



For Immediate Release

March 27, 2018

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

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

**New Organization Established in U.S. to Expand and Strengthen
Yamaha's Guitar Business**

With the aim of further expanding and strengthening its guitar business, Yamaha Corporation (hereinafter Yamaha) announced that, effective April 1, 2018, Yamaha will change the name of its U.S. wholly owned subsidiary for guitar and peripheral products manufacturing and sales, Line 6, Inc. (President: Marcus Ryle, hereinafter Line 6), to Yamaha Guitar Group, Inc. (hereinafter YGG). YGG will be responsible for strategy formulation and implementation for the guitar businesses of both the Yamaha and Line 6 brands from its position in the United States, and begin planning, engineering, and marketing for guitars and related products for both brands.

Regarding this major change in strategy, Shoji Mita, Co-President of YGG, noted “We are enthusiastic about bringing this multi-brand entity together under one organizational roof. This will better enable employees to take a customer-driven approach to how both brands develop products and serve their customers.” He went on to add “The new organizational entity will also be better positioned for more efficient sales operations, supply chain management, manufacturing, and logistics with our business partners.”

Marcus Ryle, now also Co-President of YGG with Shoji Mita and founder of Line 6, went on to add “Since joining the Yamaha family four years ago, the energy between the two brands and the people who drive them has continued to build. It became apparent that in order to continue capitalizing on this momentum the next step was to formally unify.”

Thus far, the Yamaha Group has supplied distinctive, high-quality guitar and peripheral products to markets around the world. Within the markets for musical instruments, the market size in volume terms of guitar-related products exceeds that of pianos, wind instruments, and other instruments. In addition, since the U.S. market has the largest number of guitar players and a major impact on the world market, Yamaha has, therefore, positioned it as an extremely important region.

In view of this market environment, to accelerate growth of its guitar business, Yamaha has decided to move its strategy formulation functions for this business, which were formerly conducted in Japan, to the United States. Yamaha will also implement responsive business development based on its position in the United States, so that it can provide more attractive products and services to guitarists by drawing on the strengths of the Yamaha and Line 6 brands and other resources.

The establishment of YGG is expected to result in further growth in Yamaha's guitar business.

■ Outline of the Newly Renamed Subsidiary YGG

Name: Yamaha Guitar Group, Inc.

Location: Calabasas City, California, U.S.

Representatives: (Co-Presidents) Marcus Ryle and Shoji Mita (As of April 1, 2018)

Number of employees: 176

Paid-in capital: US\$20,722,000.00

Effective date of change: April 1, 2018

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FOR IMMEDIATE RELEASE

YAMAHA ANNOUNCES FORMATION OF U.S. BASED YAMAHA GUITAR GROUP, INC.

*New organization will be dedicated to developing and marketing
Yamaha and Line 6 products for guitarists worldwide*

Calabasas, CA—March 26, 2018 – Yamaha today announced the formation of a new U.S.-based wholly owned subsidiary, Yamaha Guitar Group, Inc., which will bring together the intercompany teams that have been focused on serving the needs of guitarists worldwide.

Building on a long history as a leading guitar company, Yamaha demonstrated their commitment to the future of the global guitar market when they acquired Line 6 in 2014. As a leader in tech-forward segments of the guitar industry, Line 6 brought with it a family of digital electric guitars, amps, and effects to complement the extensive line-up of acoustic and electric guitars, basses, and amps that Yamaha has offered customers for over half a century.

Since the acquisition, the growing collaboration between the two complementary brands led to the formation of a dedicated Guitar Division headquartered in Japan at Yamaha Corporation in April 2017, with Line 6, Inc. being included within this division. Shoji Mita, based in Japan, and Marcus Ryle, based in the U.S., were named co-general managers of this new division. Throughout 2017, this new formation led to expanded collaboration in strategy, development, sales, marketing, and artist relations, including the relocation of Yamaha Artist Services, Los Angeles to the same California campus as Line 6.

With the formation of Yamaha Guitar Group, Inc. (YGG), effective April 1, 2018, the natural evolution of these collaborative efforts becomes formalized within one multi-brand organization, with a dedicated team committed to producing and marketing the very best products and services for guitarists under both the Yamaha and Line 6 brands. The YGG U.S. headquarters will also serve as the strategic base for Yamaha guitar business worldwide. In addition to their current roles as Guitar Division GMs, Marcus Ryle and Shoji Mita will serve as co-presidents of YGG, and Mr. Mita will relocate to the U.S. YGG and the Japan-based Guitar Division team members will work together as one under common leadership.

“We are enthusiastic about bringing this multi-brand entity together under one organizational roof. This will better enable our team members to take a customer-driven approach to how both brands develop products and serve their customers”, said Shoji Mita, co-president, Yamaha Guitar Group. “Our centralized guitar focus will also help us to work with each of our Yamaha and Line 6 U.S. and international distribution partners, to ensure that we can meet the needs of their markets effectively.”

“Since Line 6 joined the Yamaha family four years ago, the energy between the two brands and the people who drive them has continued to build,” added Marcus Ryle, co-president, Yamaha Guitar Group and co-founder of Line 6. “It became apparent that we could further this momentum by formally unifying the teams and expanding the potential for both brands. We’re excited to further serve the needs of today’s and tomorrow’s guitarists.”

Yamaha Guitar Group, Inc. will be headquartered at the Calabasas, California, campus where Line 6 and Yamaha Artist Services, Los Angeles have been located. Although an independent U.S. entity, YGG will be working closely with Yamaha Corporation of America, and all other Yamaha sales subsidiaries around the world, to continue providing retail partners and end users with the excellence that Yamaha has been known for worldwide.

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About Yamaha Corporation

Since its founding in 1887, the Yamaha Corporation Group has developed its business activities focusing on musical instruments, audio products, Yamaha music schools, semiconductors, and other products and services related to sound and music. With its unique expertise and sensibilities, Yamaha is committed to creating excitement and cultural inspiration together with people around the world.

About Yamaha Guitar Group, Inc.

Yamaha Guitar Group, Inc. (YGG) is a U.S. based wholly owned subsidiary of Yamaha Corporation, that is dedicated to serving the needs of guitar players through two distinct brands: Yamaha and Line 6.

Yamaha began making classical guitars in Hamamatsu, Japan in 1941 and launched in the U.S in 1966 with the legendary FG180 acoustic, the forefather of the best-selling FG series. Since then, Yamaha has gone on to create class-leading instruments including the SBG and Pacifica electric guitars, BB basses, APX electro acoustics, the unique Silent Guitar and, most recently, the TransAcoustic guitar, all combining craftsmanship, technology and engineering excellence to redefine what a guitarist can expect from their guitar.

Line 6 is known for products which leverage groundbreaking digital technology to inspire guitarists. With a long history of firsts, Line 6 has a proven track record of creating category-defining products. Their best-selling flagship Helix® guitar processor has received numerous accolades and awards, including the Guitar World “Platinum Award”, the Premier Guitar “Premier Gear Award”, and the Guitar Player “Editors’ Pick” award. For more information, visit line6.com.

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