

**For Immediate Release**

February 6, 2013

Company Name: Yamaha Corporation  
President and  
Representative Director: Mitsuru Umemura  
Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Announcement of Realignment of Yamaha's Musical Instrument and Audio Product  
Wholesaling as well as Music Schools Business through Split-Offs and Mergers of  
Domestic Subsidiaries Accompanied by Change in Corporate Name**

Based on the policy stated in "Outline of Business Structural Reforms in Japan," which was announced on July 31, 2012, the Board of Directors of Yamaha Corporation decided at its meeting today to have its wholly owned subsidiary Yamaha Music Trading Corporation (hereinafter, YMT) take over and continue its wholesaling of musical instruments and audio products as well as its music schools business in Japan. This change in organizational structure will be implemented through split-offs and transfers and will be effective as of April 1, 2013.

Please note that, since the split-offs will involve the transfer of certain businesses into a company wholly owned by Yamaha Corporation, disclosure of certain items has been omitted.

In addition, along with the previously mentioned split-offs, Yamaha has decided to have wholly owned subsidiaries, Yamaha Electronics Marketing Corporation (hereinafter, YEMJ) and Yamaha Music Lease Corporation (YML), merge into YMT.

As part of this reorganization, the corporate name of YMT will be changed to Yamaha Music Japan Co., Ltd., and it is scheduled to become the central company of the Yamaha Corporation Group responsible for marketing and related activities for musical instruments and audio products in Japan. Further details are as follows:

**1. Objectives of the Corporate Split-Offs and Mergers of Subsidiaries**

Under this reorganization, Yamaha will work to make realignments of organizational and personnel systems appropriate to the size and structure of the domestic musical instrument and audio product markets, which are now mature, with the aim of strengthening its profitability in business activities in Japan by increasing management efficiency. Moreover, this reorganization is

expected to concentrate the overall capabilities of the Yamaha Corporation Group, and, by further strengthening its marketing and special know-how, prepare the way for revitalizing the market and the next stages in business growth.

## **2. Outline of the Split-Offs**

### **(1) Schedule for the split-offs**

Approval by the Board of Directors: February 6, 2013

Signing of the split-off contracts: February 6, 2013

Approval of split-off contracts by the shareholders (YMT): March 19, 2013 (scheduled)

Date of the split-offs (effective date): April 1, 2013 (scheduled)

Note: Based on Japan's Company Act (Article 784, section 3), the above-mentioned split-offs will not require the approval of the General Meeting of Shareholders, as specified in Article 783, section 1 of the Company Act.

### **(2) Method of the split-offs**

Businesses will be split off from Yamaha Corporation, and the businesses of the Company will be continued within YMT.

### **(3) Distribution of shares**

As YMT continues the wholesaling of musical instruments and audio products as well as the music schools business in Japan, YMT shares will be allocated to Yamaha Corporation as compensation. Since these corporate split-offs involve the transfer of businesses to a wholly owned subsidiary of Yamaha Corporation, agreement was reached with YMT to issue 1,000 shares.

### **(4) Decrease in capital, due to the split-offs**

There will be no decrease in Yamaha Corporation's paid-in capital or capital surplus as a result of these split-offs.

### **(5) Treatment of share warrants and bonds with share warrants due to the split-offs**

The Company has not issued any share warrants, nor has it issued bonds with share warrants.

### **(6) Rights and duties of the succeeding company receiving**

The succeeding company will be responsible for assets, liabilities, and all contractual commitments related to the transferred businesses deemed necessary for the operations of such businesses as well as all accompanying rights and duties.

### **(7) Outlook for meeting debt obligations**

Under these split-offs, it is the judgment of management that there are no issues related to the outlook for Yamaha Corporation and the succeeding company to meet their obligations.

### 3. Outline of the Companies Subject to Split-Offs (as of September 30, 2012)

(1) Corporate name	Yamaha Corporation (Company subject to split-offs)	Yamaha Music Trading Corporation (Company succeeding to the business split-offs)
(2) Lines of business	Manufacturing and sales of musical instruments, AV/IT equipment, electronic devices, and other products as well as management of recreation facilities	Import and sales of musical instruments and related merchandise
(3) Date of establishment	October 12, 1897	November 1, 1979
(4) Head office address	10-1, Nakazawa-cho, Naka-ku, Hamamatsu-shi, Shizuoka	28-5, Nihonbashi Kakigara-cho 1-chome, Chuo-ku, Tokyo
(5) Representative	Mitsuru Umemura, President and Representative Director	Masayuki Haraguchi, President and Representative Director
(6) Paid-in capital	¥28,534 million	¥200 million
(7) Shares issued	197,255 million	400,000
(8) Closing of accounts	March 31	March 31
(9) Principal shareholders, % ownership	The Master Trust Bank of Japan, Ltd. (trust account): 6.5% Japan Trustee Services Bank, Ltd. (trust account): 6.1% Yamaha Motor Co., Ltd.: 5.2% Mizuho Bank, Ltd.: 4.5% The Shizuoka Bank, Ltd.: 4.2% Mitsui Sumitomo Insurance Co., Ltd.: 4.1% Sumitomo Life Insurance Company: 3.7% Nippon Life Insurance Company: 3.3% Mizuho Corporate Bank, Ltd.: 2.9% Japan Trustee Services Bank, Ltd. (trust account 9): 1.8%	Yamaha Corporation: 100%

(10) Operating performance and financial position for the most recent fiscal year (ended March 2012)

(Unit: Millions of yen, except per share data)

	Yamaha Corporation (consolidated)	Yamaha Music Trading Corporation (non-consolidated)
Net assets	¥206,832 million	¥1,290 million
Total assets	¥366,610 million	¥1,809 million
Net assets per share	¥1,052.01	¥3,227.31
Net sales	¥356,616 million	¥4,321 million
Operating income	¥8,110 million	¥383 million
Ordinary income	¥7,255 million	¥390 million
Net income (loss)	¥(29,381) million	¥233 million
Net income (loss) per share	¥(151.73)	¥582.91

(11) Lines of business to be split off

Wholesaling of musical instruments and audio products and the music schools business in Japan

(12) Operating performance of businesses to be split off (fiscal year ended March 2012)

Sales of ¥70,147 million

(13) Amount of assets and liabilities to be split off (outlook)

Assets: ¥15.3 billion

Liabilities ¥5.9 billion

#### **4. Outline of Mergers of Subsidiaries (YMT, YEMJ, and YML)**

(1) Schedule for the mergers

Approval of the mergers by the Board of Directors: February 6, 2013

Signing of the merger contracts: February 6, 2013

Approval of the merger contracts by the shareholders: March 19, 2013 (scheduled)

Date of the mergers (effective date): April 1, 2013 (scheduled)

(2) Method of the mergers

YMT will be the continuing company. YEMJ and YML will be absorbed and liquidated.

(3) Content of allocations in connection with the mergers

Since the companies to be merged are wholly owned subsidiaries of Yamaha Corporation, there will be no compensation for the mergers.

(4) Treatment of share warrants and bonds with share warrants related to the mergers

The companies have not issued any share warrants, nor have they issued bonds with share warrants.

## 5. Outline of Companies Subject to Mergers

Company name	Yamaha Music Trading Corporation (continuing company)	Yamaha Electronics Marketing Corporation (company to be liquidated)	Yamaha Music Lease Corporation (company to be liquidated)
Lines of business	Import and sales of musical instruments and related merchandise	Sales of AV products and related merchandise in Japan	Leasing of musical instruments and other products, rental and installment sales of musical instruments
Date of establishment	November 1, 1979	February 1, 2001	March 1, 1984
Head office address	28-5, Nihonbashi Kakigara-cho, 1-chome, Chuo-ku, Tokyo	17-11, Takanawa 2-chome, Minato-ku, Tokyo	10-1, Nakazawa, Naka-ku, Hamamatsu-shi, Shizuoka
Representative	Masayuki Haraguchi, President and Representative Director	Sadatoshi Ando, President and Representative Director	Toru Wakuda, President and Representative Director
Paid-in capital	¥200 million	¥300 million	¥50 million
Closing of accounts	March 31	March 31	March 31
Shareholding ownership	Yamaha Corporation: 100%	Yamaha Corporation: 100%	Yamaha Corporation: 100%

## 6. Status Following Split-Offs and Mergers

### (1) Status of Yamaha Corporation after split-offs

There will be no changes in corporate name, lines of business, head office address, representative, paid-in capital, or closing of accounts following the split-offs.

### (2) Status of YMT after split-offs and mergers

(a) The corporate name will be changed to Yamaha Music Japan Co., Ltd., as of the date of the split-offs and mergers.

(b) Status of the continuing subsidiary

Company name	Yamaha Music Japan Co., Ltd.
Lines of business	Sales of musical instruments and AV products and management of music schools business in Japan
Head office address	17-11, Takanawa 2-chome, Minato-ku, Tokyo
Representative	Yoshihiro Doi, President and Representative Director
Paid-in capital	¥500 million
Closing of accounts	March 31
Shareholding ownership	Yamaha Corporation: 100%

## **7. Impact on Performance following the Split-Offs and Mergers**

Since YMT is a wholly owned subsidiary of Yamaha Corporation, the split-offs will have no effect on the consolidated performance of the Company. Also, since YEMJ and YML are wholly owned subsidiaries, the previously mentioned mergers will have no effect on the consolidated performance of Yamaha Corporation.

### **For further information, please contact:**

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