April 30, 2009

For immediate release

YAMAHA CORPORATION

Outline of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (FY2009.3)

Performance in FY2009.3

Declines in Net Sales and Profitability, Net Loss Reported for the Fiscal Year

Consolidated net sales declined ¥89.5 billion (16.3%) from the previous fiscal year, to ¥459.3 billion. Factors accounting for this decrease 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 of ¥14.3 billion in net sales; foreign exchange factors, which reduced sales approximately ¥34.9 billion; and stagnation in consumer spending worldwide.

Consolidated operating income declined 57.8%, to ¥13.8 billion, due to decreases in sales in all operating segments, including the Company's core musical instruments business; the resulting drop in profitability in all operating segments; and the reporting of operating losses in all segments except musical instruments. Ordinary income fell 63.2%, to ¥12.0 billion.

In addition, Yamaha reported, extraordinary losses of ¥24.9 billion because of expenses related to business structural reforms, losses on the impairment of noncurrent assets, and the loss on valuation of investments in capital of subsidiaries and affiliates. Also, Yamaha reported a decline in deferred income taxes, and, as a result, Yamaha reported a consolidated net loss for the fiscal year of ¥20.6 billion.

Note that, although sales did not rise to the level forecast on March 19, operating income and ordinary income rose ¥2.3 billion and ¥2.5 billion, respectively, above the forecast levels. This was because of better-than-anticipated improvements in profitability as a result of reductions in expenses, which reduced the net loss by ¥2.4 billion, compared with the previous forecast.

Sales and Operating Income (Loss) by Business Segment

Changes in the Composition of Business Segments

Following the sale and transfer of the 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 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 ¥306.6 Billion (–9.8%) and Operating Income of ¥19.2 Billion (–31.2%)

In the piano business, sales in the Chinese market rose, but because of weak demand in the Japanese and North American markets, overall sales of pianos declined. Sales of electronic musical instruments also fell mainly because of the impact of the deterioration of the North American market. In the wind, string, and percussion instruments business, sales of guitars and electronic drums held firm, but wind instrument sales were lackluster. Sales of commercial audio equipment, which the Company had expected to grow, remained at the same level as in the previous fiscal year because of the deterioration in market conditions. In the music entertainment business, sales expanded driven by favorable performances in the music entertainment media business, including CDs, and the musical publications field. Revenues from the schools business expanded—despite sales in the music school being at the same level as in the previous year—supported by increases in the number of pupils enrolled in English-language classes for four- and five-year old children. For the segment as a whole, sales declined from the previous fiscal year because of the magnitude of the decrease in sales in the North American market and the effects of foreign currency factors. Operating income declined because of the impact of lower sales and the foreign currency factors.

AV/IT

Sales of ¥56.7 Billion (–19.9%) and an Operating Loss of ¥0.4 Billion (compared with operating income of ¥1.8 billion in the previous fiscal year)

Sales of audio equipment decreased because of difficult conditions for sales of AV receivers and home theater products in the North American and European markets. In addition, sales of routers and online karaoke equipment for commercial use declined. As a result of these circumstances and the effects of foreign currency factors, sales of the segment as a whole declined substantially from the previous fiscal year. Profitwise, accompanying the drop in sales, the segment reported an operating loss for the fiscal year.

Electronic Devices

Sales of ¥22.0 Billion (–51.2%) and an Operating Loss of ¥2.5 Billion (compared with operating income of ¥1.9 billion in the previous fiscal year)

Sales declined for the fiscal year 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 ¥9.2 billion, a marked drop in sales of LSI sound chips for mobile phones because of the continuing shift toward sound-generating software and the deterioration of market conditions in Japan, and the worsening of market conditions for LSI sound chips used in the amusement equipment business. As a result, sales of the segment as a whole dropped sharply. Profitwise, accompanying the drop in sales and the decline in profit margins, the segment reported an operating loss after showing operating income in the previous fiscal year.

Lifestyle-Related Products

<u>Sales of ¥43.1 Billion (–5.3%) and an Operating Loss of ¥0.3 Billion (compared with operating income of ¥0.6 billion in the previous fiscal year)</u>

Sales of both system kitchens and system bathrooms swelled upward around the middle of the fiscal year, owing to the surge in demand prior to the December 2008 termination of tax reductions related to housing loans; however, over the course of the fiscal year, views of economic conditions deteriorated, and sales were down for the fiscal year as a whole. Profitwise, as a result of the decline in sales and the rise in raw material prices, the segment reported an operating loss.

Others

<u>Sales of ¥30.8 Billion (–34.9%) and an Operating Loss of ¥2.1 Billion (compared with operating income of ¥0.6 billion in the previous fiscal year)</u>

Sales of golf products in the Japanese market remained strong during the first half of the fiscal year, and, as a result, sales in this business rose over the level in the previous fiscal year. Sales of automobile interior wood components and magnesium molded parts declined because of unfavorable market conditions. Sales of the segment as a whole fell, in part because of the sale and transfer of four of Yamaha's recreation facilities in the previous fiscal year, which reduced revenues from this source about ¥5.1 billion from the level they would have been otherwise. Profitwise, despite the improvement in profitability because of the sale of certain recreation facilities, losses in the parts business were substantial, and the segment posted an operating loss for the fiscal year. Please note that the Board of Directors of Yamaha, at its meeting held on March 19, 2009, decided to withdraw from the magnesium molded parts business.

Performance on a Non-Consolidated Basis

<u>Declines in Net Sales and Profitability, Net Loss Reported for the Fiscal Year</u>

On a non-consolidated basis, Yamaha reported net sales of ¥274.6 billion (–13.0%). Profitwise, operating income amounted to ¥1.2 billion (–90.0%), and ordinary income was ¥4.4 billion (–75.7%). As a result of the reporting of extraordinary losses and other factors, a net loss for the fiscal year was reported of ¥18.9 billion.

Consolidated Forecast for FY2010.3

Decline in Net Sales, Operating Income, and Ordinary Income, but Improvement Net Income

FY2010.3 is the final year of the Company's medium-term management plan "YGP2010 (Yamaha Growth Plan 2010)," but because of the impact of sudden changes in the operating environment and deceleration in the world economy, the Company has concluded that it will be difficult to reach the numerical management targets of the medium-term management plan. As the Company includes the implementation of business structural reforms and business reforms on its agenda, the Company has positioned FY2010.3 as a time for considering its next medium-term management plan.

By business segment, owing to the appreciation of the yen and the worldwide economic downturn, the Company is forecasting declines in sales and income in the musical instruments segment and declines in sales in the AV/IT segment. In the electronic devices segment, the Company believes that demand for LSI sound chips for mobile phones will continue to decline, but, as a result of the beneficial structural effects of the suspension of commercialization activities related to the silicon microphone business and the positive effects of the reporting of impairment losses on noncurrent assets during the fiscal year, Yamaha is looking for improvement in profitability in this segment. In the lifestyle-related products segment, the Company is forecasting an increase in profitability, as a result of measures to reduce manufacturing costs, and a decline in sales in the others segment because of the withdrawal from the magnesium molded parts business and a decline in demand for automobile interior wood components.

As a consequence of trends by business segment, Yamaha is forecasting consolidated net sales of ¥439.0 billion, operating income of ¥6.0 billion, ordinary income of ¥3.0 billion, and net income of zero.

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

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FY2009.3 Performance Outline

YAMAHA CORPORATION

April 30, 2009

(billions of yen)

	Results (Previous Year) FY2008.3	Projections (March 19, 2009) FY2009.3	Results FY2009.3	Projections (Full Year) FY2010.3	Projections (Interim Period) Apr. 1, 2009-Sept. 30, 2009 FY2010.3
Net Sales	548.8	465.0	459.3	439.0	212.5
Japan Sales	276.7 (50.4%)	237.2 (51.0%)	234.9 (51.1%)	232.2 (52.9%)	112.7 (53.0%)
Overseas Sales	272.1 (49.6%)	227.8 (49.0%)	224.4 (48.9%)	206.8 (47.1%)	99.8 (47.0%)
Operating Income	32.8 (6.0%)	11.5 (2.5%)	13.8 (3.0%)	6.0 (1.4%)	1.3 (0.6%)
Ordinary Income	32.6 (5.9%)	9.5 (2.0%)	12.0 (2.6%)	3.0 (0.7%)	-0.2 -
Net Income	39.6 (7.2%)	-23.0 -	-20.6 -	0 -	-1.9 -
Currency Exchange Rate (Settlement Rate) (=yen)	116/US$ 159/EUR	103/US$ 153/EUR	102/US$ 153/EUR	95/US$ 120/EUR	95/US$ 120/EUR
ROE	11.5%	-7.6%	-7.0%	0.0%	-1.6% (*1)
ROA	7.2%	-4.7%	-4.3%	0.0%	-0.9% (*2)
Earnings per Share	191.8yen	-115.7yen	-103.7yen	0yen	-9.1yen
Capital Expenditure	24.4	24.0	22.6	18.3	8.7
(Depreciation)	(20.3)	(18.1)	(17.9)	(15.2)	(7.0)
R&D Expenditure	24.9	24.2	23.2	21.0	11.0
Free Cash Flows					
Operating Activities	37.2	-10.5	-2.2	27.9	7.1
Investing Activities	42.0	-26.1	-26.0	-18.0	-10.9
Total	79.2	-36.6	-28.2	9.9	-3.8
Inventories at End of Period	76.3	77.7	80.7	72.5	82.6
Number of Employees					
Japan	10,699	10,822	10,765	10,850	10,980
Overseas	15,843	15,806	16,038	16,150	17,430
Total (*3)	26,542	26,628	26,803	27,000	28,410
(Newly Consolidated)	(-1,082)	(179)	(148)	(319)	(324)
Sales by Business Segment					
Musical Instruments	340.0 (62.0%)	308.5 (66.3%)	306.6 (66.8%)	294.0 (67.0%)	145.4 (68.4%)
AV/IT	70.8 (12.9%)	58.0 (12.5%)	56.7 (12.3%)	53.0 (12.1%)	24.2 (11.4%)
Electronic Devices (*4)	-	22.5 (4.8%)	22.0 (4.8%)	22.0 (5.0%)	8.8 (4.2%)
Electronic Equipment and Metal Products	45.0 (8.2%)	-	-	-	-
Lifestyle-Related Products	45.5 (8.3%)	44.5 (9.6%)	43.1 (9.4%)	43.0 (9.8%)	21.3 (10.0%)
Recreation	11.4 (2.1%)	-	-	-	-
Others (*5)	36.1 (6.5%)	31.5 (6.8%)	30.8 (6.7%)	27.0 (6.1%)	12.8 (6.0%)
Operating Income by Business Segment					
Musical Instruments	27.9	17.5	19.2	9.0	5.3
AV/IT	1.8	-0.5	-0.4	-0.5	-1.2
Electronic Devices (*4)	-	-3.0	-2.5	-1.0	-1.9
Electronic Equipment and Metal Products	1.9	-	-	-	-
Lifestyle-Related Products	0.6	0	-0.3	0.5	0.1
Recreation	-1.1	-	-	-	-
Others (*5)	1.7	-2.5	-2.1	-2.0	-1.0

Non-Consolidated Basis

	Results FY2008.3	Results FY2009.3
Net Sales	315.6	274.6
Operating Income	12.3 (3.9%)	1.2 (0.5%)
Ordinary Income	17.9 (5.7%)	4.4 (1.6%)
Net Income	62.0 (19.6%)	-18.9 -

＊1, 2 The ROE and ROA projections for the interim period of FY2010.3 are calculated on an annually adjusted basis.

＊3 Number of Employees = Number of full-time staff at end of the period + Average number of temporary staff during the period
(The figures for the previous year is the number of temporary staff at end of the 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.

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.