

CSR Report 2010



President and Representative Director,
Yamaha Corporation

Mitsuru Umemura

Yamaha Group CSR

Through business activities founded on sound and music, the Yamaha Group strives to achieve its corporate objective of “Creating ‘Kando’* Together.” Yamaha Group’s philosophy of management is customer-oriented and quality-conscious, transparent and sound, values people and is in harmony with society, and we work to fulfill this philosophy in our activities. We consider corporate activities in alignment with this philosophy to be CSR-oriented management. In February 2010, we established the Yamaha Corporation Group CSR Policy, a summary of the Group’s approach to CSR. Based on this policy, we intend to work as a whole to further promote CSR activities.

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

In April 2010, we launched our new medium-term management plan, “Yamaha Management Plan 125” (YMP125), under which we will aim to create the foundations for future growth in the lead up to Yamaha’s 125th anniversary in 2013. We also established a vision for what Yamaha should be: a trusted and admired brand, with operations centered on sound and music, and an achiever of growth through both products and services. Promoting CSR-oriented management is a crucial component of our effort to be a trusted and admired brand.

CSR-oriented management as practiced by the Yamaha Group is distinguished by the fact that we contribute to the development of musical culture and the enrichment of society through our business activities themselves, not as an afterthought. 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.

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In tandem, as the Yamaha Group develops operations on a global scale, we believe it is vital to do 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. We will make efforts to support cultural and educational development in each region, use raw materials more efficiently, and reduce the environmental impact of our development and production activities. We will also support forest revitalization as a company that utilizes wood materials to manufacture its products.

2010 CSR Report

This fiscal year, our *CSR Report* includes features an effective utilization of wood materials and tree-planting, representing Yamaha's relationship to trees in our quest to achieve a sustainable society. We also offer examples of social contribution through sound and music, contributions to local communities, and environmental conservation initiatives, among others. 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 welcome any opinions or suggestions you may have.

September 2010



Yamaha Corporation Group CSR Policy

Our Aim is "Creating 'Kando' Together"

The objective of the Yamaha Corporation Group is to continue to create "Kando*" and enrich culture with technology and passion born of sound and music, together with people all over the world.

Based on this Corporate Objective, Yamaha conducts its CSR activities according to the following guidelines to further strengthen the bonds of trust with its stakeholders through its corporate activities and contribute to the sustainable development of society.

1. Yamaha provides support to people who want to perform music and people who want to enjoy it by contributing to the popularization and development of music and musical culture.
2. Yamaha works to maintain a healthy global environment by understanding the significance of protecting the natural environment, maintaining biodiversity, and reducing the burden on the environment, as well as promoting the proper use of wood resources, and cooperating with forest protection activities.
3. As a "corporate citizen" that is a member of society, Yamaha contributes to creating a better society by actively participating in many kinds of activities that further the development of the community and culture.
4. Yamaha complies with laws and high ethical standards, works to create an environment in which its personnel can draw fully on their sensitivities and creativity, and aims to build a corporate culture that will enable it to offer better products and services.
5. For its shareholders, who support its corporate activities financially, Yamaha aims for a high degree of transparency by disclosing management information and engaging in active and sustained communication. For its business partners, Yamaha conducts transactions fairly and transparently, endeavors to deepen mutual understanding, and works to build strong relationships of trust.

(Established in February 2010)

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 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 26 business sites (21,154 total employees, 82% 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.

Reports on the Yamaha Corporation Website

You can read the Yamaha *CSR Report* 2010 Web Version at:
<http://www.global.yamaha.com/about/csr/>

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/environment/data>

Reporting Period

April 1, 2009 through March 31, 2010

- The above period is referred to as "fiscal 2009" in this report.
- Certain initiatives underway from before fiscal 2009 and information from April 2010 onward are also included in this report.

Next Issuance

We plan to issue the next *CSR Report* in September 2011.

By virtue of the kinds of products we create, the Yamaha Group has a The Group therefore places special focus on trees in its environmental

Conserving Wood Resources

Among the instruments that the Yamaha Group produces, 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 and soundproof rooms, due to the merits of wood in terms of acoustic performance, function, design, and texture.

The Group works to support procurement that takes into account the natural environment, forests and biodiversity, and to utilize wood resources to the fullest extent.

Environmentally Friendly Use of Timber Resources in Products

The decline of timber resources makes it more difficult each year to stably acquire the wood materials needed for musical instruments and other products in good condition. The Yamaha Group strives to eliminate waste, while making full and efficient use of wooden materials, and to proactively introduce wood cultivated specifically for industrial purposes on sustainably planned plantations.

In addition, while wood resources in general are limited, wood suitable for making instruments is even rarer still. Yamaha Corporation has developed A.R.E.* a new

technology for aging wood to improve it to an ideal condition. Moreover, since no organic solvents or chemical substances are required, this technology reduces Yamaha's environmental load. Artists have also praised the A.R.E. technology for producing new instruments with well-used timbre. Yamaha plans to make wide use of A.R.E. technology going forward. A.R.E. technology was also recognized for top honors by the Prime Minister of Japan at the third *Monozukuri* (Manufacturing) Nippon Grand Awards in 2009.

* **A.R.E.:** Acoustic Resonance Enhancement
Yamaha's proprietary technology for aging wood in a short time to improve its acoustic characteristics

Products Made Using Afforested Timber



The RGX A2 series electric guitar



The ROCK TOUR series system drums

Examples of A.R.E. Technology



The LL36ARE acoustic guitar



The BB2024 electric bass



The NCX2000FM electronic nylon string guitar



Used for stage flooring in Yamaha Hall in the Yamaha Ginza Building, opened February 2010

deep connection with trees.
initiatives as it aims to create a sustainable society.

Reuse: Making Effective Use of Wood Waste

The Yamaha Group uses a wide variety of wood as raw materials for musical instruments and many other products.

The Group works both to limit the amount of wood waste generated in manufacturing processes and to make effective use of waste, including recycling it into resources.

Examples of Effective Uses for Wood Waste

- Reusing discarded piano packaging materials (skids) as planters for green “eco-curtains”



Reuse of packaging materials



Skid packaging after use-by date



Planters made using discarded skid packaging



Green “eco-curtain”

- Wood waste generated from piano manufacturing is processed and recycled into hardboard material and sold

·Hardboard processing



Pulverization



Unused wood chips (raw materials)

Processing



Pulp

Churning/ powdering



Product



Hardboard material

- Powder is pressed into pellet form for use as fuel or litter box lining



Sawdust pellets made from sawdust generated from the manufacturing of pianos



Sawdust pellets are used to line a cat litter box

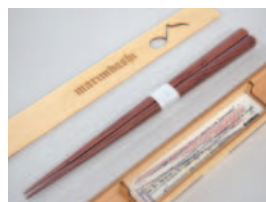
- Creating commemorative products out of wood waste for visitors to the plant and others



The circular cutouts from guitar sound holes are made into coasters



A key chain made from a piano hammer head



Wood from marimba keys shaped into chopsticks

Talking, Growing: Tree-Planting Activities

Making sure that the Earth's rich biodiversity survives for future generations is an important responsibility of a company that uses wood.

The Yamaha Group sees trees and forests as renewable but ecologically irreplaceable assets, and works with local communities in Japan and overseas to promote tree-planting projects as part of its environmental activities.

Third Round of Tree-Planting Activities Under the "Shizuoka Forests of the Future Supporter System"

·Yamaha Corporation

As part of its environmental protection activities, in March 2007 Yamaha Corporation joined the "Shizuoka Forests of the Future Supporter System" in 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 2009, some 130 Yamaha Group employees and family members as well as volunteers from the general public, participated in the third round of tree-planting activities under the system. The saplings planted during the second round in 2008 were having difficulty growing due to insufficient summer rainfall, and to partially reinforce these saplings, the 2009 volunteers planted a total of 150 trees of seven indigenous species, including Ubame oak, Japanese cheesewood, and camphor laurel. Like the previous year, digging holes and transporting soil were demanding tasks, but work progressed comparatively smoothly in the third year of the program. Once work was completed, participants listened to talks on the environment by speakers from the city of Hamamatsu, and learned about the role of coastal forests in disaster prevention, the recent die-off of pine trees and the objectives of this and other activities to cultivate broadleaf trees.

Going forward, Yamaha is committed to working with local communities to support the creation of coastal forests, which serves both as a disaster prevention function, including as wind breaks and storm surge barriers, and as sites for human rest and recuperation.



The participants in the Enshunada tree-planting activity

Fifth Year of "Yamaha Forest" Tree-Planting Activities in Indonesia



·Yamaha Corporation and 6 Local Subsidiaries

"Yamaha Forest" tree-planting activities in Indonesia, co-sponsored by Yamaha Corporation and Yamaha Motor Co., Ltd., marked their fifth and final year in fiscal 2009. 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 over a period of five years from 2005. 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.

On December 5, 2009, the Company hosted its final commemorative tree-planting event in the town of Pelabuhan Ratu in Sukabami, Indonesia. This time some 1,926 people took part in planting 3,000 trees, including representatives from both Yamaha Group companies and staff members from environment-related divisions, students from local elementary, junior and senior high schools, local residents, and government officials.

This tree planting project reached its conclusion as of March 31, 2010. Over the five years of the project, we have planted 115,110 trees on 127 hectares of land. Going forward, Yamaha will conduct regular monitoring of these areas in order to ensure the growth of the trees planted and the recovery of the forest.



Tree planting activities by local children

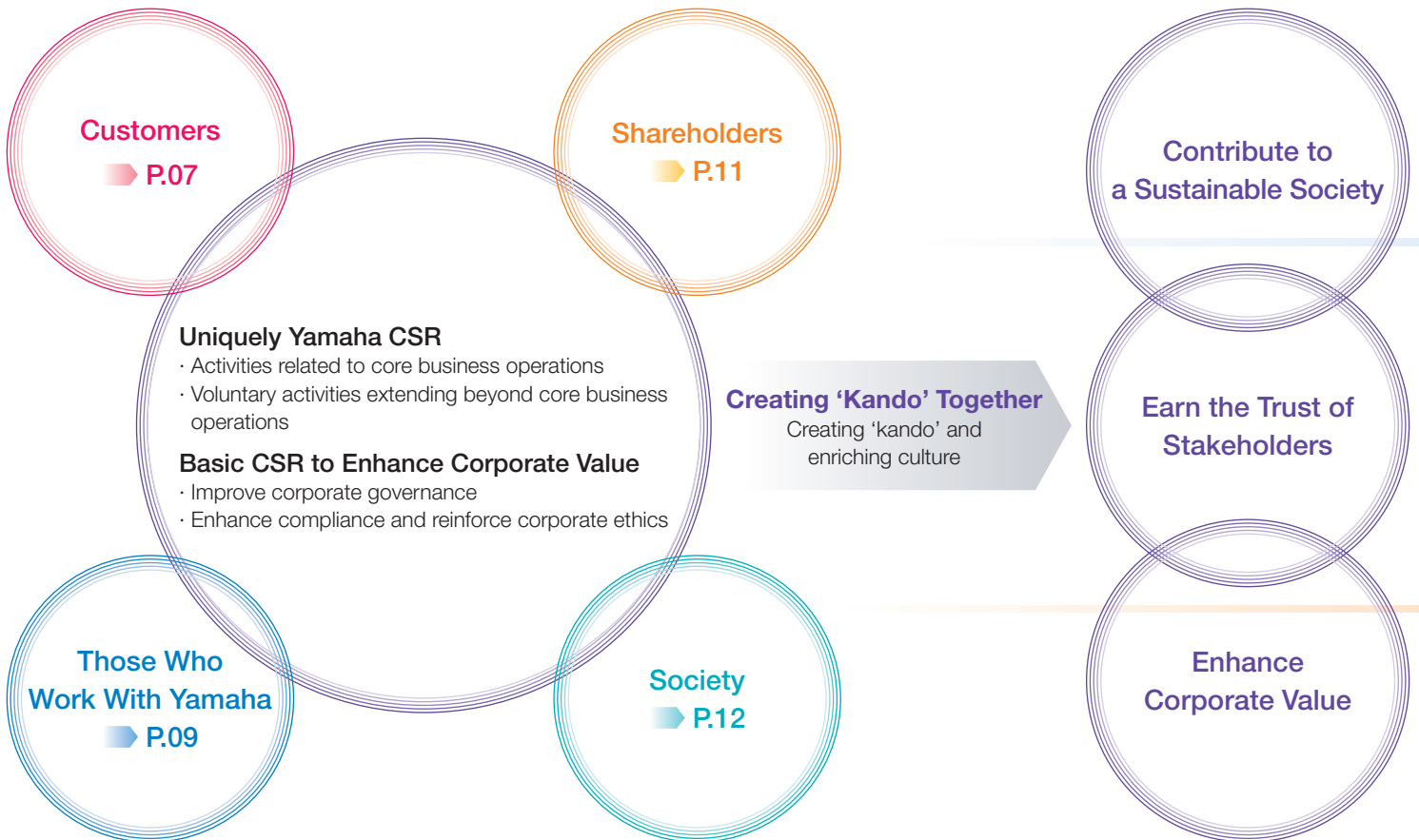


Trees planted in the first year of the activity (2005) had grown to a height of over 10 meters

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.



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

Group-wide Quality Assurance Structure

Promoted efforts with greater awareness of usability

Quality Risk Management

<http://www.global.yamaha.com/about/csr/customers/assurance/risk/>

Conformance with Product Regulations and Standards Worldwide

Yamaha has developed a structure for full compliance with regulations and standards worldwide pertaining to product quality and safety, and environmental protection. Under this structure the Company is able to collect information on regulations and standards in each country and to respond quickly to these regulations or issues that may arise. In addition, to monitor the status of legal compliance while developing products that conform to standards, Yamaha Corporation's headquarters includes a quality evaluation facility equipped with an array of measuring, analytical, and evaluation devices, including state-of-the-art electromagnetic wave-measuring facilities.



Anechoic chamber used for electromagnetic wave measurement

Quality Improvement Measures

<http://www.global.yamaha.com/about/csr/customers/assurance/action/>

The Yamaha Group strives to ensure product safety and improve quality. At the same time, the Yamaha Group works to strengthen quality management training, while pursuing quality, ease of use and convenience in order to satisfy customers.

Quality Management Training

To develop quality human resources, Yamaha's personnel training system contains expert training related to "quality assurance," as well as training tailored to individual job positions. The goal of this system is to raise awareness and enhance skills with respect to quality management.

In fiscal 2009, approximately 150 people took courses offered in various areas, including Quality Engineering and FMEA/FTA^{*1}. Furthermore, the Yamaha Group revised its training program in order to enhance the training system geared towards enhancing safety and environmental awareness and skills.

^{*1} FMEA: Failure Mode and Effect Analysis

FTA: Fault Tree Analysis

Methods of systematically analyzing potential malfunctions and defects in products and other items

Measures to Improve Usability

The Yamaha Group always makes an effort to develop products from the customer's perspective. For example, employees act as product testers, and the results of their tests are reflected into product specifications. In this and other ways, Yamaha is working to improve usability.

Piano Division, Yamaha Corporation

Yamaha's Piano Division is developing new types of pianos that incorporate digital technologies into a traditional piano. Examples include the Disklavier™ E3 player piano released in 2009, as well as silent pianos and hybrid pianos.

The Disklavier in particular actively incorporates new functions such as Internet connection and simultaneous video recording and playback, offering users a multitude of ways to enjoy the product. The most important question for any product, however, is whether such functions are easy for customers to use and operate.

The Piano Division is conducting usability tests^{*2}, with the aim of making the Disklavier a more approachable and user-friendly product. These tests involve not only the product development division, but also sales divisions and the Quality Assurance Division. Sharing issues with each other facilitates a rapid response to any problems by the relevant division.

For usability tests, the division creates a situation in which testers can try all the functions included in the Disklavier. Test subjects operate the products or prototypes in a special testing room. Representatives from the various divisions watch the test subjects from a separate room, taking notes. Observers pay particular attention to details such as hand movements, which are recorded on video, and following the test they analyze and verify the results. This type of testing identifies unanticipated problems and allows the relevant divisions to modify specifications in order to enable more user-friendly, natural operation by customers.

^{*2} Usability tests: In-house tests to confirm product usability have employees operate the product on a trial basis.



A usability test in progress



The Disklavier™ E3 was developed taking usability into account

Improving Our Customer Support System

Working to improve support system quality through ongoing improvements

Improving Convenience by Standardizing Customer Helpdesks

<http://www.global.yamaha.com/about/csr/customers/support/convenience/>

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.

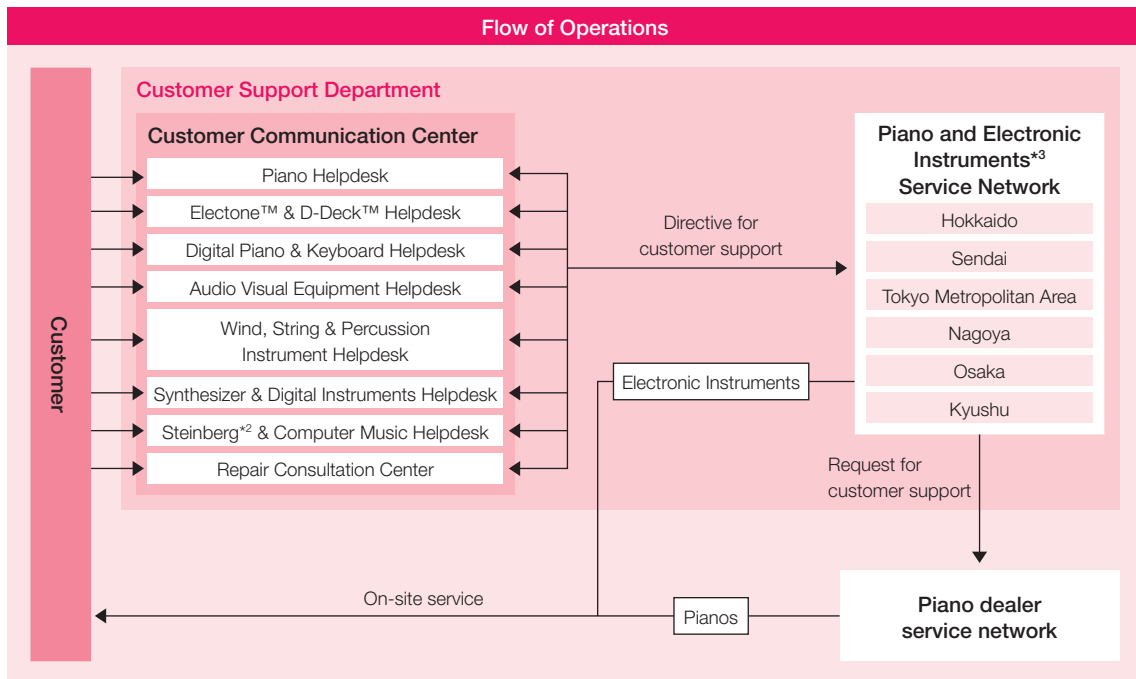
Moreover, in fiscal 2008, we took steps to improve our support structure, building a unified nationwide support system by clarifying helpdesk names and installing a standardized phone system using navi-dial,*¹ among other means. For customers, these changes have resulted in more intuitive helpdesks for each product, and enabled a smoother customer service response. In fiscal 2009, we overhauled our phone management system by transitioning to a cloud model, supervising phone response service levels and strengthening system maintenance. Through these and other initiatives, we are constantly working to improve the system.

At the same time, in order to improve the level of service, we have attached numerical values for various aspects of service quality, such as ease of reaching a representative by telephone and the speed of response to e-mail inquiries, and we are managing service based on these indicators. Through steady efforts in operator training and creating databases of customer inquiry details, we are continuously striving to improve the indicators for service quality.

*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 a more efficient provision of guidance and services to customers.



Staff field calls at the Customer Communication Center



*2 Steinberg: Music production software

*3 Electronic instruments includes electronic and electric acoustic instruments

For more information

Group-wide Quality Assurance Structure

■ Company-wide Quality Management System <http://www.global.yamaha.com/about/csr/customers/assurance/management/>

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 a variety of measures to respect diversity

Job-Tailored Training and Education

<http://www.global.yamaha.com/about/csr/workers/employee/education/>

Yamaha believes that creating a mutually beneficial relationship between the employee and the Company inspires motivation. Therefore, the Company works to create a system that is equally focused on education and training and career development. 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 Global Institute, which aims to mold the personnel who will be the backbone of the Company in the future, both in Japan and overseas. Another program designed to cultivate the next generation of core employees is the Yamaha Advanced Skill School, held at production facilities in Japan. The Function-Specific Training program trains employees in core technologies, *Monozukuri* (Manufacturing) Education seminars and international awareness. 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' self-directed studies, including through the Yamaha Business School, a distance learning-based program.

Yamaha also provides employees approaching the age of 50 opportunities and information to help them consider their individual life paths, and offers "Life Design Seminars" to support their future careers.

Systematic Transmission of Skills

http://www.global.yamaha.com/about/csr/workers/employee/keeping_craft/

Many highly skilled employees in manufacturing positions have been reaching the retirement age in recent years. Moreover, over the next several years, around 100 employees a year will be leaving the production floor. Given this state of affairs, Yamaha Corporation has been conducting skill transmission initiatives to ensure that core production skills are faithfully passed down to younger workers.

In order to develop a framework for skill transmission and personnel development, in 1996 we first registered the skills possessed by the Company using the Skill Registration System, which was created for that purpose. Registered skills are categorized and prioritized, and the data is used to make lists of essential skills and who possesses them in order to design programs for their transmission.

The From-To Program was created to aid in the transmission of especially important skills in a very practical way. Under the program, skilled veterans pair up with younger workers on a one-on-one basis (sometimes in groups depending on the skill) and provide systematic training in order to pass down their skills. To date, around 150 sets of workers have completed training. Workers in their thirties and forties who received training when the program was initiated are now in the position of conveying their knowledge to younger workers and are doing their best to maintain and pass down their skills. In recent years, more and more employees in their teens and twenties who have only been

with the Company for a short time are succeeding our veteran employees, so the program is also helping to foster a younger generation of employees who will support production activities in the years to come.

Occupational Health and Safety Policy Administration

<http://www.global.yamaha.com/about/csr/workers/employee/safety/>

Striving for Accident-Free Workplaces

To ensure employee safety, the Yamaha Group not only has in place safety measures related to machinery and equipment, but also promotes programs to identify and remove potential causes of accidents. For example, there is a set of routine confirmation motions and statements to ensure that all equipment is prepared properly, and a range of other activities designed to avoid near-miss incidents.

In fiscal 2008–2009, Yamaha Corporation's headquarters and factories cooperated with specialists and worksite managers in conducting inspections based on 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. We also conducted training at each business site to stress the importance of occupational health and safety, targeting relatively inexperienced employees and recent transfers, as well as contracted and temporary employees at Yamaha Corporation.

In fiscal 2010, as part of our efforts to reduce work-related risks, we rolled out our Risk Assessment Program*², positioned it as a key priority for our domestic Group companies, and promoted it along with our other activities in this area.

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

*² **Risk Assessment Program:** For each work procedure, factors including frequency, potential for injury, and degree of severity are assessed numerically. Activities then focus on reducing risk by making improvements in those areas with the highest numerical score.

Fiscal 2009 Work-Related Accidents

Fiscal 2009	No. of accidents		Frequency* ³		Severity* ⁴	
	Prevention Target	Result	Prevention Target	Result	Prevention Target	Results
Headquarters/ Headquarters Factory	6 or less	6	0.6 or less	0.60	0	0
Yamaha Corporation Sales Offices	1 or less	1	0.5 or less	0.53	None set	—
Group Companies in Japan	30 or less	21	1.0 or less	1.72	None set	—

*³ **Frequency** = number of work-related deaths/injuries ÷ total man hours x 1,000,000

*⁴ **Severity** = number of working days lost ÷ total man hours x 1,000

Initiatives for a Better Work-Life Balance

<http://www.global.yamaha.com/about/csr/workers/employee/worklife/>

The Yamaha Group considers cooperation between labor and management in achieving 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 beyond 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 the implementation and improvement of work/family support systems for the variety of circumstances encountered by employees.

EMPLOYEE REPORT

Childcare Leave for Male Employees



Daisuke Suzuki

Development Management Group
Production Technology Department
Digital Musical Instruments Division

I took one month of childcare leave when my first child was born in 2007 and when my next was born in 2009. The company has been encouraging male employees to take childcare leave, and I got on board with the idea. I wanted it to be my wife and I who raised our children and did not want to depend on my parents. I also wanted to go on record as taking childcare leave because I believe that an increase in childcare leave for men would make it easier for people raising children to work, for both men and women.

Taking this leave time, although shorter than the amount of childcare leave generally taken by women, allowed me to care for my children with my wife and gave me a real understanding of how hard it is, something I only had an abstract understanding of before. I also think I was able to partially share in how my wife was feeling, as she had to leave, albeit temporarily, a workplace where she was a key member.

More and more male employees at our company are taking childcare leave, and I got the sense when I took time off for my second child that everyone's acceptance had progressed from the time I took the leave time for my first child. I think for future generations, it will be the norm for fathers to take the time to help raise their children like this.

Assisting Women's Careers

<http://www.global.yamaha.com/about/csr/workers/employee/woman/>

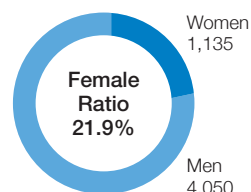
The Yamaha Group holds the diversity of its employees in high regard, and aims to be a place where all employees can make the most of their abilities, regardless of their gender, nationality or other factors. Measures implemented in the past have resulted in nearly an equal average number of years of continuous employment for male and

female employees at Yamaha Corporation, and the proportion of women returning to work after childcare leave is nearly 100%.

Principal Indicators Related to Female Employees at Yamaha Corporation

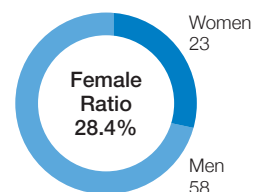
Ratio of Female Employees

(as of March, 2010)



Ratio of Female New Graduate Hires

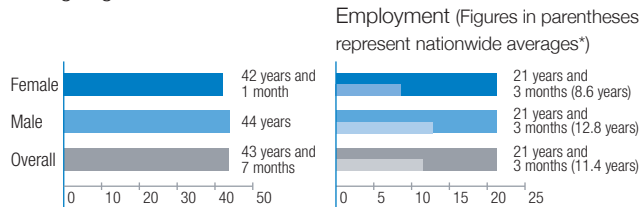
(fiscal 2010)



Average Age and Number of Years of Continuous Employment

(as of March, 2010)

Average Age



* Source: Ministry of Health, Labour and Welfare 2009 Basic Survey on Wage Structure

Female Manager Ratio

(as of March 2010) :

3.1%

Number of Employees Receiving Childcare Leave

(FY2007–FY2009)

Women: 75 Men: 17

Report on Women's Career Support Project

·Yamaha Travel Service Co., Ltd.

In April 2009, Yamaha Travel Service Co., Ltd. launched a Women's Career Support Project. The team, led by and consisting entirely of women, worked on project activities for approximately ten months.

The team focused their efforts on learning what kind of awareness women need to have active careers, and what kinds of obstacles they face.

First, to get a better understanding of current conditions, the team conducted interviews with all employees. This not only helped to narrow the focus of the project, but also proved effective in generating more lively communication between employees. The team also held in-house lectures, attended seminars outside the Company, and visited other companies. These activities enabled them to meet with a wide variety of people both inside and outside the Company, and were a great source of inspiration.

By February 2010, the team had compiled its final report, proposing new systems and activities. As a result of these proposals, we are now working on concrete steps to implement a program encouraging employees to take their holiday time, improve the visibility of our employee evaluation system, and other measures.



Members and associates of the Women's Career Support Project

For more information

Initiatives for Employees

■ Basic Employment Policies

<http://www.global.yamaha.com/about/csr/workers/employee/policy/>

■ Measures to Prevent Harassment

<http://www.global.yamaha.com/about/csr/workers/employee/harassment/>

With our Shareholders

■ Policies for Retained Earnings and Returns to Shareholders

<http://www.global.yamaha.com/about/csr/shareholders/policy/>

■ Inclusion in Socially Responsible Investment (SRI) indexes <http://www.global.yamaha.com/about/csr/shareholders/sri/>

■ Annual Report <http://www.global.yamaha.com/ir/publications/>

Initiatives for Business Partners

Embedding the concept of CSR more deeply, together

Fair Evaluation and Selection in Partner Relationships

[Web](http://www.global.yamaha.com/about/csr/workers/partners/evaluation/) <http://www.global.yamaha.com/about/csr/workers/partners/evaluation/>

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.

To date, the Yamaha Group has made public our Yamaha Material and Component Procurement Policy, and has surveyed and assessed the CSR initiatives of our suppliers. We also unveiled our Green Procurement Standards, comprising specific Group standards pertaining to our basic policy of conserving natural resources and protecting the environment, and conducted a survey of chemical substances contained in the materials and components we procure.

In fiscal 2010, we will continue our existing program of requesting improvements in the CSR initiatives of our suppliers, strengthen our own efforts to promote green procurement, revamp our system for managing materials and components containing chemical substances, and work to ensure that customers can feel secure in using the products we provide.

Survey of CSR Measures of Business Partners

[Web](http://www.global.yamaha.com/about/csr/workers/partners/research/) <http://www.global.yamaha.com/about/csr/workers/partners/research/>

Yamaha has been requesting improvement measures from suppliers (including, in the case of trading companies, the actual manufacturers in Japan and overseas) who earned low scores on the survey of CSR measures by business partners conducted by Yamaha's Procurement Division. Yamaha has also added a rating of CSR-related initiatives to the list of 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 Corporation's policies, and provide them with feedback on their score results.

Since the launch of this survey of CSR measures in fiscal 2008, Yamaha has surveyed and evaluated approximately 1,300 companies. In fiscal 2010, we will request stronger CSR measures from roughly 100 supplier companies.

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

With Our Shareholders

Yamaha strives to secure quality management and a sound business performance with the aim of achieving appropriate shareholder returns, and works to strengthen investor communication.

Proactive IR* Efforts to Promote Understanding of the Company

Deepened mutual understanding through investor communication

[Web](http://www.global.yamaha.com/about/csr/shareholders/ir/) <http://www.global.yamaha.com/about/csr/shareholders/ir/>

Yamaha Corporation adheres to a disclosure policy that ensures fair and 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 conferences and briefings for individual business segments as well as factory and facility tours on occasion. For institutional investors in other countries, along with making available English translations of all information provided to institutional investors in Japan, we visit investors overseas several times a year to foster mutual understanding through direct communication.

For individual shareholders, Yamaha runs a special benefit plan designed to encourage more shareholders to become active proponents of Yamaha's products and philosophy. Additionally, we utilize our website to provide corporate information in an easy-to-understand format, distribute an e-mail magazine with important information, and

are stepping up other activities, including Yamaha's active participation in events for individual shareholders.

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

* Investor Relations

Major IR Activities in FY2010.3.31

Regularly Scheduled Events

Quarterly results conferences	Each quarter (4 annually)
One-on-one meetings	200 times
Visits to overseas investors	3 times annually (U.S., U.K., Asia)

Other Events

Conference for mid-term management plan	Briefing on the musical Instruments business	Tour of facilities
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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.

Support for Aspiring Young Musicians

In order to support the popularization and development of musical culture, the Yamaha Group provides many forms of support to people studying music. Among these efforts is a program to provide scholarships for talented young musicians in various countries in Europe, the United States, and Southeast Asia.

·Yamaha Music Europe UK (YME UK)

YME UK promotes a scholarship system to support promising young musicians in the United Kingdom. In addition to the scholarship support activities in each European country by Yamaha Music Foundation of Europe*, YME UK has established separate scholarship systems for the Royal Northern College of Music, the Royal Scottish Academy of Music and Drama, the Guildhall School of Music & Drama, Chetham’s School of Music, and the Institute of Contemporary Music Performance.

The Yamaha Jazz Scholarship program was established with the support of the All Party Parliamentary Jazz Appreciation Group to provide scholarships to students in their final year of study at six British conservatories. In addition, the Yamaha Jazz Experience, held in early May 2010, offered the three winning groups in the 11–19 year-old division, the opportunity to perform at such world-famous jazz clubs as Ronnie Scott’s and 606 Club.



Award presentations for the Yamaha Jazz Experience

* Yamaha Music Foundation of Europe: A fund established by Yamaha Corporation and the Yamaha Music Foundation to provide scholarships for young music students in Europe.

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. The event is designed to help Hamamatsu become a city that promotes music, creating “a city where music lives, and where music brings the city to life.” This unique local cultural event, jointly organized by the public and private sectors, brings together people of all ages to enjoy jazz.



Elementary, junior high school and high school students from around Japan represented their schools in performances at “the 19th Hamamatsu Jazz Week.”

The 19th holding of the festival, took place in May 2010. In addition to concerts in auditoriums and on the street, for the first time the events included free lessons— “jazz workshops”— where members of the public could refine technique in voice, piano, saxophone, and four other instruments, as well as booths where they could try playing instruments on their own, helping visitors both enjoy jazz and make it more familiar. Another policy of Hamamatsu Jazz Week is to offer new artists the opportunity to perform, and the program actively included aspiring new artists alongside the veteran performers.

Handmade Guitar Workshop in Cooperation with College Student Volunteers

·Yamaha Corporation

Since 2002, the Handmade Guitar Project, a group of volunteers from Yamaha Corporation’s Wind, String & Percussion Instruments Division, have worked with college student volunteers from CSN Hamamatsu (College Student Network Hamamatsu) to hold handmade guitar workshops for elementary and junior high school students in the city of Hamamatsu.

The workshop uses familiar items such as wooden rods, toothpicks and cardboard to create the guitars in a simple construction that children can complete in three to four hours. Participants learn about the mechanisms of sound and musical scales, decide on the shape and color of the cardboard instrument body, and then have the opportunity to perform on the one-of-a-kind guitar that they have created.

In June 2010 at the Hamamatsu Science Museum, project members from Yamaha provided technical instruction and support for the event “Make and Play a Handmade Guitar,” part of the “Parent Child Manufacturing Workshop Program,” which aims to foster interest in science research by making objects. Going forward, the Company intends to continue to communicate to children the fun of creating and the appeal of music, instruments and the guitar, and to support the volunteer activities of young people like those at CSN Hamamatsu.



Children performing on their one-of-a-kind guitars



Yamaha Corporation employees and the CSN Hamamatsu volunteers pose for a photo

Donations in Response to the Sumatra Earthquake

·Yamaha Corporation, Yamaha Music Foundation, 6 Local Subsidiaries in Indonesia

Yamaha Corporation and its subsidiaries in Indonesia joined with the Yamaha Music Foundation in donating money to support victims of the earthquake that occurred in Sumatra, Indonesia, on September 30, 2009. The donation of ¥2.1 million was made to the Indonesian Red Cross Society via the Japanese Red Cross Society. Yamaha's Indonesian subsidiaries also organized a charity concert, donating admission fees towards reconstruction activities.



A performance by popular rock band "Slank"

Charity Concert

On October 31, 2009, eleven musical groups popular in Indonesia performed at a charity concert held by Yamaha Musik Indonesia (Distributor) (YMID). The concert earned a total of 95.7 million rupiah (approximately ¥910,000) in admission fees, which was donated to reconstruction efforts through the Indonesian Red Cross.



A certificate of appreciation presented by the Indonesian Red Cross

Marathon Fundraising in Support of Measures to Combat Childhood Disease

·Yamaha Corporation of America (YCA)

An employee-based initiative dedicated to charitable works, *Yamaha Cares* has a dual purpose of spreading the gift of music as well as promoting education, arts, social services, and community development in the places where Yamaha employees live and work.

Continuing initiatives include support for efforts to combat childhood disease. One such program is research being conducted by the Children's Hospital of Orange County (CHOC) into treatments for Type 1 juvenile diabetes, which *Yamaha Cares* is supporting with fundraising through participation in the Southern California Half Marathon. In fiscal 2009, employees raised \$9,152 through marathon pledges.



YCA *Yamaha Cares* participants fundraising at the Southern California Half Marathon.

Joining to Support the Society to Send Instruments to Developing Countries

·Yamaha Music Chushikoku Co., Ltd.

In support of the Society to Send Instruments to Developing Countries, made up of piano instructors from Kurashiki, Okayama, and other cities, Yamaha Music Chushikoku Co., Ltd. has joined with the Society to hold charity concerts, exchanging profits from those concerts for musical instruments, and then sending the instruments to children in developing countries through the auspices of the Japan International Cooperation Agency (JICA). In fiscal 2009, the charity concerts raised ¥200,000, which was used in donating new recorders, castanets, xylophones, and other instruments to eight countries*. Going forward, the Company will continue to participate in this program, with the next donation scheduled for the fall of 2010.



Members of the Society to Send Instruments to Developing Countries

* Countries receiving donations included the Philippines, the Solomon Islands, Fiji, Brazil, Paraguay, Gabon, Malawi, and Morocco.

Yamaha Kakegawa Grand Piano Factory Restarts Factory Tours

·Yamaha Kakegawa Factory

After shifting production processes for grand pianos from the factory at Yamaha Corporation's headquarters, we opened the Kakegawa Factory for public tours from June 2010. We have since received a wide variety of visitors, including musicians, families, corporate trainees, and school groups.

Visitors to the factory pass through Harmony Plaza, where we display an early model grand piano that has been recognized by the Ministry of Economy, Trade and Industry as part of Japan's Heritage of Industrial Modernization. In the factory we introduce them to the assembly process for modern grand pianos using the latest equipment and techniques, as well as our environmental protection initiatives including our cogeneration system.

Our goal in running these tours is to deepen the general public's understanding of Yamaha, and to arouse people's interest in instruments and music.



Visitors observe a grand piano being made at the Kakegawa Factory



An exhibition at Harmony Plaza

Please see our website for reports on the following topics:

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

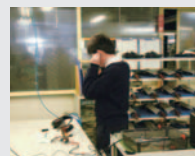
■ Reaching Out to Schools with Lessons on the Science of Sound



■ Contribution Activities at a Local Train Station



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



■ Proceeds from Musical Charities Support Children's Welfare



■ Contributing to Training for Junior High School Teachers (Workplace Experience)



Environmental Initiatives

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

Environmental Management

Setting goals for steady progress toward environmental management

Goals and Achievements

	Goal	Achievements in FY2009	Status	Future Initiatives
Environmental Management System	● Extend ISO 14001 certification	● Prepared framework for ISO 14001 integration from April 2010	Completed	● Complete ISO 14001 integration throughout the Yamaha Group in Japan by fiscal 2011
	● Expand the Yamaha Environment-Related Information System (Yecos)	● Examined compatibility with new system	Completed	● Introduce new system
	● Promote environmental training and education activities	● Provided internal environmental auditor training	Completed	● Continue to hold internal environmental auditor training seminars
		● Held brush-up seminars for internal environmental auditors	Completed	● Hold brush-up seminars for internal environmental auditors in response to ISO 14001 integration
Product development	● Promote environmentally friendly product development	● Made environmentally friendly design a regular part of employee education	Completed	● Implement regular employee education about environmentally friendly design
		● Implemented recycling of packaging materials for large electronic musical instruments	Completed	● Continue to manage recycling of certain products, such as used electronic musical instruments, and packaging materials
Green procurement	● Comply with RoHS Directive and similar standards	● Continued to manage compliance with RoHS Directive and similar standards	Completed	● Continue to manage compliance with RoHS Directive and similar regulations
		● Promote green procurement	● Implemented management of hazardous chemical materials in products that could be subject to stricter international regulation (survey of parts and components outside of Japan)	Completed
Prevention of global warming	● 6% reduction* in CO ₂ emissions on FY1990 levels by FY2010	● CO ₂ emissions volume down 34% compared to FY1990 (71.1 thousand tons of CO ₂ per year; 11% reduction year on year)*	Completed	● 6% reduction* in CO ₂ emissions on FY1990 levels by FY2010 ● Consider targets for CO ₂ emissions reduction for FY2010 and beyond
	● 1% reduction in CO ₂ emissions per unit of sales on FY2008*	● CO ₂ emissions per unit of sales rose by 6.4% year on year (to 23.9 tons CO ₂ per year per ¥100 million)*	Incomplete	● 1% reduction in CO ₂ emissions per unit of sales on FY2009*
Waste reduction	● Maintain Zero Emissions and improve recycling quality*	● Achieved 0.07% landfill disposal, compared to Zero Emissions target of under 1%* ● Began sales of wood waste as raw materials for composite board	Completed	● Maintain Zero Emissions and improve recycling quality*
Protection of the ozone layer	● Maintain elimination of CFCs and HCFCs from manufacturing processes*	● Completely eliminated in April 2005, not used since then*	Completed	● Maintain complete elimination*
Management of chemical substances	● Reduce VOC emissions by 30% on FY2000 levels by FY2010*	● VOC emissions volume reduced by 58% compared to FY2000 (208 tons per year, 25% reduction year on year)*	Completed	● Reduce VOC emissions by 30% on FY2000 levels by FY2010
Groundwater purification	● Continue ongoing purification of groundwater (1 site)	● Contamination level improved to approach environmental standards	Completed	● Continue using pumped water aeration and activated carbon absorption methods for groundwater purification
Biodiversity	● Consider relationship between business activities and biodiversity	● Continued to promote procurement based on Timber Procurement and Usage Guidelines ● Continued participation in Musicwood Campaign ● Promoted internal education about biodiversity (held seminars)	Completed	● Continue to promote procurement based on Timber Procurement and Usage Guidelines ● Continue participation in Musicwood Campaign ● Promote internal education about biodiversity
Social contribution	● Conservation of forests outside of Japan: Plant 150,000 to 200,000 trees on 120 hectares in "Yamaha Forest," Indonesia between FY2005 and FY2009	● Planted 115,000 trees on 127 hectares in "Yamaha Forest," Indonesia by FY2009	Completed	● Consider further tree-planting activities in Indonesia
	● Conservation of forests in Japan: Provide support for regeneration of the Enshunada coastal forest between FY2007 and FY2010	● 130 Yamaha employees and their families and volunteers from the general public planted 150 trees as part of the "Shizuoka Forests of the Future Supporter System" to support the regeneration of the Enshunada coastal forest	Completed	● Continue support for the regeneration of the Enshunada coastal forest
	● Conduct and participate in local cleanup campaigns	● Approximately 820 people participated in local cleanup campaigns	Completed	● Continue participation in local cleanup campaigns
Environmental communication	● Disclose information through CSR report and website	● Disclosed information by publishing a printed <i>CSR Report</i> introducing activities and a Web-based report containing full information on activities and data	Completed	● Continue disclosing information by publishing a printed and a web-based <i>CSR Report</i>
	● Disclose information through participation in various events	● Participated in "Shizuoka STOP Global Warming Action Campaign" ● Continued "Kakegawa STOP Global Warming Partnership Agreement" (Kakegawa Factory)	Completed	● Disclose information through participation in various events

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

Web For more information

Related URLs:

- Yamaha Group Environmental Policy <http://www.global.yamaha.com/about/csr/policy/>
- Yamaha's Environmental Management Promotion System <http://www.global.yamaha.com/about/csr/environment/management/system/>
- Environmental Initiatives <http://www.global.yamaha.com/about/csr/environment/>

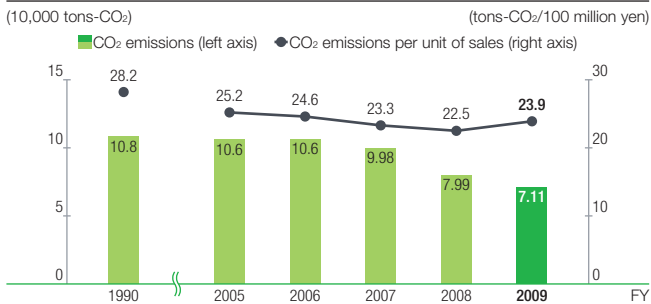
Global Warming Prevention

Reducing CO₂ emissions by 11% year on year

Global Warming Countermeasures

<http://www.global.yamaha.com/about/csr/environment/anathermalcountermeasure/>
 As part of its measures to counter global warming, the Yamaha Group has worked to reduce its greenhouse gas emissions through improvements to production and air conditioning equipment and extensive energy management, including the adoption of highly energy-efficient equipment. The Group has also introduced cogeneration systems and converted to more environmentally friendly fuel sources.

Graph of CO₂ Emissions (from energy consumption)



Environmental Effects of Consolidating Piano Production

·Kakegawa Factory, Yamaha Corporation
 Since 2006, Yamaha Corporation has been working to transfer production of grand pianos from its headquarters factory to its Kakegawa Factory, and in August 2010 the Company completed consolidation of the production of upright pianos. To counter the increased energy needs resulting from this consolidation, the factory introduced a cogeneration system, replacing the heavy-oil-fired boiler formerly used

to supply heat with a natural-gas-fired boiler fueled by liquid natural gas (LNG), while also working to make the production process more energy-efficient. These measures are expected to result in a 3,400 ton annual reduction in CO₂ emissions.

Examples of energy-saving measures in the production process

(1) Emissions of internal conditioning air are reduced through the installation of an indoor dust collection system.



(2) Effects of external air temperature on airlocks and shade film are mitigated.



(3) The burden on compressors are mitigated through steps to prevent compressed air from leaking from production equipment.

Management of Chemical Substances and Reduction of Emissions

Working to substitute and eliminate emissions of chemical substances

Management of Chemical Substances

<http://www.global.yamaha.com/about/csr/environment/chemical/risk/>

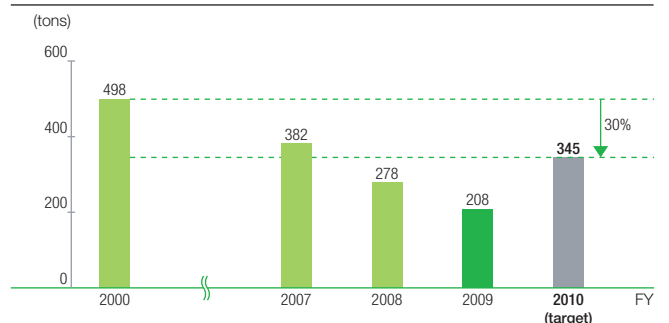
Management of Chemical Substances and Reduction of Emissions

When utilizing chemical substances, the Yamaha Group strives to minimize adverse impact on people and the environment by thoroughly managing chemical substances such as those designated under the PRTR*¹ Law, and reducing emissions of substances from production processes and products. Chemicals emissions that occur in the course of production processes at the Yamaha Group are mainly volatile organic compounds (VOCs)*². The Group launched a VOCs Emission Reduction Working Group in fiscal 2006, and conducted a survey of the Yamaha Group's usage and emissions of VOCs. In fiscal 2008, we established a reduction plan and set a target of a 30% reduction in emissions by fiscal 2010 compared with fiscal 2000. Yamaha is continuing its efforts to substitute or reduce chemical substances throughout the Group.

*1 **PRTR**: An abbreviation for Pollutant Release and Transfer Register. The PRTR Law is an abbreviation of the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management.

*2 **VOCs (volatile organic compounds)**: These compounds, contained as thinning agents for coatings and adhesives, are believed to be one factor in the release of photochemical oxidants and suspended particulate matter (SPM).

VOCs Atmospheric Emissions



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 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

As of June 25, 2010, Yamaha has five directors, including two outside directors. In order to accelerate decision-making by the Board of Directors and enhance supervisory functions, in fiscal 2010 we have decreased the number of directors serving concurrently as executive officers by four, and added one outside director. Outside directors also act as members of the Corporate Governance Committees and serve to ensure transparency of management decision-making. 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 the divisions. In order to clarify responsibilities, 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, 2010, the executive officer system comprises 16 executive officers, including two managing executive officers, who are allocated to business or administrative divisions dealing with important management issues. The executive officers support the President, the chief officer in charge of business execution. Managing executive officers, who serve concurrently as Company directors, are assigned to oversee the operation of businesses and administrative divisions, in accordance with the importance of these responsibilities. In addition, five senior executive officers oversee the entire Company organization. As group managers, they are responsible for the performance of key divisions 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, as well as by setting up Corporate 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, 2010, Yamaha has four auditors, including two 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. Yamaha has also established a Corporate Auditors' Office (with one staff member as of June 25, 2010) as a dedicated staff for the auditors, to ensure an environment conducive for performing effective audits.

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.

The Internal Auditing Division (10 staff members as of June 25, 2010) is under the direct control of the President and Representative Director. Its role 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 and Group companies 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/commitments/system/governance/) <http://www.global.yamaha.com/about/csr/commitments/system/governance/>

Compliance Oriented Management

[Web](http://www.global.yamaha.com/about/csr/commitments/system/compliance/) <http://www.global.yamaha.com/about/csr/commitments/system/compliance/>

Yamaha began conducting compliance activities in Japan in 2003 with the establishment of the 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 the completion of codes of conduct that reflect various local laws and regulations governing overseas Group companies.

In fiscal 2009 we pushed compliance forward with the slogan "Compliance and Communication: Creating a Corporate Culture of Doing the Right Thing in High Spirits." In June 2010, we reorganized the companywide Governance Committees and the compliance activities are now steered by the newly set-up Risk Management Committee through its CSR and Compliance Subcommittee.

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, Mr. Hiroaki Satoh shares his opinion on how the Group can improve its performance in this area.



Hiroaki Satoh

Head of the Shizuoka Center for
Climate Change Actions
(Professor Emeritus and Former President,
Shizuoka University)

As part of efforts to prevent global warming, Shizuoka Prefecture has brought government, citizens, and corporations together in rolling out the “STOP Global Warming Action Campaign.”

This summer, I visited the Yamaha Corporation’s Kakegawa Factory, which is part of the campaign’s Executive Committee. I watched the grand piano manufacturing process, and saw the plant’s energy cogeneration system. This gave me insight into the Company’s approach to CSR, which is based on its philosophy of “Creating ‘Kando’ Together,” its core DNA and expert craftsmanship, and its environmental initiatives.

Management Focus on CSR and the Environment

With its roots in sound and music, Yamaha works to expand its range while valuing communication with its stakeholders, and takes great care in disseminating information about its CSR initiatives through a wide variety of communication mediums. This CSR-focused approach comes through vividly in the Company’s new medium-term management plan, which starts in fiscal 2010.

Yamaha’s environmentally conscious management approach can be found across its entire business line, from procurement, to development, manufacturing, and use, and on through to its disposal practices. An overview of the status of those efforts can be seen in its Goals and Achievements in the Environmental Initiatives. These efforts to make the Company’s environmental initiatives more visible, including publication of environmental accounting data on its website, and the very convincing message this sends, should be highly commended.

If I were to ask for anything else, it would be that the Company becomes an even more powerful communicator of CSR and environmental data, and comes up with ways to develop even more appealing data and methods (for example, data regarding its carbon footprint, a measure of environmental impact, or information on environment-related research and development).

Trees Are an Instrument’s Lifeblood

The value of an instrument lies in its ability to create the most perfect resonance with the sensitivities all humans possess, and wood accomplishes this better than any other material. In one sense, Yamaha’s 120-year history has been built around a deep relationship with the wood that gives its instruments life. For example, the sound board, which determines a piano’s delicate tone, is 80-90% composed of wood. This is one reason why the 2010 *CSR Report* focuses on wood as its main theme.

Through its activities as a “Shizuoka Forests of the Future Supporter System”, the Yamaha Forest, and other efforts, Yamaha goes beyond its primary business to take a proactive role at home and abroad in supporting forest revitalization. From the viewpoint of environmental, social, and corporate sustainability, however, I believe Yamaha could also make an important choice to treat these efforts themselves as the Company’s primary business. This would enable the Company to secure its own sources of wood, the key material in its instruments, while expanding carbon sinks, in turn leading to the preservation of biodiversity and the ecosystem.

Member of Society, Citizen of the World

From the CSR policies outlined in this report, it is obvious that the Yamaha Group brings a well-defined intent and sophisticated means to its efforts to contribute to society as a corporate citizen, based on its roots in sound and music. Going forward, I hope the Group will push ahead even further with specific initiatives to spread both music and environmental education, in line with the policies laid out here. To do that, it is critical that the Company’s employees work to sharpen their individual sensitivity to environmental and social shifts, and that the Company and its employees come together in promoting its CSR initiatives.

RESPONSE



Tsutomu Sasaki

Senior Executive Officer in charge of the
Corporate Administration Group
Yamaha Corporation

This year we are grateful to receive third-party feedback from Hiroaki Satoh, one of the people active in promoting the “STOP Global Warming Action Campaign.”

We are particularly glad to have his evaluation on our deployment of CSR and environmental initiatives. Going forward, we will continue both to promote our activities and to place importance on communicating with stakeholders, including through careful dissemination of information.

Regarding Yamaha’s relationship with wood, in our future activities we will take into account Dr. Satoh’s point about the importance of going beyond simply voluntary activities and to make wood-related efforts Yamaha’s primary business.

Going forward, the Company will work together with employees to promote continuous action in the fields of sound and music, environmental consideration, and local contribution, in line with the Yamaha Corporation Group’s CSR Policy.

Company Outline

Background Information (As of March 31, 2010)

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: 25,658
 Unconsolidated: 5,185
Yamaha Group: Number of consolidated subsidiaries: 84 (including companies located outside Japan)
Number of companies accounted for by the equity method: 1

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

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.



* On March 31, 2010 Yamaha sold 85.1% of the shares of Yamaha Livingtec Corporation, the consolidated subsidiary that operated the lifestyle-related products business. As a result, Yamaha Livingtec is now excluded from the scope of consolidation.

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.

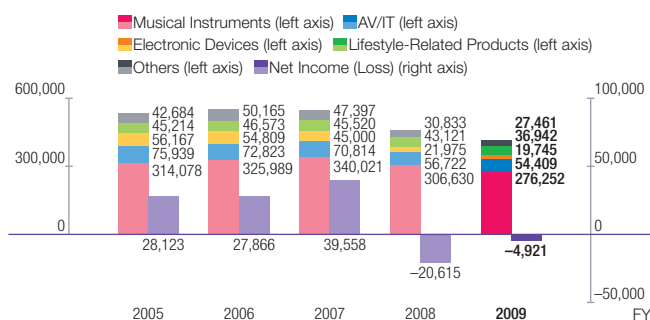


* Yamaha announced the cessation of production and withdrawal from the metal molds and parts business in fiscal 2009.

Key Financial Indicators (Consolidated)

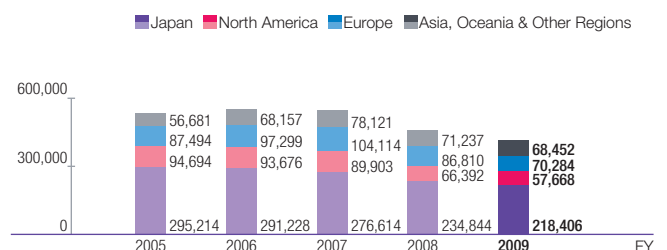
Net Sales by Segment and Net Income (Loss)

(Million Yen)



Consolidated Net Sales by Region

(Million Yen)



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 in their respective businesses. 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 CORPORATION

CSR Section, General Administration Division
URL: <http://www.global.yamaha.com/>



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This document uses a waterless printing method that generates
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October 2010