

May 21, 2007

For immediate release

Company Name: YAMAHA CORPORATION

President and Representative Director: Shuji Ito

Code Number: 7951 (First Section of Tokyo Stock Exchange)

**Revision of the Outlook for Cash Dividends for FY2008.3 and
Announcement of Changes in the Basic Policy for Allocation of Profits**

At its meeting held on May 21, 2007, the Board of Directors of Yamaha Corporation (Head Office: 10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka, Japan; President: Shuji Ito; Hereinafter: Yamaha) approved the following revisions in the outlook for cash dividends per share and the changes described below in the basic policy for the allocation of profits.

1. Revisions in the Outlook for Dividends for FY2008.3

(1) Reasons for the Revisions

Since the decision has been made to sell a portion of Yamaha's shares held in Yamaha Motor Co., Ltd., the Board of Directors made the decision today to return a portion of the proceeds to Yamaha's shareholders. Specifically, for the three years from FY2008.3 through FY2010.3, Yamaha has decided to pay a special dividend for the year of ¥20 per common share. Accordingly, the outlook for dividends for FY2008.3 announced on April 27, 2007, has been revised as follows. (However, the dividend for the latter half of the year will be conditional on the approval of the General Shareholders' Meeting.)

(2) Content of the Revisions

Base date	Dividends per Share (¥)		
	Interim period-end	Fiscal year-end	Annual
Previous outlook (Announced on April 27, 2007)	¥15	¥15	¥30
Revised outlook	Regular dividend ¥15 Special dividend ¥10 Total: ¥25	Regular dividend ¥15 Special dividend ¥10 Total: ¥25	Regular dividend ¥30 Special dividend ¥20 Total: ¥50
Current year actual			
Previous year actual (FY2007.3)	¥10	¥12.5	¥22.5

2. Changes in the Basic Policy for the Allocation of Profits

Yamaha has decided to change the target consolidated dividend payout ratio announced on April 27 in the “Basic Policy for Allocation of Profit and Dividends for FY2007.3 and FY2008.3” section of its *Flash Report—Results for the fiscal year ended March 31, 2007* from 25% to 40%. This increase has been made to take account of the fact that equity in earnings of unconsolidated subsidiaries and affiliates will decline as a result of the sale of a portion of the shares Yamaha holds in Yamaha Motor and the exclusion of the latter company from consolidation under the equity method.

Basic Policy for Allocation of Profits Following This Change

The Company has adopted a basic policy for allocating profits that is linked to the level of consolidated net income in the medium term and provides for increasing the ratio of consolidated net income to shareholders’ equity by making additions to retained earnings that are appropriate for strengthening the Company’s management position through investments in R&D, sales capabilities, capital equipment and facilities, and other areas, while also placing more emphasis than in the past on providing a return to shareholders that reflects consolidated performance. Specifically, the Company will endeavor to sustain stable dividends and sets a goal of 40% on a consolidated basis for its dividend payout ratio.

For further information, please contact:

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