

For Immediate Release

September 2, 2016

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

## **Announcement of Realignment of Yamaha's Resort Business**

Yamaha Corporation (hereinafter, Yamaha) announced that its Board of Directors has made the decision to realign its resort businesses that are managed by Yamaha Resort Inc., a wholly owned subsidiary of Yamaha. The details are as follows.

### **1. Realignment of the Resort Business**

Yamaha Resort Inc. manages three resort facilities, namely Tsumagoi, Katsuragi Kitanomaru, and Katsuragi Golf Club. In recent years, the resort market has bipolarized into the high-end segment, which offers high value added, and the low-priced, casual segment, which also responds to in-bound tourist demand. Amid this environment, Yamaha has reconsidered the future of its resort business. As a result, Yamaha has applied its resource allocation policy of concentration in core competence and has decided to suspend operations at Tsumagoi and concentrate its resources on the remaining two resorts: Katsuragi Kitanomaru and Katsuragi Golf Club. As a consequence, Yamaha will work to provide greater satisfaction to its customers at Katsuragi Kitanomaru and Katsuragi Golf Club, positioning them as high-quality, highly attractive facilities.

Tsumagoi, which started operations in 1974 and has continued to offer its customers high-quality leisure opportunities as a membership lodging-type resort facility, has been loved by its customers as “a transmission base for disseminating new culture offering a combination of a natural setting, sports, and music,” where many musical events, such as the finals of the POPCON popular song contests and many kinds of sporting events have been held. However, the facility has found it difficult to adapt to customer needs in the midst of the recent bipolarization of the resort market, despite considerable management effort, and the decision was made that it would be difficult to develop a scenario in which Tsumagoi could be upgraded to a facility in keeping with the Yamaha brand. Accordingly, it was decided that Tsumagoi has finished its historical mission and will conclude its operations for the general public on December 25, 2016.

### **2. Outline of the Tsumagoi Resort**

Name: Yamaha Resort Tsumagoi (Location: Tamari 2000, Kakegawa-shi, Shizuoka Prefecture)

Representative: Sadatoshi Ando, President and Representative Director, Yamaha Resort Inc.

Commenced operations: May 1974

Sales: ¥3.1 billion (year ended March 31, 2016)

Number of employees: 119 (regular employees)

Number of guest rooms: 232

Total land area: 1.4 million m<sup>2</sup>

Principal facilities: Lodging, hot springs, wedding, music, and sports facilities

### **3. Effect on Corporate Performance and Outlook**

The structural reform costs (extraordinary expenses) in connection with this realignment are currently being calculated. These expenses will be reported in the closing of accounts for second quarter of the fiscal year ending March 31, 2017.

#### **For reference:**

Facilities that will remain in operation

Name: Yamaha Resort Katsuragi Kitanomaru (Location: Ugari 2505-2, Fukuroi-shi, Shizuoka Prefecture)

Representative: Sadatoshi Ando, President and Representative Director, Yamaha Resort Inc.

Commenced operations: September 1978

Sales: ¥600 million (year ended March 31, 2016)

Number of employees: 39 (regular employees)

Number of guest rooms: 49

Total land area: 150,000 m<sup>2</sup>

Principal facilities: Lodging

Name: Yamaha Resort Katsuragi Golf Club (Location: Ugari 2505-2, Fukuroi-shi, Shizuoka Prefecture)

Representative: Sadatoshi Ando, President and Representative Director, Yamaha Resort Inc.

Commenced operations: September 1976

Sales: ¥1,200 million (year ended March 31, 2016)

Number of employees: 83 (regular employees)

Total land area: 1,980,000 m<sup>2</sup>

Principal facilities: Golf

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