

For Immediate Release

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## **YAMAHA CORPORATION**

### **Outline of the Consolidated Financial Results for the First Quarter (Three Months) of the Fiscal Year Ending March 31, 2012 (FY2012.3) and Outlook for Performance for the Full Fiscal Year**

#### **■ Consolidated Performance for the First Quarter (Three Months)** Year-on-Year Declines in Net Sales and Income

Yamaha's consolidated net sales for the first quarter of FY2012.3 decreased ¥3.0 billion, or 3.3%, compared with the same period of the previous fiscal year, to ¥87.9 billion. Performance of the musical instruments and AV/IT business segments, which had been forecast to decline as a consequence of the effects of the Great East Japan Earthquake, held relatively firm. Sales of the AV/IT segment rose, and sales of the musical instrument segment rose after the exclusion the impact of foreign currency fluctuations. However, as a result of foreign currency factors and decreases in sales in the electronic devices and others segments, overall consolidated sales decreased year on year.

Consolidated operating income for the first quarter declined ¥2.1 billion, or 39.8%, year on year, to ¥3.1 billion. This was because of the impact of foreign currency fluctuations and declines in Yamaha's output and shipments that were caused by difficulties in procuring parts and cutbacks in production among corporate clients, both of which were caused by the earthquake.

Along with the decrease in consolidated operating income, consolidated ordinary income was down ¥2.1 billion, or 43.1%, year on year, to ¥2.8 billion, and net income decreased ¥1.7 billion, or 77.2%, to ¥0.5 billion.

## ■ Sales and Operating Income (Loss) by Business Segment

### **Musical Instruments**

Sales of ¥66.6 billion (compared with ¥66.6 billion a year earlier) and Operating Income of ¥2.6 billion (-25.0%)

Although sales of pianos and digital pianos both continued to be difficult in North America, they held strong in Japan and expanded in Europe, China, and other areas. As a result, overall piano sales rose. Sales of wind instruments continued to be firm and, overall, posted a slight increase. In the professional audio equipment business, there were signs of recovery in the North American market, and sales expanded in China and other emerging countries, resulting in an overall increase in sales of this business. Revenues from music schools were at about the same level as in the same period of the previous year. For this segment as a whole, sales were at the same level as in the same quarter of the previous fiscal year, in part because of the effect of foreign currency fluctuations, which had a negative impact of ¥1.9 billion.

Profitability declined because of the ¥1.0 billion negative impact of foreign currency factors, the impact of difficulties in procuring parts on the level of the production of digital musical instruments, the higher cost of raw materials, and other factors.

### **AV/IT**

Sales of ¥12.4 billion (+2.8%) and Operating Income of ¥0.6 billion (+62.0%)

In the audio products business, sales in China and other emerging countries, continued to be robust, but sales in North America and Europe declined, while sales performance in Japan was lackluster. Sales of routers for business use decreased, but, on the other hand, major gains were reported in sales of commercial online karaoke equipment, resulting in an overall rise in segment sales.

Profitability improved along with the increase in sales.

### **Electronic Devices**

Sales of ¥3.8 billion (–26.2%) and an Operating Loss of ¥0.3 billion (compared with operating income of ¥0.5 billion in the same quarter of the previous fiscal year)

In the semiconductor business, sales of geomagnetic sensors rose year on year, but sales of sound generators for mobile phones continued to decline, reflecting the stagnation of sales in the market for conventional mobile phone terminals. In part because of the impact of the earthquake, sales of graphic controllers and sound generators used in amusement equipment declined, thus leading to a major overall decrease in segment sales.

Because of the substantial decline in sales, profitability declined, resulting in the reporting of an operating loss for the quarter.

### **Others**

Sales of ¥5.1 billion (–27.5%) and Operating Income of ¥0.3 billion (–65.5%)

Sales of automobile interior wood components were adversely affected by the production adjustments among customers following the earthquake and declined substantially. In addition, the golf products and recreation businesses were also negatively affected by the earthquake as the desire to spend among Japanese consumers waned. As a consequence, sales of the segment as a whole decreased.

Profitability posted a substantial drop along with the decrease in sales.

### **■ Consolidated Forecast for the Full Fiscal Year (FY2012.3)**

Yamaha's previous forecast for consolidated performance for the full fiscal year, which was announced on May 9, 2011, called for net sales of ¥370.0 billion, a decline year on year of 1.0%; operating income of ¥10.0 billion, a decrease of 24.0% year on year; ordinary income of ¥8.0 billion, a decline of 27.1% year on year; and net income of ¥5.0 billion, a decrease of 1.6%

year on year. This forecast took account of an estimated decline in net sales of ¥17.0 billion and ¥6.0 billion in income, mainly in the first half of FY2012.3, due to the impact of the earthquake.

In view of the better-than-anticipated performance in the first quarter and the outlook that the adverse impact of the earthquake will be less than initially expected, Yamaha's latest revised forecast calls for net sales of ¥378.0 billion, an increase of 1.1% year on year; operating income of ¥12.5 billion, a decrease of 5.1% year on year; ordinary income of ¥10.5 billion, a decline of 4.3% year on year; and net income of ¥6.5 billion, an increase of 28.0% year on year.

Notes:

1. Sales and income/loss figures in the text above have, in principle, 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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