



For Immediate Release

June 22, 2017

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (First Section of Tokyo Stock Exchange)

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

Yamaha Corporation announces that, at the meeting of its Compensation Committee today, the system for executive compensation was reviewed, and it was resolved to introduce a Restricted Stock Compensation Plan (hereinafter, the “Plan”). At the meeting of the Board of Directors also held today, it was resolved to dispose of treasury stock as Restricted Stock Compensation (hereinafter, “Disposal of Treasury Stock” or “Disposal”), as follows:

1. Outline of the Disposal

(1)	Date of disposal	July 21, 2017
(2)	Class and number of shares to be disposed of	77,600 shares of common stock of Yamaha Corporation
(3)	Disposal value	¥3,850 per share
(4)	Total disposal value	¥298,760,000
(5)	Method for subscription or disposal	Allotment of restricted stocks
(6)	Method of contribution	In kind contribution of monetary compensation claims
(7)	Allottees and number thereof, number of shares to be allotted	Directors of Yamaha (excluding Outside Directors and Directors who also hold the position of Auditing Committee member): 2 persons, 29,200 shares Executive Officers (excluding Executive Officer in charge of the internal auditing): 4 persons, 28,400 shares Operating Officers (excluding Operating Officers domiciled outside Japan): 5 persons, 20,000 shares
(8)	Other	The disposal of Treasury Stock is conditional upon the taking effect of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act.

## 2. Purposes and Reasons for the Disposal

To further promote sustainable increases in corporate value and shared value with shareholders, the Company decided to introduce this Plan for Directors of Yamaha (excluding Outside Directors and Director who also hold the position of Auditing Committee member), Executive Officers (excluding Executive Officer in charge of the internal auditing), and Operating Officers (excluding Operating Officers domiciled outside Japan). (Hereinafter, the above-mentioned Directors, Executive Officers, and Operating Officers are referred to as “Eligible Directors, Etc.”)

The outline of the Plan is as follows:

### **Outline of the Plan**

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

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

Note that this Plan, in principle, provides for the lump-sum allotment of Restricted Stocks corresponding to the period of the Company’s Medium-Term Management Plan in the first year of the Management Plan; however, since the current year is the second business fiscal year since the management plan NEXT STAGE<sup>12</sup> came into effect, the period of allotment will be two years, and the amount corresponding to compensation in Restricted Stock during the period from April 1, 2017, to March 31, 2019, will be allotted.

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

## 3. Outline of the Allotment Agreement

(1) The period for Restricted Stocks: from July 21, 2017 to July 20, 2027.

If the Eligible Directors, Etc., who hold positions as Directors, Executive Officers, or Operating Officers, reach the end of their terms of office in their respective positions, become deceased, etc., or lose their eligibility before completion of the restricted period, at that time, the Restricted Stocks they have received will be prorated proportionately based on the period they were in office during the period from April 1, 2017 to March 31, 2019, and the restrictions on these shares will be lifted.

## (2) Lifting of Restrictions Depending on Business Performance Conditions

The Company has set targets for attainment under the current medium-term management plan; these are 12% for its consolidated return on sales, consolidated earnings per share at the ¥200 level, and 10% for return on equity (ROE). These will be given equal weight as indicators of performance, and, depending on the attainment of these targets, the transfer restrictions on all or a portion of the Allotted Shares may be lifted at the completion of the restricted period. However, in order to promote the holding of these shares by the Eligible Directors, Etc., in principle, restrictions on one-third of the Restricted Stocks for which the restricted period has ended will be lifted.

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

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

The disposal of treasury stock to the allottees will be distributed for monetary compensation receivables provided as the allotment of restricted stock compensation during the period from April 1, 2017 through March 31, 2019 based on the Plan. To exclude arbitrariness, the disposal value per share of the Disposal of Treasury Stock shall be ¥X,XXX, which was the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange as of June 21, 2017 (the business day preceding the date of the resolution of the Board of Directors). Since this is the market share price immediately preceding the date of the resolution by the Board of Directors, the Company believes that it is reasonable and does not constitute an especially advantageous amount.

### Restricted Stock (RS) Management Flow under the Restricted Stock Plan

