YAMAHA

Sustainability Report 2019

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

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 in the Value Chain

» Engagement with Stakeholders

» Yamaha Group Sustainability Policy

Initiatives for Sustainable Development Goals (SDGs)

The Yamaha Group intends to contribute to the attainment of the “Sustainable Development Goals” (SDGs) through our business. In addition to our efforts to contribute to Goal 4 (“Quality Education”) through our initiatives to spread music, we are also working on Goal 12 (“Responsible Consumption and Production”) and Goal 15 (“Life on Land”) through efforts to procure sustainable sources for timber. We are currently developing products and services with an awareness of the goals and targets of each SDGs, and endeavoring to improve our business processes.

Sustainable Development Goals (SDGs)

Promotion of Sustainability Priorities

The Yamaha Group has established "sustainability priorities" for the medium to long term, based on the impact of our business activities on the environment and society, as well as on stakeholders' expectations and societal demands.

Process for identifying priorities

1. Identify sustainability issues

Identify sustainability issues within the Yamaha Group value chain based on ISO 26000 (which provides international guidance on social responsibility) and sustainable development goals (SDGs).

2. Evaluate importance of issues from the perspective of stakeholders

Take into consideration feedback from customers, employees, and local communities; ESG evaluation items; opinions and requests from NGOs; and advice from outside experts, and then evaluate the importance of the issues identified.

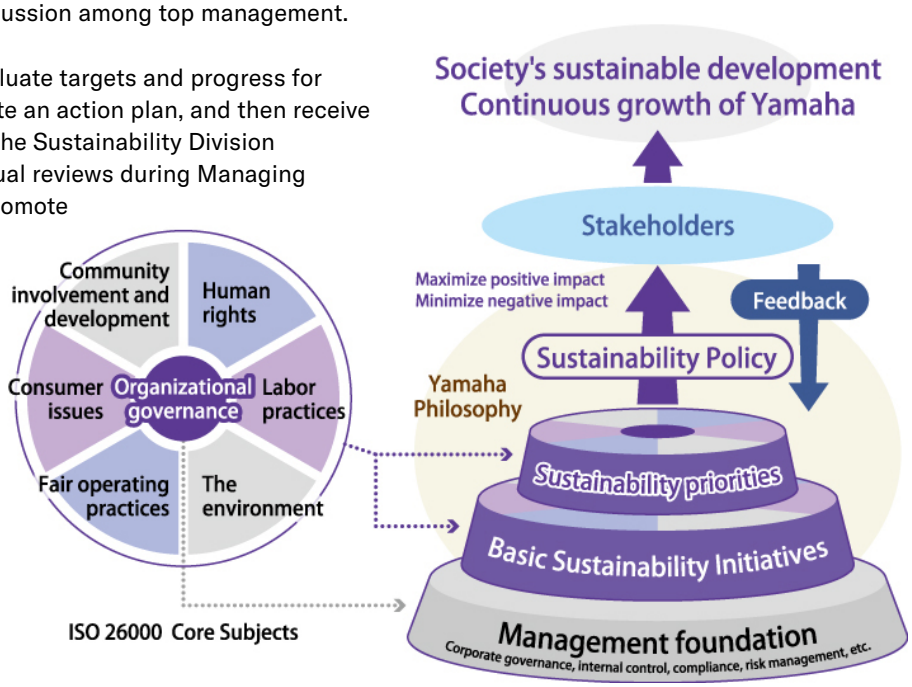
3. Evaluate importance within Yamaha

Take the Yamaha management vision and medium-to-long-term management policies into consideration, and evaluate the importance of the issues identified.

4. Identify sustainability priorities

Select issues that must be promoted further based on the results of evaluating the importance of each issue, and then identify sustainability priorities through discussion among top management.

Set KPIs within related divisions to evaluate targets and progress for identified sustainability priorities, create an action plan, and then receive approval from top management. Have the Sustainability Division monitoring progress, and conduct annual reviews during Managing Councils headed by the President to promote initiatives for sustainability priorities.



Sustainability Priorities and Progress

Sustainability priorities	Major initiatives	FY2018 progress and results	Future issues and targets	Major related SDGs
Development of products and services with a focus on social/ environmental issues	Response to societal issues	**Music Culture and Education** ・Released new digital materials to support music education (chorus and recorder lessons) **Universal Design** ・Released new "multilingual simultaneous interpretation guide" feature for "SoundUD™," and launched a subtitle support project for those with visual or hearing impairment **Health/Safety Solutions** ・Began supplying market with in-vehicle communication modules for emergency call systems **Workplace** ・Launched trial shared office project utilizing soundproof rooms and conference systems	**Music Culture and Education** ・Propose comprehensive music education solutions ・Expand range of electronic musical instruments equipped with functions required by local music cultures **Universal Design** ・Expand range of electronic musical instruments equipped with voice readout functionality **Health/Safety Solutions** ・Expand sales and use of in-vehicle communication modules **Workplace** ・Propose acoustic environment solutions for workplaces (make use of speech privacy systems to keep information private during conversations)	
	Response to environmental issues	・Certified 53 models of Yamaha Eco-products (379 models total, 18% of sales) ・Developed a thermoelectric power generation module which can utilize waste heat, and built a production system for it	・Yamaha Eco-Products certification:40 models/year ・Introduce waste heat power generation module into the automotive market ・Develop non-organic solvent coating technology ・Develop sustainable materials capable of replacing rare timber	
Development of regional community-based business and social contribution activities	Spread instrumental music education to schools	・Provided a total of 260,000 students from 1,300 schools in Russaia and four countries in Southeast Asia and elsewhere with the opportunity to play musical instruments ・Provided approximately 5,100 students from 63 schools in six countries in Africa and the Middle East to the experience of with the opportunity to play musical instruments ・Donated musical instruments and provided education support to five migrant worker schools in five cities in China (total of 55 schools)	・Provide opportunities to play musical instruments to a total of 1,000,000 students from 3,000 schools in seven countries in Southeast Asia and other locations ・Provide opportunities to study musical instruments to approximately 8,300 students from 75 schools in seven countries in Africa and the Middle East ・Donate musical instruments to migrant worker schools in China (support 18 schools in three years)	
	Support for youth development orchestra/ band	・Held musical instrument maintenance seminars for seven organizations in three countries in Latin America (total of 29 organizations in five countries) ・Established training program for repair technicians and held seminars in three countries in Latin America; produced a total of 19 certified repair technicians	・Continue to provide musical instrument maintenance seminars and repair technician training in five countries in Latin America, and expand efforts to new areas and organizations ・Provide support to additional countries in Latin America (two countries in three years) ・Support the spread of wind instrument music and orchestras best suited to each country and region around the world	

Sustainability priorities	Major initiatives	FY2018 progress and results	Future issues and targets	Major related SDGs
Development of regional community-based business and social contribution activities	Community support	・Worked with the Reconstruction Agency as part of a project to build communities through music (Oto-Machi)	・Provide additional types of support within the Oto-Machi project (ten new projects in three years)	
Lowering of greenhouse gas emissions	Reduction of greenhouse gas emissions during business activities	・Established reduction targets (SBTs) based on scientific knowledge ・Implemented energy reduction measures, such as actively introducing energy-saving equipment and improving facility operations ・Conducted third-party greenhouse gas emission verification	・Promote reduction efforts toward achieving targets* certified by SBT *Scope 1, 2: FY2031 -32% (FY2051 -83%) Scope 3: FY2031 -30% (both figures compared with FY2018) ・Gradually expand the ratio of renewable energy used (FY2022 target 3%) ・Continue to conduct third-party greenhouse gas emission verification	
	Response to climate change	・Formulated BCP in preparation for natural disasters, etc.	・Analyze and disclose financial effect of climate change according to proposal by TCFD	
Sustainable procurement of timber	Avoid use of illegally lumbered timber; promote use of certified timber	・Improved timber due diligence (DD) system ・Conducted DD (including on-site inspections) on all timber purchased and judged 94% of purchases as low risk ・Improved ratio of certified timber (29% of all purchased timber)	・Improve DD (improve inspection accuracy) and judge 100% of purchases as low risk ・Expand ratio of certified timber (FY2022 target 50%) ・Develop musical instruments that use timber with a lower risk (such as for the cabinet material of pianos)	
	Promote the procurement of timber with an awareness of cycle-based forest conservation	・Conducted surveys to produce high-quality timber from African blackwood in Tanzania, and launched a tree-planting pilot project ・Entered into an agreement to conduct comprehensive joint research with academia (Kyoto University)	・Provide technical support to produce high-quality timber from African blackwood, promote the tree-planting project, and begin procurement ・Promote joint research with academia (such as Kyoto University) to develop forest resources and optimize usage efficiency	
Promotion of 3R in products	Packing and packaging material	・Implemented returnable packaging materials and reduced size of materials	・Promote streamlining of packaging (introduce packaging/cushioning material with a low environmental burden, and step up efforts to reduce size) ・Implement measures for shopping bags and other single-use packing materials (stop using plastic, etc.)	
	Products	・Promoted the reuse of products (Renewal Piano business) ・Introduced system for replacing electric organ units (to upgrade to more advanced/newer models) ・Implemented recycling of electric organs that were traded in (some models)	・Formulate long-term vision and promotion plan for product 3R ・Enhance services to allow customers to continue to use the musical instruments they cherish (piano retrofitting, etc.)	

Sustainability priorities	Major initiatives	FY2018 progress and results	Future issues and targets	Major related SDGs
Systematic initiatives for the respect of human rights	Develop system/ structure	・Added human rights management items to Yamaha Group rules and related guidelines ・Held compliance seminars themed on preventing harassment	・Establish human rights monitoring systems ・Conduct internal training and promote awareness of human rights	
	Promotion of supply chain management	・Strengthened supplier CSR assessment system ・Conducted assessments when beginning transactions (104 companies) ・Held seminars for procurement personnel and suppliers	・Conduct simultaneous surveys on supplier CSR assessments (every three years) ・Conduct assessments when beginning transactions ・Hold seminars for procurement personnel and suppliers	
Promotion of diversity and human resources development	Global human resources management	・Established Yamaha Group standards on grading and development, and conducted trials	・Promote HR management based on the Yamaha Group standards grading and development system	
	Promotion of the active role of female workers, response to diverse workstyles	・Expanded work-life balance support system (established measures to provide more flexible working conditions, etc.) ・Promoted the female manager development program ・Increased ratio of female managers within Yamaha Group (worldwide total) to 14.9%	・Expand work-life balance support system (open on-site daycare centers, establish measures such as working from home to provide more flexible working conditions, etc.) ・Consider measures to develop female employees for the Yamaha Group, and implement program to support staff taking temporary childcare leave ・Improve ratio of female managers target: 17% throughout Yamaha Group for the period from FY2021 to March 2022)	
	LGBT understanding and efforts to promote respect and support	・Implemented internal study sessions for HR personnel, etc. (two sessions with a total of 90 participants)	・Establish internal systems (establish help desk, improve systems, etc.) ・Hold internal lectures to promote understanding/hold study sessions in industry organizations ・Promote understanding in workplaces through such means as distributing "Yamaha LGBT Ally" logo stickers and creating an LGBT handbook	

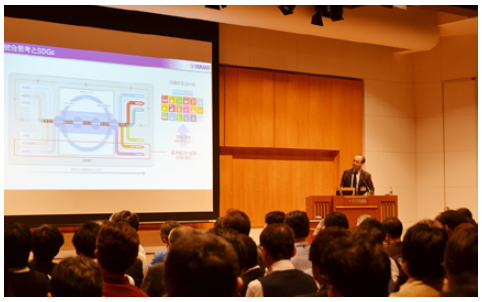
Launched in April 2019, our new medium-term management plan, "Make Waves 1.0" defines social contribution through our business as an important business strategy, and sets as non-financial management goals KPI targets related to our sustainability priorities of spreading instrumental music education within emerging nations, and of procuring sustainable timber.

Sustainability Education

The Yamaha Group aims to promote sustainability throughout each aspect of its roles and business operations and in all levels of the work force, from managers to new recruits. We conduct training and seminars, and make use of resources such as our intranet site to educate employees and raise awareness on sustainability. Beginning in FY2017, each member of the Yamaha Group has worked to gain a deeper understanding of SDGs through posters, company newsletters, and internal events, in order to connect SDGs with their own work duties.

Sustainability education at new recruit training (attended by 60 employees in FY2018)

Sustainability information site on company intranet



Explaining SDGs to upper- and lower-level managers

Posters and company newsletters introducing SDGs

Promoting SDGs during a company event

Participation in Initiatives

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

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

» UN Global Compact

Engagement with Stakeholders

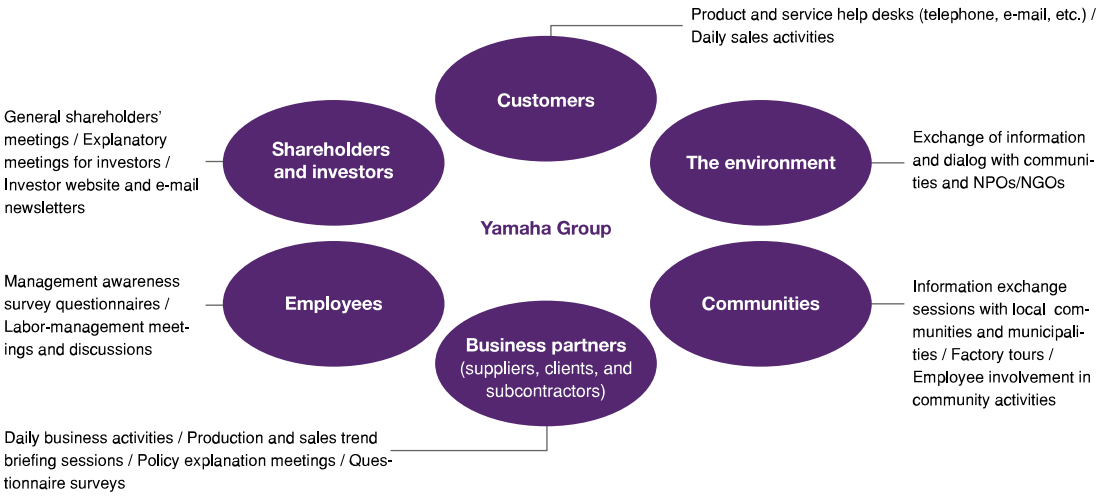
Basic Policy

In conducting its corporate activities, the Yamaha Group engages with individuals of varying interests.
The major stakeholders of the Yamaha Group are "customers" to whom we provide products and services, "shareholders and investors," the "employees" with whom we work, our "business partners" (including suppliers, clients, and subcontractors), and the "communities" in which we do business. We also focus on "the environment," as our business activities have both positive and negative impacts on it.

We promise to our stakeholders to pursue "customer-oriented and quality-conscious management," "transparent and sound management," and policies of "valuing people" and "harmony with society." In order to realize our goal of "sharing passion and performance," we take opportunities to engage in dialog with our stakeholders to hear their opinions and learn what they want, and then apply what we have learned in our corporate activities.

We also ask outside experts for their opinions, on our sustainability activities each year, and make improvements based on their feedback. Going forward, we will next consider implementing a more diverse review mechanism.

Opportunities/methods for dialog with major stakeholders



Customers

We aim to inspire our customers and satisfy their hearts and minds through providing products and services.

Major responsibilities

Provide valuable products and services that are safe and offer peace of mind / Promote universal design / Provide appropriate product information / Provide customers with appropriate service and support / Store customer information appropriately

Daily means of communication

Product and service help desks (telephone, e-mail, etc.) / Daily sales activities

Examples of communication

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

Shareholders and Investors

We actively disclose management information and engage in continuous communication with the shareholders and investors who provide financial support for our corporate activities.

Major responsibilities

Disclose accurate management information in a timely manner / Distribute profit appropriately / Maintain and improve corporate value

Daily means of communication

General shareholders' meetings / Explanatory meetings for investors / Investor website and e-mail newsletters

Examples of communication » Information Disclosure and IR Activities (Communication with Shareholders and Investors)

Employees

We respect the independence and sensitivity of each and every employee working for Yamaha. We strive to create environments in which each individual can fully realize their creativity, and aim to create a corporate culture that allows us to provide even better products and services.

Major responsibilities

Evaluate and treat people fairly / Respect human rights and diversity / Utilize and train personnel / Support a wide range of working styles / Ensure health and safety

Daily means of communication

Management awareness survey questionnaires / Labor-management meetings and discussions

Examples of communication » Communication with Employees

Business Partners (suppliers, clients, and subcontractors)

We see our business partners as partners traveling with us together on the road toward realizing our company philosophy. We strive to deepen mutual understanding and to maintain and build positive relationships of trust, based on fair and transparent transactions.

Major responsibilities

Select business partners based on fair and rational standards / Engage in fair transactions / Eliminate dubious business relationships / Prohibit abuses of power

Daily means of communication

Daily business activities / Production and sales trend briefing sessions / Policy explanation meetings / Questionnaire surveys

Examples of communication » Promotion of Social Responsibility in the Value Chain

Communities

When engaging in business activities in each country or region, we comply with related laws, regulations, and international standards, while also giving sufficient attention to environmental preservation and respect for human rights. We also actively participate in various activities contributing to the development of local communities and cultures, and help to build positive communities as a good "corporate citizen."

Major responsibilities

Coexist with communities and contribute to their development (including promoting culture, training the next generation, promoting welfare, creating employment, and developing skills and technology)

Daily means of communication

Information exchange sessions with local communities and municipalities / Factory tours / Employee involvement in community activities

Examples of communication » Connection to Local Communities

» Contribution to Regional Community Development

The Environment

The environment serves as the foundation for sustainable societies, and we understand the significance of preserving the environment and maintaining biodiversity. In addition to reducing our environmental burden when conducting business activities or providing products or services, we also participate in activities to contribute to the environment.

Major responsibilities

Prevention of pollution / Climate change mitigation / Preserve natural resources / Manage and reduce the use of chemical substances / Protection of biodiversity

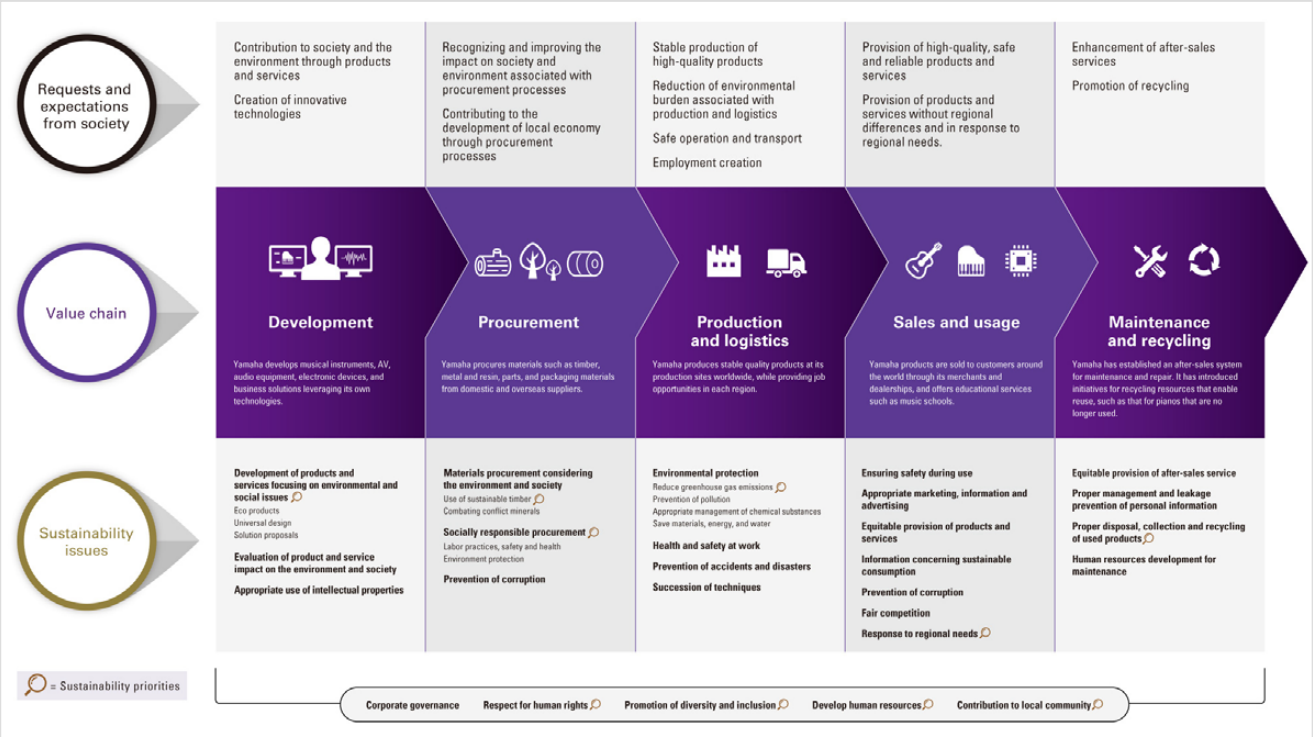
Daily means of communication

Exchange of information and dialog with communities and NPOs/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.



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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

The Yamaha Group is executing highly transparent and healthy management through the strengthening of corporate governance structures, promotion of compliance, appropriate disclosure of information, and other measures in order to further strengthen the trust of all stakeholders.

Corporate Governance

Basic Policies for Corporate Governance

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

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.

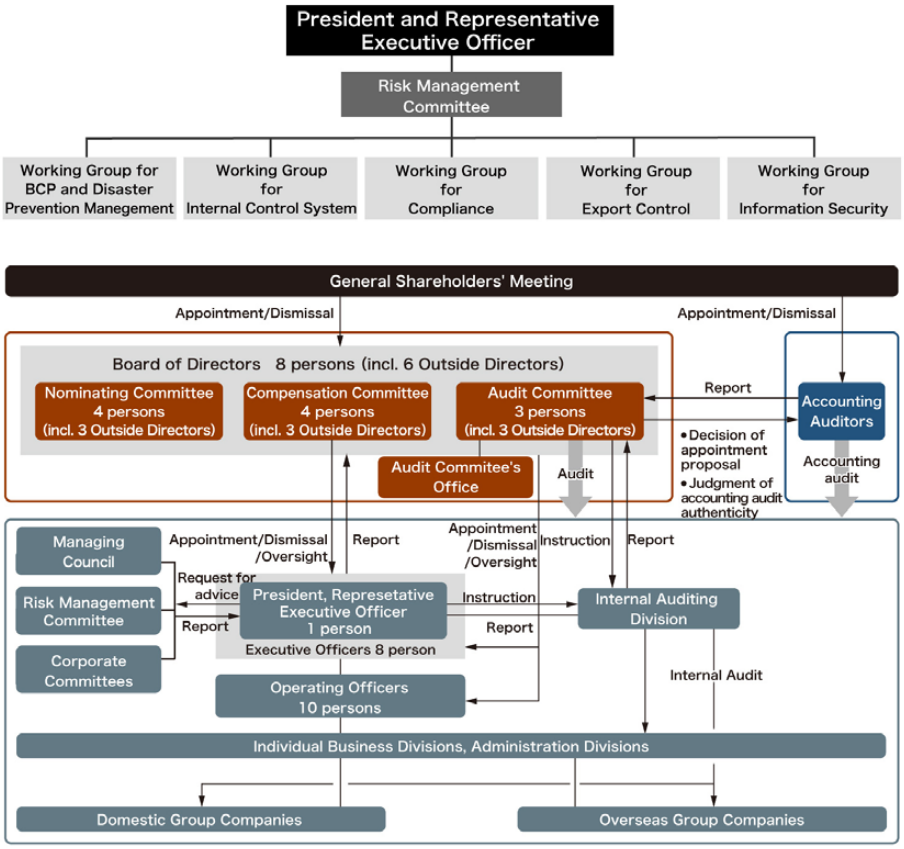
Regarding the composition of the Board of Directors, the Company has appointed a Board with three quarters (3/4) of the members from independent Outside Directors with a diversity of backgrounds and specialties, including persons with management experience in other industries. Also, by forming a Nominating 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.

Corporate Governance Structure

(As of June 25, 2019)



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Governance Organization Personnel

(Yamaha Corporation, as of June 25, 2019)

		Male	Female
Directors	**Total**	7	1
	Outside Directors	5	1
Executive Officers	**Total**	8	0
	President and Representative Executive Officer	1	0
	Managing Executive Officer	2	0
Operating Officers	**Total**	9	1
Nominating Committee Members	**Total**	4	0
	Outside Directors	3	0
Audit Committee Members	**Total**	2	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 25, 2019)

		Japan	Overseas
Directors	**Total**	8	0
	Outside Directors	6	1
Executive Officers	**Total**	8	0
	President and Representative Executive Officer	1	0
	Managing Executive Officers	2	0
Operating Officers		9	1

Directors and Officers

Board of Directors

As of June 25, 2019, there are eight (8) 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) independent Outside Directors) as of June 25, 2019. 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 three (3) members (including three (3) independent Outside Directors) as of June 25, 2019. All of the members are independent Outside Directors, and both committee members and the chair are appointed by the Board of Directors.

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.

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. The Audit Committee instructs General Manager of the Audit Committee’s Office to attend important meetings and express opinions at those meetings as well as to collect information inside the Company and conduct a survey. 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 25, 2019. 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 eight (8) Executive Officers as of June 25, 2019. 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 25, 2019, 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 Directors

Title	Name	Reason for appointment
Director	Takuya Nakata	Having served in positions such as General Manager of our Pro Audio & Digital Musical Instruments Division, President and Director of Yamaha Corporation of America, Mr. Takuya Nakata has a wealth of experience and achievements alongside broad insight in business. He has led the Group as President and Representative Director since June 2013, and as Director, President and Representative Executive Officer since June 2017 after our transition to a Company with Three Committees (Nominating, Audit, and Compensation). Additionally, he has been a leader in Corporate Governance reform via initiatives such as the transition to a Company with Three Committees (Nominating, Audit, and Compensation), and has worked to strengthen the oversight function of the Board of Directors. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Satoshi Yamahata	In addition to work experience at an overseas subsidiary, Mr. Satoshi Yamahata has served as General Manager of the Accounting and Finance Division, General Manager of the Corporate Planning Division, Executive General Manager of the Operations Unit, and Executive General Manager of the Corporate Management Unit, and has a wealth of experience and achievements alongside broad insight. He has promoted Corporate Governance reform as Director and Senior Executive Manager since June 2015 and as Director and Managing Executive Officer since June 2017, and has worked to strengthen the oversight function of the Board of Directors. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Masatoshi Ito	Having been involved in management as Chief Executive Officer at one of the largest global food manufacturers in Japan, Mr. Masatoshi Ito has a wealth of experience and achievements alongside broad insight as a corporate manager. Since assuming the position of Outside Director of the Company in June 2016, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Yoshimi Nakajima	Having been involved in management as the person responsible for the Asian region and Japanese arm of a global financial institution, Ms. Yoshimi Nakajima has a wealth of experience and achievements alongside broad insight as a corporate manager. Since assuming the position of Outside Director of the Company in June 2017, she has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on her wealth of achievements and insights, etc., as a corporate manager. She was appointed as a director on expectations that she would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Taku Fukui	With a mastery of corporate law and corporate governance in Japan and overseas as an attorney, Mr. Taku Fukui has a high degree of expertise, wealth of experience and achievements alongside broad insight. Since assuming the position of Outside Director of the Company in June 2017, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his high degree of expertise, wealth of achievements and insights, etc. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Yoshihiro Hidaka	Having been involved in management at one of the largest global transportation equipment manufacturers in Japan, Mr. Yoshihiro Hidaka has a wealth of experience and achievements alongside broad insight as a corporate manager. Additionally, as President and Representative Director of Yamaha Motor Co., Ltd., a company that shares a common brand with the Company, he is a person with one of the deepest understandings of the Yamaha brand. Since assuming the position of Outside Director of the Company in June 2018, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate manager. He was appointed as a director on expectations that he would help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc., and improve the Yamaha brand value.

Director	Mikio Fujitsuka	Having been involved in management as CFO at one of the largest global construction machinery manufacturers in Japan, Mr. Mikio Fujitsuka has a wealth of experience and achievements alongside broad insight as a corporate manager, as well as adequate knowledge of finance and accounting. He was appointed as a director on expectations that he would help strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
Director	Paul Candland	Having been involved in management as the person responsible for the Asian region and Japanese arm of a global entertainment company, Mr. Paul Candland has a wealth of experience and achievements alongside broad insight as a manager. He was appointed as a director on expectations that he would help strengthen the oversight function of the Board of Directors through these achievements and insights, etc.

* Yamaha has registered six Outside Directors — Masatoshi Ito, Yoshimi Nakajima, Taku Fukui, Yoshihiro Hidaka, Mikio Fujitsuka, and Paul Candland — as independent directors pursuant to Tokyo Stock Exchange provisions (as of June 25, 2019).

Expertise held by the Company's Directors

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

Major Activities by Outside Directors in the Year Ended March 31, 2019

		Board of Directors	Nominating Committee	Audit Committee	Compensation Committee
Total meetings held		12	5	16	4
Outside Director Shigeru Nosaka	**Attended**	12	5	–	4
	Attendance rate*	100%	100%	–	100%
Outside Director Masatoshi Ito	**Attended**	10	5	–	4
	Attendance rate*	83.33%	100%	–	100%
Outside Director Junya Hakoda	**Attended**	12	–	16	–
	Attendance rate*	100%	–	100%	–
Outside Director Yoshimi Nakajima	**Attended**	12	–	16	–
	Attendance rate*	100%	–	100%	–
Outside Director Taku Fukui	**Attended**	12	–	15	–
	Attendance rate*	100%	–	100%	–
Outside Director Yoshihiro Hidaka	**Attended**	10	4	–	3
	Attendance rate*	100%	100%	–	100%

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

Support system for Outside Directors

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

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

Remunerations for Directors

Individual amounts and policy regarding the renumeration 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 with an indicator, which is contained in the medium-term management plan that gives equal weight to core operating income ratio, ROE, and EPS. Transfer restrictions shall not be lifted till the retirement of Director or Executive Officer (the transfer restrictions are effective for thirty (30) 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, 2019)

Classification	Total Compensation (Millions of Yen)	Compensation by Type (Millions of Yen)			Number of directors, auditors, and officers
		Fixed Remuneration	Performance-based bonuses	Compensation in the form of restricted stock	
Director	85	86	–	–	8
Outside Directors	52	52	–	–	7
Executive Officers	576	253	184	138	7

* The above numbers of directors include one director who retired at the conclusion of the Ordinary General Shareholders' Meeting held on June 25, 2018.
* The total amount of compensation, etc., paid to the executive officers concurrently serving as directors is described in the section for executive officers.

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: 636 KB) Revised on June 25, 2019

» Corporate Governance Policies (PDF: 170 KB) Revised on June 24, 2019

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 Working Group for Compliance 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 working group 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.

Activities of Working Group for Compliance Activities

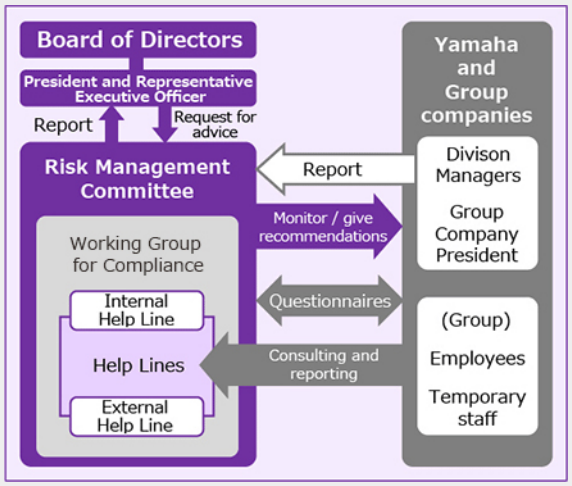
Activities

4 meetings in FY 2019

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
- Promoted various strategies in accordance with the fiscal 2019 important activities theme “Prevention of Sexual Harassment”

Compliance Promotion System



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.

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 2019

- 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)
- Conducted a survey of employee awareness related to compliance; announced results

Intranet activities to promote awareness

Every month, the Yamaha Group posts content for domestic employees on the Intranet in order to raise important points regarding compliance and to promote awareness of this among employees. This content includes "Compliance News," which explains concepts in an easy-to-read four-panel comic strip; "Compliance Quiz," which allows employees to learn key points in a short amount of time; and "Compliance Mini-test," which allows employees to check their awareness levels.

Training and Seminars for Sexual Harassment Prevention

The domestic Yamaha Group held internal training sessions centered on the fiscal 2018 important activities theme "Prevention of Sexual Harassment."

In compliance seminars based on the theme of "preventing harassment in the workplace," outside instructors taught employees about the impact that harassment has on company activities, the importance of preventing harassment, and prevention strategies related to various cases, including sexual harassment, maternity harassment, and power harassment. As another sexual harassment prevention training session, at each workplace the company held danger prevention training related to sexual harassment in order to raise the awareness of all employees toward this problem.

Employee awareness surveys

In July 2018, the Group conducted employee awareness surveys related to compliance for employees of domestic Group Companies. This survey will be held once every three years to mitigate risks by regularly measuring employee compliance risk.

In fiscal 2019, the Group conducted this survey of employees of overseas Group Companies for the first time. This survey was able to confirm the level of awareness of the Code of Conduct and help lines.

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 (49 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 2018

Help Line Operation

The Yamaha Group has set up help lines (internal and external) for whistleblowers 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 these 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 2019, training sessions were held in three countries.

A total of 34 reports and requests for consultation were made to the help line in FY 2018.

As of FY 2019, 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 2019, there were two reports and requests for consultation from non-regular employees.

Reports to the Compliance Help Line

	Name Provided	Anonymous	Total
FY 2015	25	6	31
FY 2016	19	7	26
FY 2017	26	13	39
FY 2018	34	13	47
FY 2019	25	9	34

Risk Management

Basic Policy

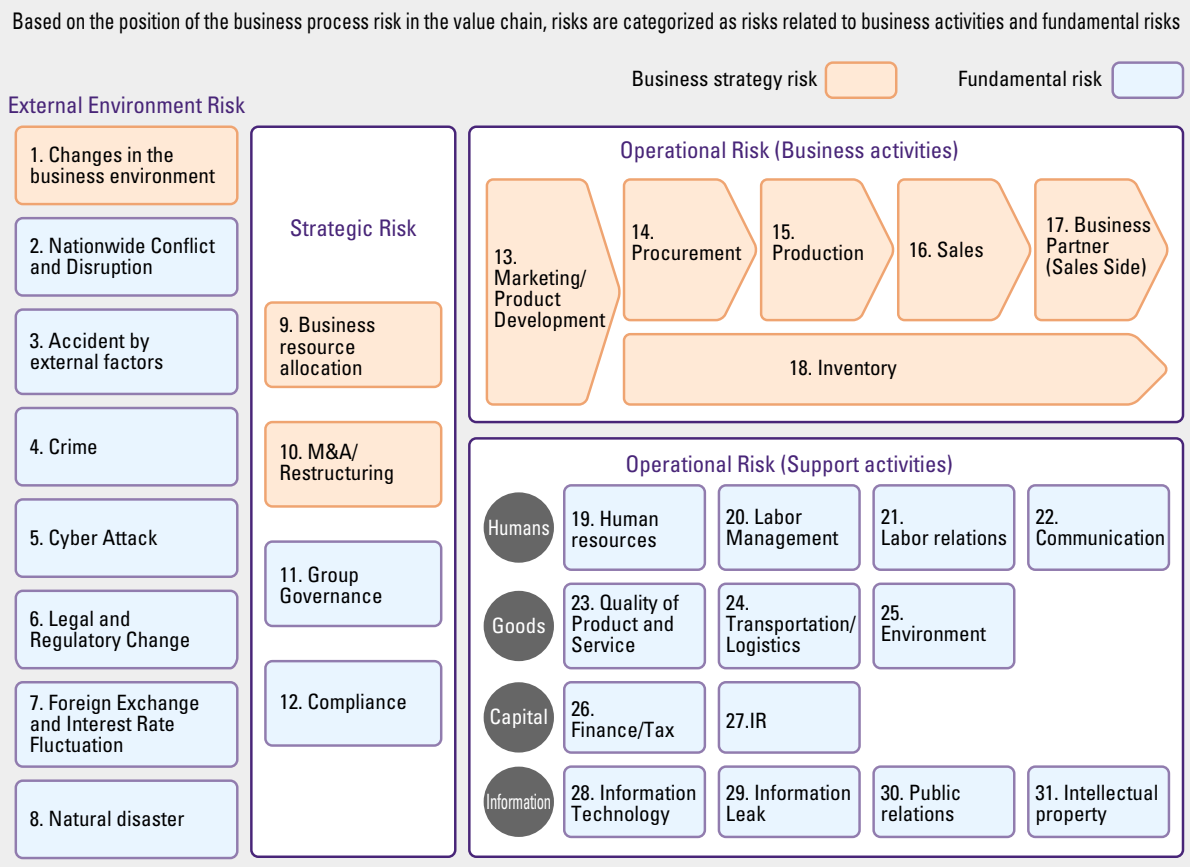
The Yamaha Group is engaged in efforts to develop and improve its risk management promotion structure and systems in order to boost response capabilities toward risk, and to achieve healthy and transparent management. The Group implements risk management promotion based on the following concepts.

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 and promotes activities to reduce risk based on its importance evaluation.

Risk Classification (Major and middle classification)



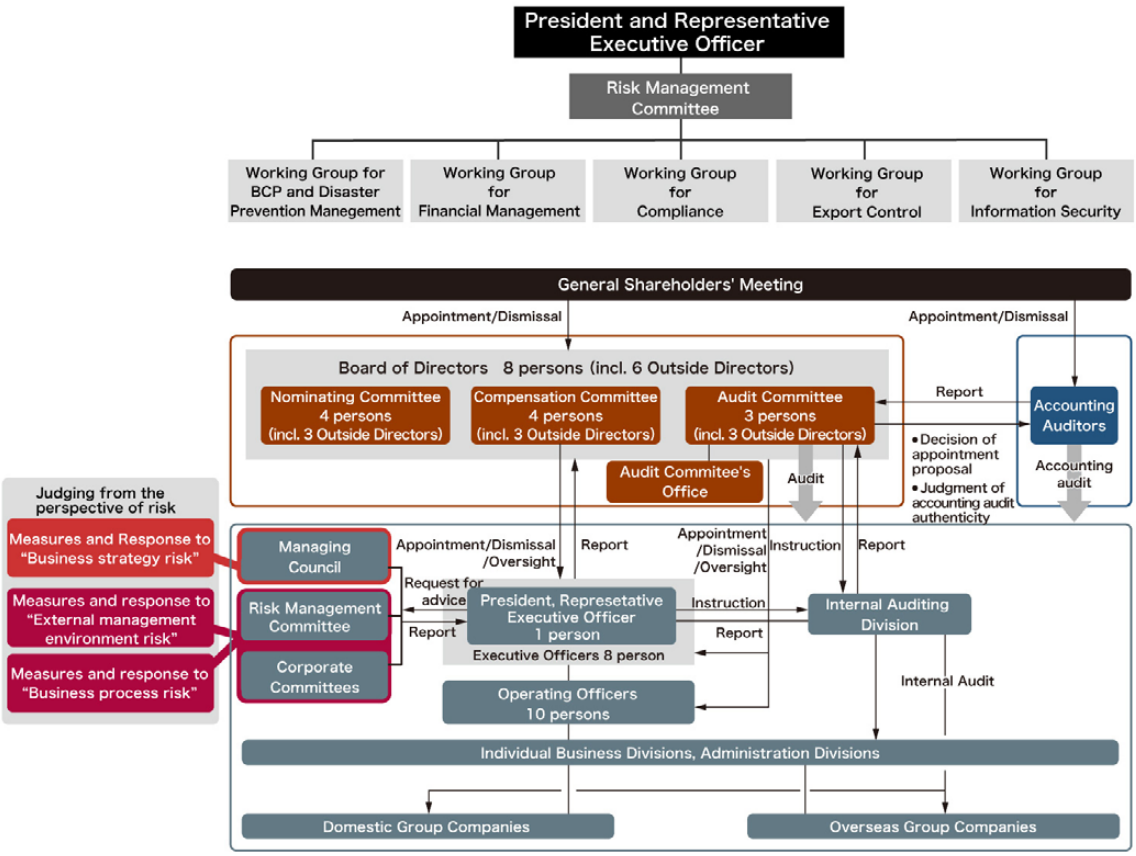
FY 2019 initiatives

In FY 2019, after evaluating and analyzing the importance, frequency of occurrence, and control levels of risks facing the Company, we identified important risks which should be prioritized, established a division in charge of risk management, and increased control levels.

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, financial management, compliance, export screening, and information security have been established to address companywide important issues.

Risk Management System



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. The Group BCP Standards establish the basic policy, responsibilities, and specified rules for a prompt and appropriate response when risks such as disaster, etc. manifest in order to minimize the impact of this risk on business.

Main Efforts

Topic	FY 2019 Achievements
Formulation of a basic policy and rules	Formulated Group BCP Standards and Group BCP Guidelines
Drafting of a BCP and conducting training	(1) The Disaster Management Headquarters conducts the response for the entire Yamaha Group during emergencies. In order for this organization to function effectively during emergencies, the Group held Headquarters BCP training sessions. Based on the results of these sessions, we improved response procedures (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 (3) At global sites of the Group, formulated individual BCPs which established response procedures, etc. during emergencies and precautionary countermeasures to respond to risks on sites
Develop infrastructure	(1) Implemented a 3-year earthquake resistance plan based on building earthquake proofing standards established in FY 2016; completed earthquake resistance improvements for Group-held buildings (2) Formulated the Yamaha Equipment Earthquake Resistance Standards, which are applied when introducing new equipment (3) Implemented an employee safety check system; held periodic training for the system to operate effectively during emergencies

Disaster Management Headquarters BCP Training

Regional Disaster Management Headquarters Earthquake Initial Response Training

Internal Controls

The Yamaha Group is making efforts for the global promotion of internal control activities centered around financial management, such as standardization of operational processes for the entire Group, etc. The Working Group for Financial Management confirms that operations follow the Group Management Charter and various regulations across the entire Group.

Compliance

The Yamaha Group established the Working Group for Compliance to take a central role in deliberations and decision-making related to compliance matters. This working group will both promote compliance in the Group and monitor business execution in each division and Group Company to ensure legal and ethical operations. It will also execute measures to maintain healthy business activities through employee education, awareness-raising, questionnaires, and the establishment of help lines for internal reporting and assistance services.

» Compliance

Export Control

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

» 8-3 National security-related trade control

A Working Group for Export Screening has been established to formulate 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.

» Prevention of Pollution

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. The Information Security Working Group 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

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*1 Activities

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 management and related departments, and these findings are reflected in our IR activities and execution of management.

Main activities

	Target Audience	Frequency	Achievements in FY 2019
Results briefings	Securities analysts Institutional investors	Quarterly	4
Business briefings	Same as the above	Occasional	0
Factory/facility tours	Same as the above	Occasional	1
Individual sit-downs	Same as the above	About 200 times/year	230
Overseas investor visits	Overseas institutional investors	3 times/year (U.S., Europe, Asia)	4 times (US, Europe, Taiwan, Asia)
Medium-term management plan briefings	Securities analysts Institutional investors	As needed	0
An explanatory meeting for private investors	Private investors	Occasional (in Japan)	6

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 and, MSCI Global Sustainability Indexes.

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

FTSE4Good

FTSE Blossom Japan

MSCI 2019 Constituent MSCI ESG Leaders Indexes

MSCI MSCI Japan ESG Select Leaders Index

MSCI MSCI Japan Empowering Women Index (WIN)

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 31, 2019)

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

Yamaha recognizes that the foundation of responsible company activities is respect for human rights. In addition to complying with the standards in the human rights and labor sections of global compacts, we respect diversity in employment and human resource utilization, promote work-life balance, conduct various human resource development programs, and strive to establish an environment where workers are able to sufficiently express their sensitivity and creativity through communication between employees and management.

Respect for Human Rights

Basic Policy

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 are making efforts to engage in business activities, as well as to educate and promote awareness of human rights based on this policy.

» 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

» UN Global Compact
» Yamaha Group Sustainability Policy
» Yamaha Group Human Rights Policy

Promotion of Human Rights Due Diligence

In order to grasp the impact of our corporate activities on human rights and respond appropriately, in addition to holding a dialogue and communicating with stakeholders, assessing the human rights aspects of suppliers, and developing and operating help lines, in fiscal 2018 the Yamaha Group established human rights due diligence management items with the advice of specialists. In fiscal 2019, the Group added human rights management items related to employees to the Group Human Resources Management Standards and related guidelines. In future, the Group plans to develop a monitoring structure based on standards and guidelines as we proceed to identify comprehensive human rights risks and respond accordingly.

» Engagement with Stakeholders

Establishment of whistleblowing and consultation services

The Yamaha Group receives opinions and notifications through online inquires and telephone lines, and has set up help lines and websites both inside and outside the Yamaha Group. These help lines deal 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 these points of contact by posting the contact information both in the Compliance Code of Conduct booklet and in 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 then take corrective measures, including offering 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. The Yamaha Group will also promote awareness and conduct training such as management training as needed in order to prevent similar issues from emerging.

» Help Line Operation

Respect for Employees' Human Rights

Hiring without Discrimination

In hiring and employment practices, based on the 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. 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.

In addition to these measures, the Group is making efforts to create a healthy workplace environment by raising awareness through workplace meetings and management training sessions, as well as by operating help lines.

» 3-2 Prohibition Against Harassment

» Human Rights Education

Consideration of Human Rights in the Supply Chain

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 supplier
- 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) as part of human rights due diligence

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

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

Human Rights Education

We disseminate 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 addition to these, in FY 2019, the Group held a session about harassment prevention across the entire company, which was attended by approximately 230 people, including officers. Furthermore, the Group held study sessions based on the themes of diversity and inclusion (LGBT rights, etc.). Around 90 people attended these sessions, including heads of marketing divisions and human resource managers for Yamaha Corporation and domestic Group Companies.

Promotion of Diversity and Inclusion

Policy on Diversity and Inclusion

The Yamaha group pursues diversity and inclusion initiatives based on the following policy.

Yamaha Group Diversity & Inclusion Policy

The Yamaha Group believes that the diversity of people who differ in age, gender, sexual orientation, gender identity, disability, nationality, race, culture, values, life-style, and career background is the source of new value creation. It also seeks to further strengthen, grow, and develop its corporate competitiveness by respecting and using each individuality.*

* Due to the differences in legislation and customs in different countries, we respect every law and, above all, respect all cultures and customs.

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
July 2017: Yamaha Corporation began a female managerial candidate selection and training program
March 2019: Yamaha Corporation formulated the next three-year action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace

Yamaha Corporation Action Plan (formulated March 2016)

Item	Details
1. Planning term	Three years: April 1, 2016 - March 31, 2019
2. Yamaha's issues	Issue 1: 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: 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) ・Publish Yamaha initiatives for assisting women with work-life balance support, etc. on the company's career website. ・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. ・Increase the opportunity for communications between women taking science courses and women working as technical experts in the company.
	Initiative 2: Implement selected programs for training personnel (from April 2016) ・Continuously introduce various examples of role models and career paths via the Intranet. ・Create an environment where women can personally discuss career plans with supervisors and expand their career scope through training courses, etc. ・Encourage women to participate in business leadership training courses, etc.
	Initiative 3: Focus on reducing total annual working hours and lowering the number of employees work long hours (from April 2016) ・Enforce continuous "Go Home at the Same Time Day." ・Promote employees to use paid holidays of special promotion holiday system. ・Implement training courses, etc. to improve line supervisor awareness.

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
	Female managerial candidate selection and training program
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.)

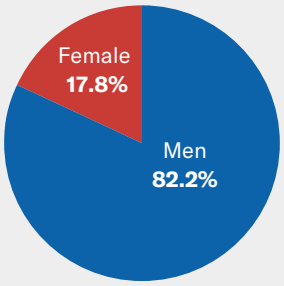
An Intranet website disseminating information on diversity and work-life balance

Summary of three-year plan and 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)

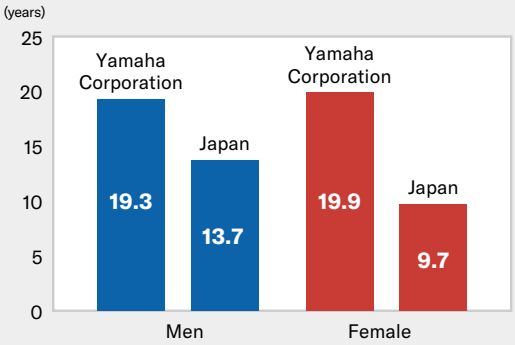
Principal Indicators Related to the Active Role of Female Employees

Ratio of Female Employees
(Yamaha Corporation)



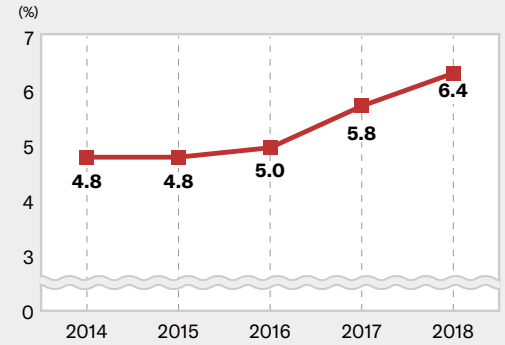
*As of the end of March 2019

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



*1 Nationwide numbers excerpted from results of the 2018 Basic Survey on Wage Structure
*2 Statistics for Yamaha Corporation are as of the end of March 2019

Female Manager Ratio
(Yamaha Corporation)*3



*3 As of the end of March each year
*4 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

Yamaha Corporation Action Plan (formulated March 2019)

Item	Details
1. Planning term	Three years: April 1, 2019 - March 31, 2022
2. Yamaha's issues	Issue 1: The work-life balance support system has been developed, 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 are required.
	Issue 2: Inability to ensure hiring of female employees who can lead the next generation.
	Issue 3: Female employees lack the desire and motivation to build a career as they give birth to and raise children; management on the other hand lacks the desire and image for female employees to build a career as they give birth and raise children; management in core positions is not sufficiently aware of their management and development responsibilities toward female subordinates.
3. Goal	Women in management roles ratio of 7.2% or higher
4. Contents of Initiatives and Implementation Period	Initiative 1: Increase the number of women hired as technical experts (from April 2019) ・Publish Yamaha initiatives for assisting women with work-life balance support, etc. on the company's career website. ・To promote to prospective female students the appeal of a career after entering the company, continue to provide the opportunity for women of different ages working in the company to introduce job content. ・Increase the opportunity for communications between women studying math and science, and women working as technical experts in the company.
	Initiative 2: Support for development and career creation customized to individual needs (from April 2019) ・Continuously introduce various examples of role models and career paths via the Intranet. ・All female employee, including those returning from maternity leave, shares their own career plan with managers, and create a development plan from a medium-to-long-term perspective. (from May 2019) ・Conduct training for managers so that they can show appropriate leadership and assign tasks according to individual circumstances
	Initiative 3: Initiatives to reduce total number of yearly working hours per person and persons working long hours; spread flexible working rules (from April 2019) ・Continuous enforcement of "Go Home at the Same Time Day." ・Promote eligible employees' use of paid holidays of special promotion holiday system. ・Aim for the effective utilization of working rules that have been systemized to make working easier; monitor usage status and strive for improvements

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 2023) for increasing the promotion of women for managerial positions
	7.2% or higher for Yamaha Corporation and 17% or higher for the Group
	Enhancing education and training programs
	Executing 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 launch trial of Tele work and flextime for short-hour work days for child-raising; prepare for systemization of such schemes
Changing workplace awareness and fostering a corporate culture	Conducting educational activities (training, seminars, providing information through the Intranet, etc.)

Promoting Employment and Advancement of Foreign Employees

Yamaha Corporation had 45 foreign employees working in the company as of March 31, 2019. 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. 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. In doing so, we have been promoting the utilization of diverse personnel across the globe.

(Annual trends of number of foreign employees are shown on the Social Data page).

Social Data

Establishing Rehiring Programs

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 (rehiring programs for retirees)

This is a system at Yamaha Corporation that provides all willing employees with the opportunity to continue working beyond age 60. In this case, the employee 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 up until they reach the age of 65 (utilized by 224 employees as of March 31, 2019).

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

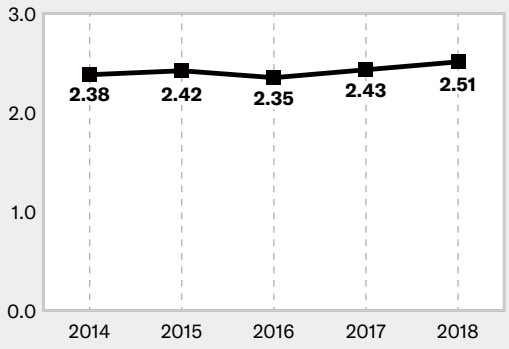
In July 2016, Yamaha Corporation also introduced a system that allows an employee to be rehired if they retired to provide nursing care for a family member. In such cases, the valid re-employment period is within 5 years of said retirement date.

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, 2019, 84 people with disabilities were employed at Yamaha Corporation, of which 42 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[*5, 6, 7]



*5 As of March 1st of each year

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

*7 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[*8] 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. In fiscal 2019, in commemoration of the 30th anniversary of the company's founding, Ai Works held an in-house event to raise awareness. The company invited Koichi Omae, a dancer with a prosthetic leg, to both perform and speak to the employees. He spoke about overcoming difficult circumstances to take the first step in confronting challenges, and the secret to continuing to seek to achieve one's potential.

Visiting on-site and study session at a special subsidiary

Performance and talk session with Koichi Omae, a professional dancer with a prosthetic leg

*8 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.

Understanding and Initiatives for LGBT Individuals

The Yamaha Group respects diverse sexual identities and sexual orientations, and has been conducting initiatives to promote understanding of sexual minorities (LGBT individuals), create workplace environments in which it is easy for such employees to work, and boost their satisfaction with work.

Initiatives to promote understanding and provide support

Awareness activities (study sessions, etc.)

In order to create workplace environments which are comfortable for LGBT individuals, as well as conduct advertising, promotional, and sales activities which take into consideration human rights, approximately 90 employees, including the heads of human resources divisions for Yamaha Corporation and domestic Group Companies and the heads of marketing for Yamaha Corporation, participated in a study session on the theme of LGBT matters. The Group plans to issue a guidebook on the understanding and response points regarding LGBT matters, as well as hold lectures across all companies.

Formulation of Ally logo

Yamaha formulated a Yamaha LGBT Ally logo to express the idea that the Company is an ally that understands and supports the LGBT community. The Company made stickers with this logo and has been taking efforts to expand this message, such as by distributing these stickers to employees who are professed allies.

By placing the Yamaha logo on a rainbow background, which symbolizes the LGBT movement, this design shows that the Yamaha brand is an ally to this community.

Establishment of advice center

Yamaha Group established an LGBT advice center (e-mail) to provide advice about LGBT-related harassment and institutional issues in the workplace.

Results of External Assessment

Yamaha Business Support Corporation granted "Eruboshi" certification under the Act on Promotion of Women's Participation and Advancement in the Workplace

In July 2018, Yamaha Business Support was certified as level three, the best rank, "Eruboshi," by the Minister of Health, Labour and Welfare. This certification is given to companies who have excelled in initiatives for the promotion of women's participation and advancement in the workplace.

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace enacted in April 2016, in this system the Minister of Health, Labour and Welfare certifies companies that have formulated an action plan for the promotion of women's participation and advancement, and which have conducted excellent initiatives. In "Eruboshi" certifications, there are three levels set based on the number of achieved standards*9. Yamaha Business Support received the highest certification because it fulfilled the standards of all categories. Yamaha Business Support also received certification for "Kurumin," based on the Act on Advancement of Measures to Support Raising Next-Generation Children, because it is proactively engaged in efforts to create an environment in which is easy for people raising children to work.

*9 Five categories: hiring, continuous employment, overtime, percentage of female management, and career development

"Eruboshi" certification mark

Promoting Work-Life Balance

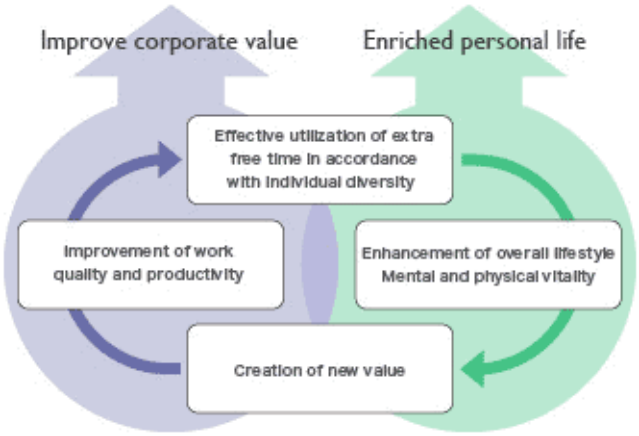
Basic Policy and Promotion System

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.

Basic Policy

In order to realize both expanded business activities and lifestyles that offer personal fulfillment, we will proactively promote work-life balance that respects a wide range of values and lifestyles.

People can use the extra time created by increases in the quality and productivity of work in many different ways, which in doing so leads to the enhancement of the overall quality of life while energizing the body and mind. This energy can provide the power for new value creation, and serves as a source of continued good work, the enhancement of corporate value, and the realization of a fulfilling life. We will work toward the creation of this type of virtuous cycle at Yamaha.



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, as well as 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 FY2019 results

Initiative	Content	Participants	Fiscal 2019 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 (FY2019 average paid leave taken: 14.5 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. 94% compliance (Yamaha Corporation)
Awareness and education	Seminar by a noted expert	Yamaha Group employees	–
	Information shared on the Intranet	Yamaha Group employees	–

FY2019 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, 14.4 days in fiscal 2018, and 14.5 days in fiscal 2019. Although this was below the 15-day target, efforts by labor and management to actively promote the policy are yielding results.

From FY 2019, 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. Furthermore, 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 2017 as we aim for a self-directed, highly productive work style. As such, the Group conducted activities such as a “Work Style Reform Trial” at willing workplaces. In fiscal 2019, such trial activities were expanded throughout the Group through the leadership of the Human Resources Division. The Group implemented Tele work aimed at improving employee fulfillment in their work and ensuring that employees with work hours restrictions are able to maximize their abilities. The Group also applied a flextime system for employees to work shorter hours. Such initiatives are currently being launched in multiple Group Companies in Japan based on the particular circumstances of that company.

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	・Extended childcare leave period, etc. ・Adapted the shorter work hours for childcare system ・Mandatory group paid leave, etc.
	Aug. 2014	・Held work-life balance seminar ・Adopted "Go Home at the Same Time Day," etc.
“Platinum Kurumin”	Jun. 2016	・Encouraged males to take paternity leave ・Shortened working hours, etc.

“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

Establishment of on-site daycare facilities

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

Yamaha Corporation will establish an on-site daycare facility (Oto no Ie) in August 2019 to provide a work environment that is easy to work in as part of system building, to ensure that employees can continue to work comfortably.

Until now, the Company has conducted various initiatives to make work rules flexible and to expand/promote work leave systems. One example of success in these initiatives is the fact that childcare leave is taken by nearly all female employees giving birth, as well as by a total of 95 male employees. By establishing daycare facilities at business sites, the Company aims to make it even easier for employees to return to work, and because their children are nearby, better focus on their work.

Image of completed facility

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-Management Dialogue

The Yamaha Group has established the "maintenance and construction of a healthy Labor-Management relationship" in Group Policies, and conducts labor -management dialogues between management and the labor unions or employee associations set up in each company. In Group Companies in Japan, labor-management council and liaison conferences are held regularly to discuss the status of operating results and labor affairs as well as business challenges. In addition, Group Companies are aiming to improve work-life balance and create a better work environment through the joint efforts of employees and employers. At each overseas Group Company, dialogues between employees and employers are proceeding in accordance with the labor laws of each country.

The Human Resources Division of the Yamaha Corporation monitors each Group Company to ensure that labor and management communicates favorably with each other , and requests corrective action when needed. 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.

At Yamaha Corporation, joint management councils are held regularly 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 officials also participate in the running of systems such as corporate pension funds, health insurance societies, the Mutual Aid Foundation, and employee stock ownership plans.

*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

Yamaha Corporation Labor and Management Conferences and Committee Meetings

Name	Frequency Held	Participants	Main Topics
Joint management Council	Twice/year (August and February)	Company: President, directors in charge of each business (office head) 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) Unions: Central Executive Committee	Monthly topics (tentative settlement report and labor conditions)
Business Site Labor and Management Committee	Monthly	Company: Business office manager, business office division administrators Unions: Branch Executive Committee (Central Executive Committee)	Monthly production and sales conditions within each division; reports on labor conditions
Allocation Committee	Twice/year (May and November)	Company: Human Resources Division (department managers and personnel in charge of compensation) Unions: Central Executive Committee	Pay raise and bonus

Work-Life Balance (WLB) Promotion Committee	Any time Reports published at least once a year	Company: Human Resources Division (personnel in charge of labor administration) Unions: Central Executive Committee	Reducing long and late night 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

Rate of Unionization*2 (as of March 31, 2019)

Yamaha Corporation (includes employees temporarily posted to other companies)	77%
Yamaha Group in Japan *3	46%

*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

Labor-Management Communication

Promotion of Employee Relation through internal public relations

As part of Employee Relation (internal public relations activities), we issue an internal public relations magazine and run an Intranet to take some responsibility for communication between employers and employees. The Group magazine, which is issued and distributed by the Public Relations Division of Yamaha Corporation lists policies and strategies related to management and business, as well as topics from each department and Group Company in order to share information across the entire Group. In China and southeast Asia, home to Company Group production sites, regional internal newsletters are issued in Chinese and Indonesian. In addition to information on the Yamaha Group as a whole, information on a range of initiatives, including operational improvement and health and safety activities at each production Group Company is listed to contribute to the mutual development and sense of oneness of Group Companies.

Family factory visits

Each Yamaha Group production site in and outside of Japan holds “Family Factory Visits” for employees’ families. In addition to observing the workplace and production processes, this is an opportunity for families to deepen their understanding and interest in Yamaha through hands-on experience of products manufactured at factories, and through mini-concerts by employees themselves.

Hands-on experience of manufactured products (PT. Yamaha Musical Products Indonesia)

Company introduction and factory visit (Hangzhou Yamaha Musical Instruments Co., Ltd.)

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 from both inside and outside of Japan, participated in the Group-wide Health and Safety Convention held in April 2019. 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 2020 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 2020 Yamaha Group Safety and Health Convention

Announcement of activities to improve workplace environment at Kitami Mokuzai

Health lecture 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. At these sites, we are focusing efforts at developing personnel who can contribute to the maintenance and improvement of health and safety, including training of certified internal auditors.

OHSAS18001 Certification Sites (as of March 31, 2019)

- 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
- Hangzhou Yamaha Musical Instruments

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

Work 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 2019, there were 34 accidents requiring time off of work and no work-related deaths.

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

In addition to on-site surveys at OHSAS18001 certified sites, 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. Staff who possess expert techniques or certifications related to health and safety conduct checks of health and safety management structures and sites over a cycle of a few years and select suitable bases for patrols.

Patrol case 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

Self-directed Health and Safety Diagnosis

Meanwhile, the Group's non-production companies in Japan carry out a self-directed health and safety diagnosis, *1 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 2019 (implementation numbers are shown on the Social Data page).

*1 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 around five hours (over five sessions) and were attended by 75 participants. In overseas production sites (Indonesia), there is a high incidence of workplace 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 the "Safety Simulation Dojo," simulations using actual equipment and methods to boost awareness of potential dangers.

From fiscal 2019, we have begun health and safety training (health and safety basic knowledge, readiness, and explanations of assorted activities, etc.) for on-the-ground leaders and specialist safety managers upon the building of new factories in India.

Training through Safety Simulation Dojo (Indonesia YMMA)

Leadership training from specialist safety managers (India YMIN)

Safety management at production sites

At production sites in and outside Japan, Yamaha Corporation facilities management personnel conduct facilities safety surveys of production equipment to prevent accidents and disasters on sites and to improve safety levels. Furthermore, Yamaha Corporation is regularly conducting evacuation drills and emergency response drills to prepare for disasters.

Facility survey in Indonesia

Response to Chemical Substances

In the production process, there are some tasks which require employees to handle chemicals which have the potential to 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-site (Kitami Mokuzai Co., Ltd.)

Establishing and Standardizing 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

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, in April 2018 the President and Representative Executive Officer issued the Yamaha Group Health Declaration.

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. From March 2019, Yamaha began physical tests for those receiving health checkups in the Yamaha Corporation headquarters area in order to encourage employees to improve their daily habits. 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 2019, Yamaha Corporation and the domestic Yamaha Group both had a 100% checkup completion ratio, while an industrial physician passed a decision*2 on the best place for the particular employee to work in 100% of cases for both Yamaha Corporation and the Yamaha Group.

*2 Workplace decisions by industrial physicians: based on Article 66.4, 5 of the Industrial Safety and Health Act, the Company determines work category for health checkups for eligible employees based on a physician's opinion

Mental Healthcare

In order to maintain the mental health of workers, Yamaha is taking efforts for disease prevention and promoting mental health activities based on the policies of Japan's Ministry of Health, Labor and Welfare. Furthermore, by introducing a return-to-work support program that connects industrial physicians, nurses, and contracted psychiatrists working in coordination with an external Employee Assistance Program (EAP)*3 counselor as care for leave-takers, we halved the rate at which workers took a subsequent leave of absence, compared with the period prior to adopting the program.

Major initiatives

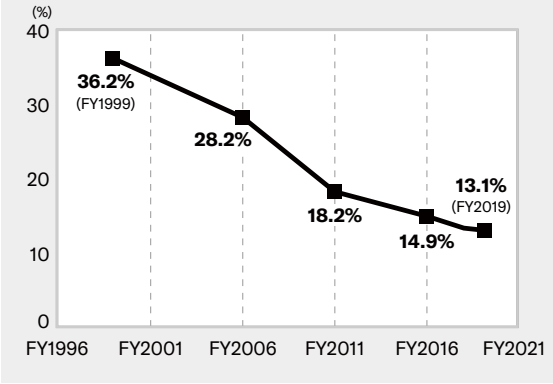
- Training for managers, supervisors and new recruits through an internal industrial physician and counselors
- Operation of a return-to-work support program that connects occupational health and safety staff, supervisors, managers, and HR personnel
- Operation of a mental health counseling desk staffed 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)

*3 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 13.1% in 2018.

Transition of Smoking Ratio (Yamaha Corporation)



* 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

Infectious disease countermeasures for employees taking overseas business trips

The Company is taking measures for employees who travel overseas for business trips, such as requiring immunizations before travel in order to prevent contracting an infectious disease overseas. In fiscal 2019, in addition to immunization for hepatitis A, hepatitis B, tetanus, and rabies, the Company recommended immunization for measles and rubella.

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 2019 training results

Content	Target	Frequency	Number of participants
Training prior to assignment overseas	For employees	15 sessions	47 employees
	For employees' families	6 sessions	33 people
Overseas business trip orientation	For employees such as those going on an overseas business trip for the first time	5 sessions	80 people

Results of External Evaluations

Certified as Health and Productivity 2019 (White 500)

In February 2019, 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 third 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 second consecutive year.

2019
健康経営優良法人
Health and productivity
ホワイト500

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 x person)

* Target scope: Yamaha Corporation

Main Training and Education Programs and their Status of Implementation (FY2019)

Name	Target/Content	Annual Participants	Training Hours per Person	Cumulative Participants
Stratified Training	Increases individual skills level to match career stages (including new employee training)	600	2-65 days	-
Senior Specialist Institute	Development of personnel to manage production (production base managers, supervisors, etc.)	Not held in fiscal 2019	50 days	-
Yamaha Sales company Executive College	Development of sales management personnel (sales location managers, supervisors, etc.)	8	12 days	-
Yamaha Advanced Skill School	Development of supervisory personnel on domestic production shop floors	14	44 days	616 days/year
Yamaha Technology Training Center	Development of core personnel on domestic production shop floors	18	33 days	594 days/year
From-to Program	Passing down core technologies relating to musical instrument manufacturing	16	-	-
Function-Specific Training	Language skills improvement, Technical academy, technology seminars	GAME 239	2-4 days	-
		Technical academy/ technology seminar 219	4-10 days	-
Overseas/Language Study	Studying abroad to acquire and improve foreign language skills	5	6 months	-
Yamaha Business School	Supporting autonomous learning by employees (training by correspondence)	340	-	-
Second Life Preparatory Seminar	Opportunity for employees 2 years out from retirement to contemplate life beyond retirement and information-sharing	103	1 day	103 days/year
English Training Master Course	TOEIC Score Improvement Training by external instructors	36	2 dayss	72 days/year
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	25	2 days	50 days/year

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

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

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

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, three-year, and five-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.

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

Establishment of New Personnel System and Related Training

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 Environment

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

Yamaha is engaged in initiatives through its business activities, products, and services to respond to shared global issues, such as climate change, biodiversity, and the promotion of recycling. At the same time, Yamaha is involved in environmental conservation activities, such as the reduction of emissions of chemical substances, prevention of leaking of hazardous materials, the appropriate use of timber, forest preservation, and other activities that contribute to preserving the environment.

Environmental Management

Environmental Policy

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Furthermore, we have included considerations of these environmental issues in the mid-term management plan and the action plan of related business divisions.

≫ Yamaha Group Environmental Policy

Environmental Management Systems

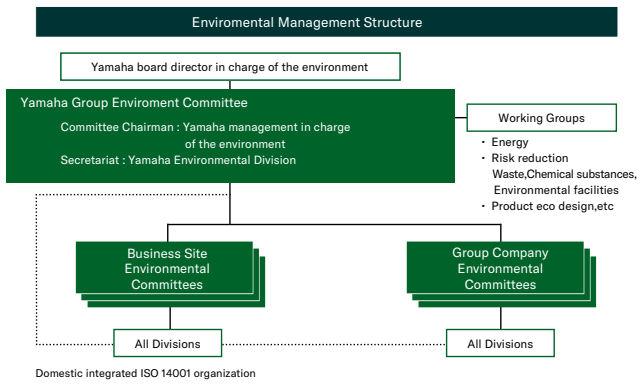
The Yamaha Group has created a global environmental promotion system which is managed by the board director in charge of environment at Yamaha Corporation.

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, such as climate change measures, are deliberated in the management meeting led by the company president.

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.

Enviromental Management Structure



The Environmental Division of Yamaha Corporation supports and leads all group activities related to the environment, such as grasping social trends and laws and regulations related to the environment, enacting policies and rules for the entire Yamaha Group, conducting monitoring and audits, implementing environmental equipment, and providing technical support for each measuring device.

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 2019, 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

Environmental Accounting

Yamaha Corporation implemented environmental accounting in fiscal 2000 as a means of quantitatively evaluating the effectiveness of its environmental initiatives. These environmental accounting practices are also currently implemented and operational at Yamaha Group production companies and resort facilities in Japan and overseas.

For data related to environmental accounting, please refer to the Environmental and Social Data.

» Environmental and Social Data

Environmental Education and Training

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 at production sites, and "environmental facilities education and training" for individuals in charge of environmental facilities. Training is adjusted according the needs of each site and work-related duties throughout the year. Environmental facilities refer to sites with the potential of polluting the environment when an accident occurs. Environmental facilities are listed at each business site and managed accordingly.

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. Furthermore, Yamaha Environmental Division staff are following up with education for employees in charge of overseas factories. In fiscal 2019, the personnel in charge of wastewater at Yamaha’s Xiaoshan, China site received such special training in Japan.

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 1,163 participants have obtained their internal environmental auditor qualification and of these, 365 employees are still currently employed at Yamaha. This is about 6% of our employees at relevant business sites. We hold an Internal Environmental Auditor Brush-Up Seminar for each year to improve the skill set of staff members responsible for internal audits.

Promoting Environmental Activities of Employees

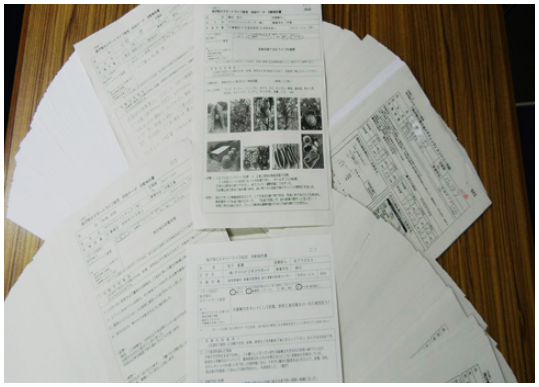
The Yamaha Group provides support and training to improve the environmental awareness of our employees and to promote eco activities that employees can perform as part of their daily routines.

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” conducted at 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 2019)

Details of Commitment	Report on Activity
Attempt to beautify and increase plant life in yard	The whole family made sunshades with hedges and planted trees. We used planters to blossom flowers and give a feeling of the season, producing a result the whole family was satisfied with.
Took measures to reduce standby power consumption	We purchased energy-saving plug products and conducted a one-year survey for standby power consumption reduction. We turned off the main power supply at intervals and unplugged devices which we weren't using for a long time, allowing us to save energy for standby power consumption.
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 gourds to those interested.

» Green Eco Curtain activities at Yamaha business locations

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, the 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 2022.

Monitoring and Response to Laws and Regulations

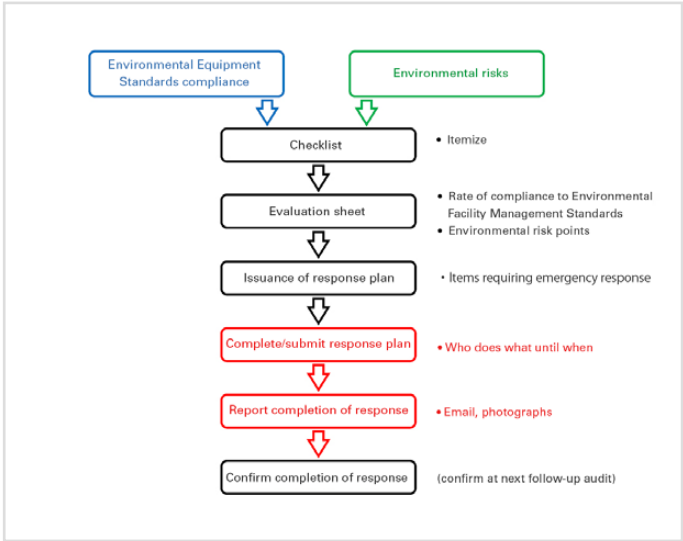
Environmental measurements

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 Audits



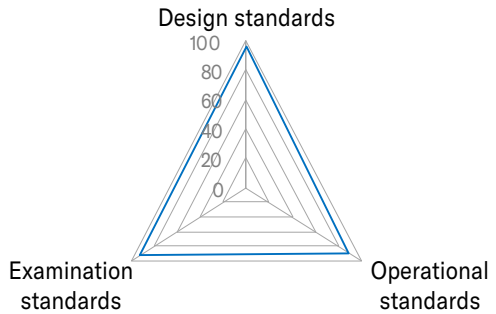
The Yamaha Group conducts internal environmental audits according to the ISO14001 integrated management system in order to prevent environmental accidents or violations of law. In addition, we conduct environmental audits with the expert knowledge of the Yamaha Environmental Division.

In addition to certification as an internal environmental auditor based on ISO 14001 standards, Yamaha audit staff have also received official qualifications related to environmental conservation, such as Pollution Control Manager, Working Environment Measurement Expert and other relevant certifications.

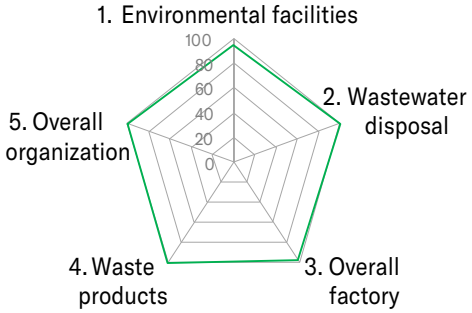
In fiscal 2017, the audit system was adjusted to comply with the Yamaha Group Environmental Equipment Standards to further reduce risk. The status of compliance to equipment standards at each site and environmental risks are itemized on a checklist used through the Group. By clarifying priority and items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

In addition, the frequency of audits was established in direct correlation to the risk level, and are conducted regularly. In fiscal 2019, we conducted environmental audits at four sites in Japan and four sites overseas.

92% compliance to standards



94% response rate to risks



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

Preparation for Emergency

The Yamaha Group is engaged in establishing facilities and conducting training to prevent environmental pollution caused by the leak of harmful substances and oils from business locations in order to prepare for emergency situations, such as natural disasters or accidents.

Yamaha is identifying risks using Group integration evaluation standards, and as a result, the Yamaha Group is striving to improve plans and procedures during assumed emergency situations at business sites. 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 constantly conducts monitoring of wastewater so that wastewater from sites does not negatively impact the watershed and related habitats. Furthermore, we regularly conduct surveys on the impact on life forms and the water quality of waterways where waste is discharged.

In the past, the Yamaha Group conducted cleanup measures at two sites where soil and groundwater contamination occurred 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.

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.

We are engaged in activities to remove devices containing low-density PCBs, and completed this process at four sites, Toyooka, Tenryu, Iwata, and Katsuragi, by the end of fiscal 2019.

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

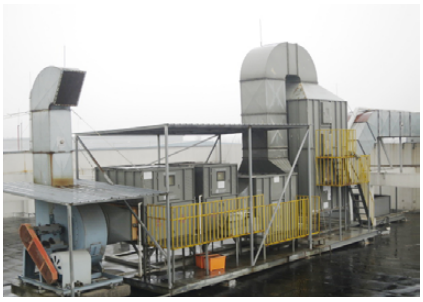
When utilizing chemical substances, the Yamaha Group strives to minimize adverse impact on people and the environment by thoroughly managing chemical substances such as those designated under the PRTR*1 Law, and reducing emissions of substances from production processes and products. In 2013, the Group 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 reduce VOC emissions by implementing disposal facilities and replacing VOCs. (For details regarding VOC emission, please refer to the Environmental and Social Data.)
In accordance with the Yamaha Group Chemical Substances Usage Standard, from fiscal 2016, Yamaha has been striving 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 factories in China introduced a VOC disposal facility to reduce emissions.

*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)

» Yamaha Group Environmental Data

Yamaha's VOC disposal facility in Tianjin

Yamaha's VOC disposal facility in Hangzhou



Yamaha's VOC disposal facility in Xiaoshan

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.

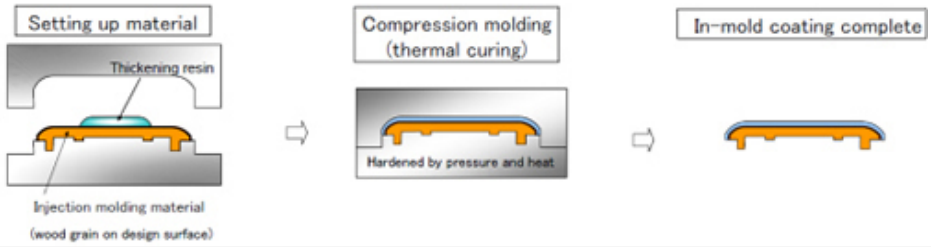
To date, we have developed applications for electrostatic coating, powder coating and flow coater in accord with each product and are making use of them in our production process.

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.

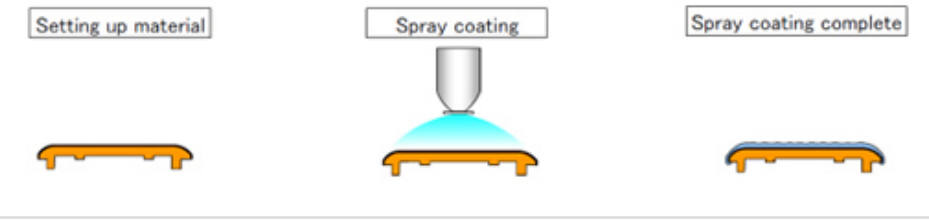
Similarly, Yamaha Fine Technologies Co., Ltd. developed an in-mold coating method that completes the coating process inside of the mold, and has adapted this method for automobile interior components. By switching from traditional spray coating to in-mold coating, more than 90% of adhesion efficiency[*3] 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. Through this coating method, we were able to reduce the amount of styrene used in fiscal 2019 by approximately 70 tons.

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

In-mold coating process (YMC: Yamaha Mold Coating)



Spray coating process



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 2019, 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_2 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.

Lifecycle of acoustic instruments

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 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.

Lifecycle of AV and IT equipment

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 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 2019, the number of certified products, including older products, has surpassed 370, 56 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.

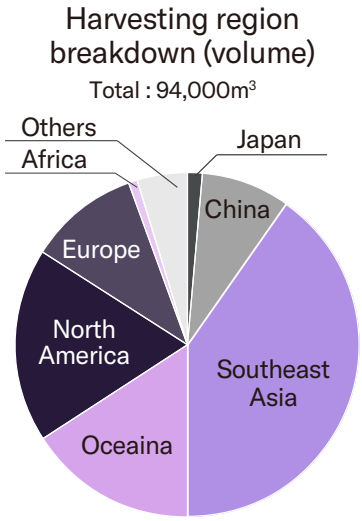
The Policy and Code of Conduct help the Yamaha Group accomplish sustainable procurement that is friendly to the environment and the biodiversity within its ecosystems, and meet its aim to maximize the use of timber as a first-rate recyclable resource without waste.

» Yamaha Group Timber Procurement Policy

» Yamaha Supplier CSR Code of Conduct

» Environmental and Social Data

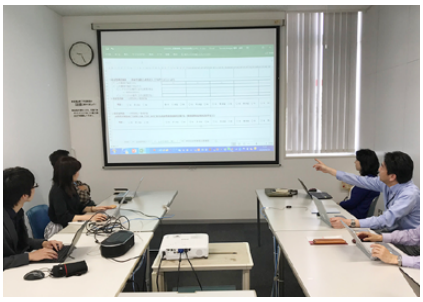
Ratio of Yamaha Timber Resources Origin by Country
(fiscal 2019)



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 to 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.



Legality deliberation meeting

The Yamaha Group conducted a documentary investigation targeting all business partners from which timber was purchased in fiscal 2018, assessing the place of origin, the legality of harvesting and the sustainability of relevant resources. Based on the results, we performed stricter verification of legality for timber deemed to represent a high risk due to issues with origin or tree species by undertaking further investigation including local site visits and deliberations at a committee comprised of members of the Timber Procurement Division and the Sustainability Division. We confirmed that 94% (volume ratio) of procured timber was low risk. The Group conducts this investigation each year with the cooperation of suppliers and is aiming to achieve a 100% rate of low risk timber procurement. Additionally, we are actively proceeding with the adoption of timber that has obtained certification, and converting fiscal 2020 timber purchasing forecast shows that certified timber will constitute at least 29% (by volume) of timber purchases for the year. In the medium-term management plan announced in April 2019, the Group set the objective to achieve 50% certified timber through the three years leading up to fiscal 2022.

Scene of local site visit

Initiatives for timber resources in Tanzania

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 2017, Yamaha aimed to construct a business model which could sustainably use this wood variety as a material for musical instruments. Yamaha is continuing on-the-ground surveys as a BOP cooperation business with the Japan International Cooperation Agency (JICA).

Furthermore, from 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 fiscal 2019, we had planted approximately 5,000 trees within a two-year period. By providing tree planting and raising techniques to the local community in cooperation with local NGOs, seedlings will be raised systematically under the management of the local community themselves, after which they will be planted into the forests. We will collect basic data from regular monitoring, such as the relationship between the environment and the growth of planted seedlings in order to develop the foundational knowledge required to raise high quality trees. At the same time, we will strive to establish seedling raising and tree planting activities as a forestry management activity for the local community. 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 forests that have been certified as being sustainably managed, and improving the usage efficiency of wood materials.

Ecological survey

African Blackwood seedlings

Creation of a Circulating-type Forest in Hokkaido

Kitami Mokuzai Co., Ltd., (“Kitami Mokuzai”) a Hokkaido-based company that manufactures piano sound boards, 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 Picea glehnii timber, it has become necessary to rely on imports for the majority of this wood for use in piano sound boards. Under this agreement, in the forestlands owned by the Okhotsk Sub-prefectural Bureau and the town of Engaru are used for these sound boards, and we are cooperating in the development of appropriate management, planting, and other forestry activities for these Picea glehnii plantations. Going forward, the aim of this initiative is to again secure a stable supply of high-quality Picea glehnii for use in piano sound boards, as well as to preserve the forests and to ensure that the Okhotsk "tree culture" is passed on to future generations.

In fiscal 2019, a 3.5 meter Christmas tree made out of wood offcuts from pianos manufactured by Kitami Mokuzai was created. The aim of this was to inform a large number of people of our forest creation activities, and to use this as an opportunity to let people think about the wood and timber from which the rich expressiveness of musical instruments originates. The Christmas tree was decorated with pine cone ornaments gathered from the Picea glehnii plantation in the Okhotsk area, making the exhibit one in which guests could feel the warmth of trees. This uniquely Yamaha-style Christmas exhibit was displayed for a limited time at the Yamaha Ginza Building, and as well as being an exhibit introducing the forestry activities in this agreement, was also an opportunity for many people to learn about the Yamaha Group’s thoughts towards forestry activities and initiatives related to wood materials.

A Picea glehnii plantation

Pine cone ornament

Wood materials used in pianos

Christmas tree made from wood offcuts from piano manufacturing (Yamaha Ginza Building)

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.

» 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 (Japanese Only)

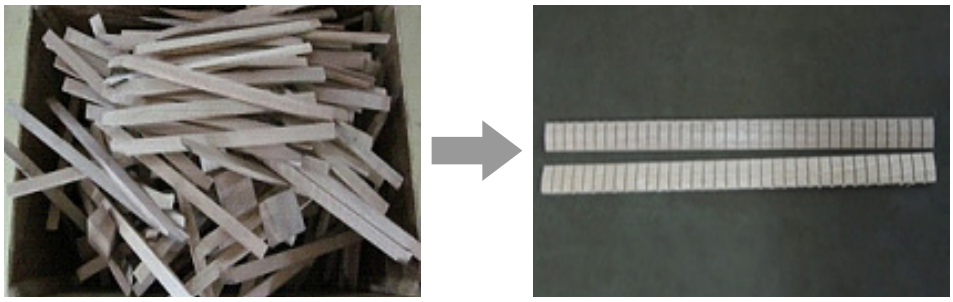
Utilization of Sustainable Materials

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 using offcuts in other components, and either using, selling, or disposing such offcuts as raw materials, fertilizer, or fuel. In recent years, the Company has also been conducting unique initiatives, such as using sawdust produced in the wood manufacturing process at Japanese factories which manufacture pianos, as bedding for cows.



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

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 Initiatives

Business-site	Description
Toyooka Factory	In November 2010, the Company 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%.
	From fiscal 2012, we began processing waste from the R&D Department, which includes rare metals, as valuable resources and making effective use of this.
	The Company introduced a new liquid waste reduction CD dryer, taking the place of the decompression and concentration equipment. This began full operation in February 2019. The company expects to reduce emissions of specially controlled industrial waste, such as waste acids and waste alkalis, by approximately 30%.
Kakegawa Factory	In September 2009, the Company 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.
	In September 2012, the Company increased its ability to process wastewater including adhesive agents. This has led to a waste reduction of around 270 tons annually.
Kitami Mokuzai	A liquid waste reduction CD dryer was implemented in February 2019. This is expected to reduce emissions of wastewater, sludge, etc. by 75%.
Xiaoshan Yamaha Musical Instrument Co., Ltd.	In fiscal 2014, the Company 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.	In fiscal 2012, the Company 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.

CD dryer (Toyooka factory)

CD dryer (Kitami Mokuzai)

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. Further, the Group requires high transaction value suppliers who use a large amount of water to provide a report describing water drawing volume, their awareness of water-related risks, and examples of damage, etc. so that they grasp water-related risks in the value chain.

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.*1)

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.

*1 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

Cooling unit using circulated water

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

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.

Wastewater treatment facility

Reusing wastewater for cooling water

Yamaha Music India

Yamaha Music India, which completed construction in January 2019, implemented a completely closed wastewater treatment facility. Wastewater generated from the manufacturing process is 100% reused and is not emitted outside the factory.

Wastewater treatment facility

100% reuse of manufacturing process wastewater

Climate Change Mitigation and Adaptation

Response to Climate Change

Regarding climate-related risks and opportunities, Yamaha Corporation's Environmental Division and the management sections of each business site collect and analyze various information, including international treaties, laws and regulations, requests from stakeholders, accident risks, and environmental performance data, and report information that may impact business strategy to the Yamaha board director in charge of the environment. Depending on the importance of this information, the board director in charge of the environmental may present the information at the Board of Directors meeting or the Risk Management Committee for deliberation, where decisions will be made regarding the mitigation, transfer, acceptance, and management of these risks, and regarding how to use these opportunities.

Through this process, the Company has made decisions in recent years to exit energy inefficient businesses and reform the production structure in the musical instrument business, taking energy efficiency into consideration. Furthermore, we established the Yamaha Eco-Products Standards, which set the determination process and internal standards for environmentally friendly products, as well as the Yamaha Group Environmental Facility Standards, which set the facility standards in order to prevent environmental accidents. The Company also decided to apply these standards to all factories within a few years. Recently, we have evaluated opportunities in case a production subsidiary in Hokkaido faces risks of flooding or if defense measures are executed. As a result, we are strengthening the wastewater equipment at that location.

Basic Measures and Targets/Achievements

Regarding measures against climate change, the Yamaha Group endeavors to reduce its greenhouse gas (GHG) 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.

Compared to fiscal 2018 levels, the Group has set a medium-term objective to cut greenhouse gas emissions by 32% for Scope1 and 2, and 30% for Scope3 by fiscal 2031 and received certification by the international environmental organization SBT initiative*1 in June 2019. In addition, we have set a long-term objective of reducing Scope1 and 2 emissions by 83% by fiscal 2051.

Furthermore, the Group expressed its approval of the proposal of the Task Force on Climate-related Financial Disclosures (TCFD)*2 in July 2019.

Emissions volumes are controlled in accordance with the GHG Protocol*3. From fiscal 2017, the Group has executed third-party verification of GHG emissions for Scope1 and Scope2, as well as portions of Scope3.

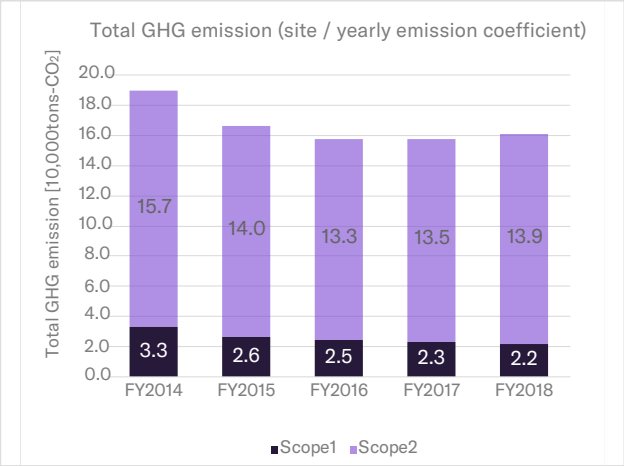
*1 SBT (Science Based Targets) is an initiative that promotes the setting of greenhouse gas emission reduction targets based on scientific evidence in an aim to achieve the objectives of the Paris Agreement. This initiative also evaluates and authorizes these targets.
*2 TCFD (Task Force on Climate-related Financial Disclosures) was established by the Financial Stability Board (FSB), comprised of central bank directors and financial ministers of major countries. This task force announced a proposal aimed at urging investors to make appropriate investment decisions by disclosing the financial impact sustained by climate change
*3 Standard for the calculation and reporting of greenhouse gas emissions (GHG)

» Third-party Verification

Initiatives and Achievements to Date

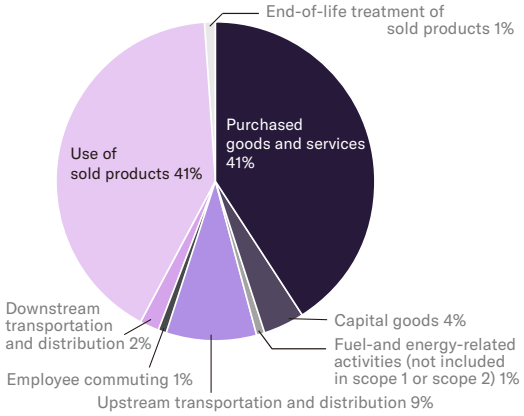
As an energy saving initiative, the Yamaha Corporation and its production sites in Japan set the goal to reduce CO_2 emissions by 1% each year, and overseas production sites have set their goals using numerical value corresponding to each site, and all locations are proactively working to achieve their targets.

Scope 1, 2 Achievement (Yamaha Corporation and all production sites)



- 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)

Scope 3



CO_2 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_2 volume absorbed by the trees. The Company estimates that approximately 42,000 tons of CO_2 was absorbed until now.

» Protection of Biodiversity

» Yamaha Group 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_2 emissions. Measures taken included ensuring the appropriate pressure for compressors, partitioning work booths, introducing power usage monitors and installing door and window screens for ventilation in offices. The company implemented measures to improve energy efficiency and to save space 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_2 emissions by approximately 249 tons, and reducing electricity usage by approximately 480 MWh for the cumulative total over five 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 310 kWh in the hotter part of the afternoon, and power consumption by 200,000 kWh during the three-month period. Moreover, we are taking efforts to save electricity, such as improving labor efficiency by shortening facility operating hours, reducing the number of air-conditioning and heating units required, and 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_2 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_2emissions 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

Furthermore, in fiscal 2019, the Company updated two high-voltage transistors and two boilers at Yamaha Resort Katsuragi Kitanomaru to higher efficiency models.

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 40 MWh of power per year by replacing approximately 900 florescent lights and mercury lamps with LED lighting in offices between fiscal 2014 and 2019. In fiscal 2015, the Yamaha Toyooka Factory saved approximately 44 MWh 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 15 MWh per year. Further efforts will be taken to systematically install more LED lighting in factories and business sites in the future.

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 2,600 kWh while reducing CO_2 emissions by approximately 1.0 ton.

Performance in fiscal 2018: 20 facilities conducted and cut back electric power consumption by approximately 1,100 kWh while reducing CO_2 emissions by approximately 0.5 tons.

Performance in fiscal 2019: 20 facilities conducted and cut back electric power consumption by approximately 1,033 kWh, while reducing CO_2 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 gourd 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_2 Emissions in Logistics

The Yamaha Group is working to increase energy efficiency and reduce CO_2emissions 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_2 emissions by disposing of waste locally and switching from air to sea for international shipping.

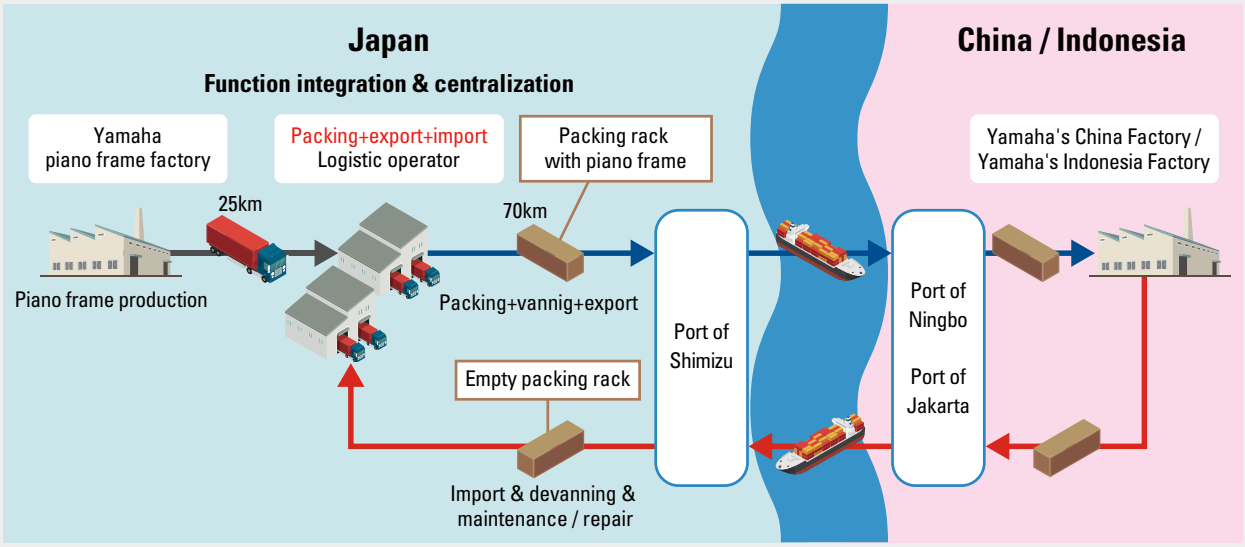
The Yamaha Group's total domestic transport volume and CO_2 emissions in fiscal 2018 remained about the same compared to the previous fiscal year, reaching 1,859 million ton-kilometers, while CO_2 emissions also resulted similar to last year's figures reaching 2,820 tons. Reducing CO_2 emissions from 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.

» Yamaha Group Environmental Data

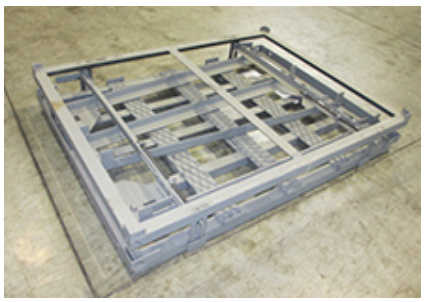
Reduced Resources and CO_2 Emissions in Piano Frame

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_2 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_2 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_2 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 factories 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*3 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 Co., Ltd. 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.

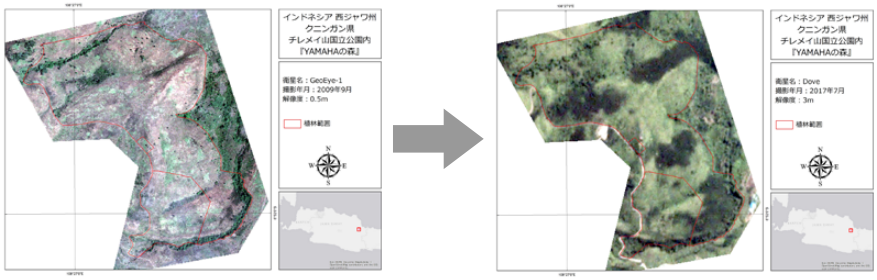
Yamaha worked with the Japan International Cooperation Agency (JICA), the Ministry of Forestry of the Republic of Indonesia, and the Forestry Department of the University of Kuningan. These initiatives involved planting tree types selected based on academic studies in order to restore natural forests 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_2 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_2 have been absorbed until now.

Achievements of Indonesia Yamaha Forest Activities

	Phase 1(FY2006 - FY2010)	Phase 2(FY2011 - FY2015)
Sponsor	Yamaha Corporation and six local Indonesian subsidiaries Yamaha Motor Co, Ltd. and two local Indonesian subsidiaries	Yamaha Corporation and six local Indonesian subsidiaries
Cooperation	OISCA	Japan International Cooperation Agency (JICA), Local National Park Management Office, National Kuningan University Forest Department
Location	Sukabumi Regency, West Java, Indonesia	Chiremei Mountain National Park, Kuningan Regency, West Java, Indonesia
Period	From December 2005 to March 2010	From December 2010 to March 2015 (planting activities) April 2015 to March 2017 (Maintenance)
Main cause of forest loss	Destructive timber practices	Forest fire
Purpose	Recovery of biodiversity, recharge water source, prevention of soil erosion, CO_2 absorption and fixation	Recovery of biodiversity, recharge water source, prevention of soil erosion, CO_2 absorption and fixation
Area	126.7ha	50ha
Number of trees	115,110	52,870
Type of tree	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.
Content of Activities	・Planting and management ・Planting ceremony (total 9,180 participants) ・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)	・Planting and management (participated in JICA's Rehabilitating Degraded Lands Project for protection of biodiversity) ・Planting ceremony (total 1,300 participants) ・Environmental education for elementary school students
CO_2 Absorption Volume Fiscal (FY2018 estimate)	30,929 tons (12 years)	11,542 tons (7 years) 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 2018, the 11th planting event was held jointly, with Yamaha Motor Co., Ltd. Approximately 80 participants, including employees of Yamaha and Yamaha Motor and their families, members of the community, and related parties endured some rain mid-way, but were able to plant 300 resistant black pine seedings.

Planting achievement

Timing	Number of trees	Tree type
1st year 2007	115	
2nd year 2008	180	
3rd year 2009	150	
4th year 2010	155	
5th year 2011	160	
6th year 2012	200	
7th year 2014	300	
8th year 2015	480	
9th year 2016	245	
10th year 2017	330	Resistant black pine
11th year 2018	300	Resistant black pine
Total	2,615	

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

Shizuoka Future Forests Supporter Corporate Commendation

In December 2018, as a result of support activities to revitalize the Enshunada beach forest across an over ten year period, Yamaha Corporation received a commendation for exceptional corporate activities in forest creation by the governor of Shizuoka prefecture.

表彰状

ヤマハ株式会社 様

貴社は森づくりの重要性を深く理解し
多年にわたるしずおか未来の森
サポーター活動により県内の森林環境の
向上に多大な貢献をされました
その功績は誠に顕著でありますので
ここに表彰します

平成三十年十二月二十一日

静岡県知事 川勝平太

Preservation Activities for Protecting Scarce Species

In September 2018, 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 69 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 introduced plants

Application of Environmental Technologies

Products supporting the reduction of environmental load

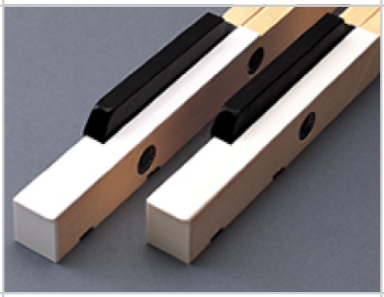
Products/Services	Environmental feature/effect	Appearance	Related pages
Micro prober (a conduction and insulation inspection device produced by Yamaha Fine Technologies Co., Ltd.)	Reduce waste and saves resources by improving yield rate of test objective products		≫ Micro prober
Helium Leak Tester (Yamaha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

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		≫ RGXA2 (Japanese Only)

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		≫ YVN500S
Yamaha Hall in the Yamaha Ginza Building	Using A.R.E.*treatment on stage floor to improve the sound characteristics without using chemical substances		≫ Yamaha Hall (Japanese Only)

* 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

The Yamaha Group takes great efforts to maintain fair operating practices by complying with laws, regulations, and social norms to contribute to the healthy development of the market economy society.

Based on the Compliance Code of Conduct, the Yamaha Group is aiming for the proper management of intellectual assets, the construction and maintenance of fair relationships by eliminating questionable relationships with suppliers or other related parties, and fair competition by complying with the Anti-Monopoly Act and banning the use of unfair comparative advertisements. Furthermore, the Group is educating its employees in order for all of its members to comply with these standards.

In addition to internal efforts, the Group is expressing its policies related to the respect of human rights, labor and safety, and fair trade to suppliers in order to promote sustainability throughout the supply chain of raw materials and components. At the same time, the Group is engaged in sustainability procurement initiatives in collaboration with business partners, such as by requesting cooperation in compliance efforts.

Prevention of Corruption

Anti-corruption Policy

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 Government and Public Officials

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

» 8-5 Prohibition Against Bribery to Foreign Government Officials

Efforts to Be Thorough in Preventing Corruption

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, companies are required to negotiate with government institutions. Yamaha is aware that the incidence 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 located in areas with a high incidence of gift-giving have a particularly high awareness of the issue of giving gifts to public servants. In such companies, it is very important to clarify who the recipient is by prior written request and recording of expenses when presenting gifts or entertainment. Considering the risk of business partners giving gifts on their behalf, some overseas Group Companies have established mechanisms to require business partners to ban gift-giving.

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 2019 by any person claiming to be a Yamaha supplier or employee.

» Help Line Operation

Responsible Participation in Politics

Relationships with Governments, Local Governments and Public Institutions

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

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

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 Group 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

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. 260 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.

In overseas Group Companies, we conduct training for fair trade for all related employees, primarily in sales companies in the US, Europe, and China, to instruct them not to illegally exchange pricing information and not to control prices. Additionally, we are planning to gradually implement training in sales companies located in other areas as well.

Legal training

Legal training* (Yamaha Corporation and domestic Group Companies)

	FY 2017	FY 2018	FY 2019
Legal training participants	About 220	About 140	About 260

*Total participants

Fair Competition Violations

In fiscal 2019, 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, Malaysia, and India. 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 corrective action when areas of improvement are recognized as a result of the assessment.

In fiscal 2019, we updated these systems, reviewed self-assessment items, and raised the corrective action standards.

Yamaha Policies Related to Procurement

- Yamaha Group Purchasing Philosophy
- Yamaha Supplier CSR Code of Conduct
- Yamaha Group Timber Procurement Policy
- Green Procurement Standards
- Responsible Raw Material Procurement

Sustainability-related Requests to Suppliers

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

Furthermore, Yamaha clearly stipulates the Yamaha Supplier CSR Code of Conduct in every business agreement.

Yamaha Supplier CSR Code of Conduct

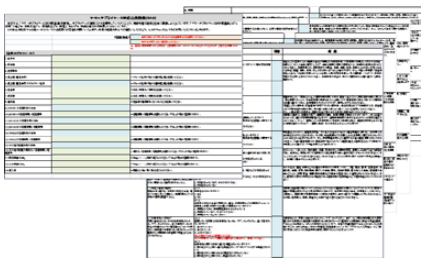
Sustainability-related Requests to Suppliers (Yamaha Supplier CSR Code of Conduct)*1

Category	Requests
Labor and Human Rights	No forced labor No child labor Appropriate working hours Fair wages and benefits No inhumane treatment Non-discrimination Freedom of association Handling of conflict minerals
Occupational Safety	Safe workplace Accident prevention and emergency preparedness Prevention of occupational injury and illness Management of physically-demanding work Machine & equipment safety measures Healthy and safe facilities

Category	Requests
Environmental Conservation	Compliance with environmental regulations Resource and energy saving Wastewater management Air emission management Proper disposal of solid waste Management of chemical substances Management of hazardous substances Biodiversity conservation
Ethics	Prohibition of all forms of corruption and bribery Prohibition of anticompetitive behavior Information disclosure Provision of appropriate product information Fraud early detection and prevention Protection of intellectual property 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 2019, self-assessments were conducted at 79 companies in consideration of 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. In fiscal 2019, we also held orientation meetings for our employees who will request supplier self-assessments and corrective action upon assessing suppliers in fiscal 2020. These meetings were held a total of nine times and attended by 176 employees, primarily those employees in charge of procurement at production sites both within and outside Japan.

Furthermore, the Group conducted orientation meetings related to sustainable timber procurement (confirmation of legality of timber, etc.) for 150 employees in charge of procurement at production sites within and outside Japan.

CSR procurement orientation meetings (Image 1 and 2 Indonesia, image 3 Malaysia, image 4 China)

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, and sales trends to suppliers that provide us with raw and processed materials, parts, and equipment, and to subcontractors that provide distribution, 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. In July 2018, we held a SDGs-themed lecture at a gathering of procurement business partners in Japan, and introduced an overview of SDGs and Group initiatives. Furthermore, we tour the waste treatment subcontractors that come to our domestic production bases, inspecting the environment and discussing issues.

SDGs-themed lecture: A lecture for 76 representatives from organizations who supply Yamaha with parts and materials

Events held in fiscal 2019

Annual general meeting - Three times a year (collaborative meetings once each with procurement, distribution, and equipment divisions)
Briefing session on trends in production and sales - Once a year collaborative meeting with procurement department
Safety and health inspection patrols - Site construction work at 2 factories
Waste management subcontractors - Site tours taken at 30 companies

Respect for Property Rights (Protecting Intellectual Property)

Basic Policy and Framework

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 other 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

In order to protect our own intellectual property rights, the Yamaha Group respects other 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 parties. In addition to training upon hiring, Yamaha Corporation holds training sessions for employees upon joining or being transferred to development and marketing divisions, including sessions related to the themes of patents, copyrights, and general management of intellectual property.

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 as appropriate.

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, 2019 was approximately 2,600. The total number it holds overseas, principally in the United States, European Union, and China, is 3,500, making the global total approximately 6,100.

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, 2019, we held approximately 1,260 design rights, with 460 in Japan and 800 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 regularly conduct specialized study sessions for each division and Group Company.

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. Currently, the Company has been distributing a revised guide from April 2019 based on the Copyright Act which was amended at the end of 2018 and beginning of 2019 in Japan.

Internal copyright seminar

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 Strategy 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 maintaining 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

At the Yamaha Group, our primary mission is to continue to provide products and services that satisfy our customers.

In addition to managing the quality and safety of products and services, we strive to disclose appropriate information related to our products and services. In order to respond to the diverse demands of our customers, we are proactively promoting contributions to sustainability through the introduction of universal design and proposals for products and services which aim to solve societal issues.

Product/Service Information Disclosure

Product/Service Appropriate Information Disclosure

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. We have established these principles in the Compliance Code of Conduct. Furthermore, our labeling is validated based on a quality management system.

» 1-3 Proper Advertisement and Publicity and Accurate Presentation of Information

Furthermore, 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 order for customers to safely use products, the Group provides information that is easily accessible by customers, such as in manuals, catalogs, and the website. The Group also takes efforts to raise awareness of safety to prevent accidents. In addition to listing information about each product on the website, we list safety awareness information about musical instruments in catalogs for school instruments/equipment.

In October 2018, at an exhibition using the Yamaha surface-mount speaker, an accident occurred in which the product fell caused by smoke used as part of an entertainment production, although there were no injuries. In May 2019, we called attention to the use of this product in environments which contain significant entertainment production-related smoke or oil smoke by using a market notification on the website.

» Precautions to use this product safely and properly (Japanese Only)

In cases when accidents occur due to the product itself or product defects, 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 conveys 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 importance and urgency as well as the status of customer product use.

In 2018, it was discovered that Revolabs' digital wireless microphone system and wireless conference phone emitted radio waves at an unintended frequency leading to possible radio interference, as a result of a malfunction in firmware installed in Japanese versions. Revolabs announced this on its homepage and began providing support free of charge (firmware upgrades, settings changes, product exchanges, etc.). As of the end of March, 2019, Revolabs completed resolution of this issue for 794 of the 860 units (92%).

Status on Violation of Laws Regarding Labeling and Advertising

In fiscal 2019, 11 incidents of violations regarding product labeling were detected (cases of improper labeling despite meeting regulation/certification standards). All of the incidents were handled appropriately. No penalties were imposed regarding these regulation violations.

» Status of Violations and Defects Involving the Safety of Products and Services

Ensuring Product/Service Safety

Basic Policy

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

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 order to accomplish this, 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.

» Product/Service Appropriate Information Disclosure

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 nine years between fiscal 2011 and fiscal 2019, there were approximately 1,516 hours of lectures for these courses attended by a total of 275 employees comprised mainly of engineers and personnel from development areas.

Status of Violations and Defects Involving the Safety of Products and Services

In fiscal 2019 there were two market responses to incidents involving defects in the safety aspects of products, and one case of a lack of legal response related to product transportation. These three incidents did not result in personal injury and were not legal violations resulting in punishment.

Details of market responses

- In August 2018, in Silent House, the eaves of the roof fell due to a construction irregularity during a recall response. By the end of May, 2019, we completed the inspection of all eight locations with possible construction irregularities and confirmed that there were none besides the location of the accident.
- As of June 2019, we are making progress in the inspection and investigation of sites where there is a fear of faulty construction.

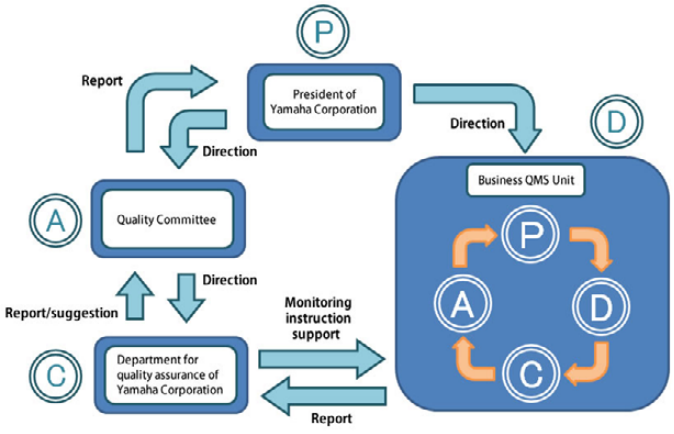
Quality Assurance

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 on by the Quality Committee and then sent to business divisions as the instructions 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 throughout the Yamaha Group, and requires that quality information from each Group Company be concentrated in 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 seven business domains
ISO/TS 16949: acquired in one business domain

Quality Audit

Auditors of the Yamaha Corporation Quality Assurance Division are conducting 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. The results of these audits are taken into account to urge improvements if needed and 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

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. The Yamaha Group held courses for product safety risk assessment (R-Map), quality engineering, and product safety courses in fiscal 2019. Furthermore, in order to eliminate risks connected with improper actions regarding quality, the Group held danger prevention training which shone a light on eliminating risks of quality fraudulence across in the entire Yamaha Group in Japan.

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

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, 2019)

In fiscal 2019, the Yamaha Group newly certified 53 models, bringing the total number of models certified as of March 31, 2019 to more than 370, with 56 bearing the Yamaha Eco Label.

Yamaha Eco-Label

Initiatives to Improve Longevity of Products

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 (Japanese Only)

» Wind Instrument Technical Academy (Japanese Only)

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 (Japanese Only)

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 (Japanese Only)

Piano Add-on Units

Yamaha is selling add-on units so that customers can enjoy their pianos for a long time in a range of situations. Such units include the Piano Muffling Unit, which adds a muffling function, and the Disklavier Control Unit, which adds a wealth of content and colorful functions to pianos incorporating an automatic performance function.

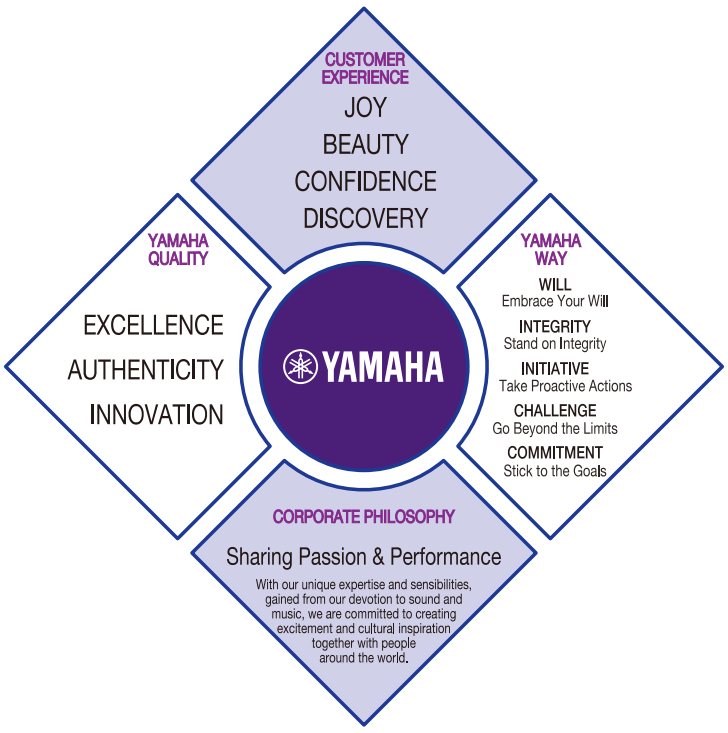
» Piano Add-on Units (Japanese Only)

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."

The diagram of the Yamaha Philosophy



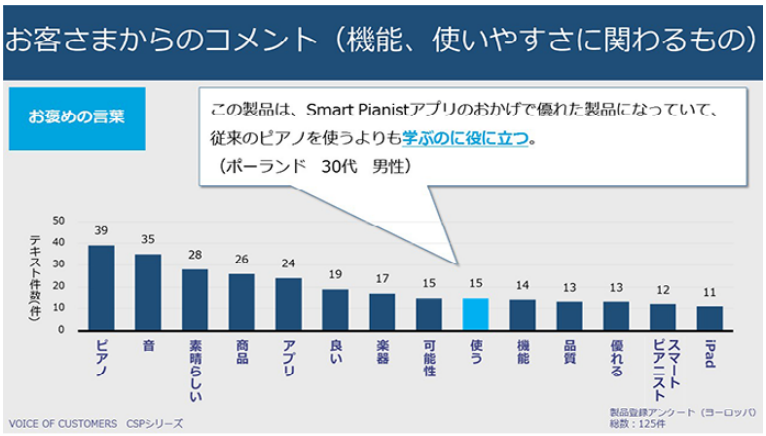
» 1-1 Realization of Customer Satisfaction

Business Based on the Customer's Viewpoint

Focusing mainly on our musical instrument and audio divisions, customers' comments are distributed and shared globally by internal digital signage (electronic bulletin boards), the Intranet, company magazines, and posters. Furthermore, focusing mainly on the quality assurance, musical instrument and audio product development divisions, we are implementing regular training to develop customs in which employees act after considering the customer perspective.

Through these efforts, our aim is to nurture an organizational culture that utilizes a customer-oriented approach and focuses on each customer's evaluations and requests.

Samples of opinions received from customers
(digital signage, domestic factory posters, overseas factory company newsletters)



Example

Customer Perspective Training

Customer Perspective Training is Yamaha's unique system of training wherein employees learn about decision-making standards and values outside of their own perspective in order to develop the habit of considering the perspective of customers in their actions. This training takes many forms, such as employees listening to product purchasing stories in customer interviews and considering why customers chose each product. Another example of this training is employees listening to customer opinions and considering customer expectations, points of improvement for Yamaha, and actions that should be taken. This training is gradually being extended to more divisions. It is currently held every month in many divisions, such those related to musical instrument and audio product development, quality assurance, the golf business, and staff divisions.

Customer Perspective Training scene

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.

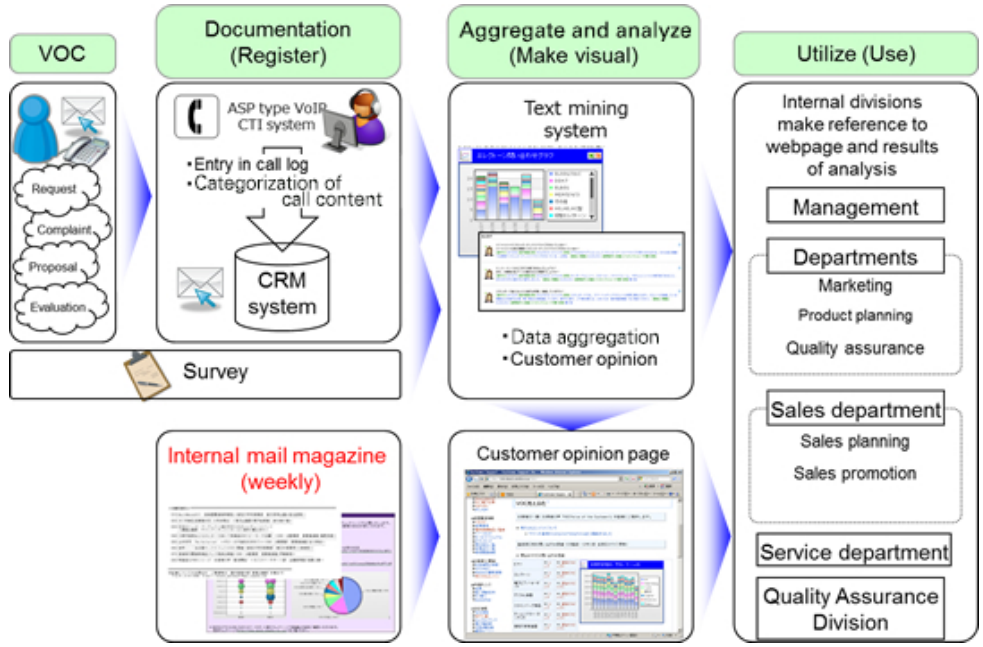
In particular, our musical instruments/audio divisions have been globally collecting and utilizing feedback from the voices of our customers not only through customer support services, but also through various forms of daily communication. In order to further connect with customers in our major markets, Japan, the US, Europe, and China, 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



Evaluations by Third Parties

Selected First Place in the Educational Service Industry in Japanese Customer Satisfaction Index (JCSI) for the Third 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

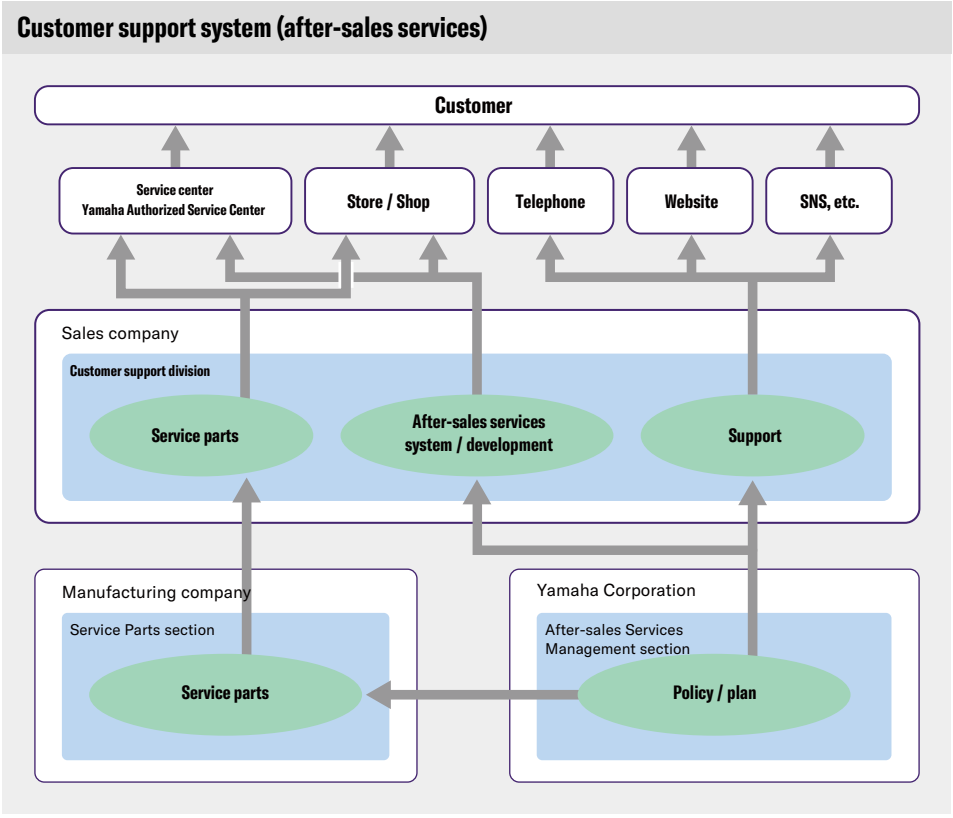
The Yamaha Group has established an After-sales Service structure for customers. The organization is working to respond to customer inquiries and requests with integrity. The Yamaha Corporation has established an After-sales Service Management section, and has shared the After-sales Service plans and 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

Customer support system (after-sales services)



Yamaha Music Japan Co., Ltd.

Yamaha Corporation of America

Yamaha Music Europe GmbH

Yamaha Music & Electronics China

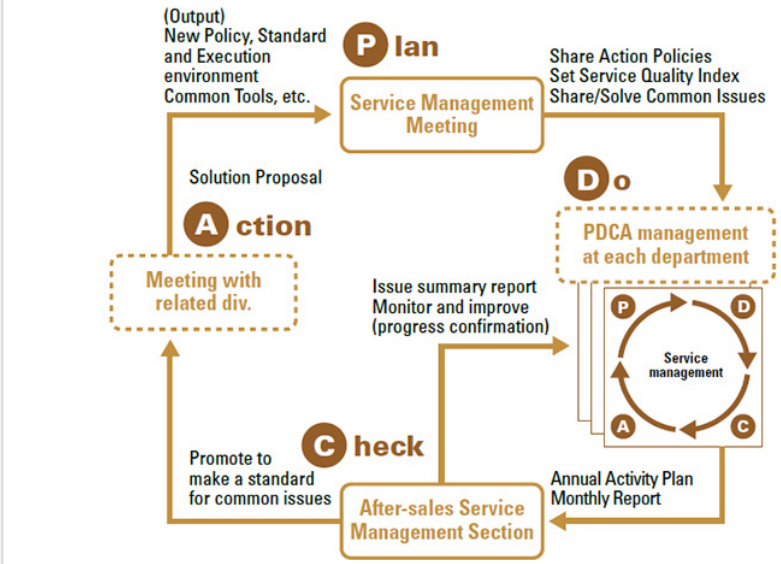
Yamaha Group After-sales Service Management System

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.

Customer Service Support representatives from 25 Japanese and overseas companies participated in fiscal 2019’s Service Management Meeting, reviewed customer service initiatives and KPI, and discussed a new strategic direction for after-sales Service in the Yamaha Group.

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. The Group is also monitoring operational status by a check sheet.

Yamaha Group After-sales Services Management System



Scenes from Service Management Meeting discussions

Service Management Meeting participants

Initiatives

Evaluation of the Customer Support Center 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 20 points in fiscal 2018 to 44 points in fiscal 2019. Furthermore, the Company was able to confirm the strong correlation 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 distributers 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.

We established an information security working group under 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. We continued making improvements in fiscal 2019 and improved the precision with which personal information held by domestic Group Companies is managed. We also formulated new Group Personal Information Protection Standards for Group Companies in Japan and internationally which became effective as of April 2019.

≫ 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.

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 2019.

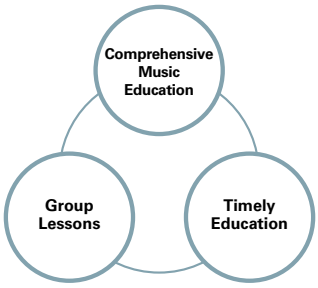
Enhancing Products and Services

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

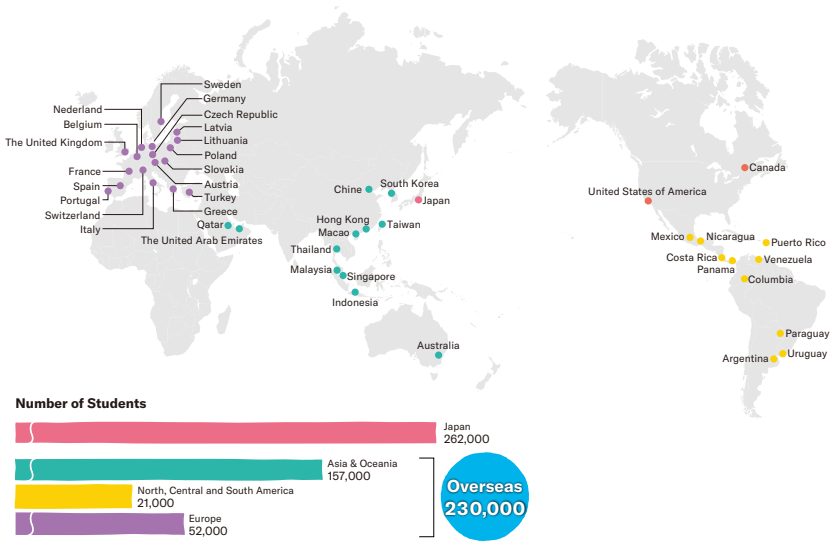
Yamaha Music School enrollment in Japan

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Japan	320,000	300,000	280,000	271,000	262,000

*As of June, in each fiscal year

Overseas, currently around 230,000 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 March 2019)



Music School enrollment overseas

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Asia, Oceania (including China)	153,000	155,000	153,000	155,000	157,000
Europe	52,000	53,000	54,000	50,000	52,000
North, South America	24,000	24,000	24,000	23,000	21,000
Total	229,000	231,000	231,000	227,000	230,000

* At the end of 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. The concerts are held not only in Japan but throughout Asia, Europe and other regions as well. 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 1,200 locations throughout Japan. We provide a variety of course lessons, both individually and in groups, to meet our customers' diverse needs, from musical instruments such as the saxophone or guitar to vocal (currently 37 courses, 105,000 students enrolled).

Group lessons 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 2019
6,000	40,000	50,000	92,000	105,000	110,000	110,000	105,000

*As of June in each fiscal year

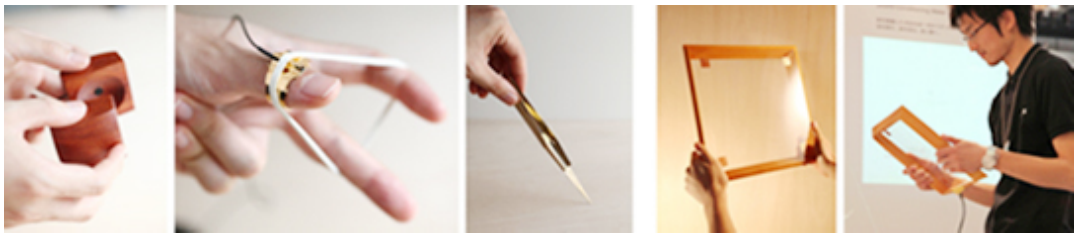
Development of New Program and Its Introduction into Market

Based on the catch-copy "More than Karaoke, Less than a Lesson," Yamaha developed the "Seishun Pops" course for senior generations that allows even inexperienced seniors to participate in a casual setting. This course was launched nationwide in 2017 and is enjoyed by 10,000 persons in 550 sites (as of November, 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.

From fiscal 2017, we have participated in the planning of "Company UD Visiting Lectures," part of the program by Hamamatsu City to promote town-building through universal design (UD). We are holding UD visiting classes for local elementary students.

These classes explore how consideration for various people are reflected in products/services and ideas and thoughts toward UD in companies. These classes aim to guide children to look at society and create an image of their future occupation. In fiscal 2019, at two elementary schools in Hamamatsu City, we held a talk about the general characteristics of wind instruments and the universal design aspects of the casual wind instrument Venova in a session titled "The Universal Design of Wind Instruments."

Yamaha will further continue to cooperate with the initiatives to widely transmit the ideas of universal design and the joy of music to society.

"Company Universal Design Visiting Lectures" at local elementary schools

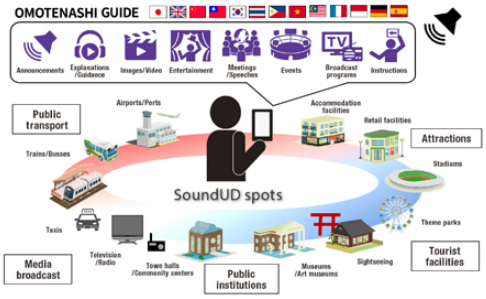
Electronic musical instruments and PA equipment that takes visibility into consideration (in-house exhibition)

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.



"OMOTENASHI GUIDE" image

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 “SoundUD Consortium” for the objective of both private and public entities further promoting a “society using sound for universal design,” where there are no concerns about language or hearing ability. This organization was established for many Japanese companies and organizations to promote initiatives for the utilization of sound in universal design together towards the goal of major Japanese facilities being able to handle the use of sound in universal design by 2020. By releasing a portion of the technology from the OMOTENASHI GUIDE to the consortium members to create a new open standard, Yamaha is promoting innovation and a new business model for Japan, as well as striving to spread these concepts along with 275 (as of April 1, 2019) member companies and organizations.

Furthermore, in order for all audience members, including the elderly and those with auditory and visual disabilities, to have the opportunity to equally access information and understand the content of television and radio broadcasts, the Group also worked with 16 broadcast stations across the country on a subtitle support business that utilized SoundUD.

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

» SoundUD Consortium (Japanese Only)

» 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 is selling 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.

Venova “YVS-100”

* “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.

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

» Education Solutions Utilizing ICT

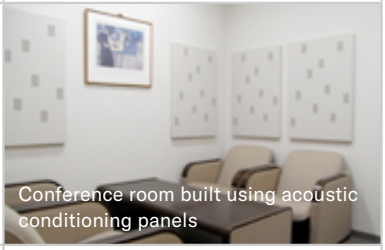
Proposing Solutions that Utilize Sound Technologies

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.

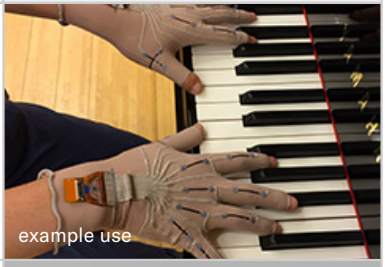
In addition, the Yamaha Group has been continuing to create better listening environments through research and development regarding sound fields and related control systems while pursuing superior sounds through the manufacturing of sound-generating products. We also have been proposing solutions utilizing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

Case example

Creating Better Sound Environments

Products	Feature of sustainability	Related pictures
Speech Privacy System™ ≫ “VSP-1,” ≫ “VSP-2” (Japanese Only)	Camouflages conversation with an “information masking sound” synthesized from human speech.	
≫ Acoustic Conditioning Panel (Japanese Only)	Alters reverberations in the room, and provides a clear and comfortable acoustic environment.	 Conference room built using acoustic conditioning panels
≫ Avitecs™ Soundproof Room (Japanese Only)	Easily realizes a reverberant and soundproof space.	
≫ “YVC-200” Unified Communications Speakerphone (Japanese Only)	Focusing on the quality of conversations, this portable and convenient speakerphone is a compact, lightweight device with a built-in battery that facilitates remote communications.	

Sensor Technology Application Proposals

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

Proposing Applications of Sound Technology

Products	Feature of sustainability	Related pictures
≫ SilentBrass™ (Japanese Only)	Makes practicing and performing possible anywhere at any time.	
≫ TransAcoustic™ Piano (Japanese Only)	Enables volume adjustments to be made just like an electric piano.	
In-vehicle communication module for automotive emergency	Enables automatic notification during emergencies and hands-free calling.	–

Community Involvement and Development

As the Yamaha Group continues various activities aimed at spreading and promoting music culture in places across the world, we are also taking efforts to contribute to society as a corporate citizen.

Starting with our local contribution activities at various locations that are home to our work sites both in Japan and overseas, we are continuously engaged in donation and social welfare activities to support the nurturing of future generations. In addition, the Yamaha Group is promoting the creation of towns that utilize the power of music.

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 communities that are home to business sites to maintain good relations with local areas.

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	12 local neighborhood councils	Business status update, soliciting requests/ concerns, exchanging opinions

Examples of the communication efforts conducted at business sites and factories in fiscal 2019

- 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

Information exchange sessions at local neighborhood council meetings (headquarters)

- 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)

Summer festival (Tenryu)

Regional cleanup effort (Toyooka)

Donation ceremony for picture books and CD players to local kindergarten through charity bazaar (Toyooka)

Charity concert co-hosted with labor-management (Kakegawa)

Concert at meeting for seniors (Kakegawa)

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 11,316 people took the grand piano tour in fiscal 2019.

≫ Kakegawa, the home town for Yamaha Piano Manufacturing (Japanese only)

Visitors observe a grand piano being made

An exhibition at the show room

Public opening of corporate museum

On the first floor of the Innovation Center, a new R&D hub built inside the headquarter grounds in 2018, the Group opened Innovation Road, a corporate museum displaying exhibitions on the history of the products and services of the Yamaha Group. This is a hands-on museum that allows general visitors to learn about products and services from the company's founding until today, their development process, and the company's vision for the future by using audio and visual exhibits. Since its opening, many people have visited Innovation Road, including organizations, business partners, and the general public. As of March 31, 2019, approximately 18,000 people have visited the museum.

≫ Corporate Museum Guide

Entrance of Innovation Road

Exhibition Area (History Walk)

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, including piano contests held across the world. The Group not only provides musical instruments to those pursuing a high artistic standard, but also assists with the running of the events.

Additionally, the Yamaha Group has set up scholarship systems in different regions of the world as support for aspiring musicians, and those at the beginning of their careers. Yamaha also teams up with music education institutions, continues to support the educational curriculum, and provides seminars for instructors. Starting in 1983, the Group has held the "Yamaha Wind Instruments Debut Concert," which provides a performance stage for new musicians who have been recommended from music colleges and specialty schools. Widely known as a respected concert for young musicians, this event has featured a total of over 2,000 performers, many of whom have gone on to success as members of top orchestras or as soloists, or became instructors training the next generation of musicians.

Hamamatsu International Wind Instrument Academy and Festival

Yamaha Wind Instruments Debut Concert

Sichuan Minzu College 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

In order for more children to experience the enjoyment of playing a musical instrument, since 2015 Yamaha has been operating "School Projects" to provide instruments, teaching materials, and instructional know-how as a package to public schools, primarily in developing nations.
The educational effects of learning to play musical instruments are so well documented that such instruction is standard in schools around the world. In some countries, lack of equipment or trained teachers, or inadequate curriculum often limits to what extent schools can offer. By providing opportunities to children across the world to play musical instruments, Yamaha hopes to support the growth of these children, and to contribute to the spread of musical instrument education and the development of music education and culture globally. In fiscal 2019, this program provided musical instrument education opportunities to approximately 260,000 children in five countries (Malaysia, Indonesia, Russia, Vietnam, and India).

Music classes in Indonesia

Recorder lessons in Vietnam

» The “Music Time” Program at Public Schools Around the World
» Enriching Education in Vietnamese Schools through the Introduction of Instrumental Music Education
» Spreading the Fun of Playing Musical Instruments to Children Across the Globe

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 5,100 students in 63 schools in six countries: South Africa, Nigeria, Kuwait, UAE, Kenya, and Morocco, by fiscal 2019. YMGF is preparing to start classes in Uganda for the first time and is exploring expansion to other countries as it aims to expand its activities.

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 33 workshops held in fiscal 2019 and approximately 5,600 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 Shenzhen 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 300 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

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 27th Hamamatsu Jazz Week in 2018 featured indoor concerts by top-notch domestic and international artists as well as school students from outstanding big bands throughout Japan, talk events that expressed the charm of jazz through various topics, and street concerts that allowed guests to casually enjoy jazz on street corners, 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

"In-school Jazz Concerts" held on stage at elementary and middle schools in Hamamatsu

"Street Jazz Festival" bringing excitement to the city streets

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 10th Brass Jamboree in 2019, conductor Daisuke Soga gave his second seminar on conducting wind instruments, specifically the trombone, where the audience learned conducting methods in a fun way. More than 650 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 together during the concert.

» Brass Jamboree (Japanese Only)

Large ensemble with all of the event participants

(From left) Special guest and trombonist Eijiro Nakagawa, violinist Machi Okabe, and conductor Daisuke Soga

Wind Instrument Performance Contest (China)

Yamaha Music & Electronics (China) Co., Ltd. holds a wind instrument performance competition every year, which provides an opportunity to enjoy wind instrument performances. This event provides many learners of wind instrument and their fans the opportunity to enjoy both ensemble and solo performances using a sound source as musical accompaniment for wind instruments. Some 6,200 persons took part in 26 cities nationwide in fiscal 2019.

Preliminaries in Shanghai city

Preliminaries in Ningbo City

Providing Opportunities and Places to Come in Contact with Instruments

"LovePiano" Street Pianos Placed in 20 Public Spaces Around Japan

Since 2017, Yamaha Music Japan has promoted "LovePiano," an activity that provides a casual performance space based on the concept of feeling closer to and enjoying pianos more. Centered on the theme "LovePiano," these activities attempt to bring the piano closer to people and include installing a colorfully painted piano in an open space, where it can be played by anyone, and encouraging people to express their thoughts concerning pianos online. Until now, these pianos have been installed for a total of approximately 120 days and enjoyed by 15,000 people at 20 public spaces across Japan, including JR Yamanote Line's Shinjuku Station and Shinagawa Station, and Osaka International Airport (Itami Airport).

These activities use the hashtag #LovePianoYamaha when performers write about it on social media. People who play these pianos and those who listen to these performances express many thoughts about pianos online and connect with people who have had similar experiences through the hashtag, leading to the growth of LovePiano fans.

In Japan, there are many people who used to play piano, but do not anymore. Yamaha intends to continue these LovePiano activities with the wish of not only reaching those who have an interest in pianos, but also spurring former pianists to pick up the instrument again.

First exhibit at ecute Shinagawa entrance inside the central gates of JR Shinagawa Station (Piano 1)

Second exhibit at Harajuku Cat Street (Piano 2)

Music Instrument Experience Event "TOUCH & TRY"

Based on a desire to have many more people feel the joy of playing an instrument, Yamaha holds the music instrument experience event "TOUCH & TRY" at shopping malls and event venues across Japan in order to provide opportunities for many people to experience instruments. Targeting adults who are seeking a hobby, especially those who aspire to playing an instrument or those who played musical instruments in the past, in fiscal 2019 Yamaha held this event at 55 venues (83 total days). Approximately 18.000 people experienced playing the instruments, three times the number of people as the previous year, as Yamaha continues to expand the scope of these activities. In order that even more people can feel the joy of playing musical instruments, Yamaha plans to continue proposing initiatives which foster interest in instruments, spur people to visit music stores, and in some cases, start playing musical instruments.

Children and adult visitors can freely enjoy musical instruments

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 various 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. Since fiscal 2017, Yamaha has been working with NTT DoCoMo on “Restoration of the Heart” businesses promoted by the Restoration Agency. In fiscal 2019, Yamaha worked with the Kamaishi City NPO “Gabacho Project,” and promoted a “Restoration of the Heart” business planned by the victims of disasters. In addition to supporting the Sanriku area, we are engaged in facilitator development activities through drum circles in order to produce local community leaders.

≫ The “Oto-Machi” (Music Town”) project for community development through music (Japanese only)

Jozenji Street Jazz Festival Swing Carnival

Funabashi Mori no City “Forest City Big Band”

“Kashiwa facilitator training lecture”

Restoration Agency “Restoration of the Heart” support project

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 a mini-concert at the Hamamatsu Festival as well as the Promenade Concert held in front of JR Hamamatsu Station.

Mini-concert, part of the Hamamatsu Matsuri festival

Promenade Concert

» The Yamaha Symphonic Band

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.

Support Activities through AMIGO Project

In many countries in Central and South America where youth crime and delinquency are rampant, 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. Approving of such activities, Yamaha has provided support for many years for these activities in which many children participate.

The Amigo Project launched in 2014 to further strengthen support activities. Currently active in five countries (Mexico, Costa Rica, Panama, Colombia, and Brazil) this project holds workshops so that children can learn how to maintain instruments on their own. In addition, by promoting the development of technicians who can repair instruments, Yamaha is supporting an environment in which children can more easily continue to play music.

» Supporting Youth Development through the Power of Music

Youth Development Orchestra Band Organization (Mexico)

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 13 years, Sopro Novo has held seminars over 1,600 times in 189 cities, and has trained approximately 4,700 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.

In 2018, we participated in the Rio de Janeiro City educational program and held recorder seminars for 82 instructors. Acknowledging the past activities of Sopro Novo, the state of Sao Paulo provided support for activity costs in the form of tax exemptions.

Recorder seminar at Rio de Janeiro educational program

Cauca Wind Orchestra (OCV) logo

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

By accepting junior high school students for workplace hands-on learning and high school students for internships, 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.

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[*1] 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. By fiscal 2019, 1,849 people in 17 schools experienced this training.

In addition, YMPI also offers factory tours and hands-on experience to high school and university students.
Furthermore, YMPI also launched its standard foundational education program "Yamaha Class" in these schools. This program is an attempt for teachers at schools to directly teach students foundational lessons, such as understanding what it means to be a member of society, the importance of 5S, compliance with rules, and the need for diligence. Upon implementing this program, YMPI holds training to instruct teachers of its policies. In this way, YMPI's educational policies are becoming the foundational education for the young people who will support the future of Indonesia.

Work experience participants

Students participating in a lecture

Classes to instruct school teachers on "teaching foundational lessons"

*1 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.

Support for Exhibits at Learning Facilities

Yamaha has worked on exhibits at the Hamamatsu Science Museum (Hamamatsu City, Shizuoka Prefecture) since it opened in 1986 to develop science-oriented minds. After completely renewing permanent exhibits through the cooperation of companies which represent regional communities, this museum was reopened in July 2019. It has now been reborn as an experience-focused museum centered upon active learning in which both children and adults can enjoy science together. The following items are currently on display in the "sound" corner.

Content of contributions to "Sound Corner"

Section	Details
Variable acoustic room	Presented exhibit using electro-audio signal processing technology. Inside a booth installed with a sound setting support system (AFC: Active Field Control) which can control echoes inside the room and the size of the space, visitors can select such simulated settings as a theater, echo room, cave and church. When they make their selection, an image fitting this scene will appear on the front monitor and visitors can experience sound echoes and changes in the way things sound by clapping, speaking, and playing instruments.

Supporting Child Education

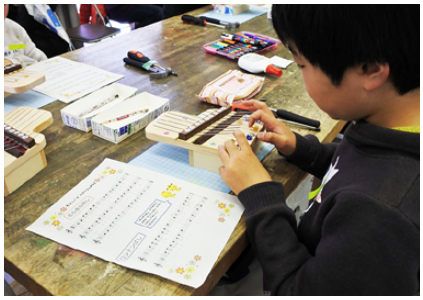
The Yamaha Group provides a variety of programs to help support child development. Every year, we respond to requests from local governments and educational institutions when offering classes outside the Company and providing child programs focused on the theme of manufacturing. The Yamaha Baseball Club 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 children a way to experience the process of manufacturing.

Upon request from local government agencies and educational institutions, we are also offering on-site lessons based on the theme of universal design (UD) for recorders and wind instruments.

Handmade guitar class



Handmade kalimba class

Mini clapper class

Manufacturing class jointly held with Yamaha Motor Co., Ltd.

An on-site lesson on recorder

UD visiting class based on the theme of the “universal design of wind instruments”

Efficiently Using Piano Off-cuts to Make Wooden Blocks for Children

Yamaha Music Manufacturing 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. In addition, 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 has held clinics for local youth baseball teams since 2000 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*2" and helped instruct pitchers and catchers in middle schools.

In fiscal 2019, they took place at five locations in three different cities in Shizuoka Prefecture, which included 1,165 elementary and middle school students (including increasing numbers of female students) form 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.

*2 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, the Company launched Alto Recorder Class, Chorus Practice, and Soprano Recorder Class, all of which were positively received. Primarily aimed at elementary and junior high school students, these materials are not simply teaching materials, but 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. These packages have been designed for local teachers to be able to use with ease. Teaching class while following this system helps foster students' imaginative and theoretical skills while simultaneously allowing teachers to teach easily and effectively.

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.

Teaching materials screen for Soprano Recorder Class

Supplementary teaching materials (publication)

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 (Komagamine 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 and support 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 2019, instruments worth a total of 500,000 yuan were donated to five schools in five cities, with the objective of strengthening relationships with agents in local cities and expanding regional contributions. Over the past five years, 55 schools have received donations all total, and the cumulative amount has reached approximately 4.7 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
Sep 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
Jun 2017	Chengdu	1	Portable keyboards worth approx. 100,000 yuan
Oct 2017	Jinan	1	Portable keyboards worth approx. 100,000 yuan
May 2018	Shenyang	1	Portable keyboards worth approx. 100,000 yuan
Jun 2018	Nantong	1	Portable keyboards worth approx. 100,000 yuan
Oct 2018	Xi'an	1	Portable keyboards worth approx. 100,000 yuan
Nov 2018	Lanzhao	1	Portable keyboards worth approx. 100,000 yuan
Dec 2018	Yinchuan	1	Portable keyboards worth approx. 100,000 yuan

Musical instrument presentation ceremony (Yinchuan)

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. Before the food is due to be replaced, Yamaha donates it to the food bank.

Initiatives to Support 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.

In addition, we held charity concerts by the Yamaha Symphonic Band to promote recovery in the Tohoku region. Even now, a portion of the sales of CDs by this band are donated 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

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. In an effort to combat pollution by micro-plastics, this year Yamaha suspended the distribution of nylon original shoulder bags which had been given to all members of the gallery until last year's tournament. Holding this major event is made possible with the support of a 1,239-person volunteer staff from across Japan, 424 new employees from Yamaha Corporation and Yamaha Motor Co., Ltd. who participated as event operations staff, 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 2019 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 ¥65 million.

An "eco-station" for separating garbage

Volunteer staff at the tournament in 2019

Charity donation presentation ceremony conducted after the tournament award ceremony

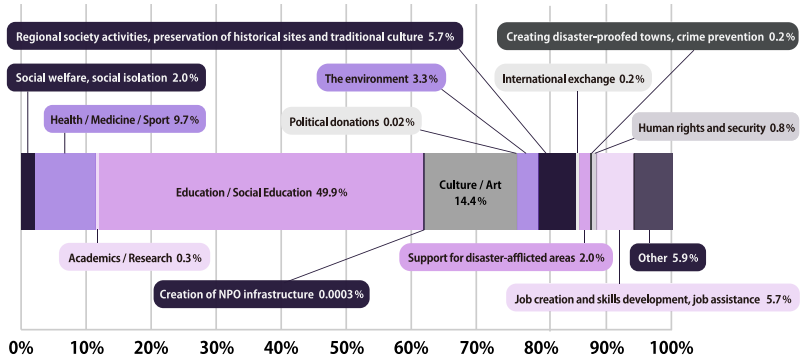
Expenditures for Social Contributions

In fiscal 2019, the Yamaha Group spent 573.81 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.

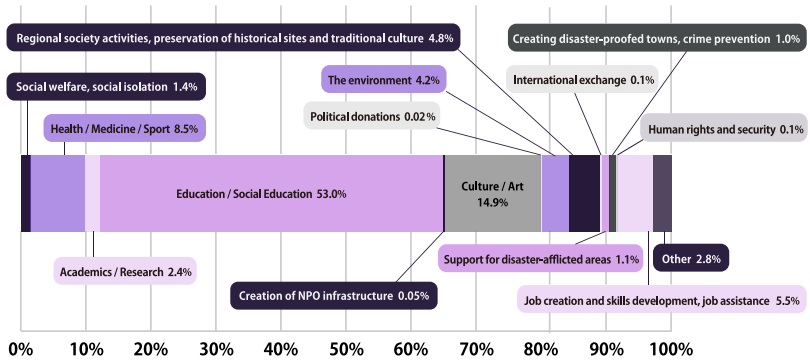
* The above expenditures do not include actions taken by the Yamaha Music Foundation.

Expenditures for Social Contributions Made

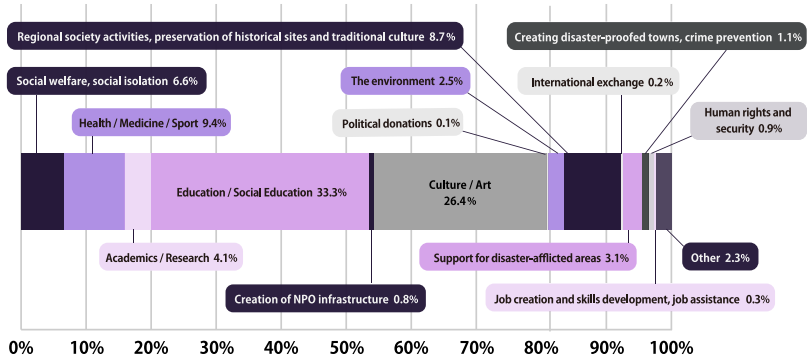
FY2019: 573.81 million



FY2018: 591.26 million

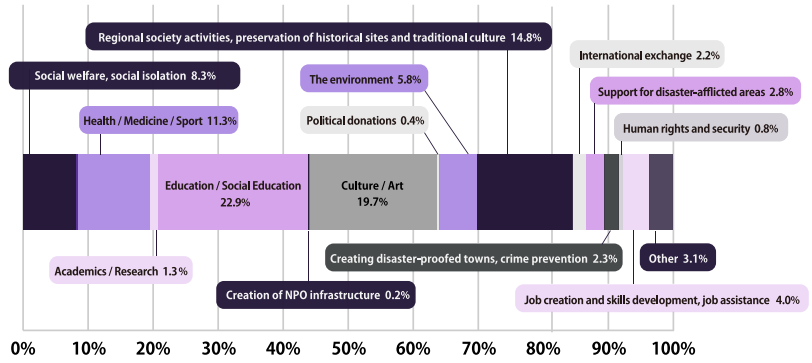


FY2017: 473.21 million

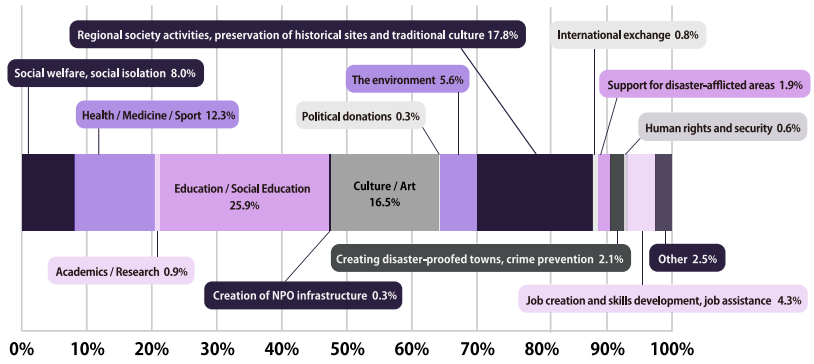


Number of Social Contributions Made

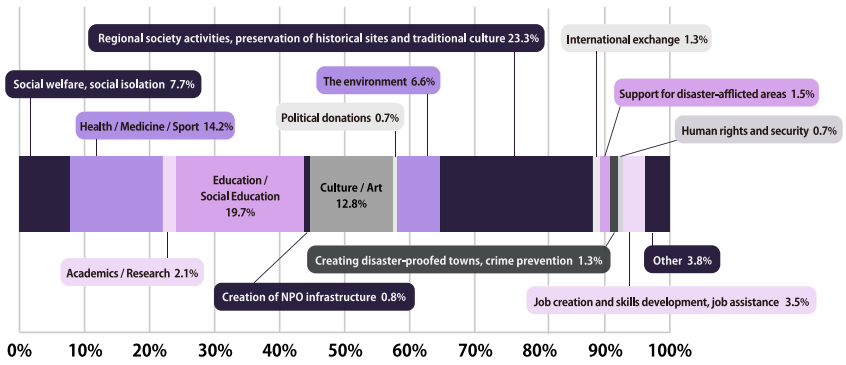
FY2019: 920



FY2018: 875



FY2017: 712



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 this vision to promote sustainability as well as its initiatives to the Group's broad stakeholder base.

Upon editing, we have worked to prioritize the disclosure of themes of interest and important issues of Group responsibility, based on our communication with stakeholders.

In addition, we have been disclosing a wealth of information in an easy-to-read format 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 (2018 Version)" of the Ministry of the Environment, Japan.

Organizations Included in the Scope of Reporting

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

April 1, 2018 to March 31, 2019

* The above period is referred to as fiscal 2019 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 2018 and information from April 2019 onward are also included in this report.

Date of Issue

Report Published: September 2019
Previous Report Published: September 2018
Next Report to Be Published: September 2020

YAMAHA CORPORATION General Administration Division Sustainability Group URL: https://www.yamaha.com/en 2019.10