For immediate release

July 30, 2010

YAMAHA CORPORATION

Outline of the Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011 (FY2011.3) and Revision of the Outlook for Performance

Consolidated Performance in the First Quarter

Year-on-Year Decline in Net Sales, but Accompanied by an Increase in Income

During the first quarter of FY2011.3, sales of the AV/IT, electronic devices, and others businesses increased. However, owing to the transfer of the shares of a lifestyle-related products subsidiary at the end of the previous fiscal year and its exclusion from the scope of consolidation, sales were ¥8.8 billion lower than they would have been otherwise. In addition, sales of the musical instruments business decreased because of the impact of foreign currency fluctuations. As a consequence of these and other factors, Yamaha's consolidated net sales were ¥8.5 billion, or 8.6%, lower than in the first quarter of the previous fiscal year, and amounted to ¥90.9 billion.

Consolidated operating income rose to ¥5.2 billion from ¥0.2 billion in the same period of the previous fiscal year. This increase was the result of improved profitability in the musical instruments business accompanying the increase in production and gains in income in business segments other than musical instruments accompanying the rise in sales in those businesses.

Accompanying the rise in consolidated operating income, consolidated ordinary income for the first quarter rose to ¥4.9 billion (compared with an ordinary loss of ¥0.5 billion in the first quarter of the previous fiscal year). However, owing to the reporting of an impairment loss of ¥1.5 billion on investment securities as an extraordinary loss and other factors, consolidated net income for the first quarter amounted to ¥2.2 billion (compared with a loss of ¥2.9 billion for the same quarter of the previous fiscal year).

Sales and Operating Income (Loss) by Business Segment

Please note that because of the transfer of 85.1% of Yamaha's equity holdings in Yamaha Livingtec Corporation, a subsidiary in the lifestyle-related products business, at the end of the previous fiscal year, this company has been excluded from the scope of consolidation, and the Company has eliminated its lifestyle-related products business segment beginning with the quarter under review.

Musical Instruments

Sales of ¥66.6 billion (–2.5%) and Operating Income of ¥3.5 billion (+91.8%)

Sales of pianos in the Chinese, European, and North American markets continued to be firm, but sales in Japan were relatively weak. Overall, piano sales for the first quarter were at virtually the level as in the same quarter of the previous fiscal year. Among digital musical instruments, sales of digital pianos in total continued to be firm. In North America, sales of wind instruments held relatively strong. Although sales of audio equipment for the professional market were lackluster, sales in markets peripheral to musical instruments exceeded those of the previous fiscal year. For the segment as a whole, sales were down compared with the same period of the previous fiscal year, in part because of the effect of foreign currency fluctuations, which had a negative impact of ¥2.0 billion. Profitability rose substantially because of the positive impact of increased production following the round of inventory adjustments in the previous period.

AV/IT

Sales of ¥12.0 billion (+7.3%) and Operating Income of ¥0.3 billion (compared with an operating loss of ¥0.5 billion in the previous fiscal year)

In the audio business, sales in the North American market decreased, but sales of AV receivers in the European market continued to be favorable. In the Japanese market, sales of front surround system products continued to be favorable and held generally firm. Sales of routers for commercial use and commercial online karaoke equipment were steady. For the segment as a whole, foreign currency fluctuations had a negative impact of ¥0.5 billion, but total sales increased.

Profitability improved, and the segment showed a profit for the quarter, compared with an operating loss for the same quarter of the previous fiscal year, as a result of the increase in sales and continued reductions in production costs and other expenses.

Electronic Devices

Sales of ¥5.1 billion (+9.8%) and Operating Income of ¥0.5 billion (compared with an operating loss of ¥0.5 billion in the previous fiscal year)

In the semiconductor business, although sales of sound-generating LSIs for mobile phones decreased year on year, strong sales of graphic LSIs for amusement equipment, geomagnetic sensors, and certain other products resulted in an overall rise in sales.

Profitability in this segment improved, and it reported a profit for the quarter, compared with an operating loss for the same quarter of the previous fiscal year, because of changes in the product mix and reductions in manufacturing costs.

Others

Sales of ¥7.1 billion (+11.7%) and Operating Income of ¥0.9 billion (compared with an operating loss of ¥0.05 billion in the previous fiscal year)

Sales of automobile interior wood components continued to hold firm, and sales of the factory automation (FA) business expanded, particularly sales of capital investment related goods to the Chinese market. In addition, sales of golf products expanded in Japan and overseas. On the other hand, in the recreation business, sales decreased due to the decline in the number of accommodation guests.

Although the decrease in sales of the recreation business and the Company's withdrawal from the magnesium molded parts business had a negative effect on sales, performance of other businesses held strong. As a result, the segment as a whole reported an increase in sales. Profitability improved, and operating income was reported for the quarter, compared with an operating loss in the same quarter of the previous fiscal year.

Consolidated Forecast for FY2011.3

Yamaha's forecast for consolidated performance announced on April 28, 2010, called for net sales of ¥385.0 billion, operating income of ¥10.0 billion, ordinary income of ¥7.5 billion, and net income of ¥5.5 billion. After consideration of performance in the first quarter of the current fiscal year, future business trends, and foreign currency movements, Yamaha left its forecasts for sales, operating income, and ordinary income unchanged. However, owing to the reporting of an impairment loss on investment securities as an extraordinary loss and other factors, the forecast for net income has been reduced to ¥4.0 billion.

Notes:

1. Sales and income figures in the text above have been rounded to the nearest ¥0.1 billion).
2. Figures in parentheses are changes from the same period of the previous fiscal year, except as indicated.

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First Quarter of FY2011.3 Performance Outline

YAMAHA CORPORATION

July 30, 2010

(billions of yen)

	1Q Initial Projections (April 28, 2010) FY2011.3	1Q Results FY2011.3	1Q Results (Previous Year) FY2010.3	Projections (Full Year) (April 28, 2010) FY2011.3	Projections (Full Year) FY2011.3	Results (Previous Year) FY2010.3
Net Sales	91.0	90.9	99.4	385.0	385.0	414.8
Japan Sales	47.1 (51.8%)	46.0 (50.7%)	55.4 (55.7%)	181.3 (47.1%)	176.6 (45.9%)	218.4 (52.7%)
Overseas Sales	43.9 (48.2%)	44.9 (49.3%)	44.0 (44.3%)	203.7 (52.9%)	208.4 (54.1%)	196.4 (47.3%)
Operating Income	2.0 (2.2%)	5.2 (5.7%)	0.2 (0.2%)	10.0 (2.6%)	10.0 (2.6%)	6.8 (1.6%)
Ordinary Income	1.5 (1.6%)	4.9 (5.3%)	-0.5 -	7.5 (1.9%)	7.5 (1.9%)	4.9 (1.2%)
Net Income	0.5 (0.5%)	2.2 (2.4%)	-2.9 -	5.5 (1.4%)	4.0 (1.0%)	-4.9 -
Currency Exchange Rate (Settlement Rate) (=yen)	90/US$ 127/EUR	93/US$ 123/EUR	97/US$ 124/EUR	90/US$ 127/EUR	91/US$ (*5) 117/EUR	93/US$ 130/EUR
ROE (*1)	0.2%	3.6%	-4.6%	2.2%	1.6%	-2.0%
ROA (*2)	0.1%	2.3%	-2.8%	1.4%	1.0%	-1.2%
Earnings per Share	2.5yen	11.2yen	-14.7yen	27.9yen	20.3yen	-25.0yen
Capital Expenditures	-	2.1	2.5	13.9	13.9	14.5
(Depreciation Expenses)	-	(3.1)	(3.3)	(14.2)	(13.8)	(14.1)
R&D Expenses	-	5.5	5.2	21.7	23.2	21.7
Free Cash Flows						
Operating Activities	-4.2	-0.9	-1.0	21.1	21.8	39.9
Investing Activities	-1.2	-2.0	-3.5	-13.5	-13.6	-12.7
Total	-5.4	-3.0	-4.5	7.6	8.2	27.2
Inventories at End of Period	71.0	73.0	84.3	65.4	66.8	69.5
Number of Employees						
Japan	9,800	9,682	11,149	9,600	9,500	9,628
Overseas	16,500	17,292	16,555	16,500	16,600	16,030
Total (*3)	26,300	26,974	27,704	26,100	26,100	25,658
(Changes from the changes in the scope of consolidation)	(0)	(0)	(353)	(0)	(0)	(-1,106)
Sales by Business Segment						
Musical Instruments	68.0 (74.7%)	66.6 (73.3%)	68.4 (68.8%)	281.0 (73.0%)	278.0 (72.2%)	276.3 (66.6%)
AV/IT	11.5 (12.6%)	12.0 (13.3%)	11.2 (11.3%)	57.0 (14.8%)	58.0 (15.1%)	54.4 (13.1%)
Electronic Devices	5.0 (5.5%)	5.1 (5.6%)	4.7 (4.7%)	23.0 (6.0%)	23.5 (6.1%)	19.7 (4.8%)
Lifestyle-Related Products (*4)	-	-	8.8 (8.8%)	-	-	36.9 (8.9%)
Others	6.5 (7.2%)	7.1 (7.8%)	6.3 (6.4%)	24.0 (6.2%)	25.5 (6.6%)	27.5 (6.6%)
Operating Income by Business Segment						
Musical Instruments	1.6	3.5	1.8	6.5	6.0	5.1
AV/IT	0.2	0.3	-0.5	2.5	2.0	1.4
Electronic Devices	-0.2	0.5	-0.5	0.5	1.0	-0.6
Lifestyle-Related Products (*4)	-	-	-0.5	-	-	0.4
Others	0.4	0.9	-0.1	0.5	1.0	0.5

Non-Consolidated Basis

	1Q Initial Projections FY2011.3	1Q Results FY2011.3	1Q Results (Previous Year) FY2010.3	Projections (April 28, 2010) FY2011.3	Projections FY2011.3	Results (Previous Year) FY2010.3
Net Sales		65.2	59.4			227.9
Operating Income		2.0 (3.0%)	-1.5 -			-9.8 -
Ordinary Income		4.7 (7.2%)	-1.2 -			-8.4 -
Net Income		2.4 (3.7%)	-3.5 -			-16.4 -

＊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 Following the handover of Lifestyle-Related Products business on March 31, 2010, this segment has been excluded from the scope of consolidation.

＊5 2Q-4Q currency exchange rates US$1=JPY90, EUR1=JPY115

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.