For Immediate Release

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YAMAHA CORPORATION

Outline of the Consolidated Financial Results for the Second Quarter (Six Months Accumulated) of FY2009.3 and Revision of the Outlook for Performance and Dividends (Supplementary Information)

Performance in the Second Quarter (Six Months Accumulated): Declines in Net Sales and Income Compared with the Same Period of the Previous Fiscal Year

During the second quarter (six months accumulated) (April 1, 2008 to September 30, 2008) of FY2009.3 (April 1, 2008 to March 31, 2009), consolidated net sales declined ¥30.1 billion (10.7%) in comparison with the same period of the previous fiscal year, to ¥250.5 billion. Foreign currency factors accounted for approximately ¥9.1 billion of this decline compared with the same period of the previous fiscal year, and the transfer of the electronic metals business and a portion of the recreation business was responsible for a decline in sales of about ¥14.3 billion compared with the same period of the previous year.

Consolidated operating income, which declined in all but the others segment, overall decreased 37.4%, compared with the same period of the previous year, to ¥13.3 billion. Consolidated ordinary income declined 38.5%, to ¥13.3 billion accompanying the decrease in operating income. Income before income taxes and minority interests declined 74.1% compared with the same period of the previous year, to ¥12.9 billion due in part to the absence of the extraordinary income from the sale of a portion of Yamaha's holdings of shares in Yamaha Motor Co., Ltd., that was reported in the first quarter of the previous fiscal year. Net income was down 85.8% compared with the same period of the previous fiscal year, to ¥4.4 billion, in part owing to an increase in income taxes deferred because of lower expectations for the recognition of deferred income tax assets related to the elimination of unrealized gains on inventories.

Please note that consolidated net sales during the second quarter (three months) declined 12.5%, to ¥127.3 billon, as a result of decrease in the sales of all business segments accompanying the stagnation in consumption and other factors. Operating income during the second quarter (three months) declined 45.3%, to ¥7.7 billion, and ordinary income fell 46.5%, to ¥7.5 billion.

Sales and Operating Income by Business Segment
(Figures in parentheses are changes from the same period of the previous year, except as indicated)

Realignment of Business Segments
Following the sale and transfer of the shares of an electronic metal products business during the previous fiscal year, the name of the former electronic equipment and metal products segment was changed to the electronic devices segment from the beginning of the current fiscal year. In addition, following the sale, also in the previous year, of four of Yamaha's six facilities operating businesses in its recreation segment, the results of the remaining facilities have been included in the others segment.

Musical Instruments
Sales of ¥166.4 billion (–2.6%) and Operating Income of ¥13.8 billion (–23.4%)

Sales of pianos declined from the same period of the previous year in the Japanese and North American markets, but held firm in the Asian markets, including China. In the electronic musical instruments field, sales increased, principally those of digital pianos, and sales of professional audio equipment continued to hold firm. Sales of this segment as a whole increased on a real basis, after exclusion of the effects of foreign currency factors, but in adjusted figures, these factors led to a decline in sales of about ¥7.1 billion.

Operating income for this segment declined compared with the same period of the previous fiscal year because of the adverse impact of foreign currency movements, combined with higher raw material prices, increases in energy prices and transportation costs and other factors.

AV/IT Products

Sales of ¥30.3 billion (–10.1%) and Operating Income of ¥0.2 billion (–71.4%)

In the audio field, sales fell, principally in the North American and European markets. In addition, sales of online karaoke equipment for commercial use continued to decline. Foreign currency factors were responsible for about ¥1.7 billion of the decline in sales, and, for the segment, sales were below the level of the same period of the previous fiscal year.

Profitwise, operating income declined because of the decrease in sales and the adverse impact of foreign currency factors.

Electronic Devices

Sales of ¥13.1 billion (–53.0%) and an Operating Loss of ¥0.6 billion (compared with operating income of ¥1.8 billion in the same period of the previous fiscal year)

The sales of the electronic metal products business in the previous fiscal year resulted in a decline in sales of ¥9.2 billion compared with the same period of the previous fiscal year. Also, as a consequence of lower sales of LSI sound chips for mobile phone and decreased sales of LSI sound chips for amusement equipment, sales of this segment showed a substantial drop from the same period of the previous fiscal year.

Profitwise, as a consequence of the decline in sales from the same period a year earlier, the segment reported an operating loss, versus an operating income in the same period of the previous fiscal year.

Lifestyle-Related Products

Sales of ¥21.6 billion (–5.4%) and an Operating Loss of ¥0.5 billion (compared with operating income of ¥0.3 billion in the same period of the previous fiscal year)

Along with the decline in demand for new housing construction, this segment has worked to strengthen its position in the market for home remodeling. Despite these activities, sales, principally of system baths continued to decline. Profitwise, as a consequence of the decline in sales and higher prices of raw materials, the segment reported an operating loss for the period, compared with operating income for the same period of the previous year.

Others

Sales of ¥19.1 billion (–24.9%) and Operating Income of ¥0.4 billion (+17.5%)

In the golf products business, sales of "inpres" brand golf items continued to win acclaim, and sales expanded in Japan and overseas, but as a consequence of deterioration in market conditions surrounding interior wood components for luxury cars and magnesium parts, orders for these products declined. For the segment as a whole, as a result of the sale of four of Yamaha's recreation facilities in the previous fiscal year, revenues from this were about ¥5.1 billion lower than they would have been otherwise.

Profitwise, despite an improvement in operating income of recreation facilities, profitability of the parts business deteriorated, and operating income of the segment showed only marginal improvement.

Consolidated Forecast for FY2009.3

Revision of the Previous Forecast Issued on August 1

Regarding the forecast for performance on a consolidated basis for FY2009.3, the Company is forecasting a substantial decline in net sales and income compared with the previous forecast. Declines in sales and income are forecast for the musical instruments and AV/IT segment because of lower net sales and income owing to the sharp appreciation in the value of the yen and the worldwide slowdown in consumer spending and other factors. Declines in sales and income are also forecast for the electronic devices, lifestyle-related products, and others segment because of the decline in demand in the domestic market and other factors. Net income is forecast to decline because, in addition to the factors above, income taxes deferred increased because of lower expectations for the recognition of deferred income tax assets related to the elimination of unrealized gains on inventories compared to the previous forecast and other factors.

As a result of these various factors, the forecasts for the full fiscal year issued by the Company on August 1, calling for net sales of ¥533.0 billion, operating income of ¥30.5 billion, ordinary income of ¥28.5 billion, and net income of ¥16.5 billion, have been revised as follows. Net sales of ¥488.0, operating income of ¥14.5 billion, ordinary income of ¥13.0 billion, and net income of ¥1.5 billion.

Revision of the Outlook for Dividends

As explained above, the forecast for the full fiscal year has been revised. However, the outlook for dividends for the first half of the fiscal year, with the final day of the second quarter as the base date, remains unchanged at ¥27.5 per share (comprising a regular dividend of ¥17.5 and a special dividend of ¥10.0). However, the Company has reduced its outlook for the dividend for the end of the fiscal year to ¥22.5 (comprising a regular dividend of ¥12.5 and a special dividend of ¥10.0) per share from the previous ¥27.5 (comprising a regular dividend of ¥17.5 and a special dividend of ¥10.0). Accordingly, the outlook for the dividend for the full fiscal year has also been reduced from the previously announced ¥55.0 per share to ¥50.0.

Note: Sales and profit figures in the text above have, in principle, been rounded to the nearest ¥0.1 billion.

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Second Quarter of FY2009.3 Performance Outline

YAMAHA CORPORATION

(billions of yen)

	2Q Initial Projections (Aug. 1, 2008) FY2009.3	2Q Results FY2009.3	2Q Results (Previous Year) FY2008.3	Initial Projections (Aug. 1, 2008) FY2009.3	Projections FY2009.3	Results (Previous Year) FY2008.3
Net Sales	256.0	250.5	280.7	533.0	488.0	548.8
Japan Sales	126.9 (49.6%)	125.3 (50.0%)	147.2 (52.4%)	259.7 (48.7%)	246.6 (50.5%)	276.7 (50.4%)
Overseas Sales	129.1 (50.4%)	125.2 (50.0%)	133.5 (47.6%)	273.3 (51.3%)	241.4 (49.5%)	272.1 (49.6%)
Operating Income	17.0 (6.6%)	13.3 (5.3%)	21.3 (7.6%)	30.5 (5.7%)	14.5 (3.0%)	32.8 (6.0%)
Ordinary Income	16.5 (6.4%)	13.3 (5.3%)	21.6 (7.7%)	28.5 (5.3%)	13.0 (2.7%)	32.6 (5.9%)
Net Income	7.5 (2.9%)	4.4 (1.7%)	30.8 (11.0.%)	16.5 (3.1%)	1.5 (0.3%)	39.6 (7.2%)
Currency Exchange Rate (Settlement Rate) (=yen)	104/US\$ 158/EUR	106/US\$ 157/EUR	120/US\$ 158/EUR	105/US\$ 159/EUR	101/US\$ (*6) 154/EUR	116/US\$ 159/EUR
ROE (*1)	4.5%	2.7%	17.0%	4.9%	0.5%	11.5%
ROA (*2)	2.8%	1.7%	10.3%	3.1%	0.3%	7.2%
Earnings per Share	37.5 yens	21.9 yens	149.3 yens	83.0 yens	7.6 yens	191.8 yens
Capital Expenditures	14.0	9.0	12.7	30.5	27.5	24.4
(Depreciation Expenses)	(9.2)	(8.8)	(10.6)	(19.4)	(18.8)	(20.3)
R&D Expenses	12.7	12.2	12.0	25.5	25.0	24.9
Free Cash Flow						
Operating Activities	-14.8	-14.8	0.2	18.8	0.2	37.2
Investing Activities	-19.1	-15.1	48.9	-32.2	-28.4	42.0
Total	-33.9	-29.9	49.1	-13.4	-28.2	79.2
Inventories at End of Period	89.0	91.1	95.6	75.5	73.7	76.3
Number of Employees						
Japan	11,042	10,924	11,697	10,986	10,838	10,699
Overseas	17,284	16,861	15,395	16,490	15,895	15,843
Total (*3)	28,326	27,785	27,092	27,476	26,733	26,542
(Changes from the changes in the scope of consolidation)	(84)	(86)		(86)	(88)	(-1,082)
Sales by Business Segment						
Musical Instruments	168.5 (65.8%)	166.4 (66.4%)	170.8 (60.9%)	345.0 (64.7%)	319.5 (65.5%)	340.0 (62.0%)
AV/IT	31.5 (12.3%)	30.3 (12.1%)	33.7 (12.0%)	71.0 (13.3%)	62.0 (12.7%)	70.8 (12.9%)
Electronic Devices (*4)	14.5 (5.7%)	13.1 (5.3%)	-	33.0 (6.2%)	26.5 (5.4%)	-
Electronic Equipment and Metal Products	-	-	27.9 (9.9%)	-	-	45.0 (8.2%)
Lifestyle-Related Products	22.0 (8.6%)	21.6 (8.6%)	22.9 (8.1%)	45.0 (8.5%)	44.5 (9.1%)	45.5 (8.3%)
Recreation	-	-	8.7 (3.1%)	-	-	11.4 (2.1%)
Others (*5)	19.5 (7.6%)	19.1 (7.6%)	16.7 (6.0%)	39.0 (7.3%)	35.5 (7.3%)	36.1 (6.5%)
Operating Income by Business Segment						
Musical Instruments	16.0	13.8	18.0	28.0	18.0	27.9
AV/IT	0.5	0.2	0.8	1.0	-0.5	1.8
Electronic Devices (*4)	0	-0.6	-	0.5	-2.0	-
Electronic Equipment and Metal Products	-	-	1.8	-	-	1.9
Lifestyle-Related Products	0	-0.5	0.3	0.5	0	0.6
Recreation	-	-	-0.7	-	-	-1.1
Others (*5)	0.5	0.4	1.1	0.5	-1.0	1.7

Non-Consolidated Basis

	2Q Results FY2009.3	2Q Results (Previous Year) FY2008.3	Results (Previous Year) FY2008.3
Net Sales	157.2	171.9	315.6
Operating Income	5.0 (3.2%)	12.8 (7.5%)	12.3 (3.9%)
Ordinary Income	7.5 (4.8%)	15.1 (8.8%)	17.9 (5.7%)
Net Income	6.1 (3.9%)	58.3 (33.9%)	62.0 (19.6%)

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

∗3 Number of Employees = Number of full-time staff at end of period + Average number of temporary staff during the period (figures for the previous year indicate the number of temporary staff at end of period)

∗4 Following the handover of Electronic Metal Products business, Electronic Equipment and Metal Products segment was renamed Electronic Devices segment starting from FY2009.3.

∗5 Following the handover of a portion of the resort facilities, figures of Others segment from FY2009.3 include that of Recreation segment.

∗6 2H Currency Exchange Rates US\$=95JPY EUR=150JPY (Regarding the 2H EUR rate, Yamaha has already entered into a foreign exchange forward contract at the rate of 159 yens for approximately 76% of projected EUR sales. As for the remaining 24%, the rate is forecast to be 120 yens.)

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