

For Immediate Release

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**Announcement of Realignment and Strengthening
of Domestic Musical Instrument Sales Subsidiaries**

Yamaha Corporation announces that the Company decided to implement measures, to take effect on July 1, 2009, for the realignment and strengthening of its seven wholly owned Yamaha Music regional companies (hereinafter, the seven YM companies) located in the Tokyo metropolitan area, Hokkaido, Tohoku, Chugoku, Shikoku, and Kyushu as part of the Company's activities to strengthen domestic sales capabilities. The details are as follows.

1. Matters Decided by the Board of Directors

- ① Effective July 1, 2009, the three YM companies in the Tokyo metropolitan area (YM Tokyo, YM Nishi-Tokyo, and YM Yokohama) will merge, with YM Tokyo as the surviving company that will absorb the operations of the remaining two companies, which will subsequently be dissolved.
- ② Effective July 1, 2009, the wholesale marketing of pianos, digital pianos, and electronic organs to the regional contracted dealerships and the school businesses currently directly supervised by Yamaha will be outsourced to YM Hokkaido, YM Tohoku, YM Setouchi, and YM Kyushu.

2. Objectives of the Realignment and Strengthening

Thus far, Yamaha's basic policy has been to develop musical instrument sales and music and English-language school business by signing exclusive dealer contracts directly. As part of these

business arrangements, Yamaha has also established wholly owned musical instrument sales subsidiaries in principal regions and operated retail stores to sell its products.

The realignment and strengthening measures decided today, which are intended to enhance the sales capabilities of domestic musical instrument subsidiaries, will involve the consolidation and realignment of 7 of Yamaha's 10 current sales subsidiaries nationwide. In view of the nature of the regions where these subsidiaries are located and their market potential, the realignment policy deals separately with the three subsidiaries in the Tokyo metropolitan area and the four subsidiaries located in regional areas.

To centralize sales activities, effective July 1, 2009, the three subsidiaries operating in the Tokyo metropolitan area (YM Tokyo, YM Nishi-Tokyo, and YM Yokohama) will be merged, with YM Tokyo as the surviving company. The operations of the remaining two companies will be absorbed into YM Tokyo, and YM Nishi-Tokyo and YM Yokohama will then be dissolved. The Yamaha sales network in the Tokyo metropolitan area will be augmented by the opening of a newly-built "New Yamaha Ginza Store," which will be the flagship store for the Yamaha Group. The opening of this flagship outlet in spring 2010 will accelerate the strengthening of sales power and stabilize Yamaha's operations.

Also effective July 1, 2009, Yamaha will outsource the wholesale marketing of pianos, digital pianos, and electronic organs to the regional contracted dealerships and the school business activities, both of which have thus far been managed directly by the Company, to four of the sales subsidiaries (YM Hokkaido, YM Tohoku, YM Setouchi, and YM Kyushu). In addition to the retail sales of musical instruments, Yamaha will develop its operations through the four sales companies listed previously that will be in overall charge of setting sales policies for the regions they are responsible for. Along with the change in the content of business activities, the corporate name of YM Setouchi will be changed.

Outlines of the three sales subsidiaries in the Tokyo metropolitan area that will be merged on July 1, 2009, and the new sales subsidiary created from the merger are as shown below. All of these subsidiaries were established in 1994.

3. Outline of the Three Sales Subsidiaries in the Tokyo Metropolitan Area Scheduled to Be Merged

Company name: Yamaha Music Tokyo Co., Ltd.

Location: 3-13, Ginza 1-chome, Chuo-ku, Tokyo
 Representative: Shinya Hanamoto, representative director and president
 Lines of business: Sales of musical instruments, sheet music and scores, and soundproof rooms; operation of music and English-language schools
 Paid-in capital: ¥400 million
 Number of employees: 287 (as of March 31, 2009)
 Principal outlets: Ginza Store, Shibuya Store, Chiba Store
 Sales: ¥7.5 billion (actual for fiscal year ended March 31, 2009)

Company name: Yamaha Music Nishi-Tokyo Co., Ltd.
 Location: 25-11, Minami Ikebukuro 1-chome, Toshima-ku, Tokyo
 Representative: Haruhiko Masuda, representative director and president
 Lines of business: Sales of musical instruments, sheet music and scores, and soundproof rooms; operation of music and English-language schools
 Paid-in capital: ¥350 million
 Number of employees: 142 (as of March 31, 2009)
 Principal outlets: Ikebukuro Store, Tachikawa Store, Tokorozawa Store
 Sales: ¥3.5 billion (actual for fiscal year ended March 31, 2009)

Company name: Yamaha Music Yokohama Co., Ltd.
 Location: 5-3, Kita-Saiwai 2-chome, Nishi-ku, Yokohama
 Representative: Toshiro Sugino, representative director and president
 Lines of business: Sales of musical instruments, sheet music and scores, and soundproof rooms; operation of music and English-language schools
 Paid-in capital: ¥350 million
 Number of employees: 143 (as of March 31, 2009)
 Principal outlets: Yokohama Store, Fujisawa Store
 Sales: ¥4.2 billion (actual for fiscal year ended March 31, 2009)

4. Outline of the Sales Subsidiary in the Tokyo Metropolitan Area Following the Merger

Company name: Yamaha Music Tokyo Co., Ltd.
 Location: 3-13, Ginza 1-chome, Chuo-ku, Tokyo

Representative:	Shinya Hanamoto, scheduled to become representative director and president
Lines of business:	Sales of musical instruments, sheet music and scores, and soundproof rooms, operation of music and English-language schools
Paid-in capital:	¥400 million
Number of employees:	572
Principal outlets:	Ginza Store, Shibuya Store, Ikebukuro Store, Chiba Store, Yokohama Store, and other outlets

5. Merger Ratios

Since 100% of the shares of the three subsidiaries are owned by Yamaha, no merger ratios will be set. In addition, no new shares will be issued, and paid-in capital will not be increased as part of the merger.

6. Schedule for the Merger

May through June: Decisions to approve the merger at the general meetings of shareholders of the companies involved

July 1: Effective date of the merger (scheduled)

Wholesale marketing of pianos, digital pianos, and electronic organs and school businesses will be outsourced from Yamaha to the following four regional sales subsidiaries, as of July 1, 2009.

7. Outline of the Four Regional Sales Subsidiaries

Company name:	Yamaha Music Hokkaido Co., Ltd.
Location:	1-50, 10-jo Minami 1-chome, Chuo-ku, Sapporo
Representative:	Ryuichi Akimoto, representative director and president (scheduled to assume the office of representative director and president of the current YM Hokkaido)
Lines of business:	Sales of musical instruments, sheet music and scores, and soundproof rooms; operation of music and English-language

	schools
Paid-in capital:	¥200 million
Number of employees:	132
Sales:	¥2.8 billion (actual for fiscal year ended March 31, 2009)
Regional coverage:	Hokkaido
Company name:	Yamaha Music Tohoku Co., Ltd.
Location:	6-5, Ichibancho 2-chome, Aoba-ku, Sendai
Representative:	Junichi Shiba, representative director and president (scheduled to assume the office of representative director and president of the current YM Tohoku)
Lines of business:	Sales of musical instruments, sheet music and scores, and soundproof rooms, operation of music and English-language schools
Paid-in capital:	¥250 million
Number of employees:	144
Sales:	¥3.4 billion (actual for the fiscal year ended March 31, 2009)
Regional coverage:	The Tohoku region
Company name:	Yamaha Music Setouchi Co., Ltd.
New Company name	Yamaha Music Chu-Shikoku Co., Ltd. (effective from July 1, 2009)
Location:	1-18, Kamiya-cho 1-chome, Naka-ku, Hiroshima
Representative:	Tetsuya Ureshino, representative director and president (scheduled to assume the office of representative director and president of the current YM Setouchi)
Lines of business:	Sales of musical instruments, sheet music and scores, and soundproof rooms; operation of music and English-language schools
Paid-in capital:	¥175 million
Number of employees:	233
Sales:	¥5.4 billion (actual for the fiscal year ended March 31, 2009)
Regional coverage:	The Chugoku and Shikoku regions

Company name:	Yamaha Music Kyushu Co., Ltd.
Location:	11-4, Hakata Ekimae 2-chome, Hakata-ku, Fukuoka
Representative:	Junichi Watanabe, representative director and president
Lines of business:	Sales of musical instruments, sheet music and scores, and soundproof rooms; operation of music and English-language schools
Paid-in capital:	¥250 million
Number of employees:	81
Sales:	¥2.5 billion (actual for the fiscal year ended March 31, 2009)
Regional coverage:	The Kyushu region

8. Outlook Going Forward

The merger of certain domestic sales subsidiaries and outsourcing of certain functions to domestic sales companies described previously will have no effect on the consolidated accounts.