

(Translation Only)

(Security code: 7951)
YAMAHA CORPORATION
10-1 Nakazawa-cho, Naka-ku, Hamamatsu,
Shizuoka 430-8650, Japan

June 1, 2007

Notice of the 183rd Ordinary General Shareholders' Meeting

Dear Shareholders:

We hereby inform you of the 183rd Ordinary General Shareholders' Meeting, to be held at the time and place set forth below.

If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please review the Reference Documents for the General Meeting of Shareholders provided and exercise your voting rights by 5:00 p.m. (JST), Monday, June 25, 2007.

[Voting by mail]

Please indicate your votes of approval or disapproval for proposals on the enclosed Exercise of Voting Rights form and return the form to us by the above deadline.

[Voting via the Internet]

Please enter your votes of approval or disapproval for proposals after reading the section "Concerning Procedures for Exercise of Voting Rights Via the Internet."

Very truly yours,

Shuji Ito
President and Representative Director

The 183rd Ordinary General Shareholders' Meeting

1. Date and time: Tuesday, June 26, 2007 at 10:00 a.m.
2. Location: First floor of Building No. 18
10-1 Nakazawa-cho, Naka-ku, Hamamatsu,
Shizuoka, Japan
(Please refer to map in Japanese original)

3. Agenda of the meeting

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements, and the Audit Reports of the Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors, for the 183rd Fiscal Year (from April 1, 2006 through March 31, 2007).
2. The Non-consolidated Financial Statements for the 183rd Fiscal Year (from April 1, 2006 through March 31, 2007)

Matters to be resolved:

- | | |
|------------|---|
| Proposal 1 | Appropriation of Surplus |
| Proposal 2 | Election of Eight Directors |
| Proposal 3 | Election of Two Corporate Auditors |
| Proposal 4 | Payment of Bonuses to Directors and Corporate Auditors |
| Proposal 5 | Approval of the Introduction of Measures for Large-Scale Purchases of Company Shares (Anti-Takeover Measures) |

4. Predetermined terms of the convening

- (1) If you do not indicate your vote of approval or disapproval for any proposal on the Exercise of Voting Rights form, you will be deemed to have approved that proposal.
- (2) Handling of voting several times
 - 1) When voting rights are exercised more than once via the Internet, the vote that arrives the latest will be deemed the valid one.
 - 2) When a shareholder exercises voting rights via the Internet and by the Exercise of Voting Rights form, the vote via the Internet will be deemed the valid one.
- (3) When a shareholder exercises voting rights by proxy at the meeting, the shareholder may appoint one shareholder with voting rights to act as his or her proxy. If you wish to exercise your voting rights by proxy at the meeting, please submit to the Company your Exercise of Voting Rights form together with a document evidencing the Proxy's power of representation for the meeting.

Notes 1. For those attending, please present the enclosed Exercise of Voting Rights form at the reception desk on arrival at the meeting.
2. If the Reference Documents for the General Meeting of Shareholders and the Attached Documents are amended, the amended items will be announced on our Internet website (<http://www.yamaha.co.jp>).
3. This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1 –Appropriation of Surplus

We will propose the appropriation of surplus as follows.

Taking into account the improvement of consolidated return on equity, and based on the level of the medium-term consolidated profits, the Company is adopting a basic policy of ensuring appropriate internal reserves in order to strengthen its operating base, such as R&D, sales investments, and capital investments, and of paying dividends that more closely reflect the consolidated operating results than ever before.

1. Year-end dividend

We will propose the payment of a year-end dividend for the 183rd fiscal year as follows.

(1) Allotment of assets for dividends to shareholders and the total amount of dividends

We will propose the payment of a year-end dividend of 12.50 yen per share of common stock (this, combined with the interim dividend already paid, amounts to an annual dividend of 22.50 yen per share), an increase of 2.50 yen per share of the Company's common stock, in order to respond to continuing support from shareholders.

In this case, the total amount of dividends will be 2,578,771,775 yen.

(2) Effective date of distribution of surplus

June 27, 2007

2. Appropriation of surplus

(1) Items to be increased and its amount

General reserve	5,000 million yen
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(2) Items to be decreased and its amount

Earned surplus carried forward	5,000 million yen
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Proposal 2 – Election of Eight Directors

All directors will complete their respective terms of office at the conclusion of this meeting. Accordingly, we shall propose to elect eight directors.

The table below lists the nominees for those positions.

No.	Name (Date of Birth)	Brief personal history; Position and charge of the Company (Representative positions held at other companies, etc.)	No. of the Company shares held
1	Shuji Ito (November 1, 1942)	<p>April 1965: Entered the Company July 1984: President and Director of Yamaha-Kemble Music (U.K.) Ltd. June 1988: Director of the Company July 1993: Managing Director June 1997: Senior Managing and Representative Director April 2000: President and Representative Director (to the present)</p> <p>(Representative positions held at other companies, etc.) President of Yamaha Music Foundation</p>	42,288
2	Hirokazu Kato (March 8, 1944)	<p>April 1966: Entered the Company March 1996: General Manager of Electronics Development Center June 1998: Director June 2003: Managing Director (to the present) June 2006: General Manager of Sound and IT Business Group, Research and Development Group (to the present)</p>	9,700
3	Tsuneo Kuroe (February 2, 1946)	<p>April 1968: Entered the Company July 1999: General Manager of Corporate Planning Division June 2000: Director June 2005: Managing Director (to the present) June 2006: General Manager of Finance and Administration Group (to the present)</p>	16,100
4	Mitsuru Umemura (March 6, 1951)	<p>April 1975: Entered the Company April 2000: President and Director of Yamaha Corporation of America February 2001: Executive Officer of the Company May 2003: General Manager of Musical Instruments Group June 2003: Senior Executive Officer June 2006: Managing Director (to the present) June 2006: General Manager of Musical Instruments and Software Business Group (to the present)</p>	14,500

No.	Name (Date of Birth)	Brief personal history; Position and charge of the Company (Representative positions held at other companies, etc.)	No. of the Company shares held
5	Toru Hasegawa (May 15, 1936)	<p>April 1960: Entered Yamaha Motor Co., Ltd. July 1985: Director of Yamaha Motor June 1997: Managing Director of Yamaha Motor June 2000: Senior Managing Director of Yamaha Motor</p> <p>April 2001: President and Representative Director of Yamaha Motor June 2003: Director of the Company (to the present) January 2005: Chairman and Director of Yamaha Motor March 2007: Retired from the Director of Yamaha Motor</p>	5,000
6	Yasushi Yahata (March 16, 1954)	<p>April 1978: Entered the Company June 2004: Executive Officer June 2004: General Manager of Production Technology Head Office June 2005: Director (to the present) June 2006: General Manager of Productive Technology Business Group, Process Management Group, General Manager of Golf products Division (to the present)</p>	4,300
7	Hiroo Okabe (November 15, 1951)	<p>April 1974: Entered the Company April 2000: General Manager of Wind & Educational Musical Instruments Division June 2003: Executive Officer November 2003: Vice General Manager of Musical Instruments Group June 2006: Director (to the present) June 2006: Deputy General Manager of Musical Instruments and Software Business Group (to the present)</p> <p>(Representative positions held at other companies, etc.) Chairman of Guangzhou Yamaha-Pearl River Piano Inc.</p>	4,200
8	Motoki Takahashi (December 4, 1951)	<p>April 1974: Entered the Company August 1999: President and Director of Yamaha Europe GmbH February 2001: Executive Officer of the Company (to the present) May 2006: General Manager of Corporate Planning Division (to the present)</p>	3,000

Notes:

1) The nominees for directors who have special interests in the Company are as follows:

1) Shuji Ito

Shuji Ito doubles as President of Yamaha Music Foundation, an entity to which we pay lecture fees for instructors of musical classrooms. In addition, our wholly owned subsidiaries compete with the Foundation in the musical classroom business.

2) Tsuneo Kuroe

Tsuneo Kuroe doubles as President of Yamaha Employees' Pension Fund, an entity we must pay pension premiums. He doubles as President of Yamaha Health Insurance Association, an entity we must pay insurance premiums. He also doubles as President of Yamaha Benefit Club, an entity we must pay membership dues.

3) Hiroo Okabe

Hiroo Okabe doubles as Chairman of Guangzhou Yamaha-Pearl River Piano Inc., a company with which we and our wholly owned subsidiaries have sales transactions of products and the like.

2. Toru Hasegawa is the nominee for outside director.

3. Following are the special notes concerning the nominee for outside director.

Toru Hasegawa

1) We anticipate that he will make use of his experience as an ex-director of Yamaha Motor Co., Ltd. and give advice to the management of the Company. Therefore, we will propose that he be elected as an outside director.

2) Over the past five years he has been the president and representative director and the chairman of the Board of Directors of Yamaha Motor Co., Ltd., an affiliate of the Company.

3) During his term of office as the chairman of the Board of Directors of Yamaha Motor Co., Ltd., the above company violated the Foreign Exchange and Foreign Trade Control Law.

4) His term of office as an outside director of the Company shall have been four years, at the conclusion of this Ordinary General Shareholders' Meeting.

5) The Company has entered into an agreement with him to limit the liability for damage stipulated in Article 423, Paragraph 1 of the Corporate Law. The details of this agreement are as follows:

He has entered into an agreement with the Company to limit the liability for damage stipulated in Article 423, Paragraph 1 of the Corporate Law. As a result, the maximum amount of liability under the agreement will be the minimum amount stipulated in laws and regulations.

Proposal 3 – Election of Two Corporate Auditors

Two corporate auditors, Naomoto Ota and Kunio Miura, will complete their respective terms of office at the conclusion of this meeting. Accordingly, we will propose to elect two corporate auditors.A

This Proposal was agreed upon in advance by the Board of Corporate Auditors.

The table below indicates the nominees for those positions.

No.	Name (Date of Birth)	Brief personal history; Position and charge of the Company (Representative positions held at other companies, etc.)	No. of the Company shares held
1	Kunio Miura (February 13, 1953)	April 1979: Appointed as a judge March 1988: Retired from the Bench April 1988: Registered as a practicing lawyer (Osaka Bar Association) Joined Seiki Naoyoshi Law Office April 1997: Established Komoto and Miura Law Office (to the present) June 2003: Corporate Auditor of the Company (to the present)	0
2	Tokihisa Makino (February 20, 1950)	April 1968: Entered the Company April 2000: General Manager of Accounting and Finance Division February 2001: Executive Officer June 2003: Director June 2006: Advisor (to the present)	8,682

Notes:

1. The nominees for corporate auditors have no special interests in the Company.
2. Kunio Miura is the nominee for outside corporate auditor.
3. Following are the special notes concerning the nominee for outside corporate auditor.

Kunio Miura

- 1) We anticipate that he will make use of his legal expertise and the wide range of views he has developed over his many years as a judge and lawyer, for the auditing of the management of the Company. Therefore, we will propose that he will be elected as an outside corporate auditor.
- 2) He has never been directly involved in corporate management. As a lawyer, however, he has detailed knowledge of corporate legal affairs and sufficient knowledge of corporate governance. Therefore, we consider that he will appropriately discharge his duties as an outside corporate auditor.
- 3) His term of office as an outside corporate auditor of the Company shall have been four years, at the conclusion of this Ordinary General Shareholders' Meeting.
- 4) The Company has entered into an agreement with him to limit the liability for damage stipulated in Article 423, Paragraph 1 of the Corporate Law. The details of this agreement are as follows:
He has entered into an agreement with the Company to limit the liability for damage

stipulated in Article 423, Paragraph 1 of the Corporate Law. As a result, the maximum amount of liability under the agreement will be the minimum amount stipulated in laws and regulations.

Proposal 4 – Payment of Bonuses to Directors and Corporate Auditors

In consideration of the operating results of this fiscal year and other factors, we will propose the payment of bonuses of 100 million yen in the aggregate (85 million yen in the aggregate to directors (including 1 million yen to one outside director) and 15 million yen in the aggregate to corporate auditors (including 2 million yen to two outside corporate auditors)) to eight directors and four corporate auditors in office at the end of this fiscal year, comprehensively.

Proposal 5 – Approval of the Introduction of Measures for Large-Scale Purchases of Company Shares (Anti-Takeover Measures)

We will propose the approval of the introduction of measures for large-scale purchases of company shares, in order to secure and enhance corporate value and the common interests of shareholders.

Details of the measures are as follows.

1. Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies of the Company

The Company believes that the composition of shareholders of Yamaha should be decided through free trading in the shares of the Company on the market, and that the final judgment as to whether to accept a purchase offer accompanying the transfer of controlling rights in the Company should be based on the will of all of the shareholders.

However, there is a growing tendency in Japan's capital markets for purchasers to force through the purchases of large numbers of shares without obtaining the approval of the managements of the targeted companies. A review of the purposes, etc. of these large purchases reveals that many of the purchases make no contribution to the corporate value of the companies targeted for purchase or the common interests of their shareholders. In many cases a large purchase clearly impairs the corporate value of the targeted company and common interests of its shareholders, or exposes the shareholders of the targeted company to the risk of being forced to sell their shares, or fails to provide the Board of Directors and shareholders of the targeted company sufficient time and information to examine the purchaser's conditions or offer alternative plans, or requires the targeted company to negotiate with the purchaser in order to obtain more advantageous conditions than those offered by the purchaser.

The Company believes that persons who make inappropriate large purchase offers or perform similar actions that might harm the corporate value of the Company and oppose the common interests of the Company's shareholders, including those actions enumerated in the aforementioned examples, are inappropriate as those who are to be entrusted with control over decision-making on the financial and business policies of the Company.

2. Effort to Contribute to Realization of Basic Policy

Yamaha's operational policy is "to grow as a company that keeps on creating new *Kando* (simultaneous feelings of deep satisfaction and intense excitement) and enriched culture together with people of the world through technology and artistry cultivated on the basis of sound and music." For that purpose, we endeavor to innovate new technologies, strengthen our ability to adapt to rapidly changing market environments, and meet customer expectations through the development and provision of products and services of consistently excellent quality, while striving to improve the effectiveness of our management and enhance our global competitiveness.

In our "YSD 50" mid-term management plan, we actively endeavor to (i) establish a sustainable and stable structure for high profits through improvement of profitability centered on the musical instrument business, (ii) create and develop original and high-quality products and businesses, and (iii) establish management structures with an emphasis on corporate social responsibility. We have prepared and reinforced production bases in China, steadily expanded our China business and professional audio equipment business, progressed strategically towards future business expansions, and stabilized environmental response and compliance activities in our corporate culture.

"Musical instruments, professional audio equipment and musical software, AV, IT, and electronic devices" based on sound, music, and network-related technologies are positioned as areas to drive the growth of the Group as a 'Sound Company' under the new "YGP 2010" mid-term management plan (Yamaha Growth Plan 2010). For other businesses, meanwhile, YGP 2010 calls for renewed efforts to increase the group corporate value by establishing a solid position in each industry as a diversified practice business area.

The Company will be appropriating the profits that arise from business growth to R&D, sales investment, facilities investment, and other engines for further growth, while adopting dividend measures with a stronger emphasis on dividend ratios compared to before and closer consideration of shareholder returns.

The Company endeavors to conduct its business taking into account the balance of interests among its respective stakeholders. The Company declares its commitments to each of the stakeholders—shareholders, customers, employees and local society—as set forth below and aims to fulfill those commitments. The Company believes that it can maximize corporate value in the long run by maintaining the balance of interests among the respective stakeholders and raising the levels of satisfaction of each.

Commitment to Shareholders: Yamaha will increase the satisfaction and understanding of its shareholders by striving for healthy profits and returns and achieving productivity using high-quality, transparent management and practicing disclosure

Commitment to Customers: Yamaha will fully satisfy its customers by offering high-quality products and services created with new and traditional technologies, creativity, and artistry while carrying on with its activities as a brand that is known, trusted, and loved.

Commitment to People who Work with Us:

The people who burnish the Yamaha brand and create the Yamaha value are all of those in working relationships with Yamaha. Yamaha will develop relationships of mutual trust with all of those who work with Yamaha in accordance with fair rules based on social norms, and strive to be an organization in which individuals can fully realize their abilities and work with self-realization, confidence, and pride.

Commitment to Society:

Yamaha will give first priority to safety and care for the environment. Yamaha will be a good corporate citizen and observe laws and work ethically while developing the economy and contributing to local and global culture.

3. Efforts to Keep the Control over Decision-Making on Financial and Business Policies out of the Hands of Inappropriate Persons in Light of the Basic Policy

(1) Purpose of Introduction of the Plan

Over its long history of operations, the Yamaha Group has created a corporate structure like none other in the world. Under the Yamaha brand, we have developed core businesses anchored in music and sound. The inherent connections between our manufacturing operations, which are focused on musical instruments and related hardware, and our service operations, which include Yamaha music schools and music distribution services, are part of what makes our corporation different from the rest. Our ongoing initiatives to meet the needs of professionals and to promote the popularization of music through the operation of music schools and activities such as the hosting of various musical events are key to our flagship musical instrument business. In light of this, Yamaha has moved forward with these activities based on relationships built on trust with business partners in the musical instrument and music business. The integration of these activities and human resources is the very source of the corporate value of the Yamaha Group. We believe that shareholders cannot make proper determinations on prospective future shareholder value without an adequate understanding of these and other corporate activities. For this reason, Yamaha has engaged in investor relations (IR) activities aimed at ensuring that investors and shareholders have an appropriate understanding of the value of the Company's shares. In the event of a sudden large purchase of Company shares, however, we believe that shareholders receive necessary and sufficient information from both the relevant purchaser and Yamaha's Board of Directors in order to promptly reach a proper decision on the propriety of the relevant purchaser's offer. In addition, it is especially important that shareholders contemplating long-term investment in the Company receive information on the expected effects of the relevant purchase on the Company and the large share purchaser's intentions with regard to participation in the Company's management and the shaping of specific management policies and business plans, including policies on the Company's relationships with employees, affiliates, business partners, customers, and other stakeholders. Likewise, we believe that the opinions of the Board of Directors on the relevant prospective

purchase are important decision-making criteria for shareholders.

Upon consideration of these factors, the Board of Directors has judged that it will be essential to develop a framework by which to avoid any purchase that may harm the corporate value of the Company or common interests of the Company's shareholders when any purchaser offers to make a large purchase of Company shares. The strategy for this framework is to ensure that the Company can secure sufficient information and time to allow the shareholders to decide whether to accept an offer for a large purchase, and to allow the Board of Directors of the Company to offer an alternative plan or to negotiate with the would-be purchaser on behalf of the Company's shareholders, etc.

In conclusion, the Board of Directors asks the shareholders to approve a policy (anti-takeover measures) for large purchases of Company shares (hereinafter, "the Plan"), as a part of the Company's efforts to keep the control of the decision-making on the financial and business policies of the Company out of the hands of inappropriate persons in light of the basic policy.

Note that Yamaha has not received a concrete offer for a large purchase of Company shares or reorganization of Yamaha group from a third party at present.

(2) Outline of the Plan

(a) Establishment of Procedures Relating to Implementation of the Plan

First of all, in order to secure and enhance the corporate value of the Company and common interests of the shareholders, when a purchaser purchases (purchase as defined in (a) of (3) "Procedures Relating to Implementation of the Plan" below; hereinafter, the same) shares etc. of the Company (shares etc. refer to those applicable to footnote 1 of (a)(i) or footnote 4 of (a)(ii) of (3) "Procedures Relating to Implementation of the Plan" below; hereinafter, the same), the Plan establishes a procedures for presenting the management's plan or alternative plans, etc. to shareholders or for conducting negotiations, etc. with the purchaser or the person offering to purchase the shares (hereinafter collectively referred to as the "Purchaser") upon securing a period for the Company to gather information and perform examinations, etc. concerning the relevant purchase by requesting the Purchaser to provide information on the relevant purchase in advance (please see (3) "Procedures Relating to Implementation of the Plan" below).

(b) Allocation of Stock Acquisition Rights without Compensation and Use of an Independent Panel

When the Company recognizes the risk of a purchase that may impair the corporate value and the common interests of shareholders, such as a purchase not in accordance with the procedures prescribed in the Plan (for details, please see (4) "Requirements for the Issuance of Stock Acquisition Rights without Compensation" below), the Company will grant all of its shareholders Stock Acquisition Rights at the relevant point of time in accordance with the method for the issuance of Stock Acquisition Rights without compensation (as set forth in Article 277 and subsequent Articles of the Japanese Corporate Law), with the exercise condition that the relevant Purchaser will not be allowed to exercise the Stock Acquisition Rights, and with the acquisition provision that the Company will acquire the Stock Acquisition Rights in exchange for Company

shares from persons other than the relevant Purchaser (details will be described in (5) “Overview of the Issue of Stock Acquisition Rights without Compensation” below, the “Stock Acquisition Rights” hereinafter).

For judgment on execution, non-execution, acquisition, etc. of Stock Acquisition Rights, in order to rule out arbitrary judgments by the Board of Directors, the Company has resolved to ensure transparency by entrusting the judgment solely to an independent panel (hereinafter the “Independent Panel”) made up of (i) outside directors of the Company, (ii) outside corporate auditors of the Company, and/or (iii) knowledgeable persons outside the Company (corporate managers with proven track records, persons from governmental offices, persons with expert knowledge in the investment banking business, lawyers, certified public accountants, academic experts, etc.), all of whom are to remain independent of the Company in accordance with the Independent Panel Rules (for an outline, please see Exhibit 1), and in the meantime by the timely disclosure of information to shareholders. Mr. Kunio Miura (subject to the approval of Proposal 3 as proposed), Mr. Kunio Ito, and Mr. Haruo Kitamura (the latter two are knowledgeable persons outside the Company) are to assume posts as panel members on the Independent Panel at the initial introduction of the Plan (for the names, career summaries, etc. of the respective members, please see the Exhibit 2).

(c) Exercise of Stock Acquisition Rights and Acquisition of Stock Acquisition Rights by the Company

If Stock Acquisition Rights are issued without compensation in accordance with the Plan and Company shares are granted to shareholders other than the Purchaser through the exercise of the Stock Acquisition Rights or in exchange for the acquisition of Stock Acquisition Rights by the Company, the relevant Purchaser’s share of voting rights of the Company shares may be diluted by up to 50%.

(3) Procedures Relating to Implementation of the Plan

(a) Purchases Subject to the Plan

Under the Plan, Stock Acquisition Rights will be issued without compensation in accordance with the procedures prescribed in the Plan when a Purchaser makes a purchase of the type described in (i) or (ii) below or a purchase to which similar acts apply (hereinafter collectively referred to as the “Purchase”).

- (i) Concerning shares etc.¹ issued by the Company, any purchase that increases the holding ratio of shares etc.² of the holder³ to 20% or greater,
- (ii) Concerning shares etc.⁴ issued by the Company, a tender offer⁵ that increases the total sum of

¹ As defined in Paragraph 1, Article 27-23 of the Securities and Exchange Law of Japan; hereinafter the same unless otherwise provided.

² As defined in Paragraph 4, Article 27-23 of the Securities and Exchange Law of Japan; hereinafter the same.

³ Includes holders in accordance with Paragraph 3, Article 27-23 of the Securities and Exchange Law of Japan.

⁴ As defined in Paragraph 1, Article 27-2 of the Securities and Exchange Law of Japan; hereinafter the same in (ii) below.

⁵ As defined in Paragraph 6, Article 27-2 of the Securities and Exchange Law of Japan; hereinafter the same.

the ratio of ownership of shares etc.⁶ relating to the tender offer and the ratio of ownership of the shares etc. of a Special Stakeholder⁷ to 20% or greater.

(b) Request for Provision of Information by the Purchaser

A Purchaser who is to make a Purchase as prescribed in (a) above shall, prior to executing such Purchase, submit to the Company a written statement with all of the information that the Company needs to examine the details of the Purchase, as enumerated in the subsequent respective items (hereinafter “Necessary Information”), and a pledge avowing that the relevant Purchaser will comply with the procedures prescribed in the Plan upon Purchase (hereinafter collectively referred to as the “Purchase Explanation”), prepared in the form prescribed by the Company, unless the Board of Directors otherwise approves.

When the Board of Directors receives the aforementioned Purchase Explanation, it will promptly provide it to the Independent Panel. Then, if the Independent Panel judges that the contents of the description of the relevant Purchase Explanation are not sufficient as Necessary Information, the Independent Panel may itself request the Purchaser to submit additional Necessary Information or make such request via the Board of Directors, setting a reply deadline as necessary. In these instances, the Purchaser must provide the additional Necessary Information by the relevant deadline:

- (i) Details of the Purchaser and the Purchaser’s group (including Joint Shareholders⁸, Special Stakeholders, and association members, as well as other constituent members if the said Purchaser is a fund), including the specific names, capital structure, and financial structure
- (ii) The purpose, method, and nature of the Purchase, including the purchase price and form of payment, purchase timing, relevant transaction methods, legality of the proposed purchase method, and the possibility of purchase execution
- (iii) The basis for determination of the purchase price, including the facts and assumptions on which the determinations are based, the calculation methods, the numerical information used to make the determinations, and the estimated contents of synergies arising from the series of transactions involved in the Purchase, and among these, the contents of synergies to be distributed to the minority shareholders
- (iv) corroboration of purchase funding availability, including the specific name of the funding provider (including the material provider), procurement method, and nature of relevant transactions

⁶ As defined in Paragraph 8, Article 27-2 of the Securities and Exchange Law of Japan; hereinafter the same.

⁷ This refers to a “Special Stakeholder” as defined in Paragraph 7, Article 27-2 of the Securities and Exchange Law of Japan (including any person to whom, in the opinion of the Board of Directors, this definition applies); provided, however, any person referred to in Item 1 of the relevant paragraph shall exclude any person prescribed in Paragraph 2, Article 3 of the Cabinet Order Concerning Disclosure of Tender Offer of Shares etc. by Persons Other than Issuer; likewise hereinafter.

⁸ This refers to a Joint Shareholder as set forth in Paragraph 5, Article 27-23 of the Securities and Exchange Law of Japan, including a person deemed by the Board of Directors to be a Joint Shareholder in accordance with Paragraph 6 of the relevant provisions; the same shall apply hereinafter.

- (v) Management policies, business plans, capital policies and dividend policies of the Company following completion of the Purchase
- (vi) Policies pertaining to the treatment of employees, business partners, customers, and other stakeholders of the Company following the Purchase
- (vii) Other information reasonably judged by the Independent Panel to be necessary

When it is recognized that a Purchaser has begun a Purchase without following the procedures prescribed in the Plan, the Independent Panel will in principle recommend to the Board of Directors the implementation of an issuance of Stock Acquisition Rights without compensation as described in (d)(i) below, unless there are special circumstances that necessitate the holding of consultations and negotiations, etc. with the Purchaser on continuing requests for the submission of the Purchase Explanation and Necessary Information.

(c) Examination of the Nature of the Purchase, Negotiations with the Purchaser, and Presentation of an Alternative Plan

(i) Request to the Board of Directors for information provision

When the Purchaser submits the Purchase Explanation and the additional Necessary Information at the request the Independent Panel (if any), the Independent Panel may also request the Board of Directors to provide an expeditious presentation of an opinion on the nature of the Purchase by the Purchaser (including an opinion to the effect that the opinion is being held back, and hereinafter the same), supporting material for the opinion, an alternative plan (if any), and other information and materials considered to be necessary by the Independent Panel, within a reasonable period determined by the Independent Panel.

(ii) Examination by the Independent Panel

Should the Independent Panel determine that sufficient information and materials have been provided by the Purchaser and (if the Independent Panel has requested the Board of Directors to present information and materials as (i) above) the Board of Directors, the Independent Panel will then establish an examination period of no longer than 60 days, in principle (however, in accordance with the descriptions in (d)(iii) below, the Independent Panel reserves the right to extend and re-extend the relevant period by adopting resolutions; hereinafter the “Period for the Examination by the Independent Panel”).

The Independent Panel shall, from the viewpoint of securing and enhancing the corporate value of the Company and common interests of the shareholders, examine the nature of the Purchase by the Purchaser, examine the alternative plan prepared by the Board of Directors, and gather information and conduct comparative examinations, etc. with regard to the business plans of the Purchaser and Board of Directors based on the information and materials provided by the Purchaser and Board of Directors, within the Period for the Examination by the Independent Panel. Additionally, when necessary, the Independent Panel will hold consultations and negotiations with the relevant Purchaser through the Board of

Directors in order to improve the nature of the relevant Purchase and thereby secure and enhance the corporate value of the Company and common interests of the shareholders, and thereupon present the alternative plan of the Company to the shareholders.

When the Independent Panel requests materials for examination, other information, consultations, negotiations, etc., either directly or through the Board of Directors, etc. within the Period for the Examination by the Independent Panel, the Purchaser must respond to this request promptly. Additionally, the Purchaser may not commence the Purchase until the Period for the Examination by the Independent Panel comes to end.

The Independent Panel may seek advice from independent third parties, including financial advisors, certified public accountants, lawyers, consultants and other experts, at the expense of the Company, to ensure that the judgment by the Independent Panel furthers the corporate value of the Company and common interests of shareholders.

(iii) Information disclosure to shareholders

When the Independent Panel judges it appropriate, the Independent Panel will disclose to shareholders, either directly or through the Board of Directors, etc., the fact of the submission of the Purchase Explanations, an overview of the Purchase Explanations and Necessary Information, and other matters that the Independent Panel judges proper from among other information.

(d) Judgment method within the Independent Panel

When a Purchaser appears, the Independent Panel shall make recommendations to the Board of Directors according to the following procedures. When the Independent Panel gives a recommendation or adopts a resolution as prescribed in (i) to (iii) below to the Board of Directors, or when the Independent Panel judges it appropriate on other occasions, the Independent Panel will promptly disclose the fact of the relevant recommendation or resolution, an overview of the recommendation or resolution, and other matters judged appropriate by the Independent Panel (if the Independent Panel adopts a resolution for extension or re-extension of the Period for the Examination by the Independent Panel in accordance with (iii) below, this shall include the fact and overview of the reasons for and the period of the extension or re-extension of the period).

(i) When the Independent Panel recommends the implementation of the Plan

When the Purchaser fails to comply with the procedures as set forth in (b) or (c) above, or when the Independent Panel judges, based on its examination of the nature of the Purchase by the Purchaser or its consultations and negotiations with the Purchaser, that any one of the requirements in (4) “Requirements for the Issuance of Stock Acquisition Rights without Compensation” below applies to the Purchase, the Independent Panel will recommend to the Board of Directors implementation of the issuance of Stock Acquisition Rights without compensation regardless of the commencement or completion of the Period for the Examination by the Independent Panel.

However, if the Independent Panel judges, after it has recommended the implementation of the issuance of Stock Acquisition Rights without compensation, that any one of the following

events applies, the Independent Panel may make a separate recommendation, including a recommendation for the cancellation of the issuance of Stock Acquisition Rights without compensation up to the effectuation date of the issuance of the Stock Acquisition Rights without compensation or a recommendation for the acquisition of Stock Acquisition Rights without compensation on or after the date of effectuation of the issuance of the Stock Acquisition Rights without compensation and up to the day immediately preceding the first day of the exercise period for the Stock Acquisition Rights, and present such recommendation to the Board of Directors.

- i) When the Purchaser withdraws from the Purchase or in any other case where the Purchase ceases to exist after the relevant recommendation
- ii) When there are changes in the facts preconditioning the judgment of the relevant recommendation and the Purchase by the Purchaser is not applicable to any one of the requirements in (4) “Requirements for the Issuance of Stock Acquisition Rights without Compensation” below,

- (ii) When the Independent Panel recommends that the Plan not be implemented

When the Independent Panel judges, based on its examination of the nature of the Purchase by the Purchaser or its consultations and negotiations with the Purchaser, that the Purchase by the Purchaser does not fall under any of the requirements in (4) “Requirements for the Issuance of Stock Acquisition Rights without Compensation” below, or, notwithstanding the request by the Independent Panel, when the Board of Directors fails to present an opinion as set forth in (c)(i) above or the information and materials requested by the Independent Panel within the prescribed period, the Independent Panel will recommend that the Board of Directors not implement the issuance of Stock Acquisition Rights without compensation, even if the Period for the Examination by the Independent Panel has come to an end.

However, if the Independent Panel judges, after it has recommended that the issuance of Stock Acquisition Rights without compensation not be implemented, that any subsequent changes have occurred in the facts that precondition the judgment of the relevant recommendation or that any one of the requirements in (4) “Requirements for the Issuance of Stock Acquisition Rights without Compensation” below applies to the Purchase by the Purchaser, the Independent Panel may make a separate recommendation, including a recommendation for the issuance of Stock Acquisition Rights without compensation, and present this recommendation to the Board of Directors.

- (iii) When the Independent Panel extends the Period for the Examination by the Independent Panel

If the Independent Panel is incapable of giving a recommendation for or against the implementation of the issuance of Stock Acquisition Rights without compensation before the initial Period for the Examination by the Independent Panel comes to an end, the Independent Panel will adopt a resolution for extension of the Period for the Examination by the Independent Panel, within the scope considered necessary for examination of the nature of

the Purchase by the relevant Purchaser or consultations and negotiations with the relevant Purchaser, and examination of an alternative plan, etc. (the same procedures shall apply in case of re-extending the period after the relevant extension of the examination period).

When the Period for the Examination by the Independent Panel is extended by the resolution for extension above, the Independent Panel will continue to gather information and perform examination, and make its utmost efforts to recommend the implementation or non-implementation of the issuance of Stock Acquisition Rights without compensation or to present an alternative plan within the extended examination period.

(e) Resolutions by Board of Directors

When receiving the recommendation above from the Independent Panel, the Board of Directors will honor it to the fullest degree and, as an organ under the Japanese Corporate Law, promptly adopt a resolution with respect to implementation or non-implementation of the issuance of Stock Acquisition Rights without compensation (including the cancellation of the issuance of Stock Acquisition Rights without compensation).

The Board of Directors shall, when adopting the resolution above, promptly disclose information on the overview of the relevant resolution and other matters judged proper by the Board of Directors.

(4) Requirements for the Issuance of Stock Acquisition Rights without Compensation

The Company is to issue Stock Acquisition Rights without compensation by resolution of the Board of Directors as stated in (e) of (3) Procedures Relating to Implementation of the Plan above if any one of the following items applies to the Purchase by the Purchaser. As stated in (d) of (3) Procedures Relating to Implementation of the Plan above, the applicability of the following requirements must be determined solely based on the judgment of the Independent Panel, and by no other means.

- (a) The Purchaser fails to provide information and secure the Period for the Examination by the Independent Panel as provided in (b) of (3) Procedures relating to Implementation of the Plan above, or fails to comply with other procedures provided in the Plan.
- (b) The Purchase poses a risk of clear infringement of the joint interests of the shareholders and the corporate value of the Company through the actions enumerated in the following or similar actions:
 - (i) a buyout of shares followed by an inducement for the repurchase of the relevant shares by the Company at an inflated price,
 - (ii) management initiatives implemented for the benefit of the Purchaser at the expense the Company, such as the acquisition of material assets of the Company at a low price through a temporary seizure of control over the management of the Company,
 - (iii) misappropriation or disposal of the assets of the Company to repay or to pledge as collateral for the debts of the Purchaser or the group companies of the Purchaser, etc.

- (iv) Upon temporary seizure of control over the management of the Company, the inflation of the Company dividends with the proceeds gained by selling off valuable Company assets not currently in use, or the sale of the Company's shares with the intention of profiting from a rapid increase in the stock price after the stock price has been inflated by temporarily high dividends.
- (c) The Purchaser poses a risk of forcing shareholders to engage in a de facto sale of the shares by means such as a coercive two-stage purchase (to make a stock purchase, such as a tender offer, without soliciting the purchase of all the shares in the first purchase, and setting disadvantageous purchase conditions or deliberately making the conditions unclear for shareholders in the second stage).
- (d) The Purchase is made without granting the period that the Company will reasonably require to prepare and present an alternative plan for the relevant Purchase.
- (e) The Purchase is made without providing the Necessary Information or other sufficient information considered to be reasonably necessary for judging the nature of the Purchase.
- (f) The conditions for the Purchase, including the purchase price, form of payment, purchase timing, legality of the proposed purchase method, the possibility of purchase execution, and the policies pertaining to the treatment of the employees, business partners, customers, and other stakeholders of the Company following the Purchase, are substantially insufficient or inappropriate in consideration of the intrinsic value of the Company.
- (g) The Purchase damages the brand of the Company, damages relationships with the shareholders, employees, business partners, customers, and other persons essential to creating and upholding the corporate value of the Company, and poses a serious risk of harming the joint interests of the shareholders and corporate value of the Company

(5) Overview of the Issuance of Stock Acquisition Rights without Compensation

Following is an Overview of the issuance of Stock Acquisition Rights without compensation to be implemented in accordance with the Plan (for details of Stock Acquisition Rights, please see Exhibit 3 "GUIDELINES ON THE ISSUANCE OF STOCK ACQUISITION RIGHTS WITHOUT COMPENSATION").

(a) Number of Stock Acquisition Rights to be issued

The number of Stock Acquisition Rights to be issued will be the final number corresponding to the total number of issued shares of the Company on the issue date (hereinafter the "Issue Date") separately determined by resolution of the Board of Directors on the issuance of Stock Acquisition Rights without compensation (hereinafter, the "Resolution on the Issuance of Stock Acquisition Rights without Compensation") (however, the number of shares of the Company held by the Company at the relevant point of time must be deducted).

(b) Shareholders entitled to receive Stock Acquisition Rights

One share option will be granted without compensation for each share held by shareholders other than the Company recorded in the register of shareholders or the register of beneficial

shareholders as of the Issue Date.

(c) Date when the issuance of Stock Acquisition Rights takes effect

The Board of Directors shall separately determine the date on which the issuance of Stock Acquisition Rights takes effect in the Resolution on the Issuance of Stock Acquisition Rights without Compensation.

(d) Class and number of shares to be issued or transferred upon exercise of Stock Acquisition Rights

The class of shares to be issued or transferred upon exercise of Stock Acquisition Rights shall be ordinary shares, and unless a separate adjustment is made, one share shall be granted for each Stock Acquisition Right exercised (the “Number of Shares Covered by Stock Acquisition Rights”).

(e) Amount to be paid upon the exercise of Stock Acquisition Rights

The consideration of the payment upon the exercise of Stock Acquisition Rights shall be money, and the amount per share of the Company to be paid upon the exercise of Stock Acquisition Rights shall be equal to an amount separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation, within the range of ¥1 at minimum to half of the market price of one share of the Company stock at maximum.

(f) Exercise period for the Stock Acquisition Rights

The exercise period for the Stock Acquisition Rights shall be the period separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation within the scope of one to two months, starting from the date on which the issuance of Stock Acquisition Rights takes effect or a date separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation. However, if the Company acquires Stock Acquisition Rights in accordance with (i) (ii) below, the exercise period for the Stock Acquisition Rights relating to the relevant acquisition shall be up to the business day immediately preceding the relevant acquisition date. Additionally, if the final day of the exercise period falls on a holiday at the payment handling bank for the payment of moneys paid in upon exercise, the final day shall be the next business day at that place.

(g) Exercise conditions for Stock Acquisition Rights

(i) Specified Large Shareholders⁹, (ii) Specified Joint Shareholders, (iii) Specified Large Purchasers¹⁰, (iv) Special Stakeholders of the Specified Large Purchasers, or (v) persons who are assigned or succeed Stock Acquisition Rights from persons to which any item from (i) to

⁹ A “Specified Large Shareholder” means a holder of shares etc. issued by the Company, for whom the ratio of shares etc. held relating to the relevant shares etc. is recognized by the Board of Directors to be 20% or greater.

¹⁰ A “Specified Large Purchaser” means a person who has publicly disclosed his/her plan to make a purchase (as defined in Paragraph 1 of Article 27-2 of the Securities and Exchange Law of Japan; hereinafter the same in (iii)) by a tender offer of shares etc. (as defined in Paragraph 1 of Article 27-2 of said Law; likewise hereinafter in (iii)) of the Company issued by the Company, when, after the relevant purchase, the Board of Directors of the Company has recognized that the total sum of the ratio of ownership of shares etc. relating to the possession (including the case to be similar to the case as provided in Paragraph 1 of Article 7 of the Enforcement Order of the Securities and Exchange Law of Japan) of the relevant person and the ratio of ownership of shares etc. of

(iv) above applies without obtaining approval by the Board of Directors, or (vi) related parties to a person¹¹ stated in (i) to (v) above (hereinafter persons to which any item from (i) to (vi) apply shall be collectively referred to as the “Specified Purchaser”) may not in principle exercise the Stock Acquisition Rights. Additionally, non-residents of Japan for whom prescribed procedures are necessary upon the exercise of the Stock Acquisition Rights under the applicable laws of the foreign country may not exercise the Stock Acquisition Rights, either (however, certain persons among non-residents, such as persons who can utilize the application exclusion provisions under the applicable laws of the relevant foreign country, can exercise Stock Acquisition Rights, and the Stock Acquisition Rights of non-residents may be subject to acquisition by the Company in consideration of the stock of the Company as stated in (i) below. For details, please see Exhibit 3 “GUIDELINES ON THE ISSUANCE OF STOCK ACQUISITION RIGHTS WITHOUT COMPENSATION”).

(h) Transfer of Stock Acquisition Rights

Stock Acquisition Rights may only be transferred with the approval of the Board of Directors.

(i) Acquisition of Stock Acquisition Rights by the Company

(i) The Company may, at any time until the day preceding the first day of the exercise period for Stock Acquisition Rights, acquire all Stock Acquisition Rights without compensation, as of a day separately determined by the Board of Directors, when the Board of Directors judges it appropriate for the Company to acquire Stock Acquisition Rights.

(ii) The Company may acquire, as of a day separately determined by the Board of Directors, all Stock Acquisition Rights that remain unexercised by the business day preceding the relevant date, from among the Stock Acquisition Rights held by persons other than Specified Purchaser, and in exchange may grant the stock of the Company in the Number of Shares Covered by Stock Acquisition Right per Stock Acquisition Right. The Company may acquire such Stock Acquisition Rights multiple times.

For definitions of the terms used in the above and specifics, please see Exhibit 3 “GUIDELINES ON THE ISSUANCE OF STOCK ACQUISITION RIGHTS WITHOUT COMPENSATION.”

(6) Effective Period of the Plan

The Plan shall remain in effect until the first meeting of the Board of Directors subsequent to the Ordinary General Meeting of Shareholders to be held in 2010. If Stock Acquisition Rights without compensation are issued in accordance with the Plan, a resolution shall be adopted at a meeting of the Board of Directors within the period.

Special Stakeholders with the relevant person is 20% or greater.

¹¹ A “related party” of a person refers to a person recognized by the Board of Directors to be a person who has substantial control over the relevant person, who is substantially controlled by the relevant person, or who is under the same control as the relevant person, or a person recognized by the Board of Directors to be a person who acts in collaboration with the relevant person. “Control” refers to “cases of control over decision-making on the financial and business policies” of other companies, etc. (as defined in Paragraph 3 of Article 3 of the Enforcement Regulations of the Corporate Law of Japan).

(7) Repeal, Revision and Amendment of the Plan

If, at any time from the introduction of the Plan up to the scheduled expiration of the relevant period, the repeal of the Plan is adopted by a resolution of either (i) the general shareholders meeting of the Company or (ii) a Board of Directors made up of directors elected at the general shareholders meeting of the Company, the Plan shall be repealed at the relevant point. Accordingly, the Plan may be repealed in accordance with the will of shareholders. Moreover, the Board of Directors may revise or amend the Plan with approval of the Independent Panel even during the effective period of the Plan, within a scope that does not oppose the purport of the resolution of the general shareholders meeting relating to the approval of the introduction of the Plan.

If the Plan is repealed, revised, or amended, the Company will promptly disclose the fact of the relevant repeal, revision, or amendment and (in the case of a revision or amendment) disclose the contents of the revision or amendment and other matters judged appropriate by the Board of Directors or the Independent Panel.

Please note that the provisions of laws and ordinances cited in the Plan are the provisions in effect as of April 27, 2007. When necessary upon the establishment of new laws and ordinances or the revision of existing laws and ordinances on and after that day, the provisions or meanings of terms, etc. in the Plan may be changed and read within a reasonable scope upon taking into consideration the purports of the relevant new enactment or revision and repeal by the Board of Directors.

4. The facts that the Plan is based on the Basic Policy, that the Plan does not Harm the Common Interests of the Shareholders of the Company, and that the Plan is not effected for the Purpose of Maintaining the Status of the Executives of the Company, and the Grounds for those facts.

(1) The Requirements for the Guidelines with Regard to the Anti-takeover Measures are Completely Satisfied.

The Plan completely satisfies the three principles stipulated in “Guidelines Concerning Anti-Takeover Measures for Securing and Enhancing Corporate Value and the Common Interests of Shareholders” announced by the Ministry of Economy, Trade and Industry and Ministry of Justice on May 27, 2005 (e.g., the principle of securing and enhancing corporate value and common interests of shareholders, the principle of prior disclosure and reflection of the will of shareholders, and the principle of necessity and proportionality).

(2) The Plan has been Introduced in Order to Secure and Enhance the Common Interests of Shareholders.

As stated in 3.(1) “Purpose of Introduction of the Plan” above, the Plan is introduced in order to secure and enhance the corporate value of the Company and common interests of the shareholders by securing sufficient information and time to enable the shareholders to judge whether to accept the offer for the relevant Purchase, to allow the Board of Directors of the Company to offer an alternative plan, or to enable the Board of Directors to negotiate with the Purchaser on behalf of the

shareholders, etc. when a Purchaser makes an offer to purchase the Company shares.

(3) The Plan Shall Reflect the Will of the Shareholders.

As stated in 3.(1) the “Purpose of introduction of the Plan” above, the Plan is introduced subject to a resolution for approval of the Plan at the Ordinary General Shareholders Meeting. Moreover, as stated in 3.(7) “Repeal, Revision, and Amendment of the Plan” above, if a resolution for the repeal of the Plan is adopted at the ordinary general shareholders meeting before the expiration of the effective period of the Plan, the Plan shall be repealed at the relevant point of time, and in that sense, the will of the shareholders will be reflected in the repeal or existence of the Plan.

(4) The Judgment of Highly Independent Outsiders will be Emphasized and Information will be Disclosed.

The Company establishes the Independent Panel as an organ to perform objective and substantial judgment on the implementation of the Plan for shareholders and rules out arbitrary judgments by the Board of Directors upon the introduction of the Plan.

The Independent Panel will be made up of three or more panel members independent from the management of the Company, from amongst: (i) outside directors of the Company, (ii) outside corporate auditors of the Company, or (iii) knowledgeable persons outside the company (as stated in 3.(2) “Overview of the Plan” (b) above, Mr. Kunio Miura (subject to the approval of Proposal 3 as proposed), Mr. Kunio Ito, and Mr. Haruo Kitamura will be the members of the Independent Panel at the introduction of the Plan).

When Company shares are purchased, as stated in 3.(3) “Procedures Relating to Implementation of the Plan” above, the Independent Panel will judge whether the relevant Purchase will harm the corporate value of the Company or common interests of the shareholders in accordance with the Independent Panel Rules, and the Board of Directors will honor this judgment to the fullest degree and adopt a resolution as an organ under the Japanese Corporate Law.

As stated here, the Independent Panel exercises strict supervision to ensure that the Board of Directors will not implement the Plan arbitrarily, and an overview of the judgment by the Panel is disclosed to shareholders. Thus, a scheme for the transparent operation of the Plan as appropriate to the corporate value of the Company and common interests of shareholders is secured.

(5) Reasonable Objective Requirements for Implementation of the Plan are Established.

As stated in (d) of 3.(3) “Procedures Relating to Implementation of the Plan” (d) above and 3.(4) “Requirements for the Issuance of Stock Acquisition Rights without Compensation” above, the Plan is established in a manner that ensures it will not be implemented unless reasonable and detailed objective requirements determined in advance are satisfied. Thus, a scheme for preventing the arbitrary implementation of the Plan by the Board of Directors is secured.

(6) Opinions from Third Party Experts are Acquired.

As stated in (c) of 3.(3) “Procedures Relating to Implementation of the Plan” (c) above, when a Purchaser appears, the Independent Panel may seek advice from independent third parties, including financial advisors, certified public accountants, lawyers, consultants and other experts, at the expense of the Company. In so doing, the fairness and objectiveness of the judgments by the Independent Panel will be even further enhanced.

(7) The Term of Office of Directors of the Company is One Year.

The term of office of Directors of Yamaha is one year. Therefore, it is possible to reflect the will of shareholders in the Plan through the yearly election of directors.

(8) The Plan is Not a Dead-hand Type Defensive Measure or a Slow-hand Type Defensive Measure.

As stated in 3.(7) “Repeal, Revision, and Amendment of the Plan,” the Plan can be repealed by a Board of Directors made up of directors elected at the ordinary general shareholders meeting of the Company. Thus, it is possible for a person who purchases a large amount of shares etc. of the Company to appoint directors at the Ordinary General Shareholders Meeting and then to repeal the Plan via a board of directors made up of such directors.

Therefore, the Plan is not a dead-hand type defensive measure (a defensive measure whose implementation cannot be avoided even after a majority of the constituent members of the Board of Directors are replaced).

Moreover, as Yamaha has not adopted a system of staggered terms of office, the Plan is not a slow-hand type defensive measure (a defensive measure whose implementation cannot be avoided until sufficient time has elapsed, as it is impossible to replace the constituent members of the Board of Directors in one round).

5. Impact on Shareholders

(1) Impact on Shareholders When the Plan is Introduced

When the Plan is introduced, the issuance of Stock Acquisition Rights without compensation itself is not implemented, so there is no direct specific impact on the rights and interests of shareholders and investors.

(2) Impact on Shareholders by the Issuance of Stock Acquisition Rights without Compensation

(a) Procedures for the issuance of Stock Acquisition Rights without compensation and transfer procedures

When a Resolution on the Issuance of Stock Acquisition Rights without Compensation is adopted at the Board of Directors meeting, the Company will determine the issue date at the relevant resolution and give public notice. In this instance, one Stock Acquisition Right will be granted

without compensation for each share held by shareholders recorded in the final register of shareholders or the register of beneficial shareholders as of the Issue Date (hereinafter “shareholders entitled to receive Stock Acquisition Rights”). Accordingly, shareholders must complete registration transfer procedures promptly by the Issue Date (share certificates deposited in the Japan Securities Depository Center do not need to be transferred). Shareholders entitled to receive Stock Acquisition Rights will automatically be Stock Acquisition Rights holders relevant to the Stock Acquisition Rights on the date when the issuance of the relevant Stock Acquisition Rights takes effect, so application procedures, etc. are unnecessary.

Even after the Resolution on the Issuance of Stock Acquisition Rights without Compensation is once adopted, the Company may, upon deferring to the recommendation by the Independent Panel described in (d) (i) of 3.(3) “Procedures Relating to Implementation of the Plan” above to the fullest degree, cancel the issuance of Stock Acquisition Rights without compensation by the date when the issuance of Stock Acquisition Rights takes effect, or acquire the Stock Acquisition Rights without compensation from the date when the issuance of Stock Acquisition Rights takes effect by the day preceding the first day of the exercise period for the Stock Acquisition Rights. Because the value per share is not diluted under these circumstances, those shareholders or investors who have sold the shares in anticipation of a dilution of the value per share may incur reasonable losses due to changes of the stock price.

(b) Procedures for the Exercise of Stock Acquisition Rights

The Company will in principle send to shareholders entitled to receive Stock Acquisition Rights the Stock Acquisition Right Exercise Application (including necessary matters such as the class and number of Stock Acquisition Rights to be exercised, the date of exercise of the Stock Acquisition Rights, matters for representations and warranties by shareholders themselves on the satisfaction of the exercise conditions of the Stock Acquisition Rights, etc., and indemnification provisions and other pledges, in the form prescribed by the Company) and other necessary documents for the exercise of Stock Acquisition Rights. After the issuance of Stock Acquisition Rights without compensation, shareholders will submit the necessary documents within the exercise period for the Stock Acquisition Rights and pay to the payment handling bank the exercise price determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation within the scope of ¥1.00 at minimum to half of the market price of one share of stock of the Company at maximum, whereupon one share of stock of the Company will be issued per Stock Acquisition Right, in principle.

Should a shareholder fail to exercise the Stock Acquisition Rights and pay moneys equivalent to the exercise price, the Company shares held by the shareholder will be diluted by the exercise of Stock Acquisition Rights by other shareholders.

However, the Company may acquire Stock Acquisition Rights from shareholders other than the Specified Purchaser in accordance with (c) below and then issue shares in exchange. If the Company conducts such acquisition procedures, shareholders other than the Specified Purchaser will receive shares without exercising Stock Acquisition Rights or paying moneys equivalent to the

exercise price, and the Company shares held will not be diluted in principle.

(c) Procedures for the acquisition of Stock Acquisition Rights by the Company

When the Board of Directors resolves to acquire Stock Acquisition Rights, the Company may acquire Stock Acquisition Rights from shareholders other than the Specified Purchaser and then grant Company shares to the relevant shareholders in exchange on the date separately determined by the Board of Directors in accordance with legal procedures. In this instance, the relevant shareholders will receive one share of stock of the Company per Stock Acquisition Right in principle without paying moneys equivalent to the exercise price, in consideration of acquisition by the Company of Stock Acquisition Rights. In this instance, the Company may request the relevant shareholders to submit Pledges in the form prescribed by the Company, including matters for representations and warranties by shareholders that they themselves are not the Specified Purchaser, etc., indemnification provisions, and other pledges, separately.

In addition to the above, the Company will publicly announce or notify shareholders of the details of the method for issuance, exercise, and acquisition of Stock Acquisition Rights by the Company once the Resolution on the Issuance of Stock Acquisition Rights without Compensation is adopted. You are therefore requested to confirm the relevant contents.

EXHIBIT 1

Overview of Independent Panel Rules

- The Independent Panel is established by resolution of the Board of Directors.
- The number of panel members of the Independent Panel shall be three (3) or greater, and they shall be elected by the Board of Directors from among (i) outside directors of the Company, (ii) outside corporate auditors of the Company, and/or (iii) knowledgeable persons outside the company.
However, knowledgeable persons outside the company must be either corporate managers with proven track records, persons from governmental offices, persons with expert knowledge in the investment banking business, lawyers, certified public accountants, academic experts, or other similar persons, and must execute agreements with due diligence obligation provisions with the Company, as designated by the Company.
- The terms of office of the panel members of the Independent Panel assuming their respective posts at the initial introduction of the Plan shall expire at the close of the first meeting of the Board of Directors subsequent to the Ordinary General Meeting of Shareholders to be held in 2010, unless otherwise determined by resolution by the Board of Directors. Additionally, when a panel member who also acts as an outside director or outside corporate auditor ceases to be a director or corporate auditor of the Company (except for cases where he/she is reappointed), his/her term of office as a member of the Independent Panel shall also end.
- The Independent Panel determines matters enumerated in the subsequent respective items and recommends to the Board of Directors the contents of determinations with reasoning. The Board of Directors will honor the recommendations by the Independent Panel to the fullest degree and, as an organ under the Japanese Corporate Law, adopt resolutions with respect to implementation or non-implementation of issuance of Stock Acquisition Rights without compensation. Each member of the Independent Panel and each Director of the Company must determine such matters from the viewpoint of whether such matters will contribute to the interests of the Company, and must not pursue self interest or the interest of the management of the Company.
 - (i) whether to issue Stock Acquisition Rights without compensation,
 - (ii) cancellation of issuance of Stock Acquisition Rights without compensation or acquisition of Stock Acquisition Rights without compensation
 - (iii) other matters to be judged by the Board of Directors and subject to consultation with the Independent Panel by the Board of Directors.
- In addition to the above, the Independent Panel performs the matters enumerated in the subsequent respective items:
 - (i) Judgment on whether the relevant Purchase is to be targeted for implementation of the Plan,
 - (ii) determination of the information to be provided to the Independent Panel by the Purchaser and Board of Directors, and the reply deadline,
 - (iii) establishment and extension of the Period for the Examination by the Independent Panel,

- (iv) detailed verification and examination of the nature of the Purchase by the Purchaser,
 - (v) negotiations and consultations with the Purchaser via the Board of Directors,
 - (vi) request for the submission of an alternative plan, and examination and presentation of the alternative plan,
 - (vii) approval relating to the revision or amendment of the Plan,
 - (viii) other matters determined in the Plan to be performable by the Independent Panel,
 - (ix) other matters separately determined by the Board of Directors to be performable by the Independent Panel
- The Independent Panel shall, if the descriptions of the Purchase Explanation are not sufficient as Necessary Information, request the Purchaser to additionally submit Necessary Information. Moreover, if the Purchaser submits a Purchase Explanation and additional Necessary Information at the request to the Independent Panel, the Independent Panel may also request to the Board of Directors to present its opinion on the nature of the Purchase by the Purchaser, with supporting materials for the opinion, as well as an alternative plan (if any) and other information and materials considered to be necessary by the Independent Panel, within a prescribed reasonable period.
 - The Independent Panel will, if necessary, hold consultations and negotiations with the Purchaser through the Board of Directors in order to improve the nature of the relevant Purchase from the viewpoint to secure and enhance the corporate value of the Company and common interests of the shareholders, and provide the shareholders with the alternative plan.
 - The Independent Panel may request the attendance of directors, corporate auditors, executive officers, employees, and other persons judged necessary by the Independent Panel and request explanations of the matters required by the Independent Panel for necessary information gathering.
 - The Independent Panel may seek advice from independent third parties, including financial advisors, certified public accountants, lawyers, consultants, and other experts at the expense of the Company.
 - Each panel member of the Independent Panel may convene the Independent Panel whenever a large purchase of the Company shares is offered or another event occurs.
 - Resolutions of the Independent Panel shall in principle be adopted by a majority of the Panel Members present, and the present members shall be made up of all of the Panel Members. If a panel member is unable to be present or if there is any other reason for his/her absence, however, the resolutions of the Independent Panel may be adopted by a majority vote of the Panel Members in attendance who constitute a majority of the total number of Members.

EXHIBIT 2

Career Summaries of Independent Panel Members

Mr. Kunio Miura

April 1979: Appointed as a judge
March 1988: Retired from the bench
April 1988: Registered as a practicing lawyer (Osaka Bar Association)
Joined Seiki Naoyoshi Law Office
April 1997: Established Komoto and Miura Law Office
To the present
June 2003: Assumed office as an Outside Corporate Auditor of the Company
To the present

Mr. Kunio Ito

March 1984: Assistant Professor, Hitotsubashi University
April 1992: Professor, Faculty of Commerce and Management, Hitotsubashi University
To the present
August 2002: Dean, Graduate School of Commerce and Management, Hitotsubashi University
December 2004: Vice President, Hitotsubashi University
December 2006: Professor, Graduate School of Commerce and Management, Hitotsubashi University
To the present

Mr. Haruo Kitamura

September 1983: Joined Arthur Andersen Joint Office of Certified Public Accountants
March 1987: Registered as a certified public accountant
August 2002: Established Kitamura Certified Public Accountant Office
To the present
June 2004: Appointed as an Outside Corporate Auditor of ROHM CO., LTD.
To the present
December 2005: Appointed as an Outside Director of Sumisho Grainger Co., Ltd. (current name: MonotaRO Co., Ltd.)
To the present

EXHIBIT 3

GUIDELINES ON THE ISSUANCE OF STOCK ACQUISITION RIGHTS
WITHOUT COMPENSATION

I. Determination of Matters with Respect to the Issuance of Stock Acquisition Rights without Compensation

(1) Details and number of Stock Acquisition Rights to be issued

Details of Stock Acquisition Rights (hereinafter “Stock Acquisition Rights,” respectively or collectively) issued to shareholders shall be in accordance with the descriptions in II below, and the number of Stock Acquisition Rights to be issued will be the final number corresponding to the total number of issued shares of the Company on the issue date (hereinafter the “Issue Date”) separately determined by resolution of the Board of Directors on the issuance of Stock Acquisition Rights without compensation (hereinafter the “Resolution on the Issuance of Stock Acquisition Rights without Compensation”) (however, the number of shares of the Company held by the Company at the relevant point of time must be deducted).

(2) Shareholders entitled to receive Stock Acquisition Rights

One share option will be granted without compensation for each share held by shareholders other than the Company recorded in the register of shareholders or the register of beneficial shareholders as of the Issue Date.

(3) Date when the issuance of Stock Acquisition Rights takes effect

The Board of Directors shall separately determine the date on which the issuance of Stock Acquisition Rights takes effect in the Resolution on the Issuance of Stock Acquisition Rights without Compensation.

II. Details of Stock Acquisition Rights

(1) Class and number of shares to be issued or transferred upon exercise of Stock Acquisition Rights

1) The class of shares to be issued or transferred upon exercise of Stock Acquisition Rights shall be common shares, and one share shall be granted for each Stock Acquisition Right exercised (the “Number of Shares Covered by Stock Acquisition Rights”). However, in the event of a share split or a share consolidation of the Company’s common stock, the Number of Shares Covered by Stock Acquisition Rights shall be adjusted according to the following formula, with resulting fractions of less than one share being discarded, without cash adjustment.

Number of Shares Covered by Stock Acquisition Rights after adjustment = Number of Shares Covered by Stock Acquisition Rights before adjustment × Ratio of share split or share consolidation

2) The number of Shares Covered by Stock Acquisition Rights after adjustment shall be applicable on and after the day following the record date in the case of a share split, and on

and after the day following the effective date in the case of a share consolidation.

- 3) In addition to the cases provided in 1) above, if there occurs any action that changes or may change the number of issued shares of the Company (except for the number of shares of the Company held by the Company), such as an issuance of shares without compensation, merger, demerger, etc., and such action requires an adjustment of the Number of Shares Covered by Stock Acquisition Rights, the Number of Shares Covered by Stock Acquisition Rights shall be reasonably adjusted in consideration of the conditions, etc. for issuance of shares without compensation, the merger, demerger or other action.

(2) Amount to be paid upon the exercise of Stock Acquisition Rights

- 1) The amount to be paid upon the exercise of one Stock Acquisition Right shall be the Exercise Price (as defined in 2) below) multiplied by the Number of Shares Covered by Stock Acquisition Rights
- 2) The amount to be paid upon the exercise of one Stock Acquisition Right per share of stock of the Company (hereinafter the “Exercise Price”) shall be the amount separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation, within a range from ¥1 at minimum to half of the market price of one share of stock of the Company at maximum. “Market price” means an average of the closing prices (including quotations) of ordinary transactions in the common shares of the Company on the TSE for ninety (90) days from the day preceding the Resolution on the Issuance of Stock Acquisition Rights without Compensation, retroactively (excluding dates without closing prices), with fractional numbers of less than ¥1 rounded up.

(3) Exercise period for Stock Acquisition Rights

The Exercise period for the Stock Acquisition Rights shall be the period separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation within the scope of one to two months, starting on the date that the issuance of Stock Acquisition Rights takes effect or a date separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation. However, if the Company acquires Stock Acquisition Rights in accordance with the provisions of (7) 2) below, the exercise period for the Stock Acquisition Rights relating to the relevant acquisition shall be up to the business day immediately preceding the relevant acquisition date. Additionally, if the final day of the exercise period falls on a holiday at the payment handling bank for the payment of moneys paid in upon the exercise, the final day shall be the next business day at that place.

(4) Conditions for the exercise of Stock Acquisition Rights

- 1) (i) Specified Large Shareholders, (ii) Specified Large Joint Shareholders, (iii) Specified Large Purchasers, (iv) Special Stakeholders of the Specified Large Purchasers, or (v) persons who are assigned or succeed Stock Acquisition Rights from persons to which any item from (i) to

(iv) above applies without obtaining approval by the Board of Directors, or (vi) related parties of a person stated in (i) to (v) above (hereinafter persons to which any item from (i) to (vi) apply shall be collectively referred to as the “Specified Purchaser”) may not exercise Stock Acquisition Rights.

The terms used above shall be defined as below:

- (i) a “Specified Large Shareholder” means a holder (including persons included the category of shareholders under Paragraph 3, Article 27-23 of the Securities and Exchange Law of Japan) of shares etc. (as defined in Paragraph 1, Article 27-23 of said Law; hereinafter the same unless otherwise provided) issued by the Company, for whom the ratio of shares etc. held (as defined in Paragraph 4, Article 27-23 of said Law) relating to the relevant shares etc. is recognized by the Board of Directors to be 20% or greater.
- (ii) a “Joint Shareholder” means a Joint Shareholder as set forth in Paragraph 5, Article 27-23 of the Securities and Exchange Law of Japan, including a person deemed by the Board of Directors to be a Joint Shareholder in accordance with Paragraph 6 of the relevant provisions.
- (iii) a “Specified Large Purchaser” means a person who has publicly disclosed his/her plan to make a purchase (as defined in Paragraph 1 of Article 27-2 of the Securities and Exchange Law of Japan; hereinafter the same in (iii)) by a tender offer (as defined in Paragraph 6 of Article 27-2 of said Law) of shares etc. (as defined in Paragraph 1 of Article 27-2 of said Law; likewise hereinafter in (iii)) of the Company issued by the Company, when, after the relevant purchase, the Board of Directors of the Company has recognized that the total sum of the ratio of ownership of shares etc. (as defined in Paragraph 8 of Article 27-2 of said Law; hereinafter the same) relating to the possession (including the case to be similar to the case as provided in Paragraph 1 of Article 7 of the Enforcement Order of the Securities and Exchange Law of Japan) of the relevant person and the ratio of ownership of shares etc. of Special Stakeholders with the relevant person is 20% or greater.
- (iv) a “Special Stakeholder” means a “Special Stakeholder” as defined in Paragraph 7, Article 27-2 of the Securities and Exchange Law of Japan (including any person to whom, in the opinion of the Board of Directors, this definition applies); provided, however, any person referred to in Item 1 of the relevant paragraph shall exclude any person prescribed in Paragraph 2, Article 3 of the Cabinet Order Concerning Disclosure of Tender Offer of Shares etc. by Persons Other than Issuer.
- (v) a “related party” of a person refers to a person recognized by the Board of Directors to be a person who has substantial control over the relevant person, who is substantially controlled by the relevant person, or who is under the same control as the relevant person, or a person recognized by the Board of Directors to be a person who acts in collaboration with the relevant person. “Control” refers to “cases of control over decision-making on the financial and business policies” of other companies, etc. (as defined in Paragraph 3 of

Article 3 of the Enforcement Regulations of the Corporate Law of Japan).

- 2) Notwithstanding 1) above, the persons enumerated in items (i) to (iv) below shall not be a Specified Large Shareholder or Specified Large Purchaser:
- (i) the Company, subsidiaries of the Company (as defined in Paragraph 3 of Article 8 of the Rules Concerning the Term, Style and Methods for the Creation of Financial Statements, etc.), or affiliates of the Company (as defined in Paragraph 5 of Article 8 of the said Rule),
 - (ii) the person who, in the opinion of the Board of Directors, is subject to the requirements stated in 1) (i) above, who has no intention of controlling the Company, and who shall not become a Specified Large Shareholder as referred to in 1) (i) above through disposition, etc. of the shares etc. of the Company he/she holds within ten (10) days (*provided*, the Board of Directors may extend such period) after such person becomes a Specified Large Shareholder as referred to in 1) (i) above,
 - (iii) the person who is deemed by the Board of Directors to have become a Specified Large Shareholder as referred to in 1) (i) above not through the intent of the person himself, but due to acquisition of treasury stock by the Company or for another reason (*provided*, this shall exclude persons who thereafter newly acquire shares etc. of the Company under their own volition),
 - (iv) the person whose acquisition or possession of the shares etc. of the Company is judged by the Board of Directors not to be harmful to the corporate value of the Company or to the shareholders' common interests (The Board of Directors may recognize separately that the person judged to be a Specified Purchaser, etc. is not harmful to the corporate value of the Company or the shareholders' common interests. If the Board of Directors judges that such person is not harmful to the corporate value of the Company or the shareholders' common interests under certain conditions, this shall be limited to cases where the relevant conditions are satisfied.).
- 3) When a person located in an area under a relevant jurisdiction subject to foreign laws and ordinances is allowed to exercise Stock Acquisition Rights and there is a need to (i) perform the prescribed procedures, (ii) satisfy the prescribed conditions (including prohibition of exercise for a certain period, submission of prescribed documents and other), or (iii) perform both of the above (hereinafter the "Exercise Procedures and Conditions under Governing Law" collectively), the person located in the area under the relevant jurisdiction may exercise the Stock Acquisition Rights only if the Board of Directors judges that the relevant Exercise Procedures and Conditions under Governing Law have all been performed or satisfied. If the Board of Directors judges that these have not been performed or satisfied in this case, the person may not exercise the Stock Acquisition Rights. The Board of Directors bears no obligation to perform or satisfy the Exercise Procedures and Conditions that the Company is required to perform under Governing Law when the Company allows a person located in an area under the relevant jurisdiction to exercise Stock Acquisition Rights. Moreover, if the

laws and ordinances in force in the area under the relevant jurisdiction prohibit the Company from allowing the person located in the area under the relevant jurisdiction to exercise Stock Acquisition Rights, the person located in the area under the relevant jurisdiction may not exercise the Stock Acquisition Rights.

- 4) Notwithstanding 3) above, a person located in the United States may exercise Stock Acquisition Rights only when the person represents and warrants to the Company that (i) he/she is an accredited investor as defined under Rule 501(a) of the US Securities Act of 1933 and besides pledges that (ii) the resale of the common stock of the Company to be acquired as a result of the exercise of the Stock Acquisition Rights he/she holds will be carried out only by ordinary transactions on the Tokyo Stock Exchange (provided, that resale shall not be based on prior agreements or performed through prior solicitation). Only in the foregoing cases shall the Company perform or satisfy the Exercise Procedures and Conditions under Governing Law that must be performed or satisfied in relation to Regulation D of the US Securities Act of 1933 and state laws in the United States when the relevant person located in the United States exercises the relevant Stock Acquisition Rights. If, due to amendment of laws in the United States or similar reasons, the Board of Directors judges that the legal exercise of the Stock Acquisition Rights by a person located in the United States cannot be allowed under US Securities Law even when (i) and (ii) above are satisfied, persons located in the United States may not exercise Stock Acquisition Rights.
- 5) A person who holds Stock Acquisition Rights may exercise the Stock Acquisition Rights only when he or she submits to the Company a document observing the provisions with respect to the representations and warranties that the person is not a Specified Purchaser, etc., that the person is not exercising the Stock Acquisition Rights for a person judged to be a Specified Purchaser, etc., and that the person satisfies the exercise conditions of the Stock Acquisition Rights etc., a document observing the indemnification provisions or other matters prescribed by the Company, and other documents required under relevant laws and ordinances.
- 6) If the provisions of (4) hereof prohibit a person who holds Stock Acquisition Rights from exercising the Stock Acquisition Rights, the Company will bear no liability to compensate the loss or any other liability to the said person who holds the Stock Acquisition Rights.

(5) Capital stock and capital reserves to be increased when stock is issued by the exercise of Stock Acquisition Rights

The amounts of capital stock and capital reserves to be increased shall be amounts separately determined by the Board of Directors in the Resolution on the Issuance of Stock Acquisition Rights without Compensation.

(6) Restrictions on transfer of Stock Acquisition Rights

- 1) Stock Acquisition Rights shall only be transferred with the approval of the Board of Directors.
- 2) When a person who is to transfer Stock Acquisition Rights is located outside Japan and is

incapable of exercising Stock Acquisition Rights in accordance with (4) 3) and 4) above (excluding Specified Purchaser, etc.), the Board of Directors shall determine whether or not to grant its approval in accordance with 1) above, based on consideration as to whether the following matters are satisfied:

- (i) on transfer of all or part of the Stock Acquisition Rights by the person located in an area under the relevant jurisdiction, written deposits created and signed or affixed with inscriptions of the names and seals of the transferor and transferee (including representation and warranty provisions, indemnification provisions, and penalty provisions relevant to (ii) to (iv) below) have been submitted,
- (ii) the transferor or transferee can be clearly judged not to be a Specified Purchaser, etc.,
- (iii) the transferee is clearly not located in an area under the relevant jurisdiction, and besides is not a person to accept the transfer of Stock Acquisition Rights on behalf of a person located in an area under the relevant jurisdiction,
- (iv) the transferee is clearly not a person to accept the transfer of Stock Acquisition Rights on behalf of the Specified Purchaser, etc.

(7) Acquisition of Stock Acquisition Rights by the Company

- 1) The Company may, at any time until the day preceding the first day of the exercise period of Stock Acquisition Rights, acquire all Stock Acquisition Rights without compensation, as of a day separately determined by the Board of Directors, when the Board of Directors judges it appropriate for the Company to acquire the Stock Acquisition Rights.
- 2) The Company may acquire, as of a day separately determined by the Board of Directors, all Stock Acquisition Rights that remain unexercised by the business day preceding the relevant date, from among the Stock Acquisition Rights held by persons other than the Specified Purchaser, and in exchange may grant the stock of the Company in the Number of Shares Covered by Stock Acquisition Right per Stock Acquisition Right. The Company may acquire such Stock Acquisition Rights multiple times.

(8) Issuance of Stock Acquisition Rights in the case of merger (only when the Company is to be merged), absorption-type demerger, incorporation-type demerger, share-for-share exchange, or share transfer, and the conditions for the foregoing

The Board of Directors shall decide on the above separately in the Resolution on the Issuance of Stock Acquisition Rights without Compensation.

(9) Issuance of Stock Acquisition Right certificate

Stock Acquisition Right certificates relating to Stock Acquisition Rights shall not be issued.

(10) Modifications due to revision, etc. of laws

The provisions of the laws and ordinances cited above are the provisions in effect as of April 27,

2007. When necessary upon the new enactment or the revision or repeal of laws and ordinances on and after that day, the provisions or meanings of terms, etc. as provided in the above respective provisions may be changed and read within a reasonable scope upon taking into consideration the purports of the relevant new enactment or revision and repeal by the Board of Directors.

Concerning Procedures for Exercise of Voting Rights Via the Internet

1. For shareholders who exercises voting rights via the Internet

The following items should be verified when exercising voting rights via the Internet.

- (1) It is only possible to exercise voting rights via the Internet by using the following Internet address designated by the Company (<http://www.web54.net>). This Internet address cannot be accessed by mobile telephones.
- (2) When exercising voting rights via the Internet it is necessary to use the voting rights code and password noted on the right side of the voting rights form. The password provided is effective only for the 183rd Ordinary General Shareholders' Meeting. A different password will be issued for the next Meeting.
- (3) Shareholders voting via the Internet are requested to exercise their voting rights prior to 5:00 p.m. (JST) on Monday, June 25, 2007, after reviewing the Reference Documents for the General Meeting of Shareholders.
- (4) When voting rights are exercised more than once via the Internet, the vote that arrives the latest will be deemed the valid vote.
- (5) When a shareholder exercises voting rights via the Internet and by the Exercise of Voting Rights form, the vote via the Internet will be deemed the valid vote.
- (6) Shareholders will bear the expenses incurred when accessing the Internet to exercise shareholder voting rights.

* For questions related to exercising shareholder voting rights via the Internet, please contact the following:

Chuo Mitsui Bank and Trust Company

Securities Agent Web Support

Tel: 0120-65-2031 (toll-free)

Service hours (except Saturday, Sunday, and holidays): 9:00 a.m. ~ 9:00 p.m.

2. For intuitional investors

If you are a nominee shareholder such as an administrative trust bank (including a standing proxy), and apply in advance for the platform for exercising voting rights via the Internet, you may use such platform as a method for exercising your voting rights via the Internet at this meeting.