

YAMAHA CORPORATION

Flash Report

Non-Consolidated Basis

Results for the fiscal year ended March 31, 2005

April 28, 2005

Company name:	YAMAHA CORPORATION
Code number:	7951
Address of headquarters:	10-1, Nakazawa-cho, Hamamatsu, Shizuoka 430-8650, Japan
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Telephone:	+81 53 460 2141
Date of the meeting of the Board of Directors:	April 28, 2005
Interim dividend:	YES
Start date of dividend payment:	June 27, 2005
Date of the general meeting:	June 24, 2005
Application of share unit system:	Applicable (1 unit = 100 shares)
Stock listing:	Tokyo Stock Exchange (First Section)

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

1. RESULTS FOR FY2005 (April 1, 2004–March 31, 2005)

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 fiscal year	Millions of yen	% change from the previous fiscal year	Millions of yen	% change from the previous fiscal year
FY2005 (Ended March 31, 2005)	¥341,546	(1.1)%	¥22,638	(16.0)%	¥25,145	(10.6)%	
FY2004 (Ended March 31, 2004)	¥345,354	3.4%	¥26,954	23.1%	¥28,118	26.6%	

	Net income		Net income per share	Net income per share after full dilution	Return on equity	Ratio of recurring profit to total assets	Ratio of recurring profit to sales
	Millions of yen	% change from the previous fiscal year	Yen	Yen	%	%	%
FY2005 (Ended March 31, 2005)	¥ 264	(99.0)%	¥ 0.80	¥—	0.2%	7.7%	7.4%
FY2004 (Ended March 31, 2004)	¥25,579	231.9%	¥123.38	¥118.36	15.7%	8.2%	8.1%

Notes: 1. Average number of outstanding shares during the year:
 FY2005 ended March 31, 2005: 206,339,798 shares
 FY2004 ended March 31, 2004: 206,352,788 shares
 2. Changes in method of accounting: YES

(2) Dividends

	Dividends per share			Dividends paid for the year	Dividend pay-out ratio	Ratio of dividends to shareholders' equity
	Interim	Year-end				
	Yen	Yen	Yen	Millions of yen	%	%
FY2005 (Ended March 31, 2005)	¥20.00	¥7.50	¥12.50	¥4,126	2,500.0%	2.4%
FY2004 (Ended March 31, 2004)	¥15.00	¥5.00	¥10.00	¥3,095	12.2%	1.7%

(3) Consolidated Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2005 (As of March 31, 2005)	¥318,071	¥172,791	54.3%	¥836.97
FY2004 (As of March 31, 2004)	¥337,029	¥179,982	53.4%	¥871.65

Notes: 1. Number of outstanding shares at the end of the year:
 FY2005 as of March 31, 2005: 206,330,276 shares
 FY2004 as of March 31, 2004: 206,347,606 shares
 2. Number of treasury stock at the end of the year:
 FY2005 as of March 31, 2005: 194,350 shares
 FY2004 as of March 31, 2004: 177,020 shares

2. FORECASTS OF RESULTS FOR FY2006 (April 1, 2005–March 31, 2006)

	Net sales	Recurring profit	Net income	Interim dividends per share	Year-end dividends per share	Dividends per share for the year
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
FY2006 interim period	¥169,000	¥13,000	¥ 8,000	12.50	—	—
FY2006	¥334,000	¥21,000	¥12,000	—	12.50	25.00

Reference: Net income per share for the fiscal year is forecast to be ¥58.16 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.

3. NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Non-Consolidated Balance Sheets

	Millions of yen		
	FY2005 (as of Mar. 31, 2005)	FY2004 (as of Mar. 31, 2004)	Increase (decrease)
ASSETS			
Current assets:			
Cash and bank deposits	¥ 24,839	¥ 4,630	¥20,209
Notes receivable	5,645	7,857	(2,212)
Accounts receivable	33,314	39,926	(6,612)
Products and goods	16,192	15,211	981
Raw material	2,028	1,715	313
Products in progress	8,175	6,604	1,571
Advances	170	99	71
Deferred income taxes	11,045	9,847	1,198
Other current assets	3,742	2,234	1,508
Allowance for doubtful accounts	(1,036)	(1,489)	453
Total current assets	104,118	86,637	17,481
Fixed assets:			
Tangible assets:			
Buildings	23,211	35,988	(12,777)
Structures	3,360	5,784	(2,424)
Machinery and equipment	7,565	7,079	486
Vehicles	110	41	69
Furniture and fixtures	4,632	4,727	(95)
Land	51,464	62,575	(11,111)
Construction in progress	609	1,341	(732)
Total tangible assets	90,955	117,538	(26,583)
Intangible assets:			
Rights on leasehold land	103	103	—
Total intangible assets	103	103	—
Investments and other assets:			
Investment securities	27,407	36,371	(8,964)
Shares of affiliated companies	58,321	62,124	(3,803)
Investment in capital	105	63	42
Affiliated company investments	17,441	14,946	2,495
Long-term loans	827	1,104	(277)
Long-term employee loans	0	0	0
Long-term affiliated company loans	84	142	(58)
Bankrupt, rehabilitating securities	350	335	15
Deferred income taxes	15,402	15,610	(208)
Guarantee deposits for leased real estate	2,268	2,250	18
Long-term accrued expenses	1,289	—	1,289
Other assets	559	751	(192)
Allowance for doubtful accounts	(1,009)	(950)	(59)
Reserve for loss on investments	(154)	—	(154)
Total investments and other assets	122,894	132,750	(9,856)
Total fixed assets	213,952	250,392	(36,440)
Total assets	¥318,071	¥337,029	(18,958)

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

	Millions of yen		
	FY2005 (as of Mar. 31, 2005)	FY2004 (as of Mar. 31, 2004)	Increase (decrease)
LIABILITIES			
Current liabilities:			
Notes payable	¥ 728	¥ 741	¥ (13)
Accounts payable	20,422	21,337	(915)
Short-term loans	1,908	1,790	118
Current portion of long-term debt	17,038	—	17,038
Accrued payables	4,991	5,529	(538)
Accrued expenses	21,224	21,608	(384)
Corporate tax payables	10,004	100	9,904
Advances received	518	549	(31)
Money entrusted	725	606	119
Reserve for after-care expenses	57	65	(8)
Warranty reserve	1,349	1,037	312
Reserve for subsidiary support	375	—	375
Deferred unrealized profit	69	287	(218)
Other current liabilities	464	810	(346)
Total current liabilities	79,877	54,464	25,413
Long-term liabilities:			
Long-term debt	300	17,338	(17,038)
Deferred income taxes on land revaluation	11,842	10,160	1,682
Accrued employees' retirement benefits	22,697	42,596	(19,899)
Directors' retirement benefits	677	658	19
Long-term deposits received	29,036	30,935	(1,899)
Other fixed liabilities	848	893	(45)
Total long-term liabilities	65,402	102,582	(37,180)
Total liabilities	145,279	157,046	(11,767)
SHAREHOLDERS' EQUITY			
Common stock	28,534	28,534	—
Capital surplus	40,054	40,054	—
Earned surplus:			
Legal reserve	4,159	4,159	—
Retained income			
Reserve for special depreciation	—	12	(12)
Reserve for advanced depreciation	2,502	2,259	243
Special reserve for replacement asset acquisition	—	440	(440)
General reserve	84,710	62,710	22,000
Total retained earnings	87,212	65,422	21,790
Unappropriated earnings	(8,116)	27,747	(35,863)
Total earned surplus	83,255	97,329	(14,074)
Reserve for land revaluation	14,255	3,648	10,607
Net unrealized holding gains on other securities	6,926	10,622	(3,696)
Treasury stock, at cost	(235)	(207)	(28)
Total shareholders' equity	172,791	179,982	(7,191)
Total liabilities, and shareholders' equity	¥318,071	¥337,029	(18,958)

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

(2) Non-Consolidated Statements of Income

	FY2005 (Apr. 1, 2004–Mar. 31, 2005)		FY2004 (Apr. 1, 2003–Mar. 31, 2004)		Increase (decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
Net sales:					
Merchandise and product sales	¥298,087		¥302,393		¥(4,306)
Other	43,458		42,961		497
Total net sales	341,546	100.0	345,354	100.0	(3,808)
Cost of sales:					
Merchandise and product cost of sales					
Inventory of merchandise and products at start of period	15,211		17,755		(2,544)
Reversal of valuation loss on raw materials and work in progress brought forward	94		101		(7)
Cost of production	207,102		200,895		6,207
Merchandise procured	10,178		13,381		(3,203)
Valuation loss on raw materials and work in progress	102		94		8
Inventory of merchandise and products at end of period	16,192		15,211		981
Subtotal	216,307		216,814		(507)
Other	31,147		31,325		(178)
Total cost of sales	247,455	72.5	248,139	71.9	(684)
Gross profit:	94,091	27.5	97,214	28.1	(3,123)
Reversal of disposal of deferred unrealized income brought forward	287		528		(241)
Disposal of deferred unrealized income	69		287		(218)
Gross profit, net	94,309	27.6	97,455	28.2	(3,146)
Selling, general and administrative expenses	71,670	21.0	70,500	20.4	1,170
Operating income	22,638	6.6	26,954	7.8	(4,316)
Non-operating income:					
Interest received	36		41		(5)
Dividends received	1,861		1,585		276
Foreign exchange gain	697		320		377
Other	483		435		48
Total non-operating income	3,079	0.9	2,382	0.7	697
Non-operating expenses:					
Interest paid	188		212		(24)
Interest on convertible bonds	—		461		(461)
Cash discounts	23		29		(6)
Other	361		514		(153)
Total non-operating expenses	573	0.1	1,218	0.4	(645)
Recurring profit	¥ 25,145	7.4	¥ 28,118	8.1	(2,973)

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

(2) Non-Consolidated Statements of Income (Continued from the previous page)

	FY2005 (Apr. 1, 2004–Mar. 31, 2005)		FY2004 (Apr. 1, 2003–Mar. 31, 2004)		Increase (decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
Extraordinary profit:					
Gain on sale of fixed assets	¥ 201		¥ 41		¥ 160
Reversal of reserve allowance for after-sale service	12		11		1
Reversal of reserve allowance for product guarantees	426		171		265
Bad debt reserve	131		—		131
Gain on sale of investment securities	6,338		5		6,333
Gain on return of substitutional portion of employee welfare pension funds	16,863		—		16,863
Gain on sale of stock in subsidiaries	—		13		(13)
Gain on liquidation of subsidiaries	—		126		(126)
Total other profit	23,973	7.0	371	0.1	23,602
Extraordinary loss:					
Loss on removal of fixed assets	461		2,058		(1,597)
Loss on sales of investment securities	4		—		4
Impairment loss	32,549		—		32,549
Loss from revaluation on investment securities	70		110		(40)
Loss on revaluation of stock in subsidiaries	2,478		1,192		1,286
Reserve for investment losses	154		—		154
Reserve for subsidiary support	375		—		375
Social insurance fees for previous years payable upon transition to comprehensive remuneration system	—		686		(686)
Total other loss	36,094	10.6	4,047	1.1	32,047
Income before income taxes and minority interests	13,024	3.8	24,443	7.1	(11,419)
Current income taxes	9,651	2.8	100	0.0	9,551
Deferred income taxes (benefit)	3,108	0.9	(1,236)	(0.3)	4,344
Net income	264	0.1	25,579	7.4	(25,315)
Retained earnings at beginning of period	3,774		4,421		(647)
Reversal of reserve for land revaluation	(10,607)		(1,221)		(9,386)
Interim dividends	1,547		1,031		516
Retained earnings at end of period	¥ (8,116)		¥ 27,747		(35,863)

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

(3) Profit Appropriation

	Millions of yen	
	FY2005 (Apr. 1, 2004–Mar. 31, 2005)	FY2004 (Apr. 1, 2003–Mar. 31, 2004)
Retained earnings (loss) at end of year	¥ (8,116)	¥27,747
Reversal of retained earnings:		
Reversal of reserve for special depreciation	—	12
Reversal of reserve for advanced depreciation	236	193
Reversal for special account on replaced property	—	440
Transfer from general reserve	17,000	—
Total	9,119	28,393
Appropriation of earnings:		
Dividends	2,579 (¥12.5 per share)	2,063 (¥10 per share)
Bonuses for directors	100	120
[Portion for auditors]	[15]	[18]
Reserve for special depreciation	11	—
Reserve for advanced depreciation	68	436
Reserve for special account on replaced property	565	—
General reserve	—	22,000
Unappropriated earnings carried forward	5,796	3,774

Note: On December 10, 2004, the Company disbursed interim dividends with an aggregate value of ¥1,547 million (¥7.5 per share.)