

November 19, 2009

For Immediate Release

Company Name: YAMAHA CORPORATION
**President and
Representative Director:** Mitsuru Umemura
Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Announcement of a Decision Regarding the Commencement
of Negotiations to Transfer Shares of a Subsidiary**

Yamaha Corporation has announced that its Board of Directors, at their meeting held on November 19, 2009, has decided to begin negotiations regarding the transfer of Yamaha's holdings of shares in its wholly owned subsidiary Yamaha Livingtec Corporation (hereinafter, YLT) with Japan Industrial Partners, Inc. (hereinafter, JIP). The details are as follows.

1. Background for Commencement of Negotiations

YLT is a wholly owned subsidiary of Yamaha in the housing fixtures and equipment business, primarily engaged in the manufacturing and sale of system kitchens and system bathrooms. Recently, as a result of the decline in the number of housing starts in Japan and other factors, the business environment for YLT has become substantially more difficult. To implement a range of measures that will enable YLT to realize its latent growth potential and expand its operations in the medium-to-long term—including enhancing the attractiveness of its products, reducing manufacturing costs, and strengthening its marketing capabilities—consideration has been given to a number of options, including providing YLT greater freedom in management and significantly strengthening its abilities for responding to market trends by separating it from the framework of the Yamaha Corporation Group, which is primarily engaged in sound and music related business activities.

With this as a background, specific discussions have been held in recent months with JIP regarding the transfer of shares of YLT. Under this transfer, an investment fund under the management and operation of JIP would invest in YLT and provide other forms of support, with the basic objective of expanding the operations of YLT. As a result of these discussions, the decision has been made to begin negotiations. Looking ahead, the goal will be to reach a final agreement in spring 2010.

2. Outline of YLT

(1) Company Outline

Company name: Yamaha Livingtec Corporation

Address: 1370 Nishiyama-cho, Nishi-ku, Hamamatsu, Shizuoka Prefecture

Representative: Yasuo Morisada, Representative Director and President

Date of establishment: October 1, 1991

Lines of business: Manufacturing and sale of housing fixtures and equipment

Annual closing of accounts: March 31 each year

Number of employees: 1,198 (As of September 30, 2009)

Paid-in capital: ¥500 million

Number of shares issued: 1,000,000 shares

(2) Relationship between Yamaha and YLT

Capital relationships: Yamaha is the parent company of YLT and owns 100% of its shares.

Personal relationships: Yasushi Yahata, Director of YLT is a Director of Yamaha Corporation. Also, Tokihisa Makino, Auditor of YLT, holds the position of Auditor of Yamaha Corporation.

(3) Recent Performance of YLT

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Net sales	¥46,675 million	¥45,613 million	¥43,251 million
Operating income (loss)	¥1,148 million	¥567 million	(¥308 million)
Ordinary income (loss)	¥698 million	¥338 million	(¥485 million)
Net income (loss)	¥159 million	¥302 million	(¥904 million)
Total assets	¥21,642 million	¥18,712 million	¥16,715 million
Net assets	¥5,050 million	¥5,350 million	¥4,446 million

3. Outline of the Other Party in the Negotiations

Company name: Japan Industrial Partners, Inc.

Address: 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo

Representative: Hidemi Moue, Representative Director and
President

Line of business: Investment fund management

Paid-in capital: ¥100 million

Relationship to Yamaha: None

4. Number of Shares to Be Transferred, Share Ownership before and after the Transfer, and the Share Transfer Price

Shares owned prior to the transfer: 1,000,000 shares (shares
ownership percentage: 100%)

Number of shares to be transferred: To be decided (A majority of
the shares are scheduled to be transferred.)

Number of share owned after the transfer: To be decided

Share transfer price: To be decided

5. Schedule Going Forward

The proposed date for the transfer of shares is March 31, 2010.

6. Outlook Going Forward

The effects on Yamaha's performance during the current fiscal year (ending March 31, 2010) of this transfer of shares will be examined in detail following the conclusion of the share purchase agreement and the results will be announced thereafter.

For further information, please contact:

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