

## For Immediate Release

January 8, 2014

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

### **Establishment of a Settlement in the Patent Infringement Lawsuit with Axell Corporation**

Yamaha Corporation (hereinafter, Yamaha) today established a settlement regarding the two lawsuits it filed against Axell Corporation (headquarters: 14-1, Soto-Kanda 4-chome, Chiyoda-ku, Tokyo; hereinafter, Axell) on the grounds of patent infringement on April 14, 2010 (hereinafter, the Lawsuits) and the details are:

Yamaha filed these Lawsuits against Axell with the Tokyo District Court on the grounds that Axell's sound LSI\*<sup>1</sup> and multifunctional LSI\*<sup>2</sup> infringe five Japanese patents\*<sup>3</sup> owned by Yamaha for sound data reproduction and synthesizing technologies. The Lawsuits requested a court order prohibiting Axell from manufacturing and sales of these devices and payment of damages. The five patents were divided into two groups that are technologically related, and Lawsuits were separately filed for the infringement of these two groups of patents. \*<sup>3</sup>, \*<sup>4</sup>

Regarding these two Lawsuits, we continued consultations for a settlement at the Intellectual Property High Court and the Tokyo District Court, and, as a result, an agreement has now been reached between the two companies and a settlement has been established. The conditions of the settlement are that Yamaha agrees to grant to Axell a non-exclusive license to the Yamaha patents, and Axell agrees to pay to Yamaha a settlement fee for the license for the products covered by the Lawsuits, and a license fee for future products. Note that Yamaha grants the non-exclusive license solely for the five patents in the Lawsuits, and not for other Yamaha intellectual property rights, including patents.

Yamaha has positioned intellectual property rights as an important management resource, and we will continue to work to protect our intellectual property by taking a resolute stance against acts infringing our intellectual property rights.

Note that the impact of this matter on the consolidated financial results in the current fiscal year will be minor.

Notes:

- \*1. Sound LSIs are LSIs that perform the function of reproducing compressed sound data.
- \*2. Multifunctional LSIs are LSIs that integrate sound functions and graphic functions.
- \*3. The courts in which the Lawsuits are pending and the patents covered by the Lawsuits are as follows:
  - (i) Pending in the Intellectual Property High Court as an appeal trial against the Tokyo District Court Decision on August 31, 2012  
Lawsuit 1: Patent numbers 2943636, 2734323, and 3918826 (Patents related to data formats and sound reproduction methods for compressed sound data)
  - (ii) Pending in the Tokyo District Court  
Lawsuit 2: Patent numbers 3003559 and 3097534 (Patents related to improving the efficiency of computational processing in sound data synthesis based on computational processing)
- \*4. Axell instituted proceedings with the Japan Patent Office to invalidate four of Yamaha's five patents, but, thereafter, Yamaha fought to uphold the validity of its patents before the Intellectual Property High Court. The final decision of the Intellectual Property High Court was to recognize the validity of all the contested Yamaha patents to date.

**For further information, please contact:**

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