

For Immediate Release

March 27, 2015

Company Name: YAMAHA CORPORATION

President and Representative Director: Takuya Nakata

Code Number: 7951 (First Section of Tokyo Stock Exchange)

Transfer of the Business of Yamaha's Semiconductor Manufacturing Subsidiary

Yamaha Corporation (Head Office: Hamamatsu, Shizuoka; hereinafter, Yamaha) issued a news release on October 31, 2014 entitled "Basic Agreement Concluded for Transfer of Semiconductor Manufacturing Subsidiary." Based on this agreement, the Board of Directors of the Company today decided to transfer the semiconductor manufacturing business of its subsidiary Yamaha Kagoshima Semiconductor Inc. (a wholly owned subsidiary of Yamaha, hereinafter, Yamaha Kagoshima Semiconductor) to Phenitec Semiconductor Corporation (hereinafter, Phenitec Semiconductor). The details are as follows.

1. Background

Yamaha Kagoshima Semiconductor, since its establishment in 1987, has played an important role in Yamaha's business as a semiconductor manufacturing base in Japan. Beginning in 2012, Yamaha focused its production on geomagnetic sensors, which are its principal products in this business, and responded to the global market needs by supplying the expanding markets for smartphones and other products.

Amid these developments, Yamaha has now decided to make the transition to fabless production and seek to realize greater flexibility in this business. In October 2014, Yamaha and Phenitec Semiconductor, which aims to expand its production line capacity utilizing Yamaha Kagoshima Semiconductor's manufacturing facilities and personnel, concluded a basic agreement for the transfer. Based on this agreement, Yamaha will conclude a definitive agreement with Phenitec Semiconductor to transfer the semiconductor manufacturing business of Yamaha Kagoshima Semiconductor to Phenitec Semiconductor.

2. Outline of Company to Be Transferred

Company name: Yamaha Kagoshima Semiconductor Inc.

Location: 1800, Kitakata, Yusuicho, Aira-gun, Kagoshima Prefecture

Representative: Takashi Omura (President and Representative Director)

Line of business: Manufacturing of semiconductors for specific applications

Paid-in capital: ¥450 million

Sales: ¥9,800 million (For the fiscal year ended March 31, 2014)

3. Outline of Company Accepting the Transfer

Company name: Phenitec Semiconductor Corporation

Location: 150, Kinoko-cho, Ibara-shi, Okayama Prefecture

Representative: Masayoshi Inaka (President and Representative Director)

Lines of business: Manufacturing of semiconductor chips and products

Paid-in capital: ¥380 million

4. Business to Be Transferred

The business to be transferred will be the semiconductor manufacturing business of Yamaha Kagoshima Semiconductor.

Please note that, in principle, all the employees of Yamaha Kagoshima Semiconductor will be re-employed by Phenitec Semiconductor.

5. Schedule Going Forward

Contract date: March 31, 2015

Transfer date: October 1, 2015 (Scheduled)

6. Semiconductor Business Going Forward

Regarding the sensors manufactured by Yamaha Kagoshima Semiconductor, Yamaha is managing efficiently all production stages from wafer processes to assembly and inspection by strengthening its ties with subcontractors located principally in Taiwan with which it already has business relationships. In its semiconductor business, Yamaha will work to expand its sales by strengthening its competitiveness and flexibility through the transition to fabless production and actively introducing new products in the sound domain.

7. Effects on Yamaha Performance

The business structural reform expenses incurred as a result of this transfer are expected to amount to ¥1.8 billion, which will be accounted for as an extraordinary loss. These expenses have been taken into account in the outlook for performance, issued on February 4, 2015, for the full fiscal year ending March 31, 2015.

For further information, please contact:

Yamaha Corporation

Corporate Communications Division, Public Relations Group

Email: pr-contacts@gmx.yamaha.com Tel: +81-3-5488-6601 Fax: +81-3-5488-5060