Committee selects candidates based on personal qualities and capabilities as defined by the roles of each of these committees. The Nominating Committee then decides on the content of selection proposals to be submitted to the Board of Directors. Note that for the selection of candidates for the members and the chair of the Audit Committee, the Nominating Committee gathers opinions from the Audit Committee in advance.

For Executive Officers, the Nominating Committees selects candidates based on basic personal qualities and capabilities, competency, experience, and record of achievements that are required of Executive Officers as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the Board of Directors.

For Operating Officers, the Nominating Committee selects candidates based on personal qualities and capabilities they are required to play as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the Board of Directors.

## Reason for Appointment of Outside Directors

| Title    | Name             | Reason for appointment   |
|----------|------------------|--|
| Director | Shigeru Nosaka   | <ul style="list-style-type: none"> <li>• He is a person of desirable personality and has considerable insight as a director.</li> <li>• He has vast experience in running businesses in other industries.</li> <li>• He can be expected to strengthen the oversight function of the Board of Directors and provide appropriate advice from an objective viewpoint.</li> </ul>                            |
| Director | Masatoshi Ito    | <ul style="list-style-type: none"> <li>• He is a person of desirable personality and has considerable insight as a director.</li> <li>• He has vast experience in running businesses in other industries.</li> <li>• He can be expected to strengthen the oversight function of the Board of Directors and provide appropriate advice from an objective viewpoint.</li> </ul>                            |
| Director | Junya Hakoda     | <ul style="list-style-type: none"> <li>• He is a person of desirable personality and has considerable insight as a director.</li> <li>• He is a certified public accountant and is acquainted with corporate finance and accounting.</li> <li>• He can be expected to strengthen the oversight function of the Board of Directors and provide appropriate advice from an objective viewpoint.</li> </ul> |
| Director | Yoshimi Nakajima | <ul style="list-style-type: none"> <li>• She is a person of desirable personality and has considerable insight as a director.</li> <li>• She has vast experience in running businesses in other industries.</li> <li>• She can be expected to strengthen the oversight function of the Board of Directors and provide appropriate advice from an objective viewpoint.</li> </ul>                         |
| Director | Taku Fukui       | <ul style="list-style-type: none"> <li>• He is a person of desirable personality and has considerable insight as a director.</li> <li>• He is an attorney at law and is acquainted with laws and regulations.</li> <li>• He can be expected to strengthen the oversight function of the Board of Directors and provide appropriate advice from an objective viewpoint.</li> </ul>                        |
| Director | Yoshihiro Hidaka | <ul style="list-style-type: none"> <li>• He is a person of desirable personality and has considerable insight as a director.</li> <li>• He has experience as the President and CEO of Yamaha Motor Co., Ltd.</li> <li>• He can be expected to strengthen the oversight function of the Board of Directors, improve brand value, and provide appropriate advice from an objective viewpoint.</li> </ul>   |

\* Yamaha has registered six Outside Directors — Shigeru Nosaka, Masatoshi Ito, Junya Hakoda, Yoshimi Nakajima, Taku Fukui, and Yoshihiro Hidaka — as independent directors pursuant to Tokyo Stock Exchange provisions (as of June 26, 2018).

## Major Activities by Outside Directors in the Year Ended March 31, 2018

|                                      |                  | Board of Directors | Board of Auditors | Nominating Committee | Audit Committee | Compensation Committee |
|--------------------------------------|------------------|--------------------|-------------------|----------------------|-----------------|------------------------|
| Total meetings held                  |                  | 13                 | 4                 | 5                    | 15              | 1                      |
| Outside Director<br>Hiroyuki Yanagi  | Attended         | 12                 | —                 | 5                    | —               | 1                      |
|                                      | Attendance rate* | 92.3%              | —                 | 100%                 | —               | 100%                   |
| Outside Director<br>Shigeru Nosaka   | Attended         | 13                 | —                 | 5                    | —               | 1                      |
|                                      | Attendance rate* | 100%               | —                 | 100%                 | —               | 100%                   |
| Outside Director<br>Masatoshi Ito    | Attended         | 13                 | —                 | 5                    | —               | 1                      |
|                                      | Attendance rate* | 100%               | —                 | 100%                 | —               | 100%                   |
| Outside Director<br>Junya Hakoda     | Attended         | 13                 | 4                 | —                    | 15              | —                      |
|                                      | Attendance rate* | 100%               | 100%              | —                    | 100%            | —                      |
| Outside Director<br>Yoshimi Nakajima | Attended         | 10                 | —                 | —                    | 15              | —                      |
|                                      | Attendance rate* | 100%               | —                 | —                    | 100%            | —                      |
| Outside Director<br>Taku Fukui       | Attended         | 9                  | —                 | —                    | 15              | —                      |
|                                      | Attendance rate* | 90%                | —                 | —                    | 100%            | —                      |

\* The attendance rate denominator is the total number of meetings held during each person's term of service

\* Outside Director Hakoda's attendance includes the number of meeting attended at the Board of Auditors up to June 22, 2017

## Support system for Outside Directors

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### ▶ Providing Information to Outside Directors

In principle, management meetings are held monthly with the aim of sharing and discussing important management matters and the directionality of business strategy with all directors. In addition, the outside directors receive individual explanations regarding the agenda of the Board of Directors and other reported matters where necessary.

### ▶ Regular Meetings Among Outside Directors

The Outside Directors regularly hold meetings for only the Outside Directors for the purpose of exchanging views based on an objective perspective and developing a shared awareness of issues.

They also regularly hold meetings to exchange ideas with the President and Representative Executive Officer.

## Development of Internal Control System

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Based on the Companies Act and Ordinances for the Enforcement of the Companies Act, Yamaha Corporation has put in place systems to secure the proper conduct of its business activities (hereinafter, Internal Control Systems). The aims of these systems are conducting business efficiently, securing the reliability of reporting, securing strict compliance with laws and regulations, preserving the value of Company assets, and strengthening risk management.

The Company has structured the Internal Control Systems for the Group as a whole, based on the "Group Management Charter," which sets forth basic Group management policies, and the "Group Internal Control Policy," which sets internal control policy for the Group. Regarding decisions on the status of management and on issues with some degree of importance which may have an effect on the management condition of the Group, Subsidiaries are required to receive approval from the Company in advance and report certain items to the Company.

### ▶ Information Relating to Conflicts of Interest

When engaging in transactions with Directors, Executive Officers, or close relatives thereof, necessary systems shall be put in place and monitored to ensure that they are not detrimental to Yamaha Corporation or its shareholders' common interests. With the approval of the Board of Directors pursuant to the Companies Act, the results of related party transactions shall be reported after a transaction is completed.

## Policy and Status Concerning Executive Officer Remuneration

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### ▶ Remunerations for Directors

Individual amounts and policy regarding the remuneration of Directors and Executive Officers have been determined in the Compensation Committee, which is comprised of three Outside Directors and one internal Director.

Compensation for Directors (excluding Outside Directors and Audit Committee members) and Executive Officers (excluding the Executive Officer in charge of the internal audit) will consist of (1) fixed compensation, (2) performance-linked bonuses, and (3) compensation in the form of restricted stock. The approximate breakdown of total compensation of (1), (2), and (3) will be 5:3:2.

"(2) Performance-linked bonuses" will vary according to the Company's consolidated net income and consolidated return on equity (ROE) in the previous fiscal year, and these bonuses will be calculated with consideration for the individual's record of performance. The evaluation of individual performance will be based on indicators of performance set by business and function in each area the individual is responsible for. "(3) The Restricted stock compensation plan" has been introduced with the intent of continuously improving the corporate value, and having the Directors and Executive Officers share a common interest with shareholders. Compensation based on Company performance has also been introduced to provide a motivation for reaching performance goals in the medium term, therefore the two thirds (2/3) of the total amount is linked to the Company performance. Conditions for performance will be measured by giving equal weight to three indicators; namely the rate of sales (ROS), earnings per share (EPS), and return on equity (ROE), which are set out in the medium-term management plan. The period of restriction on stock disposal shall be for ten (10) years (or till the retirement of Director or Executive Officer) for the purpose of aligning the interests of the corporate officers with those of the shareholders over a long period after the end of the medium-term management plan. In addition, in the event of serious cases of accounting fraud and/or major losses, a claw-back clause is included that will require the return of all or a portion of restricted shares transferred to officers on an accumulated basis to date, depending on the responsibility of the officers in charge.

Outside Directors and Directors who are members of the Audit Committee as well as the Executive Officer in charge of the internal audit will receive only the fixed compensation.

Amount of Remuneration and Other Compensation Provided to Yamaha Directors, Executive Officers, and Auditors (Year Ended March 31, 2018)

| Classification     | Total Compensation (Millions of Yen) | Compensation by Type (Millions of Yen) |                                |                           |  | Number of directors, auditors, and officers |
|--------------------|--------------------------------------|--|--------------------------------|---------------------------|--|---|
|                    |                                      | Fixed Remuneration                     | Performance-based compensation | Performance-based bonuses | Compensation in the form of restricted stock |   |
| Director           | 115                                  | 103                                    | 11                             | –                         | –  | 10  |
| Outside Directors  | 45                                   | 45                                     | –                              | –                         | –  | 6   |
| Executive Officers | 413                                  | 189                                    | –                              | 140                       | 83   | 7   |
| Corporate Auditors | 19                                   | 19                                     | –                              | –                         | –  | 4   |
| Outside Auditors   | 4                                    | 4                                      | –                              | –                         | –  | 2   |

Amount of Remuneration and Other Compensation Provided to Yamaha Directors, Executive Officers, and Auditors (Year Ended March 31, 2018)

| Classification  | Total Compensation (Millions of Yen) | Compensation by Type (Millions of Yen) |                                |         | Number of directors and corporate auditors |
|---|--------------------------------------|--|--------------------------------|---------|--|
|   |                                      | Fixed Remuneration                     | Performance-based compensation | Bonuses |  |
| Directors (excluding Outside Directors)                   | 256                                  | 125                                    | 47                             | 82      | 5  |
| Corporate Auditors (excluding Outside Corporate Auditors) | 60                                   | 60                                     | –                              | –       | 3  |
| Outside Directors and Outside Corporate Auditors          | 32                                   | 32                                     | –                              | –       | 7  |

## Reflecting the Opinions of Stakeholders

### ▶ A System to Reflect the Opinions of Stakeholders in Management

In addition to the respective dialogue with shareholders and investors, Yamaha Corporation gives presentations on its medium-term management plan and quarterly earnings for securities analysts and institutional investors, provides business briefings, and conducts facilities tours and gives presentations to individual investors. The Company also posts its management plan and the explanatory materials used in earnings presentations on the Company website.

The results of the dialogue with shareholders and investors are reported to the Board of Directors by the Director, Executive Officers, or Operating Officers responsible on a timely basis, and they will be appropriately reflected in the management of the Company, leading to the Group's sustainable growth and enhancing enterprise value over the medium-to-longer term. Additionally, the voting is analyzed for each resolution at the Ordinary General Shareholders' Meeting, and this is reported to the Board of Directors.

» [Information Disclosure and IR Activities \(Communication with Shareholders and Investors\)](#)

### ▶ Corporate Governance Policies/Report

In accordance to the provisions of the Tokyo Stock Exchange and the Corporate Governance Code, the Company has created a policy and report which describes our thoughts and systems for corporate governance.

» [Corporate Governance Report \(PDF: 610 KB\)](#) Revised on November 14, 2018

» [Corporate Governance Policies \(PDF: 229 KB\)](#) Revised on June 25, 2018



# Compliance

## Compliance Management Mechanisms and Promotion System

The Yamaha Group aims to achieve a high level of compliance management not only by conforming with laws and regulations, but also through adherence to social norms and corporate ethics.

We have established the Compliance Subcommittee under the Risk Management Committee to serve as the organization with primary responsibility over the setting of policy and consideration of items concerning compliance. In addition to formulating policies for ensuring compliance within the Yamaha Group, this subcommittee shall monitor every department and Group company to ensure that business is being done ethically and according to law. It also takes measures aimed at maintaining sound business activities. These measures include providing training and education to employees, conducting questionnaires, and setting up help lines for internal reporting and consulting.

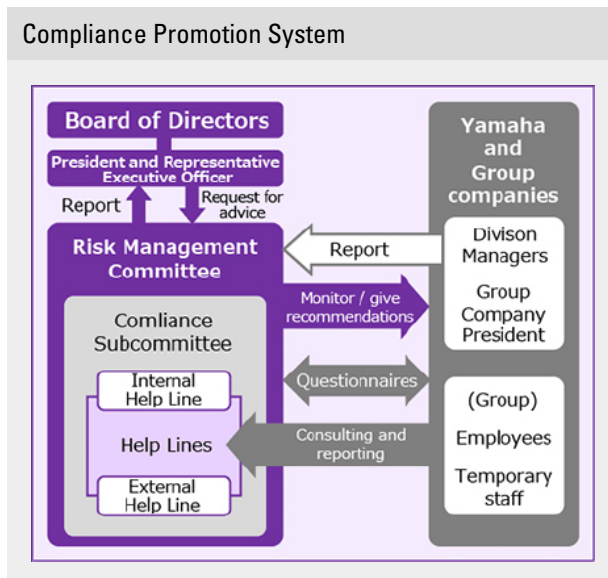
### ► Compliance Subcommittee Activities

#### Activities

4 meetings in FY 2018

#### Major Achievements

- Examined activities to ensure compliance throughout the Group
- Reported activities during Compliance Improvement Month
- Promoted awareness of the Compliance Code of Conduct in Japan and revised and promoted awareness of the Code of Conduct overseas



## Compliance Code of Conduct

The Yamaha Group formulated the [Compliance Code of Conduct](#) in 2003 as the code of conduct for each company and individual employees. Since then, we have made revisions according to the changes in environment and social circumstances and developed individual language versions, promoting dissemination of the Compliance Code of Conduct.

### ► Major Revisions to Date

Expanded on explanation concerning Code of Conduct and related laws (2011)

Unified our terminology and expressions to reflect the change to our Corporate Philosophy and group policies. Our expressions associated with Japanese laws were revised to globally-accepted expressions. (2016)

### ► Country-Specific Versions

The global versions (Japanese and English) were referenced to create Codes of Conduct in languages spoken by each country in which we have a Group company in order to comply with the laws of those countries. We also created explanatory booklets. (completed revised version for 12 companies as of end-FY 2018)



Overseas versions of the Code of Conduct booklet

## Training and Education

### ▶ Publication of Compliance Code of Conduct Booklets

The Yamaha Group publishes and distributes to all its employees in Japan a booklet that describes in detail the Group's Compliance Code of Conduct. In addition to these efforts, we also make the booklet available in PDF format on our intranet.

#### Code of Conduct recipients

- All Yamaha Group employees in Japan (including part-time staff working under employment contracts) and temporary staff
- Promote awareness with booklet and PDF version overseas

#### Code of Conduct education efforts

- Code of Conduct explanations were given as part of a compliance program in stratified training for employees
- Conducted read throughs at information sessions and within departments every time revision were made (Yamaha departments and domestic Group companies)

### ▶ Compliance Improvement Month

The Yamaha Group has designated October as the month to bolster compliance every year in line with Keidanren's Corporate Ethics Promotion Month, and is working on a number of initiatives in this regard.

#### Major Efforts in FY 2018

- Put up posters to promote awareness
- Held legal training on achieving compliance with the Antimonopoly Act and Act Against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors (Subcontract Act) (10 sessions held, 220 participants)

### ▶ Intranet activities to promote awareness

Every month, the Yamaha Group posts content for domestic employees on the Intranet, including "Compliance News" and "Compliance Quiz," in order to raise important points regarding compliance and promote awareness among employees.

## Monitoring

To confirm and improve compliance within the Yamaha Group, we conducted monitoring of compliance status at the Yamaha Corporation and Group companies on a regular basis.

### Summary of Compliance Status Monitoring

|             |   |
|-------------|---|
| Respondents | Yamaha departments and Group companies (48 companies)   |
| Content     | Reviewing of the system for promoting compliance, methods for familiarizing employees with the Code of Conduct, status of education being systematically offered, establishment of internal reporting systems, number of reports made |
| Frequency   | Once/year   |

\* For questionnaire conducted in April 2017

## Help Line Operation

The Yamaha Group has set up help lines (internal and external) aimed at providing consultation and taking internal reports related to compliance-related matters.

In Japan, we provide both internal and external help lines. The internal help line provides support by telephone, fax, email, and mail, while the external help line (legal adviser's office) fields inquiries via fax, email, and mail.

In August 2017, we set up an overseas online help line which can receive requests in 16 different languages.

Contact information for the help lines is provided in Compliance Code of Conduct booklets and on posters put up at Yamaha Group companies, and the system is advertised on such occasions as questionnaires and training sessions.

Internal rules that establish means to protect whistleblowers have been put in place to ensure that those who make sincere reports will not suffer reprisal.

As an effort to prevent the reoccurrence of such issues and promote better compliance, the issue is discussed at theme-based training at all workplaces involved and at stratified training.

The Company started training related to the handling of requests at overseas subsidiaries at the time the overseas online help lines were set up. In FY 2018, training sessions were held in three countries.

A total of 47 reports and requests for consultation were made to the help line in FY 2018.

As of FY 2018, a majority of the consultations and reports concerned were labor-related and concerned issues such as harassment and employment problems.

Although the help lines are intended primarily for regular Yamaha Group employees, temporary staff and certain contracted staff are also permitted to make reports via the help lines. In FY 2018, there were two reports and requests for consultation from non-regular employees.

### Reports to the Compliance Help Line

|         | Name Provided | Anonymous | Total |
|---------|---------------|-----------|-------|
| FY 2014 | 18            | 17        | 35    |
| FY 2015 | 25            | 6         | 31    |
| FY 2016 | 19            | 7         | 26    |
| FY 2017 | 26            | 13        | 39    |
| FY 2018 | 34            | 13        | 47    |

# Risk Management

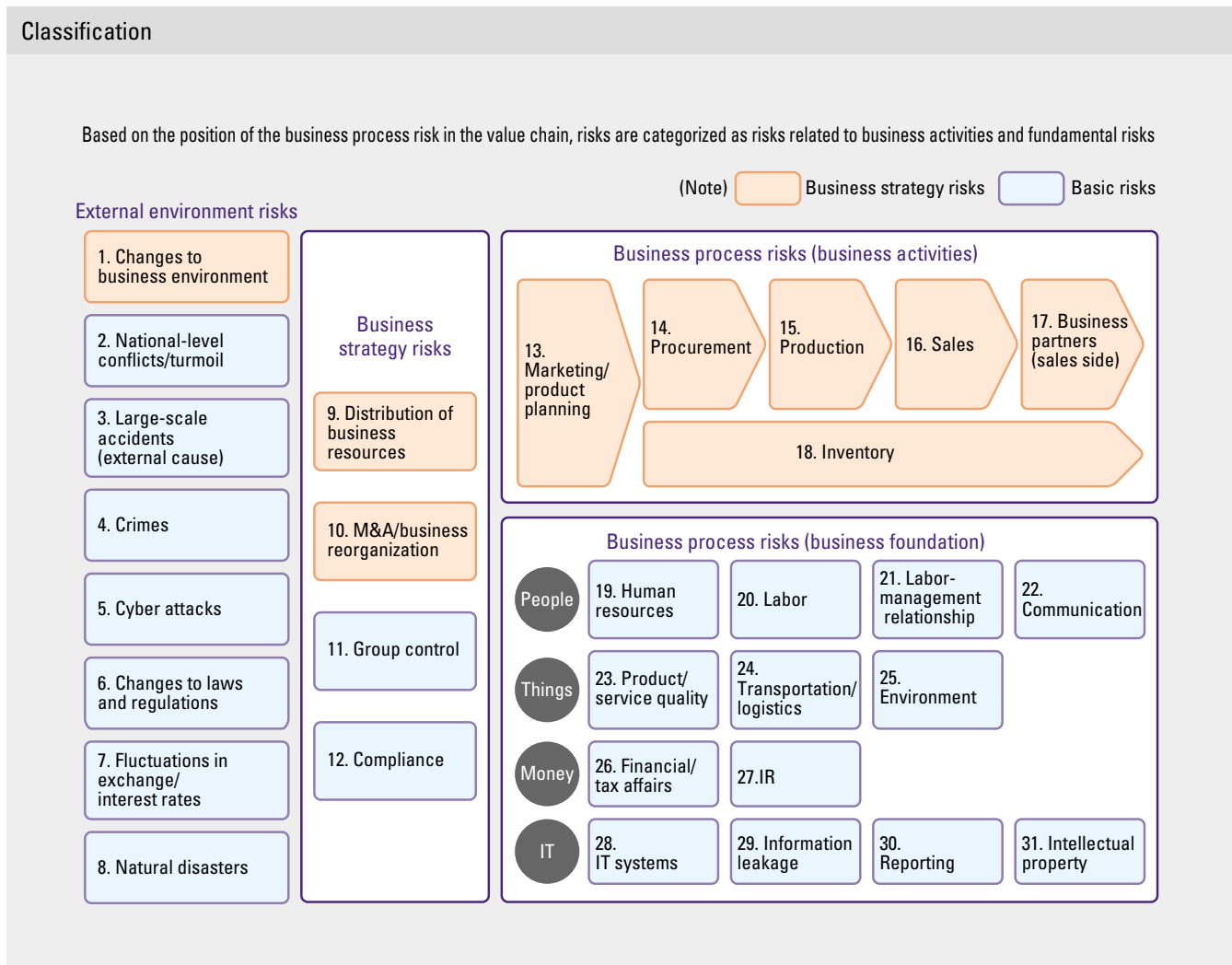
## Basic Policy

The Yamaha Group implements risk management based on the following policy.

1. We shall establish a structure and framework for risk management and work to enhance responsiveness to risk and maximize corporate value.
2. We shall identify, evaluate and reduce risk through risk management activities during ordinary times, conduct awareness-raising activities such as education and training, and instill a greater awareness of, fostering a greater sensitivity to risk.
3. We shall prioritize people's safety when risks manifest themselves as crises, and coordinate with the local community to ensure sincere, appropriate and speedy response as a means to minimize all adverse impact. In addition, we shall strive to ensure the stable supply of products and services, continue business to the extent possible and contribute to the sustainable development of society.
4. After addressing risks, we shall analyze the reasons they occurred and how they were addressed in order to ensure they do not occur again.

### ► Classification of Risk

The Yamaha Group classifies the various types of risks related to its business in accordance to the chart below, evaluates risk importance, and is aiming to promote activities to reduce risk.



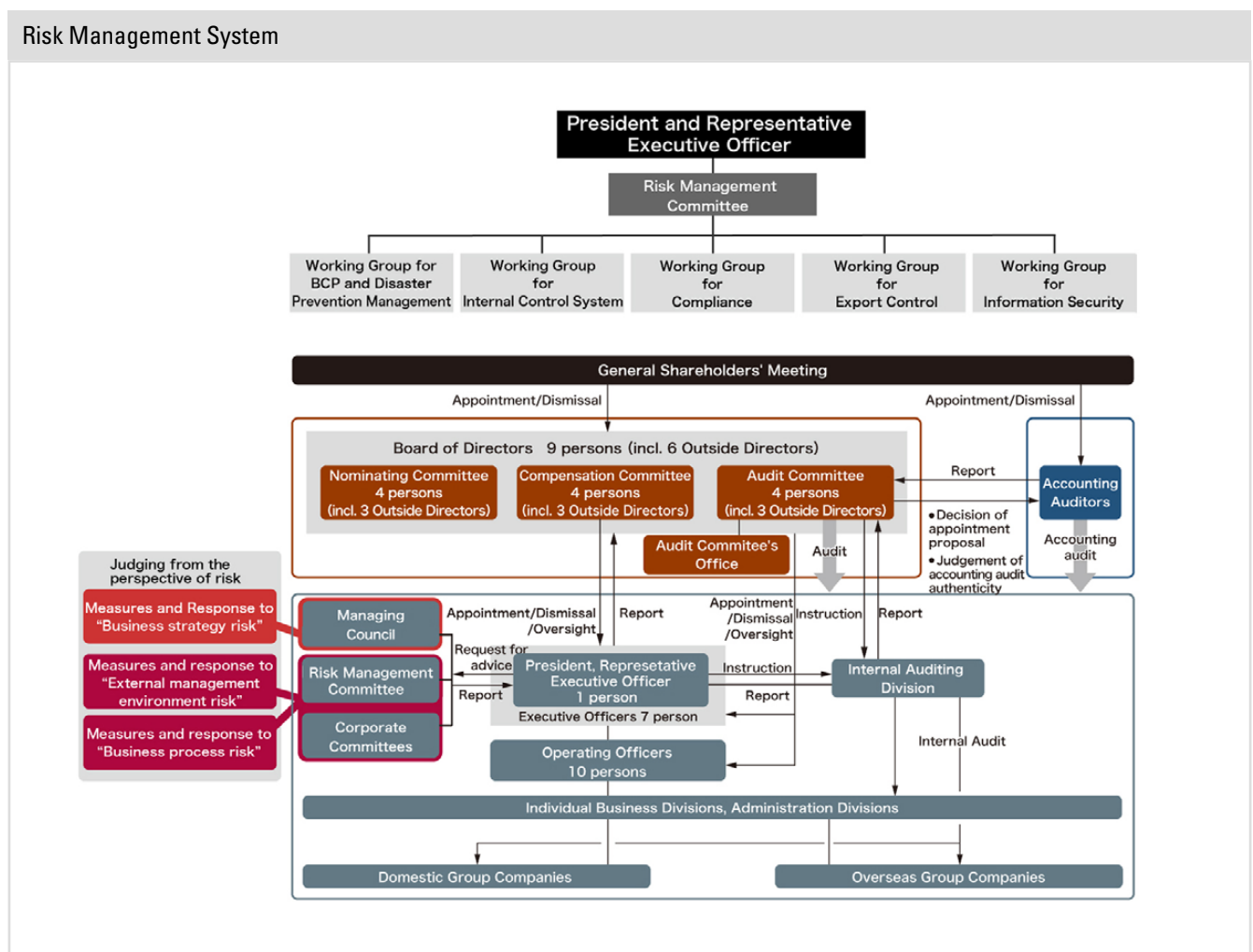
## ► FY 2018 initiatives

In FY 2018, the Company executed initiatives to systemize risk management in order to construct a PDCA cycle for overall risk management. Specifically, the Company determined a risk map, specified important risks, visualized the activities related to risk reduction, and promoted the development of a PDCA cycle.



## Promotion System

Yamaha Corporation established a Risk Management Committee as an advisory body to the President and Representative Executive Officer. This committee deliberates on matters related to risk management from a company-wide standpoint and reports its findings to the President and Representative Executive Officer. Within this committee we also established the following working groups such as the working groups for the business continuity plan (BCP) and disaster countermeasures, internal control, compliance, export screening, and information security have been established to address companywide important issues.



[Download](#)

## Risk Management Initiatives

### ► Business Continuity Management (BCP: Business Continuity Plan)

In preparation for large-scale natural disasters, fires, infectious disease outbreaks, and other emergency situations, the Yamaha Group has made a number of business continuity management efforts, including the formulation of a BCP.



## Main Efforts

| Topic                                     | FY 2018 Achievements   |
|---|--|
| Formulation of a basic policy and rules   | Formulated Infectious Disease Countermeasures following on the formulation of the BCP guideline as well as BCP/Disaster Basic Countermeasures, Earthquake Countermeasures, Fire Countermeasures, and Storm and Flood Damage Countermeasures as Group Internal Control Policies and Rules. Formulated the Group BCP Standards.  |
| Drafting of a BCP and conducting training | (1) In the Group BCP Standards, the Company clarified the role of each organization during emergencies and precautions to be taken during normal times. As part of revisions, established target times for carrying out business recovery policies in a short timeframe<br>(2) In order to ensure the effectiveness of current response measures and improved BCP effectiveness, conducted Regional Disaster Management Headquarters and Earthquake Initial Response Training ("blind scenario" training) from 2016 that puts participants in a situation where business is stopped immediately after a disaster occurs. The Company also conducted training based on the scenario of an intensity 7 earthquake to improve initial response capabilities at sites. Made improvements to the BCP initial response procedures manual based on training results |
| Develop infrastructure                    | (1) Implemented a 3-year earthquake resistance plan based on building earthquake proofing standards established in FY 2016<br>(2) Formulated the Yamaha Equipment Earthquake Resistance Standards<br>(3) Implemented an employee safety check system   |



Regional Disaster Management Headquarters and Earthquake Initial Response Training



Improving earthquake resistance at a Nagoya site

### ► Safety Management at Overseas Production Sites

In the Yamaha Group, health and safety managers from Yamaha conduct patrols while facility control managers conduct facility audits at overseas production facilities. Focused on production and other equipment, these efforts are aimed at preventing accidents and disasters while improving health and safety levels. With respect to occupational health, the Group conducts risk assessments and otherwise improves safety levels while at the same time having health and industrial physicians from Japan to provide education and guidance on improving the workplace environment, which includes making improvements to personal protection equipment.



Industrial physician advising on the proper way to wear protective equipment



Facility audit in Indonesia

### ► Export Control

The Yamaha Group has established provisions for national security-related trade control in its Compliance Code of Conduct as rules pertaining to international trading.

» 8-3 National security-related trade control

A Working Group for Export Screening has been established under the Risk Management Committee at Yamaha Corporation, formulating export control regulations and regulations for import and export procedures among others, and establishing a work process related to export control. Yamaha is also working to educate its employees on and improve their awareness of the importance of export control in the company by conducting export control seminars led by industry experts.

### ▶ Environmental Risk Management

In order to prevent environmental contamination, the Yamaha Group carries out a range of activities that include regularly monitoring its plants, conducting environmental audits, and providing emergency response training.

» [Preventing contamination](#)

### ▶ Information Security

The leakage of personal information and other important information held by a company has the potential to not only damage third parties but also become a case of gross negligence that can harm the company's reputation.

The Yamaha Group perceives information security as a critical aspect of risk management. Accordingly, we established the Information Security Working Group under the Risk Management Committee in 2014. The subcommittee has put together a policy on information management and is working to enhance the quality of this management by keeping track of the current management system while identifying vulnerabilities and guiding efforts to address them. In addition to having established rules for the usage and management of the information system as part of the Compliance Code of Conduct, the subcommittee is working hard to ensure employees understand the importance of preventing inadvertent data leaks and protecting against hacking by third parties.

» [9-8 Utilization and Management of the Company's Information Systems](#)

» [Personal information protection](#)

## Information Disclosure and IR Activities (Communication with Shareholders and Investors)

### Information Disclosure Policy

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In order to conduct continued transparent business operations with the true understanding of shareholders, investors, and other stakeholders, it is critical to disclose information properly. The Yamaha Group states in its Compliance Code of Conduct that it will provide a true and accurate report of financial conditions and operational results to shareholders and government entities in accordance with laws and other regulations, and appropriate management information to shareholders and investors.

» [2-1 Accurate accounting records and financial reports](#)

» [2-2 Timely disclosure of information](#)

### IR<sup>\*1</sup> Activities

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The Yamaha Group strives to disclose information in a fair and timely manner for the benefit of institutional and private investors in Japan and overseas. Rules for this disclosure are set forth in the Disclosure Policy, which is available online:

\*1 IR: Investor Relations (corporate communication for shareholders and investors)

» [Disclosure Policy](#)

### ▶ Website for Investors

The Yamaha website for investors and shareholders provides up-to-date information and newsletters in English and Japanese on our business, including business strategies, medium-term management plan, earnings reports, and financial data.

» [Investor Relations](#)

### ▶ Proactive IR Activities

Yamaha endeavors to make communication with shareholders and investors in both Japan and overseas through various activities such as quarterly result briefings, and other events including business briefings for securities analysts/institutional investors, factory/facility tours, and explanatory meetings for private investors, held as needed. The opinions and information gathered through dialogue with our shareholders and investors are shared internally among related departments, and these findings are reflected in our IR activities and execution of management.

## Main activities

|  | Target Audience                                | Frequency                         | Achievements in FY 2018 |
|--|--|-----------------------------------|-------------------------|
| Results briefings                            | Securities analysts<br>Institutional investors | Quarterly                         | 4                       |
| Business briefings                           | Same as the above                              | Occasional                        | 0                       |
| Factory/facility tours                       | Same as the above                              | Occasional                        | 0                       |
| Individual sit-downs                         | Same as the above                              | About 250 times/year              | 260                     |
| Overseas investor visits                     | Overseas institutional investors               | 3 times/year (U.S., Europe, Asia) | 3                       |
| Medium-term management plan briefings        | Securities analysts Institutional investors    | As needed                         | 0                       |
| An explanatory meeting for private investors | Private investors                              | Occasional (in Japan)             | 5                       |



Explanatory meeting for private investors



Earnings briefing

## Efforts Towards Socially Responsible Investment

In recognition for the company's regard for society and the environment, Yamaha Corporation is listed on the major international Socially Responsible Investment (SRI) indexes\*2 and SRI funds, including FTSE4Good Global Index, MSCI Global Sustainability Indexes, and the Morningstar Social Responsibility Index (MS-SRI).

\*2 SRI (Socially Responsible Investment) Index: An index that benchmarks comprised of companies with strong financial and sustainability profiles



FTSE4Good



FTSE Blossom  
Japan



The Company commissions a long-term preferred debt rating assessment from credit rating agencies annually, as a one of the ways to measure financial soundness. Our evaluation is as follows:

### Credit Ratings (as of November 15, 2018)

|   |     |
|---|-----|
| Rating and Investment Information, Inc. (R&I) | A+  |
| Japan Credit Rating Agency, Ltd. (JCR)        | AA- |

## Returns to Shareholders and Retained Earnings

The Company's policy on returns to shareholders and retained earnings is explained below:

» [Dividends and Stock Prices](#)

### ► Shareholder benefits

Yamaha Corporation conducts a special incentive plan for shareholders in Japan to express our appreciation for their daily support.

» [Shareholder benefits \(Japanese only\)](#)

# Human Rights and Labor Practices

## Respect for Human Rights

### Basic Policy

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Based on the “Guiding Principles on Business and Human Rights,” the Yamaha Group strives to comply with the international norms on human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact. In addition to establishing in its Compliance Code of Conduct the principles of respect for fundamental human rights, prohibition of discrimination and prohibition of forced and child labor, in the “Yamaha Group Sustainability Policy,” it clearly states the Group’s resolve to respect human rights, with the goal of achieving a society that safeguards the dignity of all.

In January 2018, the Company created the “Yamaha Group Human Rights Policy” which displays our thoughts and responsibilities regarding the respect for human rights. We intend to take efforts to engage in business activities, as well as to educate and promote awareness of human rights based on this Human Rights Policy.

In order to identify impacts on human rights resulting from our business activities and respond appropriately, we communicated with stakeholders, assessed the human rights aspects of suppliers, and established and operated help lines. In addition, in FY 2018, we established management items for human rights due diligence. We plan to develop a framework to monitor these management items and promote efforts to prevent human rights violations preemptively and respond to risk.

» 3-3 Favorable employer-employee relationships

» 3-7 Prohibition against forced labor and child labor

» 4-1 Respect for human rights and prohibition against discrimination

» Support for UN Global Compact

» Yamaha Group Sustainability Policy

» Yamaha Group Human Rights Policy

## Respect for Employees’ Human Rights

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### ► Hiring without Discrimination

In its hiring and employment practices, based on its Compliance Code of Conduct, the Yamaha Group strives for fair selection and the absence of any form of discrimination, while providing employment opportunities to a diverse group of people.

In addition, Yamaha determines evaluation and compensation of employees according to fair rules using criteria such as the ability to perform tasks, job responsibilities, and achievements. We also carry out training for managers involved with evaluations in order to ensure their ability to make accurate assessments.

» 3-5 Fair Evaluation and Compensation

» 4-1 Respect for human rights and prohibition against discrimination

» Promotion of Diversity and Inclusion

» Human Resource Development

### ► Establishment of Good Employer-Employee Relationship

The Yamaha Group adheres to the protection of employee rights prescribed by international treaties, laws, collective labor agreements and other agreements. Furthermore, in pursuing the Yamaha Corporate Philosophy, employees and the Company strive to achieve favorable relationships based on ample communication.

» Communication with Employees

## ► Prevention of Harassment or Unfair Discrimination

The Yamaha Group strives for the absence of any form of harassment or discrimination. In order to spread awareness of this stance, Yamaha has distributed the Compliance Code of Conduct in the form of a booklet which includes detailed explanations to all employees.

Employment regulations, etc. also clarify that harassment is grounds for disciplinary action. We also work to maintain a healthy workplace environment by offering a hotline and by educating employees through workplace meetings and management training.

» [3-2 Prohibition Against Harassment](#)

## Consideration of Human Rights in the Supply Chain

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In the interest of furthering its policy concerning human rights throughout its supply chain, Yamaha is taking the following efforts:

- Establish CSR measures, including human rights, in the selection requirements for suppliers
- Request that suppliers comply with the Yamaha Supplier CSR Code of Conduct, which establishes practices related to human rights and labor (specified in the Transaction Agreement). Request that suppliers carry out self-assessment based on this Code of Conduct (correction is requested as needed)

Please see the Promotion of Social Responsibility in the Value Chain section for details on these efforts.

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

» [Promotion of Social Responsibility in the Value Chain](#)

## Prohibition of Forced/Child Labor

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The Yamaha Group Compliance Code of Conduct prohibits any form of forced labor or labor by children under the minimum age permissible by law. In addition, the Yamaha Supplier CSR Code of Conduct clearly states the same conditions and requests that our business partners follow them. We also ask business partners to perform self-assessment using a questionnaire and, based on the results, ask for improvement measures when necessary.

» [3-7 Prohibition against forced labor and child labor](#)

## Organize and Operate Help Line

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The Yamaha Group has set up a help line both inside and outside the company that deals with requests for advice and notifications from employees concerning human rights issues including harassment. In addition to developing a multilingual mail reception form that can receive requests from various countries and regions, the Yamaha Group is aiming to raise awareness of the help lines by posting the contact information both in the Compliance Code of Conduct booklet and internal publications.

We investigate the facts behind each consultation and notification quickly and fairly, while protecting the privacy of both the consulting person and the offender and take corrective measures, including providing guidance if a problem is identified. If the consulting person or victim strongly requests confidentiality and it becomes difficult to conduct an investigation, we will still take corrective measures, such as improving the workplace environment. Also, as needed, the Yamaha Group will promote awareness and conduct training, such as management training, in order to prevent similar issues from emerging.

» [Compliance Hotline Operation](#)



## Human Rights Education

The Yamaha Group disseminates information to employees to improve understanding concerning human rights issues.

Using our intranet, for example, we provide explanations of the issue of conflict minerals and of matters such as “guiding principles on business and human rights” and the “Act for Eliminating Discrimination against Persons with Disabilities. We also hold expert-led in-house seminars and briefings and study sessions for personnel in charge of procurement, where discussions address themes such as human rights issues in the supply chain. In FY 2018, 19 employees in charge of marketing learned about related matters for advertising and promotions as part of their skills training.

### Training on the Theme of Human Rights

| Content                              | Style    | Participants  |
|--------------------------------------|----------|---|
| Explaining business and human rights | Intranet | All domestic Yamaha Group employees   |
| Sexual/power harassment              | Lecture  | Newly appointed managers Management candidates for manufacturing workplaces |
| Supply chain human rights            | Lecture  | Employees in charge of procurement  |

## Promotion of Diversity and Inclusion

### Policy for Promoting Diversity

The Yamaha Group believes that human resources diversity is the source of new value creation. The Group strives to provide employment opportunities to a diverse group of people, while leveraging the diversity of employees to increase corporate competitiveness.

**Yamaha Group  
Promotion of Diversity Management  
Action Plan activity policy**

Through the promotion of diversity management, the Yamaha Group respects and leverages the diversity of its employees (age, gender, nationality, various lifestyles that involve time constraints due to childcare or nursing care, etc.) in order to further strengthen its corporate competitiveness, grow, and develop further

## Supporting Women’s Careers

As part of its diversity management, the Yamaha Group strives to promote a workplace environment in which women can excel, while the Group creates systems to make this a reality.

### ► Initiatives to Date

FY2005: Yamaha Corporation launches the Positive Action Project

FY2006: Yamaha Corporation establishes a dedicated role for the project within the Human Resources Division

FY2014: Yamaha Corporation registers a declaration of Positive Action Declaration with the Ministry of Health, Labor and Welfare

FY2015: Yamaha renews the content of its registration in Shizuoka Prefecture’s campaign for “Creating a Society for Gender Equality”

March 2016: Yamaha Corporation formulated an action plan based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace

| Item   | Details   |
|--|---|
| 1. Planning term                                     | Three years: April 1, 2016 - March 31, 2019   |
| 2. Yamaha's issues                                   | Issue 1:<br>The work-life balance support system has been streamlined, and now there is almost no difference in the number of continuous years of employment for men and women. However, as the ratio of women in management roles is still low, greater initiatives for improvement in this aspect are required.   |
|  | Issue 2:<br>We are implementing initiatives to increase opportunities for women to participate in training courses, etc. However, the process for systematically preparing women for mid-level management is still inadequate.  |
| 3. Goal  | Women in management roles ratio of 7% or higher   |
| 4. Contents of Initiatives and Implementation Period | Initiative 1: Increase the number of women hired as technical experts (from April 2016) <ul style="list-style-type: none"> <li>• Publish Yamaha initiatives for assisting women with work-life balance support, etc. on the company's career website.</li> <li>• To appeal the image of having a career after entering the company to female students, provide the opportunity for women working in the company to introduce job content.</li> <li>• Increase the opportunity for communications between women taking science courses and women working as technical experts in the company.</li> </ul> |
|  | Initiative 2: Implement selected programs for training personnel (from April 2016) <ul style="list-style-type: none"> <li>• Continuously introduce various examples of role models and career paths via the Intranet.</li> <li>• Create an environment where women can personally discuss career plans with supervisors and expand their career scope through training courses, etc.</li> <li>• Encourage women to participate in business leadership training courses, etc.</li> </ul>   |
|  | Initiative 3: Focus on reducing total annual working hours and lowering the number of employees work long hours (from April 2016) <ul style="list-style-type: none"> <li>• Enforce continuous "Go Home at the Same Time Day."</li> <li>• Promote employees to use paid holidays of special promotion holiday system.</li> <li>• Implement training courses, etc. to improve line supervisor awareness.</li> </ul>   |

Major Measures

| Goal   | Measure  |
|--|--|
| Proactive hiring of female employees   | Increase the ratio of female new graduate hires  |
|  | Hiring activities that include information about the active roles played by female employees   |
| Active promotion and expansion of opportunities to develop the abilities of female employees | Setting a 3-year target (by fiscal 2019) for increasing the promotion of women for managerial positions  |
|  | 7% or higher for Yamaha Group and 17% or higher for the Group  |
|  | Enhancing various education and training programs<br>Implementing selective training programs  |
| Improving systems to support work-life balance   | Responding to the Equal Employment Opportunity Act, the Child Care and Family Care Leave Act, the Act on Advancement of Measures to Support Raising Next-Generation Children, and the Act on Promotion of Women's Participation and Advancement in the Workplace |
|  | Creating, promoting, updating work-life balance support programs   |
|  | Preparing to adopt a Tele work system  |
| Changing workplace awareness and fostering a corporate culture                               | Conducting educational activities (training, seminars, providing information through the Intranet, etc.)   |



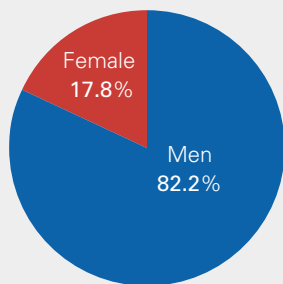
An Intranet website disseminating information on diversity and work-life balance

## ► Major results and achievements

- Nearly an equal average number of years of continuous employment for male and female employees
- Nearly 100% proportion of women taking maternity/childcare leave and returning to work after maternity leave/childcare leave
- Awarded the fiscal 2006 “Family Friendly Company Award” from the Ministry of Health, Labor and Welfare
- Based on the Act for Measures to Support the Development of the Next Generation, acquired the “Kurumin” mark (2008, 2014) and the “Platinum Kurumin” mark (2016)
- Recognized as “Company Friendly for Raising Children” by Shizuoka Prefecture (2017)

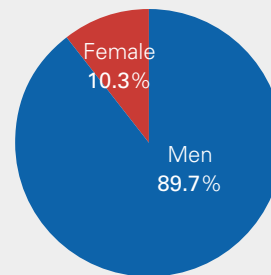
## ► Principal Indicators Related to the Active Role of Female Employees

Ratio of Female Employees  
(Yamaha Corporation)



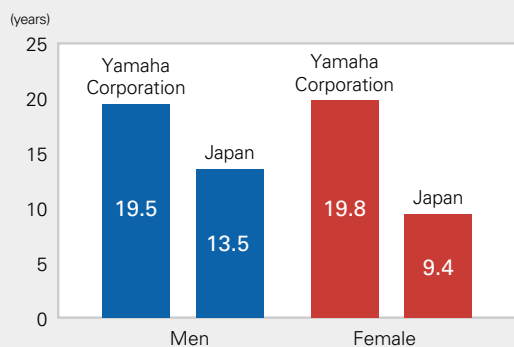
\*As of the end of March 2018

New University Graduate Employment Ratio  
(Yamaha Corporation)



\*As of April 1 2018

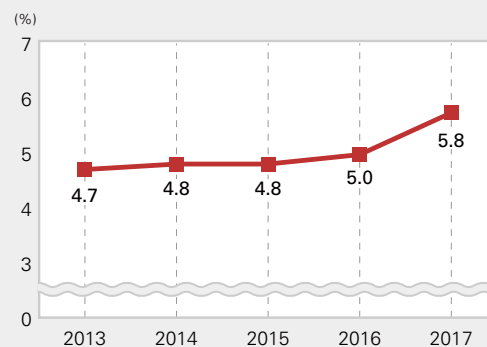
Workers: Number of Years of Continuous Employment  
(vs. Japan nationwide\*1)



\*1 Nationwide numbers excerpted from results of the 2017 Basic Survey on Wage Structure

\*2 Statistics for Yamaha Corporation are as of the end of March 2018

Female Manager Ratio  
(Yamaha Corporation)\*1



\*1 As of the end of March each year

\*2 From fiscal 2017, includes promotions and hiring for managerial positions on April 1st of the following year (due to hiring schedule changing from March 1 to April 1 of the following year)

Annual trends for each data group are shown on the Social Data page.

» Social Data

## Promoting Employment and Advancement of Foreign Employees

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Yamaha Corporation had 41 foreign employees working in the company as of March 1, 2018.. In order to enhance the roles of diverse personnel regardless of nationality, we set a numerical target for hiring new graduates from foreign countries and provide information on our English website.

As a company that engages in businesses in countries around the world, the Yamaha Group appoints local personnel from each base to important posts within the Group. In April 2015, Yamaha Music Europe, our regional sales company in Europe, hired a German president for the first time. In April 2018, Yamaha Corporation of America, our American headquarters, hired a local president as well. Additionally, we hired local presidents at five overseas companies that we welcomed into the Yamaha Group through acquisitions. In doing so, we have been promoting the utilization of diverse personnel across the globe.

(Annual trends are shown on the Social Data page).

[» Social Data](#)

## Establishing Employment Extension and Rehiring Programs

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The Yamaha Group believes that enhancing employees' lives at work by ensuring employment opportunities that correspond to motivation and ability contributes to economic and social development. Under this philosophy, we have augmented our vacation and leave programs with employment extension and rehiring programs that flexibly accommodate employees' lifestyles.

### ▶ Senior Partner System

Started in 2004, this is a system at Yamaha Corporation that provides willing employees with the opportunity to continue working beyond age 60. Employees who wish to continue working may serve as a senior advisor (contract employee) starting the day after they have reached their retirement date. This one-year contract can be renewed annually until they reach the age of 65 (utilized by 212 employees as of March 31, 2018).

Group companies have adopted similar measures and are striving to hire retired workers.

(Annual trends are shown on the Social Data page).

[» Social Data](#)

### ▶ Re-employment System for Family Members Accompanying Expatriates

As part of its diversity management, the Yamaha Group promotes programs that flexibly accommodate employees' individual lifestyles. From fiscal 2009, Yamaha Corporation maintains a system to rehire employees who left the company in order to accompany a spouse on an overseas assignment after returning to Japan. In fiscal 2017, the scope of this system that had been limited to spouses of Yamaha corporation employees was expanded for those who not working for the Yamaha Group, with a limit of 5 years from their retirement.

Since the program started in fiscal 2009, a total of 21 employees have submitted applications before retiring. Of that number, 6 (as of March 31, 2018) have been rehired after returning to Japan.

### ▶ Rehiring Program for Workers Committed to Nursing Care

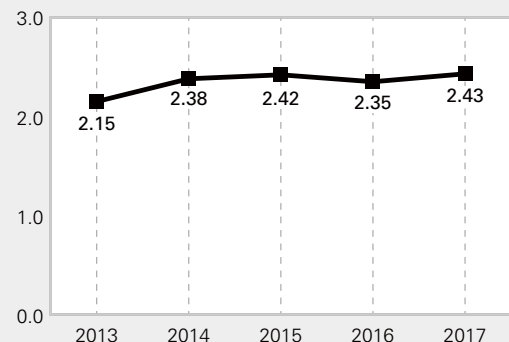
In July 2016, Yamaha Corporation also introduced a system that allows an employee to be rehired if they retired to provide nursing care for a family member. In such cases, the valid re-employment period is within 5 years of said retirement date.

## Promoting Employment of People with Disabilities

Yamaha Corporation is promoting employment for people with disabilities as well as developing working conditions conducive to active participation for these employees. The company strives to encourage independence for people with disabilities and to achieve a society of co-existence, and works to increase skills and raise awareness within the company through understanding of individual characteristics, rational consideration, and job matching. through As of March 1, 2018, 82 people with disabilities were employed at Yamaha Corporation, of which 38 were employed at Yamaha Ai Works.

The employment rate has hovered above 2.3% since fiscal 2014, and is already above the standard of 2.2% set for April 2018 onwards in the Act on Employment Promotion etc. of Persons with Disabilities.

Employment Rate of People with Disabilities\*1,2,3



\*1 As of March 31st of each year

\*2 Scope of statistics: Yamaha Corporation, Yamaha Business Support Corporation, Yamaha Ai Works Co., Ltd.

\*3 The employment rate uses a formula for the annual employment rate of person with disabilities in the Act for Promotion of Employment of Persons with Disabilities.

### ► Special Subsidiary\* Yamaha Ai Works Co., Ltd.

Established in 1989, Ai Works handles work tasks such as data processing, printing, filling/sealing envelopes, accounting, and benefit program-related tasks from Yamaha Group companies. Additionally, the company dedicates effort to activities for informing and educating others about employing persons with disabilities, holding learning sessions regarding disabled employees and workplace tours both internally and externally. ns regarding disabled employees and workplace tours both internally and externally. In April 2018 managerial positions for employees were created, and the company is appointing line managers with an understanding of the perspective of persons with disabilities in order to create workplaces in which employees can make better use of their skills and perform worthwhile tasks.



Visiting on-site at a special subsidiary



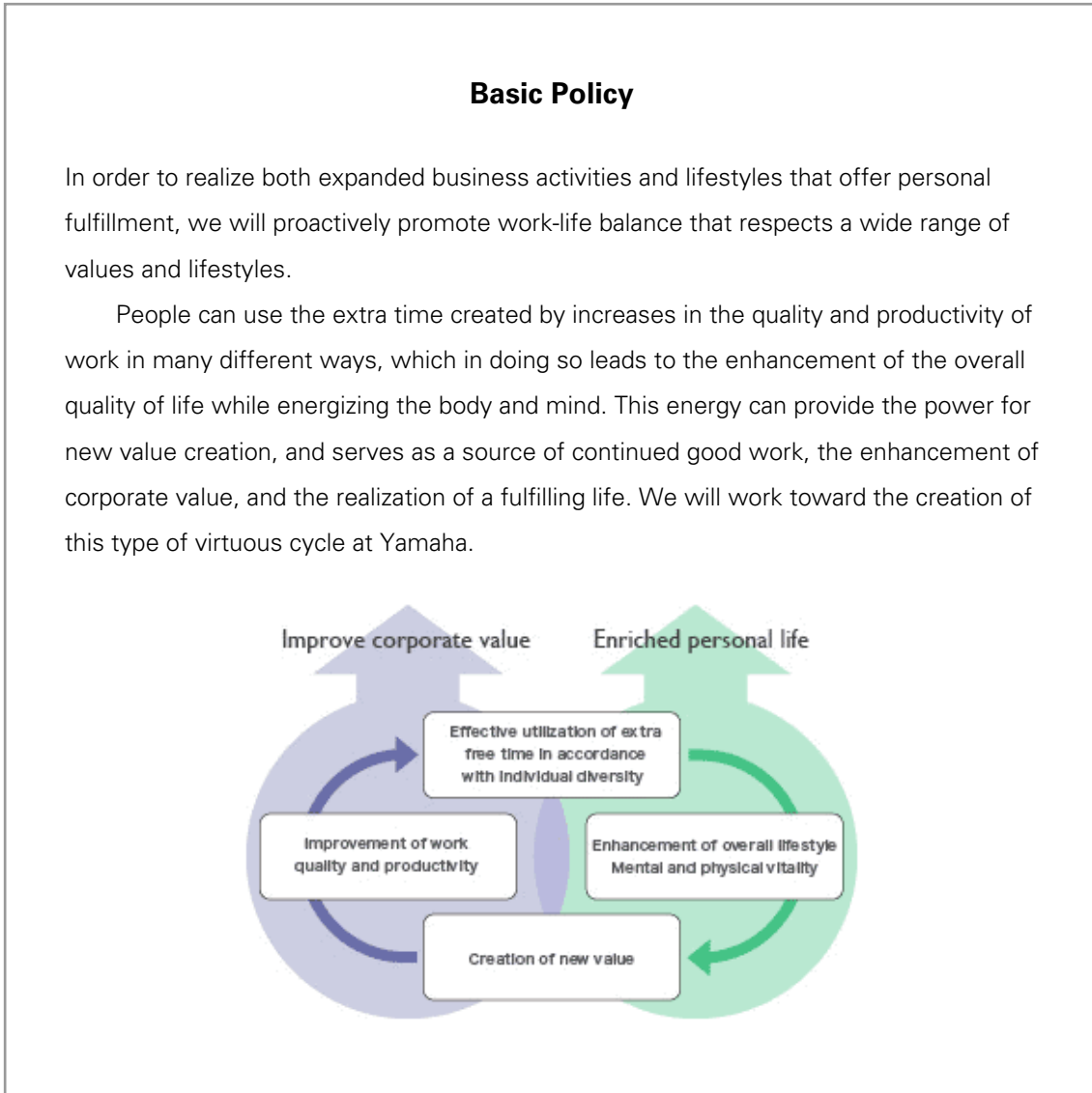
Study session on employing persons with disabilities

\* Subsidiaries recognized under the Act for Eliminating Discrimination against Persons with Disabilities. Special subsidiaries must meet certain criteria in connection with the number and ratio of employees with disabilities. People with disabilities employed by such subsidiaries are counted as employees of the parent company when calculating its employment ratio.

# Promoting Work-Life Balance

## Basic Policy and Promotion System

The Yamaha Group is actively promoting work-life balance based on the basic policy below. In 2006, we established a Work-Life Balance (WLB) Promotion Committee, jointly run by labor and management, while we are also striving to shorten overall working hours and create and enhance work-family balance support systems. Furthermore, each department formulates Work-Life Balance Action Plans and is rolling out activities aimed at work styles that are self-directed and productive.



## Reducing Total Working Hours

In order to reduce total working hours and prevent excessive work, Yamaha Corporation established guidelines for overtime through labor-management agreement. In addition to annual paid leave days, we are developing a system for assorted types of leave, including leave related to bereavement or celebration, and consecutive days of leave given upon company transfers, reaching retirement age, or reaching an auspicious age, for the objective of enhancing the private lives and supporting the major life events of our employees.

At the same time, we are promoting awareness and building structures toward self-directed, highly productive work styles. We have programs such as "All Go Home at the Same Time Day," which encourages all employees to leave work on time, a flex time system for working hours, and programs to urge employees to fully use their paid leave days. We are gradually rolling these programs out at domestic Group companies as well.



## Major initiatives and FY2018 results

| Initiative                  | Content   | Participants   | Fiscal 2018 results and follow-up   |
|-----------------------------|---|--|---|
| Full staff paid leave days  | Annual 3-day period (summer)  | Yamaha Corporation and some Group companies              | Staff who could not take leave during the period were encouraged to take substitute days off; implemented as planned (Yamaha Corporation)   |
| Full use of paid leave days | Encouragement for employees and supervisors not fully utilizing their leave                 | Yamaha Corporation                                       | E-mail for encouragement sent to those who utilized less than 10 days of paid leave the prior fiscal year; those who utilized less than 5 days requested to submit reports (FY2018 average paid leave taken: 14.4 days) |
| Go-home-on-time day         | At each office, weekly days (or every other Friday) set as All Go Home at the Same Time Day | Yamaha Corporation and Group companies within its office | Approx. 92% compliance (Yamaha Corporation)   |
| Awareness and education     | Seminar by a noted expert   | Yamaha Group employees                                   | –   |
|                             | Information shared on the Intranet  | Yamaha Group employees                                   | –   |

### ► FY2018 Performance Self-Evaluation and Future Planning

The average annual working hours for all companies in the Yamaha Corporation are decreasing each year.

With regard to annual paid leave, we took the target of 15 days from fiscal 2016 onwards, backed by both labor and management. As a result, usage improved to 14.2 days in fiscal 2017 and 14.4 days in fiscal 2018. Although this was below the 15-day target, efforts by labor and management to actively promote the policy are yielding results.

From FY 2018, we lowered the maximum monthly standards of the labor-management guidelines regarding in-house overtime hours. In addition, we will monitor the status of monthly overtime hours and preemptively raise the attention of departments which appear likely to exceed the standards of the labor-management guidelines in order to further decrease average annual working hours. We intend to continue urging the use of leave for employees who were unable to take their allotted days in the previous fiscal year as we conduct initiatives such as urging departments to take one planned day of leave a month in order to reach the target of 15 days of taken annual paid leave.

Annual trends for total working hours and other data are shown on the Social Data page.

[» Social Data](#)

### ► Initiatives for “Work Style Improvement”

Yamaha Corporation established the “Work Style Reform Project” in May 2017 in order to make further progress as we aim for a self-directed, highly productive work style. As part of this project, 16 willing workplaces in the Yamaha Group participated in a “Work Style Reform Trial” for the three months between October and December 2017. Each 16 teams established themes connected to making Work Style Reform Vision come true.

#### Work Style Improvement Vision

- We will work on our own initiative and increase new interactions and collaborations both internally and externally.
- With creativities and new challenges, we will continue activities leading to “Sharing Passion and Performance” and “Creating excellent customer experiences”
- We will work ambitiously on challenging subjects.

Collaborations with respect for will

Excellent work based on future oriented

Work eagerly, having funs

#### Action for Vision and Examples of Activities

- Improve productivity and strive to do work new way from yesterday
- Tap into creativity and produce new value
- Share information and visualize tasks (example: make a work manual)
- Reduce work and improve efficiency (example: fully implement meeting operation rules)
- Create planned rest (example: promote use of paid leave)
- Flexible application of work rules (example:Tele work)

After the trial, the activities were published on the Intranet and results and issues were shared internally. The Company wishes to promote work style Improvement in the future based based on the results of this trial.

## Building and Improving Work-Life Balance Support Systems

The Yamaha Group is creating and improving its support systems for work-life balance by building flexible work systems responsive to the varied circumstances of individual employees. Furthermore, we are spreading awareness and education on these systems among employees.

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, Yamaha Corporation formulates and carries out an action plan.

As a result of the third phase of the three-year plan beginning in fiscal 2014, we acquired "Platinum Kurumin"\* certification.

### Acquisition of certification related to support for developing future generations\*

| Certification      | Date acquired | Main measures implemented  |
|--------------------|---------------|--|
| "Kurumin"          | Aug. 2008     | <ul style="list-style-type: none"> <li>Extended childcare leave period, etc.</li> <li>Adapted the shorter work hours for childcare system</li> <li>Mandatory group paid leave, etc.</li> </ul> |
|                    | Aug. 2014     | <ul style="list-style-type: none"> <li>Held work-life balance seminar</li> <li>Adopted "Go Home at the Same Time Day," etc.</li> </ul>   |
| "Platinum Kurumin" | Jun. 2016     | <ul style="list-style-type: none"> <li>Encouraged males to take paternity leave</li> <li>Shortened working hours, etc.</li> </ul>  |



"Platinum Kurumin" special certification mark recognizing support for developing future generations

\* A Ministry of Health, Labor and Welfare system for certifying companies that provide support for developing future generations. Company action plans are reviewed in accord with the Act for Measures to Support the Development of the Next Generation. Certified companies are allowed to carry the "Kurumin" mark. "Platinum Kurumin" is a system that certifies, among the companies that have acquired the Kurumin mark, companies that conduct initiatives to support work-life balance at or above a specific standard.

### System for child care and nursing (compared with legal standards)

| System   | Legal standards   | Yamaha Corporation   |
|--|---|--|
| Maternity leave                                | 42 days before birth (98 days for multiple birth), 56 days after birth  | 56 days before birth (98 days for multiple birth), 56 days after birth   |
| Difficult birth leave                          | —   | Number of days instructed by physician during pregnancy or within one year of birth  |
| Birth support leave                            | —   | 5 days within a 14 day before or after birth of a spouse   |
| Child care leave                               | In principle, until child becomes one year old (in special circumstances, this may become one year six months or two years) | Until child become two years old (however, for children born in April, until the end of April after the child becomes two years old) |
| Child nursing leave                            | Children not yet enrolled in elementary school  | Until the end of March of the child's first year in elementary school  |
| Reduced work hours for child care              | Until the child becomes three years old   | Until the child completes third grade in elementary school   |
| System to remove overtime hours for child care | Limits overtime work until the child becomes three years old  | Eliminates required overtime work until the child completes third grade in elementary school   |
| Applicable scope for nursing system            | Spouse, child, mother, father, spouse's mother or father, grandparent, sibling, or grandchild                               | Relative within two degrees of relation  |
| Leave of absence due to nursing                | Up to a total of 93 days per applicable family member (possible to split into up to three leaves)                           | Up to one year per applicable family member (possible to postpone for up to six months)  |
| Reduced working hours due to nursing           | Separate from leave of absence due to nursing; to two times or more within three years of start of use                      | Until end of nursing duties  |
| Reduced work week due to nursing               | —   | Exempt from one work day per week, until end of nursing duties   |
| Leave for nursing                              | Five days per applicable family member; 10 days for two or more persons   | Five days per applicable family member   |

• Usage status of the child care leave system is shown on the Social Data page. Rate of use of maternity leave and rate of return to work has been at least 90% in recent years.

➤ [Social Data](#)

## Results of External Evaluations

### ► Recognition as “Company Friendly to Child Raising” by Shizuoka Prefecture

Yamaha Corporation and Yamaha Business Support’s proactive initiatives to create a workplace environment in which it is easy to raise children have been recognized with the award for “Company Friendly to Child Raising” by Shizuoka prefecture.

The “Company Friendly to Child Raising” distinction by Shizuoka prefecture awards companies which strive to develop a workplace environment in which it is easy to raise children and nurture “Iku Boss”\* managers who create a workplace which considers work-life balance.

Yamaha Corporation was praised for its expansive support system for employees who wish to raise children and continue working as well as its efforts to promote the use of child care leave by male employees and improvements to its leave usage statistics. Yamaha Business Support received this award due to its activities to raise awareness about work balance internally, including achieving a 100% rate of employees returning to work after taking child care leave, introducing child care experiences of employees, and holding seminars to develop managers into Iku Bosses.

In the future, the Yamaha Group will continue to promote efforts to build a workplace in which its employees can shine while feeling satisfied in both their professional and personal lives.

\* “Iku Boss” refers to a superior (manager) who considers the work-life balance of his/her subordinates and supports their careers and personal lives while simultaneously enjoying his/her own professional and personal life.



Award Ceremony

## Communication with Employees

### Basic Policy

The Yamaha Group adheres to the protection of employee’s rights prescribed by international treaties, law, collective labor agreements and other agreements. Furthermore, in pursuing the Yamaha Corporate Philosophy, employees and the employer strive to achieve favorable relationships based on ample communication.

» [3-3 Favorable Employer-Employee Relationships](#)

### Labor Unions

In each Group Company in Japan, including Yamaha Corporation, labor dialogues are being held between management and the labor unions or employee associations set up in each company. At each Group company in Japan, these labor unions and employee associations form the Yamaha Union Conference\*1 and exchange information and interact through regular labor and management liaison meetings that are convened.

Each Yamaha Group company outside Japan also holds dialogues between labor and management following the labor laws of each country. At the Yamaha Corporation headquarters, we are carrying out monitoring to ensure that favorable employer-employee communication is taking place at each Group company.

\*1 Yamaha Union Conference (established in September 1990) Along with deepening solidarity among those working within the Yamaha Group, the Council works to develop each organization, create better working environments, maintain and improve labor conditions, conduct social contribution activities, and exchange a wide range of information aimed at enriching personal lives.

| Rate of Unionization*2  | (as of March 31, 2018) |
|---|------------------------|
| Yamaha Corporation (includes employees temporarily posted to other companies) | 77%                    |
| Yamaha Group in Japan*2,3   | 41%                    |

\*2 Managers are included in calculated figures

\*3 Scope of statistics: Yamaha Music Japan Co., Ltd., Yamaha Music Retailing Co., Ltd., Yamaha Music Manufacturing Co., Ltd., Yamaha Fine Technologies Co., Ltd., Yamaha Business Support Corporation

Data from previous years is shown on the Social Data page.

» [Social Data](#)

## Employer-Employee Communication

At Yamaha Corporation, joint management councils are regularly held so that critical management issues can be examined and discussed between labor and management. The joint management councils allow participants to hear from labor unions about current working conditions and engage in lively discussions.

The administration and revision of various programs related to human resources and labor are conducted after thorough discussion based on labor and management's perceptions of the issues at hand. Yamaha Corporation also explains matters concerning various corporate policies to labor unions, publishes reports from the discussions whenever necessary, and otherwise works to keep employees informed.

Labor union directors also participate in the running of things such as corporate pension funds, health insurance societies, the Mutual Aid Foundation, and employee stock ownership plans.

### Regular Labor and Management Conferences and Committee Meetings

| Name   | Frequency Held                                     | Participants   | Main Topics   |
|--|--|--|---|
| Joint management Council                     | Twice/year<br>(August and February)                | Company: President, executive officers, etc.<br>Unions: Central Executive Committee  | Company-wide management issues  |
| Company-wide Production and Sales Committee  | Monthly  | Company: Director in charge of labor administration, Human Resources Division (department managers and personnel in charge of labor administration)<br>Unions: Central Executive Committee | Monthly topics<br>(reports and labor conditions)  |
| Business Site Labor and Management Committee | Monthly  | Company: Business office managers, business office division administrators<br>Unions: Branch Executive Committee (Central Executive Committee)   | Monthly production and sales conditions within each division; reports on labor conditions   |
| Allocation Committee                         | Twice/year<br>(May and November)                   | Company: Human Resources Division (department managers and personnel in charge of compensation)<br>Unions: Central Executive Committee   | Pay raise and bonus   |
| Work-Life Balance (WLB) Promotion Committee  | Any time<br>Reports published at least once a year | Company: Human Resources Division (personnel in charge of labor administration)<br>Unions: Central Executive Committee   | Reducing long working hours, encouraging the taking of paid vacation days, constructing and improving systems to support work-life balance and various other initiatives related to WLB |

\* In addition to the above, the Overseas Work Committee, discussions of annual operation schedules, report briefings of the business outlook of each department, and labor-management discussions to address issues that come to light at union meetings, and that are relevant to company/division policies, are held.

# Health and Safety

## Basic Policy and Framework on Health and Safety

### ▶ Basic Health and Safety Policy

The Yamaha Group believes that one of the most important management issues is ensuring the health and safety of our employees. The Yamaha Group promotes health and safety activities based on the Group Health and Safety Management Standards and we aim to continually enhance the level of our health and safety.

### Standards and Basic Policy for the Group Safety and Health Management Rules

The Management and employees of the Group Companies shall view maintaining the health and safety of all people connected with Yamaha business activities as “a priority in all work,” and shall work together toward promoting the creation of labor environments that are healthy, safe, and comfortable.

### ▶ Health and Safety Management Structure and Activity Guidelines

The Yamaha Group created the Industrial Safety and Health Committee, which is headed by the Director in Charge of Industrial Safety and Health (Executive Officer). Committee members include business office managers, representatives of worksite supervisors, and representatives of major Group companies. The committee promotes a variety of policies related to managing health and safety.

At the start of each fiscal year in April, Yamaha Corporation and Yamaha Group companies regularly hold a Group-wide Health and Safety Convention, which is attended by the President and Representative Executive Officer. At the convention, there is a general overview of health and safety activities in the previous fiscal year, confirmation of policies and activities for the current fiscal year, and targets for occupational accident prevention are set. Approximately 500 people, including company representatives, labor union representatives, and representatives from each division and Group company, participated in the Group-wide Health and Safety Convention held in April 2018. In addition, each Group company attending the Convention announced examples of activities relating to health and safety. Furthermore, industrial physicians held lectures and useful information was shared in order to prevent workplace injuries and maintain and improve employee health.

### Fiscal 2019 Action Plan

1. Occupational safety: **Enforce “Safety And Health Must Be Prioritized Over Everything”**
2. Traffic safety: **Enforce elimination of accidents largely attributable to negligence and defensive driving**
3. Health management: **Improve health management and the workplace environment in order to work safely**



Fiscal 2019 Yamaha Group Safety and Health Convention



Announcement of activities to improve protective equipment at manufacturing centers in Indonesia



Health lecture about stress by industrial physician

## ► Acquisition of Certification for Occupational Health and Safety Management System

The Yamaha Group is making progress in acquiring certification for its occupational health and safety management system at its instrument and audio equipment production sites.

### OHSAS18001 Certification Sites (as of March 31, 2018)

- Yamaha Music Manufacturing Toyooka Factory
- Yamaha Music Manufacturing Kakegawa Factory
- Yamaha Musical Products Indonesia
- Yamaha Music Manufacturing Indonesia
- Yamaha Electronics (Suzhou)
- Yamaha Music Manufacturing Asia

## Formal Labor Agreement Concerning Safety and Health

The formal labor agreement that Yamaha Corporation has with the labor union sets forth that “The Company must take all necessary measures to ensure safe, healthy conditions at its factories and improve its work environments while union members must uphold all rules concerning safety and health. The company and union shall also work together to improve union members’ knowledge of safety and health.” The agreement also establishes provisions concerning issues such as the Safety and Health Committee, dangerous and injurious work, medical examinations, and accident compensation.

## Preventing Occupational Accidents

The work of the Yamaha Group may entail the possibility of occupational accidents, particularly with regard to production activities, from operating equipment and machinery, processing products, and handling various raw materials.

The main injuries incurred in the Yamaha Group are cuts, scrapes, getting caught or entangled in factory equipment, machinery, etc., and falling, etc. In fiscal 2018, there were 45 accidents requiring time off of work and no work-related deaths.

### Frequency\*1 of Work-Related Accidents over the Past Three Years

|                            | FY2016 | FY2017 | FY2018 |
|----------------------------|--------|--------|--------|
| Yamaha Corporation         | 0.97*3 | 1.02   | 0.83   |
| Group companies in Japan*2 | 3.18   | 1.88   | 1.78   |
| Group companies overseas   | 1.45   | 1.19   | 1.18   |

\*1 Frequency = number of work related deaths/injuries ÷ total man hours×1,000,000

\*2 The Yamaha Group updated its statistical method for counting the total number of accidents irrespective of their gravity from fiscal 2014. We are aiming to target “from zero accidents to zero danger” through thorough safety measures that include minor accidents.

\*3 Revised after recalculation

## ► Risk Assessment

The Yamaha Group positions risk assessment as a fundamental activity for avoiding dangerous situations in the workplace before they happen and the Group engages in activities to prevent occupational accidents. These activities focus on assessing risks with regard to work content and surrounding environments where the work is performed, while putting in place measures corresponding to the degree of risk. Currently, the Yamaha Group continues to provide education on, and ensure the implementation of, risk assessment at Group companies and production sites in Japan and overseas.



## ► Safety Patrols

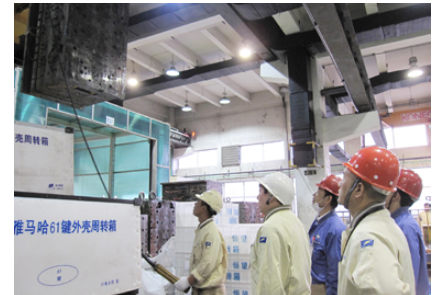
Safety patrols are conducted at Group companies under the guidance of the health and safety management lead office (Human Resources Division, Yamaha Corporation), which oversees Group-wide health and safety management. Patrols are carried out at applicable bases chosen every year, allowing all sites to be visited over a three- to four-year cycle.

These patrols took place at one base in Japan and one base overseas in fiscal 2018 (previous years' patrol numbers are shown on the Social Data page).

» Social Data

### Content of Safety Patrols

- Health and safety level checks following a health and safety management analysis table (approximately 170 items focusing on the clarification of health and safety management systems and policies, and the status of regulations and standards established)
- Workplace inspections to check health and safety and to correct and provide guidance on problematic areas



An on-site safety patrol

## ► Self-directed Health and Safety Diagnosis

Meanwhile, the Group's non-production companies in Japan carry out a self-directed health and safety diagnosis,\*<sup>3</sup> which complies with legal requirements and is based on the number of employees. Based on the results of the diagnosis, Yamaha Corporation health and safety managers provide feedback and give support for improvement measures.

This diagnosis was carried out at 24 sites in fiscal 2018 (previous years' implementation numbers are shown on the Social Data page).

\*<sup>3</sup> A diagnosis used for self-evaluation of approximately 150 items to be understood to ensure compliance and make efforts to improve personal health and safety.

» Social Data

## ► Health and Safety Education

The Yamaha Group conducts health and safety education at the start of the fiscal year for new employees in Group Companies in Japan in order to deepen our employees' knowledge of health and safety, transportation safety, and health management. This year, these sessions spanned a total of seven hours (over six sessions) and were attended by 80 participants. In overseas production sites (Indonesia), there is a high incidence of accidents by new employees, so the Company both reviewed the content of the educational sessions held at each site and held a conference for employees in charge of health and safety in order to standardize the educational program. The program adopted at the conference includes simulations using actual equipment and methods to boost awareness of potential dangers.



Health and Safety Supervisor Conference (Indonesia)

## ► Response to Chemical Substances

In the Yamaha Group, there are some tasks which require employees to handle chemicals which may cause bodily harm. As such, the Company is taking a number of measures to prevent disease, such as improving the workplace environment and equipment, requiring legal medical examinations of its workers, and supplying protective equipment. Additionally, training is provided to workers to allow them to wear protective equipment correctly. The Company is also conducting risk assessments of workplaces which handle chemical substances in order to alleviate risk.



Industrial physician instructing employees on proper protective mask usage (held 2017 in the adhesion production process at Kitami Mokuzaï Co., Ltd.)

## ► Establishing and Standardizing Group Rules

Yamaha Corporation has, since 1977, gradually established safety rules relating to people and their surroundings such as employees' attitude towards health and safety, a basic code of conduct, and equipment standards. These have been compiled into tools such as handbooks and portable cards, etc. and have been implemented. We are currently striving to standardize rules across the Group in order to improve the level of health and safety and eliminate any gaps in standards between Group Companies. We are working to translate each tool into multiple languages as we head toward the Group-wide roll out of the Group standard rules.

## Maintaining and Ensuring Employee Health

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The Yamaha Group promotes initiatives to maintain and improve employee health based on the concept that the health of our employees and their families are of the utmost importance to Yamaha. In order to further promote these initiatives, the President and Representative Executive Officer issued the Yamaha Group Health Declaration in April 2018.

### Yamaha Group Health Declaration

“Sound Minds + Sound Bodies = Sound Living”

- The health of our employees and their families is fundamental to allowing them to lead fulfilling lives, and is of the utmost importance to Yamaha.
- Yamaha will actively support initiatives in aid of employee well-being, and will create safe, comfortable workplaces.
- Yamaha employees and their families should maintain an awareness of their physical and mental health, and take the initiative in acting to improve their wellness.

Takuya Nakata  
President and Representative Executive Officer  
April 2018

Based on this Health Declaration, the Yamaha Group is working to create safe and comfortable workplaces and promote various initiatives, including health examinations, mental healthcare, and a no-smoking policy.

## ► Health Checkups

In addition to diligently offering general health checkups, mandatory under Japanese law, Yamaha uses health checkups as opportunities to try to prevent lifestyle- and work-related diseases. In fiscal 2017, the Yamaha Group offered statutory stress evaluations and, for Group employees in Japan eligible for health checks in the vicinity of the Yamaha Corporation headquarters, we carried out group education explaining the stress check program. Additionally, we petitioned employees to help us meet our goal of achieving a 100% checkup completion ratio for regular health checkups, while also taking thorough follow-up measures based on checkup results. In fiscal 2018, Yamaha Corporation and the domestic Yamaha Group both had a 100% checkup completion ratio, while an industrial physician passed a decision\*4 on the best place for the particular employee to work in 100% of cases for Yamaha Corporation and 99.8% of cases for the Yamaha Group.

\*4 Workplace decisions by industrial physicians: based on Article 66.4, 5 of the Industrial Safety and Health Act, the Company is required to seek the opinion of an industrial physician regarding health checkups for eligible employees.

## ► Mental Healthcare

In order to maintain the mental health of workers, Yamaha is promoting mental health activities based on the policies of Japan's Ministry of Health, Labor and Welfare. Specifically, by operating a return-to-work support program that connects industrial physicians, nurses, and contracted psychiatrists working in coordination with an external Employee Assistance Program (EAP)\*5 counselor, we halved the rate at which workers took a subsequent leave of absence, compared with the period prior to adopting the program.

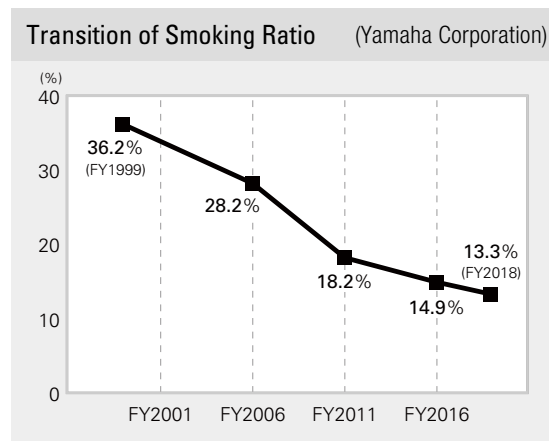
### Major initiatives

- Training for managers, supervisors and new recruits through an internal industrial physician and counselors
- Operation of a return-to-work support program that connects occupational health and safety staff, supervisors, managers, and HR personnel
- Operation of a mental health counseling desk staffed by psychiatrists and clinical psychologists from outside medical institutions
- Operation of a counseling desk provided by outside institutions through an external Employee Assistance Program (EAP).

\*5 Program provides counseling to employees and their families for mental health issues, helps employees return to the workplace after leave for mental illness, and utilizes external specialists such as ones that offer health-related training for managers in charge of with employees working under them.

## ► No Smoking Policy

Yamaha Corporation makes it a top priority issue to protect the health of workers and implement smoking countermeasures. At health checkups since 1998, we have continued to advise employees to stop smoking, while, in April 2011, we began prohibiting smoking throughout the premises during work hours. As a result of these initiatives, the percentage of smokers among all employees declined from 36.2% in 1998 to 13.3% in 2017.



\*1 As at the end of March every year

We are currently aiming to further reduce the ratio of smokers by reducing the number of smoking areas inside the premises, thereby preventing passive smoking, and continue to provide individual support to quit smoking. These efforts are also being rolled out to our Group companies in Japan and the rate of smokers at Yamaha has been low compared to the nation-wide rate. Data on comparisons of smoking rates for the Group and smoking rates for Japan as a whole are shown on the Social Data page.

» [Social Data](#)

## ► Health Support for Employees Stationed Abroad

For each Yamaha Group employee stationed overseas, we have an industrial physician send an email specifically relating to that individual along with the results of the annual regular health checkup. In 2017, employees stationed abroad received the same stress check as employees in Group Companies in Japan.

## Ensuring the Safety of Employees Stationed/Traveling Overseas

The Yamaha Group believes that the safety of employees working inside and outside Japan is paramount and is taking various steps to prevent accidents and incidents before they occur.

In order to ensure the safety of employees that are stationed overseas and that go overseas on international business trips, measures are being carried out from the perspective of prevention and emergency response in the event of an accident. Information concerning dangers in each country and region is gathered from sources such as Japan's Ministry of Foreign Affairs, private security companies, employees stationed at overseas Group companies, and those who have returned from abroad. It is then analyzed and distributed internally in the form of reminders and business trip regulations. Safety-related education is also provided to employees prior to being dispatched overseas, while their families also receive separate education programs.

Furthermore, for those taking international business trips for the first time, an orientation is held that covers safety education, including basic knowledge and measures to handle emergencies while abroad.

### Fiscal 2018 results

| Content                               | Target  | Frequency  | Number of participants |
|---------------------------------------|---|------------|------------------------|
| Training prior to assignment overseas | For employees   | 9 sessions | 30 employees           |
|                                       | For employees' families   | 6 sessions | 16 people              |
| Overseas business trip orientation    | For employees such as those going on an overseas business trip for the first time | 4 sessions | 60 people              |

## Results of External Evaluations

### Certified as Health and Productivity 2018 (White 500)

In February 2018, Yamaha Corporation was certified under the Health and Productivity (White 500) certification system hosted by the Ministry of Economy, Trade and Industry/ Japan Health Conference for the second consecutive year.

This system certifies those companies that consider employee health management in their management strategies and work strategically to achieve it.

Yamaha was evaluated on its measures for reducing long working hours and efforts at the promotion of work-life balance in addition to the regular health check, mental health, and measures to prevent passive smoking.

In addition, Yamaha Business Support also received certification for the first time this year.



## Human Resource Development

### Establishing Education and Training Programs

Under the concept of supporting highly motivated employees who wish to accomplish their "roles," and aim to make constant progress, the Yamaha Group strives to support each employee in exercising their talents to the fullest and developing professionally while working toward self-fulfillment. The Group works to create an education and training system that is equally focused on skill improvement and career development as the basis for nurturing human resources that can act globally. At the same time, each training program implemented is tailored to a specific objective and group of employees. In tandem with these, the Group also supports employees' autonomous learning projects and lifestyle design.

Total yearly training hours related to human resource development: About 1,500 hours (total 39,000 hours-person)

\* Target scope: Yamaha Corporation

## Main Training and Education Programs and their Status of Implementation (FY2018)

| Name                                   | Target/Content  | Annual Participants                    | Training Hours per Person | Cumulative Participants |
|--|---|--|---------------------------|-------------------------|
| Stratified Training                    | Increases individual skills level to match career stages  | 400                                    | 15-30 hrs/yr              | 2,000/past 5 yrs        |
| Senior Specialist Institute            | Development of personnel to manage production (production base managers, supervisors, etc.)   | 15                                     | 50 days                   | 89                      |
| Yamaha Sales company Executive College | Development of sales management personnel (sales location managers, supervisors, etc.)  | 8                                      | 12 days                   | 17/past 2 yrs           |
| Yamaha Advanced Skill School           | Development of supervisory personnel on domestic production shop floors   | 16                                     | 260 hrs                   | 716                     |
| Yamaha Technology Training Center      | Development of core personnel on domestic production shop floors  | 30                                     | 230 hrs                   | 1,530                   |
| From-to Program                        | Passing down core technologies relating to musical instrument manufacturing   | 12                                     | –                         | 512                     |
| Function-Specific Training             | Quality engineering, internationalization training, core technology training (signal processing, acoustic vibration engineering, materials engineering), etc.       | GAME 269                               | 20 hrs                    | 1,209/past 5 yrs        |
|  |   | Technology academy/core technology 196 | 24 hrs                    | 1,241/past 5 yrs        |
| Overseas/Language Study                | Studying abroad to acquire and improve foreign language skills  | 3                                      | 14 months                 | 32                      |
| Yamaha Business School                 | Supporting autonomous learning by employees (training by correspondence)  | 257                                    | Autonomous Learning       | 1,600/past 5 yrs        |
| Second Life Preparatory Seminar        | Opportunity for employees 2 years out from retirement to contemplate life beyond retirement and information-sharing   | 200                                    | 8.0 hrs                   | 850/past 5 yrs          |
| English Learning Methods Seminar       | Internal seminars inviting external instructors   | 700                                    | 4.0 hrs                   | 700/2017 and beyond     |
| Female Selective Development Program   | Training to develop the mindset for female employees qualified to become management candidates, and training plan formulation skills training for their supervisors | 42                                     | 7.0 hrs                   | 42/2017 and beyond      |

## Development of Management Personnel

The Yamaha Group strives to develop management personnel who will be the backbone of business activities.

In 2011, the Group started a manager training program for Japanese personnel at production bases, mainly at overseas production subsidiaries. Subsequently, a training program for managers was started in 2013. Then, from 2014, we have proceeded to expand and restructure programs to include non-Japanese personnel at overseas production bases, while we have been training production managers globally since 2016 under a program titled Senior Specialist Institute (SSI).

Additionally, for human resources engaged in sales, we started the Yamaha Sales company Executive College (Y-SEC) in February 2017 as a program that trains candidates for site managers, mainly at overseas sales companies. Currently, we are systematically establishing programs equally focused on job category and rank as we take a structured approach to training human resources who will work in management positions. As such, from fiscal 2018, we introduced a management human resource development program (Yamaha Global Management Program) common among all job categories.

## Fostering Human Resources to Support Manufacturing

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The Yamaha Group aims to create an optimal production system by clarifying the roles and functions of each of its bases. At the same time, we are promoting the development of human resources that support manufacturing so that we can maintain and improve “Made in Yamaha” quality.

Positioning each plant in Japan as a manufacturing base of high-value added products, we focus on developing manufacturing technologies that are highly competitive, while ensuring that core skills required to manufacture musical instruments are passed on. Plants in China, Indonesia, and Malaysia are designated as key manufacturing bases for affordably priced products and we dispatch many technicians and supervisors from Japan to provide support and guidance at these sites.

## Development of Global Personnel

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The Yamaha Group appoints local personnel from each base around the world to important posts within the Group and exerts efforts to develop personnel who can play a strong role at a global level. In 2015, the Company established a Global HR Development Group within its Human Resources Division, and has been promoting the following 4 initiatives since.

1. Identifying global core human resources  
'Place the right person in the right position' regardless of nationality or company of origin.
2. Global Grading  
Promotion of personnel transfer among Group companies with Group standards.
3. Assessment and compensation  
Consistent evaluations based on Group-wide standards; acquisition and retention of excellent personnel.
4. Succession Plan  
Creating succession plans for Group executive management.

## Supporting Employee Development through Regular Face-to-Face Meetings

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Yamaha Corporation holds regular face-to-face meetings with all employees to both assess performance and support employee development. The meetings serve to align perspectives of employees and their supervisors with regard to the objectives and mission of the Company and its divisions, in addition to each person's role and goals. This allows the Company to confirm levels of achievement, future challenges, and the direction of skills development.

Furthermore, employees (including employees who are hired mid-career) and the Company have face-to-face meetings to exchange opinions regarding career plans at the one-year and four-year marks after joining the Company. Meetings are attended by HR Department staff in order to assess whether employees are able to find a sense of fulfillment in their work, and to discuss future career plans.

In order to ensure that these meetings are conducive to fair evaluations and effective support for employee growth, Yamaha Corporation carries out training for managers and staff who serve as evaluators in the meetings.

## Establishment of New Personnel System and Related Training

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Yamaha Corporation holds assessment training for managers, in order to ensure the appropriate and effective operation of the human resource system introduced in October 2016. This encourages their understanding of the purpose of the evaluation system, and it also leads to fair treatment of employees and support for growth.

The Company also held a total of 28 training sessions for new 650 assistant managers. This aims to foster leadership mindset in these personnel and to encourage them to view themselves as central members in their respective workplaces.



# The Environment

## Environmental Management

### Environmental Policy

Recognizing environmental issues as important, the Yamaha Group is committed to continuing its contribution to the realization of a better global environment.

Based on the Yamaha Group Environmental Policy, Yamaha is actively involved in measures related to climate change on a global scale, including the reducing emissions of hazardous chemical substances and risk of leaking related to business activities, the appropriate use of timber and forest prevention.

These resolutions related to environmental issues are incorporated into our mid-term management plan, and we are conducting business according to the action plans in related business divisions.

» [Yamaha Group Environmental Policy](#)

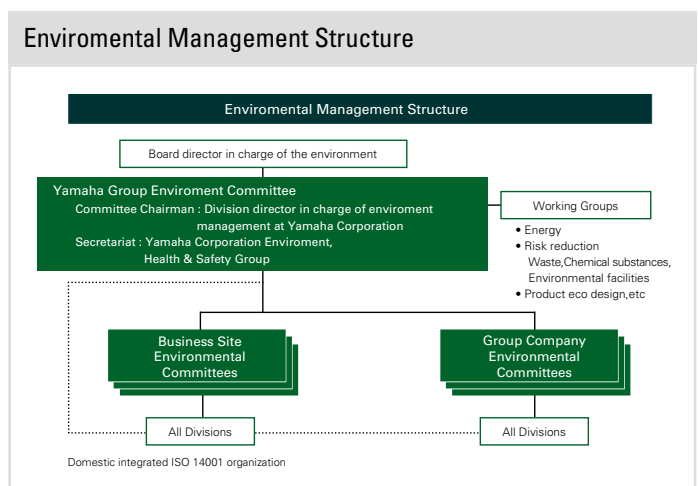
### Environmental Management Systems

The Yamaha Group has created a global environmental promotion system. The board director in charge of environment at Yamaha Corporation is the representative in charge.

The board director in charge of environment conducts a management review once every half-year to check the progress of ongoing measures, items based on requests by stakeholders and laws and regulations, and information about accidents or complains related to environment. Important issues that arise are deliberated in the management meeting.

Based on the “Group Environmental Management Policies & Rules,” integrated for all domestic business sites, each business site overseas has created an Environmental Management System (EMS).

In this system, each business site determines its own environmental goals, develops measures and action plans to achieve them, and executes those measures. We then verify that each business site is actively pursuing its goals through internal environmental audits, and process the results for continuous improvement and strengthening. The Environmental Division of Yamaha Corporation supports and leads all activities related to the environment, such as collecting information on laws and regulations, enacting policies for the entire Yamaha Group, establishing regulations, conducting environmental audits, and following through on each measure.



### ► Acquisition of ISO 14001 Certification

The Yamaha Group is acquiring ISO 14001 certification for environmental management systems that meet international standards.

As of the end of March 2018, the Yamaha Corporation and 22 Group companies in Japan and overseas (total of 23 companies) have acquired certification, including approximately 95% of the Yamaha Group with GHG emissions (scope 1 and 2). The Yamaha Group believes the currently acquired certification is sufficient considering its own environmental load, laws and regulations, and other matters. In the future, when establishing business sites that may have a large impact on the environment, they will be added to the certification scope sequentially.

In 2017, the Yamaha Corporation acquired integrated certification in Japan based on the new standards which were revised on September 2015.

## ► ISO 14001 Certified Sites

### Yamaha Corporation Business Sites in Japan

| Site  | Acquisition Date | Integration Date |
|---|------------------|------------------|
| Kakegawa Factory  | November 1998    | November 2010    |
| Toyooka Factory (including Yamaha Hi-Tech Design Corporation) | June 2000        | November 2010    |
| Headquarters Area   | February 2001    | November 2010    |

### Group Manufacturing Companies in Japan Site

| Site   | Acquisition Date | Integration Date |
|--|------------------|------------------|
| Yamaha Fine Technologies Co., Ltd.           | March 2001       | November 2010    |
| Sakuraba Mokuzai Co., Ltd.                   | September 2002   | November 2010    |
| Yamaha Music Manufacturing Japan Corporation | August 2014      | August 2014      |
| Kitami Mokuzai Co., Ltd.                     | August 2014      | August 2014      |

### Resort Facilities

| Site                         | Acquisition Date | Integration Date |
|------------------------------|------------------|------------------|
| Yamaha Resort Inc, Katsuragi | November 2001    | August 2011      |

### Group Manufacturing Companies Located Overseas

| Site  | Acquisition Date |
|---|------------------|
| Yamaha Electronics Manufacturing (M) Sdn. Bhd.      | December 1998    |
| Tianjin Yamaha Electronic Musical Instruments, Inc. | December 1999    |
| PT. Yamaha Musical Products Indonesia               | January 2001     |
| PT. Yamaha Music Manufacturing Indonesia            | December 2001    |
| PT. Yamaha Indonesia                                | May 2002         |
| PT. Yamaha Music Manufacturing Asia                 | July 2002        |
| PT. Yamaha Electronics Manufacturing Indonesia      | January 2003     |
| Yamaha Electronics (Suzhou) Co., Ltd.               | March 2004       |
| Hangzhou Yamaha Musical Instruments Co., Ltd.       | May 2012         |
| Xiaoshan Yamaha Musical Instruments Co., Ltd.       | March 2013       |

## Initiatives for Promoting Environmental Management

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### ▶ Environmental Accounting

Yamaha Corporation introduced environmental accounting in fiscal 2000 as a means of quantitatively evaluating the effectiveness of its environmental conservation activities. These environmental accounting practices are currently implemented at Yamaha Group production companies and resort facilities in Japan, and have also been implemented at some overseas Group production sites.

For inter-annual records regarding this data, please refer to the environmental data page.

» [Environmental Data](#)

## Environmental Education and Training

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The Yamaha Group offers a variety of training and education opportunities to company employees in an effort to raise their knowledge and skills with respect to the environment. The Group provides environmental training such as “general education” to all employees, “specialty education” for instructors and others, and “environmental facilities education and training” for individuals in charge of environmental facilities. Training is adjusted according to the needs of each site and work-related duties throughout the year.

### ▶ Specialized Training for Environmental Preservation Staff

The Group has established curriculum for employees engaged in operations that require specialized knowledge, including personnel involved in waste management, water treatment, and chemical substance handling operations.

After defining and listing required abilities in regards to operations which have a particularly large impact on the environment and examining the educational needs, we are conducting special training sessions. Environmental technology personnel at headquarters are following up with education for employees in charge of overseas factories.

We also conduct education related to chemical substance management and accident prevention such as the leakage of environmental pollutants. This educational initiative is based on Yamaha Group Chemical Substances Usage Standard or Yamaha Group Environmental Equipment Standards, and conducted onsite to prepare for emergency response.

### ▶ Fostering Internal Environmental Auditors

Training the staff who actually perform our self-regulated activities with respect to environmental preservation is essential for improving the operations of our environmental management system. The Yamaha Group invites lecturers from external organizations and holds annual seminars to train internal environmental auditors as an initiative to improve our environmental preservation activities.

At business sites in Japan, to date, more than 1,164 participants have obtained their internal environmental auditor qualification and of these, 389 employees are still currently employed at Yamaha. This is about 6% of our employees at relevant business sites.

With the migration to an ISO 14001 integrated management system since fiscal 2011, we have held an Internal Environmental Auditor Brush-Up Seminar to improve the skill set of staff members responsible for internal audits.

### ▶ Promoting Environmental Activities of Employees

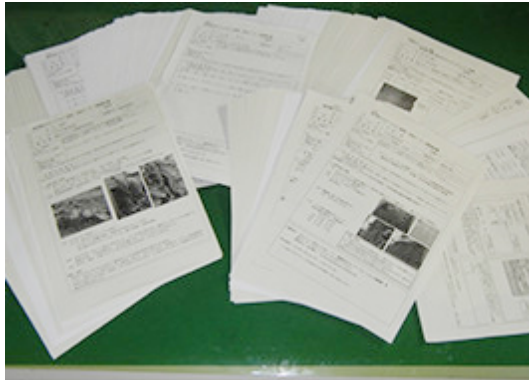
The Yamaha Group provides support and training to improve the environmental awareness of our employees and to promote eco activities that employees can perform as part of their daily routines.

#### **Environmental Awareness Activities in the Home: Smart Life in My Home Commitment and My Eco Commitment Coloring Page**

The Yamaha Group has worked with the Yamaha labor union to promote eco-conscious activities in daily life through projects and tools such as keeping track of eco-conscious household activities, “Smart Life in My Home Commitments” that accomplish eco-conscious activities suitable to each employees’ home, and the “My Eco Commitment Coloring Page” for families with children.

Examples of Initiatives under the Smart Life in My Home Commitment (Fiscal 2018)

| Details of Commitment  | Report on Activity   |
|--|--|
| Create a “household garden” to enjoy an eco life with a household garden               | We created a household garden and disposed of about 30 liters of raw garbage per month (reduce garbage sent to city).                                |
| Converted all household lighting to LED (stage one)                                    | By switching from incandescent light bulbs to LED, we experienced energy-saving effects. We have decided to switch light bulbs to LED in the future. |
| Used less electricity and gas than last year for each month between July and September | Monitored the electricity and gas meters for the three months between July and September. Used less of both each month compared to last year.        |



The Smart Life in My Home Commitment activity report sent from employees



My Eco Commitment Coloring Page

► Green Eco Curtains Activities in Employee Homes

Beginning in fiscal 2010, the Yamaha Group has encouraged employees to create Green Eco-Curtain in their homes, in parallel with Green Eco Curtain activities at Yamaha business locations.

In addition to providing how-to instructions, Yamaha distributed seeds for bitter melons to those interested.

» [Green Eco Curtain activities at Yamaha business locations](#)



Photos of Green Eco Curtains collected from employee families

# Prevention of Pollution

## Structure for Prevention of Environmental Pollution

In 2014, the Yamaha Group organized the Yamaha Group Environmental Equipment Standards, which defines Group standards regarding the installation, management and operation of environmental facilities to prevent environmental pollution from occurring in our business activities. The road map is determined at each individual site and we are on schedule to complete adaptation at all sites in fiscal 2021.

### ▶ Monitoring and Response to Laws and Regulations

The goals of the Yamaha Group include reducing the environmental impact of our business activities and ensuring compliance with environmental laws. In accordance with the annual plan created by the Yamaha Corporation Environmental Division and the management divisions of each business site, the divisions in charge of environmental measurement regularly monitor emissions, wastewater, noise, odors, and other by products of our activities at each of our places of business, confirming our management status and strictly assessing compliance.

We assess our monitoring according to our own standards, which exceed existing legal standards. In the event that measurements exceed standards or are unusual in some way, we take immediate emergency and correction measures.

In addition, we are developing our system to make quick response to the revision of laws and regulations. The Group collects the latest legal and regulatory information, and the Yamaha Corporation Environmental Division summarizes, checks, and disseminates the information throughout each business site to ensure consistent compliance as a whole Group. Furthermore, the Group has established working groups made up of the management division and production division of each business site to reduce risk and determine responses. The Yamaha Group is carrying out initiatives in both Japan and overseas. For example, in China, where environmental laws have been amended frequently in recent years, the Yamaha Group works closely with Group companies in China to strengthen compliance systems.



Environmental measurements

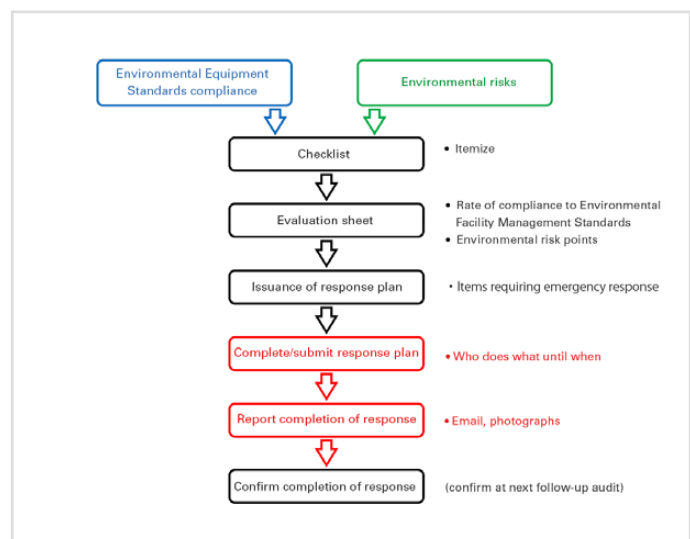
### ▶ Environmental Audits

The Yamaha Group conducts internal environmental audits according to the ISO14001 integrated management system. We also conduct Group-wide environmental audits to prevent environmental accidents or violations of law. These activities serve to reduce our environmental risk as a corporate group.

Yamaha Corporation's Environmental Division conduct these audits, using audit staff who have skills and expertise in environmental preservation. In addition to certification as an internal environmental auditor based on ISO 14001 standards, Yamaha audit staff have also received official Pollution Control Manager, Working Environment Measurement Expert and other relevant certifications.

In fiscal 2017, the audit system was adjusted to comply with the Yamaha Group Environmental Equipment Standards to reduce risk. The status of compliance to equipment standards at each site and environmental risks are itemized on a checklist used through the Group. By clarifying priority and items which require a response, the Company is efficiently making improvements.

In addition, audits are conducted in direct correlation to the risk level. In fiscal 2018, we conducted environmental audits at four sites in Japan and four sites overseas.





Environmental audit conducted by audit staff of the Yamaha Corporation's environmental division.

**► Preparation for Emergency**

The Yamaha Group is working to prevent environmental pollution caused by the leak of harmful substances and oils from business locations by assuming emergency situations.

Yamaha is identifying risks using Group integration evaluation standards, and as a result, the Yamaha Group is striving to prevent accidents during assumed emergency situations at business sites by improving plans and procedures. Additionally, each site has put procedures, equipment and tools in place to respond to such emergency situations should they occur and is conducting emergency response training.



Emergency response training



## Response to Pollution and Toxic Substances

The Yamaha Group has conducted cleanup measures at two sites with soil and groundwater contamination due to chlorine-based organic solvents. We have already completed the groundwater cleanup at the Yamaha Corporation Toyooka Factory. The Yamaha Headquarters business site has been restored to near-standard levels, and we continue cleanup activities at present. We have completed soil contamination cleanup activities at both sites.

Surveys focusing on water quality and biodiversity in waterways where the waste is discharged are periodically conducted, and constantly monitored for evidence that water discharged from business sites does not exert a negative impact on the watershed and related habitat.

Additionally, as of April 2015, all Group sites in Japan disposed of large machinery, like transformers or condensers that contained high-density PCBs. We have completed shipment packaging registration of small size high-density PCB wastes such as fluorescent lamp stabilizers, and we are organizing proper disposal.

Our activities to remove devices containing low-density PCBs started in fiscal 2017.

At the headquarters factory of Yamaha Music Manufacturing Japan, the Company updated the wastewater processing equipment in March 2018 in order to improve earthquake resistance and processing capabilities. This new equipment can process twice the wastewater of the previous equipment and has been designed to withstand an earthquake with an intensity of 6-strong to 7.



Groundwater purification equipment at the headquarters office



Wastewater processing equipment at the headquarters factory of Yamaha Music Manufacturing Japan

## Chemical Substance Management and Reduction of Emissions

When utilizing chemical substances, the Yamaha Group strives to minimize adverse impact on people and the environment by thoroughly managing chemical substances such as those designated under the PRTR\*1 Law, and reducing emissions of substances from production processes and products. In 2013, the Group reviewed management regulations regarding chemical substance use in factories and established Yamaha Group Chemical Substances Usage Standard to reduce environmental load and improve the work environment at all major factories in Japan and overseas.

At present, the chemical emissions that occur in the course of production processes in companies of the Yamaha Group mainly consist of volatile organic compounds (VOCs)\*2. The Group is constantly monitoring VOC emissions and is working to replace and reduce VOCs. (For inter-annual records regarding VOC emission, please refer to the environmental data page.)

In accordance with the Yamaha Group Chemical Substances Usage Standard, from fiscal 2016, Yamaha began activities to abolish all use of dichloromethane and reduce the use of 1-bromopropane. In fiscal 2017, two business sites eliminated the use of dichloromethane and replaced the use of 1-bromopropane by 80% through the introduction of an alternative substance. Additionally, our factory in China introduced a VOC disposal facility to reduce emissions.



Yamaha's VOC disposal facility in Tianjin

\*1 PRTR: An abbreviation for Pollutant Release and Transfer Register. The PRTR Law is an abbreviation of the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

\*2 VOCs (volatile organic compounds): These compounds, contained as thinning agents for coatings and adhesives, are believed to be one factor in the release of photochemical oxidants and suspended particulate matter (SPM).

## ▶ Reducing Chemical Substance Emissions in Coating Processes

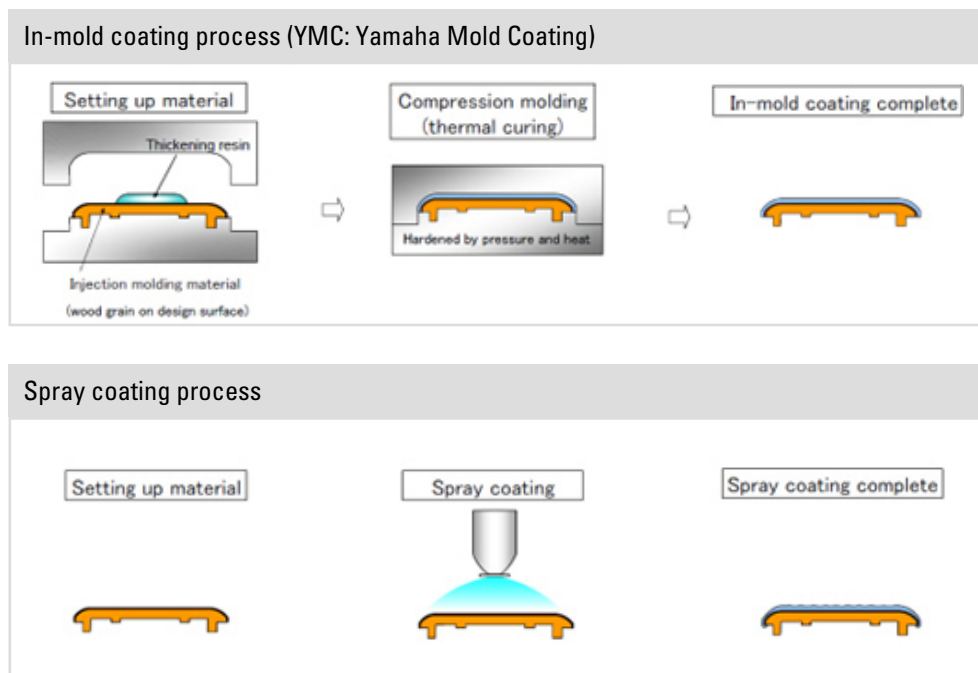
In the coating processes that give musical instruments and automotive interior components their beautiful appearance and durability, Yamaha continues to research and introduce coating methods that reduce the environmental impact by reducing the use of paints and the emission of organic solvents.

To date, we have developed applications for electrostatic coating, powder coating and flow coater in accord with each product and are making use of them in our production process.

Yamaha Music Manufacturing Co., Ltd. began switching the coating materials for parts from one containing an organic solvent to a water-based coating in the piano manufacturing process. Water-based coating also has the positive effect of improving the work environment.

Similarly, Yamaha Fine Technologies Co., Ltd. developed an in-mold coating method that completes the coating process inside of the mold, and has adapted this method for automobile interior components. By switching from traditional spray coating to in-mold coating, more than 90% of adhesion efficiency\*3 is achieved, less organic solvents are released into the atmosphere, and less paint is used owing to high coating efficiency. Ventilating operations in the workplace have been reduced as well. This, in turn, contributes to a significant reduction in the amount of energy used.

\*3 Adhesion efficiency: ratio of materials adhering as coat compared to total used.



## ▶ Protecting the Ozone Layer

The Yamaha Group has historically worked to reduce usage of fluorocarbons to protect the ozone layer. We eliminated the use of all special chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs). After we eliminated the use of all special CFCs used in manufacturing processes in fiscal 1994, we used HCFCs, which have a lower ozone depletion potential compared to special CFCs, in the degreasing process for metal materials. However, we also eliminated the use of all HCFCs by fiscal 2006 because of its large impact on global warming.

## Environmental Accidents and Litigation

During fiscal 2018, the Yamaha Group did not violate any laws, receive fines, pay fees, or be named in any lawsuits with respect to environmental concerns. The Yamaha Group did not experience any accidents having an effect on the outside environment, nor did we receive any significant complaints.

# Environmentally Friendly Products and Services

## Environmentally Friendly Design and Green Procurement

The Yamaha Group has positioned efforts to develop technologies and offer products and services that minimize any burdens on the environment under its [Yamaha Group Environmental Policy](#).

With respect to the various product groups, we perform product life cycle assessments (LCA) that cover all product life cycle stages, including material procurement to production, transport, use, and disposal to identify what aspect of a product group life cycle has the largest environmental impact and to tackle environmentally friendly design from multiple angles.

For chemical substances contained in our products, we have created containment standards and a management system, and perform green procurement.

### ► Primary Product Characteristics According to Life Cycle Assessments, and Initiatives

(Note: The size of each circle indicates the relative environmental load associated with that stage in the product life cycle.)

#### Acoustic Instruments

##### Characteristics:

- There is no energy consumption during use, and products have a long life and may be used for decades.
- The environmental load at the materials production stage is low in terms of CO<sub>2</sub> emission if lumber is the primary material. However, there is a need to consider deforestation and to protect scarce natural materials to prevent resource depletion, which means the environmental load of producing raw materials is higher than other stages.
- During product use, VOCs emitted from wood materials may have an environmental impact.
- While products are characterized by their long life, products may be left idle depending on the circumstances of customers and later disposed of.

##### Measures:

- In order to ensure appropriate lumber procurement, “Yamaha Timber Procurement Policy” are to be established and efforts strengthened.
- Reduce VOC emissions from wood materials (during product use) and take steps to establish a mechanism for product reuse.
- Add functions and continue use.

#### Electronic Musical Instruments

##### Characteristics:

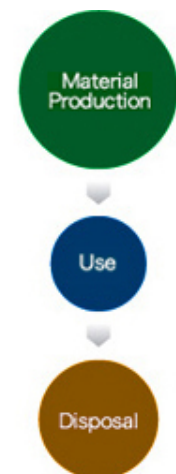
- Many do not consume electricity when not in use, and there is a growing demand for efforts to be devoted to products with a comparatively small environmental burden when used.
- Large products require a lot of materials in the material production phase, creating a comparatively large environmental load. Difficulties may also occur at local bodies and elsewhere at the time of disposal, necessitating consideration of how better to promote recycling.
- The many different materials used in these products necessitate management of chemicals contained in materials used in material production and efforts to promote recycling at the time of disposal.
- Need to take measures for environmental pollution due to substances that exert environmental load in waste materials.

##### Measures:

- Resource-saving design that allows longer use of electronic instruments through upgrade kits, and energy-saving design using new technologies such as digital amplifiers and switching power supplies.
- Stricter efforts to control substances with an environmental impact in products via green procurement, etc.
- Reduce the amount of substances that exert environmental load when products become waste.



Lifecycle of acoustic instruments



Lifecycle of electronic musical instruments

## AV Equipment, IT Equipment

### Characteristics:

- Some IT devices operate constantly, while AV devices also consume electricity during standby, thus making the environmental load of the use phase comparatively large.
- The many materials contained in these products make necessary management of the chemicals contained in materials during material production and efforts to promote recycling at time of disposal.
- The environmental load is comparatively small during material production because there are not many large products.

### Measures:

- Stricter efforts to control substances with an environmental impact in products via green procurement.
- Miniaturization, integration and other resource-saving designs, new technologies such as digital amplifiers and switching power supplies; the use of energy-saving designs to reduce standby power consumption.

## ► Management of Chemical Substances Contained in Products

Some chemical substances contained in products have an environmental impact and therefore required proper treatment on disposal. Such substances may have potential health impacts to their users depending on application. For that reason, countries around the world have been strengthening restrictions for chemical substances contained in products and requiring data disclosure.

In February 2003, Yamaha established its own Standards for Chemical Content in Products. These standards are used to manage chemical substances in products during design and development to help ensure legal compliance and reduce environmental load. The standards are revised when necessary in response to legislative changes, the accession of voluntary standards, and other factors.

## ► Creation of the Management System for Chemical Substances Contained in Products

In order to manage chemical substances contained in products, it is imperative to identify and control the chemical substances contained in the parts and materials making up finished products.

In fiscal 2009, the Yamaha Group established a management system and the Yamaha Group conducts a survey of its chemical-containing parts and materials with the cooperation of its suppliers, thereby contributing to improved management of these substances.

In fiscal 2011, Yamaha renewed its chemical substance management system, and adopted the AIS,\*1 a standard industry format for the identification of chemical substances in products. The new system was likewise designed to comply flexibly with the European Union's ever-growing chemical substance regulations, such as SVHC\*2 under REACH. Yamaha also holds briefing sessions in Japan and internationally to explain to and gain the cooperation of suppliers in implementing its new chemical management system.

\*1 AIS: An abbreviation for Article Information Sheet. A basic communication sheet standardized by JAMP (Joint Article Management Promotion-consortium) for providing information on chemical substances contained in products. Parts makers can use the information on chemical contained that they receive from material makers to pass on to those they supply, ensuring the fluid transmission of information downstream.

\*2 SVHC: An abbreviation for Substance of Very High Concern such as carcinogens. Under the REACH regulations, if a product contains more than a certain amount of an SVHC-designated substance, there is an obligation to disclose information and manage the product.

## ► Promotion of Green Procurement

The Yamaha Group formulated and published the Green Procurement Standards in 2002. Data on the substances contained in materials and the status of initiatives for managing chemical substances provided by suppliers plays a role in confirming the status of restricted substances contained in products and assessing the influence of environmental regulations. For this activity, we set the core issue connected to human health and environment. We strive to procure materials and parts that have minimal load on the environment, and review Green Procurement Standards as required in line with changes in global environmental regulations.

» [Green Procurement Standards](#)



## Yamaha Eco-Products Program

The Yamaha Group launched the Yamaha Eco-Products Program in 2015 to promote the creation of environment-friendly products. This program aimed to clarify environmental standards and promote environmentally friendly products.

A Yamaha Eco-Label is affixed to those products meeting our environmental standards, thus certifying them as Yamaha Eco-Products. Our objective is to provide straightforward information on our environmental efforts and support our customers in the decision-making process when selecting a product. As of March 31st 2018, the number of certified products, including older products, has surpassed 320, 30 of which are newly developed products bearing the Eco-Label.



Yamaha Eco-Label

» [Yamaha Eco-Products Program](#)

» [Sustainable Consumption](#)

## Products Supporting the Reduction of Environmental Load

The Yamaha Group products are not only for general consumers, but also for businesses. Some of the products help to reduce the environmental load of our customers' business activities or can be used to reduce environmental load when using products manufactured by the customer. The Yamaha Group works to reduce environmental load throughout society through the development and promotion of such products.

» [Application of environmental technologies](#)

## Use of Sustainable Resources

### Initiatives for Timber Resources

Among the instruments that the Yamaha Group produces, including pianos as well as string, percussion, and woodwind instruments, many require a primarily wood construction for acoustic reasons. Large amounts of timber are also used when making electronic musical instruments, speakers and soundproof rooms, due to the merits of wood in terms of acoustic performance, function, design, and texture.

Considering the diverse variety of timber used in our business operations, the Group established the "Yamaha Group Timber Procurement Policy," which indicates the direction of our timber usage in order to better conserve this precious resource, as well as ensure its availability for continued use in the future. The Yamaha Group also established the Yamaha Supplier CSR Code of Conduct, which clearly stipulates points related to the harvesting and trading of timber resources, that Yamaha suppliers are requested to observe.

The Policy and Code of Conduct help the Yamaha Group accomplish sustainable procurement that is friendly to the environment and the biodiversity within its ecosystems, and meet its aim to maximize the use of timber as a first-rate recyclable resource without waste.

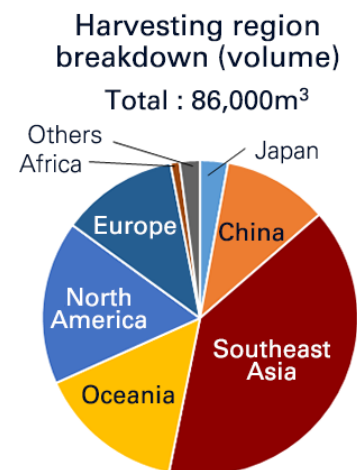
» [Yamaha Group Timber Procurement Policy](#)

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

For figures regarding volume, please refer to the environmental data page.

» [Environmental Data](#)

Ratio of Yamaha Timber Resources Origin by Country (fiscal 2018)



Excludes some products that are not Yamaha brand and OEM/ODM products.



## ► Initiatives for Sustainable Timber Procurement

It is necessary to consider the environment in a way that ensures timber is utilized in a sustainable way. Operations must consider forest conservation and timber resource volumes, sustain the economic viability of the supply chain, and contribute the advancement of the community through creating jobs and encouraging infrastructure. The Yamaha Group has established a due diligence system to prevent procuring timber from illegal sources as it promotes a strict confirmation process for timber procurement legality through site visits and surveys of documents for procurement sources. In addition to environmental considerations, the Group is expanding the use of certified timber, which is produced in societally and economically sustainable forests and contributes to the advancement of the community.

From fiscal 2016, Yamaha began investigating African Blackwood, which is an important material used for wood wind instruments, specifically regarding the ecology, amount of resources, and forestry management status in the United Republic of Tanzania where the timber was being procured at that time as Yamaha aimed to conserve the tree, and secure a stable procurement source.

This tree is classified as Near Threatened by the IUCN Red List and in recent years the resource volume has been trending down. As a result of investigating the management status of these forests and ecological status, including distribution, growth, and natural regeneration, we discovered that sustainable procurement is possible with proper management. Following these results, from fiscal 2016, Yamaha aimed to construct a business model which could sustainably use African Blackwood as a material for musical instruments. Yamaha is continuing surveys and is proposing initiatives as a BOP cooperation business with the Japan International Cooperation Agency (JICA).

In fiscal 2018, we cooperated with local NGOs and the local community to begin tree planting activities for African Blackwood as we aim to secure future resource volume. In addition, Yamaha formed a partnership with local timber producers and is conducting initiatives aimed at the efficient use of existing resources, including procuring timber from sustainably managed forests, and improving the usage efficiency of wood materials.



African Blackwood seedlings



Built tree nursery facilities, such as pump, water tank, and well in corner of local agricultural village



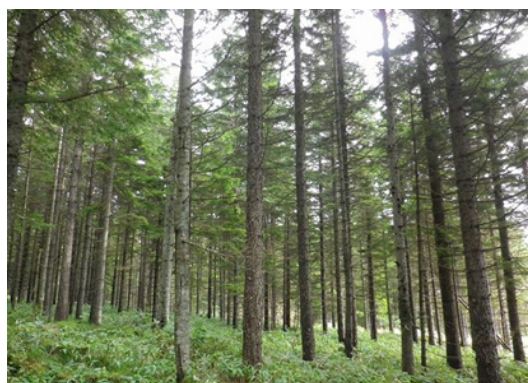
Ecological survey

## ► Creation of a Circulating-type Forest

Kitami Mokuzai Co., Ltd., a Hokkaido-based company that manufactures piano sound boards using natural *Picea glehnii*, signed an agreement to establish "Piano Forests" in cooperation with the Okhotsk Sub-prefectural Bureau and the town of Engaru, Monbetsu-gun, Hokkaido Prefecture in March 2016. Since then, these organizations have been working together to create a circulating-type forest and expand the demand of artificial *Picea glehnii*.

In recent years, due to a decrease in natural forest timber, it has become essential to secure a stable supply for the timber grown in Hokkaido. As a result, to secure a stable supply of *Picea glehnii*, the three parties established "Piano Forests" in the forestlands owned by the Okhotsk Sub-prefectural Bureau and the town of Engaru. The aim is to preserve the forests and to ensure that the Okhotsk "tree culture" is passed on to future generations.

Moreover, in the future, we will work to grow high-quality timber in this forest and use it to manufacture piano sound boards.



A *Picea glehnii* plantation



## ► Use of Timber Resources in Environmentally Friendly Products

The Yamaha Group is proactively introducing wood cultivated specifically for industrial purposes on planned plantations as well as certified wood, which is properly managed so that the lumbering process does not harm the forest or the ecology. These measures aim to use the excellent renewable resource of trees on a sustainable basis.

In addition, the Group focuses on developing alternative materials that accurately reproduce the sound quality of rare wood materials best suited for instruments.

Case examples are introduced in the application of environmental technologies page.

» [Application of Environmental Technologies](#)

## Reduction and Sustainability of Raw Materials

### ► Resource-Conservation in Products

The Yamaha Group is striving to conserve resources used in its products from a variety of standpoints, such as reducing product size and weight, integration of several products into one and by reducing product packaging. Further, the Group is also taking efforts in its piano renewal business, and is aiming to extend the longevity of its products that will ultimately lead to less use of resources.

» [Environmentally Friendly Products and Services](#)

» [Initiatives to Extend Longevity of Products](#)

» [Piano Renewal Business](#)

### ► Utilization of Sustainable Materials

Yamaha conducts initiatives to develop alternative materials that can be substituted for scarce timber, and adopts sustainable materials such as biomass-derived resins for use in its products

» [Environmentally Friendly Products and Services](#)

### ► Making Effective Use of Timber Resources

Yamaha is working to reduce waste by improving the yield ratio in timber processing, and reusing and recycling wood chips from processes. The Company is both selling offcuts to building material makers as raw material for hard board, and creating other components using offcuts. In recent years, the Company has also begun unique initiatives, such as using wood chips produced in the wood manufacturing process at the Kakegawa Factory, which manufactures pianos, as bedding for cows.



Some timber offcuts previously disposed of as waste are instead reused as angle rafters (reinforcing materials inside guitar bodies)



Briquettes made from sawdust left over from the piano manufacturing process (pellet)

Recycling as a material for wood plastic composite (WPC)

## ► Waste Reduction and Resource Recycling

The Yamaha Group (in Japan) has established systems to perform recovery/separation in order to reduce waste produced at factories and offices and promote recycling. The Yamaha Group (in Japan) has a recycling rate of about 99%.

### Examples of Waste Reduction

| Business-site                                | Timing      | Description of activity   |
|--|-------------|---|
| Toyooka Factory                              | Nov. 2010   | Introduced vacuum concentration equipment for liquid waste and reduced the amount of waste acids and waste alkali generated in the wind instrument manufacturing process by about 80%.  |
|  | Fiscal 2012 | Began processing waste from the R&D Department, which includes rare metals, as valuable resources and effectively utilizing it.   |
| Kakegawa Factory                             | Sep. 2009   | Installed more wastewater processing equipment and began the in-house processing of wastewater including adhesive agents generated in the piano manufacturing process. This has led to a waste reduction of around 900 tons annually. |
|  | Sep. 2012   | Increased ability to process wastewater including adhesive agents. This has led to a waste reduction of around 270 tons annually.   |
| Xiaoshan Yamaha Musical Instrument Co., Ltd. | Fiscal 2014 | Reduced paint process-related waste by keeping the circulating water used in the musical instrument painting booths clean to enable longer usage. Reduced waste by about 120 tons/year.   |
| Yamaha Fine Technologies Co., Ltd.           | Fiscal 2012 | Reduced car part rejects by reducing equipment defects and quality defects. Reduced the factory's overall waste generation by 16% and achieved energy savings and resource savings by improving productivity.                         |



Vacuum concentration equipment (Toyooka Factory)

For data related to waste, please refer to the environmental data page.

» [Environmental Data](#)

## ► Recycling of products and packaging

The Yamaha Group is striving to both respond to laws and ordinances related to recycling products and packaging in each country and region, including the WEEE directive of the European Union, and efficiently use resources in Japan by establishing nationwide recovery points for used Electone products to conduct recovery and recycling.

## Preservation of Water Resources

The Yamaha Group uses water to wash products and cool facilities. The Group evaluates water-related risks through its comprehensive risk assessment conducted throughout the Group as well as surveys and water-related risk evaluation tools at every work site. These measures are used to evaluate "physical water stress," "water quality," "regulatory risks related to water resources," and "reputational risks." The Group does not have large-scale production activities in areas where water resources are poor, so we believe there is not a large impact on the environment due to water use.

On the other hand, in the manufacturing processes of wind instruments, much water is used in the plating and washing process. Because of this, since the first half of the 1970s, the Yamaha Group has been recycling cooling water and wastewater from production processes using a reverse osmosis (RO membrane) device, as well as actively pursuing a policy to prevent leakage in water facilities.

» [Protection of Biodiversity \(water quality preservation\)](#)

» [Prevention of pollution \(monitoring and compliance to laws and regulations\)](#)

For data related to water usage and reuse, please refer to the environmental data page.

» [Environmental Data](#)

## ► Initiatives for Conservation and Recycling Use

### **Xiaoshan Yamaha Musical Instrument Co., Ltd.**

Xiaoshan Yamaha Musical Instrument Co., Ltd., which manufactures wind instruments and percussion instruments in China, installed a wastewater treatment facility that purifies wastewater to the level of pure water. As a result, approximately 80% of the wastewater is now being reused for manufacturing processes. (In compliance with legal provisions for the inspection and improvement of corporate pollution resulting from electroplating in Zhejiang Province.\*4)

In January 2015, a change was made to the cooling method for the annealing furnaces used for heat treating the copper tube components of wind instruments. The new cooling method uses a circulating water supply. As a result, water used for cooling was reduced by approximately 5,700 tons from the previous fiscal year.

\*4 Legislation passed in Zhejiang Province aims to enhance environmental preservation in electroplating factories. Companies engaged in electroplating processes must conform to 56 items related to environmental preservation system and equipment. Standards for metals such as copper and nickel are stricter than those for general factory wastewater.



Wastewater treatment facility (Xiaoshan Yamaha Musical Instrument Co., Ltd.)



Cooling unit using circulated water (Xiaoshan Yamaha Musical Instrument Co., Ltd.)

### **P.T. Yamaha Musical Products Indonesia**

The Group also introduced a wastewater treatment facility that enables the reuse of 60% or more of the wastewater at the wind instrument manufacturer P.T. Yamaha Musical Products Indonesia (YMPI). Furthermore, wastewater treatment processes are rationalized to reduce the use of chemicals.

In 2017, the Group introduced equipment to allow cyclical reuse of wash water used in the recorder production processes. This equipment has reduced water use by about 12,000 tons per year.



Wastewater treatment facility at YMPI

### **Hangzhou Yamaha**

In response to increasingly stringent wastewater standards, Hangzhou Yamaha introduced a new wastewater treatment facility in May 2016.

This facility enables us to clean wastewater for reuse. The wastewater treated in this facility is reused for cooling water, etc., enabling 10,000 tons of water to be saved in fiscal 2017.



Wastewater treatment facility (Hangzhou Yamaha)



Reusing wastewater for cooling water (Hangzhou Yamaha)

# Climate Change Mitigation and Adaptation

## Basic Measures and Targets/Achievements

Regarding measures against climate change, the Yamaha Group endeavors to reduce its greenhouse gas emissions through optimization of production methods and equipment configuration, improving air conditioning equipment operational methods, installation of equipment with high energy efficiency, and extensive energy management, including adjustments to facility operating hours and thermostat settings. The Group has also introduced cogeneration systems and fuel switching.

Emission volumes are controlled in accordance with the GHG Protocol\*1. The calculation and management of the whole process, including the supply chain (Scope3), began in fiscal 2017. We will continue advancing our reduction measures while improving the accuracy of GHG calculations. From fiscal 2017, the Group has executed third-party verification of GHG emissions for Scope1 and Scope2, as well as portions of Scope3.

\*1 Standard for the calculation and reporting of greenhouse gas emissions

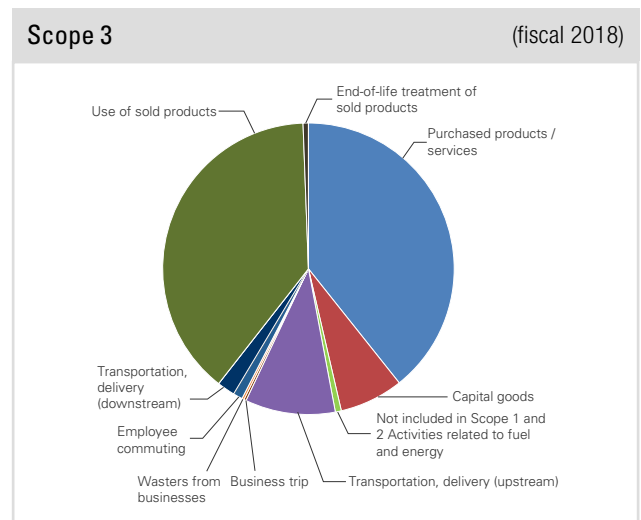
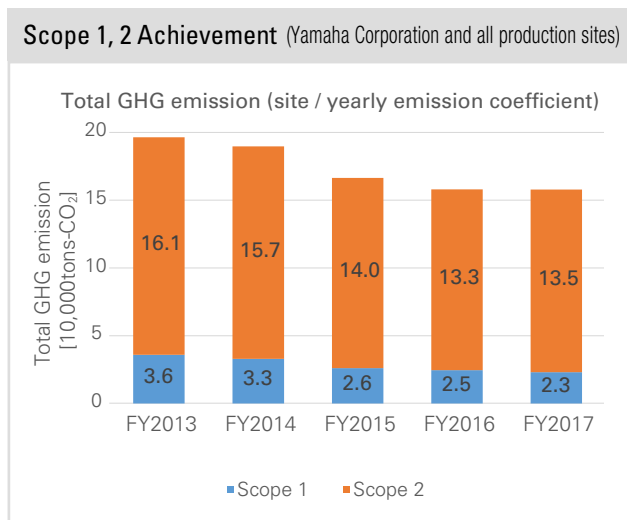
[» Verification Statement](#)

### ► Initiatives and Achievements to Date

The Yamaha Group recognizes that the “2°C Target” of the “Paris Agreement” is a standard with science-based evidence with regard to Scope1 and Scope2 GHG emissions, and intends to use the industry-specific calculation tools from the “SBT (Science Based Targets)” international initiative determine its medium-to-long-term reduction plan.

[» Science Based Targets/Companies Taking Action](#)

As an energy-saving initiative, the Yamaha Corporation and its production sites in Japan set the goal to reduce CO<sub>2</sub>emissions intensity by 1% each year, and overseas production sites have set their goals using numerical values corresponding to each site, and all locations are proactively working to achieve their targets.



\*GHG ... Green House Gas

- Combined value of indirect emission through purchased electricity and steam, direct emission of carbon dioxide through in-house power generation heat usage, and GHG emission through manufacturing processes. (Scope 1+2)

- This data was collected from Yamaha Group headquarters, major manufacturing factories, and resort facilities on a worldwide basis. (estimated to consist over 90% of all Yamaha Group sites)

### ► CO<sub>2</sub> Absorption through Tree Planting Activities in Indonesia

After conducting “Yamaha Forest” tree planting activities between fiscal 2006-2017 in Indonesia, in fiscal 2018 the Company confirmed the growth status of the forest by satellite imagery and estimated the CO<sub>2</sub> volume absorbed by the trees. The Company estimates that approximately 42,000 tons of CO<sub>2</sub> was absorbed until now.

[» Protection of Biodiversity](#)

[» Environmental Data](#)



## Reduction of Greenhouse Gases

### ► Manufacturing Process Initiatives

#### Energy Conservation Activities at String and Percussion Instrument Factory

Yamaha Music Manufacturing Japan Corporation, which manufactures string and percussion instruments, established the Energy-saving Promotion Committee, and since then has been engaging in initiatives to reduce CO<sub>2</sub> emissions. Measures taken included ensuring the appropriate pressure for compressors, partitioning work booths, introducing power usage monitors and installing mosquito screens in offices. The company implemented measures to save space and improve energy efficiency by consolidating equipment inside factories and rationalizing equipment layouts. In fiscal 2016, the company applied a thermal-barrier coating on the roof of the factory, improving air conditioning efficiency as a result. The company will continue to conserve energy through appropriate management of air conditioning and process integration.

#### Energy Conservation Measures at Piano Factory

Yamaha Music Manufacturing Japan Corporation\* is conducting a range of ongoing efforts to conserve energy.

Specific activities include the removal of unnecessary lighting, changing from rapid-type fluorescent lighting to Hf-type lighting, replacing compressors with inverter compressors, updating distribution transformers and air-conditioning equipment, improving air-conditioning control, and others. With these activities, we have achieved our goal, including reducing CO<sub>2</sub> emissions by approximately 198 tons, and reducing electricity usage by approximately 383MWh for the cumulative total over four years from fiscal 2015.



Cogeneration equipment at Kakegawa Factory

#### Reduction of Peak Power at Factory

At Yamaha Fine Tech Co., Ltd., power consumption was reduced by efficiently managing air-conditioning and sprinkling water on the factory roof during the period of peak power consumption. In fiscal 2015, a summer system (July-September), whereby the start time is moved two hours ahead to 6:00 a.m., was introduced for the automobile interior parts painting process where the air-conditioning load is high. Through these measures, the peak power point was shifted from 2:00 p.m. to 11:00 a.m. Peak power consumption was reduced by approximately 310kWh in the hotter part of the afternoon, and power consumption by 200,000kWh during the three-month period. Moreover, improved labor efficiency enables the company to save electricity by shortening facility operating hours.

We will continue efforts to reduce power consumption through a range of measures, such as reducing the number of air-conditioning and heating units required, by reviewing workplace layout the use of steam during the winter.

#### Energy Conservation Activities at a Factory in China

Hangzhou Yamaha Musical Instruments Inc. introduced various energy-saving measures that include making technological improvements and enhancing everyday management to suppress growing energy consumption as a result of increased production.

Recognizing these energy-saving efforts to help the environment, Hangzhou City officials presented the company with “Cleaner Production Certification\*1” in accordance with China’s Cleaner Production Promotion Law at the end of 2011.

Since then, the company has implemented measures to reduce energy usage as follows:

- The appropriate operation management of dust collectors
- Reducing water supply operation times, the strategic use of lighting, and reducing the amount of time lights are used
- An automatic control system for dust collectors was introduced and digital electricity meters were installed in switchboards to further minimize energy consumption, thereby reducing downtime for machinery at night
- Sequential shift of electric light to LEDs.



Notice board of environmental activities such as those for saving energy



Environmental education for employees

## ► Environmental Initiatives at Resort Facilities

Yamaha Resort Inc. is working to reduce CO<sub>2</sub> emissions as follows:

### **Introduced a means of concentrating on work (Katsuragi Kitanomaru)**

Established fixed dates of closure. Power consumption reduced approximately 10%.

### **Reduced power consumption of golf course operations (Katsuragi Golf Club)**

Green fan (greens maintenance) and air-conditioning in the facilities were adjusted, resulting in an approximately 25 MWh drop in power consumption per year

### **Introduced electric golf carts (Katsuragi Golf Club)**

Gasoline-powered golf carts have been replaced with electric models.. Eliminated more than 8 tons of CO<sub>2</sub>emissions a year.

### **Changed lighting to LEDs.**

Implemented in prioritized areas where business necessitates keeping lighting on, resulting in a yearly reduction of around 25 MWh

## ► Initiatives at Offices

### **Key Measures to Conserve Electricity**

Efforts included reducing the amount of lighting (after examination of luminance), introducing LED lighting, turning off advertising lights, suspending elevators and notifying employees of power consumption to raise awareness.

### **The Move to LED Lighting**

The Yamaha Corporation headquarters saved about 38MWh of power per year by replacing approximately 830 florescent lights and mercury lamps with LED lighting in offices between fiscal 2014 and 2018. In fiscal 2015, the Yamaha Toyooka Factory saved approximately 44MWh by changing outside lighting to LEDs. Moreover, in fiscal 2017, 1,100 units of indoor fluorescents lights were changed out to LED lights, resulting in a power savings of approximately 15MWh per year. Further efforts will be taken to systematically install more LED lighting in factories and business sites in the future.

In fiscal 2018, the initiative to save electricity every day at the headquarters office was recognized as the Company received the “2017 Excellence in Energy Management Company” award by the Chubu Electricity Use Rationalization Committee in February 2018.

### **Implemented “Cool Biz” and “Warm Biz” initiatives**

Summer (May to October): Encourage light attire such as no necktie and set air conditioning temperature to over 28°C

Winter (November to March): Wear warmer clothes so as not to rely too heavily on heating equipment and set temperature of heaters to under 20°C



In-house educational posters promoting the Cool Biz and Warm Biz programs

### **Participated in the Ministry of the Environment’s Lights Down Campaign**

The Yamaha Group’s offices and facilities have participated on an individual basis in the Lights Down Campaign, where businesses turn off illuminated outdoor advertising. The campaign raises awareness of saving electricity and realizing use of daily lighting.

Performance in fiscal 2017: 20 facilities conducted and cut back electric power consumption by approximately 2,600kWh while reducing CO<sub>2</sub>emissions by approximately 1.0 ton.

Performance in fiscal 2018: 20 facilities conducted and cut back electric power consumption by approximately 1,100kWh while reducing CO<sub>2</sub>emissions by approximately 0.5 tons.



### Green Eco Curtain Activities

These activities conserve energy and boost awareness in employees by planting “curtains” of morning glories, bitter melon and other vine-type plants along the windows and walls of the buildings.



Green Eco Curtain at Yamaha Corporation's headquarters office



Green Eco Curtain at Yamaha Labor Union office

### ► Initiatives in Logistics

#### Saving Energy and Reducing CO<sub>2</sub> Emissions in Logistics

The Yamaha Group is working to increase energy efficiency and reduce CO<sub>2</sub> emissions in logistics operations. Guided by a basic policy of raising transport efficiency, we continually review transport routes, adopt routes that incorporate more efficient modes of transport, raise container loading ratios, streamline loading sites and warehouse facilities, and conduct joint transport with other companies. Efforts are also being made to reduce CO<sub>2</sub> emissions by disposing of waste locally and switching from air to sea for international shipping.

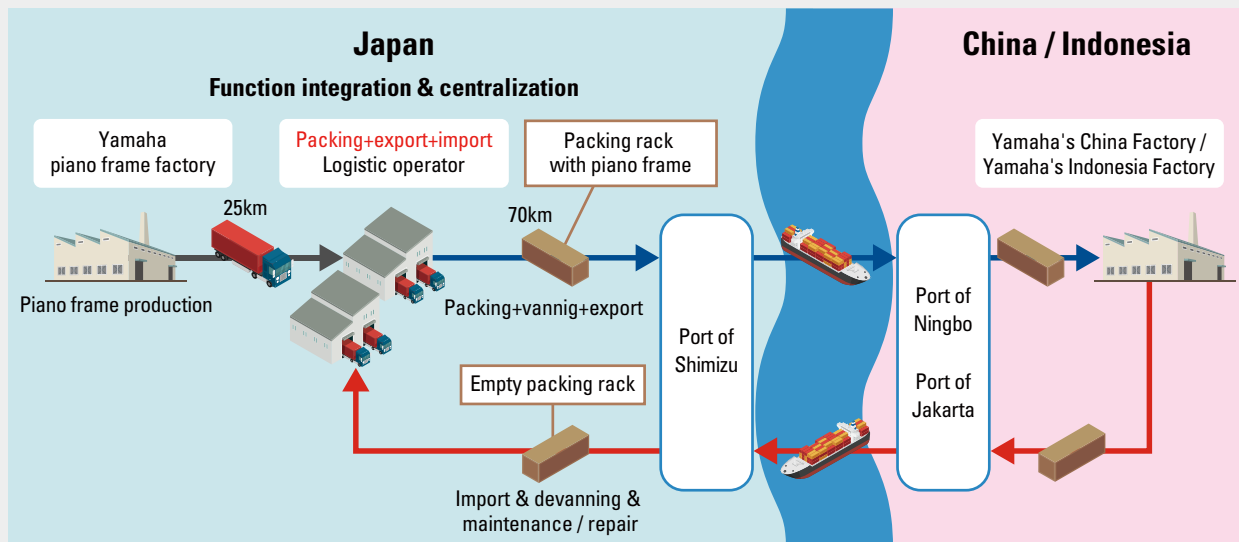
The Yamaha Group's total domestic transport volume and CO<sub>2</sub> emissions in fiscal 2018 remained about the same compared to the previous fiscal year, reaching 1,859 million ton-kilometers, while CO<sub>2</sub> emissions also resulted similar to last year's figures reaching 2,820 tons. Reducing CO<sub>2</sub> emissions from logistics requires the cooperation of transport companies, so we are working with them to develop appropriate systems by requesting transportation companies we work with to cooperate in environmental efforts and incorporating environmental matters into questionnaires.

» [Environmental Data](#)

#### Reduced Resources and CO<sub>2</sub> Emissions in Piano Frame

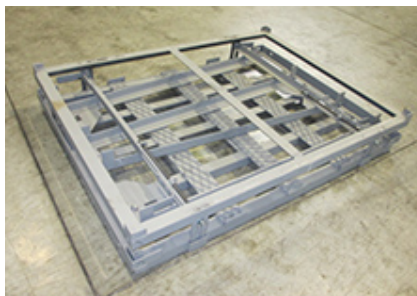
Previously, Yamaha used disposable iron packing racks when transporting piano frames from Japan to overseas factories. We are gradually introducing returnable packing racks for piano frames that can be used multiple times in order to encourage conservation of resources. In addition, by shortening the transportation route and improving load efficiency, the Company achieved a 100-ton reduction in CO<sub>2</sub> emissions associated with the disposal of iron packing and a 1,600-ton reduction in iron resource consumption for the year. Going forward, we will examine the possibility of shortening transport distance and reducing disposable packing materials, including for parts aside from piano frames.

Flow chart of logistics of returnables





Returnable rack for grand piano frames



Folded packing rack (when being returned)

### Conserving Resources and Reducing CO<sub>2</sub> Emissions by Standardizing Packing Materials for Shipping Components and Materials

The Yamaha Group designs and standardizes packing boxes according to container size used in transportation, thereby improves the loading ratio of the container. This has let us reduce the number of containers used and eliminate 3 tons of associated CO<sub>2</sub> emissions a year. The Group has also cut down on paper resource usage by designing packaging that uses as little cushioning and other packaging material as possible.

Our assumption is that the supply of materials and components from overseas locations to Japan will increase. Therefore, we first designed the standard packing boxes for piano components that can be used between China and Japan, and we are conducting validation for its practical use.



Loading container with packing boxes prior to standardization (left), Loading container using standardized packing boxes (right)

## Protection of Biodiversity

### Responsibility as a Company Using Timber

The Yamaha Group conducts business activities supported by natural resources and an ecosystem that produces these resources, such as using timber as a raw material to make a variety of products including acoustic musical instruments. The Group promotes applicable business activities, appropriate timber use and environmental preservation activities based on its commitments for the preservation of forests and biodiversity, as stated in our sustainability and environmental policies.

» [Yamaha Group Sustainability Policy](#)

» [Yamaha Group Environmental Policy](#)

» [Use of Sustainable Resources](#)

## Initiatives for Environmental Preservation/Protection of Biodiversity

### ► Measures for Chemical Substances

In an effort to inhibit the impact of chemical substances on the environment and ecosystem, Yamaha is working to strengthen management and reduce usage, and implementing measures to prevent leakage.

» Prevention of pollution

### ► Water Quality Preservation

We build treatment facilities, and monitor and audit them so that the wastewater from processes will not contaminate public water systems, land and groundwater.

» Prevention of pollution

### Evaluation of the Impact of Factory Wastewater on the Ecosystem (Toyooka Factory)

In 2016, Yamaha Corporation's Toyooka Factory conducted an evaluation to assess the impact of factory wastewater on the ecosystem. At the Toyooka Factory, Yamaha Music Manufacturing Japan Corporation produces wind instruments, and detoxifies wastewater generated in production processes before releasing it into waterways. In this investigation, we evaluated the effectiveness by using the WET Method\*, and confirmed that the impact on the ecosystem is minimal.

\* WET method: Whole Effluent Toxicity. This is the wastewater management method to evaluate whether the wastewater from factories/businesses is harmful to ecosystems by measuring the impact on the existence, growth and reproduction of aquatic organisms, such as algae, water fleas, and fish in diluted wastage.

### ► Preservation of Forests/Natural Environments

#### Yamaha Forest Activities in Indonesia

Yamaha Corporation and six local Indonesian subsidiaries\*<sup>3</sup> carried out Yamaha Forest activities in the form of planting in Indonesia from fiscal 2006 to 2017, thus contributing to the regional society. Indonesia is a treasure trove of diverse world species. In recent years, however, the forests that produce the bounty of biodiversity have been in rapid decline.

Phase 1 activities of the Yamaha Forest project begun in fiscal 2006 involved planting approximately 110,000 saplings over approximately 127 hectares of public land in Sukabumi, West Java in efforts to restore the functionality of the forest together with Yamaha Motor Group. This area is designated by the provincial government as "HUNTAN KOTA" (city forest preserve), and is managed appropriately. In Phase 2, which commenced in fiscal 2011, the project involved planting approximately 50,000 saplings over approximately 50 hectares of arid land in Ciremai National Park in Kuningan, West Java to regenerate the forest and recover the ecological system.

Yamaha worked with the Japan International Cooperation Agency (JICA), the Ministry of Forestry of the Republic of Indonesia, and the Forestry Department of the University of Kuningan. These initiatives involved planting tree types selected based on academic studies in order to restore natural forests and rehabilitate ecosystems in accordance with regional characteristics. A tree planting event was held annually and various local parties participated. The event consisted of commemorative tree planting and educating the children involved about the environment.

Yamaha transferred control of this area to Ciremai National Park in fiscal 2017 and it will be preserved for future generations through the management of the local government and people involved.

In fiscal 2018, the Company both confirmed the status of forest growth using satellite imagery, and estimated the CO<sub>2</sub> emissions absorbed by the forests in both Yamaha Forest areas for both Phases 1 and 2. The Company estimated that approximately 42,000 tons of CO<sub>2</sub> have been absorbed until now.

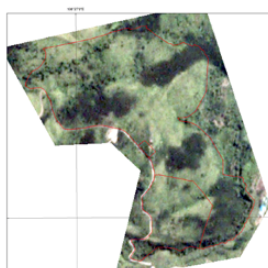
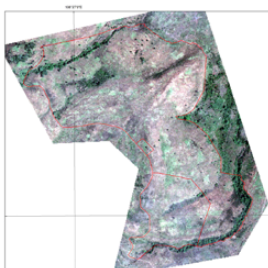


## Achievements of Indonesia Yamaha Forest Activities

|  | Phase I (FY2006 — FY2010)   | Phase II (FY2011 — FY2015)  |
|--|---|---|
| <b>Sponsor</b>   | Yamaha Corporation and six local Indonesian subsidiaries<br>Yamaha Motor Co, Ltd. and two local Indonesian subsidiaries   | Yamaha Corporation and six local Indonesian subsidiaries  |
| <b>Cooperation</b>   | OISCA   | Japan International Cooperation Agency (JICA), Local National Park Management Office, National Kuningan University Forest Department  |
| <b>Location</b>  | Sukabumi Regency, West Java, Indonesia  | Chiremei Mountain National Park, Kuningan Regency, West Java, Indonesia   |
| <b>Period</b>  | From December 2005 to March 2010  | From December 2010 to March 2015 (planting activities)<br>April 2015 to March 2017 (Maintenance)  |
| <b>Main cause of forest loss</b>                                 | Destructive timber practices  | Forest fire   |
| <b>Purpose</b>   | Recovery of biodiversity, recharge water source, prevention of soil erosion, CO <sub>2</sub> absorption and fixation  | Recovery of biodiversity, recharge water source, prevention of soil erosion, CO <sub>2</sub> absorption and fixation  |
| <b>Area</b>  | 126.7ha   | 50ha  |
| <b>Number of trees</b>   | 115,110   | 52,870  |
| <b>Type of tree</b>  | Mahogany, teak, Paraserianthes falcataria, eucalyptus, Melina, Meranti etc. Total of 21.  | Based on domestic vegetation research (Bayur, Peutag, Salam, AcaciaMimosa, Teurap, etc.) Total of 46.   |
| <b>Content of Activities</b>                                     | <ul style="list-style-type: none"> <li>Planting and management</li> <li>Planting ceremony (total 9,180 participants)</li> <li>Environmental education activities (farmers' group or planting activity at schools, etc.), Education support (support of desk, chair, etc.), Regional support (construction of community water area)</li> </ul> | <ul style="list-style-type: none"> <li>Planting and management (participated in JICA's Rehabilitating Degraded Lands Project for protection of biodiversity)</li> <li>Planting ceremony (total 1,300 participants)</li> <li>Environmental education for elementary school students</li> </ul> |
| <b>CO<sub>2</sub> Absorption Volume Fiscal (FY2018 estimate)</b> | 30,929 tons (12 years)  | 11,542 tons (7 years)<br>People related to Yamaha totaled 120   |



Left: Start of planting (2011) , right: Steady growth (2017)



Planting area satellite imagery (right: 2009, left: 2017/survey: Kokusai Kogyo Co., Ltd.)

## ► Enshunada Coastal Forest Recovery Support

As one part of our environmental preservation activities, Yamaha Corporation signed on as a “Shizuoka Forests of the Future Supporter” with Shizuoka Prefecture and Hamamatsu City in March 2007.

Based on this agreement, Yamaha works to support reforestation of the Enshunada Coastal Forest in Hamamatsu City. This activity is to continuously plant young trees in the coastal forest that was seriously damaged by pine weevils. Trees planted have been growing steadily.

In October 2017, the 10th planting event was planned jointly, with Yamaha Motor Co., Ltd. participants, including employees of Yamaha and Yamaha Motor and their families, members of the community, and related parties intended to join the event. However, it was cancelled due to an approaching typhoon. After the weather cleared, the in-house personnel in charge of the environment, the Hamamatsu City Park management staff, and parties related to garden maintenance planted trees.

### Planting achievement

| Timing         | Number of trees |
|----------------|-----------------|
| 1st year 2008  | 115             |
| 2nd year 2009  | 180             |
| 3rd year 2010  | 150             |
| 4th year 2011  | 155             |
| 5th year 2012  | 160             |
| 6th year 2013  | 200             |
| 7th year 2014  | 300             |
| 8th year 2015  | 480             |
| 9th year 2016  | 245             |
| 10th year 2017 | 330             |
| Total          | 2,315           |



After planting



Staff who planted trees



These activities were given the certification label (smile label) by the “Shizuoka Future Forests Supporter” office in the Forest Resources Division of the Environmental Protection Bureau of Shizuoka Prefecture’s Community and Environmental Affairs Department. This certifies that these activities serve as a physical contribution (smile 1), a financial contribution (smile 2), and a partnership with the region (smile 3).



Smile 1: Physical contribution



Smile 2: Financial contribution



Smile 3: Partnership with the region

### ► Preservation Activities for Protecting Scarce Species

In September 2017, the “Baby Sea Turtle Observation and Sustainable Beach Strategy” event planned by Yamaha Motor Co, Ltd. was held at Enshunada Beach in Hamamatsu City, Shizuoka Prefecture. A total of 82 employees from the Yamaha Group participated. Since 1991, Yamaha Motor Co, Ltd. has continued these preservation activities to save the baby Carettinae turtles, which were categorized as an endangered species.

On the day of the event, members learned about the habitat and costal environment of the Carettinae, released baby Carettinae to the sea, and removed waste from the beach. Vegetation not natural to the area was also removed from the beach to protect the chaetodera laetescripta, scarce organisms that live on the sandy beach.



Releasing baby Carettinae to the sea





Removal of alien vegetation




# Application of Environmental Technologies

## Products supporting the reduction of environmental load


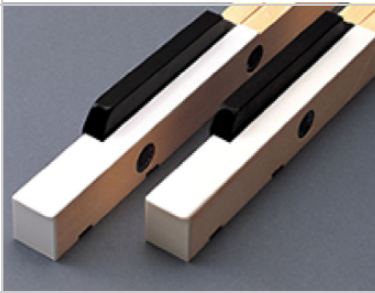

| Products/Services   | Environmental feature/effect  | Appearance   | Related pages   |
|---|---|--|---|
| <b>Micro prober</b><br>(a conduction and insulation inspection device produced by Yamaha Fine Technologies Co., Ltd.) | Reduce waste and saves resources by improving yield rate of test objective products         |    | <a href="#">» Micro prober</a>                        |
| <b>Helium Leak Tester</b><br>(Yamaha Fine Technologies Co., Ltd. product)   | Comply with automobile environmental regulations. Reduces environmental load while driving. |   | <a href="#">» Helium Leak Tester</a>                  |
| <b>Hydrogen leak detector</b><br>(Yamaha Fine Technologies Co., Ltd. product)   | Promote hydrogen as next generation energy  |  | <a href="#">» Table-top sniffer hydrogen detector</a> |

## Products Considering Timber Resources



### Protection of Natural Forests

| Products/Services        | Outline  | Appearance   | Related pages                           |
|--------------------------|--|--|---|
| Electric guitar "RGX-A2" | Use afforested timber in place of natural timber |  | <a href="#">» RGXA2 (Japanese Only)</a> |

## Substituting Parts for Scarce Timber

| Products/Services                               | Outline   | Appearance  | Related pages |
|---|---|---|---------------|
| Glass- strengthened plastic resin "Acoustalon™" | Substitute Marimba sound board parts made from scarce timber using alternative material |   | —             |
| Ebony-style natural wood                        | Substitute piano black key parts made from scarce ebony using alternative material      |   | —             |
| Carbon bow                                      | Substitute for Brazilwood and other rare woods used                                     |  | —             |

## Chemical Substance Use Control (timber reform using A.R.E.)

| Products/Services  | Outline  | Appearance   | Related pages                                 |
|--|--|--|---|
| YVN500S acoustic violin, L Series acoustic guitar, etc., | Using A.R.E. *treatment on body materials to improve sound features without using chemical substances        |  | <a href="#">» YVN500S</a>                     |
| Yamaha Hall in the Yamaha Ginza Building                 | Using A.R.E.*treatment on stage floor to improve the sound characteristics without using chemical substances |  | <a href="#">» Yamaha Hall (Japanese Only)</a> |

\* A.R.E.: Acoustic Resonance Enhancement

Yamaha's proprietary technology for aging wood in a short time to improve its acoustic characteristics. Through precise control of temperature, humidity, and atmospheric pressure, the acoustic properties of the wood can be manipulated into a more ideal condition, similar to the acoustic characteristics of wood materials in instruments that have been played for years. Existing timber reform technologies are achieved utilizing chemical agent-based reforming method; however, A.R.E. does not use chemical agents in the processing stage at all. Therefore, this technology has a lower environmental impact.

[» Yamaha Eco-Products Program](#)

# Fair Operating Practices

## Prevention of Corruption

### Anti-corruption Policy

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In accordance with the United Nations Global Compact, the Yamaha Group has declared its intention to work against corruption, which is one of the Global Compact's principles. The Group also stipulates in its Compliance Code of Conduct that it rejects improper relationships with customers, governments, local governments and public institutions and that it will engage only in fair dealings.

» 5-4 Elimination of improper relationships (gift giving, business entertainment, etc.)

» 7-1 Transactions with governments, local governments and public institutions

» 7-2 Prohibition against gift giving to and entertainment of government officials, etc.

» 8-5 Prohibition against gift giving to foreign government officials

### Efforts to Be Thorough in Preventing Corruption

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The Yamaha Group has established and implements rules on entertainment and gift-giving for each department, based on the Yamaha Compliance Code of Conduct. In addition, Yamaha's legal department conducts activities to raise awareness among Group companies concerning international conventions and regulations to prevent corruption, such as the prohibition of bribery of public servants. At Group companies overseas, we make an effort to understand risks related to corruption, such as indirect gift-giving by our business partners, not only by the Group itself.

#### ► Risk of Gift-Giving in Business Activities

In countries where specific business activities for educational institutions and public venues or construction of factories require approval from government bodies, the Yamaha group is required to negotiate with government institutions. Yamaha is aware that the risk of gift-giving is high in business domains and countries such as these, and is engaging in efforts as a response to this risk.

In regards to specific regions, Yamaha particularly focuses its efforts on the BRICs countries, which rank high in the corruption perception index run by Transparency International, an NGO for the prevention of corruption, and Indonesia, where Yamaha has many group companies.

#### ► Preventing Gift-Giving to Public Servants in Japan and Overseas

Yamaha's overseas group companies have a particularly high awareness of the issue of giving gifts to public servants. Practically all of our overseas group companies (31 out of 33 companies) either have measures in place to discipline employees who commit bribery, or the ability to discipline employees.

Meanwhile, only around 30% of our overseas group companies have established concrete countermeasures regarding the risk of gift-giving by their business partners, an issue that we know requires attention in the future.

#### ► System, Measures, and Training for the Prevention of Corruption

In order to prevent unfair trade practices such as bribery, Yamaha Group companies, mainly overseas, take various measures.

Also, we require both Japanese and overseas group companies to conduct self-assessments in order to assess compliance status including prevention of corruption.

#### ► Discovered Cases of Corruption

There were no reports of bribery at Yamaha in fiscal 2018 by any person claiming to be a Yamaha supplier or employee.

» [Compliance \(Helpline system\)](#)

# Responsible Participation in Politics

## Relationships with Governments, Local Governments and Public Institutions

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With respect to involvement in politics and policies, the Yamaha Group aims to demonstrate good faith in formulating and promoting policy that benefits not only our stakeholders but society as a whole.

Guided by this philosophy, we maintain appropriate relationships with the governments and politicians in accordance with prescriptions concerning relationships with such in the Yamaha Compliance Code of Conduct.

» [7-1 Transactions with Government and Public Officials](#)

» [7-2 Prohibition Against Gift Giving to and Entertainment of Government Officials, etc.](#)

» [7-3 Political Contributions](#)

» [7-4 Response to Government Authorities](#)

## Political Contributions

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The Yamaha Group takes a neutral stance toward political parties and politicians, and it complies with the Public Office Election Law, the Political Funds Control Law and other laws and ordinances related to politics. It prohibits contributions to an individual politician since it is prohibited by law, and to a political organization or party in excess of the permissible amount under the law.

Under authoritative regulations for political contributions of 500,000 yen or more, it is mandatory for Yamaha Corporation to obtain approval of the company president, consult with the General Administration Division, the Corporate Finance Division and the Legal Division, as well as confirm the contribution with the Executive Officers in charge of internal audits. Group companies are also required to conform to the restrictions placed on each country's political fund control laws when making political contributions or payments of any kind to politically-related persons or persons belonging to public institutions in addition to the same regulations as Yamaha Corporation.

Furthermore, the Executive Officers in charge of internal audits carry out an audit of political contributions every April and determine whether or not these rules are being appropriately obeyed throughout the Group.

» [7-3 Political Contributions](#)

# Fair Trade Practice

## Basic Policy

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The Yamaha Group does not engage in any unfair trading practices or unjust practices designed to restrict competition, and makes every effort to ensure fair competition, the bedrock of healthy development in a market economy.

Moreover, as a partner working closely with its suppliers, Yamaha strives to maintain trusting relationships by proactively practicing fair trade. Yamaha familiarizes all its employees with rules governing corporate practices concerning market competition and rules regarding the maintenance of fair relationships with suppliers as laid out in the Yamaha Compliance Code of Conduct.

» [5. Relationship with Business Partners](#)

» [6. Relationship with Competitors](#)

## Mechanisms and Policies for Ensuring Fair Competition and Trade

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Our accounting system employs mechanisms that allow for managing business conducted with subcontractors and preventing payment delays.

Furthermore, through opportunities that include conferences with Procurement Department employees, we inform internal departments of related standards and notifications from the government regarding the Subcontract Act as part of measures to stay abreast of and familiarize employees with legal requirements.

## ► Legal Training for Fair Trade Practices

In Japan, the manufacturing industry in particular heavily relies upon subcontracting and, as such, fair trade is an important topic. Every year, the Yamaha Group conducts training on laws and regulations including the Subcontractors Act, the Antimonopoly Act, and consumer laws. In fiscal 2018, a total of approx. 140 employees from domestic group companies participated in the Antimonopoly Act and the Subcontractors Act training programs.

In addition to this, within a personnel development program suited to career stages, we disseminate knowledge regarding compliance points specifically relating to fair trade.

Overseas, even in sales and business companies, we promote training for fair trade. For instance, in Europe, we prevent unfair trade practices such as resale price fixing among retailers by stipulating this clearly in business agreements and educating employees.

### Legal training\* (Yamaha Corporation and domestic Group companies)

|                             | FY 2016   | FY 2017   | FY 2018   |
|-----------------------------|-----------|-----------|-----------|
| Legal training participants | About 180 | About 220 | About 140 |

\*Total participants



Legal training

## Fair Competition Violations

In fiscal 2018, the Yamaha Group is cooperating with written inquiries from the Small and Medium Enterprise Agency and the Fair Trade Commission in Japan. The Group has not received an order or warning due to violations of laws and ordinances.

## Promotion of Social Responsibility in the Value Chain

### Basic Policy

The Yamaha Group promotes sustainability throughout the entire value chain in areas such as product and service development, materials procurement, manufacturing, selling and recycling.

» [Sustainability Issues in the Value Chain](#)

### Promoting Sustainability in the Supply Chain

Yamaha products are primarily manufactured by Yamaha Group companies with manufacturing facilities in Japan, China, Indonesia, and Malaysia. Each production site adheres to Yamaha policies related to procurement when procuring raw materials and components. Suppliers are selected according to the standards set in the Yamaha Group Purchasing Philosophy. When transactions begin, suppliers are requested to comply with the Yamaha Supplier CSR Code of Conduct and conduct a self-assessment. Suppliers may be asked to take action when areas of improvement are recognized as a result of the assessment.

## ► Yamaha Policies Related to Procurement

- » Yamaha Group Purchasing Philosophy
- » Yamaha Group Timber Procurement Policy
- » Green Procurement Standards
- » Response to Conflict Minerals

## ► Sustainability-related Requests to Suppliers

We require suppliers to comply with the “Yamaha Supplier CSR Code of Conduct,” which documents requests made by suppliers in writing, and to conduct a self-assessment.

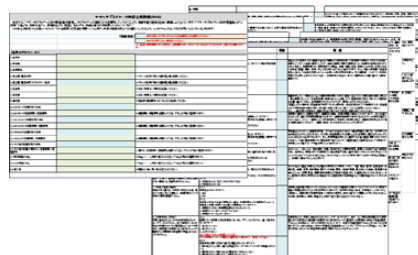
Furthermore, Yamaha clearly stipulates [the Yamaha Supplier CSR Code of Conduct](#) in every business agreement.

| Sustainability-related Requests to Suppliers (Yamaha Supplier CSR Code of Conduct)*1 |  |                            |  |
|--|--|----------------------------|--|
| Category   | Requests   | Category                   | Requests   |
| Labor and Human Rights   | No forced labor<br>No child labor<br>Appropriate working hours<br>Fair wages and benefits<br>No inhumane treatment<br>Non-discrimination<br>Freedom of association<br>Handling of conflict minerals                                | Environmental Conservation | Compliance with environmental regulations<br>Resource and energy saving<br>Wastewater management<br>Air emission management<br>Proper disposal of solid waste<br>Management of chemical substances<br>Management of hazardous substances<br>Biodiversity conservation                        |
| Occupational Safety  | Safe workplace<br>Accident prevention and emergency preparedness<br>Prevention of occupational injury and illness<br>Management of physically-demanding work<br>Machine & equipment safety measures<br>Healthy and safe facilities | Ethics                     | Prohibition of all forms of corruption and bribery<br>Prohibition of anticompetitive behavior<br>Information disclosure<br>Provision of appropriate product information<br>Fraud early detection and prevention<br>Protection of intellectual property<br>Protection of personal information |

\*1 In addition to the above, suppliers of lumber are requested to procure sustainable timber resources.



Yamaha Supplier CSR Code of Conduct



Yamaha Supplier CSR Self-Assessment Questionnaire

## ► Status of Supplier CSR Self-Assessment

From fiscal 2016 to fiscal 2017 we requested Yamaha Group’s tier 1 suppliers (totaling 4,044 companies\*2) to conduct self-assessment. Based on responses from 3,981 companies, we requested correction in writing to four companies specifically in need of improvement and verified those corrections.

In fiscal 2018, self-assessments were conducted at 79 companies which began new transactions. We plan to conduct the next overall survey in fiscal 2020.

\*2 The overall number is given as some suppliers may have conducted more than one self-assessment due to having multiple local production companies.



## ► Education for Employees in Charge of Procurement

The Yamaha Group promotes internal training for its employees in charge of procurement to ensure to fair trade, such as the Act against Delay in Payment of Subcontract Proceeds, etc. (Subcontract Act), laws related to contracts, and various regulations related to trade and procured goods. Also we held orientation meetings for our employees who request suppliers to adhere to the Yamaha Supplier CSR Code of Conduct and introduce self-assessment. In fiscal 2018, a total of 26 employees participated in study sessions related to sustainable procurement of timber at the Yamaha Corporation headquarters, gaining a deeper understanding of CSR procurement.



CSR procurement orientation meetings (Malaysia)



CSR procurement orientation meetings (Indonesia)



Study session about sustainable procurement of timber (Japan)

## Responsible Raw Material Procurement

In the procurement of various types of raw materials, such as natural resources, it is important to practice responsible procurement with a view to the impact on the environment and society. The Yamaha Group is focused on themes that include green procurement and the sustainable procurement of timber, an important natural resource for instruments and other products.

» [Click here for our efforts at sustainable timber procurement.](#)

» [Click here for our green procurement activities.](#)

## ► Combating conflict minerals

Mineral resources such as tin, tantalum, tungsten, gold and others mined in the Republic of the Congo and neighboring countries are called “conflict minerals” as they may be the source of funds for armed groups violating human rights through inhumane acts including violence and plunder. Aiming to procure minerals that play no part in the violation of human rights or environmental destruction, the Yamaha Group promotes efforts to stop the use of conflict minerals. To satisfy clients who demand that we investigate the sources of raw materials, we promote initiatives for our suppliers to avoid the use of conflict minerals based on the Yamaha Supplier CSR Code of Conduct.

## Communication with Business Partners

The Yamaha Group promotes communication with its business partners and subcontractors. In Japan, we share information about management, production, sales trends, suppliers that provide us with raw and processed materials, parts, and equipment, and subcontractors that provide construction and other services. In addition to cooperating in worker safety and environmental conservation, we also strive to foster an atmosphere in which it is easy to share thoughts through activities that tighten bonds of friendship. Furthermore, we tour the waste treatment subcontractors that come to our domestic production bases, inspecting the environment and discussing issues.

### Events held in fiscal 2018

Annual general meeting - Three times a year (once each with suppliers, distributors, and subcontractors in equipment/construction, etc.)

Briefing session on trends in production and sales - Once a year with suppliers

Safety and health inspection patrols - Site construction work at 2 factories

Waste management subcontractors - Site tours taken at 24 companies

# Respect for Property Rights (Protecting Intellectual Property)

## Basic Policy and Framework

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The Yamaha Group has worked hard to acquire patents and other intellectual property rights for the intellectual capital we have built up since our founding, and are taking a variety of measures aimed at maximizing the business benefits of intellectual property. We also respect the intellectual property rights of third parties, and have made this clear in our Compliance Code of Conduct.

Under the guidance and support of Yamaha Corporation, all the group companies respectively manage their intellectual property to promote intellectual property strategies in collaboration with business strategies and R&D strategies. Moreover, Yamaha has or encourages to have 1) provisions for handling intellectual property rights, such as patents and design rights, related to creation that occurs in the course of business duties and 2) a compensation system in place.

» [6-3 Respect for Intellectual Property Rights](#)

## Measures to Protect Intellectual Property

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The Yamaha Group works to protect intellectual property based on respect for third parties' intellectual property rights while proactively acquiring rights to new intellectual property that is created in the course of business activities. When conducting a preliminary survey upon acquiring intellectual property rights, the Yamaha Group strives to avoid infringing on existing rights by improving the precision of its surveys through the implementation of tools that utilize AI technology.

In addition, Yamaha holds educational sessions for employees so that they may appropriately use intellectual property held by Yamaha or other companies. In addition to training upon hiring, Yamaha Corporation has in fiscal 2017 been strengthening its position-based training, including sessions related to the general management of intellectual property for management and mid-career employees.

### ► Patents

We have formulated a patent strategy to match the characteristics of our business and are aiming to build a strong patent portfolio.

With regard to each business, we are engaged in patent activities with the main aims of differentiation from other companies as well as acquisition and maintenance of business superiority, and we are moving forward with licensing to third parties in some business areas.

What's more, regarding all patent rights retained in Japan and overseas, every year we conduct evaluations, including the state of current utilization and future possibilities, and rigorously categorize and organize intellectual property which can contribute to Yamaha's unique product development and the establishment of a competitive advantage. By promoting the optimization of the content and numbers of held rights, we are aiming for the rational use of intellectual property rights.

The total number of patents and utility models for practical use held by the Yamaha Group in Japan as of March 31, 2018 was approximately 4,000. The total number it holds overseas, principally in the United States, European Union, and China, is 4,000.

### ► Design

In the Yamaha Group, we see design as an important element of product differentiation, and are working to protect and use it appropriately. As part of this effort, the Yamaha Group has been strengthening its acquisition of design rights in countries and regions in which there are many victims of counterfeiting.

As of March 31, 2018, we held approximately 1,170 design rights, with 400 in Japan and 770 overseas.

### ► Copyright

In addition to patents, designs, and trademarks, the Yamaha Group creates and owns a large number of copyright works in sound, music, and other fields. In particular, music-related copyrights are important intellectual property, and Yamaha tries to manage and fully utilize these rights (including through legal action).

Education and training on the proper use of copyright works are also provided to employees. In addition to holding annual copyright seminars, we invite experts from various industries relating to copyrights, to give lectures once a year. In fiscal 2018, Yamaha invited Ms. Ayuko Hashimoto, a lawyer at Kotto Dori Law Office, to give a lecture.

In addition, the Company has been revising as needed the "Copyright Guide," an in-house training tool related to copyrights, to respond to recent laws, regulations and societal trends. The next revision is planned for fiscal 2019 in accordance with the revision of the Copyright Act in Japan.



Copyright lecture



An in-house training tool related to copyright

## ► Brand

Our brand has been an important asset since the establishment of our company.

The Yamaha Group has been advancing the creation of rules governing how our brands are shown, and working to maintain and improve brand value by achieving appropriate use based on management standards related to Yamaha Brands and the companywide brand management organization (Brand Committee).

Furthermore, Yamaha has trademarked its brand in almost every part of the world, and conducts preliminary investigations and acquires rights via the appropriate methods for the sub-brands of its products, services, and technologies.

## ► Measures to fight counterfeit goods

By continuing measures against unauthorized usage and counterfeit products, which are on the rise across the globe, the Yamaha Group continues to take action against these problems in order to eliminate the economic disadvantage for consumers while ensuring safety and, by extension, maintain trust in the Yamaha brand. With efforts focused on China in particular, we are strengthening measures to stop the sale of counterfeit goods over the Internet and social media in recent years, while filing lawsuits and requesting administrative disciplinary action. We are also strengthening measures in other regions, including Africa.

# Consumer Issues

## Product/Service Information Disclosure

### Structure of Information Disclosure

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The Yamaha Group takes all possible measures to prevent any damage on the lives or physical well-being or the belongings of customers caused by products, services, facilities, etc. provided by the Group. In the unlikely event of an accident, the Group notifies relevant authorities according to the laws and regulations, undertakes a product recall for customer safety, and conducts proactive disclosure of information without delay.

The Group painstakingly convey information to customers using methods that range from information posted on the Company's website to press releases, notification through newspapers and industry magazines, direct mail and telephone. The type of customer contact is determined by the level of gravity and urgency as well as the status of customer product use.

### Situation Regarding Incidents such as Product Defects

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In fiscal 2018, a total of 33 cases were recorded as product accidents or defects within the Yamaha Group.

In November 2017, an accident involving a marching carrying holder occurred in which a bolt on a shoulder strap broke, with another incident involving a bass drum falling. Yamaha provided a free remedy to all customers beginning in December. All of the customers to whom the product was delivered were listed and identified, and were immediately contacted by direct mail or telephone for support.

» [Status of Violation of Laws and Regulations Regarding Accidents and Safety Involving Products and Services](#)

### Initiatives for Awareness of Safety

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The Yamaha Group provides information through media that is easy for customers to access such as instruction manuals, catalogues as well as its website to promote the safe use of its products, and works to enlighten people on safety to prevent accidents from occurring.

Yamaha posts information to promote safety on its catalogues for school-use musical instruments and devices, and also publishes individual product information on its website.

» [For the safe use of products. \(Japanese only\)](#)

### Proper Product Labeling and Advertising

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The Yamaha Group conducts advertising and promotions that accurately convey the details of products and services to customers. At the same time, we strive to provide accurate information related to our products and services in accordance with laws and regulations. To achieve this, we have stipulated our Compliance Code of Conduct and are implementing it. Furthermore, the labeling is validated based on the quality management system.

» [1-3 Proper Advertisement and Publicity and Accurate Presentation of Information](#)

### Status on Violation of Laws Regarding Labeling and Advertising

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In fiscal 2018, 17 incidents of law or regulation violations regarding product labeling were detected (5 cases of non-certification in regulations/period lapse, 5 cases of improper labeling, 4 cases of exceeding standard levels, and 3 other cases). All of the incidents were handled appropriately. No fines were imposed regarding these regulation violations.

# Ensuring Product/Service Safety

## Basic Policy

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The Yamaha Group believes that the safety of its products, services and facilities falls under the concept of fundamental quality that must be provided.

The Group define how we ensure the safety of products and services in our Compliance Code of Conduct. To put this into practice, we are working to organize the structure, and strengthen design processes towards essential safe design.

» 1-2 Ensuring Safety of Products and Services

## Structure and Correspondence to Ensure Safety

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The Yamaha Group endeavors to ensure and improve product safety through the safety-conscious designing of products, and correspondence to safety inspections and Laws and Regulations related to its products.

### ► Safety-Conscious Product Design

The Yamaha Group pursues safety-conscious designing of its products, and its efforts include incorporating a risk assessment process into the design review at the time of development.

Through the risk assessment process, we identify and hypothesize potential risks involved in each product and manner of using it, allowing us to consider the minimization or removal of these risks during the product design process.

In fiscal 2018, we aimed to establish the "R-Map," method\*, a risk assessment process. We are proceeding with activities to further enhance the efficiency of our risk assessment activities using this method.

\* The R-Map method is a method proposed by the Union of Japanese Scientists and Engineers, and visualizes risk on a 6x5 matrix. It is utilized for risk reduction during designing processes and evaluation of product risk. The Ministry of International Trade and Industry, and National Institute of Technology and Evaluation (NITE) also evaluate risks by using the R-Map method.

### ► Safety Reviews of Major Products

The Yamaha Corporation Quality Assurance Division conducts labeling confirmation and safety inspections of the Yamaha Group's major products (approx. 50 products per year) that are actually being sold, and provides feedback of the results to the department in charge, and strives to improve safety.

### ► Corresponding to Product Regulations and Standards in Each Country

Yamaha monitors trends in information for regulations and has decided on an internal policy and developed a structure for full compliance with each country's regulations and standards pertaining to product quality and safety as well as environmental protection.

Based on recent strengthening standards that apply to electromagnetic waves, Yamaha Corporation has installed electromagnetic wave measurement equipment and various other kinds of measurement, analysis and evaluation equipment at this facility. This equipment is used to evaluate products for compliance, mainly in development divisions, with respect to the regulations of relevant countries. Regulations for chemical substances have also become more stringent in each country, and in line with this, Yamaha has created and implemented a management system for chemical substances contained in products and established its own Standards for Chemical Content in Products. These standards have been used to manage chemical substances in products during design and development and have helped facilitate legal compliance as well as minimize the environmental impact of products. The standards undergo revisions as and when necessary, in response to legislative expansion and change, the accession of voluntary standards and other factors. In order to respond to changes in regulations in each country promptly and in an appropriate manner, going forward, Yamaha will work closely with overseas subsidiaries to coordinate information, and will improve systems to manage information on regulations.



An anechoic chamber used for electromagnetic wave measurement



## ▶ Taking Immediate Action When Faced with a Product Safety Issue

The Yamaha Group has put in place a system that places top priority on ensuring the safety of customers. In the event of a product safety issue in the marketplace, employees who receive notification of a safety problem report it immediately to the responsible department and the Quality Assurance Department. The department that receives the report immediately notifies top management of the occurrence of an issue. At the same time, the head of the Quality Assurance Department convenes the relevant departments from across the company, moving to respond to affected customers, notify the appropriate government authorities, and initiate measures aimed at preventing recurrence.

## Training for Product Safety

Since 2010, the Yamaha Group has initiated product safety training courses in human resource training. From fiscal 2018, the Group established a product safety risk assessment course. In addition to introducing case studies of specific safety issues, the Group has commenced training courses in risk management from the product development stage to post-development, essential safety design policies as well as statutory and regulatory requirements with respect to product safety. During the eight years between fiscal 2011 and fiscal 2018, there were approximately 1,404 hours of lectures for these courses attended by a total of 257 employees comprised mainly of engineers and personnel from development areas.

## Status of Violation of Laws and Regulations Regarding Accidents and Safety Involving Products and Services

In fiscal 2018 there were three responses to incidents involving a Yamaha product.

In November 2017, an accident involving a marching carrying holder occurred in which a bolt on a shoulder strap broke, with another incident involving a bass drum falling. Yamaha provided a free remedy to all customers beginning in December. All of the customers to whom the product was delivered were listed and identified, and were immediately contacted by direct mail or telephone for support. Inspection was 95% complete by the end of April 2018.

One regulation violation regarding product safety was discovered (excess amount of lead contained in instrument case straps), which was corresponded with appropriate measures. No damage to customers due to this issue has occurred so far.

» [Product/Service Information Disclosure \(Situation Regarding Incidents such as Product Defects\)](#)

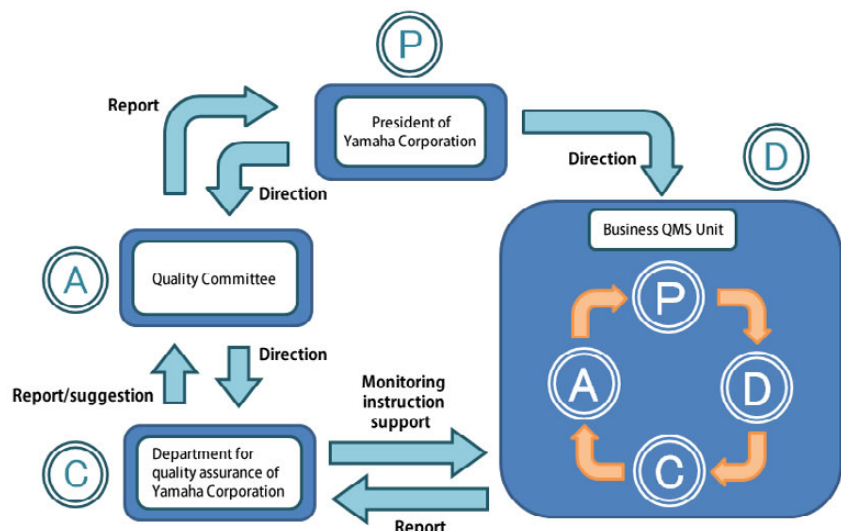
## Quality Assurance

### Quality Management System

The Yamaha Group strives for quality improvement through the operation of a quality management system to ensure the production of high quality products and the provision of high quality services.

Quality policies and objectives as well as important quality-related measures being implemented by the Yamaha Group are deliberated by the Quality Committee and then sent to business divisions by instruction of the president and representative executive officer. Each business division sets its own division objectives in line with the quality policies and objectives set by the president. The Yamaha Corporation Quality Assurance Division confirms whether each business division achieves its goals and monitors quality audits (refer to the next section.)

In addition, the “Group Quality Management Policies & Rules” aims to strengthen governance of quality management in the overall Yamaha Group, and requires that quality information from each Group Company is to be concentrated to the head of the Quality Assurance Division of the Yamaha Corporation.





## ▶ The Site Acquiring ISO 9001 and TS16949 Certifications (As of the end of March 2018)

ISO 9001: acquired in six business domains

ISO/TS 16949: acquired in one business domain

## Quality Audit

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Auditors of the Yamaha Corporation Quality Assurance Division conduct quality audits to check whether or not the quality management of each business QMS unit, as well as the quality of products and services, matches the target level set by Yamaha Group. While urging improvements if needed, the results of these audits are taken into account in improving the company-wide quality management system. On the other hand, each business QMS unit instructs and audits the factories they oversee, both inside and outside of Japan. Every effort is made to further enhance product quality.

In order to further improve the effectiveness of quality audits, the Yamaha Group is striving to make improvements on both the quality audit results and its process.

## Quality Training

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The Yamaha Group's employee quality training program is comprised of expert training and general training for each job position. The goals of this program is to raise awareness and enhance skills with respect to quality control. In addition to existing quality engineering, and product safety courses, in fiscal 2018 the Yamaha Group held a new course for product safety risk assessment (R-Map). The Yamaha Group is considering to re-structure the quality training program to encourage mid-level employees in the engineering field to acquire experience with quality related skills and to raise awareness to management level employees on quality control.

## Sustainable Consumption

### Provision of Information Related to Environmental Consideration in Products

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In order to spread products and services considering environment and society, and meet rising awareness toward environmental preservation among customers, the Yamaha Group discloses examples of environmental consideration initiatives of its products on its website.

In 2015, the Group began attaching the Yamaha Eco-Label to products certified as Yamaha Eco-Products in order to promote product development which considers environmental issues. The aim of the program is to provide customers with environment-related information and facilitate recognition that our products meet the Eco-Products standards when they are selecting an item to purchase.

» [Yamaha Eco-Products Program](#)

» [Environmental Friendly Products and Services](#)

### ▶ Status of Yamaha Eco-Products Program (as of March 31, 2018)

In fiscal 2018, the Yamaha Group newly certified 16 models, bringing the total number of models certified as of March 31, 2018 to more than 320, with 31 bearing the Yamaha Eco Label.



Yamaha Eco-Label

## Initiatives to Improve Longevity of Products

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It is possible to use high quality instruments for many years with proper maintenance and repairing or replacing parts. Yamaha is striving to improve the longevity of its products by developing a system for instrument maintenance/repair technicians and services, operating a piano renewal business, and upgrading Electone products through a parts exchange so that they can be used for many years.

### ▶ Development of system for instrument maintenance and services

We are taking efforts to develop a system for maintenance and repair services for acoustic instruments such as pianos and wind instruments.

## Technician training

» [Piano Technical Academy](#)

» [Wind Instrument Technical Academy](#)

## Maintenance support for musical instrument users

We are providing knowledge and skills regarding musical instruments by offering a maintenance guidebook and holding maintenance workshops to ensure that musical instruments are consistently maintained in the best condition.

### ► Piano Renewal Business

After collecting Yamaha pianos which are no longer used in the home, etc., Yamaha Piano Services repairs, repaints, tunes, and adds additional muffling materials before returning the instrument to market as a renewal piano. These refurbished pianos perform the same as new pianos. This process saves precious resources by allowing the product to be used again.

» [Yamaha Renewal Piano](#)

### ► Electone Vitalize/Grade Up Unit

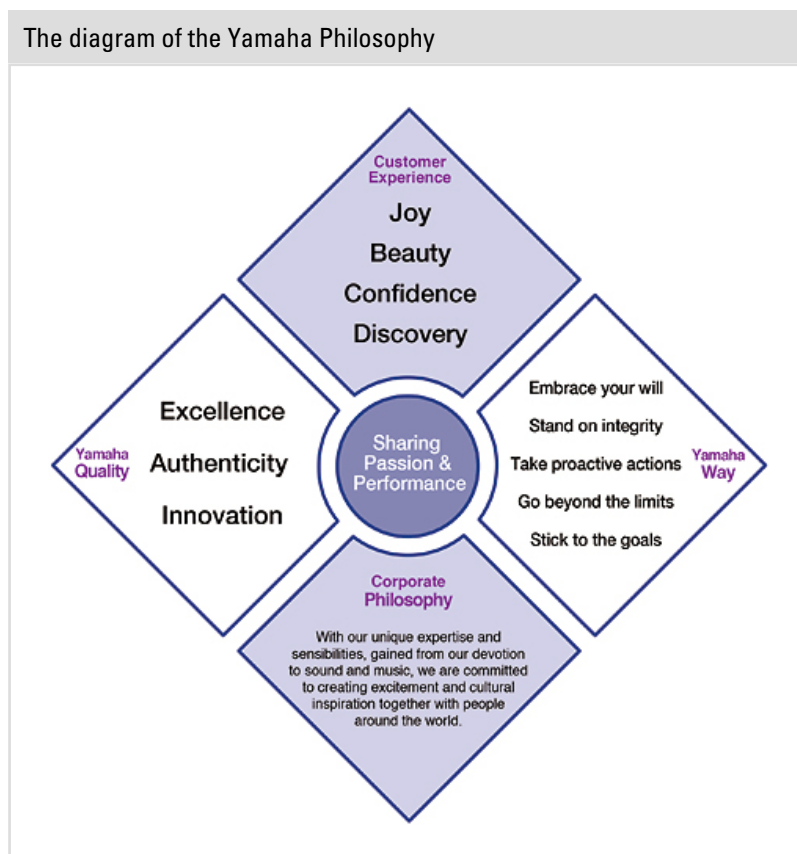
Based on the desire for our customers to be able to continue using a beloved Electone unit for a long time, we offer a service to upgrade products to the newest model through unit exchanges.

» [Vitalize/Grade Up Unit](#)

# Improving Customer Satisfaction

## Basic Concept

The Yamaha Group declares in its corporate philosophy structure, the Yamaha Philosophy, to continuously produce products and services that exceed our customers' expectations, and to keep creating excitement, by focusing on the viewpoint of our customers. We specifically define our commitment to our customers through a particular principle referred to as the "Customer Experience." All Yamaha employees continually remember that the purpose of their day to day work is to realize this "Customer Experience."



» [1-1 Realization of Customer Satisfaction](#)



## Structure for Improving Customer Satisfaction

To comprehensively understand our customers' evaluations and requests, each business division of the Yamaha Group conducts customer satisfaction surveys using various formats.

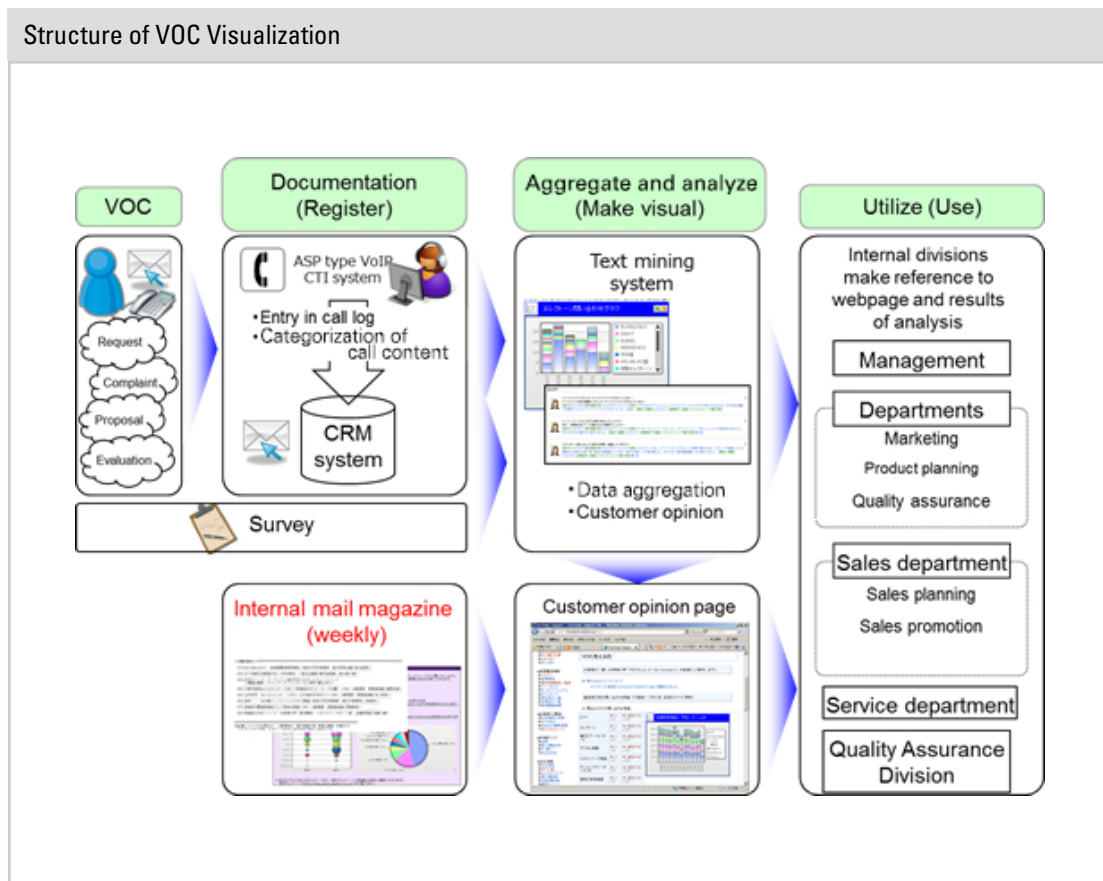
In particular, our musical instruments/audio divisions have been globally collecting and utilizing feedback from the voices of our customers not only through customer support services, but also through various forms of daily communication. In order to further connect with customers in our major markets, Japan, the US, and Europe, we switched to a new online member system and revised the product registration questionnaire so that we can reflect customer opinions in the planning and development of our products.

### Example

#### Voice of the Customer (VOC) - Visualization (in Japan)

In Japan, we collect in a database then collate and analyze opinions and requests from customers in our customer support department, discussing the results in monthly meetings attended by product development and quality assurance managers from each business division. Also, we established a system to visualize the voice of the customer (VOC), which shares information on customer opinion and requests internally in real time, and allows us to rapidly reflect customer feedback in our sales activities and product development.

#### Structure of VOC Visualization



## Improving Usability

The Yamaha Group conduct usability tests\* with the aim of improving the user-friendliness of our products and making manuals easier to understand, and we conduct product evaluations with the cooperation of actual customers. Results are reflected in our product specifications and manuals.

The development and other departments involved in products and services work together to conduct usability tests and product evaluations by users in order to swiftly share information about problem areas. This makes it possible to quickly take the steps necessary for improving the usability of existing products and uncovering operability issues with new products in development.

\* Usability test: Having likely customers actually use a product to determine the product's ease of use (usability). Since 2004 Yamaha has used employees as volunteer testers.

### Example of Product Development

| Product Category  | Model Name               | Feature of Usability   | Release Date   |
|---|--------------------------|--|----------------|
| Digital Mixing Console  | Rivage PM10 Series       | <ul style="list-style-type: none"> <li>Improved flexibility and utility when connecting various input/output devices</li> <li>Enhanced flexibility for sound engineering</li> <li>Shorten work time</li> </ul>   | December 2015  |
| Alto Saxophone  | YAS-875                  | <ul style="list-style-type: none"> <li>Improved the size and shape of the key buttons for a better 'feel' regardless of the player's hand size</li> <li>Enhanced operability for effortless playability</li> </ul>   | September 2015 |
| Synthesizer   | reface DX                | <ul style="list-style-type: none"> <li>Verified electrostatic sensor operability by carrying out usability tests</li> <li>Improved keyboard feel</li> <li>Reduced malfunction</li> </ul>   | September 2015 |
| Portable keyboard   | NP-32<br>NP-12           | <ul style="list-style-type: none"> <li>Enhanced playability for both males and females of all ages</li> </ul>  | February 2016  |
| Digital mixer   | TF RACK                  | <ul style="list-style-type: none"> <li>Improved portability/installation by compacting the "TF series"</li> <li>Full control of the main unit through multi touch display/special GUI</li> <li>Verified operability by carrying out usability tests</li> </ul> | December 2016  |
| Unified communication speakerphone                            | YVC-300                  | <ul style="list-style-type: none"> <li>Audio guide installed for easy initial setting</li> </ul>   | October 2015   |
| Synthesizer   | MONTAGE                  | <ul style="list-style-type: none"> <li>Improved continuous usability by implementing UI upgrade system</li> <li>Improved operability for live playing and sound editing based on usability test</li> </ul>   | May 2016       |
| Processor for equipment iPad application for "MTX/MRX series" | ProVisionaire Touch V1.2 | <ul style="list-style-type: none"> <li>Improved display allowing users to easily customize the control panel</li> <li>Reduction of errors regarding network settings between connected devices</li> </ul>  | November 2016  |
| Electronic piano  | CLP-600 series           | <ul style="list-style-type: none"> <li>Reorganized screen display to make sound changes easier</li> <li>Tested visibility from a user's perspective and revised specifications</li> </ul>  | May-July 2017  |

## Evaluations by Third Parties

### ▶ Selected First Place in the Educational Service Industry in Japanese Customer Satisfaction Index (JCSI) for the Second Consecutive Year

Yamaha(Music School・English School)was selected as first place in the educational service industry for the 4th Japanese Customer Satisfaction Index (JCSI) research in 2017 for the second consecutive year.

### ▶ Selected First Place of the Network Device Category in Nikkei Computer Customer Satisfaction Survey for Second Consecutive Year

Yamaha Corporation was selected as first place of the network device category in Nikkei Computer Customer Satisfaction Survey 2017-2018 for the second consecutive year.

» [Related pages \(Japanese Only\)](#)

# Initiatives for Improved Customer Response and Support

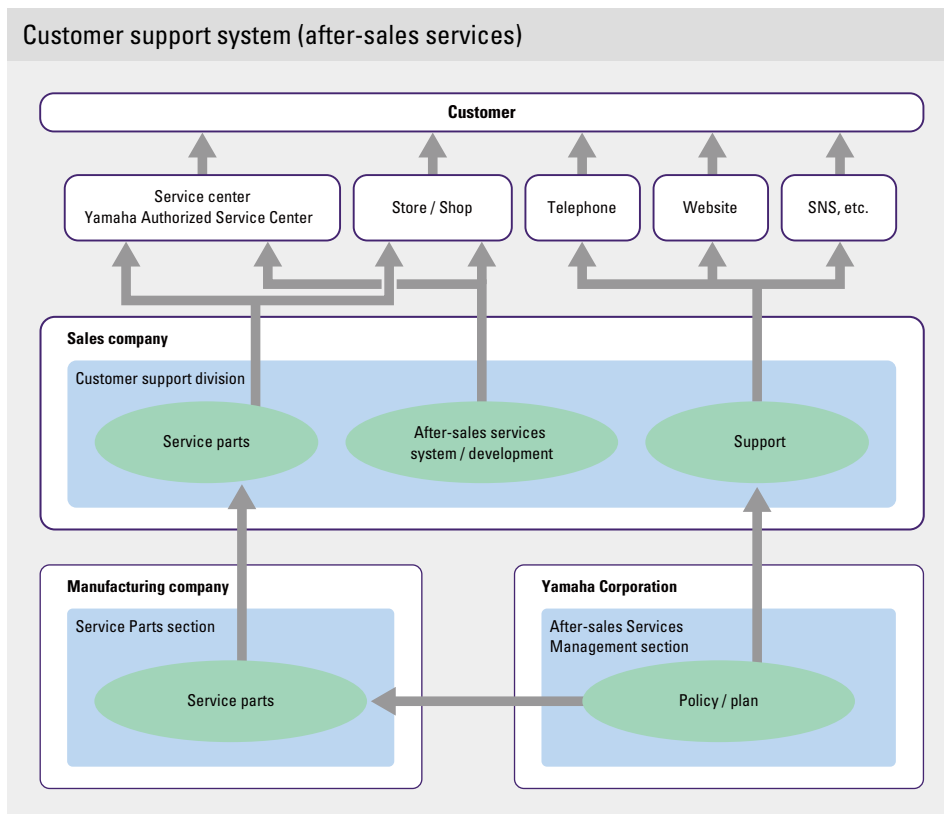
## Customer Response and Support Structure

The Yamaha Group has established an After-sales Service structure for customers. The organization is working to respond to customer inquiries and requests with integrity. The Yamaha Corporation has established an After-sales Service Management section and has shared the After-sales Service plans and policies regarding the overall Yamaha Group with sales companies and manufacturing companies. Manufacturing companies have established sections to provide service parts and are storing and providing service parts. Sales companies have developed systems, including establishing customer support divisions and are providing after-sales services.

For example, in Japan, the musical instruments and audio products divisions set up a Customer Support division in Yamaha Music Japan Co., Ltd., which is a sales company, and organizes customer service by product. Overseas, we created an After-sales Service network for each region. This network serves as a point of contact for customers and includes Yamaha Group Service Centers, Yamaha Authorized Service Centers, distributors and contracted engineers.

The customer support sections develop customer support systems that make use of telephone, website and social networking services in order to respond smoothly to inquiries. Some of these departments have introduced a customer management system using cloud computing.

### » 1-6 Offer of After-sales Services and Response to Customer Inquiries



Yamaha Music Japan Co., Ltd.



Yamaha Corporation of America



Yamaha Music Europe GmbH



Yamaha Music & Electronics China

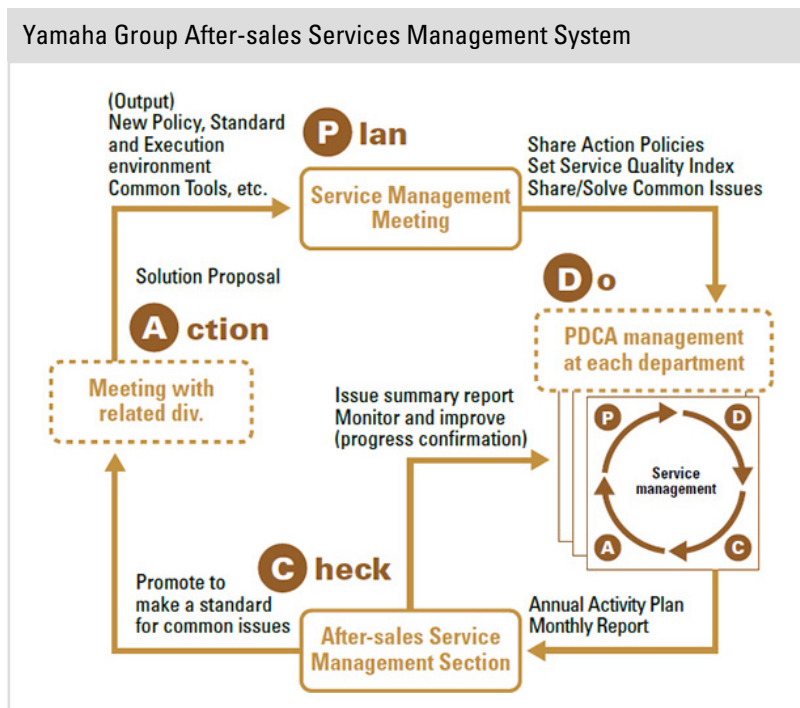


# Yamaha Group After-sales Service Management System

The Yamaha Group has created an After-sales Service Management System and is working to continually improve the quality of our customer response and support based on the slogan "ONE YAMAHA." The Yamaha Group policy is shared at the annual Service Management Meeting and each sales company and manufacturing company with a service parts center in Japan and overseas set target values for improving After-sales Service quality. Each Group company conducts activities according to its plans, and Yamaha Corporation's Quality Assurance Division monitors their progress. In this way, the entire Yamaha Group works to make improvements to continuously enhance response to customers and customer support.

After-sales Service representatives from 25 Japanese and overseas companies participated in fiscal 2018's Service Management Meeting, and discussed a management program related to After-sales Service.

Furthermore, in order to provide standardized high-quality after-sales support to the customers all over the world, the Yamaha Group established the After-sales Service Management Standards, which outlines the basics of after-sales services that need to be shared in the Group. We established an instruction manual to systematically apply these standards to the operation. The Group also began monitoring operational status by a check sheet.



Service Management Meeting

## Initiatives

### Evaluation of Customer Service Call Centers from the Customers' Perspective

Yamaha Music Japan Co., Ltd. worked to once again determine helpline evaluation targets which display customers' feelings towards the response helpline since its establishment in 2013. It adopted "Thank you Rate" in 2014 and "Net Promoter Score (NPS)" in 2015.

Thank you Rate counts the number of times a customer says "Thank you" to support staff from all inquiry cases. Points are added when a customer genuinely expresses thanks or offers the staff a compliment. By adopting the Thank you Rate, not only can the Company quantify customer satisfaction toward support responses, the helpline staff themselves become more aware of how much they connected with the customers. This generates a positive cycle in which staff more happily respond to customer inquiries, which in turn boosts customer satisfaction further.

The Net Promoter Score (NPS) is an index in which customers are asked the likelihood of recommending a company, product, service, etc. to their family, friends, and acquaintances, measuring their loyalty towards them. The Company is striving to improve operations by deriving positive examples from both the rate of recommendation and high ratings by asking customers the reason for their rating. As a result, the Company saw NPS improve from 13 points in fiscal 2017 to 20 points in fiscal 2018. Furthermore, the Company was able to confirm the strong link between support recommendation rate derived from customer questionnaires and loyalty to Yamaha Brands. Yamaha is working every day to forge an even closer relationship with everyone by improving the quality of customer response helplines.

## Education/Training Related to After-sales Services

Yamaha Corporation is striving to develop and fulfill an After-sales Service network in which customers can continue using our products at ease. We periodically hold technical training for After-sales Service skills for employees of Group sales companies in Japan and overseas, and the participants then teach the same skills to the repair technicians in each region. We also visit overseas sales distributors in areas where there are no Group companies, and hold technical training for After-sales Service skills.

## Personal Information Protection

### Policies and System for the Personal Information Protection

The protection of personal information is an important social responsibility.

The Yamaha Group complies with laws and regulations regarding personal information protection and has developed a Privacy Policy and internal regulations regarding personal information protection in order to appropriately handle the important information we have in our custody, such as the personal information of customers using its products and services. These regulations are revised as needed based on revisions of laws and societal trends. Based on these regulations, we have developed a manual that explains key considerations when handling personal information and have put it into practice.

In addition, the Yamaha Group has established a position responsible for supervising the handling of personal information in the Group as well as a position responsible for managing such information in each division. The Group has established a system to respond quickly during incidents such as information leaks.

In fiscal 2016, we established an information security working group in the Risk Management Committee which has considered measures to improve operations, collected reports regarding incidents, and conducted monitoring of compliance to regulations regarding personal information protection. In fiscal 2018, the Group confirmed the storage and handling status of Group Companies which hold large amounts of personal information. The Group identified issues requiring improvement and promoted a response.

[» Privacy Policy](#)

### ► Training and Education Regarding Personal Information Protection

We are strengthening efforts to enhance and round out awareness of employees by conducting personal information protection training, education and audits for divisions handling personal information. In fiscal 2018, staff belonging to Yamaha's Legal Division gave an explanation of laws and regulations regarding personal information protection to employees, including members of the development division.

Status of the Execution of Training Related to Personal Information Management (fiscal 2018)(Yamaha Group)

| Training theme   | Target                                       | Number of participants |
|--|--|------------------------|
| Explanation of revised Personal Information Protection Act | Development Division                         | 50                     |
| Explanation of EU General Data Protection Standards        | Quality Assurance/Customer Support Divisions | 30                     |

### ► Customer Personal Information Service Desk and Handling Status

In compliance with the law, the Yamaha Group has appointed an office to manage the personal information collected from its customers. The Group will respond to requests from customers or their proxies to disclose, change, delete, or stop usage of customer personal data held by Yamaha.

[» About Procedures to Respond to Requests to Disclose or Correct Personal Information \(Japanese Only\)](#)

### ► Initiatives for Customer Information Management

The Yamaha Group promotes the information security management of personal information at a practical level based on "Group IT Management Standards" specifying IT management of personal information. From fiscal 2017, we have provided an auto-encryption feature for the storage of personal information. In the unlikely case of an information leakage, the system is structured so that only authorized personnel can view or use the personal information, improving the security of this system.

Incidentally, there were no large incidents concerning loss of personal information in fiscal 2018.

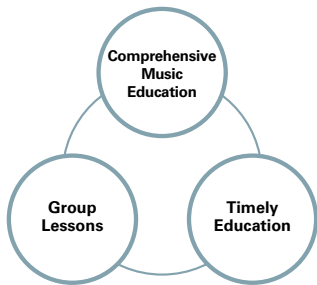
# Enhancing Products and Services

## Music Education Business

Conveying the joy of playing music to people throughout the world, the Yamaha Group operates a music education business both in and outside Japan as a part of efforts to contribute to the enrichment of society. Since opening an experimental organ class (a predecessor of Yamaha Music Schools) in Tokyo in 1954, the Yamaha Group has provided music education to help enrich the growth of children and established and developed the Yamaha Music Education System, a unique education method. Yamaha provides courses that meet the needs of each generation. These include Yamaha Music Schools for children between age 1 and junior high school/senior high school age, Yamaha Music Lessons for Adults, etc., for both music enthusiasts and individuals interested in learning to play a musical instrument as a hobby.

### ▶ Yamaha Music School Expanding to more than 40 Countries and Regions in the World

Yamaha Music School provides lessons that focus on nurturing a love of music based on the three features of comprehensive music education, timely education and group lessons. Our aim is to empower children with the ability to express themselves freely with music through our unique musical methods which include elements such as listening, singing, playing, reading and creating.



"Yamaha Music School" logo



Yamaha Music School

### Yamaha Music School enrollment in Japan

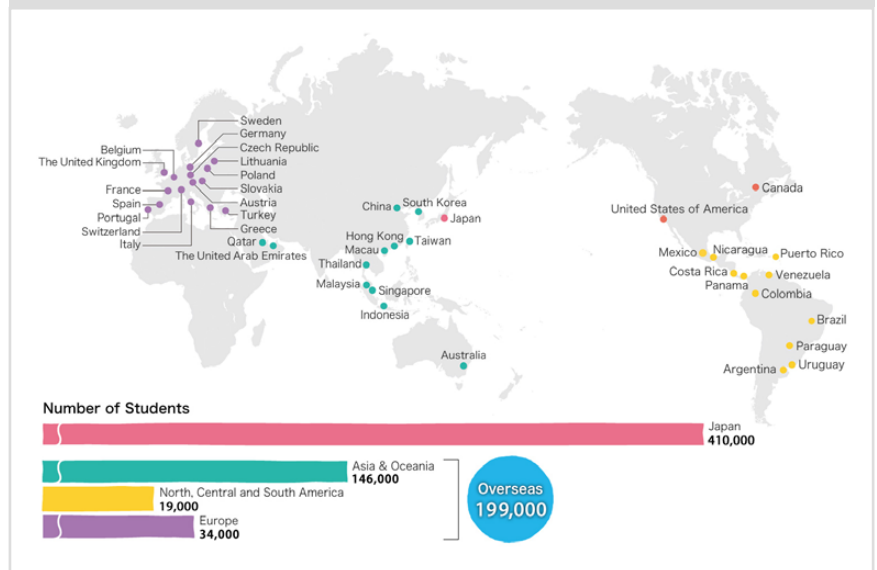
|       | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|-------|---------|---------|---------|---------|---------|
| Japan | 350,000 | 320,000 | 300,000 | 280,000 | 271,000 |

\*As of June, in each fiscal year

Overseas, currently around 199,000 students are given the opportunity to learn the joy of music at a Yamaha Music School in over 40 countries and regions, including Asia, Europe, North America and Latin America. Each course is developed in light of the culture and character of each region while being based on a philosophy and curriculum for music education developed in Japan.

### Countries in which Yamaha Music School operate

(As of June 2018)



## Music School enrollment overseas

|                                 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|---------------------------------|---------|---------|---------|---------|---------|
| Asia, Oceania (including China) | 148,000 | 144,000 | 146,000 | 144,000 | 146,000 |
| Europe                          | 27,000  | 26,000  | 31,000  | 33,000  | 34,000  |
| North, South America            | 21,000  | 20,000  | 20,000  | 19,000  | 19,000  |
| Total                           | 196,000 | 190,000 | 197,000 | 196,000 | 199,000 |

\*As of June, in each fiscal year

### ► Spreading Yamaha's Music Education Philosophy Around the World

Yamaha holds the Yamaha Junior Original Concert (JOC), an event which calls for children under 15 years of age studying at Yamaha Music Schools to turn their feelings into music and perform their own compositions. We now receive around 35,000 original compositions from children every year. The concerts are held not only in Japan but throughout Asia, Europe and other regions as well. In addition, the International JOC event has been held in Japan since 1972. Through the common language of music, Yamaha's philosophy of music education is spreading throughout the world.

### ► Responding to Various Needs, "Yamaha Music Lessons for Adults"

Yamaha provides Yamaha Music Lessons for Adults for a wide range of age groups, from junior high/senior high school students, to adults, at around 1,300 locations throughout Japan. We provide a variety of courses to meet our customers' diverse needs, from musical instruments such as the saxophone or guitar to vocal (currently 37 courses, 107,000 students enrolled).

Each course is basically comprised of small group lessons and is designed to allow students to improve their skills with the instrument while enjoying their time with their friends through materials, and features a curriculum which overcomes any discrepancies in musical experience. Events are planned within each school or course, and provide a platform for exchange and the further spreading of the joy of music. Convenience is another benefit for students as they can come after school or work, since the location of the music schools are close to the station and they do not need to bring anything.

In addition, we are developing health programs for seniors, making use of the effect which music has on health, through programs such as "Music and Health" and "Sing for Health."



Yamaha Music Lessons for Adults



"Music and Health" Program

## Yamaha Music Lessons for Adults enrollment

| FY 1987(started) | FY 1991 | FY 1996 | FY 2001 | FY 2006 | FY 2011 | FY 2016 | FY 2018 |
|------------------|---------|---------|---------|---------|---------|---------|---------|
| 6,000            | 40,000  | 50,000  | 92,000  | 105,000 | 110,000 | 110,000 | 107,000 |

\*As of June in each fiscal year

### ► Development of New Program and Its Introduction into Market

Based on the catch-copy "More than Karaoke, Less than a Lesson," Yamaha developed the "Seishun Pops" course for seniors which allows even unexperienced seniors to participate in a casual setting. This course was launched nationwide in 2017 and is enjoyed by 6,000 persons in 490 sites (as of June 30th, 2018). This course mainly features popular Japanese pop music or folk songs from the 1960s to 1980s that senior people enjoyed in their youth. Without using a score, participants can enjoy songs by singing in harmony or step to the music along with their friends while watching originally made videos.



"Seishun Pops" Program



## Promoting Universal Design

The Yamaha Group is keen to create an environment in which all people can enjoy the pleasures of music, and we promote universal design to realize a society that is both rich in communication and that allows people of diverse backgrounds and attributes to live comfortably and harmoniously.



The Yamaha Group promotes initiatives that give product developers and designers a better understanding and greater awareness of universal design. As one of these initiatives, we hold exhibitions or in-house seminars on universal design to enhance employee understanding and awareness.

In fiscal 2018, we participated in the planning of “Company UD Visiting Lectures,” part of the program by Hamamatsu City to continue from last year in promoting town-building through universal design (UD). We held UD visiting classes for local elementary students.

These classes explore how consideration for various people are reflected in products/services and thoughts toward UD in companies. These classes aim to guide children to look at society and create an image of their future occupation. Yamaha will further continue to cooperate with the initiatives to widely transmit the ideas of universal design and the joy of music to society.



UD Plus in Hamamatsu 2016



Electronic musical instruments and PA equipment that takes visibility into consideration (in-house exhibition)



In-house seminar

## ▶ OMOTENASHI GUIDE—A Sound Support System Implementing

Since 2015, Yamaha Corporation has performed verification tests of the OMOTENASHI GUIDE—a service supporting the creation of an extremely convenient multi-language voice and character guide frequently used at businesses, public facilities, and tourist facilities that have inbound tourism promotion and barrier-free initiatives.

It is important to effectively transmit Japanese announcements in multiple languages due to the growing number of foreign tourists coming to Japan. It is also necessary to convey verbal information in an easy-to-understand format that enables the realization of a society where senior citizens with hearing disabilities and the hearing-impaired can live comfortably. With the OMOTENASHI GUIDE, people can receive text translations of Japanese announcements in their native language after downloading and installing the application on their smartphone or tablet.

This enables easy communication of the appropriate information in Japanese announcements to foreigners who do not understand Japanese, the elderly, and those who have hearing disabilities.

In 2017, the Group established the “Sound UD Promotion Consortium” for the objective of further promoting a “society using sound for universal design,” where there are no concerns about language or hearing ability. Over 200 companies and organizations are already participating in this consortium. This organization was established for many Japanese companies and organizations to promote initiatives for the utilization of sound in universal design together. In order for major Japanese facilities to handle the use of sound in universal design by 2020, Yamaha released a portion of the technology of the OMOTENASHI GUIDE to the consortium members to become the new open standard. Through these efforts, Yamaha will also promote innovation generation and a new business model for Japan.



“OMOTENASHI GUIDE” image



“Concept diagram for universal design of sound societal structure” image

▶ See here for the latest information on OMOTENASHI GUIDE

▶ Contributing to the Development of Inbound Tourism by Supporting the Use of Sound in Universal Design

## ▶ Casual Wind Instrument “Venova”

The Yamaha Corporation released the “YVS-100” model of the casual wind instrument Venova, a newly developed product based on the desire for “more people to enjoy wind instruments more easily and freely.” This product is easy to pick up and start playing because of the simple fingering similar to a recorder and the easy-to-care for design. Users can enjoy an expressive sound similar to that of a saxophone.

In order to create a product that was both easy to play and which produced a sound similar to a real saxophone, Yamaha used a unique meandering pipe shape, which had not been used in the past, as well as a “branched pipe design\*.” This created a product which both produces the rich, broad sound of a saxophone and the simple fingering of a recorder. The meandering pipe design shortens the distance between the tone holes and makes it possible to play any note using very few keys. This unique design also made the product easy to care for, light, compact, and durable.

Furthermore, the ABS resin body makes the instrument light, durable and washable in water. It is easy to use and maintain, making it possible to take it anywhere with ease and enjoy playing the instrument in various places, such as outdoors or during a casual jam session.

\* “Branched pipe design” is a design which branches out the cylindrical pipes in the body, giving the product the characteristics of a cylindrical wind instrument, which does not require large tone holes, while producing the sound of a conical instrument.



Venova “YVS-100”

## ▶ Music Education Solution Utilizing ICT - “Smart Education System” Remote Classes Using Online Meeting System

▶ Education Solutions Utilizing ICT




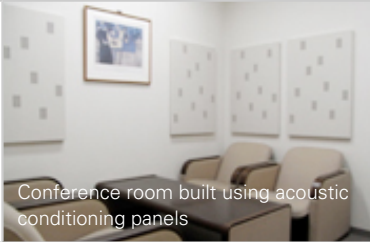

## Proposing Solutions that Utilize Sound Technologies

Since achieving success in manufacturing the piano in 1900, Yamaha has been developing its technologies to keep up with the changing times, and has also been continuing to develop traditional acoustic musical instruments as well as musical instruments/technologies using the latest electronic technologies.



In addition, the Yamaha Group has been continuing to create better listening environments through research and development regarding sound fields and related control systems while pursuing superior sounds through the manufacturing of sound-generating products. We also have been proposing solutions utilizing technologies such as our sensor technologies, etc. cultivated through product development.

### case example



#### Creating Better Sound Environments

| Products   | Feature of sustainability  | Related pictures   |
|--|--|--|
| <p>» <a href="#">Speech Privacy System™</a></p>      | <p>Camouflages conversation with an “information masking sound” synthesized from human speech.</p>   |   |
| <p>» <a href="#">Acoustic Conditioning Panel</a></p> | <p>Alters reverberations in the room, and provides a clear and comfortable acoustic environment.</p> |  <p>Conference room built using acoustic conditioning panels</p> |
| <p>» <a href="#">Avitecs™ Soundproof Room</a></p>    | <p>Easily realizes a reverberant and soundproof space.</p>   |   |

#### Sensor Technology Application Proposals

| Products  | Feature of sustainability  | Related pictures   |
|---|--|--|
| <p>Thin-film Strain Sensor</p>                  | <p>Monitors human motion in real time by mounting the sensor on body supports or training wear.</p>                                |  <p>example use</p> |
| <p>» <a href="#">Hydrogen Leak Detector</a></p> | <p>Features high-speed response and high sensitivity over a wide, dynamic range and supports various forms and leakage volume.</p> |                     |

## Proposing Applications of Sound Technology

| Products   | Feature of sustainability   | Related pictures   |
|--|---|--|
| SoundSignage™ TLF speaker  | Electrostatic, thin, light, and flexible.                                 | –  |
| » SilentBrass™   | Makes practicing and performing possible anywhere at any time.            |   |
| » TransAcoustic™ Piano   | Enables volume adjustments to be made just like an electric piano.        |  |
| In-vehicle communication module for automotive emergency notification system | Enables automatic notification during emergencies and hands-free calling. | –  |

# Community Involvement and Development

## Connection to Local Communities

### Responsibility to Local Communities

The Yamaha Group acknowledges that a corporation is a member of society and we endeavor to be a “good corporate citizen,” while fostering socially acceptable values and conduct. We are working to have dialogue with the members of local communities so that we can assess our impact on them and pursue business with low environmental impacts.

At each of our offices and factories, we regularly hold information exchange sessions with surrounding municipalities and solicit opinions at neighborhood council meetings.

When we build or retire a Yamaha office, we report and explain the matter to the head of the local government in the area, while also using our exchange sessions with surrounding municipalities to make reports, as appropriate, and ask for their opinions and requests. Furthermore, when we retire a Yamaha factory, we carry out soil and ground water surveys to assess environmental impacts on the area. In the event that an impact, such as contamination, is discovered, we take prompt and appropriate measures for decontamination or removal.

» [4-3 Harmonization with Society](#)

### Examples of Communication with Local Communities

The Yamaha Group makes efforts to have ongoing communication with local governments and residents to maintain good relations with communities.

#### Examples of exchange sessions with neighborhood councils

(Yamaha Corporation)

| Office           | Frequency | Participants                   | Details   |
|------------------|-----------|--------------------------------|---|
| Headquarters     | Annually  | 8 local neighborhood councils  | Business status update, soliciting requests/concerns, exchanging opinions |
| Kakegawa Factory | Annually  | 7 local neighborhood councils  | Business status update, soliciting requests/concerns, exchanging opinions |
| Toyooka Factory  | Annually  | 3 local neighborhood councils  | Business status update, soliciting requests/concerns, exchanging opinions |
| Tenryu Factory   | Annually  | 10 local neighborhood councils | Business status update, soliciting requests/concerns, exchanging opinions |

#### ► Examples of the communication efforts conducted at business sites and factories in fiscal 2018

- Holding regular information exchange sessions with neighborhood councils
- Accepting factory tour visitors
- Accepting local elementary school students for community study trips; accepting local middle and high school visitors for hands-on workplace experiences and tours
- Holding summer festivals to strengthen relationships with communities
- Signing of memorandums to open up facilities to the public during disasters
- Participating in local events and celebrations
- Lending of facilities, parking lots, etc.
- Regional safety patrol activities
- Cooperation with regional environment activities, including participation in regional cleanup efforts by employees
- Participation in joint disaster drills led by municipalities
- Donating books, household goods, sweets, etc. gathered through charity bazaars and donation campaigns for local elementary schools and groups
- [Donating food stockpiled for emergencies to food bank Fujinokuni](#)
- Lending instruments to local governments (concerts offered)



Information exchange sessions at local neighborhood council meetings



Summer festival



Regional cleanup effort



Donation ceremony for picture books and picture-card shows to local kindergarten through charity bazaar



Charity concert co-hosted with labor-management

### ► Tours of Grand Piano Manufacturing Process

At our Kakegawa factory, which is our domestic manufacturing site for grand pianos, we open our doors to public visitors so that they can see the process for making grand pianos and experience the appeal of instruments and music.

Visitors to the factory see how we use modern techniques and some traditional, more than 100-year-old manufacturing processes. They get to pass through the show room, where we display an early model grand piano that has been recognized as part of Japan's Heritage of Industrial Modernization, while also seeing our environmental protection initiatives that are part of our craftsmanship. A total of 11,600 people took the grand piano tour in fiscal 2018.



Visitors observe a grand piano being made



An exhibition at the show room

» [Kakegawa, the home town for Yamaha Piano Manufacturing \(Japanese only\)](#)



# Promoting Music Culture

## Supporting Aspiring Musicians

The Yamaha Group contributes to the spread and development of music culture at various music contests and clinics both in Japan and overseas. The Group not only provides musical instruments to those pursuing a high artistic standard, but also assists with the running of the events.



Hamamatsu International Wind Instrument Academy and Festival



Performance by a prize winner (China)

Additionally, the Yamaha Group has set up scholarship systems in different regions of the world as support for aspiring musicians. Yamaha also teams up with music education institutions, continues to support the educational curriculum, and provides seminars for instructors.



Yamaha Asia scholarship (China)



## Propping Up School Music Education

The Yamaha Group supports music education at schools in various regions of the world. Efforts are made to contribute to the enrichment of course content by providing instruments, giving courses on methods of instruction to music instructors, and providing music-related information.

### ► Yamaha “School Projects” Providing Opportunities to Play Instruments

The educational effects of learning to play musical instruments are so well documented that such instruction is standard in schools around the world. However, in some countries, lack of equipment or trained teachers, or inadequate curriculum often limits to what extent schools can offer. As a project to provide the chance for as many children to experience the joys of playing instruments, Yamaha is currently expanding the School Project.



Music classes in Indonesia



Recorder lessons in Vietnam

» The “Musuc Time” Program at Public Schools Around the World

» Enriching Education in Vietnamese Schools through the Introduction of Instrumental Music Education

## ► Music Popularization Program in the GCC and Africa

Yamaha Music Gulf (YMGF), a Yamaha subsidiary tasked with sales in the GCC and other countries in the Middle East, Africa, the CIS, and Western Asia, regions where western music education has not taken root, is implementing music promotion activities in schools based on the local circumstances of the country.

Especially in the Middle East and Africa, while there are music classes in schools, the lack of musical instruments, instructors, and know-how means that in most cases such classes are limited to chorus and theory. In 2012, YMGF started a school music education promotion project in order to support the education and growth of children through musical instrument education. YMGF promoted this project in collaboration with local branches and demonstrated the importance of music education by holding classroom visits of Japanese elementary schools for education officials in each country.

After starting with one school in South Africa in 2016, YMGF expanded recorder classes to about 3,300 students in 33 schools in South Africa, Nigeria, Kuwait, UAE, and Kenya in fiscal 2018. YMGF plans to add Pakistan, Morocco, and Uganda in the future and expand its activities to start pianica classes in Pakistan.



Recorder lesson in South Africa



Recorder lesson in Nigeria

## ► Band Clinics & Band Directors' Clinics

Since 2010, Yamaha Music & Electronics (China) Co., Ltd. has dispatched instructors to school bands in major cities in Japan and overseas. The number of workshops and participants are increasing every year, with 46 workshops held in fiscal 2018 and approximately 5,300 students receiving guidance from prominent instructors. Yamaha also holds clinics for band directors so that general music teachers can teach band music.



A band clinic in Shaoxing city

## ► Student Band Maintenance Seminar

In Korea, music activities, such as band (wind instruments) or orchestra participation are extracurricular activities in schools. However, in some schools (local schools in particular), students do not have much opportunity to learn about musical instrument maintenance and there arise situations in which the students own high quality instruments, but the instruments become damaged and do not produce a good sound.

To support the music performing environment at these schools, Yamaha Music Korea Ltd. (YMK) has been offering their support since 2013 by visiting schools that have an orchestra, holding seminars on musical instrument maintenance, and offering to repair instruments free of charge. Since this activity started, YMK has visited over 250 schools to provide instrument maintenance, teach students how important it is to maintain their instruments in good condition, and contribute to the development of music culture in Korea by supporting music activities in these schools.



A maintenance seminar



A lecture on the importance of musical instrument maintenance



## ▶ “Music pal” School Music Education Support Website

Yamaha Corporation established the website “Music pal” to support school music education. The site has a wealth of information that is useful for music coursework and covers the history of music, musical composition, and a variety of different instruments. Additionally, in order to let visitors further deepen their musical knowledge, the website “Musical Instrument Guide Plus” provides content useful for music coursework and investigative learning, including the origin and makeup of instruments and a full encyclopedia of musical instruments including playing style.

» [“Music pal” website supporting school music education \(Japanese Only\)](#)

## Efforts to Spread Music Through Events and Contests

The Yamaha Group takes steps to spread music in the different regions of the world through events and contests. This includes proposing new ways to enjoy musical instruments and music for all ages as well as planning and providing spaces for performances by amateur musicians looking to make the next step up.

### ▶ Hamamatsu Jazz Week

Each year, Yamaha Corporation holds “Hamamatsu Jazz Week” in cooperation with the city of Hamamatsu, where our headquarters is located, and other co-organizers. The event, which started in 1992, is part of the Hamamatsu city government's efforts to create a city with music at its core.

The unique regional gathering strives to have music throughout the city, and to have music help create the fabric of the city. United under jazz that can be enjoyed by people of all ages, the government and the community come together to host the event and produce something appreciated by participants whether they are jazz fans or not.

The 26th Hamamatsu Jazz Week in 2017 featured talk events based on the theme of the 100th anniversary of the jazz record, concerts that featured top-notch domestic and international artists as well as school students from outstanding big bands throughout Japan, combined with events organized in collaboration with civic groups and local jazz clubs, and in-school jazz concerts at Hamamatsu elementary and middle schools.



“Student Jazz Festival”



“Yamaha Jazz Festival” held on the final day of Hamamatsu Jazz Week

### ▶ Asian Beat

The Yamaha Group plans and runs the amateur band contest “Asian Beat”, which aims to promote popular music and develop amateur musicians in the Asia region. The winning bands from the regional competitions in each country go on to the grand final where they perform and compete to be the top amateur band in Asia.

### ▶ Brass Jamboree

The Yamaha Group holds the Brass Jamboree, in which wind and percussion instrument enthusiasts gather together in one large venue to enjoy playing music together. The Brass Jamboree offers a place to perform to people who want to casually enjoy playing musical instruments. With experienced musicians, beginners, parents and children, families, and friends participating, it is a day for everyone to enjoy music and is aimed at enthusiasts of all wind and percussion instruments. At the 9th Brass Jamboree in 2018, conductor Daisuke Soga gave a conducting method seminar on how to study conducting music. More than 550 people, ranging from elementary school children to seniors in their 70s, participated in the concert, where they enjoyed meeting other people through music and playing music with many others. They created a special, large-scale performance playing altogether during the concert.

» [Brass Jamboree \(Japanese Only\)](#)



Large ensemble with all of the event participants



Ensemble director and conductor Daisuke Soga (left), special guest Chihiro Yamazaki (center), and saxophone player Ryota Miura (right)

### ► Wind Instrument Karaoke Contest (China)

Yamaha Music & Electronics (China) Co., Ltd. holds a wind instrument karaoke competition every year, which provides an opportunity for beginners and others that have just started learning music to enjoy playing simple tunes with a wind instrument on stage. The music is played together with a sound source as musical accompaniment that has been made solely using wind instruments. Some 7,300 children took part in 33 cities nationwide in fiscal 2018.



Preliminaries in Shenzhen city



Preliminaries in Anyang City

## Providing Opportunities and Places to Come in Contact with Instruments

### ► Piano Placement in National Railway Stations in France

Yamaha Music Europe GmbH, France has placed pianos at more than 100 premises in major French National Railway stations since 2015. Yamaha proposed this idea to France's National Railway, the SNCF (Société Nationale des Chemins de Fer Français), as they realized that this would allow many people to freely experience playing the piano. Several million people utilize the National Railway each day. Following this initiative we have received many positive comments about the joy discovered by playing the piano or listening to the music. Along with placing pianos, we also established a video contest where users record their music then upload it to social media and get a chance to show their performance to viewers all over the world. We set up a terminal with a "like" button for visitors who felt an affinity for the piano thanks to this experience. Over one million visitors have pressed this "like" button. The installation has also garnered attention from various local media outlets.



Piano attracting people



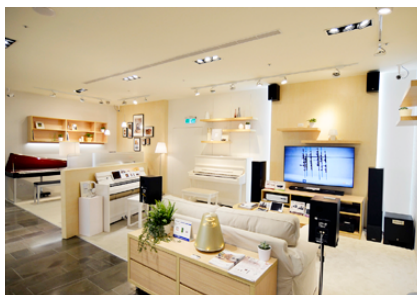
The Yamaha stage in Lyon station, Paris, with a terminal for submitting "likes"

## ▶ Providing Opportunities for New Ways to Enjoy Music at “Yamaha Music & Life”

In April 2016, we established Yamaha Music & Life, which is a business directly operated by Yamaha Music & Electronics Taiwan Co., Ltd. and is located in a department store in Taiwan. In this store, introductions to each instrument, free trial lessons, and free hands-on testing are provided in four display areas: the Experience Zone, the Living Room Zone, the Studio Zone, and the Break Zone. This store allows visitors to test out instruments and AV equipment free of charge. The services of the store help provide stress-free opportunities to customers who are interested in musical instruments but not yet ready to buy one or start taking lessons. For those who are interested, it is possible to purchase an instrument and pay for lessons. In Taiwan, it is expected that demand for casual hobbies will increase among adults. By providing new opportunities to experience musical instruments, Yamaha can showcase the appeal of music to more people, while aiming to increase the size of the music playing population.



The Experience Zone where customers can try out instruments



The Living Room Zone where recommendations for pianos and AV equipment are made to suit different lifestyles

## Contribution to Regional Community Development

### Regional Contribution Activities through Music

The Yamaha Group aims to contribute to regions and community activities by planning and holding music events in different regions.

#### ▶ Creating Community through Music

Yamaha Music Japan Co., Ltd. developed the “Oto-Machi Project for Creating Musical Towns.” Oto-Machi Project aims to revitalize the community and helps create shared value of companies and society by harnessing “the power of music to connect people.” To solve the issues faced by communities and companies, Yamaha proposes and supports citizen participatory projects, events, and programs for community planning with music as a tool by using Oto-Machi Project mechanism.

Yamaha aims to create sustainable, independent communities. The Oto-Machi Project promotes a new-style of social contribution project which supports early stages of community planning through building a scheme to provide the place and time for local people to participate freely and continue these activities.

#### » Urban Development Project Through Music (Japanese only)



Jozenji Street Jazz Festival Swing Carnival



Funabashi Mori no City “Forest City Big Band”



“Kashiwa facilitator training lecture”



## ▶ Regional Contribution Activities by the Yamaha Symphonic Band

The Yamaha Symphonic Band, which was established in 1961, is an amateur band whose members are Yamaha Group employees. The band's activities include holding regular musical performances and pop concerts, supporting the Yamaha Baseball Club, and performing regularly and appearing in contests in Japan and overseas. The band also actively participates in events rooted in the local region, while cooperating with the "city of music" vision promoted by the city of Hamamatsu, and by participating in the Symphony Band Parade of the Hamamatsu Festival as well as the Promenade Concert held in front of JR Hamamatsu Station. Furthermore, the band also performs to support, through music, areas affected by natural disasters.



The Wind Instrument Parade, part of the Hamamatsu Matsuri festival



Promenade Concert

» [Supporting Activities of the Yamaha Symphonic Band in Affected Areas](#)

» [Yamaha Symphonic Band website](#)

## Supporting Youth Development in Central and South America

The Yamaha Group contributes to the healthy development of youth and the development of music education and culture through activities that include bringing music and musical instruments to local communities, in addition to activities to popularize music.

In many countries in Central and South America, crime and poverty as well as social inequality are serious social problems. In order to enable the children in such environments to grow up with a healthy spirit instead of leaning towards crime, delinquency or violence, music education activities are provided free of charge as a country policy, including forming regional youth orchestras and band groups. In Latin America, Yamaha's local subsidiary companies have been providing support to these activities.

However, in promoting these activities, some issues of lack of maintenance for many musical instruments and technicians to repair damaged instruments have arisen. Therefore, in cooperation with each subsidiary in fiscal 2015, Yamaha Corporation began a new project to teach maintenance of musical instruments as well as to train repair technicians. We contribute to further development of music education and culture, and to solving social issues, by providing technologies for, and knowledge of, musical instruments to many people.

### ▶ Cooperating with "El Sistema"

Yamaha Music Latin America, S.A. (YMLA) has been supporting El Sistema\*<sup>1</sup>, a music education project promoted by the Venezuelan government. YMLA has supported "Fundación del Estado para el Sistema Nacional de las Orquestas Juveniles e Infantiles de Venezuela (FESNOJIV)," which has run the project, for more than 15 years and has provided musical instruments and technical seminars. El Sistema is a delinquency prevention and poverty eradication system to stabilize society by promoting music activities and securing jobs for children. The number of children and young adults participating in El Sistema has reached approximately 780,000, mostly from poorer demographics. Through music study, participants enhance their moral character and take part in constructive social events such as orchestras and teaching opportunities throughout the country.

The fostering of skilled people who can maintain wind and percussion instruments in the country is a way to help create job opportunities. For this reason, YMLA dispatches band instrument experts from Japan, Europe, and U.S. and holds experts seminars to contribute to job creation. Additionally, the program has purchased and put to use a cumulative total of approximately 10,000 Yamaha brass instruments to date.

Currently, YMLA is collaborating with the Yamaha Corporation headquarters to design and implement a new El Sistema program called the Venezuela Musical Instrument Post-Purchase Service Network Development Program.

\*1 A music education system that started in 1975 to promote the sound development of less fortunate youngsters through the practice of music in symphony orchestras by providing free lessons and instrument rental.



Children with El Sistema founder José Antonio Abreu  
Courtesy of FUNDAMUSICAL



Band instrument maintenance seminar



Model CFX piano in the Sala Simón Bolívar concert hall in Caracas, Venezuela  
Courtesy of FUNDAMUSICAL

## ► Supporting the Activities of “Cauca Wind Orchestra”<sup>\*2</sup>

YMLA established the Cauca Wind Orchestra (OCV) in cooperation with the Polifonia Foundation<sup>\*3</sup> and Incolmotos S.A.<sup>\*4</sup> and supports its activities. Cauca, Colombia is an unsettled region known for cocaine smuggling and frequent bombings and kidnappings.

Given this situation, the aim of OCV's activities is to change the lives and hearts of children through music, to protect the daily lives of general citizens, and to give children positive futures. OCV aims to advance the sound development of youngsters in the Cauca region of Colombia through orchestra activities.

<sup>\*2</sup> FESNOJIV: Fundacion del Estado para el Sistema Nacional de Orquestas Juveniles e Infantiles de Venezuela

<sup>\*3</sup> This foundation in Popayan in the southern part of Colombia works toward the sound development of youth by drawing them into musical activities.

<sup>\*4</sup> This company is a group company of Yamaha Motor Co., Ltd. and sells products from Yamaha Motor Co., Ltd. as well as musical instruments from Yamaha Corporation.



Cauca Wind Orchestra (OCV)



Young students with a passion for music



Cauca Wind Orchestra (OCV) logo

## ► Recorder Music Popularization Seminar by “Sopro Novo”

Yamaha Musical do Brasil Ltda. (YMDB) formed the volunteer organization Sopro Novo in 2005, and it is holding seminars all over the country to train music teachers and popularize recorder music. These seminars provide lessons giving participants comprehensive training and include instruments, textbooks, and teaching methods. Starting with how to read music and ending, ultimately, with ensemble performance, seminar members learn music performance techniques, so that they can begin giving music instruction to beginners after completing the lessons. In Brazilian schools, there is no regular music education in the compulsory curriculum and the Sopro Novo activity is a precious opportunity to offer many people, from children to adults, their first music learning experience. Lessons offered through the project, which involves NGOs, churches, and regional social activities, also function as platforms for children to experience society. Over the past 12 years, Sopro Novo has held seminars nearly 1,600 times in 189 cities, and has trained over 5,000 teachers. The number of children taught by those teachers has reached more than 550,000.

In 2017, we established the non-profit organization Fundação Sopro Novo Yamaha. We also started to lobby the government to adopt direct music education and worked toward leading music teacher training and music education in public schools.



Teacher training seminar



Annual national gathering



# Support that Helps Foster Future Generations

## Cooperating with On-Site Tours and Hands-On Learning

As part of our local contribution activities, the Yamaha Group accepts requests from regional educational facilities in parts of the world where we have business sites and opens our workplaces for visitors to experience hands-on learning. We also offer internships and accept tours at our workplaces and factories.

### ▶ Accepting Students for Workplace Hands-On Learning

The Yamaha Group contributes to the goals and future work ambitions of young people by providing opportunities such as hands-on work experience for young visitors who are the country's next generation of citizens. In fiscal 2018, we continued to accept junior high school students visiting for hands-on learning, as well as high school students interested in internships.



High school students participating in an internship at a factory



Junior high school students getting hands-on experience at a sales store

### ▶ Work Training for New High School Graduates

Yamaha Musical Products Indonesia (YMPI) offers vocational training to new high school graduates. This project was created in response to requests by high schools and the government of Indonesia to help solve the issue of educating students before starting to work in society.

In the company's training facility, lectures are offered on basic factory operations, understanding what it means to be a member of society, 5S\* methodology, safety and health issues, making improvements, communication, and traffic safety. All of these items are also lectured to educate Yamaha employees. The 5S methodology of YMPI and its employee education system are well-received in the region. The vocational training receives high praise from the government and high schools as well. In fiscal 2018, 973 people in nine schools experienced this training.

In addition, YMPI also offers factory tours and hands-on experience to high school and university students.

\* 5S is the name of a workplace organization method that uses a list of 5 Japanese words: seiri, seiton, seiso, seiketsu, and shitsuke, all of which start with the letter "S." They mean organizing, picking up after oneself, cleaning, cleanliness and discipline, respectively.



Work experience participants



Students participating in a lecture

## Support for Exhibits at Learning Facilities

Hamamatsu Science Museum (Hamamatsu City, Shizuoka Prefecture) opened in 1986 to develop science-oriented minds and includes a planetarium and participation-type exhibits that people can touch to aid in learning. Many parts of the exhibits can be attributed to the participation and support of regional companies and groups, and Yamaha Corporation has also played a role since the museum opened. The following items are currently on display in the "sound" corner. (They were donated in 2012.)

## Exhibit Items Provided in the “Sound” Corner

| Section                               | Details   |
|---------------------------------------|---|
| Variable acoustic room                | Exhibit using audio signal processing technology. Visitors can experience sound vibrations virtually in such simulated settings as a theater, echo room, cave and church simply by flicking a switch. |
| Cutaway models of musical instruments | Exhibit where the cross-section of eight different kinds of musical instrument, including wind, string and percussion instruments, can be observed close-up.  |

## Supporting Child Education

The Yamaha Group provides a variety of programs to help support child development. Every year, we respond to requests from local governments and educational institutions when offering classes outside the Company and providing child programs focused on the themes of manufacturing and science. The Yamaha Baseball Club also participates by offering youth baseball clinics and other activities.

### ► Manufacturing Classes and On-site Lessons

Throughout the year, Yamaha Corporation works with local educational institutions to offer classes teaching children about manufacturing. We held a handmade guitar class in which children created their own handmade one-string guitars using everyday items such as cardboard boxes and toothpicks. Another class taught children how to make a folk instrument from Africa called a kalimba using off-cuts from piano and marimba manufacturing. In another class, children made a mini clapper the size of a key holder so that they can carry it around and form a bond with the instrument.

These classes use musical instruments to offer students a way to experience the process of manufacturing. Upon request, we also offered on-site lessons that included ion plating and universal design (UD) classes.



Handmade guitar class



Handmade kalimba class



Mini clapper class



Manufacturing class jointly held with Yamaha Motor Co., Ltd.



An on-site lesson on “plating”



UD visiting class based on the theme of the “universal design of professional tools”

## ▶ Efficiently Using Piano Off-cuts to Make Wooden Blocks for Children

Yamaha Piano Manufacturing Japan Co., Ltd offers off-cuts generated in piano manufacturing as wooden blocks to kindergartens, elementary schools, and public facilities in Kakegawa City, Fukuroi City, Iwata City, and Hamamatsu City. Continuing since 1998, this program is a chance to contribute to the community while simultaneously finding a useful purpose for waste material.

Other uses for the off-cuts include selling them to local companies that make woodcraft products and providing them to local people at summer festivals after making them into items such as wooden mouse pads, shoe horns, and folding chairs. The off-cuts are also turned into woodcraft kits that Yamaha Corporation uses in its manufacturing classes for children.



Using manufacturing off-cuts for woodcrafts



Children playing with wooden blocks

## ▶ The Yamaha Baseball Club Provides Baseball Clinics for Youth Teams

The Yamaha Baseball Club holds clinics for local youth baseball teams in its home region of western-central Shizuoka Prefecture as part of its efforts to contribute to the community and the development of young people in the area. At these clinics, members of the Yamaha Baseball Club provide guidance and instructions, teaching young ball players techniques such as how to shift their weight, stance, basic posture when fielding infield and outfield, play combinations and batting. The clinics help foster healthy young baseball players and the dreams and development of young people. From fiscal 2017, the Company also participated in Hamamatsu City's "Top Athlete Partnership Business\*" and helped instruct pitchers and catchers in middle schools.

A total of 60 such clinics have been held since the program started in 2000. In fiscal 2018, they took place at five locations in four different cities in Shizuoka Prefecture, which included 1,155 elementary and middle school students from 89 teams.

Furthermore, the Junior Baseball Instructing Club, made up of many former members of the Yamaha Baseball Club, gave baseball health examinations to children during the clinics. As part of the exams, sports medicine doctors help children with baseball injuries and give them advice to help prevent injuries and accidents.

\* This is a business run by Hamamatsu City from fiscal 2017 which holds sports classes by sending local top athletes to sports organizations and schools. By imparting the skills and experiences of top athletes, the objective is to uncover the next generation of top athletes, and increase the number of children participating in sports.



Baseball clinics



Baseball physical examination



## Education Solutions Utilizing Information and Communications Technologies (ICT)

The active use of ICT in school education is increasing year by year. In Japan, the Ministry of Education, Culture, Sports, Science and Technology has set a target for a tablet terminal to be available for every student in schools by the end of 2020. Today, utilizing ICT in the classroom is popular.

Seeing the movement of ICT, Yamaha Corporation is proposing new means of learning in the classroom.

### ► Music Education Solutions Utilizing ICT Smart Education System

Since 2014, Yamaha Corporation has been operating the Smart Education System (SES) as a music education solution which utilizes ICT in the educational setting of schools. Utilizing its skills related to music which have been developed over many years, as well as its knowledge about music education, Yamaha has repeatedly conducted trial classes with the help of elementary and middle schools across the country, resulting in the development of its digital classroom teaching materials.

In February 2017, the Company released VOCALOID for Education, Guitar Class, and Koto (a traditional Japanese musical instrument). Following this, in fiscal 2018, the Company launched Alto Recorder Class and Chorus Practice. Primarily aimed at elementary and junior high school students, these materials are content packages covering how to lead the class following the course curriculum guidelines, cautionary tips to keep in mind when teaching, and videos of foundational knowledge needed for performance. Teaching class while following this system helps foster students' imaginative and theoretical skills.

Additionally, Yamaha has been making progress in joint projects with other companies, and led the production and development for the digital classroom materials "Music Edutainment Application: Learn to Read Sheet Music! Vol.1 Rhythm Training," which teaches users how to read sheet music and was planned and sold by KYOIKU GEIJUSTSU SHA Co., Ltd., a company which publishes textbooks and classroom materials.

Through the Smart Education System, Yamaha plans to not only provide these digital music classroom materials, but also to support the new generation of music education by providing comprehensive solutions, including support for instruments, network equipment, cloud services, and human support.



Practice using Alto Recorder Class



A screenshot from Chorus Practice

### ► Distance Learning Using a Web Conference System

As the utilization of ICT grows in classrooms, distance learning is being proposed more frequently thanks to its ability to bring classes of different schools in the same city together, support meetings between sister schools, and provide collaborative classes in under-populated areas with a shortage of specialized teachers. As Japan's Ministry of Education, Culture, Sports, Science and Technology recognizes distance learning programs and grants accreditation in high schools, more forms of distance learning programs are expected to be offered in the future.

In corporation with each prefecture's Boards of Education, education institutions and other companies, Yamaha Corporation promotes the use of sound communication devices, such as speakerphones for distance meetings.



English conversation class using a tablet terminal and remote teaching system (Koga Daiichi Municipal Junior High School, Koga City, Ibaraki Prefecture)



A presentation utilizing ICT (Kornagamine Municipal Elementary School, Shinchi Town, Fukushima Prefecture)

# Donations and Social Welfare Activities

## Promoting Employee Volunteer Activities

The Yamaha Group promotes its employees' participation in volunteer activities. Along with establishing various programs, we use the Company intranet and other means to share information on available volunteer opportunities, while also publicizing examples of previous volunteer activities.

### ► Voluntary Philanthropic Activities by Employees

Yamaha Corporation of America launched Yamaha Cares in 2003 as a way for employees to implement voluntary philanthropic activities. Yamaha Cares aims to contribute to the regions in which employees live and work through donations, collecting contributions, providing Yamaha products, and so on. Among these is an activity benefitting a children's hospital researching the treatment of Type 1 juvenile diabetes. Every year employees participate in the Southern California Half Marathon and solicit contributions, which have exceeded \$110,000 in total. Yamaha Cares continues to support the hospital, one of the few institutions researching the treatment of childhood diabetes.

#### Major Yamaha Cares activities

- Fundraising efforts for a pediatric hospital
- Donations, including donating Yamaha products, to after-school programs (run by United Sound, Inc.) providing musical performance experiences to children with intellectual disabilities
- Participation in Making Strides Walk, an activity supported by the American Cancer Society

» [United Sound website](#)

» [American Cancer Society website](#)

» [Making Strides Walk](#)



Funds raised from a half marathon were donated to Children's Hospital of Orange County (CHOC)



Fundraising activities and donating the Company's products to many other programs

## Regional welfare activities

The Yamaha Group carries out welfare activities rooted in local communities by efforts that include donating instruments to local schools and organizations.

### ► Donation of Musical Instruments for the Children of Migrant Farmers

Commemorating its 10th anniversary, Yamaha Music & Electronics (China) Co., Ltd. (YMEC), and four of its local manufacturing companies and major sales agents, began donating instruments to schools for the children of migrant farmers all over China in fiscal 2014. This is a five-year project to show gratitude toward local areas for the development of business in China.

This activity is carried out with the idea that, by donating musical instruments and AV equipment for music classes in the schools, more children will have the opportunity to experience music and learn the wonders of music, thereby helping them to develop artistic sensitivity. In fiscal 2018, instruments worth a total of 200,000 yuan were donated to two schools in two cities, with the objective of strengthening relationships with agents in local cities and expanding regional contributions. Over the past five years, 54 schools have received donations all total, and the cumulative amount has reached approximately 4.2 million yuan.



## Major Donations and Their Recipients

| Date      | Region       | No. of schools | Donations   |
|-----------|--------------|----------------|---|
| Mar 2013  | Shanghai     | 2              | 2 pianos, 40 portable keyboards, 2 AV systems                       |
| Sep 2013  | Beijing      | 2              | 2 pianos, 72 portable keyboards, 2 AV systems                       |
| Oct 2013  | Tianjin      | 7              | 7 pianos, 210 portable keyboards, 7 AV systems                      |
| Dec 2013  | Hangzhou     | 18             | 15 pianos, 13 digital pianos, 360 portable keyboards, 18 AV systems |
| May 2014  | Suzhou       | 5              | 5 pianos, 150 portable keyboards, 5 AV systems                      |
| Oct 2014  | Guangzhou    | 2              | 2 pianos, 70 portable keyboards, 2 AV systems                       |
| May 2015  | Shanghai     | 2              | 2 pianos, 60 portable keyboards, 2 AV systems                       |
| Dec 2015  | Hangzhou     | 5              | 5 pianos, 150 portable keyboards, 5 A systems, PA systems           |
| Apr 2016  | Qingdao      | 1              | Portable keyboards worth approx. 100,000 yuan                       |
| Sept 2016 | Yiwu         | 1              | Portable keyboards worth approx. 100,000 yuan                       |
| Nov 2016  | Lu'an        | 1              | Portable keyboards worth approx. 100,000 yuan                       |
| Dec 2016  | Pingdingshan | 1              | Portable keyboards worth approx. 100,000 yuan                       |
| Mar 2017  | Beijing      | 1              | Portable keyboards worth approx. 100,000 yuan                       |
| June 2017 | Chengdu      | 1              | Portable keyboards worth approx. 100,000 yuan                       |
| Oct 2017  | Jinan        | 1              | Portable keyboards worth approx. 100,000 yuan                       |



Musical instrument presentation ceremony (Chengdu)



Donated portable keyboards

### ► Donating Food for Disaster Stockpiling to Food Bank FUJINOKUNI

Food bank FUJINOKUNI is a charitable organization seeking to help build a mutually supportive society. The food bank has developed and runs a system for accepting donations of food that is safe to eat but would otherwise be discarded from companies, organizations, and individuals, and equitably distributes this food to people who need it. The Yamaha Group fully supports the organization. At each of its offices in Shizuoka Prefecture, Yamaha stockpiles food to be distributed in the event of a disaster. One month before the food is due to be replaced, Yamaha donates it to the food bank.

## Support for Areas Devastated by Earthquakes

For the purpose of supporting restoration and recovery in areas affected by the Great East Japan Earthquake, the Yamaha Group provided school musical instruments and other products through its sales agents, held a variety of charity concerts, and supported the activities of the School Music Revival. Going forward, we will continue to provide support in the hope that recovery from the disaster can be achieved as soon as possible.

## ▶ Yamaha Symphonic Band Helps Support Activities in Disaster Affected Areas

The Yamaha Symphonic Band is devoted to supporting victims of the Great East Japan Earthquake. To date, the band has held charity concerts and other activities across the Tohoku region to help promote the recovery. The Yamaha Symphonic Band also donated part of the proceeds of its CDs "Yamaha no Oto Kanaderu Takumi no Oto 1," which was released in October 2015, and "Yamaha no Oto Kanaderu Takumi no Oto 2" to the affected areas through the Japanese Red Cross Society. They are continuing such activities in order to support recovery from disasters.

» The Yamaha Symphonic Band



Concert to support the disaster afflicted area

## Contributing to Local Regions and Hosting an Environmentally Conscious Event

### ▶ Contributing Locally through the Yamaha Ladies Open Katsuragi

Each year in April, Yamaha Corporation and Yamaha Motor Co., Ltd. jointly host the Yamaha Ladies Open Katsuragi golf tournament at the Katsuragi Golf Club operated by Yamaha Resort Corporation in Fukuroi, Shizuoka. At the tournament, efforts are made to address global warming by asking visitors to use public transportation or carpool, sort and separate garbage, recycle plastic bottles, and use disposable chopsticks made with timber from thinned forests. These and other environmentally conscious efforts are undertaken in order to help reduce waste and efficiently use resources. Also, holding this major event is made possible with the support of volunteer staff from across Japan and the support of many local residents and regional governments.

Since the first tournament in 2008, Yamaha has given donations to local governments that have backed the tournament as a token of our appreciation to local residents for their cooperation and support of the event. At the April 2018 tournament, we donated a total of ¥6 million, comprising ¥1 million each to Shizuoka Prefecture and five cities in the region. These donations will be used to revitalize the region and improve social welfare, such as maintaining sports facilities and buying vehicles for volunteer activities. The total amount donated to date stands at ¥59 million.

In addition, a total of 316 new Group employees from Yamaha Corporation and Yamaha Motor Co., Ltd. took part as tournament operations staff alongside 1292 volunteer staff.



An "eco-station" for separating garbage



Volunteer staff at the tournament in 2018

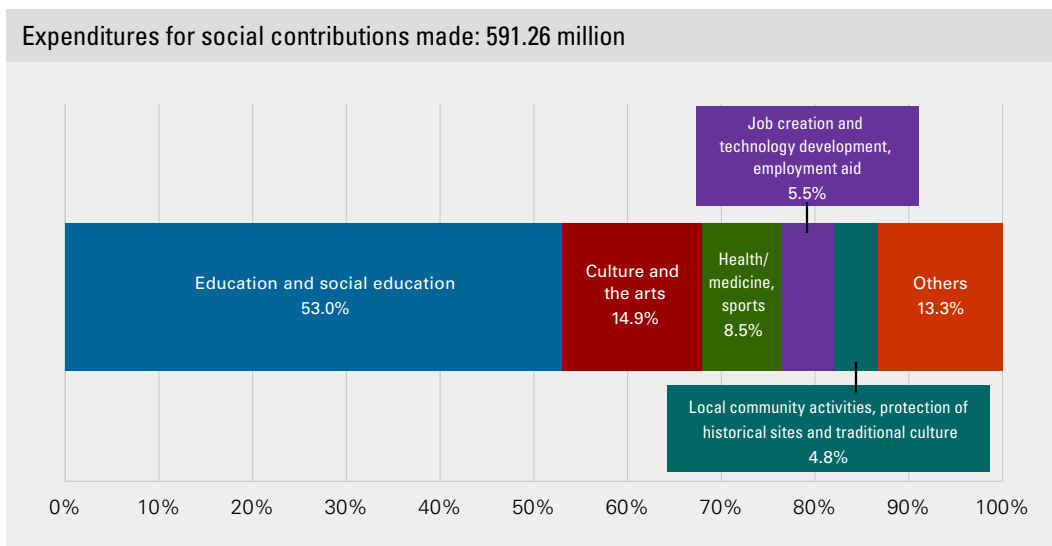


Charity donation presentation ceremony conducted after the tournament award ceremony

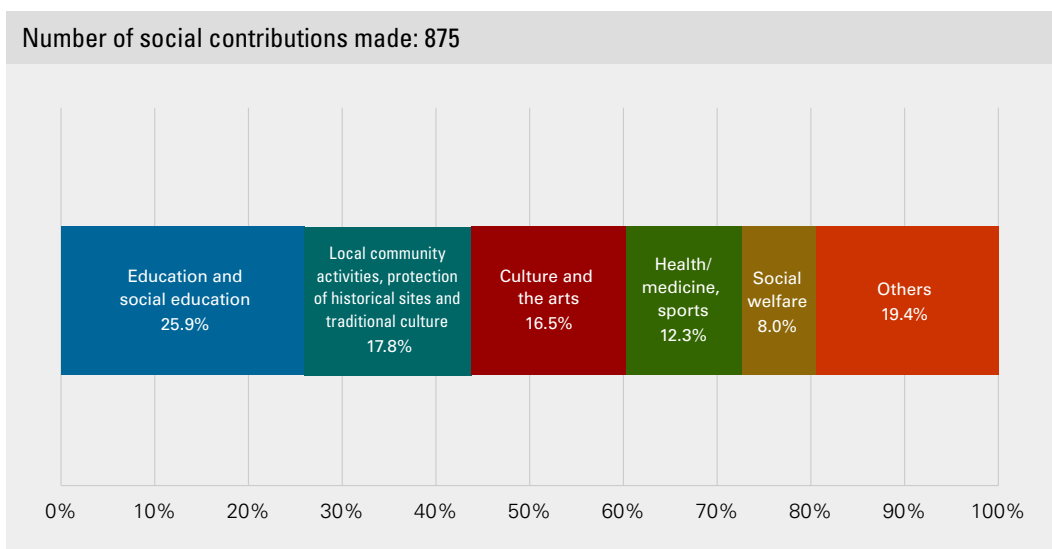
# Expenditures for social contributions

In fiscal 2018, the Yamaha Group spent 591.26 million yen on social contributions, including activities contributing to the popularization and development of music and music culture, and contributions to the region and to welfare of society.

\* The above expenditures do not include actions taken by the Yamaha Music Foundation.



\* "Others" includes environmental activities and assistance to disaster stricken areas, etc.



\* "Others" includes environmental activities and assistance to disaster stricken areas, etc.



## Feature 1

# Preserving the Tones of Yamaha for the Next Generation



### - Sustainable Procurement of Timber and Community-focused Forest Management -

Many musical instruments, including pianos, woodwind, string, and percussion instruments, are made with wood.

The Yamaha Group uses a variety of wood materials in its business activities, including the production of musical instruments. The Yamaha Group is engaged in new initiatives in order to manage and conserve these precious wood resources so that they can be used for the next 10, 50, and 100 years.





## “African Blackwood” - A Vital Component of Woodwind Instruments

African Blackwood (commonly known as grenadilla) is used in making woodwind instruments such as the clarinet, oboe, and piccolo. This tree is mainly found in eastern Africa, primarily in Tanzania and Mozambique. Its wood is dense and hard, and possesses excellent acoustic attributes. As such, it has been used for many years in woodwind instruments, and it is difficult to substitute its



unique appearance and properties with other wood products. In the musical instrument industry, African Blackwood is treasured as an important resource. In recent years, it has decreased in volume to the point of being designated as “Near Threatened” on the IUCN red list, making its sustainability a concern.



## Issues facing African Blackwood

A characteristic of woodwind instrument production, which is the primary use of African Blackwood, is that it requires high quality wood which does not break, rot, or form knots. As such, only 5 to 10% of African Blackwood timber is actually used as materials. As the resource has been dwindling in recent years, there have been many cases of excessive logging to procure the limited supply of high quality wood. There are concerns about the sustainability of this resource given that African Blackwood

trees require a lengthy period of growth (approximately 70 to 100 years) before they can be harvested. Furthermore, local communities facing the ongoing challenge of poverty have less of an incentive to engage in forestry compared to agriculture and livestock raising, which have a more direct impact on their livelihoods. It is currently difficult for local communities themselves to systematically manage forests.



Grenadilla logs abandoned in harvesting site





## Making African Blackwood a Sustainable Resource

In order to help resolve these issues, Yamaha began conducting investigations of forest management conditions and African Blackwood resource volumes in Tanzania, with the aim of conserving the species and achieving stable procurement.

In fiscal 2016, as a part of the Japanese Forestry Agency's "Promotion of Sustainable Forestry Management in Developing Countries" program (September 2015 - March 2016), Yamaha conducted a preliminary survey with the cooperation of a local NGO (MCDI\*), and is working towards sustainable forest conservation based on FSC-certified forest in Tanzania. Yamaha received a number of ecological findings related to the distribution, growth, and natural regeneration of African Blackwood and the status of the local forest management system. Until then, it had been difficult to obtain accurate local information. However, as a result of this survey, Yamaha

discovered that sustainable procurement of the resource would be possible with proper management<sup>(1) (2)</sup>.

Based on these results, in fiscal 2017 Yamaha began full-scale activities in partnership with the Japan International Cooperation Association (JICA) as a private cooperative business (BOP business; December 2016 - November 2019). In these activities, the relationships between environmental factors and African Blackwood distribution and quality have been studied. Based on the objectives of "efficient use of existing resources" and "sustainable forest management with tree-planting activities in order to secure future resource volumes," Yamaha is continuing investigations and implementing measures with the aim of building a business model which can use this resource for musical instruments on a sustainable basis.

\* MCDI (Mpingo Conservation Development Initiative): An NGO engaged in community forestry in the Lindi region of southern Tanzania and in sustainable forest management through international forest certifications (FSC-certification). MCDI urges self-sustaining forest management by the communities participating in these activities. Each community is paid a portion of the revenue gained through the harvested timbers, as public capital for the community

### ► Results and issues from forest survey

#### Results related to African Blackwood habitat<sup>(3) (4)</sup>

| Content   | Results  | Considerations  |
|---|--|---|
| Environment and tree growth                                 | <ul style="list-style-type: none"> <li>High environmental adaptability; able to grow in unfavorable conditions not suited to other species</li> </ul>  | Comparably easy to grow in a range of conditions  |
| Relationship between natural habitat and growth conditions  | <ul style="list-style-type: none"> <li>In high density-forests, tree numbers decline but growth conditions are improved</li> <li>In open forest, tree numbers increase, but growth conditions decline</li> </ul> | It is possible to continually produce high quality wood materials by controlling forest conditions to create an appropriate environment |
| Relation between local environment and wood characteristics | <ul style="list-style-type: none"> <li>There are no clear changes in wood characteristics due to local environmental changes</li> </ul>  | Wood characteristics are stable regardless of environmental factors   |

#### Issues

- Systemization of knowledge gained in surveys; forest management for production of high quality materials(for producing musical instruments)
- Construction of system/framework for local leadership to manage forests on a sustainable basis
- Construction of system for stable supply of FSC-certified wood materials
- Improvement of material yield from harvested trees for efficient use of timber resources



Forest surveys in Tanzanian natural forest



#### Sources

- (1) Current status of African Blackwood in Tanzanian natural forests and potential for sustainable material utilization; 67th The Japan Wood Research Society, Fukuoka, 2017.
- (2) Report on 2015 Forestry Agency Subsidy report "Sustainable forest management promotion business in developing countries," subsidized by the Forestry Agency 2016.
- (3) The relationship between environmental factors and the growing conditions of grenadilla trees in Tanzanian natural forest; 68th The Japan Wood Research Society, Kyoto, 2018.
- (4) Creating sustainable forests harmonized with a business for musical instruments: African blackwood in Tanzania. (short special edition: Aiming for Sustainable Forest Usage across the Globe); Japanese journal of international forest and forestry, (101), pp. 9-13, 2018.

## Sustainable Forests through Cooperation with Local Communities

### ► Current resources/future resources

Yamaha has formed partnerships with local sawmills and is taking initiatives to effectively utilize existing resources by means such as procuring certified timber from FSC-certified forests and improving material yield. Yamaha is also conducting tree planting to secure future resource volumes. In fiscal 2018, the company planted about 1,500 trees on 1.5 hectares of a community forest. Furthermore, in fiscal 2019, the company plans to plant about 3,000 trees on 1.0 hectares of the forest.

### ► Goals through Coexistence with Local Communities

In order to achieve sustainable forest management, Yamaha must aim for self-sustaining forests through cooperation with the communities which own the forests.

With the aim of boosting incentives for local communities, and conserving forest resources, Yamaha started a African Blackwood tree-nursery project in cooperation with MCDI and local communities. In this project, Yamaha didn't just plant young trees, but also conveyed to local people know-how on raising high quality trees and the importance of forest conservation, through sessions about a range of management tasks, including raising seedlings, weeding, planting, pruning, and thinning. This would allow the local communities to continuously produce valuable timber resources in their own forest. Furthermore, Yamaha expects these initiatives to create local jobs and boost profits for the local communities.

Yamaha installed tree nursery facilities, such as wells, water tanks, and pumps, in a corner of local villages in the region that are participating in MCDI activities. Yamaha is investigating these possibilities for a pilot project.

A great deal of time is required for seedlings to grow large enough to become the wood material in musical instruments, and these trees will struggle with a number of hurdles. Yamaha wishes to preserve the tones of its instruments for every customer in future generations. In order to achieve this goal, Yamaha has responsibility as a musical instrument manufacturer to engage sustainable forest management as well as timber use.

Moving forward, Yamaha intends to continue working together with local communities as it aims to achieve sustainable timber procurement.



African Blackwood seedlings



Local children and the village water tank



Preparation of seedlings in the tree nursery area



Planting area in the natural community forest

### ► Three Pillars to Achieving Business Model

#### Efficient use of existing resources (forest management)

- Quality improvement through appropriate forest management
- Efficient resource utilization through improvements of material yield

#### Creating resources for the future (planned tree planting)

- Management and conservation of resource volume through treeplanting activities
- Acceleration of the resource cycle by using materials from planted trees effectively

#### Aiming for sustainable forests (boosting incentives)

- Active cooperation with local communities that are central to local community forestry
- Creating a bridge between forests and musical instruments (local areas and the world)

### comment

Everyone is extremely grateful for the range of support Yamaha is providing to conserve the forests, including instruction on forest management, and financial support for our local communities.

Yamaha actually came to the local villages, investigated the status of the forests and villages, and fulfilled their responsibilities as a user of these timber resources. Furthermore, they did not simply plant new trees in order to enlarge the forests, but rather gave us the valuable opportunity to rediscover the importance of planting activities. I hope to pass these precious forests on to the next generation.

Mpingo Conservation & Development Initiative(MCDI) Local NGO Representative

**Makala Jasper**





## Feature 2

# Spreading the Fun of Playing Musical Instruments to Children Across the Globe



Yamaha operates music education programs across the globe, including the “Yamaha Music School”, which boasts a history of over 60 years. Through music, we have helped to enrich the lives of children as they grow. A world in which as many people as possible enjoy music, in which people share in the joy of music, and in which people’s lives are enriched through such experiences... as a musical instrument manufacturer, Yamaha recognizes that it is our mission to contribute to the creation of such a society.

There are still many places around the world where children are not even blessed with the opportunity to touch a musical instrument, due to an educational environment which lacks equipment, teachers, and curriculum, even in schools.

In order to provide more children with the opportunity to play musical instruments, and to convey to them the enjoyment of music and musical instruments, Yamaha is engaged in activities in multiple countries to spread musical instrument education in schools.





## “School Project” - Providing the Opportunity to Enjoy Musical Instruments in Public Primary Schools

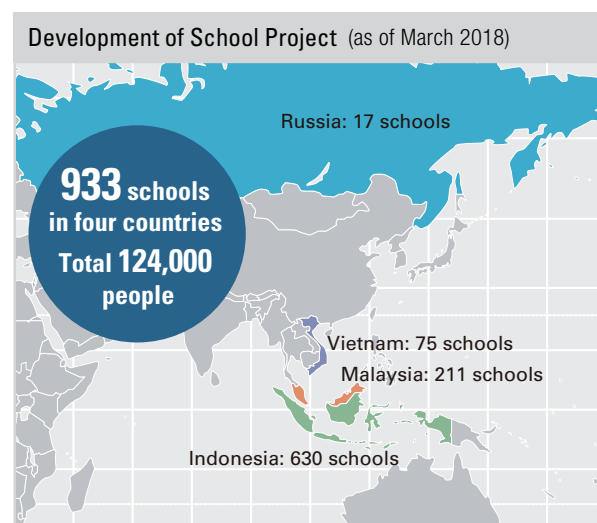
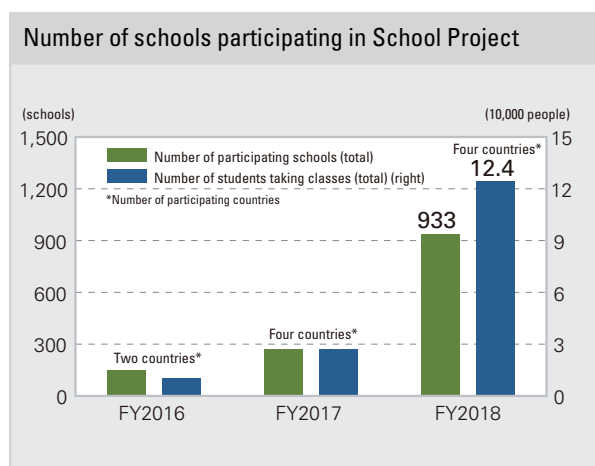
Since 2015, Yamaha Corporation and related local corporations have partnered on the “School Project,” an initiative with a focus on emerging nations. In this initiative, Yamaha works closely with local educational institutions to support the development of an environment in which children can experience musical instruments in schools, providing children who have never even touched a musical instrument with the opportunity to play one.

Based around the proprietary program “Music Time,” which offers Primary schools a package of musical instruments, teaching materials, and instructional know-how, this initiative allows children to enjoy learning portable keyboards or recorders during primary school classes or extracurricular activities. At the same time, this

initiative holds various concerts and events to provide children a platform from which they can demonstrate the results of these classes.

Showing the fun of music to children through musical instrument education not only supports their growth, but also contributes to the music education and culture of that country.

This initiative utilizes the unique music culture of each country and is currently being conducted in Malaysia, Indonesia, Russia, and Vietnam. By proposing curricula which fit the circumstances of each country, Yamaha hopes that music instrument education will take root and become self-sustaining in the future.





► **Example of Initiative in Indonesia**

In 2015, Yamaha began the “Music Time” portable keyboard (PK) program. All primary school children in second grade take this program, and the number of children who now enjoy playing musical instruments has clearly increased. In 2017, Yamaha implemented recorder and pianica programs at 490 schools throughout Indonesia after signing an agreement to cooperate with “Strengthening Character Education,” an initiative of the Indonesia’s Ministry of Education. Furthermore, Yamaha held an “Ensemble Video Competition” with Indonesia’s Ministry of Education to provide children a stage to demonstrate the results of their study and to contribute to the development of music education in Indonesia.



Signing ceremony for agreement to cooperate with “Strengthening Character Education”



Keyboard class in Primary school

► **Example of Initiative in Vietnam**

In partnership with the Vietnam’s Ministry of Education and Training, Yamaha is conducting an initiative to promote the implementation and establishment of education using musical instruments in music classes at primary and secondary schools.

In Vietnam, instruction with musical instruments is not included in the course of study at primary and secondary schools. As such, most children do not have the chance to play musical instruments in school music classes. In order to improve the quality of music education in Vietnam, Yamaha is taking initiatives as it aims for the implementation and establishment of musical instrument education in the course of study, which is planned to be revised in 2019. In 2017, Yamaha signed a memorandum of understanding regarding promoting instrumental music education more widely in Vietnam with the Ministry of Education and Training of the Socialist Republic of

Vietnam. For the three years up to 2020, Yamaha is working to form music clubs that will make use of recorders and pianicas in 245 primary schools in 10 cities nationwide in Vietnam, under government approval.

In 2016, these initiatives were selected as a Certified Project of the “Public-Private initiative to Disseminate Japanese-style Education Overseas (EDU-Port Japan)” of Japan’s Ministry of Education, Culture, Sports, Science and Technology. In September 2018, they were again selected as the same certified support projects. Furthermore, in June 2018, these initiatives were selected to receive support from JETRO’s “Rule-creation Support Project to Solve Social Issues.”\*

Under partnerships with governments and related institutions, Yamaha will continue to provide support for the creation and development of music culture in Vietnam.

\* By strategically implementing rules such as regulations and incentive schemes, in other countries this project can create a market that prioritizes the products and services of Japanese companies, and supports company initiatives to solve social issues in these countries.

► **Musical Instrument Education Implementation Support Initiatives in Vietnam**

Support for recorder club activities at primary schools

Support revisions to textbooks

Support teacher training





Trial recorder class



Yamaha Recorder Festival (Hanoi)



Musical instrument teacher training course at Hanoi National Education University

## Boosting the Quality of Music Education

As Yamaha promotes activities in each country, we are also conducting initiatives to test the benefits of musical instrument education in collaboration with the College of Education at Yokohama National University. Through academic testing of the educational value of musical

instrument education and its influence on children, Yamaha can improve the quality of the education programs we operate around the world and contribute to the development of the country, its music education, and culture.

### Music Popularization Program in the GCC and Africa

Initiatives to spread music using the know-how of Yamaha are being conducted across the globe. Among them, Yamaha Music Gulf (YMGF), a Yamaha subsidiary tasked with sales in the GCC and other countries in the Middle East, Africa, the CIS, and Western Asia, regions where western music education has not taken root, is implementing music promotion activities in schools based on the local circumstances of the country.

Especially in the Middle East and Africa, while there are music classes in schools, the lack of musical instruments, instructors, and know-how means that in most cases such classes are limited to chorus and theory. In 2012, YMGF started a school music

education promotion project in order to support the education and growth of children through musical instrument education. YMGF promoted this project in collaboration with local branches and demonstrated the importance of music education by holding classroom visits of Japanese elementary schools for education officials in each country.

After starting with one school in South Africa in 2016, YMGF expanded recorder classes to about 3,300 students in 33 schools in South Africa, Nigeria, Kuwait, UAE, and Kenya in fiscal 2018. YMGF plans to add Pakistan, Morocco, and Uganda in the future and expand its activities to start pianica classes in Pakistan.



Recorder lesson in South Africa



Recorder lesson in Nigeria

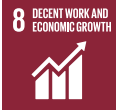


Seminar for instructors in UAE

## Feature 3

# Supporting the Development of Youth Through the Power of Music

In many countries in Latin America, crime and poverty as well as social inequality are serious social problems. Children raised in these environments are often dragged into the world of crime, delinquency, and violence. The governments of these countries are promoting free music education activities, with public and private institutions forming orchestras and bands in various regions in order to educate young people. Yamaha approves of these efforts, and is engaged in its own unique support activities.





## Music—protecting children from crime, delinquency, and violence

It is estimated that the number of students participating in youth development orchestra and band activities is around 900,000\*1, with that figure rising each year. These activities require a large number of musical instruments for the various organizations. As a result, there has been an influx of musical instruments from manufacturers around the world, and the musical instrument markets in these regions have experienced rapid growth.

However, many of these instruments have not been properly maintained due to a lack of proper care, knowledge, and customs regarding daily instrument maintenance. The situation is worsening as there are no

technicians in these regions to fix instruments when they break. In some instances the activities themselves have come to a halt because of the dwindling number of usable instruments.

In response to this issue, local subsidiaries of Yamaha headquartered in Latin America have taken efforts over many years to support youth development orchestra and band activities, contribute to these regions, and foster an environment in which children can continue to play music. Beginning in 2014, the Yamaha Group has used the AMIGO Project\*2 to strengthen support for youth development orchestras and bands.

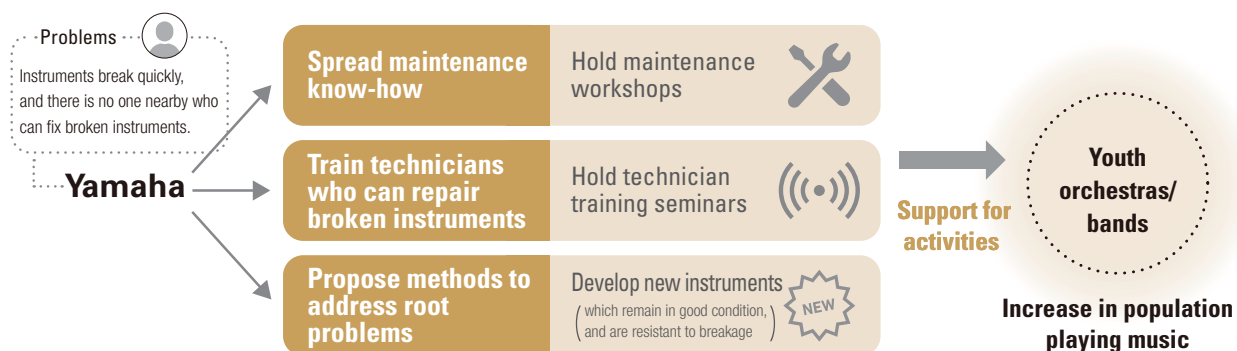
\*1 Estimated by Yamaha. Calculated based on assorted data and information from local organizations and Yamaha subsidiaries

\*2 AMIGO Project means Apoyo (support)-Music-Institute/Government-Orchestra



Countries where Yamaha has implemented the AMIGO Project

### AMIGO Project Initiative



## Aiming to spread maintenance know-how and technician development

Daily maintenance is needed in order to keep a musical instrument in good condition over many years. Even when an instrument breaks, if a repair technician is nearby, they can fix it so it can continue to be played. In the AMIGO Project, Yamaha holds maintenance workshops and repair technician training seminars in five Latin American countries. Through these activities Yamaha contributes to the construction of local infrastructure.

In the maintenance workshops, staff from local subsidiaries or dealers use maintenance guidebooks created by Yamaha to teach local instructors maintenance methods. After the workshop, these instructors teach the children the methods they learned. Having instructors teach these methods lets Yamaha pass on this instrument maintenance know-how to many children efficiently in a single session. For children, learning proper maintenance extends the life-span of their musical instruments and fosters a mindset of treating these instruments with care.

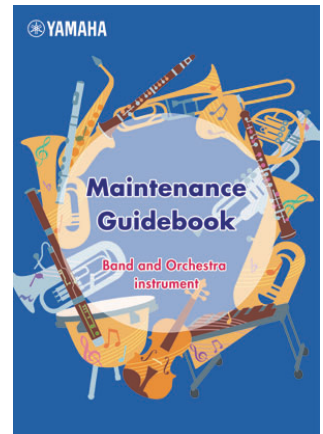
In training repair technicians, Yamaha aims to educate the people who will become “key” technicians in each country, with local subsidiaries and dealers gathering together selected repair technicians, and hold seminars to teach repair know-how and techniques. These key technicians use the manuals explaining the knowledge, techniques, and repair methods they have learned to train other local technician candidates in their countries.

Yamaha believes that spreading and establishing knowledge and techniques related to instrument maintenance and repair is crucial to further developments in musical education and culture.

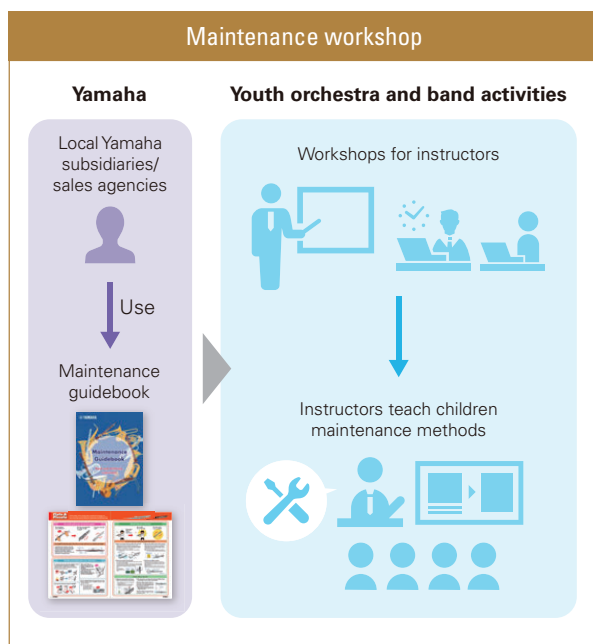
Furthermore, Yamaha is also proactively engaged in new approaches, such as the development of easy-to-maintain, hard-to-break instruments which would provide a solution to the root problem.



Repair technician training seminar

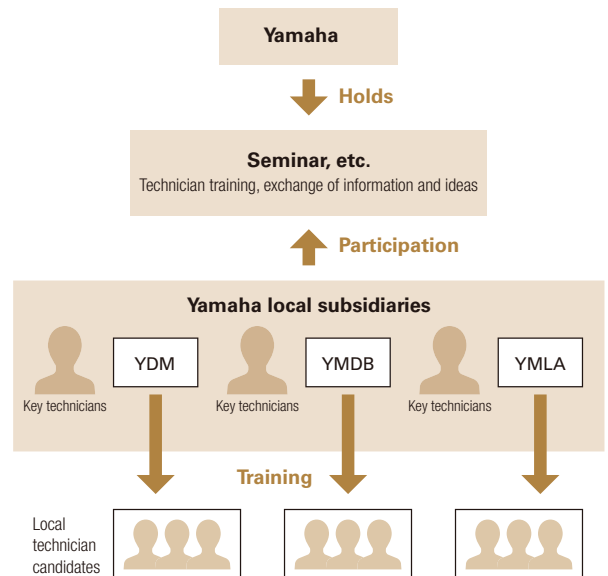


Maintenance guidebook created by Yamaha



### Support for technical staff

Training of technical staff able to work with wind, string, and percussion instrument



## Supporting Música para la Vida -Yamaha de México

Música para la Vida is an organization which was established in 2013 in San Luis Potosí, a medium-sized city in central Mexico, in order to promote social reforms through music. This organization now comprises four orchestras, two wind orchestras and two chorus groups. A total of 76 instructors lead around 1,500 children (as of August 2018).

This organization does not rely solely on government subsidies, but ensures its sustainability by securing private financial sources for its funding.

San Luis Potosí has the largest population of any city in its state. However, it is not a wealthy city, as around 45.5% of its population is below the poverty line (as of 2016). While many children are in a disadvantageous educational environment, Música para la Vida promotes their healthy development by forming a music community that helps to strengthen societal bonds. This organization

is making efforts to give back to society by through initiatives to develop culture and education, create jobs, and improve public safety in the region. Yamaha de México (YDM) began supporting Música para la Vida in 2014. YDM has supported an environment in which children can happily enjoy music through technical support, which includes maintenance workshops and technician training seminars, as well as providing various information related to musical instruments. When Música para la Vida experienced the theft of its equipment, YDM provided maintenance kits free of cost.

In the future, YDM plans to continue to support the smooth operation of Música para la Vida and its music education activities for youth development, using the know-how and services that YDM has developed over many years.



### comment

The children have grown a lot through these band and orchestra activities. As their music playing skills improved, they were able to feel more self-confident, and furthermore, by finding their place in this organization, many felt more assured of their self-worth. By developing communication skills, they were able to improve their interpersonal relationships, and we also saw an increase in their motivation toward their studies at school.

Seeing these changes in the children up close, I was once again made aware how music education can drive societal change.

We hope to further strengthen and develop our music education activities in order to establish an environment in which children can enjoy music as they live comfortably and securely. In doing so, we hope to contribute to society.

Música para la Vida General Director  
**ROCÍO RODRÍGUEZ ROMO**



Up until now, I have wasted a lot of time on an unnecessarily complex method of repairing instruments. However, after attending Yamaha's repair technique seminar, I have learned how to perform even difficult repairs smoothly and with a high degree of quality by using proper tools and the best methods. I hope to teach everything I have learned from Yamaha to other people so that they too can easily understand how to solve problems with instruments. I hope to utilize this knowledge and information to one day have my own repair workshop in Música para la Vida.

Música para la Vida  
Wind instrument repair technician

**Jesús Zaragoza Trejo**





# Editorial Policy

The Yamaha Group is executing initiatives aimed at the realization of a sustainable society as its corporate social responsibility.

The Yamaha Group publishes a Sustainability Report on its website to communicate its vision to promote sustainability as well as its initiatives to the Group's broad stakeholder base.

Since publishing the Environmental Report in 2000, we have worked to prioritize the disclosure of themes of interest and important issues of Group responsibility, based on our communication with stakeholders.

We have been disclosing a wealth of information in an easy-to-read format since 2014 to reflect ISO 26000, which provides guidance for social responsibility.

Furthermore, this Sustainability Report (website) has been prepared in accordance with the GRI Standards (2016 Version): Core option. In addition, we referenced the "Environmental Reporting Guidelines (2012 Version)" of the Ministry of the Environment, Japan.

## Organizations Included in the Scope of Reporting

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In principle, the Yamaha Sustainability Report comprises Yamaha Group companies (Yamaha Corporation and its 59 consolidated subsidiaries in Japan and overseas). References to "Yamaha" in this report indicate the Yamaha Group.

Certain sections of the report, however, which require a more granular scope, have specific targets.

## Reporting Period

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April 1, 2017 to March 31, 2018

\* The above period is referred to as fiscal 2018 in this report. In the English version, the fiscal year written is based on the year ending March 31.

\* Certain initiatives underway prior to March 2017 and information from April 2018 onward are also included in this report.

## Date of Issue

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Report Published: November 2018

Previous Report Published: September 2017

Next Report to Be Published: September 2019



SHARING PASSION & PERFORMANCE

YAMAHA CORPORATION

General Administration Division

Sustainability Group

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