

YAMAHA CORPORATION  
10-1 Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan

(Security code: 7951)  
June 1, 2018

## Notice of the 194th Ordinary General Shareholders' Meeting

Dear Shareholders:

We hereby inform you of the 194th Ordinary General Shareholders' Meeting, to be held at the time and place set forth below.

**If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please review the Reference Documents for the General Shareholders' Meeting provided and exercise your voting rights by 5:00 p.m. (JST), Friday, June 22, 2018.**

### **[Voting by mail]**

Please indicate your votes of approval or disapproval for proposals on the enclosed Exercise of Voting Rights form and return the form to us by the above deadline.

### **[Voting via the Internet]**

Please enter your votes of approval or disapproval for proposals after reading the section "Concerning Procedures for Exercise of Voting Rights Via the Internet."

Very truly yours,

Takuya Nakata  
Director  
President and Representative Executive Officer

## The 194th Ordinary General Shareholders' Meeting

- 1. Date and time:** Monday, June 25, 2018 at 10:00 a.m.
- 2. Location:** First floor of Building No. 18  
YAMAHA CORPORATION  
10-1 Nakazawa-cho, Naka-ku, Hamamatsu,  
Shizuoka, Japan  
(Please refer to map in Japanese original)

### 3. Agenda of the meeting

#### Matters to be reported:

1. The Business Report, the Consolidated Financial Statements, and the Audit Reports of the Consolidated Financial Statements by the Independent Accounting Auditor and the Audit Committee, for the 194th Fiscal Year (from April 1, 2017 through March 31, 2018).
2. The Non-consolidated Financial Statements for the 194th Fiscal Year (from April 1, 2017 through March 31, 2018)

#### Matters to be resolved:

- |            |   |
|------------|---|
| Proposal 1 | Appropriation of Surplus                        |
| Proposal 2 | Reduction in Capital Reserve                    |
| Proposal 3 | Partial Amendments to Articles of Incorporation |
| Proposal 4 | Election of Nine Directors                      |

### 4. Predetermined terms of the convening

- (1) If you do not indicate your vote of approval or disapproval for any proposal on the Exercise of Voting Rights form, you will be deemed to have approved that proposal.
- (2) Handling of voting several times
  - 1) When voting rights are exercised more than once via the Internet, the vote that arrives the latest will be deemed the valid one.
  - 2) When a shareholder exercises voting rights via the Internet and by the Exercise of Voting Rights form, the vote via the Internet will be deemed the valid one.
- (3) When a shareholder exercises voting rights by proxy at the meeting, the shareholder may appoint one shareholder with voting rights to act as his or her proxy. If you wish to exercise your voting rights by proxy at the meeting, please submit to the Company your Exercise of Voting Rights form together with a document evidencing the Proxy's power of representation for the meeting.

### 5. Other matters in relation to this Notice

From among the documents to be provided with this Notice, the "Notes to the Consolidated Financial Statements" and "Notes to the Non-Consolidated Financial Statements" are not included in the documents attached to this Notice. These documents are disclosed on our Internet website (<https://www.yamaha.com/ja/>) in accordance with laws and ordinances and the provisions of Article 18 of the Articles of Incorporation.

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- Notes: 1. For those attending, please present the enclosed Exercise of Voting Rights form at the reception desk on arrival at the meeting.
2. If the Reference Documents for the General Shareholders' Meeting and the Attached Documents are amended, the amended items will be announced on our Internet website (<https://www.yamaha.com/ja/>).
3. This document has been translated from the Japanese original for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## Concerning Procedures for Exercise of Voting Rights Via the Internet

### 1. For shareholders who exercises voting rights via the Internet

The following items should be verified when exercising voting rights via the Internet.

(1) For those using smartphones

It is possible to exercise voting rights via the website for smartphone by reading the “Login QR Code” indicated on the enclosed Exercise of Voting Rights form.

For details, please see the enclosed “How to Use Smart Exercise” leaflet.

(2) For those using computers

It is only possible to exercise voting rights from the computers by using the following website designated by the Company (<https://www.web54.net>).

Please access the above website, use the voting rights code and password indicated on the enclosed Exercise of Voting Rights form and input your vote for or against the proposals by following the on-screen instructions.

(3) Please note the exercise deadline

Shareholders voting via the Internet are requested to exercise their voting rights prior to 5:00 p.m. (JST) on Friday, June 22, 2018, after reviewing the Reference Documents for the General Shareholders’ Meeting.

(4) The vote arriving latest will be deemed valid

When voting rights are exercised more than once via the Internet, the vote that arrives the latest will be deemed the valid vote.

(5) Voting rights exercised via the Internet will be prioritized

When a shareholder exercises voting rights via the Internet and by the Exercise of Voting Rights form, the vote via the Internet will be deemed the valid vote.

(6) Bearing of access fees

Shareholders will bear the expenses incurred when accessing the Internet to exercise shareholder voting rights.

\* For questions related to exercising shareholder voting rights via the Internet, please contact the following:

The Sumitomo Mitsui Trust Bank Limited.

Securities Agent Web Support

Tel: 0120-652-031 (toll-free)

Service hours: 9:00 a.m. to 9:00 p.m.

**2. For institutional investors**

If you are a nominee shareholder such as an administrative trust bank (including a standing proxy), and apply in advance for the platform for exercising voting rights via the Internet, you may use such platform as a method for exercising your voting rights via the Internet at this meeting.

## Reference Documents for the General Shareholders' Meeting

### Proposals and Reference Information

#### Proposal 1            Appropriation of Surplus

Bearing in mind the objective of increasing the return on equity, and based on the level of the medium-term consolidated profits, the Company makes strategic investments in R&D, sales, and capital while actively providing returns to shareholders.

Additionally, while we try to provide dividends on a stable and consistent basis, it is also our mandate to promote capital efficiency by making sound decisions in distributing returns while ensuring appropriate internal reserves for investment in future growth.

Considering the policy above and the financial standing etc. of the Company, we will propose the appropriation of surplus as follows.

#### Matters relating to year-end dividend

(1) Type of assets for dividends

Cash

(2) Allotment of assets for dividends to shareholders and the total amount of dividends

Year-end dividend:                    28 yen per share of common stock of the Company

Total amount of dividends:        5,091,747,920 yen

As a result, the annual dividend, combined with the interim dividend of 28 yen per share, amounts to 56 yen.

(3) Effective date of distribution of surplus

June 26, 2018

## **Proposal 2                      Reduction in Capital Reserve**

To provide for the cancellation of treasury stock, the Company will reduce the level of the capital reserve and transfer this amount to other capital surplus, as provided for in Article 448, Paragraph 1 of the Corporate Law.

1. Amount of capital reserve to be reduced

Reduction of ¥37,000,000,000 in total capital reserve of ¥40,054,319,267

2. Item of capital surplus to be increased and amount

Increase in other capital surplus: ¥37,000,000,000

3. Date of effectiveness of reduction in capital reserve

June 26, 2018

## Proposal 3 Partial Amendments to Articles of Incorporation

### 1. Objectives of the amendments

In order to clarify Executive Officers' management responsibilities for a business year, the Company will amend the term of office of Executive Officers so that it expires "at the end of the business year ending within one (1) year from his/her election to office."

The amendments to the Articles of Incorporation will become effective at the conclusion of the first meeting of the Board of Directors held after the conclusion of this Ordinary General Shareholders' Meeting.

### 2. Details of the amendments

The details of the proposed amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="325 887 608 913">Chapter 6 Executive Officers</p> <p data-bbox="150 958 312 985">(Term of Office)</p> <p data-bbox="150 996 782 1209">Article 30 The term of office of Executive Officers shall expire <u>upon conclusion of the first meeting of the Board of Directors that is convened immediately after the conclusion of the Ordinary General Shareholders' Meeting for the last business year ending within one (1) year from his/her election to office.</u></p>	<p data-bbox="986 887 1268 913">Chapter 6 Executive Officers</p> <p data-bbox="810 958 973 985">(Term of Office)</p> <p data-bbox="810 996 1449 1097">Article 30 The term of office of Executive Officers shall expire <u>at the end of the business year ending within one (1) year from his/her election to office.</u></p>

## Proposal 4 Election of Nine Directors

All of the nine Directors will complete their respective terms of office at the conclusion of this meeting. Accordingly, we shall propose the election of nine Directors.

The table below lists the nominees for those positions.

### List of candidates

No.	Name	Current position and charge
1	Takuya Nakata Candidate for Reappointment	Director President and Representative Executive Officer Nominating Committee Member Compensation Committee Member Executive General Manager of Brand Development Unit
2	Satoshi Yamahata Candidate for Reappointment	Director Managing Executive Officer Executive General Manager of Corporate Management Unit Executive General Manager of Operations Unit
3	Masahito Hosoi Candidate for Reappointment	Director Audit Committee Member
4	Shigeru Nosaka Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Nominating Committee Member Compensation Committee Member
5	Masatoshi Ito Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Nominating Committee Member Compensation Committee Member
6	Junya Hakoda Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Audit Committee Member
7	Yoshimi Nakajima (Ms.) Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Audit Committee Member
8	Taku Fukui Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Audit Committee Member
9	Yoshihiro Hidaka New Candidate Outside Director Independent Outside Director	—



No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
1	<p data-bbox="263 667 454 739">Takuya Nakata (June 8, 1958)</p> <div data-bbox="231 779 491 862" style="border: 1px solid black; padding: 2px; width: fit-content;"> <p data-bbox="263 790 459 862">Candidate for Reappointment</p> </div>	<p data-bbox="518 275 1276 940"> April 1981: Entered the Company  October 2005: General Manager of Pro Audio &amp;  Digital Musical Instruments Division  June 2006: Executive Manager  June 2009: Director and Executive Manager  April 2010: President and Director of Yamaha  Corporation of America  June 2010: Senior Executive Manager of the  Company  June 2013: President and Representative Director  March 2014: Director of Yamaha Motor Co., Ltd.  (Outside Director)  (to the present)  June 2015: President of Yamaha Music Foundation  (to the present)  June 2017: Director, President and Representative  Executive Officer of the Company  (to the present) </p> <p data-bbox="518 952 1276 1236"> - Term of office as a director:  Six (6) years (at the conclusion of this Ordinary General Shareholders' Meeting)  - Attendance at Board of Directors meetings:  13 out of 13 meetings (100%)  - Reasons for nomination as director:  In terms of both personality and insight, Mr. Takuya Nakata is extremely well suited to be a member of the board. He has a wealth of experience and achievements, having served as General Manager of our Pro Audio &amp; Digital Musical Instruments Division, President and Director of Yamaha Corporation of America, and Director, President and Representative Executive Officer of Yamaha Corporation. He has been nominated as a director on expectations he will help strengthen the supervisory function of the Board of Directors. </p>	45,500

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
2	Satoshi Yamahata (December 3, 1960)	<p>January 1988: Entered the Company</p> <p>August 2009: General Manager of Accounting and Finance Division</p> <p>June 2013: Executive Manager</p> <p>June 2013: General Manager of Corporate Planning Division</p> <p>April 2015: Executive General Manager of Operations Unit (to the present)</p> <p>June 2015: Director and Senior Executive Manager</p> <p>May 2016: Executive General Manager of Corporate Management Unit (to the present)</p> <p>June 2017: Director, Managing Executive Officer (to the present)</p>	16,400
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Candidate for Reappointment</div>	<ul style="list-style-type: none"> <li>- Term of office as a director: Three (3) years (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Mr. Satoshi Yamahata is extremely well suited to be a member of the board, with vast experience and achievements. In addition to the work experience at the overseas subsidiary, he has served as General Manager of the Accounting and Finance Division and as General Manager of the Corporate Planning Division, and is now Executive General Manager of the Operations Unit and Executive General Manager of the Corporate Management Unit. He has been nominated as a director on expectations he will help strengthen the supervisory function of the Board of Directors.</li> </ul>	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
3	Masahito Hosoi (July 28, 1954)	<p>April 1978: Entered the Company</p> <p>August 2005: General Manager of Human Resources Division</p> <p>June 2009: Executive Manager</p> <p>June 2013: Senior Executive Manager</p> <p>June 2013: General Manager of Corporate Administration Group</p> <p>June 2014: Standing Corporate Auditor</p> <p>June 2017: Director (to the present)</p>	10,002
	Candidate for Reappointment	<ul style="list-style-type: none"> <li>- Term of office as a director: One (1) year (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Mr. Masahito Hosoi is extremely well suited to be a member of the board, with vast experience and achievements. In addition to the work experience at the overseas subsidiary, he has served as General Manager of the Human Resources Division, General Manager of the Corporate Administration Group, and Standing Corporate Auditor. He has been nominated as a director on expectations he will help strengthen the supervisory function of the Board of Directors.</li> </ul>	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
4	<p>Shigeru Nosaka (September 12, 1953)</p>	<p>April 1976: Entered Marubeni Corporation  December 1989: Entered Apple Computer KK  March 1996: Entered Allergan, Inc.  November 1996: Entered Japan Communications Inc. as  Senior Executive Officer  April 2002: Entered Oracle Corporation Japan  August 2002: Director and Managing Executive  Officer  June 2004: Director and Senior Managing  Executive Officer  November 2005: Retired  October 2007: Entered as Senior Managing Executive  Officer  August 2008: Director and Senior Managing  Executive Officer  June 2011: Director and Executive Vice President  (to the present)  June 2015: Outside Director of the Company  (to the present)</p>	1,100
	<p>Candidate for Reappointment</p>		
	<p>Candidate for Outside Director</p>		
	<p>Candidate for Independent Outside Director</p>	<ul style="list-style-type: none"> <li>- Term of office as a director: Three (3) years (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Mr. Shigeru Nosaka is extremely well suited to be a member of the board, with a proven track record in other industries. He has been nominated as a director based on expectations he will help strengthen the supervisory function of the Board of Directors and offer appropriate advice from an objective standpoint.</li> <li>- About independence There are no significant transaction relationships* between the Company and Oracle Corporation Japan, where Mr. Shigeru Nosaka serves as Director and Executive Vice President, and neither party is classified as a major shareholder of the other. The Company files documentation with the Tokyo Stock Exchange to establish that Mr. Shigeru Nosaka is an independent director under the provisions set forth by the Tokyo Stock Exchange.</li> </ul> <p>* The amount of transactions between the Company and Oracle Corporation Japan is less than ¥10 million.</p>	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
5	Masatoshi Ito (September 12, 1947)	April 1971: Entered Ajinomoto Co., Inc.	0
		June 1999: Member of the Board and General Manager, Food Products Business Unit	
		April 2003: Member of the Board President, Ajinomoto Frozen Foods Co., Inc.	
		August 2006: Representative Director & Corporate Senior Vice President President, Food Products Company, Ajinomoto Co., Inc.	
		June 2009: Representative Director, President & Chief Executive Officer, Ajinomoto Co., Inc.	
	Candidate for Reappointment	June 2015: Representative Director and Chairman of the Board (to the present)	
	Candidate for Outside Director	June 2016: Outside Director of the Company (to the present)	
Candidate for Independent Outside Director	June 2016: Outside Director of Japan Airlines Co., Ltd. (to the present)		
	<ul style="list-style-type: none"> <li>- Term of office as a director: Two (2) years (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Mr. Masatoshi Ito is extremely well suited to be a member of the board, with vast experience in other industries. He has been nominated as a director based on expectations he will help strengthen the supervisory function of the Board of Directors and offer appropriate advice from an objective standpoint.</li> <li>- About independence There are no transaction relationships between the Company and Ajinomoto Co., Inc., where Mr. Masatoshi Ito serves as Representative Director and Chairman of the Board, and neither party is classified as a major shareholder of the other. The Company files documentation with the Tokyo Stock Exchange to establish that Mr. Masatoshi Ito is an independent director under the provisions set forth by the Tokyo Stock Exchange.</li> </ul>		

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
6	Junya Hakoda (July 10, 1951)	<p>April 1974: Entered MITSUBISHI RAYON CO., LTD.</p> <p>November 1980: Entered Pricewaterhouse CPA Office</p> <p>June 1983: Entered Aoyama Audit Corporation</p> <p>April 1984: Registered as a Certified Public Accountant</p> <p>September 2006: Representative of Arata Audit Corporation</p> <p>December 2014: Corporate Auditor (Part-Time) of Schroder Investment Management (Japan) Limited (to the present)</p> <p>June 2015: Outside Corporate Auditor of the Company</p> <p>June 2015: Outside Director of AEON Financial Service Co., Ltd. (to the present)</p> <p>June 2017: Outside Director of the Company (to the present)</p>	0
	Candidate for Reappointment		
	Candidate for Outside Director		
	Candidate for Independent Outside Director	<ul style="list-style-type: none"> <li>- Term of office as a director: One (1) year (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 13 out of 13 meetings (100%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Mr. Junya Hakoda is extremely well suited to be a member of the board, with specialist knowledge and experience developed through accounting auditing at many companies as a Certified Public Accountant, and a wealth of knowledge regarding internal controls. He has been nominated as a director based on expectations he will help strengthen the supervisory function of the Board of Directors and offer appropriate advice from an objective standpoint.</li> <li>- About independence The Company files documentation with the Tokyo Stock Exchange to establish that Mr. Junya Hakoda is an independent director under the provisions set forth by the Tokyo Stock Exchange.</li> </ul>	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
7	Yoshimi Nakajima (December 16, 1956)	April 1980: Entered The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)	0
	Candidate for Reappointment	February 1982: Entered AVON Products CO.LTD., Tokyo Japan	
	Candidate for Outside Director	May 1997: Entered Citi Bank N.A. as Vice President of Consumer Banking Headquarters	
	Candidate for Independent Outside Director	June 2000: Entered Societe Generale Securities Japan Limited as Senior General Manager	
		April 2002: Entered American Express International, Inc. as Vice President and Head of Global Travelers Cheques and Prepaid Services, Japan	
		August 2011: Country Manager, Singapore (President)	
		April 2014: Concurrently serving as President and Representative Director of American Express Japan Co., Ltd.	
		December 2016: Resigned from American Express International, Inc. Retired as President and Representative Director of American Express Japan Co., Ltd.	
	June 2017: Outside Director of the Company (to the present)		
	June 2017: Outside Director of AEON Financial Service Co., Ltd. (to the present)		
	<ul style="list-style-type: none"> <li>- Term of office as a director: One (1) year (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 10 out of 10 meetings (100%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Ms. Yoshimi Nakajima is extremely well suited to be a member of the board, with vast experience in other industries. She has been nominated as a director based on expectations she will help strengthen the supervisory function of the Board of Directors and offer appropriate advice from an objective standpoint.</li> <li>- About independence The Company files documentation with the Tokyo Stock Exchange to establish that Ms. Yoshimi Nakajima is an independent director under the provisions set forth by the Tokyo Stock Exchange.</li> </ul>		

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
8	<p style="text-align: center;">Taku Fukui (August 24, 1961)</p> <div style="border: 1px solid black; padding: 2px; margin: 5px 0; text-align: center;">Candidate for Reappointment</div>	<p>April 1987: Registered as an attorney Entered Kashiwagi Sogo Law Offices</p> <p>April 2004: Professor of Keio University Law School (to the present)</p> <p>June 2005: Outside Audit &amp; Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (to the present)</p> <p>January 2009: Managing Partner of Kashiwagi Sogo Law Offices (to the present)</p> <p>June 2017: Outside Director of the Company (to the present)</p>	0
	<div style="border: 1px solid black; padding: 2px; margin: 5px 0; text-align: center;">Candidate for Outside Director</div> <div style="border: 1px solid black; padding: 2px; margin: 5px 0; text-align: center;">Candidate for Independent Outside Director</div>	<ul style="list-style-type: none"> <li>- Term of office as a director: One (1) year (at the conclusion of this Ordinary General Shareholders' Meeting)</li> <li>- Attendance at Board of Directors meetings: 9 out of 10 meetings (90%)</li> <li>- Reasons for nomination as director: In terms of both personality and insight, Mr. Taku Fukui is extremely well suited to be a member of the board, with expertise and experience developed as an attorney, including corporate law in Japan and overseas and vast insight of corporate governance. He has been nominated as a director based on expectations he will help strengthen the supervisory function of the Board of Directors and offer appropriate advice from an objective standpoint.</li> <li>- About independence There are no transaction relationships between the Company and Kashiwagi Sogo Law Offices, where Mr. Taku Fukui serves as Managing Partner. The Company files documentation with the Tokyo Stock Exchange to establish that Mr. Taku Fukui is an independent director under the provisions set forth by the Tokyo Stock Exchange.</li> </ul>	



No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
9	<p data-bbox="244 864 472 936">Yoshihiro Hidaka (July 24, 1963)</p> <div data-bbox="228 976 493 1021" style="border: 1px solid black; padding: 2px;">New Candidate</div> <div data-bbox="228 1061 493 1137" style="border: 1px solid black; padding: 2px;">Candidate for Outside Director</div> <div data-bbox="228 1178 493 1301" style="border: 1px solid black; padding: 2px;">Candidate for Independent Outside Director</div>	<p data-bbox="518 275 1273 1088"> April 1987: Entered Yamaha Motor Co., Ltd.  July 2010: Vice President of Yamaha Motor Corporation, U.S.A.  January 2013: Executive General Manager of 3rd Business Unit, MC Business Operations of Yamaha Motor Co., Ltd.  March 2014: Executive Officer  January 2015: Executive General Manager of 2nd Business Unit, MC Business Operations  January 2016: Executive General Manager of 1st Business Unit, MC Business Operations, and General Manager of Southeast &amp; East Asia Sales Division, 1st Business Unit, MC Business Operations  January 2017: Executive General Manager of Corporate Planning &amp; Finance Center  March 2017: Senior Executive Officer and Director  January 2018: President, Chief Executive Officer and Representative Director  (to the present) </p> <p data-bbox="518 1093 1441 1968"> - Term of office as a director:  —  - Attendance at Board of Directors meetings:  —  - Reasons for nomination as director:  In terms of both personality and insight, Mr. Yoshihiro Hidaka is extremely well suited to be a member of the board and is recognized for his achievements as President and Representative Director of Yamaha Motor Co., Ltd. He has been nominated as a director based on expectations he will help strengthen the supervisory function of the Board of Directors, enhance the value of the brand, and offer appropriate advice from an objective standpoint.  - About independence  As the Company and Yamaha Motor Co., Ltd., where Mr. Yoshihiro Hidaka serves as President and Representative Director, share the “Yamaha” brand, the two companies are in a relationship such that enhancements to the brand value via the Company’s sustainable growth also provides a positive effect on said company’s corporate value, while damage to the brand due to violations of laws and regulations or deficient governance, etc., by the Company will have a negative effect on said company’s corporate value. Mr. Yoshihiro Hidaka is a person with one of the deepest understandings of the “Yamaha” brand, which is the source of the Company’s brand corporate value, and he shares an interest with ordinary shareholders regarding improvement of the Company’s brand value. Furthermore, not only there are no significant transaction relationships* between the Company and Yamaha Motor Co., Ltd., but as the Company is no longer a major shareholder of said company since last year, there are no concerns that Mr. Yoshihiro Hidaka will have conflicts of interest with ordinary shareholders, and the Company believes that he can fulfill his duty for supervision, etc., of management from an independent standpoint in order to maximize profits for shareholders of the Company.  If Mr. Yoshihiro Hidaka is elected as a director, the Company will file documentation with the Tokyo Stock Exchange to register him as an independent director under the provisions set forth by the Tokyo Stock Exchange.  * The amount of transactions between the Company and Yamaha Motor Co., Ltd. is less than 0.1% of consolidated net sales of both companies. </p>	0

- (Notes)
1. Mr. Masahito Hosoi, Mr. Shigeru Nosaka, Mr. Masatoshi Ito, Mr. Junya Hakoda, Ms. Yoshimi Nakajima, and Mr. Taku Fukui have entered into agreements with the Company to limit the liability for damage stipulated in Article 423, Paragraph 1 of the Corporate Law. The maximum amount of liability under the agreements is the minimum amount stipulated in laws and regulations. If their re-elections are approved, we will renew the liability limitation agreements under the same conditions.
  2. In the event that Mr. Yoshihiro Hidaka is elected as an outside director, the Company plans to enter into an agreement with him to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Corporate Law. The maximum amount of liability under the agreement is the minimum amount stipulated in laws and regulations.
  3. Of the candidates for director, the nominees for directors who have special interests in the Company are as follows.  
Takuya Nakata doubles as President of Yamaha Music Foundation, with which the Company conducts transactions for contracting operations, etc.  
Yoshihiro Hidaka doubles as President and Representative Director of Yamaha Motor Co., Ltd., with which the Company conducts transactions for the lease of real estate, etc.  
The amount of transactions between the Company and Yamaha Motor Co., Ltd. is less than 0.1% of consolidated net sales of both companies.

(Reference)

### **Composition of the Board of Directors**

The makeup of the Board of Directors is diverse and comprises persons with expertise and experience who have the necessary insight, high ethical values, sense of fairness, and integrity. The Board of Directors shall have the number of people that allows the Board of Directors to perform its functions effectively and efficiently. Furthermore, in order to perform the oversight function with a high level of transparency and objectivity, an appropriate proportion of the Board of Directors shall be independent outside directors.

### **Nomination and appointment standards of directors and other positions**

Regarding the nomination of candidates for Director, the Nominating Committee nominates candidates based on personnel requirements for Internal Directors and Outside Directors, defined in areas such as basic disposition, competency, experience, and achievements that are required for the respective roles, and determines the content of proposals for election to be submitted to General Shareholders' Meetings.

Regarding the nomination of Members and the Chairman of the Nominating, Audit, and Compensation Committees, the Nominating Committee nominates candidates based on personnel requirements that are defined as those required for roles within the committees, and determines the content of proposals for election to be submitted to the Board of Directors. Furthermore, regarding the nomination of Audit Committee Members and its Chairman, opinions of the Audit Committee will be heard in advance.

The Nominating Committee nominates Executive Officers based on personnel requirements defined in areas such as basic disposition, competency, experience, and achievements that are required for the role, and determines the content of proposals for election to be submitted to the Board of Directors.

The Nominating Committee nominates Operating Officers based on personnel requirements defined in areas that are required for the role, and determines the content of proposals for election to be submitted to the Board of Directors.

### **Company standards for designating independent officers**

1. Persons for whom any of the following apply may not serve as independent outside directors of the Company. If any of the following are found to apply after the appointment of an independent outside director, the appointment shall be nullified.

(1) Persons who do not meet the requirements and qualifications of an outside director as stipulated in the Corporate Law.

- (2) Persons or executives with whom the Group is a significant business partner, or persons or executives which are significant business partners for our Group.

Here, “significant business partner” means, in any one of the most recent three years, any company for which the amount the Company receives from the group of business partners exceeds 2% of the Company’s consolidated net sales, or the amount to be paid to the Company that exceeds 2% of those companies’ consolidated net sales or any of the top five banks with which we transact business.

- (3) Principal shareholders in the Company or executives of the Company, or directors or corporate auditors of companies in which the Company is a principal shareholder

Here, “principal shareholder” means any entity holding more than 10% of the outstanding shares or other form of equity investment.

- (4) Persons who are directors or corporate auditors of companies in a mutual secondment relationship with the Group.

- (5) Consultants, accounting specialists or legal specialists who receive large sums of money or other assets – other than executive remuneration – from the Company.

(If the entities receiving said assets are corporations, unions or other groups, then persons associated with these organizations.)

Here, “large sums of money or other assets” means the amount of more than 10 million yen that is to be paid by the Company in any one of the most recent three fiscal years. (In cases of non-monetary compensation, this refers to the market value at the time of payment.)

- (6) Close relatives of anyone for whom (a) through (c) below apply (relations within the second degree).

a Persons for whom (2) to (4) apply

b Executives of the Company or any of its subsidiaries

c Persons for whom (b) above applied at the time of the most recent General Shareholders’ Meeting when persons were appointed as directors

2. Even persons for whom (2) through (6) above apply may be appointed as independent outside directors, or not have their appointment nullified, if it can be clearly determined there exists no possibility of conflict with the interests of ordinary shareholders, and those reasons are clearly stated.