YAMAHA CORPORATION

Briefing on the Musical Instruments Business

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Executive Officer
Deputy General Manager, Musical Instruments Group

June 28, 2005
I. Progress in Implementation of the YSD50 Management Plan

II. Sales Expansion Plan

III. Cost Reduction Measures
I. YSD50’s Musical Instruments Business Strategy

Sales expansion
- Revitalizing the domestic market
- Growth strategy (China and Commercial Audio)
- Expanding sales of high-value-added products

Cost reduction
- Reforms in manufacturing
- Development of human resources
- Reforms in business processes

Building strengths to enable continued generation of profits through major reforms in business structure and stable sales growth

Goals for fiscal year ending March 31, 2007

Net sales: ¥334.0 billion
Operating income: ¥31.0 billion
## Medium-term Management Plan

### Progress in Implementation of the Management Plan and Plans Going Forward

<table>
<thead>
<tr>
<th>Operating income</th>
<th>YSD50 3-Year Plan</th>
<th>F03/04 Actual</th>
<th>F04/05 Actual</th>
<th>F05/06 Projection</th>
<th>F06/07 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in sales</td>
<td>14.6</td>
<td>2.6</td>
<td>4.5</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>/improvement in gross margins</td>
<td>(0.9)</td>
<td>(1.7)</td>
<td>0.8</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Decrease in SG&amp;A</td>
<td>3.2</td>
<td>1.3</td>
<td>0.9</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Reforms in manufacturing</td>
<td>3.6</td>
<td>1.5</td>
<td>1.1</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Reforms in personnel composition</td>
<td></td>
<td>3.7</td>
<td>7.3</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20.5</td>
<td>3.7</td>
<td>7.3</td>
<td>9.5</td>
<td></td>
</tr>
</tbody>
</table>
II. Sales Expansion Plan
Total demand of F04/05 expanded 3.7% from the previous fiscal year.

- The trend toward lower prices is continuing, and, the unit volume of sales increases, demand for high- and medium-quality models is firm. The movement toward bipolarization is continuing.

- Demand for digital pianos is increasing worldwide (on a unit volume basis). On the one hand, prices are declining and there is a continuing trend to move up-market from purchases of portable keyboards. At the same time, we are seeing expansion in demand as a result of efforts to diversify designs in response to customer tastes.

- Yamaha's market share in the acoustic product group declined 1.2 percentage points, as competition became more intense. However, Yamaha's share in the digital musical instrument group rose 1.2 percentage points, leaving overall market stable at 26%.

(Total demand was revised by reviewing the expanded EU)
Sales Plan by Product (Worldwide)

Music Instruments Segment: +31.4

(From F04/05 to F06/07)

- Piano: +117%
- Electone: +105%
- Home-use keyboards: +102%
- Wind and educational instruments: +126%
- String and percussion instruments: +138%
- Professional audio equipment: +124%
- Music production equipment: +19.1%
- Music School: +106%
- Other: +103%

*(Figures in parentheses represent changes from F04/05 to F06/07.)*
Sales Plan by Geographic Region (Worldwide)

(Billions of yen)

- **Japan** (105%)
  - 6.7

- **North America** (116%)
  - 4.2

- **Europe** (107%)
  - 5.8

- **China** (182%)
  - 4.7

**Musical Instrument Segment** + 31.4

(From F04/05 to F06/07)

*Figures in parentheses represent changes from F04/05 to F06/07.*
Sales Plan by Product (Japanese Market)

Yamaha’s Share

F03/04 (Actual)

¥134.4 billion

F04/05 (Actual)

¥140.2 billion

F05/06 (Projection)

¥136.8 billion

F06/07 (Projection)

¥147.0 billion

- A continuing falling birthrate
- Increasing leisure time of baby boomers

- Expanding market accelerated by an increase of Electone sales
Sales Expansion Plan by Product (Japanese Market)

Music Instruments Segment: +6.7

(From F04/05 to F06/07)

Piano: 2.3
Electone: 1.2
Home-use keyboards: 0.1
Wind and educational instruments: (0.9)
String and percussion instruments: 1.5
Music production equipment: 0.3
Musical Instruments: +2.3

Music School: 1.3
Professional audio equipment: 1.8
Other: 1.3

(Billions of Yen)

*Figures in parentheses represent changes from F04/05 to F06/07.
Growth in the Japanese Market

- **Investment: Business expansion to match customer lifestyles**
  - Develop new business models for music schools and stores through the creation of renewed value

- **Develop new customer groups**
  - Adult market
  - Musical instrument rental systems

- **Work to expand EL performance population**
  - Appeal to young people
  - Model rental program for EL beginners
Sales Plan by Product (North American Market)

- Market value of pianos and wind instruments decreasing slightly
- Sales of pianos made in China expanding

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Plan (¥ billion)</th>
<th>($1=¥113)</th>
<th>($1=¥108)</th>
<th>($1=¥105)</th>
<th>($1=¥110)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F03/04 (Actual)</td>
<td>¥64.7</td>
<td>1.6</td>
<td>1.0</td>
<td>2.1</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>($1=¥113)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F04/05 (Actual)</td>
<td>¥64.4</td>
<td>1.6</td>
<td>7.4</td>
<td>7.2</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>($1=¥108)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F05/06 (Projection)</td>
<td>¥70.2</td>
<td>11.8</td>
<td>16.6</td>
<td>11.3</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>($1=¥105)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F06/07 (Projection)</td>
<td>¥74.4</td>
<td>14.5</td>
<td>16.6</td>
<td>17.6</td>
<td>17.4</td>
</tr>
<tr>
<td></td>
<td>($1=¥110)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Yamaha’s Share:
- Pianos: 24%
- Other: 22%
- Music School: 23%
- Professional Audio Equipment: 25%
- Music Production Equipment: 11.9%
- String and Percussion Equipment: 10.1%
- Wind and Educational Instruments: 10.1%
- Home-use Keyboards: 6.4%
- Electone: 0.1%

- Sales of pianos made in China expanding
Sales Expansion Plan by Product (North American Market)

*** Figures in parentheses represent changes from F04/05 to F06/07. ***
"Total Piano" Demand in the United States

(Unit basis)

Since 2002, the market for piano-type keyboards sold in mass merchandise outlets has expanded. Further growth in demand is forecast.

The expansionary trend in demand for digital pianos will continue. As unit prices decline, the greater diversity in functions and design is expected.

Demand for player pianos has been on a recovery trend since 2001. As a result of improvement in functions and playability, demand is expected to expand.

Total demand for upright pianos will continue on a gradual downward trend.

While the inflow of extremely low-priced types will begin to decline, the increase in pianos made in China, especially grand pianos, will continue.
Yamaha's "Total Piano" Product Policy

- **Traditional pianos**: Traditional design, price (high)
- **Multifunction pianos**: Multifunction, high value added
- **Single function piano-type keyboards**: Single function, low-priced models with an emphasis on design
- **Instruments to compete with pianos/digital pianos made in China**: Leading-edge design

**Yamaha will develop products to meet increasingly diverse "total piano" demand, by drawing on its distinguished combination of technology in acoustic and digital instruments, while working to expand sales channels.**

- Expand sales of high value added models with sophisticated design
- Increase sales by expanding sales channels for simple, low-priced models with an emphasis on design
Growth in the North American Market

- Expand innovative, high-quality products and services
  - Introduce innovative, high-quality products: DKV-Mark IV, CLP-F01, Artist Model wind instruments, etc.
  - Draw on relationships with artists: Yamaha Artist Services Inc. (YASI)
  - Propose new customer services: Internet Direct Connection (IDC), Digital Music Notebook (DMN)

- Strengthen product competitiveness and expand sales network
  - Pursuing “Total Piano” strategy
  - Strengthening sales capabilities and expanding sales channels for string and percussion instruments

- Accelerate growth of commercial audio business
  - Strengthen personnel resources
  - Improve communication about product value
  - Relocate facilities for YCATS and R&D
Sales Plan by Product (European Market)

- Piano sales are expanding slightly
- Demand for electronic keyboards reducing slightly
- Especially in the wind instruments, expansion of E-commerce fueling price competition
Sales Expansion Plan by Product (European Market)

Music Instruments Segment: $+4.2$

(From F04/05 to F06/07)

- Piano: $0.9$
- Electone: $0$
- Wind and educational instruments: $0.2$
- String and percussion instruments: $0.1$
- Home-use keyboards: $0$
- Professional audio equipment: $1.9$
- Music production equipment: $0.8$
- Music School: $1.1$
- Other: $(185\%)$

*Figures in parentheses represent changes from F04/05 to F06/07.
Growth in the European Market

■ Expand innovative, high-quality products and services
  • Increase sales of innovative, high-quality products and services: Silent Piano, CLP-F01, medium to high-quality wind instruments, etc.
  • Draw on relationships with artists: Paris (pianos), London (guitars), Frankfurt (wind instruments)
  • Propose new customer services: IDC, DMN

■ Enhance sales systems in growth markets
  • Established YMCE branch in Poland (August 2004)
  • Set up representative office in Moscow (April 2005)
  • Making preparations for direct sales in the expanded EU (Czech Republic, Slovakia, Hungary, Slovenia)

■ Step up initiatives in the growing commercial audio (CA) business
  • Established commercial audio support center for the EU (in London, April 2005)
  • Training professional staff teams in each country
  • Conducting training to improve product knowledge

■ Expand sales channels to include mass sales of electronic keyboards (EKB)
Sales Plan by Product (Chinese Market)

- China recording rapid market expansion, especially in the piano market
Sales Expansion Plan by Product (Chinese Market)

Music Instruments Segment: +5.8
(From F04/05 to F06/07)

Wind and educational instruments
(122%) 0.3

String and percussion instruments
(300%) 0.2

Music production equipment
(0.7)

Piano
(197%) 1.5

Electone
(164%)

Home-use keyboards
(0%)

Professional audio equipment

Musical Instruments +5.1

Music School 0
Other 0

*Figures in parentheses represent changes from F04/05 to F06/07.
Expand Sales in the Chinese Market

- Accelerate growth through improvement in the business infrastructure
  - Improve human resource capabilities (especially of local staff)
  - Build the YAMAHA brand
  - Establish and strengthen the sales network
  - Enhance manufacturing strengths at Hangzhou Yamaha

Strategy for strengthening the sales network of pianos in China

- Opened the first piano shop in Shanghai
- Opening 40 shops nationwide by the end of July
Other Growth Markets

- Korea: Expected to grow ¥0.5 billion, from ¥4.0 billion in F04/05 to ¥4.5 billion in F06/07
  - As demand for pianos recedes, Yamaha will strengthen its brand and artist relations
  - Establish Artist Center
  - Expand the music school business

- The Gulf States: Expected to grow ¥0.4 billion, from ¥4.1 billion to ¥4.5 billion
  - Step up marketing in major markets, including Iran, UAE, Saudi Arabia
  - Strengthen the sales base in markets under development, including the CIS and Khazafstan

- Russia and Eastern Europe: Expected to grow ¥1.8 billion, from ¥5.4 billion to ¥7.2 billion
  - Russia: Established a representative office in April 2005; will expand sales through developing a marketing base
  - Eastern Europe: Will expand sales by establishing a direct marketing base in Vienna

- India: Expected to grow ¥0.4 billion, from ¥1.6 billion to ¥2.0 billion
  - Will build a sales network along with implementation of market opening measures
Scale of targeted market is expected to increase steadily at the level of ¥300 billion. Trends for digitalization, systemization and networking is accelerating.
Sales Expansion Plans of Professional Audio Equipment by Region

(Billions of Yen)

*Figures in parentheses represent changes from F04/05 to F06/07.
Growth Strategy for the Professional Audio Equipment Market

- Make the transition from a "mixer manufacturer" to a "solutions provider" for the professional audio equipment market
  - Establish a strong competitive position in applications
  - Become a "one-stop" supplier for offering solutions
  - Get closer to the market
    - Establish support centers in Europe and North America
  - Achieve results through M&A strategy
    - Steinberg
    - NEXO
**Acquisition of Steinberg**

- Seamless technological fusion for music production software and hardware (YAMAHA's digital mixers and synthesizers + Steinberg's software)
- Expand sales in the market for commercial music production software
  - Enliven the musical production market and expand market share
  - Expand sales through YAMAHA's sales channels in North America
  - Cover customers from hobby users to commercial studios

**Impact of the Acquisition**
(Compared with March 2005, ¥ billion)

<table>
<thead>
<tr>
<th></th>
<th>March 2007</th>
<th>March 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥4.0</td>
<td>¥4.5</td>
</tr>
</tbody>
</table>
Technology Alliance with and Investment in NEXO

- Joint development of products for system solutions
  (YAMAHA digital mixers/amplifiers + NEXO speakers)

- Full-scale entry into the commercial speaker business
  Development of speakers for the YAMAHA sales network
  Acquired sales right for NEXO products in North America

Impact of the Alliance and Investment
(Compared with March 2005, ¥ billion)

<table>
<thead>
<tr>
<th></th>
<th>March 2008</th>
<th>March 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥4.0</td>
<td>¥6.0</td>
</tr>
</tbody>
</table>

System solution

Line-array speaker  Conventional speaker  Utility Speaker
III. Cost Reduction Measures
Musical Instruments Production Network

Xiaoshan (Piano parts, Wind)
Hangzhou (Pianos, Guitars)
Guangzhou (Pianos)
Tianjin (DMI*)

Taiwan (Piano)
Kaohsiung (Guitars, PA)

YI (Piano)
YMMI (Guitars, Drums)
YMMA (PA, DMI)
YMPI (Wind, Educational)

YMP (Wind, String)
YMM (Pianos, PA)

Kemble & Co. (Pianos)

Hamamatsu (Grand Piano)
Kakegawa (Upright Piano)
Toyooka (Wind, PA DMI)
Saitama (Wind)

*DMI: Digital Musical Instruments.
## Manufacturing Base Strategy by Product Group of Musical Instruments

**Expanding production innovation as mother factories**

<table>
<thead>
<tr>
<th>Group</th>
<th>Market</th>
<th>Manufacturing Base</th>
<th>Japan</th>
<th>China</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic musical instruments</td>
<td>Stable</td>
<td>Evolution of cell manufacturing system</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PA</td>
<td>Expand</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>△</td>
</tr>
<tr>
<td>Piano</td>
<td>Gradual decline (China growing)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wind and educational instruments</td>
<td>Stable</td>
<td>Start-up and development at Hangzhou YAMAHA</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Guitars</td>
<td>Stable (YAMAHA share low)</td>
<td>Accumulate technology/skill in Japan</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Drums</td>
<td>Stable (YAMAHA share low)</td>
<td>Expand share through differentiation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### YSD-50

<table>
<thead>
<tr>
<th></th>
<th>F04/05</th>
<th>F05/06</th>
<th>F06/07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Strengthen production capability in Japan, China, and Indonesia**

- **Developed bases**
- **Under development**
- **No corresponding**
Establishment of New Bases in China

Hangzhou Yamaha Musical Instruments Co., Ltd.
(Established in November 2004)
Establishment of New Bases in China (2)

Piano production at Hangzhou Yamaha

Guitar production at Hangzhou Yamaha
## Improving profitability of Musical Instruments and Plans Going Forward

### Decrease in production costs

<table>
<thead>
<tr>
<th>Cost down Effects</th>
<th>YSD 50 Estimated effects (F03/04 vs. F06/07)</th>
<th>F04/05 Actual effects (against previous year)</th>
<th>F05/06 Estimated effects (against previous year)</th>
<th>F06/07 Estimated effects (against previous year)</th>
<th>3-Year Compound effects (against previous year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed costs</td>
<td>16.7</td>
<td>5.0</td>
<td>8.2</td>
<td>5.2</td>
<td>18.4</td>
</tr>
<tr>
<td>Various costs</td>
<td>32.0</td>
<td>12.8</td>
<td>9.0</td>
<td>10.2</td>
<td>32.0</td>
</tr>
<tr>
<td>Total</td>
<td>48.7</td>
<td>17.8</td>
<td>17.2</td>
<td>15.4</td>
<td>50.4</td>
</tr>
</tbody>
</table>

Amid a trend toward increases in production in the first year of the plan, we proceeded with cost reductions and were able to absorb ¥620 million in higher materials costs.

### Personnel Composition

(Yamaha Corporation only)

<table>
<thead>
<tr>
<th>Personnel Composition</th>
<th>(Number of employee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>(162)</td>
</tr>
<tr>
<td></td>
<td>(51)</td>
</tr>
</tbody>
</table>
Reforms in Personnel Composition

- Strengthening human resources
  - Recruit personnel with necessary skills
  - Training for core personnel
  - Installing a educational program for manager in the new plant in China

- Substantial improvement in overhead productivity
  - Production process reform for improving productivity, operational process reform
  - Organization reform of wind, string, and percussion instruments for integration effect

- YSD50’s goal for improvement in efficiency through reforms in personnel
  +¥3.6 billion for 3 years
  (Production: ¥1.7 billion + Domestic sales & other: ¥1.9 billion)
Reduction in Inventories due to SCM

- **Strict observance of delivery schedules**
  - Make weekly delivery response possible

- **Reduce lead times**
  - Pianos: Reduce 3 months
  - Other: Reduce 2 months

- **Elimination of dormant/excess inventories**

- **Establish methods of global inventory management**
  - Develop supply system responding to orders
  - Pull inventories of sales companies to the Head Office
  - Goal of one month's inventory overhead for sales companies

Delay in production and sales adjustments for electronic keyboard products in Europe and North America

<table>
<thead>
<tr>
<th></th>
<th>F02/03</th>
<th>F03/04</th>
<th>F04/05</th>
<th>F05/06</th>
<th>F06/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods in process/materials</td>
<td>14.8</td>
<td>13.8</td>
<td>13.9</td>
<td>13.1</td>
<td>13.4</td>
</tr>
<tr>
<td>Products</td>
<td>40.8</td>
<td>37.5</td>
<td>41</td>
<td>36.3</td>
<td>36.3</td>
</tr>
</tbody>
</table>

(Billions of Yen)
Appendix
Musical Instrument Sales in the Japanese Market

Wholesale Amount
(By category, excluding PA)

<table>
<thead>
<tr>
<th>Category</th>
<th>F03/04</th>
<th>F04/05</th>
<th>F05/06</th>
<th>F06/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musical production equipment</td>
<td>104.9</td>
<td>107.9</td>
<td>103.7</td>
<td>106.9</td>
</tr>
<tr>
<td>String and percussion instruments</td>
<td>49.4</td>
<td>54.6</td>
<td>53.2</td>
<td>56.9</td>
</tr>
<tr>
<td>Wind and educational instruments</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Home-use keyboards</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Electronic organs</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Pianos</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
</tbody>
</table>

YAMAHA’s Wholesale Amount
(By category, excluding PA)

<table>
<thead>
<tr>
<th>Category</th>
<th>F03/04</th>
<th>F04/05</th>
<th>F05/06</th>
<th>F06/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musical production equipment</td>
<td>104.9</td>
<td>107.9</td>
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<td>String and percussion instruments</td>
<td>49.4</td>
<td>54.6</td>
<td>53.2</td>
<td>56.9</td>
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<tr>
<td>Wind and educational instruments</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Home-use keyboards</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Electronic organs</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Pianos</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
</tbody>
</table>

(Hundreds of Yen)

% Change from the previous year

<table>
<thead>
<tr>
<th>Year</th>
<th>Musical production equipment</th>
<th>String and percussion instruments</th>
<th>Wind and educational instruments</th>
<th>Home-use keyboards</th>
<th>Electronic organs</th>
<th>Pianos</th>
</tr>
</thead>
<tbody>
<tr>
<td>F03/04</td>
<td>103%</td>
<td>96%</td>
<td>103%</td>
<td>100%</td>
<td>107%</td>
<td>100%</td>
</tr>
<tr>
<td>F04/05</td>
<td>111%</td>
<td>97%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F05/06</td>
<td>97%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F06/07</td>
<td>107%</td>
<td></td>
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</tbody>
</table>
Musical Instrument Sales in the U.S. Market

### Wholesale Amount
(By category, excluding PA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Musical Production Equipment</th>
<th>String and Percussion Instruments</th>
<th>Wind and Educational Instruments</th>
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<th>Electronic Organs</th>
<th>Pianos</th>
<th>Wholesale Amount</th>
</tr>
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<tbody>
<tr>
<td>F03/04</td>
<td>1,980 (106%)</td>
<td>448 (103%)</td>
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<td>2,103 (101%)</td>
</tr>
<tr>
<td>F04/05</td>
<td>2,092 (101%)</td>
<td>460 (107%)</td>
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<td>2,138 (102%)</td>
</tr>
<tr>
<td>F05/06</td>
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% Change from the previous year

### YAMAHA’s Wholesale Amount
(By category, excluding PA)

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Musical Instrument Sales in European Market

**Wholesale Amount**
(By category, excluding PA)

<table>
<thead>
<tr>
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<th>Musical production equipment</th>
<th>String and percussion instruments</th>
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</tr>
</thead>
<tbody>
<tr>
<td>F03/04</td>
<td>1,692 (102%)</td>
<td>382 (98%)</td>
<td>258</td>
<td>59</td>
<td>22</td>
</tr>
<tr>
<td>F04/05</td>
<td>1,733 (101%)</td>
<td>375 (107%)</td>
<td>258</td>
<td>66</td>
<td>22</td>
</tr>
<tr>
<td>F05/06</td>
<td>1,756 (102%)</td>
<td>382 (107%)</td>
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% Change from the previous year

**YAMAHA’s Wholesale Amount**
(By category, excluding PA)

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<tbody>
<tr>
<td>F03/04</td>
<td>382</td>
<td>375 (107%)</td>
<td>400 (107%)</td>
<td>422 (106%)</td>
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</tr>
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(Estimation)
## Musical Instrument Sales in Chinese Market

### Wholesale Amount
(By category, excluding PA)

<table>
<thead>
<tr>
<th>Category</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musical production equipment</td>
<td>3,199</td>
<td>3,739</td>
<td>4,245</td>
<td>4,577</td>
<td></td>
</tr>
<tr>
<td>String and percussion instruments</td>
<td>825</td>
<td>940</td>
<td>1,080</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Wind and educational instruments</td>
<td>358</td>
<td>495</td>
<td>600</td>
<td>825</td>
<td></td>
</tr>
<tr>
<td>Home-use keyboards</td>
<td>1,000</td>
<td>1,200</td>
<td>1,400</td>
<td>1,600</td>
<td></td>
</tr>
<tr>
<td>Pianos</td>
<td>2,000</td>
<td>2,200</td>
<td>2,400</td>
<td>2,600</td>
<td></td>
</tr>
</tbody>
</table>

% Change from the previous year:
- Musical production equipment: 117%
- String and percussion instruments: 14%
- Wind and educational instruments: 14%
- Home-use keyboards: 138%
- Pianos: 121%

### YAMAHA’s Wholesale Amount
(By category, excluding PA)

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