February 3, 2009

For immediate release

YAMAHA CORPORATION

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

Performance in the Third Quarter (Nine Months Accumulated)

Declines in Net Sales and Income Compared with the Same Period of the Previous Fiscal Year

During the third quarter (nine months accumulated) (April 1, 2008 to December 31, 2008) of FY2009.3 (April 1, 2008 to March 31, 2009), consolidated net sales declined ¥59.5 billion (13.9%) from the same period of the previous fiscal year, to ¥369.4 billion. Factors accounting for this decline were the transfer of the electronic metal products business and a portion of the recreation business in the previous fiscal year, which was responsible for a decline in sales of about ¥14.3 billion; foreign currency factors, which reduced sales approximately ¥23.7 billion; stagnation in consumer spending; and other factors.

Consolidated operating income decreased 37.4%, to ¥22.2 billion due to the decrease in sales and the negative effect of foreign currency factors, and consolidated ordinary income was down 40.5%, to ¥21.0 billion.

Income before income taxes and minority interests declined ¥45.5 billion, or 69.2%, to ¥20.3 billion, in part because of the absence during the current fiscal year 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 decreased 77.9%, to ¥9.3 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 third quarter (three months, from October 1, 2008 through December 31, 2008) declined 19.8% from the same quarter of the previous fiscal year, to ¥118.9 billion. This was due to the stagnation in consumer spending, a decline of about ¥14.6 billion resulting from the appreciation of the yen, and decreases in sales of all business segments, with the exception of Lifestyle-Related Products. Accompany this drop in sales, operating income for the third quarter (three months) was down 37.4%, to ¥8.9 billion, and ordinary income fell 43.6%, to ¥7.7 billion.

Sales and Operating Income (Loss) 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 electronics equipment and metal products segment was changed to the electronic devices segment. In addition, following the sale and transfer, 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 ¥244.1 billion (–7.5%) and Operating Income of ¥22.3 billion (–23.3%)

During the third quarter (three months), sales of pianos held generally firm in the Chinese market, but showed a major decline from the same period of the previous year in the North American and Japanese markets. In the electronic musical instruments field, sales remained firm, despite a decline in the North American market, as sales in the European market were firm in part as a result of the positive impact of the introduction of new products. Sales of wind instruments declined, mainly in the North American market.

For the third quarter (nine months accumulated), sales of this segment declined compared with the same period of the previous fiscal year because of the adverse impact of substantial declines in sales in the North American market and foreign currency factors, which were responsible for a decrease of about ¥18.6 billion in sales. Profitwise, performance deteriorated because of the combination of the decline in sales, the adverse impact of foreign currency movements, increases in raw materials prices, and higher energy and transportation costs.

AV/IT Products

Sales of ¥46.9 billion (–17.1%) and Operating Income of ¥1.3 billion (–49.8%)

During the third quarter (three months), sales were down in the audio field, principally in the North American and European markets, and revenues from online karaoke equipment for commercial use continued to decline.

For the third quarter (nine months accumulated), sales of this segment decreased from the same period of the previous fiscal year, mainly in the European and North American markets, and foreign currency factors accounted for about ¥4.8 billion of this decline. Profitwise, accompanying the drop in sales, indicators of income also posted declines.

Electronic Devices

Sales of ¥17.8 billion (–51.6%) and an Operating Loss of ¥1.0 billion (compared with operating income of ¥2.5 billion in the same period of the previous fiscal year)

During the third quarter (three months), sales declined markedly because of the weakening in demand for LSI sound chips for mobile phones.

For the third quarter (nine months accumulated), in part because of the sale and transfer of the electronic metal products business in the previous fiscal year, which resulted in a decline in sales of about ¥9.2 billion compared with the same period of the previous fiscal year, this segment reported a substantial decline of ¥19.0 billion in sales. Profitwise, accompanying the drop in sales, the segment reported an operating loss, compared with operating income in the same period of the previous fiscal year.

Lifestyle-Related Products

<u>Sales of ¥34.2 billion (–2.1%) and an Operating Loss of ¥20 million (compared with operating income of ¥0.45 billion in the same period of the previous fiscal year)</u>

During the third quarter (three months), sales and income both increased over the previous year, boosted by an increase in orders accompanying the expiration of the tax reduction linked to housing loans and other factors.

For the third quarter (nine months accumulated), owing to the slump in sales in the first half of the fiscal year, sales posted a slight decline from the same period of the previous fiscal year. Profitwise, this segment reported a small operating loss compared with an operating profit for the same period a year earlier.

Others

<u>Sales of ¥26.3 billion (–28.3%) and an Operating Loss of ¥0.4 billion (compared with operating income of ¥0.8 billion in the same period of the previous fiscal year)</u>

During the third quarter (three months), sales of golf products held firm, but major declines were reported for sales of interior wood components for luxury cars and magnesium parts.

For the third quarter (nine months accumulated), as a result of the sale and transfer of four of Yamaha's recreation facilities in the previous fiscal year, revenues from this source were about ¥5.1 billion lower than they would have been otherwise, and the overall decline in sales of this segment amounted to a substantial ¥10.4 billion. Profitwise, this segment posted an operating loss compared with operating profit in the same period of the previous year because of the deterioration in profitability of its parts business accompanying cutbacks in production.

Consolidated Forecast for FY2009.3

Downward Revision of the Previous Forecast Issues on October 31

Regarding the forecast for performance on a consolidated basis for FY2009.3 as a whole, compared with the previous forecast announced on October 31, 2008, the Company has made downward revisions in forecasts for principal indicators because of the substantial deterioration in market conditions and other factors since the time of the previous forecast.

The latest forecast calls for net sales for the fiscal year of ¥465.0 billion, compared with the previous forecast of ¥488.0 billion; operating income of ¥11.5 billion, versus the previous ¥14.5 billion; ordinary income of ¥9.5 billion, versus the previous ¥13.0 billion; and a net loss of ¥2.0 billion, compared with net income of ¥1.5 billion in the previous forecast.

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

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Third Quarter of FY2009.3 Performance Outline

YAMAHA CORPORATION
February 3, 2009

(billions of yen)

	Three Months Results Ended Dec. 31, 2008 FY2009.3	Three Months Results Ended Dec. 31, 2007 (Previous Year) FY2008.3	Nine Months Results Ended Dec. 31, 2008 FY2009.3	Nine Months Results Ended Dec. 31, 2007 (Previous Year) FY2008.3	Full Year Initial Projections (Oct. 31, 2008) FY2009.3	Full Year Projections FY2009.3	Full Year Results (Previous Year) FY2008.3
Net Sales	118.9	148.2	369.4	428.9	488.0	465.0	548.8
Japan Sales	58.2 (49.0%)	66.1 (44.6%)	183.5 (49.7%)	213.3 (49.7%)	246.6 (50.5%)	237.2 (51.0%)	276.7 (50.4%)
Overseas Sales	60.7 (51.0%)	82.1 (55.4%)	185.9 (50.3%)	215.6 (50.3%)	241.4 (49.5%)	227.8 (49.0%)	272.1 (49.6%)
Operating Income	8.9 (7.5%)	14.2 (9.6%)	22.2 (6.0%)	35.5 (8.3%)	14.5 (3.0%)	11.5 (2.5%)	32.8 (6.0%)
Ordinary Income	7.7 (6.5%)	13.7 (9.2%)	21.0 (5.7%)	35.3 (8.2%)	13.0 (2.7%)	9.5 (2.0%)	32.6 (5.9%)
Net Income	5.0 (4.2%)	11.4 (7.7%)	9.3 (2.5%)	42.2 (9.8%)	1.5 (0.3%)	-2.0 -	39.6 (7.2%)
Currency Exchange Rate (Settlement Rate) (=yen)	100/US$ 163/EUR	114/US$ 159/EUR	104/US$ 159/EUR	118/US$ 159/EUR	101/US$ 154/EUR	103/US$ **(*6)** 153/EUR	116/US$ 159/EUR
ROE **(*1)**	6.8%	12.1%	4.0%	15.6%	0.5%	-0.7%	11.5%
ROA **(*2)**	4.2%	7.3%	2.5%	9.7%	0.3%	-0.4%	7.2%
Earnings per share	-	-	46.8 yens	204.5 yens	7.6 yens	-10.1 yens	191.8 yens
Capital Expenditure	6.4	3.7	15.4	16.4	27.5	24.0	24.4
(Depreciation)	(4.8)	(4.9)	(13.6)	(15.5)	(18.8)	(18.1)	(20.3)
R&D Expenditure	5.0	6.3	17.2	18.3	25.0	24.2	24.9
Free Cash Flows							
Operating Activities	-2.7	14.1	-17.5	14.3	0.2	-10.5	37.2
Investing Activities	-3.6	2.1	-18.7	51.0	-28.4	-26.1	42.0
Total	-6.3	16.2	-36.2	65.3	-28.2	-36.6	79.2
Inventories at period-end	-	-	83.9	84.2	73.7	77.7	76.3
Number of Employees							
Japan	-	-	10,872	10,803	10,838	10,822	10,699
Overseas	-	-	16,587	15,206	15,895	15,806	15,843
Total **(*3)** (Changes from the changes in the scope of consolidation)	-	-	27,459 (186)	26,009 (-886)	26,733 (88)	26,628 (179)	26,542 (-1,082)
Sales by Business Segment							
Musical Instruments	77.7 (65.3%)	93.0 (62.8%)	244.1 (66.1%)	263.8 (61.5%)	319.5 (65.5%)	308.5 (66.3%)	340.0 (62.0%)
AV/IT	16.6 (14.0%)	22.9 (15.4%)	46.9 (12.7%)	56.6 (13.2%)	62.0 (12.7%)	58.0 (12.5%)	70.8 (12.9%)
Electronic Devices **(*4)**	4.7 (4.0%)	-	17.8 (4.8%)	-	26.5 (5.4%)	22.5 (4.8%)	-
Electronic Equipment and Metal Products	-	8.9 (6.0%)	-	36.8 (8.6%)	-	-	45.0 (8.2%)
Lifestyle-Related Products	12.6 (10.6%)	12.1 (8.2%)	34.2 (9.3%)	35.0 (8.1%)	44.5 (9.1%)	44.5 (9.6%)	45.5 (8.3%)
Recreation	-	1.5 (1.0%)	-	10.2 (2.4%)	-	-	11.4 (2.1%)
Others **(*5)**	7.3 (6.1%)	9.8 (6.6%)	26.4 (7.1%)	26.5 (6.2%)	35.5 (7.3%)	31.5 (6.8%)	36.1 (6.5%)
Operating Income by Business Segment							
Musical Instruments	8.5	11.1	22.3	29.1	18.0	17.5	27.9
AV/IT	1.1	1.9	1.3	2.7	-0.5	-0.5	1.8
Electronic Devices **(*4)**	-0.4	-	-1.0	-	-2.0	-3.0	-
Electronic Equipment and Metal Products	-	0.7	-	2.5	-	-	1.9
Lifestyle-Related Products	0.5	0.1	-0.0	0.4	0	0	0.6
Recreation	-	-0.0	-	-0.7	-	-	-1.1
Others **(*5)**	-0.8	0.4	-0.4	1.5	-1.0	-2.5	1.7

Non-Consolidated Basis

	Three Months Results Ended Dec. 31, 2008 FY2009.3	Three Months Results Ended Dec. 31, 2007 FY2008.3	Nine Months Results Ended Dec. 31, 2008 FY2009.3	Nine Months Results Ended Dec. 31, 2007 FY2008.3	Full Year Initial Projections FY2009.3	Full Year Projections FY2009.3	Full Year Results FY2008.3
Net Sales	68.1	79.4	225.3	251.3			315.6
Operating Income	1.6 (2.3%)	4.6 (5.8%)	6.6 (2.9%)	17.4 (6.9%)			12.3 (3.9%)
Ordinary Income	2.0 (2.9%)	5.5 (6.9%)	9.5 (4.2%)	20.6 (8.2%)			17.9 (5.7%)
Net Income	0.0	5.4 (6.8%)	6.1 (2.7%)	63.7 (25.3%)			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 4Q Currency exchange rates US$=95JPY EUR=120JPY

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.