

YAMAHA CORPORATION

Flash Report Consolidated Basis (Japanese GAAP) Results for the First Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012—June 30, 2012)

July 31, 2012

Company name: YAMAHA CORPORATION
(URL <http://www.yamaha.com>)

Code number: 7951

Stock listing: Tokyo Stock Exchange (First Section)

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Scheduled date to submit Quarterly Securities Report: August 10, 2012

Scheduled date to begin dividend payments: —

Supplementary materials to the quarterly financial statements have been prepared: Yes

Presentation will be held to explain the quarterly financial statements: Yes (for securities analysts and institutional investors)

1. Results for the First Quarter of FY2013.3 (April 1, 2012—June 30, 2012)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results (Accumulation)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year
First quarter of FY2013.3	¥90,028	2.4%	¥4,251	37.0%	¥3,792	37.2%
First quarter of FY2012.3	¥87,928	(3.3)%	¥3,103	(39.8)%	¥2,765	(43.1)%

Note: Comprehensive income: **First quarter of FY2013.3 ¥(13,098) million (—%)** First quarter of FY2012.3 ¥(234) million (—%)

	Net income		Net income per share	Net income per share after full dilution
	Millions of yen	% change from the previous year	Yen	Yen
First quarter of FY2013.3	¥2,631	421.9%	¥13.59	—
First quarter of FY2012.3	¥504	(77.2)%	¥2.60	—

(2) Consolidated Financial Data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First quarter of FY2013.3 (As of June 30, 2012)	¥344,083	¥192,684	55.1%	¥979.54
FY2012.3 (As of March 31, 2012)	¥366,610	¥206,832	55.6%	¥1,052.01

(For reference) Shareholders' equity: **First quarter of FY2013.3 ¥189,681 million** FY2012.3 ¥203,713 million

2. Dividends

	Dividends applicable to the fiscal year				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
FY2012.3	—	¥5.00	—	¥5.00	¥10.00
FY2013.3	—				
FY2013.3 (Forecast)		¥5.00	—	¥5.00	¥10.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2013.3 (April 1, 2012—March 31, 2013)

(Percentage figures for the full fiscal year are changes from the previous year, and those for the second quarter accumulation are changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year	Millions of yen	% change from the previous year
Second quarter accumulation of FY2013.3	¥182,500	3.3%	¥8,500	34.9%	¥7,500	40.7%
FY2013.3	¥375,000	5.2%	¥14,500	78.8%	¥13,000	79.2%

	Net income		Net income per share
	Millions of yen	% change from the previous year	Yen
Second quarter accumulation of FY2013.3	¥6,000	112.9%	¥30.98
FY2013.3	¥7,500	—	¥38.73

Note: Revisions from recently announced performance forecast: Yes

Footnote Items

- (1) Changes in the state of material subsidiaries during the period (Changes regarding significant companies accompanying changes in the scope of consolidation): None
- (2) The application of special accounting treatment for the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
 - (a) Changes in accounting principles accompanying revisions in accounting standards: Yes
 - (b) Changes other than those in (a) above: None
 - (c) Changes in accounting estimates: Yes
 - (d) Changes in presentation due to revisions: None

Note: The Company has changed its method of depreciation beginning with the first quarter of FY2013.3. This change corresponds to “instances where it is difficult to distinguish between changes in accounting principles and changes in accounting estimates.” For more detailed information, please refer to the section “Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions” in “1. Summary Information (Footnote Item)” on page 3.

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)	First quarter of FY2013.3	197,255,025 shares	FY2012.3	197,255,025 shares
(b) Number of treasury stock at the end of the period	First quarter of FY2013.3	3,612,451 shares	FY2012.3	3,612,338 shares
(c) Average number of shares issued during the period (quarterly accumulation period)	First quarter of FY2013.3	193,642,646 shares	First quarter of FY2012.3	193,643,501 shares

Status of Performance of Quarterly Review Procedures

This quarterly flash report is exempt from the quarterly review procedures based on Japan's Financial Instruments and Exchange Law. At the time when this quarterly flash report was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed.

Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

Consolidated financial forecasts were prepared based on information available at the time of the announcement. Actual consolidated performance may differ from forecasts owing to a wide range of factors.

For commentary information regarding the closing of accounts for the first quarter of the current fiscal year, please refer to “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,” which was released today (July 31, 2012).

Revisions in the Consolidated Financial Forecasts

Taking account of the Company's performance in the first quarter, business trends going forward, foreign currency fluctuations, and other factors, the Company has revised certain of its forecasts. In the forecast for consolidated performance through the second quarter, the outlook for net sales remains unchanged at ¥182.5 billion, but the forecast for operating income has been revised to ¥8.5 billion, ordinary income to ¥7.5 billion, and net income to ¥6.0 billion. For the full fiscal year ending March 31, 2013, the revised forecast calls for net sales of ¥375.0 billion. The forecasts for operating income and ordinary income, ¥14.5 billion and ¥13.0 billion, respectively, have not been revised. However, the outlook for net income has been revised to ¥7.5 billion because of the reporting of an extraordinary loss amounting to ¥1.7 billion in connection with business structural reforms.

The materials to be distributed for this earnings presentation will be posted on the Company's website immediately after the presentation is concluded.

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1. Summary Information (Footnote Item)

Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions

(Changes in Accounting Principles, Etc.)

Changes in accounting principles that are difficult to classify from the changes in accounting estimates

Beginning in the first quarter of FY2013.3, accompanying revisions in the corporate tax law, the Company and its domestic consolidated subsidiaries have changed their method(s) of depreciation for tangible fixed assets acquired on or after April 1, 2012, based on the corporate tax law after revisions.

Please note that effects of these changes on consolidated income (loss) and segment information in the consolidated financial statements accumulated through the end of the first quarter were not material.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	First quarter of FY2013.3 (as of June 30, 2012)	FY2012.3 (as of March 31, 2012)
ASSETS		
Current assets		
Cash and deposits	¥ 48,186	¥ 52,103
Notes and accounts receivable—trade	45,887	45,634
Short-term investment securities	260	4,699
Merchandise and finished goods	53,410	51,452
Work in process	14,969	13,771
Raw materials and supplies	11,507	11,922
Other	10,327	10,534
Allowance for doubtful accounts	(986)	(1,165)
Total current assets	183,562	188,952
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	35,814	36,695
Machinery, equipment and vehicles, net	11,272	11,475
Tools, furniture and fixtures, net	7,922	7,826
Land	48,889	48,853
Lease assets, net	254	250
Construction in progress	1,473	1,757
Total property, plant and equipment	105,627	106,858
Intangible assets	2,635	2,685
Investments and other assets		
Investment securities	45,633	61,690
Other	7,203	7,163
Allowance for doubtful accounts	(578)	(739)
Total investments and other assets	52,258	68,114
Total noncurrent assets	160,521	177,658
Total assets	¥344,083	¥366,610

(Millions of yen)

	First quarter of FY2013.3 (as of June 30, 2012)	FY2012.3 (as of March 31, 2012)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	¥ 23,009	¥ 22,263
Short-term loans payable	12,068	9,883
Current portion of long-term loans payable	127	912
Accounts payable—other and accrued expenses	22,846	29,407
Income taxes payable	1,741	1,931
Provision	2,716	2,940
Other	6,600	5,492
Total current liabilities	69,110	72,829
Noncurrent liabilities		
Long-term loans payable	640	499
Provision for retirement benefits	42,125	41,479
Other	39,522	44,969
Total noncurrent liabilities	82,289	86,948
Total liabilities	151,399	159,778
NET ASSETS		
Shareholders' equity		
Capital stock	28,534	28,534
Capital surplus	40,054	40,054
Retained earnings	139,829	138,152
Treasury stock	(3,690)	(3,690)
Total shareholders' equity	204,727	203,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,791	27,337
Deferred gains or losses on hedges	331	(367)
Revaluation reserve for land	17,304	17,304
Foreign currency translation adjustment	(49,473)	(43,611)
Total accumulated other comprehensive income	(15,046)	662
Minority interests	3,002	3,118
Total net assets	192,684	206,832
Total liabilities and net assets	¥344,083	¥366,610

Note: Figures of less than ¥1 million have been omitted.

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

(Millions of yen)

	First quarter of FY2013.3 (April 1, 2012–June 30, 2012)	First quarter of FY2012.3 (April 1, 2011–June 30, 2011)
Net sales	¥90,028	¥87,928
Cost of sales	57,071	55,696
Gross profit	32,957	32,231
Selling, general and administrative expenses	28,706	29,127
Operating income	4,251	3,103
Non-operating income		
Interest income	98	116
Dividends income	230	287
Other	179	181
Total non-operating income	507	585
Non-operating expenses		
Sales discounts	436	492
Foreign exchange losses	354	242
Other	175	188
Total non-operating expenses	966	923
Ordinary income	3,792	2,765
Extraordinary income		
Gain on sales of noncurrent assets	17	24
Total extraordinary income	17	24
Extraordinary losses		
Loss on retirement of noncurrent assets	24	54
Loss on valuation of investment securities	28	79
Loss on valuation of investments in capital of subsidiaries and affiliates	62	—
Other	—	39
Total extraordinary losses	114	172
Income before income taxes and minority interests	3,695	2,617
Income taxes—current	979	796
Income taxes—deferred	(17)	1,268
Total income taxes	962	2,065
Income before minority interests	2,733	552
Minority interests in income	102	48
Net income	¥ 2,631	¥ 504

Note: Figures of less than ¥1 million have been omitted.

Consolidated Statements of Comprehensive Income

(Millions of yen)

	First quarter of FY2013.3 (April 1, 2012–June 30, 2012)	First quarter of FY2012.3 (April 1, 2011–June 30, 2011)
Income before minority interests	¥ 2,733	¥ 552
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,543)	617
Deferred gains on hedges	698	239
Foreign currency translation adjustments	(5,986)	(1,643)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(15,832)	(786)
Comprehensive income	(13,098)	(234)
(Composition)		
Comprehensive income attributable to owners of the parent	(13,076)	(240)
Comprehensive income attributable to minority shareholders	¥ (22)	¥ 6

Note: Figures of less than ¥1 million have been omitted.

(3) Notes Regarding Assumptions as a Going Concern

None

(4) Segment Information, Etc.**(Segment Information)****First quarter of FY2013.3 (April 1, 2012—June 30, 2012)****Sales and Income (Loss) by Reporting Segment**

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥67,296	¥12,037	¥3,860	¥6,834	¥90,028		¥90,028
Intersegment sales or transfers			211		211	¥(211)	
Total sales	¥67,296	¥12,037	¥4,071	¥6,834	¥90,240	¥(211)	¥90,028
Segment income (loss)	¥ 3,626	¥ 586	¥ (589)	¥ 627	¥ 4,251		¥ 4,251

Notes: 1. The item “Adjustments” contains the following:

The sales adjustment item of ¥(211) million, which comprises eliminations of transactions among the Company’s business segments

2. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.

First quarter of FY2012.3 (April 1, 2011—June 30, 2011)**Sales and Income (Loss) by Reporting Segment**

(Millions of yen)

	Musical instruments	AV/IT	Electronic devices	Others	Total	Adjustments	Consolidated
Sales to external customers	¥66,615	¥12,379	¥3,786	¥5,147	¥87,928		¥87,928
Intersegment sales or transfers			253		253	¥(253)	
Total sales	¥66,615	¥12,379	¥4,039	¥5,147	¥88,182	¥(253)	¥87,928
Segment income (loss)	¥ 2,595	¥ 557	¥ (343)	¥ 293	¥ 3,103		¥ 3,103

Notes: 1. The item “Adjustments” contains the following:

The sales adjustment item of ¥(253) million, which comprises eliminations of transactions among the Company’s business segments

2. “Segment income (loss)” means the operating income (loss) of the segment as presented in the Consolidated Statements of Operations.

Reference Information
(Sales Information Based on the Geographical Location of the Customers)

First quarter of FY2013.3 (April 1, 2012—June 30, 2012)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Overseas sales	¥45,398	¥11,692	¥13,095	¥19,841	¥44,630	¥90,028
% of net sales	50.4%	13.0%	14.6%	22.0%	49.6%	100.0%

Notes: 1. Sales information is based on the geographical location of customers, and it is classified by country or region.

2. Main countries and regional divisions other than Japan:

North America: U.S.A., Canada

Europe: Germany, France, U.K.

Asia, Oceania, and other areas: People's Republic of China, Republic of Korea, Australia

First quarter of FY2012.3 (April 1, 2011—June 30, 2011)

(Millions of yen)

	Japan	Overseas				Consolidated
		North America	Europe	Asia, Oceania, and other areas	Total	
Overseas sales	¥43,638	¥11,124	¥14,449	¥18,716	¥44,290	¥87,928
% of net sales	49.6%	12.7%	16.4%	21.3%	50.4%	100.0%

Notes: 1. Sales information is based on the geographical location of customers, and it is classified by country or region.

2. Main countries and regional divisions other than Japan:

North America: U.S.A., Canada

Europe: Germany, France, U.K.

Asia, Oceania, and other areas: People's Republic of China, Republic of Korea, Australia

(Sales Information Based on Group Locations Where Sales Take Place)

First quarter of FY2013.3 (April 1, 2012—June 30, 2012)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥48,530	¥11,588	¥13,055	¥16,854	¥ 90,028		¥90,028
Intersegment sales or transfers	31,901	154	269	17,746	50,071	(50,071)	
Total sales	¥80,431	¥11,743	¥13,325	¥34,600	¥140,100	¥(50,071)	¥90,028
Segment income	¥ 2,391	¥ 349	¥ 107	¥ 2,331	¥ 5,179	¥ (928)	¥ 4,251

Notes: 1. Sales information is based on Group locations where sales take place and it is classified by country or region.

2. Main countries and regional divisions other than Japan:

This classification is the same as the one for “Sales Information Based on the Geographical Location of the Customers.”

3. The item “Adjustments” contains the following:

The sales adjustment item of ¥(50,071) million, which comprises eliminations of transactions among the Company’s business segments

4. “Segment income” means the operating income of the segment as presented in the Consolidated Statements of Operations.

First quarter of FY2012.3 (April 1, 2011—June 30, 2011)

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania, and other areas	Total	Adjustments	Consolidated
Sales to external customers	¥46,480	¥11,044	¥14,452	¥15,951	¥ 87,928		¥87,928
Intersegment sales or transfers	30,522	147	401	15,229	46,300	(46,300)	
Total sales	¥77,002	¥11,191	¥14,853	¥31,181	¥134,228	¥(46,300)	¥87,928
Segment income	¥ 573	¥ 204	¥ 22	¥ 2,112	¥ 2,913	¥ 190	¥ 3,103

Notes: 1. Sales information is based on Group locations where sales take place and it is classified by country or region.

2. Main countries and regional divisions other than Japan:

This classification is the same as the one for “Sales Information Based on the Geographical Location of the Customers.”

3. The item “Adjustments” contains the following:

The sales adjustment item of ¥(46,300) million, which comprises eliminations of transactions among the Company’s business segments

4. “Segment income” means the operating income of the segment as presented in the Consolidated Statements of Operations.

(5) Notes Regarding Any Major Change in the Amount of Consolidated Shareholders’ Equity

None