

**For Immediate Release**

December 19, 2011

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

**Yamaha Announces Decision to Merge Two Subsidiaries  
in the Musical Instruments Manufacturing Business**

At the meeting of the Board of Directors of Yamaha Corporation held today, it was decided to merge Yamaha Music Winds Corporation, a subsidiary in the musical instruments manufacturing business (Headquarters: Matsunokijima 1465, Iwata City, Shizuoka Prefecture; president: Shiro Kurosawa; hereinafter, YM Winds) and Yamaha Music Craft Corporation (Headquarters: Iida-cho 28, Minami-ku, Hamamatsu City, Shizuoka Prefecture; president: Mitsuo Nakano; hereinafter, YM Craft).

Please note that following the merger YM Winds will be the continuing company and it will continue its business operations under the name of Yamaha Music Craft Corporation. The details of the merger are as follows.

**1. Objectives of the merger**

Under the Yamaha Group's medium-term management plan, YMP125 (Yamaha Management Plan 125), the three-year period through March 31, 2013, has been positioned as a phase for building the foundation for future growth. Accordingly, the Group is proceeding with measures to strengthen its management base, and the merger of the two previously mentioned companies that was announced today will be implemented as part of measures to reform the Group's production structure. After the merger, the merged companies will share production facilities, consolidate procurement and purchasing activities, and take steps to rationalize their staff divisions. By promoting measures to reform manufacturing, the newly merged company will aim to contribute to further sustained development of Yamaha's wind, string, and percussion instruments businesses.

## **2. Summary of the merger**

### **(1) Schedule for the merger**

Directors' meeting for approval of the merger contract: February 17, 2012

Signing of the merger contract: February 17, 2012

Shareholders' meeting for approval of the merger contract: March 16, 2012

Effective date of the merger: April 1, 2012

### **(2) Method for the merger**

YM Winds will be the continuing company and YM Craft will be dissolved and absorbed into YM Winds. (The continuing company will go under the name of Yamaha Music Craft Corporation.)

### **(3) Detail of allocation as a result of the merger**

There will be no allocations of shares because both of the merging companies are wholly owned subsidiaries of Yamaha Corporation.

## **3. Outline of the companies to be merged**

### **● Company name: Yamaha Music Winds Corporation (Continuing company)**

Representative: Shiro Kurosawa

Address: Matsunokijima 1465, Iwata City, Shizuoka Prefecture

Year of establishment: 1987

Lines of business: Processing and assembly of metal parts for wind instruments and other products

Paid-in capital: ¥50 million (100% owned by Yamaha Corporation)

Number of employees: 112 (including 6 contract employees)

### **● Company name: Yamaha Music Craft Corporation (Company to be dissolved)**

Representative: Mitsuo Nakano

Address: Iida-cho 28, Minami-ku, Hamamatsu City, Shizuoka Prefecture

Year of establishment: 1962

Lines of business: Manufacturing of percussion instruments, guitars, Silent Violins<sup>TM</sup>, and other instruments

Paid-in capital: ¥30 million (100% owned by Yamaha Corporation)

Number of employees: 69

**4. Outline of the company newly formed in the merger**

Company name: Yamaha Music Craft Corporation

Representative: Shiro Kurosawa

Address: Matsunokijima 1465, Iwata City, Shizuoka Prefecture

Lines of business: Manufacturing of wind, string, and percussion instruments

Paid-in capital: ¥50 million (100% owned by Yamaha Corporation)

Number of employees: 172 (including 6 contract employees)

**5. Effects on Yamaha's performance**

This decision to merge the two companies will have no effects on Yamaha's performance for the year ending March 31, 2012.

**For further information, please contact:**

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