

# YAMAHA CORPORATION

## Flash Report Consolidated Basis (Japanese GAAP) Results for the First Quarter of the Fiscal Year Ending March 31, 2012 (April 1, 2011—June 30, 2011)

August 1, 2011

**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

**Representative director:** Mitsuru Umemura, President and Representative Director

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**Scheduled date to submit Quarterly Securities Report:** August 12, 2011

**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 statements:** Yes (for securities analysts and institutional investors)

### 1. Results for the First Quarter of FY2012.3 (April 1, 2011—June 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
<b>First quarter of FY2012.3</b>	<b>¥87,928</b>	<b>(3.3)%</b>	<b>¥3,103</b>	<b>(39.8)%</b>	<b>¥2,765</b>	<b>(43.1)%</b>
First quarter of FY2011.3	¥90,914	(8.6)%	¥5,153	—	¥4,856	—

Note: Comprehensive income: **First quarter of FY2012.3 ¥(234) million (—%)** First quarter of FY2011.3 ¥(12,229) million (—%)

	Net income		Net income per share	Net income per share after full dilution
	Millions of yen	% change from the previous year	Yen	Yen
<b>First quarter of FY2012.3</b>	<b>¥504</b>	<b>(77.2)%</b>	<b>¥2.60</b>	<b>—</b>
First quarter of FY2011.3	¥2,208	—	¥11.20	—

#### (2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
<b>First quarter of FY2012.3 (As of June 30, 2011)</b>	<b>¥383,084</b>	<b>¥243,472</b>	<b>62.8%</b>	<b>¥1,242.70</b>
FY2011.3 (As of March 31, 2011)	¥390,852	¥245,002	61.9%	¥1,250.06

(For reference) Shareholders' equity: **First quarter of FY2012.3 ¥240,639 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	—				
FY2012.3 (Forecast)		¥5.00	—	¥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 year, and those for the second quarter accumulation 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
Second quarter accumulation of FY2012.3	¥180,500	(2.1)%	¥5,500	(40.7)%	¥5,000	(40.2)%
FY2012.3	¥378,000	1.1%	¥12,500	(5.1)%	¥10,500	(4.3)%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
Second quarter accumulation of FY2012.3	¥2,500	(50.5)%	¥12.91
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 companies 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)	<b>First quarter of FY2012.3</b>	<b>197,255,025 shares</b>	FY2011.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	<b>First quarter of FY2012.3</b>	<b>3,611,595 shares</b>	FY2011.3	3,611,429 shares
(c) Average number of shares issued during the period (quarterly accumulation period)	<b>First quarter of FY2012.3</b>	<b>193,643,501 shares</b>	First quarter of FY2011.3	197,232,597 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 first quarter of the current fiscal year, please refer to "Outline of the Consolidated Financial Results for the First Quarter (Three Months) of the Fiscal Year Ending March 31, 2012 (FY2012.3) and Outlook for Performance for the Full Fiscal Year," which was released today (August 1, 2011).

For the consolidated financial forecasts for FY2012.3, please refer to "Announcement of Revision in Forecast for Performance", which was released today (August 1, 2011).

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. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

	First quarter of FY2012.3 (as of June 30, 2011)	FY2011.3 (as of March 31, 2011)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	¥ 52,580	¥ 57,210
Notes and accounts receivable—trade	44,490	46,486
Short-term investment securities	400	1,960
Merchandise and finished goods	49,556	47,361
Work in process	15,058	13,620
Raw materials and supplies	11,449	10,678
Other	15,273	18,797
Allowance for doubtful accounts	(1,380)	(1,397)
Total current assets	187,430	194,717
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures, net	37,308	38,106
Machinery, equipment and vehicles, net	11,261	11,747
Tools, furniture and fixtures, net	7,784	7,904
Land	49,295	49,347
Lease assets, net	265	272
Construction in progress	1,011	888
Total property, plant and equipment	106,926	108,267
Intangible assets	2,731	2,857
Investments and other assets		
Investment securities	76,415	75,477
Other	10,248	10,208
Allowance for doubtful accounts	(668)	(675)
Total investments and other assets	85,995	85,009
Total noncurrent assets	195,653	196,134
<b>Total assets</b>	¥383,084	¥390,852

(Millions of yen)

	First quarter of FY2012.3 (as of June 30, 2011)	FY2011.3 (as of March 31, 2011)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	¥ 23,243	¥ 24,198
Short-term loans payable	7,681	6,597
Current portion of long-term loans payable	2,910	3,863
Accounts payable—other and accrued expenses	22,262	28,657
Income taxes payable	1,433	2,303
Provision	3,278	3,073
Other	7,663	6,141
Total current liabilities	68,473	74,836
<b>Noncurrent liabilities</b>		
Long-term loans payable	687	1,376
Provision for retirement benefits	38,639	37,599
Other	31,810	32,037
Total noncurrent liabilities	71,137	71,013
<b>Total liabilities</b>	139,611	145,849
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	169,261	169,894
Treasury stock	(3,690)	(3,690)
Total shareholders' equity	234,160	234,793
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	34,176	33,559
Deferred gains or losses on hedges	(13)	(252)
Revaluation reserve for land	15,501	15,549
Foreign currency translation adjustment	(43,184)	(41,583)
Total accumulated other comprehensive income	6,479	7,272
<b>Minority interests</b>	2,832	2,937
<b>Total net assets</b>	243,472	245,002
<b>Total liabilities and net assets</b>	¥383,084	¥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)

	First quarter of FY2012.3 (April 1, 2011–June 30, 2011)	First quarter of FY2011.3 (April 1, 2010–June 30, 2010)
<b>Net sales</b>	¥87,928	¥90,914
<b>Cost of sales</b>	55,696	55,490
Gross profit	32,231	35,424
<b>Selling, general and administrative expenses</b>	29,127	30,271
Operating income	3,103	5,153
<b>Non-operating income</b>		
Interest income	116	94
Dividends income	287	542
Other	181	334
Total non-operating income	585	971
<b>Non-operating expenses</b>		
Sales discounts	492	516
Foreign exchange losses	242	497
Other	188	254
Total non-operating expenses	923	1,268
Ordinary income	2,765	4,856
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	24	12
Reversal of provision for business structural reform expenses	—	292
Other	—	5
Total extraordinary income	24	310
<b>Extraordinary losses</b>		
Loss on retirement of noncurrent assets	54	67
Loss on valuation of investment securities	79	1,546
Other	39	78
Total extraordinary losses	172	1,692
<b>Income before income taxes and minority interests</b>	2,617	3,474
<b>Income taxes—current</b>	796	1,327
<b>Income taxes—deferred</b>	1,268	(119)
<b>Total income taxes</b>	2,065	1,207
<b>Income before minority interests</b>	552	2,266
<b>Minority interests in income</b>	48	58
<b>Net income</b>	¥ 504	¥ 2,208

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

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	First quarter of FY2012.3 (April 1, 2011–June 30, 2011)	First quarter of FY2011.3 (April 1, 2010–June 30, 2010)
<b>Income before minority interests</b>	¥ 552	¥ 2,266
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	617	(7,132)
Deferred gains or losses on hedges	239	752
Foreign currency translation adjustments	(1,643)	(8,116)
Share of other comprehensive income of associates accounted for using equity method	(0)	0
Total other comprehensive income	(786)	(14,496)
<b>Comprehensive income</b>	(234)	(12,229)
(Composition)		
Comprehensive income attributable to owners of the parent	(240)	(12,192)
Comprehensive income attributable to minority shareholders	¥ 6	¥ (37)

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)

##### First quarter of FY2012.3 (April 1, 2011—June 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	¥66,615	¥12,379	¥3,786	¥5,147	¥87,928		¥87,928
Intersegment sales or transfers			253		253	(253)	
Total sales	¥66,615	¥12,379	¥4,039	¥5,147	¥88,182	¥(253)	¥87,928
Segment income (loss)	¥ 2,595	¥ 557	¥ (343)	¥ 293	¥ 3,103		¥ 3,103

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

The sales adjustment item of ¥(253) 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.

##### First quarter of FY2011.3 (April 1, 2010—June 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	¥66,640	¥12,040	¥5,130	¥7,103	¥90,914		¥90,914
Intersegment sales or transfers			319		319	(319)	
Total sales	¥66,640	¥12,040	¥5,449	¥7,103	¥91,234	¥(319)	¥90,914
Segment income	¥ 3,459	¥ 344	¥ 497	¥ 851	¥ 5,153		¥ 5,153

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

The sales adjustment item of ¥(319) 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)

First quarter of FY2012.3 (April 1, 2011—June 30, 2011)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Overseas sales	¥43,638	¥11,124	¥14,449	¥18,716	¥44,290	¥87,928
% of net sales	49.6%	12.7%	16.4%	21.3%	50.4%	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 other than Japan:

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

First quarter of FY2011.3 (April 1, 2010—June 30, 2010)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Overseas sales	¥46,049	¥13,272	¥14,331	¥17,262	¥44,865	¥90,914
% of net sales	50.7%	14.6%	15.8%	19.0%	49.3%	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 other than Japan:

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)****First quarter of FY2012.3 (April 1, 2011—June 30, 2011)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥46,480	¥11,044	¥14,452	¥15,951	¥ 87,928		¥87,928
Intersegment sales or transfers	30,522	147	401	15,229	46,300	(46,300)	
Total sales	¥77,002	¥11,191	¥14,853	¥31,181	¥134,228	¥(46,300)	¥87,928
Segment income	¥ 573	¥ 204	¥ 22	¥ 2,112	¥ 2,913	¥ 190	¥ 3,103

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 other than Japan:

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 ¥(46,300) 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.

**First quarter of FY2011.3 (April 1, 2010—June 30, 2010)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥49,096	¥13,134	¥14,229	¥14,455	¥ 90,914		¥90,914
Intersegment sales or transfers	32,310	210	416	15,564	48,501	(48,501)	
Total sales	¥81,406	¥13,344	¥14,645	¥30,019	¥139,416	¥(48,501)	¥90,914
Segment income	¥ 2,673	¥ 499	¥ 301	¥ 2,211	¥ 5,685	¥ (532)	¥ 5,153

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 other than Japan:

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 ¥(48,501) 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