

# CSR Report 2013



# Business Information

## Corporate Data

**Company name:** Yamaha Corporation  
**Headquarters:** 10-1, Nakazawa-cho, Naka-ku, Hamamatsu Shizuoka, Japan  
**Year of establishment:** 1887  
**Date of incorporation:** October 12, 1897  
**Representative:** Takuya Nakata, President and Representative Director

**Stated capital:** ¥28,534 million  
**Number of employees (As of March 2013):** Consolidated: 27,886  
 Non-Consolidated: 4,506  
**The Yamaha Group (As of March 2013):** Number of consolidated subsidiaries: 72 (including companies located outside Japan)  
 Number of companies accounted for by the equity method: 1

## Business Segments

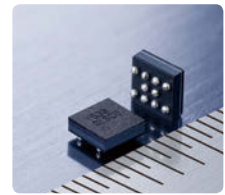
### Musical Instruments

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.



### Electronic Devices

Yamaha manufactures and sells amusement devices, audio and video LSIs for automotive-use and home electronics, and geomagnetic sensors for mobile equipment such as smartphones.



### Audio Equipment

Yamaha manufactures and sells audio equipment for consumer- and professional-use, online karaoke for professional-use, telecommunications equipment such as routers, and sound communication devices such as conference systems.



### Others

Yamaha's other businesses include the Golf Products business, the Automobile Interior Wood Components business, the Factory Automation (FA) business, and Resort Facilities.



## The Relationship Between Yamaha Corporation, Yamaha Motor Co., Ltd., and Yamaha Livingtec Corporation

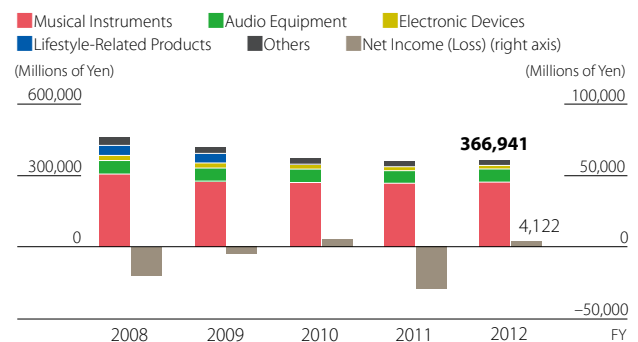
Yamaha Motor Co., Ltd. (Yamaha Motor) manufactures and sells motorcycles, marine products, snowmobiles, and other related products. The company separated from Yamaha Corporation in 1955, becoming an independent business, and as a result is not included in the scope of this report. Yamaha Motor was previously recorded as an affiliated company accounted for by the equity method. Yamaha Motor was excluded from Yamaha's scope of consolidation as an equity-method affiliate following a reassessment of the capital relationship between the two companies.

In addition, Yamaha Livingtec Corporation (YLT), which manufactures and sells system kitchens and bathrooms as well as other housing fixtures and equipment, was excluded from Yamaha's scope of consolidation on March 31, 2010. As a result, details of YLT have not been included in the Company's reports from the fiscal year ended March 31, 2011.

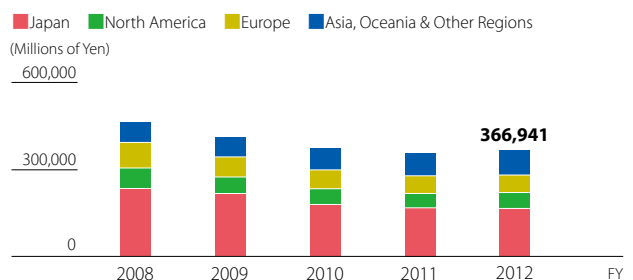


## Key Financial Indicator Trends (Consolidated)

### Net Sales by Segment and Net Income (Loss)



### Consolidated Net Sales by Region



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## Editorial Policy

The Yamaha Group issues a CSR Report in order to communicate its CSR vision and initiatives to the Group's broad stakeholder base. Since we first published the report in 2000, we have worked to prioritize information that is of greater interest based on our ongoing dialogue with stakeholders. We have continued to review the format of the report each year since 2009, and have decided to take a two-pronged approach, posting detailed information and environmental performance data on the website and presenting key points more concisely in a printed report to make it easier to read and digest. In preparing this report, we referred to the Japanese Ministry of the Environment's "Environmental Reporting Guidelines (2007 Version)" and the Global Reporting Initiative's "Sustainability Reporting Guidelines (v. 3.0)."

## Organizations Included in the Scope of Reporting

It is Yamaha Corporation's intention to report to the fullest extent possible on activities carried out by the organizations that fall within the scope of its consolidated financial accounting. The environmental protection activities discussed in this report cover the 21 business sites (23,301 total employees, 84% of consolidated employees) that have obtained ISO 14001 certification. Reported items other than environmental protection and social contribution activities are primarily activities by Yamaha Corporation, although certain items focus on activities carried out by Yamaha Group companies. We will continue to expand the scope of reporting on Group company activities.

## Reports on the Yamaha Corporation Website

You can access the Yamaha CSR Report web version at:

[http://www.yamaha.com/about\\_yamaha/csr/](http://www.yamaha.com/about_yamaha/csr/)

(Updated in September 2013)



## Regarding Environmental Performance Data

Environmental performance data including details not recorded in this report can be found on the Company's website.

[http://www.yamaha.com/about\\_yamaha/csr/environmental\\_data/](http://www.yamaha.com/about_yamaha/csr/environmental_data/)

(Updated in September 2013)



## Reporting Period

April 1, 2012 to March 31, 2013

- The above period is referred to as fiscal 2012 in this report.
- Certain initiatives underway prior to fiscal 2012 and information from April 2013 onward are also included in this report.

## Next Scheduled Issue

We plan to issue the next CSR Report in August 2014.

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# Message from the President

## Strengthening CSR Through Our Business Processes



### **Aiming to Become a “Trusted and Admired Brand”**

Yamaha has chosen “CREATING ‘KANDO’ TOGETHER” as its corporate objective and endeavors to create renewed “Kando” and enrich culture through its business activities grounded in the fields of sound and music. Yamaha marked its 125th anniversary of the commencement of its operations last year. The history of Yamaha started in 1887 when its founder, Torakusu Yamaha, who was then a medical equipment technician, accepted a request for repair work on a broken organ. The spirit of using one’s own strengths to contribute socially was included in the Company creed that was established in 1939 and has been passed on from generation to generation as the timeless corporate philosophy. Since then, we have been providing a wide variety of products and services centered on the fields of sound and music, and the “Yamaha” brand has become popular throughout the world. As we move forward, we will hold on to the philosophy inherited from our predecessors and aim to become a “trusted and admired brand” that creates “Kando” to meet and surpass expectations.

### **Putting into Practice CSR Management**

Yamaha launched the “Yamaha Management Plan 2016,” a new medium-term management plan, in April this year. In this plan positioned as the “quantum leap phase,” we plan to engage in activities based on the basic management policies, “Attain continual growth,” “Strengthen profitability” to support growth and “Enhance specialization and professionalism” to create new added value. Most importantly, in order for Yamaha to develop its business globally, and in particular achieve long-term continual growth in emerging countries, we must build a management based on CSR while taking into consideration expectations of various stakeholders and social needs. For example, with the globalization of materials and parts procurement, companies might unintentionally play a part in the violation of human rights or environmental destruction through their supply chains. It is therefore crucial to involve the entire supply chain in CSR, including working partners. Hence, we plan to enhance not only CSR efforts through our products and services but also our business processes that create such values under the medium-term management plan.



Furthermore, the most important element for Yamaha to always meet social needs and enhance the value of its existence is “people.” For this reason, it is our goal for all Yamaha employees to be naturally infused with the spirit of CSR and for all operations to lead to a sustainable society and the creation of new value. For Yamaha to develop its business globally, it is also important to continue to be involved in various undertakings, including next generation development, welfare activities, and music culture promotion around Japan and abroad as well as contribute to the resolution of global issues such as global warming and biodiversity.

Recognizing these issues, Yamaha signed the Global Compact that comprises the basic principles of CSR in 2011, as advocated by the United Nations. Based on the 10 principles of the Global Compact in addition to the Yamaha Corporation Group CSR Policy established in 2010, we are making the utmost effort toward our unique activities, including the development and manufacture of products that pursue efficient resource utilization and environmental burden reduction as well as support forest revitalization. We will continue to promote activities to address social issues through these efforts.

## Takuya Nakata

President and Representative Director  
Yamaha Corporation

### The United Nations Global Compact

The United Nations Global Compact is a strategic policy initiative for businesses that voluntarily commit to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. Top management of assenting and participating businesses publicly pledge their commitment and work consistently to achieve the objectives espoused under the 10 principles. Yamaha sends full-time staff to Global Compact Japan Network and cooperates in such areas as running special-interest groups as a signed member of the network since 2012.



#### The 10 Principles of the United Nations Global Compact

<b>Human Rights</b>	Principle 1: Companies should support and respect the protection of internationally proclaimed human rights; and Principle 2: Companies should make sure that their businesses are not complicit in human rights abuses.
<b>Labour</b>	Principle 3: Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: Companies should support the elimination of all forms of forced and compulsory labour; Principle 5: Companies should support the effective abolition of child labour; and Principle 6: Companies should support the elimination of discrimination in employment and occupation.
<b>Environment</b>	Principle 7: Companies should support a precautionary approach to environmental challenges; Principle 8: Companies should take the initiative in having greater environmental responsibility; and Principle 9: Companies should encourage the development and diffusion of environmentally friendly technologies.
<b>Anti-Corruption</b>	Principle 10: Companies should work against corruption in all its forms, including extortion and bribery.

# Group Management

The Yamaha Group is working to execute CSR-oriented management based on fair and sustainable practices.

## Corporate Governance

### Strengthening Governance and Developing an Internal Control System

Yamaha is a company with a board of auditors as defined under Japanese law. With the General Shareholders' Meeting as its highest decision-making body, Yamaha has built a corporate governance system (outlined in the diagram below) centered on the oversight and supervision of management's execution of duties by the Board of Directors, and audits by the Board of Auditors. Further, Yamaha has enhanced its governance functions by introducing an executive officer system, setting up a Corporate Officers Personnel Committee, Risk Management Committee, and corporate committees, convening twice a month (in principle) Managing Council meetings, and establishing an internal control system. In conjunction with consistent audits conducted by the Company's system of full-time auditors, these help raise the effectiveness of governance through fair and equitable audits by highly independent outside corporate auditors.

Yamaha has established an internal control system pursuant to Japan's Companies Act and the Enforcement Regulations of the Companies Act. Yamaha seeks to achieve optimal corporate governance in order to raise corporate value and the Yamaha brand image. At the same time, the Company works to improve the internal control system to raise business efficiency, increase the dependability of Yamaha's accounting and financial data, and strengthen compliance, asset soundness, and risk management capabilities.

Further, Yamaha established the Group Management Charter to clarify Group management policies. Also, competent divisions are responsible for providing proper guidance and assistance with management in Group companies under their jurisdiction based on Group Company Administrative Rule. Subsidiaries shall confer and consult in advance with said divisions, while administrative divisions of Yamaha Corporation shall support this process.

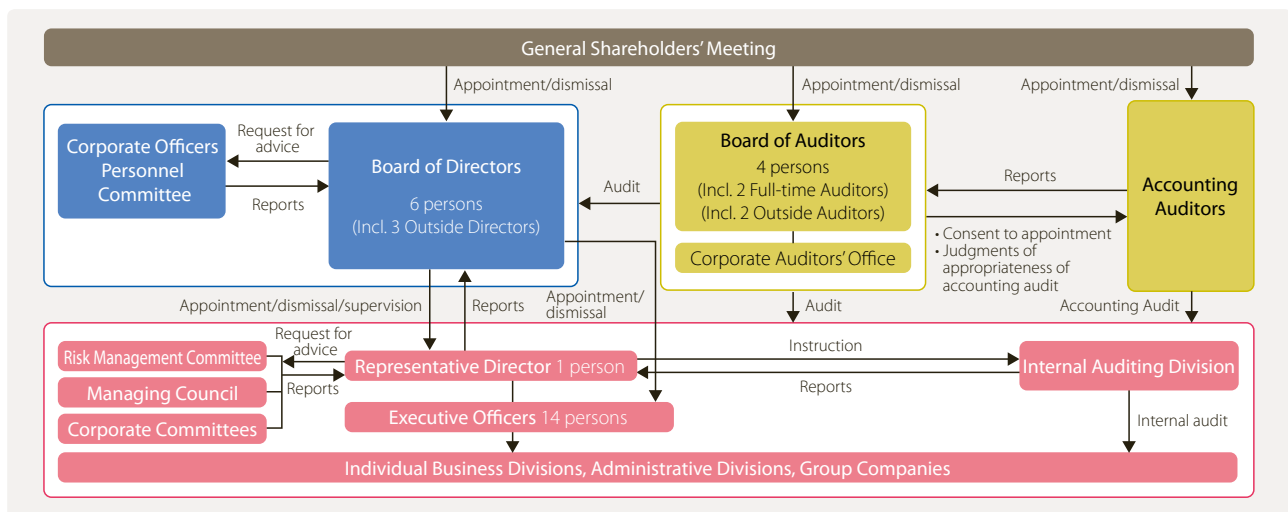
### Basic Policy and Promotion System for Risk Management

Yamaha has chosen "CREATING 'KANDO' TOGETHER" as its corporate objective and has placed this as its highest corporate philosophy. Yamaha perceives events that impede the attainment of the corporate objective as risks and implements risk management based on the following policy.

1. We shall establish a structure and framework for risk management and work to enhance responsiveness to risk and maximize corporate value.
2. We shall identify, evaluate and reduce risk through risk management activities during ordinary times, conduct awareness-raising activities such as education and training, and share information on risks in order to permeate risk awareness and foster risk sensitivity.
3. We shall prioritize people's safety when risk occurs, and coordinate with the local community to ensure sincere, appropriate and speedy response as a means to minimize the impact of risk. In addition, we shall strive to ensure the stable supply of products and services, continue business to the extent possible and contribute to the sustainable development of society.
4. We shall work to prevent reoccurrence of risk that we have resolved.

Yamaha Corporation has established a Risk Management Committee as an advisory body to the company president pursuant to the basic policy above. This Committee deliberates on matters related to risk management from a Company-wide standpoint and reports to the company president. Sub-committees related to BCP and disaster countermeasures, internal control, compliance and export screening 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.

Corporate Governance Structure (As of June 26, 2013)





## CSR Management

The Yamaha Group focuses on corporate social responsibility (CSR). In specific terms, we express this policy commitment across a wide range of areas including product quality, labor, the environment, IR and social contribution. In February 2010, we established the Yamaha Corporation Group CSR Policy, a summary of the Group's approach toward CSR. Comprised of five key guidelines, this Policy outlines the Company's fundamental stance toward fulfilling its responsibilities to its diverse stakeholders. Yamaha operates with this CSR policy as the common philosophy for the Group.

In addition, the Group is working to educate employees and boost awareness of CSR through training and by distributing information. The aim is to deepen understanding of CSR among all employees as well as raise social sensitivity and quality to facilitate better CSR activities. We set up a webpage on the intranet to provide information to employees as needed concerning CSR activities undertaken by Yamaha Group companies, introduction of exceptional cases at other companies and an explanation of CSR keywords, among other topics.

Group Management

### Yamaha Corporation Group CSR Policy

## — Our Aim is “Creating ‘Kando’ Together” —

The objective of the Yamaha Corporation Group is to continue to create “Kando\*” and enrich culture with technology and passion born of sound and music, together with people all over the world.

Based on this Corporate Objective, Yamaha conducts its CSR activities according to the following guidelines to further strengthen the bonds of trust with its stakeholders through its corporate activities and contribute to the sustainable development of society.

\*“Kando” is a Japanese word that signifies an inspired state of mind.

- 1 | Yamaha provides support to people who want to perform music and people who want to enjoy it by contributing to the popularization and development of music and musical culture.
- 2 | Yamaha works to maintain a healthy global environment by understanding the significance of protecting the natural environment, maintaining biodiversity, and reducing the burden on the environment, as well as promoting the proper use of wood resources, and cooperating with forest protection activities.
- 3 | As a “corporate citizen” that is a member of society, Yamaha contributes to creating a better society by actively participating in many kinds of activities that further the development of the community and culture.
- 4 | Yamaha complies with laws and high ethical standards, works to create an environment in which its personnel can draw fully on their sensitivities and creativity, and aims to build a corporate culture that will enable it to offer better products and services.
- 5 | For its shareholders, who support its corporate activities financially, Yamaha aims for a high degree of transparency by disclosing management information and engaging in active and sustained communication. For its business partners, Yamaha conducts transactions fairly and transparently, endeavors to deepen mutual understanding, and works to build strong relationships of trust.



**Special Feature Celebrating 125 Years in Business**

**History of Yamaha's Social Contribution Activities**



## Aiming to Enrich the Lives and Minds of People Worldwide and Create a Better Society Through Our Business Activities

### Fixing a broken organ

In 1887, Yamaha started building foundations for domestically produced musical instruments in Japan after repairing a broken organ that had been imported from abroad.

Yamaha has now enjoyed a long history that stretches back 125 years. During that time, we have always sought to make a strong contribution to society.

Let's take a look back at some of the key social contribution milestones over the past 125 years.

## 1887~

- 1887 Torakusu Yamaha repairs a reed organ at Hamamatsu Jinjo Elementary School (currently Motoshiro Elementary School) and then successfully builds his first reed organ.
- 1897 Nippon Gakki Co., Ltd. (currently Yamaha Corporation) established
- 1900 Production of upright pianos begins

- 1902 The first Yamaha grand piano completed
- 1939 Formulates Guiding Principles for Yamaha
- 1947 Forms Nippon Gakki Union
- 1949 Shares listed on Tokyo Stock Exchange
- 1954 First music class inaugurated
- 1955 Splits off the motorcycle division and establishes Yamaha Motor Co., Ltd.
- 1958 Creates Yamaha Baseball Club

## 1960s

- 1960 Establishes school for technical acquisition for employees
- 1961 Creates Yamaha Symphonic Band
- 1963 Inaugurates association of Yamaha dealers in Japan
- 1963 Inaugurates international association of Yamaha dealers
- 1968 Shares issued at market price for first time in Japan



# 1 Contributing to the Popularization and Development of Music and Musical Culture

Yamaha has made a strong contribution to the spread of music culture in Japan since successfully manufacturing the organ and the piano domestically. Such contribution includes the production of a variety of musical instruments, the active importing of foreign musical score and music books since before the war, and holding music festivals. Besides pursuing the ultimate performance in musical instruments as a comprehensive manufacturer in the field, Yamaha has also created unique products over the years that include audio equipment such as speakers, portable keyboards that are convenient and fun to use, and the Silent™ Series of instruments that enable a more comfortable music life in consideration of the surroundings. Yamaha's Music Education Business, beginning with the Yamaha Music School, which started from experimental organ classes in the 1950s, boasts over 50 years in operation and has grown to all corners of the globe and to a wide range of age groups. Currently, Yamaha is rolling out a diverse program connected mainly with promoting health. Also, by leveraging technology amassed in sound and music, Yamaha proposes new solutions and services that include the creation of better musical environments, privacy protection and voice communication.

Apart from contribution through these businesses, Yamaha has continued to support a variety of musical activities such as efforts to assist musicians and instructors as well as cooperation with the running of competitions. This has enabled us to continue creating a more fulfilling society where more and more people can share in the joy and excitement of music.

1950's



▲ Yamaha Music School was extremely popular when it first opened and has since grown nationwide

1970



▲ 1st Tokyo International Popular Song Festival (World Popular Song Festival)

1980



▲ Portable keyboard "PortaSound™"

1997



▲ Silent violin™

2007



▲ "TENORI-ON™," an electronic musical instrument that proposes a new way to enjoy music

2008-



▲ The Yamaha Wellness Program aims to enhance health through music

## 1970s

- 1970 Holds 1st Tokyo International Popular Song Festival
- 1970 Begins Japan Band Clinic
- 1974 Begins Yamaha Business School featuring a distance learning-based program
- 1975 Begins Environment Week and local cleanup activities

## 1980s

- 1980 PortaSound™ portable keyboard marketed
- 1981 Begins sales of one-handed recorder
- 1985 Releases marimba using Acoustalon™ made of rare wood alternative material
- 1985 Holds 1st Yamaha Cup Ladies Open
- 1987 Centenary year  
Company name changed to Yamaha Corporation
- 1987 Forms Industrial Safety and Health Committee

# 2

## Contributing to a Healthy Global Environment

As initiatives for environmental preservation, over the years Yamaha has worked to reduce environmental burden for example by establishing an Environmental Management Division in 1974, introducing technology for waste gas and wastewater treatment, reducing waste, promoting energy conservation and setting voluntary standards that are stricter than legal obligations.

In terms of products, Yamaha is pursuing environmental responsiveness by substituting substances of concern such as shifting to lead-free soldering for wind instruments, saving energy and conserving resources. In addition, we are working to develop alternative materials for rare wood that is used as a raw material in musical instruments and other things as a means to conserve wood resources.

Yamaha is also dedicated to making sure each of its employees has an awareness of the environment, participates in regional clean-up activities and considers the environment as part of daily life. We are also striving to preserve forests in Japan and overseas to fulfil our social responsibility as a company that utilizes wood.

1974



▲ Pollution prevention patrol based on labor-management cooperation

1983~



▲ Employees have participated in the Hamanako Lake Clean Brigade since 1983

2005~



▲ Tree-planting in Indonesia

2006



▲ Trumpet using lead-free soldering

# 3

## Contributing to Local Communities as a "Corporate Citizen"

The spirit of contributing socially that was included in the Company creed established in 1939 signals a commitment to take on community-based activities as a corporate citizen.

Yamaha contributed to post-war recovery of the local area of Hamamatsu City following the end of the war in 1945 by building and providing simple housing for no profit. This and other efforts led to social contribution activities in each region Yamaha has a business site in.

The Yamaha Baseball Club, created in 1958, contributes to sports promotion in local communities by appearing in inter-city baseball tournaments and through baseball clinics for youngsters. The Yamaha Symphonic Band, established in 1961, cooperates with musical performances at local events in addition to staging concerts on a regular basis. Yamaha also supports the education of children by running factory tours and providing workplace experience as well as giving its support of employee's volunteer efforts in Japan and overseas.

1945



▲ Simple housing to help with recovery from war damage without regard for profit

1961



▲ Yamaha Symphonic Band

1972



◀ Fans support the Yamaha Baseball Club as it wins its first ever inter-city baseball tournament

### 1990s

- 1992 Holds 1<sup>st</sup> Yamaha Jazz Festival
- 1994 Begins acquisition of ISO 9000 series certification
- 1995 Begins Hamamatsu International Wind Instrument Academy and Festival
- 1997 Begins acquisition of ISO 14001 certification

### 2000~

- 2000 Issues first Environmental Report (CSR Report)
- 2000 Establishes section in charge of IR
- 2000 Begins business presentations for securities analysts and institutional investors
- 2003 Inaugurates Yamaha Cares, a US subsidiary

- Yamaha Corporation of America implementing employee-based charitable works
- 2003 Establishes Compliance Committee and formulates Compliance Code of Conduct
- 2003 Establishes outside director and auditor system
- 2004 Initiates project to promote the role of

# 4

## Building a Corporate Culture that Helps Offer Better Products and Services

In order to contribute broadly to society through its business activities, Yamaha aims to be of service to the local community, an idea championed in the Company creed formulated in 1939, by encouraging improvement in each employee and the Company itself on a daily basis and ensuring that duties are performed with sincerity.

Yamaha started developing human resources so that they could generate products of the highest quality at a training institute within a boarding school it established in the 1900s. Following on from that, Yamaha set up a school for technical acquisition in the 1960s. The Yamaha Business School featuring a distance learning-based program was established in 1974 and is supporting the personal development of employees. In recent years, Yamaha has been pouring effort into promoting a good work-life balance and expanding the role of female workers and in order to create a fulfilling workplace environment that caters for diverse lifestyles where employees can maximize their sensitivity and creativity.

The Compliance Committee was established in

2003 to ensure compliance with laws and social norms, which form the foundation of corporate management, and the Compliance Code of Conduct was formulated to foster a better corporate culture.

1939



◀ The Guiding Principles for Yamaha was created as rules for employees

1961



▲ Opening ceremony of school for technical acquisition



1998

◀ The From-To Program was initiated to pass down skills and technologies to the next generation

# 5

## Promoting Highly Transparent Management and Mutual Understanding with Business Partners

In order to become a company that is trusted widely by society, Yamaha consistently places emphasis on dialog with shareholders and business partners, which underpins the foundations of our corporate activities. Yamaha's achievement of being the first company in Japan to issue shares at market price as a means to enhance capital and stabilize share price in 1968, a move that became mainstream after that, can be attributed to discussions held between management and shareholders and a high level of mutual understanding. Yamaha established an IR section at the start of the 2000s that is actively conducting IR activities that include holding business presentations and tours of facilities for investors from Japan and overseas.

Yamaha has worked to enhance governance functions by introducing an executive officer system, as well as by setting up Corporate Committees and an internal control system. These actions in conjunction with consistent audits of the Company's daily operations conducted by Yamaha's full-time auditors as well as impartial and fair audits by highly independent outside auditors raise the effective of governance.

In addition, Yamaha aims to drive mutual development with its working partners, including suppliers, affiliate factories and sales distributors, and is working actively on interchange by creating opportunities for reporting sessions on management and production and sales trends, and for training workshops.

1963



▲ General meeting for association of Yamaha dealers in Japan (established in 1963), which aims to ensure friendly relationships with dealers and drive mutual advancement

2008



▲ A tour of one of Yamaha's facilities for investors

- women in the workplace
- 2005 Begins tree-planting activities in Indonesia
- 2006 Completes shift to lead-free solders in all wind instruments
- 2007 Begins activities supporting forest regeneration on the Enshunada Coast
- 2007 Achieves zero waste emission at all

- production sites in the Yamaha Group nationwide
- 2008 Attains "KURUMIN next generation accreditation mark"
- 2008 Formulates BCP Guidelines
- Opens Customer Communication Center
- 2010 Begins presentations for individual investors

- 2010 Formulates Yamaha Corporation Group CSR Policy
- 2011 Completes acquisition of ISO 14001 certification in all Group companies in Japan
- 2011 Participates in School Music Revival Fund
- 2011 Signs the United Nations Global Compact

# Contributing to the Popularization and Development of Music and Musical Culture

Yamaha continues to implement diverse activities around the world aimed at popularizing music culture. Meanwhile, technology related to sound and sound space is being put to use in various social scenes.

## Efforts to Popularize Music

### Supporting Music Clinics and Contests

Yamaha continuously supports music clinics and contests for people that have their sights set on becoming performers as well as for instructors.

Yamaha Corporation provides support at events where participants pursue a high artistic standard such as the Hamamatsu International Wind Instrument Academy and Festival and Japan Band Clinic in terms of products and from an operational perspective.

Since 2012, Yamaha Music & Electronics (China) Co., Ltd. has been running the Yamaha National Piano Competition, which is at one of the highest levels in the country, with the aim of fostering promising music students for the future.



◀ 43rd Japan Band Clinic



▲ Yamaha National Piano Competition (China)

### Spreading Music Through Events and Contests

Yamaha makes effort to spread music culture by holding events and contests in different regions worldwide.

In Japan, we proposed the idea of the “Family Ensemble”, an event where families can enjoy music together. By getting families, the building blocks of the community, to spend a fulfilling time together, the company hopes to have a positive influence on the region and society.

In China, we plan and run a wind instrument karaoke contest, which is held in different areas of China and boasts 4,500 participants a year, as well as contests that provides a space for amateur musicians to perform.



▲ A “Family Ensemble” that started from the November 22 “Good Couple Day”

### Support Related to Scholarships and Music Education Institutions

Yamaha has set up scholarship systems in different regions of the world as support for people to learn music. In Thailand, we have provided scholarships to more than 100 music university students to date while in Korea we established a scholarship system in 2012 and started supporting youngsters aspiring to be musicians.

Yamaha also teams up with music education institutions and cooperates with the educational curriculum and the provision of seminars for instructors.



▲ Granting scholarships in fiscal 2012 (Korea)



▲ Providing scholarships to music university students (Thailand)

### Supporting the spread of music regionally

Yamaha holds a “Brass Jamboree” for brass band enthusiasts in Japan. Many people from all over Japan, including those with experience in wind instruments and those who have just started playing a musical instrument in addition to the brass band enthusiasts, spend a day to enjoy brass instruments together. The event includes a grand performance that everyone participates in.



▲ Brass Jamboree 2013 in Yokohama (February 2013)



## Support for Music Education

### Propping Up School Music Education

Yamaha contributes to the enrichment of music course content by supporting music education at schools in various regions of the world.

Yamaha started the website "Music pal" to provide a variety of information of benefit to music coursework and self-directed learning. Siam Music Yamaha Co., Ltd. provides recorders and an educational curriculum free of charge as part of efforts to create music education foundations in Thailand. It also conducts courses for teachers. Around 3,000 teachers participated between fiscal 2002 and fiscal 2012.

Yamaha also donates musical instruments in different regions. Yamaha Music & Electronics (China) Co., Ltd. donated an upright piano and portable keyboard to two schools for the children of migrant farmers in the northern part of Shanghai through a charity foundation in Shanghai in March 2013.



▲ Providing instruction on recorders for teachers to use in their music course (Thailand)



▲ Donating instruments to schools for the children of migrant farmers (China)

## Proposing Solutions that Employ Sound Technologies

### RemoteLive™ Technology for People to Enjoy Concerts and Other Live Performances Remotely

As one way to satisfy the desire to deliver live performance of high artistic quality by outstanding musicians to as many people as possible, Yamaha developed RemoteLive™ for the transmission of video, audio and MIDI simultaneously to multiple locations through the internet. Through this technology, the keys of a piano in a remote location move exactly as in the performance in a live hall so that people can enjoy live piano performance as if a concert were being conducted before their eyes.

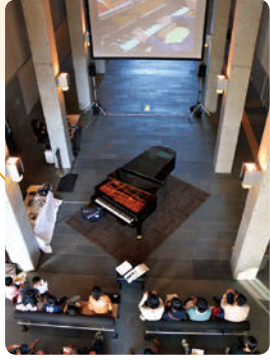
In October 2012, RemoteLive™ technology was used for a live performance at a keyboard event called "Banban! Kenban♪ Hamamatsu" (sponsored by Shizuoka University of Art and Culture), which introduces keyboard instruments from around the world in a variety of ways. The central hall on the Shizuoka University of Art and Culture campus, the main event space, was connected to Yamaha Corporation's Kakegawa Factory via internet and a live performance by a pianist at the factory was synchronized in real time at the event space.



▲ Performance at the Kakegawa Factory

shizuoka ●

Hamamatsu ● Kakegawa



▶ The live performance at the Kakegawa Factory was synchronized in front of the audience at the main event space

# Contributing to a Healthy Global Environment

Guided by the Yamaha Group Environmental Policy, Yamaha Corporation promotes environmental management in league with Yamaha Group companies. Individual employees are in turn committed to activities that protect and contribute to a healthy global environment.

## Environmental Management

### Operating an Environmental Management System

The Yamaha Group adopted the environmental management system ISO 14001 in fiscal 1997 at its business locations. Integration of the certification was completed in August 2011 for domestic Group companies with the aim of ensuring efficient environmental management throughout the Yamaha Group.

Yamaha introduced the Yamaha Group Environmental Management System in fiscal 2013, which is applicable to all Yamaha Group companies worldwide.

#### Response to Soil Contamination at Saitama Factory

Yamaha conducted a soil survey at the site of Yamaha Corporation's former Saitama Factory (Fujimino City, Saitama Pref.) after that facility was taken out of service. The results showed contamination in part of the soil as well as in the groundwater on the premises, which was caused by heavy metals. Follow-up surveys by the Company and Saitama Prefecture showed that the impact did not extend beyond the bounds of the premises, however. Going forward, Yamaha will continue taking steps to decontaminate the soil.

Yamaha will continue reporting the situation to the relevant authorities, providing explanations to residents in the area and putting out news releases in order to ensure appropriate disclosure.

## Environmental Consideration in Production Activities

### Environmental Response at Factories in China

Yamaha factories in China are undertaking various environmental measures that include acquisition of ISO 14001 certification and Cleaner Production Audit certification pursuant to Chinese law.

Hangzhou Yamaha Musical Instruments Co., Ltd. implemented energy conservation measures such as improving and strengthening maintenance for dust collectors and other production equipment, and reducing waste, which led to acquisition of Cleaner Production Audit certification at the end of 2011. Yamaha Electronics (Suzhou) Co., Ltd. acquired the same certification in 2012 and continued to make improvements, which resulted in reductions in power consumption of 1,520,000kWh, water consumption of 2,500t, wastewater of 2,000t and hazardous waste of 1.2t. In addition, Xiaoshan Yamaha Musical

### Promoting the Design of Environmentally Friendly Products Utilizing the LCA Method

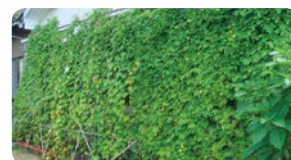
Yamaha works to identify the characteristics of the environmental impact of each product group and implement eco-friendly design that counters each issue uncovered. As ways to achieve this, steps such as product life cycle assessments (LCA) are taken that evaluate environmental impact throughout the product life cycle, including material procurement, production, transport, use and disposal.

### Supporting Eco Activities Undertaken by Employees

In order to support the eco-activities that employees perform as part of their daily life, Yamaha promotes Smart Life in My Home Commitment, which outlines environmental enlightenment activities in the home in conjunction with the YAMAHA UNION. Under this commitment, employees establish and implement eco-activity themes according to their individual circumstances. Yamaha received a total of 855 reports and 633 reports on the activities at the end of the program in fiscal 2011 and fiscal 2012, respectively, and gave awards to the most exceptional initiatives.



▲ Award for exceptional initiative under the Smart Life in My Home Commitment



▲ Green Curtain created at the home of an employee wins outstanding award

Instrument Co., Ltd. acquired the certification in March 2013 after efforts to recover silver from waste liquid that comes from plating and to recycle water at the plating factory. Tianjin Yamaha Electronic Musical Instruments, Inc. is reducing waste by improving its processing method for plastic and minimizing environmental burden in waterways by newly installing wastewater treatment equipment.



▲ Dust collection equipment (Hangzhou Yamaha Musical Instruments Co., Ltd.)



▲ Wastewater treatment equipment (Tianjin Yamaha Electronic Musical Instruments, Inc.)



▲ Cleaner Production Audit certification (Yamaha Electronics (Suzhou) Co., Ltd.)



### Measures Against Global Warming at Factories Worldwide

In line with the integration of wind instrument production processes by transferring the operations of the Saitama Factory to Yamaha Corporation's Toyooka Factory, various efforts were made to conserve energy, which led to a 7% reduction in power consumption. Yamaha Music Craft Corporation's Shinden Factory, which produces string instruments, put into place various programs to save energy in fiscal 2011 such as using more appropriate pressure in its compressors and other measures, which enabled it to reduce its carbon dioxide emission reduction target by a further 11% relative to the target. In fiscal 2012, it managed its air conditioning units more appropriately and achieved its target here also.

Similar initiatives are also being executed in factories overseas. Hangzhou Yamaha Musical Instruments Co., Ltd., where

production volume has been increasing, worked to conserve energy in fiscal 2012 by formulating and complying with standards for appropriate operation of dust collectors, which account for 25% of power consumption. This resulted in an 8% reduction in energy consumption per unit of sales.

### Reduced Resources and CO<sub>2</sub> Emissions in Piano Frame Transportation

Previously, Yamaha used disposable iron packing racks when transporting piano frames from Japan to China. To eliminate this waste, we created returnable packing racks that can be used multiple times and a system for managing them, and in October 2011, we switched to returnable packing racks for all piano frames bound for China. We also completed the switch to using these packs for all piano frames bound for Indonesia in May 2013.

## Protecting Forests and Maintaining Biodiversity

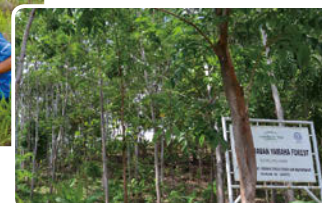
### Yamaha Forest Phase II in Indonesia

Phase II of the Yamaha Forest tree-planting activities has been implemented since fiscal 2010 to conserve biodiversity based on a five-year plan in a devastated area of Mt. Ciremai National Park in Kuningan Province, West Java. A tree-planting event was held in November 2012, which attracted around 210 participants. The event also included the planting of a commemorative tree and environmental education for children.

Yamaha Forest activities are now in their ninth year since Phase I was initiated and a forest is gradually starting to form in the area where the trees were first planted.



▲ Participants in tree-planting activities



▲ Yamaha Forest created in Phase I

### Support for Regeneration of the Enshunada Coastal Forest

Yamaha Corporation has been supporting the regeneration of the Enshunada Coastal Forest as a "Shizuoka Forests of the Future Supporter" since fiscal 2007. In October 2012, around 150 people including Yamaha employees, family members and general participants took part in planting five species and a total of 200 trees that included bayberry, round leaf holly and Japanese cheesewood.



▲ Tree-planting in action



#### Experienced planting trees in the area I grew up

I grew up in Kuningan and I sometimes went camping to Mt. Ciremai when I was a junior high school student. This was my first experience planting trees and I was really pleased that I was able to do so in the area I grew up in. I hope these activities are continued into the future.



**Elah Solihah**  
P.T. Yamaha Music Manufacturing  
Indonesia

# Creating a Better Society

As a good corporate citizen, Yamaha engages in business activities that contribute to the development of regional societies.

Yamaha contributes to the creation of a better society by supporting the education of children, the leaders of the next generation.

## Contributing to Local Communities

### Hamamatsu Jazz Week

Each year, Yamaha Corporation holds “Hamamatsu Jazz Week” in cooperation with the city of Hamamatsu and other co-organizers. The event has a variety of programs that can be enjoyed by people of all ages. The 21<sup>st</sup> Hamamatsu Jazz Week in 2012 included concerts that featured global artists as well as those by outstanding big bands from elementary, junior and senior high schools throughout Japan, combined with public music lessons, citizens' group events, the region's jazz club, a concert for parents with children, and “Jazz Koza” that fuses rakugo comic storytelling with jazz. Through these and other means, Yamaha actively supports the spread of music and culture in communities, as in the city of Hamamatsu.



▲ Yamaha Jazz Festival in Hamamatsu 2012

### Cooperation with Regional Interchange

Yamaha cooperated with events to celebrate the 30<sup>th</sup> anniversary of friendly ties between China's Zhejiang Province and Japan's Shizuoka Prefecture. Having business sites in both regions of Japan and China provided the perfect opportunity to support regional interchange. Visiting groups from Zhejiang Province were given a tour of the production process for grand pianos in Kakegawa while the mayor of Shizuoka Prefecture got to observe Xiaoshan Yamaha Musical Instrument Co., Ltd. Yamaha also lent its cooperation to a commemorative event, held in Zhejiang Province, in which Shizuoka Prefecture donate a grand piano to the province.



◀ The ceremony to donate the commemorative gift marking 30 years of friendly relations

### Regional Contribution Through the Yamaha Ladies Open Katsuragi Golf Tournament

Each year, Yamaha Corporation and Yamaha Motor Co., Ltd. jointly host the Yamaha Ladies Open Katsuragi golf tournament at the Katsuragi Golf Club operated by Yamaha Resort Corporation. This major event is made possible with the support of volunteer staff that record and carry out the tournament as well as prepare the gallery, and also the support of local residents and regional governments.

Since the first tournament in 2008, Yamaha has given donations to local governments that have backed the tournament as a token of our appreciation to local residents for their cooperation and support of the event. A total of ¥29 million has been donated, which is being used to revitalize sports and culture in the region and in the area of social welfare.



▲ Volunteer staff at the 2013 tournament



▲ Ceremony to hand over the money that has been donated

### Regional Contribution Activities by the Yamaha Symphonic Band

The Yamaha Symphonic Band holds regular musical performances and pop concerts, on top of supporting the Yamaha Baseball Club at inter-city baseball tournaments. In addition, the Band performs at various other events in Japan and overseas, and appears in contests. It also does concerts as a form of social contribution. In fiscal 2012, the Band visited a special nursing home to perform and also played at an anniversary event at a local elementary school. In December, it conducted fundraising at a pop concert with the proceeds going to help recovery following the Great East Japan Earthquake.



▲ Performance at a special nursing home



▲ Playing at an anniversary event at a local elementary school





## Social Welfare Initiatives

### Social Welfare Actions in Regions Worldwide

Yamaha conducts social welfare related activities such as supporting the medical field as well as sickness and injury care and child welfare. Employees in different regions also undertake voluntary charity-based activities in an aim to contribute to the local communities that they live and work in.

As support for the Great East Japan Earthquake, we are fundraising for the School Music Revival Fund and cooperating with recovery-related events in Japan.



◀ Providing "TENORI-ON™" to alleviate stress before an operation (Yamaha Music Europe GmbH Branch France)



▲ Visiting an orphanage (Yamaha Music (Malaysia) Sdn. Bhd)



▲ Donating Food and Toy Drive (Yamaha Canada Music Ltd.)

## Supporting Development of the Next Generation

### Providing a Variety of Learning Opportunities

Yamaha accepts people for workplace experience, internships and factory tours at its sites worldwide following requests from educational institutions in different regions.

Yamaha Corporation provides a program for children focused on the topics of "production" and "science" to meet requests from different regions. Group companies around the world also provide opportunities for music education. As one example, Yamaha Music Latin America set up the Cauca Wind Orchestra in Colombia and is aiming to ensure the sound development of juveniles in the area.

### Support for Learning Facilities and School Supplies

Yamaha conducts donation activities that make the most of business characteristics in each region to provide assistance to learning facilities and educational institutions.

In fiscal 2012, Yamaha Corporation donated variable acoustic room and cutaway models of musical instruments as exhibitions for the Hamamatsu Science Museum. Hangzhou Yamaha Musical Instruments Co., Ltd. provides wood off-cuts generated from the production process for piano components and guitars to a Japanese school nearby where they are being used as building blocks.

▼ Workplace experience at a sales store



◀ A workshop for making a folk instrument from Africa called kalimba



◀ Cauca Wind Orchestra



▲ Providing wood off-cuts for building blocks

# Building a Corporate Culture that Helps Offer Better Products and Services

Yamaha continues to provide value-added products and services with exceptional value to customers. To achieve this, we work to grow the company and enrich the lives of each employee.

## Pursuing Customer Satisfaction

### Sharing and Utilizing Customer Opinion

Yamaha works to ensure effective practice of Customer Relationship Management (CRM) in order to reflect customer opinion in products and services with the aim of enhancing customer satisfaction.

In Japan, opinions from customers, number of requests and results of analysis are collected by the customer support department and discussed at monthly meetings by the product development division and quality assurance division. In fiscal 2010, Yamaha established a framework to increase Voice of Customer (VOC) visibility where opinions and requests from customers are shared internally in real time. It has been operating since fiscal 2011 and promoting the use of VOC in sales activities and product development has led to faster reflection of customer opinion in operations. Yamaha won an award in the technology category of the Center of Excellence Awards 2012 sponsored by Ric Telecom's Computer Telephony editing department for its framework to increase visibility of VOC.

### Aiming to be a concierge for customers

VOICE

Using VOC is one part of CRM that builds relationships with customers. Through VOC, we are aiming to utilize CRM in all services, akin to a "concierge." In addition to resolving problems, I believe it is important in helping to create an environment to use Yamaha products based on an overall image of customers' lifestyles.



**Mitsutoyo Kato**  
Customer Support Department  
Yamaha Music Japan Co., Ltd.

## Appropriate Disclosure of Product Information

### Providing Appropriate Information on Products and Services

In order to ensure proper advertising and publicity communicating the contents of Yamaha's products and services to customers as well as represent accurate information about them in accordance with applicable laws and regulations, Yamaha has formulated and is applying internal rules on basic disclosure and prohibition of misleading representations.

In order to have customers use products safely, Yamaha provides safety-related information and works to raise awareness through instruction manuals and catalogs as well as a dedicated section on the company website.

In order to respond to interest shown by customers in environmental preservation, we disclose cases related to environmental consideration on the CSR website, including efforts to reduce products' energy consumption.

### Information Disclosure regarding Product Safety and Defects

In the event that an accident is caused due to the products, services and facilities provided to customers by the Yamaha Group, we conduct a product recall when necessary for customer safety and disclose the necessary information in an appropriate manner, which includes notifying the relevant authorities in line with laws and regulations. Yamaha is also proactive about making announcements through various media in addition to its website.

#### Recall of Golf Club

In February 2013, Yamaha began recalling the golf club driver inpresX RMX. Non-standard screws are mixed in with the weight screws attached to the head part, which makes it possible for the head itself to fall off. We notified people through our website and reported the incident in the newspaper and an industry magazine. As of June 2013, we had recalled all store inventories and provided inspections free of charge or replaced the part for 90% of the products sold.



## Expanding the Role of Diverse Human Resources

### Conducting Fair Hiring and Providing Employment Opportunities to Diverse Human Resources

Yamaha respects human rights in hiring and employment and works to maintain fair hiring practices and provide employment opportunities to a diverse range of people.

At Yamaha Corporation, the employment rate of people with disabilities has hovered around 2% since fiscal 2009, which exceeds legal standards. In addition, 223 senior partners (as of March 2013) were employed under the employment extension

program (Senior Partner System). In line with the revised law, Yamaha is taking steps to provide work for all regular employees nearing retirement age in fiscal 2013 who want to keep working.

Besides these initiatives, Yamaha also actively employs people of foreign nationality, and 64 non-Japanese were employed at Yamaha Corporation as of March 1, 2013. In order to expand the role of diverse human resources irrespective of nationality, we have set targets for the hiring of newly graduated non-Japanese and provide information about hiring in English on our website.

## Promoting a Better Work-Life Balance

### Shortening Total Work Hours and Creating a Flexible Work Hours System

The Yamaha Group has continued to actively cooperate with labor in its efforts 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. Various initiatives aim to shorten total work hours such as encouraging employees to take paid holidays and taking proactive steps to provide support for both work and family by establishing and improving childcare and nursing care support systems. Yamaha Corporation formulated and implemented an action plan in fiscal 2005 that incorporates such initiatives as an upgraded and expanded childcare support system and in 2008 was recognized by the

Ministry of Health, Labour and Welfare for its support in the development of the next generation.

The Company also holds internal seminars and provides information on the intranet with the aim of boosting awareness of work-life balance.



▲“Kurumin” mark certification recognizing support for the development of the next generation.



▲ My Yamaha Life on the intranet

## Employee Safety and Health

### Safety and Health Auditing at Overseas Production Sites

Yamaha is working on health and safety management activities at production sites overseas as part of efforts to prevent industrial accidents. In fiscal 2012, Yamaha Corporation conducted safety and health audits at six sites in Indonesia, China and Malaysia to confirm safety and health management systems and the establishment of related regulations and standards, and to provide guidance on reducing risk associated with industrial accidents. An occupational physician from Japan accompanied the officials to some of the sites to provide guidance on the appropriate use of protective equipment from a specialist standpoint.



◀ Giving advice on wearing the appropriate protective equipment (Indonesia)

# Promoting Highly Transparent Management and Mutual Understanding with Business Partners

Yamaha consistently strives for the highest transparency in its management by promoting outstanding compliance management, ensuring the timely disclosure of all relevant information and fully engaging in fair transactions.

## Promoting Compliance Activities

### Promoting Compliance in Accord with Regional Characteristics and Changes in Society

Yamaha formulated the Compliance Code of Conduct in 2003 and since then has revised it in accord with changes in the business environment and social circumstances, and also made it in foreign languages.

Additions were made to the Compliance Code of Conduct in fiscal 2006, including an article regarding the prohibition of



▲ Local versions of the Compliance Code of Conduct

forced and child labor, and other information essential for Group companies with overseas business interests. Taking into consideration revisions to various laws and regulations in five-year blocks since 2006 as well as changes in social conditions, the Yamaha Group revised the Japanese version of its Compliance Code of Conduct in April 2011. Detailed explanations were added covering such items as revisions to consumer, antitrust and labor legislation, changes to expectations in companies held by society and the general increase, society-wide, in whistle-blowing.

The Yamaha Group has formulated respective codes of conduct for 28 overseas companies that take into consideration local laws and regulations and are based on the Japanese version in order to promote compliance based on a consistent philosophy and rules across the board worldwide. A code is currently being prepared for two newly established companies. Since fiscal 2012, the Yamaha Group has been revising local versions of the Compliance Code of Conduct to reflect changes in each region and in consideration of revisions made to the Japanese version. The revisions reflect local governing laws and regulations as well as the social environment, and are made with the assistance of local outside experts who confirm content.

## Mutual Understanding with Business Partners

### Providing Explanations of CSR for Business Partners

Yamaha Corporation implements CSR-related measures in the supply chain to ensure procurement in line with various policies such as the Yamaha Material and Component Procurement Policy. Yamaha's policies on procurement and CSR are explained to business partners, who are requested to comply in such areas as respect for human rights, labor, health and safety, and fair trade. If a business partner violates the provisions of the procurement policy, it is required to make swift improvements and report on the actions it has taken. In certain cases, Yamaha may take steps to reduce or cease transactions with a partner.

When concluding contracts with new suppliers, Yamaha conducts surveys of the CSR measures implemented by business partners. Drawing on the results of surveys, Yamaha requests\* that suppliers implement improvement measures when it has been determined that such measures are required. In case improvement measures are requested, Yamaha meets directly

with suppliers to explain and gain an understanding of its policies. These meetings also serve as an opportunity to provide feedback on survey score results. In fiscal 2011, the Company only concluded new contracts with suppliers who were not required to implement improvements. In fiscal 2012, the Company renewed contracts with supplier upon a review of the content of the basic transaction agreement in line with an ordinance related to the expulsion of organized crime groups.

\* In the case of trading companies, components or material manufacturers are also requested as well.



## Fair and Timely Information Disclosure

### Proactive Investor Relations Efforts to Promote Understanding of the Company

Yamaha Corporation adheres to our Disclosure Policy that ensures fair and timely disclosure of information to institutional and individual investors around the world.

In addition to holding quarterly results conferences for institutional investors in Japan, the Company conducts briefings on its management policies and individual business segments as well as factory and facility tours as required. For institutional investors in other countries, the Company makes available English translations of all information provided to investors in Japan. In addition, the Company's president and directors visit investors overseas 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. Based on the idea of expanding our shareholder base, Yamaha Corporation gradually commenced briefings for individual investors in different cities in Japan from fiscal 2010. Briefing sessions have been held in Nagoya, Fukuoka, Hiroshima, Sapporo and other cities to date. The Company also runs a special benefit plan every year designed to ensure satisfaction in all individual shareholders.

### Major IR Activities in the Fiscal Year Ended March 31, 2012

Regularly Scheduled Events	Quarterly result conferences each quarter (four annually)
One-on-one meetings	250 times
Visits to overseas investors	Three times annually (U.S. (East Coast and West Coast), U.K., Asia)



▲ Shareholder special benefit items (for shareholders with more than 1,000 shares)

## Evaluation by Society

### Inclusion in Socially Responsible Investment Indexes

Socially Responsible Investment (SRI) indexes\* and funds in Japan and other countries evaluate potential investments not only from a financial perspective, but from CSR environmental viewpoints as well. Yamaha Corporation continues to be listed in some of the world's most prominent SRI indexes, including the FTSE4Good Global Index (managed by Britain's FTSE), and the Morningstar Social Responsibility Index (MS-SRI).

\*SRI (Socially Responsible Investment) Index: An index that monitors movements in the share prices of companies grouped together selected for their outstanding financial and CSR qualities.

### Credit Ratings (As of March 31, 2013)

Rating and Investment Information, Inc. (R&I)	A
Japan Credit Rating Agency, Ltd. (JCR)	A+



# Third-Party Opinion

Yamaha is focused on ensuring better communication with all stakeholders in order to respond to various CSR-related issues in Japan and overseas. This year, Makiko Akabane shares her opinion on Yamaha's CSR activities and the Yamaha CSR Report 2013 in order to make improvements going forward.



**Makiko Akabane**  
Director, Japan  
CSR Asia Tokyo Office

This CSR Report provides ample evidence of Yamaha's awareness as a global manufacturer engaged in sound and music that has been in business for 125 years. Yamaha's CSR activities are being conducted broadly and with sincerity to a level that is almost incomparable with other producers of musical instruments around the world. It is clear that Yamaha takes a positive stance to driving advanced CSR initiatives in the market for sound and music as a global enterprise. This also includes reporting on negative information without trying to conceal anything in such areas as the environment, products and workplace safety.

Yamaha aims to accelerate growth in China and emerging markets under the new medium-term management plan that started in April 2013, demonstrating a particular attention to global business development. The CSR Report is a good tool to convey the effects of CSR activities being undertaken in an earnest and careful manner throughout the Group, but there is one thing I would like Yamaha to make a more conscious effort with based on the Company's high aspirations of having its CSR recognized on the global stage. The methodology I am referring to is stakeholder engagement, or the relationship Yamaha has with its stakeholders.

Yamaha has a large number of stakeholders, and as such, it is important to identify those stakeholders that are important to the Company and increase efforts to engage with them more fully. In particular, if Yamaha endeavors to expand business in overseas markets, stakeholder engagement at the local level will become vital to understand what stakeholders in that region perceive the social problems to be and what they would like Yamaha to do in response to these problems.

The global trend in CSR requires companies to focus on initiatives to resolve key issues uncovered from stakeholder demands rather than take a wide, shallow approach to issues that are related to that company's operations. The Yamaha CSR Report does not clearly state the process of identifying which stakeholders are important to the Company or the relationship to those stakeholders that are deemed to be important. Consequently, I recommend incorporating stakeholder engagement going forward and reporting on the process of identifying key stakeholders. Since stakeholders differ depending on region and time period, it is necessary to stay involved with them in a strategic and ongoing manner rather than take a one-off, one-directional stance.

Overseas readers might point out that this report has less information on effects and impacts from Yamaha's CSR activities. For example, the report includes detailed information on the frameworks created in relation to governance, quality assurance, human resource development and social contribution as well as the programs being implemented that are based on these frameworks. However, the report doesn't clearly mention the effects and impacts that Yamaha's activities have brought to society. The existence of frameworks and programs is indeed critical, but readers around the world also expect to hear what kind of effects or impacts these frameworks and programs had. Although it probably isn't that simple to measure the effects and impacts of CSR initiatives in practical terms, I would like Yamaha to make a conscious effort in this regard going forward.

## Response to Third-Party Opinion

This year we received feedback from Makiko Akabane, Director, Japan CSR Asia Tokyo Office, a think tank with the largest network in Asia specializing in CSR and sustainability, on our CSR initiatives and CSR Report. We are indeed grateful to Ms. Akabane for her opinion.

Ms. Akabane gave us high marks for our stance toward CSR activities while also pointing out the importance of stakeholder engagement in promoting global business development and recommending that we place more emphasis on this area. As directed, it is vital that Yamaha accurately identifies expectations and needs through dialog with stakeholders in each region and reflects these in unique CSR initiatives. The “TOGETHER” part of our corporate objective “CREATING KANDO\* TOGETHER” refers to connections with stakeholders, and we believe that our corporate objective will carry increasing significance in our business activities going forward.

Together with the aforementioned, it was also pointed out that Yamaha does not provide sufficient information on the effects and impacts of our CSR activities. Although it is difficult to measure effects and impacts, as alluded to by Ms. Akabane, we will work to quantify each item and disclose the relevant information to the extent possible going forward.

\* KANDO is a Japanese word that signifies an inspired state of mind.



**Masahito Hosoi**  
Senior Executive Officer in charge  
of the Corporate Administration  
Group  
Yamaha Corporation

## Overview of the Company's Website

Providing detailed information on a broad spectrum of topics

[http://www.yamaha.com/about\\_yamaha/csr/](http://www.yamaha.com/about_yamaha/csr/)

The Yamaha Group has set up a website dedicated to deepening the understanding of stakeholders with respect to the Group's CSR management and endeavors.

In addition to the themes covered by this CSR Report, the website provides detailed information on a broad spectrum of topics. For example, the website offers a variety of detailed environmental performance data together with the latest CSR topics updated on a periodic basis. The Yamaha Group is committed to addressing the diverse interests of stakeholders.



### Major Disclosure and Information Items

#### Management Emphasis on CSR

- Message from the President
- Yamaha Corporation Group CSR Policy
- Corporate Governance
- CSR Management
- Risk Management
- Compliance

#### With Our Customers

- Quality Assurance
- Ensuring Product Safety
- Product Information Disclosure
- Improving Customer Satisfaction
- Reflecting Customer Concerns in Customer Response and Support
- Personal Information Protection

#### With Our Shareholders

- Policies for Retained Earnings and Returns to Shareholders
- Proactive Investor Relations Efforts to Promote Understanding of the Company
- Inclusion in Socially Responsible Investment Indexes

#### For the People We Work with

- Basic Policy on Hiring and Employment
- Job-Tailored Training and Education
- Initiatives for a Better Work-Life Balance
- Assisting Women's Careers
- Measures to Prevent Harassment
- Health and Safety
- Mutual Understanding with Business Partners
- CSR Procurement Activities

#### With Society

- Activities Grounded in Sound and Music
- Proposing Solutions That Utilize Sound Technologies
- Contributions to Local Communities
- Local Involvement through Sports
- Support that Helps Foster the Next Generation
- Social Welfare Initiatives
- Disaster Relief Activities

#### Environmental Initiatives

- Promoting Environmental Management
- Material Balance
- Goals and Achievements
- Environmental Accounting
- Environmental Risk Management
- Environmental Education and Training
- Environmentally Friendly Products
- Initiatives in Energy-Conserving Products
- Initiatives in Resource-Conserving Products
- Conservation and Effective Use of Wood Resources
- Reducing Substances with Significant Environmental Loads
- Products that Support the Environment
- Green Procurement Activities
- Measures to Address Global Warming
- Waste Reduction and Resource Recycling
- Management of Chemical

- Substances and Reduction of Emissions
- Effective Use and Conservation of Water Resources
- Initiatives at Offices
- Forests/biodiversity Preservation Initiatives
- Regional Activities

#### Environmental Performance Data

- Environmental Accounting
- Environmental Data
- Environmental Data by Site
- ISO 14001-Certified Sites
- History of Environmental Initiatives

#### Policies and Guidelines

- Yamaha Corporation Group CSR Policy
- Yamaha Group Environmental Policy
- Yamaha Material and Component Procurement Policy
- Yamaha Timber Procurement and Usage Guidelines
- Green Procurement Standards
- Yamaha Compliance Code of Conduct



**YAMAHA CORPORATION**

General Administration Section, Human Resources &  
General Administration Division  
<http://www.yamaha.com/>



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