

CSR Report 2011



Corporate Data (As of March 31, 2011)

Company name: Yamaha Corporation
Headquarters: 10-1, Nakazawa-cho, Naka-ku, Hamamatsu Shizuoka 430-8650, Japan
Year of establishment: 1887
Date of incorporation: October 12, 1897
Representative: Mitsuru Umemura, President and Representative Director

Stated capital: ¥28,534 million
Number of employees: Consolidated: 26,816; Non-Consolidated: 4,965
The Yamaha Group: Number of consolidated subsidiaries: 78 (including companies located outside Japan)
Number of companies accounted for by the equity method: 1

Business Segments

Musical Instruments

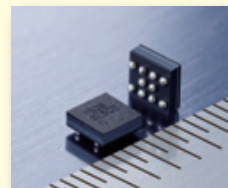
Yamaha manufactures and sells musical instruments, professional audio equipment, and related products while expanding its business lines to include the operation of music schools, music media software production, and content distribution.



Electronic Devices

Yamaha manufactures and sells semiconductors for mobile phones, home theater AV amplifiers, as well as communications and amusement devices.

* Following the transfer of the electronic metal products business on November 30, 2007, the former Electronic Equipment and Metal Products segment was renamed the Electronic Devices segment from the fiscal year ended March 31, 2009.



AV/IT

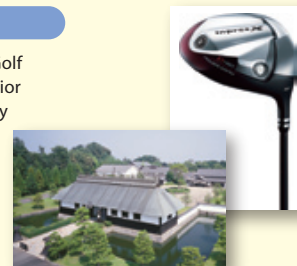
Yamaha manufactures and sells a range of audio and visual (AV) equipment that includes AV amplifiers, receivers, speaker systems, and Digital Sound Projector™ surround sound systems, as well as commercial online karaoke systems, routers, and IP conferencing systems.



Others

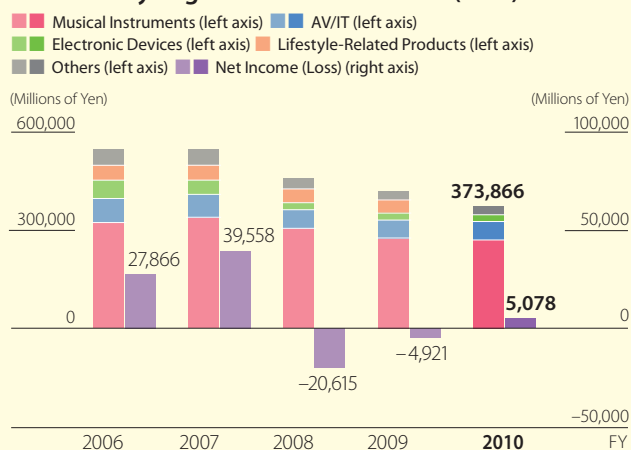
Yamaha's other businesses include the Golf Products business, the Automobile Interior Wood Components business, the Factory Automation (FA) business, and the Recreation business.

* Following the transfer of four resort facilities on October 1, 2007, the Recreation segment was included in the Others segment from the fiscal year ended March 31, 2009.

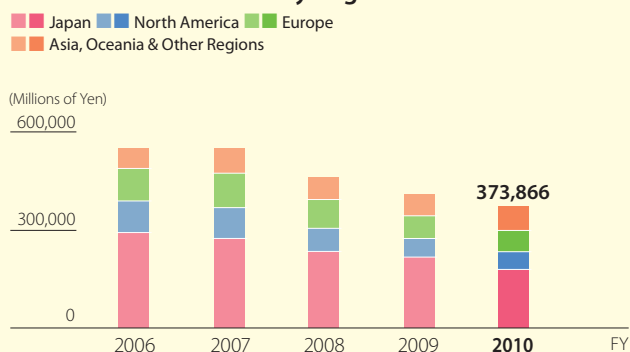


Key Financial Indicator Trends (Consolidated)

Net Sales by Segment and Net Income (Loss)



Consolidated Net Sales by Region



The Relationship Between Yamaha Corporation, Yamaha Motor Co., Ltd., and Yamaha Livingtec Corporation

Yamaha Motor Co., Ltd. (Yamaha Motor) manufactures and sells motorcycles, marine products, snowmobiles, and other related products. The company separated from Yamaha in 1955, becoming an independent business, and as a result is not included in the scope of this report. Yamaha Motor was previously recorded as an affiliated company accounted for by the equity method. Yamaha Motor was excluded from Yamaha's scope of consolidation as an equity-method affiliate following a reassessment of the capital relationship between the two companies.

In addition, Yamaha Livingtec Corporation (YLT), which manufactures and sells system kitchens and bathrooms as well as other housing fixtures and equipment, was excluded from Yamaha's scope of consolidation on March 31, 2010. As a result, details of YLT have not been included in the Company's reports from the fiscal year ended March 31, 2011.

Looking ahead, all three companies will work to increase their corporate values in each of their respective businesses and fulfill their missions and responsibilities to society on a global basis under the commonly shared Yamaha brand.



Editorial Policy

The Yamaha Group issues a CSR report in order to communicate its CSR vision and initiatives to the Group's broad stakeholder base. Since we first published the report in 2000, we have worked to prioritize information that is of greater interest based on our ongoing dialogue with stakeholders.

We have continued to review the format of the report each year since 2009, and have decided to take a two-pronged approach, posting detailed information and environmental performance data on the website and presenting key points more concisely in a printed report to make it easier to read and digest. In preparing this report, we referred to the Japanese Ministry of the Environment's "Environmental Reporting Guidelines (2007 Version)" and the Global Reporting Initiative's "Sustainability Reporting Guidelines (v. 3.0)."

Organizations Included in the Scope of Reporting

It is Yamaha Corporation's intention to report to the fullest extent possible on activities carried out by the organizations that fall within the scope of its consolidated financial accounting. The environmental protection activities discussed in this report cover the 24 business sites (22,668 total employees, 85% of consolidated employees) that have obtained ISO 14001 certification. Reported items other than environmental protection and social contribution activities are primarily activities by Yamaha Corporation, although certain items focus on activities carried out by Yamaha Group companies. We will continue to expand the scope of reporting on Group company activities.

Reports on the Yamaha Corporation Website

You can access the Yamaha CSR Report 2011 web version at:

http://www.yamaha.com/about_yamaha/csr/



Regarding Environmental Performance Data

Environmental performance data including details not recorded in this report can be found on the Company's website.

http://www.yamaha.com/about_yamaha/csr/environment/data/



Reporting Period

April 1, 2010 to March 31, 2011

* The above period is referred to as fiscal 2010 in this report.

* Certain initiatives underway prior to fiscal 2010 and information from April 2011 onward are also included in this report.

Next Scheduled Issue

We plan to issue the next CSR Report in October 2012.

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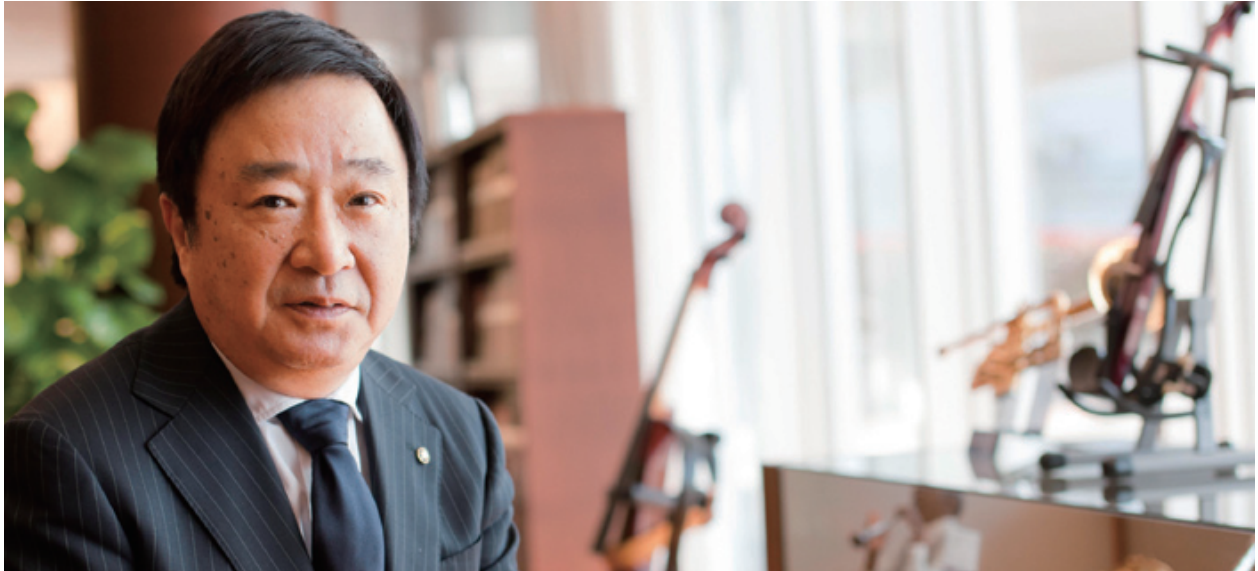
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Yamaha is Committed to Developing Musical Culture and Enriching Society through Its Business Activities



The Impact of the Great East Japan Earthquake

We wish to convey our deepest condolences to those persons who lost their lives to the Great East Japan Earthquake and our most sincere sympathies to their families as well as all who continue to suffer from the aftereffects of the disaster.

The Yamaha Group is donating to disaster relief efforts, providing essential supplies and conducting charity concerts together with other support activities. Moving forward, the Group will continue to assist in the recovery and reconstruction of affected areas while working with its network of dealers. Recognizing our responsibilities as a member of the music industry, we are also taking part in the School Music Revival Fund, founded by Ryuichi Sakamoto, in an effort to support young children. It is our heartfelt wish that we can in some small way bring a smile back to the faces of those people struggling in devastated areas as quickly as possible.

The Yamaha Group's Concept of CSR

Through business activities grounded in sound and music, the Yamaha Group strives to achieve its corporate objective of "Creating 'Kando' Together." Guided by this

overarching objective, the Yamaha Group has positioned corporate activities that embody its philosophy and focus on customer-oriented and quality-conscious management as well as transparent and sound management, valuing people, and harmony with society at the heart of its CSR-oriented management.

Under the Yamaha Management Plan 125 (YMP 125), the Group's medium-term management plan launched in fiscal 2010, Yamaha is aiming to put in place the foundation for future growth in the lead up to its 125th anniversary in 2012. We have also established the vision of becoming a trusted and admired brand with operations centered on sound and music as well as an achiever of growth through both products and services. In order to attain these lofty goals, we acknowledge the critical need to practice sound, transparent and sincere CSR management as a part of efforts to build strong ties of mutual trust with all stakeholders.

CSR-oriented management as practiced by the Yamaha Group is distinguished by its focus on efforts that contribute to the development of musical culture and the enrichment of society through business activities. Encapsulating this approach toward CSR, we formulated the Yamaha Corporation Group CSR Policy in February 2010. By making the most of our strengths to

provide products and services that meet the expectations of all customers who love music, we can better contribute to the development and prosperity of people and society worldwide.

As Yamaha develops operations on a global scale, we believe it is vital that we do our part to address the issues faced by local communities, together with such worldwide concerns as global warming and biodiversity. With this in mind, Yamaha publicly acknowledged its participation in and commitment to the principles of the Global Compact advocated by the United Nations in June 2011. Looking ahead, we will place considerable emphasis on activities that are best suited to the particular nature of its businesses guided by both the Yamaha Corporation Group CSR Policy and the 10 Principles of the Global Compact. We will make efforts to support cultural and educational development in each region, use raw materials more efficiently, and reduce the environmental impact of our development and manufacturing activities. We will also support forest revitalization as a company that utilizes wood materials to manufacture its products.

The 2011 CSR Report

The Yamaha Group has adopted a two-tiered approach to presenting its stance toward and activities regarding CSR. This printed report provides key details of the Group's principal activities in a concise manner that is easier to read and digest. More detailed information on the policies and programs that form the foundation of the Group's CSR activities, as well as environmental performance data and other basic information is posted on the Company's website.

The 2011 CSR Report has been configured in line with the five core components of the Yamaha Corporation Group CSR Policy. In order to better convey the daily efforts and activities that underpin the Policy's core components, initiatives are presented together with comments from directly responsible officers.

We welcome the opinions, comments, and inquiries of all readers.



Mitsuru Umemura
President and Representative Director
Yamaha Corporation

The United Nations Global Compact

The United Nations Global Compact is a strategic policy initiative for businesses that voluntarily commit to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. Top management of assenting and participating businesses publicly pledge their commitment and work consistently to achieve the objectives espoused under the 10 principles.



This is our **Communication on Progress** in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

The 10 Principles of the United Nations Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Yamaha Group and the Great East Japan Earthquake

In the wake of the Great East Japan Earthquake that struck the nation on March 11, 2011, we wish to convey our sincerest condolences to those persons who lost their lives and our heartfelt sympathies to their families as well as all other persons suffering from the aftereffects of the disaster. We would also like to take this opportunity to report on the impact of the earthquake on the Group and its operations as well as provide details of activities in support of relief and recovery efforts.

Initiatives Undertaken in the Immediate Aftermath of the Disaster and the Extent of Damage

In the immediate aftermath of the earthquake, the Yamaha Group set up a disaster countermeasures task force within its head office. Steps were then taken to promptly collect and collate information and to implement appropriate countermeasures. At the same time, similar task forces established in each region worked diligently to implement security measures, confirm the safety of employees and their families, ascertain the status of damage and prevent further suffering. Drawing on disaster reserves of essential commodities, goods including food items were distributed from the Group's head office to devastated areas. Fortunately, none of the Group's employees suffered personal injury.

The Status of Damage to Business Infrastructure and Recovery Measures

The Yamaha Group launched steps to ascertain the extent of damage to its nationwide network of business sites, buildings and facilities on the day of the disaster. As a result, we were able to identify cracks and damage to certain buildings mainly in the Tohoku region. Thereafter, on confirming the safety of these and all other buildings, every effort was made to recommence operations. Turning to the Group's information infrastructure including its communications systems, we experienced temporary interruptions to our office network particularly in the Tohoku and Kanto areas. By March 19, communications across approximately 90% of affected bases had been restored with full recovery completed by April 10.

The Impact on Business Activities and Subsequent Countermeasures

On April 1, 2011, the Great East Japan Earthquake Emergency Committee was established. Led by Yamaha Corporation's president, this task force has been charged with the responsibility of ascertaining the impact on the Group's business activities by the earthquake disaster as well as subsequent issues including instability in the supply of electric power and putting forward essential countermeasures.

There was no direct damage to the Yamaha Group's principal factories in Japan including the Saitama Factory and those production facilities in the Enshu region located more than 400km from the areas hardest hit by the earthquake disaster. Turning to the procurement of components and raw materials, responsibilities were allocated to specific departments and individuals based on supplier location information shared between business divisions and steps taken to confirm the status of damage. While there was no major impact on the production of acoustic instruments including pianos, the production of electronic devices including electronic instruments and audio-visual equipment have been affected due to difficulties with respect to procurement.

As a part of efforts aimed at confirming product safety following incidents resulting in concerns with respect to radiation, dosimetric measurements are undertaken at the time of factory packaging and shipment as required.

Support for Affected Areas

The Yamaha Group is doing everything in its power to bring smiles to the faces of those sufferers in affected areas as quickly as possible. In addition to donations by Group companies both in and outside Japan, the Group is promoting the inspection and repair of musical instruments through its network of dealers, endeavoring to reopen music schools and conducting charity concerts across devastated areas together with other support activities. Led by the Japan Musical Instruments Association, the School Music Revival Fund was established in July with the Company's president Mitsuru Umemura serving as chief promoter. Under the Fund, steps are being taken to inspect and repair the musical instruments of kindergartens, elementary, junior and senior high schools located in devastated areas.

Measures Aimed at Conserving Electric Power

The Yamaha Group established targets for the reduction of electric power consumption at its business sites and implemented working shifts during weekends and holidays to help reduce consumption during peak weekday periods. These and other initiatives are aimed at addressing shortfalls in the supply of electric power as a result of the earthquake.

● Reducing Electric Power Consumption at Business Sites

The Company has set the target of reducing electric power consumption by 15% or more on an hourly basis compared with the previous year at business sites^{*1} located within the areas serviced by the Tokyo Electric Power Company, Incorporated (TEPCO) and Tohoku Electric Power Co., Inc. with contract demand exceeding 500kW. This reduction target applies to the period between July and September and specifically to weekdays between the hours of 9:00 and 20:00. Among a host of measures, each business site will reduce lighting and regulate air conditioning. Business sites within the aforementioned operating area other than those mentioned above will also establish targets in accordance with the previously identified target. Every effort will be made to reduce maximum consumption during peak periods.

^{*1} Saitama Factory (Fujimino-shi, Saitama Prefecture), Tokyo Office (Minato-ku), Yamaha Ginza Building (Chuo-ku, Tokyo Prefecture)

● Introducing Weekend and Holiday Work Shifts to Reduce Peak Period Electric Power Consumption

In order to reduce electric power consumption during peak weekday periods, business sites^{*2} located in areas serviced by Chubu Electric Power Co., Inc. suspended operations for five Mondays during July and August. Work on each of these days was shifted to Saturdays and public holidays.

^{*2} Yamaha Headquarters and factories located in the western region of Shizuoka Prefecture

Key Features of Future Disaster Countermeasures

Taking seriously the lessons learned from the Great East Japan Earthquake, Yamaha undertook a Group-wide review of its disaster countermeasures and contingency planning. Focusing particularly on bases located in the Enshu region which is in close proximity to the Tokai area considered prone to major earthquakes, the Yamaha Group is taking steps to put in place an appropriate structure and systems including the stockpiling of essential items.

As an initial measure, the Group is working to secure multiple means of communication while at the same time reviewing reporting systems by base and organization.

In addition, a specialist group has been established led mainly by administrative divisions. Drawing on the Group's experiences during the Great East Japan Earthquake, Yamaha is putting in place all appropriate procedures and methods to ensure greater efficiencies in restoring basic infrastructure.

While at this stage estimates indicate no major damage to bases located in the Enshu region as a result of the tsunami^{*3}, both national and prefectural governments are reassessing damage estimates. Steps will then be taken to consider appropriate countermeasures.

Furthermore, efforts are being made to provide employees and their families living in coastal areas with information regarding predetermined actions to be taken at times of evacuation.

In order to ensure the utmost safety of its employees and to minimize the impact of disasters on the Group's ongoing operations, Yamaha periodically reviews its BCP^{*4} Guidelines formulated in 2009 taking into consideration each of the aforementioned.

^{*3} Source: Shizuoka Prefecture damage estimates

^{*4} BCP: Business Continuity Plan

The Yamaha Group is working diligently to promote CSR activities that reflect the five core components of the Yamaha Corporation Group CSR Policy.

Yamaha Corporation Group CSR Policy

Our Aim is "Creating 'Kando' Together"

The objective of the Yamaha Corporation Group is to continue to create "Kando*" and enrich culture with technology and passion born of sound and music, together with people all over the world.

Based on this Corporate Objective, Yamaha conducts its CSR activities according to the following guidelines to further strengthen the bonds of trust with its stakeholders through its corporate activities and contribute to the sustainable development of society.

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

- 1** Yamaha provides support to people who want to perform music and people who want to enjoy it by contributing to the popularization and development of music and musical culture. 7
- 2** Yamaha works to maintain a healthy global environment by understanding the significance of protecting the natural environment, maintaining biodiversity, and reducing the burden on the environment, as well as promoting the proper use of wood resources, and cooperating with forest protection activities. 12
- 3** As a "corporate citizen" that is a member of society, Yamaha contributes to creating a better society by actively participating in many kinds of activities that further the development of the community and culture. 15
- 4** Yamaha complies with laws and high ethical standards, works to create an environment in which its personnel can draw fully on their sensitivities and creativity, and aims to build a corporate culture that will enable it to offer better products and services. 17
- 5** For its shareholders, who support its corporate activities financially, Yamaha aims for a high degree of transparency by disclosing management information and engaging in active and sustained communication. For its business partners, Yamaha conducts transactions fairly and transparently, endeavors to deepen mutual understanding, and works to build strong relationships of trust. 19

Engaging in corporate social responsibility (CSR) activities is one of the Yamaha Group's fundamental management policies. In specific terms, we express this policy commitment across a wide range of areas including the product quality, customer satisfaction (CS), procurement, environmental protection, and public relations fields.

In February 2010, we established the Yamaha Corporation Group CSR Policy, a summary of the Group's approach toward CSR. Comprised of five key guidelines, this Policy outlines the Company's fundamental stance toward fulfilling its responsibilities to its diverse stakeholders. Moving forward, the Group is working to ensure that its employees have a complete understanding of the Policy while actively promoting CSR management.





Contributing to the Popularization and Development of Music and Musical Culture

Conveying the joy of music to people throughout the world, the Yamaha Group operates music schools both in and outside Japan as a part of efforts to popularize and develop musical culture.

The music school business is essentially conducted by the Yamaha Music Foundation, which is responsible for providing a platform that develops a proficiency-oriented curriculum as well as teaching materials and texts, and helps nurture skilled and professional instructors, and Yamaha, whose activities extend to the actual operation of schools.

To date, Yamaha music schools have catered to the needs of over 5,000,000 graduates in Japan alone putting in place lesson plans tailored to specific ages from young children through adolescents to adults and diverse objectives.

Promoting the Music School Business

The Yamaha Group engages in the development and operation of music schools based on an overarching philosophy that focuses on efforts that help nurture the musical talents of people throughout the world. Our goal is to provide individuals with the opportunity to make the most of their skills and capabilities. By helping individuals to create music and to perform, we are endeavoring to convey the joy of music to an ever-increasing audience.

Since opening the Music Class for Pre-school Children in Tokyo in 1954, the Yamaha Group has provided music education to help enrich the development and growth of children for over five decades. In specific terms, the Yamaha Music Foundation has established and developed the Yamaha Music Education System, a unique education method that is distinguished by its three timely education, group lessons and emphasis on creativity features. Taking full advantage of this unique know-how, and in addition to Yamaha music schools for children that cater to the needs of one-year old infants through to junior high school students, Yamaha's Music Lessons for Adults are currently available both for music enthusiasts as well as individuals interested in learning to play a musical instrument as a hobby.



Yamaha music school original textbooks and teaching materials

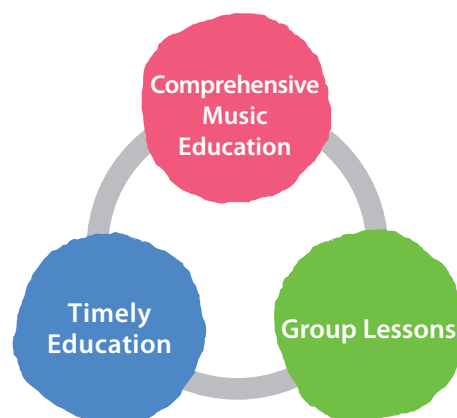
The Three Features for Nurturing Music Skills

Considerable emphasis is placed on creativity as one of three elements that comprise the Yamaha Music Education System. This entails lessons that encompass a full range of musical pursuits including listening, singing, playing, reading and creating. Through these means, children are encouraged to express themselves by thinking freely. We work to help children acquire and enhance their sensitivity and imagination that will allow them to fully enjoy the pleasures that music can provide.

In order for children to enjoy music and to absorb and understand the given material easily, we believe it is best to give them appropriate guidance in accordance with the degree of their physical and mental development. Based on this concept of timely education, emphasis is placed on music fundamentals that focus on listening for pre-school children when hearing capabilities are rapidly developing. This learning process also helps children to more freely express themselves through music heightening interest and enjoyment.

The third and final element of the Yamaha Music Education System is the Group Lesson format. Group lessons have the

advantage of allowing children to enjoy rich musical experiences while making friends in a social environment and developing a stronger sense of cooperativeness.





Maintaining a Strong Awareness toward the Importance of Popularizing Music while Promoting with Pride a Rich and Prosperous Future

With a history that dates back over a half century, Yamaha Music School continues to contribute to society. While adapting to each era, the Group's fundamental philosophy toward music education, its efforts to consistently enhance its curriculum and the passion of its instructors all remain unchanged. My role is to carry forward the foundation and track record put in place by my predecessors and to pass on to the next generation this passion for excellence. Yamaha Music School caters to the needs of some 500,000 students in Japan. With a renewed sense of responsibility and a strong awareness toward the importance of popularizing music, I plan to undertake my duties and tasks at hand with a deep sense of pride.

Manager
Music Education Planning Office
Domestic Sales & Planning Division
Yamaha Corporation **Hideaki Inukai**



Engaging in Business Activities Across Over 40 Countries Worldwide While Catering to the Needs of Around 700,000 Students Globally

Yamaha Music School boasts a significant business scale with a network encompassing approximately 4,300 locations, 500,000 students, and 13,000 instructors in Japan as of June 2011. Graduates to date total more than 5,000,000 students.

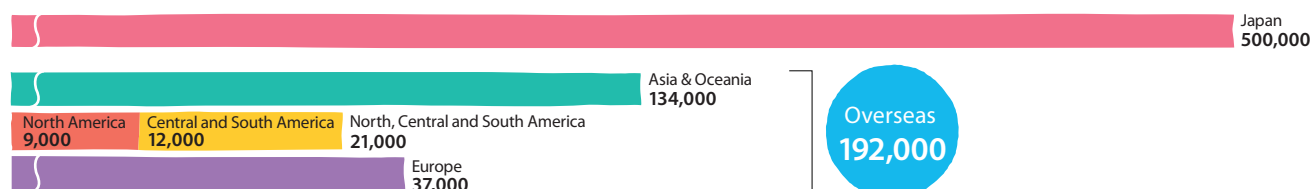
Overseas, around 200,000 students attend Yamaha Music School operating in over 40 countries and regions around the world. In similar fashion to Japan, our overseas activities focus mainly on pre-school education as well as popular music courses

that address demand from adults. As we work toward popularizing music, every effort is made to develop a common global philosophy and curriculum that takes into account and harmonizes the music culture and history of each individual country and region.

Countries in which Yamaha Music Schools Operate (2011)



Number of Students





Contributing to the Popularization and Development of Music and Musical Culture

Supporting People Engaged in Musical Pursuits

The Yamaha Group actively supports all individuals engaged in learning pursuits in their efforts to hone their musical skills and expand their musical endeavors. At the same time the Group strives to enrich community life through a variety of musical events as a part of collective efforts to popularize and develop musical culture.

Local Events to Promote Music Culture

Each year, Yamaha holds “Hamamatsu Jazz Week” in cooperation with the city of Hamamatsu. In addition to concerts in auditoriums and on the street, activities including free lessons and booths, where participants were offered the opportunity to play instruments were conducted in May 2010. Moreover, Yamaha Music Osaka Co., Ltd. is a member of the planning committee for Kobe Motomachi Music Week, which is held every year in the Motomachi shopping district in Kobe. Through these and other means, the Yamaha Group actively supports the spread of music and culture in communities around Japan.



The Kobe Motomachi Music Week



Hamamatsu Jazz Week

Spreading the Joy of Wind-Instrument Music through Training Workshops

Yamaha Music & Electronics (China) Co., Ltd. held training workshops across 12 major cities in China in November 2010. The brass bands of leading schools in each region were invited to attend. Lectures were provided by prominent instructors to an aggregate total of 944 elementary, junior and senior high school students.



A lecture conducted by Mr. Li Tianchi

Supporting the Musical Pursuits of Artists

Yamaha Music Europe GmbH (YME) provides young musicians with opportunities to perform while supporting the musical pursuits of artists. YME Iberica Branch takes great pride in assisting Rafael Calderon, a well-known trumpeter with Down syndrome who performs in Spain. In fiscal 2010, the branch produced a magazine advertisement featuring Mr. Calderon.



Providing young musicians with opportunities to perform and the Musée d'Orsay



A magazine advertisement featuring Rafael Calderon

Promoting Universal Design

Yamaha Corporation is keen to help create an environment in which any and all people can enjoy the pleasures of music. With this in mind, we are considering the merits of incorporating the universal design concept into our products and services. In putting forward this concept, we participated as a sponsoring company in the 3rd International Conference for Universal Design in HAMAMATSU 2010 held between October 30, 2010 and November 3, 2010 in Hamamatsu City in fiscal 2010. Based on the slogan and pledge of “music for you, music with all,” we showcased several universal design prototype products at the corporate exhibition corner of the Conference. Buoyed by this

sponsorship and exhibition, the Yamaha Group will again consider adopting a universal design approach. Looking ahead, we will put forward proposals that take full advantage of the power and strength of music to help realize a society that is both rich in communication and that allows people of diverse backgrounds and attributes to live in harmonious comfort.



Music in the palm of one's hand

Sound window

Pursuing Customer Satisfaction

Yamaha Corporation's Digital Musical Instrument Division Conducts Product Development Usability Tests

Led by Yamaha Corporation's Digital Musical Instrument Division, the Yamaha Group adopted usability tests*, which help assess operability, as a part of its product development process in 2004. Placing the utmost importance on the customer's point of view, this initiative is designed to improve how our products and services, which boast a wide variety of functions, are used. The development and other departments involved in products and services coordinate usability tests, sharing information about potential issues at an early stage. This allows the Digital Musical Instruments Division and the Group as a whole to quickly take the steps necessary to improve the usability of existing products and uncover operability issues with products in development.

* Usability test: Having likely customers actually use a product to determine the product's ease of use (usability).

Examples

- Usability assessment for the CVP multi-function digital piano
- Workability assessment for digital drum assembly
- Usability assessment for the IDC function (connects the instrument directly to the Internet to stream a song or display musical notes simultaneously) of the CVP digital piano
- Visual discrimination assessment for LED and operating display colors

Yamaha Corporation's AV Products Division Gathers and Analyzes Feedback from its Customers in an Effort to Deliver Products and Services that Exceed Expectations

To develop the kind of products and services that exceed customer expectations, the AV Products Division actively gathers and collates customer feedback. The division collects as much feedback as possible, constantly looking for ways to satisfy each and every customer in every business setting.

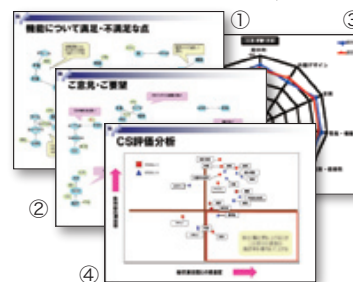
In this context, the AV Products Division creates planning sheets at the product planning stage. These planning sheets outline planning details from the customer's point of view including projected customer profiles, the value provided to the customer, customer feedback and suggested improvements for existing products. This information is shared with every person who is involved in the creation of the end product. The division sends out customer satisfaction surveys to customers in Japan, the United States, and Europe immediately after purchase. In a CS evaluation meeting, the division looks at the results of these surveys, using the information as feedback for current and future product development. Of particular importance are customer assessments and opinions related to sound quality, looks (design), ease of use, innovation (function), and reliability. These factors relate to major quality policies within the Yamaha Group. From this perspective, the division focuses on the differences between pre-purchase customer expectations and post-purchase satisfaction. They use text mining* techniques on free-form customer feedback to perform trend analysis, combining quantitative and qualitative data to uncover areas of potential improvement that can lead to greater customer satisfaction. The results of these surveys (please refer to figures on the right for certain examples of analysis results) are published to all divisions, and used as guides to help reach goals defined in our quality policies. We believe that the daily inquiries and opinions coming into our customer help desks provide a wealth of clues leading to future improvements. We analyze and utilize this feedback in the same manner as the customer surveys.

In other ways, too, the division continues activities that tie to product creation and manufacturing from the customer's point of view. The division publishes a monthly CS News newsletter delivered to departments, relevant sales companies, and

factories. This newsletter is filled with information about customer preferences and trends. The division also creates a daily "Customer Feedback of the Day," which is sent to all business locations. The update communicates product-related opinions and impressions from customers in the division's main markets. By utilizing customer feedback stemming from various business scenarios, the division moves closer to offering products and services that exceed the expectations of our customers.

* A method for analyzing text data by scanning regular text and extracting useful information.

Customer Feedback Analysis for One Product Model



- ①/② Analyze customer feedback (map most frequent comments)
- ③ Chart expectations and satisfaction levels
- ④ CS assessment analysis (analyze important factors to improve customer satisfaction)

Customer Feedback of the Day



CS News



English version for overseas distribution
Japanese version for Japanese locations

Proposing Solutions that Employ Sound Technologies

The Yamaha Speech Privacy System™ that Helps Prevent Conversation Leakage

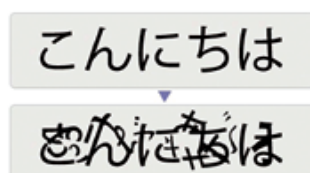
Yamaha Corporation has continued to create richly realized independent sound fields through the manufacture of its products while also engaging in sound research and the development of control systems that help establish sound listening environments.

Yamaha's endeavors to create new businesses in the sound domain focusing largely on acoustic spaces have extended to efforts to better protect personal information. In this context, the Company developed the Yamaha Speech Privacy System™ VSP-1 to help provide an environment under which private conversations can be protected in public places.

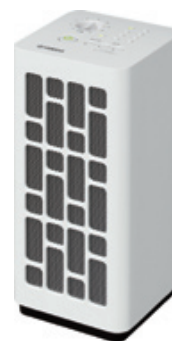
The VSP-1 is equipped with Yamaha's proprietary informational

masking technology. This technology uses a newly developed original disruptive masker synthesized from human speech, which is combined with a camouflage technology that encapsulates conversations for private consumption using environmental sound. This system can mask the information in people's conversations much more effectively than conventional energy masking.

In addition, Yamaha has developed a sound system that incorporates elements from nature including the babbling of a brook or birds singing together with the sounds produced by musical instruments to create an optimal sound environment that helps protect private conversations.



A visual representation of sound informational masking



The Yamaha Speech Privacy System™ VSP-1

Sound Signage Helping to Enhance the Effectiveness of Information Displays Through Sound

In recent years, digital signage or electronic billboards that deliver images and information using flat-panel displays and projectors have attracted considerable attention for their ability to provide timely information in the advertising and promotional media fields. It has long been acknowledged that the addition of sound significantly increases the appeal and effect of these displays. To date, however, the market has lacked easily accessible and effective sound solutions. Against this backdrop, Yamaha Corporation has put forward the Sound Signage System solution, a new and novel advertising medium that combines the Company's Thin Light Flexible Speaker (TLF-SP) technology with INFOSOUND, Yamaha's proprietary acoustic data communication technology. Demonstration trials were launched in autumn 2010. At the same time, the Company showcased demonstrations of its Sound Signage System and technologies at its corporate booth during the CEATEC JAPAN 2010 Exhibition in October.

In fiscal 2011, Yamaha plans to establish a Sound Signage business model drawing on the fruits of demonstration trials. Moving forward, the Company will continue to promote commercial application of its various technologies including TLF-SP.



Commercial application of the TLF Speaker
The TLF-SP1-AO (AO size) (above) and TLF
amplifier module TLF-AM1 (below)



Demonstration trial of the TLF Speaker
(a designated site at the Shiodome office
of Nippon Television Network Corporation)

Contributing to a Healthy Global Environment

Guided by the Yamaha Group Environmental Policy, each and every member of the Yamaha Group is united in their efforts to promote environmental management. Individual employees are in turn committed to activities that protect and contribute to a healthy global environment.

Eco Activities Undertaken by Employees

The Yamaha Group provides support and conducts education and training activities to raise individual employees' awareness toward the environment and to ensure that eco activities are incorporated into each employee's daily life.

Household Eco-Account Book: Smart Life Guide

Since fiscal 2003, the Yamaha Group has worked in partnership with the Yamaha labor union to conduct the Eco-Account Book "Smart Life Guide" program. This program encourages employees to record household usage of electricity, natural gas, and gasoline. Recording these figures helps employees become aware of their daily energy consumption and CO₂ emissions, promoting ways to prevent global warming on a personal level. More than 2,000 households participate each year, with a cumulative 17,000 households having participated in the eight years since the start of the program.

In fiscal 2011, Yamaha introduced a new Smart Life in My Home Commitment, which each family can make according to their individual circumstances. Yamaha hopes that this new program will help families expand their activities to include more practical initiatives that extend beyond the keeping records.



Smart Life Guide

Promoting Green Eco-Curtain in Employee Homes

Beginning in fiscal 2009, the Yamaha Group has encouraged employees to create Eco Curtains in their homes, in parallel with Green Eco Curtain activities at Yamaha business locations. In addition to providing how-to instructions, Yamaha distributed seeds for morning glories, Goya, and other hanging plants to those interested.

Yamaha will be featuring more information in the Company newsletter to encourage employees to provide updates of their progress.



Green Eco-Curtain at the Company's head office



Providing information on the Green Eco-Curtain initiative utilizing the Group's internal communication tools



Creating Synergistic Effects through Activities both in the Workplace and at Home

The Yamaha Group is committed to ongoing activities that contribute to the environment. Among a host of initiatives, we strive to conserve energy, reduce CO₂ emissions, effectively use natural resources, and engage in tree planting activities. We also promote eco activities in the home ranging from the use of environmental housekeeping to the move to establish green Eco Curtains. My wish is that each and every employee will continue to hold a robust commitment toward protecting the environment and to create synergistic effects by engaging in eco activities both in the workplace and at home.

Working Group Leader
The Yamaha Group ISO 14001
Environmental Contribution Activities

Kiyomi Osumi



Environmental Management

Strengthening the Group's Overall Management Structure by Integrating ISO 14001 Groups

The Yamaha Group adopted the environmental management system ISO 14001 in fiscal 1997 as a key pillar of its environment management. By fiscal 2006, Yamaha Corporation, Group production-related companies in and outside Japan, resort facilities, and major sales and marketing offices had acquired certification. Over this period, the Group has continued to engage in environmental protection activities based on predetermined environmental objectives and targets that take into account the circumstances of individual businesses. The total number of employees at 24 business sites to have acquired certification stood at 22,668 as of fiscal 2010 representing 85% of the Group's workforce on a consolidated basis.

In order to further promote environmental pursuits across the entire Group, and with the aim of bolstering Group-wide cross-sectional environmental management, steps are being taken to integrate ISO 14001 certification in Japan which to date had been acquired on an individual business site basis from fiscal 2010. Positioning integration as a key pillar of its structure and systems, Yamaha is formulating a Group-wide environmental policy and is promoting effective and efficient activities in tune with this integrated policy.



ISO 14001 external assessment

Reducing the Burden Imposed on the Environment by Manufacturing Processes

Incorporating a Cutting-edge Wastewater Treatment Plant into Manufacturing Processes in China

A cutting-edge wastewater treatment plant came online from October 2010 at Xiaoshan Yamaha Musical Instrument Co., Ltd. following the relocation and establishment of a new factory. This plant has the ability to treat wastewater bringing it to new pure water levels. As a result, the factory recycles over 90% of its wastewater for use in manufacturing processes.



Xiaoshan Yamaha Musical Instrument Co., Ltd.
The cutting-edge wastewater treatment plant

Promoting Energy Conservation and CO₂ Emission Reduction Measures through the Integration of Piano Manufacturing Processes

Yamaha Corporation relocated the grand piano manufacturing process from its headquarters factory to its Kakegawa Factory and completed consolidation with its upright piano production processes in August 2010. Running parallel with this process integration, the Company introduced a cogeneration system within the Kakegawa Factory and converted the existing heavy-oil-fired boiler to a natural-gas-fired boiler fueled by liquefied natural gas (LNG). In this manner, Yamaha Corporation took steps to promote energy conservation measures within its manufacturing processes. These endeavors have resulted in a projected reduction of more than 3,000 tons of CO₂ emissions annually.



Kakegawa Factory
LNG Satellite Facility

Environmentally Friendly Products

Promoting the Design of Environmentally Friendly Products Utilizing the LCA Method

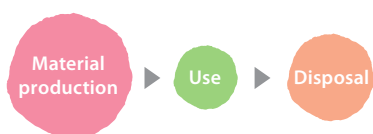
The Yamaha Group has positioned efforts to develop technologies and provide products that are friendlier to the environment as major environment management theme under its environmental policy.

To respond to this policy, and with respect to the various product groups that the Yamaha Group manufactures, steps are

taken to conduct product life cycle assessments (LCA) that cover the total product life cycle, including material procurement to production, transport, use, and disposal to identify what aspect of a product group life cycle has the largest environmental impact and to tackle environmentally friendly design from multiple angles.

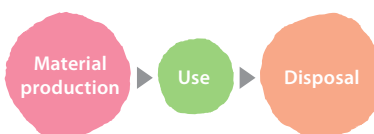
Primary Product Group Characteristics According to LCA Assessments, and Initiatives

Acoustic instruments



- There is a need to consider deforestation and to protect scarce natural materials to prevent resource depletion for products made mainly from wood-based resources.
- There is no energy consumption during use.
- While products are characterized by their long life, products may be left idle depending on the circumstances of customers and later disposed of.

Electronic Musical Instruments



- The many different substances used in these products necessitate substance management in material production and efforts to promote recycling at time of disposal.
- Large products require a lot of materials in the material production phase, creating a large environmental load.
- Numerous products that do not consume standby electricity and impose a relatively small burden on the environment during use.

AV Equipment, IT Equipment



- The many materials included in these products make necessary substance management and efforts to promote recycling at time of disposal.
- The environmental load is comparatively small during material production because there are not that many large products.
- Use phases consume a great deal of energy, making the environmental load of the use phase comparatively large.

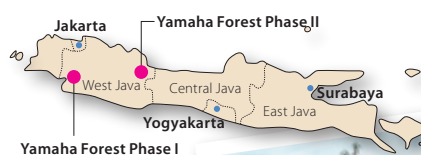
Protecting Forests and Maintaining Biodiversity

Yamaha Forest Phase II: Planting Trees in Indonesia

The Yamaha Group has continued to engage in Yamaha Forest tree-planting activities in Indonesia since fiscal 2005. Carrying on from Phase I, which continued through to fiscal 2009, the Group launched Phase II of the Yamaha Forest, a five-year tree-planting program for forest/biodiversity preservation, encompassing the Mt. Ciremai National Park, located in Kuningan, West Java, from fiscal 2010.

In December 2010, we held a kick-off event at the activity site. In addition to Tsutomu Sasaki, Senior Executive Officer of Yamaha Corporation, 230 people attended the event.

Java, Indonesia



Children participating in Yamaha Forest tree-planting activities



A Fourth Year of Tree-Planting Activities and Recovery Support for the Enshunada Coastal Forest

As one part of our environmental preservation activities, Yamaha Corporation signed on as a "Shizuoka Forests of the Future Supporter." The Company has accordingly undertaken tree-planting activities at the Enshunada Coastal Forest since fiscal 2007.

On October 23, 2010, a total of 150 people including Yamaha Group employees, family members, and local volunteers participated in planting a total of 155 trees representing six local species, including Ubame Oak, Camphor, and Japanese hackberry.



Activity as a part of the "Shizuoka Forests of the Future Supporter System"



Creating a Better Society

As a good corporate citizen, the Yamaha Group engages in business activities that contribute to the development of regional societies.

In addition, particular emphasis is placed on educational and welfare activities that support the growth of the next generation of children. Through these means, the Yamaha Group is dedicated to help create a better society.

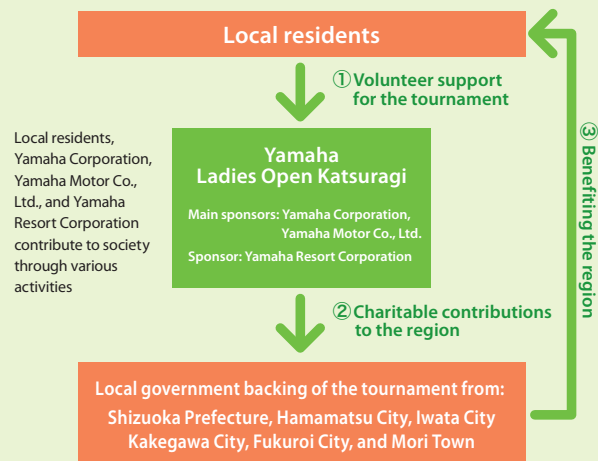
Contributing to Local Communities

Holding a Professional Golf Tournament Together with Local Residents

Each year in April, Yamaha Corporation and Yamaha Motor Co., Ltd. jointly host the Yamaha Ladies Open Katsuragi golf tournament at the Katsuragi Golf Club operated by Yamaha Resort Corporation in Fukuroi, Shizuoka. This major event is made possible with the support of volunteer staff as well as local residents and regional governments. Yamaha has given donations to local governments that have backed the tournament as a token of its appreciation to local residents for their cooperation and support of the event. At the 2010 tournament, we donated a total of ¥6 million, comprising ¥1 million each to six regional governments.



Charity at the Yamaha Ladies Open Katsuragi



COMMENT

Sharing Experiences with as Many Local Community Residents as Possible by Participating in Major Events with both Joy and Pride

The Yamaha Ladies Open Katsuragi (YLO Katsuragi) is an event that brings together the combined efforts of the Group, local government, and local residents.

For example, at the conclusion of the event, we call for comments from all volunteers, who have provided their assistance, and as sponsors respond diligently to this feedback. This is an initiative that is unique to tournaments of this kind. We recognize the importance of each volunteer's comments and their cooperation in ensuring that the event is a success. In

this regard, I am confident that both the Yamaha Group and local residents are keen to ensure that YLO Katsuragi is held in the highest esteem each year.

In fiscal 2010, YLO Katsuragi was the first tournament in Japan to introduce a volunteer charter. As we work toward running this event each year, I would hope that YLO Katsuragi will contribute not only to further promoting the Yamaha brand, but also to reenergizing the local community, promoting sports and sports culture in general, and educating young golfers in the immediate region.



Tournament Secretary of the Yamaha Ladies Open Katsuragi
Yamaha Corporation

Chiaki Ishioka



Local Exchange through Baseball Classes

In November 2010, the Yamaha Baseball Club invited 43 students from two schools for international students from South America, which rooted for the club at a major playoff, to the Yamaha Baseball Club's Toyooka baseball field for a mini baseball classroom event. The Yamaha Baseball Club periodically offers baseball classes to local youth baseball teams. Some of these classes also provide Baseball Health Examinations in cooperation with sports physicians and the baseball club's alumni association.



A baseball class

Supporting Development of the Next Generation

Accepting Students for On-the-Job Experience and Factory Tours

Yamaha Music Craft Corporation has continued to accept junior high school students from Hamamatsu City allowing them to gain on-the-job experience at its business premises each year. In fiscal 2010, three schools participated in on-the-job experience while two schools participated in factory tours for a total of approximately 130 students. These initiatives have attracted acclaim for instilling a greater interest in the art of making things as well as the local community while providing students with a first-hand sense of what it is like to have a career as well as a better outlook on life.



Students gaining first-hand experience of working life

Activities that Help Educate Young Children in China's Western Region

Xiaoshan Yamaha Musical Instrument Co., Ltd. has provided donations and engaged in related activities to help provide an education to impoverished children unable to go to school since 2006.

Yamaha has provided donations through the Gesanghua Schooling Support Association of Qinghai for the purpose of providing economic aid. Funds are used to help educate young children in China's western region including Qinghai Province. We have received numerous letters of appreciation and comments from recipients of this aid. Students about to graduate have provided us with wonderful reports and news of their advance to higher education.



Ceremony celebrating the allocation of aid funds and a letter of appreciation

Engaging in Social Welfare Activities

Charity Marathon in Support of the Battle Against Childhood Disease

As a part of Yamaha Cares, a voluntary charitable activity promoted by employees, Yamaha Corporation America donates funds raised through participation in the Southern California Half Marathon to the Children's Hospital of Orange County (CHOC) where research is being conducted into the cause and cure of Type 1 juvenile diabetes. Fiscal 2010 was the third consecutive year that employees took the initiative to enter the marathon and to call for donations. The aggregate amount of donations provided has now totaled \$25,000.



YCA Yamaha Cares volunteers participating in the Southern California Half Marathon



Building a Corporate Culture that Helps Offer Better Products and Services

The Yamaha Group continues to deliver products and services, distinguished by their outstanding quality and value, in an effort to secure ongoing company growth together with a rich and prosperous life for each of its employees and the genuine satisfaction of its customers consistent with a key component of its management philosophy, which emphasizes a customer-oriented and quality-conscious approach.

Promoting a Better Work-Life Balance

Revisions to Various Programs Including the Group's Child and Nursing Care Leave as well as Shortened Work Hours Systems

Yamaha Corporation was quick to upgrade and expand its childcare leave system and to promote the take-up of annual paid leave. Yamaha was recognized for its support in the development of the next generation by Japan's Ministry of Health, Labour and Welfare in 2008 and took steps to advance a five-year action plan. As a part of this plan, the Company is working diligently to further expand its systems in order to promote a better work-life balance. Among a host of initiatives, we extended the period of eligibility for shortened work hours for employees with small children, and established a scheme of shortened work hours for parents to participate in school events. We also newly implemented a program of shortened work hours for employees enrolled in adult self-development courses as well as introduced an employee assistance program (EAP).



"Kurumin" mark certification recognizing support for the development of the next generation.

Principal Measures for Better Work-Life Balance

- Fiscal 2005** Revision of programs for child care leave and shortened work hours for childcare
Receipt of the Fiscal 2005 Family Friendly Company Award from the Ministry of Health, Labour and Welfare
- Fiscal 2006** Extensive revision to employee benefit programs
- Fiscal 2007** Introduction of Company-wide annual paid leave
- Fiscal 2008** Acquisition of the "Kurumin" mark, recognizing Yamaha's support for the development of the next generation
- Fiscal 2010** Revisions to the childcare leave, nursing care leave and shorter working hours for nursing care employee benefit programs



Proactive Selection of Childcare Leave; Watching over the Growth of My Child First-Hand

When my son was born last year I took three weeks of childcare leave. Rather than at the request of my wife, I took this as a personal decision and one which I believe is quite natural. In taking leave, I had the opportunity to enjoy first-hand the daily development of my son in his early days. Working together with my wife, we were able to overcome this difficult period. I truly believe that taking childcare leave was the right decision.

Soon, my wife will return to the workforce and we will raise our child as working parents. To be honest, I am a little anxious. With the help of those around us and the Company, we plan to take full ownership in the selections that we make and the way we decide to work.



Technology Planning Division, Yamaha Corporation **Takashi Noguchi**

Handing Down Skills to the Next Generation

The Skill Registration System and the From-To Program for Passing On Core Production Skills

Many highly skilled employees in manufacturing positions at our factory in Japan will reach retirement age in the not too distant future. Given this state of affairs, Yamaha has been conducting skill transmission initiatives to ensure that core production skills are faithfully passed down to younger workers, and working to

cross-train key manufacturing personnel. These initiatives are embodied in the Skill Registration System and From-To Program, which serve to guard Yamaha manufacturing technologies and traditions in order for the Company to remain a world-class manufacturer.



Product and Service Quality Management

Establishing a Quality Assurance System and Implementing Comprehensive Education and Training

The Yamaha Group has put in place a Group-wide quality management system to ensure the production of high quality products. As of June 30, 2011, the Yamaha Group had acquired certification under the ISO 9001 international standard for quality management systems at 27 business divisions in Japan and overseas. Meanwhile, the Group takes steps to audit and improve the quality assurance system as well as product quality to ensure that the standards to which Yamaha aspires are met. At the same time, the Yamaha Group's personnel training system is comprised of expert training related to "quality assurance," as well as training tailored to individual job positions. The goals of this system are to raise awareness and enhance skills with respect to quality management.



Conducting quality assurance education and training



The Company's in-house education and training website

Personal Information Protection and Management

Yamaha protects and manages the personal information of its customers in accordance with its privacy policy.

In 2004, Yamaha put in place a system of Personal Information Protection Regulations to clarify the rules governing the handling of personal information in-house. At the same time, we appointed an officer to assume overall responsibility for the handling of personal information. Directly reporting to this officer, a secretariat was established within Yamaha's Legal Affairs Department to promote personal information protection.

Together with the appointment of administrators to oversee

the handling of personal information in each division, we have established a responsible reporting framework. Through these initiatives, Yamaha is promoting the protection of personal information while ensuring a timely and appropriate response in the event of an incident.

Each year, the secretariat takes the lead in conducting education, training and audits targeting those divisions that handle personal information. At the same time, measures are implemented in an effort to enhance awareness toward the importance of personal information protection.

Promoting Highly Transparent Management and Mutual Understanding with Business Partners

The Yamaha Group consistently strives for the highest transparency in its management. While adhering to all statutory requirements as a matter of course, the Group aims to promote outstanding compliance management in line with social standards and business ethics. At the same time, we work diligently to ensure the timely disclosure of all relevant information to investors and shareholders and to fully engage in fair and open transactions based on a deep mutual understanding with business partners.

Fair and Timely Information Disclosure

Yamaha Corporation adheres to our Disclosure Policy that ensures fair and timely disclosure of information to institutional and individual investors around the world. In addition to holding quarterly results conferences for institutional investors in Japan, Yamaha conducts conferences and briefings on its management policies and individual business segments as well as factory and facility tours as required. For institutional investors in other countries, along with making available English translations of all information provided to institutional investors in Japan, the Company's president and directors visit investors overseas several times a year to foster mutual understanding through direct communication that encompasses explanations of the Company's management plans as well as the status of its businesses. For individual shareholders, and as a part of efforts to expand its shareholder base, Yamaha commenced conferences and briefings for individual investors in regional cities from fiscal 2010. Briefing sessions were held in Nagoya in February 2011 as well as Fukuoka and Hiroshima in March 2011. For the benefit of shareholders, Yamaha also runs a special benefit plan designed to encourage more shareholders to become active proponents of the Company's products and philosophy.



A conference for individual investors

Major IR Activities in the Fiscal Year Ended March 31, 2011

Regularly Scheduled Events

- Quarterly result conferences Each quarter (four annually)
- One-on-one meetings 250 times
- Visits to overseas investors Four time annually (U.S. (East Coast and West Coast), U.K., Asia)

Other Events

- Conference for the mid-term management plan
- Briefing on the musical instruments business
- Tour of facilities



As an officer responsible for investor relations (IR), I am keen to promote feelings of confidence and trust

I am involved in every facet of the Company's IR operations. Among a host of activities, this entails communicating with institutional and individual investors both in and outside Japan, putting in place such IR tools as the Group's annual report and website, conducting quarterly briefing sessions on the Company's results as well as investor presentations and events, and responding to socially responsible investment (SRI)-related issues. There are many aspects of IR that I find appealing. In addition to communicating daily with wide-ranging parties outside the Company, I find gaining a first-hand feel of the macro economy and its effect on the Company's activities extremely interesting. In the future, I intend working genuinely toward promoting equitable and timely information disclosure and securing our position as a Company of the utmost integrity.

Corporate Planning Division, Yamaha Corporation **Michiyo Fujiwara**



Strengthening Corporate Governance

Creating a Management System based on Directors And Executive Officers

As of June 24, 2011, Yamaha has five directors, including two outside directors. In principle, the Board of Directors convenes once monthly, and is responsible for the Group's management function including the formulation of Group strategy as well as monitoring and directing the execution of business carried out by individual divisions. In order to clarify responsibilities, directors

are appointed for a term of one year. In addition, Yamaha Corporation assigns executive officers who oversee the operation of businesses and administrative divisions while supporting the president, who is the chief officer in charge of business execution. As of June 24, 2011, the Company had 16 executive officers including two managing executive officers.

Audit System that Ensures Fairness and Transparency

Yamaha is a company with a Board of Auditors as defined under Japanese law, and has worked to enhance governance functions by introducing an executive officer system. As of June 24, 2011, Yamaha has four auditors, including two outside auditors. Yamaha continues to enhance governance functions by

introducing an executive office system, as well as setting up a Corporate Governance Committee and an internal control system. These actions in conjunction with consistent audits of the Company's daily operations conducted by Yamaha's system of full-time auditors raise the effectiveness of governance.

Compliance Oriented Management

The Yamaha Group began in earnest to implement compliance activities in Japan in 2003 with the establishment of the Compliance Committee, chaired initially by the Company's chairman and thereafter by the president and representative director. At the same time, steps were taken to put in place the Compliance Code of Conduct.

Revisions were made to the Compliance Code of Conduct in fiscal 2006, including additions regarding the prohibition of forced and child labor, and other information essential for Group companies with overseas business interests in order to contribute to the establishment of a structure suitable for global business development. With respect to almost all of the Group's overseas companies, the formulation of respective codes of conduct that reflect the individual governing local laws and regulations were completed by 2008.

Taking into consideration revisions to various laws and regulations as well as changes in social conditions, Yamaha

updated its Compliance Code of Conduct in April 2011. As a part of this update, detailed explanations were included covering such items as revisions to consumer, antitrust, and labor legislation, both the severity and expectation in which companies are held by society and the increase in internal reporting and whistle-blowing. Guided by a uniform philosophy and code, the Yamaha Group continues to promote development activities.



The Compliance Code of Conduct booklet

Mutual Understanding with Business Partners

Adhering Strictly to Open and Fair Transactions

The Yamaha Group considers suppliers and subcontractors to be partners in its effort to live up to the Group's business philosophy. Accordingly, the Group strives to build relationships of growing mutual trust based on open and fair business dealings.

On this basis, the Group has worked diligently to incorporate this concept into its Compliance Code of Conduct and to

implement education and training programs for its employees while gaining the understanding of business partners. These endeavors are aimed at avoiding any abuse of a dominant bargaining position and to ensure that transactions remain open and fair adhering strictly to statutory requirements as well as internal regulations and standards.

CSR Procurement Activities

In order to ensure a better understanding of our stance toward the procurement of materials and components, we make public the Yamaha Material and Component Procurement Policy, the Green Procurement Standards and the Yamaha Timber Procurement and Usage Guidelines. Every effort is also made to obtain the cooperation of suppliers.

Yamaha's Procurement Division conducts surveys of the CSR measures implemented by business partners when concluding new contracts with suppliers. We request that suppliers implement improvement measures when it has been determined that such measures are required.

The Yamaha Group believes that better communication with stakeholders is vital in meeting the host of challenges that arise with respect to corporate social responsibility (CSR). This year, Mr. Hiroaki Satoh shares his opinion on how the Group can improve its performance in this area.



Hiroaki Satoh

Head of the Shizuoka Center for Climate Change Actions
(Professor Emeritus and former President, Shizuoka University)

Responding to the Great East Japan Earthquake

Looking at the Yamaha Group's sensitivity and endeavors in the wake of the Great East Japan Earthquake of March 11, 2011, it is clear that the Group's actions epitomized its philosophy of "Creating 'Kando' Together." Among a host of initiatives, the Group was quick to provide donations and essential items in support of relief efforts. In addition to the implementation of holiday shifts as a measure to conserve electric power, the Group conducted charity concerts across devastated areas. With the Company's president Mitsuru Umemura serving as chief promoter, the School Music Revival Fund was established. Under the Fund, steps were taken to inspect and repair the musical instruments of kindergartens, elementary, junior and senior high schools. Complementing the Group's individual efforts, Yamaha also collaborated with the music industry to assist in reconstruction endeavors.

In Partnership With the Global Compact

The decision by the Company to become a signatory to and participating company of the United Nations' Global Compact, an internationally recognized CSR initiative, in June 2011, was indeed a major milestone. This clearly indicates Yamaha's

voluntary commitment to incorporating the 10 principles of the Compact, encompassing the four broad fields of human rights, labour, the environment and anti-corruption, into its business activities. The purpose and purport of the Yamaha Corporation Group CSR Policy formulated in 2010 also runs in concert with the Global Compact. The Yamaha Group is to be commended for endeavoring to further enhance its philosophy and principles and to tackle not only the challenges that confront local communities, but also such global-scale issues as global warming and biodiversity.

Toward Smart Management

I look forward to further improvements in the Group's collective management endeavors and a more unified approach toward environmental concerns following steps taken to move away from the acquisition of ISO 14001 environmental management system certification by individual business sites to consolidated Group-wide certification in Japan. In this context, and in renewing the Yamaha Group Environmental Policy, the Group as a whole has adopted the slogan of "Sustaining the Concerto of Yamaha with the Earth" as a part of efforts to help create a truly affluent society and a better global environment. This is indeed a clear indication that the Yamaha Group is striving to assimilate 21st century smart management into its business activities, and placing the utmost emphasis on realizing a sustainable ecosystem and society based on a philosophy filled with color and sound as well as concern for the environment.

I am impressed by this concentration on adopting smart management within the confines of the Group's roots and unique association with sound and music. This commitment is reflected in the Group's strict adherence to environmental lifecycle assessment (LCA) encompassing the entire product lifecycle from raw material procurement through manufacture to transportation, use, and disposal, as well as the Group's efforts to develop technologies and deliver products with minimal environmental load.

Steadily Promoting CSR Utilizing the PDCA Cycle

It is vital that the Yamaha Group consistently monitors the status of its compliance with the principles of the Global Compact as well as its related policies and guidelines. It is equally important that the Group review the tone and nature of its concerto as applied to its CSR activities, and employ a PDCA cycle that incorporates frontline concerns to better visualize the results of its endeavors. Through these means, we will gain a true indication of the Group's commitment and performance.

Response to the Third-Party Opinion



Tsutomu Sasaki
Senior Executive Officer
in charge of the Corporate
Administration Group
Yamaha Corporation

Carrying on from the previous year, we are again grateful in 2011 to receive third-party feedback from Hiroaki Satoh, one of many distinguished individuals active in promoting the "STOP Global Warming Action Campaign" in Shizuoka Prefecture, an area where the Company locates its head office.

Dr. Satoh has commented on the Group's efforts in response to the recent earthquake disaster and Yamaha's decision to become a signatory to the Global Compact. We are particularly glad to have obtained his high evaluation on our initiative to integrate ISO 14001 certification and LCA endeavors aimed at reducing the environmental load of our business activities.

The Yamaha Group has continued to engage in activities that both reflect and exploit its defining attributes. Among a host of endeavors, the Group has worked diligently to contribute to the local community while at the same time popularizing music through wide-ranging initiatives including tree-planting. Looking ahead, we will continue to promote activities that are consistent with the Yamaha Corporation Group CSR Policy and Global Compact.

Moreover, we will take particular note of Dr. Satoh's comments on monitoring the status of compliance with respect to the principles of the Global Compact, the Group's policies, and guidelines, as well as the importance of better visualizing the results of our CSR activities. Taking into account the critical nature of steadfastly employing a PDCA cycle to review our operations, we will take steps to better clarify the progress and results of our CSR endeavors and address the issue of establishing an across-the-board framework.



Overview of the Company's Website

http://www.yamaha.com/about_yamaha/csr/

Yamaha's website provides detailed information on a broad spectrum of topics.

The Yamaha Group has set up a website dedicated to deepening the understanding of stakeholders with respect to the Group's CSR management and endeavors. In addition to the themes covered by this CSR Report, the website provides detailed information on a broad spectrum of topics. For example, the website offers environmental performance data together with the latest CSR topics updated on a periodic basis. The Yamaha Group is committed to addressing the diverse interests of stakeholders.



Major Disclosure and Information Items

Management Emphasis on CSR

Message from the President

- Message from the President
- The Yamaha Group and the Great East Japan Earthquake
- Management Emphasis on CSR
- Yamaha Corporation Group CSR Policy

Management System

- Corporate Governance
- Compliance

With Our Customers

- Quality Assurance
- Ensuring Product Safety
- Product Information Disclosure
- Improving Customer Satisfaction
- Reflecting Customer Concerns in Customer Response and Support
- Policy regarding the Protection of Personal Information

With Our Shareholders

- Policies for Retained Earnings and Returns to Shareholders
- Promote Investor Relations Efforts to Promote Understanding of the Company
- Inclusion in Socially Responsible Investment Indexes

For the People We Work with

Initiatives for Employees

- Basic Policy on Hiring and Employment
- Job-Tailored Training and Education
- An Environment that Supports Manufacturing and Transmission of Skills
- Initiatives for a Better Work-Life Balance
- Assisting Women's Careers
- Measures to Prevent Harassment
- Health and Safety

Initiatives for Business Partners

- Mutual Understanding with Business Partners
- CSR Procurement Activities

With Society

Activities Grounded in Sound and Music

- Activities Aimed at Popularizing Music
- Proposing Solutions that Utilize Sound Technologies

With Local communities

- Contributions in those areas where Yamaha maintains a business base
- Local Involvement through Sports
- Support that Helps Foster the Next Generation

Social Welfare and Disaster Relief Activities

- Social Welfare Initiatives
- Disaster Relief and Aid

Environmental Initiatives

Environmental Management

- Promotion of Environmental Management
- Material Balance
- Goals and Achievements
- Environmental Accounting
- Environmental Risk Management
- Environmental Education and Training

Environmentally Friendly Products

- Environmentally Friendly Products
- Initiatives in Energy-Conserving Products
- Initiatives in Resource-Conserving Products
- Conservation and Effective Use of Wood Resources
- Reducing Substances with Significant Environmental Loads
- Products that Support the Environment
- Green Procurement Activities

Environmentally Friendly Business Activities

- Measures to Address Global Warming
- Waste Reduction and Resource Recycling
- Management of Chemical Substances and Reduction of Emissions
- Effective Use and Conservation of Water Resources
- Initiatives at Offices

Environmental Contribution Activities

- Forests/biodiversity Preservation Initiatives
- Regional Activities

Environmental Performance Data

Environmental Accounting

- Yamaha Group
- Resort Facilities
- Group Manufacturing Companies Located Overseas

Environmental Data

- Yamaha Group (1)
- Yamaha Group (2)
- Resort Facilities
- Group Manufacturing Companies Located Overseas

Environmental Data by Site

- Domestic Manufacturing Site (1)
- Domestic Manufacturing Site (2)
- Resort Facilities
- Sales Offices, Overseas
- ISO 14001-Certified Sites
- History of Environmental Initiatives



YAMAHA CORPORATION

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<http://www.yamaha.com/>



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