

July 31, 2012

YAMAHA CORPORATION

**Outline of the Consolidated Financial Results for the First Quarter
(Three Months) of the Fiscal Year Ending March 31, 2013 (FY2013.3)
and Outlook for Performance for the Full Fiscal Year**

■ **Consolidated Performance for the First Quarter (Three Months)**

Year-on-Year Increases in Net Sales and Income

Consolidated net sales for the first quarter of FY2013.3 increased from the same period of the previous year in all segments except AV/IT. After the exclusion of the effects of foreign currency fluctuations, sales in the AV/IT segment also increased. While foreign currency fluctuations reduced the value of sales by ¥3.1 billion, sales of the musical instruments and AV/IT business overseas were generally strong, and overall sales rose ¥2.1 billion, or 2.4% year on year, to ¥90.0 billion.

Consolidated operating income for the first quarter rose ¥1.1 billion, or 37.0% year on year, to ¥4.3 billion. Although foreign currency fluctuations reduced operating income by ¥1.1 billion, operating income in all segments, except electronic devices, increased.

Along with the increase in operating income, consolidated ordinary income rose ¥1.0 billion, or 37.2% over the same period of the previous year, to ¥3.8 billion, and net income for the quarter rose ¥2.1 billion, or 421.9%, to ¥2.6 billion.

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

Musical Instruments

Sales of ¥67.3 billion (+1.0%) and Operating Income of ¥3.6 billion (+39.7%)

Sales of piano in China continued to be favorable, but conditions in North America remained difficult, and overall piano sales decreased. In the digital musical instruments business, sales expanded in China and other emerging countries, and overall sales increased. Although sales of wind instruments rose in North America and China, in total they remained at about the same level as in the same period of the previous fiscal year.

Among string and percussion instruments, sales expanded principally in the guitar business, and overall sales grew. In the professional audio equipment business, while sales through the musical instrument store channel were robust, the markets for professional audio equipment in North America and Europe did not recover, and overall sales in this business declined. Compared with the same period of the previous fiscal year, sales of this segment as a whole rose ¥0.7 billion, or 1.0%, to ¥67.3 billion, despite a reduction in sales of ¥2.5 billion due to foreign currency fluctuations.

Operating income rose ¥1.0 billion, or 39.7% year on year, to ¥3.6 billion, even though foreign currency fluctuations had an adverse impact of ¥0.9 billion.

AV/IT

Sales of ¥12.0 billion (-2.8%) and Operating Income of ¥0.6 billion (+5.1%)

In the audio products business, although sales expanded in North America, they declined slightly overall. Sales of commercial online karaoke equipment decreased, but sales of information and telecommunication equipment, such as routers and conferencing systems, expanded in Japan. Compared with the same period of the previous fiscal year, sales of this segment as a whole were down ¥0.3 billion, or 2.8%, to ¥12.0 billion, because of a reduction in sales of ¥0.6 billion due to foreign currency fluctuations.

Operating income rose slightly to ¥0.6 billion year on year, despite an adverse impact of foreign currency fluctuations of ¥0.1 billion, because of improvement in gross margins, reductions in expenses, and other factors.

Electronic Devices

Sales of ¥3.9 billion (+2.0%) and an Operating Loss of ¥0.6 billion (compared with an operating loss of ¥0.3 billion in the same period of the previous fiscal year)

In the semiconductor business, even as demand for sound generator LSIs for mobile phones continued to decline along with the shift from mobile phones to smartphones, there were signs of recovery in the demand for graphic controllers used in amusement equipment, and sales overall expanded. Sales for this segment as a whole increased ¥0.1 billion, or 2.0%, to ¥3.9 billion.

As a result of growing competition in the magnetic sensor (electronic compass) market, gross profit declined, and this segment reported an operating loss of ¥0.6 billion (compared with an operating loss of ¥0.3 billion in the same period of the previous fiscal year).

Others

Sales of ¥6.8 billion (+32.8%) and Operating Income of ¥0.6 billion (+113.8%)

Sales of automobile interior wood components rose substantially, in part because of the recovery from the production adjustments by manufacturing customers caused by the Great East Japan Earthquake in 2011. In golf products business, sales decreased because of more-intense competition in the Japanese market and lackluster conditions in overseas markets. Sales of factory automation (FA) equipment to China and other emerging markets rose while sales of the recreation businesses in Japan also posted a slight rise. As a consequence, sales of this segment as a whole rose ¥1.7 billion, or 32.8%, to ¥6.8 billion.

Operating income expanded ¥0.3 billion, or 113.8% year on year, to ¥0.6 billion.

■ Consolidated Forecast for the Full Fiscal Year (FY2013.3)

Forecast for Net Sales and Net Income Revised Downward

The Company's previous forecast, announced on May 1, 2012, for consolidated performance for the full fiscal year ending March 31, 2013 called for net sales of ¥378.0 billion (+6.0% year on year), 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 the previous fiscal year).

The Company has revised the forecast for net sales to ¥375.0 billion (+5.2%) as a result of taking account of performance for the first quarter, business trends going forward, foreign currency fluctuations, and other factors. However, the forecasts for operating income and ordinary income, ¥14.5 billion (+78.8%) and ¥13.0 billion (+79.2%) respectively, have not been revised. Nevertheless, the forecast for net income has been revised to ¥7.5 billion (versus a net loss of ¥29.4 billion in the previous fiscal year), because of the reporting of an extraordinary loss amounting to ¥1.7 billion in connection with business structural reforms.

Please note that the positive effects of business structural reforms are expected to emerge during the fiscal year ending March 31, 2014.

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

First Quarter of FY2013.3 Performance Outline

YAMAHA CORPORATION

July 31, 2012

(billions of yen)

	1Q Projections (announced on May 1, 2012)	1Q Results	1Q Results (Previous Year)	Initial Projections (Full Year) (announced on May 1, 2012)	Projections (Full Year)	Results (Previous Year)
	FY2013.3	FY2013.3	FY2012.3	FY2013.3	FY2013.3	FY2012.3
Net Sales	89.0	90.0	87.9	378.0	375.0	356.6
Japan Sales	45.8 (51.5%)	45.4 (50.4%)	43.6 (49.6%)	177.1 (46.9%)	173.3 (46.2%)	167.1 (46.9%)
Overseas Sales	43.2 (48.5%)	44.6 (49.6%)	44.3 (50.4%)	200.9 (53.1%)	201.7 (53.8%)	189.5 (53.1%)
Operating Income	2.0 (2.2%)	4.3 (4.7%)	3.1 (3.5%)	14.5 (3.8%)	14.5 (3.9%)	8.1 (2.3%)
Ordinary Income	1.5 (1.7%)	3.8 (4.2%)	2.8 (3.1%)	13.0 (3.4%)	13.0 (3.5%)	7.3 (2.0%)
Net Income	1.5 (1.7%)	2.6 (2.9%)	0.5 (0.6%)	9.0 (2.4%)	7.5 (2.0%)	-29.4 -
Currency Exchange Rate (Settlement Rate) (=yen)	75/US\$ 105/EUR	81/US\$ 106/EUR	82/US\$ 114/EUR	75/US\$ 105/EUR	78/US\$ (*4) 101/EUR	79/US\$ 112/EUR
ROE (*1)	2.9%	5.4%	0.8%	4.4%	3.8%	-13.2%
ROA (*2)	1.6%	3.0%	0.5%	2.4%	2.1%	-7.8%
Earnings per Share	7.7 yen	13.6 yen	2.6 yen	46.5 yen	38.7 yen	-151.7 yen
Capital Expenditures (Depreciation Expenses)	5.2 (2.9)	2.6 (2.6)	1.8 (2.8)	15.2 (12.7)	15.7 (12.1)	11.3 (12.0)
R&D Expenses	5.8	5.6	5.5	22.4	22.6	22.8
Cash Flows						
Operating Activities	-10.1	-3.4	-1.6	21.5	19.7	10.9
Investing Activities	-5.7	-3.8	-2.0	-16.7	-14.3	-9.0
Total	-15.8	-7.2	-3.7	4.8	5.4	1.9
Inventories at End of Period	79.3	79.9	76.1	71.5	70.9	77.1
Number of Employees						
Japan	7,700	7,629	7,750	7,600	7,500	7,443
Overseas	12,600	12,346	11,878	12,900	12,800	12,251
Total (*3) (Changes from the changes in the scope of consolidation)	20,300 (170)	19,975 (171)	19,628 (0)	20,500 (170)	20,300 (170)	19,694 (0)
Temporary Staff (average during the period)	9,100	8,770	8,490	8,300	8,300	8,497
Sales by Business Segment						
Musical Instruments	67.5 (75.9%)	67.3 (74.7%)	66.6 (75.8%)	280.0 (74.0%)	278.0 (74.1%)	265.1 (74.3%)
AV/IT	12.0 (13.5%)	12.0 (13.4%)	12.4 (14.1%)	55.0 (14.6%)	55.0 (14.7%)	53.2 (14.9%)
Electronic Devices	3.5 (3.9%)	3.9 (4.3%)	3.8 (4.3%)	17.0 (4.5%)	17.0 (4.5%)	16.2 (4.6%)
Others	6.0 (6.7%)	6.8 (7.6%)	5.1 (5.8%)	26.0 (6.9%)	25.0 (6.7%)	22.1 (6.2%)
Operating Income by Business Segment						
Musical Instruments	2.1	3.6	2.6	13.0	13.0	7.7
AV/IT	0.5	0.6	0.6	3.0	3.0	2.9
Electronic Devices	-0.8	-0.6	-0.3	-2.0	-2.0	-2.9
Others	0.2	0.6	0.3	0.5	0.5	0.4

Non-Consolidated Basis

Net Sales	63.6	63.2	239.3
Operating Income	2.0 (3.1%)	0.4 (0.6%)	-4.3 -
Ordinary Income	5.5 (8.7%)	1.6 (2.5%)	0.6 (0.3%)
Net Income	5.4 (8.4%)	0.4 (0.6%)	-30.4 -

* 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

* 4 2Q-4Q currency exchange rates US\$1=JPY77, EUR1=JPY100

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.