

# YAMAHA CORPORATION

## Flash Report

### Non-Consolidated Basis

Results for the fiscal year ended March 31, 2002

**Company name:** YAMAHA CORPORATION

**Code number:** 7951

**Address of headquarters:** 10-1, Nakazawa-cho, Hamamatsu, Shizuoka 430-8650, Japan

**For further information, please contact:** Tokihisa Makino

**Telephone:** +81 53 460 2141

**Date of the meeting of the Board of Directors:** May 17, 2002

**Interim dividend:** YES

**Stock listings:** Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section),  
Nagoya Stock Exchange (First Section)

The accounting methods used in this report are not consistent with U.S. standard accounting methods.

### 1. RESULTS FOR FY2002 (April 1, 2001 to March 31, 2002)

Figures of less than ¥1 million have been omitted.

#### (1) Non-Consolidated Operating Results

	Net sales		Operating income		Recurring profit	
	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)
FY2002 (Ended March 31, 2002)	¥316,742	(8.5)%	¥ 5,637	(49.6)%	¥ 6,530	(51.0)%
FY2001 (Ended March 31, 2001)	346,175	(6.2)	11,194	—	13,338	—

	Net income		Net income per share	Net income per share after full dilution	Ratio of net income to shareholders' equity	Ratio of recurring profit to total assets	Ratio of recurring profit to sales
	Millions of yen	(% change from the previous fiscal year)	Yen	Yen	%	%	%
FY2002 (Ended March 31, 2002)	¥(25,328)	—	¥(122.65)	¥ —	(17.4)	2.2	2.1
FY2001 (Ended March 31, 2001)	¥ 9,685	—	¥ 46.90	¥45.77	6.6	4.4	3.9

Notes: 1. Average number of outstanding shares during the year:  
FY2002 ended March 31, 2002 206,508,465 shares  
FY2001 ended March 31, 2001 206,523,263 shares  
2. Changes in method of accounting: NONE

## (2) Dividends

	Dividends per share			Dividends paid for the year	Dividend pay-out ratio	Ratio of dividends to shareholders' equity
	Interim	Year-end				
	Yen	Yen	Yen	Millions of yen	%	%
FY2002 (As of March 31, 2002)	¥8.00	¥4.00	¥4.00	¥1,651	—	1.2
FY2001 (As of March 31, 2001)	¥7.00	¥3.00	¥4.00	¥1,445	14.9	1.0

## (3) Non-Consolidated Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2002 (As of March 31, 2002)	¥295,861	¥140,730	47.6%	¥681.58
FY2001 (As of March 31, 2001)	298,578	150,836	50.5	730.36

Notes: 1. Number of outstanding shares at the end of the year:

FY2002 as of March 31, 2002 206,477,225 shares

FY2001 as of March 31, 2001 206,523,263 shares

2. Number of treasury stock at the end of the year:

FY2002 as of March 31, 2002 46,038 shares

FY2001 as of March 31, 2001 5,136 shares

## 2. FORECASTS OF RESULTS FOR FY2003 (April 1, 2002 to March 31, 2003)

	Net sales	Recurring profit	Net income	Interim dividends per share	Year-end dividends per share	Dividends per share for the year
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
In interim period ending September 30, 2002	¥165,000	¥4,500	¥4,000	¥4.00	¥ —	¥ —
FY2003	¥320,000	¥5,500	¥4,000	¥ —	¥4.00	¥8.00

Reference: Net income per share for the fiscal year is forecast to be ¥19.37 on a non-consolidated basis.

## (References)

## (1) Non-Consolidated Balance Sheets

	Millions of yen		
	FY2002 (as of March 31, 2002)	FY2001 (as of March 31, 2001)	Increase (decrease)
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and bank deposits	¥ 22,417	¥ 16,308	¥ 6,109
Notes receivable	6,884	9,093	(2,209)
Accounts receivable	29,094	34,303	5,209
Marketable securities	45	—	45
Treasury stock	—	5	(5)
Products and goods	17,985	20,803	(2,818)
Raw material	2,320	3,203	(883)
Products in progress	7,805	9,542	(1,737)
Advances	23	12	11
Deferred income taxes	7,333	6,662	671
Other current assets	2,323	2,731	(391)
Allowance for doubtful accounts	(1,242)	(1,368)	126
Total current assets	94,992	101,279	(6,287)
<b>Fixed assets:</b>			
<b>Tangible assets</b>			
Buildings	13,686	13,754	(71)
Structures	1,070	1,074	(4)
Machinery and equipment	7,614	8,647	(1,033)
Vehicles	44	52	(8)
Furniture and fixtures	5,019	5,314	(295)
Land	48,940	21,515	27,425
Construction in progress	471	441	30
Total tangible assets	76,844	50,799	26,045
<b>Intangible assets</b>			
Rights on leasehold land	100	100	—
Rights to use facilities	90	91	(1)
<b>Investments and other assets:</b>			
Investment securities	21,811	35,623	(13,812)
Shares of affiliated companies	63,495	69,238	(5,743)
Investment in capital	53	0	53
Affiliated company investments	7,993	7,993	—
Long-term loans	1,818	2,257	(439)
Long-term employee loans	0	0	—
Long-term affiliated company loans	595	822	(227)
Bankrupt, rehabilitating securities	131	131	—
Deferred income taxes	24,917	27,086	(2,169)
Guarantee deposits for leased real estate	2,365	2,417	(52)
Other assets	1,477	1,713	(236)
Allowance for doubtful accounts	(827)	(978)	151
Total investments and other assets	123,832	146,307	(22,475)
Total fixed assets	200,868	197,298	3,570
Total assets	¥295,861	¥298,578	¥ (2,717)

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

	Millions of yen		
	FY2002 (as of March 31, 2002)	FY2001 (as of March 31, 2001)	Increase (decrease)
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes payable	¥ 1,160	¥ 1,599	¥ (439)
Accounts payable	21,478	27,260	(5,782)
Short-term loans	1,036	920	116
Accrued payables	3,693	3,480	213
Accrued expenses	17,330	20,292	(2,962)
Corporate taxes payable	100	100	—
Advances received	342	474	(132)
Money entrusted	1,029	1,145	(116)
Reserve for after-care expenses	73	84	(11)
Warranty reserve	985	1,245	(260)
Reserve for subsidiary support	12,429	—	12,429
Deferred unrealized profit	653	879	(226)
Other current liabilities	98	382	(284)
Total current liabilities	60,410	57,864	2,546
<b>Long-term liabilities:</b>			
Convertible bonds	24,317	24,317	—
Long-term debt	6,220	6,220	—
Deferred income taxes on land revaluation	11,115	—	11,115
Accrued employees' retirement benefits	51,455	57,712	(6,257)
Directors' retirement benefits	623	576	47
Other long-term liabilities	988	1,053	(65)
Total fixed liabilities	94,721	89,878	4,843
Total liabilities	155,131	147,742	7,389
<b>SHAREHOLDERS' EQUITY</b>			
<b>Common stock</b>	28,533	28,533	—
<b>Additional paid-in capital</b>	26,924	26,924	—
<b>Legal reserve</b>	4,159	4,076	83
<b>Reserve for land revaluation</b>	16,081	—	16,081
<b>Retained earnings:</b>			
Retained income	85,582	79,197	6,385
Reserve for special depreciation	29	38	(9)
Reserve for advanced depreciation	2,184	2,348	(164)
Reserve for special account on replaced property	858	—	858
General reserve	82,510	76,810	5,700
Unappropriated earnings	(21,344)	12,104	(33,448)
Total retained earnings	64,237	91,301	(27,064)
<b>Revaluation holding gains/losses on other securities</b>	841	—	841
<b>Treasury stock, at cost</b>	(49)	—	(49)
Total shareholders' equity	140,730	150,836	(10,106)
Total liabilities and shareholders' equity	¥295,861	¥298,578	¥ (2,717)

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

## (2) Non-Consolidated Statement of Operations

	FY2002 (April 1, 2001– March 31, 2002)		FY2001 (April 1, 2000– March 31, 2001)		Increase (decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
<b>Net sales:</b>					
Merchandise and product sales	¥272,162		¥306,324		¥(34,162)
Other	44,579		39,850		4,729
Total net sales	316,742	100.0	346,175	100.0	(29,433)
<b>Cost of sales:</b>					
Merchandise and product cost of sales	214,494		236,091		(21,597)
Inventory of merchandise and products at start of period	20,803		20,601		202
Reversal of valuation loss on raw materials and work in progress brought forward	331		648		(317)
Cost of production	194,032		210,850		(16,818)
Merchandise procured	17,817		25,759		(7,942)
Valuation loss on raw materials and work in progress	158		331		(173)
Inventory of merchandise and products at end of period	17,985		20,803		(2,818)
Other	33,327		34,394		(1,067)
Total cost of sales	247,821	78.2	270,486	78.1	(22,665)
<b>Gross profit:</b>	68,920	21.8	75,688	21.9	(6,768)
Reversal of disposal of deferred unrealized income brought forward	879		1,098		(219)
Disposal of deferred unrealized income	653		879		(226)
Gross profit, net	69,146	21.8	75,907	21.9	(6,761)
<b>Selling, general and administrative expenses:</b>					
Sales commissions	62		71		(9)
Transport expense	3,339		3,902		(563)
Advertising expenses	4,901		4,646		255
Sales promotion expenses	5,908		6,828		(920)
Allowance for doubtful receivables	—		178		(178)
Reversal for after-care expenses	18		23		(5)
Warranty reserve	500		880		(380)
Tuning and repairing expense	2,367		2,763		(396)
Directors fee	369		278		91
Salaries and benefits	24,538		24,514		24
Accrued employees' retirement benefits	4,419		4,040		379
Directors' retirement benefits	95		204		(109)
Miscellaneous expenses	651		437		214
Welfare expenses	556		450		106
Travel and transportation expense	2,006		1,939		67
Insurance expense	98		79		19
Rent	1,258		1,231		27
Repairing expenses	828		520		308
Depreciation and amortization	1,217		1,457		(240)
Supply expense	2,946		2,166		780
Communication expenses	597		607		(10)
Social expenses	141		168		(27)
Taxes	452		811		(359)
Research expense	1,119		1,858		(739)
Convention expense	548		445		103
Water, light and fuel expense	392		457		(65)
Publication subscribing fee	69		77		(8)
Outsource expense	3,155		2,783		372
Other	948		887		61
Total selling, general and administrative expenses	63,509	20.0	64,713	18.7	(1,204)
Operating income	5,637	1.8	11,194	3.2	(5,557)

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	FY2002 (April 1, 2001– March 31, 2002)		FY2001 (April 1, 2000– March 31, 2001)		Increase (decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
<b>Non-operating income:</b>					
Interest received	¥ 84		¥ 122		¥ (38)
dividends received	1,587		2,875		(1,288)
Other	455		456		(1)
Total non-operating income	2,127	0.7	3,455	1.0	(1,328)
<b>Non-operating expenses:</b>					
Interest paid	133		142		(9)
Interest on corporate securities	462		462		—
Cash discounts	44		53		(9)
Loss on foreign exchange	247		487		(240)
Other	347		165		182
Total non-operating expenses	1,234	0.4	1,311	0.4	(77)
Recurring profit	6,530	2.1	13,338	3.8	(6,808)
<b>Other profit:</b>					
Gain on sale of fixed assets	33		5,573		(5,540)
Reimbursement of reserve allowance for after-sale service	13		13		—
Reimbursement of reserve allowance for product guarantees	434		311		123
Reimbursement of doubtful allowances	126		—		126
Gain on sale of investment securities	3,648		3,152		496
Total other profit	4,255	1.3	9,050	2.6	(4,795)
<b>Other loss:</b>					
Loss on removal of fixed assets	1,301		422		879
Loss on sale of investment securities	27		—		27
Loss from revaluation on investment securities	14,784		316		14,468
Loss on revaluation of stock in subsidiaries	6,555		2,627		3,928
Reserve for subsidiary support	12,429		—		12,429
Loss from revaluation of golf club membership	—		32		(32)
Cumulative effect of accounting change with respect to prior service cost of the pension	—		1,977		(1,977)
Total other loss	35,097	11.1	5,376	1.5	29,721
<b>Income before income taxes and minority interests</b>	<b>(24,312)</b>	<b>(7.7)</b>	17,012	4.9	(41,324)
<b>Current income taxes (benefit)</b>	<b>100</b>		100		—
<b>Deferred income taxes (benefit)</b>	<b>915</b>	<b>0.3</b>	7,226	2.1	(6,311)
<b>Net income (loss)</b>	<b>(25,328)</b>	<b>(8.0)</b>	9,685	2.8	(35,013)
<b>Retained earnings at beginning of period</b>	<b>4,810</b>		3,100		1,710
<b>Interim dividends</b>	<b>826</b>		619		207
<b>Appropriation of retained earnings</b>	<b>—</b>		61		(61)
<b>Retained earnings at end of period</b>	<b>¥ (21,344)</b>		¥ 12,104		¥(33,488)

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

## (3) Profit Appropriation

	Millions of yen	
	FY2002 (April 1, 2001– March 31, 2002)	FY2001 (April 1, 2000– March 31, 2001)
<b>Retained earnings at end of year</b>	<b>¥(21,344)</b>	¥12,104
<b>Reversal of retained earnings:</b>		
Reversal of reserve for special depreciation	8	9
Reversal of reserve for advanced depreciation	254	527
Reversal of reserve for special account on replaced property	858	—
Reversal of general reserve	26,000	—
Total	5,775	12,640
<b>Appropriation of earnings:</b>		
Legal reserve	—	83
Dividends	825 (¥4 per share)	826 (¥4 per share)
Reserve for advanced depreciation	392	363
Reserve for special account on replaced property	—	858
General reserve	—	5,700
<b>Unappropriated earnings carried forward</b>	<b>4,557</b>	4,810