

Others

Fiscal 2009 Performance Overview

Sales in this segment declined 34.9% compared with the previous fiscal year, to ¥30,833 million. The segment posted an operating loss of ¥2,100 million, in contrast to operating income of ¥628 million recorded a year earlier.

In the golf products business, both sales and income increased year on year. The overall market slowed from the second half of the year due to worsening economic prospects.

Sales and earnings in the automobile interior wood components business declined on sharply lower orders from manufacturers of finished products.

In the metallic molds and components business, Yamaha decided to withdraw from the magnesium molded parts business.

In the recreation business, earnings improved thanks to the transfer of four facilities that took place in the previous fiscal year.

Key Business Indicators

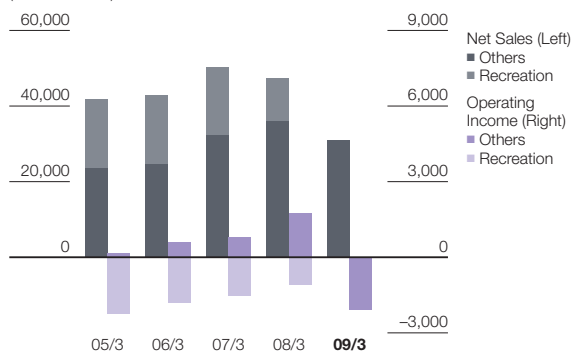
(Millions of Yen)

		05/3	06/3	07/3	08/3	09/3
Net Sales	Others	¥23,557	¥24,671	¥32,365	¥36,044	¥30,833
	Recreation	18,290	18,013	17,800	11,353	
Operating Income (Loss)	Others	168	582	794	1,731	(2,100)
	Recreation	(2,253)	(1,789)	(1,536)	(1,103)	
Capital Expenditures		4,127	3,141	3,095	2,828	2,082
Depreciation Expenses		3,943	3,235	3,419	2,656	1,889
R&D Expenses		990	1,173	1,147	1,440	1,809

* For the four fiscal years from the year ended March 31, 2005 to the year ended March 31, 2008, capital expenditures, depreciation expenses and R&D expenses were presented in a combined form for the two business segments of Others and Recreation.

Net Sales/Operating Income (Loss)

(Millions of Yen)



Market Trends and Business Strategy

Market Trends

Adverse market conditions persist with no early recovery in sight

As the global economic outlook worsens, no major recovery appears likely in the golf products business in Japan or overseas. In the automobile interior wood components business, while the situation appears to have bottomed out due to ongoing adjustments in manufacturers' inventory, the prospects of a fast recovery remain unlikely. In the factory automation (FA) equipment business, some positive movement has emerged, particularly in products related to environmental measures with the start of a new fiscal year. In recreation, meanwhile, corporate demand continues to decrease and individual demand continues to decline as well amid consumer restraint.

Business Strategy

Yamaha's most urgent issue—Generate stable earnings

In the golf products business, Yamaha will continue to invest in R&D and enhance its current inpres™ brand in a push to expand market share. Most visibly, the Company will respond to strong sales of mid- and premium-grade custom ordered products.

In the automobile interior wood components business, Yamaha will strive to increase its profitability by lowering the breakeven point. Particular attention will be given to minimizing losses stemming from the launch of new products to improve yields.

For the factory automation (FA) equipment business, Yamaha will proactively develop new customers in a drive to boost sales.

In the recreation business, Yamaha aims to post operating income as early as possible. To do this, Yamaha will leverage the appeal of facilities in product planning and proposals. Improving the quality of service and operations through better employee training will be another important measure here. Tsumagoi™, for example, will pursue stronger sales initiatives targeting individual customers, while highlighting its unique features, including both Japan's premier outdoor music facilities and horseback riding facilities. Katsuragi-Kitanomaru™ and the Katsuragi Golf Club™, meanwhile, will take advantage of the marketing benefits from hosting a women's professional golf tournament for a second consecutive year to propose attractive product plans in advance.