

YAMAHA CORPORATION

Flash Report Consolidated Basis (Japanese GAAP)

Results through the Third Quarter of the Fiscal Year Ending March 31, 2013
(April 1, 2012—December 31, 2012)

February 6, 2013

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

Code number: 7951

Stock listing: Tokyo Stock Exchange (First Section)

Address of headquarters: 10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan

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Scheduled date to submit Quarterly Securities Report: February 14, 2013

Scheduled date to begin dividend payments: —

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 Third Quarter of FY2013.3 (April 1, 2012—December 31, 2012)

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 third quarter of FY2013.3	¥273,932	1.2%	¥10,420	(5.1)%	¥9,627	1.9%
Through the third quarter of FY2012.3	¥270,644	(5.2)%	¥10,980	(32.8)%	¥9,451	(34.1)%

Note: Comprehensive income: **Third quarter of FY2013.3** ¥5,756 million, —%
Third quarter of FY2012.3 ¥(14,844) million, —%

	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 third quarter of FY2013.3	¥4,461	63.6%	¥23.04	—
Through the third quarter of FY2012.3	¥2,726	(72.7)%	¥14.08	—

(2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third quarter of FY2013.3 (As of December 31, 2012)	¥373,795	¥210,162	55.4%	¥1,069.78
FY2012.3 (As of March 31, 2012)	¥366,610	¥206,832	55.6%	¥1,052.01

(For reference) Shareholders' equity: **Third quarter of FY2013.3** ¥207,143 million FY2012.3 ¥203,713 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
FY2012.3	—	¥5.00	—	¥5.00	¥10.00
FY2013.3	—	¥5.00	—		
FY2013.3 (Forecast)				¥5.00	¥10.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2013.3 (April 1, 2012—March 31, 2013)

(Percentage figures 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
FY2013.3	¥365,000	2.4%	¥7,000	(13.7)%	¥6,000	(17.3)%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
FY2013.3	¥0	—	¥0.00

Note: Revisions from recently announced performance forecast: Yes

Footnote Items

- (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: Yes
 - (b) Changes other than those in (a) above: None
 - (c) Changes in accounting estimates: Yes
 - (d) Changes in presentation due to revisions: None

Note: The Company has changed its method of depreciation beginning with the first quarter of FY2013.3. This change corresponds to “instances where it is difficult to distinguish between changes in accounting principles and changes in accounting estimates.” For more-detailed information, please refer to the section “Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions” in “1. Summary Information (Footnote Item)” on page 2.

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	Third quarter of FY2013.3	197,255,025 shares	FY2012.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	Third quarter of FY2013.3	3,622,969 shares	FY2012.3	3,612,338 shares
(c) Average number of shares issued during the period (quarterly accumulation period)	Third quarter of FY2013.3	193,636,820 shares	Third quarter of FY2012.3	193,643,183 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 and do not represent promises by the Company or its management that these performance figures will be attained. Actual consolidated results may differ from forecasts owing to a wide range of factors.

For commentary information regarding the closing of accounts through the third quarter of the current fiscal year, please refer to “Outline of the Consolidated Financial Results through the Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2013 (FY2013.3) and Outlook for Performance for the Full Fiscal Year,” which was released today (February 6, 2013).

For the consolidated financial forecasts for FY2013.3, please refer to “Announcement of Extraordinary Loss and Revision in Forecast for Performance,” which was released today (February 6, 2013).

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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1. Summary Information (Footnote Item)

Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions

(Changes in Accounting Principles, Etc.)

Changes in accounting principles that are difficult to classify from the changes in accounting estimates

Beginning in the first quarter of FY2013.3, accompanying revisions in the corporate tax law, the Company and its domestic consolidated subsidiaries have changed their method(s) of depreciation for tangible fixed assets acquired on or after April 1, 2012, based on the corporate tax law after revisions.

Please note that the effects of these changes on consolidated income (loss) and segment information through the third quarter of the current fiscal year were not material.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Third quarter of FY2013.3 (as of December 31, 2012)	FY2012.3 (as of March 31, 2012)
ASSETS		
Current assets		
Cash and deposits	¥ 49,957	¥ 52,103
Notes and accounts receivable—trade	58,254	45,634
Short-term investment securities	250	4,699
Merchandise and finished goods	56,999	51,452
Work in process	14,729	13,771
Raw materials and supplies	11,738	11,922
Other	10,405	10,534
Allowance for doubtful accounts	(1,124)	(1,165)
Total current assets	201,211	188,952
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	36,039	36,695
Machinery, equipment and vehicles, net	11,379	11,475
Tools, furniture and fixtures, net	8,880	7,826
Land	48,964	48,853
Lease assets, net	320	250
Construction in progress	2,437	1,757
Total property, plant and equipment	108,021	106,858
Intangible assets	2,803	2,685
Investments and other assets		
Investment securities	55,274	61,690
Other	6,988	7,163
Allowance for doubtful accounts	(504)	(739)
Total investments and other assets	61,759	68,114
Total noncurrent assets	172,583	177,658
Total assets	¥373,795	¥366,610

(Millions of yen)

	Third quarter of FY2013.3 (as of December 31, 2012)	FY2012.3 (as of March 31, 2012)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	¥ 19,133	¥ 22,263
Short-term loans payable	19,894	9,883
Current portion of long-term loans payable	341	912
Accounts payable—other and accrued expenses	25,962	29,407
Income taxes payable	2,294	1,931
Provision	2,796	2,940
Other	7,990	5,492
Total current liabilities	<u>78,413</u>	<u>72,829</u>
Noncurrent liabilities		
Long-term loans payable	324	499
Provision for retirement benefits	42,237	41,479
Other	42,657	44,969
Total noncurrent liabilities	<u>85,219</u>	<u>86,948</u>
Total liabilities	<u>163,633</u>	<u>159,778</u>
NET ASSETS		
Shareholders' equity		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	140,693	138,152
Treasury stock	(3,699)	(3,690)
Total shareholders' equity	<u>205,583</u>	<u>203,050</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,355	27,337
Deferred gains or losses on hedges	(833)	(367)
Revaluation reserve for land	17,304	17,304
Foreign currency translation adjustment	(38,267)	(43,611)
Total accumulated other comprehensive income	<u>1,559</u>	<u>662</u>
Minority interests	<u>3,019</u>	<u>3,118</u>
Total net assets	<u>210,162</u>	<u>206,832</u>
Total liabilities and net assets	<u>¥373,795</u>	<u>¥366,610</u>

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 third quarter of FY2013.3 (April 1, 2012–December 31, 2012)	Accumulated through the third quarter of FY2012.3 (April 1, 2011–December 31, 2011)
Net sales	¥273,932	¥270,644
Cost of sales	175,794	172,706
Gross profit	98,137	97,938
Selling, general and administrative expenses	87,717	86,958
Operating income	10,420	10,980
Non-operating income		
Interest income	300	355
Dividends income	608	445
Compensation for transfer	—	438
Other	618	392
Total non-operating income	1,527	1,631
Non-operating expenses		
Sales discounts	1,402	1,618
Foreign exchange losses	365	959
Other	552	582
Total non-operating expenses	2,319	3,160
Ordinary income	9,627	9,451
Extraordinary income		
Gain on sales of noncurrent assets	486	173
Gain on sales of investment securities	206	—
Gain on liquidation of subsidiaries and affiliates	8	197
Total extraordinary income	700	370
Extraordinary losses		
Loss on retirement of noncurrent assets	147	234
Loss on valuation of investment securities	32	375
Loss on valuation of investments in capital of subsidiaries and affiliates	105	—
Business structural reform expenses	2,284	—
Other	—	52
Total extraordinary losses	2,571	662
Income before income taxes and minority interests	7,757	9,159
Income taxes—current	3,204	2,840
Income taxes—deferred	(107)	3,320
Total income taxes	3,096	6,160
Income before minority interests	4,661	2,999
Minority interests in income	199	273
Net income	¥ 4,461	¥ 2,726

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

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Accumulated through the third quarter of FY2013.3 (April 1, 2012–December 31, 2012)	Accumulated through the third quarter of FY2012.3 (April 1, 2011–December 31, 2011)
Income before minority interests	¥4,661	¥ 2,999
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,980)	(11,288)
Deferred gains or losses on hedges	(465)	385
Revaluation reserve for land	—	1,802
Foreign currency translation adjustments	5,540	(8,744)
Share of other comprehensive income of associates accounted for using equity method	0	(0)
Total other comprehensive income	<u>1,094</u>	<u>(17,844)</u>
Comprehensive income	5,756	(14,844)
(Composition)		
Comprehensive income attributable to owners of the parent	5,361	(14,999)
Comprehensive income attributable to minority shareholders	¥ 394	¥ 154

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

(3) Notes Regarding Assumptions as a Going Concern

None

(4) Segment Information, Etc.**(Segment Information)****Accumulated through the third quarter of FY2013.3 (April 1, 2012—December 31, 2012)**

Sales and Income (Loss) by Reporting Segment

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥202,007	¥42,484	¥11,354	¥18,085	¥273,932		¥273,932
Intersegment sales or transfers			554		554	(554)	
Total sales	¥202,007	¥42,484	¥11,908	¥18,085	¥274,486	¥(554)	¥273,932
Segment income (loss)	¥ 8,129	¥ 3,266	¥(1,632)	¥ 656	¥ 10,420		¥ 10,420

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

The sales adjustment item of ¥(554) 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 third quarter of FY2012.3 (April 1, 2011—December 31, 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	¥199,487	¥42,146	¥11,937	¥17,072	¥270,644		¥270,644
Intersegment sales or transfers			571		571	(571)	
Total sales	¥199,487	¥42,146	¥12,509	¥17,072	¥271,216	¥(571)	¥270,644
Segment income (loss)	¥ 7,793	¥ 3,753	¥(1,300)	¥ 734	¥ 10,980		¥ 10,980

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

The sales adjustment item of ¥(571) 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.

Reference Information**(Sales Information Based on the Geographical Location of the Customers)****Accumulated through the third quarter of FY2013.3 (April 1, 2012—December 31, 2012)****(Millions of yen)**

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥125,186	¥39,769	¥45,750	¥63,226	¥148,746	¥273,932
% of net sales	45.7%	14.5%	16.7%	23.1%	54.3%	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 third quarter of FY2012.3 (April 1, 2011—December 31, 2011)**(Millions of yen)**

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥124,104	¥37,604	¥48,758	¥60,177	¥146,540	¥270,644
% of net sales	45.9%	13.9%	18.0%	22.2%	54.1%	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 third quarter of FY2013.3 (April 1, 2012—December 31, 2012)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥134,026	¥39,443	¥45,829	¥ 54,632	¥273,932		¥273,932
Intersegment sales or transfers	93,794	425	1,021	52,101	147,342	(147,342)	
Total sales	¥227,821	¥39,868	¥46,851	¥106,733	¥421,274	¥(147,342)	¥273,932
Segment income	¥ 2,240	¥ 1,637	¥ 1,780	¥ 6,921	¥ 12,580	¥ (2,159)	¥ 10,420

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 ¥(147,342) 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 third quarter of FY2012.3 (April 1, 2011—December 31, 2011)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥132,367	¥37,379	¥48,867	¥ 52,029	¥270,644		¥270,644
Intersegment sales or transfers	97,354	581	1,018	49,646	148,600	(148,600)	
Total sales	¥229,722	¥37,961	¥49,885	¥101,676	¥419,245	¥(148,600)	¥270,644
Segment income	¥ 1,072	¥ 1,233	¥ 1,848	¥ 6,992	¥ 11,148	¥ (167)	¥ 10,980

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 ¥(148,600) 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.

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

None