Corporate Profile
True to its slogan, “Sharing Passion & Performance,” the Yamaha Group helps enrich people’s lives day in and day out. Since our founding in 1887, we have offered the world a rich scope of products and services focused on sound and music. We want to create excitement and inspiration everywhere, joyfully highlighting music in life, education, and culture.

We are deeply committed to creating customer value by offering products and services that draw on our reservoir of technology, know-how, and musical sensitivities. We have accumulated these values over our long history and are keen to addressing new challenges with a passion going beyond our customers’ expectations, always renewing our inspiration, and theirs. We are dedicated to engaging proactively with our customers to propose products and services that will stir their hearts over a lifetime.

Looking ahead, we will be making every effort to ensure that we continue to be an “Indispensable, Brilliantly Individual Company,” always honoring long and close relationships with our customers. From the bottom of our heart, all of us at Yamaha will always sincerely appreciate your ongoing support.

Takuya Nakata
President and Representative Executive Officer
Yamaha Corporation
**Summary of Businesses**

**Segment Sales Composition**

- **Musical Instruments**: 63.4%
- **Audio equipment**: 28.1%
- **Others**: 8.5%

**Sales Proportion by Region**

- **Japan**: 30.9%
- **North America**: 20.1%
- **Europe**: 19.6%
- **China**: 12.5%
- **Other areas**: 16.9%

**Net Sales**

- Fiscal 2018: 442.0 billion yen

**Operating Income**

- Fiscal 2018: 55.0 billion yen

**Musical Instruments**

The Yamaha Corporation Group’s core business begins with the manufacturing and marketing of musical instruments, and spans the management of music and other schools, in addition to the production and sales of audio and visual media software. These products and services, which have earned high marks from music enthusiasts from beginners to professionals, are supported by research and development that progress through dialogue with artists as well as fine-tuned sales and service activities via networks spread throughout this wide world.
Our “Others” business segment comprises the Industrial Machinery / Components businesses, including electronic devices, factory automation, and automobile interior wood components. Other businesses also include golf products, and Yamaha’s resort business. Our diverse businesses draw on the technology, know-how, and sensitivities Yamaha has accumulated through the manufacturing and marketing of musical instruments to offer products and services that galvanize the emotions of customers.

With sound and music at its core, and drawing on its accumulated know-how in digital and acoustic technologies, Yamaha’s audio equipment business delivers best-in-class commercial and consumer solutions. The audio equipment business spans professional audio equipment, music production equipment and software as well as audiovisual equipment, commercial online karaoke systems, network devices and unified communication devices.
Research & Development

Over its long history of manufacturing acoustic instruments, Yamaha has produced a broad array of original technologies, guided by the expertise passed on from generation to generation and our keen sensitivity about sound creation. While in the field of digital instruments and audio equipment, Yamaha has developed groundbreaking electronics technology. By drawing on the strengths of these technologies and fusing them, Yamaha continues to create value in unique ways as well as new ways to enjoy and utilize sound and music.

Core Technologies

In the musical instruments domain, Yamaha has a long history of R&D related to processing wood, metal, and other materials and draws on this legacy to present its customers with more and more fulfilling sound and music experiences. What is more, through ongoing research of technologies on the mechanisms of keyboard actions, sound generation and effects, and acoustics, we have a passion for developing superior sound and making outstanding performance possible. In the audio equipment sphere, Yamaha draws on its strengths in advanced software and electronic technologies, primarily in digital signal processing and network technologies and leverages its expertise as well as its know-how about sound in innovative ways. Yamaha offers high-value-added products like AV products and PA equipment as well as network devices.

Fusion of Core Technologies

Yamaha fuses its technologies to invent new hybrid instruments and to enhance its existing products.

TransAcoustic Piano

TransAcoustic Piano is a hybrid piano that combines an acoustic piano and a digital piano. By using a transducer, which is an oscillating mechanism, the vibrations produced by the digital system are transmitted efficiently to the acoustic piano’s soundboard, and, without using a speaker system, the sound emerges directly from the soundboard.

Initiatives in New Businesses

Omotenashi Guide™

Yamaha’s “Omotenashi” Guide helps promote inbound tourism and barrier-free initiatives by receiving translations of Japanese language announcements in written formats on smartphones and tablet devices.

* “Omotenashi” in Japanese means “hospitality.”

ViReal™

ViReal is a recording, editing, and reproduction technology that captures 3D sounds in a real-world fashion. Listening with headphones and multi-speakers installed with ViReal technology, users can experience a greater depth and presence of sound than ever before imagined.

Design

Based on its integrated design policy expressed in its Yamaha Design Philosophy, Yamaha continues to impart its original and engaging style across a wide range of products throughout the world. Yamaha’s design has achieved marks, winning a number of notable design awards from authoritative sources.

Electric Guitar

REVSTAR™

IF Design Award
Red Dot Design Award
Best of the Best
German Design Award
GOOD DESIGN AWARD

Casual Wind Instrument

Venova™

GOOD DESIGN AWARD

Digital Workstation

Genos™

iF Design Award
Gold Award
Red Dot Design Award
GOOD DESIGN AWARD

Premium Bookshelf Speaker

NS-5000

IF Design Award
GOOD DESIGN AWARD

Mobile Mini Keyboard

reface™

GOOD DESIGN AWARD

Good Design Best 100

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Sustainability

Through its business activities, the Yamaha Group undertakes activities, which we call sustainability initiatives to contribute to the creation of sustainable societies. With our unique expertise and sensibilities gained from our devotion to sound and music, Yamaha is committed to contributing to the further development of musical culture and affluent societies. Along with these activities, Yamaha believes it is important to address global-level environmental issues, such as climate change and maintenance of biodiversity as well as implement initiatives to addressing social issues, including promotion of diversity and human rights.

As a signatory to the United Nations Global Compact (UNGC), Yamaha observes the Compact’s Ten Principles of corporate behavior and, at the same time, aims to contribute to the attainment of the Sustainable Development Goals (SDGs) that have been set as common objectives for international society.

Looking ahead, as business activities become more global in scope, Yamaha will endeavor to raise awareness of responsibility to society and social contribution within the Yamaha Group as a whole and will take initiatives to address issues related to realizing sustainable societies.

Yamaha Eco-Products Program

Guided by its Environmental Policy, the Yamaha Group is working hard to create environmentally friendly products to contribute to a sustainable society. To support this effort, Yamaha established the Yamaha Eco-Products Program in 2015, which certifies environmentally friendly products that meet standards established by the Company.

The Yamaha Eco-Label is attached to products that meet the Company’s standards. By providing customers with easy-to-understand information on the environment, the program aims to assist customers in selecting which products to purchase.

The United Nations Global Compact (UNGC) is a voluntary code of conduct that encourages businesses worldwide to act as good corporate citizens, by observing principles in the four general areas of human rights, labor, the environment, and anti-corruption, and promotes business participation in a worldwide framework that will realize sustainable growth. Yamaha became a signatory to UNGC in June 2011, and cooperates actively with Global Compact Network Japan in such ways as managing subcommittees.

Music education programs teaching children how to play musical instruments have been adopted in schools around the world. However, due to the lack of equipment and instructors, as well as curriculum issues, in some countries instrumental music education is not provided, or is of insufficient quality. Yamaha is developing its “School Project” to offer opportunities to play musical instruments and allow as many children as possible to experience the joy of playing musical instruments.

In 2015, Yamaha began to offer “Music Time,” which is a program comprising a package that includes musical instruments, teaching materials and teachers’ training, and is offered mainly to public primary schools in Malaysia, Indonesia, and Russia.

In Vietnam, in cooperation with that country’s Ministry of Education and Training, since 2016 Yamaha is taking initiatives to support the introduction of instrumental music education into music school curricula for primary and secondary-school education.

In the countries of Latin America, juvenile crime and delinquency are becoming more serious. Governments are working to provide music education free of charge, and orchestras and bands have been formed to promote the healthy development of young people. Yamaha has supported these activities for many years to allow many young people to participate. In 2014, Yamaha instituted its “AMIGO Project” to further strengthen these activities. Under this project, workshops are held to teach the young performers how to maintain their instruments in good condition by themselves. Also, to provide additional support for putting broken instruments back in working order, Yamaha is helping to train repair technicians. Through these activities, Yamaha is working to create better environments where young people are able to continue their music performance.

Orchestra and Band Support Activities for Youth Development

In Vietnam, in cooperation with that country’s Ministry of Education and Training, since 2016 Yamaha is taking initiatives to support the introduction of instrumental music education into music school curricula for primary and secondary-school education.

The “School Project”

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Initiatives Aimed at Sustainable Use of Wood Resources

The Yamaha Group uses a diversity of wood species mainly for manufacturing musical instruments, and accordingly, is implementing initiatives aimed at ensuring the sustainability of wood resources. Beginning in 2015, Yamaha launched a survey of African Blackwood (Dalbergia melanoxylon), which is a rare wood used in wind instruments, in the regions of origin in Tanzania. Also, in 2016, with support from the Japan International Cooperation Agency (JICA), Yamaha instigated a forest conservation project in collaboration with local NGOs, which is aimed at combining sustainable community forestry with planting activities in natural forests. Through these activities, Yamaha is working to create a business model that can achieve sustainable development in local communities as well as stable timber procurement.
In 1955, Yamaha's motorcycle division was split off from Yamaha (called Nippon Gakki Co., Ltd., at that time), thus giving birth to a new company. Although both companies are independent in terms of management, they share the goals of helping to enrich people's lives and contribute to the community and culture through sharing passion and performance with and offering new excitement to customers. To realize the missions of the Yamaha brand, the main business of Yamaha Corporation is sound and music and the principal business of Yamaha Motor is providing personal mobility. Each company is working to responsibly create shared value with its stakeholders.
Our History

The Yamaha Group is steadily expanding its business operations guided by its Corporate Philosophy which continues to be upheld to this day. Drawing upon the accumulated unique Yamaha qualities that Yamaha has cultivated in its 130-year history, Yamaha will continue to create products and services that contribute to the development of musical culture and the enrichment of society.

1887 Company founder Torakusu Yamaha repairs elementary school’s reed organ and successfully builds his first reed organ

1889 Establishes Yamaha Fukuin Seizoujo (currently Yamaha Corporation)

1897 Establishes Nippon Gakki Co., Ltd. (currently Yamaha Corporation)

1900 Begins production of upright pianos

1949 Lists on Tokyo Stock Exchange

1954 Establishes Yamaha Music School and holds pilot classes Produces its first audio product (HiFi player) Begins production of motorcycles

1955 Establishes Yamaha Motor Co., Ltd. (splits off motorcycle division)

1958 Establishes first overseas subsidiary, Yamaha de México S.A. in Mexico Begins production of sports equipment

1959 Begins production of electronic organs (Electone™)

1960 Establishes subsidiary in United States, Yamaha International Corporation (currently Yamaha Corporation of America)

1962 Begins recreation business

1965 Begins production of wind instruments

1966 Establishes Yamaha Music Foundation (becomes general incorporated foundation in 2011) Expands into Europe with founding of Yamaha Europa GmbH in former West Germany

1968 Issues shares at market price (the first such issuance in Japan)

1971 Begins production of semiconductors

1980 Establishes Yamaha Piano Technical Academy, a piano tuner training school

1987 Changes corporate name from Nippon Gakki Co., Ltd. to Yamaha Corporation to mark 100th year in business Opens Yamaha English-language school

1989 Establishes subsidiary in China, Tianjin Yamaha Electronic Musical Instruments, Inc., for manufacture and sale of digital musical instruments

2001 Establishes subsidiary in China, Yamaha Music & Electronics (China) Co., Ltd. Establishes Yamaha Music Holding Europe GmbH in Germany (currently Yamaha Music Europe GmbH)

2005 Acquires German audio software house Steinberg Media Technologies GmbH

2008 Acquires Austrian piano manufacturer L. Bösendorfer Klavierfabrik GmbH Acquires French loudspeaker manufacturer NEXO S.A.

2010 Completes integration of Japanese piano factories into Kakegawa plant

2012 Completes integration of Japanese wind instrument factories into Toyooka plant Celebrates 125th year in business

2014 Acquires U.S. musical instrument and audio equipment manufacturer Line 6, Inc. (currently Yamaha Guitar Group, Inc.) Acquires U.S. provider of wireless audio solutions Revolabs, Inc. (currently Yamaha Unified Communications, Inc.)

2018 Opens Yamaha Corporate Museum “Innovation Road”

Yamaha Philosophy

The Yamaha Philosophy expresses the philosophical framework of the Yamaha Group and consists of five elements: the Corporate Slogan, Corporate Philosophy, Customer Experience, Yamaha Way (mindset and manners), and Yamaha Quality (criteria for quality). We utilize the Yamaha Philosophy as a foundation, and try to think from the customer’s viewpoint, and consistently provide high quality products and services that exceed the expectations of our customers, and to create excitement and cultural inspiration together with people around the world.

Corporate Slogan
Sharing Passion & Performance

Corporate Philosophy
The Yamaha Philosophy defines the reason for Yamaha’s existence as a company and the goals that we seek to achieve through our work together.

Customer Experience
The Customer Experience exemplifies the meaning of “Sharing Passion & Performance” from the customer’s viewpoint. When customers experience, use, or own Yamaha products and services, they should experience a profound response that will stimulate both their emotions and senses.

Yamaha Quality
The Yamaha Quality is a set of criteria that supports Yamaha’s insistence on quality in products and services and our dedication to excellence in manufacturing. These criteria assist in making the Corporate Philosophy a reality.

Yamaha Way
The Yamaha Way explains the mindset that all employees of the Yamaha Group should adopt, and the manner in which they should act on a daily basis, in order to put the Corporate Philosophy into practice.

Corporate Data
(As of March 2018)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Yamaha Corporation</th>
<th>Number of Employees (Consolidated)</th>
<th>Number of Employees by Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td>10-1, Nakaawano-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan</td>
<td>20,228 (Excluding average number of temporary employees: 7,955)</td>
<td>Japan: 5,945, North America: 7,893, Europe: 1,086, China: 5,335, Others: 7,173</td>
</tr>
<tr>
<td>Year of Foundation</td>
<td>1887</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of Incorporation</td>
<td>October 12, 1887</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-in Capital</td>
<td>¥12,534 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>¥433.0 billion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Number of Subsidiary Companies | 63 (of which 59 are consolidated companies) |
| Number of Affiliated Companies | 6 |

Board of Directors and Executive Officers
(As of June 25, 2018)

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Executive Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Takuya Nakata</td>
</tr>
<tr>
<td>Director</td>
<td>Satoshi Yamahata</td>
</tr>
<tr>
<td>Director</td>
<td>Masahito Hiroi</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Shigeru Nokasa</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Maratoshii Itto</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Junya Nakoda</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Yoshimi Nakajima</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Taku Fujii</td>
</tr>
<tr>
<td>Outside Director</td>
<td>Yoshitomo Hidaka</td>
</tr>
</tbody>
</table>

| President and Representative Executive Officer | Takuya Nakata |
| Managing Executive Officer | Shihoru Kawaue |
| Managing Executive Officer | Satoshi Yamahata |
| Executive Officer | Shigeki Fujii |
| Executive Officer | Akira Iizuka |
| Executive Officer | Seichi Yamaguchi |
| Executive Officer | Takashi Dairakuno |