For Immediate Release

November 1, 2011

YAMAHA CORPORATION

Outline of the Consolidated Financial Results through the Second Quarter (Six Months) of the Fiscal Year Ending March 31, 2012 (FY2012.3) and Outlook for Performance for the Full Fiscal Year

■ Consolidated Performance through the Second Quarter (Six Months)

Year-on-Year Declines in Net Sales and Income

Although there were some declines because of the effects of the Great East Japan Earthquake, Yamaha's sales in both the musical instruments and AV/IT business segments remained relatively firm and showed increases year on year, after the exclusion of the impact of foreign currency fluctuations, through the second quarter of FY2012.3. On the other hand sales in electronic devices and others segments decreased. Overall consolidated net sales through the second quarter declined ¥7.7 billion, or 4.2%, compared with the same period of the previous fiscal year, to ¥176.6 billion mainly because of foreign currency factors, which had a negative impact of ¥4.7 billion.

Consolidated operating income through the second quarter declined ¥3.0 billion, or 32.0%, year on year, to ¥6.3 billion. Although operating income of the AV/IT segment rose, this overall decline was because of the impact of foreign currency fluctuations, which had a negative impact of ¥1.5 billion, and the effects of declines in 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 decline in consolidated operating income, consolidated ordinary income decreased ¥3.0 billion, or 36.2% year on year, to ¥5.3 billion, and net income declined ¥2.2 billion, or 44.2%, to ¥2.8 billion.

■ Sales and Operating Income (Loss) by Business Segment

Musical Instruments

Sales of ¥132.4 billion (–2.0%) and Operating Income of ¥4.6 billion (–27.8%)

Although sales of pianos continued to be tough in the North American market, sales performance held strong in China, and sales expanded in Europe, Japan, and other areas. As a result, overall piano sales rose. Sales of digital musical instruments posted a decline, as the effects of cutbacks in production caused by difficulties in procuring parts due to the earthquake were substantial, especially in industrialized countries. Sales of wind instruments continued to be generally firm and showed a slight increase. In the professional audio equipment business, sales expanded in China and emerging countries, resulting in an overall increase in sales of this business. Revenues from music schools declined slightly, in part because of the effects of the earthquake.

For the segment as a whole, the negative impact of foreign currency fluctuations was a substantial ¥3.8 billion, and sales decreased ¥2.7 billion, or 2.0% year on year.

Profitability declined because of the ¥1.6 billion negative impact of foreign currency factors, and operating income was down ¥1.8 billion, or 27.8%, year on year.

AV/IT

Sales of ¥25.0 billion (–1.4%) and Operating Income of ¥1.8 billion (+194.6%)

In the audio products business, sales in North America declined, but sales in Japan, Europe, China, and other regions held firm. Sales of routers for business use held strong, and sales of commercial online karaoke equipment showed further gains. Sales of the segment as a whole decreased ¥0.4 billion, or 1.4%, owing to the ¥0.7 billion negative impact of foreign currency fluctuations.

Profitability improved as operating income rose ¥1.2 billion, or 194.6%

year on year, accompanying the increase in sales in real terms.

Electronic Devices

Sales of ¥8.1 billion (–20.7%) and an Operating Loss of ¥0.7 billion (compared with operating income of ¥0.9 billion in the same period of the previous fiscal year)

In the semiconductor business, sales declined along with the stagnation in sales of sound generators for mobile phones that accompanied weakness in sales of conventional mobile phone terminals and the decrease in sales of graphic controllers used in amusement equipment, in part because of the impact of the earthquake. Sales of the segment as a whole decreased ¥2.1 billion, or 20.7%, year on year.

Together with the decline in sales, the segment reported an operating loss of ¥0.7 billion.

Others

Sales of ¥11.1 billion (–18.7%) and Operating Income of ¥0.6 billion (–57.0%)

Sales of automobile interior wood components were adversely affected by the production adjustments among business customers caused by the earthquake and thus declined. In addition, the golf products and recreation businesses were also negatively affected, as the desire to spend among Japanese consumers waned after the earthquake, resulting in a decline in sales. Sales of the segment as a whole decreased ¥2.6 billion, or 18.7% year on year.

Operating income decreased ¥0.8 billion, or 57.0%, year on year, accompanying the drop in sales.

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

Sales Forecast Revised from the Previous Figure Announced on August 1

Yamaha's previous forecast for consolidated performance for the full fiscal year ending March 31, 2012, which was announced on August 1, 2011, called for net sales of ¥378.0 billion, operating income of ¥12.5 billion, ordinary income of ¥10.5 billion, and net income of ¥6.5 billion. This forecast took account of an estimated decline in net sales of ¥11.7 billion and a decrease in operating income of ¥4.0 billion, mainly in the first half of FY2012.3, due to the impact of the earthquake.

We have revised our forecast for the effects of the earthquake on performance and the outlook is for it to cause a decline in sales of ¥9.5 billion and a drop in operating income of ¥3.5 billion for the full fiscal year. However, in view of performance through the second quarter, trends in business activities going forward, foreign currency fluctuations, and other factors, Yamaha has now revised its net sales forecast downward to ¥369.0 billion, a decline of 1.3% from the previous fiscal year, but the forecasts for operating income, ordinary income, and net income remain unchanged.

Please note that, since Yamaha does not have manufacturing facilities in Thailand, there has been no direct damage from the flood conditions in that country, but there may be some indirect effects related to the procurement of parts. Work is currently under way to determine the precise impact, and, in the event that these effects on performance for the fiscal year are expected to be material, Yamaha will disclose this promptly.

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.

For further information, please contact:

Yamaha Corporation
Corporate Communications Division, Public Relations Group
Email: pr-contacts@gmx.yamaha.com
Telephone: +81-3-5488-6601
Facsimile: +81-3-5488-5060

Second Quarter of FY2012.3 Performance Outline

YAMAHA CORPORATION

November 1, 2011

(billions of yen)

	Six Months Initial Projections (announced on Aug. 1, 2011) FY2012.3	Six Months Results Ended Sept. 30, 2011 FY2012.3	Six Months Results Ended Sept. 30, 2010 (Previous Year) FY2011.3	Initial Projections (Full Year) (announced on Aug. 1, 2011 FY2012.3	Projections (Full Year) FY2012.3	Results (Previous Year) FY2011.3
Net Sales	180.5	176.6	184.3	378.0	369.0	373.9
Japan Sales	82.5 (45.7%)	83.0 (47.0%)	88.9 (48.2%)	174.4 (46.1%)	173.5 (47.0%)	179.6 (48.0%)
Overseas Sales	98.0 (54.3%)	93.6 (53.0%)	95.4 (51.8%)	203.6 (53.9%)	195.5 (53.0%)	194.3 (52.0%)
Operating Income	5.5 (3.0%)	6.3 (3.6%)	9.3 (5.0%)	12.5 (3.3%)	12.5 (3.4%)	13.2 (3.5%)
Ordinary Income	5.0 (2.8%)	5.3 (3.0%)	8.4 (4.5%)	10.5 (2.8%)	10.5 (2.8%)	11.0 (2.9%)
Net Income	2.5 (1.4%)	2.8 (1.6%)	5.0 (2.7%)	6.5 (1.7%)	6.5 (1.8%)	5.1 (1.4%)
Currency Exchange Rate (Settlement Rate) (=yen)	84/US\$ 114/EUR	80/US\$ 115/EUR	89/US\$ 118/EUR	84/US\$ 115/EUR	80/US\$ (*4) 113/EUR	86/US\$ 115/EUR
ROE (*1)	2.1%	2.4%	4.1%	2.7%	2.8%	2.1%
ROA (*2)	1.3%	1.5%	2.5%	1.7%	1.7%	1.3%
Earnings per Share	12.9 yen	14.6 yen	25.6 yen	33.6 yen	33.6 yen	25.9 yen
Capital Expenditure	6.4	5.1	5.5	14.1	14.0	10.4
(Depreciation)	(5.9)	(5.7)	(6.1)	(12.9)	(12.3)	(12.8)
R&D Expenditure	11.1	10.8	11.0	22.5	21.6	22.4
Free Cash Flows						
Operating Activities	-2.0	-1.7	-2.2	20.9	20.5	22.6
Investing Activities	-5.3	-4.5	-8.7	-11.7	-10.4	-9.7
Total	-7.3	-6.3	-10.9	9.2	10.1	12.9
Inventories at End of Period	78.0	75.3	78.0	70.2	70.9	71.7
Number of Employees						
Japan	9,400	9,320	9,582	9,200	9,200	9,315
Overseas	19,400	19,222	17,347	19,000	19,200	17,501
Total (*3)	28,800	28,542	26,929	28,200	28,400	26,816
(Changes from the changes in the scope of consolidation)	(0)	(0)	(0)	(0)	(0)	(0)
Sales by Business Segment						
Musical Instruments	135.5 (75.1%)	132.4 (74.9%)	135.0 (73.2%)	276.0 (73.0%)	272.0 (73.7%)	271.1 (72.5%)
AV/IT	25.5 (14.1%)	25.0 (14.2%)	25.4 (13.8%)	56.5 (15.0%)	54.5 (14.8%)	57.0 (15.3%)
Electronic Devices	8.5 (4.7%)	8.1 (4.6%)	10.3 (5.6%)	22.0 (5.8%)	20.0 (5.4%)	20.6 (5.5%)
Others	11.0 (6.1%)	11.1 (6.3%)	13.6 (7.4%)	23.5 (6.2%)	22.5 (6.1%)	25.1 (6.7%)
Operating Income by Business Segment						
Musical Instruments	5.0	4.6	6.4	10.5	11.0	8.6
AV/IT	1.0	1.8	0.6	1.5	2.0	2.5
Electronic Devices	-1.0	-0.7	0.9	0	-1.0	0.5
Others	0.5	0.6	1.3	0.5	0.5	1.5

Non-Consolidated Basis

	Six Months Results Ended Sept. 30, 2011 FY2012.3	Six Months Results Ended Sept. 30, 2010 (Previous Year) FY2011.3	Results (Previous Year) FY2011.3
Net Sales	124.9	133.2	248.3
Operating Income	0.5 (0.4%)	3.8 (2.9%)	0.1 (0.0%)
Ordinary Income	3.9 (3.2%)	8.8 (6.6%)	7.9 (3.2%)
Net Income	3.1 (2.5%)	6.8 (5.1%)	3.9 (1.6%)

＊1, 2 The ROE and ROA for the interim period are calculated on an annually adjusted basis.

＊3 Number of Employees = Number of full-time staff at end of the period + Average number of temporary staff during the period

＊4 2H Currency Exchange Rates US\$=80JPY EUR=110JPY

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.