

# YAMAHA CORPORATION

## Flash Report Consolidated Basis (Japanese GAAP)

Results through the Third Quarter of the Fiscal Year Ending March 31, 2012  
(April 1, 2011—December 31, 2011)

February 2, 2012

**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:** February 14, 2012

**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 through the Third Quarter of FY2012.3 (April 1, 2011—December 31, 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>Through the third quarter of FY2012.3</b>	<b>¥270,644</b>	<b>(5.2)%</b>	<b>¥10,980</b>	<b>(32.8)%</b>	<b>¥9,451</b>	<b>(34.1)%</b>
Through the third quarter of FY2011.3	¥285,423	(9.9)%	¥16,344	55.7%	¥14,343	63.3%

Note: Comprehensive income (loss): **Third quarter of FY2012.3** **¥16,646 million (—%)**  
Third quarter of FY2011.3 **¥(4,304) 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>Through the third quarter of FY2012.3</b>	<b>¥2,726</b>	<b>(72.7)%</b>	<b>¥14.08</b>	—
Through the third quarter of FY2011.3	¥9,969	231.7%	¥50.69	—

#### (2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
<b>Third quarter of FY2012.3 (As of December 31, 2011)</b>	<b>¥374,162</b>	<b>¥227,622</b>	<b>60.0%</b>	<b>¥1,160.16</b>
FY2011.3 (As of March 31, 2011)	¥390,852	¥245,002	61.9%	¥1,250.06

(For reference) Shareholders' equity: **Third quarter of FY2012.3** **¥224,656 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	—	¥5.00	—		
FY2012.3 (Forecast)				¥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.)

	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
FY2012.3	¥354,000	(5.3)%	¥7,500	(43.0)%	¥6,000	(45.3)%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
FY2012.3	0	—	0.00

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) Number of treasury stock at the end of the period
- (c) Average number of shares issued during the period (quarterly accumulation period)

<b>Third quarter of FY2012.3</b>	<b>197,255,025 shares</b>	FY2011.3	197,255,025 shares
<b>Third quarter of FY2012.3</b>	<b>3,612,119 shares</b>	FY2011.3	3,611,429 shares
<b>Third quarter of FY2012.3</b>	<b>193,643,183 shares</b>	Third quarter of FY2011.3	196,696,658 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 third quarter of the current fiscal year, please refer to "Outline of the Consolidated Financial Results through the Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2012 (FY2012.3) and Outlook for Performance for the Full Fiscal Year," which was released today (February 2, 2012).

For the consolidated financial forecasts for FY2012.3, please refer to "Announcement of Revision in Forecast for Performance", which was released today (February 2, 2012).

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.

Table of Contents of Supplementary Materials

1. Consolidated Financial Statements .....	2
(1) Consolidated Balance Sheets .....	2
(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income .....	4
Consolidated Statements of Operations .....	4
Consolidated Statements of Comprehensive Income .....	5
(3) Notes Regarding Assumptions as a Going Concern .....	6
(4) Supplementary Information .....	6
(5) Segment Information, etc. ....	7
(6) Notes Regarding Any Major Change in the Amount of Consolidated Shareholders' Equity .....	9

# 1. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

	Third quarter of FY2012.3 (as of December 31, 2011)	FY2011.3 (as of March 31, 2011)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	¥ 53,202	¥ 57,210
Notes and accounts receivable—trade	52,432	46,486
Short-term investment securities	300	1,960
Merchandise and finished goods	48,803	47,361
Work in process	15,908	13,620
Raw materials and supplies	10,565	10,678
Other	14,318	18,797
Allowance for doubtful accounts	(1,244)	(1,397)
Total current assets	194,287	194,717
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures, net	36,163	38,106
Machinery, equipment and vehicles, net	11,244	11,747
Tools, furniture and fixtures, net	7,293	7,904
Land	49,072	49,347
Lease assets, net	250	272
Construction in progress	1,488	888
Total property, plant and equipment	105,512	108,267
Intangible assets		
Investments and other assets		
Investment securities	53,576	75,477
Other	18,810	10,208
Allowance for doubtful accounts	(602)	(675)
Total investments and other assets	71,784	85,009
Total noncurrent assets	179,875	196,134
<b>Total assets</b>	<b>¥374,162</b>	<b>¥390,852</b>

(Millions of yen)

	Third quarter of FY2012.3 (as of December 31, 2011)	FY2011.3 (as of March 31, 2011)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	¥ 21,796	¥ 24,198
Short-term loans payable	15,749	6,597
Current portion of long-term loans payable	1,647	3,863
Accounts payable—other and accrued expenses	24,728	28,657
Income taxes payable	1,618	2,303
Provision	2,666	3,073
Other	7,313	6,141
Total current liabilities	75,520	74,836
<b>Noncurrent liabilities</b>		
Long-term loans payable	566	1,376
Provision for retirement benefits	40,570	37,599
Other	29,883	32,037
Total noncurrent liabilities	71,019	71,013
<b>Total liabilities</b>	<b>146,539</b>	<b>145,849</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	170,261	169,894
Treasury stock	(3,690)	(3,690)
Total shareholders' equity	235,159	234,793
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	22,271	33,559
Deferred gains or losses on hedges	133	(252)
Revaluation reserve for land	17,303	15,549
Foreign currency translation adjustment	(50,211)	(41,583)
Total accumulated other comprehensive income	(10,503)	7,272
<b>Minority interests in income</b>	<b>2,966</b>	<b>2,937</b>
<b>Total net assets</b>	<b>227,622</b>	<b>245,002</b>
<b>Total liabilities and net assets</b>	<b>¥374,162</b>	<b>¥390,852</b>

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)

	Accumulated through the third quarter of FY2012.3 (April 1, 2011–December 31, 2011)	Accumulated through the third quarter of FY2011.3 (April 1, 2010–December 31, 2010)
<b>Net sales</b>	<b>¥270,644</b>	<b>¥285,423</b>
<b>Cost of sales</b>	<b>172,706</b>	<b>178,022</b>
Gross profit	<b>97,938</b>	<b>107,401</b>
<b>Selling, general and administrative expenses</b>	<b>86,958</b>	<b>91,056</b>
Operating income	<b>10,980</b>	<b>16,344</b>
<b>Non-operating income</b>		
Interest income	<b>355</b>	<b>224</b>
Dividends income	<b>445</b>	<b>649</b>
Compensation for transfer	<b>438</b>	<b>58</b>
Other	<b>392</b>	<b>647</b>
Total non-operating income	<b>1,631</b>	<b>1,580</b>
<b>Non-operating expenses</b>		
Sales discounts	<b>1,618</b>	<b>1,716</b>
Foreign exchange losses	<b>959</b>	<b>1,244</b>
Other	<b>582</b>	<b>620</b>
Total non-operating expenses	<b>3,160</b>	<b>3,581</b>
Ordinary income	<b>9,451</b>	<b>14,343</b>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	<b>173</b>	<b>100</b>
Gain on sales of investment securities	<b>—</b>	<b>236</b>
Reversal of provision for product warranties	<b>—</b>	<b>40</b>
Reversal of provision for business structural reform expenses	<b>—</b>	<b>311</b>
Gain on liquidation of subsidiaries and affiliates	<b>197</b>	<b>—</b>
Total extraordinary income	<b>370</b>	<b>689</b>
<b>Extraordinary losses</b>		
Loss on retirement of noncurrent assets	<b>234</b>	<b>348</b>
Loss on sales of investment securities	<b>—</b>	<b>125</b>
Loss on valuation of investment securities	<b>375</b>	<b>1,405</b>
Loss on valuation of stocks of subsidiaries and affiliates	<b>—</b>	<b>10</b>
Other	<b>51</b>	<b>79</b>
Total extraordinary losses	<b>662</b>	<b>1,969</b>
<b>Income before income taxes and minority interests</b>	<b>9,159</b>	<b>13,063</b>
<b>Income taxes—current</b>	<b>2,840</b>	<b>3,624</b>
<b>Income taxes—deferred</b>	<b>3,320</b>	<b>(852)</b>
<b>Total income taxes</b>	<b>6,160</b>	<b>2,772</b>
<b>Income before minority interests</b>	<b>2,999</b>	<b>10,291</b>
<b>Minority interests in income</b>	<b>273</b>	<b>321</b>
<b>Net income</b>	<b>¥ 2,726</b>	<b>¥ 9,969</b>

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

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Accumulated through the third quarter of FY2012.3 (April 1, 2011–December 31, 2011)	Accumulated through the third quarter of FY2011.3 (April 1, 2010–December 31, 2010)
<b>Income before minority interests</b>	¥ 2,999	¥ 10,291
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(11,288)	(3,339)
Deferred gains or losses on hedges	385	294
Foreign currency translation adjustments	(8,744)	(11,550)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(19,646)	(14,596)
<b>Comprehensive income</b>	(16,646)	(4,304)
(Composition)		
Comprehensive income attributable to owners of the parent	(16,801)	(4,369)
Comprehensive income attributable to minority shareholders	¥ 154	¥ 65

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.

#### **(c) Changes in the statutory tax rates**

On December 2, 2011, the Japanese government issued “Partial Revision of Income Tax Law, etc. in Response to the Changing Economic Structure” (2011 Law No. 114) and “Special Measures to Secure the Funds to Realize the Restoration of the Damages Following the Great East Japan Earthquake” (2011 Law No. 117). Under these newly promulgated laws, the corporate income tax rates applicable for consolidated accounting years beginning on or after April 1, 2012, will be changed. In addition, for consolidated accounting years beginning April 1, 2012, through March 31, 2015, a special corporate income surtax for recovery will be levied. Accompanying these changes, the effective statutory tax rate applicable to the calculation of deferred tax assets and deferred tax liabilities will be changed as follows according to the time of amortization of temporary differences:

- Through the fiscal year ending March 31, 2012: 39.54%
- From the fiscal year beginning April 1, 2012 through the year ending March 31, 2015: 36.99%
- From the fiscal year beginning April 1, 2015 and in subsequent years: 34.61%

As a result of these changes, if recalculations are made based on temporary differences as of the end of the third quarter ended December 31, 2011, the following changes would be made. On a consolidated basis, other current assets, other noncurrent assets, and other noncurrent liabilities would decrease by ¥321 million, ¥264 million, and ¥1,816 million, respectively, and the revaluation reserve for land, the valuation difference on available-for-sale securities, and income taxes—deferred at the end of the third quarter would increase by ¥1,802 million, ¥1,693 million, and ¥2,265 million, respectively, in comparison with the reported amounts.

**(5) Segment Information, etc.****(Segment Information)****Accumulated through the third quarter of FY2012.3 (April 1, 2011—December 31, 2011)**

Sales and Income by Reporting Segment

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥199,487	¥42,146	¥11,937	¥17,072	¥270,644		¥270,644
Intersegment sales or transfers			571		571	(571)	
Total sales	¥199,487	¥42,146	¥12,509	¥17,072	¥271,216	¥(571)	¥270,644
Segment income (loss)	¥ 7,793	¥ 3,753	¥(1,300)	¥ 734	¥ 10,980		¥ 10,980

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

The sales adjustment item of ¥(571) 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.

Accumulated through the third quarter of FY2011.3 (April 1, 2010—December 31, 2010)

Sales and Income by Reporting Segment

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥205,872	¥44,539	¥15,477	¥19,533	¥285,423		¥285,423
Intersegment sales or transfers			804		804	(804)	
Total sales	¥205,872	¥44,539	¥16,282	¥19,533	¥286,227	¥(804)	¥285,423
Segment income	¥ 10,670	¥ 2,879	¥ 1,066	¥ 1,729	¥ 16,344		¥ 16,344

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

The sales adjustment item of ¥(804) 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)

Accumulated through the third quarter of FY2012.3 (April 1, 2011—December 31, 2011)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥124,104	¥37,604	¥48,758	¥60,177	¥146,540	¥270,644
% of net sales	45.9%	13.9%	18.0%	22.2%	54.1%	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

Accumulated through the third quarter of FY2011.3 (April 1, 2010—December 31, 2010)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Net sales	¥134,363	¥42,810	¥50,909	¥57,339	¥151,059	¥285,423
% of net sales	47.1%	15.0%	17.8%	20.1%	52.9%	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)****Accumulated through the third quarter of FY2012.3 (April 1, 2011—December 31, 2011)**

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥132,367	¥37,379	¥48,867	¥ 52,029	¥270,644		¥270,644
Intersegment sales or transfers	97,354	581	1,018	49,646	148,600	(148,600)	
Total sales	¥229,722	¥37,961	¥49,885	¥101,676	¥419,245	¥(148,600)	¥270,644
Segment income	¥ 1,072	¥ 1,233	¥ 1,848	¥ 6,992	¥ 11,148	¥ (167)	¥ 10,980

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 ¥(148,600) 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.

Accumulated through the third quarter of FY2011.3 (April 1, 2010—December 31, 2010)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥142,987	¥42,383	¥50,940	¥49,112	¥285,423		¥285,423
Intersegment sales or transfers	101,212	687	1,314	48,976	152,191	(152,191)	
Total sales	¥244,199	¥43,070	¥52,255	¥98,088	¥437,614	¥(152,191)	¥285,423
Segment income	¥ 6,846	¥ 1,128	¥ 2,069	¥ 7,321	¥ 17,364	¥ (1,020)	¥ 16,344

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 ¥(152,191) 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