

May 30, 2019

Company Name: YAMAHA CORPORATION
President and Representative Executive Officer: Takuya Nakata
Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Notice Regarding Disposal of Treasury Stock
as Restricted Stock Compensation**

Yamaha Corporation announces that, at the meeting of the Board of Directors held today, it was resolved to dispose of treasury stock as restricted stock compensation (hereinafter, “Disposal of Treasury Stock” or “Disposal”), as follows:

1. Outline of the Disposal

(1)	Date of disposal	June 20, 2019
(2)	Class and number of shares to be disposed of	136,800 shares of common stock of Yamaha Corporation
(3)	Disposal value	¥5,020 per share
(4)	Total disposal value	¥686,736,000
(5)	Allottees and number thereof, number of shares to be allotted	Executive Officers (excluding Executive Officer in charge of the internal auditing): 7 persons, 94,800 shares Operating Officers (excluding Operating Officers domiciled outside Japan): 7 persons, 42,000 shares
(6)	Other	The Disposal of Treasury Stock is conditional upon the taking effect of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act

2. Purposes and Reasons for the Disposal

To further promote sustainable increases in corporate value and shared value with shareholders, the Company has introduced the Restricted Stock Compensation Plan (hereinafter, the “Plan”) for Executive Officers (excluding Executive Officer in charge of the internal auditing) and Operating Officers (excluding Operating Officers domiciled outside Japan). (Hereinafter, the above-mentioned Executive Officers and Operating Officers are referred to as “Eligible Officers, Etc.”)

The outline of the Plan is as follows:

Outline of the Plan

Under the plan, the Company will grant monetary compensation receivables to the Eligible Officers, Etc. and contribute all of these receivables in kind to the Eligible Officers, Etc. As a result, the

Company will allow Eligible Officers, Etc., to hold newly issued Company's common shares and/or treasury stocks that are disposed of.

In addition, under the Plan, when Company's common shares are issued or disposed of, the Company and the Eligible Officers, Etc., will conclude contracts for allotment of restricted stock (hereinafter, "Allotment Agreement"). These contracts will specify that (1) the Eligible Officers, Etc. will not transfer, use as collateral, or dispose the Company's common shares allotted by the Company (hereinafter, "Allotted Stocks") under the Allotment Agreement for a fixed period and (2) when certain circumstances arise, the Company will be able to acquire the Allotted Stocks on a take-back without payment basis.

Note that as the Plan, in principle, provides for the lump-sum allotment of restricted stocks **corresponding to the period** in the first year of the Company's Medium-Term Management Plan, the period of allotment will be three years and the amount corresponding to restricted stock compensation during the three-year period from April 1, 2019, to March 31, 2022.

In addition, in the event that a major accounting fraud is discovered or a large loss is reported by the Company during the period of the transfer restrictions, all or a portion of the Restricted Stocks allotted to date on an accumulated basis will be subject to a "clawback" clause which will involve returning the shares without payment, depending on the responsibilities borne by each Officers, Etc.

3. Outline of the Allotment Agreement

(1) The Period of the Transfer Restrictions: from June 20, 2019 to June 19, 2049

If the Eligible Officers, Etc., who hold positions as Directors, Executive Officers, or Operating Officers, reach the end of their terms of office in their respective positions, become deceased, etc., or lose their eligibility before completion of the restricted period, the restrictions on these shares will be lifted, at that time, (1) with the allotted stocks prorated proportionately based on the period they were in office during the period from April 1, 2019 to March 31, 2022, and (2) based on the level of achievement of the performance conditions described in the lifting of the transfer restrictions associated with performance conditions.

(2) Lifting of the Transfer Restrictions Associated with Performance Conditions

The Company has set the targets to be attained under the new medium-term management plan (from fiscal year ending 2020 through fiscal year ending 2022), announced on April 12, 2019; these targets are, core operating profit of 13.8%, return on equity (ROE) of 11.5%, and earnings per share (EPS) of ¥270. These will be given equal weight as indicators of performance, and, depending on the attainment of these targets, the transfer restrictions on all or a portion of the Allotted Stocks may be lifted at the completion of the restricted period. However, in order to promote the holding of these shares by the Eligible Officers, Etc., in principle, restrictions on one-third of the Allotted Stocks will be lifted when the restricted period has ended.

In addition, the remaining Allotted Stocks, for which restrictions have not been lifted, will be acquired by the Company without payment.

4. The Basis for Calculating the Amount to Be Paid and Related Specific Details

The Disposal of Treasury Stock to the allottees will be distributed for monetary compensation receivables provided as the allotment of restricted stock compensation during the Company's 196th to 198th fiscal year (from April 1, 2019 to March 31, 2022) based on the Plan. To exclude arbitrariness, the disposal value per share shall be ¥5,020, which is the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange as of May 29, 2019 (the business day preceding the date of the resolution of the Board of Directors). Since this is the market share price immediately preceding the date of the resolution by the Board of Directors, the Company believes that it is reasonable and does not constitute an especially advantageous amount.

For further information, please contact:

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