



Editorial Policy

In this last year of the medium-term business plan, embarked upon in FY2004 (see page 3), the plan's principle policy of emphasizing corporate social responsibility (CSR) is gradually becoming part of the company's corporate ethos. To reflect this, we have changed the name of this report from the Environmental and Social Report to the CSR Report. This year's report also provides a more detailed report on our overseas operations.

The format of the CSR Report is the same as that of last year's Environmental and Social Report: a section each outlining stakeholder initiatives for our customers, our shareholders, our partners, and society, all of which form the basis of the Yamaha Group's corporate philosophy; a section on environmental conservation initiatives; and a bound-in supplement providing environmental performance data.

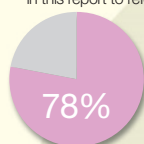
The report was prepared with reference to the Environmental Reporting Guidelines (FY2003 Version) issued by Japan's Ministry of the Environment and the Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI).

Organizations Covered in this Report

It is Yamaha's policy that the organizations covered in the Environmental and Social Report should match those included in the consolidated accounts as closely as possible.

In this report, information regarding environmental conservation activities is drawn from the 35 sites* that have acquired ISO 14001 certification. Some items in the Environmental Performance Data may include information regarding sites other than the 35 ISO-certified sites, but such instances are clearly identified. Sections of this report other than those dealing with environmental conservation activities and social action programs (see pages 6 to 13) mainly cover Yamaha Corporation activities, but may also contain information regarding the activities of Group affiliates. More information regarding Yamaha Group activities will be included in the future.

* These sites include Yamaha Corporation headquarters, its Tokyo sites, and all its factories in Japan, as well as all manufacturing companies and resort facilities in Japan and overseas (see page 3 of the Environmental Performance Data supplement). The term "Yamaha Group" is used in this report to refer to these 35 sites.



Percentage of the Yamaha Group Workforce Employed at ISO-certified Sites

The 35 facilities with ISO 14001 certification have a total of 19,856 employees, which is 78% of the Yamaha Group's consolidated workforce of 25,298 employees.

Period Covered by This Report

April 1, 2005 to March 31, 2006

* The above period is referred to as FY2005 in this report.

* Part of this report includes information about initiatives begun prior to April 1, 2005 and information from April 2006 on.

Publication of the Next Report

The next report will be published in July 2007.

For inquiries regarding this report:

Complete the inquiry form available on the Yamaha Group Environment and Social Activities site.

<http://www.yamaha.co.jp/corporation/csr/>

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Estimates, forecasts, and plans for the future

This report includes not only facts of the past or present concerning Yamaha Corporation and its affiliate companies (the Yamaha Group), but also estimates, forecasts, and plans for the future. These estimates, forecasts, and plans were formed based on the information available at the time this report was compiled, and thus contain some element of uncertainty. Consequently, the actual results of future business activities and actual future events may differ. The Yamaha Group is not liable for damages arising from any unforeseen circumstances.

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FY2005 Data

Environmental Performance Data (supplement)

This report, financial reports, and other information about Yamaha are also available on our Website.

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

Message from the President

Founded in 1887 as a manufacturer of organs, Yamaha Corporation will be celebrating its 120th anniversary next year. I would like to thank our stakeholders for their continued support, which has contributed greatly to the success and longevity of the Yamaha Corporation and Yamaha Group companies.

Yamaha Corporation's corporate objective is the use of sound and music as the medium by which to create 'Kando' throughout the world and it has now evolved into a comprehensive manufacturer of a wide variety of musical instruments. Our efforts to introduce as many people as possible to the pleasure of music have not been limited to the manufacture of musical instruments alone, however. They also include the establishment of Yamaha Music Schools, for example. Indeed, since their inception in 1954, more than 5,000,000 students have graduated from our schools and at present we have 530,000 students enrolled in our approximately 6,000 schools throughout Japan. We are also playing our part in encouraging a vibrant music culture by sponsoring and supporting various concerts and assisting with regional musical events.

While pursuing this strategy of diversification, the Group remains committed to repaying the trust of our stakeholders by creating and strengthening cross-sectional governance systems to meet the various societal demands placed on businesses today, most notably compliance, environmental conservation and quality assurance, and labor issues.

In 2001, the Yamaha Group committed to a corporate philosophy of fulfilling our responsibilities to our stakeholders, namely our customers, our shareholders, our partners, and society. To achieve this goal, we implemented "YSD (Yamaha Sustainable Development) 50*" in April 2004: a three-year medium-term business plan that has the emphasis of corporate social responsibility (CSR) as its core policy.

Established to oversee the gradual implementation of this policy, the CSR Committee is clarifying and promoting the positioning and priority assigned to the issues that are to be voluntarily addressed. While an investigation of these new issues and an assessment of the direction to be taken was being conducted during FY2005, steady progress was made in overcoming challenges that arose.



Shuji Ito,
President and
Representative Director

By tackling these challenges individually, we aim to achieve sustainable development and improve corporate value.

In order to live up to the expectations of our stakeholders and deepen the trust between us, the Yamaha Group intends to work steadily towards meeting our social responsibilities. Your continued support and encouragement is greatly appreciated.

September 2006



* YSD50: "50" represents the target of increasing annual consolidated operating profit to ¥50 billion, while reducing actual interest-bearing debt to zero in the fiscal year ending March 2007.

Corporate Philosophy

Corporate Objective

Yamaha will continue to create 'Kando' and enrich culture with technology and passion born of sound and music, together with people all over the world. 'Kando' is a Japanese word that signifies an inspired state of mind.

Commitment to Customers

Yamaha will fully satisfy the customer, by offering high quality products and services, which use new and traditional technologies, as well as creativity and artistry, and continue to be a known, trusted and loved brand.

Commitment to Shareholders

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

Commitment to Those Who Work with Yamaha

Yamaha will develop relationships of mutual trust with all of those who work with Yamaha in accordance with fair rules based on social norms, and strive to be an organization in which individuals can demonstrate their abilities fully, have confidence, and have pride.

Commitment to Society

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

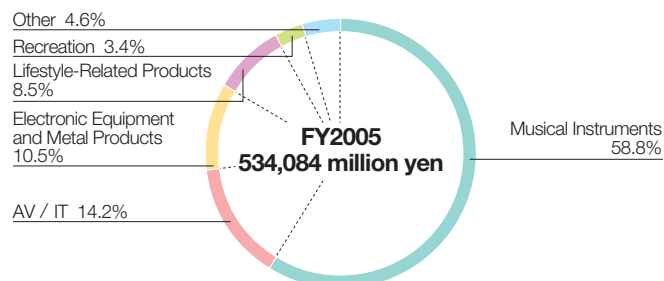
Brand Slogan Creating 'Kando' Together

Outline of the Reporting Organizations

Company Outline

Company name: Yamaha Corporation
Head office: 10-1 Nakazawa-cho, Hamamatsu, Shizuoka 430-8650, Japan
Date of establishment: 1887
Date of incorporation: October 12, 1897
Representative: Shuji Ito, President and Representative Director
Stated capital: 28,534 million yen
Number of employees: Consolidated: 25,298
 (of which 5,677 on average are part-time employees)
 Unconsolidated: 5,730
Number of consolidated subsidiaries: 93
 (including companies located outside Japan)
Number of companies accounted for by the equity method: 3

Consolidated Net Sales by Business Segment



Business Segments

Musical Instruments

Yamaha produces and sells musical instruments, professional audio equipment, and soundproof rooms, and is expanding its business lines to include the operation of music and English schools, as well as content distribution for personal computers and mobile phones.

Yamaha has expanded its operations as a manufacturer of musical instruments on a global scale to the point where it now supplies a complete lineup including, among other instruments in the acoustic genre, pianos, winds, strings, percussion, electronic and digital instruments such as synthesizers and Electone™ electronic organs, and hybrid instruments such as player pianos which combine elements of both.



AV / IT

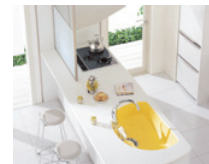
Yamaha produces and sells a range of AV (Audio and Visual) equipment that includes AV receivers, speaker systems, and Digital Sound Projectors™, as well as commercial network-karaoke equipment, routers, and IP conferencing systems.

Yamaha has used its networking technology to achieve market leadership in the fields of Sound and Music, developing and selling products that fulfill the desires of its customers.



Lifestyle-Related Products

Yamaha supplies system kitchens and system bathrooms, positioning its brand as the "World Leader in Marble Craft." Yamaha endeavors to apply its unique technology and know-how to create unrivaled value for customers with uncompromising taste through its synthetic marble products.



Recreation

Yamaha operates six resort facilities around Japan. Kiroro™ offers the opportunity to enjoy the magnificent natural environment of Hokkaido while enjoying all the outdoor sports each season has to offer. Surrounded by a vast expanse of greenery, Tsumagoi™ is equipped with both sports and music facilities. Katsuragi-Kitanomaru™ features Japanese-style architecture blended with the warmth offered by wood construction. Overlooking the sea, Toba Hotel International™ places an emphasis on tradition and formality. Nemunosato™ is a tranquil resort facing Okushima beach. Haimurubushi™ is Japan's southernmost resort, located in Kohama in the Yaeyama Islands. All the facilities offer recreational facilities that are integrated with the natural environment of their locations.



Electronic Equipment and Metal Products

Yamaha produces and sells special alloys used as raw materials for semiconductors and electronic metals.

The majority of Yamaha semiconductors are sound generation LSIs which are used in a variety of sound and network-related devices including mobile phones, home theater AV amplifiers, communications equipment, and amusement devices.

In its electronic metals business, Yamaha supplies high-function manufacturing parts as well as copper and nickel alloys for use in a diverse product base that includes personal computers, mobile phone connectors, and electrical components for the automotive industry.



Other Business Lines

The Golf Products Division produces and sells golf clubs that meet a broad range of golfing needs.

The automobile interior wood components business produces and sells wood components for luxury cars, making the most of the natural beauty of wood.

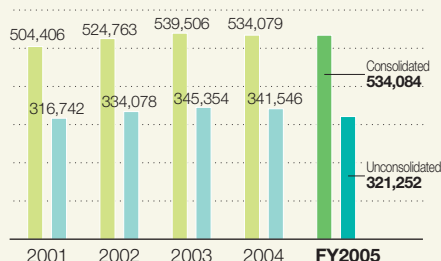
The molding and component business produces and sells magnesium and plastic components for telecommunications, the precision equipment market, and home appliances.

The FA business produces and sells precision machinery and robots.

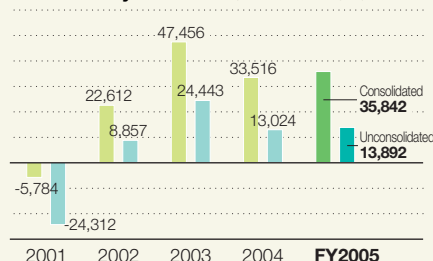


Transition of Major Financial Indices

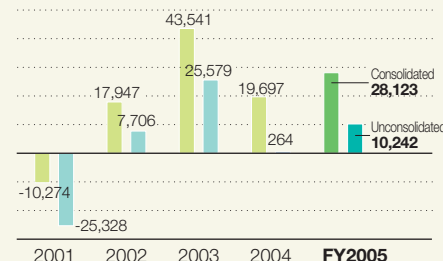
Net Sales (Unit: millions of yen)



Income before Income Tax and Minority Interests (Unit: millions of yen)



Net Income (Unit: millions of yen)



Major Business Sites

Consolidated Net Sales by Geographical Segment

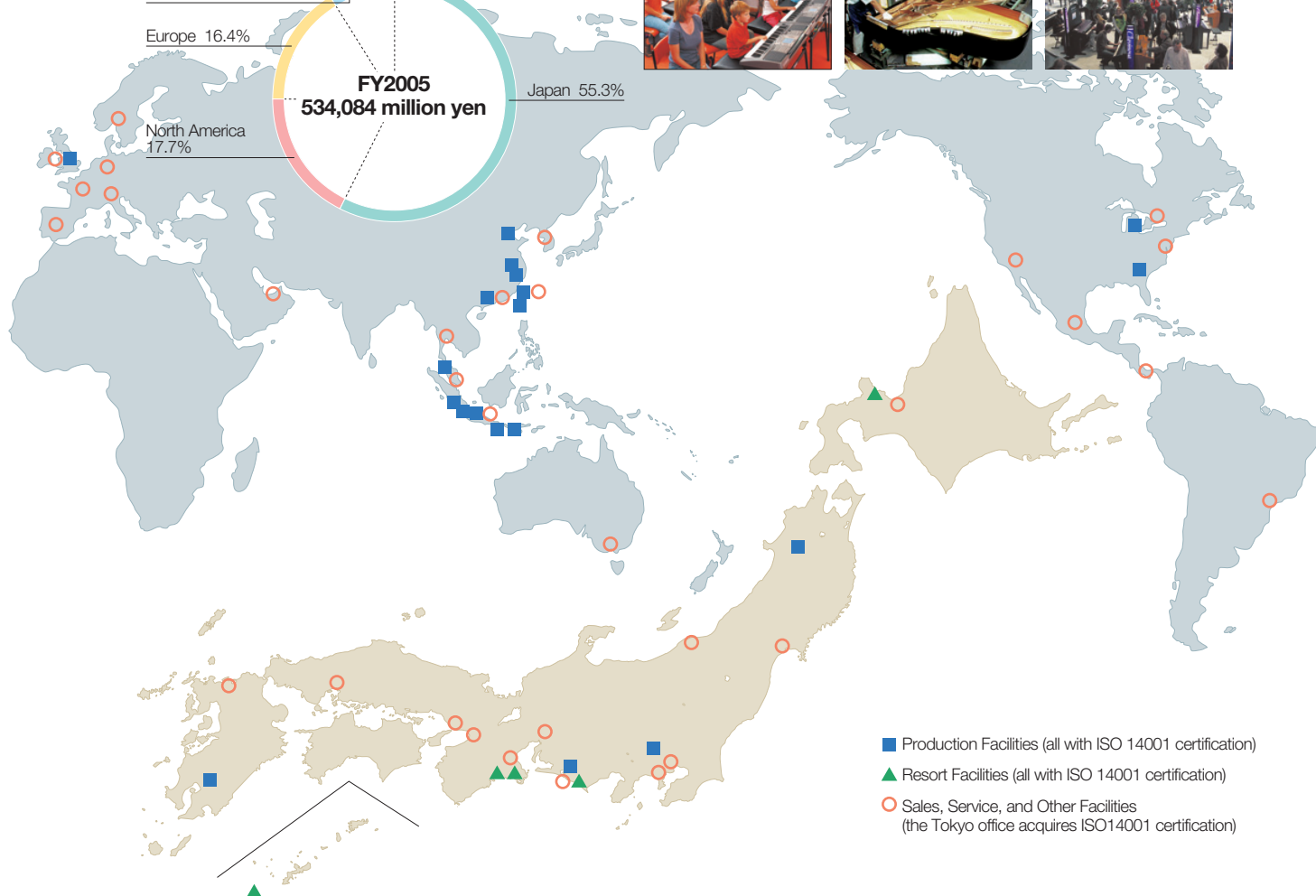
Asia, Oceania, Others
10.6%

Europe 16.4%

North America
17.7%

FY2005
534,084 million yen

Japan 55.3%



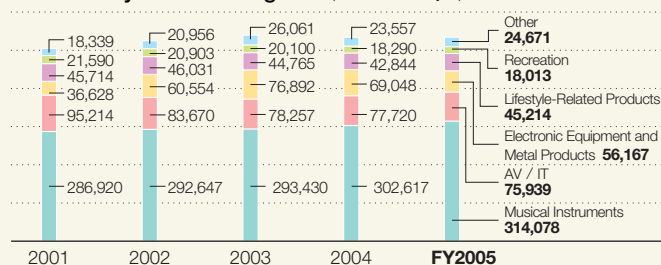
The Relationship between Yamaha Corporation and Yamaha Motor Co.,Ltd.

Yamaha Motor Co.,Ltd. produces and sells motorcycles, boats and watercraft, snowmobiles, and other related products. It separated from the Yamaha Corporation in 1955, becoming an independent business. Yamaha Motor Co.,Ltd. is associated with Yamaha Corporation by equity method, but is not included in the scope of this report.

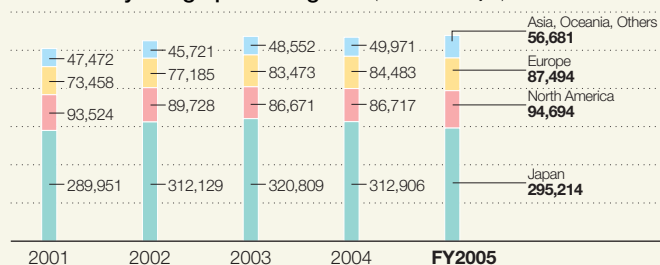
Both companies use the "Yamaha" brand, working in cooperation to maintain product and corporate images and synergy in business.



Net Sales by Business Segment (Unit: millions of yen)



Net Sales by Geographical Segment (Unit: millions of yen)



Management Structure

To maximize our corporate value and brand value while continuing to satisfy our stakeholders' expectations, Yamaha Corporation is working to achieve full compliance and optimal corporate governance throughout the Yamaha Group.

Enhancing Corporate Governance

•Creating a Management Structure through the Board of Directors and Executive Officers

The Board of Directors at Yamaha Corporation consists of eight directors, including two Representative Directors, three Managing Directors, and one outside director. A Board of Directors meeting is usually convened once a month to formulate strategy for the Yamaha Group as a whole, monitor and direct division performance, and address any other group management issues.

Five members of the Board of Directors oversee the operational and administrative divisions, which have been broadly divided into six groups. As part of this supervision, they manage and direct the divisions within the groups and are responsible for the performance of the groups.

In addition, an executive officer system has been introduced, under which the executive officers are responsible for execution of the main managerial operations of the divisions within the groups under the supervision of the directors.

To promote smoother business operations and greater communication between members of the Board of Directors and the executive, the Board of Directors, executive officers, and the Chairman of the Board of Auditors hold an Executive Officers Meeting generally once a month.

•An Audit System to Ensure Fair and Transparent Business Practices

Yamaha Corporation employs an auditing system headed by the Yamaha Corporation's Board of Auditors. The board comprises two internal and two external auditors who periodically perform comprehensive audits of all executive divisions and group companies, with Board of Auditor meetings generally convened once a month.

The Auditing Division is under the direct control of the President and Representative Director. Its role is to closely examine and evaluate the operational performance and managerial and administrative systems of Yamaha Corporation and its group companies to ensure compliance with the law and internal regulations. The evaluation results are then used to provide information for the formulation of suggestions and proposals for rationalization and improvement. To improve audit efficiency, the Auditing Division is also making efforts to encourage closer communication and coordination with the Board of Auditors and the financial auditors.

•Refining our Internal Control System

Yamaha Corporation refines its internal control system to maximize efficiency in all its business activities, improve the reliability of its accounting and financial information, ensure full legal compliance, improve asset protection, and enhance its risk management.

In April 2006, Yamaha Corporation launched the Internal Control Project, under which the effectiveness of the existing control system is assessed and systematically redeveloped. Yamaha Corporation and its group companies then created a Group Management Charter in June of the same year, clarifying group management policies in order to ensure responsible business conduct.

The Group Business Jurisdiction Division is responsible for providing guidance and advice concerning management of the group companies under its jurisdiction and in compliance with group management regulations. The Staff Division assists the group companies in providing advance notice to and consultations with the relevant divisions on certain matters of importance.

•The Company-wide Governance Committee: Strengthening Corporate Governance

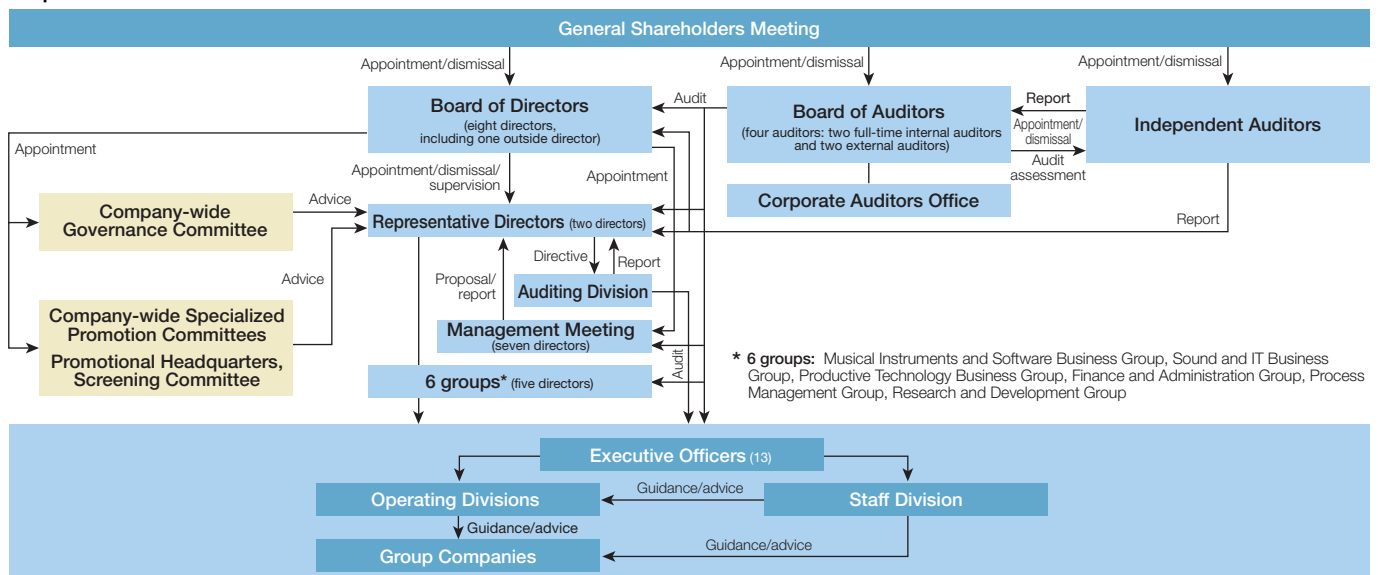
To strengthen corporate governance, Yamaha Corporation established the Company-wide Governance Committee, consisting of the Compliance Committee, the CSR Committee, and the Corporate Officer Personnel Committee.

The Compliance Committee is chaired by the Chairman and Representative Director. In consultation with outside legal advisors, the committee deliberates and decides on matters concerning compliance with the law, social norms, and internal regulations, and promotes ethical behavior in the group's business activities.

The Corporate Social Responsibility Committee (CSR Committee), chaired by the President and Representative Director, decides on what initiatives the Yamaha Group needs to implement and what voluntary standards should be adopted above and beyond those prescribed by law in order to achieve greater corporate social responsibility.

To ensure a clearer, more impartial system of election, the Corporate Officer Personnel Committee, which comprises all members of the Board of Directors, meets to consult on appointments to positions as board members, auditors, and executive officers. The committee is also considering setting up education programs to train future corporate officer candidates, as well as looking at remuneration systems for these positions.

Corporate Governance Structure



Toward Full Compliance

Establishing a Code of Conduct and Promoting Compliance

Yamaha Corporation is aiming to achieve a high level of compliance management by complying not only with the law but also with social norms and corporate ethics.

To do so, in April 2003, we established a Compliance Committee and created the Compliance Code of Conduct, which outlines important rules of conduct. Explanatory meetings were held in each workplace to familiarize all group directors and employees (including temporary staff and contract employees) with its contents.

In addition, the Compliance Help Line was established, through which the Compliance Committee and outside legal advisors provide a consultation and information system for matters related to compliance. The Compliance Help Line dealt with approximately 40 calls in FY2005.

A compliance survey is also periodically conducted to identify potential risks or problem areas in the compliance requirements, and to assess group employee awareness of these requirements. The results of the surveys conducted in FY2003 and FY2005 are reflected in present company compliance policy.

Building on our experiences of the last three years, revisions were made to the Compliance Code of Conduct in April 2006. Meetings were subsequently held in all workplaces to familiarize employees with the new code. These revisions included additions regarding the prohibition of forced and child labor, the prohibition of discrimination and respect for human rights, and other information essential for group companies with overseas business interests. Information regarding new laws, such as personal information protection laws, and revisions to existing laws was also included.

To help the Yamaha Group conform to the laws and social norms of countries in which it has offices, the revised version is now being used as the basis for the creation of regional and international editions of the Compliance Code of Conduct. June 2006 saw the completion of the first of these: Overseas Subsidiaries: North American Edition.



Compliance Code of Conduct

Personal Information*1 Protection and Control

In September 2004, the Yamaha Corporation and its group companies in Japan established the Personal Information Protection Promotion Committee, and the following October Yamaha instituted a set of personal information protection regulations and appointed an administrator for each division to provide appropriate protection and control of personal information. The Personal Information Privacy Policy*2 was published on the Yamaha website in April 2005.

The Personal Information Protection Promotion Committee is composed of administrators from each of the main operational and administrative divisions and is chaired by a managing director. This committee is responsible for ensuring that measures for the handling of personal information and the prevention of accidental disclosure are in compliance with the law and the policies and regulations of the Yamaha Group. The Committee has launched a number of initiatives to ensure compliance, such as the planning and promotion of solutions to any problems that may arise, greater coordination between divisions, and related education and training.

To help staff take appropriate measures in the unlikely event of an accidental disclosure, the committee also published the Disclosure Countermeasures Manual as an aid to crisis management.

To ensure that authorized operators of Yamaha Music Schools and English Schools correctly handle personal information received from their many students, Yamaha Corporation has published a manual entitled *On the Handling of Personal Information Protection in School Management Operations*.

*1 **Personal information:** Defined under the Act on the Protection of Personal Information as "information about a living individual which can identify the specific individual by name, date of birth, or other description contained in such information."

*2 **Privacy policy:**
<http://www.global.yamaha.com/privacy.html>

The Protection and Utilization of Intellectual Property Rights

Yamaha Corporation makes every effort to manage and utilize the group's patents, designs, trademarks, music copyrights, and other intellectual property rights in an appropriate manner, while not infringing on the intellectual property rights of others. To this end, the group's Compliance Code of Conduct has sections on respecting intellectual property rights, obtaining information in an appropriate and legal manner, and maintaining complete confidentiality.

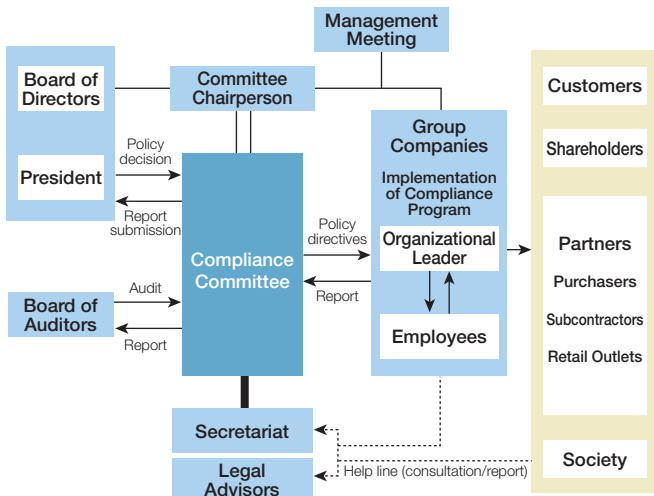
Yamaha Corporation obtains new patents and makes use of existing patents in the hope that they will contribute to a more stable group earnings structure, the development of inventive products and new business lines, and the production of innovations that live up to the Yamaha name, while maintaining a consistent business strategy.

In today's business world, companies in the audiovisual equipment, electronic equipment, and electronic metal products industries often have a number of patents. As a result not only is the obtaining and utilization of patents beneficial to Yamaha as a means of reinforcing its predominance and uniqueness in the market, but also as a means of engaging in cross-licensing to guarantee operational flexibility.

In order to go about this in as efficient a manner as possible, the integrated management of intellectual property rights is overseen by staff specifically assigned to this task in the Legal and Intellectual Property Division. In addition, intellectual property rights specialists have been assigned to each business and R&D division to facilitate better coordination between the strategies employed for the acquisition and utilization of patents and those employed for R&D and business operations.

To further streamline the system, the Patent Committee was established to develop and promote plans for the implementation of a group-wide patent strategy.

Compliance Management Structure



Initiatives for Our Customers

We at the Yamaha Group aim to satisfy our customers through our line-up of quality products and services. In addition to being fully committed to the concepts of product safety and quality enhancement that are fundamental to the Yamaha brand, we also endeavor to deliver a convenient and easy-to-use product that lives up to our customers' needs and expectations. We provide information, services, opportunities, and after-sales support both domestically and abroad to ensure our customers enjoy our products to the fullest.

Pursuing Quality in Our Products

•An Organizational Structure that Assures High Quality

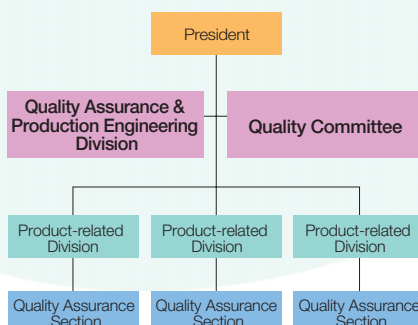
With customer satisfaction our top priority, the Yamaha Group utilizes a quality management system to deliver products of the highest quality that live up to the expectations of our customers.

Under our quality management system, which is based on the international standard ISO 9001, each division is responsible for the quality of its products. The quality management system of each division and the quality of their products is monitored by the Quality Assurance & Production Engineering Division. This division performs internal audits based on ISO 9001, makes purchase inspections of group products, and audits of the manufacturing processes at overseas factories to determine whether products are meeting the product quality demanded of the Yamaha Group. It also implements policies aimed at continual improvement. Another of the division's functions is to assist each operating division in the implementation of effective quality assurance techniques for use in design and development, and to apply quality control methods in the manufacturing process.

In addition to developing a quality assurance policy, maintaining quality standards, and performing evaluations of the quality auditing and quality management systems, the Quality Committee strives to facilitate sharing of techniques for improvement between the operating divisions.

The Quality Assurance & Production Engineering Division works closely with each Yamaha division through the Quality Committee to raise quality awareness for each stage of product planning, design, and manufacturing processes in order to accumulate and apply the techniques and know-how necessary to provide our customers with safe, high-quality products.

Quality Assurance Structure



•Promotion of Product Risk Management

The Yamaha Group employs precautions during all stages of development, design, and production to ensure its products are free from safety defects. A system has been implemented which, in the unlikely event of a safety defect being found in a product already on the market, would enable the head of the Quality Assurance & Production Engineering Division to call an Emergency Action Committee Meeting* and respond rapidly by taking measures such as informing customers and recalling products.

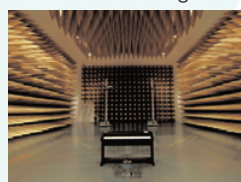
* **Emergency Action Committee Meeting:** A meeting attended by the heads of the operations divisions and sales divisions concerned, the heads of the Service, Legal, Public Relations, and Quality Assurance & Production Engineering divisions, as well as the head of any other division whose assistance may be required.

•Compliance with Worldwide Safety Standards

The Yamaha Group has established a system that ensures compliance with product quality and safety laws and regulations, providing our customers with a reliable product.

The Quality Assurance & Production Engineering Division gathers information on worldwide safety standards for electric and electronic products and performs inspections to ensure that Yamaha Group products are in compliance with the required standards. By compiling a database of the results of these inspections, this division has made it possible to instantly confirm whether a product is in compliance from any group site in the world.

To further improve the efficiency and accuracy of these inspections, a quality assessment facility equipped with state-of-the-art electromagnetic wave measurement equipment and various other types of measurement and assessment devices was established at Yamaha headquarters in May 2006. The division has also compiled the Indication Guide to provide clear standards for the display of product safety information on a product and ensure the correct labeling of Yamaha products.



Anechoic chamber used for electromagnetic wave measurement

•Acquiring ISO 9001 Certification

In a move to strengthen and improve product quality and the quality management system, 25 divisions of the Yamaha Group have acquired ISO 9001

certification as of the end of FY2005. Another two divisions are aiming to acquire certification by the end of FY2006.

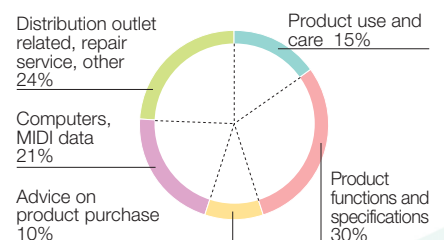
Enhancing the Customer Support System

•Improvements to the Musical Instruments Information Center

The Musical Instruments Information Center at Yamaha Headquarters provides prompt responses to inquiries, advising on such matters as the purchase, use, and care of instruments. To deal with a surge in inquiries over the last few years regarding how to connect to the Internet and download music, for example, the center began using wireless phone headsets in FY2004. Using these headsets enables operators to use the products and computers installed at the center while speaking with the customer. We doubled the number of wireless phone headsets in FY2005, providing customers with a smoother service.

In June 2006, we also began offering consultation on Steinberg music production software, which Yamaha began importing and distributing in the same month. In addition to any inquiries regarding its musical instruments, the center can now handle inquiries regarding Yamaha computer music products as well.

Musical Instruments Information Center Consultations for FY2005



Total: approx. 54,000 calls

Protecting Customer Personal Information

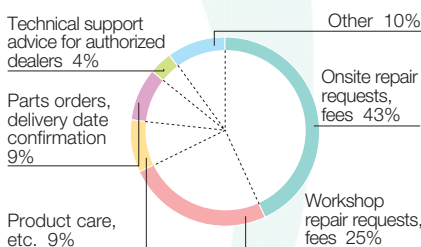
Using the Yamaha Online Member Information Control System and the CTI system*, the Musical Instruments Information Center is able to properly manage personal information collected from customers. For example, when an inquiry is submitted through our website, the customer information is divided up and only the inquiry itself is received by the person that will be responding to the inquiry.

* **Computer Telephony Integration System:** The CTI system is an integrated telephone and computer system used for dealing with customer inquiries.

Improving the Convenience of the Repair Reception Center

The Repair Reception Center at Yamaha Headquarters handles requests for repair of electric products in Japan such as electric and electronic musical instruments and audio products. Full-time receptionists use an advanced CTI system to provide prompt service and precise advice to customers. In addition, Yamaha Corporation is examining the potential for a home pickup and delivery service for repairs, and expanding the site for drop-off repairs so as to provide our customers with an even more convenient service.

Repair Reception Center Inquiries for FY2005



Expanding the Overseas Support System for Commercial Audio Equipment

Yamaha's commercial audio equipment is widely used in well-known concert halls and broadcasting stations around the world. We have established support bases in various countries and regions to provide ample support to our clients and engineers.

Specialists at each support base conduct product demonstrations, provide technical support, and hold seminars on a variety of themes; the seminars attracted a total of 5,487 attendees worldwide in FY2005.

FY2005 also saw the establishment Yamaha Commercial Audio Systems Inc., a new sales subsidiary in the United States specializing in commercial audio business covering the North American market, including Canada. To cover support needs in Europe, we established the new Yamaha CA Support Centre Europe in London. We have also opened a Yamaha Digital Audio Creative Center in China, Taiwan, Singapore, and Panama, making a total of ten such centers worldwide.

In addition to supplying improved support for our clients and engineers, each support base also gives training to the staff of our dealers, ensuring that they are able to provide our customers with detailed explanations on Yamaha Commercial Audio products.

The Establishment of the Yamaha Manual Library

Established in 1999, the Yamaha Manual Library website contains a collection of instruction manuals for Yamaha's electronic musical instruments, professional audio products, audio/video products, and other products in PDF file format that can either be browsed online or downloaded. As of May 2006, the Library website is available in 11 languages, with manuals available for about 2,500 Japanese and English-language products. Manuals are available but both past and current product models. This service is available not only to established customers that wish to find out more about the functions of their product, but also to potential customers that would like to research the product they are considering purchasing.



Yamaha Manual Library URL:
<http://www.yamaha.co.jp/manual/english/>

Instruction Manuals Available Online in Text File Format

The instruction manuals for electronic musical instrument and professional audio products have also been available in text file format for screen reader software since July 2004. This aid for the visually impaired is frequently used, with over 1,000 visitors to the site and 180 downloads a month.

Yamaha Manual Library (text file format) URL:
<http://www.yamaha.co.jp/manual/english/text/>

Catering to Customer Needs for Products and Services

Unistyle™ Yamaha Music and English Schools

A great deal of consideration went into the design of the Unistyle™ Music and English schools launched by Yamaha Corporation in 2002, with an emphasis being placed on creating a new type of school for a new age.

As a result, the facilities were designed with as few steps as possible, based on the barrier-free concept, allowing people of all ages to make full use of them. Another factor we considered in the design was the burden the building would place on the environment. In order to reduce this burden, we made every effort possible to

avoid the use of construction materials containing formaldehyde — thought by some to be the cause of sick building syndrome — or any other volatile organic compounds that impact the environment.* We have also tried to limit the energy consumption of the buildings by turning to sunlight and other natural energy sources. In addition, all our facilities have security systems installed in order to ensure the safety of our customers while on our premises.

As of July 2006, Yamaha Corporation has opened Unistyle™ sites at 54 locations in Japan.

* Materials used in the construction of Unistyle™ sites have received a rating of four stars (the highest rating) under both JIS and JAS.



"Unistyle™" (Sakurai Gakki Co., Ltd., Fujimino)

A Chance to Perform: Any Time, Any Place with the STAGEPAS™ 300

Yamaha Corporation released the easy-to-use STAGEPAS™ 300 public address system in March 2005 for people that enjoy playing a musical instrument, singing *karaoke*, or performing live.

The STAGEPAS™ 300 weighs just 18 kg, and since a mixer/power-amp and cables can be stored neatly in one of the speakers, it is compact and portable. A wiring diagram is located on the rear panel of one of the speakers, so you can wire the STAGEPAS™ 300 even without the manual.

In addition, with the STAGEPAS™ 300 the sound quality can be altered to suit your surroundings at the flick of a switch, making problems with sound quality settings a thing of the past.



STAGEPAS™ 300

Initiatives for Our Shareholders

The Yamaha Group practices transparent and effective management to achieve healthy business results and return good value to all its shareholders. The group also promotes an open relationship by distributing a wide variety of management information. It is by maintaining these practices that we intend to raise shareholder awareness and satisfaction with the Yamaha Group.

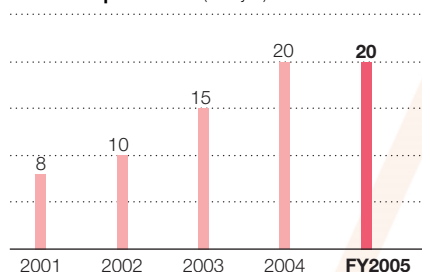
Our Strategy for Returning Value to Shareholders and Retaining Earnings

Yamaha Corporation is working to increase ROE while retaining enough earnings to strengthen our management base and make the necessary investment in equipment for growth. When distributing profit, our basic policy is to consider group-wide earnings in order to maintain stable dividends.

Shareholder value is always a prime consideration in how we conduct our business, and we incorporate information from shareholders and investors in our management decisions.

Top management also receives the results of the investor relations surveys conducted on institutional investors and shareholders in order to improve their response to shareholders.

Dividend per Share (Unit: yen)



The New Shareholder Preferential Treatment System

Yamaha introduced the Shareholder Preferential Treatment System in order to expand the benefits to shareholders and increase the number of individual shareholders. This system was inaugurated at the end of March 2006, and shareholders on the shareholders' register or beneficial shareholders' register with 1 block (100 shares) or more of equity at the end of March each year qualify for the benefits of the system.

Qualified shareholders receive special incentives that are not only valuable but also help raise shareholder awareness of Yamaha Group businesses. These gifts include a special magazine, limited edition CDs featuring Yamaha-affiliated artists, and discount coupons that can be used at the six Yamaha resorts around Japan.



Shareholder preferential treatment incentives

Investor and Shareholder Communication

General Shareholders Meeting

For the annual general shareholders meeting, we avoid peak periods in order to obtain the most participation possible. The meeting for the period ending March 31, 2006, was held at the Yamaha Headquarters on June 27, 2006. After the meeting, there was a guitar recital and an optional tour of the grand piano factory.

Shareholders who are not able to attend the general meeting can still exercise their voting rights through the online voting mechanism that Yamaha has been operating since 2003. In 2006, we introduced the electronic voting platform developed by the Tokyo Stock Exchange, and now it can be used by shareholders who have beneficial voting rights as well as registered shareholders. As a result, the 2006 annual general shareholders meeting had 77.5% of the shares voted, which was 3.4 percentage points up from the previous year.

IR Activities to Promote Understanding of the Company

When releasing information, Yamaha strictly adheres to its disclosure policy to ensure a level playing field for individual investors and institutional investors worldwide. We release information in a timely manner through many channels, including information for results briefings, annual reports, and the company website.

For Japanese securities analysts and institutional investors, there are quarterly results conferences, and in addition to explanations of results by top management, there are occasionally factory tours and strategy conferences for individual business lines.

All information released in Japan is translated into English for foreign institutional investors. In addition, the president or another top executive travels overseas several times a year to meet with investors and talk with them about Yamaha's operations.

Yamaha Website Ranked Among Top IR Websites

Nikko Investor Relations Co., Ltd. conducts the Listed Company Website Survey, a survey of the websites of the 3,789 companies on the Tokyo Stock Exchange. In FY2005, Yamaha's website was selected as the top website in the "other products" category, and ranked fourteenth overall for its usability.

Supporting IR Activities for Individual and Institutional Shareholders

Yamaha is working hard to strengthen IR activities for individual shareholders and investors in several ways, such as posting information about the company on our website in plain language. We conducted a survey of individual shareholders at the end of FY2005 and an online survey that produced useful information for our IR activities and management actions. Yamaha is also examining the possibility of holding conferences for individual investors.

Participation in Socially Responsible Investment Funds

Socially Responsible Investing (SRI)—the concept of considering the social responsibility of an investment as well as the economic return when investing in stocks—has become an important consideration even in Japan. Yamaha is listed in some of the world's top SRI indexes, like the FTSE4Good Global Index (managed by Britain's FTSE^{*1}), the Ethibel Sustainability Index (managed by Belgium's Ethibel^{*2}), and the Morning Star Inc. SRI Index. Of the Japanese SRI funds, Yamaha is involved in the Asahi Life SRI Fund, the UBS Eco Fund, and many others.^{*3}

Yamaha uses credit ratings based on inspections from several institutions as one of the indexes of its financial health.

^{*1} **FTSE Corporation:** a joint company established by the Financial Times and the London Stock Exchange.

^{*2} **Ethibel:** An independent consultancy that works with banks, brokers, and institutional investors in making socially responsible investments.

^{*3} The number of Japanese SRI funds and the degree of participation is based on research by Morning Star Inc.



FTSE4Good Index Certificate

Bond Ratings (as of March 31, 2006)

	Bond Rating
Rating and Investment Information Inc. (R&I)	A
Japan Credit Rating Agency, Ltd. (JCR)	AA-

Initiatives for the People We Work with

Yamaha Group businesses are successful not only because of their employees but also thanks to the contributions of temp staff, affiliated factories, retailers, and many others. Yamaha uses a variety of methods to make the most of their skills to help us all grow and become more prosperous.

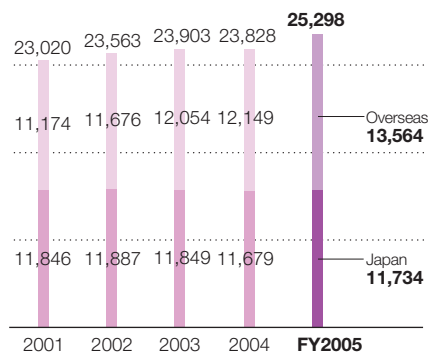
Employment

•Basic Employment Policies

The Yamaha Group respects human rights and prohibits discrimination, which is reflected in the group's fair employment practices and in the employment opportunities provided to a diverse mixture of people.

The group continues to hire people straight out of college as part of its policy of maintaining a proper balance of personnel. We also hire people with work experience to give each division the skills they need immediately.

Consolidated Employee Figures (Unit: 1 person)



•Senior Partner System

In April 2004, Yamaha introduced the Senior Partner System for those employees who want to continue working after the mandatory retirement age of 60.

This is Yamaha's way of doing its part to meet the needs of society and individuals by providing employment opportunities to counter the incremental increases in pension eligibility age. Every six months the company takes applications from soon-to-be retirees and then makes appropriate job offers after matching applicant skills with prospective positions.

In FY2005, 44 of 97 applicants were hired under this system. As of May 2006, Yamaha Corporation has hired 84 people under this system. Through this system, Yamaha employs people with a rich collection of operational knowledge, skills, and experience, and it has the collateral benefits of providing newer employees with direction and education as well as supporting the livelihoods of people past retirement age.

•Early Retirement System

In the face of a growing diversity of lifestyle options, Yamaha Corporation introduced the Early Retirement System in July 2000 to help employees who wanted to retire

early and either find other employment or go into business for themselves.

Employees from the age of 45 to 58 can receive full retirement allowance and a special allowance called the Independence Assistance Allowance. They can also take advantage of the special leave of absence called Second Career Challenge Leave or the Re-employment / Independence Counseling system.

Retirement Assistance Programs

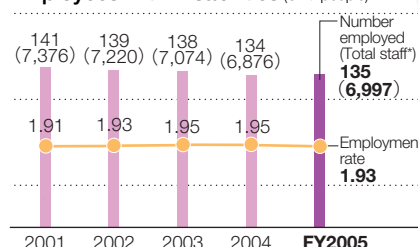
Category	Second Career Challenge Leave	Re-employment/ Independence Counseling
When Available	Before retirement	After retirement
Program	•Leave (6 Months or Less) •Leave allowance/benefit (60% of base salary)	•Re-employment/ Independence Counseling program run by a specialist company contracted by Yamaha (Maximum of 1 year) •Re-employment/ Independence Counseling in the field of the employee's choice.

•Promoting Employment of People with Disabilities

In order to promote employment for people with disabilities and expand the range of work available, Yamaha Corporation took several actions to establish a better employment environment, including the early establishment of the special subsidiary* YP Business Service Corporation in 1989. The result has been a consistently high employment rate of people with disabilities, exceeding the 1.80% minimum established by law. In recognition of this outstanding achievement in providing work opportunities to people with disabilities, the Ministry of Health, Labour, and Welfare gave Yamaha an award in FY2004. At the end of FY2005, the employment rate for people with disabilities was 1.93%.

* **Special subsidiary:** A subsidiary as described in the Law for the Promotion of Employment for People with Disabilities. These subsidiaries meet certain requirements, including the number of and ratio of employees with disabilities. The people with disabilities who are employed at this company are included in the calculation of the people with disabilities employment ratio for the parent company.

Employees with Disabilities (Unit: people)



* Numbers in parentheses show the number of regular employees at Yamaha Corporation. Starting in FY2005, Yamaha Metanix Corporation employees are included in these calculations.

Personnel and Training Systems

•Training and Education Tailored to the Job

Yamaha created a system to train and educate our employees and help them develop their careers because we believe that the creation of a mutually beneficial relationship between company and employees motivates people. Each of the training programs are tailored to a specific objective in one of the following categories: Strategic Personnel Development, Function-Specific Training, Management Training, and Self-Development Education.

Under Strategic Personnel Development, for example, there is the New Leader Development program, an elective screening/education program established in FY2002 for new employees with talent and ambition. Under Management Training, there is the Line Manager Training program, which helps develop management skills and leadership qualities in line managers.

•Passing on Skills through the Skill Registration System

Yamaha Corporation is working to pass on technical skills to the next generation, a problem faced by most Japanese factories.

In October 1996, Yamaha established the Skill Registration System to make a record of vital skills in each division that need to be preserved and passed on to younger employees. The system is based on a list of vital skills, who needs to learn them, and a deadline for learning them. The From-To Program was also started in October 1998. This program pairs up veteran workers with less-experienced personnel, and sets a goal and an action plan to achieve it. As of the end of FY2005, there are over 100 such pairs moving forward on their action plans.

After they complete their action plan, both people file an Activity Report with the personnel department. This record shows how each of them achieved their goal, and this may help to pass on the skill of how to pass on skills.



From-To Program

Personnel Evaluation and Recognition Systems

•A Fair and Transparent Results-based Performance Evaluation and Recognition System

In FY2000, Yamaha Corporation radically revamped its personnel management system and abolished length-of-service and subjective criteria in performance evaluations for managers. The same was done for general employee evaluations in FY2001. After these changes, all evaluations have been fair and based on individual performance, and have influenced education and placement as well as bonuses, raises, and promotions.

To measure results, Yamaha introduced a mission management program, which aligns personal goals of management and non-management staff with company goals, and points personal activity vectors toward over-all company objectives. This program measures and evaluates performance results, including interim results, for every individual. For non-managers there is also the Expected Behavior Evaluation, which evaluates processes that lead to results, and this is used to promote career development.

In order to increase employee confidence in the process and motivate them to reach for the next goal or training step, the evaluation process emphasizes face-to-face communication between employee and supervisor at all levels in the company.

In April 2006, Yamaha halted its system of transferring all operations managers over the age of 55 to specialist positions, and they now work under the same system as other managers. This arrangement allows for maximum productivity without any age bias.

•Remuneration and Awards to Reward Inventors and Promote Innovation

As part of these regulations, we provide a remuneration to inventors at each stage of the patent process, including filing, registration, practice, and any outward licensing to other companies. In April 2005, we amended our regulations to bring them into line with revisions to Japanese patent law, and also increased reward payments.

In FY2004, we established the Patent Award System with the intention of further promoting Yamaha's corporate culture of invention and innovation. This award goes to inventors that make their ideas a reality by actively inventing, filing for patents, and getting them registered. In FY2005, we presented 22 of these awards.

Creating a Supportive Work Environment

•Supporting both Work and Child Care

In 2003 the Law for Measures to Support the Development of the Next Generation* came into force. As a result, Yamaha Corporation created an action plan for FY2005 to FY2008. There are three objectives in this action plan: (1) Reducing overtime and encouraging the taking of annual paid vacation, (2) encouraging the taking of child-care leave, and (3) establishment of a system of reduced work hours and other measures for employees who are raising children.

In the first year of this plan, the annual work hours per person were reduced by 11 hours, and two men took maternity leave. In September 2005, the Ministry of Health, Labour, and Welfare gave Yamaha the Family Friendly Company Award in recognition of its support of families through the Maternity-Nursing Care Leave System, the Reduced Work Hours Program, and other programs which help employees rejoin the workforce.

* The Law for Measures to Support the Development of the Next Generation: This law required companies with more than 300 employees to develop an action plan for establishing an employment environment supportive of families with children, and submit it to the ministry by the end of March, 2005.

Expanded Benefits in the Health and Welfare System

Based on labor negotiations conducted from 2005 to 2006, Yamaha Corporation radically expanded the Health and Welfare System. This included the establishment of a family allowance for child rearing, education, and nursing, and the creation of a substantial employee's health and welfare service plan that is to be introduced in October 2006.

•Establishment of a Diversity Planning Department

Yamaha Corporation ran a year-long project starting in May 2004 designed to promote the involvement of female employees. The project was called the Positive Action Project, and in April 2005, the project announced a new action plan to the head of the personnel department. Based on the experience accrued from both these projects, the personnel department established the Diversity Planning Department in March 2006. This office plans measures for women's career development, and works to create a supportive work environment.

•Preventing Sexual Harassment

Yamaha Corporation's Compliance Code of Conduct forbids sexual harassment, discrimination, and any other behavior considered offensive.

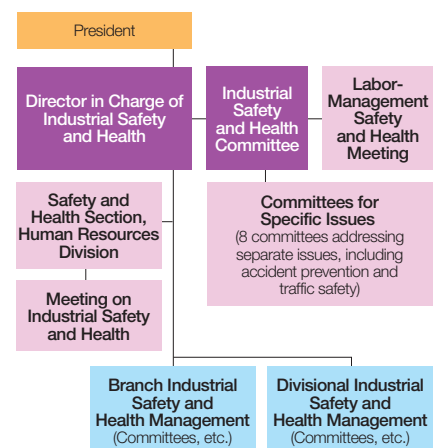
To enforce these standards, each employee received a copy of the Codes of Conduct, and they are reinforced on a regular basis in meetings, through New Management Training and Line Manager Training, and via other programs. A Sexual Harassment Consultant was established to enable Yamaha to take quick action to resolve any situations that arise.

Employee Safety and Health First

•Employee Safety and Health Action Policy and Administration

Safety and health are the foundations of a rich and rewarding life. Based on this philosophy, we established an Industrial Safety and Health Committee at each of the Yamaha Group companies worldwide. The committee is headed by the Director in Charge of Industrial Safety and Health, and the members consist of the branch managers, team leaders, and the leaders of special subcommittees. This committee creates policies and measures related to employee health and welfare. Their objective is to prevent job-related accidents by addressing employee safety and health management, traffic safety, health promoting activities, disaster prevention, and disaster education and preparedness.

Industrial Safety and Health Management Structure



•Accident Prevention

To reinforce Yamaha's Safety First policy, the company distributes the Zero Accident Bulletin, through which employees share reports about injuries and accidents and methods of prevention. There is also the Total Safety Patrol, which regularly checks the safety and accident prevention conditions at each work place.

Unfortunately, we did not achieve our safety goal for FY2005 at the head office, factories, or sales offices. The same target was set for FY2006, and everyone is working to prevent work-related accidents.



Total Safety Patrol

FY2005 Work-Related Accidents (Yamaha Corporation)

	Frequency*1		Severity*2
	Target	Results	Results
Head office-Factories	0.3 or less	0.71	0.020
Sales Division	0.5 or less	2.43	0.050

*1 Frequency = number of work-related deaths/injuries ÷ total man hours x 1 million

*2 Severity = number of days lost ÷ total man hours x 1,000

•Promoting Good Health

To motivate employees to participate in health-promoting activities, Yamaha Corporation promotes special activities company wide, including the Walk for Health, In-Home Health Class, and the Family-Care Health Class.

We also promote anti-smoking measures such as strict enforcement of smoking areas, individual counseling, and special non-smoking days to reduce the number of smokers.



Family-Care Health Class

•Overwork Prevention

Yamaha Corporation created labor guidelines to properly manage overtime, and these guidelines set an upper limit of 40 hours per month of overtime, holiday, and weekend work. Exceeding this limit, which is sometimes necessary, requires application in writing in advance and labor-management consultation.

Revision of the Labor Standards Act in April 2004 required changes to these guidelines, and now, except for special circumstances, employees may exceed the 40 hour limit no more than six times per year.

In addition, the company is working to raise employee awareness through seminars about overtime work, and those who exceed the guidelines see the company physician for advice on maintaining good health.

As a result of these efforts, there were only 173 employees who exceeded the six-time-per-year rule in 2005, down 87 from the previous year. This improvement is attributed to stricter job management in each division and greater awareness of the guidelines, thus enhancing distribution of work and greater efficiency in the work place.

•Mental Health

In October 1997, we established the Mental Health Counseling Clinic at the home office Health Management Center. This clinic is open to all Yamaha Group employees and provides professional counseling on personal, work-related, and family issues once a week. Realizing that employee self-awareness and early recognition of problems is necessary to make this service as effective as possible, the company started a mental health care system in 2004 based on "self-care" and "line-care."

Self-care is intended to raise employee awareness of their personal mental health. It consists of an array of self-diagnosis tools and stress analyses that can be performed during routine checkups or during regular interviews with supervisors, and job-specific education about basic mental health and methods for avoiding and solving problems. Line-care is intended to help managers and supervisors to manage the mental-health care of the people in their charge, and consists of basic education for managers to detect problems early through regular contact with their subordinates.

Agreement with the Labor Union

Yamaha Corporation and the Yamaha Labor Union concluded a labor agreement based on mutual understanding, trust, and honesty. In order to promote mutual understanding, the company and the union have created opportunities for regular labor-management discussions. These consist of meetings held twice a year, labor-management meetings held whenever necessary, and production and sales committees that meet monthly at each location. About 85% of all Yamaha employees (excluding management) belong to the union.

Fair Treatment of Partners

•Fair Selection and Evaluation in Partner Relationships

The Yamaha Group views suppliers and subcontractors as partners in our quest to achieve our business goals, and as such we practice fair dealings based on mutual trust.

When dealing with other companies, we strictly adhere to the law and company regulations and standards of fair selection and evaluation. Under the banner of open procurement, we ensure open, fair, and unbiased dealings, and a basic policy of conserving natural resources and protecting the environment.

We also meet with suppliers and subcontractors to establish agreement on basic policies and specific regulations. Every six months, we hold the Council of Yamaha Corporate Affiliates* meeting, at which we explain Yamaha's production policies for the company or certain businesses, and current sales trends.

* **Council of Yamaha Corporate Affiliates:** This is an organization consisting of representatives of the factories that make parts for Yamaha. The council promotes good relations between members, independent study and research activities, accident prevention and pollution prevention activities, and other environmental safety activities—all designed to increase the prosperity of all participants.

Initiatives for Society

As a music-centered enterprise and a good corporate citizen, the Yamaha Group contributions to society include not only products but also locations and opportunities for people to experience the inspiration and enrichment that music offers.



•Collaborating with Yamaha Motor Co., Ltd. to Start the Yamaha Forest Project in Indonesia

The Yamaha Corporation and the Yamaha Motor Co., Ltd. worked together to create "Yamaha Forest," a tree-planting initiative in Indonesia which started in FY2005. Both companies have manufacturing and sales networks in Indonesia, and see the initiative as a method of contributing to society by providing environmental education and protection through the planting of trees.

The project is supported by OISCA*¹, a Japanese NGO with a background in environmental conservation, and promotion and developmental support of agriculture in Asia and the Pacific region.

For a five-year period beginning in FY2005, the two companies will plant a combined total of 150 – 200 thousand mahogany, teak, and albizzia saplings in 120 hectares of state-owned land in the state of Sukabumi, in the western part of Java. It is hoped that through these activities this denuded land will return to a near-natural forested state.

In conjunction with this environmental prevention initiative, the two companies also plan to work with OISCA to revitalize the region and raise its standard of living. We plan to promote organic agriculture amongst the local populace, give instruction in appropriate and efficient methods of land use, and provide financial support for the construction and repair of educational facilities at elementary and middle schools in the region.

The initial planting in December 2005 was attended by approximately 1,400 local



Participants in the tree planting

residents, administrative personnel from Sukabumi state, and employees from Yamaha Corporation and Yamaha Motor Co., Ltd.

Of the attendees, 50 were staff from six Yamaha Group companies in Indonesia*², who were accompanied by members of the Yamaha Corporation's environment management division from Japan. Together with local children, they planted approximately 5,000 seedlings.

In addition, representatives from both companies greeted those present, unveiled a stone monument, and presented gifts of school supplies to the students at a ceremony held prior to the planting.

*¹ **OISCA:** A charitable corporation established in 1961 and run under the supervision of the Ministry of Foreign Affairs, the Ministry of Agriculture Forestry and Fisheries, The Ministry of Economy, Trade, and Industry, and the Ministry of Health, Labour, and Welfare.

*² **The six Indonesian subsidiaries:**
P.T. Yamaha Music Indonesia (Distributor) (YMID), P.T. Yamaha Indonesia (YI), P.T. Yamaha Music Manufacturing Indonesia (YMMI), P.T. Yamaha Music Manufacturing Asia (YMMA), P.T. Yamaha Musical Products Indonesia (YMPI), P.T. Yamaha Electronics Manufacturing Indonesia (YEMI)



Local elementary school children carrying seedlings

Locations of "Yamaha Forest" and Yamaha Subsidiaries



•Supporting Hurricane-Stricken Areas

Hurricane Katrina struck the southern area of the United States in September 2005, with devastating effects.

The Yamaha Corporation of America (YCA), located in the state of California, collected donations from its employees through the "Yamaha Cares*" program to provide aid to the victims in disaster stricken areas.

YCA matched all employee donations dollar for dollar, which were then totaled and passed on the American Red Cross. YCA's drum division collected donations from artists to go to drummers in New

Orleans who lost their drums to the hurricane. YCA also made grand pianos available free of charge and provided other support for a variety of concerts held for hurricane victims.

In a separate effort, employees of Georgia-based piano and PA speaker manufacturer Yamaha Music Manufacturing Inc. (YMM) loaded a company tractor-trailer with baby supplies and necessities for immediate delivery to those affected by the disaster.

* **Yamaha Cares:** A philanthropic program started at the suggestion of YCA employees aimed at supporting local regions.



Transporting supplies in a company truck (YMM)

•Social Contributions from the Yamaha Symphonic Band

The Yamaha Symphonic Band* pursues a number of musical undertakings that contribute to the development of regional society and the expansion of the world of wind music.

For example, the band possesses a library of over thirty pieces arranged for it by composers from around the world for its yearly "Annual Concert," which it makes available to other bands free of charge, contributing to the expansion of the wind music repertoire in Japan. Since 1995, the band has also invited 100 children with disabilities to its annual year-end "Pops Concert."

Other activities include ongoing participation in the "Hamamatsu Festival," held in Hamamatsu city, where the Headquarters of the Yamaha Corporation are located. The band takes part in the festival parade, and gives a "Promenade Concert" in front of JR Hamamatsu Station. The band also supports Hamamatsu city's "Creating a City of Music" initiative, and has endorsed the city's environmental conservation projects by donating the proceeds from the "Annual Concert" held in June 2006 to the "Hamamatsu City Forest Environment Fund."

* **The Yamaha Symphonic Band:** An amateur band made up of employees of Yamaha Group companies, established in 1961. 26-time winners of the "All Japan Band Competition," (workplace division), as well as being the band that has attended the competition most, the Yamaha Symphonic Band is highly acclaimed overseas, and has received honors such as being invited to the "Midwest Clinic," a wind instrument festival held in Chicago, U.S.A.



The Yamaha Symphonic Band participating in the Hamamatsu Festival Parade

•Ongoing Participation in Local Clean-Up Campaigns

The Yamaha Group takes an active part in beautification campaigns in every region, contributing to society as a good corporate citizen.

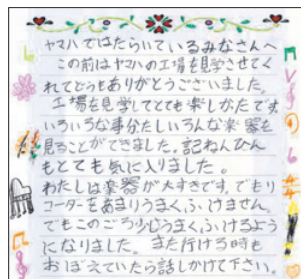
In FY2005 the Group participated in such initiatives as the co-sponsoring of "Factory Clean-Up Campaigns" with local government, and taking part in the "Lake Hamana Clean-Up Campaign" (for the 23rd consecutive time since 1983), held in Hamamatsu City, where Yamaha Corporation is headquartered. A total of 763 people from Yamaha, including members of employees' families attended.

This was a significant increase from the previous year.

•Widening the Scope of Grand Piano Factory Tours

For over 20 years, tours of the Yamaha Corporation's grand piano factory have been a part of local elementary school students' study of local industry.

In FY2005, 22,000 people joined such tours, including students from 54 elementary schools. Recent years have seen an increase in visits from students from universities and both middle and senior high schools, as well as in people from businesses around the world. In response to requests from participants on the tours, personnel from the Piano Division and the Environment Management Division are available to give detailed explanations in specialist fields where required.



A letter of appreciation from a tour participant

•Supporting Music in Singapore

Singapore-based Yamaha Music Asia provides support and assistance to the local branch of the World Association for Symphonic Bands and Ensembles (WASBE*) in promoting the development of music in Southeast Asia. In July 2005, the company provided backup for participants in the WASBE International Conference held in Singapore, and loaned instruments free of charge for use in seminars and concerts at the conference.

* **WASBE:** A worldwide association for the symphonic bands and ensembles, established in 1981. Once every two years, WASBE holds an international conference aimed at promoting exchange between young musicians.



The wind ensemble from the Senzoku Gakuen College of Music, participants at the WASBE International Conference (Photograph: WASBE Singapore)

•Gaining the Affection of the Region

Comprised of employees of Yamaha Musical Products Indonesia, the Yamaha East Winds Orchestra takes part in a wide variety of regional activities.

In FY2005, the orchestra performed at locations including facilities for people with disabilities, orphanages, and schools. In addition, they joined students from local elementary and middle schools to perform and provide support at ceremonies in nearby Sidoarjo city.



A performance at a facility in Surabaya

•Supporting Music In Regional Areas

Yamaha Music Australia provides financial assistance and help running the website for "Yamaha Music Connect," an educational support program run by the Sydney Conservatorium of Music. The program is designed to support ongoing music education programs for music students living in remote areas of Australia and New Zealand.

In addition to teacher introductions and distributing a free newsletter, the program provides a wide range of concerts and clinics in remote areas.



Participants in "Yamaha Music Connect"

•Supporting Local Symphony Concerts

Located in Grand Rapids, Michigan, Yamaha Musical Products (YMP) collaborates with the local Grand Rapids Symphony in the annual outdoor "Summer Picnic Pops."

Concert-goers are given the opportunity to handle the instruments and receive instruction on how to play them at a "petting zoo," staffed every year by volunteers from YMP.



Supplying instruments for the outdoor concert

•Assisting Fund-Raising at Local Children's Hospitals

The Yamaha Corporation of America (YCA) cooperates with the "Alissa's Angels" program to raise funds for the Children's Hospital of Orange County in its home state of California.

"Alissa's Angels" is a volunteer program that was started in 1999 by a group of friends of Alissa Head, a young girl who was receiving treatment for cancer at this hospital. The money collected to date, which totals almost \$210,000 is being used to purchase advanced equipment for the hospital's neuroscience unit, and is assisting in cancer research.

In 2005 YCA collaborated in the creation of a charity-oriented CD used to raise money during the holiday season*. They invited many well-known artists to volunteer their services in recording the CD, which also featured a vocal group comprised of YCA employees.

* **The holiday season:** A commonly-used term in North America for the period extending from Thanksgiving day at the end of November through to the New Year.



The members of "Alissa's Angels"



The Charity CD

•Supporting Youth-Based Music Experience Programs

The Yamaha Corporation of America (YCA) has donated guitars, drums, and other audio equipment, as well as providing support in the running of "Sound Art," a program aimed at giving young people the chance to experience contemporary music.

Started in 2002, Sound Art is run by the South-Central Los Angeles Community Center with the help of the Berklee College of Music. The program, which is supported



The youth-based music experience program, "Sound Art"

by YCA, aims to encourage creativity, responsibility, and self esteem to underserved youth by giving them the opportunity to create music. Currently, more than 1,000 young people participate in Sound Art every week.

•Supporting Regional Athletic Events

The Yamaha Corporation of America (YCA) provided support for an athletics event for people with intellectual disabilities (sponsor: SOSOC*) held in Southern California in June 2005.

More than 1,500 athletes and approximately 3,000 volunteers from the local area gathered at the Long Beach campus of California State University, the venue for the event. In addition to providing prizes for participants, YCA dispatched 31 volunteers from its staff to help with the running of the athletic events. The volunteers ran a guest tent where participants, regardless of any disability, could enjoy playing and recording with a variety of musical instruments, bringing both the joy of sports and the delight of music to many of those attending.

* **SOSOC (Special Olympics Southern California):** One of the non-profit organizations that runs the Special Olympics program, which is held in every region around the globe. It provides training and athletic venues for more than 11,000 athletes with intellectual disabilities, aged eight to eighty.



Providing opportunities for people with intellectual disabilities to try musical instruments

•Providing Children with Disabilities the Opportunity to Become Familiar with Musical Instruments

Yamaha Music France (YMF) provides support for a program run by music-loving doctors called "French Medical Rock."

French Medical Rock began with Dr. Thierry Brunet and a Rock Concert held in 2002. Every year since 2003, profits from these concerts have gone towards providing children with disabilities the opportunity to enjoy playing a musical instrument.

In addition to providing musical instruments and stage equipment for the concerts, YMF has assisted with funding for music appreciation events for children with disabilities, and supported them through the loan of instruments.



A scene from French Medical Rock

•Supporting the Musical Creativity of Hospital Patients

Situated in the United Kingdom, Yamaha Kemble Music (YKM) supports the activities of the "Teenage Cancer Trust," a fund that provides aid for young people with cancer.

This trust focuses on the healing powers in music, and its potential as an outlet for self expression, and plans the musical creation activities for young patients. In endorsement of this effort, YKM began supplying musical equipment such as keyboards, guitars, mixers, and CD creation machines free of charge to cancer wards in 2002.

YKM employees also visited cancer wards to give direct instruction to hospital staff and patients on how to use the equipment. The Teenage Cancer Trust and YKM have helped create an environment in which teenage patients living in these hospitals can create music, record it on a CD, and send it to friends and family.



Staff from Yamaha Kemble Music explain how to use instruments.

Environmental Conservation Activities

Policy on the Environment

The Yamaha Group considers environmental conservation as a vital theme in its business activities, and in 1994 enacted the “Yamaha Policy on the Environment,” which lays out the Group’s basic stance on environmental issues.

Since then, the Group has worked to promote environmental conservation based on this policy, and to instill an understanding of this policy in its employees through ongoing programs of environmental education.

Yamaha’s Policy on the Environment

Premise

Earth exists not only for those of us who currently live on it, but also for our descendants. We must live in a way that will ensure a future for our children and grandchildren. It is, therefore, our duty to protect our valuable environment so that all living creatures can continue to live on this planet forever.

Policy

Yamaha’s corporate objective 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. We have to be aware that corporate activities are deeply related to the environment, and we at Yamaha acknowledge our responsibility to nature. We are dedicated to enriching people’s lives and helping to preserve the environment as we live together harmoniously in society.

The Six Principles of Yamaha’s Corporate Environmental Activity

1. Make efforts to develop technology and provide products that will be as sensitive as possible to the earth’s animals, plants, and the environment.
2. Promote energy-saving activities and make effective use of resources in the areas of research and development, production, distribution, sales and service.
3. Minimize and recycle waste products, and simplify waste disposal procedures at each stage of production and distribution, as well as during and after use.
4. Strictly follow environmental rules and regulations, encourage environmental protection activities, and ensure the well-being of employees and citizens by practicing sound environmental management.
5. In developing operations overseas, make environmental protection a priority through investigation and understanding of the environmental standards of the host country.
6. Actively distribute information, contribute to the community, and carry out educational activities concerning environmental preservation.

History of Environmental Initiatives

- 1974 •Environment Management Division established
- 1975 •Company-wide rationalization of energy consumption begins
 - Local clean-up activities start
- 1981 •Wood-waste fueled electric power generation at Tenryu Factory begins
- 1990 •Use of trichloroethylene and tetrachloroethylene eliminated
- 1993 •Use of specified CFCs and trichloroethane eliminated
 - The Silent Piano™, an instrument designed specifically for the residential environment, is released. This was the first of a series of Silent™ instruments to be developed and released
- 1994 •“Policy on the Environment” and “The Six Principles of Yamaha’s Corporate Environmental Activity” enacted
 - Environmental Committee and five other related specialist groups established
- 1995 •Recycling and reuse of sand from casting waste starts
- 1997 •Intention to acquire ISO 14001 certification announced
 - Yamaha Kagoshima Semiconductor Inc. acquires ISO 14001 certification, the first organization in the Group to do so
- 1998 •Kakegawa Factory acquires ISO 14001 certification
 - The Yamaha Corporation announces contamination of solid and groundwater by chlorinated organic solvents at the Headquarters factory, Toyooka Factory, and Yamaha Metanix Corporation, and begins cleanup operations
- 1999 •Iwata and Saitama factories acquire ISO 14001 certification.
 - New business supporting the acquisition of ISO 14001 certification begins
- 2000 •Toyooka Factory acquires ISO14001 certification
 - The first Environmental Report is published
 - Environmental accounting is introduced
 - Purification of soil in the factory at Yamaha Headquarters, Yamaha Toyooka Factory, and Yamaha Metanix Corporation completed. Purification of groundwater continues
- 2001 •The Headquarters and Tenryu factories acquire ISO 14001 certification, meaning that all factories of Yamaha Corporation have achieved certification.
- 2003 •Group companies (manufacturing companies) in Japan and overseas acquire ISO certification
 - Yamaha Kagoshima Semiconductor Inc. achieves Yamaha’s “Zero Emissions” standard with regard to waste output.
- 2004 •All Group resort facilities acquire ISO certification
 - Toyooka Factory and Kakegawa Factory achieve Zero Emissions
- 2005 •Tenryu Factory, Saitama Factory, the Headquarters area, and Iwata Factory achieve Zero Emissions. All factories of Yamaha Corporation have now achieved Zero Emissions
 - A photovoltaic power generating system is installed in the factory at Yamaha Headquarters
 - Use of HCFC eliminated from all manufacturing processes in the Yamaha Group
 - D.S. Corporation achieves Zero Emissions
 - The Tokyo office becomes the first Yamaha Sales offices to attempt to acquire ISO 14001 certification
 - Yamaha Corporation and Yamaha Motor Co., Ltd. begin collaboration on the “Yamaha Forest” project in Indonesia.
- 2006 •Yamaha Fine Technologies Co., Ltd and Sakuraba Mokuzai Co., Ltd. achieve Zero Emissions
 - Yamaha Livingtec Corporation installs a cogeneration system
 - The entire Yamaha Group completes compliance with the RoHS directive.

Goals and Achievements

	Goal	Achievements in FY2005	Future initiatives
Environmental management system (P20-22)	•Acquisition of ISO 14001 certification in all main sales offices (Tokyo, Osaka, and Nagoya) by the end of FY2006	•Tokyo office acquired ISO 14001 certification •Osaka and Nagoya offices began installation of systems in preparation for acquiring certification	•Osaka and Nagoya offices will acquire ISO 14001 certification by the end of FY2006
	•Expansion of Yamaha's "Yecos" environmental information system within the Yamaha Group	•Improved Yecos and began collation of logistical data	•Implement Yecos at resort facilities
	•Promotion of environmental training and education	•Internal environmental auditor training provided 75 employees of the Yamaha Corporation and 48 employees of Group companies in Japan (for a current total of 742 qualified auditors) •Environmental seminars (263 participants) "Our relationship with living things and the earth" •Skills improvement seminar for inspectors of Waste Management Contractor sites (58 participants) •New employee training	•Continue with internal environmental auditor training seminars •Continue with environmental seminars •Continue with new employee training
Product development (P23-24)	•Promoting the development of environmentally-friendly products	•Completed the transition to unleaded solder in the production of all wind instruments produced in Japan •Implemented life cycle assessment (LCA) for selected AV products and education music instruments	•Complete the transition to unleaded solder in the production of all wind instruments produced at Yamaha Group companies overseas (manufacturing companies) (planned for the end of 2006) •Implement LCA in the production of pianos, AV products, and educationally-oriented wind, string, and percussion instruments. •Evaluate the recycling of used electronic music products
	•Completion of compliance measures for the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS Directive) by FY2005	•Completed RoHS compliance measures	•Attain compliance with RoHS-like standards in place in the United States of America, the Peoples' Republic of China, and the Republic of Korea. •Expand RoHS compliance measures to those products not subject to the RoHS directive, and to products not shipped to the European Union
Green procurement (P23)	•Promoting Green Procurement	•Completed the introduction of RoHS-compliant parts acquisition practices	•Establish procedures based on international guidelines for ascertaining the chemical substances contained in parts.
Prevention of global warming (P25)	•6% reduction of CO ₂ emissions in FY2010 when compared to FY1990 levels (Yamaha Headquarters, factories, and Yamaha Group companies in Japan) •1% improvement of CO ₂ emissions per unit of sales compared to FY2004	•CO ₂ emissions: 2% reduction in comparison to FY1990 levels (106,000 tons-CO ₂ / year: identical levels to the previous year) •CO ₂ emissions per unit of sales: 7.2 increase when compared to the previous year (252,000 tons-CO ₂ / 100 million yen)	•6% reduction of CO ₂ emissions in FY2010 when compared to FY1990 levels (Yamaha Headquarters, factories, and Yamaha Group companies in Japan)
Waste reduction (P26)	•Achievement of Zero Emissions by the end of 2005 (The Headquarters and six factories of the Yamaha Corporation) •Achieve Zero Emissions by the end of FY2007 (All nine Yamaha Group companies in Japan)	•The Headquarters complex and all six factories achieved Zero Emissions in May 2005 •Three Yamaha Group companies in Japan (manufacturing companies) achieved Zero Emissions	•Achieve Zero Emissions at all nine manufacturing companies belonging to the the Yamaha Group in Japan by FY2007
Protection of the ozone layer (P25)	•Elimination of HCFCs from manufacturing processes by FY2010 (At Yamaha Headquarters, factories, and manufacturing companies belonging to the Yamaha Group in Japan)	•HCFCs were completely eliminated from manufacturing processes in April 2004	
Management of chemical substances (P26-27)	•20% reduction of emissions of PRTR-designated substances in FY2006 when compared to FY2002 levels (Yamaha's Headquarters and factories, and Yamaha Group companies in Japan)	•Emissions of PRTR-designated substances reduced 13.5% (143 tons) from FY2002 levels	•20% reduction of emissions of PRTR-designated substances in FY2006 when compared to FY2002 levels (Yamaha's Headquarters and factories, and Yamaha Group companies in Japan)
Groundwater purification (P27)	•Ongoing purification of groundwater (3 sites)	•Purification at two sites has improved water quality to the point where it exceeds that required by environmental law	•Continue using the pumped water aeration/activated carbon absorption method for groundwater purification
Information disclosure Environmental communication Social contribution (P14, 22)	•Improve the content of the Environmental and Social report	•The "Corporate Social Responsibility" section of the report has been improved	•Change the title from "Environmental and Social Report" to "CSR Report," expanding on content related to corporate social responsibility
	•Promotion of environmental education	•Distributed leaflets on environmental issues to participants on the factory tour (environmental leaflets for children and leaflets on photovoltaic power generation) •Held environmental seminars during factory tours for elementary, junior and high school students. •Held environmental seminars during the factory tours for corporate customers and residents of local communities	•Continue holding environmental seminars during factory tours
	•Forest conservation	•Began planting trees in "Yamaha no Mori" in Indonesia (1,400 participants)	•Continue planting trees (current plans are to plant 150 - 200,000 trees on approximately 120 hectares of land by FY2009)
	•Local clean-up campaigns	•763 people participated in local cleanup campaigns, collecting 2.2 tons of litter	•Continue participation in local clean-up campaigns
	•Encouraging employees to attempt environmental conservation at home	•1,933 households, or approximately one third of Yamaha employees and their families participated in the "Smart Life Guide" initiative, helping to prevent global warming	•Continue efforts to prevent global warming using the "Smart Life Guide"

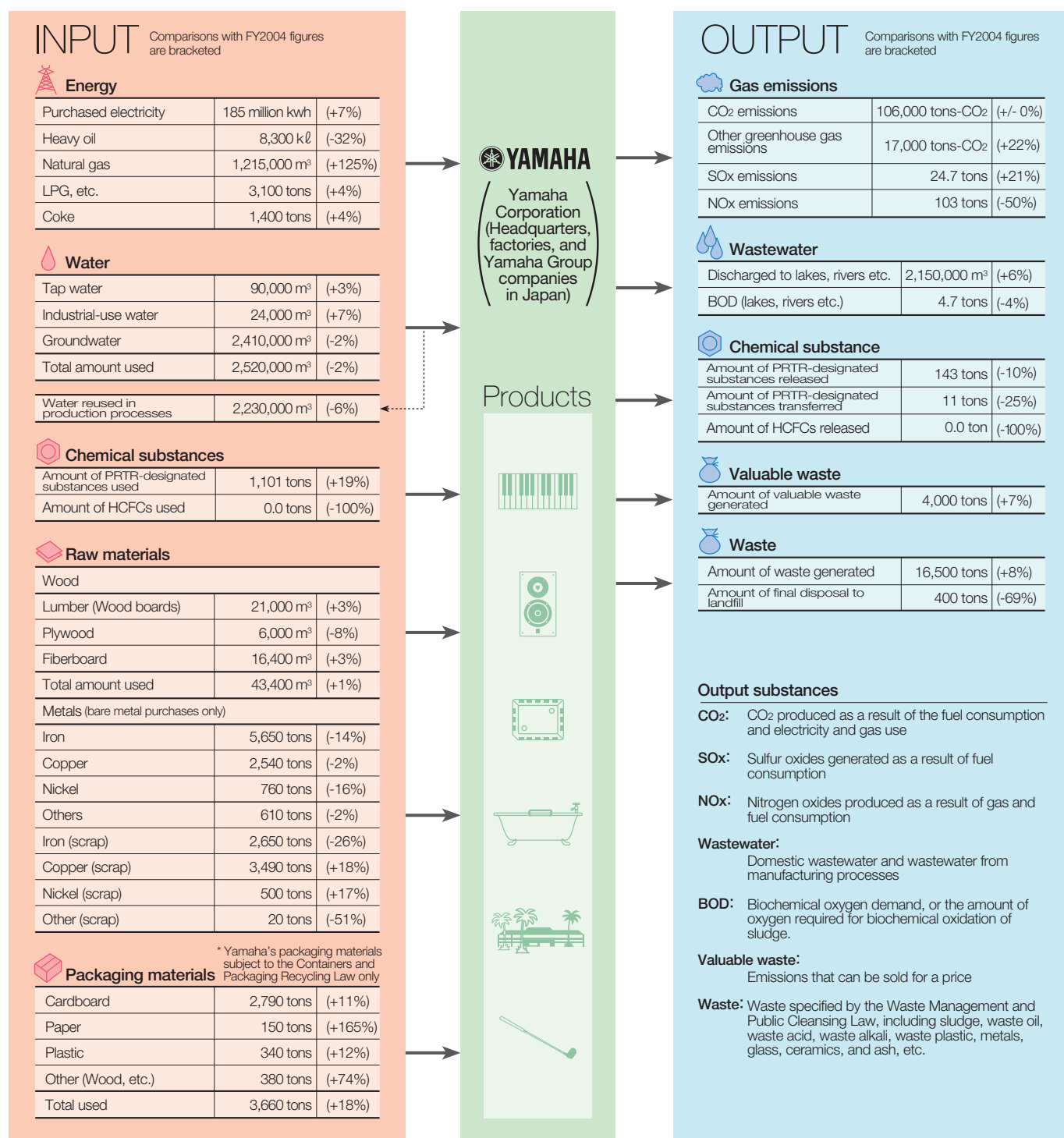
Zero Emissions: The Yamaha Group defines this as "restricting the volume of final deposit of landfill to 1% or less of waste generated."

Material Balance

The Yamaha Group produces a wide variety of products, including musical instruments, AV/IT equipment, semiconductors, specialty metals, home equipment and automobile interior wood components.

To clarify the relationship between these varied business activities

and their effect on the environment, the Group analyzes the material balance between the substances input and output in its business processes, and discloses its findings. This is an important factor in reducing the environment impact of Group activities.



Environmental Management

To promote ongoing environmental conservation throughout the Yamaha Group, sales offices and production sites are implementing environmental management systems that meet international standards.

Environmental Management Structure

The Yamaha Corporation established its Environment Management Section in 1974 and the Global Environment Division (currently the Environmental Management Division) in 1992, and has consistently promoted environmental conservation throughout the company. In 1994, the Corporation inaugurated its Environmental Committee, a cross-sectional company-wide organization under which a number of working groups were set up to discuss individual objectives. The Committee also worked to promote environmental conservation throughout the Yamaha Group.

In April 2006, to comply with standards set out for shippers of goods in the "Revised Energy Conservation Law",* the Yamaha Corporation set up the Logistics Energy Conservation Working Group. This working group is made up of members from all Group companies subject to this law, including the Yamaha Corporation, and has the goal of setting out energy conservation plans and organizational structures that comply with amendments to the law. It is also investigating measures to reduce CO₂ emissions associated with the transport of goods.

Since 1998, each place of business that has achieved ISO 14001 certification has set up an Environmental Committee, comprised of representatives from each department and division, and headed by the senior manager of the business.

These committees have established subcommittees tasked with achieving goals in specific areas such as energy conservation, achieving Zero Emissions, compliance with the RoHS directive, and environmentally-friendly product development.

* "Revised Energy Conservation Law": and abbreviated name for an amendment to the "Law concerning the Rational Use of Energy," which was enacted on April 1, 2006. In addition to transport companies above a certain size (designated carriers), this law requires organizations that freight more than 30 million tons of goods per year to provide information on their energy consumption and plans for energy conservation.

ISO 14001 Certification

The Yamaha Group is implementing environmental management, encouraging the acquisition of the ISO 14001 international standard as a part of a structure designed to progressively reduce the burden its business activities place on the environment.

Beginning with Yamaha Kagoshima Semiconductor Inc. in 1997, six resorts in Japan and 28 Group companies (manufacturing companies) in Japan and overseas had achieved certification.

Continuing this trend, the main sales offices in Japan (Tokyo, Osaka, and Nagoya) began preparing for certification in 2004, with the Tokyo Office receiving certification in October 2005. The Osaka and Nagoya offices are scheduled to complete the certification procedure in FY2006.

* Please refer to page 3 of the Environmental Performance Data supplement for information on the current status of ISO 14001 certification in the Yamaha Group.



Auditing the Tokyo Office

Complying with Environmental Law

To comply with environmental law, the Yamaha Group has established an independent management standard that surpasses that which is legally required, and uses an environmental management system to carry out inspection, measurement, and assessment.

The Yamaha Corporation incurred no penalties, litigation, or minor fines for legal infractions or environment-related issues in FY2005. Moreover, there were no mishaps affecting any external party.

Environmental Risk Management

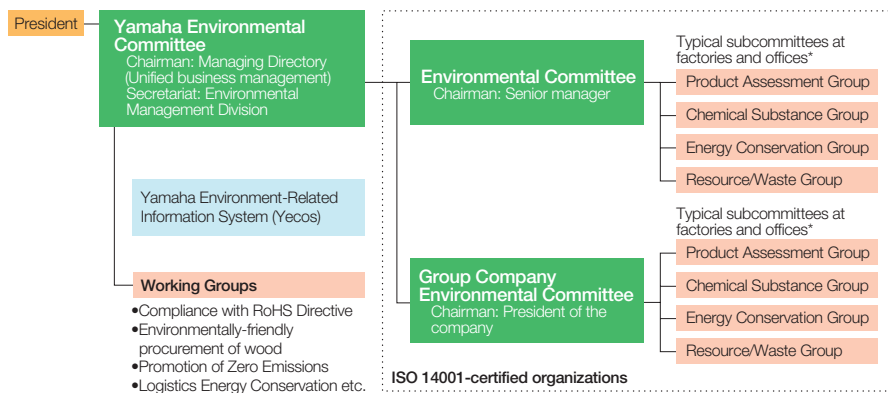
To prevent accidents that might adversely affect the environment, the Yamaha Corporation has implemented risk management measures for the control of oil, grease, and chemical substances.

Each place of business investigates the quantities of these substances which it handles and stores, and evaluates the level of hazard they may pose. Additionally, information on past accidents both inside and outside the Corporation, along with hypothetical emergencies are examined. Following these analyses, each location takes measures to ensure that its handling and management facilities are sufficient in minimizing the risk of such crises occurring, and installs control gates and leak prevention equipment for use in the unlikely event that one should happen. Furthermore, all locations carry out regular emergency drills and ensure proper communications and execution of containment measures with appropriate speed in the event of an emergency. A practice drill for a simulated oil or chemical spill, for example, would involve using water or a similar substance to duplicate a spill, and then carrying out actual accident management procedures on-site. Any deficiencies or faults in these procedures are then rectified, improving the level of risk management.



Emergency response training (Kiroo Associates Co., Ltd.)

Environmental Management Structure



* Actual subcommittees may vary depending on the place of business or Group companies.

Sample Case Yamaha Music Manufacturing Asia

Upgrading Wastewater Treatment Facilities to Reduce Risk to the Environment

In January 2006, Yamaha Music Manufacturing Asia upgraded its wastewater treatment facilities to improve its capacity to process wastewater. This has resulted in the water quality of the effluent from the plant being consistently well above the wastewater standard required by the industrial park in which the plant is situated.

The chemical precipitation and activated sludge methods used in the new treatment facilities handle more effluent than the methods used by the previous facilities, allowing the plant to process approximately 36 tons of industrial effluent per day. These facilities also allow the removal of waste matter (sludge), and make recycling of the water possible. The processed wastewater is reused in coating processes, contributing to a reduction in regular water consumption.



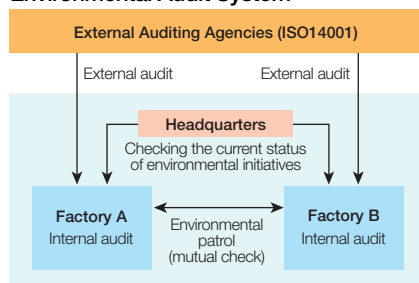
The upgraded water treatment facilities

Environmental Auditing

In accordance with the ISO 14001 standard, in-house staff carry out internal environmental audits in all ISO 14001 certified places of business belonging to the Yamaha Group. These locations also undergo regular environmental audits by staff from external organizations as mandated by the ISO 14001 standard.

Any inadequacies found by these audits

Environmental Audit System



and inspections are investigated and possible solutions suggested. The effectiveness of these solutions is then evaluated to prevent a reoccurrence of the problem. Results from external audits and other information pertaining to environmental load is published on an environmental information site on the Corporate intranet and disseminated through E-mail in an attempt to improve environmental management throughout the entire Group.

•Environmental Inspections* and Audits

An external environmental audit in FY2005 found no major instances of non-compliance, but revealed 41 areas in need of improvement. Corrective actions were taken promptly, and the environmental management system was modified to function more effectively.

Under the Group's internal environmental auditing system, qualified employees evaluate the status of ISO 14001-related activities, and assess the level of compliance with other legally mandated or independently defined standards. Suggestions for improvement are passed on to other departments, actively promoting improvement throughout the entire place of business.

* Please refer to page 3 of the Environmental Performance Data for environmental audit results.

•Environmental Patrol

The Yamaha Corporation has consistently carried out an "Environmental Patrol" at six factories around Japan since 1981, well before the "Basic Environment Law" was enacted in 1993.

Employees from each factory who are qualified as internal environmental auditors, staff responsible for the management of the facility, and staff from the Headquarters' Environment Division take part in the patrol.

They are organized into multiple groups, who examine each other's findings on the status and effectiveness of the environmental management system at each factory, as well as the management of environment-related facilities. The patrol found 44 areas for improvement in FY2005, down from 46 in FY2004, and did not find any major instances of non-compliance which might result in an accident.

The number of such areas in need of improvement has decreased drastically since all six factories achieved ISO 14001 certification at the end of FY2000.

The patrol includes management personnel from the facility and those directly involved its operation. Their

presence on-site, identifying and suggesting solutions for real-world environmental risks such as excessive noise levels and bad drainage has contributed to an improvement in the management at each factory. The environmental patrol is also proving useful both in sharing risk management know-how between the various places of business in the Yamaha Group and in improving the skills of inexperienced internal auditing staff.



Checking noise levels around the periphery of a factory

Internal Environmental Auditor Training

The Yamaha Group is working to train its internal environment auditing staff, to enable it to carry out a system of continuous improvement rooted in the "Plan - Do - Check - Action" management cycle.

Four times a year at regular intervals, the Group invites instructors from specialist agencies to lecture at "Internal Environment Auditor Training." These seminars are based on a standardized program that includes examinations which employees must pass in order to gain certification as internal environment auditors.

In FY2005, 123 employees in the Yamaha Corporation and other Group companies in Japan qualified as internal environmental auditors bringing the total of employees who have qualified as auditors since 1996 to 742 (excluding retired employees).



An internal environmental auditor training seminar

Environmental Management

Environmental Education

The Yamaha Group provides training on environmental issues aimed at raising each employee's level of environmental awareness. The initiative is designed to improve the level of environmental conservation-oriented activity within the group. Divided into "General Training," "Specialist Training," and "ISO 14001 Training," the training curriculum caters to all occupations and specialties, from new employees right through to members of the board of directors.

The Group also encourages its employees to acquire publicly offered environmentally-oriented certification, and to participate in external classes, for which it has established a fee-reimbursement system. Through its intranet system the Yamaha Group also disseminates information on environmental law, the ISO 14001 standard, and environmentally-friendly products and techniques.

Environmental Communication

The Yamaha Group believes that appropriate, honest disclosure of its beliefs and initiatives regarding environmental management to as wide a range of stakeholders as possible is vital. In addition to providing environmentally-related information through the Corporate website and "Environmental and Social Report," each place of business welcomes local residents to factory tours and social gatherings, holds seminars on the environment and other issues, and maintains good communications with the region on environmental matters.

Sample Case Yamaha Corporation Headquarters

Introducing Factory Tour Participants to Yamaha's Environmental Conservation Activities

To increase local residents' understanding of Yamaha's business activities, the Corporation encourages elementary school students to tour its factories, welcoming approximately 5,000 children to the factory at its headquarters complex every year. In August of 2005, 55 children and parents attended the "Parent - Child Summer Holiday Industrial Waste Management Facility Study Program*," where employees of the Yamaha Corporation talked about photovoltaic power generation, Zero Emissions, and other environmental conservation activities.

* Parent - Child Summer Holiday Industrial Waste Management Facility Study Program: An excursion held by the western branch of the Shizuoka Prefecture Industrial Waste Association.

List of Training Programs Held in FY2005

	Name	Participants
General training	New employee training	New employees
	Product manufacturing seminar	All applicants
	Environmental management course at Yamaha's Advanced Skill School	Employees enrolled at Yamaha's Advanced Skill School
	Environmental management course at Yamaha's Technical Training Center	Employees enrolled at Yamaha's Technical Training Center
	Environmental Seminar "Our relationship with Living things and the Earth" Lecturer: Keiko Nakamura (Head of the JT Biohistory Research Hall)	Directors and all employees
Specialist training	Wastewater treatment facility operations manager training	Wastewater treatment facility operations managers from Japan and overseas
	Skills improvement seminar for inspectors of Waste Disposal Contractor sites Lecture: "Appropriate Treatment and Control of PCB Waste" Lecture: "Product Assessment / LCA" Lecture: "RoHS Compliance"	Employees or related departments in charge of environmental issues
	Lecture: "Compliance with the ISO 14001:2004 Standard"	Employees or related departments in charge of environmental issues
ISO 14001 training	General education (environmental policies, purposes, objectives, etc.)	All employees
	Special education (environmental procedures etc.)/ education for qualified personnel	Employees or related departments in charge of environmental issues
	Internal environmental auditor training seminars	Employees designated for training as internal auditors
	Emergency response training	Employees and related departments and their employees in charge of environmental issues

Sample Case Yamaha Corporation

Issuing the "Smart Life Guide" Home Environmental Ledger

Yamaha Corporation has published an environmental household account book titled the "Smart Life Guide" for employees and their families every year since FY2003.

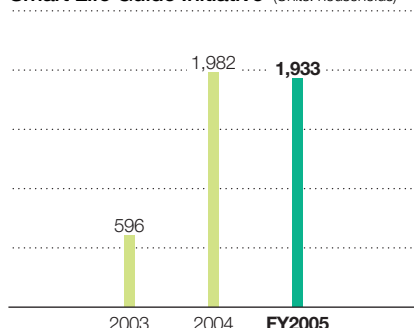
These families attempt to conserve energy while recording their energy use in the Smart Life Guide every month. The goal of this activity is to have families take part in preventing global warming, now a task for the entire world, and at the same time, give them an understanding of environmental conservation.

In FY2005, 1,933 households, or approximately one-third of all employees and their families participated. The Yamaha Group plans to continue to issue the Smart Life Guide in an ongoing effort to spread awareness of environmental conservation.



Smart Life Guide

Change in Participant Numbers in the Smart Life Guide Initiative (Units: households)



Sample Case Yamaha Group

Participating in Team Minus 6

Since FY2005, the Yamaha Corporation has participated in "Team Minus 6 Percent," a national global warming prevention exercise that coincides with the introduction of the Kyoto Protocol. Yamaha is promoting this exercise as a new initiative in the energy conservation activities it is already pursuing and promoting.

For example, offices at the Yamaha Corporation previously had room temperatures set at a minimum of 28°C in summer, but as part of the new initiative, instituted a "No Necktie" policy which allowed employees to work in more comfort. This policy appears to have been effective, as consumption of natural gas at the Tokyo office is down 14% on the previous year, while electricity consumption has been reduced by 5%.

Additionally the Headquarters and Tokyo offices of the Yamaha Corporation, together with Yamaha Music Tokyo and the Yamaha Music Tokai Corporations are participating in "Black Illumination 2006," a lighting reduction campaign sponsored by the Ministry of Energy. On June 18th, all signboard illumination at these facilities was turned off, in a call to employees and customers to prevent global warming.



A poster from the "No Necktie" campaign

Making Environmentally-Friendly Products

Creating products while maintaining an awareness of environmental issues is an essential part of the mindset needed for recycling and for reducing the environmental impact of society as a whole. In designing its products, the Yamaha Group focuses on reducing the use of substances that have an impact on the environment, deter from energy conservation, and are inefficient to recycle.

Product Life Cycle Assessment (LCA)*

LCA is an effective method of evaluation for promoting environmentally-friendly designs, taking into account the total lifecycle of the product including material procurement, production, transport, use, and disposal.

The Yamaha Corporation began preparations for the implementation of LCA in FY2002, and in FY2005 introduced LCA practices into products such as the Digital Sound Projector™ YSP-1000 in the AV business sector, and the BK-2000 BASS keyboard for schools, aimed at the music education business. Each of these products was evaluated against conventional Yamaha products.

* LCA: An abbreviation for Life Cycle Assessment

Examples of LCA application

YSP-1000 Digital Sound Projector™

LCCO₂ emissions for the YSP-1000 total less than 40% of that of amplifier / speaker combinations used in other home theater sets produced by Yamaha.

In addition to a reduction in the materials achieved by combining the amplifier and speakers into a single unit, the use of an efficient digital amplifier and the reduced standby power consumption have significantly reduced the impact the YSP-1000 makes on the environment when used.

The YSP-1000 case is made of easily recyclable sheet metal, decreasing the environmental load incurred upon final disposal of the product.

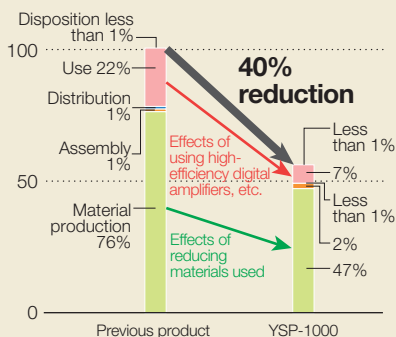
Moreover, the YSP-1000 uses 27% less packaging than conventional products, further decreasing environmental load.

* LCCO₂ emissions: The amount of CO₂ emitted over the entire life cycle of a product



YSP-1000 Digital Sound Projector™

Comparison of LCCO₂ Emissions for the Digital Sound Projector™



Managing Chemical Substances Contained in Our Products

Some products contain substances that require processing when the product is disposed of, in order to prevent any impact on the environment (environmental load). Recently there has been a move to curtail the use of such substances, with many countries around the globe strengthening their control and regulation. An example of these global efforts is the directive on "Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS*1)," which was enacted in Europe in February 2003 and applied to EU member states as of July 1, 2006, prohibiting the use of six substances in products, such as lead and hexavalent chromium.*2

In response, the Yamaha Group established a "Standard for Chemical Content in Products" in February of 2003, which includes measures against those substances targeted by the RoHS directive. The Group has since employed this standard in design and development to control substances contained in its products, guarantee compliance with the law, and reduce the impact products have on the environment. In March 2004, this Group issued the second edition of this standard, referring to guidelines such as the Japan Green Procurement Survey Standardization Guideline (issued by Japan Green Procurement Survey Standardization Initiative).

*1 RoHS: An abbreviation of "Restriction of Hazardous Substances in Electrical and Electronic Equipment"

*2 The six substances specified in RoHS are: lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl (PBB, brominated flame retardants) and polybrominated diphenyl ether (PBDE, brominated flame retardants)

•Promoting Green Procurement

Understanding and managing the substances contained in the parts and materials that make up a product is essential to controlling the substances contained in the product itself. Accordingly, beginning in June 2002, the Yamaha Group requested the cooperation of suppliers in a survey to establish whether any of the parts and the materials they supplied contained any substances specified in the RoHS directive. Based on the results of this survey the Group began the ongoing replacement of parts and materials containing these controlled substances, and updating production facilities to cope with the resulting changes. As an example, steel plates and screws containing hexavalent chromium were replaced with equivalents coated in trivalent chromium, and solder baths were replaced with solder baths capable of using unleaded solder, in line with the

Group's transition to unleaded solder.

These initiatives enabled the Yamaha Group to reach full compliance with the RoHS directive by April 2006.

In addition to substances subject to the RoHS directive, this survey also allowed the Group to establish whether substances defined in the "Standard for Chemical Substance Content" were present in certain products and business lines.

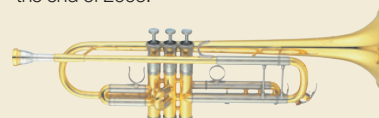
The Group will evaluate whether to expand the scope of the survey beyond the substances covered by the RoHS directive, basing future testing on such international guidelines as the JIG*.

* JIG: An abbreviation of "Joint Industry Guide for Material Composition Declaration for Electronic Product." This is a green procurement survey guideline created by the Japan Green Procurement Survey Standardization Initiative in cooperation with industry in Europe and the United States.

Eliminating the Use of Lead in Wind Instruments

Although they are not subject to the RoHS directive, the Yamaha Group is voluntarily pursuing the replacement of substances such as lead in its products.

As part of this initiative, the Group is proceeding with the move to lead-free solder in its wind instruments, the first such attempt in the world. Production of these instruments began in FY2003 and by the end of 2005 leaded solder had been eliminated from all wind instrument products manufactured in Japan. The Group plans to complete the elimination of leaded-solder at the Groups manufacturing facilities in other countries by the end of 2006.



A trumpet made using lead-free solder

•Disclosure of Information on Products Containing Asbestos

In 2005, asbestos-related sickness gained recognition in Japan as a problem in society at large. In response, the Yamaha Group conducted an investigation which confirmed that none of the products it currently manufactures or sells use asbestos.

Since some Group products manufactured or sold in the past were found to contain asbestos, this information was published on the corporate website. The asbestos used in products from the Yamaha Group was hardened using resins and other similar materials and will not disperse in normal conditions of use, and as such does not pose a risk to consumer health.

Making Environmentally-Friendly Products

Developing Environmentally Friendly Products

Sample Case Yamaha Corporation AV Products Division

Promoting Energy-saving Products

The Yamaha Corporation is systematically proceeding towards making energy-efficient AV products. In FY2005, it released 14 AV products with a standby power consumption of less than 0.1W, and developed 14 products that use high-efficiency digital amplifiers and switching power suppliers, such as the Digital Sound Projector™. Compared to the analog circuitry of conventional products, these items offer significantly lower levels of power consumption when in use, and are lighter and more resource-efficient, because they do not require large transformers or heat radiators.

The Division plans to further expand its line up of environmentally friendly products in FY2006.

Sample Case Yamaha Pro Audio and Digital Musical Instruments Division

Reducing Waste by Extending Product Life

When the Yamaha Corporation released the professional model of the Electone™ STAGEA™, it also released an upgrade kit which enabled owners of the standard model to upgrade the functionality of their instrument to that of the professional model. The Yamaha Corporation hopes that in providing customers with the means to extend the life of their instruments, it will reduce waste incurred by the process of purchasing new instruments and scrapping old ones.

Sample Case Yamaha Corporation Piano Division

Transitioning to Lead-Free Digital Pianos

The Yamaha Corporation replaced the lead used in the keyboards of the some models in its digital piano* line with iron as a balance weight, and brought them into compliance with the RoHS directive.



DGP-2XG

* **Digital piano:** An electronic piano equipped with a wooden keyboard action that allows players to perform with the same touch they would use on an acoustic piano.

Sample Case Yamaha Livingtec Corporation

Developing New Energy-saving Bathroom Suites

Yamaha Livingtec Corporation released a new model in its "Beaut™" series of Bathroom Suites, developed with energy conservation in mind.

This model was built with a new design that employed structural analysis to remove any unnecessary space in the bathroom suite, resulting in a 20% reduction in weight of materials used when compared to models from 2002.

Improvements in the shape made it possible to reduce hot water consumption by 8.7m³ per year, while still preserving the comfort and spaciousness of the bathtub. Moreover, improved heat retention in both the bath and the bathroom as a whole allow a reduction in CO₂ emissions associated with water heating of more than 190kg per year when compared with previous products.



The Beaut™ TZ Series

Narrowing the side of the bathtub where a person's legs would go, along with adding a bench, reduces the overall volume of the bath.

Sample Case Yamaha Corporation Pro Audio & Digital Musical Instruments Division

Developing Energy-efficient Compact PA Systems

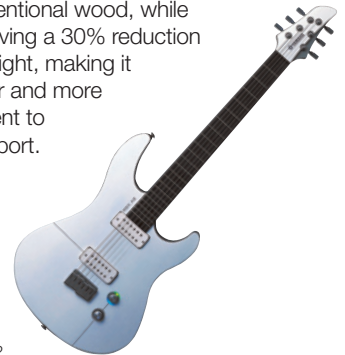
The Yamaha Corporation developed the STAGEPAS™ 300, a compact, energy-efficient portable PA system.

At one-fifth the size of a conventional powered mixer, its compact and lightweight frame allows the mixer component to be stored inside the speaker, cutting down on any packaging material required and also making shipping easier and more efficient. Moreover, the use of a digital amplifier means that the STAGEPAS™ 300 is capable of outputting 300W of sound (2 channels of 150W), while consuming less than half of the electricity required by other models of comparable power.

Sample Case Yamaha Corporation Wind, String & Percussion Instruments Division

Developing an Electric Guitar that Uses Plantation Wood

Some species of trees whose wood has been prized for its excellent acoustic properties are becoming increasingly scarce. To aid in protecting such species, the Yamaha Corporation developed the RGX-A2 electric guitar, which makes use of lightweight, plantation-grown "falcataria" wood for the guitar body rather than other, less abundant woods. The new guitar maintains the acoustic characteristics of conventional wood, while achieving a 30% reduction in weight, making it easier and more efficient to transport.



RGX-A2

Sample Case Yamaha Fine Technologies Co., Ltd.

Supporting Environmental Awareness in Corporate Clients

Yamaha Fine Technologies Co., Ltd. is supporting the environmental awareness of its manufacturing-oriented customers. One example is the "Leak Tester," which allows users to measure the integrity of gasoline tanks or air conditioners in vehicles. This device has proven to be useful in avoiding even minimal leaking of fuel or coolant to ensure that vehicles comply with environmental regulations.

Another example is the "Micro-prober," a precision machine for inspecting conduction flow that reduces erroneous results in the open / short testing of FPC (Flexible Printed Circuits) which contain many delicate circuitry patterns. The reduction in errors gives an improvement in yield that conserves resources and reduces waste.



Leak Tester

"Micro-prober"
Conduction break
inspection machine

Environmentally-Friendly Production and Logistics

The Yamaha Group is making an ongoing effort to reduce its impact on the environment by helping to protect the ozone layer and stop global warming through measures such as energy conservation, reduction and recycling of waste output, management of chemical substances, and initiatives in packaging and logistics.

Preventing Global Warming

The Yamaha Group is striving to reduce energy consumption and greenhouse gas emissions in an effort to limit global warming and fossil fuel depletion. By FY2010, we aim to achieve a 6% reduction of CO₂ emissions at Yamaha's Headquarters, factories and manufacturing companies (Group companies in Japan), in comparison to FY1990 levels.

With this goal in mind, we have taken various measures to reduce our CO₂ emissions. These measures include installing a photovoltaic power generation system, switching our boilers from heavy oil to natural gas (which has a lower CO₂ conversion factor), and encouraging the use of energy-saving equipment at our facilities. In FY2005, Yamaha Livingtec Corporation also installed a cogeneration system^{*1}.

In FY2005, energy consumption by the Yamaha Group in Japan amounted to 1,240TJ^{*2}, down 6% from FY2004, while CO₂ output remained at 106,000 tons, the same level as the previous year.

In addition to CO₂, greenhouse gases used by the Yamaha Group in Japan include perfluorocarbons (PFC), sulfur hexafluoride (SF₆), and hydrofluorocarbons (HFC) at Yamaha Kagoshima Semiconductor Inc.

To reduce emissions of these substances, Yamaha Kagoshima Semiconductor Inc. is in the process of installing exhaust gas treatment systems. Two systems were installed in FY2004, and another in FY2005. Consequently, in FY2005 the company had to change production processes to cope with the need for higher integration in products, which required the use of SF₆, a greenhouse gas with a high global warming coefficient. When converted to CO₂, output increased by 2,200 tons from FY2004 to 16,700 tons. Yamaha Kagoshima Semiconductor Inc. is in the process of evaluating the expansion of treatment facilities to reduce these emissions.

^{*1} **Cogeneration system:** An energy system that uses a single energy source to generate two or more forms of usable energy, such as heat or electricity.

^{*2} **TJ (Terajoule):** 10¹² Joules

Sample Case Yamaha Livingtec Corporation

Installation of a Cogeneration System

Yamaha Livingtec Corporation installed a cogeneration system in March 2006 as a measure to combat fossil fuel depletion and global warming. The cogeneration system consists of three diesel generators capable of producing over 1,000kW of electricity. The resultant heat is used to produce steam and hot water for use in manufacturing processes. The installation of this system resulted in savings of approximately 500 kiloliters of fossil fuels (crude oil conversion), and an estimated reduction of 15% in CO₂ emissions or 1,275 tons from FY2005 levels.

In a first for the Yamaha Group, Yamaha Livingtec Corporation employed an ESCO^{*} (Energy Service Company) to implement this system. In the future, Yamaha plans to make use of ESCO organizations to further increase such initiatives.

^{*} **ESCO:** An organization that provides energy-conservation measures and financing, as well as installation and management of facilities and systems. ESCOs work with their customers to reduce energy consumption, receiving compensation in relation to the amount of energy reduction actually achieved.



The cogeneration system installed through the ESCO.

Sample Case Yamaha Kagoshima Semiconductor Inc.

Winning the Agency of Natural Resources Director's Award

In recognition of the results of its efforts to conserve energy, Yamaha Kagoshima Semiconductor Inc. received the Agency of Natural Resources Director's Award (Electricity Category) from the 2005 Commendation Program to Excellent Energy Management Factories, sponsored by the Ministry of Economy, Trade and Industry.

Yamaha Kagoshima is continuing its efforts towards reducing its consumption of electricity, reducing the use of well pumps by recycling waste water, using inverters on external air coolers, air conditioners, and pumps for wastewater drainage, and switching from air-cooled to water cooled refrigeration equipment.

Efforts to Protect the Ozone Layer

In an effort to protect the ozone layer, by the end of 1993 the Yamaha Group had totally eradicated the use of specified CFCs. Following this, Yamaha began using HCFCs as cleansing agents for piano wires and printed-circuit boards in two of its factories, which it then phased out at its Kakegawa Factory in 2004, at D.S. Corporation in April 2005, thus eliminating the use of HCFCs from the manufacturing processes of all companies in the Yamaha Group. Although HCFCs contribute less to ozone layer depletion than specified CFCs, they have a high global warming coefficient, and their total elimination from manufacturing processes is a significant contribution by the Yamaha Group to the prevention of global warming.

Initiatives to Recycle Water and Reduce its Consumption

The Yamaha Group has been recycling wastewater from production processes since the early 1970s. For 2005, water consumption at the Yamaha Group in Japan totaled 2,520,000m³, almost the same as for the previous year.

While consumption at some factories increased due to an increase in manufacturing, it was balanced by the reductions achieved through initiatives such as the use of leak-prevention measures on aboveground pipes at the Yamaha Corporation's Toyooka Factory, and coolant recycling at YP Winds Corporation.

Sample Case YP Winds Corporation

Promoting Recycling by Changing Equipment Cooling Methods

YP Winds Corporation had previously used large quantities of water to cool the high-frequency soldering machines used in its manufacturing processes. However, in FY2005 the Corporation switched to methods which enabled it to recycle all water used to cool these machines in cooling towers.

As a result, YP Winds Corporation was able to reduce its overall water consumption to 1,560m³, a 51% reduction from FY2004.

Environmentally-Friendly Production and Logistics

Efforts to Reduce Waste

•Four Manufacturing Companies from the Yamaha Group in Japan Achieve Zero Emissions*

The Yamaha Group promotes the Zero Emission initiative to minimize the volume of final disposal to landfill by recycling wastes generated through its business activities.

In FY 2005, six factories belonging to the Yamaha Corporation achieved Zero Emission, and the Corporation itself began an initiative aimed at having all manufacturing companies (Group companies in Japan) achieve Zero Emissions in FY2007. As a result, three companies have achieved Zero Emissions: D.S. Corporation, Yamaha Fine Technologies Co., Ltd, and Sakuraba Mokuzai Co., Ltd. All other companies in the group are working to achieve Zero Emissions in as short a time frame as possible.

* **Zero Emissions:** The Yamaha Group defines this as "restricting the volume of final disposal to landfill to 1% of the waste generated or less."

Achievement of Zero Emissions

Yamaha Corporation	
Location	Time achieved
Toyooka Factory	End of March 2004
Kakegawa Factory	End of June 2004
Tenryu Factory	End of March 2005
Saitama Factory	End of April 2005
Headquarters and factory	End of April 2005
Iwata Factory	End of May 2005

Manufacturing companies (Group companies in Japan)

Location	Time achieved
Yamaha Kagoshima Semiconductor Inc.	End of May 2003
D.S. Corporation	End of October 2005
Yamaha Fine Technologies Co., Ltd.	End of February 2006
Sakuraba Mokuzai Co., Ltd.	End of March 2006
Yamaha Livingtec Corporation (Including Yamaha Living Products Corporation)	Working to achieve Zero Emissions by the end of FY2007.
Yamaha Metanix Corporation	
Yamaha Music Craft Corporation	
YP Winds Corporation	
Yamanashi Kogei Co.,Ltd.	

Sample Case

Yamaha Corporation Tenryu Factory

Separating Wastes by Color

To promote recycling, the Yamaha Corporation Tenryu Factory is attempting a fastidious separation of its waste products. The factory instigated rules for the disposal and separation of approximately 20 categories of waste, color-coding the



Disposal area

containers and signboards so that each category is easy for employees to recognize.

•Enhancing Risk Management for Waste Materials

In 2004, to prevent inappropriate actions such as the illegal dumping of wastes and carry out its responsibility as a waste producer towards recycling, the Yamaha Group put a solid waste management system into place across the entire Group.

The Environmental Management Division played a key role in putting this system into operation and providing guidance in its management in FY2005.

Furthermore, as a new initiative aimed at reducing risk associated with waste materials, the Environmental Management Division worked closely with each business unit to inspect the facilities of the waste management contractors the business unit has entrusted with its waste disposal operations. In FY2005, approximately 90 business units took part, with the heads of waste committees and personnel from emissions departments making up a 170-strong team that was able to establish that vendors were processing waste in an appropriate manner.

This effort will continue in FY2006, as the Group attempts to ascertain which areas should be inspected, and with what frequency, to improve the efficiency of the initiative.

Manifest Training

Amendments to the Waste Management and Public Cleaning Law have increased the responsibilities of organizations that discharge waste. Accordingly, accurate keeping of an industrial waste manifest is necessary. In order to meet this requirement, in FY2005 the Yamaha Group conducted training sessions for personnel responsible for delivering these manifests. Approximately 60 participants attended sessions held at four business units (including some Group companies), receiving instruction on both the vital points to look for when entering data into the manifests and the manifests themselves, along with the actual entering of real data into the latest manifests. The exercises helped to deepen their understanding of the tasks involved.



Manifest training (Yamaha Fine Technologies Co., Ltd.)

Management of Chemical Substances

•Complying with the PRTR* Law

The Yamaha Group has aggregated its release and transfer of the 354 substances subject to the PRTR law since FY1999, and is making an ongoing effort to reduce the total.

In accordance with this law, each business unit has reported the aggregate figures to its regional regulatory authority on a yearly basis since FY2001.

In FY2005, Yamaha Group emissions to the environment totaled 143 tons, a 15-ton reduction on the amount for the previous year. Changes to raw materials not covered by the PRTR law, improvements in production processes, and the installation of recovery equipment contributed to this reduction in emissions.

* **PRTR:** An abbreviation for Pollutant Release and Transfer Register. The PRTR Law is an abbreviation of the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in their Management.

Sample Case

Yamaha Fine Technologies Co., Ltd.

Installing Recovery Equipment to Reduce Thinner Use

To reduce the use of substances subject to the PRTR law or volatile organic substance emission standards, Yamaha Fine Technologies Co., Ltd. is making a conscious effort to reduce the amount of thinner used in cleaning processes.

In July 2004, a recovery machine for cleaning thinners was installed, and recycling trials began. In FY2005, the coating line installed a recovery machine as part of its default operations, and began normal operations. As a result, 76.8%, or 325kg (monthly average) was deemed recoverable, reducing the amount of cleaning thinners used for a given coating surface by approximately 15%.

Sample Case

Yamaha Metanix Corporation

Eliminating the Use of Dichloromethane

Since 1999, Yamaha Metanix Corporation has been endeavoring to reduce the amount of dichloromethane it uses to degrease the metal surfaces.

Dichloromethane is classified as a class-1 chemical substance under the PRTR law. In FY2001, drainage cleaning systems were installed in approximately 90% of all cleaning lines, with the result that in FY2002, usage was reduced to less than 10 tons per year, down from an average of approximately 100 tons per year up until

2001. Moreover, in FY2005, Yamaha Metanix Corporation installed equipment that utilizes hydrocarbon cleaning agents on the remaining cleaning lines, completely eliminating the use of dichloromethane by August of that year.

◆Appropriate Management and Processing Planning for PCB Wastes

The Yamaha Group stores and manages devices containing PCBs at 16 locations around Japan (As of FY2005, 5 transformers, 175 capacitors, and approximately 5,500 stabilizers), in accordance with the "PCB Special Measures Law"^{*1}.

The Japan Environmental Safety Corporation^{*2}, tasked with processing PCB wastes in Japan, has established a system of early registration discounts and the Yamaha Group completed registration of 176 devices targeted by this standard. Furthermore, in May 2006, the Group took measures towards ensuring the reliable processing of these materials, revising the "PCB Management Standard" defined in the ISO 14001 standard to strengthen control methods.

***1 PCB Special Measures Law:** An abbreviated for the "Law Concerning Special Measures Against Polychlorinated Biphenyl Wastes." This law requires all those organizations with stored PCB to report every year on their storage and disposal, and to disposal of all PCB by July of 2016.

***2 Japan Environmental Safety Corporation (JESCO):** A fully government-financed corporation established in 2004. JESCO began operating a PCB disposal facility in Kitakyushu in December 2004, and in 2005 opened additional facilities in Tokyo and in Toyota, Aichi Prefecture.

Measures against Soil and Groundwater Pollution

In 1997, the Yamaha Group carried out an independent investigation that found that soil and groundwater at three of its factories had been polluted with a chlorinated organic solvent. This finding prompted the immediate installation of purifying equipment and an ongoing recovery and purification of these solvents, as well as periodic monitoring of the groundwater.

At the end of FY2005, levels at the Yamaha Metanix Corporation and the Yamaha Corporation's Toyooka Factory met or bettered environmental standards, with purification efforts continuing. Pumped water aeration and activated carbon adsorption have been employed at the factory in the Corporation's headquarters complex, returning groundwater to a state closer to environmental standards.

Soil purification was completed in 2000.

Initiatives in Packaging and Logistics

The Yamaha Group continues to work at reducing the environmental load of its packaging and logistics processes. As an example of this commitment, since the 1960s all Yamaha grand pianos sold in Japan have been shipped wrapped in futons, (a type of Japanese quilt) with the repeated use of the futons reducing the amount of packaging materials required. More recently, in FY2004, the Electone™ STAGEA™ upgrade kit shipped in a "returnable package."

On the logistics front, the Group has used consolidated transport routes and strengthened packaging materials to increase carrying performance, aiming to improve the efficiency of its transport operations.

In April of 2006, the Environmental Committee formed the Logistics Energy Conservation Working Group to examine issues such as the optimization of Group-wide logistics, and decisions on energy conservation plans (see page 20).

Sample Case Yamaha Corporation Sound Proofing Division

Implementing Returnable Packaging

The Yamaha Corporation developed returnable crating for parts used in soundproof rooms, and began using them in June 2006. This packaging employs large reinforced cardboard boxes equipped with palettes and fixed bands, and can be collected and reused in the workplace.

This method reduced the packaging required for a small sound proof room of approximately 2.4m² in size to one box, as opposed to the 14 boxes required by conventional packaging methods, and reduced cardboard use from six tons to two tons per year. Moreover, the strength and shape of the crates allows them to be stacked two high, allowing for greater efficiency in transportation that results in a reduction in CO₂ emissions.



Conventional packaging



Newly developed returnable packaging

Sample Case Yamaha Livingtec Corporation

Expanding the Use of "Green Containers" and Returnable Packaging

Yamaha Livingtec Corporation introduced the use of "green containers" for the transport of bathroom furnishings in FY2000. The system delivers components and materials in specialized racks made by Yamaha Livingtec Corporation, reducing the use of cardboard by 75% when compared to conventional methods that use individual packaging.

In FY2005, the use of green containers was expanded to cover 62% of all unit bath products, compared to 55% for the previous year.

Yamaha Livingtec Corporation also collaborated with Asahi Kasei Homes Corporation to develop returnable packaging, a packaging material made out of waste paper, which can be reused 20 to 30 times. Since April 2004, use of this packaging has been extended to the entire range of kitchens and bathroom vanities produced by Yamaha Livingtec Corporation. This packaging was used for 80% of products in FY2005 and is scheduled to be in use for 100% of products by September 2006. Additionally, in FY2005 returnable packaging was introduced into gas cookers, dishwashers, and range hoods, which are purchased from other manufacturers for onward sale.



Green containers



Returnable packaging



YAMAHA CORPORATION

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



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November 2006

Environmental Performance Data

The Yamaha Group in Japan: Yamaha Corporation Headquarters, factories and production affiliates located in Japan
Yamaha Corp.: Yamaha Corporation Headquarters and Factories
Group companies: Manufacturing Companies in Japan belonging to the Yamaha Group

Environmental Accounting Statistics gathered between April 1, 2005 and March 31, 2006

The Yamaha Group in Japan

Environmental Costs

In FY2005, environmental capital investments by the Yamaha Group in Japan amounted to 380 million yen (a reduction of 480 million yen compared to FY2004) with unconsolidated investments amounting to 230 million yen, a 410 million yen decrease from FY2004. Investment in environmental capital was directed towards upgrading septic tanks and wastewater treatment facilities, and to the installation of treatment systems for exhaust gases.

Environmental expenses for the Yamaha Group in Japan were 2,770 million yen, a reduction of 10 million yen when compared to FY2004. However, expenses related to initiatives such as RoHS compliance increased by 90 million yen from FY2004 to reach a total of 2,060 million yen.

Environmental Effects

1. Environmental Conservation Effects

CO₂ emissions from the Yamaha Group in Japan in FY2005 were approximately equal to those FY2004 levels. Upgrades to worn-out piping and measures taken against leakage reduced water consumption by 50,000m³ when compared to FY2004. Additionally, recycling efforts directed towards achieving Zero Emissions brought final disposal to landfill from the Yamaha Group in Japan to 700 tons, while the replacement of raw materials has enabled the Group to cut emissions of chemical substances to 15 tons, both of which are reductions in comparison to FY2004.

2. Economic Effects

Fuel and lighting expenses for FY2005 were approximately equal to those of FY2004, while a reduction in water consumption meant that water supply and sewerage costs both dropped by 2 million yen in comparison to FY2004. However, waste disposal expenses increased by 17 million yen from FY2004, due to rising disposal costs and an increase in the amount of material sent to recycling contractors, which was prompted by Zero Emissions efforts. The sales of valuable wastes resulted in an income of 94 million yen, an increase by 14 million yen from FY2004.

Each figure represents the cost actually paid out and does not reflect any estimate.

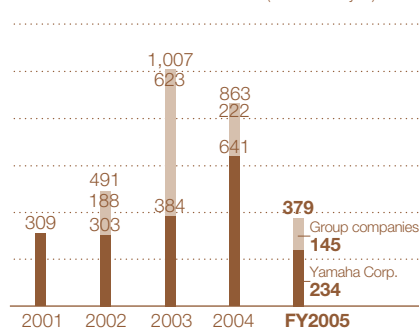
Environmental Costs (Unit: million yen)

	Details	Equipment Investment* ¹		Expenses* ²	
		The Yamaha Group in Japan	Unconsolidated	The Yamaha Group in Japan	Unconsolidated
Business area costs	Pollution prevention	209.5	149.3	562.2	348.4
	Energy conservation, etc.	108.7	49.6	89.0	77.3
	Waste, etc.	43.4	20.8	811.7	542.7
Upstream/downstream costs		2.9	2.7	227.3	143.0
Management costs		14.9	11.2	628.1	547.4
Research and development costs		—	—	405.6	356.6
Social activity costs		0.0	0.0	30.0	27.3
Environmental damage purification costs		0.0	0.0	15.6	14.7
Total		379.4	233.6	2,769.5	2,057.4

*1 Equipment investment refers to investment in factories and equipment made for environmental conservation objectives. The figure is calculated by multiplying the purchase price of individual pieces of equipment by a figure determined by the proportion of the environmental conservation purpose to the whole purpose of the purchase of such equipment (e.g., 0.1, 0.5, 1.0).

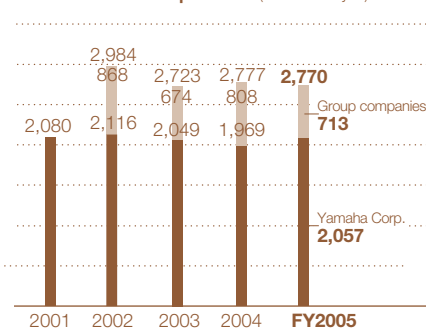
*2 Expenses refer to personnel and other costs expended for environmental conservation activities. Personnel expenses are calculated by multiplying the time spent on environmental conservation activities determined by the manager of each department by a common unit cost of personnel expenses set in each company. Costs are determined by multiplying the amounts paid externally by a certain figure calculated using a proportional distribution method as in the case of investment amounts (e.g., 0.1, 0.5, 1.0). Depreciation costs are not included.

Environmental Investment* (Unit: million yen)



* Group companies have no summed up data before FY2001.

Environmental Expenses* (Unit: million yen)



Environmental Conservation Effects

Details	Unit	FY2004	FY2005	Change
CO ₂ emissions	10,000 tons-CO ₂	10.6	10.6	0.0
Greenhouse gas emissions (other than CO ₂)	10,000 tons	1.4	1.7	-0.3
Water consumption	10,000 m ³	257	252	5
Waste disposed of or treated	1,000 tons	1.1	0.4	0.7
Chemical substances* released	tons	158	143	15
CFC substitutes emissions	tons	0.7	0.0	0.7

* Chemical substances refer to those that the Yamaha Group in Japan uses among the substances subject to the PRTR Law.

Economic Effects (Unit: million yen)

Details	FY2004	FY2005	Savings
Total savings			-13
Utility costs	3,073	3,073	0
Water costs	30	28	2
Sewerage and drainage costs	35	33	2
Waste disposal expenses	435	452	-17
Income from sale of valuable wastes	80	94	94
Economic effects			81

Resort Facilities

Environmental accounting was introduced to all 6 resort facilities from FY2004.

Environmental Costs

A breakdown of energy conservation investments shows that the main business area cost is the energy conservation-related construction work being carried out for Toba Hotel International Co.,Ltd. The main management cost is the greening of premises at each facility.

Environmental Effects

1. Environmental Conservation Effects

Measures such as Nemunosato Co.,Ltd's recycling of swimming pool water for use in irrigation reduced water consumption by approximately 40,000 m³ compared to FY2004.

2. Economic Effects

Utility expenses increased by 80.9 million yen compared to FY2004. This was caused by a sudden rise in crude oil prices, which pushed the cost of buying heavy oil up drastically, despite a reduction in the amount of fuel used.

Environmental Costs (Unit: million yen)

		Details	Equipment Investment	Expenses
Business area costs	Pollution prevention	Prevention of air, water and soil pollution, etc.	9.6	86.6
	Energy conservation, etc.	Prevention of global warming, protection of the ozone layer, etc.	22.8	3.4
	Waste, etc.	Waste recycling, resource saving, conservation of water, etc.	8.0	76.2
Upstream/downstream costs		Recycling of products, improvements in logistics, etc.	0.0	1.2
Management costs		Greening of premises, environmental education, etc.	3.4	257.0
Research and development costs		Development of environmentally-friendly products, models, etc.	—	0.6
Social activity costs		Social contributions, etc.	0.0	0.7
Environmental damage purification costs		Groundwater purification, etc.	0.0	0.3
Total			43.8	426.0

Environmental Conservation Effects

Details	Unit	FY2004	FY2005	Change
CO ₂ emissions	10,000 tons-CO ₂	3.67	3.55	0.12
Water consumption	10,000 m ³	141	137	4
Waste disposed of or treated	1,000 tons	0.98	1.40	-0.42

Economic Effects (Unit: million yen)

Details	FY2004	FY2005	Savings
Total savings			-73.2
Utility costs	946.0	1,026.9	-80.9
Water costs	240.0	226.4	13.6
Waste disposal expenses	31.3	37.2	-5.9
Income from sale of valuable wastes	0.4	0.4	0.4
Economic effects			-72.8

Overseas Group Companies (Manufacturing Companies)

In FY2004, the Yamaha Group began the implementation of environmental accounting practices at two out of fifteen of its overseas Group companies (manufacturing companies), and will continue to expand these practices to other overseas Group companies in the future.

Overseas Group Companies Practicing Environmental Accounting in FY2005:

P.T. Yamaha Musical Products Indonesia
P.T. Yamaha Electronics Manufacturing Indonesia

Environmental Costs (Unit: million yen)

		Details	Equipment Investment	Expenses
Business area costs	Pollution prevention	Prevention of air, water and soil pollution, etc.	8.9	10.0
	Energy conservation, etc.	Prevention of global warming, protection of the ozone layer, etc.	0.0	0.3
	Waste, etc.	Waste recycling, resource saving, conservation of water, etc.	0.0	3.7
Upstream/downstream costs		Recycling of products, improvements in logistics, etc.	0.2	0.2
Management costs		Environmental education, ISO 14001, greening of premises, etc.	0.2	4.1
Research and development costs		Development of environmentally-friendly products, models, etc.	—	0.0
Social activity costs		Social contributions, etc.	0.0	0.0
Environmental damage purification costs		Groundwater purification, etc.	0.0	0.0
Total			9.3	18.3

Environmental Conservation Effects

Details	Unit	FY2004	FY2005	Change
CO ₂ emissions	10,000 tons-CO ₂	0.87	0.88	-0.01
Water consumption	10,000 m ³	22	18	4
Waste disposed of or treated	1,000 tons	0.33	0.34	-0.01

Economic Effects (Unit: million yen)

Details	FY2004	FY2005	Savings
Total savings			-7.1
Utility costs	80.7	87.7	-7.0
Water costs	8.0	7.5	0.5
Sewerage and drainage costs	0.6	0.9	-0.3
Waste disposal expenses	2.3	2.6	-0.3
Income from sale of valuable wastes	0.4	4.3	4.3
Economic effects			-2.8

Acquisition of ISO 14001 Certification

Yamaha Corporation Factories in Japan

Site	Acquisition Date
Kakegawa Factory (including Yamanashi Kogei Co., Ltd.)	Nov. 1998
Iwata Factory	Mar. 1999
Saitama Factory	Sep. 1999
Toyooka Factory	Jun. 2000
Headquarters area*	Feb. 2001
Tenryu Factory (including Yamaha Fine Technologies Co., Ltd.)	Mar. 2001

Manufacturing Companies (Group Companies in Japan)

Site	Acquisition Date
Yamaha Kagoshima Semiconductor Inc.	Nov. 1997
Yamaha Metanix Corporation	Mar. 1999
Yamaha Music Craft Corporation	Jul. 2000
D.S. Corporation	Feb. 2001
Yamaha Livingtec Corporation (including Yamaha Living Products Corporation)	Dec. 2001
YP Winds Corporation	Feb. 2002
Sakuraba Mokuzai Co., Ltd.	Sep. 2002

Resort Facilities

Site	Acquisition Date
Katsuragi Co., Ltd.	Nov. 2001
Nemunosato Co., Ltd.	Feb. 2002
Kiroro Associates Co., Ltd.	Feb. 2002
Tsumagoi Co., Ltd.	Jan. 2003
Toba Hotel International Co., Ltd.	Mar. 2003
Haimurubushi Co., Ltd.	Mar. 2004

Manufacturing Companies (Group Companies overseas)

Site	Acquisition Date
Yamaha Electronics Manufacturing Malaysia Sdn. Bhd.	Dec. 1998
Kaohsiung Yamaha Co., Ltd.	Nov. 1999
Tianjin Yamaha Electronic Musical Instruments, Inc.	Dec. 1999
Yamaha Music Manufacturing, Inc.	Dec. 2000
PT. Yamaha Musical Products Indonesia	Jan. 2001
PT. Yamaha Music Manufacturing Indonesia	Dec. 2001
Yamaha Musical Products, Inc.	Apr. 2002
PT. Yamaha Indonesia	May. 2002
Taiwan Yamaha Musical Inst. Mfg. Co., Ltd.	Jun. 2002
PT. Yamaha Music Manufacturing Asia	Jul. 2002
Guangzhou Yamaha-Pearl River Piano Inc.	Sep. 2002
Kemble & Company Ltd.	Dec. 2002
PT. Yamaha Electronics Manufacturing Indonesia	Jan. 2003
Xiaoshan Yamaha Musical Instruments Co., Ltd.	Apr. 2003
Yamaha Electronics (Suzhou) Co., Ltd.	Mar. 2004

Main Sales Offices of Yamaha Corporation

Site	Acquisition Date
Tokyo Office	Oct. 2005
Osaka Office	Sep. 2006 (Scheduled)
Nagoya Office	Sep. 2006 (Scheduled)

* Headquarters and the factory at the headquarters complex, Shinzu Factory, Yamaha Life Services Corporation, YP Engineering Corporation, Yamaha Piano Service Co., Ltd., Yamaha Music Lease Corporation, Yamaha Credit Corporation, Yamaha Travel Service Co., Ltd.'s Headquarters Sales Office, YP Video Corporation, YP Business Service Corporation, Nihon Jimu Center Co., Ltd., Yamaha Business Support Corporation, Yamaha Pension Fund, Yamaha Labor Union.

External Environmental Audit

Yamaha Corporation Factories in Japan

Site	Audit Date	Audit Type	Audit Results	
			Observation Case	Not applicable Case
Kakegawa Factory (including Yamanashi Kogei Co., Ltd.)	Oct. 2005	Periodical surveillance 1	4	0
Iwata Factory	Dec. 2005	Periodical surveillance 1	0	0
Saitama Factory	Jul. 2005	Renewal Audit	4	1
Toyooka Factory	Jun. 2005	Periodical surveillance 2	2	0
Headquarters area*	Jul. 2005	Periodical surveillance 2	1	0
Tenryu Factory (including Yamaha Fine Technologies Co., Ltd.)	May. 2005	Periodical surveillance 1	0	1

Manufacturing Companies (Group Companies in Japan)

Site	Audit Date	Audit Type	Audit Results	
			Observation Case	Not applicable Case
Yamaha Kagoshima Semiconductor Inc.	Oct. 2005	Renewal Audit	1	0
Yamaha Metanix Corporation	Mar. 2006	Periodical surveillance 1	1	0
Yamaha Music Craft Corporation	Jul. 2005	Periodical surveillance 2	3	0
D.S. Corporation	Jan. 2006	Periodical surveillance 2	3	0
Yamaha Livingtec Corporation (including Yamaha Living Products Corporation)	Oct. 2005	Periodical surveillance 1	3	0
YP Winds Corporation	Jan. 2006	Periodical surveillance 1	1	0
Sakuraba Mokuzai Co., Ltd.	Aug. 2005	Renewal Audit	3	0

Resort Facilities

Site	Audit Date	Audit Type	Audit Results	
			Observation Case	Not applicable Case
Katsuragi Co., Ltd.	Oct. 2005	Periodical surveillance 1	3	0
Nemunosato Co., Ltd.	Jan. 2006	Periodical surveillance 1	3	0
Kiroro Associates Co., Ltd.	Jan. 2006	Periodical surveillance 1	1	0
Tsumagoi Co., Ltd.	Dec. 2005	Renewal Audit	2	0
Toba Hotel International Co., Ltd.	Feb. 2006	Renewal Audit	4	0
Haimurubushi Co., Ltd.	Feb. 2006	Periodical surveillance 2	0	0

Manufacturing Companies (Group Companies overseas)

Site	Audit Date	Audit Type
Yamaha Electronics Manufacturing Malaysia Sdn. Bhd.	Dec. 2005	Periodical surveillance 1
Kaohsiung Yamaha Co., Ltd.	Nov. 2005	Renewal Audit
Tianjin Yamaha Electronic Musical Instruments, Inc.	Jan. 2006	Renewal Audit
Yamaha Music Manufacturing, Inc.	Dec. 2005	Renewal Audit
PT. Yamaha Musical Products Indonesia	Jan. 2006	Periodical surveillance 2
PT. Yamaha Music Manufacturing Indonesia	Dec. 2005	Periodical surveillance 1
Yamaha Musical Products, Inc.	Apr. 2005	Renewal Audit
PT. Yamaha Indonesia	May. 2005	Renewal Audit
Taiwan Yamaha Musical Inst. Mfg. Co., Ltd.	Jun. 2005	Renewal Audit
PT. Yamaha Music Manufacturing Asia	Sep. 2005	Renewal Audit
Guangzhou Yamaha-Pearl River Piano Inc.	Sep. 2005	Renewal Audit
Kemble & Company Ltd.	Dec. 2005	Renewal Audit
PT. Yamaha Electronics Manufacturing Indonesia	Nov. 2005	Renewal Audit
Xiaoshan Yamaha Musical Instruments Co., Ltd.	Mar. 2006	Renewal Audit
Yamaha Electronics (Suzhou) Co., Ltd.	Mar. 2006	Periodical surveillance 2

Main Sales Offices of Yamaha Corporation

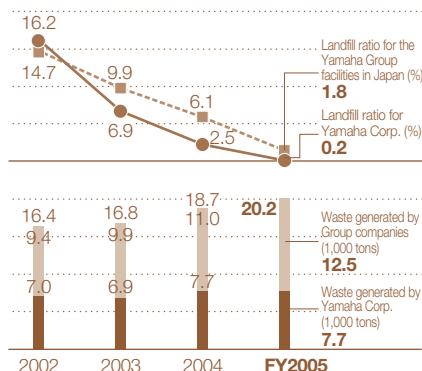
Site	Audit Date	Audit Type	Audit Results	
			Observation Case	Not applicable Case
Tokyo Office	Sep. 2005	Inspection	3	0
Osaka Office	Sep. 2006 (Scheduled)	Inspection	—	—
Nagoya Office	Sep. 2006 (Scheduled)	Inspection	—	—

Issues Pointed Out in the Environmental Patrol

Yamaha Corporation Factories in Japan

Details	Issues				
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Waste disposal	28	37	33	15	15
Water quality	15	10	11	10	9
Chemical substances	6	4	9	8	3
Noise	4	0	2	2	2
Offensive odor	0	1	6	2	2
Air	0	0	6	0	2
Others	9	4	5	9	11
Total	62	56	72	46	44

Waste Generated*1/ Landfill Ratio*2



Total weight of waste generated from the Yamaha Group in Japan was 20,200 tons in FY2005, up 1,500 tons from FY2004. This increase was due to an increase in production at some facilities. Ongoing activities at manufacturing companies (Group companies in Japan) aimed at allowing the Yamaha Corporation to achieve Zero Emissions*3 brought landfill rates for the entire Yamaha Group in Japan to 1.8%, and to 0.2% for the Yamaha Corporation, a reduction of 4.3 and 2.3 points respectively when compared to FY2004 levels.

*1 The weight of waste generated here includes industrial waste, non-industrial wastes (excluding outsourcing from the government) and valuable wastes.

*2 **Landfill ratio:** Quantity of final disposal to landfill / Waste generated x 100

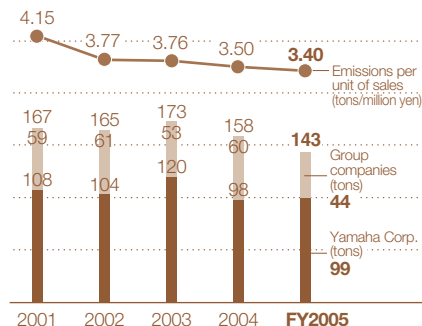
*3 **Zero Emissions:** The Yamaha Group defines this as "restricting the weight of final disposal to landfill to 1% of the waste generated or less."

Response to the PRTR Law

In FY2005, the total weight of substances subject to the PRTR law that were handled by the facilities of the Yamaha Group in Japan amounted to 1,101 tons, up 178 tons compared to FY2004.

Releases into the environment amounted to 143 tons, down by 15 tons compared to FY2004. These reductions were achieved through measures such as changing the use of substances not subject to the PRTR law, improving manufacturing processes to use less materials, installation of reclamation equipment, and better treatment procedures. Styrene, toluene, and xylene from painting processes made up 91% of the total release figure of 143 tons in FY2005.

Release of PRTR-designated Substances into the Environment



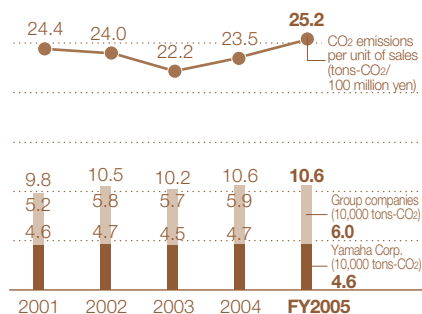
PRTR Results (Unit: tons)

Order	Ordinance number	Class 1 designated chemical substances Substance name	Amount handled	Amount released to the environment				Amount transferred		Other Amount consumed
				Atmosphere	Public water area	Soil	On site landfill	To sewerage	As waste	
1	177	Styrene	732.3	53.2	0.0	0.0	0.0	0.0	3.5	675.6
2	320	Methyl methacrylate	132.2	0.1	0.0	0.0	0.0	0.0	0.4	131.6
3	231	Nickel	85.1	0.0	0.0	0.0	0.0	0.0	0.0	85.1
4	227	Toluene	49.9	48.0	0.0	0.0	0.0	0.0	1.1	0.8
5	63	Xylene	32.9	29.4	0.0	0.0	0.0	0.0	0.4	3.2
6	283	Hydrogen fluoride and its water-soluble salts	23.5	3.2	1.0	0.0	0.0	0.0	0.1	19.3
7	40	Ethylbenzene	10.0	6.9	0.0	0.0	0.0	0.0	0.4	2.8
8	172	N.N. dimethylformamid	9.0	0.0	0.0	0.0	0.0	0.0	0.9	8.1
9	30	Bisphenol A type Epoxy resin (liquid)	5.9	0.0	0.0	0.0	0.0	0.0	0.0	5.9
10	232	Nickel compounds	2.8	0.0	0.0	0.0	0.0	0.0	0.4	2.3
11	64	Silver and its water-soluble compounds	2.3	0.0	0.0	0.0	0.0	0.0	0.0	2.3
12	108	Inorganic cyanide compounds (except complex salts and cyanates)	2.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
13	145	Dichloromethane	1.9	0.4	0.0	0.0	0.0	0.0	1.5	0.0
14	310	Formaldehyde	1.7	0.2	0.0	0.0	0.0	0.0	0.0	1.5
15	230	Lead and its compounds	1.7	0.0	0.0	0.0	0.0	0.0	0.0	1.7
16	272	Bis (2-ethylhexyl) phthalate	1.3	0.0	0.0	0.0	0.0	0.0	0.1	1.2
17	270	Di-n-butyl phthalate	1.3	0.0	0.0	0.0	0.0	0.0	0.7	0.5
18	9	Bis (2-ethylhexyl) adipate	1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1
19	266	Phenol	0.9	0.7	0.0	0.0	0.0	0.0	0.0	0.2
20	311	Manganese and its compounds	0.6	0.0	0.0	0.0	0.0	0.0	0.6	0.0
21	68	Chromium and chromium (III) compounds	0.6	0.0	0.0	0.0	0.0	0.0	0.6	0.0
22	100	Cobalt and its compounds	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.4
23	1	Zinc compounds (water-soluble)	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
24	224	1,3,5-trimethylbenzene	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.2
25	304	Boron and its compounds	0.2	0.0	0.1	0.0	0.0	0.1	0.1	0.0
26	29	Bisphenol A	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
27	242	Nonylphenol	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
28	198	Hexamethylenetetramine	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Total			1100.7	142.2	1.1	0.0	0.0	0.1	10.8	946.6

* In descending order according to the amount handled (0.1 tons or more)

Note: Some totals may appear not to tally with the column figures, which have been rounded to the nearest full number.

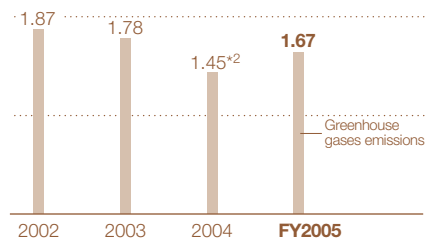
CO₂ Emissions (originated from energy)



CO₂ emissions for the Yamaha Group in Japan stood at 106,000 tons-CO₂, approximately the same level as in FY2004. However, since Yamaha Group sales in Japan were down, CO₂ emissions per unit of sales increased to 25.2 tons-CO₂/100 million yen, increasing 7.2% when compared to FY2004.

Emissions of Greenhouse Gases*¹ Other than CO₂

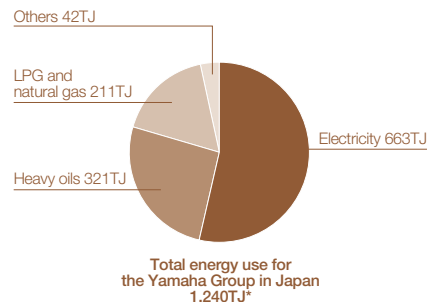
(Unit: 10,000 tons-CO₂)



Yamaha Kagoshima Semiconductor Inc. is the only company in the Yamaha Group which emits greenhouse gases other than CO₂. In FY2005, emissions totaled 16,700 tons-CO₂, an increase of 2,200 tons-CO₂ from FY2004. This was due to a change in manufacturing processes in response to the need for high levels of product integration. These changes required large increases in the use of SF₆, a greenhouse gas with a high global warming coefficient.

*¹ Mostly consisting of perfluorocarbon and SF₆.
*² FY2004 data has been recalculated with greater accuracy. Recalculated figures are shown.

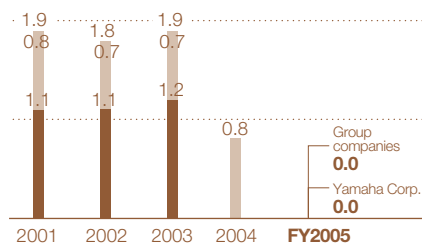
Sources of Energy Consumption



* TJ=10¹²J

Use of HCFC

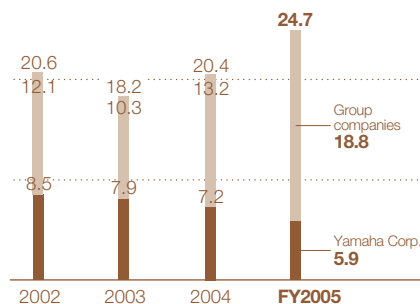
(Unit: tons)



By the end of 1993, the Yamaha Group had totally phased out the use of specified CFCs in an effort to protect the ozone layer. The Group has since worked to reduce the amount of HCFC used as washing agents in metal cleaning, totally eliminating their use in FY2005.

SOx Emissions

(Unit: tons)

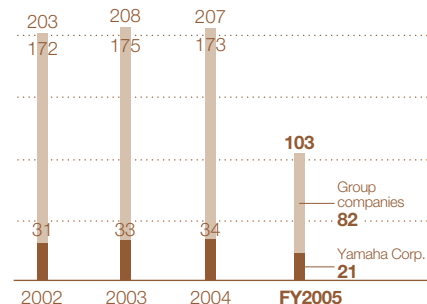


SOx is generated by the combustion of fuels such as heavy oils, coke, and LPG. Although Yamaha Group companies in Japan use low sulfur fuel, fluctuations in sulphur content resulted in SOx emissions in FY2005 increasing 4.3 tons from FY2004 to 24.7 tons.

* Data for past years has been recalculated with greater accuracy. Recalculated figures are shown.

NOx Emissions

(Unit: tons)

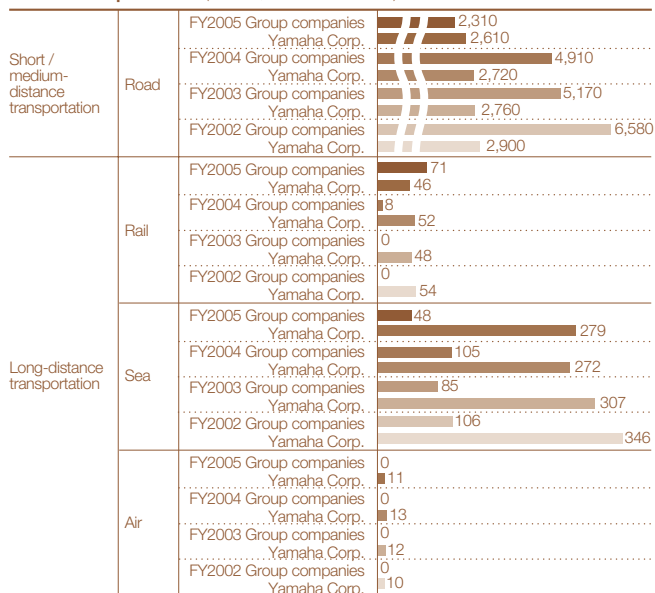


NOx is generated by the combustion of fuels such as heavy oils, coke, and LPG. NOx emissions in FY2005 decreased 50% from FY2004 levels to 103 tons, due to measures such as switching fuel for the boiler at the factory at Yamaha Corporation Headquarters from heavy oil to natural gas, and limitations placed on heavy oil-fueled private power generation at Yamaha Metanix Corporation which were imposed by high crude oil prices.

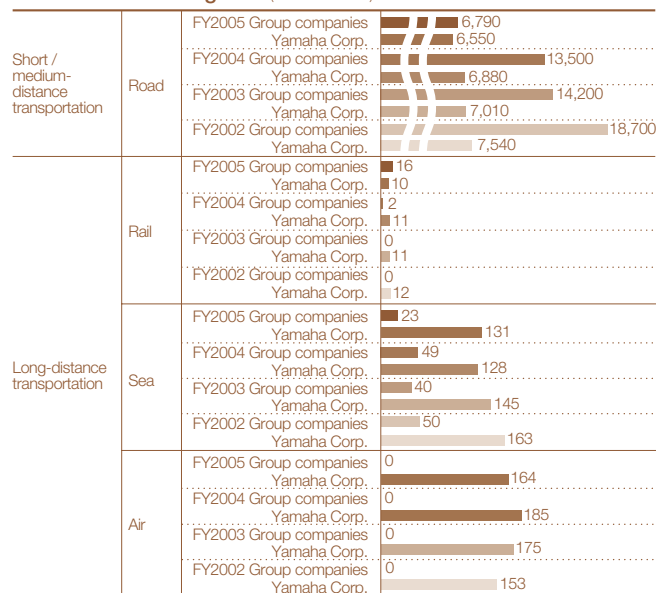
* Data for past years has been recalculated with greater accuracy. Recalculated figures are shown.

Total Transportation and CO2 Emission in Logistics

Total Transportation (Unit: 10,000 ton-kilometers*)



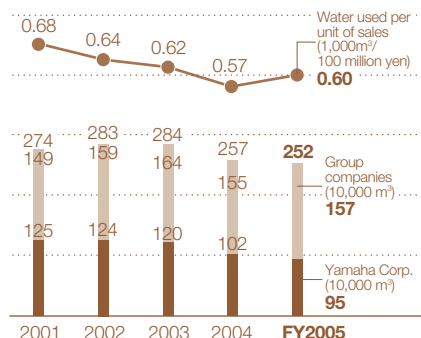
CO2 Emissions in Logistics (Unit: tons-CO2)



Traffic Volume of cargo to/from Yamaha Group Facilities in Japan in FY2005 totaled 53.8 million ton-kilometers, down 33% from FY2004, and emissions of CO₂ to 13,700 tons, down 33% for the same year. Aggregate figures for FY2005 have been recalculated based on different parameters than in previous years, in accordance with the "Revised Conservation Law" (see page 20).

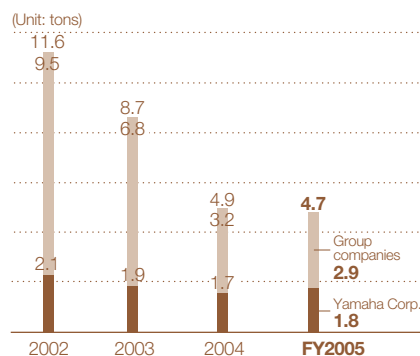
* ton-kilometers = weight of the cargo (tons) x transportation distance (kilometer)

Water Consumption



In FY2005, the water consumption of the Yamaha Group in Japan was 2.52 million m³, approximately the same as for FY2004. An increase in water consumption incurred by production increases in one part of the factory was offset by conservation measures taken at Yamaha Corporation's Toyooka Factory to prevent leakage from pipes.

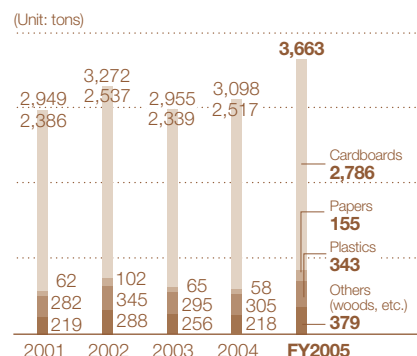
BOD (Biochemical Oxygen Demand)



In FY2005, water discharged into the public water system by the Yamaha Group contained 4.7 tons of BOD, approximately the same amount as in FY2004.

* Data for past years has been recalculated with greater accuracy. Recalculated figures are shown.

Amount of Containers and Packaging Materials Used in Japan



In FY2005, Yamaha Corporation used 3,663 tons of containers and packaging, an increase of 565 tons over FY2004. This was due to an increase in the size of keyboard instruments, and the consequent increase in the amount of packaging required.

Environmental Data for Resort Facilities

	Unit	FY2004	FY2005
Water Consumption	10,000 m³	141	137
Waste Generated	tons/year	3,270	3,820
Waste disposed of or treated	tons/year	980	1,400
NOx Emissions	tons/year	86.7	69.3
SOx Emissions	tons/year	41.7	33.8
CO ₂ Emissions	10,000 tons-CO ₂ /year	3.7	3.6

Environmental Data for Overseas Group Companies (Manufacturing Companies)

	Unit	FY2003	FY2004	FY2005
Water Consumption	10,000 m³	86.0	79.6	74.7
Waste Generated	tons/year	5,640	5,470	4,470
Waste disposed of or treated	tons/year	2,930	2,920	2,500
CO ₂ Emissions	10,000 tons-CO ₂ /year	6.4	6.7	6.6

Data by Site

Yamaha Corporation

Headquarters Area [including Yamaha Life Services, YP Engineering Corporation, YP Video Corporation, Yamaha Travel Service Corporation, and the labor union]
Hamamatsu, Shizuoka

Business lines: Include Grand Piano production, sales-related operations, and research and development for AV products, electronic musical instruments, and soundproof rooms

Number of Employees	Number	2,686
Site Area	m ²	252,600
Water Consumption	10,000 m ³ /year	15.4
PRTR-designated Substances Released	tons/year	15.5
Waste Generated	tons/year	1,950
Final Landfilled Waste	tons/year	4
Landfilled Waste Ratio	%	0.2
CO ₂ Emissions	10,000 tons-CO ₂ /year	1.0
BOD (Public water area)	tons/year	0.05
NO _x Emissions	tons/year	2.0
SO _x Emissions	tons/year	0.1
ISO 14001 Certification	Feb. 2001	

Review of FY2005

Waste output at the Headquarters Area was below the Zero Emissions level defined by the Yamaha Group (Waste generation of below 1%), and final disposal to landfill was reduced to less than 0.2% of waste generated. Energy conservation initiatives included the use of low-energy emergency and outside lighting, and low-loss power transformers. Efforts were also made to control the chemical substances used, such as expanding the use of non-formalin adhesives in the piano production process, and competing the transition to RoHS-directive compliant substances in the piano, AV/IT products, electronic instruments, and PA equipment business lines.

Future Initiatives

The Headquarters Area will continue Zero Emissions activities, aiming to achieve zero output of waste. Further, it will strengthen assessment of products in the design and development stages, with the goal of expanding its lines of environmentally-friendly products.

Tenryu Factory [including Yamaha Fine Technologies Co., Ltd.]

Hamamatsu, Shizuoka

Business lines: Production of wood components for automobile interiors, metallic molds, industrial robots, and development of golf products

Number of Employees	Number	1,599
Site Area	m ²	182,829
Water Consumption	10,000 m ³ /year	11.9
PRTR-designated Substances Released	tons/year	54.1
Waste Generated	tons/year	1,070
Final Landfilled Waste	tons/year	5
Landfilled Waste Ratio	%	0.4
CO ₂ Emissions	10,000 tons-CO ₂ /year	1.2
BOD (Public water area)	tons/year	0.09
NO _x Emissions	tons/year	4.4
SO _x Emissions	tons/year	0
ISO 14001 Certification	Mar. 2001	

Review of FY2005

Management at the Tenryu Factory decided to install a natural-gas fueled cogeneration system, scheduled to begin operating in January 2007. Further, in February 2006, the entire Tenryu Factory, including Yamaha Fine Technology Corporation, achieved Zero Emissions. The Factory has installed solvent recovery equipment, and has begun recycling used acetone for use at the rate of 100 kg/month.

Future Initiatives

The Tenryu Factory will take appropriate measures to manage and operate existing cogeneration system in a manner that will reduce CO₂ emissions. Factory management also plans to expand green procurement measures to meet customer needs, and to utilize parking areas and open spaces within the Factory complex to accelerate greenification.

Toyooka Factory

Iwata, Shizuoka

Business lines: Include the production of electronic musical instruments, wind, string and percussion instruments, PA equipment, and electronic components

Number of Employees	Number	1,452
Site Area	m ²	184,197
Water Consumption	10,000 m ³ /year	55.3
PRTR-designated Substances Released	tons/year	3.3
Waste Generated	tons/year	787
Final Landfilled Waste	tons/year	0
Landfilled Waste Ratio	%	0
CO ₂ Emissions	10,000 tons-CO ₂ /year	1.3
BOD (Public water area)	tons/year	1.12
NO _x Emissions	tons/year	3.2
SO _x Emissions	tons/year	1.9
ISO 14001 Certification	Jun. 2000	

Review of FY2005

In the area of chemical substance management, in FY2005, the Toyooka Factory completed the transition to lead-free production of wind instrument, which it embarked on in FY2003. Furthermore, it has applied a coating of insulation to build roofs in the compound as an energy-saving measure designed to prevent the temperature of factory rooms from rising. Moreover, the factory management has put together a project team within the factory's ISO infrastructure which has begun to study and investigate ways to create a "pleasant-sounding workplace" worthy of the Yamaha name.

Future Initiatives

In addition to ongoing Zero Emissions activities, the Toyooka Factory will work to increase the value of its waste products through emissions controls for factory waste and industrial waste requiring special treatment, and through the fastidious separation of metal wastes. The Factory will also introduce life-cycle assessment (see page 23) into its production systems, and take concrete measures to create a "pleasant-sounding workplace."

Iwata Factory

Iwata, Shizuoka

Business line: Production of piano frames

Number of Employees	Number	57
Site Area	m ²	47,855
Water Consumption	10,000 m ³ /year	Included in Yamaha Metanix Corporation Data
PRTR-designated Substances Released	tons/year	7.1
Waste Generated	tons/year	816
Final Landfilled Waste	tons/year	0
Landfilled Waste Ratio	%	0
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.7
BOD (Public water area)	tons/year	0.27
NO _x Emissions	tons/year	10.3
SO _x Emissions	tons/year	3.0
ISO 14001 Certification	Mar. 1999	

Review of FY2005

Although the Iwata Factory met the electricity consumption goals it had set as part of an energy consumption program design to reduce CO₂ emissions, actual total emissions per manufacturing unit exceeded the target figure of 0.8864 tons-CO₂ per year by 0.1%. This was due to coke consumption exceeding planned levels. Another waste-oriented initiative was to add value to certain waste material (slag) that the Factory was reusing as cement mix, reducing waste processing costs.

Future Initiatives

The Iwata Factory will work to control CO₂ emissions through ongoing efforts to reduce consumption of electricity, coke, and gas. It will also investigate the use of environmentally-friendly coatings for piano frames that do not contain any substances subject to the PRTR law such as Xylene or Toluene.

Kakegawa Factory [including Yamanashi Kogei Co., Ltd]

Kakegawa, Shizuoka

Business lines: Upright piano production and the development and sales of pianos

Number of Employees	Number	596
Site Area	m ²	222,410
Water Consumption	10,000 m ³ /year	5.5
PRTR-designated Substances Released	tons/year	37.8
Waste Generated	tons/year	1,715
Final Landfilled Waste	tons/year	23
Landfilled Waste Ratio	%	1.0
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.7
BOD (Public water area)	tons/year	0.21
NO _x Emissions	tons/year	2.1
SO _x Emissions	tons/year	2.0
ISO 14001 Certification		Nov. 1998

Review of FY2005

The Kakegawa Factory met all targets for the reduction in consumption of electricity, heavy oil, and paper, and achieved planned reductions in formaldehyde and substances targeted by the PRTR law. Although The Kakegawa Factory attempted to meet the goal of reducing landfill rate to less than 0.4%, that was set for all Yamaha factories except for Yamanashi Kogei in order to progress further towards Zero Emissions, landfill rates for the Factory approached 0.57% in FY2005.

Future Initiatives

The Kakegawa Factory, and Yamanashi Kogei Co., Ltd, with which it integrated in April 2005, will work to achieve Zero Emissions (waste generation of below 1%). The Factory will also continue its ongoing efforts to reduce the use of substances subject to the PRTR law. In addition to evaluating new initiatives aimed at saving energy used in transporting goods, the Factory will also review its ISO 14001 infrastructure and work to improve systems in accordance with the transfer of grand piano manufacturing from the Headquarters area to the Kakegawa Factory.

Group Companies in Japan

Yamaha Livingtec Corporation [including Yamaha Living Products Corporation]

Hamamatsu, Shizuoka

Business line: Development, production, and sale of residential equipment and furnishings.

Number of Employees	Number	966
Site Area	m ²	111,200
Water Consumption	10,000 m ³ /year	23.0
PRTR-designated Substances Released	tons/year	15.3
Waste Generated	tons/year	6,100
Final Landfilled Waste	tons/year	315
Landfilled Waste Ratio	%	4.7
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.83
BOD (Public water area)	tons/year	0.2
NO _x Emissions	tons/year	6.1
SO _x Emissions	tons/year	1.4
ISO 14001 Certification		Dec. 2001

Review of FY2005

Yamaha Livingtec Corporation installed a cogeneration system, which went into operation in March 2006 (see page 25). The company promoted the recycling of materials, aiming to achieving Zero Emissions by FY2007, and worked to construct a plaster board management route and further separate waste materials.

Future Initiatives

Yamaha Livingtec Corporation will conserve energy through appropriate operation of its cogeneration system, and also plans to take measures such as installing a photovoltaic power generation system for outdoor lighting. Furthermore, the company will continue efforts to reduce consumption and recycle materials, with the goal of achieving Zero Emissions by FY2007.

Saitama Factory

Fujimino, Saitama

Business line: Production of wind instruments

Number of Employees	Number	237
Site Area	m ²	18,602
Water Consumption	10,000 m ³ /year	8.0
PRTR-designated Substances Released	tons/year	0.9
Waste Generated	tons/year	426
Final Landfilled Waste	tons/year	2
Landfilled Waste Ratio	%	0.3
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.1
BOD (Public water area)	tons/year	0.06
NO _x Emissions	tons/year	0.2
SO _x Emissions	tons/year	0.06
ISO 14001 Certification		Sep. 1999

Review of FY2005

The Saitama Factory achieved its goals of reducing electricity consumption and final disposal to landfill. In addition to completing the transition to the production of lead-free wind instruments in June 2005, the Factory also eliminated the use of lead from the wind-instrument pipe bending operation, which used lead while processing pipes. Furthermore, the wastewater treatment plant at the Factory was upgraded to reduce risk to the environment, and began operations in April 2006.

Future Initiatives

The Saitama Factory will continue to promote energy conservation and waste-reducing activities, while converting selected waste products to solid fuels, and working to reduce environmental impact still further. In order to reduce the amount of chemical substances used, the Factory will continue with internal testing on replacement chemicals that impose less of a burden on the environment. Further, it will improve the control and operations of its new wastewater treatment plant, and transfer processing of waste alkalis from an external contractor to in-house processing facilities.

Yamaha Metanix Corporation

Iwata, Shizuoka

Business line: Production and sales of electronic metals

Number of Employees	Number	247
Site Area	m ²	84,541
Water Consumption	10,000 m ³ /year	84.0
PRTR-designated Substances Released	tons/year	3.6
Waste Generated	tons/year	482
Final Landfilled Waste	tons/year	7
Landfilled Waste Ratio	%	0.4
CO ₂ Emissions	10,000 tons-CO ₂ /year	2.09
BOD (Public water area)	tons/year	0.8
NO _x Emissions	tons/year	72.0
SO _x Emissions	tons/year	3.3
ISO 14001 Certification		Mar. 1999

Review of FY2005

Energy and resource conservation initiatives at the Yamaha Metanix Corporation included installing water sprinklers on the building roof to limit the electricity needed for cooling, and changing the boiler fuel from heavy oil to natural gas, which has a lower CO₂ conversion factor. To reduce chemical substances used, the company switched to using water- and hydrocarbon-based agents for cleaning metal surfaces, completely eliminating the used of dichloromethane, a chlorinated organic solvent. It also promoted modal shift, and expanded its use of rail transport from 2.5% of all transport in FY2004 to 23.5% in FY2005.

Future Initiatives

Yamaha Metanix Corporation will work to reduce fuel consumption by improving the efficiency of its heating furnace, and to reduce electricity consumption through measures such as upgrading its transformers to low-loss models. It will also recycle grindstones, increase the thoroughness with which it separates waste plastic types, and work to reuse waste, with the goal of achieving Zero Emissions.

Yamaha Kagoshima Semiconductor Inc.

Wakimizu-cho, Aira-gun, Kagoshima
Business line: Semiconductor production

Number of Employees	Number	576
Site Area	m ²	56,000
Water Consumption	10,000 m ³ /year	47.1
PRTR-designated Substances Released	tons/year	0.9
Waste Generated	tons/year	416
Final Landfilled Waste	tons/year	0
Landfilled Waste Ratio	%	0
CO ₂ Emissions	10,000 tons-CO ₂ /year	2.43
BOD (Public water area)	tons/year	1.8
NOx Emissions	tons/year	2.6
SOx Emissions	tons/year	12.2
Green House Gases Emissions	10,000 tons-CO ₂ /year	1.7
ISO 14001 Certification		Nov. 1997

Review of FY2005

Yamaha Kagoshima Semiconductor Inc. met its waste-reduction goal of reducing waste plastic output to zero, and also cut its output of general waste by half. Although the company continued the installation of exhaust gas treatment equipment begun the previous year in an attempt to reduce greenhouse gas emissions, a change in production processes meant that output increased by 0.22 tons in comparison to FY2004 (see page 25). Yamaha Kagoshima Semiconductor Inc. also implemented environmental effect evaluation based on a checklist filled out when carrying out any maintenance or installation of equipment. This initiative was designed to lower environmental risk posed by non-standard tasks. Employees write down any necessary measures and precautions based on this evaluation, which aids in the dissemination of information on risks.

Future Initiatives

To continue to lower greenhouse gas emissions, Yamaha Kagoshima Semiconductor Inc. will expand its exhaust gas treatment capabilities. It will also promote material recycling and attempt to convert waste from offices and kitchens into solid fuel in order to achieve its goal of Zero Emissions (including general waste).

YP Winds Corporation

Iwata, Shizuoka
Business line: Assembly and adjustment of wind instruments

Number of Employees	Number	77
Site Area	m ²	4,742
Water Consumption	10,000 m ³ /year	0.2
PRTR-designated Substances Released	tons/year	0.1
Waste Generated	tons/year	7
Final Landfilled Waste	tons/year	0
Landfilled Waste Ratio	%	2.5
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.02
BOD (Public water area)	tons/year	0
NOx Emissions	tons/year	0
SOx Emissions	tons/year	0
ISO 14001 Certification		Feb. 2002

Review of FY2005

YP Winds Corporation was able to cut consumption of well-water by half by improving the cooling method used for its high-frequency soldering equipment, and increasing its re-use of water (see page 25). Other energy conservation measures included replacing fluorescent lamps with low-energy models, and reducing propane gas consumption by eliminating boiling processes. Aiming to achieve Zero Emissions, the company also improved its rate of disposal to landfill to 2.5% (down from 5.2% in FY2004) by promoting reuse and recycling initiatives.

Future Initiatives

YP Winds Corporation will continue to work towards energy conservation, reduction of the use of chemical substances, and a reduction in the amount of defective products manufactured. It will also promote measures such as recycling, reuse, and the reduction of waste, with the goal of attaining Zero Emissions by the end of FY2006.

D.S. Corporation

Fukuroi/Hamamatsu, Shizuoka
Business line: Assembling audio/communication equipment and printed circuit boards

Number of Employees	Number	270
Site Area	m ²	17,800
Water Consumption	10,000 m ³ /year	0.4
PRTR-designated Substances Released	tons/year	0.2
Waste Generated	tons/year	107
Final Landfilled Waste	tons/year	1
Landfilled Waste Ratio	%	0.5
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.07
BOD (Public water area)	tons/year	0.1
NOx Emissions	tons/year	0
SOx Emissions	tons/year	0
ISO 14001 Certification		Feb. 2001

Review of FY2005

D.S. Corporation promoted the recycling of wastes it had previously burned or disposed of as landfill, achieving Zero Emissions one year earlier than planned in November 2005. Further, as part of its move to reduction the use of chemical substances, the company gave technical assistance to business partners and associate companies, focusing on techniques suitable for lead-free assembly procedures. In addition to completing measures needed to cope with the lead-free manufacture of those models of appliances and circuit boards specified by the Yamaha Corporation, D.S. Corporation expanded its lead-free manufacturing capabilities to cover other product models.

Future Initiatives

D.S. Corporation will continue to promote reuse and recycling initiatives in order to keep its Zero Emissions status and reduce generation of waste. In addition to encouraging staff to conserve electricity, the company will also upgrade its machinery to electricity-conserving models. Further, D.S. Corporation will continue to work with Yamaha Corporation to expand the range of models which can be manufactured lead-free.

Yamaha Music Craft Corporation

Hamamatsu, Shizuoka
Business line: Production of strings, guitars and percussions

Number of Employees	Number	104
Site Area	m ²	14,474
Water Consumption	10,000 m ³ /year	0.02
PRTR-designated Substances Released	tons/year	3.6
Waste Generated	tons/year	131
Final Landfilled Waste	tons/year	7
Landfilled Waste Ratio	%	5.3
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.07
BOD (Public water area)	tons/year	0
NOx Emissions	tons/year	0.1
SOx Emissions	tons/year	0.8
ISO 14001 Certification		Jul. 2000

Review of FY2005

Yamaha Music Craft Corporation achieved all of its energy and resource conservation goals, including a reduction in CO₂ emissions. With regard to waste reduction, the company reduced its rate of disposal to landfill to 5.3% (down from 10.4% in FY2004), as a result of waste separation initiatives aimed at achieving Zero Emissions. Further, the company switched to the usage of drainage at its Iida Factory, and moved its storage facilities for flammable setting agents to a safer explosion-proof refrigerator.

Future Initiatives

Yamaha Music Craft Corporation will work to use rare woods more efficiently, and to achieve Zero Emissions by the end of FY2006.

Sakuraba Mokuzai Co., Ltd.

Kitaakita, Akita

Business line: Production of musical instruments parts and wood products

Number of Employees	Number	65
Site Area	m ²	52,854
Water Consumption	10,000 m ³ /year	1.5
PRTR-designated Substances Released	tons/year	1.0
Waste Generated	tons/year	2,509
Final Landfilled Waste	tons/year	10
Landfilled Waste Ratio	%	0.3
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.06
BOD (Public water area)	tons/year	0
NO _x Emissions	tons/year	0
SO _x Emissions	tons/year	0
ISO 14001 Certification	Sep. 2002	

Review of FY2005

Sakuraba Mokuzai Co., Ltd. achieved all of its energy and resource conservation goals, including reductions in electricity and paper use, and a reduction in fixed inventory. It also achieved Zero Emissions one year ahead of schedule as a result of promoting the reduction of waste plastic output. Further, it contributed to local society by sponsoring a string quartet concert, which was attended by 279 people.

Future Initiatives

Sakuraba Mokuzai Co., Ltd. will continue energy and resource conservation efforts, and work to maintain its Zero Emissions status. It will also begin the evaluations necessary to use certified wood* in its products.

* **Certified wood:** Wood that has been certified through a forestry certification system that has been inspected and ratified by an independent, third-party organization, as being from a forest which is managed appropriately.

Resort Facilities

Name of Site		Kiroro Associates Co., Ltd.	Tsumagoi Co., Ltd.	Katsuragi Co., Ltd.
Location	—	Akaigawa-mura, Yoichi-gun, Hokkaido	Kakegawa, Shizuoka	Fukuroi, Shizuoka
Business	—	Operating of accommodations, restaurants, recreational facilities, ski areas, etc.	Operating of accommodations, restaurants, recreational facilities, etc.	Operating of accommodations, restaurants, golf courses, etc.
Number of Employees	Number	240	300	240
Site Area	m ²	3,500,000	1,290,000	1,380,000
Water Consumption	10,000 m ³ /year	26.8	31.7	28.8
Waste Generated	tons/year	1,721	518	538
CO ₂ Emissions	10,000 tons-CO ₂ /year	1.4	0.8	0.2
BOD (Public water area)	tons/year	0.4	0.3	0.4
NO _x Emissions	tons/year	17.7	22.9	2.5
SO _x Emissions	tons/year	2.2	2.8	4.1
ISO 14001 Certification	—	Feb. 2002	Jan. 2003	Nov. 2001

Name of Site		Toba Hotel International Co., Ltd.	Nemunosato Co., Ltd.	Haimurubushi Co., Ltd.
Location	—	Toba, Mie	Shima, Mie	Taketomi-cho, Yaeyama-gun, Okinawa
Business	—	Operating of accommodations, restaurants, etc.	Operating of accommodations, restaurants, recreational facilities, golf courses, etc.	Operating of accommodations, restaurants, recreational facilities, etc.
Number of Employees	Number	154	296	120
Site Area	m ²	74,000	3,000,000	395,000
Water Consumption	10,000 m ³ /year	10.3	32.7	6.7
Waste Generated	tons/year	437	506	103
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.3	0.6	0.2
BOD (Public water area)	tons/year	0.1	0.1	0.9
NO _x Emissions	tons/year	0.8	23.7	1.7
SO _x Emissions	tons/year	3.2	19.8	1.7
ISO 14001 Certification	—	Mar. 2003	Feb. 2002	Mar. 2004

Overseas Group Companies (Manufacturing)

[North America · Europe]

Company Name		Yamaha Music Manufacturing, Inc.	Yamaha Musical Products, Inc.	Kemble & Company Ltd.
Location	—	U.S.	U.S.	U.K.
Business	—	Manufacturing of pianos and PA speakers	Manufacturing of wind and percussion instruments	Manufacturing and sales of pianos
Number of Employees	Number	192	176	110
Site Area	m ²	25,545	50,000	14,350
Water Consumption	10,000 m ³ /year	0.6	4.6	0.4
Waste Generated	tons/year	988	201	515
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.4	0.3	0.1
ISO 14001 Certification	—	Dec. 2000	Apr. 2002	Dec. 2002

[Taiwan · China]

Company Name		Kaohsiung Yamaha Co., Ltd.	Taiwan Yamaha Musical Inst. Mfg. Co., Ltd.	Tianjin Yamaha Electronic Musical Instruments, Inc.
Location	—	Taiwan	Taiwan	China
Business	—	Manufacturing of guitars and PA equipment	Manufacturing of pianos and piano parts	Manufacturing of electronic instruments
Number of Employees	Number	375	120	1,581
Site Area	m ²	26,320	87,567	30,689
Water Consumption	10,000 m ³ /year	3.3	1.7	12.5
Waste Generated	tons/year	152	228	111
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.5	0.1	1.2
ISO 14001 Certification	—	Nov. 1999	Jun. 2002	Dec. 1999

Company Name		Guangzhou Yamaha-Pearl River Piano Inc.	Xiaoshan Yamaha Musical Instruments Co., Ltd.	Yamaha Electronics (Suzhou) Co., Ltd.
Location	—	China	China	China
Business	—	Manufacturing of pianos	Manufacturing of piano parts, assembling and manufacturing of wind instruments	Manufacturing of AV equipment
Number of Employees	Number	159	386	483
Site Area	m ²	18,987	43,000	120,000
Water Consumption	10,000 m ³ /year	1.6	3.5	2.8
Waste Generated	tons/year	16	239	64
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.1	0.3	0.2
ISO 14001 Certification	—	Sep. 2002	Mar. 2003	Mar. 2004

[Indonesia · Malaysia]

Company Name		PT. Yamaha Musical Products Indonesia	PT. Yamaha Music Manufacturing Indonesia	PT. Yamaha Music Manufacturing Asia
Location	—	Indonesia	Indonesia	Indonesia
Business	—	Production and assembly of wind instruments, pianicas ¹⁾ , and recorders	Manufacturing of guitars, drums, etc.	Production of electronic musical instruments and PA equipment
Number of Employees	Number	854	1,121	3,036
Site Area	m ²	58,460	22,250	120,000
Water Consumption	10,000 m ³ /year	16.0	6.8	8.3
Waste Generated	tons/year	573	73	508
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.6	0.4	1.4
ISO 14001 Certification	—	Jan. 2001	Dec. 2001	Jul. 2002

Company Name		PT. Yamaha Indonesia	PT. Yamaha Electronics Manufacturing Indonesia	Yamaha Electronics Manufacturing Malaysia Sdn. Bhd.
Location	—	Indonesia	Indonesia	Malaysia
Business	—	Manufacturing of pianos	Manufacturing of AV products (speakers)	Manufacture of AV products, manufacture and sale of service parts
Number of Employees	Number	805	370	1,057
Site Area	m ²	19,542	50,000	107,000
Water Consumption	10,000 m ³ /year	3.8	2.5	6.4
Waste Generated	tons/year	708	89	6
CO ₂ Emissions	10,000 tons-CO ₂ /year	0.4	0.3	0.4
ISO 14001 Certification	—	May. 2002	Jan. 2003	Dec. 1998