Yamaha is a signatory of the United Nations Global Compact. Cover photos: (top: left to right) Brass Jamboree 2016, Shibuya Zunchaka!; (bottom: left to right) Music Time Program (Malaysia), Music Time Program (Indonesia)

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CSR Report 2016
Digest Edition
Corporate Philosophy

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). Three of these, the Corporate Slogan, Corporate Philosophy and Customer Experience, describe the Yamaha Group’s reasons for existence, and represent the fundamental principles that form the foundation of the Yamaha Group. In order for Yamaha to achieve this ideal, the Yamaha Way and Yamaha Quality must be adopted and practiced by all employees, and drawn from for daily inspiration and guidance.

Corporate Slogan
Sharing Passion & Performance

The Corporate Slogan is a more concise statement of the Yamaha Philosophy.

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.

Promises to Stakeholders

The entire Yamaha Group shares promises to its stakeholders—customers, shareholders, the people who work with Yamaha, and society—working to improve the satisfaction of each stakeholder and making effective use of our management resources to achieve sustainable growth in order to maximize its corporate value.

Customer-Oriented and Quality-Conscious Management
Yamaha fully satisfies its customers by offering quality products and services that incorporate new and traditional technologies as well as refined creativity and artistry.

Transparent and Sound Management
Yamaha delivers proper returns to shareholders by ensuring solid business performance and achieves lasting development through transparent and sound management.

Valuing People
Yamaha strives to be an organization where each person’s individuality and creativity are respected and all can demonstrate their full potential through their work.

Harmony with Society
Yamaha is a good corporate citizen that contributes to the development of society, culture, and the economy by observing laws, demonstrating high ethical standards, and endeavoring to protect the environment.
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, seeking to contribute to the sustainable development of society and to further strengthen the bond of trust with its stakeholders through sound, transparent management methods, and corporate activities that balance social and environmental concerns.

1. By creating new values through products and services focused on social and environmental issues, Yamaha contributes to the sustainable development of society.
2. Through business development and social contributions based in each region of the globe, Yamaha contributes to the promotion and popularization of music, and to the development of communities.
3. By understanding the significance of protecting the natural environment and maintaining biodiversity, and by promoting the reduction of environmental burden through measures such as sustainable procurement of timber and lowering greenhouse gas emissions, Yamaha works to maintain a healthy global environment.
4. Yamaha observes laws, ordinances, and social norms, and moreover, conducts business in a fair and impartial manner throughout the entire value chain, including activities such as socially responsible procurement carried out in cooperation with business partners.
5. Yamaha endeavors to prevent abuses of human rights, responding appropriately to the effect of its business activities as well as to any attendant risks to human rights, with the goal of achieving a society that safeguards the dignity of all.
6. Yamaha works to create an atmosphere that holds in high regard the employee diversity that is a source of the new values created within the company, and which allows each person to fully demonstrate their sensibilities and creativity through training and use, without regard to race, nationality, gender, or age.

Yamaha strives to be an organization where all employees are respected and all can demonstrate their culture, and the economy by observing laws, demonstrating high ethical standards, contributing to the development of society, and endeavoring to protect the environment.

Formulated in February 2010 and revised in June 2016

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, labor, the environment, and anti-corruption. The top management of companies that become signatories to the Global Compact pledge their commitment and, within the scope of their enterprises, promise to work consistently to achieve the objectives espoused under the 10 principles. Since signing the Global Compact in June 2011, Yamaha has actively worked to cooperate with the Global Compact Network Japan in conducting subcommittees.

The 10 Principles of the United Nations Global Compact

**Human Rights**
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

**Labor**
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

**Environment**
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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CSR Report 2016 3
With the aim of “Becoming an Indispensable, Brilliantly Individual Company,” the Yamaha Group is continuing to work in partnership with society and contribute to sustainable social development.

Realizing Our Corporate Philosophy

The Yamaha Group is taking initiatives in its business activities to realize its corporate philosophy, which it has expressed as “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.” Under this philosophy, we support the development of culture by providing technologies, products, and services that people can use to create rich cultural experiences and spread inspiration and, thereby, fulfill the raison d’etre of the Yamaha Group. As a leading company in the fields of sound and music, we will always work to create new inspiration with the peoples of the world. To do this, our management activities must be transparent and meet the highest standards, and we believe we must continue to develop our businesses with a view to customer needs and social issues from a broader perspective.

In 2015, the Yamaha Group prepared its Corporate Governance Policies statement, which contains Yamaha’s basic corporate governance policies and helps prepare the way for sustainable growth and increasing Yamaha’s medium- to long-term corporate value. Also, in April 2016, we reformulated our corporate philosophy framework to make clear the value that we provide to customers and society through our products and services and reaffirm the values that the Group shares as a whole and how we put these values into practice. Based on these policies and its corporate philosophy, the Yamaha Group conducts sound and highly transparent management as well as activities that reflect our awareness of society and the natural environment. Thereby, Yamaha continues to endeavor to create excitement and cultural inspiration together with the peoples of the world.

New Medium-Term Management Plan Includes CSR Issues

Under its previous medium-term plan, “Yamaha Management Plan 2016 (YMP2016),” which covered the three-year period through March 31, 2016, Yamaha implemented its key strategies, including expanding sales of the electronics business domain and boosting cost-competitiveness. As a result of these initiatives, Yamaha attained all the targets of the plan for net sales, operating
With the aim of "Becoming an Indispensable, Brilliantly Individual Company," contribute to sustainable social development. The Yamaha Group is continuing to work in partnership with society and awareness of society and the natural environment. Thereby, transparent management as well as activities that reflect our philosophy, the Yamaha Group conducts sound and highly clear the value that we provide to customers and society.

Realizing Our Corporate Philosophy

In 2015, the Yamaha Group prepared its CSR Report 2016 and expressed as "With our unique expertise and sensibilities, employee can draw fully on their sensibilities and creativity. Also, as a result of our measures to encourage women to be active in business and other related initiatives, we are working to create a corporate culture where each and every employee can draw fully on their sensibilities and creativity.

Aiming at “Becoming an Indispensable, Brilliantly Individual Company”

In the medium- to long-term, Yamaha’s goal is “Becoming an Indispensable, Brilliantly Individual Company.” To realize this vision, it is important for us to continually offer new value to society, act responsibly as a global enterprise, and secure the trust of all our stakeholders. As a signatory to the United Nations Global Compact, Yamaha observes the Compact’s Ten Principles of corporate behavior. Yamaha is also aware of the global social and environmental issues indicated by the U.N.’s launching of the Sustainable Development Goals (SDGs) in September 2015 and is working toward solutions to these issues through its business activities.

The Yamaha Group will continue to work in partnership with society, and, through the pursuit of business activities that have their origins in sound and music, will endeavor to contribute to the sustainable development of society.

President and Representative Director
Yamaha Corporation

income, return on equity (ROE), and other key numerical performance indicators. In April 2016, Yamaha launched the new “NEXT STAGE 12” medium-term management plan, aimed at attaining the management vision for the medium- to long-term of “Becoming an Indispensable, Brilliantly Individual Company.” The basic strategy under the new plan will be to boost brand power through “Consolidating Competitive Superiority through Adding New Value and Differentiation.” To accomplish this, Yamaha is implementing initiatives to (1) develop products with distinctive individuality, (2) enhance customer interaction, (3) continually reduce costs, and (4) strengthen global business platforms. Our view is that in realizing these objectives, addressing CSR issues will be extremely important. Therefore, we have selected those CSR issues that we think we should strengthen, designated them as strategic CSR themes, and included them in our new medium-term plan. Looking ahead, the Group as a whole will undertake CSR initiatives focusing on these strategic CSR themes and endeavor to contribute to the sustained development of the Yamaha Group and the sustainability of society.

Addressing Strategic CSR Themes

In the new medium-term management plan, we have included three environmental initiatives: (1) use timber sustainably, (2) reduce greenhouse gas emissions, and (3) enhance development of environmentally friendly products and technologies. Sustainable procurement of timber is a high-priority issue for Yamaha because we use such materials, and we are, therefore, making more stringent confirmations related to traceability and compliance with legal provisions to be sure timber was not cut illegally. We are also expanding the volume of procurement of timber certified to be from properly managed forests. To reduce greenhouse gas emissions, we are preparing plans to expand the scope of emissions supervision to include our supply chains, shifting actively to renewable energy sources in view of the content of the COP21 agreement, and implementing other measures. To offer our customers easily understandable information on our environmentally friendly products, we actively implemented the Yamaha Eco-Products Program, an in-house verification system, starting in 2015, and we aim to promote the development of additional environmentally friendly products.

Initiatives we are undertaking actively from the perspective of society are (1) enhancing development of products and services that address issues facing society, (2) developing regional community-based businesses, (3) promoting diversity, (4) promoting socially responsible procurement, and (5) taking systematic initiatives for the respect of human rights. As one example of our products and services aimed at alleviating social issues, we can cite our Omotenashi Guide*, which is a sound-based universal support service. This guide has been given high marks in tests held in many public places.

Activities to put down deep roots in local communities around the world include our initiatives to promote music education in Malaysia and Indonesia. These activities provide opportunities for performing on instruments and also having the pleasure of performing for children in public elementary schools who may have never had the chance to play musical instruments. In addition, in Latin America, Yamaha supports the activities of orchestras to aid in promoting the healthy development of young people and is working to put into place the infrastructure needed for spreading music, including the provision of instrument repair technicians. Yamaha plans to continue these activities and expand them going forward.

Regarding the promotion of diversity, in view of the fact that about 70% of our sales are now made outside Japan, we are reaffirming that the diversity of our personnel will be the wellspring of value creation in the years to come. Accordingly, we are promoting the training and the assignment of personnel without regard for nationality. Also, as a result of our measures to encourage women to be active in business and other related initiatives, we are working to create a corporate culture where each and every employee can draw fully on their sensibilities and creativity.

*Hospitality guide
Corporate Profile (as of March 31, 2016)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Yamaha Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td>10-1, Nakazawa-cho, Naka-ku, Hamamatsu Shizuoka 430-8650, Japan</td>
</tr>
<tr>
<td>Year of Foundation</td>
<td>1887</td>
</tr>
<tr>
<td>Date of Incorporation</td>
<td>October 12, 1897</td>
</tr>
<tr>
<td>Representative</td>
<td>Takuya Nakata, President and Representative Director</td>
</tr>
</tbody>
</table>

Corporate Data

- **Paid-in Capital**: ¥28,534 million
- **Number of Employees (Consolidated)**: 20,348 (Excluding average number of temporary employees: 7,990)
- **Number of Subsidiary Companies**: 73 (of which 67 are consolidated companies)
- **Number of affiliated companies**: 6
- **Consolidated Financial Results**:
  - Annual Sales: ¥435,477 million
  - Operating Income: ¥40,700 million
  - Net income attributable to parent company shareholders: ¥32,600 million

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.

**Sales Ratio**

- **64.0%** (¥278,900 million)

Yamaha manufactures and sells sound source and imaging LSI for amusement equipment, vehicle installations and home electrical appliances, as well as semiconductor products like geomagnetic sensors for smartphones and other mobile devices.

**Others**

- Other than businesses for golf equipment, automobile interior components and factory automation (FA) equipment, Yamaha also operates three resort facilities as resort business.
Global Network (net sales and number of employees by region)

<table>
<thead>
<tr>
<th>Region</th>
<th>Net Sales (¥ million)</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>¥145,000</td>
<td>6,149</td>
</tr>
<tr>
<td>North America</td>
<td>¥88,200</td>
<td>774</td>
</tr>
<tr>
<td>Asia, Oceania, Other</td>
<td>¥120,000</td>
<td>12,360</td>
</tr>
<tr>
<td>Europe</td>
<td>¥82,200</td>
<td>1,065</td>
</tr>
</tbody>
</table>

Corporate Profile (as of March 31, 2016)

Audio Equipment
For professional-use and for consumers, Yamaha manufactures and sells items such as AV equipment, PA equipment, musical production equipment and software, online karaoke for commercial use, network equipment, and voice communication devices.

Electronic Devices
Yamaha manufactures and sells sound source and imaging LSI for amusement equipment, vehicle installations and home electrical appliances, as well as semiconductor products like geomagnetic sensors for smartphones and other mobile devices.

Others
Other than businesses for golf equipment, automobile interior components and factory automation (FA) equipment, Yamaha also operates three resort facilities as resort business.

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Number of Employees (Consolidated)
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Number of Subsidiary Companies
73 (of which 67 are consolidated companies)
Number of affiliated companies
6

Sales, services, etc. Production, development, etc.
Outline of New Medium-Term Management Plan

Yamaha Corporation has prepared and begun implementation of its new medium-term management plan, “NEXT STAGE 12,” which will cover the three-year period that began in April 2016. Yamaha’s management vision, which describes the desired future image of the company, is “becoming an indispensable, brilliantly individual company” in the medium-to-long term. Yamaha has positioned the coming three years under the new medium-term plan as a time for increasing brand power and showing stronger profitability as a result.

Under the plan, Yamaha’s basic strategy is to consolidate competitive superiority through adding new value and differentiation. To accomplish this, Yamaha will further deepen its connections with customers and regional companies, raise attractive quality, and always offer solutions with new added value; doing so with the aim of contributing to the realization of a sustainable society.

Yamaha has set an operating income ratio of 12% as a management goal in the final year of the plan, and will work on the following three objectives.

**Management Objectives to Achieve by End of March 2019**

*Operating Income Ratio 12%*

- Further raise profitability of musical instrument business
- Expand audio equipment business to rival musical instrument business in the future
- Establish platform for industrial machinery and components business as third key domain following musical instruments and audio equipment

Positioning of New Medium-Term Management Plan

Four Key Strategies

1. **Develop products with distinctive individuality**
   Through fusing Yamaha’s technologies, which range widely from materials and analytical technologies to sound sources, signal processing, networks, and evaluating human sensitivities, Yamaha is positioned to deliver unique value that is added to excellent basic functions and develop products that others cannot imitate.

2. **Enhance customer interaction**
   By offering customers optimal services and solutions, Yamaha is fostering stronger and broader ties with its customers. To realize this, Yamaha is working to speed up the expansion of its sales network for consumer products and the promotion of music popularization activities suited to local needs, while enhancing corporate and business-to-business service systems and locations.

3. **Continually reduce costs**
   Yamaha continues to reduce manufacturing costs (through reorganizing production processes, reducing purchasing costs, introducing new production methods and other means) and improve the productivity of indirect operations.

4. **Strengthen global business platforms**
   Yamaha is facilitating international careers by assigning personnel to positions that are the most suited to them and promoting further career development.

   In addition, Yamaha is working to globally optimize its IT, logistics, finance, and administrative functions to strengthen its global business platforms and promote enhanced operational efficiency.
Yamaha Corporation has prepared and begun implementation of its new medium-term management plan, “NEXT STAGE 12.” Through business activities based on business strategies, and give due consideration to the environment and society in its business processes, Yamaha is strengthening its corporate governance and internal control systems to ensure sound, transparent management that provides a foundation for promoting initiatives.

### Management Objectives to Achieve by End of March 2019

- Expand audio equipment business to rival musical instrument business
- Further raise profitability of musical instrument business
- Develop new business as third key domain following musical instruments and audio equipment businesses in the future

### Four Key Strategies

- Strengthen global business platforms
- Enhance customer interaction
- Continue to improve organizational structures and mechanisms to maintain and advance transparent, high-quality management
- Develop related technologies for lowering greenhouse gas emissions (thermoelectric devices, hydrogen sensors, etc.)

### CSR Report 2016

**E (Environment)**

**Promote activities for creating a sustainable society by reducing environmental impact.**

<table>
<thead>
<tr>
<th>1</th>
<th>Reduce environmental impact in business processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sustainable use of timber (stringent verification of traceability and lawfulness/expanded use of certified timber/forest preservation activities)</td>
<td></td>
</tr>
<tr>
<td>• Lowering of greenhouse gas emissions (emission management that expands the scope of emissions throughout the entire supply chain/formulation of emission reduction plan including shift to renewable energy based on provisions of COP21 agreement, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Enhance development of environmentally friendly products and technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Develop environmentally friendly materials (develop alternative materials for rare wood, etc.)</td>
<td></td>
</tr>
<tr>
<td>• Encourage Yamaha Eco-Products Program*</td>
<td></td>
</tr>
<tr>
<td>*Program to promote environmentally friendly products certified in accordance with original Yamaha standards</td>
<td></td>
</tr>
<tr>
<td>• Develop related technologies for lowering greenhouse gas emissions (thermoelectric devices, hydrogen sensors, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

**S (Social)**

**Promote activities for creating a sustainable society through responding to social issues, enhancing employment policies, etc.**

<table>
<thead>
<tr>
<th>1</th>
<th>Enhance development of products and services with a focus on social issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Apply sound-related knowledge and technology, and introduce more universal design products. (Launch of Omotenashi Guide (sound-based universal support service)/Application of wearable sensors in the healthcare field, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Development of regional community-based business (Music popularization activities, cultural promotions, and corporate citizenship activities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Resolve social issues through music and contribute to community development (Support for community revitalization through the Oto-machi project/Cooperation and support for music education support projects in Central and South America/Development of musical education programs in public elementary schools, mainly in the ASEAN region, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Promoting diversity, socially responsible procurement and implementing systematic initiatives for respecting human rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Carry out activities in line with the United Nations Global Compact (Expand support systems for working parents, and those who work and take care of elderly relatives/Verify compliance with the Yamaha Supplier CSR Code of Conduct and request corrective action when necessary, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

### G (Governance)

**Continue to improve organizational structures and mechanisms to maintain and advance transparent, high-quality management**

<table>
<thead>
<tr>
<th>1</th>
<th>Corporate Governance Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ensure highly effective operation of the Board of Directors and swift implementation of decisions by separating corporate oversight from execution and strengthening supervisory functions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Initiatives for Strengthening Internal Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Receive higher evaluations from external specialists for Yamaha’s internal auditing systems and methods.</td>
<td></td>
</tr>
<tr>
<td>• Improve Yamaha Group corporate governance, including overseas Group companies, as a result of further improvements in the quality of internal control systems.</td>
<td></td>
</tr>
<tr>
<td>• In addition to an existing corporate culture with a strong sense of ethics, improve ability to manage risk by introducing a more advanced risk management structure</td>
<td></td>
</tr>
</tbody>
</table>

For details of the new medium-term management plan, visit “Investor Relations”

CSR Management Applying ISO 26000

The Yamaha Group continues to engage in a variety of CSR issues by offering products and services and engaging in business processes and corporate activities in regional societies.

In promoting CSR initiatives, it is important to respond as well as possible to the needs and expectations of society in addition to the issues on which the Yamaha Group itself focuses. Based on this recognition, as of fiscal 2014, Yamaha has been applying ISO 26000 Guidance on Social Responsibility to inspect the status of CSR activities in the Yamaha Group. In fiscal 2015, we organized activities in accordance with the core subjects of ISO 26000. Based on the goal of influencing stakeholders, we set forth the “CSR Promotion Plan,” which includes prioritized themes and items for future initiatives of the Yamaha Group.

Sustainable social development
Continuous growth of Yamaha

Strategic CSR Themes

CSR Initiative System

CSR Policy

Feedback

Stakeholders

Maximize positive impact
Minimize negative impact

Yamaha Philosophy

Basic CSR in business activities

Management foundation

Corporate governance, internal control, compliance, risk management, etc.

ISO 26000 Core Subjects

Community involvement and development
Fair operating practices
Consumer issues
Organizational governance
The environment

Human rights
Strategic CSR Themes

- Development of products and services with a focus on social issues
  (universal design, environmentally friendly products, application of sound technologies, etc.)
- Development of regional community-based business and social contribution activities
  (resolution of regional issues through music, contribution to the development of regional communities, etc.)
- Lowering of greenhouse gas emissions
  (emission management that expands the scope of emissions throughout the entire supply chain, etc.)
- Sustainable procurement of timber
  (stringent verification of traceability and lawfulness, expanded use of certified timber, etc.)
- Socially responsible procurement
  (by confirming adherence to the Yamaha Supplier CSR Code of Conduct and making requests for improvements when necessary, etc.)
- Systematic initiatives for the respect of human rights
  (evaluating the influence of our business activities on human rights, etc.)
- Promotion of diversity and human resources development
  (promotion of the active role of female workers, cultivation of global human resources, etc.)

Strategic CSR Theme Selection Process

1. Inspect previous initiatives for the core subjects of ISO 26000 (fiscal 2014)
2. Organize activities in line with the core subjects of ISO 26000 (fiscal 2015)
3. Check progress in accordance with CSR Promotion Plan
4. Understand items requested regarding sustainability (our customers, local communities, NPOs and NGOs, employees, SRI research organizations, and others)
5. Extract priority issues after listening to experts outside of the company (fiscal 2016)
6. Based on medium- and long-term management strategies that focus on management vision, the themes were discussed among executive management and "The Strategic CSR Themes" were formulated to strengthen promotion
7. Reflect the contents of The Strategic CSR Themes in the CSR Policy (fiscal 2017)

Relationship between the Strategic CSR Themes and Core Subjects of ISO 26000
One of the problems that music education in the public schools of the world faces is a lack of sufficient facilities and teachers. Depending on what part of the world, there are even some places where enhancing the music education curriculum is not considered important. Additionally, reducing the time allotted for teaching music and lowering the cost of lessons can still result in a situation where many children do not have an opportunity to play a musical instrument.

On the other hand, in countries in Asia, for example, there is a tendency to develop the arts in association with economic growth. There is an interest in cultivating aesthetic sensitivity together with improving the standards of living, and the desire to provide a higher quality of music education to children is rising. The Yamaha Group is responding to this through the activities of Yamaha Music School; but in reality, many of the students are members of wealthier families.

An enhanced music education widens the possibilities of a child’s development. Therefore, based on our desire for children to cultivate sensitivity and creativity, and to experience the joy and greatness of music by playing a Yamaha's Music Time program offers musical instruments, textbooks and training program to public elementary schools in order to promote and create an environment in which instrumental music education can take place.

An enhanced music education during childhood can help to develop a child’s sensitivity and creativity, as well as contribute to acquiring a sense of cooperation through group learning in the classroom.

Yamaha’s desire is for many children who are not fortunate enough to have an opportunity to play a musical instrument to do just that; giving them the chance to experience the joy and greatness of playing music. To support that growth, Yamaha proposes original solutions that create opportunities for musical instrument performances in various regions of the world.
One of the problems that music education in the public schools of the world faces is a lack of sufficient facilities and teachers. Depending on what part of the world, there are even some places where enhancing the music education curriculum is not considered important. Additionally, reducing the time allotted for teaching music and lowering the cost of lessons can still result in a situation where many children do not have an opportunity to play a musical instrument.

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An enhanced music education widens the possibilities of a child’s development. Therefore, based on our desire for children to cultivate sensitivity and creativity, and to experience the joy and greatness of music by playing a musical instrument, we created the Music Time program; an initiative that provides music lessons within a school curriculum. Yamaha began developing this program in Asian countries during 2015. Music Time is a new initiative that makes use of instruction know-how in music education that Yamaha has been developing over the years.

Yamaha’s Approach
Providing Music Time Music Lesson Infrastructure

Yamaha’s Music Time program offers musical instruments, textbooks and training program to public elementary schools in order to promote and create an environment in which instrumental music education can take place.

Original materials are created for the Music Time program, and we also offer a training program for those who want to become instructors. In addition, local subsidiaries and sales agents of the Yamaha Group cooperate together to provide instruments, such as portable keyboards and guitars, to elementary schools. At these schools, instructors who have completed Yamaha’s training program teach lessons using Music Time materials and instruments. The Music Time program is a supplementary activity in addition to the existing music curriculum provided.

As of March 2016, 52 schools in Malaysia and 90 schools in Indonesia have participated in the Music Time program. In Indonesia, elementary school teachers train to become Music Time instructors, and subsequently, their schools manage the program by themselves.
Music Time is gathering attention as it raises children’s motivation and contributes to developing a sense of cooperation and responsibility when students play together, such as in ensembles.

As more people enjoy and perform music, a ripple effect can be expected in Yamaha Music School in each region. Yamaha plans to expand the Music Time program in Russia, Vietnam and the Philippines. Plans are to promote the business targeting five countries, 1,000 schools and over 100,000 students in the next three years. Yamaha will also continue to develop programs that match the conditions of each country, appealing to the country’s Ministry of Education, and the schools, the importance of music education in elementary schools.

This program supports various learning processes for Students.

Truly enjoying the lessons, students practice on their own to develop their skills. This program fosters children’s discipline and self-confidence, giving them a sense of fulfillment as they practice and strive to achieve, as well as develop their creativity. Their attitude towards learning is improved and there has been a good impact seen in terms of learning in other classes.

Aiming to expand Music Time globally.

Seeing the joy in children’s faces as they enjoy the lessons is my greatest motivation for promoting Music Time. Our desire is to expand the use of Music Time globally, and enable more children to experience the joy of music and play musical instruments.
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We’re expanding activities by making proposals to the Education Board. The program was carefully implemented in a way that explains the importance of music education and how to teach the contents while ensuring not too much burden is placed on teachers who have no music background. In the future, I will make a proposal to the Education Board to include music education curriculum at the primary school level as well. Teachers can learn new technologies while nurturing children’s talents. With the Music Time program, the ability for children to play musical instruments fosters a child’s talents and skills, which leads to further increasing his/her knowledge. I’m very happy too, in that I myself get to learn new technologies, such as using a portable keyboard, and teaching children and my teacher colleagues how to use them as well.

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Supporting Youth Development in Central and South America

Providing the Power of Music to Young People to Prevent Juvenile Crimes and Delinquency

In many countries in Central and South America, crime and poverty as well as social inequality are serious social problems. In order to enable the children in such environments to grow up with a healthy spirit instead of leaning towards crime, delinquency or violence, music education activities are provided free of charge as a country policy, including forming regional youth orchestras and band groups. Yamaha contributes to these activities by promoting a project to support the healthy development of youth through the power of music.

Review

Youth Development through Orchestras and Bands

It is estimated that there are approximately 500,000 students who belong to youth orchestras or bands in Central and South America*. Promoting these activities, the market for wind, string and percussion instruments expanded rapidly in those regions. Consequently, many manufacturers from all over the world participate in this market, which enables many users to choose from a wide range of products and play. At the same time, however, some problems have been created by the lack of maintenance for all those instruments. A further problem has been the lack of technicians to repair damaged instruments.

For the purpose of solving such problems, Yamaha cooperated with local subsidiary companies in Latin America and started a new project in fiscal 2015.

* Estimated by Yamaha. Calculated based on various data and information from Group companies outside of Japan and other organizations.
Yamaha’s Approach

Create an Environment to Provide an Opportunity for Music Performances over an Extended Period of Time

For the regions in Central and South America, the Yamaha Group aims to create an environment in which many people can learn the skills required for maintaining and repairing musical instruments.

In order to enjoy performing over a long period of time, the daily maintenance of musical instruments is necessary. Additionally, technicians who are able to repair damaged instruments are needed. Yamaha holds maintenance workshops in those regions and is working to build a structure and network for training technicians.

For many years, Yamaha’s local subsidiary companies have been providing support to youth orchestras and band groups as part of their community support activities. Using the partnership that has been created during that time, the Yamaha Group intends to put forward educational solutions such as holding training seminars.

By taking care of their own instruments, children will raise their awareness of the importance of the instrument, as well as the importance of maintaining it. In addition, the techniques used in repairing instruments are great skills to have for those who search for employment in areas where there is a large population of music performers.

With this perspective, the Yamaha Group contributes to further development of music education and culture, and to solving social issues in countries in Central and South America, by providing technologies for, and knowledge of musical instruments to many people.
Holding Maintenance Workshops

Yamaha holds workshops for the instructors of youth orchestras and band groups where the staff members of the local subsidiary companies and sales agencies explain instrument maintenance methods according to guidebooks created by Yamaha. Subsequently, the instructors teach those methods to the children, who then learn how to maintain their own instruments. Over time, the children become accustomed to looking after their instruments in order to keep them in good working condition.

Building a Structure and Network to Train Technicians

All companies under the Yamaha Group cooperate together to build a foundation for the purpose of continuously training technicians to repair instruments.

Yamaha prepares the training program and manuals, and shares the contents with the technicians of the local subsidiary companies through seminars and forums. A technician of each company expands training activities in their region, where local people get the training and approval to be technicians. In fiscal 2015, Yamaha started activities with Yamaha de México (YDM), Yamaha Musical do Brasil (YMDB), and Yamaha Music Latin America (YMLA).

Based on this structure, we plan to train people in countries in Central and South America to become Yamaha-certified technicians, highly skilled and able to repair all wind, string and percussion instruments.

Maintenance Workshops

Yamaha local subsidiary companies and sales agencies

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Technician Training Structure

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Comment

Training technicians to support the music culture.

In Central and South America, there is a shortage in the number of technicians who are sufficiently skilled compared to the number of musicians. Moreover, many children are forced to use musical instruments in bad condition due to improper maintenance.

When I belonged to Yamaha Music Europe, I worked with some staff members of the local subsidiary companies and sales agencies in Central and South America. Together, we used to instruct their local repair technicians. I think the level of their skills, having completed the Yamaha Groups’ training, definitely improved. I would like to keep telling the technicians that these activities are great for not only them, but also the musicians and children of Central and South America. These activities will help improve situations for the musicians and the condition of children’s instruments. I would be happy if my experiences as a technician and an instructor, combined with Yamaha’s long-term commitment to technology, would help increase the level of music culture in Central and South America.

Emilio Martinez
Technical Adviser
Yamaha Music Europe GmbH (former employee)
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Technician Training Structure

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Yamaha prepares the training program and manuals,

Candidates

Exchange information

Seminar

Hold

Participation

Maintenance workshops

Instructors teach maintenance methods to children

Musical do Brasil (YMDB), and Yamaha Music Latin

Yamaha holds workshops for the instructors of youth

Holding Maintenance Workshops

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infrastructure that covers all regions of Central and South

All companies under the Yamaha Group cooperate together to provide training programs, and by establishing the programs, we aim to build an education infrastructure that covers all regions of Central and South America.

Next Step

Building a New Education Infrastructure

Local subsidiary companies based in Central and South America corresponded immediately to each country’s policies, and each company has been supporting the music culture in those countries. Such activities help advance the sound development of youth and the skills needed to find employment.

Activities Supported by Local Subsidiary Companies

Colombia

“Cauca Wind Orchestra (OCV)” (YMLA)

YMLA established the Cauca Wind Orchestra (OCV) in cooperation with a foundation (Polifonia Foundation) and an agency in Colombia (Incolmotos S.A.), and supports its activities. Cauca, Colombia is an unsettled region known for cocaine smuggling and frequent bombings and kidnappings. The aim of OCV’s activities is to change the lives and hearts of children through music.

Venezuela

“El Sistema” (YMLA)

YMLA has been supporting El Sistema, a music education project promoted by the Venezuelan government, for over 15 years. El Sistema is a delinquency prevention and poverty eradication system to stabilize society by promoting music activities for children and securing jobs for them in the future. YMLA provides musical instruments to this project, and also dispatch band instrument experts from Japan and Europe and hold seminars.

Brazil

“Sopro Novo” (YMDB)

YMDB formed the volunteer organization Sopro Novo in 2005, and it is holding seminars all over the country to train music teachers and popularize recorder music. In Brazil, since 2012, music content is mandatory in public schools, but not as a discipline. This means that there is no regular music education in the country and the Sopro novo activity is a precious opportunity to offer many people, from children to adults, their first music learning experience.
In recent years, the number of foreign tourists coming to Japan (inbound tourism) has been growing, and the further increase of those numbers is being promoted. With that being said, it has become increasingly difficult to effectively transmit Japanese announcements in multiple languages for those who come to Japan from a variety of countries. Yamaha developed the Omotenashi Guide—a system supporting the universal design of sound.

Yamaha is proposing the Omotenashi Guide as a solution to making it possible to receive translations of Japanese announcements in written format.
With the 2020 Summer Olympics and Paralympics being held in Tokyo, Japan is attracting attention from all over the world. The Japanese government announced that it would establish a tourism-dependent country by setting a new target for the number of inbound tourists by 2020. The government’s aim is to double the target set previously within the next four years.

What will be required to consider then is a way to provide multilingual services at a variety of facilities where tourists visit. Until recently, pre-translated announcements or displays of subtitles had been the main way to help overseas tourists. However, because of time and space constraints, such ways would limit the amount of information provided and cause confusion when translations in many languages are displayed together.

Consequently, Yamaha developed the Omotenashi Guide to help resolve these problems and is taking the initiative in creating a universal design for sound that will allow verbal information to be easily conveyed to as many people as possible.

Yamaha’s Approach

Omotenashi Guide – Multilingual Guide Services to Display Audio Announcements in Foreign Languages on Mobile Devices

With the Omotenashi Guide, people at places where the service is available can receive text translations of Japanese announcements and narrations in their native language after downloading and installing the application on their smartphone or tablet. People who do not understand Japanese, who are elderly, and/or have a hearing disability are able to read the information of Japanese announcements and narrations.

In addition, one of the main characteristics of this service is that it works at a variety of facilities using just one application, the Omotenashi Guide. This enables facilities to continue using exiting speakers or announcement devices, and therefore there is no extra cost for them to provide the service.

In September 2015, the Omotenashi Guide system was presented the Innovative Technologies 2015 Award from the Ministry of Economy, Trade and Industry.

Japanese Government’s Target for Inbound Tourism

- 2012: 836 thousand people
- 2015: 1,974 thousand people
- 2020: Target: 4,000 thousand people
- 2030: 6,000 thousand people


Omotenashi Guide System

- Collaborating facilities
- Japanese announcements are automatically translated into multiple languages.
- Available for automated Japanese announcements
- Available for verbal Japanese announcements
- After downloading and installing the application, users receive a written format of Japanese announcements translated into their native language.
I anticipate mutual development with further popularization. In order to take maximum advantage of the Omotenashi Guide, it is necessary to have as many facilities as possible install the system. Yamaha has created the “Sound UD Project” for the purpose of popularizing the system in cooperation with businesses and authorities.

Since May 2015, aiming to implement the Omotenashi Guide, Yamaha has been conducting demonstration experiments at businesses, public facilities, and tourist facilities that have inbound tourism promotion and barrier-free initiatives. At each facility in different locations, we have so far received great feedback from foreign tourists after using the Omotenashi Guide. Additionally, it was used as an official application in the Japan Pavilion* at Expo Milan 2015.

Yamaha will continue researching how to provide a better-quality system while carrying out further demonstration experiments and tests. Moreover, in cooperation with ministries and authorities of Japan, we will aim to spread the system as an infrastructure that can be used anywhere and by anyone before the Tokyo Summer Olympics and Paralympics in 2020.

Convenient

62.69%

Will go without the service, but better with the service

34.72%

Does not make a difference

2.59%

Answered: 387 people

As the number of visitors from overseas increases, there is a need for the country to take the initiative to be more universal. For example, signs at airports should be multilingual and meals such as Halal food ought to be prepared especially for the 2020 Summer Olympics and Paralympics in Tokyo.

The best advantage of the Omotenashi Guide is the convenience of obtaining a multilingual service on your smartphone without requiring facilities to do anything. It is excellent that the system has a great possibility to be developed mutually at different places such as airports, on trains, and in stations and shopping malls, all of which many foreign tourists visit. I would like this application to be popularized further and used in many more places, with the ability to be used for a variety of announcements.

*Secretary Ministry: Ministry of Agriculture, Forestry and Fisheries/Ministry of Economy, Trade and Industry/Deputy Secretary Ministry: Ministry of Land, Infrastructure and Transport
Participation: Japan External Trade Organization; JETRO

Hidehisa Matsumoto
Senior Manager
IT Planning
IT Development and Planning Department
Corporate Planning Division
Narita International Airport Corporation

Next Step

Verification Tests for Implementing Universal Design of Sound

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Hidehisa Matsumoto
Senior Manager
IT Planning
IT Development and Planning Department
Corporate Planning Division
Narita International Airport Corporation
Organizational Governance

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 risk assessment, and appropriately disclosing information.

Corporate Governance System

With the General Shareholders’ Meeting as its highest decision-making body, Yamaha Corporation has built a corporate governance system centered on the supervision of management’s execution of duties by the Board of Directors, and audits by the corporate auditors. Furthermore, in addition to the Corporate Directors Personnel Committee, which is an advisory body to the Board of Directors, Yamaha has also established a Management Council, a Risk Management Committee, and Corporate committees as advisory bodies to the President and Representative Director. At the same time, Yamaha is seeking to reinforce the governance function by developing its internal audit system. Audits by highly independent outside auditors coupled with audits of daily operational tasks by full-time auditors make for a fair and equitable audit system, and help to raise the effectiveness of governance.

Corporate Governance Structure (As of June 23, 2016)

Establishment of Corporate Governance Policies

In order to achieve sustainable growth and improve medium- to long-term corporate value, the Yamaha Group created Corporate Governance Policies in November 2015. The policies respect the Corporate Governance Code formulated by the Tokyo Stock Exchange and comprehensively expresses the Group’s governance policy. The policies can be downloaded from Yamaha Corporation’s website.

Corporate Governance Policies

Yamaha Corporation carries out timely and proactive disclosure of information in line with its Disclosure Policy.
Business Continuity Plan (BCP)

Based on the basic policy for risk management, Yamaha Corporation established a Risk Management Committee as an advisory body to the President. This committee deliberates on matters related to risk management from a companywide standpoint and reports its findings to the President and Representative Director. Working groups have been established under the Risk Management Committee to deal with important matters that are difficult for individual business divisions and administrative divisions to cover during the execution of their basic day-to-day duties, and implement risk management activities.

As part of this, the Yamaha Group has formulated and promotes a Business Continuity Plan (BCP) to respond in the event of a large-scale natural disaster. In fiscal 2016, we rebuilt our system to deal with crisis situations and established response processes. We also rebuilt our emergency contact system to enable the swift collection of information and decision-making if such an event occurred.

The Yamaha Group has been conducting BCP training assuming an emergency situation since fiscal 2011. In fiscal 2016, we conducted a business infrastructure recovery drill in order to confirm the effectiveness of our infrastructure recovery BCP, and revised our BCP procedure manual to solve issues identified at that time.

Proactive IR Activities

Yamaha Corporation carries out timely and proactive disclosure of information in line with its Disclosure Policy.

In addition to holding quarterly results briefings for stock analysts and institutional investors, Yamaha occasionally conducts conferences and briefings on its management policies and individual business segments as well as factory and facility tours. In fiscal 2016, Yamaha hosted a briefing session for musical instruments and audio equipment businesses at Yamaha Ginza Studio.

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 that encompasses explanations of the Company’s management plans as well as the status of its businesses.

For private investors, and as a part of the effort to expand its shareholder base, Yamaha began conducting explanatory meetings and briefings for private investors in regional cities in Japan in fiscal 2011. In fiscal 2016, meetings were held at three venues: Tokyo in November 2015, and Nagoya and Gifu in March 2016.

A more detailed report on a wider range of topics is given on the Yamaha website.

Annual Activities Report

Human Rights and Labor Practices

Yamaha clearly conveys its stance towards respect for human rights in its Compliance Code of Conduct and adheres to the principles of the UN Global Compact in the areas of human rights and labor.

While respecting the diversity of our human resources, we endeavor to create a workplace environment that enables employees to leverage their senses and creativity.

**Strategic CSR Themes**

- Systematic initiatives for the respect of human rights (evaluating the influence of our business activities on human rights, etc.)
- Promotion of diversity and human resources development (promotion of the active role of female workers, cultivation of global human resources, etc.)

**Development of Global Personnel**

The Yamaha Group seeks to maximize its human resources by assigning the right person to the right task and department regardless of race, nationality, gender, age or other factors; doing so to raise the individual’s motivation and drive. In order to respond to the globalization of society and diversification of values and lifestyles in recent years, by promoting autonomous business activities firmly rooted in each region, the Yamaha Group appoints local personnel from each base to important posts within the group and exerts efforts to develop personnel who can play a strong role at the global level.

In October 2015, Yamaha’s HR Department established the Global Human Resources Development Section, which aims to develop personnel capable of engaging in business at the global level. The aim of this new section is to accomplish the following four missions.

**Missions of the Global Human Resources Development Section**

1) Appraise core global personnel
   Assign personnel to the best position for them while disregarding the boundaries of country of origin and originating company

2) Grade
   Promote the transfer of personnel between local affiliates as an indication of activities common to group companies

3) Evaluate/Treatment
   Acquire and retain a balance of outstanding personnel within the Group

4) Train/Succession plan
   Prepare a plan for developing successors

The Yamaha Group aims to create an optimal production system throughout the entire group by clarifying the roles and functions of each of its bases in Japan and overseas and focusing on developing human resources that support manufacturing. In fiscal 2015, global manufacturing management training, a program for local human resource development, was newly established at overseas manufacturing subsidiaries, and the first round was held from November 2014 to August 2015. The second round began in May 2016 after changing the name of the activity to SSI-World in accordance with the replenishment and reorganization of manufacturing management personnel development systems.
Promoting a Better Work-Life Balance

The Yamaha Group has continued to actively seek labor—management cooperation 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.

It is endeavoring to reduce working hours and implement and improve work-family support systems for the variety of circumstances encountered by individual employees. From 2012, Work-Life Balance Action Plans were developed for each department to achieve more efficient work-styles.

In order to disseminate an abundance of information on these initiatives, Yamaha has been running an Intranet website relating to diversity and work-life balance since fiscal 2008. By serving as a forum through which information can be distributed and shared, the site provides support for all types of employees to enhance their working and private lives, allowing them to work in an active and lively manner.

Assisting Women’s Careers

The Yamaha Group promotes diversity management using the common activity policy of leveraging the diversity of employees to increase corporate competitiveness, and has introduced an action plan to promote diversity management at all Yamaha Group companies in Japan for the three-year period from fiscal 2017−2019.

Yamaha Corporation has continued to promote women’s career development since 2004. In March 2016 Yamaha pressed forward with promoting women in the workplace by formulating an action plan based on the Act to Promote Women in the Workplace and made efforts to raise awareness of this within the company and externally.

A Study Group on Employing People with Disabilities

Yamaha Corporation established a special subsidiary* in 1989, Yamaha Ai Works Co., Ltd. (YAW), to promote the employment of people with disabilities as well as the development of comfortable working conditions. As of March 1, 2016, 87 people with disabilities were employed at Yamaha Corporation, of which 43 were employed at Yamaha Ai Works.

In fiscal 2016, the Yamaha Ai Works hosted a study group on December 3 to coincide with International Day of People with Disabilities. Spanning two days beginning December 3, 2015, the event gave Group employees an opportunity to take a tour of the company’s office, participate in a study group on employment of people with disabilities and take part in a selling session attended by the welfare office. During the study group, a representative from Yamaha Ai Works provided an explanation regarding the various laws concerning employment of people with disabilities and related Yamaha Group initiatives, touched upon the Act for Eliminating Discrimination against Persons with Disabilities enforced in April 2016 and discussed how to eliminate discrimination together with the participating employees.

Work Safety and Health

In 2009, the Yamaha Group created the Group Health and Safety Management Policies and aims to enhance the level of health and safety through ongoing companywide initiatives.

However, as early as 1977, Yamaha Corporation had begun gradually establishing rules relating to people and their surroundings, such as employees’ attitudes towards health and safety, basic codes of conduct and equipment safety standards. These have been compiled into handbooks, portable cards, etc. and distributed to employees. With the aim of polishing these rules further and standardizing them throughout the entire Yamaha Group, we conducted a large-scale review in fiscal 2016. We are compiling new rules in multiple languages and promoting awareness and implementation.

A more detailed report on a wider range of topics is given on the Yamaha website.  
Annual Activities Report

The Environment

The Yamaha Group operates the Yamaha Environment Management System based on the Yamaha Group Environmental Policy. This involves first assessing the impact of our business activities on the environment and then endeavoring to reduce the environmental load of these, along with that of our products and services, and developing technologies that contribute to the environment.

Establishment of the Yamaha Eco-Products Program

In order to create a sustainable society, the Yamaha Group promotes the manufacture of environmentally friendly products based on the Yamaha Group Environmental Policy.

The Yamaha Eco-Products Program was launched in 2015 as a means of promoting this initiative and is aimed at certifying environmentally friendly products consistent with our independently established standards.

A Yamaha Eco-Label is affixed to those products meeting our environmental standards, thus certifying them as Yamaha Eco-Products. Our objective is to provide straightforward information on our environmental efforts and support our customers in the decision-making process when selecting a product.

For details on the program, please see: https://www.yamaha.com/en/csrs/guideline-eco-products/

Yamaha Certification Standards

Must achieve at least one of the following:

- Remarkable improvement*1 in environmental performance*2 compared to the base year*3 ratio or benchmark value*4 ratio
- Specifications reflect industry-leading (quantitative) environmental performance for the same type of product.
- Specifications reflect excellent (qualitative) environmental performance not generally found in the same type of product in the industry.
- Product has received third-party certification or an award for eco-design.

*1 An improvement effect of 20% or more can be confirmed.
*2 Environmental efficiency (product performance/environmental load) is acceptable
*3 Retroactive within five years of application date
*4 Basically, each type of standard value, guideline value and self-standard value, etc.

Examples of certified products

- MA2030/PA2030
  Grounds for certification: Energy-saving, compact and lightweight
  (Photo: MA2030)

- MA2120/PA2120
  Grounds for certification: Energy-saving (conforms with ENERGY STAR)
  (Photo: MA2120)

Feedback from a Yamaha Representative

We are accelerating the development of Eco-Products and the dissemination of their information.

Yamaha has engaged in initiatives such as improving the energy-saving and resource-saving performance of products, switching to low environmental-load materials and developing substitute materials for rare timber. By clarifying environmentally friendly criteria and goals within the Yamaha Eco-Products Program, we have strengthened our efforts to promote eco-conscious activities even further. In addition to sharing such information on our website, we also affix a Yamaha Eco-Products label to certified products to keep our customers informed.

Moreover, internally the Eco Design Working Group plays a central role in raising awareness of the program, streamlining the certification process and other related activities.

Shigeki Kataoka
Quality Planning Group
Quality Assurance Division
Yamaha Corporation
Investigating the Sustainable Use of Timber Resources

As stipulated in the Yamaha Timber Procurement and Usage Guidelines, Yamaha promotes responsible timber procurement and has incorporated policies including sustainable timber procurement in the Yamaha Supplier CSR Code of Conduct. In accordance with these documents, we investigate the timber to be procured and place emphasis on more stringent verification through traceability and adherence to laws.

In fiscal 2016, Yamaha conducted an investigation to confirm the amount of African Blackwood (*Dalbergia melanoxylon*, commonly known as granadilla), a rare wood used in woodwind instruments such as the clarinet, as well as the status of forestry management by actually visiting the United Republic of Tanzania, where the timber is procured. As part of a program run by the Forestry Agency, Yamaha was able to visit and investigate an FSC-certified forest run by the community, experimental plantations, companies that process and distribute the wood, etc. Based on its investigations, Yamaha is exploring the feasibility of a business model that supports local sustainable forestry management and the sustainable use of African Blackwood.

* FSC-certified forests are believed to be guaranteed as having sustainable forestry management as certification is received after auditing by a third-party organization.

Initiatives to Reduce CO2 in the Entire Value Chain

As part of its measures to counter global warming, the Yamaha Group has worked to reduce its greenhouse gas emissions through the use of optimal production methods and equipment configuration, improvements to how air conditioning equipment is operated, installation of equipment with high energy efficiency, and extensive energy management, including adjustments to facility operating hours and thermostat settings. The Group has also introduced cogeneration systems and converted to more environmentally friendly fuel sources.

We focus our strengths on creating designs specifically tailored to the characteristics of a product in order to minimize energy consumption at each phase, including material procurement, product usage and disposal. We also take part in other initiatives that consider the overall value chain, including saving energy during distribution.

A more detailed report on a wider range of topics is given on the Yamaha website.


Water Conservation Initiatives at a Yamaha Group Factory in China

In 2010, in line with the relocation of Xiaoshan Yamaha Musical Instrument Co., Ltd., which manufactures wind instruments and percussion instruments, a newly installed state-of-the-art wastewater treatment facility was introduced, and as a result, around 80% of the wastewater is now being reused for manufacturing processes. This is just one example of the company’s efforts to reduce the consumption of water and effectively utilize water resources.

In January 2015, a change was made to the cooling method for the annealing furnaces used for heat treating the copper tube components of wind instruments. The new cooling method uses a circulating water supply. This has halved the amount of water used for cooling and minimized energy cost.

Yamaha’s Digital Audio Recorder Contributing to Protection of the Blakiston Fish Owl

The Blakiston fish owl* is a species of bird the Wild Bird Society of Japan is endeavoring to protect, and Yamaha’s Digital Audio Recorder, POCKETRAK, has played a key role in a habitat survey of the owl conducted by the Society.

A new type of bird call became known for the first time as a result of using POCKETRAK. Moreover, the technology enabled the survey to be conducted in multiple locations, which resulted in identifying of the owl’s home range, and ultimately led to a new conservation agreement being signed in 2015. Using POCKETRAK’s timer-based automatic recording function, it has become possible to attract birds safely across a broader area and for a longer duration than possible when the task was performed manually by humans. The Yamaha Group will continue to cooperate proactively in initiatives to protect biodiversity.

* A critically endangered avian species said to have the greatest risk of extinction. The bird is found only in eastern Hokkaido and is believed to have a population of around 50 pairs and 140 birds.

A more detailed report on a wider range of topics is given on the Yamaha website.

Annual Activities Report

Fair Operating Practices

The Yamaha Group is committed to fair operating practices that comply with laws, regulations and social norms. Based on the Yamaha Compliance Code of Conduct, Yamaha complies with the relevant laws, regulations and social norms at the same time as promoting CSR in its supplier chain by requesting the cooperation of suppliers.

**Strategic CSR Theme**

- Socially responsible procurement (by confirming adherence to the Yamaha Supplier CSR Code of Conduct and making requests for improvements when necessary, etc.)

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**CSR Procurement Seminars**

The Yamaha Group promotes training for its employees in charge of procurement related to fair trade, such as the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors, Worker Dispatching Act, information security and protection of personal information. In particular, we focus on our employers who request suppliers to adhere to the Yamaha Supplier CSR Code of Conduct and conduct self-inspections to encourage their understanding of CSR procurement.

In fiscal 2016, we held seminars in 12 bases across Japan (7) and overseas (5). A total of 128 procurement-related personnel participated. Various issues were discussed, such as the background behind CSR procurement requirements, Yamaha’s policies, the Supplier CSR Code of Conduct and self-inspections.

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**Survey Completed by Suppliers**

In March 2015, we established the Yamaha Supplier CSR Code of Conduct, which documents the content of Yamaha’s CSR-related requests to suppliers in writing. This was distributed to 2,900 suppliers in fiscal 2016 and they were requested to adhere to its provisions and conduct self-inspections. In addition, we requested 1,439 Tier 1 suppliers of musical instruments and audio products with manufacturing bases in Japan to complete a questionnaire-style self-inspection.

We had received responses from 1,384 companies as of March 31, 2016 and will request improvements to be made based on the results.

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**Feedback from a Yamaha Representative**

**Promoting CSR Together with Suppliers**

Yamaha produces a diverse range of products, including acoustic and electronic musical instruments, AV equipment, professional audio equipment, electronic components and golf goods. We also have many suppliers from which we procure a vast range of raw materials and components, including natural resources such as timber. We are deeply grateful towards our suppliers for their cooperative stance in adhering to the Yamaha Supplier CSR Code of Conduct and conducting CSR self-inspections. This kind of activity, coupled with day-to-day communication, helps to deepen the relationship of trust with our suppliers and contribute to the creation of a sustainable society across the entire supply chain.
Legal Training Relating to Fair Competition

In order to enforce fair trade practices in line with laws and social norms, including preventing abuse of a dominant bargaining position, Yamaha has worked diligently to educate employees and raise awareness.

In fiscal 2016, Yamaha held training on consumer-related laws including the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act), the Antimonopoly Act and the Act Against Unjustifiable Premiums and Misleading Representations. A total of 357 employees from domestic group companies participated. In addition to this, legal training was held exclusively for Yamaha Music Entertainment Holdings, whose main business is software, which differs from the manufacturing industry.

Moreover, within a personnel development program suited to career stages, we disseminate knowledge regarding compliance points specifically relating to fair trade. Approximately 500 employees participate in the program each year.

In Japan, Yamaha has many business transactions with subcontractors, particularly in the manufacturing field. Accordingly, fair trade is an important theme. In regards to the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act), we distribute the summary of our annual Seminar on the Promotion of Appropriate Trade with Subcontractors to domestic group companies for the purpose of creating a better understanding of the items we must comply with and ensure awareness.

Interviews Regarding the Promotion of Compliance at Indonesian Group Companies

The Yamaha Group sells musical instruments and audio equipment to educational institutions and operators of public venues, and as such frequently participates in tenders. Moreover, in countries where specific business activities require approval from government bodies, we are required to negotiate with such parties. Yamaha is aware that the risk of gift-giving is high in business activities and countries such as these and is engaging in efforts as a response to this risk.

In regards to specific regions, Yamaha particularly focuses its efforts on the BRICs countries, which rank high in the corruption perception index run by Transparency International, an NGO for the prevention of corruption, and Indonesia, where the Yamaha Group has five manufacturing bases and one distributor. As such, Yamaha conducted interviews to assess the status of promoting compliance at each of the companies in fiscal 2016. Together with each company, we confirmed that the internal consultation desk for compliance issues is functioning and that systems are in place to enable employees to consult with law firms if an issue arises.

Named a Thomson Reuters “2015 Top 100 Global Innovators”

Since its founding, Yamaha has been proactively working to acquire intellectual property rights such as patents while simultaneously respecting the intellectual property rights of third parties. Yamaha Corporation centrally manages the intellectual property of all companies in the Group and promotes activities to unify business strategy, research and development strategy and intellectual property strategy. Yamaha also provides its employees with educational opportunities such as by holding annual seminars relating to copyrights.

Following on from the previous year, in 2015, Yamaha Corporation was once again named a Thomson Reuters “2015 Top 100 Global Innovators” based on high appraisal of its intellectual property activities in Japan and overseas. This is the third time to this honor after achieving the same status in 2011 and 2014.

A more detailed report on a wider range of topics is given on the Yamaha website.

Annual Activities Report

Consumer Issues

In order to meet customer expectations, the Yamaha Group strives to ensure the production of high-quality products, the provision of high-quality services, and the comprehensive disclosure of information on products and services.

In addition, we actively propose products and services for solving social issues, including the introduction of universal design.

Strategic CSR Theme

Development of products and services with a focus on social issues (universal design, environmentally friendly products, application of sound technologies, etc.)

Promoting Universal Design

The Yamaha Group is keen to create an environment in which all people can enjoy the pleasures of music. With this in mind, we are proposing initiatives that take full advantage of the power and strength of music to help realize a society that is both rich in communication and that allows people of diverse backgrounds and attributes to live comfortably and harmoniously.

In fiscal 2016, two seminars for employees were held in order to give employees a better understanding and greater awareness of universal design.

In October 2015, an in-house seminar for employees of the Design, Development and Marketing divisions was held at the head office of Yamaha Corporation. During the seminar, the previous and current status of promoting Yamaha’s universal design was explained using examples of how it is introduced in products. This was followed by a discussion of the companies that are developing advanced universal design products.

Additionally, in February 2016 an in-house seminar was held on the Strategic CSR Theme “Developing Products and Services that Address Issues Facing Society,” and approximately 250 employees from the Yamaha Group participated. We invited Mr. Manabu Akaike, a director at the Universal Design Research Institute, to talk about helping to solve social issues and creating business products and services.

Product Examples Utilizing Universal Design

Yamaha Corporation’s Clavinova CLP Series of digital pianos received the “Incentive Award: Kids Design Council Chairman’s Award” at the 9th Kids Design Award. Its safety aspect when used by children was well-praised.

Other pianos in the Clavinova Series include the CVP-609/605 (launched into the market in 2013), which features a touch panel for easy access and a voice guide system for players who are visually impaired.

Display of products utilizing universal design

CLP-585, top model in the CLP Series

Seminar for the employees with guest speaker Mr. Akaike

“Kids Design Award 2015” logo
Supporting “Geidai 21: Geidai Arts Special 2015 – Disability & Arts”

Since October 2015, Yamaha Corporation has been participating in “The COI Site, Tokyo University of the Arts.” This is part of the Center of Innovation Science and Technology-based Radical Innovation and Entrepreneurship Program (COI STREAM) —a program of the Ministry of Education, Culture, Sports, Science and Technology, Japan, and Japan Science and Technology Agency. In December 2015, as an initiative to seek music representation in spite of disability, Yamaha Corporation provided its products and technology for the event, “Geidai 21: Geidai Arts Special 2015 – Disability & Arts*,” held at the Ueno campus of Tokyo University of the Arts. We provided a product equipped with an auto playback function to showcase Yamaha’s performance alignment technology which helped disabled players with their performances.

* Sponsored by the Tokyo University of the Arts/Performing Arts Center of the Tokyo University of the Arts/The COI Site of the Tokyo University of the Arts

Business Based on a Customer-Oriented Approach

From fiscal 2015, employees at each workplace began holding discussions in “Quality Month,” which is every November, and set goal so that they will conduct business utilizing a customer-oriented approach that follows the PDCA cycle.

Focusing mainly on our musical instrument and audio divisions, customers’ comments are distributed and shared by e-mail, company magazines and the Intranet. Our aim is to nurture an organizational culture that utilizes a customer-oriented approach and focuses on each customer’s evaluations and requests.

Development of High-Speed, High-Sensitivity, Wide-Range Hydrogen Leak Detector

Yamaha Fine Technologies Co., Ltd. (YFT) developed the YHLD-100, a highly efficient hydrogen leak detector, for inspection processes. Sales commenced.

Hydrogen is used as an energy source, such as in fuel cells, and is also used for treatments and analysis in the medical field. Additionally, previous leakage inspections suggest that a countermeasure is necessary to resolve mainstream helium gas depletion. The YHLD-100 hydrogen leak detector has a micro-electromechanical system (MEMS) hydrogen sensor developed by YFT, enabling it to provide high-speed response and high sensitivity over a wide, dynamic range. It is also capable of supporting a variety of situations and leakage quantities, and is equipped with an interactive mode and simple design that make it easy for anyone to use.

Strengthening Quality Assurance and After-Sales Management Systems

Yamaha Corporation created a system for quality assurance and after-sales management and is working continuously to strengthen such management for the Group as a whole.

In order to provide standardized high-quality after-sales support to customers around the world, in January 2015 the Yamaha Group established the After-sales Service Management Policy, which outlines the basics of after-sales services that need to be shared in the Group.

For the purpose of strengthening quality management governance in the Yamaha Group, the system was revised as of January 1, 2016. The revised system regulates all quality information of each group company, which is submitted to Yamaha Corporation’s Quality Assurance Division. It also clarifies the requirements of the quality management system to be set in each group company.

Yamaha Group will continue to provide valuable products and services to build a strong relationship of trust with its customers.

A more detailed report on a wider range of topics is given on the Yamaha website.

Community Involvement and Development

The Yamaha Group pursues a diverse range of activities to promote and encourage the culture of music throughout the world.

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.

New Proposal for Music Lessons Utilizing Information and Communications Technologies (ICT)

The Ministry of Education, Culture, Sports, Science and Technology of Japan has set a target for a tablet terminal to be available for every student in schools by the end of 2020. Today, utilizing ICT in the classroom is crucial. Therefore as a Smart Education System (SES) project, Yamaha is continuing its development research while carrying out demonstration experiments in schools to create more effective and fun music lessons utilizing ICT.

As the utilization of ICT grows in classrooms, distance learning is being proposed more frequently.

Distance learning is capable of bringing classes of different schools in the same city together, supporting meetings between sister schools, and providing collaborative classes in under-populated areas with a shortage of specialized teachers. As the Ministry of Education, Culture, Sports, Science and Technology of Japan recognizes distance learning programs and grants accreditation in high schools, more forms of distance learning programs are expected to be offered in the future. Yamaha Corporation promotes, in corporation with each prefecture’s Board of Education, education institutions and other companies, the use of sound communication devices, such as speakerphones for distance meetings.

Lessons Utilizing ICT to Give Children a Sense of Excitement

The image of Yamaha in classrooms is educational music instruments such as pianos, recorders, and the Pianica™. We therefore believe that our primary mission and overall social responsibility is to create a new system of learning as ICT is utilized more in classrooms. In order for as many children as possible to know how much fun music and playing instruments can be by using Yamaha’s digital educational instruments and equipment in classrooms, we plan to keep on providing new ways of learning that will give teachers and students a continued sense of excitement.
Work Training for New High School Graduates

The Yamaha Group accepts requests from regional educational facilities of the world and supports the education of junior high and high school students.

For example, Yamaha Musical Products Indonesia (YMPI) offers vocational training to new high school graduates. This project was created in response to requests by high schools and the government of Indonesia to help solve the issue of educating students before starting to work in society. In the company’s training facility, lectures are offered on basic factory operations, understanding what it means to be a member of society. Lectures equivalent to those for training Yamaha employees receive high praise from the government and high schools as well.

Accepting Students for Internships Overseas

In fiscal 2016, Hangzhou Yamaha Musical Instruments Co., Ltd. and Yamaha Music (Asia) Pte Ltd. (Singapore) accepted high school students from Shizuoka Prefecture, Japan, as part of promoting an international internship program sponsored by the Shizuoka Prefecture Education Committee. This was to provide an opportunity for high school students, who hoped to find employment in the future, to have work experience in the overseas factory of a global company. The purpose was to create enthusiasm among the students to want to work in the prefecture.

The students participated in a factory tour, as part of domestic training offered at Yamaha Corporation’s piano factory in Kakegawa, followed by a four-day work experience overseas.

Yamaha Supports Nutrition Improvement in Rural Areas

In August 2015, Yamaha de Mexico (YDM), in collaboration with NPO World Vision, planted four orchards and made two backyard gardens in rural areas where help for nutrition is in need. The produce harvested is planned to support nutrition improvement for approximately 100 local residents.

During the process of planting the orchards and making the backyard gardens, YDM employees planted seedlings and instructed the residents how to plant crops and harvest produce. Moreover, the children were provided with some snacks and toys. YDM will continue to develop regional community-based activities.

Donation of Musical Instruments for the Children of Migrant Farmers

Yamaha Music & Electronics (China) Co., Ltd. (YMEC) and four of its local manufacturing companies began donating instruments to schools for the children of migrant farmers all over China in fiscal 2013. This is a five-year project to show gratitude toward local areas for the development of business in China.

As of fiscal 2013, the activity had been carried out a total of eight times in six regions, with the participation of 43 schools.

In fiscal 2016, YMEC donated five pianos, 150 portable keyboards, five AV systems, PA equipment and more to five schools in Hangzhou and other cities. The company plans to continue these activities by donating musical instruments to seven cities in fiscal 2017, with the objective of strengthening relationships with agents in local cities and expanding regional contributions.

A more detailed report on a wider range of topics is given on the Yamaha website.

## Annual Activity Report

### CSR Promotion Plans and Results List

<table>
<thead>
<tr>
<th>Subject</th>
<th>Key Theme</th>
<th>Results in Fiscal 2016</th>
<th>Plans in Fiscal 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSR Management</strong></td>
<td>PEDs activities to promote CSR</td>
<td>Detailed CSR promotion conditions (progress management and disclosure) Developed Strategic CSR Themes</td>
<td>Set goals for CSR promotion and manage progress of achievements Conduct promotion system for Strategic CSR Themes</td>
</tr>
<tr>
<td><strong>CSR Management</strong></td>
<td>Enhancing communication of CSR throughout the Group</td>
<td>Upgraded CSR website (reviewed top page and introduced new Web PDF download link) Sent information via Intranet (in-house activities, examples of other companies, topics) Implemented CSR seminar (products, service themes)</td>
<td>Examine how to improve CSR website usability Strengthen distribution of information via the Intranet In-house seminars attended by employees (service themes)</td>
</tr>
<tr>
<td><strong>Engagement with Stakeholders</strong></td>
<td>Developing a system that reflects stakeholders' input</td>
<td>Confirmed the status of communications with stakeholders Discussed CSR activity results and future direction with experts and NGOs</td>
<td>Discuss Strategic CSR Themes with experts and NGOs</td>
</tr>
<tr>
<td><strong>Organizational Governance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Governance</strong></td>
<td>Maintaining the corporate governance system</td>
<td>Formulated corporate governance policies Maintained/improved corporate governance system based on the policies Continue appropriate operation of the Board of Directors and the Board of Auditors</td>
<td>Maintain/improve corporate governance system based on the policies Continue appropriate operation of the Board of Directors and the Board of Auditors</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>Through observation of the Compliance Code of Conduct within the Group</td>
<td>Held periodic Compliance Subcommittees meetings Prepared revised Code of Conduct Implemented code of conduct Consultation/Reports to head office Help Line: 26 cases</td>
<td>Hold periodic Compliance Subcommittees meetings (four times planned) Publish revised Code of Conduct</td>
</tr>
<tr>
<td><strong>Risk Management</strong></td>
<td>Strengthening the risk management system</td>
<td>Promoted the formulation of business contingency plans (BCP) for business recovery; build work systems/controls Implemented business infrastructure recovery drill Formed an emergency contact system</td>
<td>Promote improvement of workable company-wide risk management Promote the formation of BCPs (upward to Group globally)</td>
</tr>
<tr>
<td><strong>Information Disclosures and IR Activities</strong></td>
<td>Promoting and expediting IR activities to enhance understanding of the Company</td>
<td>Released briefing (quarterly), Individual investors briefing, Yamaha briefing for securities company staff, Business briefings for institutional investors (stock analysts) Upgraded website for investors (reviewed website top page for investors, Published annual report online version etc.)</td>
<td>Promote communication with investors Conduct briefing sessions, Expanded website for investors, etc. Increase feedback of investor opinion to the management team</td>
</tr>
<tr>
<td><strong>Human Rights and Labor Practices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Promoting of Human Rights Awareness</strong></td>
<td>Promoting human rights awareness throughout the Yamaha Group</td>
<td>Increased employee awareness by distributing information via the Intranet Introduced research evaluation tool for impact on human rights</td>
<td>Continue to enlighten employees via the Intranet</td>
</tr>
<tr>
<td><strong>Initiatives Supporting Employee Rights</strong></td>
<td>Promoting measures to present employee improvement</td>
<td>Improved education and enlightenment of employees Maintained appropriate operation of the hotline</td>
<td>Promote education and enlightenment of employees Maintain appropriate operation of the hotline</td>
</tr>
<tr>
<td><strong>Hiring and Employment</strong></td>
<td>Carrying out fair evaluations and treatment</td>
<td>Promoted fair evaluation and treatment Improved personnel evaluation systems</td>
<td>Promote fair evaluation and treatment Increase new personnel systems</td>
</tr>
<tr>
<td><strong>Human Resource Development Initiatives</strong></td>
<td>Promoting purposeful, targeted education and training</td>
<td>Examine training systems in conjunction with personnel system reviews</td>
<td>Enhance management training promoting new personnel systems Streamline training systems in conjunction with personnel system reviews</td>
</tr>
<tr>
<td><strong>Promotion of Diversity and Inclusion</strong></td>
<td>Promoting employee diversity</td>
<td>Promoting diversity of management plans (Japan) Promoting diversity of aged employees Promoting employment of foreign employees</td>
<td>Promote diversity management plans (Japan) (same as column on left)</td>
</tr>
<tr>
<td><strong>Meeting employment requirements of society</strong></td>
<td>Promoting employment of diverse human resources (Japan) Promoting employment of people with disabilities and increased ratio of employees with disabilities (Japan)</td>
<td></td>
<td>Research on overseas Group companies (ratio of female employees, etc.) Promote employment of diverse human resources (Japan) Promote employment of people with disabilities and increase ratio of employees with disabilities (Japan)</td>
</tr>
<tr>
<td><strong>Promoting a Better Work-Life Balance</strong></td>
<td>Improving work-life balance</td>
<td>Provided information on work-life balance at Yamaha employees’ workplace (Risk prediction activities, risk assessment activities)</td>
<td>Ensure appropriate operation of the hotline</td>
</tr>
<tr>
<td><strong>Communication with Employees</strong></td>
<td>Enhancing communications between labor and management</td>
<td>Set up labor and management meetings and consultations (Labor Management Center, Company-wide Production and Sales Committee, Branch Office Employee-Relationship Committee, Human Resource System/Review Meeting, Allocation Committee, Work-Life Balance (NWO) Promotion Committee, Overseas Work Committees, etc.)</td>
<td>Schedule labor and management communications and consultations (same as column on left)</td>
</tr>
<tr>
<td><strong>Health and Safety</strong></td>
<td>Standardizing Group rules and activities</td>
<td>Group-wide standardization of rules (Safety and Health Basic Action Standards, Rules of traffic safety card) Distributed revised safety card to employees (Japan) Promoted activities to anticipate safety (risk assessment activities)</td>
<td>Distribute Group-wide standards (Expanded and thoroughly disseminating by translating into multiple languages and distributing to overseas sites) Expand activities to promote safety Group-wide (sites not yet included in Japan and overseas)</td>
</tr>
<tr>
<td><strong>Maintaining employee health</strong></td>
<td>Promoted mental health care (Implementation education and awareness (sales offices), Introduced support program for returning to Group workplace)</td>
<td></td>
<td>Promote mental health care (Introduction stress check, Implement education for self-care)</td>
</tr>
<tr>
<td><strong>The Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental Management</strong></td>
<td>Establishing environmental management system</td>
<td>Maintained ISO 14001 certification at each facility Applied Yamaha Environmental Management System (YEMS) throughout the entire Group</td>
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</tr>
<tr>
<td></td>
<td>Maintaining environmental management capabilities</td>
<td>Implemented environmental education according to job and role Held seminars for training environmental auditors and advanced training</td>
<td>Implement environmental education according to job and role Hold training and skill improvement seminars for external environmental audits</td>
</tr>
<tr>
<td><strong>Environmentally Friendly Products and Services</strong></td>
<td>Creating environmentally friendly products</td>
<td>Developed environmental standards and implemented in-house verification system for environmentally friendly products Proactively conveyed information about environmentally friendly products to consumers</td>
<td>Implement environmental verification system for environmentally friendly products Increase in-house verified environmentally friendly products Calculate and disclose greenhouse gas emissions while using products Group-wide understanding of Scope 1 and 2 regulations regarding greenhouse gas emissions</td>
</tr>
<tr>
<td><strong>Climate Change Mitigation and Adaptation</strong></td>
<td>Reducing greenhouse gas emissions related to business activities</td>
<td>Continued efforts to reduce greenhouse gas emissions at facilities Reduced energy consumption per unit at Japan production bases</td>
<td>Continue ongoing efforts to reduce greenhouse gas emissions at facilities</td>
</tr>
</tbody>
</table>
CSR Promotion Plans and Results List

Also provided on website.

Sound and Music

Personal Information Protection

Response and Support

Initiatives for Improved Customer Satisfaction

Improving Customer Satisfaction

Prepared/served for all new customers in sales catalogs for schools

Periodic review of safety enlightenment activities

Product Information Disclosure

Appropriately disclose information on the safety of products and services

Renewed safety enlightenment information in sales catalogs for schools

Consumers

Ensuring Product Safety

Ensuring product safety and taking immediate action when faced with a product safety issue

Prepared/examined revision of the standards for enhancing risk assessment effectively

Quality Assurance

Strengthening the quality assurance system and quality management

Realized Group-wide quality management system (revised Group-wide quality-management policy)

Sustainable Consumption

Contributing to sustainability through products and services

Established internal standards and implemented in-house verification system for environmentally friendly products

Prepare/examine revision of the standards for enhancing risk assessment effectively

Enhancing Products and Services

Promoting universal design

Chosen promotion in Development and Design divisions implemented in-house seminar featuring universal design

Proposed fostering of the culture of understanding customer orientation

Improving Customer Satisfaction

Improving customer satisfaction with products and services

Realized collection and utilization processes for market and consumer information in major markets

Promote planning and development by including sustainability elements in sales catalogs, etc.

Initiatives for Improved Customer Satisfaction and Support

Initiatives for improved customer response and support

Streamlined manual to thoroughly adhere to Group After-sales Service Management Policies

Throughout adherence to Group After-sales Service Management Policies and improve compliance through monitoring

Personal Information Protection

Preventing accidents by managing the personal information of customers

Monitored Yamaha Music Retailing (customer information management status)

Review manual including personal information management in information security framework (information in information security working group)

Community Involvement and Development

Connection to Local Communities

Building good relations with communities that are home to our offices and factories

Held periodic discussions with surrounding communities

Make ongoing efforts to communicate with communities that are home to our offices and factories

Contribute to local community development

Contributing to local community development through various initiatives

Continuously contribute to community revitalization through various initiatives

Promoting Music Culture
generating Interest through Social and Musical Activities

Help promote music-related activities

Provide services that are connected to school education

Donations and Social Welfare Activities

Promoting donations and social welfare activities

Sustained employee volunteer activities (provided opportunities and proactively seek information via the Internet)

Expand activities that help to foster employees’ voluntary spirit

Support areas affected by disaster and examine ways to support them

Concerting community celebrations through various initiatives

Continue performing community celebrations through various initiatives

Continue participating in various projects for creating communities through music

Providing music-related support activities through music in emerging countries

Expand activities that help to foster employees’ voluntary spirit

Support areas affected by disaster and examine ways to support them

CSR Promotion Plans and Results List

Also provided on website.

Sound and Music

Personal Information Protection

Response and Support

Initiatives for Improved Customer Satisfaction

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Product Information Disclosure

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Ensuring Product Safety

Ensuring product safety and taking immediate action when faced with a product safety issue

Prepared/examined revision of the standards for enhancing risk assessment effectively

Quality Assurance

Strengthening the quality assurance system and quality management

Realized Group-wide quality management system (revised Group-wide quality-management policy)

Sustainable Consumption

Contributing to sustainability through products and services

Established internal standards and implemented in-house verification system for environmentally friendly products

Prepare/examine revision of the standards for enhancing risk assessment effectively

Enhancing Products and Services

Promoting universal design

Chosen promotion in Development and Design divisions implemented in-house seminar featuring universal design

Proposed fostering of the culture of understanding customer orientation

Improving Customer Satisfaction

Improving customer satisfaction with products and services

Realized collection and utilization processes for market and consumer information in major markets

Promote planning and development by including sustainability elements in sales catalogs, etc.

Initiatives for Improved Customer Satisfaction and Support

Initiatives for improved customer response and support

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Monitored Yamaha Music Retailing (customer information management status)

Review manual including personal information management in information security framework (information in information security working group)

Community Involvement and Development

Connection to Local Communities

Building good relations with communities that are home to our offices and factories

Held periodic discussions with surrounding communities

Make ongoing efforts to communicate with communities that are home to our offices and factories

Contribute to local community development

Contributing to local community development through various initiatives

Continuously contribute to community revitalization through various initiatives

Promoting Music Culture
generating Interest through Social and Musical Activities

Help promote music-related activities

Provide services that are connected to school education

Donations and Social Welfare Activities

Promoting donations and social welfare activities

Sustained employee volunteer activities (provided opportunities and proactively seek information via the Internet)

Expand activities that help to foster employees’ voluntary spirit

Support areas affected by disaster and examine ways to support them

CSR Report 2016 37

Editorial Policy

The Yamaha Group began issuing a CSR Report to communicate its CSR vision and initiatives to the Group’s broad stakeholder base. To enhance transparency and make the report as easy to understand as possible, in 2014, we reorganized it to reflect ISO 26000, which provides guidelines for social responsibility. In preparing the report, we referenced ISO 26000 and “Environmental Reporting Guidelines (2012 Version)” of the Ministry of the Environment, Japan.

Organizations Included in the Scope of Reporting

In principle, the Yamaha CSR Report comprises Yamaha Group companies (Yamaha Corporation and its 67 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, 2015 to March 31, 2016

* The above period is referred to as fiscal 2016 in this report. In the English version, the fiscal year written is based on the year ending March 31 of the year reported.

Date of Issue

Report Published: September 9, 2016
Previous Report Published: August 28, 2015
Next Report to Be Published: September 2017

For Information Regarding the CSR Report

CSR Group
General Administration Division
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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 2016 edition comprehensively reports our CSR activities, highlighting those in which we have made notable progress over the last fiscal year.


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. In response to the issuance of “Sustainability Reporting Guidelines (v. 4.0)” of the Global Reporting Initiative (GRI), this report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

By presenting the latest CSR topics on our website we are able keep stakeholders up to date on issues in which they are most interested.

Chivas Regal 18-year Gold Signature Awards 2016

Presented by GOETHE

Takuya Nakata, the president and representative director of Yamaha Corporation, received an award in the Corporate Value Development Division for the Chivas Regal 18 Gold Signature Awards 2016 Presented by GOETHE. Since 2011, Chivas Regal (the Scottish whiskey brand) and GOETHE (a magazine) have been jointly presenting these awards to “business leaders who make contributions to society and help to vitalize it through the results of their main business.”
Third-party Opinion

The Yamaha Group is globally promoting various measures in support of CSR issues. To enable future improvements, we received feedback on our CSR activities and CSR Report from Mr. Hidemi Tomita. The Yamaha Group earnestly listens to and acts on the opinions and issues pointed out, and will continue to contribute to the development of a sustainable society through its business activities that focus mainly on sound and music.

Regarding the content disclosed in Yamaha’s CSR Report 2016, I state my opinions from the standpoint of a specialist focusing on sections that I consider to be of particular importance. I hope the comments will be used as a reference for further improving Yamaha’s CSR management and information disclosure.

Policy and Management
Yamaha has introduced its new medium-term management plan, “NEXT STAGE 12,” and simultaneously set new strategic CSR themes as part of its CSR management. I believe that it is a significant step for Yamaha CSR to clarify its ESG business challenges in the medium-term management plan and embark on CSR with the new policy. As the next step, I expect continuous management involvement to achieve business objectives by positioning CSR in the corporate governance system and management review process.

Relevance to Yamaha Business
Disclosure aligned with the core subjects of ISO 26000 in this CSR report is easy to understand and reasonable. Although various initiatives for each issue are mentioned in this report, the relevance of each issue to Yamaha’s different types of business such as musical instruments, acoustic and electronic components is not so clear. It is necessary to clarify what sort of impact on human rights or the environment is caused throughout Yamaha’s business value chain, and what the interests of the stakeholders are. By doing so, it will become more apparent what types of risks are involved and the issues that need to be addressed in Yamaha’s various business activities. Consequently, it will contribute to the stakeholders’ understanding of Yamaha’s CSR activities.

Disclosure of Data and Information
With personnel-related information, the disclosure of quantitative data is satisfactory. Additionally, claims or violations of legislation, if any, are clearly stated. Such transparent disclosure based on international guidelines is highly regarded.

On the other hand, there is an issue regarding the disclosure of environment-related data, including climate change, which is regarded as one of the strategic CSR themes. For instance, concerning greenhouse gas emissions, it is crucial to provide data in comparable forms based upon the GHG Protocol, which is the international standard, for investors and stakeholders.

Promoting Diversity and a Work-Life Balance
The CSR measures and information disclosure are becoming more substantial; however, the issues of employing female workers and working hours do not seem to be leading to satisfactory results. It would be helpful to analyze the reasons for these results and explain how to improve them in the future.

Sustainable Procurement
In recent years, CSR in the supply chain has become a very important issue internationally. Yamaha prepared the Yamaha Supplier CSR Code of Conduct, including promoting sustainable timber procurement. It seems to be an extremely appropriate action from the perspective of Yamaha since timber procurement is a high priority in the musical instruments business. I expect full disclosure of the progress, including quantitative information and continuous actions in the future.
Yamaha is a signatory of the United Nations Global Compact.

Cover photos: (top: left to right) Brass Jamboree 2016, Shibuya Zunchaka;
(bottom: left to right) Music Time Program (Malaysia),
Music Time Program (Indonesia)

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