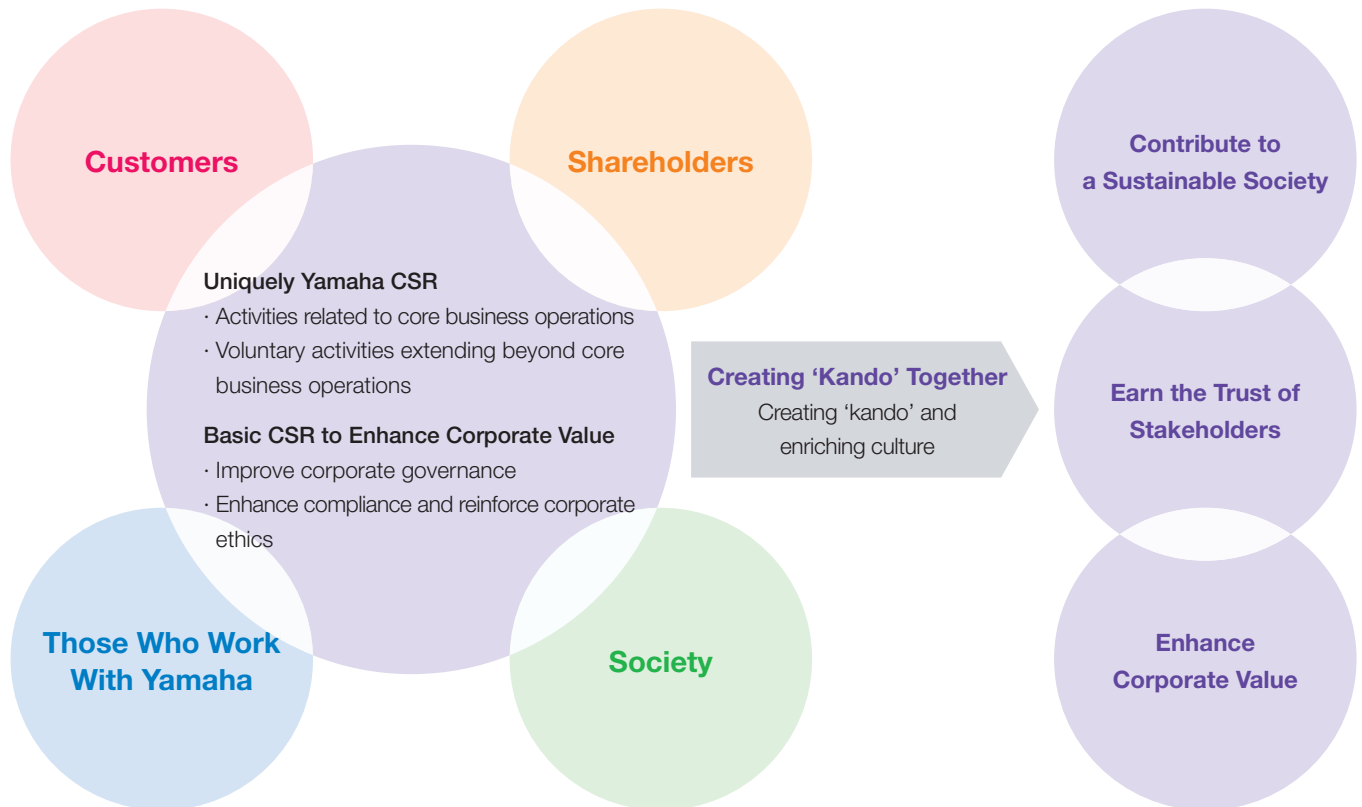




Emphasis on Corporate Social Responsibility (CSR) in Management

The Yamaha Group seeks to implement our corporate philosophy, pursue sustainable business, leverage our core technologies and assets and deepen communication with all stakeholders. Constantly creating 'kando*' and enriching culture—that is the Yamaha Group's CSR.

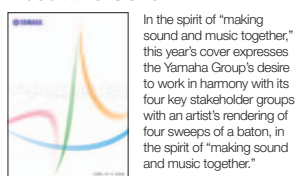
* 'Kando' (is a Japanese word that) signifies an inspired state of mind.



Contents

Emphasis on Corporate Social Responsibility (CSR) in Management	01
Message from the President Feature	02
With Our Customers	03
With the People We Work with	07
With Our Shareholders	09
Environmental Initiatives	12
Management Structure	13
Third-Party Opinion	16
Company Outline	17
	18

About the Cover:



Editorial Policy

The Yamaha Group issues the *CSR Report* in order to communicate our CSR vision and initiatives to our broad stakeholder base. Since we first published the report in 2000, we have worked to prioritize information that is of greater interest based on our ongoing dialogue with stakeholders. After reviewing our format this year, we decided to take a two-pronged approach, posting detailed information and environmental performance data on the website (<http://www.global.yamaha.com/about/csr/group/2009/>) and presenting key points more concisely in the printed report to make it easier to read and digest.

In preparing this report, we referred to the Ministry of the Environment's "Environmental Reporting Guidelines (2007 Version)" and the Global Reporting Initiative's

"Sustainability Reporting Guidelines (v. 3.0)."

Organizations Included in Scope of Reporting

It is Yamaha Corporation's intention to report to the fullest extent possible on activities carried out by the organizations that fall within the scope of Yamaha's consolidated financial accounting. The environmental protection activities discussed in this report cover the 27 business sites (21,426 total employees, 80% of consolidated employees) that have obtained ISO 14001 certification. Reported items other than environmental protection and social contribution activities are primarily activities by Yamaha Corporation, although certain items focus on activities carried out by Yamaha Group companies. We will continue to expand

the scope of reporting on Group company activities.

Regarding Environmental Performance Data

Environmental performance data not included in this report can be found on our website.

<http://www.global.yamaha.com/about/csr/group/2009/data>

Reporting Period

April 1, 2008 through March 31, 2009

- The above period is referred to as "fiscal 2008" in this report.
- Certain initiatives underway from before fiscal 2008 and information from April 2009 onward are also included in this report.

Next Issuance

We plan to issue the next *CSR Report* in September 2010.

Message from the President



Yamaha Group CSR

Through business activities founded on sound and music, the Yamaha Group strives to achieve its corporate objective of “Creating ‘Kando’ Together.” As a basic management policy, Yamaha places a strong emphasis on Corporate Social Responsibility (CSR) activities, expressing this commitment through a variety of activities and themes including product quality, customer satisfaction, procurement, environmental protection and public relations activities. In this way, we have continued to fulfill our role as a good corporate citizen. Going forward, guided by the Yamaha Group’s philosophy of management that is customer-oriented and quality-conscious, transparent and sound, and that values people and is in harmony with society, we remain dedicated to meeting our responsibilities and contributing as a corporation by working as a Group to raise CSR consciousness and tackle a range of social concerns.

The Yamaha Group’s CSR activities are distinguished by their emphasis on using core business activities to contribute to the development of musical culture around the world. By making the most of Yamaha’s strengths to provide products and services that satisfy all customers who love music, we can contribute to the development of musical cultures and enrich lives worldwide.

In tandem, as the Yamaha Group develops operations on a global scale, we believe it is vital to view this as a springboard for doing our part to address the issues faced by local communities, as well as worldwide concerns such as global warming and biodiversity. The Yamaha Group will continue promoting efforts to address social problems in a variety of ways, focusing on those activities best suited to the particular nature of our businesses. To this end, we will make efforts to support cultural expression and educational development in each region, will pursue more efficient use of raw materials, and will reduce the environmental impact of our development and production activities. Among other measures, we will also support forest revitalization as a company that utilizes wood materials to manufacture its products.

* ‘Kando’ (is a Japanese word that) signifies an inspired state of mind.

Working with Stakeholders

The Yamaha Group is currently in the final year of its “YGP2010” medium-term management plan. The sluggish global economic conditions that we now confront have made achieving the numerical targets of the plan difficult. Nevertheless, we made progress in implementing measures outlined in “YGP2010.” In addition to the restructuring of our musical instrument manufacturing bases carried out to date, particularly our piano factories, we also enacted various initiatives in our music software business. Moreover, we have achieved growth in key emerging markets, most notably in China, where the figures are in the double digits. Even in an adverse operating environment, the Yamaha Group will continue to create ‘kando’ that exceeds our stakeholders’ expectations. The key to realizing this aim will be our unequivocal commitment to customer-orientation, with concepts, research, debates and decisions always made with the customer’s perspective in mind; and quality-consciousness, in which high quality is never compromised in any product price range.

2009 CSR Report

For this year’s report, we have highlighted Group social contribution activities in the areas of “Sound and Music,” “Local Communities,” and “Social Welfare” as feature sections of the report, compiling examples of specific activities. The policies and systems underlying these activities, as well as environmental data and other basic information, can be found in the digital version of the report available on Yamaha’s corporate website.

We hope that you will take the time to read this report and provide your unreserved opinions and feedback, to help guide us in our future CSR activities.

October 2009

Mitsuru Umemura

President and Representative Director, Yamaha Corporation

Feature

Contributing to Society Through Sound and Music Always

The Yamaha Group undertakes a wide range of social contribution activities based on the theme of “sound and music” to create and share inspiration and richness with our stakeholders, and to enable us to grow side by side together.

In this feature, we present some of the Group’s major initiatives on the themes of contributing to society through sound and music, contributing to local communities, and contributing to social welfare.

Contributing to Society Through Sound and Music

Web <http://www.global.yamaha.com/about/csr/group/2009/society>

Wow! Why? Yokochō Science Avenue: Conveying the Fun of Sound and Music to Children

■ Wind, String & Percussion Instruments Division, Yamaha Corporation

Yamaha Corporation sponsored a booth at the 13th Wow! Why? Yokochō Science Avenue held in December 2008 at the Hamamatsu Science Museum in the Company’s home city of Hamamatsu. For this event, companies and groups in Shizuoka Prefecture sponsor experiment and industrial arts booths that take advantage of the unique features of their operations. The purpose of the event is to nurture scientific curiosity by stimulating interest in science and manufacturing among visitors.

Imaginative and inventive booth befitting of Yamaha

For Yamaha’s fourth and latest entry in the event, the Company sponsored three booths centered on sound and music. At one booth, called “See and Touch Sound!,” microphones were used to pick up voices and other sounds, which were then converted into visible electrical signals. This process enabled children to enjoy seeing the sounds that they make, as well as gain an understanding of the underlying scientific principle based on actual experience. At a second booth, called “Try Playing an Instrument!,” visitors had the opportunity to try playing some of the less-common musical instruments. Aside from the joy of being able to produce sound and the fun of performing with musical instruments, the booth provided a chance for visitors to learn about how musical instruments really work.

For the third booth, called “Make Instruments! Make It With Instruments!,” booth visitors crafted functional musical instruments out of commonly available materials, and used leftover materials from clarinet production (material: grenadilla wood) to craft accessories. In crafting musical instruments, visitors used small milk cartons to make whistles and other instruments. Many children squealed with delight to hear sound coming from their handmade instrument, handling with great care their one-and-only, completely unique instruments. In the accessory corner, in addition to the grenadilla wood used for instrument bodies, we introduced a variety of materials typically used to accent instruments and in the production process, including violin strings, to stimulate children’s interest.

Employees’ Passion Resonates With Visitors

Behind the abundant creativity of the booths was the enthusiastic desire of Yamaha employees to develop enjoyable content for visitors that would top that of last year. The members involved, assembled independently from various departments across the divisions, leveraged their specialist knowledge and settled on booth content after brainstorming ideas and an exhaustive process of creating prototype exhibits. Their efforts resonated deeply with visitors, making Yamaha booths number one among visitors for the second straight year. The Company was also awarded a certificate of appreciation from the Hamamatsu Cultural Foundation.

Along with contributions to local communities through activities of this kind, Yamaha will strive going forward to realize its Corporate Objective—“Creating ‘Kando’ Together”—by creating moments that inspire people everywhere.



These are the moments when we connect with the kids



Cool!
This makes a noise



Young program participants take a serious approach to their projects



Making use of leftover wood

Has Been, and Always Will Be, at the Core of Yamaha

Japan Band Clinic —Assisting in the Development of Music Culture

■ *Wind, String & Percussion Instrument School Sales Department
Domestic Sales & Marketing Division, Yamaha Corporation*

Yamaha Corporation has contributed to the development of brass band in Japan through its joint sponsorship and operation of the Japan Band Clinic mainly for school band instructors.

A total of 1,090 people from Japan and abroad attended the clinic, which took place in May 2009 at Hamamatsu Act City in Japan's Shizuoka Prefecture—a record-breaking size as the clinic celebrated its 40th anniversary. Featuring a host of instructional sessions, including lectures on the art of conducting by leading Japanese conductors and composers, and sessions by “Yamaha Clinician Artists” from across the country, the event had participants eager to receive direct instruction from their top-flight teachers.

Some 950 musicians from 12 organizations, including leading Japanese bands, performed at the clinic concert. The audience was mesmerized by the diverse program that included a joint performance by the Yamaha Symphonic Band and Christopher Martin, trumpet chair for the Chicago Symphony Orchestra.

Yamaha Corporation plans to maintain its support for this activity going forward, with the hopes that the joy and inspiration of learning and performance made possible through the clinic will be shared among those responsible for supporting the musical activities of young people.



Passionate instruction from world-class instructors

Providing Opportunities for Real Wind Instrument Lessons at Public Schools in Germany

■ *Yamaha Music Europe (YME)*

Since 1994, YME has been conducting a program for teachers in German public schools called “Brass in Class,” offering them training in how to use mainly brass instruments in the classroom. To date, “Brass in Class” has been instituted in some 1,500 classrooms, and more than 35,000 students have performed with Yamaha instruments through the program's classes.

Once a year, a “Brass in Class” Conference is held, composed of teachers enacting the program. In fiscal 2009, the conference was held outside of Frankfurt, with 250 educators in attendance. The rich content of the conference offered much to assist teachers in future class management. In addition to exchanging information at the conference, participants attended workshops by Toni Scholl, Jan de Haan and other famous conductors, as well as workshops by Yamaha specialists on the proper use and maintenance of brass instruments.



A concert given by professional musicians

Hamamatsu Jazz Week—A Public-Private Sponsored Community Cultural Event

■ *Yamaha Corporation*

Since 1992, Yamaha Corporation has sponsored “Hamamatsu Jazz Week” in cooperation with the city of Hamamatsu, where the Company is headquartered.

Many jazz musicians were invited and a variety of events unfolded during the festivities in fiscal 2008. Along with concerts by professional musicians, the sponsors created a schedule that allowed visitors to enjoy jazz to their heart's content, and included celebrations joined by talented student jazz bands from elementary, junior and senior high schools from across Japan, as well as lectures on jazz.

From the collection of activities and the cooperation of both music fans and musicians, this event is becoming recognized as one of Japan's premier jazz music events. Yamaha Corporation, for its part, will continue to assist in the development of local culture through sound and music.



Students perform as part of the Brass in Class program

Hamamatsu Jazz Week
<http://www.yamaha.co.jp/event/hjw/index.html> (Japanese only)

Contributing to Local Communities

Web <http://www.global.yamaha.com/about/csr/group/2009/society/area.html>

Staff of the Headquarters Security Services Center



Helping Ensure the Safety of Local Residents Through "Blue Patrol Crime Prevention Activities"

■ *Factory at Yamaha Corporation Headquarters*

The factory at Yamaha Corporation's headquarters conducts "Blue Patrol Crime Prevention Activities" to help ensure the safety of local residents. These activities involve twice-weekly patrols of parking lots near Yamaha's headquarters and factory, as well as common routes that students take to local elementary, junior high, and senior high schools. A company car with a revolving blue light attached to the roof and a designated sign on the door is used for patrols, while patrol staff wear official hats. First launched in January 2005, the General Administration Division continues to enact these activities today, and received a letter of appreciation from the local police department for its work in June 2008.

Going forward, the division will continue to focus on activities beyond headquarters and factory security to assist in keeping community residents safe.

Tree-planting work



Group photo of participants



Accepting Students for On-the-Job Experience in Crafting Musical Instruments

■ *Yamaha Music Craft Corporation*

Yamaha Music Craft Corporation, a subsidiary involved in the production of high-quality, classical guitars, continues to accept junior high school students in the region as participants in its on-the-job work experience program. For Yamaha Music Craft, this program embodies its desire as a company engaged in manufacturing arts locally to offer a goal that promising youth in the region can aspire to attain.

Celebrating its sixth year in fiscal 2008, the program accepted 17 students from five area schools. Participating students concentrated on each individual production process, experiencing firsthand both the joys and challenges in crafting musical instruments. During an explanation of the company's environmental protection activities, students showed a keen interest in zero emissions, enthusiastically sharing their opinions and asking questions on the subject.

A student involved in the on-the-job experience



Second Round of Tree-planting Activities as a "Shizuoka Forests of the Future Supporter"

■ *Yamaha Corporation*

As part of its environmental protection activities, Yamaha Corporation in March 2007 was first to sign on to the "Shizuoka Forests of the Future Supporter" system of support activities to revitalize the Enshunada coastal forest. Under a partnership agreement with Japan's Shizuoka Prefecture and the city of Hamamatsu, Yamaha is pursuing initiatives under a five-year plan of support activities to revitalize the coastal forest, which has been hit hard by damage from pine-eating worms.

In October 2008, some 120 Yamaha Group employees and family members participated in the second round of tree-planting activities under the system, planting 180 trees consisting of wax myrtle, Ubame oak, and other indigenous tree species. Despite the fact that the saplings used were already a well-developed 1.5 meters in height, and the tree-planting required a large amount of soil transportation, digging, and other physical labor, the children that took part were determined to keep pace with the adult participants.

Once work was completed, participants checked the condition of saplings planted in fiscal 2007 during the system's inaugural year, listened to talks on the environment by speakers from the city of Hamamatsu and Shizuoka Prefecture, and learned about the recent die-off of pine trees and protected coastal forests. Going forward, Yamaha is committed to supporting the creation of coastal forests, which serve both a disaster prevention function, including as wind breaks and storm surge barriers, and as sites for rest and recuperation, through tree-planting, forest enhancement, and other activities in which employees can take part.

Supporting Sound Nurturing of Children Through Baseball

■ *Yamaha Baseball Club*

In fiscal 2008, the Yamaha Baseball Club celebrated its 50 anniversary. The club has an illustrious history that includes three national titles won at Japan's Intercity Baseball Tournament. Meanwhile, members of the Yamaha Baseball Club are working to support the sound growth of local children through baseball.

In December 2008, the club helped sponsor the "Youth Baseball Class and Baseball Health Examination" in cooperation with the Kakegawa-City Amateur Sports Association, a local NPO. In addition to offering hands-on instruction on baseball techniques to the roughly 320 children taking part in the event, a baseball health and fitness exam was conducted to help prevent sports injuries during adolescence. The meticulous, hands-on instruction covered areas such as pitching form, catching stances, and batting, and enabled children to experience the fun and challenges of baseball by concentrating on each of the actions necessary in the sport.

Members continue to serve as instructors and umpires even after leaving the team to help contribute to the life of the community.

Youth Baseball Class and Baseball Health Examination
Courtesy of Chunichi Shimbun Tokai
(Headquarters)



Contributing to Social Welfare

Web <http://www.global.yamaha.com/about/csr/group/2009/society/welfare.html>

Using Proceeds From Musical Charities to Donate Musical Instruments to Schools for Disabled Children

■ *Eastern Japan Keyboard Promotion Department, Domestic Sales & Marketing Division, Yamaha Corporation*

Yamaha Corporation, using charity proceeds from the "Yamaha Gospel Night 2008" concert held at Pacifico Yokohama's National Convention Hall of Yokohama in September 2008, donated Clavinova® instruments to schools for disabled children in Japan. Proceeds came from the sale of commemorative stickers, T-shirts and other items at the concert hall as part of charity activities. The concert itself was performed by adult students taking gospel-singing courses offered in the Yamaha Music Lessons for Adults curriculum. Proceeds from the sales were paid for the instruments, which were donated to schools for disabled children across Japan through the Kids Earth Fund, an NPO.

Approximately 2,000 students took part in Yamaha Gospel Night 2008, the eighth concert of its kind held regularly each year. Divided into nine groups, the students performed before a sold-out audience, demonstrating to those present how their lessons have paid off. As a finale, the student members joined with the audience in singing a rousing chorus that brought down the house.



Students sing out at Yamaha Gospel Night 2008



Teacher Yasumasa Awano and Kids Earth Fund representative Harumi Torii (right)

Sharing the Joy of Music With Ill Children

■ *Yamaha Music UK Ltd. (YMUUK)*

In fiscal 2008, YMUUK provided musical instruments for an event sponsored by the Teenage Cancer Trust (TCT), a U.K.-based charity group that supports young people in their teens to early 20s who are battling cancer and cancer-related illnesses.

At workshops attended by YMUUK employees Felicity Gregory and Joseph Emsden, currently hospitalized and recently discharged patients took on the challenge of playing instruments they had never seen before, such as Yamaha's PACIFICA model guitar and DTXPLORER digital drum, and performed with the instruments in front of friends and family.

Young people enjoy playing Yamaha instruments



With Our Customers

Yamaha works hard to improve quality, convenience and provision of information to enhance safety and customer satisfaction.

Group-wide Quality Assurance Structure

Creating more opportunities to interact with customers

Quality Improvement Measures

Web <http://www.global.yamaha.com/about/csr/group/2009/customers/action.html>

Measures to Improve Usability

■ AV Products Division, Yamaha Corporation

Many products are becoming more sophisticated and multifunctional each year. While this trend may enhance convenience, the operation of these products is also becoming more complex. For this reason, creating easy-to-use products has emerged as an important theme in product development.

To provide products that are intuitive and easy for customers to use, the AV Products Division performs regular usability tests* across all product categories. All sections involved with a target product, including design and development sections, take part in these tests, where they observe test subjects as they attempt to operate the product in a test booth. In particular, required hand movements and other details are video recorded for careful examination of any operational issues. The results of this analysis allow the division to confirm the success of improvements to earlier products, while incorporating in the planning and development of later models improvements gained from resolving identified issues. By repeatedly enacting initiatives of this kind, Yamaha is looking to further improve usability.

At the same time, Yamaha is using information analyzed and extracted from user questionnaires and inquiries received from customers, as well as efforts to verify levels of customer satisfaction, to sort out issues pertaining to product intuitiveness and ease of use from a variety of angles, and as feedback in the development of new products.

Going forward, the Yamaha Group will continue to take steps to improve product usability, while utilizing feedback from customers in product development with the goal of creating satisfying products.

* **Usability tests:** Tests to confirm product usability by recruiting expected users to actually operate the product on a trial basis.



Scene from an actual usability test



Sample Products Developed With Usability in Mind
Micro-component system

YPAS Activities: All for the Sake of Customers

■ Golf HS Division, Yamaha Corporation

Since April 2006, the Golf HS Division has conducted “YPAS” activities as a service to provide customers with truly satisfying products. Short for “Yamaha Pro Analyzing System,” YPAS specifically refers to a system that measures customers’ golf swing and quickly provides them with custom-created clubs optimal for their playing style and needs. All of the equipment required for measurement and production, including measuring devices, test clubs and machine tools, are loaded on a tour bus that visits a new golf retailer across Japan every week.

YPAS measuring equipment offers more accurate head trajectory and point of impact measurements than conventional equipment for measuring golf swings found at most golf retailers. These advantages have earned plaudits for YPAS from customers and golf retailers alike for making it easier to provide customers with the proper club, and for making it possible for them to return home with an adjusted club the very same day.



YPAS measuring machine



YPAS fitting service

Tianjin Yamaha Employee Awarded China Skills Prize

■ Tianjin Yamaha

Chen Shi Yun, an employee of Yamaha digital musical instrument manufacturer Tianjin Yamaha Electronic Musical Instruments, Inc., was awarded the China Skills Prize by the Chinese government in recognition of his contributions to the corporate sector and the nation as an advanced engineer. This award, established by the Chinese government to promote the development of advanced engineers in China, is presented once every two years to just 20 people nationwide possessing advanced engineering skills. Award recipients are selected following a comprehensive evaluation of candidates chosen from every part of China, who must pass a test, take part in a technology contest, and pass a document screening.

Since joining Tianjin Yamaha in July 1994, Mr. Chen has supported portable keyboard production sites as a specialist in electrical-

related technology. As supervisor for the Production Division's Production Promotion Department, Mr. Chen currently directs a team responsible for everything from the design of keyboard inspection devices to adoption for production. Mr. Chen's recent receipt of the award was in recognition of his contribution to this work, as well as his high degree of knowledge and engineering skill in the field.



Mr. Chen adjusting machinery at a production site



(left) Trophy and medal (right) Mr. Chen at the ceremony

Stronger Customer Support System

Seeking a more usable support system through ongoing improvements

Improving Convenience by Standardizing Customer Helpdesks

Web <http://www.global.yamaha.com/about/csr/group/2009/customers/convenience.html>

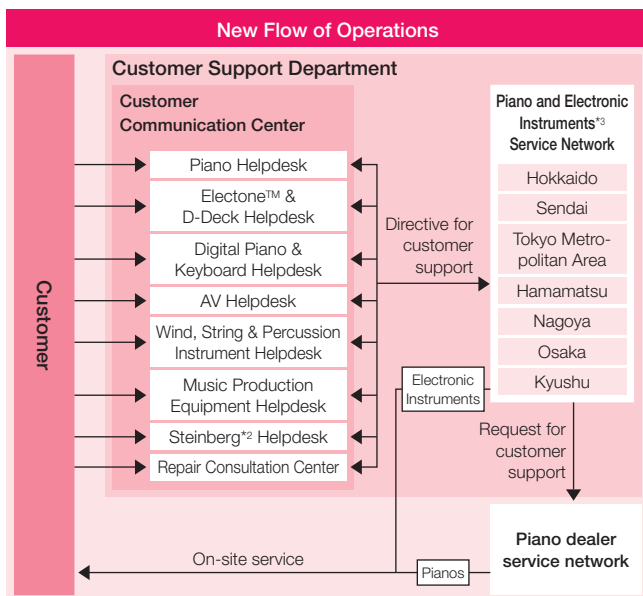
■ Customer Support Department, Domestic Sales & Marketing Division, Yamaha Corporation

The Yamaha Group has numerous business divisions, and has taken steps to put a robust support structure in place. Among other actions, in April 2008, the Group reorganized the Customer Support Department within the Domestic Sales & Marketing Division, coupled

with the opening of a Customer Communication Center, as a means of integrating product-specific helpdesks in an effort to improve customer convenience.

Moreover, in fiscal 2008, we took steps to improve our support structure, building a unified nationwide support system by clarifying helpdesk names and installing a standardized phone system*1 using navi-dial, among other means. For customers, these changes have resulted in more intuitive helpdesks for each product, and enabled a smoother customer service response. Similarly, helpdesk info is now featured more prominently on product catalogs, owner's manuals and warranty certificates, which has led to improved customer support.

*1 "Phone system using navi-dial": A phone system that utilizes a "navi-dial" number, which automatically connects callers to helpdesks at local dialing rates wherever they call from in Japan, resulting in more efficient delivery of guides and services to customers.



*2 Steinberg: Music production software
*3 Electronic instruments includes electronic and electric acoustic instruments

Service Network Development

Web <http://www.yamaha.co.jp/about/csr/group/2009/customers/network.html>

■ Customer Support Department, Domestic Sales & Marketing Division, Yamaha Corporation

The Customer Support Department under Yamaha Corporation's Domestic Sales & Marketing Division has developed a "Wind Instrument Service Network" to assist customers who have experienced trouble in receiving the necessary support due to sales channel diversification in recent years.

In order to offer hassle-free service to customers in need of wind instrument repairs, this network features a telephone-based manufacturer repair helpdesk, as well as a nationwide network of walk-in repair service sites enabled through the introduction of a cooperative support system. A total of 12 of these repair service sites (as of March 31, 2009) are in place across Japan, with plans to further expand this network going forward.

Web For more information

Group-wide Quality Assurance Structure

- Company-wide Quality Assurance System <http://www.global.yamaha.com/about/csr/group/2009/customers>
- Product Risk Management <http://www.global.yamaha.com/about/csr/group/2009/customers/risk.html>

With the People We Work with

Through a wide range of initiatives, Yamaha seeks to uncover the potential of the many employees who help the Group run and grow along with them.

Initiatives for Employees

Promoting measures to discover the potential of a diverse workforce

Job-Tailored Training and Education

Web <http://www.global.yamaha.com/about/csr/group/2009/workers/education.html>

Yamaha believes that creating a mutually beneficial relationship between the employee and the Company inspires motivation, and therefore focuses its efforts on cultivating human resources.

Each training program is tailored to a specific objective in one of the following categories: Strategic Personnel Development, Function-Specific Training, Stratified Training, and Self-Development Education.

The Strategic Personnel Development program includes the flagship Yamaha Management School, which aims to mold the personnel who will be the backbone of the Company in the future, as well as the Yamaha Advanced Skill School at production facilities in Japan. The Function-Specific Training program is based on the twin foundations of *Monozukuri* Education seminars and international awareness, as well as career development. The Stratified Training program, meanwhile, provides training at career turning points, such as when an employee has been promoted or made a manager. Finally, in the Self-Development Education program, Yamaha provides support for employees' voluntary studies, such as the Yamaha Business School (distance learning-based) and other programs.

Yamaha also provides employees approaching the age of 50 opportunities and information to aid in considering their individual life paths, and in fiscal 2007 inaugurated "Life Design" seminars to support their future careers in addition to Stratified Training.

Initiatives for a Better Work-Life Balance

Web <http://www.global.yamaha.com/about/csr/group/2009/workers/worklife.html>

The Yamaha Group considers cooperation between labor and management to achieve a better work-life balance to be fundamental to realizing corporate growth and a fuller life for all employees. Based on this philosophy, Yamaha Corporation has for many years worked on a range of initiatives to shorten total work hours and provide support for both work and family.

In order to help employees combine work with caring for a family, Yamaha has made proactive efforts, including the introduction of child care and nursing care leave ahead of statutory requirements.

In April 2006 Yamaha established the Work-Life Balance Committee to provide individual employees with support for both work and a fuller life outside of work, and to help them combine the two.

Specific measures focused on reducing working hours and implementation and improvement of work/family support systems for the variety of circumstances encountered by employees.

Principal Measures for Better Work-Life Balance (from fiscal 2005)

■ Fiscal 2005

Revision of programs for childcare leave and shortened work hours for childcare

Flexible work hours introduced for employees raising small children.

Receipt of the Fiscal 2005 Family Friendly Company Award from the Ministry of Health, Labor, and Welfare

The award recognized Yamaha's programs to provide broad support for work and family, and to create a friendlier work environment.

■ Fiscal 2006

Extensive revision to employee benefit programs

Lifestyle-related benefits were newly established or revised, providing expanded support to employees struggling with economic burdens arising from childcare, education, disability or nursing care. A wide range of membership-based welfare benefit services were also introduced.

■ Fiscal 2007

Introduction of Company-wide vacation

The Company has established a labor agreement stipulating three days per year when all workers take paid vacation, two days more than in the previous fiscal year.

■ Fiscal 2008

Ministry of Health, Labor and Welfare Recognition for Yamaha's support for the development of the next generation

- Extension of period of eligibility for shortened work hours for employees with small children
- Introduction of system for shorter work hours for parents to participate in school events
- Introduction of an Employee Assistance Program (EAP)
- Introduction of a system for reemployment of spouses of employees on overseas assignment



Ministry of Health, Labor and Welfare mark recognizing Yamaha's support for the development of the next generation

Assisting Women's Careers

Web <http://www.global.yamaha.com/about/csr/group/2009/workers/woman.html>

The Yamaha Group holds the diversity of its employees in high regard, and aims to be a place where all employees can make the most of their abilities, regardless of their gender, nationality or other factors. Measures implemented in the past have resulted in nearly equal average number of years of continuous employment for male and female employees at Yamaha Corporation, and the proportion of women returning to work after childcare leave is nearly 100%.

Positive Action Projects

—Establishment of the Diversity Planning Department

Yamaha Corporation inaugurated the Positive Action Project in May 2004 by seeking applications for a position on the project from within the Company. Over the course of a year, the project group examined the situation of women at Yamaha and other companies, held lectures and created an internal website in an effort to create a comfortable working environment for women.

The results of these activities were compiled into a recommended action plan.

In order to further accelerate support for women's careers, based on this action plan, in March 2006 Yamaha established the Diversity Planning Department as a dedicated organization within the Human Resources Division. The department is carrying out a number of measures aimed at broadening opportunities for women to develop their abilities and creating a more comfortable working environment.

COLUMN

Receipt of Fiscal 2008 Ministry of Health, Labor and Welfare Award for Corporate Promotion of Equality and Work-Life Opportunity

In October 2008, Yamaha Corporation received the Shizuoka Labor Bureau Chief's Excellence Award in the Corporate Promotion of Equality category at the Fiscal 2008 Corporate Promotion of Equality and Equal Opportunity Awards presented by Japan's Ministry of Health, Labor and Welfare.

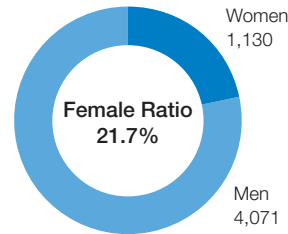
The awards are reserved for those companies that the Ministry of Health, Labor and Welfare identifies as vigorously promoting positive action to encourage female laborers to achieve their potential, as well as measures that equally support both work and child and nursing care needs. The recent awards recognize localized efforts by Yamaha to expand its hiring, job categories, recruitment, and improve working conditions for female laborers, as a company dedicated to actively promoting steps that enable working women to bring their full talents to the fore.

Previously, Yamaha received the Fiscal 2005 Family Friendly Company Award from the Ministry of Health, Labor and Welfare. This most recent award underscores that Yamaha has made similar progress with respect to equality and its support for both the working and home lives of its employees. Going forward, we intend to pursue initiatives that will promote more extensive efforts in these areas.

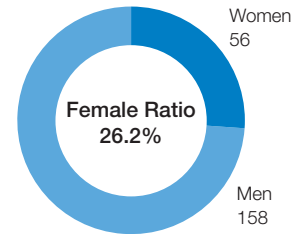


Principal Indicators Related to Female Employees at Yamaha Corporation

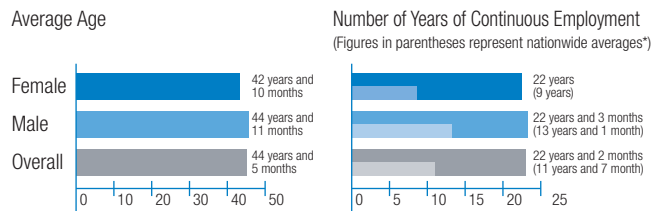
Ratio of Female Employees (as of March, 2009)



Ratio of Female New Graduate Hires (fiscal 2009)



Average Age and Number of Years of Continuous Employment (as of March 2009)



* Source: Ministry of Health, Labour and Welfare

Female Manager Ratio (as of March 2009):

2.9%

Number of Employees Receiving Childcare Leave (FY2006-FY2008)

Women: 78 Men: 9

EMPLOYEE REPORT



A Father's Work-Life Balance

Hitoshi Kido

Planning Group
Planning Management Department
Pro Audio & Digital Musical Instruments Division
Yamaha Corporation

Last year, I took childcare leave when my third child was born. When I decided to take leave I didn't think too deeply about it at the time, I simply thought, "Let me try to take a little more active role in childrearing this time around." But actually becoming more involved, I learned firsthand that taking care of a child every day is a lot more demanding than I ever imagined. For the first time, I understood in a visceral way why there is such a strong push in Japan to make leave for childrearing available to men as well.

My sense now is that when a person has to bear the brunt of nursing or childcare alone, the presence of someone who understands how tough their situation is and can support them is important. In Japan, many men typically work at a company for about 40 years, which overlaps with the same period of time that we create our families. Over that span, there are times when lending your strength as a father at home trumps doing so as an employee at work. As times arise when families need to pool their strength, I feel that companies too, as much as possible, need to have the mindset, systems and management that will allow a father to give his all at home.

I'm grateful that, thanks to vision and efforts of a lot of people, we have a system at Yamaha that enabled me to take time off to care for my new baby. What I was able to experience because of it is something that I will treasure for the rest of my life.

Employee Health and Safety Policies and Administration

Web <http://www.global.yamaha.com/about/csr/group/2009/workers/safety.html>

Striving for Accident-Free Workplaces

To ensure employee safety, the Yamaha Group not only has safety measures in place related to machinery and equipment, but also promotes programs to identify and remove potential causes of accidents and a range of other activities designed to heighten employees' perception of danger. Actions here include hazard prediction exercises and efforts to share knowledge of incidents that could have ended in disaster.

In fiscal 2008, we conducted training at each business site to stress the importance of occupational health and safety. Carried out at Yamaha Corporation's headquarters and factories from May to September, the program targeted new employees with few years on the job and those who had recently transferred to new positions, as well as the 488 temporary employees working at Yamaha Corporation at the time. Elsewhere, we joined worksite managers in inspecting the "Occupational Health and Safety Work Standards Checklist*1," a tool designed to enhance work safety, making improvements with reference to the actual work being conducted.

Yet despite these efforts, Yamaha Corporation headquarters and factories, sales offices and domestic Group companies were not successful in holding health and safety issues to below targeted levels.

In fiscal 2009, we will promote a wide array of occupational health and safety activities. Yamaha Corporation headquarters and factories will continue to pursue activities that prioritize safety (occupational health and safety education, safety patrols, etc.) and inspections based on the Occupational Health and Safety Work Standards Checklist. Sales offices, for their part, will enact measures targeting actions by sales staff while in the field, on business trips and when away from the office. Domestic Group companies, meanwhile, are positioning programs to reduce workplace-based risk via risk assessments and other activities as a priority theme for action.

*1 **Occupational Health and Safety Work Standards Checklist:** A document listing critical points for performing each work procedure more safely as well as rationale for action. Particularly for production sites, this list is in place for every work procedure.

Fiscal 2008 Work-Related Accidents

	Frequency*2		Severity*3
	Prevention Target	Result	Result
Headquarters / Headquarters Factory	0.3 or less	0.97	0.009
Yamaha Corporation Sales Offices	0.5 or less	1.56	0.006
Group Companies in Japan	1.0 or less	1.96	—

*2 **Frequency** = number of work related deaths/injuries ÷ total man hours x 1,000,000

*3 **Severity** = number of days lost ÷ total man hours x 1,000

Initiatives for Business Partners

Making the concept of CSR more prominent than ever

Fair Evaluation and Selection in Partner Relationships

Web <http://www.global.yamaha.com/about/csr/group/2009/workers/evaluation.html>

The Yamaha Group considers suppliers and subcontractors to be partners in our effort to live up to our business philosophy. As such, we strive to ensure fair dealings based on mutual trust.

In our business dealings we adhere strictly to the law, and ensure impartial selection and proper evaluation in accordance with internal regulations and standards. Further, under the banner of "open procurement" we take care to ensure that business dealings are open, fair, and unbiased, and maintain a basic policy of conserving natural resources and protecting the environment.

In fiscal 2008, along with drafting a new procurement policy that incorporates the promotion of CSR-based procurement, we publicized the policy, called the Yamaha Material and Component Procurement Policy, on our website. Fiscal 2009 also saw the unveiling of our "Green Procurement Standards," a document comprising specific Group standards pertaining to our basic policy of conserving natural resources and protecting the environment. In this way, Yamaha is advancing initiatives designed to conserve resources and reduce environmental load with respect to procurement.

Survey of CSR Measures of Business Partners

Web <http://www.global.yamaha.com/about/csr/group/2009/workers/research.html>

Yamaha has begun requesting improvement measures from suppliers (including, in the case of trading companies, the actual manufacturers in Japan and overseas) who scored low on the survey of CSR measures taken by business partners conducted by Yamaha's Procurement Division in fiscal 2008. A rating of CSR-related initiatives was also added to criteria for determining whether to initiate business transactions with new suppliers. When requesting improvement measures, we meet directly with suppliers to explain and gain their understanding of Yamaha's policies, and solicit their feedback on score results.

In fiscal 2008, we began surveying suppliers relevant to green procurement as part of efforts aimed at conserving resources and protecting the environment. In launching the survey, we held an explanatory meeting for suppliers attended by representatives from some 160 companies.



Meeting to explain Green Procurement Surveys to suppliers

Web For more information

Initiatives for Employees

■ Basic Employment Policies <http://www.global.yamaha.com/about/csr/group/2009/workers>

■ Measures to Prevent Harassment <http://www.global.yamaha.com/about/csr/group/2009/workers/harassment.html>

With Our Shareholders

Yamaha strives to enhance communication as well as ensure strong performance through high-quality management and return appropriate profits to shareholders.

Proactive IR* Efforts to Promote Understanding of the Company

Enhancing mutual understanding through deeper communication

Web <http://www.global.yamaha.com/about/csr/group/2009/shareholders/ir.html>

Yamaha Corporation adheres to a disclosure policy that ensures a level playing field with regard to the timely disclosure of information to institutional and individual investors around the world. In addition to holding quarterly results conferences for institutional investors in Japan, Yamaha conducts factory tours and strategy conferences for individual business segments on occasion. For institutional investors in other countries, along with making English translations available of all information provided to institutional investors in Japan, we visit with investors overseas several times a year to encourage mutual understanding through direct communication.

For individual shareholders Yamaha is implementing a special benefit plan designed to encourage more people to become loyal fans and shareholders of Yamaha. Additionally, we utilize our website to provide corporate information in an easy-to-understand format, and are stepping up other activities, including Yamaha's active participation in fairs and other events for individual shareholders.

Through these initiatives, we work to enhance communication with investors, and use the results of feedback and other information gained to improve investor relations activities and management performance.

* Investor Relations

Major IR Activities in Fiscal 2008

Regular Events

Quarterly results conferences	Each quarter (4 annually)
One-on-one meetings	220 times
Visits to overseas investors	3 times annually (U.S., U.K., Asia)

Impromptu Events

Strategy conference for Musical Instruments Business	July
Tour of facilities	November

Addressing Socially Responsible Investment (SRI) Funds

High marks for continuous effort

Web <http://www.global.yamaha.com/about/csr/group/2009/shareholders/sri.html>

Yamaha Corporation continues to be listed in some of the world's most prominent SRI indexes, including the FTSE4Good Global Index (managed by Britain's FTSE), and the Morningstar Social Responsibility Index (MS-SRI). In fiscal 2008, Yamaha was newly listed in Universe, an index managed by ASN Bank, the largest Dutch bank specializing in SRI.

As one way of measuring financial soundness, each year Yamaha requests a long-term bond credit assessment from bond ratings agencies. The results are shown below.

Credit Ratings (As of March 31, 2009)

Rating and Investment Information, Inc. (R&I)	A
Japan Credit Rating Agency, Ltd. (JCR)	AA-



Web For more information

- Policies for Retained Earnings and Returns to Shareholders <http://www.global.yamaha.com/about/csr/group/2009/shareholders>
- Annual Reports <http://www.global.yamaha.com/ir/publications/index.html>

Environmental Initiatives

Yamaha prioritizes environmental considerations and promotes environmentally friendly measures at all stages of the product lifecycle, from materials procurement to development, production and disposal.

Environmental Management

Setting goals for steady progress toward environmental management

Goals and Achievements

	Goal	Achievements in FY2008	Status	Future Initiatives
Environmental Management System	<ul style="list-style-type: none"> Extend ISO 14001 certification across the Yamaha Group 	<ul style="list-style-type: none"> Preparation and planning related to ISO 14001 integration 	Completed	<ul style="list-style-type: none"> Complete ISO 14001 integration throughout the Yamaha Group in Japan by fiscal 2011
	<ul style="list-style-type: none"> Expand the Yamaha Environment-Related Information System (Yecos) within the Yamaha Group 	<ul style="list-style-type: none"> After considering compatibility with new operating systems, and decided to maintain Yecos 	Completed	<ul style="list-style-type: none"> Examine compatibility with new OS
	<ul style="list-style-type: none"> Promote environmental training and education activities 	<ul style="list-style-type: none"> Provided internal environmental auditor training: 112 employees qualified giving a current total of 947 qualified auditors 	Completed	<ul style="list-style-type: none"> Continue with internal environmental auditor training seminars
		<ul style="list-style-type: none"> Held brush-up seminars for internal environmental auditors Conducted environmental seminars (370 participants) Theme: "Global Warming: Thinking about the Future in terms of Environmental Archaeology" 	Completed	<ul style="list-style-type: none"> Hold brush-up seminars for internal environmental auditors in response to ISO 14001 integration Continue to conduct environmental seminars
Product development	<ul style="list-style-type: none"> Promote environmentally friendly product development 	<ul style="list-style-type: none"> Educated employees about hazardous materials in products Investigated LCA methodologies for effectively measuring the environmental impact of diverse Yamaha products 	Completed	<ul style="list-style-type: none"> Make environmentally friendly design a regular part of employee education
		<ul style="list-style-type: none"> Implemented recycling of used electronic musical instruments 	Completed	<ul style="list-style-type: none"> Implement recycling of packaging materials for large electronic musical instruments
	<ul style="list-style-type: none"> Comply with RoHS Directive and similar standards 	<ul style="list-style-type: none"> Complied with Chinese, South Korean and U.S. standards similar to the RoHS Directive Voluntarily expanded application of RoHS Directive standards to non-specified products and exports to regions outside the EU 	Completed	<ul style="list-style-type: none"> Continue to manage compliance with RoHS Directive and similar standards
Green procurement	<ul style="list-style-type: none"> Promote green procurement 	<ul style="list-style-type: none"> Implement management of hazardous chemical materials in products that could be subject to stricter international regulation (survey of parts and components in Japan) 	Completed	<ul style="list-style-type: none"> Continue to implement management of hazardous chemical materials in products that could be subject to stricter international regulation (survey of parts and components outside of Japan)
Prevention of global warming	<ul style="list-style-type: none"> 6% reduction* in CO₂ emissions on FY1990 levels by FY2010 	<ul style="list-style-type: none"> CO₂ emissions volume down 26% compared to FY1990 (79.9 thousand tons of CO₂ per year; 20% reduction year on year) 	Completed	<ul style="list-style-type: none"> 6% reduction* in CO₂ emissions on FY1990 levels by FY2010 Consider targets for CO₂ emissions reduction for FY2010 and beyond
	<ul style="list-style-type: none"> 1% reduction in CO₂ emissions per unit of sales on FY2007 	<ul style="list-style-type: none"> Reduced CO₂ emissions per unit of sales by 3.6% on FY2007 (22.5 tons CO₂ per year per ¥100 million) 	Completed	<ul style="list-style-type: none"> 1% reduction in CO₂ emissions per unit of sales on FY2008
Waste reduction	<ul style="list-style-type: none"> Maintain Zero Emissions and improve recycling quality 	<ul style="list-style-type: none"> Achieved 0.07% landfill disposal, compared to Zero Emissions target of under 1% Conversion of wood waste into mulch, etc. 	Completed	<ul style="list-style-type: none"> Maintain Zero Emissions and improve recycling quality
Protection of the ozone layer	<ul style="list-style-type: none"> Maintain elimination of CFCs and HCFCs from manufacturing processes* 	<ul style="list-style-type: none"> Completely eliminated in April 2005, not used since then 	Completed	<ul style="list-style-type: none"> Maintain complete elimination
Management of chemical substances	<ul style="list-style-type: none"> Reduce VOC emissions by 30% on FY2000 levels by FY2010* 	<ul style="list-style-type: none"> VOC emissions volume reduced by 44% compared to FY2000 (278 tons per year, 27% reduction year on year) 	Completed	<ul style="list-style-type: none"> Reduce VOC emissions by 30% on FY2000 levels by FY2010
Groundwater purification	<ul style="list-style-type: none"> Continue ongoing purification of groundwater (2 sites) 	<ul style="list-style-type: none"> Reported completion of purification at one site to government authorities 	Completed	<ul style="list-style-type: none"> Continue using pumped water aeration and activated carbon absorption methods for groundwater purification
Biodiversity	<ul style="list-style-type: none"> Consider relationship between business activities and biodiversity 	<ul style="list-style-type: none"> Promoted procurement based on Yamaha Timber Procurement and Usage Guidelines Continued participation in Musicwood Campaign 	Completed	<ul style="list-style-type: none"> Continue to promote procurement based on Timber Procurement and Usage Guidelines Continue participation in Musicwood Campaign Promote internal education about biodiversity
Social contribution	<ul style="list-style-type: none"> Conservation of forests outside of Japan: Plant 150,000 to 200,000 trees on 120 hectares in "Yamaha Forest," Indonesia between FY2005 and FY2009 	<ul style="list-style-type: none"> Planted 30,000 trees in "Yamaha Forest," Indonesia 	Completed	<ul style="list-style-type: none"> Plant 150,000 to 200,000 trees on 120 hectares in "Yamaha Forest," Indonesia by FY2009
	<ul style="list-style-type: none"> Conservation of forests in Japan: Provide support for regeneration of the Enshunada coastal forest between FY2007 and FY2011 	<ul style="list-style-type: none"> Yamaha employees and their families planted 180 trees as part of the "Shizuoka Forests of the Future Supporter System" to support the regeneration of the Enshunada coastal forest 	Completed	<ul style="list-style-type: none"> Volunteer planting of trees by Yamaha employees (support for the regeneration of the Enshunada coastal forest)
	<ul style="list-style-type: none"> Conduct and participate in local cleanup campaigns 	<ul style="list-style-type: none"> Approximately 820 people participated in local cleanup campaigns 	Completed	<ul style="list-style-type: none"> Continue participation in local clean-up campaigns
Environmental communication	<ul style="list-style-type: none"> Disclose information through CSR report and website 	<ul style="list-style-type: none"> Disclosed environmental information by publishing a CSR report 	Completed	<ul style="list-style-type: none"> Publish CSR report in printed form (introduction to activities) and on the Web (all information)
	<ul style="list-style-type: none"> Disclose information through participation in environmental events 	<ul style="list-style-type: none"> Exhibited at EcoProducts 2008 Exhibited at "Shizuoka Environment and Forests Fair" Participated in "Shizuoka STOP Global Warming Action Campaign" Concluded Kakegawa STOP Global Warming Partnership Agreement (Kakegawa Factory) 	Completed	<ul style="list-style-type: none"> Disclose information through participation in various events

* Yamaha Corporation Headquarters and factories, and Yamaha Group manufacturing companies in Japan

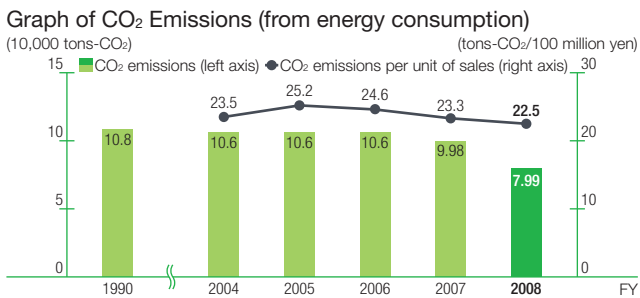
Global Warming Prevention

Reducing CO₂ emissions by 20% year on year

Global Warming Countermeasures

[Web http://www.global.yamaha.com/about/csr/group/2009/environment/countermeasure.html](http://www.global.yamaha.com/about/csr/group/2009/environment/countermeasure.html)

The Yamaha Group recognized early on that global warming is a particular problem, and has worked to reduce its greenhouse gas emissions through improvements to production and air conditioning equipment and extensive energy management, including through the adoption of highly energy efficient equipment. To this end, the Group has also introduced cogeneration systems and converted to more environmentally friendly fuel sources.



Enacting Measures to Reduce CO₂ Emissions at the Kakegawa Factory

Introduction of a cogeneration system

■ *Kakegawa Factory, Yamaha Corporation*

In conjunction with the consolidation of grand piano production at the Kakegawa Factory, Yamaha Corporation has introduced a cogeneration system. In conjunction, the heavy-oil-fired boiler formerly used as the heat supply system was replaced by a natural-gas-fired boiler that uses LNG as fuel. The new system came onstream in February 2008. Compared to the previous fiscal year, this system will enable the factory to reduce primary energy consumption by roughly 420 kiloliters in crude oil equivalent per year, cutting annual CO₂ emissions by approximately 2,900 tons. This improvement will go far in helping the Group reach its CO₂ reduction target.



LNG satellite facility

Waste Management

Making strides in waste reuse and recycling

Waste Reduction, Recycling and Resource Conservation

[Web http://www.global.yamaha.com/about/csr/group/2009/environment/recycle.html](http://www.global.yamaha.com/about/csr/group/2009/environment/recycle.html)

From Wood Waste to Free Mulch for Public Facilities

■ *Yamaha Livingtec Corporation (YLT)*

In an effort to make effective use of wood waste materials and contribute to society, YLT began an initiative in which it processes 300 tons of wood waste generated annually from the production of system kitchens into gardening mulch. The mulch is then offered free of charge mainly to facilities in the city of Hamamatsu responsible for operating public gardens.

YLT generates approximately 3,000 tons of wood waste per year. Until now, that amount has largely been reused as a material for wood plastic and as fuel, enabling the company to achieve Zero Emissions by reducing its total volume of waste disposed of at landfills to less than 1%. The decision to rechannel the wood waste into gardening materials represents an effort by YLT to shift to more effective materials recycling.



A plum garden in Hamamatsu Fruit Park that uses mulch from YLT



Mulch from YLT is used at Hamamatsu Flower Park

Management of Chemical Substances

Getting results through slow and steady efforts

Management of Chemical Substances

[Web http://www.global.yamaha.com/about/csr/group/2009/environment/risk.html](http://www.global.yamaha.com/about/csr/group/2009/environment/risk.html)

Curtailing Emissions of Chemical Substances by Improving Tools

■ *PT. Yamaha Music Manufacturing Asia (YMMA)*

YMMA worked to reduce the amount of black glaze coating used in creating the casings for Clavinova™ products. By placing parts as close together as possible on the conveyer belt of the reciprocating coating machine, we were able to minimize the area that would be coated unnecessarily. Although there were many hurdles, such as adjusting to

production and insufficient testing tools and a lack of pre-existing data, we experimented with a variety of combinations of parts dimensions, coating areas and conveyer belt bar adjustments. After a process of trial and error, we achieved a coating of sufficient quality together with a major reduction—42%—in the amount of coating used. This reduction in coating volume curtailed emissions of chemical substances such as organic solvents and generated less coating sludge, as well as helping to achieve further cost reductions.



Employees apply coating materials

Environmentally Friendly Products and Services

Developing new technologies

Preventing Depletion of Wood Resources

Web http://www.global.yamaha.com/about/csr/group/2009/environment/dry_up.html

Among the instruments that the Yamaha Group makes, including pianos, string and percussion instruments, and woodwind instruments, many need to be made primarily of wood for acoustic reasons. Large amounts of wood are also used when making electronic musical instruments, speakers, soundproof rooms, and lifestyle accessories due to the merits of wood in terms of acoustic performance, function, design, and texture.

Trees absorb carbon dioxide from the air as they grow, meaning that wood can essentially be used in a manner that enables sustainable coexistence with the global environment. In order to contribute to a more harmonious relationship between society and nature, the Yamaha Group practices sensitivity to biodiversity issues and works to prevent depletion of the wood resources used in products.

Environmentally Friendly Use of Timber Resources in Products

The depletion of timber resources makes it more difficult each year to stably acquire wood materials in good condition. The Yamaha Group is striving to make maximal, efficient use of timber resources and proactively introduce wood materials cultivated specifically for commercial

and industrial purposes. At the same time, the development of technology to artificially modify wood quality to a condition suitable for instruments has been a long-term theme for the Company as part of its social responsibility as a corporation to do its part to safeguard the environment.

Along these lines, Yamaha Corporation has developed A.R.E.*, a new technology that modifies wood materials to an ideal condition for use. Moreover, since no organic solvents or chemical substances are required, this technology will reduce Yamaha's environmental load even further.

* A.R.E.: Acoustic Resonance Enhancement



Major Environmentally Friendly Products
(left) A.R.E Guitar L36ARE
(right) Wooden Electric Guitar RGXA2

For information on other environmentally friendly products, visit the website found at the following URL.

Product assessment examples by the Association for Electric Home Appliances
<http://www.aeha.or.jp/assessment/example.html> (Japanese only)

Environmental Communication

Pursuing activities in cooperation with community members **Yamaha Forest**

Web <http://www.global.yamaha.com/about/csr/group/2009/environment/communication.html>

Report on the Fourth Year of "Yamaha Forest" Tree-Planting Activities in Indonesia

"Yamaha Forest" tree-planting activities in Indonesia, co-sponsored by Yamaha Corporation and Yamaha Motor Co., Ltd., marked their fourth year in fiscal 2008. The "Yamaha Forest" initiative is designed as a social contribution activity in areas such as environmental protection and educational support in Indonesia, a vital production and sales site for both companies. The aim of the project is to restore land devastated by logging to as close to its original state as possible by planting 150,000 to 200,000 trees on roughly 120 hectares of land over a period of five years. In promoting "Yamaha Forest," Yamaha and Yamaha Motor have been assisted by OISCA, an NGO with years of experience supporting agriculture, local development, and environmental protection activities in the Asia-Pacific region.

In fiscal 2008, the Company hosted its tree-planting event in the town of Pelabuhan Ratu in Sukabami, Indonesia in November. The

number of participants at these planting events has grown each year. This time some 2,350 people took part in planting trees, including students from local elementary, junior and senior high schools, local residents, and government officials. Approximately 470 people from both Yamaha companies also joined in, including directors responsible for environmental activities, staff members from environment-related divisions, and the presidents and employees from Indonesian subsidiaries. Together, the participants planted a total of 5,000 saplings. In fiscal 2009, plans call for planting some 30,000 mahogany, teak, and eucalyptus saplings on 30 hectares of land.



A group shot of tree-planting participants



Pausing for a snapshot while planting saplings

Web For more information

Environmental Management

■ Environmental Management Promotion Structure

<http://www.global.yamaha.com/about/csr/group/2009/environment>

■ Material Balance

<http://www.global.yamaha.com/about/csr/group/2009/environment/balance.html>

■ Environmental Accounting

<http://www.global.yamaha.com/about/csr/group/2009/environment/account.html>

Global Warming Prevention

■ Initiatives at Business Sites

<http://www.global.yamaha.com/about/csr/group/2009/environment/office.html>

Environmentally Friendly Products and Services

<http://www.global.yamaha.com/about/csr/group/2009/environment/greensupply.html>

Management of Water Resources

http://www.global.yamaha.com/about/csr/group/2009/environment/water_manage.html

Environmental Risk Management

http://www.global.yamaha.com/about/csr/group/2009/environment/risk_management.html

Environmental Education and Training Activities

<http://www.global.yamaha.com/about/csr/group/2009/environment/education.html>

Management Structure

Corporate Governance

Yamaha seeks not only to pursue efficient management and to ensure global competitiveness and a high level of profitability, but also to fulfill its social responsibility through fair and sustainable management.

In keeping with its corporate philosophy, Yamaha is working to develop an organizational structure and mechanisms for management that will form the basis for transparent and high quality corporate governance.

Creating a Management Structure Through the Board of Directors and Executive Officers

Web <http://www.global.yamaha.com/about/csr/group/2009/commitments/governance.html>

As of June 25, 2009, Yamaha's Board of Directors comprises nine directors, including one outside director. The Board convenes once monthly in principle, and is responsible for the Group's management functions, including proposing Group strategy and the monitoring and directing of business execution carried out by divisions. Directors are appointed for a term of one year. Yamaha also employs an executive officer system, with the purpose of strengthening consolidated Group management and business execution functions by divisions. As of June 25, 2009, the executive officer system comprises 17 executive officers, including two managing executive officers, who support the President, the chief officer in charge of business execution. Recognizing the importance of accountability, executive officers, who double as Company directors, are principally responsible for overseeing groups of business and administrative divisions. As group managers, they are responsible for the performance of groups within the Company, and manage and direct in a manner appropriate for bringing the functions of each group to the fore.

An Audit System to Ensure Fair and Transparent Business Practices

Yamaha is a company with a board of auditors as defined under Japanese law, and has worked to enhance governance functions by introducing an executive officer system and also by setting up Companywide Governance Committees and an internal control system. These actions, in conjunction with consistent audits conducted by the Company's system of full-time auditors, combine to raise the effectiveness of governance. As of June 25, 2009, Yamaha has five auditors, including three outside auditors. In principle, the Board of Auditors convenes once monthly. Based on audit plans, auditors periodically perform comprehensive audits of all divisions and Group companies, and participate in Board of Directors' meetings and other important meetings such as management councils. With respect to accounting audits, the suitability of such audits is determined based on periodic progress reports from the accounting auditors of their audits of the Company's financial statements. Yamaha has also established a Corporate Auditors' Office (with one staff member as of June 25, 2009) as a dedicated staff for the auditors, to ensure an environment conducive for performing effective audits.

The role of the Internal Auditing Division (11 staff members as of June 25, 2009) is to closely examine and evaluate systems pertaining to management and operations, as well as operational execution, for

all management activities undertaken by the Company from the perspective of legal compliance and rationality. The evaluation results are then used to provide information for the formulation of suggestions and proposals for rationalization and improvement. In parallel, Yamaha strives to boost audit efficiency by encouraging close contact and coordination among the corporate auditors and the accounting auditors.

Please refer to the website for a detailed diagram of the corporate governance system.

Web <http://www.global.yamaha.com/about/csr/group/2009/commitments/governance.html>

Promoting Compliance in Management

Web <http://www.global.yamaha.com/about/csr/group/2009/commitments/compliance.html>

Yamaha began conducting compliance activities in Japan in 2003 with the establishment of a Compliance Committee and the formulation of the Compliance Code of Conduct*. Revisions were made to the Compliance Code of Conduct in fiscal 2006, including additions regarding the prohibition of forced and child labor, and other information essential for Group Companies with overseas business interests in order to contribute to the establishment of a structure suitable for global business development.

In April 2008 we enhanced this structure to incorporate unified principles and guidelines for the entire Yamaha Group, including completion of codes of conduct that reflect the various local laws and regulations governing overseas Group companies.

* For details on the Compliance Code of Conduct please see:
<http://www.yamaha.co.jp/about/corporate/compliance/index.html>
(Japanese only)

COLUMN

Business Continuity Plan (BCP)

From fiscal 2008, Yamaha has embarked on the development of a Business Continuity Plan (BCP), designed to enable it to quickly resume operations in the event of an earthquake in Japan's Tokai region or other major natural disasters that could cause damage to its structures or facilities. Yamaha has formulated its "BCP Guidelines" as a fundamental Company-wide policy in this regard. In April 2009, Yamaha established the BCP Strategy Committee, chaired by the President and Representative Director. With this step, the Company has begun developing its BCP policy among all operational sites and at Group companies, all while putting the necessary systems and countermeasures in place to respond to new flu strains and various other risks.

Third-Party Opinion

The Yamaha Group believes that better communication with stakeholders is vital in meeting the host of challenges that arise with respect to corporate social responsibility (CSR).

This year once again, CSR specialist Ms. One Akiyama shares her opinion on how the Group can improve its performance in this area.



One Akiyama
President, Integrex Inc.

Biography

1983 Graduated from the Economics Department of Keio University.
1998 Completed a Master's degree in Finance from the Graduate School of Business at Aoyama Gakuin University.
Worked as a foreign bonds trader in a US securities company after graduation.
2001 Established Integrex Inc., a company that promotes Corporate Social Responsibility and Socially Responsible Investment.

I believe that a CSR Report serves to articulate a company's commitment to the P→D→C→A (Plan, Do, Check, Act) initiatives necessary to realize its corporate philosophy, and it is through this lens that I offer my opinions regarding Yamaha's report this year.

1. Points for Evaluation

Last year I wrote that I hoped for another report that reflects the pride, dreams, and wishes of the employees of Yamaha as related to sound and music. I was deeply impressed by how the activities highlighted in this year's special feature connected with sound and music, and by the passion of the employees implementing these programs. I felt the true spirit of Yamaha.

This year's report presents the key points in a concise format, providing relevant Web addresses where interested readers can find more detailed information and data. I think this linkup with the website is an indication of where the report will go in the future.

I got the sense that the P→D→C→A cycle is implemented throughout all initiatives, and that the Group works to make improvements based on stakeholder feedback.

In terms of compliance promotion activities, the report shows that Yamaha has been making steady, multi-year efforts. These include, among other examples, pursuing activities under the uniform global framework that was developed over the past three years and completed in 2008, and beginning to request that business partners make improvements based on the results of last year's survey on CSR initiatives.

In terms of the environment, this year's report once again presents the P→D→C→A cycle in an intuitive manner in the "Goals and Achievements" section, with extensive data also available through the website.

2. Areas for Improvement

The amount of information on operations outside of Japan has increased over last year, but I would still like to see more information reporting on specific Group-wide activities, including efforts to share a global Group philosophy.

Also, although the comments about application of the P→C→D→A cycle in activities is impressive, in future Yamaha should strive for a reporting format similar to that of the more intuitive "Goals and Achievements" layout used to report its environmental data. Then, at a glance the reader can grasp the goals, achievements and assessments of activities together with the goals and plans for next fiscal year.

3. Expectation for the Future

The global economy and social environment are changing rapidly, and I believe that only companies that pursue the business activities that are the best for society will be able to survive going forward. I hope that Yamaha will continue to pursue its social good of "Creating 'Kando' Together" through sound and music.

RESPONSE



Tsutomu Sasaki
Director and Executive Officer,
General Manager of General Administration Division,
Finance and Administration Group
Yamaha Corporation

We are very glad to have Ms. Akiyama share her opinion with us again this year.

Yamaha's aim as a company is to create 'kando' together, and contributing to society through sound and music lies at the core of our CSR efforts. We introduced some of these activities in our feature section, and I am very glad to hear that Ms. Akiyama considers them to be in the true spirit of Yamaha.

Going forward, the entire Group will continue to make contributions through business that only Yamaha can accomplish.

In this year's report, we acted on Ms. Akiyama's feedback from last year and enhanced the information available on our website. With focused topics in the report and detailed information posted on the website together with links to other related pages, we have tried to communicate a range of relevant information to readers.

I take seriously Ms. Akiyama's recommendations about reporting on Group-wide activities and presenting the P→D→C→A aspect of activities in an easy-to-grasp manner, and will work continuously to make improvements in our activities and reporting.

Company Outline

Background Information (As of March 31, 2009)

Company name: Yamaha Corporation
Headquarters: 10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan
Date of establishment: 1887
Date of incorporation: October 12, 1897
Representative: President and Representative Director Mitsuru Umemura

Stated capital: ¥28,534 million
Number of employees: Consolidated: 26,803
 Unconsolidated: 5,201
Yamaha Group: Number of consolidated subsidiaries: 88 (including companies located outside Japan)
Number of companies accounted for by the equity method: 2

Business Segments

Musical Instruments

Yamaha produces and sells musical instruments, and professional audio equipment, and is expanding its business lines to include the operation of music schools, music media creation, and content distribution for personal computers and mobile phones.



AV/IT Products

Yamaha produces and sells commercial online karaoke systems, routers, IP conferencing systems, and a range of AV (Audio and Visual) equipment that includes AV amplifiers, receivers, speaker systems, and Digital Sound Projector™ surround sound systems.



Electronic Devices

Yamaha produces and sells semiconductors for mobile phones, home theater AV amplifiers, communications devices, amusement devices, and other applications.



* Following the transfer of the electronic metal products business on November 30, 2007, the former Electronic Equipment and Metal Products segment was renamed the Electronic Devices segment from the fiscal year ended March 2009.

Lifestyle-Related Products

Yamaha supplies system kitchens and system bathrooms for the home, positioning its brand as "The World Leader in Marble Craft."



Others

Yamaha's other businesses include the Golf Products business, the Automobile Interior Wood Components business, the Metallic Molds and Components business, the Factory Automation (FA) business, and the Recreation business.

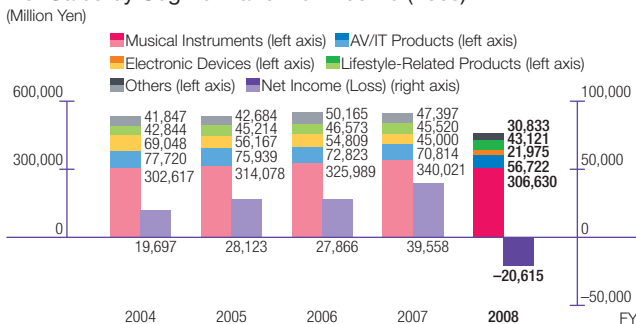


* Following the transfer of four resort facilities on October 1, 2007, the Recreation segment was included in the Others segment from the fiscal year ended March 2009.

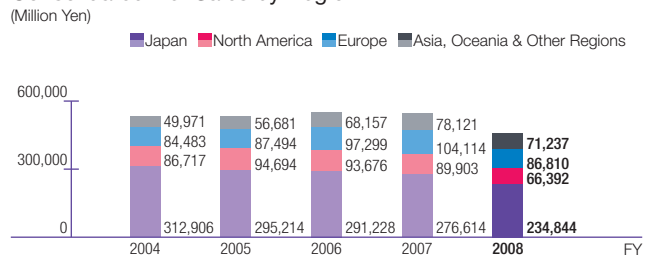


Key Financial Indicators (Consolidated)

Net Sales by Segment and Net Income (Loss)



Consolidated Net Sales by Region



The Relationship Between Yamaha Corporation and Yamaha Motor Co., Ltd.

Yamaha Motor Co., Ltd. produces and sells motorcycles, marine products, snowmobiles, and other related products. The company separated from Yamaha Corporation in 1955, becoming an independent business, and as a result is not included in the scope of this report. Yamaha Motor was previously associated with Yamaha Corporation by the equity method. This association was dissolved in May 2007 after a reassessment of the capital relationship between the two companies. In December 2007, however, the two companies established the Joint Brand Committee to ensure optimal positioning of

the shared Yamaha brand. Looking ahead, both companies are working to substantially increase their corporate value in their respective businesses and fulfill their missions and responsibilities to society on a global basis.





YAMAHA

CREATING 'KANDO' TOGETHER

YAMAHA CORPORATION

CSR Section, General Administration Division

URL: <http://www.global.yamaha.com/>



Printed in Japan using soy-based inks on FSC-certified paper.
This document uses a waterless printing method that generates
no harmful waste liquid.

October 2009