

NEWS RELEASE

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YAMAHA TO CLOSE TWO U.S. MANUFACTURING FACILITIES

BUENA PARK, Calif. — Yamaha Corporation of America today announced it will close two facilities and consolidate its musical instrument manufacturing operations in Asia. The closures are part of a long-term plan to enhance Yamaha's competitive position in an increasingly aggressive global musical products market.

The facilities, Yamaha Music Manufacturing, Inc. (YMM) in Thomaston, Georgia, and Yamaha Musical Products, Inc. (YMP) in Grand Rapids, Michigan, will cease operations March 30 and April 27, 2007, respectively. These factories currently manufacture Yamaha's renowned line of acoustic pianos, professional audio speakers and woodwind, brasswind and percussion musical instruments.

Mr. Yoshihiro Doi, president, Yamaha Corporation of America made the announcement to all employees and to those directly affected, with sadness and regret.

"We have worked long and hard together here in the U.S. to manufacture the world's finest musical instruments. I am proud of our people and their achievements, and I deeply appreciate their commitment and loyalty to Yamaha," said Doi. "I am equally grateful for the support of the local communities in which these plants have thrived for a combined sixty years of commitment here in the United States."

"We must take this action in light of market realities and new, fierce international competition," he added.

The closings will affect approximately 380 employees in the two locations. The company will provide the employees with a comprehensive separation package.

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Yamaha will move its manufacturing operations to existing company-owned overseas facilities but remains committed to marketing and to continuing its traditional high level of service support to its products in the United States. Also, as part of this restructuring, Yamaha Exporting, Inc. (YEI) will be integrated into an exporting department of Yamaha's Operations Division, effective April 1, and the Band & Orchestral Custom Shop and parts will be relocated to Yamaha Corporation of America headquarters in Buena Park, California. YMP and YMM finished goods and warranty services will be relocated to other locations to be disclosed at a later date.

Mr. Doi says the musical products industry, especially in traditional instruments such as pianos, wind and percussion instruments, has become increasingly challenging due to the emergence of new, aggressive global competition, notably from manufacturers based in China. Additionally, many established competitors based in the U.S. have already shifted large portions or, in some cases, their entire production to sources outside the U.S.

The closures, he said, are being made with extreme reluctance, but are necessary to ensure Yamaha's and its retailers' competitiveness and continued growth in the musical products marketplace.

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About Yamaha

Yamaha Corporation of America is the largest subsidiary of Yamaha Corporation, Japan and offers a full line of musical instruments and audio/visual products to the U.S. market. Products include: acoustic and digital pianos, portable keyboards, guitars, acoustic and electronic drums, band and orchestral instruments, marching percussion products, synthesizers, professional digital and analog audio products, wireless content, and innovative technology products targeted to the hobbyist, education, worship, professional music, and installation markets.