July 31, 2009

For immediate release

YAMAHA CORPORATION

Outline of the Consolidated Financial Results for the First Quarter (Three Months Accumulated) of FY2010.3 (Supplementary Information)

Performance in the First Quarter (Three Months Accumulated)

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

During the first quarter (three months accumulated) (April 1, 2009 to June 30, 2009) of FY2010.3 (April 1, 2009 to March 31, 2010), Yamaha reported a decline in consolidated net sales of ¥23.9 billion, or 19.3%, compared with the same period of the previous fiscal year, to ¥99.4 billion. Factors accounting for this included foreign currency fluctuations, which reduced sales approximately ¥8.0 billion, and the reporting of declines in sales in all segments.

Consolidated operating income was down ¥5.4 billion, or 95.8%, to ¥0.2 billion with foreign currency fluctuations accounting for ¥3.8 billion of the decline. Yamaha's core musical instruments segment reported a substantial decrease in operating income and the AV/IT and lifestyle-related products segments showed operating losses of about the same size as in the same quarter of the previous year. The operating losses reported by the electronic devices and others segments were larger than for the same quarter a year earlier.

Along with the decline in consolidated operating income, Yamaha reported a consolidated ordinary loss of ¥0.5 billion (compared with ordinary income of ¥5.7 billion for the same quarter a year earlier). In addition, Yamaha reported a net loss of ¥2.9 billion for the quarter (compared with net income of ¥1.1 billion a year earlier) owing to the decline in deferred tax assets and other factors.

Sales and Operating Income (Loss) by Business Segment

(Figures in parentheses are changes from the same period of the previous year, except as indicated.)

Musical Instruments

Sales of ¥68.4 billion (–15.8%) and Operating Income of ¥1.8 billion (–71.0%)

During the first quarter (three months), as result of the effects of the deceleration in the economy, sales declined compared with same period of the previous fiscal year. Sales of pianos in the Chinese market held firm, but sales in the European market experienced a major decline. Sales of digital musical instruments decreased sharply in Japanese and European markets, and sales of professional audio equipment declined in the North American and European markets. Sales of wind instruments fell, principally in the Japanese market.

For this segment as a whole, sales declined ¥12.8 billion, or 15.8%, including a ¥6.3 billion decrease accounted for by foreign currency fluctuations. Operating income also posted a major decline because of the drop in sales.

AT/IT

Sales of ¥11.2 billion (–19.0%) and an Operating Loss of ¥0.5 billion (compare with an operating loss of ¥0.5 billion in the same period of the previous fiscal year)

During the first quarter (three months), within sales of audio products, front surround system products held firm in the Japanese market, but sales elsewhere, principally in the North American market decreased. In addition, sales of routers and commercial karaoke equipment were weak, and this segment as a whole reported a drop in sales of ¥2.6 billion, or 19.0%, including a ¥1.6 billion decrease accounted for by foreign currency fluctuations. The operating loss was approximately the same as in the same quarter a year earlier, despite progress in cutting production costs and other expenses.

Electronic Devices

<u>Sales of ¥4.7 billion (–37.5%) and an Operating Loss of ¥0.5 billion (compared with an operating loss of ¥0.2 billion in the same period of the previous fiscal year)</u>

In the semiconductor business, demand for sound generators for mobile phones was down year on year and Yamaha's sales decreased. The operating loss increased from the level of the same quarter of the previous fiscal year, accompanying the drop in sales, despite the reduction in depreciation charges owing to the reporting of impairment losses on noncurrent assets in the previous fiscal year and the positive effects of reduction in fixed costs.

Lifestyle-Related Products

<u>Sales of ¥8.8 billion (–15.8%) and an Operating Loss of ¥0.5 billion (compared with an operating loss of ¥0.6 billion in the same period of the previous fiscal year.)</u>

Yamaha worked to strengthen its home remodeling business, as demand for new housing starts continued to drop, but performance of system kitchens and system bathrooms, the core products in this segment, were lackluster and sales fell. The operating loss was at about the same level as in the same period of the previous fiscal year as selling, general and administrative costs were reduced.

Others

<u>Sales of ¥6.4 billion (–38.3%) and an Operating Loss of ¥45 million (compared with operating income of ¥0.7 billion in the same period of the previous fiscal year)</u>

Sales declined as stagnant conditions continued in the market for automobile interior wood components. In addition, sales in the magnesium molded parts business, which the Company has decided to withdraw from during the current fiscal year, also declined, and this segment as a whole reported a substantial decline in sales compared with the same period of the previous fiscal year. Despite the positive effects of reduction in fixed costs, as a result of the large decline in sales, this segment showed a slight operating loss for the quarter.

Consolidated Forecast for FY2010.3

For the fiscal year that will end on March 31, 2010, as announced on April 30 this year, 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. No revisions were made in the consolidated financial forecasts in the first quarter due to the uncertainty about the future and they remain unchanged

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

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First Quarter of FY2010.3 Performance Outline

YAMAHA CORPORATION

July 31, 2009

(billions of yen)

	1Q Initial Projections (April 30, 2009) FY2010.3	1Q Results FY2010.3	1Q Results (Previous Year) FY2009.3	Projections (Full Year) FY2010.3	Results (Previous Year) FY2009.3
Net Sales	104.5	99.4	123.3	439.0	459.3
Japan Sales	59.1 (56.6%)	55.4 (55.7%)	66.3 (53.8%)	232.2 (52.9%)	234.9 (51.1%)
Overseas Sales	45.4 (43.4%)	44.0 (44.3%)	57.0 (46.2%)	206.8 (47.1%)	224.4 (48.9%)
Operating Income	-0.7 -	0.2 (0.2%)	5.6 (4.6%)	6.0 (1.4%)	13.8 (3.0%)
Ordinary Income	-1.4 -	-0.5 -	5.7 (4.6%)	3.0 (0.7%)	12.0 (2.6%)
Net Income	-2.3 -	-2.9 -	1.1 (0.9%)	0 -	-20.6 -
Currency Exchange Rate (Settlement Rate) (=yen)	95/US\$ 120/EUR	97/US\$ 124/EUR	104/US\$ 155/EUR	96/US\$ (*4) 121/EUR	102/US\$ 153/EUR
ROE (*1)	-4.0%	-4.6%	1.3%	0.0%	-7.0%
ROA (*2)	-2.4%	-2.8%	0.8%	0.0%	-4.3%
Earnings per Share	-11.6yen	-14.7yen	5.3yen	0yen	-103.7yen
Capital Expenditures	-	2.5	4.3	18.3	22.6
(Depreciation Expenses)	-	(3.3)	(4.3)	(15.2)	(17.9)
R&D Expenses	-	5.2	6.0	21.0	23.2
Free Cash Flows					
Operating Activities	-8.2	-1.0	-16.5	27.9	-2.2
Investing Activities	-6.1	-3.5	-1.9	-18.0	-26.0
Total	-14.3	-4.5	-18.4	9.9	-28.2
Inventories at End of Period	82.8	84.3	85.5	72.5	80.7
Number of Employees					
Japan	11,205	11,149	10,950	10,850	10,765
Overseas	17,397	16,555	16,133	16,150	16,038
Total (*3)	28,602	27,704	27,083	27,000	26,803
(Changes from the changes in the scope of consolidation)	(365)	(353)	(82)	(319)	(148)
Sales by Business Segment					
Musical Instruments	72.5 (69.4%)	68.4 (68.8%)	81.2 (65.9%)	294.0 (67.0%)	306.6 (66.8%)
AV/IT	11.1 (10.6%)	11.2 (11.3%)	13.8 (11.2%)	53.0 (12.1%)	56.7 (12.3%)
Electronic Devices	4.3 (4.1%)	4.7 (4.7%)	7.5 (6.1%)	22.0 (5.0%)	22.0 (4.8%)
Lifestyle-Related Products	10.3 (9.9%)	8.8 (8.8%)	10.5 (8.5%)	43.0 (9.8%)	43.1 (9.4%)
Others	6.3 (6.0%)	6.3 (6.4%)	10.3 (8.3%)	27.0 (6.1%)	30.8 (6.7%)
Operating Income by Business Segment					
Musical Instruments	2.4	1.8	6.2	9.0	19.2
AV/IT	-1.1	-0.5	-0.5	-0.5	-0.4
Electronic Devices	-1.3	-0.5	-0.2	-1.0	-2.5
Lifestyle-Related Products	-0.2	-0.5	-0.6	0.5	-0.3
Others	-0.5	-0.1	0.7	-2.0	-2.1

Non-Consolidated Basis

	1Q Results FY2010.3	1Q Results (Previous Year) FY2009.3	Results (Previous Year) FY2009.3
Net Sales	59.4	77.0	274.6
Operating Income	-1.5 -	3.7 (4.8%)	1.2 (0.5%)
Ordinary Income	-1.2 -	4.9 (6.4%)	4.4 (1.6%)
Net Income	-3.5 -	2.5 (3.2%)	-18.9 -

＊1, 2 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

＊4 2Q-4Q currency exchange rates US\$1=JPY95, EUR1=JPY120

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.