

**Analyst and Investor Briefing on
the Third Quarter of the Fiscal
Year Ending March 31, 2011
(FY2011.3)**

**February 4, 2011
YAMAHA CORPORATION**

Overview of Performance in the Third Quarter of FY2011.3



3Q External Environment

- While economic activity remains subdued in Japan, the gradual recovery of the global economy as a whole continues.
- Yen continues to be strong.

3Q (Oct-Dec) Results

- Sales declined year-on-year, but income rose. Sales were also lower than previous projections (made on October 29), but income was higher.
- Net sales were 1.6% (¥1.6 billion) lower than previous projections. Discounting the impact of exchange rates (-¥0.14 billion), actual sales were 1.4% (¥1.47 billion) lower than previous projections. Excluding the impact of exchange rates (-¥5.9 billion), handover of lifestyle-related products business (-¥10.1 billion) and withdrawal from magnesium molded parts business (-¥2.1 billion), actual sales increased 6.6% (¥6.7 billion) year-on-year.
- Operating income increased year-on-year and was higher than previous projections.

Results for the First Three Quarters (Apr-Dec)

- Sales were lower than in the same period of the previous year, but income was higher.
- Discounting the impact of exchange rates (-¥14.0 billion), handover of lifestyle-related products business (-¥28.0 billion), and withdrawal from magnesium molded part business (-¥4.4 billion), actual sales rose by 5.2% (¥14.9 billion) year-on-year.
- Operating income rose by 55.7% (¥5.8 billion) year-on-year.

Performance in the Third Quarter of FY2011.3

➤ Net sales declined year-on-year and against previous projections, but income increased.

(Billions of yen)

	FY2010.3 (3Q) actual	FY2011.3 (3Q) actual	Change from same period of previous year	Previous projections (Oct. 29, 2010)	Change from projections
Net sales	112.5	101.1	-10.2%	102.7	-1.6%
Operating income (Operating income ratio)	6.4 (5.6%)	7.1 (7.0%)	+11.2%	4.2	+68.3%
Ordinary income (Ordinary income ratio)	5.9 (5.3%)	6.0 (5.9%)	+0.7%	3.1	+92.8%
Net income (Net income ratio)	3.8 (3.4%)	4.9 (4.9%)	+28.1%	2.0	+146.2%

Currency exchange rates (yen)

Net sales	US\$	90	83	85
	EUR	133	112	110
Operating income	US\$	90	83	85
	EUR	133	111	110

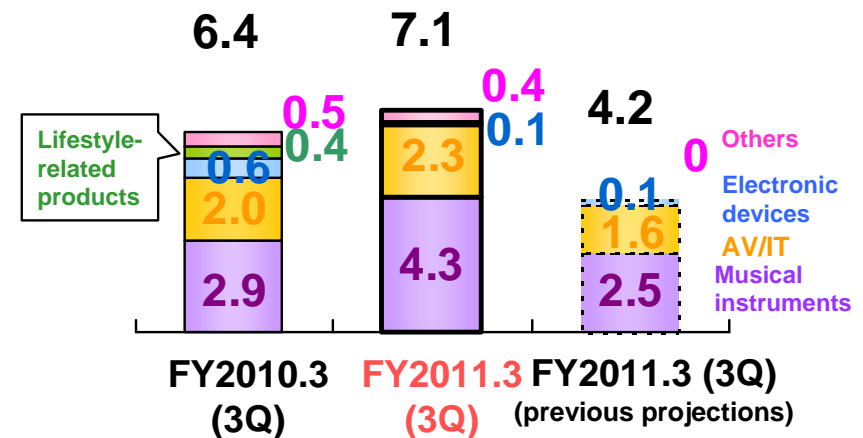
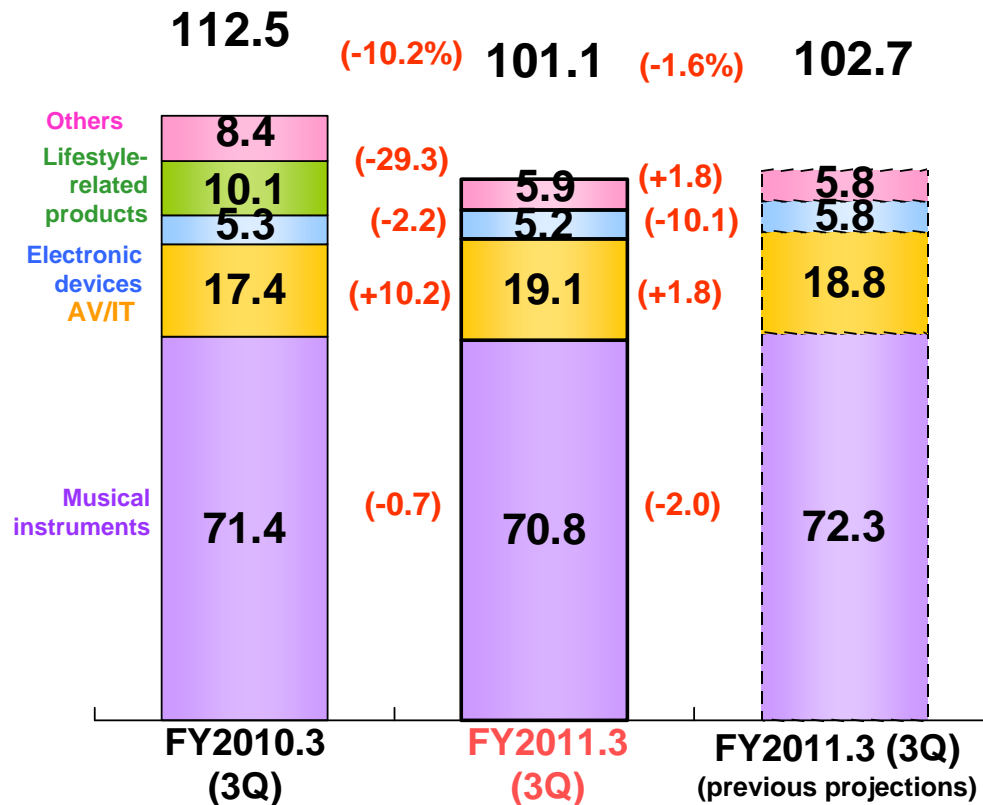
Performance by Business Segment in the Third Quarter of FY2011.3



Net sales

Operating Income

(Billions of yen)



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

	Impact of exchange rates
Year-on-year	-¥5.9 billion (musical instruments -¥4.5 billion, AV/IT -¥1.3 billion)
Versus previous projections	-¥0.1 billion (musical instruments -¥0.2 billion, AV/IT +¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥2.2 billion (musical instruments -¥1.6 billion, AV/IT -¥0.6 billion)
Versus previous projections	-¥0.1 billion (musical instruments -¥0.1 billion)

Performance in the First Three Quarters of FY2011.3



➤ Net sales declined year-on-year and against previous projections, but income increased.

(Billions of yen)

	FY2010.3 (1-3Q) actual	FY2011.3 (1-3Q) actual	Change from same period of previous year	Previous projections (Oct. 29, 2010)	Change from projections
Net sales	316.9	285.4	-9.9%	287.0	-0.5%
Operating income (Operating income ratio)	10.5 (3.3%)	16.3 (5.7%)	+55.7%	13.5	+21.1%
Ordinary income (Ordinary income ratio)	8.8 (2.8%)	14.3 (5.0%)	+63.3%	11.5	+24.7%
Net income (Net income ratio)	3.0 (0.9%)	10.0 (3.5%)	+231.7%	7.0	+42.4%

Currency exchange rates (yen)

Net sales	US\$	94	87	87
	EUR	133	113	112
Operating income	US\$	94	87	88
	EUR	130	116	116

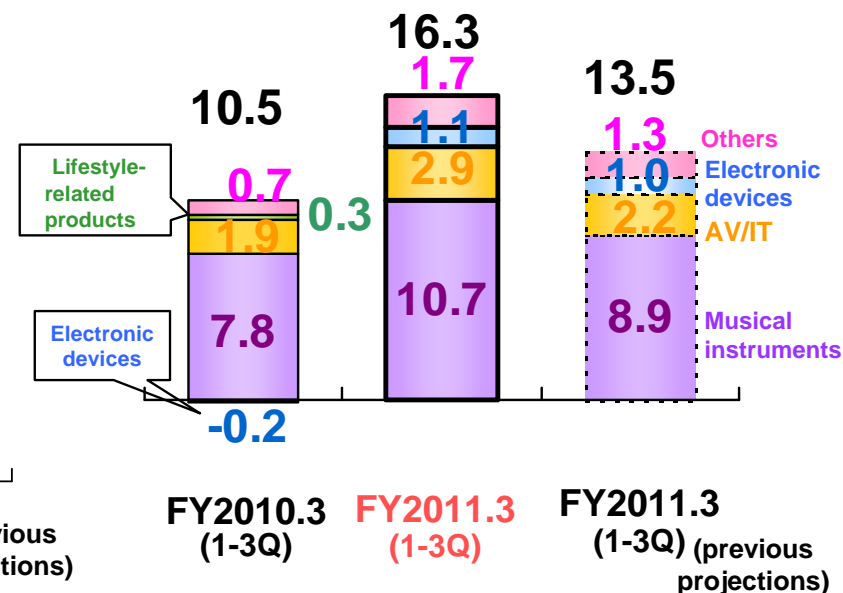
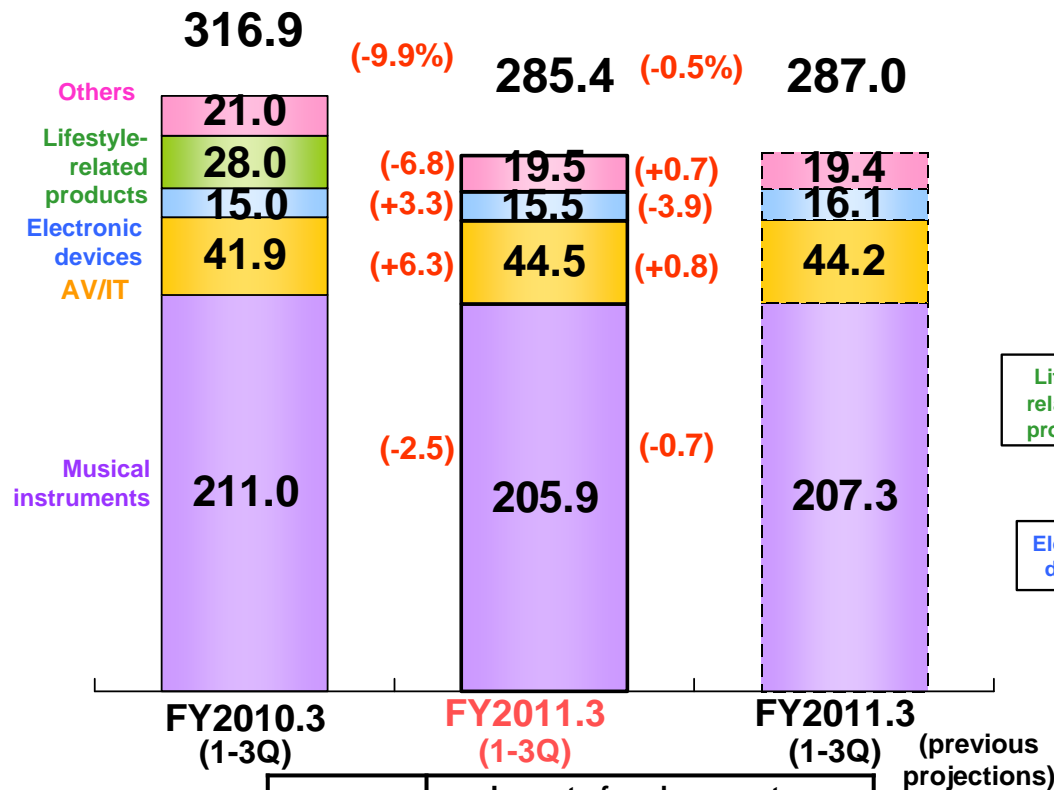
Performance by Business Segment in the First Three Quarters of FY2011.3



Net sales

Operating Income

(Billions of yen)



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

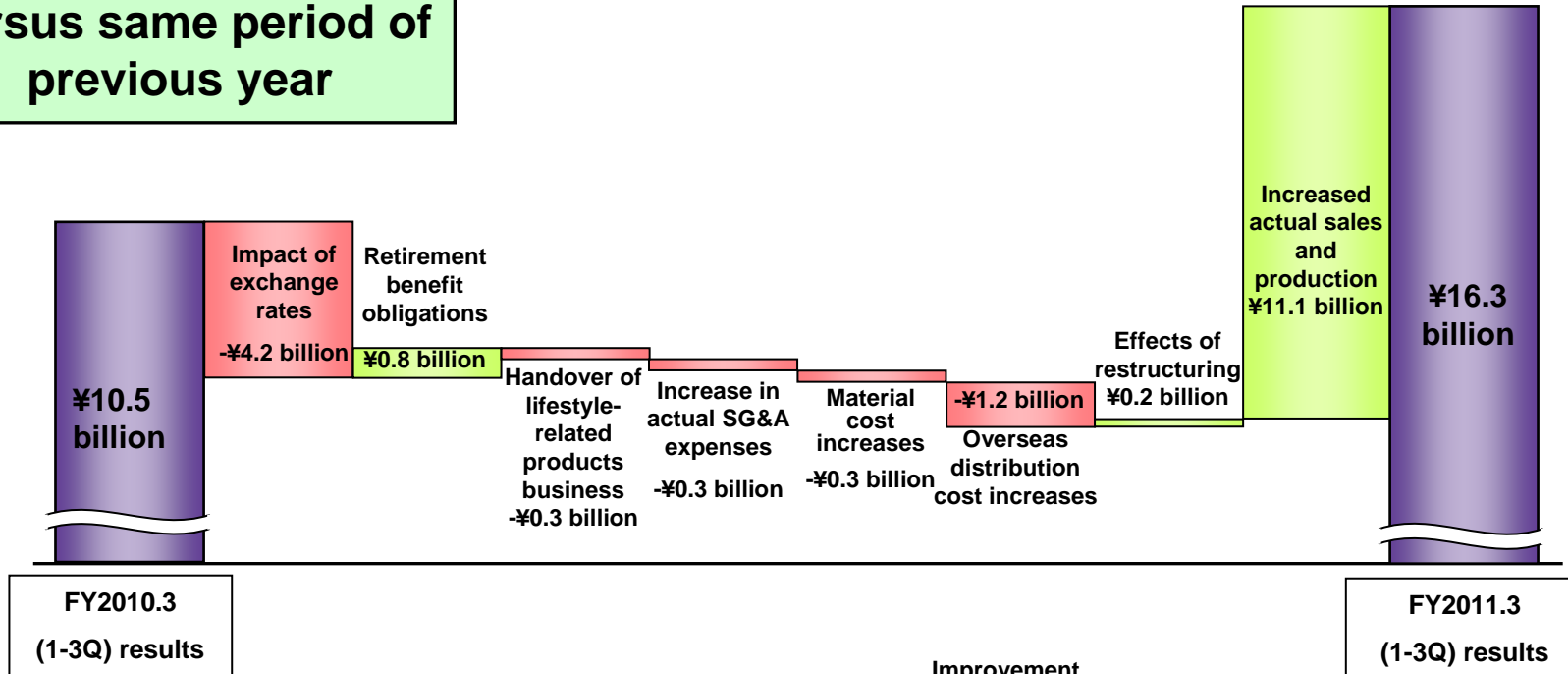
	Impact of exchange rates
Year-on-year	-¥14.0 billion (musical instruments -¥10.9 billion, AV/IT -¥3.0 billion, electronic devices -¥0.1 billion)
Versus previous projections	-¥0.1 billion (musical instruments -¥0.2 billion, AV/IT +¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥4.2 billion (musical instruments -¥3.3 billion, AV/IT -¥0.8 billion)
Versus previous projections	-¥0.1 billion (musical instruments -¥0.1 billion)

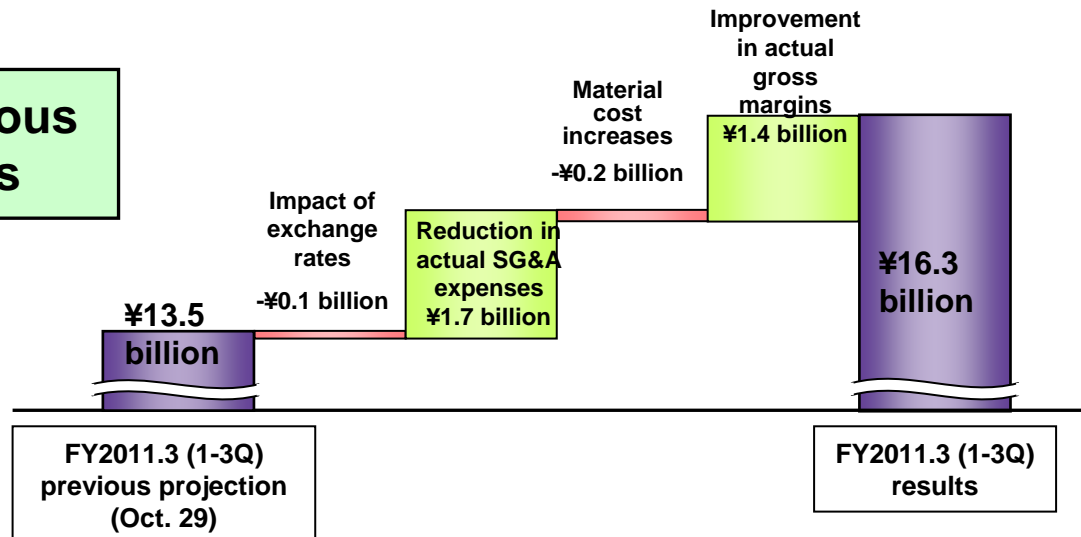
FY2011.3 First Three Quarters Operating Income Analysis



Versus same period of previous year



Versus previous projections



Business Environment in the Fourth Quarter of FY2011.3 and Full Year Performance Forecast YAMAHA

Business Environment in the Fourth Quarter

- Gradual recovery continues in the developed markets of Europe and the U.S.
- Steady growth in China and other emerging markets
- Ongoing strong yen

Fourth Quarter Overview and Priority Policies

- Grasp opportunities for musical instrument sales offered by recovery in developed markets
- Steadily build optimum production structures for pianos and wind instruments
- In the B2B sector, steadily supply strong-selling karaoke equipment
- Focus on developing new semiconductor products

Full Year Performance Forecast

- Downward revision of full year sales projections. Operating/ordinary/net income have been revised upward by ¥1.5 billion.

Forecast for Business Performance in the Fourth Quarter of FY2011.3



➤ Fourth quarter sales are expected to be higher than previous projections, but income is projected to be lower.

(Billions of yen)

	FY2010.3 (4Q) actual	FY2011.3 (4Q) projections	Change from same period of previous year	Previous projections (Oct. 29, 2010)	Change from projections
Net sales	97.9	87.6	-10.5%	87.0	+0.7%
Operating income	-3.7	-3.8	—	-2.5	—
Ordinary income	-3.9	-4.3	—	-3.0	—
Net income	-7.9	-3.5	—	-2.0	—

Currency exchange rates (yen)

Net sales	US\$	91	85	85
	EUR	125	110	110
Operating income	US\$	90	85	85
	EUR	131	110	110

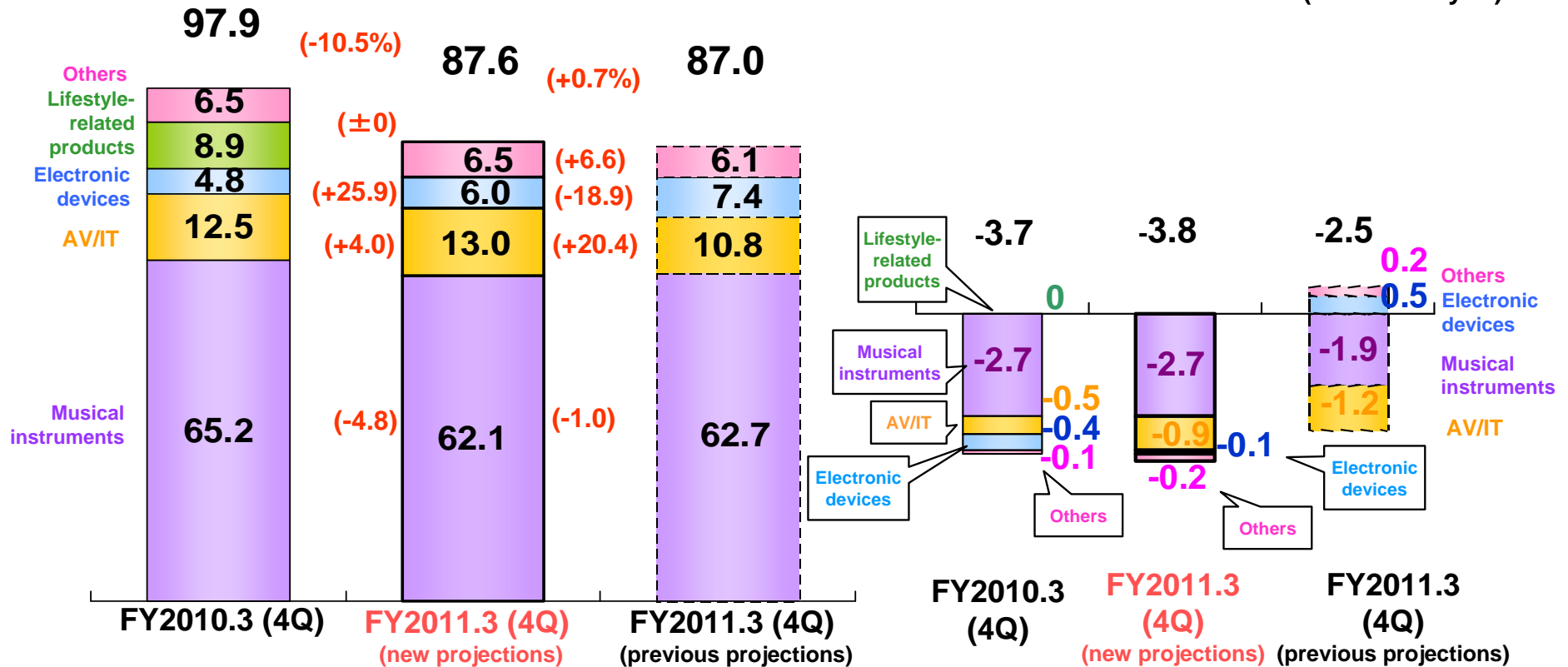
Forecast for Performance by Business Segment in the Fourth Quarter of FY2011.3



Net sales

Operating Income

(Billions of yen)



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

	Impact of exchange rates
Year-on-year	-¥3.3 billion (musical instruments -¥2.6 billion, AV/IT -¥0.7 billion)
Versus previous projections	+¥0.1 billion (musical instruments +¥0.03 billion, AV/IT +¥0.03 billion)

	Impact of exchange rates
Year-on-year	-¥1.3 billion (musical instruments -¥1.0 billion, AV/IT -¥0.3 billion)
Versus previous projections	¥0

Forecast for Performance in FY2011.3 (Full Year)

➤ Estimated 4Q exchange rates: US\$=¥85, EUR=¥110

➤ Full year sales projection has been revised slightly downward. Operating income projection has been revised upward by ¥1.5 billion.

(Billions of yen)

	FY2011.3 1-3Q actual	FY2011.3 4Q projections	FY2011.3 (new projections)	FY2011.3 (previous projections)	FY2010.3 actual	Change from previous projections	Change from previous year results
Net sales	285.4	87.6	373.0	374.0	414.8	-0.3%	-10.1%
Operating income (Operating income ratio)	16.3 (5.7%)	-3.8	12.5 (3.4%)	11.0 (2.9%)	6.8 (1.6%)	+13.6%	+83.1%
Ordinary income (Ordinary income ratio)	14.3 (5.0%)	-4.3	10.0 (2.7%)	8.5 (2.3%)	4.9 (1.2%)	+17.6%	+103.7%
Net income (Net income ratio)	10.0 (3.5%)	-3.5	6.5 (1.7%)	5.0 (1.3%)	-4.9 (-)	+30.0%	—

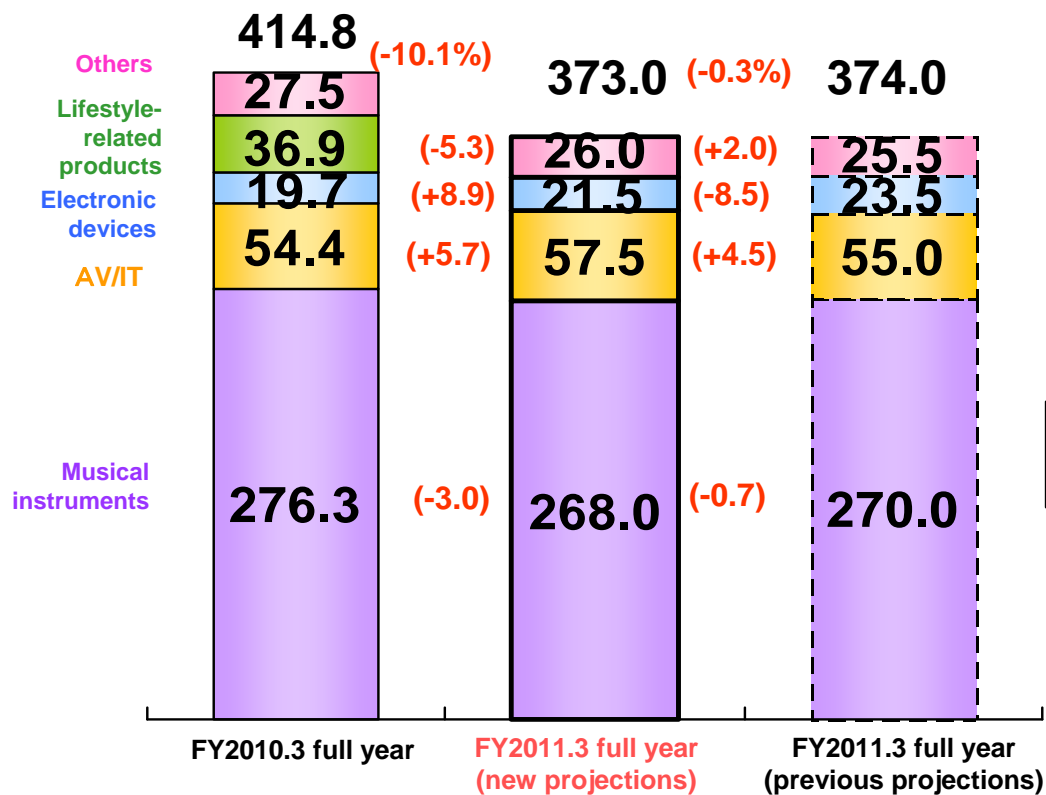
Currency exchange rates (yen)

Net sales	US\$	87	85	86	87	93
	EUR	113	110	112	112	131
Operating income	US\$	87	85	87	87	93
	EUR	116	110	115	115	130

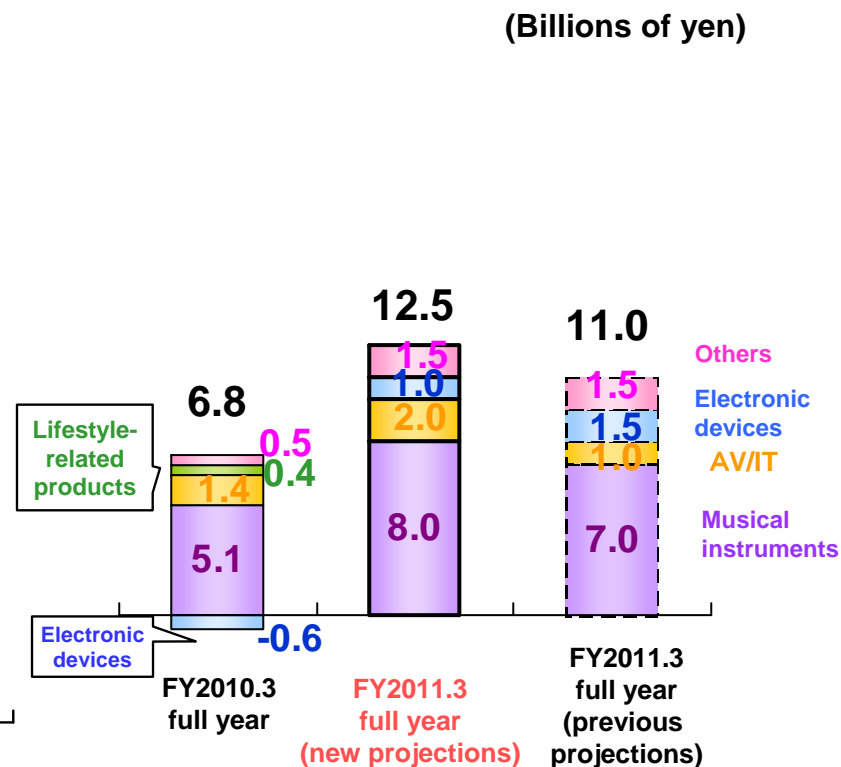
FY2011.3 Full Year Forecast for Performance by Business Segment



Net sales



Operating Income



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

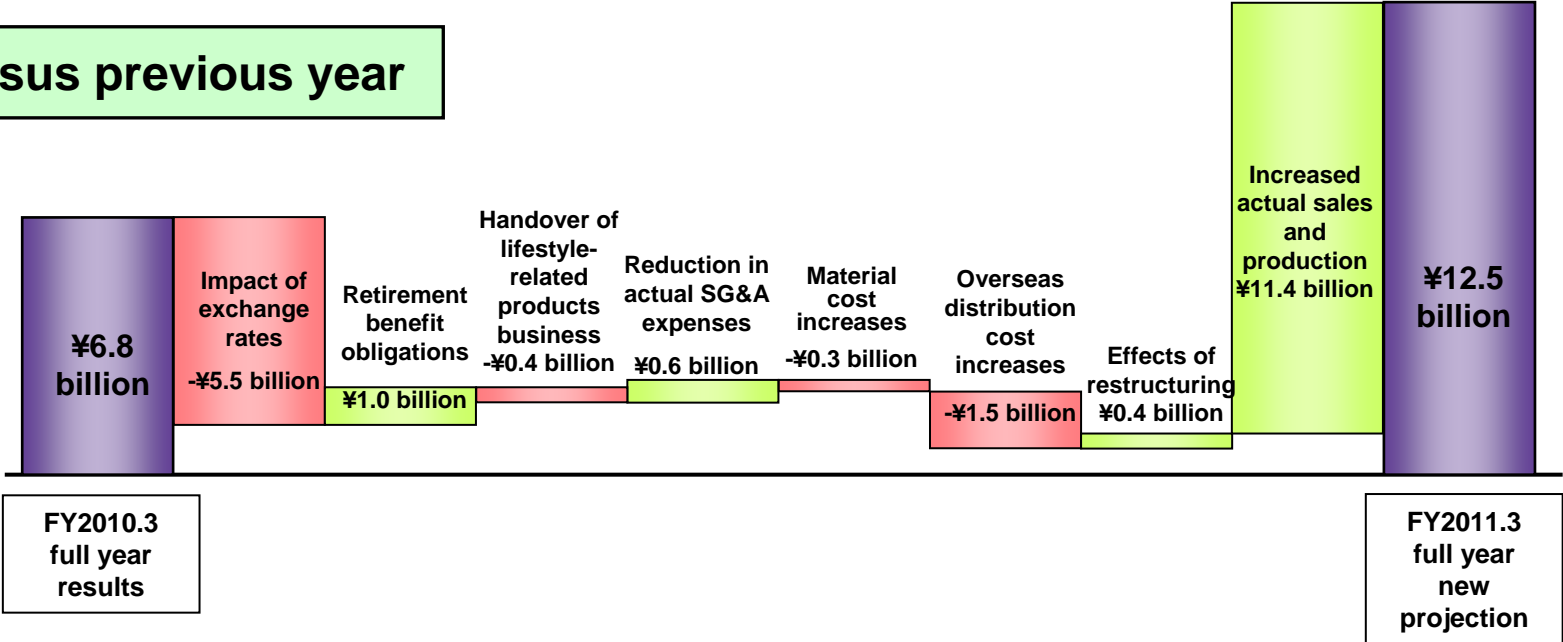
	Impact of exchange rates
Year-on-year	-¥17.4 billion (musical instruments -¥13.5 billion, AV/IT -¥3.7 billion, electronic devices -¥0.2 billion)
Versus previous projections	-¥0.1 billion (musical instruments -¥0.2 billion, AV/IT +¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥5.5 billion (musical instruments -¥4.3 billion, AV/IT -¥1.1 billion, electronic devices -¥0.1 billion)
Versus previous projections	-¥0.1 billion (musical instruments -¥0.1 billion)

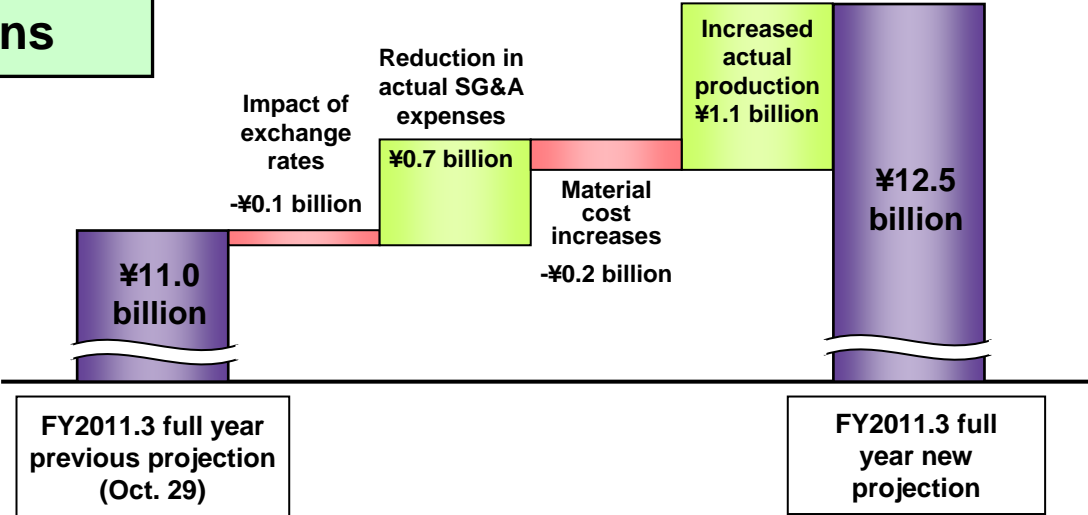
FY2011.3 Full Year Projections Operating Income Analysis



Versus previous year



Versus previous projections



Musical Instruments

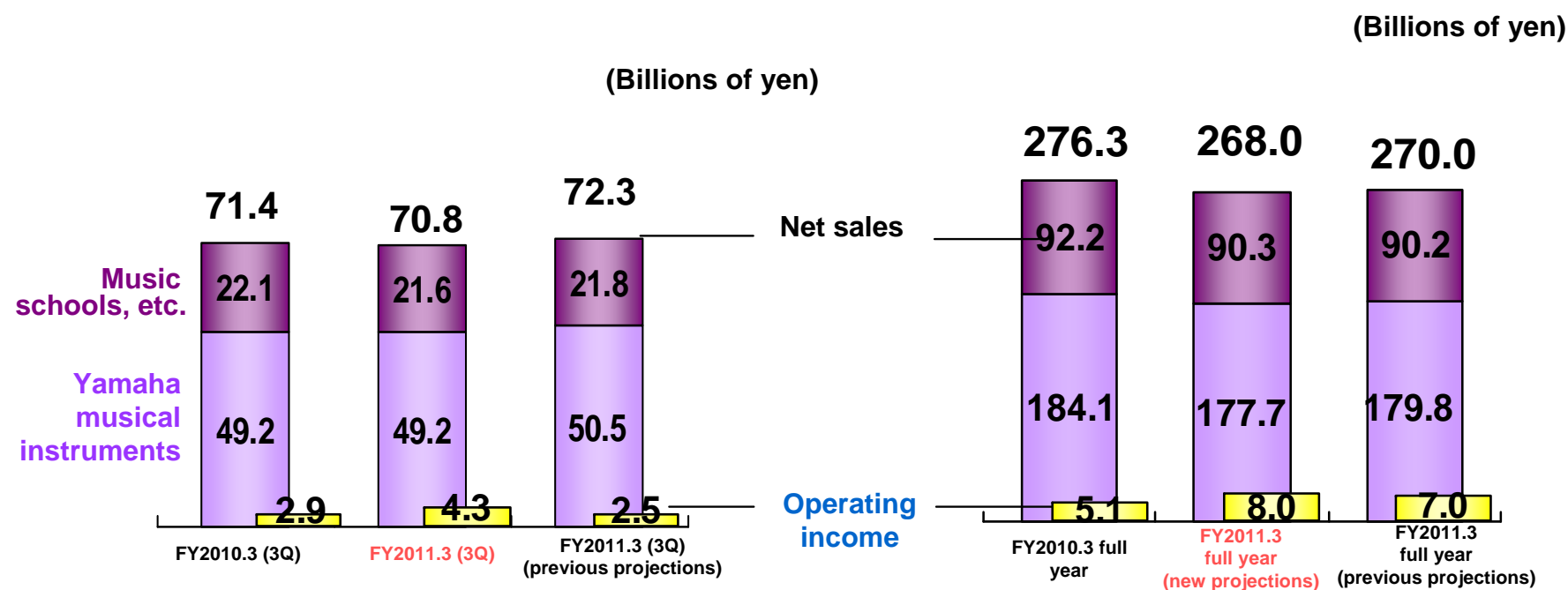


3Q Overview

- Sales declined and income rose, both year-on-year and against previous projections.
- Discounting the impact of exchange rates, actual sales increased by 5.4% (¥3.9 billion) year-on-year and were 1.8% (¥1.3 billion) below previous projections.
- Recovery trend in North America supported by steady growth of digital musical instrument and wind instrument.
- Europe saw strong sales of pianos and portable keyboards.
- Piano sales continue to drive double-digit growth in China.
- Other regions showed robust overall results, with actual sales up 9% year-on-year.

Full Year Overview and 4Q Priorities

- Full year sales are expected to be lower than previous projections, but operating income is likely to exceed previous projections.
- Discounting the impact of exchange rates, actual sales are projected to increase 2% (approx. ¥5.2 billion) year-on-year.
- Continue to cut costs and reduce expenses.

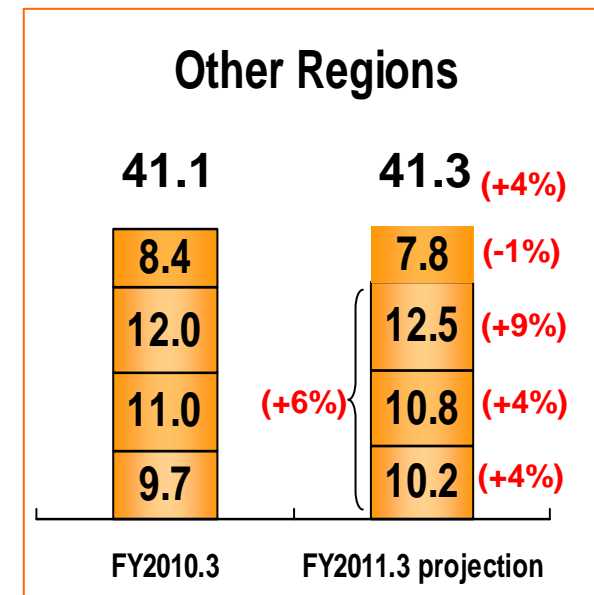
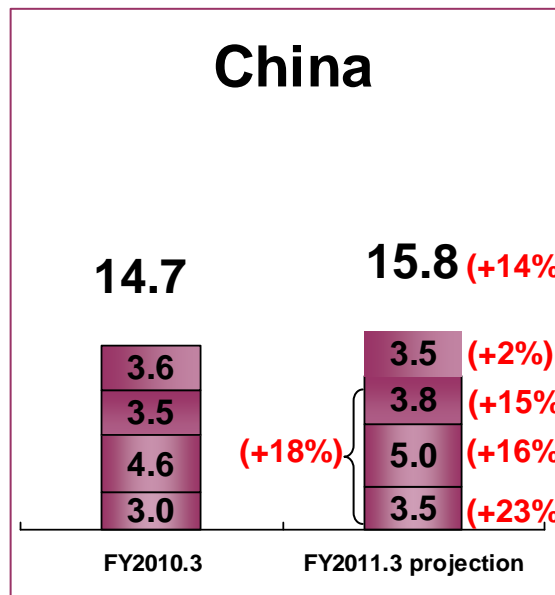
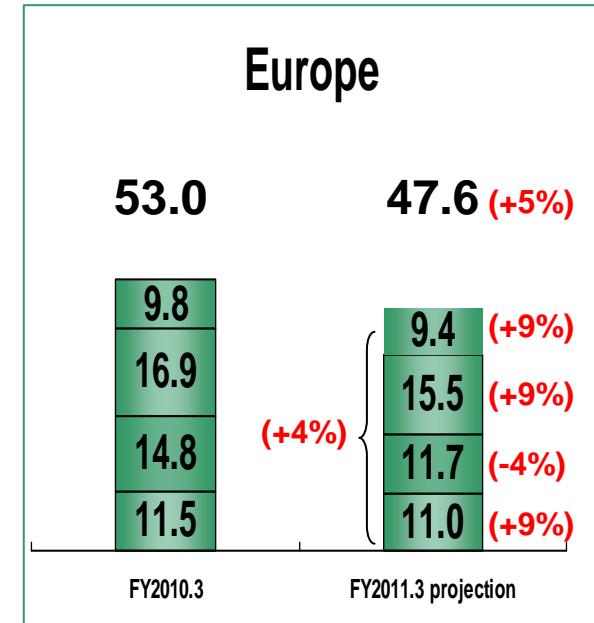
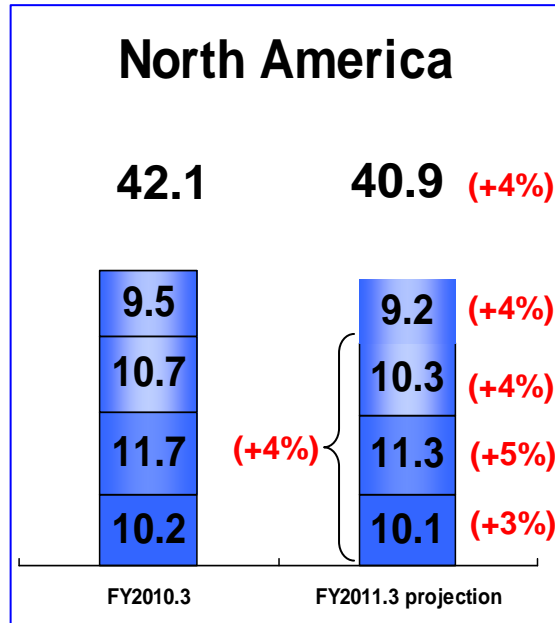
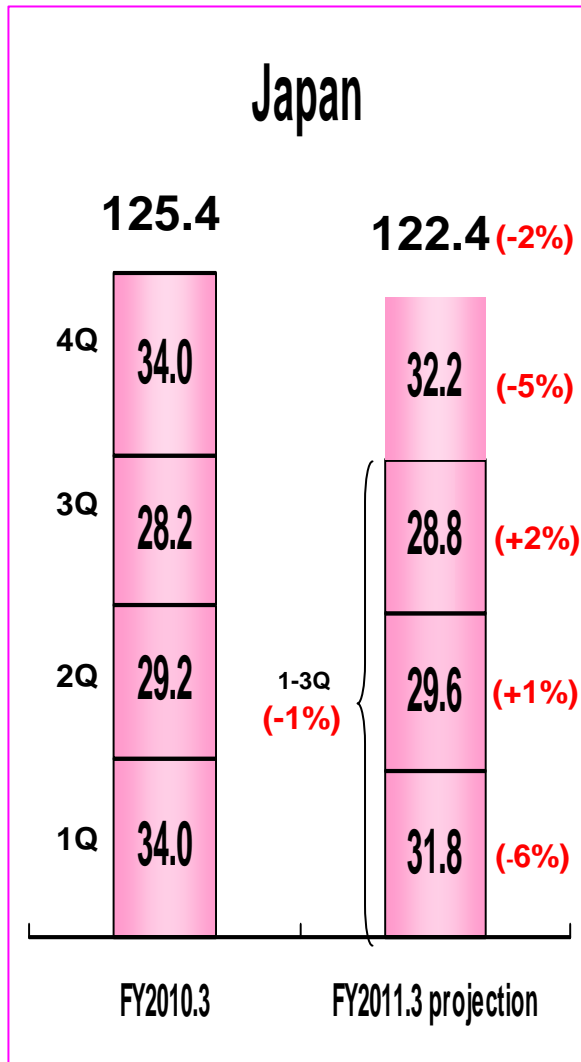


Musical Instruments: Sales by Region



(Billions of yen)

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

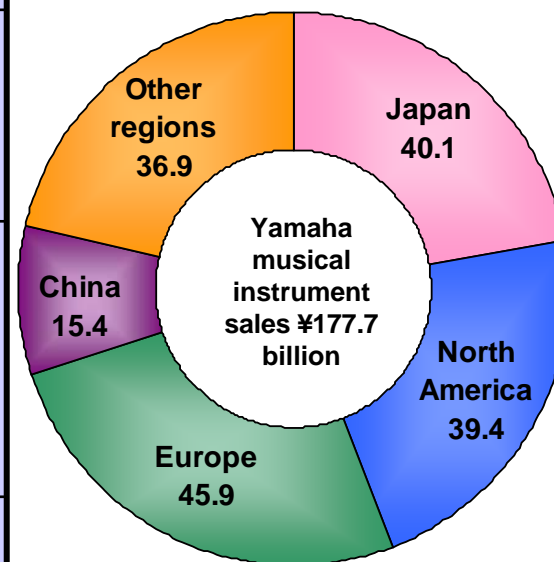


Musical Instruments: Sales by Region



Musical Instrument Sales by Region	
Japan	Sales of all products except electronic drums and professional audio equipment still face tough conditions. Prices have fallen further for digital pianos and portable keyboards, and competition is fierce. Although wind instruments have seen a recovery in sales of custom-made models, new demand has reached a plateau. Orders for upright pianos manufactured in Indonesia to compete with second hand goods are robust. Grand piano sales have shown signs of rallying since the autumn.
North America	Although demand continues to shift toward low-priced products, keyboards, wind instruments, acoustic guitars and electronic drums are generally showing solid results, and overall instrument sales are up year-on-year. Since the professional audio equipment market shows no signs of improvement and buyers remain reluctant to invest in replacement equipment for concert tours, results in this segment are on a par with the previous year.
Europe	Although sales continue to lag in Spain and Portugal, they are expanding in Germany and other Central and Northern European countries, and overall results are up year-on-year. Driven by low-priced models, piano sales are rebounding from the previous year throughout the region. Digital pianos are selling well, although the trend toward lower unit prices is accelerating. Portable keyboards sales are up sharply year-on-year thanks to robust sales of new products. Wind instrument sales are slightly below the previous year's results due to factors including cuts to education budgets in the UK.
China	Sales of pianos and portable keyboards are robust and growth continues. Ongoing double-digit growth in piano sales is driving overall results. Further expansion is targeted by building sales networks on the mainland, extending sales channels to smaller cities, and enhancing product line-ups.
Other Regions	Overall sales growth continues in emerging markets. Brazil is back on the growth track and leading recovery in Latin America, Mexico is also showing signs of a rebound, and digital musical instruments and wind instruments are showing especially strong results. Although keyboard instruments continue to struggle in Taiwan, overall sales in Asia are firm. Recovery is still weak in Australia, but sales in Russia are rebounding sharply from the previous year, especially for digital musical instruments and professional audio equipment. Expansion continues in India.

Yamaha Musical Instrument Sales by Region

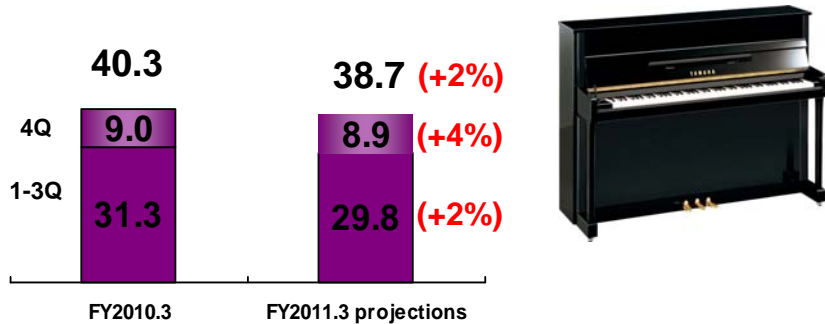


FY2011.3 full year projection

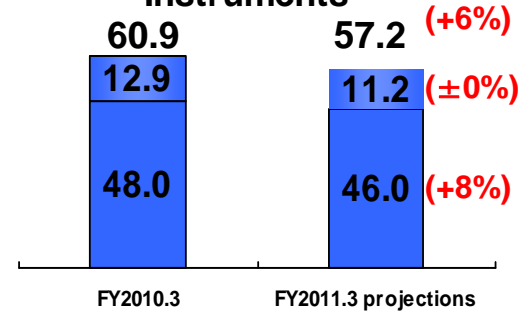
Musical Instruments: Sales by Product Category YAMAHA

(Billions of yen)

Pianos



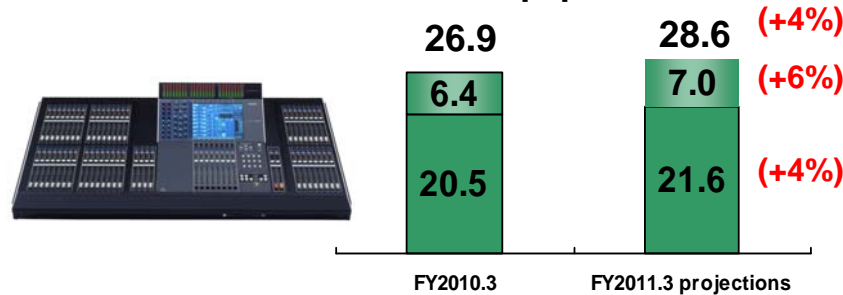
Digital Musical Instruments



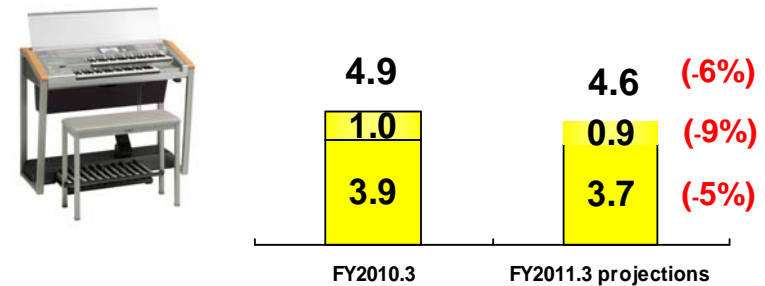
Figures in parentheses show actual year-on-year change, discounting the impact of exchange rates

Figures for Digital Musical Instruments and Professional Audio Equipment have been adjusted following product category reorganization.

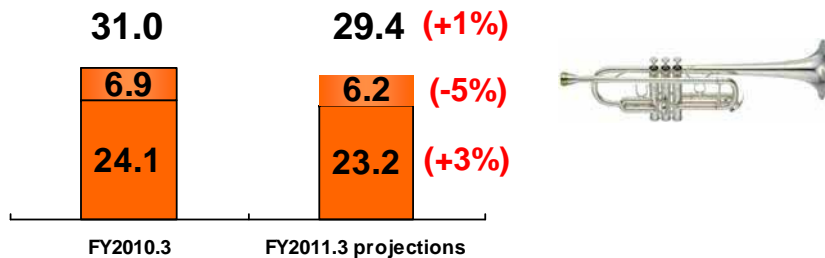
Professional Audio Equipment



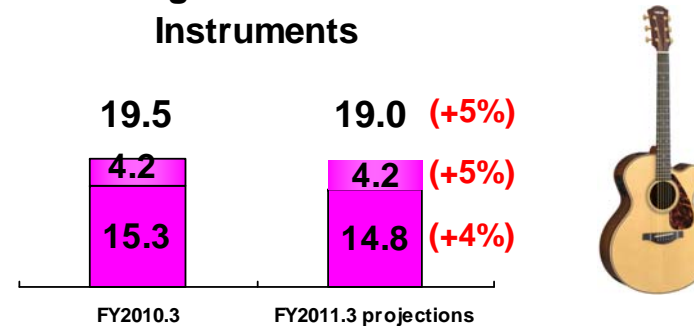
Electones™



Wind Instruments



String & Percussion Instruments



Musical Instruments: Sales by Product Category YAMAHA

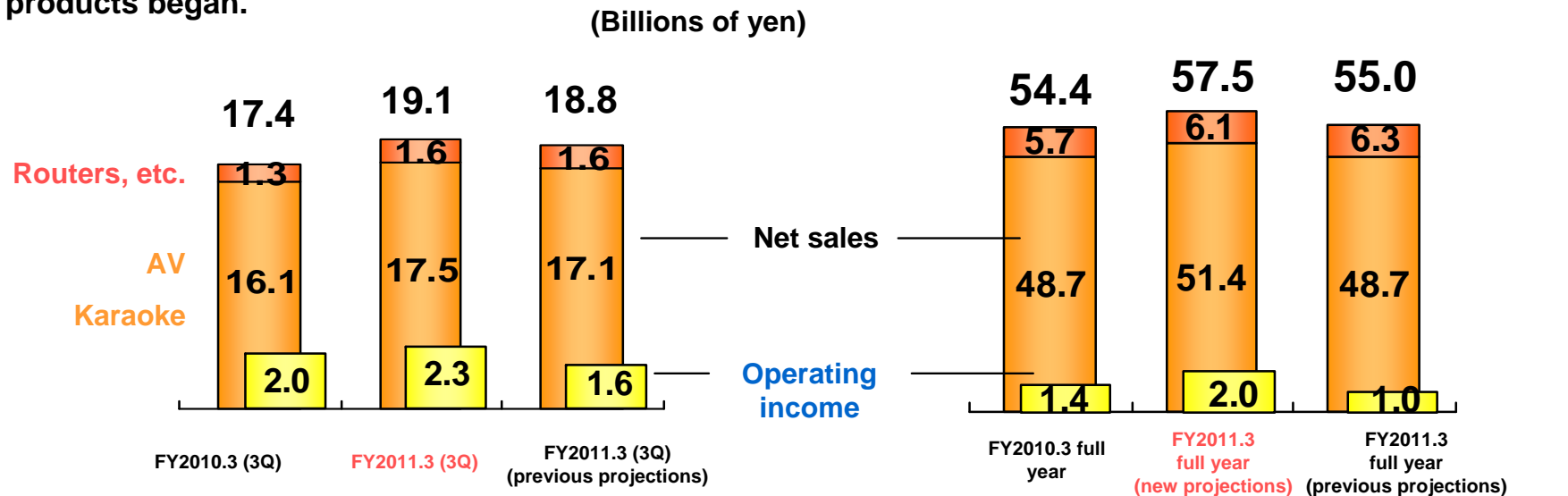
	Musical Instrument Sales by Product Category
Pianos	Although Japan faces a struggle as demand continues to stagnate, sales of upright pianos are driving a recovery in Europe. Moderately priced player piano Disclavia are selling well in North America. Since the autumn Japan has seen the positive effects of Indonesian-made upright pianos and signs of a rally in grand piano sales. Sales are generally robust in China and the rest of Asia after a lively year-end shopping season.
Digital Musical Instruments	Although shipment volumes for digital pianos remain high everywhere except Japan, the trend toward falling unit prices continues. Portable keyboard figures are up year-on-year as high-end Tyros™4 keyboards continue to sell well in Europe and sales of low priced models for mass merchandisers in Europe and North America were robust too. Also portable keyboard sales show strong results in Latin America and emerging markets. Synthesizer sales are also outstripping the previous year's results, due to the launch of new products.
Wind Instruments	In addition to a rebound in school rental business, sales of high-end trumpets are contributing to a recovery in North America. The Asian market is picking up, especially in South Korea. Successful tenders to supply youth orchestras are contributing to growth in Latin America. However, the Japanese market remains tough. The UK and Spain are also struggling, and even with efforts to regain lost ground with moderately-priced products, overall European sales are projected to decline year-on-year.
Guitars/Drums	Guitar sales are up year-on-year and are projected to outstrip previous year on a full year basis. North America is showing growth, especially for electric acoustic guitars. Although acoustic guitar sales are robust in Europe, the electric guitar market is flat. Acoustic guitars sales are also strong in emerging markets. Demand for acoustic drums is falling, but moderately priced electronic drums are showing strong growth and exceeding the previous year's results.
Professional Audio Equipment	Although results have improved since the sharp drop of the previous year, the global market environment for tours and equipment has not yet recovered. Key digital mixers continue to struggle as customers turn to low-priced products in the face of shrinking budgets.

3Q Overview

- Sales and income increased year-on-year and against previous projections.
- Discounting the impact of exchange rates, actual sales rose by 17% (¥3.0 billion) year-on-year.
- While audio products continue to face difficult conditions in North America, sales are on a par with the previous year in Europe and robust in China and other regions.
- Front surround speakers continued to show strong results in Japan.
- Full-scale shipments of new network karaoke products began.

Full Year Overview and 4Q Priorities

- Upward revision of full year projections. Sales and operating income are expected increase year-on-year and against previous projections.
- Steadily supply network karaoke products.
- Restore U.S. sales of mid-range and high-end receivers to their former level.
- Optimize inventory levels.



Electronic Devices

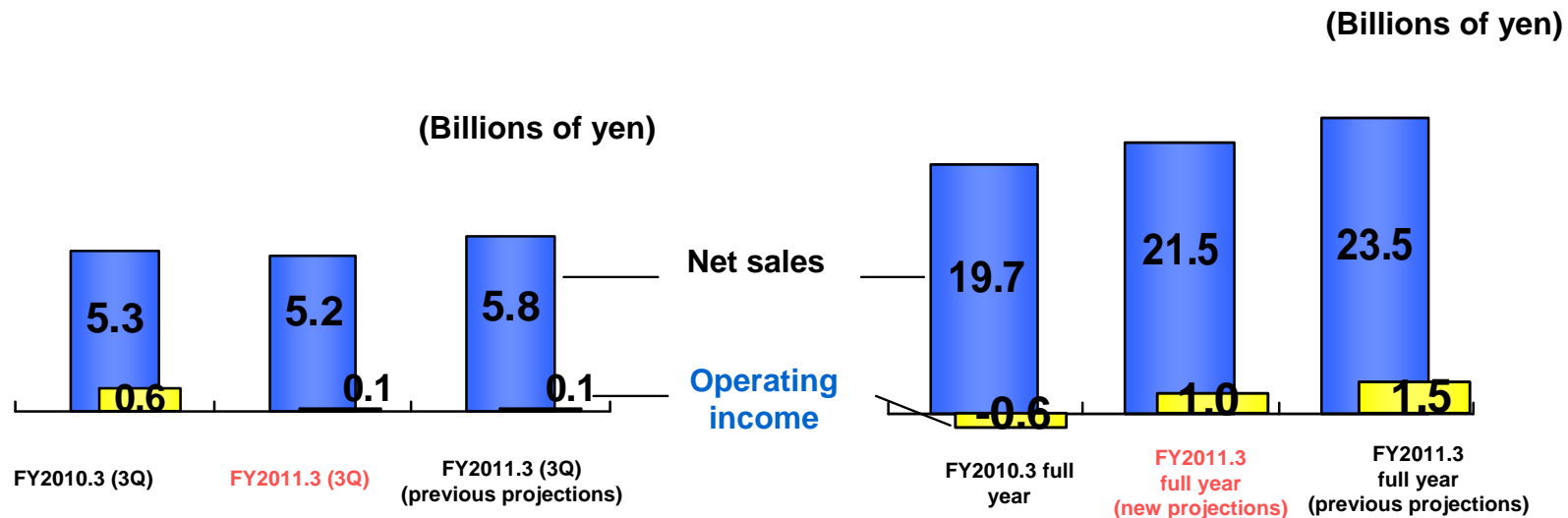


3Q Overview

- Although sales were on a par with the same period of the previous year, income declined. Sales were lower than previous projections.
- Sales of graphics controllers for pachinko-related equipment expanded.
- Sales of geomagnetic sensors increased sharply year-on-year.
- Sales of sound generators for mobile phones continued to fall.

Full Year Overview and 4Q Priorities

- Sales and income are projected to be lower than previous projections, due to factors including the decline in the pachinko-related equipment market.
- Develop and launch new digital amplifier and codec products.
- Establish supply structure for geomagnetic sensors.



Others

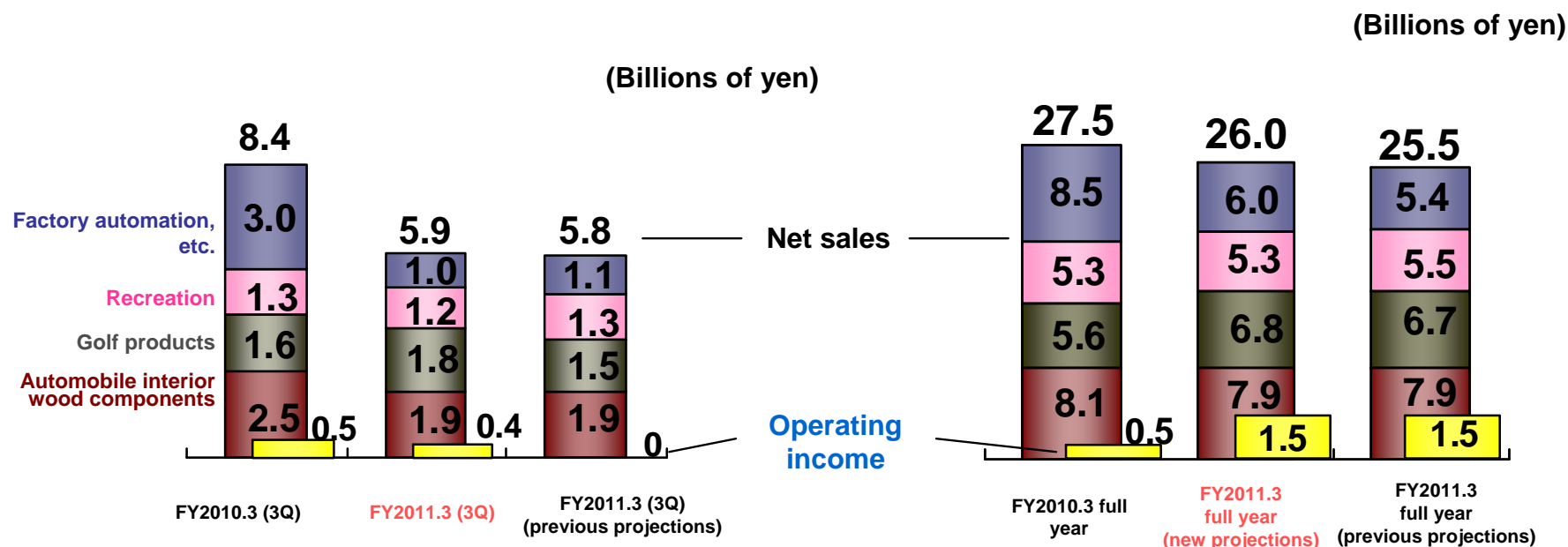


3Q Overview

- Sales declined year-on-year, due to withdrawal from magnesium molded parts business. Sales and income were both higher than previous projections.
- Automobile interior wood component sales met targets.
- Strong sales of golf products continued.
- Sales in the recreation business declined year-on-year and against previous projections as guest numbers fell.

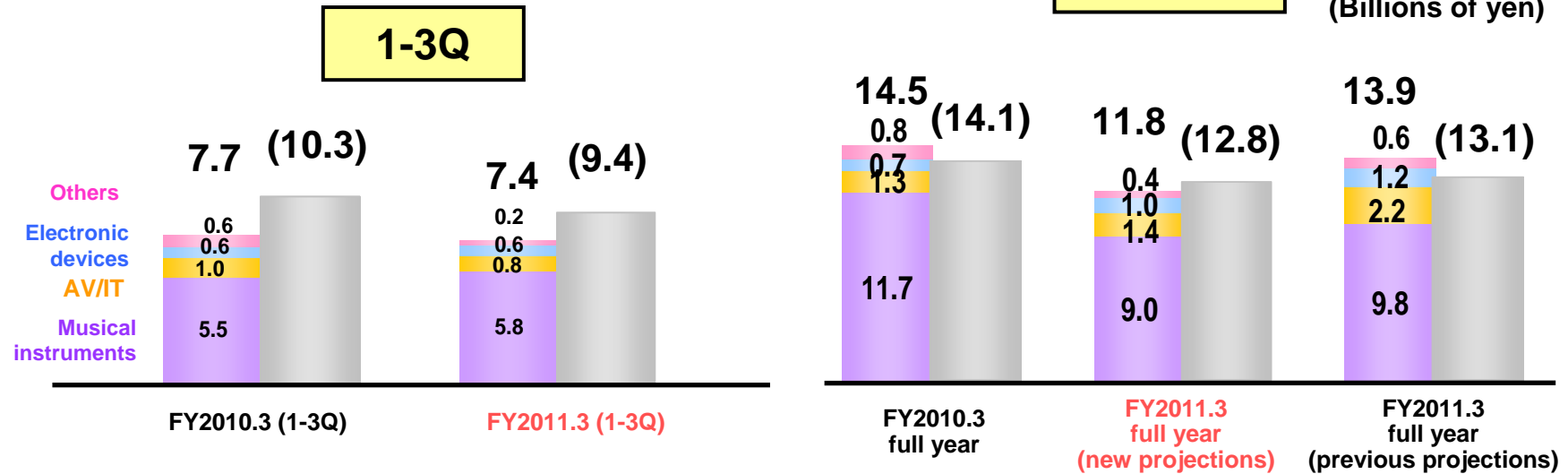
Full Year Overview and 4Q Priorities

- Sales are projected to be higher than previous projections.
- Lower the break-even point for automobile interior wood components by reducing manufacturing costs.
- Further expand sales of new golf products.
- Restructure recreation business with a view to integrating facility operation subsidiaries.

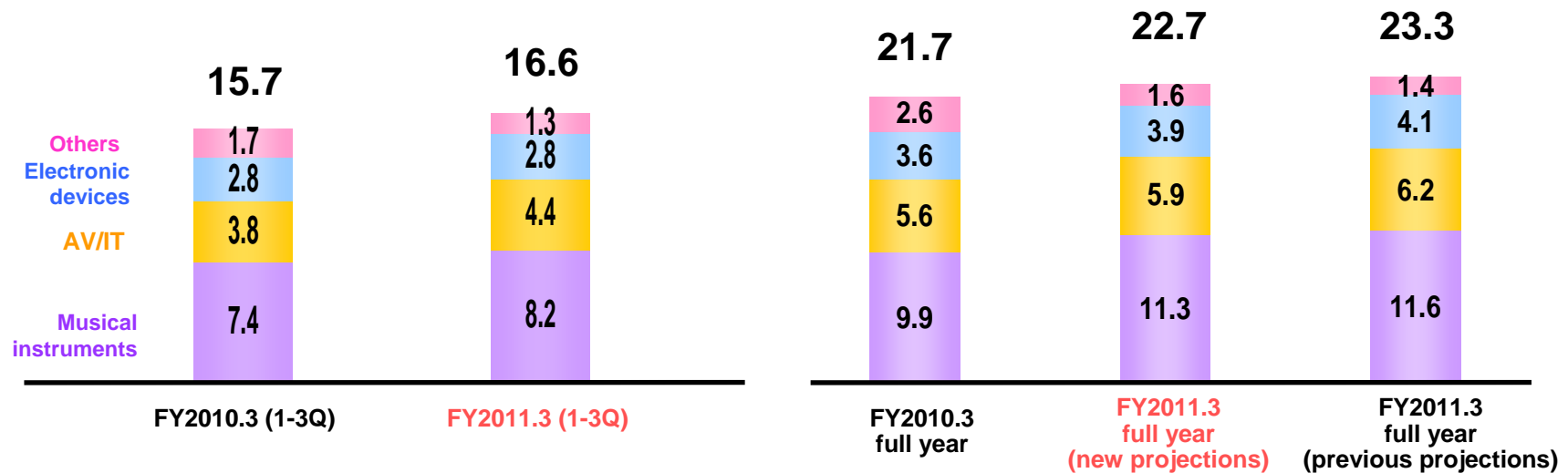


Capital Expenditure/Depreciation/R&D Expenses

Capital Expenditure (Depreciation)



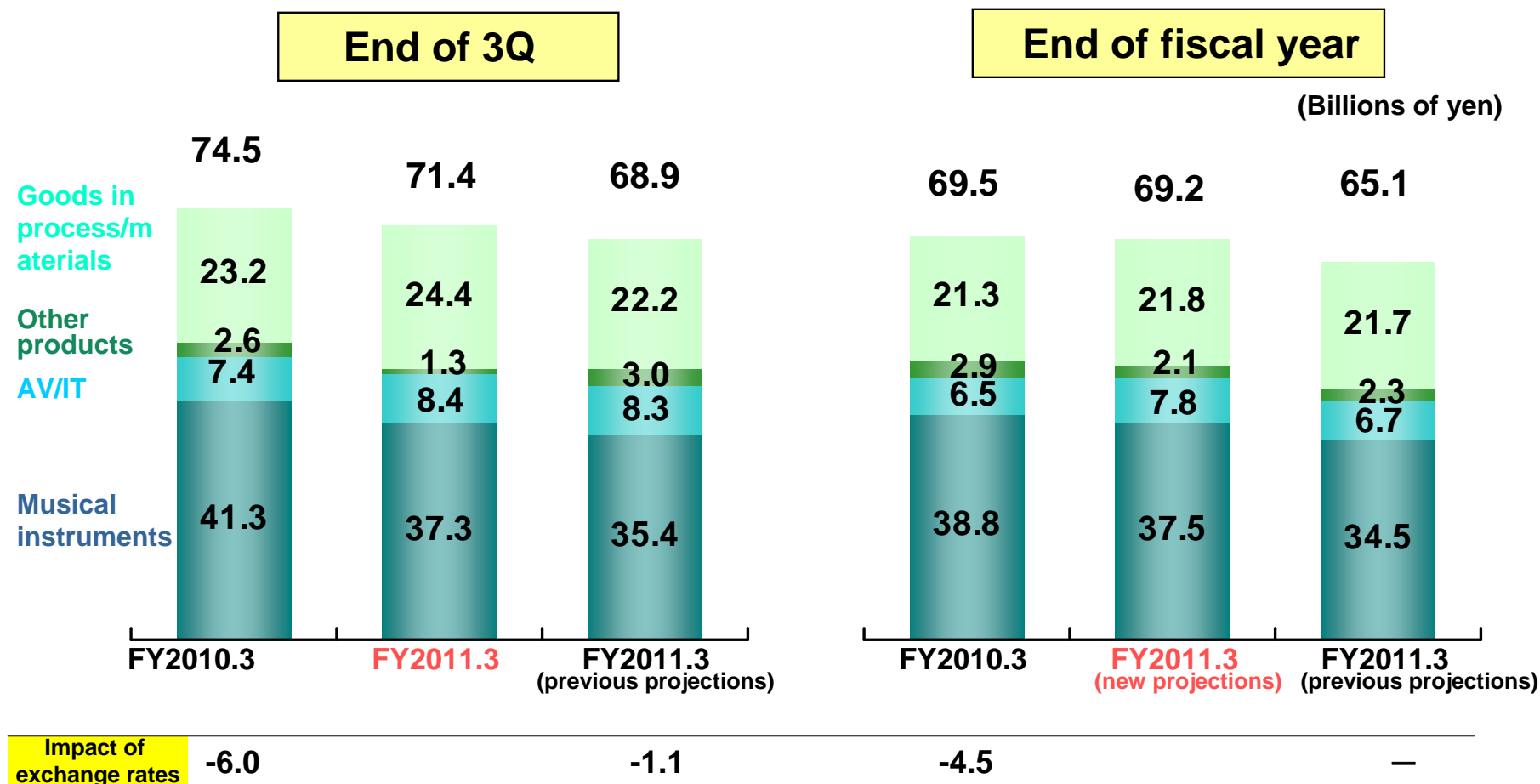
R&D Expenses



Inventories



➤ Excluding the impact of exchange rates and handover of lifestyle-related products business, actual inventories at the end of December were ¥3.9 billion higher than at the same period of the previous year. Discounting the impact of exchange rates, they were ¥3.5 billion higher than previous projections.



Balance Sheet Summary



(Billions of yen)

	As of end of 3Q			Full year projections		
	As of Dec. 31, 2009	As of Dec. 31, 2010	Change	As of Mar. 31, 2010	As of Mar. 31, 2011	Change
Cash and deposits	46.6	49.6	3.0	59.4	52.3	-7.1
Notes and accounts receivable	63.6	54.8	-8.8	47.4	46.8	-0.6
Inventories	74.5	71.4	-3.1	69.5	69.2	-0.3
Other current assets	17.5	16.8	-0.7	17.0	17.9	0.9
Fixed assets	209.5	195.4	-14.1	208.9	196.4	-12.5
Total assets	411.6	388.0	-23.7	402.2	382.6	-19.6
Notes and accounts payable	26.7	21.5	-5.2	21.8	21.7	-0.1
Short- and long-term loans	16.7	17.4	0.7	15.0	11.9	-3.1
Resort membership deposits	16.4	15.9	-0.5	16.1	15.9	-0.2
Other liabilities	93.5	89.1	-4.4	94.7	93.3	-1.4
Total net assets	258.3	244.1	-14.2	254.6	239.8	-14.8
Total liabilities and net assets	411.6	388.0	-23.7	402.2	382.6	-19.6

Appendix

Third Quarter Non-Operating Income/Loss & Extraordinary Income/Loss



	FY2010.3 (3Q) actual	FY2011.3 (3Q) actual	FY2011.3 (3Q) previous projections
(Billions of yen)			
Non-operating income/loss			
Net financial income	0.1	0.1	0
Other	-0.5	-1.2	-1.1
Total	-0.4	-1.1	-1.1
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	-0.1	-0.1	-0.1
Other	0	0.5	0.7
Total	-0.1	0.4	0.6
Income taxes and other expenses			
Income taxes - current	0.9	0.8	0.8
Income taxes - deferred	1.0	0.5	1.0
Minority interests in income	0.1	0.1	0
Total	2.0	1.4	1.8

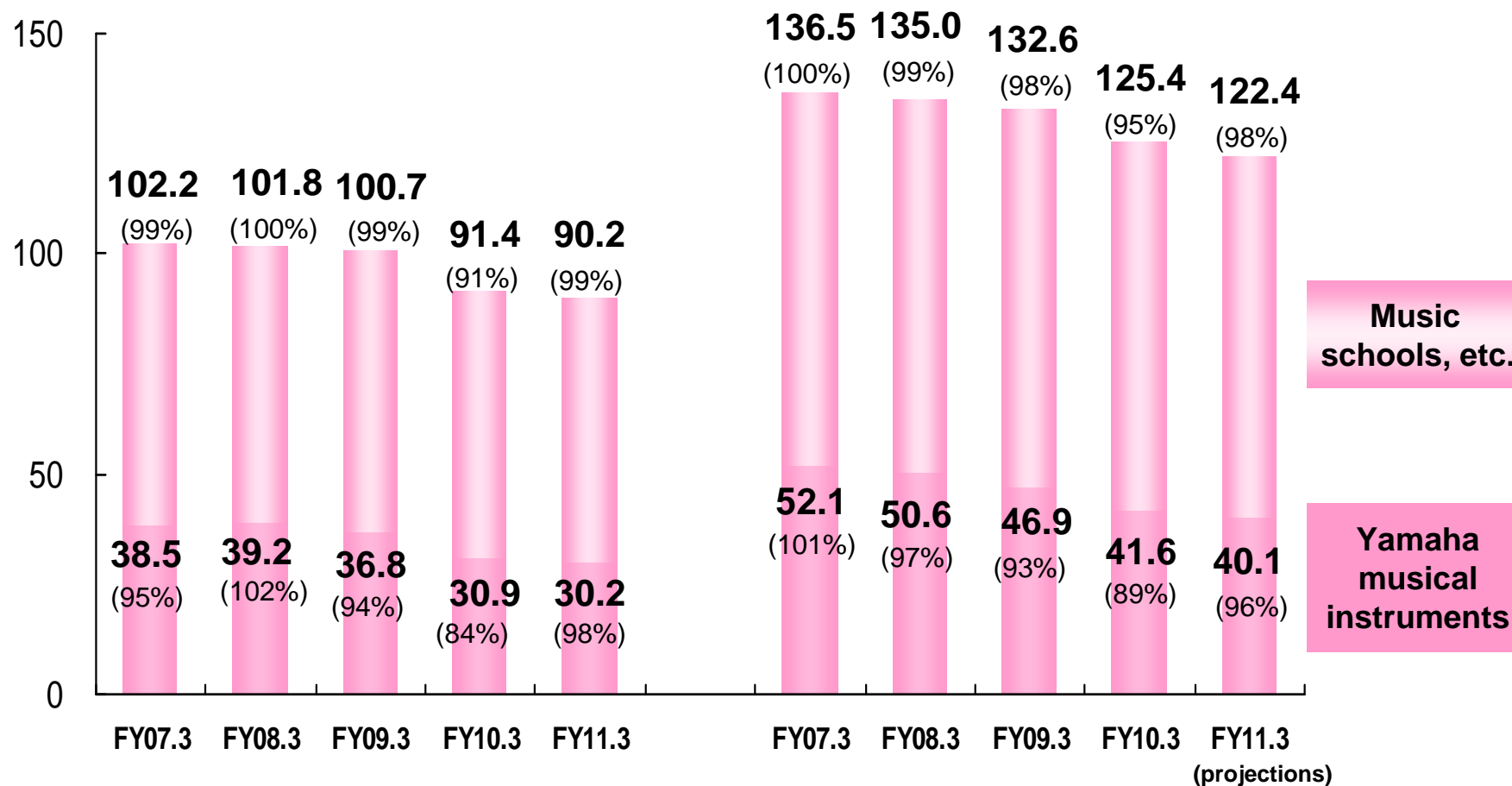
Full Year Non-Operating Income/Loss & Extraordinary Income/Loss



	FY2010.3 actual	FY2011.3 new projections	FY2011.3 previous projections
(Billions of yen)			
Non-operating income/loss			
Net financial income	0.3	0.5	0.5
Other	-2.2	-3.0	-3.0
Total	-1.9	-2.5	-2.5
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	0	-0.4	-0.5
Other	-5.1	-1.1	-1.0
Total	-5.1	-1.5	-1.5
Income taxes and other expenses			
Income taxes - current	3.1	3.9	3.5
Income taxes - deferred	1.3	-2.2	-1.7
Minority interests in income	0.4	0.3	0.2
Total	4.7	2.0	2.0

Yamaha Musical Instrument and Professional Audio Equipment Sales in the Japanese Market

(Billions of yen)



1-3Q

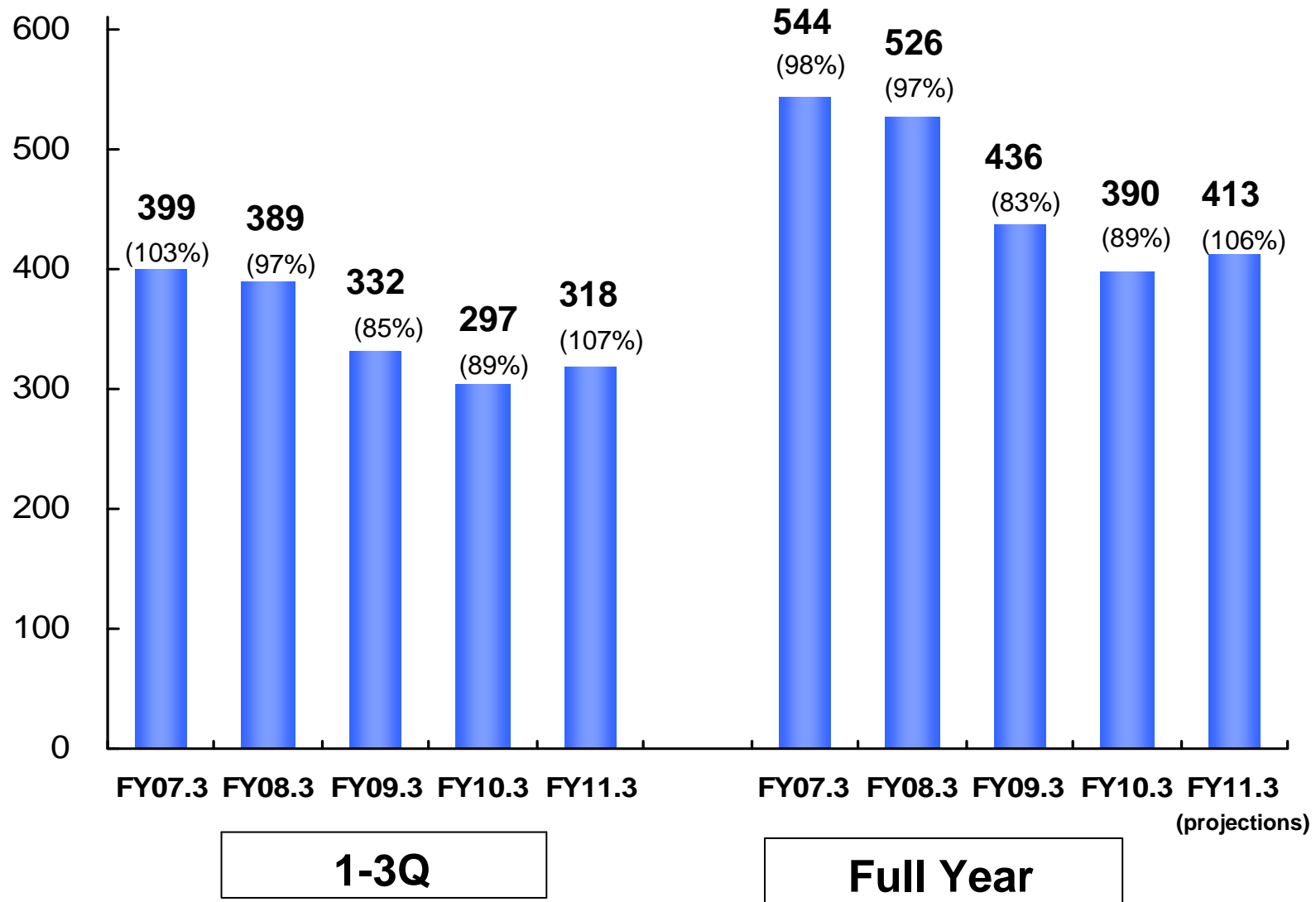
Full Year

Figures in parentheses are year-on-year comparisons

Yamaha Musical Instrument and Professional Audio Equipment Sales in the U.S. Market



(Millions of US\$)

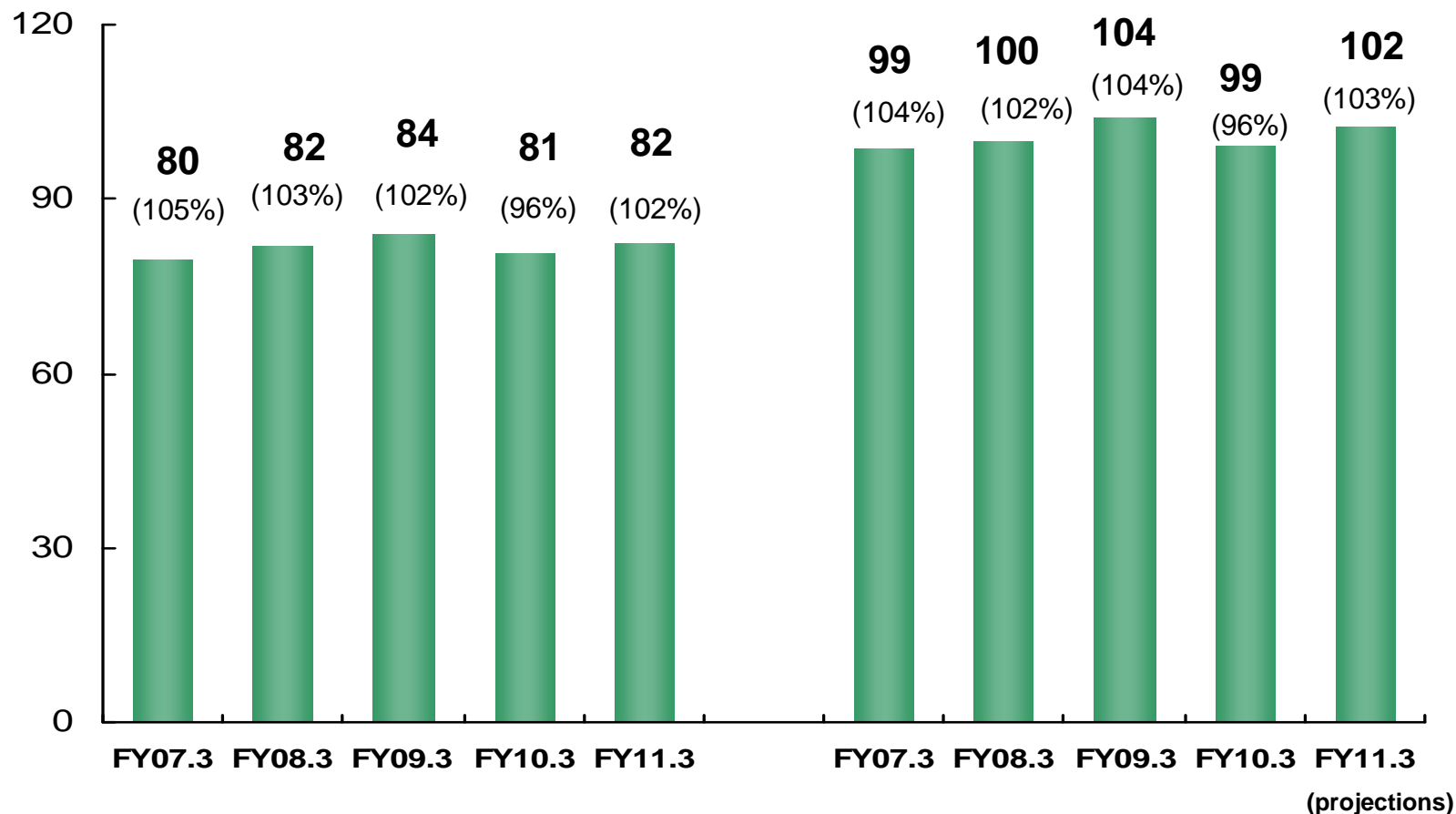


Figures in parentheses are year-on-year comparisons

Yamaha Musical Instrument and Professional Audio Equipment Sales in the German Market



(Millions of euro)



1-3Q

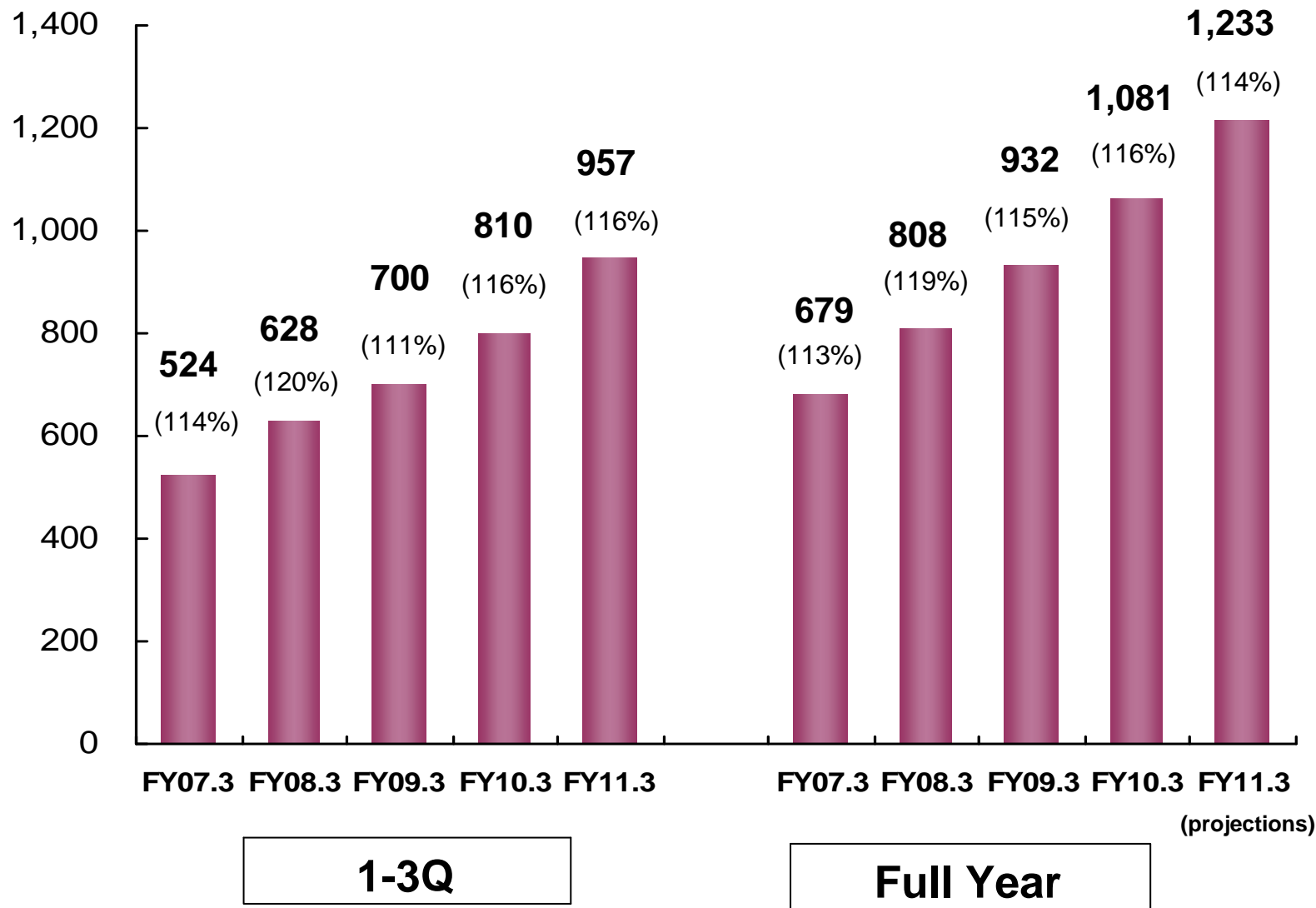
Full Year

Figures in parentheses are year-on-year comparisons

Yamaha Musical Instrument and Professional Audio Equipment Sales in the Chinese Market



(Millions of RMB)



Figures in parentheses are year-on-year comparisons

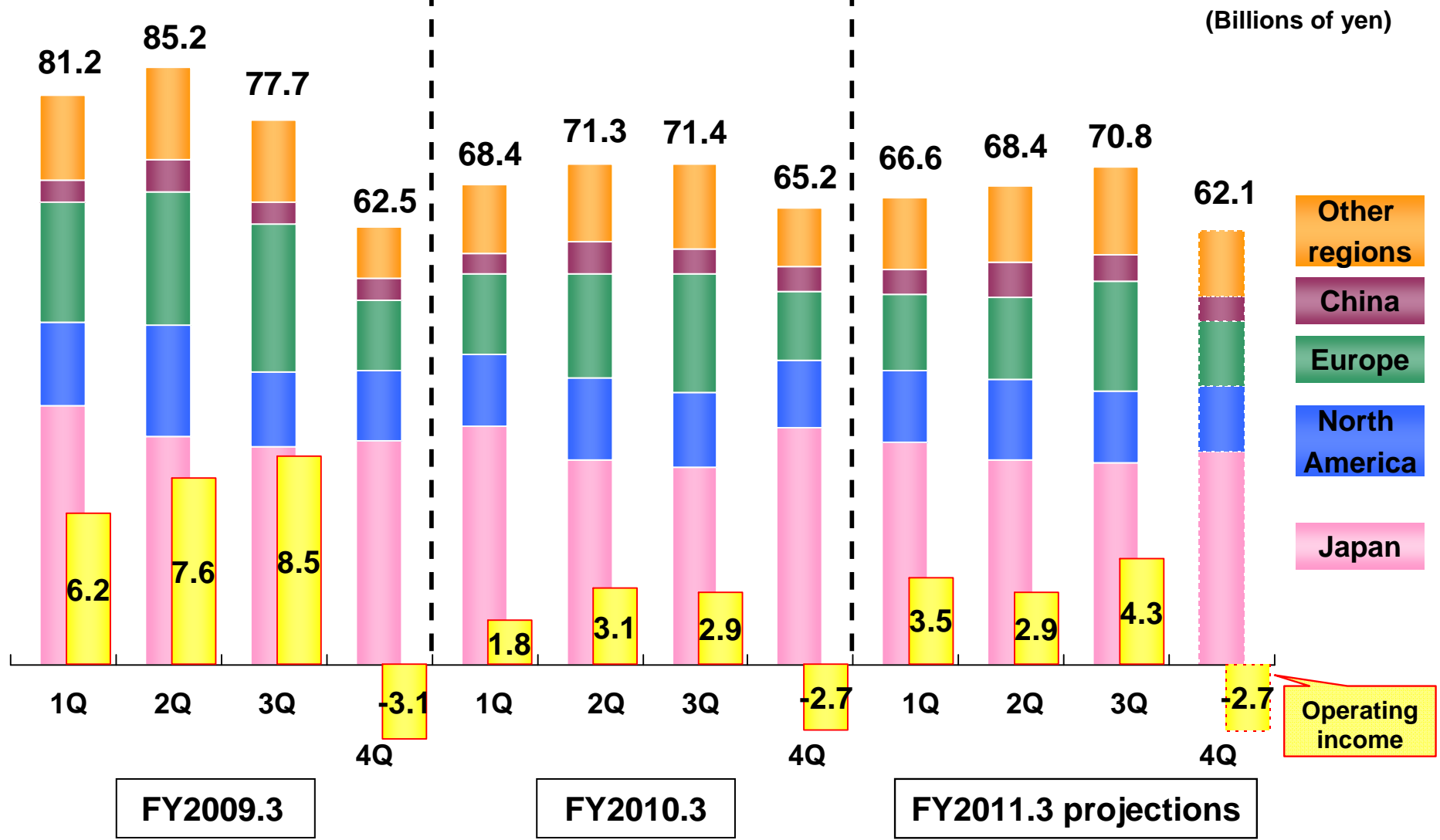
Musical Instruments: Sales and Income by Quarter



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

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

Net sales: ¥268.0 billion
Operating income: ¥8.0 billion



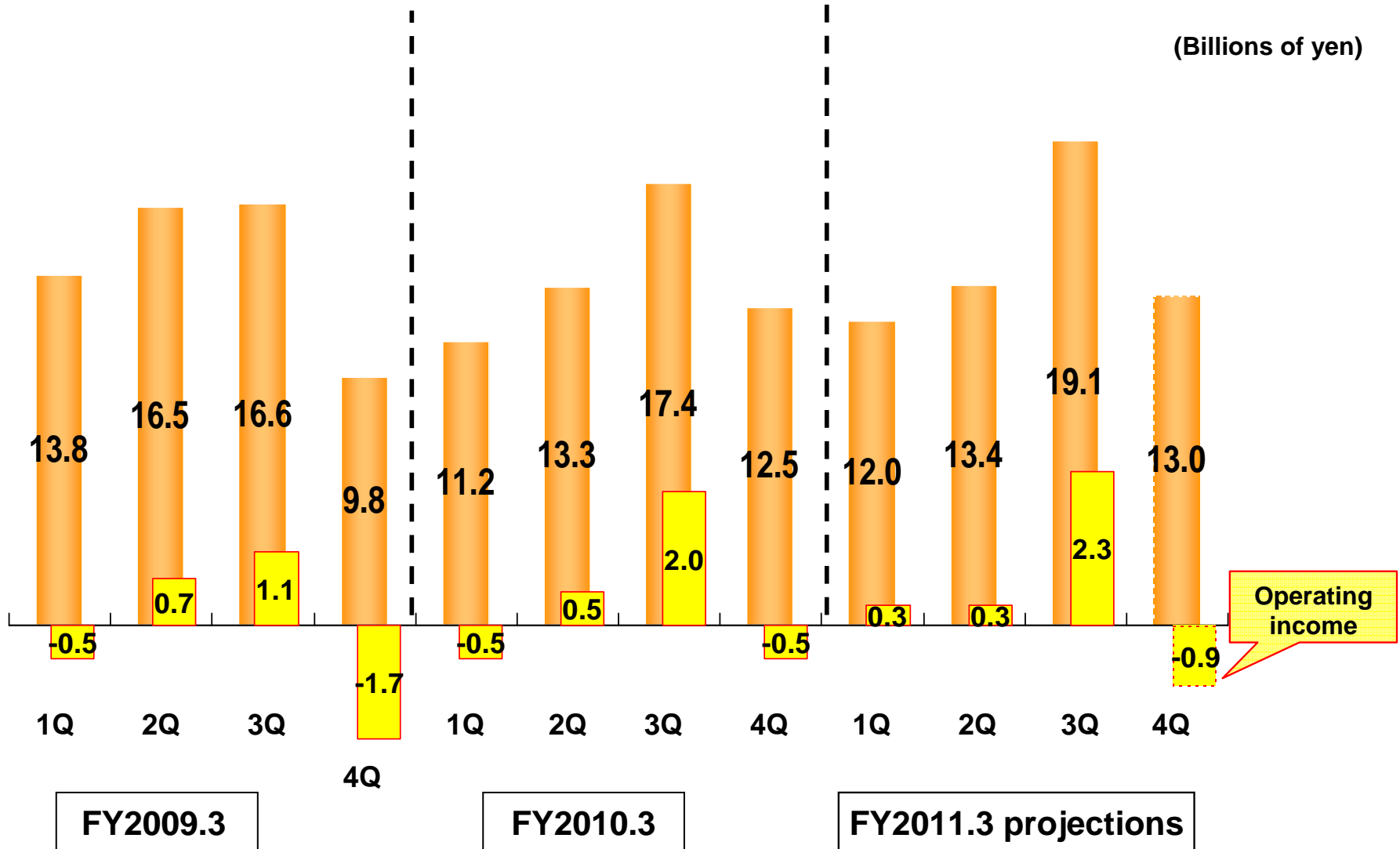
AV/IT: Sales and Income by Quarter



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

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

Net sales: ¥57.5 billion
Operating income: ¥2.0 billion



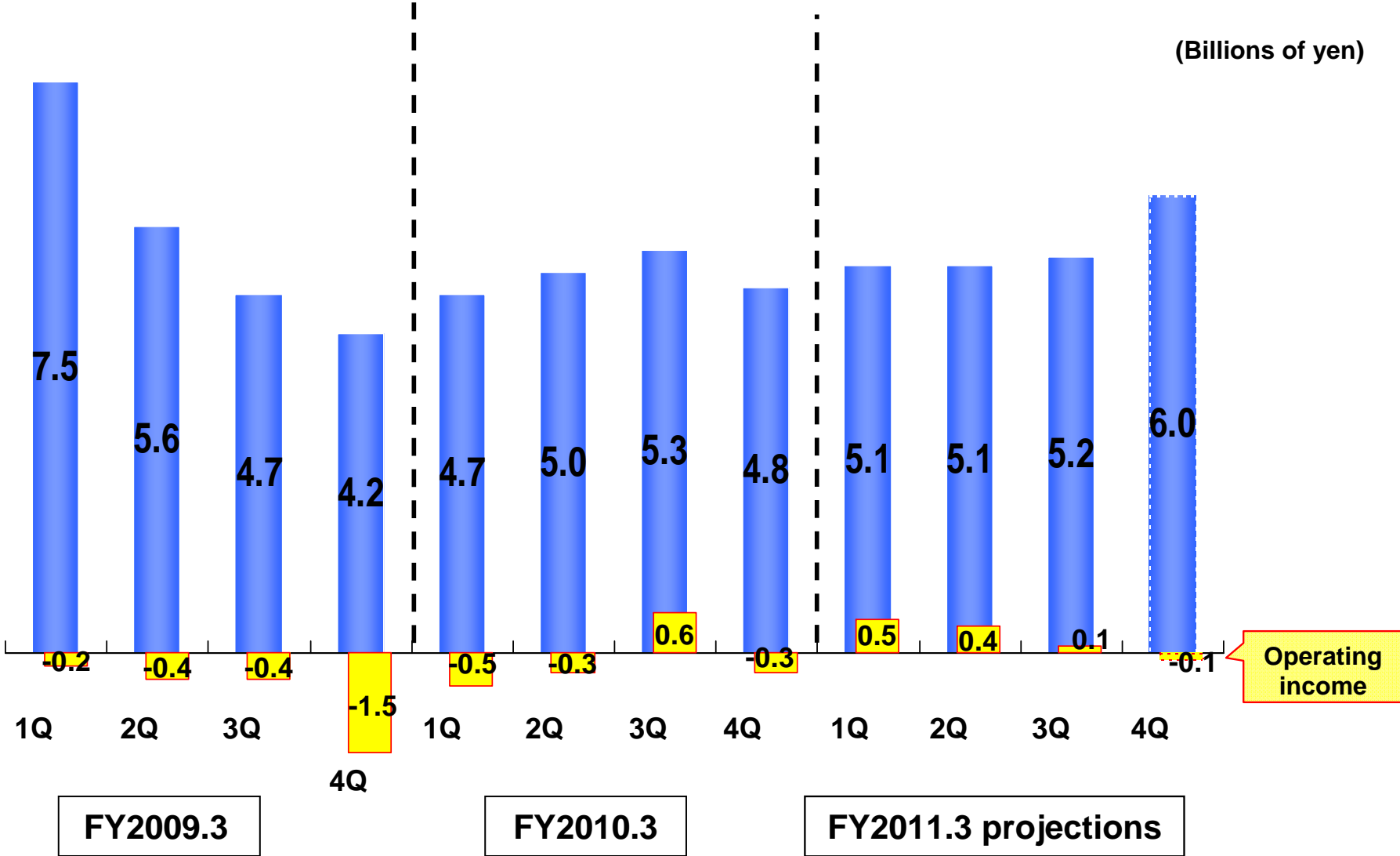
Electronic Devices: Sales and Income by Quarter



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

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

Net sales: ¥21.5 billion
Operating income: ¥1.0 billion



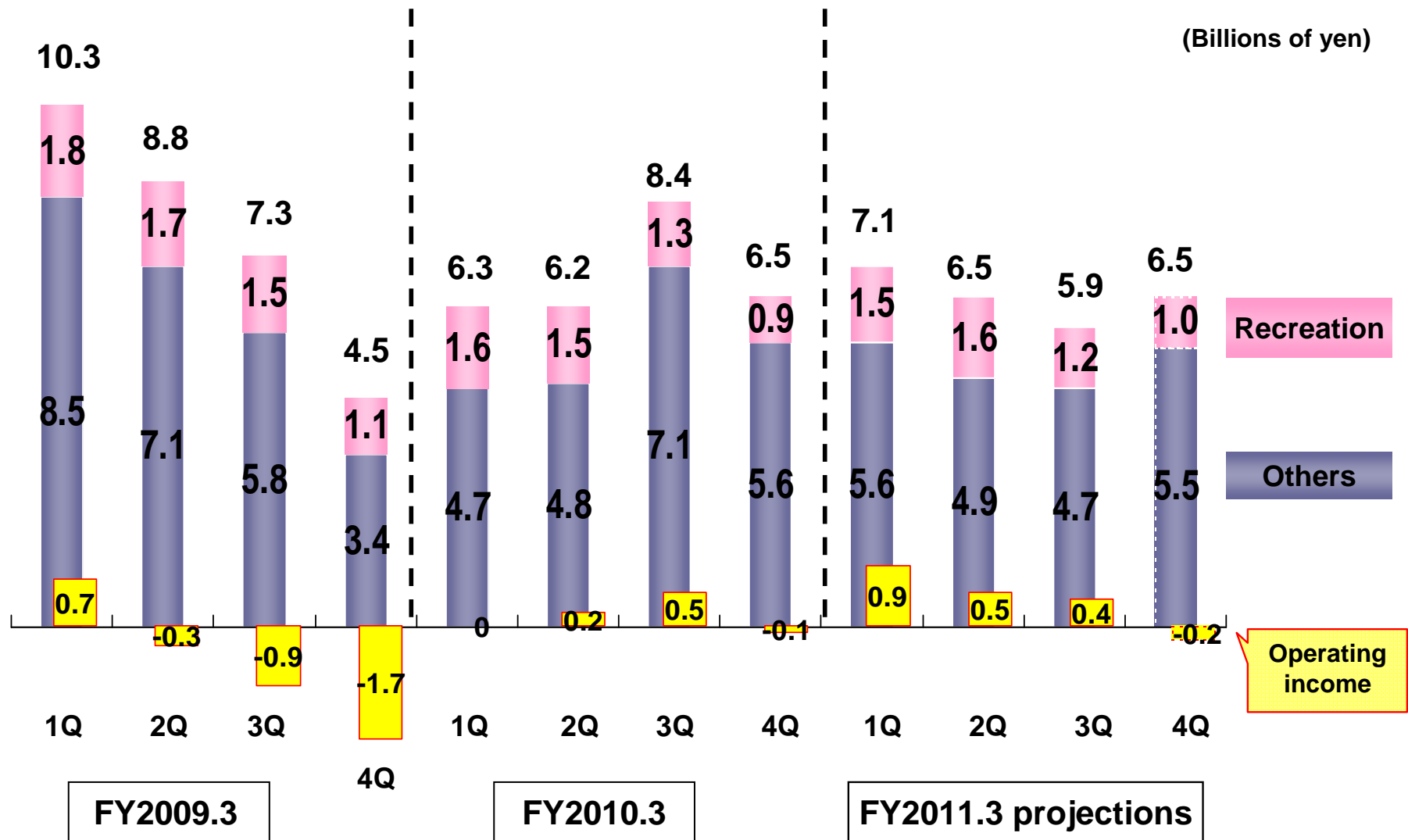
Others: Sales and Income by Quarter



Net sales: ¥30.9 billion
Operating income: -¥2.1 billion

Net sales: ¥27.5 billion
Operating income: ¥0.5 billion

Net sales: ¥26.0 billion
Operating income: ¥1.5 billion



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.