February 3, 2010

For immediate release

Yamaha Corporation

Outline of the Consolidated Financial Results for the Third-Quarter Accumulation (Nine Months) of FY2010.3 and Revision of the Outlook for Performance (Supplementary Information)

Performance in the Third-Quarter Accumulation (Nine Months)

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

During the third-quarter accumulation (nine months) (April 1, 2009 to December 31, 2009) of FY2010.3 (April 1, 2009 to March 31, 2010), Yamaha reported declines in the sales of all its business segments and a decrease in consolidated net sales of ¥52.5 billion, or 14.2%, compared with the same period of the previous fiscal year, to ¥316.9 billion. Factors causing the decline included the weakness in consumer spending and the effects of foreign currency fluctuations, which accounted for approximately ¥20.7 billion of the decrease in net sales.

Profitwise, during the third-quarter accumulation (nine months) consolidated operating income was down ¥11.8 billion, or 52.8%, to ¥10.5 billion. This decline was caused by the decrease in net sales, foreign currency fluctuations, and other factors. Consolidated ordinary income also declined, falling ¥12.2 billion, or 58.2%, to ¥8.8 billion. Income before income taxes and minority interests was down ¥11.8 billion, or 58.2%, to ¥8.5 billion. Net income decreased ¥6.3 billion, or 67.8%, to ¥3.0 billion, mainly as a result of the reporting of income taxes—current and deferred.

Please note that consolidated net sales for the third quarter (October 1, 2009 to December 31, 2009) declined 5.3%, compared with the same quarter of the previous year, to ¥112.5 billion. Factors causing this decrease included the weakness in consumer spending and the effects of foreign-currency fluctuations, which accounted for approximately ¥2.0 billion of the decline. Accompanying the decrease in net sales, operating income and net income for the quarter declined 28.5%, to ¥6.4 billion, and 22.5%, to ¥3.8 billion, respectively.

Sales and Operating Income (Loss) by Business Segment

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

Musical Instruments

<u>Sales of ¥211.0 billion (–13.5%) and Operating Income of ¥7.8 billion (–65.1%)</u>

During the third quarter (three months), by product, sales of pianos in the North American market showed signs of recovery and sales of pianos in the Chinese market continued to show double-digit growth. However, sales in the Japanese and European markets decreased. In addition, sales of portable keyboards in the European market declined compared with the same period of the previous year, and sales of professional audio equipment decreased, principally in the European market.

Sales for the third-quarter accumulation (nine months) were down ¥33.0 billion compared with the same period of the previous fiscal year. This decline included a ¥16.3 billion drop accounted for by foreign-currency fluctuations. Income declined compared with the same period of the previous fiscal year, owing to the decrease in sales, foreign-currency fluctuations, and other factors.

AV/IT

<u>Sales of ¥41.9 billion (–10.7%) and Operating Income of ¥1.9 billion (+43.2%)</u>

During the third quarter (three months), by product, sales of front surround system products continued to be strong in the Japanese market.

Sales for the third-quarter accumulation (nine months) declined in comparison with the same period of the previous fiscal year, principally in the European and U.S. markets. This decline included a ¥4.4 billion drop due to the appreciation of the yen. Income increased because of a shift to more in-house production; reductions in manufacturing costs, including cutting of material costs; and lowering of other expenses.

Electronic Devices

<u>Sales of ¥15.0 billion (–15.9%) and an Operating Loss of ¥0.2 billion (compared with an operating loss of ¥1.0 billion in the same period of the previous fiscal year)</u>

During the third quarter (three months), total sales of this segment increased because of expansion in sales for amusement devices and digital amplifiers.

Sales for the third-quarter accumulation (nine months) decreased in comparison with the same period of the previous fiscal year. The operating loss was smaller because of a decline in depreciation expenses (owing to the reporting of impairment losses on manufacturing facilities in the same period of the previous fiscal year), changes in the product composition of sales, and other factors.

Lifestyle-Related Products

<u>Sales of ¥28.0 billion (–18.3%) and Operating Income of ¥0.3 billion (compared with an operating loss of ¥20 million in the same period of the previous fiscal year)</u>

During the third quarter (three months), sales in both the system kitchen and system bathroom businesses declined as new housing starts remained at a low level.

Sales in the third-quarter accumulation (nine months) decreased from the same period of the previous fiscal year, but the segment reported operating income, compared with an operating loss a year earlier, because of a thoroughgoing reduction of expenses and cuts in manufacturing costs.

Please note that the Company announced that its Board of Directors, at their meeting held on November 19, 2009, has decided to begin negotiations with Japan Industrial Partners, Inc. (JIP), regarding the transfer of a majority of its holdings of the shares of the consolidated subsidiary Yamaha Livingtec Corporation, which is in charge of Yamaha's lifestyle-related products business, to JIP. The date scheduled for the transfer of shares is the end of March 2010.

Others

Sales of ¥21.0 billion (–20.4%) and Operating Income of ¥0.7 billion (compared with an operating loss of ¥0.4 billion in the same period of the previous fiscal year)

During the third quarter (three months), sales of this segment in the Japanese market increased as sales of automobile interior wood components showed signs of recovery and sales of golf products were favorably influenced by the launching of new products.

Sales for the third-quarter accumulation (nine months) declined ¥5.4 billion from the same period of the previous fiscal year. However, this segment reported higher operating income for the period, compared with the same period of the previous fiscal year, because of the positive effects of reductions in expenses and the cutting of manufacturing costs, which lowered the breakeven point in the businesses of this segment.

Consolidated Forecast for FY2010.3

Among forecasts announced in April last year, net sales, ordinary income, and net income have been revised.

After taking account of trends in performance through the third quarter and the business environment, the Company has reduced the forecast for net sales for the fiscal year to ¥413.0 billion. However, after considering the positive impact of reductions in manufacturing costs and selling, general and administrative expenses, the Company has retained its previously announced forecast for operating income of ¥6.0 billion. In addition, regarding ordinary income, in view of the prospects for declines in sales discounts accompanying the decrease in net sales, the improvement in the financial balance, and other factors, the forecast has been revised upward to ¥4.0 billion. However, since expenses that will give rise to deferred tax assets are expected to be lower than previously anticipated, deferred tax assets will decline and tax expenses and others will increase. As a result, the Company is now forecasting a net loss of ¥1.5 billion.

Note: In principle, sales and profit figures in the text above have been rounded to the nearest ¥100 million.

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Third Quarter of FY2010.3 Performance Outline

YAMAHA CORPORATION
February 3, 2010

(billions of yen)

	Three Months Results Ended Dec. 31, 2009 FY2010.3	Three Months Results Ended Dec. 31, 2008 (Previous Year) FY2009.3	Nine Months Results Ended Dec. 31, 2009 FY2010.3	Nine Months Results Ended Dec. 31, 2008 (Previous Year) FY2009.3	Full Year Initial Projections (Apr. 30, 2009) FY2010.3	Full Year Projections FY2010.3	Full Year Results (Previous Year) FY2009.3
Net Sales	112.5	118.9	316.9	369.4	439.0	413.0	459.3
Japan Sales	54.6 (48.5%)	58.2 (49.0%)	161.7 (51.0%)	183.5 (49.7%)	232.2 (52.9%)	216.0 (52.3%)	234.9 (51.1%)
Overseas Sales	58.0 (51.5%)	60.7 (51.0%)	155.1 (49.0%)	185.9 (50.3%)	206.8 (47.1%)	197.0 (47.7%)	224.4 (48.9%)
Operating Income	6.4 (5.6%)	8.9 (7.5%)	10.5 (3.3%)	22.2 (6.0%)	6.0 (1.4%)	6.0 (1.5%)	13.8 (3.0%)
Ordinary Income	5.9 (5.3%)	7.7 (6.5%)	8.8 (2.8%)	21.0 (5.7%)	3.0 (0.7%)	4.0 (1.0%)	12.0 (2.6%)
Net Income	3.8 (3.4%)	5.0 (4.2%)	3.0 (0.9%)	9.3 (2.5%)	0 -	-1.5 -	-20.6 -
Currency Exchange Rate (Settlement Rate) (=yen)	90/US\$ 133/EUR	100/US\$ 163/EUR	94/US\$ 130/EUR	104/US\$ 159/EUR	- -	93/US\$ (*4) 129/EUR	102/US\$ 153/EUR
ROE (*1)	6.1%	6.8%	1.6%	4.0%	0.0%	-0.6%	-7.0%
ROA (*2)	3.7%	4.2%	1.0%	2.5%	0.0%	-0.4%	-4.3%
Earnings per share	-	-	15.2 yen	46.8 yen	0 yen	-7.6 yen	-103.7yen
Capital Expenditure	2.7	6.4	7.7	15.4	18.3	15.9	22.6
(Depreciation)	(3.6)	(4.8)	(10.3)	(13.6)	(15.2)	(14.2)	(17.9)
R&D Expenditure	5.0	5.0	15.7	17.2	21.0	21.0	23.2
Free Cash Flows							
Operating Activities	10.2	-2.7	22.9	-17.5	27.9	34.5	-2.2
Investing Activities	-2.5	-3.6	-12.5	-18.7	-18.0	-16.4	-26.0
Total	7.7	-6.3	10.4	-36.2	9.9	18.1	-28.2
Inventories at period-end	-	-	74.5	83.9	72.5	68.9	80.7
Number of Employees							
Japan	-	-	10,918	10,872	10,850	10,850	10,765
Overseas	-	-	16,232	16,587	16,150	15,950	16,038
Total (*3)	-	-	27,150	27,459	27,000	26,800	26,803
(Changes from the changes in the scope of consolidation)			(101)	(186)	(319)	(75)	(148)
Sales by Business Segment							
Musical Instruments	71.4 (63.4%)	77.7 (65.3%)	211.0 (66.6%)	244.1 (66.1%)	294.0 (67.0%)	275.0 (66.6%)	306.6 (66.8%)
AV/IT	17.4 (15.4%)	16.6 (14.0%)	41.9 (13.2%)	46.9 (12.7%)	53.0 (12.1%)	53.5 (12.9%)	56.7 (12.3%)
Electronic Devices	5.3 (4.8%)	4.7 (4.0%)	15.0 (4.7%)	17.8 (4.8%)	22.0 (5.0%)	20.0 (4.8%)	22.0 (4.8%)
Lifestyle-Related Products	10.1 (9.0%)	12.6 (10.6%)	28.0 (8.9%)	34.2 (9.3%)	43.0 (9.8%)	37.0 (9.0%)	43.1 (9.4%)
Others	8.4 (7.4%)	7.3 (6.1%)	21.0 (6.6%)	26.4 (7.1%)	27.0 (6.1%)	27.5 (6.7%)	30.8 (6.7%)
Operating Income by Business Segment							
Musical Instruments	2.9	8.5	7.8	22.3	9.0	5.5	19.2
AV/IT	2.0	1.1	1.9	1.3	-0.5	1.0	-0.4
Electronic Devices	0.6	-0.4	-0.2	-1.0	-1.0	-0.5	-2.5
Lifestyle-Related Products	0.4	0.5	0.3	-0.0	0.5	0	-0.3
Others	0.5	-0.8	0.7	-0.4	-2.0	0	-2.1

Non-Consolidated Basis

	Three Months 2009	Three Months 2008	Nine Months 2009	Nine Months 2008	Full Year Results (Previous Year)
Net Sales	56.3	68.1	176.6	225.3	274.6
Operating Income	-0.1 -	1.6 (2.3%)	-3.2 -	6.6 (2.9%)	1.2 (0.5%)
Ordinary Income	0.3 (0.5%)	2.0 (2.9%)	-2.0 -	9.5 (4.2%)	4.4 (1.6%)
Net Income	-0.8 -	0.0 -	-5.6 -	6.1 (2.7%)	-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 4Q Currency exchange rates US\$=90JPY EUR=127JPY

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.