



May 31, 2022

For Immediate Release

Company Name: YAMAHA CORPORATION  
President and Representative Executive Officer: Takuya Nakata  
Code Number: 7951 (TSE Prime Market)

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

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

### 1. Outline of the Disposal

(1) Date of disposal	June 21, 2022
(2) Class and number of shares to be disposed of	138,600 shares of common stock of Yamaha Corporation
(3) Disposal value	¥5,390 per share
(4) Total disposal value	¥747,054,000
(5) Allottees and number thereof, number of shares to be allotted	Executive Officers: 6 persons, 84,600 shares Operating Officers (excluding an Operating Officer domiciled outside Japan): 9 persons, 54,000 shares
(6) Other	The Disposal of Treasury Stock is conditional upon the taking effect of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act

### 2. Purposes and Reasons for the Disposal

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

The outline of the Plan is as follows:

#### The outline of the Plan

Under the plan, the Company will grant monetary compensation receivables to the Eligible Officers, Etc. and contribute all of these receivables in kind to the Eligible Officers, Etc. As a result, the Company will allow Eligible Officers, Etc., to hold newly issued Company’s common shares and/or treasury stocks that are disposed of.

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

Note that as the Plan, in principle, provides for the lump-sum allotment of restricted stocks corresponding to the period in the first year of the Company's Medium-Term Management Plan, the period of allotment will be three years and the amount corresponding to restricted stock compensation during the three-year period from the Company's 199th to 201st fiscal year (April 1, 2022 to March 31, 2025).

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

### **3. Outline of the Allotment Agreement**

- (1) The Period of the Transfer Restrictions: from June 21, 2022 to June 20, 2052

If the Eligible Officers, Etc., who hold positions as Directors, Executive Officers, or Operating Officers, reach the end of their terms of office in their respective positions, become deceased, etc., or lose their eligibility before completion of the restricted period, the restrictions on these shares shall be lifted, at that time, with respect to the number of shares calculated based on the achievement of the performance conditions set forth in "Lifting of the Transfer Restrictions Associated with Performance Conditions" to the number of allotted shares, prorated proportionately based on the period of service corresponding to the subject period to the grant during the period from April 1, 2022 to March 31, 2025.

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

In the new medium-term management plan (from April 2022 to March 2025), announced on May 12, 2022, the Company has set financial targets for "sales growth," "core operating profit ratio," "ROE," and "ROIC," as well as non-financial targets centering on sustainability. In addition to the above financial and non-financial targets, the performance conditions for share-based compensation will be based on the corporate value targets using total shareholder returns (TSR) as an indicator.

The ratio reflected in the share-based compensation shall be as follows: financial targets, non-financial targets, corporate value target = 50%: 30%: 20% and depending on the degree of achievement of such targets, the transfer restrictions of all or part of the allotted shares shall be lifted at the expiration of the period of the transfer restrictions. Note that in order to promote the holding of these shares by the Eligible Officers, Etc., in principle, restrictions on one-third of the Allotted Stocks will be lifted when the restricted period has ended.

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

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

The Disposal of Treasury Stock to the allottees will be distributed for monetary compensation receivables provided as the allotment of restricted stock compensation during the Company's 199th to 201st fiscal year (from April 1, 2022 to March 31, 2025) based on the Plan. To exclude arbitrariness, the disposal value per share shall be ¥5,390, which is the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange as of May 30, 2022 (the business day preceding the date of the resolution of the Board of Directors). Since this is the market share price immediately preceding the date of the resolution by the Board of Directors, the Company believes that it is reasonable and does not constitute an especially advantageous amount.

For further information, please contact:

Yamaha Corporation

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Contact form: [https://inquiry.yamaha.com/contact/?act=55&lcl=en\\_WW](https://inquiry.yamaha.com/contact/?act=55&lcl=en_WW)