

YAMAHA CORPORATION

Flash Report Consolidated Basis (Japanese GAAP)

Results through the Second Quarter of the Fiscal Year Ending March 31, 2012
(April 1, 2011—September 30, 2011)

November 1, 2011

Company name: YAMAHA CORPORATION
(URL <http://www.yamaha.com>)

Code number: 7951

Stock listing: Tokyo Stock Exchange (First Section)

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Scheduled date to submit Quarterly Securities Report: November 11, 2011

Scheduled date to begin dividend payments: December 5, 2011

Supplementary materials to the quarterly financial statements have been prepared: Yes

Presentation will be held to explain the quarterly financial results: Yes (for securities analysts and institutional investors)

1. Results through the Second Quarter of FY2012.3 (April 1, 2011—September 30, 2011)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results (Accumulation)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year
Through the second quarter of FY2012.3	¥176,629	(4.2)%	¥6,301	(32.0)%	¥5,332	(36.2)%
Through the second quarter of FY2011.3	¥184,333	(9.8)%	¥9,268	123.9%	¥8,358	193.5%

	Net income		Net income per share	Net income per share after full dilution
	Millions of yen	% change from the previous year	Yen	Yen
Through the second quarter of FY2012.3	¥2,818	(44.2)%	¥14.55	—
Through the second quarter of FY2011.3	¥5,046	—	¥25.59	—

(2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second quarter of FY2012.3 (As of September 30, 2011)	¥375,868	¥226,824	59.6%	¥1,156.92
FY2011.3 (As of March 31, 2011)	¥390,852	¥245,002	61.9%	¥1,250.06

(For reference) Shareholders' equity: **Second quarter of FY2012.3** ¥224,028 million FY2011.3 ¥242,065 million

2. Dividends

	Dividends applicable to the fiscal year				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
FY2011.3	—	¥5.00	—	¥5.00	¥10.00
FY2012.3	—	¥5.00			
FY2012.3 (Forecast)			—	¥5.00	¥10.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2012.3 (April 1, 2011—March 31, 2012)

(Percentage figures for the full fiscal year are changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year
FY2012.3	¥369,000	(1.3)%	¥12,500	(5.1)%	¥10,500	(4.3)%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
FY2012.3	¥6,500	28.0%	¥33.57

Note: Revisions from recently announced performance forecast: Yes

4. Others

- (1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries accompanying changes in the scope of consolidation): None
- (2) The application of special accounting treatment for the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
 - (a) Changes in accounting principles accompanying revisions in accounting standards: None
 - (b) Changes other than those in (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Changes in presentation due to revisions: None

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	Second quarter of FY2012.3	197,255,025 shares	FY2011.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	Second quarter of FY2012.3	3,612,074 shares	FY2011.3	3,611,429 shares
(c) Average number of shares issued during the period (quarterly accumulation period)	Second quarter of FY2012.3	193,643,292 shares	Second quarter of FY2011.3	197,232,210 shares

Status of Performance of Quarterly Review Procedures

This quarterly flash report is exempt from the quarterly review procedures based on Japan's Financial Instruments and Exchange Law. At the time when this quarterly flash report was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed.

Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

Consolidated financial forecasts were prepared based on information available at the time of the announcement. Actual consolidated performance may differ from forecasts owing to a wide range of factors.

For commentary information regarding the closing of accounts for the second quarter of the current fiscal year, please refer to "Outline of the Consolidated Financial Results through the Second Quarter (Six Months) of the Fiscal Year Ending March 31, 2012 (FY2012.3) and Outlook for Performance for the Full Fiscal Year," which was released today (November 1, 2011).

In view of performance through the second quarter, trends in business activities going forward, foreign currency fluctuations, and other factors, the Company has now revised its net sales forecast downward to ¥369,000 million but the forecasts for operating income, ordinary income, and net income remain unchanged.

The materials to be distributed for this earnings presentation and other materials will be posted on the Company's website immediately after the presentation is concluded.

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3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Second quarter of FY2012.3 (as of September 30, 2011)	FY2011.3 (as of March 31, 2011)
ASSETS		
Current assets		
Cash and deposits	¥ 55,605	¥ 57,210
Notes and accounts receivable—trade	47,074	46,486
Short-term investment securities	400	1,960
Merchandise and finished goods	49,344	47,361
Work in process	14,992	13,620
Raw materials and supplies	11,004	10,678
Other	16,162	18,797
Allowance for doubtful accounts	(1,200)	(1,397)
Total current assets	193,384	194,717
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	36,763	38,106
Machinery, equipment and vehicles, net	11,015	11,747
Tools, furniture and fixtures, net	7,355	7,904
Land	49,085	49,347
Lease assets, net	257	272
Construction in progress	1,461	888
Total property, plant and equipment	105,938	108,267
Intangible assets	2,535	2,857
Investments and other assets		
Investment securities	56,897	75,477
Other	17,717	10,208
Allowance for doubtful accounts	(604)	(675)
Total investments and other assets	74,009	85,009
Total noncurrent assets	182,483	196,134
Total assets	¥375,868	¥390,852

(Millions of yen)

	Second quarter of FY2012.3 (as of September 30, 2011)	FY2011.3 (as of March 31, 2011)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	¥ 22,270	¥ 24,198
Short-term loans payable	16,041	6,597
Current portion of long-term loans payable	1,682	3,863
Accounts payable—other and accrued expenses	26,621	28,657
Income taxes payable	1,588	2,303
Provision	2,740	3,073
Other	6,169	6,141
Total current liabilities	77,115	74,836
Noncurrent liabilities		
Long-term loans payable	626	1,376
Provision for retirement benefits	39,539	37,599
Other	31,762	32,037
Total noncurrent liabilities	71,929	71,013
Total liabilities	149,044	145,849
NET ASSETS		
Shareholders' equity		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	171,320	169,894
Treasury stock	(3,690)	(3,690)
Total shareholders' equity	236,219	234,793
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,559	33,559
Deferred gains or losses on hedges	557	(252)
Revaluation reserve for land	15,501	15,549
Foreign currency translation adjustment	(50,808)	(41,583)
Total accumulated other comprehensive income	(12,190)	7,272
Minority interests	2,795	2,937
Total net assets	226,824	245,002
Total liabilities and net assets	¥375,868	¥390,852

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

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income**Consolidated Statements of Operations**

(Millions of yen)

	Accumulated through the second quarter of FY2012.3 (April 1, 2011–September 30, 2011)	Accumulated through the second quarter of FY2011.3 (April 1, 2010–September 30, 2010)
Net sales	¥176,629	¥184,333
Cost of sales	112,595	114,704
Gross profit	64,034	69,629
Selling, general and administrative expenses	57,732	60,360
Operating income	6,301	9,268
Non-operating income		
Interest income	226	147
Dividends income	294	546
Compensation for transfer	438	58
Other	294	625
Total non-operating income	1,253	1,377
Non-operating expenses		
Sales discounts	1,018	1,048
Foreign exchange losses	791	786
Other	413	452
Total non-operating expenses	2,223	2,287
Ordinary income	5,332	8,358
Extraordinary income		
Gain on sales of noncurrent assets	137	68
Gain on sales of investment securities	—	112
Reversal of provision for product warranties	—	45
Reversal of provision for business structural reform expenses	—	313
Total extraordinary income	137	540
Extraordinary loss		
Loss on retirement of noncurrent assets	184	244
Loss on valuation of investment securities	269	1,721
Loss on valuation of stocks of subsidiaries and affiliates	—	10
Other	51	128
Total extraordinary losses	506	2,103
Income before income taxes and minority interests	4,963	6,795
Income taxes—current	1,908	2,826
Income taxes—deferred	80	(1,312)
Total income taxes	1,988	1,513
Income before minority interests	2,975	5,281
Minority interests in income	157	235
Net income	¥ 2,818	¥ 5,046

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

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Accumulated through the second quarter of FY2012.3 (April 1, 2011–September 30, 2011)	Accumulated through the second quarter of FY2011.3 (April 1, 2010–September 30, 2010)
Income before minority interests	¥ 2,975	¥ 5,281
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,999)	(5,847)
Deferred gains or losses on hedges	809	(12)
Foreign currency translation adjustments	(9,396)	(8,882)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	<u>(19,586)</u>	<u>(14,742)</u>
Comprehensive income	<u>(16,611)</u>	<u>(9,460)</u>
(Composition)		
Comprehensive income attributable to owners of the parent	(16,595)	(9,464)
Comprehensive income attributable to minority shareholders	¥ (16)	¥ 3

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

(3) Notes Regarding Assumptions as a Going Concern

None

(4) Supplementary Information

(a) Application of the accounting standard for accounting changes and error corrections, etc.

For accounting changes and error corrections made after the beginning of the first quarter, the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, issued by the ASBJ on December 4, 2009) and the “Guidance on the Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, issued by the ASBJ on December 4, 2009) have been applied.

(b) Application of consolidated taxation system

Beginning with the first quarter of the fiscal year ending March 31, 2012, the consolidated taxation system has been applied.

(5) Segment Information, Etc.

(Segment Information)

Accumulated through the second quarter of FY2012.3 (April 1, 2011—September 30, 2011)

Sales and Income (Loss) by Reporting Segment

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥132,364	¥25,048	¥8,138	¥11,077	¥176,629		¥176,629
Intersegment sales or transfers			427		427	(427)	
Total sales	¥132,364	¥25,048	¥8,565	¥11,077	¥177,056	¥(427)	¥176,629
Segment income (loss)	¥ 4,593	¥ 1,842	¥ (710)	¥ 576	¥ 6,301		¥ 6,301

Notes: 1. The item “Adjustments” contains the following:

The sales adjustment item of ¥(427) million, which comprises eliminations of transactions among the Company’s business segments.

2. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.

Accumulated through the second quarter of FY2011.3 (April 1, 2010—September 30, 2010)

Sales and Income by Reporting Segment

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥135,034	¥25,408	¥10,262	¥13,627	¥184,333		¥184,333
Intersegment sales or transfers			634		634	(634)	
Total sales	¥135,034	¥25,408	¥10,897	¥13,627	¥184,968	¥(634)	¥184,333
Segment income	¥ 6,365	¥ 625	¥ 936	¥ 1,340	¥ 9,268		¥ 9,268

Notes: 1. The item “Adjustments” contains the following:

The sales adjustment item of ¥(634) million, which comprises eliminations of transactions among the Company’s business segments.

2. “Segment income” means the operating income of the segment as presented in the Consolidated Statements of Operations.

Reference Information

(Sales Information Based on the Geographical Location of the Customers)

Accumulated through the second quarter of FY2012.3 (April 1, 2011—September 30, 2011)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥82,997	¥24,301	¥30,055	39,275	¥93,632	¥176,629
% of net sales	47.0%	13.8%	17.0%	22.2%	53.0%	100.0%

Notes: 1. Sales information is based on the geographical location of customers, and it is classified by country or region.

2. Main country and regional divisions:

North America: U.S.A., Canada

Europe: Germany, France, U.K.

Asia, Oceania, and other areas: People's Republic of China, Republic of Korea, Australia

Accumulated through the second quarter of FY2011.3 (April 1, 2010—September 30, 2010)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥88,908	¥28,354	¥30,115	¥36,954	¥95,425	¥184,333
% of net sales	48.2%	15.4%	16.3%	20.0%	51.8%	100.0%

Notes: 1. Sales information is based on the geographical location of customers, and it is classified by country or region.

2. Main country and regional divisions:

North America: U.S.A., Canada

Europe: Germany, France, U.K.

Asia, Oceania, and other areas: People's Republic of China, Republic of Korea, Australia

(Sales Information Based on Group Locations Where Sales Take Place)**Accumulated through the second quarter of FY2012.3 (April 1, 2011—September 30, 2011)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥ 88,606	¥24,159	¥30,100	¥33,761	¥176,629		¥176,629
Intersegment sales or transfers	65,821	389	700	33,000	99,911	(99,911)	
Total sales	¥154,428	¥24,549	¥30,801	¥66,762	¥276,541	¥(99,911)	¥176,629
Segment income	¥ 938	¥ 769	¥ 572	¥ 4,607	¥ 6,887	¥ (585)	¥ 6,301

Notes: 1. Sales information is based on Group locations where sales take place and it is classified by country or region.

2. Main country and regional divisions:

This classification is the same as the one for “Sales Information Based on the Geographical Location of the Customers.”

3. The item “Adjustments” contains the following:

The sales adjustment item of ¥(99,911) million, which comprises eliminations of transactions among the Company’s business segments.

4. “Segment income” means the operating income of the segment as presented in the Consolidated Statements of Operations.

Accumulated through the second quarter of FY2011.3 (April 1, 2010—September 30, 2010)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥ 94,913	¥28,042	¥29,942	¥31,435	¥184,333		¥184,333
Intersegment sales or transfers	71,770	472	934	34,592	107,769	(107,769)	
Total sales	¥166,683	¥28,515	¥30,876	¥66,028	¥292,103	¥(107,769)	¥184,333
Segment income	¥ 5,273	¥ 808	¥ 912	¥ 5,182	¥ 12,176	¥ (2,908)	¥ 9,268

Notes: 1. Sales information is based on Group locations where sales take place and it is classified by country or region.

2. Main country and regional divisions:

This classification is the same as the one for “Sales Information Based on the Geographical Location of the Customers.”

3. The item “Adjustments” contains the following:

The sales adjustment item of ¥(107,769) million, which comprises eliminations of transactions among the Company’s business segments.

4. “Segment income” means the operating income of the segment as presented in the Consolidated Statements of Operations.

(6) Notes Regarding Any Major Change in the Amount of Consolidated Shareholders’ Equity

None