October 30, 2009

For immediate release

YAMAHA CORPORATION

Outline of the Consolidated Financial Results for the Second-Quarter Accumulation (Six Months) of FY2010.3 (Supplementary Information)

Performance in the Second-Quarter Accumulation (Six Months)

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

During the second-quarter accumulation (six months) (April 1, 2009 to September 30, 2009) of FY2010.3 (April 1, 2009 to March 31, 2010), Yamaha reported declines in the sales of all its business segments and an overall decrease in net sales of ¥46.2 billion, or 18.4%, compared with the same period of the previous fiscal year, to ¥204.3 billion. Factors accounting for this decline included the weakness in consumer spending and the effects of foreign currency fluctuations, which accounted for ¥18.7 billion of the decrease in net sales.

Profitwise, during the second-quarter accumulation (six months) consolidated operating income was down 69.0%, to ¥4.1 billion, as all segments except lifestyle-related products, reported lower operating income. Consolidated ordinary income also declined, by 78.6%, to ¥2.8 billion, accompanying the drop in operating income.

The Company reported a net loss of ¥0.8 billion for the period, as a result of the reporting of income taxes—current, a decrease 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 ¥139.7 billion (–16.1%) and Operating Income of ¥4.9 billion (–64.6%)

Sales of pianos in the Chinese market expanded, but sales of pianos in other regions decreased. In addition, sales of wind instruments substantially declined, principally in the Japanese, North American, and European markets. Sales of all product groups declined from the same period of the previous fiscal year. As a consequence, sales for the second-quarter accumulation (six months) decreased ¥26.7 billion from the same period of the previous fiscal year. This decline included a ¥14.9 billion drop accounted for by foreign currency fluctuations.

Profitwise, this segment reported a sharp decline in income owing to the decrease in sales and a ¥7.2 billion decline due to foreign currency fluctuations as well as other factors.

AV/IT

Sales of ¥24.5 billion (–19.0%) and an Operating Loss of ¥30 million (compared with an operating profit of ¥0.2 billion in the same period of the previous fiscal year)

By product, sales of routers held firm. In the audio products business, in part because of the introduction of an Eco-point system in Japan, Japanese sales, principally of front-surround systems, were favorable in the domestic market, but, overseas, sales of audio products declined, mainly in the North American and European markets due to weakness in consumer spending. As a result, sales of the segment overall experienced a decline of ¥5.8 billion, which included a ¥3.8 billion drop owing to foreign currency fluctuations.

Regarding profitability, this segment reported a slight operating loss due to the decline in sales and a ¥1.6 billion decrease owing to foreign currency fluctuations.

Electronic Devices

Sales of ¥9.6 billion (–26.5%) and an Operating Loss of ¥0.8 billion (compared with an operating loss of ¥0.6 billion in the same period of the previous fiscal year)

Sales continued to decline because of the decrease in demand for sound generators for mobile phones, and, as a consequence, sales for this segment as a whole fell substantially.

Profitwise, despite the decline in depreciation resulting from the recognition of impairment losses on fixed assets in the previous fiscal year as well as efforts to reduce costs and improve efficiency, the operating loss increased, albeit by a small margin, from the same period of the previous fiscal year.

Lifestyle-Related Products

Sales of ¥17.9 billion (–17.4%) and an Operating Loss of ¥0.1 billion (compared with an operating loss of ¥0.5 billion in the same period of the previous fiscal year)

Sales of this segment declined as a result of the major drop in the number of new housing starts and the weakness in sales of system kitchens and system baths, which the Company is promoting, with the goal of strengthening its position in the home renovation market.

The profit position of this segment improved from the same period of the previous year as a result of reductions in manufacturing costs and other expenses.

Others

Sales of ¥12.6 billion (–33.9%) and Operating Income of ¥0.2 billion (–58.0%)

Sales of automobile interior wood components and magnesium molded parts, a business that the Company will exit during the current fiscal year, declined, and the Company's recreation business drew relatively few customers. As a result, overall sales of this segment decreased significantly.

Profitwise, the margin of decline in income due to the decrease in sales was restrained by reductions in manufacturing costs and other expense cutbacks.

Consolidated Forecast for FY2010.3

Forecast announced on April 30 remains unchanged

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 second quarter due to the uncertainty about future trends, and, thus, 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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Second Quarter of FY2010.3 Performance Outline

YAMAHA CORPORATION

October 30, 2009

(billions of yen)

	Six Months Initial Projections (April 30, 2009) FY2010.3	Six Months Results Ended Sept. 30, 2009 FY2010.3	Six Months Results Ended Sept. 30, 2008 (Previous Year) FY2009.3	Projections (Full Year) FY2010.3	Results (Previous Year) FY2009.3
Net Sales	212.5	204.3	250.5	439.0	459.3
Japan Sales	112.7 (53.0%)	107.2 (52.4%)	125.3 (50.0%)	232.2 (52.9%)	234.9 (51.1%)
Overseas Sales	99.8 (47.0%)	97.1 (47.6%)	125.2 (50.0%)	206.8 (47.1%)	224.4 (48.9%)
Operating Income	1.3 (0.6%)	4.1 (2.0%)	13.3 (5.3%)	6.0 (1.4%)	13.8 (3.0%)
Ordinary Income	-0.2 -	2.8 (1.4%)	13.3 (5.3%)	3.0 (0.7%)	12.0 (2.6%)
Net Income	-1.9 -	-0.8 -	4.4 (1.7%)	0 -	-20.6 -
Currency Exchange Rates (Settlement Rate) (=yen)	95/US$ 120/EUR	96/US$ 128/EUR	106/US$ 157/EUR	96/US$ (*4) 124/EUR	102/US$ 153/EUR
ROE (*1)	-1.6%	-0.7%	2.7%	0.0%	-7.0%
ROA (*2)	-0.9%	-0.4%	1.7%	0.0%	-4.3%
Earnings per Share	-9.1 yen	-4.3 yen	21.9 yen	0 yen	-103.7yen
Capital Expenditures	8.7	5.0	9.0	18.3	22.6
(Depreciation Expenses)	(7.0)	(6.7)	(8.8)	(15.2)	(17.9)
R&D Expenses	11.0	10.7	12.2	21.0	23.2
Free Cash Flows					
Operating Activities	7.1	12.6	-14.8	27.9	-2.2
Investing Activities	-10.9	-10.0	-15.1	-18.0	-26.0
Total	-3.8	2.6	-29.9	9.9	-28.2
Inventories at End of Period	82.6	81.2	91.1	72.5	80.7
Number of Employees					
Japan	10,980	11,033	10,924	10,850	10,765
Overseas	17,430	16,413	16,861	16,150	16,038
Total (*3)	28,410	27,446	27,785	27,000	26,803
(Changes from the changes in the scope of consolidation)	(324)	(202)	(86)	(319)	(148)
Sales by Business Segment					
Musical Instruments	145.4 (68.4%)	139.7 (68.4%)	166.4 (66.4%)	294.0 (67.0%)	306.6 (66.8%)
AV/IT	24.2 (11.4%)	24.5 (12.0%)	30.3 (12.1%)	53.0 (12.1%)	56.7 (12.3%)
Electronic Devices	8.8 (4.2%)	9.6 (4.7%)	13.1 (5.3%)	22.0 (5.0%)	22.0 (4.8%)
Lifestyle-Related Products	21.3 (10.0%)	17.9 (8.7%)	21.6 (8.6%)	43.0 (9.8%)	43.1 (9.4%)
Others	12.8 (6.0%)	12.6 (6.2%)	19.1 (7.6%)	27.0 (6.1%)	30.8 (6.7%)
Operating Income by Business Segment					
Musical Instruments	5.3	4.9	13.8	9.0	19.2
AV/IT	-1.2	-0.0	0.2	-0.5	-0.4
Electronic Devices	-1.9	-0.8	-0.6	-1.0	-2.5
Lifestyle-Related Products	0.1	-0.1	-0.5	0.5	-0.3
Others	-1.0	0.2	0.4	-2.0	-2.1

Non-Consolidated Basis

	Six Months Results FY2010.3	Six Months Results FY2009.3	Results FY2009.3
Net Sales	120.2	157.2	274.6
Operating Income	-3.0 -	5.0 (3.2%)	1.2 (0.5%)
Ordinary Income	-2.3 -	7.5 (4.8%)	4.4 (1.6%)
Net Income	-4.9 -	6.1 (3.9%)	-18.9 -

＊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

＊4 2H 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.