

## To Our Shareholders



The fiscal year ended March 31, 2009 was an extremely challenging one for the Yamaha Group in terms of business performance. Although the business environment for Yamaha has changed dramatically, we will work harder than ever before to bring satisfaction to the greatest number of customers possible.

### Business Performance in Fiscal 2009

In fiscal 2009 (ended March 31, 2009), the Yamaha Group unveiled new products in musical instruments and other businesses, many of which were well received by customers. However, in the first half of the year, rising prices for crude oil and raw materials were coupled with global economic deterioration triggered by the U.S. subprime mortgage crisis, while the second half of the year was marked by external environmental factors such as the sharp and sustained appreciation of the yen. Together, these developments took a serious toll on business performance for the year.

### Implementation of Performance Improvement Program

To cope effectively with lower earnings caused by the unanticipated scale of the global economic slowdown, in November 2008 Yamaha formed a Management Reform Committee and embarked on measures across the Company to improve performance. In addition to cost reductions, a review of investments, increases in wholesale prices, and similar initiatives to improve earnings in the short term, we have sought to establish the direction of Yamaha's business portfolio from a medium- to long-term perspective.

### Yamaha's Intrinsic Value

Over a history spanning more than 120 years, Yamaha has provided people with a range of value, centered on sound and music. I am convinced that in our relationships with customers, Yamaha's intrinsic value derives from our efforts to raise the level of customer satisfaction. Going forward, we hope to build an even tighter bond with our customers as we do our utmost to meet and surpass their needs.

As always, I ask for your support and understanding of Yamaha as we move forward.

July 2009

**Mitsuru Umemura**

President and Representative Director