

# YAMAHA CORPORATION

## Interim Flash Report

### Non-Consolidated Basis

Results for the FY2004 interim period ended September 30, 2003

November 10, 2003

**Company name:** YAMAHA CORPORATION  
(URL <http://www.yamaha.co.jp/english/ir/report/>)  
**Code number:** 7951  
**Address of headquarters:** 10-1, Nakazawa-cho, Hamamatsu, Shizuoka 430-8650, Japan  
**Representative director:** Shuji Ito  
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**Telephone:** +81 53 460 2141  
**Date of the interim meeting of the Board of Directors:** November 10, 2003  
**Interim dividend:** YES  
**Start date of interim dividend payout:** December 10, 2003  
**Application of share unit system:** Applicable (1 unit=100 shares)

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

### 1. RESULTS FOR THE FY2004 INTERIM PERIOD (April 1, 2003 to September 30, 2003)

Figures of less than ¥1 million have been omitted.

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	(% change from the previous interim period)	Millions of yen	(% change from the previous interim period)	Millions of yen	(% change from the previous interim period)
FY2004 interim period (Ended September 30, 2003)	¥179,907	4.5	¥18,767	77.1	¥19,763	79.7
FY2003 interim period (Ended September 30, 2002)	172,098	(0.5)	10,599	38.7	10,998	27.3
FY2003 (Ended March 31, 2003)	334,078		21,897		22,218	

	Net income		Net income per share
	Millions of yen	(% change from the previous interim period)	
FY2004 interim period (Ended September 30, 2003)	¥19,288	151.5	¥93.47
FY2003 interim period (Ended September 30, 2002)	7,669	(11.8)	37.15
FY2003 (Ended March 31, 2003)	7,706		36.95

Notes: 1. Average number of outstanding shares during the period:

FY2004 interim period ended September 30, 2003 206,356,126 shares  
FY2003 interim period ended September 30, 2002 206,426,510 shares  
FY2003 ended March 31, 2003 206,404,508 shares

2. Changes in method of accounting: NONE

## (2) Dividends

	Interim dividends per share	Dividends paid for the year
	Yen	Yen
FY2004 interim period (Ended September 30, 2003)	¥5.00	¥ —
FY2003 interim period (Ended September 30, 2002)	5.00	—
FY2003 (As of March 31, 2003)	—	¥10.00

## (3) Non-Consolidated Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2004 interim period (Ended September 30, 2003)	¥356,379	¥169,342	47.5%	¥820.65
FY2003 interim period (Ended September 30, 2002)	291,774	148,282	50.8	718.43
FY2003 (As of March 31, 2003)	¥347,499	¥146,394	42.1	709.03

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

FY2004 interim period ended September 30, 2003	206,351,727 shares
FY2003 interim period ended September 30, 2002	206,397,898 shares
FY2003 ended March 31, 2003	206,358,924 shares

2. Number of shares of treasury stock at the end of the period:

FY2004 interim period ended September 30, 2003	171,536 shares
FY2003 interim period ended September 30, 2002	125,365 shares
FY2003 ended March 31, 2003	164,339 shares

**2. FORECAST OF RESULTS FOR FY2004** (April 1, 2003 to March 31, 2004)

	Net sales	Recurring profit	Net income	Year-end dividends per share	Dividends per share for the year
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
FY2004	¥341,000	¥24,500	¥23,500	¥5.00	¥10.00

Reference: Net income per share for the fiscal year is forecast to be ¥113.88 on a non-consolidated basis.

*Forecast performance is predicted by the Company based on the information available at the time of the forecast. Actual performance may differ from forecasts. For further information, please see "Forecast for Fiscal 2004" under "BUSINESS RESULTS."*

**(References)****(1) Non-Consolidated Balance Sheets**

	Millions of yen		
	FY2004 interim period (as of Sept. 30, 2003)	FY2003 interim period (as of Sept. 30, 2002)	FY2003 (as of Mar. 31, 2003)
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and bank deposits	¥ 25,861	¥ 11,371	¥ 19,127
Notes receivable	7,698	5,680	9,253
Accounts receivable	41,294	36,125	39,260
Inventories	25,101	25,243	27,748
Deferred income taxes	8,652	7,979	7,969
Other current assets	2,321	2,177	2,507
Allowance for doubtful accounts	(1,306)	(1,283)	(1,344)
Total current assets	109,623	87,295	104,521
<b>Fixed assets:</b>			
Tangible assets			
Buildings	36,054	14,003	36,300
Machinery and equipment	7,054	7,277	7,130
Land	63,918	48,110	63,937
Other tangible assets	11,024	6,455	11,102
Total tangible assets	118,051	75,846	118,470
Intangible assets	110	77	110
Investments and other assets:			
Investment securities	27,486	25,100	19,599
Shares of affiliated companies	62,960	63,855	62,353
Deferred income taxes	19,313	22,992	22,914
Other assets	19,911	17,608	20,605
Allowance for doubtful accounts	(1,078)	(1,001)	(1,074)
Total investments and other assets	128,593	128,555	124,397
Total fixed assets	246,755	204,479	242,978
Total assets	¥356,379	¥291,774	¥347,499

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

	Millions of yen		
	FY2004 interim period (as of Sept. 30, 2003)	FY2003 interim period (as of Sept. 30, 2002)	FY2003 (as of Mar. 31, 2003)
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes payable	¥ 806	¥ 1,253	¥ 688
Accounts payable	24,518	26,867	23,762
Short-term loans	2,912	944	6,461
Convertible bonds scheduled for redemption within one year	24,317	—	24,317
Current portion of long-term debt	—	6,220	6,220
Corporate taxes payable	50	50	100
Accrued expenses	20,745	20,637	22,911
Various reserves	909	741	852
Reserve for subsidiary support	—	—	1,264
Other current liabilities	2,513	2,109	2,383
Total current liabilities	76,772	58,823	88,961
<b>Long-term liabilities:</b>			
Convertible bonds	—	24,317	—
Long-term debt	17,338	—	17,038
Deferred income taxes on land revaluation	10,160	10,684	10,169
Accrued employees' retirement benefits	44,882	48,017	46,228
Directors' retirement benefits	614	672	721
Long-term deposits received	36,309	—	37,020
Other liabilities	959	977	965
Total long-term liabilities	110,264	84,669	112,143
Total liabilities	187,037	143,492	201,105
<b>SHAREHOLDERS' EQUITY</b>			
<b>Common stock</b>	28,533	28,533	28,533
<b>Capital surplus:</b>			
Capital reserve	40,052	26,924	40,052
Total capital surplus	40,052	26,924	40,052
<b>Earned surplus:</b>			
Legal reserve	4,159	4,159	4,159
Retained earnings	65,422	58,854	58,854
Unappropriated earnings	23,603	12,851	12,101
Total earned surplus	93,185	75,865	75,115
<b>Reserve for land revaluation</b>	2,533	15,457	2,426
<b>Net unrealized holding gains on other securities</b>	5,233	1,640	449
<b>Treasury stock, at cost</b>	(195)	(139)	(183)
Total shareholders' equity	169,342	148,282	146,394
Total liabilities and shareholders' equity	¥356,379	¥291,774	¥347,499

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

## (2) Non-Consolidated Statement of Operations

	FY2004 interim period (April 1, 2003– Sept. 30, 2003)		FY2003 interim period (April 1, 2002– Sept. 30, 2002)		FY2003 (April 1, 2002– Mar. 31, 2003)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Net sales</b>	<b>¥179,907</b>	<b>100.0</b>	¥172,098	100.0	¥334,078	100.0
<b>Cost of sales:</b>	<b>127,127</b>	<b>70.7</b>	129,515	75.2	245,721	73.6
Gross profit	<b>52,780</b>	<b>29.3</b>	42,582	24.8	88,356	26.4
Unrealized profit	<b>93</b>		20		124	
Total gross profit	<b>52,874</b>	<b>29.4</b>	42,602	24.8	88,480	26.4
<b>Selling, general and administrative expenses:</b>	<b>34,107</b>	<b>19.0</b>	32,002	18.6	66,583	19.9
Operating income	<b>18,767</b>	<b>10.4</b>	10,599	6.2	21,897	6.5
<b>Non-operating income</b>	<b>1,536</b>	<b>0.9</b>	1,125	0.6	1,661	0.5
<b>Non-operating expenses:</b>	<b>540</b>	<b>0.3</b>	727	0.4	1,340	0.4
Recurring profit	<b>19,763</b>	<b>11.0</b>	10,998	6.4	22,218	6.6
<b>Other profit</b>	<b>113</b>	<b>0.0</b>	210	0.1	382	0.1
<b>Other loss</b>	<b>758</b>	<b>0.4</b>	3,193	1.8	13,743	4.1
<b>Income before income taxes and minority interests</b>	<b>19,118</b>	<b>10.6</b>	8,015	4.7	8,857	2.6
<b>Current income taxes (benefit)</b>	<b>50</b>	<b>0.0</b>	50	0.0	100	0.0
<b>Deferred income taxes (benefit)</b>	<b>(220)</b>	<b>(0.1)</b>	296	0.2	1,051	0.3
<b>Net income (loss)</b>	<b>19,288</b>	<b>10.7</b>	7,669	4.5	7,706	2.3
<b>Retained earnings at beginning of period</b>	<b>4,421</b>		4,557		4,557	
<b>Reversal of reserve for land revaluation</b>	<b>(107)</b>		623		869	
<b>Interim dividends</b>	<b>—</b>		—		1,031	
<b>Retained earnings at end of period</b>	<b>¥ 23,603</b>		¥ 12,851		¥ 12,101	