

YAMAHA CORPORATION

Interim Flash Report

Non-Consolidated Basis

Results for the fiscal year 2003 interim period ended September 30, 2002

November 15, 2002

Company name: YAMAHA CORPORATION
Code number: 7951
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Date of the interim meeting of the Board of Directors: November 15, 2002
Interim dividend: YES
Date of the interim dividend payment: December 10, 2002
Application of share unit system: Applicable (1 unit = 100 shares)
Stock listings: Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section), Nagoya Stock Exchange (First Section)

The accounting methods used in this report are not consistent with U.S. standard accounting methods.

1. RESULTS FOR THE FY2003 INTERIM PERIOD (April 1, 2002 to September 30, 2002)

Figures of less than ¥1 million have been omitted.

(1) Non-Consolidated Operating Results

	Net sales		Operating income		Recurring profit	
	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)	Millions of yen	(% change from the previous fiscal year)
FY2003 interim period (Ended Sept. 30, 2002)	¥172,098	(0.5)%	¥10,599	38.7 %	¥10,998	27.3 %
FY2002 interim period (Ended Sept. 30, 2001)	172,947	(3.0)	7,641	(8.3)	8,637	(16.8)
FY2002 (Ended March 31, 2002)	316,742		5,637		6,530	

	Net income		Net income per share
	Millions of yen	(% change from the previous fiscal year)	Yen
FY2003 interim period (Ended Sept. 30, 2002)	¥7,669	(11.8)%	¥37.15
FY2002 interim period (Ended Sept. 30, 2001)	8,699	16.4	42.12
FY2002 (Ended March 31, 2002)	(25,328)	—	(122.65)

Notes: 1. Average number of outstanding shares during the year :

FY2003 interim period ended September 30, 2002	206,426,510 shares
FY2002 interim period ended September 30, 2001	206,520,824 shares
FY2002 ended March 31, 2002	206,508,465 shares

2. Changes in method of accounting: NONE

(2) Dividends

	Interim dividends per share	Dividends per share paid for the year
	Yen	Yen
FY2003 interim period (Ended Sept. 30, 2002)	¥5.00	¥ —
FY2002 interim period (Ended Sept. 30, 2001)	4.00	—
FY2002 (Ended March 31, 2002)	—	8.00

(3) Non-Consolidated Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2003 interim period (Ended Sept. 30, 2002)	¥291,774	¥148,282	50.8 %	718.43
FY2002 interim period (Ended Sept. 30, 2001)	293,472	151,926	51.8	735.65
FY2002 (Ended March 31, 2002)	295,861	140,730	47.6	681.58

Notes: 1. Number of outstanding shares at the end of the year:

FY2003 interim period as of September 30, 2002	206,397,898 shares
FY2002 interim period as of September 30, 2001	206,521,043 shares
FY2002 as of March 31, 2002	206,477,225 shares

2. Number of treasury stock at the end of the year:

FY2003 interim period as of September 30, 2002	125,365 shares
FY2002 interim period as of September 30, 2001	2,220 shares
FY2002 as of March 31, 2002	46,038 shares

2. FORECASTS OF RESULTS FOR FY2003 (April 1, 2002 – March 31, 2003)

	Net sales	Recurring profit	Net income	Year-end dividends per share	Dividends per share for the year
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
FY2003	¥330,000	¥11,500	¥8,000	¥5.00	¥10.00

Reference: Net income per share for the fiscal year is forecast to be ¥38.76 on a non-consolidated basis.

*Forecast performance is predicted by the Company based on the information available at the time of the forecast.
Actual performance may differ from forecasts.*

4. NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Non-Consolidated Balance Sheets

	Millions of yen		
	FY2003 interim period (as of Sept. 30, 2002)	FY2002 interim period (as of Sept. 30, 2001)	FY2002 (as of Mar. 31, 2002)
ASSETS			
Current assets:			
Cash and bank deposits	¥11,371	¥24,526	¥22,417
Notes receivable	5,680	8,548	6,884
Accounts receivable	36,125	33,226	29,094
Inventories	25,243	30,131	28,111
Deferred income taxes	7,979	7,556	7,333
Other current assets	2,177	2,506	2,392
Allowance for doubtful accounts	(1,283)	(1,210)	(1,242)
Total current assets	87,295	105,285	94,992
Fixed assets:			
Tangible assets:			
Buildings	14,003	13,856	13,683
Machinery and equipment	7,277	8,259	7,614
Land	48,110	21,515	48,940
Other tangible assets	6,455	6,669	6,606
Total tangible assets	75,846	50,300	76,844
Intangible assets	77	197	191
Investments and other assets:			
Investment securities	25,100	28,523	21,811
Shares of affiliated companies	63,855	69,119	63,495
Deferred income taxes	22,992	26,088	24,917
Other assets	17,608	14,897	14,435
Allowance for doubtful accounts	(1,001)	(939)	(827)
Total investments and other assets	128,555	137,688	123,832
Total fixed assets	204,479	188,186	200,868
Total assets	¥291,774	¥293,472	¥295,861

Note: Figures of less than ¥1 million have been omitted.

	Millions of yen		
	FY2003 interim period (as of Sept. 30, 2002)	FY2002 interim period (as of Sept. 30, 2001)	FY2002 (as of Mar. 31, 2002)
LIABILITIES			
Current liabilities:			
Notes payable	¥1,253	¥1,738	¥1,160
Accounts payable	26,867	27,028	21,478
Short-term loans	944	767	1,036
Current portion of long-term debt	6,220	—	—
Corporate tax payables	50	50	100
Accrued expenses	20,637	20,393	21,024
Various reserves	741	1,625	1,058
Reserve for subsidiary support	—	—	12,429
Other current liabilities	2,109	2,073	2,123
Total current liabilities	58,823	53,676	60,410
Long-term liabilities:			
Convertible bonds	24,317	24,317	24,317
Long-term debt	—	6,220	6,220
Deferred income taxes on land revaluation	10,684	—	11,115
Accrued employees' retirement benefits	48,017	55,750	51,455
Directors' retirement benefits	672	574	623
Other fixed liabilities	977	1,007	988
Total long-term liabilities	84,669	87,869	94,721
Total liabilities	143,492	141,545	155,131
SHAREHOLDERS' EQUITY			
Common stock	28,533	—	—
Capital surplus:			
Additional paid-in capital	26,924	—	—
Total capital surplus	26,924	—	—
Earned surplus:			
Legal reserve	4,159	—	—
Voluntary reserve	58,854	—	—
Unappropriated earnings	12,851	—	—
Total earned surplus	75,865	—	—
Reserve for land revaluation	15,457	—	—
Net unrealized holding gains on other securities	1,640	—	—
Treasury stock, at cost	(139)	—	—
Total shareholders' equity	148,282	—	—
Common stock	—	28,533	28,533
Additional paid-in capital	—	26,924	26,924
Legal reserve	—	4,159	4,159
Reserve for land revaluation	—	—	16,081
Retained earnings:			
Voluntary reserve	—	85,582	85,582
Unappropriated earnings	—	13,509	(21,344)
Total retained earnings	—	99,091	64,237
Net unrealized holding gains/losses on other securities	—	(6,780)	841
Treasury stock, at cost	—	(2)	(49)
Total shareholders' equity	—	151,926	140,730
Total liabilities and shareholders' equity	¥291,774	¥293,472	¥295,861

Note: Figures of less than ¥1 million have been omitted.

(2) Non-Consolidated Statements of Operations

	FY2003 interim period (Apr. 1, 2002 – Sept. 30, 2002)		FY2002 interim period (Apr. 1, 2001 – Sept. 30, 2001)		FY2002 (Apr. 1, 2001 – Mar. 31, 2002)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	¥172,098	100.0	¥172,947	100.0	¥316,742	100.0
Cost of sales	129,515	75.2	133,888	77.4	247,821	78.2
Unrealized profit	20	0.0	113	0.0	226	0.0
Gross profit	42,602	24.8	39,172	22.6	69,146	21.8
Selling, general and administrative expenses	32,002	18.6	31,530	18.2	63,509	20.0
Operating income	10,599	6.2	7,641	4.4	5,637	1.8
Non-operating income	1,125	0.6	1,501	0.9	2,127	0.7
Non-operating expenses	727	0.4	505	0.3	1,234	0.4
Recurring profit	10,998	6.4	8,637	5.0	6,530	2.1
Extraordinary profit	210	0.1	1,640	0.9	4,255	1.3
Extraordinary loss	3,193	1.8	1,424	0.8	35,097	11.1
Income before income taxes	8,015	4.7	8,853	5.1	(24,312)	(7.7)
Current income taxes (benefit)	50	0.0	50	0.0	100	0.0
Deferred income taxes (benefit)	296	0.2	104	0.1	915	0.3
Net income	7,669	4.5	8,699	5.0	(25,328)	(8.0)
Retained earnings at beginning of period	4,557		4,810		4,810	
Transfer from reserve for land revaluation	623		—		—	
Interim dividends	—		—		826	
Retained earnings at end of period	¥12,851		¥13,509		¥(21,344)	

Note: Figures of less than ¥1 million have been omitted.