

Third Quarter of FY2006.3 Performance Outline

YAMAHA CORPORATION

(billions of yen)

	3Q Results (Oct. 05–Dec. 05)	3Q Results (Previous Year) (Oct. 04–Dec. 04)	3Q Results (Apr. 05–Dec. 05)	3Q Results (Previous Year) (Apr. 04–Dec. 04)	Initial Projections (Oct. 31, 2005) FY2006.3	Projections FY2006.3	Results (Previous Year) FY2005.3
Net Sales	149.2	144.9	406.4	413.5	536.5	529.0	534.1
Japan Sales	75.0 (50.2%)	77.4 (53.4%)	224.3 (55.2%)	241.1 (58.3%)	296.8 (55.3%)	292.7 (55.3%)	312.9 (58.6%)
Overseas Sales	74.3 (49.8%)	67.5 (46.6%)	182.1 (44.8%)	172.4 (41.7%)	239.7 (44.7%)	236.3 (44.7%)	221.2 (41.4%)
Operating Income	11.5 (7.7%)	13.9 (9.6%)	25.8 (6.3%)	38.1 (9.2%)	32.5 (6.1%)	24.0 (4.5%)	35.7 (6.7%)
Recurring Profit	14.2 (9.5%)	16.4 (11.3%)	35.5 (8.7%)	44.7 (10.8%)	41.5 (7.7%)	35.0 (6.6%)	41.3 (7.7%)
Net Income	10.9 (7.3%)	25.4 (17.5%)	27.5 (6.8%)	19.3 (4.7%)	29.0 (5.4%)	26.0 (4.9%)	19.7 (3.7%)
Currency Exchange Rate (=yen)	116/US\$ 135/EUR	107/US\$ 134/EUR	112/US\$ 134/EUR	109/US\$ 133/EUR	108/US\$ (*5) 134/EUR	111/US\$ (*5) 134/EUR	108/US\$ 133/EUR
ROE(%) (*1)	14.2%	38.3%	12.4%	9.6%	10.0%	8.9%	7.4%
ROA(%) (*2)	8.3%	19.5%	7.1%	5.0%	5.8%	5.1%	3.9%
Earnings per share	-	-	133.2yens	93.8yens	140.7yens	126.1yens	95.1yens
Capital Expenditure	5.0	5.0	14.8	16.1	24.0	24.0	22.7
Depreciation	5.1	5.2	14.3	14.7	19.5	19.5	19.0
R&D Expenditure	6.6	5.8	18.1	17.1	23.0	23.0	23.0
Loans & Equivalents (*3)	-	-	13.6	22.0	-6.7	-2.0	-4.6
Free Cash Flow							
Operating Activities	7.4	8.0	-1.7	15.8	29.4	22.4	39.6
Investing Activities	-2.9	-5.4	-11.9	-15.6	-22.3	-20.2	-12.9
Total	4.5	2.6	-13.6	0.2	7.1	2.2	26.7
Inventories at year-end	-	-	84.7	82.8	69.9	72.5	78.4
No. of Employees							
Japan	-	-	11,799	11,810	11,600	11,600	11,711
Overseas	-	-	13,129	12,063	13,270	13,270	12,149
Total (*4)	-	-	24,928	23,873	24,870	24,870	23,860
Sales by Business segment							
Musical Instruments	86.2 (57.8%)	81.5 (56.2%)	237.0 (58.3%)	232.6 (56.3%)	310.0 (57.8%)	309.0 (58.4%)	302.6 (56.7%)
AV/IT	25.4 (17.0%)	25.1 (17.3%)	60.8 (15.0%)	61.9 (15.0%)	83.5 (15.6%)	77.0 (14.6%)	77.7 (14.5%)
Electronic Equipment and Metal	14.2 (9.5%)	16.5 (11.4%)	42.6 (10.5%)	54.9 (13.3%)	57.5 (10.7%)	56.0 (10.6%)	69.0 (12.9%)
Lifestyle-Related	12.5 (8.4%)	12.0 (8.3%)	35.1 (8.6%)	33.2 (8.0%)	43.0 (8.0%)	44.5 (8.4%)	42.8 (8.0%)
Recreation	4.2 (2.8%)	4.0 (2.8%)	13.2 (3.2%)	13.4 (3.2%)	18.5 (3.4%)	18.0 (3.4%)	18.3 (3.4%)
Others	6.6 (4.4%)	5.8 (4.0%)	17.7 (4.4%)	17.4 (4.2%)	24.0 (4.5%)	24.5 (4.6%)	23.6 (4.4%)
Operating Income by Business segment							
Musical Instruments	7.6	7.4	15.7	17.3	18.5	14.0	14.2
AV/IT	1.9	2.3	2.6	4.8	4.0	1.0	3.7
Electronic Equipment and Metal	1.7	4.6	6.9	17.8	9.0	8.0	20.0
Lifestyle-Related	0.8	0.3	1.9	0.2	1.0	1.5	0.0
Recreation	-0.9	-0.9	-1.6	-2.0	-1.0	-1.5	-2.3
Others	0.3	0.0	0.5	0.0	1.0	1.0	0.2

Non Consolidated Basis

Net Sales	84.5	86.3	254.7	273.9	325.0	318.0	341.5
Operating Income	3.4 (4.0%)	6.6 (7.6%)	12.8 (5.0%)	27.9 (10.2%)	14.0 (4.3%)	9.0 (2.8%)	22.6 (6.6%)
Recurring Profit	4.2 (5.0%)	6.8 (7.9%)	17.1 (6.7%)	29.4 (10.7%)	19.5 (6.0%)	14.5 (4.6%)	25.1 (7.4%)
Net Income	2.7 (3.2%)	14.6 (16.9%)	11.9 (4.7%)	1.1 (0.4%)	13.0 (4.0%)	10.0 (3.1%)	0.3 (0.1%)

*1,2 ROE and ROA are calculated on an annually adjusted basis.

*3 Loans & Equivalents = Loans(Short term + Long term) - Cash & Bank Deposit

*4 No. of Employees = No. of Full-time Staff at end of period + Average No. of Temp. Staff

*5 4Q Currency Exchange Rates US\$=110JPY EUR=134JPY

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.