



December 22, 2023

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (TSE Prime Market)

Notice of Merger with a Consolidated Subsidiary

Yamaha Corporation (hereinafter referred to as “Yamaha” or “the Company”) announces that it decided today to merge with its wholly owned subsidiary Yamaha Music Manufacturing Japan Corporation (hereinafter referred to as “YMMJ”).

Since this merger is a simplified absorption-type merger of its wholly owned subsidiary, certain disclosure items and details have been omitted from this announcement.

1. Purpose of the Merger

Yamaha’s production strategy to date has been to actively transfer processes to overseas factories, which are more advantageous in terms of cost and efficiency. However, risks associated with the dispersion of technologies and skills and the risk of not being able to pass them on arose, and there were also challenges in responding quickly to market changes. In addition, in the recent environment surrounding its business activities, the Company was aware that the benefits of overseas production were gradually declining due to rising overseas labor costs and the continued depreciation of the yen, as well as geopolitical risks that were becoming more apparent.

Against this backdrop, Yamaha has set “further strengthen the business foundation” as one of the policies of its current medium-term management plan, “Make Waves 2.0,” and has been working to strengthen the resilience of its manufacturing with flexibility and toughness.

As part of these efforts, it has been studying a new production strategy. As a result, the Company has defined a policy to partially shift its previous strategy and rebuild and strengthen the foundation of manufacturing in Japan and decided on this merger.

By incorporating YMMJ’s manufacturing function in Japan into the Company and coordinating it with the production strategy function of the headquarters, Yamaha aims to restrengthen the “mother function” in production and build a strong and sustainable production system that will drive its global manufacturing.

2. Summary of the Merger

(1) Merger schedule

Board of Directors’ meeting to approve the merger resolution (YMMJ)	December 22, 2023
Merger agreement execution date	December 22, 2023 (scheduled)
Effective date	April 1, 2024 (scheduled)

Note: Because this merger is a simplified absorption-type merger for the Company under Article 796, Paragraph 2 of the Companies Act, and a short-form merger for YMMJ under Article 784, Paragraph 1 of the Companies Act, neither company plans to hold a general shareholders' meeting to approve the merger agreement.

(2) Method of merger

The merger will be an absorption-type merger with the Company as the surviving company and YMMJ will be dissolved as of the effective date.

(3) Allocation of shares related to the merger

Since YMMJ is a wholly owned subsidiary of the Company, there will be no allocation of shares or other assets as a result of this merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights due to the merger

No applicable items.

3. Overview of the Parties to the Merger (as of September 30, 2023)

(1) Name	Yamaha Corporation	Yamaha Music Manufacturing Japan Corporation
(2) Businesses	Musical instruments business, audio equipment business and other businesses	Manufacturing of musical instruments and audio equipment
(3) Date of Establishment	October 12, 1897	September 18, 1987
(4) Location	10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka, Japan	203 Matsunokijima, Iwata, Shizuoka, Japan
(5) Representative	Takuya Nakata, President and Representative Executive Officer	Keiichi Muramatsu, President and Representative Director
(6) Paid-in Capital	¥28,534 million	¥100 million
(7) Number of shares outstanding	187,300,000 shares	2,000 shares
(8) Account settlement date	March 31	March 31
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust account) 22.77% Custody Bank of Japan, Ltd. (Trust account) 8.32% Yamaha Motor Co., Ltd. 4.76% The Shizuoka Bank, Ltd. 4.46% Sumitomo Life Insurance Company 4.32%	Yamaha Corporation 100%

(10) Financial position and operating results for the most recent fiscal year			
Yamaha Corporation (Consolidated) Fiscal year ended March 31, 2023 (IFRS)		Yamaha Music Manufacturing Japan Corporation Fiscal year ended March 31, 2023	
Total equity	¥457,944 million	Net assets	¥15,782 million
Total assets	¥594,209 million	Total assets	¥22,053 million
Equity per share attributable to owners of parent	¥2,680.32	Net assets per share	¥7,891,362.97
Revenue	¥451,410 million	Net sales	¥36,979 million
Operating profit	¥46,484 million	Operating income	¥439 million
Profit before income taxes	¥50,552 million	Ordinary income	¥558 million
Profit for the period attributable to owners of parent	¥38,183 million	Net income	¥383 million
Basic earnings per share	¥222.64	Net income per share	¥191,876.89

4. Situation after the Merger

There will be no change in the Company's name, location, representative's title and name, businesses, paid-in capital, or account settlement date as a result of this merger.

5. Outlook

Since this merger is a merger with a wholly owned subsidiary of the Company, the impact of the merger on the Company's consolidated financial results will be minimal.

For further information, please contact:

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Contact form: https://inquiry.yamaha.com/contact/?act=55&lcl=en_WW