Analyst and Investor Briefing on the Third Quarter of the Fiscal Year Ending March 31, 2005

February 10, 2005

YAMAHA CORPORATION

Overview of Performance in the Third Quater

YAMAHA

- In 3Q, sales of musical instruments and AV/IT products fell below the target levels, and overall sales were down about 4% from the November 2, 2004, projections announced along with the release of the interim results. Boosted by "STAGEA“ Electone™ effects, 3Q musical instrument sales were higher year on year, but a sizeable decline in semiconductors caused an overall decline of about 3%.
- Except for recreation, all segments increased operating income to above previous projections. Overall income were up from the previous projections, but income declined substantially year on year.
- In the first three quarters (Apr. 1 to Dec. 31), sales and income of musical instruments and AV/IT products rose year on year. However, other segments showed lower sales and income. Especially large were those of semiconductors, lifestyle-related products, and recreation.
- Inventories at the end of the period were ¥8.4 billion over the projection and rose ¥6.0 billion year on year because of higher stocks in the musical instruments and AV/IT business.
- Actual interest-bearing debt amounted to ¥22 billion at the end of the period.

Performance in the Third Quarter of FY2005

- Net sales and income were below the same period of the previous fiscal year.
- Net income increased due to gain on a reimbursement for the payment of the prior-year obligations associated with the substitutional portion of the employee welfare pension fund.
- A decrease in sales and an increase in income compared with November 2 projections were recorded.

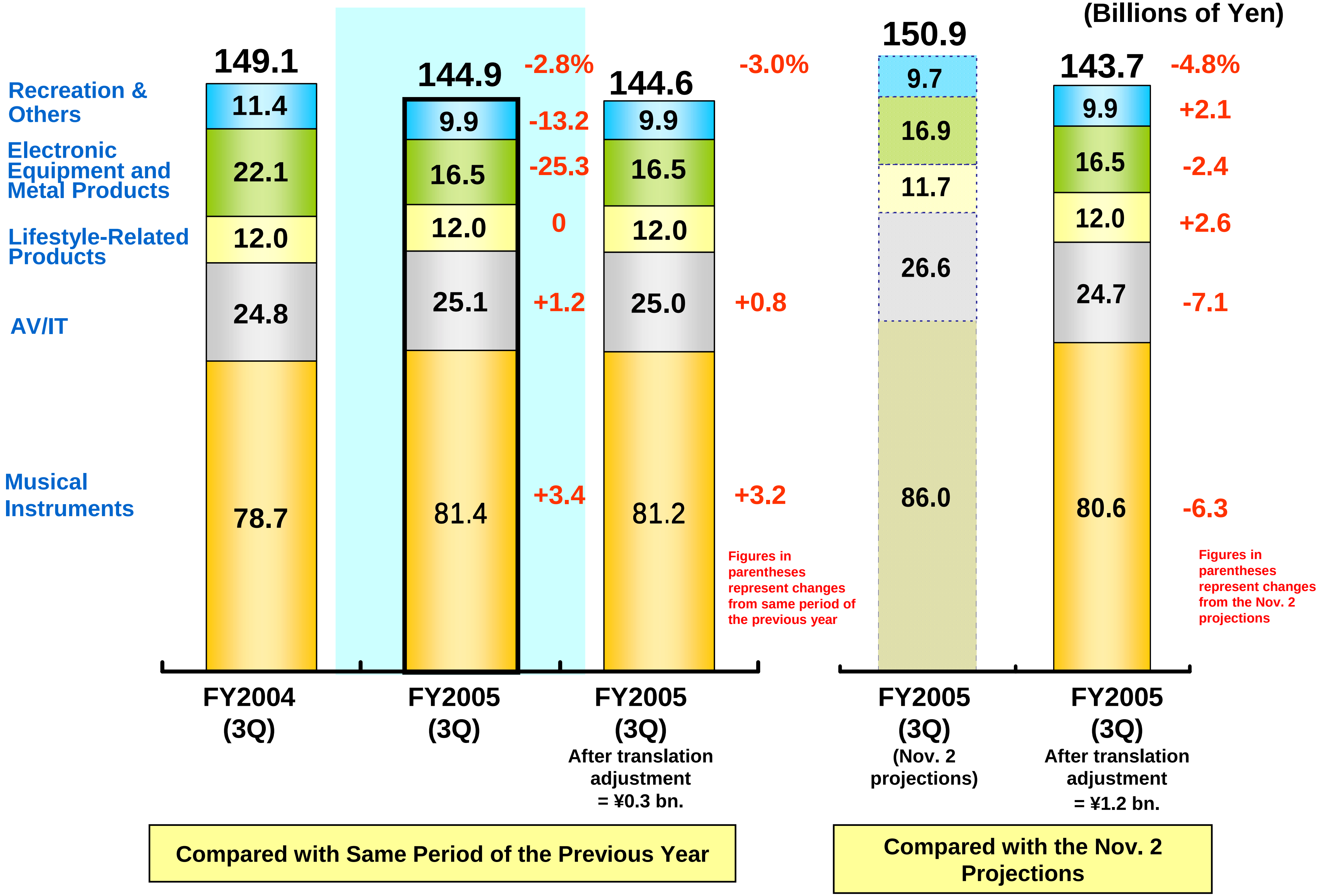
(Billions of Yen)

	FY2004 (3Q)	FY2005 (3Q)	Change from FY2004(3Q)	FY2005 (3Q) Previous Projections	Change from Previous Projections
Net Sales	149.1	144.9	(2.8)%	150.9	(4.0)%
Operating Income	18.7	13.9	(25.7)%	12.2	+13.9 %
Recurring Profit	21.5	16.4	(23.7)%	14.4	+13.9 %
Net Income	19.5	16.4	+30.3%	23.6	+7.6 %
Equity Method Income	4.0	3.5		3.7	

Currency Exchange Rate (Yen)

		FY2004 (3Q)	FY2005 (3Q)	FY2005 (3Q) Previous Projections
Net Sales	US$	109	106	110
	EUR	129	137	127
Operating Income	US$	110	107	110
	EUR	130	134	127

Net Sales by Business Segment in the Third Quarter of FY2005



Operating Income/Loss by Business Segment in the Third Quarter of FY2005

(Billions of Yen)

	FY2004 (3Q)	FY2005 (3Q)	Increase/ (Decrease)	Currency Exchange Impact	Actual Increase/ (Decrease)	Nov. 2 Projections
Musical Instruments	5.5	7.4	+1.9	+0.2	+ 1.7	6.7
AV/IT	3.2	2.4	(0.8)	+0.1	(0.9)	2.1
Lifestyle-Related Products	0.6	0.3	(0.3)		(0.3)	0.2
Electronic Equipment and Metal Products	9.6	4.6	(5.0)		(5.0)	3.8
Recreation	(0.3)	(0.8)	(0.5)		(0.5)	(0.5)
Others	0.1	0.1	0.0		0.0	(0.1)
TOTAL	18.7	13.9	(4.8)	+0.3	(5.1)	12.2

Represents an increase of ¥1.7 billion compared with Nov. 2 projections. In 3Q, changes in foreign currency rates made a positive contribution of ¥0.9 billion (¥0.5 billion for musical instruments and ¥0.4 billion for AV/IT.) Therefore on an actual basis, this represents an increase in operating income of ¥0.8 billion compared with the previous projections.

Forecast for Business Performance in FY 2005 (Full Year)

- Exchange rates for 4Q are set at ¥110/USD and ¥134/euro (previously ¥127).
- Full-year projections are for lower sales and income than previous projections.

(Billions of Yen)

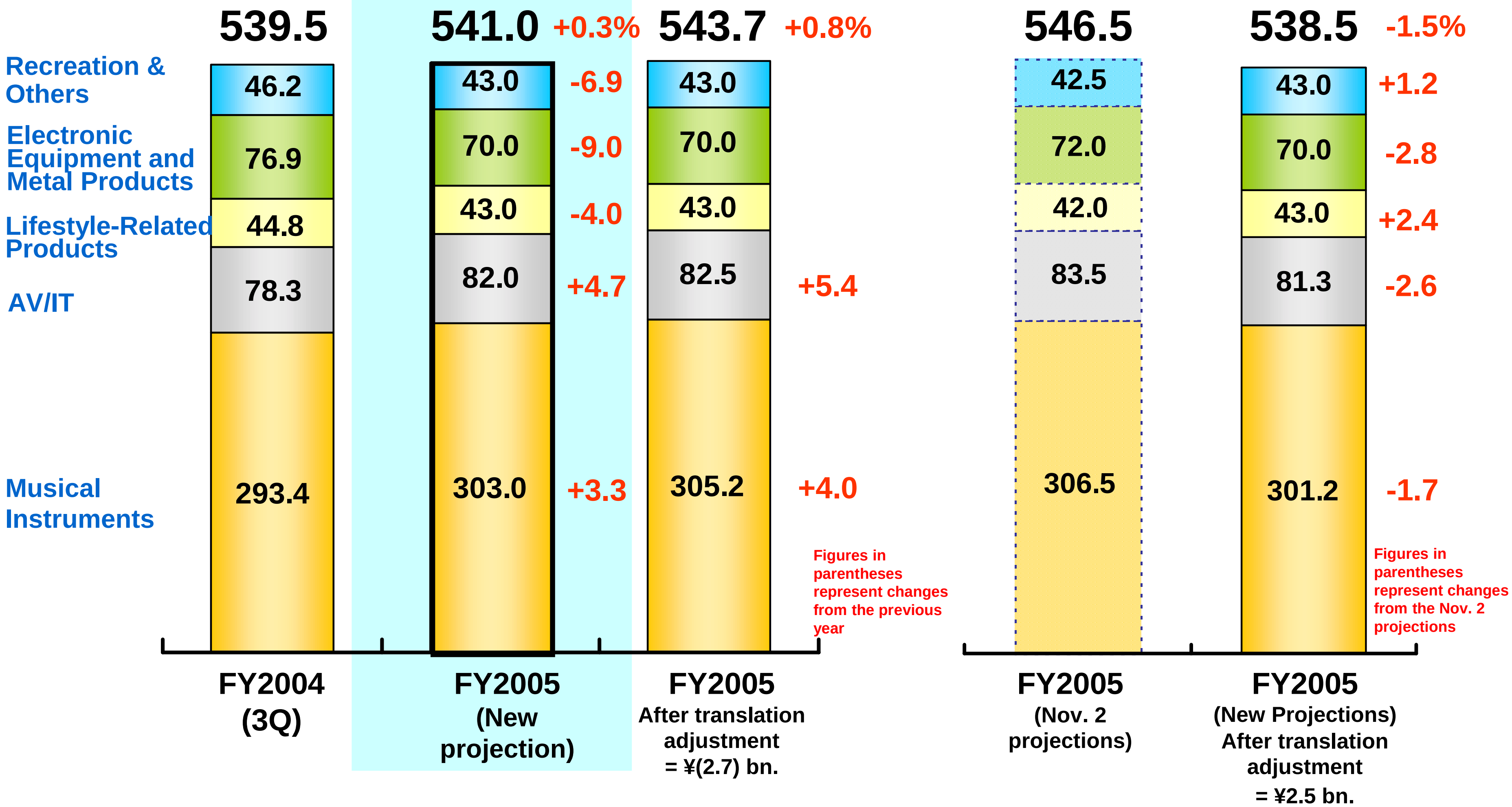
	1Q to 3Q Actual	4Q Projections	FY2005 New Projections	FY2005 Previous Projections	FY2004 Actual	Change from Previous Projections	Change from FY2004
Net Sales	413.5	127.5	541.0	546.5	539.5	(1.0)%	+0.3%
Operating Income	38.1 (9.2%)	(2.1)	36.0 (6.7%)	38.0 (7.0%)	45.1 (8.4%)	(5.3)%	(20.2)%
Recurring Profit	44.7 (10.8%)	(3.7)	41.0 (7.6%)	42.5 (7.8%)	51.0 (9.5%)	(3.5)%	(19.6)%
Net Income	19.3 (4.7%)	0.2	19.5 (3.6%)	19.5 (3.6%)	43.5 (8.1%)	0%	(55.2)%

Currency Exchange Rate (Yen)

Net Sales	US$	108	110	109	110	113
	EUR	135	134	135	130	133
Operating Income	US$	109	110	109	110	114
	EUR	133	134	134	129	129

Forecast for Net Sales by Business Segment in FY2005 (Full Year)

(Billions of Yen)



Compared with the Previous Fiscal Year

Compared with the Nov. 2 Projections

Forecast for Operating Income/Loss by Business Segment in Fiscal 2005 (Full Year)

(Billions of Yen)

	FY2004	FY2005 (New projections)	Increase/ (Decrease)	Currency Exchange Impact	Actual Increase/ (Decrease)	Nov. 2 Projections
Musical Instruments	10.5	14.0	+3.5	+0.3	+3.2	15.5
AV/IT	4.4	4.5	+0.1	+1.2	(1.1)	4.5
Lifestyle-Related Products	1.5	(0.5)	(2.0)		(2.0)	(0.5)
Electronic Equipment and Metal Products	30.0	20.0	(10.0)		(10.0)	20.0
Recreation	(1.1)	(2.0)	(0.9)		(0.9)	(1.5)
Others	(0.2)	0.0	+0.2		+0.2	0.0
TOTAL	45.1	36.0	(9.1)	+1.5	(10.6)	38.0

Represents a decline of ¥2.0 billion compared with the previous projections issued on Nov 2, 2004. Changes in foreign currency rates made a positive contribution of ¥1.5 billion (¥1.0 billion for musical instruments and ¥0.5 billion for AV/IT.) Therefore on an actual basis, this represents a decline in operating income of ¥3.5 billion compared to projections.

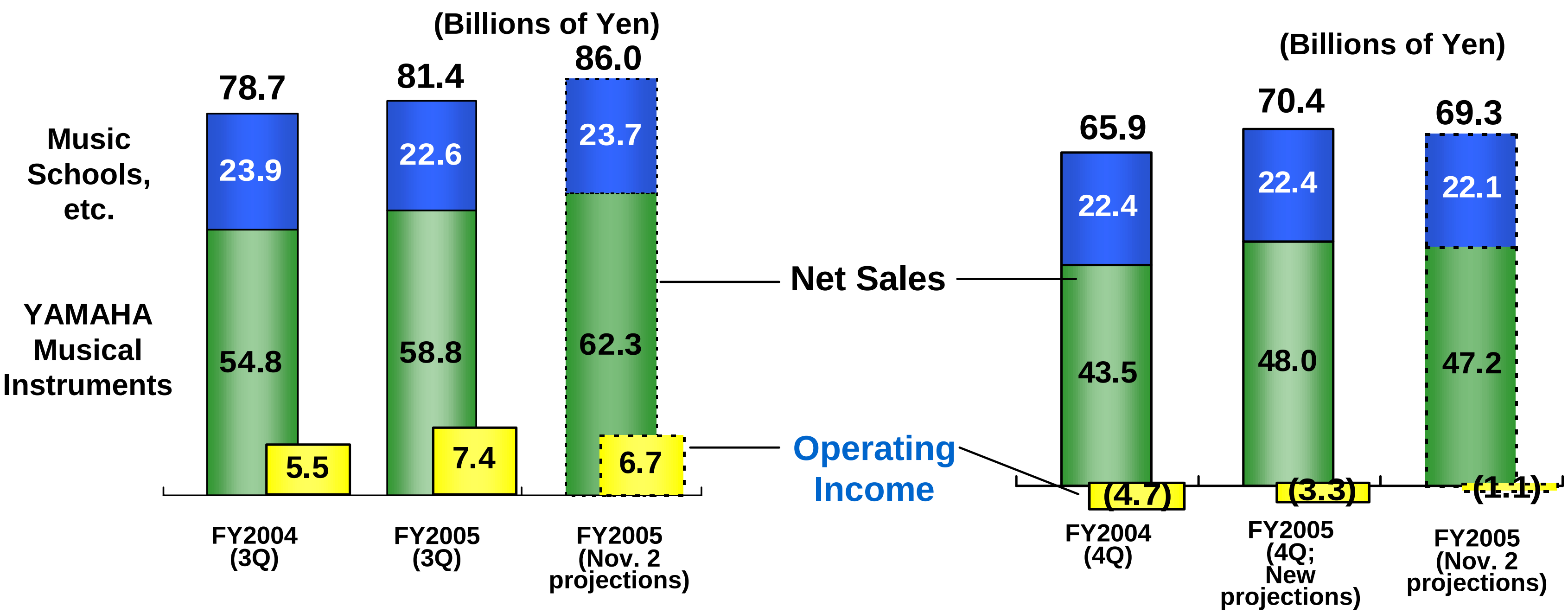
Musical Instruments

3Q Overview

- In 3Q, higher sales and income from the same period of previous year
- Actual sales increased 3.2% compared with the same period of previous year. (Down by 6.3% from previous projections)
- U.S. sales were up year on year, driven by Disklavier “Mark IV”
- and portable keyboards. European sales were flat.
- Domestically, Electone™ sales jumped, but pianos continued to decline. Overall sales increased slightly compared with the same period of previous year.
- Sales of new products (Disklavier, CVP and digital mixers) were strong.
- Inventories at the end of 3Q exceeded the level for the same period of the previous year and the previous projections.

Propriety Policies for 4Q

- 4Q sales expected higher than the previous projections and year on year, due to sales expansion of Disklavier “Mark IV” and new CVP mainly in the U.S. market.
- Operating income will be down from the previous projection due to higher TVCM advertising expenses to stimulate domestic demand and to production cutbacks.
- Domestically, emphasize on conducting the spring student recruiting campaign (target: 103% year on year) and maintaining Electone™ effect in the coming years
- Reduce inventories by cutting production, centering on pianos and portable keyboards



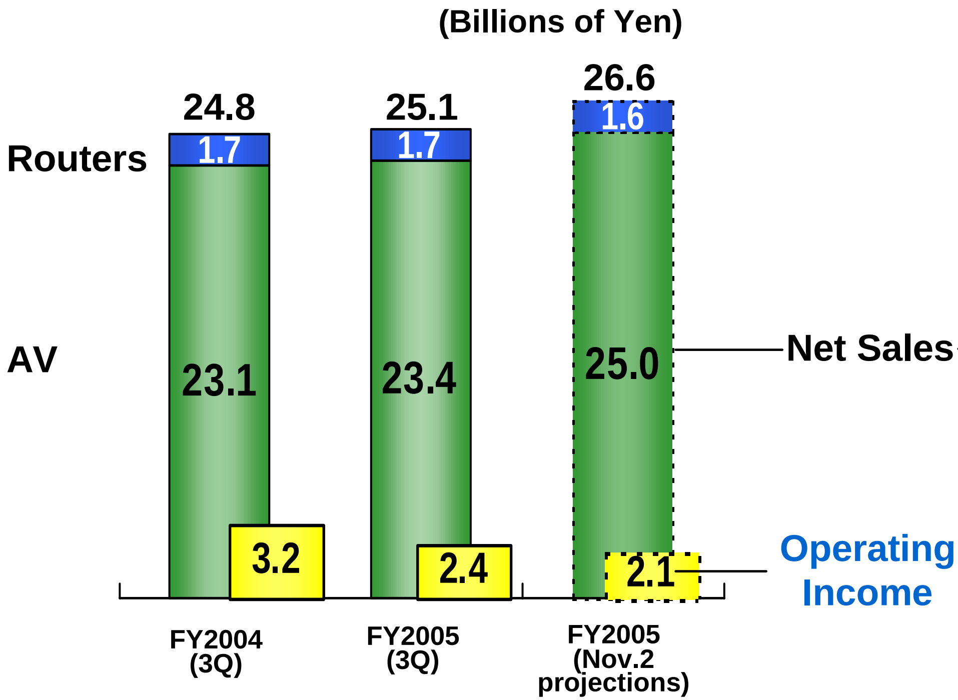
AV/IT

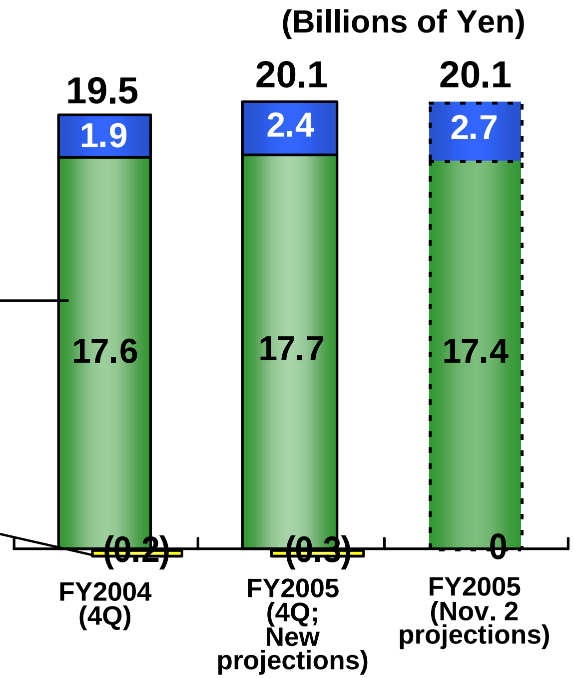
3Q Overview

- In 3Q, increase in sales but a decline in income compared with the same period of the previous year.
- Actual sales of the AV/IT business were up slightly year on year. (Down 7.1% from previous projections)
- North American sales continues strong in AV. Sales in Japan and Europe were slightly weak. Sales of routers were nearly in line with the target.
- Operating income down year on year, due to price declines amid the stiffening competition.
- Inventories at the end of the period exceeded those of the previous fiscal year and were above previous projections.

Propriety Policies for 4Q

- 4Q net sales will be in line with previous projections.
- Most important theme is getting new product YSP-1 (Yamaha Sound Projector) on the right track
- Smooth market rollout of new products:
  - ✓ Mid/high grade AV receivers, low-priced home theater system products, routers and others (26 new product models)
- Strengthen sales network in China, Korea, and other Asia markets
- Strict inventory reduction





Lifestyle-Related Products

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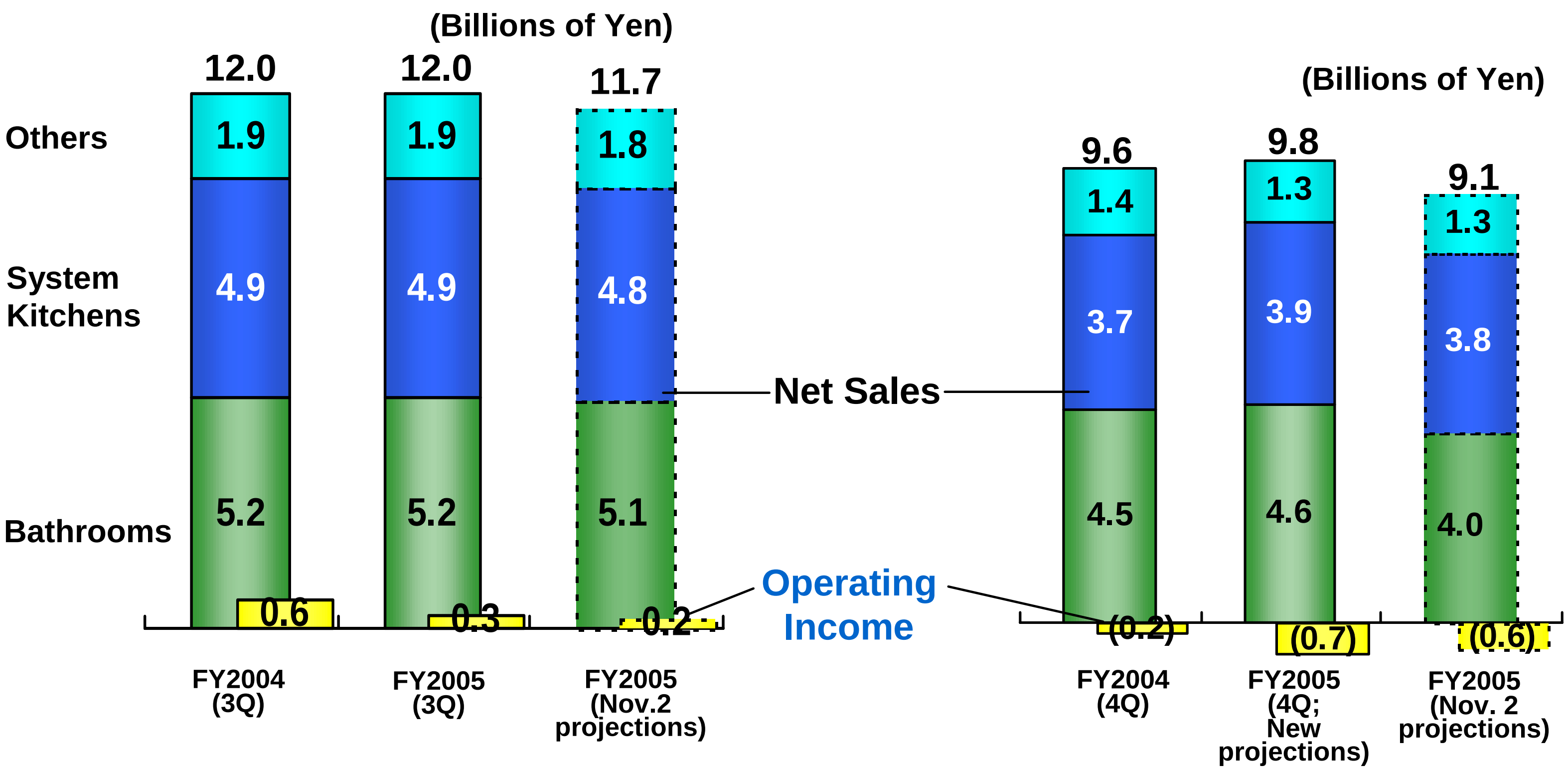
3Q Overview

- In 3Q, sales and income were up from previous projections.
- Sales increased due to the success of new kitchen products launched in October and revised price policy for bathroom products.
- Kitchen products marked a recovery in market share through higher sales of sinks made by marble.
- Recovery in wholesale marketing routes

Propriety Policies for 4Q

- 4Q sales target ¥9.8 billion, above the same period of the previous year and previous projections.
- Plan sales expansion based on concentration and specialization in bathrooms with mist functions and sinks made by marble
- Narrow down details of Lifestyle-related products structural reform and implement reforms in and after April



Essentials of Lifestyle-related Products Segment Structural Reform

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Business selection and concentration

- Concentrate on bathrooms and system kitchens
- Staged withdrawal from unprofitable construction materials/doors business (in two years, for completion by the end of March 2007)
- Use the space created by business withdrawal for added value measures of internal production of synthetic component materials

Establish a low-cost business model by unifying production, sales, technology and constructions

Develop a low cost base model

Manufacturing cost-down specification model, a model for easily constructed specifications, and standardizing specifications for related equipment

Cost reductions through a seamless structure from distribution to construction

Switch from shipments of some completed products to shipments of components and materials, establish a proprietary construction systems

Wholesale sales improvement

- Marketing shift from push to pull and utilizing showrooms
- Showroom repositioning, renovation, new construction, function reinforcement

Convert to a structure of optimum necessary personnel for the business structure (personnel reallocation, change of job classification)

Put the plan into reality as soon as details are decided .

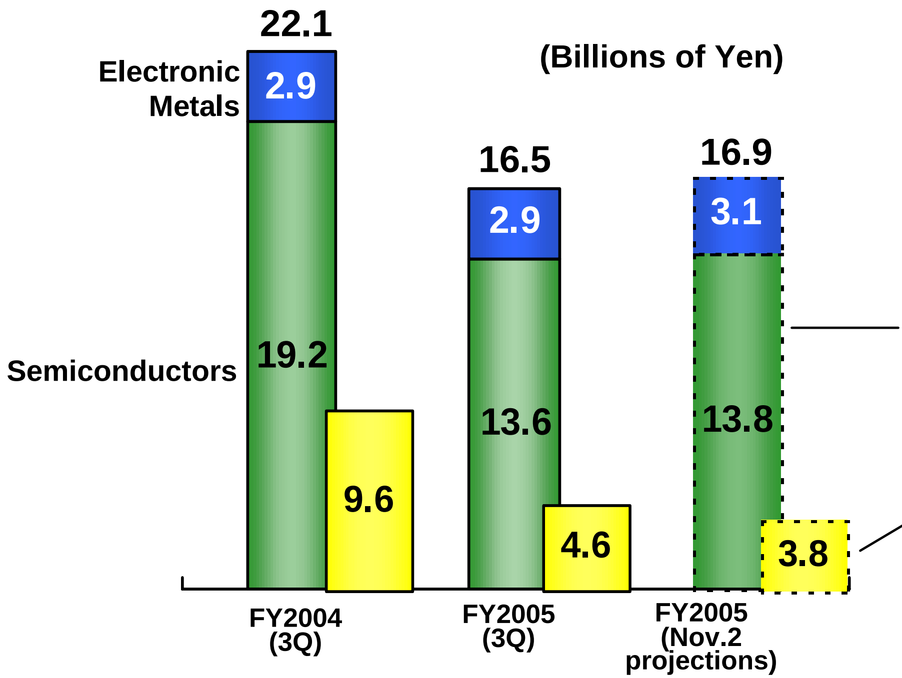
Electronic Equipment and Metal Products

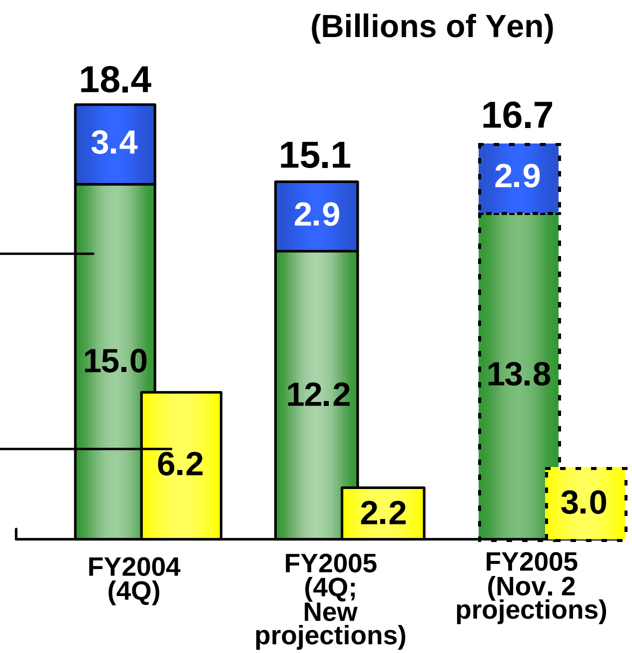
3Q Overview

- Operating income for 3Q halved year on year, due to large falloff in semiconductor sales.
- Semiconductor sales and profit decreased year on year due to inventory cutbacks in LSI sound chips for mobile phones and lower unit selling prices.
- Electronic metal products continue to undergo adjustment due to the deceleration in digital home appliances.

Propriety Policies for 4Q

- Previous projections for sales and income have been adjusted downward in view of expected market conditions.
- Will continue inventory cutbacks of LSI sound chips for mobile phones and decline of unit price. To respond to customer needs, plan to expand the lineup of LSI sound chips to cope with source diversified function and Chaku-uta™(reproduction of brief portions of CDs using compressed music data).
- Expect the recovery of electronic metals market in the latter half of 4Q. Strengthen cost competitiveness and sales promotion of new products in cooperation with Olin Metal Corporation.





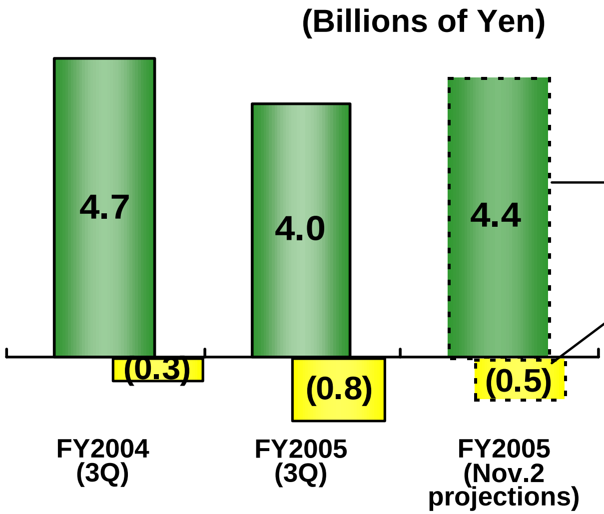
Recreation

3Q Overview

- In 3Q, sales and income were below the previous year and under previous projections.
- Number of customers decreased. Due to some facilities' closure for repairs, typhoons, low snowfall, and other unsuitable weather, sales were far down year on year. Losses in the period increased.

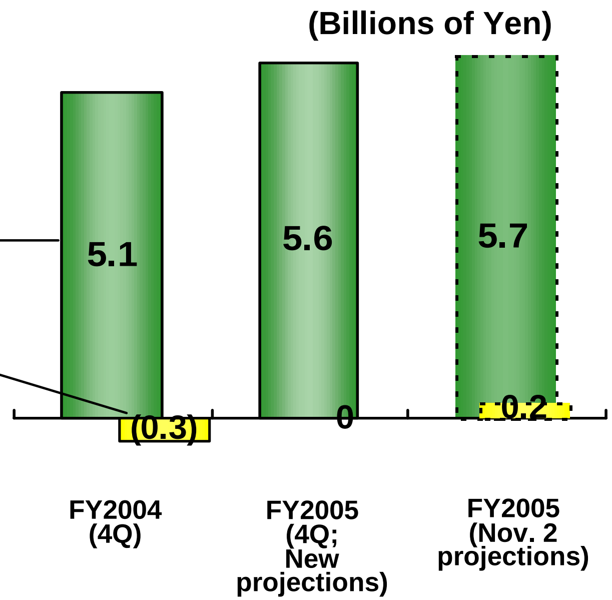
Propriety Policies for 4Q

- 4Q sales will be slightly down from previous projections but profit/loss targets at breakeven.
- Will continue efforts to improve income through measures to attract more customers and substantially increase operating efficiency.
  - Reach the target for drawing customers to "Kiroro" during the ski season
  - Boost sales by increases of guest rooms in "Haimurubushi" (February)
  - Develop marketing plans for opening of the Chubu International Airport



Net Sales

Operating Income



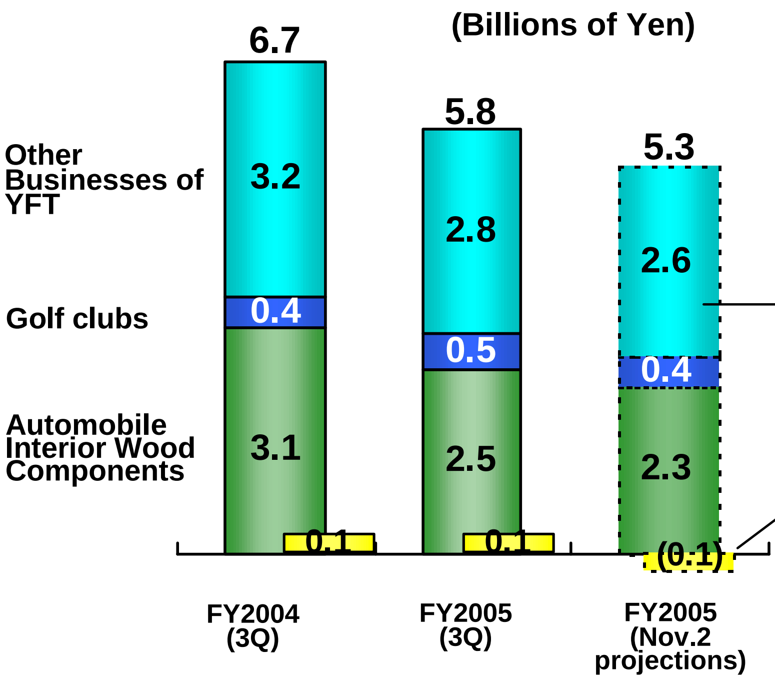
Others

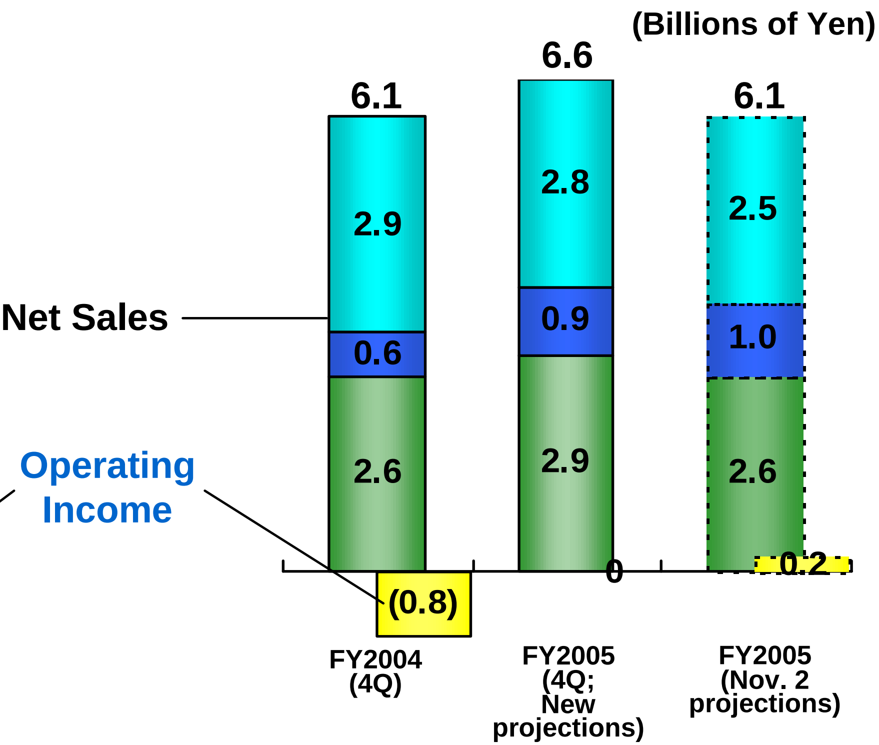
3Q Overview

- In 3Q, this segment as a whole maintained profitability.
- FA business activities reported a strong performance. Sales of magnesium components for mobile phones were in line with previous projections. Productivity was improved.
- Automobile interior wood components increased over previous projections. Sales of golf products were up, compared with the same period of previous year and previous projections.

Propriety Policies for 4Q

- 4Q sales target of ¥6.6 billion, up year on year and above previous projections
- Issue is cultivation of new customers for Mg components for mobile phones along with improvements in productivity.





Non-Operating Income /Extraordinary Income (Loss) for the Third Quarter

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(Billions of Yen)

	FY2004 (Q3)	FY2005(Q3)	FY2005 (Q3) (Nov. 2 projections)
Non-Operating Income			
Equity method income	4.0	3.4	3.7
Net financial income (loss)	(0.3)	(0.2)	(0.4)
Other	(0.9)	(0.7)	(1.1)
Total	+ 2.8	+ 2.5	+ 2.2
Extraordinary Income(Loss)			
Income from (loss on) disposal of fixed assets	(0.1)	(0.1)	(0.1)
Other	(0.1)	19.7	19.9
Total	(0.2)	+19.6	+19.8
Corporate Income Tax and Other Expenses			
Corporate income tax, etc.	1.6	10.6	10.6
Minority interests in consolidated subsidiaries	0.2	0.0	0.0
Total	1.8	10.6	10.6

Welfare Pension Fund-related Gains: 19.8

Welfare Pension Fund-related Gains: 19.7

Non-Operating Income /Extraordinary Income (Loss) for Fiscal 2005 (Full Year)

(Billions of Yen)

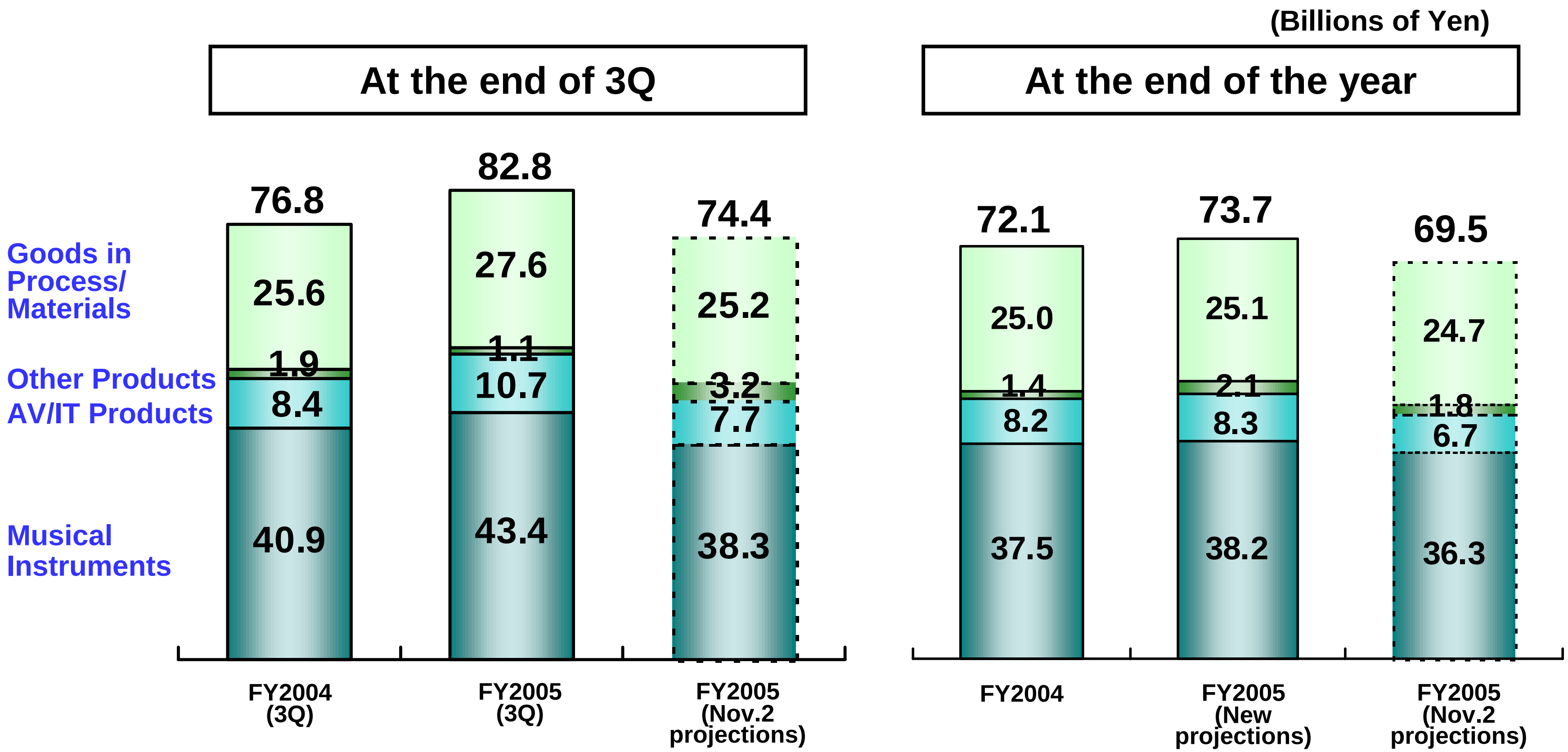
	FY2004	FY2005 (New projections)	FY2005 (Nov. 2 projections)
Non-Operating Income			
Equity method income	10.4	9.1	9.3
Net financial income (loss)	(1.0)	(0.4)	(0.5)
Other	(3.5)	(3.7)	(4.3)
Total	+ 5.9	+ 5.0	+ 4.5
Extraordinary Income(Loss)			
Income from (loss on) disposal of fixed assets	(2.3)	(0.8)	(0.8)
Other	(1.2)	(7.2)	(7.7)
Total	(3.5)	(8.0)	(8.5)
Corporate Income Tax and Other Expenses			
Corporate income tax, etc.	3.5	13.1	14.1
Minority interests in consolidated subsidiaries	0.5	0.4	0.4
Total	4.0	13.5	14.5

FY2005 (New projections), Extraordinary Income(Loss), Other:
- Welfare Pension Fund-related Gains: 19.8
- Profit on Sales of Investment Securities: 6.7
- Asset Impairment Loss: (32.5)

FY2005 (Nov. 2 projections), Extraordinary Income(Loss), Other:
- Welfare Pension Fund-related Gains: 19.7
- Gain on Sales of Assets: 5.2
- Asset Impairment Loss: (32.5)

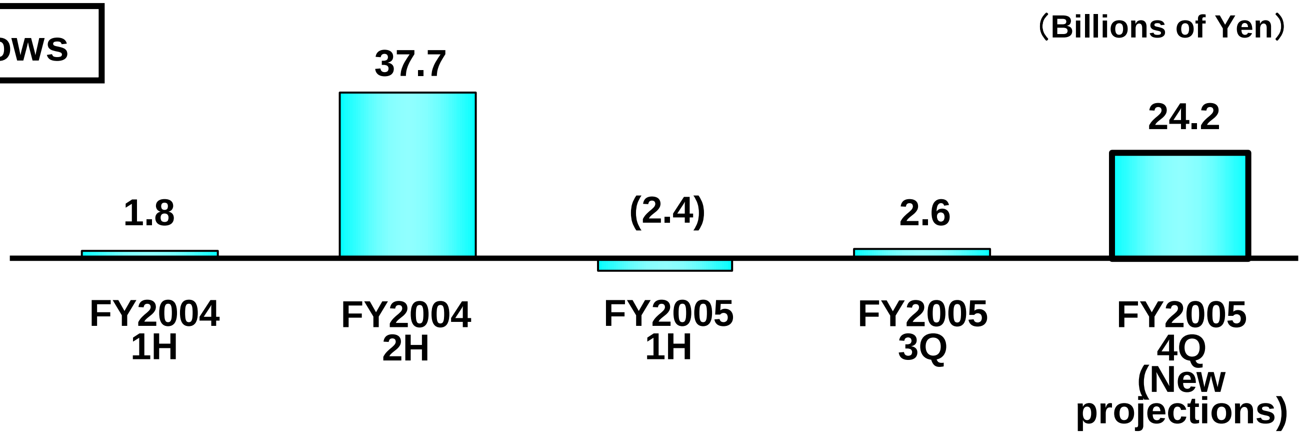
Inventories

- Inventories at the end of 3Q were up year on year and above previous projections.
- Including production cuts, compress inventories to previous-year levels by year end

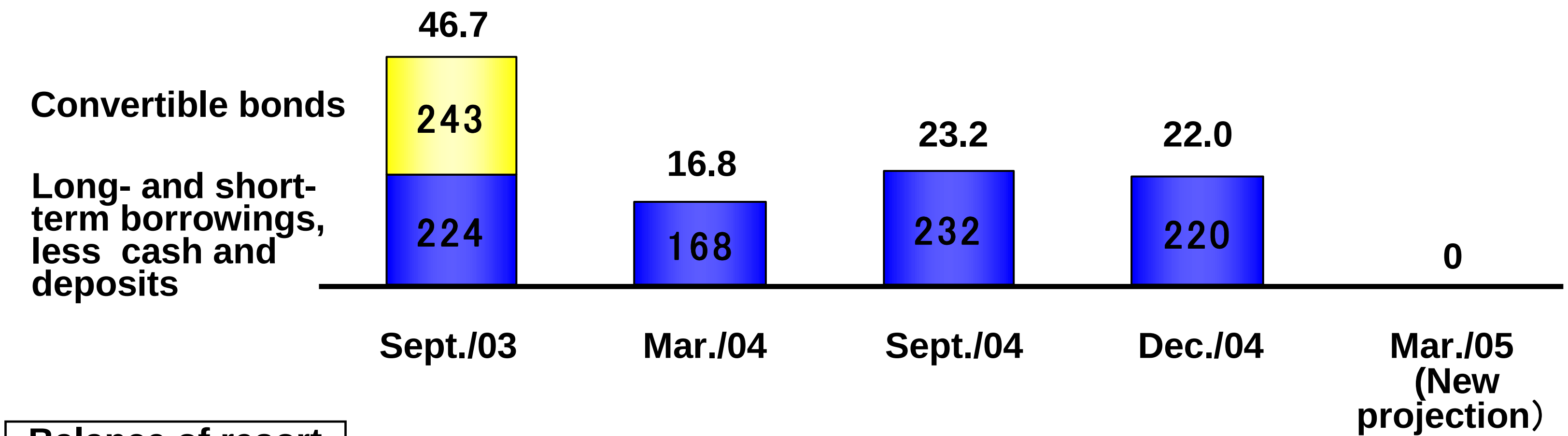


Interest-Bearing Liabilities (Actual Balance)

Free Cash Flows



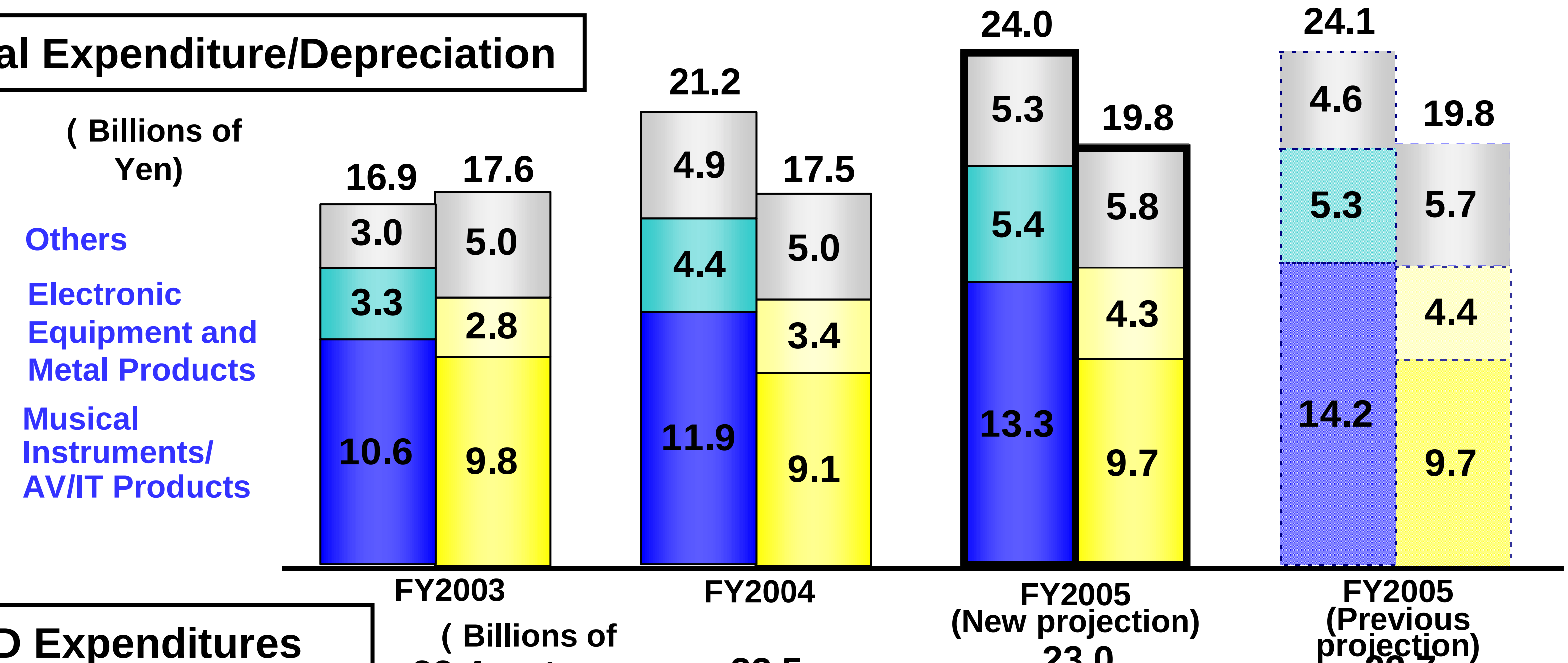
Interest-Bearing Liabilities



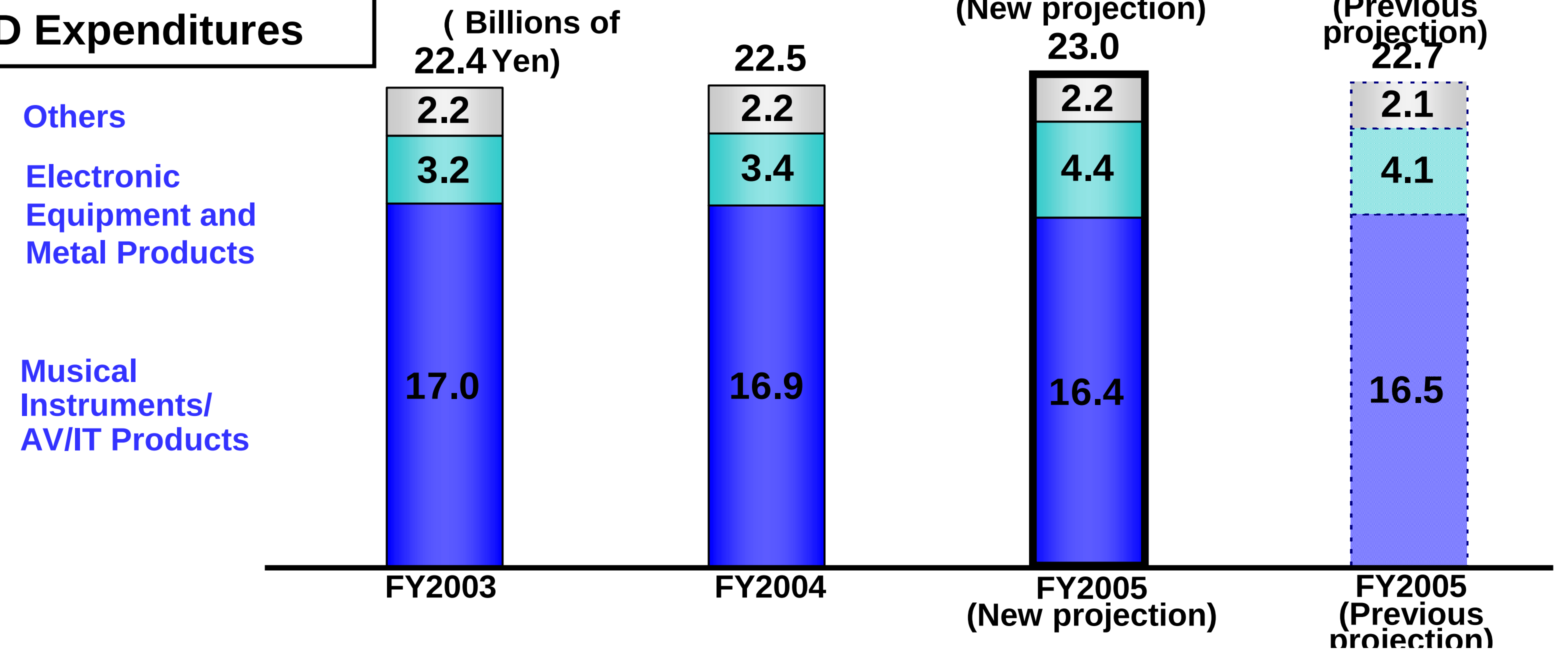
	Sept./03	Mar./04	Sept./04	Dec./04	Mar./05 (New projection）
Balance of resort security deposits (Not included in above)	36.1	30.8	29.5	29.2	28.7

Capital Expenditure/Depreciation/ R&D Expenses

Capital Expenditure/Depreciation



R&D Expenditures



Balance Sheet Summary

(Billions of Yen)

	At the end of 3Q			At the end of fiscal year		
	Dec. 03	Dec. 04	Change	Mar. 04	Mar. 05	Change
Cash and Bank Deposits	46.0	42.8	(3.2)	32.1	44.4	12.3
Accounts and Notes Receivable	100.1	89.3	(10.8)	78.7	73.0	(5.7)
Inventories	76.8	82.8	6.0	72.1	73.7	1.6
Other Current Assets	19.1	25.4	6.3	18.8	26.3	7.5
Fixed Assets	301.5	280.3	(21.2)	307.0	285.2	(21.8)
Total Assets	543.5	5206	(22.9)	508.7	502.6	(6.1)
Accounts and Notes Payable	40.0	40.7	0.7	39.9	38.9	(1.0)
Short-and Long-Term Borrowings	62.6	64.8	2.2	48.9	43.2	(5.7)
Convertible Bonds	24.3	0	(24.3)	0	0	0
Other Liabilities*	156.8	137.9	(18.9)	160.2	139.2	(21.0)
Shareholders' Equity	259.8	277.2	17.4	259.7	281.3	21.6
Total Liabilities and Shareholders' Equity	543.5	520.6	(22.9)	508.7	502.6	(6.1)

*Other liabilities includes minority interests.

Appendix

YAMAHA Musical Instrument Sales in the Japanese Market

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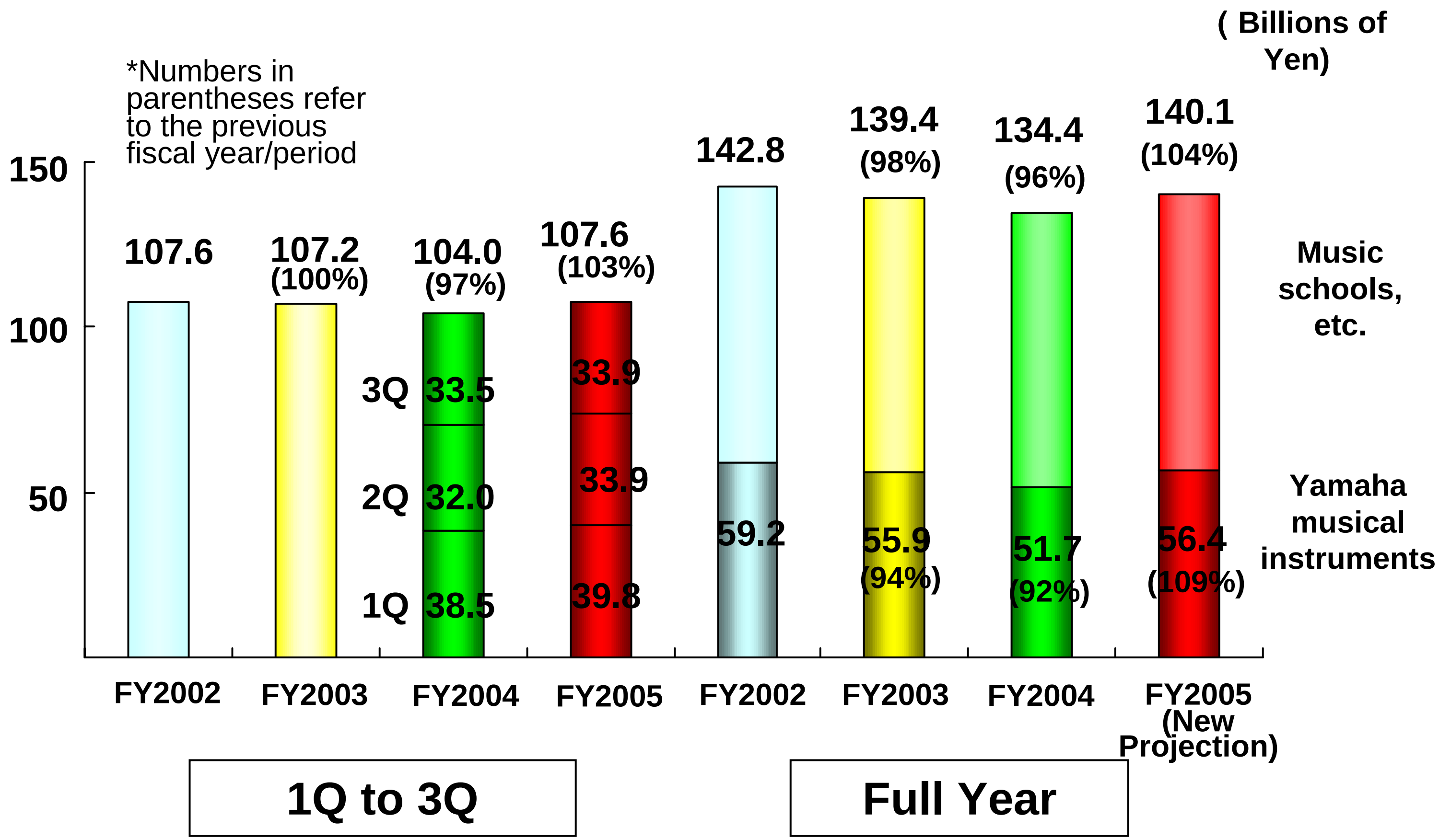
The piano market continued its downtrend, while the "STAGEA" Electone TM maintained strong sales (about 23,000 units shipped since rollout, of which about 20,000 shipped in this term up to end-December). This product uses the latest sound sources and is portable.



YAMAHA Musical Instrument Sales in the U.S. Market

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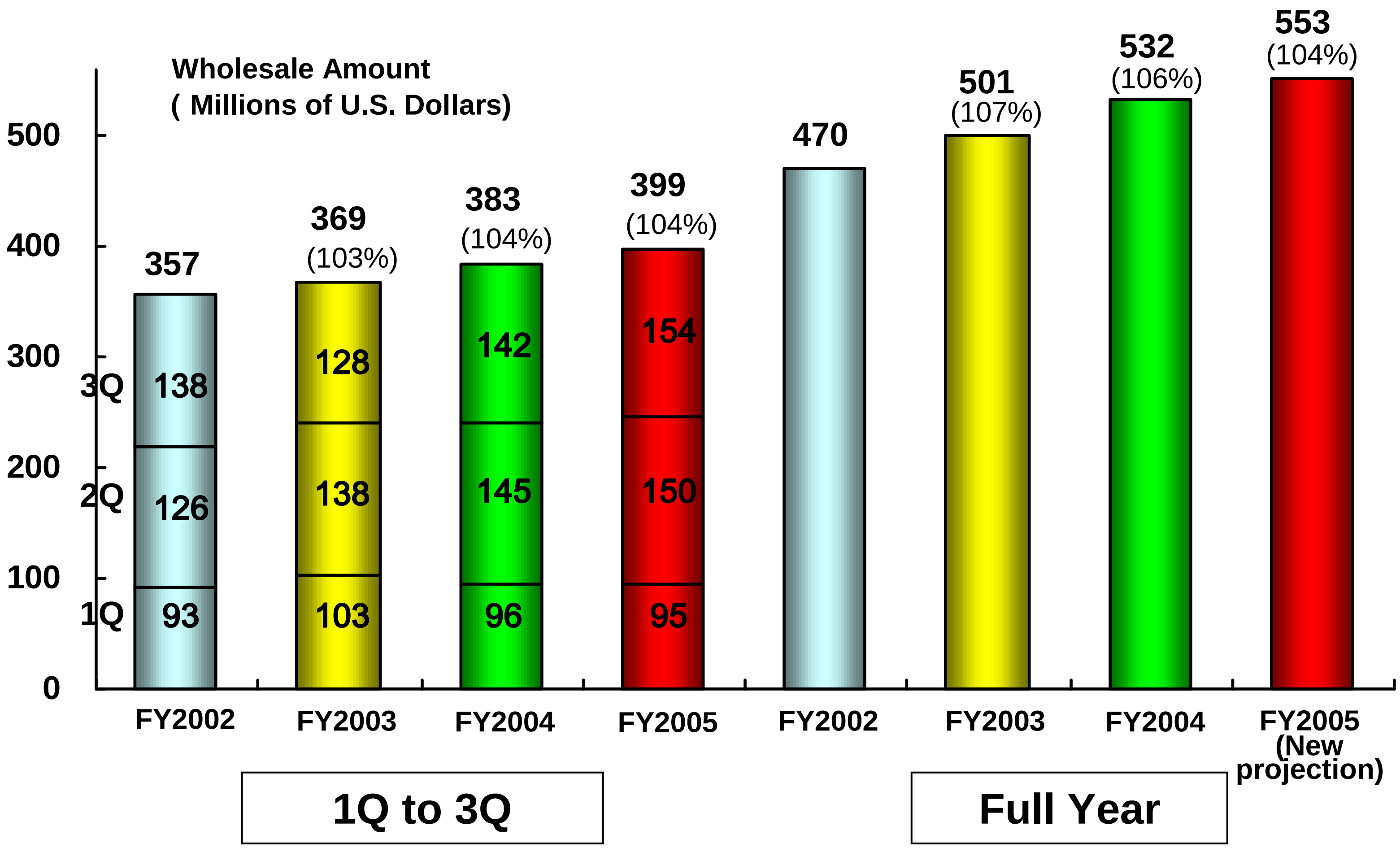
Christmas season shipments were strong for Disklavier "Mark IV", while electronic pianos were slightly weak. But portable keyboards trended well, centering on volume retailers.



YAMAHA Musical Instrument Sales in the German Market

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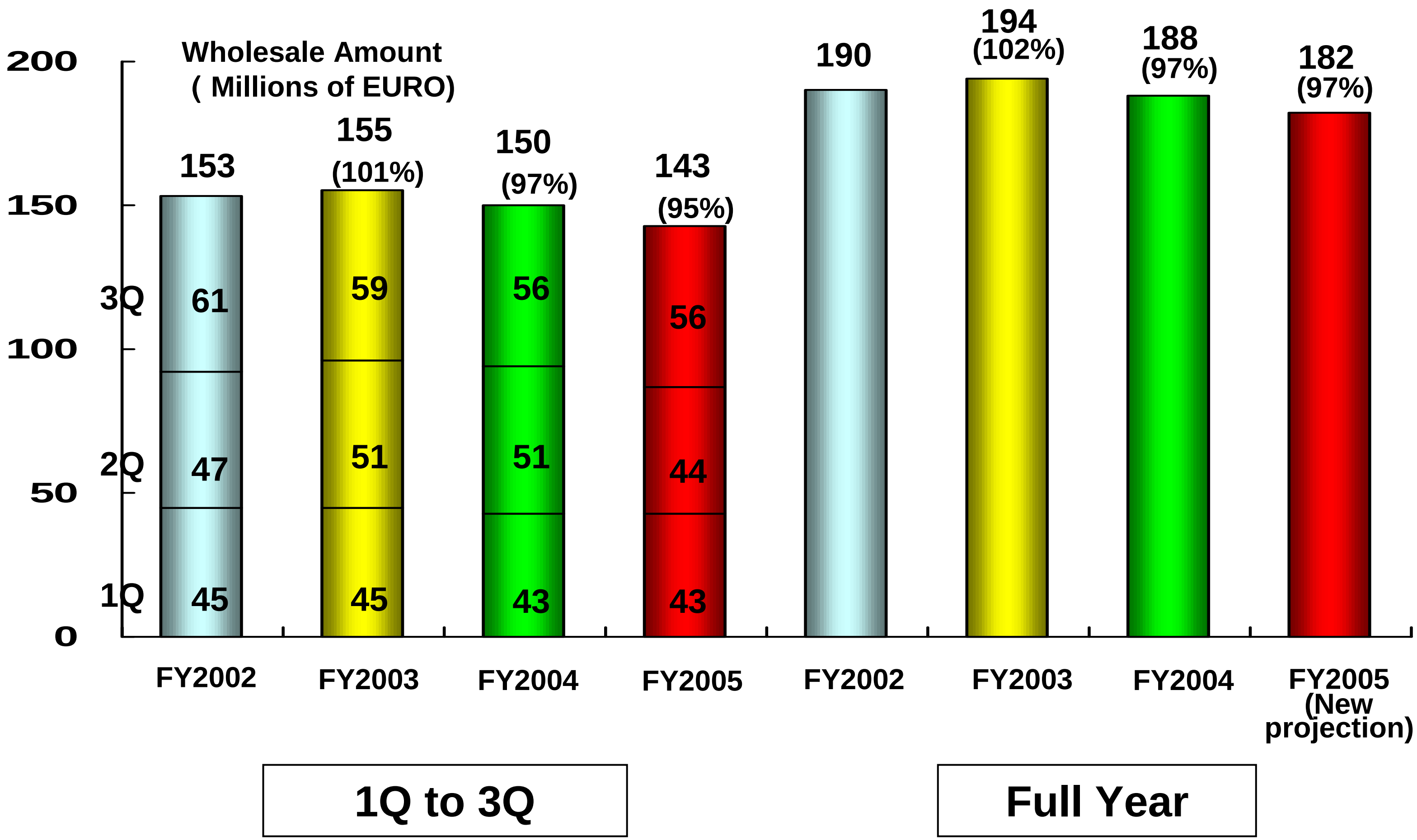
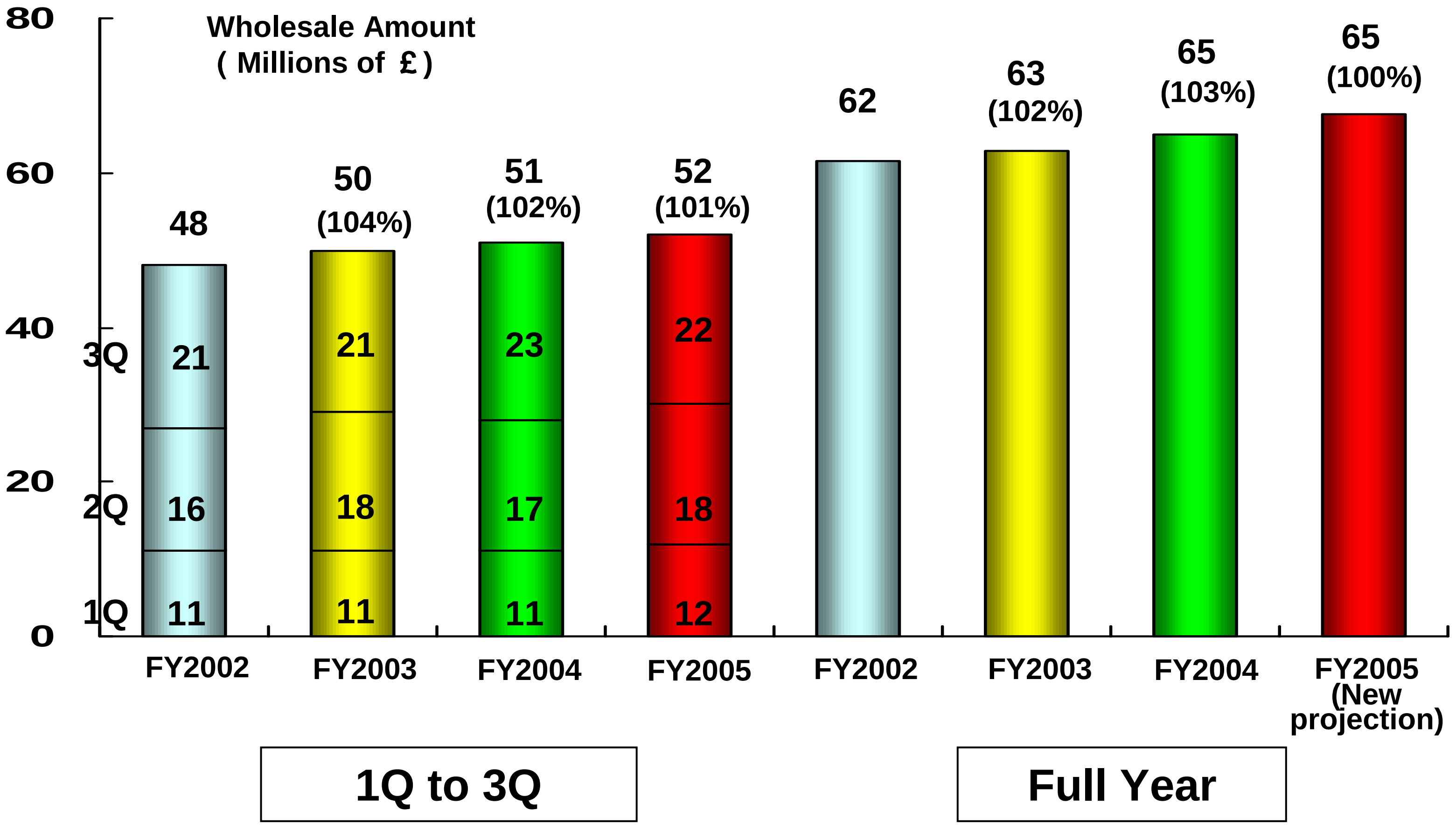
General retailing trended strongly, in particular the overall electronic piano market. Low priced portable keyboard models had difficulties, while special offers maintained sales of wind instruments.



YAMAHA Musical Instrument Sales in the U.K. Market

Although Christmas sale retailing fell short of expectations, sales trended strongly for grand pianos, electronic pianos and portable keyboards. Wind instruments were weak and special offers are planned.



Scale of Global Market for Home Theater Products
(Home theater systems + AV amplifiers/receivers)

YAMAHA

<Home theater systems >

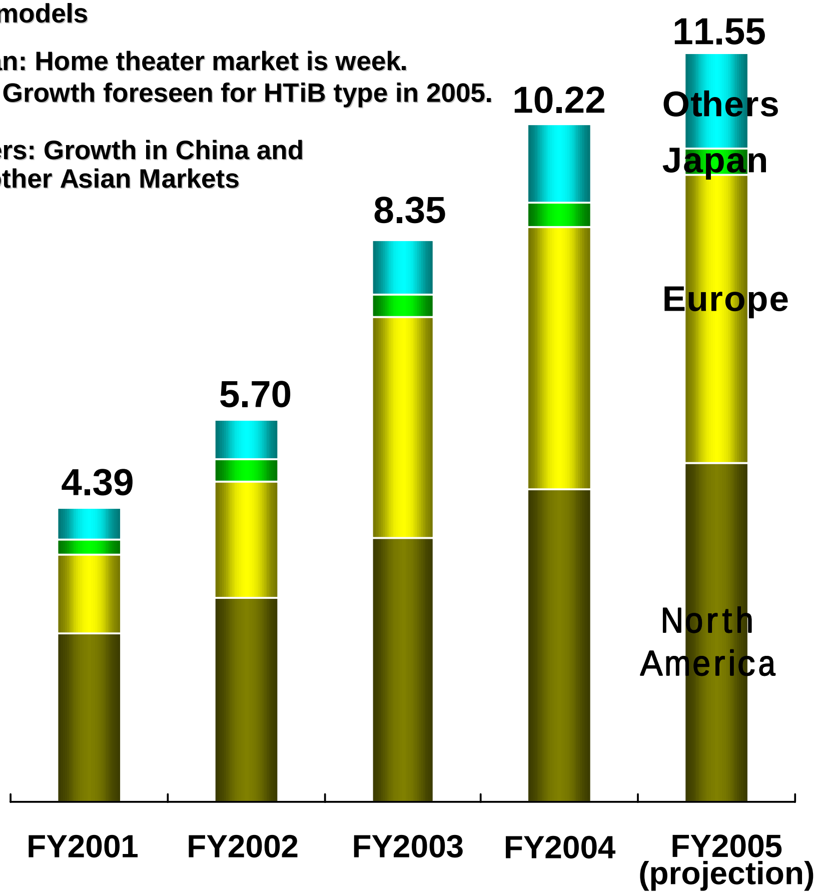
The growth rate becomes duller, but annual growth in the 10% range is expected in 2005.

North America:Sales growth of the HTiB type and DVD-mounted models will continue. Overall sales is expected to grow about 10%.

Europe:High growth close to 20%, centering on DVD-mounted models

Japan: Home theater market is week. Growth foreseen for HTiB type in 2005.

Others: Growth in China and other Asian Markets



<AV amplifiers/receivers>

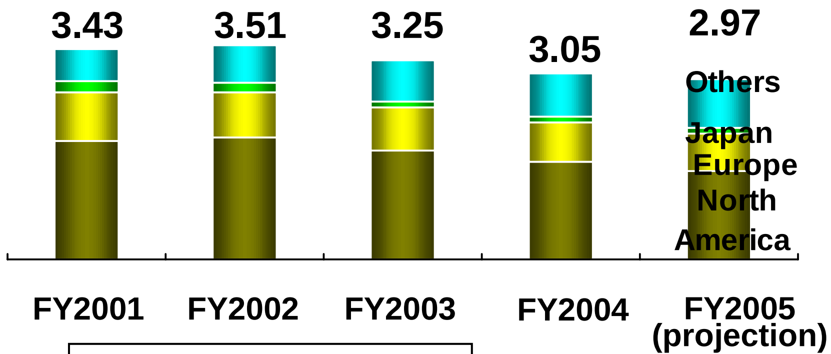
Overall markets continue to shrink.

North America: Downtrend of 10% annually

Europe/Japan: Decline of around 5%

Growth in China and other Asian Markets

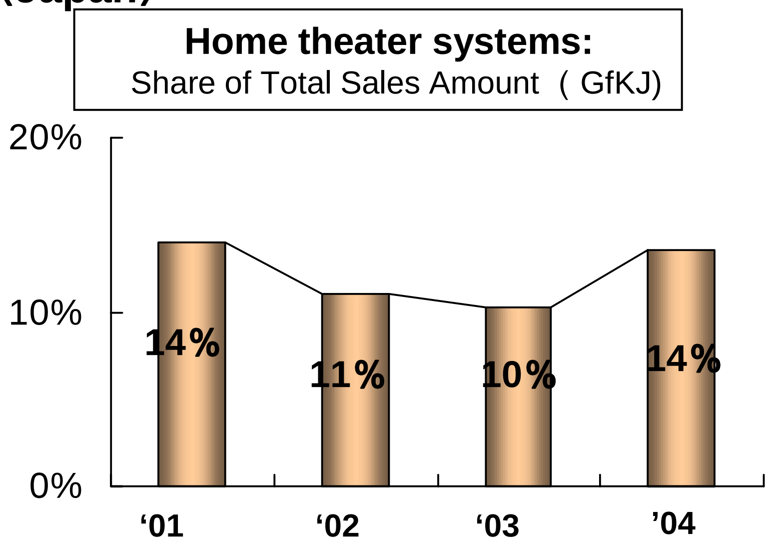
(Million Units)

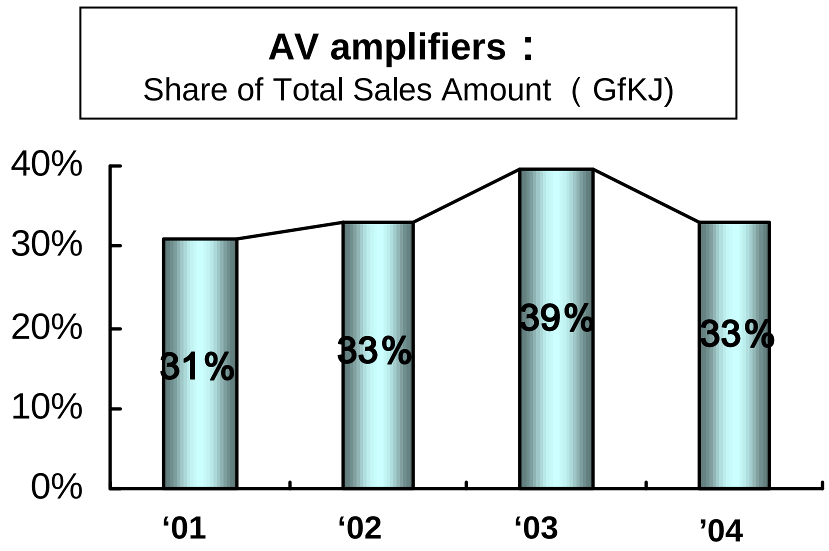


Calendar year basis

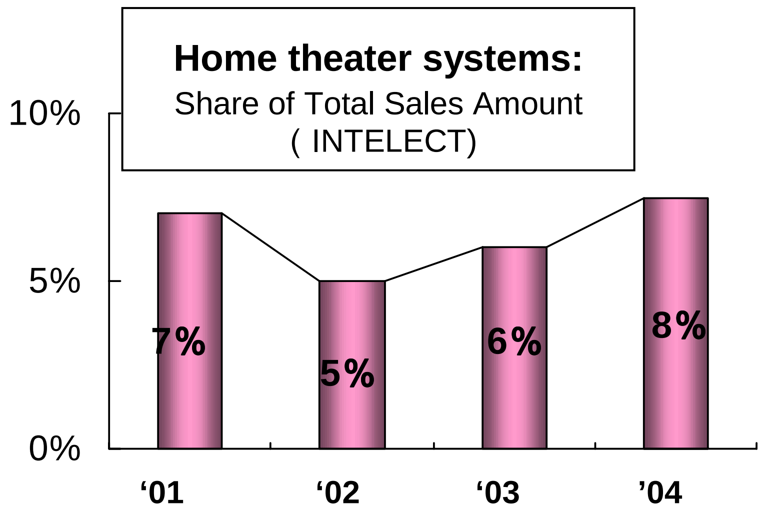
YAMAHA's AV Amplifier Market Share

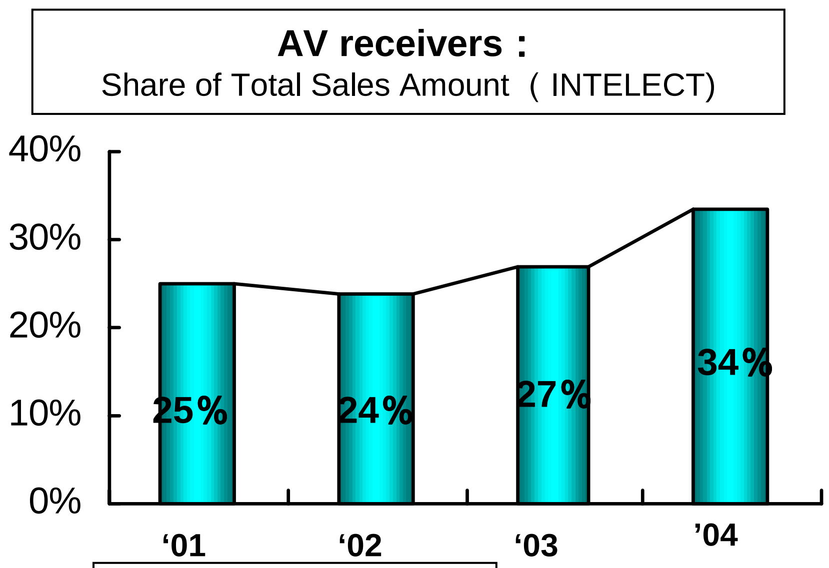
〈Japan〉





〈U.S.〉





Calendar year basis

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, our actual performance may differ greatly from our predictions depending on changes in our operating and economic environments, demand trends, and the value of key currencies, such as the U.S. dollar and the EURO.