



CSR Report 2015
Digest Edition



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Editorial Policy

The Yamaha Group issues the CSR Report to communicate its CSR vision and initiatives to its broad-ranging stakeholder base. To enhance transparency and make the report as easy to understand as possible, in 2014 we reorganized it in line with the structure and core themes of ISO 26000 "Guidance on social responsibility."

In preparing the report, we referenced ISO 26000 and the Japanese Ministry of the Environment's "Environmental Reporting Guidance (2012 Edition)." We also initiated a review of items for disclosure in response to the publication of Global Reporting Initiative's "Sustainability Reporting Guidelines (v. 4.0)."

Organizations Included in the Scope of Reporting

In principle, the Yamaha CSR Report is for companies of the Yamaha Group (Yamaha Corporation and its 69 consolidated subsidiaries in Japan and overseas). Certain sections of the report, however, such as those containing detailed numerical data, have specific targets.

Reporting Period

April 1, 2014 to March 31, 2015

Notes: • The above period is referred to as fiscal 2014 in this report.
• Certain initiatives underway prior to March 2014 and information from April 2015 onward are also included in this report.

Publication Timeline

Date Issued: August 28, 2015

Previous Issue: August 27, 2014

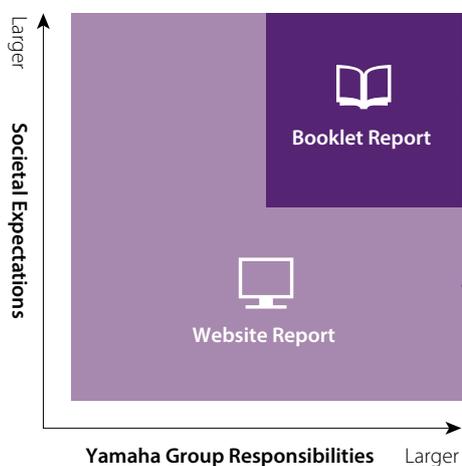
Next Scheduled Issue: August 2016

For information regarding the CSR Report

General Administration Department, General Administration Division, Yamaha Corporation
INTL: +81-53-460-2071

Regarding Report Media

Since publishing the first report, we have given priority to information that, based on ongoing dialogue with stakeholders, is of the greatest interest to them. Starting in 2009, we have taken a two-pronged approach, posting detailed information and a variety of data on the Yamaha website (full report) and presenting key points more concisely in a printed report (digest edition) to make content easier to read and understand.



CSR Report (digest edition)



This report outlines the Yamaha Group's approach to CSR and CSR activities considered top priority. The 2015 edition comprehensively reports our CSR activities, highlighting those in which we have made notable progress over the last fiscal year.



CSR Report (full report, update scheduled for September 2015)

http://yamaha.com/about_yamaha/csr/



The Yamaha website features the full CSR Report, which presents a wide range of topics in detail, as well as the content of the booklet. By presenting the latest CSR topics on our website we are able to keep stakeholders up to date on issues in which they are most interested.



Environmental performance data can be seen at:

http://yamaha.com/about_yamaha/csr/environmental_data/

Corporate Data (As of end of March 2015)

Company name: Yamaha Corporation
Headquarters: 10-1, Nakazawa-cho, Naka-ku, Hamamatsu Shizuoka, Japan
Year of establishment: 1887
Date of incorporation: October 12, 1897
Representative: Takuya Nakata
 President and Representative Director

Paid-in capital: ¥28,534 million
Number of employees: Consolidated: 19,967 (additionally an average of 7,860 temporary employees)
 Non-consolidated: 2,617 (additionally an average of 234 temporary employees)
Yamaha Group: Subsidiaries: 75 (including 69 consolidated companies)
 Affiliated companies: 6

Aiming to Be a Trusted Enterprise Necessary for Society by Being Conscious of Social Issues and Creating New Value



Growing and Developing toward the Next Era

Since its founding in 1887, the Yamaha Group, through its business activities that have sound and music at their origin, has had a continuing commitment to creating excitement and cultural inspiration together with people around the world. Today, when business and other activities are becoming even more global and social conditions are changing ever more dramatically, the Yamaha Group, as a leading enterprise in the market for sound and music, must have a shared set of values for the Group as a whole to continue to offer new value to its customers around the world and to society. For this reason, last year we reformulated and clarified our former Corporate Philosophy and positioned it as our Yamaha Philosophy. In preparing the Yamaha Philosophy, we newly added the “Way” that provides guidelines for behavior that would give all Group employees a renewed awareness of Yamaha’s traditions and its spirit of taking up new challenges, and, thereby, give the Group new vibrancy and strength. Following the “Way,” each and every one in the Group, including management, should first have a base of integrity in conducting business. With high aspirations and a spirit of challenging the new, we should view the “Way” as a re-embodiment of the Yamaha’s CSR spirit, which, in essence, is to satisfy our customers and contribute to society and culture. With the Yamaha Philosophy as the base and, as we work for harmony with society and the environment, the Yamaha Group as a whole should seek to contribute to the sustained

development of society by creating excitement and cultural inspiration together with people around the world.

CSR Initiatives of the Yamaha Group

Going beyond legal requirements, the Yamaha Group takes initiatives of its own volition to protect the natural environment, as an integral part of our responsibilities as a manufacturing company. We also contribute to cultural development through the promotion of music, and engage in other activities as a corporate citizen rooted in the area that contributes to creating a sustainable society. In 2010, we prepared our *CSR Policy*, which outlines our CSR activities in written form. The following year, Yamaha signed the United Nations Global Compact, indicating its agreement and support for the 10 principles of the compact, which include the protection of human rights, elimination of improper labor practices, protection of the natural environment, and prevention of corruption. In fiscal 2013, we confirmed the status of our CSR activities in relation to the seven core subjects in the ISO 26000 Guidance on Social Responsibility and identified the CSR issues to be addressed. In fiscal 2014, we clarified the divisions responsible for addressing each issue. We also improved the framework for centralizing activities to reach the goals and monitor progress toward addressing CSR issues other than environment, for which we had not disclosed our targets or progress previously. Going forward, we will coordinate this framework with our medium-term management plans and take it as a guide to specific measures to strengthen the management base from a Groupwide perspective.

Yamaha Group Issues and Initiatives

The Yamaha Group as a whole, as a manufacturing company, implements environmental measures for preventing pollution around its manufacturing bases, and addresses environmental issues on a global scale, including implementing measures to deal with global warming and preserve biodiversity. Last year, we installed a new effluent treatment facility at our wind instrument factory in Indonesia that makes it possible to recycle and reuse more than 60% of the effluent water discharged. In addition, our “Yamaha Forest” activities, also in Indonesia, which aim to contribute to society, are continuing and have marked their 10th consecutive year. To date, these activities have resulted in the planting of more than 160,000 seedlings on an accumulated basis over an area spanning about 177 hectares. The trees we planted early on have steadily grown to become a forest.

One of the important issues we face is maintaining responsible procurement policies as our supply chain has broadened, particularly providing for sustainable wood procurement. In fiscal

2014, we prepared the *Yamaha Supplier CSR Code of Conduct*, which aims to prevent human rights abuses and environmental pollution in the supply chain and promote sustainable wood procurement. Additionally, we established a policy for conflict minerals. We have begun to take steps to implement these policies with the cooperation of our business partners.

Among activities to promote diversity and a proper work-life balance, at our manufacturing companies overseas, we are taking measures to provide for passing on skills and nurturing personnel who will become production managers. At our sales companies, we are appointing highly capable local staff to positions of more responsibility to accurately identify market needs and promote sales activities. We are also implementing measures to increase the percentage of women in managerial positions and encourage all personnel to shift their work styles to become more conscious of time. We believe that employees need to fulfill not only their work responsibilities but also give proper care to their lives outside of work to enable them to develop their aesthetic sensitivities. We think this is indispensable for Yamaha, as a company that creates products and services that give people "profound excitement."

To deal with business risks in our activities, with our Risk Management Committee taking the initiative, we are continuing to implement measures to strengthen our business continuity plan (BCP) and provide for proper information security and internal control systems. In parallel with this, we are also working to improve our frameworks as well as our training and education programs for ensuring fairness in business practices.

How Can We Continue to Be Needed by Society?

This year will be the last under our Medium-Term Management Plan, "YMP2016." It will be a time for completing our initiatives over the last three years and formulating a strategy for the coming three years. To continue to be an enterprise that is needed by society, I believe it will be essential for us to work to offer value that always exceeds our customers' expectations. In addition, we must look not only at customer needs but also expand the scope to include the issues confronting society as a whole, as we aim to be a trusted enterprise that is necessary for society by being conscious of various needs and social issues and creating new value. To do this, we must not be bound by the current organization or methodologies but should actively take up the challenges of going beyond the limits, as mentioned in the Yamaha "Way," and work to create value for society.

Music has a power that goes beyond words to bring people together and share the same inspiration. I feel confident that activities and innovative ideas that bring music to more and more people and further its development will contribute greatly to making sustainable society a reality. As the Yamaha Group continues to grow and develop, we will aim to be an enterprise and corporate brand that is admired by people around the world. Please look forward to the contributions that Yamaha can make in the years to come.



Takuya Nakata
President and Representative Director
Yamaha Corporation

The United Nations 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, labour, 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.
Labour	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 labour; Principle 5: the effective abolition of child labour; 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



Business Overview

Business Domains

Musical Instruments

Yamaha manufactures and sells musical instruments, operates music schools and English language schools, distributes music and video content, operates a record company and conducts other business such as publishing.

Pianos



Wind instruments



String Instruments



Educational Musical Instruments



Digital Musical Instruments



Percussion Instruments



Soundproof Rooms



Music Software



Music Schools, English Language Schools



Electronic Devices

In addition to amusement devices, audio and video LSIs for automotive use and home electronics, Yamaha manufactures and sells geomagnetic sensors for mobile equipment such as smartphones.

Semiconductors



Audio Equipment

Yamaha manufactures and sells audio equipment for consumer and professional use, online karaoke for professional use, telecommunications equipment such as routers, and voice communication devices such as conference systems.

AV Products



Network Devices



PA Equipment



Music Production Equipment and Software



Voice Communication Devices



Others

In addition to its Golf Products, Automobile Interior Wood Components and Factory Automation (FA) Equipment businesses, Yamaha has a Resort business that includes the management of three resort facilities.

Automobile Interior Wood Components



FA Equipment



Golf Products

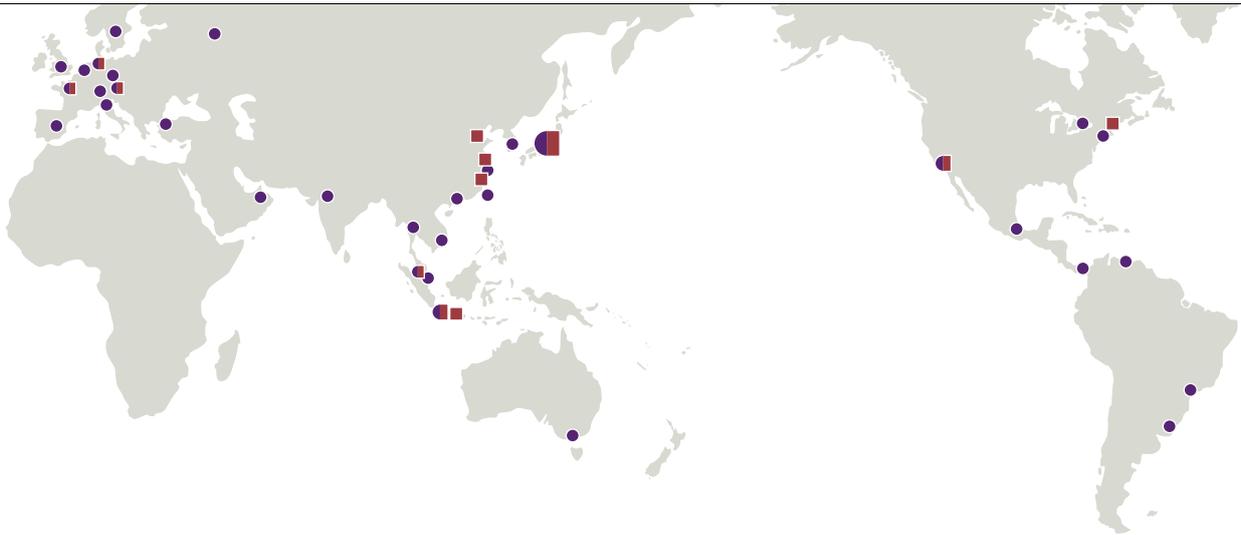


Resort Facilities



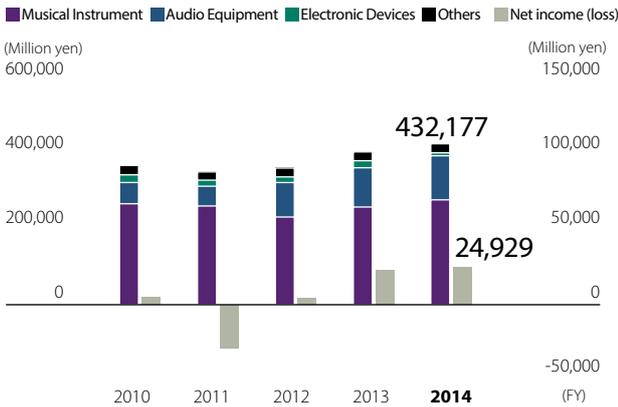
Global Network

● Sales, service, etc. ■ Manufacturing, development, etc.



Key Financial Indicator Trends (Consolidated)

Net Sales by Segment and Net Income (Loss)

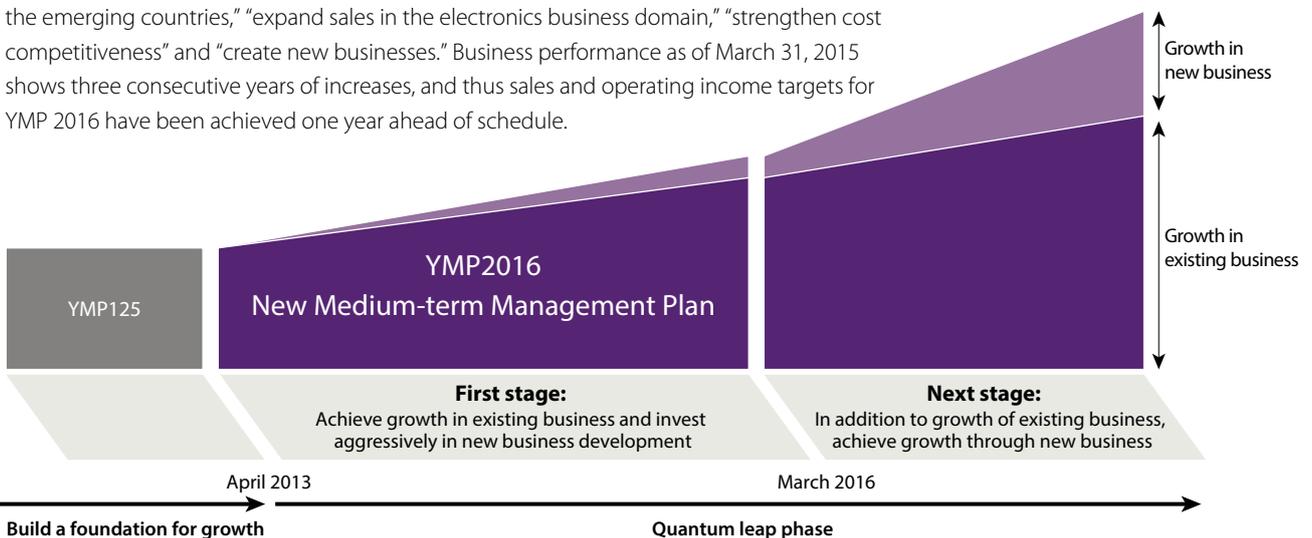


Net Sales by Region



Progress of Medium-term Management Plan

As of the fiscal year ending March 31, 2015, the second year of Yamaha Management Plan 2016 (YMP 2016, the medium-term management plan that began in April 2013), the Yamaha Group continued to focus on the key business strategies of “accelerate growth in China and the emerging countries,” “expand sales in the electronics business domain,” “strengthen cost competitiveness” and “create new businesses.” Business performance as of March 31, 2015 shows three consecutive years of increases, and thus sales and operating income targets for YMP 2016 have been achieved one year ahead of schedule.



Activity Highlight 1

Creating the Core of Corporate Management

— Establishing the Yamaha Philosophy —

Yamaha's history began in 1887 with production of a reed organ.

Then, marking the 125th anniversary since its founding,

in a new era we opened a new chapter in which we are facing new challenges.

Looking ahead to its 150th and 200th anniversaries with the aim sharing values and growing and developing as a united group, Yamaha reviewed its corporate philosophy and newly formulated the Yamaha Philosophy in November 2014.

The Yamaha Philosophy incorporates the Yamaha Way, which stipulates the behavior expected of each and every employee of the Yamaha Group.

With the Yamaha Philosophy, an expression of the corporate DNA formed over its long history,

the Yamaha Group is committed to creating excitement and cultural inspiration together with people around the world.

The following explains the Yamaha Philosophy and how it was established.





Sharing Values Throughout the Yamaha Group

As we continue substantial progress towards the globalization of our business activities—including mergers and acquisitions—and proceed with the division of production and sales activities in Japan, it is essential that a sense of unity and shared values are promoted within the Group. In January 2014, our leader and president, Takuya Nakata, thus launched an in-house project to establish the Yamaha Philosophy.

To ensure that Yamaha's 125 years of history and traditions are passed along, the first step was to clarify Yamaha traditions, culture, and corporate DNA, and to define its unique qualities. In addition to that, in order to continue growing and developing as an organization where employees act on their own initiative and embrace new challenges, we reformulated the current corporate philosophy so that all employees around the world can achieve shared values throughout the Group.

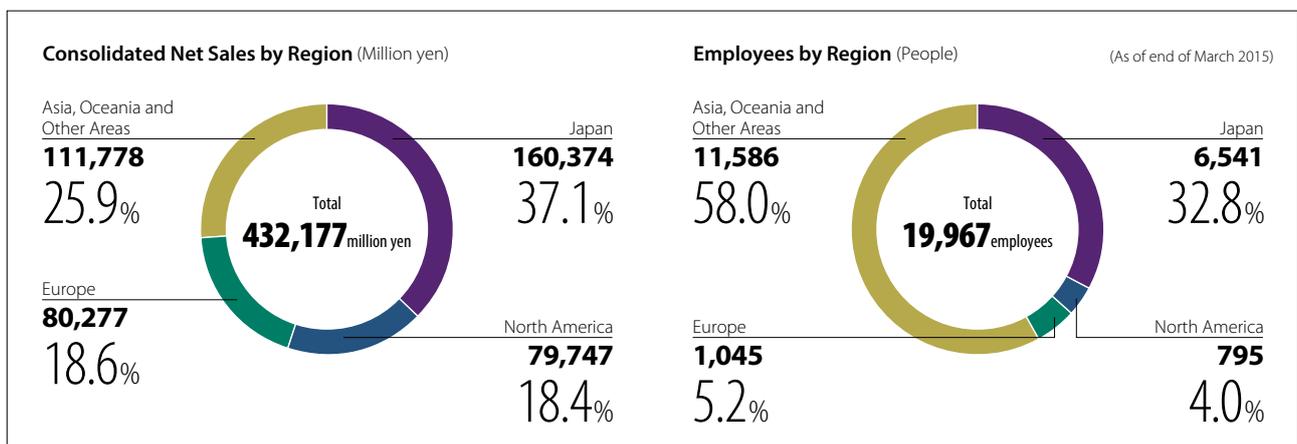
Purpose for Establishing the Yamaha Philosophy

Significance for and Effects on Society

- Creating new values and providing products and services that meet the needs of the time based on Yamaha traditions

Significance for Yamaha

- Foster values that can be shared among all Group employees
- Pass down refined, unique traditions and spirit
- Create an organization where everyone acts on their own initiative and embraces new challenges



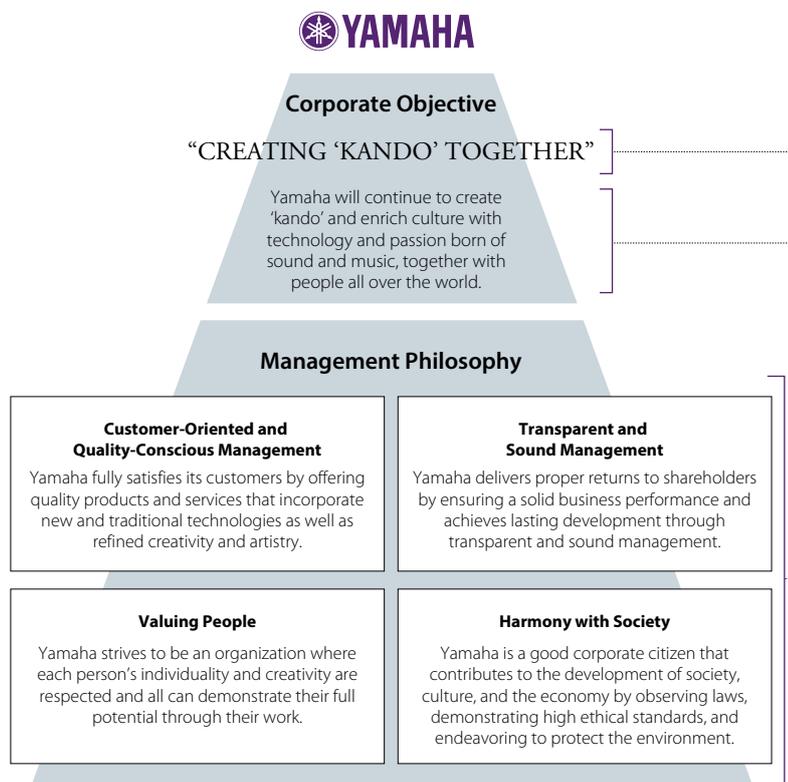
Activating Our Corporate Culture through Frank Dialogue

The Yamaha Philosophy consists of our "corporate philosophy," which defines the reasons we exist as a company and the goals that we seek to achieve through our work and corporate management; our "corporate slogan," which is a concise expression of Yamaha's corporate philosophy; and "The Way," which explains the behavior expected of all Yamaha Group personnel and how they should act on a daily basis.

Throughout the project to establish the Yamaha Philosophy, we valued input from personnel around the world. To deepen the understanding of our present corporate culture we reached out to each employee through interviews, questionnaires and roundtable talks, which allowed management and other employees to frankly engage in dialogue. In so doing, we raised awareness and came to understand the path that Yamaha should follow.

We use the Yamaha Philosophy as a foundation on which to build. Our goal is to consistently provide high-quality products and services that exceed customer expectations, to create new values, and to contribute to the development of society and culture. We are determined to be a company that is needed by our customers and society.

Previous Corporate Philosophy



Process of Establishing the Yamaha Philosophy

<p>Phase 1 Preparation (Preliminary investigations, determining concepts) (January – March 2014)</p> <p>Clarification of Yamaha’s DNA, Shared Values, and corporate culture</p> <ul style="list-style-type: none"> Reviewed corporate history and analyzed Yamaha’s DNA Executive interviews (total of 10) Employee interviews (total of 14) Questionnaire (5,300 Yamaha employees in Japan and 30 Group company management-level personnel in English-speaking countries) Employee workshops (total of 5) 	<p>Phase 2-3 Broad-based discussions and examination of dissemination plans (April – October 2014)</p> <p>Broad-based discussions with everyone in the Yamaha Group—from management to employees levels—based on the DNA and shared values extracted in Phase 1</p> <p>Reformulate to establish a corporate philosophy structure that can resonate throughout the Group, reflecting the ideal image of Yamaha for the future</p> <ul style="list-style-type: none"> Round-table discussion with Executives With young employees (total of 17 times) With mid-level employees (total of 6 times) Questionnaire for overseas group companies (1,800 employees) Interviews at overseas group companies (total of 23 times) Deliberations among executives (monthly)
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Yamaha Philosophy – New Corporate Philosophy

Corporate Slogan	Sharing Passion & Performance
Corporate Philosophy (partially revised)	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.
Way (new)	<p>Embrace Your Will — Will While endeavoring to provide customer satisfaction and contribute to society and culture, be passionate in your work.</p> <p>Stand on Integrity — Integrity Take pride in your work but maintain an attitude of humility, working with integrity to provide craftsmanship and services of the highest quality.</p> <p>Take Proactive Actions — Initiative Be proactive in your work; observe, consider, discuss, and act to strengthen individual and team performance.</p> <p>Go Beyond the Limits — Challenge Don't limit yourself—have the courage to take on new challenges.</p> <p>Stick to the Goals — Commitment Demonstrate the creativity and fortitude required to ensure your commitments are met.</p>



Redefined as "Promises to Stakeholders"

Establishment of the "Yamaha Philosophy" (November 2014)



Yamaha Philosophy booklet in multiple languages

Currently available in 10 languages, with translation into more languages scheduled.

Spreading the Yamaha Philosophy (beginning November 2014)



Poster



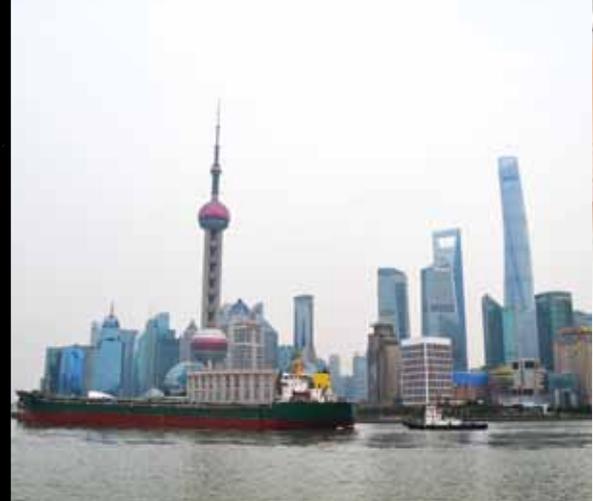
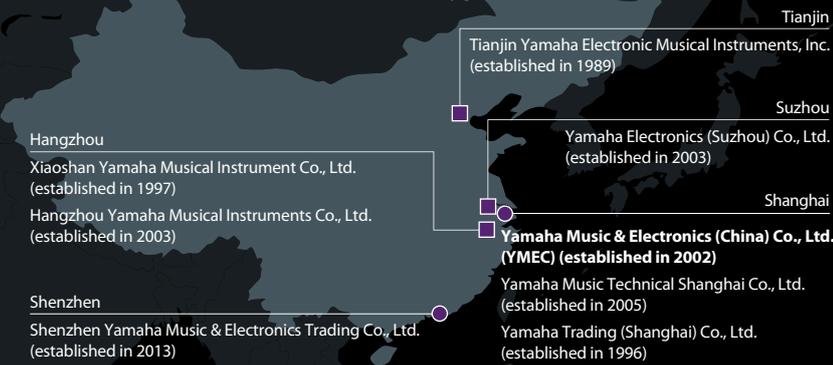
Personal card



Explanatory video in multiple languages



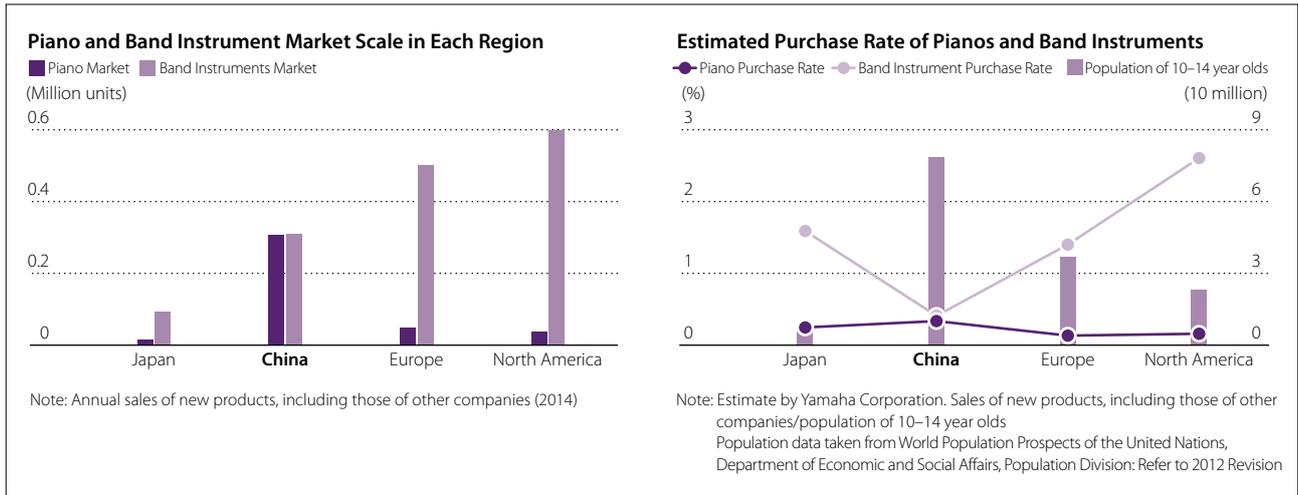
- Production bases
- Sales and marketing bases



Activity Highlight 2

Popularizing Music in China

Parallel to the economic development in China, there has been a new focus on promoting the fine arts in Chinese schools. The Yamaha Group has been doing businesses in China since 1989—over a quarter of a century. We now have four production bases and a holding company in the country, Yamaha Music & Electronics (China) Co., Ltd. (YMEC). YMEC is working with other Group companies to grow our business even more. In view of the corporate mission to provide a wide range of products and services and help further develop education and culture in China through the popularization of music and musical instruments, the Yamaha Group has been very active in the Chinese piano market—in which Yamaha is one of the largest players—as well as the band instruments market, which Yamaha is developing through its vast expertise. This section reports the business and music popularization activities of the Yamaha Group in China.



Contributing to the Development of Music Education and Culture in China by Growing Our Businesses

In China, it is widely believed that music and other fine arts simultaneously promote the development of culture, enhance a person's emotional richness, and teach discipline and morality. Government policy has thus begun emphasizing fine arts education in schools.*

Yamaha has long provided pianos and other musical instruments, as well as music education, in China, thereby helping develop music education and culture in the country. We believe that supporting budding musicians by providing scholarships and musical instruments, as well as sponsoring music contests and clinics, is a fine way of giving back to China, which has been very supportive of our business. Yamaha also benefits by these activities, which reinforce the Yamaha brand and build trust in the company. Yamaha will continue to contribute to China through these activities as part of its global development strategy.

* Ministry of Education on promoting the development of school fine arts education (January 2014)
http://www.gov.cn/gongbao/content/2014/content_2667617.htm

Yamaha's Vision of Business in China

Significance for and Effects on China

- Raises arts education standards
- Fosters cooperation and discipline/morality and enhances emotional richness through music
- Promotion of high-quality, safe musical instruments that are environment-friendly

Significance for Yamaha

- Promotes global growth strategies
- Reinforces and builds trust in the Yamaha brand
- Builds trust in communities where Yamaha offices and factories are located

Focus on Music Promotion Activities that Meet the Needs of Society in Three Key Ways—Contributing to Communities, Developing Human Resources, and Contributing to a Healthy Global Environment

A company rooted in community

While conducting business in China, Yamaha is focused on the three initiatives of contributing to local communities, developing human resources, and contributing to a healthy global environment. We strive to strengthen connections in local communities by supporting the promotion of music in the region, fostering human resources that will promote music in the future, and providing not only high-quality, but also safe musical instruments that are environment-friendly.

Using expertise accumulated in Japan and experience obtained in China over the last quarter-century, we are determined to continue growing our business and promoting music through fair, transparent business activities.

1. Providing opportunities that connect community members with music

We believe that the emotional well-being of children is enhanced when they are connected with music and musical instruments. Accordingly, in commemoration of its 10th year of business in China, in 2012 YMEC and four of our factories donated musical instruments to elementary schools* as part of a five-year project to express gratitude to the country. By the end of fiscal 2014, 33 pianos, 900 portable keyboards, and 36 AV units had been donated to 36 schools in communities where Yamaha has offices or factories. The retail value of these items amounts to 2.77 million yuan (approx. 50 million yen).

Other activities supporting the popularization of music in China include sending musicians to schools that had received musical instruments the previous year to perform concerts, as well as holding concerts at various locations that feature renowned pianists.

* Elementary school for the children of migrant farmers



Donation of musical instruments to an elementary school for the children of migrant farmers (left); Concert at a Yamaha Music School for a school to which Yamaha had donated musical instruments (right)

2. Developing human resources—Supporting people who will promote music in the future

Yamaha supports young musicians by providing scholarships and sponsoring music contests and events. We established a scholarship program in 2000, and by the end of fiscal 2014, had provided scholarships totaling 2.3 million yuan (approx. 44 million yen) to 250 music students at 15 universities. The Yamaha National Piano Competition, which started in 2012 and boasts some 20,000 participants annually, is now one of China's most prestigious competitions. This is another fine example of how Yamaha supports students of music.

3. Contributing to a healthy global environment—Practicing sustainable production activities

Yamaha ensures that its business operations give full consideration to the environment and safety. Based on Yamaha Group Environmental Policy, all four of the Group's factories in China have obtained ISO 14001 certification, and three of them have obtained Cleaner Production Audit certification based on China's Cleaner Production Promotion Law. Yamaha is not only committed to observing environmental laws and regulations, but also to conserving energy and minimizing CO₂ emissions. Yamaha is also installing LED lights and reducing and recycling materials used in shipping.

Through the Yamaha Green Campaign, we clearly explain to our customers in price sheets and catalogs that the products we manufacture are environment-friendly and safe, and that our factories and band instruments feature lead-free soldering.



Yamaha Green Campaign



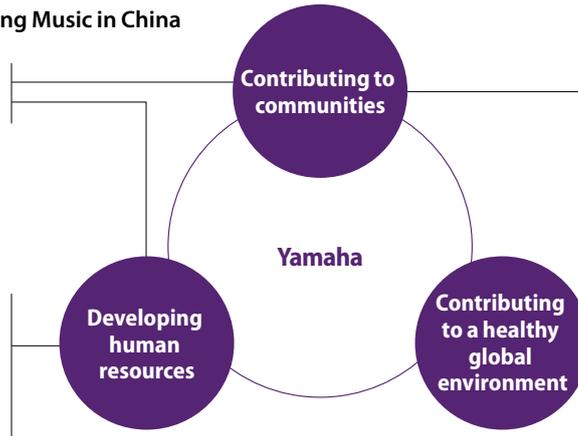
Yamaha National Piano Competition

Nationwide concert tours by Yamaha artists

Primary Activities for Popularizing Music in China

- Concerts by renowned pianists and Yamaha artists

- Scholarship program for university music students
- Yamaha National Piano Competition
- Band directors' clinic
- Band clinics



- Donating musical instruments to elementary schools for the children of migrant farmers
- Community charity concerts
- Clean-ups by factory employees

- Building management systems with ISO 14001 and Cleaner Production Audit certification and environmental preservation activities
- Promoting safe, environment-friendly products
- Yamaha Green Campaign

School band clinics for popularizing band music and expanding the band instrument market

Although China is the largest piano market in the world, band instruments are played very little and school band activities are relatively few in number (see graph on page 13). One of the biggest reasons for this is the shortage of teachers who can teach band instruments or can conduct bands. To make band music more popular and build the band instrument market, Yamaha holds workshops and clinics for school teachers.

Yamaha's school band clinics are based on teaching expertise Yamaha has gained in Japan, Europe and the USA. We send teachers to schools where they teach students with easy-to-understand instructions using the Yamaha teaching instrument called the Harmony Director, a much lauded approach. We have received many requests for clinics from

schools near Yamaha sales outlets. In fiscal 2014, about 3,000 students and teachers participated in clinics at 45 schools. China is being watched closely in recent years as band music is really catching on at schools. One reason is that it requires the children to coordinate their breathing in large groups, which in turn improves cooperation and discipline and builds team spirit.



Comments



Zhang Min

Yamaha Band Director,
Resident Conductor
Shanghai University
Symphonic Band

Highly acclaimed Yamaha band methods

Yamaha's advanced training methods using Yamaha Harmony Director keyboards are enthusiastically endorsed by all who use them. I will continue to promote music education with Yamaha.



Ge Wei

Band Director
Huaxi Second Primary
School

Music instruction that enhances children's discipline

Our school band department has regularly been guided by Yamaha since its foundation in 2000. I believe Yamaha's excellent methodologies not only improve skills, but also make students more disciplined.

Yamaha employee in charge of band instrument sales

Promoting the popularization of music using methods appropriate for communities

We promote the dissemination of band instruments and band music to help develop China's education culture. Applying Yamaha expertise, we adjust to each situation according to the region with the aim of improving standards and expanding activities nationwide.



Mamoru Fukuzawa

General Manager, Combo
BO Division
Yamaha Music &
Electronics (China) Co., Ltd.

Activity Highlight 3

Developing Environment-friendly Products

— Soprano Recorders Made of Plant-based Resin —

Recorders are traditional woodwind instruments that many people are familiar with.

They are often used in schools because even young students can readily produce sounds with them.

Yamaha started manufacturing and selling recorders in 1967. Since then, the qualities of Yamaha recorders, such as their impact resistance, pitch accuracy and agreeable tone, have been widely recognized. Many elementary and junior high schools have adopted them for their music programs.

Against this background, Yamaha began developing musical instruments for students that not only have great sound quality, but also are environment-friendly and safe to use.

The YRS-401 and YRS-402B soprano recorders developed in July 2014 are the world's first musical instruments made using plant-based resin.*1 This section discusses their features and how they were developed.

*1 Yamaha recorders are sold at music stores.



World's First Recorder Made using Plant-based Resin Developed with a Materials Manufacturer

Yamaha strives to manufacture products that are environment-friendly and safe to use. We use no adhesives in manufacturing our soprano and alto recorders. The Yamaha Group Environmental Policy states that the Group focuses on developing technologies and providing products that are more environment-friendly. One approach we have taken is to use an environment-friendly resin in the production of recorders. By incorporating the ecodear™ polylactic acid developed by Toray Industries, Inc., the world's first recorders made using a plant-based resin were developed. * The use of renewable plant-derived polylactic acid, as opposed to fossil fuel-derived materials, helps reduce greenhouse gas CO₂ emissions.

Recorders are one of the first teaching tools students encounter when they enter elementary school. Providing them with an instrument that is familiar to them not only arouses their interest in music, but also in the case of Yamaha recorders that have prominent environmental attributes, enhances their awareness of environmental issues. Yamaha and Toray have gone the extra mile not only to create instruments of the highest quality, but that also feature designs that convey environmental information.

* Musical instruments commercially available as determined by Yamaha in-house research in June 2014.



ecodear
Plant-based PLA Compound Resin

Yamaha's commitment to environment-friendly, safe recorders

Our ABS recorders comply with the following regulations related to the production and use of chemical substances. (May 2015)

Japan: Food Sanitation Law
Europe: REACH
The United States: CPSIA

• Manufacturing at factories that have received ISO quality assurance certification.

• Adoption of ultrasonic welding that eliminates the need for adhesives (soprano and alto recorders)

• Adoption of environment-friendly, natural, plant-derived cloth case

Use of ecodear™ for recorder bodies

* ecodear™ is a trademark of Toray Industries, Inc.

Goals in developing recorders made with resin derived from plants

Significance for and benefits to society

- Raises environmental awareness of students
- Reduces CO₂ emissions
- Arouses student's interest in musical instruments
- Creates new values that meet the needs of the era

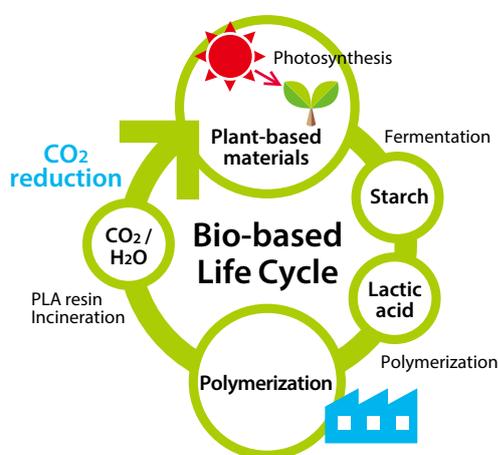
Significance for Yamaha

- Promotes development of environment-friendly products
- Differentiates Yamaha in the educational musical instruments market

Helps Students Experiencing a Musical Instrument for the First Time Discover the Fun of Playing Music and Raises Their Environmental Awareness

Helping to prevent global warming by using renewable, plant-based materials

ecodear™ is a composite material that combines plant-based polylactic acid* and petroleum resin (ABS resin) developed by Toray Industries, Inc. Recorders manufactured using ecodear™ have about the same workability, durability, strength and



ecodear™ plant-based polylactic resin

The use of ecodear™ generates about 20% less CO₂ emissions than conventional ABS resin. Therefore, substituting ecodear™ for ABS resin in the production of one million soprano recorders would reduce CO₂ emissions by 230 tons. This is the amount of CO₂ that a car traveling around the earth 25 times* would produce.

* At a fuel consumption rate of 10L/100km and an Earth circumference of about 40,000km.

appearance as conventional ABS resin recorders, but the production process generates about 20% less CO₂.

Given that plants grow by absorbing CO₂ in the atmosphere, the amount of CO₂ generated in the production of a recorder is reduced by the amount of CO₂ absorbed during plant growth. Furthermore, fossil fuel resources are finite and being depleted, so using renewable biomass to make instruments is a significant benefit.

* Plant-based polylactic acid resin is produced from plant starch (currently, primarily corn starch) via a process that includes lactic acid fermentation and polymerization.

Recorders as a teaching tool

Collaboration with Toray has also resulted in the production of better-sounding recorders. Since the specific gravity of ecodear™ is slightly greater than that of ABS resin, use of ecodear™ has given Yamaha recorders a mellower, centered tone similar to that of wooden recorders.

Yamaha has also completely changed the image of school recorders by making them in bright colors that elicit images of plants such as corn and sugar cane, materials from which polylactic resin is produced. The cases are also different, having a gentle leaf-like color and being made of natural-fiber cloth, making Yamaha recorders even more environment-friendly.

Comments



Yoshiyasu Naito

Toyolac Technical Dept., Chiba Plant
 Toray Industries, Inc.

“I want upcoming generations to have greater environmental awareness.”

I was really hoping to help reduce global warming through the use of ecodear™ and found the request to use it to produce recorders rather timely. I am confident that this environment-friendly recorder is an ideal tool for students to learn about the environment.



Keiko Hakozaiki

Tokyo Toyolac Sales Section, Toyolac Dept.
 Resins Division
 Toray Industries, Inc.

“It was a great opportunity to expand the use of an environment-friendly material.”

I talked about ecodear™ at a new product release, which was a great opportunity to get the word out about this environment-friendly material. The marriage of a musical instrument and this material was much discussed in journals of both the musical instrument and chemical industries. The public response has been great. I am very happy that we have been able to make the world a better place through products for students.

Opportunities for environmental education for students

In response to requests from schools and agents, Yamaha provides introductory seminars to teach students how to play recorders. These seminars focus on arousing the interest of students who are playing a recorder for the first time and on training teachers how to teach.

Fujisaki Town Tokiwa Elementary School in Minami Tsugaru, Aomori Prefecture, Japan uses the YRS-401 for third-grade students. The school praises the instrument highly, stating that it is easy to make sounds with and very durable. Students in the third and fourth grades study waste processing, recycling and



the environment in social studies, and the recorder has been a useful tool in helping them learn about these issues.

Yamaha is committed to developing even better musical instruments and environment-friendly manufacturing for a sustainable society.



Taishi Kodate

Teacher
Fujisaki Town Tokiwa Elementary School
Minami Tsugaru, Aomori Prefecture, Japan

“The recorder is an environmental education tool that sounds beautiful.”

The basic requirements for school musical instruments are that even young students can play them, they sound good and they can be played in a group. We decided on the YRS-401 because it meets all of these requirements. There’s also the added benefit that we can use such a familiar object for environmental studies.

Recorder designer

“We are committed to providing students with safe, fun musical instruments.”

Recorders are one of the first musical instruments students experience. Therefore, recorders need to be of high quality, as well as safe and fun. I would be very happy if my goals are realized when students play our recorders.



Toru Ohno

B&O Instruments Development Group
Acoustic Musical Instruments Development Dept.
Music Instruments Development Division
Yamaha Corporation

Organizational Governance



Committed to Fair and Highly Transparent Management and Corporate Activities

To build trust with its stakeholders, the Yamaha Group is conducting sound and highly transparent management by reinforcing its corporate governance system, promoting compliance, and appropriately disclosing information. We are also continuing our involvement in various CSR initiatives. In 2010, we established the Yamaha Group CSR Policy, which clarifies Yamaha's fundamental approach to CSR. This policy is shared with the entire Group as a means of showing responsibility to stakeholders and contributing to the creation of a sustainable society.

CSR Promotion Plan

Subject	Important Themes	Key Results up to Fiscal 2014	Initiatives for Fiscal 2015 and Beyond
Corporate Governance	Reinforcing the corporate governance system	<ul style="list-style-type: none"> Enhance governance of the Board of Directors by appointing outside directors Enhance management functions and administrative functions through the executive officer system Ensure fair and highly transparent management through appropriate auditing 	<ul style="list-style-type: none"> Maintain an appropriate corporate governance system Maintain system in accordance with Japan's Corporate Governance Code
	Strengthening internal control	<ul style="list-style-type: none"> Streamline the internal control system and operate appropriately Streamline the Group policy and monitor compliance 	<ul style="list-style-type: none"> Follow-up policy compliance by thorough monitoring and remedial actions
Compliance	Thorough observation of the Compliance Code of Conduct within the Group	<ul style="list-style-type: none"> Streamline compliance promotion system Formulate Compliance Code of Conduct, streamline manuals and spread throughout the Group Education and enlightenment of Group employees Streamline and appropriate operation of help line 	<ul style="list-style-type: none"> Understand state of the Group through Risk Management Committee Compliance Working Group
Risk Management	Strengthening the risk management system	<ul style="list-style-type: none"> Establish a risk management system Establish business continuity plan (BCP) guidelines and individual regulations, and promote disaster prevention measures Audit safety and environment of the Group in Japan and overseas Streamline overseas safety system Set up export control working group and streamline export management regulations 	<ul style="list-style-type: none"> Spread BCP to each overseas Group company Implement safety and environment auditing in a planned way
Information Disclosure and IR Activities (Communication with Shareholders and Investors)	Promoting and expanding IR activities to enhance understanding of the Company	<ul style="list-style-type: none"> Hold investor briefings Upgrade website for investors 	<ul style="list-style-type: none"> Promote communication with investors Increase feedback of investor opinions to the management team
CSR Management	PDCA activities to promote CSR	<ul style="list-style-type: none"> Check activities status using ISO 26000/Establish prioritized initiatives 	<ul style="list-style-type: none"> Establish CSR promotion targets and plans, and report the state of progress
	Ensuring penetration of CSR throughout the Group	<ul style="list-style-type: none"> Disseminate CSR information through websites (Intranet/Internet) Conduct CSR education 	<ul style="list-style-type: none"> Strengthen dissemination of information on websites Promote CSR education according to the job and role
Engagement with Stakeholders	Developing a system that reflects stakeholders' input	<ul style="list-style-type: none"> Confirm the status of communications with stakeholders Have CSR report reviewed by experts (third-party opinion) 	<ul style="list-style-type: none"> Investigate the CSR activities review mechanism with stakeholders

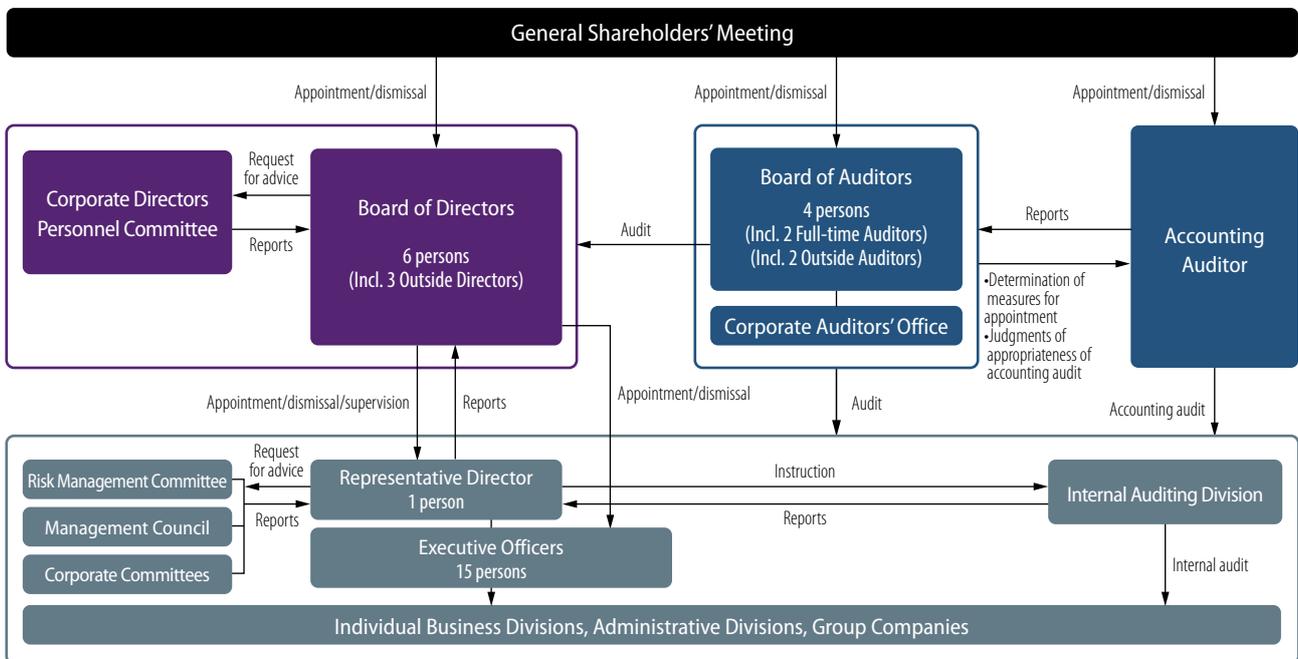
Corporate Governance

Establishing a Corporate Governance System

Yamaha Corporation has adopted the form of a company with a Board of Auditors. With the General Shareholders' Meeting as its highest decision-making body, Yamaha has built a corporate governance system centered on the oversight and supervision of management's execution of duties by the Board of Directors, and audits by the Board of Auditors. Further, Yamaha has enhanced its governance functions. In addition to establishing the Corporate Directors Personnel Committee, the members of which are more

than half from outside of the Company, we introduced the Risk Management Committee and Corporate Committees—convening Management Council meetings twice a month in principle—and established an internal control system. In conjunction with consistent audits conducted by the company's system of full-time auditors, these help raise the effectiveness of governance through fair and equitable audits by independent outside auditors.

Corporate Governance Structure (As of June 24, 2015)



Message from an Outside Director

Just like a person, a company should be a good citizen that can harmonize with society and the environment. While great emphasis is placed on the environment, society and governance (ESG), it is important to show the initiatives carried out to achieve goals not only qualitatively, but also quantitatively. I think quantitative goals for environment initiatives are more effectively achieved when all employees understand how the values were set. When it comes to governance, to achieve goals in ever-expanding global business operations, it is essential to understand the spirit of the Corporate Governance Code in everyday management. Yamaha has huge potential. I expect it to pursue bold and aggressive business operations while not forgetting about its customers.



Yoshikatsu Ota
Outside Director
Senior Advisor, Konica Minolta, Inc.

Organizational Governance

Compliance

Establishing the Compliance System and Compliance Code of Conduct

The Yamaha Group formulated the Compliance Code of Conduct in 2003 and has continued to revise it accordingly since then as the business environment becomes more global and social circumstances change. It is also printed in multiple languages.

Regulations and systems have been introduced over the years. In fiscal 2013, the external company help line began accepting emails. In fiscal 2014, Whistle-blowing Management Regulations were established and revisions were made to the Compliance Code of Conduct.

Based on the Japanese Compliance Code of Conduct, each overseas company in the Group reflected local governing laws and regulations, and 32 companies established respective codes of conduct. Revisions to the Japanese version are referenced, and revisions are made in a timely manner to accommodate changes in each region.



Versions of Code of Conduct developed for each country

Information Disclosure

Proactive Investor Relations Activities

Yamaha Corporation carries out timely and proactive disclosure of information to institutional and individual investors around the world, in line with its Disclosure Policy.

In addition to holding quarterly results briefings for stock analysts and institutional investors, Yamaha conducts conferences and briefings on its management policies and individual business segments as well as factory and facility tours as required. In fiscal 2014, Yamaha conducted facility tours of Yamaha Piano Manufacturing Japan Co., Ltd. (Kakegawa City) and a briefing session for musical instruments and audio equipment businesses at the company headquarters in Hamamatsu. For investors outside of Japan, Yamaha provides investor relations information in English. Additionally, the Company's management team—including the president—visits overseas locations several times a year to foster mutual understanding through direct communication.

For individual investors, and as a part of the effort to expand its shareholder base, Yamaha began conducting periodic conferences and briefings for individual investors in regional cities in Japan in fiscal 2010. In fiscal 2014, briefing sessions were held at three venues: Tokyo in November, and Yokohama and Toyohashi in March.



A conference for individual investors

CSR Management

Checking the Status of CSR Activities and Establishing the Promotion Plan

Based on the foundation of and in practicing its Corporate Philosophy, the Yamaha Group is committed to creating excitement and cultural inspiration together with people around the world. In doing so, Yamaha is working to further strengthen the bond of trust it holds with its stakeholders through its corporate activities and contributing to the sustainable development of society.

In promoting CSR initiatives, it is important to respond as best as possible to the needs and expectations of society in addition to matters on which the Yamaha Group itself focuses. Based on this recognition, Yamaha used the ISO 26000 international guidelines on social responsibility to conduct an inspection of the state of CSR activities in the Yamaha Group. By organizing activities in line with the core subjects of ISO 26000, we verified the way that these activities were positioned and identified the issues we should work on. In fiscal 2014, we set a priority theme and items for future initiatives. Moving forward, Yamaha plans to stipulate specific details and set indicators and numerical values to measure the progress of initiatives for each issue.

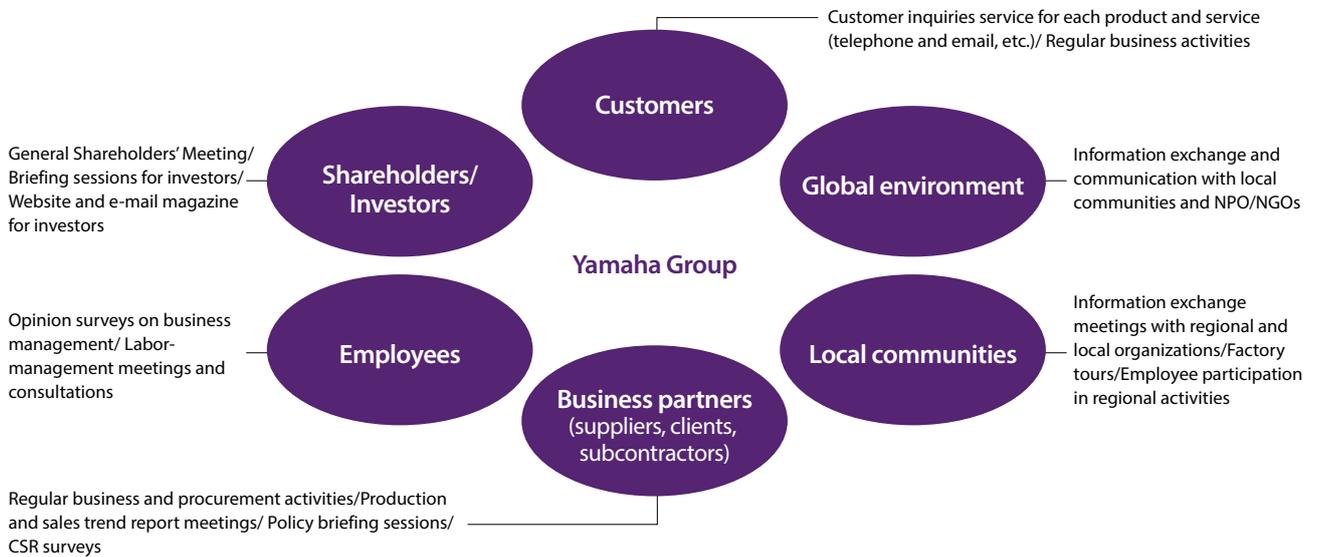
CSR Management

Engagement with Stakeholders

The Yamaha Group’s business activities are conducted through relationships with various interested parties. As its promise to stakeholders, Yamaha encompasses “Customer-Oriented” and “Quality-Conscious Management,” “Transparent and Sound Management,” “Valuing People,” and “Harmony with Society.” In

order to pursue these values and realize our philosophy of “Sharing Passion & Performance,” we use various opportunities for dialogue to listen to the opinions and needs of all stakeholders and reflect these in our corporate activities.

Opportunities and Methods for Communicating with Key Stakeholders



Yamaha Corporation Group CSR Policy*

Our Aim is “Sharing Passion & Performance”

The Corporate Philosophy of the Yamaha Corporation 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 CSR activities according to the following guidelines to further strengthen the bond of trust with its stakeholders through its corporate activities and contribute to the sustainable development of society.

1. Yamaha provides support to people who want to perform music and people who want to enjoy it by contributing to the popularization and development of music and musical culture.
2. Yamaha works to maintain a healthy global environment by understanding the significance of protecting the natural environment, maintaining biodiversity, and reducing the burden on the environment, as well as promoting the proper use of wood resources, and cooperating with forest protection activities.
3. As a “corporate citizen” that is a member of society, Yamaha contributes to creating a better society by actively participating in many kinds of activities that further the development of the community and culture.
4. Yamaha complies with laws and high ethical standards, works to create an environment in which its personnel can draw fully on their sensitivities and creativity, and aims to build a corporate culture that will enable it to offer better products and services.
5. For its shareholders, who support its corporate activities financially, Yamaha aims for a high degree of transparency by disclosing management information and engaging in active and sustained communication. For its business partners, Yamaha conducts transactions fairly and transparently, endeavors to deepen mutual understanding, and works to build strong relationships of trust.

* Revised in accordance with the establishment of the Yamaha Philosophy in June 2015.

(Established in February 2010)

Human Rights and Labour Practices



Practicing Corporate Activities Based on Human Rights

Yamaha recognizes that respect for human rights is the foundation of corporate activities. We endeavor to adhere to the principles of the United Nations Global Compact for human rights and labor, and respect for diversity in employment and human resource development. Doing so helps us create a business environment where all employees can fully apply their talents and creativity through the promotion of work-life balance, human resource development programs, and open communication between labor and management.

CSR Promotion Plan

Subject	Key Theme	Major Results up to Fiscal 2014	Initiatives in Fiscal 2015 and Beyond
Promoting of Human Rights Awareness	Promoting human rights awareness throughout the Yamaha Group	<ul style="list-style-type: none"> • Provide education and enlightenment of employees 	<ul style="list-style-type: none"> • Promote education and enlightenment of employees
Initiatives Supporting Employee Human Rights	Promoting initiatives that prevent harassment	<ul style="list-style-type: none"> • Educate and enlighten employees • Streamline and operate employee help line 	<ul style="list-style-type: none"> • Promote education and enlightenment of employees • Maintain adequate help line operations
Hiring and Employment	Carrying out fair evaluations and treatment	<ul style="list-style-type: none"> • Streamline rules and system for fair evaluations and treatment 	<ul style="list-style-type: none"> • Develop Group rules and system • Improve personnel evaluation systems
Human Resource Development Initiatives	Promoting purposeful, targeted education and training	<ul style="list-style-type: none"> • Streamline purposeful training system 	<ul style="list-style-type: none"> • Streamline training systems in conjunction with personnel system reviews
	Developing an environment that supports manufacturing and fostering human resources	<ul style="list-style-type: none"> • Integrate production sites and clarify roles of those in Japan and overseas • Provide technological guidance for overseas operations • Implement supervisor education (Japan) • Initiate management training at overseas production sites • Promote passing on skills 	<ul style="list-style-type: none"> • Reinforce roles of manufacturing bases • Ongoing supervisor education • Ongoing management training at overseas production sites • Ongoing promotion of passing on skills
Promotion of Diversity and Inclusion	Promoting employee diversity	<ul style="list-style-type: none"> • Promote diversity management plans (Japan) • Monitor hiring and employment practices in overseas Group companies 	<ul style="list-style-type: none"> • Ongoing promotion of diversity management plans (Japan) • Monitoring status in Group operations overseas
	Meeting employment requirements of society	<ul style="list-style-type: none"> • Expand employment opportunities • Promote employment of people with disabilities • Consolidate senior partner system 	<ul style="list-style-type: none"> • Promote employment of diverse human resources (Japan) • Promote employment of people with disabilities and increase disabled employee percentage rate (Japan) • Review senior partner system
Promoting a Better Work-Life Balance	Improving work-life balance	<ul style="list-style-type: none"> • Shorten total work hours • Develop and promote work-family support systems • Provide employee education and enlightenment 	<ul style="list-style-type: none"> • Provide enlightenment and information to Group companies in Japan • Maintain/reduce percentage of employees encouraged to fully use paid holidays (single) • Maintain and upgrade maternity leave (single)
Communication with Employees	Enhancing communications between labor and management	<ul style="list-style-type: none"> • Set up labor and management meetings and consultations 	<ul style="list-style-type: none"> • Promote labor and management communications in each Group company
Health and Safety	Standardizing Group rules and activities	<ul style="list-style-type: none"> • Develop a Group safety and health management system • Implement proactive safety initiatives • Consolidate safety standards for people and goods • Promote standardization of Group rules and activities 	<ul style="list-style-type: none"> • Quickly develop rules and actions for each Group company
	Maintaining employee health	<ul style="list-style-type: none"> • Apply general and specialized health checkups to prevent disease and work-related illness • Promote mental health care • Promote "no smoking" policy 	<ul style="list-style-type: none"> • Develop in each Group company

Promotion of Diversity and Inclusion

Promoting Provision of Environment for Female Workers Based on Action Plans

Each company within the Yamaha Group in Japan has developed an action plan to promote diversity management, with the common objective of leveraging the diversity of employees to increase corporate competitiveness. Spanning the three fiscal years from 2013 to 2015, the action plans promote various initiatives at each company from the perspective of employee skills development and the expansion of opportunities for participation, increased application of human resources across the world, and creating and fostering an environment conducive to work.

As a part of that, in fiscal 2013, Yamaha Corporation released the Positive Action Declaration on a portal site for information on the Positive Action Project commissioned by the Ministry of Health, Labour and Welfare. Then, in fiscal 2014, when Shizuoka Prefecture re-announced its “Creating a Society for Gender Equality” campaign, Yamaha pressed forward with promoting women in the workplace. Other initiatives included improving the assistance program for the childcare leave system and promoting its use, and once again acquiring the Kurumin mark received for supporting the development of future generations in fiscal 2008 in fiscal 2014.

Yamaha Corporation currently boasts nearly an equal average number of years of continuous employment for male and female employees with the proportion of women taking maternity leave and childcare leave as well as the proportion of women returning to work after childcare leave at almost 100% in fiscal 2014.

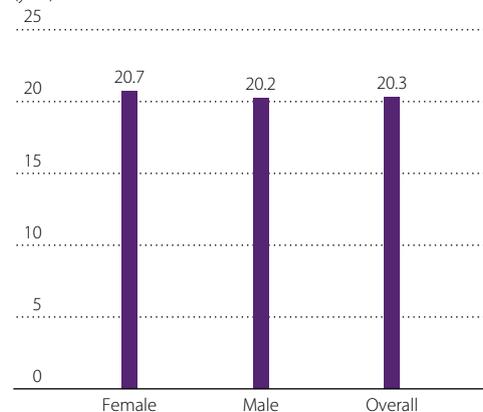


“Kurumin” mark certification recognizing support for developing future generations.

Number of Years of Continuous Employment

(as of March 2015)

(year)



Promoting a Better Work-Life Balance

Reforming Attitudes towards Work and Awareness of Work-Life Balance

The Yamaha Group has continued to actively cooperate with labor in its efforts to promote a better work-life balance. In this manner, the Group strives to realize corporate growth in concert with a fuller life for all employees.

In an effort to reduce total work hours and prevent excessive work, guidelines for overtime have been established. Based on these guidelines, Yamaha Corporation encourages employees to fully use their paid leave days. In fiscal 2014, Yamaha started sending monthly emails to employees who used an insufficient number of paid leave days—and to their immediate bosses—to encourage full use of said time. In August 2011, Yamaha also introduced the “All Go Home Day at the Same Time Day” system, in which all office employees leave the office at a designated time, thereby shortening total hours worked and preventing excessive work. Through these measures, consciousness towards work hours has improved.

Human Resource Development Initiatives

Fostering Global Human Resources Engaged in Manufacturing

Based on the Yamaha Group ideal that “a company and individuals develop together,” the Yamaha Group endeavors to encourage each and every employee to development their capabilities through self-realization regardless of nationality, age, gender and other unrelated factors. It has established human resource development programs with the goal of developing human resources that can put Yamaha values into practice and become truly professional.

At manufacturing bases in Japan, Yamaha takes the initiative to develop technologies and core skills that are highly competitive in the global market and continues to pass down essential skills. Yamaha dispatches many technicians and supervisors from Japan to provide support and guidance in order to further improve product quality and productivity at sites overseas. To foster employees poised to form the backbone of the Company in the future, Yamaha has created a system equally focused on educating and training management at manufacturing sites and improving and passing down essential production skills. In fiscal 2014, Yamaha started Global Manufacturing Management Training, a local human resource development program at Group manufacturing operations overseas.

The Environment



Contributing to maintaining a sound global environment

As part of the Yamaha Group Environmental Policy, each employee within the Group often engages in activities that help protect the global environment. Examples include reducing the environmental impact of Yamaha business activities, products and services, effectively using energy and other natural resources, and supporting regional environment preservation activities.

The Yamaha Group has introduced an environmental management system based on ISO 14001. The Yamaha Environment Management System specifies fundamental points to be diligently applied by Group companies in Japan and overseas. Using this system as a guide, Yamaha is taking the initiative to conserve energy and resources in its manufacturing processes, manage chemicals, and preserve forests and biodiversity by reducing the environmental impact and risks related to its business activities, products and services.

CSR Promotion Plan

Subject	Key Theme	Major Results up to Fiscal 2014	Initiatives in Fiscal 2015 and Beyond
Environmental Management	Establishing an environmental management system	<ul style="list-style-type: none"> Acquire ISO 14001 certification at manufacturing facilities in Japan and overseas Introduce the Yamaha Environmental Management System (YEMS) throughout the Group Introduce environmental accounting 	<ul style="list-style-type: none"> Maintain ISO 14001 certification at each facility Apply Yamaha Environmental Management System (YEMS) throughout the entire Group
	Maintaining environmental management capabilities	<ul style="list-style-type: none"> Conduct environmental education and training for employees Train internal environmental auditors Encourage and support environmental activities at home 	<ul style="list-style-type: none"> Promote environmental education according to job and role Hold training and skill improvement seminars for internal environmental auditors
Environment-friendly Products and Services	Creating environment-friendly products	<ul style="list-style-type: none"> Develop environment-friendly products Conform to the laws and regulations of each country Establish Green Procurement Standards and develop them inside and outside of the Company Examine internal standards for environment-friendly products and in-house verification system 	<ul style="list-style-type: none"> Implement in-house verification system for environment-friendly products Proactively convey information about environment-friendly products to consumers
Climate Change Mitigation and Adaptation	Reducing greenhouse gas emissions related to business activities	<ul style="list-style-type: none"> Continue reducing greenhouse gas emissions at facilities in Japan and overseas Reduce CO₂ emissions in shipping 	<ul style="list-style-type: none"> Continue ongoing efforts to reduce greenhouse gas emissions at facilities in Japan and overseas Reduce energy consumption per unit at Japanese production bases
Prevention of Pollution	Conducting thorough environmental management at manufacturing bases	<ul style="list-style-type: none"> Set and maintain voluntary standards that exceed legal standards Consolidate wastewater and gas processing facilities Respond to emergency situations Conduct environmental auditing 	<ul style="list-style-type: none"> Reinforce environmental management at overseas manufacturing bases Develop a road map that conforms with the Environmental Facility Management Standards for pollution prevention
	Promoting reduction and recycling of wastes	<ul style="list-style-type: none"> Promote zero emission of wastes Promote effective use of wastes 	<ul style="list-style-type: none"> Maintain zero emissions at Japanese production bases
Conservation of Water Resources	Conserving and effectively using water resources	<ul style="list-style-type: none"> Reduce water consumption 	<ul style="list-style-type: none"> Promote water recycling at overseas manufacturing bases
Chemical Substance Management and Reduction	Reducing the emission of chemicals from production processes	<ul style="list-style-type: none"> Thorough management of chemicals such as those designated under the PRTR Law Reduce the emission of chemicals from painting processes 	<ul style="list-style-type: none"> Implement reduction activities based on Chemical Substances Usage Standards
Biodiversity Preservation Initiatives	Using wood resources appropriately and effectively	<ul style="list-style-type: none"> Establish Timber Procurement and Usage Guideline Promote efficient use of wood resources Preserve rare wood materials (develop alternative materials) 	<ul style="list-style-type: none"> Promote CSR procurement of wood (considering sustainability) Promote development and use of alternative materials for rare wood materials
	Promoting forest preservation	<ul style="list-style-type: none"> Enshunada coastal forest recovery Plant trees in Indonesia 	<ul style="list-style-type: none"> Develop plans for upcoming forest preservation activities

Conservation of Water Resources Overseas

Starting Operation of a New Wastewater Treatment Facility at a Yamaha Factory in Indonesia

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.

The Group built a new wastewater treatment facility at wind instrument manufacturer P.T. Yamaha Musical Products Indonesia in fiscal 2014. The new facility enables the reuse of 60% or more of the water used. Furthermore, wastewater treatment processes are rationalized to reduce the use of chemicals.



Wastewater treatment facility in Indonesia

Preventing Global Warming

Promoting Various Energy-saving Measures at Factories

Hangzhou Yamaha Musical Instruments Co., Ltd. introduced various energy-saving measures to suppress growing energy consumption as a result of increased production. For example, in fiscal 2014, an automatic control system for dust collectors was introduced and digital electric meters were installed in switchboards to further minimize energy consumption, thereby reducing down time for machinery at night.

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 2014, 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. Through these measures, power consumption was reduced in the three-month period by 200,000kWh as compared to fiscal 2013.

Biodiversity Preservation Initiatives

Greening Activities in Japan and Overseas

Since fiscal 2005, Yamaha Corporation and six local Indonesian subsidiaries have carried out Yamaha Forest tree-planting activities in Indonesia. Phase II (fiscal years 2010–2014) of the project involved planting 52,800 saplings over approximately 50 hectares in Ciremai National Park in Kuningan, West Java. The saplings continue to be taken care of and the planted areas are quickly becoming forests.

Additionally, since 2007, Yamaha Corporation has been supporting efforts to restore the Enshunada coastal forest in Hamamatsu, Japan, where its head office is located. The forest had been severely damaged by wood-boring ambrosia beetles. In October 2014, in the seventh round of tree planting, approximately 150 people planted a total of 300 trees.



Local students planting trees (Indonesia)



Commemorative photo in front of coastal forest (Japan)

External Evaluations

Promoting Environmental Conservation Activities

Yamaha promotes environmental conservation in its businesses and encourages environmental conservation in communities, at work and in the homes of employees. These activities have been noted, resulting in Yamaha winning the grand prize in Fujinokuni Eco Challenge 2013—a campaign in Shizuoka Prefecture—and the grand prize in the Rengo Eco Grand Prix 2013 of the Japanese Trade Union Confederation. Yamaha was also designated a finalist in the 2015 Low-Carbon Cup, in which companies and organizations throughout Japan share their respective practices and knowledge on strategies to mitigate global warming, and received the highest ranking of S in the Eco-Friendly Business Category of the fiscal 2014 Hamamatsu City New Energy/Energy Conservation Top Runner Certification Program in recognition of its energy conservation promotion and awareness activities.



Finalist certificate from The 2015 Low-Carbon Cup



Fair Operating Practices

Conducting Fair Business Activities that Are Trusted by Society

The Yamaha Group is committed to fair operating practices that meet societal expectations for developing a healthy society rooted a market economy.

Based on the Yamaha Compliance Code of Conduct, Yamaha complies with the Act on the Prohibition of Private Monopolization and Maintenance of Fair Trade and other international fair competition laws, pursuing fair competition through honest advertising, builds and maintains fair relationships based on partnerships, rejects dubious relationships, and respects intellectual property rights.

Furthermore, to promote CSR not only within the Group, but also by suppliers of materials and parts, Yamaha policies regarding procurement and CSR are explained to suppliers, who are also requested to comply with concepts related to respect for human rights, labor, health and safety, and fair trade.

CSR Promotion Plan

Subject	Key Theme	Major Results up to Fiscal 2014	Initiatives in Fiscal 2015 and Beyond
Anti-corruption	Preventing corruption and building a deterrence system	<ul style="list-style-type: none"> Develop rules prohibiting the giving of gifts and entertainment activities Provide employee education and training 	<ul style="list-style-type: none"> Set guidelines for gift giving and entertaining in each Group company
Responsible Political Involvement	Maintaining transparency with respect to political participation	<ul style="list-style-type: none"> Consolidate systems for preparatory conferences Implement auditor's audits (reviews) 	<ul style="list-style-type: none"> Consistently apply systems for dialogue, conferences and audits
Fair Competition	Strictly adhering to fair competition and building a deterrent system to eliminate anti-competitive behavior	<ul style="list-style-type: none"> Consolidate fair competition policies Provide employee education and training Consolidate systems for complying with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors 	<ul style="list-style-type: none"> Provide employee education and training in each Group company
Promoting Social Responsibility in the Value Chain	Promoting CSR procurement	<ul style="list-style-type: none"> Set CSR initiatives for supplier selection Check CSR initiatives of new suppliers Establish standards for supplier CSR behavior Disclosing policies for materials and parts procurement 	<ul style="list-style-type: none"> Raise standards for supplier CSR Code of Conduct Combat the use of conflict minerals Promote CSR procurement of lumber
Respect for Property Rights (Protecting Intellectual Property)	Managing and appropriately using intellectual property	<ul style="list-style-type: none"> Establish policies for respecting intellectual property rights Effectively manage intellectual properties owned by Yamaha Establish system to prevent infringement of intellectual property rights of third parties Provide employee education and training 	<ul style="list-style-type: none"> Establish and manage regulations for handling intellectual properties Provide employee education and training on the appropriate use of intellectual properties

Promotion of CSR in the Supply Chain

Establishment of the Yamaha Supplier CSR Code of Conduct

Yamaha stipulates in the Group Purchasing Management Policies that CSR procurement must be promoted and endeavors to make responsible procurements practiced. We explain our policies for procuring materials and parts to our suppliers,* and seek to have them comply with concepts related to respect for human rights, labor, health and safety, the environment, and fair trade. When required, we ask suppliers to improve their procurement practices.

To further promote our endeavors, in March 2015 we established the Yamaha Supplier CSR Code of Conduct. In fiscal 2015, we are asking suppliers to comply with this code of conduct and regularly assess whether or not they are. In February 2015, we invited Mr. Hidemi Tomita—who was involved in developing the ISO 26000 international guidelines on social responsibility—to hold an internal seminar on CSR procurement. Mr. Tomita explained the need for supplier chain CSR in the context of recent changes to the CSR environment and examples from other companies. The seminar allowed us to deepen our understanding of CSR procurement, an area that Yamaha needs to further strengthen.



In-house seminar

* When the supplier is a trading company, we make the same requests to materials and parts manufacturers that do business with the company.

Fair Relationship with Business Partners

Conducting Internal Training to Ensure Fair Trade

The Yamaha Group considers business partners to also be partners in its effort to live up to the Group's business philosophy. Accordingly, the Group strives to build relationships of growing mutual trust based on open and fair trade. To ensure fair trade, and that there is no abuse of a dominant bargaining position, in accordance with laws and regulations as well as social norms, Yamaha also stipulates fair trade in the Compliance Code of Conduct and implements employee education and training programs.

In fiscal 2014, Yamaha conducted internal training related to consumer laws, including the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, and the Act Against Unjustifiable Premiums and Misleading Representations. We take up these themes as part of our human resource training every year and discuss them in detail.



In-house training related to consumer laws

Protecting Intellectual Property

Named a Thomson Reuters “2014 Top 100 Global Innovator”

In addition to the industrial property rights of patents, designs, and trademarks, Yamaha 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. We hold annual copyright seminars, during which time the Yamaha employee in charge of intellectual property makes a presentation. In fiscal 2014, Yamaha held a lecture featuring a speaker from the Japanese Society for the Rights of Authors, Composers and Publishers (JASRAC), who enlightened participants about copyright protection in the music business.

In fiscal 2014, Yamaha Corporation was named a Thomson Reuters 2014 Top 100 Global Innovator based on high appraisal of its intellectual property activities in Japan and overseas.

2014 THOMSON REUTERS
TOP 100
GLOBAL INNOVATORS

Thomson Reuters
2014 Top 100 Global Innovator logo

Consumer Issues



Pursuing Customer Satisfaction through Quality Products and Services

The ongoing provision of products and services that meet customer expectations is a key corporate mission. The Yamaha Group not only has a Group-wide quality management system that ensures the production of high-quality products and provision of high-quality services in place, but also provides the comprehensive disclosure of information on these products and services. To meet the broad range of requests from our customers, we actively introduce universal design and propose products and services for solving social issues. Through such efforts, we are determined to proactively contribute to the drive towards sustainability.

CSR Promotion Plan

Subject	Key Theme	Major Results up to Fiscal 2014	Initiatives in Fiscal 2015 and Beyond
Product Information Disclosure	Appropriately disclosing information on the safety of products and services	<ul style="list-style-type: none"> • Disclose appropriate information on product safety and defects • Provide information for safe product use 	<ul style="list-style-type: none"> • Apply internal regulations regarding appropriate information disclosure
Ensuring Product Safety	Ensuring product safety and taking immediate action when a product safety issue arises	<ul style="list-style-type: none"> • Incorporate risk assessment initiatives into the product development process • Streamline system and operations for a timely response to product safety issues 	<ul style="list-style-type: none"> • Enhance risk assessment effectiveness and consolidate Group-wide standards • Reinforce tie-ups with local companies with respect to law and regulation information in each country
Quality Assurance	Strengthening the quality assurance system and quality management	<ul style="list-style-type: none"> • Establish and apply a Group-wide quality management system • Conduct quality audits by the Quality Assurance Division and other related departments • Acquire and maintain ISO 9001 certification • Conduct quality management training 	<ul style="list-style-type: none"> • Revise Company-wide rules and regulations to enhance the effectiveness of the Group-wide quality management system • Revise quality management training systems
Sustainable Consumption	Contributing to sustainability through products and services	<ul style="list-style-type: none"> • Provide information related to environmental consideration with products • Provide products to companies that support the environment 	<ul style="list-style-type: none"> • Start internal verification system for environment-friendly products • Proactively communicate information related to product environmental features to consumers
Enhancing Products and Services	Promoting universal design	<ul style="list-style-type: none"> • Promote a better understanding of universal design to product developers and designers • Introduce universal design to products 	<ul style="list-style-type: none"> • Expand the application of universal design
	Proposing solutions for issues in society	<ul style="list-style-type: none"> • Apply sound technology, such as the Yamaha Speech Privacy System™ 	<ul style="list-style-type: none"> • Promote research and development of new technologies, products, and services to help solve issues in society
Improving Customer Satisfaction	Improving customer satisfaction with products and services	<ul style="list-style-type: none"> • Set up and operate a subcommittee to promote CS activities • Establish and apply a system to that visualizes the voice of the customer 	<ul style="list-style-type: none"> • Establish a management system for attractive qualities • Expand departments involved in systems for visualizing the voice of the customer
Improving the Quality of Customer Response and Support	Improving the quality of customer response and support	<ul style="list-style-type: none"> • Establish the Group After-sales Service Management Policies • Establish global customer support system • Conduct global technical service seminar, maintain and expand Yamaha after-sales service network 	<ul style="list-style-type: none"> • Establish and introduce key performance indicators to improve customer response quality • Establish criteria of customer response skills
Personal Information Protection (Customer Data and Privacy)	Preventing accidents by managing the personal information of customers	<ul style="list-style-type: none"> • Establish a policy for protecting personal information and its management • Create and use a manual for managing personal information • Conduct employee education and training 	<ul style="list-style-type: none"> • Preventing the leakage and loss of personal information

Quality Assurance

Producing High-quality Products

As a promise to its stakeholders, the Yamaha Group engages in customer-oriented and quality-conscious management. In its efforts to fully satisfy its customers, the Group offers quality products and services that incorporate new and traditional technologies, as well as refined creativity and artistry.

We use the Yamaha Group Quality Management System to ensure the production of high-quality products and services. As of the end of March 2015, Yamaha had acquired ISO 9001 international standard quality management system certification for 14 business domains covering the entire Group in Japan and overseas. One business domain also acquired ISO/TS 16949.

At Yamaha, education and training systems are created to develop human resources that contribute to improving quality. The auditors in Yamaha Corporation's Quality Assurance Division and each business department periodically conduct quality audits.

Personal Information Protection

Appropriately Protecting and Managing Personal Information

Yamaha appropriately protects and manages the personal information of its customers in accordance with the Yamaha Personal Information Privacy Policy and the Personal Information Protection Regulations, complying with laws, ordinances and regulations relating to the protection of personal information.

In fiscal 2014, a Group company mishandled personal information. Yamaha openly disclosed the breach and apologized to its customers. As of today, we have not received any claims or

Product Information Disclosure

Providing Appropriate Information and Taking Appropriate Steps When Accidents Occur

In the event that products, services, facility-use services, etc. provided by the Yamaha Group inflict damage on the mental or physical well-being or the belongings of customers, steps are immediately taken to provide appropriate relief and to prevent any recurrence. In effort to prevent further damage, the Group notifies relevant authorities, undertakes a product recall and contacts customers without delay. The means of customer notification is tailored to the situation to ensure that information is properly and thoroughly transmitted.

In August 2013, we disclosed that the GC32S and GC32C classical guitars had bridges that could potentially come off because of insufficient bonding. We notified customers of the models subject to recall via direct mail, and explained how we were responding to the incident. As of February 2015, we had provided free inspections of, or repaired 75% of all the units sold.

reports of misuse of the information.

As part of the education and training conducted every year, Yamaha issues a special caution to supervisors of outsourcing companies and conducted a survey of Group companies in Japan.

Related News Release

Notification of and apology for inappropriate sending of postcards containing personal information is available on the Company's Japanese website (only in Japanese): <http://jp.yamaha.com/services/fc/info/20140416/>

Universal Design

“Omotenashi Guide”—A Service Supporting the Universal Design of Sound

In September 2014, Yamaha Corporation announced development of the “Omotenashi Guide”—a service supporting the universal design of sound—to help promote inbound tourism and barrier-free initiatives. Verification tests started in May 2015.

With the Omotenashi Guide, Japanese audio announcements over speakers can be displayed on users' smartphones in Japanese or the user's native language depending on the user's preference. The system can feasibly be used with existing audio equipment without an Internet connection. Consequently, it is a convenient service both for vendors and consumers.



Omotenashi Guide

Community Involvement and Development



Helping to make society better as a good corporate citizen

The Yamaha Group pursues a diverse range of activities to promote and encourage the culture of music throughout the world. As a good corporate citizen, it contributes to society through a wealth of activities.

We continue to focus on efforts that contribute to communities where we have bases in Japan and overseas. We provide support that helps to foster future generations, participate in donation drives and social welfare activities, and are involved in activities that promote a range of music cultures and create communities with music at their core.

CSR Promotion Plan

Subject	Key Theme	Major Results up to Fiscal 2014	Initiatives in Fiscal 2015 and Beyond
Connection to Local Communities	Building good relations with communities that are home to our offices and factories	<ul style="list-style-type: none"> • Make ongoing efforts to communicate with communities on a daily basis • Make ongoing efforts to participate in events organized by local governments and other organizations 	<ul style="list-style-type: none"> • Make ongoing efforts to communicate with communities that are home to our offices and factories • Make ongoing effort to participate in events organized by local governments and other organizations
Community Support Activities	Helping communities develop	<ul style="list-style-type: none"> • Contribute to community revitalization through music events • Provide support that helps foster future generations • Implementing support to build communities through music 	<ul style="list-style-type: none"> • Revitalize communities through planning and holding music events • Expand programs helping communities that are home to our offices and factories • Continue ongoing support for creating communities through music
Promoting Music Culture (Promoting Initiatives through Sound and Music)	Help promote and develop music culture	<ul style="list-style-type: none"> • Support music contests and clinics • Support related to scholarships and music education institutions • Support school music education 	<ul style="list-style-type: none"> • Continue ongoing promotion and development of music culture • Support music education
Donations and Social Welfare Activities	Promoting donations and social welfare activities	<ul style="list-style-type: none"> • Support voluntary philanthropic activities by employees • Promote regional welfare activities • Support areas affected by disaster 	<ul style="list-style-type: none"> • Promote voluntary philanthropic activities by employees • Promoting regional welfare activities • Ongoing support for areas affected by disaster

Connection to Local Communities

Kitami Mokuzai Co., Ltd. Certified as Volunteer Fire Corps Office

Kitami Mokuzai Co., Ltd. of Hokkaido manufactures musical instrument components. The company has received Japan's Ministry of Internal Affairs and Communications' Volunteer Fire Corps Office Symbol (Gold Mark). Offices that cooperate with volunteer fire brigades and demonstrate significant achievements are being certified. In fiscal 2014, of the 8,603 volunteer fire brigade offices in Japan, 32 were certified including Kitami Mokuzai.



Kitami Mokuzai Co., Ltd.

Fostering Future Generations

Providing Programs for Children Focused on the Themes of Manufacturing and Science

Yamaha Corporation provides programs for children focused on the themes of manufacturing and science in response to requests from the local community. These activities are carried out on an ongoing basis. In fiscal 2014, Yamaha continued implementing initiatives to educate and foster children by holding handmade



Handmade guitar class

guitar classes and kalimba-making classes as a means for children to experience manufacturing through musical instruments.

Fostering Future Generations

Baseball Clinics for Youth Teams

The Yamaha Baseball Club regularly holds clinics for local youth baseball teams in an effort to contribute to communities and support local youth through sports. At these clinics, members of the Yamaha Baseball Club provide guidance and instructions in pitching, fielding (catching and throwing) and batting. Some 44 such clinics have been held to date. In fiscal 2014, five clinics were held in Shizuoka Prefecture, with a total of 74 teams and 1,055 players participating. At the request of Shizuoka Prefecture, the club taught children with no baseball experience how to use their bodies to make long throws, which contributed to improving the overall skills of elementary students in the prefecture.



Baseball clinic for youth baseball team

Creating Community through Music

Creating a Music Community through the Oto-Machi Project

Yamaha Music Japan Co., Ltd. developed the “Oto-Machi Project for Creating Musical Towns.” The aim of the project is to create a sustainable community by harnessing the power of music to connect people, and by arranging times and places where local people can casually gather to play music.

In fiscal 2014, our big band training course for apartment residents—jointly operated by Mitsubishi Corporation and Nomura Real Estate Development Co., Ltd.—received the Good Design Award in the Creation of Town, Local Area or Community category.



Funabashi Mori no City “Forest City Big Band”

Community Support Activities

Supporting the Cauca Wind Orchestra

YMLA established the Cauca Wind Orchestra (OCV).^{*} Cauca is a region in Colombia where there is a great deal of coca cultivation. FARC terrorist bombings and kidnappings are commonplace.



Children participating in the OCV

OCV’s activities are intended to change the lives and hearts of children through music, and to provide a degree of security for the local populace. OCV aims to advance the sound development of youngsters in the Cauca region of Colombia through orchestral music.

^{*} This music program began in 1975 in cooperation with the Polifonia Foundation and Incolmos S.A. The goal was to enhance the musical skills of children of the poorest people in the area by providing them with free music lessons and loaning them instruments so they could play orchestral music.

Revitalizing Communities through Musical Events

Hamamatsu Jazz Week

Each year, Yamaha Corporation holds “Hamamatsu Jazz Week” in cooperation with the city of Hamamatsu—home of the Company’s headquarters—and other co-organizers. The event has a variety of programs that can be enjoyed by people of all ages, and through it Yamaha is cooperating with the Hamamatsu city government’s efforts to create a city with music at its core.

In fiscal 2014, the 23rd Hamamatsu Jazz Week received the Best Live Performance Award at the 4th NISSAN PRESENTS JAZZ JAPAN AWARD organized by JAZZ JAPAN magazine. The award is given annually to the best in music, film, and live events.



Yamaha Jazz Festival, which concluded Jazz Week

Third-party Opinion

The Yamaha Group is focused on ensuring better communication with all stakeholders in order to respond to various CSR-related issues globally. This year, Ms. Makiko Akabane shares her opinions on Yamaha's CSR activities and the Yamaha CSR Report 2015 to help us make improvements going forward.



This is the third consecutive year I've had the honor of giving a third-party opinion on the Yamaha Group CSR Report. Over this period, the Group has made significant progress in CSR. In fiscal 2013, Yamaha reviewed its status in line with the core subjects of ISO 26000, providing guidance on social responsibility and confirming outstanding tasks that need to be completed to achieve its goals. In fiscal 2014, the Company embarked on building a system that will enable it to meet its CSR aspirations based on the tasks confirmed. Even though Yamaha had formulated a CSR policy, it felt a sense of crisis regarding structural shortcomings that compromised its CSR goals. Accordingly, a system for CSR management was quickly established. Furthermore, each related division presented CSR tasks that need to be carried out as initiatives from fiscal 2015 onwards. These tasks are to be incorporated in the mid-term management plan, so that the newly established CSR system will take root and function throughout the Group. Owing to an extraordinary Group-wide effort, the CSR management system was constructed in a short period of time by utilizing input from all divisions.

In 2014, the Yamaha Philosophy was established following extensive discussions among management and other employees in Japan and overseas. This process exemplified "stakeholder engagement," where management and other employees collaborated to decide corporate policies. I admire the management's commitment to adopt this approach. Many other companies have been hesitant to follow suit. I have been

told that the Yamaha Philosophy has already been translated into 10 languages; this being done on a voluntary basis, with the employees of overseas affiliates translating it into their native languages. I believe that this stems from the Yamaha approach of engaging all employees, and generating a sense of happiness and pride of being part of the Yamaha Group.

Considerable progress has also been made in the area of CSR procurement, including the establishment of the Yamaha Supplier CSR Code of Conduct in fiscal 2014. I fully understand how difficult it is to have uniform standards for the Group, which often has to deal with different situations on a case-by-case basis. Managing a broad range of products in the sound and music market requires dealing with all kinds of suppliers. That being said, Yamaha was determined to establish the Code of Conduct to demonstrate its sense of obligation to conduct responsible global procurement. CSR procurement, along with climate change, is one of the most important CSR themes. To realize CSR procurement, it is essential that all divisions and departments concerned collaborate together. I would like Yamaha to be flexible in its ongoing efforts in CSR procurement because it is such a vital activity for the Yamaha brand.

Lastly, I would very much like Yamaha—with a history as a global leader in the sound and music market for more than 125 years—to consider one thing: the establishment of a system that enables all Group companies in Japan and overseas to share CSR initiatives. Over the last three years, the Yamaha Group has achieved exceptional progress in CSR, with the Japan head office playing a pivotal role in building the foundation of the Group's CSR management. However, I would like to see CSR promotion bases expanded overseas as well. Circumstances overseas are likely to be very different from those in Japan, and difficult for the Japan head office alone to deal with. Overseas bases have their own experiences and knowledge that the Yamaha Group needs to increasingly tap into. I sincerely hope to see Yamaha, with its rich and extensive history, continue to achieve further growth on the global stage.

Response to Third-party Opinion

As was done in the two previous years, we received feedback on our CSR activities and CSR report from Ms. Makiko Akabane, Director, Japan, CSR Asia Tokyo Office—a think tank with the largest network in Asia specializing in CSR and sustainability. We are most grateful to her for her efforts.

This CSR report explains the Yamaha Philosophy, and Ms. Akabane has evaluated us highly for establishing it as an expression of the value we place on engaging with our stakeholders. I am most pleased that the significance of Yamaha's aim in establishing the Philosophy is evident and appreciated.

Ms. Akabane showed a deep understanding of the nature of our business, giving us some supportive feedback and high marks for progress in CSR procurement, which we have been reinforcing. With main support originating from the Procurement Division, we are determined to continue our CSR procurement initiatives.

As Ms. Akabane pointed out on the issue of setting up CSR bases overseas, we agree. Understanding CSR initiatives, policy decision-making, and the implementation of measures, the work cannot be done without establishing systems in Japan and overseas if we are to develop global business successfully. We have been working closely with each overseas base, but will clarify the framework of our global activities and further upgrade our CSR activities as a unified Group.

Lastly, I must mention the high marks given to us by Ms. Akabane on our greatly advanced CSR. These marks are a function of her spot-on suggestions over past three years, and I would like to thank her again. As a global leader in the sound and music market, the Yamaha Group has earnestly adopted the points she made, and will continue to contribute to the development of a sustainable society through its business activities.



Satoshi Yamahata
Director,
Senior Executive Officer
Operations Group Manager
Yamaha Corporation

External Evaluation

Inclusion in Socially Responsible Investment (SRI) Indexes

Socially Responsible Investment (SRI) indexes* and funds in Japan and other countries evaluate potential investments not only from a financial perspective, but from CSR environmental viewpoints as well. Yamaha Corporation continues to be listed in various SRI indexes and SRI funds around the world.

* An index that monitors movements in the share prices of companies grouped together and selected for their outstanding financial and CSR qualities.

- FTSE4Good Global Index (managed by Britain's FTSE)
- Morningstar Social Responsibility Index (MS-SRI)



Credit Ratings (as of March 31, 2015)

As a means of measuring financial soundness, each year Yamaha Corporation requests a long-term bond credit assessment from bond ratings agencies. The results are shown below.

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

Major Awards and Evaluations in Fiscal 2014

Human Rights and Labour Practices

- Acquired the Kurumin mark (August 2014) for supporting the development of future generations

The Environment

- Received S-Class certification (highest certification level) in the Eco-Friendly Business Category of the Hamamatsu City New Energy/Energy Conservation Top Runner Certification Program
- Received Finalist Award of the 2015 Low-Carbon Cup

Fair Operating Practices

- Listed in Thomson Reuters 2014 Top 100 Global Innovators

Consumer Issues

- ACP-2 acoustic conditioning panel awarded the Gold Prize (Interior and Household Equipment Category) in the Home Theatre Grand Prix of a magazine specializing in the home theatre market
- Good Design Award
 - CX Series Grand Pianos (GOOD DESIGN BEST 100)
 - Clavinova CVP Series Digital Pianos (Long Life Design Award)
 Also received awards for three other products
- iF Design Award
 - Relit LSX-170, LSX-70
- Red Dot Design Award in Product Design
 - Clavinova CLP-585

- Yamaha Music Schools selected for 100 Postwar Japanese Innovations of the Japan Institute of Invention and Innovation

Community Involvement and Development

- Hamamatsu International Wind Instrument Academy and Festival received the 25th Japan Academic Society of Wind Music Award from the Japan Academic Society of Wind Music
- Received Best Live Performance Award during the 23rd Hamamatsu Jazz Week at the 4th JAZZ JAPAN AWARD organized by JAZZ JAPAN magazine



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YAMAHA CORPORATION

General Administration Department,
General Administration Division
<http://www.yamaha.com/>



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