(TRANSLATION ONLY)

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

(Security code: 7951)
June 1, 2023
(Date of commencement of electronic provision measures: May 25, 2023)

Notice of the 199th Ordinary General Shareholders' Meeting

Dear Shareholders:

We hereby inform you of the 199th Ordinary General Shareholders' Meeting, to be held at the time and place set forth below.

In convening this General Meeting of Shareholders, the company has taken electronic provision measures in accordance with the Companies Act and the Article 18 of our Articles of Incorporation. The Business Report, etc. have been posted on our website as the "Notice of the 199th Ordinary General Shareholders' Meeting." Please access the following website to review the information.

[The Company website]
https://www.yamaha.com/en/ir/shareholder_info/

In addition to the website shown above, the Company also has posted this information on the website of Tokyo Stock Exchange (TSE) and on the "soukai-portal net" provided by Sumitomo Mitsui Trust Bank. When using the TSE website (Listed Company Search), please access the TSE website, input the issue name (YAMAHA CORPORATION) or securities code (7951), and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information." When using the "soukai-portal net," please refer to the instructions on page 6 of the Japanese version.

[The TSE website (Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do

[The soukai-portal net]
https://www.soukai-portal.net/

If you are unable to attend the meeting, you can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Shareholders' Meeting provided and exercise your voting rights by 5:00 p.m. (JST), Thursday, June 22, 2023.

[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."

[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.

Very truly yours,

Takuya Nakata
Director
President and Representative Executive Officer

The 199th Ordinary General Shareholders' Meeting

1. Date and time: Friday, June 23, 2023 at 10:00 a.m.

2. Location: First floor of Building No. 18
YAMAHA CORPORATION
10-1 Nakazawa-cho, Naka-ku, Hamamatsu,
Shizuoka, Japan

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 199th Fiscal Year (from April 1, 2022 through March 31, 2023).
2. The Non-consolidated Financial Statements for the 199th Fiscal Year (from April 1, 2022 through March 31, 2023)

Matters to be resolved:

Proposal 1 Appropriation of Surplus
Proposal 2 Election of Eight (8) 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

In the paper copy sent to shareholders who made a request for delivery of documents, the "Notes to the Consolidated Financial Statements," "Notes to the Non-Consolidated Financial Statements," "Consolidated Statements of Changes in Shareholders' Equity," and "Non-Consolidated Statements of Changesin Shareholders' Equity" are not disclosed in accordance with laws and ordinances and the provisions of Article 18 of the Articles of Incorporation of the Company.

In addition to these documents, the Company has taken the electric provision measures for "Consolidated Statement of Comprehensive Income" and "Consolidated Statement of Cash Flows."

Notes: 1. For those attending, please present the enclosed Exercise of Voting Rights form at the reception desk on arrival at the meeting. If the matters subject to electronic provision measures require revisions, the amended items will be announced on our Internet website (https://www.yamaha.com/en/).

2.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.

Reference Documents for the General Shareholders' Meeting

Proposals and Reference Information

Proposal 1 Appropriation of Surplus

Bearing in mind the objective of increasing ROE (Profit ratio for the period to the share attributable to owners of the parent), 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: 33 yen per share of common stock of the Company

Total amount of dividends: 5,624,565,111 yen

As a result, the annual dividend, combined with the interim dividend of 33 yen per share, amounts to 66 yen.

(3) Effective date of distribution of surplus

June 26, 2023

Proposal 2 Election of Eight Directors

All of the eight (8) Directors will complete their respective terms of office at the conclusion of this meeting. Accordingly, we shall propose the election of eight (8) Directors.

The table below lists the nominees for those positions.

List of candidates

No.	Name	Current position and charge	Attendance at Board of Directors meetings during fiscal 2022	Attendance at Committee(s) meetingsduring fiscal 2022	Scheduled positions as Committee(s) member in case elected as a director
1	**Takuya Nakata** (Mr.) Candidate for Reappointment	Director Nominating Committee Member (Chair) Compensation Committee Member (Chair) President and Representative Executive Officer	100% (13 out of 13 meetings)	Nominating Committee 100% (4 out of 4 meeting) Compensation Committee 100% (3 out of 3 meeting)	Nominating Committee Compensation Committee
2	**Satoshi Yamahata** (Mr.) Candidate for Reappointment	Director Managing Executive Officer Executive General Manager of Corporate Administration Unit	100% (13 out of 13 meetings)	—	—
3	**Yoshihiro Hidaka** (Mr.) Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Nominating Committee Member Compensation Committee Member	100% (13 out of 13 meetings)	Nominating Committee75% (3 out of 4 meeting) Compensation Committee 100% (3 out of 3 meeting)	Nominating Committee Compensation Committee
4	**Mikio Fujitsuka** (Mr.) Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Audit Committee Member	100% (13 out of 13 meetings)	Audit Committee 100% (20 out of 20 meeting)	Audit Committee (Chair)
5	**Paul Candland** (Mr.) Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Nominating Committee Member Compensation Committee Member	100% (13 out of 13 meetings)	Nominating Committee 100% (4 out of 4 meeting) Compensation Committee 100% (3 out of 3 meeting)	Nominating Committee Compensation Committee (Chair)

6	**HiromichiShinohara** (Mr.) Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Nominating Committee Member Compensation Committee Member	100% (13 out of 13 meetings)	Nominating Committee 100% (4 out of 4 meeting) Compensation Committee 100% (3 out of 3 meeting)	Nominating Committee (Chair) Compensation Committee
7	**Naoko Yoshizawa** (Ms.) Candidate for Reappointment Outside Director Independent Outside Director	Outside Director Audit Committee Member	100% (13 out of 13 meetings)	Audit Committee 100% (20 out of 20 meeting)	Audit Committee
8	**Naho Ebata** (Ms.) New Candidate Outside Director Independent Outside Director	—	—	—	Audit Committee

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
1	Takuya Nakata (June 8, 1958) Candidate for Reappointment	April 1981: Entered the Company October 2005: General Manager of Pro Audio & Digital Musical Instruments Division June 2006: Operating Officer June 2009: Director and Operating Officer April 2010: President and Director of Yamaha Corporation of America June 2010: Senior Operating Officer of the Company June 2013: President and Representative Director March 2014: Director of Yamaha Motor Co., Ltd. (Outside Director) (current position) June 2015: President of Yamaha Music Foundation (current position) June 2017: Director, President and Representative Executive Officer of the Company (current position)	98,900
		- Term of office as a director: Eleven (11) years (at the conclusion of this Ordinary General Shareholders' Meeting) - Attendance at Board of Directors meetings: 13 out of 13 meetings (100%) - Attendance at Nominating Committee meetings: 4 out of 4 meetings (100%) - Attendance at Compensation Committee meetings: 3 out of 3 meetings (100%) - Reasons for nomination as director: Having served in positions such as General Manager of our Pro Audio & Digital Musical Instruments Division, President and Director of Yamaha Corporation of America, Mr. Takuya Nakata has a wealth of experience and achievements alongside broad insight inbusiness. He has led the Group as President and Representative Director since June 2013, and as Director, President and Representative Executive Officer since June 2017 after our transition to a Company with Three Committees (Nominating, Audit, and Compensation).Additionally, he has been a leader in Corporate Governance reform via initiatives such asthe transition to a Company with Three Committees (Nominating, Audit, and Compensation), and has worked to strengthen the oversight function of the Board of Directors. He has been nominated as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.	

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) Candidate for Reappointment	January 1988: Entered the Company August 2009: General Manager of Accounting and Finance Division June 2013: Operating Officer June 2013: General Manager of Corporate Planning Division April 2015: Executive General Manager of Operations Unit June 2015: Director and Senior Operating Officer May 2016: Executive General Manager of Corporate Management Unit June 2017: Director, Managing Executive Officer (current position) April 2020: Executive General Manager of Human Resources and General Administration Unit April 2023: Executive General Manager of Corporate Administration Unit (current position)	37,800
		- Term of office as a director: Eight (8) 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 addition to work experience at an overseas subsidiary, Mr. Satoshi Yamahata has servedas General Manager of the Accounting and Finance Division, General Manager of the Corporate Planning Division, Executive General Manager of the Operations Unit, Executive General Manager of the Corporate Management Unit and Executive General Manager of Human Resources and General Administration Unit, and has a wealth of experience and achievements alongside broad insight. He has promoted Corporate Governance reform as Director and Senior Executive Manager since June 2015 and as Director and Managing Executive Officer since June 2017, and has worked to strengthen the oversight function of the Board of Directors. He has been nominated as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
3	Yoshihiro Hidaka (July 24, 1963) Candidate for Reappointment Candidate for Outside Director Candidate for Independent Outside Director	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 & East Asia Sales Division, 1st Business Unit, MC Business Operations January 2017: Executive General Manager of Corporate Planning & Finance Center March 2017: Senior Executive Officer and Director January 2018: President, Chief Executive Officer and Representative Director (current position) June 2018: Outside Director of the Company (current position)	5,700
		- Term of office as a director: Five (5) years (at the conclusion of this Ordinary General Shareholders' Meeting) - Attendance at Board of Directors meetings: 13 out of 13 meetings (100%) - Attendance at Nominating Committee meetings: 3 out of 4 meetings (75%) - Attendance at Compensation Committee meetings: 3 out of 3 meetings (100%) - Reasons for nomination as director: Having been involved in management at one of the largest global transportation equipment manufacturers in Japan, Mr. Yoshihiro Hidaka has a wealth of experience and achievements alongside broad insight as a corporate officer. Additionally, as President and Representative Director of Yamaha Motor Co., Ltd., a company that shares a common brand with the Company, he is a person with one of the deepest understandings of the Yamaha brand. Since assuming the position of Outside Director of the Company in June 2018, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate officer. He has been nominated as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc., and improve the Yamaha brand value. - 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 growthalso 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 2017, 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. The Company filed 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 0.3% of consolidated net sales of both companies.	

<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Brief personal history; position; charge; and important concurrent duties</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Mikio Fujitsuka
(March 13, 1955)

Candidate for Reappointment

Candidate for Outside Director

Candidate for Independent Outside Director</td><td>April 1977: Entered Komatsu Ltd.
June 2001: General Manager of Corporate Controlling Department
April 2005: Executive Officer
April 2008: President of Global Retail Finance Business Division
February 2009: General Manager of Corporate Planning Division and President of Global Retail Finance Business Division
April 2010: Senior Executive Officer
April 2011: CFO
June 2011: Director and Senior Executive Officer
April 2013: Director and Senior Executive Officer
April 2016: Executive Vice President and Representative Director
June 2019: Outside Director of the Company (current position)
June 2019: Outside Corporate Auditor of Mitsui Chemicals, Inc.(current position)</td><td>0</td></tr>
<tr><td colspan="2">- Term of office as a director:
Four (4) years (at the conclusion of this Ordinary General Shareholders' Meeting)
- Attendance at Board of Directors meetings:
13 out of 13 meetings (100%)
- Attendance at Audit Committee meetings:
- 20 out of 20 meetings (100%)
- Reasons for nomination as director:
Having been involved in management as CFO at one of the largest global construction machinery manufacturers in Japan, Mr. Mikio Fujitsuka has a wealth of experience and achievements alongside broad insight as a corporate officer, as well as adequate knowledge of finance and accounting.
Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate officer.
He has been nominated as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
- About independence
The Company filed documentation with the Tokyo Stock Exchange to register him as an independent director under the provisions set forth by the Tokyo Stock Exchange.</td></tr>
</table>

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
5	Paul Candland (December 4, 1958) Candidate for Reappointment Candidate for Outside Director Candidate for Independent Outside Director	June 1985: Entered Owens Corning April 1987: Entered PepsiCo, Inc. November 1994: President of Okinawa Pepsi-Cola April 1998: Representative, Japan Branch of PepsiCo International Ltd. November 1998: Representative Director and General Manager of The Disney Store Japan, Inc. April 2002: Japan Managing Director, Walt Disney Television International of The Walt Disney Company (Japan) Ltd. June 2007: Representative Director and President July 2014: President of The Walt Disney Company Asia September 2018: Managing Director of PMC Partners Co., Ltd. (current position) June 2019: Outside Director of the Company (current position) September 2019: CEO of Age of Learning, Inc. March 2022: Outside Director of Dentsu Group Inc. (current position)	700
		- Term of office as a director: Four (4) years (at the conclusion of this Ordinary General Shareholders' Meeting) - Attendance at Board of Directors meetings: 13 out of 13 meetings (100%) - Attendance at Nominating Committee meetings: 4 out of 4 meetings (100%) - Attendance at Compensation Committee meetings: 3 out of 3 meetings (100%) - Reasons for nomination as director: Having been involved in management as the person responsible for the Asian region and Japanese arm of a global entertainment company, Mr. Paul Candland has a wealth of experience and achievements alongside broad insight as a corporate officer as well as broad knowledge of brand and marketing. Since assuming the position of Outside Director of the Company in June 2019, he has provided highly effective supervision while supporting the determination of major corporate actions and quick and decisive execution on decision-making, based on his wealth of achievements and insights, etc., as a corporate officer. He has been nominated as a director on expectations that he will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc. - About independence There are no transaction relationships between the Company and PMC Partners Co., Ltd., where Mr. Paul Candland serves as representative, and neither party is classified as a major shareholder of the other. The Company filed documentation with the Tokyo Stock Exchange to register him as an independent director under the provisions set forth by the Tokyo Stock Exchange.	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
6	Hiromichi Shinohara (March 15, 1954) Candidate for Reappointment Candidate for Outside Director Candidate for Independent Outside Director	April 1978: Entered Nippon Telegraph and Telephone Public Corporation June 2003: Head of Access Service System Laboratory of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) June 2007: Head of the Information Sharing Laboratory Group of NTT June 2009: Senior Vice President, Head of Research and Development Planning, Member of the Board of NTT June 2012: Executive Vice President, Head of Research and Development Planning, Member of the Board of NTT June 2014: Senior Executive Vice President, Head of Research and Development Planning, Member of the Board of NTT June 2018: Chairman of the Board of NTT June 2021: Outside Director of the Company (current position)	400
		- Term of office as a director: - Two (2) year (at the conclusion of this Ordinary General Shareholders' Meeting) - Attendance at Board of Directors meetings: 13 out of 13 meetings (100%) - Attendance at Nominating Committee meetings: 4 out of 4 meetings (100%) - Attendance at Compensation Committee meetings: 3 out of 3 meetings (100%) - Reasons for nomination as director and expected role: Having been involved in management as a representative director of one of the largest communications and ICT companies in Japan, Mr. Hiromichi Shinohara has a wealth of experience and achievements alongside broad insight as a corporate officer. He also haswide-ranging and in-depth knowledge of communications systems and electronics. He has been nominated as a director on expectations that he will help strengthen the oversight function of the Board of Directors through these achievements and insights, etc. - About independence There are no significant transaction relationships* between the Company and NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), where Mr. Hiromichi Shinohara serves as director, and neither party is classified as a major shareholder of theother. The Company filed 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 NTT is less than 0.2% ofconsolidated net sales of either of the two companies.	

No.	Name (Date of Birth)	Brief personal history; position; charge; and important concurrent duties	Number of the Company shares held
7	Naoko Yoshizawa (May 29, 1964) Candidate for Reappointment Candidate for Outside Director Candidate for Independent Outside Director	August 1988: Entered Fujitsu Limited September 2009: Vice President of Mobile Phones Unit of Fujitsu Limited October 2011: Head of Global Research & Development Center of Fujitsu Laboratories of America, Inc. April 2016: Deputy Head of Advanced System Research & Development Unit and Head of AI Promotion Office of Fujitsu Limited April 2017: Corporate Executive Officer and Head of AI Platform Business Unit of Fujitsu Limited April 2018: Corporate Executive Officer, EVP and Vice Head of Digital Services Business of Fujitsu Limited September 2018: Corporate Executive Officer, EVP of Fujitsu Limited, CEO of FUJITSU Intelligence Technology Ltd. November 2019: Corporate Executive Officer, EVP and Evangelist of Digital Software & Solutions Business Group of Fujitsu Limited October 2020: Director of knowledge piece Inc. (current position) May 2021: Outside Director of Nitori Holdings Co., Ltd. (current position) June 2021: Outside Director of the Company (current position)	0
		- Term of office as a director: Two (2) year (at the conclusion of this Ordinary General Shareholders' Meeting) - Attendance at Board of Directors meetings: 13 out of 13 meetings (100%) - Attendance at Audit Committee meetings: 20 out of 20 meetings (100%) - Reasons for nomination as director and expected role: Having been involved in management as an executive officer of one of the largest electronics and ICT companies in Japan and as the CEO of its overseas group company, Ms. Naoko Yoshizawa has a wealth of experience and achievements alongside broad insight as a corporate officer. She also has a high degree of expertise in digital and AI technologies. She has been nominated as a director on expectations that she will help strengthen the oversight function of the Board of Directors through these achievements and insights, etc. - About independence There are no transaction relationships between the Company and knowledge piece Inc., where Ms. Naoko Yoshizawa serves as director, and neither party is classified as a majorshareholder of the other. The Company filed documentation with the Tokyo Stock Exchange to register her as an independent director under the provisions set forth by the Tokyo Stock Exchange. * The amount of transactions between the Company and Fujitsu, Ltd. is less than 0.1% of consolidated net sales of both companies.	

<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Brief personal history; position; charge; and important concurrent duties</th><th>Number of the Company shares held</th></tr>
<tr><td rowspan="2">8</td><td rowspan="2">Naho Ebata
(November 2, 1975)

New Candidate

Candidate for Outside Director

Candidate for Independent Outside Director</td><td>October 2000: Registered as an attorney at law
Joined Abe, Ikubo & Katayama Law Firm
July 2004: Specialist of Legislative Affairs Office, General Coordination Division, Policy Planning and Coordination Department, Japan Patent Office
January 2008: Partner of Abe, Ikubo & Katayama Law Firm (Current).
December 2020: Outside Director (Audit and Supervisory Committee Member), ABIST Co., Ltd. (current position)
November 2022: Provisional Corporate Auditor (a person who is to temporary perform the duties of a Company Auditor) of 3-D Matrix, Ltd. (current position)
December 2022: Outside Corporate Auditor of Brave group Inc. (current position)</td><td>0</td></tr>
<tr><td colspan="2">- Term of office as a director:
-
- Attendance at Board of Directors meetings:
-
- Reasons for nomination as director:
With a mastery of corporate law, corporate governance and field of intellectual properties in Japan and overseas as an attorney, Ms. Naho Ebata has a high degree of expertise, wealth of experience and achievements alongside broad insight.
She has been nominated as a director on expectations that she will help further strengthen the oversight function of the Board of Directors through these achievements and insights, etc.
- About independence
There are no transaction relationships between the Company and Abe, Ikubo & Katayama Law Firm, where Ms. Naho Ebata serves as Partner.
If Ms. Naho Ebata is elected as a director, the Company will file documentation with the Tokyo Stock Exchange to register her as an independent director under the provisions set forth by the Tokyo Stock Exchange.
※The surname of Ms. Naho Ebata is Kida in the family register.</td></tr>
</table>

Notes:

1. Special interests between the candidates for director and the Company

Of the candidates for director, the nominees for directors who have special interests in the Company are as follows.

1) Mr. Takuya Nakata doubles as President of Yamaha Music Foundation, with which the Company conducts transactions for contracting operations, etc.
2) Mr. 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 0.3% of consolidated net sales of both companies.

2. Summary of the liability limitation agreement

Mr. Mr. Yoshihiro Hidaka, Mr. Mikio Fujitsuka, Mr. Paul Candland, Mr. Hiromichi Shinohara and Ms. Naoko Yoshizawa have entered into agreements with the Company to limit the liability for damage stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the agreements is the minimum amount stipulated inlaws and regulations. If their re-elections are approved, the Company will renew the liability limitation agreements under the same conditions.

If Ms. Naho Ebata is elected, the Company intends to enter into agreements with her to limit their liability for damage stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the agreements is the minimum amount stipulated in laws and regulations.

3. Summary of directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company under which the Company's directors and other officers are designated as the insured. The said insurance contract covers damages including compensation for damages and legal expenses to be borne by the directors and officers in the event that a claim for damages is filed against them by a shareholder, a third party, or other persons. Each of the candidatesfor director will be insured under the said insurance contract. The Company intends to renew the contract withthe same contents at the time of the next renewal.

Standards and qualities of independence of the independent outside directors

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

1) Persons who do not meet the requirements and qualifications of an outside director as stipulated in the Companies Act.
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) through 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.

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 selection of candidates for director, the Nominating Committee selects candidates based on basic personal qualities and capabilities, competency, experience and record of achievements that are required of directors as defined by their roles, and then decides on the content of selection proposals to be submitted to the General Shareholders' Meeting.

Regarding the selection of members and the chairs of the Nominating Committee, Audit Committee, and Compensation Committee, the Nominating Committee select candidates based on personal qualities and capabilities as defined by the roles of the committee. The Nominating Committee then decides on the content of selection proposals to be submitted to the Board of Directors. Note that for the selection of candidates for members and the chair of the Audit Committee, the Nominating Committee gathers opinions from the Audit Committee in advance.

For Executive Officers, the Nominating Committees selects candidates based on basic personal qualities and capabilities, competency, experience, and record of achievements that are required of Executive Officers as defined by their respective roles, and then decides on the content of selection proposals to be submitted to the Board of Directors.

Expertise held by the Company's candidates for director

Candidate for director		Corporate management	Legal and risk management	Finance and accounting	IT and digital	Manufacturing, technology, and R&D	Marketing and sales	Global
Takuya Nakata		X			X	X	X	X
Satoshi Yamahata			X	X				X
Yoshihiro Hidaka	Outside	X		X				X
Mikio Fujitsuka	Outside	X	X	X				X
Paul Candland	Outside	X					X	X
Hiromichi Shinohara	Outside	X			X	X		X
Naoko Yoshizawa	Outside	X			X	X		X
Naho Ebata	Outside		X					X

Business Report

(From April 1, 2022 to March 31, 2023)

1. Current Conditions of the Yamaha Group

(1) Business Developments and Results

General Business Conditions

Looking back at the business environment in the fiscal year ended March 31, 2023, the global economy has been gradually recovering as social activities have resumed, including the lifting of restrictions on activities due to the COVID-19 pandemic. However, the outlook remains uncertain due to such factors as global trend of rising prices caused by soaring energy and raw material prices along with the downward pressure on the economy caused by monetary tightening in various countries to curb the trend.

Under these conditions, the Yamaha Group has positioned the three-year period of its medium-term management plan “Make Waves 2.0” as an opportunity to enhance sustainable growth capability in the post COVID-19 new society. The aim is to realize “Well-Being of People around the World,” and the Yamaha Group has been implementing various measures under three policies to “Further strengthen the business foundations,” “Set sustainability as a source of value” and “Enable Yamaha colleagues to be more valued, more engaged and more committed.”

[Further strengthen the business foundations]
In the area to “develop closer ties with customers,” Yamaha has expanded direct contact with customers through the introduction of the Yamaha Music ID, which allows customers to use various Yamaha web and software services with a single login ID, and through the expansion of showroom functions at brand shops. Yamaha has also developed various approaches to encourage new customers to start playing musical instruments, such as collaboration projects with popular animations.
In the category of “creating new value,” Yamaha’s advanced technologies and rich sensibilities enabled Yamaha to offer many new experiences to its customers, such as AI piano ensemble technology that allows users to play with their favorite pianist, and AI singing voice conversion technology that enables users to become the voice of a famous singer in real time. In addition, the Group is working on Yamaha Music Connect, as a service business concept to make users' music life more enjoyable and creative, bringing together its various technologies, content, and applications, as well as incorporating external resources and services to create an ecosystem.
In the area of “being more flexible and resilient,” the Group is improving flexibility and risk responsiveness in procurement and production by establishing an area management system for manufacturing bases, strategically reviewing suppliers and parts types, and producing the same product lines at multiple locations.

[Set sustainability as a source of value]
To “build a value chain that supports the future of the earth and society,” the Group is making steady progress toward achieving carbon neutrality by 2050. In this context, the Group is working towards addressing climate change by promoting energy-saving activities at each location, increasing the number of solar power generation panels, and switching to renewable energy resources. To promote sustainably sourced timber use, the Group continues to promote the cultivation and conservation of rare tree species used to make musical instruments through the expansion of certified timber use and “Oto no Mori” activities in Hokkaido, Tanzania, and other regions.
In the field of “enhancing brand and competitiveness by contributing to comfortable lives,” the Group is actively working on universal design initiatives for a variety of products to create a sound barrier-free environment, such as the research and development of the Daredemo Pianos (Auto-Accompanied Pianos).
In the area of “expanding market through the promotion and development of music culture,” the Project for Introducing Japanese Instrumental Music Education to Elementary Education in India was selected as one of

the Second EDU-Port Nippon Support Project in 2022 by the Ministry of Education, Culture, Sports, Science and Technology (MEXT), contributing to the spread of instrumental music education.

[Enable Yamaha colleagues to be more valued, more engaged and more committed]
In terms of “increasing job satisfaction,” the Group has enhanced various systems and mechanisms to realize flexible work styles, such as support for employees to autonomously plan their careers and to allow side jobs. To “promote respect for human rights and DE&I,” the Group is enhancing human rights due diligence and human rights education, and working to promote the active participation of global human resources and women to create an environment in which diverse human resources can play a more active role.
To “foster open organizational culture where people can proactively take on challenges,” each division is increasing various opportunities for dialogue with originality and ingenuity to increase psychological safety. In addition, as an environment where everyone can work with vigor and enthusiasm, the Company is developing two bases, construction of which is to be completed in the spring of 2024. One is the construction of the Headquarters building, where the sales and staff divisions are gathered together with three adjacent buildings, based on the concept of promoting the exchange of human resources in each function. The other is Yokohama Symphostage, which will be a new base for promoting open innovation with brand communication and R&D functions, in addition to integrating sales offices in the Tokyo metropolitan area. The Group will continue its efforts to create a workplace where each and every one of Yamaha’s diverse employees can work comfortably and increase job satisfaction.

In the fiscal year ended March 31, 2023, revenue increased by ¥43,212 million (+10.6%) year on year to ¥451,410 million. This was mainly due to the significant depreciation of the Japanese yen against the US dollar, despite semiconductor procurement difficulties, lower demand for entry-level models, and disruptions caused by the COVID-19 pandemic in China. Core operating profit increased by ¥2,837 million (+6.6%) year on year to ¥45,867 million, partly due to the contribution of foreign exchange, amid rising material and other costs. Profit attributable to owners of the parent was ¥38,183 million, up ¥915 million (+2.5%) year on year, due to the increase in core operating profit.

Musical Instruments Business

Revenue of acoustic pianos declined significantly due to the impact of disruption caused by the COVID-19 pandemic in China. Revenue of digital musical instruments decreased due to decline in demand mainly for entry-level models. Revenue of wind, string, and percussion instruments increased significantly due to sales growth in North America. Revenue of guitars increased due to strong sales of electric guitars.
As a result, revenue of the musical instruments segment overall increased by ¥26,499 million (9.6%) year on year to ¥302,653 million, while core operating profit decreased by ¥1,131 million (3.0%) year on year to ¥36,200 million due to the impact of the significant decline in acoustic piano sales.

Audio Equipment Business

Revenue of audio products declined significantly due to the impact of semiconductor procurement difficulties and sluggish sales of entry-level models. Revenue of professional audio equipment increased due to improved product supply led by a partial easing of semiconductor procurement difficulties. Revenue of ICT equipment increased significantly due to continued strong sales of network-related products.
As a result, revenue of the audio equipment segment overall increased by ¥10,717 million (11.1%) year on year to ¥107,641 million. Core operating profit increased by ¥1,927 million (125.3%) to ¥3,466 million.

Industrial Machinery/Components and Others

Revenue of electronic devices and golf products increased significantly, while revenue of automobile interior wood components and factory automation (FA) equipment declined.
As a result, revenue of others segment overall increased by ¥5,996 million (17.1%) year on year to ¥41,115 million. Core operating profit increased by ¥ 2,041 million (49.1%) to ¥ 6,200 million.

(2) Capital Expenditure

Segments	Investment (million yen)	percentage change from previous quarter (%)	Composition Ratio (%)
Musical Instruments Business	15,177	30.8	73.9
Audio Equipment Business	3,994	56.3	19.4
Industrial Machinery/Components and Other Businesses	1.369	101.8	6.7
Total	20,541	38.5	100.0

(3) Fund Raising

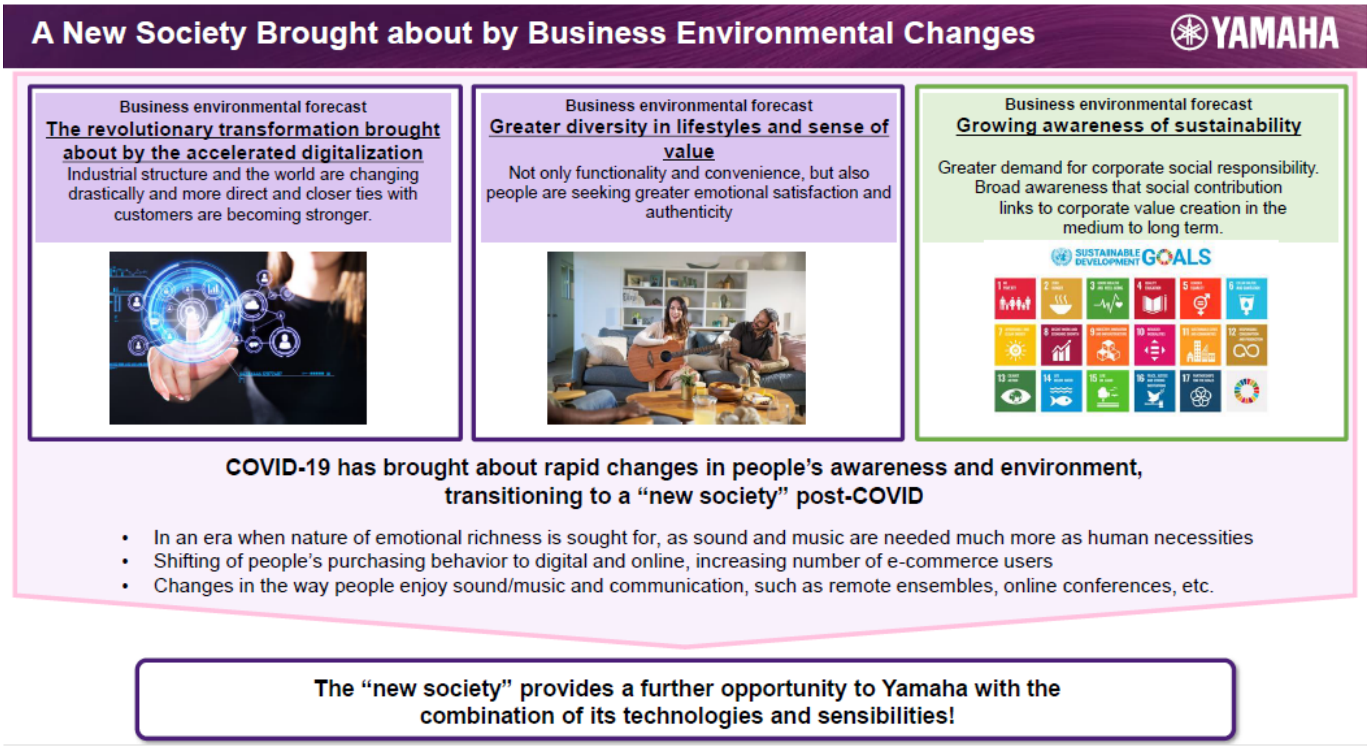
Not applicable

(4) Issues to Be Addressed

As an important issue for the Yamaha Group to tackle, we have formulated materiality with reference to the opinions of stakeholders and inside and outside experts. Based on these materials, we have formulated a new medium-term management plan, "Make Waves 2.0," for the three years from April 2022.

1) **Recognition of Operating Environment**

With the COVID-19 pandemic, the changes in our operating environment have rapidly accelerated which we assumed in the previous medium-term management plan, such as digitization, diversification, and growing awareness in sustainability. While outdoor activities and face-to-face activities are constrained, the exchange of goods and information via the internet is expanding, while products and services that accommodate new lifestyles are being created. The further growth of sustainability awareness is believed to be evidence that people's interests are moving towards an authentic affluence of mind that goes beyond economic prosperity. We recognize that the new society brought about by these environmental changes will provide further opportunities for the Group, which has been pursuing the excitement and cultural inspiration through combining technologies and sensibilities based on sound and music.



2) **Management Vision and Basic Policy of the New Medium-Term Management Plan**

Management Vision (Medium- to Long-Term Vision)

"Becoming an Indispensable, Brilliantly Individual Company" Boost brand power to become a highly profitable enterprise

Basic Policy

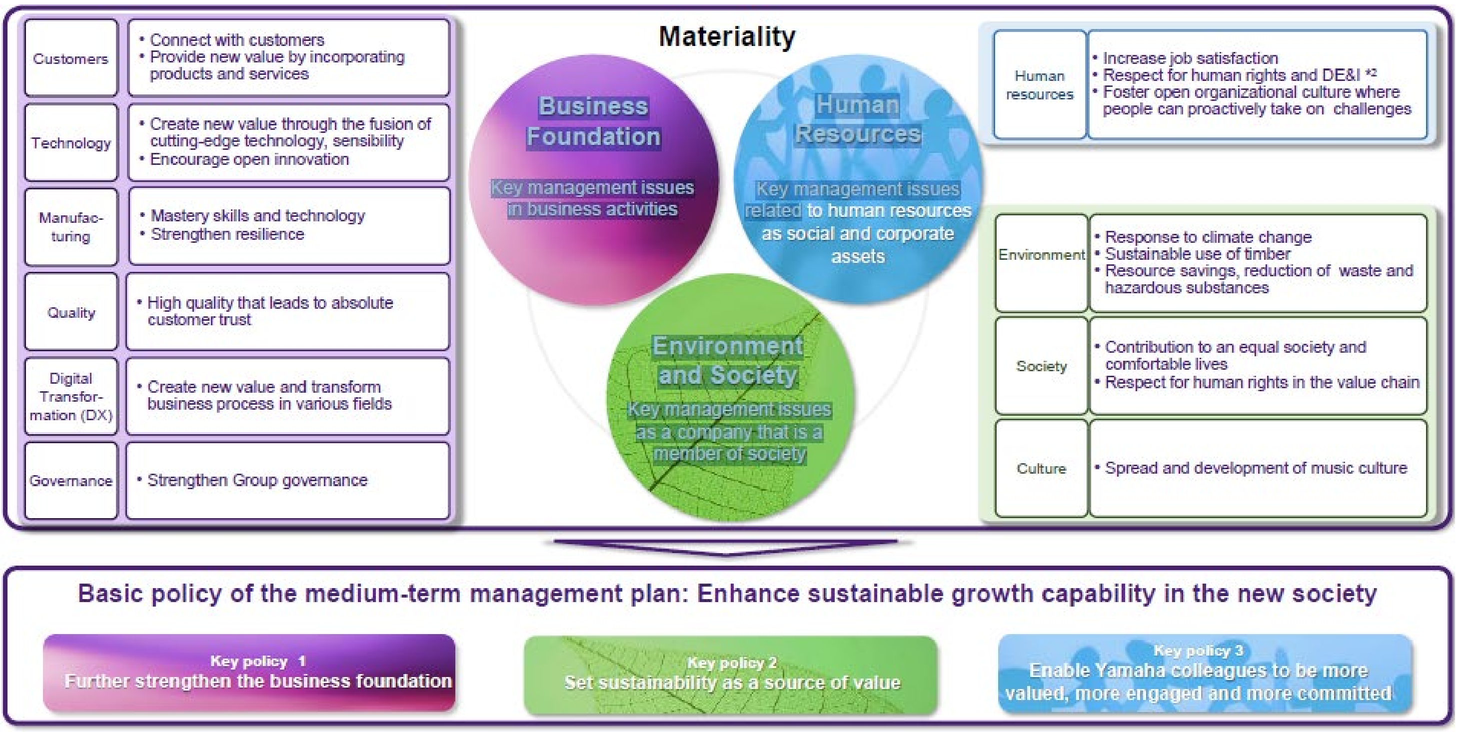
Enhance Sustainable Growth Capability in the New Society

The Yamaha Group aims to create a society that promotes the well-being of people around the world through its business activities. Our corporate philosophy is "Sharing Passion & Performance: With our unique expertise and sensibilities, gained from our devotion to sound and music, we are committed to creating excitement and cultural inspiration together with people around the world" and, we use it as the starting point for our actions. We have been enhancing our corporate value at each stage of the medium-term management plan based on our medium- to long-term management vision of "Becoming an Indispensable, Brilliantly Individual Company."

In the new stage of "Make Waves 2.0," we will further increase our corporate value based on our basic policy to enhance sustainable growth capability in the post-COVID new society, which has undergone significant changes.

3) **Materiality and Three Key Policies**

The Yamaha Group has decided the Materiality of three categories of "Business Foundation," "Environment and Society" and "Human Resources," and of ten themes. In the "Make Waves 2.0," we have established three key policies based on the Materiality.



*1 Material Management Issues

*2 DE&I: Diversity, Equity, and Inclusion

4) **Details of Three Key Policies**

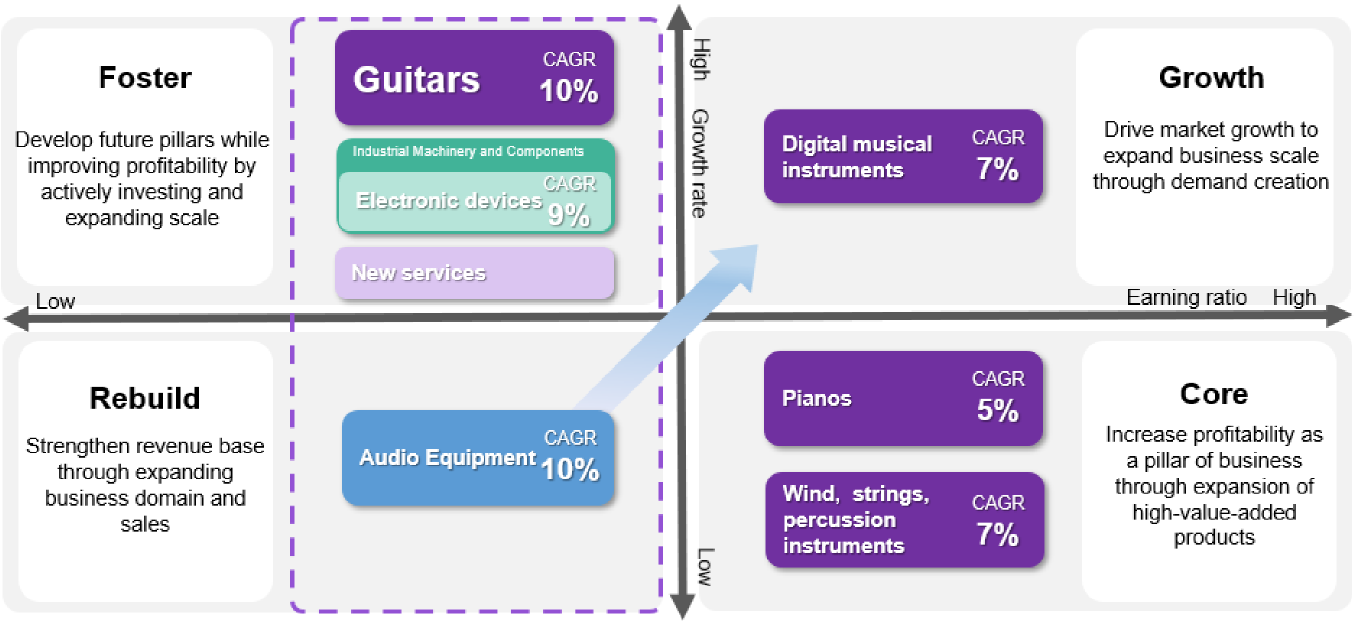
1. Further strengthen the business foundation
   In addition to providing a brand experience that integrates digital marketing with activities at physical stores, Yamaha will further enhance its brand value by strengthening ties with customers through the expansion of its direct sales structure to end consumers. In products and services, we will create new experiences by combining Yamaha's strengths in acoustic and digital technologies, as well as AI and networks, with Yamaha’s unique sensibilities. We will also create added value through DX while improving our resilience in procurement and production to create a business organization that can flexibly adapt to changes in the external environment.

2. Set sustainability as a source of value
   As we aim to achieve carbon neutrality toward 2050, we will strive to support the conservation of the global environment through the reduction of CO_2 emissions in our business activities and the sustainable use of timber. We will create social value by solving ongoing social issues through our products and services and contributing to comfortable and safe lives. We will also contribute to the global music scene through the supply of a wide variety of musical instruments and will make every effort to spread and develop the music culture as a whole, including the spread of instrumental music education in emerging countries.

3. Enable Yamaha colleagues to be more valued, more engaged and more committed

The vitality of the people we work with is an essential element of our business activities and the driving force for creating social and corporate value. We will structure a management that makes the most of each employee's potential so that each employee can perform at his or her best. By creating opportunities for multifaceted communication within and between organizations, we will promote the creation of a comfortable workplace that secures psychological safety, and foster an organizational culture in which many challenges and co-creations are generated from the wisdom and ideas of diverse human resources.

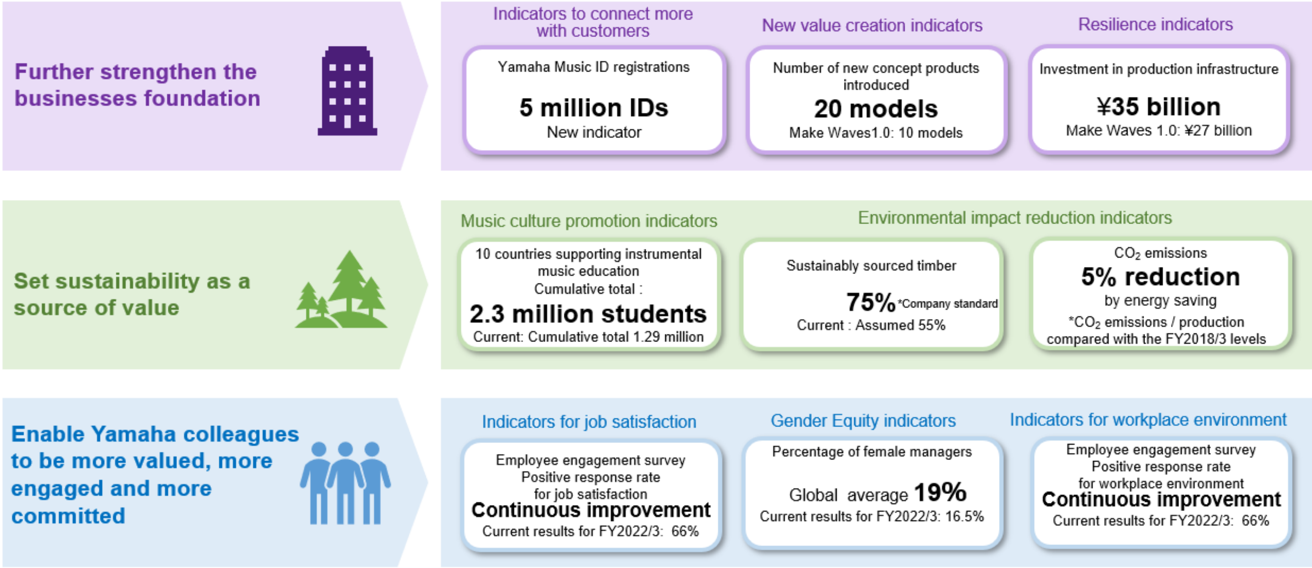
5) **Business Portfolio and Direction**



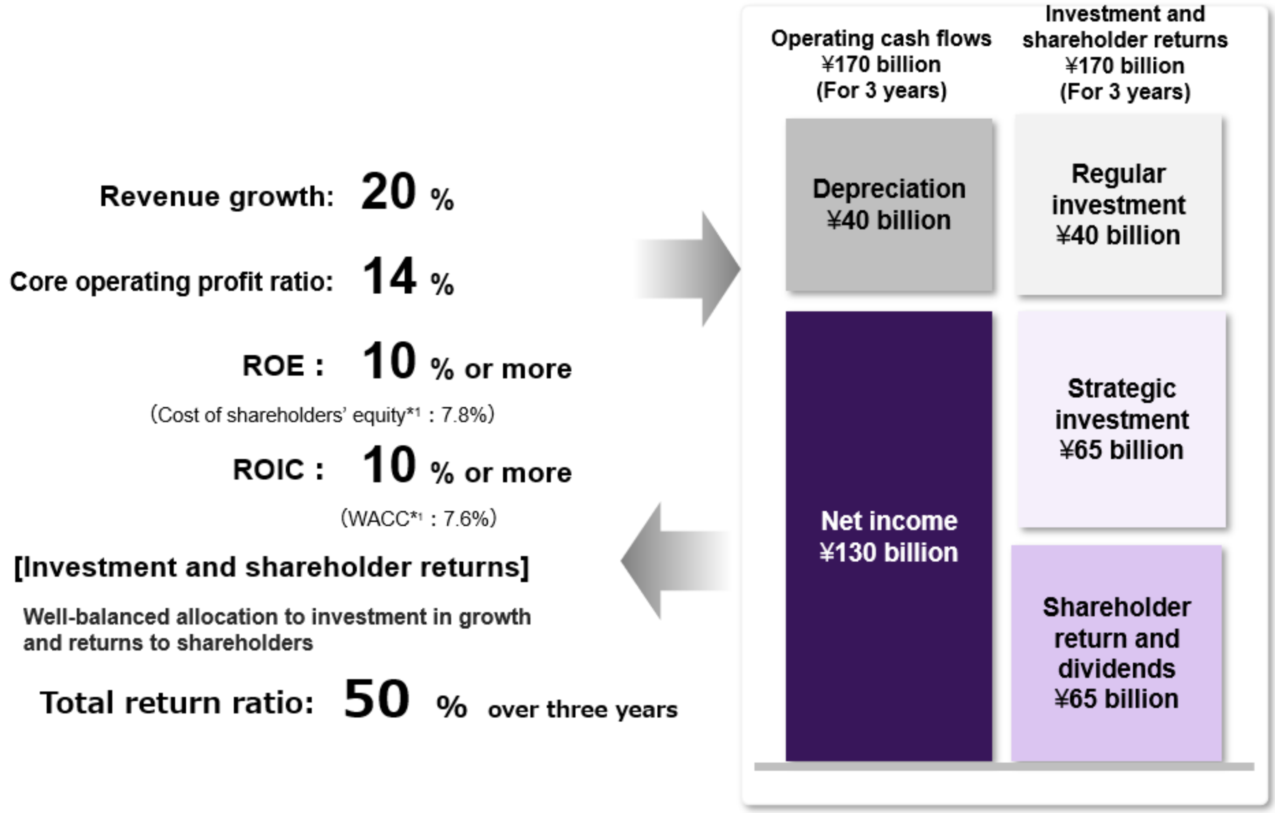
*CAGR: Average annual growth rate over the three years of the medium-term management plan

6) **Management Targets**

Non-financial targets



Financial Indicators



Foreign exchange rates used in the medium-term management plan: U.S.$1 = ¥115 and €1 = ¥130

7) **Governance**

Taking advantage of the characteristics of a company with three committees, we will continue to improve with the aim of achieving more effective corporate governance while conducting regular evaluations. In addition, we will improve the system of group governance to realize the improvement of risk responsiveness and a sound and strong management foundation.

(5) Operating Performance and Status of Assets for the Group

Millions of yen, except profit per share (net income per share)

Items (Items in parentheses show items under Japanese GAAP)	International Financial Reporting Standards (IFRS)			
	196th Fiscal Year (April 1, 2019 – March 31, 2020)	197th Fiscal Year (April 1, 2020 – March 31, 2021)	198th Fiscal Year (April 1, 2021 – March 31, 2022)	199th Fiscal Year (April 1, 2022 – March 31, 2023)
Revenue (net sales)	414,227	372,630	408,197	451,410
Core operating profit (operating income)	46,352	40,711	43,029	45,867
Profit for the period attributableto owners of the parent (net incomeattributable to owners of parent)	34,621	26,615	37,268	38,183
Profit per share (net income per share) (yen)	194.71	151.39	214.87	222.64
Total assets (total assets)	474,034	557,616	580,662	594,246
Total equity (net assets)	326,450	396,949	416,867	457,944

(Note) The Company changed its accounting policy in the fiscal year ended March 31, 2023, in accordance with the Agenda Decisions by the IFRS Interpretations Committee issued in May 2021 (IAS 19 'Employee Benefits'). The change in accounting policies has been applied retrospectively, and the figures for the fiscal year ended March 31, 2022, have been prepared on a retrospective basis.

(6) Principal Subsidiaries

Name	Capital	Percentage of ownership (%)	Main business lines
Yamaha Corporation of America	50,000 thousand U.S. dollars	100.0	Import and sales of musical instruments and audio equipment
Yamaha Guitar Group, Inc	20,722 thousand U.S. dollars	100.0	Planning, developing and sales of musical instruments
Yamaha Music Europe GmbH	70,000 thousand euros	100.0	Import and sales of musical instruments and audio equipment
Yamaha Music & Electronics (China) Co., Ltd.	782,023 thousand CNY	100.0	Investment management for subsidiaries in China, sales of musical instruments and audio equipment
Xiaoshan Yamaha Musical Instruments Co., Ltd.	274,888 thousand CNY	100.0*	Manufacturing of musical instruments
Yamaha Electronics (Suzhou) Co., Ltd.	328,754 thousand CNY	100.0*	Manufacturing of musical instruments and audio equipment
Hangzhou Yamaha Musical Instruments Co., Ltd.	396,121 thousand CNY	100.0*	Manufacturing of musical instruments
PT. Yamaha Indonesia	8,507 million Indonesian rupiahs	100.0	Manufacturing of musical instruments
PT. Yamaha Music Manufacturing Asia	82,450 million Indonesian rupiahs	100.0	Manufacturing of musical instruments and audio equipment
PT. Yamaha Musical Products Asia	568,540 million Indonesian rupiahs	100.0*	Manufacturing of musical instruments
Yamaha Electronics Manufacturing (M) Sdn. Bhd.	31,000 thousand Malaysian ringgit	100.0	Manufacturing of audio equipment
Yamaha Music India Pvt. Ltd.	3,700 million rupees	100.0*	Import and sales of musical instruments and audio equipment, manufacturing of musical instruments
Yamaha Music Japan Co., Ltd.	100 million yen	100.0	Sales of musical instruments and audio equipment
Yamaha Music Retailing Co., Ltd.	100 million yen	100.0*	Sales of musical instruments
Yamaha Music Manufacturing Japan Corporation	100 million yen	100.0	Manufacturing of musical instruments and audio equipment

Notes: 1. Percentages with * include the Company's indirect ownership.
2. The Company has 58 consolidated subsidiaries, including the 15 principal subsidiaries listed above.

(7) Main Businesses

Segments	Major products
Musical Instruments Business	Pianos, digital musical instruments, wind instruments, strings, percussion instruments, music schools, English-language schools, and music software
Audio Equipment Business	Audio products, professional audio equipment, information and telecommunication equipment, and soundproof rooms
Industrial Machinery/Components and Other Businesses	Electronic devices, automobile interior wood components, factory automation (FA) equipment, golf products, accommodations, and management of sports facilities

(8) Main Bases and Facilities for the Group

<table>
<tr><td rowspan="2">The Company</td><td>Headquarters</td><td>10-1 Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka</td></tr>
<tr><td>Sales offices</td><td>Tokyo Office (Minato-ku, Tokyo), Osaka Office (Naniwa-ku, Osaka)</td></tr>
<tr><td rowspan="2">Subsidiaries</td><td>Japan</td><td>Yamaha Music Japan Co., Ltd. (Minato-ku, Tokyo)
Yamaha Music Retailing Co., Ltd. (Minato-ku, Tokyo)
Yamaha Music Entertainment Holdings, Inc. (Toshima-ku, Tokyo)
Yamaha Fine Technologies Co., Ltd. (Minami-ku, Hamamatsu)
Yamaha Music Manufacturing Japan Corporation (Iwata-shi, Shizuoka)</td></tr>
<tr><td>Overseas</td><td>Yamaha Corporation of America (U.S.A.)
Yamaha Guitar Group, Inc. (U.S.A.)
Yamaha Canada Music Ltd. (Canada)
Yamaha Music Europe GmbH (Germany)
Yamaha Music & Electronics (China) Co., Ltd. (China)
Xiaoshan Yamaha Musical Instruments Co., Ltd. (China)
Yamaha Electronics (Suzhou) Co., Ltd. (China)
Hangzhou Yamaha Musical Instruments Co., Ltd. (China)
Tianjin Yamaha Electronic Musical Instruments, Inc. (China)
PT. Yamaha Indonesia (Indonesia)
PT. Yamaha Music Manufacturing Asia (Indonesia)
PT. Yamaha Musical Products Asia (Indonesia)
Yamaha Electronics Manufacturing (M) Sdn. Bhd. (Malaysia)
Yamaha Music India Pvt. Ltd. (India)</td></tr>
</table>

(9) Employees

Segments	Number of employees	Annual change
Musical Instruments Business	14,689	9
Audio Equipment Business	4,307	149
Industrial Machinery/Components and Other Businesses	1,031	-26
Total	20,027	132

Note: The number of employees refers to workers employed full time.

(10) Principal Lenders

Not applicable

2. The Company's Stocks

(1) Maximum Number of Shares Authorized to be Issued: 700,000,000

(2) Number of Shares Outstanding: 187,300,000 (including 16,858,633 shares of treasury shares)

(3) Number of Shareholders: 20,297

(4) Principal Shareholders

Shareholders	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust a/c)	40,453	23.73%
Custody Bank of Japan, Ltd. (trust a/c)	15,423	9.05%
Yamaha Motor Co., Ltd.	8,026	4.71%
The Shizuoka Bank, Ltd.	7,525	4.42%
Sumitomo Life Insurance Company	7,300	4.28%
Mitsui Sumitomo Insurance Co., Ltd.	5,917	3.47%
Nippon Life Insurance Company	5,002	2.93%
State Street Bank and Trust Company 505223	3,374	1.98%
Mizuho Bank, Ltd.	2,958	1.74%
Deutsche Bank Trust Company Americas	2,823	1.66%

Note: The Company holds 16,858,633 shares of treasury shares which have been excluded from the above Major Shareholders. The shareholding ratio is calculated by excluding treasury shares from total outstanding shares.

Breakdown of Shareholders

Shareholders	Number of shareholders (Persons)	Number of shares held (Thousand shares)
Individuals	19,296	29,757
Domestic institutional investors	13	60,277
Domestic financial institution	40	35,902
Japanese corporations	201	9,629
Foreign institutional investors, etc.	709	48,907
Securities companies	38	2,826

Note: The figure for individuals includes treasury share.

3. The Company's Subscription Rights to Shares

Not applicable

4. Status of Shares Provided to Company Officers as Consideration for the Execution of Duties During the Fiscal Year ended March 31, 2023

The Company provides share-based compensation according to job titles at the launch of the Medium-Term Management Plan with the intent of motivating the Directors and Executive Officers to enhance corporate value sustainably and having them share a common interest with shareholders. In the fiscal year under review, the Company provided 84, 600 shares to six (6) Executive Officers.

5. Shares Held by the Company

(1) Basic Policy on Cross-Holdings

It is Yamaha's basic policy to have cross-holdings only to the extent that this is reasonable because it contributes to the Company's sustainable growth and the enhancement of enterprise value over the medium-to-longer term. "Reasonable because it contributes to the Company's sustainable growth and the enhancement of enterprise value over the medium-to-longer term" refers to enhancing the value of our brand, supporting sustainable growth, and ensuring a strong financial base by maintaining stable relationships with companies with which we have important cooperative relationships, business partners, and financial institutions.

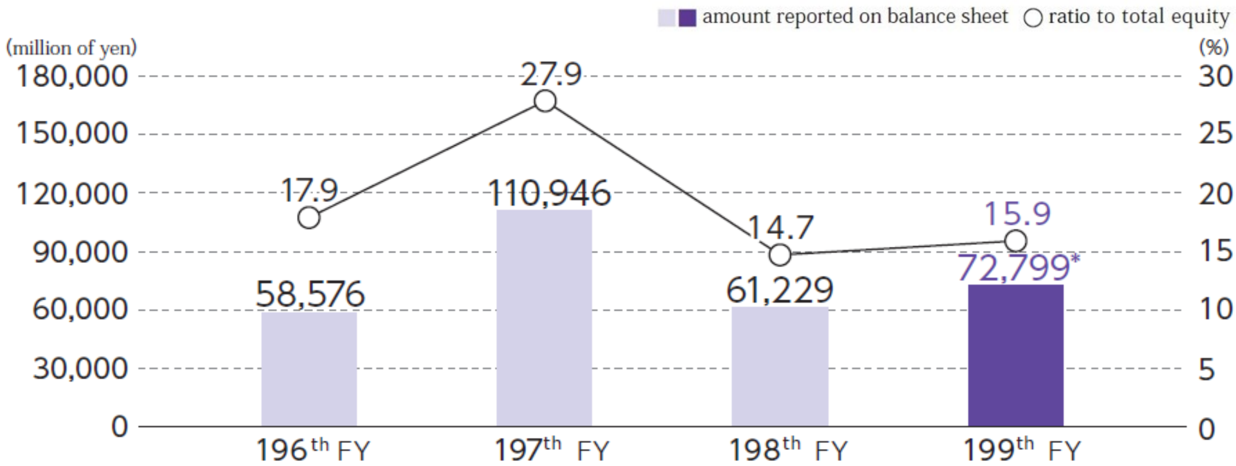
(2) Basic Policy on Reduction of Cross-Holdings

The Board of Directors regularly reviews the reasonableness of individual cross-holdings on an ongoing basis and works to reduce cross-holdings based on such verifications as whether the purposes for such shareholdings are appropriate and whether the benefits accruing from these holdings and the risks associated with them cover the cost of capital.

(3) Criteria on Exercising Voting Rights concerning Cross-Holdings

In exercising the voting rights associated with cross-holdings, the decision of how to vote is made comprehensively from the standpoint of whether the resolution enhances the enterprise value of the company in question over the medium-to-longer term, whether it is in accordance with our "Basic policy concerning cross-holdings," and whether it leads to the enhancement of our enterprise value over the medium-to-longer term.

(4) Carrying Value of Shares Held by the Company Other Than Those Held Solely for the Purpose of Investment and Their Ratio to Total Equity



* The Company does not hold any "deemed shareholding" which shall be listed on the Securities Report for the Fiscal Year under review.

6. Directors

(1) Names and Other Information regarding Directors

Name	Position	Responsibilities	Important concurrent duties
Takuya Nakata	Director	Nominating Committee Chair Compensation Committee Chair	Outside Director of Yamaha Motor Co., Ltd. President of Yamaha Music Foundation
Satoshi Yamahata	Director		
Taku Fukui	Outside Director	Audit Committee Chair	Attorney (Kashiwagi Sogo Law Offices), Outside Corporate Auditor of METAWATER Co., Ltd., Professor of Keio University Law School
Yoshihiro Hidaka	Outside Director	Nominating Committee Member Compensation Committee Member	President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.
Mikio Fujitsuka	Outside Director	Audit Committee Member	Outside Corporate Auditor of Mitsui Chemicals, Inc.
Paul Candland	Outside Director	Nominating Committee Member Compensation Committee Member	Managing Director of PMC Partners Co., Ltd., Outside Director of Dentsu Group Inc.
Hiromichi Shinohara	Outside Director	Nominating Committee Member Compensation Committee Member	
Naoko Yoshizawa	Outside Director	Audit Committee Member	Director of knowledge piece Inc., Outside Director of Nitori Holdings Co., Ltd.

Notes: 1. Directors Taku Fukui, Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hiromichi Shinohara and Naoko Yoshizawa are Outside Directors.
2. The Company files documentation with the Tokyo Stock Exchange to establish that Outside Directors Taku Fukui, Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hiromichi Shinohara and Naoko Yoshizawa are independent directors under the provisions set forth by the Tokyo Stock Exchange.
3. In order to maintain independence of the Audit Committee and to ensure performance of audit with a high degree of objectivity, all members of the Audit Committee of the Company are independent outside directors and no standing member of the Audit Committee is appointed. In order to ensure effectiveness of audit by the Audit Committee, the Company established the Audit Committee's Office as a department to assist the Audit Committee with its duties and allocated two (2) full-time employees to this department, in addition to appointing an Audit Officer, as Senior General Manager of Audit Committee's Office, and ensuring that this person attended important internal meetings and provided views thereat.
4. Audit Committee Member Mikio Fujitsuka has experience serving as CFO at one of the largest global construction machinery manufacturers in Japan, as well as adequate knowledge of finance and accounting.
5. Relationships between the Company and the organizations at which Outside Directors hold important concurrent duties are as follows.
   1) The Company holds 4.47% of shares of Yamaha Motor Co., Ltd., where Director Yoshihiro Hidaka holds a concurrent duty.
   2) There are no special relationships between the Company and the companies where Directors Taku Fukui, Mikio Fujitsuka, Paul Candland, Hiromichi Shinohara and Naoko Yoshizawa hold concurrent duties.
6. There were no changes in Directors during the Fiscal year under review.

Summary of the Liability Limitation Agreement

Directors Taku Fukui, Yoshihiro Hidaka, Mikio Fujitsuka, Paul Candland, Hiromichi Shinohara and Naoko Yoshizawa have enteredinto agreements with the Company to limit the liability for damage stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the agreements is the minimum amount stipulatedin laws and regulations.

Matters Related to the Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with an insurance company under which Directors, Executive Officers, Operating Officers, and Audit Officers of the Company as well as Directors and Corporate Auditors of the Company's subsidiaries (hereinafter referred to as "directors and officers") are designated as the insured. The insurance premiums are fully borne by the Company. The said insurance contract covers damages including compensation for damages and legal expenses to be borne by the directors and officers in the event that a claim for damages is filed against them during the insurance period in connection with the execution of their duties.

(2) Matters Relating to Outside Directors

Principal activities during fiscal 2022

Name	Position	Principal activities during fiscal 2021
Taku Fukui	Outside Director	He attended all 13 meetings of the Board of Directors and all 20 meetings of the Audit Committee held during fiscal 2022. He vigorously made comments on proposals and other matters of deliberation at Board of Directors meetings and Audit Committee meetings based on his high degree of expertise, wealth of experience and achievements alongside broad insight as an attorney. Moreover, as the chair of the Audit Committee, he played a leading role in enriching deliberations at Audit Committee meetings. In this way, he appropriately fulfilled a role expected of an Outside Director of the Company.
Yoshihiro Hidaka	Outside Director	He attended all 13 meetings of the Board of Directors, 3 out of 4 meetingsof the Nominating Committee, and all 3 meetings of the Compensation Committee held during fiscal 2022. He vigorously made comments on proposals and other matters of deliberation at Board of Directors meetings and meetings of the Nominating Committee and the Compensation Committee based on his wealth of experience and achievements alongside broad insight as a corporate officer as well as his in-depth knowledge of the Yamaha brand. In this way, he appropriately fulfilled a role expected of an Outside Director of the Company.
Mikio Fujitsuka	Outside Director	He attended all 13 meetings of the Board of Directors and all 20 meetings of the Audit Committee held during fiscal 2022. He vigorously made comments on proposals and other matters of deliberation at Board of Directors meetings and Audit Committee meetings based on his wealth of experience and achievements alongside broad insight as well as his specialized knowledge as a corporate officer. In this way, he appropriately fulfilled a role expected of an Outside Director of the Company.
Paul Candland	Outside Director	He attended all 13 meetings of the Board of Directors, all 4 meetings of the Nominating Committee, and all 3 meetings of the Compensation Committee held during fiscal 2022. He vigorously made comments on proposals and other matters of deliberation at Board of Directors meetings and meetings of the Nominating Committee and the Compensation Committee based on his wealth of experience and achievements alongside broad insight as well as his specialized knowledge as a corporate officer. In this way, he appropriately fulfilled a role expected of an Outside Director ofthe Company.
Hiromichi Shinohara	Outside Director	He attended all 13 meetings of the Board of Directors, all 4 meetings of the Nominating Committee, and all 3 meetings of the Compensation Committee held during fiscal 2022. He vigorously made comments on proposals and other matters of deliberation at Board of Directors meetings and meetings of the Nominating Committee and the Compensation Committee based on his wealth of experience and achievements alongside broad insight as well as his specialized knowledge as a corporate officer. In this way, he appropriately fulfilled a role expected of an Outside Director of the Company.
Naoko Yoshizawa	Outside Director	She attended all 13 meetings of the Board of Directors and all 20 meetings of the Audit Committee held during fiscal 2022. She vigorously made comments on proposals and other matters of deliberation at Board of Directors meetings and Audit Committee meetings based on her wealth of experience and achievements alongside broad insight as well as her specialized knowledge as a corporate officer. In this way, she appropriately fulfilled a role expected of an Outside Director of the Company.

(3) Names and Other Information regarding the Executive Officers

Name	Position	Responsibilities and important concurrent duties
Takuya Nakata	President and Representative Executive Officer	
Shinobu Kawase	Managing Executive Officer	Executive General Manager of Musical Instruments & Audio Products Production Unit
Satoshi Yamahata	Managing Executive Officer	Executive General Manager of Corporate Management Unit Executive General Manager of Human Resources and General Administration Unit
Shigeki Fujii	Executive Officer	Executive General Manager of IMC Business Unit Executive General Manager of Technology Unit
Seiichi Yamaguchi	Executive Officer	Executive General Manager of Musical Instruments & Audio Products Sales Unit
Atsushi Yamaura	Executive officer	Executive General Manager of Musical Instrument Business Unit

Note: Changes in responsibilities of Executive Officers after April 1, 2023 are as follows.

1) Mr. Shinobu Kawase and Mr. Shigeki Fujii retired from the position of Executive Officer on march 31, 2023.
2) Mr. Satoshi Yamahata assumed the position of Executive General Manager of Corporate Administration Unit on April 1, 2023.
3) Mr. Seiichi Yamaguchi assumed the position of Managing Executive Officer on April 1, 2023. (Executive General Manager of Musical Instrument Business Unit)
4) Mr. Atsushi Yamaura assumed the position of Deputy Executive General Manager of Musical Instruments &Audio Products Sales Unit on April 1, 2023.
5) Mr. Masato Oshiki assumed the position of Executive Officer on April 1, 2023. (Executive General Manager of Musical Instruments &Audio Products Sales Unit)

(4) Names and Other Information regarding the Operating Officers

Name	Position	Responsibilities and important concurrent duties
Shinichi Takenaga	Operating Officer	Executive General Manager of Audio Products Business Unit
Masato Oshiki	Operating Officer	President of Yamaha Music Japan Co., Ltd.
Thomas Sumner	Operating Officer	President of Yamaha Corporation of America
Naoya Tetsumura	Operating Officer	Deputy Executive General Manager of Musical Instruments & Audio Products Production Unit
Taro Tokuhiro	Operating Officer	Executive General Manager of Operating Unit
Hiroko Ohmura	Operating Officer	Executive General Manager of Brand Development Unit
Yutaka Matsuki	Operating Officer	Senior General Manager of Piano Division, Musical Instruments Business Unit
Hirofumi Yamashita	Operating Officer	Senior General Manager of Corporate Planning Division, Corporate Management Unit
Nobukazu Toba	Operating Officer	Senior General Manager of Electronic Devices Division, IMC Business Unit
Toshiaki Goto	Operating Officer	Senior General Manager of Production Planning Division, Musical Instruments & Audio Products Production Unit

Note: Changes in responsibilities of Operating Officers after April 1, 2023 are as follows.

1) Mr. Masato Oshiki assumed the position of Executive Officer on April 1, 2023. (Executive General Manager of Musical Instruments &Audio Products Sales Unit)
2) Mr. Naoya Tetsumura retired from the potion of Operating Officer on March 31, 2023.
3) Mr. Taro Tokuhiro assumed the position of Deputy Executive General Manager of Corporate Administration Unit on April 1, 2023.
4) Mr. Hirofumi Yamashita assumed the position of Deputy Executive General Manager of Corporate Administration Unit on April 1, 2023.
5) Mr. Nobukazu Toba assumed the position of Executive General Manager of IMC Business Unit on April 1, 2023.
6) Mr. Toshiaki Goto assumed the position of Executive General Manager of Musical Instruments & Audio Products Production Unit on April 1, 2023.
7) Ms. Chihiro Osuga assumed the position of Operating Officer on April 1, 2023. (Deputy Executive General Manager of Corporate Administration Unit)
8) Mr. Jun Nishimura assumed the position of Operating Officer on April 1, 2023. (President of Yamaha Music Japan Co., Ltd.)

(5) Names and Other Information regarding Audit Officers

Name	Position	Responsibilities and important concurrent duties
Hirofumi Mukaino	Audit Officer	Senior General Manager of Internal Auditing Division
Yasushi Nishiyama	Audit Officer	Senior General Manager of Audit Committee’s Office

(6) Total Compensation for Directors and Executive Officers

Millions of yen

Classification	Total compensation	Compensation by type			Number of people (Persons)
		Fixed compensation	Performance-linked bonuses	Compensation in the form of restricted stock	
Directors	88	88	–	–	6
Outside Directors	88	88	–	–	6
Executive Officers	536	224	157	155	6

Notes: 1. The total compensation and number of Executive Officers concurrently serving as Directors are described in the section for Executive Officers.

2. Compensation in the form of restricted stock were granted in a lump sum in the 199th fiscal year ended March 31, 2023, the first year of the Medium-Term Management Plan "Make Waves 2.0" as compensation for three (3) business years. The amount of compensation granted in a lump sum is calculated on a pro rata basis over the three (3) years covered by the Medium-Term Management Plan. However, the amount of compensation of the 201st fiscal year ending March 31, 2025 will be adjusted based on the degree of achievement of the Company's performance (shown on page 38).

1) Policy for Determination of Compensation for Directors and Officers and Summary Thereof

Individual amounts and policy regarding the compensation of Directors and Executive Officers have been determined in the Compensation Committee, which is comprised of three (3) Outside Directors and one (1) internal Director.

Compensation for Directors (excluding Outside Directors) and Executive Officers will consist of (i) fixed compensation, (ii)performance-linked bonuses, and (iii) compensation in the form of restricted stock (restricted stock compensation). The approximate breakdown of total compensation of (i), (ii), and (iii) will be 5:3:2.

(i) Fixed compensation is monetary compensation according to job titles and is paid monthly.

(ii) Performance-linked bonuses are monetary compensation according to job titles that is linked with consolidated profit forthe period and ROE for the current fiscal year and will be calculated, reflecting the individual's record of performance, in order to motivate individuals to contribute to enhancement of the Company's performance. These bonuses are paid after the completion of the applicable fiscal year. The individual's performance will be evaluated based on indicators of performance set by business and function in each area the individual is responsible for.

(iii) Restricted stock compensation is share-based compensation according to job titles and is provided at the launch of the Medium-Term Management Plan with the intent of motivating the Directors and Executive Officers to enhance corporate value sustainably and having them share a common interest with shareholders. In order to motivate the Directors and Executive Officers to achieve the Company's performance goals in the medium term, one-third (1/3) of restricted stock compensation is paid under the condition that an individual remains in the service of the Company for a certain period and two-thirds (2/3) of restricted stock compensation is linked to the Company's performance.

Transfer restrictions shall remain effective until the retirement of Director or Executive Officer or for thirty (30) years from the receipt of restricted stock compensation for the purpose of aligning the interests of the corporate officers with those of the shareholders over a long period after the end of the Medium-Term Management Plan. In addition, a claw-back clause is included that will require the return of all or a portion of restricted shares transferred to officers on an accumulated basis to date, depending on the responsibility of the officers in charge, in the event of serious cases of accounting fraud and/or major losses during the restricted period.

The Company's performance will be measured using "financial targets," "non-financial targets," and "corporate value targets" as performance indicators. Financial targets and non-financial targets are indexed by the management targets set forth in the Medium-Term Management Plan, while corporate value targets are indexed by the total shareholder return (TSR). The ratio of impact on compensation in the form of restricted stock is planned as follows.

Financial Targets: Non-Financial Targets: Corporate Value Targets = 50%: 30%: 20%.

(iv) Outside Directors will receive only the fixed compensation.

2) Indicators and Results of Performance-linked Compensation Indicators

Consolidated profit for the period and ROE for the current fiscal year, which are indicators used for performance-linked bonuses, were ¥38,183 million and 8.8%, respectively.

Indicators used for restricted stock compensation are financial targets, non-financial targets and corporate value targets. The financial targets adopted under the Medium-Term Management Plan “Make Waves 2.0” are revenue growth of 20%, core operating profit ratio of 14%, ROE of 10% or more, and ROIC of 10% or more. The non-financial targets have nine (9) indicators shown on page 25. The corporate value targets indexed by the total shareholder return (TSR) are TOPIX growth rate including TSR and dividends of 1.0.

The target period of the restricted stock compensation is three (3) business years from the 199th fiscal year ended March 2023 to the 201st fiscal year ending March 2025, linked with the Medium-Term Management Plan “Make Waves 2.0” with the target values set as shown above. The number of shares of restricted stock compensation will be determined based on the degree of achievement of the target and the difference between the number of shares delivered in a lump sum as compensation for the three business years in the 199th fiscal year ended March 2023 will be adjusted.

3) Compensation Committee

The Compensation Committee comprised four (4) members (of whom three are Outside Directors) as of March 31, 2023.The Compensation Committee had three (3) meetings during the fiscal year under review.

The Compensation Committee has formulated the policy for determination of compensation for Directors and Executive Officers and decides on individual compensation amounts based on this policy.

4) Reasons That the Compensation Committee Believes Compensation for Individual Directors and Executive Officers is in accordance with the Policy for Determination of Such

The Compensation Committee determined individual compensation for the 199th fiscal year in accordance with the policy for determination of compensation for Directors and Executive Officers in 1). on page 37, having checked the following in its deliberation: (i) fixed compensation is calculated as monetary compensation according to job titles; (ii) performance-linked bonuses are calculated linked with consolidated profit for the period and ROE for the current fiscal year, reflecting the individual's record of performance; and (iii) for restricted stock compensation, individual share-based compensation is calculated according to job titles, the number of years in service as a Director/Executive Officer, and evaluation using the performance indicators. Therefore, the Compensation Committee believes compensation for individual Directors and Executive Officers for the fiscal year under review is in accordance with the policy for determination of such.

7. Independent Accounting Auditor

(1) Name of Independent Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Compensation for the Independent Accounting Auditor

Classification	Amount paid (Million yen)
1) Compensation paid by the Company to the Independent Accounting Auditor during fiscal 2023	125
2) Total compensation payable by the Company and its subsidiaries to the Independent Accounting Auditor	166

Notes: 1. The audit under the Companies Act and the audit under the Financial Instruments and Exchange Act are not classified differently in the audit contract between the Company and the Independent Accounting Auditor, nor would it be practical to do so. Therefore, the compensation stated under classification 1) above is the total amount for both audits.

2. The Audit Committee of the Company has given their consent with respect to Article 399, Paragraph 1 of the Companies Act for the compensation paid to the Independent Accounting Auditor, as a result of confirming the status of audit plans in previous fiscal years and the track record of the Independent Accounting Auditor, while also confirming trends in the time required for audits and audit compensation, and thereby considering the validity of the expected time required for the audit and amount of compensation for the relevant fiscal year.

3. Each of the following principal subsidiaries of the Company contracts another certified public accountant or audit corporation (including a person having an equivalent qualification in the foreign country concerned) for auditing:
Yamaha Corporation of America, Yamaha Guitar Group, Inc., Yamaha Music Europe GmbH, Yamaha Music & Electronics (China) Co., Ltd., Xiaoshan Yamaha Musical Instruments Co., Ltd., Yamaha Electronics (Suzhou) Co., Ltd., Hangzhou Yamaha Musical Instruments Co., Ltd., PT. Yamaha Indonesia, PT. Yamaha Music Manufacturing Asia, PT.Yamaha Musical Products Asia, Yamaha Electronics Manufacturing (M) Sdn. Bhd. and Yamaha Music IndiaPvt. Ltd.

(3) Policy for Determining Whether to Dismiss or Not Reappoint Independent Accounting Auditor

The Company's Audit Committee will dismiss the Independent Accounting Auditor by mutual consent of all members of the committee in the event that one of the items in Article 340, Paragraph 1 of the Companies Act applies to the Independent Accounting Auditor. The Audit Committee determines the content of proposals regarding the dismissal or non-reappointment of the Independent Accounting Auditor submitted to the General Shareholders' Meeting in the event that it is deemed necessary to change the Independent Accounting Auditor, for reasons such as the Independent Accounting Auditor being impeded in performing its duties based on a comprehensive analysis of the Independent Accounting Auditor's qualifications, specializations, independence from the Company, and other evaluation criteria.

8. Systems for Ensuring the Appropriateness of Business Activities

Based on the Companies Act and Ordinances for the Implementation of the Companies Act, the Company has put in place systems to secure the proper conduct of its business activities (hereinafter, Internal Control Systems). The aims of these systems are conducting business efficiently, securing the reliability of reporting, securing strict compliance with laws and regulations, preserving the value of Company assets, and strengthening risk management.

(1) Systems to Ensure that the Execution of Duties of the Executive Officers, Operating Officers, Audit Officers and Employees Are Compliant with Laws and Regulations and the Articles of Incorporation

1) The Company has established the Yamaha Philosophy, with its structure of ideals and goals, and the Executive Officers, Operating Officers, Audit Officers and all Group employees share this philosophy and put it into action.
2) The Board of Directors makes decisions on important matters that are specified in laws and regulations, the Articles of Incorporation, and Regulations of the Board of Directors, including basic management policy. The Board of Directors delegates important decisions concerning matters of executing business to the Executive Officers, specifies what matters are to be reported in the Regulations of the Board of Directors, and requires reasonable procedures and decision making. The Executive Officers report the status of the conduct of their duties to the Board of Directors periodically, and the Board of Directors exercises oversight of the conduct of business by the Executive Officers.
3) The Audit Committee audits the conduct of duties of the Executive Officers and the Directors based on auditing standards and auditing plans.
4) The Company has established a committee to deal with compliance matters, including the preparation of a “Compliance Code of Conduct” and related rules and manuals as well as the conduct of thoroughgoing compliance education and training.
5) To increase the effectiveness of compliance, the Company has established an internal whistle-blower system applicable to the Group as a whole.
6) The Company has stated clearly its fundamental policy of excluding any relationships with antisocial individuals and groups. The Company, therefore, rejects unreasonable requests from such antisocial elements and has a clear and strictly enforced policy of eliminating any cover-ups of improper behavior, which may create fertile ground for such unreasonable requests.

(2) Systems related to the Retention and Management of Information pertaining the Execution of the Duties of the Executive Officers

The Executive Officers properly file for safekeeping and manage documents and other information related to the conduct of their duties in accordance with laws and regulations as well as internal regulations.

(3) Rules and Other Systems related to Management of the Risk of Loss

1) Regarding major business risks, the Risk Management Committee, which is an advisory body to the President and Representative Executive Officer, maintains a comprehensive grasp of risks, and prepares measures for risk management for the Group as a whole.
2) Depending on the nature of the risk, the Company designates an organizational unit to be in charge of its management, and this unit is responsible for the preparation of regulations and manuals as well as providing guidance and advice to the Group as a whole.
3) Through the auditing activities of the Internal Auditing Division, the Company takes appropriate measures by gathering information related to risks.

(4) Systems for Ensuring that the Executive Officers Perform Their Duties Efficiently

1) To increase the speed of business activities and efficiency of management, the Company prepares organizational regulations, authority regulations, and other regulations related to the conduct of business, and clarifies the authority and responsibility of Executive Officers, appropriate delegation of authority, the missions of Company divisions and subsidiaries, and the chain of command.
2) The Company has established the Management Council to act as an advisory committee to the President and Representative Executive Officer. This committee considers major decisions, etc., related to the conduct of business and reports to the President and Representative Executive Officer.
3) To set numerical targets and evaluate performance of the Group as a whole, the Company structures systems for making prompt management judgments and to make risk management possible.

(5) Systems for Ensuring the Appropriateness of Business Activities in the Group, Consisting of the Company and Its Subsidiaries

1) The Company has structured the Internal Control Systems for the Group as a whole, based on the "Group Management Charter," which sets forth basic Group management policies, and the "Group Internal Control Regulations," which sets internal control policy for the Group.
2) The Company and its Subsidiaries have established regulations for the conduct of business that include "Regulations of the Board of Directors," "Regulations of the Management Council, and "Regulations for Authority" with the objectives of clarifying the authority of the Directors and the chain of command.
3) For the status of management and other decisions that are of some degree of importance and may have an effect on the management condition of the Group, Subsidiaries are required to receive approval from the Company in advance and report certain items to the Company.
4) The Company establishes risk management systems for the Group as a whole and conducts compliance training.

(6) Items Related to Appointment of Employees to Assist in the Audit Committee's Work

As a specialized organizational unit with responsibility for assisting the Audit Committee, the Company has established the Audit Committee's Office, which reports directly to the Audit Committee.

(7) Items Related to Ensuring the Independence of Employees Assisting the Audit Committee from the Executive Officers and Securing the Effectiveness of Instruction Given to These Employees

As a specialized organizational unit with responsibility for assisting the Audit Committee, the Company has established the Audit Committee's Office, which reports directly to the Audit Committee. To secure independence from the Executive Officers and other persons engaged in the conduct of business, personnel evaluations, changes in personnel assignments, and rewards/disciplinary punishments of the staff of the Audit Committee's Office will require the approval of the Audit Committee.

(8) System for Reporting to the Audit Committee

1) Audit Committee members may attend important meetings, including the Managing Council, etc., and express their opinions.
2) The Company has a system where under the direction of the Audit Committee, General Manager of the Audit Committee's Office attends important meetings, including the Managing Council, etc., and expresses his/her opinions.
3) The Company has a system where General Manager of the Audit Committee's Office accesses the written approvals and other important documents, and, as necessary, requests explanations and reports from the Executive Officers, Operating Officers, Audit Officers and Employees before reporting the content of the documents to the Audit Committee.
4) The following divisions/departments report periodically to the Group as a whole on items required by laws and regulations and the items requested by the Audit Committee.
   (a) Results of Internal Auditing Division fact-finding
   (b) Reports made by the Legal Division related to the status of compliance as well as reports on actual operations, including information obtained through the internal whistleblowing system
   (c) Status of compliance in other staff divisions and the activities of the Internal Control Systems
5) Divisions and subsidiaries of the Company may report to the Audit Committee important matters that affect business operations and performance through the Executive Officers, Operating Officers, Audit Officers and Employees or report directly to the Audit Committee or General Manager of the Audit Committee's Office.

(9) Systems for Ensuring that Directors, Executive Officers, Operating Officers, Audit Officers and Employees in the Company and in Group Subsidiaries, who Give Whistle-blower Reports to the Audit Committee, Are not Treated Disadvantageously

The Company holds the identity of persons who have made whistle-blower reports to the Audit Committee in strictest confidence and has structured systems to prevent such persons from being treated disadvantageously.

(10) Matters Related to Policy for Handling of Expenses or Liabilities Incurred by Members of the Audit Committee in the Conduct of Their Duties

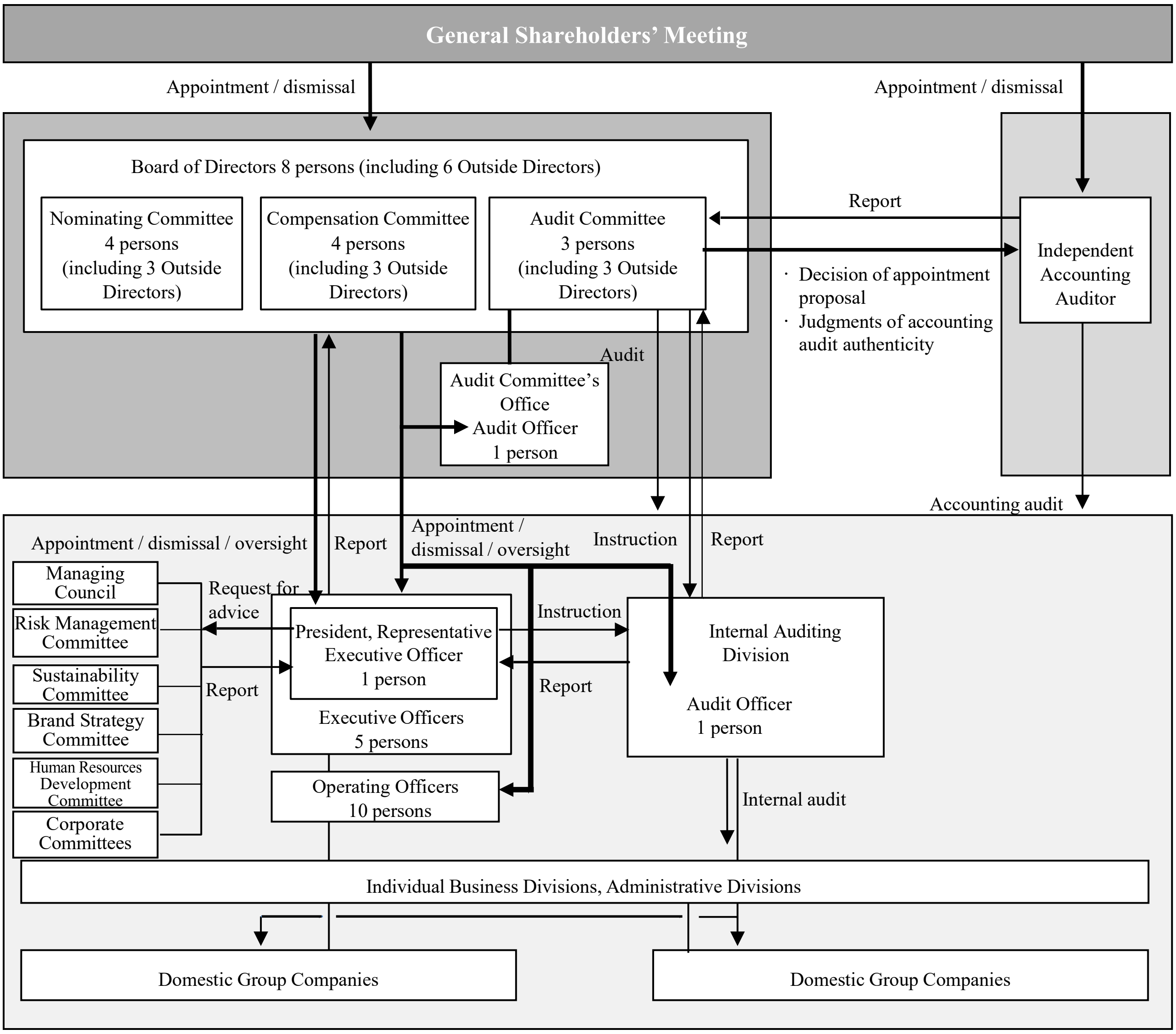
The Company bears the expenses related to the conduct of audits based on the audit plans of the Audit Committee. When duties other than those in the audit plan are necessary and expenses are incurred, these are paid when invoices are received from the Audit Committee.

(11) Other Systems for Ensuring that Audits by Audit Committee Are Performed Effectively

The President and Representative Executive Officer exchanges views periodically with the Audit Committee regarding the structure and the status of operation of the Internal Control Systems and is promoting the continuing improvement of these systems.

When audits are conducted by the Audit Committee, the Company secures opportunities for collaboration with the Internal Auditing Division and the Accounting Auditor. The Audit Committee is allowed also to give instructions regarding audits to the Internal Auditing Division as necessary. In cases where instructions given by the Audit Committee conflict with those given by the President and Representative Executive Officer, the instructions of the Audit Committee will take precedence. When the manager of the Internal Auditing Division is going to be reassigned, the opinions of the Audit Committee must be heard in advance.

Note that, when the Audit Committee deems it necessary, support for the audit function may be obtained from outside specialists.



As of April 1, 2023

9 Overview of the Implementation Status of the Systems for Ensuring theAppropriateness of Business Activities

(1) Status of Initiatives to Ensure the Execution of Duties by Executive Officers, Operating Officers, Audit Officers, and Employees and the Efficiency Thereof

The Company has established the Yamaha Philosophy, which is made up of the corporate philosophy and policies for realizing it, and the Executive Officers, Operating Officers, Audit Officers, and employees share this philosophy and put it into action. In addition, the Company has established the Corporate Governance Policies, and under the basic policies for corporate governance therein, have established institutional designs for management—in addition to an organizational structure and systems—while implementing a range of initiatives and appropriately disclosing information based on the "Systems for Ensuring the Appropriateness of Business Activities." In these ways, we are working to realize transparent, high-quality business management.

In line with the transition to a Company with Three Committees (Nominating, Audit, and Compensation) in June 2017, authorities related to important decisions pertaining to business execution have been largely delegated from the Board of Directors to Executive Officers. This has enabled business operations to be executed in a manner that is both efficient and speedy.

In the fiscal year under review, the Managing Council, an advisory body to the President and Representative Executive Officer, met twice per month to confirm progress on business issues while promoting the execution of business operations in line with the medium-term management plan.

Executive Officers provided reports regarding the status of their execution of duties to the Board of Directors on a regular basis and as necessary, and the Board of Directors thus oversaw the status of the execution of duties by Executive Officers. Furthermore, in order to ensure the execution of duties by Executive Officers, Operating Officers, and Audit Officers and the efficiency thereof, the Company formulated Regulations for Executive Officers, Regulations for Operating Officers, and Regulations for Audit Officers, while also setting forth the Regulations of the Management Council in a clear manner.

(2) Status of Initiatives related to Securing Compliance with Laws and Regulations

The Company established the Working Group for Compliance, whose membership includes Executive Officers, Audit Officers, and an external attorney, which deliberates on Group-wide policies and measures and monitors execution of the activities of divisions and Group companies from the viewpoint of compliance.

In the fiscal year under review, the Company worked to respond to amendments to domestic laws, conducted educational activities on harassment, stablished overseas helplines and strengthened its response procedures, to prevent fraud, improper behavior, and harassment, and to enable early detection and response. The Company implemented power harassment prevention training programs for all managers within the Group companies in Japan. Each Group company conducted its own compliance-related education and training programs.

In addition, in light of the Whistleblower Protection Act that was revised in June, training for personnel involved in investigations was conducted. To respond to the establishment of helplines at all overseas Group companies, we created new regulations for all Group companies and developed a manual for handling whistleblower reporting. We also held briefing sessions for compliance managers and staff at each Group company to encourage the use of the helplines and improve the ability to promptly resolve cases.

In parallel, we conducted a compliance survey for all employees of Group companies, which takes place every three years. Based on the comprehensive understanding and analysis of the status of recognition of the Compliance Code of Conduct and the helplines, we used the results to resolve problems and improve the corporate culture.

(3) Status of Initiatives related to Management of the Risk of Loss

Regarding major business risks, the Company prepares measures for risk management for the Group as a whole, identifies, analyzes, and evaluates risks in a comprehensive manner, and monitors measures to address risks in the Risk Management Committee, which is an advisory body to the President and Representative Executive Officer.

In the fiscal year under review, the Risk Management Committee continued evaluation and analysis of the assumed damage, assumed frequency, and control levels of risks surrounding the Group, specified important risks that should be addressed as a matter of priority, and designated departments responsible for dealing with risks, thereby working to improve the level of risk control.

In addition, specific issues were deliberated at meetings of the five Working Groups under the Risk Management Committee, and these Working Groups are promoting activities aimed at reducing risk.

(4) Status of Initiatives for Ensuring the Appropriateness of Business Activities in the Group, Consisting of the Company and Its Subsidiaries

To ensure the appropriateness of business activities in the Group as a whole, the Company has established the Group Management Charter, the Group Internal Control Regulations, and various Group regulations and shares them as basic policies for the entire Group. Meanwhile, the Group Internal Control Regulations clarify the Company's departments responsible for individual subsidiaries and the role of corporate staff departments to define the responsibilities, authority, and operational management methods of subsidiaries.

In the fiscal year under review, international conferences were held online with managers at subsidiaries in Japan and overseas participating together with persons responsible for administration, legal, human resources, logistics, information systems, and intellectual property as part of efforts to share information on issues related to business operations and positive examples. Moreover, the Internal Auditing Division performed audits of the legality, reasonableness, effectiveness, and efficiency of the execution of business operations across the Group as a whole.

(5) Status of Initiatives for Ensuring Effectiveness of Audits by Audit Committee

In order to ensure, maintain, and enhance the effectiveness of audits by the Audit Committee, the Company has ensured a system is in place that enables the Audit Committee to obtain all important information from across the Group as a whole and receive explanations as necessary. The Company also established the Audit Committee's Office as a department to assist the Audit Committee with its duties and allocated two full-time employees to this department, in addition to appointing an Audit Officer, as Senior General Manager of Audit Committee's Office, and ensuring that this person attended important internal meetings and provided views thereat, thus working to ensure effectiveness.

In the fiscal year under review, the Audit Committee, which consists of three Outside Directors, received monthly reports from Internal Auditing Division and Audit Committee's Office, on the results of all internal audits, the status of important meetings and information collected through the inspection of important documents and interviews with Risk Management Division. The committee regularly received reports directly from the Accounting Division and other divisions to confirm their contents. In addition to having a meeting to exchange views with the President and Representative Executive Officer, the Audit Committee received reports from Executive Officers, Operating Officers, other members of the management team, and confirmed the status of the execution of business operations. The Senior General Manager of Internal Auditing Division attended the Audit Committee every time. The Audit Committee worked together with the Independent Accounting Auditor through audit report meeting, review report meeting, audit planning meeting, exchange opinion meeting.

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Millions of yen)

	FY2022.3 (as of March 31, 2022) Restatement (Note)	FY2023.3 (as of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	172,495	103,886
Trade and other receivables	60,018	75,354
Other financial assets	4,352	1,089
Inventories	118,640	153,569
Other current assets	7,169	12,645
Total current assets	362,676	346,545
Non-current assets		
Property, plant and equipment	102,898	112,160
Right-of-use assets	21,655	21,852
Goodwill	177	4,626
Intangible assets	3,045	2,982
Financial assets	70,319	80,738
Retirement benefit assets	10,786	14,018
Deferred tax assets	7,627	9,716
Other non-current assets	1,474	1,605
Total non-current assets	217,985	247,701
Total assets	580,662	594,246

(Millions of yen)

	FY2022.3 (as of March 31, 2022) Restatement (Note)	FY2023.3 (as of March 31, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	63,184	60,574
Interest-bearing debt	10,523	1,489
Lease liabilities	5,727	5,733
Other financial liabilities	10,156	9,909
Income taxes payables	20,260	2,851
Provisions	2,086	2,114
Other current liabilities	14,174	12,468
Total current liabilities	126,114	95,140
Non-current liabilities		
Interest-bearing debt	—	6
Lease liabilities	11,647	10,440
Other financial liabilities	110	74
Retirement benefit liabilities	13,338	14,067
Provisions	2,399	2,744
Deferred tax liabilities	7,954	11,704
Other non-current liabilities	2,228	2,123
Total non-current liabilities	37,679	41,162
Total liabilities	163,794	136,302
Equity		
Capital stock	28,534	28,534
Capital surplus	2,114	1,755
Retained earnings	398,516	428,166
Treasury shares	(73,288)	(78,766)
Other components of equity	59,834	77,148
Equity attributable to owners of parent	415,713	456,837
Non-controlling interests	1,154	1,106
Total equity	416,867	457,944
Total liabilities and equity	580,662	594,246

Note: 1. Figures of less than ¥1 million have been omitted.
2. The figures for the FY22 have been prepared on a retrospective basis in accordance with the change of accounting policy in FY23.

Consolidated Statement of Income

(Millions of yen)

	FY2022.3 (April 1, 2021 – March 31, 2022) Restatement (Note)	FY2023.3 (April 1, 2022 – March 31, 2023)
Revenue	408,197	451,410
Cost of sales	(253,460)	(280,270)
Gross profit	154,736	171,139
Selling, general and administrative expenses	(111,706)	(125,272)
Core operating profit	43,029	45,867
Other income	7,558	2,006
Other expenses	(1,250)	(1,389)
Operating profit	49,337	46,484
Finance income	5,792	4,509
Finance expenses	(2,102)	(441)
Profit before income taxes	53,028	50,552
Income taxes	(15,666)	(12,375)
Profit for the period	37,361	38,177
Profit for the period attributable to:		
Owners of parent	37,268	38,183
Non-controlling interests	92	(6)
Earnings per share		
Basic (Yen)	214.87	222.64
Diluted (Yen)	—	—

Note: 1. Figures of less than ¥1 million have been omitted.
2. The figures for the FY22 have been prepared on a retrospective basis in accordance with the change of accounting policy in FY23.

Consolidated Statement of Changes in Equity
(April 1, 2022 – March 31, 2023)

(Millions of yen)

	Equity attributable to owners of parent						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2022	28,534	2,114	397,665	(73,288)	-	39,659	20,432
Effects of changes in accounting policies	-	-	851	-	-	-	88
Balance after restatement at beginning of period	28,534	2,114	398,516	(73,288)	-	39,659	20,521
Profit for the period	-	-	38,183	-	-	-	-
Other comprehensive income	-	-	-	-	2,660	7,714	9,668
Total comprehensive income for the period	-	-	38,183	-	2,660	7,714	9,668
Purchase of treasury shares	-	-	-	(6,123)	-	-	-
Dividends	-	-	(11,325)	-	-	-	-
Share-based compensation	-	(359)	-	644	-	-	-
Reclassified to retained earnings	-	-	2,791	-	(2,660)	(130)	-
Total transactions with owners	-	(359)	(8,534)	(5,478)	(2,660)	(130)	-
Balance at March 31, 2023	28,534	1,755	428,166	(78,766)	-	47,242	30,189

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gain or loss on cash flow hedges	Total			
Balance at April 1, 2022	(345)	59,746	414,773	1,154	415,927
Effects of changes in accounting policies	-	88	940	-	940
Balance after restatement at beginning of period	(345)	59,834	415,713	1,154	416,867
Profit for the period	-	-	38,183	(6)	38,177
Other comprehensive income	61	20,104	20,104	15	20,119
Total comprehensive income for the period	61	20,104	58,288	8	58,297
Purchase of treasury shares	-	-	(6,123)	-	(6,123)
Dividends from surplus	-	-	(11,325)	(56)	(11,382)
Share-based compensation	-	-	285	-	285
Reclassified to retained earnings	-	(2,791)	-	-	-
Total transactions with owners	-	(2,791)	(17,163)	(56)	(17,220)
Balance at March 31, 2023	(284)	77,148	456,837	1,106	457,944

Consolidated Statement of Comprehensive Income
(April 1, 2022 – March 31, 2023)

(Millions of yen)

Profit for the period	38,177
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Remeasurements of defined benefit plans	2,660
Financial assets measured at fair value through other comprehensive income	7,714
Total items that will not be reclassified to profit or loss	10,374
Items that may be subsequently reclassified to profit or loss	
Exchange differences on translation of foreign operations	9,683
Gain or loss on cash flow hedges	61
Total items that may be subsequently reclassified to profit or loss	9,744
Total other comprehensive income	20,119
Comprehensive income for the period	58,297
Comprehensive income for the period attributable to:	
Owners of parent	58,288
Non-controlling interests	8

Note: Figures of less than ¥1 million have been omitted

Consolidates Statement of Cash Flows (Summary)
(April 1, 2022 – March 31, 2023)

(Millions of yen)

Cash flows from operating activities	(14,841)
Cash flows from investing activities	(21,563)
Cash flows from financing activities	(35,287)
Effect of exchange rate change on cash and cash equivalents	3,083
Net increase (decrease) in cash and cash equivalents	(68,608)
Cash and cash equivalents at beginning of period	172,495
Cash and cash equivalents at end of period	103,886

Note: Figures of less than ¥1 million have been omitted

Notes to Consolidated Financial Statements

I. Notes regarding Basic Significant Items for the Preparation of Consolidated FinancialStatements

1. Basis for Preparation

The consolidated financial statements of the Company and its subsidiaries (hereinafter the "Group") have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") pursuant to the provisions under Article 120, Paragraph 1 of the Rules of Corporate Accounting. Pursuant to the provisions of the second sentence of the above Paragraph, certain disclosure items required under IFRS are omitted.

2. Scope of Consolidation

Number of consolidated subsidiaries: 58
The Group acquired the shares of Cordoba Music Group, LLC and its 3 subsidiaries and therefore included them in the scope of consolidation in the fiscal year ended March 31, 2023.
Revolabs India Private Ltd. was dissolved and therefore excluded from the scope of consolidation in the fiscal year ended March 31, 2023.
Names of major consolidated subsidiaries:

Yamaha Corporation of America	Yamaha Guitar Group, Inc.
Yamaha Music Europe GmbH	Yamaha Music & Electronics (China) Co., Ltd.
Xiaoshan Yamaha Musical Instruments Co., Ltd.	Yamaha Electronics (Suzhou) Co., Ltd.
Hangzhou Yamaha Musical Instruments Co., Ltd.	PT. Yamaha Indonesia
PT. Yamaha Music Manufacturing Asia	PT. Yamaha Musical Products Asia
Yamaha Electronics Manufacturing (M) Sdn. Bhd.	Yamaha Music India Pvt. Ltd.
Yamaha Music Japan Co., Ltd.	Yamaha Music Retailing Co., Ltd.
Yamaha Music Manufacturing Japan Corporation	

3. Application of Equity Method

Number of associates accounted for using equity method
Not applicable

4. Fiscal Years, etc. of Consolidated Subsidiaries

The fiscal year-end for 15 consolidated subsidiaries including Yamaha Music & Electronics (China) Co., Ltd. is December 31. In preparing consolidated financial statements, adjustments have been made such as preparing additional financial statements in accordance with the Company's accounting period.

5. Accounting Policies

(1) Accounting policy for measuring significant assets
1) Financial assets
(a) Initial recognition and measurement
Initial recognition of financial assets is on the date of the Group's transaction with the contract party. Financial assets at initial recognition, other than financial assets measured at fair value through profit or loss, are measured at an amount of fair value plus transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are recognized in profit or loss.

(b) Classification and subsequent measurement
The Group, at initial recognition, classifies financial assets as (i) financial assets measured at amortized cost, (ii) financial assets measured at fair value through other comprehensive income, or (iii) financial assets measured at fair value through profit or loss.

(i) Financial assets measured at amortized cost

Among financial assets, debt instruments meeting the following criteria together are categorized as financial assets measured at amortized cost.

・They are held based on a business model whose objective is to hold financial assets in order to collect contractual cash flows.
・The contractual terms of these instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets measured at amortized cost are measured at amortized cost using the effective interest rate method. The amortized amount using the effective interest rate method and profit or loss, in cases where a financial asset is derecognized, is recognized at profit or loss.

(ii) Financial assets measured at fair value through other comprehensive income

Among financial assets, debt instruments meeting the following criteria together are categorized as financial assets measured at fair value through other comprehensive income.

・They are held based on a business model whose objective is achieved by both collecting contractual cash flows and selling assets.
・The contractual terms of these instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments, such as shares of Yamaha Motor Co., Ltd. which are using a common brand with the Group and shares of companies related to other businesses, are categorized upon initial recognition as financial assets measured at fair value through other comprehensive income.

The amount of change in the fair value of equity instruments measured at fair value through other comprehensive income after initial recognition is recognized as other comprehensive income. In the instance, financial assets are derecognized or the fair value decreases materially, the accumulated other comprehensive income is transferred to retained earnings. Dividends from such financial assets are recognized in profit or loss as finance income.

(iii) Financial assets measured at fair value through profit or loss

Financial assets other than the above are categorized as financial assets measured at fair value through profit or loss.

The amount of change in the fair value of financial assets measured at fair value through profit or loss after initial recognition are recognized as profit or loss.

(c) Impairment of financial assets

For the trade and other receivables, the Group recognizes an allowance for doubtful accounts equivalent to the expected credit loss over the full period.

For trade and other receivables for which repayment is deemed as a serious or potentially serious problem, the impairment loss amount of such assets is assessed individually or in groups with assets of similar types of risk and accounted in the allowance for doubtful accounts.

For trade and other receivables that do not fall into the above category, impairment loss is assessed primarily based on the historical actual default rate and accounted in the allowance for doubtful accounts.

For trade and other receivables where the actual impairment loss was previously recognized and the impairment amount decreased due to a subsequent event, the previously recognized impairment amount is reversed and recognized in profit or loss.

For trade and other receivables that have clearly become unrecoverable, the unrecoverable amount is directly reduced.

(d) Derecognition

The Group derecognizes a financial asset when the contractual rights to cash flows from the financial asset expire or when such rights are transferred by the Group and all the risks and economic value of ownership of the financial asset are substantially transferred.

2) Hedge accounting and derivatives

The Group uses, within the scope of actual demand, forward exchange contracts (comprehensive contract) to reduce potential foreign exchange risk from foreign-currency denominated receivables and payables incurred during import and export transactions. Derivative transactions are initially recognized at fair value upon execution of a contract and subsequently remeasured at fair value.

With regard to derivative transactions, the Group financial policies and rules and each company's management policies and rules based on those of the Group have been established and transactions and management are conducted in compliance with policies and rules.

Derivative transactions that fulfill the criteria for hedge accounting are applied to cash flow hedge with the effective portion of profit or loss arising from the hedge instrument recognized as other comprehensive income and the remaining ineffective portion recognized as profit or loss. The amount of a hedge instrument recorded

as other comprehensive income is transferred to profit or loss at the time the transaction conducted as a hedged item affects profit or loss.
Transactions to apply hedge accounting are assessed on an ongoing basis whether the derivative used for the hedge transactions at the inception of the hedge and during the hedge period is effectively offsetting the change in cash flows of the hedged item.

3) Inventories
Inventories are measured at the lower of acquisition cost and net realizable value. The acquisition cost of inventories is determined principally based on the weighted average method and includes the purchase cost, processing cost, and any other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4) Impairment of non-financial assets
Non-financial assets (excluding inventories, deferred tax assets, and assets associated with employee benefits) are assessed at the final date of each reporting period for indications of impairment and tested for impairment when indications are found. Impairment tests are conducted every period and each time indications of impairment are found for goodwill, intangible assets for which a useful life cannot be determined, and intangible assets which are unusable on the final date of the reporting period.
Impairment loss is recognized if an impairment test finds the book value of the asset or a cash-generating unit exceeds the recoverable amount of an asset.
For assets not tested individually at impairment test, assets are grouped together into the smallest cash-generating unit that generates cash inflows that are largely independent of the cash inflows of other assets or asset group. The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less the cost of disposal. In determining the value in use, estimated future cash flows arising from assets and cash-generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
Recognition of impairment loss of cash-generating units including goodwill is conducted by first allocating to reduce the book value of the goodwill that was allocated to the cash-generating unit, then proportionately distributing the impairment based on the book value of each asset of the cash-generating unit.
If an impairment loss recognized in a previous period shows indications of a reversal and the recoverable amount of an asset or cash-generating unit exceeds the book value, the impairment loss is reversed. The impairment loss is reversed up to the lower of the calculated recoverable amount or book value less the necessary depreciation and amortization in the instance impairment loss was not recognized previously. Impairment loss associated with goodwill is not reversed.

(2) Accounting policy for depreciation of significant assets
1) Property, plant and equipment
Property, plant and equipment is measured using the cost model and stated at acquisition cost less accumulated depreciation and accumulated impairment losses.
The acquisition cost of property, plant and equipment comprises any costs directly attributable to the acquisition of the item, the initial estimate for disassembly, removal, or other restoration costs and borrowing costs that should be capitalized.
Depreciation costs on an item of property, plant and equipment, other than land and construction in progress, are accounted for using a straight-line method over its estimated useful life. The range of estimated useful lives by major asset item is as follows:

Buildings: 31 to 50 years (Equipment attached to the buildings is mainly 15 years)
Structures: 10 to 30 years
Machinery and equipment: 4 to 12 years
Tools, furniture and fixtures: 5 to 6 years

Estimated useful life, residual value, and depreciation methods are reviewed at the end of each fiscal year and, if there is a change, adjustments will be applied from that point forward as changes in accounting estimate.

2) Right-of-use assets
The Group leases a portion of its property, plant, and equipment. The acquisition cost of right-of-use assets is

set at the initial measurement of the present value of the lease fee during a non-cancelable period at the lease start date plus reasonably sure extension option period (hereafter "lease period"), and any lease prepayments prior to the lease start date, initial direct costs and the amount of the initial estimate for disassembly, removal, or other restoration costs and less any lease incentives received. Lease liabilities are set at the initial measurement of the present value of the lease fee during the lease period. In the instance of changes in the lease period or lease fee subsequent to the initial measurement, lease liabilities amounts are remeasured, and the acquisition cost of a right-of-use asset and the lease liability amounts are adjusted.

Right-of-use assets are accounted using the cost model and stated at acquisition cost less accumulated depreciation and accumulated impairment loss amount. Lease liabilities are stated at the initial measurement amount and adjusted amount due to remeasurement less payments of lease fee and adjusted for interest.

Depreciation cost of right-of-use assets is accounted for using the straight-line method over the lease period. Interest expenses associated with lease liabilities are classified separately from depreciation costs on right-of-use assets and included in finance expenses.

However, items with short-term leases of lease periods of 12 months or less and underlying assets with low-value are not recognized as right-of-use assets or lease liabilities and lease fees are recognized as profit or loss either by applying the straight-line method or other established standards to the lease amount.

The Group applies the practical expedient to rent concessions received as a direct result of the spread of COVID-19 that meet the requirements and treats them as variable lease payments.

3) Intangible assets

Intangible assets are accounted using the cost model and stated as the amount of the acquisition cost less accumulated amortization and accumulated impairment loss.

(3) Accounting policy for significant provisions

The Group has present legal and constructive obligation arising from past circumstances and this is likely to require the Group to forego resources with economic benefits to settle debts. If a reliable estimate for such debt can be determined, it is recognized as a provision.

In instances where the time value of money becomes material, the provision amount is measured based on estimated future cash flows discounted to their present value using a discount rate reflecting the time value of money and risk specific to the liability.

(4) Employee benefits

1) Post-employment benefit

The Group maintains defined-benefit pension plans and defined-contribution pension plans as post-employment benefit plans for employees.

Defined benefit obligation is determined using the projected unit credit method based on the present value of the defined benefit obligation and related current and past service costs. The discount rate used to discount to the present value of defined benefit obligations is determined by referring to the market yields of high-quality corporate bonds matching the currency and the maturity date with the retirement benefit obligation. Assets or liabilities related to the defined benefit plans are calculated as the net sum of the present value of the defined benefit obligation and the fair value of plan assets for each plan. Differences arising in remeasurement of defined benefit plans are recognized in a lump sum in other comprehensive income in the period they are incurred and immediately transferred to retained earnings. Past service costs are recognized as profit or loss in the period they occur.

Contributions to defined contribution pension plans are recognized as expenses at the time the relevant service are provided.

2) Short-term employee benefits

Short-term employee benefits are not discounted and are recognized as an expense at the time service is provided. Bonuses and paid leave costs are recognized as a liability in the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(5) Revenue recognition

Revenue is recognized through the following steps in accordance with IFRS 15 "Revenue from Contracts with Customers."

Step 1. Identify the contract(s) with a customer.
Step 2. Identify the performance obligations in the contract.
Step 3. Determine the transaction price.
Step 4. Allocate the transaction price to each performance obligation.
Step 5. Recognize revenue when/as a performance obligation is satisfied.

The Group's main business is the manufacture and sale of musical instruments, audio equipment, and other products. In principle, the customer takes possession of an item at the time of transfer and this is deemed as fulfilling the performance obligation. In most circumstances, revenue from an item is recognized at the time of transfer. Revenue is measured as the amount set at the time of contract with customers less any amount provided as a discount, rebate, or for a sales return.

(6) Income tax

Income taxes comprise current and deferred tax and are recognized as profit or loss with the exception of items related to business combinations or recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to or recovered from the tax authorities. The amount of current tax is determined based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. In the event of uncertainty concerning the tax position for treatment under income tax, if there is a high probability of the tax position to occur based on the tax laws, then a reasonable estimated amount is recognized as an asset or liability.

Deferred tax is recognized on temporary difference between the reported book value of assets and liabilities at the end of reporting period and associated amounts for taxation purpose, losses carried forward and tax credit carried forward.

A deferred tax asset is recognized for future deductible temporary differences, losses carried forward, and tax credit carried forward to the extent that taxable income is highly probable to occur for them to recover. A deferred tax liability is, in principle, recognized for all projected future taxable temporary differences. A deferred tax asset is reviewed each fiscal period and reduced to the extent that the tax benefit of the deferred tax assets is no longer expected to be realized.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

・Future taxable temporary differences arising from the initial recognition of goodwill;

・Temporary differences arising on the initial recognition of an asset or liability arising in a transaction other than a business combination and that affects neither accounting profit nor taxable income;

・Future taxable temporary differences associated with investments in subsidiaries and associated companies to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future;

・Future deductible temporary differences associated with investments in subsidiaries and associated companies to the extent it is not probable that sufficient taxable income will be available to use the benefits from the taxable temporary difference or that it is not probable that the taxable temporary difference will be eliminated in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period when the asset is realized or liability is settled, based on statutory tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are netted when the entity has a legally enforceable right to offset current tax assets and liabilities, and the tax balances are associated to the same entity and same taxation authority, and different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The Company and some of its subsidiaries have adopted the consolidated taxation system (group tax sharing system).

(7) Foreign currencies

1) Transaction denominated in foreign currencies

The financial statements of each of the Group entities are prepared using each company's functional currency. Transactions conducted in currencies other than the functional currency are translated into the functionalcurrency using the exchange rate on the transaction date or an exchange rate that approximates the exchange rate on that date. Foreign currency monetary items on the end of a reporting period are reconverted at the exchange rate on that date, and foreign currency non-monetary items measured at fair value are reconverted at exchange rate on the date of calculation of fair value; and both are converted to the functional currency. Any exchange differences arising from reconversion or settlement are recognized in profit or loss.

However, exchange differences arising from financial instruments measured at fair value through other comprehensive income or cash flow hedges are recognized in other comprehensive income.

2) Foreign operations

Assets and liabilities of the Group's foreign operations are translated using the exchange rates on the final date of a reporting period. Income and expense items are translated at the average exchange rates for the reporting period, unless any significant change has occurred. Any exchange differences arising from these translations are recognized in other comprehensive income. If a foreign operation is disposed of, the accumulated amount of the exchange differences on translation related to the foreign operation is transferred to profit or loss at the time the foreign operation was disposed of.

(8) Other significant items for the preparation of consolidated financial statements

1) Consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes, and asset-related non-deductible national and/or local consumption tax was expensed in the fiscal year ended March 31, 2023.

II. Notes regarding Changes in Accounting Policies

In accordance with the Agenda Decisions by the IFRS Interpretations Committee issued in May 2021, Attributing Benefit to Periods of Service (IAS 19 'Employee Benefits'), of the obligations that were previously recognized by attributing post-employment benefit obligations to employees over their service period, for those that meet specific requirements, the Company changed the method of attributing post-employment benefit obligations to the period in which the obligation to pay benefits arises from the fiscal year ended March 2023. The change in accounting policies has been applied retrospectively

As a result, in the consolidated statement of changes in equity, the balance of equity at the beginning of the fiscal year ended March 31, 2023 increased by ¥940 million compared with the figure before retrospective application, due to the cumulative impact reflected in equity at the beginning of the fiscal year. The effect of this change in accounting policies on the consolidated statement of income for this fiscal year is immaterial.

III. Changes in Presentation Method

1. Consolidated Statement of Financial Position

"Retirement benefit assets," which was previously included in "Other non-current assets," has been presented separately from the fiscal year ended March 31, 2023 due to its increased monetary significance.

IV. Notes regarding Significant Accounting Estimates and Judgements

The Group utilizes estimates and assumptions concerning the application of accounting policies and measurement of assets, liabilities, revenues and expenditures in the preparation of the consolidated financial statements. The estimates and assumptions are based on the management best judgement in consideration of past performance and other various factors considered to be reasonable at the end of reporting period. However, by their nature, the presented amounts that are based on estimates and assumptions may differ from actual results.

The estimates and the underlying assumptions are reviewed on an ongoing basis, and the effects of revisions to the estimates are recognized in the period in which the estimate is revised and in future periods that are affected by the revision. Judgments, estimates, and assumptions that may have significant effects on the amount recognized in the consolidated financial statements of the Group are as follows:

1. Scope of subsidiaries

Whether a subsidiary is eligible for inclusion in the consolidation is determined by whether the Group has control over the company.

2. Impairment of non-financial assets

The Group recorded no significant impairment loss for the fiscal year ended March 31, 2023.

The Group conducts impairment tests in accordance with "I. Notes regarding Basic Significant Items for the Preparation of Consolidated Financial Statements, 5. Accounting Policies (1) Accounting policy for measuring significant assets 4) Impairment of non-financial assets" on property, plant and equipment, right-of-use assets, goodwill, and intangible assets. The impairment tests to calculate recoverable value include assumptions for future cash flow, discount rates, and other items. Management uses their best estimates and judgment to set the assumptions; however, the test results can be affected by changes in uncertain future economic conditions. When revisions are necessary, the changes can have a material effect on the consolidated financial statements.

3. Recognition and measurement of provisions

Provisions are recorded ¥2,114 million in current liabilities and ¥2,744 million in non-current liabilities on March 31, 2023. Provisions are measured based on best estimates of payments to settle future debts on the last day of the reporting period. The payment amounts expected to be used to settle debts in the future are calculated in consideration of all possible outcomes in the future. The estimates used to calculate such provisions can be affected by changes in uncertain future economic conditions and therefore contain the risk that the measured amounts for the allowances may require significant revision in the future.

4. Measurement of retirement benefit obligation

On March 31, 2023, retirement benefit assets and retirement benefit liabilities are recorded ¥14,018 million and ¥14,067 million, respectively. The defined benefit corporate pension plan recognizes the net amount of the defined benefit obligation and fair value of plan assets as assets and liabilities. The defined benefitobligation is calculated using actuarial calculation, which includes estimates for the discount rate, retirement rate, mortality rate, and rate of salary increase. These assumptions are determined based on a comprehensive judgment using available information, such as market trends in interest rate fluctuations. The assumptions for the actuarial calculation can be affected by the uncertain future economic environment and social changes and therefore contain the risk that the measured amounts for the retirement benefit obligation may require significant revision in the future.

5. Recoverability of deferred tax assets

On March 31, 2023, deferred tax assets and deferred tax liabilities are recorded ¥9,716 million and ¥11,704 million, respectively.
The amount of deferred tax assets before offsetting major deferred tax liabilities is ¥25,771 million. Deferred tax assets are recognized based on the assumption that the company has a high probability of generating taxable income that can be applied to future deductible temporary differences. The judgment on the possibility of generating taxable income is based on projections of when and how much incomeis expected in the business plan. Management uses their best estimates to set the estimates; however, uncertain future economic conditions can change to the extent that they affect the actual results.

The above includes judgments based on estimates and assumptions concerning the Group's future performance; however, these are in accordance with the business plan formulated using future outlook about sales, the foreign exchange market and other factors.
The estimates and assumptions used in the preparation of the consolidated financial statements are based on the management's best estimates as of the end of the fiscal year. However, the future economic conditions are uncertain, and the Group performance may also be impacted by unanticipated developments in economic conditions. If such changes require management to revise its outlook, the impact on the consolidated financial statements could be substantial.

V. Additional Information

1. Business combination

Yamaha Guitar Group, Inc. (hereinafter "YGG"), a consolidated subsidiary of the Company acquired equity interests in Cordoba Music Group, LLC (hereinafter "Cordoba"), a company that designs, develops, manufactures, and sells guitars and related products, and Cordoba and its three subsidiaries became consolidated subsidiaries of the Company.

(1) Outline of the business combination

1) Name the acquired company and its business
Name of acquired company: Cordoba Music Group, LLC
Business description: Planning, development, manufacturing and sales of guitars and related products; import agent for strings (U.S. only)
2) Date of acquisition: February 7, 2023
3) Percentage of equity interests acquired: 100%
4) Main purpose of the business combination:
In Yamaha Group's medium-term management plan "Make Waves 2.0," which covers the three-year period from April 2022, the Company is aiming to further expand its musical instruments business, and in particular, the Company is aiming to expand the scale of its guitar business, which is expected to grow rapidly, through aggressive investment to make it a pillar of its future musical instruments business. The acquisition of equity interests in Cordoba is in line with this policy.
Cordoba is a manufacturer and distributor of acoustic guitars, electric guitars, and ukuleles. Its Cordoba brand nylon string guitars and ukuleles and Guild brand acoustic and electric guitars are used by musicians in the United States and around the world. The company is headquartered in Santa Monica, California, with distribution and manufacturing facilities in Oxnard.
In 2014, the Group's guitar business acquired Line 6, a company that plans, develops, manufactures, and sells guitar peripherals and other products, as a subsidiary. In 2018, Line 6 changed its name to YGG and began planning, developing, and marketing as a multi-brand US base, including Yamaha brand guitars. In the same year, YGG took over the business of Ampeg, a globally well-known brand of bass amplifiers, and has steadily strengthened its foundation for business growth.

By adding Cordoba to the Group, the Company expects to complement and expand its product lineup, as well as strengthen its product planning and development and brand communication capabilities by utilizing Cordoba's expertise.

5) Method of obtaining control of the acquired company: Acquisition of equity interests for cash consideration

(2) Fair value of consideration paid, assets acquired and liabilities assumed as of the acquisition date

(Millions of yen)

Fair value of consideration paid (Note 1)	5,164
Fair value of assets acquired and liabilities assumed (Note 2)	
Assets	
Cash and cash equivalents	265
Trade and other receivables (Note 3)	238
Inventories	1,550
Property, plant and equipment	126
Other	252
Liabilities	
Trade and other payables	(441)
Interest-bearing debt	(1,010)
Other	(213)
Fair value of assets acquired and liabilities assumed (net)	768
Goodwill (Note 2) (Note 4)	4,395

(Notes)
1. The consideration paid is adjusted for the balance of cash and deposit and liabilities as well as changes in working capital and other factors as of the closing date.
2. Goodwill, assets and liabilities recorded as of the end of FY2023.3 are tentatively calculated based on the information available at the time, since the identifiable assets and liabilities are still being evaluated and the allocation of the consideration for acquisition has not been completed as of the end of FY2023.3. The allocation of such goodwill to cash-generating units for impairment testing has not been completed.
3. The fair value of acquired trade and other receivables and the contractual amounts receivable are approximately the same. No amounts are expected to be uncollectible.
4. Goodwill identified after the allocation of the acquisition consideration is expected to be deductible for income tax calculation purposes.
5. Acquisition-related expenses of ¥(502) million related to this business combination are included in selling, general and administrative expenses.

(3) Cash flows from acquisition

(Millions of yen)

Cash and cash equivalents paid for acquisition	(5,164)
Cash and cash equivalents held by the acquired company at the time of acquisition	265
Payments for acquisition of subsidiaries, net	(4,898)

(4) Impact on financial results

Information on profit and loss after the acquisition date related to the business combination and information on profit and loss as if the business combination had taken place at the beginning of the fiscal year is not disclosed because the amount of impact on the consolidated financial statements is not material.

VI. Notes to Consolidated Statement of Financial Position

1. Allowance for Doubtful Accounts Directly Deducted from Assets

	(Millions of yen)
Trade and other receivables	1,281
Financial assets	106

	(Millions of yen)
2. Accumulated Depreciation of Property, Plant and Equipment	223,095

3. Contingent Liabilities

In the fiscal year ended March 31, 2023, Yamaha Music Europe GmbH (hereinafter “YME”), a consolidated subsidiary of the Company, was served with a claim for collective proceedings on December 29, 2022.
No provision has been made for this lawsuit because the lawsuit has not progressed, and the financial impact cannot be reliably estimated at this time.

(1) Cause of action and circumstances leading to the filing of the lawsuit
YME was subject to a decision finding that it infringed the UK competition law by engaging in resale price maintenance practices with one UK business partner in the online sale of our musical instrument products in the UK from March 2013 to March 2017. A collective proceedings claim has been filed by consumers alleging that the actions of the company resulted in consumers paying higher prices for products and seeking compensation for the resulting damages.

(2) Outline of the litigants
The group of plaintiffs represented by Elisabetta Sciallis of the consumer organization "Which?" (located in London, UK), and consumers in the United Kingdom of the relevant products are eligible to join the plaintiffs.

(3) Description of the lawsuit and compensation for damages
1) Description of the lawsuit
This lawsuit is against YME and the Company, YME’s parent company, claiming compensation for damages alleged to have been potentially incurred by consumers due to YME’s resale price maintenance practice.
2) Compensation for damages
The total amount of damages claimed by the plaintiffs against YME and the Company has not been disclosed.

(4) Future outlook
The size of the plaintiff group and claim amount will become known in the due course of proceedings.

VII. Notes to Consolidated Statement of Changes in Equity

1. Number of Shares Outstanding

Class of share	At the beginning of the fiscal year ended March 31, 2023	Increase	Decrease	At the end of the fiscal year ended March 31, 2023
Common stock (shares)	187,300,000	-	-	187,300,000

2. Dividends

(1) Dividends paid

Resolution	Class of share	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual Shareholders’ Meeting held on June 22, 2022	Common stock	5,660	33.00	March 31, 2022	June 23, 2022
Board of Directors’ Meeting held on November 2, 2022	Common stock	5,664	33.00	September 30, 2022	December 8, 2022

(2) Dividends with a record date in the fiscal year ended March 31, 2023 and effective date in the next fiscal year

Resolution	Class of share	Source	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual Shareholders’ Meeting held on June 23, 2023	Common stock	Retained earnings	5,624	33.00	March 31, 2023	June 26, 2023

VIII. Notes regarding Revenue Recognition

1. Breakdown of Revenue

The Group breaks down revenue by segment and customer location.
The Group's reportable segments, based on its economic features and similarity of products and services, comprise its two principal reportable segments, which are the "musical instruments" and "audio equipment." Other businesses are included in the "others" segment. The musical instruments segment includes the manufacture and sales of pianos; digital musical instruments; wind, string, and percussion instruments; and other music-related activities. The audio equipment segment includes the manufacture and sales of audio products, professional audio equipment, information and telecommunication equipment (ICT Equipment), and certain other products. The "others" segment includes electronic devices business, automobile interior wood components, factory automation (FA) equipment, golf products, resort, and certain other lines of business. Revenue is also presented by region based on customer location.
The breakdown of revenue is as follows:

(Millions of yen)

	Reportable segment		Others	Total
	Musical instruments	Audio equipment		
Japan	57,352	32,144	19,122	108,619
North America	82,657	24,533	7,026	114,217
Europe	55,640	26,902	244	82,787
China	50,976	6,407	5,095	62,479
Other areas	56,026	17,653	9,627	83,306
Total	302,653	107,641	41,115	451,410
Revenue recognized from contracts with customers	301,209	107,314	40,943	449,466
Revenue recognized from other sources	1,444	327	171	1,943

Note: Major countries and regions included in divisions other than Japan and China are as follows.
North America: U.S.A., Canada
Europe: Germany, France, U.K.
Other areas: Republic of Korea, Australia

2. Basic Information to Understand Revenue

The Group's revenues mostly consist of the sale of finished goods and merchandise. Revenues from the sale of finished goods and merchandise are recognized when control of finished goods and merchandise is transferred to a customer. Specifically, the Group recognizes revenue when a customer accepts the delivery of finished goods and merchandise, since the legal title, physical possession and significant risk and rewards of ownership of the item are transferred to the customer at that point in time, and the performance obligation has been satisfied.
Revenues are measured as the amount agreed to at the time the contract with a customer was entered into less any discounts, rebates, or sales returns.
In addition, the Group provides services, such as music school business, in which revenue from the services is recognized when the services are performed since the performance obligation has been satisfied at that point.

3. Balances of Contracts

Balances of receivables arising from contracts with customers, contract assets, and contract liabilities as of March 31, 2023 are as follows:

	(Millions of yen)
Receivables arising from contracts with customers	62,817
Contract assets	816
Contract liabilities	3,823

IX. Notes to Financial Instruments

1. Conditions of Financial Instruments

(1) Policy on capital management

The Group, in principle, limits its cash management to deposits for which principles are guaranteed and interest rates are fixed.

The Company, its domestic subsidiaries, and certain overseas subsidiaries execute the group finance for the effective use of the funds among the Group companies. In addition, certain subsidiaries borrow funds from financial institutions after comprehensively considering borrowing conditions such as amounts, terms, and interest rates. The Group uses derivatives for the purpose of reducing risks mentioned below and limits derivative transactions to actual exposure. The Group does not enter into derivative transactions for speculative purposes.

(2) Financial risk management

The Group is exposed to various financial risks including credit risk, liquidity risk, and market risk in the course of business activities. To mitigate such risks, the Group has established a risk management system; that is, the Group has set up a Group financial policy, and the Company and its consolidated subsidiaries have preparedrules based on this policy.

1) Credit risk

The Group is exposed to credit risk that the Group may suffer a financial loss if a counterparty of holdingfinancial assets could not perform contractual obligations.

As to trade receivables from domestic and overseas customers, the Group is exposed to a risk that those receivables may become uncollectible due to deterioration in credit standing or bankruptcy of customers or other reasons. Establishing rules for managing its credit exposure and trade receivables, the Group evaluates and manages a credit limit by customer, keeps records of receivables and confirms outstanding balances on a regular basis. For receivables that become past due, the Group monitors the cause of delinquency and evaluates when they become collectible.

Regarding excess funds, the Group, in principle, limits the investments to deposits for which principles are guaranteed and interest rates are fixed, by emphasizing safety and security.

Derivative transactions are executed based on the Group's policy and rules. Limiting derivative transactions to actual exposure, the Group does not enter into derivative transactions for speculative purposes. In addition, in order to mitigate counterparty credit risk, the Group only enters into derivative transactions with financial institutions with high-credit ratings.

The maximum credit risk exposures for financial assets are shown as the book value in the consolidated financial statements.

2) Liquidity risk

Liquidity risk is a risk that the Group may not perform obligations to repay financial liabilities on their due date. The Group establishes a cash management plan based on the annual management plan, prepares and updates a cash flow budget to control cash flows, and monitors the budget and actual cash flows on a continuous basis. In addition, the Company, its domestic subsidiaries, and certain overseas subsidiaries manage the liquidity risk by executing the group finance.

3) Market risk

(a) Foreign exchange risk

Receivables and payables denominated in foreign currencies are exposed to foreign currency fluctuationrisk. In order to mitigate a risk arising from foreign currency fluctuation in connection with regular export and import transactions, the Group uses foreign exchange forward contracts to hedge actual exposures of net position of trade receivables and payables denominated in foreign currencies.

(b) Price variation risk of equity instruments

The Company holds equity instruments including stocks of companies with business relationships, and therefore, is exposed to a risk of fluctuation of their prices. The Company continuously monitors the status ofchanges in fair value of these equity instruments. The Group does not hold equity instruments for short-term trading purposes and does not actively trade them.

2. Fair Values of Financial Instruments

The book values and fair values of financial assets and financial liabilities at the end of the fiscal year ended March 31, 2023 are as follows:

(Millions of yen)

Classification	Book value	Fair value
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	103, 886	103,886
Trade and other receivables (Note)	74,538	74,538
Other financial assets	4,997	4,997
Financial assets measured at fair value through profit or loss		
Debt instruments	210	210
Derivative assets	-	-
Financial assets measured at fair value through other comprehensive income		
Equity instruments	76,620	76,620
Total	260,253	260,253
Financial liabilities		
Financial liabilities measured at amortized cost		
Trade and other payables	60,574	60,574
Borrowings	1,495	1,495
Other financial liabilities	9,474	9,474
Financial liabilities measured at fair value through profit or loss		
Derivative liabilities	509	509
Total	72,053	72,053

Note: The amount above does not include contract assets of ¥816 million recorded in trade and other receivables in the consolidated statement of financial position.

3. Details of Financial Instruments by Fair Value Level

(1) Fair value hierarchy

The fair value hierarchy is as follows:

Level 1: Fair value measured by using unadjusted quoted prices in active markets

Level 2: Fair value measured by using inputs other than Level 1 inputs that are observable either directly or indirectly

Level 3: Fair value measured by valuation techniques including inputs not based on observable market data

The Group recognizes transfers of financial instruments between levels by deeming that they have occurred at the end of each reporting period. For the fiscal year ended March 31, 2023, no significant financial assets were transferred between levels.

(2) Fair value measurement

Fair value measurement of major financial instruments are as follows:

1) Cash and cash equivalents, financial assets and liabilities (excluding borrowings and lease liabilities) measured at amortized cost

Cash and cash equivalents, short-term investments, receivables and payables (excluding borrowings and lease liabilities) measured at amortized cost are settled in a short period of time or are financial instruments which are payable on demand. Since their fair value approximates book value, their book value is used as fair value.

2) Equity instruments and debt instruments measured at fair value through profit or loss

Listed stocks are measured at market price as at the end of each reporting period, and classified as Level 1. Unlisted stocks, investments in associates and debt instruments measured at fair value through profit or loss are measured by using financial statements of portfolio companies and applying appropriate valuation techniques such as valuation based on market values of similar companies, and are classified as Level 3.

3) Borrowings

Short-term borrowings are settled in a short period of time and their fair value approximates their book value. Thus, the book value is used as fair value.

Fair value of long-term borrowings is calculated by discounting future cash flows by interest rates assumed for new similar borrowings, and classified as Level 2.

4) Derivative transactions

Fair value of derivative transactions is measured at prices obtained from counterparty financial institutions, and classified as Level 2.

(3) Financial instruments measured at amortized cost

The fair value of the financial instruments measured at amortized cost is as follows:

(Financial value of the financial instruments not included in the following table is similar to book value.)

(Millions of yen)

Classification	Level 1	Level 2	Level 3	Total
Financial liabilities				
Long-term borrowings (including to be repaid within one year)	-	17	-	17
Total	-	17	-	17

(4) Financial instruments measured at fair value

The breakdown of financial instruments measured at fair value is as follows:

(Millions of yen)

Classification	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	-	-	210	210
Derivative assets	-	-	-	-
Financial assets measured at fair value through other comprehensive income				
Equity instruments	71,913	-	4,707	76,620
Total	71,913	-	4,918	76,831
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	509	-	509
Total	-	509	-	509

The breakdown of financial instruments measured at fair value on a recurring basis and classified as Level 3 is as follows:

(Millions of yen)

Balance at beginning of period	6,076
Gain or loss (Note 1)	65
Other comprehensive income (Note 2)	(1,067)
Purchase	0
Sale and redemption	(156)
Balance at end of period	4,918

Notes: 1. Gain or loss relates to financial assets measured at fair value through profit or loss and is included in “Finance income” and “Finance expenses” in the consolidated statement of income.

2. Other comprehensive income relates to financial assets measured at fair value through other comprehensive income and included in financial assets measured at fair value through other comprehensive income in the consolidated statement of comprehensive income.

The corresponding financial instruments are mainly unlisted stocks, investments in associates and debt instruments measured at fair value through profit or loss. They are measured by using financial statements of portfolio companies and applying appropriate valuation techniques such as valuation based on market values of similar companies.

X. Notes to Per Share Information

Equity per share attributable to owners of the parent	¥2,680.32
Basic earnings per share	¥222.64

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	FY2022.3 (as of March 31, 2022)	FY2023.3 (as of March 31, 2023)
ASSETS		
Current assets:		
Cash and deposits	85,899	43,585
Notes receivable - trade	391	223
Electronically recorded monetary claims - operating	1,223	1,284
Accounts receivable - trade	22,235	24,213
Merchandise and finished goods	7,854	16,034
Work in process	1,700	2,793
Raw materials	2,786	2,727
Short-term loans receivable	9,255	23,312
Receivable corporate tax, etc.	-	3,559
Uncollected refund consumption tax, etc.	3,210	5,260
Other	15,622	12,995
Allowance for doubtful accounts	(3288)	(3,837)
Total current assets	146,891	132,153
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	25,914	25,573
Machinery and equipment	891	869
Vehicles	29	45
Tools, furniture and fixtures	2,908	2,945
Land	41,856	41,475
Leased assets	8	5
Construction in progress	4,297	12,309
Total property, plant and equipment	75,906	83,222
Intangible assets:	959	1,240
Investments and other assets:		
Investment securities	61,529	73,010
Stocks of subsidiaries and affiliates	63,471	69,467
Investment in capital of subsidiaries and affiliates	20,563	20,563
Long-term loans receivable	3	3
Lease and guarantee deposits	1,003	1,009
Prepaid pension cost	4,346	5,923
Other	71	78
Allowance for doubtful accounts	(71)	(78)
Total investments and other assets	150,916	169,976
Total non-current assets	227,782	254,439
Total assets	374,674	386,593

(Millions of yen)

	FY2022.3 (as of March 31, 2022)	FY2023.3 (as of March 31, 2023)
LIABILITIES		
Current liabilities:		
Accounts payable - trade	12,348	13,270
Short-term loans payable	18,661	16,565
Lease obligations	2	2
Accounts payable - other	2,971	2,888
Accrued expenses	15,513	15,524
Income taxes payable	16,927	-
Advances received	241	103
Contract liabilities	318	181
Refund liabilities	262	266
Deposits received	293	750
Provision for product warranties	28	27
Other	492	405
Total current liabilities	68,063	49,985
Non-current liabilities:		
Lease obligations	4	2
Deferred tax liabilities	3,802	7,223
Deferred tax liabilities for land revaluation	9,183	9,070
Provision for product warranties	1,002	977
Provision for retirement benefits	5,956	5,788
Long-term deposits received	8,888	8,803
Other	465	687
Total non-current liabilities	29,303	32,552
Total liabilities	97,366	82,537
NET ASSETS		
Shareholders' equity:		
Capital stock	28,534	28,534
Capital surplus		
Legal capital surplus	3,054	3,054
Other capital surplus	-	102
Total capital surplus	3,054	3,156
Retained earnings		
Legal retained earnings	4,159	4,159
Other retained earnings		
Reserve for tax purpose reduction entry	6,016	5,787
Special reserve for replacement of assets acquisition	2,637	2,637
General reserve	70,710	70,710
Retained earnings brought forward	179,824	204,085
Total other retained earnings	259,189	283,221
Total retained earnings	263,349	287,380
Treasury stock	(73,288)	(78,766)
Total shareholders' equity	221,649	240,305
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	36,465	44,763
Deferred gains or losses on hedges	(345)	(284)
Revaluation reserve for land	19,537	19,270
Total valuation and translation adjustments	55,657	63,749
Total net assets	277,307	304,055
Total liabilities and net assets	374,674	386,593

Note: Figures of less than ¥1 million have been omitted.

Non-consolidated Statement of Income

(Millions of yen)

	FY2022.3 (April 1, 2021－ March 31, 2022)	FY2023.3 (April 1, 2022－ March 31, 2023)
Net sales	217,696	258,389
Cost of sales	173,128	203,140
Gross profit	44,567	55,249
Selling, general and administrative expenses	32,518	34,964
Operating income	12,049	20,284
Non-operating income		
Interest income	92	562
Dividend income	27,257	21,675
Other	2,426	965
Total non-operating income	29,776	23,203
Non-operating expenses		
Interest expenses	2	2
Other	939	380
Total non-operating expenses	941	383
Ordinary income	40,883	43,104
. Extraordinary income		
Gain on sales of non-current assets	5,112	10
Gain on sales of investment securities	43,776	186
Total extraordinary income	48,889	196
. Extraordinary losses		
Loss on retirement of non-current assets	65	44
Loss on valuation of shares of subsidiaries and associates	1,773	-
Impairment loss	91	400
Provision of allowance for doubtful accounts	659	545
Total extraordinary losses	2,590	990
Income before income taxes	87,182	42,309
Income taxes - current	18,750	7,433
Income taxes - deferred	495	(214)
Total income taxes	19,245	7,219
Net income	67,936	35,090

Note: Figures of less than ¥1 million have been omitted.

Non-consolidated Statements of Changes in Equity

FY2023.3 (April 1, 2022－March 31, 2023)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at April 1, 2022	28,534	3,054	-	3,054
Changes of items during period				
Dividends of surplus				
Net income				
Reversal of reserve for tax purpose reduction entry				
Purchase of treasury shares				
Disposal of treasury shares			102	102
Reversal of revaluation reserve for land				
Net changes of items other than shareholders' equity				
Total changes of items during period	-	-	102	102
Balance at March 31, 2023	28,534	3,054	102	3,156

	Shareholders' equity							
	Retained earnings						Treasury shares	Total share-holders' equity
	Legal retained earnings	Other retained earnings				Total retained earnings		
		Reserve for tax purpose reduction entry	Special reserve for replacement of assets acquisition	General reserve	Retained earnings brought forward			
Balance at April 1, 2022	4,159	6,016	2,637	70,710	179,824	263,349	(73,288)	221,649
Changes of items during period								
Dividends of surplus					(11,325)	(11,325)		(11,325)
Net income					35,090	35,090		35,090
Reversal of reserve for tax purpose reduction entry		(229)			229	-		-
Purchase of treasury shares							(6,123)	(6,123)
Disposal of treasury shares							644	747
Reversal of revaluation reserve for land					266	266		266
Net changes of items other than shareholders' equity								
Total changes of items during period	-	(229)	-	-	24,261	24,031	(5,478)	18,655
Balance at March 31, 2023	4,159	5,787	2,637	70,710	204,085	287,380	(78,766)	240,305

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Re-valuation reserve for land	Total valuation and translation adjust-ments	
Balance at April 1, 2022	36,465	(345)	19,537	55,657	277,307
Changes of items during period					
Dividends of surplus					(11,325)
Net income					35,090
Reversal of reserve for tax purpose reduction entry					-
Purchase of treasury shares					(6,123)
Disposal of treasury shares					747
Reversal of revaluation reserve for land					266
Net changes of items other than shareholders' equity	8,297	61	(266)	8,092	8,092
Total changes of items during period	8,297	61	(266)	8,092	26,748
Balance at March 31, 2023	44,763	(284)	19,270	63,749	304,055

Note: Figures of less than ¥1 million have been omitted.

Notes to Non-consolidated Financial Statements

I. Significant Accounting Policies

1. Accounting Policy for Measuring Assets

(1) Securities

Securities of subsidiaries and affiliates are stated at cost, determined by the average method.

Other securities

Securities other than shares without quoted market prices classified as available-for-sale securities are stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the weighted-average method.

Shares without quoted market prices classified as available-for-sale securities are stated at cost.

(2) Derivatives

Derivatives are stated at fair value.

(3) Inventories

Inventories are stated principally at the cost method (a method of reducing book value when the profitability of the inventories declines), cost being determined by the periodic average method.

2. Accounting Policy for Depreciation of Assets

(1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are calculated by the straight-line method

The range of useful lives by major asset item is as follows:

Buildings: 31 to 50 years (Equipment attached to the buildings: Mainly 15 years)
Structures: 10 to 30 years
Machinery and equipment: 4 to 9 years
Tools, furniture and fixtures: 5 to 6 years (Molds and dies: Mainly 2 years)

(2) Intangible assets

Intangible assets are amortized mainly over a period of five years on a straight-line method.

(3) Leased assets

Leased assets under finance leases, other than those for which the ownership transfers to the lessee.

Depreciation is calculated by the straight-line method over the lease period with the residual value at zero.

3. Accounting Policy for Provisions

(1) Allowance for doubtful accounts

To properly evaluate accounts receivable, the allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on the collection of receivables. The amount of the provision is based on the historical experience with write-offs for normal receivables and individual estimation of the collectability of receivables due from specific companies in financial difficulties.

(2) Provision for product warranties

To provide for the expense of repairing products after their sale, the amount of provision for product warranties is determined using ratios of expense to net sales and unit sales based on past experience or estimation for individual products.

(3) Provision for retirement benefits

Employees' retirement benefits are provided on accrual basis based on the projected retirement benefit obligation and the pension fund assets calculated as of the end of the period. Prior service cost is being amortized by the straight-line method over periods (10 years) which are shorter than the average remaining service of the employees. Actuarial differences (gain and Loss) are amortized in the following year in which gain or loss is recognized by the straight-line method over periods (10 years) which are shorter than the average remaining years of service of the employees.

4. Accounting Policy for Recognition of Revenues and Expenses

The Company recognizes revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the transfer of goods or services to customers based on the following five-step approach.

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to each performance obligation.
Step 5: Recognize revenue when/as a performance obligation is satisfied.

The Company's main business is the manufacture and sale of musical instruments, audio equipment, and other products. In principle, the customer takes possession of an item at the time of transfer and this is deemed as fulfilling the performance obligation. In most circumstances, revenue from an item is recognized at the time of transfer. Revenue is measured as the amount set at the time of contract with customers less any amount provided as a discount, rebate, or for a sales return.

5. Accounting Policy for Foreign Currency Translation

Monetary assets and liabilities of the Company are translated at the current exchange rates in effect at each balance sheet date. The resulting foreign exchange gains or losses are recognized as income or expenses.

6. Accounting Policy for Hedging

(1) Hedge accounting
Translation differences arising from forward foreign exchange contracts with respect to receivables and payables denominated in foreign currencies are accounted for using the allocation method. Anticipated transactions denominated in foreign currencies designated as hedging instruments are accounted for using deferral hedge accounting.

(2) Hedging instruments and hedged items
Hedging instruments: Forward foreign exchange contracts
Hedged items: Receivables and payables denominated in foreign currencies and anticipated transactions denominated in foreign currencies

(3) Hedging policy
The Company enters into forward foreign exchange contracts as hedging instruments within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates with respectto export and import transactions in accordance with the internal management rules of each company.

(4) Assessment of hedge effectiveness
The Company does not make an assessment of effectiveness for hedging activities because the anticipated cash flows fixed by hedging activities and avoidance of market risk are clear; therefore, there is no need to evaluate such effectiveness.

7. Other Significant Items for the Preparation of Non-consolidated Financial Statements

(1) Consumption taxes
National and local consumption taxes are excluded from transaction amounts. Non-deductible national and local consumption taxes on assets are treated as expenses.

(2) Treatment of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system
At the beginning of the fiscal year ended March 31, 2023, the Company has transitioned from the consolidated taxation system to the group tax sharing system, and started to apply "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021) which prescribes the accounting treatment and disclosures of corporate income tax, local corporate income tax, and tax effect accounting when a company applies the Group Tax Sharing System.

II. Notes regarding Revenue Recognition

Basic information to understand revenue from contracts with customers is omitted because the same notes are provided in "Notes regarding Revenue Recognition" of "Notes to Consolidated Financial Statements."

III. Notes to Changes in Presentation Method

"Consumption taxes refund receivable," which was included in "Other" under current assets in the fiscal year ended March 31, 2022, has been presented separately from the fiscal year ended March 31, 2023 due to its increased monetary significance.

IV. Notes to Accounting Estimates

Items whose amounts are recorded in the financial statements for the fiscal year ended March 31, 2023 based on accounting estimates and may have a significant impact on the following fiscal year are as follows:

	(Millions of yen)	
Prepaid pension cost	5,923	
Provision for retirement benefits	5,788	
Provisions	1,004	(Liabilities)
Deferred tax liabilities	7,223	(Amount in the balance sheet)
Deferred tax assets	14,829	(Before offsetting deferred tax liabilities)

Other information on accounting estimates that will facilitate the understanding of the users of the financial statements is omitted because the same content is stated in the notes to consolidated financial statements.

V. Notes to Non-consolidated Balance Sheets

1. Receivables from and Payables to Subsidiaries and Affiliates

	(Millions of yen)
Short-term receivables:	48,194
Short-term payables:	29,236

	(Millions of yen)
2. Accumulated Depreciation of Property, Plant and Equipment	61,665

3. Revaluation of Land

The Company has carried out the revaluation of landholdings in accordance with the Act on Revaluation of the Land (Act No. 34, published on March 31, 1998).

(1) Date of revaluation March 31, 2002

(2) Method of revaluation
As provided for in Article 2-3 of the Enforcement Order for Act on Revaluation of the Land (Cabinet Order No. 119, issued on March 31, 1998), land values were determined based on the land prices registered in the land tax list specified in Article No. 341, No. 10, of the Local Tax Act or the supplementary land tax list specified in No. 11 of the same Article No. 341.

(3) Difference between the fair value of the revalued land used for business at the end of the fiscal year ended March 31, 2023 and the book value after revaluation

(Millions of yen)
1,718

4. Contingent Liabilities

In the fiscal year ended March 31, 2023, Yamaha Music Europe GmbH (hereinafter “YME”), a consolidated subsidiary of the Company, was served with a claim for collective proceedings on December 29, 2022. No provision has been made for this lawsuit because the lawsuit has not progressed, and the financial impact cannot be reliably estimated at this time.

(1) Cause of action and circumstances leading to the filing of the lawsuit

YME was subject to a decision finding that it infringed the UK competition law by engaging in resale price maintenance practices with one UK business partner in the online sale of our musical instrument products in the UK from March 2013 to March 2017. A collective proceedings claim has been filed by consumers alleging that the actions of the company resulted in consumers paying higher prices for products and seeking compensation for the resulting damages.

(2) Outline of the litigants

The group of plaintiffs represented by Elisabetta Sciallis of the consumer organization "Which?" (located in London, UK), and consumers in the United Kingdom of the relevant products are eligible to join the plaintiffs.

(3) Description of the lawsuit and compensation for damages

1) Description of the lawsuit
This lawsuit is against YME and the Company, YME’s parent company, claiming compensation for damages alleged to have been potentially incurred by consumers due to YME’s resale price maintenance practice.

2) Compensation for damages
The total amount of damages claimed by the plaintiffs against YME and the Company has not been disclosed.

(4) Future outlook

The size of the plaintiff group and claim amount will become known in the due course of proceedings.

VI. Notes to Non-consolidated Statements of Income

Transactions with subsidiaries and affiliates

	(Millions of yen)
Net Sales	214,144
Purchases	147,790
Transaction volume of non-operating transactions	20,638

VII. Notes to Non-consolidated Statements of Changes in Equity

Treasury shares

Type of share	At the beginning of the fiscal year ended March 31, 2023	Increase	Decrease	At the end of the fiscal year ended March 31, 2023
Common stock	15,756,795	1,240,438	138,600	16,858,633

(Overview of reasons for changes)
The details of the increase are as follows:

	(Shares)
Increase due to purchase of treasury shares by resolution of the Board of Directors	1,215,700
Increase due to return of restricted stock compensation without contribution before lifting of the transfer restrictions	23,300
Increase due to the purchase of shares less than one unit	1,438

The details of the decrease are as follows:

	(Shares)
Decrease due to the disposal of treasury shares as restricted stock compensation	138,600

VIII. Notes to Deferred Tax Accounting

Principal deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets:	
Revaluation loss on inventories	215
Allowance for doubtful accounts	1,172
Depreciation, excess	5,712
Impairment loss of non-current assets	3,128
Revaluation loss on investment securities	16,023
Accrued bonuses	1,170
Provision for product warranties	299
Provision for retirement benefits	2,944
Other	4,796
Gross deferred tax assets	35,465
Valuation allowance	(20,635)
Total deferred tax assets	14,829
Deferred tax liabilities:	
Reserve for tax purpose reduction entry	(2,463)
Reserve for special account to purchase property replacement	(1,122)
Valuation difference on available-for-sale securities	(18,421)
Other	(44)
Total deferred tax liabilities	(22,053)
Net deferred tax assets	(7,223)

IX. Notes to Related Party Transactions

1. Subsidiaries and Affiliates

Attribute	Company name	Ratio of voting rights holding (held) (%)	Relationship with the related party	Summary of transaction	Transaction amount (Millions of yen)	Account	Balance at end of period (Millions of yen)
Subsidiary	Yamaha Music Japan Co., Ltd.	Holding Direct: 100	Sale of the Company's products	Borrowing of funds (Note 2)	7,366	Short-term loans payable	7,533
				Interest on borrowings (Note 2)	0		
Subsidiary	Yamaha Music Retailing Co., Ltd.	Holding Indirect: 100	Sale of the Company's products	Lending of funds (Note 2)	4,758	Short-term loans receivable	4,681
				Interest on loans (Note 2)	60		
Subsidiary	Yamaha Music Entertainment Holdings, Inc.	Holding Direct: 100	Sale of the Company's products	Borrowing of funds (Note 2)	4,037	Short-term loans payable	4,502
				Interest on borrowings (Note 2)	0		
Subsidiary	Yamaha Music Manufacturing Japan Corporation	Holding Direct: 100	Purchase of the Company's products	Purchases (Note 1)	28,703	Accounts payable- trade	3,104
Subsidiary	Yamaha Corporation of America	Holding Direct: 100	Sale of the Company's products	Net sales (Note 1)	57,301	Accounts receivable - trade	2,803
				Lending of funds (Note 2)	3,635	Short-term loans receivable	6,008
				Interest on loans (Note 2)	154		
Subsidiary	Yamaha Music Europe GmbH	Holding Direct: 100	Sale of the Company's products	Net sales (Note 1)	45,824	Accounts receivable - trade	2,648
Subsidiary	Yamaha Music & Electronics (China) Co., Ltd.	Holding Direct: 100	Sale of the Company's products	Net sales (Note 1)	23,062	Accounts receivable - trade	3,927
Subsidiary	Yamaha Electronics Manufacturing (M) Sdn. Bhd.	Holding Direct: 100	Purchase of the Company's products	Lending of funds (Note 2)	3,765	Short-term loans receivable	6,209
				Interest on loans (Note 2)	162		
Subsidiary	PT. Yamaha Music Manufacturing Asia	Holding Direct: 100	Purchase of the Company's products	Purchases (Note 1)	26,012	Accounts payable - trade	2,748

Notes: 1. Prices as well as terms and conditions are determined based on common terms and conditions in view of the current market prices.
2. The Company reasonably determines interest on borrowing and lending funds in view of market interest rates. The transaction amount represents the average balance during the fiscal year ended March 31, 2023.

2. Officers and Individual Shareholders

Attribute	Name	Ratio of voting rights holding (held) (%)	Relationship with the related party	Summary of transaction	Transaction amount (Millions of yen)	Account	Balance at end of period (Millions of yen)
Officer	Takuya Nakata	(Held) Direct: 0.0	Director, Representative Executive Officer of the Company	Monetary compensation receivables in kind (Note 1)	161	–	–
				Acquisition of treasury shares without contribution (Note 2)	–	–	–
Officer	Satoshi Yamahata	(Held) Direct: 0.0	Director Managing Executive Officer of the Company	Monetary compensation receivables in kind (Note 1)	64	–	–
				Acquisition of treasury shares without contribution (Note 2)	–	–	–
Officer	Shinobu Kawase	(Held) Direct: 0.0	Managing Executive Officer of the Company	Monetary compensation receivables in kind (Note 1)	64	–	–
				Acquisition of treasury shares without contribution (Note 2)	–	–	–
Officer	Seiichi Yamaguchi	(Held) Direct: 0.0	Executive Officer of the Company	Monetary compensation receivables in kind (Note 1)	54	–	–
				Acquisition of treasury shares without contribution (Note 2)	–	–	–
Officer	Shigeki Fujii	(Held) Direct: 0.0	Executive Officer of the Company	Monetary compensation receivables in kind (Note 1)	54	–	–
				Acquisition of treasury shares without contribution (Note 2)	–	–	–
Officer	Atsushi Yamaura	(Held) Direct: 0.0	Executive Officer of the Company	Monetary compensation receivables in kind (Note 1)	54	–	–

Note 1: Monetary compensation receivables in kind based on the Restricted Stock Compensation Plan
Note 2: Return of restricted stock compensation without contribution based on the Restricted Stock Compensation Plan.

Takuya Nakata	6,600 shares
Satoshi Yamahata	2,600 shares
Shinobu Kawase	2,600 shares
Seiichi Yamaguchi	2,200 shares
Shigeki Fujii	2,200 shares

X. Notes to Per Share Information

Net assets per share	¥1,783.93
Basic earnings per share	¥204.61

(Consolidated)

Independent Accounting Auditor's Report

May 8, 2023

The Board of Directors YAMAHA
CORPORATION

Ernst & Young ShinNihon LLCHamamatsu
Office

Ryogo Ichikawa

Certified Public Accountant
Designated and Engagement Partner

Toshikatsu Sekiguchi

Certified Public Accountant
Designated and Engagement Partner

Shuji Okamoto

Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of YAMAHA CORPORATION (the "Company") for the fiscal year from April 1, 2022 through March 31, 2023.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Yamaha Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles with the omission of certain disclosure items required under Designated International Accounting Standards as allowed by the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises business report and the supplemental schedule. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles with the omission of certain disclosure items required under Designated International Accounting Standards as allowed by the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles with the omission of certain disclosure items required under Designated International Accounting Standards as allowed by the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

The Audit Committee is responsible for monitoring the execution of Executive Officers' and Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles with the omission of certain disclosure items required under Designated International Accounting Standards as allowed by the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether

the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor’s independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

(Non-consolidated)

Independent Accounting Auditor's Report

May 8, 2023

The Board of Directors
YAMAHA CORPORATION

Ernst & Young ShinNihon LLC
Hamamatsu Office

Ryogo Ichikawa
Certified Public Accountant
Designated and Engagement Partner

Toshikatsu Sekiguchi
Certified Public Accountant
Designated and Engagement Partner

Shuji Okamoto
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of YAMAHA CORPORATION (the "Company") for the 198th fiscal year from April 1, 2022 through March 31, 2023.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises business report and the supplemental schedule. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's reporting process of the other information.

Our audit opinion on the non-consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit Committee are responsible for monitoring the execution of Executive Officers' and Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending

on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Copy of Audit Report of the Audit Committee

Audit Report

May 9, 2023

We at the Audit Committee audited the Directors' and Executive Officers' performance of duties during the 199th business year, from April 1, 2022 through March 31, 2023. We hereby report the method and results thereof as follows.

1. Methods and Contents of the Audit

In regard to the content of resolutions passed by the Board of Directors in relation to the matters listed in Article 416, Paragraph 1, item (i), (b) and (e) of the Companies Act and systems developed pursuant to these resolutions (internal control systems), the Audit Committee received regular reports from Executive Officers, Operating Officers, employees, etc. concerning the creation and status of operation thereof, and requested explanations and expressed its views as necessary.

In addition, the Audit Committee coordinated with the Internal Auditing Division of the Company, etc. and other corporate departments to investigate the decision-making process at important committees, etc. and the content thereof, the content of approval forms and other important documents, the status of the execution of duties by Directors, Executive Officers, etc., and the status of the Company's business operations and assets, pursuant to audit plans that set forth audit policies, the division of duties, etc. in accordance with the audit standards determined by the Audit Committee.

In regard to subsidiaries, the Audit Committee worked to ensure mutual communication with Corporate Auditors at subsidiaries, Independent Accounting Auditors, etc., in addition to visiting subsidiaries as necessary, receiving business reports from Directors, General Managers, etc. at each company, and investigating the status of business operations, assets, and other matters.

Moreover, each Audit Committee Member has monitored the Independent Accounting Auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Audit Committee Member received a notice from the Independent Accounting Auditor that "the system for securing appropriate execution of duties" (in each item of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on October 28, 2005), and requested reports and received explanations from them as necessary.

Based on the methods described above, the Audit Committee reviewed non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules in addition to the business report and its supplementary schedules, and consolidated financial statements (consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the business year.

2. Results of Audit

(1) Results of the audit of the business report and other documents

1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.

2) With regard to the execution of Directors' and Executive Officers' duties, we have found no misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation.

3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, as to the content of the Business Report and the execution of Directors' and Executive Officers' duties with regard to internal control systems, nothing unusual is to be pointed out.

(2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's Independent Accounting Auditor, are recognized as fair and proper.

(3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's Independent Accounting Auditor, are recognized as fair and proper.

The Audit Committee
YAMAHA CORPORATION

Taku Fukui
Audit Committee Member

Mikio Fujitsuka
Audit Committee Member

Naoko Yoshizawa
Audit Committee Member

Note: Audit Committee Members Taku Fukui, Mikio Fujitsuka and Naoko Yoshizawa are Outside Directors asstipulated in Article 2, item 15 and Article 400, Paragraph 3 of the Companies Act.

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.

(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).
Pleas 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 Tuesday, June 21, 2022, 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.