YAMAHA CORPORATION

Flash Report

Consolidated Basis (Japanese GAAP)

Results for the fiscal year ended March 31, 2013

April 30, 2013

Company name:	YAMAHA CORPORATION (URL http://www.yamaha.com)
Code number:	7951
Stock listing:	Tokyo Stock Exchange (First Section)
Address of headquarters:	10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan
Representative director:	Mitsuru Umemura, President and Representative Director
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Scheduled date of Ordinary General Shareholders' Meeting:	June 26, 2013
Scheduled date to submit Securities Report:	June 27, 2013
Scheduled date to begin dividend payments:	June 27, 2013
Supplementary materials to the financial statements have been prepared:	Yes
Presentation will be held to explain the financial statements:	Yes (for securities analysts and institutional investors)

1. Results for FY2013.3 (April 1, 2012–March 31, 2013)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income (loss)	
	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	Millions of yen	% change from the previous fiscal year
FY2013.3 (Ended March 31, 2013)	**¥366,941**	**2.9%**	**¥9,215**	**13.6%**	**¥8,580**	**18.3%**	**¥4,122**	—
FY2012.3 (Ended March 31, 2012)	¥356,616	(4.6)%	¥8,110	(38.4)%	¥7,255	(33.9)%	¥(29,381)	—

Note: Comprehensive income:

FY2013.3 ¥25,747 million (—%)

FY2012.3 ¥(35,606) million (—%)

	Net income (loss) per share	Net income per share after full dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2013.3 (Ended March 31, 2013)	**¥21.29**	—	**1.9%**	**2.3%**	**2.5%**
FY2012.3 (Ended March 31, 2012)	¥(151.73)	—	(13.2)%	1.9%	2.3%

(For reference) Equity in earnings of non-consolidated subsidiaries and affiliates:

FY2013.3 ¥(0)million

FY2012.3 ¥0 million

(2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2013.3 (As of March 31, 2013)	**¥390,610**	**¥229,636**	**58.1%**	**¥1,171.67**
FY2012.3 (As of March 31, 2012)	¥366,610	¥206,832	55.6%	¥1,052.01

(For reference) Shareholders' equity:
FY2013.3 ¥226,872 million
FY2012.3 ¥203,713 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2013.3 (Ended March 31, 2013)	**¥7,755**	**¥(12,617)**	**¥(5,536)**	**¥49,464**
FY2012.3 (Ended March 31, 2012)	¥10,880	¥(9,004)	¥(3,247)	¥55,919

2. Dividends

	Annual dividends					Total dividends (annual)	Dividend propensity (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2012.3	—	¥5.00	—	¥5.00	¥10.00	¥1,936	—	0.9%
FY2013.3	—	**¥5.00**	—	**¥5.00**	**¥10.00**	**¥1,936**	**47.0%**	**0.9%**
FY2014.3 (Forecast)	—	¥7.50	—	¥7.50	¥15.00		21.5%	

3. Consolidated Financial Forecasts for FY2014.3 (April 1, 2013–March 31, 2014)

(Percentage figures for the full fiscal year are changes from the previous fiscal year, and those for the first half are changes from the previous same period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2014.3 First Half	¥189,500	7.2%	¥9,500	39.5%	¥8,500	39.2%	¥7,000	109.0%	¥36.15
FY2014.3	¥390,000	6.3%	¥18,000	95.3%	¥16,500	92.3%	¥13,500	227.5%	¥69.72

Footnote Items:

(1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries accompanying changes in the scope of consolidation): None
(2) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
(a) Changes in accounting principles accompanying revisions in accounting standards: Yes
(b) Changes other than those in (a) above: None
(c) Changes in accounting estimates: Yes
(d) Changes in presentation due to revisions: None

Note: The Company has changed its method of depreciation beginning with FY2013.3. This change corresponds to "instances where it is difficult to distinguish between changes in accounting principles and changes in accounting estimates." For more-detailed information, please refer to the section "(5) Notes to the Consolidated Financial Statements" in "3. Consolidated Financial Statements" on page16.

(3) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	**FY2013.3**	**197,255,025 shares**	FY2012.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	**FY2013.3**	**3,623,885 shares**	FY2012.3	3,612,338 shares
(c) Average number of shares issued during the period	**FY2013.3**	**193,635,600 shares**	FY2012.3	193,643,089 shares

(For Reference) Non-Consolidated Results

1. Non-consolidated results for FY2013.3 (April 1, 2012–March 31, 2013)
(1) Non-consolidated operating results
(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating loss		Ordinary income		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2013.3 (Ended March 31, 2013)	**¥231,418**	**(3.3)%**	**¥(4,233)**	—	**¥6,231**	**965.2%**	**¥5,803**	—
FY2012.3 (Ended March 31, 2012)	¥239,301	(3.6)%	¥(4,272)	—	¥584	(92.6)%	¥(30,355)	—

	Net income (loss) per share	Net income per share after full dilution
	Yen	Yen
FY2013.3 (Ended March 31, 2013)	**¥29.97**	—
FY2012.3 (Ended March 31, 2012)	¥(156.76)	—

(2) Non-consolidated financial data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2013.3 (As of March 31, 2013)	**¥289,070**	**¥164,290**	**56.8%**	**¥848.47**
FY2012.3 (As of March 31, 2012)	¥273,302	¥152,419	55.8%	¥787.12

(For reference) Shareholders' equity:
FY2013.3 ¥164,290 million
FY2012.3 ¥152,419 million

Footnote Items:

Status of Performance of Auditing Procedures

This flash report is exempt from the auditing procedures based on Japan's Financial Instruments and Exchange Law. At the time when this flash report was disclosed, the auditing procedures based on the Financial Instruments and Exchange Law had not been completed.

Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

Consolidated financial forecasts were prepared based on information available at the time of the announcement and do not represent promises by the Company or its management that these performance figures will be attained. Actual consolidated results may differ from forecasts owing to a wide range of factors.

For further information regarding consolidated financial forecasts, please refer to page 3.

The materials to be distributed for this earnings presentation and other materials will be posted on the Company's website immediately after the presentation is concluded.

Table of Contents of Supplementary Materials

1. Management Performance

(1) Analysis of Management Performance

1. Review of the Fiscal Year (FY2013.3)
A review of the management environment during the fiscal year ended March 31, 2013, shows that economic conditions in the industrialized countries continued to be stagnant because of the delayed recovery in the U.S. economy and the adverse impact of the public-sector debt crises in European countries. In addition, economic growth in the emerging countries, including China, was moderate. In the Japanese economy, conditions remained challenging as personal consumption showed no recovery, and, reflecting the slowdown in overseas economies, corporate activities continued to be weak.

Amid this operating environment, the Yamaha Corporation Group (the Group) undertook initiatives to promote the implementation of the key policies of its medium-term management plan, Yamaha Management Plan 125 (YMP125).

First, to accelerate growth in China and the other emerging economies, Yamaha expanded its sales network and strengthened its retail store displays as it worked to increase sales to rising middle income classes in these countries. Yamaha also took initiatives to further develop markets in the newly emerging countries, including the establishment of sales representative offices in Turkey and Vietnam. Also, Yamaha is working to expand the number of persons playing musical instruments. In China, Yamaha aggressively expanded its network of music schools in that country and, in India, began to open a network of music schools. Furthermore, to respond to customers' musical needs and tastes, Yamaha launched new models in its main product lines, including keyboard instruments and audio equipment.

Next, in its structural reforms in manufacturing, Yamaha took significant further measures to reduce manufacturing costs. These included the results of its initiatives to integrate production bases and the shifting of production processes to overseas locations as well as increasing the ratios of local procurement.

Moreover, to make the fiscal year under review, which marked the 125th anniversary of the commencement of Yamaha's operations, a turning point into Yamaha's "quantum leap phase," Yamaha implemented a realignment of its organization and began to carry out business structural reforms aimed at strengthening the profitability of the Group as a whole, through improving profitability of domestic business activities. Structural reforms in the sales and other aspects of the musical instruments and audio products businesses included a realignment of the domestic sales organization, effective as of April 1, 2013. Under this realignment, sales bases were concentrated in Tokyo and Osaka. In addition, Yamaha's musical instruments and audio products wholesale businesses and its music school business were split off and continued in a wholly owned subsidiary (using the simplified split-off method). This subsidiary and two other subsidiaries were combined to form Yamaha Music Japan Co., Ltd., a musical instruments and audio products wholesaling company. In addition, on the same date, Yamaha's eight musical instruments retailing companies became subsidiaries of Yamaha Music Japan and were then merged to form Yamaha Music Retailing Co., Ltd. In the semiconductor business, structural reforms in production included reducing fixed costs and concentrating management resources in competitive products. Reforms in staff operations included the promotion of shared services and increased use of outsourcing to increase operating efficiency.

In sales activities, although the world economy slowed, principally in the European countries, as a result of continued strong sales in North America and China, consolidated net sales for the fiscal year under review amounted to ¥366,941 million (an increase of 2.9% from the previous fiscal year).

Profitwise, although the cutbacks in production caused a deterioration in manufacturing profitability and the strong yen had an adverse impact, as a result of real increases in sales, consolidated operating income amounted to ¥9,215 million (an increase of 13.6% over the previous fiscal year), and ordinary income was ¥8,580 million (an increase of 18.3% over the previous fiscal year). Consolidated net income amounted to ¥4,122 million (compared with a net loss of ¥29,381 million in the previous fiscal year).

Results of operations by segment were as follows:

Musical Instruments
Although sales of pianos were weak in Japan, Europe, and certain other regions, growth in piano sales held strong in China, and demand in North America showed recovery. As a result, overall sales of pianos were slightly above the previous fiscal year. Among digital musical instruments, sales of digital pianos expanded in North America, Europe, China, and the Asia-Pacific region. In the wind instruments business, although there were signs of recovery in demand in North America, sales were relatively weak, mainly in Japan, and overall sales were at the same level as in the previous fiscal year. Among stringed and percussion instruments, sales of guitars and guitar amplifiers increased, and, in the audio equipment category, digital mixers expanded on a worldwide basis. In other categories, sales of music software posted an increase, but the music school business experienced difficulties in attracting new students and revenues from this source declined.

As a result, sales of this segment amounted to ¥272,711 million (an increase of 2.9% from the previous fiscal year), and operating income was ¥8,148 million (a gain of 5.6% over the previous fiscal year).

AV/IT
In the audio business, although the sales environment was difficult in Japan, sales in North America increased, resulting in an overall rise in sales of this segment. Sales of routers remained at about the same level as in the previous fiscal year, but sales of

conferencing systems expanded in Japan, and sales of commercial online karaoke equipment rose because of the launching of new models.

As a result, sales of this segment were ¥55,367 million (an increase of 4.1% from the previous fiscal year), and operating income amounted to ¥2,856 million (a decrease of 0.5% from the previous fiscal year).

Electronic Devices

In the semiconductor business, although sales of controllers used in amusement equipment and sales of magnetic sensors (electronic compasses) both increased, the decline in sales of sound generators for mobile phones continued, thus resulting in an overall decline in sales of this business segment.

As a result, sales of this segment amounted to ¥15,038 million (a decrease of 7.4%), and the operating loss was ¥2,044 million (compared with an operating loss of ¥2,913 million in the previous fiscal year).

Others

In the automobile interior wood components business, sales expanded, in part because of the recovery from the production adjustments among business customers following the Great East Japan Earthquake in 2011. In the factory automation (FA) equipment business, conditions in the leak tester field were challenging, but sales of precision machinery increased. Sales in the golf products business declined both in Japan and overseas. However, in the resort business, the number of visitors to the Tsumagoi resort facility exceeded those of the previous fiscal year.

As a result, sales of this sector as a whole amounted to ¥23,823 million (an increase of 7.7% over the previous fiscal year), but operating income amounted to ¥254 million (a decline of 41.9% from the previous fiscal year).

Sales by region, based on the location of customers, are as follows:

The percentage of consolidated net sales in overseas markets for the fiscal year was 54.8%, 1.7 percentage points higher than in the previous fiscal year.

Japan

Sales on a consolidated basis in Japan for the fiscal year were ¥165,790 million, ¥1,315 million (or 0.8%) lower than in the previous fiscal year. This was primarily due to the decline in sales in the semiconductor and audio businesses.

North America

Sales in North America amounted to ¥55,156 million, ¥5,233 million (or 10.5%) higher than in the previous fiscal year. This increase included a gain due to foreign currency effects of approximately ¥2,500 million. After exclusion of these effects, sales in North America were up about ¥2,800 million. This rise was due mainly to higher sales in the audio, digital instruments, wind instruments, and audio equipment businesses.

Europe

Sales in Europe were ¥60,611 million, ¥211 million (or 0.3%) lower than in the previous fiscal year. This decline included a reduction due to foreign currency effects of about ¥1,300 million. After exclusion of these effects, sales in Europe were approximately ¥1,100 million higher than in the previous fiscal year. This rise was primarily accounted for by increased sales in the audio equipment, digital musical instruments, and certain other businesses.

Asia, Oceania, and Other Areas

Sales in Asia (excluding Japan), Oceania, and other areas amounted to ¥85,383 million, ¥6,616 million (or 8.4%) higher than in the previous fiscal year. Sales in China, principally pianos and digital musical instruments, maintained their growth rates, and sales in other areas in this geographic segment held strong. This increase included a gain due to foreign currency effects of approximately ¥2,500 million. After exclusion of these effects, sales in this segment rose about ¥4,100 million over the previous year.

2. Forecast for FY2014.3

During the fiscal year ending March 31, 2014, Yamaha is expecting growth in sales by product especially in the digital musical instruments and professional audio equipment and growth by region particularly in North America and in China as well as other emerging country markets. In addition, foreign currency fluctuations are expected to contribute ¥9.6 billion sales. Also, from a profitability standpoint, in addition to the contribution of increases in sales to income, improvements due to domestic business structural reforms are expected to contribute ¥2.5 billion to the increase in income, and foreign currency fluctuations will increase income by ¥6.3 billion.

Taking account of these and other factors, on a consolidated basis, Yamaha is forecasting net sales of ¥390.0 billion (an increase of 6.3%), operating income of ¥18.0 billion (a gain of 95.3%), ordinary income of ¥16.5 billion (an increase of 92.3%), and net income of ¥13.5 billion (a gain of 227.5%)

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

(2) Analysis of Financial Position

1. Consolidated Financial Position
1) Assets
Total assets increased ¥24,000 million (or 6.5%), to ¥390,610 million.

Of this total, current assets rose ¥8,950 million (or 4.7%), to ¥197,902 million, owing to a rise in notes and accounts receivable—trade. In addition, noncurrent assets increased ¥15,049 million (or 8.5%), to ¥192,707 million, mainly because of an increase in the market values of other available-for-sale securities.

2) Liabilities
Total liabilities rose ¥1,195 million (or 0.7%), to ¥160,973 million.

Of this total, current liabilities declined ¥1,278 million (or 1.8%), to ¥71,550 million. On the other hand, noncurrent liabilities rose ¥2,474 million (or 2.8%), to ¥89,422 million.

3) Net Assets
Net assets increased ¥22,804 million (or 11.0%), to ¥229,636 million.
This rise was due to the reporting of net income for the fiscal year, which resulted in an increase in retained earnings, and an increase in accumulated other comprehensive income owing to a rise in the balance of valuation difference on available-for-sale securities at the end of the period and a shrinkage in the negative balance of foreign currency translation adjustment at the end of the period.

2. Cash Flows
Cash and cash equivalents (hereinafter, cash) at the end of the fiscal year ended March 31, 2013, showed a decline of ¥6,454 million (compared with a decline of ¥2,527 million in the previous fiscal year), and stood at ¥49,464 million.

Cash Flows from Operating Activities
As a result mainly of the contribution to cash flow of income before income taxes and minority interests, cash flows provided by operating activities amounted to ¥7,755 million (compared with cash flow provided by operating activities of ¥10,880 million in the previous fiscal year).

Cash Flows from Investing Activities
Net cash used in investing activities amounted to ¥12,617 million (compared with a net cash flow used in investing activities of ¥9,004 million in the previous fiscal year). This net cash outflow was used primarily to purchase of property, plant and equipment.

Cash Flows from Financing Activities
Net cash used in financing activities amounted to ¥5,536 million (compared with net cash used in financing activities of ¥3,247 million in the previous fiscal year). This net cash outflow was due mainly to repayments of short-term loans payable, cash dividends paid, and certain other items.

(For Reference) Trends in Cash-Flow Indicators

	FY2013.3	FY2012.3	FY2011.3	FY2010.3	FY2009.3
Shareholders' equity ratio	**58.1%**	55.6%	61.9%	62.6%	60.9%
Shareholders' equity ratio based on current market price	**46.3%**	45.3%	46.7%	59.2%	46.2%
Ratio of interest-bearing debt to cash flow	**129.8%**	104.3%	52.5%	37.8%	(883.4)%
Interest coverage ratio	**31.8 times**	35.1 times	63.4 times	89.8 times	(3.5) times

(Calculation Methods)
Shareholders' equity ratio (%) = total shareholders' equity ÷ total assets
Shareholders' equity ratio based on current market price (%) = total market value of common stock ÷ total assets
Ratio of interest-bearing debt to cash flow (%) = interest-bearing debt ÷ net cash flows provided by (used in) operating activities
Interest coverage ratio (times) = net cash flows provided by (used in) operating activities ÷ interest payments

Notes: 1. All indicators are calculated based on consolidated financial figures.
2. Interest-bearing debt includes all balance-sheet debt for which interest payments are being made.
3. Figures for net cash flows provided by operating activities and interest payments are those from the cash flows from operating activities and interest paid from consolidated financial statements of cash flows.

3. Forecast for FY2014.3

Net cash provided by operating activities for FY2014.3 are forecast to increase above the level of the previous fiscal year because of the reporting of income before income taxes and minority interests. Net cash used in investing activities in FY2014.3 is expected to rise above the previous fiscal year.

(3) Basic Policy for Allocation of Profit and Dividends for FY2013.3 and FY2014.3

The Company has adopted a basic policy for allocating profit that is linked to the level of consolidated net income in the medium term and provides for increasing the ratio of consolidated net income to shareholders' equity by making additions to retained earnings that are appropriate for strengthening the Company's management position through investments in R&D, sales capabilities, capital equipment and facilities, and other areas, while also providing a dividend to shareholders that reflects consolidated performance. Specifically, the Company will endeavor to sustain stable dividends and sets a goal of 30% or higher for its consolidated dividend payout ratio.

For the year-end dividend for FY2013.3, the Company decided to pay a regular dividend on its common stock of ¥5.0 per share in view of the above-mentioned policy for allocation of profit and dividends, its financial position, and other factors. Regarding dividends for FY2014.3, the Company is planning to pay a regular dividend of ¥15.0 per share for the full fiscal year (consisting of an interim dividend of ¥7.5 per share and a year-end dividend of ¥7.5 per share).

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

2. Management Policies

(1) Basic Management Policy

The Yamaha Group aims to sustain its growth as a company that draws on its accumulated technologies and know-how in its core field of sound and music as it works together with people throughout the world to enrich culture and create "*kando**." To this end, the Company will expedite decision-making processes, work to create technological innovation, strengthen its capabilities for responding to rapidly changing markets, and meet customer needs through the constant development and provision of superior-quality products and services. In addition, Yamaha will make effective use of its management resources, rationalize and improve the efficiency of its business practices, and secure a strong competitive position in the global marketplace. Furthermore, the Company is seeking to increase the transparency of its management, make certain that it can realize a solid business performance, and accumulate and distribute earnings appropriately to ensure that it can meet the expectations of shareholders and investors. At the same time, the Company strives to act in accordance with its responsibilities as an exemplary corporate citizen by giving due consideration to safety and environmental protection and promoting its own rigorous compliance with relevant laws and regulations.

*"*Kando*" (is a Japanese word that) signifies an inspired state of mind.

(2) Management Indicators Taken as Objectives

Under Yamaha's New Medium-Term Management Plan (covering the period from the fiscal year ending March 31, 2014 to the fiscal year ending March 31, 2016), entitled "Yamaha Management Plan 2016 (YMP2016)," Yamaha has set the following goals: Net sales of ¥430 billion, operating income of ¥30 billion, return on equity (ROE) of 10%, and total free cash flows over three years of ¥50 billion.

The targets for the next fiscal year ending March 31, 2014, are outlined and described in the following sections of this report: "3. Consolidated Financial Forecasts for FY2014.3" in the summary information; Page 3: "(1) Analysis of Management Performance: 2. Forecast for FY2014.3;" and Page 5: "(2) Analysis of Financial Position: 3. Forecast for FY2014.3."

(3) The Group's Medium- to Long-Term Management Strategy and (4) Issues to Be Addressed

Following "Yamaha Management Plan 125 (YMP125)," which covered the period through March 31, 2013, Yamaha has formulated its New Medium-Term Management Plan entitled "Yamaha Management Plan 2016 (YMP2016)," which will cover the three-year period beginning in April 2013. This new plan includes a statement of Yamaha's management policies, priority business strategies, and numerical targets.

The three-year period of the New Medium-Term Management Plan is positioned as the first stage of the "quantum leap phase." During this period, the Company will achieve steady growth in existing business and invest aggressively in new business development with a view to achieving next-stage targets of ¥500 billion in consolidated net sales and ¥50 billion in consolidated operating income.

1. The Group's Medium- to Long-Term Management Vision: "What Yamaha Is Aiming For"

(1) Being "a brand that is trusted and admired"
(2) Being a company with "operations centered on sound and music"
(3) Attaining "growth through both products and services"

2. Issues to Be Addressed under YMP2016

Yamaha will focus on driving growth by expanding sales especially in profitable areas, including China and other emerging countries as well as in the electronics business. Yamaha will also concentrate on the issues of improving profitability in the piano, wind instruments, and semiconductor businesses. Next, Yamaha will channel the resulting financial resources into making investments for growth in its quantum leap phase.

Accelerating Growth in China and the Other Emerging Countries

Yamaha will give priority to investing its management resources in China and the other emerging markets with the objectives of moving forward with the development of sales networks and accelerating growth in those countries. The sales subsidiary that Yamaha established in Vietnam and the sales branch in Turkey begun business operations on April 1, 2013. To proceed with the development of markets in the southern part of Africa, Yamaha established a representative office in the Republic of South Africa.

To increase the number of persons playing musical instruments in the emerging countries, Yamaha is conducting music popularization activities, including expansion in the number of Yamaha Music Schools and promoting the introduction of music education.

Expanding Sales in the Electronics Business Domain

In the field of digital keyboard instruments, including digital pianos and portable keyboards, Yamaha will work to establish clearly dominant market positions through rigorously differentiating its products by developing new, highly realistic sound and real-touch keyboards. Yamaha will also make an in-depth response to market needs by enhancing its offerings of local content. Yamaha is also developing and introducing new, entry-level products to the emerging markets and working to expand sales.

In the field of professional audio products, priority measures will include strengthening development capabilities for systems equipment with digital networks at their core and expanding Yamaha's product lineup in this business. In addition, to expand business scale, Yamaha will enter the commercial installation market and professional production market.

Also, Yamaha will further expand sales in the electronics domain by leveraging its position in the ICT (Information & Communication Technology) device field, which includes a high domestic market share in the router business for the "small office home office," or SOHO, market and microphone and speaker systems for web conferencing.

In the SOHO router field, Yamaha will work to transform this business into a network device solution business. In addition, in the USB microphone and speaker systems for web conferencing field, Yamaha will broaden this business to transform it into a "voice communications equipment business."

Strengthening Cost-Competitiveness

At existing factories, Yamaha will clarify their respective roles and functions and then work to strengthen their manufacturing capabilities and strive to lower costs by improving operating rates and cutting unit costs. In domestic factories, Yamaha will work to create lean operating structures capable of dealing flexibly with change by splitting these operations off into subsidiary companies. Overseas, in Chinese and Indonesian factories, to deal with rising labor costs, Yamaha will boost local procurement of materials and bring outsourced production of parts in-house as well as introduce new production methods and improve processes.

Developing New Businesses

To expand existing businesses and make way for growth in the quantum leap phase, Yamaha will step up its investments in M&A and capital tie-ups. In these investment activities, Yamaha will give priority to commercial audio products, where further expansion is expected.

In addition, as Yamaha continues its yamaha+ new business development activities, which it began in 2011, Yamaha will work to secure next-generation technologies and services that will contribute to its future growth by strengthening its initiatives to invest in venture businesses.

To propel the previously mentioned new business initiatives, Yamaha has set aside the following special allocation for use over the coming three years:

- M&A, capital tie-up investments: ¥30 billion
- Venture business investments: ¥3 billion

3. Issues to Be Addressed

(1) Integration of the Wholesaling of Musical Instruments and Audio Equipment with Yamaha Music Schools

Based on the policy contained in Yamaha's announcement entitled "Outline of Domestic Business Structural Reforms," which was issued on July 31, 2012, as of April 1, 2013, Yamaha split off its musical instruments and audio equipment wholesale business and its Yamaha Music School business, both of which were under management of Yamaha Corporation, and transferred these businesses to its wholly owned subsidiary Yamaha Music Trading Corporation (hereinafter, YMT). Thereupon, Yamaha merged its wholly owned subsidiaries Yamaha Electronics Marketing Corporation, and Yamaha Music Lease Corporation, into YMT. As part of this realignment of companies, the name of YMT was then changed to Yamaha Music Japan Co., Ltd., and it became the core company in the Yamaha Corporation Group in charge of domestic sales of musical instruments and audio equipment.

Objectives of the Corporate Split-offs and Mergers

This realignment of companies was undertaken to form an organization and personnel systems suited to the scale and structure of the mature markets for musical instruments and audio equipment in Japan. The realigned structure will work to strengthen the profitability of the domestic business operations through the pursuit of increased management efficiency. Moreover, the realigned structure will bring together the comprehensive capabilities of the Yamaha Group, and, by further strengthening sales capabilities and professionalism, will aim to realize the next stage in Yamaha growth, the "quantum leap phase," and contribute to revitalization of the market.

(2) Merging of Domestic Musical Instrument Sales Subsidiaries

Based on the policy contained in Yamaha's announcement entitled "Outline of Domestic Business Structural Reforms," which was issued on July 31, 2012, as of April 1, 2013, Yamaha merged its eight domestic musical instrument sales subsidiaries (all of which were wholly owned subsidiaries). At that time, the name of the continuing company was changed to Yamaha Music Retailing Co., Ltd.

Objectives of the Merger

Yamaha has already begun to take initiatives to realign its organization and personnel systems and make them suited to the scale and structure of the mature domestic markets and to implement domestic business structural reforms aimed at strengthening profitability. This merger is part of these initiatives, and it is intended to increase the efficiency and strengthen financial position through the integration of Yamaha's eight domestic sales subsidiaries and the strengthening of the management base for musical instrument retailing.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2013.3 (As of Mar. 31, 2013)	FY2012.3 (As of Mar. 31, 2012)
ASSETS		
Current assets:		
Cash and deposits	**¥ 51,445**	¥ 52,103
Notes and accounts receivable—trade	**52,069**	45,634
Short-term investment securities	**250**	4,699
Merchandise and finished goods	**54,647**	51,452
Work in process	**14,090**	13,771
Raw materials and supplies	**13,276**	11,922
Deferred tax assets	**2,241**	1,855
Other	**10,969**	8,678
Allowance for doubtful accounts	**(1,088)**	(1,165)
Total current assets	**197,902**	188,952
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	**36,845**	36,695
Machinery, equipment and vehicles, net	**11,887**	11,475
Tools, furniture and fixtures, net	**9,518**	7,826
Land	**49,634**	48,853
Lease assets, net	**336**	250
Construction in progress	**2,104**	1,757
Total property, plant and equipment	**110,325**	106,858
Intangible assets:		
Goodwill	**356**	54
Other	**2,868**	2,630
Total intangible assets	**3,224**	2,685
Investments and other assets:		
Investment securities	**71,568**	61,690
Long-term loans receivable	**365**	353
Deferred tax assets	**1,290**	1,045
Lease and guarantee deposits	**5,019**	4,792
Other	**1,506**	971
Allowance for doubtful accounts	**(591)**	(739)
Total investments and other assets	**79,157**	68,114
Total noncurrent assets	**192,707**	177,658
Total assets	**¥390,610**	¥366,610

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

(Millions of yen)

	FY2013.3 (As of Mar. 31, 2013)	FY2012.3 (As of Mar. 31, 2012)
LIABILITIES		
Current liabilities:		
Notes and accounts payable—trade	**¥ 20,339**	¥ 22,263
Short-term loans payable	**9,360**	9,883
Current portion of long-term loans payable	**486**	912
Accounts payable—other and accrued expenses	**31,309**	29,407
Income taxes payable	**1,582**	1,931
Specific advances received	**14**	234
Deferred tax liabilities	**625**	262
Provision for product warranties	**2,596**	2,769
Provision for directors' bonuses	**21**	—
Provision for sales returns	**92**	127
Provision for loss on construction contracts	**—**	42
Other	**5,120**	4,995
Total current liabilities	**71,550**	72,829
Noncurrent liabilities:		
Long-term loans payable	**165**	499
Deferred tax liabilities	**18,491**	15,348
Deferred tax liabilities for land revaluation	**12,439**	12,595
Provision for retirement benefits	**41,148**	41,479
Long-term deposits received	**15,445**	15,516
Other	**1,732**	1,508
Total noncurrent liabilities	**89,422**	86,948
Total liabilities	**160,973**	159,778
NET ASSETS		
Shareholders' equity:		
Capital stock	**28,534**	28,534
Capital surplus	**40,054**	40,054
Retained earnings	**140,473**	138,152
Treasury stock	**(3,699)**	(3,690)
Total shareholders' equity	**205,363**	203,050
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	**34,810**	27,337
Deferred gains or losses on hedges	**(41)**	(367)
Revaluation reserve for land	**17,184**	17,304
Foreign currency translation adjustment	**(30,443)**	(43,611)
Total accumulated other comprehensive income	**21,508**	662
Minority interests	**2,764**	3,118
Total net assets	**229,636**	206,832
Total liabilities and net assets	**¥390,610**	¥366,610

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

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

(Millions of yen)

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Net sales	**¥366,941**	¥356,616
Cost of sales	**238,261**	231,659
Gross profit	**128,680**	124,957
Selling, general and administrative expenses	**119,465**	116,846
Operating income	**9,215**	8,110
Non-operating income:		
Interest income	**465**	456
Dividends income	**874**	1,141
Compensation for transfer	—	438
Other	**970**	674
Total non-operating income	**2,309**	2,710
Non-operating expenses:		
Interest expenses	**259**	304
Sales discounts	**1,980**	2,153
Foreign exchange losses	**57**	662
Other	**646**	445
Total non-operating expenses	**2,943**	3,566
Ordinary income	**8,580**	7,255
Extraordinary income:		
Gain on sales of noncurrent assets	**1,857**	190
Gain on sales of investment securities	**1,089**	1
Gain on liquidation of subsidiaries and affiliates	**8**	448
Total extraordinary income	**2,955**	640
Extraordinary loss:		
Loss on retirement of noncurrent assets	**253**	298
Loss on sales of investment securities	—	6
Loss on valuation of investment securities	**32**	19
Loss on liquidation of investment securities	—	7
Loss on valuation of investments in capital of subsidiaries and affiliates	**102**	374
Loss on liquidation of subsidiaries and affiliates	—	5
Impairment loss	**293**	169
Loss on disaster	—	44
Business structural reform expenses	**3,059**	—
Total extraordinary loss	**3,740**	925
Income before income taxes and minority interests	**7,795**	6,971
Income taxes—current	**3,635**	3,959
Income taxes—deferred	**(179)**	32,117
Total income taxes	**3,455**	36,077
Income (loss) before minority interests	**4,339**	(29,106)
Minority interests in income	**217**	274
Net income (loss)	**¥ 4,122**	¥(29,381)

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

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Income (loss) before minority interests	**¥ 4,339**	¥(29,106)
Other comprehensive income		
Valuation difference on available-for-sale securities	**7,474**	(6,221)
Deferred gains or losses on hedges	**326**	(114)
Revaluation reserve for land	**—**	1,802
Foreign currency translation adjustments	**13,607**	(1,966)
Share of other comprehensive income of associates accounted for using equity method	**0**	(0)
Total other comprehensive income	**21,408**	(6,500)
Comprehensive income	**25,747**	(35,606)
(Composition)		
Comprehensive income attributable to owners of the parent	**25,091**	(35,941)
Comprehensive income attributable to minority shareholders	**¥ 656**	¥ 334

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Shareholders' equity		
Capital stock		
Balance at beginning of period	**¥ 28,534**	¥ 28,534
Changes of items during the period		
Total changes of items during the period	**—**	—
Balance at the end of period	**28,534**	28,534
Capital surplus		
Balance at beginning of period	**40,054**	40,054
Changes of items during the period		
Total changes of items during the period	**—**	—
Balance at the end of period	**40,054**	40,054
Retained earnings		
Balance at beginning of period	**138,152**	169,894
Changes of items during the period		
Dividends from surplus	**(1,936)**	(1,936)
Net income (loss)	**4,122**	(29,381)
Change of scope of consolidation	**14**	(454)
Change resulting from merger with unconsolidated subsidiaries	**—**	(17)
Reversal of revaluation reserve for land	**120**	47
Total changes of items during the period	**2,321**	(31,741)
Balance at the end of period	**140,473**	138,152
Treasury stock		
Balance at beginning of period	**(3,690)**	(3,690)
Changes of items during the period		
Purchase of treasury stock	**(9)**	(0)
Total changes of items during the period	**(9)**	(0)
Balance at the end of period	**(3,699)**	(3,690)
Total shareholders' equity		
Balance at beginning of period	**203,050**	234,793
Changes of items during the period		
Dividends from surplus	**(1,936)**	(1,936)
Net income (loss)	**4,122**	(29,381)
Change of scope of consolidation	**14**	(454)
Change resulting from merger with unconsolidated subsidiaries	**—**	(17)
Reversal of revaluation reserve for land	**120**	47
Purchase of treasury stock	**(9)**	(0)
Total changes of items during the period	**2,312**	(31,742)
Balance at the end of period	**¥205,363**	¥203,050

(Millions of yen)

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of period	**¥ 27,337**	¥ 33,559
Changes of items during the period		
Net changes of items other than shareholders' equity	**7,472**	(6,221)
Total changes of items during the period	**7,472**	(6,221)
Balance at the end of period	**34,810**	27,337
Deferred gains or losses on hedges		
Balance at beginning of period	**(367)**	(252)
Changes of items during the period		
Net changes of items other than shareholders' equity	**326**	(114)
Total changes of items during the period	**326**	(114)
Balance at the end of period	**(41)**	(367)
Revaluation reserve for land		
Balance at beginning of period	**17,304**	15,549
Changes of items during the period		
Net changes of items other than shareholders' equity	**(120)**	1,754
Total changes of items during the period	**(120)**	1,754
Balance at the end of period	**17,184**	17,304
Foreign currency translation adjustment		
Balance at beginning of period	**(43,611)**	(41,583)
Changes of items during the period		
Net changes of items other than shareholders' equity	**13,167**	(2,028)
Total changes of items during the period	**13,167**	(2,028)
Balance at the end of period	**(30,443)**	(43,611)
Total accumulated other comprehensive income		
Balance at beginning of period	**662**	7,272
Changes of items during the period		
Net changes of items other than shareholders' equity	**20,845**	(6,609)
Total changes of items during the period	**20,845**	(6,609)
Balance at the end of period	**21,508**	662
Minority interests		
Balance at beginning of period	**3,118**	2,937
Changes of items during the period		
Net changes of items other than shareholders' equity	**(353)**	181
Total changes of items during the period	**(353)**	181
Balance at the end of period	**2,764**	3,118
Total net assets		
Balance at beginning of period	**206,832**	245,002
Changes of items during the period		
Dividends from surplus	**(1,936)**	(1,936)
Net income (loss)	**4,122**	(29,381)
Change of scope of consolidation	**14**	(454)
Change resulting from merger with unconsolidated subsidiaries	**—**	(17)
Reversal of revaluation reserve for land	**120**	47
Purchase of treasury stock	**(9)**	(0)
Net changes of items other than shareholders' equity	**20,492**	(6,428)
Total changes of items during the period	**22,804**	(38,170)
Balance at the end of period	**¥229,636**	¥206,832

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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	**¥ 7,795**	¥ 6,971
Depreciation and amortization	**11,613**	11,973
Impairment loss	**293**	169
Amortization of goodwill	**105**	145
Decrease in allowance for doubtful accounts	**(355)**	(136)
Loss on valuation of investments in capital of subsidiaries and affiliates	**102**	374
Gain on liquidation of subsidiaries and affiliates	**(8)**	(443)
Loss on valuation of investment securities	**32**	19
(Gain) loss on sales of investment securities	**(1,089)**	5
Loss on liquidation of investment securities	**—**	7
(Decrease) increase in provision for retirement benefits	**(771)**	3,884
Interest and dividends income	**(1,339)**	(1,598)
Interest expenses	**259**	304
Foreign exchange (gains) losses	**(181)**	48
Equity in losses (earnings) of affiliates	**0**	(0)
Gain on sales of noncurrent assets	**(1,857)**	(190)
Loss on retirement of noncurrent assets	**253**	298
Business structural reform expenses	**3,059**	—
Loss on disaster	**—**	44
Increase in notes and accounts receivable—trade	**(2,178)**	(13)
Decrease (increase) in inventories	**2,004**	(6,451)
Decrease in notes and accounts payable—trade	**(4,464)**	(1,578)
Other, net	**(630)**	471
Subtotal	**12,643**	14,305
Interest and dividends income received	**1,327**	1,583
Interest expenses paid	**(244)**	(310)
Payment of business structural reform expenses	**(1,940)**	—
Income taxes paid	**(4,030)**	(4,698)
Net cash provided by (used in) operating activities	**¥ 7,755**	¥10,880

(Millions of yen)

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Net cash provided by (used in) investing activities:		
Net increase in time deposits	**¥ (1,043)**	¥ (397)
Purchase of property, plant and equipment	**(13,115)**	(9,696)
Proceeds from sales of property, plant and equipment	**2,680**	931
Purchase of investment securities	**(150)**	(394)
Proceeds from sales and redemption of investment securities	**283**	6
Proceeds from liquidation of investment securities	—	42
Purchase of stocks of subsidiaries and affiliates	**(675)**	(26)
Proceeds from the sale of stock of subsidiaries and affiliates	**5**	—
Payments for investments in capital of subsidiaries and affiliates	**(601)**	—
Proceeds from liquidation of subsidiaries and affiliates	**11**	576
Payments of loans receivable	**(31)**	(307)
Collection of loans receivable	**36**	330
Other, net	**(16)**	(67)
Net cash provided by (used in) investing activities	**(12,617)**	(9,004)
Net cash provided by (used in) financing activities:		
Net (decrease) increase in short-term loans payable	**(2,336)**	3,060
Repayment of long-term loans payable	**(998)**	(3,857)
Proceeds from deposits received from membership	**265**	3
Repayments for deposits received from membership	**(337)**	(369)
Purchase of treasury stock	**(9)**	(0)
Cash dividends paid	**(1,936)**	(1,936)
Cash dividends paid to minority shareholders	**(180)**	(124)
Other, net	**(3)**	(22)
Net cash provided by (used in) financing activities	**(5,536)**	(3,247)
Effect of exchange rate change on cash and cash equivalents	**3,825**	(724)
Net increase (decrease) in cash and cash equivalents	**(6,573)**	(2,096)
Cash and cash equivalents at beginning of period	**55,919**	58,446
Increase in cash and cash equivalents from newly consolidated subsidiary	**130**	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	**(12)**	(484)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	**—**	53
Cash and cash equivalents at end of period	**¥ 49,464**	¥55,919

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

(5) Notes to the Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

None applicable

Changes in Accounting Principles

Changes in accounting principles that are difficult to classify from the changes in accounting estimates

Beginning in the fiscal year ended March 31, 2013, accompanying revisions in the corporate tax law, the Company and its domestic consolidated subsidiaries have changed their method(s) of depreciation for tangible fixed assets acquired on or after April 1, 2012, based on the corporate tax law after revisions.

Please note that the effect of these changes on consolidated income (loss) and segment information for the fiscal year ended March 31, 2013, were not material.

Consolidated Statements of Operations
FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)

Impairment Losses

Outline of asset groups where impairment losses were recognized

(Millions of yen)

Use	Location	Impairment losses	
Idle assets, etc.	Sapporo, Hokkaido, and elsewhere	Buildings and structures	¥503
		Tools, furniture and fixtures	2
		Land	350
		Total	¥855

Of the total shown above, ¥562 million was reported as business structural reform impairment expenses in connection with the consolidation and concentration of business locations.

Method for Grouping of Assets
Within its segment classification, the Yamaha Group groups the smallest asset units that generate cash flow together.

Background Leading to the Recognition of Impairment Losses
Impairment losses were recognized on idle assets that will not be used in the future, assets that are expected to become idle assets, and assets that the Company expects to dispose of.

Calculation of the Recovery Value
The recovery value of idle assets, etc., is estimated from the net sale value, using estimates based on price indexes of real estate appraisers and/or the assessed value for the tangible fixed assets tax.

FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Impairment Losses

Since the amounts are not material, this information has been omitted.

Segment Information

1. Summary of Reporting Segments

Business segments are composed of business units that provide separate financial information, are regularly reviewed by the Board of Directors of the Company for the purpose of business performance evaluation and management resource allocation decisions, and that have been grouped to consolidate products and services with similar economic characteristics and contents.

Yamaha has established business divisions by product and service in its head office and formulates comprehensive strategies for implementation in Japan and overseas in its respective business domains.

Therefore, the Company's business segments, based on its business domains, comprise its three principal reporting segments, which are musical instruments, AV/IT, and electronic devices. Other businesses have been grouped together in the "Others" segment.

The musical instruments business segment includes the manufacture and sales of pianos; digital musical instruments; wind, string, and percussion instruments; and professional audio equipment as well as other music-related activities. The AV/IT business segment includes the manufacture and sales of audio products, information and telecommunication equipment, and certain other products. The electronic devices business segment includes the manufacture and sales of semiconductor products. The "Others" segment includes automobile interior wood components, factory automation (FA) equipment, golf products, recreation, and certain other lines of business.

2. Method for Calculating the Sales, Income (Loss), Assets, Liabilities, and Other Items for Reporting Segments

The accounting treatment for reporting business segments is carried out through principles and procedures that are the same as those set forth in "Methods of Accounting Treatment Adopted for Preparation of the Consolidated Financial Statements."

Figures for income in reporting segments are on an operating income basis.

Intersegment sales and transfers are based on prevailing market prices.

3. Information on the Amounts of Sales, Income (Loss), Assets, Liabilities, and Other Items for Reporting Segments

FY2013.3 (April 1, 2012－March 31, 2013) (Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	**¥272,711**	**¥55,367**	**¥15,038**	**¥23,823**	**¥366,941**		**¥366,941**
Intersegment sales or transfers			**697**		**697**	**(697)**	
Total	**272,711**	**55,367**	**15,736**	**23,823**	**367,638**	**(697)**	**366,941**
Segment income (loss)	**¥ 8,148**	**¥ 2,856**	**¥(2,044)**	**¥ 254**	**¥ 9,215**		**¥ 9,215**
Segment assets	**259,186**	**39,444**	**13,638**	**78,341**	**390,610**		**390,610**
Other items							
Depreciation and amortization	**8,912**	**1,277**	**669**	**754**	**11,613**		**11,613**
Impairment loss	**855**				**855**		**855**
Increase in property, plant and equipment and intangible assets	**¥ 9,564**	**¥ 1,940**	**¥ 1,381**	**¥ 1,068**	**¥ 13,954**		**¥ 13,954**

Notes: 1. The item “Adjustments” contains the following:
The sales adjustment item of ¥(697) million, which comprises eliminations of transactions among the Company’s business segments.
2. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.
3. Among the assets of the Others segment, the amount of investment securities related to Yamaha Motor Co., Ltd. (the market value reported on the Consolidated Balance Sheets) is ¥55,009 million.

FY2012.3 (April 1, 2011－March 31, 2012) (Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥265,089	¥53,165	¥16,233	¥22,128	¥356,616		¥356,616
Intersegment sales or transfers			768		768	(768)	
Total	265,089	53,165	17,001	22,128	357,385	(768)	356,616
Segment income (loss)	¥ 7,713	¥ 2,872	¥(2,913)	¥ 437	¥ 8,110		¥ 8,110
Segment assets	247,968	33,734	13,843	71,064	366,610		366,610
Other items							
Depreciation and amortization	9,065	1,248	976	684	11,973		11,973
Impairment loss				169	169		169
Increase in property, plant and equipment and intangible assets	¥ 8,480	¥ 1,072	¥ 736	¥ 1,290	¥ 11,579		¥ 11,579

Notes: 1. The item “Adjustments” contains the following:
The sales adjustment item of ¥(768) million, which comprises eliminations of transactions among the Company’s business segments.
2. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.
3. Among the assets of the Others segment, the amount of investment securities related to Yamaha Motor Co., Ltd. (the market value reported on the Consolidated Balance Sheets) is ¥47,290 million.

Related Information

1. Information by product and service

Since the Company discloses the same information in its segment information section, it has been omitted.

2. Information by geographical segment

(1) Sales and Property, plant and equipment

Sales information based on the geographical location of the customers

FY2013.3 (April 1, 2012－March 31, 2013) (Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	**¥165,790**	**¥55,156**	**¥60,611**	**¥85,383**	**¥201,151**	**¥366,941**
% of net sales	**45.2%**	**15.0%**	**16.5%**	**23.3%**	**54.8%**	**100.0%**

Notes: 1. Sales information is based on the geographical location of customers, and it is classified by country or region.
2. Main country and regional divisions:
North America: U.S.A., Canada
Europe: Germany, France, U.K.
Asia, Oceania, and other areas: People’s Republic of China, Republic of Korea, Australia

FY2012.3 (April 1, 2011－March 31, 2012) (Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥167,105	¥49,922	¥60,822	¥78,766	¥189,511	¥356,616
% of net sales	46.9%	14.0%	17.0%	22.1%	53.1%	100.0%

Notes: 1. Sales information is based on the geographical location of customers, and it is classified by country or region.
2. Main country and regional divisions:
North America: U.S.A., Canada
Europe: Germany, France, U.K.
Asia, Oceania, and other areas: People’s Republic of China, Republic of Korea, Australia

Sales information based on Group locations where sales take place

FY2013.3 (April 1, 2012－March 31, 2013) (Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	**¥177,939**	**¥ 54,635**	**¥60,898**	**¥ 73,467**	**¥366,941**		**¥366,941**
Intersegment sales or transfers	**117,423**	**586**	**1,523**	**66,847**	**186,381**	**¥(186,381)**	
Total	**295,363**	**55,222**	**62,421**	**140,314**	**553,322**	**(186,381)**	**366,941**
Segment income (loss)	**¥ (2,190)**	**¥ 1,735**	**¥ 2,062**	**¥8,016**	**¥9,624**	**¥ (409)**	**¥ 9,215**
Segment assets	**256,886**	**28,144**	**34,391**	**92,267**	**411,690**	**(21,079)**	**390,610**
Property, plant and equipment	**¥ 84,978**	**¥ 1,087**	**¥ 3,438**	**¥ 20,819**	**¥110,325**		**¥110,325**

Notes: 1. Sales information is based on Group locations where sales take place and it is classified by country or region.
2. Main country and regional divisions:
This classification is the same as the one for "Sales information based on the geographical location of the customers."
3. The item "Adjustments" contains the following:
The sales adjustment item of ¥(186,381) million, which comprises eliminations of transactions among the Company's business segments.
4. "Segment income (loss)" means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.

FY2012.3 (April 1, 2011－March 31, 2012) (Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥178,404	¥49,580	¥60,817	¥ 67,814	¥356,616		¥356,616
Intersegment sales or transfers	122,042	724	1,311	64,102	188,181	¥(188,181)	
Total	300,447	50,305	62,128	131,917	544,798	(188,181)	356,616
Segment income (loss)	¥ (3,478)	¥ 1,874	¥ 2,288	¥ 7,876	¥ 8,560	¥ (449)	¥ 8,110
Segment assets	251,549	23,728	30,708	78,508	384,495	(17,884)	366,610
Property, plant and equipment	¥ 85,725	¥ 1,094	¥ 3,249	¥ 16,788	¥106,858		¥106,858

Notes: 1. Sales information is based on Group locations where sales take place and it is classified by country or region.
2. Main country and regional divisions:
This classification is the same as the one for "Sales information based on the geographical location of the customers."
3. The item "Adjustments" contains the following:
The sales adjustment item of ¥(188,181) million, which comprises eliminations of transactions among the Company's business segments.
4. "Segment income (loss)" means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.

3. Information by principal customer

None applicable

Information on impairment losses on noncurrent assets by reporting segment

Since the Company discloses the same information in its segment information section, it has been omitted.

Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reporting segment

Since the amounts are not material, this information has been omitted.

Information on profit arising from negative goodwill by reporting segment

Since the amounts are not material, this information has been omitted.

Per Share Information

(Yen)

FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)		FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)	
Net assets per share	**¥1,171.67**	Net assets per share	¥1,052.01
Net income per share	**¥ 21.29**	Net loss per share	¥ (151.73)
There are no latent shares, and no figures for earnings per share after adjustment for latent shares have been disclosed.		There are no latent shares, and, since the Company reported a net loss, no figures for earnings per share after adjustment for latent shares have been disclosed.	

Note: Basis for Calculations of Net Income (Loss) per Share and Net Income (Loss) per Share after Adjustment for Latent Stock

	FY2013.3 (Apr. 1, 2012–Mar. 31, 2013)	FY2012.3 (Apr. 1, 2011–Mar. 31, 2012)
Net income (loss) per share:		
Net income (loss)	**¥4,122 million**	¥(29,381) million
Value not attributed to common stock	**— million**	— million
Net income (loss) attributed to common stock	**¥4,122 million**	¥(29,381) million
Average number of outstanding shares during the period	**193,635 thousand shares**	193,643 thousand shares
Net income per share after adjustment for latent stock:		
Net income adjustment value	**¥— million**	¥— million
Increase in number of outstanding common stock	—	—
Latent shares not included in calculations of net income (loss) per share after adjustment for latent shares due to lack of dilution effect	—	—

Important Subsequent Events

None applicable

4. Other

(1) Management Appointment and Resignations

See appendix.