For Immediate Release

February 2, 2012

YAMAHA CORPORATION

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

■ Consolidated Performance through the Third Quarter (Nine Months)

Year-on-Year Declines in Net Sales and Income

Overall consolidated net sales through the third quarter declined ¥14.8 billion, or 5.2% from the same period of the previous fiscal year, to ¥270.6 billion, with all operating segments posting decreases in sales. This was due to a decline of ¥8.0 billion owing to foreign currency fluctuations combined with 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 Great East Japan Earthquake.

Consolidated operating income through the third quarter decreased ¥5.4 billion, or 32.8% year on year, to ¥11.0 billion. Although operating income of the AV/IT segment rose, this overall decline resulted in part from the effects of foreign currency fluctuations, which had a negative impact of ¥1.9 billion.

Along with the decline in consolidated operating income, consolidated ordinary income decreased ¥4.9 billion, or 34.1% year on year, to ¥9.5 billion, and net income fell ¥7.2 billion, or 72.7%, to ¥2.7 billion. This drop in net income was due in part to the increase in income taxes—deferred that accompanied the promulgation of a law lowering the corporate income tax rate.

■ Sales and Operating Income (Loss) by Business Segment

Musical Instruments

Sales of ¥199.5 billion (–3.1%) and Operating Income of ¥7.8 billion (–27.0%)

Sales of pianos in China and other emerging markets remained favorable and overall sales expanded. Sales of digital musical instruments were seriously affected by cutbacks in production accompanying the difficulties in procuring parts caused by the earthquake and, as a result, declined. Sales of wind instruments continued to be generally firm in all markets 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, sales decreased ¥6.4 billion, or 3.1% from the same period of the previous fiscal year, to ¥199.5 billion, and ¥6.3 billion of this decline was due to the negative impact of foreign currency fluctuations.

Operating income decreased ¥2.9 billion, or 27.0%, to ¥7.8 billion, with ¥2.1 billion of this drop caused by the negative impact of foreign currency factors.

AV/IT

Sales of ¥42.1 billion (–5.4%) and Operating Income of ¥3.8 billion (+30.4%)

In the audio products business, although sales held firm in Europe and the emerging markets, this was insufficient to make up for the decreased sales in Japan and North America, and overall sales of this segment dropped. On the other hand, sales of routers for business use and sales of commercial online karaoke equipment remained at the same levels as during the same period of the previous year.

Sales of the segment as a whole decreased ¥2.4 billion, or 5.4% year on year, to ¥42.1 billion, owing in part to the ¥1.5 billion negative impact of foreign currency fluctuations.

Operating income rose ¥0.9 billion, or 30.4% year on year, to ¥3.8 billion, owing to improvement in gross margins, reductions in costs, and other factors combined with the ¥0.3 billion positive impact of foreign currency fluctuations.

Electronic Devices

Sales of ¥11.9 billion (–22.9%) and an Operating Loss of ¥1.3 billion (compared with operating income of ¥1.1 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 ¥3.5 billion, or 22.9% year on year, to ¥11.9 billion.

Together with the decline in sales, the segment reported an operating loss of ¥1.3 billion.

Others

Sales of ¥17.1 billion (–12.6%) and Operating Income of ¥0.7 billion (–57.5%)

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 ¥2.5 billion, or 12.6% year on year, to ¥17.1 billion.

Operating income decreased ¥1.0 billion, or 57.5% year on year, to ¥0.7 billion, accompanying the drop in sales.

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

Previous Forecast Revised Downward

Yamaha’s previous forecast for consolidated performance for the full fiscal year ending March 31, 2012, which was announced on December 19, 2011, called for net sales of ¥369.0 billion, operating income of ¥12.5 billion, ordinary income of ¥10.5 billion, and net income of ¥4.0 billion.

The revised forecast this time takes account of cumulated performance through the end of the third quarter, business trends going forward, foreign currency fluctuations, and other factors. As a result, forecasts have been revised downward as follows: net sales of ¥354.0 billion, representing a decline of 5.3% from the same period of the previous fiscal year; operating income of ¥7.5 billion, a decrease of 43.0% year on year; ordinary income of ¥6.0 billion, a decline of 45.3% year on year; and net income of ¥0.0.

The reasons for this downward revision include the emergence of delays in production of digital musical instruments, even after the resolution of the difficulties in procuring parts in the wake of the Great East Japan Earthquake, and the resulting loss of sales opportunities, the outlook for a decrease in sales in the semiconductor business, an increase in the impact of foreign currency fluctuations due to further substantial appreciation of the yen, and other factors. The revision in the forecast also takes account of the impact of the flooding in Thailand on parts procurement in that country.

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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Third Quarter of FY2012.3 Performance Outline

YAMAHA CORPORATION

February 2, 2012

(billions of yen)

	Three Months Results Ended Dec. 31, 2011 FY2012.3	Three Months Results Ended Dec. 31, 2010 FY2011.3	Nine Months Results Ended Dec. 31, 2011 FY2012.3	Nine Months Results Ended Dec. 31, 2010 FY2011.3	Previous Projections (Full Year) (announced on Dec. 19, 2011) FY2012.3	Projections (Full Year) FY2012.3	Results (Previous Year) FY2011.3
Net Sales	94.0	101.1	270.6	285.4	369.0	354.0	373.9
Japan Sales	41.1 (43.7%)	45.5 (45.0%)	124.1 (45.9%)	134.3 (47.1%)	173.5 (47.0%)	166.6 (47.1%)	179.6 (48.0%)
Overseas Sales	52.9 (56.3%)	55.6 (55.0%)	146.5 (54.1%)	151.1 (52.9%)	195.5 (53.0%)	187.4 (52.9%)	194.3 (52.0%)
Operating Income	4.7 (5.0%)	7.1 (7.0%)	11.0 (4.1%)	16.3 (5.7%)	12.5 (3.4%)	7.5 (2.1%)	13.2 (3.5%)
Ordinary Income	4.1 (4.4%)	6.0 (5.9%)	9.5 (3.5%)	14.3 (5.0%)	10.5 (2.8%)	6.0 (1.7%)	11.0 (2.9%)
Net Income	-0.1 -	4.9 (4.9%)	2.7 (1.0%)	10.0 (3.5%)	4.0 (1.1%)	0 -	5.1 (1.4%)
Currency Exchange Rate (Settlement Rate) (=yen)	77/US$ 112/EUR	83/US$ 111/EUR	79/US$ 114/EUR	87/US$ 116/EUR	80/US$ 113/EUR	78/US$ (*4) 112/EUR	86/US$ 115/EUR
ROE (*1)	-0.2%	7.9%	1.6%	5.4%	1.7%	0%	2.1%
ROA (*2)	-0.1%	5.0%	1.0%	3.4%	1.0%	0%	1.3%
Earnings per share	-0.5 yen	25.1 yen	14.1 yen	50.7 yen	20.7 yen	0 yen	25.9 yen
Capital Expenditure	2.5	1.9	7.7	7.4	14.0	13.0	10.4
(Depreciation)	(3.0)	(3.2)	(8.7)	(9.4)	(12.3)	(12.0)	(12.8)
R&D Expenditure	5.6	5.6	16.4	16.6	21.6	22.3	22.4
Cash Flows							
Operating Activities	0.7	7.9	-1.1	5.7	20.5	13.2	22.6
Investing Activities	-1.7	0.3	-6.2	-8.4	-10.4	-9.6	-9.7
Total	-1.0	8.3	-7.3	-2.7	10.1	3.6	12.9
Inventories at period-end	-	-	75.3	71.4	70.9	73.5	71.7
Number of Employees							
Japan	-	-	9,204	9,470	9,200	9,200	9,315
Overseas	-	-	19,042	17,140	19,200	19,100	17,501
Total (*3) (Changes from the changes in the scope of consolidation)	-	-	28,246 (0)	26,610 (0)	28,400 (0)	28,300 (0)	26,816 (0)
Sales by Business Segment							
Musical Instruments	67.1 (71.4%)	70.8 (70.1%)	199.5 (73.7%)	205.9 (72.1%)	272.0 (73.7%)	263.0 (74.3%)	271.1 (72.5%)
AV/IT	17.1 (18.2%)	19.1 (18.9%)	42.1 (15.6%)	44.5 (15.6%)	54.5 (14.8%)	52.5 (14.8%)	57.0 (15.3%)
Electronic Devices	3.8 (4.0%)	5.2 (5.2%)	11.9 (4.4%)	15.5 (5.4%)	20.0 (5.4%)	16.5 (4.7%)	20.6 (5.5%)
Others	6.0 (6.4%)	5.9 (5.8%)	17.1 (6.3%)	19.5 (6.9%)	22.5 (6.1%)	22.0 (6.2%)	25.1 (6.7%)
Operating Income by Business Segment							
Musical Instruments	3.2	4.3	7.8	10.7	11.0	7.5	8.6
AV/IT	1.9	2.3	3.8	2.9	2.0	2.5	2.5
Electronic Devices	-0.6	0.1	-1.3	1.1	-1.0	-3.0	0.5
Others	0.2	0.4	0.7	1.7	0.5	0.5	1.5

Non-Consolidated Basis

	Three Months Results Ended Dec. 31, 2011 FY2012.3	Three Months Results Ended Dec. 31, 2010 FY2011.3	Nine Months Results Ended Dec. 31, 2011 FY2012.3	Nine Months Results Ended Dec. 31, 2010 FY2011.3	Results (Previous Year) FY2011.3
Net Sales	61.1	61.8	186.0	194.9	248.3
Operating Income	0.0 -	1.0 (1.7%)	0.5 (0.3%)	4.8 (2.5%)	0.1 (0.0%)
Ordinary Income	0.2 (0.3%)	1.6 (2.5%)	4.1 (2.2%)	10.4 (5.3%)	7.9 (3.2%)
Net Income	-2.5 -	0.9 (1.5%)	0.6 (0.3%)	7.7 (3.9%)	3.9 (1.6%)

＊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$=75JPY EUR=105JPY

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.