For Immediate Release

October 31, 2013

Company Name: Yamaha Corporation
President and
Representative Director: Takuya Nakata
Code Number: 7951 (First Section of Tokyo Stock Exchange)

Announcement of the Business Structural Reform in Yamaha Music Retailing Co., Ltd.

The Board of Directors of Yamaha Corporation has adopted a specific performance policy for the musical instrument sales subsidiary Yamaha Music Retailing Co., Ltd., which Yamaha launched on April 1, 2013. This policy aims for the realization of a robust musical instrument retail business through further enhancing business efficiency and strengthening market competitiveness. Further details are as follows:

1. Background

Yamaha Corporation, in an attempt to advance further efforts from last year, has implemented several measures, including (1) the launch of “Yamaha Music Japan Co., Ltd.” (a wholly owned subsidiary of the Company carrying out wholesaling of musical instruments and audio products as well as managing the music school business in Japan, hereinafter referred to as YMJ), (2) the launch of “Yamaha Music Retailing Co., Ltd.” (merger of eight musical instrument sales subsidiaries in Japan, a wholly owned subsidiary of YMJ, hereinafter referred to as YMRJ), and (3) the merger of sales offices into Tokyo and Osaka.

YMJ, since its launch, to vitalize the domestic musical instrument market, has advanced the realignment of musical instrument wholesale channels and music schools in Japan. Amid such advancements, it has looked into YMRJ sales stores and schools in terms of the consistency with sales channels of Yamaha contracted dealers as well as the marketability in the area and the profitability of each business location, and the positioning of these stores and schools in the future has been reviewed.

Measures to be implemented this time aim to establish a proper human resource allocation structure through the integration of administrative divisions and the restructuring of sales and marketing systems. At the same time, the Company aims to reinforce its competitiveness to achieve a robust musical instrument retail business by further advancing the realization of low-cost operations through the effective and efficient management of cross-divisional operations.

2. Outline of Structural Reform

(1) Realignment of Stores and Schools

While maintaining consistency with the sales network of Yamaha contracted dealers, the Company plans to complete elimination and consolidation, the relocation of stores and schools as well as the transfer of businesses to a part of these dealers within the next two to three years from the next fiscal year to implement the optimization of the replacement of stores and schools.

(2) Establishment of a Proper Human Resource Allocation Structure

The Company will clarify again the organization and function of each business location to review and strengthen the sales and marketing systems as well as will promote the alignment of YMRJ with the head office through management integration in terms of administrative divisions. More specifically, the Company plans to implement the optimization of the overall human resource allocation structure through the relocation among business locations within YMRJ and the seconding of personnel to Group companies, such as YMJ, etc. At the same time, the Company plans to introduce the Second Career Redesign Support System (temporary name).

3. Outline of the Subsidiary (YMRJ)

Company name: Yamaha Music Retailing Co., Ltd.
Representative: Kazuo Hayama, President and Representative Director
Head office address: 17-11, Takanawa 2-chome, Minato-ku, Tokyo
Lines of business: Sale of musical instruments, operation of music schools, etc.
Paid-in capital: ¥500 million (wholly owned by Yamaha Music Japan Co., Ltd.)
Closing of accounts: March

4. Impact on Performance

Structural reform expenses of ¥750 million, which are anticipated by this measure, have already been incorporated in the current consolidated performance forecast that was released today.

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