

**Analyst and Investor Briefing on the
Fiscal Year Ended March 31, 2012
(FY2012.3)**

May 2, 2012

YAMAHA CORPORATION

Overview of Performance in FY2012.3



External Environment

- The global economy slowed from mid-2011, chiefly due to the escalation of fiscal problems in Europe, and the outlook become even less certain.
- Japan is gradually recovering from the effects of the Great East Japan Earthquake, but there has been no strong rebound in personal consumption.
- Although the yen has pulled back from record highs, it remains strong.

Results Summary

- Full year sales and operating income were down year-on-year, mainly due to the direct and indirect effects of the earthquake and the impact of floods in Thailand.
- Sales, operating income and ordinary income were all higher than projected, but a large net loss was recorded due to reversal of deferred tax assets amounting to ¥32.1 billion (announced April 26).

Performance in FY2012.3



➤ Sales, operating income and ordinary income were all higher than previous projections, but a large net loss was recorded

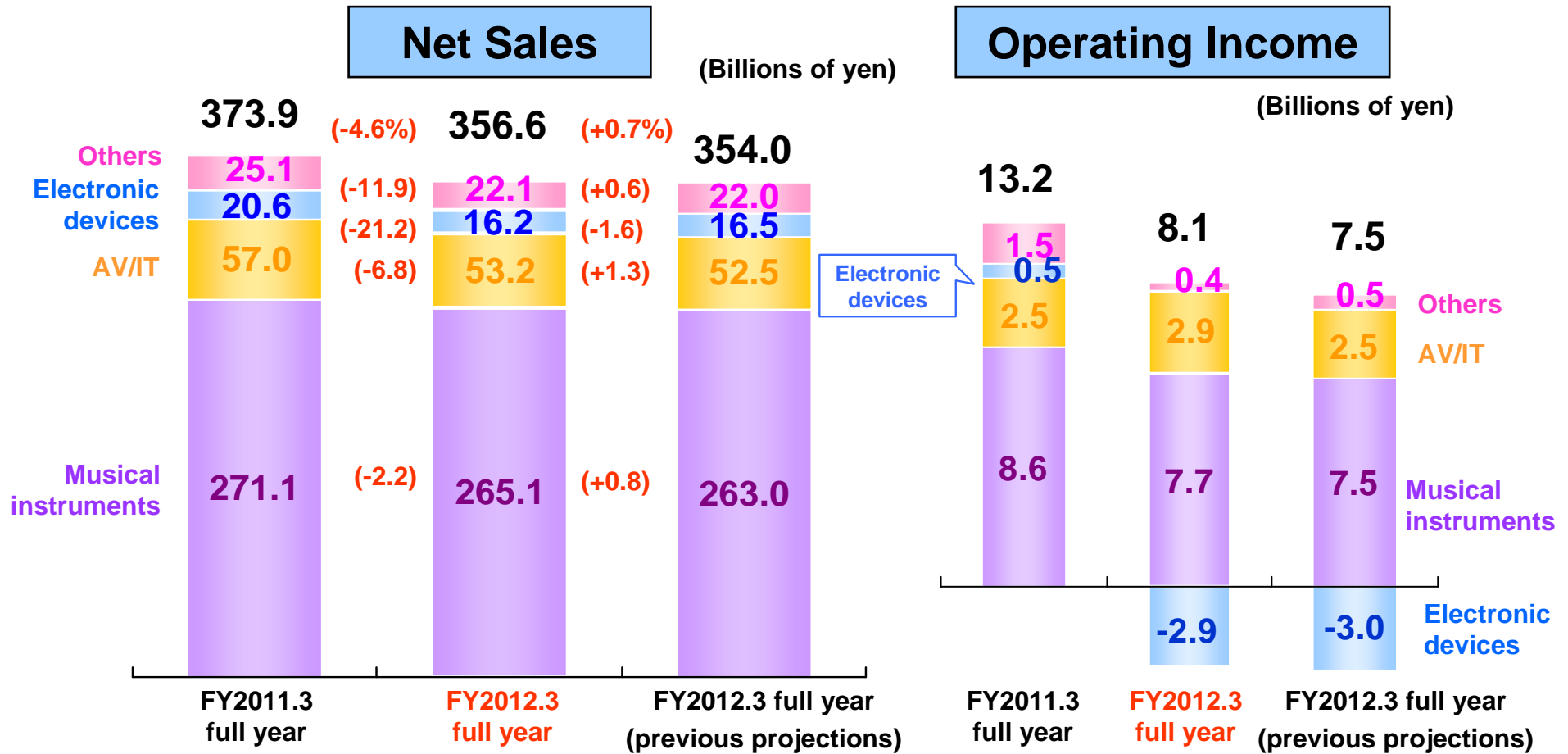
(Billions of yen)

	FY2011.3 results	FY2012.3 results	Increase/ Decrease	Previous projections (announced on Feb. 2, 2012)	Change from previous projections
Net sales	373.9	356.6	-4.6%	354.0	+0.7%
Operating income (Operating income ratio)	13.2 (3.5%)	8.1 (2.3%)	-38.4%	7.5 (2.1%)	+8.1%
Ordinary income (Ordinary income ratio)	11.0 (2.9%)	7.3 (2.0%)	-33.9 %	6.0 (1.7%)	+20.9%
Net income (Net income ratio)	5.1 (1.4%)	-29.4 (—)	—	0 (—)	—

Currency exchange rates (yen)

Net sales	US\$	86	79	78
	EUR	113	109	109
Operating income	US\$	86	79	78
	EUR	115	112	112

Performance by Business Segment in FY2012.3



Figures in parentheses represent changes from the previous year or from previous projections

	Impact of exchange rates
Year-on-year	-¥10.3 billion (musical instruments -¥8.0 billion, AV/IT -¥1.9 billion, electronic devices -¥0.3 billion)
Versus previous projections	+¥1.1 billion (musical instruments +¥0.9 billion, AV/IT +¥0.2 billion, electronic devices +¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥2.7 billion (musical instruments -¥2.7 billion, AV/IT +¥0.1 billion, electronic devices -¥0.1 billion)
Versus previous projections	+¥0 billion (musical instruments +¥0 billion, electronic devices +¥0 billion)

Note: Previous projections made on Feb. 2, 2012

Impact of Japanese Earthquake and Thai Floods

■ Impact of Great East Japan Earthquake

	Net sales	-¥9.5 billion
	Operating income	-¥3.5 billion

Note: Impact on production -¥4.0 billion

■ Impact of additional events

Production delays following re-start of component supply	Net sales	-¥2.0 billion
	Operating income	-¥1.5 billion
Floods in Thailand	Net sales	-¥1.3 billion
	Operating income	-¥0.5 billion

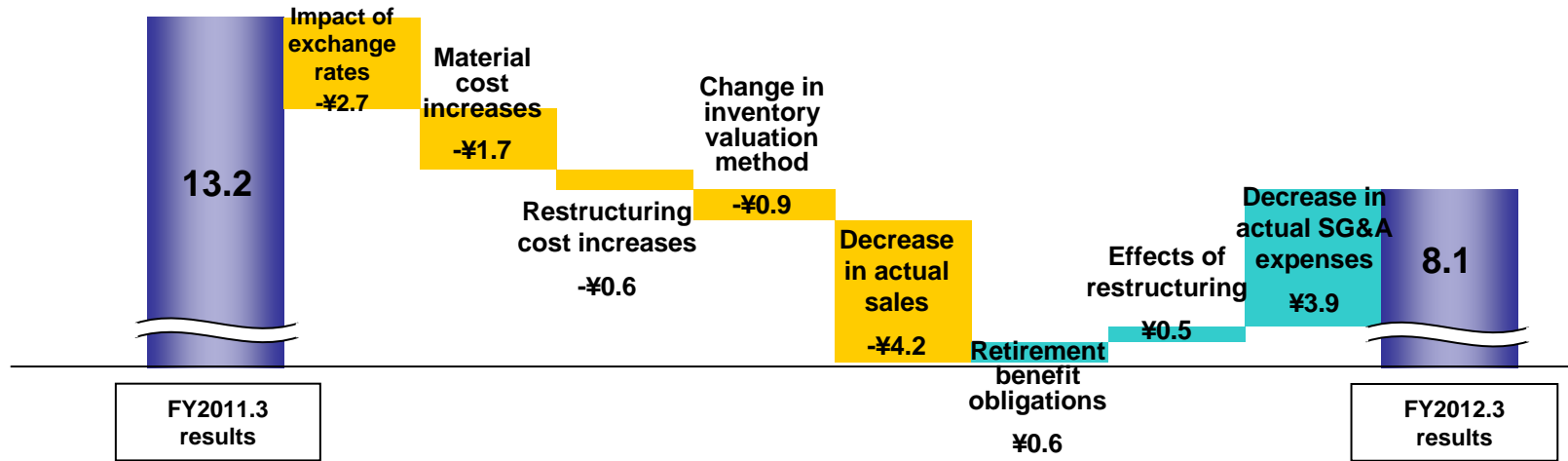
Total	Net sales	-¥12.8 billion
	Operating income	-¥5.5 billion

FY2012.3 Operating Income Analysis

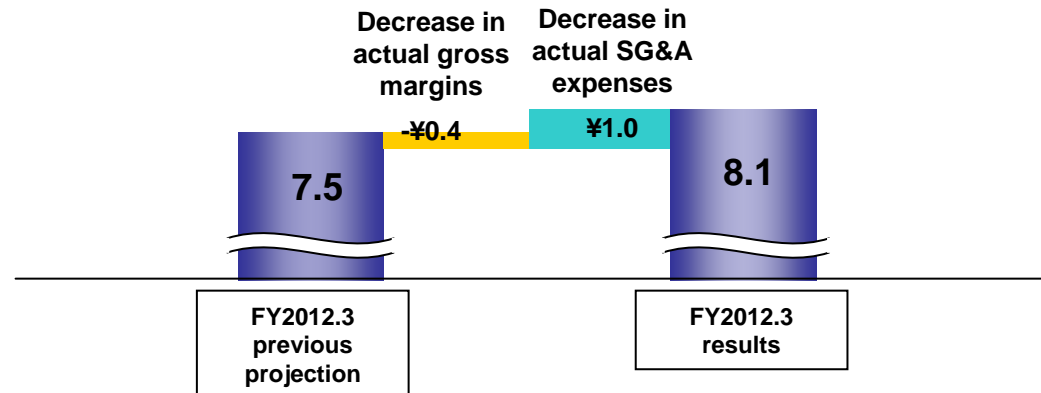


Versus previous year

(Billions of yen)



Versus previous projection



Note: Previous projections made on Feb. 2, 2012

Musical Instruments



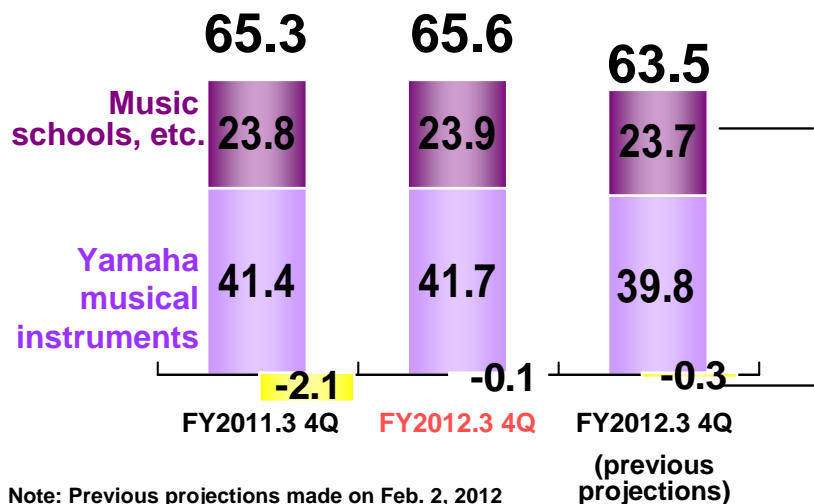
4Q Overview

- Profitability improved year-on-year and sales were higher than previous projections.
- Discounting the impact of exchange rates, actual sales were up 3.0% (¥2.0 billion) on the same period of the previous year. Actual sales were ¥1.2 billion higher than previous projections.
- Although North America remained on a recovery trend, European markets slowed. Strong sales continued in China and emerging markets.
- Digital musical instrument sales were robust as production recovered.

FY2012.3 Overview

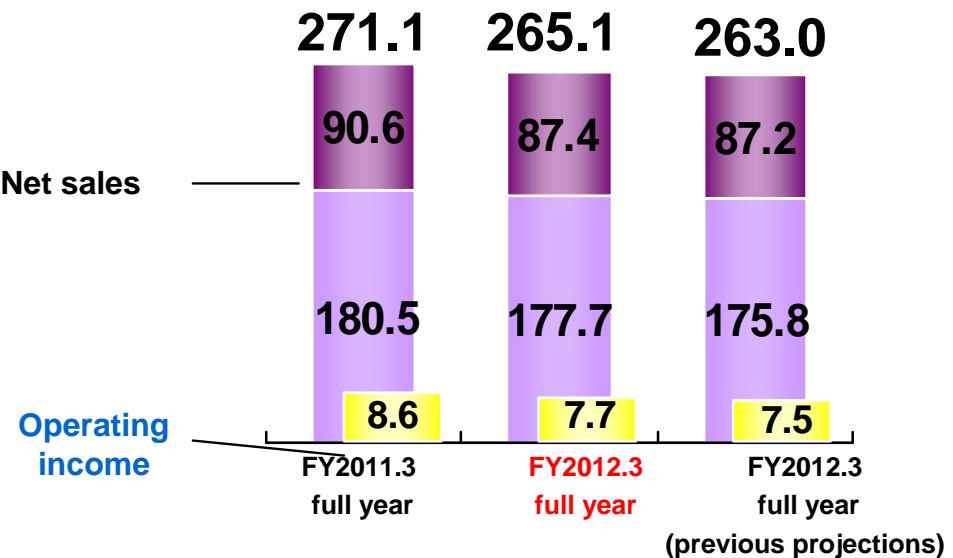
- Sales and income declined year-on-year, but were higher than previous projections.
- Discounting the impact of exchange rates (-¥8.0 billion), actual sales were 0.7% (¥2.0 billion) higher than the previous year.
- Year-on-year, actual sales were down 2% in North America, 3% in Europe, and 3% in Japan. Growth continued in China and other emerging markets.
- Actual sales of crucial digital musical instruments were flat year-on-year due to the impact of the earthquake.
- Actual piano sales increased in all regions except Japan and North America, and grew by double digits in China and other regions.
- Actual sales were up for wind instruments, professional audio equipment and string and percussion instruments, especially guitars.

(Billions of yen)



Note: Previous projections made on Feb. 2, 2012

(Billions of yen)

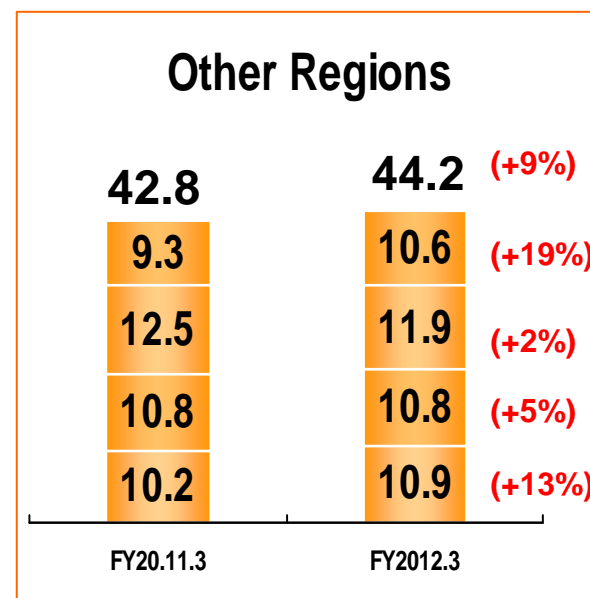
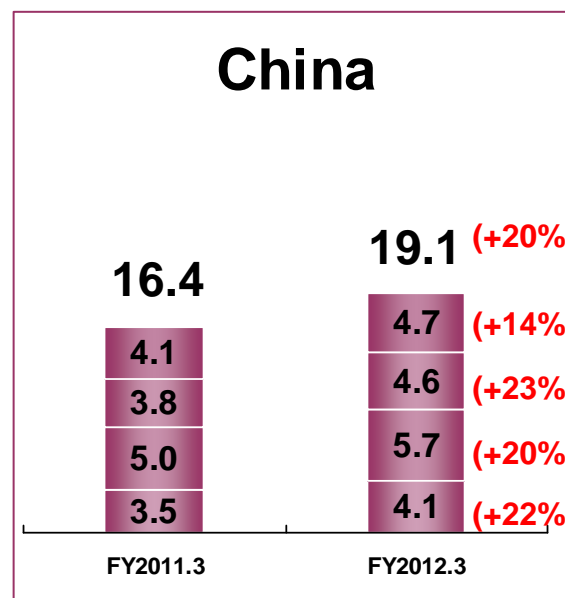
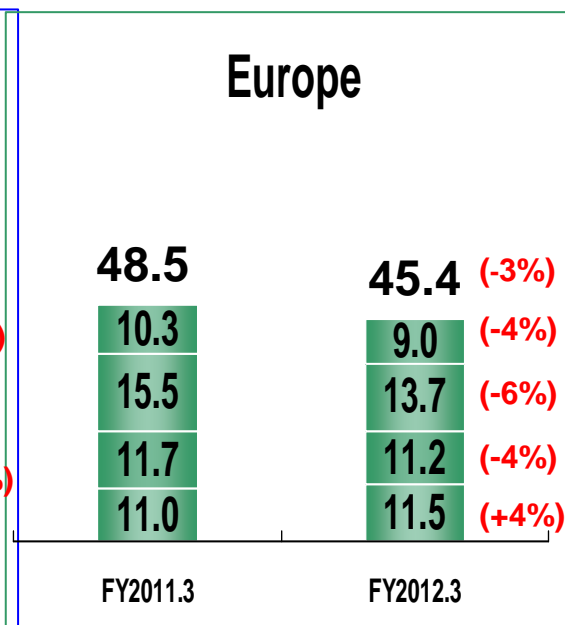
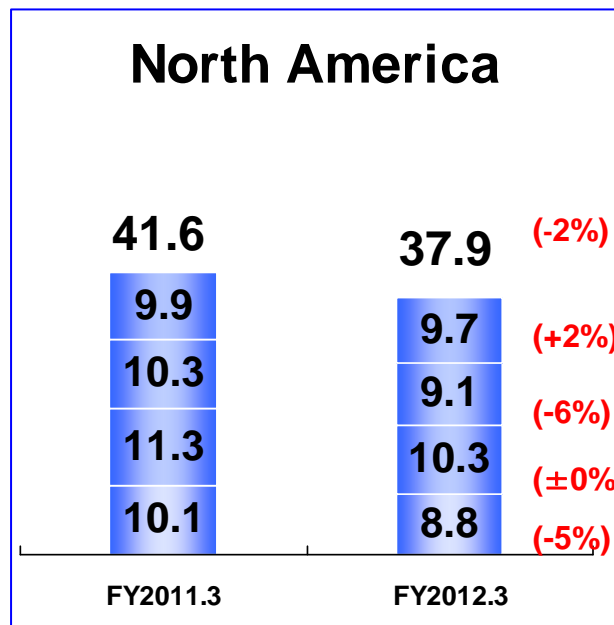
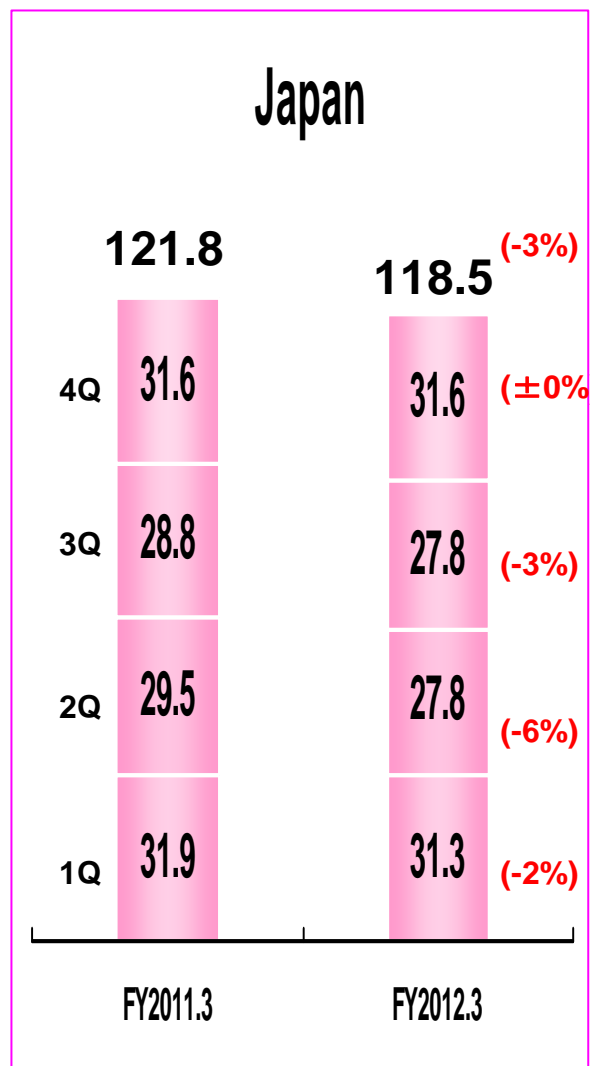


Musical Instruments: Sales by Region



(Billions of yen)

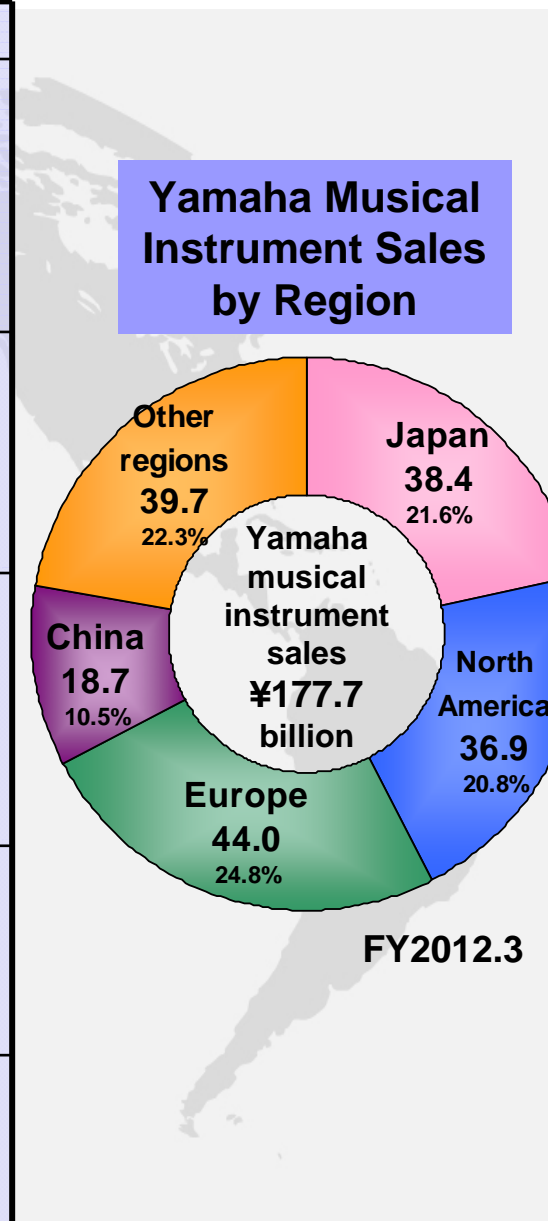
Figures in parentheses show actual year-on-year changes, discounting the impact of exchange rates



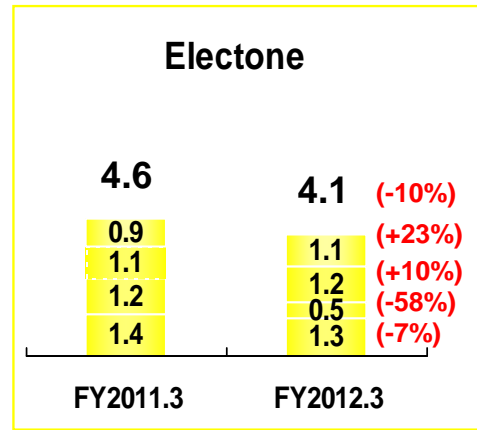
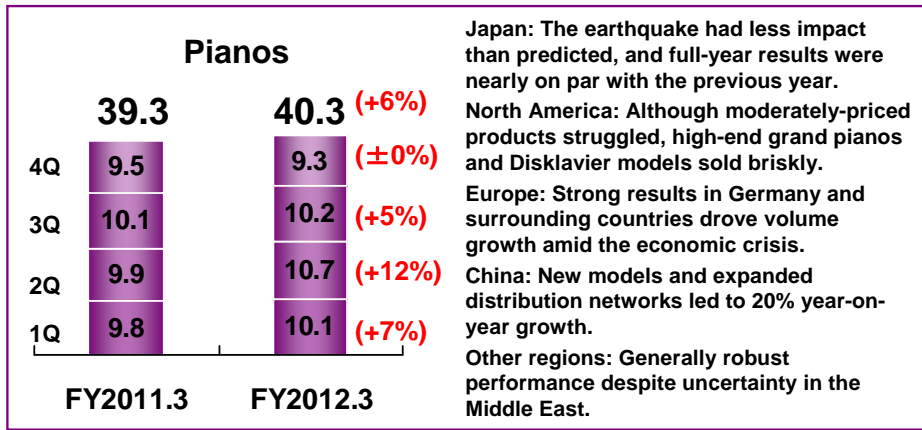
Musical Instruments: Sales by Region



Musical Instrument Sales by Region	
Japan	Backlogs in Electone supply caused by the earthquake were resolved through rapid re-start of production, but subsequent orders were flat, and sales declined year-on-year. Digital piano backlogs have almost been filled, but market share was lost to competitors, and sales via mass merchandisers are now an uphill battle. Sales of electric acoustic guitars and new THR guitar amplifiers were robust, and recovering demand after the earthquake spurred large wind instrument orders resulting year-on-year increase in sales. Professional audio equipment and audio equipment sold via musical instrument stores maintained last year's levels. Overall sales in the Japanese market were down slightly year-on-year.
North America	The market is showing a trend toward recovery. Although overall piano sales declined year-on-year, successful marketing to music colleges led to growth for grand and AvantGrand pianos. Strong demand for rental wind instruments pushed results higher than the previous year. Sales of professional audio equipment and guitars also picked up in the second half, driven by new models. Although digital pianos, portable keyboards and electronic drums struggled to meet year-end demand due to product supply shortages resulting from the earthquake, backlogs were filled in the fourth quarter.
Europe	Piano sales were robust in Germany and other mature markets, and drove solid results in emerging markets. Conditions were challenging in crisis-hit southern Europe, and also in the UK for products other than pianos. Piano sales increased year-on-year. Digital piano results could not reach last year's level even though they rallied in the second half. Portable keyboards also had to contend with competitors' price cutting. Results for wind instruments, and guitars were similar to the previous year, but professional audio equipment faced headwinds. Although audio equipment sold through musical instrument stores showed strong results, the market appears to be slowing.
China	Sales network expanded in second- and third-tier cities, and displays of mid-range and high-end products were reinforced in urban areas. Achieved growth while maintaining a balance with moderately priced products. Core acoustic and digital piano products powered overall results by maintaining growth in excess of 20%. Brass band instructor training spurred sales of wind instruments. Sales of guitars and electronic drums are growing rapidly through specialized stores and schools.
Other regions	Digital musical instrument, piano, and guitar sales increased in the key emerging markets of Russia and India, driving double-digit growth. Indonesia, Thailand and Latin America including Brazil are maintaining solid growth. Despite mixed results in the Middle East and Africa, where many areas – notably Iran and North Africa – are experiencing political unrest, the region as a whole recorded growth. Oceania remain challenging amid financial condition of retailers.



Musical Instruments: Sales by Product Category YAMAHA

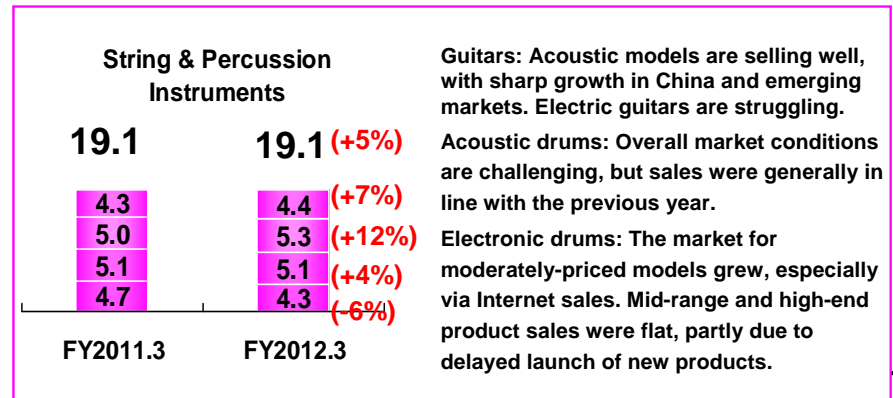
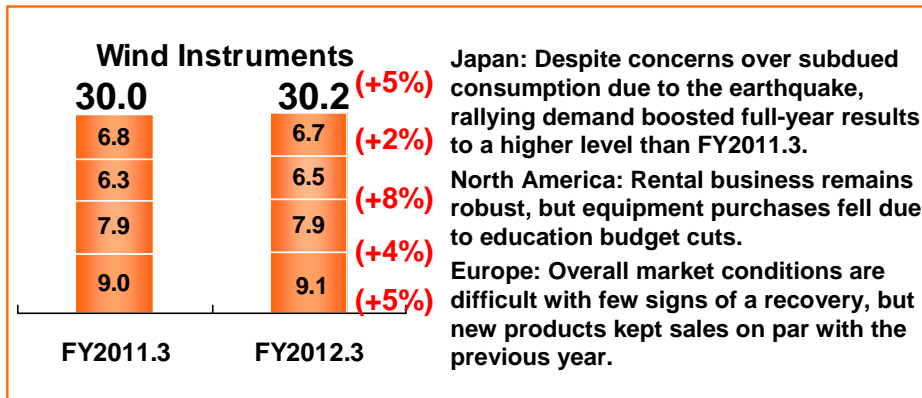
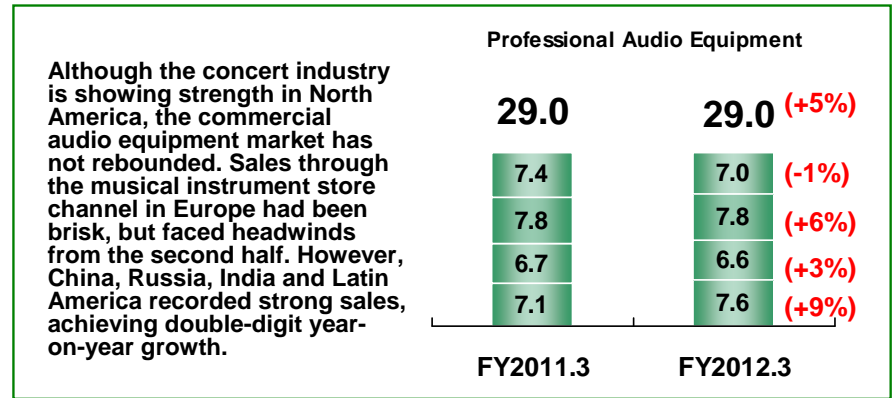
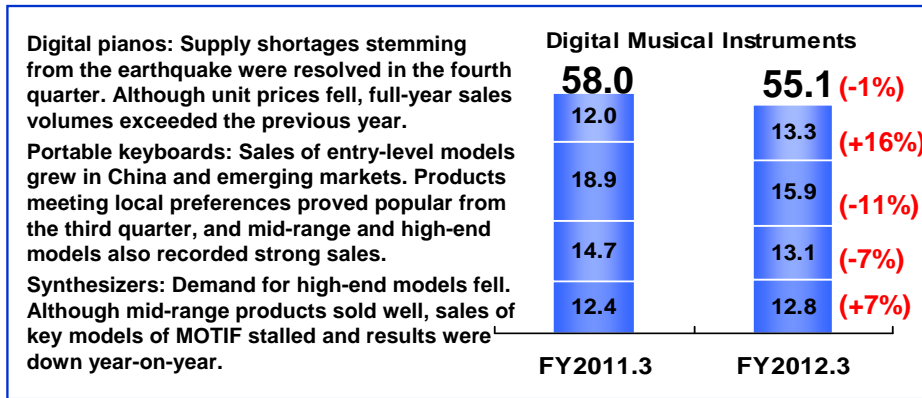


(Billions of yen)

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

Japan: Sales continued to decline as replacement demand fell. Long-term halt in supply of core models due to the earthquake led to reduced sales.

China: Despite growth, still account for only a small portion of sales.

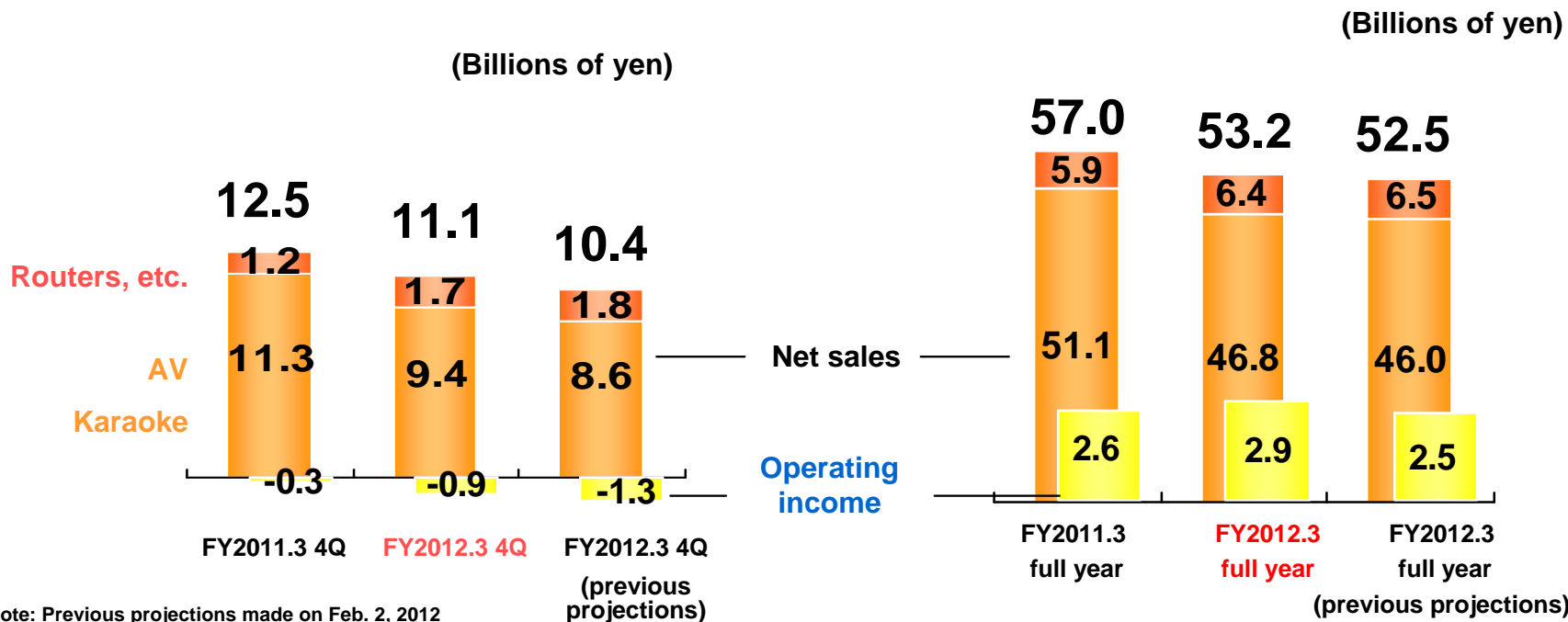


4Q Overview

- Sales and income declined year-on-year. Sales were higher than previous projections and profitability improved.
- Router sales were robust amid signs of investment recovery.
- Online karaoke equipment sales were down year-on-year, partly due to shipment adjustments.

FY2012.3 Overview

- Sales declined year-on-year, but income increased. Sales and income both exceeded previous projections.
- Actual sales of AV products were on par with the previous year in North America and Europe, and strong in other regions.
- Sales of online karaoke equipment fell due to fading effects from new product launches in the previous year and the impact of the earthquake.
- Commercial routers showed solid results.



Electronic Devices

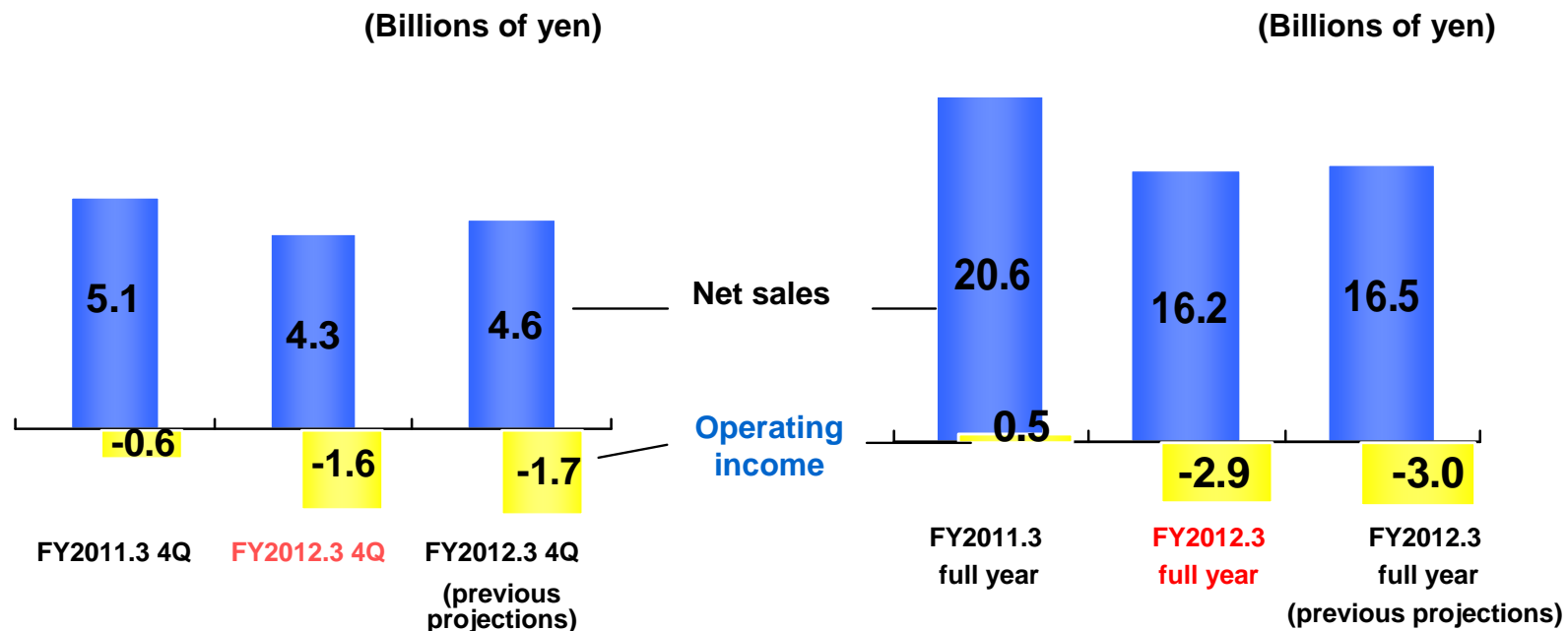


4Q Overview

- Sales declined from the same period of the previous year and were lower than previous projections.
- Sales of most products were down year-on-year and against previous projections, due to slow sales by finished product manufacturers and lower unit prices.

FY2012.3 Overview

- Sales and income were down year-on-year, and sales were lower than previous projections.
- Conditions remained difficult due to delayed recovery in the amusement market, slow sales by finished product manufacturers, and lower unit prices.
- Although geomagnetic sensors for smart phones recorded rising sales volumes, unit prices fell.
- Reassignment of personnel and other initiatives reduced SG&A expenses.



Note: Previous projections made on Feb. 2, 2012

Others

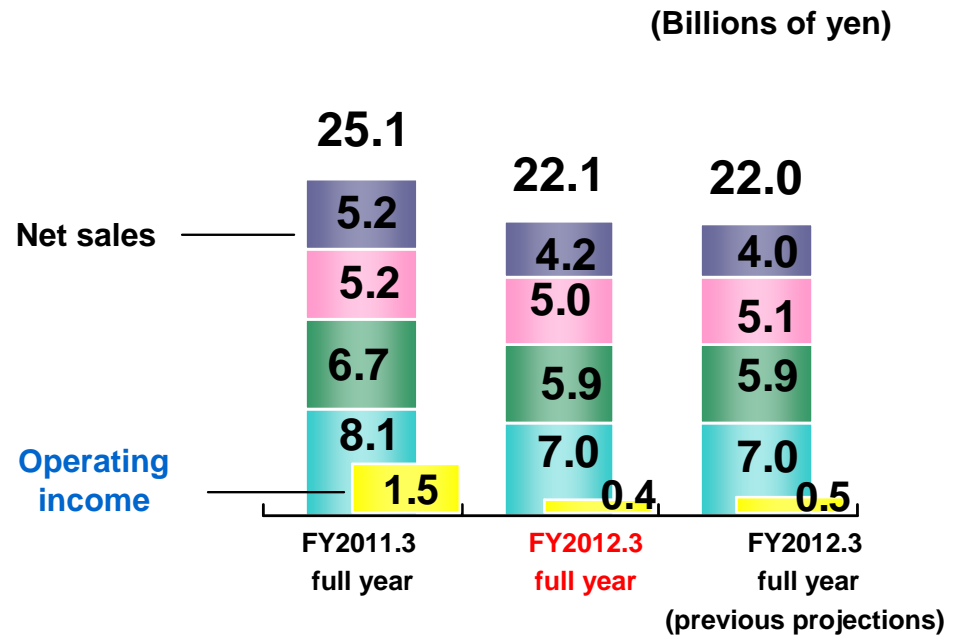
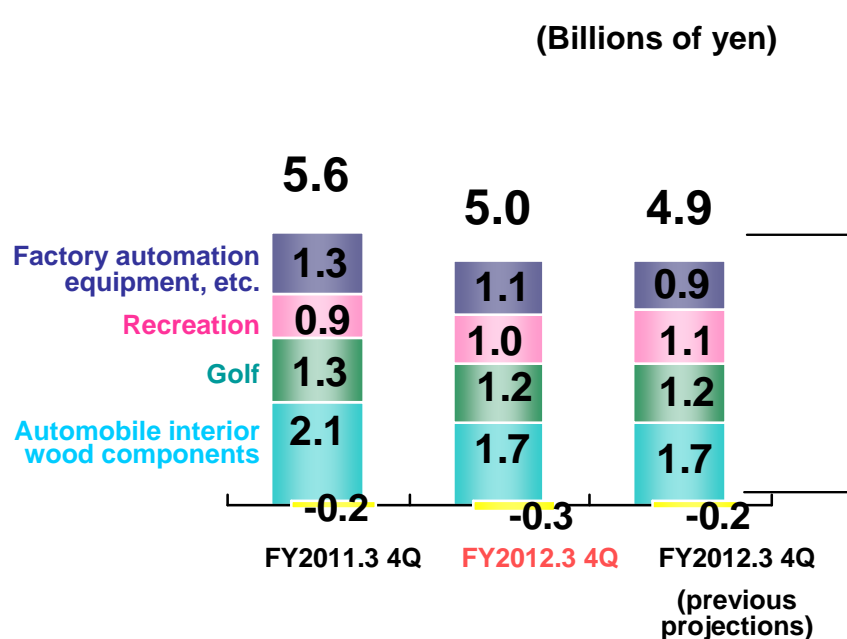


4Q Overview

- Sales fell year-on-year, but profitability remained about the same, broadly meeting previous projections.
- Sales of automobile interior wood components were lower than the same period of the previous year.
- The golf products market stalled and competition heated up.
- Recreation business sales were up year-on-year.

FY2012.3 Overview

- Sales and income declined year-on-year, but were in line with previous projections.
- Sales of automobile interior wood components fell due to the impact of the earthquake.
- Factory automation equipment sales were down year-on-year amid poor investment appetite in Japan.
- Golf product sales also fell due to stiffer competition.



Note: Previous projections made on Feb. 2, 2012

FY2013.3 Business Environment and Performance Forecast



Business Environment

- Instability in the global economy, especially European markets.
- Despite slowing in pace, Chinese growth remains solid, and steady expansion is projected in emerging markets.
- Yen remains strong.
- Operating conditions are expected to return to normal, with an improved environment for parts procurement.

Performance Forecast

- Sales and income are predicted to increase year-on-year.
- Production will return to normal as the effects of the earthquake on electronic devices and the Thai floods on AV products fade, enabling a return to timely supply of products to the market.
- Growth is predicted, especially for electronic devices, professional audio equipment, and AV products.

Forecast for Performance in FY2013.3



(Billions of yen)

	FY2012.3 results	FY2013.3 forecasts	Increase/ decrease	Year-on-year percentage change
Net sales	356.6	378.0	+21.4	+6.0%
Operating income (Operating income ratio)	8.1 (2.3%)	14.5 (3.8%)	+6.4	+78.8%
Ordinary income (Ordinary income ratio)	7.3 (2.0%)	13.0 (3.4%)	+5.7	+79.2%
Net income (Net income ratio)	-29.4 (—)	9.0 (2.4%)	+38.4	—

Currency exchange rates (yen)

Net sales	US\$	79	75
	EUR	109	105
Operating income	US\$	79	75
	EUR	112	105

Forecast for Performance by Business Segment in FY2013.3

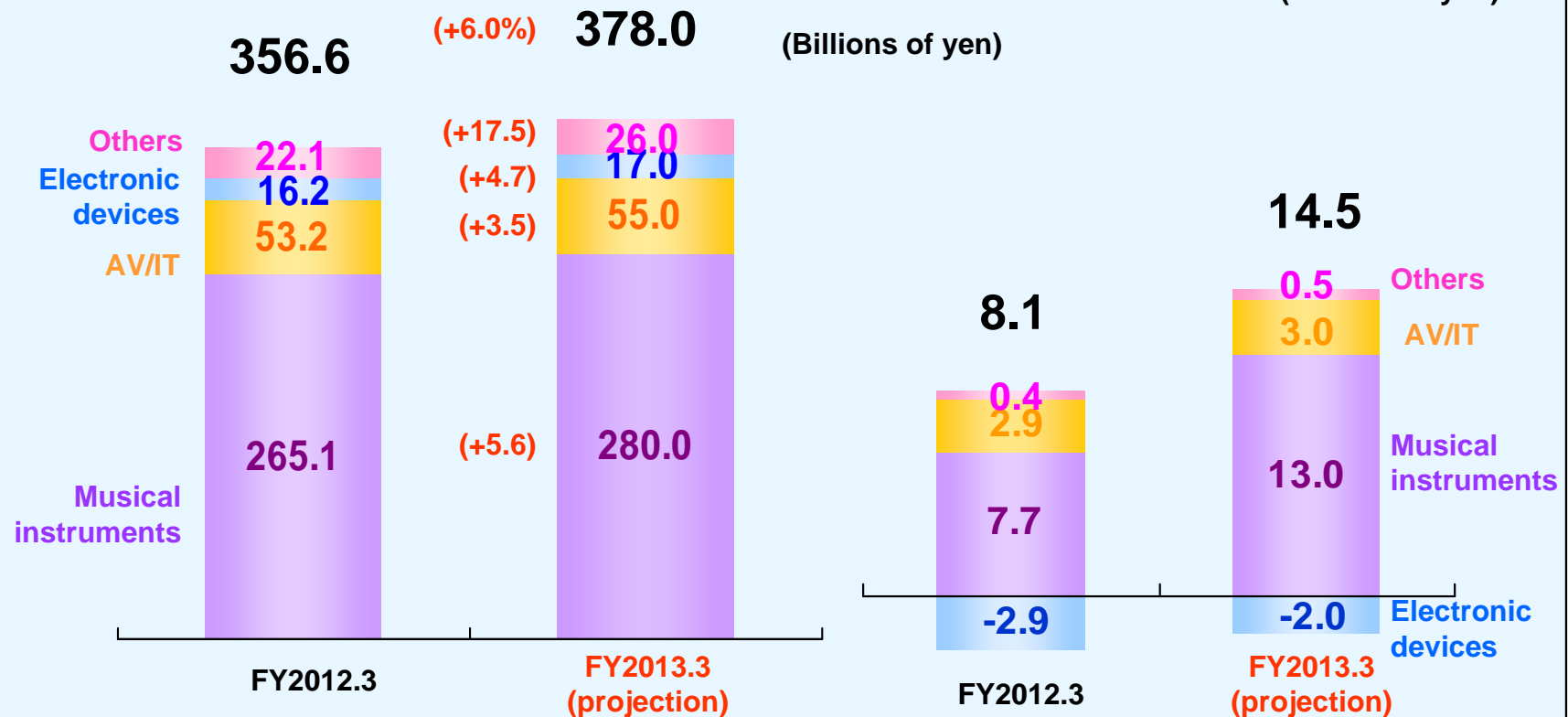


Net Sales

Figures in parentheses show change from the previous year

Operating Income

(Billions of yen)



Impact of exchange rates	
Year-on-year	-¥7.3 billion (musical instruments -¥5.6 billion, AV/IT -¥1.5 billion, electronic devices -¥0.2 billion)

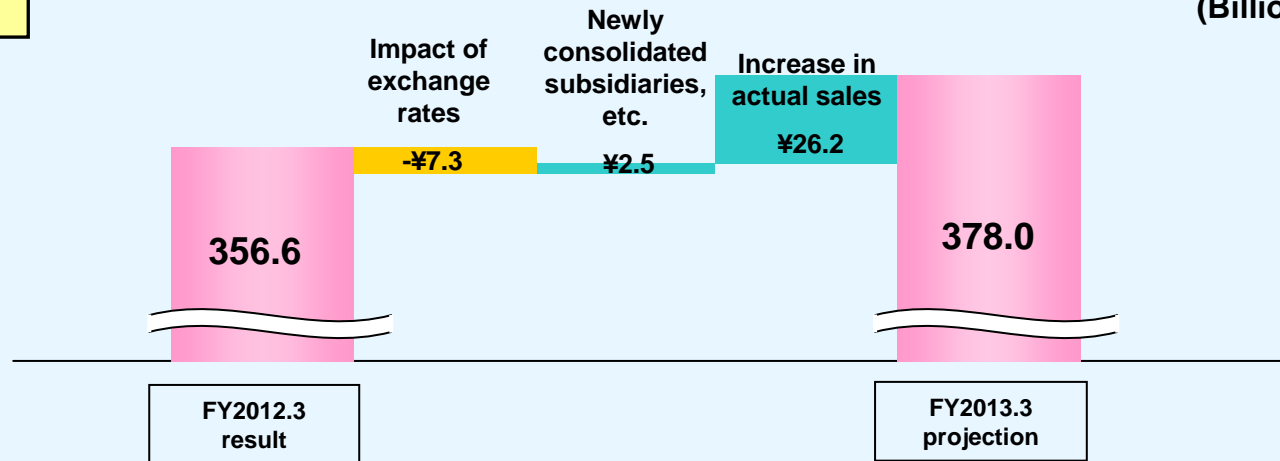
Impact of exchange rates	
Year-on-year	-¥4.4 billion (musical instruments -¥3.4 billion, AV/IT -¥0.9 billion, electronic devices -¥0.1 billion)

FY2013.3 Sales and Operating Income Analysis (Projection)

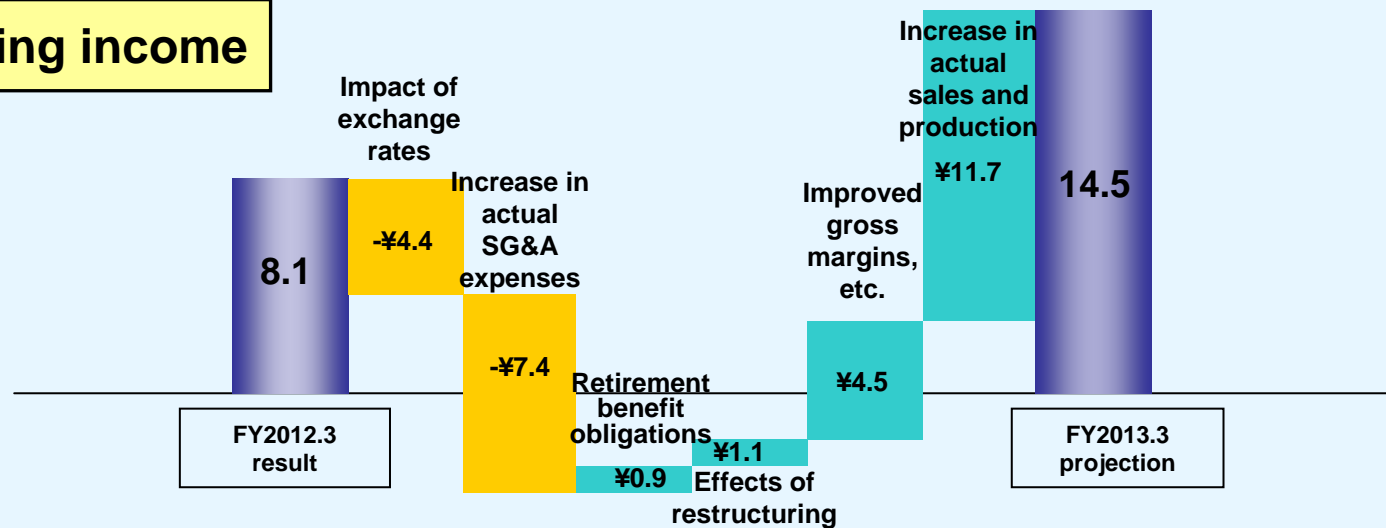


Net sales

(Billions of yen)



Operating income



Musical Instruments: Projections

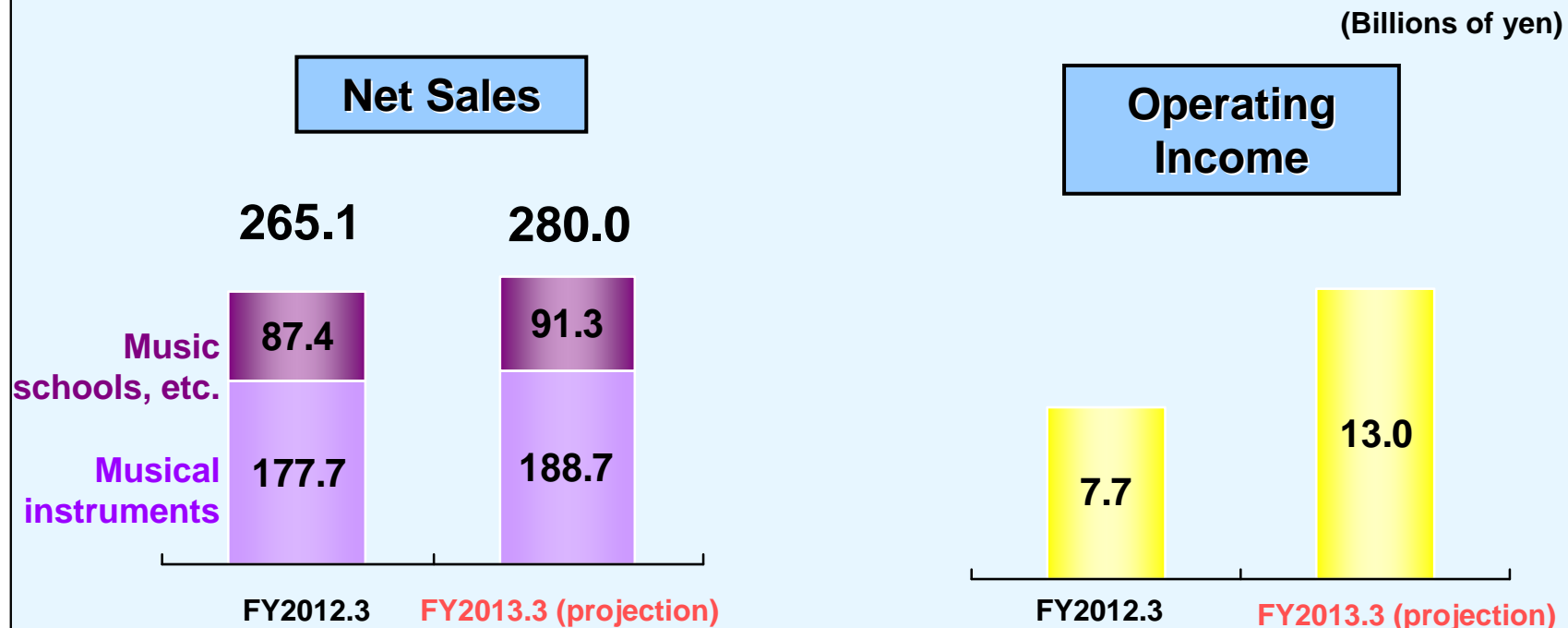


Market Environment

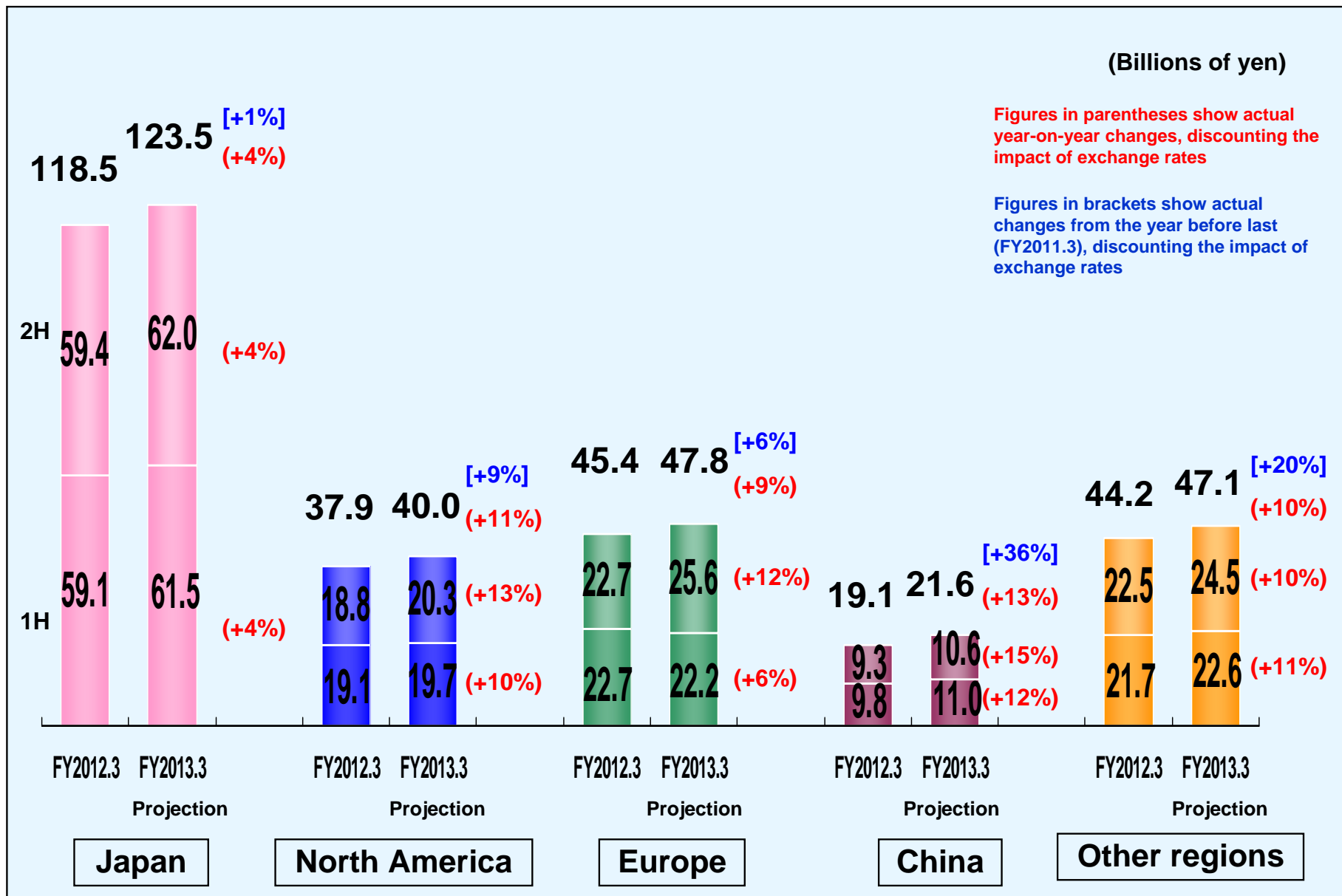
- North America is on a recovery trend, but conditions remain uncertain in European markets.
- Continuing growth momentum in China and other emerging markets.
- Ongoing changes in forms of distribution (growing share of large-scale stores and mass merchandisers, Internet sales).

Priority Measures

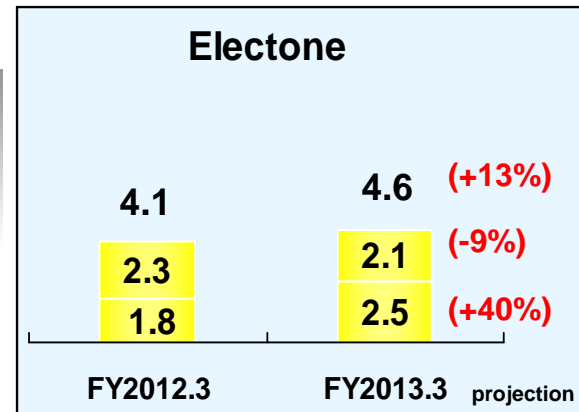
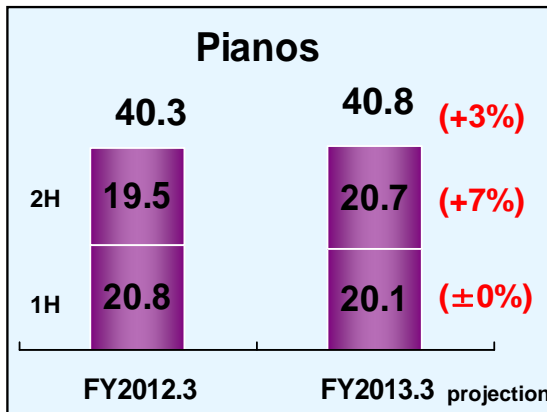
- Expand sales in emerging markets including China.
- Leverage results of production structure reforms and accelerate improvement of profitability.
- Pursue timely development and cost reductions, especially for digital musical instruments.
- Speed up examination of sales restructuring in Japan.



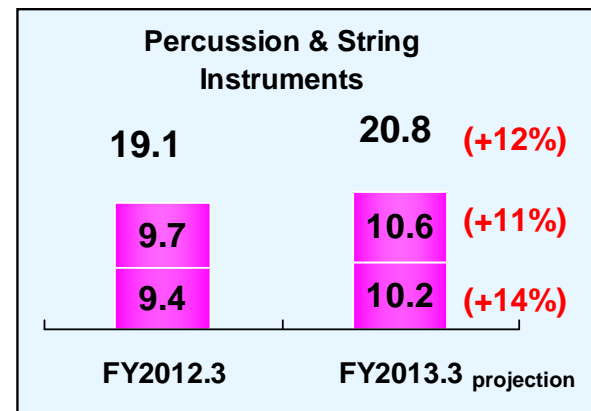
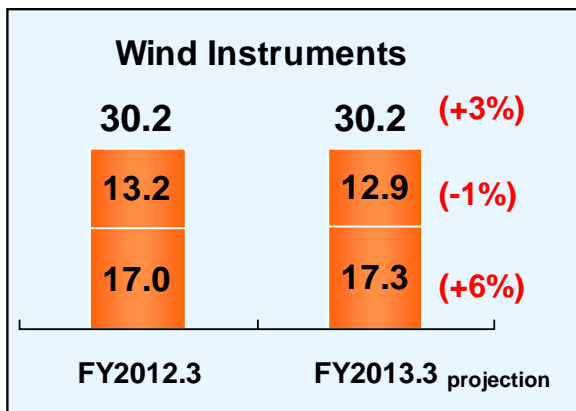
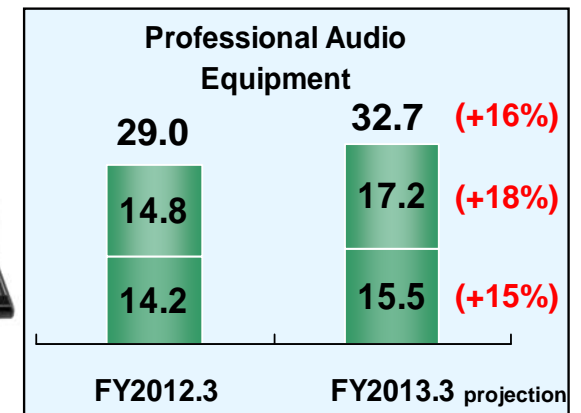
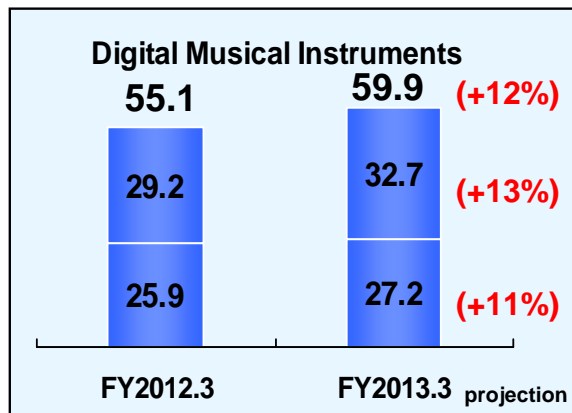
Musical Instruments: Sales by Region (Projections)



Musical Instruments: Sales by Product Category (Projections)



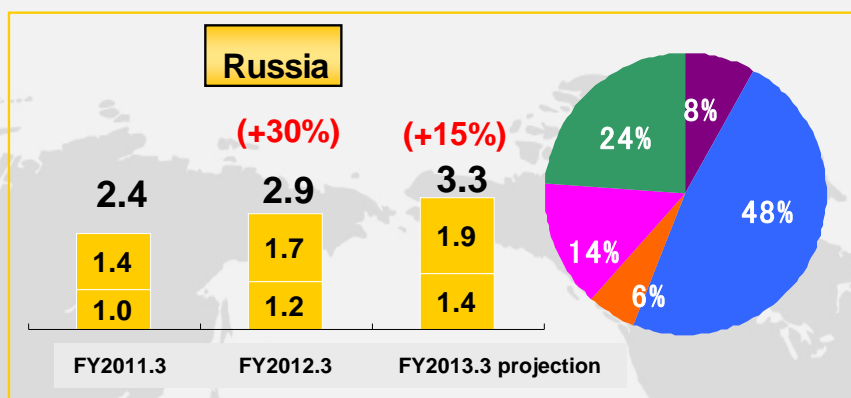
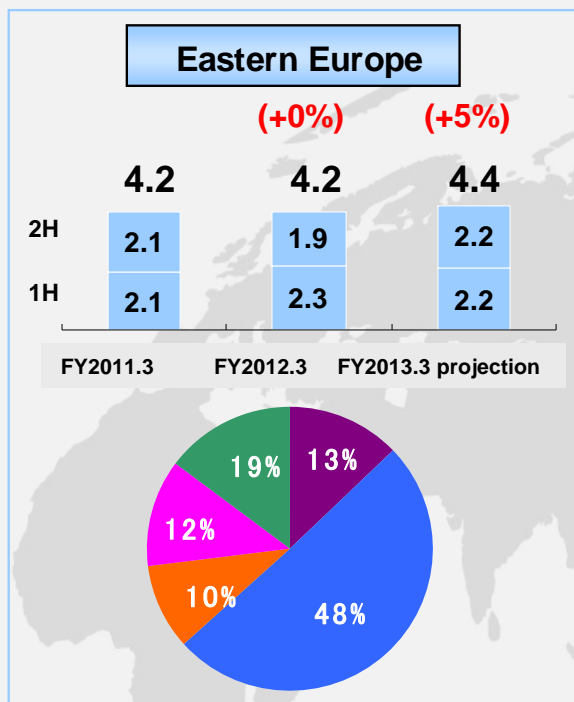
(Billions of yen)
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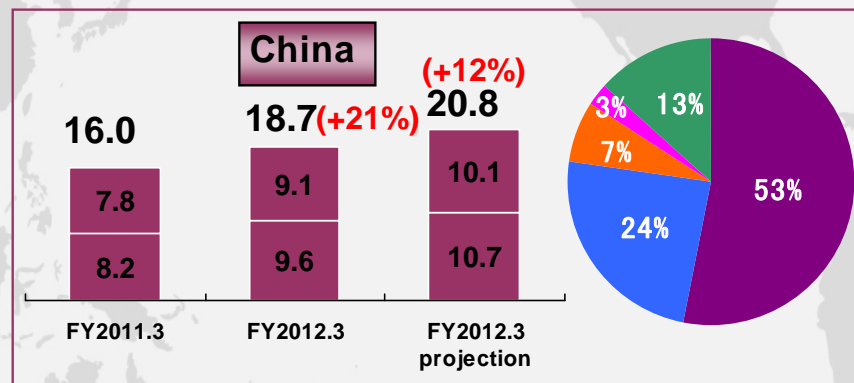
Emerging Market Sales



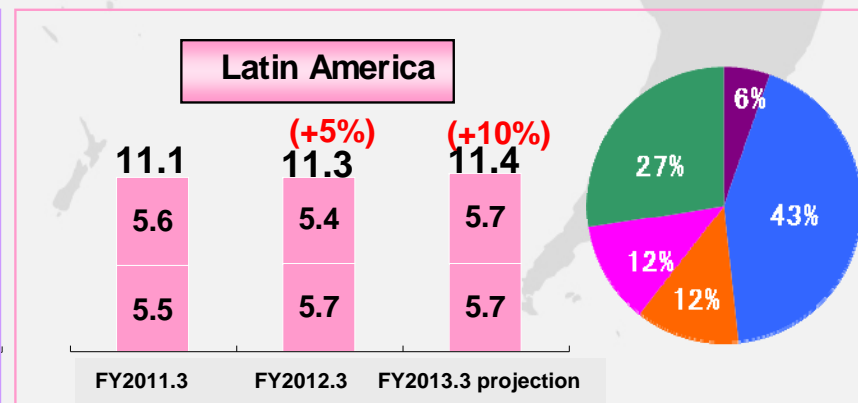
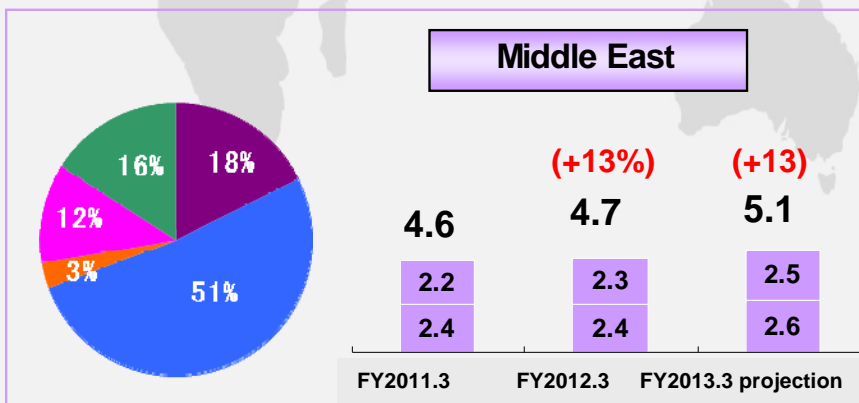
(Billions of yen)



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



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



AV/IT: Projections

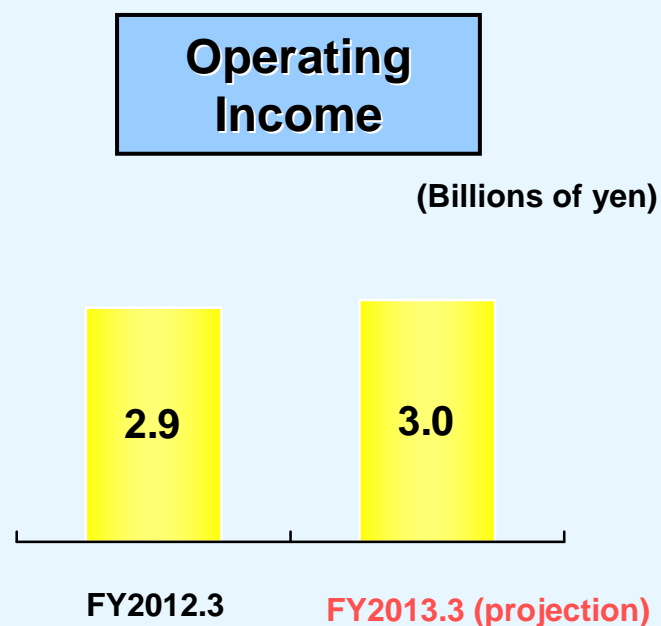
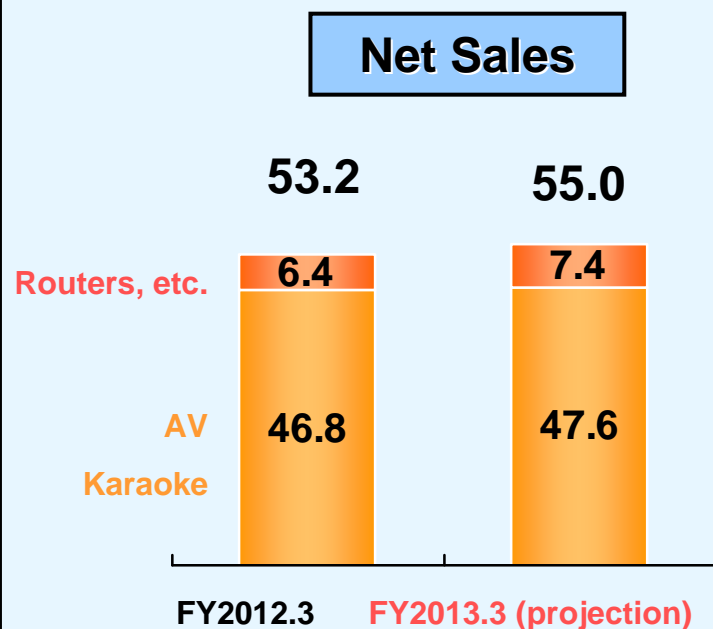


■ Market Environment

- Fiercer competition from mass merchandisers and Web-based sales networks.
- Continuing growth in emerging markets.
- Karaoke equipment market projected to be in line with previous year.
- Recovery trend continues in the router market.

■ Priority Measures

- Build AV product business by launching products targeted at demand trends.
 - Expand sales of front surround systems in overseas markets, and restore them to former levels in Japan.
 - Strengthen product line-up in new categories including desktop audio systems.
 - Reduce development costs by reviewing product planning and development procedures.
- Steadily supply online karaoke equipment.
- Expand share in router business by emphasizing product superiority.
- Swiftly put new business domains on track.



Electronic Devices: Projections



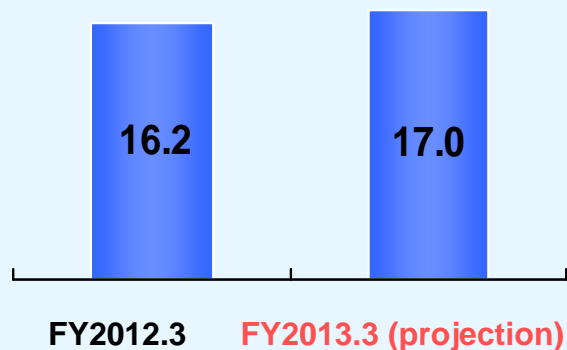
Market Environment

- Amusement market is stalled.
- Further shift from conventional mobile phones to smart phones.
- Fiercer competition among finished product manufacturers.

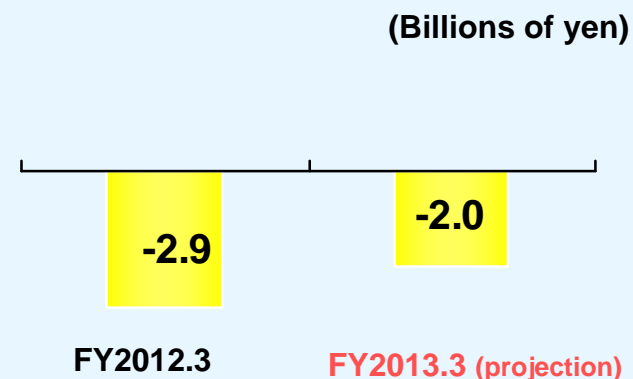
Priority Measures

- Proactively propose solutions for amusement equipment manufacturers.
- Strengthen competitiveness by enhancing geomagnetic sensor functions, etc.
- Expand in-car display business.
- Boost sales of sound and graphics controllers for home appliances.
- Accelerate product development to power next growth phase.
- Pursue efficiencies and cost reductions in design and development.

Net Sales



Operating Income



Others: Projections

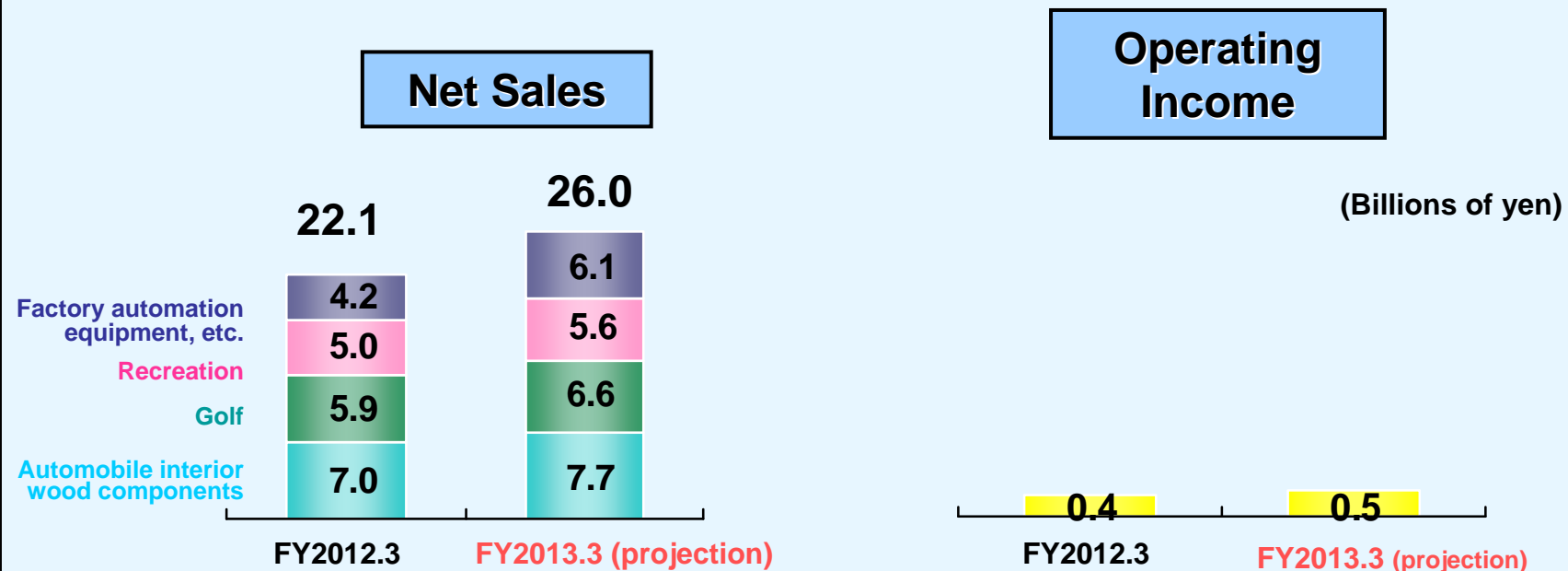


Market Environment

- Although automakers are increasing production as they recover from the effects of the earthquake, trends for luxury vehicles are uncertain.
- Widespread sales of smart phones and tablet PCs.
- Golf products market is flat in Japan, and there are fears of a slowdown in Korea.
- Recreation business is expected to recover from the impact of the earthquake felt last year.

Priority Measures

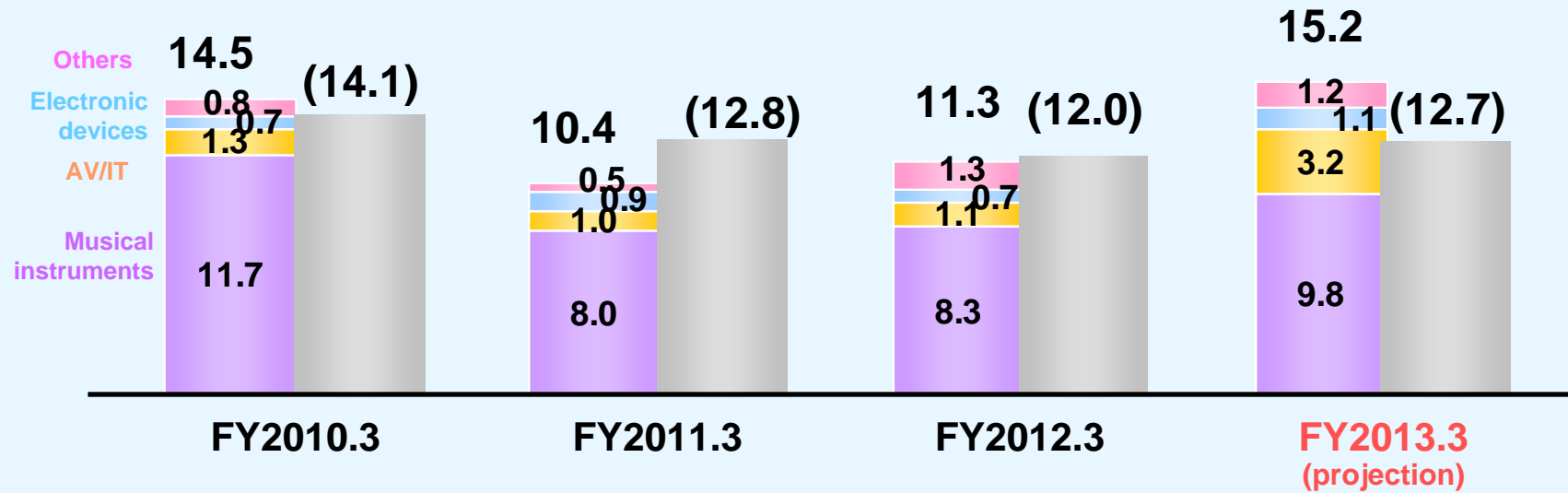
- Steadily respond to rising demand for automobile interior wood components as automakers increase production.
- Make factory automation business more competitive by cutting costs, etc.
- Conduct advertising and sales promotion for golf products in Chinese market.
- Attract more customers to recreation business with off-season promotions. Boost guest numbers with events.



Capital Expenditure/Depreciation/R&D Expenses

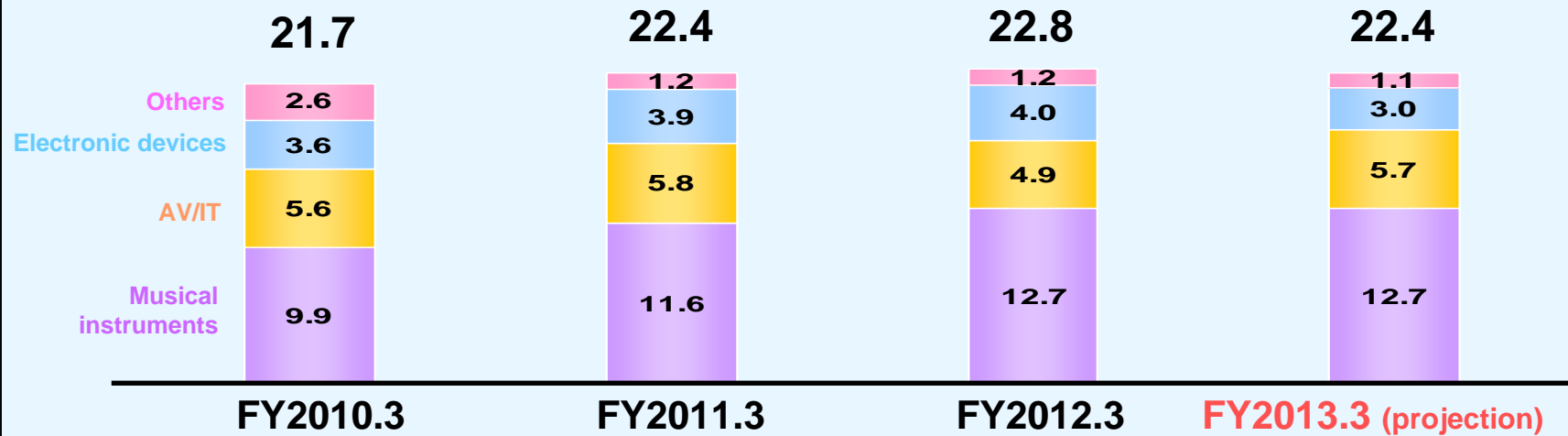
Capital Expenditure (Depreciation)

(Billions of yen)



R&D Expenses

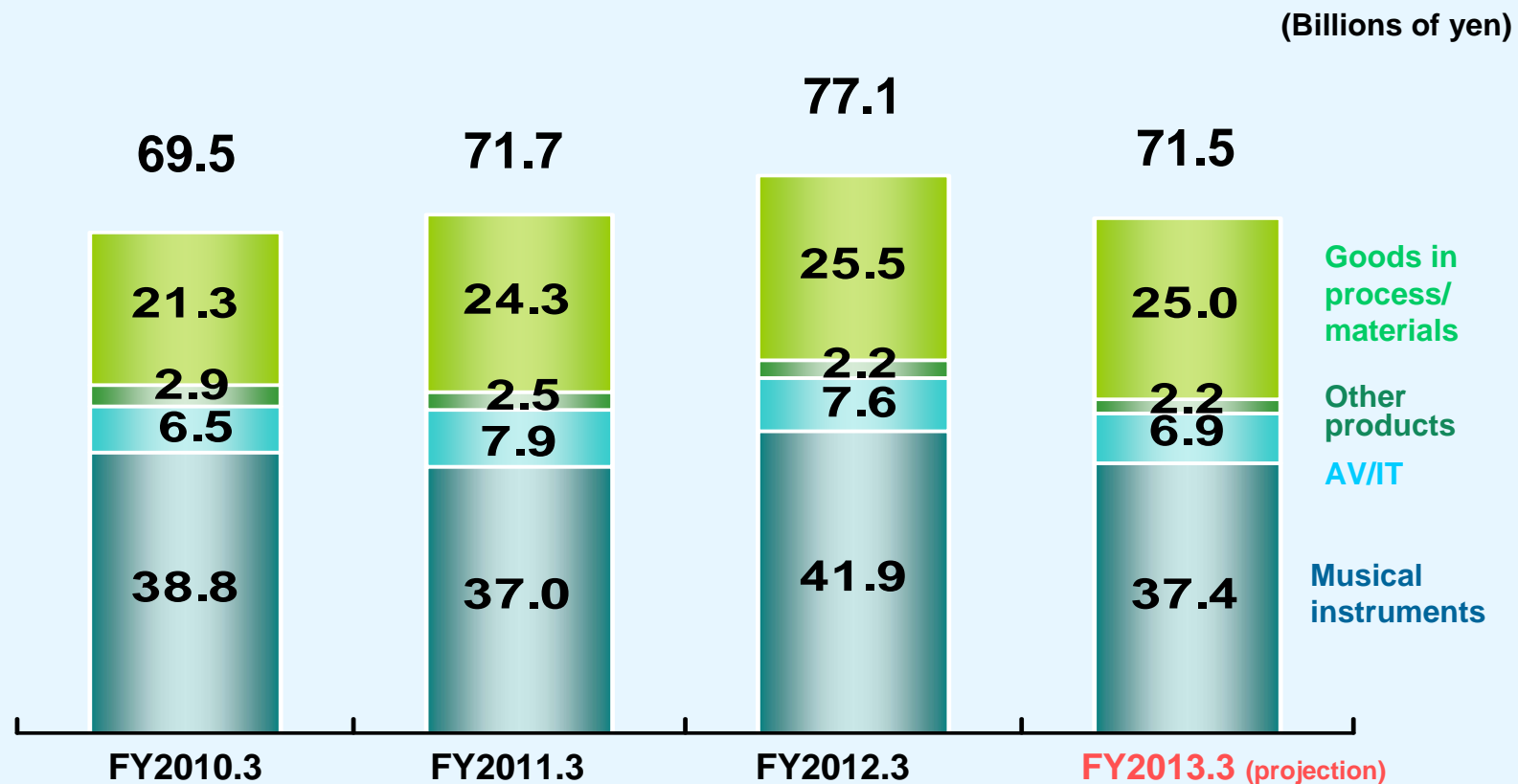
(Billions of yen)



Inventories



➤ Total inventories as of March 31, 2012 were ¥5.5 billion higher than at the end of the previous fiscal year (allowing for the impact of exchange rates, actual inventories were ¥6.9 billion higher than the previous year)



Balance Sheet Summary



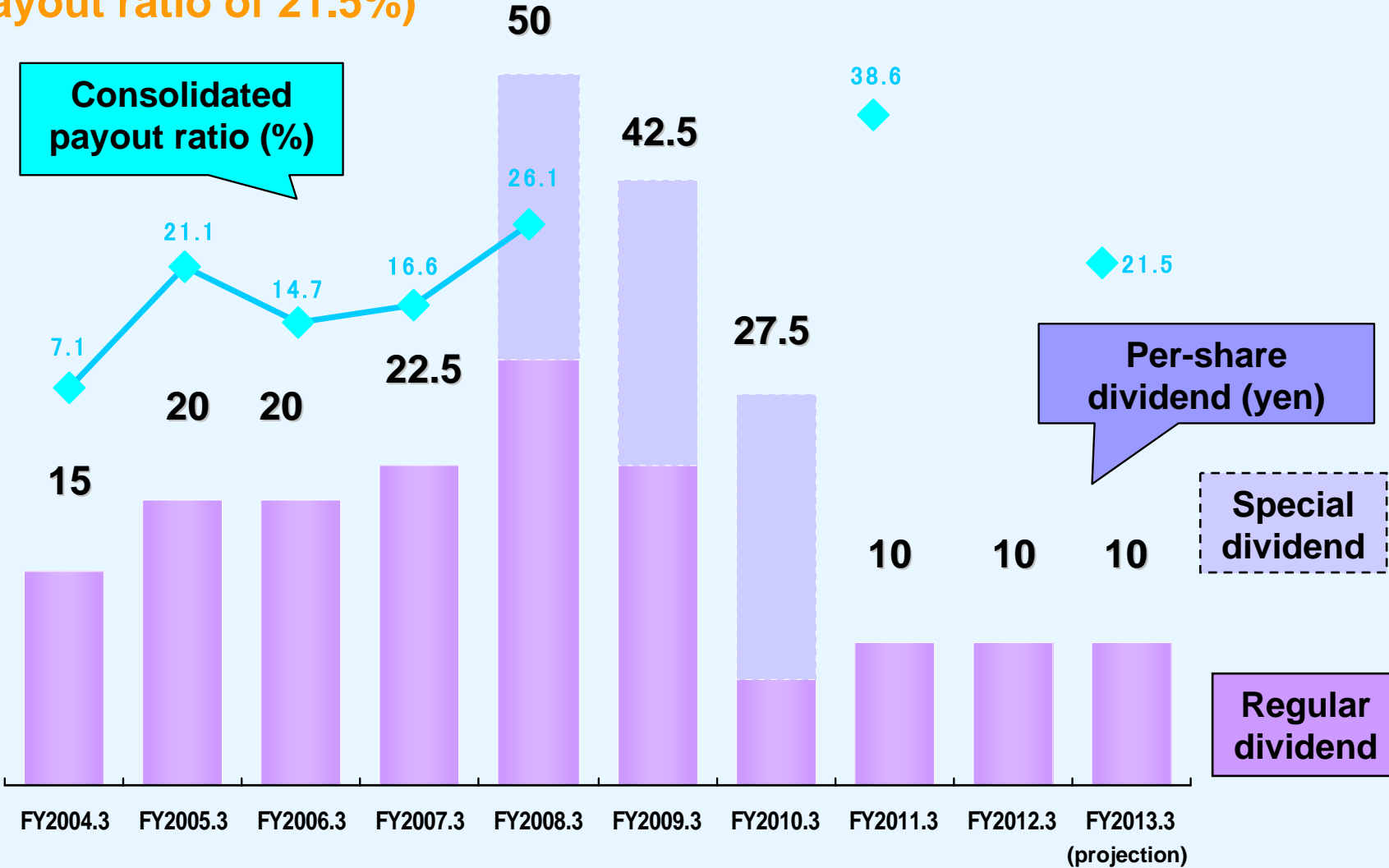
(Billions of yen)

	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013 (projections)
Cash and deposits	59.4	58.7	56.6	59.2
Notes and accounts receivable	47.4	45.1	44.5	47.2
Inventories	69.5	71.7	77.1	71.5
Other current assets	17.0	19.2	10.8	11.6
Fixed assets	208.9	196.2	177.6	179.2
Total assets	402.2	390.9	366.6	368.6
Notes and accounts payable	21.8	24.2	22.3	21.5
Short- and long-term loans	15.0	11.8	11.3	10.5
Resort membership deposits	16.1	15.9	15.5	15.5
Other liabilities	94.7	94.0	110.7	108.0
Total net assets	254.6	245.0	206.8	213.1
Total liabilities and net assets	402.2	390.9	366.6	368.6

Return to Shareholders



➤ An annual dividend of ¥10 is planned for FY2013.3 (consolidated payout ratio of 21.5%)



■ Accelerate Growth in China and Other Emerging Markets

- Steadily implement new measures relating to products, distribution networks, stores and music school expansion in the aim of achieving sales totalling ¥100 billion in these markets by FY2015.3

■ Proceed with the Domestic Business Structural Reform Project

- Drastically review domestic business to make it profitable on a non-consolidated basis
 - ⇒ Project launched April 1

■ Create New Business: yamaha+

- Generate positive results in ongoing projects
- Create framework for new business proposals

Appendix

Performance in the Fourth Quarter of FY2012.3



➤ Fourth quarter sales declined year-on-year, but were higher than previous projections

(Billions of yen)

	FY2011.3 4Q results	FY2012.3 4Q results	Increase/ decrease	Previous projections for 4Q	Increase/ decrease against projections
Net sales	88.4	86.0	-2.8%	83.4	+3.1%
Operating income	-3.2	-2.9	—	-3.5	—
Ordinary income	-3.4	-2.2	—	-3.5	—
Net income	-4.9	-32.1	—	-2.7	—

Currency exchange rates (yen)

Net sales	US\$	82	79	75
	EUR	113	104	105
Operating income	US\$	82	78	75
	EUR	112	104	105

Performance by Business Segment in the Fourth Quarter of FY2012.3

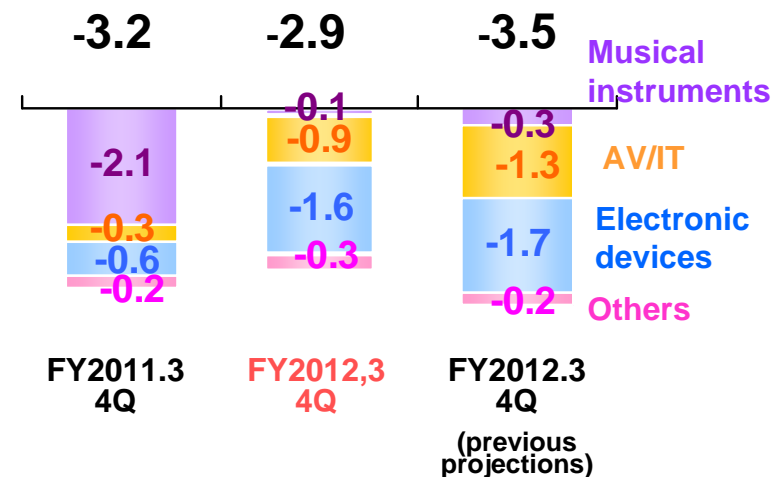
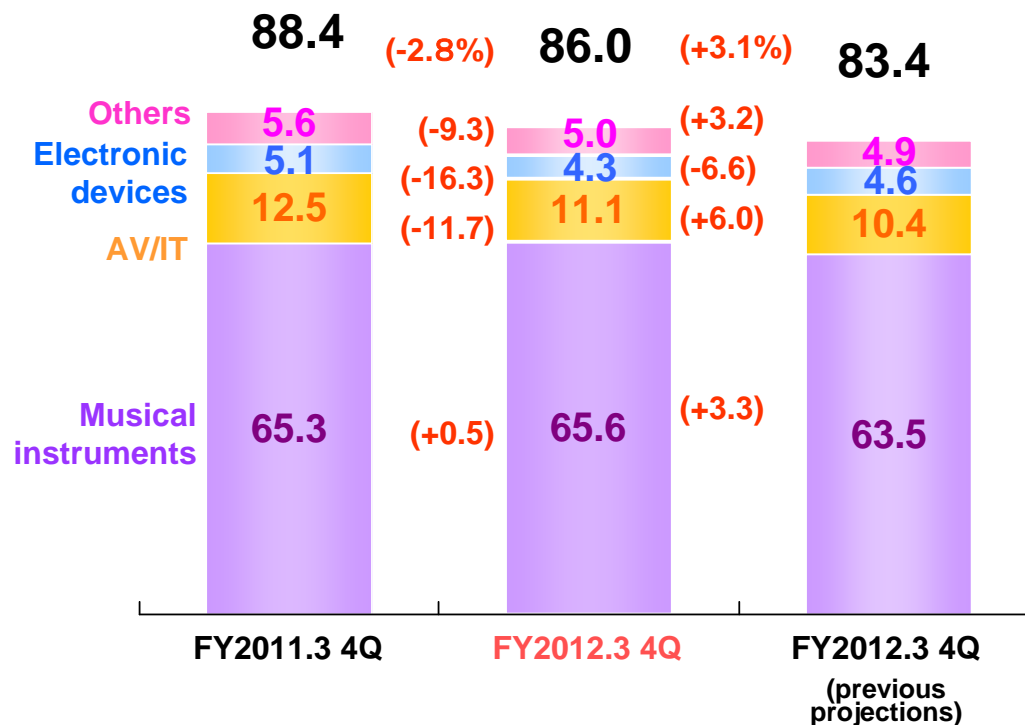


Net Sales

Operating Income

(Billions of yen)

(Billions of yen)



Figures in parentheses represent changes from the previous year or from previous projections

Note: Previous projections made on Feb. 2, 2012

	Impact of exchange rates
Year-on-year	-¥2.2 billion (musical instruments -¥1.7 billion, AV/IT -¥0.4 billion, electronic devices -¥0.1 billion)
Versus previous projections	+¥1.1 billion (musical instruments +¥0.9 billion, AV/IT +¥0.2 billion, electronic devices +¥0.1 billion)

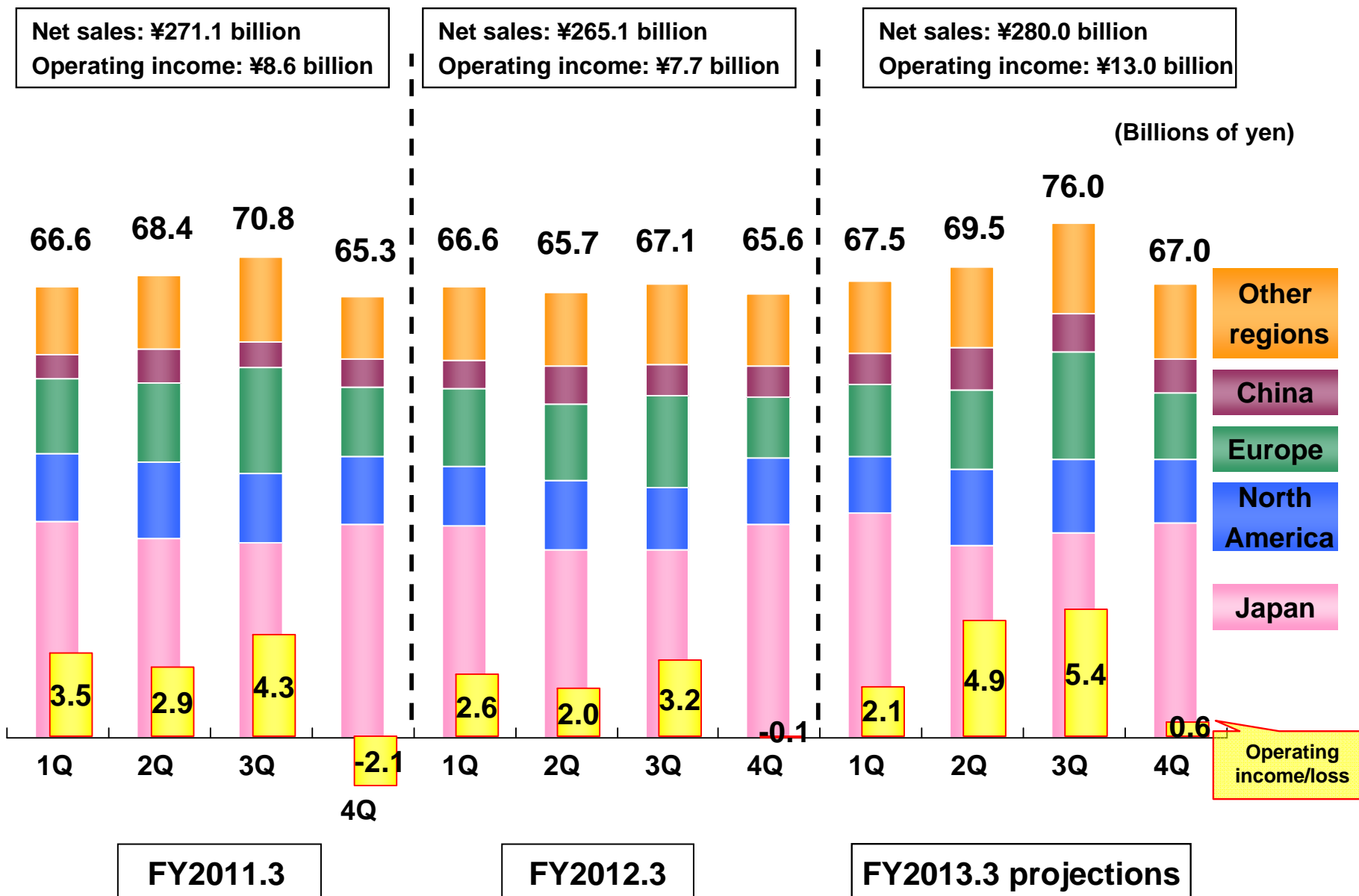
	Impact of exchange rates
Year-on-year	-¥0.8 billion (musical instruments -¥0.6 billion, AV/IT -¥0.2 billion)
Versus previous projections	+¥0 billion (musical instruments +¥0 billion, electronic devices +¥0 billion)

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



	FY2011.3 results	FY2012.3 results	FY2013.3 projections
			(Billions of yen)
Non-operating income/loss			
Net financial income	0.7	1.3	0.7
Other	-2.9	-2.1	-2.2
Total	-2.2	-0.8	-1.5
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	-0.2	-0.1	-0.2
Other	-4.0	-0.2	-0.3
Total	-4.2	-0.3	-0.5
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <ul style="list-style-type: none"> •Revaluation loss on investment securities -1.5 •Impairment loss -2.7 </div>			
Income taxes and other expenses			
Income taxes - current	4.3	4.0	3.2
Income taxes - deferred	-3.0	32.1	
Minority interests in income	0.4	0.3	0.3
Total	1.7	36.4	3.5

Musical Instruments: Sales and Income by Quarter



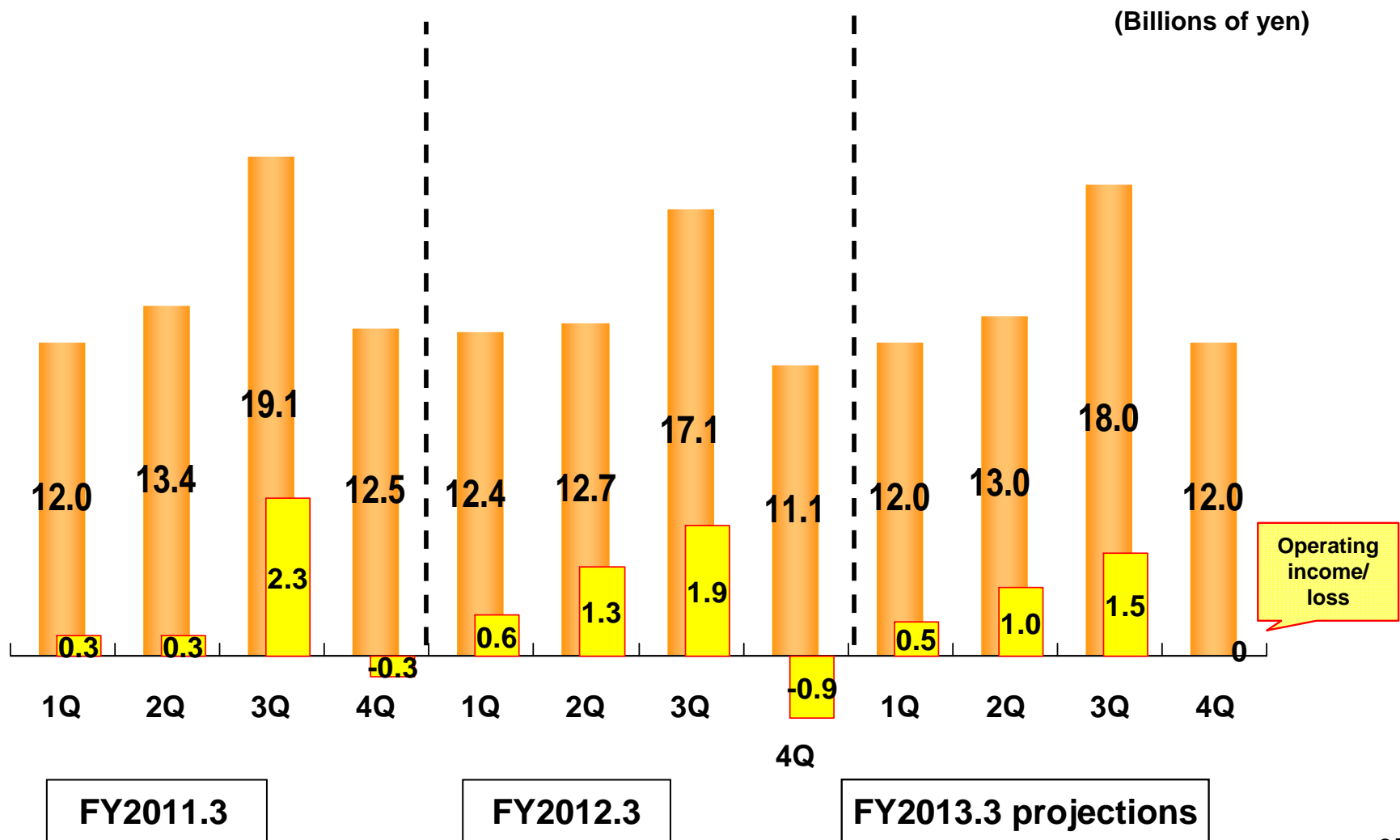
AV/IT: Sales and Income by Quarter



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

Net sales: ¥53.2 billion
Operating income: ¥2.9 billion

Net sales: ¥55.0 billion
Operating income: ¥3.0 billion



Electronic Devices: Sales and Income by Quarter

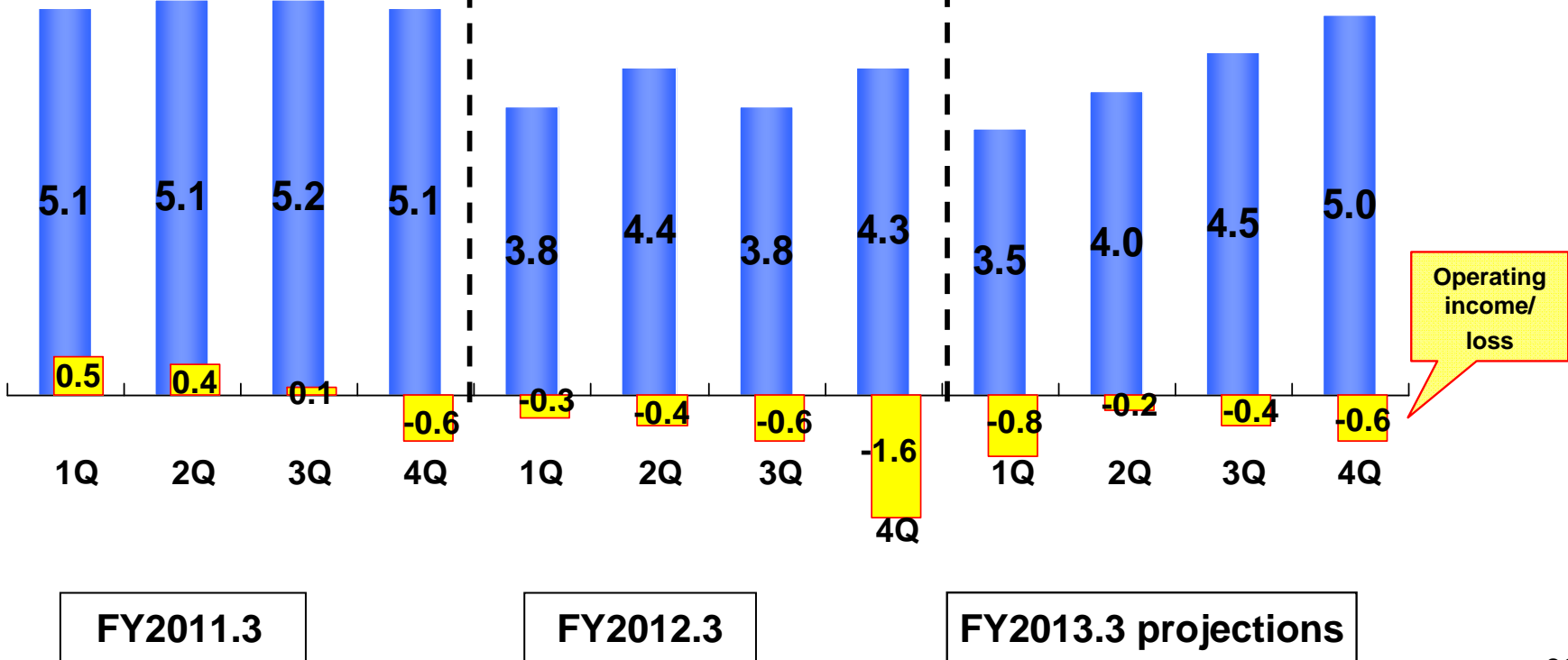


Net sales: ¥20.6 billion
Operating income: ¥0.5 billion

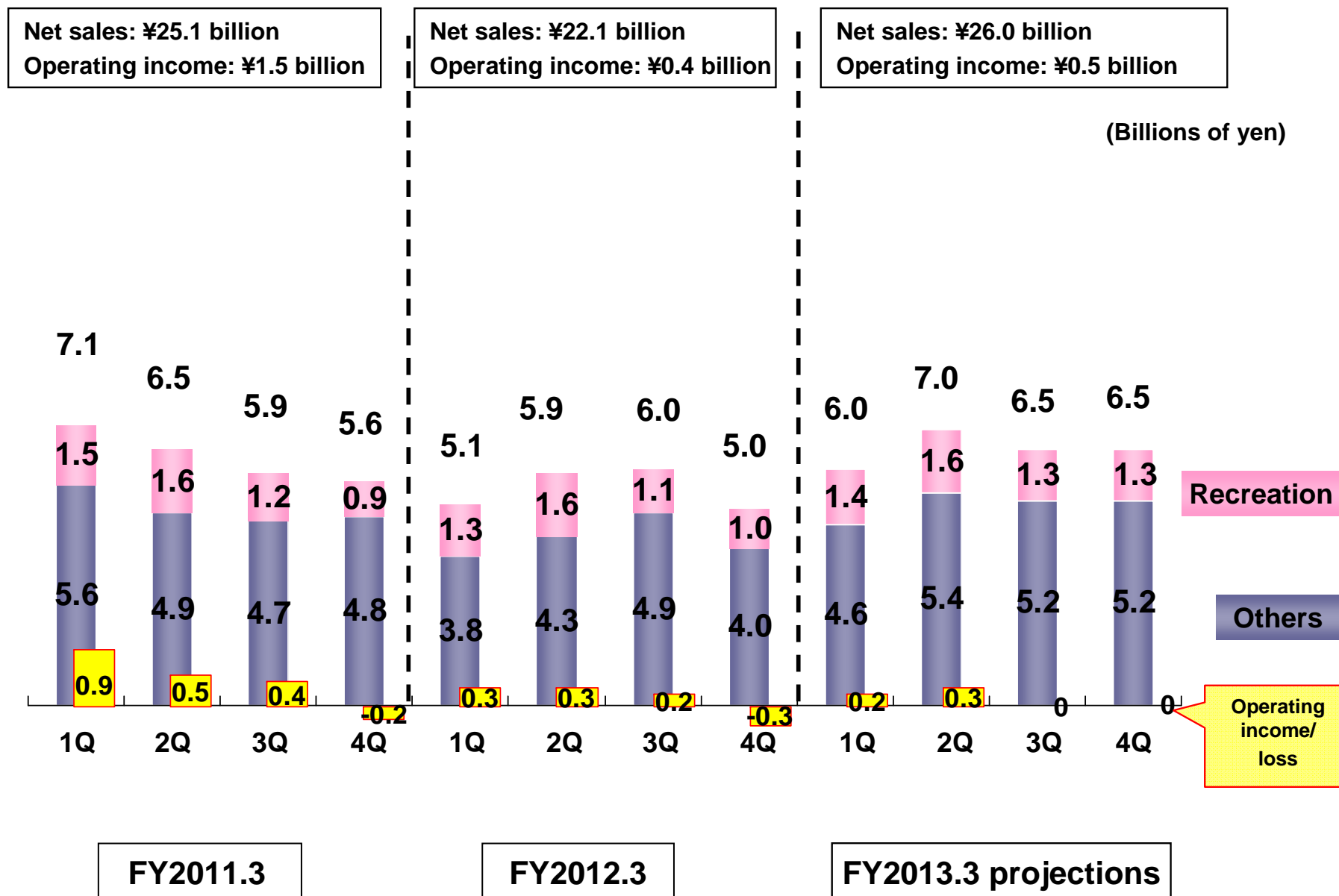
Net sales: ¥16.2 billion
Operating income: -¥2.9 billion

Net sales: ¥17.0 billion
Operating income: -¥2.0 billion

(Billions of yen)



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.