

**Analyst and Investor Briefing on the
Fiscal Year Ended March 31, 2010
(FY2010.3)**

**April 30, 2010
YAMAHA CORPORATION**

External Environment

- Ongoing global economic downturn
- Continuing strong yen
- B2B business recovering

Results Summary

- Sales and operating income both declined year-on-year. A net loss was recorded for the second consecutive year, due to factors including the booking of income taxes and extraordinary losses associated with restructuring, and a reduction in deferred income taxes. Sales and income both exceeded projections announced on March 19, 2010.
- Sales were lower than the previous year in all segments, due to factors including deteriorating business confidence and the impact of unfavorable exchange rates. Income rose year-on-year in all segments except musical instruments, partly as a result of reduced expenses.
- Discounting the impact of exchange rates (-¥18.8 billion), actual sales declined 5.6% year-on-year.
- Excluding the impact of exchange rates (¥0.4 billion) actual inventory assets at term-end were ¥10.8 billion lower than at the end of the previous fiscal year.

Performance in FY2010.3



➤ Sales and operating income both declined year-on-year, but were higher than previous projections

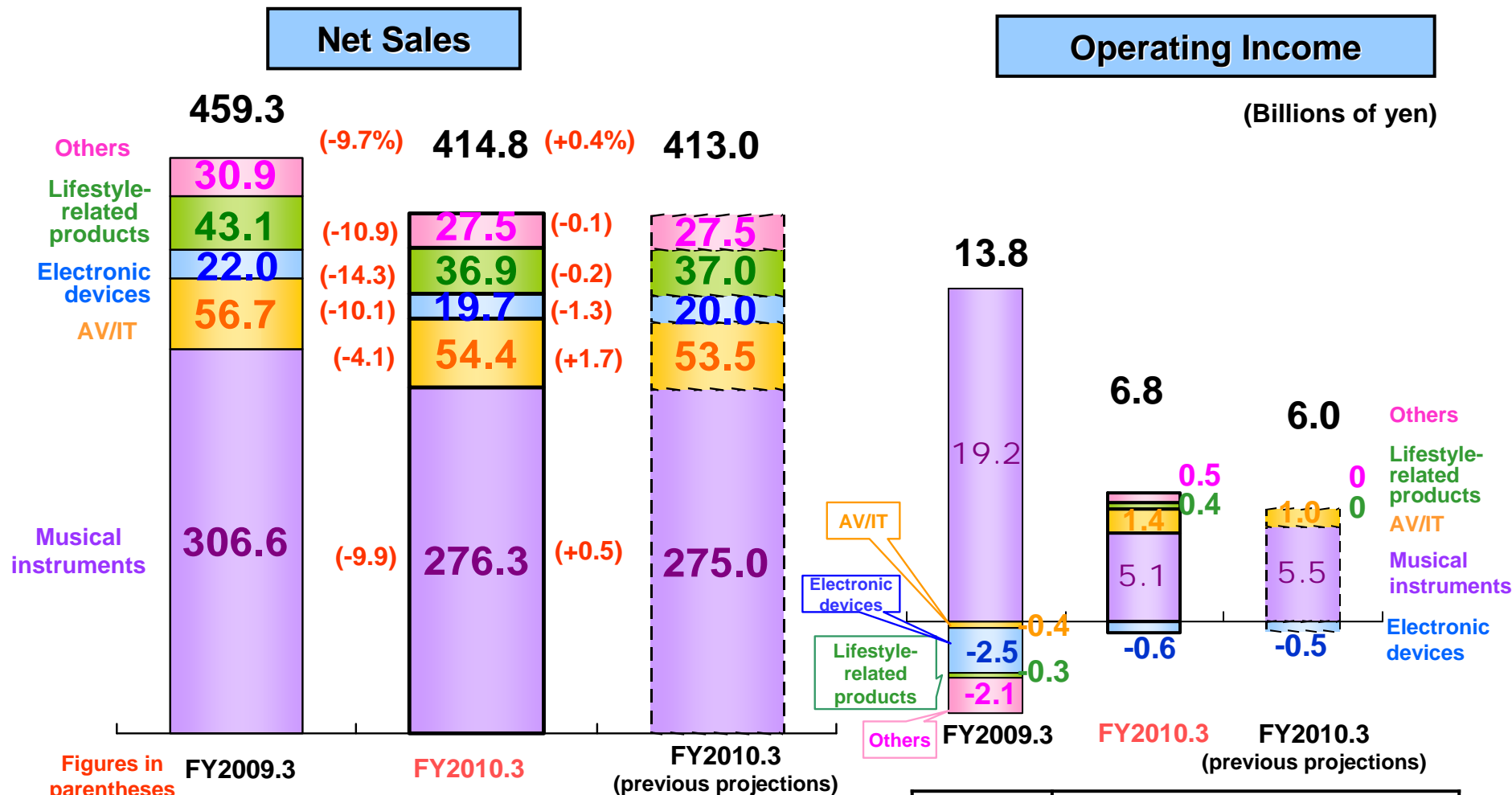
(Billions of yen)

	FY2009.3 results	FY2010.3 results	Increase/ decrease	Previous projections (Mar. 19, 2010)	Increase/ decrease against previous projections
Net sales	459.3	414.8	-9.7%	413.0	+0.4%
Operating income (operating income ratio)	13.8 (3.0%)	6.8 (1.6%)	-50.7%	6.0 (1.5%)	+13.8%
Ordinary income (ordinary income ratio)	12.0 (2.6%)	4.9 (1.2%)	-59.0%	4.0 (1.0%)	+22.8%
Net income (net income ratio)	-20.6 (-)	-4.9 (-)	-	-5.0 (-)	-

Currency exchange rates (yen)

Net sales	US\$	101	93	93
	EUR	144	131	132
Operating income	US\$	102	93	93
	EUR	153	130	129

Performance by Business Segment in FY2010.3



Figures in parentheses indicate change from the previous year or previous projections

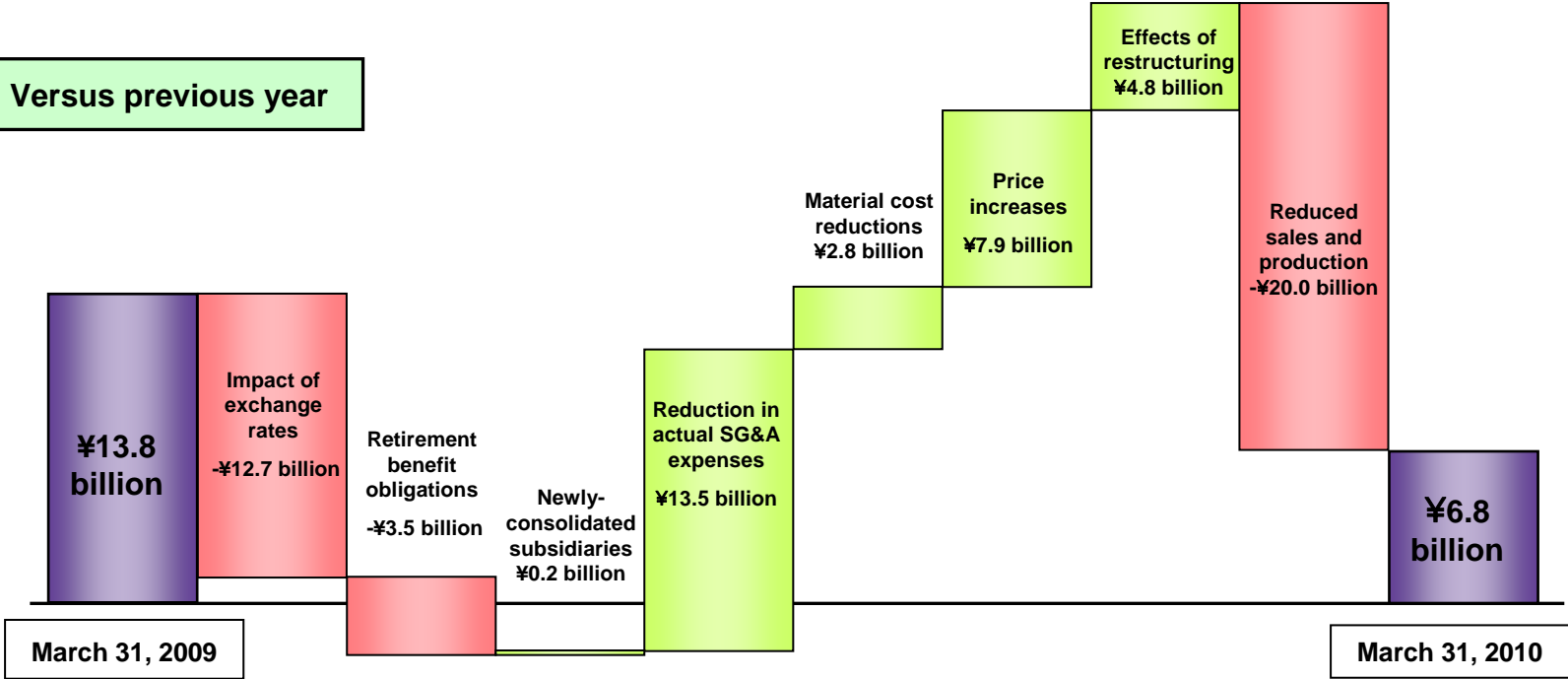
	Impact of exchange rates
Year-on-year	-¥18.8 billion (musical instruments -¥14.8 billion, AV/IT -¥3.9 billion, electronic devices -¥0.1 billion)
Versus previous projections	+¥0.3 billion (musical instruments +¥0.2 billion, AV/IT +¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥12.7 billion (musical instruments -¥10.4 billion, AV/IT -¥2.4 billion, electronic devices +¥0.1 billion)
Versus previous projections	+¥0.3 billion (musical instruments +¥0.3 billion, AV/IT +¥0.1 billion)

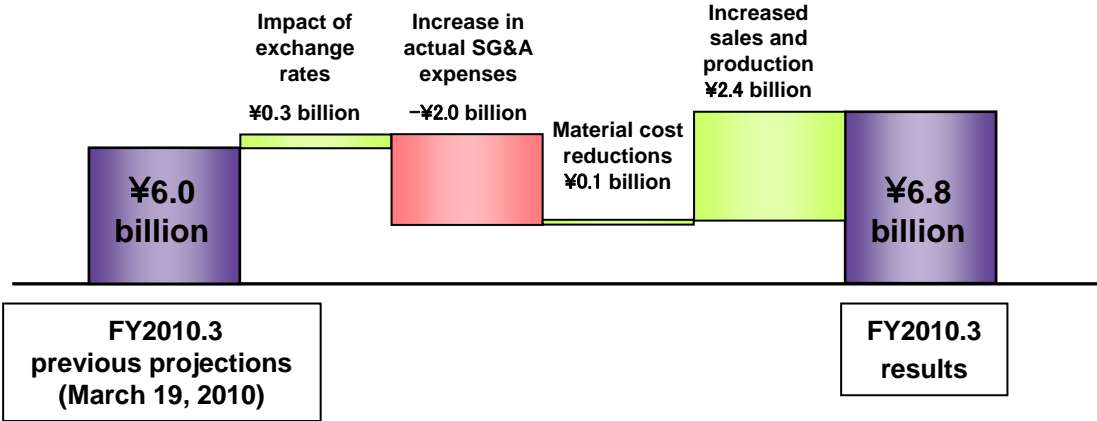
FY2010.3 Operating Income Analysis



Versus previous year



Versus previous projections



Musical Instruments

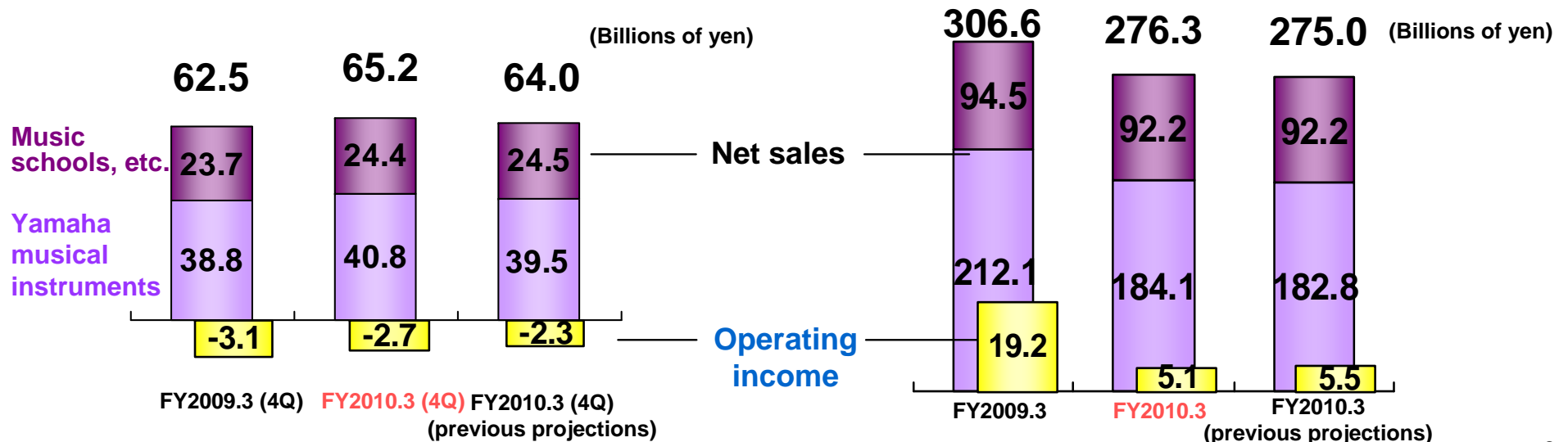


4Q Overview

- Sales and income were higher than in the fourth quarter of the previous year. Sales were higher than previous projections, but income was lower.
- Discounting the impact of exchange rates, actual sales were up 1.9% (¥1.2 billion) on the same period of the previous year. Actual sales were 1.6% higher than previous projections.
- The North American market showed signs of bottoming out, especially for keyboard instruments. Economic recovery was delayed in Europe, but demand was strong in China. The Asia Pacific market rallied.
- Piano and digital musical instrument sales are recovering, but professional audio equipment sales continue to lag.

FY2010.3 Overview

- Sales and income declined year-on-year.
- Despite the effects of price increases, discounting the impact of exchange rates and including ¥3.3 billion of sales by newly-consolidated subsidiaries, actual sales fell by 5.1% (¥15.5 billion) year-on-year.
- In North America actual sales decreased 6% year-on-year and in Europe they fell by 12%. Sales in Japan declined 5% year-on-year. Growth continued in China and other emerging markets.
- Sales of wind instruments and professional audio equipment decreased 9% year-on-year. Although piano sales continued to show double-digit growth in China, they fell sharply in the developed markets of Europe and Japan. The U.S. market showed signs of recovery. Acoustic guitars gained a larger market share, partly due to the launch of new products.
- In spite of reduced expenses, operating income fell significantly from the previous year due to factors including declining sales, unfavorable exchange rates, and losses on retirement benefit obligations.
- Term-end inventories for most products were at broadly appropriate levels, partly in response to reduced production.

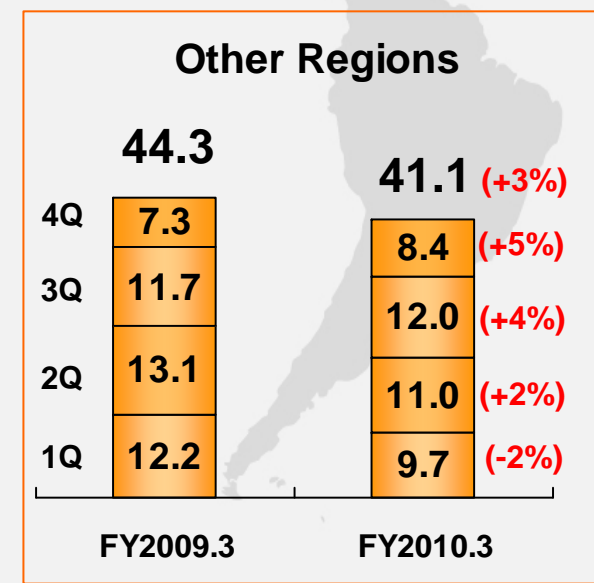
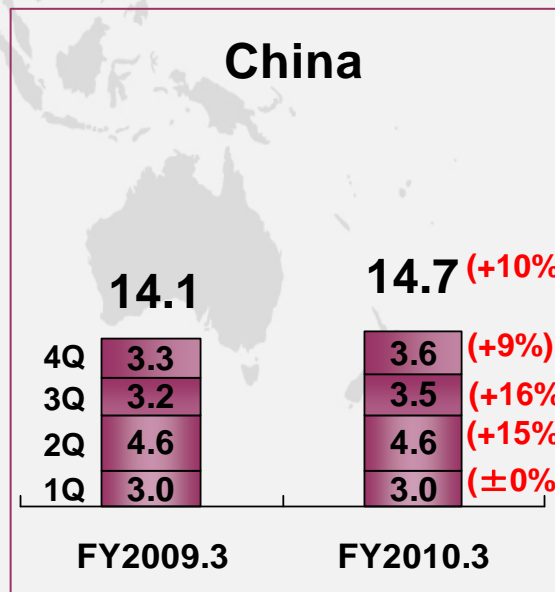
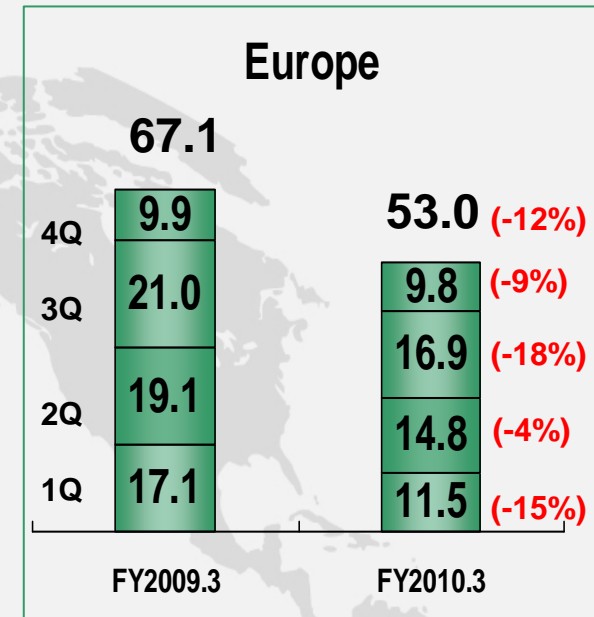
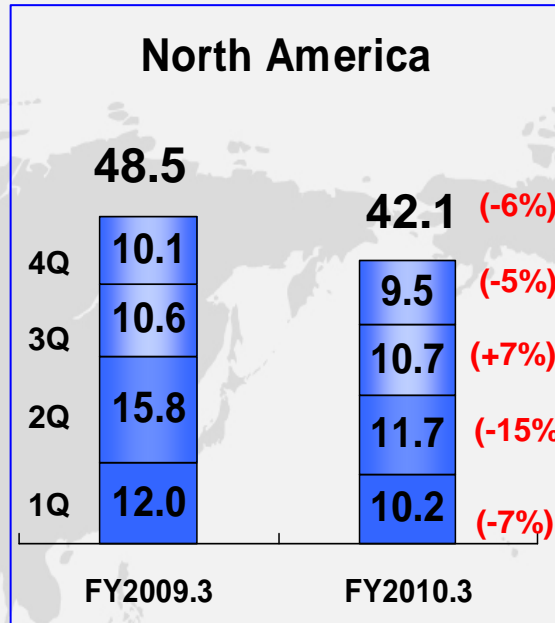
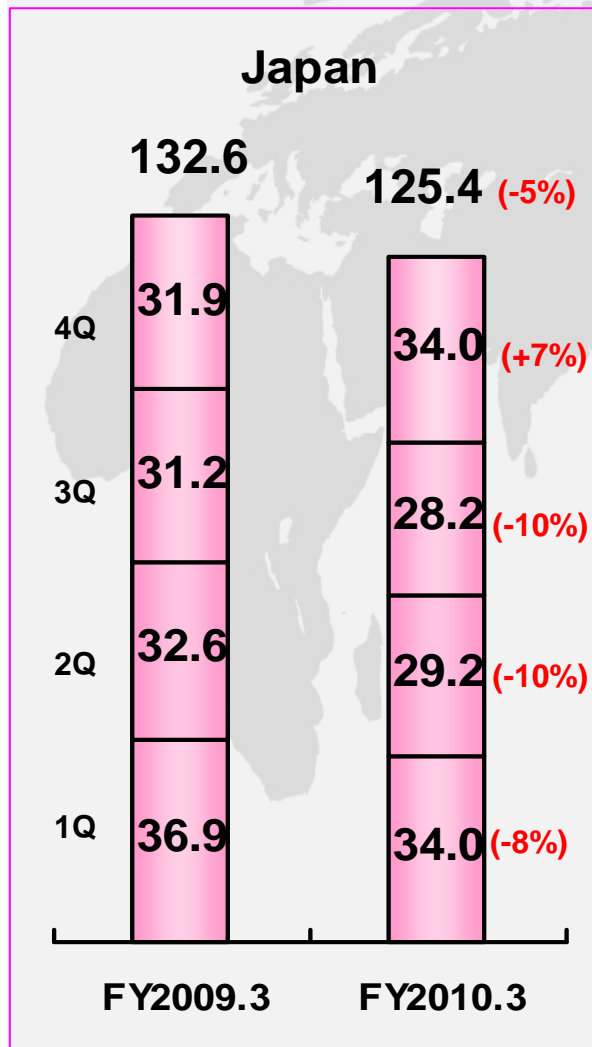


Musical Instruments: Sales by Region



(Billions of yen)

Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates

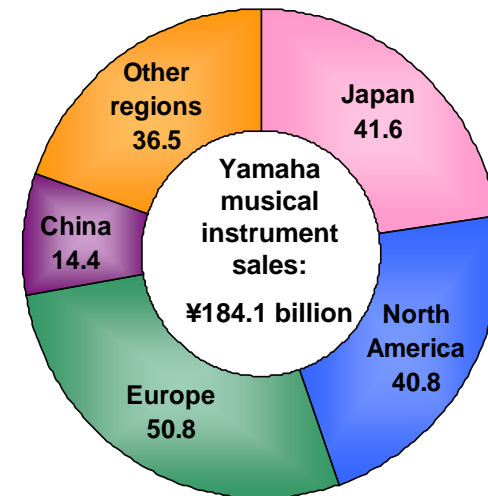


Musical Instruments: Sales by Region



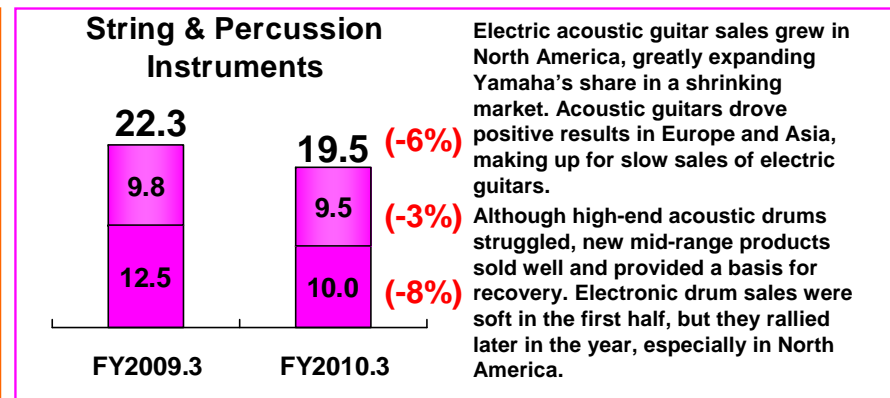
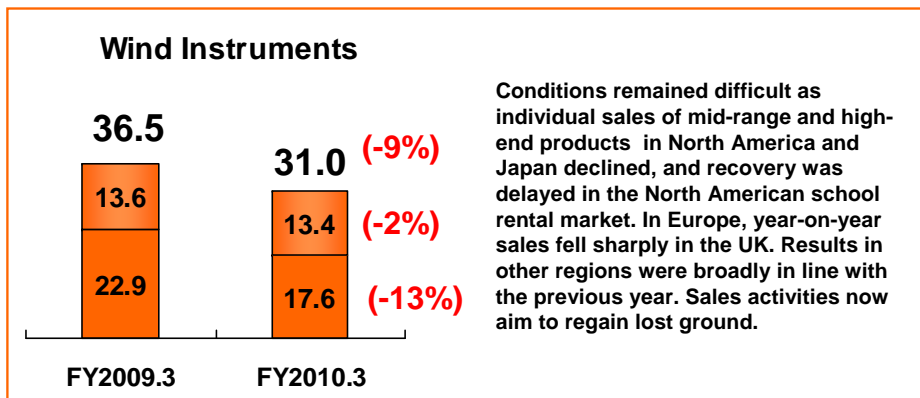
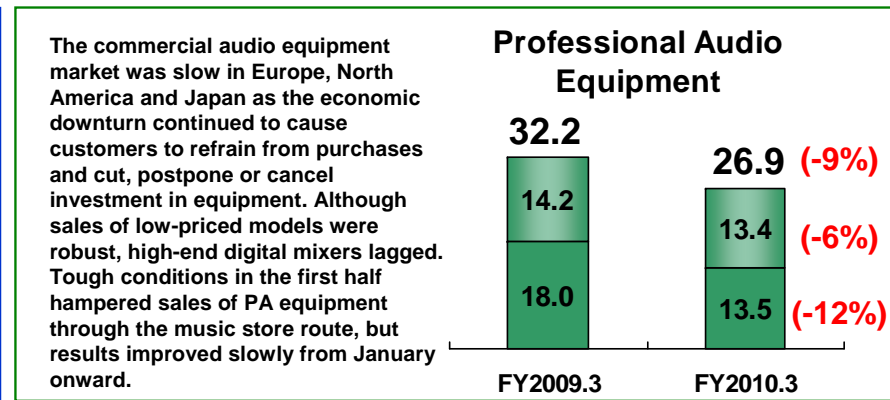
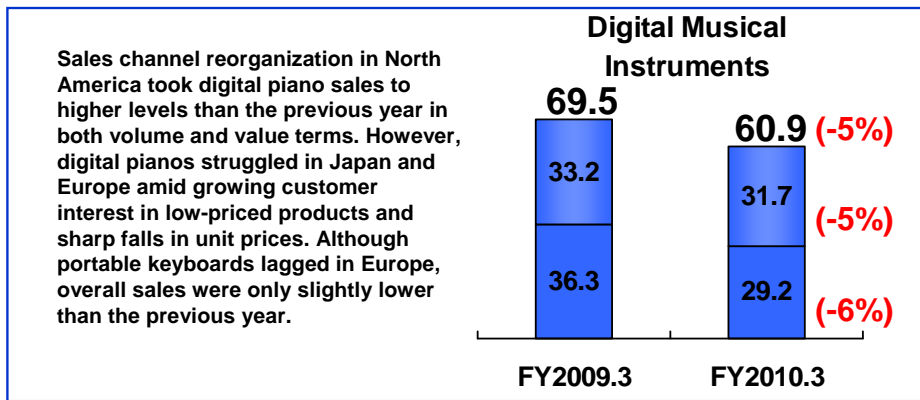
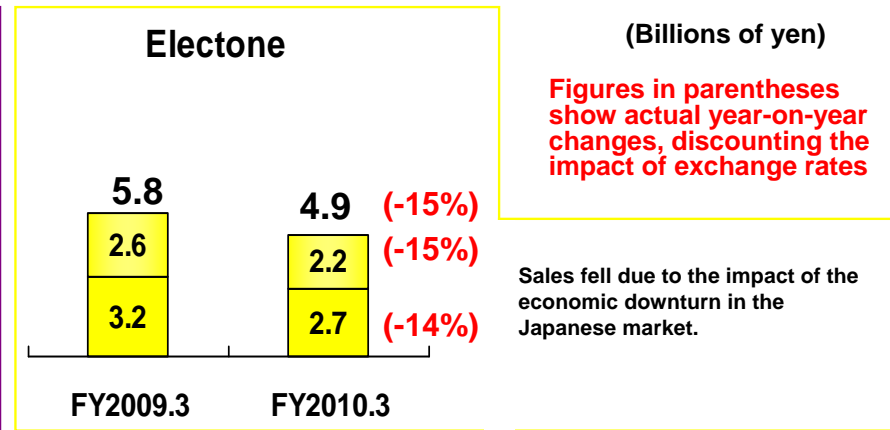
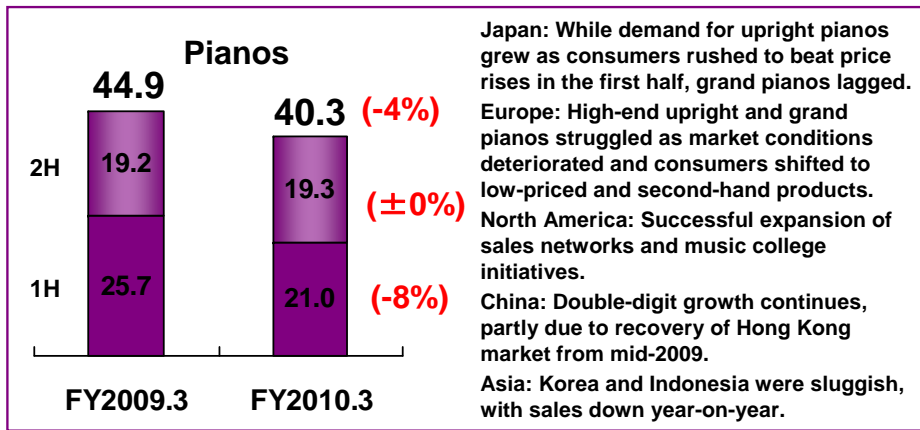
Musical Instrument Sales by Region	
Japan	Sales of mid-range and high-end large keyboard instruments are slow as consumers continue to seek low-priced products. Although new silent™ models have helped to keep upright piano sales robust, grand pianos are struggling amid sluggish demand. Electone™ sales continue to decline year-on-year. Low-priced digital pianos maintained strong sales, but mid-range and high-end models lagged. Wind instrument sales bottomed out in the second half.
North America	Although recovery in the second half spurred a year-on-year increase in sales of keyboard instruments including pianos, digital pianos and portable keyboards, demand shifted from high-end models to low-priced products, and ongoing spending restrictions in the education sector held down sales of wind instruments and percussion instruments for schools. Combined with sluggish sales of professional audio equipment due to a lack of investment appetite in the commercial audio market, this resulted in a year-on-year decline in overall sales.
Europe	New products such as Clavinova™ CVP models did well in the year-end sales, and results in the key German market came close to those of the previous year. Over the full year, markets focused on low prices amid expanded sales of moderately-priced products, and the economic crisis had a severe impact in Eastern and Southern Europe. As a result, sales for the region as a whole were down year-on-year.
China	Pianos and portable keyboards are selling well. Pianos, in particular, drove sales with ongoing double-digit growth, and this level of expansion was maintained over the full year. Although the Hong Kong market has not yet recovered, Yamaha products have shown strong results, with positive year-on-year figures since mid-2009. Sales will be expanded by further building up sales networks, developing sales channels beyond major cities, and enhancing the product lineup.
Other regions	Although pianos, commercial audio equipment and portable keyboards struggled, guitar and digital piano sales grew. In the Asian region, Korea and Taiwan lagged while Southeast Asia showed strong results. In Latin America, Brazil and Mexico rebounded while other countries generally struggled. Favorable market conditions in Australia drove strong sales. Although sales grew in India and Russia, they did not reach targets.

Yamaha Musical Instrument Sales by Region



FY2010.3 Results

Musical Instruments: Sales by Product Category YAMAHA

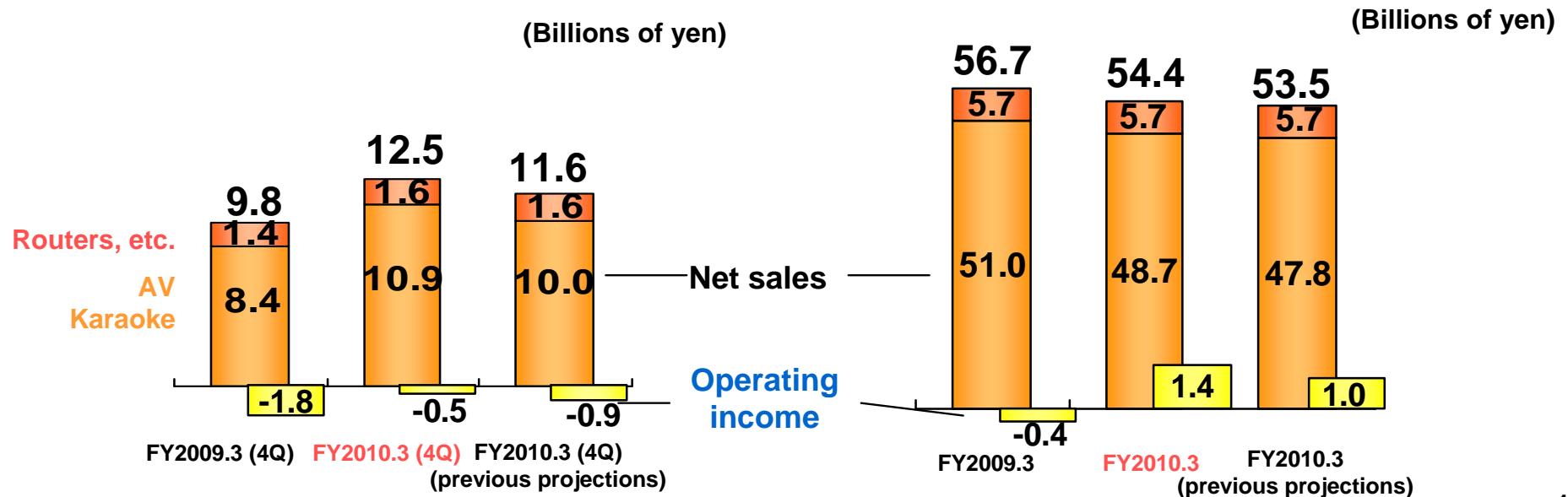


4Q Overview

- Sales and income were up year-on-year and exceeded previous projections.
- Actual sales excluding the effect of exchange rates increased 22.4% (¥2.2 billion) over the same period of the previous year.
- Operating income rose year-on-year and exceeded previous projections, due to increased sales and reduced expenses.
- Robust sales of front surround speakers continued in Japan.
- In the network karaoke business, the focus was on new product development.

FY2010.3 Overview

- Operating income increased year-on-year due to in-house production of components, lower materials costs and reduction of expenses.
- Discounting exchange rate factors, actual sales rose 2.8% (¥1.6 billion) year-on-year.
- Although AV products sales recovered in the second half, actual sales fell 7% year-on-year in North America and 2% year-on-year in Europe.
- Sales of front surround speakers in Japan remained strong throughout the year, achieving double-digit growth from the previous year.
- Sales of IT equipment (network karaoke equipment, routers and conferencing systems) were generally in line with the previous year.
- Term-end inventories were at broadly appropriate levels.



Electronic Devices

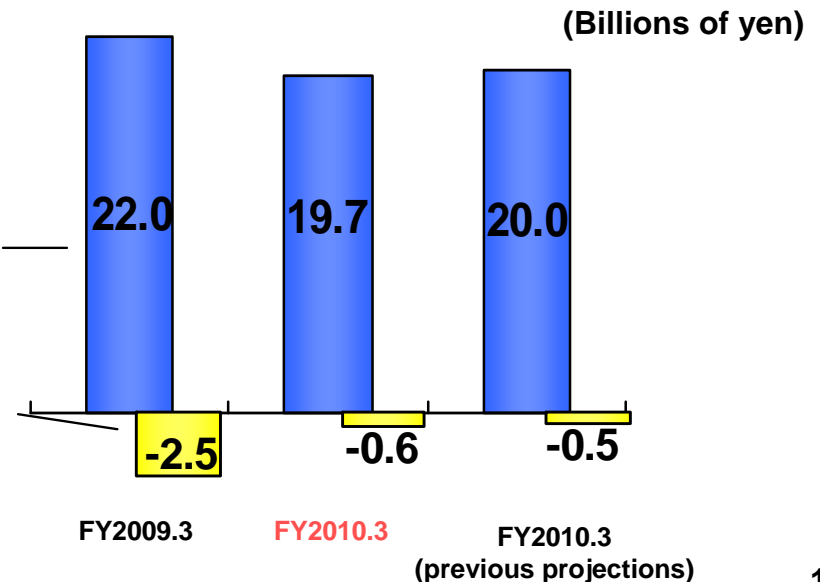
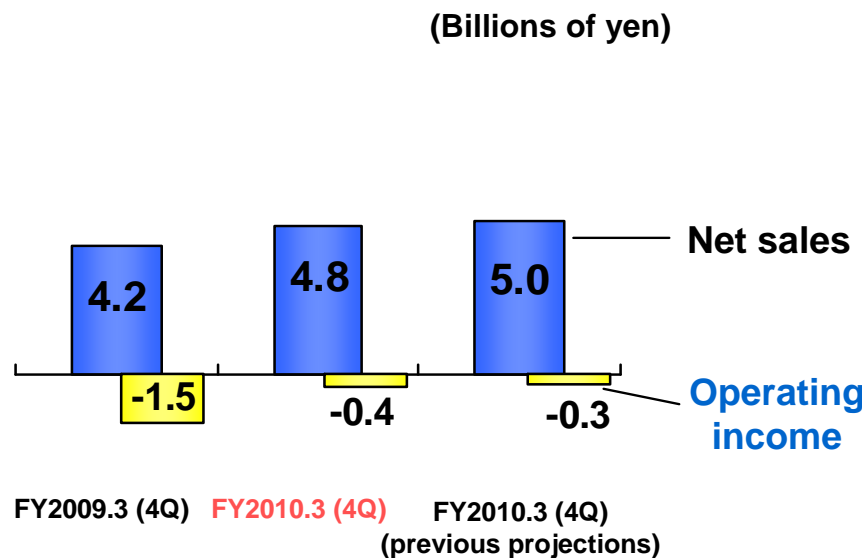


4Q Overview

- Sales and income increased year-on-year, but were lower than previous projections. Product development delays were the main factor behind sales targets not being achieved.
- Sales of sound generators for mobile phones continued to decline. In-car device and digital amplifier sales increased.

FY2010.3 Overview

- Sales declined year-on-year, but income increased.
- Sales of sound generators for mobile phones, a key product, once again decreased from the previous year. This was due to shrinking demand for mobile phones in Japan and a shift to sound-generation software in overseas markets. Digital amplifier sales increased.
- Operating loss shrank, due to factors including lower depreciation expenses resulting from fixed asset impairment carried out in the previous year and changes in the sales mix.



Lifestyle-Related Products

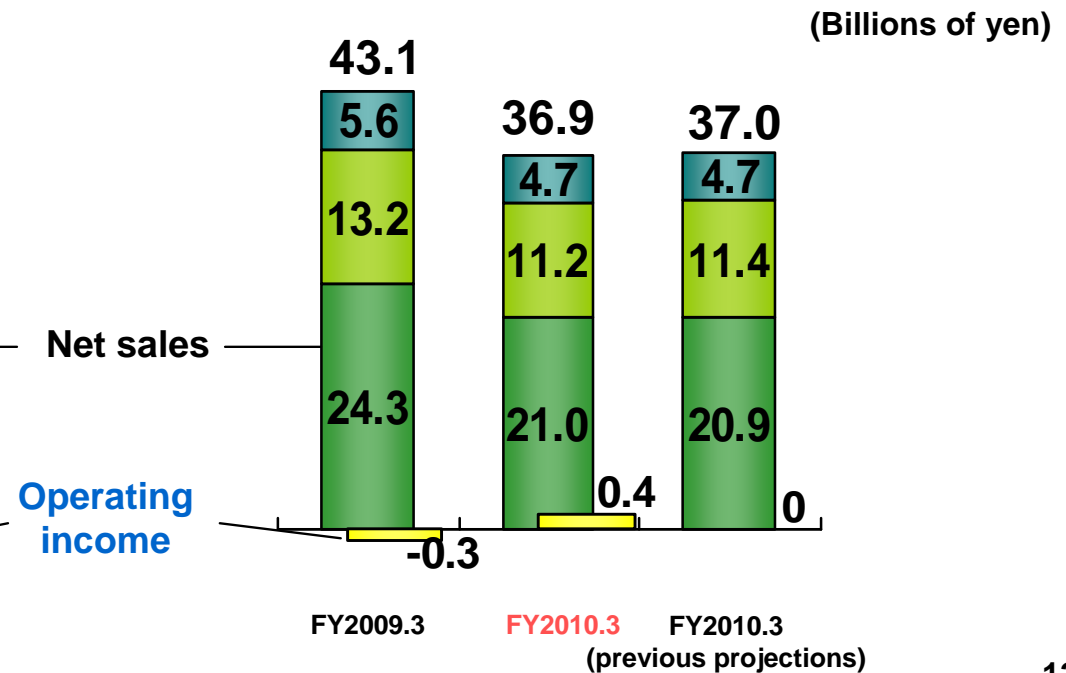
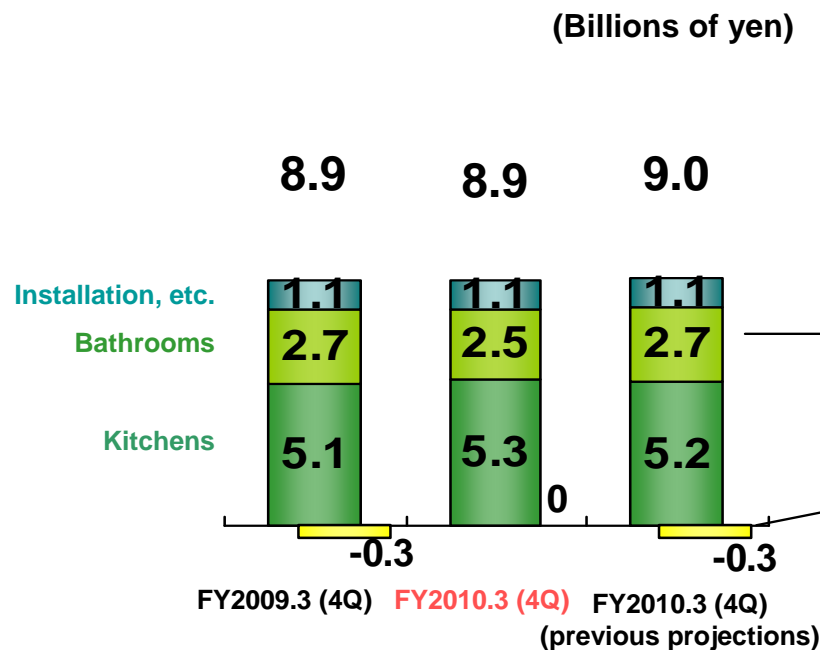


4Q Overview

- Sales increased slightly from the same period of the previous year.
- Operating income returned to positive territory, thanks to rigorous reduction of expenses.
- New housing starts in the fourth quarter fell by 9% year-on-year, a smaller decline than the prior three quarters. Housing starts for owner-occupied dwellings rose slightly year-on-year.

FY2010.3 Overview

- Sales declined year-on-year, but income increased.
- Although sales fell sharply from the previous year, a lower break-even point due to reduced manufacturing costs and expenses led to an operating profit.
- New housing starts in fiscal 2009 were down approximately 25% year-on-year.
- Measures to strengthen remodeling business resulted in a continued rise in the ratio of remodeling sales (from 21% in previous year to 25%).
- Majority shareholding was handed over to an investment fund on March 31.



Others

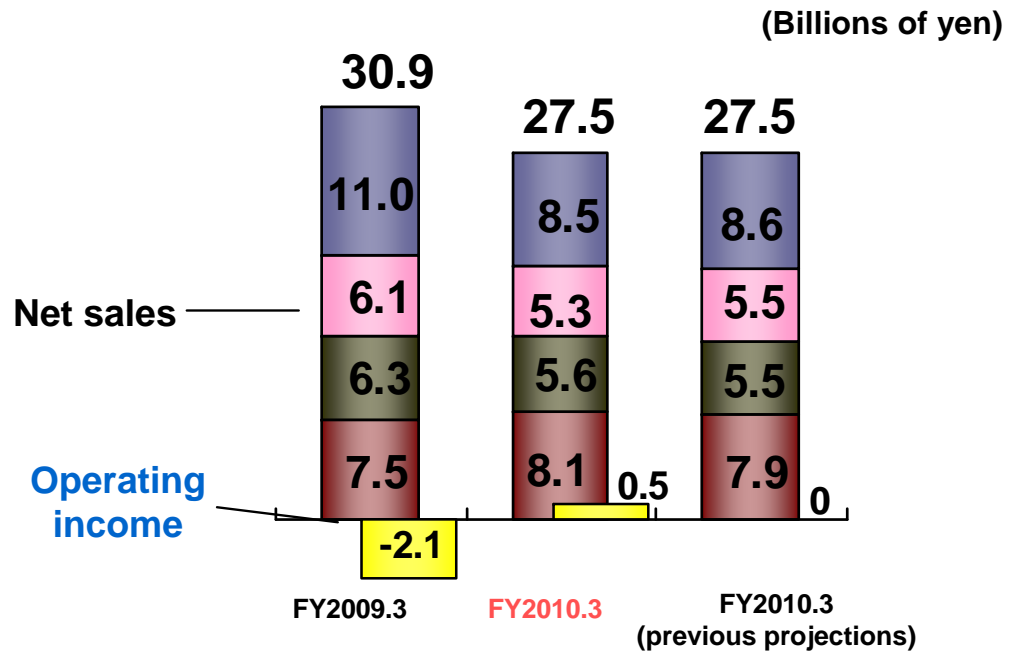
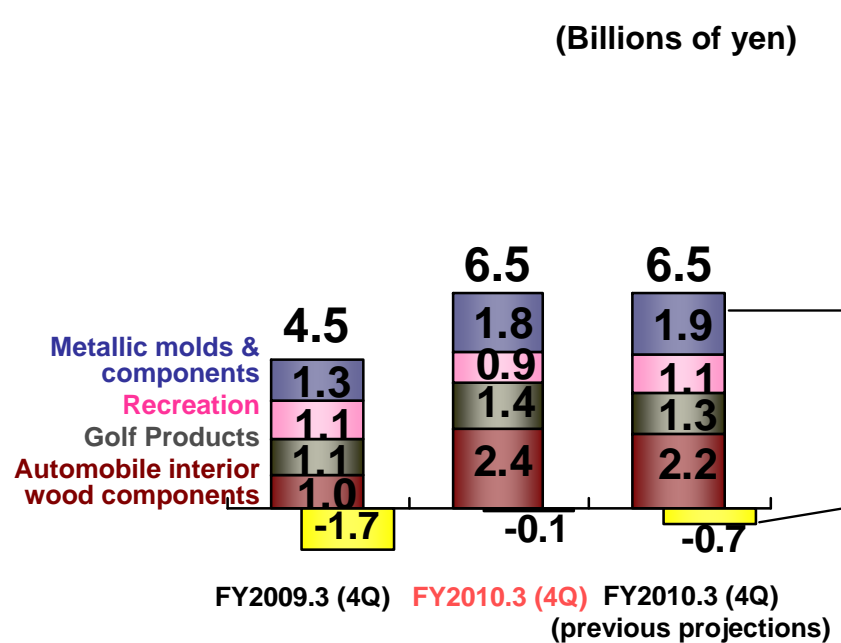


4Q Overview

- Sales and income increased year-on-year.
- Sales were broadly in line with previous projections, but operating income was much better than anticipated.
- Production of automobile interior wood components rose sharply year-on-year as the market rebounded.
- Sales of golf products increased somewhat in both Japanese and overseas markets.

FY2010.3 Overview

- Operating income improved sharply year-on-year and moved into positive figures over the full year.
- Automobile interior wood component sales and income increased year-on-year as production rose due to market recovery. However, factory automation sales and income declined amid restricted corporate capital expenditure.
- Sales of golf products fell year-on-year. Operating income increased, partly due to reduced expenses.
- Sales in the recreation business declined year-on-year due to lower guest numbers, especially for accommodation.
- Production of magnesium molded parts in Japan ceased on March 31, 2010.



FY2011.3 Business Environment and Performance Forecast



Business environment

- Although economic recovery is projected in China and other emerging markets, uncertainty continues in North America, Europe and Japan
- Yen will remain strong
- Upward trend in material costs

Performance forecast

- Compared to the previous year, lower sales but higher income predicted. Full-year net income expected for the first time in three years.
- Discounting the effects of changes in the lifestyle-related products and magnesium molded parts segments (-¥41.6 billion) as well as the impact of exchange rates (-¥6.2 billion), actual sales are projected to rise 4.8% (+¥18.0 billion) year-on-year.
- As the first year of the new medium-term business plan, FY2011.3 will be a time for building foundations for future business growth.

Forecast of Business Performance in FY2011.3

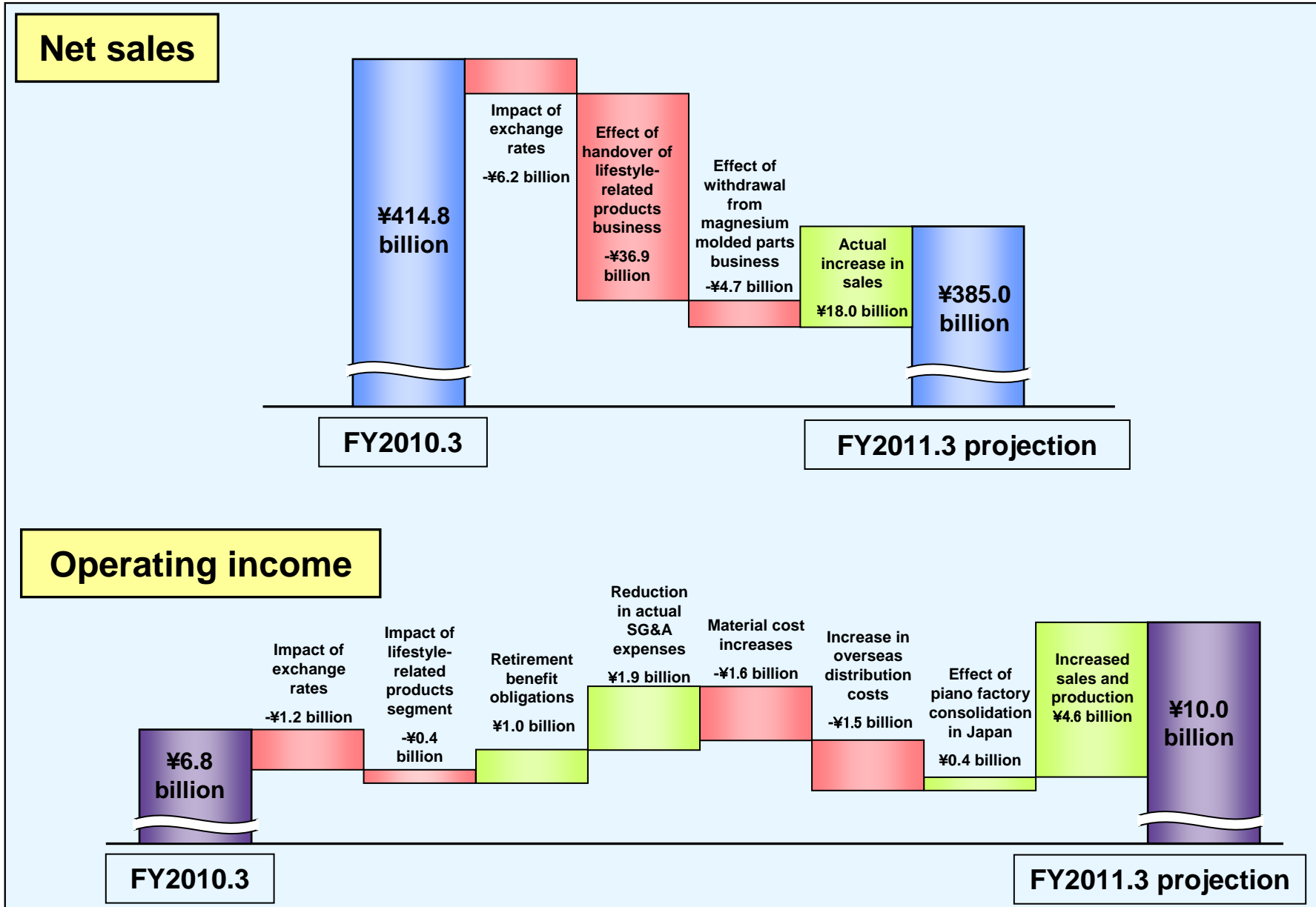
(Billions of yen)

	FY2010.3 results	FY2011.3 forecasts	Increase/ decrease	Year-on-year percentage change
Net sales	414.8	385.0	-29.8	-7.2%
Operating income (operating income ratio)	6.8 (1.6%)	10.0 (2.6%)	+3.2	+46.5%
Ordinary income (ordinary income ratio)	4.9 (1.2%)	7.5 (1.9%)	+2.6	+52.7%
Net income (net income ratio)	-4.9 (-)	5.5 (1.4%)	+10.4	-

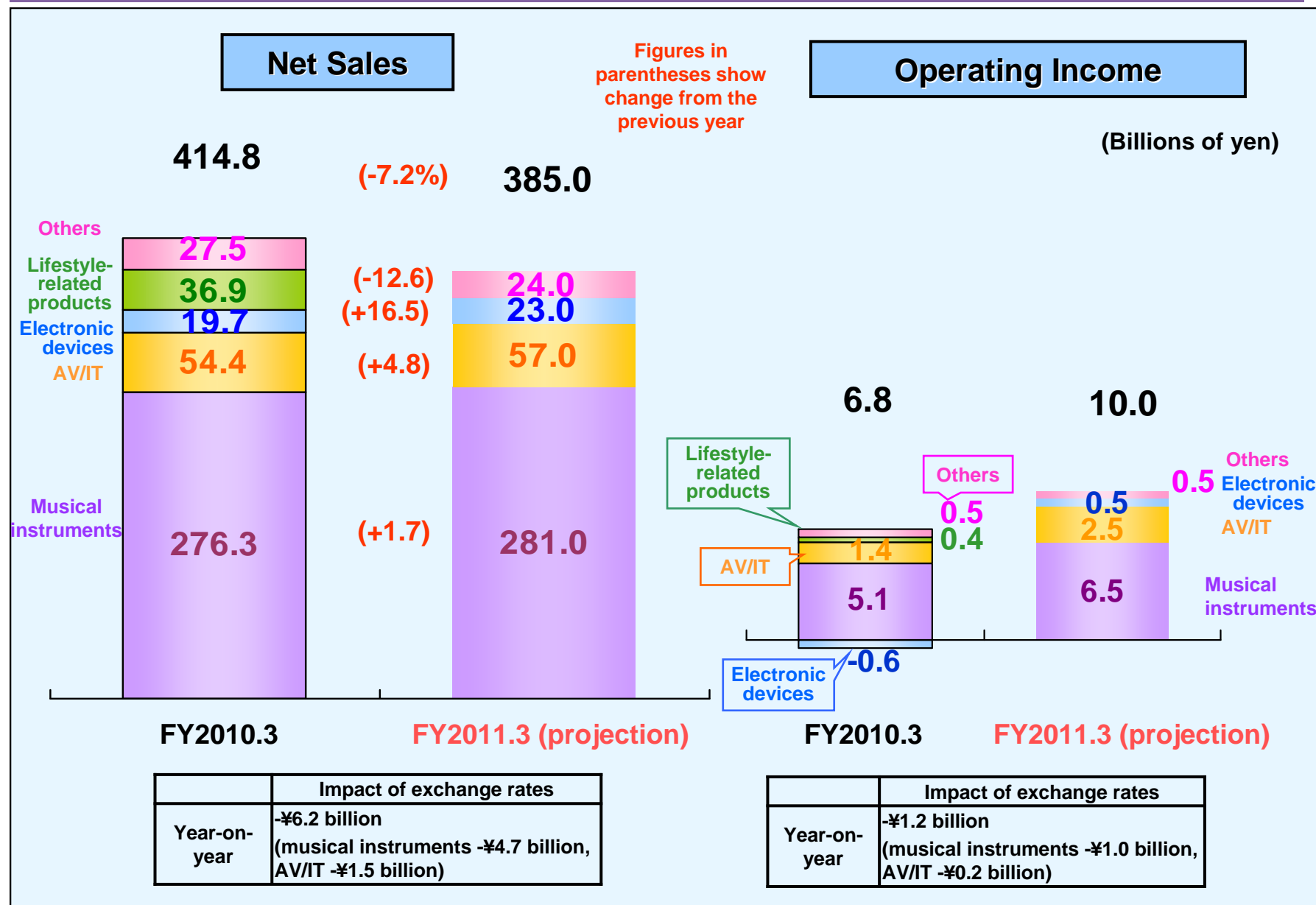
Currency exchange rates (yen)

Net sales	US\$	93	90
	EUR	131	127
Operating income	US\$	93	90
	EUR	130	127

FY2011.3 Sales and Operating Income Analysis (Projection)



Forecast of Performance by Business Segment in FY2011.3



Musical Instruments

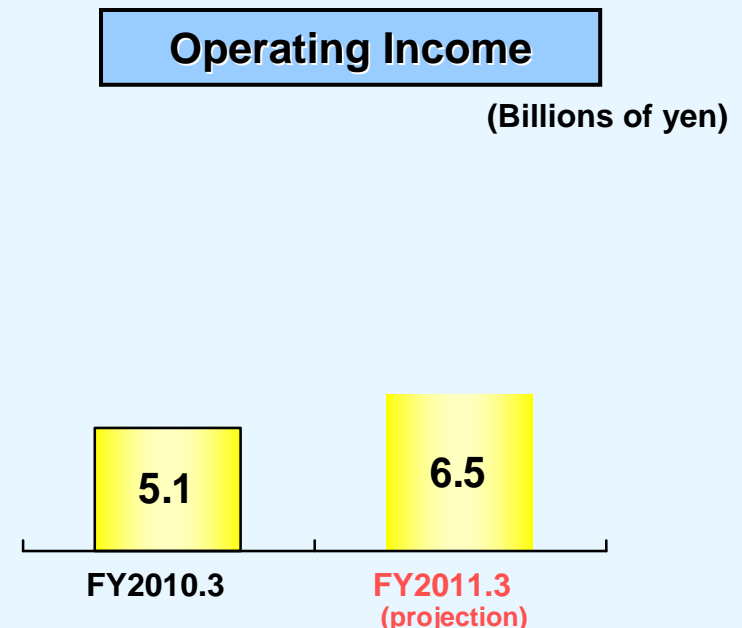
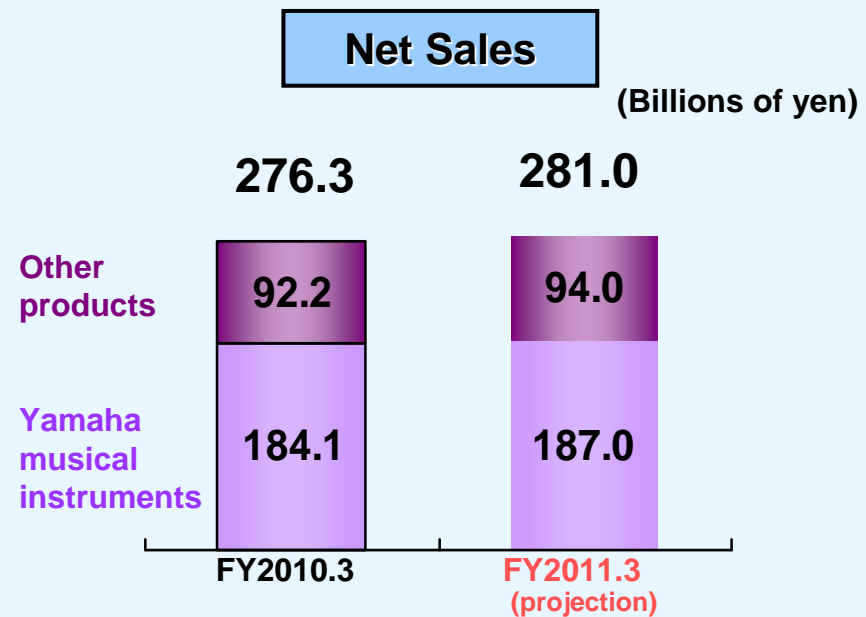


Market Environment

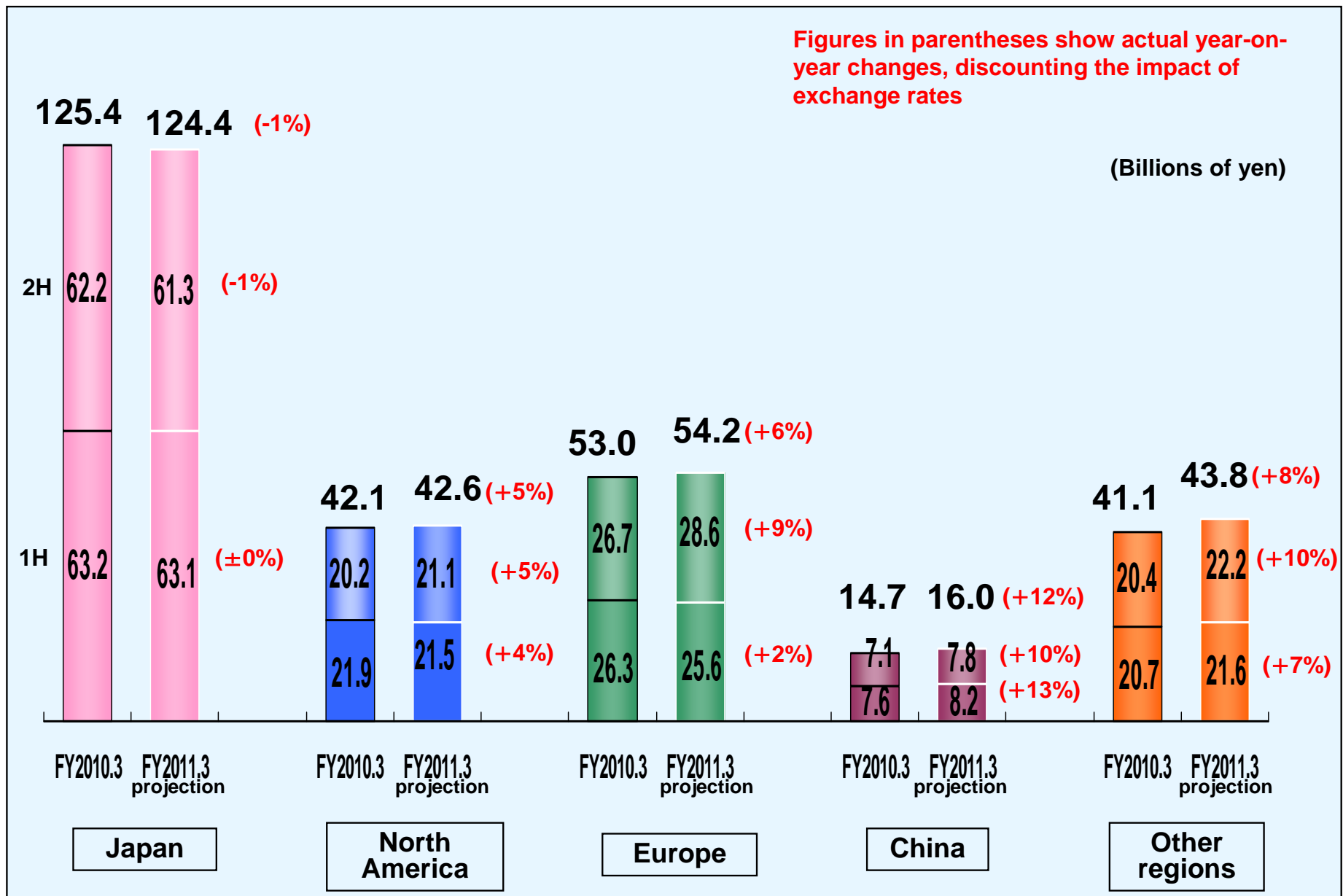
- Delay in global economic recovery
- Polarization of consumption into performance-oriented spending and price-oriented spending
- Ongoing change in forms of distribution (large-scale stores, growing share of mass merchandisers, Internet sales)

Priority measures

- Expand sales in emerging markets including China
- Form optimum production structure to match market trends
 - Increase production in China and Indonesia
 - Consolidate piano production in Japan into a single factory (August 2010)
 - Prepare for consolidation of wind instrument production in Japan
 - Launch pianos manufactured in Indonesia on the Japanese market
- Launch new products in timely manner



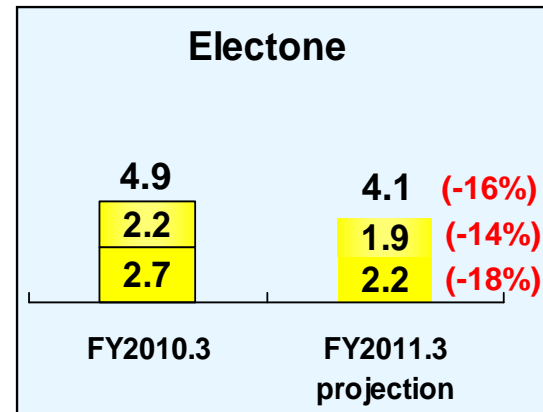
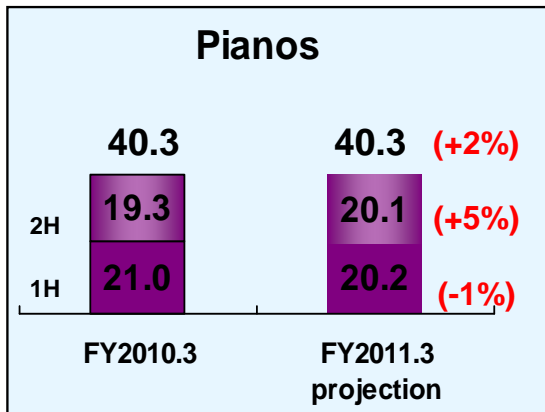
Musical Instruments: Sales by Region (FY2011.3 Projections)



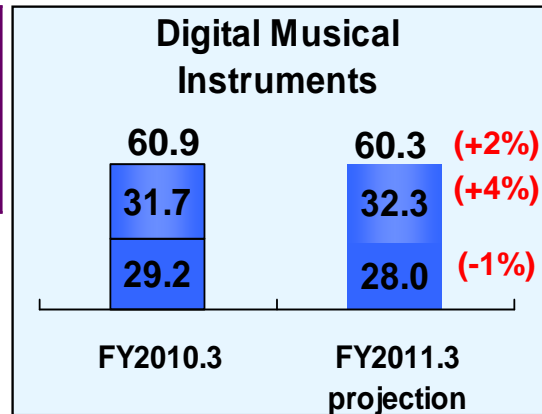
Musical Instruments: Sales by Product Category (FY2011.3 Projections)



(Billions of yen)
 Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates

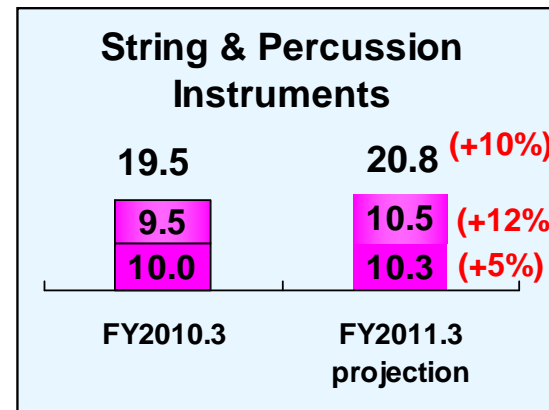
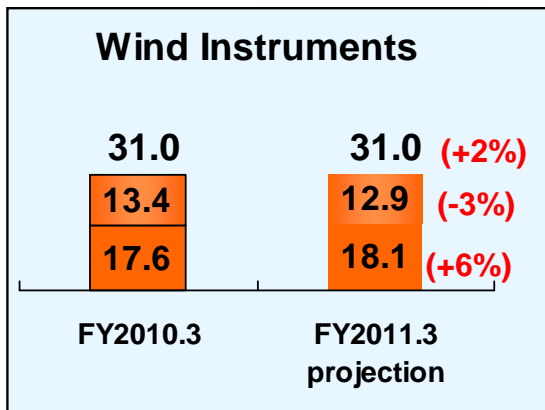
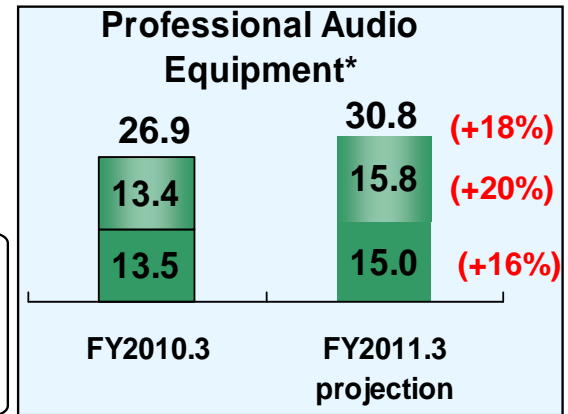


Piano sales volumes	FY2010.3	FY2011.3
Japan	14,700	14,100
Other countries	75,200	81,600
Total	89,900	95,700



*Sales figure of music production products (software & hardware) have been reformed from Digital Musical Instruments to Professional Audio Equipment from FY2011.3

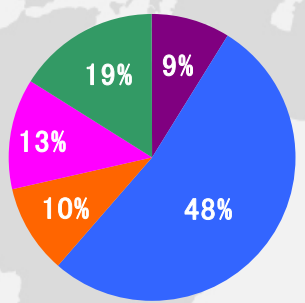
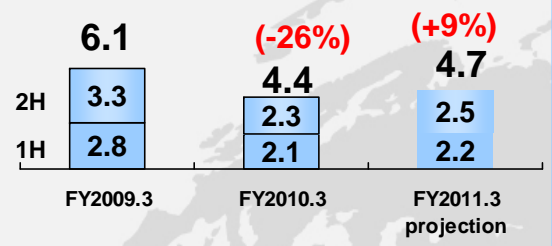
Prior to the shift, year-on-year changes were:
 Digital Musical Instruments: +5%
 PA Equipment: +6%



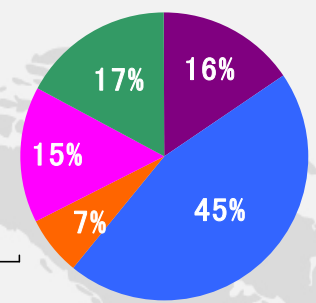
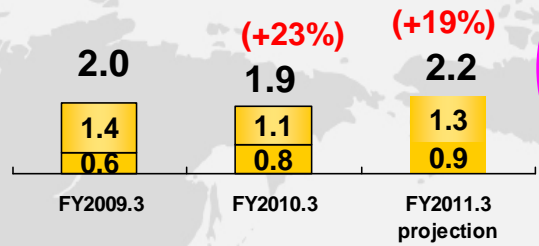
Emerging Market Sales



Eastern Europe



Russia

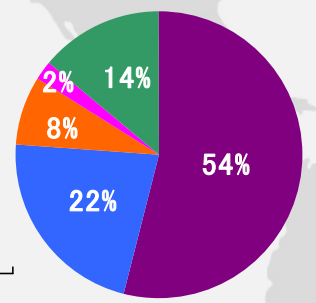
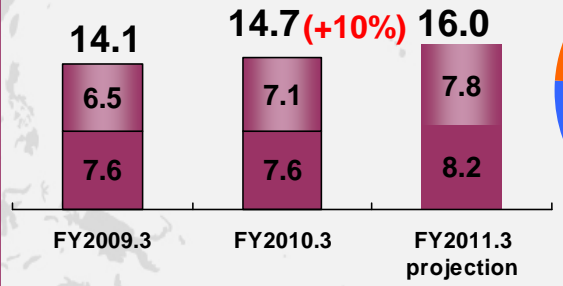


- Pianos
- Digital musical instruments
- Wind instruments
- String & percussion instruments
- PA equipment

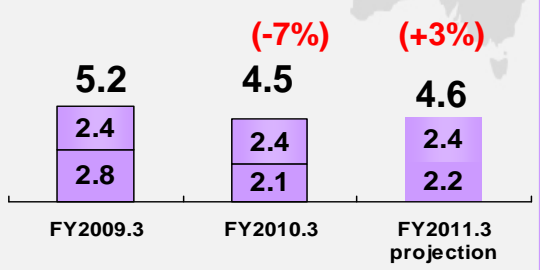
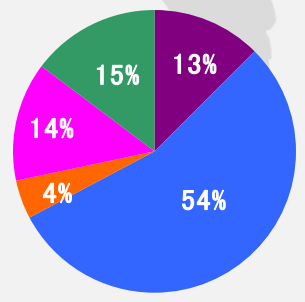
(Billions of yen)

Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates

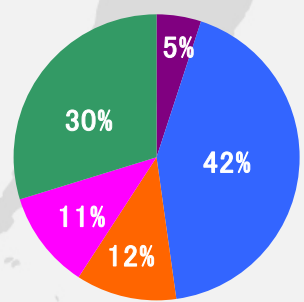
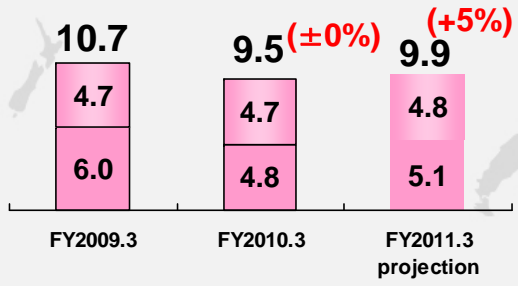
China



Middle East



Latin America

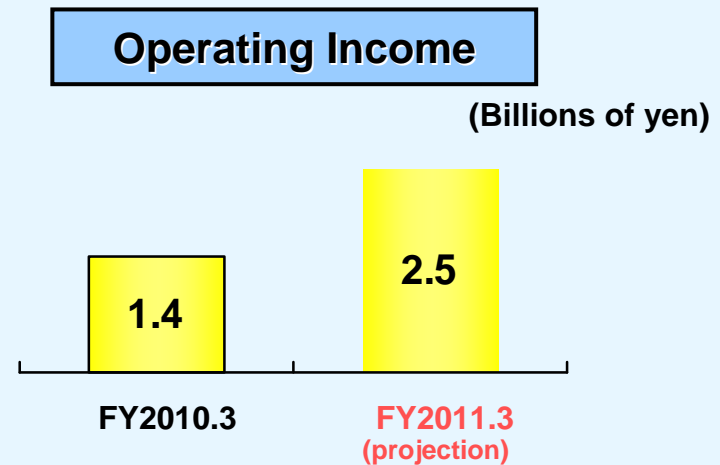
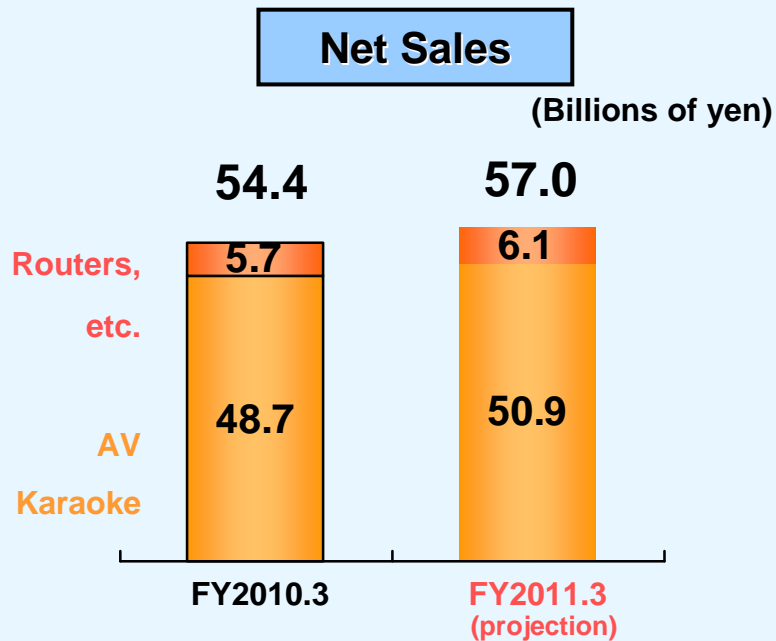


■Market Environment

- Demand for flat-panel TVs is gradually increasing
- Growing differentiation of functions and specification standards such as HDMI and 3D
- Desktop audio market is expanding in conjunction with widespread use of iPods
- Japanese market for small office/home office routers has peaked

■Priority measures

- Build AV business by launching products targeted at demand trends
 - Expand sales of mid- and high-level AV receivers
 - Reinforce TV peripheral products such as sound projectors with furniture stands
 - Strengthen product line-up in new categories including desktop audio
 - Reduce manufacturing costs through in-house production of parts and lower materials prices
- Develop next-generation karaoke equipment
- Expand share in router business by emphasizing product superiority
- In conferencing system business, expand share of microphone speaker market for Web conferences

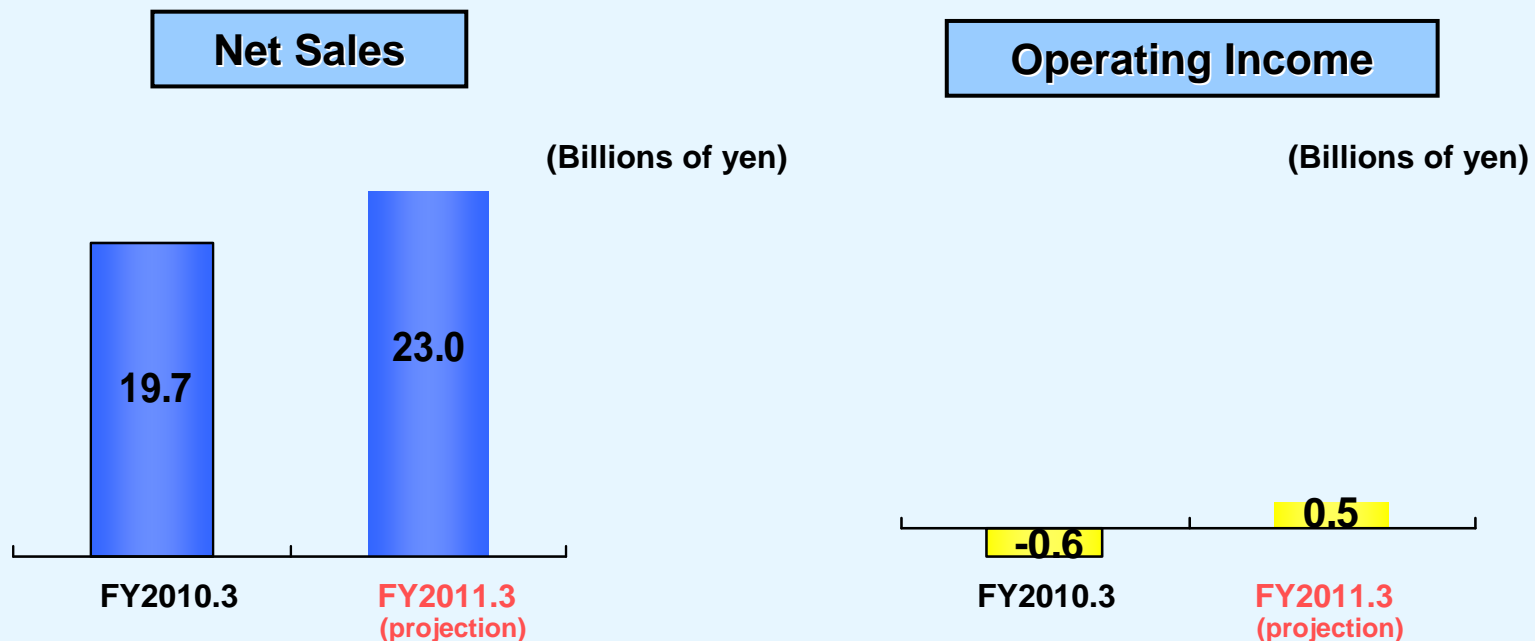


■Market Environment

- Falling mobile phone sales in Japan. Shift to sound generation software for mobile phones in overseas markets
- Although the market for flat-panel TVs is expanding as digitization progresses, prices are dropping
- Growing use of electronic components in vehicles

■Priority measures

- Enhance profitability by reducing fixed costs
- Maintain sound generators for mobile phone business by offering added value
- Increase digital amplifier sales and maintain and expand sales of sound generators and graphic LSIs for pachinko machines
- Expand in-car display business



Market Environment

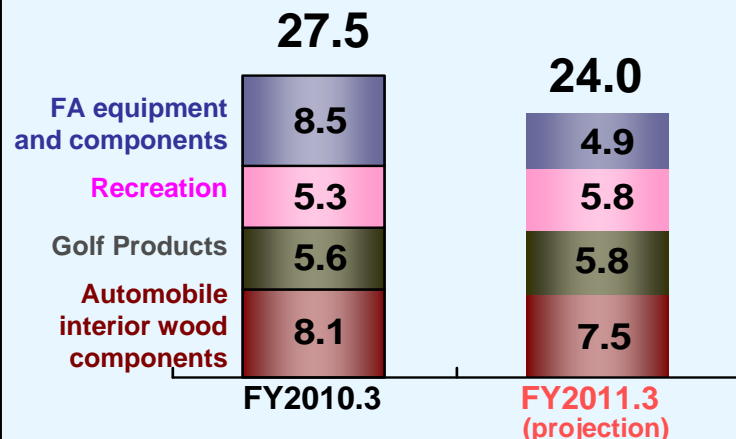
- Model change cycle for luxury vehicles has run its course
- Signs of recovery in corporate capital expenditure
- Recreation business continues to be affected by the economic downturn
- Golf products still face a sluggish market in Japan, but overseas markets are slowly recovering

Priority measures

- Assure profitability of automobile interior wood components business by further lowering break-even point
- Expand share in golf products business by developing competitive new products matched to market needs and strengthening sales capabilities
- Aim for profitability in the recreation business by offering packages that make the most of facilities' attractions and reducing fixed costs

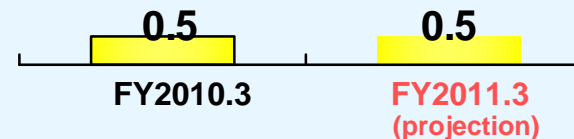
Net Sales

(Billions of yen)



Operating Income

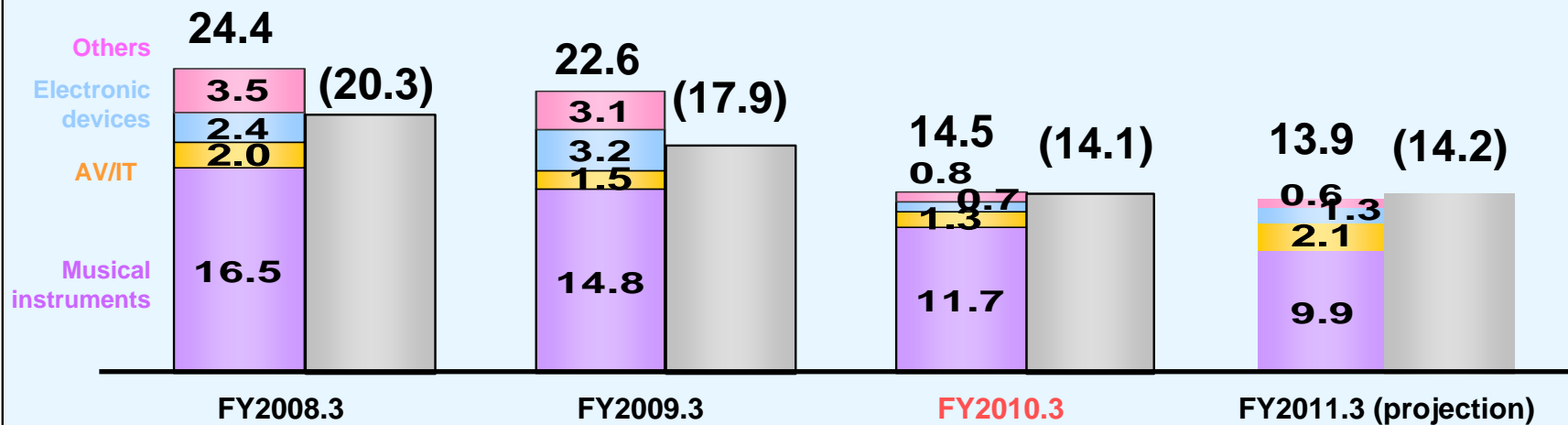
(Billions of yen)



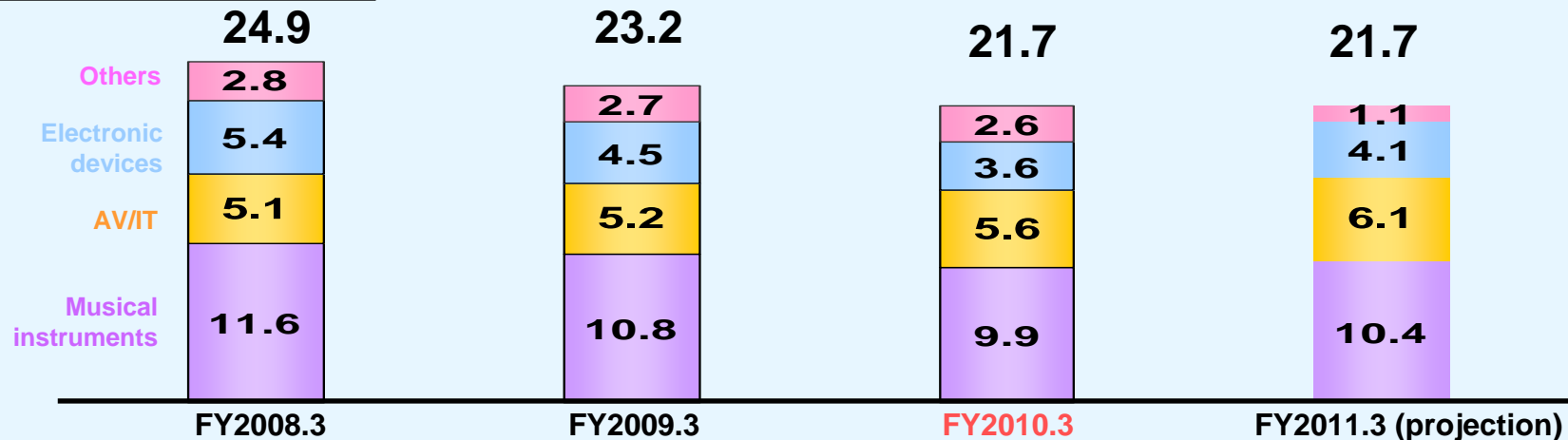
Capital Expenditure/Depreciation/R&D Expenses

Capital Expenditure (Depreciation)

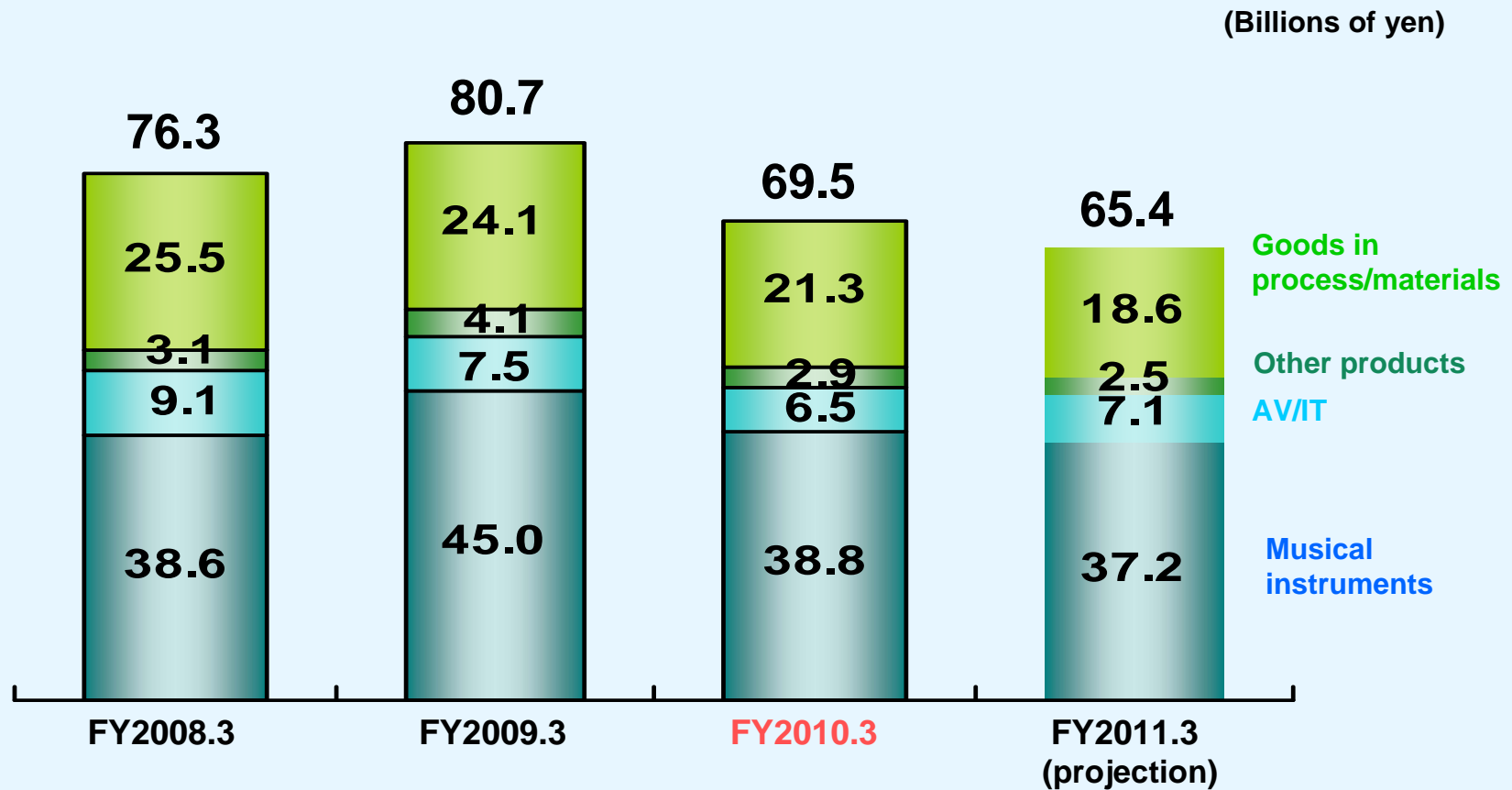
(Billions of yen)



R&D Expenditure



Inventories



➤ Total inventories as of March 31, 2010 were ¥11.2 billion lower than at the end of the previous fiscal year (allowing for the impact of exchange rates, actual inventories were ¥10.8 billion lower than the previous year)

Balance Sheet Summary



(Billions of yen)

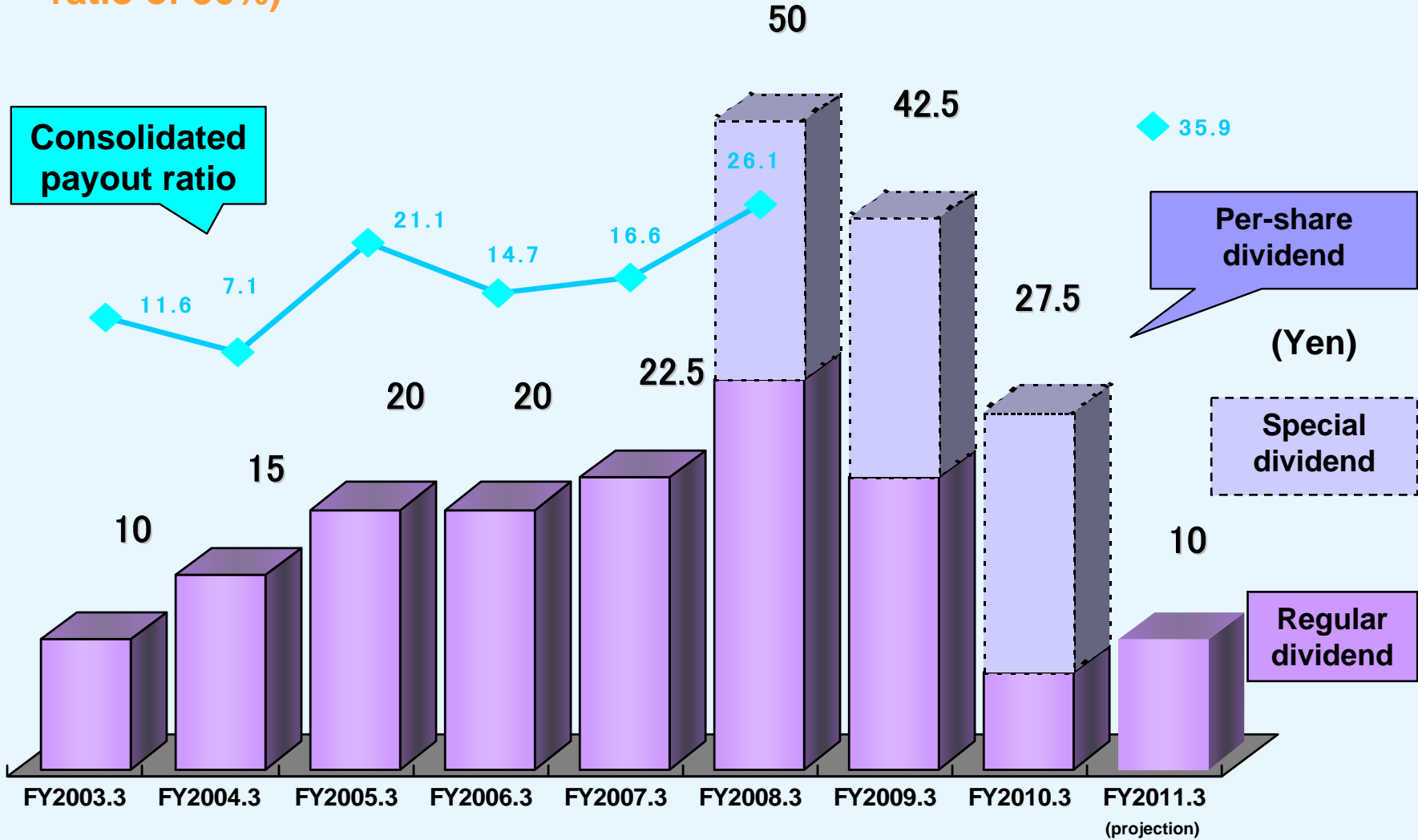
	As of March 31, 2008	As of March 31, 2009	As of March 31, 2010	As of March 31, 2011 (projections)
Cash and bank deposits	104.0	41.4	59.4	53.9
Notes & accounts receivable	65.1	50.5	47.4	51.6
Inventories	76.3	80.7	69.5	65.4
Other current assets	30.3	29.5	17.0	17.4
Fixed assets	264.6	206.9	208.9	205.6
Total assets	540.3	409.0	402.2	393.9
Notes & accounts payable	35.0	25.6	21.8	21.1
Short- and long-term loans	21.0	19.2	15.0	11.3
Resort membership deposits	17.0	16.7	16.1	16.1
Other liabilities	124.3	95.7	94.7	95.4
Total net assets	343.0	251.8	254.6	250.0
Total liabilities and net assets	540.3	409.0	402.2	393.9

Note: Balance of cash and deposits as of March 31, 2008 includes negotiable certificates of deposit

Return to Shareholders



➤ An annual dividend of ¥10 is planned for FY2011.3 (consolidated payout ratio of 36%)



Appendix

Performance in the Fourth Quarter of FY2010.3



➤ **Fourth quarter sales and income were higher than previous projections**

(Billions of yen)

	FY2009.3 4Q results	FY2010.3 4Q results	Increase/ decrease	Previous projections (Mar. 19, 2010)	Increase/ decrease against projections
Net sales	89.9	97.9	+9.0%	96.1	+1.9%
Operating income	-8.4	-3.7	—	-4.5	—
Ordinary income	-9.0	-3.9	—	-4.8	—
Net income	-30.0	-7.9	—	-8.0	—

Currency exchange rates (yen)

Net sales	US\$	94	91	90
	EUR	122	125	127
Operating income	US\$	93	90	90
	EUR	128	131	127

Performance by Business Segment in the Fourth Quarter of FY2010.3

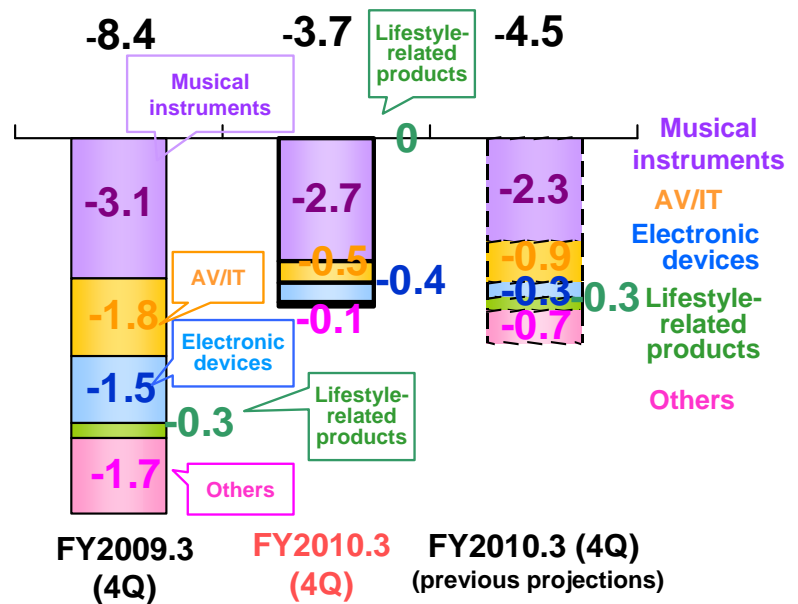
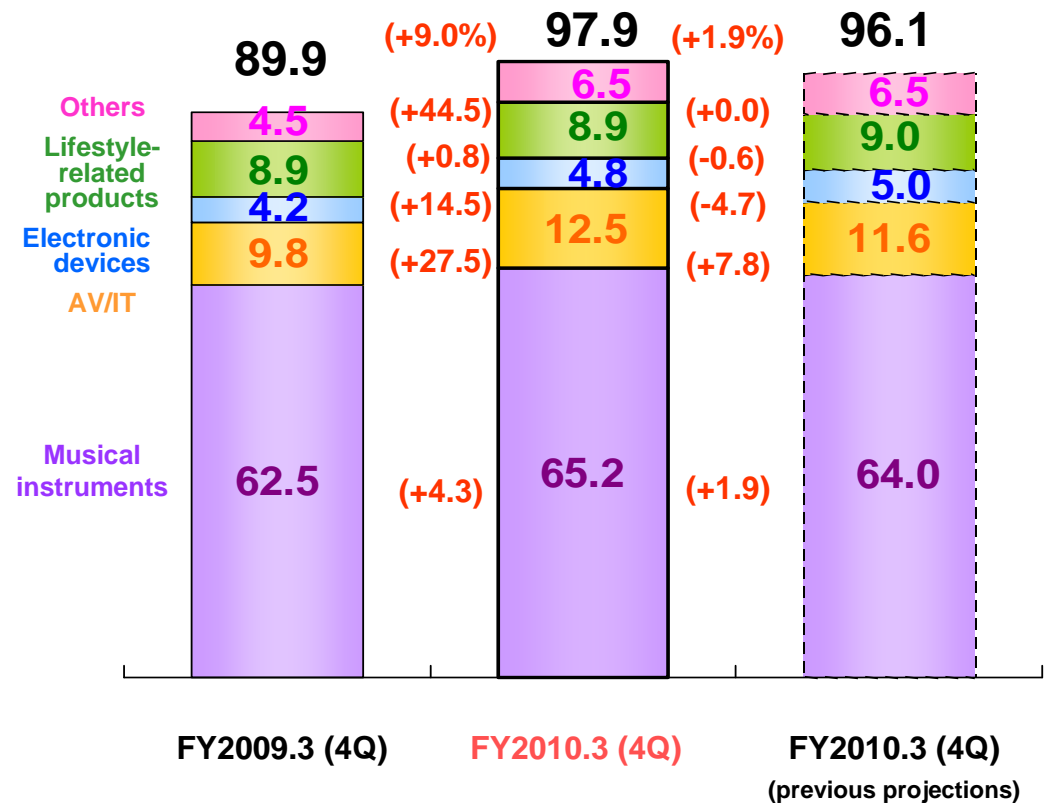


Net Sales

Figures in parentheses indicate change from the previous year or previous projections

Operating Income

(Billions of yen)



	Impact of exchange rates
Year-on - year	+¥2.0 billion (musical instruments +¥1.5 billion, AV/IT +0.5 billion)
Versus previous projections	+¥0.3 billion (musical instruments +¥0.2 billion, AV/IT +¥0.1 billion)

	Impact of exchange rates
Year-on - year	+¥1.1 billion (musical instruments +¥0.7 billion, AV/IT +0.4 billion)
Versus previous projections	+¥0.3 billion (musical instruments +¥0.3 billion, AV/IT +¥0.1 billion)

Full Year Non-Operating Income/Loss & Extraordinary Income/Loss



	FY2009.3 results	FY2010.3 results	FY2011.3 projections
(Billions of yen)			
Non-operating income (loss)			
Net financial income	2.0	0.3	0
Other	-3.8	-2.2	-2.5
Total	-1.8	-1.9	-2.5
Extraordinary income (loss)			
Income from (loss on) disposal of fixed assets	-0.7	0	-0.1
Other	-23.5	-5.1	-0.4
Total	-24.2	-5.1	-0.5
Income taxes and other expenses			
Income taxes - current	3.8	3.1	2.6
Income taxes - deferred	4.9	1.3	-1.3
Minority interests in income	-0.3	0.4	0.2
Total	8.4	4.7	1.5

•Yamaha Motor Co., Ltd. dividend 1.1

•Impairment loss -15.3
 •Restructuring expenses -4.9
 •Revaluation loss on investment in affiliates -3.3

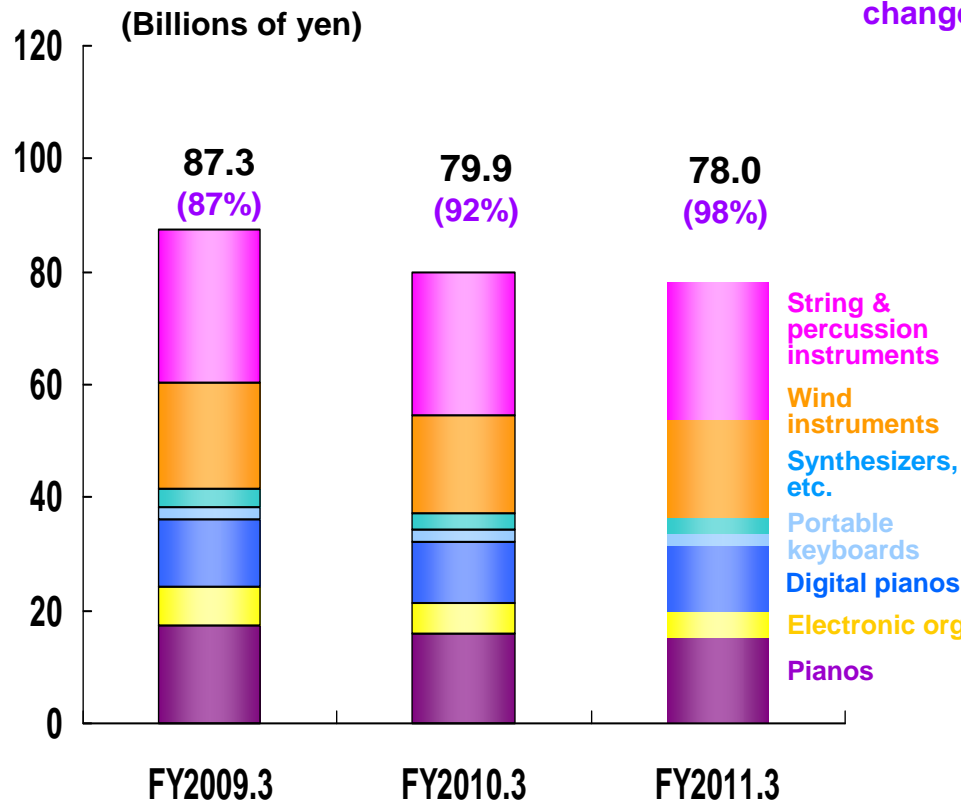
•Handover of Yamaha Livingtec -2.2
 •Impairment loss -2.0
 •Indonesian tariff assessment from previous periods -0.6

Musical Instrument Sales in the Japanese Market

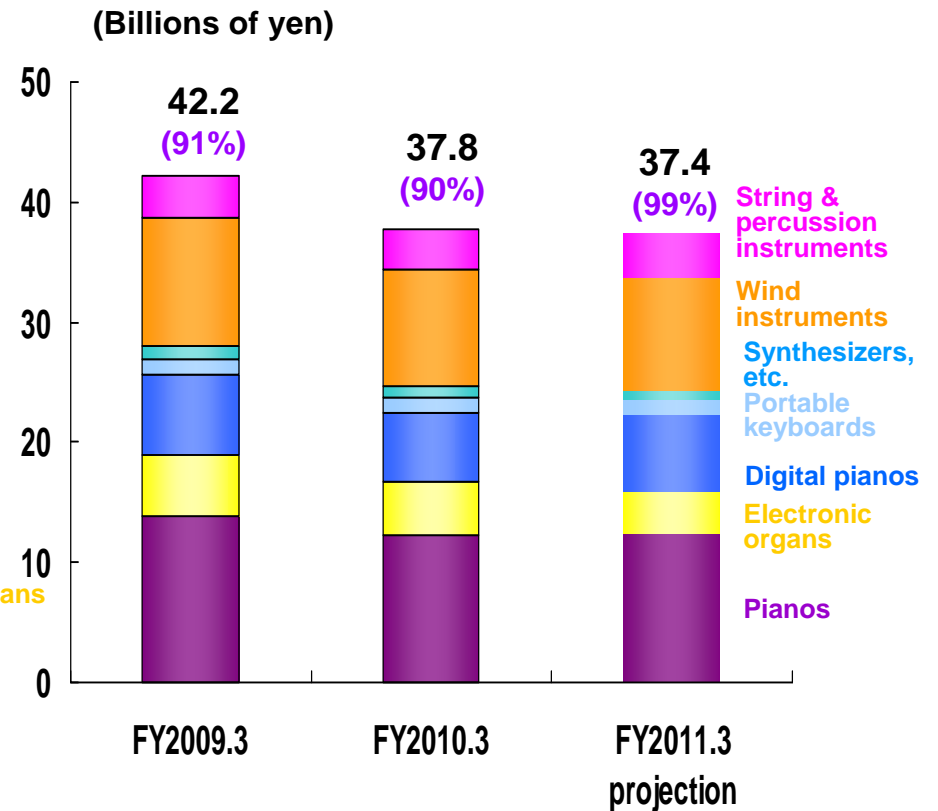


Figures in parentheses indicate year-on-year percentage changes

Market Wholesale Amount



Yamaha's Wholesale Amount



Estimation

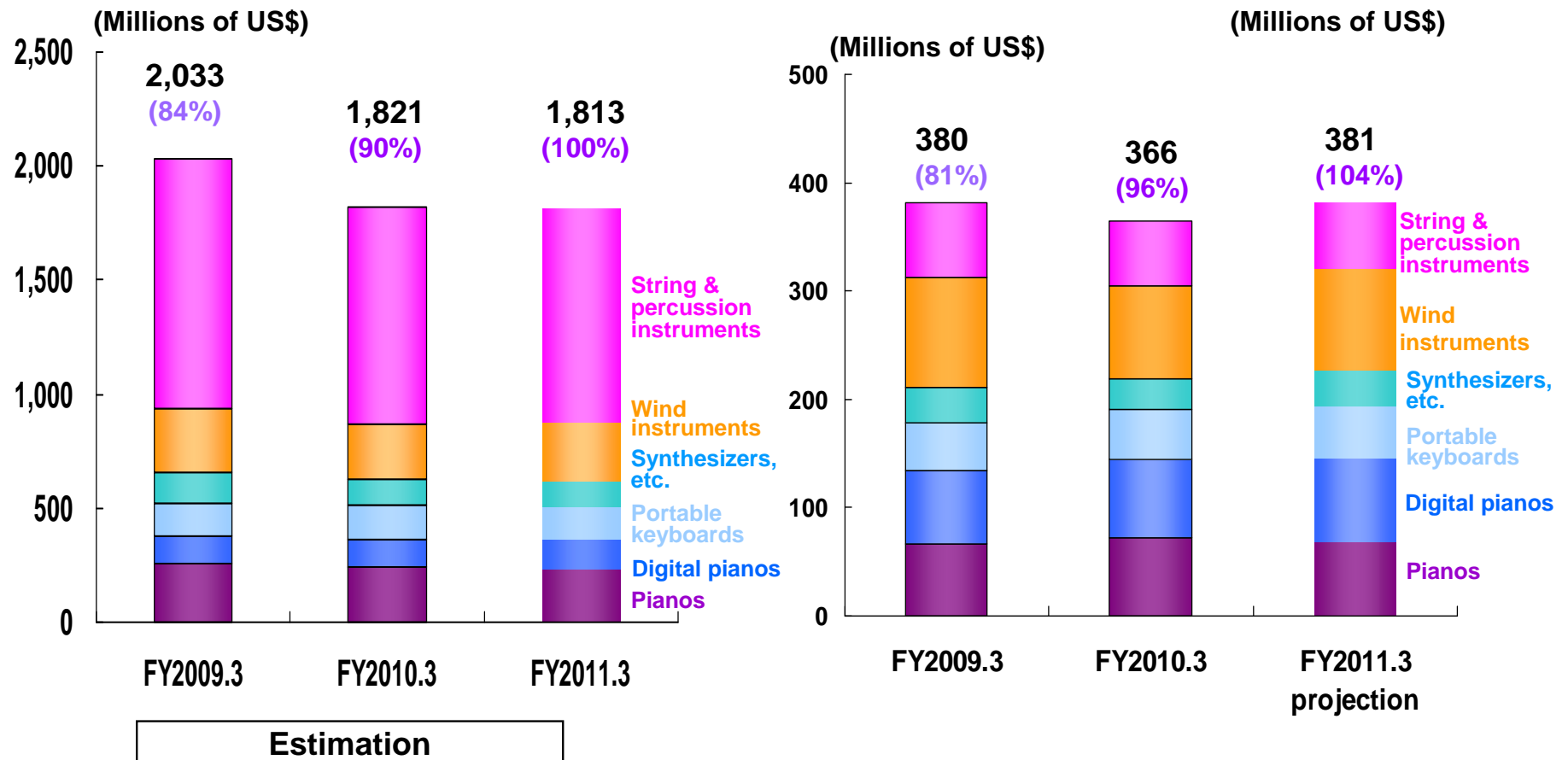
Musical Instrument Sales in the North American Market



Market Wholesale Amount

Figures in parentheses indicate year-on-year percentage changes

Yamaha's Wholesale Amount



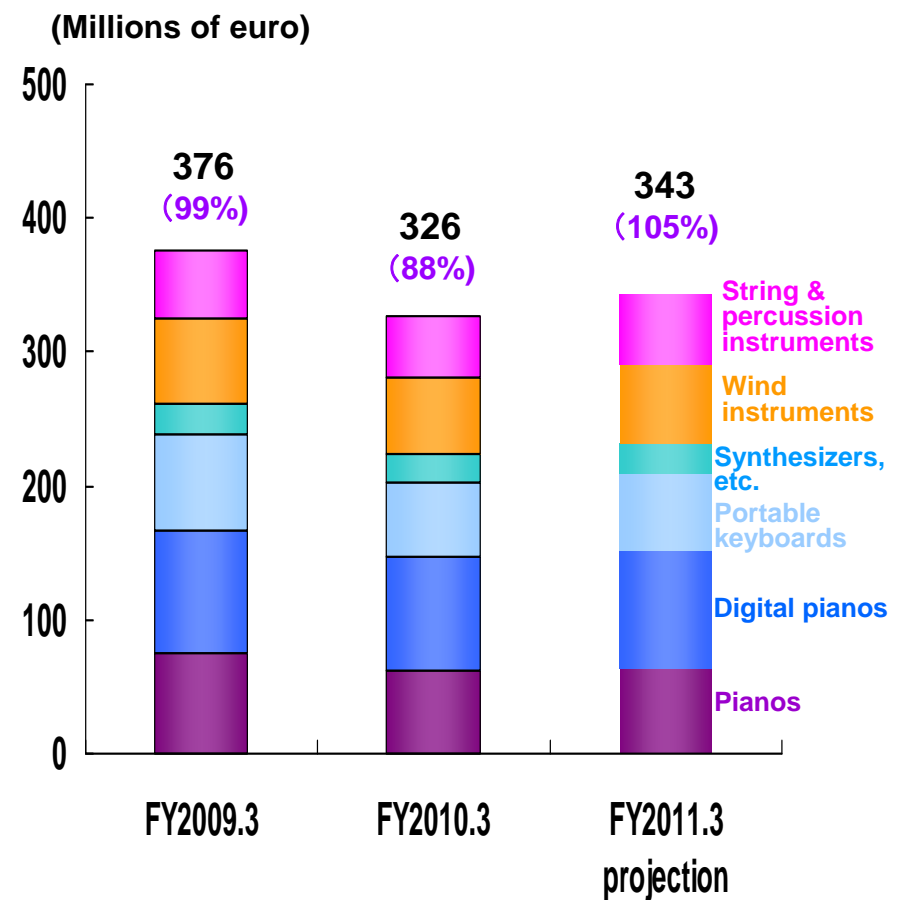
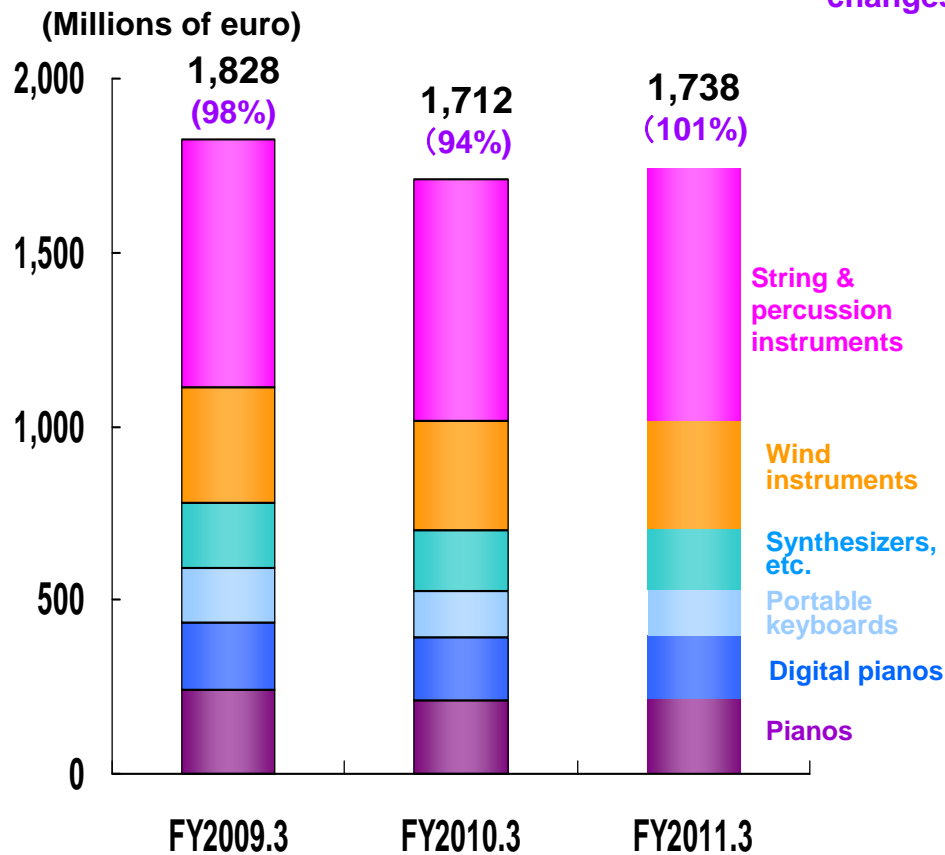
Musical Instrument Sales in the European Market



Market Wholesale Amount

Figures in parentheses indicate year-on-year percentage changes

Yamaha's Wholesale Amount



Estimation

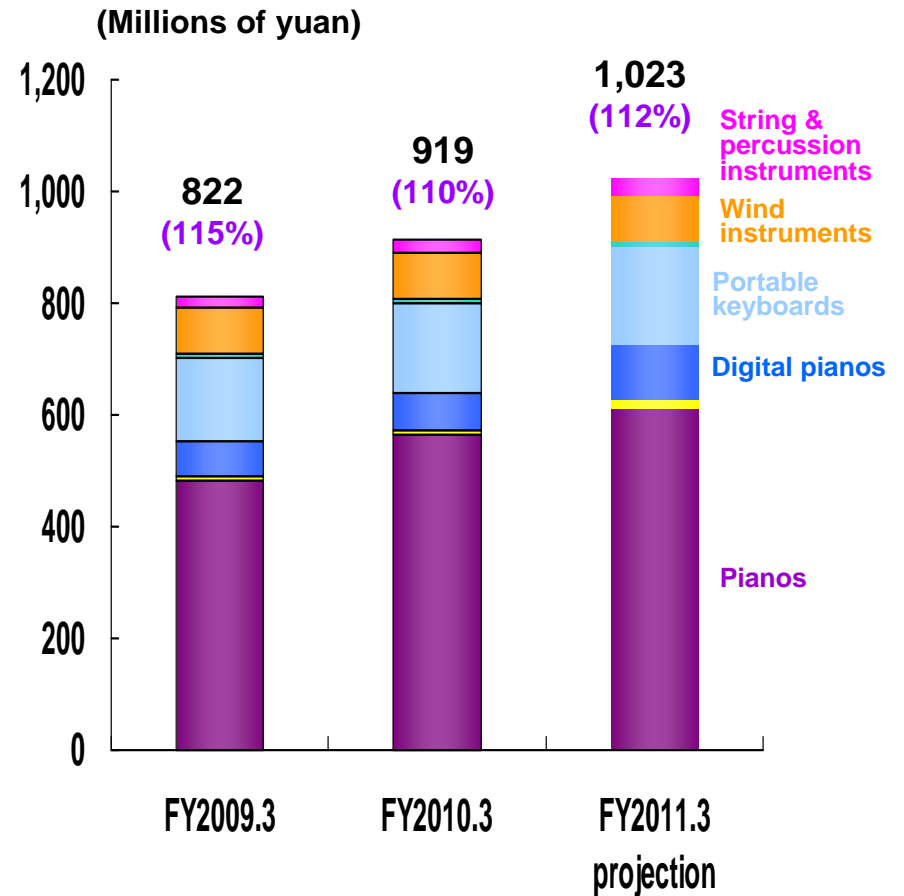
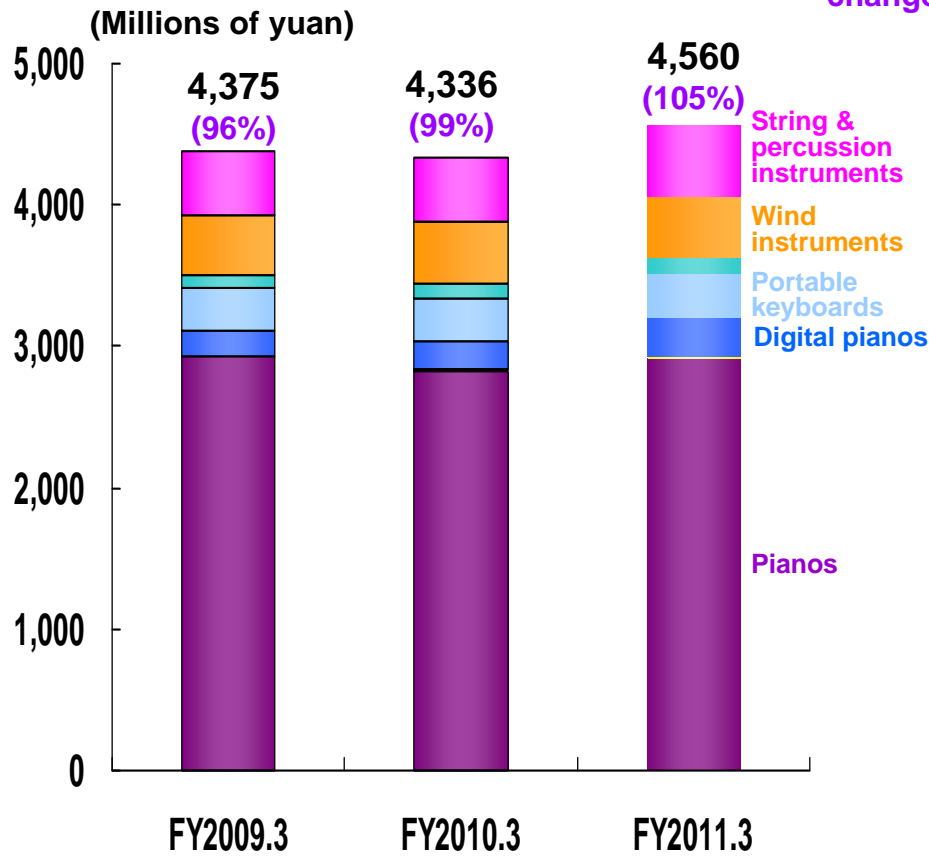
Musical Instrument Sales in the Chinese Market



Market Wholesale Amount

Figures in parentheses indicate year-on-year percentage changes

Yamaha's Wholesale Amount



Estimation

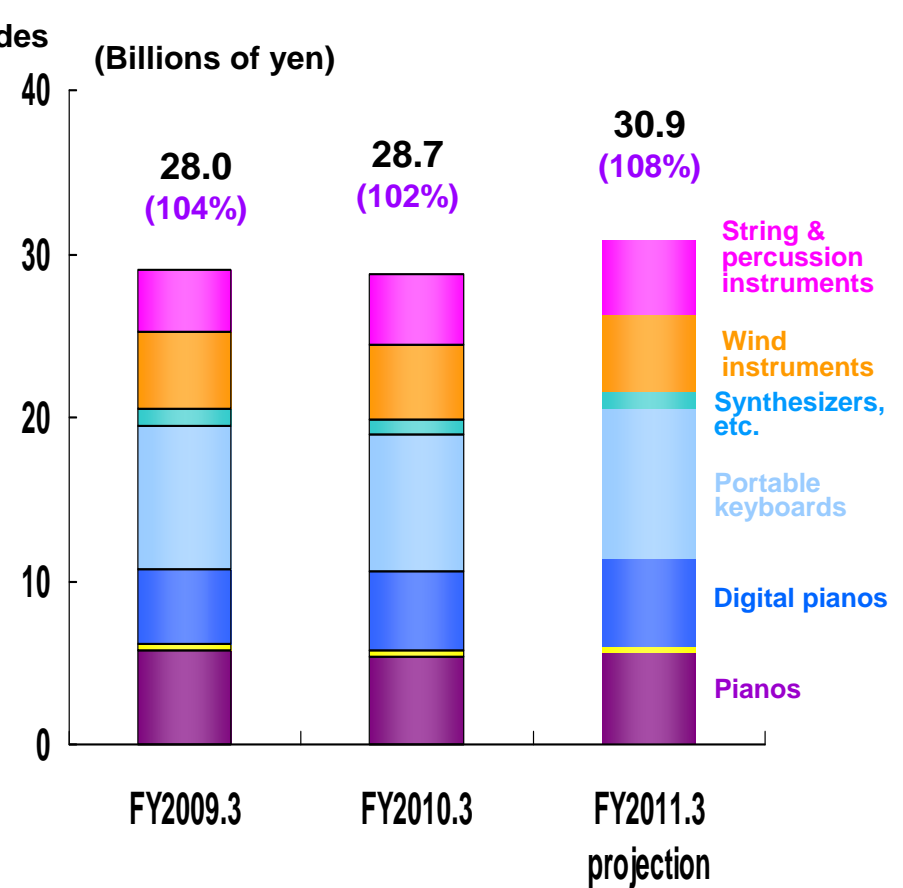
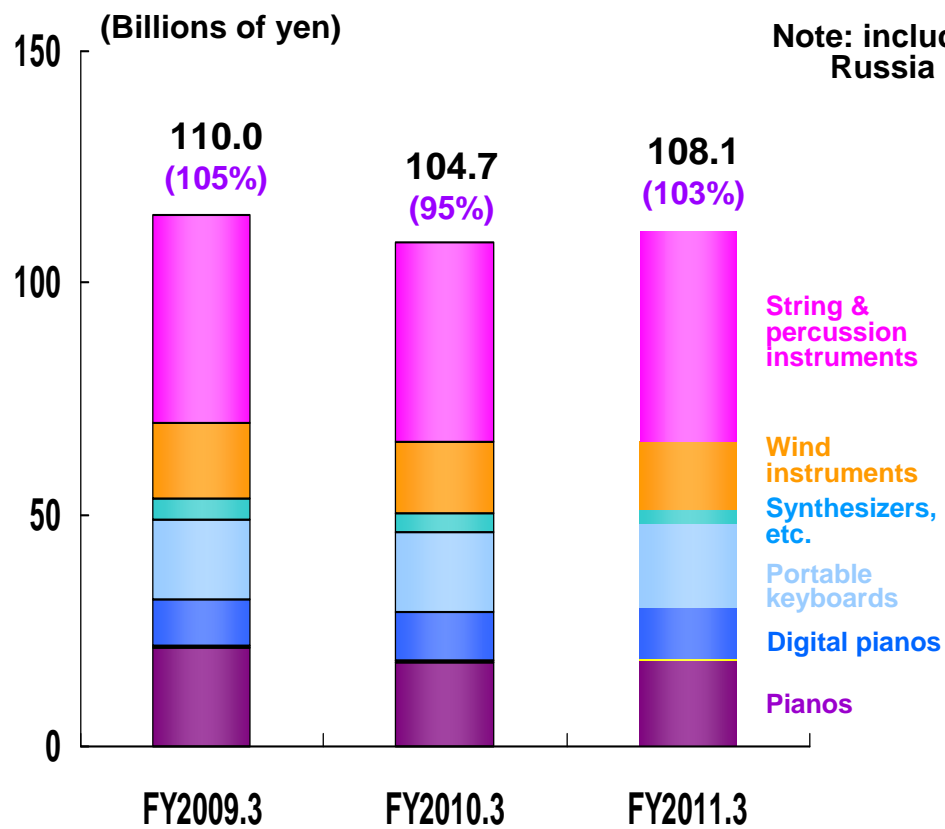
Musical Instrument Sales in Other Region Markets



Market Wholesale Amount

Figures in parentheses indicate year-on-year percentage changes

Yamaha's Wholesale Amount



Estimation

Note: To clearly show trends, annual sales figures have been converted at a uniform rate of US\$1=¥90

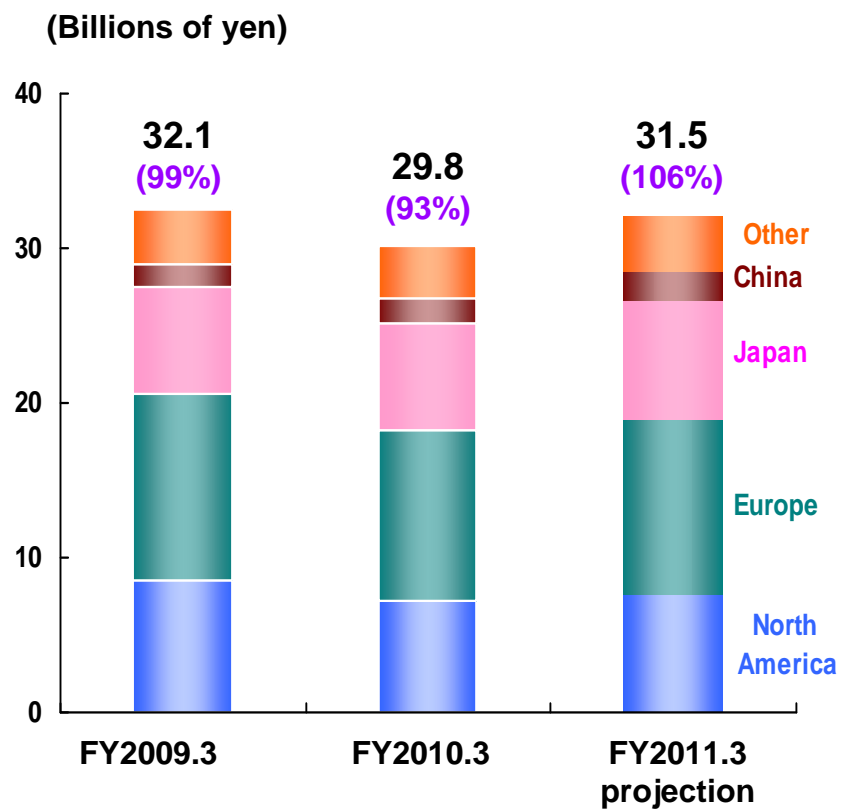
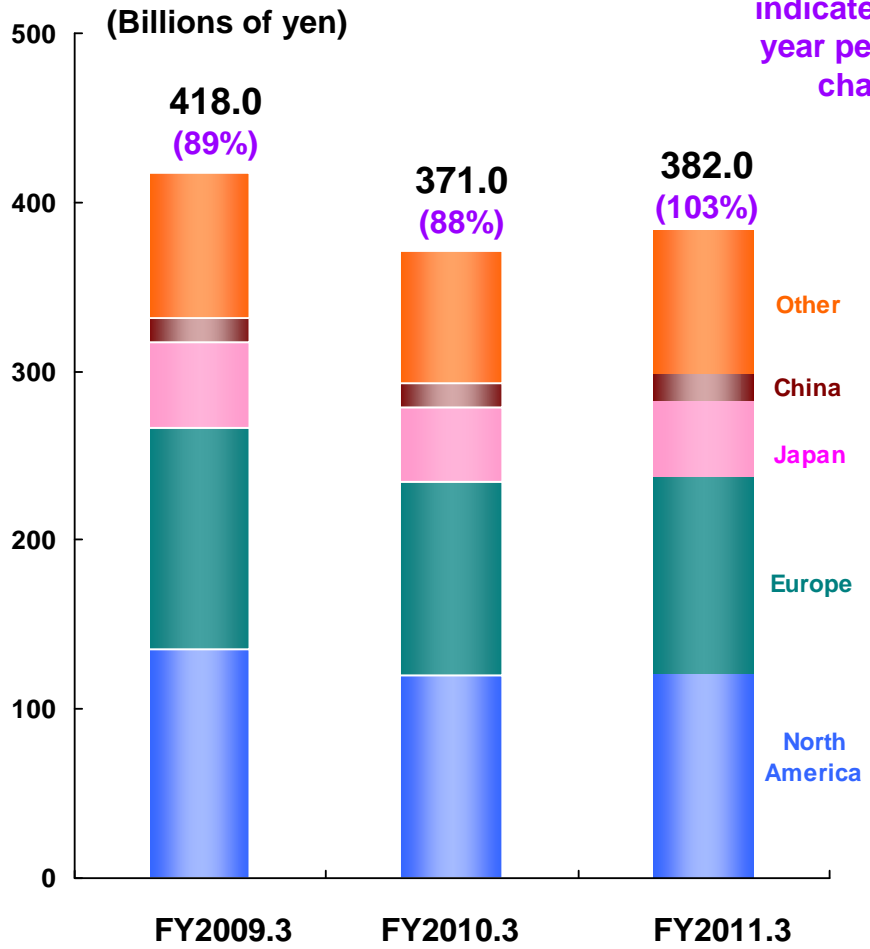
World Market for Professional Audio Equipment



Market Wholesale Amount

Yamaha's Wholesale Amount

Figures in parentheses indicate year-on-year percentage changes



Estimation

Note: To clearly show trends, annual sales figures have been converted at a uniform rate of US\$1=¥90 and EUR1=¥120

Musical Instruments: Sales and Income by Quarter

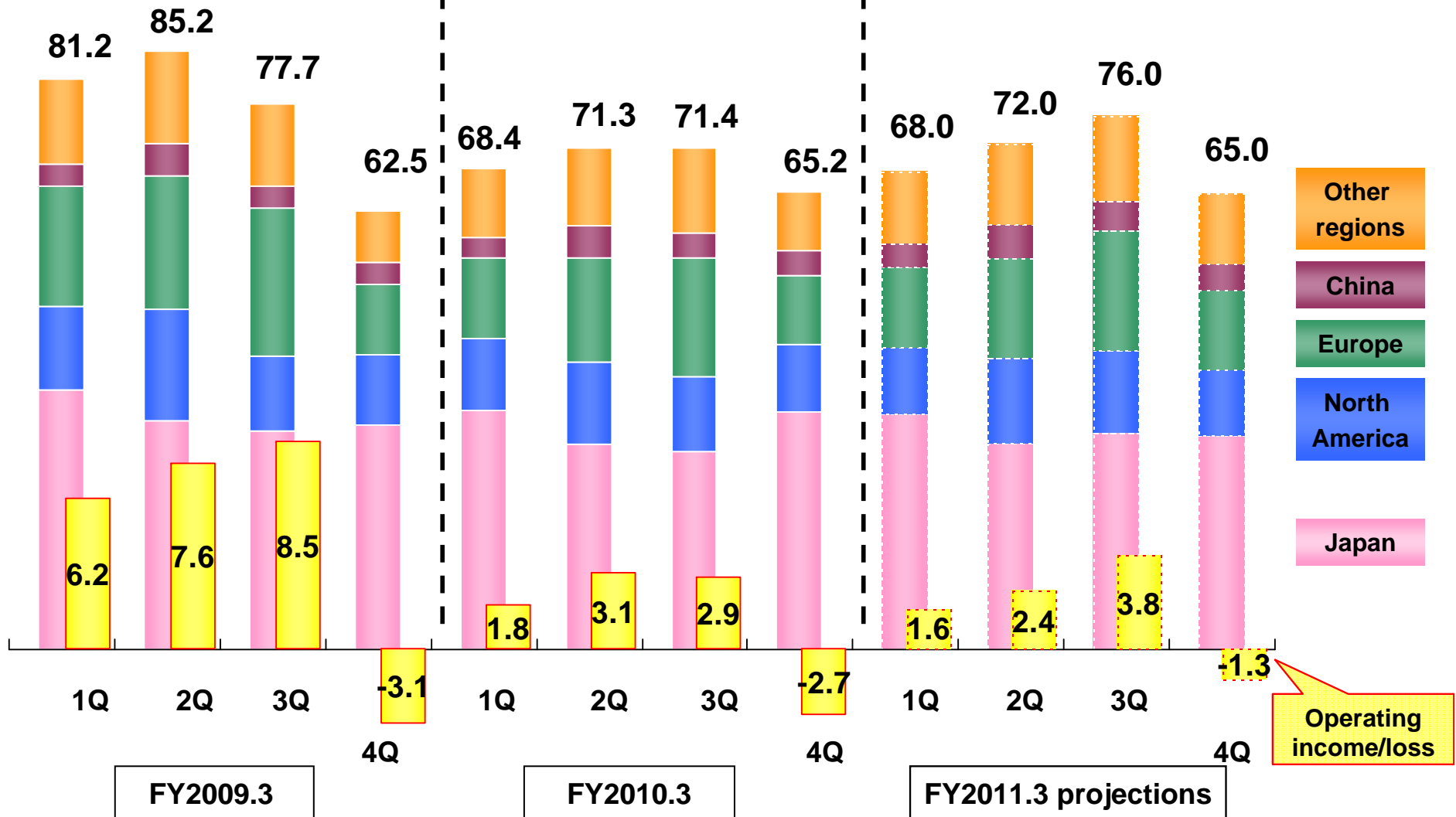


Net sales: ¥306.6 billion
Operating income: ¥19.2 billion

Net sales: ¥276.3 billion
Operating income: ¥5.1 billion

Net sales: ¥281.0 billion
Operating income: ¥6.5 billion

(Billions of yen)



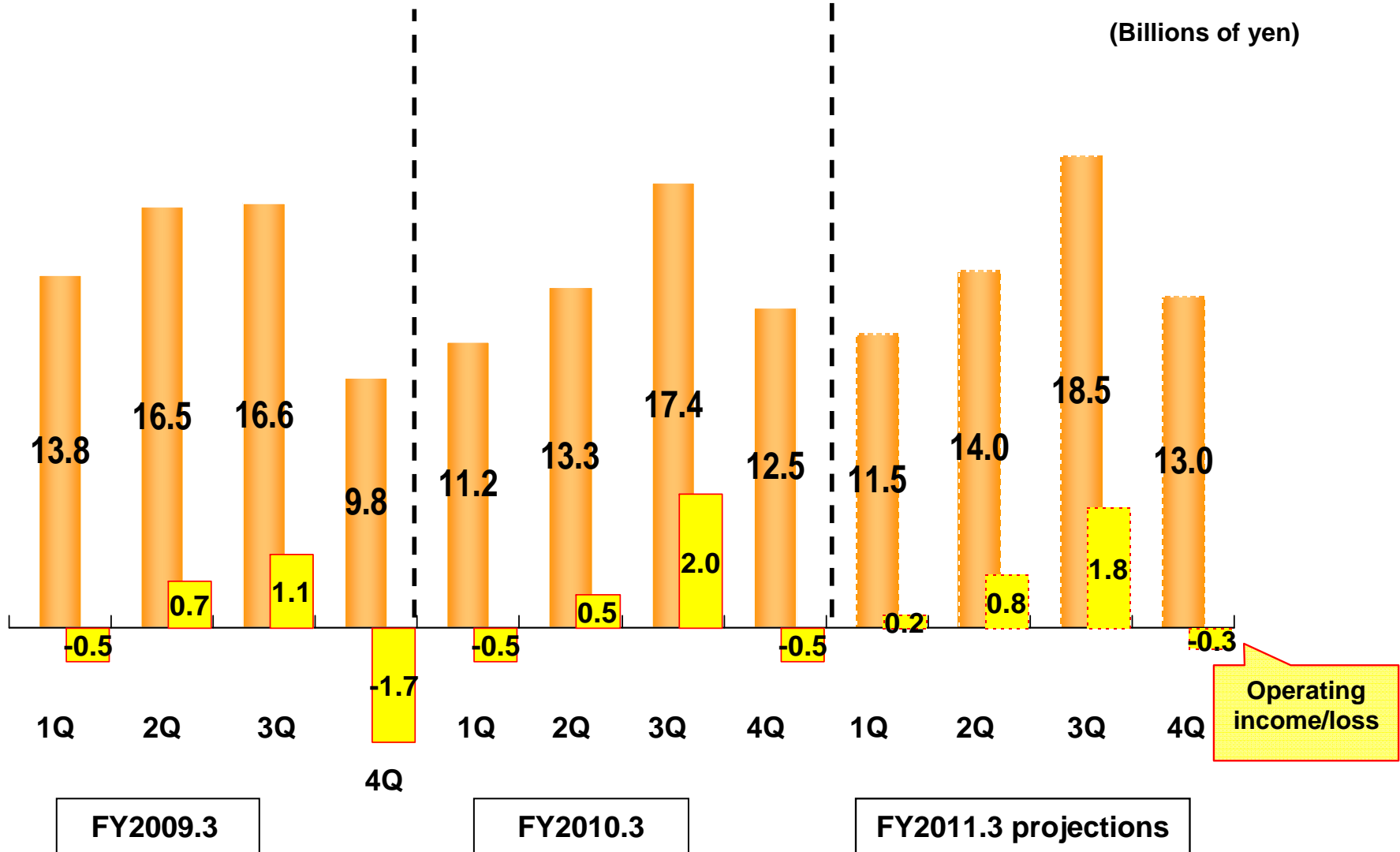
AV/IT: Sales and Income by Quarter



Net sales: ¥56.7 billion
Operating income: -¥0.4 billion

Net sales: ¥54.4 billion
Operating income: ¥1.4 billion

Net sales: ¥57.0 billion
Operating income: ¥2.5 billion



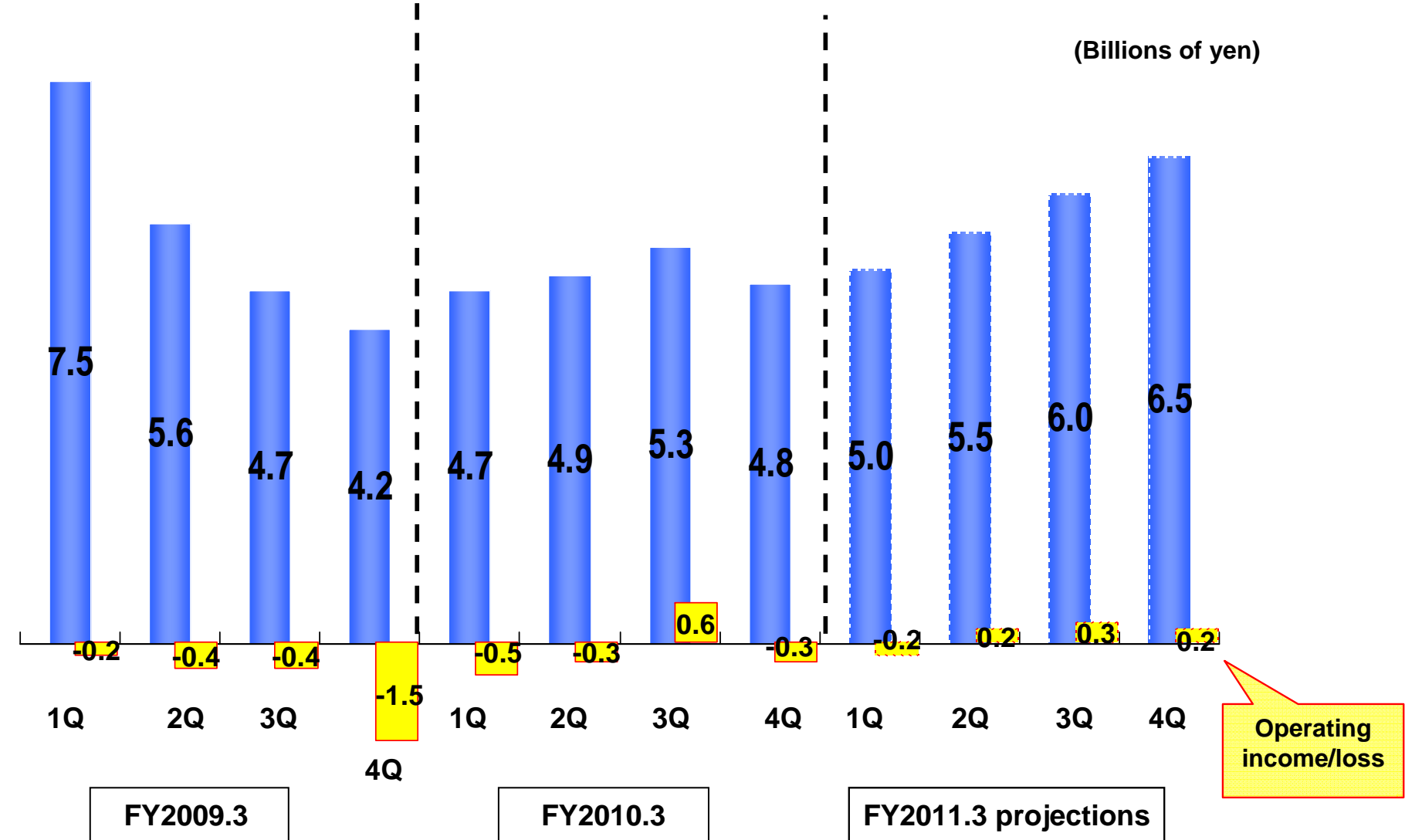
Electronic Devices: Sales and Income by Quarter



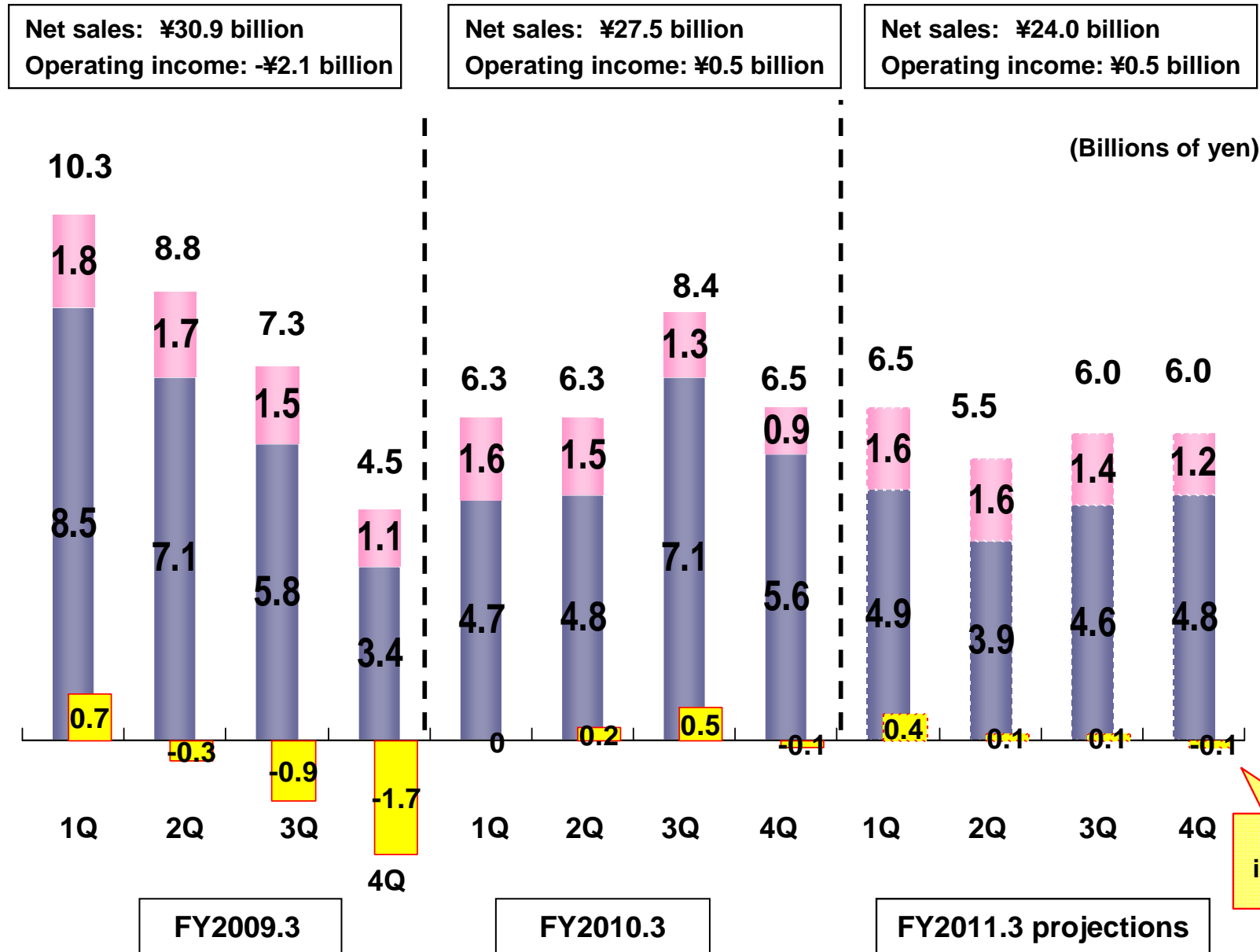
Net sales: ¥22.0 billion
Operating income: -¥2.5 billion

Net sales: ¥19.7 billion
Operating income: -¥0.6 billion

Net sales: ¥23.0 billion
Operating income: ¥0.5 billion



Others: Sales and Income by Quarter



In this report, the figures forecast for the Company's future performance have been calculated on the basis of information currently available to Yamaha and the Yamaha Group. Forecasts are, therefore, subject to risks and uncertainties.

Accordingly, actual performance may differ greatly from our predictions depending on changes in the economic conditions surrounding our business, demand trends, and the value of key currencies, such as the U.S. dollar and the euro.