For Immediate Release

May 1, 2012

YAMAHA CORPORATION

Outline of Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (FY2012.3) and the Outlook for FY2013.3

■ Consolidated Performance in FY2012.3

Year-on-Year Declines in Net Sales and Operating Income

Yamaha's consolidated net sales in FY2012.3 decreased ¥17.3 billion, or 4.6% year on year, to ¥356.6 billion, with sales declining in all business segments. This was due to the adverse effect of foreign currency fluctuations, which amounted to ¥10.3 billion, combined with a number of other factors. These included difficulties in procuring parts, mainly for digital musical instruments, following the Great East Japan Earthquake, lower production and shipments in the electronic devices and others businesses accompanying production cutbacks among corporate clients, difficulties in obtaining parts because of the floods in Thailand, and other issues.

Consolidated operating income increased in the AV/IT business segment, but declined ¥5.1 billion, or 38.4% overall, to ¥8.1 billion. Factors accounting for this included the adverse impact of foreign currency fluctuations, which amounted to ¥2.7 billion. Accompanying the decrease in operating income, ordinary income decreased ¥3.7 billion, or 33.9%, to ¥7.3 billion.

As a result of a reversal of deferred tax assets, income taxes—deferred (tax expenses) increased, and Yamaha reported a net loss of ¥29.4 billion for the fiscal year (compared with net income of ¥5.1 billion in the previous fiscal year). The reversal of deferred tax assets was the result of a conservative review of the recoverability of these assets, and Yamaha and its consolidated subsidiaries in Japan, which apply consolidated tax accounting, reversed ¥32.1 billion in deferred tax assets.

■ Sales and Operating Income (Loss) by Business Segment

Musical Instruments

Sales of ¥265.1 billion (–2.2%) and Operating Income of ¥7.7 billion (–10.5%)

Sales of pianos continued to be robust in China and other emerging markets and overall sales increased. In the digital musical instruments business, sales decreased because of the loss of sales opportunities, mainly in the European and U.S. markets due to the emergence of production delays owing to difficulties in procuring parts. In the wind, string, and percussion instruments business, sales held relatively firm, and sales of guitars, in particular, expanded. Sales in the professional audio equipment business increased in China and other emerging markets. Revenues from the music school business were at almost the same level as in the previous fiscal year.

Sales of this segment as a whole were down ¥6.0 billion, or 2.2% from the previous fiscal year, to ¥265.1 billion, mainly because of the adverse impact of foreign currency fluctuations, which amounted to ¥8.0 billion.

Operating income decreased ¥0.9 billion, or 10.5%, to ¥7.7 billion, mainly because of the adverse impact of currency fluctuations, which came to ¥2.7 billion.

AV/IT

Sales of ¥53.2 billion (–6.8%) and Operating Income of ¥2.9 billion (+12.7%)

Sales of audio products expanded in the emerging markets, and performance in the Japanese and overseas markets was robust along with the introduction of new products in the front surround systems and desktop audio product lineups. However, these positive factors were not sufficient to offset the declines in sales in the Japanese, European, and U.S. markets, and overall sales of audio products decreased.

Sales of routers and conferencing systems, which are information and telecommunication equipment sold primarily in the Japanese market, expanded, but sales of commercial online karaoke equipment decreased because of deterioration in market conditions.

Sales of this segment as a whole declined ¥3.9 billion, or 6.8% from the previous fiscal year, to ¥53.2 billion, in part because of the adverse impact of foreign currency fluctuations, which amounted to ¥1.9 billion.

Operating income rose ¥0.3 billion, or 12.7%, to ¥2.9 billion, because of the positive impact of foreign currency fluctuations, which amounted to ¥0.1 billion, improvements in gross margins, cost reductions, and other factors.

Electronic Devices

Sales of ¥16.2 billion (–21.2%) and Operating Loss of ¥2.9 billion (compared with operating income of ¥0.5 billion in the previous fiscal year)

Sales in the semiconductor business decreased as the market for sound generators for mobile phones shrank, sales of graphic controllers used in amusement equipment decreased as customers for these devices cut production after the earthquake and recovery in demand thereafter was delayed, and sales of magnetic sensors (electronic compasses) for smartphones were affected by more-intense competition.

Sales of this segment as a whole declined ¥4.4 billion, or 21.2% from the previous fiscal year, to ¥16.2 billion.

This segment reported an operating loss of ¥2.9 billion owing to the decline in sales.

Others

Sales of ¥22.1 billion (–11.9%) and Operating Income of ¥0.4 billion (–70.6%)

In the automobile interior wood components business, sales decreased because of the effects of production adjustments among business customers following the earthquake. In addition, sales in the golf products, factory automation equipment, and recreation businesses decreased because of the effects of severe operating conditions.

Sales of this segment as a whole declined ¥3.0 billion, or 11.9%, from the previous fiscal year, to ¥22.1 billion.

Operating income declined ¥1.1 billion, or 70.6%, to ¥0.4 billion.

■ Outline of Nonconsolidated Performance in FY2012.3

Year-on-Year Declines in Sales and Operating Income

On a nonconsolidated basis, sales for the fiscal year ended March 31, 2012, amounted to ¥239.3 billion (–3.6%).

The operating loss was ¥4.3 billion (versus operating income of ¥0.1 billion in the previous fiscal year), and ordinary income amounted to ¥0.6 billion (–92.6%). In addition, the net loss was ¥30.4 billion (compared with net income of ¥3.9 billion for the prior year).

■ Consolidated Forecast for FY2013.3

Year-on-Year Increases in Sales and Operating Income

During FY2013.3, Yamaha is forecasting increases in sales and operating income. Factors accounting for this will be continued growth in China and other emerging markets as well as recovery in the North American market. In addition, Yamaha expects that sales—particularly of digital musical instruments, professional audio equipment, and audio products—will expand. Along with these factors, the production of digital musical instruments, which had been affected by the earthquake, and audio products, which have been adversely influenced by the floods in Thailand, is already returning to normal.

As a result of these various factors, the performance outlook for FY2013.3 is for net sales of ¥378.0 billion (＋6.0%), operating income of ¥14.5 billion (＋78.8%), ordinary income of ¥13.0 billion (＋79.2%), and net income of ¥9.0 billion (compared with a net loss of ¥29.4 billion in FY2012.3).

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 change from the previous fiscal year, except as indicated.

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FY2012.3 Performance Outline

YAMAHA CORPORATION

May 1, 2012

(billions of yen)

	Results (Previous Year) FY2011.3	Projections (announced on Feb. 2, 2012) FY2012.3	Results FY2012.3	Projections (Full Year) FY2013.3	Projections (Interim Period) Apr. 1, 2012-Sept. 30, 2012 FY2013.3
Net Sales	373.9	354.0	356.6	378.0	182.5
Japan Sales	179.6 (48.0%)	166.6 (47.1%)	167.1 (46.9%)	177.1 (46.9%)	87.1 (47.7%)
Overseas Sales	194.3 (52.0%)	187.4 (52.9%)	189.5 (53.1%)	200.9 (53.1%)	95.4 (52.3%)
Operating Income	13.2 (3.5%)	7.5 (2.1%)	8.1 (2.3%)	14.5 (3.8%)	8.0 (4.4%)
Ordinary Income	11.0 (2.9%)	6.0 (1.7%)	7.3 (2.0%)	13.0 (3.4%)	7.0 (3.8%)
Net Income	5.1 (1.4%)	0 -	-29.4 -	9.0 (2.4%)	5.5 (3.0%)
Currency Exchange Rate (Settlement Rate) (=yen)	86/US$ 115/EUR	78/US$ 112/EUR	79/US$ 112/EUR	75/US$ 105/EUR	75/US$ 105/EUR
ROE	2.1%	0%	-13.2%	4.4%	5.4% (*1)
ROA	1.3%	0%	-7.8%	2.4%	2.9% (*2)
Earnings per Share	25.9 yen	0 yen	-151.7 yen	46.5 yen	28.4 yen
Capital Expenditure	10.4	13.0	11.3	15.2	9.4
(Depreciation)	(12.8)	(12.0)	(12.0)	(12.7)	(5.9)
R&D Expenditure	22.4	22.3	22.8	22.4	11.3
Cash Flows					
Operating Activities	22.6	13.2	10.9	21.5	-4.8
Investing Activities	-9.7	-9.6	-9.0	-16.7	-9.9
Total	12.9	3.6	1.9	4.8	-14.7
Inventories at End of Period	71.7	73.5	77.1	71.5	81.5
Number of Employees					
Japan	9,315	9,200	9,085	9,400	9,500
Overseas	17,501	19,100	19,106	19,400	20,500
Total (*3)	26,816	28,300	28,191	28,800	30,000
(Changes from the changes in the scope of consolidation)	(0)	(0)	(0)	(200)	(200)
Sales by Business Segment					
Musical Instruments	271.1 (72.5%)	263.0 (74.3%)	265.1 (74.3%)	280.0 (74.0%)	137.0 (75.1%)
AV/IT	57.0 (15.3%)	52.5 (14.8%)	53.2 (14.9%)	55.0 (14.6%)	25.0 (13.7%)
Electronic Devices	20.6 (5.5%)	16.5 (4.7%)	16.2 (4.6%)	17.0 (4.5%)	7.5 (4.1%)
Others	25.1 (6.7%)	22.0 (6.2%)	22.1 (6.2%)	26.0 (6.9%)	13.0 (7.1%)
Operating Income by Business Segment					
Musical Instruments	8.6	7.5	7.7	13.0	7.0
AV/IT	2.5	2.5	2.9	3.0	1.5
Electronic Devices	0.5	-3.0	-2.9	-2.0	-1.0
Others	1.5	0.5	0.4	0.5	0.5

Non-Consolidated Basis

	FY2011.3 Results		FY2012.3 Results
Net Sales	248.3		239.3
Operating Income	0.1 (0.0%)		-4.3 -
Ordinary Income	7.9 (3.2%)		0.6 (0.3%)
Net Income	3.9 (1.6%)		-30.4 -

＊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 the period + Average number of temporary staff during the period