

**Analyst and Investor Briefing on the
Third Quarter of the Fiscal Year
Ending March 31, 2012 (FY2012.3)**

February 3, 2012

YAMAHA CORPORATION

Overview of Performance in the Third Quarter



3Q External Environment

- Instability in the global economy and an increasingly uncertain outlook
 - Gradual recovery in US economy, slowdown in Europe due to fiscal problems
 - Pace of growth slowing in the Chinese market
- Yen continues at all-time high

3Q (Oct-Dec) Results

- Sales and income declined year-on-year and were lower than previous projections (made on December 19).
- Sales were 7.3% (¥7.4 billion) lower than previous projections, including the impact of exchange rates (-¥2.8 billion). Sales were down 7.0% (¥7.1 billion) year-on-year, with the impact of exchange rates accounting for ¥3.3 billion of this decline.
- Operating income was ¥1.5 billion lower than previous projections, including the impact of exchange rates (-¥0.3 billion). Income was down ¥2.4 billion year-on-year, with the impact of exchange rates accounting for ¥0.4 billion of this decrease.

Results for the First Three Quarters (Apr-Dec)

- Sales and income were down year-on-year and against previous projections.
- Including the impact of exchange rates (-¥2.8 billion), sales were 2.7% (¥7.4 billion) lower than previous projections. Sales were down 5.2% (¥14.8 billion) year-on-year, with the impact of exchange rates accounting for ¥8.0 billion of this decrease.
- Operating income was 12.2% (¥1.5 billion) lower than previous projections, including the impact of exchange rates (-¥0.3 billion). Income fell 32.8% (¥5.4 billion) year-on-year, with the impact of exchange rates accounting for ¥1.9 billion of this decline.

Performance in the Third Quarter of FY2012.3 (Three Months)



➤ Net sales and income declined year-on-year and against previous projections

(Billions of yen)

	FY2011.3 (3Q) results	FY2012.3 (3Q) results	Change from same period of previous year	Previous projections (Dec. 19, 2011)	Change from projections
Net sales	101.1	94.0	-7.0%	101.4	-7.3%
Operating income (Operating income ratio)	7.1 (7.0%)	4.7 (5.0%)	-33.9%	6.2	-24.5%
Ordinary income (Ordinary income ratio)	6.0 (5.9%)	4.1 (4.4%)	-31.2%	5.2	-20.8%
Net income (Net income ratio)	4.9 (4.9%)	-0.1 (-)	—	0.9	—

Currency exchange rates (yen)

Net sales	US\$	83	77	80
	EUR	112	104	110
Operating income	US\$	83	77	80
	EUR	111	112	110

Performance by Business Segment in the Third Quarter of FY2012.3 (Three Months)

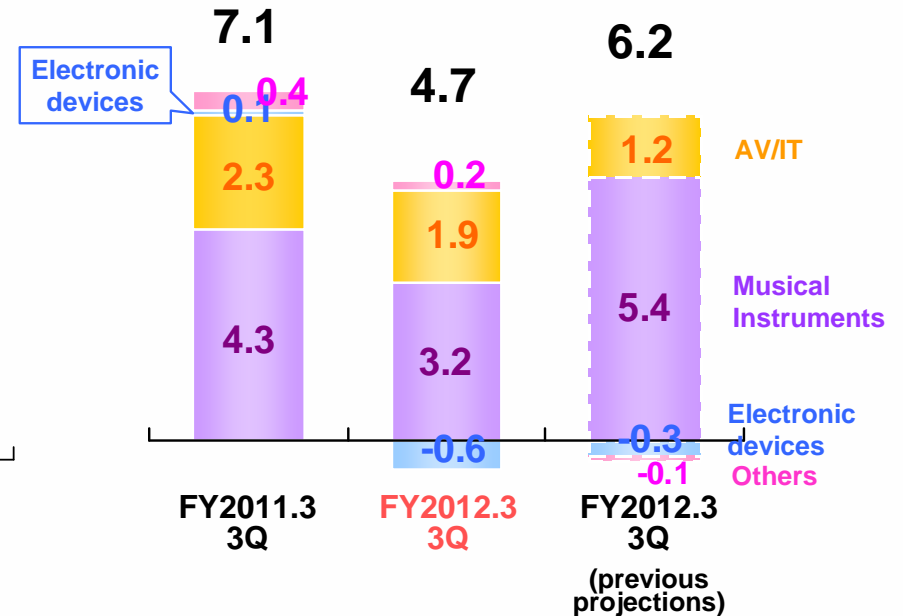
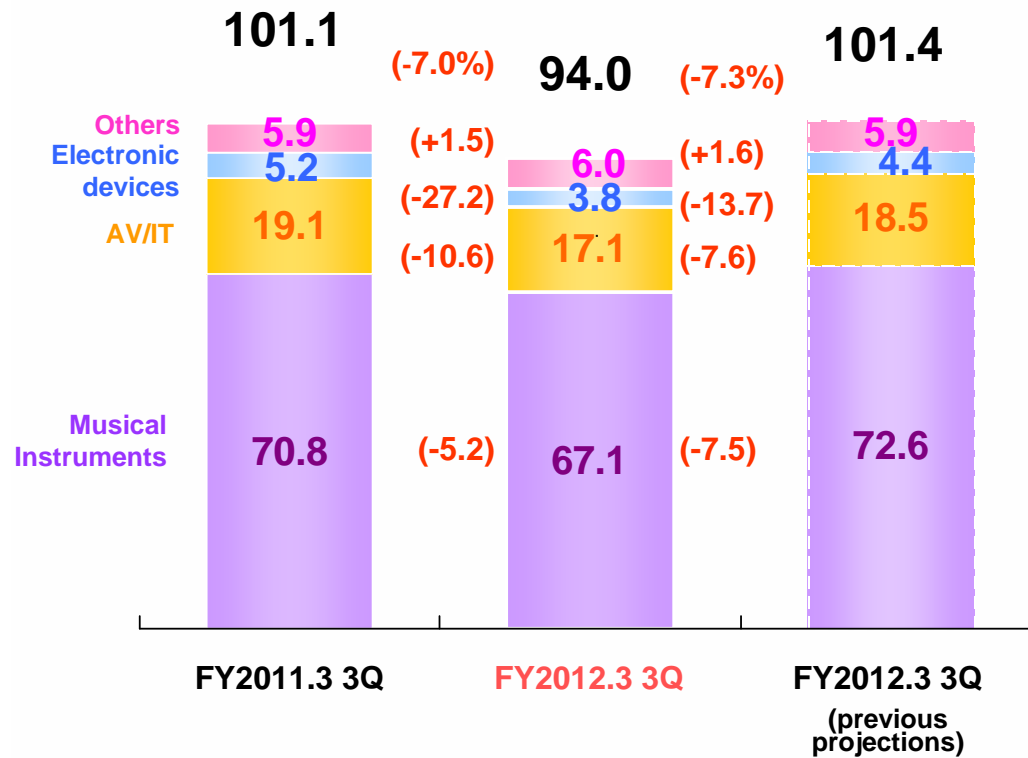


Net Sales

Operating Income

(Billions of yen)

(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 -¥2.5 billion, AV/IT -¥0.8 billion, electronic devices -¥0.1 billion)
Versus previous projections	-¥2.8 billion (musical instruments -¥2.1 billion, AV/IT -¥0.6 billion)

	Impact of exchange rates
Year-on-year	-¥0.4 billion (musical instruments -¥0.5 billion, AV/IT +¥0.2 billion)
Versus previous projections	-¥0.3 billion (musical instruments -¥0.4 billion, AV/IT +¥0.1 billion)

Performance in the First Three Quarters of FY2012.3



➤ Net sales and income declined year-on-year and against previous projections

(Billions of yen)

	FY2011.3 (1-3Q) results	FY2012.3 (1-3Q) results	Change from same period of previous year	Previous projections for FY2012.3 (1-3Q)	Change from projections
Net sales	285.4	270.6	-5.2%	278.0	-2.6%
Operating income (Operating income ratio)	16.3 (5.7%)	11.0 (4.1%)	-32.8%	12.5	-12.2%
Ordinary income (Ordinary income ratio)	14.3 (5.0%)	9.5 (3.5%)	-34.1%	10.5	-10.0%
Net income (Net income ratio)	10.0 (3.5%)	2.7 (1.0%)	-72.7%	3.7	-26.3%

Currency exchange rates (yen)

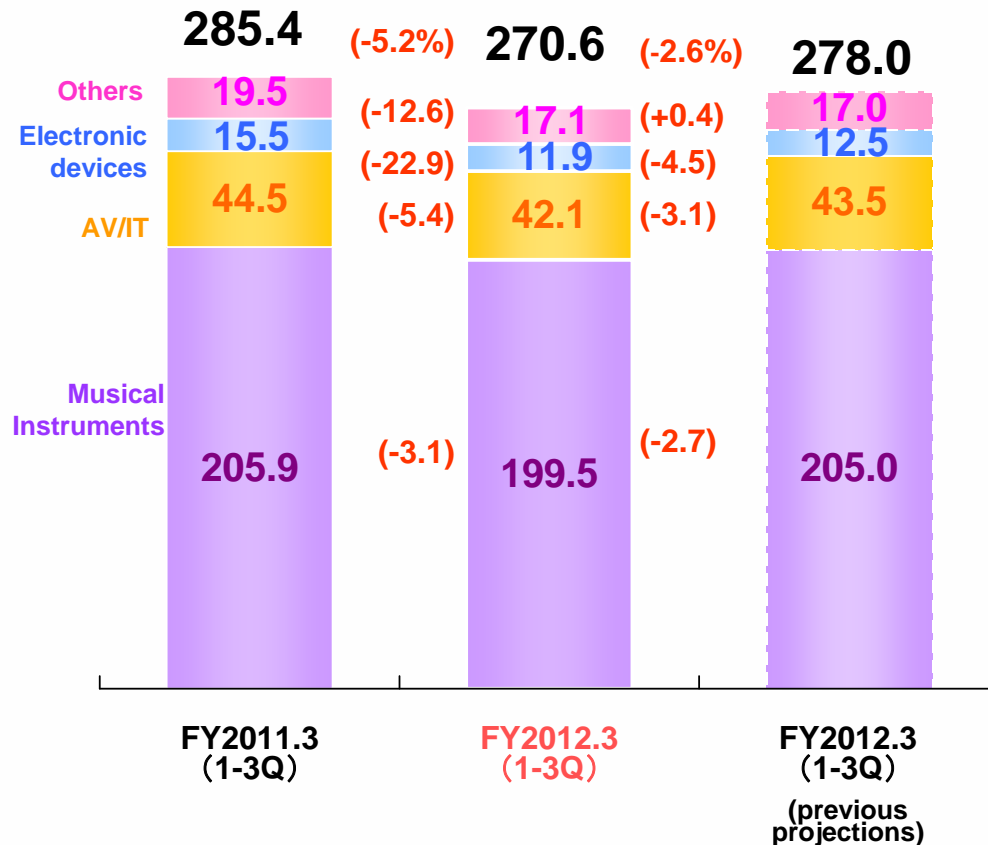
Net sales	US\$	87	79	80
	EUR	113	111	113
Operating income	US\$	87	79	80
	EUR	116	114	114

Performance by Business Segment in the First Three Quarters of FY2012.3



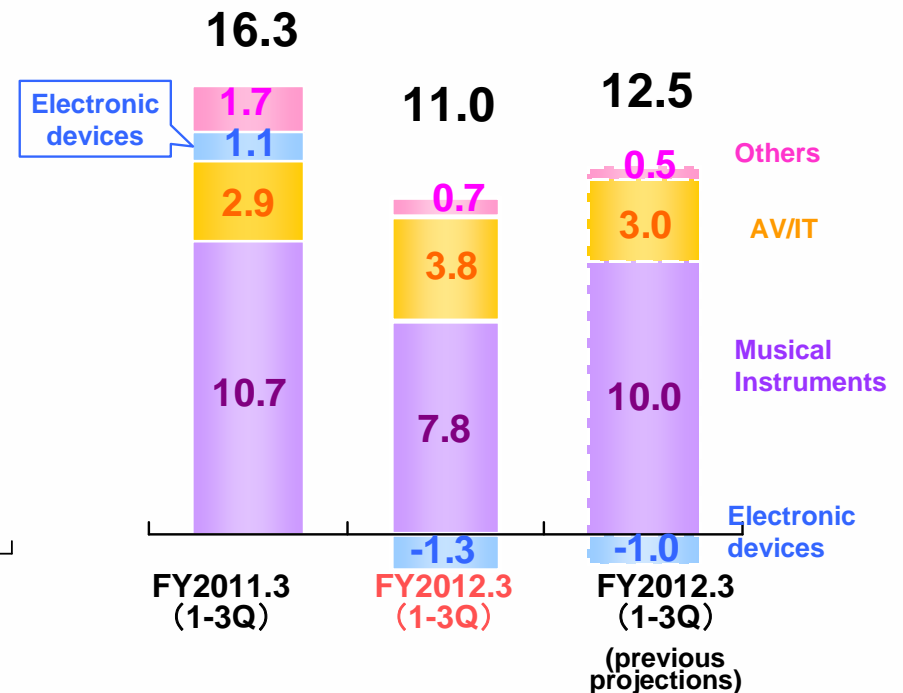
Net Sales

(Billions of yen)



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	-¥8.0 billion (musical instruments -¥6.3 billion, AV/IT -¥1.5 billion, electronic devices -¥0.3 billion)
Versus previous projections	-¥2.8 billion (musical instruments -¥2.1 billion, AV/IT -¥0.6 billion)

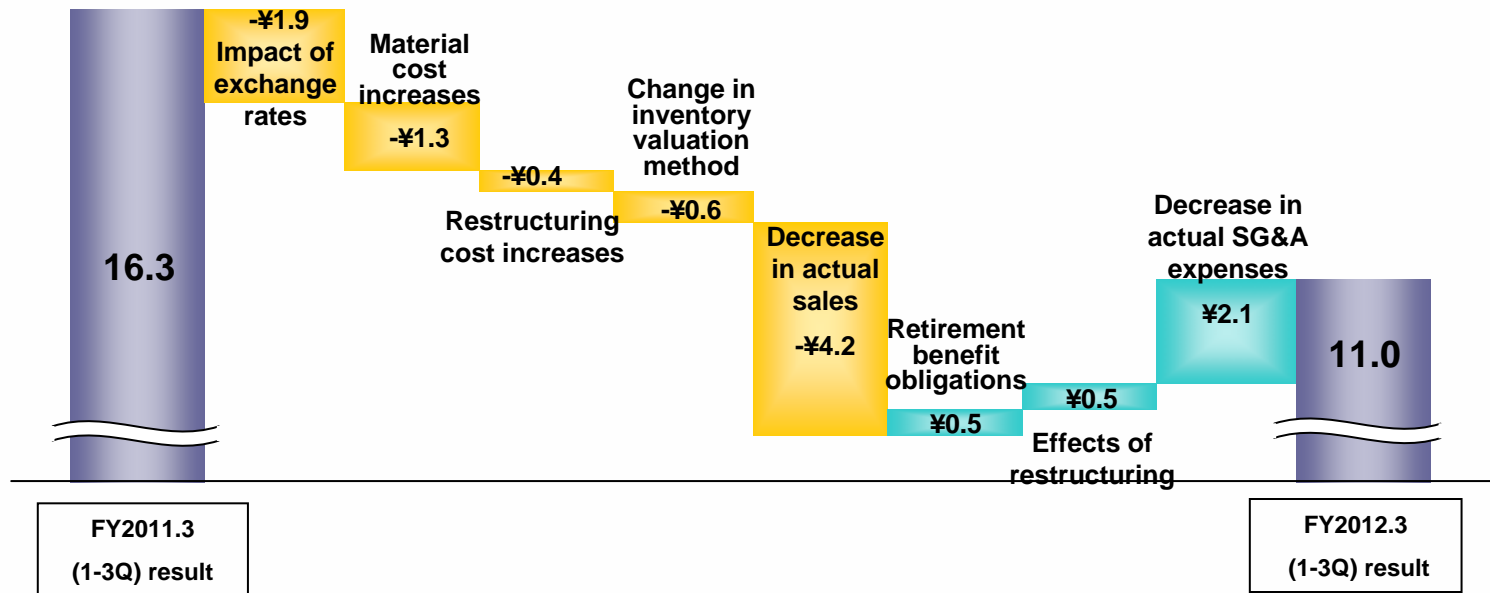
	Impact of exchange rates
Year-on-year	-¥1.9 billion (musical instruments -¥2.1 billion, AV/IT +¥0.3 billion, electronic devices -¥0.1 billion)
Versus previous projections	-¥0.3 billion (musical instruments -¥0.4 billion, AV/IT +¥0.1 billion)

FY2012.3 1-3Q Operating Income Analysis

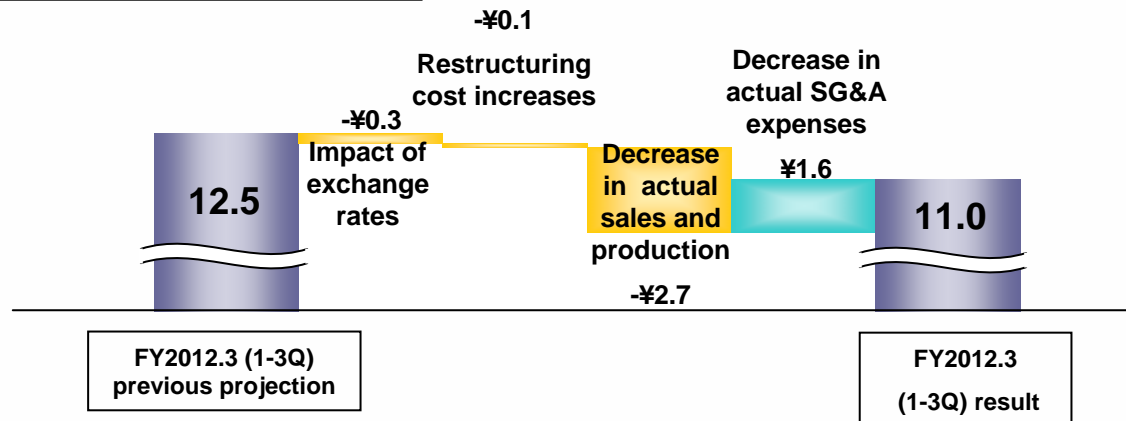


Versus same period of the previous year

(Billions of yen)



Versus previous projection



Business Environment in the Fourth Quarter of FY2012.3 and Full Year Performance Forecast



Business Environment in the Fourth Quarter

- Continuing instability centered on the European market
- Ongoing strong yen

Full Year Performance Forecast

- Full year projections for sales and income have been revised downward due to a range of factors including the emergence of delays in production of digital musical instruments, even after the resolution of the difficulties in procuring parts in the wake of the Great East Japan Earthquake and the resulting loss of sales opportunities, a negative sales outlook in the semiconductor business, worsening impact of exchange rates resulting from further appreciation of the yen, and component procurement difficulties caused by the floods in Thailand.

Forecast for Business Performance in the Fourth Quarter of FY2012.3



➤ Fourth quarter sales are projected to decline year-on-year. Sales and income are projected to be lower than previous projections.

(Billions of yen)

	FY2011.3 (4Q) results	FY2012.3 (4Q) new projections	Change from same period of previous year	Previous projections (FY2012.3 4Q)	Change from projections
Net sales	88.4	83.4	-5.7%	91.0	-8.4%
Operating income	-3.2	-3.5	—	0	—
Ordinary income	-3.4	-3.5	—	0	—
Net income	-4.9	-2.7	—	0.3	—

Currency exchange rates (yen)

Net sales	US\$	82	75	80
	EUR	113	105	110
Operating income	US\$	82	75	80
	EUR	112	105	110

Forecast for Performance by Business Segment in the Fourth Quarter of FY2012.3

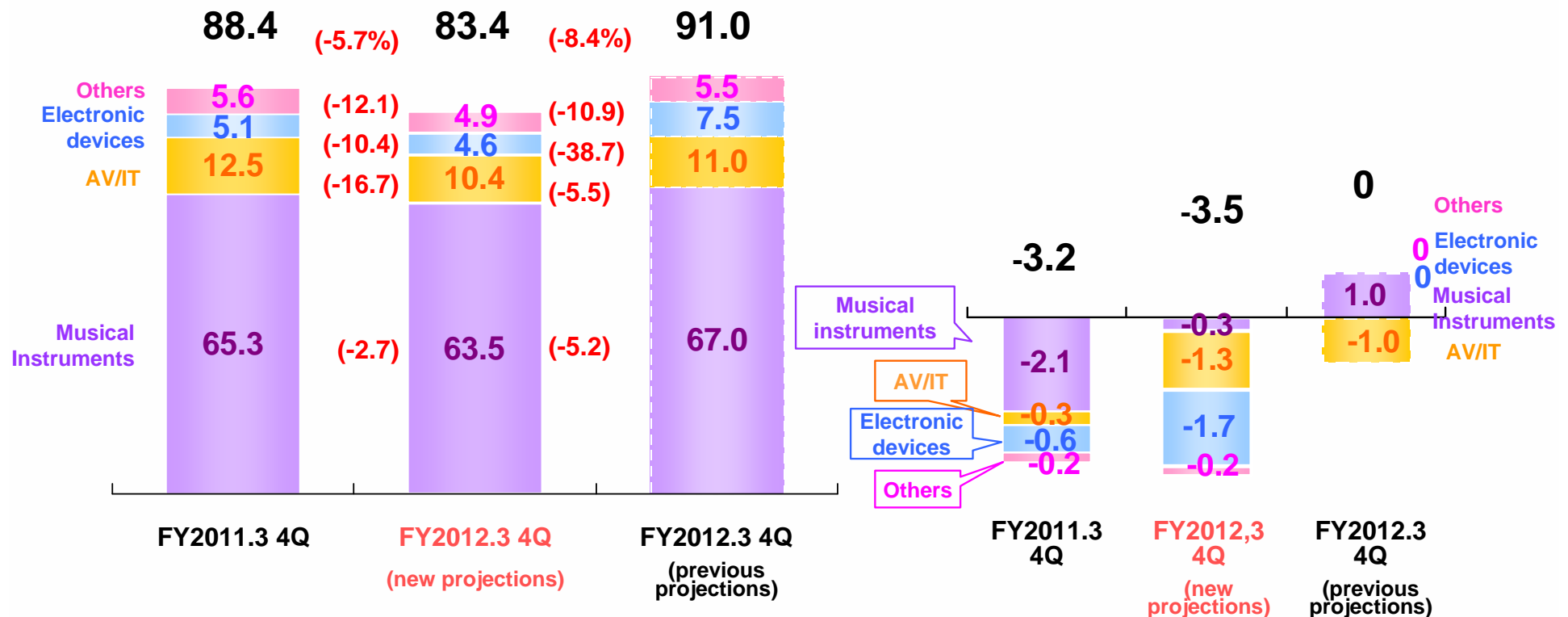


Net Sales

(Billions of yen)

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	-¥3.1 billion (musical instruments -¥2.5 billion, AV/IT -¥0.6 billion, electronic devices -¥0.1 billion)
Versus previous projections	-¥2.2 billion (musical instruments -¥1.8 billion, AV/IT -¥0.4 billion, electronic devices -¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥0.8 billion (musical instruments -¥0.7 billion, electronic devices -¥0.1 billion)
Versus previous projections	-¥0.7 billion (musical instruments -¥0.6 billion, AV/IT -¥0.1 billion, electronic devices -¥0.1 billion)

Forecast for Performance in FY2012.3 (Full Year)

- Estimated 4Q exchange rates: US\$=¥75, EUR=¥105
- Full year sales projection revised downward. Operating income projection revised downward by ¥5 billion.

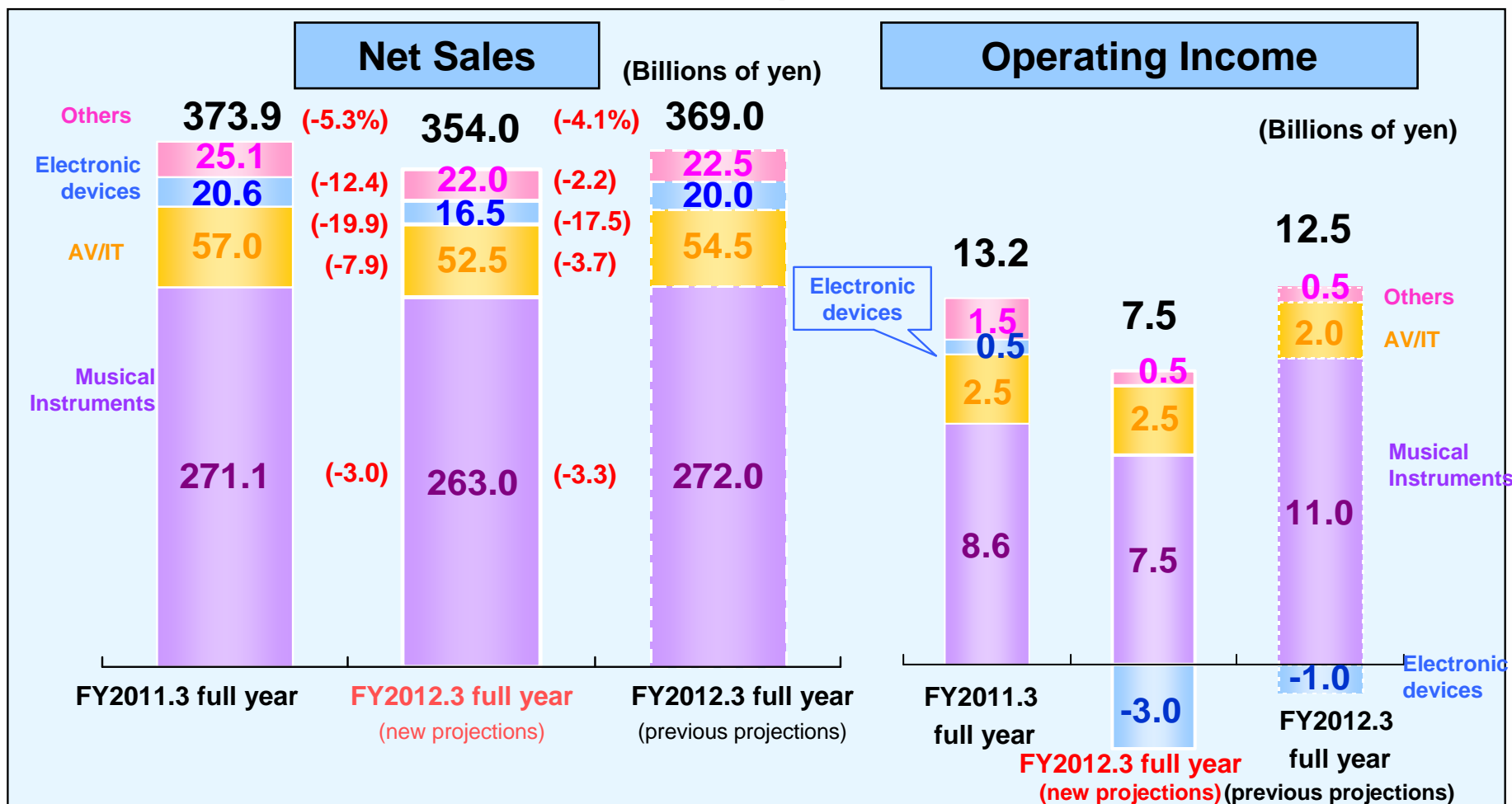
(Billions of yen)

	FY2012.3 1-3Q results	FY2012.3 4Q projections	FY2012.3 full year (new projections)	FY2012.3 (previous projections made 11/12/19)	FY2011.3 full year results	Change from previous projections	Change from previous year results
Net sales	270.6	83.4	354.0	369.0	373.9	-15.0	-19.9
Operating income (Operating income ratio)	11.0 (4.1%)	-3.5	7.5 (2.1%)	12.5 (3.4%)	13.2 (3.5%)	-5.0	-5.7
Ordinary income (Ordinary income ratio)	9.5 (3.5%)	-3.5	6.0 (1.7%)	10.5 (2.8%)	11.0 (2.9%)	-4.5	-5.0
Net income (Net income ratio)	2.7 (1.0%)	-2.7	0 (—)	4.0 (1.1%)	5.1 (1.4%)	-4.0	-5.1

Currency exchange rates (yen)

	US\$	79	75	78	80	86
Net sales	EUR	111	105	109	112	113
Operating income	US\$	79	75	78	80	86
	EUR	114	105	112	113	115

FY2012.3 Full Year Forecast for Performance by Business Segment



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

	Impact of exchange rates
Year-on-year	-¥11.1 billion (musical instruments -¥8.8 billion, AV/IT -¥2.1 billion, electronic devices -¥0.3 billion)
Versus previous projections	-¥5.0 billion (musical instruments -¥3.9 billion, AV/IT -¥1.1 billion, electronic devices -¥0.1 billion)

	Impact of exchange rates
Year-on-year	-¥2.7 billion (musical instruments -¥2.8 billion, AV/IT +¥0.3 billion, electronic devices -¥0.2 billion)
Versus previous projections	-¥0.9 billion (musical instruments -¥0.9 billion, AV/IT +¥0.1 billion, electronic devices -¥0.1 billion)

Impact of Japanese Earthquake and Thai Floods

Impact of earthquake		Initial projections (May 9, 2011)	Phase 2 projections (Aug.1, 2011)	Previous projections (Nov. 1, 2011)
Component procurement difficulties (mainly affecting digital musical instruments and AV products)	Net sales	-¥9.2 billion	-¥6.4 billion	-¥4.9 billion
	Operating income	-¥3.3 billion	-¥1.9 billion	-¥1.7 billion
Weak consumer spending in Japan	Net sales	-¥4.5 billion	-¥2.4 billion	-¥1.8 billion
	Operating income	-¥1.5 billion	-¥0.8 billion	-¥0.6 billion
Customers' production cuts (electronic devices and "others" businesses)	Net sales	-¥3.3 billion	-¥2.9 billion	-¥2.8 billion
	Operating income	-¥1.2 billion	-¥1.3 billion	-¥1.2 billion
Total	Net sales	-¥17.0 billion	-¥11.7 billion	-¥9.5 billion
	Operating income	-¥6.0 billion	-¥4.0 billion	-¥3.5 billion
Impact on production		-¥13.6 billion	-¥6.0 billion	-¥4.0 billion

The projections for the impact of the earthquake remain unchanged

■ Impact of additional events

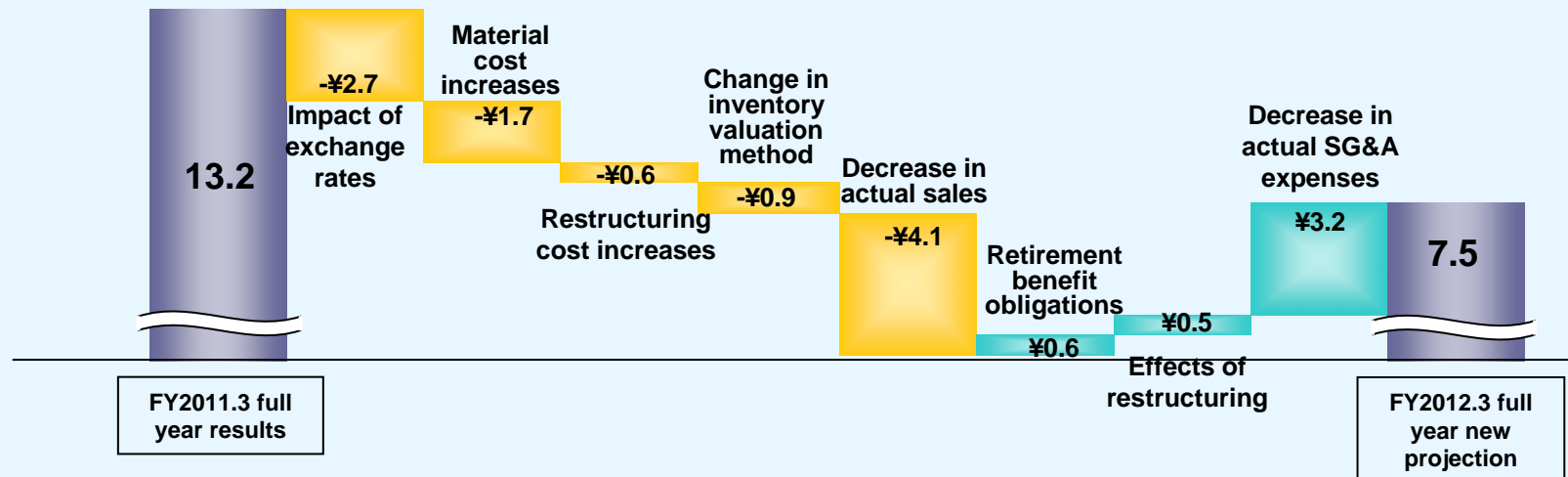
Production delays following re-start of component supply	Net sales	-¥2.0 billion
	Operating income	-¥1.5 billion
Floods in Thailand	Net sales	-¥1.3 billion
	Operating income	-¥0.5 billion

FY2012.3 Full Year Operating Income Analysis

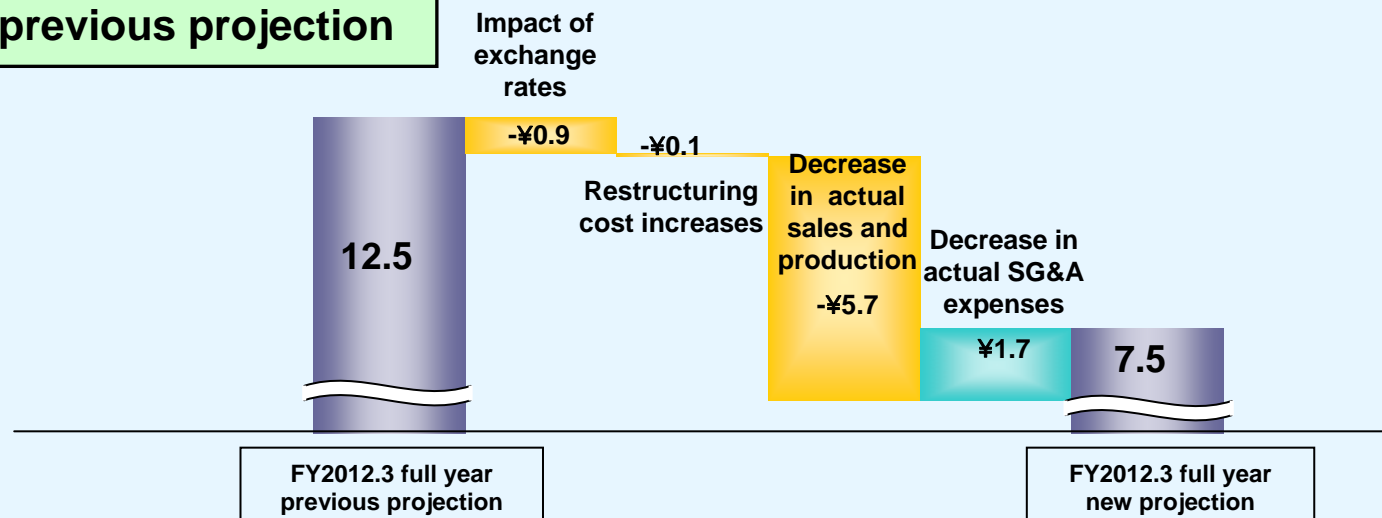


Versus same period of the previous year

(Billions of yen)



Versus previous projection



Musical Instruments

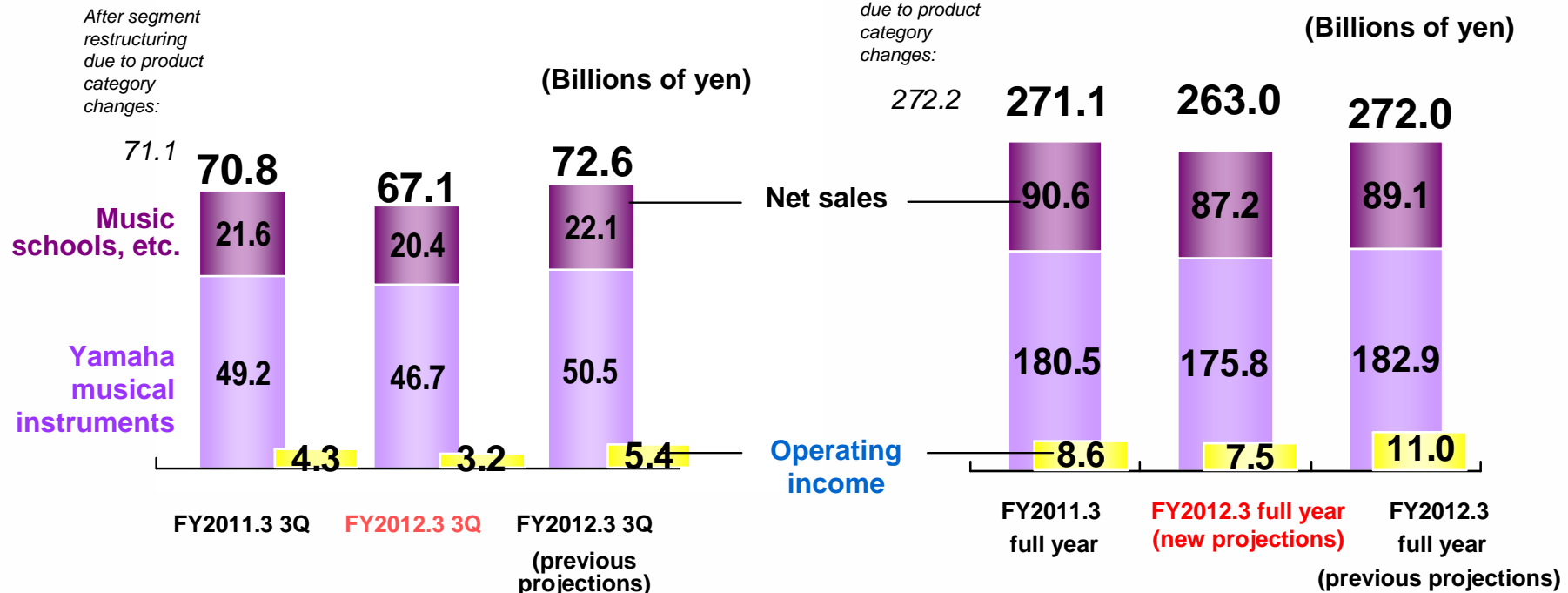


3Q Overview

- Sales and income declined year-on-year and against previous projections.
- Discounting the impact of exchange rates, actual sales decreased by ¥1.2 billion year-on-year, and were ¥3.4 billion lower than previous projections.
- Sales of pianos and wind/string/percussion instruments increased year-on-year, but sales of digital musical instruments fell due to supply delays stemming from the earthquake.
- Marked downturn in European market.
- Operating income was down year-on-year and against previous projections, due to factors including lower sales of digital musical instruments.

Full Year Overview and 4Q Priorities

- Full year sales and income are expected to be lower than previous projections.
- Steadily develop sales networks in China and emerging markets.
- Rebound from impact of earthquake and fill backlog of orders for digital musical instruments.
- Revise prices.
- Complete consolidation of wind instrument factories in Japan.

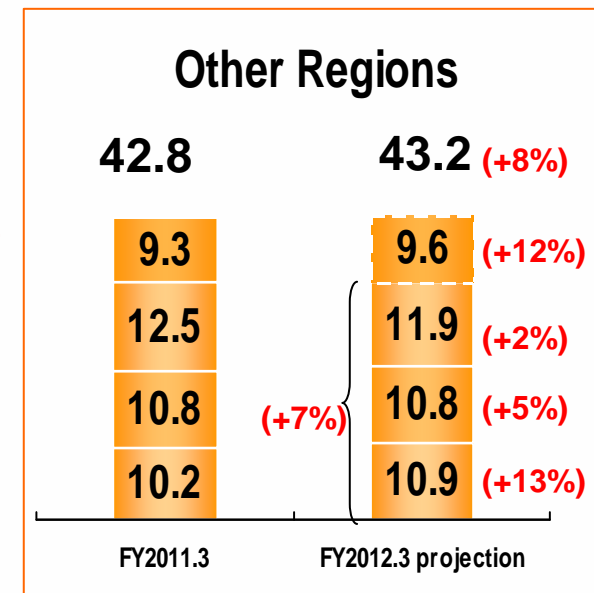
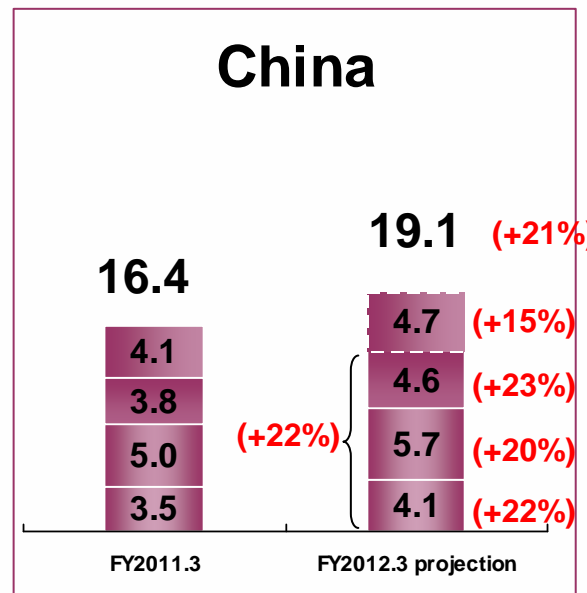
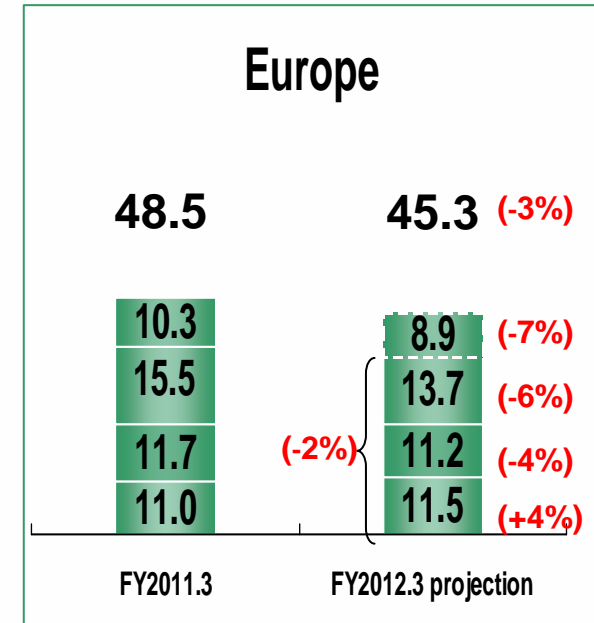
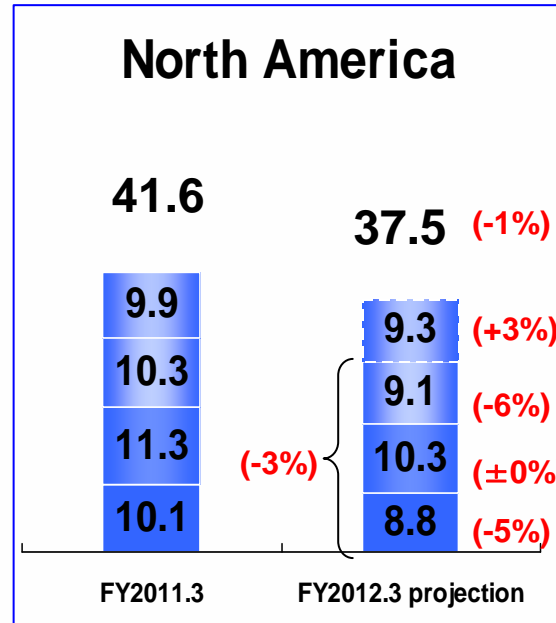
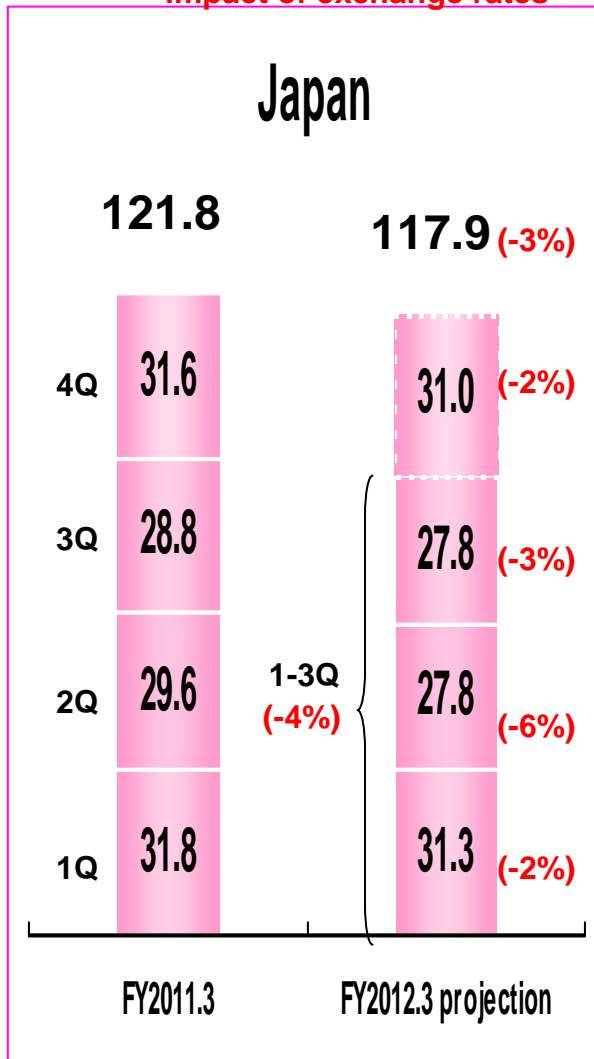


Musical Instruments: Sales by Region



(Billions of yen)

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

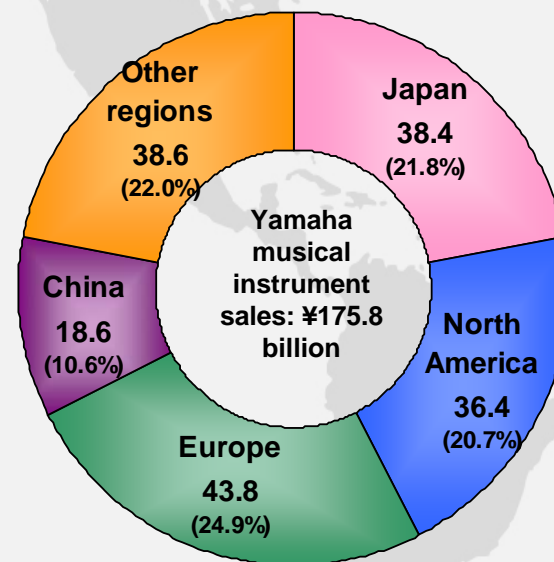


Musical Instruments: Sales by Region



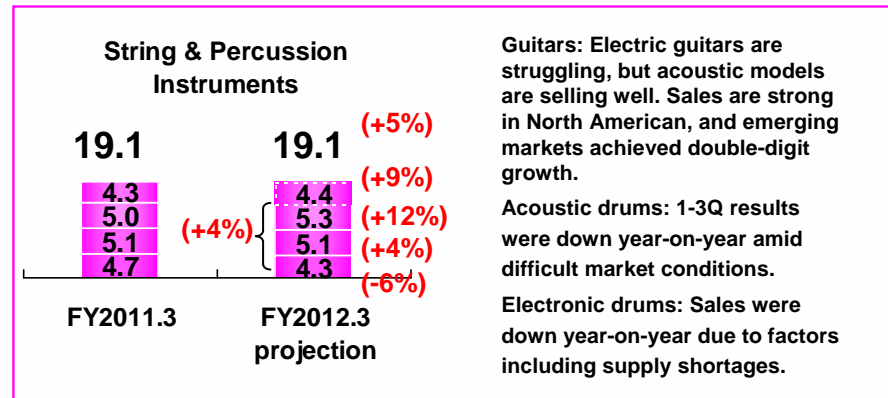
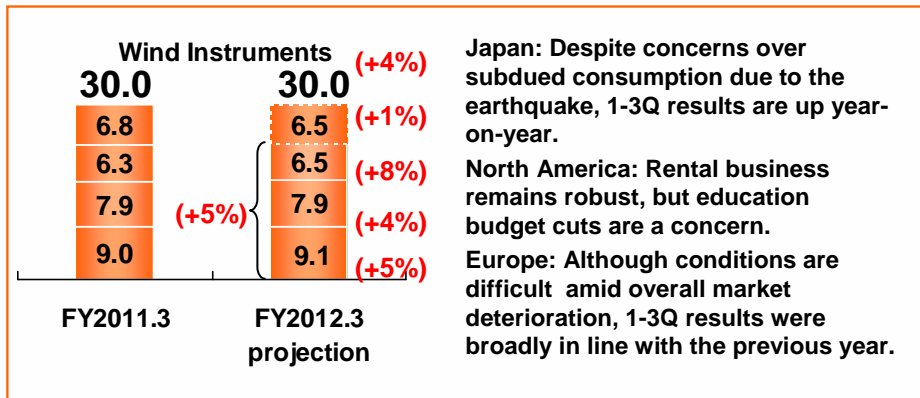
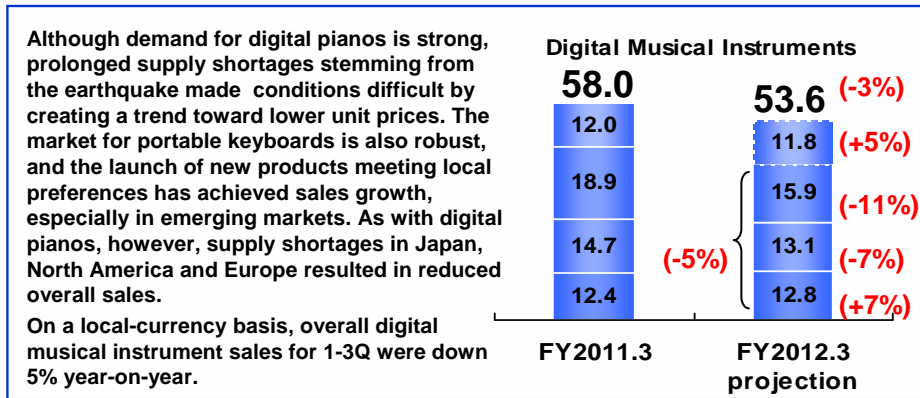
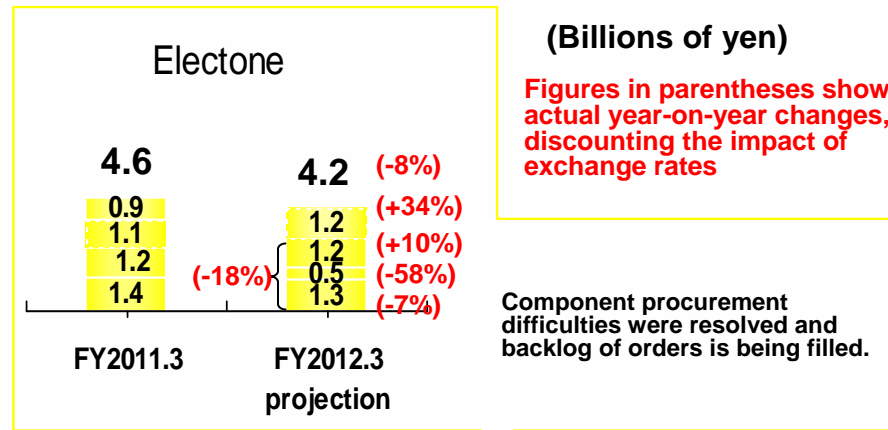
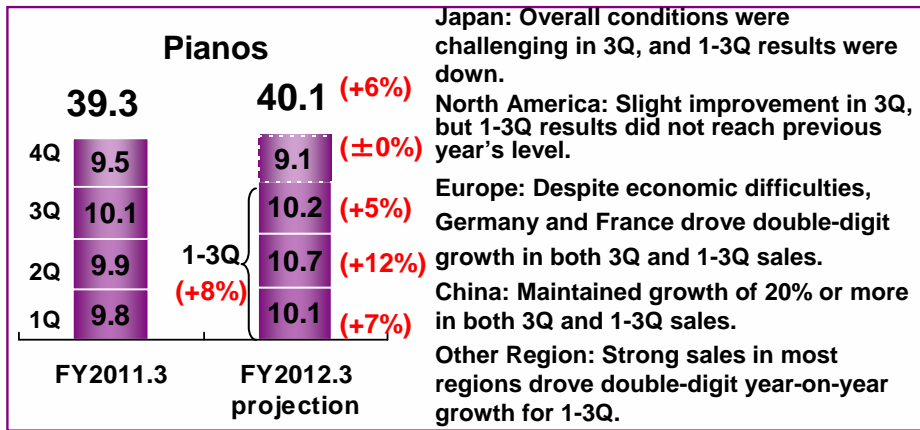
Musical Instrument Sales by Region	
Japan	Electones are selling well after shipments restarted in 3Q following supply disruptions caused by the earthquake. Sales of wind instruments were on a par with the previous year, while sales of guitars increased. The crucial piano segment battled with inventory adjustments by sales outlets, and sales of digital pianos and portable keyboards declined year-on-year. The new THR guitar amplifiers are projected to exceed its annual sales target of 10,000 units, with 3,000 units shipped in the two months following its launch. Overall musical instrument sales were down year-on-year.
North America	The overall market is showing a trend toward recovery. Third quarter sales of pianos and wind instruments rose year-on-year. Professional audio equipment sales also increased, driven by a recovery in commercial audio market and strong sales of NEXO products. Guitar and drum sales were generally solid and results were broadly in line with the previous year, but digital pianos and portable keyboards struggled in the face of product supply shortages resulting from the earthquake. Overall 3Q musical instrument sales were down slightly year-on-year.
Europe	Although there were fears that the European financial crisis would spark a major decline, Germany remains robust. However, France, the UK and Spain are struggling. Polarization by price range is evident. Pianos sold well to exceed the previous year's results, but digital pianos and portable keyboards suffered from the impact of the earthquake and production delay, and could not catch up with the sales target, resulting in a year-on-year decline. Wind instruments struggled in the UK, but solid results in Italy and Spain led to a year-on-year increase in 3Q sales. Acoustic guitars recorded strong sales, but sales of electric guitars, synthesizers and electronic drums were more subdued.
China	Overall sales were driven by key products including acoustic pianos and portable keyboards, which maintained growth of more than 20%. Sales of low-priced upright pianos were robust, while increased sales of mid-range and high-end products and new grand piano models maintained average unit prices. Brass band instructor training spurred sales of wind instruments. Aiming for further growth by building sales networks on the mainland, expanding sales channels in second- and third-tier cities, and enhancing the product line-up.
Other regions	Sales of pianos, guitars and wind instruments in emerging markets made up for digital musical instruments affected by the earthquake, maintaining overall sales growth. Brazil and other Latin American markets continue to show steady growth. Although keyboard instruments are still struggling in Southeast Asia (except Indonesia), Asian sales are generally robust. Conditions in Oceania are challenging amid music store restructuring. Sales in Russia grew sharply year-on-year, especially for digital musical instruments and professional audio equipment. The growth trend also continues in India.

Yamaha Musical Instrument Sales by Region



FY2012.3 full year projection

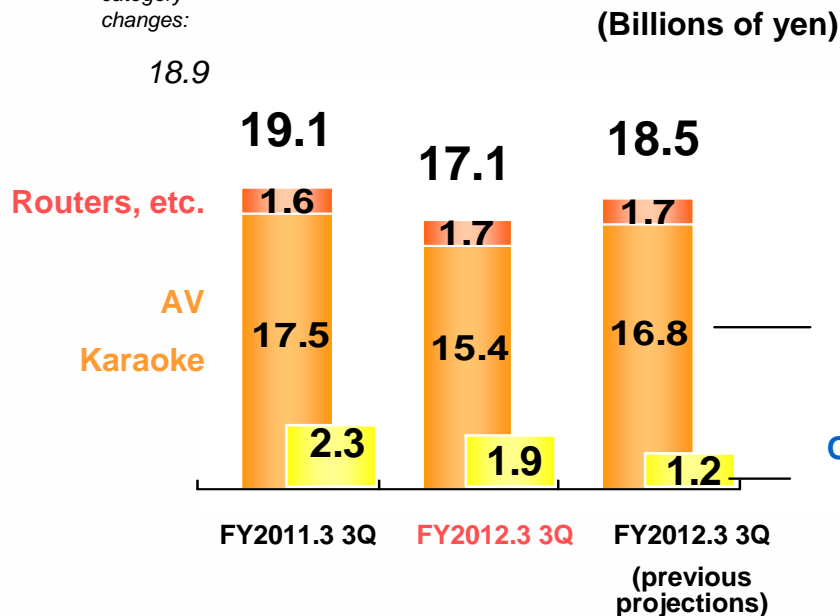
Musical Instruments: Sales by Product Category YAMAHA



3Q Overview

- Sales and income declined year-on-year. Sales were lower than previous projections, but income was higher.
- Discounting the impact of exchange rates, actual sales decreased by ¥1.2 billion.
- Sales of TV peripheral products declined in Japan as demand for flat-panel TVs eased off.
- Operating income was down year-on-year, partly due to reduced income from karaoke equipment. Income exceeded previous projections.

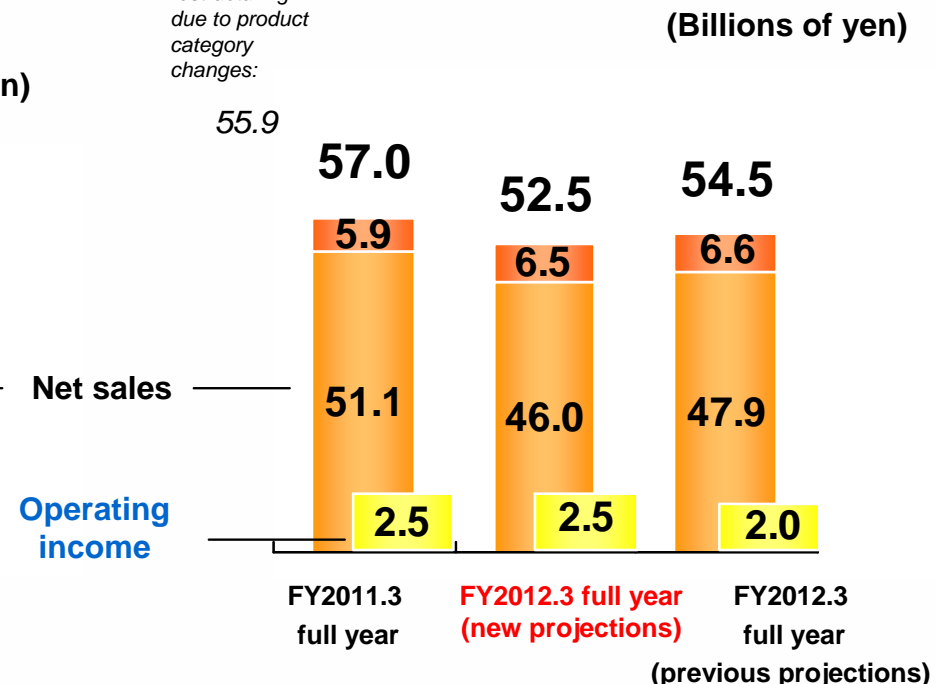
After segment restructuring due to product category changes:



Full Year Overview and 4Q Priorities

- Sales are expected to be down year-on-year and against previous projections, but income is forecast to exceed previous projections.
- Steadily supply new products in developed markets.
- Accelerate development of sales networks in emerging markets.
- Minimize impact of Thai floods.

After segment restructuring due to product category changes:



Electronic Devices

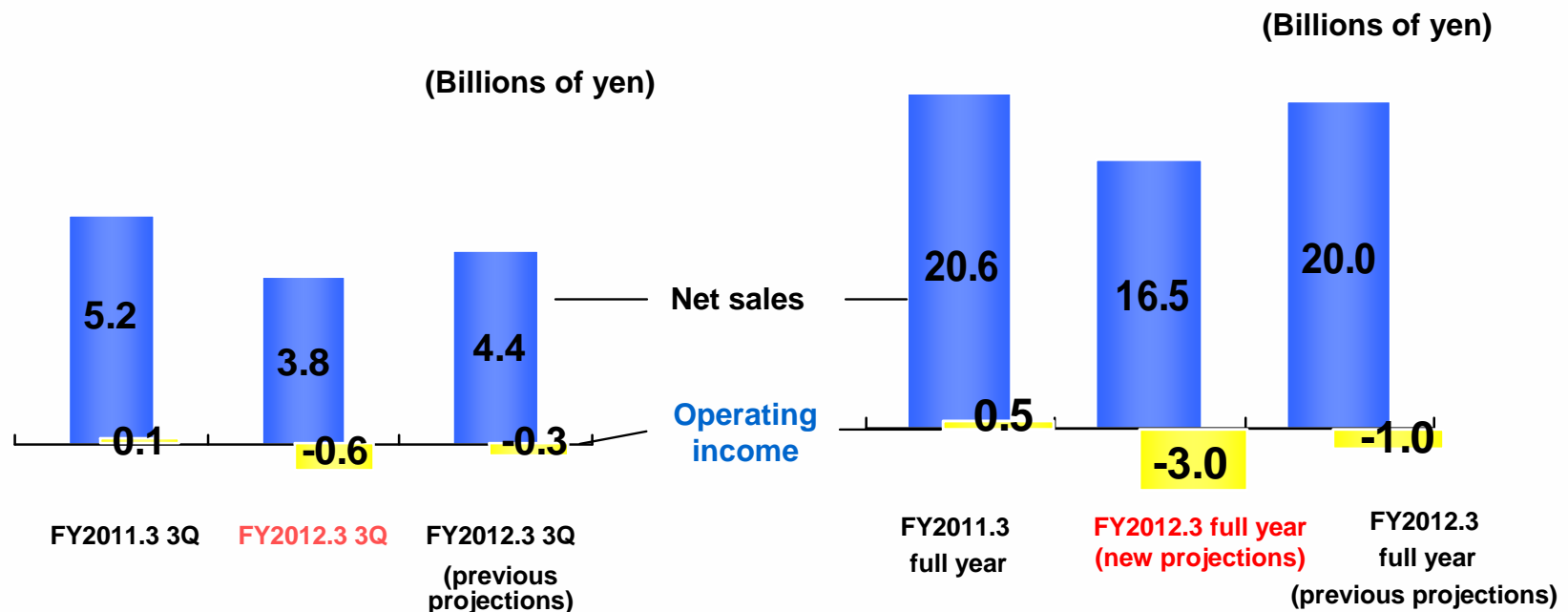


3Q Overview

- Sales and income were down year-on-year and against previous projections.
- Sales of most products were down year-on-year and against previous projections, due to slow sales by finished product manufacturers and lower unit prices.
- Operating losses exceeded previous projections due to sharply reduced sales.

Full Year Overview and 4Q Priorities

- Sales and income projections revised downward.
- Reinforce sales targeted at smart phone and home appliance markets in China.
- Enhance new product develop targeted at amusement and in-car device markets.
- Boost profitability by further cutting unit costs and trimming SG&A expenses.



Others

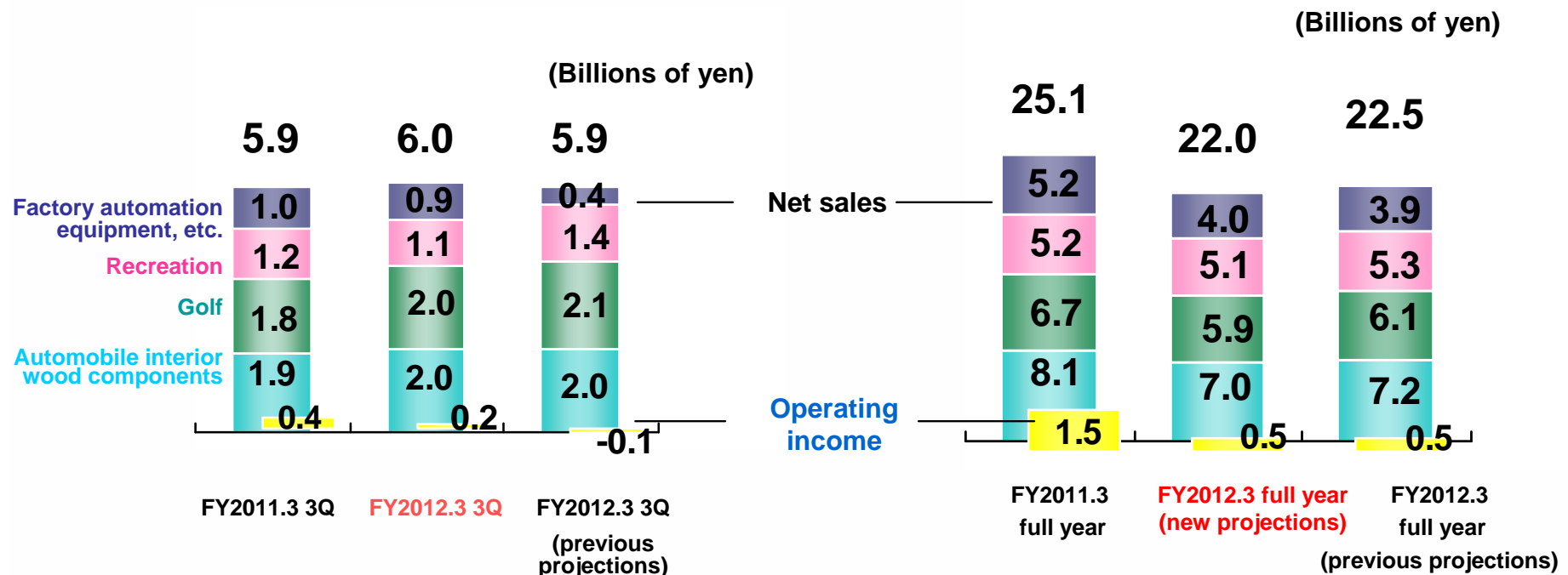


3Q Overview

- Sales were on a par with the same period of the previous year and income declined.
- Sales of automobile interior wood components increased year-on-year and were in line with previous projections.
- Golf product sales rose as new products were launched, but competition is fierce.
- Recreation business sales were down year-on-year and against previous projections.

Full Year Overview and 4Q Priorities

- Sales and income projections revised downward.
- Continue to steadily supply automobile interior wood components and reduce unit costs.
- Steadily launch new golf products, including development of Chinese market.



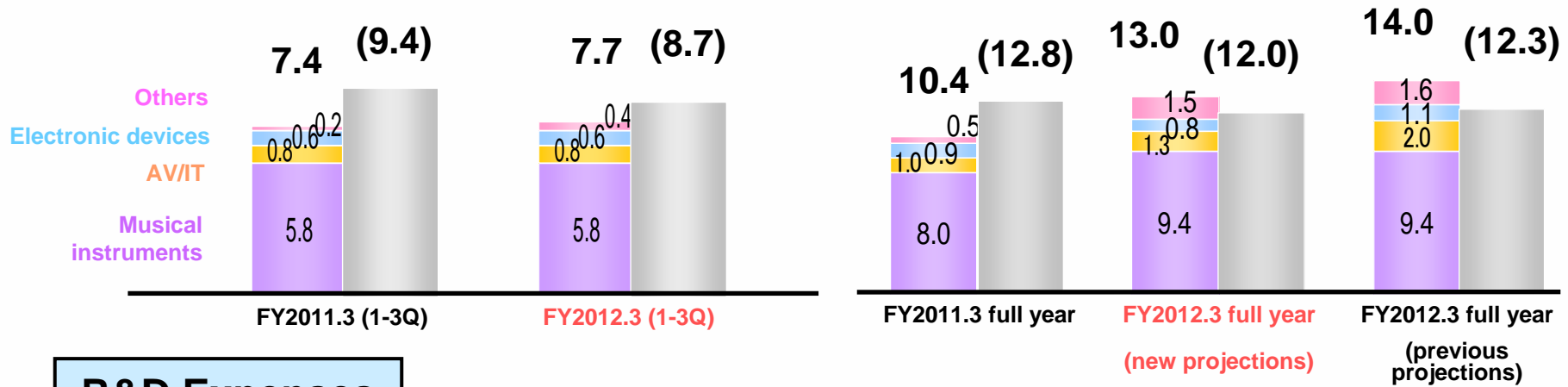
Capital Expenditure/Depreciation/R&D Expenses

Capital Expenditure (Depreciation)

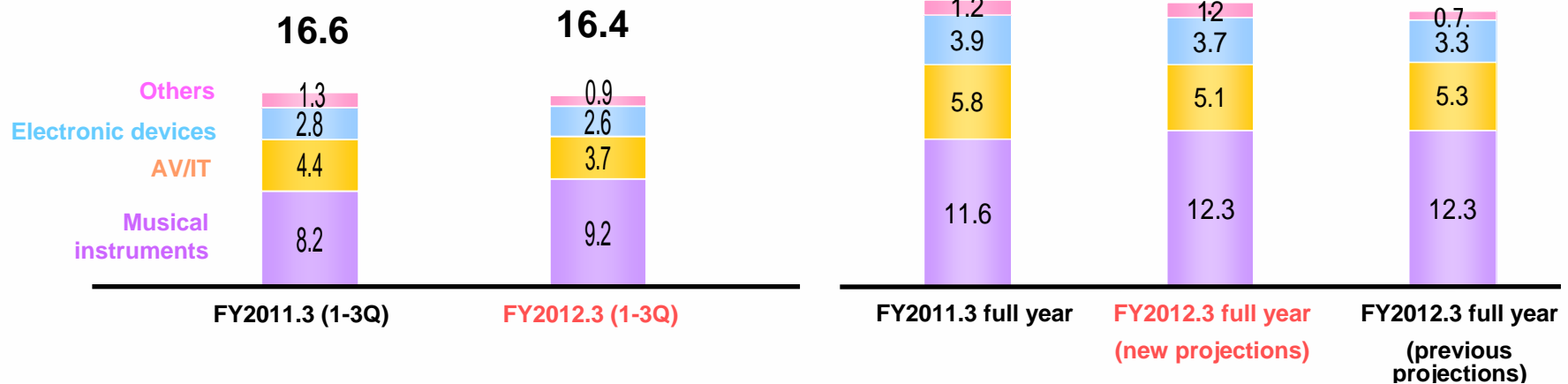
(Billions of yen)

1-3Q

Full year



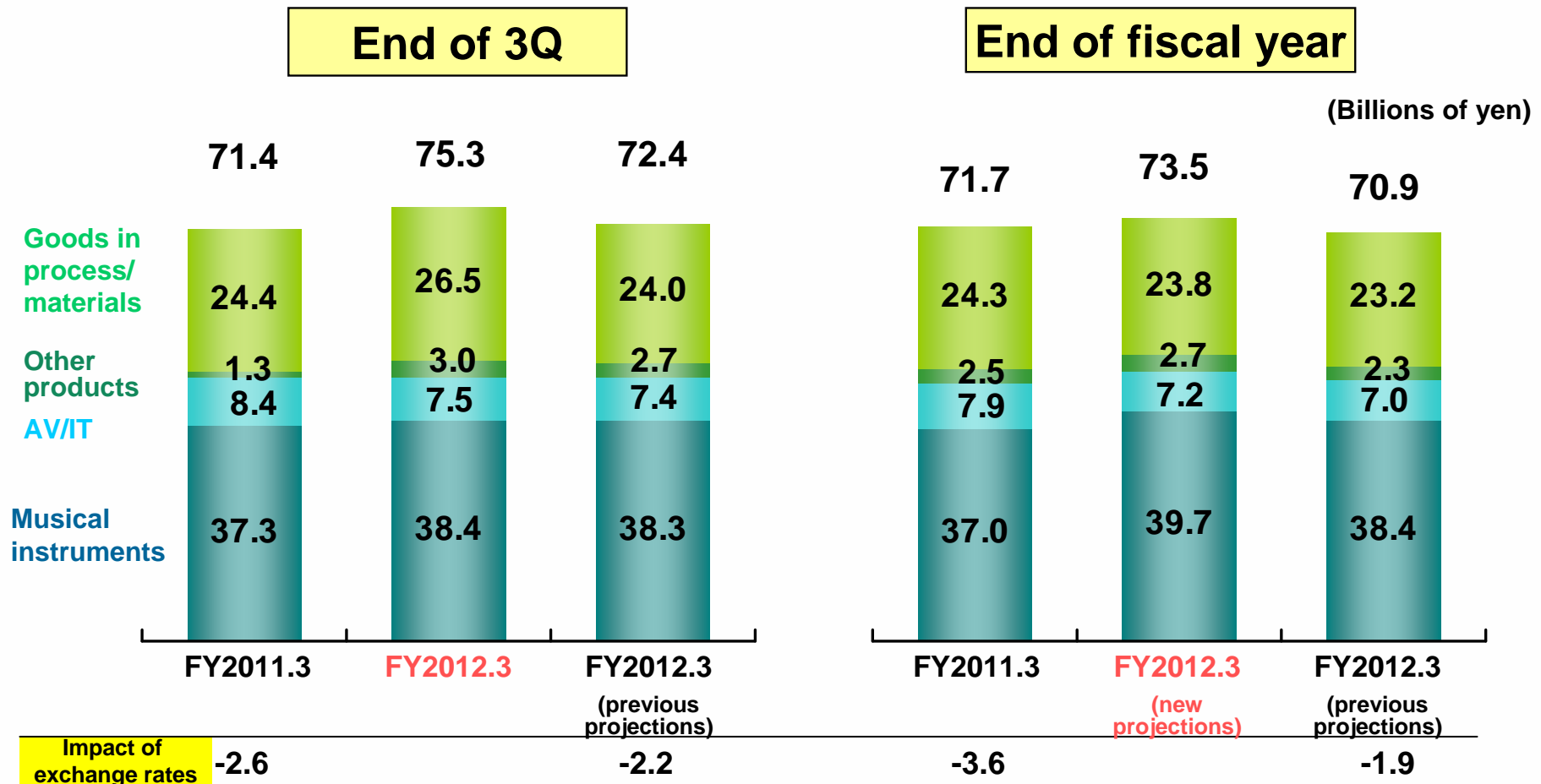
R&D Expenses



Inventories



- Inventories at the end of December were ¥3.9 billion higher than the same period of the previous year. Discounting the impact of exchange rates (-¥2.6 billion), actual inventories were up ¥6.5 billion.
- Discounting the impact of exchange rates, actual inventories were ¥5.1 billion higher than previous projections.



Balance Sheet Summary



(Billions of yen)

	As of end of 3Q			Full year projections		
	As of Dec. 31, 2010	As of Dec. 31, 2011	Change	As of Mar. 31, 2011	As of Mar. 31, 2012	Change
Cash and deposits*	49.6	53.2	3.6	58.7	56.1	-2.6
Notes and accounts receivable	54.8	51.2	-3.6	45.1	39.8	-5.3
Inventories	71.4	75.3	3.9	71.7	73.5	1.8
Other current assets	16.8	14.6	-2.2	19.2	15.3	-3.9
Fixed assets	195.4	179.9	-15.5	196.2	181.3	-14.9
Total assets	388.0	374.2	-13.8	390.9	366.0	-24.9
Notes and accounts payable	21.5	21.8	0.3	24.2	21.0	-3.2
Short- and long-term loans	17.4	18.0	0.6	11.8	10.8	-1.0
Recreation membership deposits	15.9	15.6	-0.3	15.9	15.6	-0.3
Other liabilities	89.1	91.2	2.1	94.0	95.2	1.2
Total net assets	244.1	227.6	-16.5	245.0	223.4	-21.6
Total liabilities and net assets	388.0	374.2	-13.8	390.9	366.0	-24.9

*Includes negotiable deposits

Appendix

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



	FY2011.3 (3Q) results	FY2012.3 (3Q) results	FY2012.3 (3Q) previous projections
(Billions of yen)			
Non-operating income/loss			
Net financial income	0.1	0.2	0.1
Other	-1.2	-0.7	-1.1
Total	-1.1	-0.5	-1.0
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	-0.1	0	-0.1
Other	0.5	0	-0.1
Total	0.4	0	-0.2
Income taxes and other expenses			
Income taxes - current	0.8	0.9	0.4
Income taxes - deferred	0.5	3.3	3.7
Minority interests in income	0.1	0.1	0
Total	1.4	4.3	4.1

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



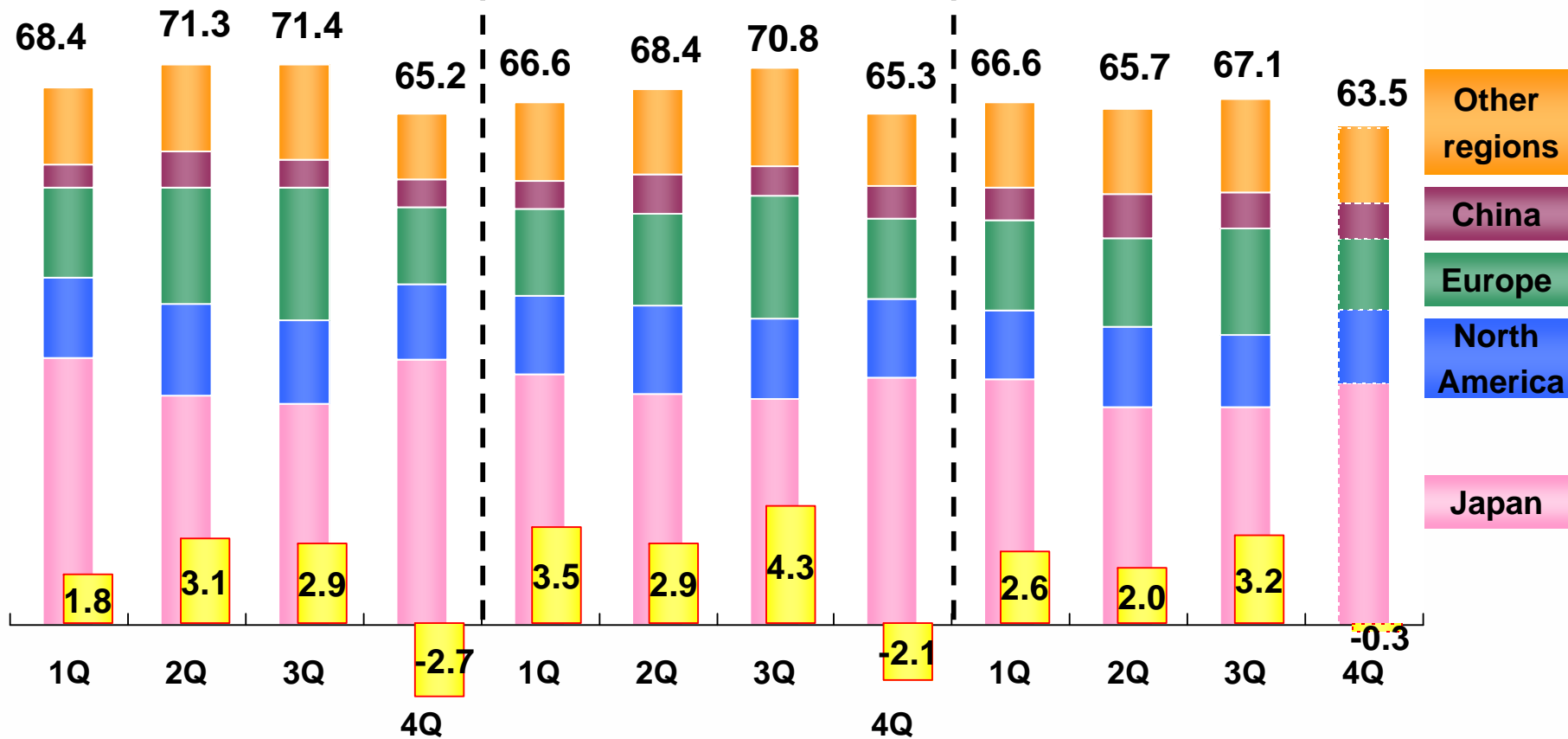
	FY2011.3 results	FY2012.3 new projections	FY2012.3 previous projections
(Billions of yen)			
Non-operating income/loss			
Net financial income	0.7	1.4	0.8
Other	-2.9	-2.9	-2.8
Total	-2.2	-1.5	-2.0
Extraordinary income/loss			
Income from (loss on) disposal of fixed assets	-0.2	-0.1	-0.2
Other	-4.0	0.1	-0.3
Total	-4.2	0	-0.5
<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;"> <ul style="list-style-type: none"> •Revaluation loss on investment securities -1.5 •Impairment loss -2.7 </div>			
Income taxes and other expenses			
Income taxes - current	4.3	3.3	2.6
Income taxes - deferred	-3.0	2.5	0.7
Minority interests in income	0.4	0.2	0.2
Total	1.7	6.0	3.5

Musical Instruments: Sales and Income by Quarter



Net sales: ¥276.3 billion Operating income: ¥5.1 billion	Net sales: ¥271.1 billion Operating income: ¥8.6 billion	Net sales: ¥263.0 billion Operating income: ¥7.5 billion
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(Billions of yen)



FY2010.3

FY2011.3

FY2012.3 projections

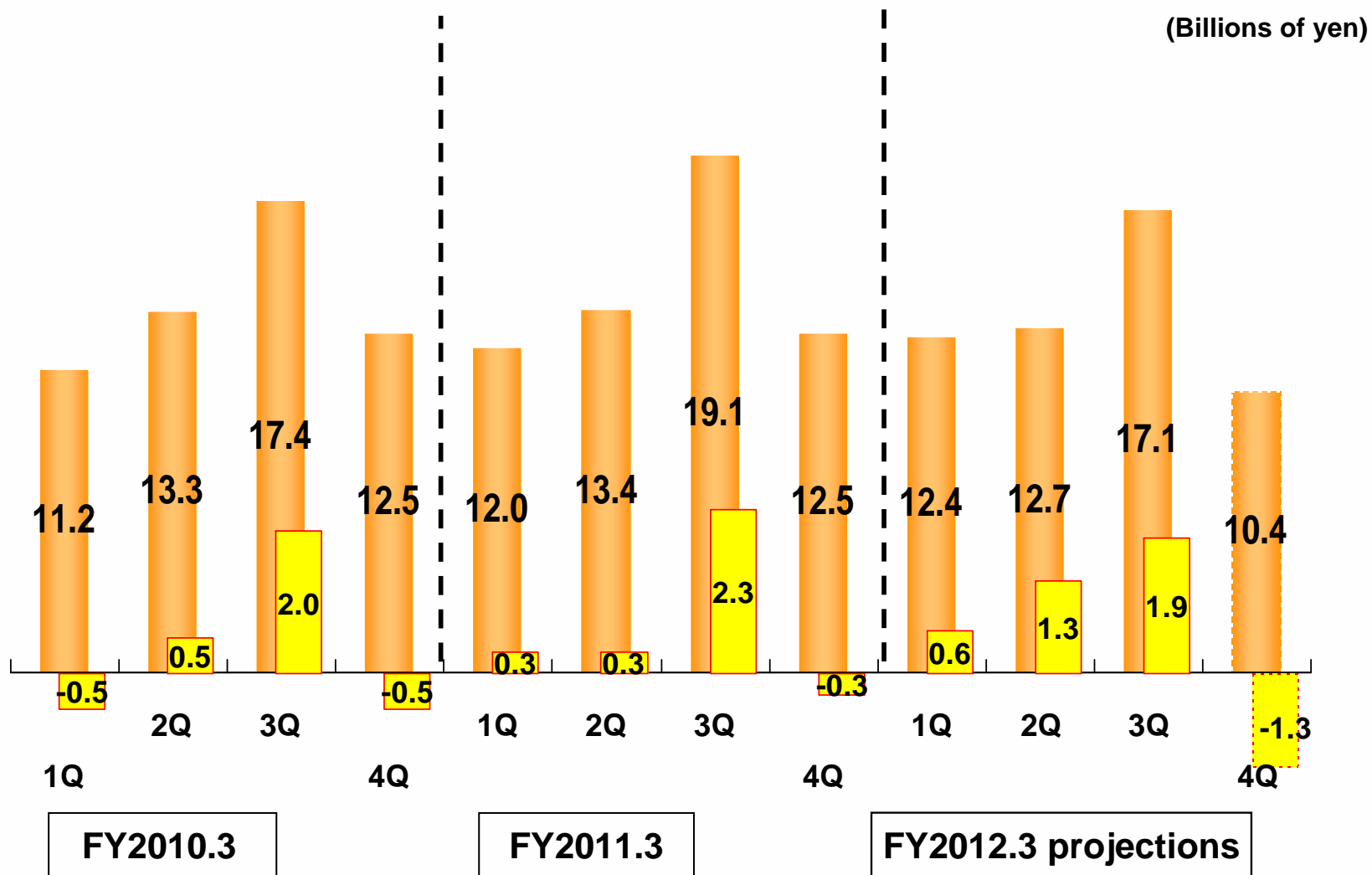
AV/IT: Sales and Income by Quarter



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

Net sales: ¥57.0 billion
Operating income: ¥2.5 billion

Net sales: ¥52.5 billion
Operating income: ¥2.5 billion



Electronic Devices: Sales and Income by Quarter

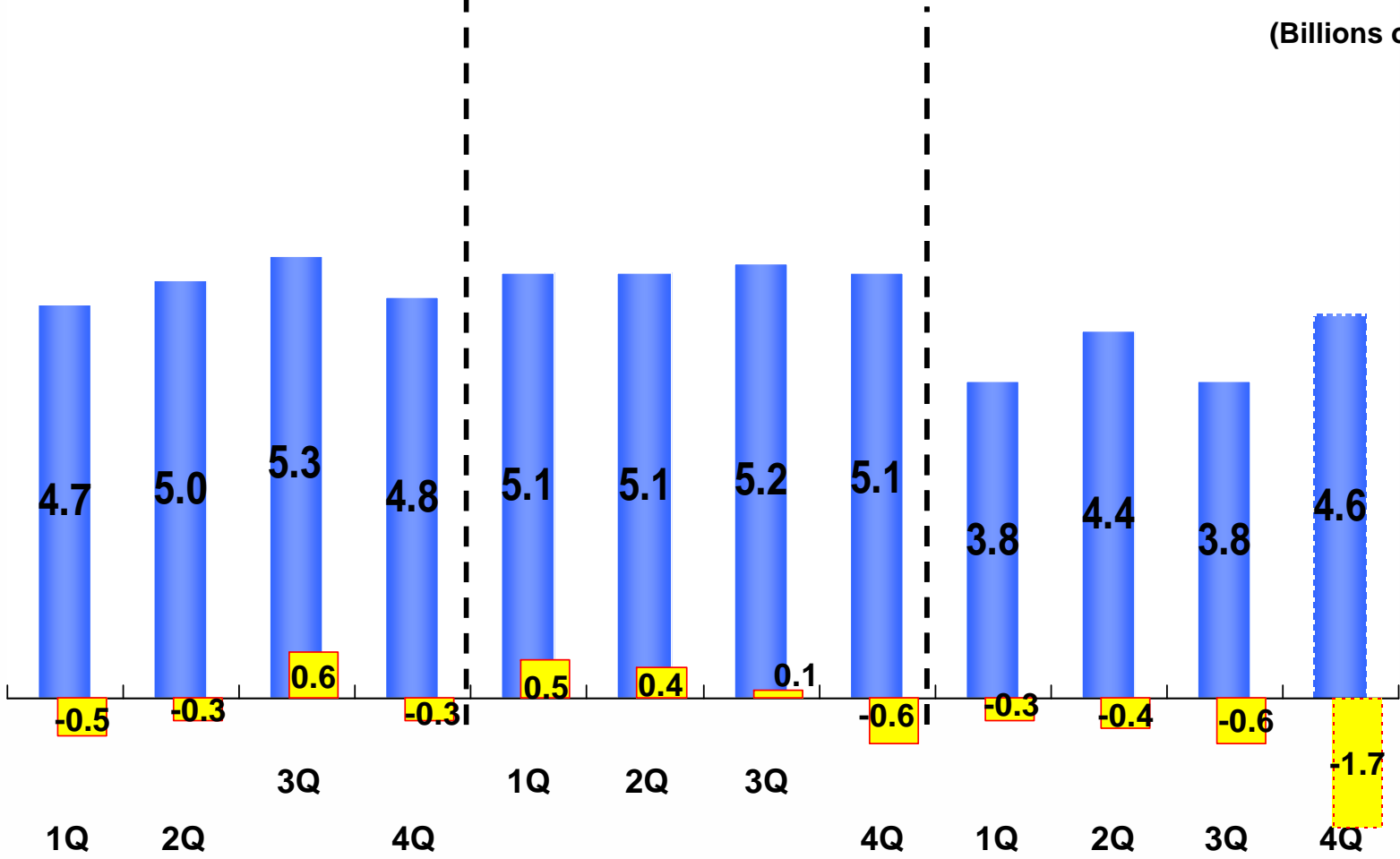


Net sales: ¥19.7 billion
Operating income: - ¥ 0.6 billion

Net sales: ¥20.6 billion
Operating income: ¥0.5 billion

Net sales: ¥16.5 billion
Operating income: - ¥3.0 billion

(Billions of yen)



FY2010.3

FY2011.3

FY2012.3 projections

Others: Sales and Income by Quarter

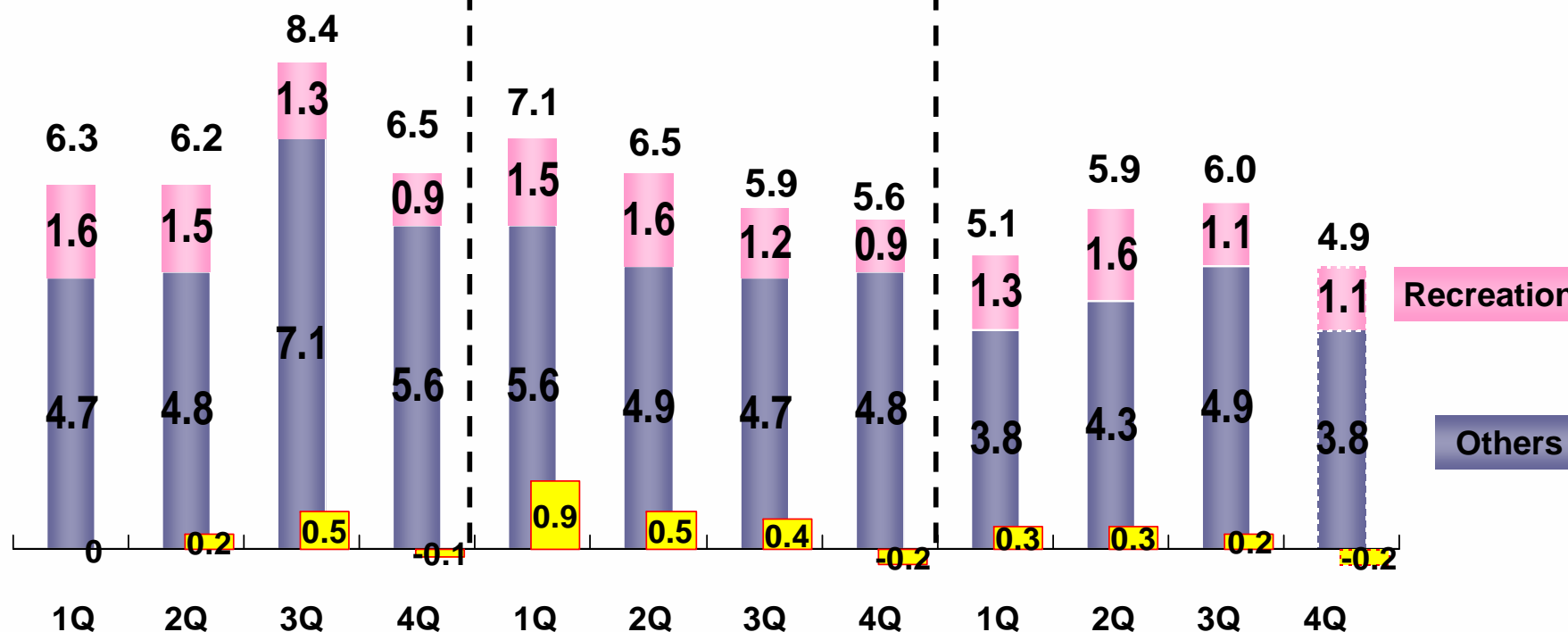


Net sales: ¥27.5 billion
Operating income: ¥0.5 billion

Net sales: ¥25.1 billion
Operating income: ¥1.5 billion

Net sales: ¥22.0 billion
Operating income: ¥0.5 billion

(Billions of yen)



FY2010.3

FY2011.3

FY2012.3 projections

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.